Alumina Limited

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Key themes

Industry context improving
 	
• Demand pull
• Cost push
• Competitive advantage
	• Strong demand growth – 8% CAGR over medium term
	• Refining capacity issues in medium term
	    • China: Declining domestic bauxite grades
	    Cost and availability of imported bauxite
	    • RoW: Long construction lead times, lack of financial incentive
	    Insufficient investable capacity options
	• Basis of competition shifting to bauxite ownership

AWAC's leading position	• 16% of global production near lowest quartile of cost • Abundant bauxite resources • Long life, large scale, low cost refineries
AWAC strategy delivering	• De-link alumina pricing: over 80% by 2016 • Further improve cost position: down to 21st percentile by 2016
Alumina Limited leverage	• Unique pure investment in upstream • Well positioned for future recovery in pricing • Strong capital structure

Part 1:
Industry themes

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Demand for metallurgical alumina

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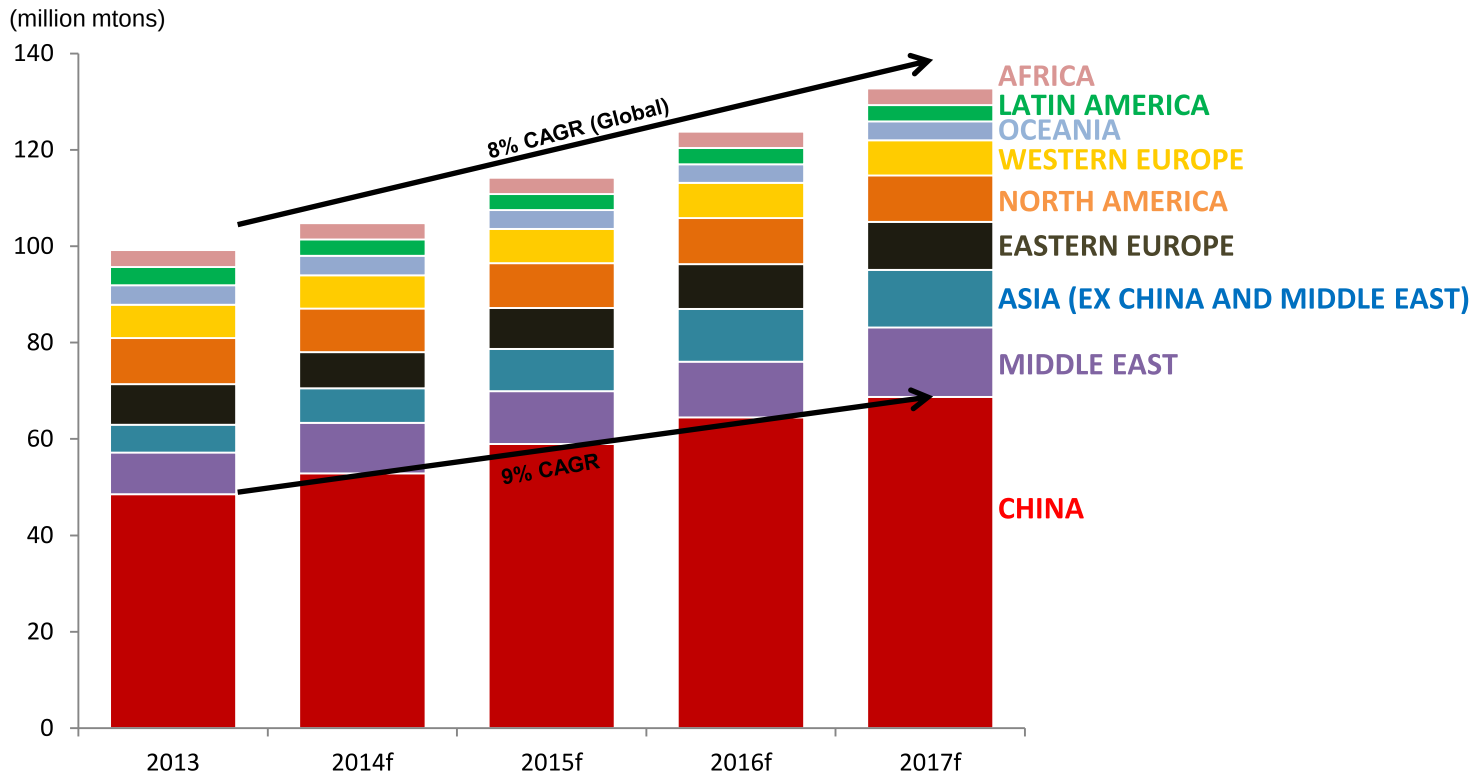
Emerging markets & light-weighting of vehicles driving growth



Growth requires additional ~80m tonnes per annum of bauxite by 2017[1]

Chart: Harbor Aluminium, April 2014

[1] Alumina Limited estimate based on average 2.5 tonnes of bauxite per tonne of alumina

Global bauxite economic reserves

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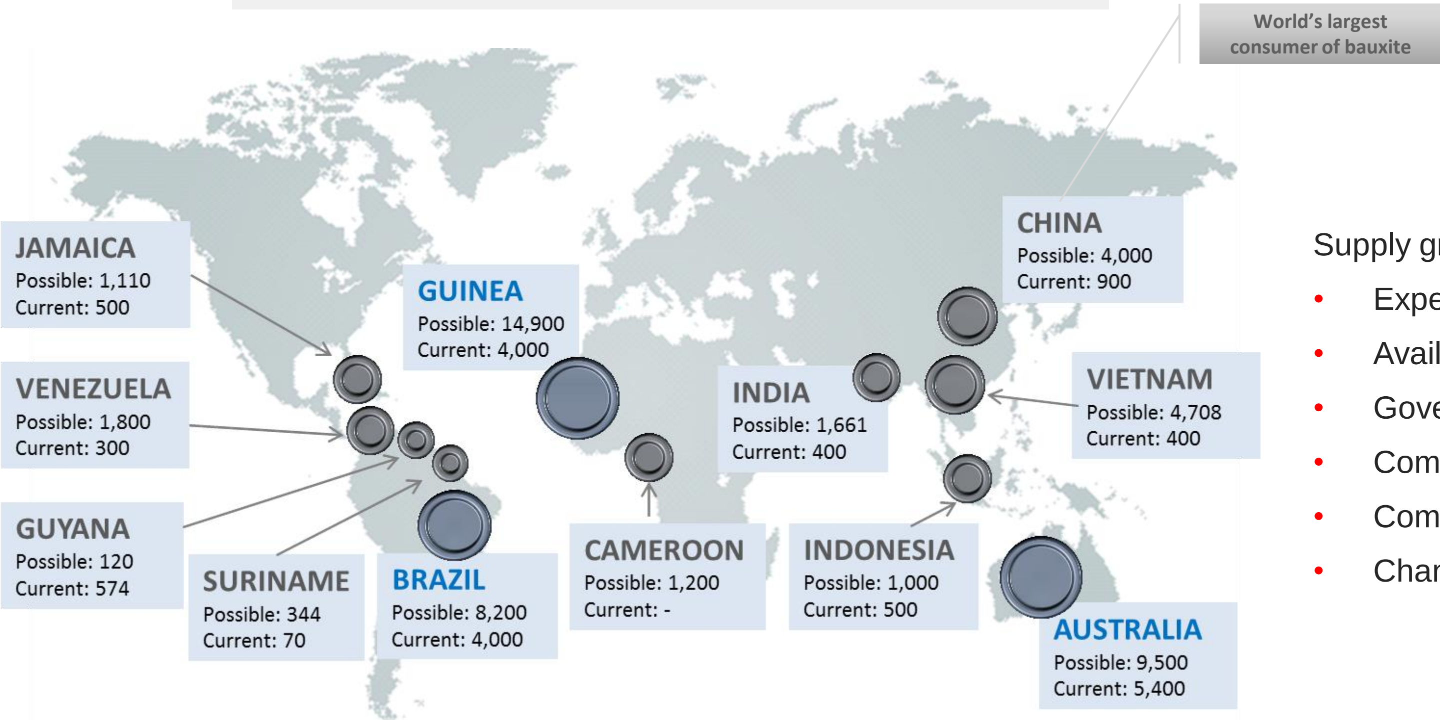
Significant deposits exist but uncertainty if sufficient new supply will be developed

