

ADITYA BIRLA



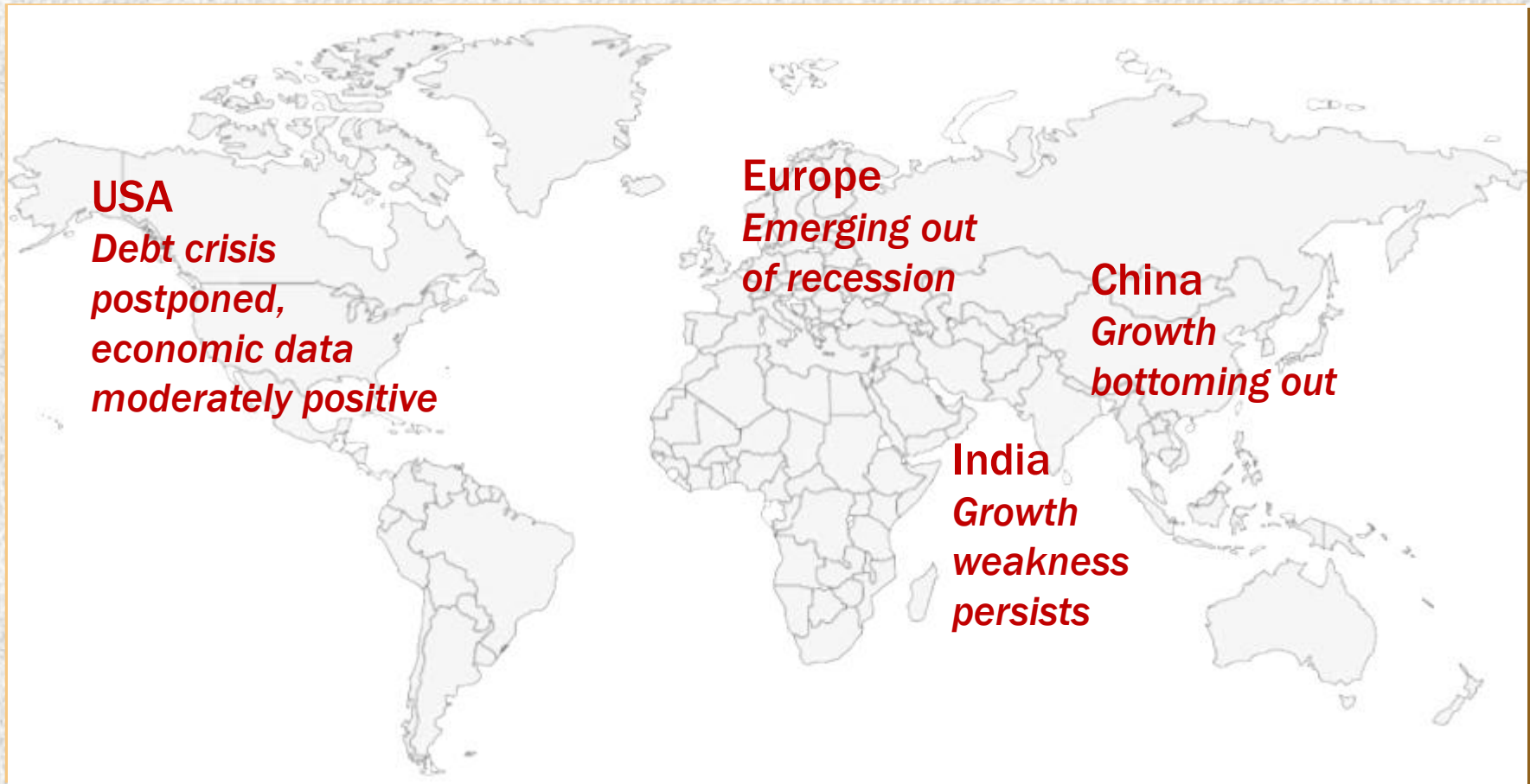
HINDALCO

INVESTOR PRESENTATION
Q2 FY14

November 12, 2013

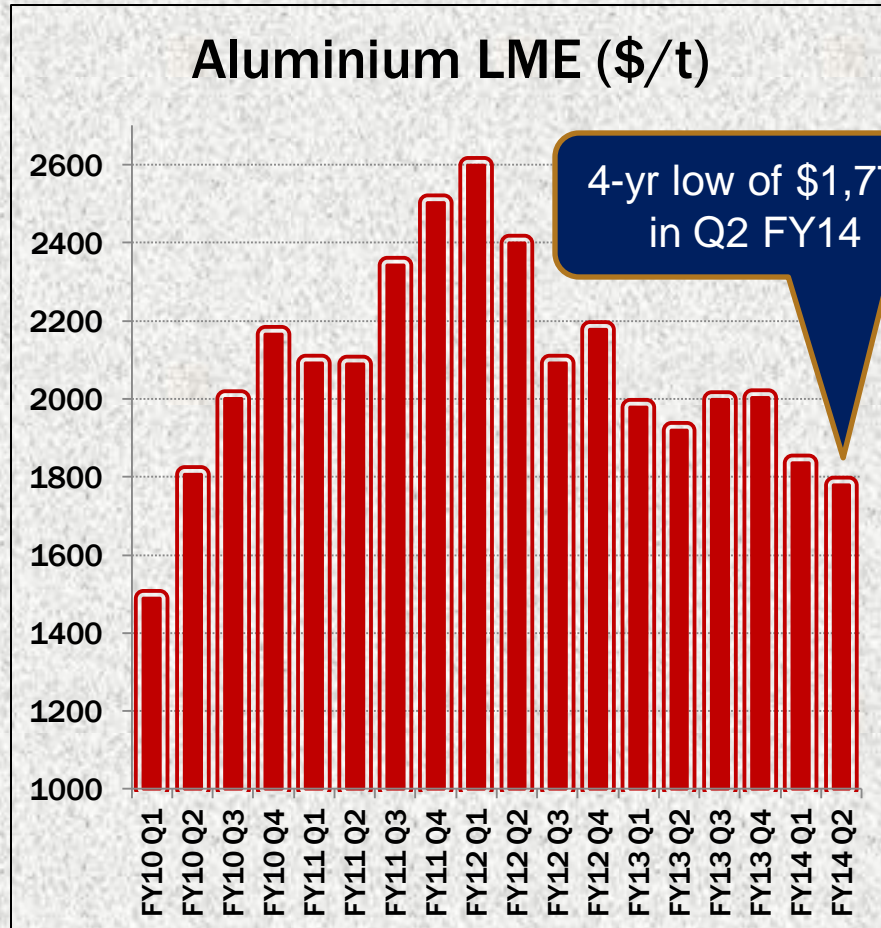
HIGHLIGHTS AND FINANCIAL PERFORMANCE

Global Economy: Signs of recovery ...



World economy appears to be healing, but financial markets remain vulnerable to shocks – especially QE tapering and revival of the fiscal battle in the US

Al LME has remained subdued



