


ALUMINA
LIMITED

ANNUAL REVIEW 2006

OUR DIRECTION IS CLEAR



VISION +STRATEGIES +EXECUTION =RECORD RESULTS

>VISION HIGHER FUTURE RETURNS AND SUSTAINABLE GROWTH
>STRATEGIES LOWER PRODUCTION COSTS, INCREASE PRODUCTION
CAPACITY AND INVEST SOLELY IN AWAC >EXECUTION PINJARRA
REFINERY UPGRADE COMPLETE AND ALUMAR EXPANSION UNDERWAY

>RECORD RESULTS ALUMINA'S UNDERLYING EARNINGS UP 72%

TO \$569 MILLION AND FULLY FRANKED DIVIDENDS OF 22 CENTS

PER SHARE, RECORD AWAC ALUMINA PRODUCTION OF 14.3 MILLION TONNES.



A PARTNERSHIP FOR TODAY AND TOMORROW >Alumina Limited is a leading Australian company listed on the Australian Securities Exchange (ASX) and the New York Stock Exchange (NYSE). We invest worldwide in bauxite mining, alumina refining and selected aluminium smelting operations through our 40 per cent ownership of Alcoa World Alumina and Chemicals (AWAC), the world's largest alumina business. Our partner, Alcoa, owns the remaining 60 per cent of AWAC, and is the manager. The AWAC joint venture was formed in 1994 and our partnership with Alcoa dates back to 1961.

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OBJECTIVES

DELIVER SUBSTANTIAL RETURNS
TO SHAREHOLDERS

- > Record underlying earnings up 72% to \$569 million
- > Net profit up 62% to a record \$511 million
- > Fully franked dividends increased to 22 cents per share
- > Return on equity, based on underlying earnings, of 32%
- > Share buy-back in first half of 2007
- > Future annual dividends expected to be at least 24 cents per share fully franked, subject to business conditions

MAINTAIN AWAC'S LEADERSHIP
IN THE ALUMINA INDUSTRY

- > AWAC alumina production – a 4.4% increase to a record 14.3 million tonnes
- > AWAC sales revenue increased by 26%
- > AWAC produced 377,351 tonnes of aluminium, in line with 2005
- > AWAC cash dividends to Alumina Limited increased to \$521 million

GROW AWAC TO MEET MARKET DEMANDS
AND MAINTAIN LEADERSHIP POSITION

- > AWAC completed the Pinjarra efficiency upgrade, increasing annual production capacity by 657,000 tonnes
- > Construction of the Jamalco refinery capacity increase of 146,000 mtpy will be completed in 1Q 2007
- > AWAC continued construction of the 2.1 million mtpy expansion of the jointly owned Alumar alumina refinery in Brazil (AWAC 54% interest)
- > AWAC commenced development of the 2.6 million mtpy Juruti bauxite mine in Brazil

PARTICIPATE IN THE STRATEGIC
DIRECTION OF AWAC

- > AWAC is well positioned geographically to supply future market growth
- > AWAC review of the alumina industry in China
- > Implemented new funding arrangements for AWAC growth projects

□ GROWTH

CHAIRMAN AND CEO'S REPORT

DON MORLEY AND JOHN MARLAY

>DELIVERING RECORD RETURNS AND INVESTING FOR GROWTH



THE COMPANY DELIVERED RECORD PROFITS AND DIVIDENDS IN 2006. THE STRENGTH OF AWAC OPERATING CASH FLOWS AND A NEW FUNDING AGREEMENT WITH OUR PARTNER, ALCOA, HAS CREATED THE FLEXIBILITY TO INCREASE RETURNS TO SHAREHOLDERS.

Alumina Limited reported record profits and dividends for the 2006 year, reflecting the strength of global demand for aluminium and the strong operating performance of the AWAC joint venture. Our 40 per cent interest in AWAC has once again delivered excellent returns.

