

To: The Manager
Announcements
Company Announcements Office
Australian Securities Exchange



Public Announcement 2011 – 18AWC

Attached is a copy of a presentation prepared for the Macquarie Australia Conference held on 6 May 2011.

A handwritten signature in blue ink, appearing to read "Stephen Foster".

Stephen Foster
Company Secretary

6 May 2011

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Alumina Limited

May 2011

John Bevan
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ALUMINA
LIMITED

Disclaimer

This presentation is not a prospectus or an offer of securities for subscription or sale in any jurisdiction.

Some statements in this presentation 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 and development 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; (e) constraints on the availability of bauxite; and (f) the risk factors and other factors summarised in Alumina’s December 2009 Annual ASX Report filed on Form 6-K and Alumina’s Form 20-F for the year ended 31 December 2009.

Forward-looking statements that reference past trends or activities should not be taken as a representation that such trends or activities will necessarily continue in the future. Alumina Limited does not undertake any obligations to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements which speak only as of the date of the relevant document.



The aluminium value chain

- Key drivers
- The impact of China

3 global businesses – from bauxite to aluminium



World bauxite market
225 million tonnes



World alumina market approx
90 million tonnes

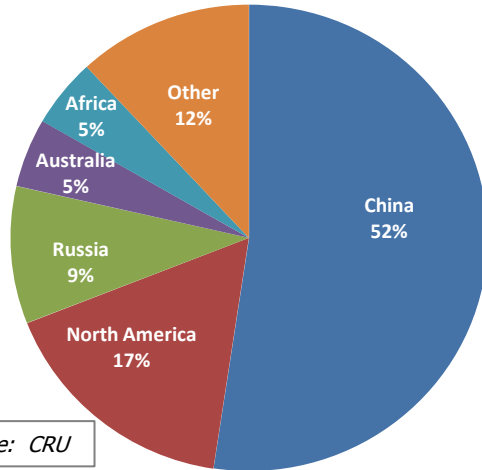


Global smelter market
is 45m tonnes

- 3 distinct businesses that are linked
- Mining of bauxite
 - Plentiful resources, however approvals are difficult, key deposits already taken
 - 55% of bauxite requires sea freight
- Refining of alumina
 - best located next to bauxite and port
 - rising capital costs
- Smelting – new projects focused on stranded and/or low cost energy

Aluminium – lightweight, recyclable and strong – will continue significant growth

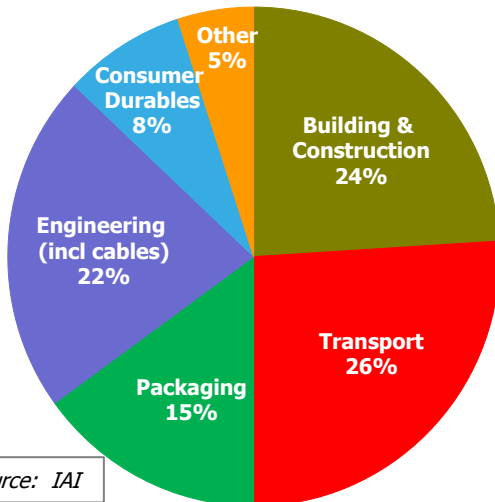
2010 Aluminium Capacity by Region (%)



Source: CRU

- Aluminium demand is expected to grow by 12% in 2011
- China is the largest consumer
- China's production mainly goes to internal consumption
- China is self sufficient in smelting capacity

End Use of Aluminium

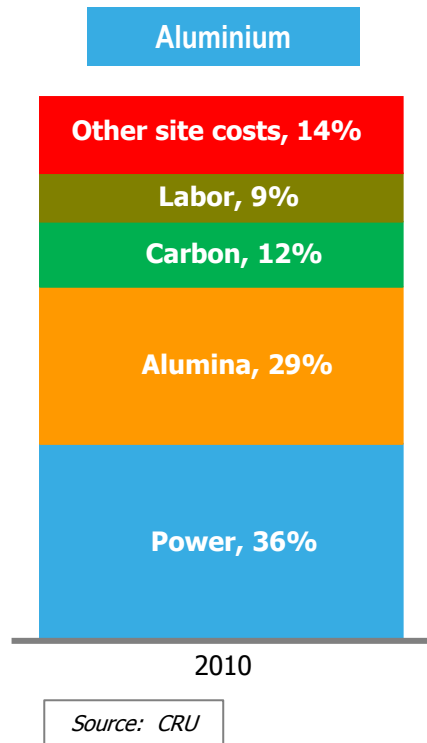


Source: IAI

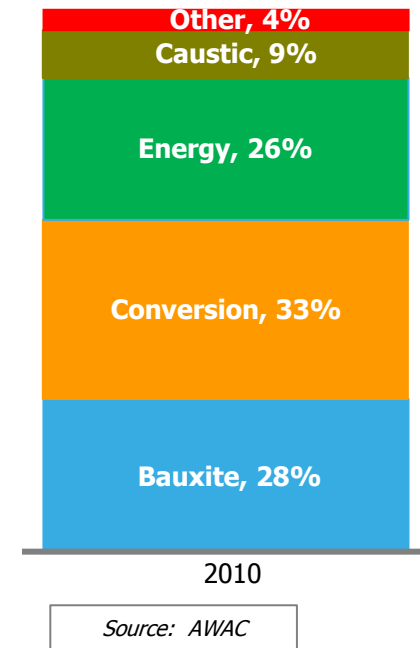
- Light-weighting of transport vehicles and rail are key energy efficiency initiatives
 - Over 120m vehicles to be built in China in next 5 years
- Urbanisation in developing countries driving construction usage
- Electrical infrastructure development in China/developing world driving demand

