



FOR IMMEDIATE RELEASE
MANAMA (ALBH)

Aluminium Bahrain B.S.C. (Alba) (Ticker Code: ALBH) presents its financial results as per the International Financial Reporting Standards (IFRS) accounting rules. All investors and reporters are asked to read Alba's Interim Condensed Consolidated Financial Statements as at 31 March 2019 which are posted at www.albasmelter.com.

Alba Discloses its Financial Results for the First Quarter of 2019

Q1 2019 Financial Performance

For the first quarter of 2019, Alba's top-line and bottom-line were primarily impacted by lower LME price, down by 14% Year-over-Year (US\$ 1,859/t in Q1 2019 versus US\$ 2,159/t in Q1 2018) and historically higher Alumina prices respectively [21% of LME price in Q1 2019 versus 18% of LME price in Q1 2018].

The Company reported a Net Loss of **BD 15.8 million (US\$ 42 million)** compared to a Net Profit of BD 33.9 million (US\$ 90 million) for the first quarter of 2018, down by 147% YoY. The Company posted a Gross Profit of **BD 0.850 million (US\$ 2.3 million)** versus a Gross Profit of BD 40 million (US\$ 106.3 million) for the first quarter of 2018, down by 98% YoY. With regards to Total Sales/Revenues, Alba generated **BD 203.5 million (US\$ 541.3 million)** in Q1 2019 versus BD 221.3 million (US\$ 588.5 million) in Q1 2018, a drop of 8% YoY. In Q1 2019, The Company reported a Loss per Share of fils 11 versus Earning per Share of fils 24 in Q1 2018.

Alba's Total Assets as at March 31, 2019 stood at **BD 2,259.9 million (US\$ 6,010.3 million)** versus BD 2,208.7 million (US\$ 5,874.3 million) as at 31 December 2018, up by 2% YoY. Total Shareholders' Equity as at March 31, 2019 stood at **BD 1,057.8 million (US\$ 2,813.3 million)**, down by 1% YoY, versus BD 1,073.5 million (US\$ 2,855 million) as at December 31, 2018.

Q1 2019 Industry Highlights



- World Consumption almost flat (~1% YoY). MENA demand up by 8% YoY mainly driven by major infrastructure spending in KSA (+20% YoY). Economic headwinds in Europe tighten metal demand (+2% YoY) while North America demand rose by 1% YoY supported by auto production. As for China, the slowdown in construction and weak auto demand weighed on its consumption (flat growth).
- Global Production - Modest Growth at +1.5% YoY. Chinese new capacity ramp-up gains momentum with 2% YoY while the 10% tariff on aluminium imports was behind the progressive smelters' restarts in North America (+7% YoY). The World market is in surplus with China (+278 Kt) and in deficit w/o China (-571 Kt).
- LME inventories at ~1.1 million MT as of March-end (down by 14% YoY). LME-Cash averaged US\$1,859/t (down by 14% YoY) and the Physical premium prices are under pressure.

Q1 2019 Alba Highlights

- Continuous improvement in Plant Safety with the launch of 'Safety Gateway' Campaign
- The achieved benefits of Titan – Phase IV are **US\$ 9 million**
- Sales volume up by 2% YoY (257,113 mt) and production up by 5% YoY (272,707 mt)
- Alba Value-Added Sales averaged 52% of total shipments in Q1
- Line 6 Expansion Project Milestones:
 - Line 6 Smelter: 50% of Line 6 capacity in full operation (212 pots out of 424 pots) by 18 April 2019
 - Line 6 Smelter's Overall Progress advanced by > 88%
 - Power Expansion Project [PS5 > 89% & PDS > 97%]

2019 Alba Priorities

- Continued focus on Safety 'Launch of Safety Gateway Campaign'
- Deliver on Project Titan - Phase IV [US\$ 40 million by end of 2019]
- Focus on Value-Added Sales
- Develop upstream opportunities on Alumina
- Complete Line 6 ramp-up safely in early Q3 2019

In addition, the Board of Directors approved the Executive Management changes as part of its ongoing succession plan: Mr. Tim Murray, the current Alba CEO, will step-down on 31st July 2019 to relocate to the United States and



Mr. Ali Al Baqali, the current Deputy CEO, will be appointed as acting CEO effective 01st August 2019. As part of this transition, Mr. Murray will continue with the Company as an advisor to the Alba's Board Chairman.

Commenting on the changes, the Chairman of Alba's Board of Directors, Shaikh Daij Bin Salman Bin Daij Al Khalifa said:

"I would like to thank Tim for his many years of service in Alba. Over the past 7 years as Alba's CEO, Tim transformed the Company's Safety culture. He also played an instrumental role in the success of Line 6 Expansion Project which started ahead of schedule in December 2018. We wish Tim all the best as he returns to his family.

I also take the opportunity to congratulate Ali Al Baqali on his planned appointment to acting CEO of Alba. Ali brings many years of leadership from within the Company and I look forward to a smooth transition."

Commenting on Alba's financial performance in Q1 2019, Alba's Chief Executive Officer Tim Murray stated:

"Despite the bearish market sentiment and lower LME prices, Alba continues to outperform its industry peers. We are also targeting to complete the ramp-up of Line 6 in the 3rd quarter of 2019 which will provide a significant boost to our bottom-line."

Alba Management will be holding the quarterly conference call on Thursday May 2, 2019 to present and discuss Alba's financial performance for the first quarter of 2019 as well as outline the Company's priorities for the



remainder of the year.