




alba



Aluminium
for the world

Q1 2011 IR PRESENTATION



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INDUSTRY HIGHLIGHTS

INDUSTRY HIGHLIGHTS

Q1 2011

Demand driven by global economic rebound

- Global GDP growth at 3.3% in 2011; Industrial Production bullish in emerging markets with 6% YoY growth
- MENA – Healthy demand activity despite political concerns mainly driven by 2 key players (Saudi Arabia & Turkey)
- Western Markets – Robust recovery in transport and engineering markets as well as sustained growth in packaging sector
- Asia – Impacted by Japanese earthquake while South Korea and India are booming

INDUSTRY HIGHLIGHTS

Q1 2011

Production Evolution

- China – Capacity restarts & expansion hindered by government regulations & energy constraints
- Rest of the world – High prices have led additional restarts of capacity

LME & Premiums

- Inventories stable at 4.5 million metric tonnes driven by low interest rate and warehousing deals
- LME continues to rise with an average cash price of \$2,500/t in Q1 vs. \$2,163/t in Q1 of 2010
- Ingot premium market remains bullish with Delivered Duty Paid (DDP) Rotterdam at \$200/t in Q1 of 2011 vs. \$169/t in 2010 while Major Japanese Port (MJP) premium remains at near 2010 record level with \$120/t



ALBA HIGHLIGHTS

Alba Highlights

Q1 2011 – Operational Achievements

Recent Events in Middle East

- Alba was able to maintain running at full capacity and to increase sales by 8.2% in the first quarter
- Operating costs have been impacted by one time \$3 million in Q1

STAR Operational Improvement Program

- Additional recurrent savings of \$25 million recorded in Q1 ahead of target. The FY 2011 target is \$70 million
- Sales of Value-Added products reached 65% of total shipments versus 63% average in 2010

Raw Materials

- 95% of 2011 Alumina needs have been secured through multi source diversification strategy
- Green Petroleum Coke, Liquid Pitch and Aluminium Fluoride have been covered by a diversified supply base

Future Growth

- Kick-off of feasibility studies to determine optimum energy & technology solutions for Line 4, 5 Creep and Line 6 expansion projects

Alba Highlights

Q1 2011 – Financial Achievements

Adjusted EBITDA

- US\$175 million – 28% YoY growth

Net Income

- US\$88 million – 26% YoY growth

Free-Cash Flow

- US\$ 87 million – 89% YoY growth

Dividends

- Shareholders & relevant regulatory authorities approved 2010 dividend of \$200 million. The first installment of \$35 million was paid in 2010 and \$165 million was paid in April 2011



