ASX FULL-YEAR PRELIMINARY FINAL REPORT

Alumina Limited

ABN 85 004 820 419

31 December 2017

Lodged with the ASX under Listing Rule 4.3A

ALUMINA LIMITED

Alumina Limited (the Company) is a leading Australian company listed on the Australian Securities Exchange (ASX).

The Company invests worldwide in bauxite mining, alumina refining and selected aluminium smelting operations through its 40% ownership of Alcoa World Alumina and Chemical (AWAC). Alcoa Corporation (Alcoa) owns the remaining 60% of AWAC, and is the manager.

The ASX full-year preliminary final report covers the consolidated entity consisting of Alumina Limited and its subsidiaries. All financial data is presented in US dollars, unless otherwise specified.

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Results for Announcement to the Market

NET PROFIT/(LOSS)

		CHANGE	US$ MILLION
Revenue from continuing operations	-	-	0.6
Net profit from continuing operations after tax attributable to members of Alumina Limited	Up	1,225%	339.8
Net profit for the year attributable to members of Alumina Limited	Up	1,225%	339.8

DETAILS RELATING TO DIVIDENDS

	AMOUNT PER SHARE[1] US CENTS	TOTAL AMOUNT PAID/PAYABLE US$ MILLION
2017 Interim dividend (paid 14 September 2017)	4.2	120.9
2017 Final dividend (declared on 22 February 2018)	9.3	267.8

[1] All dividends are fully franked at 30% tax rate. Final dividend amount has not been recognised as a liability at year-end.

	FINAL DIVIDEND DATE
Record date	28 February 2018
Payment date	15 March 2018

Dividend Reinvestment Plan (DRP)

The Dividend Reinvestment Plan remains suspended.

	A$ MILLION	
	YEAR ENDED 31 DEC 2017	YEAR ENDED 31 DEC 2016
Franking Account Balance	388.5	347.5

NET TANGIBLE ASSETS PER SHARE

	YEAR ENDED 31 DEC 2017	YEAR ENDED 31 DEC 2016
Net assets (US$ million)	2,253.8	2,006.9
Less equity accounted intangible assets:		
Goodwill (US$ million)	175.8	175.8
Mineral rights and bauxite assets net of deferred tax liabilities (US$ million)	70.7	72.2
Net tangible assets (US$ million)	2,007.3	1,758.9
Number of issued ordinary shares (including treasury shares)	2,879,843,498	2,879,843,498
Net tangible asset backing per ordinary security (US$)	**0.70**	**0.61**

SIGNIFICANT ITEMS AFFECTING NET PROFIT OR LOSS

The net profit/(loss) of Alumina Limited includes the Company's equity share of the full-year results of AWAC. The Company's net profit/(loss) was negatively affected by its equity share of net charges relating to significant items contained within AWAC's results. For further details refer page 22.

Consolidated Financial Report

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	US$ MILLION	
	YEAR ENDED 31 DEC 2017	YEAR ENDED 31 DEC 2016
Revenue from continuing operations	0.6	0.6
Share of net profit of associates accounted for using the equity method	360.4	18.1
General and administrative expenses	(13.6)	(25.7)
Change in fair value of derivatives/foreign exchange losses	0.7	(14.1)
Finance costs	(8.3)	(9.1)
Profit/(loss) before income tax	**339.8**	**(30.2)**
Income tax expenses	–	–
Profit/(loss) for the year attributable to the owners of Alumina Limited	**339.8**	**(30.2)**
Other comprehensive income/(loss)		
Items that may be reclassified to profit or loss		
Share of reserve movements accounted for using the equity method	25.0	4.4
Foreign exchange translation difference	85.6	178.5
Items that will not be reclassified to profit or loss		
Re-measurements of retirement benefit obligations accounted for using the equity method	7.8	7.5
Other comprehensive income for the year, net of tax	**118.4**	**190.4**
Total comprehensive income for the year attributable to the owners of Alumina Limited	**458.2**	**160.2**

EARNINGS PER SHARE (EPS)[1]

	US CENTS	
	YEAR ENDED 31 DEC 2017	YEAR ENDED 31 DEC 2016
Basic EPS	Positive 11.8	Negative 1.0
Diluted EPS	Positive 11.8	Negative 1.0

[1] For further details refer page 12.

CONSOLIDATED BALANCE SHEET

	US$ MILLION	
	31 DEC 2017	31 DEC 2016
CURRENT ASSETS		
Cash and cash equivalents	40.0	8.6
Receivables	-	0.1
Other assets	1.8	3.0
Total current assets	**41.8**	**11.7**
NON-CURRENT ASSETS		
Investment in associates	2,320.8	2,106.0
Property, plant and equipment	0.1	0.1
Total non-current assets	**2,320.9**	**2,106.1**
TOTAL ASSETS	**2,362.7**	**2,117.8**
CURRENT LIABILITIES		
Payables	1.3	1.3
Provisions	0.3	0.3
Other liabilities	0.1	0.1
Total current liabilities	**1.7**	**1.7**
NON-CURRENT LIABILITIES		
Borrowings	98.4	92.4
Derivative financial instruments	8.3	16.2
Provisions	0.5	0.6
Total non-current liabilities	**107.2**	**109.2**
TOTAL LIABILITIES	**108.9**	**110.9**
NET ASSETS	**2,253.8**	**2.006.9**
EQUITY		
Contributed equity	2,682.9	2,682.9
Treasury shares	(0.9)	-
Reserves	(1,014.9)	(1,125.3)
Retained earnings	586.7	449.3
TOTAL EQUITY	**2,253.8**	**2,006.9**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	US$ MILLION			
	CONTRIBUTED EQUITY[1]	RESERVES	RETAINED EARNINGS	TOTAL
Balance as at 1 January 2016	**2,681.5**	**(1,305.9)**	**607.3**	**1,982.9**
Loss for the year	–	–	(30.2)	(30.2)
Other comprehensive income for the year	–	182.9	7.5	190.4
Transactions with owners in their capacity as owners:				
Dividends paid	–	–	(135.3)	(135.3)
Movement in treasury shares	1.4	–	–	1.4
Movement in share based payments reserve	–	(2.3)	–	(2.3)
Balance as at 31 December 2016	**2,682.9**	**(1,125.3)**	**449.3**	**2,006.9**
Balance as at 1 January 2017	**2,682.9**	**(1,125.3)**	**449.3**	**2,006.9**
Profit for the year	–	–	339.8	339.8
Other comprehensive income for the year	–	110.6	7.8	118.4
Transactions with owners in their capacity as owners:				
Dividends paid	–	–	(210.2)	(210.2)
Movement in treasury shares	(0.9)	–	–	(0.9)
Movement in share based payments reserve	–	(0.2)	–	(0.2)
Balance as at 31 December 2017	**2,682.0**	**(1,014.9)**	**586.7**	**2,253.8**

[1] Treasury shares have been deducted from contributed equity.

