

ASX Announcement

23 April 2020

Alcoa Corp First Quarter 2020 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, said "During this very challenging time, AWAC continues to focus on ensuring the safety of AWAC employees and their families, its customers and wider communities, while maintaining reliability of AWAC operations. Notwithstanding the pandemic, AWAC operations have been running at normal levels of production in 2020.

AWAC assets performed strongly during the first quarter, with cash costs of alumina production down by \$1 per tonne and daily production comparable to that of the previous quarter. Despite the decline of the spot alumina price towards the end of the quarter, the average realised alumina price (which is on a one-month lag basis) of \$279 per tonne was broadly in line with the previous quarter.

These factors contributed to the strong positive cash flows for AWAC and resulted in Alumina Limited receiving a \$33.8 million cash distribution this month, up from \$27.6 million for the corresponding distribution for the previous quarter. To preserve cash in the current market environment, AWAC will put on hold all growth capital expenditure for the remainder of 2020, reducing spend by approximately \$30m and will also look to defer a similar amount of non-critical sustaining capex over the course of the year.

Low net debt levels and AWAC's position as a tier one low cost producer means that Alumina Limited has the resilience to navigate these challenging market conditions."

This ASX announcement was approved and authorised for release by Mike Ferraro, Chief Executive Officer.

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.

Forward-looking statements

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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Stephen Foster
Company Secretary

For investor enquiries:

Charles Smitheram
Manager – Treasury & Investor Relations
Phone: +61 3 8699 2613 / +61 412 340 047
charles.smitheram@aluminalimited.com

For media enquiries:

Tim Duncan
Hinton and Associates
Phone: +61 3 9600 1979
Mobile: +61 408 441 122

Alumina Limited

- Alcoa Corp's 1Q 2020 Bauxite and Alumina Segments' highlights
- Market data on commodity prices

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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 2019. 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	1Q 2020	4Q 2019	Selected Highlights
Adjusted EBITDA Total:			<ul style="list-style-type: none"> Alumina: Increase predominantly driven by currency gains in AUD and BRL and cheaper energy and materials. Bauxite: Decrease predominantly driven by a decline in the Price/Mix result offset by an increase in currency gains in AUD and BRL.
- Alcoa Alumina Segment	\$193m	\$133m	
- Alcoa Bauxite Segment	\$120m	\$132m	
Adjusted EBITDA Margin:			
- Alcoa Alumina Segment	18.5%	12.7%	
- Alcoa Bauxite Segment	39.2%	42.4%	

AWAC	1Q 2020	4Q 2019	Comments
Production:			<ul style="list-style-type: none"> Refining: Excludes equity share of Ma'aden Mining: Includes wholly owned mines plus equity share of CBG and MRN
- AWAC Refining Business (mt)	3.1	3.2	
- AWAC Mining Business (mbdt)	11.0	11.4	
Alumina Cost and Price:			<ul style="list-style-type: none"> Cash Cost [includes bauxite at cost]: Caustic soda prices continue to trend down. Realised Price: Down 2%, consistent with 1% fall in one month lagged API, quarter on quarter.
- Cash Cost (\$/t production)	\$199	\$200	
- Realised Price (\$/t shipments)	\$279	\$284	

