

To: The Manager  
Announcements  
Company Announcements Office  
Australian Stock Exchange



### **Public Announcement 2007 – 13AWC**

Please find attached for immediate release, a public announcement concerning Alumina Limited's off-market share buy-back.

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

**Stephen Foster**  
**Company Secretary**

23 April 2007

Alumina Limited

ABN 85 004 820 419

GPO Box 5411  
Melbourne Vic 3001  
Australia

Level 12 IBM Centre  
60 City Road  
Southbank Vic 3006  
Australia

Tel +61 (0)3 8699 2600  
Fax +61 (0)3 8699 2699  
Email  
[info@aluminalimited.com](mailto:info@aluminalimited.com)



## **ALUMINA LIMITED COMPLETES \$250 MILLION OFF-MARKET BUY-BACK**

Alumina Limited (Alumina) today announced the successful completion of its off-market share buy-back. A total of \$250 million, or 38.6 million shares were repurchased, representing 3.3% of Alumina's issued shares.

The buy-back price has been set at \$6.48 per share, which represents a 14% discount to the volume weighted average price of Alumina shares on the ASX over the five trading days up to and including the closing date of the buy-back<sup>1</sup>.

"We are pleased to announce a strong response from our shareholders to this transaction. The repurchase of shares at a 14% discount will increase earnings per share and return on equity for all shareholders in the Company" said Alumina's Chief Executive Officer, John Marlay.

The successful completion of the buy-back will result in improvements to Alumina's capital structure, while still retaining the Company's financial flexibility for its investment in Alcoa World Alumina & Chemicals' substantial capital expenditure program for growth in its bauxite mining and alumina refining capacity. The Company is committed to ensuring its participation in the attractive alumina brownfield development opportunities within the AWAC network.

Alumina also intends, subject to business conditions, to maintain annual dividends at least at 24 cents per share, fully franked.

Due to the large volume of tenders received, shares tendered at a 14% tender discount and Final Price Tenders will be accepted but will be scaled back by 79.75%. Shareholders who tendered at a 14% tender discount and/or as Final Price Tenders will have a priority allocation of 800 shares bought back before the scale back is applied. These shareholders will have 20.25% of their shares tendered in excess of the priority allocation bought back.

Shareholders who tendered all of their shares at a tender discount of 14% or as a Final Price Tender and who would be left with 300 shares or fewer as a result of the scale back (a 'Small Holding Tender') will not be subject to scale back and will have all of their shares repurchased by Alumina.

No tenders were excluded on the basis of a minimum price condition.

Shares tendered at a tender discount smaller than 14% were not bought back.

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<sup>1</sup> The Market Price (as defined in the buy-back booklet) of Alumina shares over the five trading days up to and including 20 April 2007 was \$7.5390.

For shareholders who successfully tendered their shares, \$6.12 of the buy-back price is treated for Australian tax purposes as a fully franked dividend. For Australian capital gains tax purposes, the deemed capital proceeds are \$1.36, being the \$0.36 capital component plus \$1.00, being the excess of the Tax Value<sup>2</sup> over the buy-back price.

Payment for shares bought back will be credited to nominated bank accounts and cheques will be posted to shareholders by 4 May 2007. Shares tendered into the buy-back but not bought back are expected to be released to shareholders by the opening of trading on Tuesday, 24 April 2007.

Shareholders who have any queries in relation to their tenders may contact the enquiry line on 1300 364 140 within Australia or +61 3 9415 4609 from outside Australia between 8:30am and 5:30pm (Melbourne time) on a business day.

Further information on the results of the buy-back can also be found on Alumina's website at [www.aluminalimited.com](http://www.aluminalimited.com).

### **Important Notice**

This press release does not constitute an offer to sell or a solicitation of an offer to purchase any securities in any jurisdiction.

Not for distribution or release in or into the United States or Canada.

The buy-back is not being made and will not be made, directly or indirectly, in the United States or Canada. Any person who is in the United States or Canada or who is, or is acting for the account or benefit of, a US Person (within the meaning of Regulation S under the US Securities Act of 1933) or a resident of Canada, is not entitled to participate, directly or indirectly, in the buy-back described in this press release. American Depositary Receipts representing Alumina shares may not be tendered into the buy-back. Copies of the buy-back documents are not being mailed or otherwise distributed or sent into the United States or Canada. Any purported acceptance of the buy-back resulting directly or indirectly from a violation of these restrictions will be invalid.

### **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

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<sup>2</sup> The Tax Value of \$7.48 was calculated as \$6.89 adjusted by the movement in the S&P/ASX 200 Resources Index from the level at commencement of trading on 5 March 2007 of 4292.60 to the closing level on 20 April 2007 of 4659.61.

prices and currency exchange rates and (e) the other risk factors summarized in Alumina's Form 20-F for the year ended 31 December 2005.

**Media and Analyst Contact:**

Ken Dean

Chief Financial Officer

Phone: (03) 8699 2603

Mobile: 0400 131 937