



ALBRAS

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Aluminio Brasileiro S.A.

ALBRAS

PARE



**Smelting Aluminium in the Amazon Region
for more than 27 Years**

Key themes

- Albras, a mature organization**
- HSEC performance among the best in the Aluminium Industry**
- People, the Albras most valuable resource - PAM**
- Energy: “light” at the end of the tunnel**
- Way forward**

Located at the gateway to the Amazon

Municipality of Barcarena, 30 km from Belém, State of Pará.



Privileged position: port, refinery and market

Shareholders

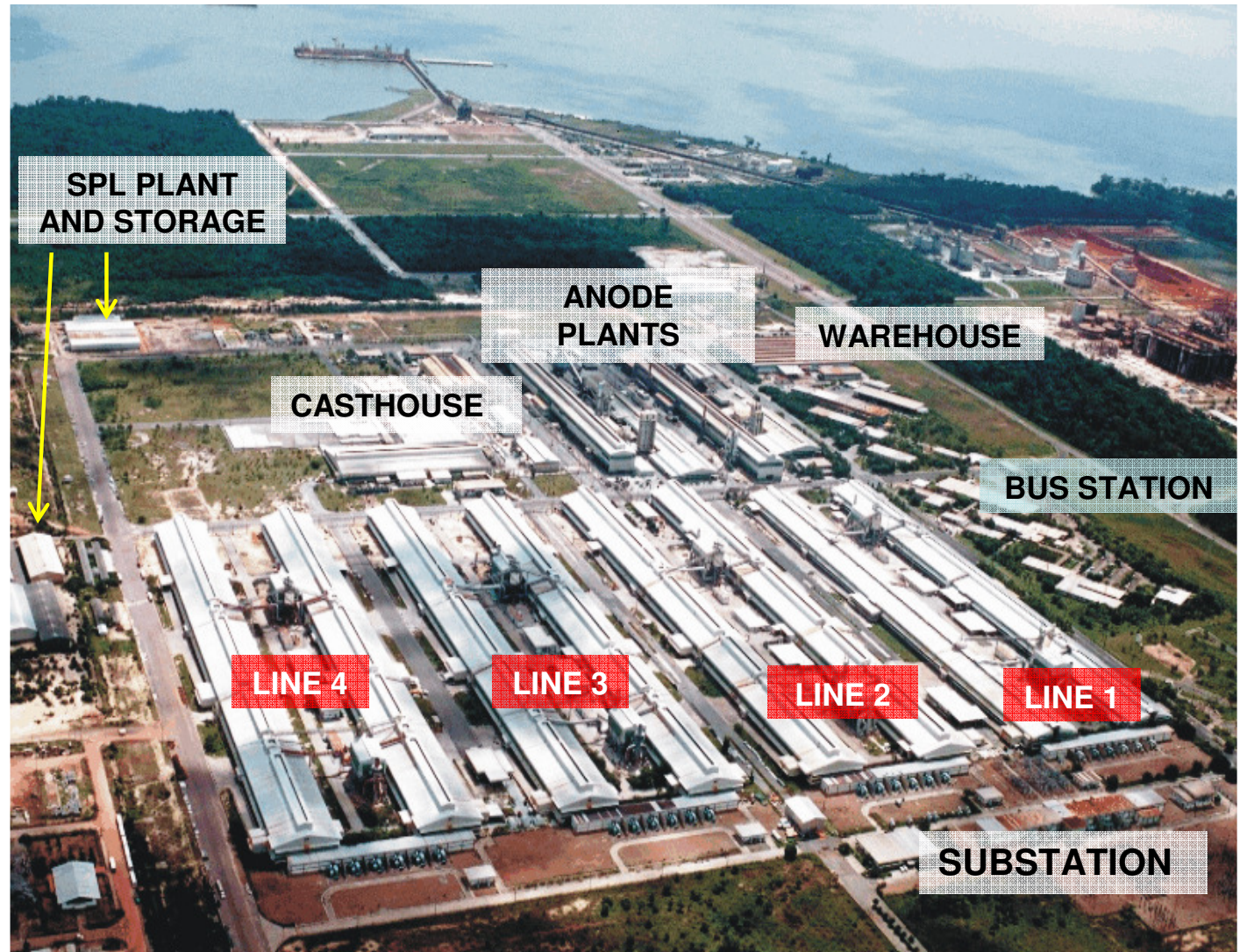
Hydro	51%
NAAC - Nippon Amazon Aluminium Co. Ltd.	49%