CONSOLIDATED STATEMENT OF CASH FLOWS

	US$ MILLION	
	YEAR ENDED 31 DEC 2017	YEAR ENDED 31 DEC 2016
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of goods and services tax)	(12.1)	(26.3)
GST refund received	0.5	0.9
Dividends received from associates	278.1	150.2
Distributions received from associates	1.2	0.7
Finance costs paid	(9.8)	(7.2)
Interest paid under cross currency interest rate swap	(5.4)	(3.5)
Interest received under cross currency interest rate swap	6.6	5.0
Other	0.4	0.2
Net cash inflow from operating activities	**259.5**	**120.0**
Cash flows from investing activities		
Payments for investments in associates	(80.0)	(48.0)
Proceeds from return of invested capital	63.8	81.9
Net cash (outflow)/inflow from investing activities	**(16.2)**	**33.9**
Cash flows from financing activities		
Proceeds from borrowings	105.0	30.0
Repayment of borrowings	(105.0)	(50.0)
Payment for shares acquired by the Alumina Employee Share Plan	(2.0)	(1.6)
Dividends paid	(210.2)	(135.3)
Net cash outflow from financing activities	**(212.2)**	**(156.9)**
Net increase/(decrease) in cash and cash equivalents	**31.1**	**(3.0)**
Cash and cash equivalents at the beginning of the financial year	8.6	9.3
Effects of exchange rate changes on cash and cash equivalents	0.3	2.3
Cash and cash equivalents at the end of the financial year	**40.0**	**8.6**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION

This consolidated financial report for the year ended 31 December 2017 has been prepared in accordance with the Australian Stock Exchange Listing Rules as they relate to Appendix 4E and in accordance with Australian Accounting Standards ("AAS") and Interpretations issued by the Australian Accounting Standards Board, and the Corporations Act 2001.

This consolidated financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2016 and any public announcements made by Alumina Limited during the reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year.

RECONCILIATION OF CASH

	US$ MILLION	
	31 DEC 2017	31 DEC 2016
Reconciliation of cash at the end of the financial year (as shown in the consolidated statement of cash flows) as follows:		
Cash on hand and at bank	13.1	5.3
Money market deposits (with maturities on investment three months or less)	26.9	3.3
Total cash and cash equivalents at the end of the financial year	**40.0**	**8.6**

CONSOLIDATED RETAINED EARNINGS

	US$ MILLION	
	YEAR ENDED 31 DEC 2017	YEAR ENDED 31 DEC 2016
Retained earnings at the beginning of the financial year	**449.3**	**607.3**
Profit/(loss) attributable to members of Alumina Limited	339.8	(30.2)
Dividends provided for or paid	(210.2)	(135.3)
Re-measurements of retirement benefit obligations accounted for using the equity method	7.8	7.5
Total retained earnings at the end of the financial year	**586.7**	**449.3**

INCOME TAX

The income tax expense/benefit for the year ended is the tax payable/receivable on the current year end's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The significant majority of the Company's taxable income reported for the reporting period relates to Australian dividend income from the Company's investments in AWAC. Under Australian income tax law, the Company is entitled to reduce its tax payable by claiming credits (franking credits) in relation to Australian dividend income. This is to prevent double taxation, as Australian tax has been paid by Alcoa of Australia Limited (an AWAC entity) on its operating income.

NUMERICAL RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE	US$ MILLION	
	YEAR ENDED 31 DEC 2017	YEAR ENDED 31 DEC 2016
Profit/(loss) from ordinary activities	**339.8**	**(30.2)**
Prima facie tax (expense)/benefit for the year at the rate 30%	**(101.9)**	**9.1**
The following items caused the total charge for income tax to vary from the above:		
Share of equity accounted (profit)/loss not assessable for tax	(360.4)	(18.1)
Foreign income subject to accruals tax	4.7	2.8
Share of Partnership income assessable for tax	0.8	3.0
Timing differences not recognised	–	–
Tax losses not recognised	11.2	26.3
Non-deductible expenses	3.9	16.4
Previously unrecognised tax losses now recouped to reduce current tax expense	–	(0.2)
Net movement	**(339.8)**	**30.2**
Consequent decrease/(increase) in charge for income tax	**101.9**	**(9.1)**
Aggregate income tax expense	**–**	**–**

EQUITY SECURITIES ISSUED

	NUMBER OF SHARES		US$ MILLION	
	YEAR ENDED 31 DEC 2017	YEAR ENDED 31 DEC 2016	YEAR ENDED 31 DEC 2017	YEAR ENDED 31 DEC 2016
Balance brought forward	2,879,843,498	2,879,843,498	2,682.9	2,682.9
Movement for the year	-	-	-	-
	2,879,843,498	**2,879,843,498**	**2,682.9**	**2,682.9**

MOVEMENT IN TREASURY SHARES

Treasury shares are Alumina Limited shares held by the Alumina Employee Share Plan Trust for the purposes of issuing shares under the Alumina Employee Share Plan.

	NUMBER OF SHARES		US$	
	YEAR ENDED 31 DEC 2017	YEAR ENDED 31 DEC 2016	YEAR ENDED 31 DEC 2017	YEAR ENDED 31 DEC 2016
Balance brought forward	1,856	61,717	1,905	1,413,606
Shares acquired by Alumina Employee Share Plan Pty Ltd	1,484,568	1,508,604	2,040,374	1,558,319
Employee performance rights vested	(785,979)	(1,568,465)	(1,135,406)	(2,970,020)
Total treasury shares	**700,445**	**1,856**	**906,873**	**1,905**

EARNINGS PER SHARE

	YEAR ENDED 31 DEC 2017	YEAR ENDED 31 DEC 2016
Profit/(loss) attributable to the ordinary equity holders of the Company in the calculation of basic and diluted EPS (US$ million)	339.8	(30.2)
Weighted average number of ordinary shares used as the denominator in the calculation of basic and diluted EPS	2,878,924,467	2,879,474,499
Basic EPS (US cents)	**Positive 11.8**	**Negative 1.0**
Diluted EPS (US cents)	**Positive 11.8**	**Negative 1.0**

DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN LOST OR GAINED

There was no loss or gain of control for the years ended 31 December 2017 and 31 December 2016.

