



Aluminium
for the world



INVESTOR RELATIONS PRESENTATION

Q3 2017



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INDUSTRY HIGHLIGHTS

¹ Industry Highlights are based on CRU analysis





Industry Highlights - Q3 2017

Global Physical Demand Remains Strong

- 🪐 World consumption up by 6% YoY
- 🪐 Asian demand rose by 6% YoY supported by Chinese Consumption (+7% YoY) on the back of construction projects and grid-infrastructure spending
- 🪐 MENA demand up by 4% YoY driven by infrastructure spending in Saudi Arabia (+11% YoY)
- 🪐 Europe consumption remains firm, up by 4% YoY, led by steady demand across the transport and packaging sectors
- 🪐 North America demand up by +3% YoY supported by continued growth in Automotive and Construction markets





Industry Highlights - Q3 2017

Production Evolution

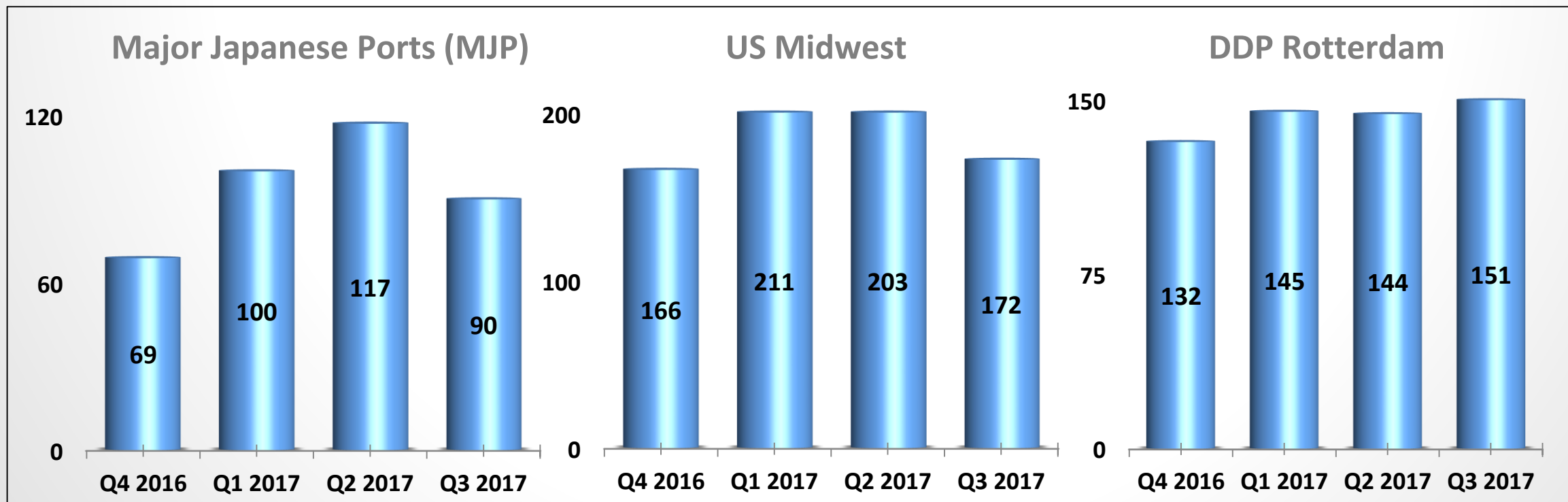
- 🪐 World production up by 7.5% YoY
- 🪐 Asian supply rose by 11% YoY led by Chinese output (+13% YoY) due to smelters' restarts in some provinces and partially offset by winter-closures
- 🪐 North America production flat due to delays in creep-up projects and the reschedule of smelters' restarts to 2018
- 🪐 World market in deficit with China (-59 Kt) & (-505 Kt) w/o China



Industry Highlights - Q3 2017

LME & Premiums

- 🪐 LME inventories at 1.3 million metric tonnes in September
- 🪐 Q3 2017 cash-average was \$2,012/t with LME ranging between \$1,877/t on July 12 and \$2,164/t on September 20
- 🪐 Physical premiums prices continue to fluctuate



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ALBA HIGHLIGHTS



Alba Highlights - Q3 2017

Operational Highlights & Achievements

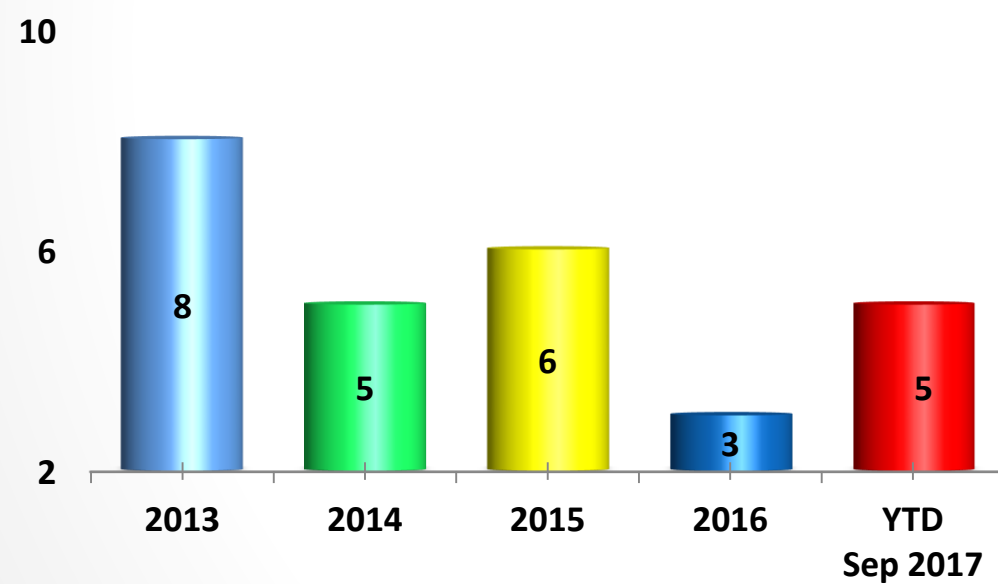
- 🪐 Launch of 'Summer Challenge' Safety Campaign
- 🪐 Line 5 normalized and Alba sets the benchmark for speed of recovery
- 🪐 Sales volume and throughput up by 0.5% YoY (247,540 mt) and 3% YoY (253,475 mt)
- 🪐 Value-Added Sales averaged 59% of total shipments in the third quarter
- 🪐 Project Titan -- Phase II: YTD savings of US\$ 65/mt (impacted by timing of Line 5 recovery)
- 🪐 Line 6 Expansion Project on track with overall progress of 30% from inception till to-date [engineering advanced by more than 60% while contracts and procurement by more than 75%]