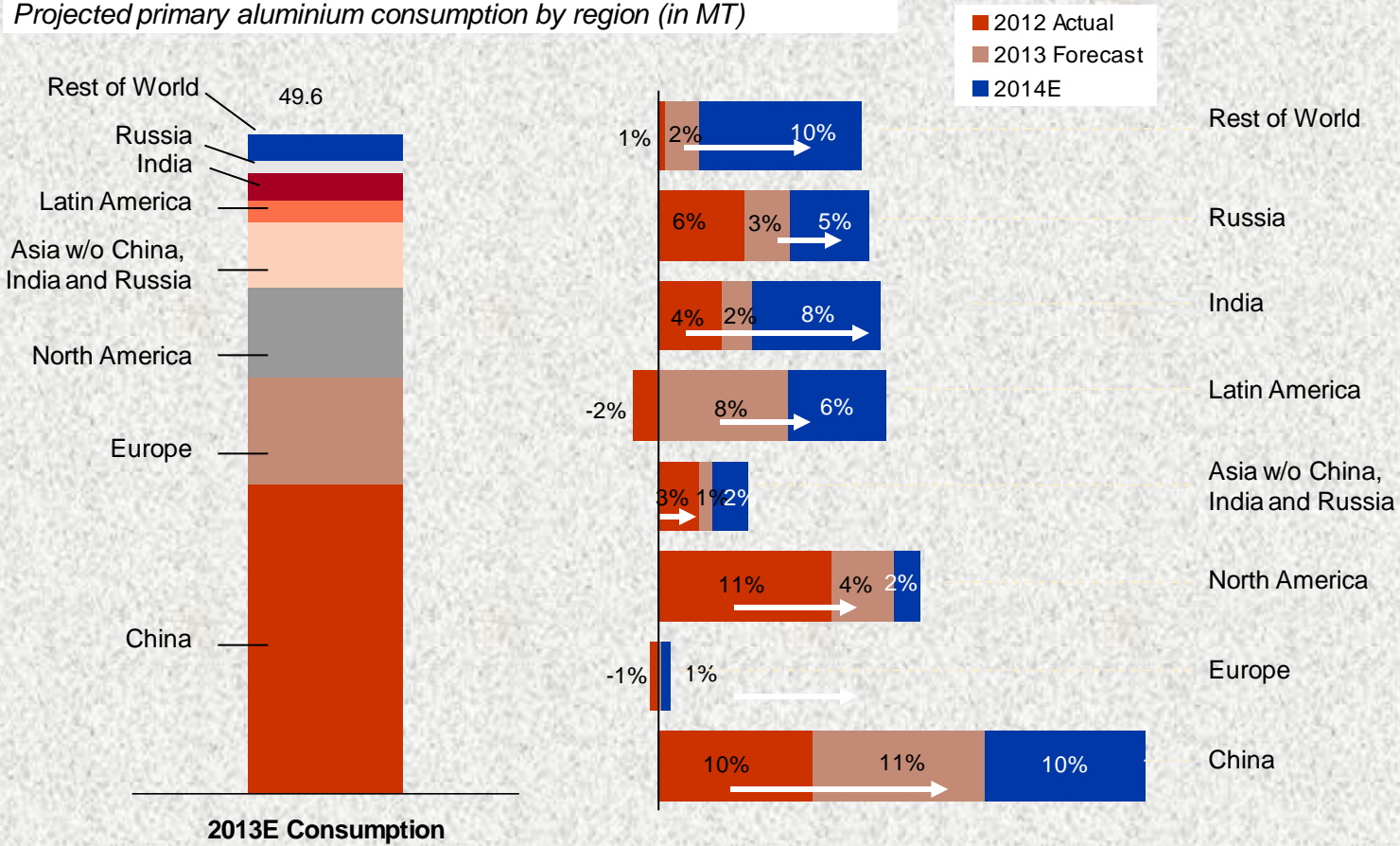
- Production cuts by smelters have accelerated outside China (~1.3 mtpa in 2013, and ~2.4 mtpa cumulatively)
- 2013 market balance expected to be almost neutral
- LME warehousing rules aimed at reducing warehousing queues
Premiums outside Asia have softened considerably
- World inventory has fallen slightly in last two quarters, but still at an elevated level of 87 days

