Aluminium Bahrain B.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 SEPTEMBER 2018 (REVIEWED)

Building a better working world

Ernst & Young Middle East
P.O. Box 140
10th Floor, East Tower
Bahrain World Trade Center
Manama
Kingdom of Bahrain

Tel: +973 1753 5455
Fax: +973 1753 5405
manama@bh.ey.com
C.R. No. 29977

REPORT ON THE REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF ALUMINIUM BAHRAIN B.S.C.

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Aluminium Bahrain B.S.C. ('the Company') and its subsidiaries (together "the Group") as at 30 September 2018, and the related interim consolidated statements of comprehensive income, changes in equity and cash flows for the nine-month period then ended and explanatory notes. The Company's Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 ("IAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst + Young

28 October 2018
Manama, Kingdom of Bahrain

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2018 (Reviewed)

	Note	*30 September 2018 Reviewed BD '000*	*31 December 2017 Audited BD '000*
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	**1,629,301**	1,242,073
Other assets		**3,984**	4,128
Derivative financial instruments		**4,453**	-
Deferred tax asset		**19**	19
		1,637,757	1,246,220
Current assets			
Inventories		**256,677**	198,577
Trade and other receivables		**177,001**	163,924
Derivative financial instruments		**1,137**	-
Bank balances and cash		**58,754**	77,459
		493,569	439,960
TOTAL ASSETS		**2,131,326**	1,686,180
EQUITY AND LIABILITIES			
Equity			
Share capital		**142,000**	142,000
Treasury shares		**(4,156)**	(2,690)
Statutory reserve		**71,000**	71,000
Capital reserve		**249**	249
Retained earnings		**882,563**	805,029
Proposed dividend		**-**	36,806
Total equity		**1,091,656**	1,052,394
Non-current liabilities			
Borrowings		**707,336**	453,611
Employees' end of service benefits		**1,429**	1,564
Derivative financial instruments		**-**	412
		708,765	455,587
Current liabilities			
Borrowings		**17,019**	22,050
Trade and other payables		**313,731**	156,058
Derivative financial instruments		**155**	91
		330,905	178,199
Total liabilities		**1,039,670**	633,786
TOTAL EQUITY AND LIABILITIES		**2,131,326**	1,686,180

Daij Bin Salman Bin Daij Al Khalifa	Yousif Taqi	Tim Murray
Chairman	Director	Chief Executive Officer

The attached notes 1 to 10 form part of these interim condensed consolidated financial statements.

Aluminium Bahrain B.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2018 (Reviewed)

		Three months ended		*Nine months ended*	
		30 September 2018	*30 September 2017*	***30 September 2018***	*30 September 2017*
	Note	***BD '000***	*BD '000*	***BD '000***	*BD '000*
Revenue from contracts with customers	7	**234,550**	235,297	**699,794**	605,028
Cost of sales		**(215,522)**	(197,076)	**(606,431)**	(507,717)
GROSS PROFIT		**19,028**	38,221	**93,363**	97,311
Other income		**7,076**	1,390	**12,194**	7,874
Gain (loss) on foreign exchange		**3,497**	(809)	**8,013**	(397)
Selling and distribution expenses		**(9,283)**	(4,630)	**(19,110)**	(11,339)
General and administrative expenses		**(6,388)**	(6,996)	**(21,124)**	(20,048)
Finance costs		**(478)**	(541)	**(1,121)**	(1,755)
Changes in fair value of derivative financial instruments		**1,248**	(821)	**6,093**	(2,036)
PROFIT FOR THE PERIOD BEFORE TAX		**14,700**	25,814	**78,308**	69,610
Tax		**(369)**	(60)	**(1,011)**	(601)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**14,331**	25,754	**77,297**	69,009
Basic and diluted earnings per share (fils)	4	**10**	18	**55**	49

Daij Bin Salman Bin Daij Al Khalifa
Chairman

Yousif Taqi
Director

Tim Murray
Chief Executive Officer

The attached notes 1 to 10 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine months ended 30 September 2018 (Reviewed)

