



Media Release – April 29, 2018

MANAMA (ALBH)

FOR IMMEDIATE RELEASE
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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 Q1 2018 Interim Condensed Consolidated Financial Statements posted at www.albasmelter.com.

Alba's results for the First Quarter of 2018 are summarised below:

Alba's Net Income in Q1 2018 surges by 32% YoY to BD 33.8 million

Q1 2018 Industry Highlights

- Global physical demand is to set to maintain the momentum with world consumption up by 4% YoY. Asian demand rose by 5% YoY mainly supported by Chinese demand (+5% YoY). MENA demand rose up by 8% YoY on the back of major infrastructure spending in KSA (+18% YoY). North America continues to report solid demand (+3% YoY) supported by auto production. Europe consumption up by 3% YoY due to strong demand in transport (auto body sheet) and construction sectors.
- Global production growth almost flat leading the world market to be in surplus with China (+22 Kt) and in deficit w/o China (-533 Kt). Chinese supply dips by ~1.5% YoY due to slower ramp-ups and winter closure restarts while North America supply dropped by 5% YoY.
- LME inventories at ~1.3 million mt as of March-end.
- LME cash-average for the first quarter of 2018 was US\$ 2,159/t.

Q1 2018 Alba Highlights

- Driving continuous improvement in Plant Safety with the launch of 'Safety ABC' Campaign.



- Sales volume up by 3.6% YoY (251,637 mt) and production up by 4.3% YoY (259,399 mt)
- Value-Added Sales averaged 58% of total shipments (versus 56% in Q1 2017)
- The achieved benefits of Titan – Phase III are US\$ 41/MT
- Line 6 on track
 - § Line 6 Smelter [overall progress: 49%]
 - § Power Expansion Project [PS 5 & PDS overall progress: 58% & 82%]

Q1 2018 Financial Results

The Company's top-line and bottom-line performance for the first quarter of 2018 were driven primarily by 17% YoY increase in LME prices coupled with favourable management performance.

Alba Total Sales stretched by 16% YoY to reach BD 221.3 million (US\$ 588 million) versus BD 190.4 million (US\$ 506 million) in Q1 2017. The Company posted a Net Income of BD 33.9 million (US\$ 90 million) versus BD 25.6 million (US\$ 68 million) in Q1 2017, an increase of 32% YoY.

During the Annual General Meeting (AGM) which was held on Wednesday 07 March 2018, Alba approved a dividend of BD 36.8 million (US\$ 98 million) and paid on 21st March 2018.

2018 Alba Priorities

- Focus on Safety Selfie Initiative
- Deliver on Project Titan - Phase III [2018: 1 Million MT & US\$ 60/t]
- Leverage strong physical demand on Value-Added Sales
- Focus on upstream opportunities
- Line 6 on Schedule
 - § Close final tranche of ECA-covered facility
 - § Award remaining packages by Q2 2018

Commenting on Alba's sound financial performance in Q1 2018, the Chairman of Alba's Board of Directors, Shaikh Daij Bin Salman Bin Daij Al Khalifa:



"Alba was off to a strong start in 2018 thanks to a solid operational performance. We intend to leverage this strong start as we progress with the construction of Line 6 Expansion Project.

We also look forward to fully secure the 2nd tranche of ECA-covered facility."

Alba's Chief Executive Officer, Tim Murray added:

"Alba continues to focus on resilience and was able to leverage the gains in LME prices to deliver solid bottom-line results. I would like to thank our dedicated workforce for their contributions in achieving this success."

Alba's Management will be holding a conference call on Monday April 30, 2018 to discuss Alba's financial performance for the first quarter of 2018 as well as outline the Company's priorities for the remainder of the year.

ENDS

Photo Caption

*Shaikh Dajj Bin Salman Bin Dajj Al Khalifa, Alba's Chairman of BOD
Tim Murray, Alba CEO*

About Alba

Aluminium Bahrain B.S.C. (Alba) - one of the largest and modern aluminium smelters in the world - is renowned for its premium grade aluminium products, technological strength and innovative policies, strict environmental guidelines and high track record for safety. Established in 1971 as a 120,000 tonnes per annum smelter, Alba today produces more than 981,000 metric tonnes per annum of the highest grade aluminium, with products including standard and T-ingots, extrusion billets, rolling slab, properzi ingots, and molten aluminium.

Alba is listed on both the Bahrain Bourse and London Stock Exchange, and the Company's shareholders are Bahrain Mumtalakat Holding Company (69.38%), SABIC Industrial Investment Company (20.62%) and the General Public (10%).

About Line 6 Expansion Project

Alba's Line 6 Expansion Project is one of the largest brownfield developments in the region. Expected to begin production by January 1st 2019, this Project will boost the smelter's per-annum production by 540,000 metric tonnes, bringing its total production capacity to 1.5 million metric tonnes per year.

With a CAPEX of approximately US\$ 3 billion, the Line 6 Expansion Project involves the construction of a sixth pot line utilising EGA's proprietary DX+ Ultra Technology, a 1,792 MW Power Station (Power Station 5) and other industrial services.

Bechtel is the EPCM contractor for the Line 6 Expansion Project smelter. For Power Station 5 (PS 5), GE and GAMA Consortium was awarded the EPC contract, while Siemens is the Power Distribution System contractor.



J.P. Morgan, Gulf International Bank (GIB) and National Bank of Bahrain (NBB) are the Financial Advisors for this Project.

In June 2015, Alba Board approved the Line 6 Expansion Project and in November 2015, Alba secured the natural gas supply for this Project.

Alba successfully closed a US\$ 1.5 Billion syndicated term-loan facility comprising two tranches: Conventional Facility & Islamic Facility in October 2016 as well as the first tranche of the Export Credit Financing of c. US\$ 700 million for Euler Hermes and SERV-covered facilities in July 2017. The Company is looking to secure the second tranche of the Export Credit Agency (ECAs) within the first quarter of 2018.

The Front End Engineering Design (FEED) study for the Project was completed in the first quarter of 2017. The construction site-works have started in the second quarter of 2017 while the mass earthworks was completed by the end of the third quarter of 2017 as per schedule. Alba has also laid the First Concrete in Potline 6 Foundation in May 2017 wherein the concrete foundations will reach 85,000 m³ upon completion by December 2018. As of March 31, 2018, Line 6 Smelter's Overall Progress exceeded 49% (Engineering progressed more than 83% while Contracts and Procurement advanced by more than 92%); Power Station 5 & Power Distribution System Overall Progress exceeded 58% and 82% respectively.

The Line 6 Expansion Project will make Alba the world's largest single-site aluminium smelter and be a significant economic boost for the Kingdom of Bahrain due to the many co-investment opportunities through local and foreign aluminium investments.

For further details, please contact:

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