




alba



Aluminium
for the world

Q3 2011 IR PRESENTATION



albasmelter.com

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INDUSTRY HIGHLIGHTS

INDUSTRY HIGHLIGHTS

Q3 2011

Aluminium demand still very healthy

- YTD world consumption grew by 10% vs. 2010 and no real slowdown was seen in Q3 (3Q11 vs. 3Q10 +9.7%)
- Aluminium – more resistant than other base metals to recent turmoil (Copper dropped 22% in September vs. 8% for Aluminium)
- Concerns in Europe triggered more cautious inventory management among customers
- MENA – demand is still healthy and well supported by major investments in infrastructure
- Asia will benefit from Japan reconstruction plan

INDUSTRY HIGHLIGHTS

Q3 2011

Production Evolution

- YTD China output at record level (14 million metric tonnes, +8% YoY) but less than consumption (+13% YoY) and the threat of power shortage remains real
- World market balanced at the end of Q3 (-26 Kt with China & -5 Kt without)

LME & Premiums

- LME inventories stable at 4.5 million metric tonnes in September
- LME suffered from the sovereign debt crisis as well as currency instability. Cash-average was \$2,400/t in Q3 with LME ranging between \$2,170 in September 23 and \$2,623 in July 26
- Ingot premiums softened in Europe (\$201/t for DDP Rotterdam vs. \$212/t in Q2), still strong in USA and slightly up in Major Japanese Ports (CIF spot at \$121/t vs. \$117/t in Q2 and \$119/t in 3Q10)



ALBA HIGHLIGHTS







Alba Highlights

Q3 2011 - Operational Highlights/Achievements

Gas Price

-  Announcement of 50% increase in the gas price effective Jan. 1st 2012 impacting annual EBITDA by \$85 million

STAR Operational Improvement Program

-  Additional recurrent savings of \$59 million recorded YTD ahead of target by \$6.5 million
-  Alba was able to increase production by 5% and sales by 8.3% in the third quarter of 2011
-  Q3 Sales of Value-Added products reached 67% of total shipments vs. 62% for the same period in 2010 thanks to improvement of the productivity in our pot lines
-  Six Sigma Program kick-off supported by Rath & Strong Consultancy as well as an internal core team of 4 Black Belts and one Master Black Belt


Alba Highlights

Q3 2011 - Operational Highlights/Achievements

AlbaSafeWay Program

-  Safety Excellence Program launched in Sept. with the support of DuPont Sustainable Solutions over a span of 2 years

Future Growth

-  Ongoing feasibility studies in-progress to determine optimum energy & technology solutions for Line 4, 5 Creep and Line 6 expansion projects

Alba Highlights

Q3 & YTD 2011 - Financial Key Performance Indicators

- **Adjusted EBITDA up by LME & continuous improvement**
 - Q3: US\$159 million up by 45% YoY
 - YTD: US\$509 million up by 29% YoY
- **Net Income benefited from unrealized derivative gains in addition to strong overall performance**
 - Q3: US\$214 million up by 520% YoY
 - YTD: US\$488 million up by 91% YoY
- **Adjusted Net Income driven by healthy overall performance**
 - Q3: US\$97 million up by 76% YoY
 - YTD: US\$337 million up by 42% YoY
- **Healthy Free-Cash Flow thanks to strong EBITDA and efficient Working Capital Management**
 - Q3: US\$155 million up by 22% YoY
 - YTD: US\$455 million up by 18% YoY



Q3 2011 RESULTS

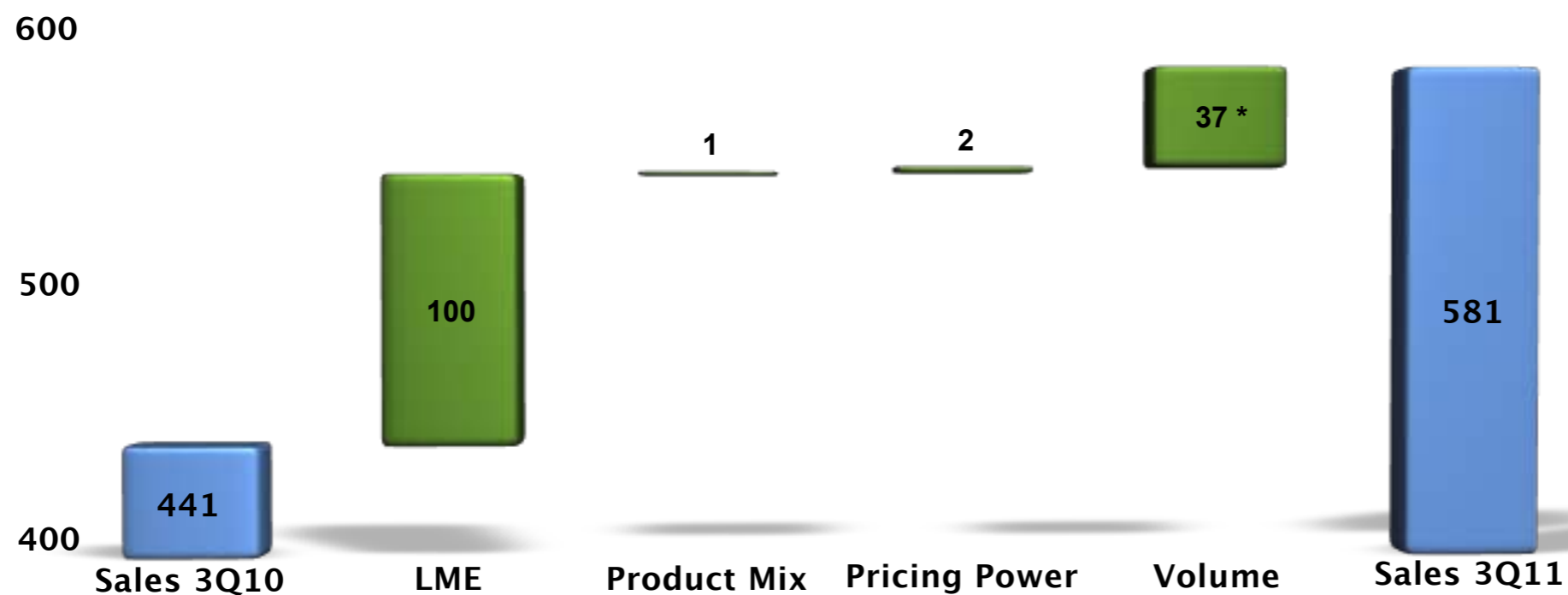


Q3 2011 Results

MARKET CONSOLIDATION & CONTINUOUS IMPROVEMENT

Sales Analysis 3Q11 vs. 3Q10 (000's MT)
Solid increase in LME and higher overall Sales Volume

