



TomagoAluminium

WELCOME to TOMAGO ALUMINIUM COMPANY

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Tomago Aluminium Company (TAC)



2nd Largest smelter in Australia
A large smelter on the world scale (over 500,000 tonnes a year)

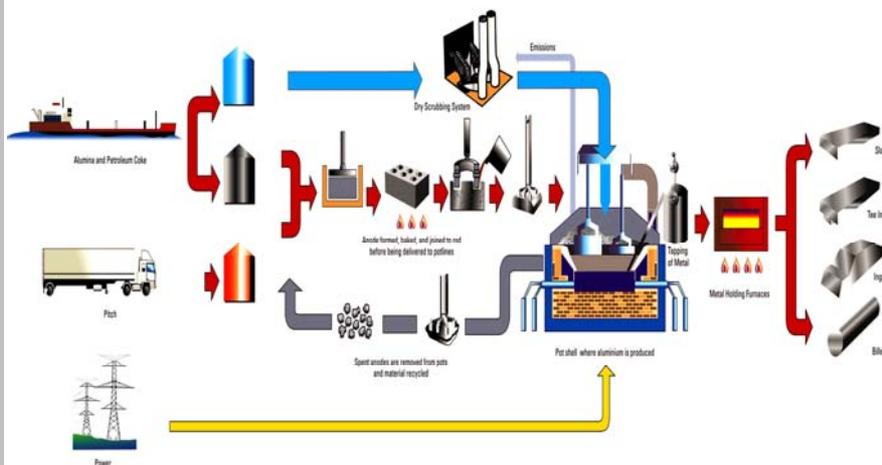
Overview

Tomago Aluminium Company (TAC)

Unincorporated JV:	Rio Tinto Alcan 51.55% Gove Aluminium Finance 36.05% (CSR and AMP) Hydro 12.4%
First metal:	September 1983 (25 th anniversary in 2008)
Capacity increase:	1993 Line 3 1998 Lines 1 & 2 extension 2003 AP22
Production:	520,000 tpa Aluminium (85-90% exported in South East Asia)
Local impacts:	A\$850M in Australia A\$450M in the Hunter
Notional revenues:	A\$1.5 Billion
Workforce:	1,225 employees (including 140 full time contractors)
Power usage:	around 880 MW (biggest user in NSW)

