



Aluminium
for the world

2012 IR PRESENTATION



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INDUSTRY HIGHLIGHTS

INDUSTRY HIGHLIGHTS

2012

Aluminium Demand Still Healthy

- World consumption up by 3.9% YoY
- North America – healthy demand (+5.6% YoY) driven by automotive and construction sectors
- Asian demand mainly driven by China (+8% YoY), India (+6% YoY) and Japan recovery (+2% YoY)
- MENA demand up by 5.5% YoY driven by large infrastructure projects
- Europe demand down by 4.8% YoY on the back of decline in automotive production

INDUSTRY HIGHLIGHTS

2012

Production Evolution

- World production up by 3.3% and is expected to rise in the coming years with Greenfield projects ramp-up in the Middle East (Ma'aden), Russia and India
- World market slightly over-supplied (+454 Kt with China and -292 Kt without)
- China output at a record level (21.4 million metric tonnes, +11.3% YoY) driven by government support on power subsidies
- Western producers continue to suffer with lower LME prices and high power costs hence leading to further capacity cuts

INDUSTRY HIGHLIGHTS

2012

LME & Premiums

- LME inventories at 5.2 million metric tonnes in December
- 2012 Cash-average was \$2,019/t vs. \$2,398/t in 2011 with LME ranging between \$1,874 on October 29 and \$2,164 on December 17
- **Physical premiums at record high across the globe:**
 - Major Japanese Ports at \$255/t vs. \$205/t in 3Q12 and \$116/t in 4Q11
 - DDP Rotterdam at \$219/t vs. \$221/t in 3Q12 and \$182/t in 4Q11
 - US Mid West premiums at \$250/t vs. \$248/t in 3Q12 and \$195/t in 4Q11

Raw Material Price

- Alumina price remained stable YoY whereas Green Petroleum Coke market prices softened







ALBA HIGHLIGHTS

Alba Highlights

2012 – Operational Highlights/Achievements

STAR Operational Improvement Program

-  Additional recurrent savings of US\$40 million recorded in 2012 ahead of target by \$10 million
-  Alba was able to increase production by 8,907 metric tonnes with sales stable despite tough LME market conditions
-  2012 Sales of Value-Added products reached 65% of total shipments vs. 62% in 2011
-  Increase of current in Pot Line 5 to 360 kA after the upgrade from AP30 to AP36 technology




Alba Highlights

2012 - Operational Highlights/Achievements

AlbaSafeWay Program

-  Focus on Zero Accident Principles

Future Growth

-  Alba initiates the Bankable Feasibility Study (BFS) for Line 6 expansion project
-  Dubal DX+ Technology selected as the technology provider
-  Bechtel Canada to perform the BFS

Alba Highlights

2012 & Q4 – Financial Key Performance Indicators

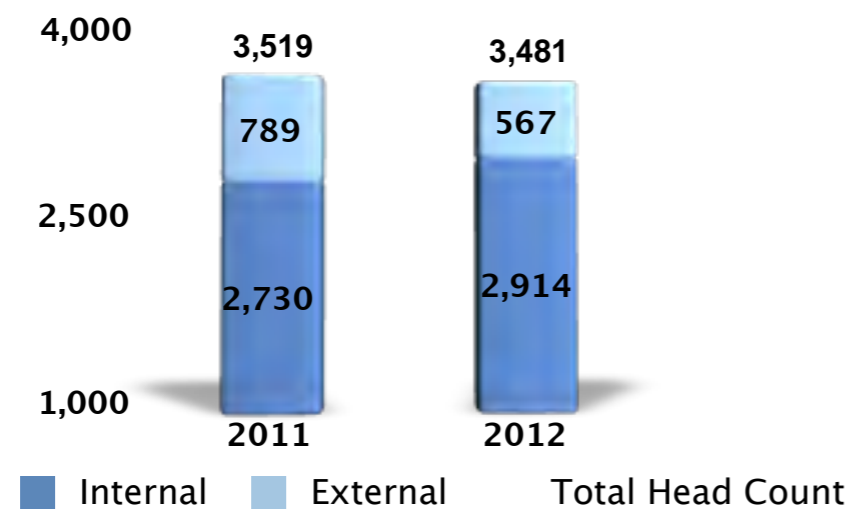
- **Adjusted EBITDA driven by lower LME prices and higher energy cost partially offset by record production levels & Alcoa settlement**
 - 2012: US\$409 million down by 30% YoY
 - Q4: US\$173 million up by 137% YoY
- **Adjusted Net Income driven by low LME prices partially offset by unrealized derivative gains and Alcoa settlement**
 - 2012: US\$183 million down by 48% YoY
 - Q4: US\$115 million up by 619% YoY
- **Free-Cash Flow impacted by low LME prices, high energy cost and partially offset by Alba-Alcoa settlement**
 - 2012: US\$341 million down by 44% YoY
 - Q4: US\$114 million down by 24% YoY
- **Alba Board recommends a final dividend of US\$52 million to be paid in March 2013**

ALBA HIGHLIGHTS

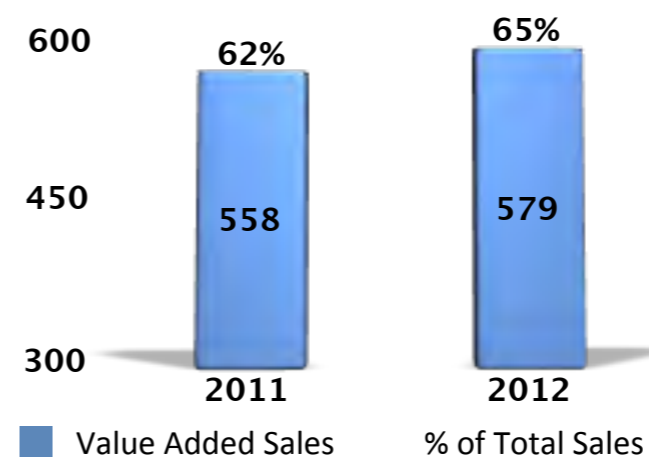
2012 – ANOTHER STEP TOWARDS EFFICIENCY

Operational Excellence Continues to Flourish in Alba

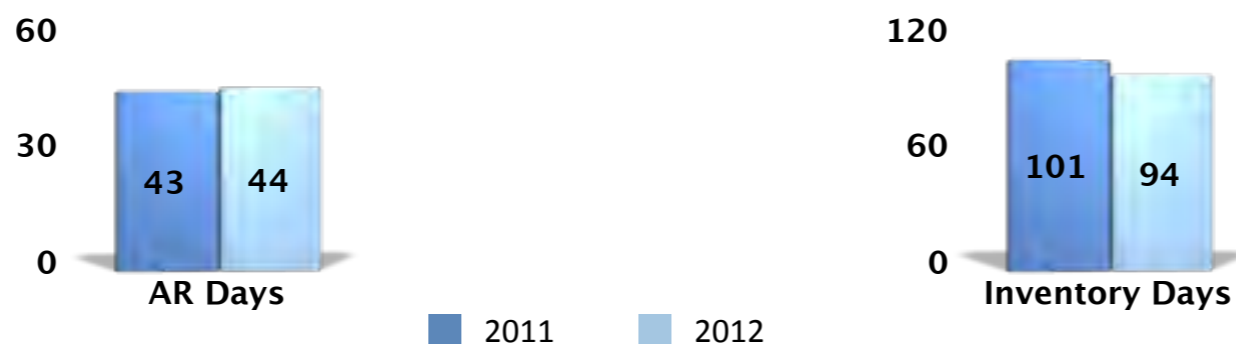
Organizational Efficiency – Head Count Management