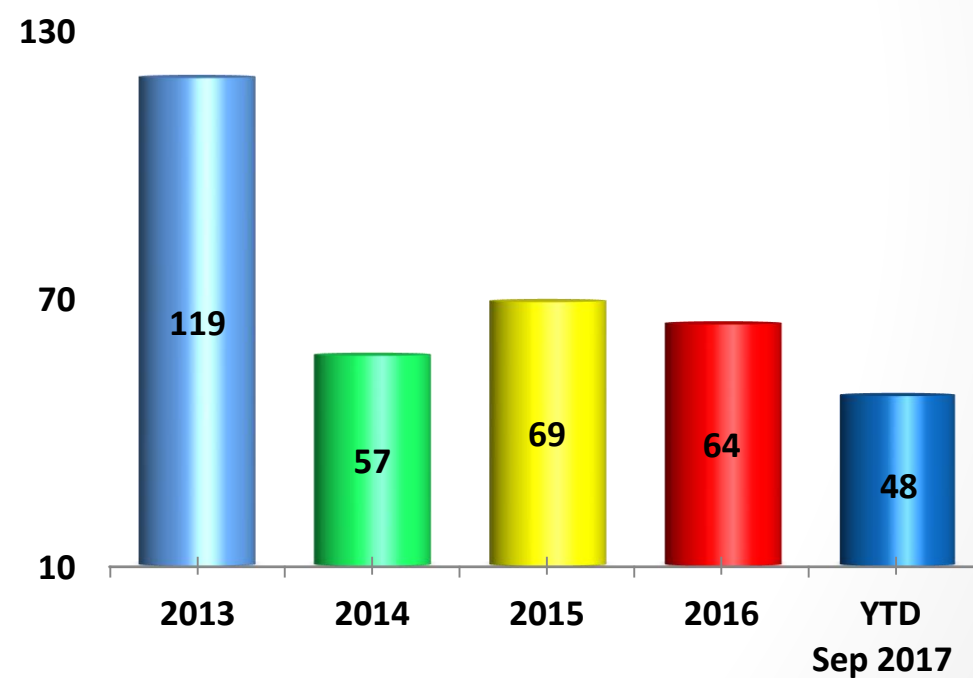
Alba Major Highlights - 2017

Safety in Focus -- Towards Safety Tomorrowland

Lost Time Injury (LTI) Trend



Total Injuries Trend



Alba Highlights - Q3 & YTD 2017

Financial Key Performance Indicators

- 🪐 **EBITDA up driven by higher LME prices and solid management performance**
- 🪐 Q3: US\$ 117 million up by 34% YoY
- 🪐 YTD: US\$ 327 million up by 36% YoY
- 🪐 **Adjusted Net Income up due to higher EBITDA levels**
- 🪐 Q3: US\$ 71 million up by 87% YoY
- 🪐 YTD: US\$ 189 million up by 103% YoY
- 🪐 **Favourable Free-Cash Flow¹ up due to higher LME prices**
- 🪐 Q3: US\$ 93 million up by 111% YoY
- 🪐 YTD: US\$ 87 million down by 42% YoY



