



Aluminium
for the world

Q2 2013 IR PRESENTATION

albasmelter.com

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INDUSTRY HIGHLIGHTS

Primary Reference for Industry Data is CRU

INDUSTRY HIGHLIGHTS

Q2 2013

Aluminium Demand Remains Healthy (Reference Period: April – June)

- World consumption up by +4.8% YoY
- Asian demand up by 7% YoY mainly supported by Thailand (+21% YoY) and China (+9% YoY)
- North America – healthy demand (+2% YoY) driven by a pick-up in construction and automotive production
- MENA demand remains firm thanks to large infrastructure projects
- Europe consumption remains stable

INDUSTRY HIGHLIGHTS

Q2 2013

Production Evolution (Reference Period: April–June)

- World market production up by 4.3% YoY
- China output at a record level reaching 5.8 million tonnes (+9.2% YoY) driven by government support on power subsidies & new capacity ramp-up in the Northwest
- Western producers continue to suffer from lower LME price & high energy cost thus leading to further curtailments

INDUSTRY HIGHLIGHTS

Q2 2013

LME & Premiums

- LME inventories at 5.45 million metric tonnes in June
- 2Q13 cash-average was \$1,834/t with LME ranging between \$1,719/t on June 27 and \$1,939/t on June 5
- **Physical premiums continue to be at record high across the globe:**
 - DDP Rotterdam at \$279/t vs. \$213/t in 2Q12
 - Major Japanese Ports (MJP) at \$247/t vs. \$220/t in 2Q12
 - US Mid West premiums at \$260/t vs. \$188/t in 2Q12



ALBA HIGHLIGHTS

Alba Highlights

H1 2013 – Operational Highlights/Achievements

- Alba was able to increase its sales by 1.9% YoY thanks to a focused marketing strategy
- Production up by 2% YoY on the back of sustained productivity
- 1H13 Sales of Value-Added Products at 66% vs. 65% in 1H12
- Significant boost in physical premiums thanks to a solid physical demand
- Upgrade of Line 5 to AP37 technology post the increase in line current to 370 kA

Alba Highlights

Q2 2013 – Operational Highlights/Achievements

- **Continued Focus on Optimisation of Logistics**
- **AlbaSafeWay Program**
 - Contractor safety awareness plant wide
 - Launch of HSE summer week
- **Future Growth**
 - Bankable Feasibility Study (BFS) for Line 6 expansion project on stream
 - Reviewing increase in North American presence

Alba Highlights

Q2 & H1 2013 – Financial Key Performance Indicators

- **Adjusted EBITDA inched-up due to solid physical premiums & favorable plant performance despite lower LME prices**
 - Q2: US\$90 million up by 5% YoY
 - H1: US\$216 million up by 7% YoY
- **Adjusted Net Income up driven by higher EBITDA levels**
 - Q2: US\$34 million up by 13% YoY
 - H1: US\$104 million up by 16% YoY
- **Free-Cash Flow impacted by lower LME prices and higher Working Capital**
 - Q2: US\$33 million down by 77% YoY
 - H1: US\$104 million down by 45% YoY
- **Interim Dividend**
 - The Board proposed to distribute interim Cash Dividend of 14 Fils per share which is \$52.5 million