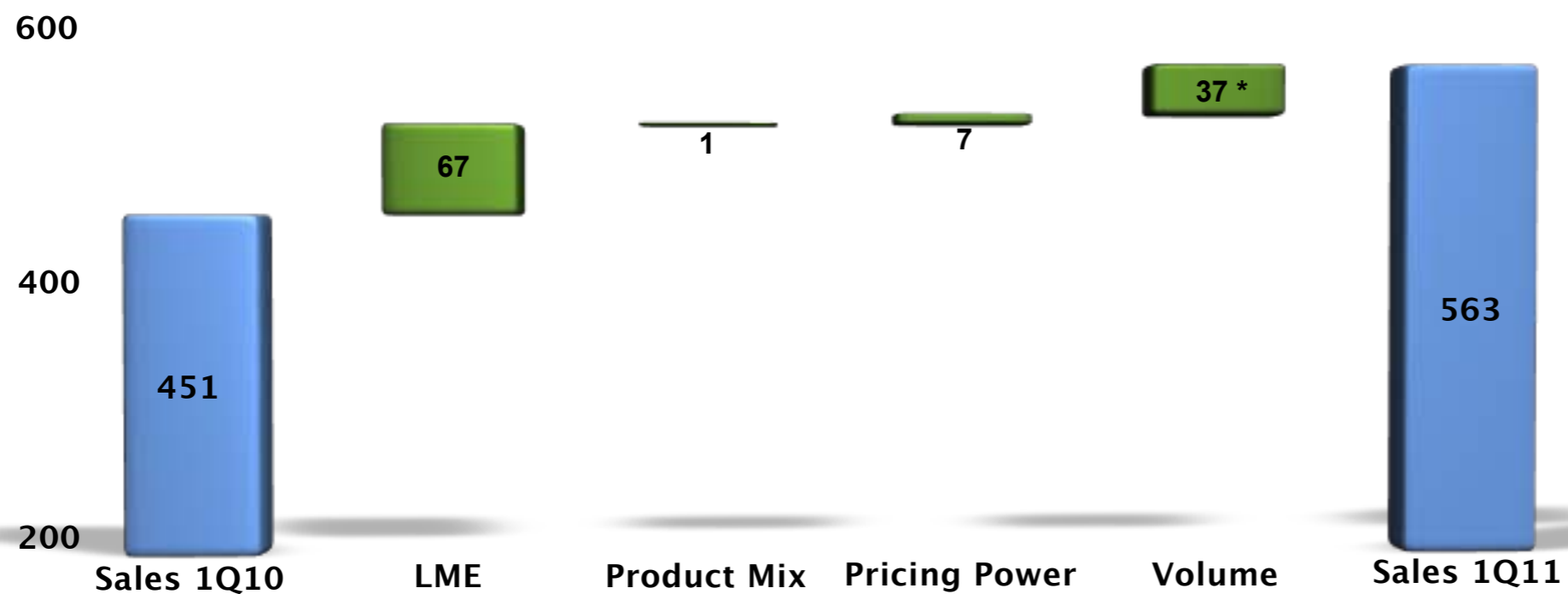
Q1 2011 RESULTS

Q1 2011 Results

A STRONG RECOVERY

Sales Analysis 1Q11 vs. 1Q10 (000's MT)
Dramatic shift in LME and higher overall Sales Volume

1Q11 vs. 1Q10 - Metal Sales Bridge (US\$M)



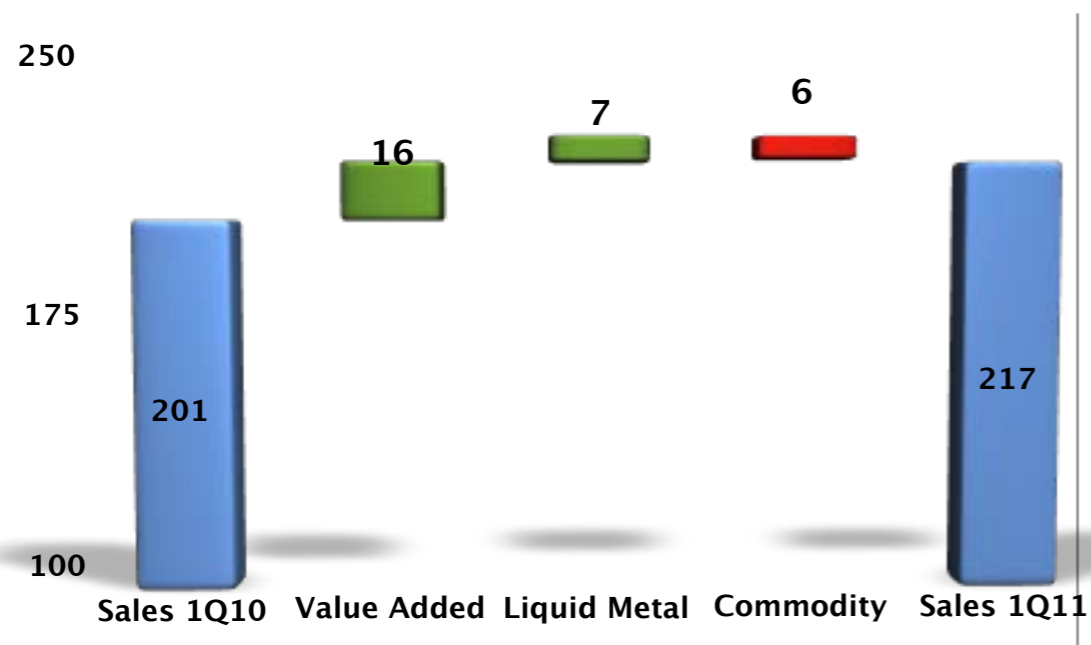
* Higher throughput resulted in a \$9 million direct benefit to the bottom line