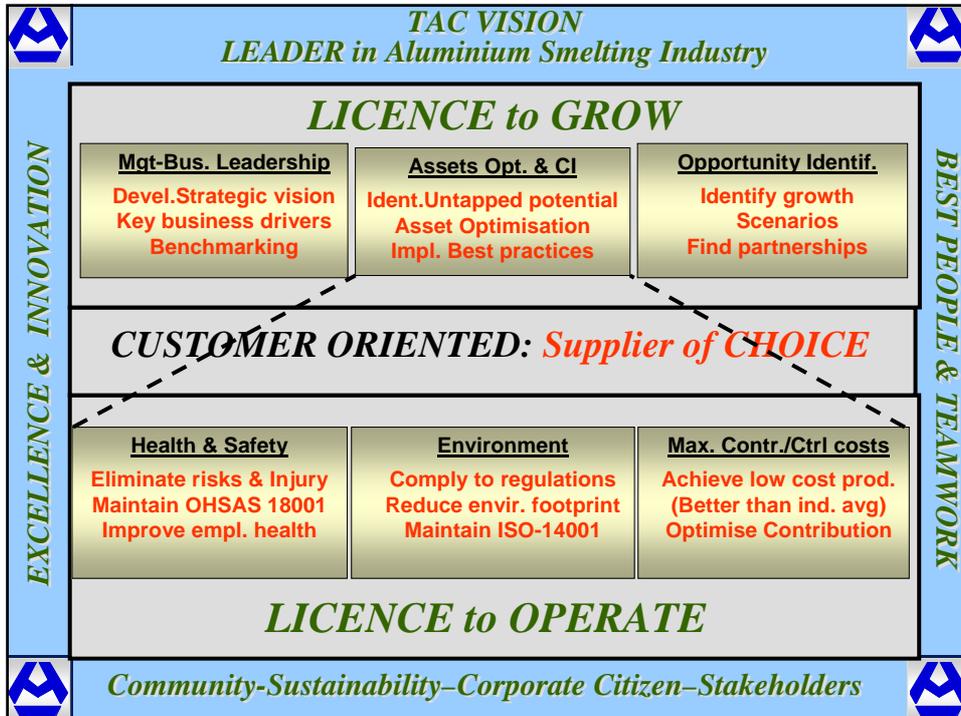
Overview

Aluminium manufacturing!



Tomago Aluminium Company (TAC)

VISION



Tomago Aluminium Company (TAC)

OPERATIONAL EXCELLENCE OR OPERATING AGENDA

Operational Excellence in EH&S

EH&S are core values for TAC

Significant achievements delivered in last years and plans are in place to keep on the same trend.

HEALTH & SAFETY

- Always aim to be better than the regulations
- Aim for **zero injuries / illness** by implementing the 5 year plan
- **Last 2 years performance:**
 - 3 million hours Lost Time Injury free
 - 1 million hours Recordable Injury free
 - Very significant reduction in all types of injury
 - Hunter Manufacturing Award for innovation in H&S in 2006
 - Finalist of Workcover Awards in 2007
 - HunterNet Chairman Award for H&S for leadership and commitment in 2007
 - OHSAS 18001 certification achieved and maintained without any non-conformity but constant improvement
 - Strengthening Health program and health monitoring

Operational Excellence in EH&S

EH&S are core values for TAC
Significant achievements delivered in last years and plans are in place to keep on the same trend.

ENVIRONMENT

- Aim to be better than the regulations and reduce environmental footprint:
 - **Waste:** Implement a 5 year waste reduction program
 - **Fluoride:** Continue emission reduction per tonne produced (within 298t limit)
 - **GHG:** Continue emission reduction per tonne produced
 - **Water:** Reduce water consumption and increase recycling
 - **Energy:** Implement and maintain the 5 year energy reduction program
 - **SO₂:** Develop coke supply options to remain within permit limit
 - **SPL:** Complete development of domestic recycling and reduce inventory on site
- **Last 2 years performance:**
 - Consistency in Fluoride emission results
 - Benchmark in Per Fluoro Carbon (PFCs) in line 1 for similar technology
 - Several successful initiatives for reducing the footprint
 - ISO-14001 certification achieved and maintained without any non-comformity

Operational Excellence in HR/People

We have skilled and engaged employees helping us in delivering the full business potential in a stable working environment.

Further improve employee engagement by:

- Continue working with them to improve work practices and flexibility
- Continue raising standards of employee behavior and deal with exceptions
- Involve workforce in problem solving and continuous improvement
- Maintain stable industrial relations and minimise risks to plant disruption
- Develop better business understanding through rigorous communication
- Prepare for 2009 Enterprise Agreements renewal

Maintain appropriate skills base:

- Develop and maintain appropriate succession plan
- Attract and retain talented resources
- Manage transition of retirees associated with an aging workforce
- Improve training and development efficiency

Operational Excellence in Process/Efficiency

After 25 years of good delivery (results) and growth, TAC still has some interesting potential for the future.

- **AP22 Project** – Now completed and actions plans are in place to push it further in terms of:
 - Amperage in pots;
 - Process efficiency.
- **Process Stability** - Improve stability and reduce variation through the Continuous Improvement program, tools and performance indicators (operational excellence);
- **Equipment Reliability** - Continue with reliability strategy and breakdowns reduction to support process stability and improve throughput;
- **Pot Turn Around Time** - Sustain and consolidate excellence achieved in past 2 years;
- **Pot life** - Improve by ongoing implementation of AP22 thick cathode and improvement on cathode design.