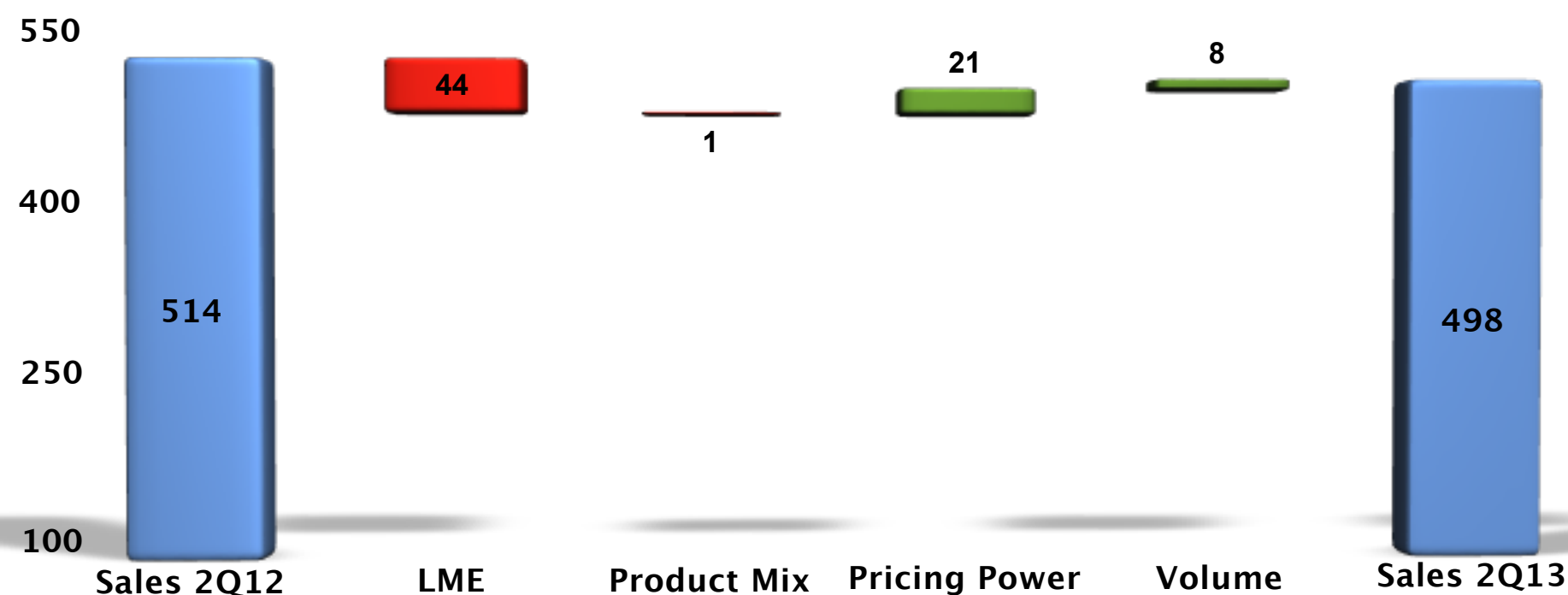
Q2 2013 RESULTS

Q2 2013 Results

FAVORABLE MANAGEMENT PERFORMANCE DESPITE LOW LME LEVELS

Sales Analysis 2Q13 vs. 2Q12
Higher Premium Offset by Lower LME Prices

2Q13 vs. 2Q12 – Metal Sales Bridge (US\$M)

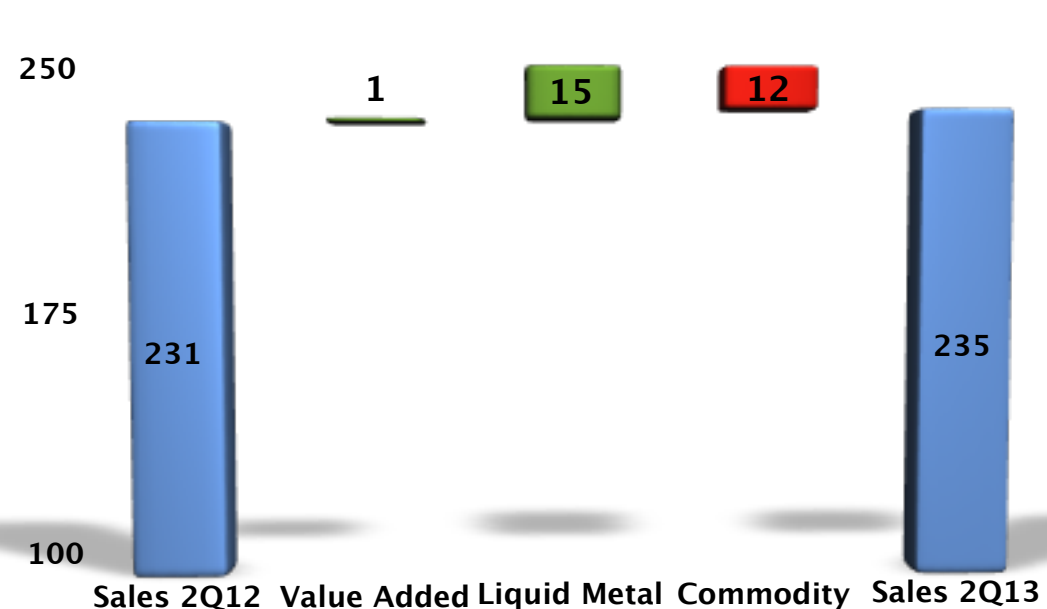


Q2 2013 Results

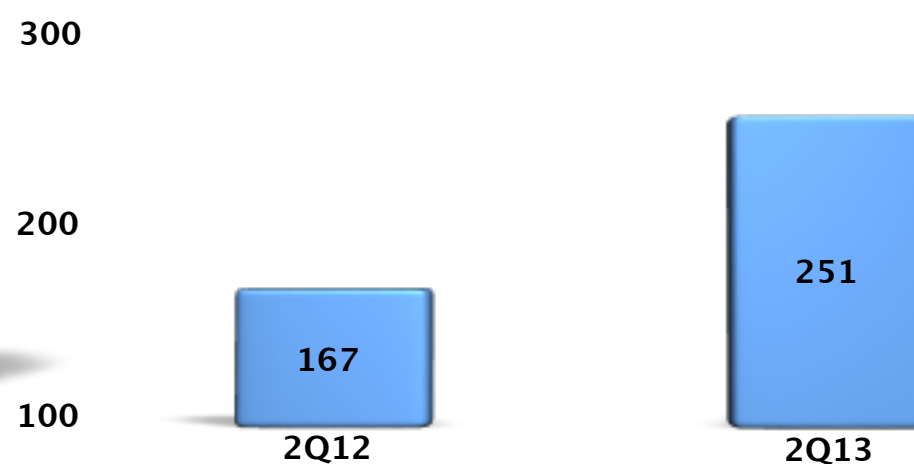
FAVORABLE MANAGEMENT PERFORMANCE DESPITE LOW LME LEVELS

Maintain Optimum Product Mix
Sustain Value-Added Products & Leverage Pricing Power

2Q13 vs. 2Q12 - Sales by Product line Bridge
(000's MT)