Marketing and Sales Excellence – Value Added Sales (MT'000) maintained at par with 2010



Working Capital Streamlining – AR and Inventory Days Trend





2012 RESULTS

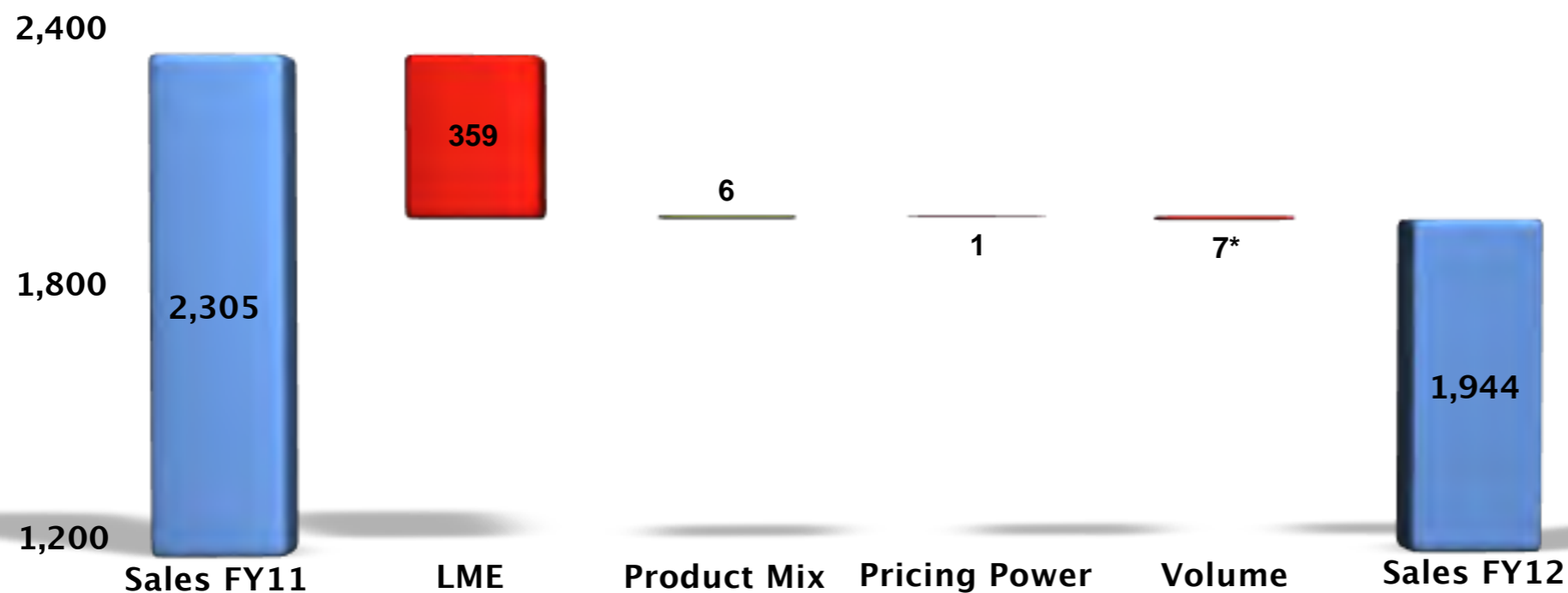


2012 Results

STRONG PHYSICAL DEMAND DESPITE LOW LME

Sales Analysis FY12 vs. FY11 (US\$M)
Higher Premium Offset by Lower LME Prices

FY12 vs. FY11 - Metal Sales Bridge (US\$M)



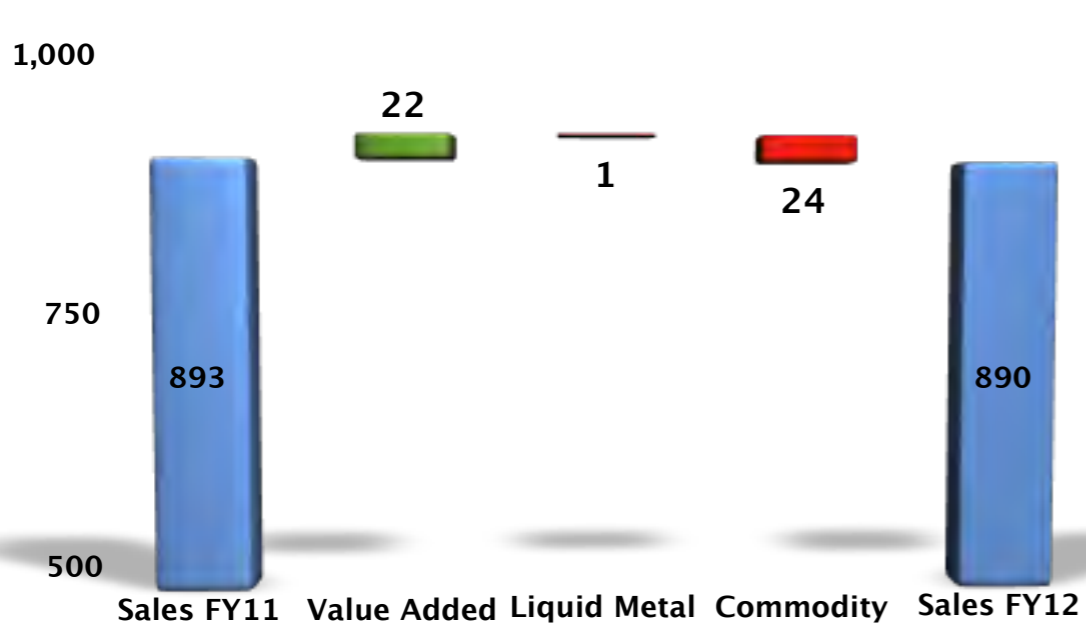
* Higher throughput and sales resulted in a \$14 million direct benefit to the bottom line

2012 Results

STRONG PHYSICAL DEMAND DESPITE LOW LME

**Maintain Optimum Product Mix
Maximize Value Added Sales and Leverage Pricing Power**

FY12 vs. FY11 – Sales by Product line Bridge
(000's MT)



Premium Above LME Trend US\$M (Per MT)



2012 Results

LOW LME PULLS DOWN RESULTS

**Cost Analysis FY12 vs. FY11:
Higher Energy Costs Offset by Lower Raw Material Prices and Alcoa Settlement**

FY12 vs. FY11 - Direct Costs Bridge (US\$M)