Plant main features

Nameplate Capacity: 460,000 tpy

Four Potlines – 960 pots - AP 13

Direct Employees – 1,210



The recipe for success

□ Vision

To Be the Global Leader in Aluminium Smelting by 2015

□ Mission

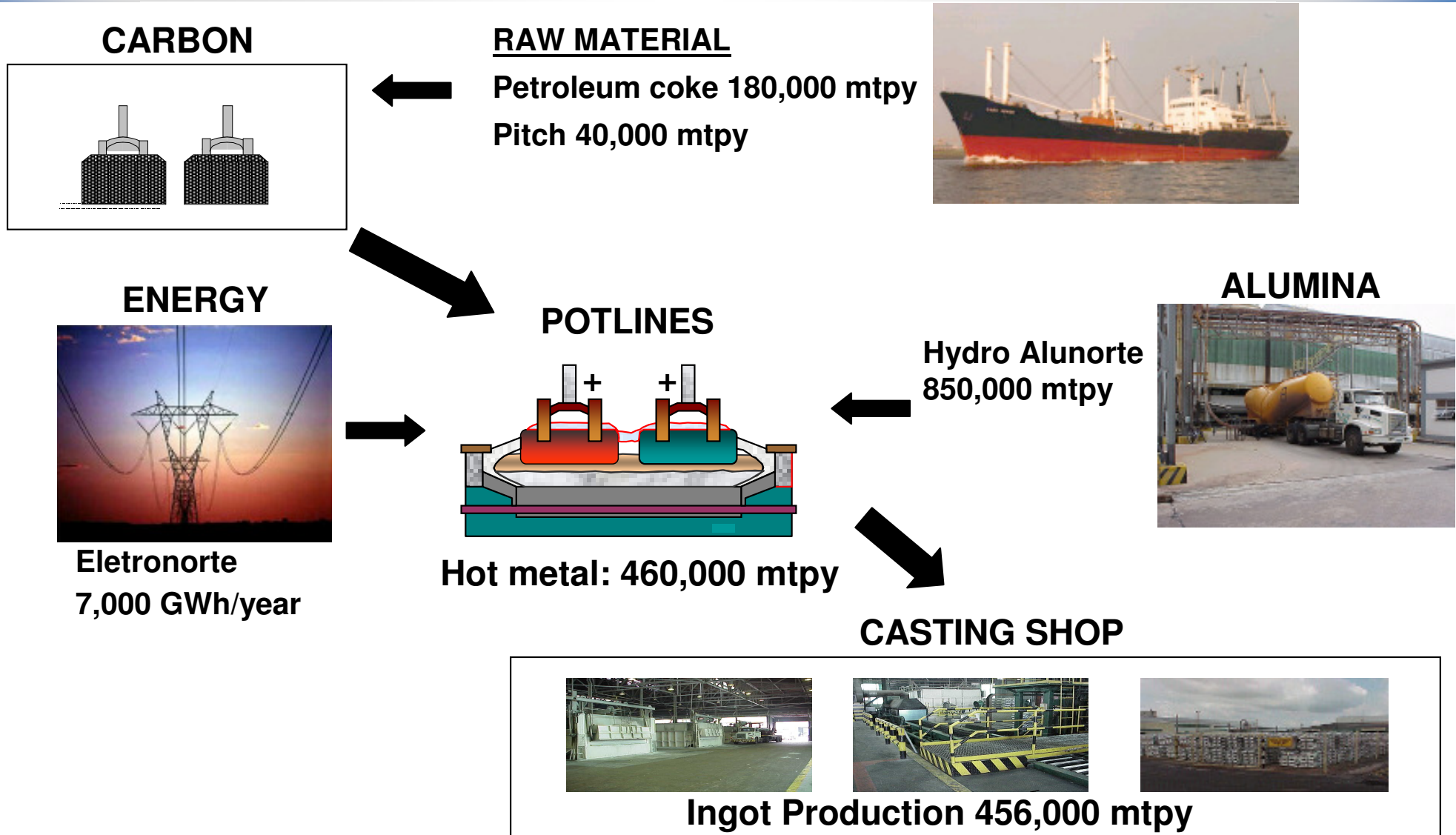
Producing aluminum for the mankind sustainable development