Q1 2011 Results

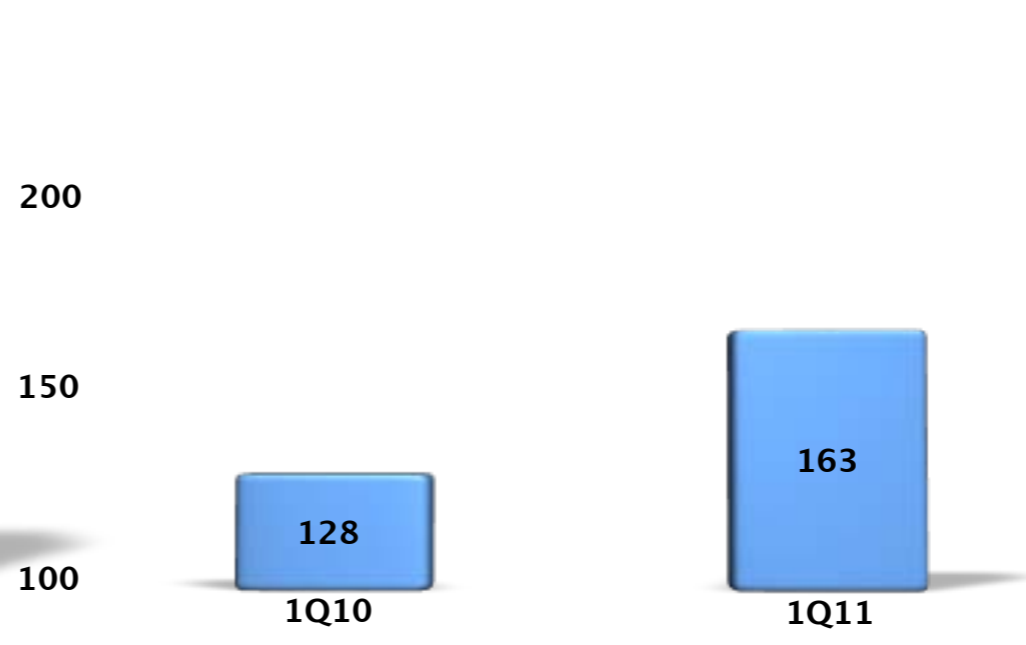
A STRONG RECOVERY

Continued Shift to Optimum Product Mix
Maximize Value Added Sales and Leverage Pricing Power

1Q11 vs. 1Q10 – Sales by Product line Bridge
(000's MT)



Premium Above LME Trend USD (Per MT)