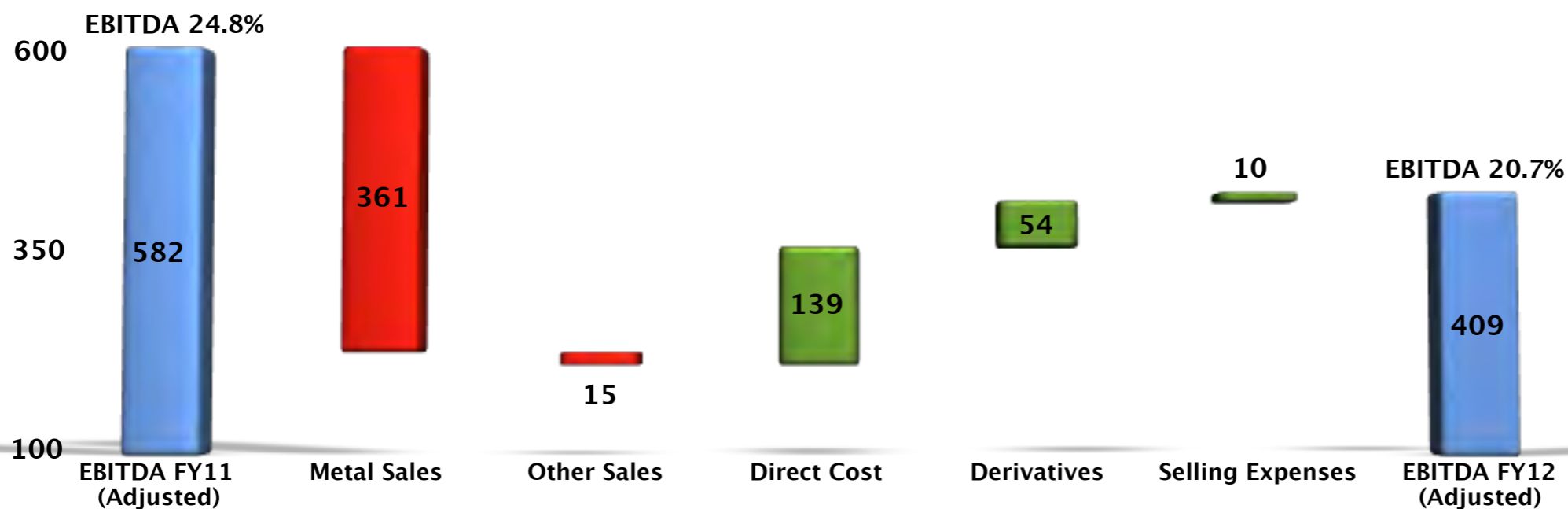


2012 Results

LOW LME PULLS DOWN RESULTS

Adjusted EBITDA Bridge Gap Analysis FY12 vs. FY11:
Adjusted EBITDA Margin at a 20.7%

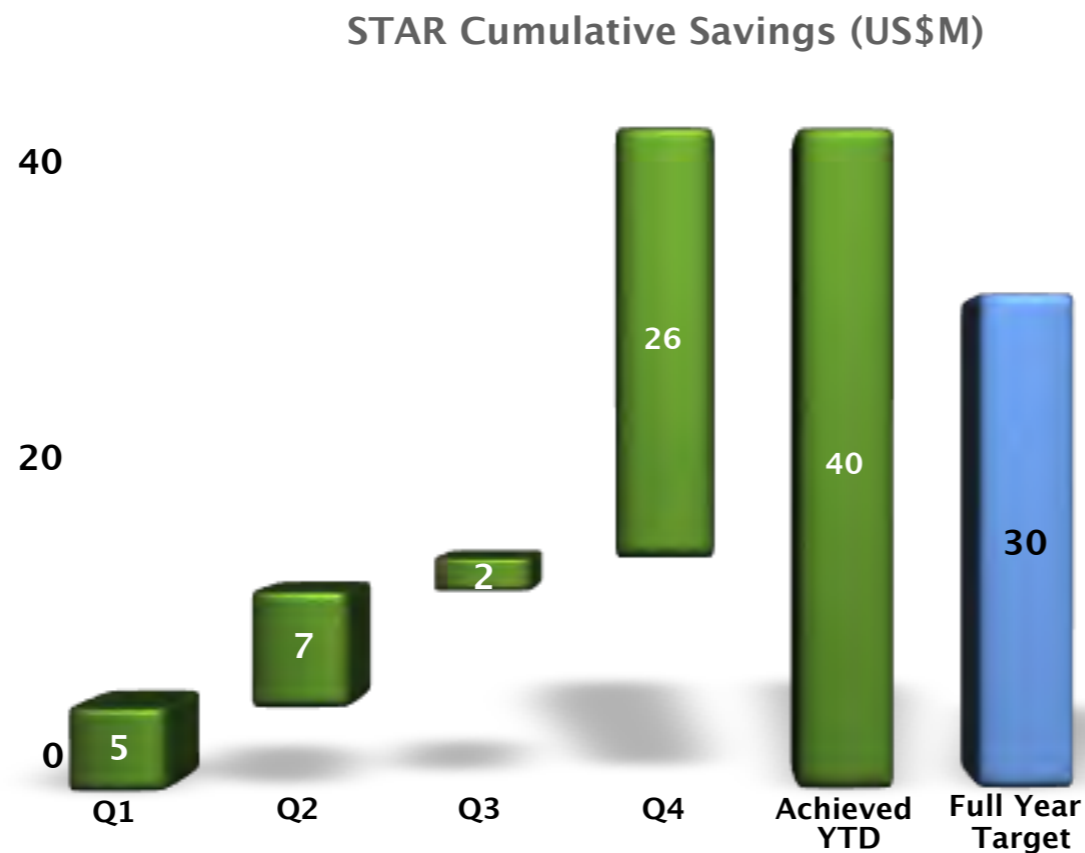
FY12 vs. FY11 - EBITDA Bridge (US\$M Adjusted)



2012 Results

STAR SAVINGS AHEAD OF TARGET BY \$10 MILLION

STAR Saving – Actual vs. Target 2012:

