



Aluminium
for the world



INVESTOR RELATIONS PRESENTATION

2014



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01

INDUSTRY HIGHLIGHTS





Industry Highlights - 2014

Global Physical Demand Remains Healthy

- 🪐 World consumption up by +8% YoY
- 🪐 Asian demand up by 10% YoY driven by robust growth in China (+13% YoY) on the back of government stimulus and infrastructure investment
- 🪐 Demand in North America remains strong (over 5% YoY) with the ramp-up of higher automotive consumption (new Ford F-150 truck model launch)
- 🪐 MENA demand is mainly driven by major infrastructure spending (+4% YoY)
- 🪐 Europe consumption up by 2% YoY on the back of the construction and packaging sectors





Industry Highlights - 2014

Production Evolution

- 🪐 World production up by 7% YoY
- 🪐 China output at a record level (28.3 million metric tonnes, +14% YoY) supported by new capacity ramp-ups from both greenfield & brownfield expansions
- 🪐 World market in deficit (-12 Kt with China & -984 Kt without)





Industry Highlights - 2014

LME & Premiums

- 🪐 LME inventories at 4.2 million metric tonnes in December
- 🪐 2014 cash-average was \$1,866/t with LME ranging between \$1,642/t on February 4 and \$2,114/t on August 29
- 🪐 **Physical premiums continue to be at record high across the globe:**
 - 🪐 US Mid West premiums at \$510/t vs. \$228/t in 4Q13
 - 🪐 DDP Rotterdam at \$500/t vs. \$245/t in 4Q13
 - 🪐 Major Japanese Ports (MJP) at \$407/t vs. \$240/t in 4Q13



02

ALBA HIGHLIGHTS





Alba Highlights - 2014

Operational Highlights & Achievements

- 🪐 Continuous improvement in Safety performance (GAC Award)
- 🪐 Alba increased its sales to 931,526 metric tonnes (+1.3% YoY)
- 🪐 Production up by 2.1% YoY thanks to strong operational performance
- 🪐 Alba sustained its Value-Added Sales at 66% of total shipments
- 🪐 Physical premiums on an upward trend (+33% YoY) on the back of sound physical demand
- 🪐 Alba was notified that Natural gas price will increase to US\$ 2.5 per MMBTU effective April 1, 2015 thereafter escalate at US\$.25 cents per year until it reaches US\$ 4.00 per MMBTU in April 2021

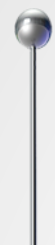


Alba Highlights - 2014 & Q4 2014

Financial Key Performance Indicators

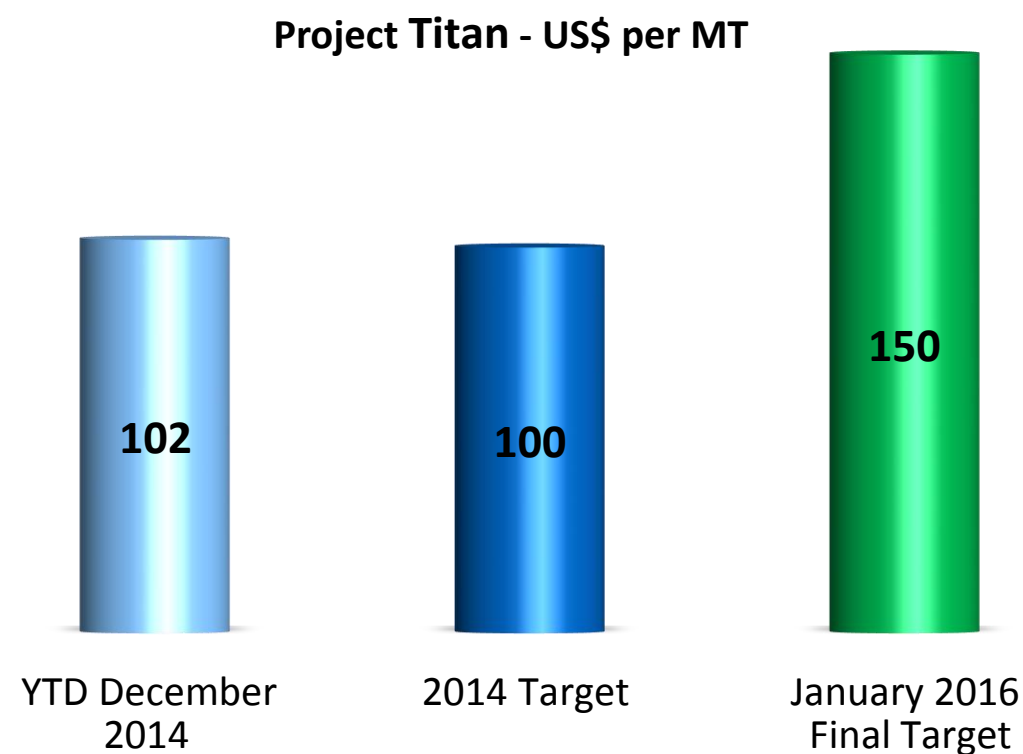
- 🪐 **Adjusted EBITDA up due to solid physical premiums, higher overall sales & favourable plant performance**
 - 🪐 Full-Year: US\$465 million up by 28% YoY
 - 🪐 Q4: US\$140 million up by 82% YoY
- 🪐 **Adjusted Net Income up driven by higher EBITDA levels**
 - 🪐 Full-Year: US\$242 million up by 73% YoY
 - 🪐 Q4: US\$84 million up by 279% YoY
- 🪐 **2014 Free-Cash Flow favourable due to higher EBITDA & working capital management**
 - 🪐 Full-Year: US\$305 million up by 35% YoY
 - 🪐 Q4: US\$47 million down by 30% YoY
- 🪐 **Alba Board recommends a final dividend of US\$ 56 million to be paid in March 2015 (total dividend for 2014 was US\$ 101 million)**





Alba Highlights - 2014

Project Titan - Improve Cash Cost of \$150/t by January 2016
Full-Year 2014: Project Titan on Track with Projected Savings of \$102/t



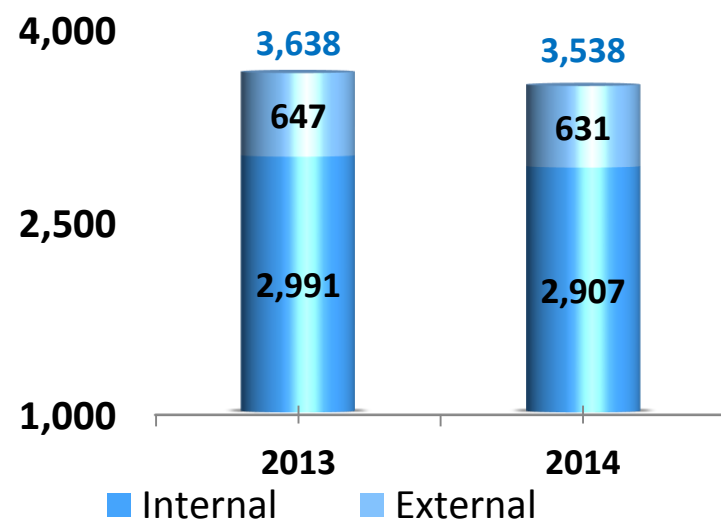
1. Savings from Project Titan represent the annual \$cost per mt improvement once all projects are fully implemented
2. Actual project implementation dates are on a project by project basis



