

To: Market Announcements Office
Australian Securities Exchange



Public Announcement 2013 – 25AWC

Attached are the following documents in relation to Alumina Limited's Half Year Results for the six months ended 30 June 2013

- Public Announcement
- June 2013 Half-Yearly ASX Report
- AWAC File

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Some statements in this public announcement 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; and (e) the other risk factors summarised in Alumina's Form 20-F for the year ended 31 December 2012.

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

Stephen Foster
Company Secretary

22 August 2013

Alumina Limited

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Alumina Limited 2013 Half Year Result

Alumina Limited's financial performance improved

- Alumina Limited's Net loss after tax reduced to \$2.4 million, compared to loss of \$51.8 million in 2H 2012 and \$3.8 million loss in 1H 2012
- Net loss includes charges for significant items of \$43 million¹

Alumina Limited's balance sheet strengthened and ongoing focus on cash conservation

- Gearing reduced to 6.3% at 30 June 2013 from 20.1% at 31 December 2012
- No interim dividend declared

Higher margins, lower cost base and improved cash flow for AWAC

- EBITDA \$229.8 million, up 43% compared to 1H 2012 after significant items
- AWAC alumina EBITDA margin² \$45 per tonne produced, compared to \$33 per tonne for 1H 2012
- Cash cost of alumina production per tonne down 4.2% compared to 1H 2012
- Free cash flow \$236.2 million, compared to (\$11.6) million in 1H 2012, mainly reflecting improved operating performance and working capital management

Conversion to spot or alumina indexed based pricing delivering benefits

- Continued pricing transition with 53% of third party smelter grade alumina shipments in 1H 2013 priced on spot or alumina indexed basis, compared to 34% for the prior corresponding period

AWAC's major projects being delivered:

- Ma'aden due to come on stream in 4Q 2014, refinery approx. 60% complete and mine approx. 20% complete
- Relocation of Huntly crushers in WA progressing well

Outlook

- Market conditions for aluminium and alumina remain challenging
- Significant financial benefit from stronger US\$
- Continued focus by AWAC on achieving productivity and supply chain improvements

Alumina Limited Key Financials

	1H 13	2H 12	1H 12
	US\$m	US\$m	US\$m
Net loss after tax	(2.4)	(51.8)	(3.8)
Equity share of AWAC embedded derivatives	(4.8)	2.9	(9.3)
Underlying earnings ³	(7.2)	(48.9)	(13.1)
Legal matters of Associate included in underlying loss ⁴	30.0	16.0	18.0
Net Debt	197	664	602
Gearing (%) ⁵	6.3%	20.1%	18.3%

AWAC Key Financials (US GAAP)

	1H 13	2H 12	1H 12
	US\$m	US\$m	US\$m
Total Revenue	2,964.9	2,879.4	2,935.9
Loss before tax	(7.5)	(67.4)	(78.2)
Income tax	(18.7)	62.6	(8.9)
Net loss after tax	(26.2)	(4.8)	(87.1)
EBITDA⁶	229.8	175.0	160.5
Free cash flow ⁷	236.2	(121.8)	(11.6)
Dividends paid/payable	125	50	165

Alumina Limited Chief Executive Officer, John Bevan, said, "While Alumina Limited's headline numbers show only a small improvement, this masks the much stronger operating results of AWAC which recorded a significant increase in EBITDA and free cash flow generation.

"Strong cost control and continuing productivity improvements from the AWAC joint venture have resulted in the fourth consecutive quarter of improved EBITDA margin per tonne of alumina produced.

"AWAC's strategic initiatives to continue to lift margins are on track. During the half AWAC passed the milestone of having more than half of its third party sales based on a spot or indexed based price and this is delivering tangible benefits to its bottom line.

"The relocation of the crushers at the Huntly mine in Western Australia and the new Ma'aden refinery and mine are progressing well. These initiatives are expected to further improve AWAC's operating cost profile.

"The outlook for aluminium and alumina pricing remains tough but the recent strengthening of the US dollar against the Australian dollar and Brazilian Reals provides a welcome tailwind after a long period of sustained weakness".

Market Prices

	1H 13	2H 12	1H 12
Average AUD/USD	1.01	1.04	1.03
Average 3 month LME aluminium price US\$ per tonne ⁸	1,955	1,985	2,122
Average alumina spot price ⁹ US\$ per tonne	333	321	316

AWAC Production and Shipments

	1H 13	2H 12	1H 12
Alumina production	7.8mt	7.8mt	7.8mt
Aluminium production	174kt	180kt	178kt
Alumina shipments	8.0mt	7.9mt	7.7mt

Definitions and notes

1. Significant items include: \$30m Alba legal matter and \$13m Anglesea maintenance.
2. Adjusted EBITDA/MT from Alcoa Inc's alumina segment (source: Alcoa Inc 2Q 2013 Results slide pack). Alcoa Inc alumina segment is predominately AWAC operations, of which Alumina Limited owns 40%
3. Underlying earnings are calculated by excluding the impact of fair value movements for embedded derivatives contained in AWAC energy contracts that are linked to the LME price of aluminium. Calculation of underlying earnings is undertaken on a consistent basis with previous periods.
4. Alba Civil Settlement and Government Investigations are legal matters that commenced in February 2008 and are reflected in AWAC's performance as Alcoa Inc makes progress in resolving these matters. Inclusion of this matter in AWAC's performance has negatively impacted the Company's result over a number of reporting periods. Refer to Note 11 of the 4D for further details.
5. Calculated as (debt - cash) / (debt + equity).
6. Earnings before interest, tax, depreciation and amortisation consistent with previous periods.
7. Free cash flow defined as cash from operations less capital expenditure.
8. Pricing data sourced from Thomson Reuters.
9. Based on Platts index, FOB Australia average.

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ASX HALF-YEAR REPORT

ALUMINA LIMITED

ABN 85 004 820 419

30 June 2013

Lodged with the ASX under Listing Rule 4.2A.

This information should be read in conjunction with the 31 December 2012 Annual Report.

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Results for Announcement to the Market

		Change	US\$ million
Net loss from ordinary activities after tax attributable to members of Alumina Limited	Down	37%	2.4
Net loss for the period attributable to members of Alumina Limited (Refer Note below)	Down	37%	2.4

Dividends

	Amount per share US cents	Franked amount per share US cents
Final dividend (prior year)	Nil	n/a
Interim dividend	Nil	n/a

Note on Underlying Earnings within net profit/(loss) for the period

The underlying earnings reconciliation is provided to enhance an understanding of the performance of the underlying operations during the reporting period. Calculation of the underlying earnings is undertaken on a consistent basis with previous years.

Some AWAC long term purchase contracts include an aluminium price component in the energy price so that costs are partially linked to the price of aluminium. This results in an embedded derivative. The Company's equity share in the fair value movement of embedded derivatives is included in the calculation of the loss for the period. This is a non-cash entry and does not relate to operations during the reporting period, and accordingly is removed from the net loss after tax to arrive at the underlying earnings.

The impact of this item in the Company's result for the six months to 30 June 2013 has been to decrease the net loss after tax by US\$4.8 million (1H 2012: US\$9.3 million) as shown in the following table. Net loss after tax before this item is referred to in the Directors' Report as the 'Underlying Earnings'.

	Six months ended 30 June 2013 US\$ million	Six months ended 31 Dec 2012 US\$ million	Six months ended 30 June 2012 US\$ million
Net loss for the period, after tax	(2.4)	(51.8)	(3.8)
Non-operating non-cash items:			
Equity share of AWAC embedded derivatives	(4.8)	2.9	(9.3)
Equity share of AWAC retirement benefit obligations ¹	-	-	-
Underlying loss for the period, after tax	(7.2)	(48.9)	(13.1)
Legal matters of Associate included in underlying loss ²	30.0	16.0	18.0

¹ Refer to Changes in accounting policy on page 9.

² Alba Civil Settlement and Government Investigations are legal matters that commenced in February 2008 and are reflected in AWAC's performance as Alcoa Inc makes progress in resolving these matters. Inclusion of this matter in AWAC's performance has negatively impacted the Company's result over a number of reporting periods. Refer to Note 11 for further details.

This half-yearly report should be read in conjunction with the most recent annual financial report.

ALUMINA LIMITED
HALF-YEAR ENDED 30 JUNE 2013
(Previous corresponding period half-year ended 30 June 2012)

Directors' Report

The Directors of Alumina Limited present their report on the consolidated entity consisting of Alumina Limited and the entities it controlled (the "Group") at the end of, or during, the half-year ended 30 June 2013.