3Q11 vs. 3Q10 - Metal Sales Bridge (US\$M)



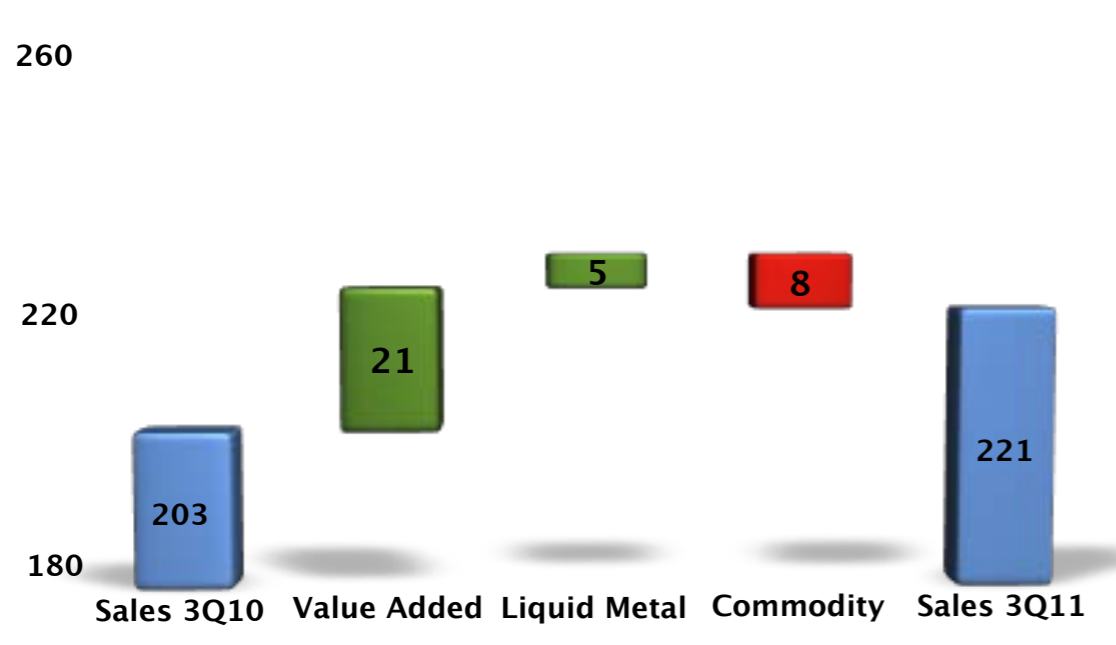
* Higher throughput & sales resulted in a \$13 million direct benefit to the bottom line

Q3 2011 Results

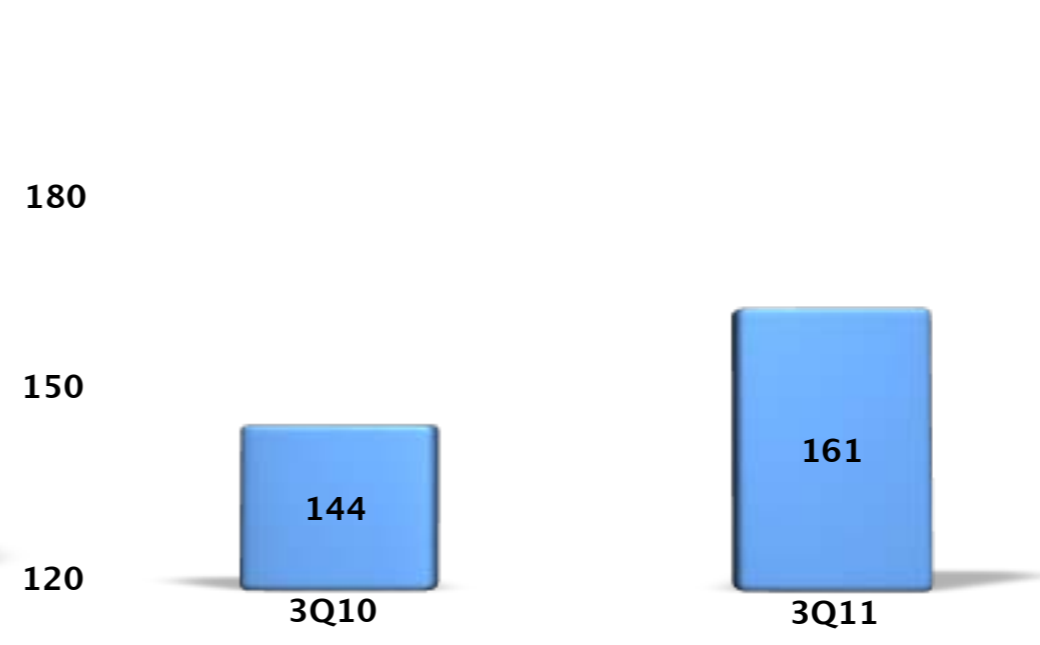
MARKET CONSOLIDATION & CONTINUOUS IMPROVEMENT

**Continuous Shift to Optimum Product Mix
Maximize Value Added Sales and Leverage Pricing Power**

3Q11 vs. 3Q10 – Sales by Product line Bridge
(000's MT)



