




alba



Aluminium
for the world

2013 IR PRESENTATION



albasmelter.com

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INDUSTRY HIGHLIGHTS

INDUSTRY HIGHLIGHTS

2013

Global Physical Demand Remains Healthy

- World consumption up by 5.3% YoY
- Asian demand up by 7% YoY supported by robust growth in China (+10% YoY)
- MENA demand up by 6% YoY on the back of major investments in infrastructure
- North America – steady demand (+2% YoY) driven by automotive body sheets and aerospace production
- Europe turned a corner with improved demand (+1% YoY) on the back of construction & packaging sectors

INDUSTRY HIGHLIGHTS

2013

Production Evolution

- World production up by 4.3% and is expected to rise with the ramp-ups set to lift output in the Middle East (Ma'aden & Emal 2) as well as in China
- World market slightly short-supplied (+468 Kt with China and -529 Kt without)
- China output at a record level (24.3 million metric tonnes, +9.7% YoY) on the back of ramp-ups in the Northwest region
- Lower LME prices will continue to pressure western marginal producers to cut output

INDUSTRY HIGHLIGHTS

2013

LME & Premiums

- LME inventories almost stable at 5.4 million metric tonnes in December
- 2013 Cash-average at \$1,846/t vs. \$2,019/t in 2012
- **Physical premiums slightly softened with announcement of new LME rules**
 - Major Japanese Ports at \$246/t vs. \$255/t in 4Q12
 - DDP Rotterdam at \$198/t vs. \$219/t in 4Q12
 - US Mid West premiums at \$247/t vs. \$242/t in 4Q12

Raw Material Price

- Alumina price remained stable whereas other raw material prices softened



ALBA HIGHLIGHTS

Alba Highlights

2013 – Operational Highlights/Achievements

- Alba was able to increase its production by 22,483 metric tonnes (mt) (+2.5% YoY) while sales figures were up by 3.3% to reach 919,722 mt
- 2013 Sales of Value-Added products reached 66% of total shipments vs. 65% in 2012
- Solid increase in physical premiums (+48% YoY)
- Significant improvement in safety performance
- **Launch of Titan Project**
 - 2-year program focused on cash cost improvement by \$150/ mt

Alba Highlights

2013 & Q4 – Financial Key Performance Indicators

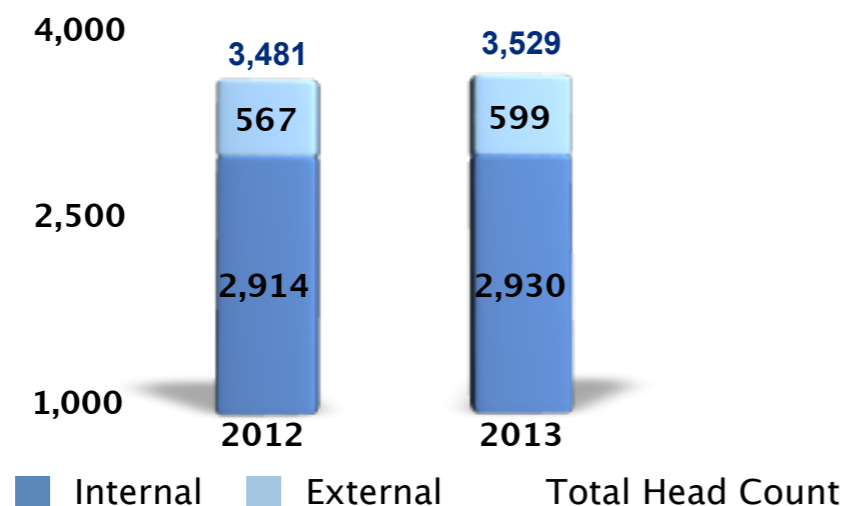
- **Adjusted EBITDA driven by lower LME prices & one-time US\$ 85 million gain of Alcoa settlement recorded in Q4 2012**
 - 2013: US\$364 million down by 11% YoY
 - Q4: US\$79 million down by 54% YoY
- **Adjusted Net Income driven by lower LME prices & one-time US\$ 85 million gain of Alcoa settlement recorded in Q4 2012**
 - 2013: US\$141 million down by 23% YoY
 - Q4: US\$24 million down by 79% YoY
- **Free-Cash Flow impacted by lower LME prices and higher CAPEX spending**
 - 2013: US\$225 million down by 34% YoY
 - Q4: US\$67 million down by 41% YoY
- **Alba Board recommends a final dividend of US\$82 million to be paid in March 2014**
 - 2013: US\$135 million (total dividend) up by 28% YoY

ALBA HIGHLIGHTS

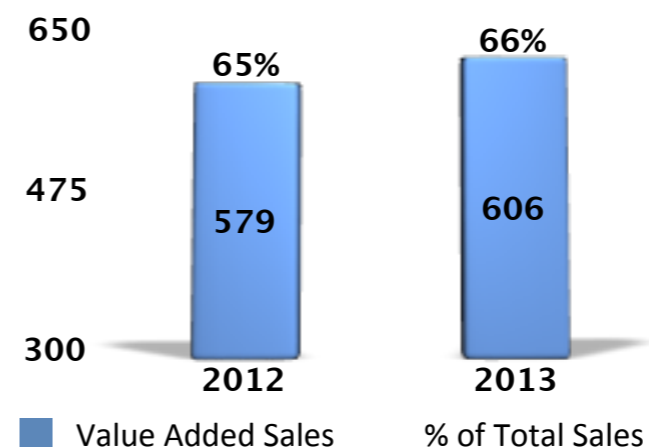
2013 - ANOTHER STEP TOWARDS EFFICIENCY

Operational Excellence Continues to Gain Momentum

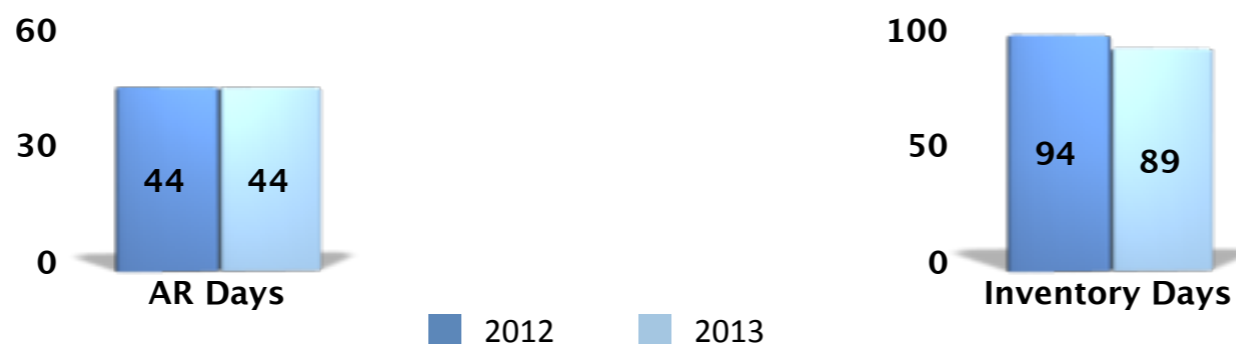
Head Count Management



Marketing and Sales Excellence - Value Added Sales (MT'000) as a Percentage of Total Sales