Bauxite Reserves – Selected Countries (million tonnes)



Supply growth likely to be limited by

- Expected investment returns
- Available infrastructure or its cost
- Government approvals
- Community challenges
- Competing uses of land
- Changing mining codes & taxes

Customers will consider "value in use"

Chart: HARBOR Intelligence, May 2014

Bauxite demand and supply

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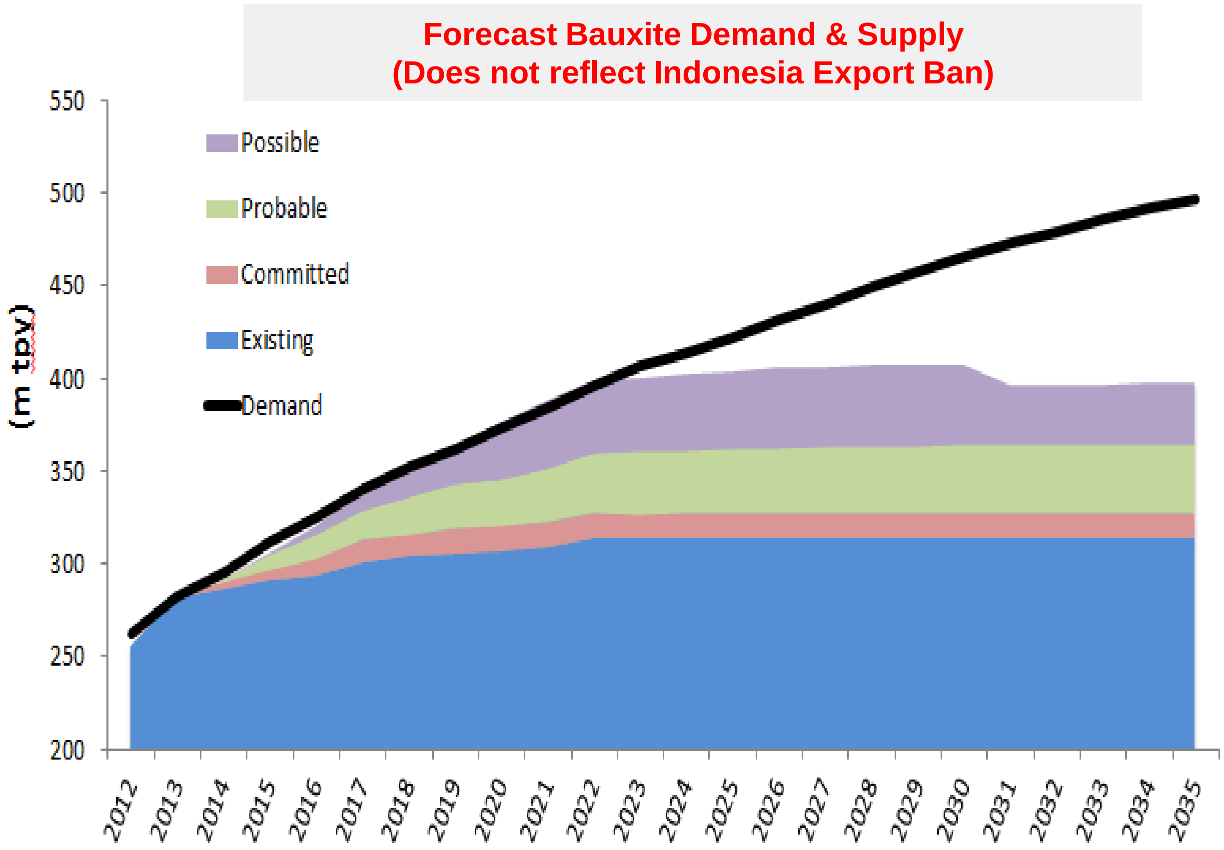
Potential supply shortfall emerging from 2015



- Most production within Pacific but facing challenges
  - China – allocation & quality
  - India – community & government
  - Vietnam – bauxite export ban & infrastructure
  - Indonesia – bauxite export ban
- Other significant contributors likely to include
  - Guinea
  - Australia
  - LAC
- Indonesia reduced from 2013 levels following China stockpiling and ban

China is largest consumer of bauxite and facing rising cost for the ore

Source: Bauxite demand and supply, 2012 to 2035 , CRU's Bauxite Long Term Market Outlook, 2013 edition

China bauxite imports

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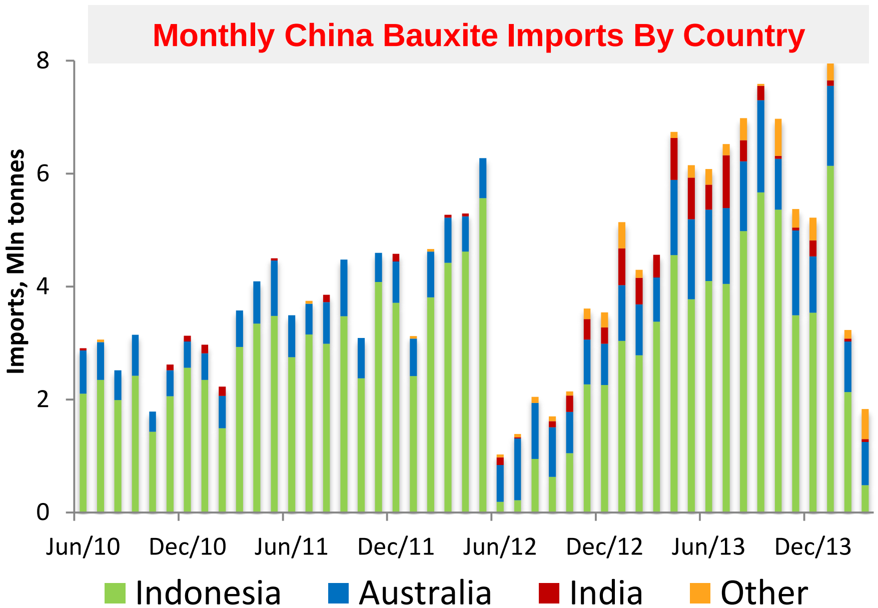
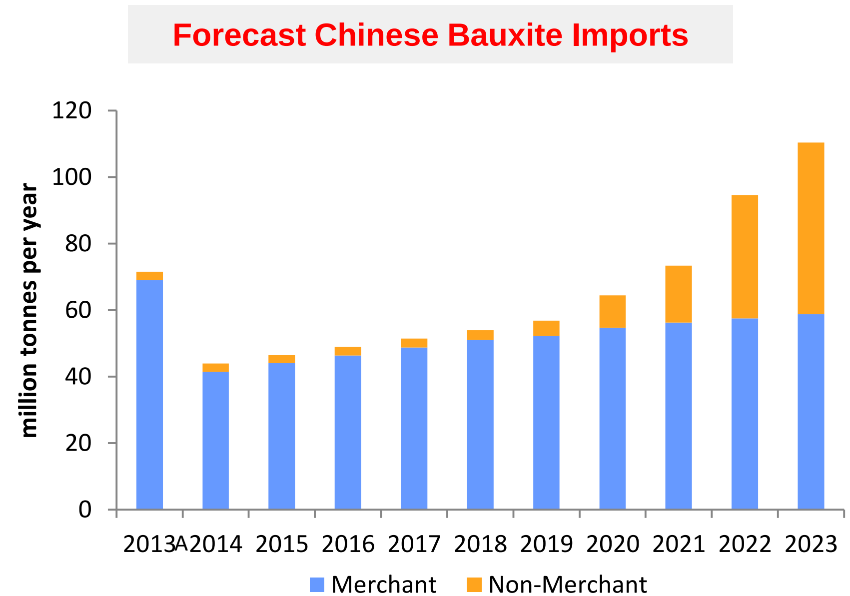
Depleting domestic reserves forecast to drive significant import growth





