

Alcoa Corp Second Quarter 2018 Earnings Release

Alumina Limited (ASX: AWC) notes Alcoa Corp's ("Alcoa") quarterly earnings release. To assist readers in understanding relevant market, operational and commercial matters of the AWAC joint venture, selected information from the Alcoa Bauxite and Alumina Segments, AWAC joint venture and Alumina Limited plus other market data is attached.

Alumina Limited's CEO, Mike Ferraro, commented on the strong performance of the Alumina segment. "The Alumina segment EBITDA excluding special items was up 63% on the previous quarter to \$638 million, driven largely by a near 30% increase in the spot alumina price and weaker Australian dollar. Good prices and solid margins in the quarter have combined to produce this impressive result.

The spot alumina price has continued to remain strong and is currently approximately \$495 per tonne. Pleasingly alumina cash costs of production have remained steady quarter on quarter and margins have increased significantly as a result."

About AWAC & Alcoa's Earnings Release

Alumina Limited owns 40% of each of the AWAC entities, which form a part of the Alcoa bauxite & alumina business segments. The Alcoa aluminium business segment includes the AWAC Portland smelting operations. The operating Afobaka power station and closed operations are included in Transformation & legacy pension/OPEB. Therefore, the AWAC results cannot be directly inferred from the Alcoa earnings release. Further, unlike Alumina Limited, Alcoa reports under US GAAP. All figures displayed are in US dollars unless otherwise shown.

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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 document 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, future financial position and performance and distributions, and statements regarding Alumina Limited's future developments and the market outlook, are also forward-looking statements.

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Alumina Limited

- **Alcoa Corp's 2Q 2018 Bauxite and Alumina Segments' highlights**
- **Market data on commodity prices**

19 July 2018

Disclaimer

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This Presentation contains summary information about the current activities of Alumina Limited (ACN 004 820 419) (**Alumina**) and its subsidiaries as at the date of this Presentation. The information in this Presentation should not be considered to be comprehensive nor to comprise all the information that a reader may require in order to make an investment decision regarding Alumina securities. This Presentation should be read in conjunction with Alumina's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.

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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 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's Annual Report 2017. Readers should not place undue reliance on forward-looking statements. Except as required by law, Alumina 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.

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Highlights

Alcoa Segments	2Q 2018	1Q 2018	Selected Highlights
Adjusted EBITDA Total:			<ul style="list-style-type: none"> ▪ Bauxite: Lower equity earnings and some increased operational costs partially offset by favourable currency and volume impacts ▪ Alumina: Improvement primarily driven by 30% increase in API pricing quarter on quarter
- Alcoa Bauxite Segment	\$100m	\$110m	
- Alcoa Alumina Segment	\$638m	\$392m	
Adjusted EBITDA Margin:			
- Alcoa Bauxite Segment	33.0%	37.2%	
- Alcoa Alumina Segment	39.8%	28.7%	

AWAC	2Q 2018	1Q 2018	Comments
Production:			<ul style="list-style-type: none"> ▪ Mining: Includes wholly owned mines plus equity share of CBG and MRN ▪ Refining: Excludes equity share of Ma'aden ▪ Cash Cost: Includes bauxite at cost. Cash cost include the effect of higher caustic and energy prices. ▪ Realised Price: API increased 30% over the previous quarter. The API price as at 18 July 2018 was approximately \$495/t.
- AWAC Mining Business (mbdt)	10.7	10.6	
- AWAC Refining Business (mt)	3.1	3.0	
Alumina Cost and Price:			
- Cash Cost (\$/t production)	\$225	\$223	
- Realised Price (\$/t shipments)	\$471	\$378	

Alumina Limited	Post 30/6/2018	2Q 2018	1Q 2018	Comments
AWAC Net Distributions:				<ul style="list-style-type: none"> ▪ The 2017 final dividend included \$198.0m of net distributions received in 2018 ▪ Included in both 1Q 2018 receipts and contributions was a \$40.0m debt for equity swap with no net cash impact ▪ Contributions in 2Q 2018 included Alumina Limited's share of the \$30m Suriname contractor arbitration loss ▪ Further net distributions are expected prior to 1H18 results release
- Alumina Limited Receipts	\$91.4m	\$117.5m	\$267.2m	
- Alumina Limited Contributions	Nil	(\$56.0m)	(\$52.8m)	
Net Debt - End of period:	N/a	\$55m	\$114m	