	Share capital BD '000	*Treasury shares BD '000*	*Statutory reserve BD '000*	*Capital reserve BD '000*	*Retained earnings BD '000*	*Proposed dividend BD '000*	*Total BD '000*
Balance at 1 January 2018	142,000	(2,690)	71,000	249	805,029	36,806	1,052,394
Total comprehensive income for the period	-	-	-	-	77,297	-	77,297
Net movement in treasury shares	-	(1,466)	-	-	-	-	(1,466)
Gain on resale of treasury shares	-	-	-	-	151	-	151
Final dividend for 2017 approved and paid (note 9)	-	-	-	-	-	(36,720)	(36,720)
Excess of final dividend for 2017 reversed	-	-	-	-	86	(86)	-
Balance at 30 September 2018	**142,000**	**(4,156)**	**71,000**	**249**	**882,563**	**-**	**1,091,656**

	Share capital BD '000	*Treasury shares BD '000*	*Statutory reserve BD '000*	*Capital reserve BD '000*	*Retained earnings BD '000*	*Proposed dividend BD '000*	*Total BD '000*
Balance at 1 January 2017	142,000	(4,965)	71,000	249	779,813	-	988,097
Total comprehensive income for the period	-	-	-	-	69,009	-	69,009
Net movement in treasury shares	-	2,404	-	-	-	-	2,404
Loss on resale of treasury shares	-	-	-	-	(907)	-	(907)
Final dividend for 2016 approved and paid (note 9)	-	-	-	-	(29,658)	-	(29,658)
Balance at 30 September 2017	142,000	(2,561)	71,000	249	818,257	-	1,028,945

The attached notes 1 to 10 form part of these interim condensed consolidated financial statements.

Aluminium Bahrain B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2018 (Reviewed)

	Note	*Nine months ended* **30 September 2018 BD '000**	*30 September 2017 BD '000*
OPERATING ACTIVITIES			
Profit for the period before tax		**78,308**	69,610
Adjustments for:			
Depreciation		**48,146**	49,990
Amortisation of other asset		**144**	144
Provision for employees' end of service benefits		**1,087**	1,105
Provision (reversal of provision) for slow moving inventories		**92**	(131)
Allowance (write back) for impairment on trade receivables - net		**1**	(160)
Loss on disposal of property, plant and equipment		**970**	917
Fair value (gain) loss on derivatives		**(6,093)**	2,036
Interest income		**(248)**	(401)
Forex (gain) loss on revaluation of borrowings		**(9,195)**	654
Interest on borrowings		**873**	2,034
Operating profit before working capital changes		**114,085**	125,798
Working capital changes:			
Inventories		**(58,192)**	(36,631)
Trade and other receivables		**(13,078)**	(87,025)
Trade and other payables		**159,498**	60,358
Cash from operations		**202,313**	62,500
Employees' end of service benefits paid		**(1,222)**	(997)
Tax paid		**(1,011)**	(601)
Net cash flows from operating activities		**200,080**	60,902
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(436,415)**	(304,652)
Proceeds from disposal of property, plant and equipment		**71**	58
Interest income received		**248**	401
Net cash flows used in investing activities		**(436,096)**	(304,193)
FINANCING ACTIVITIES			
Borrowings availed		**279,944**	437,382
Borrowings repaid		**(22,055)**	(172,776)
Interest on borrowings paid		**(2,543)**	(2,305)
Dividends paid	9	**(36,720)**	(29,658)
Purchase of treasury shares		**(4,855)**	(3,725)
Proceeds from resale of treasury shares		**3,540**	5,222
Net cash flows from financing activities		**217,311**	234,140
DECREASE IN CASH AND CASH EQUIVALENTS		**(18,705)**	(9,151)
Cash and cash equivalents at 1 January		**77,459**	66,413
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER		**58,754**	57,262

Non-cash item

1) Movements in unpaid finance costs of BD 1,670 thousand (2017: BD 271 thousand) have been excluded from the movement of trade and other payables.

1 ACTIVITIES

Aluminium Bahrain B.S.C. ("the Company") was incorporated as a Bahrain Joint Stock Company (closed) in the Kingdom of Bahrain and registered with the Ministry of Industry, Commerce and Tourism under commercial registration (CR) number 999.

Subsequent to the Initial Public Offering (IPO) on November 23, 2010, the Company became a Bahrain Public Joint Stock Company and had a dual listing on the Bahrain Bourse (primary listing) as well as the Global Depository Receipts on the London Stock Exchange – Alternative Investment Market (AIM). The Company has its registered office at 150 Askar Road, Askar 951, Kingdom of Bahrain.