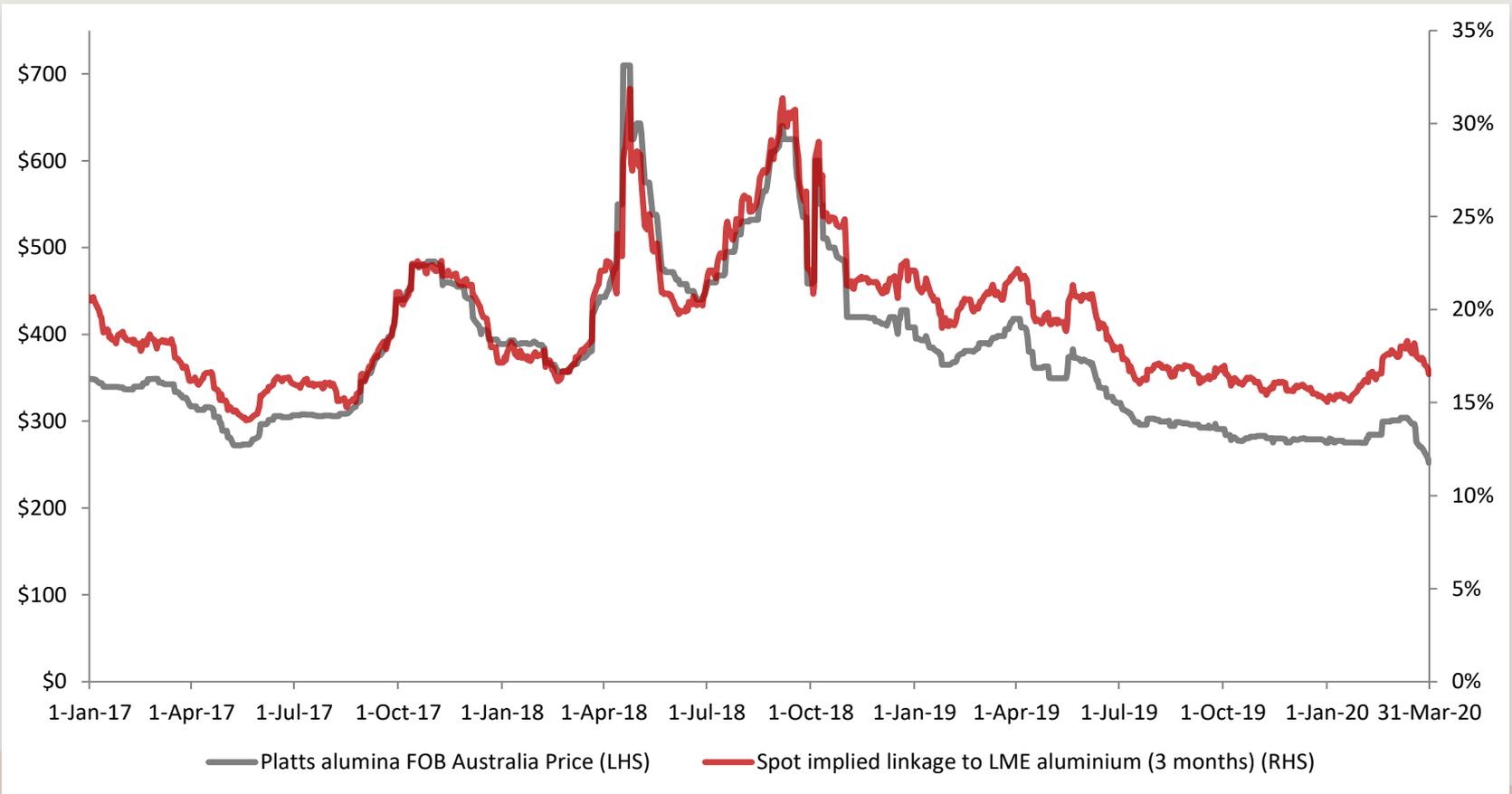
Alumina Limited	Post 31/03/20	1Q 2020	4Q 2019	Comments
AWAC Net Distributions:				<ul style="list-style-type: none"> The 2019 final dividend, paid in March 2020, included \$31.8m of net distributions received after 31 December 2019 but prior to declaration on 25 February 2020.
- Alumina Limited Receipts	\$33.8m	\$31.3m	\$84.5m	
- Alumina Limited Contributions	Nil	Nil	(\$10.1m)	
Net Debt – Period End	N/a	\$132.1m	\$54.8m	

AWAC 2020 distribution calendar (US\$m)

2020: No later than	Relevant AWAC Entities	Description	Distributions from AWAC [1]	Contributions to AWAC [1]	Included In Alumina's
20 January	All	50% of each entity's US GAAP Net Income (if positive) for 4Q of the previous calendar year	\$27.6	N/A	2019 Final Dividend
20 February	All except AWA LLC	Available Cash of each entity as at 31 January	\$3.7	N/A	2019 Final Dividend
31 March	AWA LLC	Working Capital Contributions	N/A	Nil	2020 Interim Dividend
20 April	All	50% of each entity's US GAAP Net Income (if positive) for 1Q	\$33.8	N/A	2020 Interim Dividend
20 May	All except AWA LLC	Available Cash of each entity as at 30 April	TBA	N/A	2020 Interim Dividend
20 July	All	50% of each entity's US GAAP Net Income (if positive) for 2Q	TBA	N/A	2020 Interim Dividend
31 July	AWA LLC	Working Capital Contributions	N/A	(TBA)	2020 Interim Dividend
20 August	All except AWA LLC	Available Cash of each entity as at 31 July	TBA	N/A	2020 Interim Dividend
20 October	All	50% of each entity's US GAAP Net Income (if positive) for 3Q	TBA	N/A	2020 Final Dividend
31 October	AWA LLC	Working Capital Contributions	N/A	(TBA)	2020 Final Dividend
20 November	All except AWA LLC	Available Cash of each entity as at 31 October	TBA	N/A	2020 Final Dividend
31 December	AWA LLC	Working Capital Contributions	N/A	(TBA)	2020 Final Dividend