¹ Free Cash Flow excluding Line 6 CAPEX spending

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Q3 2017 RESULTS

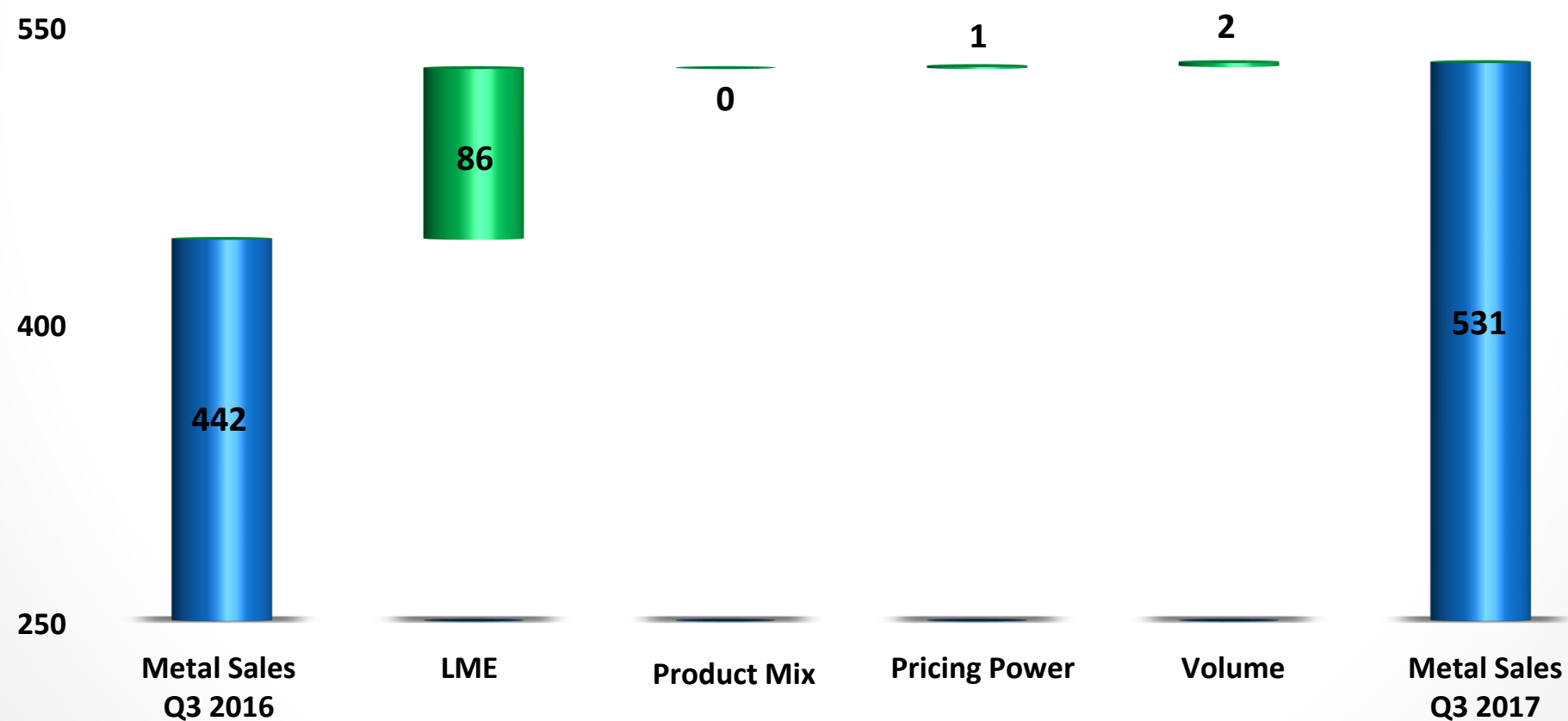


Q3 2017 Results

Chinese Smelters' Closures Boost LME Prices

Sales Bridge Analysis Q3 2017 vs. Q3 2016
Higher LME Prices & Recovery of Line 5

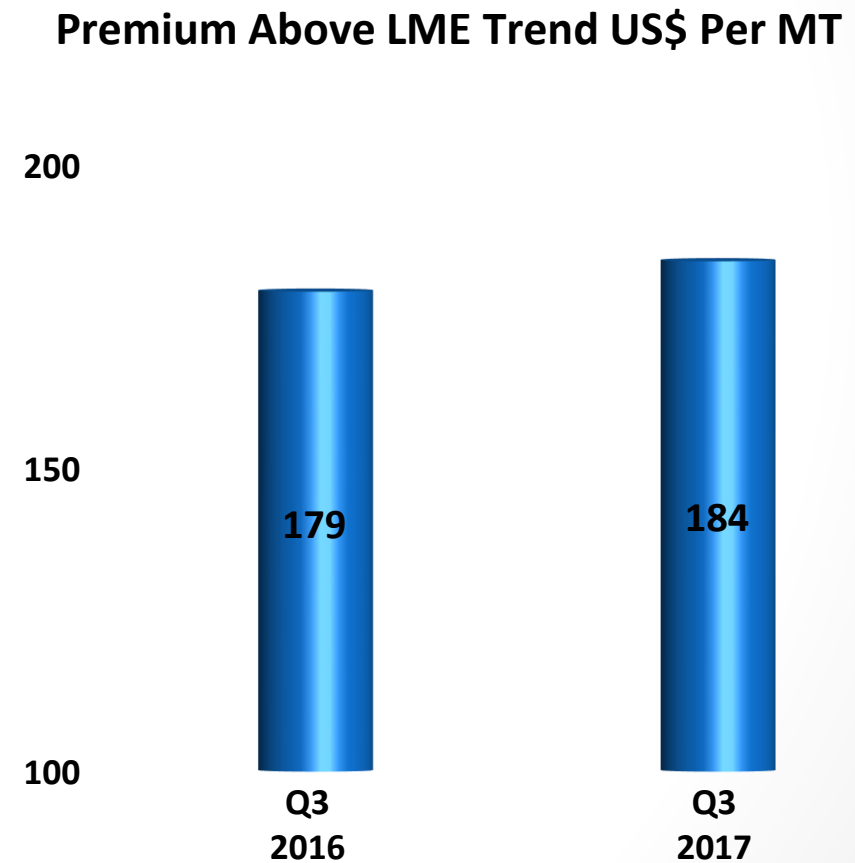
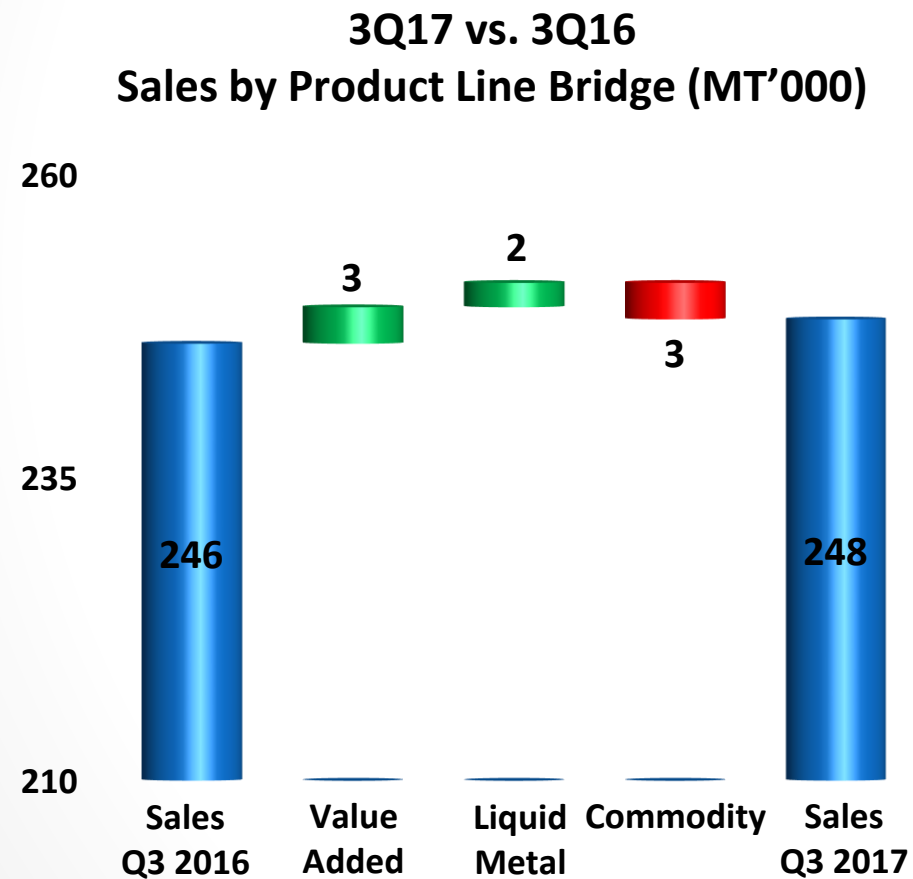
Q3 2017 vs. Q3 2016 - Metal Sales Bridge (US\$M)