The Company's majority shareholder is Bahrain Mumtalakat Holding Company B.S.C. (c) (Mumtalakat), a company wholly owned by the Government of the Kingdom of Bahrain through the Ministry of Finance, which holds 69.38% of the Company's share capital.

The Company is engaged in manufacturing aluminium and aluminium related products. The Company owns and operates a primary aluminium smelter and the related infrastructure in the Kingdom of Bahrain.

The Group comprises of the Company and the following subsidiaries:

	Effective ownership			
Name	***30 September 2018***	*December 2017*	***Country of incorporation***	***Principal activity***
Aluminium Bahrain US, Inc.	**100%**	100%	United States of America (USA)	Selling and distribution of aluminium throughout the Americas
ALBA Club S.P.C.	**100%**	100%	Kingdom of Bahrain	Provider of recreational and sports facilities

The Group also has representative sales branch offices in Zurich, Switzerland and Hong Kong.

The interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 28 October 2018

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements of the Group for the nine month period ended 30 September 2018 have been prepared in accordance with International Accounting Standard 34 ("IAS 34"), "Interim Financial Reporting".

The interim condensed consolidated financial statements do not contain all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2017. In addition, the results for the nine month period ended 30 September 2018 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2018. Selected explanatory notes are included below to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Change in useful economic life of the relining costs relating to the steel pots used in the aluminum smelting process

In prior periods, the Group expensed the costs incurred in relation to the relining of the steel pots that are used in the aluminum smelting process, on the basis that the Useful Economic Life ('UEL") was considered to be less than 12 months. During the three month period ended 30 September 2018, management carried out a detailed analysis of the UEL of these pot relining materials and concluded that a more appropriate UEL is between 1,500 and 2,000 days. The actual number of days in relation to the UEL is reduction line dependent; there are 5 reduction lines in operation as at the period end date. In accordance with International Accounting Standard 16, Property, Plant and Equipment, the change in UEL is considered to be a change in accounting estimate and the effect of a change in an accounting estimate is recognized prospectively. Therefore the costs incurred for the relining of the steel pots for the period ended 30 September 2018 have no longer been expensed but instead have been capitalized and depreciated, with depreciation calculated on a straight-line basis over the new estimated useful lives stated above.

Accordingly, if the Group had not changed the UEL of the relining costs and capitalized the same as property, plant and equipment during the three month period ended 30 September 2018, the profit for the three month period ended 30 September 2018 and the nine month period ended 30 September 2018 would have been lower by BD 3,441 thousand, and the carrying values of property, plant and equipment would have been lower by BD 3,441 thousand net of depreciation of BD 99 thousand as of 30 September 2018.

2.2 New and amended standards and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017 except for the adoption of new standards and interpretations effective as of 1 January 2018. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, IFRS 15, Revenue from Contracts with Customers and IFRS 9 Financial Instruments.

Several other amendments and interpretations apply for the first time in 2018, but do not have a significant impact on the interim condensed consolidated financial statements of the Group.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts and IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Sale of goods

The Group's contracts with customers for the sale of goods generally include one performance obligation; to deliver goods to the customer. The Group has concluded that revenue from sale of goods should be recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of goods. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New and amended standards and interpretations (continued)

IFRS 15 Revenue from Contracts with Customers (continued)

Variable consideration

Some contracts for the sale of goods provide customers with volume discounts. Under IFRS 15, volume discounts give rise to variable consideration. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty is subsequently resolved. The application of the constraint on variable consideration increases the amount of revenue that will be deferred.

a) Volume discounts

The Group provides retrospective volume discounts to certain customers on the products purchased by the customer once the quantity of products purchased during the period exceeds a threshold specified in the contract.

Under IFRS 15, retrospective volume discounts give rise to variable consideration. To estimate the variable consideration, the Group applied the 'expected value method'. The selected method that best predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration. The Group has not recognised any liabilities for the expected future discounts during the nine months ended 30 September 2018.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

(a) Classification and measurement

Under IFRS 9, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under IFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

The new classification and measurement of the Group's debt financial assets are, as follows:

Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's trade and other receivables.

The assessment of the Group's business models was made as of the date of initial application, 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The accounting for the Group's financial liabilities remains largely the same as it was under IAS 39. The adoption of the classification and measurement requirements of IFRS 9 did not have any effect on the Group's interim condensed consolidated financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New and amended standards and interpretations (continued)

IFRS 9 Financial Instruments (continued)

(b) Impairment

The adoption of IFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The adoption of the ECL requirements of IFRS 9 did not have any material effect on the Group's interim condensed consolidated financial statements as the Group has no historical credit loss experience except for an isolated case and forward-looking factors do not indicate any default.