Premium Above LME Trend USD (Per MT)

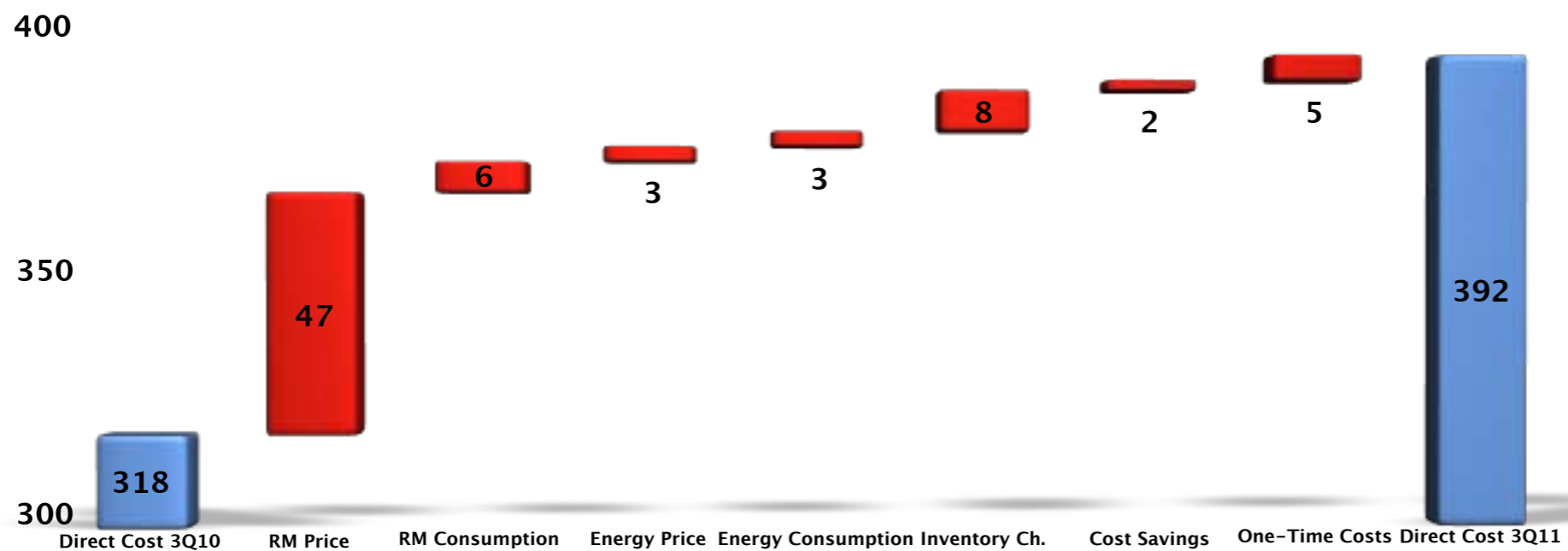


Q3 2011 Results

MARKET CONSOLIDATION & CONTINUOUS IMPROVEMENT

Cost Analysis 3Q11 vs. 3Q10:
Exceptional One-Time Costs due to Recent Events

3Q11 vs. 3Q10 - Direct Costs Bridge (US\$M)

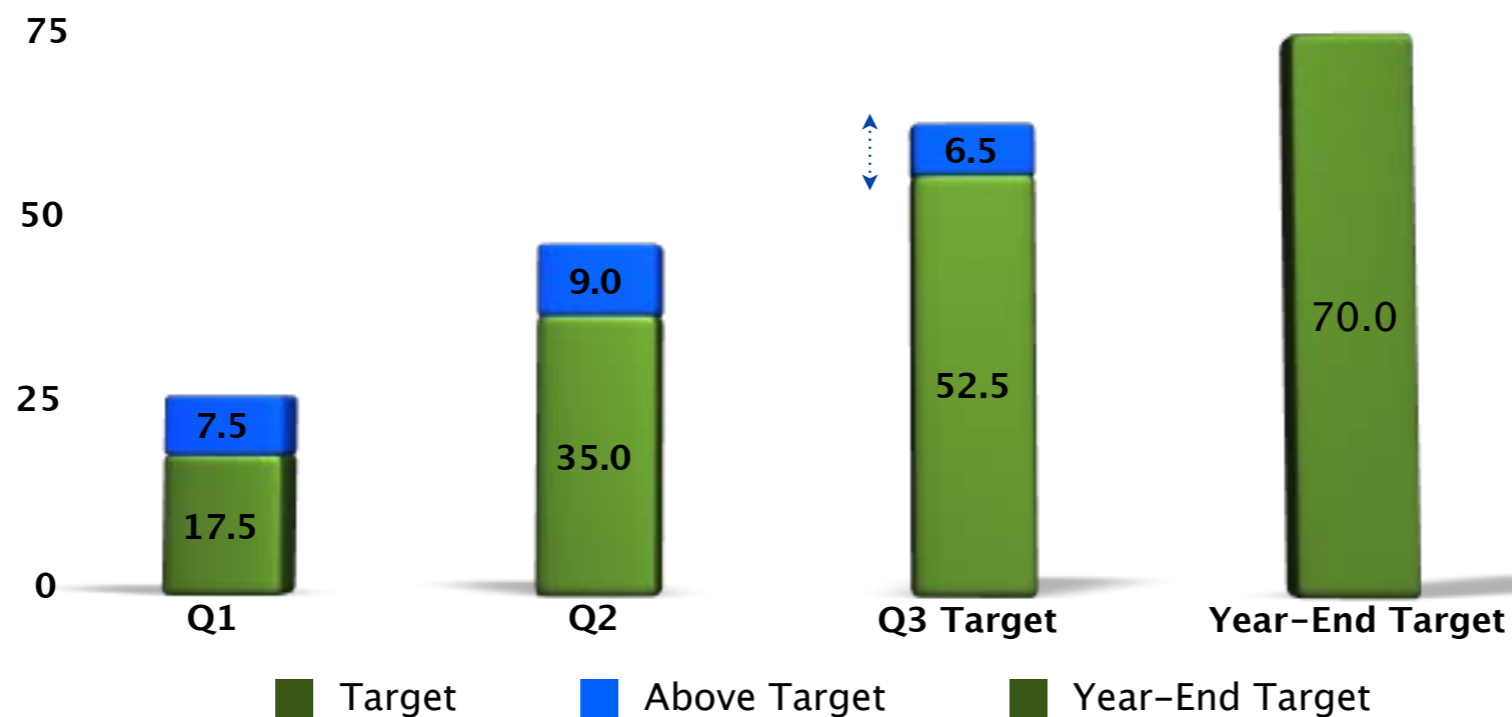


Q3 2011 Results

MARKET CONSOLIDATION & CONTINUOUS IMPROVEMENT

STAR Saving – 3Q vs. Target 2011:

