



Alba Reports Q3 2012 Results: Alba still generating cash despite low LME prices

- *Low LME prices dragging down industry profitability*
- *Physical demand remains very tight despite low LME prices*
- *Alba set to increase capacity on Pot Line 5*

Q3 2012 Industry Highlights:

- World consumption goes up by 3.9% while world production down by 2.4%
- Demand for aluminium remains very tight on the back of strong North American, MENA and Asian demand
- The LME cash average of US\$ 1,922 mt versus US\$ 2,400 mt in Q3 2011

Q3 2012 Alba Highlights:

- Tim Murray appointed CEO effective October 1, 2012
- Alba's settlement of RICO case with Alcoa has a total value of US\$ 447 million consisting of US\$ 85 million cash component along US\$ 362 million from long-term alumina sales agreement
- Increased production capacity in Pot Line 5 through the successful implementation of the 1600 mm long anode

Q3 2012 Financial Highlights:

- Sales for the quarter at US\$ 457 million
- Adjusted EBITDA totalled US\$ 35 million driven by lower LME prices and higher gas prices
- Net Income was (US\$ 35) million driven by lower LME prices, higher gas prices and unrealised derivative losses
- Free Cash Flow was US\$ 37 million impacted by lower LME prices and higher gas prices which was partially offset by working capital management

Q3 2012 Alba Priorities:

- Accelerate AlbaSafeWay programme
- Launch of bankable feasibility study for Line 6 by year-end
- Finalise long-term contract to secure gas and power



Aluminium Bahrain B.S.C. (Alba) announced the release of its third quarter 2012 results on Sunday, November 4, 2012. Commenting on the Q3 2012 results, Alba's Chief Executive, Tim Murray said:

"Despite the low LME levels, Alba was able to still generate free cash flow while the majority of the world's smelters are operating cash negative. The company's focus on strengthening its competitive edge through improving production processes across the plant has seen the production on pace to surpass 2011 record."

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

"Alba's resilient business model underpins the company's healthy performance amid the downtrend of LME prices. This has enabled the company to maintain its position as a flagship for Bahrain's economy and a key driver to the growth of the kingdom's aluminium sector.

I would also like to express my thanks to the Executive Management team for demonstrating leadership in directing the company's successful operations and for the team work and support showed by the workforce."

Alba's Chief Executive, Tim Murray, Acting Chief Finance & Supply Officer, Ali Al Baqali and Investor & Public Relations Manager, Eline Hilal will be holding a conference call on November 05 2012 to discuss Alba's performance for the third quarter of 2012 as well as outline the company's priorities for the remainder of this year.