

ADITYA BIRLA



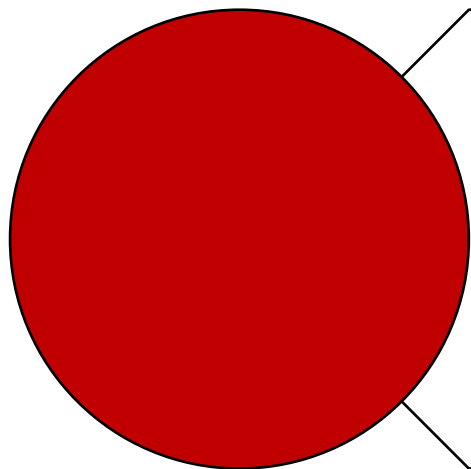
Investor Presentation

Q1 FY13

August 14, 2012

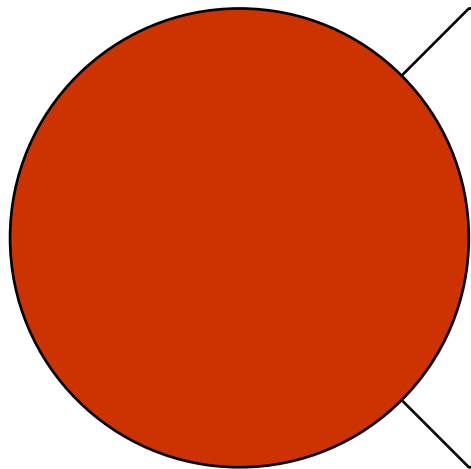
HIGHLIGHTS AND FINANCIAL PERFORMANCE

Performance Highlights



Stable Revenues despite sharp fall in LME and lower volumes,.... Rupee depreciation too helped ...

Sharp rise in input costs adversely impacted margins



Planned Shutdown in copper business and temporary disturbances in Aluminium smelters impacted production volumes

Financial Performance

₹ Cr	Q1 FY12	Q1 FY13	Change (%)
Net Sales	6,031	6,028	...
PBITDA	1,045	765	(26.8)
PBIT	870	594	(31.7)
PBT	803	513	(36.2)
PAT	644	425	(34.0)
EPS (₹)	3.36	2.22	

❑ Other income up by ₹123 crore due to higher dividend and higher treasury income

Q1: A Challenging Quarter



Industry

- ❑ LME (Al) down 24% yoy
- ❑ Cost for ~1/3rd of smelters worldwide above LME; ~2 mtpa capacity closed



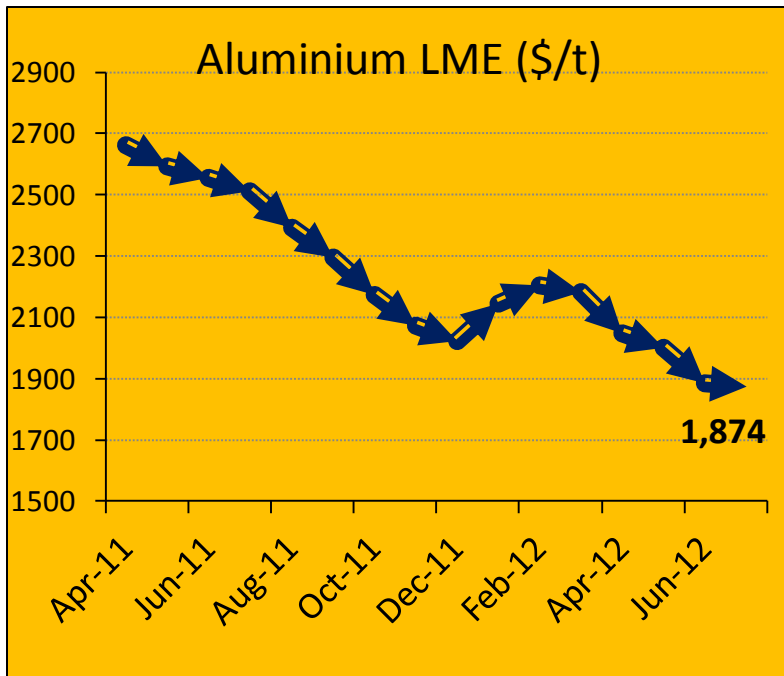
Company

- ❑ Grid problems affected potlines at Renukoot and Hirakud
- ❑ Drought conditions led to stoppage of Muri factory for 16 days
- ❑ Dahej smelters & fertilizer plant had their planned shutdowns during the quarter

One off Internal challenges... to add to macroeconomic challenges..