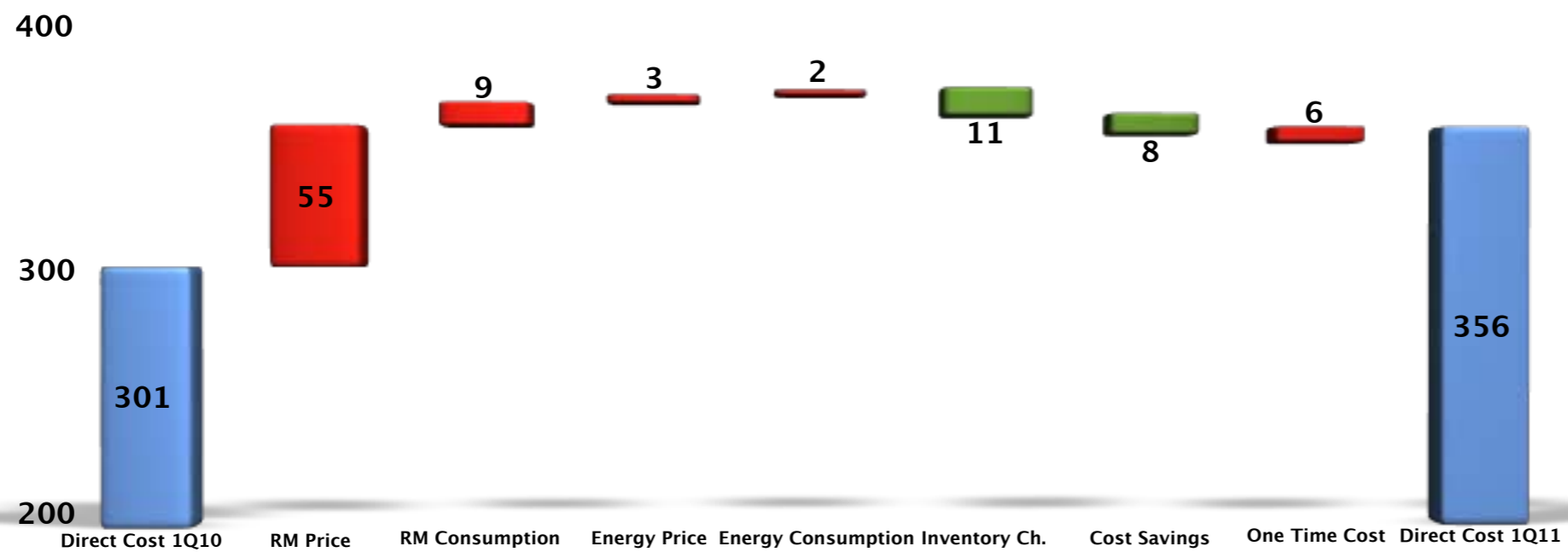


Q1 2011 Results

A STRONG RECOVERY

Cost Analysis 1Q11 vs. 1Q10:
Continuous Improvement Program on track

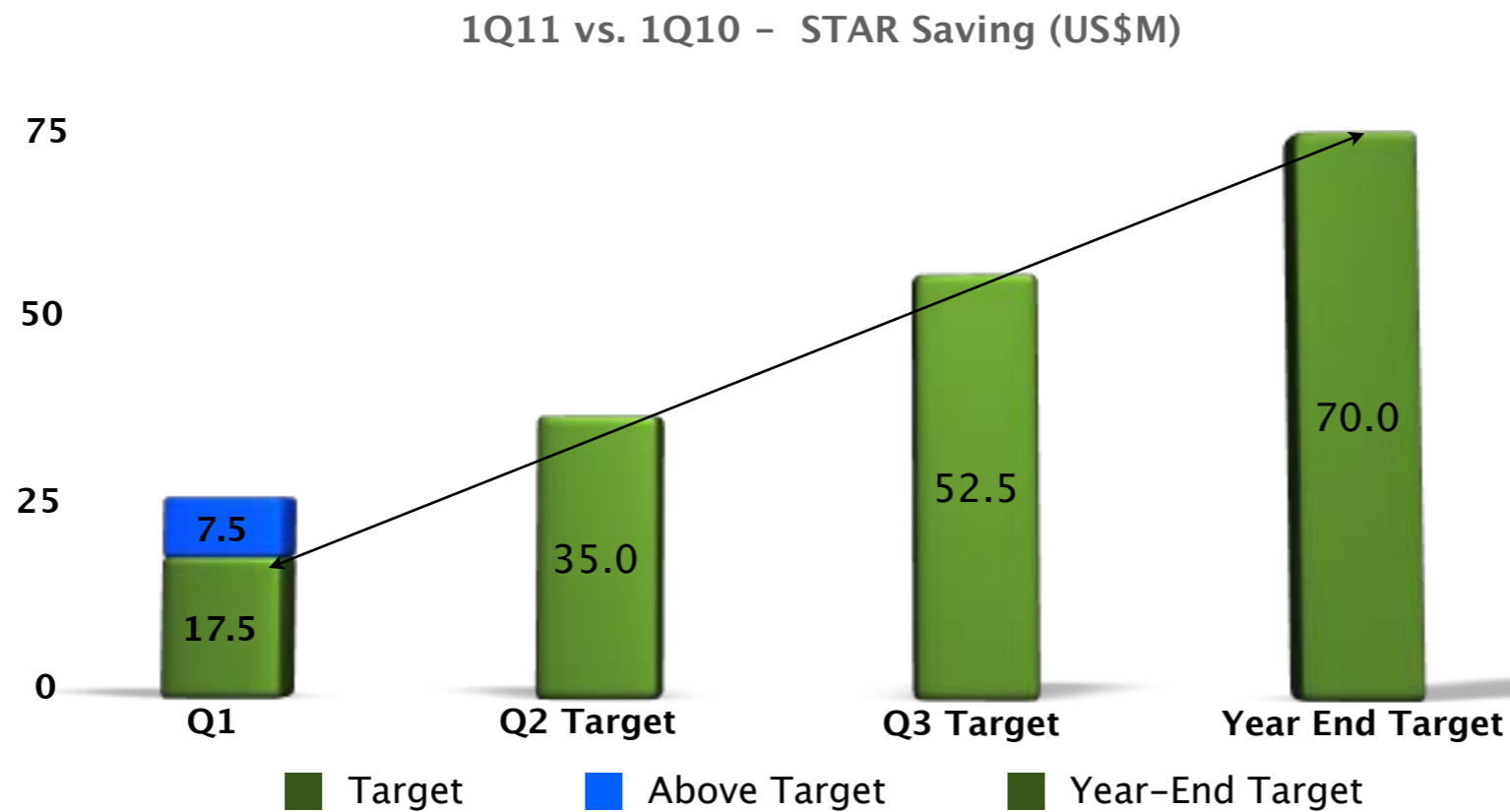
1Q11 vs. 1Q10 - Direct Costs Bridge (US\$M)