Q3 2017 Results

Chinese Smelters' Closures Boost LME Prices

Higher Sales Volume Coupled With Higher Premiums

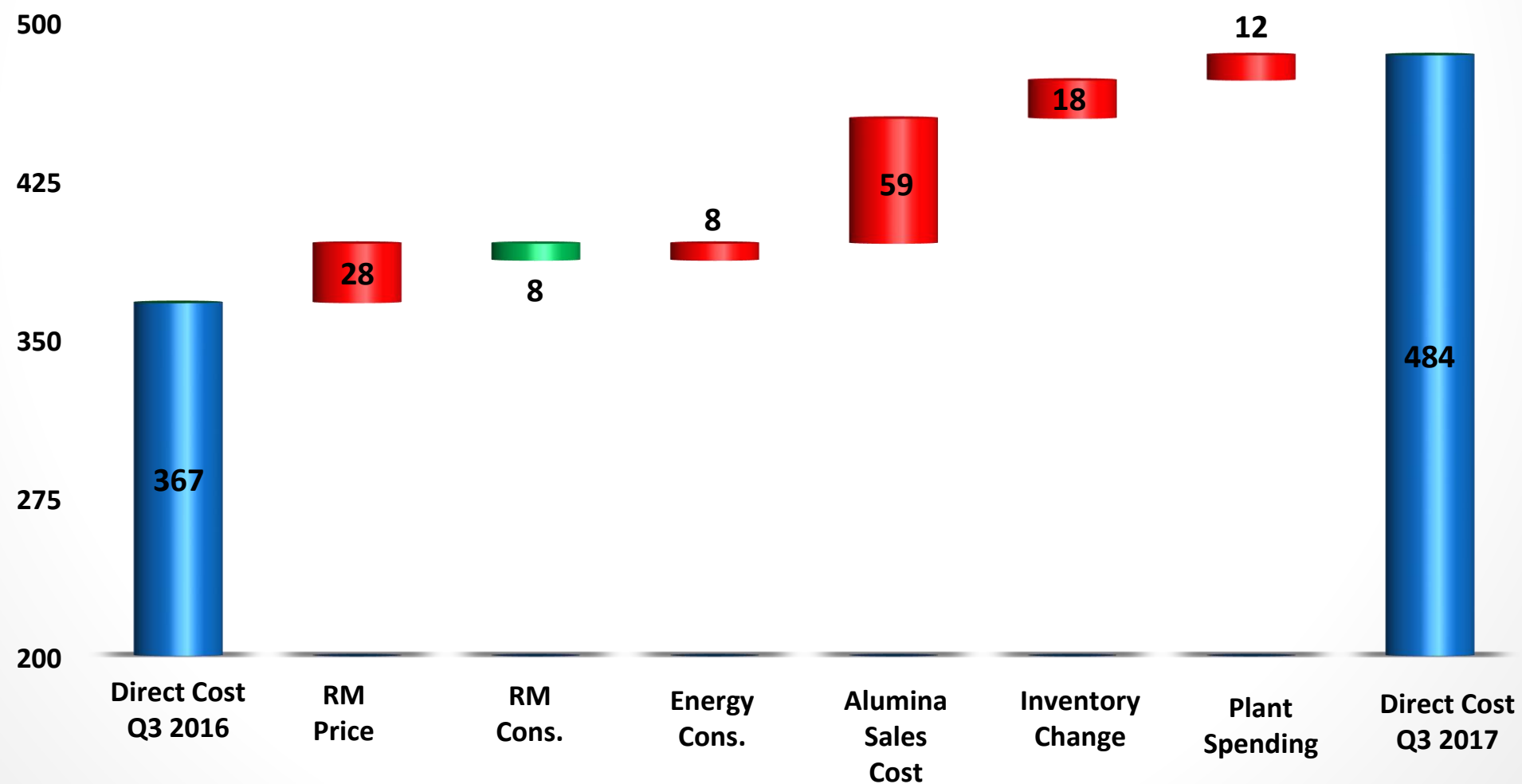


Q3 2017 Results

Chinese Smelters' Closures Boost LME Prices

Cost Analysis Q3 2017 vs. Q3 2016

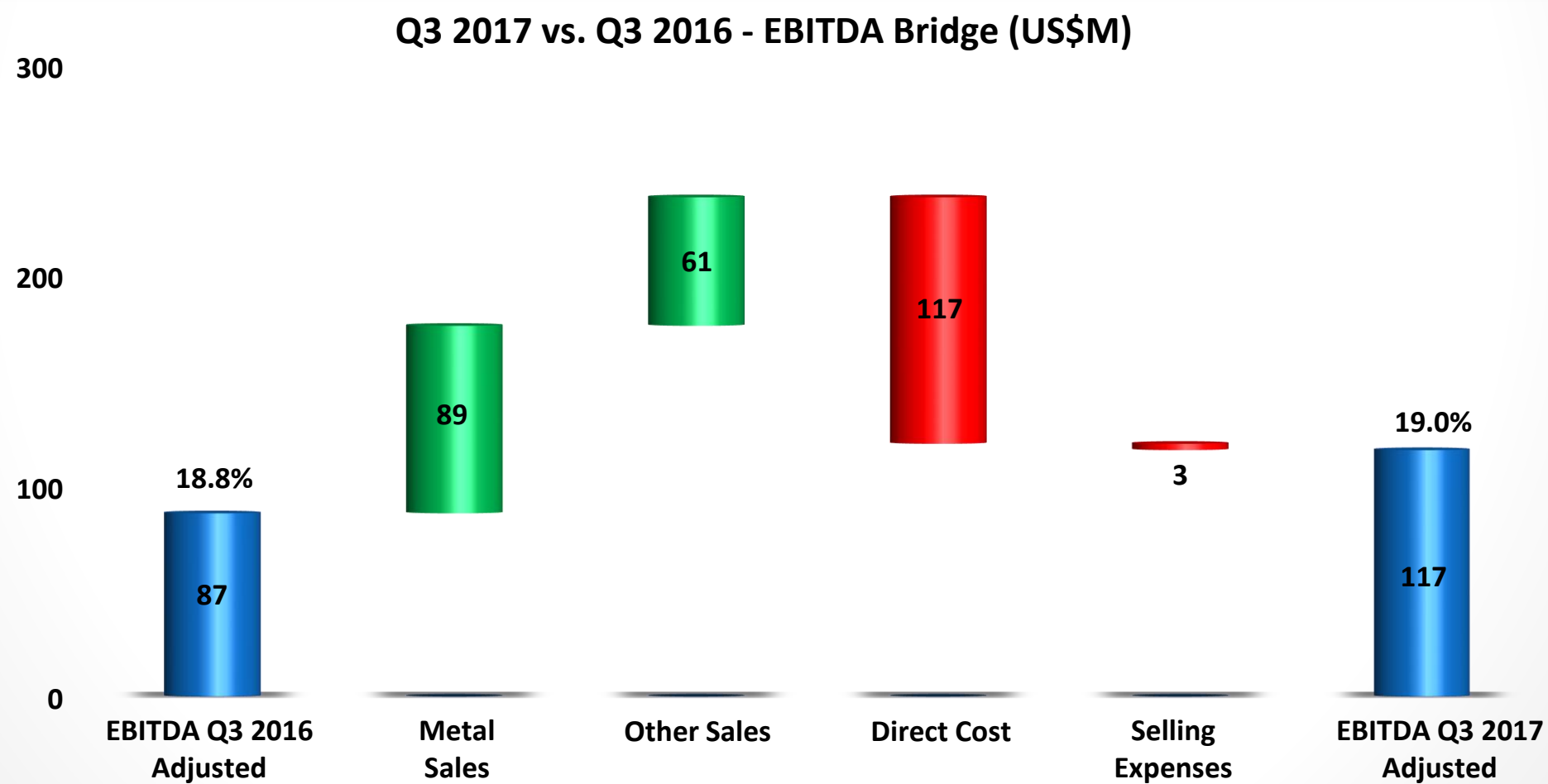
Q3 2017 vs. Q3 2016 - Direct Cost Bridge (US\$M)