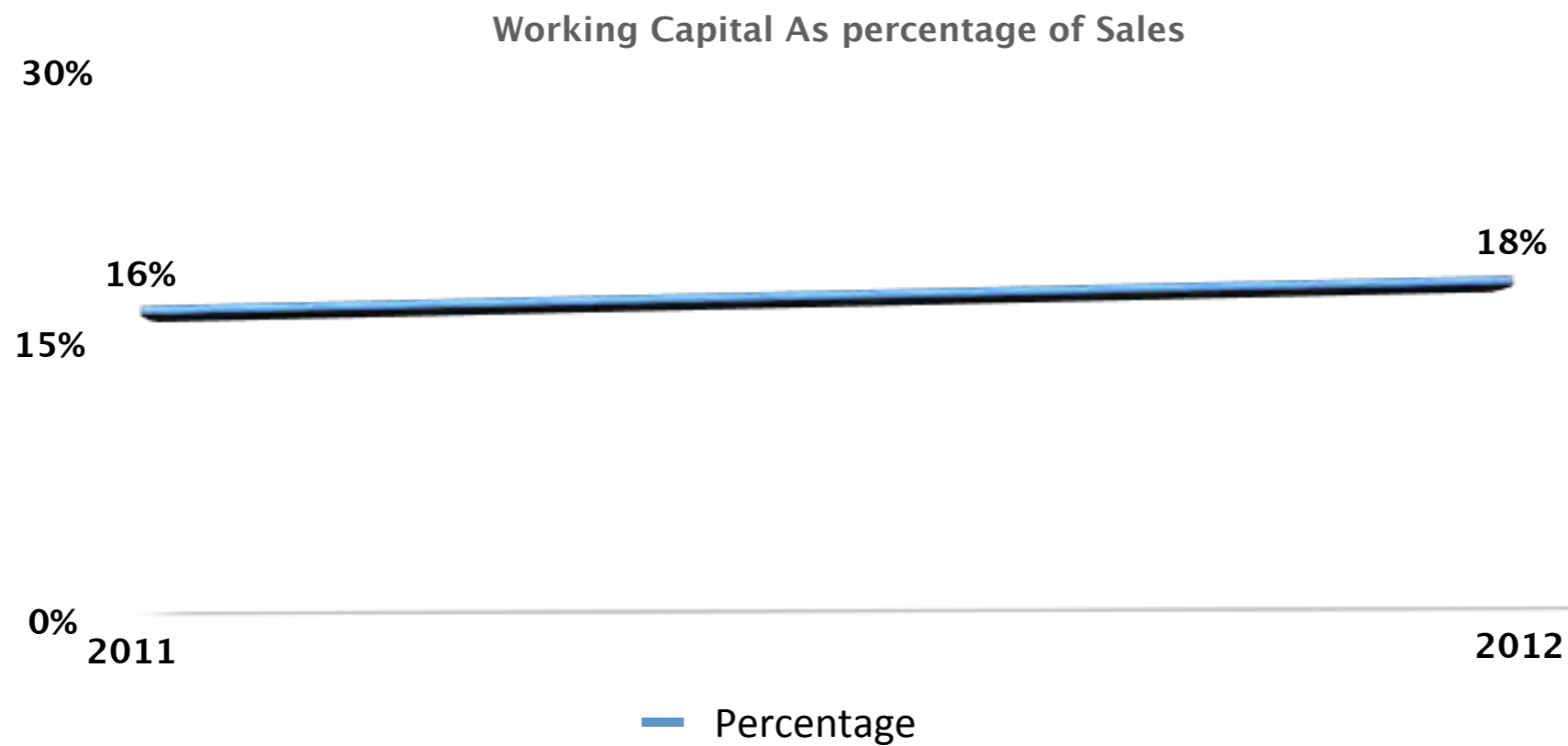


US\$40 million – additional savings generated in 2012 (product mix & pricing power of **-US\$6 million**, sales volume & additional metal produced **US\$14 million** and additional cost savings of **US\$20 million**)

2012 Results

LOW LME PULLS DOWN RESULTS

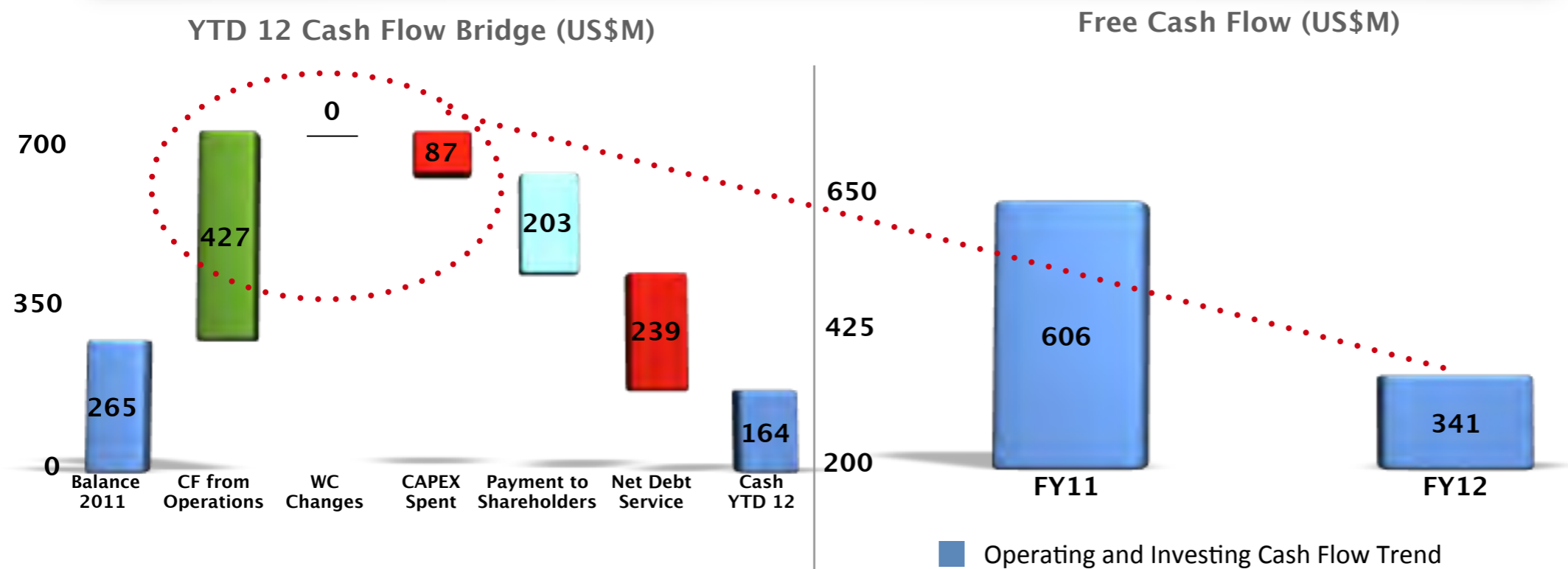
Working Capital Trend as Percentage of Sales:
Stable Working Capital Management to Buffer Downturn