LME deep down into the cost curve

- Macro concerns
- Overhang of inventory: ~ 89 days at present
- Lack of closures in China due to higher SHFE and power subsidies



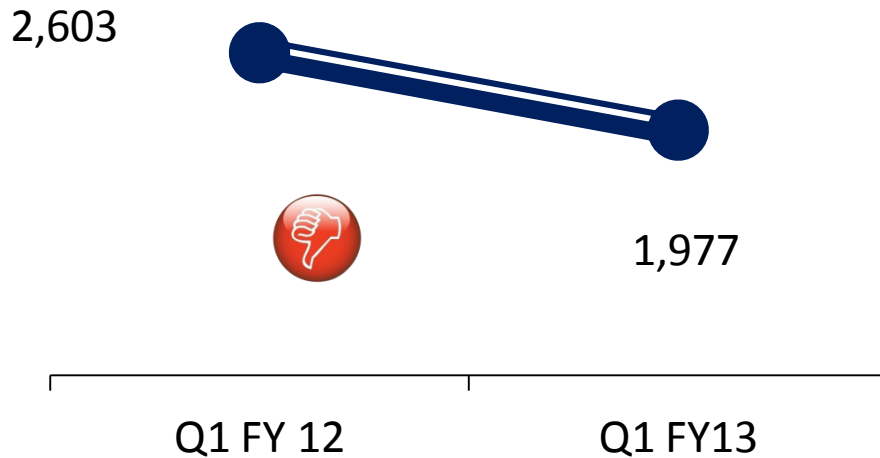
Though current situation is unsustainable, it may take time to improve

Performance review: Aluminium

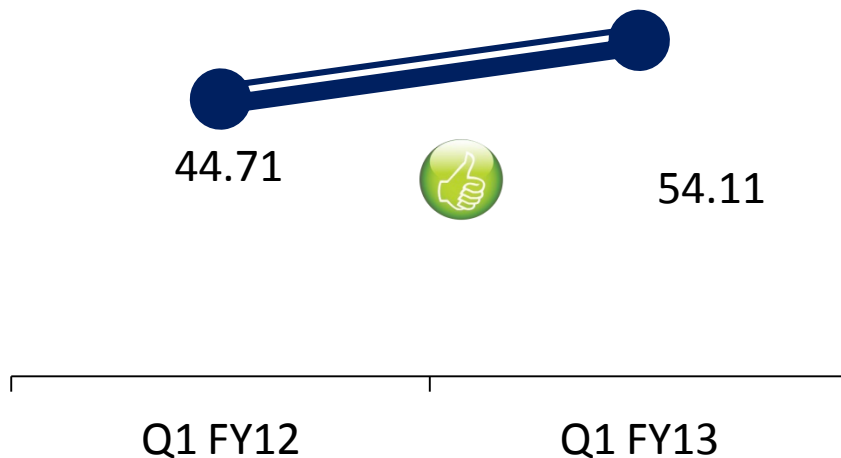


Key External Drivers (negatives outweighed positives)





Aluminium LME (\$/t)



Exchange Rate (₹/\$)



