



Aluminium
for the world



INVESTOR RELATIONS PRESENTATION

Q1 2015



DISCLAIMER

This document has been prepared and issued by and is the sole responsibility of Aluminium Bahrain B.S.C. (the "Company"). The document is being supplied to you solely for your information and for use at the Company's presentation. No information made available to you in connection with the presentation may be passed on, copied, reproduced, in whole or in part, or otherwise disseminated, directly or indirectly, to any other person. This document and its contents are directed only to the intended audience. It is being made on a confidential basis and is furnished to you solely for your information. By accepting this material the recipient confirms that he or she is a relevant person. This document must not be acted on or relied on by persons who are not relevant persons. Any investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. If you are not a relevant person you should not attend the presentation and should immediately return any materials relating to it currently in your possession. Forward-looking statements speak only as at the date of this presentation and Aluminium Bahrain B.S.C. expressly disclaims any obligations or undertaking to release any update of, or revisions to, any forward-looking statements in this presentation. No statement in this presentation is intended to be a profit forecast. As a result, you are cautioned not to place any undue reliance on such forward-looking statements. You should not base any behaviour in relation to financial instruments related to the Company's securities or any other securities and investments on such information until after it is made publicly available by the Company or any of their respective advisers. Some of the information is still in draft form and has not been legally verified. The Company, its advisers and each of their respective members, directors, officers and employees are under no obligation to update or keep current information contained in this presentation, to correct any inaccuracies which may become apparent, or to publicly announce the result of any revision to the statements made herein except where they would be required to do so under applicable law, and any opinions expressed in them are subject to change without notice. No representation or warranty, express or implied, is given by the Company, its undertakings or affiliates or directors, officers or any other person as to the fairness, accuracy or completeness of the information or opinions contained in this presentation and no liability whatsoever for any loss howsoever arising from any use of this presentation or its contents otherwise arising in connection therewith is accepted by any such person in relation to such information.





CONTENTS

01
Industry
Highlights

02
ALBA
Highlights

03
Q1 2015
Results

04
Industry
Perspectives
in 2015

05
2015
ALBA Priorities

01

INDUSTRY HIGHLIGHTS





Industry Highlights - Q1 2015

Global Physical Demand to Grow at a Slower Rate

- 🪐 World consumption up by +4% YoY
- 🪐 Demand in North America relatively strong (5% YoY) with a robust demand in the transport sector (new Ford F-150 truck model production)
- 🪐 Asian demand up by 5% YoY despite of slower growth in Chinese consumption (5% YoY) and Japan
- 🪐 MENA demand (4% YoY) on the back of major infrastructure spending
- 🪐 Europe consumption almost flat





Industry Highlights - Q1 2015

Production Evolution

- 🪐 World production up by 7% YoY
- 🪐 China output at 7.5 million metric tonnes - (+11% YoY) supported by new capacity ramp-ups and changes in government export tariffs
- 🪐 World market in surplus with China (+1,081 kt) & in deficit without China (-271 Kt)



Industry Highlights - Q1 2015

LME & Premiums

- 🪐 LME inventories at 3.9 million metric tonnes in March
- 🪐 1Q15 cash-average was \$1,801/t with LME ranging between \$1,742/t on March 12 and \$1,871/t on February 6
- 🪐 **Physical premiums tumble across the globe -**
- 🪐 US Mid West premiums at **\$505/t** vs. \$381/t in 1Q14 & \$510/t in 2014
- 🪐 DDP Rotterdam at **\$428/t** vs. \$333/t in 1Q14 & \$500/t in 2014
- 🪐 Major Japanese Ports (MJP) at **\$388/t** vs. \$305/t in 1Q14 & \$407/t in 2014



