

WESTMINER ACQUISITION (UK) LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2006

Registered no: 2989008

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Westminer Acquisition (UK) Limited

**Financial statements
for the year ended 31 December 2006**

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Westminer Acquisition (UK) Limited

Directors' report for the year ended 31 December 2006

The directors present their report and the audited financial statements for the year ended 31 December 2006

Principal activity

The principal activity of the company is to hold investments. The company holds a 40% investment in Alumina Espanola SA which is based in Spain and a 100% investment in the B Class shares of Westminer Investments BV which is based in the The Netherlands. The B Class shares held by the Company total 25% of the total issued capital of Westminer Investments BV.

Review of business and future developments

The company's profit and loss account is presented on page 6. Dividends amounting to US\$7,756,373 (2005 nil) were received from the Alumina Espanola SA. The future source of income is expected to be dividends from its investments.

Dividends and transfers to reserves

During the year, no dividends were paid or declared to Westminer International (UK) Ltd, the immediate parent company (2005 nil). The directors do not recommend the payment of a final dividend (2005 nil). The retained profit for the financial year of US\$7,705,933 (2005 US\$37,395 loss) will be transferred to reserves.

Directors

The directors of the company at the date of this report or during the year ended 31 December 2006 are as follows:

M A Sampson
L F West
K A Dean

Directors' interests

The directors have no disclosable interests in the shares of the company or its fellow group companies in the United Kingdom and are not required to disclose their interests in the shares of Alumina Limited, the ultimate parent company, as it is incorporated outside Great Britain.

Derivative financial instruments

The company did not transact in any derivative financial instruments during the year. Full details of the Alumina Limited group's policies and procedures surrounding financial instruments and details of such transactions can be found in the Alumina Limited Annual Report 2006.

Westminster Acquisition (UK) Limited

**Directors' report (continued)
for the year ended 31 December 2006**

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2006 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


Disclosure of information to auditors

As at the date of this report, as far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware. Each director has taken such steps as he should have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board


FOR AND ON BEHALF OF
HUGHWOOD SECRETARIES LIMITED
Company Secretary
22 August 2007

Westminer Acquisition (UK) Limited

Independent auditors' report to the members of Westminer Acquisition (UK) Limited

We have audited the financial statements of Westminer Acquisition (UK) Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

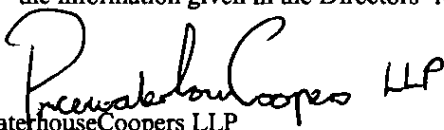
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and
- the information given in the Directors' report is consistent with the financial statements.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

3 September 2007

Westminer Acquisition (UK) Ltd

**Profit and loss account
for the year ended 31 December 2006**

	Notes	Year ended 31 December 2006 US\$	Year ended 31 December 2005 US\$
Administrative expenses		(50,440)	(37,395)
Operating loss		(50,440)	(37,395)
Investment income	2	7,756,373	-
Profit/(loss) on ordinary activities before taxation		7,705,933	(37,395)
Tax on profit/(loss) on ordinary activities	6	-	-
Retained profit/(loss) for the year	12	7,705,933	(37,395)

The company has no recognised gains and losses other than those contained in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents

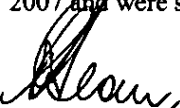
All operations relate to continuing activities

Westminer Acquisition (UK) Limited

**Balance sheet
at 31 December 2006**

	Notes	31 December 2006 US\$	31 December 2005 US\$
Fixed Assets			
Investments	7	<u>153,698,717</u>	<u>153,698,717</u>
Current assets			
Debtors	8	<u>11,335,992</u>	<u>3,758,072</u>
Creditors: amounts falling due within one year	9	<u>-</u>	<u>(128,013)</u>
Net current assets		<u>11,335,992</u>	<u>3,630,059</u>
Total assets less current liabilities		<u>165,034,709</u>	<u>157,328,776</u>
Net assets		<u>165,034,709</u>	<u>157,328,776</u>
Capital and reserves			
Called up share capital	10	156,393,191	156,393,191
Capital redemption reserve	11	1	1
Profit and loss account	12	<u>8,641,517</u>	<u>935,584</u>
Equity shareholders' funds	13	<u>165,034,709</u>	<u>157,328,776</u>

The financial statements on pages 6 to 14 were approved by the Board of Directors on 8/08 of 2007 and were signed on its behalf by



**K.A. Dean
Director**

Westminer Acquisition (UK) Limited

Notes to the financial statements for the year ended 31 December 2006

1. Principal accounting policies

The financial statements have been prepared in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. A summary of the more significant accounting policies is set out below.

Basis of accounting

These financial statements have been prepared on an accruals basis and in accordance with the historical cost convention.

Change in accounting policy

There were no changes in accounting policy during the financial year.

Investments

The company's fixed asset investments are stated at cost or, where there has been an impairment in value, at their recoverable amount. In the opinion of the directors, the recoverable value of the company's investments is not less than the amount at which they are included in the financial statements. Income from shares in associated undertakings is recognised on a receivable basis.