Other Drivers

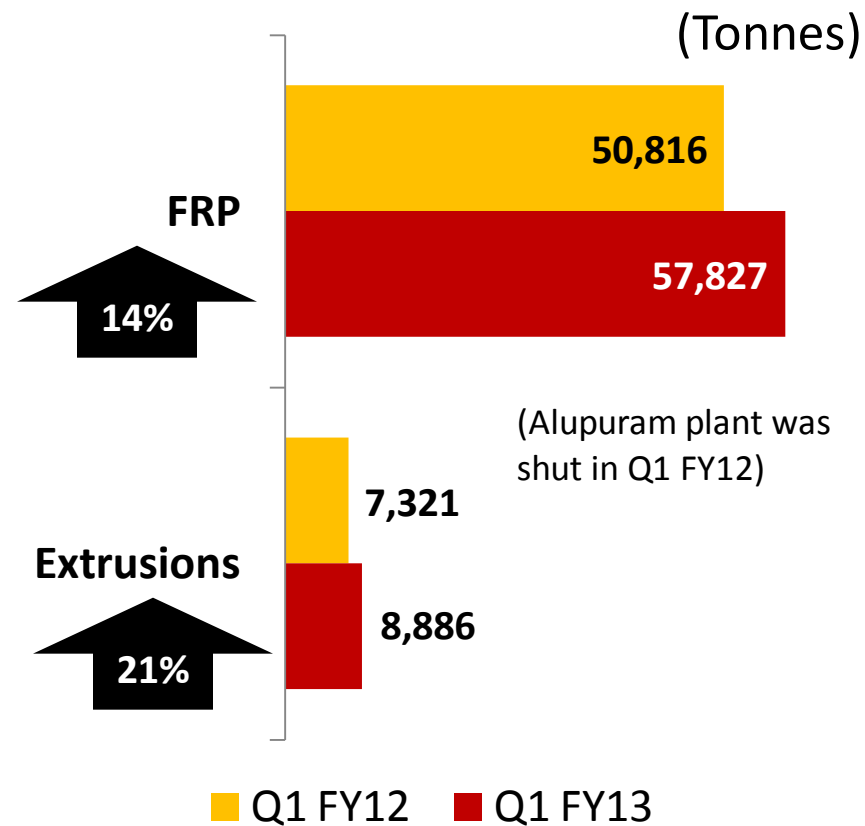
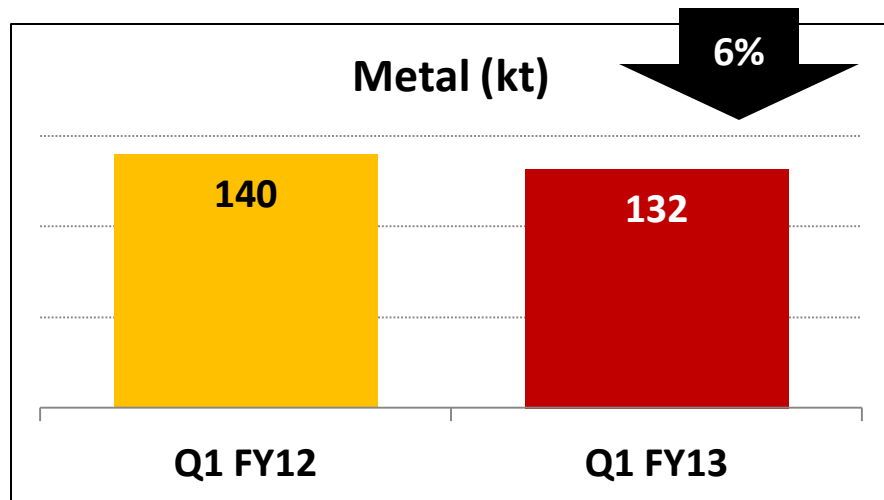
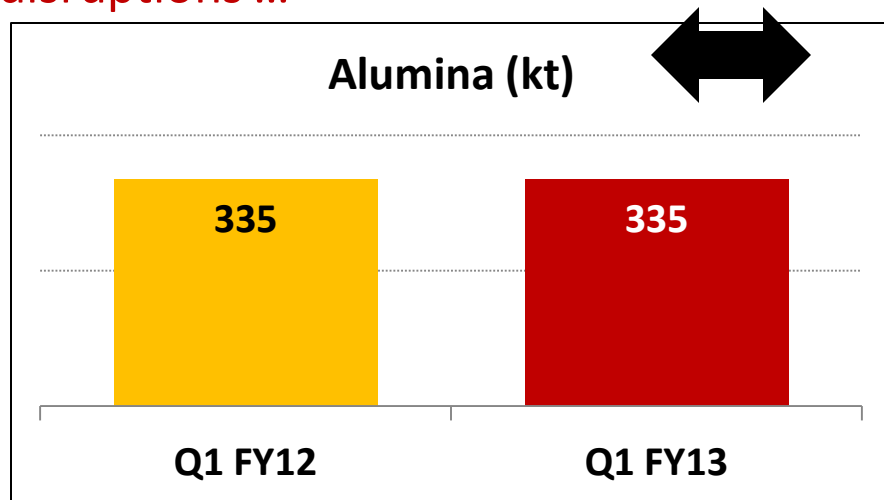
Q1 FY13	
Coal	
FO and carbon costs	
Copper TCRC	
Sulfuric Acid realization	