02

ALBA HIGHLIGHTS



Alba Highlights - Q1 2015

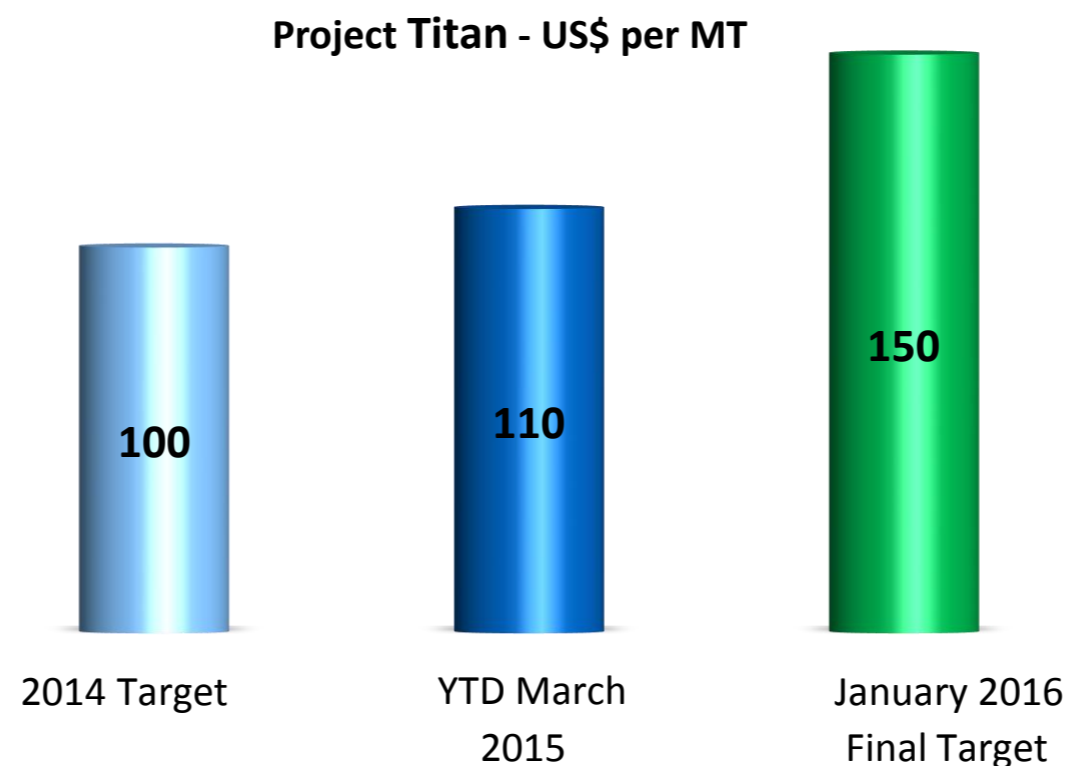
Operational Highlights & Achievements

- 🪐 Continuous improvement in Safety performance
- 🪐 Alba achieves 5 million hours without Lost Time Injuries (LTI)
- 🪐 Alba metal sales at 228,307 metric tonnes (an increase of 1,835 mt)
- 🪐 Production up by 2.4% YoY (237,774 mt) thanks to strong operational performance
- 🪐 Alba's Value-Added Sales averaged 64% of total shipments
- 🪐 Physical premiums on an upward trend (+58% YoY) on the back of healthy physical demand



Alba Highlights - Q1 2015

Project Titan - Improve Cash Cost of \$150/t by January 2016
Q1 2015: Project Titan on Track with Projected Savings of \$110/t



1. Savings from Project Titan represent the annual \$cost per mt improvement once all projects are fully implemented
2. Actual project implementation dates are on a project by project basis



Alba Highlights - Q1 2015

Financial Key Performance Indicators

- 🪐 **Adjusted EBITDA up due to solid physical premiums, higher overall sales & favourable plant performance**
- 🪐 **Q1: US\$144 million up by 52% YoY**
- 🪐 **Adjusted Net Income up driven by higher EBITDA levels**
- 🪐 **Q1: US\$93 million up by 137% YoY**
- 🪐 **1Q15 Free-Cash Flow unfavourable due to higher working capital**
- 🪐 **Q1: US\$60 million down by 25% YoY**
- 🪐 **Alba paid a final dividend of US\$56 million in March 2015 bringing the total dividend for 2014 to US\$101 million**