Working Capital Streamlining - AR and Inventory Days Trend





2013 RESULTS

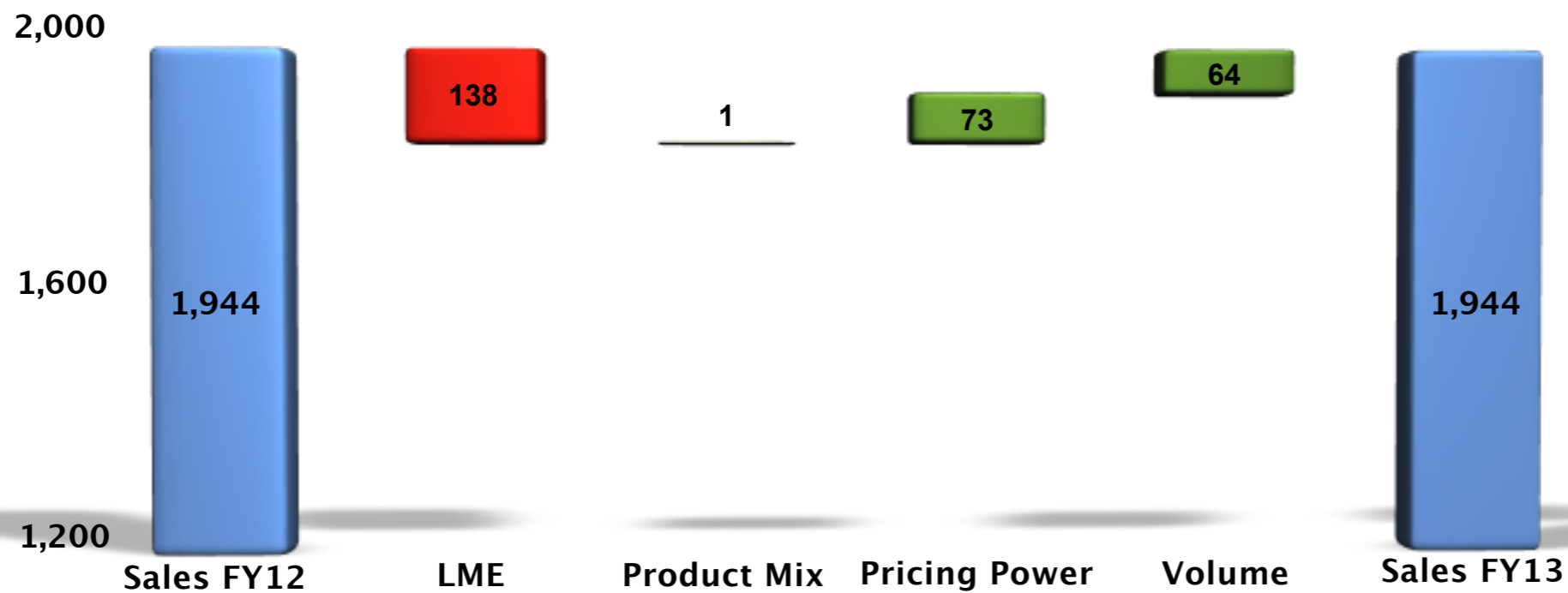


2013 Results

STRONG PHYSICAL DEMAND DESPITE LOW LME PRICES

Sales Analysis FY13 vs. FY12 (US\$M)
Lower LME Prices Offset by Higher Premium & Sales Volume

FY13 vs. FY12 – Metal Sales Bridge (US\$M)