YTD vs. Target 2011 – STAR Cumulative Savings (US\$M)



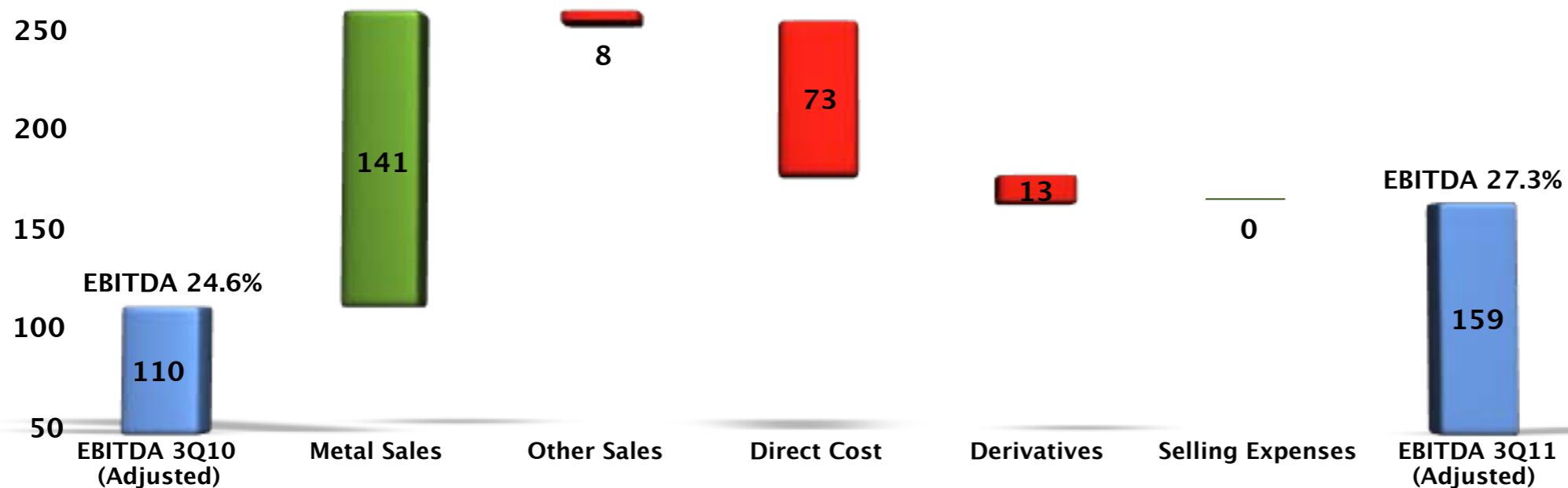
\$15 million – additional savings generated in Q3 (product mix & pricing power of **\$4 million**, sales volume & additional metal produced **\$13 million** partially offset by additional cost of **\$2 million**)

Q3 2011 Results

MARKET CONSOLIDATION & CONTINUOUS IMPROVEMENT

Adjusted EBITDA Bridge Gap Analysis 3Q11 vs. 3Q10:
Adjusted EBITDA Margin at a 27.3% rate

3Q11 vs. 2Q10 - EBITDA Bridge (US\$M Adjusted)



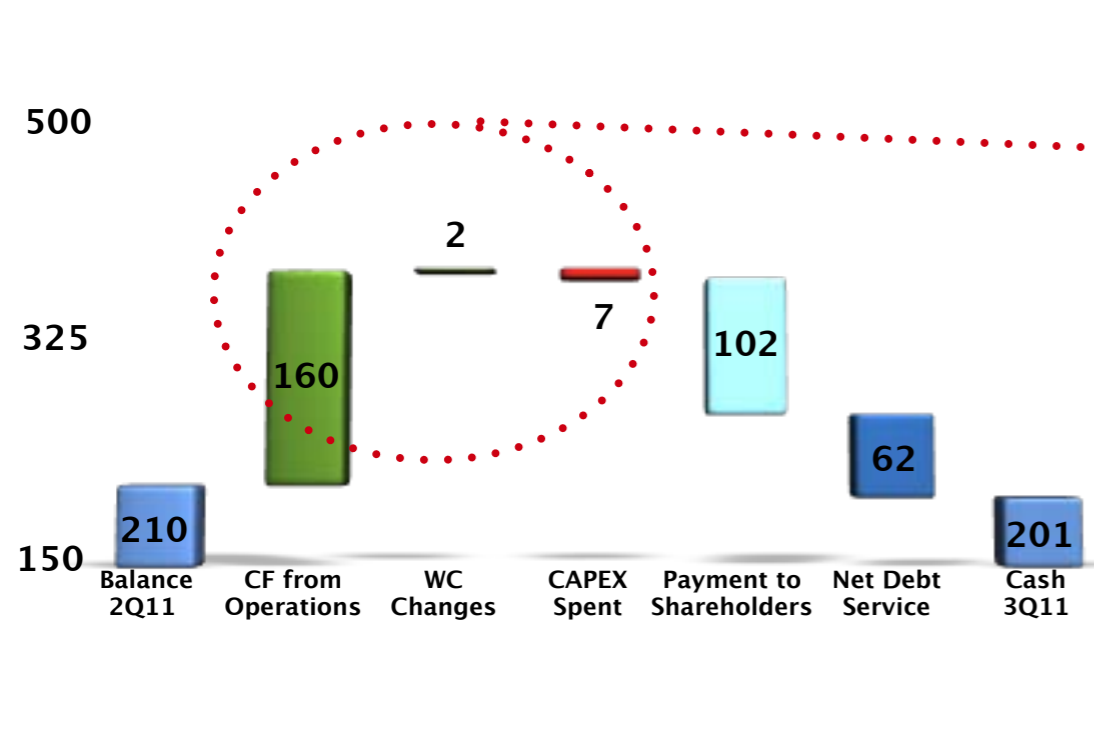
Adjusted EBITDA includes the impact of actual realised Derivatives