Severe cost push across the businesses

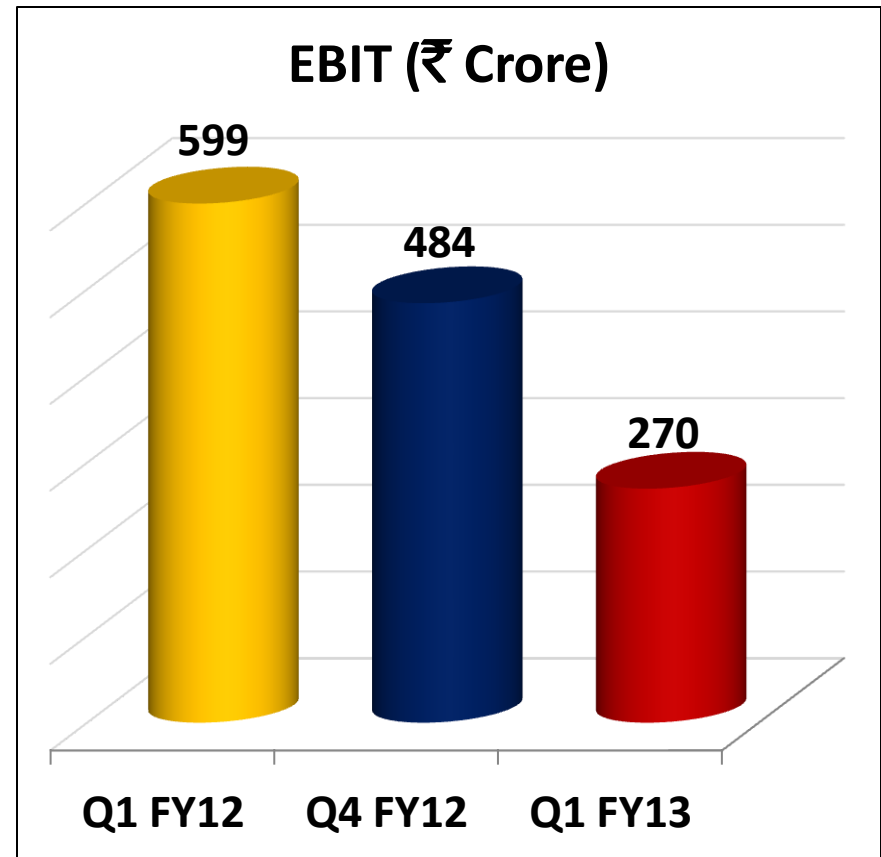
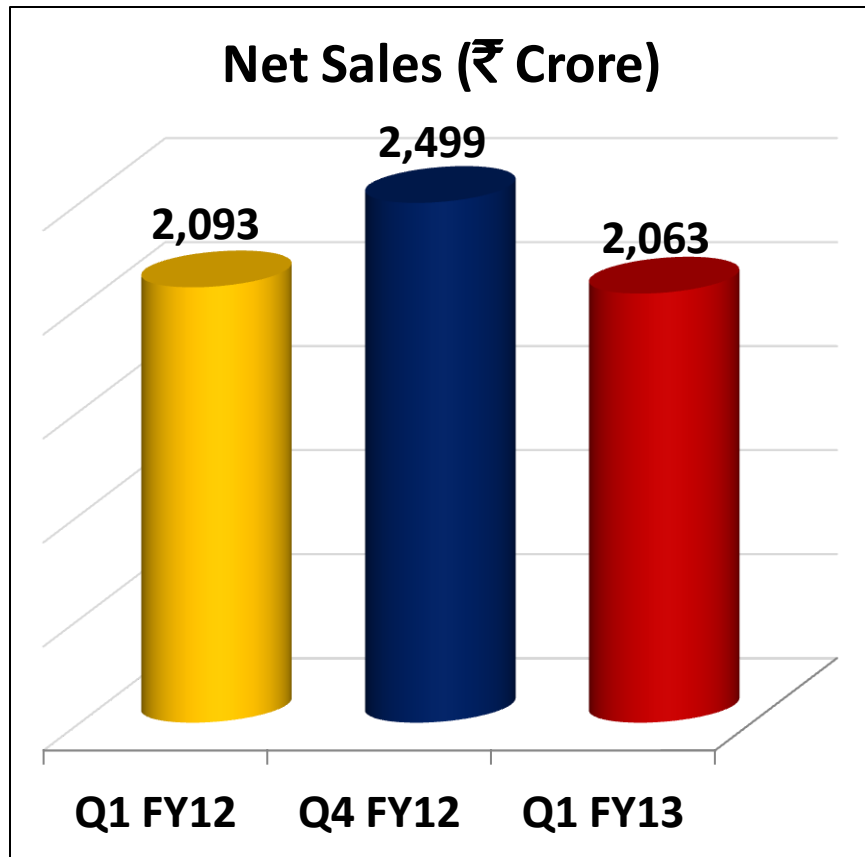
AI: Production Performance