Q3 2017 Results

Chinese Smelters' Closures Boost LME Prices

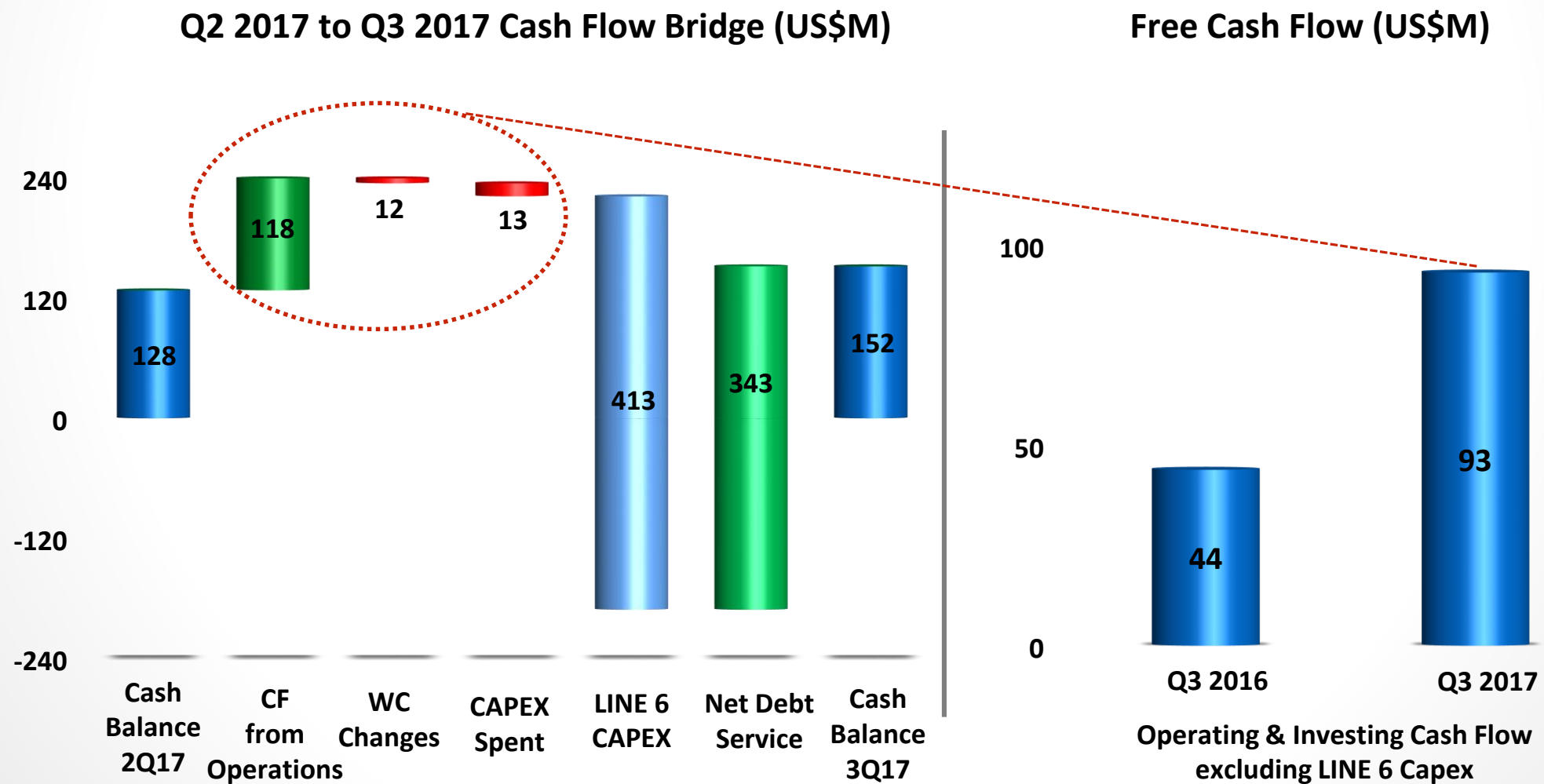
Favourable Management Performance
EBITDA Margin at 19%



Q3 2017 Results

Chinese Smelters' Closures Boost LME Prices

Cash Flow Bridge – Q2 2017 to Q3 2017
Maintain Good Cash Position



Q3 2017 Results

Chinese Smelters' Closures Boost LME Prices

Favourable Management Performance

Financial Summary	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Average Cash LME (US\$/MT)	2,011	1,620	1,924	1,569
Total Sales (US\$M)	613	463	1,609	1,320
EBITDA (US\$M)	117	87	327	241
EBITDA%	19.0%	18.8%	20.3%	18.3%
Net Income/ (Loss) (US\$M)	69	38	184	93
Gain/ (Loss) Unrealised Derivatives (US\$M)	(2)	0	(5)	0
Adjusted Net Income/ (Loss) (US\$M)	71	38	189	93
Adjusted Net Income%	11.5%	8.2%	11.7%	7.0%



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INDUSTRY PERSPECTIVES IN 2017





Industry Perspectives in 2017

Global Physical Demand to Remain Healthy

- 🪐 **Key factors to be observed:**
- 🪐 Impacts of significantly higher Alumina prices
- 🪐 China pollution crack-down coupled with lower Chinese exports are set to further boost LME prices
- 🪐 Physical premiums expected to remain flat
- 🪐 Global market is expected to be in deficit in 2017 and 2018
- 🪐 LME price expected to range between US\$ 2,000/t - US\$ 2,100/t





Industry Perspectives in 2017

Raw Materials Price Trends

- ♂ Alumina prices at multi-year highs due to spike in Chinese demand
- ♂ Green Coke (GPC) prices are set to edge higher due to shortages and stricter environmental regulations in China
- ♂ Liquid Pitch and Aluminium Fluoride prices are to increase on the back of higher LME price



05

2017 ALBA PRIORITIES





2017 Alba Priorities

Sustain Operational Performance & Progress Line 6 Expansion Project

- 🪐 Continuous Focus on Safety TomorrowLand Initiatives
- 🪐 Deliver on Project Titan - Phase II
- 🪐 Increase Value-Added Sales
- 🪐 Accelerate Line 6:
 - Secure Second Tranche of ECA-Covered Facility
 - Award Remaining Packages



