



Media Release – April 23, 2017

MANAMA (ALBH)

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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 2017 Interim Condensed Consolidated Financial Statements posted at www.albasmelter.com.

Alba's results for the First Quarter of 2017 are summarised below:

Alba's Net Income Increases by US\$ 57 million in Q1 2017

Q1 2017 Industry Highlights

- Global physical demand remains healthy with world consumption up by 6% YoY. Asian demand rose by 7% YoY led by Chinese consumption (+8% YoY). MENA demand grew by 5% YoY driven by major infrastructure spending in Saudi Arabia (+13% YoY). In addition, demand in North America surged by 3% YoY supported by firm growth in the auto production while Europe consumption rose modestly by 2% YoY attributed to good demand in construction and automotive sectors.
- World production rose by 9% YoY supported by Chinese output (+17% YoY), leading the world market to be in surplus with China (+664Kt) and in deficit w/o China (-414Kt).
- LME inventories at 1.8 million mt in March.
- LME cash-average for the first quarter of 2017 was US\$ 1,850/t up by 22% YoY.

2017 Alba Highlights

- Continuous improvement in Safety Performance with the launch of Safety Tomorrowland initiatives.



- Sales volume up by 4.9% YoY (242,932 mt) and production up by 5.6% YoY (248,776 mt)
- Value-Added Sales averaged 56% of total shipments (versus 52% in Q1 2016)
- Line 6 on track
 - Feed Study completed in January 2017
 - 80 Packages have been awarded (out of 150 packages)

Q1 2017 Financial Results

The Company's top-line and bottom-line performance for the first quarter of 2017 were driven primarily by higher LME prices and favourable management performance.

Alba Total Sales for the first quarter of 2017 jumped by 22% YoY to reach BD 190.4 million (US\$ 506 million) versus BD 156.4 million (US\$ 416 million) for the same period in 2016. The Company posted a Net Income of BD 25.6 million (US\$ 68 million) compared to BD 4.2 million (US\$ 11 million) in Q1 2016, an increase of 506% YoY.

During the AGM on 21st March 2017, Alba approved a dividend of BD 29.6 million (US\$ 78.7 million) to be paid from April 2nd 2017.

2017 Alba Priorities

- Focus on Safety Tomorrowland Initiatives
- Fully Restore Line 5 Production
- Deliver on Project Titan - Phase II
- Leverage Strong Demand on Value-Added Sales
- Line 6 on Schedule
 - Award Remaining Packages in 2nd half of 2017

Commenting on Alba's sound financial performance in Q1 2017, the Chairman of Alba's Board of Directors, Daj Bin Salman Bin Daj Al Khalifa:



"Alba has successfully closed the first quarter strong with an unparalleled performance in its top-line and bottom-line.

Together with our solid financial basis, we will be able to transform Alba as Line 6 will shape our future for the generations to come."

Alba's Chief Executive Officer, Tim Murray added:

"Alba continues to improve its underlining performance through leveraging the recent gains in LME prices. Despite the recent power outage incident, Alba still expects to deliver strong results in 2017.

Alba's Management will be holding a conference call on Tuesday, April 25, 2017 to discuss Alba's financial performance for the first quarter of 2017 as well as outline the Company's priorities for the remainder of the year.

ENDS

Photo Caption:

Picture 1: Alba's Chairman, Daij Bin Salman Bin Daij Al Khalifa

Picture 2: Alba's Chief Executive, Tim Murray

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 971,000 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 early 2019, this Project will boost the smelter's per-annum production by 540,000 metric tonnes, bringing its total production capacity to around 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 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.

The Bankable Feasibility Study was completed by Bechtel in December 2014. In June 2015, Alba Board approved the Line 6 Expansion Project and in November 2015, Alba secured the natural gas supply for this Project.

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.

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