



## Alba Reports Q1 2011 Results

- *Q1 2011: demand for aluminium continues to soar driven by global economic rebound.*
- *Q1 2011: business as usual despite political unrest in February and March.*

### Q1 2011 Industry Highlights:

- Growth in global GDP touches 3.3% in 2011 while emerging markets remain bullish with 6% year over year (yoy) growth.
- Global economic recovery continues despite earthquake in Japan and unrest in MENA region, which was mainly driven by healthy demand activity in Saudi Arabia and Turkey.
- Western markets experience robust recovery in the transport, engineering and packaging sectors.
- Aluminium prices at the London Metal Exchange continued to rise in 2011 with an average cash price of US\$ 2,500 mtpa for Q1 2011 versus US\$ 2,163 mtpa in Q1 2010.

### Q1 2011 Alba Highlights:

- Alba maintained operations at full capacity and increased overall sales volumes by 8.2% despite political unrest in Q1 2011.
- Operational performance improvement programmes remain on track with additional recurrent savings of \$25 million recorded in Q1 2011 in line with the full year target of \$70 million.
- 95% of the company's 2011 alumina requirements were secured through a multi source diversification strategy.
- Operating costs were impacted by one time expense of \$3 million in Q1 2011.

### Q1 2011 Financial Achievements:

- Sales reached US\$ 578 million in Q1 2011 versus US\$ 455 million in Q1 2010 (+27% yoy).
- EBITDA was US\$ 175 million in Q1 2011 versus US\$ 137 million in Q1 2010 (+28% yoy).
- Net Income was US\$ 88 million in Q1 2011 versus US\$ 70 million in Q1 2010 (+26% yoy).
- Shareholders and regulatory authorities approved a \$200 million dividend related to 2010. The first instalment of \$35 million was paid in 2010 and the remainder \$165 million was paid on schedule in April 2011.



### Q1 2011 Alba Priorities:

- Achieve STAR performance improvement target of \$70 million.
- Sales office for the European market to be in Q2 2011.
- Plans underway to launch Six Sigma in Q3 2011.
- Feasibility studies for CREEP expansions on Line 4 and Line 5 as well as the Line 6 project to determine best technology and energy sourcing to maximise economic returns.

Aluminium Bahrain B.S.C. (Alba) released the company's first quarter 2011 results on Thursday, May 12, 2011.

Alba's performance was unaffected by the political unrest in Bahrain in the month of February and March. Production was at full capacity and Alba was able to increase overall sales volume by 8.2% in the first quarter and net income of \$ 88 million.

Commenting on the results, Alba's Chief Executive, Laurent Schmitt said:

"Q1 2011 was a challenging period for Alba as a result of the political unrest that took place in Bahrain. However, thanks to our loyal and dedicated workforce Alba was able to keep production at full capacity.

"Alba remains on track to capitalise on the global economic recovery and has taken steps to expand our global footprint on value added products. As part of this strategy Alba will establish a European sales office in Q2 2011 to allow us to better support our customers as well as expand our presence in this key market.

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

"Alba's Chief Executive, Laurent Schmitt and Chief Financial Officer, Tim Murray will be holding a conference call with investors on May 11, 2011 to present the first quarter results and provide an update on the company's key priorities for 2011."