- Stockpiles built leading up to Indonesia ban
- Indonesia ban represents a short term challenge
- Challenge may be a longer term one as well
  - if a ban remains as demand keeps growing
  - as most accessible resource is depleted

- Refineries with stockpiles still have a ongoing need
- Domestic allocation & quality issues adding to imports
- Significant implications re future bauxite supply &/or cost
  - Indonesia replacement not immediately available
  - other regions/countries growing consumption

Longer term challenge for new sources looming beyond Indonesia export ban

Charts: CM Group, April 2014

China bauxite costs

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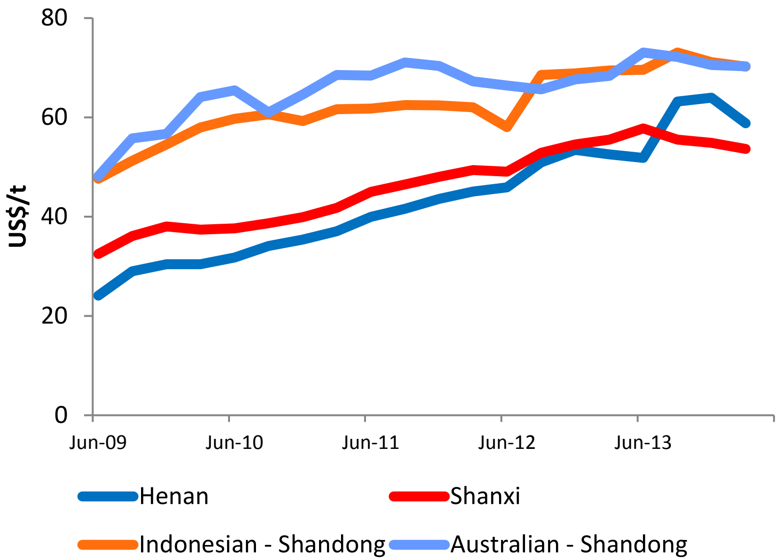
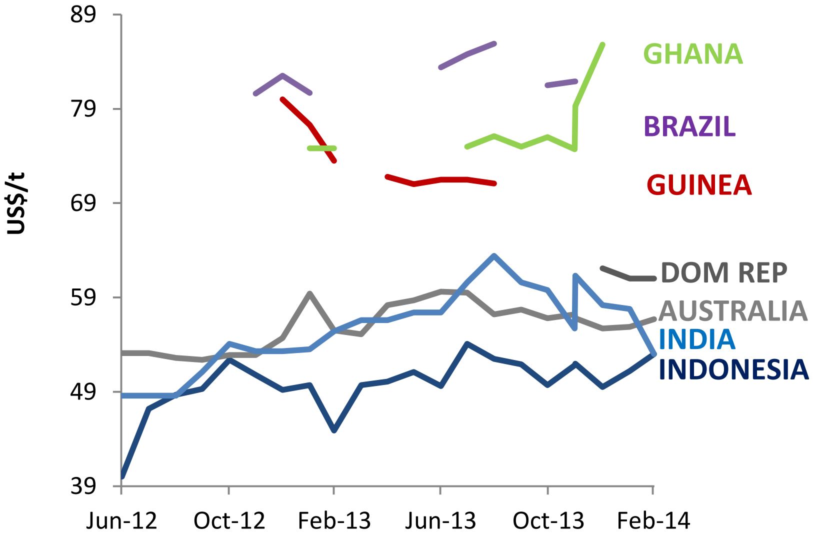
China's costs of both domestic and imported bauxite have been rising

Value in use adjusted bauxite



- VIU reflects grade, logistics & processing costs
- Prices increasing as demand rises
- Prices rising faster than costs to mine

Landed cost of imported bauxite



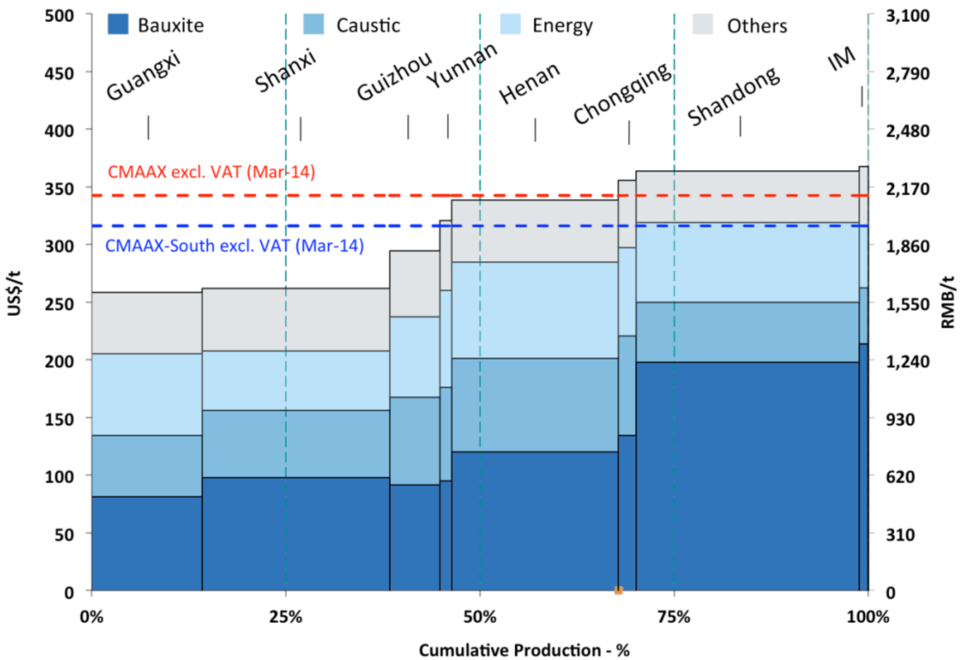
- Higher cost Atlantic price includes freight differential
- Pacific represents most price competitive potential bauxite for China
  - Insufficient non integrated investment in Pacific mines
  - Atlantic could represent China's marginal supplier

