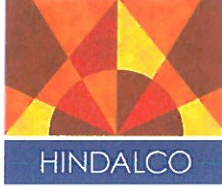


ADITYA BIRLA



26th July, 2018

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai: 400 001	National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot No. C/1, G Block Bandra Kurla Complex Bandra (East) MUMBAI – 400 051
Mr. Daniel Schammo Banque Internationale A Luxembourg Societe Anonyme 69, Route d'Esch <u>L-2953 LUXEMBOURG</u> <u>Fax No. 00 352 4590 2010</u> <u>TEL. NO. 00 352 4590-1</u>	

Dear Sir,

Please find enclosed herewith Presentation to be given for Press Conference to be held at 4.15 PM at Four Seasons Hotel, Worli, Mumbai for your information.

Thanking You.

Yours Faithfully

For Hindalco Industries Limited

Anil Malik
President & Company Secretary

Encl: as above

Hindalco Industries Limited

6th & 7th Floor, Birla Centurion, Pandurang Budhkar Marg, Worli, Mumbai 400030, India.

T: +91 22 6662 6666 / 62610555 | F: +91 22 62610400 / 62610500 | W: www.hindalco.com

Registered Office: Ahura Centre, B-Wing, 1st Floor, Mahakali Caves Road, Andheri (East), Mumbai 400 093, India.

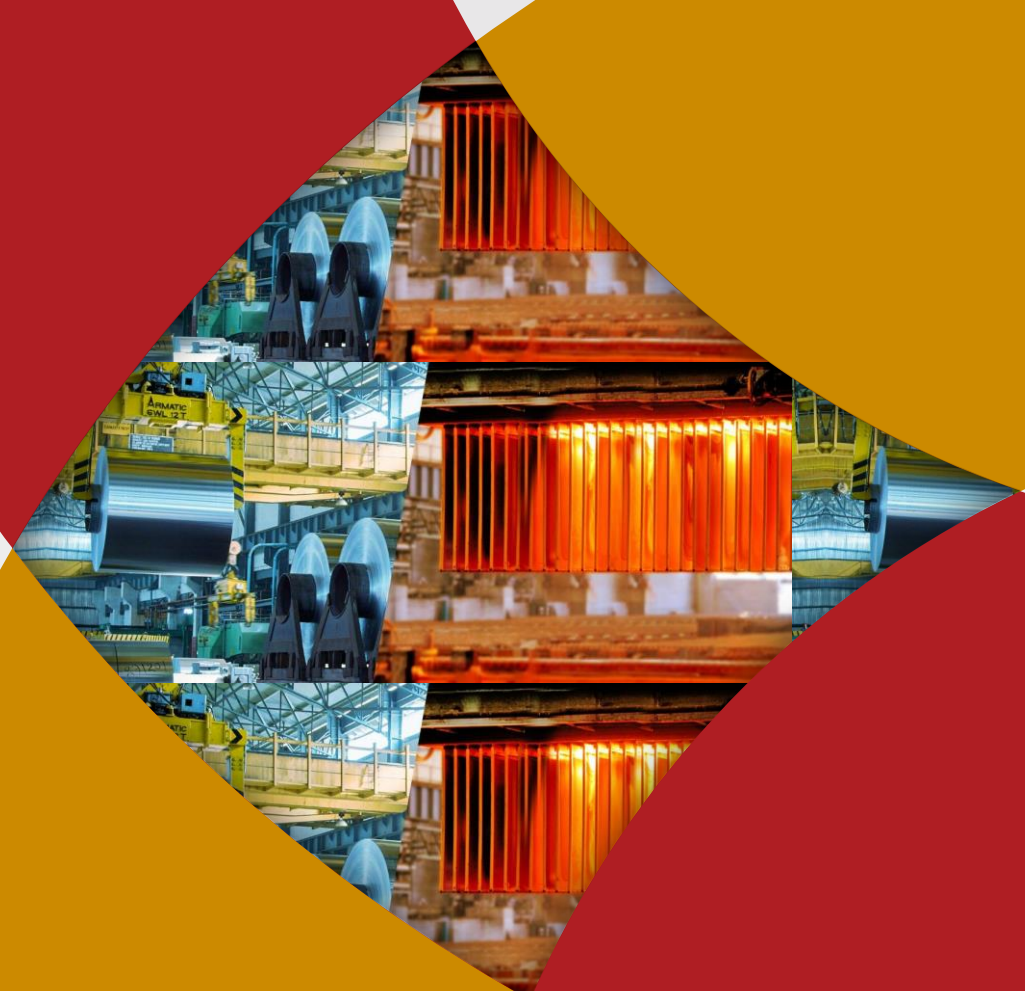
Corporate ID No.: L27020MH1958PLC011238

ADITYA BIRLA



HINDALCO

Hindalco Industries Limited



Media Meet Presentation - 26 July 2018



**Next Leap forward of our Global Value
Added Products Growth Strategy**

**Hindalco to acquire  for US\$ 2.58 Bn
through its wholly owned subsidiary Novelis Inc**

WHERE ARE WE?

