

ADITYA BIRLA



HINDALCO

INVESTOR PRESENTATION

Q3 FY13

February 8, 2013

Q3, FY13: Highlights

- ◎ Sequentially .. Strong improvement
 - ◎ Net Profit up 21%
 - ◎ EBITDA up 13%, PBIDTA up 39%
 - ◎ Aluminium EBIT up 22%
 - ◎ Copper EBIT up 8%
- ◎ Cost pressures and some effect of earlier disruptions affected Aluminium; operations back to normalcy now
- ◎ Projects in the final lap

Strong Performance in Difficult times for the industry

Financial Performance: Q3

₹ Cr	Q3 FY13	Q2 FY13	Change VS Q2 FY 13	Q3 FY12	Change VS Q3 FY 12
Net Sales	6,872	6,164	11.5	6,647	3.3
EBITDA	582	515	12.9	713	(18.4)
PBITDA	900	648	39.0	805	11.8
PBT	543	447	21.4	551	(1)
PAT	434	359	20.9	451	(3.7)
EPS (₹)	2.26	1.87		2.35	

Q3, FY13 includes other income of `319 crore (vs. `132 cr in Q2 and `90 cr in Q3, FY12) – mainly related to higher treasury balance and certain non recurring income

PERFORMANCE REVIEW







Aluminium Business: Highlights

- ◉ **Smelter operations** have stabilized after H1 disruptions
- ◉ First steps towards commissioning started at **Utkal** and **Mahan**
- ◉ **Hirakud** : New unit of the power plant ready
- ◉ **Hirakud FRP**: First slab rolled in Hot Mill; other equipments like scalper, soaking pit and slitter commenced trial runs
- ◉ **Mouda Foils**: Capabilities getting established; shipments started

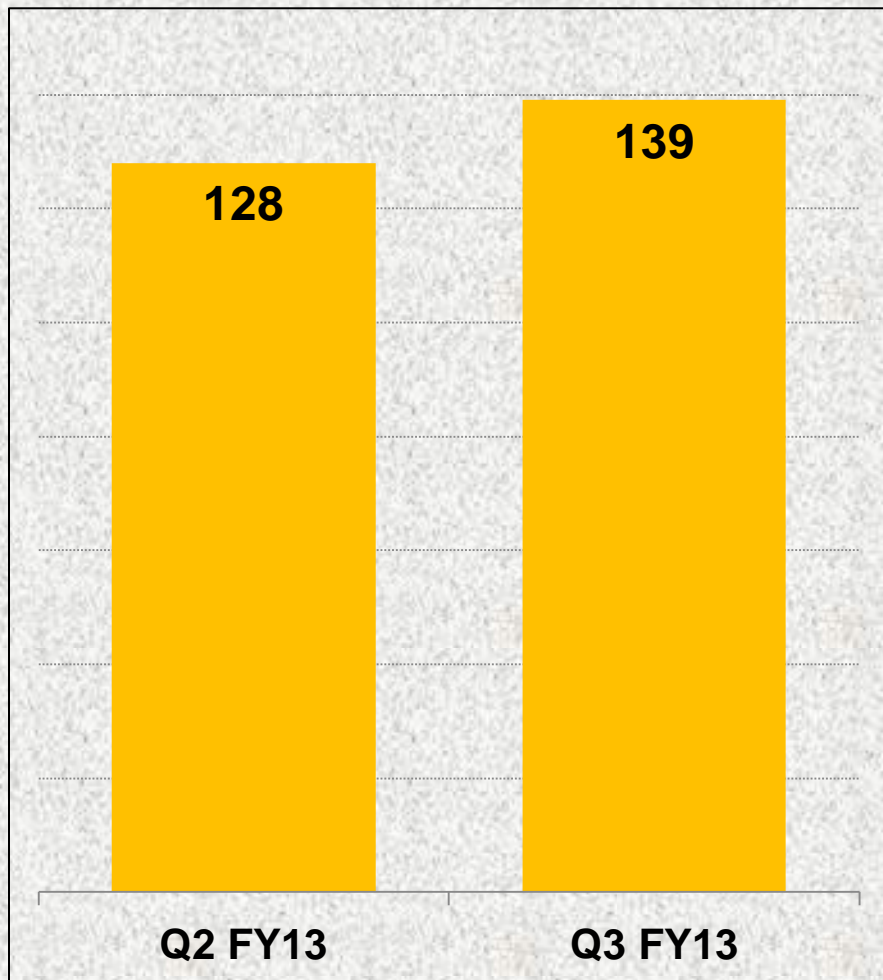
***Operations stabilized; Good progress
on strategic projects***