Premium Above LME Trend US\$ Per MT

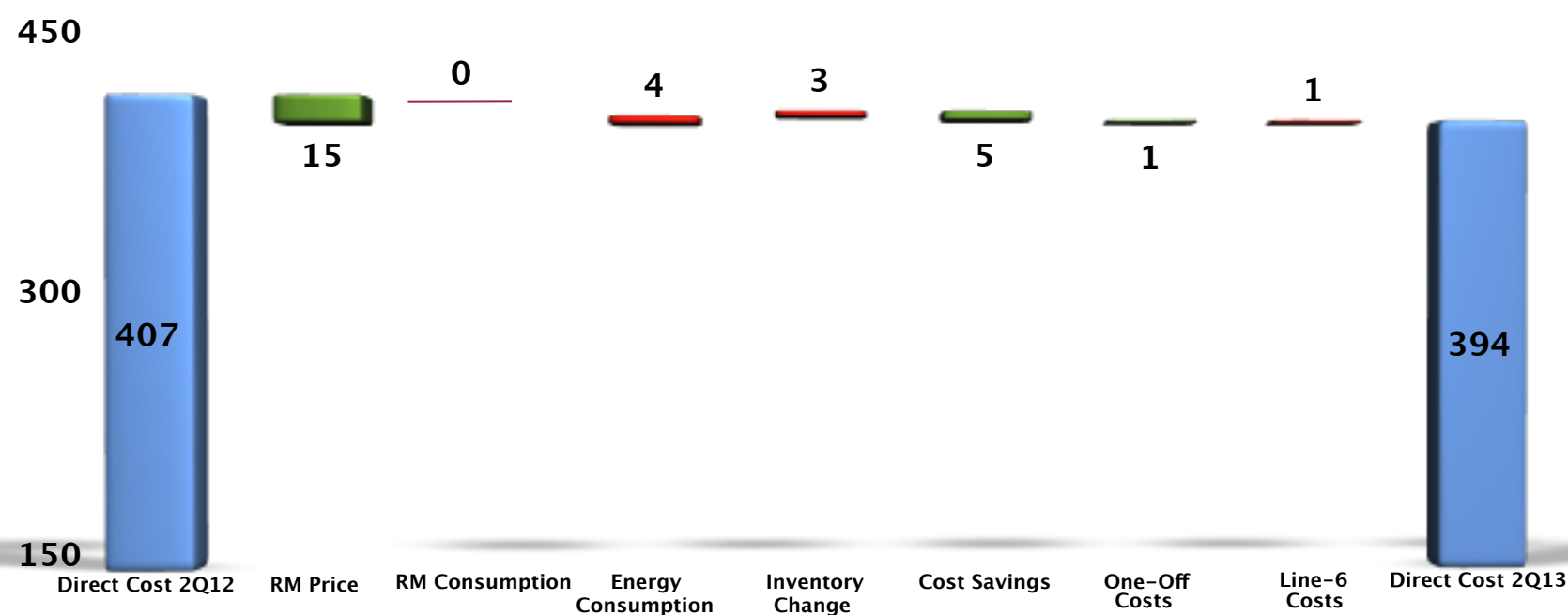


Q2 2013 Results

FAVORABLE MANAGEMENT PERFORMANCE DESPITE LOW LME LEVELS

Cost Analysis 2Q13 vs. 2Q12:
Lower Raw Material Prices on the Back of Lower LME prices

2Q13 vs. 2Q12 – Direct Costs Bridge (US\$M)

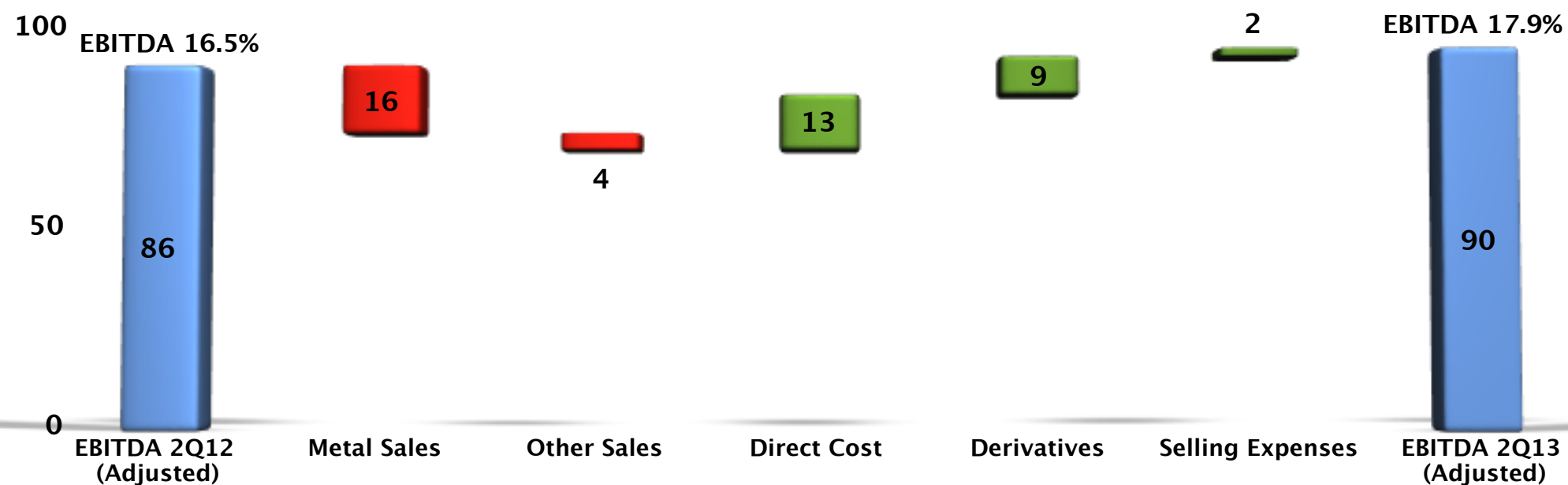


Q2 2013 Results

FAVORABLE MANAGEMENT PERFORMANCE DESPITE LOW LME LEVELS

Adjusted EBITDA Bridge Gap Analysis 2Q13 vs. 2Q12:
Adjusted EBITDA Margin at 17.9%

2Q13 vs. 2Q12 – EBITDA Bridge (US\$M Adjusted)