3 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the interim condensed consolidated financial statements are listed below. This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt these standards when they become effective.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single statement of financial position model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term or a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

3 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (continued)

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group is currently assessing the impact of IFRS 16 and plans to adopt the new standard on the required effective date.

Other amendments resulting from new standards and interpretations and amendments to standards and interpretations will not have any significant impact on the accounting policies, consolidated financial position or consolidated financial performance of the Group.

4 EARNINGS PER SHARE

	Three months ended 30 September (Reviewed)		*Nine months ended 30 September (Reviewed)*	
	2018	*2017*	***2018***	*2017*
Profit for the period - BD '000	**14,331**	25,754	**77,297**	69,009
Weighted average number of shares outstanding - thousands of shares	**1,415,518**	1,416,590	**1,415,846**	1,413,825
Basic and diluted earnings per share – fils	**10**	18	**55**	49

No separate figure for diluted earnings per share has been presented as the Group has not issued financial instruments which may have a dilutive effect.

5 DERIVATIVE FINANCIAL INSTRUMENTS

The Group does not engage in proprietary trading activities in derivatives. However, the Group enters into derivative transactions to hedge economic risks under its risk management guidelines that may not qualify for hedge accounting under IFRS 9. Consequently, gains or losses resulting from the re-measurement to fair value of these derivatives are taken to the interim condensed consolidated statement of comprehensive income.

Interest rate swaps
The Group entered into interest rate swap transactions for US$ 0.75 billion floating rate borrowings for financing the line 6 project to manage overall financing costs. These contracts expire on 20 September 2023. The notional amount outstanding as at 30 September 2018 was US$ 750,000 thousand (31 December 2017: US$ 550,000 thousand).

Commodity futures
The Group entered into commodity futures contracts to reduce the price risk on behalf of its customers for 6,350 metric tonnes (31 December 2017: 32,400 metric tonnes).

6 FINANCIAL INSTRUMENTS

Fair values
Financial instruments comprise of financial assets, financial liabilities and derivative financial instruments. Financial assets consist of bank balances, cash and trade and other receivables. Financial liabilities consist of borrowings and trade and other payables. Derivative financial instruments consist of interest rate swaps and commodity futures.

The Group assessed that the fair values of bank balances and cash, trade receivables, other receivables, trade payables, other current liabilities and borrowings approximate their carrying amounts, largely due to the short term maturities of these financial instruments. The Group also assessed that the fair value of the non-current portion of borrowings approximate their carrying amounts.

Fair value hierarchy
All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities;

Level 2 : Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable); and

Level 3 : Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

As at 30 September 2018, the Group's derivative financial instruments are measured at fair value. These are Level 2 as per the hierarchy above for the nine months ended 30 September 2018. The Company does not have financial instruments qualifying for Level 1 or Level 3 classification.

During the nine month period ended 30 September 2018, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements (31 December 2017: same).

7 REVENUE FROM CONTRACTS WITH CUSTOMERS

For management purposes, the Group has a single operating segment which is the ownership and operation of a primary aluminium smelter and related infrastructure. Hence no separate disclosure of profit or loss, assets and liabilities is provided as this disclosure will be identical to the interim consolidated statement of financial position and interim consolidated statement of comprehensive income of the Group.

a) Product
The disaggregation of revenue from contracts with customers by product is as follows:

	Three months ended 30 September (Reviewed)		*Nine months ended 30 September (Reviewed)*	
	2018	*2017*	***2018***	*2017*
	BD '000	*BD '000*	***BD '000***	*BD '000*
Sale of aluminium	**225,985**	204,312	**678,272**	548,675
Sale of alumina	**6,519**	29,235	**19,473**	49,847
Sale of calcined coke	**2,046**	1,750	**2,049**	6,506
Total revenue from contracts with customers	**234,550**	235,297	**699,794**	605,028

7 REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

b) Geographic information

The disaggregation of revenue from contracts with customers by geographic location is as follows:

	Three months ended 30 September (Reviewed)		*Nine months ended 30 September (Reviewed)*	
	2018	*2017*	***2018***	*2017*
	BD '000	*BD '000*	***BD '000***	*BD '000*
Kingdom of Bahrain	**74,320**	82,726	**235,280**	233,053
Europe	**54,733**	70,594	**156,480**	141,496
Rest of the Middle East and North Africa	**42,146**	37,386	**118,225**	102,078
Asia	**26,713**	29,816	**83,487**	69,149
Americas	**36,638**	14,775	**106,322**	59,252
Total revenue from contracts with customers	**234,550**	235,297	**699,794**	605,028

The revenue information above is based on the location of the customers.

c) Customers

Revenue from sale of aluminium to the two major customers of the Group amounted to BD 182,370 thousand with one of the customers accounting for more than 10% of total revenue from contracts with customers (30 September 2017: two major customers accounted for BD 189,745 thousand, each being more than 10% of the total revenue from contracts with customers for the period).

8 COMMITMENTS

As of 30 September 2018, the Group had capital commitments amounting to BD 110,515 thousand relating to the capital expenditure contracted for at the reporting date (31 December 2017: BD 157,076 thousand).

9 DIVIDEND

At the Annual General Meeting held on 7 March 2018, the Company's shareholders approved the Board of Directors' proposal to pay a final dividend of BD 0.026 per share (excluding treasury shares) totalling BD 36,806 thousand relating to 2017, out of which BD 36,720 thousand was paid as of 31 March 2018 and the excess of BD 86 thousand was reversed.

At the Annual General Meeting held on 21 March 2017, the Company's shareholders approved the Board of Directors' proposal to pay a dividend of BD 0.021 per share (excluding treasury shares) totalling BD 29,658 thousand relating to 2016, which was paid as of 30 June 2017.

10 RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Board of Directors.

In the ordinary course of business, the Group purchases supplies and services from parties related to the Government of the Kingdom of Bahrain, principally natural gas and public utility services. A royalty, based on production, is also paid to the Government of the Kingdom of Bahrain.

10 RELATED PARTY TRANSACTIONS (continued)

Transactions with related parties included in the interim consolidated statement of comprehensive income are as follows:

	Three months ended 30 September (Reviewed)		*Nine months ended 30 September (Reviewed)*	
	2018	*2017*	***2018***	*2017*
	BD '000	*BD '000*	***BD '000***	*BD '000*
Other related parties				
Revenue and other income				
Sale of metal	**11,486**	24,415	**39,920**	68,071
Sale of water	**298**	188	**659**	767
Interest on receivable	**192**	-	**355**	-
	11,976	24,603	**40,934**	68,838
Cost of sales and expenses				
Purchase of natural gas and diesel	**39,538**	46,212	**112,106**	98,254
(Sale) purchase of electricity	**(362)**	(460)	**2,018**	1,238
Royalty	**1,042**	1,051	**3,162**	2,930
	40,218	46,803	**117,286**	102,422

Balances with related parties included in the interim consolidated statement of financial position are as follows:

	30 September 2018 Reviewed BD '000	*31 December 2017 Audited BD '000*
Other related parties		
Assets		
Trade receivables	**18,780**	13,808
Bank balances	**952**	1,175
	19,732	14,983
Liabilities		
Trade payables	**27,658**	24,663
Term loan	**43,867**	17,709
Other payables	**251**	471
	71,776	42,843

Outstanding balances as at 30 September 2018 and as at 31 December 2017 arise in the normal course of business, are unsecured, interest free and repayable on demand. However, the Group charged interest at an agreed rate on an overdue receivable amount from a related party as at 30 September 2018 (31 December 2017: same terms). There have been no guarantees provided or received for any related party receivables or payables. For the nine month periods ended 30 September 2018 and 30 September 2017, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at the end of each reporting period through examining the financial position of the related party and the market in which the related party operates.

10 RELATED PARTY TRANSACTIONS (continued)

Compensation of key management personnel

The remuneration of members of key management during the period was as follows:

	Three months ended 30 September (Reviewed)		*Nine months ended 30 September (Reviewed)*	
	2018	*2017*	***2018***	*2017*
	BD '000	*BD '000*	***BD '000***	*BD '000*
Short term benefits	**390**	391	**1,585**	1,078
End of service benefits	**18**	16	**54**	49
Contributions to Alba Savings Benefit Scheme	**27**	23	**78**	61
	435	430	**1,717**	1,188