



Alba Reports Q2 2011 Results

- *Q2 2011: healthy demand for aluminium across markets.*
- *Q2 2011: growth in production and sales; increased EBITDA.*
- *Q2 2011: continuous improvement and preparation for future growth.*
- *Q2 2011: Distribution of interim Cash Dividend.*

Q2 2011 Industry Highlights:

- Aluminium demand continues to remain healthy while benefiting from being one of the less sector-dependent base metals.
- Solid demand in Asia despite earthquake in Japan, increased industrial production in Europe, and demand in MENA region being driven by investments in infrastructure. New downstream facilities are expected to further develop local consumption.
- Trading at the London Metals Exchange (LME) reflected dollar fluctuations over high uncertainties around sovereign debts in Europe. The cash average was US\$ 2,603 metric tonnes in Q2 2011 with LME ranging between US\$ 2,465 in June 24 and US\$ 2,772 on April 28.

Q2 2011 Alba Highlights:

- Additional recurrent savings surpassed target by US\$ 9 million by reaching US\$ 44 million in H1 2011 while production was increased by 3.5 per cent and sales by 4.3 per cent for the same period.
- European sales office in Zurich, Switzerland was opened in June 2011.
- EBITDA was impacted by 3.4 per cent due to a one time social cost of US\$ 22 million recorded in Q2 2011.
- 100 per cent of raw material requirements for 2011 secured through successful implementation of a multi-source diversification strategy.

Q2 2011 Financial Achievements:

- Sales reach US\$ 645 million in Q2 2011 as compared to US\$ 534 million in Q2 2010.
- Net Income of US\$ 185 million in Q2 2011 as compared to US\$ 237 million in Q2 2010.
- EBITDA at US\$ 175 million in Q2 2011 as compared to US\$ 147 million in Q2 2010.
- Net income was impacted by unrealised derivative gains in Q2 partially offset by strong overall performance.
- Distribution of interim Cash Dividend of 27 Fils per share as proposed by the Board.



H1 2011 Alba Priorities:

- Safety Excellence Programme to be launched in Q3 2011.
- Commitment to maintain sales of Value-Added products above 67 per cent in H2 2011.
- Preparations underway to launch Six Sigma as part of 2011 Star Programme in September 2011.
- Complete feasibility studies to determine optimum energy and technology solutions for Line 4 and Line 5 (CREEP) as well as for the Line 6 expansion project by year-end 2011.

Aluminium Bahrain B.S.C. (Alba) released the company's half-year and second-quarter 2011 results on Monday, August 1, 2011.

Commenting on the results, Alba's Chief Executive, Laurent Schmitt said:

"After a strong Q1, Alba confirmed a sound performance in Q2 by maintaining a steady volume growth trend in production, sales and profits for the first half of the year thanks to our Continuous Improvement Program which was ahead of our forecast.

Despite the social and political challenges faced during the last months and some exceptional one-time costs, Alba showed a strong resilience reflected in its recurring financial performance increase as compared to the same period of 2010.

As the Aluminium industry outlook looks positive, we are confident that the successes achieved in H1 2011 will prove to be the foundation for better overall performance of the company for the rest of 2011."

The Chairman of Alba's Board of Directors, Mahmood Hashim Al Kooheji said:

"I am delighted by the positive results of H1 2011 Alba has made despite the prevailing uncertainties. This was clearly made possible thanks to the efficiency of the Management team and the active cooperation of our loyal workforce who ensured the company maintained the highest level our operations.

Looking forward, Alba is well-placed to exploit the growth opportunity in Aluminium and the management remains optimistic with a positive outlook for the remainder of 2011. Furthermore, distributing an interim Cash Dividend - the second since becoming public - reflects the strength of our cash flow enabling us to reward our shareholders".

Alba's Chief Executive, Laurent Schmitt and Chief Financial Officer, Tim Murray and IR Manager Eline Hilal will be holding a series of meetings in August with investors in Bahrain, Dubai and London. They will be making a presentation on the second quarter results, discuss Alba's performance as well as outline the company's priorities and plans for 2011.