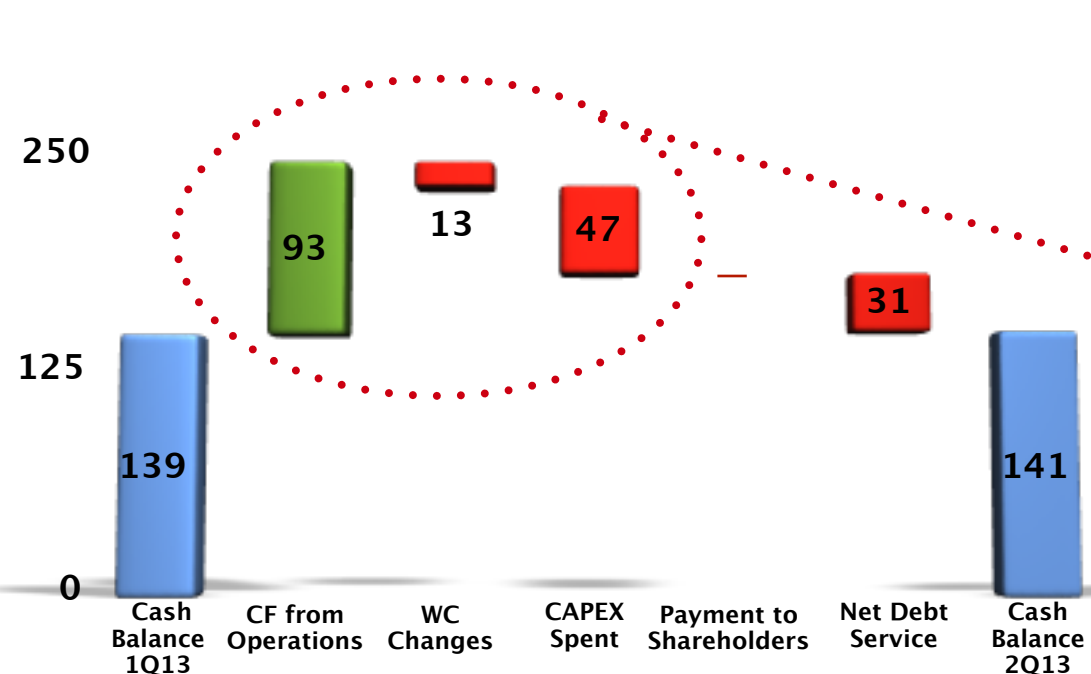
Adjusted EBITDA includes the impact of actual realised Derivatives

Q2 2013 Results

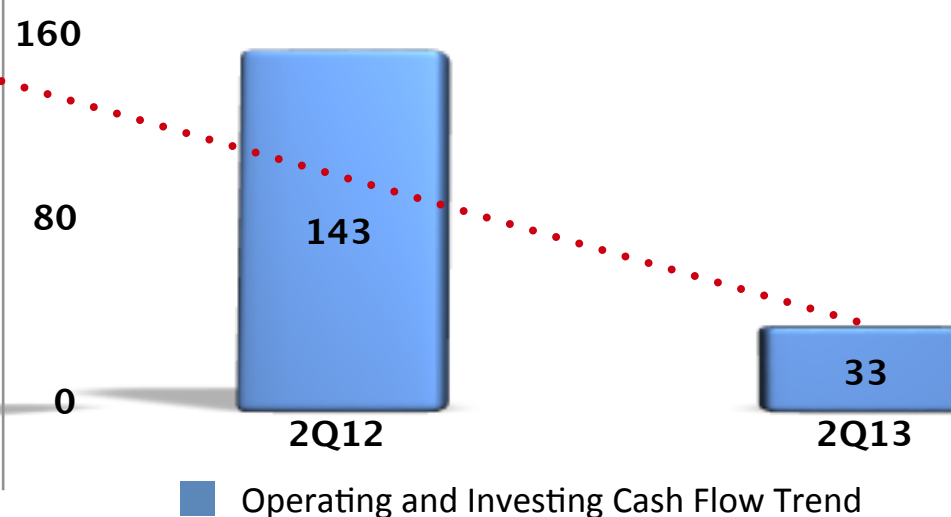
FAVORABLE MANAGEMENT PERFORMANCE DESPITE LOW LME LEVELS

Cash Flow Bridge 2Q13 vs. 1Q13:
Alba Still Generating Cash Despite Low LME Prices

1Q13 to 2Q13 Cash Flow Bridge (US\$M)