DIRECTORS

The following persons were directors of Alumina Limited during the whole of the half-year and up to the date of this report, unless otherwise indicated:

Non-executive

G J Pizzey (Chairman)
P A F Hay
E R Stein
P C Wasow
C Zeng (appointed 15 March 2013)

Executive

J Bevan (Chief Executive Officer)

PRINCIPAL ACTIVITIES

The principal activities of the Group relate to its 40 per cent interest in the series of operating entities forming Alcoa World Alumina and Chemicals ("AWAC"). AWAC has interests in bauxite mining, alumina refining, and aluminium smelting. There have been no significant changes in the nature of these activities.

REVIEW OF OPERATIONS

The half-year financial results of Alumina Limited include the half-year result of AWAC and associated corporate activities.

The Group's half-year net loss attributable to members of Alumina Limited was US\$2.4 million (1H 2012: US\$3.8 million loss).

The Group's underlining earnings for the half-year ended 30 June 2013 was a loss of US\$7.2 million (1H 2012: US\$13.1 million loss). For further information on the operations of the Group during the half-year ended 30 June 2013 and the results of these operations (including the calculation of underlining earnings), refer to pages 19-24.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act* is set out on page 4.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in the Australian Securities and Investments Commission Class Order 98/0100, relating to the 'rounding off' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest hundred thousand dollars, except where otherwise required.

This Report is made in accordance with a resolution of directors.

John Bevan
Director

Melbourne
22 August 2013



Auditor's Independence Declaration

As lead auditor for the review of Alumina Limited for the half-year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Alumina Limited and the entities it controlled during the period.


Nadia Carlin
Partner
PricewaterhouseCoopers

Melbourne
22 August 2013

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Half-Year ended 30 June 2013 US\$ million	Half-Year ended 31 Dec 2012 US\$ million	Half-Year ended 30 June 2012 US\$ million
Revenue from continuing operations	0.2	-	0.1
General and administrative expenses	(7.6)	(9.9)	(9.1)
Change in fair value of derivatives/foreign exchange gains/(losses)	1.2	(0.1)	0.7
Finance costs	(11.5)	(15.7)	(13.7)
Share of net profit/(loss) of associates accounted for using the equity method	15.3	(26.1)	18.6
Loss before income tax	(2.4)	(51.8)	(3.4)
Income tax expense from continuing operations	-	-	(0.4)
Loss for the half-year	(2.4)	(51.8)	(3.8)
Other comprehensive income/(loss)			
<i>Items that may be reclassified to profit or loss</i>			
Share of reserve movements accounted for using the equity method	(0.3)	5.0	(5.9)
Foreign exchange translation difference	(229.1)	25.7	(115.6)
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of retirement benefit obligations accounted for using the equity method	36.0	4.3	(10.8)
Other comprehensive (loss)/income for the half-year, net of tax	(193.4)	35.0	(132.3)
Total comprehensive loss for the half-year attributable to the owners of Alumina Limited	(195.8)	(16.8)	(136.1)

Earnings per share (EPS)

	Half-Year ended 30 June 2013 US cents	Half-Year ended 31 Dec 2012 US cents	Half-Year ended 30 June 2012 US cents
Basic EPS	Negative 0.1	Negative 2.1	Negative 0.2
Diluted EPS	Negative 0.1	Negative 2.1	Negative 0.2

ALUMINA LIMITED
HALF-YEAR ENDED 30 JUNE 2013
(Previous corresponding period half-year ended 30 June 2012)

Consolidated Statement of Financial Position

	30 June 2013 US\$ million	31 December 2012 US\$ million	30 June 2012 US\$ million
Current Assets			
Cash and cash equivalents	23.8	10.1	38.5
Receivables	25.0	0.1	0.1
Other assets	3.4	4.9	4.6
Total current assets	52.2	15.1	43.2
Non-current Assets			
Investments accounted for using the equity method	3,076.8	3,296.1	3,250.9
Property, plant and equipment	0.2	0.2	0.3
Total non-current assets	3,077.0	3,296.3	3,251.2
Total assets	3,129.2	3,311.4	3,294.4
Current Liabilities			
Payables	1.5	2.7	2.6
Interest bearing liabilities	116.1	52.0	52.1
Derivative financial instruments	6.6	4.6	4.3
Provisions	0.2	0.3	0.3
Other liabilities	0.3	0.2	0.8
Total current liabilities	124.7	59.8	60.1
Non-current Liabilities			
Interest bearing liabilities	104.9	622.5	588.8
Provisions	0.5	0.6	0.5
Total non-current liabilities	105.4	623.1	589.3
Total liabilities	230.1	682.9	649.4
Net assets	2,899.1	2,628.5	2,645.0
Equity			
Contributed equity	2,620.0	2,154.1	2,154.1
Treasury shares	(1.5)	(1.5)	(1.5)
Reserves:			
- Group	(484.2)	(255.6)	(281.6)
- Associates	32.3	(3.4)	(8.4)
Retained profits:			
- Group	938.5	902.3	903.4
- Associates	(206.0)	(167.4)	(121.0)
Total equity	2,899.1	2,628.5	2,645.0

ALUMINA LIMITED
HALF-YEAR ENDED 30 JUNE 2013
(Previous corresponding period half-year ended 30 June 2012)

Consolidated Statement of Changes in Equity

	Contributed Equity ¹ US\$ million	Reserves US\$ million	Retained Profits US\$ million	Total US\$ million
Balance as at 1 January 2012	2,152.6	(168.8)	870.2	2,854.0
Loss for the half-year	-	-	(3.8)	(3.8)
Other comprehensive loss for the half-year	-	(121.5)	(10.8)	(132.3)
Transactions with owners in their capacity as owners:				
Dividends declared	-	-	(73.2)	(73.2)
Movement in share based payments reserve	-	0.3	-	0.3
Balance at 30 June 2012	2,152.6	(290.0)	782.4	2,645.0
Balance as at 1 July 2012	2,152.6	(290.0)	782.4	2,645.0
Loss for the half-year	-	-	(51.8)	(51.8)
Other comprehensive income for the half-year	-	30.7	4.3	35.0
Transactions with owners in their capacity as owners:				
Movement in share based payments reserve	-	0.3	-	0.3
Balance at 31 December 2012	2,152.6	(259.0)	734.9	2,628.5
Balance as at 1 January 2013	2,152.6	(259.0)	734.9	2,628.5
Loss for the half-year	-	-	(2.4)	(2.4)
Other comprehensive income for the half-year	-	(193.4)	-	(193.4)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs after tax	465.9	-	-	465.9
Movement in share based payments reserve	-	0.5	-	0.5
Balance at 30 June 2013	2,618.5	(451.9)	732.5	2,899.1

¹ Treasury shares have been deducted from contributed equity.

Consolidated Statement of Cash Flows

	Half-Year ended 30 June 2013 US\$ million	Half-Year ended 31 Dec 2012 US\$ million	Half-Year ended 30 June 2012 US\$ million
Cash Flows Related to Operating Activities			
Payments to suppliers and employees (inclusive of goods and services tax)	(7.5)	(11.6)	(7.3)
GST refund received	0.4	0.4	0.4
Dividends received from associates	25.0	20.0	66.0
Distributions received from associates	3.9	4.7	4.4
Interest received	0.2	-	0.1
Finance costs	(11.8)	(15.6)	(12.6)
Other	(0.2)	(0.1)	(0.2)
Net cash inflow/(outflow) from operating activities	10.0	(2.2)	50.8
Cash Flows Related to Investing Activities			
Payments to investments in associates	(12.0)	(60.9)	(110.1)
Net cash outflow from investing activities	(12.0)	(60.9)	(110.1)
Cash Flows Related to Financing Activities			
Proceeds from borrowings	30.0	60.0	180.0
Repayment of borrowings	(481.0)	(26.0)	(26.5)
Proceeds from share issue	467.2	-	-
Share issue transaction costs	(1.3)	-	-
Dividends paid	-	-	(73.2)
Net cash inflow from financing activities	14.9	34.0	80.3
Net Increase/(Decrease) in Cash and cash equivalents	12.9	(29.1)	21.0
Cash and cash equivalents at the beginning of the reporting period	10.1	38.5	19.0
Effects of exchange rate changes on cash and cash equivalents	0.8	0.7	(1.5)
Cash and cash equivalents at the end of the reporting period	23.8	10.1	38.5

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(Previous corresponding period half-year ended 30 June 2012)

1. Basis of Preparation

This consolidated interim financial report for the half-year ended 30 June 2013 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This consolidated interim 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 2012 and any public announcements made by Alumina Limited during the interim 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 and corresponding interim reporting period, except as set out below.