Growing demand for bauxite should lead to higher alumina production costs

LHS Chart: Value in Use adjusted domestic and imported bauxite prices (in nominal dollar values), CM Group, April 2014
RHS Chart: Chinese Imported Bauxite Cost, HARBOR Aluminium with China Customs Data, March 2014

China refinery cash cost curve

China's marginal refineries facing bauxite supply and cost pressures



- Marginal producers dependent on bauxite imports
- Deteriorating domestic bauxite grades & allocation issues
  - should lead to increased bauxite/alumina imports
- Cost of refining likely to increase due to bauxite

Henan & Shanxi are forecast to face similar issues due to worsening bauxite quality

Chart: China refinery cash cost curve by province, excluding VAT, CM Group, April 2014

China alumina pricing arbitrage

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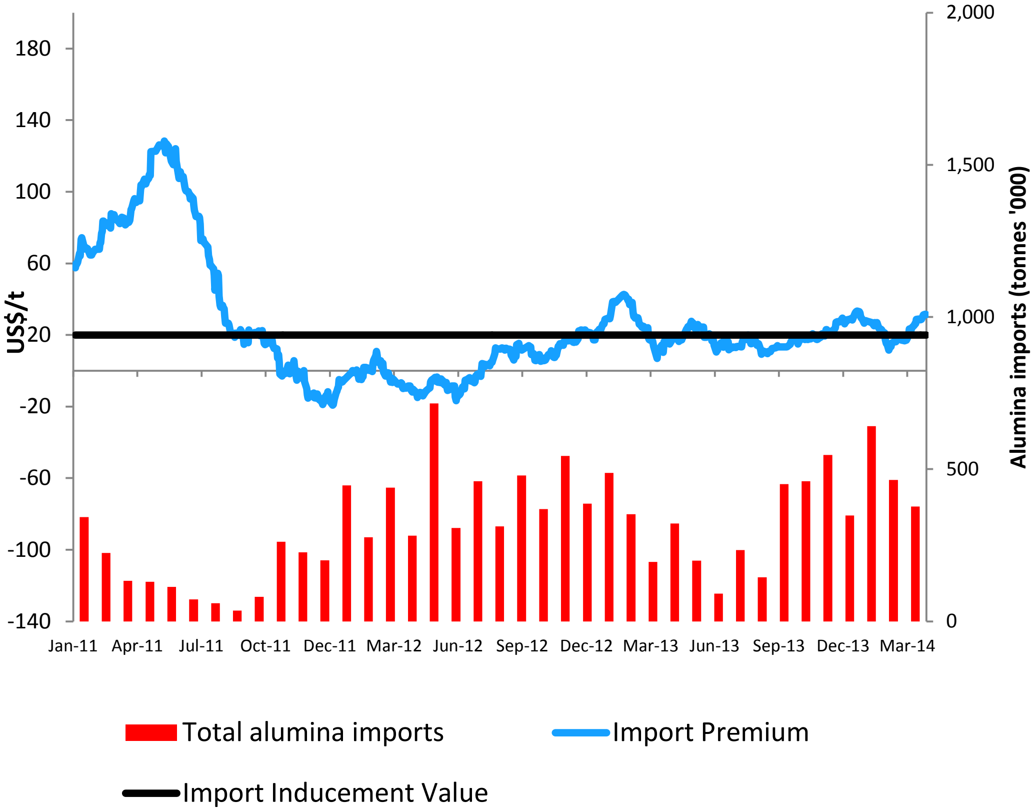
China impacts RoW alumina price through pricing arbitrage



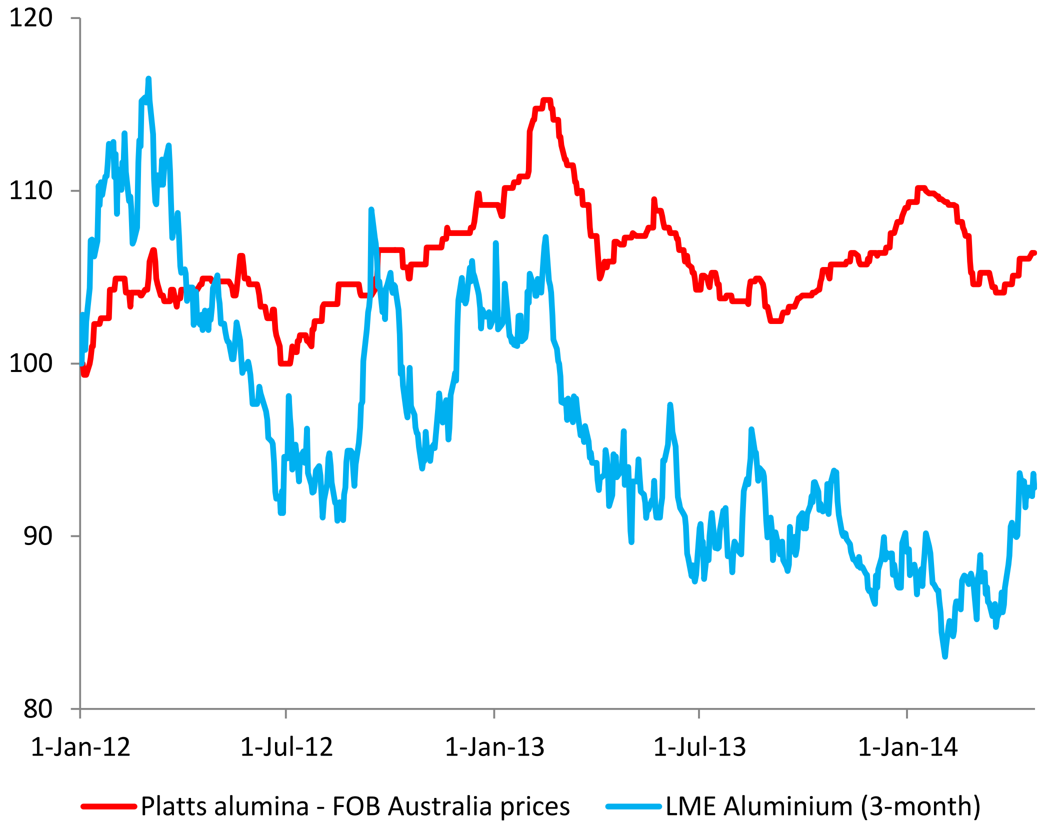
- China and RoW act like two distinct markets
  - interacting through alumina imports into China
- China's internal alumina price mainly reflects
  - demand-supply balance; &
  - marginal cost of production
- China growth in alumina demand above RoW
- Rising bauxite costs adds to cost of alumina
  - could increase internal asking price
  - could reduce internal production
- Bauxite shortages may increase alumina imports

RoW price should reflect China's demand growth and bauxite challenges

Chart: China imports of alumina and CMAAX vs Aust FOB adjusted, CM Group, April 2014