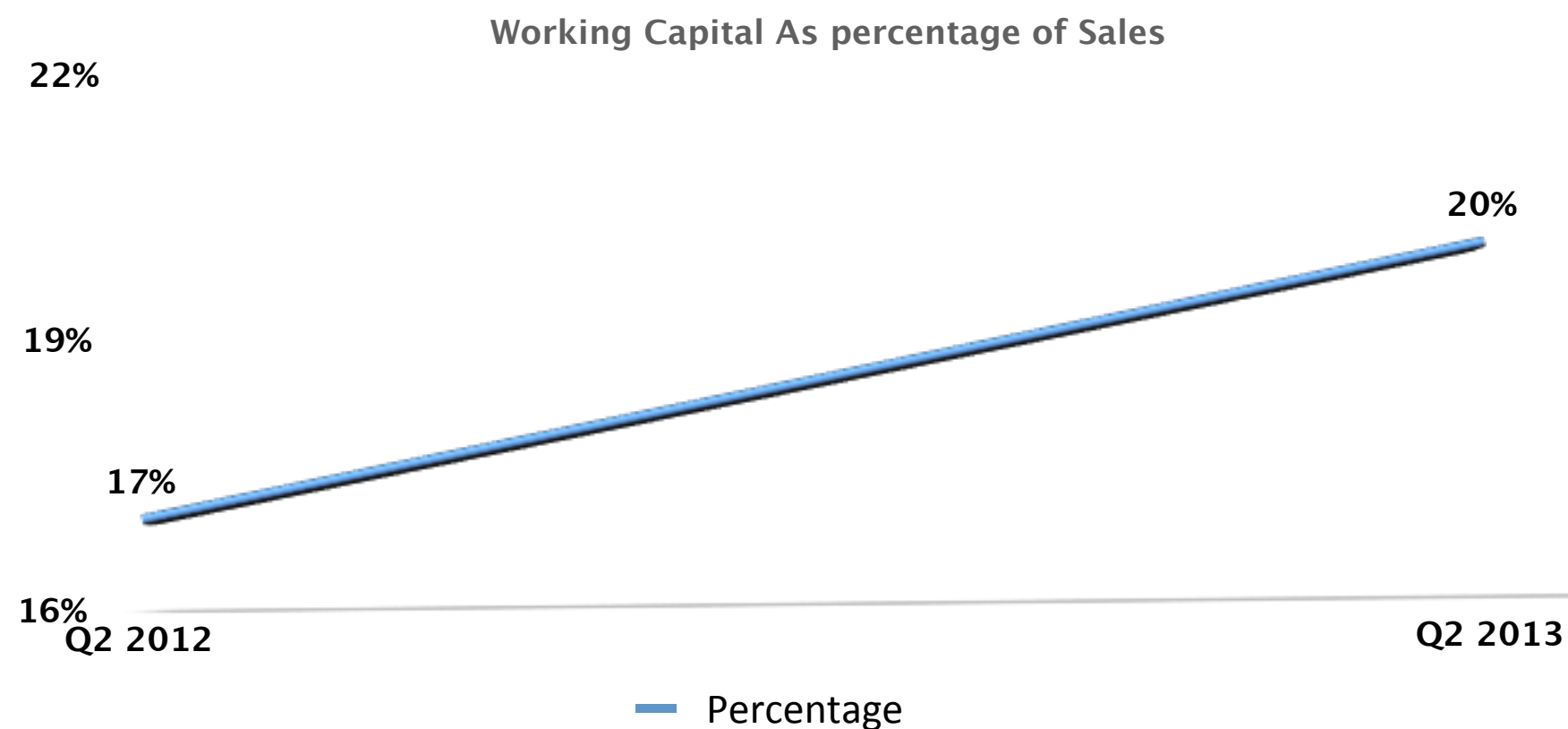


Free Cash Flow (US\$M)



Q2 2013 Results

Working Capital Trend as Percentage of Sales:
Slight Increase on Working Capital Due to Timing



Q2 2013 Results

FAVORABLE MANAGEMENT PERFORMANCE DESPITE LOW LME LEVELS

Solid Management Performance Partially Offset by Lower LME Prices

Financial Summary	Q2 2013	Q2 2012	H1 2013	H1 2012
Average Cash LME (US\$/MT)	1,834	1,977	1,918	2,077
Sales (US\$M)	503	523	1,001	1,019
EBITDA (US\$M)	90	86	216	201
EBITDA%	17.9%	16.4%	21.6%	19.7%
EBITDA (Excl. One-Off Costs) (US\$M)	93	89	215	184
EBITDA% (Excl. One-Off Costs)	18.5%	17.0%	21.5%	18.1%
Net Income/ (Loss) (US\$M)	55	95	163	151
Gain/ (Loss) Unrealised Derivatives (US\$M)	21	65	59	62
Adjusted Net Income/ (Loss) (US\$M)	34	30	104	90
Adjusted Net Income%	6.8%	5.7%	10.4%	8.8%

* Net Income represents comprehensive accounting profit including all derivatives (realized and unrealized)



INDUSTRY PERSPECTIVES IN 2013

Primary Reference for Industry Data is CRU

Industry Perspectives in 2013

Demand to Remain Healthy but with Strong Volatility

Key factors to be observed:

- LME volatility will continue with the uncertainty of Chinese economic activity
- Record physical premiums to be sustained in the short-run on the back of solid physical demand
- MENA infrastructure spending to continue
- North American demand to pick-up
- LME prices to range between \$1,750/t – \$1,850/t for the remainder of 2013

Industry Perspectives in 2013

Raw Materials Price Trends

- Alumina spot index expected to remain stable in 2H13
- Green Petroleum Coke prices to remain stable for the remainder of 2013
- Aluminium Fluoride (ALF3) and Liquid Pitch prices to weaken with the oversupply and weak demand in China for the rest of 2013



2013 ALBA PRIORITIES

2013 Alba Priorities

Sustainable Improvement & Preparation for Future Growth

- **AlbaSafeWay Program – Towards ZERO Accidents**
- **Leverage Cost Improvements through Operational Excellence Program**
- **Continued Focus on Talent Management**
- **Leverage Strong Physical Demand Conditions**
 - Sustained focus on Value-Added Sales
- **Increase Creep Capacity with Minimal Capital Investment**
- **Line 6 Expansion**
 - Bankable Feasibility Study (BFS) under way
 - Finalise long-term gas and power contracts