MATERIAL INTERESTS IN ENTITIES WHICH ARE NOT CONTROLLED ENTITIES

NAME	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	PERCENTAGE OWNERSHIP	
			31 DEC 2017	31 DEC 2016
Alcoa of Australia Limited	Bauxite, alumina & aluminium production	Australia	40	40
Alcoa World Alumina LLC	Bauxite and alumina trading & production	America	40	40
Alumina Espanola S.A.	Alumina production	Spain	40	40
Alcoa World Alumina Brasil Ltda.	Bauxite and alumina production	Brazil	40	40
AWA Saudi Ltda.	Bauxite and alumina production	Hong Kong	40	40
Enterprise Partnership	Finance lender	Australia	40	40

AWAC CONTRIBUTION TO NET PROFIT/(LOSS) OF ALUMINA LIMITED AND CONTROLLED ENTITIES

	US$ MILLION	
	YEAR ENDED 31 DEC 2017	YEAR ENDED 31 DEC 2016
Revenues	5,273.9	4,057.1
Profit from continuing operations	904.8	48.9
Profit for the year[1]	**904.8**	**48.9**
Other comprehensive income/(loss) for the year	296.0	475.8
Total comprehensive income for the year	**1,200.8**	**524.7**
Group Share of profit for the year as a percentage	40%	40%
Group Share of profit for the year in dollars	361.9	19.6
Mineral rights and bauxite amortisation	(2.1)	(2.1)
Movement in deferred tax liability on mineral rights and bauxite assets	0.6	0.6
Share of profit from associate accounted for using equity method	**360.4**	**18.1**
Dividends and distributions received from AWAC[2]	**279.3**	**150.9**

[1] The profit for the years ended 31 December 2017 and 31 December 2016 include net charges relating to significant items that have affected AWAC's net profit after tax. For further details refer to the reconciliation on page 20.

[2] In addition to dividends and distributions Alumina Limited also received $63.8 million being return of invested capital in 2017 (2016: $81.9 million).

BORROWINGS

	US$ MILLION	
	31 DEC 2017	31 DEC 2016
Bank loans	-	-
Fixed rate note	98.4	92.4
Total borrowings	**98.4**	**92.4**

Bank loans

During the second half of 2017 Alumina Limited rolled over and reduced a tranche of the bank facility that was due to mature in December 2017.

Following this renegotiation, Alumina Limited now has a US$250 million syndicated bank facility with two tranches maturing in July 2020 (US$150 million) and October 2022 (US$100 million). As at 31 December 2017 there were no amounts drawn against the syndicated facility so the undrawn available facility amount as at 31 December 2017 was $250 million.

Fixed rate note

On 12 November 2014, Alumina Limited issued an A$125 million face value 5.5% fixed rate note at a discount of A$0.7 million. A change in the credit rating of Alumina Limited triggered a 1.75% step up in coupon from 5.5% to 7.25%, which was effective 20 November 2016. A subsequent change in the credit rating triggered a 0.50% step down in the coupon from 7.25% to 6.75%, effective 19 May 2017. The note matures on 19 November 2019. The fixed rate note has been converted to US dollar equivalents at year-end exchange rates.

SEGMENT INFORMATION

Alumina Limited's primary assets are its 40 per cent interest in the series of operating entities forming AWAC. Alumina Limited has one reportable segment, namely the investment in the bauxite/alumina/aluminium business through its equity interest in AWAC.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There have been no significant events occurring since 31 December 2017.

COMPLIANCE STATEMENT

1. This financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, and the *Corporations Act 2001*.
2. This report gives a true and fair view of the matters discussed.
3. This report is based on accounts which are in the process of being audited.
4. Alumina Limited has a formally constituted Audit and Risk Management Committee.
5. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

MICHAEL FERRARO
Managing Director and
Chief Executive Officer
Melbourne
22 February 2018

Supplementary Appendix 4E Information

NOTE REGARDING NON-IFRS FINANCIAL INFORMATION

This supplementary information contains certain non-IFRS financial information. This information is presented to assist in making appropriate comparisons with the prior corresponding period and to assess the operating performance of the business. Where non-IFRS measures are used, definition of the measure, calculation method and/or reconciliation to IFRS financial information is provided as appropriate.

AWAC financial information has been extracted from unaudited combined financial statements prepared in conformity with accounting principles generally accepted in the United States of America.

FORWARD LOOKING STATEMENTS

Neither Alumina Limited nor any other person warrants or guarantees the future performance of Alumina Limited or any return on any investment made in Alumina Limited securities. This supplementary information may contain certain forward-looking statements, including forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. The words “anticipate”, "aim", "believe", "expect", "project", “estimate”, "forecast", "intend", "likely", “should”, "could", "will", "may", "target", "plan” and other similar expressions (including indications of "objectives") are intended to identify forward-looking statements. Indications of, and guidance on, the future financial position, performance, distributions, and statements regarding Alumina Limited’s future developments and the market outlook, are also forward-looking statements.

Any forward-looking statements contained in this document are not guarantees of future performance. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Alumina Limited and its directors, officers, employees and agents that may cause actual results to differ materially from those expressed or implied in such statements. Those risks, uncertainties and other factors include (without limitation): (a) material adverse changes in global economic conditions, alumina or aluminium industry conditions or the markets served by AWAC; (b) changes in production or development costs, production levels or sales agreements; (c) changes in laws, regulations or policies; (d) changes in alumina or aluminium prices or currency exchange rates; (e) Alumina Limited does not hold a majority interest in AWAC and decisions made by majority vote may not be in the best interests of Alumina Limited; and (f) the other risk factors summarised in Alumina Limited's Annual Report 2016. Readers should not place undue reliance on forward-looking statements. Except as required by law, Alumina Limited disclaims any responsibility to update or revise any forward-looking statements to reflect any new information or any change in the events, conditions or circumstances on which a statement is based or to which it relates.

ABOUT ALUMINA LIMITED

Alumina Limited represents a unique investment in globally leading bauxite mines and alumina refineries through its 40% investment in Alcoa World Alumina and Chemicals (AWAC). AWAC also has a 55% interest in the Portland smelter in Victoria, Australia.

The Company provides the cleanest look-through to AWAC's underlying performance. This is possible because the financial policies of both Alumina Limited and AWAC ensure there is modest leverage in both the Company and AWAC, the Company's own costs are minimal and the distribution policies of Alumina Limited and AWAC require free cash flows to be paid to their respective shareholders.

REVIEW OF AWAC OPERATIONS

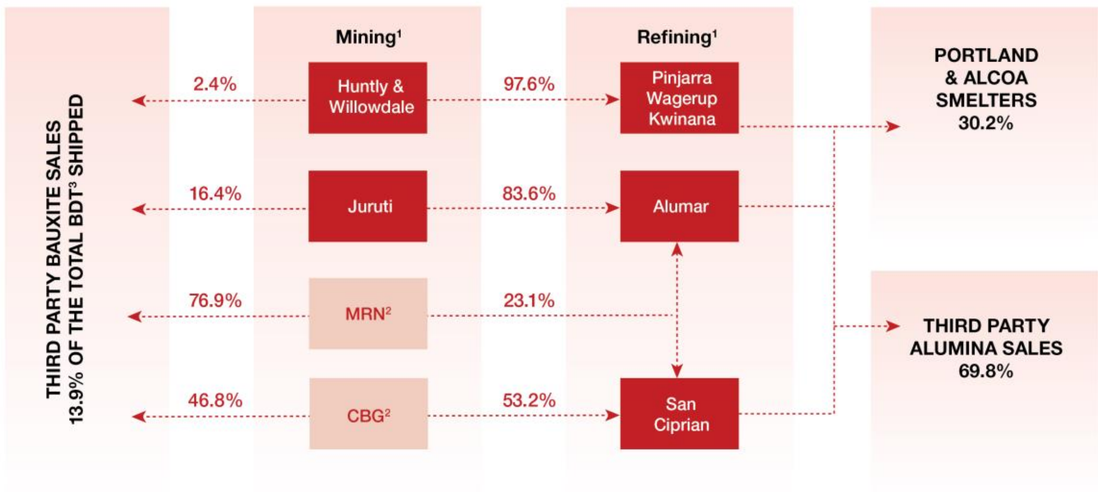
Since the beginning of this decade, AWAC has undergone business improvement and transformation, which have significantly improved the competitiveness of its portfolio of assets in a global market. Industry fundamentals now also look to be improving through measures such as the China supply-side reforms. AWAC will continue to look for further opportunities of portfolio optimisation with emphasis on growth opportunities.