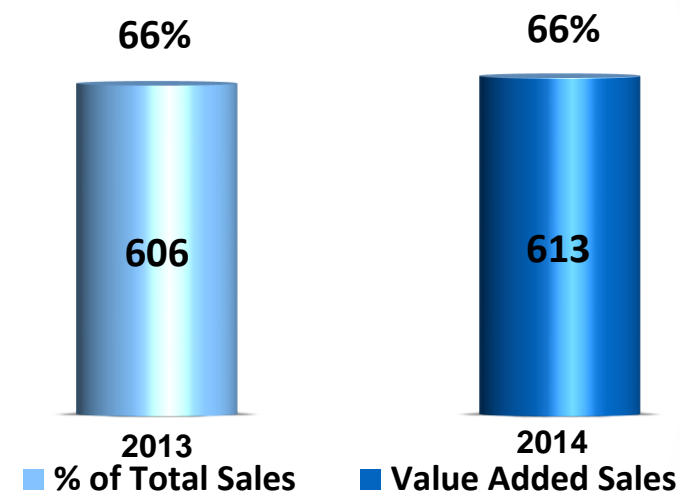
Alba Highlights - 2014

Operational Excellence Continues to Gain Momentum

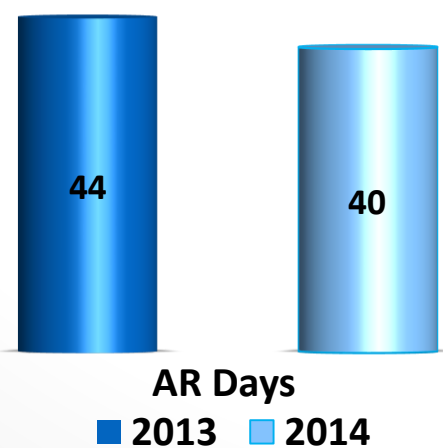
Head Count Management



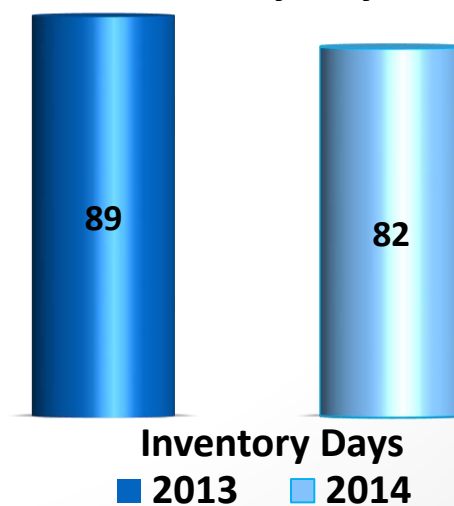
Value-Added Sales (MT'000)
as a % of Total Sales