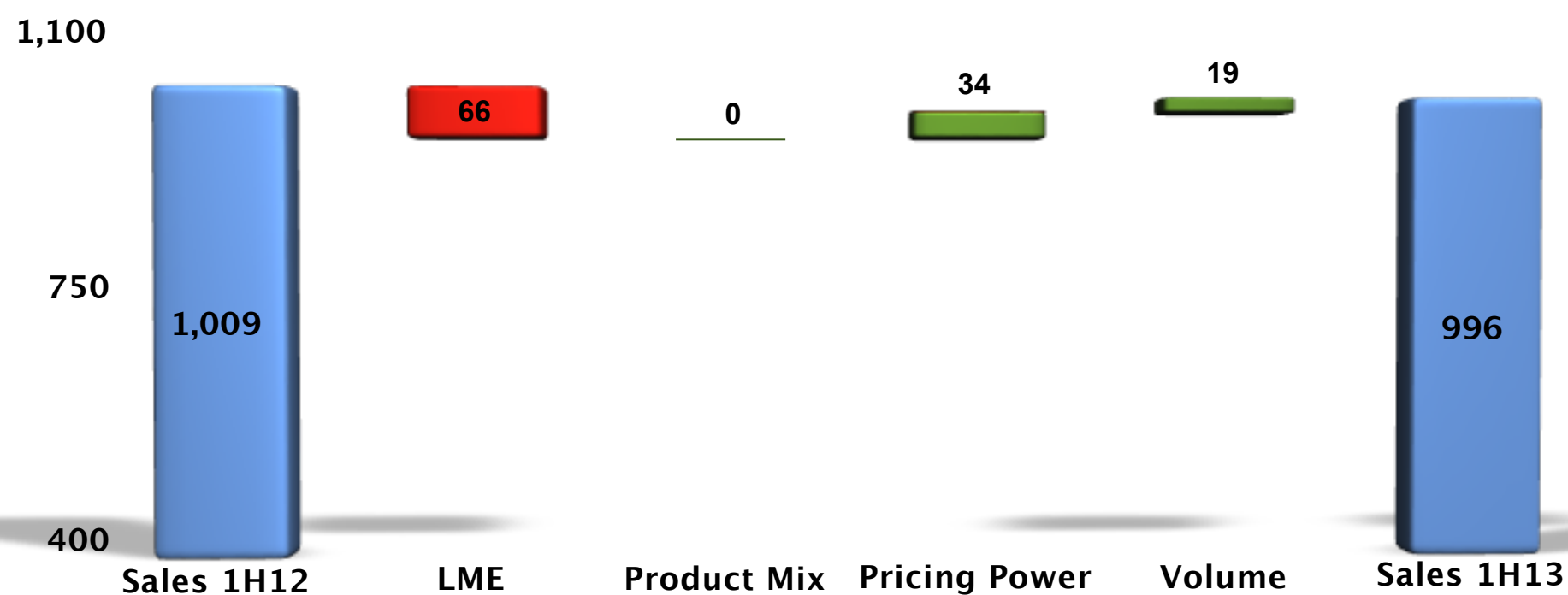
APPENDIX

H1 2013 Results

FAVORABLE MANAGEMENT PERFORMANCE DESPITE LOW LME LEVELS

Sales Analysis 1H13 vs. 1H12
Higher Premium Offset by Lower LME Prices

1H13 vs. 1H12 – Metal Sales Bridge (US\$M)

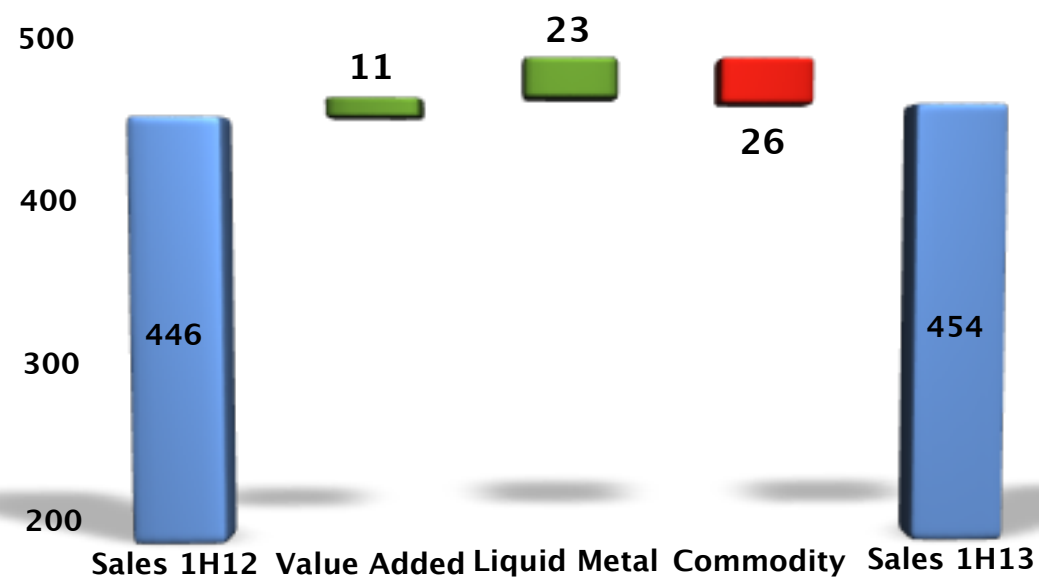


H1 2013 Results

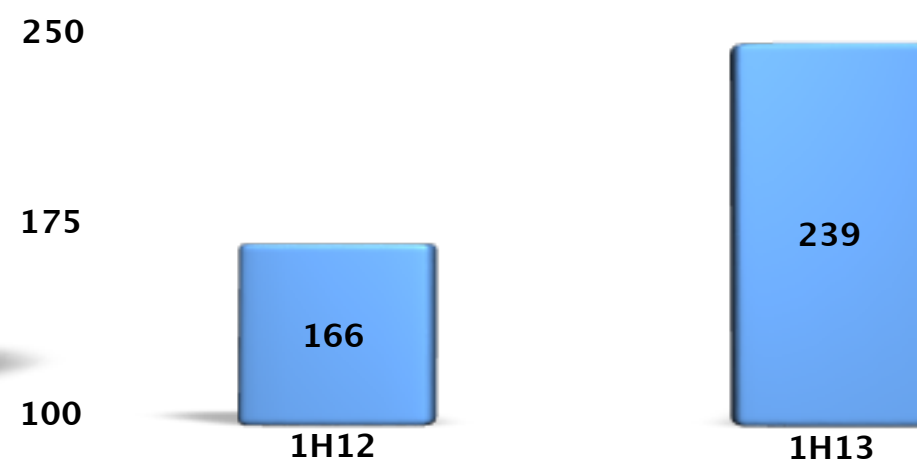
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Maintain Optimum Product Mix
Sustain Value-Added Products & Leverage Pricing Power

