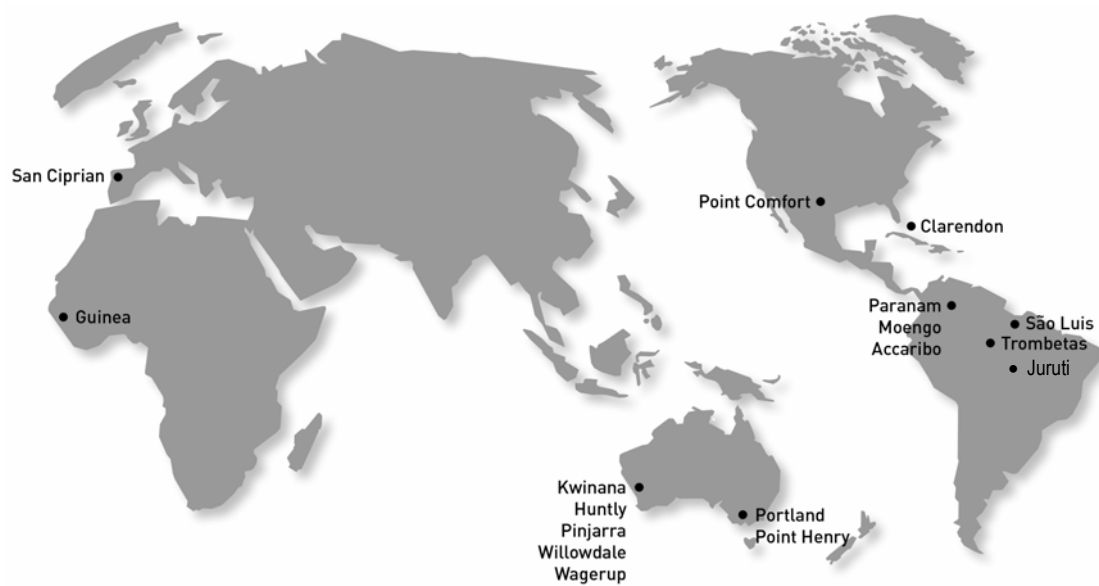


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Diagram of AWAC Operations



Alcoa World Alumina and Chemicals (AWAC) Profit & Loss

| US\$ Millions (US GAAP) 100% | Full Year 2005 | 1st Half 2006 | 2nd Half 2006 | Full Year 2006 |
|--|----------------------|------------------|------------------|-------------------|
| Sales and Operating Revenue | 2,829.6 | 1,745.7 | 1,858.3 | 3,604.0 |
| Revenue from Related Parties | 1,670.2 | 1,028.3 | 1,050.8 | 2,079.1 |
| Total Revenue | 4,499.8 | 2,774.0 | 2,909.1 | 5,683.1 |
| Cost of Goods Sold and Operating Expenses | (3,284.4) | (1,804.4) | (1,894.6) | (3,699.0) |
| Selling, Administration and Other Expenses | (80.7) | (47.5) | (51.9) | (99.4) |
| Provision for Depreciation, Depletion and Amortisation | (196.8) | (101.1) | (115.2) | (216.3) |
| Other | 20.8 | 22.3 | (30.8) | (8.5) |
| Total Expenses | (3,541.1) | (1,930.7) | (2,092.5) | (4,023.2) |
| Profit before Taxes on Income | 958.7 | 843.3 | 816.6 | 1,659.9 |
| Provision for Taxes on Profit | (313.9) | (263.7) | (274.3) | (538.0) |
| Profit from Operations | 644.8 | 579.6 | 542.3 | 1,121.9 |
| Cumulative effect of accounting change | (0.2) | - | - | - |
| Net Income | 644.6 | 579.6 | 542.3 | 1,121.9 |
| Members' Equity | | | | |
| Opening Balance at Start of Period | 2,820.0 | 3,254.0 | 3,297.9 | 3,254.0 |
| Net Income | 644.6 | 579.6 | 542.3 | 1,121.9 |
| Capital Contribution | 21.1 ¹ | - | 499.7 | 499.7 |
| Dividends Paid and Return of Capital to Partners | (182.1) ¹ | (498.6) | (491.3) | (989.9) |
| Common Stock Issued for Compensation Plans | - | 2.2 | (2.2) | - |
| Other Comprehensive Income/(Loss) | (49.6) | (39.3) | 148.4 | 109.1 |
| Closing Balance at End of Period | 3,254.0 | 3,297.9 | 3,994.8 | 3,994.8 |

¹ In addition, a dividend of A\$800 million was paid by Alcoa of Australia, and the same amount was also subscribed for new shares in Alcoa of Australia.