Working Capital Streamlining



AR & Inventory Days Trend



03

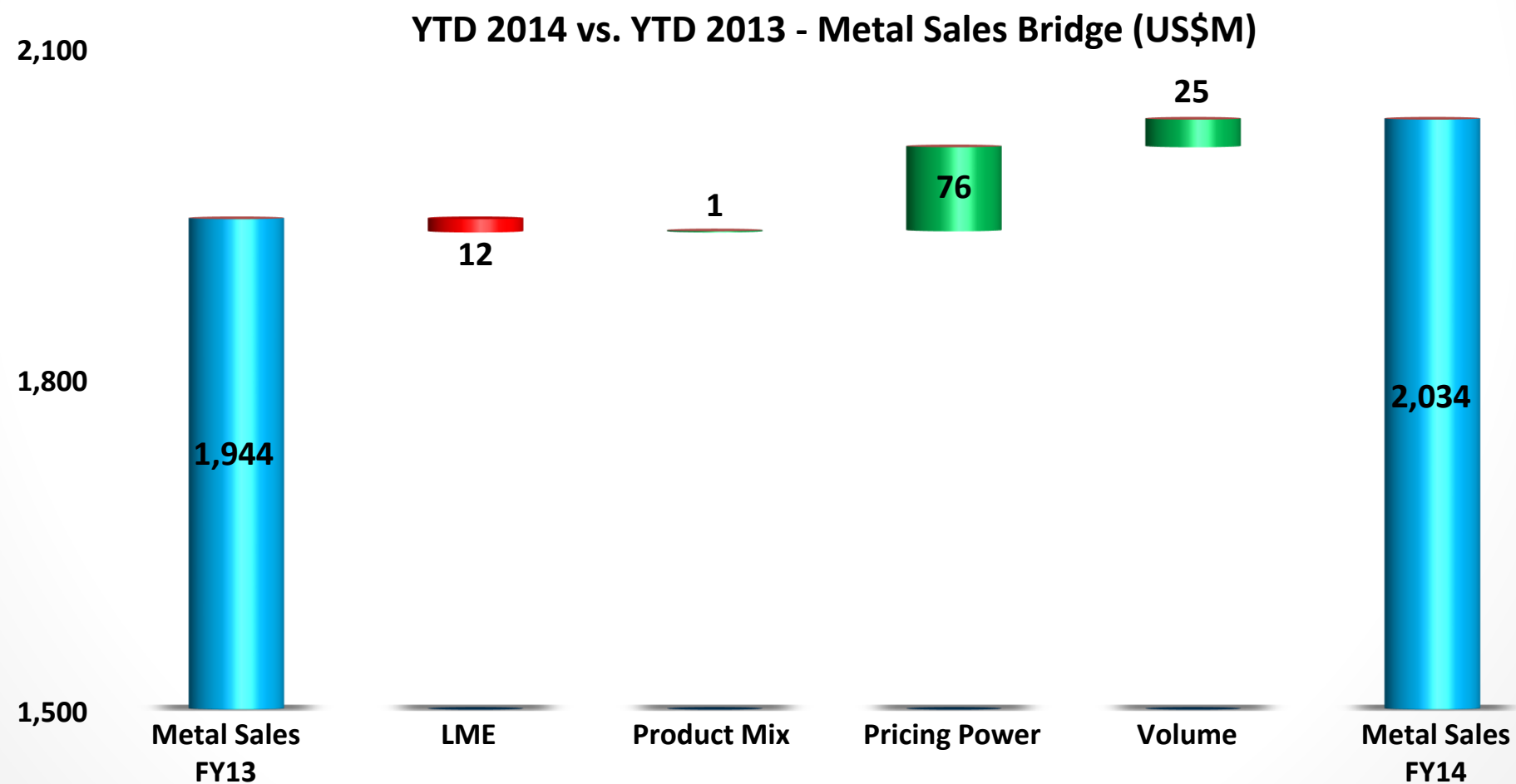
2014 RESULTS



2014 Results

FAVOURABLE MANAGEMENT PERFORMANCE

Sales Analysis FY14 vs. FY13
Higher Premium & Higher Sales Volume

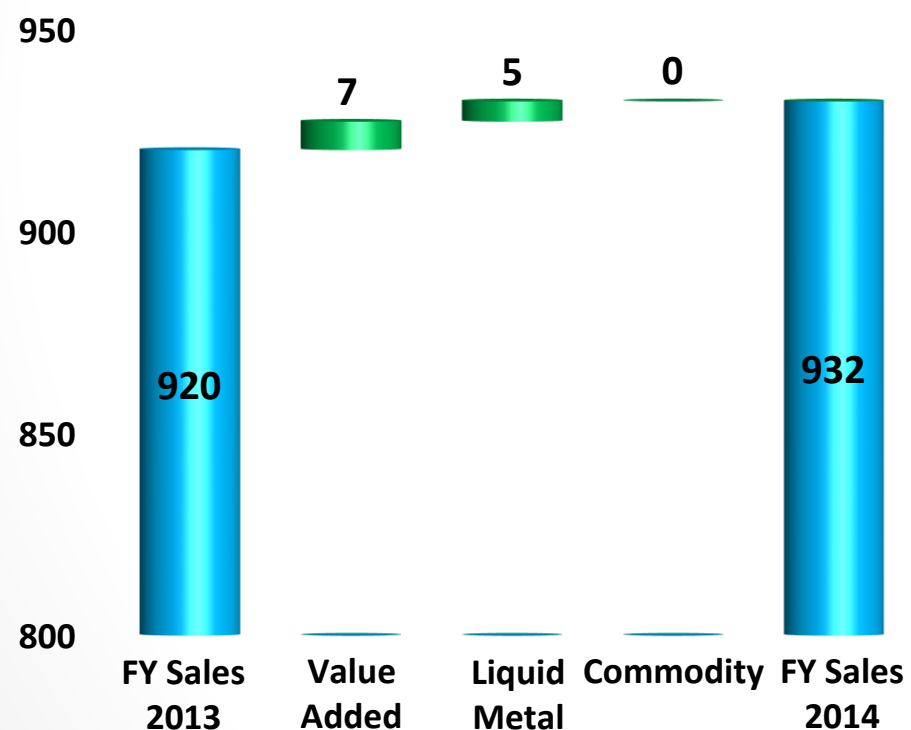


2014 Results

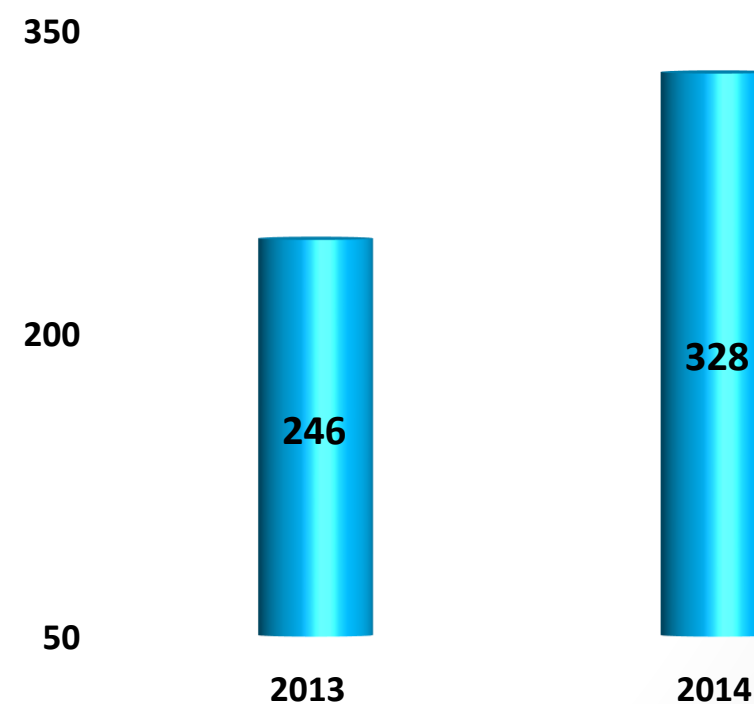
FAVOURABLE MANAGEMENT PERFORMANCE

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

**FY14 vs. FY13 - Sales by Product Line
Bridge (MT'000)**



Premium Above LME Trend US\$ Per MT

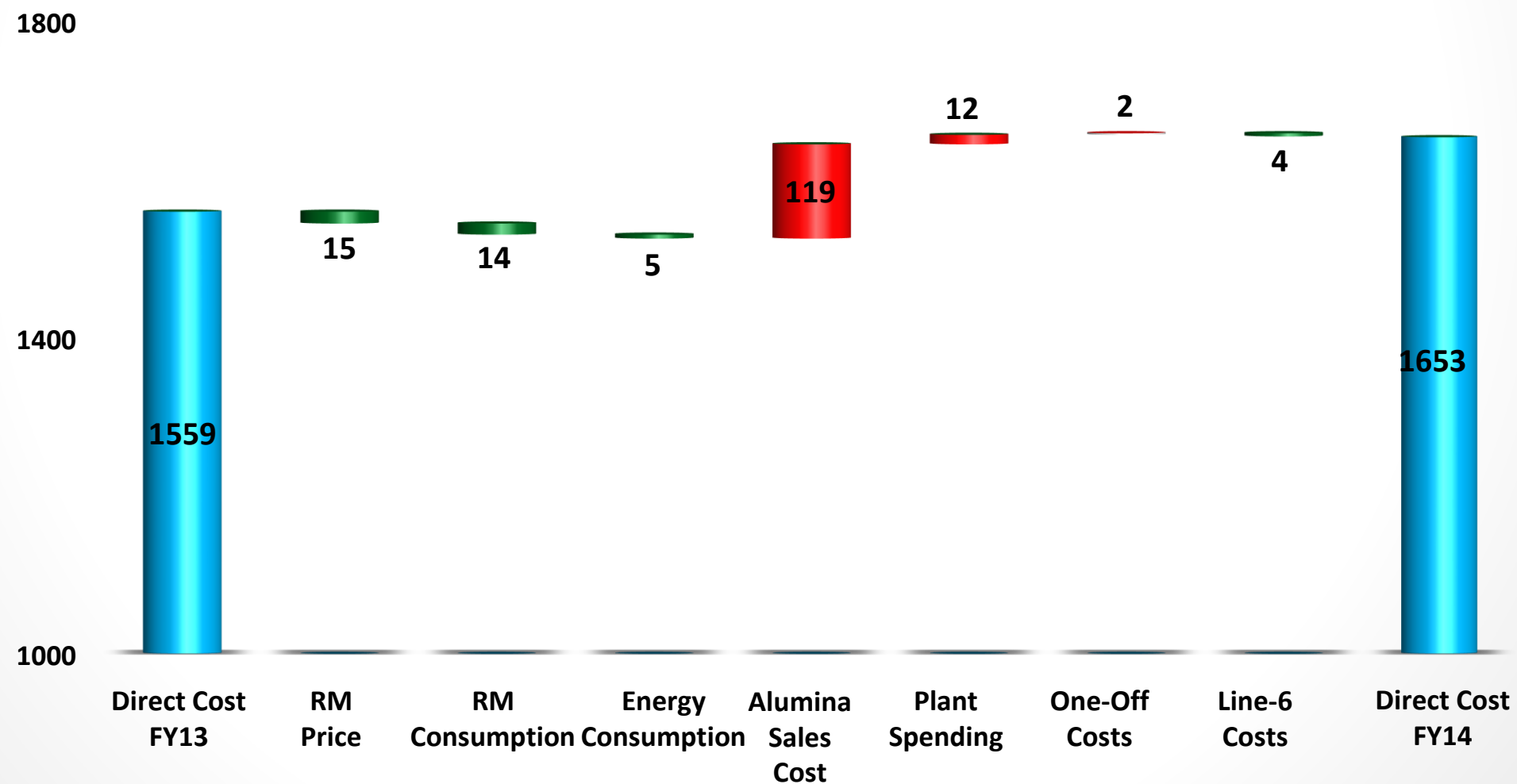


2014 Results