Aluminium and alumina have different costs

Key to competitive edge is electricity which is low cost



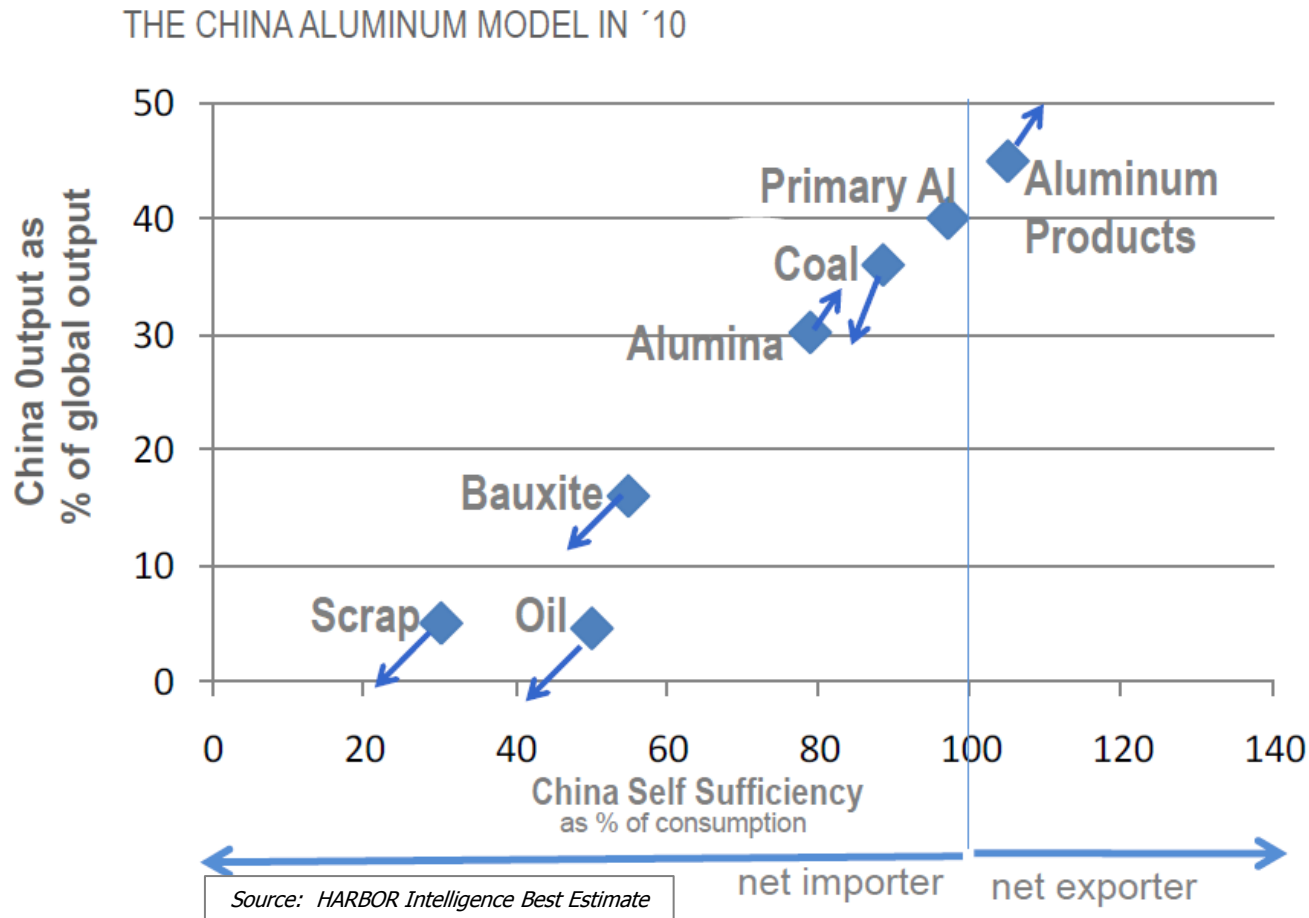
Alumina



Key to competitive edge is proximity to usable bauxite

- China is the major user and producer of both
- Regulatory approvals and capital costs restrict expansion of both

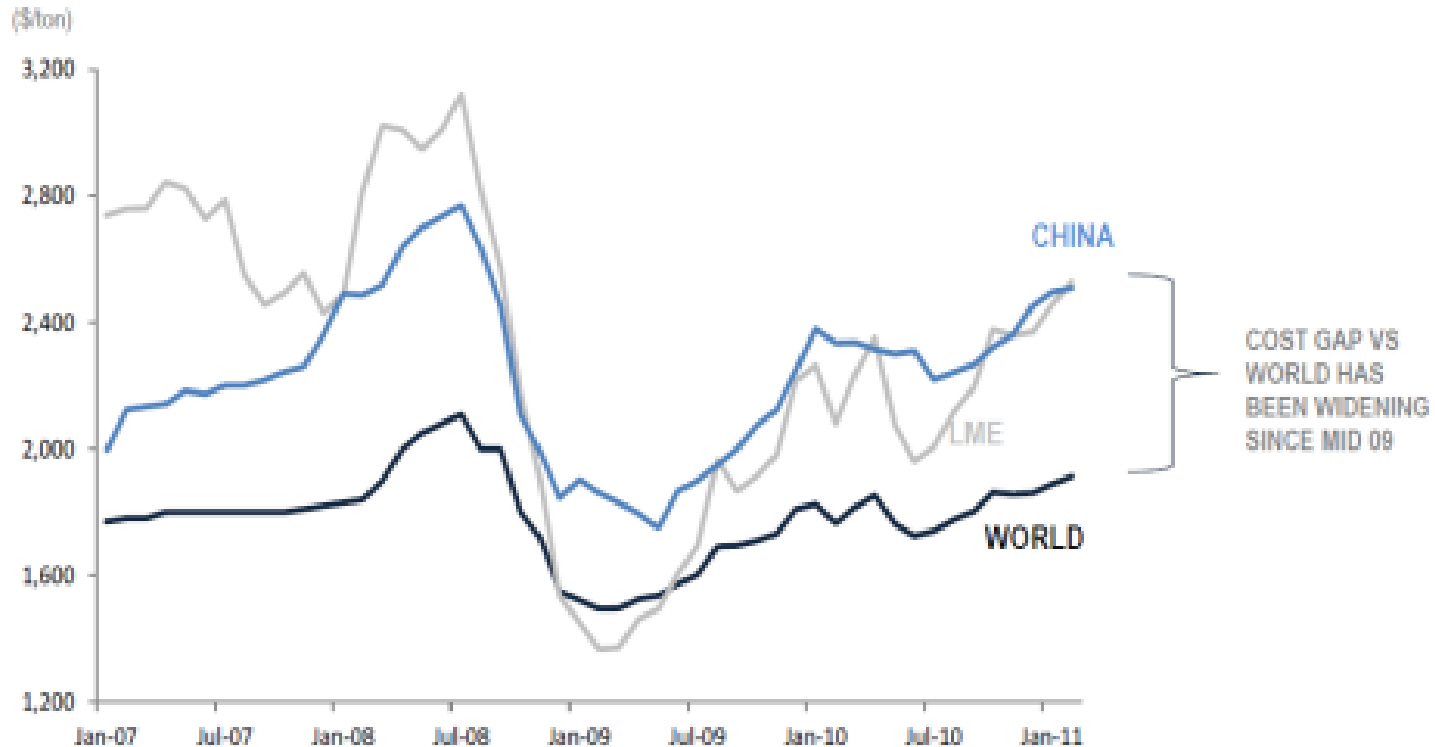
China demand continues, but China is expected to become less self sufficient in key inputs



- China is producing more alumina by using imported bauxite
- Transport costs add considerably to cost of bauxite

