



Alba Reports 2015 Results

Aluminium Bahrain B.S.C (Alba) presents its financial results as per the International Financial Reporting Standards (IFRS) accounting rules. All investors and reporters are asked to read Alba's Full-Year 2015 Audited Financial Statements posted at www.albasmelter.com.

Alba's results for Full-Year 2015 are summarised below:

- Full-Year Dividend of US\$ 41.3 million proposed by the Board (of which US\$ 20.6 million paid as an interim dividend in September 2015)
- Record breaking year with production reaching 960,643 metric tonnes
- 2015 another year of exceptional Safety Performance

2015 Industry Highlights:

- LME cash-average for Full-Year 2015 was US\$1,663 mt down from US\$1,866 mt in 2014.
- Physical premiums collapsed in the 2nd half of 2015 with Major Japanese Port (MJP) ingot premiums dropping from approximately \$400 mt to around \$100 mt.
- Global physical demand remains healthy albeit at a slower pace with world consumption up by 4% year-on-year (YoY). Asian demand rose by 5% YoY driven by a softer consumption in China (+6% YoY). Steady consumption in North America (+3% YoY) denominated by automotive production while MENA demand continues on the same pace with 4% YoY on the back of major investments in infrastructure.
- World production up 6% YoY driven by higher production in China (+31.2 million metric tonnes).
- World market in surplus with China (+1.3 Mt) and in deficit without China (-970Kt).
- LME inventories at 2.8 million metric tonnes (mt) in December.

2015 Alba Highlights:

- Safety continues to be top priority with Alba receiving numerous international awards during 2015.
- Alba's production topped 960,643 metric tonnes (mt), up by 3.1% YoY, when sales rose by 2.2% YoY to reach 951,944 mt.
- Alba completed the 2-year Project Titan cost improvement program by reporting a savings of \$148 mt versus a target savings of \$150 mt.
- Alba managed to close 2015 with its Value-Added (VA) sales averaging 64% of total shipments versus 66% in 2014.
- Alba secures natural gas supply for Alba's Line 6 Expansion Project.
- Alba's North American sales jumped to 9% up from 5% in 2014.



2015 Financial Results:

Alba reported Total Sales of **BD 766.7 million** (US\$ 2.039 billion) in 2015 versus BD 821.6 million (US\$ 2.185 billion) in 2014, down by 7% YoY due to the collapse of all-in-prices. As for the fourth quarter of 2015, Total Sales totalled **BD 176.3 million** (US\$ 468.9 million), down by 21% YoY, versus BD 222.2 million (US\$ 590.9 million) in Q4 2014, owing to the double dip of LME and premium prices.

Net Income stood at **BD 59.9 million** (US\$ 159.5 million) in 2015 compared to BD 96.5 million (US\$ 256.5 million) in 2014 - down by 38% YoY; while the Company reported a Net Loss of **BD 15.8 million** (US\$ 42 million) in the fourth quarter of 2015 versus Net Profit of BD 34.6 million (US\$ 92 million) for the same period in 2014, down by 54% YoY, driven primarily by lower LME prices and the one-time charge related to an Early Retirement Scheme (ERS). The ERS program was designed to optimize overall manpower levels and also provide upward mobility for the younger generation of employees. Net Profit, excluding the one-off costs relating to early retirement pay-out, stood at **BD 78.2 million** (US\$ 208 million) in 2015 and at **BD 1.9 million** (US\$ 5 million) in Q4 2015.

The total dividend proposed for fiscal year 2015 is **BD 15.5 million** (US\$ 41.3 million) versus BD 37.9 million (US\$ 101 million) in 2014. The Board recommended a final 2015 dividend of **BD 7.8 million** (US\$ 20.6 million) in addition to the interim dividend already paid in September 2015 of **BD 7.8 million** (US\$ 20.6 million).

2016 Alba Priorities:

- Continuous focus on safety initiatives & talent management
- Introduction of “Titan Phase 2”
- Focus on Value-Added Sales
- Increase Creep Capacity with Minimal Capital Investment
- Kick-off the early works for Line 6 Expansion Project

Aluminium Bahrain B.S.C. (Alba) released its Full-Year and Fourth Quarter of 2015 Results during a meeting of the company’s Board of Directors on Thursday, February 18, 2016.

Commenting on the Full-Year Results of 2015, The Chairman of Alba’s Board of Directors, Daij Bin Salman Bin Daij Al Khalifa:

“2015 was another great year in terms of Safety and Production with Alba producing more than 960,000 metric tonnes. Alba’s underlying performance was very strong despite difficult market conditions. I would like to personally thank the early retired employees for their many years of dedicated service to the company and wish them the very best in their future endeavours.



As we move ahead in 2016, we remain focused to accelerate 'Line 6 Expansion Project' early works so we remain on schedule to produce the first hot metal by early 2019."

Alba's Chief Executive Officer, Tim Murray added:

"Despite the collapse of all-in-prices, Alba continued to outpace the industry in terms of financial performance. 2016 will be a challenging year but we will build on the success of project Titan and the success of the ERS program which have helped us to optimize our cost structure for the difficult road ahead."

Alba's Management will be holding a conference call on Friday, February 19th, 2016 to discuss Alba's performance for the 2015 Full-Year Results as well as outline the company's priorities for the remainder of 2016.