Alcoa World Alumina and Chemicals (AWAC) Balance Sheet

| US\$ Millions (US GAAP) 100% | 31 December 2005 | 30 June 2006 | 31 December 2006 |
|---|---------------------|-----------------|---------------------|
| Cash and Cash Equivalents | 229.3 | 90.4 | 195.0 |
| Receivables | 673.5 | 930.4 | 883.5 ¹ |
| Inventories | 423.2 | 428.1 | 477.8 |
| Prepaid Expenses and Other Current Assets | 151.2 | 151.5 | 231.3 |
| Total Current Assets | 1,477.2 | 1,600.4 | 1,787.6 |
| Property Plant & Equipment | 2,853.1 | 3,073.6 | 3,663.8 |
| Investments | 187.7 | 199.1 | 208.9 |
| Other Assets and Deferred Charges | 604.2 | 633.5 | 600.6 |
| Total Non-Current Assets | 3,645.0 | 3,906.2 | 4,473.3 |
| Total Assets | 5,122.2 | 5,506.6 | 6,260.9 |
| Short Term Borrowings | 113.9 | 262.5 | 132.2 |
| Payables | 649.5 | 835.3 | 840.9 |
| Taxes Payable | 227.8 | 341.4 | 434.6 |
| Accrued Compensation and Retirement Costs | 106.4 | 107.3 | 112.2 |
| Other Current Liabilities | 156.8 | 58.7 | 132.6 |
| Total Current Liabilities | 1,254.4 | 1,605.2 | 1,652.5 |
| Long Term Debt | - | 0.3 | 0.3 |
| Deferred Taxes | 214.0 | 202.6 | 213.8 |
| Other Long Term Liabilities | 399.8 | 400.6 | 399.5 |
| Total Non-Current Liabilities | 613.8 | 603.5 | 613.6 |
| Total Liabilities | 1,868.2 | 2,208.7 | 2,266.1 |
| Minority Interest | - | - | - |
| Equity | 3,254.0 | 3,297.9 | 3,994.8 |
| Total Liabilities & Equity | 5,122.2 | 5,506.6 | 6,260.9 |

¹ Receivables at 31 December 2006 includes an amount of US\$100 million advanced by Alcoa of Australia to a non-AWAC Alcoa Company, which is at call. This amount has been treated as a cash equivalent in calculating AWAC's net debt.

Alcoa World Alumina and Chemicals (AWAC) Statement of Cashflows

| US\$ Millions (US GAAP) 100% | Full Year 2005 | 1st Half 2006 | 2nd Half 2006 | Full Year 2006 |
|---|----------------------|------------------|------------------|-------------------|
| <u>Operating Activities</u> | | | | |
| Net Income | 644.6 | 579.6 | 542.3 | 1,121.9 |
| Adjustments to Reconcile Net Income to Cash from Operations | | | | |
| Depreciation, Amortisation and Impairment | 196.8 | 101.1 | 115.2 | 216.3 |
| Other Items* | (39.0) | (130.9) | 74.7 | (56.2) |
| Cash from Operating Activities | 802.4 | 549.8 | 732.2 | 1,282.0 |
| | | | | |
| <u>Financing Activities</u> | | | | |
| Dividends Paid & Return of Capital to Partners | (182.1) ¹ | (498.6) | (491.3) | (989.9) |
| Change in Debt | (4.2) | 148.9 | (130.3) | 18.6 |
| Common Stock Issued for Compensation Plans | - | 2.2 | (2.2) | - |
| Capital Contribution | 21.1 | - | 499.7 | 499.7 |
| Cash Used for Financing Activities | (165.2) | (347.5) | (124.1) | (471.6) |
| | | | | |
| <u>Investing Activities</u> | | | | |
| Capital Expenditure | (603.9) | (330.4) | (505.8) | (836.2) |
| Other | (20.8) | (17.8) | (9.0) | (26.8) |
| Cash Used for Investing Activities | (624.7) | (348.2) | (514.8) | (863.0) |
| | | | | |
| Effect of Exchange Rate Changes on Cash | (9.7) | 7.0 | 11.3 | 18.3 |
| | | | | |
| Cash Generated / (Used) | 2.8 | (138.9) | 104.6 | (34.3) |
| | | | | |
| Cash and Cash Equivalents | | | | |
| Cash and Cash Equivalents at Beginning of Period | 226.5 | 229.3 | 90.4 | 229.3 |
| Cash and Cash Equivalents at End of Period | 229.3 | 90.4 | 195.0 | 195.0 |
| Net Change in Cash and Cash Equivalents | 2.8 | (138.9) | 104.6 | (34.3) |

* Other Items consists of net movement in working capital and other non-current assets and liabilities

¹ In addition, a dividend of A\$800 million was paid by Alcoa of Australia, and the same amount was also subscribed for new shares in Alcoa of Australia.

Alcoa World Alumina and Chemicals (AWAC) Reconciliation of Profit to Alumina Limited Share of AWAC's Equity Profit

| | Full Year 2005 | 1st Half 2006 | 2nd Half 2006 | Full Year 2006 |
|--|-------------------|------------------|------------------|-------------------|
| USD Profit Before Taxes on Income (US GAAP) | 958.7 | 843.3 | 816.6 | 1,659.9 |
| Less: USD AIFRS Adjustments | (4.0) | (102.5) | (29.5) | (132.0) |
| | | | | |
| Total USD Profit Before Taxes (AIFRS) | 954.7 | 740.8 | 787.1 | 1,527.9 |
| | | | | |
| Total AUD Profit Before Taxes (AIFRS) | 1,252.7 | 1,001.0 | 1,032.5 | 2,033.5 |
| | | | | |
| Alumina Limited Share of Equity Profit Before Tax | 501.1 | 400.4 | 413.0 | 813.4 |
| | | | | |
| Less: Share of Equity Income Tax Expense | (164.0) | (125.1) | (141.7) | (266.8) |
| | | | | |
| Alumina Limited Share of Equity Profit After Tax | 337.1 | 275.3 | 271.3 | 546.6 |