RECORD 2006 RESULT

Net profit after tax increased 62 per cent to \$511 million and underlying earnings after tax increased 72 per cent to \$569 million. This record result was driven by higher realised alumina and aluminium prices and higher production and sales from the AWAC joint venture, which achieved record alumina production of 14.3 million tonnes (2005:13.7 million tonnes).

Return on equity (based on underlying earnings) was 32 per cent, up from 22 per cent in the prior year, with higher underlying earnings more than offsetting the impact of significant capital investment in AWAC's growth projects. The strong returns reflect the quality of AWAC's global asset portfolio and leading market position, and build on AWAC's record of achieving returns on equity greater than its cost of capital in every year since its creation in 1995.

During the year Alumina Limited and Alcoa implemented new funding arrangements for AWAC's growth projects. The 2006 net profit, together with the new funding arrangements, enabled the Board to increase dividends to shareholders to a total of 22 cents per share, fully franked. These funding arrangements provide greater confidence in Alumina Limited's capacity to continue to declare fully franked dividends. The Board intends subject to business conditions, to maintain annual dividends at least at 24 cents per share, fully franked.

Alumina production costs for AWAC and across the alumina industry have increased substantially in recent years, as world demand for commodities

has increased prices of raw materials, freight, energy and labour. AWAC's alumina production costs increased by US\$18 per tonne in 2006. Notwithstanding this, average AWAC operating margins increased by 30 per cent.

The AWAC joint venture is adding refining capacity, with low cash operating costs, to meet growth in demand from long-term contracted customers. AWAC production growth will generate strong future cash flows and underpin the sustainability of long-term returns to shareholders.

AWAC's total capital expenditure in 2006 was US\$836 million (2005: US\$604 million), with significant progress achieved on all growth projects.

The upgrade of the Pinjarra alumina refinery in Western Australia, AWAC's lowest cost refinery, was completed in the first half of 2006. Annual production capacity increased by 657,000 tonnes to 4.2 million metric tonnes per year (mtpy). Construction of the 146,000 mtpy early works project at Jamalco is due to be completed in the first half of 2007. Development of the new Juruti bauxite mine and the expansion of the Alumar refinery in Brazil by 2.1 million mtpy (AWAC 54 per cent share) commenced in 2006.

Government environmental approval was received for the proposed 2 million mtpy expansion of the Wagerup alumina refinery in Western Australia. A decision on this expansion will be made in 2008 following the completion of detailed engineering and design work which is currently underway.

>INCREASING DEMAND

+AWAC EXPANSION

=INCREASED PRODUCTION

STRENGTH

PERFORMANCE

Alumina Limited net debt declined to \$419 million from \$463 million in 2005. Dividends of \$521 million received from AWAC funded contributions for the Company's investment in AWAC expansion projects in Brazil and Jamaica and dividends to Alumina Limited shareholders. Dividends from Alcoa of Australia are expected to substantially fund the Company's investments in AWAC's growth and sustaining capital projects in 2007. Additional debt facilities will finance the balance of the Company's capital expenditure requirements.

The Company is undertaking a \$250 million off-market share buy-back in the first half of 2007. Directors reviewed the Company's capital structure in the light of the Company's strong earnings and cashflow, continuing positive outlook for the alumina and aluminium markets and strong franking account balance, the outlook of which is more secure due to the Funding Agreement signed with Alcoa during 2006. Directors believe that shareholders will benefit by the buy-back improving the Company's debt and equity mix by increasing the Company's debt level, bringing its capital structure more in line with that of other Australian public companies. The buy-back is expected to also result in improvements to the Company's earnings per share and return on equity. Alumina Limited's financial position is strong, with an A- rating with Standard & Poor's. AWAC is expected to remain essentially debt free.



AWAC IS THE WORLD'S LARGEST ALUMINA PRODUCER, WITH LONG LIFE ASSETS AND THE CAPACITY TO EXPAND ITS LOW COST REFINERIES TO MEET GROWTH IN ALUMINIUM MARKET DEMAND. OUR INVESTMENT IN AWAC HAS DELIVERED AN AVERAGE RETURN ON EQUITY OF 20.7 PER CENT SINCE 2002.

