

Press release

Alro reports a preliminary net profit of RON 93.6 million for 2009

Financial and operational highlights

- Turnover of RON 1.41 billion
- Net profit of RON 93.6 million before impairment charges
- Rigorous programme of cost reduction

Slatina, 17 February, 2010 – Alro SA (BSE: ALR), the largest aluminium producer in Central and Eastern Europe, today announces its preliminary unconsolidated results for the year ended 31 December 2009, according to Romanian Accountancy Standards. The Company reported a preliminary net profit of RON 93.6 million (approx USD 30.7 million), and a turnover of RON 1.41 billion (USD 462.5 million).¹ The Company's total primary aluminium production for last year was approx. 201,000 tonnes.

The financial results for 2009 reflect the cost reduction strategy implemented by the Company throughout the financial year. Alro continued the programmes for the reduction of consumption of raw materials, energy and gas, renegotiated the contracts with part of its suppliers. Moreover, Alro continued to focus on core activities, and on increasing productivity.

“Alro continued its strategy to counteract the international economic downturn, and the financial results registered last year demonstrate we implemented the correct measures”, stated Marian Nastase, Vice-president of the Board at Alro Slatina. “We cut production costs and inventories, increased productivity and quality of our products’ “We also continued our vertical integration strategy, and restarted the alumina refinery in Tulcea, thus ensuring the raw materials for the smelter in Slatina. We are cautiously optimistic about the perspective of the international aluminium industry and will further monitor the market in order to take all appropriate measures in response to international trends”.

Alro continued to work at 75% of its capacity, after it shut down one of its pot lines at the end of 2008. As a result of the cut down in production, Alro is now using 3 TWh of electricity for producing aluminum. The electricity supply is guaranteed by the Company's long term contract with a supplier. The entire electricity contracted by Alro is strictly used in the production process and current activity of the Group in Romania. By the end of 2009, the Company also restarted its alumina refinery, Alum,

following a complex modernization programme. The alumina produced by Alum will be used by Alro in the aluminium production process, as part of the Group's strategy of vertical integration.

As part of its strategy to address the market conditions, Alro also limited its investments to projects already in progress, mainly focusing on increasing product quality and the output of flat rolled products. The Company budgeted a total of approx USD 6 million investments in 2009. The main projects focused on upgrading equipment, improving working conditions and further increasing the quality of its flat rolled products.

In the second part of 2009, the demand and price of aluminium showed signs of recovery, with the aluminium price rising above USD 2,200/tonne at the end of December 2009, compared to USD 1,600/tonne at the end of June 2009. However, at the beginning of 2010, the pricing went to USD 2,000/tonne.

Notes

1. The financial results do not include potential charges for impairment of assets and other potential impairments. The final impairment analysis might impact the net profit.

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Notes to the Editors:

Alro SA is subsidiary of Vimetco, a global, vertically-integrated primary and processed aluminium producer. Alro is the largest aluminium production facility in Central and Eastern Europe measured by volume with an installed production capacity of 265,000 tonnes per year

The main markets for the aluminium manufactured by Alro SA are within the EU (Hungary, Poland, Greece, Germany and Romania). The Company also exports to the US and Asia. Alro is ISO 9001 certified for quality management and has NADCAP as well as EN 9100 certificate for aerospace production organizations, its products respecting the quality standards for primary aluminium on the London Metal Exchange – LME, as well as the international standards for flat rolled products.