The current refining portfolio is comprised mostly of tier one assets that allows AWAC to generate improved returns during the highs and lows of the commodity cycle.

The significant improvement in AWAC's 2017 earnings and cash generation was mainly due to higher realised prices for alumina.

In addition to consumption within its own refineries, AWAC's bauxite resources in Australia, Brazil and Guinea are also able to cater for third party customers in both the Pacific and the Atlantic regions. A continuing focus on third party bauxite sales provides AWAC with an additional earnings stream that is expected to grow.

DIAGRAM OF AWAC VALUE CHAIN



MINING HIGHLIGHTS:

- Third party sales from all AWAC operated mines
- Near completion of Juruti's expansion to 5.7 million BDT
- WA infrastructure expansion underway
- CBG's Phase 1 expansion underway

ALUMINA HIGHLIGHTS:

- Production records at three largest refineries: Pinjarra, Wagerup & Alumar
- Second best annual production result at San Ciprian
- Phase 1 debottlenecking project completed at Alumar
- Pinjarra press filtration project underway

AWAC operated asset   Non-AWAC operated asset

[1] Excludes Al Ba'itha mine and Ras Khair refinery [2] AWAC equity share
[3] Bone dry tonnes (BDT)

MINING

AWAC's mining operations made significant progress in 2017 with third party bauxite sales from all mines for the first time and the near completion of Juruti's capacity increase to 5.7 million BDT.

	31 DEC 2017	31 DEC 2016	CHANGE	CHANGE (%)
AWAC OPERATED MINES				
Production (million BDT)	38.8	37.5	1.3	3.5
Cash cost ($/BDT of bauxite produced)	11.1	9.8	1.3	13.3
NON-AWAC OPERATED MINES				
AWAC equity share of production (million BDT)[1]	4.6	5.2	(0.6)	(11.5)
THIRD PARTY SALES				
Shipments to third parties (million BDT)	6.6	6.3	0.3	4.8
Total third party revenue, inclusive of freight ($ million)	334.0	315.8	18.2	5.8

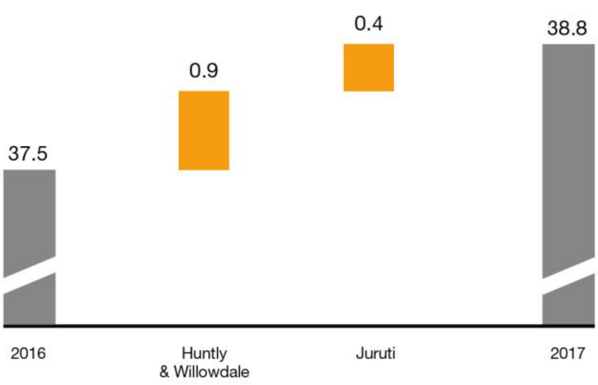
[1] Based on the terms of its bauxite supply contracts, AWAC bauxite purchases from Mineração Rio do Norte S.A. ("MRN") and Compagnie des Bauxites de Guinée (CBG) differ from their proportional equity in those mines.

AWAC Operated Mines

AWAC operated mines increased production for the year by 3.5%. The growth in production was facilitated by creep at the Huntly and Willowdale mines in Western Australia and the near completed capacity increase of the Juruti mine to 5.7 million BDT. All AWAC operated mines achieved record production in 2017.

Whilst production increased at Juruti, operations were affected by heavy rainfall in Brazil during the first half of 2017 and particularly by drought during the second half. Insufficient water levels in the tailings dam during the drought reduced the effectiveness of the beneficiation process (washing of bauxite to remove organic material), thus reducing bauxite quality for some shipments to the downstream Alumar refinery.

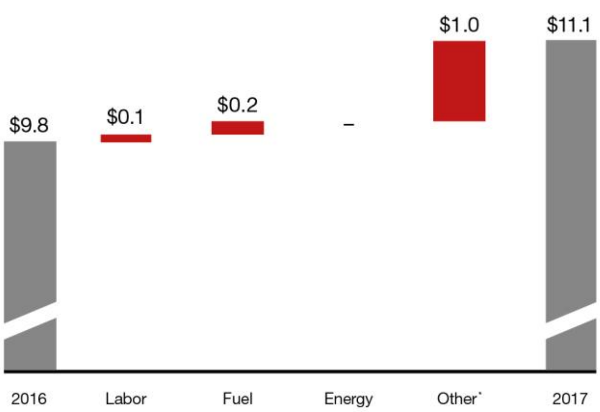
BAUXITE PRODUCTION: CHANGE BY MINE (MILLION BDT)



AWAC's cash cost per BDT of bauxite produced increased by 13.3% to $11.1 per BDT. Contributors to this increase included higher royalty costs at Australian mines, a weaker US dollar against the Australian dollar and Brazilian real, fleet overhaul costs and higher maintenance to address Juruti's tailings dam and washing plant issues.

The 2017 EBITDA margin for AWAC's bauxite unit, which includes intersegment sales but excludes freight, was 38.2% (2016: 38.0%).

CASH COST PER BDT OF BAUXITE PRODUCED



* Other includes: maintenance, contracted services, supplies, royalties and other

During 2018, AWAC's mining operations are expected to complete a further capacity increase of the Juruti mine to 6.5 million BDT per annum, and to continue to invest in infrastructure development to facilitate further exports from Western Australia.

Non-AWAC Operated Mines

AWAC's share of production at the CBG mine in Guinea and the MRN mine in Brazil decreased by 11.5% compared to 2016.

The CBG mine's production was affected by civil unrest which caused disruptions to ancillary infrastructure supporting CBG. CBG continues with its expansion project which is expected to increase AWAC's equity share of production by approximately 1.1 million BDT per annum.

The MRN mine was also exposed to weather events, experiencing similar issues as Juruti.

The equity income derived from CBG and MRN was $23.1 million (2016: $34.1 million),

Third Party Bauxite Sales

AWAC's shipments to third party customers increased by 4.8% to 6.6 million BDT in 2017. All AWAC mines (including CBG and MRN) shipped bauxite to third parties during 2017.