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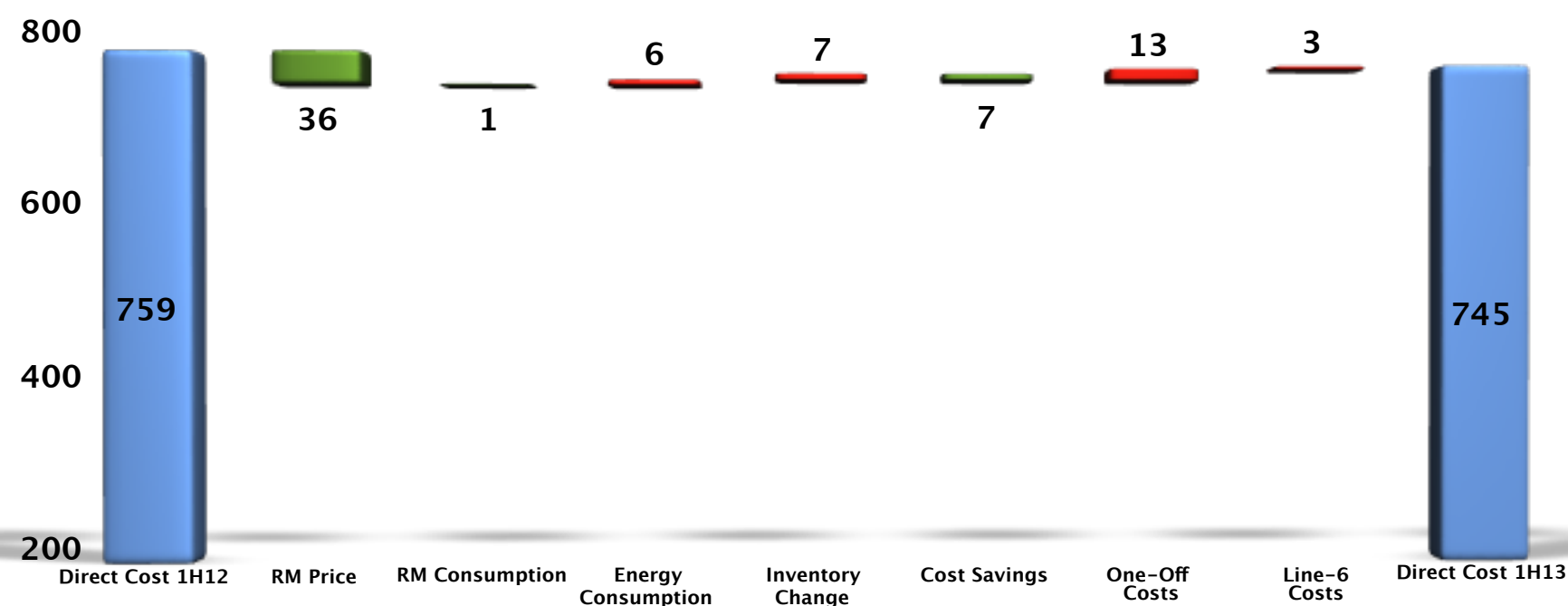


H1 2013 Results

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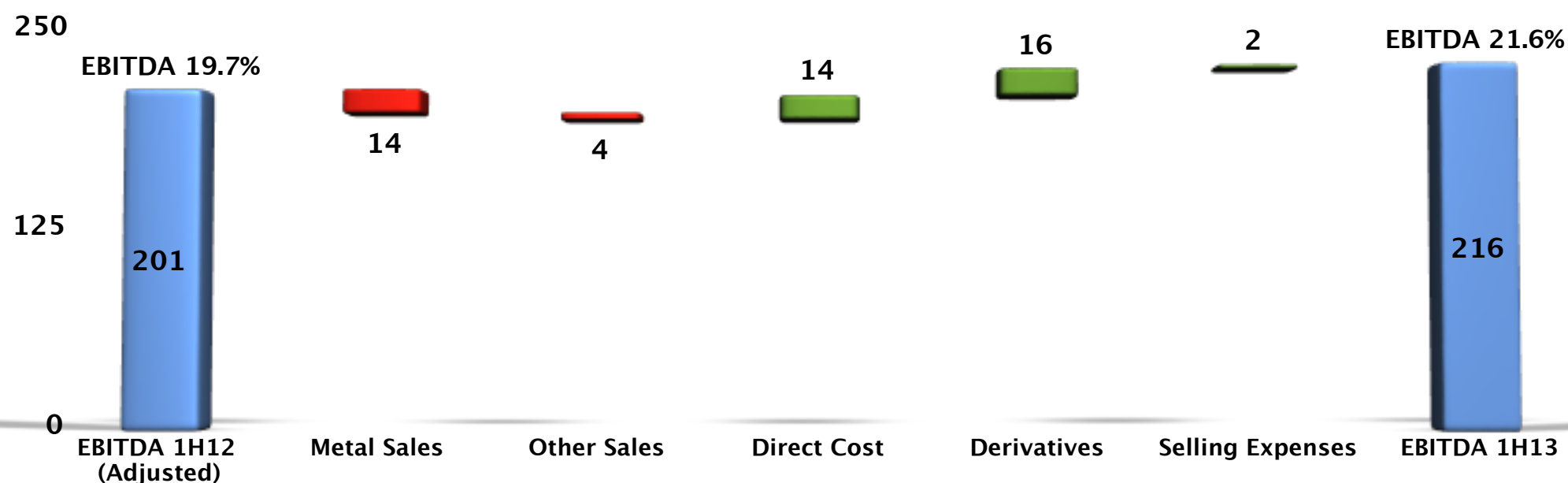