GOVERNANCE

Alumina Limited's corporate governance practices are designed to protect shareholder interests, to address business risks, and to maximise value for shareholders. Alumina Limited meets the ASX best practice corporate governance principles. A complete outline of our corporate governance practices is set out in Part 2 of the concise report available on our website.

Alumina Limited's annual results are reported on the basis of Australian equivalents to International Financial Reporting Standards (A-IFRS). The Company also reports its underlying earnings, in addition to net profit under A-IFRS, as Directors believe this provides a better understanding of the Company's performance. The calculation of underlying earnings is described on page 12 of the concise report available on our website.

In 2007, Alumina Limited will provide its first report on internal financial controls under the Sarbanes-Oxley Act. The internal financial control report is a substantial exercise, which has increased corporate costs.

Together with the management time required, the costs to shareholders to complete this report are substantial and, in the view of Directors, exceed the benefits to shareholders.

We have also clearly stated the Company's policies on sustainability and environment. These are explained further on page 23 of the concise report available on our website.

The policy debate on greenhouse gas emissions and climate change is moving rapidly towards wide acceptance that the world community must develop ways to reduce the level of greenhouse gas emissions. The Company's Chief Executive Officer has been appointed to a joint government /business Task Group to advise the Australian Government on workable global emissions trading systems in which Australia could participate. Alumina Limited supports the introduction of a properly designed emissions trading scheme covering all major emitters and sectors, which will ensure Australian industry remains internationally competitive. In 2007 Alumina Limited will participate in the Carbon Disclosure Project and also provide our first Sustainability Report.



GROWTH AND OUTLOOK

The outlook for the aluminium industry continues to be positive. Global demand for both alumina and aluminium was strong throughout 2006 with average aluminium prices increasing 36 per cent on the prior year.

Consumption of aluminium is forecast to double between 2005 and 2020. This growth will come from both Asian developing economies and western world markets. To meet this additional demand, primary metal capacity (including bauxite mining, alumina refining and aluminium smelting) will need to increase at three times the rate of growth achieved over the last 20 years.

Alumina Limited is taking advantage of strong global growth in demand for aluminium and alumina through further investment in the AWAC joint venture. AWAC is currently constructing or evaluating growth projects to add more than 3 million mtpy to existing capacity of 14.5 million mtpy, while reducing overall refining cost per tonne.

Construction costs for alumina refinery expansions have increased in recent years due to higher construction contracting costs, materials prices and contract labour costs, and foreign exchange variations. At the same time, the strength of world demand for commodities has also generated higher aluminium and alumina prices.

Decisions on AWAC's expansion projects will continue to be driven by these dynamic project economics, worldwide demand for alumina, and long-term customer supply agreements.

AWAC's growth strategy to add low-cost production capacity principally through brownfield expansions builds on proven AWAC competencies.

AWAC's refining operations will continue to grow and maintain their low cost position and, at the same time, address the challenges of higher construction and energy costs. Ownership of quality, low-cost bauxite resources, such as that being developed at Juruti, is increasingly important to ensure a competitive cost position in alumina refining. New capacity, funded primarily from AWAC cash flows, is underpinned by long-term customer supply contracts.

The sensitivity for Alumina Limited's 2007 underlying earnings to a US 1 cent movement in the aluminium metal price is expected to be approximately A\$10 million, based on 2006 underlying earnings and 2006 average LME and A\$/US\$ exchange rates.

The sensitivity to the A\$/US\$ exchange rate is A\$7 million for each 1 cent movement. These sensitivities exclude any impact of accounting for embedded derivatives.

AWAC's alumina production costs are expected to increase in 2007 by approximately US\$4 per tonne, due to higher average energy and bauxite prices and shipping costs.