Further downside to LME seems unlikely, going by the recent trend of smelter idling

Strong consumption outlook for aluminium

Sustained robust demand for Aluminium over the next few years

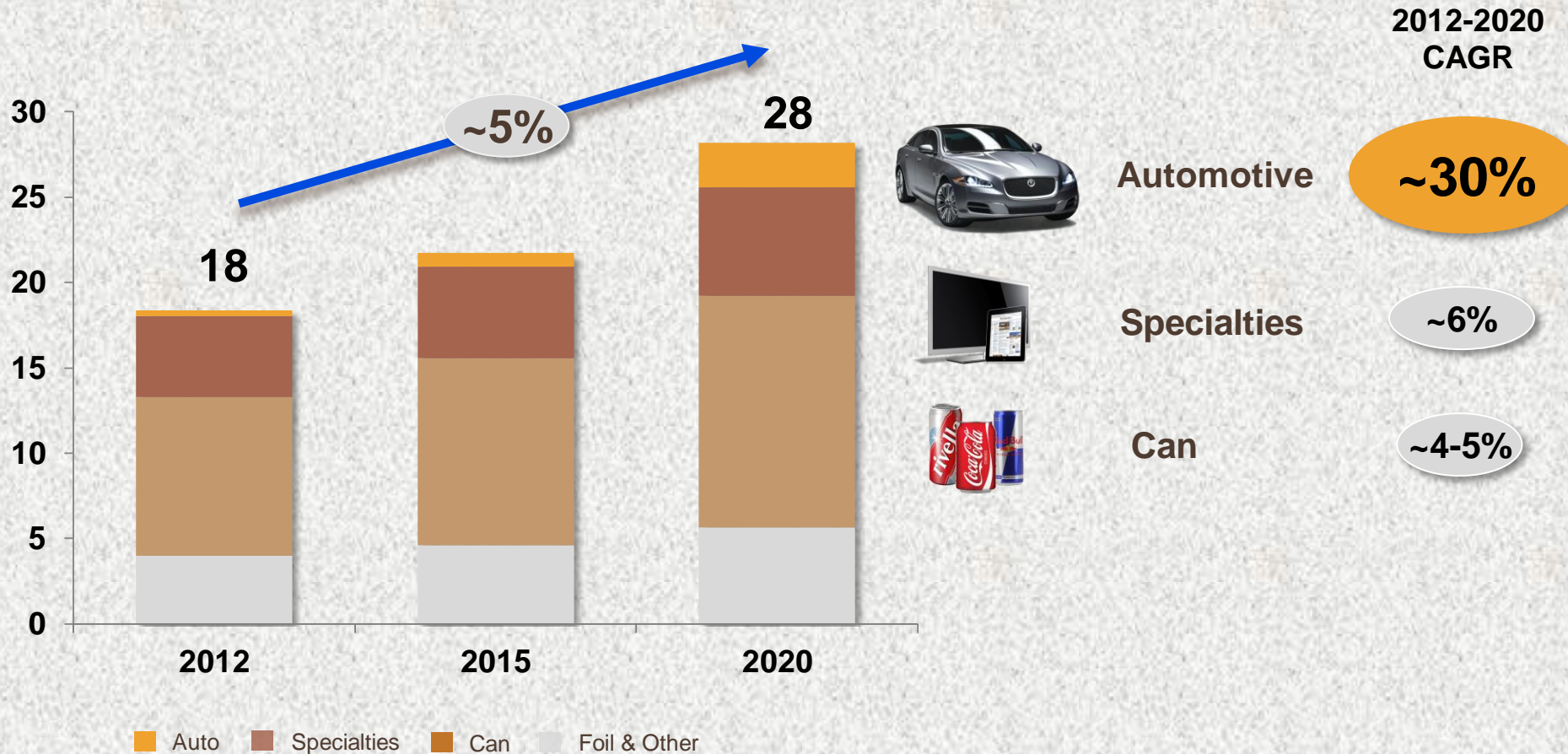
Projected primary aluminium consumption by region (in MT)