Important Notes:

- The Alcoa Corp Bauxite and Alumina Segments include mining and refining operations at Pocos de Caldas, an additional 15% interest in the Sao Luis refinery and an additional interest in MRN which are not part of AWAC. AWAC's interest in the Portland smelter is included in the Alcoa Corp Aluminum Segment and the operating interests in the Afobaka hydro-electric station and all closed operations are included in Transformation & legacy pension/OPEB. Therefore, the AWAC results cannot be directly inferred from the Alcoa earnings release.
- Adjusted EBITDA is a non-GAAP financial measure derived from Alcoa's consolidated financial information. Alcoa Corp's financial statements are prepared in accordance with US GAAP. The definition of Adjusted EBITDA and reconciliations to the most directly comparable GAAP financial measure can be found in the schedules to Alcoa Corp's earnings release.

Spot alumina & implied linkage

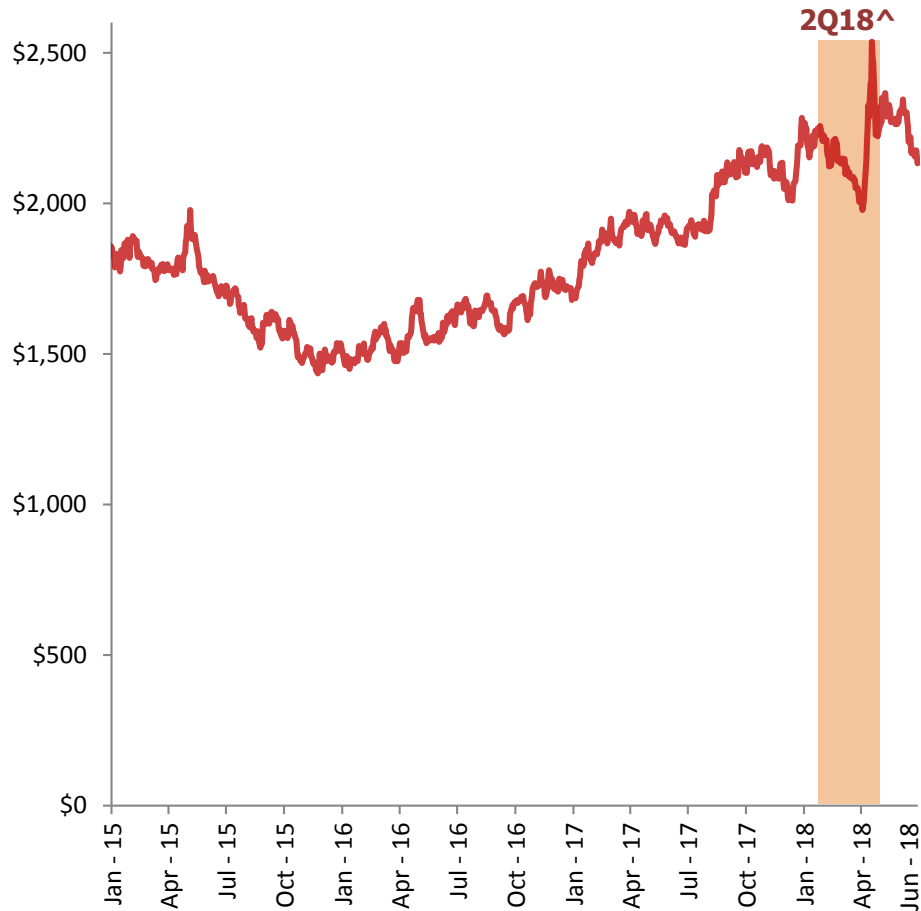


^ Indicative pricing period relevant to 2Q18 alumina sales due to 1-month lag

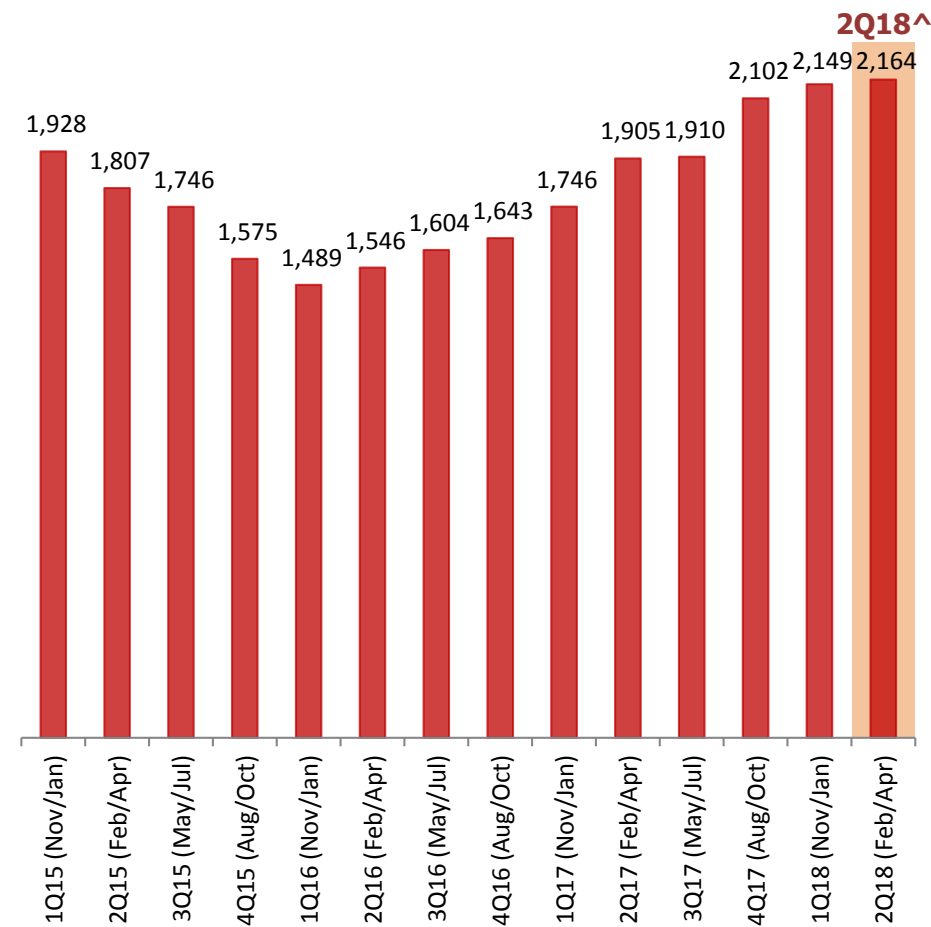
Sources: Alumina: Platts, July 2018. LME Aluminium: Thomson Reuters, July 2018
 Commodity prices in this slide pack are based on published market prices and may not equate to actual pricing under AWAC contracts

LME aluminium prices (3-month)

Daily (US\$/t)



Quarter average (lagged, US\$/t)

