



## Alba Reports Q2 2017 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 Q2 & H1 2017 Audited Financial Statements posted at [www.albasmelter.com](http://www.albasmelter.com).

Alba's results for Second Quarter & First Half of 2017 are summarised below:

### Q2 2017 Industry Highlights

- With a broad positive macroeconomic backdrop, stable investor sentiment and improving industry fundamentals, the world consumption grew by **6% Year-on-Year (YoY)** while world production was up by **9% YoY**.
- Aluminium is the top performing metal amongst commodities. Physical premium prices continue to float at the same range of Q1 2017.
- LME inventories at **1.4 million metric tonnes (mt)** in June
- The LME cash average stood at **US\$ 1,911/mt** in Q2 2017 compared to US\$ 1,571/mt for the same period in 2016.

### H1 2017 Alba Highlights

- Reduction Line 5 resumes normal operations
- Launch of Summer 'Safety Tomorrowland Campaign'
- Sales and Production volumes down by **3.9% YoY** (453,089 mt) and **4.5% YoY** (453,395 mt)
- Alba Value-Added Sales averaged **58%** of total shipments versus 54% in H1 2016
- Project Titan – Phase II: YTD savings at US\$ 61/mt (impacted by timing of Line 5 recovery)
- Solid progress on Line 6:
  - Closed the first tranche of c.US\$ 700 million from Export Credit Financing
  - Line 6 construction site-works underway



## Q2 & H1 2017 Financial Results

Alba's top-line and bottom-line for the second and first-half of 2017 were primarily driven by higher LME prices (an increase of 22%YoY) and favourable management performance.

The Company reported Total Sales of **BD 179.3 million** (US\$ 476.9 million) in the second quarter of 2017, versus BD 165.7 million (US\$ 441 million) for the same period in 2016, up 8% YoY. Total Sales in the first half of 2017 stood at **BD 369.7 million** (US\$ 983.3 million), up by 15% YoY, versus BD 322.2 million (US\$ 856.8 million) in H1 2016.

The Company generated a Net Income of **BD 17.7 million** (US\$ 47.1 million) in Q2 2017, up by 8.5% YoY, compared to BD 16.3 million (US\$ 43.4 million) in Q2 2016. Net Income for the first half of 2017 rose by 111% YoY to **BD 43.3 million** (US\$ 115.2 million) versus BD 20.5 million (US\$ 54.5 million) for the same period in 2016.

In addition, Alba shareholders approved dividend of BD 29.6 million (US\$ 78.7 million) during the AGM on 21 March 2017 and were paid from April 02, 2017.

## 2017 Alba Priorities

- Continuous Focus on Safety TomorrowLand Initiatives
- Normalization of Line 5 Operations
- Deliver on Project Titan - Phase II
- Leverage Strong Demand on Value-Added Sales
- Progress on Line 6:
  - Secure Second Tranche of ECA-Covered Facility
  - Award Remaining Packages in 2<sup>nd</sup> Half of 2017

Commenting on Q2 & H1 2017 Financial Results, the Chairman of Alba's Board of Directors, Daij bin Salman bin Daij Al Khalifa:



“Alba improved its bottom-line despite the impact of the power outage. I would like to thank our employees and contractors for their continuous efforts in safely restoring Line 5 pots to normal operations.”

Alba’s Chief Executive Officer, Tim Murray added:

“We delivered exceptional results taking into account the strain that Line 5 recovery put on our operations.

I would like to thank all the employees and contractors for their resilience on setting a new industry benchmark on recovery.”

Alba's Management will be holding a conference call on Wednesday, July 26, 2017 to discuss Alba's performance for the second quarter and first-half of 2017 as well as outline the Company's priorities for the remainder of 2017.