Leading Global Industry Player



Aluminium	
Alumina	2.9 mt
Primary Metal	1.3 mt
VAP including Wire Rod	479 Kt

Copper	
Copper Cathode	410 Kt
Copper Rods	156 Kt
DAP	205 Kt

Aluminium Downstream	
#1 Rolled Products Supplier Worldwide	
Global Presence	Shipments 3.2 mt
Global Leader in Aluminium Recycling	Focused on Premium Segments

Business Highlights



Novelis

Largest aluminium FRP producer globally



Aditya and Mahan

1st quartile cost producer of Aluminium



Utkal

amongst the lowest cost producers of Alumina in the world



One of the largest custom Copper smelter at single location in Asia



Global operations across 11 countries



Revenue of US\$ 18 billion



EBITDA of US\$ 2.2 billion



~35,000 employees across the world

The Above Numbers are for FY18 ; mt – Million Tons ; Kt – '000 Tonnes

KEY AGREEMENT TERMS

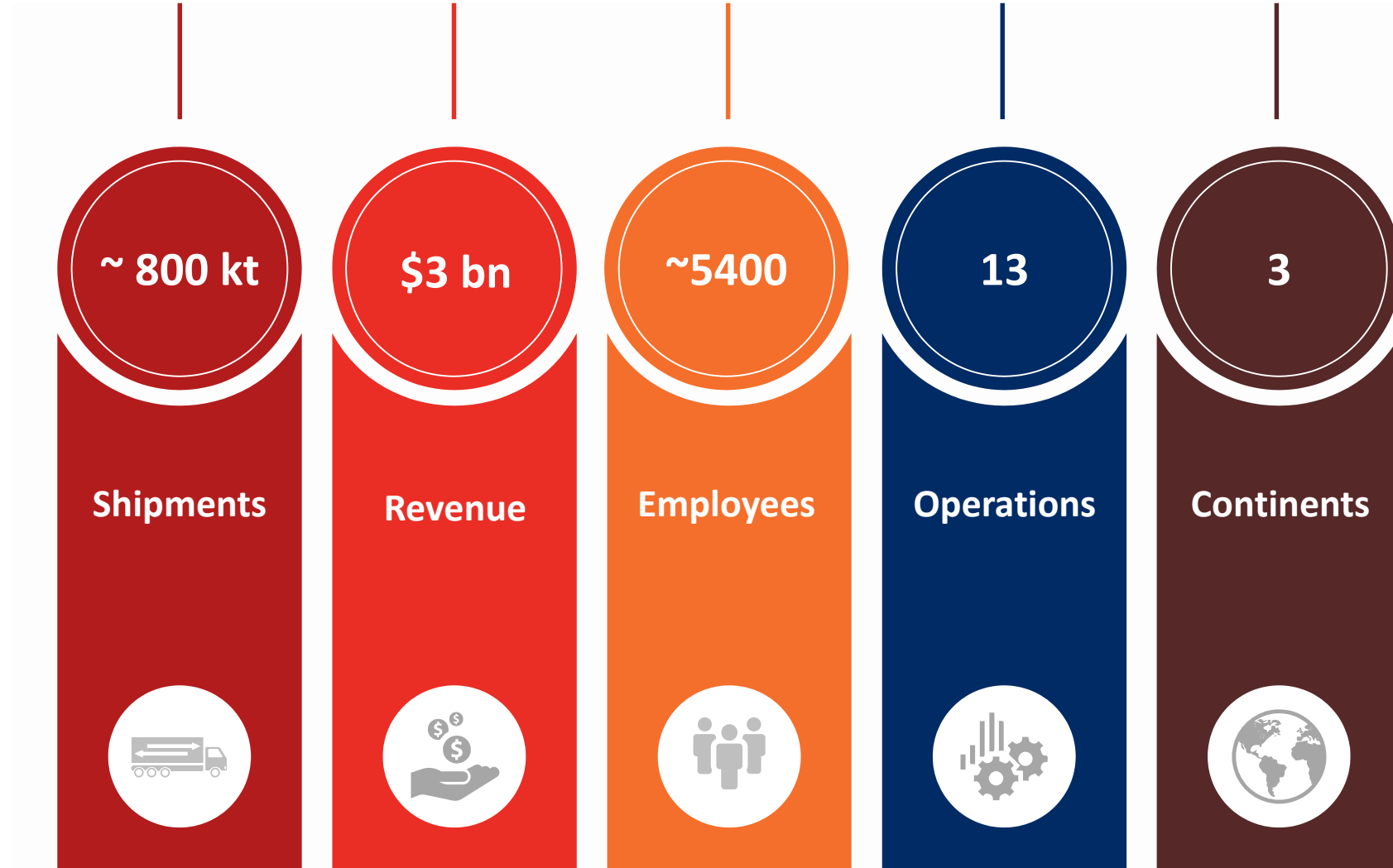


DEFINITIVE AGREEMENT

- Signed definitive agreement - EV of US\$ 2.58 billion
 - US\$ 775 million in cash for the equity component plus the assumption of debt
 - Deal Expected to close in 9 to 15 months
- Earn-Out linked to achievement beyond base business plan during CY18-20 for North America with a cumulative cap of US\$ 50 million