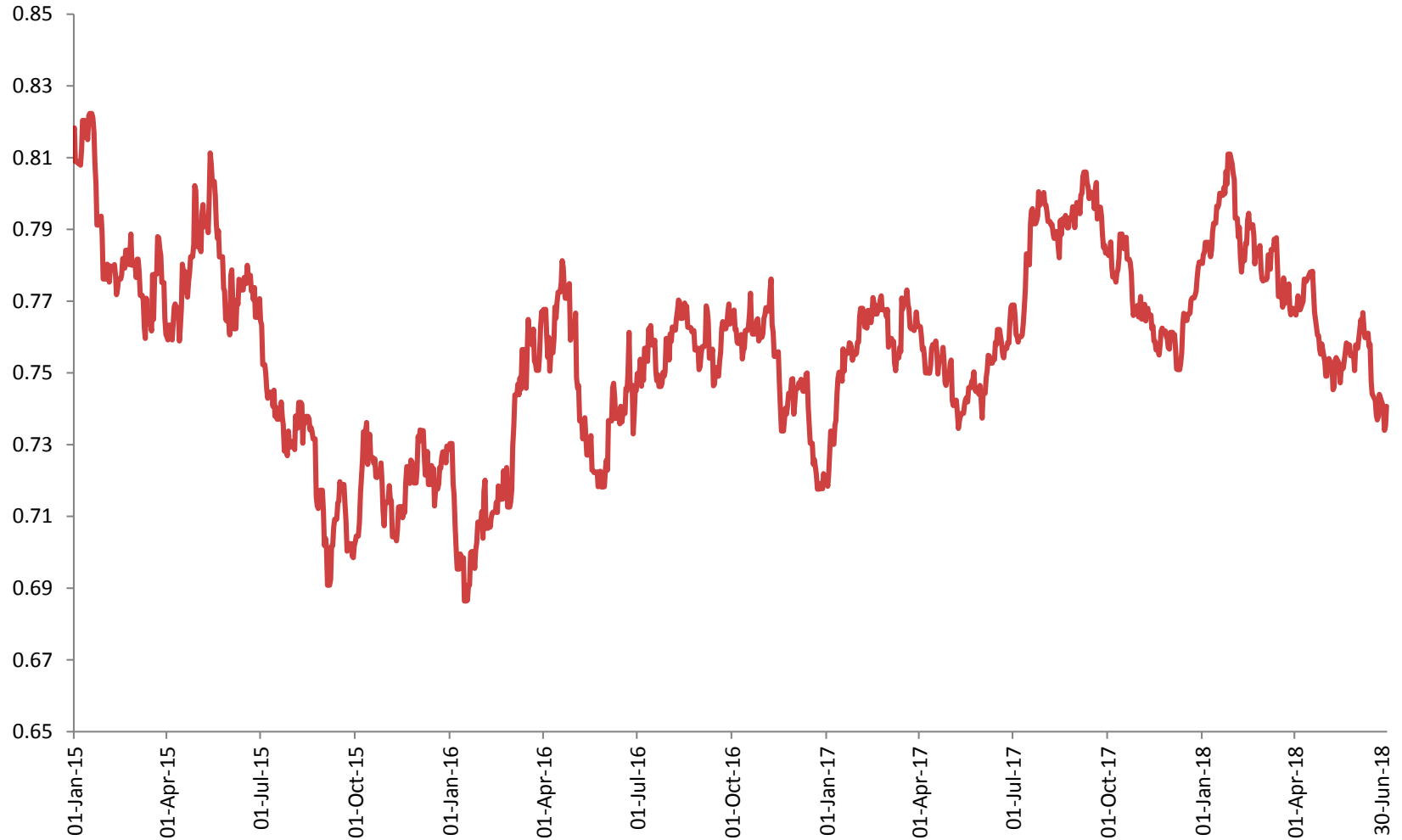


^ Indicative pricing period relevant to 2Q18 alumina sales due to 2-month lag

Sources: Thomson Reuters, July 2018

Commodity prices in this slide pack are based on published market prices and may not equate to actual pricing under AWAC contracts