Q3 2011 Results

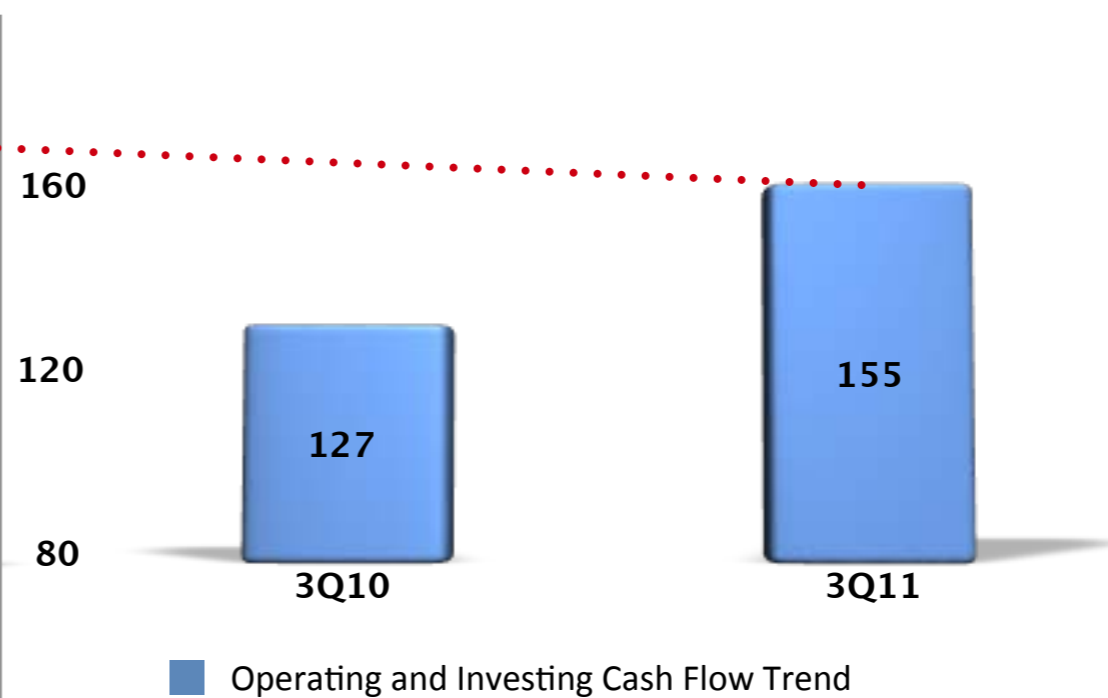
MARKET CONSOLIDATION & CONTINUOUS IMPROVEMENT

Cash Flow Bridge 3Q11 vs. 3Q10:
Achieving a healthy Cash Flow trend

2Q11 to 3Q11 Cash Flow Bridge (USD M)



Free Cash Flow (USD M)



Q3 2011 Results

MARKET CONSOLIDATION & CONTINUOUS IMPROVEMENT

3Q11 vs. 3Q10
Sound Performance with an upward trend in Sales

Financial Summary	Q3 2011	Q3 2010	YTD 2011	YTD 2010
Sales	582	447	1,805	1,438
Adjusted EBITDA	159	110	509	395
Adjusted EBITDA %	27.3%	24.6%	28.2%	27.5%
Net Income/(Loss)	214	(51)	488	256
Gain/(Loss) Unrealized Derivatives	117	(106)	150	19
Adjusted Net Income/ (Loss)*	97	55	337	237
Adjusted Net Income %	16.7%	12.3%	18.7%	16.5%
Average Cash LME (USD/MT)	2,400	2,090	2,501	2,116

* Excludes unrealized gain/(loss) on derivatives



INDUSTRY PERSPECTIVES IN 2011



Industry Perspectives in 2011

Demand to remain healthy but buying patterns might change

Key factors to be observed:

- No collapse of premiums expected unless there is further deterioration of financial markets triggering inventory sell-off to release cash
- Chinese supply growth to remain restrained by tightness in the power market
- Japanese recovery post the earthquake to start in Q4
- US outlook in Q4 remains risky as it continues to suffer from high debt
- Europe demand clearly slowing-down while waiting for a clear solution to the sovereign debt crisis
- LME will continue to be volatile with a strong support at \$2,200/t and creep-up towards \$2,300/t in Q4 sustained by an increase in energy costs
- Most customers reluctant to book 2012 volumes due to uncertainty



2011 ALBA PRIORITIES



2011 Alba Priorities

Continuous Improvement & Preparation for Future Growth

AlbaSafeWay Program

- Implementation underway supported by DuPont Sustainable Solutions

2011 STAR Program:

- Deliver on our action plans to achieve additional savings of \$70 million in 2011
- Six Sigma Program implementation – Launch of the 1st wave of projects along with the training of 24 Green Belts
- Maintain high levels of Value-Added sales in Q4

Future Growth

- Complete feasibility studies to determine optimum energy and technology solutions for Line 4, 5 Creep and Line 6 Expansion plans by year-end 2011