AI: External factors

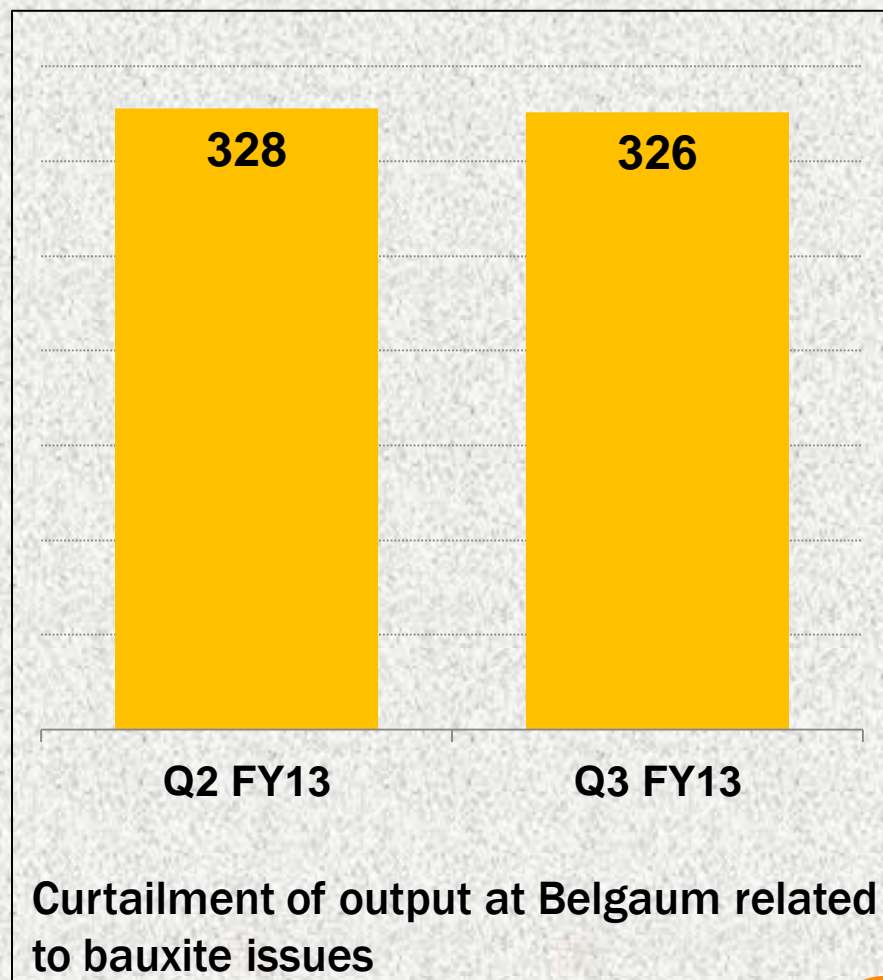
	Q3 FY13 vs. Q2 FY13	Impact
LME (\$/t)	+4%	
Exch. Rate (₹/\$)	Nearly flat	
Ingot Premium	Lower than last quarter	
Other key input prices	Stable, but at elevated levels	

