



Alba Reports its Q3 2016 Financial 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 Q3 2016 Unaudited Financial Statements posted at www.albasmelter.com.

Alba's results for the Third Quarter of 2016 are summarised below:

Q3 2016 Industry Highlights

- World consumption up by **5% YoY** while production up by **3% YoY**, Asian demand rose by **6% YoY** mainly supported by Chinese Consumption (7% YoY). MENA consumption remains strong (**6.5% YoY**) driven by major infrastructure spending in Saudi Arabia alone (20% YoY). Europe demand up by **2% YoY** with consumption in North America almost flat (**1.5% YoY**)
- LME inventories at 2.1 million metric tonnes in September 2016
- Physical premiums prices continue to float at lower range
- 3Q16 cash-average was US\$1,620/t with LME ranging between US\$1,546/t on September 12 and US\$1,691/t on August 18

Q3 2016 Alba Highlights

- Launch of Safety Campaign 'Safety at the Heart of Alba'
- Alba was able to increase its sales volume by **3.1% YoY** while production was up by **2.4% YoY**
- Value-Added Sales averaged 58% of total shipments in Q3
- Project Titan Phase II on track with Year To Date (YTD) savings of US\$56 per mt
- Line 6 update:
 - Successful closing of US\$1.5 billion syndicated term-loan facility
 - Award PS5 EPC contract to GE and GAMA Consortium
 - Award L6 Power Distribution System (PDS) to Siemens



Q3 & 9 Months 2016 Financial Results

Alba's total sales for the third quarter of 2016 were **BD 174.3 million (US\$ 463.5 million)** versus BD 184.4 million (US\$ 490.4 million) for the same period in 2015, a drop of 5% YoY due to a plunge in premium prices. For the nine months of 2016, total sales stood at **BD 496.5 million (US\$ 1.32 billion)**, down by 16% YoY versus BD 590.3 million (US\$ 1.57 billion) for the same period in 2015 on the back of dual drop in LME and premium prices.

Net Income for the third quarter of 2016 increased by 65% YoY to **BD 14.3 million (US\$ 38.1 million)** versus BD 8.7 million (US\$ 23 million) in Q3 2015. The company posted a Net Income of **BD 34.8 million (US\$ 92.6 million)** for the nine months of 2016 versus BD 75.7 million (US\$ 201 million), down by 54% due to lower LME and premium prices.

2016 Alba Priorities

- Continuous Focus on Safety Initiatives & Talent Management
- Deliver on Project Titan - Phase II
- Increase Value-Added Sales
- Line 6 on Schedule
 - Finalize Line 6 ECA financing by Q1 2017

Aluminium Bahrain B.S.C. (Alba) announced the release of its third quarter of 2016 results on Sunday November 13, 2016.

Commenting on Q3 results, the Chairman of Alba's Board of Directors, Shaikh Daij Bin Salman Bin Daij Al Khalifa said:

"I would like to thank all our employees and contractors on completing a safe summer. Alba continues to raise the bar in a challenging environment and was able to maintain its performance on many fronts. And as we move ahead, we look forward to secure the ECA financing tranche for Line 6."

Alba's Chief Executive Officer, Tim Murray added:



“Alba was able to raise Net Income on the back of a solid operational performance despite a relatively weak physical premium environment.

Alba, also, had a successful and safe summer and I would like to thank our workforce for all their efforts.”

Alba's Management will be holding a conference call on Monday November 14, 2016 to discuss Alba's performance for the third quarter 2016 Financial Results as well as outline the company's priorities for the remainder of this year.