



Alba Q3 Results surge ahead of expectations

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 Q3 2014 Unaudited Financial Statements posted at www.albasmelter.com.

Alba's results for the Third Quarter of 2014 are summarised below:

- Higher Net income driven by strong operational performance and higher LME prices
- Alba wins the 2014 RoSPA Gold Award for Safety
- Strong Marketing performance

Q3 2014 Industry Highlights:

- World consumption up by 8% year-on-year (YoY) while world production up by 6% YoY. Asian demand up by 11% YoY propelled mainly by a robust growth in China (+14% YoY) on the back of government stimulus and infrastructure investment. Consumption in North America remains strong (over 4.5% YoY) as Ford gears to switch production of F-150 truck with aluminium. MENA demand is relatively healthy supported by large infrastructure spending while Europe consumption remains stable.
- LME inventories at 4.6 million metric tonnes in September
- World market is short-supplied (-129 Kt with China & -204 Kt without)
- Physical premiums continue to rise across the world
- The LME cash average was at US\$ 1,989 metric tonnes (mt) with LME ranging between \$1,838 mt on July 1 and \$2,114 mt on August 29

Q3 2014 Alba Highlights:

- Alba wins the 2014 RoSPA Gold Award for Safety
- Alba was able to increase its sales (metric tonnes) by 2.3% YoY while production was up by 1.5% YoY on the back of sustained operational performance
- Sales of Value-Added products represented 67% in Q3 2014 of total shipments versus 65% in Q3 2013
- Physical Premiums on upward trend (+32% YoY) thanks to a solid physical demand

Q3 & 9 Months 2014 Financial Results:

Alba's Total Sales for the third quarter of 2014 were US\$ 593 million (BD 223.2 million) compared to US\$ 488 million (BD 183.3 million) for the same period in 2013.

Total Sales for the nine months of 2014 totalled US\$ 1.6 billion (BD 599.6 million) versus US\$ 1.5 billion (BD 565.9 million) in Q3 2013 on the back of higher LME prices and physical premiums.



Net Income for the third quarter of 2014 jumped to US\$ 78 million (BD 29.5 million) compared to only US\$ 13 million (BD 4.9 million) for the same period of 2013. The large increase in third quarter was due to strong operational performance on the back of higher metal prices.

The company posted a Net Income of US\$ 165 million (BD 61.9 million) for the nine months of 2014, versus US\$ 176 million (BD 66 million) due to lower unrealised derivative gains in 2014.

The Board recommended an Interim Cash Dividend of 12 Fils per share, which is US\$ 45 million (BD 16.9 million) – paid on September 1, 2014.

Q3 2014 Alba Priorities:

- Continuous focus on Safety and Talent Management
- Deliver on Project Titan
- Sustainable value-added products and leverage physical premiums
- Increase creep-up capacity with minimal capital investment
- Finalise gas contract and obtain necessary approvals as we gear for Line 6 expansion project

Aluminium Bahrain B.S.C. (Alba) announced the release of its third quarter of 2014 results on Tuesday, November 11, 2014.

Commenting on Q3 results, Alba's Chief Executive, Tim Murray said:

"Alba's sound financial performance in the third quarter of 2014 was driven by strong operational performance and gains from the Marketing organisation."

The Chairman of Alba's Board of Directors, Sh. Daij Bin Salman Bin Daij Al Khalifa added:

"Once again, Alba was able to deliver exceptional results. As we head into the end of the year, the company is targeting to exceed the record production achieved in 2013."

Alba's Executive Management will be holding a conference call on Thursday November 13, 2014 to discuss Alba's performance for the third quarter of 2014 as well as outline the company's priorities for the remainder of this year.