The financial information presented in note 7 in respect of Alumina Espanola SA (an associated undertaking) has been drawn up in accordance with the accounting policies described below.

Interest income and expense

Interest is recognised as an expense or income in the period in which it is incurred or earned.

Foreign exchange

The financial statements are presented in US dollars. Monetary assets and liabilities which are denominated in foreign currencies are translated into US dollars at rates of exchange ruling at the end of the financial year. Foreign currency transactions are translated using the exchange rate in force at the date of the transaction. Foreign exchange differences are taken to the profit and loss account in the period in which they arise. The exchange rate at 31 December 2006 was GBP 0.5106 US\$1 (31 December 2005: GBP 0.5818 US\$1).

Westminer Acquisition (UK) Limited

Notes to the financial statements for the year ended 31 December 2006

1. Principal accounting policies (continued)

Cash flow statement

The company is exempt from publishing a cash flow statement under the terms of Financial Reporting Standard No 1 (Revised) as the company's ultimate parent company, Alumina Limited, prepares a consolidated cash flow statement which is publicly available

Consolidated financial statements

The company has taken advantage of the provisions of section 228 of the Companies Act 1985, which exempt a parent company from preparing group accounts for a financial period if it is itself a subsidiary undertaking and its immediate parent undertaking is established under the law of a member State of the European Community. The company's results are consolidated within the group accounts of its immediate parent company, Westminer International (UK) Limited.

Deferred tax

Provision is made in full, on an undiscounted basis, for the deferred tax arising on the difference between the accounting treatment and tax treatment for depreciation in respect of accelerated capital allowances and other timing differences where appropriate. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they are recoverable. Deferred tax is recognised on future remittance of past earnings of subsidiaries, associates and joint ventures to the extent that dividends have been accrued as receivable or a binding agreement to distribute past earnings exists.

Westminer Acquisition (UK) Limited

Notes to the financial statements for the year ended 31 December 2006

2. Investment income	31 December 2006 US\$	31 December 2005 US\$
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Dividends received from Alumina Espanola SA (an associated undertaking)

7,756,373	-
<u>7,756,373</u>	<u>-</u>

3. Services provided by the company's auditor

During the year the company obtained the following services from the company's auditor at costs as detailed below

	31 December 2006 US\$	31 December 2005 US\$
Audit services		
Fees payable to company auditor for the audit of the company	(8,502)	(5,000)
Fees payable to the company's and its associates for other services		
-Tax services	(26,252)	(13,851)

4. Directors' emoluments	31 December 2006 US\$	31 December 2005 US\$
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Directors' aggregate emoluments	<u>10,819</u>	<u>7,294</u>
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The company has not paid any pension contributions in respect of money purchase pension schemes for directors (2005 nil) and does not provide any defined benefit pensions for directors
No directors exercised share options during the year (2005 nil) No directors received any emoluments under long term incentive schemes (2005 nil)

5. Employee information

The company had no employees during the year (2005 nil), but received services from employees of the ultimate parent company, Alumina Limited. The company is not charged by the parent company for the provision of these services

Westminster Acquisition (UK) Limited

Notes to the financial statements for the year ended 31 December 2006

6. Tax on profit on ordinary activities

	31 December 2006 US\$	31 December 2005 US\$
Income tax expense for the financial year differs from the amount calculated on the profit of the company. The difference is reconciled as follows:		
Profit/(loss) on ordinary activities before tax	7,705,933	(37,395)
Tax on profit/(loss) on ordinary activities before tax at 30%	(2,311,780)	11,218
<i>Effects of</i>		
UK tax losses not recognised	-	(11,218)
Double tax relief	2,311,780	-
Current tax charge for the year	-	-

No deferred tax assets were recognised on the tax loss for the current year of 15,132 as it is not probable that taxable profit will be available in the near future against which tax losses can be utilised.

7. Investments

		Investment in associated undertaking US\$	Other investments in shares US\$	Total US\$
Cost				
The company's investments are analysed as follows				
As at 1 January 2006 and 31 December 2006		39,786,917	113,911,800	153,698,717
Investments in shares comprise:	Principal Activity	Country of incorporation	Type of shares held	Proportion of shares held
Westminster Investments BV	Investment Holding	The Netherlands	Ordinary-B Class – 5,334 shares of EUR45 38	100% (B Class)
Alumina Espanola SA	Mining and Refining	Spain	Ordinary – 920,000 shares of EUR60 10	40%

The total share capital of Westminster Investments BV ('WIBV') is divided into A and B Class ordinary shares. WAUK holds 100% of the B Class shares of WIBV. The B Class shares held by the Company total 25% of the total issued capital of WIBV. The B Class shares are entitled to all profits in relation to dividend distributions from WIBV, other than capital gains, and have preferential treatment over the A Class shares on liquidation of WIBV. All distributions by WIBV require majority shareholder approval including the A Class shareholders.