Pricing of metallurgical alumina

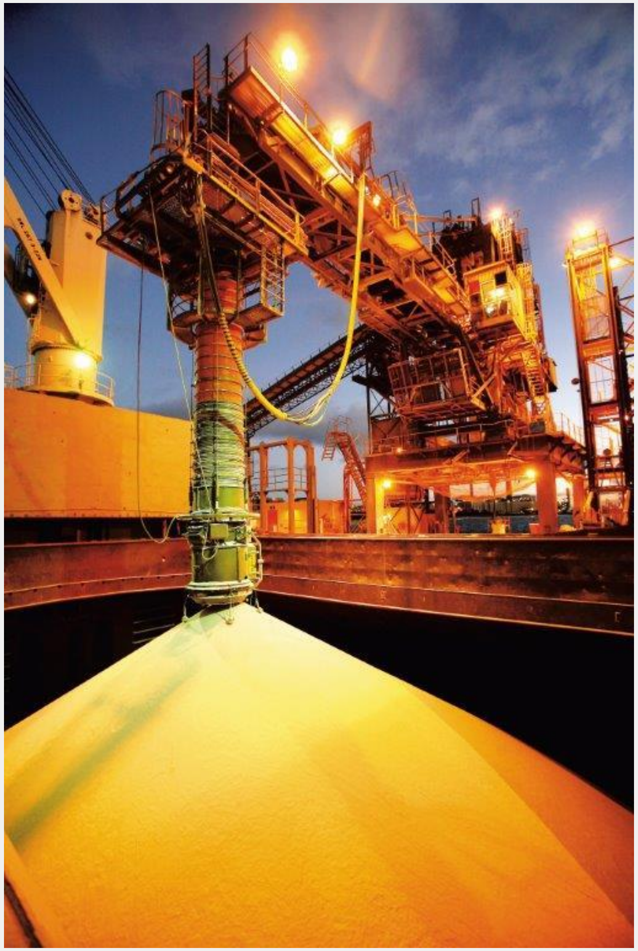
Spot based pricing reflects the fundamentals of alumina



- Alumina's fundamentals reflect
  - Demand & supply balance
  - Changes to costs such as bauxite
- LME also influenced by other factors including finance deals

Transition to spot based pricing expected to improve margins

** Sources: Alumina, Platts Alumina (FOB Australia) April 2014, LME Aluminium: Thomson Reuters April 2014*



Part 2:
Alumina Limited and AWAC

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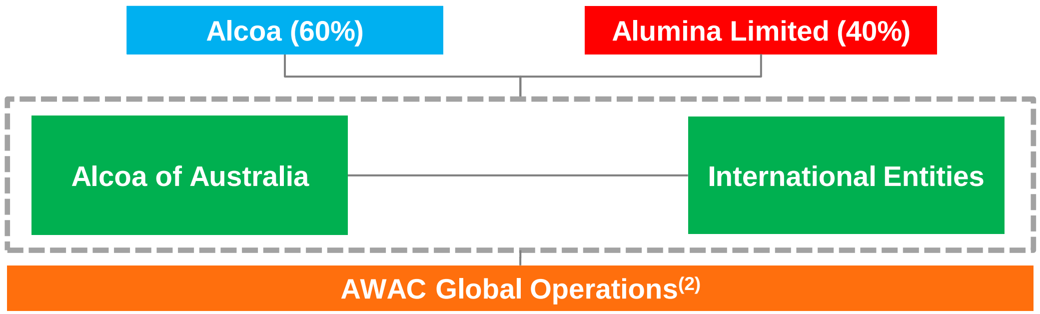
- Alumina Limited is a unique pure investment in AWAC
- AWAC is a global leader in bauxite and alumina
- AWAC has tier 1 long-life, large-scale mines
- AWAC is an efficient and low cost producer of alumina
- AWAC is well positioned for future price recovery
- Alumina Limited has a strong capital structure

AWAC's underlying business

Owner & operator of bauxite mines and alumina refineries

AWAC's(1) Underlying Businesses



Location	Bauxite Mines(3)	Alumina Refineries	Aluminium Smelters
Australia	Huntly & Willowdale	Kwinana, Pinjarra & Wagerup	Portland (55%) & Point Henry
Suriname	Lelydorp, Moengo, Klaverblad & Kaimangrassie	Paranam	-
Brazil	Trombetas (9.6%) & Juruti	Sao Luis (Alumar) (39%)	-
Jamaica	Manchester Plateau (55%)	Clarendon (55%)	-
Guinea	Sangaredi (23%)	-	-
USA	-	Point Comfort	-
Spain	-	San Ciprian	-
Saudi Arabia	Al Ba'itha (Ma'aden), 25.1%	Ras al Khair (Ma'aden), 25.1%	-

(1) AWAC is a JV comprised of a number of companies, of which Alcoa of Australia owns and operates the Australian assets.
(2) AWAC also owns and operates a shipping business which provides transport for AWAC's alumina business and 3rd parties.
(3) AWAC has other bauxite exploration interests.

AWAC's refinery capacity

Currently operating at c.92% of nameplate capacity[1]

Country	Refinery	Ownership	AWAC share of nameplate capacity (MTPY)	Percentage of AWAC total nameplate capacity
Australia	Kwinana Pinjarra Wagerup	AWAC 100%	2.2 4.2 2.6	52%
Brazil	Alumar	AWAC (39%) Rio Tinto Alcan Inc (10%) Aluminio (15%) BHP Billiton (36%)	1.4	8%
Jamaica	Jamalco	AWAC (55%) Alumina Production Ltd (Government of Jamaica) (45%)	0.8	5%
Spain	San Ciprian	AWAC 100%	1.5	9%
Suriname	Suralco	AWAC 100%	2.2	13%
US	Point Comfort	AWAC 100%	2.3	13%
Total			17.2	100%

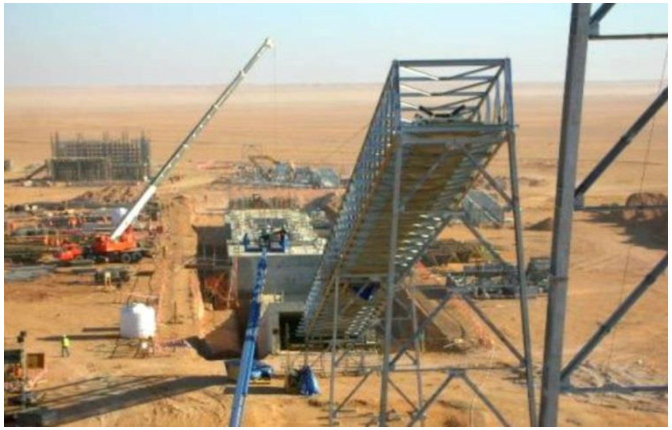
- World's largest alumina producer
- Low cash cost producer
- Refineries in Australia, Brazil, Jamaica and Suriname are integrated with mines

Additional c.450,000 tonnes once Ma'aden is completed

(1) *Nameplate capacity is an estimate based on design capacity and normal operating efficiencies and does not necessarily represent maximum possible production. Excludes additional creep opportunities*