A number of important strategic improvements made in 2006, including negotiating the new funding agreements with Alcoa and strengthening the Company's capital structures, are the direct result of Alumina Limited's management. We thank the Company's employees for their contribution, and the positive results.

Our joint venture interest in AWAC has again delivered excellent returns in 2006. Directors and management will continue to work to ensure AWAC provides sustainable value for shareholders in 2007 and beyond.



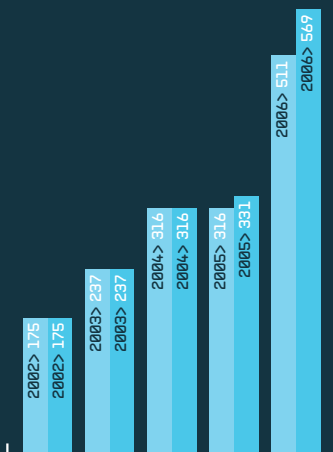
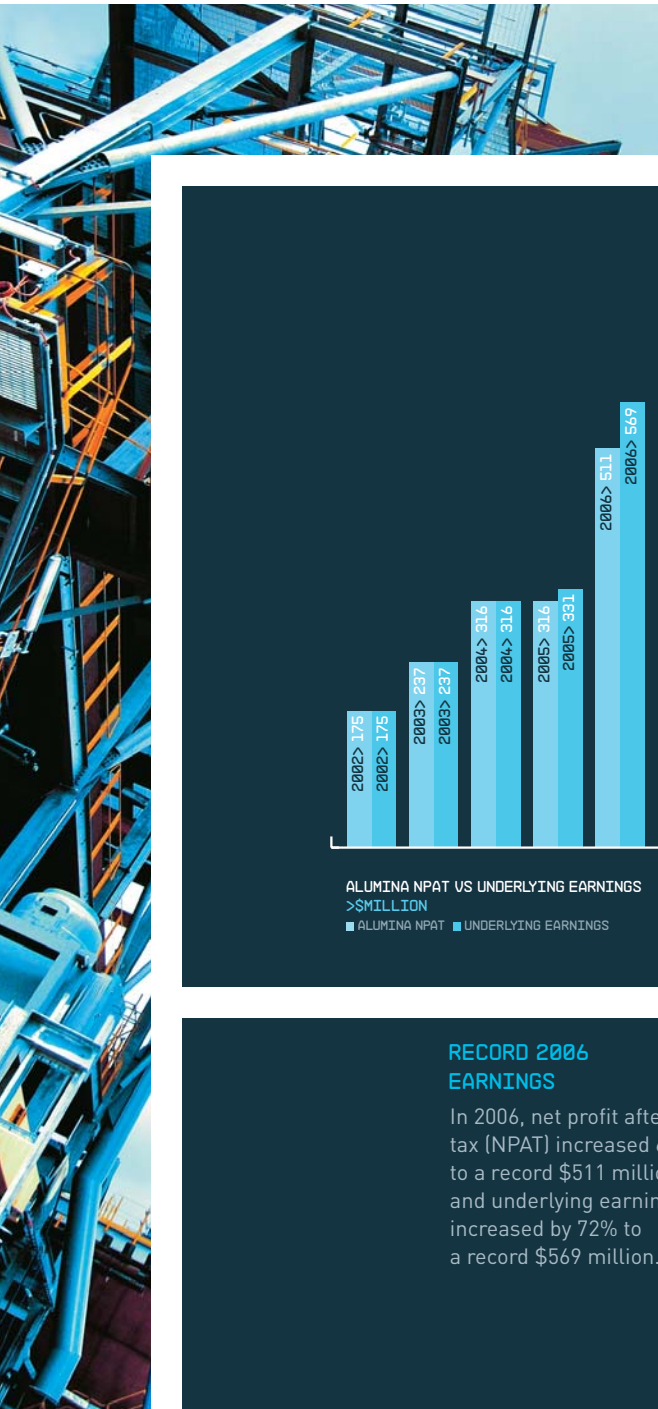
DON MORLEY
>CHAIRMAN