06

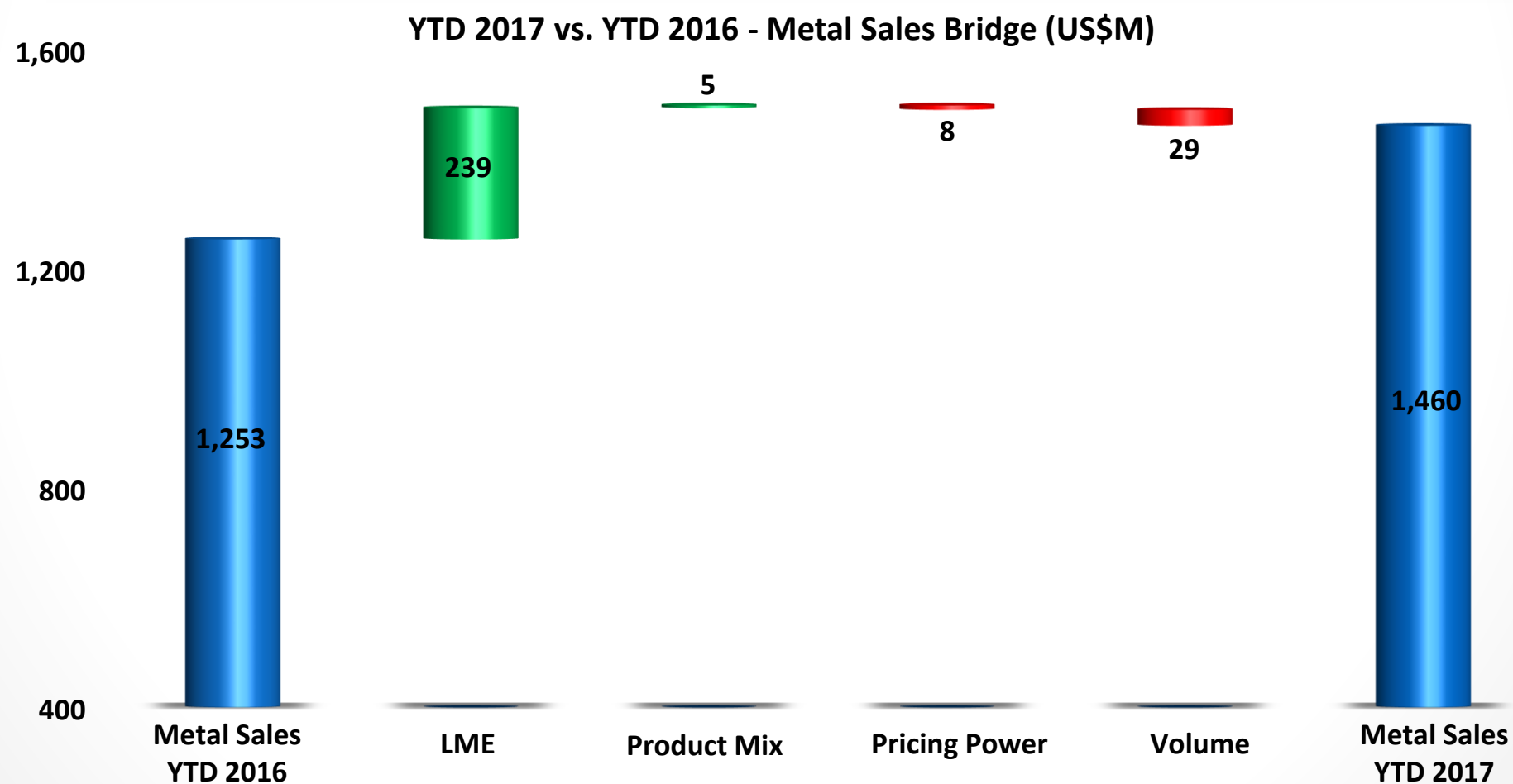
APPENDIX



YTD 2017 Results

Chinese Smelters' Closures Boost LME Prices

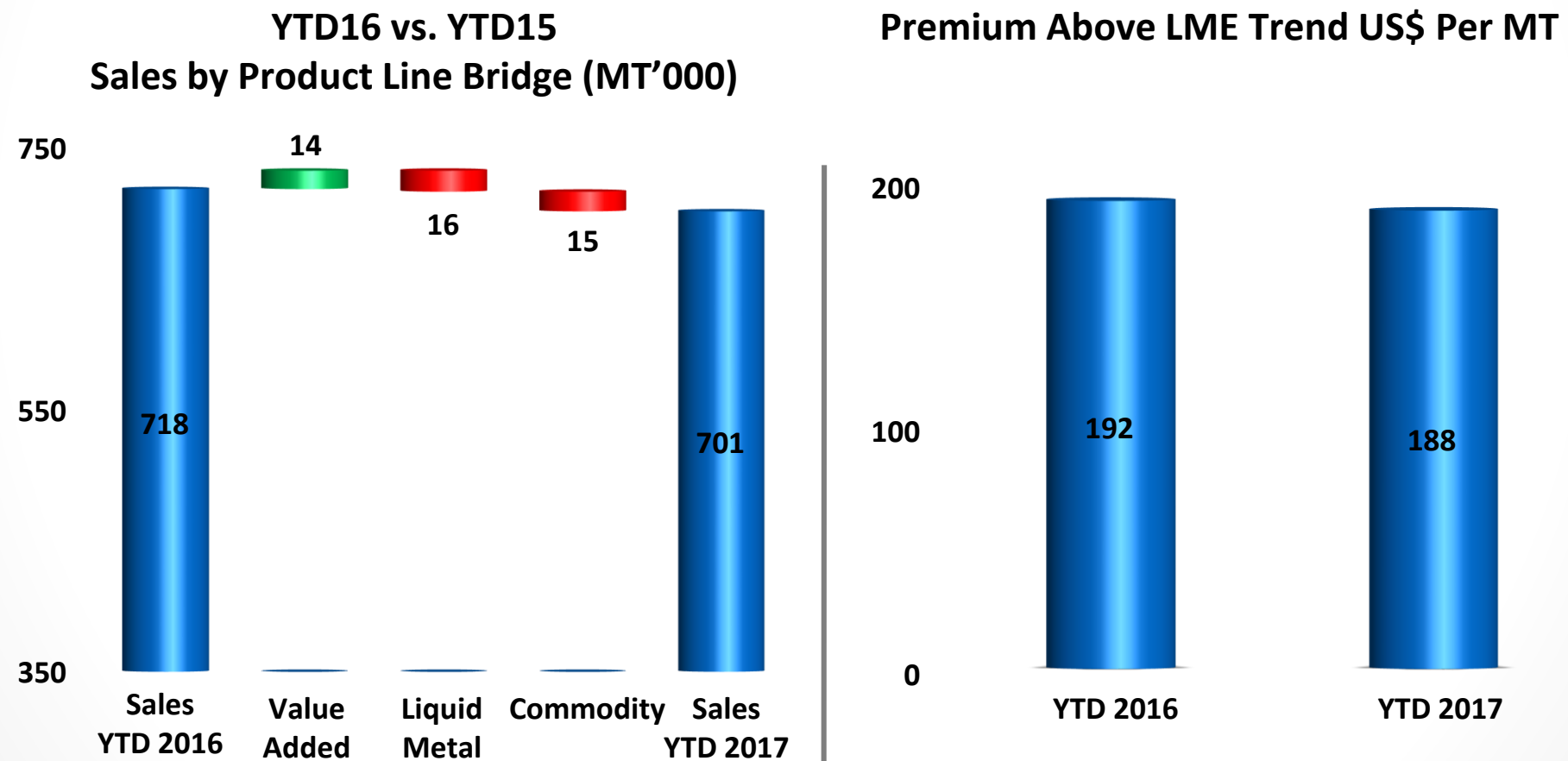
Sales Bridge Analysis YTD 2017 vs. YTD 2016
Higher LME Prices Partially Offset With Lower Sales Volume