Gas Price

- Gain more visibility on gas price mechanism beyond 2012



APPENDIX

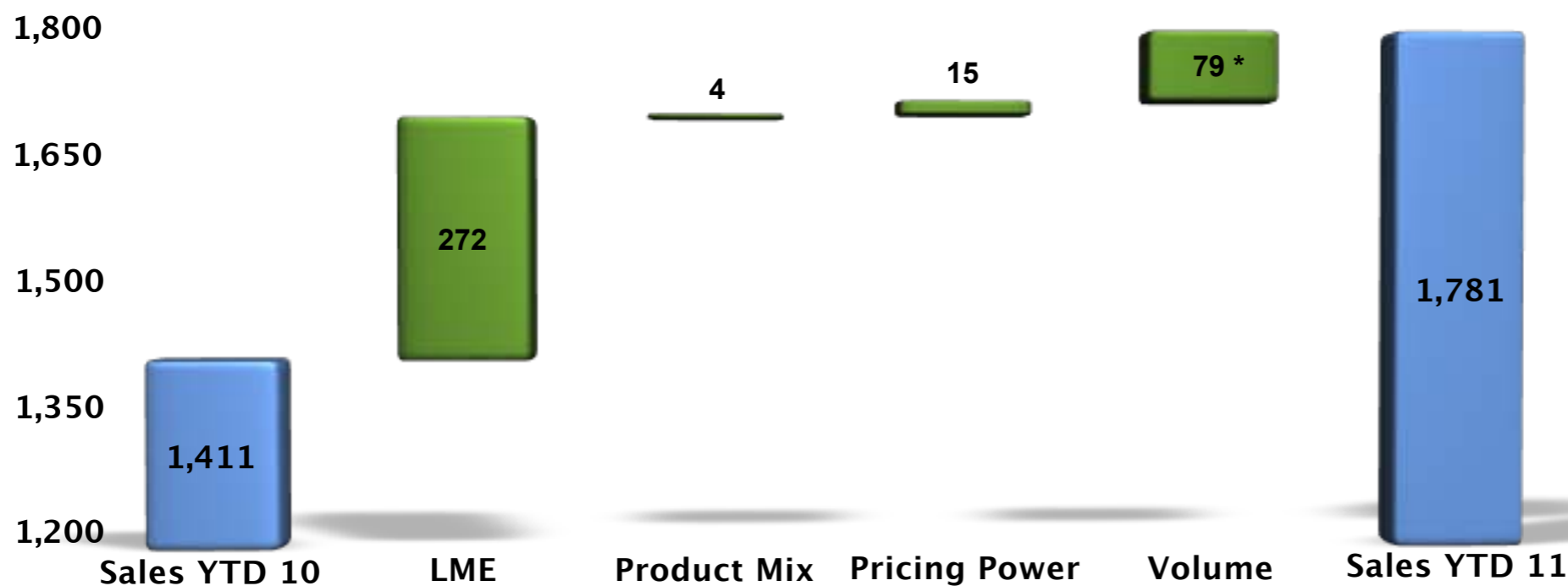


YTD 2011 Results

MARKET CONSOLIDATION & CONTINUOUS IMPROVEMENT

Sales Analysis YTD11 vs. YTD10 (000's MT)
Solid increase in LME and higher overall Sales Volume

YTD11 vs. YTD10 - Metal Sales Bridge (US\$M)



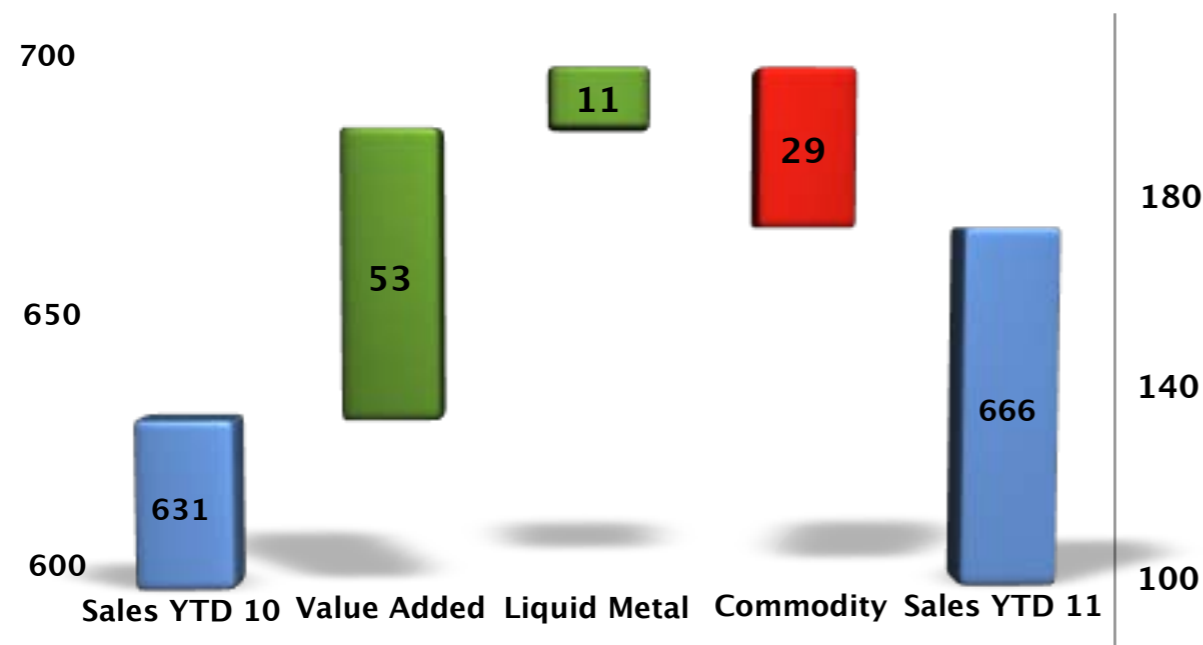
* Higher throughput and sales resulted in a \$33 million direct benefit to the bottom line