- 2012 Global demand growth rate: 6.1%
- 2013 Global demand growth rate: 6.4% (2013 ex-China: 2.7%)
- 2014 Global demand growth rate: 6.2% (2014 ex-China: 2.8%)

While China will continue to drive consumption in 2013, significant recovery in consumption in the rest of the world is expected by 2014

Strong outlook for FRP



FRP Industry strong prospects

Financial Highlights Q2 FY 14 (YOY)...

EBIDTA



4.6%

PBIDTA



26.5%

Stable PAT despite sharp increase in interest and depreciation

Robust Performance despite several headwinds

- **Robust operational Performance....**

- **For Q2 FY 14...**

- **Aluminium EBIT at Rs 166 Cr (Rs 170 Cr Q2 FY 13)**

- **Strong Performance by Copper Business post
planned shutdown**

- **Copper EBIT at Rs 239 Cr (Rs 209 Cr Q2 FY 13)**

Good Progress on the projects...

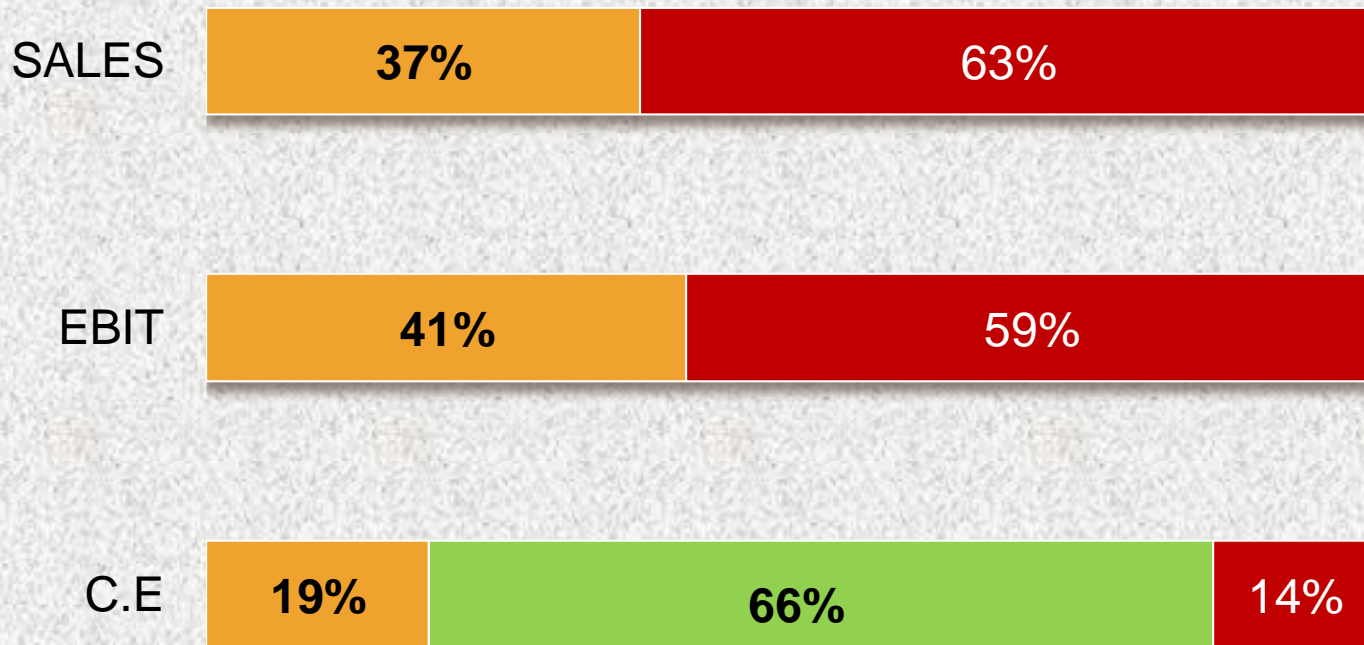
- ❑ Mahan & Utkal ramp up progressing as per plan
- ❑ In Q2 FY14...
 - ❑ Mahan produced 7.4 KT metal
 - ❑ Utkal produced 41 KT hydrate
- ❑ Aditya gearing for first metal production
 - ❑ Aditya debt refinanced... Annual interest savings of Rs 100 Cr