Al: Production Performance

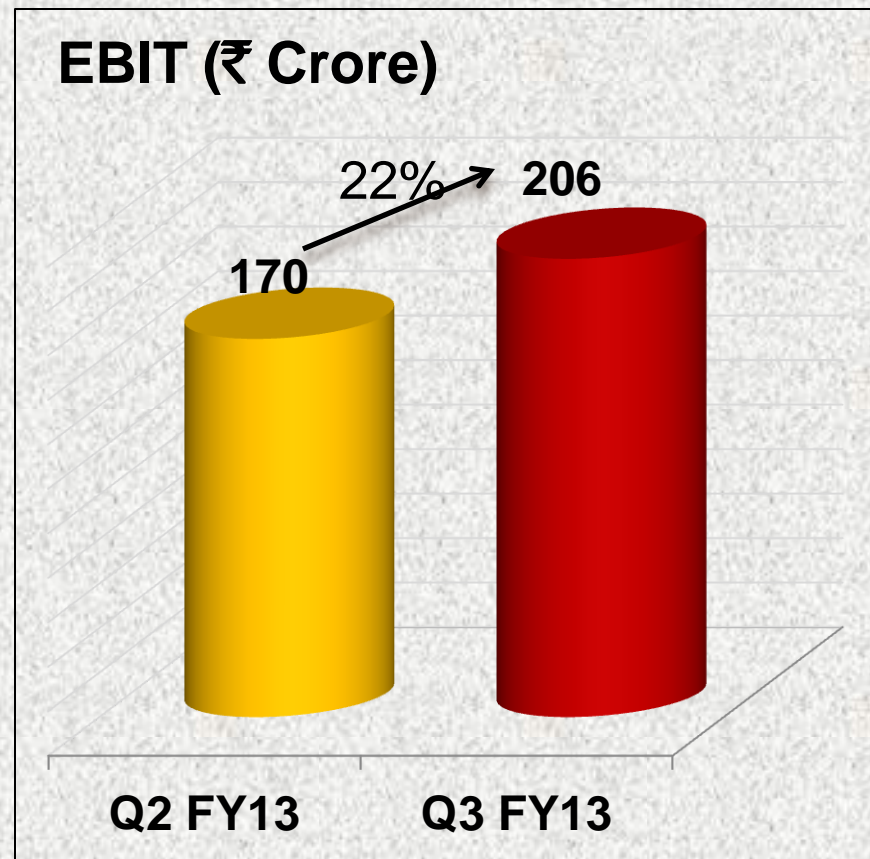
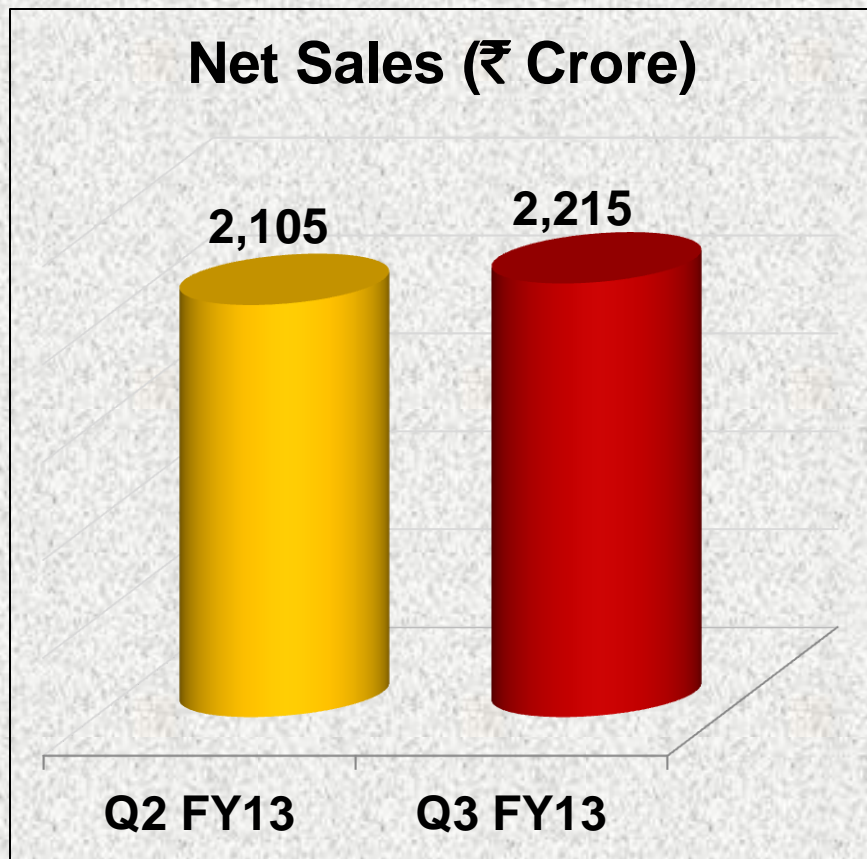
Metal Output (kt)



Alumina Output (kt)