Q1 2011 Results

A STRONG RECOVERY

STAR Saving -1Q11 vs. Target 2011:

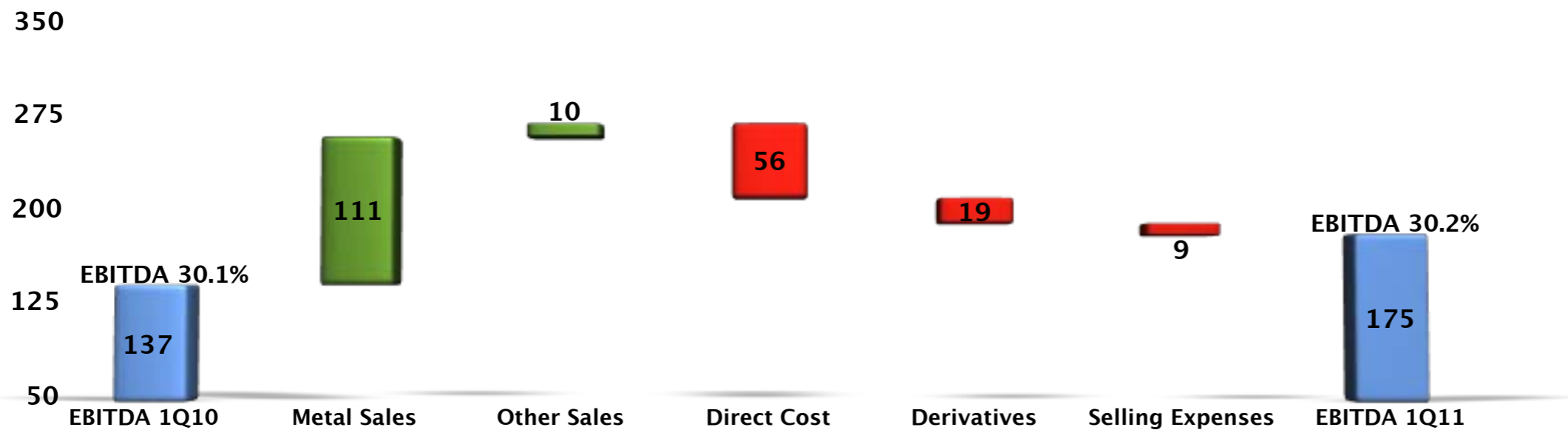


Q1 2011 Results

A STRONG RECOVERY

Adjusted EBITDA Bridge Gap Analysis 1Q11 vs. 1Q10:
Adjusted EBITDA Margin at a healthy 30% rate

1Q11 vs. 1Q10 – EBITDA Bridge (US\$M Adjusted)



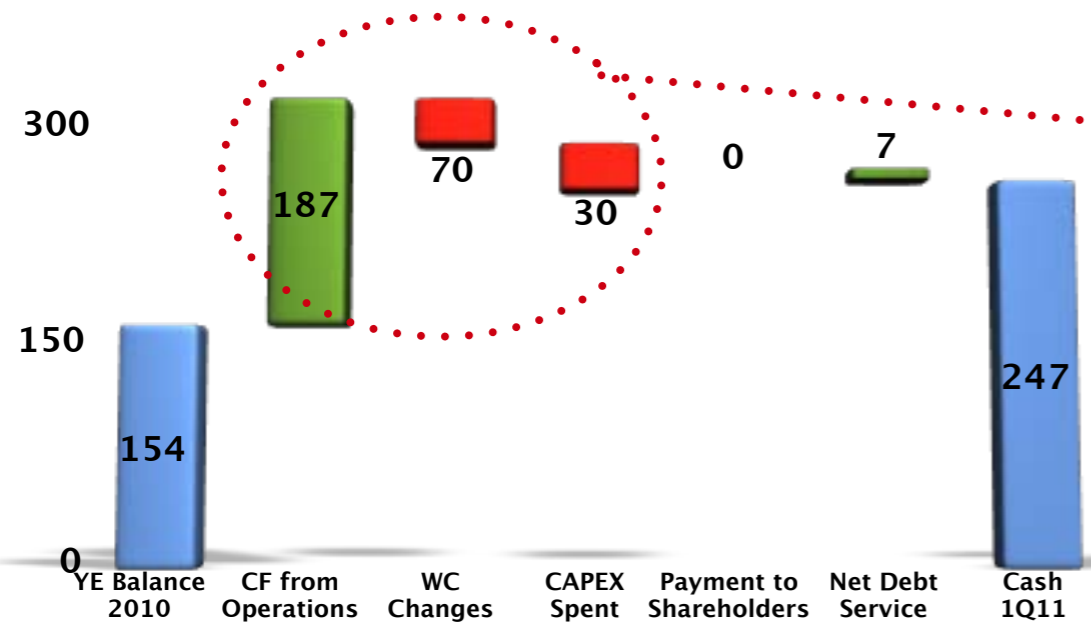
Adjusted EBITDA includes impact of actual realised derivatives payments