Alumina output maintained despite Muri setback; Metal output affected by the disruptions ...

... But VAP output was optimized



AI: Financial Performance




 LME, volumes, disruption-related efficiencies

 Product mix

Performance review: COPPER

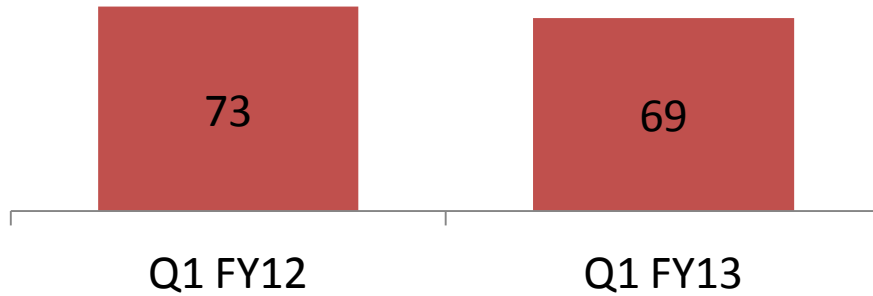


Cu: External factors were mixed

	YOY Impact
TCRC (c/lb)	
LME (\$/t)	
Exch. Rate (₹/\$)	
Acid Price (₹/t)	
Coal cost (₹/t)	

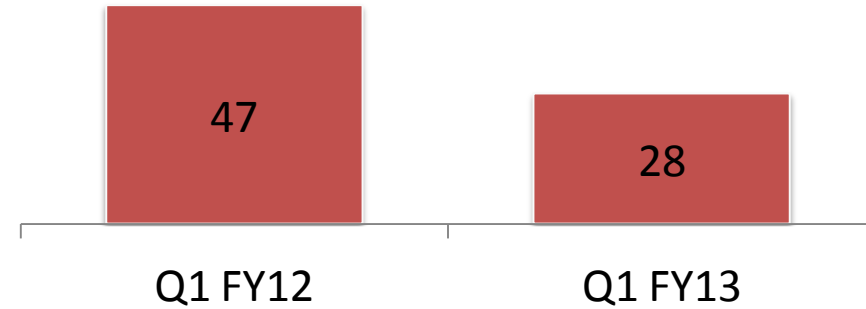
Cu: Production

Cathode Output (KT)