The geographical location of AWAC's mines allows AWAC to service customers in the Atlantic and the Pacific regions.

AWAC continues to develop infrastructure in order to support export of bauxite from Western Australia to third party customers. In 2018 AWAC is expected to export up to 1.4 million BDT from Western Australia (2017: 0.8 million BDT).

Total third party bauxite sales are expected to decline to 6.3 million BDT in 2018 due to the expansion works at CBG which will be partially offset by increases from the Western Australian mines and Juruti.

REFINING

The refining operations achieved a significant increase in revenue and earnings through higher prices and a concentrated effort on operational excellence, which more than offset increases in input costs, the weaker US dollar, lower shipments and the operational issues at the Juruti mine.

	31 DEC 2017	31 DEC 2016	CHANGE	CHANGE (%)
AWAC OPERATED REFINERIES				
Shipments (million tonnes)	13.1	13.3	(0.2)	(1.5)
Production (million tonnes)	12.5	12.6	(0.1)	(0.8)
Average realised alumina price ($/tonne)	335	242	93	38
Platts FOB Australia - one month lag ($/tonne)	349	242	107	44
Cash cost per tonne of alumina produced	198	191	7	3.7
Margin[1] ($/tonne)	137	51	86	169
Smelter Grade Alumina ("SGA") shipments on spot or index basis (%)	85	84	1	1.2
MA'ADEN JOINT VENTURE				
Production (million tonnes)	1.5	1.4	0.1	7.1
AWAC's share of production (million tonnes)	0.4	0.4	-	-

[1] Calculated as average realised price less cash cost of production.

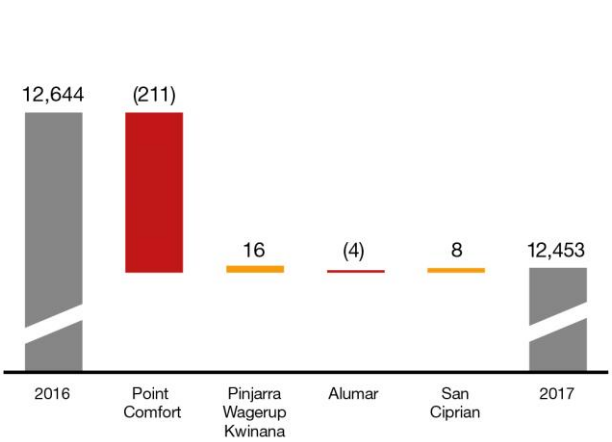
AWAC operated refineries

Production from AWAC operated refineries was 12.5 million tonnes, down 0.1 million tonnes compared to 2016. This was largely due to the curtailment of the Point Comfort refinery in 2016.

Alumina shipments for 2017 were 13.1 million tonnes (2016: 13.3 million tonnes). The reduction in shipments is mainly attributable to the curtailment of the Point Comfort refinery.

Shipments during December 2017 were also affected by operating inefficiencies at the ship loading facilities at the Bunbury and San Ciprian ports, resulting in some shipments being deferred to 2018.

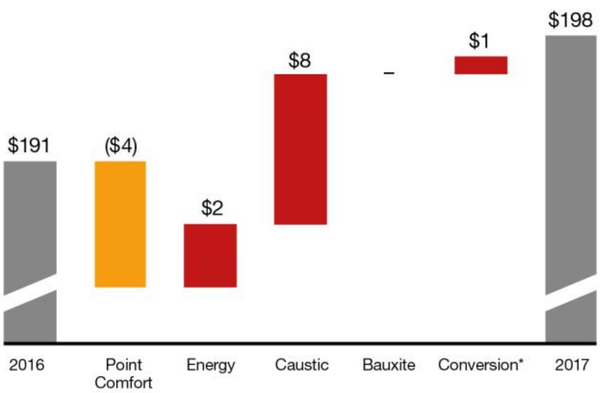
ALUMINA PRODUCTION: CHANGE BY REFINERY (KT)



The 2017 average realised alumina price was $335 per tonne, a year on year improvement of $93 per tonne (38%). With approximately 85% of shipments priced on spot or an index basis, AWAC was well positioned to capitalise on the steep upward price movement.

By comparison, the cash cost per tonne of alumina produced increased by only 3.7% to $198 per tonne. Whilst the curtailment of Point Comfort improved the overall cash cost of production by $4 per tonne, there were unfavourable variances attributable to caustic soda, energy and other costs.

CASH COST PER TONNE OF ALUMINA PRODUCED



* Conversion includes: employee costs, indirect costs and other raw material costs

Approximately 83% of the total caustic cost increase related to price. The rest of the cost increase is mainly attributable to the severe weather conditions in Brazil that affected the quality of the bauxite delivered to the Alumar refinery.

The rise in the price of caustic has been driven by supply and demand forces affecting the chlor-alkali industry. Due to its low reactive silica bauxite, AWAC is in a better position than many competitors to weather the rise in caustic prices.

The rise in energy costs was mainly due to the increase in the underlying oil reference price for the San Ciprian and Alumar refineries. This was partially offset by record low energy intensity achieved across the refining system.

Conversion costs rose because of increased maintenance at all refineries and the weaker US dollar.

Ma'aden Joint Venture

During 2017, the Ma'aden refinery produced 1.5 million tonnes of alumina (AWAC's share of production was 0.4 million tonnes), representing a 7.1% improvement compared to 2016. In December, the Ma'aden refinery's annualised run rate reached nameplate capacity (1.8 million tonnes per annum). In 2018, the Ma'aden refinery is expected to operate around its nameplate capacity, which should exceed the alumina needs of the adjoining smelter (1.5 million tonnes per annum), which is not an AWAC asset. The expected excess tonnes will be sold to third parties.

Equity losses relating to the Ma'aden joint venture reduced to $5 million (2016: $42.6 million). The improvement in performance is mainly attributable to higher alumina prices.

PORTLAND

The Portland smelter is AWAC's only smelting operation.

	31 DEC 2017	31 DEC 2016	CHANGE	CHANGE (%)
AWAC'S 55% EQUITY SHARE				
Production (thousand tonnes)	112	154	(42)	(27)
LME aluminium cash - 15 day lag ($/tonne)	1,950	1,596	354	22
EBITDA ($ million)	(25.6)	5.5	(31.1)	(565)

Aluminium production decreased by 27% due to a power outage in December 2016.

In January 2017, Alcoa of Australia Limited signed agreements with the State and Federal governments to provide assistance for the purposes of restarting the Portland operations and maintaining production at the smelter over the next four years.

The smelter gradually rebuilt capacity throughout the year, reaching pre-outage production levels of approximately 167 thousand tonnes per year (AWAC's equity share) in October 2017.

AWAC FINANCIAL REVIEW

The improvement in AWAC's net profit was largely due to higher realised alumina prices during 2017 which more than offset higher input costs and the weaker US dollar. Lower charges for significant items further assisted the results.