[1] Alumina Limited's 40% share

Spot alumina & implied linkage

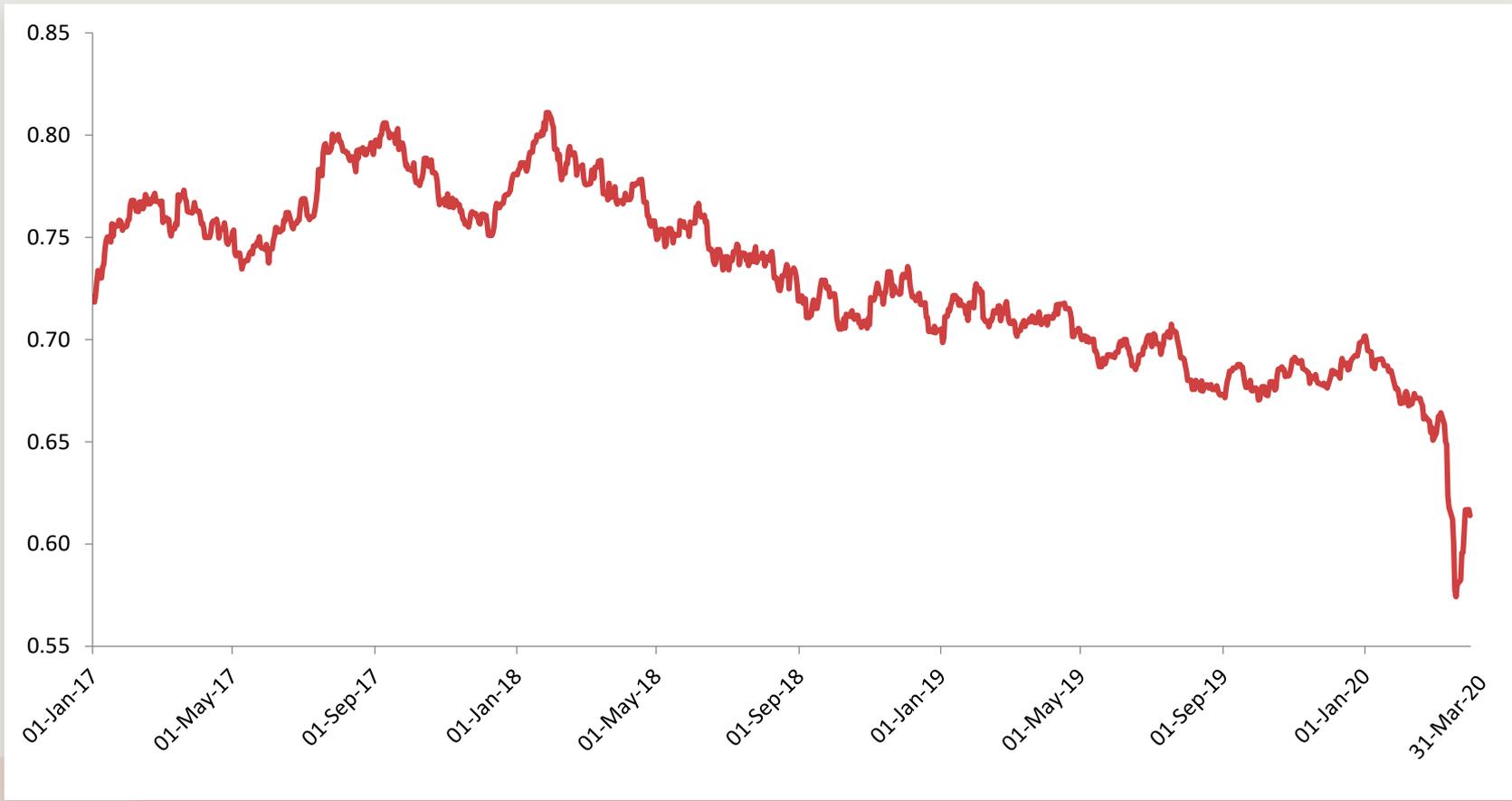


Sources: Alumina: S & P Global Platts, April 2020. LME Aluminium: Thomson Reuters, April 2020