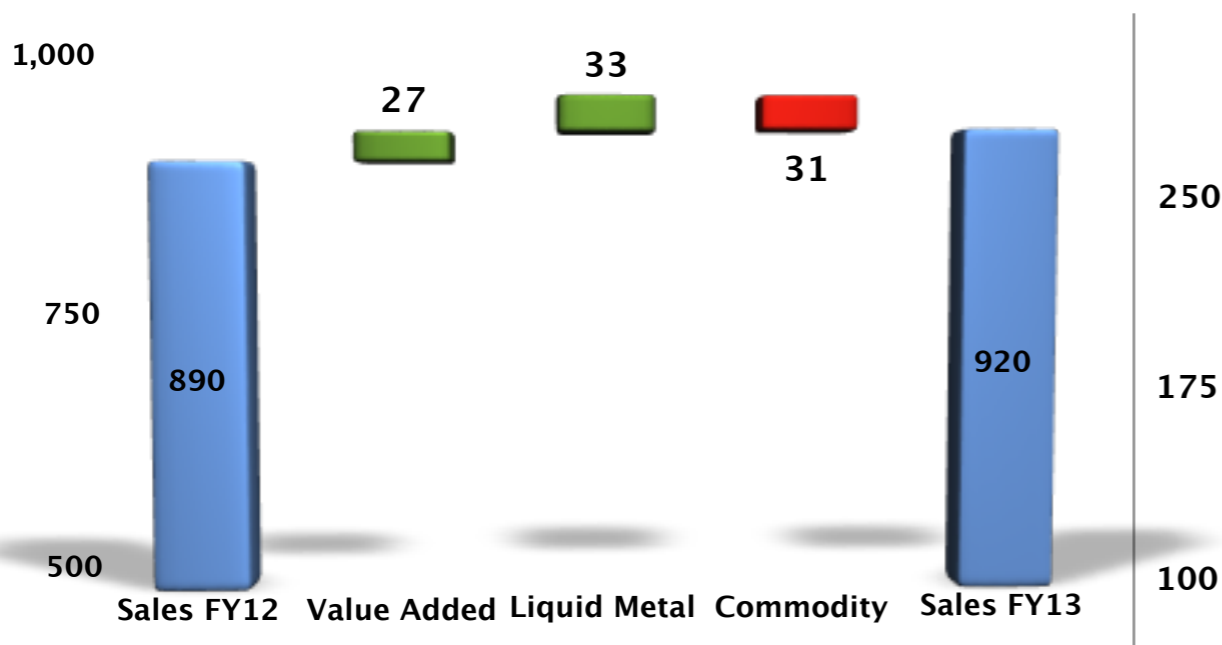


2013 Results

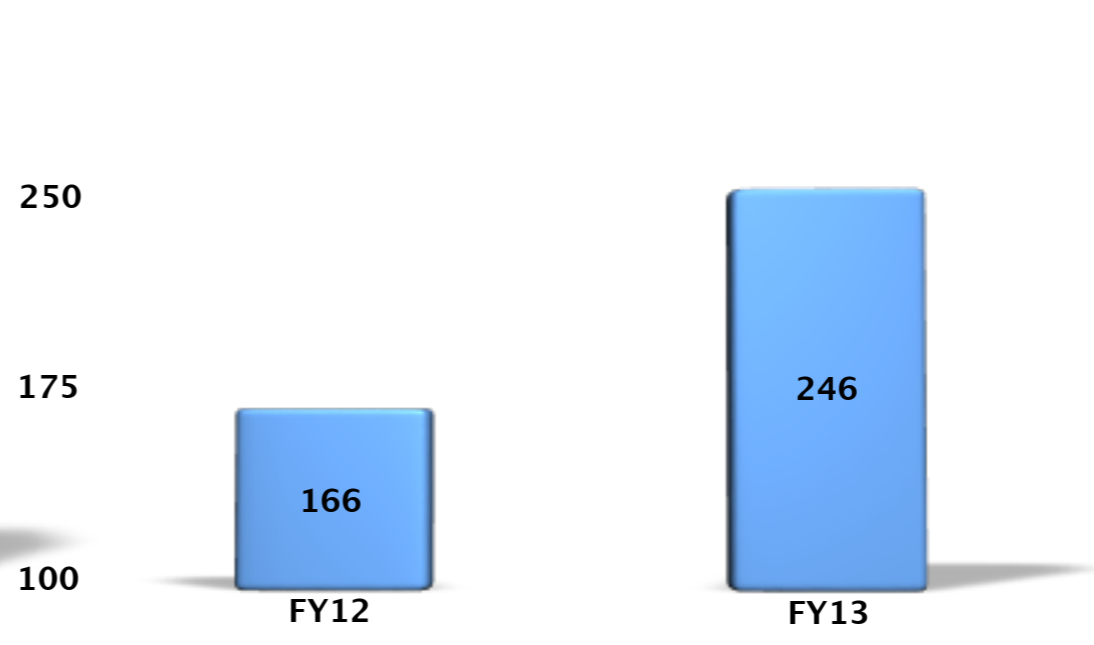
STRONG PHYSICAL DEMAND DESPITE LOW LME PRICES

**Maintain Optimum Product Mix
Increase Value-Added Products & Leverage Pricing Power**

FY13 vs. FY12 – Sales by Product Line Bridge
(000's MT)



Premium Above LME Trend US\$ (Per MT)

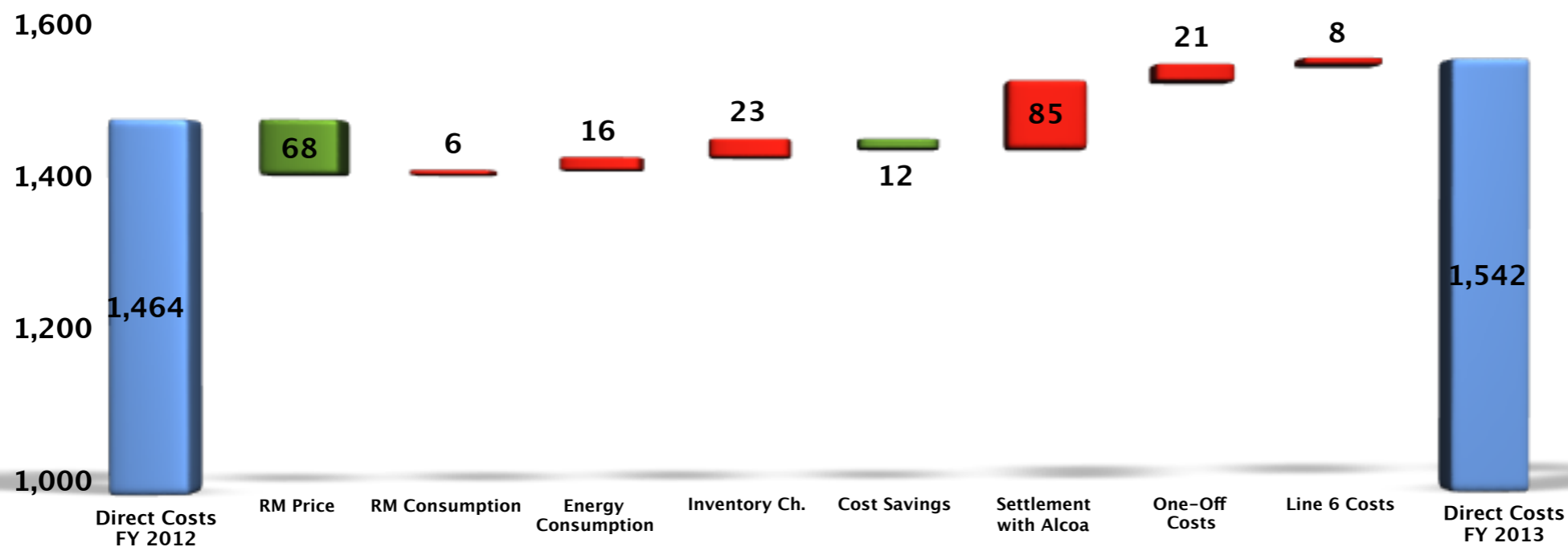


2013 Results

FAVORABLE MANAGEMENT PERFORMANCE DESPITE LOW LME PRICES

**Cost Analysis FY13 vs. FY12:
Higher Overall Costs on the Back of Higher Production & One-Time Gain of Alcoa Settlement in 2012**

FY13 vs. FY12 - Direct Costs Bridge (US\$M)

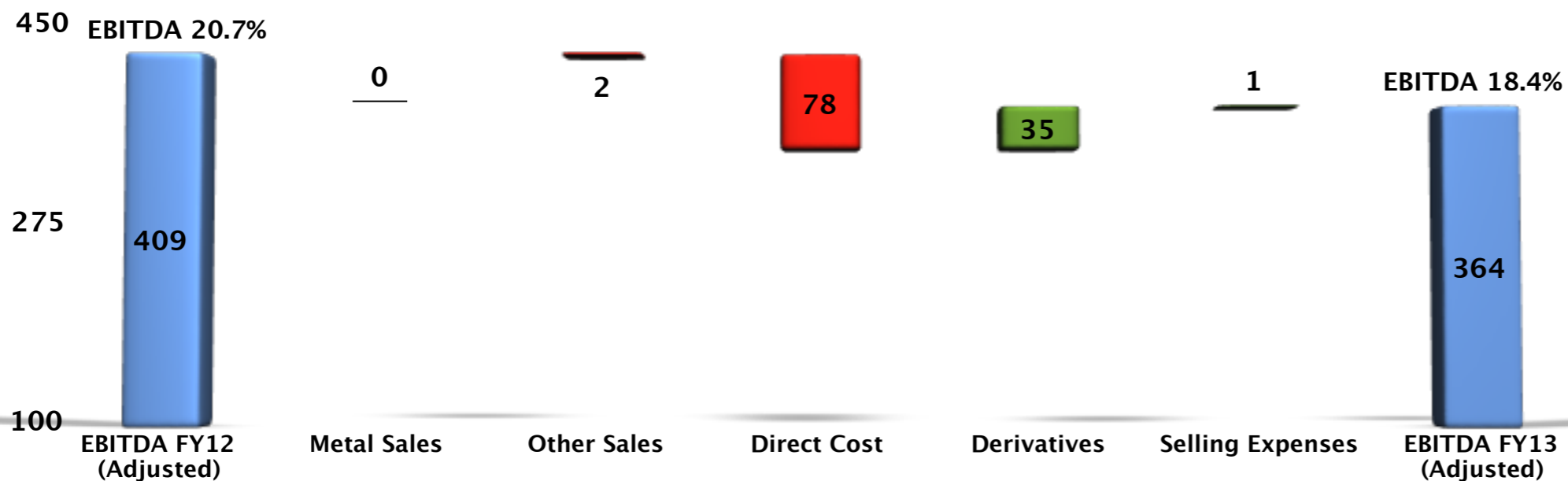


2013 Results

FAVORABLE MANAGEMENT PERFORMANCE DESPITE LOW LME PRICES

Adjusted EBITDA Bridge Gap Analysis FY13 vs. FY12:
Lower EBITDA Margin due to US\$85 million One-Time Alcoa Gain in 2012

