



## Alba Reports Q2 2013 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 First Half of 2013 Unaudited Financial Statements posted at [www.albasmelter.com](http://www.albasmelter.com)

Alba's results for the First Half as well as Second Quarter of 2013 are summarised below:

### Q2 2013 Industry Highlights:

- Aluminium demand remains healthy with world consumption up by 4.8% year-on-year (YoY). Asian consumption up by 7% YoY propelled by Thailand (+21% YoY) and China (9% YoY). Demand in North America up by 2% YoY supported by higher construction and automotive production. MENA demand remains firm thanks to large infrastructural projects while consumption in Europe has remained stable
- World production rose by 4.3% YoY and western producers continue to suffer from lower LME price and higher energy cost thus leading to further capacity cuts
- Aluminium cash prices at the London Metals Exchange dropped by 7% in Q2 2013 with an average cash price of US\$ 1,834 mt versus US\$ 1,977 mt in Q2 2012

### H1 2013 Alba Highlights:

- Alba increased its sales by 1.9% YoY thanks to a focused marketing strategy while production rose by 2% YoY on the back of strong operational improvements
- Physical premiums remain strong and Value-Added Products accounted for 66% of total shipments versus 65% in H1 2012
- Pot Line 5 upgraded to AP37 technology following the increase in line current to 370 kA
- AlbaSafeWay Programme on pace with a focus on contractor safety awareness plant wide

### H1 & Q2 2013 Financial Results:

Alba's sales for the first six months of 2013 were BD 382.6 million (US\$ 1.017 billion) versus BD 383 million (US\$ 1.018 billion) in H1 2012, down by 9 basis points on the back of lower LME prices. Sales for the second quarter of 2013 reached BD 195.5 million (US\$ 520 million), down by 53 basis point as compared to BD 196.5 million (US\$ 522.7 million) for the same period in 2012.

The company posted a Net Income of BD 61.2 million (US\$ 163 million) for the first half of 2013, up by 7% from BD 56.9 million (US\$ 151 million) for the same period in 2012 due to strong overall operational performance, which was partially offset by lower LME prices. Net Income for the second quarter of 2013 stood at BD 20.7 million (US\$ 55 million), a drop of 42% from BD 35.6 million (US\$ 95 million) driven by unrealized derivative gains as well as low LME prices.



The Board has recommended an Interim Cash Dividend of 14 Fils per share, which is BD 19.7 million (US\$ 52.5 million).

### **2013 Alba Priorities:**

- Towards a Zero Accidents work environment
- Leverage cost improvements through Operational Excellence programme
- Continued focus on bolstering talent management
- Maintain Value-Added Sales and leverage high physical premiums for the remainder of 2013
- Gear-up for Pot Line 6 expansion project

Aluminium Bahrain B.S.C. (Alba) released its first half and second quarter 2013 results during a meeting of the company's Board of Directors on Sunday, July 28, 2013.

Commenting on the first half of 2013 results, the Chairman of Alba's Board of Directors, Mahmood Hashim Al Kooheji said:

"Amid the downtrend in LME prices, the company closed the first six months of 2013 with a solid bottom line underpinned by higher productivity levels.

I would also like to thank the Executive Management Team for improving overall safety performance in the plant."

Alba's Chief Executive, Tim Murray added:

"Despite challenging global macroeconomic conditions coupled with lower LME prices, Alba was able to deliver a healthy financial performance supported by strong operational performance.

Our focus on Continuous Improvement Programme and Operational Excellence initiatives will enable the company to maintain its competitive position and improve its overall performance."

Alba's Chief Executive Officer, Tim Murray, Chief Financial Officer, Ali Al Baqali, Chief Operations Officer, Isa Al-Ansari and Investor Relations Manager, Eline Hilal will be on a road show with investors in Dubai, New York City & Boston to discuss the company's performance for the First Half and Second Quarter of 2013 as well as outline Alba's priorities and plans for the remainder of the year.