Changes in accounting policy

Employee benefits

The adoption of the revised AASB 119 *Employee Benefits* resulted in two changes to the entity's accounting policy which affected items recognised in the financial statements:

- **Recognition of actuarial gains and losses (re-measurements).** 'Actuarial gains and losses' are renamed 're-measurements' and will be recognised immediately in other comprehensive income ("OCI"). Re-measurements recognised in OCI will not be recycled through profit or loss in subsequent periods. The revised standard does not mandate where re-measurements must be presented in equity. Alumina Limited has chosen to retain its previous policy of recognising re-measurements directly in retained earnings.
- **Measurement of pension expense.** Annual expense for a funded benefit plan will include net interest expense or income, calculated by applying the discount rate to the net defined benefit asset or liability. This will replace the finance charge and expected return on plan assets. There will be no change in the discount rate, which remains a high quality corporate bond rate where there is a deep market in such bonds, and a government bond rate in other markets.

As the revised standard must be adopted retrospectively, adjustments to the retirement benefit obligations have been recognised at the beginning of the earliest period presented (1 January 2012) and the income statement and statement of comprehensive income were restated for the comparative periods as follows:

	Half-Year ended 31 Dec 2012 US\$ million	Increase/ (Decrease) US\$ million	Half-Year ended 31 Dec 2012 (Restated) US\$ million	Half-Year ended 30 June 2012 US\$ million	Increase/ (Decrease) US\$ million	Half-Year ended 30 June 2012 (Restated) US\$ million
Income statement (extract)						
Share of net (loss)/profit of associates accounted for using the equity method	(21.8)	(4.3)	(26.1)	7.8	10.8	18.6
Other comprehensive income (extract)						
Remeasurements of retirement benefit obligations accounted for using the equity method	-	4.3	4.3	-	(10.8)	(10.8)

Basic and diluted earnings per share for the prior periods have also been restated. The amount of the restatement for both basic and diluted earnings per share was a decrease of two cents per share for the six months ended 31 December 2012, and an increase of four cents per share for the six months ended 30 June 2012.

The revised standard has also changed the accounting policy for the Group's annual leave obligations. As the entity expects all annual leave to be taken within 12 months of the respective service being provided, annual leave obligations are classified as short-term employee benefits in their entirety. Therefore, the change had no impact on the financial statements.

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2. Reconciliation of Cash

	30 June 2013 US\$ million	31 Dec 2012 US\$ million	30 June 2012 US\$ million
Reconciliation of cash at the end of the reporting period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows:			
Cash on hand and at bank	3.3	3.1	5.0
Money market deposits (with maturity on investment three months or less)	20.5	7.0	33.5
Total cash and cash equivalents at the end of the reporting period	23.8	10.1	38.5

3. Consolidated Retained Profits

	Half-Year ended 30 June 2013 US\$ million	Half-Year ended 31 Dec 2012 US\$ million	Half-Year ended 30 June 2012 US\$ million
Retained profits at the beginning of the reporting period	734.9	782.4	870.2
Net loss attributable to members of Alumina Limited	(2.4)	(51.8)	(3.8)
Remeasurements of retirement benefit obligations accounted for using the equity method ¹	-	4.3	(10.8)
Dividends paid	-	-	(73.2)
Retained profits at the end of the reporting period	732.5	734.9	782.4

¹ Refer to Changes in accounting policy on page 9.

4. Income Tax

	Half-Year ended 30 June 2013 US\$ million	Half-Year ended 31 Dec 2012 US\$ million	Half-Year ended 30 June 2012 US\$ million
Loss from ordinary activities before tax	(2.4)	(51.8)	(3.4)
Prima facie tax credit for the period at the rate of 30%	0.7	15.5	1.0
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	(15.3)	26.1	(18.6)
Foreign income subject to accruals tax	0.3	1.1	0.4
Share of Partnership income assessable for tax	3.9	4.7	4.4
Timing differences not recognised	(23.5)	(1.6)	1.5
Tax losses not recognised	36.1	20.1	16.7
Non-deductible expenses	0.9	1.4	0.9
Previously unrecognised tax losses now recouped to reduce current tax expense	-	-	(0.5)
Net movement	2.4	51.8	4.8
Consequent increase in charge for income tax	(0.7)	(15.5)	(1.4)
Aggregate Income tax expense for the reporting period	-	-	(0.4)

ALUMINA LIMITED
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(Previous corresponding period half-year ended 30 June 2012)

5. Contributed Equity

	Half-Year ended 30 June 2013 US\$ million	Half-Year ended 31 Dec 2012 US\$ million	Half-Year ended 30 June 2012 US\$ million
Ordinary share capital issued and fully paid			
Balance brought forward	2,154.1	2,154.1	2,154.1
Shares issued	467.2	-	-
Less: Transaction costs on share issue	(1.3)	-	-
Total issued capital	2,620.0	2,154.1	2,154.1

	Number of shares	Number of shares	Number of shares
Movements in Share Capital			
Opening number of shares	2,440,196,187	2,440,196,187	2,440,196,187
Movement for the period	366,029,428	-	-
Closing number of shares	2,806,225,615	2,440,196,187	2,440,196,187

On 14 February 2013, CITIC Resources Australia Pty Ltd and Bestbuy Overseas Co., Ltd unconditionally subscribed, in aggregate, for 366,029,428 fully paid ordinary shares in Alumina limited, being 15% of Alumina' Limited's then current capital base, representing 13.04% of Alumina Limited's capital base following completion (the "Placement").

The Placement raised approximately A\$452 million based on an issue price of A\$1.235 per share, which reflected a premium of approximately 3% to the closing price of Alumina Limited shares on 13 February 2013 and a premium of 11% to the volume weighted average price of Alumina limited shares for the 30 day period ending 13 February 2013.

6. Earnings Per Share (EPS)

	Half-Year ended 30 June 2013	Half-Year ended 31 Dec 2012	Half-Year ended 30 June 2012
Loss attributable to the ordinary equity holders of the Company used in calculation of basic and diluted EPS (US\$ million)	(2.4)	(51.8)	(3.8)
Weighted average number of ordinary shares used as the denominator in the calculation of basic and diluted EPS	2,714,554,500	2,439,526,913	2,439,526,913
Basic EPS (US cents)	Negative 0.1	Negative 2.1	Negative 0.2
Diluted EPS (US cents)	Negative 0.1	Negative 2.1	Negative 0.2

7. Net Tangible Asset Backing Per Security

	30 June 2013	31 Dec 2012	30 June 2012
Net assets (US\$ million)	2,899.1	2,628.5	2,645.0
<i>Less equity accounted intangible assets:</i>			
Goodwill (US\$ million)	175.8	175.8	175.8
Mineral rights and bauxite assets net of deferred tax liabilities (US\$ million)	77.5	78.2	78.9
Net tangible assets (US\$ million)	2,645.8	2,374.5	2,390.3
Number of issued ordinary shares (including treasury shares)	2,806,225,615	2,440,196,187	2,440,196,187
Net tangible asset backing per ordinary security (US\$)	0.94	0.97	0.98

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8. Dividends

Since the half-year end the Directors have determined that no interim dividend will be paid for the half-year ended 30 June 2013. The Board will continue to review the dividend at each half-year in light of current and expected business conditions. Directors have continued the suspension of the Company's Dividend Reinvestment Plan.

The franking account balance, which is maintained in Australian dollars, was A\$374.5 million as at 30 June 2013 (A\$364.1 million as at 31 December 2012 and A\$355.9 million as at 30 June 2012).

a) Dividend Per Share

	Half-Year ended 30 June 2013 US cents	Half-Year ended 31 Dec 2012 US cents	Half-Year ended 30 June 2012 US cents
Fully franked interim dividends per share	Nil	n/a	Nil
Fully franked final dividends per share	n/a	Nil	n/a

b) Total Dividend Paid on All Shares

	Half-Year ended 30 June 2013 US\$ million	Half-Year ended 31 Dec 2012 US\$ million	Half-Year ended 30 June 2012 US\$ million
Fully franked interim dividends	Nil	n/a	Nil
Fully franked final dividends	n/a	Nil	n/a

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9. Material Interests in Entities which are Not Controlled Entities

Alumina Limited has an interest in the following entities forming AWAC:

	Percentage of Ownership Interest Held		
	30 June 2013	31 Dec 2012	30 June 2012
Alcoa of Australia Limited	40	40	40
Alcoa World Alumina LLC	40	40	40
Alumina Espanola S.A.	40	40	40
Alcoa World Alumina Brasil Ltda.	40	40	40
AWA Saudi Ltda.	40	40	40
Enterprise Partnership	40	40	40

10. Details of Entities Over Which Control Has Been Lost or Gained

There was no loss or gain of control for the half-year ended 30 June 2013.