03

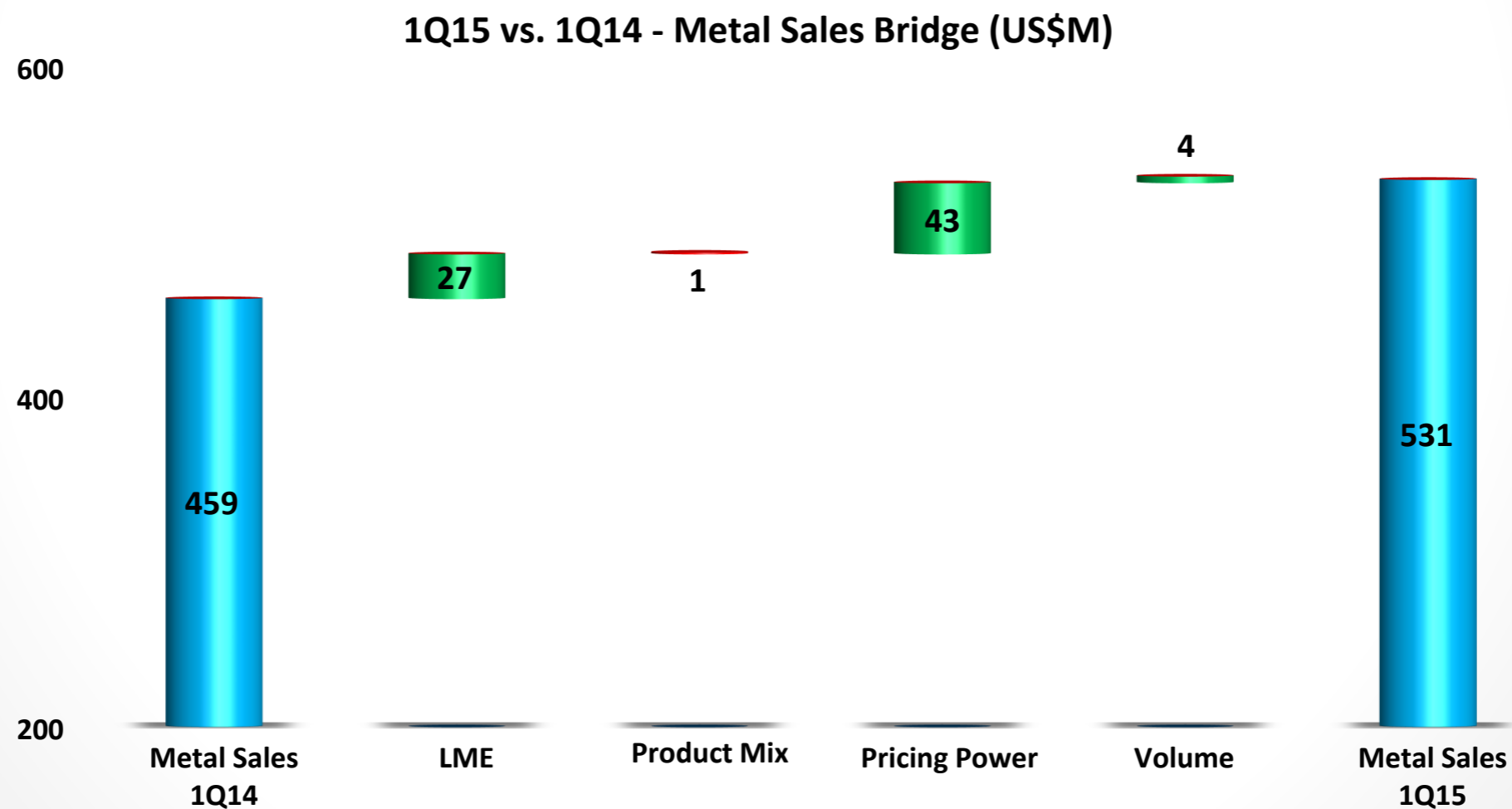
Q1 2015 RESULTS



Q1 2015 Results

FAVOURABLE MANAGEMENT PERFORMANCE

Sales Analysis 1Q15 vs. 1Q14
Higher Premium & Higher Sales Volume

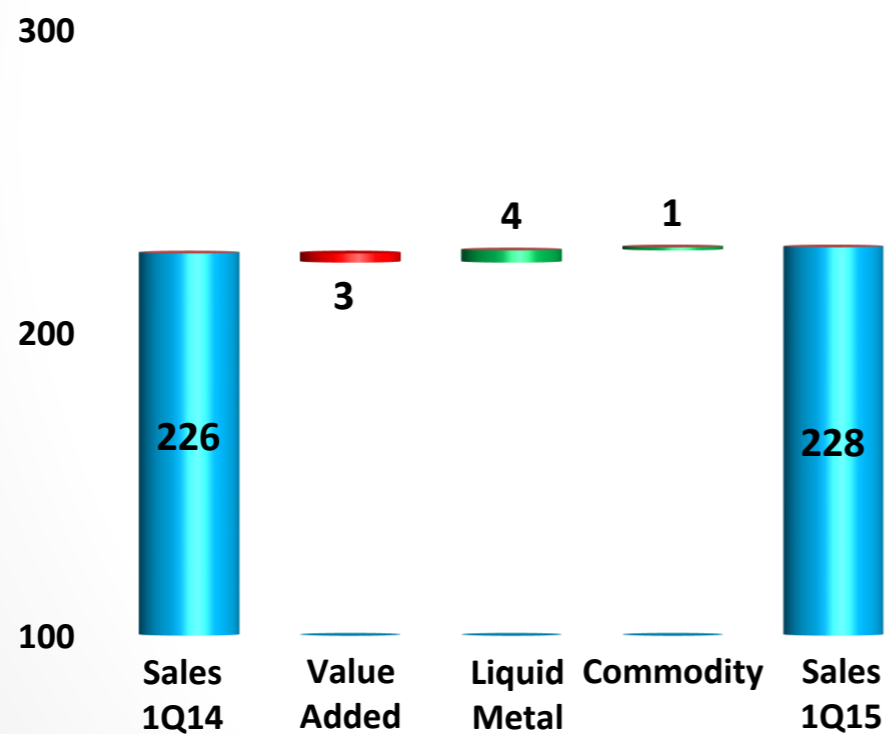