Financial Performance:

₹ Cr	Q2 FY14	Q2 FY13	Change (%, YoY)	H1 FY14	H1 FY13	Change (%, YoY)
Net Sales	6,305	6,164	2.3	12,143	12,191	(0.4)
EBITDA	540	515	4.6	1,018	978	4.0
Other Income	280	132	111.4	708	434	63.2
PBITDA	820	648	26.5	1,726	1,412	22.1
PBT	440	447	(1.6)	1015	960	5.7
PAT	357	359	(0.5)	831	784	6.1
EPS (₹)	1.85	1.87	(0.5)	4.32	4.09	6.1

Segmental Performance – Q2FY 14





■ Aluminium ■ Greenfield ■ Copper



PERFORMANCE REVIEW: ALUMINIUM



AI: External factors.. A Mixed Bag

	Q2 FY14 vs. Q 2FY13 Impact
LME (\$/t)	
Exch. Rate (₹/\$)	
Ingot Premium	
Rising Key Input Prices	

AI: Production Performance

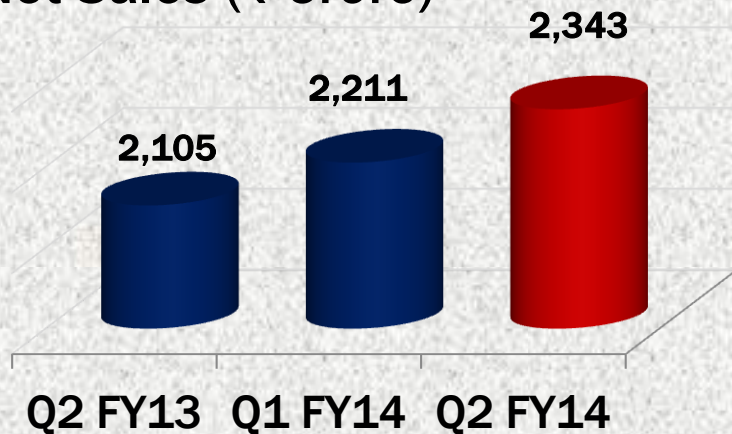
(Kt)	Q2 FY14	Q2 FY13	Change (%)
Alumina	334	328	2.0
Metal	133	128	3.9
FRP	61	55	10.2
Extrusions	10	9	6.4

- ◉ *Metal output excludes 7.4 kt trial production at Mahan*
- ◉ *FRP production includes 3.1 kt production at Hirakud*

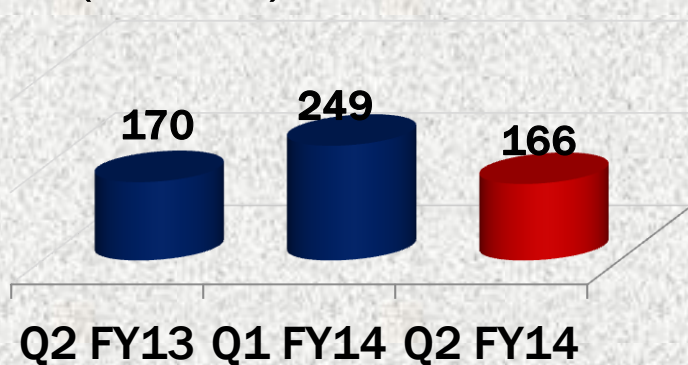
AI: Financial Performance

Q2 Performance

Net Sales (₹ Crore)

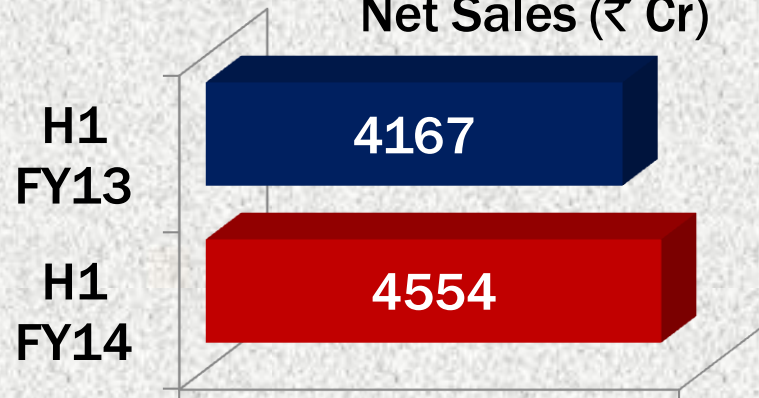


EBIT (₹ Crore)

