WESTMINER ACQUISITION (UK) LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

Registered number: 2989008

Westminer Acquisition (UK) Limited

Annual report for the year ended 31 December 2011

Contents

Westminer Acquisition (UK) Limited

Directors' report for the year ended 31 December 2011

The directors present their report and the audited Financial Statements of the company for the year ended 31 December 2011 The company has taken advantage of the small companies exemption under section 415A of the Companies Act 2006 and has not prepared a business review

Principal activities

The principal activity of the company is to hold investments The company holds a 40% investment in Alumina Espanola S A which is based in Spain

Results and dividends

During the year, no dividends were declared or paid to the parent company - Alumina International Holdings Pty Ltd (2010 nil) The directors do not recommend the payment of a final dividend (2010 nil) The loss for the financial year of US$109,059,916 (2010 US$40,377 loss) will be transferred to reserves During the period 4,368,492 shares were issued (2010 434,528 shares issued)

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were

M A Sampson
L F West
J A Bevan (appointed 30 August 2011)
J S Downes (removed 24 August 2011)

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006 The indemnity was in force throughout the last financial year and is currently in force The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006 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

Westminer Acquisition (UK) Limited

Directors' report for the year ended 31 December 2011 (continued)

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 or she should have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

By order of the Board

FOR AND ON BEHALF OF
HACKWOOD SECRETARIES LIMITED
Company Secretary
24 September 2012

Westminer Acquisition (UK) Limited

Independent Auditors' report to the member of Westminer Acquisition (UK) Limited
We have audited the financial statements of Westminer Acquisition (UK) Limited for the year ended 31 December 2011 which comprise Profit and loss account, the Balance Sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 1 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, 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

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report

Bruce Collins

Bruce Collins (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 September 2012

Westminer Acquisition (UK) Limited

Profit and loss account
for the year ended 31 December 2011

	Notes	**Year ended 31 December 2011 US$**	**Year ended 31 December 2010 US$**
Administrative expenses	2	(59,916)	(40,377)
Impairment of investment	6	(109,000,000)	-
Loss on ordinary activities before taxation		**(109,059,916)**	**(40,377)**
Tax on loss on ordinary activities	5	-	-
Loss for the financial year	**11**	**(109,059,916)**	**(40,377)**

All results are from continuing operations

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 historical cost losses and the results presented

Westminer Acquisition (UK) Limited

Balance sheet
as at 31 December 2011

	Notes	31 December 2011 US$	31 December 2010 US$
Fixed assets			
Investments	6	50,862,421	50 650,117
Creditors amounts falling due within one year	7	(310,161)	(250,245)
Net current liabilities		(310,161)	(250,245)
Total assets less current liabilities		50,552,260	50,399,872
Net assets		50,552,260	50,399,872
Capital and reserves			
Called up share capital	8	161	157
Share premium account	9	120,075,500	10,863,200
Capital redemption reserve	10	1	1
Profit and loss account	11	(69,523,402)	39,536,514
Total shareholders' funds	12	50,552,260	50,399,872

Company registered number 2989008

The financial statements on pages 4 to 11 were approved by the Board of directors on 19th of September 2012 and were signed on its behalf by

John A Bevan
Director

Westminer Acquisition (UK) Limited

Notes to the financial statements for the year ended 31 December 2011

1. Principal accounting policies

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom A summary of the more significant accounting policies is set out below

Basis of accounting

These accounts have been prepared on the going concern basis and in accordance with applicable Accounting Standards in the United Kingdom, using historical cost principles

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the immediate parent company Alumina International Holdings Pty Ltd The directors have received confirmation that Alumina International Holdings Pty Ltd intends to support the company for at least one year after these financial statements are signed

A summary of the more important accounting policies, which have been applied consistently, is set out below

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 being higher of value in use and net realisable value 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 An impairment of US$109,000,000 was recognised during 2011 (2010 Nil) Income from shares in associated undertakings is recognised on a receivable basis

The financial information presented in note 6 in respect of Alumina Espanola SA (an associated undertaking) has been drawn up in accordance with the accounting policies described within this note

Foreign exchange

The financial statements are presented in US$ Monetary assets and liabilities which are denominated in foreign currencies are translated into US$ 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 2011 was GBP 0 6441 US$1, US$ 1 2959 EURO 1 (31 December 2010 GBP 0 6442 US$1, US$ 1 3362 EURO 1)