JOHN MARLAY
>CHIEF EXECUTIVE OFFICER

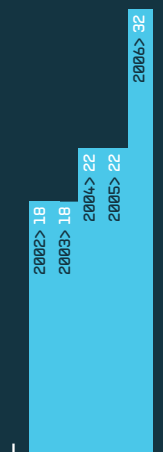


PINJARRA ALUMINA REFINERY



ALUMINA NPAT VS UNDERLYING EARNINGS
>\$MILLION

■ ALUMINA NPAT ■ UNDERLYING EARNINGS



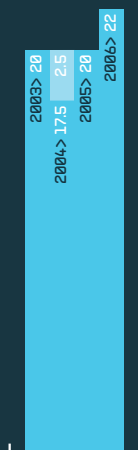
ALUMINA LIMITED
RETURN ON EQUITY
>PER CENT

RECORD 2006 EARNINGS

In 2006, net profit after tax (NPAT) increased 62% to a record \$511 million, and underlying earnings increased by 72% to a record \$569 million.

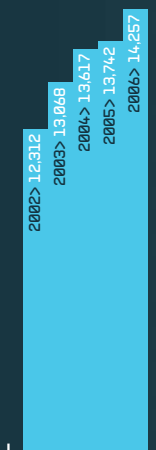
RETURN ON EQUITY

The Company delivered a strong 32% return on equity in 2006 based on underlying earnings, up from 22% in the previous year.

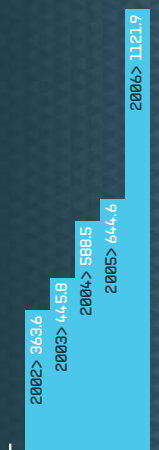


ALUMINA DIVIDENDS
DECLARED >CENTS

■ FULLY FRANKED ■ UNFRANKED



AWAC ALUMINA PRODUCTION
>000 TONNES



AWAC NET PROFIT
AFTER TAX
>US\$ MILLION

ALUMINA DIVIDENDS

The Company increased the final 2006 dividend to 12 cents per share, a 20% increase. Directors intend, subject to business conditions, to maintain annual dividends at least at 24 cents per share, fully franked.

AWAC ALUMINA PRODUCTION

Alcoa World Alumina and Chemicals (AWAC), the world's largest alumina producer, achieved a new record in 2006, producing 14.3 million tonnes of alumina. Seven of AWAC's eight refineries achieved record annual production.

AWAC NET PROFIT

AWAC's 2006 net profit after tax increased by 74% over the 2005 result. The strong growth in AWAC profits and cash flows in 2006, delivered excellent returns to Alumina Limited shareholders.

ALUMINA LIMITED'S STRATEGY

Alumina Limited's strategy is to participate in bauxite mining, alumina refining and selected aluminium smelting operations globally, solely through our 40 per cent interest in AWAC.

GENERATE PROFITABLE GROWTH FOR ALUMINA SHAREHOLDERS FROM SUSTAINABLE EXPANSION OF THE AWAC ENTERPRISE

- > Expand AWAC's existing alumina and bauxite capacity to meet growth in global alumina markets
- > Participate in strategic greenfield refinery and bauxite mine investments that meet AWAC's risk and return criteria, to enhance AWAC's long-term capacity and cost position
- > Undertake smelting investments within AWAC, where investment returns are high

CONTINUE TO ENSURE LONG-TERM CAPITAL GROWTH AND SUBSTANTIAL DIVIDENDS FOR SHAREHOLDERS

- > Maintain fully franked dividends of at least 24 cents per share annually, subject to business conditions
- > Invest cash in high-return opportunities in AWAC, or return cash to shareholders
- > Actively manage Alumina Limited's capital structure to improve returns per share