YTD 2017 Results

Chinese Smelters' Closures Boost LME Prices

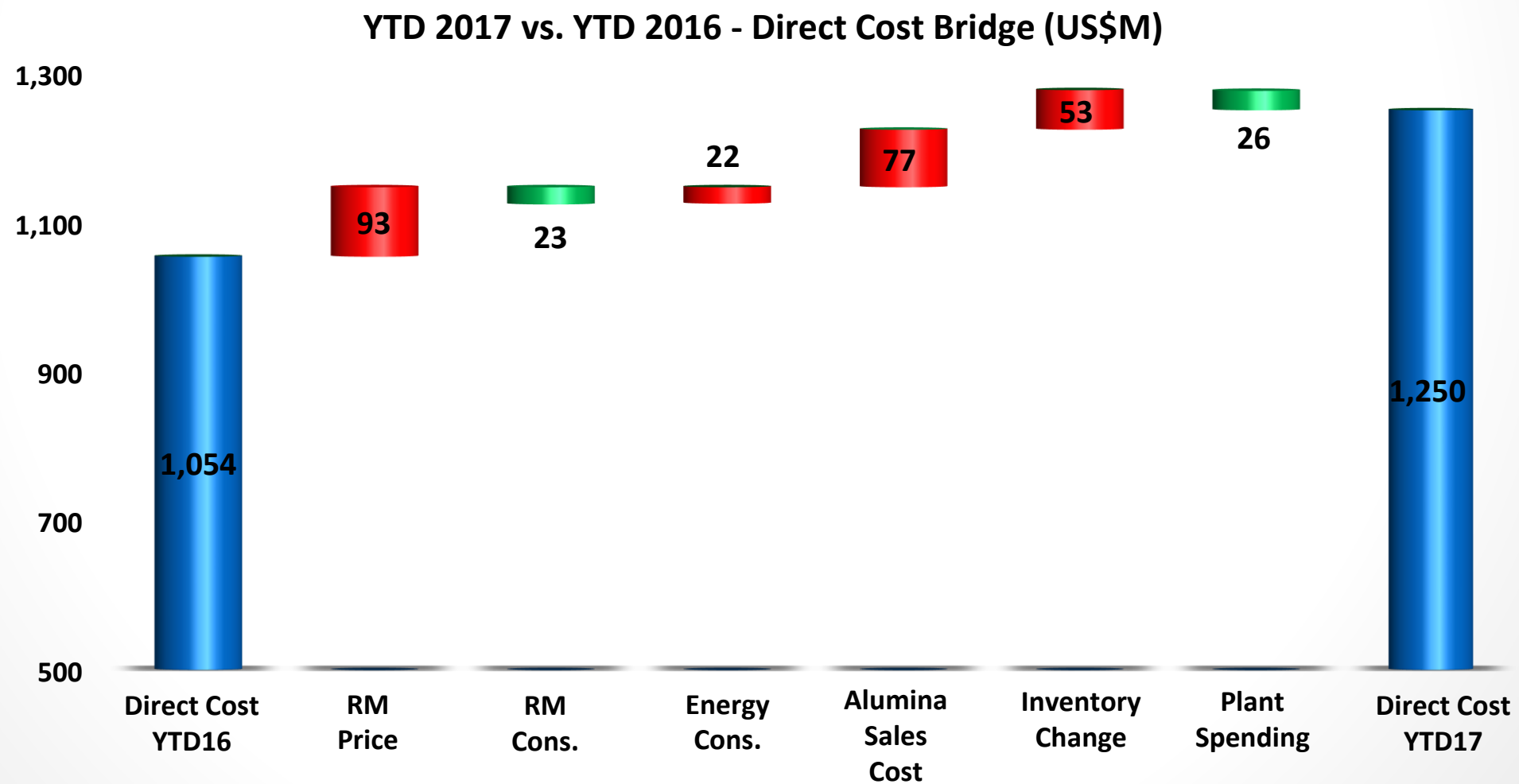
Sales Volume Down Following the Power Outage Incident



YTD 2017 Results

Chinese Smelters' Closures Boost LME Prices

Cost Analysis YTD 2017 vs. YTD 2016

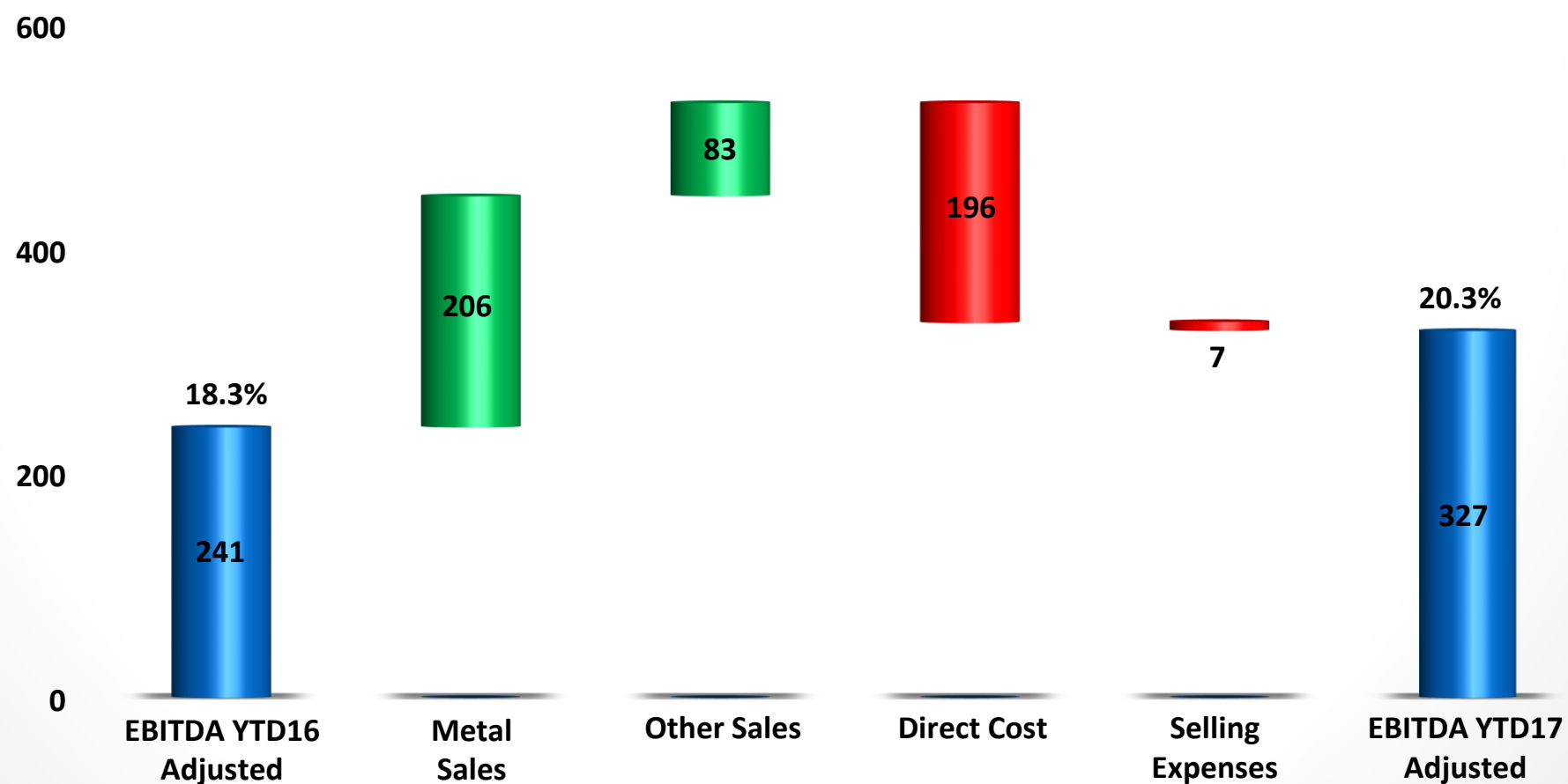


YTD 2017 Results

Chinese Smelters' Closures Boost LME Prices

Higher LME Prices and Favourable Management Performance
Adjusted EBITDA Margin at 20.3%