FAVOURABLE MANAGEMENT PERFORMANCE

Cost Analysis FY14 vs. FY13

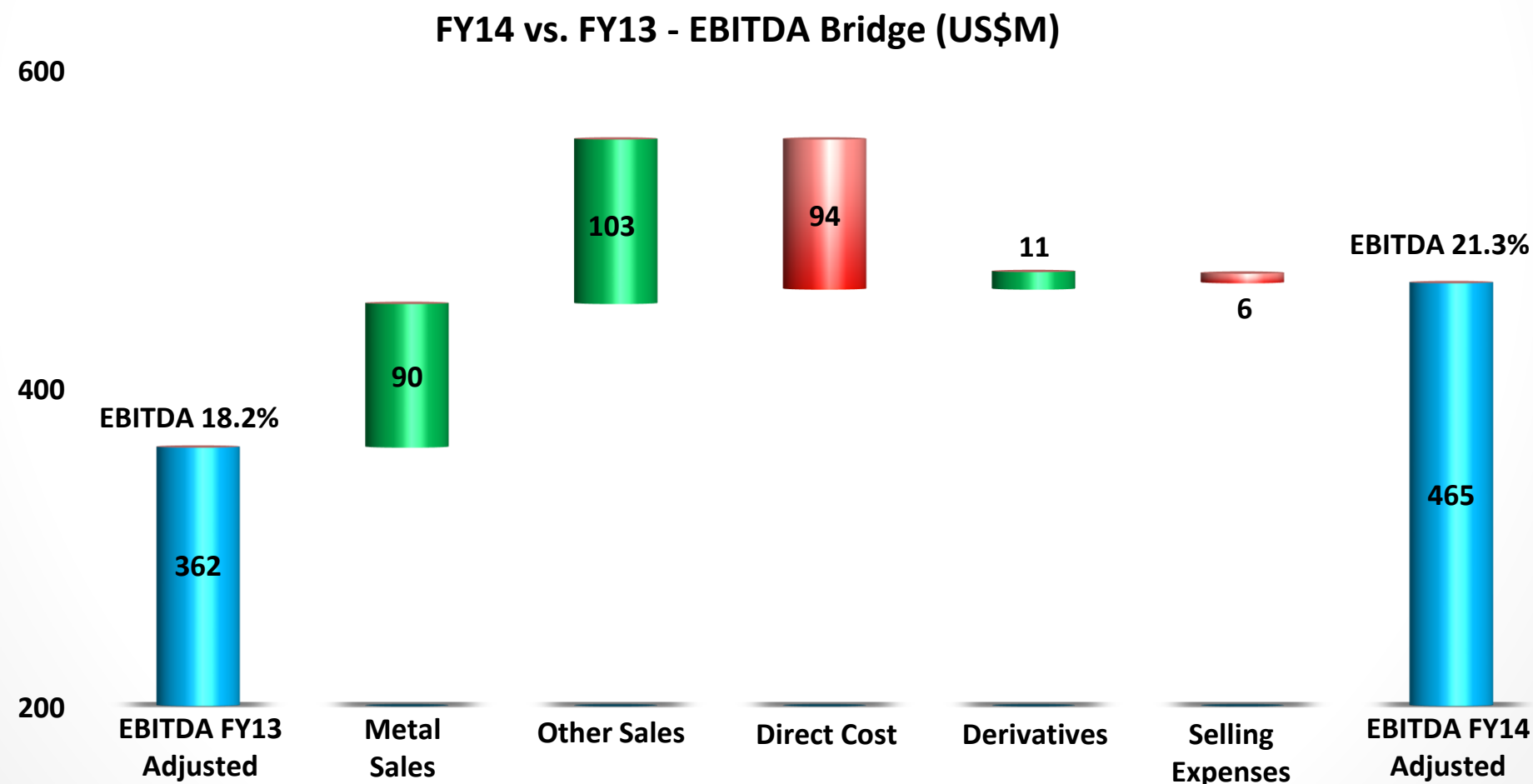
FY14 vs. FY13 - Direct Cost Bridge (US\$M)



2014 Results

FAVOURABLE MANAGEMENT PERFORMANCE

Adjusted EBITDA Bridge Gap Analysis - FY14 vs. FY13
Adjusted EBITDA Margin at 21.3%



Adjusted EBITDA includes impact of actual realised derivative payments

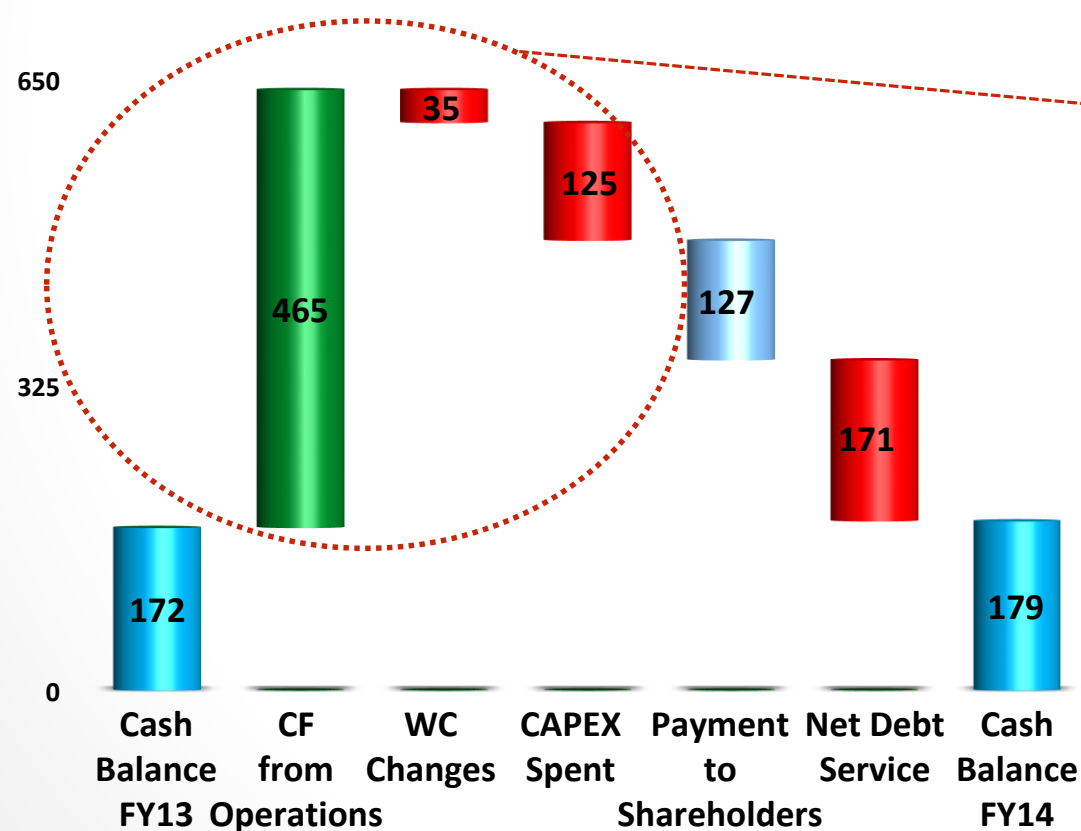


2014 Results

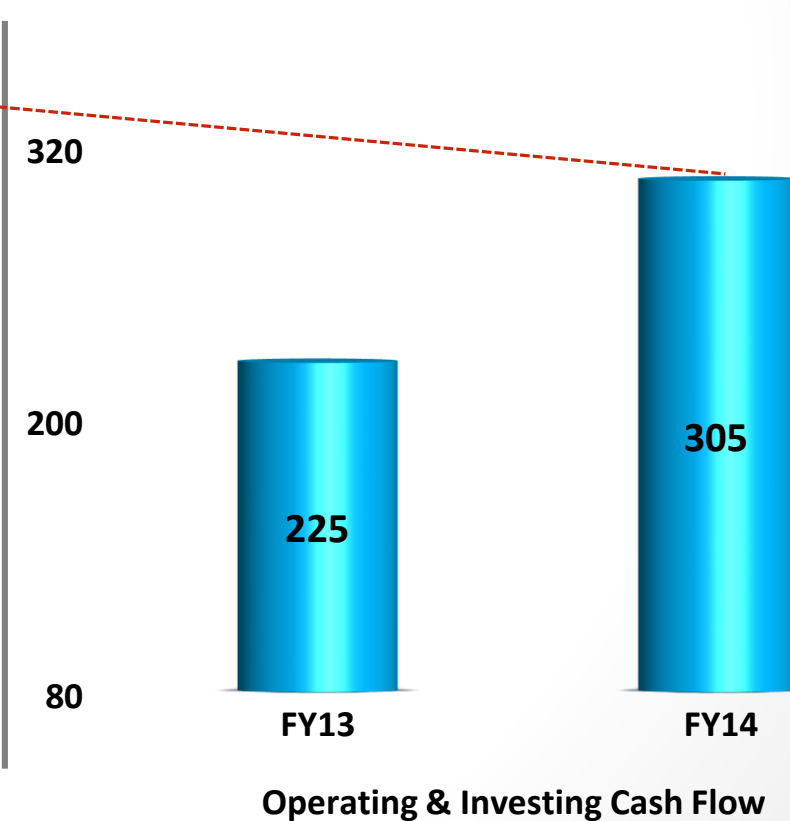
FAVOURABLE MANAGEMENT PERFORMANCE

Cash Flow Bridge - FY14 vs. FY13
Achieving a Constant Cash Flow Trend

FY13 to FY14 Cash Flow Bridge (US\$M)