China is a high cost metal producer – costs will drive prices

ALUMINUM CASH COSTS: CHINA VS WORLD

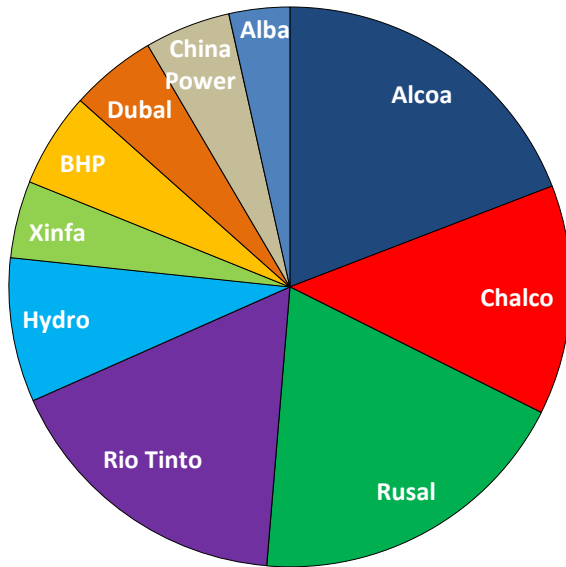


Source: HARBOR Intelligence Best Estimate

- Approx 60% of smelters in the fourth cost quartile are Chinese (Source: CRU)
- Global prices rising to meet Chinese marginal cost position
- Energy prices in China on the rise
- Metal price is highest since 2008

Smelting capacity is less concentrated than refining

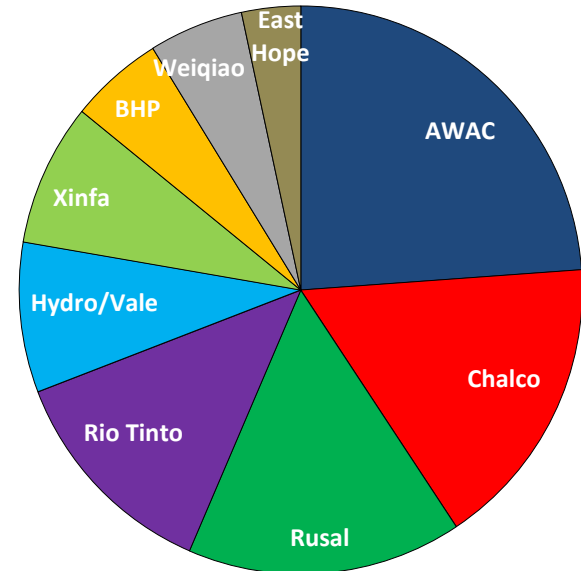
Smelting Capacity 2010



Source: CRU

Top 10 aluminium producers have 50% of global capacity

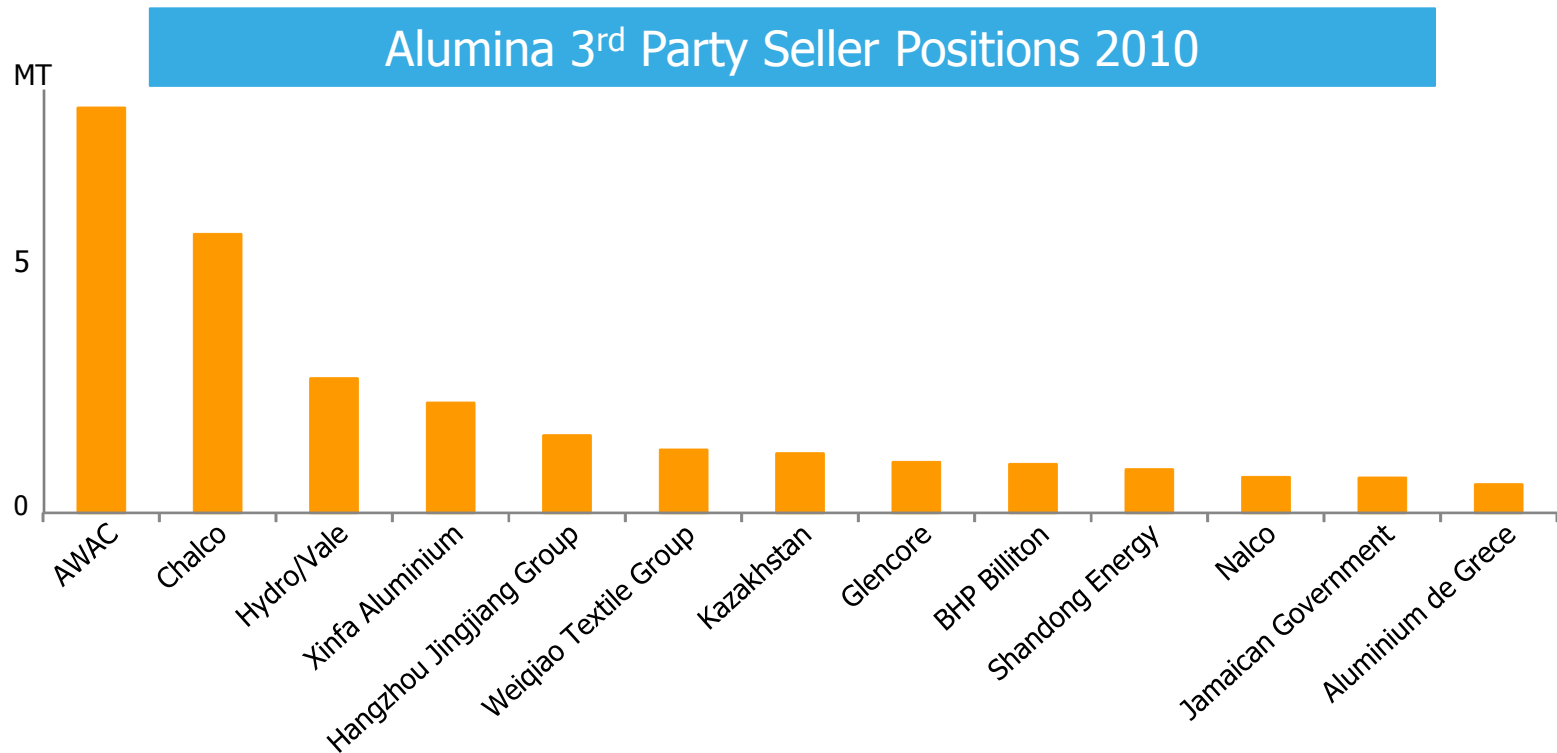
Refining Capacity 2010



Top 9 alumina producers have 70% of global capacity

- Many smelters are not integrated with bauxite and alumina
- China and Middle East have many non-integrated smelters driving 3rd party alumina supply

AWAC is the leader in the third party alumina market



Source: Alcoa analysis based on production

- Global 3rd party market is highly concentrated
- AWAC is a low cost producer of alumina
- AWAC majority goes to the third party market
- Alcoa pays the average third party contract price (incorporating sales on spot index price) to AWAC