YTD 2011 Results

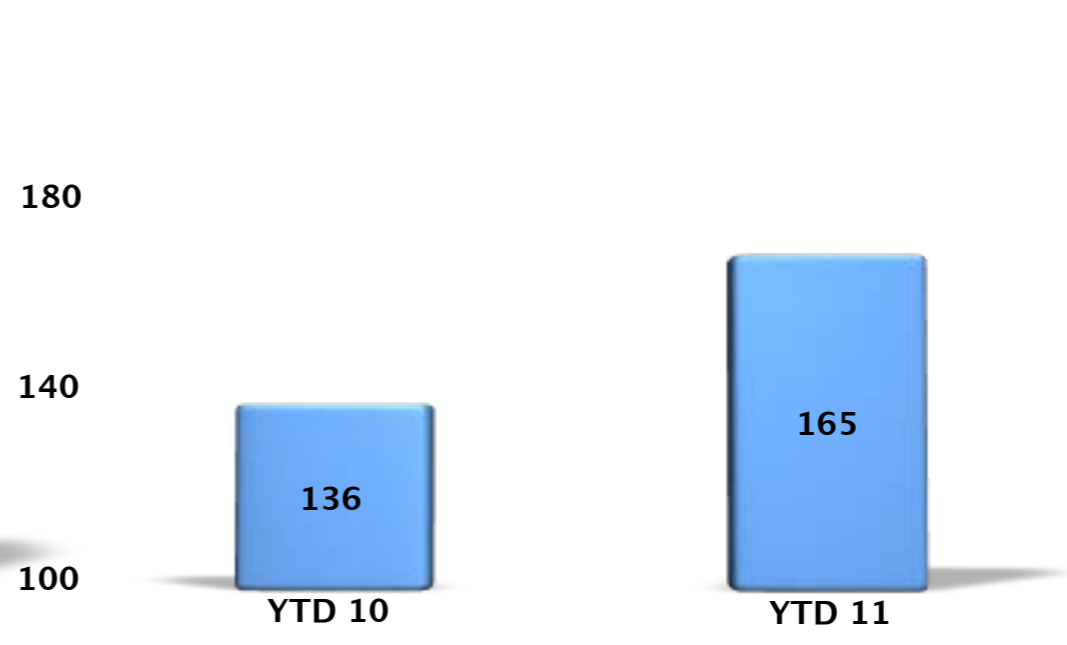
MARKET CONSOLIDATION & CONTINUOUS IMPROVEMENT

Continued Shift to Optimum Product Mix
Maximize Value Added Sales and Leverage Pricing Power

YTD 11 vs. YTD 10 – Sales by Product line Bridge
(000's MT)



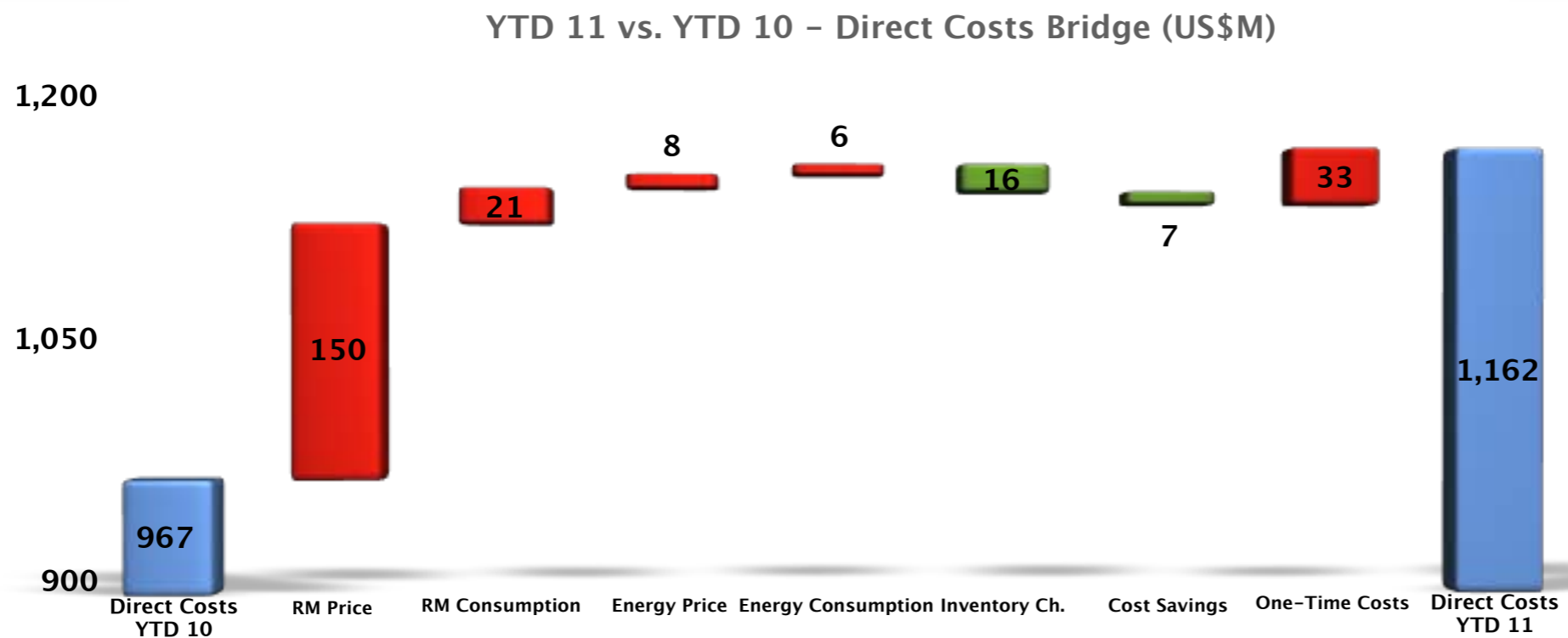
Premium Above LME Trend USD (Per MT)