11. AWAC contribution to net profit of Alumina Limited and Controlled Entities

	Half-Year ended 30 June 2013 US\$ million	Half-Year ended 31 Dec 2012 US\$ million	Half-Year ended 30 June 2012 US\$ million
Profit/(loss) from ordinary activities before income tax ¹	7.4	(37.9)	(17.1)
Income tax credit on ordinary activities	7.9	11.8	35.7
Equity share of net profit/(loss) after tax	15.3	(26.1)	18.6
Dividends received/receivable by Alumina Limited	(50.0)	(20.0)	(66.0)
Distributions received by Alumina Limited	(3.9)	(4.7)	(4.4)
Surplus of dividends/distributions received/receivable over equity share of net profits	(38.6)	(50.8)	(51.8)

¹ The loss for the six months to 30 June 2013 includes a charge of \$30.0 million (\$18.0 million for the half-year ended 30 June 2012; \$16.0 million for the half-year ended 31 December 2012) in relation to the Alba Civil Settlement and Government Investigations.

Legal Matters of Associate relating to Alba Civil Settlement and Government Investigations

Alba Civil Settlement

On February 27, 2008, Alcoa Inc received notice that Aluminium Bahrain BSC ("Alba") had filed suit against Alcoa Inc and Alcoa World Alumina LLC ("AWA LLC"), and others, in the United States District Court for the Western District of Pennsylvania (the "Court"), Civil Action number 08-299, styled Aluminium Bahrain BSC v Alcoa Inc, Alcoa World Alumina LLC, William Rice, and Victor Dahdaleh (the "Alba Proceeding"). The complaint alleged that certain Alcoa entities, including Alcoa of Australia Ltd and AWA LLC entities (which are part of AWAC and accordingly entities in which Alumina Limited holds a 40% equity interest), and their agents, including Victor Phillip Dahdaleh, had engaged in a conspiracy over a period of 15 years to defraud Alba. The complaint further alleged that Alcoa and its employees or agents (1) illegally bribed officials of the Government of Bahrain and (or) officers of Alba in order to force Alba to purchase alumina at excessively high prices; (2) illegally bribed officials of the Government of Bahrain and (or) officers of Alba and issued threats in order to pressure Alba to enter into an agreement by which Alcoa would purchase an equity interest in Alba; and (3) assigned portions of existing supply contracts between Alcoa and Alba for the sole purpose of facilitating alleged bribes and unlawful commissions. The complaint alleged that Alcoa and the other defendants violated the Racketeer Influenced and Corrupt Organizations Act ("RICO") and committed fraud. Alba claimed damages in excess of \$1 billion. Alba's complaint sought treble damages with respect to its RICO claims, compensatory, consequential, exemplary, and punitive damages, rescission of the 2005 alumina supply contract and attorneys' fees and costs. Neither Alumina Limited, nor any of its employees, was or is a defendant in the litigation. The Alba Proceeding was settled in relation to Alcoa Inc and AWA LLC in October 2012, without any admission of liability, by a cash settlement payment of \$85 million, to be paid by AWA LLC in two equal instalments by the first anniversary of the settlement. Based on the settlement agreement with Alba, AWA LLC recorded a charge of \$85 million in 2012 in respect of the Alba Proceeding. On 9 October 2012, pursuant to the settlement agreement, AWA LLC paid Alba \$42.5 million. AWA LLC is obligated to pay the remaining \$42.5 million, without interest or contingency, on 9 October, 2013. In addition, AWA LLC entered into a long term alumina supply agreement with Alba.

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11. AWAC contribution to net profit of Alumina Limited and Controlled Entities (cont'd)

Government investigations

On February 26, 2008, Alcoa Inc advised the US Department of Justice (the "DOJ") and the US Securities and Exchange Commission (the "SEC") that it had recently become aware of the claims by Alba, had already begun an internal investigation, and intended to co-operate fully in any investigation that the DOJ or the SEC may commence. On March 17, 2008, the DOJ notified Alcoa Inc that it had opened a formal investigation. The SEC subsequently commenced a parallel investigation. Alcoa Inc has reported it has been co-operating with the government. The United States Foreign Corrupt Practices Act and related statutes and regulations in the United States and elsewhere provide for potential injunctive relief, monetary penalties, disgorgement, prejudgment interest, criminal sanctions and other remedies and may result in certain cases in suspension or debarment from doing business with governmental entities or other collateral consequences.

Alcoa Inc has reported that it has been seeking settlements of both investigations. Alcoa Inc also reported that, during the second quarter of 2013, Alcoa Inc proposed to settle the DOJ matter by offering a cash payment of \$103 million. Alcoa Inc has recorded a provision in AWA LLC in the amount of \$103 million to settle the matter with the DOJ. Alcoa Inc also noted that there is a reasonable possibility of an additional charge between \$0 and approximately \$200 million to settle this matter with the DOJ. Alcoa Inc also noted that settlement negotiations are continuing and that, based on negotiations to date, Alcoa Inc expects any such settlement will be paid over several years. Alcoa Inc noted that it has also exchanged settlement offers with the SEC. However, Alcoa Inc has stated that the SEC staff has rejected Alcoa Inc's most recent offer of \$60 million and no charge has been recorded. Alcoa Inc noted that it expected that any resolution through settlement with the SEC would be material to results of operations for the relevant fiscal period.

Alcoa Inc noted that, although it seeks to resolve the Alba matter with the DOJ and the SEC through settlements, there can be no assurance that settlements will be reached. Alcoa Inc further noted that, if settlements cannot be reached, Alcoa Inc will proceed to trial and, under those circumstances, the final outcome cannot be predicted and there can be no assurance that it would not have a material adverse effect on Alcoa Inc. Accordingly, in those circumstances, there can be no assurance that such final outcome may not have a material adverse effect on AWAC.

Allocation of Alba settlement terms and related transactions

Based on an agreement between Alcoa Inc and Alumina Limited, in the event that settlements are reached on the government investigations prior to the filing of any proceedings, the costs of any such settlements will be allocated between Alcoa Inc and Alumina Limited on an 85% and 15% basis, respectively, which would result in an additional charge to Alcoa Inc at that time. Therefore, if settled for \$103 million, the current provision recorded in AWA LLC (under US GAAP) for the DOJ settlement would be reduced to approximately \$39 million, resulting in Alumina Limited's exposure reducing by \$25 million to approximately \$15 million. The same proportional allocation would apply to an SEC settlement. The costs of the Alba civil settlement and all legal fees and costs incurred in relation to this matter (including the government investigations discussed above) would also be allocated in the same proportions. On that basis, Alcoa Inc estimates an additional reasonably possible after-tax charge of between \$25 million to \$30 million to reallocate a portion of these costs (excluding any settlements with the DOJ and the SEC) from AWAC back to Alcoa Inc. This would have the effect of reducing Alumina Limited's exposure to the settlement of the Alba Proceeding and legal costs.

The agreement between Alcoa Inc and Alumina Limited also provides that, should settlements be reached on the regulatory investigations as described above, AWA LLC shall fund the payments for those settlements and the settlement of the Alba Proceeding generally through debt facilities. Such settlement payments would not be funded by any call on Alumina Limited to contribute funds to AWAC for this purpose.

In the event that settlements of the DOJ and SEC investigations are not reached, the appropriateness of the allocations to AWA LLC of costs (including legal costs) relating to the Alba matter would remain the subject of discussions between Alcoa Inc and Alumina Limited.

Provisions and Contingencies of Associate (under Australian Accounting Standards ("AAS"))

AWAC had the following contingencies and provisions with regards to the legal matters outlined above:

(i) Provisions – the DOJ Investigation

The combined financial statements of the entities forming AWAC are prepared in accordance with US GAAP. Adjustments are made to convert the accounting policies under US GAAP to AAS. Under US GAAP, if no amount within a range is a better estimate than any other, the estimated obligation is measured at the lower end of the range (i.e. \$103 million as applicable for the DOJ matter).

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11. AWAC contribution to net profit of Alumina Limited and Controlled Entities (cont'd)

Unlike US GAAP, AAS requires where there is a continuous range of possible outcomes, and each point in that range is as likely as any other, the mid-point of the range is used. Alcoa Inc noted a reasonably possible additional charge between \$0 and approximately \$200 million to settle the DOJ matter, therefore the range of the potential settlement is \$103 million to approximately \$303 million, with a midpoint determined by Alumina Limited under AAS of \$203 million.