AWAC'S GLOBAL INTERESTS

- B** AWAC bauxite mines/interests
- R** AWAC alumina refineries
- S** AWAC aluminium smelters

USA

- 1 Point Comfort R

JAMAICA

- 2 Jamalco B R

BRAZIL

- 3 Alumar R
- 4 Trombetas B
- 5 Juruti B

SPAIN

- 6 San Ciprian R

SURINAME

- 7 Suralco B R

AUSTRALIA

- 8 Kwinana R
- 9 Huntly B
- 10 Pinjarra R
- 11 Willowdale B
- 12 Wagerup R
- 13 Portland S
- 14 Point Henry S

GUINEA

- 15 Sangaredi B



>AWAC A GLOBALLY CONNECTED SYSTEM

JAMALCO >2

**CURRENT
GROWTH PROJECT**
146,000 mtpy Q1, 2007.

JURUTI >5

**CURRENT
GROWTH PROJECT**
Development of a bauxite mine is underway with an initial 2.6 million mtpy capacity.

VIETNAM

**POTENTIAL
GROWTH PROJECT**
Investigating the feasibility of creating a joint venture to develop a bauxite mine and alumina refinery.

GUINEA >15

**POTENTIAL
GROWTH PROJECT**
Feasibility study to be completed in early 2008 – 1.5 million mtpy alumina refinery.



PINJARRA >10

GROWTH PROJECT
657,000 mtpy upgrade completed in 2006. Total production capacity 4.2 million mtpy.

WAGERUP >12

**POTENTIAL
GROWTH PROJECT**
2 million mtpy expansion under consideration.

ALUMAR >3

**CURRENT
GROWTH PROJECT**
2.1 million mtpy expansion. Completion due 2008. AWAC 54 per cent interest.

>THE BOARD OF DIRECTORS

Alumina Limited Directors in office as at 31 December 2006 were:



> MR DONALD M MORLEY

Age 67 – BSc MBA FAusIMM

**Chair
Independent Non-Executive
Director**

Mr Morley was elected a Director and appointed Chairman of Alumina Limited on 11 December 2002. He is a director of Iluka Resources Ltd, a role he has held since December 2002 and has also been a director of SPARK Infrastructure Ltd since November 2005. He was previously a director of WMC Limited, in the role of director of Finance until April 2001, and he retired from his executive duties with WMC in October 2002. Mr Morley is a member of the Audit Committee, Compensation Committee and the Nomination Committee. He has wide ranging financial skills and considerable resource industry experience.



> MR PETER A F HAY

Age 56 – LLB

**Independent Non-Executive
Director**

Mr Hay has been a Director of Alumina Limited since 11 December 2002. He is a director of Pacifica Group Limited, Chairman, Investment Banking at Carnegie Wylie & Company and from July 2000 to July 2005 he was the chief executive officer of the law firm Freehills. He is a member of the Audit Committee, Compensation Committee and Chair of the Nomination Committee. Mr Hay brings to the Board considerable legal experience and advisory skills particularly in relation to public company takeovers, corporate governance matters and risk management.

GUIDANCE



> MR RON J MCNEILLY

Age 63 – BCom, MBA, FCPA, FAICD

Independent Non-Executive Director

Mr McNeilly was elected a Director of Alumina Limited on 11 December 2002. He is the deputy Chairman of BlueScope Steel Limited; Chairman of Worley Parsons Limited; Chairman of Melbourne Business School Limited; past director of BHP Billiton Limited, QCT Resources Limited, Tubemakers of Australia Limited and Ausmelt; past executive director Global Markets BHP Billiton Limited from 2001 to 2002; past executive director and president of BHP Minerals from 1999 to 2001. Mr McNeilly is a member of the Audit and Nomination Committee and chair of the Compensation Committee. Mr McNeilly brings substantial practical experience and skills gained from over 30 years in the resource sector.