FY13 vs. FY12 – EBITDA Bridge (US\$M Adjusted*)

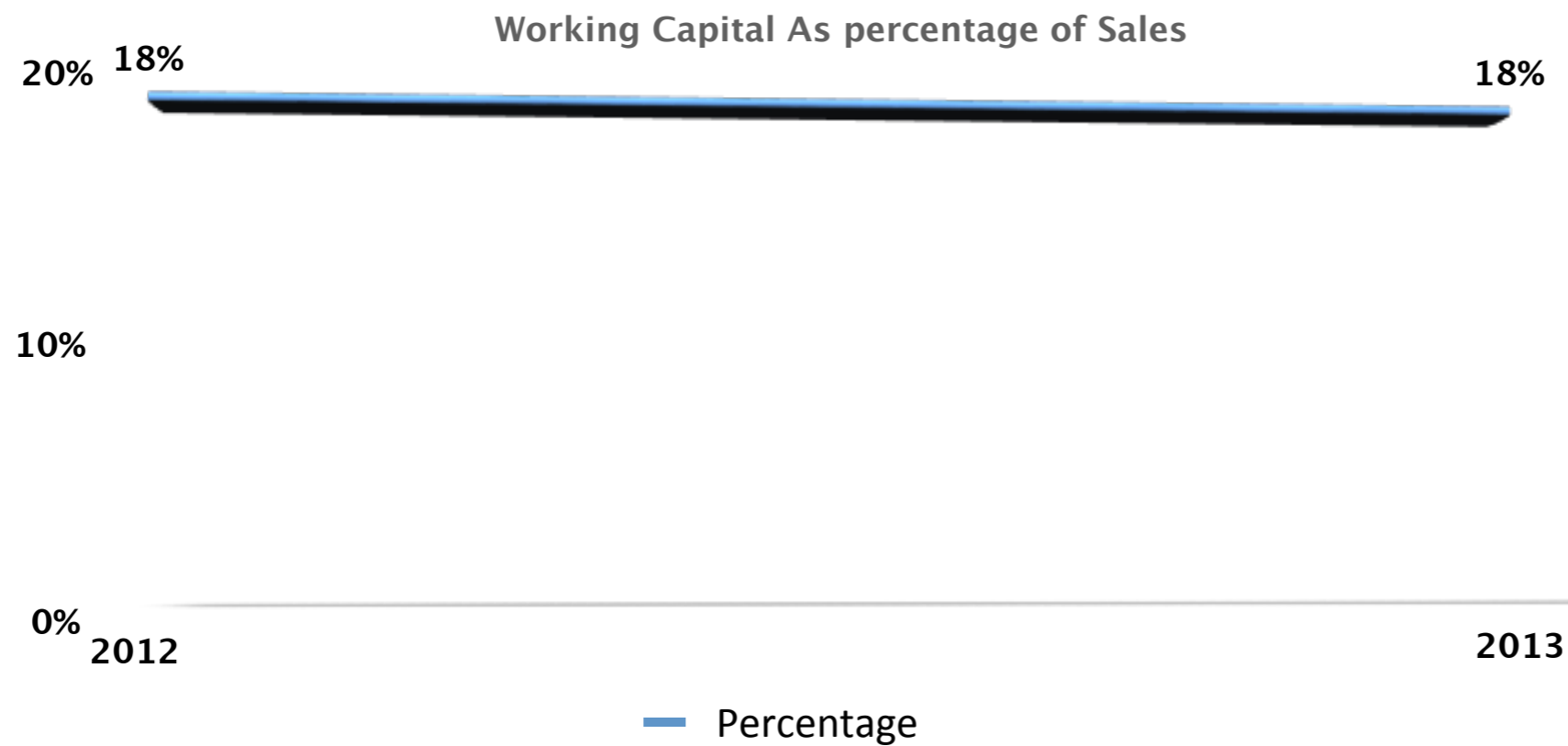


* Adjusted EBITDA includes impact of actual realised derivatives payments

2013 Results

FAVORABLE MANAGEMENT PERFORMANCE DESPITE LOW LME PRICES

Working Capital Trend as Percentage of Sales:
Stable Working Capital Management

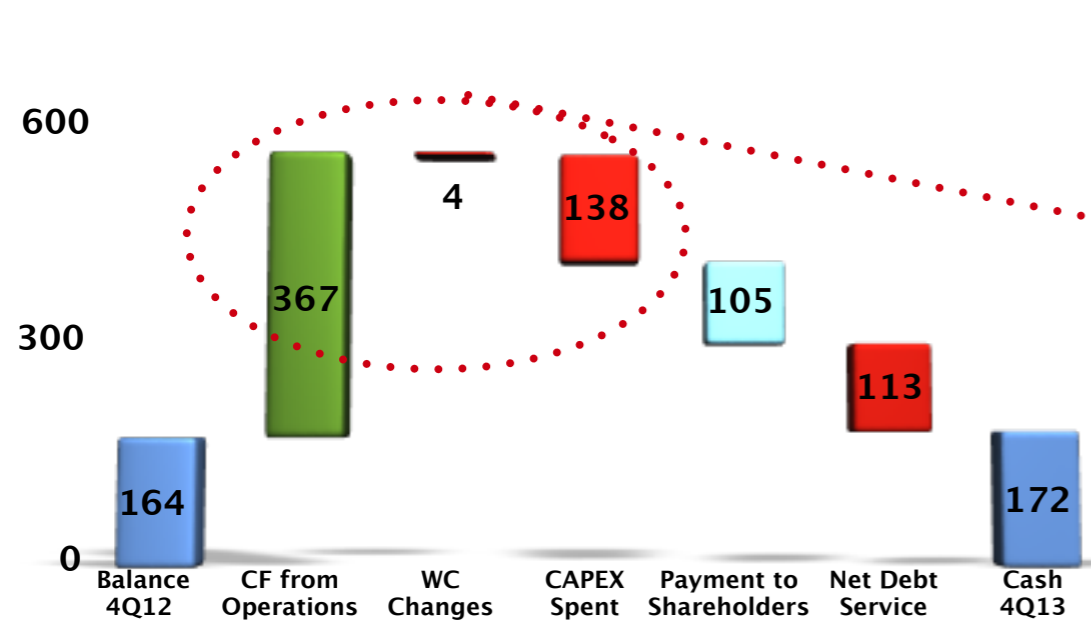


2013 Results

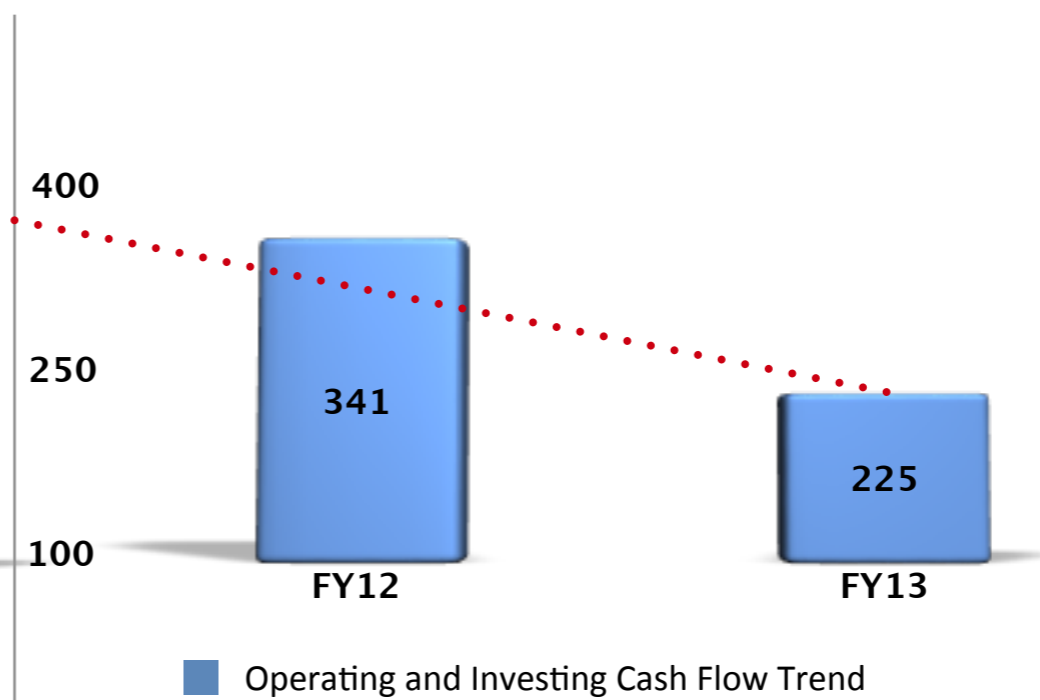
FAVORABLE MANAGEMENT PERFORMANCE DESPITE LOW LME PRICES

Cash Flow Bridge FY13 vs. FY12:
Alba Still Generating Cash Despite Low LME Prices

YTD 13 Cash Flow Bridge (US\$M)



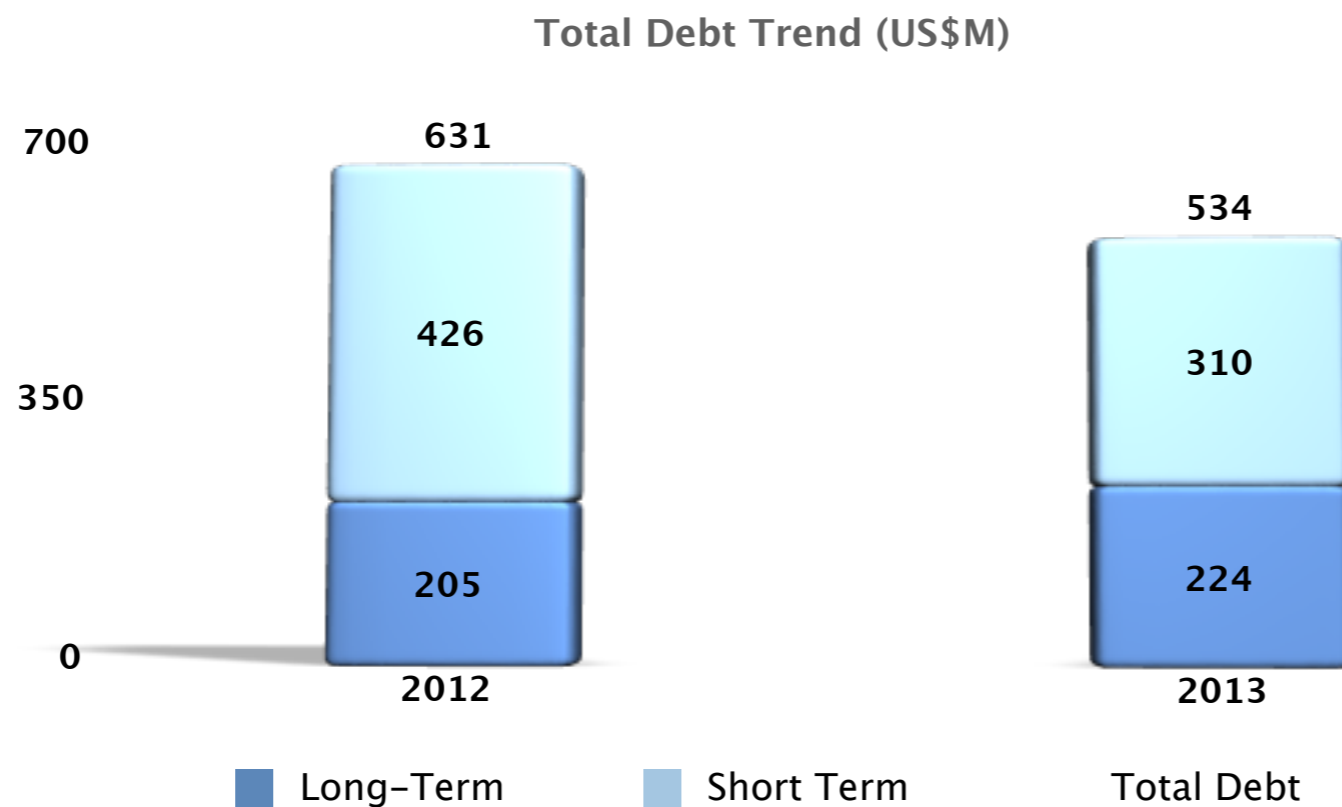
Free Cash Flow (US\$M)



2013 Results

FAVORABLE MANAGEMENT PERFORMANCE DESPITE LOW LME PRICES

Total Debt Reduction Trend:
Debt Profile Continues to Strengthen



2013 Results

FAVORABLE MANAGEMENT PERFORMANCE DESPITE LOW LME PRICES

4Q13 vs. 4Q12; FY 2013 vs. FY 2012

Financial Summary	Q4 2013	Q4 2012	FY 2013	FY 2012
Average Cash LME (US\$/MT)	1,767	2,002	1,846	2,019
Sales (US\$M)	488	502	1,976	1,978
EBITDA (US\$M)	79	173	364	409
EBITDA%	16.2%	34.4%	18.4%	20.7%
EBITDA (Excl. One-Off Costs) (US\$M)	96	97	385	317
EBITDA% (Excl. One-Off Costs)	19.6%	19.4%	19.5%	16.0%
Net Income/ (Loss) (US\$M)	36	140	212	257
Gain/ (Loss) Unrealised Derivatives (US\$M)	13	25	71	74
Adjusted Net Income/ (Loss) (US\$M)	24	115	141	183
Adjusted Net Income%	4.9%	22.9%	7.2%	9.3%

* Adjusted Net Income is calculated by taking Net Income less Unrealised Derivatives

2013 Results

ALBA CONTINUES TO DELIVER CASH TO ITS SHAREHOLDERS

Alba Board Raises Total Dividend by 28%

- On February 12th Alba's Board meeting, the Directors recommended a total dividend of US\$135 million (64% of 2013 Net Income*) – where US\$53 million (interim dividend) were paid in September 2013 and US\$82 million will be payable in March 2014 (subject to Bahrain Bourse and Alba Shareholders' approval)
- The Shareholders' approval will be requested at the February 27, 2014 Annual General Meeting