Ma’aden on target for 2014 production

4m tonnes per annum bauxite mine & 1.8m tonnes per annum alumina refinery

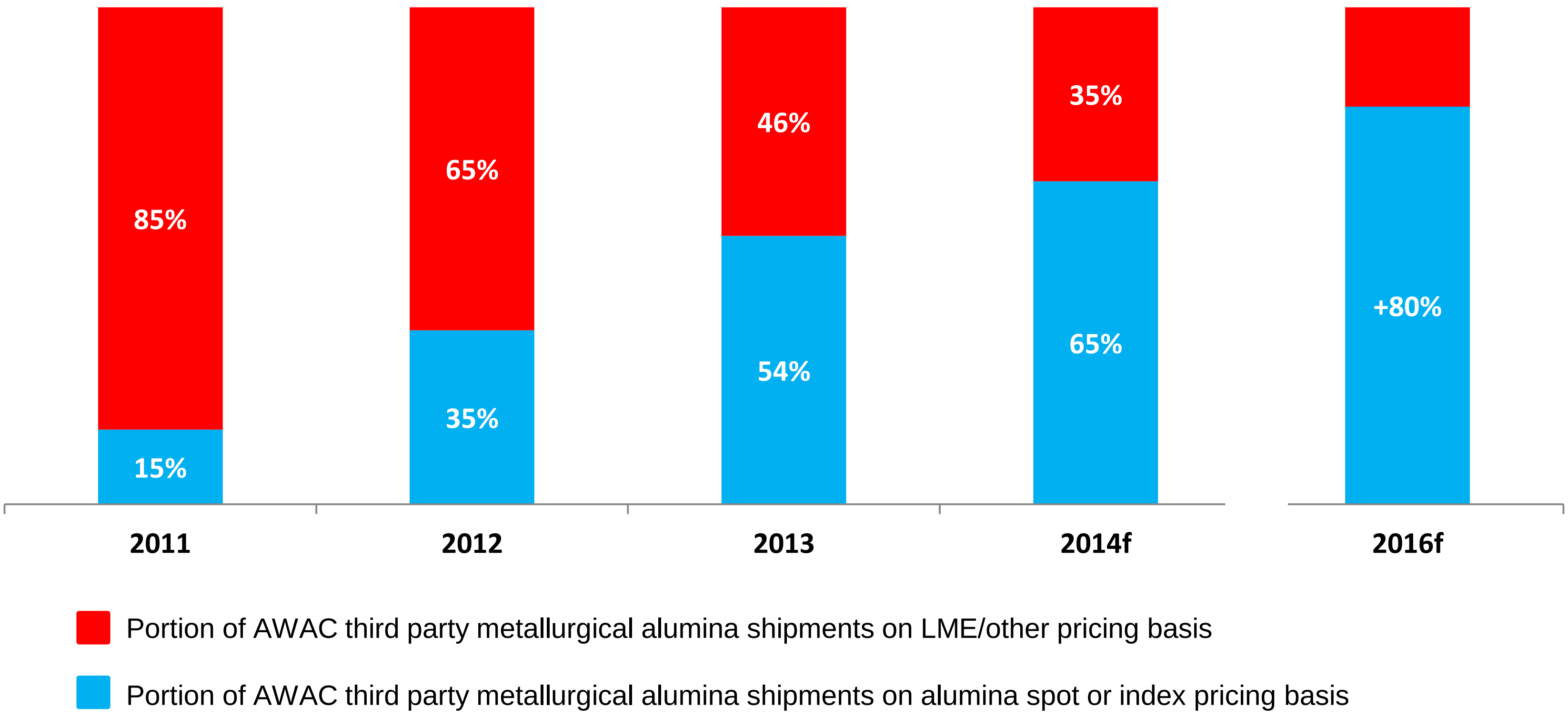


- AWAC has 25.1% interest in mine & refinery only
- Bauxite Mine: **~64% complete***
  - on track to provide bauxite in 2014
- Alumina Refinery: **~88% complete***
  - on track to produce first alumina in 4Q14

Will be one of the lowest cost refineries in AWAC portfolio

** As at 16 April 2014*

AWAC's alumina spot based pricing



AWAC's alumina shipments

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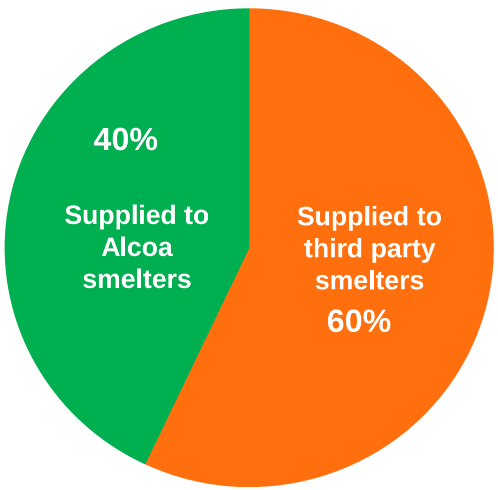
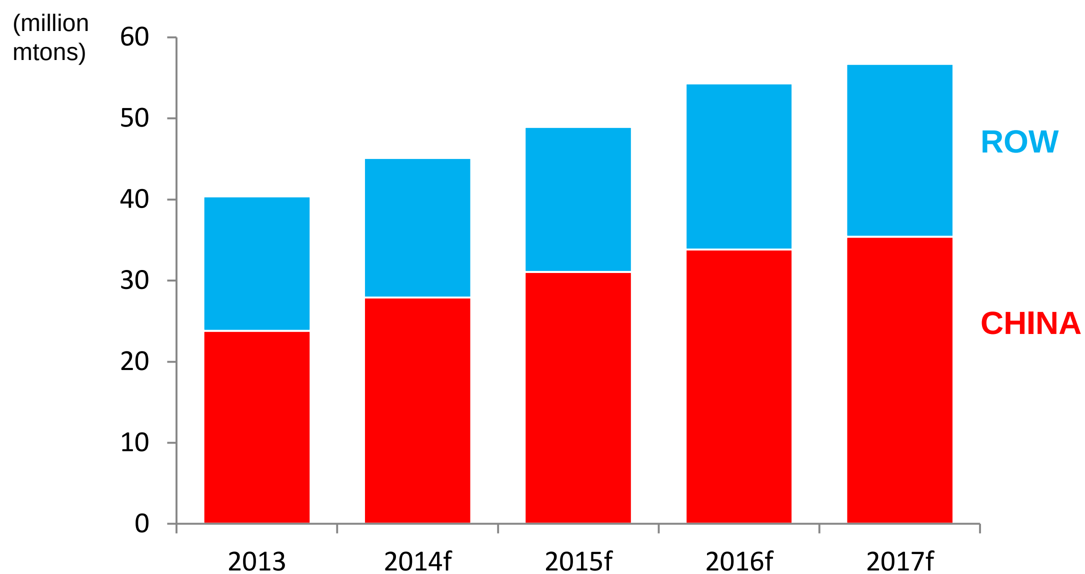
AWAC is a significant supplier of alumina to third party customers