Free Cash Flow (US\$M)



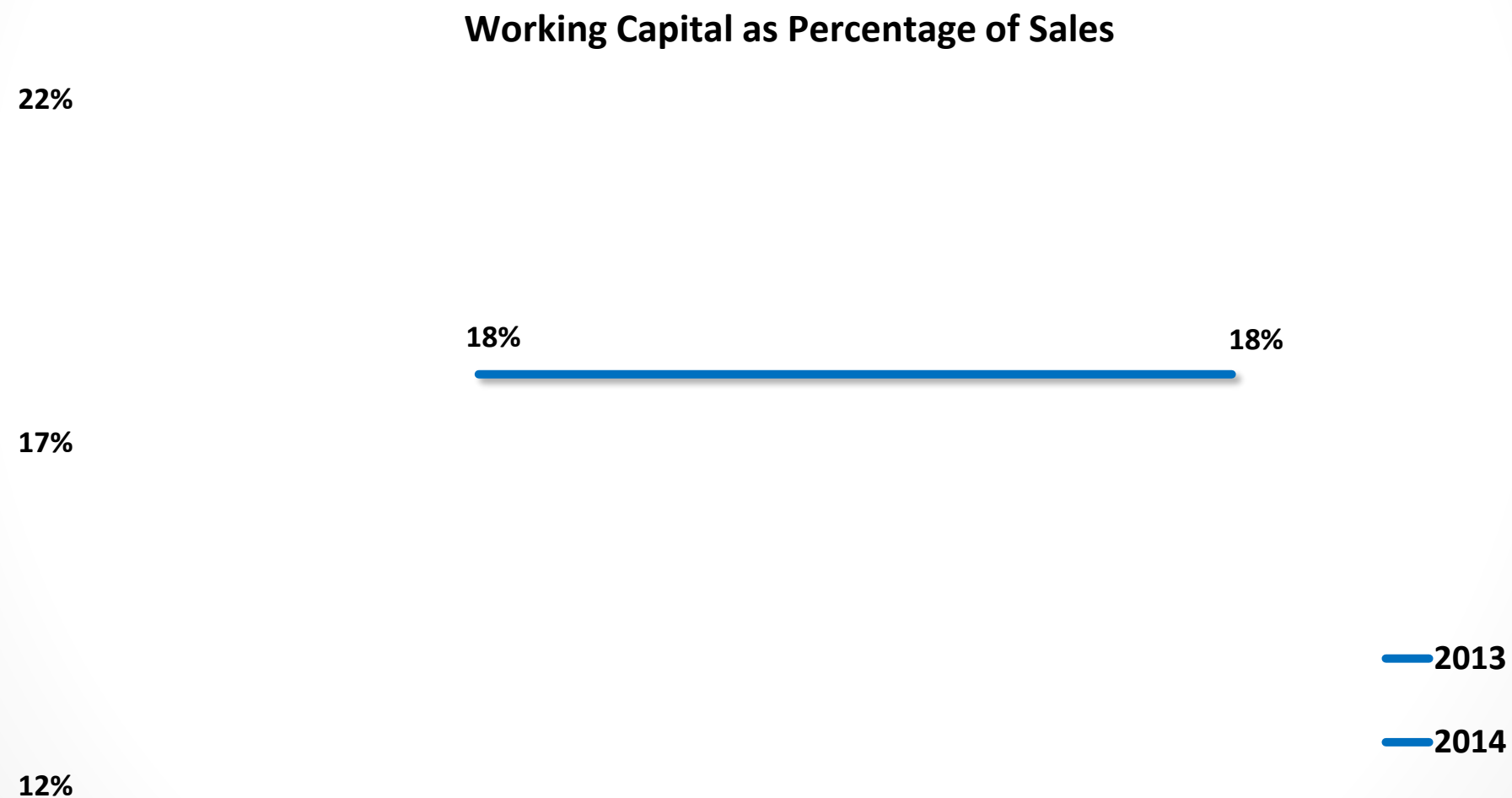
Operating & Investing Cash Flow



2014 Results

FAVOURABLE MANAGEMENT PERFORMANCE

Working Capital Trend as Percentage of Sales - Stable Performance



2014 Results

FAVOURABLE MANAGEMENT PERFORMANCE

Sound Management Performance with an Upward Trend in Sales

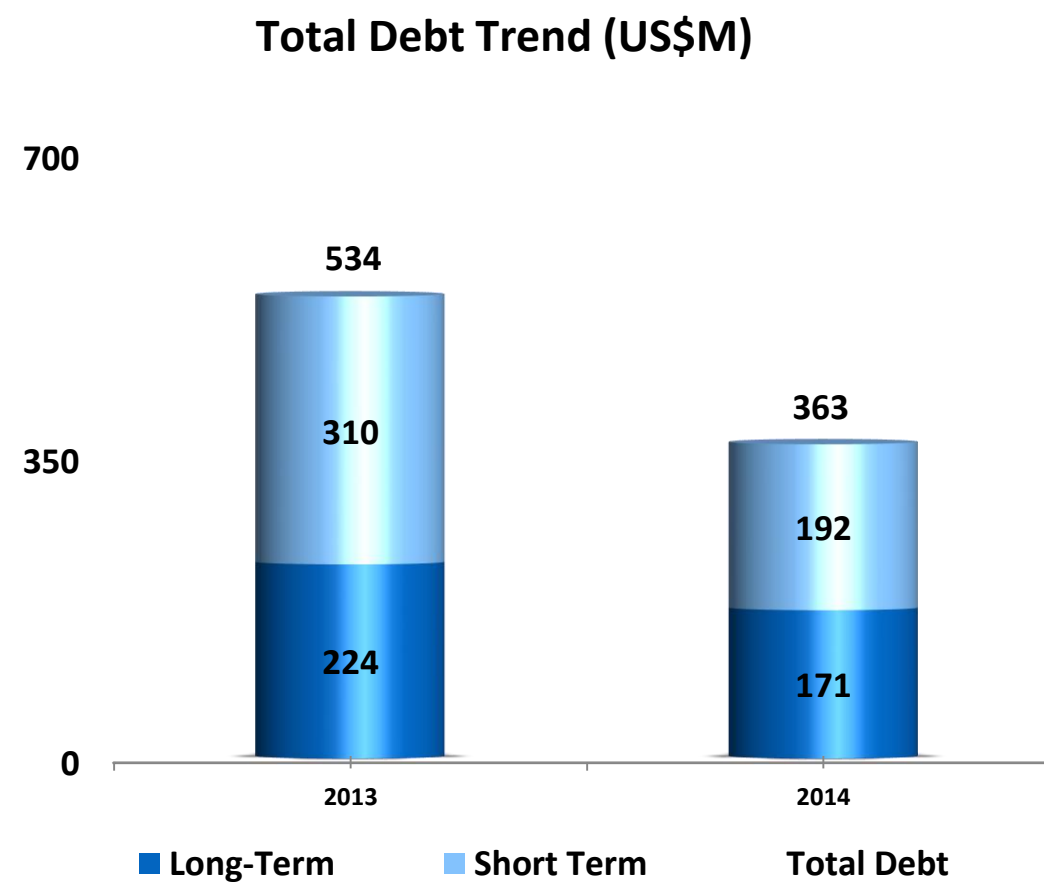
Financial Summary	Q4 2014	Q4 2013	FY 2014	FY 2013
Average Cash LME (US\$/MT)	1,968	1,767	1,866	1,846
Sales (US\$M)	591	488	2,185	1,993
EBITDA (US\$M)	140	77	465	362
EBITDA%	23.7%	15.8%	21.3%	18.2%
EBITDA (Excl. One-Off Costs) (US\$M)	145	94	485	384
EBITDA% (Excl. One-Off Costs)	24.5%	19.2%	22.2%	19.3%
Net Income/ (Loss) (US\$M)	92	36	257	212
Gain/ (Loss) Unrealised Derivatives (US\$M)	8	14	15	73
Adjusted Net Income/ (Loss) (US\$M)	84	22	242	139
Adjusted Net Income%	14.1%	4.5%	11.1%	7.0%