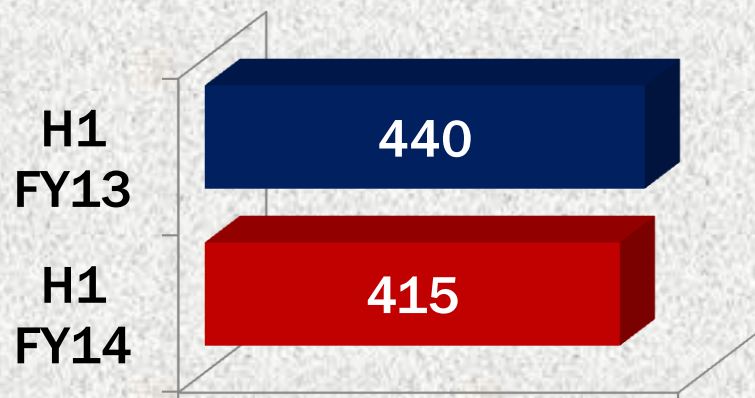


H1 Performance

Net Sales (₹ Cr)



EBIT (₹ Crore)



Novelis Highlights: Q2 FY14

- Shipments Down 1% YoY to 713 Kilotonnes, Up 1% Sequentially
- Net Sales of \$2.4 Billion Flat YoY and Sequentially
- Adjusted EBITDA Down 18% YoY to \$228 Million, Up 12% Sequentially
- Net Income of \$23 Million; Excluding Certain Items, Net Income \$37 Million
- Free Cash Flow of \$178 Million; Free Cash Flow Before Capex of \$362 Million
- Solid Liquidity of \$843 Million

Novelis Highlights: Q2 FY14






Regional Business Highlights



PERFORMANCE REVIEW: COPPER

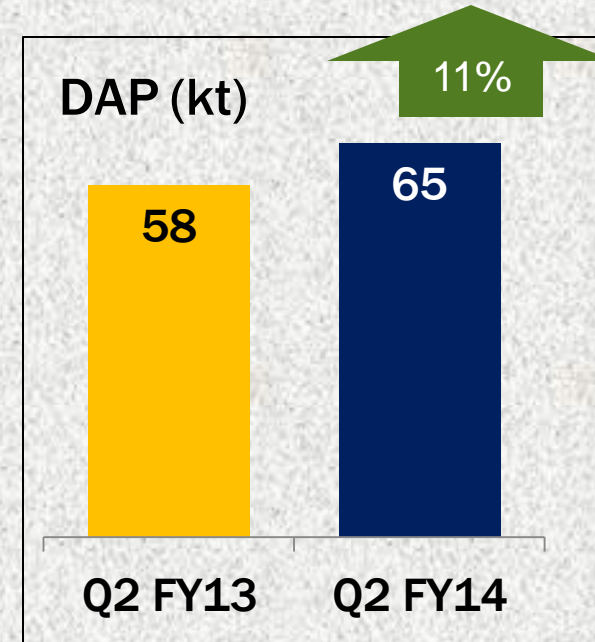
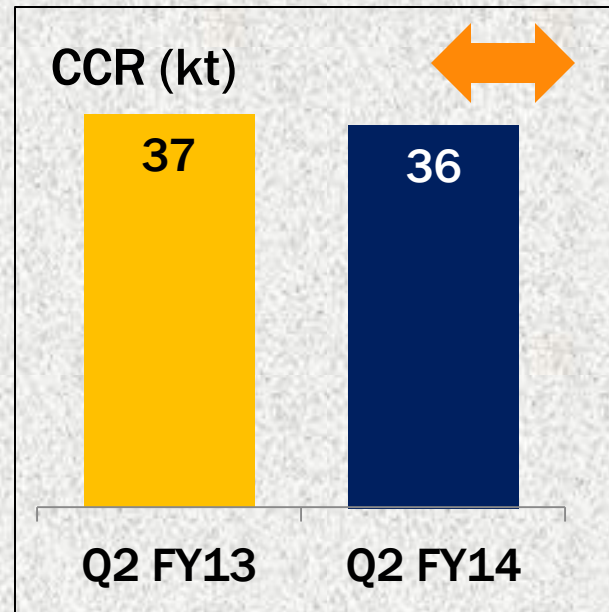
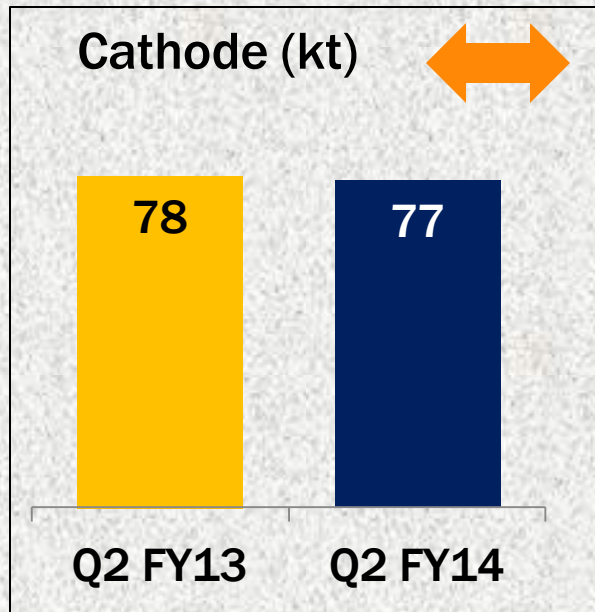