Q1 2015 Results

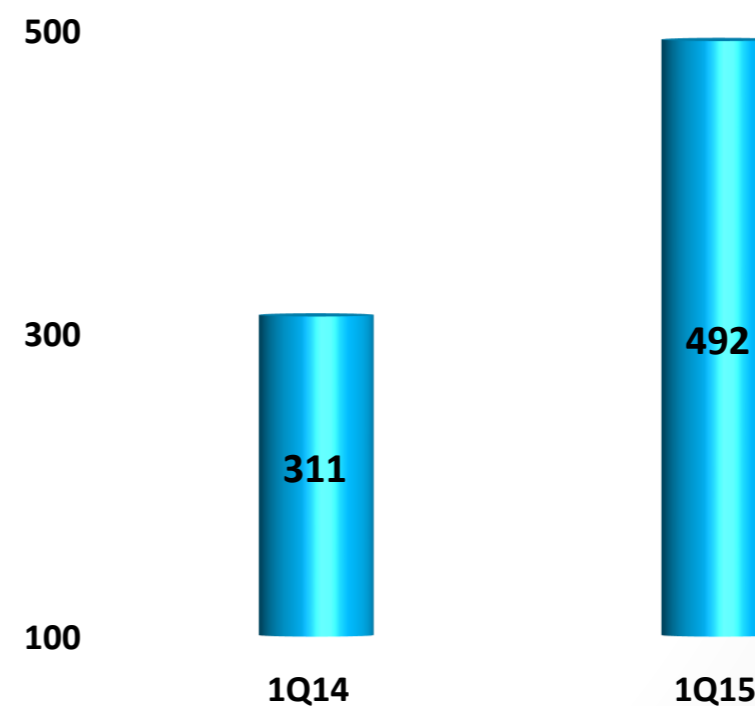
FAVOURABLE MANAGEMENT PERFORMANCE

Increase Value-Added Sales & Leverage Pricing Power

1Q15 vs. 1Q14 -
Sales by Product Line Bridge (MT'000)