YTD 2017 vs. YTD 2016 - EBITDA Bridge (US\$M)

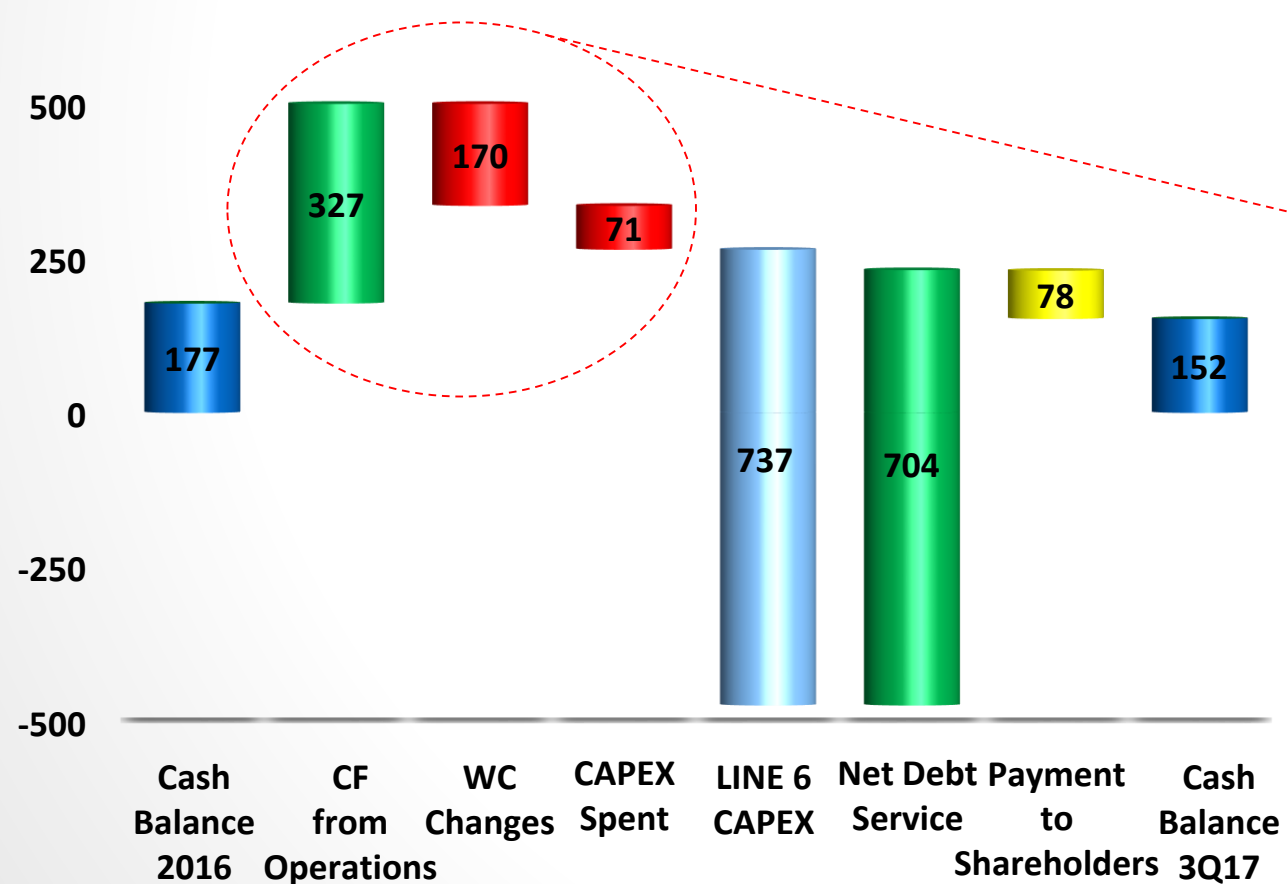


YTD 2017 Results

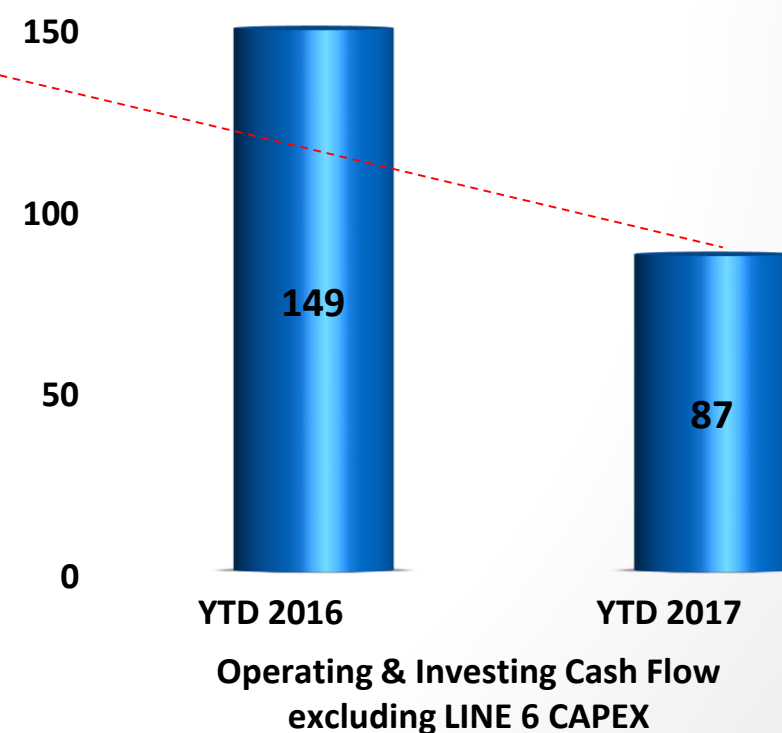
Chinese Smelters' Closures Boost LME Prices

Cash Flow Bridge – YTD 2017 vs. FY 2016
Maintain Good Cash Position

FY 2016 to Q3 2017 Cash Flow Bridge (US\$M)



Free Cash Flow (US\$M)





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