The increases in income tax charges were driven by higher taxable income, particularly in AWAC's Australian operations.

AWAC PROFIT AND LOSS (US GAAP)	US$ MILLION	
	YEAR ENDED 31 DEC 2017	YEAR ENDED 31 DEC 2016
Net profit after tax	901.3	49.0
Add back: Income tax charge	443.7	72.3
Add back: Depreciation and amortisation	290.3	271.8
Add back: Net interest	(2.6)	0.4
EBITDA	**1,632.7**	**393.5**
Add back: Significant items (pre-tax)	68.4	363.7
EBITDA excluding significant items	**1,701.1**	**757.2**

AWAC's net profit included the following significant items:

SIGNIFICANT ITEMS (US GAAP)	US$ MILLION	
	YEAR ENDED 31 DEC 2017	YEAR ENDED 31 DEC 2016
Suralco restructuring charges	(8.3)	(132.8)
Point Comfort restructuring charges	(48.6)	(31.0)
Gain on sale of interest in the Dampier Bunbury Gas Pipeline (DBNGP)	-	27.1
Impairment in an interest in a gas field in Western Australia	-	(72.3)
Portland impairment charge[1]	-	(125.8)
Other[2]	(11.5)	(28.9)
Total significant items (pre-tax)	**(68.4)**	**(363.7)**
Total significant items (after-tax)	**(65.7)**	**(306.2)**

1 For US GAAP purposes the Portland impairment charge was fully recognised in 2016. For AAS, the charge was recognised over the period of two years, 2015 and 2016.

2 Other significant items in 2017 include net charges related to Point Henry and Anglesea restructuring, severance and redundancy payments (2016: net charges related to Point Henry and Anglesea restructuring, severance and redundancy payments and US GAAP pension adjustments).

AWAC BALANCE SHEET (US GAAP)	US$ MILLION	
	31 DEC 2017	31 DEC 2016
Cash and cash equivalents	631.9	251.2
Receivables	555.2	395.7
Inventories	530.8	425.9
Property, plant & equipment	3,753.9	3,634.2
Other assets	2,396.6	2,064.5
Total Assets	**7,868.4**	**6,771.5**
Short term borrowings	4.6	2.2
Accounts payable	713.9	561.6
Taxes payable and deferred	424.8	184.9
Capital lease obligations & long term debt	17.5	2.7
Other liabilities	1,257.1	1,220.4
Total Liabilities	**2,417.9**	**1,971.8**
Equity	**5,450.5**	**4,799.7**

The increase in the value of assets and liabilities includes the effect of the weaker US dollar against the Australian dollar at year-end.

The spike in alumina prices in the fourth quarter of 2017 resulted in higher cash and cash equivalents and receivables as at year-end.

The increase in inventory includes the effect of the higher input costs (particularly caustic soda) and the delayed alumina shipments in December.

The increase in property, plant and equipment was mainly due to foreign currency rate movement and growth projects such as the Juruti mine capacity increase.

Other assets increased mainly due to changes in the fair value of derivative assets associated with Portland's hedging arrangements.

The rise in taxes payable and deferred is mainly attributable to an increase in the taxable income for Australian operations and an increase in the deferred taxes associated with the Portland hedging arrangements.

AWAC CASH FLOW (US GAAP)	US$ MILLION	
	YEAR ENDED 31 DEC 2017	YEAR ENDED 31 DEC 2016
Cash from operations	1,105.0	(26.2)
Capital contributions arising from the allocation agreement[1]	74.0	74.0
Capital contributions from partners	200.0	120.0
Net movement in borrowings	17.4	(8.0)
Capital expenditure	(191.6)	(129.9)
Proceeds from sale of 20% interest in the DBNGP	-	145.0
Other financing and investing activities[2]	7.9	123.3
Effects of exchange rate changes on cash and cash equivalents	25.1	6.8
Cash flow before distributions	**1,237.8**	**305.0**
Distributions paid to partners	(857.1)	(585.6)
Net change in cash and cash equivalents	**380.7**	**(280.6)**

1 Contributions by Alcoa in accordance with the allocation agreement whereby Alcoa assumes an additional 25% equity share relating to the Alba settlement payment and costs.

2 Made up of changes to capital lease obligations, related party notes receivable and other.

Cash from operations in 2017 increased primarily due to higher average realised alumina prices. The 2016 cash from operations included the final instalment of $200 million paid for the 12-year Western Australia gas supply agreement.

Consequently, distributions paid to partners increased to $857.1 million. In the first two months of 2018, and in accordance with the distribution policy, AWAC has distributed a further $527 million.

In 2017, sustaining capital expenditure was $146.0 million (2016: $121.1 million). The most significant expenditure was for the Pinjarra refinery where press filtration is currently being implemented.

Growth capital expenditure was $45.6 million. The largest growth project related to the expansion of the Juruti mine.

ALUMINA LIMITED FINANCIAL REVIEW

ALUMINA LIMITED PROFIT AND LOSS	US$ MILLION	
	YEAR ENDED 31 DEC 2017	YEAR ENDED 31 DEC 2016
Share of net profit of associates accounted for using the equity method	360.4	18.1
General and administrative expenses	(13.6)	(25.7)
Finance costs	(8.3)	(9.1)
Foreign exchange losses, tax and other	1.3	(13.5)
Profit/(loss) for the year after tax	**339.8**	**(30.2)**
Total significant items after tax	(23.3)	(114.9)
Net profit after tax excluding significant items	**363.1**	**84.7**

SIGNIFICANT ITEMS (IFRS, POST-TAX)	US$ MILLION	
	YEAR ENDED 31 DEC 2017	YEAR ENDED 31 DEC 2016
Suralco restructuring charges and deferred tax assets adjustment	(2.2)	(57.5)
Point Comfort restructuring charges	(19.5)	(12.4)
Portland impairment charge[1]	-	(24.7)
Impairment in an interest in a gas field in Western Australia	-	(20.2)
Gain on sale of interest in the DBNGP	-	2.5
Other (includes severance and redundancy charges)	(1.6)	(2.6)
Total significant items	**(23.3)**	**(114.9)**

[1] For US GAAP purposes the Portland impairment charge was fully recognised in 2016. For AAS, the charge was recognised over the period of two years 2016 and 2015.

Alumina Limited recorded a net profit after tax of $339.8 million compared to a loss of $30.2 million in 2016.

The increase in net profit was largely due to AWAC's higher average realised alumina price and lower net charges for significant items which were partially offset by AWAC's higher production costs and an unfavourable movement in the US dollar against the Brazilian real and the Australian dollar.

Excluding significant items, net profit would have been $363.1 million (2016: $84.7 million).

General and administrative expenses in 2017 includes $1.0 million associated with the previous CEO's retirement on 31 May 2017 and $0.4 million of costs from the Company's actions in relation to Alcoa's corporate separation (2016: $14.0 million). Excluding these costs, 2017 general and administrative expenses were marginally higher than 2016.

