



Alba Reports Q1 2014 Results: Strong operational performance despite low LME price

FOR IMMEDIATE RELEASE
MANAMA (ALBH)

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 Q1 2014 Unaudited Financial Statements posted at <http://www.albasmelter.com>.
Alba's results for Q1 2014 are summarised below:

- Q1 2014: LME price drops 15% year-on-year
- Q1 2014: Aluminium physical demand remains healthy

Q1 2014 Industry Highlights:

- World consumption up by 5.6% year-on-year while world market production rose by 5.5% YoY as compared to Q1 2013 and is expected to grow in the short-run with the fast ramp-up of Greenfield smelters in China and India
- Asian demand propelled by China (+10% YoY); MENA consumption continues to grow (+5% YoY) supported by large infrastructure spending in Saudi Arabia. North America demand up by 2% YoY thanks to the new investments in extrusion industry and automotive sector; Europe demand up by 2% YoY driven by vehicle production as well as an increase in automotive body sheets
- The LME cash average was at US\$ 1,708 metric tonnes (mt) in Q1 2014 compared to US\$ 2,001 mt for the same period last year

Q1 2014 Alba Highlights:

- Improved Safety performance - Alba achieved 2 million hours without an LTI.
- Significant uplift in physical premiums (38% YoY).
- Alba sales figures (mt) up by 3.1% YoY while production figures up by 2.1% YoY on the back of strong operational performance
- Sales of Value-Added products represented 66% of total shipments - stable performance versus Q1 2013

Q1 2014 Financial Results:

"Alba's metal sales for the first quarter of 2014 reached US\$ 459 million (BD 172.6 million) compared to US\$ 498 million (BD 187.2 million) in Q1 2013 due to lower LME prices (down by 15% YoY).



In addition, Alba generated US\$ 27 million (BD 10.1 million) from non-metal sales in the first quarter 2014 bringing Total Sales Revenue to US\$ 486 million (BD 182.7 million) versus US\$ 498 million (BD 187.2 million) in Q1 2013.

The company has registered a Net Income of US\$ 46 million (BD 17.3 million) vs. US\$ 108 million (BD 40.6 million) for the same period in 2013 – down by 57% YoY on the back of 15% decrease in LME prices.

In March 2014, Alba paid US\$ 82 million (BD 30.8 million) as the final dividend for 2013 bringing the total dividend for 2013 to US\$ 135 million (BD 50.8 million).

2014 Alba Priorities:

- Continuous focus on Safety and training initiatives
- Deliver on Project Titan
- Leverage physical premiums
- Complete Line 6 Bankable Feasibility study (BFS) within the first half of 2014

Aluminium Bahrain B.S.C. (Alba) announced the release of its first quarter of 2014 results on Wednesday, May 7, 2014.

Commenting on Q1 2014 results, Alba's Chief Executive, Tim Murray said: "Alba had strong operational performance despite a significant drop in LME prices. Alba was able to increase free cash flow for the quarter in the face of difficult market conditions. For the remainder of 2014, Alba will focus on leveraging the strong physical premiums and accelerate our initiatives under Project Titan".

The Chairman of Alba's Board of Directors, Daij Bin Salman Bin Daij Al Khalifa added: "Alba continues to make money and maintain strong operational fundamentals despite the very difficult LME price environment. I would also like to thank all the employees of Alba for their continued efforts to improve safety."

Alba's Chief Executive Officer, Tim Murray, Chief Financial Officer, Ali Al Baqali and Investor Relations Manager, Eline Hilal will be holding a conference call on Monday May 12, 2014 to discuss Alba's performance for the first quarter of 2014 as well as outline the company's priorities for the remainder of this year.