> MR MARK R RAYNER

Age 69 – BSc (Hons) ChemEng FTSE FAusIMM FIEA FAICD

Independent Non-Executive Director

Mr Rayner was elected a Director of Alumina Limited on 11 December 2002. He was Chief Executive of Comalco Limited 1978 to 1989, deputy chairman 1989 to 1997; executive director CRA Ltd 1989 to 1995. director of National Australia Bank Limited from 1985 to 2001 and chairman from 1997 to 2001. Director of Pasminco Limited from 1989 to 2003 and Chairman from 1992 to 2003; director of Mayne Nickless Limited from 1995 to 2002 and Chairman from 1997 to 2002. He is a director of Boral Ltd, a role he has held since February 1996. Mr Rayner is a member of the Nomination Committee, Compensation Committee and Chair of the Audit Committee. He brings extensive industry specific experience in the bauxite, alumina and aluminium industry of over 35 years.



> MR JOHN MARLAY

Age 58 – BSc FAICD

Chief Executive Officer

Mr Marlay was elected as executive director and Chief Executive Officer on 11 December 2002. He joined WMC in August 2002, following role as Head of Strategy for RMC Group Plc in London. In December 2006 Mr Marlay was appointed as a non-executive director of Incitec Pivot Limited. Mr Marlay was previously Executive General Manager Business Integration, Hanson Plc from 2000 to 2001. He has held senior management roles with Pioneer International Ltd, James Hardie Industries Limited and Esso Australia Ltd. Mr Marlay has extensive resource sector experience operating in international management roles, including capital-intensive joint ventures.

2006 REMUNERATION AND FINANCIAL SUMMARY

–DIRECTOR AND SENIOR EXECUTIVE

REMUNERATION 2006

2006	short-term \$	post employment \$	equity \$	total \$
Non-executive Directors¹				
D M Morley	287,500	12,412	–	299,912
P A F Hay	115,000	10,350	–	125,350
R J McNeilly	115,000	10,350	–	125,350
M R Rayner	115,000	10,350	–	125,350
Non-executives total	632,500	43,462	–	675,962

2006	short-term \$	post employment \$	equity ³ \$	total \$
Executive Director – CEO²				
J Marlay	1,196,744	18,756	311,452	1,526,952

Senior Executives²				
K A Dean	700,388	12,412	74,945	787,745
S C Foster	466,423	12,412	109,794	588,629
Senior executives total	1,166,811	24,824	184,739	1,376,374

¹ Non-executive directors are required to sacrifice a minimum of 10 per cent of their fixed remuneration in Company shares.

The directors have discretion to vary the amount of fixed remuneration they apply to acquiring shares. Mr Morley applied \$28,750, Mr Hay \$20,125, Mr McNeilly \$28,750 and Mr Rayner \$16,290 to acquiring shares in the Company.

² Short-term includes cash bonuses for Mr Marlay (\$365,500), Mr Dean (\$172,800) and Mr Foster (\$128,835)

³ The value of Performance Rights is calculated in accordance with AASB 2 and vest at the end of the performance period if certain performance tests are achieved over that performance period.

For a detailed explanation of Director and Executive remuneration, refer to the 2006 Remuneration Report on the Company website www.aluminalimited.com