* Net Income represents comprehensive accounting profit including all derivatives (realized and unrealized)



INDUSTRY PERSPECTIVES IN 2013

Industry Perspectives in 2014

Physical Demand Expected to Remain Healthy

Key factors to be observed:

- Aluminium market will be slightly oversupplied
- Western Europe to improve driven by automotive production
- MENA to remain healthy on the back of housing & infrastructure spending
- North America to slightly pick-up, led by South America (Brazil)
- LME price is expected to range between \$1,650/t – \$1,750/t

Industry Perspectives in 2014

Raw Materials Price Trends

- Alumina prices to remain relatively stable
- Green Petroleum Coke prices to slightly increase during 2014
- Aluminium Fluoride prices (ALF3) to gradually increase during the year
- Liquid Pitch prices expected to remain at current price levels



2014 ALBA PRIORITIES



2014 Alba Priorities

Continuous Improvement & Preparation for Future Growth

- **Continued Focus on Safety & Training Programs**
- **Deliver on Project Titan**
- **Leverage Strong Physical Demand Conditions**
 - Benefit from high physical premiums in 2014 new contracts
 - Focus on Value-Added Sales
- **Future Growth**
 - Complete Bankable Feasibility Study in first half of 2014
 - Gearing for Line 6 expansion project

2014 Alba Priorities

Raw Material Competitive Long-Term Sourcing

- Alumina: majority of contracts secured with small quantity left for spot market opportunities
- Green Petroleum Coke: take advantage of opportunities in spot market as well as optimize supply chain costs
- Liquid Pitch: focus on opportunities in spot market
- Aluminium Fluoride: diversify supply base to leverage buying power



APPENDIX

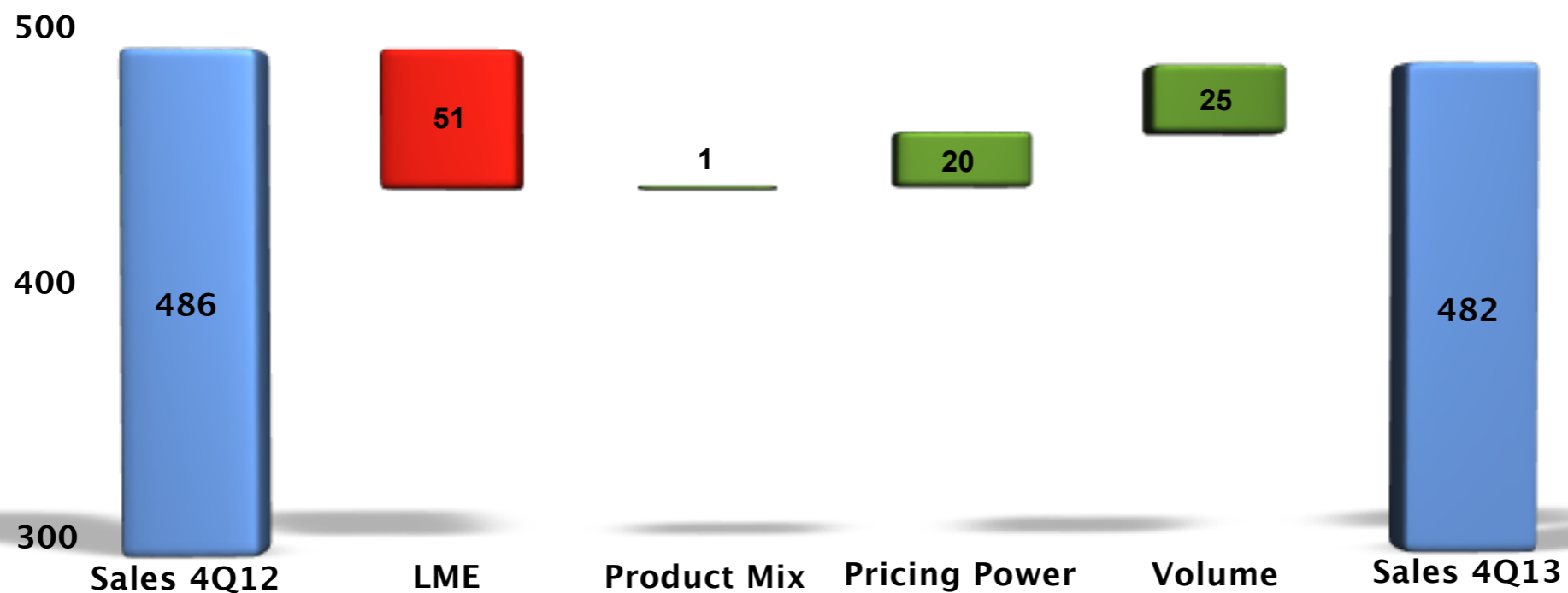


Q4 2013 Results

STRONG PHYSICAL DEMAND DESPITE LOW LME PRICES

Sales Analysis 4Q13 vs. 4Q12
Lower LME Prices Offset by Higher Premium & Sales Volume

4Q13 vs. 4Q12 - Metal Sales Bridge (US\$M)

