



Media Release – October 27, 2019

FOR IMMEDIATE RELEASE
MANAMA (ALBH)

Aluminium Bahrain B.S.C. (Alba) (Ticker Code: ALBH) presents its financial results as per the International Financial Reporting Standards (IFRS) accounting rules. All investors and reporters are asked to read Alba's Condensed Consolidated Interim Financial Statements as at 30 September 2019 which are posted at www.albasmelter.com.

Alba's official press release and full set of financial statements are also available on [Bahrain Bourse website](#).

Alba's results for the Third Quarter & Nine-Months of 2019 are summarised below:

Alba Reports its Financial Results for Q3 and Nine-Months of 2019

Q3 2019 and Nine Months 2019 Financial Performance

Alba's top-line and bottom-line for the Third Quarter and Nine-Months of 2019 were primarily impacted by lower LME price [US\$1,761/MT vs. US\$2,056/MT - a drop of 14% Year-over-Year (YoY) in Q3; US\$1,804/MT vs. US\$2,158/MT - a drop of 16% YoY for the Nine-Months], lower premiums - and offset by higher Sales' volume.

The Company generated a Profit and Total Comprehensive Income of **BD10.7 million (US\$28.5 million)** in Q3 2019 versus BD14.3 million (US\$38.1 million) for the same period in 2018, down by 25% YoY. The Company posted a Gross Profit of **BD29.2 million (US\$77.6 million)** versus BD19.0 million (US\$50.6 million) in Q3 2018, up by 53% YoY. With regards to Total Sales/Revenues, Alba reported **BD287.1million (US\$763.6 million)** in Q3 2019, up by 22% YoY, compared to BD234.5 million (US\$623.8 million) in Q3 2018. Earnings per share (EPS) in this quarter were **fi1s 8** versus fi1s 10 for the same period in 2018.

With regards to the Nine-Months of 2019, Alba reported a Loss and Total Comprehensive Loss of **BD8.4 million (US\$22.4 million)**, down by 111% YoY, compared to a Profit and Total Comprehensive Income of BD77.2 million (US\$205.6 million) for the same period in 2018. The Company posted a Gross Profit of **BD45.4 million (US\$120.9 million)** versus BD93.3 million (US\$248.3 million) for the Nine-Months of 2018, down by 51% YoY. Total Sales/Revenues reached **BD735.7 million (US\$1,956.6 million)**, up by 5% YoY, compared to BD699.7 million (US\$1,861.1 million) for the Nine-Months of 2018. Earnings/ (Loss) per share were **fi1s (6)** versus fi1s 55 for the same period in 2018.



Alba's Total Assets as at 30 September 2019 stood at **BD2,425.1 million (US\$6,449.7 million)** versus BD2,208.7 million (US\$5,874.3 million) as at 31 December 2018, up by 10% YoY. Total Shareholders' Equity as at 30 September 2019 stood at **BD1,065.4 million (US\$2,833.5 million)**, down by 1% YoY, versus BD1,073.5 million (US\$2,855 million) as at December 31, 2018.

Q3 2019 Industry Highlights

- Aluminium demand has lost momentum in most global markets: world-market consumption almost flat, first decline since 2009, due to weak economic conditions, slow global manufacturing and increased use of scrap metal. A slowdown in the US market has led to a drop of 3% YoY in aluminium consumption, while Europe consumption was down by 1% YoY owing to lower vehicle demand. Consumption in MENA rose by 4% YoY driven by infrastructure spending in UAE and Saudi Arabia.
- World production inched down by 1% YoY despite the supply-growth in North American market. Asian supply was down by 1% YoY supported by Chinese supply disruptions [a drop of 3% YoY], while production in North America continued to gain momentum post 2018 lacklustre (+7% YoY supported by smelters' restarts).
- World market in deficit with China (-467 Kt) & (-61 Kt) without China.
- LME-Cash averaged US\$1,761/t - down by 14% YoY and physical premium prices remain under pressure
- LME inventories below 1-million Metric Tonne (MT) [0.936 million MT in September] while Alumina Price remains relatively high - close to 17% of LME price.