Proportion of AWAC third party sales in 2013



- Third party customers include those in China, India & Middle East

Global third party metallurgical alumina demand growth forecasts



- Estimated 9% CAGR
  - China represents 10% CAGR
  - RoW represents 6% CAGR

Third party demand forecast to grow faster than total market

Global Third Party Alumina Demand Chart: Harbor Aluminium, April 2014

Global refining cash cost curve

AWAC has long-life, large-scale mines & is a low cost alumina producer

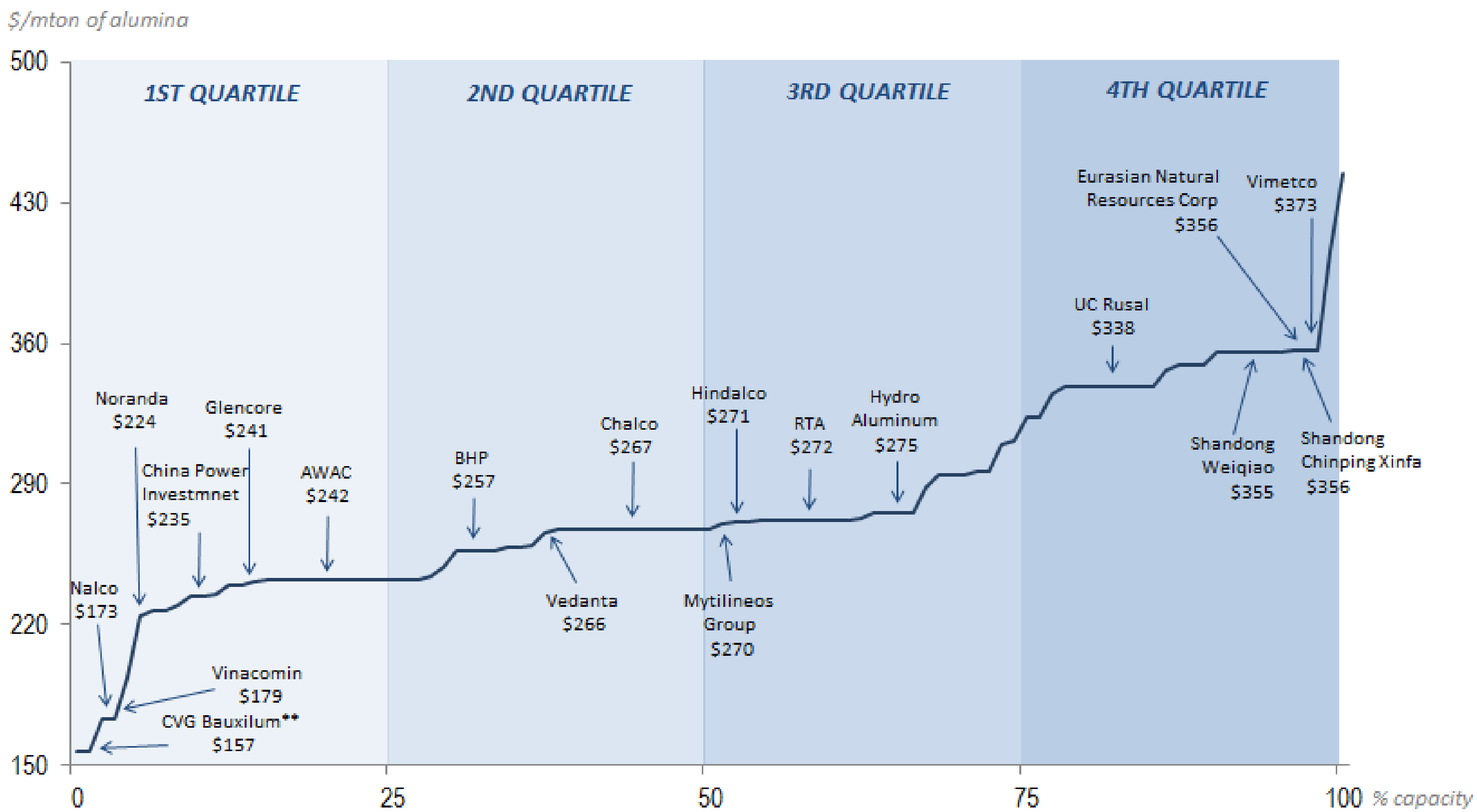


Chart: Global Metallurgical Alumina Refining Output Cash Cost Curve 1Q14, Harbor Aluminium, April 2014. *Excludes applicable VAT of 17% that Chinese alumina refiners pay on raw materials, energy and services. **Assuming production at full capacity

Alumina Limited & AWAC 2013 results

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AWAC

Profit & Loss

US$m (US GAAP)	2013	2012	Change
Sales revenue	3,770.8	3,645.0	125.8
Related party revenue	2,113.8	2,170.3	(56.5)
Total Revenue	**5,884.6**	**5,815.3**	**69.3**
COGS and operating expenses	(5,088.9)	(5,284.8)	195.9
Depreciation and Amortisation	(447.1)	(478.9)	31.8
Net Interest	(6.8)	(2.2)	(4.6)
Selling, Admin, R&D, Other	(526.9)	(195.0)	(331.9)
Total Expenses	**(6,069.7)**	**(5,960.9)**	**(108.8)**
Loss before Tax	**(185.1)**	**(145.6)**	**(39.5)**
Income Tax (charge)/credit	(63.6)	53.7	(117.3)
Net Loss after Tax	**(248.7)**	**(91.9)**	**(156.8)**
EBITDA	268.8	335.5	(66.7)

Significant Items (pre-tax)

US$m (US GAAP)	2013	2012	Change
Alba legal matter	**(384)**	(85)	(299)
Anglesea maintenance	**(32)**	0	(32)
Goodwill impairment (Eastern Al)	**(30)**	0	(30)
Other	**(13)**	(27)	14

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Profit and Loss

US$m (IFRS)	2013	2012	Change
Equity Share of AWAC Underlying LAT	(97.4)	(7.5)	(89.9)
Other Income[(1)]	137.1	-	137.1
General & Admin Costs	(17.2)	(19.0)	1.8
Finance Costs	(25.3)	(29.4)	4.1
Other & Tax	3.3	0.3	3.0
Net Profit/(Loss) After Tax	0.5	(55.6)	56.1
Embedded Derivative, AWAC	(3.2)	(6.4)	3.2
Underlying Loss	(2.7)	(62.0)	59.3

Free Cash Flow[(2)]

US$m (IFRS)	2013	2012	Change
Dividends and distributions received	107.3	95.1	12.2
Costs (Interest, corporate, other)	(39.8)	(46.5)	6.7
Cash from Operations	67.5	48.6	18.9
Payments to Investments in Associates	(9.0)	(171.0)	162.0
Free Cash Flow[(2)]	58.5	(122.4)	180.9

(1) *Other Income of $137.1 million (representing 25% of the total Alba related charges) recognised in the Profit or Loss.*
(2) *Free cash flow defined as cash from operations less net investments in associates*

Appendix:
Additional information

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Short term drivers on alumina market

Alumina spot price reflects fundamentals

Jan-June 2012
- Chinese imports spike
- China bauxite shortages, cuts alumina
- High Chinese alumina prices make Aust attractive
- (Apr-Aug) - Caustic price spike
- (Jan-Mar) -LME Al jumps $300/t

Jun-Jul 2012
- Atlantic surplus (smelter curtailments)
- Atlantic discounted by $10/t to Australia
- Brent crude falls $31/bbl (May-June)
- LME Al drops nearly $500/t (March-June)

Aug-Dec 2012
- Atlantic surplus evaporates
- India, Guinea, Jamaica cut alumina output
- Chinese buyers absorb Atlantic longs
- Brent crude regains $28/bbl June-August