2014 Results

FAVOURABLE MANAGEMENT PERFORMANCE

Total Debt Reduction Trend - Continue to Strengthen





2014 Results

Alba Continues to Deliver Cash to its Shareholders

🪐 At Alba's Board Meeting on February 09, 2015, the Directors recommended a total dividend of US\$ 101 million (39% of 2014 Net Income), where US\$ 45 million (interim dividend) were paid in September 2014 and US\$ 56 million will be payable in March 2015 (subject to Bahrain Bourse and Alba Shareholders' approval)

🪐 The Shareholders' approval will be requested at March 01, 2015 Annual General Meeting



04

INDUSTRY PERSPECTIVES IN 2015





Industry Perspectives in 2015

Physical Demand to Remain Healthy

- 🪐 **Key factors to be observed:**
- 🪐 LME volatility will continue
- 🪐 US Midwest premiums to remain firm thanks to a sound physical demand
- 🪐 MENA infrastructure spending to continue
- 🪐 Strong US dollar will continue to weigh on commodities
- 🪐 Projecting LME price to range between \$1,800/t - \$1,900/t (1st half of 2015)





Industry Perspectives in 2015

Raw Materials Price Trends

- ♁ Alumina spot index to remain relatively stable with minor fluctuations
- ♁ Green Petroleum Coke prices may slightly increase if refineries cut oil production
- ♁ Alumina Fluoride (ALF3) and Liquid Pitch prices to remain at current levels for the next 6 months



05

2015 ALBA PRIORITIES





2015 Alba Priorities

Sustainable Improvement & Preparation for Future Growth

- 🪐 Continuous Focus on Safety Initiatives & Talent Management
- 🪐 Deliver on Project Titan
- 🪐 Leverage Strong Physical Demand Conditions
- 🪐 Benefit from high physical premiums in 2015 new contracts
- 🪐 Sustained focus on Value-Added Sales
- 🪐 Increase Creep Capacity with Minimal Capital Investment
- 🪐 Line 6 Expansion



06

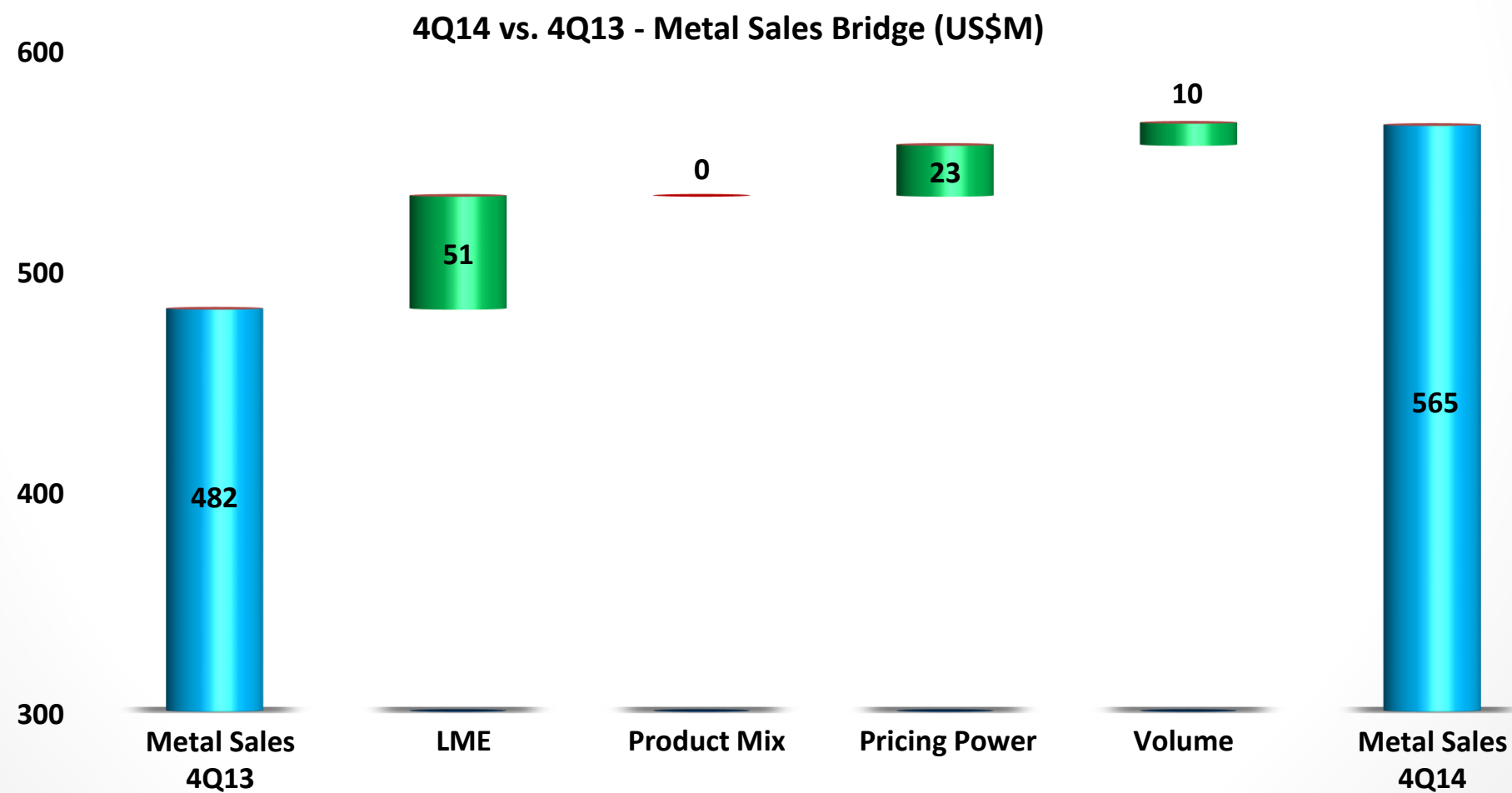
APPENDIX



Q4 2014 Results

FAVOURABLE MANAGEMENT PERFORMANCE

Sales Analysis 4Q14 vs. 4Q13
Higher Premium, Higher LME Prices & Higher Sales Volume