Including consideration of the midpoint of the potential settlement range, Alumina Limited's best estimate of the provision with regards to the DOJ matter is approximately \$30 million, which is reflected in the \$15.3 million equity share of net profit contributed by AWAC.

(ii) Contingent assets – Reallocation of costs and fees

A contingent asset has not been recognised as a receivable in AWAC because receipt is dependent on the settlement of regulatory investigations.

The costs of the Alba civil settlement and all legal fees and costs incurred in relation to the Alba matter would be allocated in the proportions based on an agreement between Alcoa Inc and Alumina Limited (as previously described). Alcoa Inc estimates an additional reasonably possible after-tax charge of between \$25 million to \$30 million to reallocate a portion of these costs (excluding any settlements with the DOJ and the SEC) from AWAC back to Alcoa Inc.

(iii) Contingent liabilities – the SEC Investigation

The final outcome of resolution of the Alba legal matter with the SEC cannot be predicted and there can be no assurance that it may not have a material adverse effect on AWAC. Alumina Limited is unable to quantify reliably the possible loss or range of loss to which companies in which Alumina Limited has an equity interest may be subject as a result of the Alba matter resolution with the SEC.

12. Financing Facilities

	Half-Year ended 30 June 2013 US\$ million	Year ended 31 Dec 2012 US\$ million	Half-Year ended 30 June 2012 US\$ million
Total loan facilities	901.0	929.5	955.9
Available at end of reporting period	680.0	255.0	315.0
Used at end of reporting period	221.0	674.5	640.9

Funding facilities include bilateral bank facilities, a syndicated facility and a development bank loan. All bilateral bank facilities are available in US dollars, of which two are also available in Australian dollars and one is also available in EURO. The syndicated facility is available in US dollars. The development bank loan is fully drawn in US dollars and Brazilian Reals and amortises at approximately \$51.1 million per annum. Funding facilities in currencies other than US dollars have been converted to US dollar equivalents at period end exchange rates. The next scheduled debt maturity for Alumina Limited is US\$100 million in March 2014. The remaining bank facilities mature progressively until December 2017.

13. 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 alumina/aluminium business through its equity interest in AWAC. Alumina Limited participates in AWAC through The Strategic Council, which consists of three members appointed by Alcoa Inc and two members appointed by Alumina Limited. Operational decisions are made by Alcoa Inc.

14. Events Occurring After the Balance Sheet Date

There have been no significant events occurring since 30 June 2013.

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Directors' Declaration

In the directors' opinion:

- a) the financial statements and notes set out on pages 5 to 15 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Accounting Standard AASB134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the half-year ended on that date; and
- b) there are reasonable grounds to believe that Alumina Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

John Bevan
Director

Melbourne
22 August 2013



Independent auditor's review report to the members of Alumina Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Alumina Limited, which comprises the balance sheet as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Alumina Limited Group (the consolidated entity). The consolidated entity comprises both Alumina Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Alumina Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Alumina Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



PricewaterhouseCoopers



Nadia Carlin
Melbourne

22 August 2013

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Supplementary Appendix 4D Information

Alumina Limited Highlights

Net loss after tax

- \$2.4 million loss compared to \$3.8 million loss in 1H 2012
- Lower general, administrative and finance costs

Improvement in underlying earnings

- \$7.2 million underlying loss compared to \$13.1 million underlying loss in 1H 2012. Underlying loss excludes the \$4.8 million equity share of the fair value movement in AWAC's embedded derivatives (\$9.3 million in 1H 2012)
- Included in underlying earnings is a charge of \$30.0 million (\$18 million in 1H 2012) in relation to the Alba Civil Settlement and Government Investigations

Balance sheet strengthened

- Net debt reduced to \$197 million following the share placement in February
- Gearing reduced to 6.3% compared to 18.3% as at 1H 2012

Received AWAC dividends and distributions

- \$50.0 million of fully franked dividends and \$3.9 million of distributions compared to \$66.0 million of dividends and \$4.4 million of distributions in 1H 2012
- \$25 million of the aforementioned recorded fully franked dividends were received on 1 July, 2013

AWAC Highlights (US GAAP)

Improvement in EBITDA

- \$229.8 million compared to \$160.5 million in 1H 2012
- \$45 per tonne alumina EBITDA margin compared to \$33 per tonne in 1H 2012

Conversion to spot or alumina based pricing delivering benefits

- 53% of third party smelter grade alumina shipments were priced on spot or alumina indexed basis compared to 34% for the corresponding period
- Revenue per tonne from alumina sales priced by reference to indices and spot continued to be higher than legacy LME-linked contracts

Continued productivity gains and strong cost control

- The cash cost of alumina production per tonne decreased by 4.2% compared to the corresponding period
- Total expenses declined by \$41.7 million compared to 1H 2012, mainly reflecting the benefit of productivity initiatives and cost control.
- Includes \$32 million pre-tax expense relating to the statutory maintenance and shutdown at the Anglesea power station that occurs every four years
- Includes \$103 million pre-tax charge in relation to the Alba legal matter compared to \$45 million in 1H 2012

Improvement in free cash flow

- \$236.2 million compared to (\$11.6) million in 1H 2012
- Mainly reflects improved operating performance and working capital management

Alumina Limited Key Financials

	1H 13	2H 12	1H 12
Net loss after tax US\$m	(2.4)	(51.8)	(3.8)
Underlying loss US\$m¹	(7.2)	(48.9)	(13.1)
Legal matters of Associate included in underlying loss US\$m²	30.0	16.0	18.0
Average AUD/USD	1.01	1.04	1.03
Average 3 month LME aluminium price US\$ per tonne³	1,955	1,985	2,122
Average alumina spot price⁴ US\$ per tonne	333	321	316
Net Debt US\$m	197	664	602
Gearing⁵	6.3%	20.1%	18.3%
EPS (US cps)	(0.1)	(2.1)	(0.2)
Underlying EPS (US cps)	(0.3)	(2.0)	(0.5)
Return on Equity (ROE)	(0.2)%	(3.9)%	(0.3)%
ROE based on underlying earnings	(0.5)%	(3.7)%	(0.9)%

Definitions and notes

1. Underlying earnings are calculated by excluding the impact of fair value movements for embedded derivatives contained in AWAC energy contracts that are linked to the LME price of aluminium. Calculation of underlying earnings is undertaken on a consistent basis with previous years.
2. Alba Civil Settlement and Government Investigations are legal matters that commenced in February 2008 and are reflected in AWAC's performance as Alcoa Inc makes progress in resolving these matters. Inclusion of this matter in AWAC's performance has negatively impacted the Company's result over a number of reporting periods. Refer to Note 11 for further details.
3. Pricing data sourced from Thomson Reuters.
4. Based on Platts index, FOB Australia average.
5. Calculated as (debt - cash) / (debt + equity).

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AWAC Business Review (US GAAP)

Mining

AWAC owns, or partly owns, bauxite mines operating in five countries, which meet the production needs of the AWAC refineries.

The Juruti mine in Brazil continues to operate above its initial design capacity of 2.6 million tonnes per annum, with production levels as high as 4.4 million tonnes on an annualised basis. The Juruti mine also continues to reduce unit operating costs.

Work continued on moving the crusher facility at the Huntly mine in Australia, which increased bauxite costs during 1H 2013. This is a significant project to improve mine productivity that occurs every eight to ten years. Phase one of the project is now complete and the remainder of the project is expected to be completed by the end of the 2014 financial year.

Bauxite costs also increased in Suriname associated with a new mining site.

Refining

Production of alumina was 7.8 million tonnes in 1H 2013, which is in line with 1H 2012.

Alumina shipments were 8.0 million tonnes in 1H 2013, 0.3 million tonnes higher than 1H 2012 largely as a result of a catch up on delayed December 2012 shipments and a reduction of historical levels of inventory.

Approximately 53% of third party smelter grade alumina shipments were priced on spot or alumina indexed basis compared to 34% for the corresponding period.

Revenue per tonne from alumina sales priced by reference to indices and spot continued to be higher than the legacy LME-linked contracts which were affected by a 7% decline in the average three month LME, two month lag aluminium prices compared to 1H 2012. The net result was that average realised alumina prices were marginally higher than 1H 2012.

Revenue increased by approximately 2% compared to 1H 2012 mainly due to the higher shipments.

EBITDA margin was \$45 per tonne produced in 1H 2013, an increase of \$12 per tonne on 1H 2012. Higher margins were predominately as a result of lower production costs. The 1H 2013 cash cost of alumina per tonne produced decreased by 4.2% over 1H 2012. The decrease mainly reflects productivity initiatives and efforts to create more stable operating conditions to avoid costs associated with production disruptions. In the latter part of 1H 2013, the Australian dollar and Brazilian Reals weakened against the US dollar, providing some currency benefit.