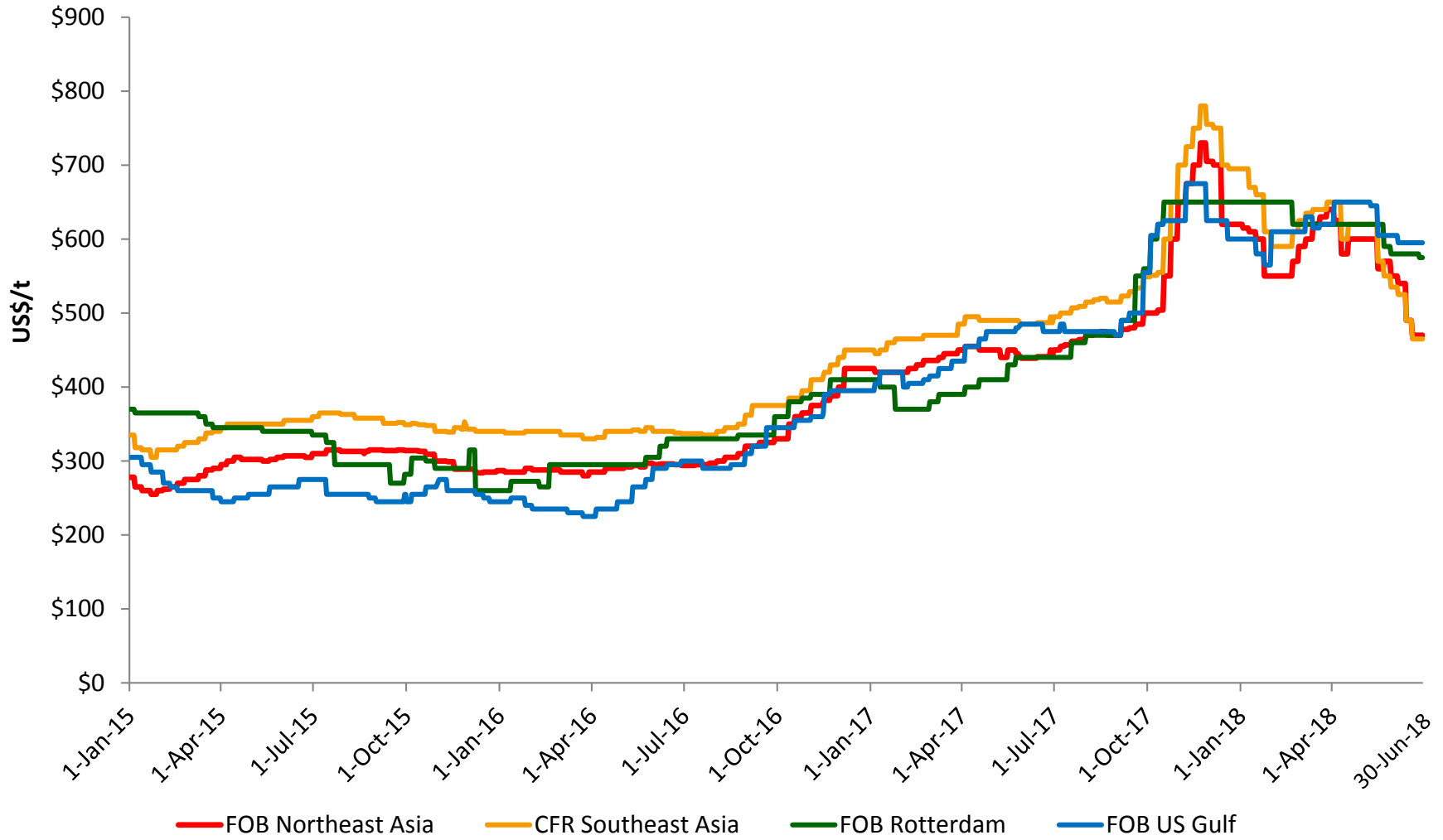
Foreign Exchange – AUD/USD



Source: Thomson Reuters, July 2018

Commodity prices in this slide pack are based on published market prices and may not equate to actual pricing under AWAC contracts

Caustic Soda



Source: Platts, July 2018

Commodity prices in this slide pack are based on published market prices and may not equate to actual pricing under AWAC contracts

AWAC distribution calendar

Date	AWAC Entities	Description
By 20 January	All AWAC entities	50% of each entity's US GAAP Net Income (if positive) for 4Q of the previous calendar year
By 20 February	All AWAC entities except AWA LLC	Available Cash of each entity as at 31 January
By 20 April	All AWAC entities	50% of each entity's US GAAP Net Income (if positive) for 1Q
By 20 May	All AWAC entities except AWA LLC	Available Cash of each entity as at 30 April
By 20 July	All AWAC entities	50% of each entity's US GAAP Net Income (if positive) for 2Q
By 20 August	All AWAC entities except AWA LLC	Available Cash of each entity as at 31 July
By 20 October	All AWAC entities	50% of each entity's US GAAP Net Income (if positive) for 3Q
By 20 November	All AWAC entities except AWA LLC	Available Cash of each entity as at 31 October