Cu: External drivers... largely negative

	Q2 FY14 vs. Q2 FY13	Impact
TCRC	Slightly higher	
LME (\$/t)	Sharply lower	
Exch. Rate (₹/\$)	Favourable	
Acid Price	Significantly lower	
DAP Realization	Weaker	

Sharp drop in co product realisations

Cu: Production Performance

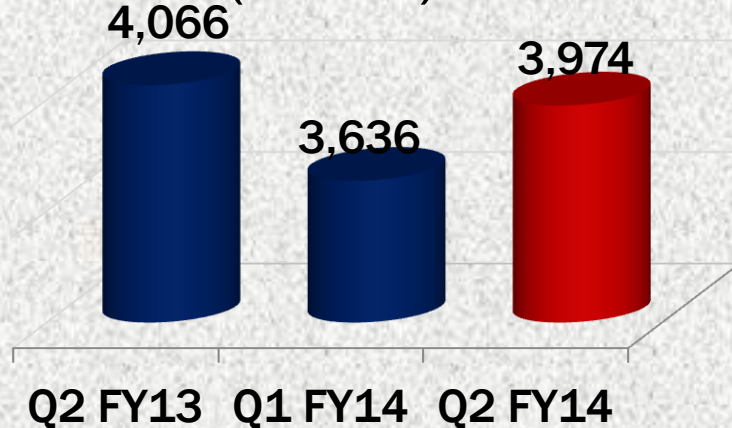


- ❑ **Overhaul of Copper-III in Q1 had a follow-through effect in July**
- ❑ ***Copper-III has done well after the shutdown – achieving better feed rate, plant uptime and operating efficiencies***

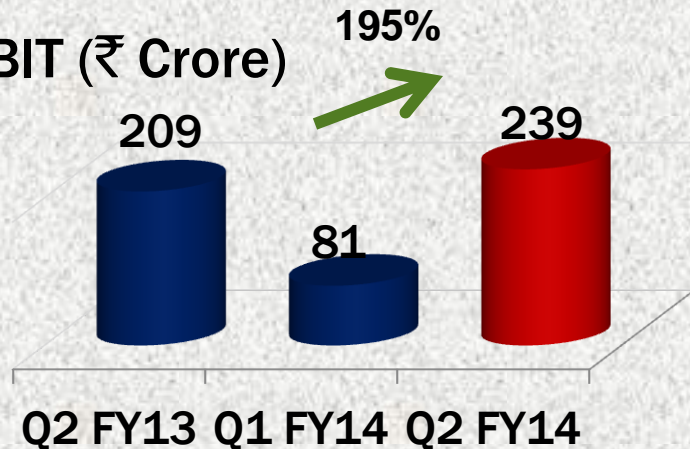
Cu: Financial Performance

Q2 Performance

Net Sales (₹ Crore)



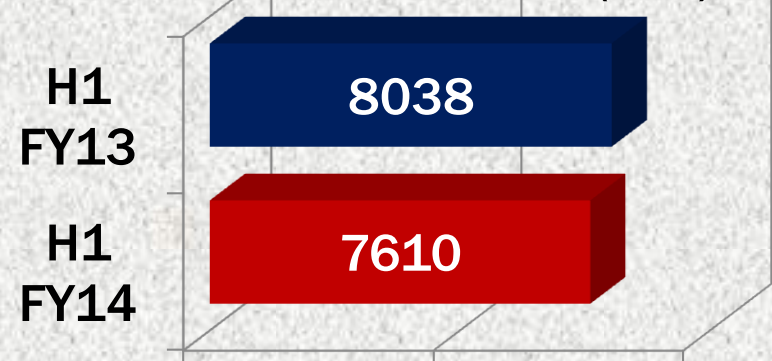
EBIT (₹ Crore)