Ma'aden Investment

The joint venture between AWAC and Saudi Arabian Mining Company ("Ma'aden") for the construction of a 4.0 million tonnes per annum initial capacity greenfield mine and a 1.8 million tonnes per annum capacity refinery at Ras Al Khair in Saudi Arabia (AWAC interest of 25.1%) is AWAC's major growth project and is due to come on stream in the fourth quarter of 2014.

The refinery investment will assist AWAC in reducing its low refinery cash cost position.

The refinery is approximately 60% complete and the mine is approximately 20% complete.

During 1H 2013, Alumina Limited contributed \$12 million of equity capital to the joint venture.

AWAC Production and Shipments

	1H 13	2H 12	1H 12
Alumina production	7.8mt	7.8mt	7.8mt
Aluminium production	174kt	180kt	178kt
Alumina shipments	8.0mt	7.9mt	7.7mt

AWAC Profit and Loss (US GAAP)

	1H 13	2H 12	1H 12
	US\$m	US\$m	US\$m
Sales revenue	1,875.7	1,858.3	1,786.7
Related party revenue	1,089.2	1,021.1	1,149.2
Total Revenue	2,964.9	2,879.4	2,935.9
COGS and operating expenses	(2,581.6)	(2,650.7)	(2,719.1)
Selling, Admin, R&D	(61.9)	(70.9)	(62.0)
Depreciation and Amortisation	(234.6)	(240.2)	(238.7)
Other	(94.3)	15.0	5.7
Total Expenses	(2,972.4)	(2,946.8)	(3,014.1)
Loss before tax	(7.5)	(67.4)	(78.2)
Income tax	(18.7)	62.6	(8.9)
Net loss after tax	(26.2)	(4.8)	(87.1)
EBITDA¹	229.8	175.0	160.5

¹ Earnings before interest, tax, depreciation and amortisation consistent with previous periods.

Smelting

AWAC produces aluminium at two smelters in Australia.

The Anglesea power station (owned by Alcoa of Australia) provides approximately 40% of the electricity needs for the Point Henry smelter. Statutory maintenance of the power station is required every four years and occurred during 1H 2013. The maintenance costs incurred and additional standby power consumed at Point Henry negatively impacted AWAC's result by \$32 million in 1H 2013 on a pre-tax basis.

Production of approximately 174,000 tonnes in 1H 2013 was lower compared to 1H 2012 largely due to the Anglesea power station maintenance.

During 2012 Alcoa of Australia Limited conducted a review of the future viability of the Point Henry aluminium smelter because of continuing difficult economic conditions. On 29 June 2012, Alcoa of Australia announced that it expects to operate the Point Henry aluminium smelter until at least mid-2014.

One-off and Significant Items

The 1H 2013 AWAC's US GAAP loss included the following one-off and significant pre-tax items:

- \$103 million provision in relation to the Alba legal matter
- \$32 million relating to the aforementioned statutory maintenance and shutdown at the Anglesea power station that occurs every four years

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AWAC Cash Flow (US GAAP)

Cash from operations increased to \$414.4 million compared to \$172.6 million in 1H 2012, due to improved operating performance and working capital management, despite higher expenditure relating to mining and the Anglesea power station maintenance.

Capital expenditure totalled \$178.2 million, 3.3% lower than 1H 2012.

Sustaining capital expenditure was \$155.5 million, the majority of which was incurred in Australia. The Australian expenditure included the relocation of the crusher facilities at the Huntly mine.

Growth capital expenditure mainly related to completion works of the Juruti mine infrastructure in Brazil.

Equity contributions to the Ma'aden mine and refinery joint venture in Saudi Arabia are not included in the growth capital expenditure.

AWAC Cash Flow (US GAAP)

	1H 13	2H 12	1H 12
	US\$m	US\$m	US\$m
Net loss	(26.2)	(4.8)	(87.1)
Depreciation	234.6	240.2	238.7
(Increase)/decrease in receivables	(13.1)	22.5	58.1
Decrease/(increase) in inventories	61.8	19.6	(41.6)
(Decrease)/increase in accounts payable	(30.5)	248.9	1.1
Other	187.8	(457.1)	3.4
Cash from operations	414.4	69.3	172.6
Capital expenditure	(178.2)	(191.1)	(184.2)
Free cash flow¹	236.2	(121.8)	(11.6)

¹ Free cash flow defined as cash from operations less capital expenditure.

AWAC Balance Sheet (US GAAP)

AWAC improved its cash holdings mainly through increased cash from operations predominately in Australia. A \$62.5 million fully franked dividend was paid in July 2013, of which Alumina Limited's share was \$25.0 million.

Property, Plant and Equipment decreased mainly due to the strengthening US dollar against the Australian dollar and Brazilian Reals.

AWAC continued to operate with minimal borrowings.

AWAC Balance Sheet (US GAAP)

	1H 13	2H 12	1H 12
	US\$m	US\$m	US\$m
Cash, cash equivalents	286.3	126.0	180.8
Receivables	439.7	457.6	471.3
Related party note receivable	86.6	88.7	87.0
Inventories	719.6	808.0	808.7
Property, plant & equipment	6,301.6	6,909.2	6,856.1
Other assets	2,813.8	3,028.5	2,233.2
Total Assets	10,647.6	11,418.0	10,637.1
Short term borrowings	74.2	69.6	61.1
Payables	938.5	841.0	828.4
Taxes payable and deferred	386.0	398.6	407.4
Other liabilities	1,727.7	1,865.1	1,300.8
Total Liabilities	3,126.4	3,174.3	2,597.7
Equity	7,521.2	8,243.7	8,039.4

GAAP Adjustments

The AWAC results are adjusted for differences between US GAAP and Australian Accounting Standards prior to incorporation into the Alumina Limited's results. The total adjustments amounted to a reduction of approximately \$65 million to AWAC's loss after tax.

The main adjustments for 1H 2013 were:

- recognition of \$38 million Brazil deferred tax credit adjustment
- \$28 million adjustment in relation to the measurement of the provision for the Alba legal matter
- recognition of \$4 million after tax for asset retirement obligations

Alumina Limited's results include 40% of these adjustments.

AWAC Dividends Paid/Payable

	1H 13	2H 12	1H 12
	US\$m	US\$m	US\$m
Dividends paid/payable	125	50	165

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Alumina Limited Reported Profit

The Net loss after tax was \$2.4 million compared to a loss of \$3.8 million in 1H 2012.

Most of Alumina Limited's general and administrative costs are incurred in Australian dollars. The decrease in these costs is primarily due to lower expenditure, rather than currency fluctuations.

Finance costs decreased to \$11.5 million from \$13.7 million in 1H 2012 due to lower borrowings following the share placement.

Note on calculation of underlying earnings

Alumina Limited shows underlying earnings in addition to profit after tax to provide a better understanding of the performance of the underlying operations. Underlying earnings are calculated by excluding the impact of fair value movements for embedded derivatives contained in AWAC energy contracts that are linked to the LME price of aluminium. Calculation of underlying earnings is undertaken on a consistent basis with previous years.

In 1H 2013, the revaluation of the embedded derivatives decreased Alumina Limited's net loss after tax by \$4.8 million.

Alumina Limited Reported Profit

	1H 13	2H 12	1H 12
	US\$m	US\$m	US\$m
Share of AWAC underlying profit/(loss)¹	10.5	(23.2)	9.3
General and admin costs	(7.6)	(9.9)	(9.1)
Finance costs	(11.5)	(15.7)	(13.7)
Other & tax	1.4	(0.1)	0.4
Underlying loss	(7.2)	(48.9)	(13.1)
Embedded derivative, AWAC	4.8	(2.9)	9.3
Net loss after tax	(2.4)	(51.8)	(3.8)

¹ The loss for the six months to 30 June 2013 includes a charge of \$30.0 million (\$18.0 million for the half-year ended 30 June 2012; \$16.0 million for the half-year ended 31 December 2012) in relation to the Alba Civil Settlement and Government Investigations.

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ALUMINA LIMITED

HALF-YEAR ENDED 30 JUNE 2013

Supplementary Appendix 4D Information

Alumina Limited Balance Sheet

As at 30 June 2013, Alumina Limited's net assets increased by \$270.6 million from 31 December 2012. The \$453.5 million reduction in interest bearing liabilities following the equity placement more than offset the decrease in investments of \$219.3 million which was predominately due to foreign currency translation.