2012 Results

LOW LME PULLS DOWN RESULTS

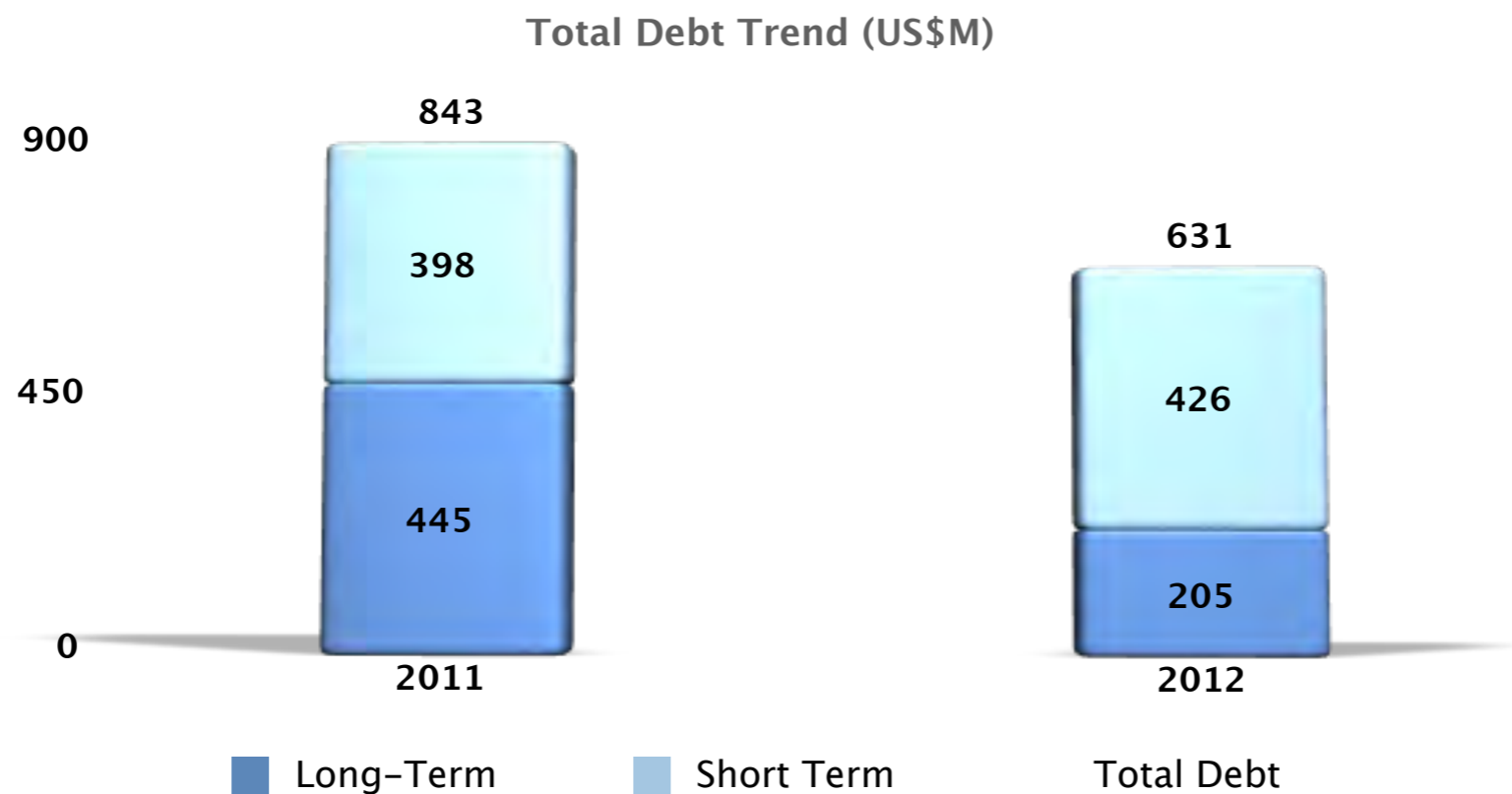
Cash Flow Bridge FY12 vs. FY11:
Alba Still Generating Cash Despite Low LME Prices



2012 Results

LOW LME PULLS DOWN RESULTS

**Total Debt Reduction Trend:
Stable Debt Profile with Favorable Leverage Position**

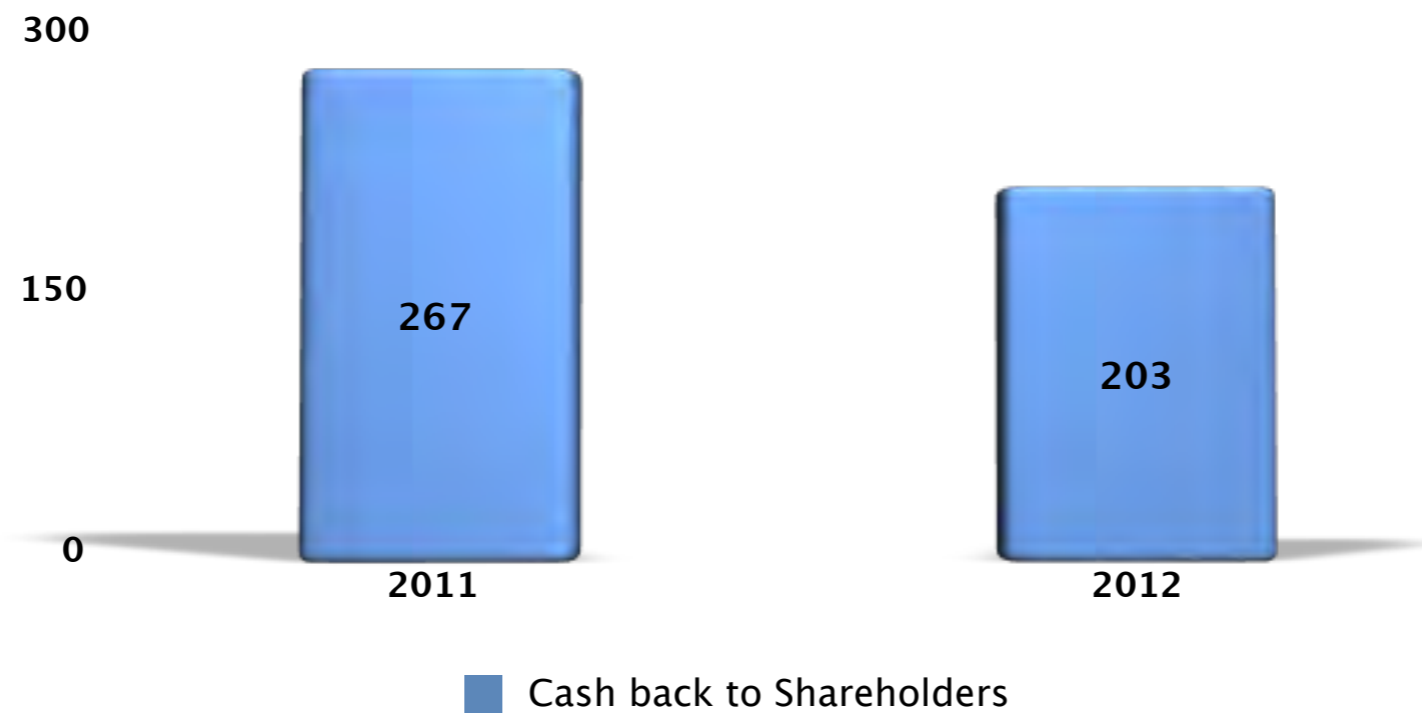


2012 Results

LOW LME PULLS DOWN RESULTS

Cash Back to Shareholders:
Delivering Cash Despite Global Economic Slowdown

Cash back to Shareholders Trend (US\$M)



2012 Results

LOW LME PULLS DOWN FINANCIAL RESULTS

4Q12 vs. 4Q11; 2012 vs. 2011

Financial Summary	Q4 2012	Q4 2011	2012	2011
Sales	502	545	1,978	2,349
EBITDA	173	73	409	582
EBITDA%	34.5%	13.4%	20.7%	24.8%
EBITDA (Excl. One-Off Items)	97	89	317	631
EBITDA% (Excl. One-Off Items)	19.3%	16.3%	16.0%	26.9%
Net Income/(Loss)	140	76	257	564
Gain/(Loss) Unrealised Derivatives	25	59	74	210
Adjusted Net Income/(Loss)*	115	16	183	354
Adjusted Net Income%	22.9%	2.9%	9.3%	15.1%
Average Cash LME (US\$/MT)	2,002	2,089	2,019	2,398

