

Current Report

To: **The Financial Regulating Authority
Bucharest Stock Exchange**

Date of report: **October 12, 2017**
Name of issuer: **Alro S.A.**
Headquarters: **Slatina, 116 Pitesti Street, Olt County**
Telephone/ fax number: **+40 249 431 901 / +40 249 437 500**
Tax registration number at the Trade Register Office: **RO 1515374**
Trade Register Number: **J28/8/1991**
The European Unique Identifier (EUID): **ROONRCJ28/8/1991**
Legal Entity Identifier (LEI): **5493008G6W6SORM2JG98**
Subscribed and paid-in share capital: **356,889,567.5 RON**
Regulated market on which the issued shares are traded: **Bucharest Stock Exchange**

Alro invests in increasing energy efficiency and in reducing specific consumption

- On long term, the Company will implement the concept of "Green Factory", targeting close to zero waste, zero emissions, along with increasing the production of high added value aluminium
- Alro has achieved 99% efficiency in electricity consumption thanks to the continuous upgrading of the technology

Slatina, October 12, 2017 - Alro S.A. (BSE: ALR, "Company" or "Alro"), the largest aluminium producer in continental Europe (excluding Russia and the Scandinavian Peninsula), implements a long-term program of over \$ 100 million to increase energy efficiency and to reduce the Company's specific consumption, as part of the "Green Factory" program.

"Over the past 15 years, we have continually invested in modern equipment that has increased not only production, but also operational efficiency," said Gheorghe Dobra, General Manager of Alro S.A. "In addition, our research programs have helped us achieve much lower energy consumption and emissions compared to industry average. Now is the time to take the next step, to further reduce the industrial carbon footprint, but at the same time, to continue to increase the production of high and very high added value aluminium and to strengthen our position in sophisticated markets such as aerospace or automotive".

The "Green Factory" concept aims at using state-of-the-art green technologies that will enable the Company to produce high added value aluminium products. In addition, they will contribute to meeting Alro's close to zero-waste and zero emissions targets. The business plan for the period 2017-2021

predicts total investments of over 190 million dollars, of which over 100 million dollars for energy efficiency projects.

Over the past 15 years, Alro has consistently invested in operational efficiency improvement programs with very good results in relation to the average of aluminium industry.

In the primary aluminium sector, the Company replaced DC rectifiers, resulting in a savings of 30,000 MWh/year or 1.5 million dollars annually. It also implemented computer-assisted central supply technology, as well as gas capture and purification in gas treatment centres, which led to a reduction in direct consumption of electricity of about 1,000 kWh/t of aluminium, saving 200,000 MWh/year, or about 10 million dollars annually. The consumption of natural gas in the production of anodes has also been reduced three times by modernizing the baking furnaces, and in melting and metal making furnaces it has decreased by 20%. Water consumption has also decreased about fivefold thanks to the construction of recirculation and water treatment stations.

In addition, the construction of the eco-foundry for the processing of aluminium waste by melting led to a saving of over 95% of electricity consumption compared to the production of electrolytic aluminium.

In the processed aluminium sector, Alro has upgraded processing lines, introduced new technologies and equipment with high energy efficiency. In addition, it has implemented the concept of predictive maintenance and digitization. All these has resulted in an increase by four times of processed aluminium production, a reduction in specific electricity consumption of five times and a reduction in natural gas consumption of 10 times. The state-of-the-art technology has enabled the Company to introduce new types of products in its portfolio, for automotive and aerospace industries.

In the first six months of this year alone, Alro has completed over 16 million dollars investments in both the primary aluminium and the processed aluminium segment. The investment program will allow Alro to expand its customer base in industries using high-quality aluminium.

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Notes to the Editors:

Alro S.A.

Alro is subsidiary of Vimetco N.V., a global, vertically-integrated primary and processed aluminium producer. Alro is the largest aluminium producer in Continental Europe (excluding Russia and Scandinavia), having an installed production capacity of 265,000 tonnes per year.

The main markets for the products manufactured by Alro are within the EU (Germany, Italy, Poland, France and Romania). Alro also exports to the USA and Asia. Alro is ISO 9001 certified for quality management and has NADCAP and EN 9100 certificates for aerospace production organizations. Alro's products adhere to the quality standards for primary aluminium on the LME, as well as international standards for flat rolled products.

Alro Group

The companies part of Alro group are: Alro – the aluminium producer, Alum Tulcea – the alumina producer, Siera Mineral Holdings I, Ltd. – the bauxite producer, Vimetco Extrusion – extrusion products processor, Conef, Global Aluminium Ltd. and Bauxite Marketing Ltd. Having this structure, the Group created an integrated production chain, assuring the raw materials for Alro.