YTD 2011 Results

MARKET CONSOLIDATION & CONTINUOUS IMPROVEMENT

**Cost Analysis YTD 11 vs. YTD 10:
One-Time Social Costs & Exceptional Expenses due to Recent Events**

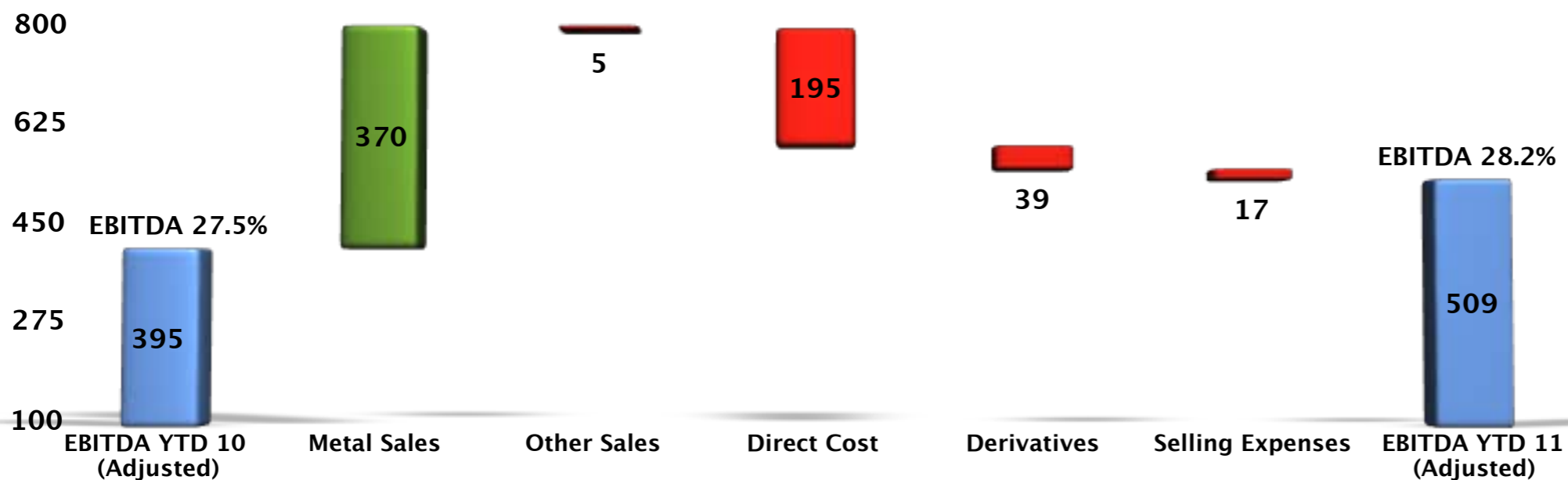


YTD 2011 Results

MARKET CONSOLIDATION & CONTINUOUS IMPROVEMENT

Adjusted EBITDA Bridge Gap Analysis YTD 11 vs. YTD 10:
Adjusted EBITDA Margin at a 28.2% rate

YTD 11 vs. YTD 10 - EBITDA Bridge (US\$M)

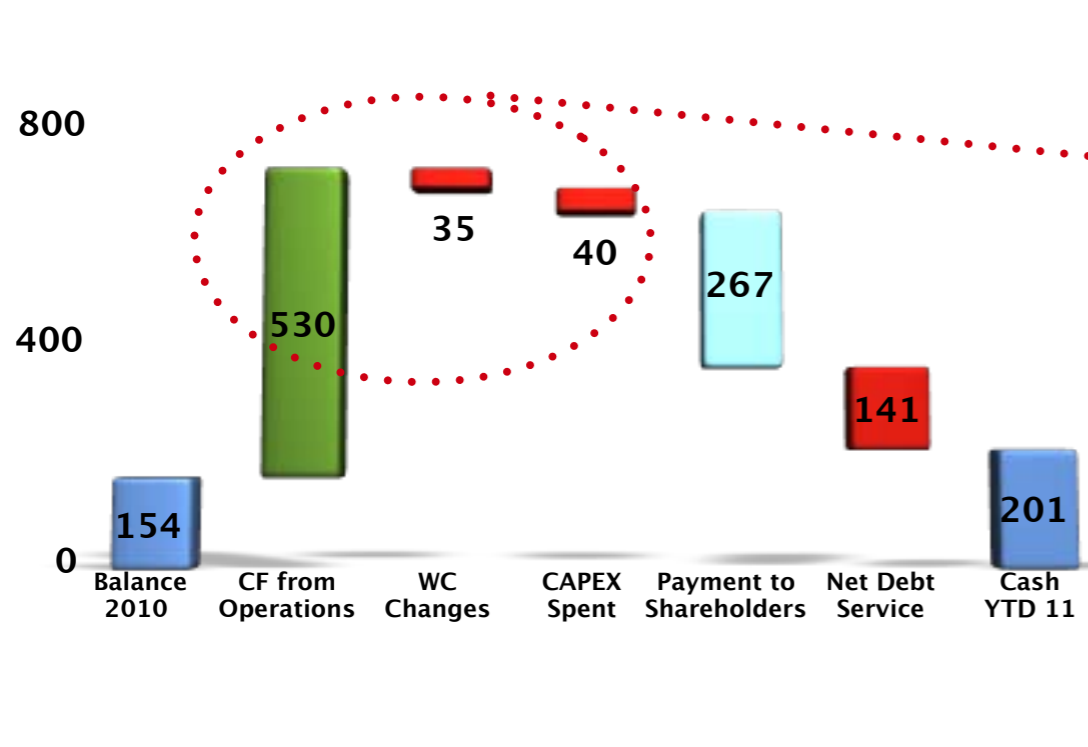


YTD 2011 Results

MARKET CONSOLIDATION & CONTINUOUS IMPROVEMENT

Cash Flow Bridge YTD 11 vs. YTD 10:
Healthy Cash generation to maximize Shareholder Value Creation

YTD 11 Cash Flow Bridge (USD M)



Free Cash Flow (USD M)