The Company's finance costs in 2017 included $1.1 million of charges related to the renegotiation of the syndicated bank facility. In 2016, finance costs included an interest expense adjustment of $2.6 million related to the step up in the fixed interest rate note's coupon from 5.5% to 7.25% per annum that was triggered by a change in credit rating for Alumina Limited. Excluding the above costs, the 2017 finance costs were marginally higher than 2016, reflecting higher interest rates and higher use of facilities throughout the year.

ALUMINA LIMITED BALANCE SHEET	US$ MILLION	
	31 DEC 2017	31 DEC 2016
Cash and cash equivalents	40.0	8.6
Investment in associates	2,320.8	2,106.0
Other assets	1.9	3.2
Total assets	**2,362.7**	**2,117.8**
Payables	1.3	1.3
Interest bearing liabilities – non-current	98.4	92.4
Other liabilities	9.2	17.2
Total Liabilities	**108.9**	**110.9**
Net Assets	**2,253.8**	**2,006.9**

The rise in investments in associates was due to AWAC's improved operating performance and foreign currency balance sheet revaluations, partially offset by AWAC's increased distributions.

Alumina Limited's net debt as at 31 December 2017 was $58.4 million.

Alumina Limited has $250 million of committed bank facilities which expire as follows:

- $150 million in July 2020 (no amounts drawn under these facilities as at 31 December 2017).
- $100 million in October 2022 (no amounts drawn under these facilities as at 31 December 2017).

In addition to the bank facilities, Alumina Limited has an A$125 million face value fixed rate note on issue which matures on 19 November 2019.

ALUMINA LIMITED CASH FLOW	US$ MILLION	
	YEAR ENDED 31 DEC 2017	YEAR ENDED 31 DEC 2016
Dividends received	278.1	150.2
Distributions received	1.2	0.7
Net finance costs paid	(8.6)	(5.7)
Payments to suppliers and employees	(12.1)	(26.3)
GST refund, interest received & other	0.9	1.1
Cash from operations	**259.5**	**120.0**
Net (payments)/receipts – investments in associates	(16.2)	33.9
Free cash flow[1]	**243.3**	**153.9**

1 Free cash flow calculated as cash from operations less net investments in associates.

Alumina Limited's free cash flow is comprised of the net capital, dividends and income distributions received from AWAC entities offset by the Company's general, administrative and finance costs.

Alumina Limited's total receipts from AWAC during 2017 were $343.1 million compared to $232.8 million in 2016.

Alumina Limited's cash contributions to AWAC during 2017 were $80.0 million (2016: $48.0 million).

Contributions invested in 2017 were mainly to support one AWAC entity's purchases of alumina on a spot basis from other AWAC entities in order to meet its long term customer supply commitments which are on different pricing mechanisms.

Higher cash finance costs reflect the note's increased coupon rate following the changes in the Company's credit rating.

As a result, free cash flow was $89.4 million higher in 2017 compared to 2016.

Alumina Limited's dividend policy is based on distributing the free cash up until the date of declaration by the Directors of the Company. Since 31 December 2017, the Company's net receipts from AWAC were $198 million which are included in the 9.3 cents per share 2017 final dividend to be paid on 15 March 2018.

MARKET OUTLOOK AND GUIDANCE

ALUMINA

Global demand for alumina increased by 7% in 2017. China's aluminium production growth is forecast to be lower in 2018 due to curtailments and closures of smelting capacity as a result of environmental and supply-side reform policies. Nevertheless, demand for metallurgical alumina is expected to grow by over 4% globally with a significant increase in aluminium production outside China, particularly in India and the Middle East. Increases in demand for metallurgical alumina outstripped growth in supply which was largely restricted to China. Modest increases in alumina production occurred mainly in Indonesia, Vietnam and Saudi Arabia.

In 2018, further alumina will be produced from the Ma'aden/AWAC Ras Al Khair refinery in Saudi Arabia which is ramping up and has recently operated at its full 1.8 million tonne nameplate capacity. This refinery is expected to operate in the lowest cash cost quartile.

Also, extra alumina production is expected from the re-started Alpart refinery in Jamaica. Towards the end of 2018, EGA's Shaheen refinery in the UAE is forecast to start producing alumina. There are other potential greenfields and brownfields refinery projects around the world, some of which may proceed to meet the expected increase in demand in the Americas, India and the Middle East.

In 2017, the Chinese Central and Regional governments implemented policies to reduce pollution by mandating significant curtailments in alumina, aluminium and carbon production in selected cities during the 2017/18 winter heating season. The curtailments started around November 2017 and continue until March 2018. These policies required the curtailment of 30 percent of China's alumina and aluminium production in the selected cities. There have also been a number of Chinese Government environmental audits in 2017 which have led to reduction in bauxite and alumina production. Some provinces cut production at different rates and the final cuts, which will be measured in low pollution days in winter, are yet to be ascertained.

However, the reduction in aluminium production in Shandong was less than initially expected, as cuts to unauthorised smelting capacity were able to be treated as winter curtailments. It is expected that the central Government will repeat the winter cuts policy at the end of 2018 and could either strengthen or relax the required curtailments, depending on the overall air quality improvement achieved over the 2017/2018 winter.

The Government also introduced supply-side reforms in 2017 to consolidate and reduce inefficient or obsolete capacity in the aluminium and other industries. This has led initially to the curtailment of a significant volume of smelting capacity built without authorisation. A scheme has been introduced which allows companies to obtain replacement quotas authorising additional capacity. This is expected to add a limited volume of Chinese smelting capacity coming online during 2018 and 2019.

Alumina supply and demand is expected to continue to grow and remain reasonably balanced over the next 5 years, and should underpin price support.

BAUXITE

China imported over 67 million tonnes of bauxite in 2017, including a record high estimated at approximately 7 million tonnes in December. The majority of imports came from Guinea and Australia, two countries in which AWAC has strong bauxite interests. Other countries supplying China included Malaysia, Indonesia, India and Brazil. The Pahang Government in Malaysia has extended its mining ban into 2018. Indonesia has relaxed its bauxite export ban and modest export volumes have commenced. Guinea and Australia are expected to continue solid supply to China.

Third party bauxite prices increased particularly in the last quarter of 2017 due to supply disruptions inside and outside China. Further bauxite supply is expected to be added in 2018 and the third party market is expected to be well supplied in 2018. However, the Chinese Government's recent environmental focus in China is restricting bauxite production. Also, environmental constraints in China are expected to cause refiners to locate new capacity on the coast in relatively decentralised provinces and use imported bauxite. These factors are expected, in the short to medium term, to accelerate the increase in demand for imported bauxite into China, which had been seen as a likely step-change expected around 2021, as Chinese domestic bauxite quality depletes.

Bauxite is expected to remain in ample supply during 2018.