AI: Financial Performance







 Volumes, LME

PERFORMANCE REVIEW: COPPER

A Stable Quarter

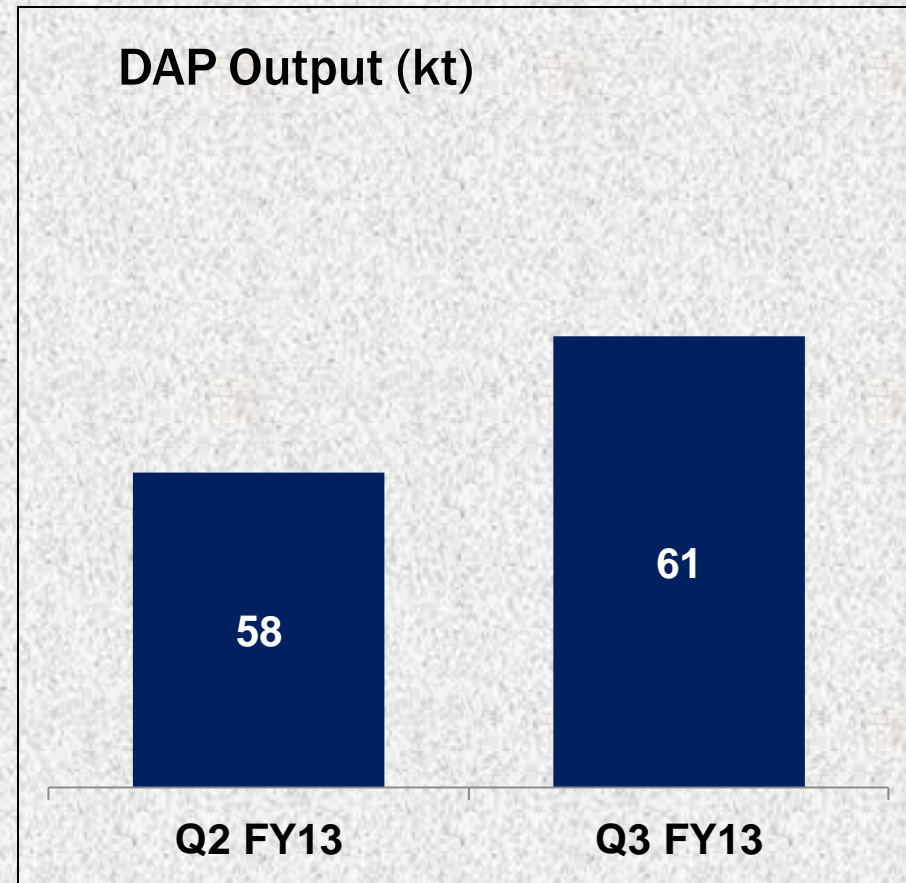
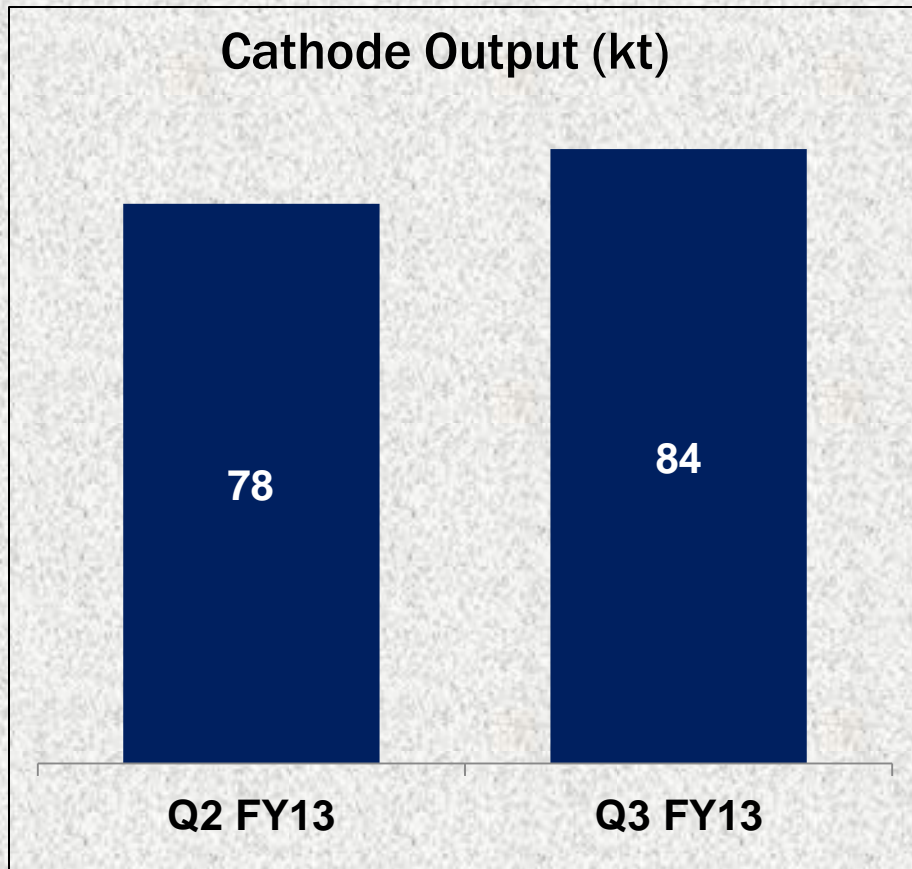


Cu: External factors were mixed

	Q3 FY13 vs. Q2 FY13	Impact
TCRC	Slightly higher	
LME (\$/t)	+2%	
Exch. Rate (₹/\$)	Nearly flat	
Acid Price	Significantly lower	
DAP Realization	Stable	