□ Values

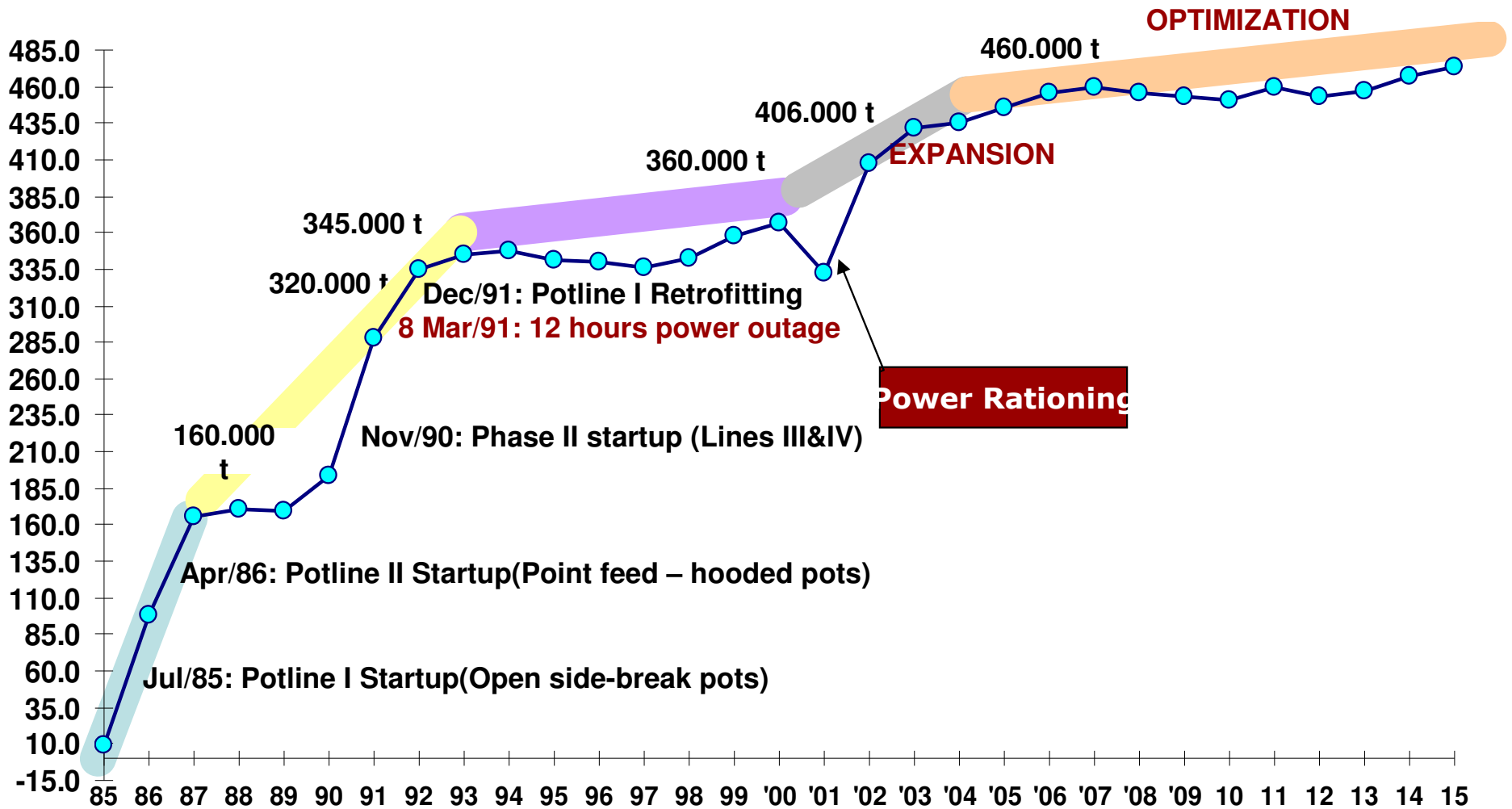
Honesty
Excellence
Respect
Team work
Overcoming