Sep 2012-Feb 2013
- Caustic soda weakens

Jan-Feb 2013
- Queensland (floods) shortages
- Gove closure concerns

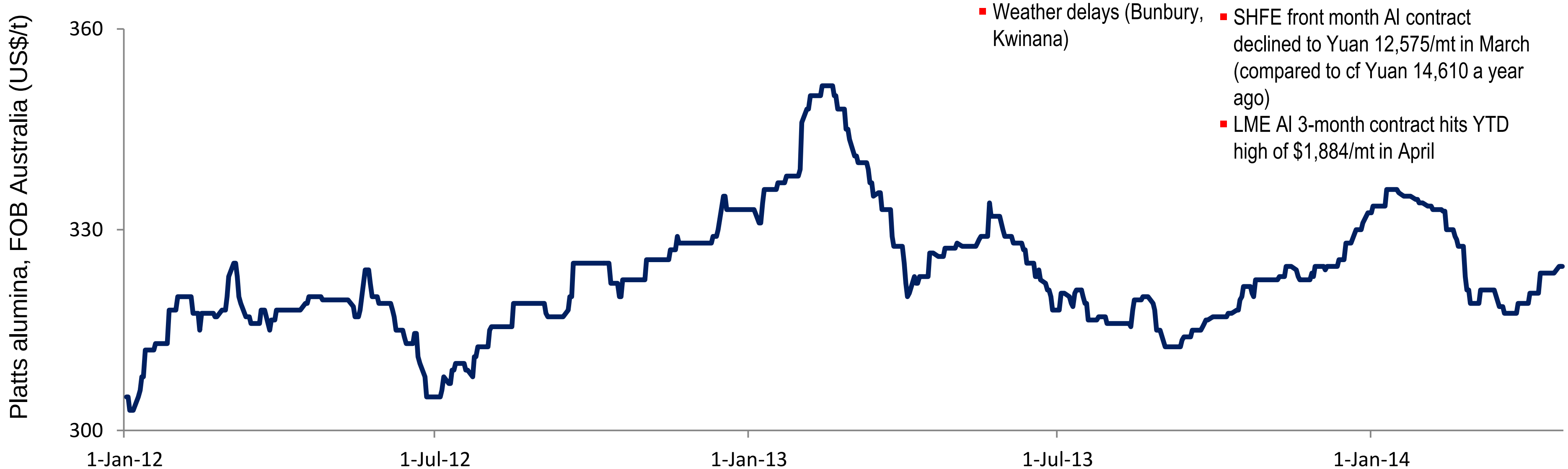
Mar-Apr 2013
- Australia normalizes, supply worries ease
- Low Chinese prices (importers resell contracted cargoes)
- LME Al pressured by macroeconomic woes

Apr-Jul 2013
- Gove cut, port delays lift price
- Smelter cuts (India, Malaysia)
- Vedanta restarts alumina
- China imports fall, reselling
- LME Al falls to 4-year low
- Alunorte refinery cuts

Aug-Oct 2013
- Smelter cuts (US, Russia, Brazil)
- Atlantic cargoes
- Weather delays (Bunbury, Kwinana)

Nov 2013 to Jan 14
- Gove refinery suspension announced
- Indonesian bauxite export ban implemented
- Smelter restarts (Saudi Arabia, Malaysia)
- Smelter capacity reviews (Europe, US, South Africa)
- Pre-Chinese New Year lull period

Jan to April 2014:
- Smelter cuts in China, domestic alumina prices decline
- Atlantic surplus overspills into China, Middle East
- SHFE front month Al contract declined to Yuan 12,575/mt in March (compared to cf Yuan 14,610 a year ago)
- LME Al 3-month contract hits YTD high of $1,884/mt in April



Source for chart & commentary: Platts, April 2014

Capacity expansions are difficult

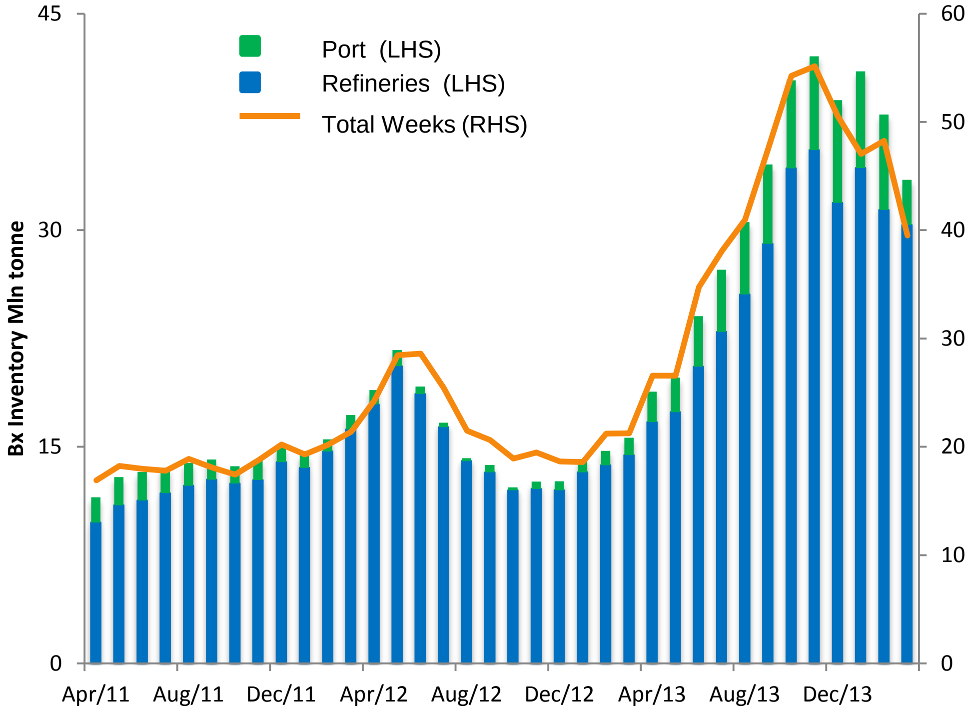
New ex-China capacity subject to long lead times & significant delays

REGION	COUNTRY	COMPANY	LOCATION	2014	2015	2016	2017	2018	TYPE	Comments
Latin America	Brazil	Norsk Hydro	Alumina do Para					1,860	Greenfield	The 1.86mt project has been shelved by the company amid “market conditions”. Commissioning year high likely to be beyond 2016.
	Brazil	Votorantim Group	Alumina Rondon				3,000		Greenfield	Passed the first stage of the environmental licensing process. Expected by the company to start operations in 2017
Middle East	Saudi Arabia	Alcoa-Ma'aden	Ras Al Khair	1,500	300				Greenfield	Commissioning on track for Q4 2014
	UAE	Emirates Global Aluminum	KIZAD, Al Taweelah				2,000		Greenfield	
Asia ex. China	India	Nalco	Damanjodi			1,000			Brownfield	Approval for mining lease received from Government of Odisha. DPR under preparation
		Hindalco - Aditya	Orissa		1,500				Greenfield	
		Anrak	Anrak Alumina		1,500				Greenfield	Commisioning has been delayed several times. Expected to start production until 2015
		Vedanta	Lanjigarh					2,035	Brownfield	The expansion is on hold due to inability to secure long term bauxite supply.
	Vietnam	Vinacomin	Nhan Co	650					Greenfield	Likely to experience delays
		Vinacomin	Lam Dong						Greenfield	Production started last year, after various delays. Already exporting to China
	Indonesia	PT Antam	Mempawah, West Kalimantan			1,200			Greenfield	The project is on feasibility study. The company is still looking for JV partners. Estimated to start commercial operation in 2016. Possible delays
		Hongqiao Well Harvest Winning Alumina	Ketapang, West Kalimatan		1,000		1,000		Greenfield	First 1mt phase scheduled to start in 2015 . Second 1mt phase scheduled for 2017

Table: Harbor Aluminum, May 2014. Numbers are thousands of tonnes

China imported bauxite stockpile

Inventories falling as stocks drawn



- Further drawdowns likely with Indonesia ban in place
- Drawdowns will be tempered by curtailments
- Could exhaust stocks by Q1 2015
  - if insufficient alternative to Indonesia & ban remains
- Stockpiles are not evenly distributed
  - Some refineries should experience shortage earlier

Chart: China imported bauxite inventory, CM Group, April 2014