H1 2013 Results

FAVORABLE MANAGEMENT PERFORMANCE DESPITE LOW LME LEVELS

Adjusted EBITDA Bridge Gap Analysis 1H13 vs. 1H12:
Adjusted EBITDA Margin at 21.6%

1H13 vs. 1H12 – EBITDA Bridge (US\$M Adjusted)

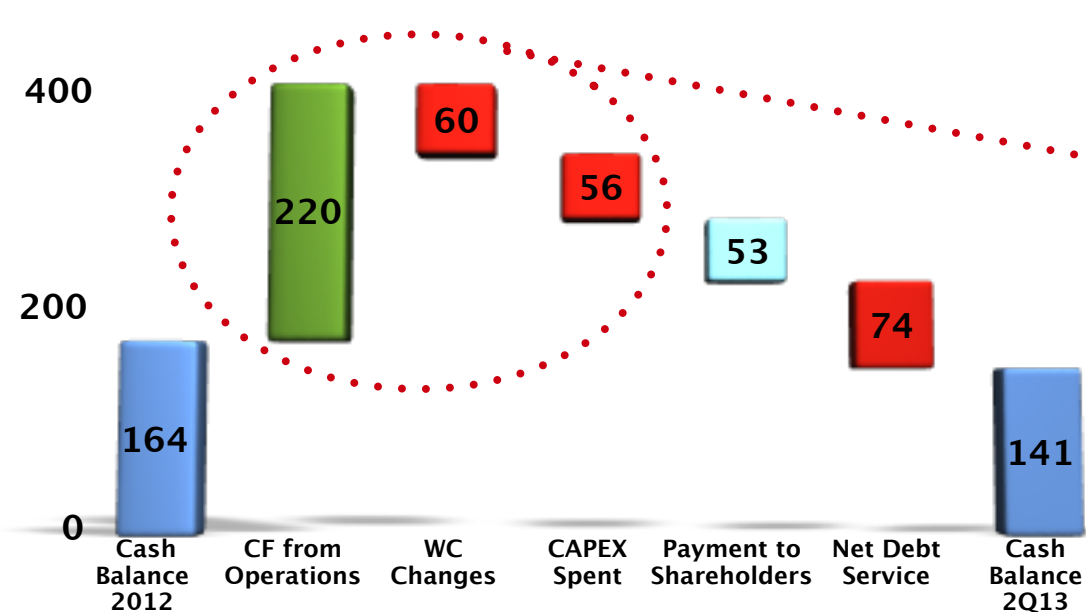


H1 2013 Results

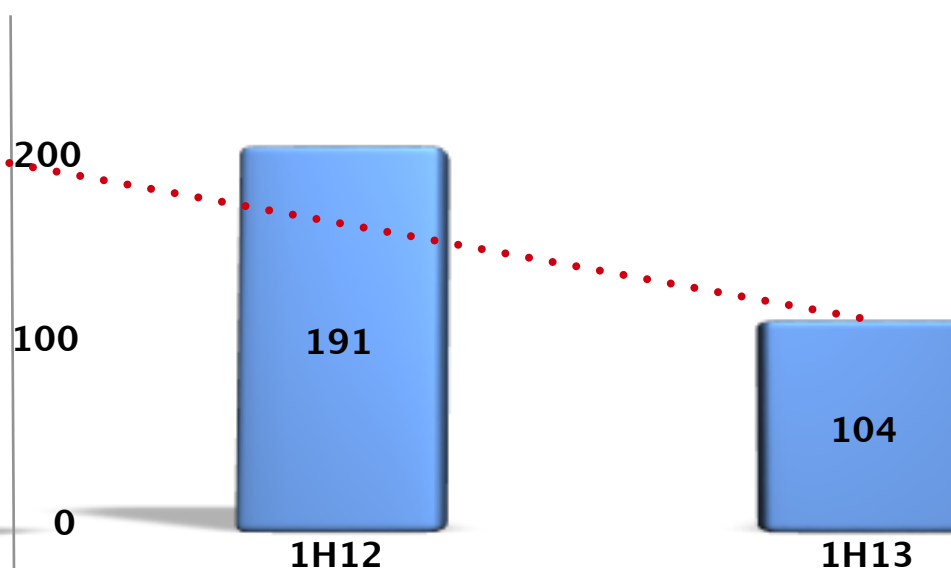
FAVORABLE MANAGEMENT PERFORMANCE DESPITE LOW LME LEVELS

Cash Flow Bridge 2Q13 vs. Year-End 2012:
Alba Still Generating Cash Despite Low LME Levels

Year-End 2012 to 2Q13 Cash Flow Bridge (US\$M)



Free Cash Flow (US\$M)



■ Operating and Investing Cash Flow Trend



FOR MORE INFORMATION, CONTACT US ON:
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