Westminer Acquisition (UK) Limited

Notes to the financial statements for the year ended 31 December 2006

7. Investments (continued)

Westminer Investments BV is controlled by Alumina International Holdings Pty Ltd. The ultimate controlling party is Alumina Limited. It has not been treated as an associate by Westminer Acquisition (UK) Limited because the company is not in a position to influence significantly the decision making of the investee company.

Alumina Espanola SA is an associated undertaking, but it has not been equity accounted for as the company is exempt from preparing consolidated accounts. The following supplementary information is provided in respect of Alumina Espanola SA. All amounts represent the company's share.

	Year ended 31 December 2006 US\$	Year ended 31 December 2005 US\$
Turnover	179,728,383	157,760,084
Profit before tax (including goodwill amortisation)	18,301,803	14,338,229
Profit after tax (including goodwill amortisation)	<u>9,451,674</u>	<u>9,395,332</u>
Current assets	82,031,542	74,489,377
Fixed assets	41,430,819	34,369,121
Other non current assets	18,777,281	20,727,413
Liabilities due within one year	(48,973,514)	(47,373,480)
Liabilities due after more than one year	<u>(6,657,197)</u>	<u>(6,120,614)</u>
Net assets	<u>86,608,931</u>	<u>76,091,817</u>
The carrying value of Alumina Espanola SA on an equity basis would be	31 December 2006 US\$	31 December 2005 US\$
Interest in fair value of assets at date of acquisition	48,234,714	48,234,714
Share of undistributed profits since acquisition	<u>27,857,103</u>	<u>29,487,767</u>
Opening share of net assets	76,091,817	77,722,481
Share of currency translation	9,205,193	(10,505,996)
Share of profit before tax (excluding amortisation of goodwill)	17,781,803	13,818,229
Share of tax on profit	(8,850,129)	(4,942,897)
Share of dividends paid	<u>(7,619,753)</u>	<u>-</u>
Closing share of net assets	86,608,931	76,091,817
Carrying value of negative goodwill	<u>(271,412)</u>	<u>(791,412)</u>
Carrying value of equity investment	<u>86,337,519</u>	<u>75,300,405</u>

Westminer Acquisition (UK) Limited

**Notes to the financial statements
for the year ended 31 December 2006**

8. Debtors	31 December 2006 US\$	31 December 2005 US\$
Amounts due from group undertakings	<u>11,335,992</u>	<u>3,758,072</u>
Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment		
9. Creditors: amounts falling due within one year	31 December 2006 US\$	31 December 2005 US\$
Amounts owed to group undertakings	<u>-</u>	<u>128,013</u>
Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment		
10. Called up share capital	31 December 2006 US\$	31 December 2005 US\$
Authorised		
600,000,000 ordinary shares of US\$1 each	<u>600,000,000</u>	<u>600,000,000</u>
Allotted, called up and fully paid		
156,393,191 ordinary shares of US\$1 each	<u>156,393,191</u>	<u>156,393,191</u>
Ordinary shares carry the entitlement to a proportionate share of dividends and each share carries the right to one vote on a poll		
11. Capital redemption reserve	31 December 2006 US\$	31 December 2005 US\$
At 1 January 2006 and 31 December 2006	<u>1</u>	<u>1</u>

Westminer Acquisition (UK) Limited

Notes to the financial statements for the year ended 31 December 2006

12. Profit and loss account

	31 December 2006 US\$	31 December 2005 US\$
At 1 January 2006	935,584	972,979
Retained profit/(loss) for the year	7,705,933	(37,395)
At 31 December 2006	<u>8,641,517</u>	<u>935,584</u>

13. Reconciliation of movements in shareholders' funds

	31 December 2006 US\$	31 December 2005 US\$
Profit/(loss) for the financial year	7,705,933	(37,395)
	<u>7,705,933</u>	<u>(37,395)</u>
At 1 January 2006	157,328,776	157,366,171
At 31 December 2006	<u>165,034,709</u>	<u>157,328,776</u>

14. Controlling parties

Westminer Acquisition (UK) Ltd is a wholly owned subsidiary of Westminer International (UK) Limited, a company incorporated in England & Wales, which is also the parent company of the smallest group in which the results of the company are consolidated. The ultimate parent entity and ultimate controlling party of Westminer Acquisition (UK) Limited is Alumina Limited, a company incorporated in Victoria, Australia, which is also the parent company of the largest group in which the results of the company are consolidated. The registered address of the ultimate parent, from which its consolidated accounts can be obtained, is

Level 12
60 City Road Southbank
Melbourne Victoria 3006
Australia

15. Related party transactions

The company has taken an exemption, as allowed by Financial Reporting Standard No 8, not to disclose related party transactions with other group companies as the ultimate parent company, Alumina Limited, publishes full statutory consolidated financial statements which are publicly available.

16. Commitments

At 31 December 2006, Alumina Espanola S A, an associate of the company, had no commitments with third parties in the form of bank guarantees (2005 US\$2,642,828) and capital commitments of US\$23,616,522 (2005 US\$22,443,000).