



Alba Reports Q2 & H1 2014 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 Q2 & H1 2014 Unaudited Financial Statements posted at www.albasmelter.com.

Alba's results for the Second Quarter & First Half of 2014 are summarised below:

- Bahrain Cabinet approves Line 6 Gas allocation
- Interim Dividend of BD 16.9 million (US\$ 45 million) proposed by the Board
- Alba achieves 4 million hours without a Lost Time Injury

Q2 2014 Industry Highlights:

- Global aluminium demand remains strong with world consumption up by 6.9% year-on-year (YoY). Asian demand was driven by China (+10% YoY) with increased infrastructure investments and higher transportation demand. North America demand up by 4.5% YoY thanks to a strong boost in automotive build rates and construction sector. MENA consumption remains healthy supported by large infrastructure spending in Saudi Arabia and Qatar; Europe consumption up by 2% YoY driven by German automotive production
- World market production rose by 6.4% YoY as compared to Q2 2013
- Lower LME price and higher energy cost continue to haunt western producers leading to further closures in production
- Physical premiums on upward march supported by a deficit in the world excluding China
- The LME cash average was at US\$ 1,798 metric tonnes (mt) in Q2 2014 compared to US\$ 1,834 mt for the same period last year

H1 2014 Alba Highlights:

- Continued focus on Operational Excellence
- Continuous emphasis on Safety with the launch of Summer Safety "BLIZZARD" Campaign and the achievement of 4 million hours without Lost Time Injury (LTI)
- Significant uplift in physical premiums (32% YoY) thanks to a solid physical demand
- Alba production figures up by 2.5% YoY to reach 464,012 metric tonnes in the first half of 2014 versus 452,727 mt in H1 2013
- Sales of Value-Added products represented 65% in H1 2014 of total shipments - stable performance versus H1 2013

Q2 & H1 2014 Financial Results:

Alba's Total Sales for the first six months of 2014 were US\$ 1.001 billion (BD 376.4 million) versus US\$ 1.018 billion (BD 382.6 million) in H1 2013, on the back of higher premium partially offset by



lower LME prices. Sales for the second quarter of 2014 reached US\$ 515 million (BD 193.6 million) compared to US\$ 520 million (BD 195.5 million) for the same period in 2013.

The company posted a Net Income of US\$ 86 million (BD 32.3 million) for the first half of 2014, versus US\$ 163 million (BD 61.2 million). Net Income for the second quarter of 2014 stood at US\$ 41 million (BD 15.2 million) compared to US\$ 55 million (BD 20.7 million) driven by low LME prices.

The Board has recommended an Interim Cash Dividend of 12 Fils per share, which is US\$ 45 million (BD 16.9 million).

2014 Alba Priorities:

- Continued focus on Safety and Training initiatives
- Deliver on Project Titan
- Sustainable value-added products and leverage physical premiums
- Increase creep up capacity with minimum capital investment
- Finalise gas contract structure

Aluminium Bahrain B.S.C. (Alba) announced the release of its second quarter and first half of 2014 results on Sunday, June 27, 2014.

Commenting on Q2 & H1 2014 results, Alba's Chief Executive, Tim Murray said:

"Alba was able to deliver another strong operational performance and improve safety by achieving 4 million hours without an LTI. We were able to increase cash flow year over year despite lower LME by accelerating the savings on project Titan."

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

"Alba continues to improve its underlining performance and achieve sustained earnings amid tough LME market conditions. I would like to thank all the employees of Alba for the continued focus on Safety."

Alba's Chief Executive Officer, Tim Murray, Chief Operations Officer, Isa Al-Ansari and Investor Relations Manager, Eline Hilal will be holding a conference call on Monday July 28 to discuss Alba's performance for the second quarter & first half of 2014 as well as outline the company's priorities for the remainder of this year.