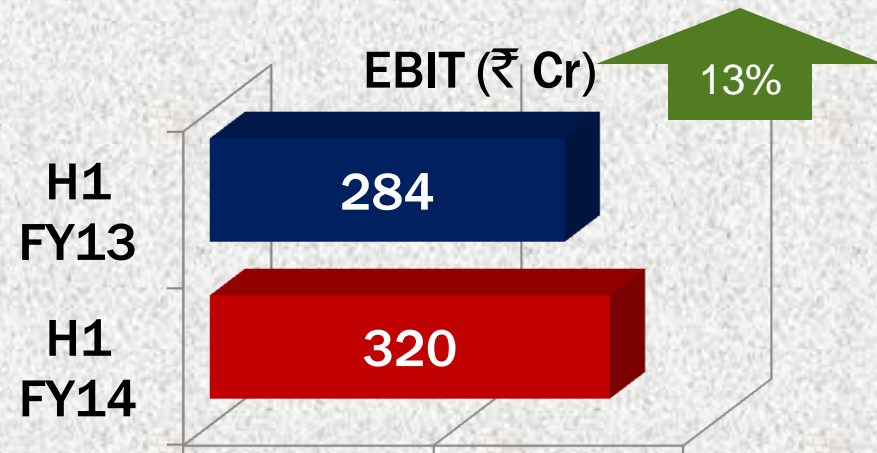
Q1 FY14 EBIT was affected due to planned shutdown

H1 Performance

Net Sales (₹ Cr)



EBIT (₹ Cr)

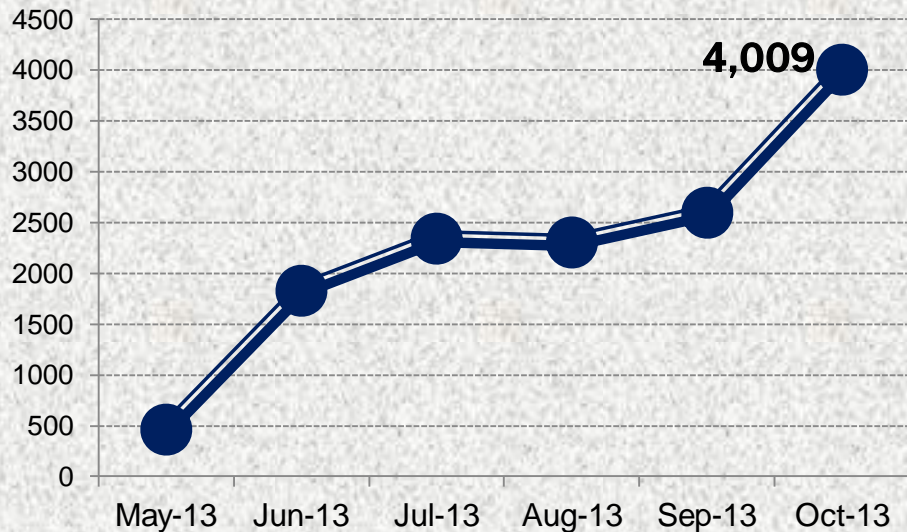


GREENFIELD PROJECTS



Mahan: Ramp-up gathering steam

Gross Metal Production (tonnes)



- ❑ Pot addition has accelerated in last 2 months; 74 pots in line now vs. 32 in August
- ❑ Two CPP units synchronized; Unit no. 3 in the process of synchronization

Utkal: Operations scaling up ...

CPP in operation



Refinery overview



- 77 kt hydrate produced so far
- Baphlimali mines: 5.9 lac MT of bauxite mined so far; overburden of 10.6 lac MT removed
- Two units of Co-gen power plant synchronized

Aditya Aluminium: Geared for start-up soon

Smelter Overview



CPP Control Room



Pot tending machine shop



- ◎ ~ 7,500 people at site
- ◎ *Equipment testing completed, gearing up for first metal*

KEY EXTERNAL DRIVERS - OUTLOOK

Driver	Current Assessment
LME	<ul style="list-style-type: none"> • Demand is supportive, but concerns galore.. Over capacity, declining premium...
INR USD	<ul style="list-style-type: none"> • Uncertainty over FII flows may keep rupee depressed.....
Energy, Input prices	<ul style="list-style-type: none"> • Upward pressure related to Energy costs
TcRc	<ul style="list-style-type: none"> • 2014 terms likely to be favourable for smelters
By products	<ul style="list-style-type: none"> • Realizations turning soft

Summing Up

Long spell of subdued LME has affected Aluminium industry margins in general –Re Depreciation though has helped us

Aluminium demand continues to be robust

Our new facilities progressing well, though EBITDA streams will take time to scale up with delayed captive coal access

Stable outlook for Copper Business in the backdrop of improving TCRC, but sharp drop in co-product realizations

Outlook for H2 remains cautious



Thank you

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.