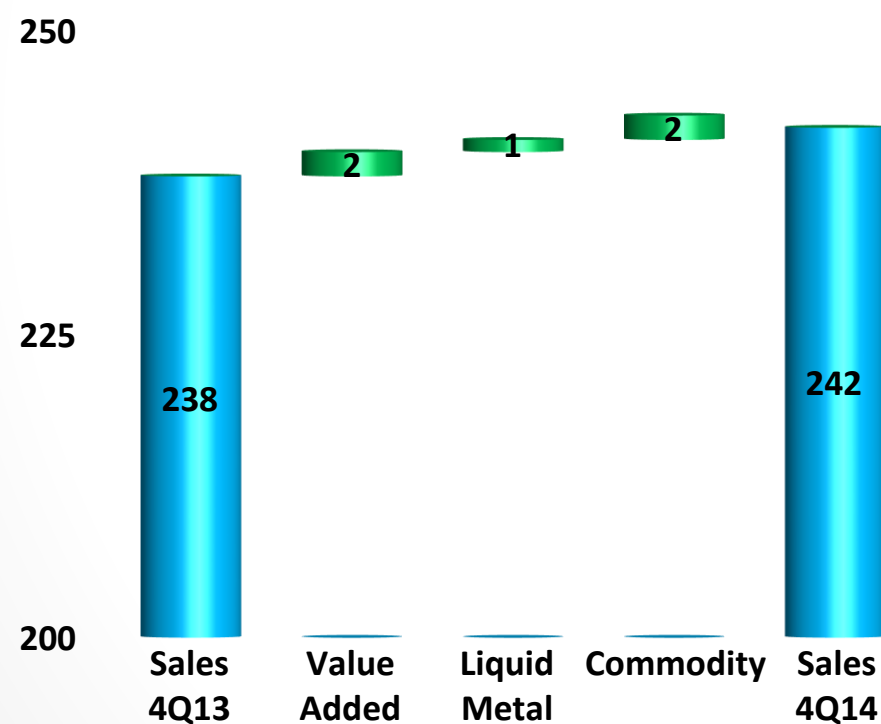


Q4 2014 Results

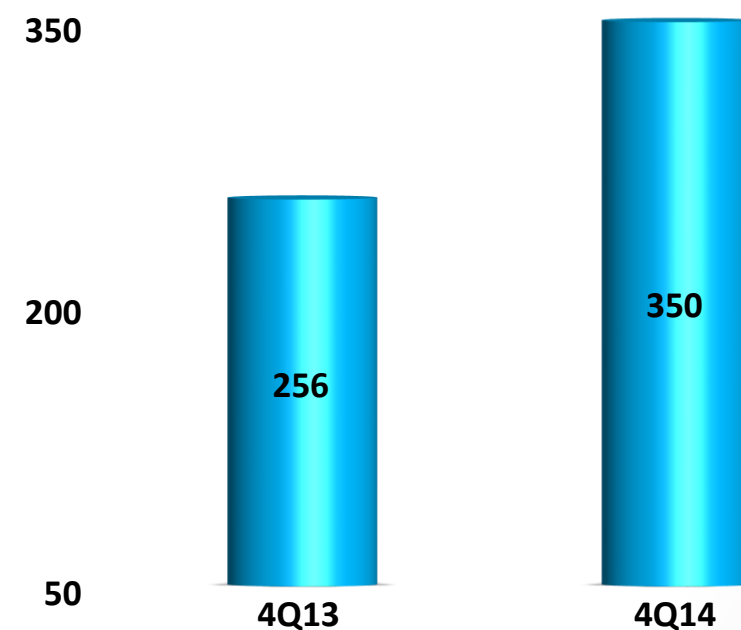
FAVOURABLE MANAGEMENT PERFORMANCE

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

4Q14 vs. 4Q13 - Sales by Product Line
Bridge (MT'000)