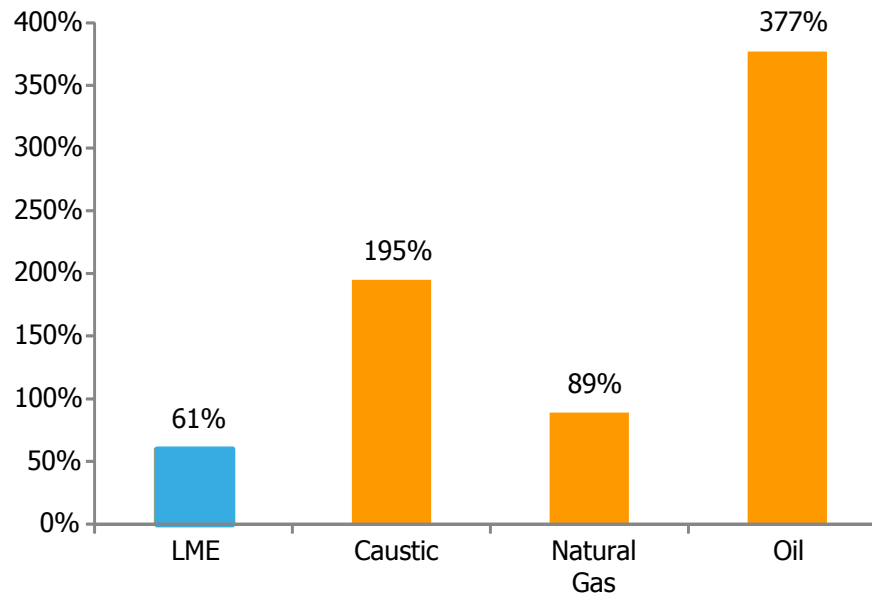


The alumina market

- Alumina pricing
- Outlook for 2011

Alumina pricing mechanism has been disconnected from its input costs and needs to change

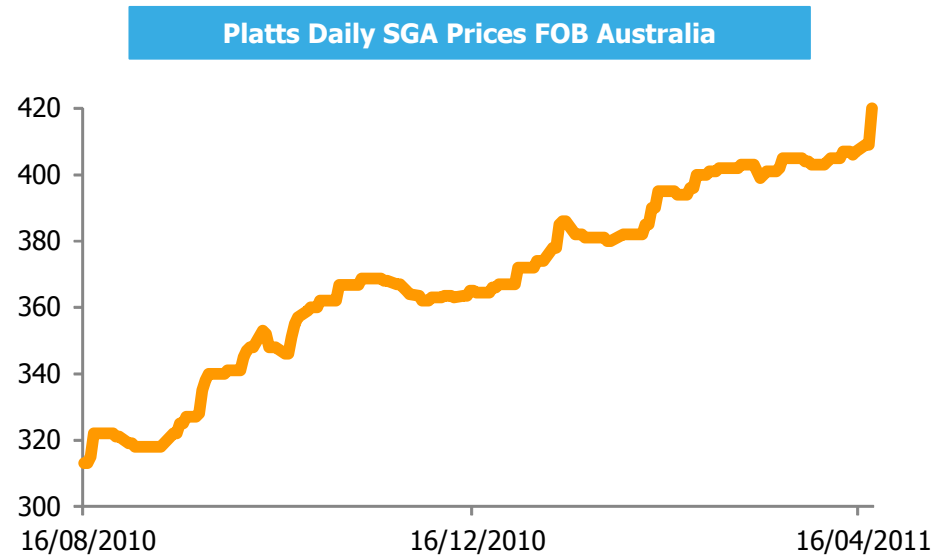
Selected Refining Input Costs vs LME 2000 – Current



Source: Thomson Reuters, CMAI, Bloomberg

- Alumina has traditionally been priced as a percentage of aluminium price
- Over 10 years, aluminium pricing has not matched alumina cost movements
- Pricing of alumina needs to reflect underlying economics of alumina supply and demand and costs
- Capital costs for new refining outside China increasing rapidly – some over \$2,000 per tonne