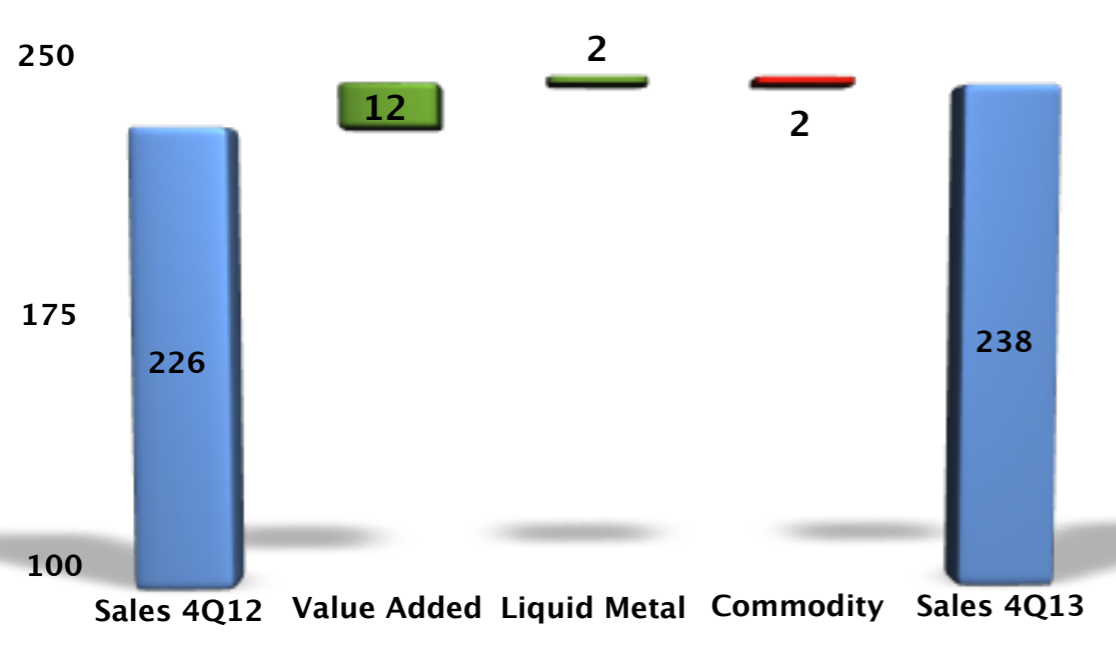


Q4 2013 Results

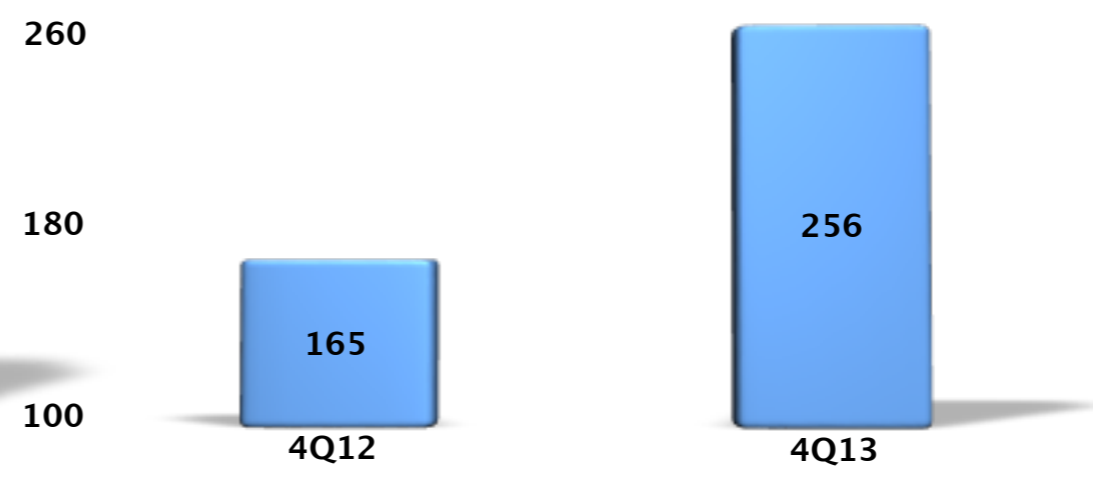
STRONG PHYSICAL DEMAND DESPITE LOW LME PRICES

Maintain Optimum Product Mix
Increase Value-Added Products & Leverage Pricing Power

4Q13 vs. 4Q12 – Sales by Product Line Bridge
(000's MT)



Premium Above LME Trend US\$ (Per MT)

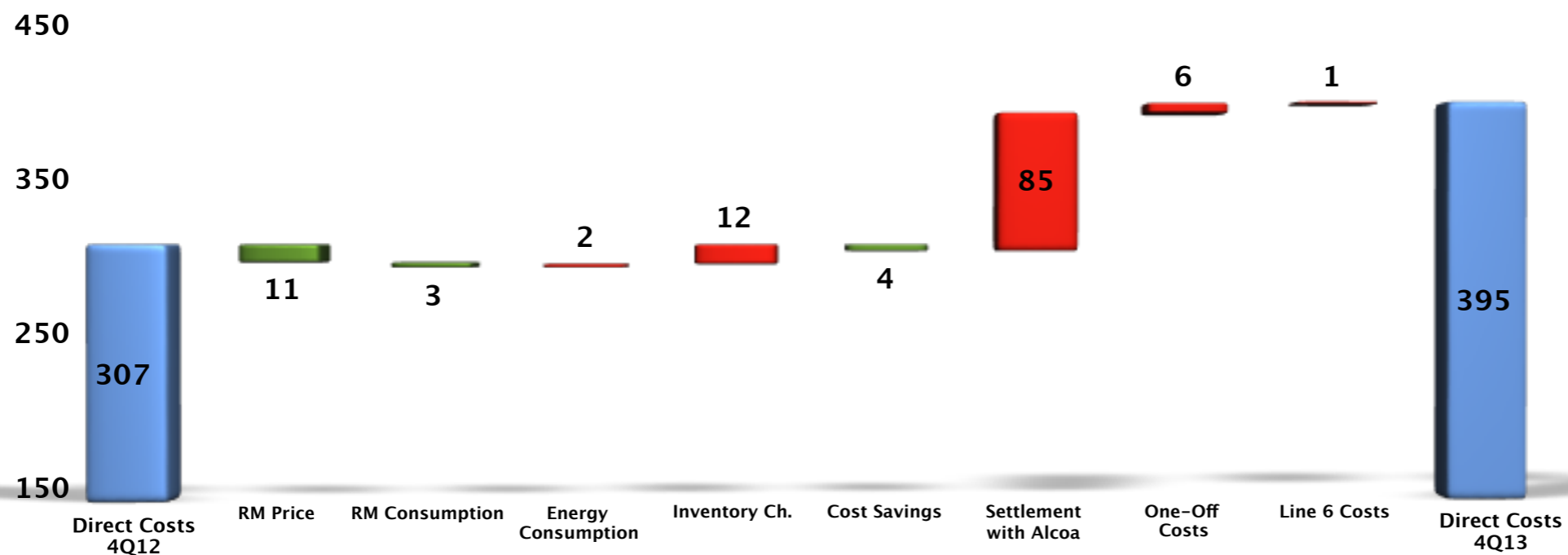


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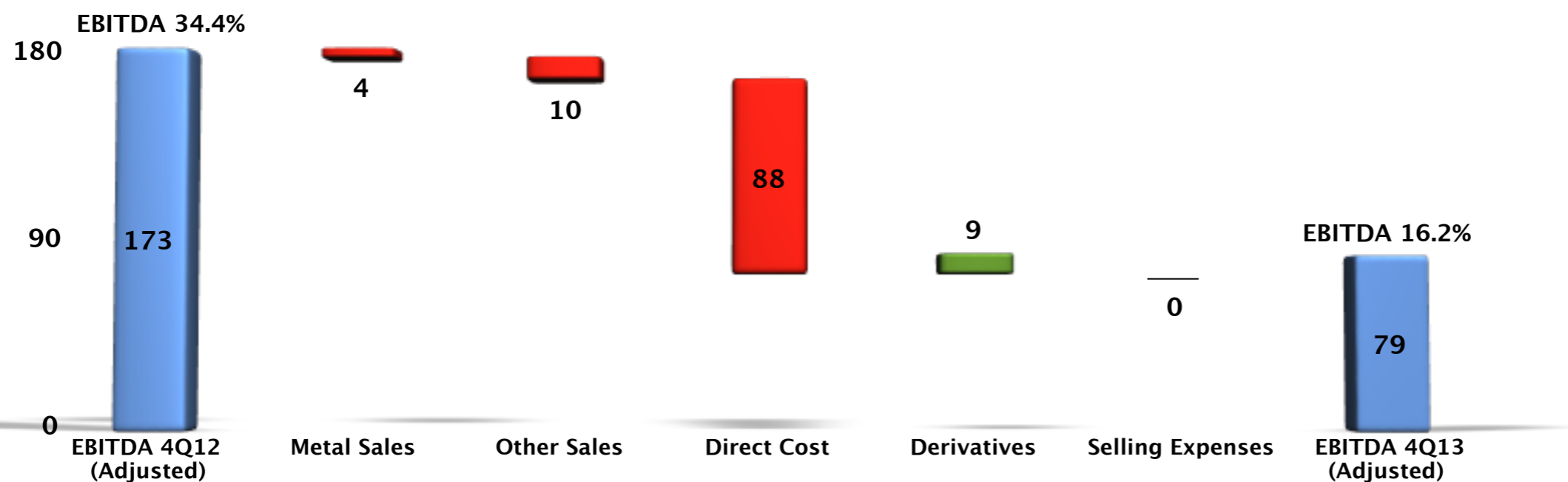