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

2012 Results

ALBA CONTINUES TO DELIVER CASH TO ITS SHAREHOLDERS

Alba Board Recommends Dividend of US\$105M

- On February 13th Alba's Board meeting, the Directors recommended a dividend of US\$105 million (41% of 2012 Net Profit*) – where US\$ 52.6 million were paid in August 2012 and US\$52 million will be paid in March 2013 (subject to Bahrain Bourse and Alba Shareholders' approval)
- The Shareholders' approval will be requested at the March 7th 2013 Annual General Meeting

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



INDUSTRY PERSPECTIVES IN 2013

Industry Perspectives in 2013

Physical Demand Expected to Remain Healthy

Key factors to be observed:

- Majority of the industry is operating cash negative
- Premiums are expected to hit new record high on the back of sound physical demand
- MENA to remain strong based upon housing & infrastructure spending
- North America to remain bullish
- LME price is expected to be in the range between \$2,000/t – \$2,200/t

Industry Perspectives in 2013

Raw Materials Price Trends

- Alumina price expected to remain stable in 2013
- Green Petroleum Coke prices to increase in the second half of 2013
- Aluminium Fluoride prices (ALF3) to gradually increase in 2013
- Liquid Pitch prices expected to remain at current price levels in 2013



2013 ALBA PRIORITIES

2013 Alba Priorities

Continuous Improvement & Preparation for Future Growth

- **Accelerate AlbaSafeWay Program**
 - Towards ZERO Accidents
- **Leverage Strong Physical Demand Conditions**
 - Benefit from high physical premiums in 2013 new contracts
 - Sustained focus on Value-Added Sales
- **Complete the Refinancing of \$169 million Local Bond Facility in March 2013**
- **Future Growth**
 - Finalise long-term gas and power contract
 - Gearing for Line 6 expansion project

2013 Alba Priorities

Raw Material Competitive Long-Term Sourcing

- Alumina: 2013 requirements have been secured, the focus will be on the implementation of Alcoa long-term supply agreement
- Green Petroleum Coke: take advantage of opportunities on the spot market
- Liquid Pitch: focus on opportunities in spot market as well as optimize supply chain costs
- Aluminium Fluoride: diversify supply base to increase competition



APPENDIX

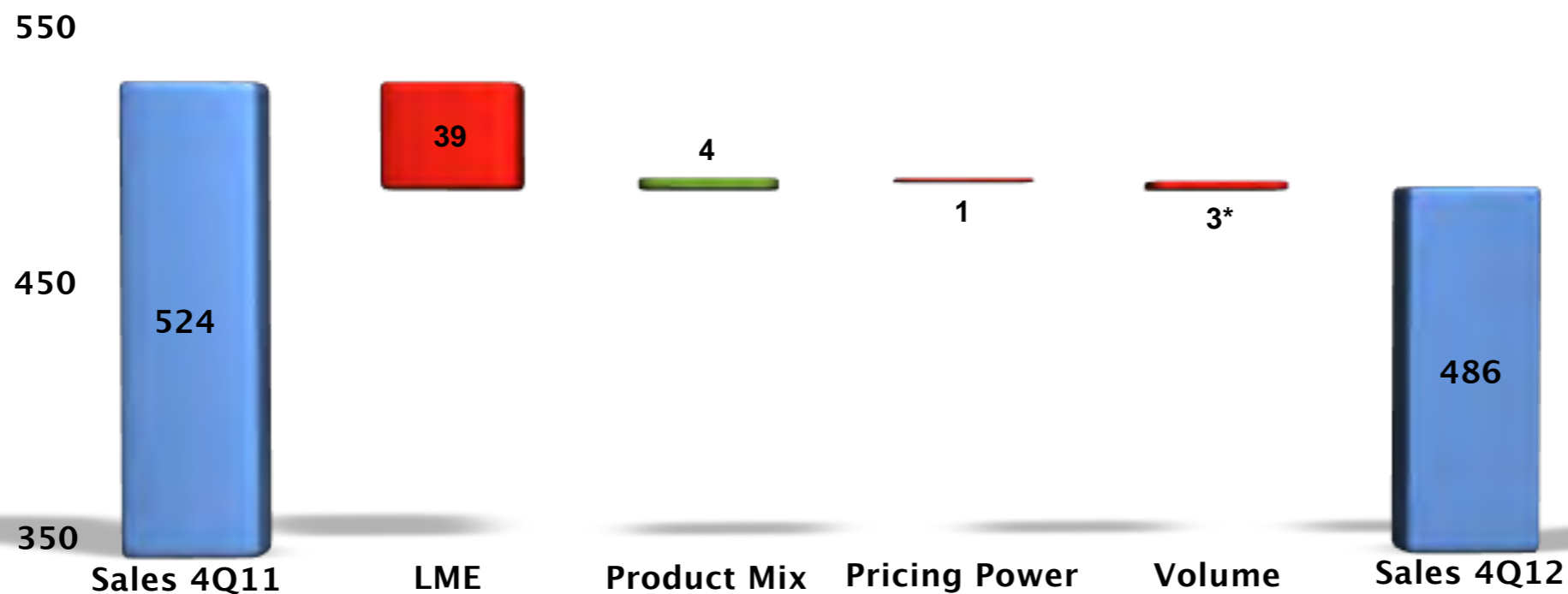


Q4 2012 Results

STRONG PHYSICAL DEMAND DESPITE LOW LME

Sales Analysis 4Q12 vs. 4Q11
Higher Premium Offset by Lower LME Prices

4Q12 vs. 4Q11 - Metal Sales Bridge (US\$M)



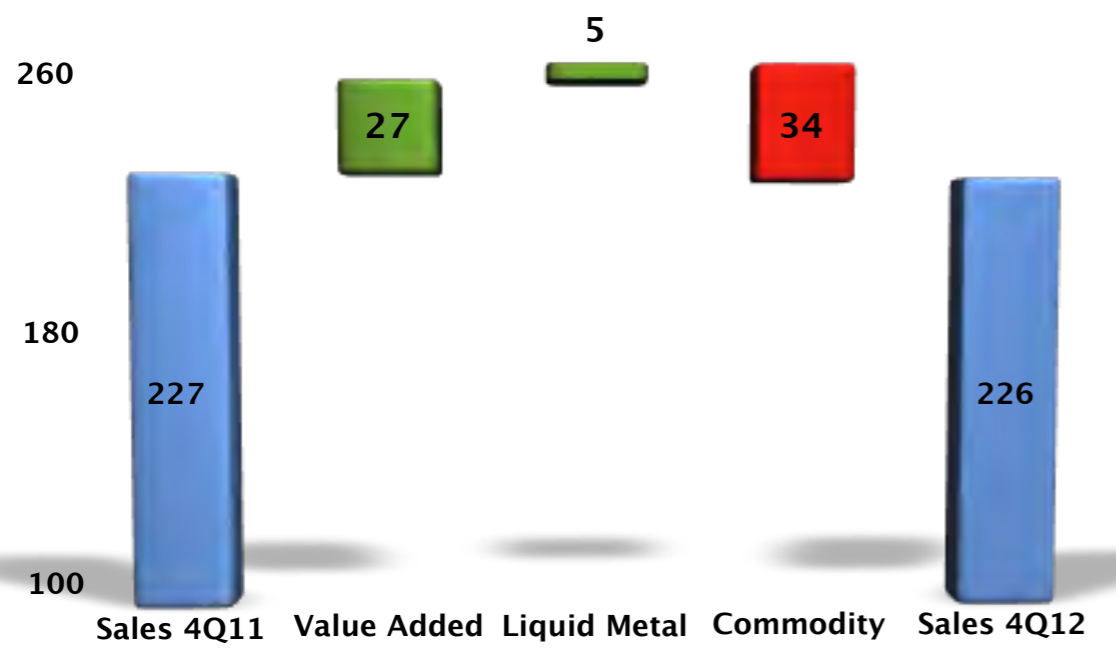
* Higher throughput & sales resulted in a \$5 million direct benefit to the bottom line

