Alba Reports Full Year 2016 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 2016 Audited Financial Statements posted at www.albasmelter.com.

Alba's Financial Results for Full-Year 2016 are summarised below:

2016 Industry Highlights

- Demand growth for aluminium remains healthy with world consumption at 59.6 million metric tonnes (mt) and up by **5% YoY**. Asian demand rose by **7% YoY** supported by consumption in China **(+5% YoY**). MENA demand continues to be strong **(+6% YoY**), driven by Saudi Arabia infrastructure spending **(+16% YoY**). In addition, Europe turned a corner with consumption improving by **3%YoY** thanks to auto and construction production in Germany while Demand in North America was up by **2% YoY** mainly denominated by the automobile production.
- World production up by **3% YoY** leading the world market to be in deficit with China (-712Kt) and without China (-723Kt).
- LME inventories at **2.2 million mt** in December.
- Physical premiums continue to hover at lower range.

2016 Alba Highlights

- Continuous improvement in Safety performance – Alba won Gold at the International Green Apple Awards.
- Sales volume up by **2.3 % YoY** to reach 974,014 mt while production volume stood at 971,420 mt (+1.1% YoY).
- Project Titan - Phase II cost savings of US$78 mt.
- Alba managed to close 2016 with its Value-Added (VA) sales averaging 56% of total shipments.
- Alba successfully upgrades Casthouse2 to produce Foundry Alloys in T-Ingot shape.

- Ramp-up Reduction Lines 4 & 5 Creep Project.

2016 Full-Year Results

Alba reported Total Sales of **BD 669.8 million** (US$ 1. 781 billion) in 2016 versus BD 766.7 million (US$ 2.039 billion) in 2015, down by 13% YoY due to the double dip of LME and premium prices. As for the fourth quarter of 2016, Total Sales totalled **BD 181.6 million** (US$ 483 million) down by about 2% YoY versus BD 176.3 million (US$ 469 million) in Q4 2015.

Net Income stood at **BD 48.4 million** (US$ 128.7 million) in 2016 compared to BD 59.9 million (US$ 159.5 million) in 2015 - down by 19% YoY; while the Company reported a Net Profit of **BD 13.7 million** (US$ 36.5 million) in the fourth quarter of 2016 versus Net Loss of BD 15.7 million (US$ 41.8 million) for the same period in 2015, up by 187% YoY.

2017 Alba Priorities

- Continuous focus on Safety Initiatives and Talent Management.
- Deliver on Project Titan - Phase II and reduce Alba's cash-cost by US$ 100 mt by end of 2017.
- Leverage strong physical demand conditions and focus on Value-Added Sales.
- Increase Creep Capacity with Minimal Capital Investment.
- Line 6 on Schedule:

  - Finalize ECA Financing Tranche by Q1 2017.

Aluminium Bahrain B.S.C. (Alba) released its Full-Year and Fourth Quarter of 2016 Results during a meeting of the Company's Board of Directors on Thursday, February 09, 2017.

Commenting on the Full-Year Results of 2016, Chairman of Alba's Board of Directors, Shaikh Daij Bin Salman Bin Daij Al Khalifa, said:

"Alba was able to achieve a breakthrough record in its production and sales volumes amidst tough LME market conditions and was able to deliver on its targets.

Looking ahead, our focus will remain on Safety and delivering on the Line 6 Expansion Project."

Alba’s Chief Executive Officer, Tim Murray added:

“2016 proved to be a year of challenges and opportunities for the aluminium industry wherein Alba managed to outperform the industry and had a very strong finish in the 4th quarter of 2016.

In 2017, we will be launching our Safety Tomorrowland initiative to further improve the health and safety of our employees. In addition, the preparations for the Line 6 transformation will begin which will make Alba the largest single-site smelter in the world in 2019.”

Alba's Management will be holding a conference call on Monday, February 13th, 2017 to discuss Alba's performance for the 2016 Full-Year Results as well as outline the Company's priorities for the remainder of 2017.