Cash flow statement

The company is a wholly owned subsidiary company of a group headed by Alumina Limited, and is included in the consolidated financial statements of that company, which are publicly available Consequently, the company has taken advantage of the exemption within FRS 1 (revised 1996) 'Cash flow statements' from preparing a cash flow statement

Consolidated financial statements

The company has taken advantage of the provisions within Section 401 of the Companies Act 2006, which exempt a parent company from preparing group financial statements for a financial year if it is itself a subsidiary undertaking and its immediate parent undertaking is not established under the law of an EEA State, where

- the company is a wholly-owned subsidiary of that parent undertaking, and
- the company and all of its subsidiary undertakings must be included in consolidated financial statements for a larger group drawn up to the same date, or to an earlier date in the same financial year, by a parent undertaking

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

2. Services provided by the company's auditors

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

	31 December 2011	31 December 2010
Audit services	**US$**	**US$**
Fees payable to company's auditor for the audit of the company	22,643	21,936
Fees payable to the company's auditor and their associates for other services		
-Tax services	13,205	11,155

3. Directors' emoluments

	31 December 2011	31 December 2010
	US$	**US$**
Directors' aggregate emoluments	12,956	6,273

The company has not paid any pension contributions in respect of money purchase pension schemes for directors (2010 nil) and does not provide any defined benefit pensions for directors

No directors exercised share options during the year (2010 nil) No directors received any emoluments under long term incentive schemes (2010 nil)

4 Employee information

The company had no employees during the year (2010 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

5. Tax on loss on ordinary activities

	31 December 2011 US$	31 December 2010 US$
The current tax differs from standard rate of corporation tax in the UK of 26% (2010 28%) for the financial year The difference is reconciled as follows		
Loss on ordinary activities before taxation	(109,059,916)	(40,377)
Tax on loss on ordinary activities before taxation at 26 5% (2010 28%)	28,900 878	11,306
Effects of		
Impairment of investment not-deductible for tax purposes	(28,885 000)	-
Sundry items not-deductible for tax purposes	(2,945)	-
UK tax losses not recognised	(12,933)	(11,306)
Current tax charge for the year	-	-

Effective 1 April 2011, the applicable rate of UK corporation tax is reduced to 26 5%, with a further reduction in the UK corporation tax rate to 24% effective from 1 April 2012

6. Fixed asset investments

	Investment in associated undertaking US$	Total US$
The company's investments are analysed as follows		
Cost at 1 January 2011	50,650,117	50,650,117
Capital contributed during the period	109,212,304	109,212,304
Cost at 31 December 2011	159,862,421	159,862,421
Impairment of investment	(109,000.000)	(109,000,000)
Carrying value at 31 December 2011	**50,862,421**	**50,862,421**

Investments comprise:	Principal Activity	Country of incorporation	Type of shares held	Proportion of shares held
Alumina Espanola S A	Mining and Refining	Spain	Ordinary	40%
			920,000 shares of EUR60 10	
			4,000 shares of EUR2,000	
			4,000 shares of EUR4,000	
			4,000 shares of EUR16,750	

The company assesses at each balance date whether there is objective evidence that the investment in Alumina Espanola S A is impaired An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount An impairment loss of $109,000,000 was recognised in the current period (2010 nil) The impairment was the result of forecast increases in the cost of production The discount rate used in the value in use model was 11 9% (post-tax) The value in use method was used for assessing this investment using cash flows projected to 2030 and then using a long term growth rate of 2 1% in perpetuity beyond this date This growth rate has been used as the asset is not expected to cease operations

During 2012, a project to convert the fuel source of Alumina Espanola S A from fuel oil to gas commenced This project is scheduled to be completed and operational during 2014 and will significantly reduce the energy costs at the refinery, hence enhance its value as cash flows improve Future assessments of Alumina Espanola S A 's carrying value will reflect this enhancement

Alumina Espanola S A is an associated undertaking, but it has not been equity accounted in these financial statements as the company is exempt from preparing consolidated financial statements The following supplementary information is provided in respect of Alumina Espanola S A All amounts represent the company's share

The company assesses at each balance date whether there is objective evidence that fixed asset investments are impaired An impairment loss is recognised for the amount by which the investment's carrying amount exceeds its recoverable amount