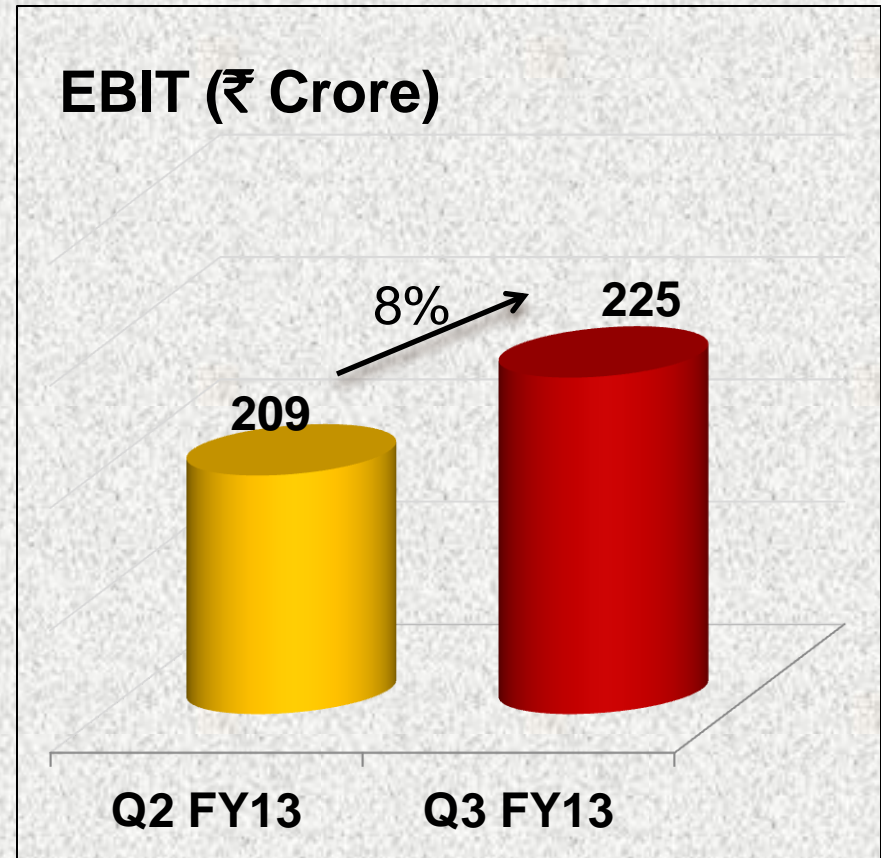
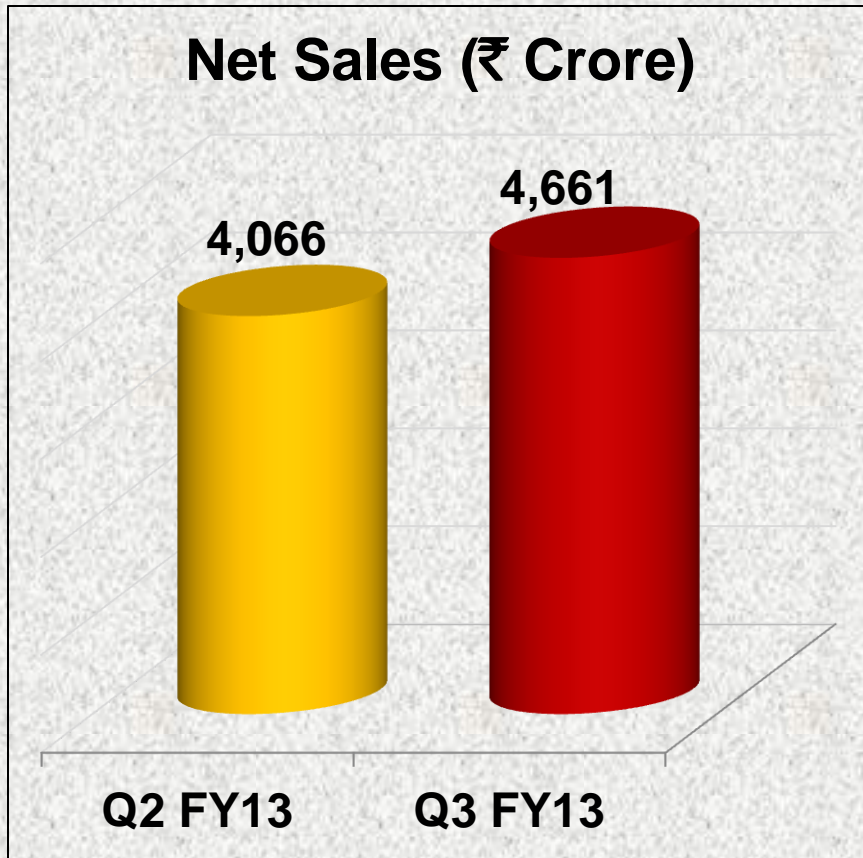
Sharp drop in acid realizations and weak demand for DAP key challenges in the coming months

Cu: Production Performance



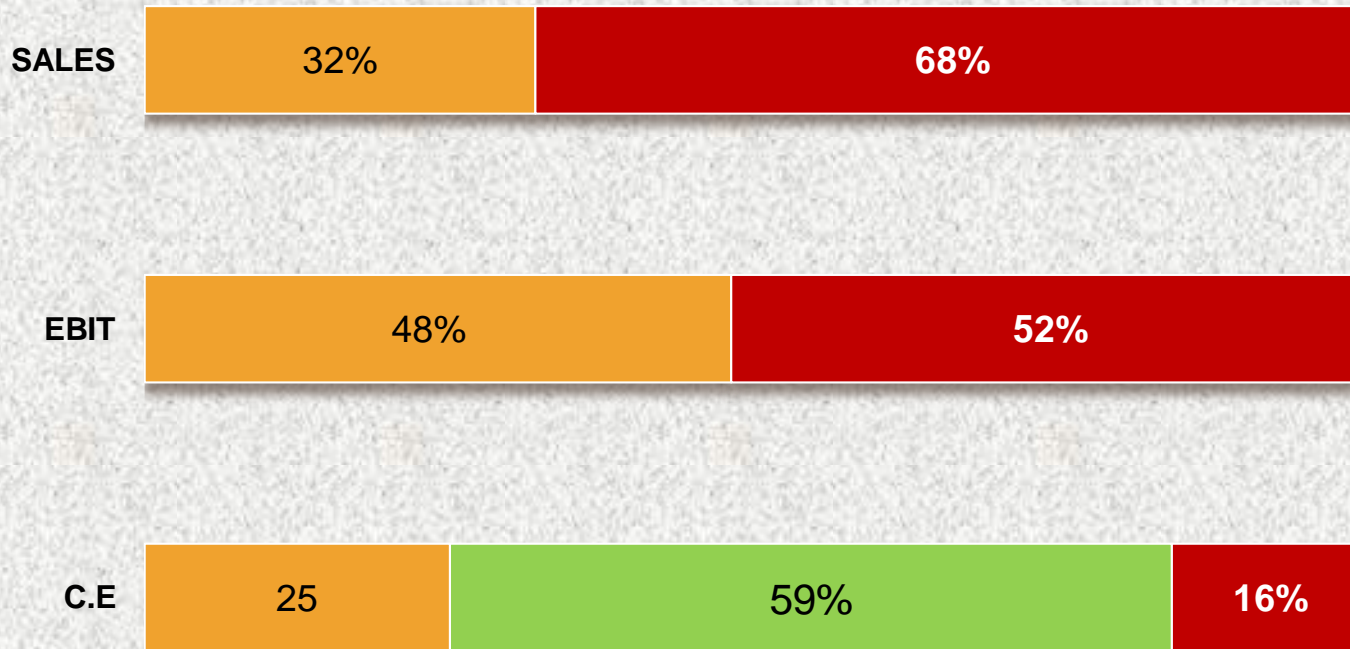
◎ Output improving sequentially after shutdowns in Q1