The change has begun - market converting to index pricing

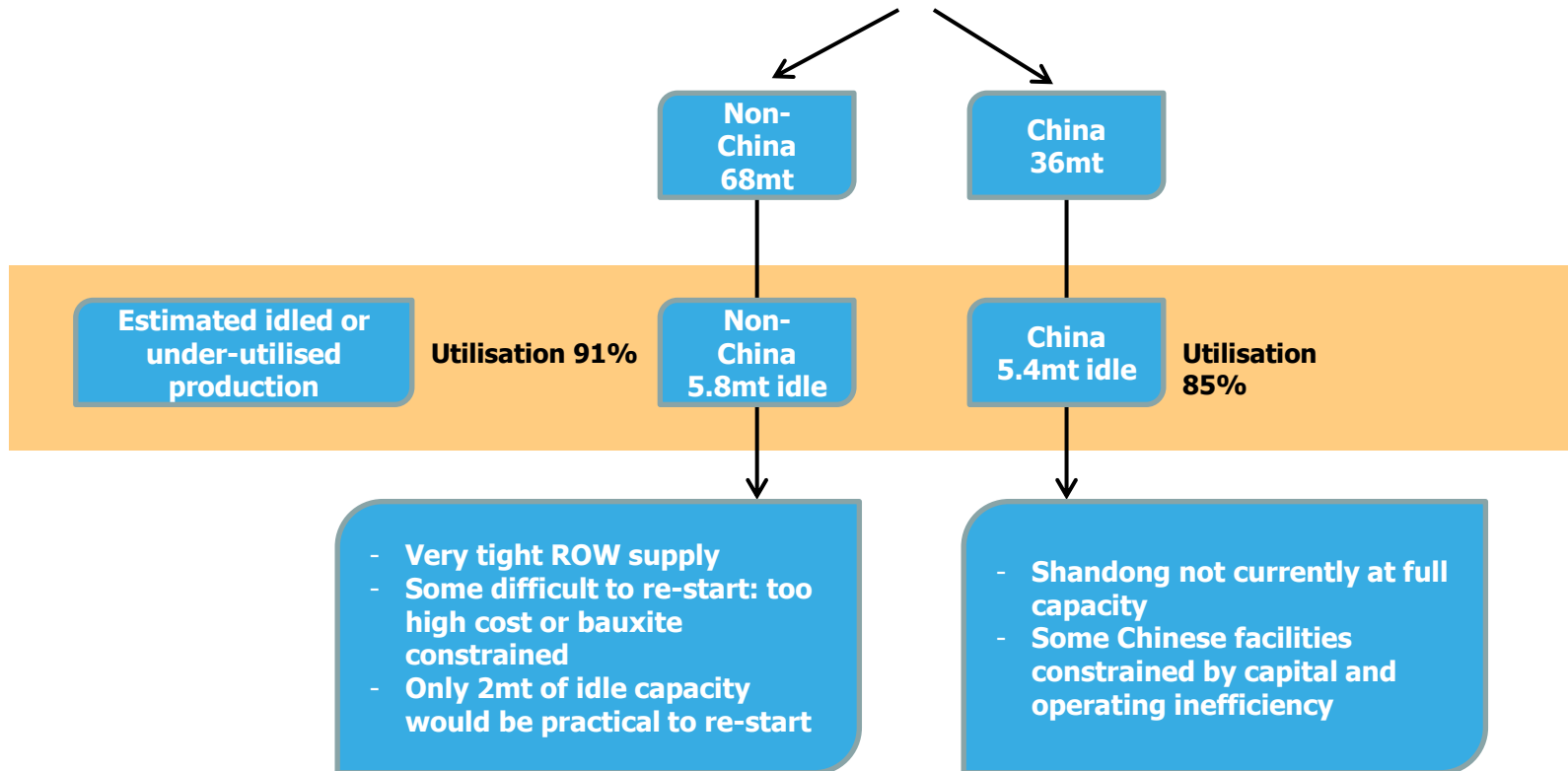


Source: Platts

- Prices now approx \$420 per tonne
- New daily and weekly alumina indices are reporting – Platts (commenced August 2010), CMAAX, Metals Bulletin
- All new AWAC 2011 contracts signed priced against spot based indices
- Approx 20% of AWAC alumina third party contracts rolled off in 2010 and sold on an index or spot basis in 2011

Alumina supply is tight*

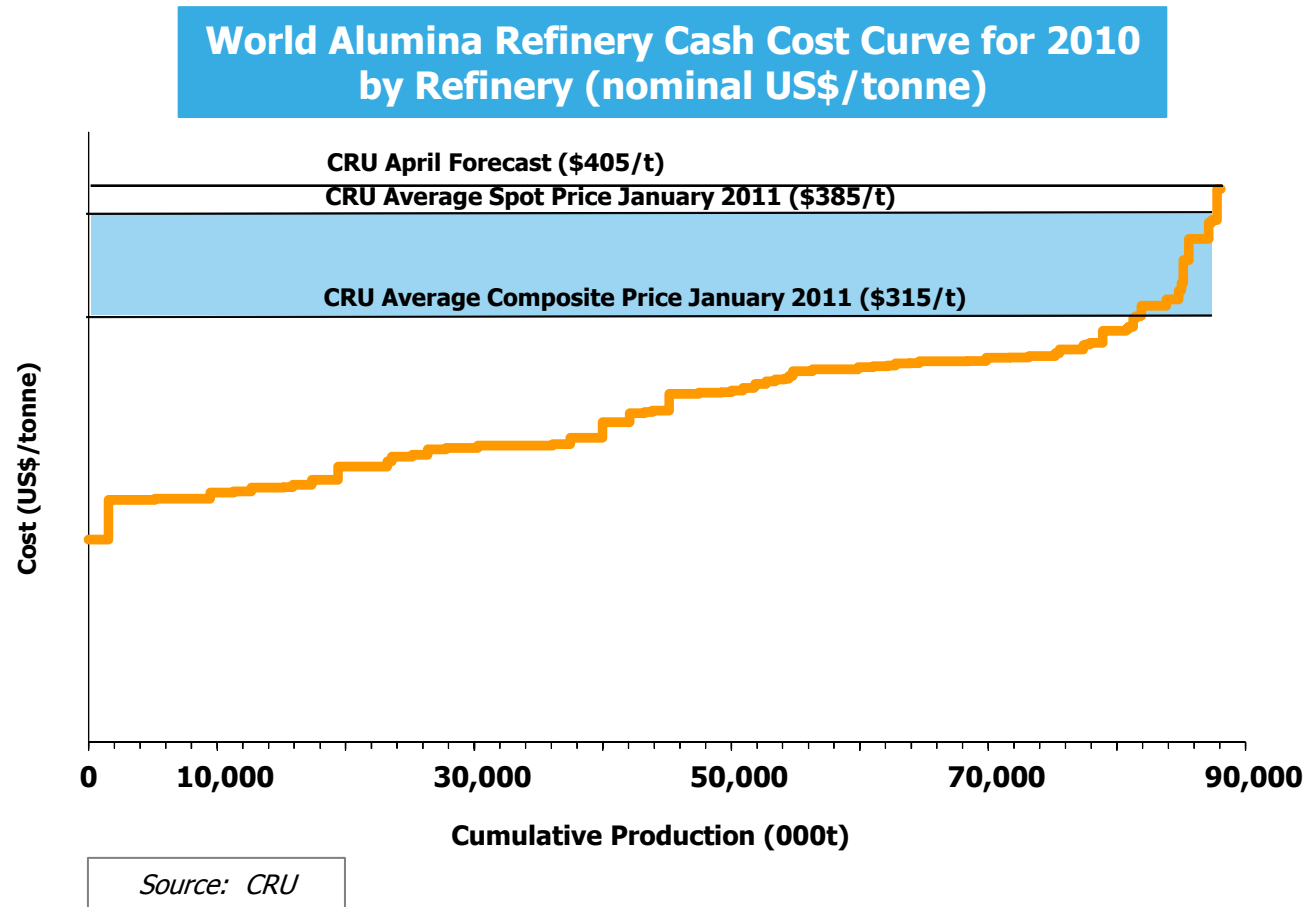
World alumina capacity: 104 million tonnes at end of 2010



* Source: CRU Estimates (of tonnages)

[not including Kirkvine and Burnside planned restarts in mid 2011 (1.13mt) or new Chinese capacity in 2011 (1.1mt)]

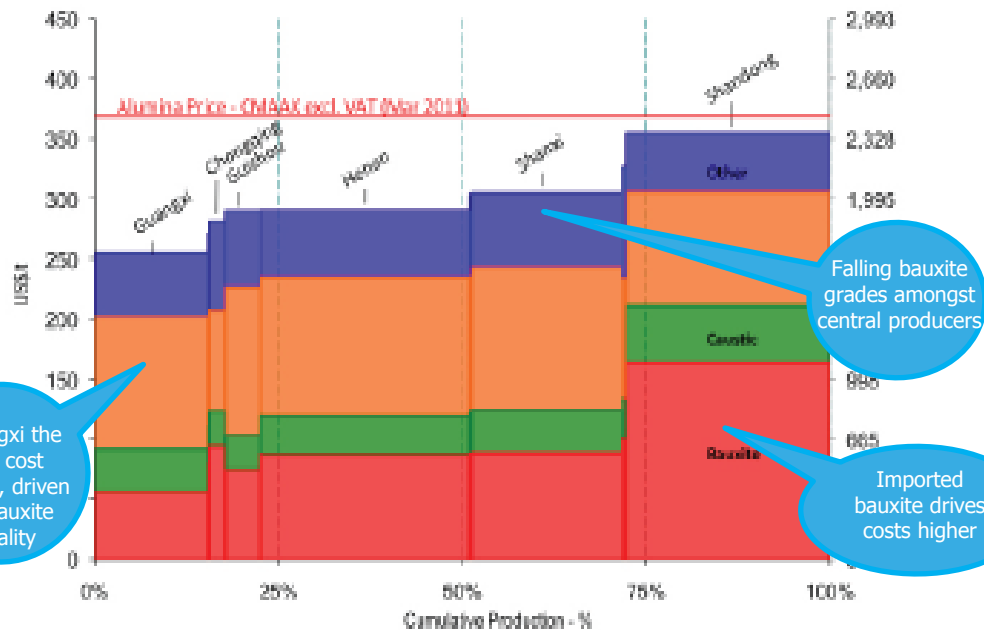
AWAC is well positioned for pricing change