ALUMINA LIMITED AND CONTROLLED ENTITIES

ALUMINA LIMITED FIVE YEAR FINANCIAL SUMMARY

as at 31 December	2006 ¹ \$millions	2005 ¹ \$millions	2004 ¹ \$millions	2003 ² \$millions	2002 ^{2,3} \$millions
Revenue from continuing operations	1.4	4.0	8.9	4.8	1.3
Other income	–	–	44.5	–	–
Share of net profits of associates accounted for using the equity method	546.6	337.1	283.5	244.1	216.3
Finance costs	(25.1)	(15.3)	(8.1)	(8.7)	(0.6)
General and administrative expenses	(10.7)	(10.2)	(8.7)	(12.6)	(7.6)
Income tax (expense)/credit	(1.1)	–	(3.7)	9.3	0.3
Net profit attributable to members of Alumina Limited	511.1	315.6	316.4	236.9	209.7
Underlying earnings ⁴	569.4	331.3	315.9	n/a	n/a
Total assets	2,357.6	2,013.5	1,823.2	1,799.1	1,695.1
Total liabilities	603.0	483.3	411.3	475.3	541.6
Net assets	1,754.6	1,530.2	1,411.9	1,323.8	1,153.5
Shareholders' funds	1,754.6	1,530.2	1,411.9	1,323.8	1,153.5
Dividends provided for or paid	233.2	232.8	232.2	259.6	202.3
Statistics					
Dividends declared per ordinary share	22c	20c	20c	20c	18c
Dividend payout ratio	46.0%	74.0%	74.0%	109.0%	96.0%
Earnings per ordinary share	43.8c	27.1c	27.2c	20.9c	15.7c
Return on equity ⁵	29.1%	20.6%	22.4%	17.9%	15.1%
Gearing (net debt to equity)	23.9%	30.3%	19.8%	22.8%	44.3%
Net tangible assets backing per share	\$1.25	\$1.06	\$0.96	\$0.99	\$0.85

¹ December 2006, 2005 and 2004 reflect results prepared under Australian equivalents to International Financial Reporting Standards (A-IFRS).

² December 2003 and 2002 represent results under previous Australian Generally Accepted Accounting Principles (AGAAP).

³ 2002 reflects results from continuing operations.

⁴ Underlying earnings has been calculated by adding back to reported net profit amounts relating to non-cash entries which do not reflect the operations of the Company. These non-cash entries related to mark-to market valuations of AWAC embedded derivatives, and adjustments resulting from actuarial assessment of market value of assets held in AWAC employee benefit plans.


⁵ Based on net profit attributable to members of Alumina Limited.

ALUMINA LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED BALANCE

SHEET AS AT 31 DECEMBER 2006

as at 31 December	2006 \$millions	2005 \$millions
Current assets		
Cash and cash equivalents	169.0	15.2
Receivables	0.1	0.5
Deferred tax assets	2.1	2.1
Other financial assets	–	0.5
Total current assets	171.2	18.3
Non-current assets		
Investments accounted for using the equity method	2,186.2	1,994.9
Property, plant and equipment	0.2	0.3
Total non-current assets	2,186.4	1,995.2
Total assets	2,357.6	2,013.5
Current liabilities		
Payables	12.7	3.1
Interest-bearing liabilities	380.2	478.7
Current tax liabilities	1.1	–
Provisions	0.1	0.1
Other	0.7	1.2
Total current liabilities	394.8	483.1
Non-current liabilities		
Interest-bearing liabilities	207.9	–
Provisions	0.3	0.2
Total non-current liabilities	208.2	0.2
Total liabilities	603.0	483.3
Net assets	1,754.6	1,530.2
Equity		
Parent entity interest:		
Contributed equity	425.8	415.7
Treasury shares	(0.6)	(0.6)
Reserves:		
- Group	30.6	41.4
- Associates	(15.3)	37.5
Retained profits:		
- Group	861.1	608.7
- Associates	453.0	427.5
Total equity	1,754.6	1,530.2



Some statements in this report are forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. Forward-looking statements also include those containing such words as 'anticipate', 'estimates', 'should', 'will', 'expects', 'plans' or similar expressions. Forward-looking statements involve risks and uncertainties that may cause actual outcomes to be different from the forward-looking statements. Important factors that could cause actual results to differ from the forward-looking statements include: (a) material adverse changes in global economic, alumina or aluminium industry conditions and the markets served by AWAC; (b) changes in production costs and production levels or to sales agreements; (c) changes in laws or regulations or policies; (d) changes in alumina and aluminium prices and currency exchange rates; and (e) the other risk factors summarised in Alumina's Form 20-F for the year ended 31 December 2005.

ALUMINA LIMITED

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