■ Cathode Output

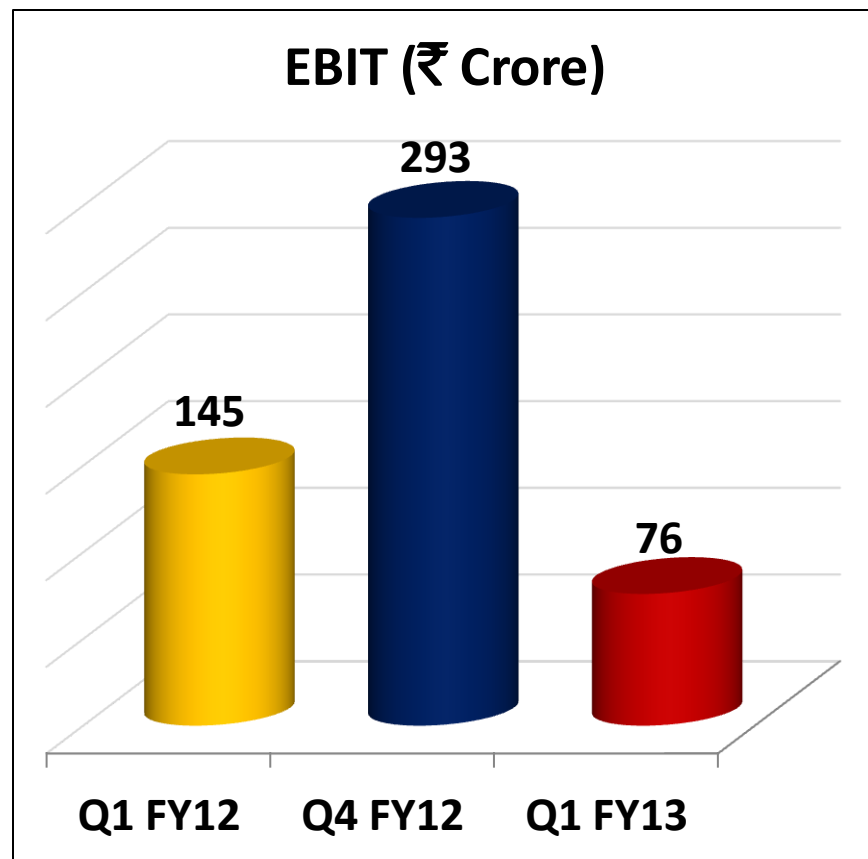
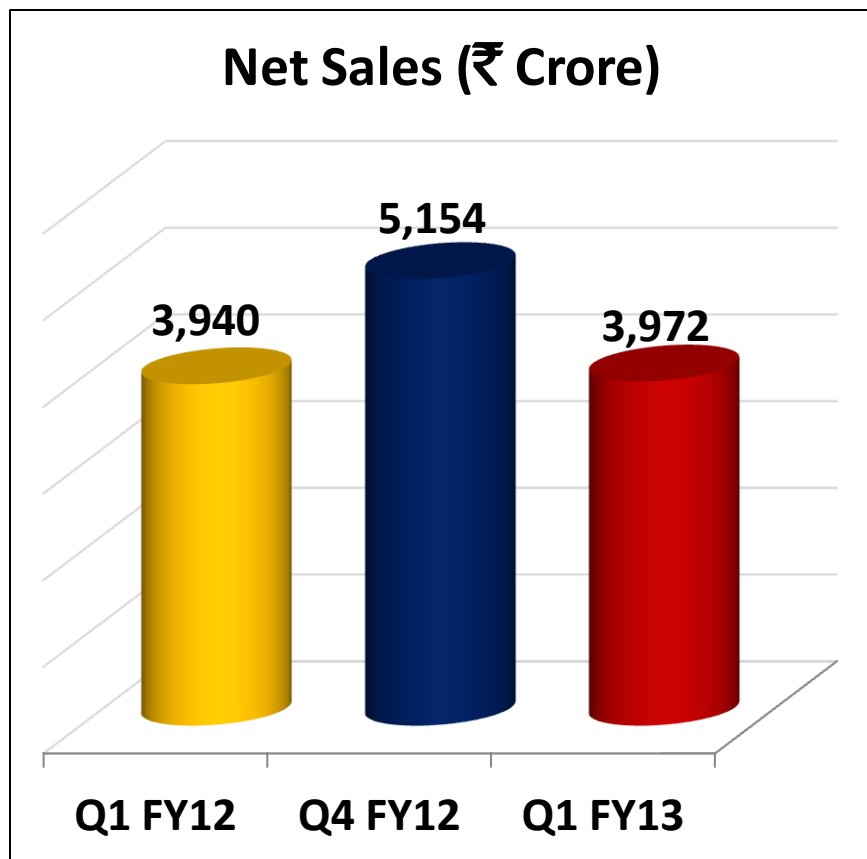
DAP Output (KT)



