



Alba Reports its H1 2016 Financial 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 2016 Audited Financial Statements posted at www.albasmelter.com.

Alba's results for Second Quarter & First Half of 2016 are summarised below

Q2 2016 Industry Highlights

- Global aluminium demand continues to grow with world consumption surge by **5% Year-on-Year (YoY)** whereas world supply up by **2% YoY**
- Global physical premiums floating at lower range
- LME inventories at **2.4 million metric tonnes (mt)** in June
- The LME cash average at **US\$ 1,571/t** in Q2 2016 compared to US\$ 1,769/t for the same period in 2015

Q2 2016 Alba Highlights

- Launch of Summer 'Safety Convoy Campaign'
- Sales volume up by **3.2% YoY** (239,739 metric tonnes)
- Value-Added Sales averaged 55% of total shipments in Q2 and exceeded 60% for the month of June
- Project Titan – Phase II on track with Year-To-Date (YTD) savings of US\$33 per mt

Q2 & H1 2016 Financial Results

The Company's top-line and bottom-line for the first half of 2016 were driven primarily by the dual collapse of LME prices and premiums.

Alba reported Total Sales of **BD 165.7 million** (US\$ 441 million) in the second quarter of 2016, a drop of 17% YoY, compared to BD 199.4 million (US\$ 530 million) for the same period in 2015; while Total Sales



in the first half of 2016 stood at **BD 322.2 million** (US\$ 857 million), down by 21% YoY, versus BD 405.9 million (US\$ 1,080 million) in H1 2015.

The Company posted a Net Income of **BD 16.3 million** (US\$ 43 million) in the second quarter of 2016, down by 45% YoY compared to BD 29.8 million (US\$ 79 million) in Q2 2015. Net Income for the first half of 2016 stood at **BD 20.5 million** (US\$ 55 million) versus BD 67.0 million (US\$ 178 million) for the same period in 2015.

2016 Alba Priorities

- Continuous focus on safety initiatives & talent management
- Deliver on Project Titan - Phase II
- Increase Value-Added Sales
- Increase Line 4 production by implementing larger anode
- Line 6 progressing as planned
 - Award power station contracts & finalise syndicated loan tranche by Q3 2016

Aluminium Bahrain B.S.C. (Alba) announced the release of its second quarter and first half of 2016 Financial Results on Monday July 25, 2016.

Commenting on Q2 & H1 2016 Financial Results, the Chairman of Alba's Board of Directors, Daij bin Salman bin Daij Al Khalifa:

"The industry is facing tough times; however, Alba continues to deliver solid profitability which further strengthens our position for Line 6 financing.

I would like to thank all the employees of Alba and our contractors for their continuous support towards Safety.

We, also, look forward to award the EPC contract for Power Station 5 in the third quarter of 2016."

Alba's Chief Executive Officer, Tim Murray added:



“Alba continues to push hard on managing its cost base which has resulted in strong free cash flow. The success of our performance is driven by our dedicated workforce whom I would like to thank for all their efforts.”

Alba's Management will be holding a conference call on Tuesday, July 26, 2016 to discuss Alba's performance for the second quarter and first-half of 2016 Financial Results as well as outline the company's priorities for the remainder of this year.