Q4 2012 Results

STRONG PHYSICAL DEMAND DESPITE LOW LME

**Maintain Optimum Product Mix
Maximize Physical Demand Strength Through Value-Added Product Base**

4Q12 vs. 4Q11 – Sales by Product line Bridge
(000's MT)



Premium Above LME Trend US\$M (Per MT)

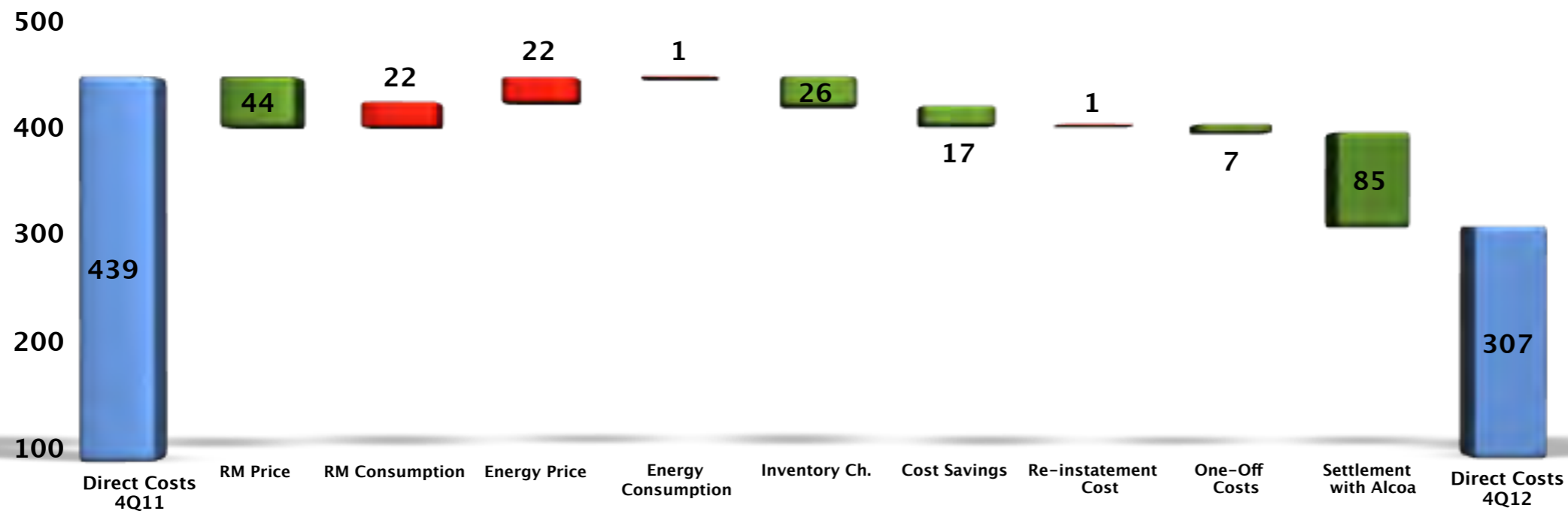


Q4 2012 Results

LOW LME PULLS DOWN RESULTS

**Cost Analysis 4Q12 vs. 4Q11:
Higher Energy Costs Offset by Lower Raw Material Prices and Alcoa Settlement**

4Q12 vs. 4Q11 - Direct Costs Bridge (US\$M)

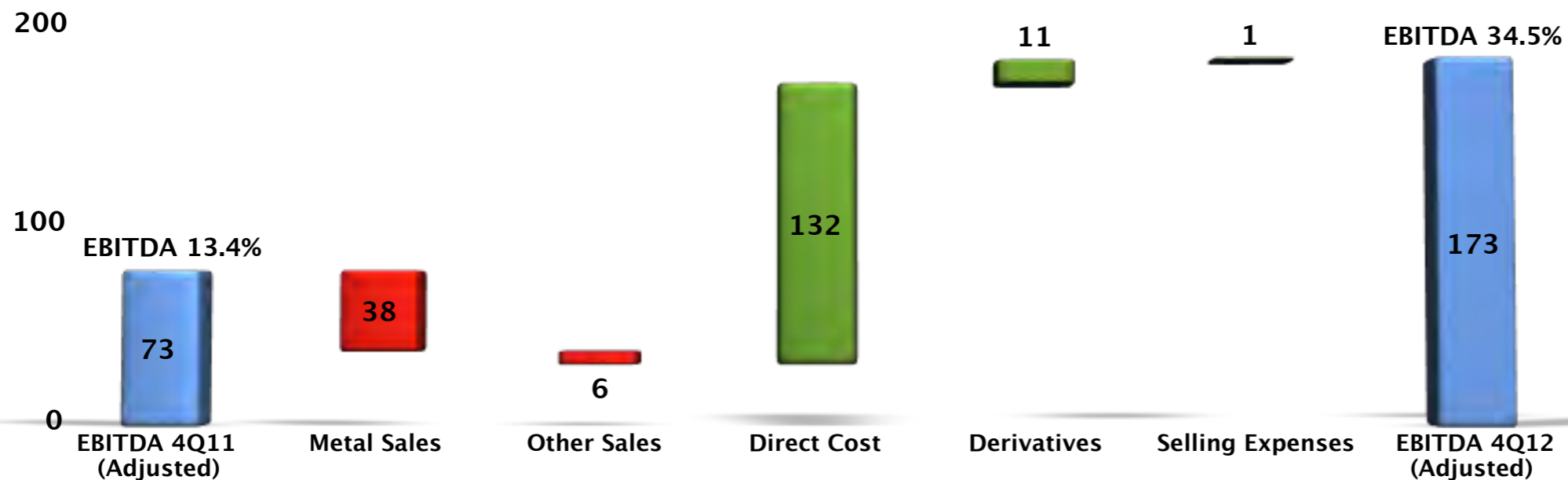


Q4 2012 Results

LOW LME PULLS DOWN RESULTS

Adjusted EBITDA Bridge Gap Analysis 4Q12 vs. 4Q11:
Alba Still Generating Cash Despite Low LME prices

4Q12 vs. 4Q11 - EBITDA Bridge (US\$M Adjusted)