Cu: Financial Performance



Segmental Performance – Q3 FY 13

■ Aluminium ■ Greenfield ■ Copper



Financial Performance: 9M

₹ Cr	9M FY13	9M FY12	Change (%)
Net Sales	19,063	18,950	0.6
EBITDA	1,560	2,240	(30.4)
PBITDA	2,312	2,695	(14.2)
PBT	1,502	1,958	(23.2)
PAT	1,217	1,597	(23.8)
EPS (₹)	6.36	8.34	(23.7)

Near term Outlook

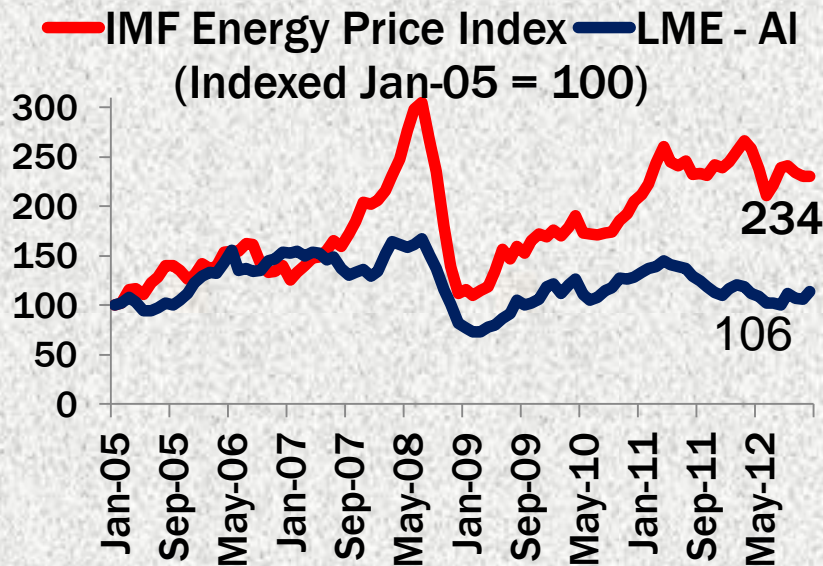
Aluminium **operations returning to normalcy**
Steady outlook for **Copper Business**

External environment continue to be challenging, given the macroeconomic uncertainty, subdued LME and cost pressures

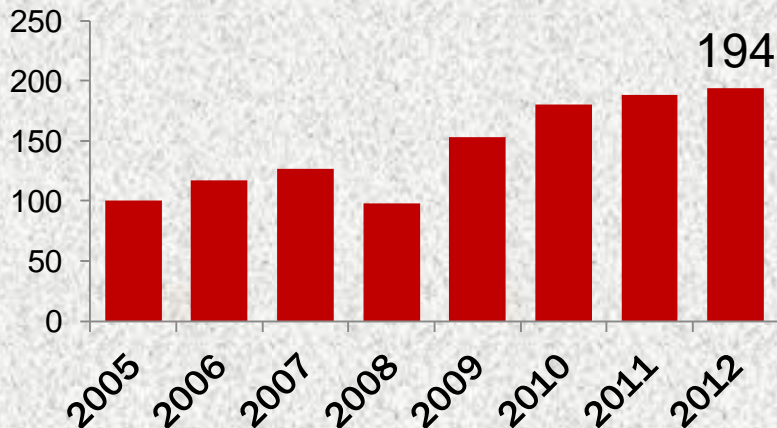
With projects getting readied for commissioning **stabilizing new factories** will be a key priority in the coming quarters
Higher Depreciation & Interest will depress net income in the coming quarters

Aluminium Industry dynamics....