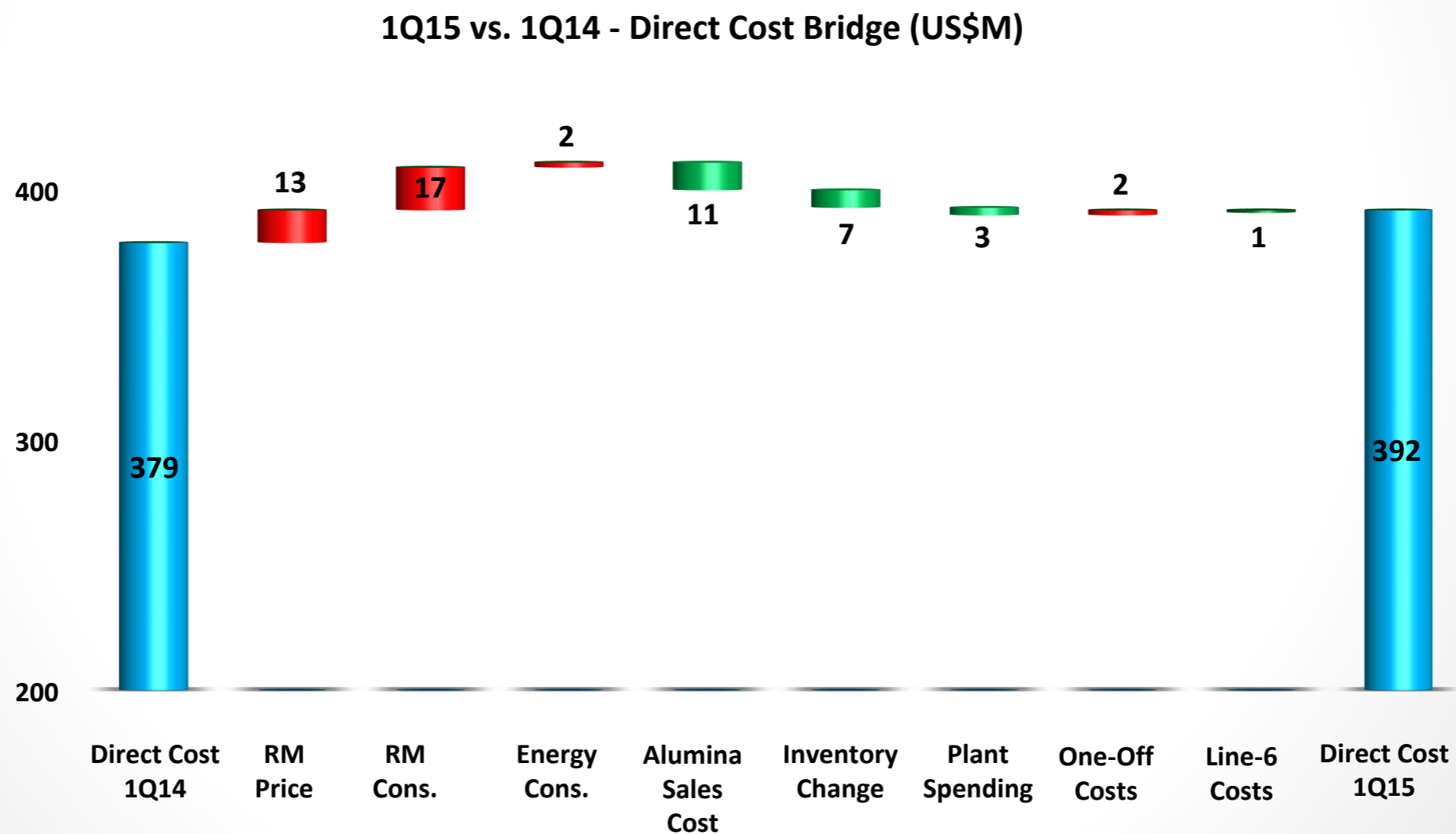
Premium Above LME Trend US\$ Per MT



Q1 2015 Results

FAVOURABLE MANAGEMENT PERFORMANCE

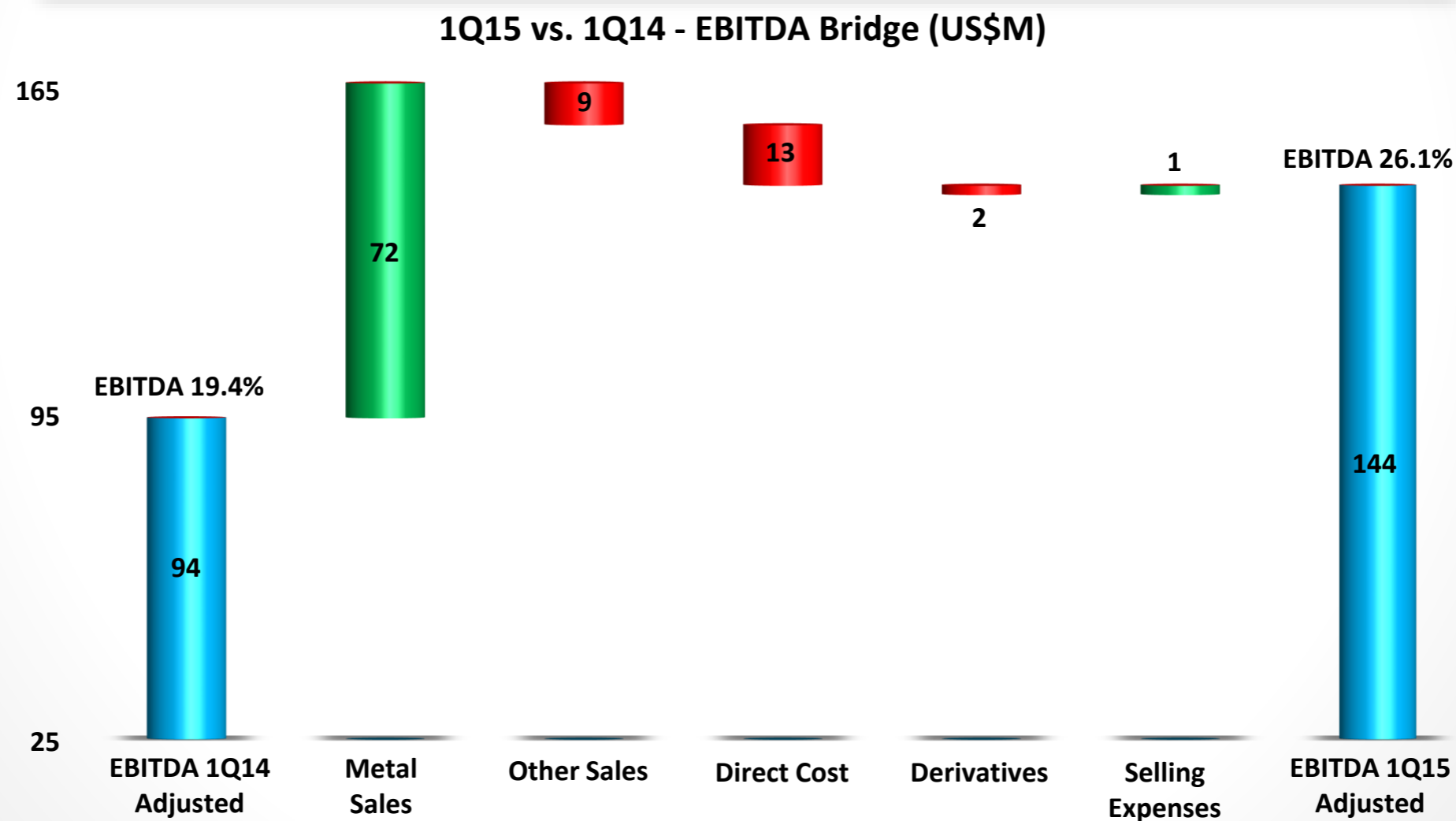
Cost Analysis 1Q15 vs. 1Q14



Q1 2015 Results

FAVOURABLE MANAGEMENT PERFORMANCE

Adjusted EBITDA Bridge Gap Analysis - 1Q15 vs. 1Q14
Adjusted EBITDA Margin at 26.1%