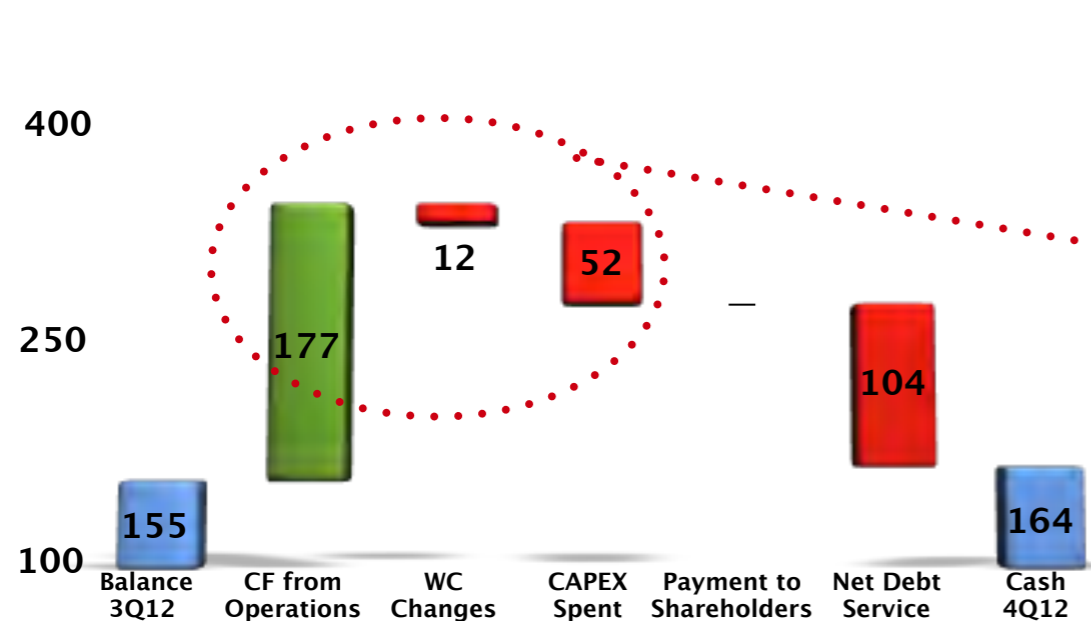


Q4 2012 Results

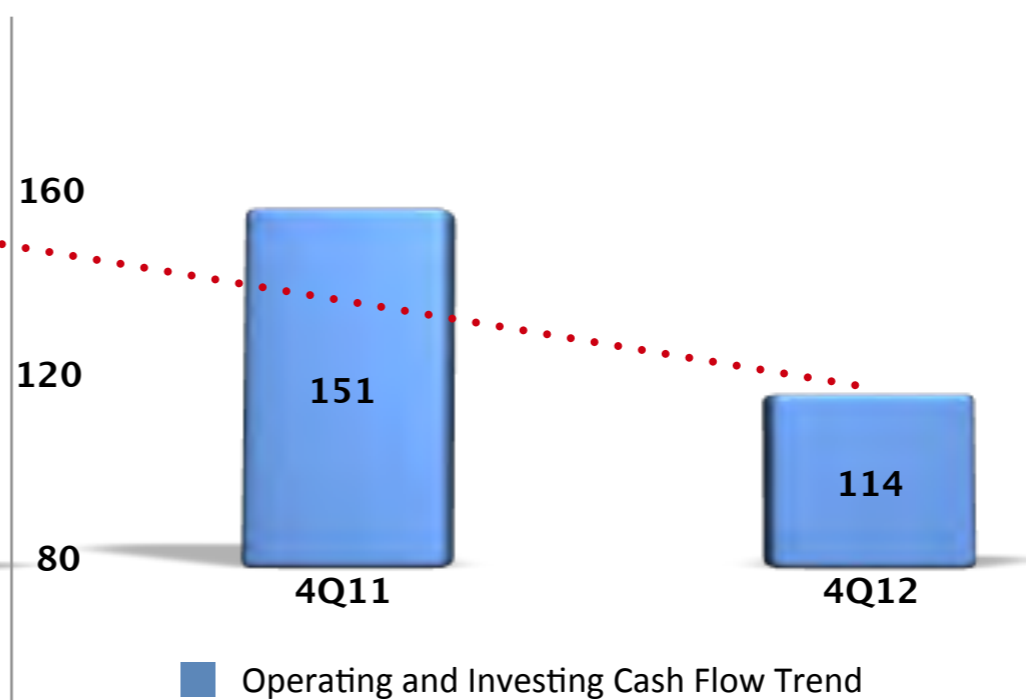
LOW LME PULLS DOWN RESULTS

Cash Flow Bridge 3Q12 vs. 4Q12:
Alba Still Generating Healthy Cash Despite Low LME Prices

3Q12 to 4Q12 Cash Flow Bridge (US\$M)



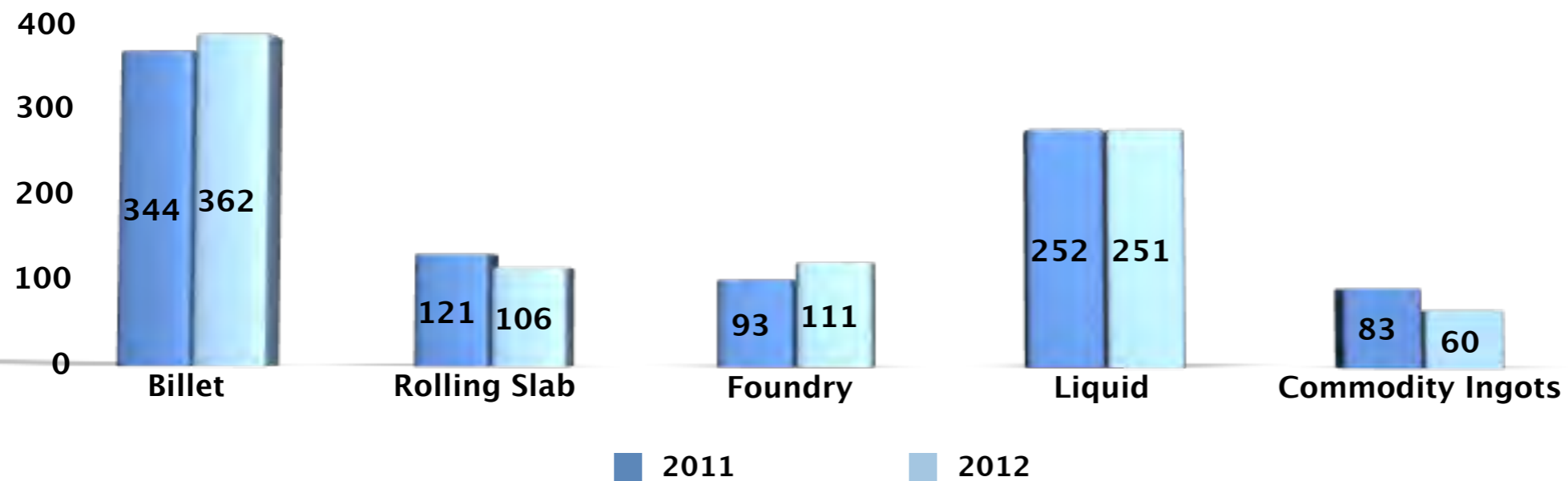
Free Cash Flow (US\$M)



2012 Results

Value Added Products reach 65% of Total Sales (up from 62% in 2011)

FY12 vs. FY11 - 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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