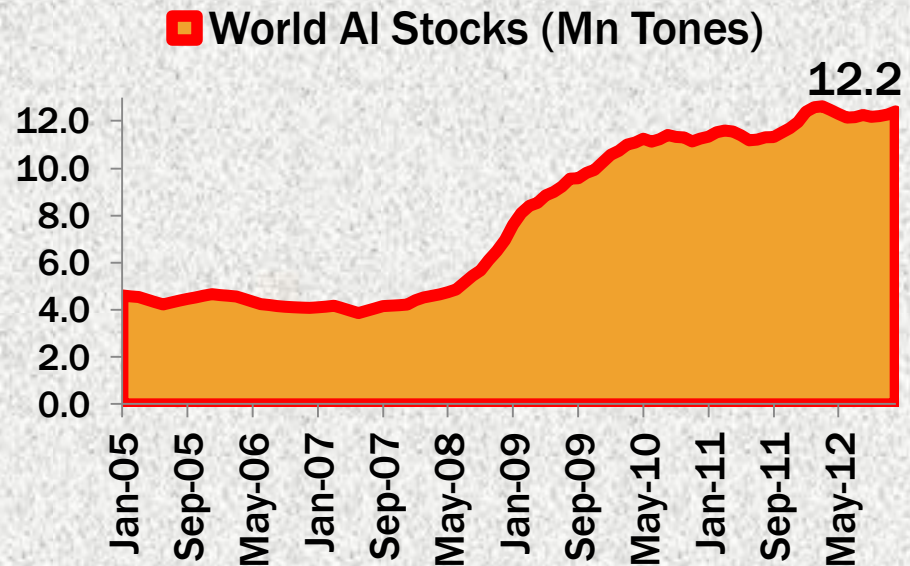
1. Resource challenges



Bauxite prices (Weipa, 2005 = 100)



2. Overhang of Inventory



- ⊙ Inventories built through financing deals that depend upon arbitrage between contango & carrying cost
- ⊙ *These stocks prevented further crash and more closures in 2009; but have since prevented LME from reflecting cost realities ...*

Industry dynamics & Hindalco

Resource challenges are likely to continue into the long-term



Growth strategy based on control over resources even more relevant than in the past

Inventory overhang and its effects are transient; but may continue for a while



Pressure on margins for existing facilities will continue; But de-risked portfolio will provide a cushion