Q3 2019 Alba Highlights

- Plus 11 million working-hours w/o LTI on 30 September 2019 [12.5 million working-hours on October 24]
- A double-digit growth for Alba Sales' volume & Production in Q3 2019: Sales' volume reached 376,025 MT - up by 51% YoY while Production topped 385,396 MT - up by 53% YoY
- Achieved benefits of Titan – Phase IV are **US\$15 million**
- Line 6 Expansion Project almost complete:
 - Line 6 Smelter [overall progress > 98%]; and
 - Power Expansion Project [PS 5 & PDS overall progress: 97% & 99%]

2019 Alba Priorities



- Continued Focus on 'Think Safety First & Always' Initiative
- Deliver on Project Titan Phase IV [Projected Savings of US\$ 40 Million by 2019-end]
- Focus on Future Upstream Opportunities
- Value Added Sales' Product Qualification Associated with Line 6 commissioning into commercial operations
- Roll-out Alba's New Vision, Mission and Values
- Preparation ongoing for Line 6 Inauguration on 24 November 2019

Commenting on Alba's Financial Performance for Q3 and Nine-Months of 2019, the Chairman of Alba's Board of Directors, Shaikh Daij Bin Salman Bin Daij Al Khalifa, said:

"Despite downbeat economic and market sentiments, we were able to lock-in positive profitability in Q3 thanks to the progressive ramp-up of Line 6.

We look positively into the future as we stand at the threshold of becoming the world's largest aluminium smelter with Line 6 fully going on-stream soon."

Alba's Acting Chief Executive Officer, Ali Al Baqali added:

"2019, no doubt, has been a difficult year for the aluminium market due to depressed LME prices and overall industry outlook. However, we aim to finish 2019 strong by achieving for the first-time a production of 1.35 million metric tonnes and exceeding 15 million working-hours without LTI – another first in Alba's history."

Alba's Management will be holding a Conference Call on Tuesday 29 October 2019 to discuss Alba's financial performance for the Third Quarter & Nine-Months of 2019 as well as outline the Company's priorities for the remainder of this year.

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Photo Caption

- 1) Chairman of Alba's Board of Directors, Shaikh Daij Bin Salman Bin Daij Al Khalifa
- 2) Alba's Acting CEO, Ali Al Baqali



About Alba

Aluminium Bahrain B.S.C. (Alba), one of the 1 million-metric tonnes smelters in the world, is one of the largest aluminium producers in the world. 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%).

Starting-out as a 120,000 metric tonne per annum (mtpa) smelter in 1971, Alba's production for 2018 stood at plus-1 million metric tonnes. Alba's product portfolio comprises high-grade aluminium and Value-Added Products that include standard and T-ingots, extrusion billets, rolling slabs, properzi ingots and molten aluminium.

About Line 6 Expansion Project

The pride of the Kingdom of Bahrain, Alba's Line 6 Expansion Project will make Alba the world's largest aluminium smelter.

Alba's Line 6 Expansion Project is one of the biggest brownfield developments in the Middle East Region. With a CAPEX of approximately US\$ 3 billion, the Line 6 Expansion Project involves the construction of a sixth pot line using EGA's proprietary DX+ Ultra Technology, a 1,792 MW Power Station (Power Station 5) utilising the world's first H-class General Electric (GE) 9HA Gas Turbine (GT) and other industrial services.

Alba Potline 6 was commissioned on 13 December 2018, ahead of schedule, with the delivery of the First Hot Metal. Line 6 Expansion Project progress has been fast-paced since then with successfully starting 212 pots, which is equivalent to 50% of Potline 6 total capacity. Alba is now looking at the safe commissioning of the remaining 212 pots and to move closer to full production by Q3 2019.

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 & and Islamic Facility in October 2016. The 1st tranche of the Export Credit Agencies (ECA) Financing of c. US\$700 million for Euler Hermes and SERV-covered facilities was closed in July 2017 while the first part of 2nd ECA-tranche of EUR204.5 million for Bpifrance Assurance Export ("BpiAE") and Euler Hermes-covered facilities was secured in April 2018. Alba successfully closed the final instalment of the 2nd ECA-tranche - c.US\$136 million and c. EUR90 million from ECA supported-facilities - by end of 2018.

As of 30 September 2019, Line 6 Smelter's Overall Progress exceeded 98%. Power Station 5 & Power Distribution System Overall Progress exceeded 97% and by over 99% respectively.

Line 6 Expansion Project will be transformational for the Kingdom of Bahrain as it will significantly boost employment opportunities for Bahrainis at both Alba and the local downstream market. It will also present many co-investment opportunities through local and foreign aluminium investments in the Kingdom of Bahrain.

Alba External Grievance Mechanism

Alba, in line with the Performance Standards of the International Finance Corporation (IFC), a World Bank affiliated lending organisation, has launched its External Grievance Mechanism to receive and facilitate the resolution of the affected communities' concerns and grievances about Alba's Environment and Social (E&S) performance. External grievances about Alba's E&S performance can be logged via the [Alba Integrity Line](#) - an independently operated confidential reporting hotline in multiple languages - via a toll-free phone system or via the intranet 24 hours a day, every day.

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