



## Alba Reports Q3 2011 Results

- *Q3 2011: Demand for aluminium across markets proved to be more resistant to recent turmoil than other base metals.*
- *Q3 2011: Increase in income, sales and production figures thanks to higher levels of LME, Continuous Improvement Program and operational efficiency.*
- *Q3 2011: Launch of 2 Operational Excellence initiatives: Six Sigma and AlbaSafeWay.*

### Q3 2011 Industry Highlights:

- Aluminium demand maintained a healthy growth and proved to be more resistant to recent turmoil than other base metals.
- No real slowdown was seen in the world consumption as year-to-date growth remained flat at 10 per cent.
- Major infrastructural investments in the MENA region have helped in sustaining a healthy demand for aluminium.
- Asian market is expected to benefit from Japan's reconstruction plan.
- While inventories at the London Metals Exchange (LME) in the month of September remained stable at 4.5 million metric tonnes, LME suffered from the sovereign debt crisis and currency instability. The cash average was US\$ 2,400 metric tonnes in Q3 2011 with LME ranging between US\$ 2,170 in September 23 and US\$ 2,623 in July 26.

### Q3 2011 Alba Highlights:

- Additional recurrent savings of US\$ 59 million recorded YTD ahead of target by US\$ 6.5 million while production increased by 5 per cent and sales by 8.3 per cent for the same period.
- Sale of Value-Added products reached 67 per cent of total shipments compared to 62 per cent during the same period in 2010.
- Six Sigma - part of Alba Star Operational Improvement Program - was kicked-off in September 2011 and supported by Rath & Strong Consultancy as well as an in-house core team of 5 specialists in Six-Sigma.
- A two-year Safety Excellence Program was launched in September 2011 with the support of DuPont Sustainable Solutions.

### Q3 2011 Financial Achievements:

- Sales volume reached US\$ 582 million in Q3 2011 as compared to US\$ 447 million in Q3 2010.
- Net Income received a boost from unrealized derivative gains and stood at US\$ 214 million in Q3 2011 as compared to a loss of US\$ 51 million in Q3 2010.
- Adjusted Net Income was US\$ 97 million as compared to US\$ 55 million for the same period of 2010.
- EBITDA at US\$ 159 million in Q3 2011 as compared to US\$ 110 million in Q3 2010.



- Healthy free cash flow of US\$ 155 million sustained by strong EBITDA levels and efficient working capital management.

### **Q3 2011 Alba Priorities:**

- Commitment to deliver on our action plans to achieve additional savings of US\$ 70 million in 2011.
- Maintain high levels of Value-Added sales in Q4.
- 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 to be completed by year-end 2011.

Aluminium Bahrain B.S.C. (Alba) released the company's third-quarter 2011 results on Tuesday, November 1, 2011.

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

"Alba achieved a sound financial performance in the third quarter of 2011 on the back of higher production levels, sales and profits. We have surpassed our own sales forecast for this period thanks to the successful implementation of the Continuous Improvement Program and the support shown by Alba's skilful workforce.

Looking ahead, we remain confident that the milestones achieved throughout the last three quarters of 2011 will lay the foundations for a positive outlook for the remainder of 2011. Our focus on Operational Excellence initiatives - Six Sigma & AlbaSafeWay launched in the third quarter of 2011 - will provide us with a good platform to embark on 2012."

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

"Alba has, once again, delivered on its promise in meeting its goals. This success clearly reflects that the company is on the right track, and well-determined to surpass its growth targets for the remainder of the 2011."

Alba's Chief Executive, Laurent Schmitt and Chief Financial Officer, Tim Murray and IR Manager Eline Hilal will be holding a conference call on November 02, 2011 to present the third quarter results and provide an update on the company's key priorities for the remainder of 2011.