Long-term prospects are bright



Our investments shall deliver strong returns

Robust Strategy ..Strong Outlook

PROJECTS AT A GLANCE

Greenfield projects in the last lap



Mahan Aluminium

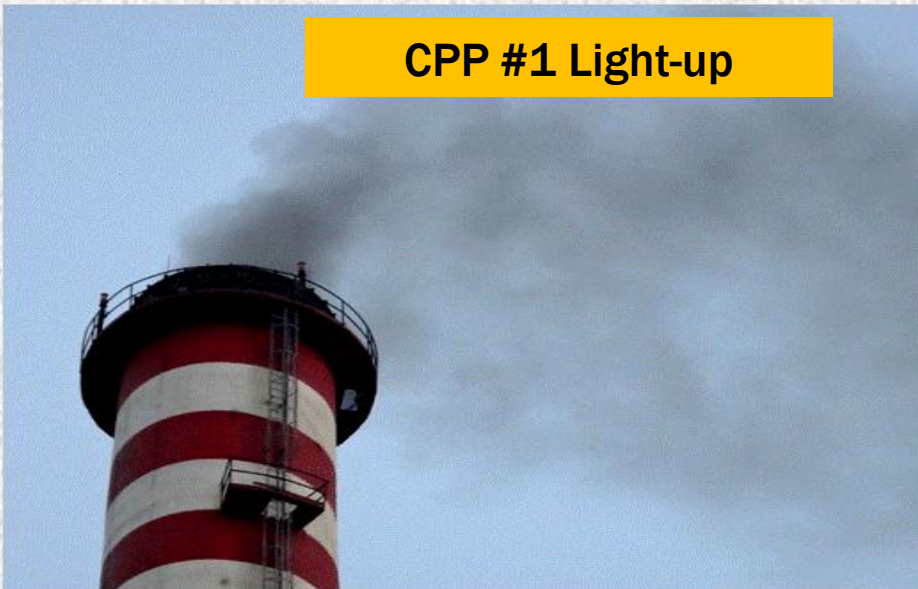
Pot room



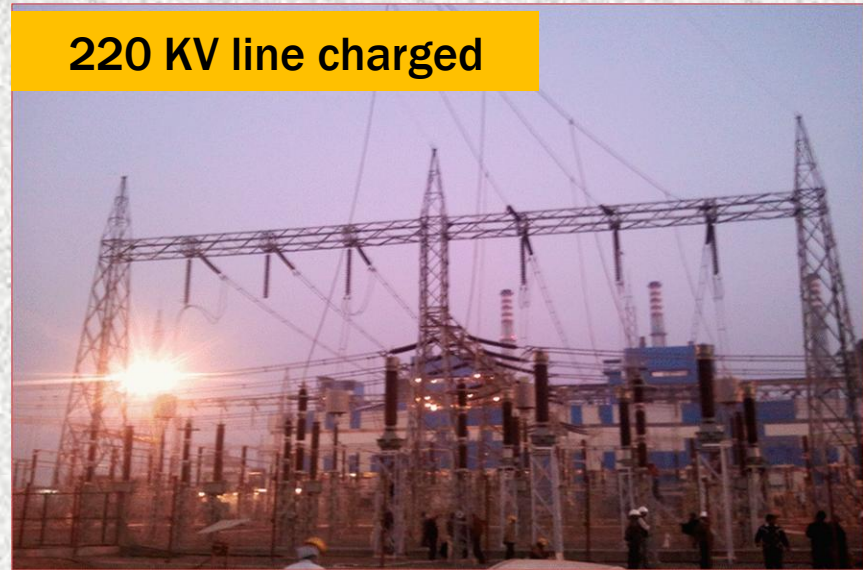
Worker training: Pot room



CPP #1 Light-up



220 KV line charged



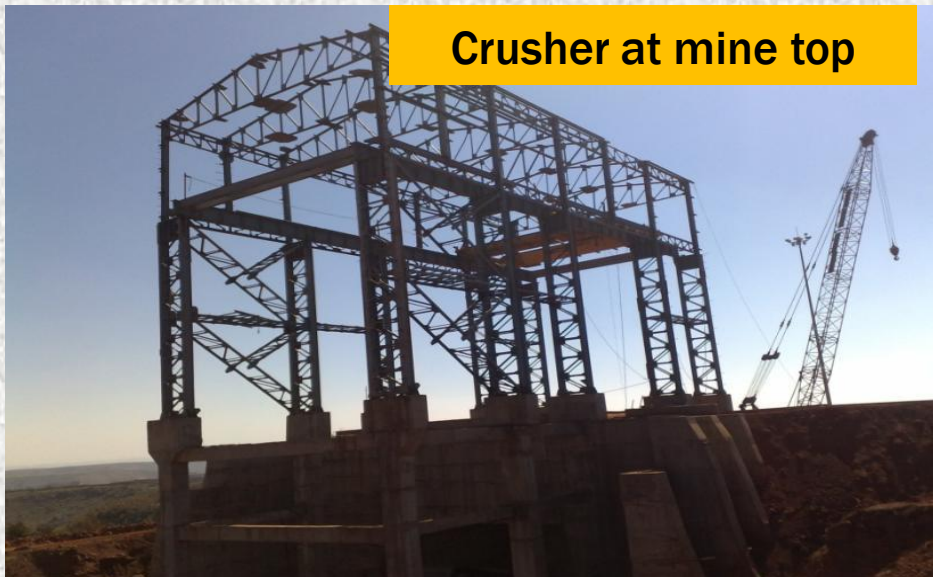
Utkal Alumina



Bauxite handling



Precipitation Unit



Crusher at mine top



CPP: Unit 1

Hirakud FRP

Hot mill



Cold Mill



Slitter



Tension Leveler

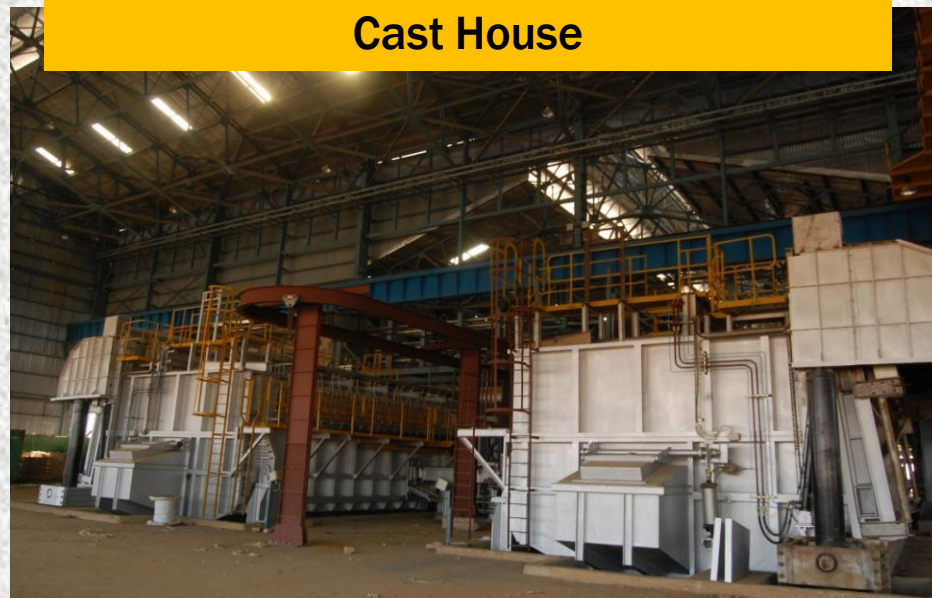


Aditya Aluminium

Pot tending machine



Cast House



Alumina Handling Conveyor



Chimney 1 & 2 (275 Mtr height)



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

Appendix

Aluminium

Sales Volume (tonnes)	Q3 FY12	Q3 FY13
Chemicals	67434	74042
Primary Metal	87536	74962
VAP	58580	59250

Copper

Sales Volume (tonnes)	Q3 FY12	Q3 FY13
Cathodes	47602	45857
CC Rods	38098	35836
DAP	59991	59620