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

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Foreign exchange – AUD/USD



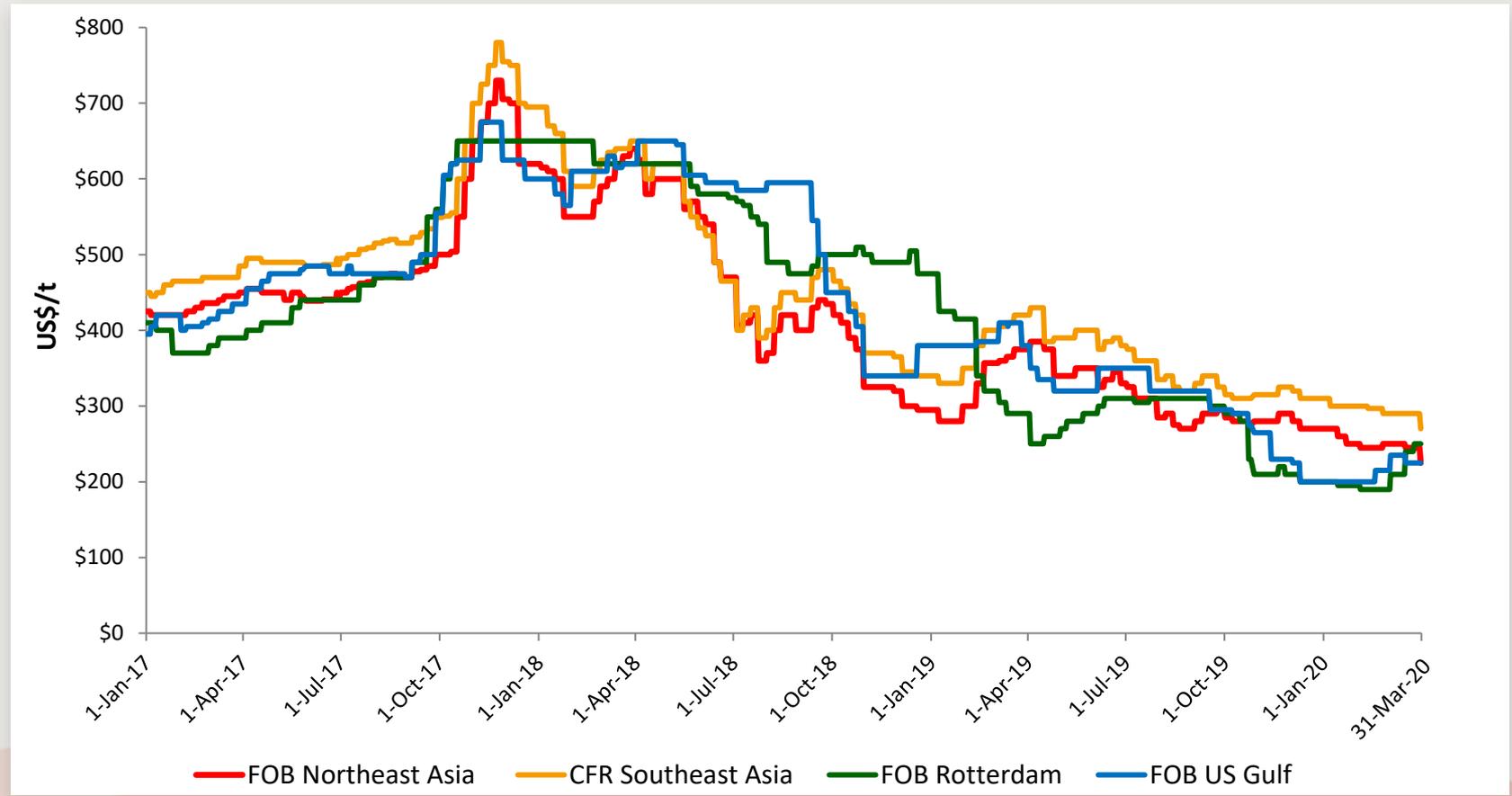
Source: Thomson Reuters, April 2020

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Caustic soda

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Source: S & P Global Platts, April 2020

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