

ASX Announcement

9 March 2015

**Strategic Review of Smelting and Refining Capacity**

Alumina Limited notes and attaches Alcoa Inc's statement regarding a strategic review by Alcoa Inc of smelting and refining capacity. Alumina Limited notes that the review does not include the Alcoa World Alumina and Chemicals smelter at Portland, Victoria.

*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 2013.*

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**Alcoa Continues Transforming Upstream Portfolio,  
Announces Strategic Review of Smelting and Refining Capacity**  
*500,000 Metric Tons of Smelting Capacity and  
2.8 Million Metric Tons of Alumina Capacity Under Review*

NEW YORK, March 6, 2015 – Lightweight metals leader Alcoa (NYSE: AA) today announced that it is continuing to aggressively transform its upstream portfolio to create a lower cost, globally competitive commodity business. The Company said over the next twelve months it will review 500,000 metric tons of smelting capacity and 2.8 million metric tons of refining capacity for possible curtailment or divestiture. The review will include facilities across the Alcoa system. The potential actions could affect 14 percent of Alcoa's global smelting capacity and 16 percent of its global refining capacity. Currently, the Company has 19 percent, or 665,000 metric tons, of smelting capacity and 7 percent, or 1.2 million metric tons, of its global refining capacity idle.

"Alcoa continues to take decisive action, transforming its upstream portfolio to create a lower cost, globally competitive commodity business," said Bob Wilt, President of Alcoa's Global Primary Products. "Our goal is to move down the global aluminum cost curve to the 38th percentile and the global alumina cost curve to the 21st percentile by 2016. The results from this review will help achieve those goals. We'll take action only after a thorough strategic review to determine the best outcome for our shareholders and in consultation with our stakeholders."

When reviewing capacity, Alcoa will consider a wide variety of alternative actions, ranging from partial to full plant curtailments, permanent shutdowns or divestitures. Decisions on curtailments, closures or divestitures will be announced as reviews are completed. In its Primary Metals business, the Company has curtailed, closed or sold 1.3 million metric tons, or 31 percent, of its highest cost global smelting capacity since 2007.

**About Alcoa**

A global leader in lightweight metals technology, engineering and manufacturing, Alcoa innovates multi-material solutions that advance our world. Our technologies enhance transportation, from automotive and commercial transport to air and space travel, and improve industrial and consumer electronics products. We enable smart buildings, sustainable food and beverage packaging, high-performance defense vehicles across air, land and sea, deeper oil and gas drilling and more efficient power generation. We pioneered the aluminum industry over 125 years ago, and today, our approximately 59,000 people in 30 countries deliver value-add products made of titanium, nickel and aluminum, and produce best-in-class bauxite, alumina and primary aluminum products. For more information, visit [www.alcoa.com](http://www.alcoa.com), follow @Alcoa on Twitter at [www.twitter.com/Alcoa](http://www.twitter.com/Alcoa) and follow us on Facebook at [www.facebook.com/Alcoa](http://www.facebook.com/Alcoa).

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## Forward-Looking Statements

This release contains statements that relate to future events and expectations and as such constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those containing such words as “estimates,” “expects,” “goal,” “plans,” “should,” “will,” or other words of similar meaning. All statements that reflect Alcoa’s expectations, assumptions or projections about the future other than statements of historical fact are forward-looking statements, including, without limitation, forecasts concerning the transformation of Alcoa’s upstream portfolio, targeted financial results or operating performance, and statements about Alcoa’s strategies, outlook, and business and financial prospects. Forward-looking statements are subject to a number of risks, uncertainties, and other factors and are not guarantees of future performance. Important factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements include: (a) material adverse changes in aluminum industry conditions, including global supply and demand conditions and fluctuations in London Metal Exchange-based prices and premiums, as applicable, for primary aluminum, alumina, and other products, and fluctuations in indexed-based and spot prices for alumina; (b) deterioration in global economic and financial market conditions generally; (c) unfavorable changes in the markets served by Alcoa; (d) increases in energy costs, the unavailability or interruption of energy supplies, or increases in the costs of other raw materials; (e) Alcoa’s inability to successfully realize goals established in each of its four business segments, at the levels or by the dates targeted for such goals (including moving its alumina refining and aluminum smelting businesses down on the industry cost curves and increasing revenues in its Global Rolled Products and Engineered Products and Solutions segments); (f) political, economic, and regulatory risks in the countries in which Alcoa operates or sells products, including unfavorable changes in laws and governmental policies, foreign currency exchange rates, tax rates, civil unrest, or other events beyond Alcoa’s control; (g) the outcome of contingencies, including legal proceedings and environmental remediation; and (h) the other risk factors summarized in Alcoa’s Form 10-K for the year ended December 31, 2014, and other reports filed with the Securities and Exchange Commission. Alcoa disclaims any obligation to update publicly any forward-looking statements, whether in response to new information, future events or otherwise, except as required by applicable law.

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