AWAC GUIDANCE

The following 2018 guidance is provided to assist the understanding of the sensitivity of AWAC results to key external factors. The guidance cannot be expected to be predictive of exact results; rather it provides direction and approximate quantum of the impact on AWAC results. Sensitivity of each element of the guidance has been considered in isolation and no correlation with movements in other elements within the guidance has been made.

ITEM	2018 GUIDANCE
Production – alumina	Approximately 12.7 million tonnes
Production – aluminium	Approximately 164,000 tonnes
Third party bauxite sales	Approximately 6.3 million BD tonnes
Alumina Price Index sensitivity[1]: +$10/t	Approximately +$110 million EBITDA
Caustic price sensitivity: +$100/dry metric tonne	Approximately -$90 million EBITDA
Australian $ Sensitivity: + 1¢ USD/AUD	Approximately -$20 million EBITDA
Brazilian $ Sensitivity: + 1¢ BRL/USD	Minimal impact
SGA shipments expected to be based on alumina price indices or spot	Approximately 92% for the year
AWAC sustaining capital expenditure	Approximately $180 million
AWAC growth capital expenditure	Approximately $80 million
AWAC Point Comfort after tax restructuring[2] Charges (IFRS) Cash Flows	 Approximately $40 million Approximately $40 million
AWAC Suralco after tax restructuring[2] Charges (IFRS) Cash Flows	 Approximately $10 million Approximately $50 million
AWAC Point Henry and Anglesea after tax restructuring[2] Charges (IFRS) Cash Flows	 Approximately $1 million Approximately $30 million

[1] Excludes equity accounted income/losses for the Ma'aden joint venture.

[2] Ongoing costs will be recognised in future financial years relating to the curtailments and closures.

Extract from AWAC's Unaudited Combined Financial Statements

NOTE REGARDING NON-IFRS FINANCIAL INFORMATION

AWAC financial information has been extracted from unaudited combined financial statements prepared in conformity with accounting principles generally accepted in the United States of America.

AWAC PROFIT & LOSS

		US$ MILLION
	YEAR ENDED 31 DEC 2017	YEAR ENDED 31 DEC 2016
Sales	3,692.3	2,867.1
Sales to related parties	1,581.6	1,190.0
Total revenue	**5,273.9**	**4,057.1**
Cost of goods sold	3,502.4	3,217.4
Selling, general administrative, and research and development expenses	88.4	96.9
Provision for depreciation, depletion and amortisation	290.3	271.8
Restructuring and other expenses	47.8	349.7
Total expenses	**3,928.9**	**3,935.8**
Net profit before income taxes	**1,345.0**	**121.3**
Provision for taxes on income	(443.7)	(72.3)
Net profit after taxes	**901.3**	**49.0**
Members' equity		
Opening balance at start of period	**4,799.7**	**4,871.1**
Net profit	901.3	49.0
Capital contribution	274.0	194.0
Dividends paid and return of capital to partners	(857.1)	(585.6)
Common stock issued for compensation plans	3.1	3.0
Other comprehensive income/(loss)	329.5	268.2
Closing balance at end of period	**5,450.5**	**4,799.7**

AWAC BALANCE SHEET

	US$ MILLION	
	31 DECEMBER 2017	31 DECEMBER 2016
Current assets		
Cash and cash equivalents	631.9	251.2
Receivables	555.2	395.7
Inventories	530.8	425.9
Prepaid expenses and other current assets	175.6	86.2
Total current assets	**1,893.5**	**1,159.0**
Non-current assets		
Property, plant and equipment	3,753.9	3,634.2
Investments	399.1	407.9
Other assets and deferred charges	1,821.9	1,570.4
Total non-current assets	**5,974.9**	**5,612.5**
Total assets	**7,868.4**	**6,771.5**
Current liabilities		
Short term borrowings	4.6	2.2
Accounts payable	713.9	561.6
Taxes payable	190.1	47.9
Accrued compensation and retirement costs	204.3	202.8
Other current liabilities	243.9	207.3
Total current liabilities	**1,356.8**	**1,021.8**
Non-current liabilities		
Capital lease obligations and long term debt	17.5	2.7
Deferred income taxes	234.7	137.0
Other long term liabilities	808.9	810.3
Total non-current liabilities	**1,061.1**	**950.0**
Total liabilities	**2,417.9**	**1,971.8**
Net assets	**5,450.5**	**4,799.7**
Equity		
Members' equity	7,103.1	6,781.8
Accumulated other comprehensive loss	(1,652.6)	(1,982.1)
Total members' equity	**5,450.5**	**4,799.7**

AWAC STATEMENT OF CASH FLOWS

	US$ MILLION	
	YEAR ENDED 31 DEC 2017	YEAR ENDED 31 DEC 2016
Cash flows from operations		
Net profit	901.3	49.0
Adjustments to reconcile net income to cash from operations		
Depreciation, depletion and amortisation	290.3	271.8
Other items[1]	(86.6)	(347.0)
Cash provided/(used) from operations	**1,105.0**	**(26.2)**
Cash flows from financing activities		
Dividends paid and return of capital to partners	(857.1)	(585.6)
Net change in debt	17.4	(8.0)
Payments on capital lease obligations	(1.1)	(2.9)
Capital contributions	274.0	194.0
Cash used for financing activities	**(566.8)**	**(402.5)**
Cash flows from investing activities		
Capital expenditures	(191.6)	(129.9)
Net change in related party notes receivable	-	113.0
Other items[2]	9.0	158.2
Cash (used)/provided from investing activities	**(182.6)**	**141.3**
Effect of exchange rate changes on cash and cash equivalents	25.1	6.8
Cash generated/(used)	**380.7**	**(280.6)**
Cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	251.2	531.8
Cash and cash equivalents at the end of the period	631.9	251.2
Net change in cash and cash equivalents	**380.7**	**(280.6)**

[1] Other items consists of net movement in working capital and other non-current assets and liabilities.

[2] Year ended 31 December 2016 includes $145 million being proceeds from the sale of the 20% interest in the DBNGP.

RECONCILIATION OF AWAC'S US GAAP TO IFRS PROFIT

	US$ MILLION	
	YEAR ENDED 31 DEC 2017	YEAR ENDED 31 DEC 2016
AWAC profit before tax (US GAAP)	**1,345.0**	**121.3**
Adjustments made to align with IFRS		
Embedded derivatives	(9.6)	8.8
Impairment	-	51.1
Restructuring charges	11.7	14.0
Other	(5.4)	(33.0)
AWAC profit before tax (IFRS)	**1,341.7**	**162.2**
AWAC provision for taxes on income (USGAAP)	**(443.7)**	**(72.3)**
Adjustments made to align with IFRS	6.8	(41.0)
AWAC provision for taxes on income (IFRS)	**(436.9)**	**(113.3)**
AWAC profit before tax (IFRS)	1,341.7	162.2
AWAC provision for taxes on income (IFRS)	(436.9)	(113.3)
AWAC profit after tax (IFRS)	**904.8**	**48.9**