■ DAP Output

**Planned Annual shutdown impacted
production**

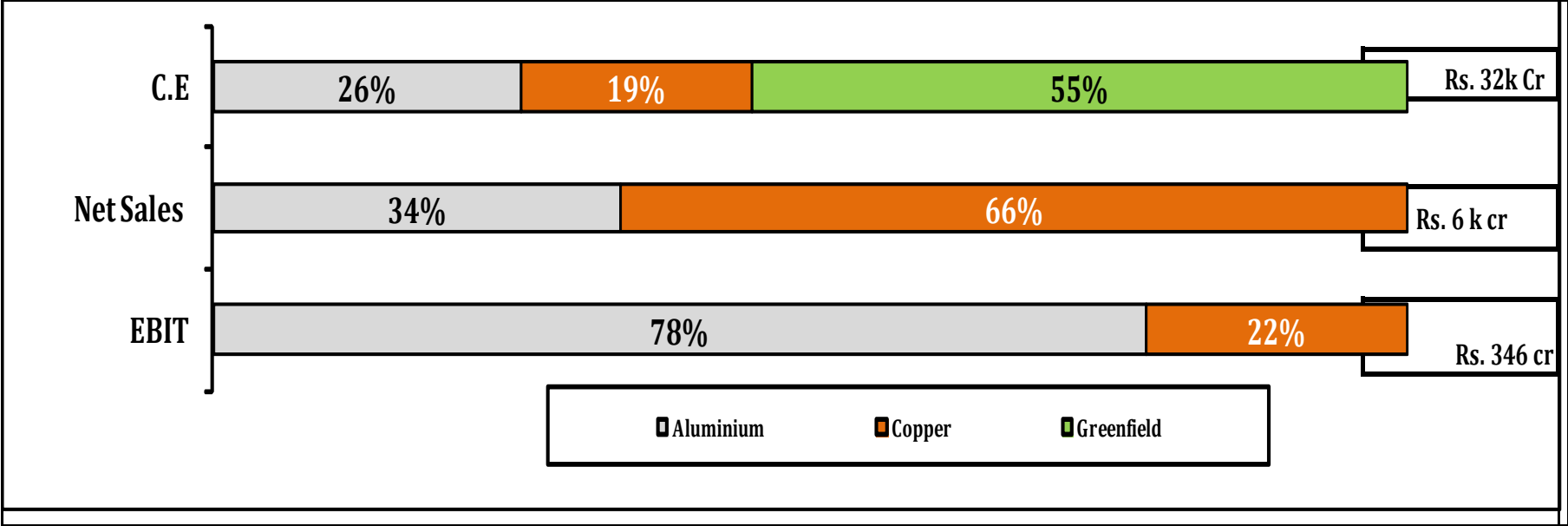
Cu: Financial Performance



 Shutdown impact, lower acid realization, higher energy costs

 Better TCRC

Segmental Information



Projects update



Mahan Aluminium



Utkal Alumina

Erection of Rod Mill



Security Filter



CPP Overview



Precipitation tanks



Aditya Aluminium



Summing Up

Aluminium **industry margins** are under unprecedented pressure; no immediate relief seen

Continuing effect of pot-line disturbances likely in Q2; Projects-related **depreciation and interest** to pressure bottom-line

Our priority will be to squeeze every opportunity to leverage available levers in existing operations

Conversion businesses will have to play a key role in compensating the pressure on Aluminium operations

Testing times may continue

Forward Looking & Cautionary Statement

Certain statements in this report may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company’s operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the company’s principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the company conducts business and other factors such as litigation and labour negotiations. The company assume no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events, or otherwise.

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Thank you

Aluminium Sales

Sales Volume	Units	Q1 FY12	Q1 FY13
Chemicals	Mt	57874	54373
Primary Metal	Mt	78923	66310
FRP+Foils	Mt	44931	49165
Extruded Products	Mt	7146	8391

Sales Revenue		
Rs Cr	Q1 FY12	Q1 FY13
Primary	988	820
Downstream	865	949
Others	240	293

Copper Sales

Sales Volumes	Unit	Q1 FY12	Q1 FY13
Copper Cathodes	MT	38188	34292
CC Rods (Own)	MT	35396	36532

Sales	Unit	Q1 FY12	Q1 FY13
Copper Cathodes	Rs Crore	1606	1488
CC Rods	Rs Crore	1553	1630
Others	Rs Crore	782	855