	Year ended 31 December 2011 US$	Year ended 31 December 2010 US$
Turnover	224,402,255	183,227,692
Loss before tax	(12,172,560)	(25,726,666)
Loss after tax	(8,211,890)	(17,793,904)
Current assets	60,684,000	60,550,865
Fixed assets	45,385,634	45,505,754
Other non-current assets	50,892,853	48,498,052
Liabilities due within one year	(38,207,974)	(134,825,558)
Liabilities due after more than one year	(6,288,288)	(6,165,982)
Net assets	112,466,225	13,563,131

The carrying value of Alumina Espanola S A on a equity accounted basis would be	31 December 2011 US$	31 December 2010 US$
Interest in fair value of assets at date of acquisition	48,234,714	48,234,714
Share of undistributed profits since acquisition	(34,671,583)	(33,773,051)
Opening share of net assets	13 563,131	14,461,663
Share of currency translation	(3,849,552)	6,197,926
Share of loss before tax	(12 172,560)	(25 726,666)
Share of tax on loss	3,960,669	7,932,762
Share of capital increase	110,964,537	10,697,446
Impairment of equity accounted investment	(61,603,804)	-
Closing share of net assets	50 862,421	13,563,131
Carrying value of equity investment	50,862,421	13,563,131

7. Creditors: amounts falling due within one year	**31 December 2011 US$**	**31 December 2010 US$**
Amounts owed to fellow Alumina Limited group undertakings	274,313	217,154
Other creditors	35,848	33,091
	310,161	250,245

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment

8. Called up share capital

	31 December 2011 US$	31 December 2010 US$
Authorised		
600,000,000 ordinary shares of US$0 000001 each (2010 600,000,000 ordinary shares of US$0 000001 each)	600	600
Allotted, and fully paid		
At 1 January (156,827,719 ordinary shares of US$0 000001 each) (2010 156,393,191 ordinary shares of US$0 000001 each)	157	156
Issue of 4,368,492 ordinary shares at US$0 000001 each (2010 434,528 ordinary shares at US$0 000001 each)	4	1
At 31December (161,196,211 ordinary shares of US$0 000001 each) (2010 156,827,719 ordinary shares of US$0 000001 each)	161	157

9 Share premium account

	31 December 2011 US$	31 December 2010 US$
At 1 January (434,528 shares of US$25 per share)	10,863,200	-
4,368,492 shares issued at a premium of US$25 per share (2010 434,528 shares issued at a premium of US$25 per share)	109,212,300	10,863,200
At 31 December	**120,075,500**	**10,863,200**

During the year ended 31 December 2011, 4,368,492 ordinary shares of US$0 000001 each were issued to Alumina International Holdings Pty Ltd at a price of US$25 000001 each (2010 434 528 ordinary shares at a price of US$25 000001 each) The amount received as consideration in excess of the nominal value is shown in the share premium account

10. Capital redemption reserve

	31 December 2011 US$	31 December 2010 US$
At 1 January and 31 December	1	1

11. Profit and loss account

	31 December 2011 US$	31 December 2010 US$
At 1 January	39,536,514	39,576,891
Loss for the financial year	(109.059.916)	(40,377)
At 31 December	(69,523,402)	39,536,514

12. Reconciliation of movements in shareholders' funds

	31 December 2011 US$	31 December 2010 US$
At 1 January	50,399,872	39,577,048
Loss for the financial year	(109,059,916)	(40,377)
Shares issued in the financial year	109,212,304	10,863,201
At 31 December	**50,552,260**	**50,399,872**

13. Controlling parties

Westminer Acquisition (UK) Limited is a wholly owned subsidiary of Alumina International Holdings Pty Ltd 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 only group in which the results of the company are consolidated The registered address of the ultimate parent, from which its consolidated financial statements can be obtained, is

Level 12
60 City Road Southbank
Melbourne Victoria 3006
Australia

14. Related party transactions

The company has taken an exemption, as allowed by Financial Reporting Standard 8 'Related parties disclosures' for wholly owned subsidiaries, 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

15. Commitments

At 31 December 2011, Alumina Espanola S A , an associate of the company, had no commitments with third parties in the form of bank guarantees (2010 US$ nil) and capital commitments of US$44,123,000 (2010 US$781,672)

16. Events occurring after the balance sheet date

There have been no significant transactions or events since 31 December 2011