Q4 2013 Results

FAVORABLE MANAGEMENT PERFORMANCE DESPITE LOW LME PRICES

Adjusted EBITDA Bridge Gap Analysis 4Q13 vs. 4Q12:
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4Q13 vs. 4Q12 - EBITDA Bridge (US\$M Adjusted)

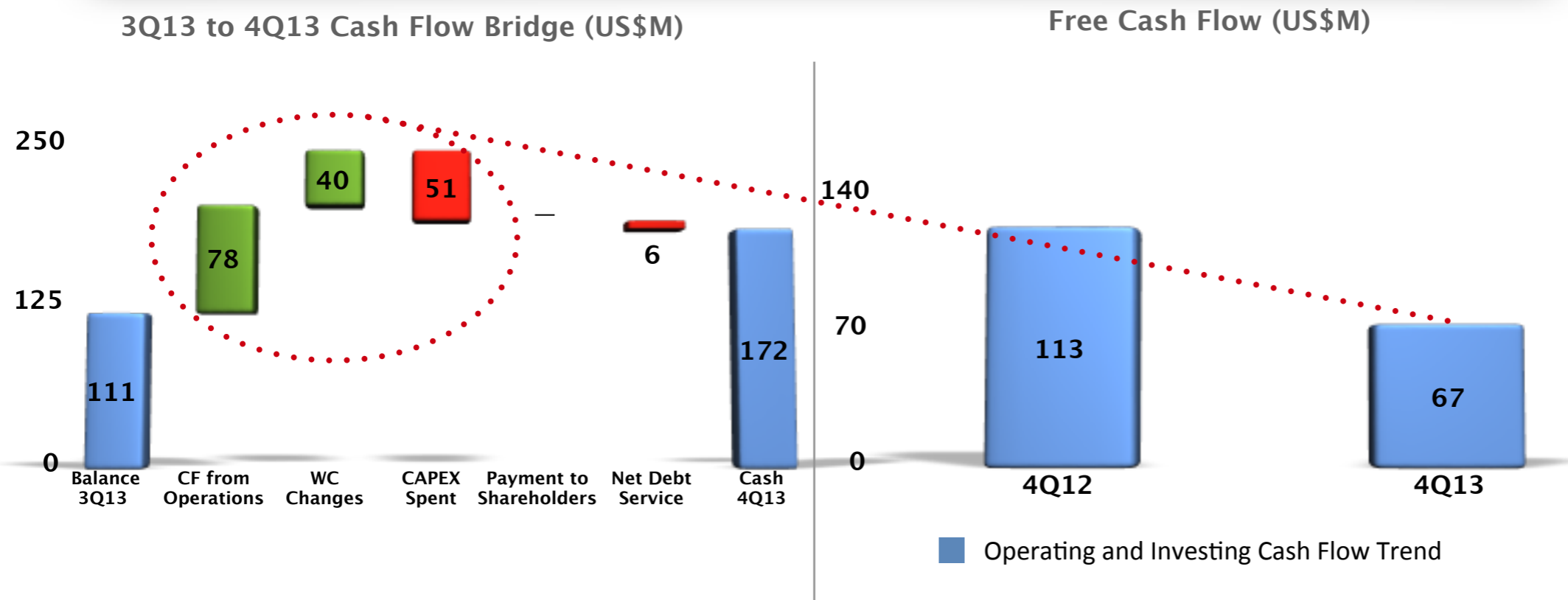


Adjusted EBITDA includes the impact of actual realised Derivatives

Q4 2013 Results

FAVORABLE MANAGEMENT PERFORMANCE DESPITE LOW LME PRICES

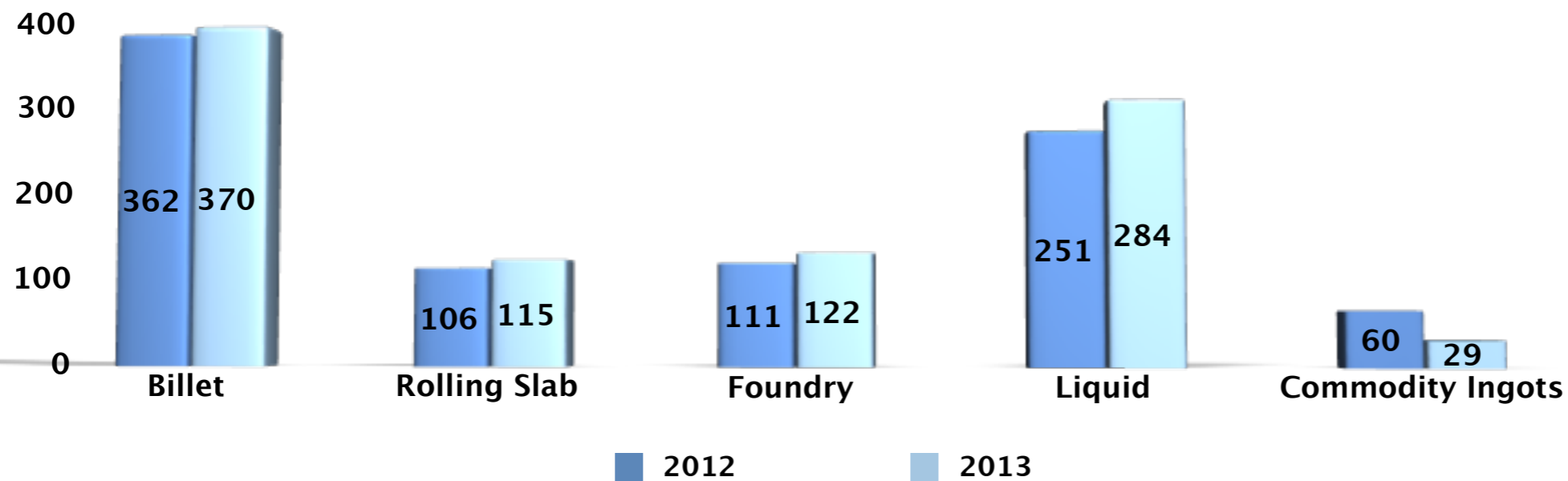
Cash Flow Bridge 3Q13 vs. 4Q13:
Alba Still Generating Healthy Cash Despite Low LME Prices



2013 Results

Value-Added Products reach 66% of Total Sales (up from 65% in 2012)

FY13 vs. FY12 - Sales by Product line (MT '000)



Billets, Rolling Slabs and Foundry represent Value Added Products



FOR MORE INFORMATION, CONTACT US ON:
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