Q1 2011 Results

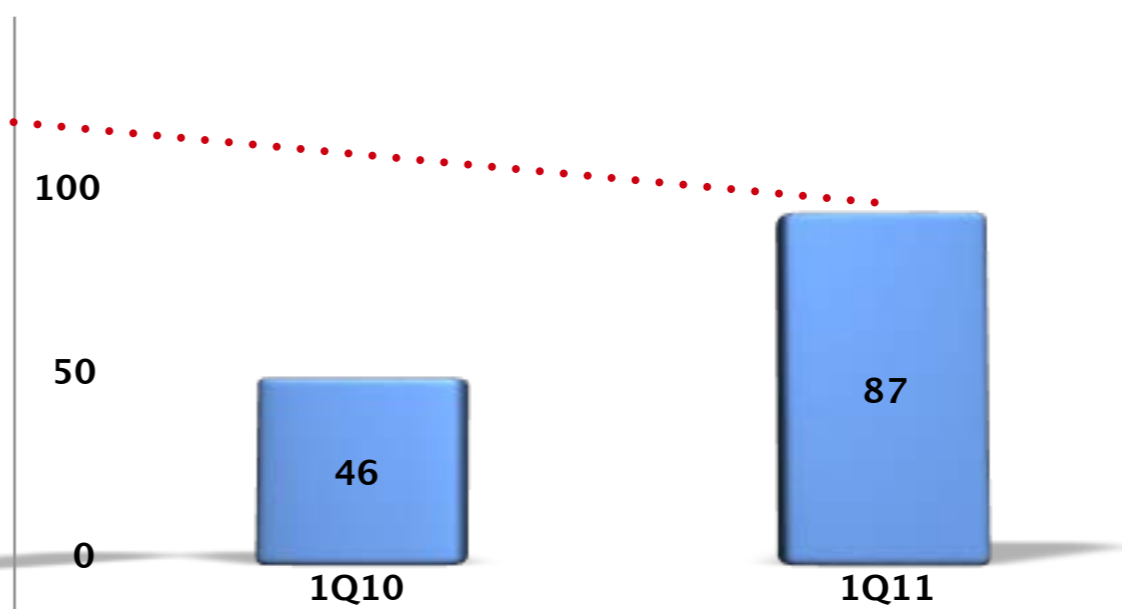
A STRONG RECOVERY

Cash Flow Bridge 1Q11 vs. 1Q10:
Healthy cash generation to cover debt, make investments and maximize shareholder value creation

1Q10 to 1Q11 Cash Flow Bridge (USD M)



Free Cash Flow (USD M)



■ Operating and Investing Cash Flow Trend

Q1 2011 Results

A STRONG RECOVERY

**1Q11 vs. 1Q10:
Healthy Performance Partially Offset by Increased Input Costs**

Financial Summary	Q1 2011	Q1 2010
Sales	578	455
Adjusted EBITDA	175	137
Adjusted EBITDA %	30.2%	30.1%
Net Income	88	70
Net Income %	15%	15%
Published LME Cash AVG (USD/MT)	2,500	2,163



INDUSTRY PERSPECTIVES IN 2011



Industry Perspectives in 2011

Another Year of Consumption's recovery

- Global recovery to continue despite Japan earthquake & MENA unrest
- Asia – Potential mid-term construction opportunities to arise post Japan earthquake
- Worldwide supply-demand balance will continue to tighten despite capacity restarts and expansions start-ups
- LME price forecast for Q2 expected to be above \$2,500/t



2011 ALBA PRIORITIES

2011 Alba Priorities

Continuous Improvement & Preparation for Future Growth

- **European Sales office to be established in Q2 2011**
- **2011 STAR Program:**
 - Additional action plans to be launched in Q2 2011
 - Preparation for the launch of Six Sigma in Q3 2011
- **Future Growth**
 - Complete feasibility studies to determine optimum energy and technology solutions for Line 4, 5 Creep and Line 6 Expansion plans