- January spot prices were \$70/tonne above linked contracts
- AWAC is a low cost producer

Chinese prices driven by rising input costs

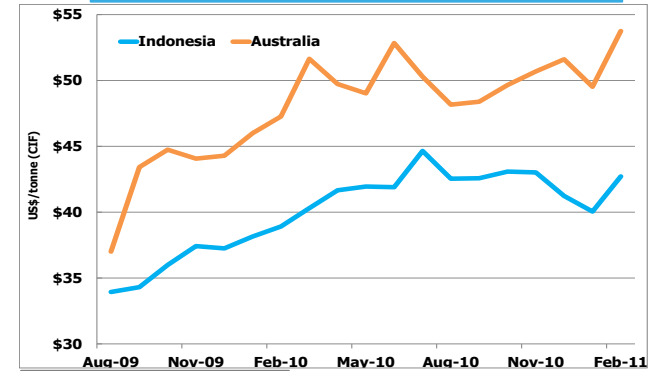
Chinese Alumina Cost Curve 1Q 2011



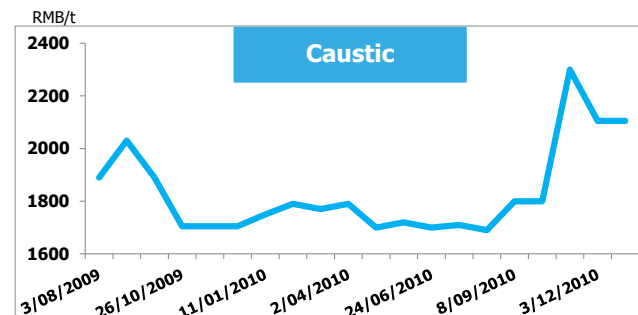
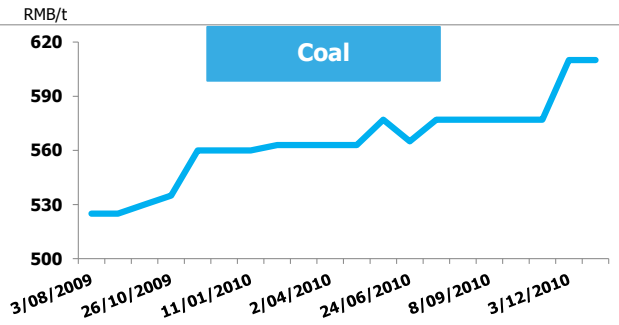
Source: Clark & Marron

- Shandong represents marginal producers
- Shandong capacity is now 17 million tonnes
- Costs rising for all major inputs

Imported Bauxite Prices by Source (US\$/t)

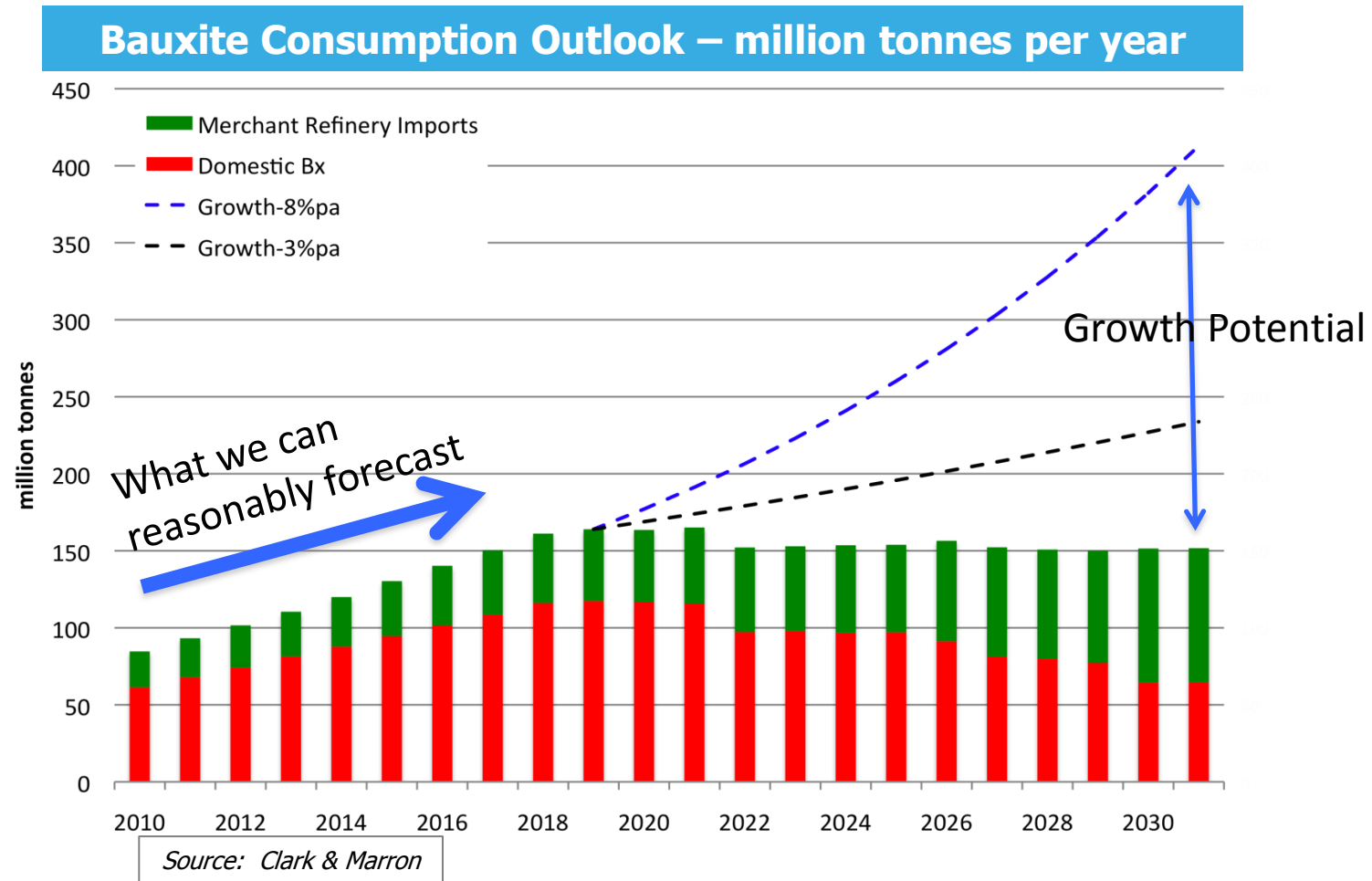


Source: Clark & Marron



Source: Aladdin

Bauxite is a key long term issue for China



- Domestic bauxite grades are dropping – technology key to local bauxite expansions
- New merchant refineries being built in Shandong
- Most imports are from Indonesia – 2014 Mining Act could eliminate exports