During the half-year Alumina Limited issued 366,029,428 fully paid ordinary shares to CITIC Resources Australia Pty Ltd and Bestbuy Overseas Co Ltd, which raised approximately A\$452 million. These funds were primarily used to repay drawn debt.

Alumina Limited's net debt as at 30 June 2013 was \$197 million, down from \$664 million as at 31 December 2012. Gearing decreased to 6.3% from 20.1% as at 31 December 2012.

Alumina Limited's undrawn committed facilities amounted to \$680 million as at 30 June 2013, an increase of \$425 million from 31 December 2012.

The Company has a fully drawn debt facility from the Brazil National Development Bank ("BNDES"). This facility amortises at approximately \$51.1 million per annum. Amounts outstanding at 30 June 2013 under the BNDES loan were \$156 million.

Excluding the BNDES amortisation, there is no debt maturing in 2013, with the \$745 million of committed bank facilities expiring as follows:

- \$175 million in 2014 (drawn to \$65 million)
- \$213 million in 2015 (no amounts drawn under these facilities as at 30 June 2013)
- \$225 million in 2016 (no amounts drawn under these facilities as at 30 June 2013)
- \$132 million in 2017 (no amounts drawn under these facilities as at 30 June 2013)

Current liabilities include \$51.1 million of repayments on the facility from the BNDES that are due before 30 June 2014. Current liabilities of \$124.7 million exceed current assets of \$52.2 million. However, the Directors are confident that the liabilities can be met using available cash and undrawn committed facilities whose maturities extend beyond 30 June 2014.

Alumina Limited Cash Flows

Alumina Limited's cash receipts from operations principally comprise the dividends received from the AWAC entities. Fully franked dividends of \$25 million were received during 1H 2013, a decrease of \$41 million from 1H 2012. A further fully franked dividend of \$25 million was received in July 2013.

Net payment for investments in associates is comprised of equity contributions for the Ma'aden joint venture.

Alumina Limited Balance Sheet

	1H 13	2H 12	1H 12
	US\$m	US\$m	US\$m
Cash and equivalents	23.8	10.1	38.5
Investments	3,076.8	3,296.1	3,250.9
Other	28.6	5.2	5.0
Total Assets	3,129.2	3,311.4	3,294.4
Payables	1.5	2.7	2.6
Interest bearing liabilities – current	116.1	52.0	52.1
Interest bearing liabilities – non-current	104.9	622.5	588.8
Other	7.6	5.7	5.9
Total Liabilities	230.1	682.9	649.4
Net Assets	2,899.1	2,628.5	2,645.0

Alumina Limited Cash Flow

	1H 13	2H 12	1H 12
	US\$m	US\$m	US\$m
Dividends received	25.0	20.0	66.0
Distributions received	3.9	4.7	4.4
Interest paid	(11.8)	(15.6)	(12.6)
Payments to suppliers & employees	(7.5)	(11.6)	(7.3)
GST refund, interest received & other	0.4	0.3	0.3
Cash from operations	10.0	(2.2)	50.8
Net payments to investments in associates	(12.0)	(60.9)	(110.1)
Free cash flow¹	(2.0)	(63.1)	(59.3)

Definitions and notes

- Free cash flow defined as cash from operations less net investments in associates.

ALUMINA LIMITED
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Supplementary Appendix 4D Information

Guidance

The following 2013 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 profit before tax of movements around a given base figure. Actual results will vary from those computed using the guidance. Guidance is not linear, hence significant movement away from the base rates used may result in different sensitivities. No attempt has been made to correlate sensitivity to one element of the guidance with movements in other elements of the guidance.

Item	February 2013 Guidance	August 2013 Guidance
Production – alumina	Approximately 15.6mt	Approximately 15.6mt
Production – aluminium	Approximately 358,000t	Approximately 358,000t
Sensitivities: +1¢ in US\$/A\$ ¹	Approximately –\$30 million profit before tax	Approximately –\$30 million profit before tax
Third party smelter grade alumina shipments expected to be based on alumina price indices or spot ²	Approximately 48% for the year	Approximately 53% for the year
AWAC sustaining capital expenditure	Approximately \$350 million	Approximately \$340 million
AWAC growth capital expenditure ³	Approximately \$50 million	Approximately \$40 million

¹ AWAC's profit and asset valuation is also exposed to fluctuations in other currencies such as the Brazilian Reals and Euro. However, no sensitivity is provided.

² AWAC commenced 2013 with approximately 40% of its third party smelter grade alumina sales volume based on alumina price indices or available for spot sales.

³ Does not include investment in the Ma'aden growth project.

ALUMINA LIMITED
HALF-YEAR ENDED 30 JUNE 2013
Supplementary Appendix 4D Information**Market Outlook**

The first half of 2013 was characterised by volatility in aluminium pricing, while demand for the metal continued to grow.

LME aluminium prices fell during the half-year and ended below \$1,800 per tonne. However, regional premiums were elevated due to tight physical supply. Weaker aluminium prices impacted AWAC's legacy LME-linked alumina contracts.

The Platts spot-based index alumina prices increased by 5% in the first half compared to the corresponding period, trading in a range of \$318 to \$352. This reflected several key trends including:

- a) A modest increase in demand for non-Chinese alumina despite some smelter curtailments
- b) A small and reducing arbitrage between Chinese and non-Chinese alumina prices which has led to Chinese smelters purchasing domestically rather than importing alumina.

At the current low aluminium prices, there is a risk of further smelter curtailments within and outside China and if they occur there could be short term imbalances in the global alumina market unless there are corresponding (high cost) alumina curtailments.

AWAC remains the largest and a low cost alumina producer, which will benefit in the medium term as the alumina market grows. The continuing expansion of low cost smelting, particularly in the Middle East and China, will ensure that global demand for alumina remains strong and increasing in the medium to long term. There currently appears to be insufficient alumina expansion plans for the medium term to match the forecast smelter expansions, so the supply/demand balance is expected to tighten significantly (or go into deficit without additional capacity brought on). AWAC will also benefit from the increasing proportions of AWAC's alumina sales priced on spot-based indices which reflect the fundamentals of the alumina industry.

During the first half of 2013, AWAC's alumina cash cost declined as a result of the ongoing and rigorous productivity programme. We expect this focus to continue in the second half of 2013.

The majority of AWAC's production is in Australia and Brazil. A significant part of the costs of operating in these two countries is incurred in the domestic currency. Therefore, as the US dollar strengthens against these two currencies, cash costs on a US dollar basis should continue to decline.

Alumina Limited remains cautious on the outlook for the second half of the year. Weak aluminium prices at the start of the second half will negatively impact AWAC's revenue on a lagged basis, though the recent weakness in the Australian dollar and Brazilian Reals, if sustained, will have a significant positive impact on AWAC's financial performance. Challenging aluminium market conditions require a continued focus by AWAC on achieving productivity and supply chain improvements.

Potential changes to the LME warehouse rules arrangements that were proposed by the LME on 1 July for consultation have the aim of reducing queues of over 100 days for metal waiting to exit LME warehouses. If adopted, the new rules would apply from 1 April 2014. The main reason for significant stocks held in warehouses is the favourable stock financing condition. Provided that a wide contango on the aluminium price and low short term interest rates remain, then any increase in stocks exiting LME warehouses could be held in non-LME warehouses under financing deals. A number of commodity analysts and financial institutions expect those conditions to remain until 2015 at least.

China is importing record levels of bauxite for alumina production. Most of the bauxite is supplied from Indonesia. The Indonesian Government has announced a ban on the export of raw material including bauxite to take effect from January 2014. This is already impacting the seaborne bauxite market and is expected to continue to do so leading up to 2014. Over the coming years, bauxite quality within parts of China is expected to reduce significantly, and is likely to require even greater levels of imported bauxite (or imported alumina). This is expected to increasingly impact Chinese costs. This in turn is expected to influence the world alumina prices.