Process



Liquid metal output evolution



Leadership Team



Luis Jorge
Nunes

CEO



Takashi
Nakamura

CFO



Robson
Holanda

REDUCTION



Braz Mileo
Ferraioli

INDUSTRIAL
SERVICES



Luis Carlos
Carvalho

CARBON AND
CAST HOUSE



José Etrusco
Barreto

ENVIRONMENT
OFFICE, HEALTHY,
SAFETY AND
QUALITY



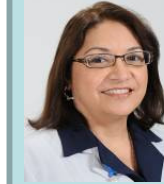
Elena
Brito

EXTERNAL
AFFAIRS AND
INTERNAL
COMMUNICATION



Hugo
Lévesque

ENGINEERING
AND
TECNOLOGY



Maria do
Socorro Silva

HUMAN
RESOURCES



Moacyr P.
Ribeiro Filho

BUDGET AND
COSTS

**HSEC performance among the best
in the Aluminium Industry**

HSEC a Commitment of the whole Organization

Health



- Ergonomic improvement program
- Asbestos free operations
- Healthy life program

Safety



- Fatality protocols implementation
- Safety and accident prevention culture
- Contractors management

Environment



- Consistent emissions reduction
- Water consumptions reduction
- SPL co-processing program

Community

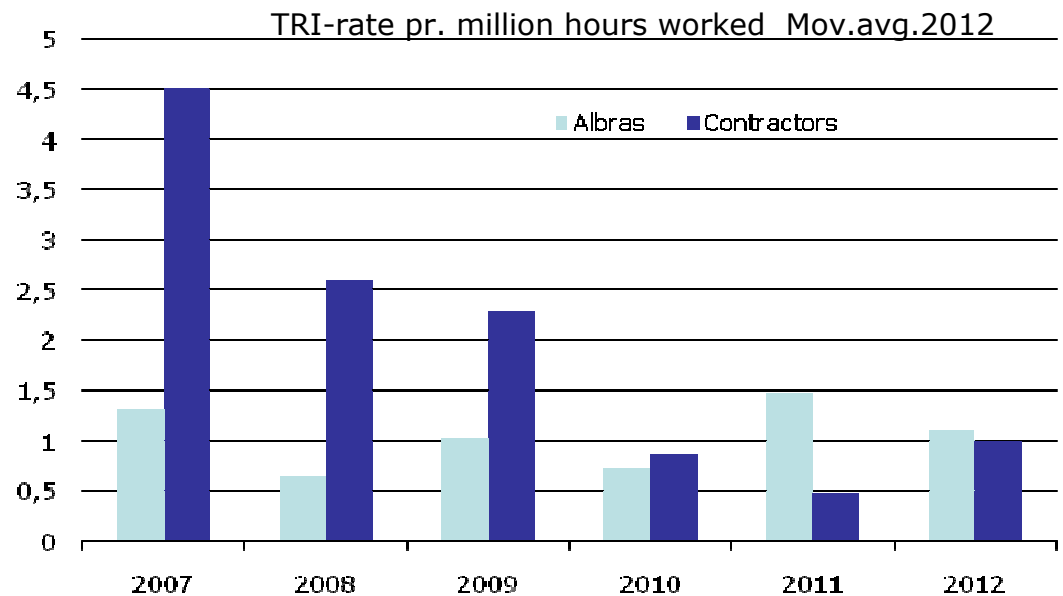


- Systematic dialogue with the community
- Agricultural program for income generation – PAFAM
- Environmental education and cultural revival
- Encouraging sport and social inclusion

Safety performance amongst the best in the aluminum industry

- ❑ We promote a culture that encourages reporting first aid and potential near-miss.
- ❑ Hazard management including fatal risk protocols
- ❑ HSE committees and meeting places including employee representatives
- ❑ Specific focus on contractors. Professional company Proativa hired to monitor contractor performance
- ❑ Mobile equipment and traffic management
- ❑ Annual action plans and budget