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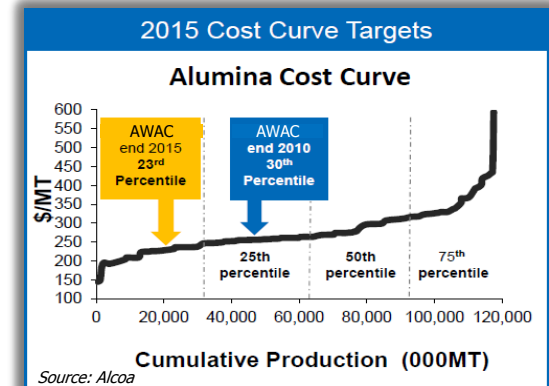
- Key facts
- Financials

- Listed on ASX and NYSE
- Open register – majority Australian owned
- Only asset is 40% joint venture shareholding in world's largest bauxite and alumina business (with Alcoa)
- JV known as AWAC owns 8 refineries, 7 mines, 2 smelters in 7 countries

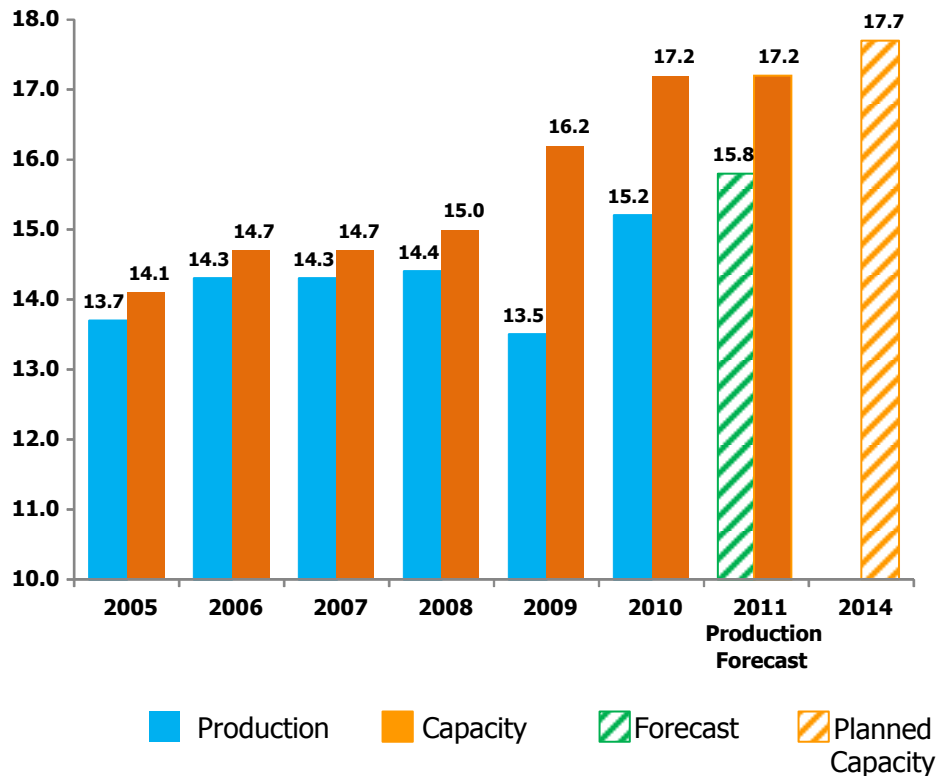


AWAC – the largest producer and marketer of alumina

- Largest installed capacity for alumina
 - Capacity over 17 million tonnes
 - Ma'aden (additional capacity) in planning for 2014
- Largest seller of alumina to 3rd party market
- Low cost refiner
 - Reflects proximity to bauxite
 - Well positioned for pricing mechanism change
 - Greater exposure to market price over time
- Largest bauxite miner with extensive leases
 - Mines approx 40 million tonnes per annum
 - Long life mines and leases

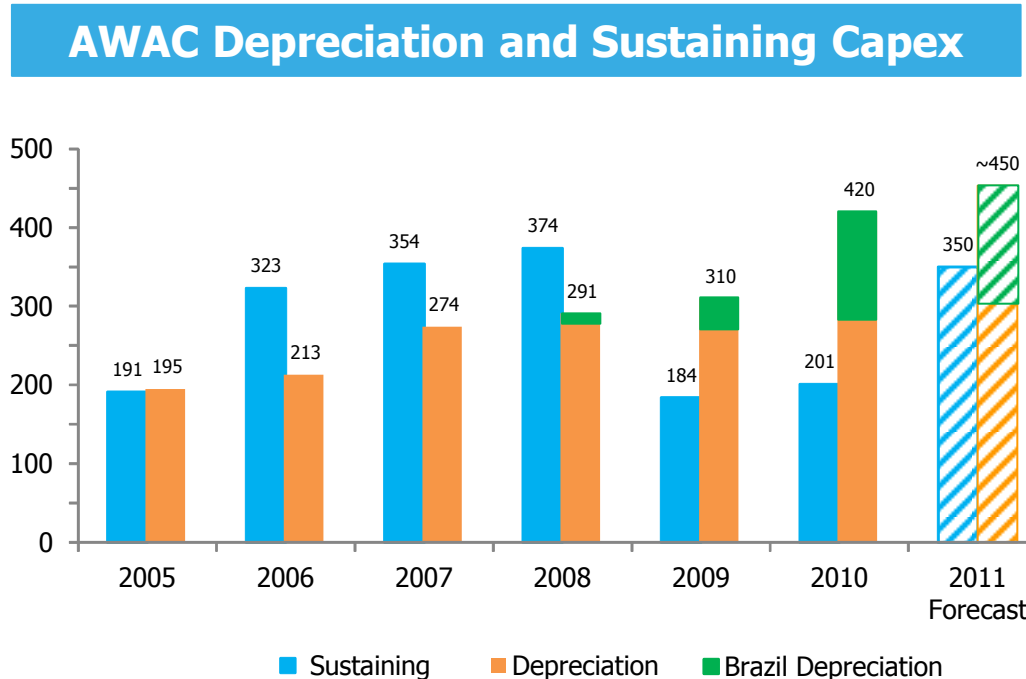


AWAC production is growing



- Brazil is now fully ramped – not at optimum cost yet
- AWAC running at 92% capacity – Point Comfort and Suriname below full capacity
- Ma'aden growth project in Saudi Arabia underway – extra 450,000 tonnes (AWAC share) commencing in 2014