ALUMINA LIMITED
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Supplementary Appendix 4D Information

Forward Looking Statements

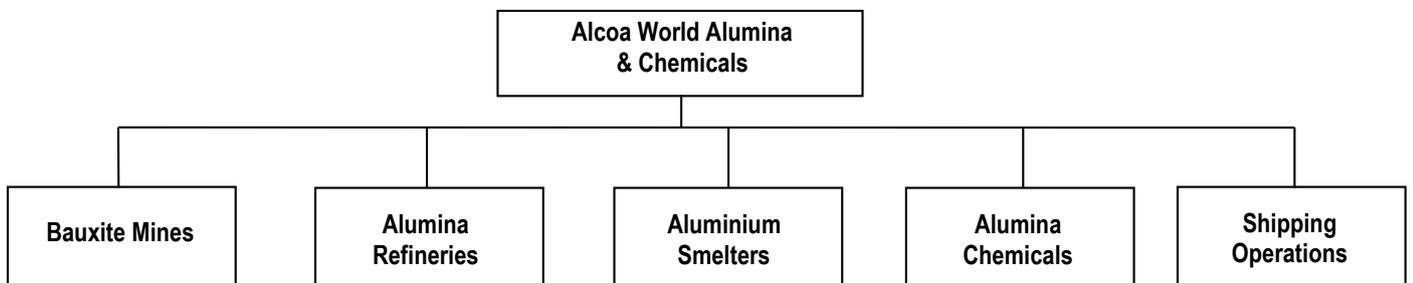
Some statements in this report are forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. Forward-looking statements also include those containing such words as “anticipate”, “estimates”, “should”, “will”, “expects”, “plans” or similar expressions. Forward-looking 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 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 Form 20-F for the year ended 31 December 2012. 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.

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Diagram of AWAC Operations



All operations 100% owned, unless otherwise indicated

Australia – Huntly & Willowdale
Brazil – Trombetas (9.6%) & Juruti
Guinea – Sangaredi (23%)
Jamaica – Manchester Plateau (55%)
Suriname – Moengo, Klaverblad & Kaimangrassie
Saudi Arabia – mine being developed (25.1%)

Australia – Kwinana, Pinjarra & Wagerup
Brazil – Sao Luis (39%)
Jamaica – Clarendon (55%)
Spain – San Ciprian
Suriname – Paranam
USA – Point Comfort
Saudi Arabia – refinery being developed (25.1%)

Australia - Point Henry & Portland (55%)

Australia – Kwinana
Spain – San Ciprian
USA – Point Comfort

Bauxite deposits: AWAC's bauxite deposits have long term mining rights. Bauxite mining is planned on an incremental basis after detailed assessment of the deposits to achieve a uniform quality in the supply of blended feedstock to the relevant refinery.

Refineries: AWAC operates eight alumina refineries, six of which are located in proximity to bauxite deposits.

Smelters: AWAC produces primary aluminium in Australia, with alumina supplied by the Australian refineries.

Alumina Chemicals: AWAC produces chemical grade alumina from three refineries: Kwinana (Australia), Point Comfort (USA) and San Ciprian (Spain).

Shipping Operations: AWAC's shipping operations use owned and chartered vessels to transport dry and liquid bulk cargoes, including bauxite, alumina, caustic soda, fuel oil, petroleum, coke and limestone.

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Alcoa World Alumina and Chemicals (AWAC) Profit & Loss

US\$ Millions (US GAAP) 100%	1st Half 2013	2nd Half 2012	1st Half 2012
Sales	1,875.7	1,858.3	1,786.7
Sales to Related Parties	1,089.2	1,021.1	1,149.2
Total Revenue	2,964.9	2,879.4	2,935.9
Cost of Goods Sold and Operating Expenses	(2,581.6)	(2,650.7)	(2,719.1)
Selling, Administration, Other Expenses and R&D Expenses	(61.9)	(70.9)	(62.0)
Provision for Depreciation, Depletion and Amortisation	(234.6)	(240.2)	(238.7)
Other	(94.3)	15.0	5.7
Total Expenses	(2,972.4)	(2,946.8)	(3,014.1)
Loss before Taxes on Income	(7.5)	(67.4)	(78.2)
Provision for Taxes on Income	(18.7)	62.6	(8.9)
Net Loss	(26.2)	(4.8)	(87.1)
Members' Equity			
Opening Balance at Start of Period	8,243.7	8,039.4	8,343.1
Net Loss	(26.2)	(4.8)	(87.1)
Capital Contribution	31.5	151.4	277.0
Dividends Paid and Return of Capital to Partners	(134.7)	(61.8)	(176.7)
Common Stock Issued for Compensation Plans	3.4	1.9	3.0
Other Comprehensive Income	(596.5)	117.6	(319.9)
Closing Balance at End of Period	7,521.2	8,243.7	8,039.4

Alcoa World Alumina and Chemicals (AWAC) Balance Sheet

US\$ Millions (US GAAP) 100%	30 June 2013	31 December 2012	30 June 2012
Cash and Cash Equivalents	286.3	126.0	180.8
Receivables	439.7	457.6	471.3
Related Party Notes Receivable	86.6	88.7	87.0
Inventories	719.6	808.0	808.7
Prepaid Expenses and Other Current Assets	352.3	421.1	159.4
Total Current Assets	1,884.5	1,901.4	1,707.2
Property, Plant & Equipment	6,301.6	6,909.2	6,856.1
Investments	588.1	593.1	510.5
Other Assets and Deferred Charges	1,873.4	2,014.3	1,563.3
Total Non-Current Assets	8,763.1	9,516.6	8,929.9
Total Assets	10,647.6	11,418.0	10,637.1
Short Term Borrowings	74.2	69.6	61.1
Payables	938.5	841.0	828.4
Taxes Payable	192.8	142.8	204.3
Accrued Compensation and Retirement Costs	263.0	295.7	275.5
Other Current Liabilities	500.8	415.7	171.1
Total Current Liabilities	1,969.3	1,764.8	1,540.4
Capital lease obligations and long term debt	66.3	68.7	24.6
Deferred Taxes	193.2	255.8	203.1
Other Long Term Liabilities	897.6	1,085.0	829.6
Total Non-Current Liabilities	1,157.1	1,409.5	1,057.3
Total Liabilities	3,126.4	3,174.3	2,597.7
Equity	7,521.2	8,243.7	8,039.4
Total Liabilities & Equity	10,647.6	11,418.0	10,637.1

Alcoa World Alumina and Chemicals (AWAC) Statement of Cash Flows

US\$ Millions (US GAAP) 100%	1st Half 2013	2nd Half 2012	1st Half 2012
<u>Operating Activities</u>			
Net Loss	(26.2)	(4.8)	(87.1)
Adjustments to Reconcile Net Income to Cash from Operations			
Depreciation, Amortisation and Impairment	234.6	240.2	238.7
Other Items*	206.0	(166.1)	21.0
Cash from Operating Activities	414.4	69.3	172.6
<u>Financing Activities</u>			
Dividends Paid & Return of Capital to Partners	(72.2)	(61.8)	(176.7)
Change in Debt	4.6	8.5	22.6
Changes to capital lease obligations	(2.4)	(5.9)	(6.4)
Capital Contribution	31.5	151.4	277.0
Additions to long term debt	-	50.0	-
Cash Generated/(Used) for Financing Activities	(38.5)	142.2	116.5
<u>Investing Activities</u>			
Capital Expenditure	(178.2)	(191.1)	(184.2)
Net changes in related party note receivable	17.8	0.9	(4.5)
Other	(32.7)	(76.2)	(120.2)
Cash Used for Investing Activities	(193.1)	(266.4)	(308.9)
Effect of Exchange Rate Changes on Cash	(22.5)	0.1	(3.4)
Cash (Used)/Generated	160.3	(54.8)	(23.2)
Cash and Cash Equivalents			
Cash and Cash Equivalents at Beginning of Period	126.0	180.8	204.0
Cash and Cash Equivalents at End of Period	286.3	126.0	180.8
Net Change in Cash and Cash Equivalents	160.3	(54.8)	(23.2)

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

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

	1st Half 2013	2nd Half 2012	1st Half 2012
AWAC Loss before tax (US GAAP)	(7.5)	(67.4)	(78.2)
Adjust for AIFRS			
- embedded derivatives	0.8	(28.4)	33.2
- retirement benefit obligations	0.6	6.7	5.5
- Alba costs	28.0	-	-
- other	(3.4)	(5.7)	(3.2)
AWAC (Loss)/profit before tax (AIFRS)	18.5	(94.8)	(42.7)
AWAC Tax (US GAAP)	(18.7)	62.6	(8.9)
Adjust for AIFRS			
- Brazil deferred tax	38.2	-	69.0
- FAS 109	-	(40.1)	40.1
- Other	0.3	6.9	(11.0)
AWAC Tax (AIFRS)	19.8	29.4	89.2
AWAC Loss/(profit) before tax (AIFRS)	18.5	(94.8)	(42.7)
AWAC Tax (AIFRS)	19.8	29.4	89.2
AWAC Profit/(loss) after tax (AIFRS)	38.3	(65.4)	46.5
Alumina Limited Share of Equity Profit/(loss) after tax	15.3	(26.1)	18.6