



## Alba Reports Q2 2012 Results

- *Q2 2012: Aluminium demand still healthy despite global economic uncertainty*
- *Q2 2012: Increase in production and additional recurrent savings of US\$ 12 million*
- *Q2 2012: Distribute an interim dividend of US\$52.6 million*

### Q2 2012 Industry Highlights:

- World consumption surges 3.2% as compared to the Q2 2011 while world market production rose by 2.2% Y-o-Y
- Demand for aluminium remains healthy with automotive and construction sectors driving the demand in North America while the Japanese rebuild and Chinese government spending fuel the Asian demand
- Large infrastructural projects bolster demand in the MENA region, and in Europe, recovery in demand goes up by 4.8% in Q2 2012 despite Euro debt concerns
- Western markets forced to undergo further capacity cuts due to current LME prices and high-energy costs
- Inventories at London Metal Exchange (LME) touched 4.9 million metric tonnes in May 2012
- The LME cash average was at US\$ 1,977 metric tonnes in Q2 2012 with prices ranging between US\$ 2,091 on April 3 and US\$ 1,810 on June 26

### Q2 2012 Alba Highlights:

- Increase in production by 1.7% with sales remaining stable thanks to ongoing operational excellence initiatives
- Additional recurrent savings of US\$ 12 million versus US\$30 million target for 2012
- Sales of Value-Added Products up by 67% as compared to 63% in Q1 2012
- 8 major projects were initiated as part of the launch of Lean Six Sigma Wave 7

### Q2 2012 Financial Highlights:

- Sales for the quarter at US\$ 523 million
- Adjusted EBITDA and Net Income at US\$ 86 million and US\$ 95 million respectively impacted by lower LME levels and higher gas costs
- Cash Flow of US\$ 143 million partially offset by strong working capital management despite being impacted by lower LME levels
- Board of Directors proposed to distribute interim cash dividend of 14 fils per share, which is US\$ 52.6 million



### Q2 2012 Alba Priorities:

- Launch of bankable feasibility studies for Line 6 expansion project before year-end
- Finalise long term contract to secure availability and price of gas beyond 2012 for Line 6 expansion project
- Alba STAR programme to achieve additional cash savings of US\$ 30 million in 2012
- Further increase Line 5 production through anode upgrades, and maintain sustained focus on Value-Added Sales
- On-going implementation for AlbaSafeWay work streams

Aluminium Bahrain B.S.C. (Alba) announced the release of its second quarter 2012 results on Sunday, July 29, 2012.

Commenting on the Q2 2012 results, Alba's Chief Executive, Laurent Schmitt said:

"Without LME & Gas Impact, Alba was able to maintain its intrinsic value. The company has successfully managed its working capital and was able to spin its Value-Added sales back to record levels – 67% as of Q2 2012 despite the downbeat sentiment of the global market as well as the downward trend of aluminium prices.

We remain confident that Alba will maintain its competitive position for the remainder of 2012 through an ongoing focus on Continuous Improvement Programmes as well as commitment to Operational Efficiency initiatives."

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

"Alba's success for the past forty years has been primarily due to its key fundamentals that continue to remain strong and offer the springboard for healthy performance.

Distributing an interim dividend endorses the company's strong business model in delivering continuous returns to its shareholders.

I would also like to express my appreciation to the Executive Management team for their leadership in steering the company's operations this quarter and for the workforce whom have made these achievements possible."

Alba's Chief Executive, Laurent Schmitt, Chief Financial & Supply Officer, Tim Murray and Investor & Public Relations Manager, Eline Hilal will be holding a conference call on July 30, 2012 to discuss Alba's performance for the second quarter of 2012 as well as outline the company's priorities for the remainder of this year.