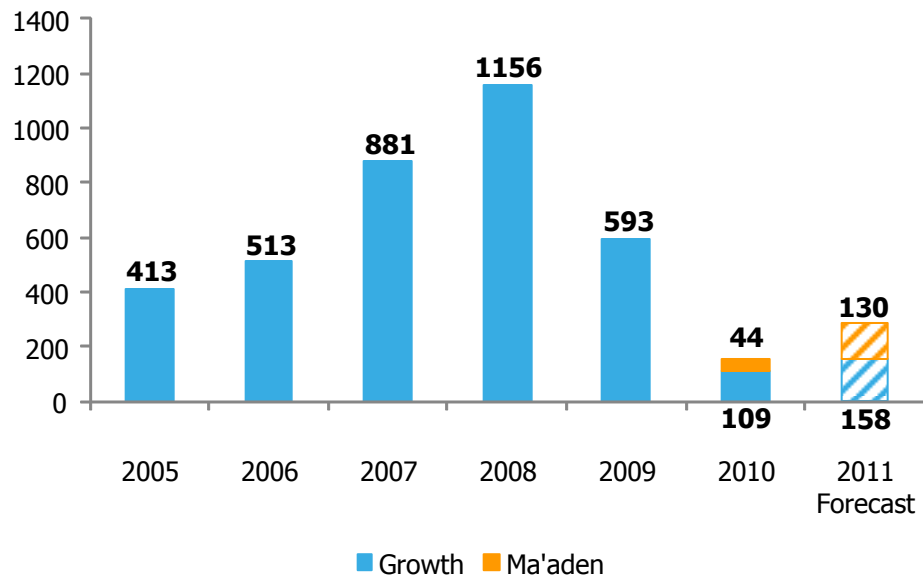
Sustaining capex currently below depreciation



- Recent increase in depreciation with commissioning of new mine and expanded refinery in Brazil
- Sustaining capex postponed or decreased during 2009 and 2010
- Sustaining capex includes mine crusher move, residue disposal areas

Growth capex is slowing

AWAC Growth Capex



- Final stages of investment in Brazil in 2011; spend mainly in Juruti mine and township
- Ma'aden project expected to start commissioning in mid 2014
 - Total AWAC equity investment estimated at \$350 million (Alumina share \$140 million)
 - Ma'aden project financing (60% of capex) to be arranged in 2011

Dividend policy and gearing

AWAC

- Minimal debt in AWAC provided by JV partners
- Growth capital expenditure in AWAC funded by JV partners
- AWAC pays dividends (to extent cash available) to cover calls for growth capex contributions
- Sustaining capex in AWAC funded prior to payment of dividends

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Dividend Policy

- Generally distribute cash from operations
- Dividends fully franked for foreseeable future

US\$m	FY09	FY10
Dividends received from AWAC	136	234
Costs – AWC HQ & Financing	(39)	(43)
Other	10	10
Cash from Operations	107	201

Gearing*

- 10% at 1 January 2011
- Policy to maintain gearing below 15%

Capital Management

- Conservative

* Net debt/(debt + equity)

Short term challenges

- Ensure stability of Brazilian operations at full (expanded) capacity
- Australian dollar / Brazilian Real strength
 - 70% of production in Australia and Brazil
- Oil and caustic costs are up
- Ensure Australian carbon tax debate maintains AWAC's international competitiveness

Positives in the short/medium term

- Market for alumina is tight and likely to get tighter
- Price of alumina has started the process of delinking - \$70 above 'linked' contracts in January
- Growth capex cycle is largely behind us

Summary

- Pricing change has commenced for alumina
- Positive outlook for pricing
- Dividends based on cash generation

AWAC Bauxite Assets⁽¹⁾

Active Bauxite Mines	Australia Huntly & Willowdale	MRN Brazil	Juruti Brazil	CBG Guinea	Manchester Plateau Jamaica	Suriname Mines (several locations)
Ownership	AWAC 100%	AWAC 9.6%	AWAC 100%	AWAC 23%	AWAC 55%	AWAC 100%
Expiration/ renewal date of mining rights	2045	2046 ⁽²⁾	2100 ⁽²⁾	2038	2042	2033 ⁽³⁾
Area available to mine/exploration	7,000 square km	39,382 hectares	30,000 hectares	2,360 square km	10,761 hectares	4,286 hectares
Approx average per cent available alumina ⁴	33%	49%	47%	51%	41%	45%
Other Bauxite Interests	Cape Bougainville	Mitchell Plateau	Juruti	East Trelawny	Suriname Mines	Az Zabirah
Location	Australia	Australia	Brazil	Jamaica	Suriname	Saudi Arabia (25.1% AWAC)
Area available for exploration	9,000 hectares	186,000 hectares	180,000 hectares	31,400 hectares	19,063 hectares	14,700 hectares

⁽¹⁾ This page contains general information only in relation to AWAC's bauxite deposits. For further details, refer to Alumina Limited's 2009 Form 20-F

⁽²⁾ Brazilian mineral legislation does not establish the duration of mining concessions. The concession remains in force until the exhaustion of the deposit. The Company estimates that (i) the concessions at Trombetas will last until 2046; and (ii) the concessions at Juruti will last until 2100. Depending, however, on actual and future needs, the rate at which the deposits are explored and government approval is obtained, the concessions may be extended to (or expire at) a later (or an earlier) date.

⁽³⁾ While mining rights at Caramacca currently extend until 2012 (subject to Suriname government approval of a pending five year extension request), and rights at the remaining Suriname locations extend until 2033, it is likely that all Suriname current bauxite deposits will be exhausted within the next several years. AWAC is actively exploring and evaluating alternative sources of bauxite, including bauxite deposits from Suralco's concession in eastern Suriname, such as the Nassau plateau. Approximately 800,000mt of bauxite from Suralco's concession were added to current deposits in 2010 as a result.

⁽⁴⁾ The calculation of available alumina grades has not been prepared in accordance with the Australasian Code for reporting of exploration results, mineral resources and ore reserves. The amount of available alumina is based on exploration and analysis of samples performed over a period time

AWAC Alumina Refineries

Country	Facility	Owners (%) of ownership where not 100% AWAC) ¹	Name Capacity ² (MTPY)	AWAC Share (MTPY)
Australia	Kwinana Pinjarra Wagerup	AWAC (Alcoa of Australia)	2.2	2.2
			4.2	4.2
			2.6	2.6
Brazil	Sao Luis (Alumar)	Rio Tinto Alcan Inc (10%) Aluminio (15%) BHP Billiton (36%) AWAC (39%)	3.5	1.4
Jamaica	Jamalco (Clarendon)	AWAC (55%) Alumina Production Ltd (Government of Jamaica) (45%)	1.5	0.8
Spain	San Ciprian	AWAC	1.5	1.5
Suriname	Suralco	AWAC	2.2	2.2
US	Point Comfort	AWAC	2.3	2.3
Total			20.0	17.2

¹ All assets owned 100% by AWAC, except for Alumar (AWAC 39%) and Jamaica (AWAC 55%)

² Nameplate capacity is an estimate based on design capacity and normal operating efficiencies and does not necessarily represent maximum possible production