Strong track-record

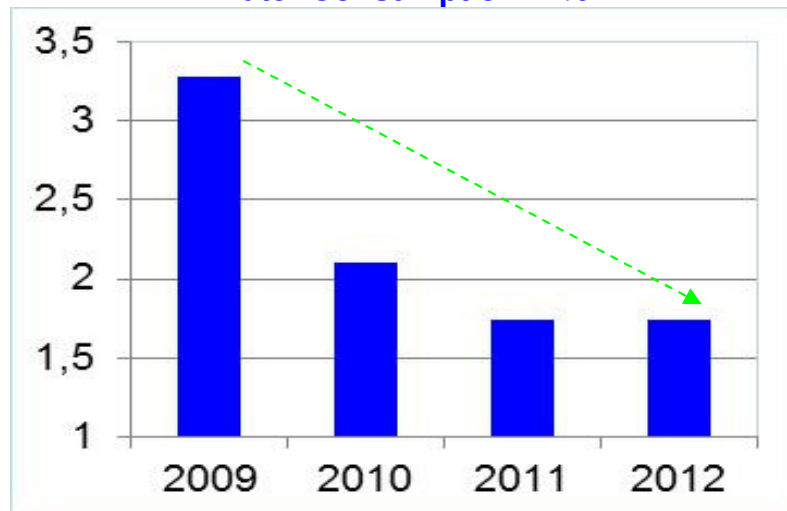


Concern for the environment

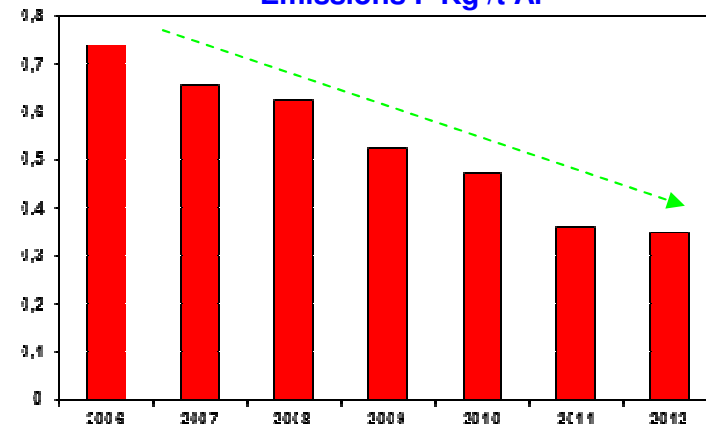
- ❑ Smelter green belt (Area preservation)
- ❑ Plants nursery
- ❑ Eucalyptus green poles production
- ❑ Environmental education for local students
- ❑ Gas treatment plants upgrade
- ❑ SPL co-processing



Water Consumption m³/t Al



Emissions F Kg /t Al



People, the Albras most valuable resource

2012 Highlights

Best Place to Work: 13 years among the top companies



Annual exhibition

CCQ – Quality Control Circles

- Volunteer activity
- 123 active teams

Completed projects (1997-2011): 5.093

Participation: 980 employees (98% operational areas)

1.198 ideas for cost reduction, in 12 weeks



PAM – Five years plan - improvement efforts in Albras

- Significant improvements targeted in the technical parameters for the next five years
- Taking advantage of being part of Hydro smelting system – Hydro Technical competency and the AMPS implementation
- Workforce ideas to reduce cost
 - Fixed cost
 - Variable cost
 - Manning
- Effectiveness of all contracts in place

Albras Improvement Program – PAM: enthusiasm and engagement



- Employees invited to propose changes
- All employees consulted individually
- Enthusiastic return from employees



- Proposed ideas exceeded the 1000 target, in 10 weeks
- 1198 suggestions for cost reduction in 12 weeks



- All ideas evaluated by 32 workgroups
- System designed to establish the gains
- Feedback given to all employees that contributed



- Creating Action Plans to capture the benefit
- Define deadlines for projects execution
- Five years period to reach all gains

Energy: “light” at the end of the tunnel

Commitment of the Brazilian Government to decrease energy cost in general

- Energy package announced on 11 September 2012 (MP579)

How much rates will drop

% by segment

	-28.0%	-24.8%	-21.4%	-20%	-19.4%	-16.2%	-20.2%
	A1 + 230 kV	A2 88 to 138 kV	A3 30 to 69 kV	A3a	A4 2.3 to 25 kV	Low voltage	General average
	Steel, aluminum, cement	Carmakers, large manufacturers, metalworks	Carmakers, large manufacturers, metalworks	Carmakers, large manufacturers, metalworks	Food, ceramics, large shops	Residences, stores, bank branches	
Effect of removing surcharges	-10.8%	-9.3%	-6.9%	-7.4%	-6.8%	-5.4%	-7.0%
Effect of extending concessions	-17.2%	-15.5%	-14.5%	-12.6%	-12.6%	-10.8%	-13.2%

Source: Ministry of Mines and Energy

- Awaiting final details before impact on Albras can be concluded

Way Forward

Way Forward

- ❑ Continued strong focus on safety - implementing the Fatal Risk Protocols

- ❑ Establish competitive energy supply for Albras

- ❑ Further measures need to be taken to meet challenging industry conditions
 - ❑ PAM full implementation in the next five years
 - ❑ Working capital reduction
 - ❑ Streamlining operations - assisted by AMPS

Thank you!

Luis Jorge Nunes
CEO of ALBRAS