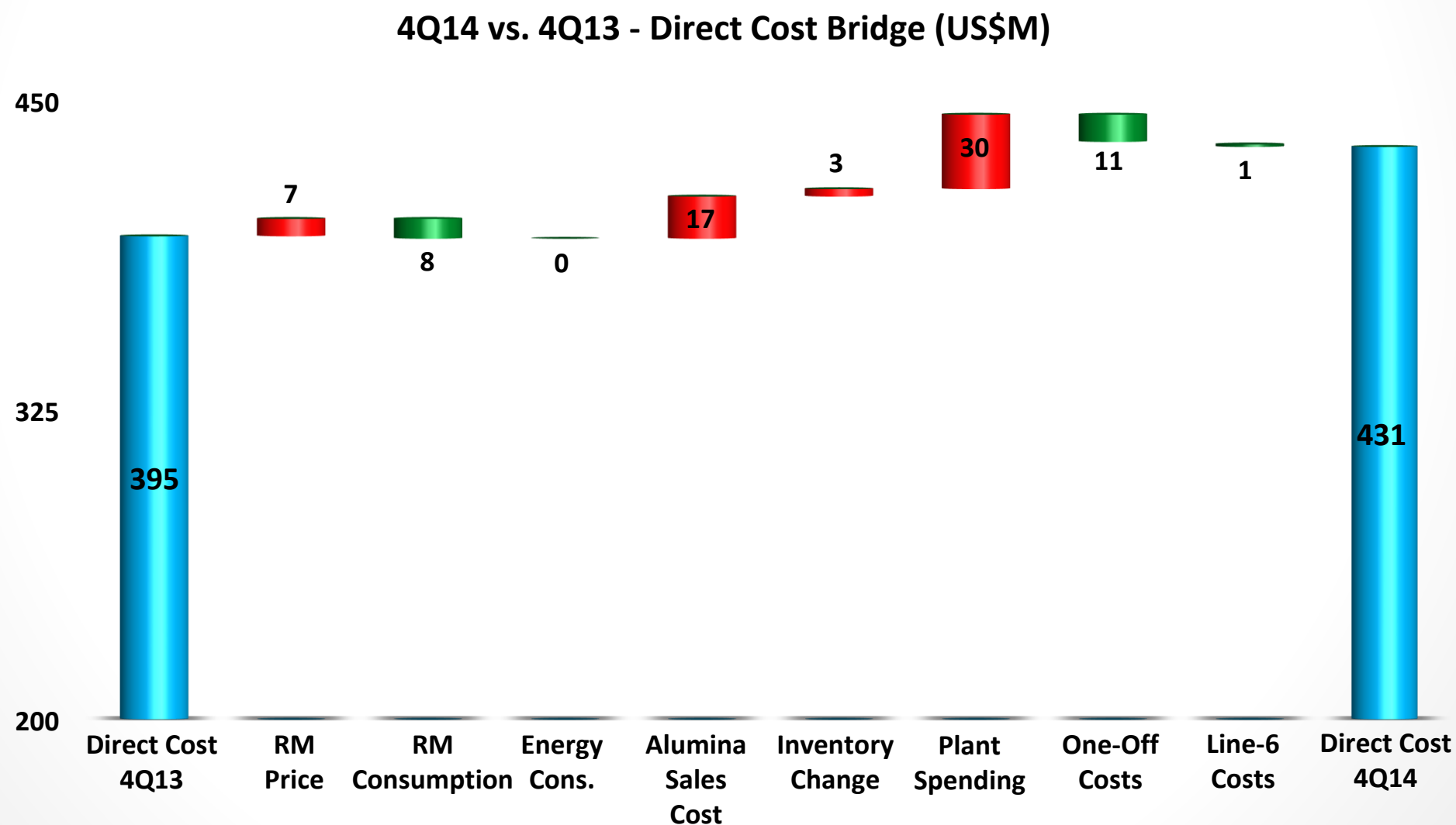
Premium Above LME Trend US\$ Per MT



Q4 2014 Results

FAVOURABLE MANAGEMENT PERFORMANCE

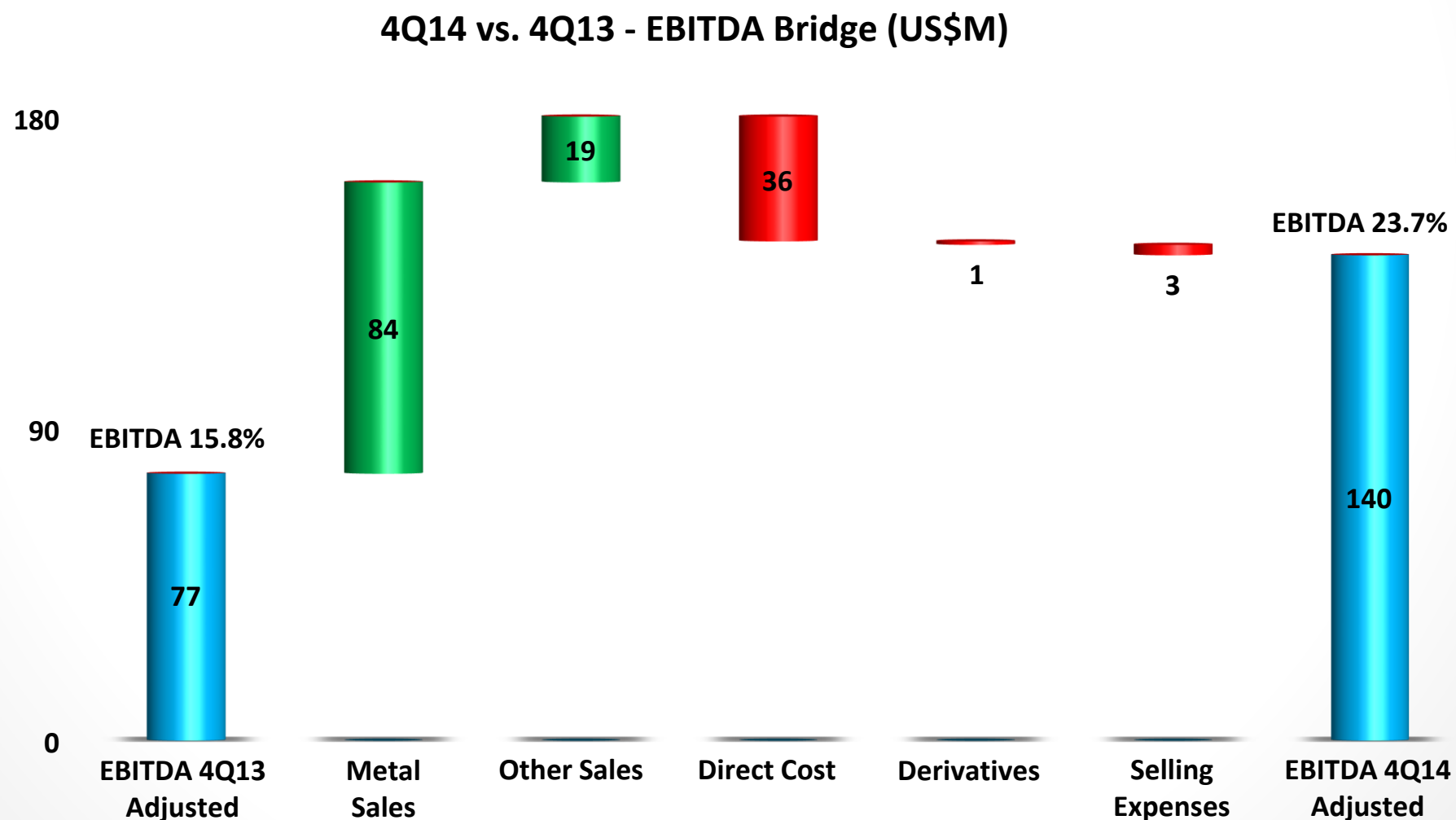
Cost Analysis 4Q14 vs. 4Q13



Q4 2014 Results

FAVOURABLE MANAGEMENT PERFORMANCE

Adjusted EBITDA Bridge Gap Analysis - 4Q14 vs. 4Q13
Adjusted EBITDA Margin at 23.7%



Adjusted EBITDA includes impact of actual realised derivative payments

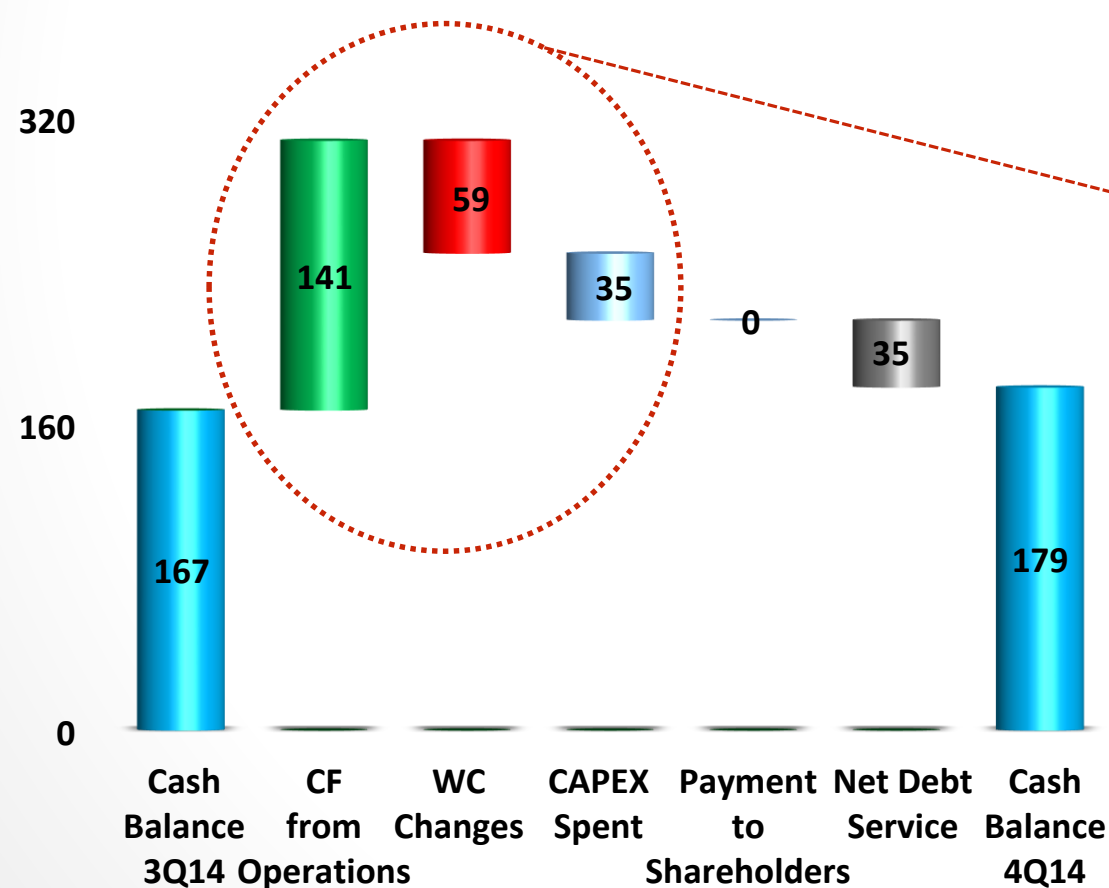


Q4 2014 Results

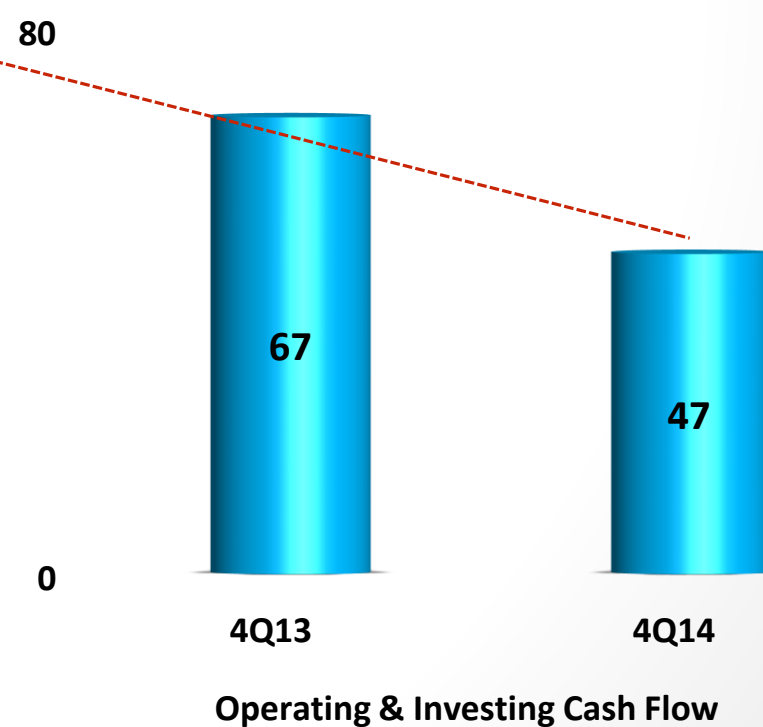
FAVOURABLE MANAGEMENT PERFORMANCE

Cash Flow Bridge - 3Q14 to 3Q14
Achieving Constant Cash Flow Trend

3Q14 to 4Q14 Cash Flow Bridge (US\$M)



Free Cash Flow (US\$M)





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