Adjusted EBITDA includes impact of actual realised derivative payments

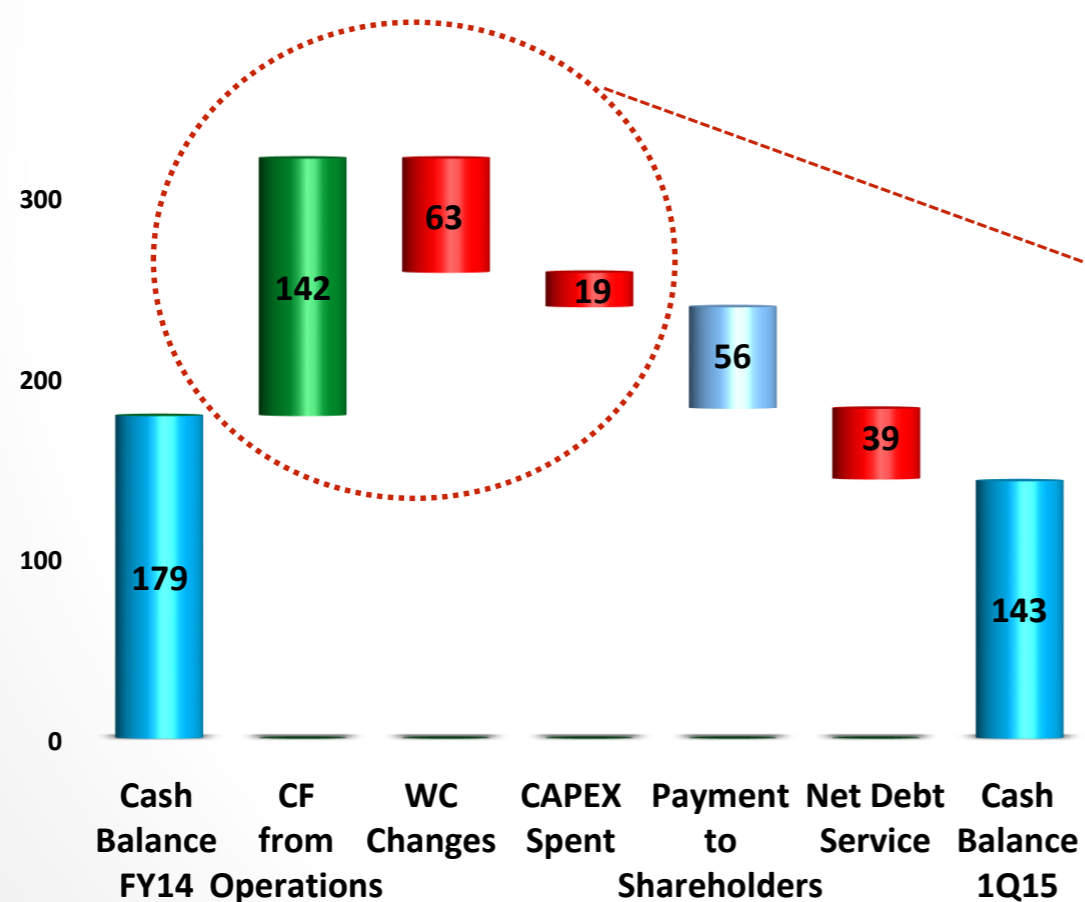


Q1 2015 Results

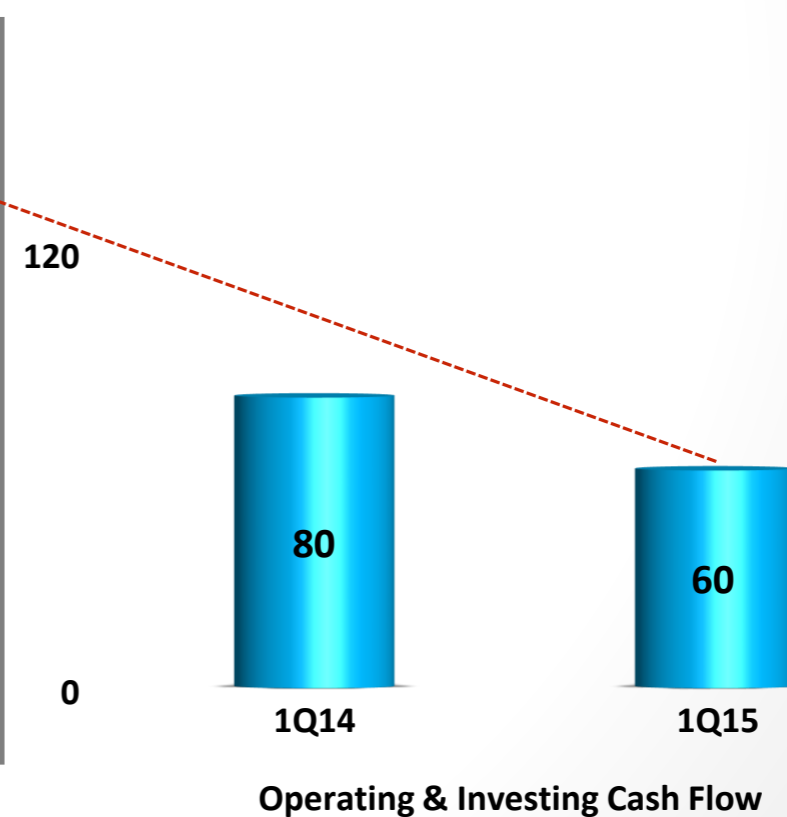
FAVOURABLE MANAGEMENT PERFORMANCE

Cash Flow Bridge - 1Q15 vs. FY14
Sustained Cash Flow Trend

FY14 to 1Q15 Cash Flow Bridge (US\$M)



Free Cash Flow (US\$M)



Q1 2015 Results

FAVOURABLE MANAGEMENT PERFORMANCE

Sound Management Performance with an Upward Trend in Sales

Financial Summary	Q1 2015	Q1 2014
Average Cash LME (US\$/MT)	1,801	1,708
Total Sales (US\$M)	549	486
EBITDA (US\$M)	144	94
EBITDA%	26.1%	19.4%
Net Income/ (Loss) (US\$M)	99	46
Gain/ (Loss) Unrealised Derivatives (US\$M)	6	6
Adjusted Net Income/ (Loss) (US\$M)	93	39
Adjusted Net Income%	16.9%	8.1%



04

INDUSTRY PERSPECTIVES IN 2015





Industry Perspectives in 2015

Production to Continue to Climb on the Back of Lower Oil Prices

- 🪐 **Key factors to be observed:**
- 🪐 LME volatility will continue
- 🪐 Premiums will continue to be under pressure
- 🪐 Strong US dollar will continue to weigh on commodities
- 🪐 LME price to range between \$1,800/t - \$1,900/t



Industry Perspectives in 2015

Raw Materials Price Trends

- ♁ Alumina spot index to remain relatively stable
- ♁ Green Petroleum Coke prices to slightly increase due to Chinese production curtailment
- ♁ Alumina Fluoride (ALF3) and Liquid Pitch prices to remain at current levels



05

2015 ALBA PRIORITIES





2015 Alba Priorities

Continuous Improvement & Readiness for Future Growth

- 🪐 Continuous Focus on Safety & Training Initiatives
- 🪐 Deliver on Project Titan
- 🪐 Sustained focus on Value-Added Sales
- 🪐 Line 6 Expansion





For More Information, Contact Us on:

IR@alba.com.bh



Alba4World



alba4world



user/Alba4World



flickr

photos/alba4world