- **Last year specific issues:**
 - Less volume due to more pots being stopped and less pots operating
 - More pots being stopped due to pot life being shorter related to amperage increase

Operational Excellence in Finance

TAC is a very good asset with a competitive positioning on costs, maintaining below industry average costs for a long time.

Manning:

- Develop options to deal with natural attrition due to aging workforce over next 3-7 years despite the skills shortage in Australia

Continuous Improvement:

- Continue to capitalise and enhance CI implementation to generate more savings and benefits

Strategic Issues:

- Stay pro-active on issues related to Power (electricity) and GHG

Key Focus on Capex Includes:

- Continue working through 25 year asset sustaining work including:
 - Bake Ovens 1 Refurbishment (high Capex in 2008-2009)
 - Crane and PTA recertification and hoists upgrade
 - Electrical upgrades plant wide (to renew ageing equipment)
- Continue increased focus on CI solutions rather than capital

Asset Integrity:

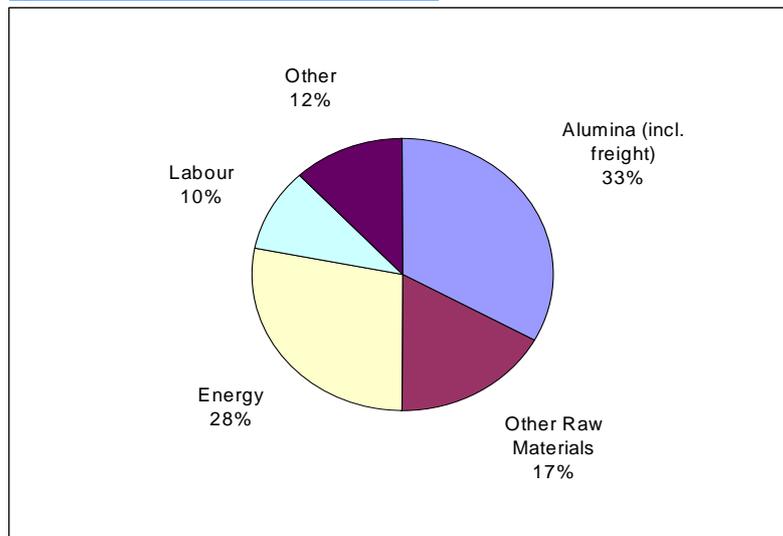
- Maintain regular assessment of condition of fixed assets
- Ensure alignment of 5 year Capex & major maintenance plans



Gove Aluminium Finance

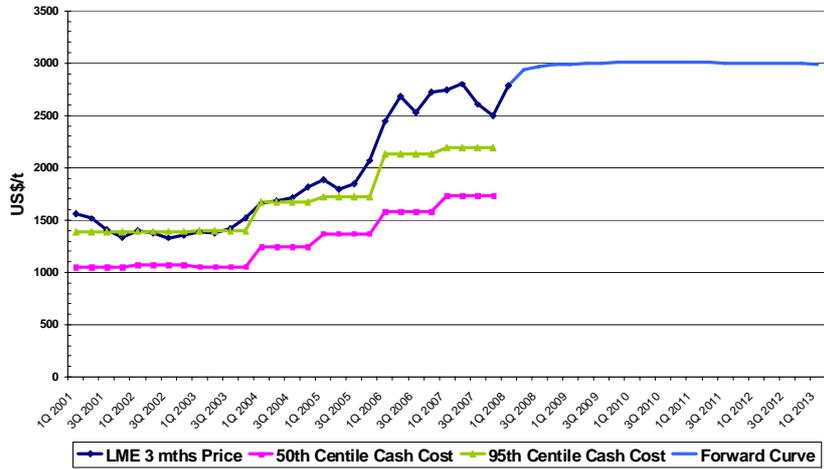
Aluminium Industry Costs

Typical Aluminium Cost Components



Cash Cost Curve Analysis

Aluminium Cash Cost at 50th & 95th Centile



Sources: Brook Hunt, CRU and GAF analysis



Thank you!
Questions?