ALERIS : GLOBAL ALUMINIUM ROLLED PRODUCT SUPPLIER

- Global supplier of Aerospace and Automotive Aluminium rolled products
- Leaders in Building & Construction and Truck Trailer segment in North America
- Significant multi-year agreements with global blue chip customers
- Recent investment to drive earnings and cash flow momentum
- High capability manufacturing facilities



Note : The above numbers are for CY 2017

WORLD'S NO.1 ALUMINIUM DOWNSTREAM PLAYER

Novelis

~ 3.3 mt

24 manufacturing locations
across 4 continents with
~11,000 employees

Aleris

~ 1.0 mt

13 manufacturing locations
across 3 continents with
~5,400 employees

HINDALCO

~ 0.4 mt

6 Aluminium VAP
manufacturing locations
in India

Post acquisition, expected value added product capacity at over ~ 4.7 million tonne/annum (incl. India)

KEY HIGHLIGHTS OF ACQUISITION

Cusp of Growth



Investment of ~ US\$ 900 million over past 5 years

Aleris poised for transformational growth

Funding



100% Debt

Strategic Rationale

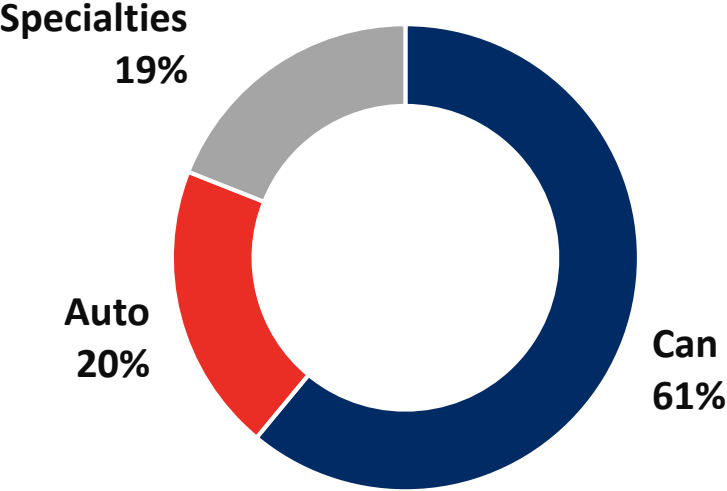
- Diversifies product portfolio - addition of high-end Aerospace
- Enhances and complements Asia operations
- Strengthens ability to meet automotive demand

Leverage (Net Debt /EBITDA)

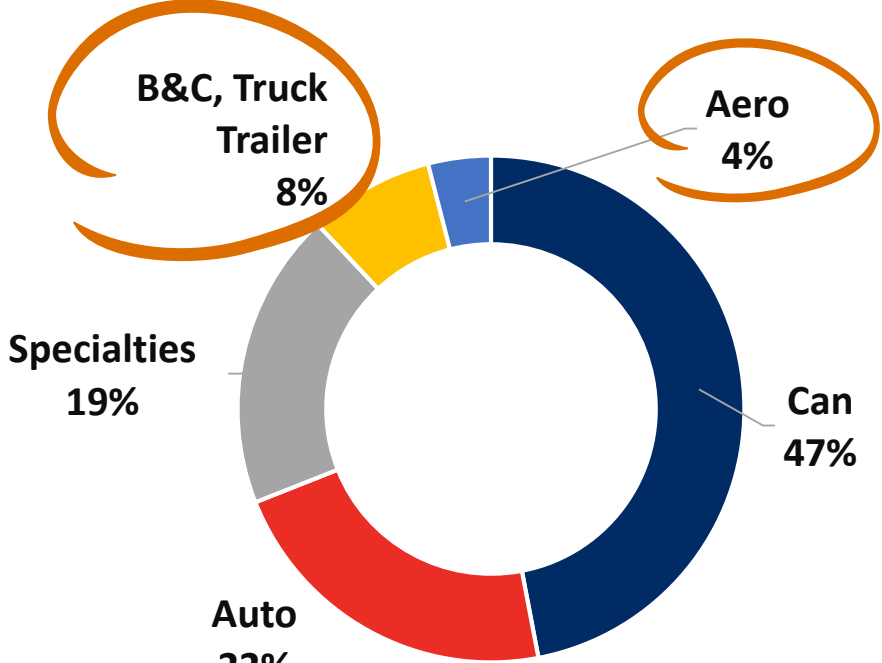
	Novelis + Aleris	HIL Consolidated
At Closing	<4x	< 3.5x
After 2 years	~3x	< 3x

PRODUCT PORTFOLIO DIVERSIFICATION & ENRICHMENT

Novelis - Now



Novelis Pro-Forma Run Rate



**Enhanced product mix with addition of Aerospace and Building & Construction (B&C)
Increased share of high margin products**

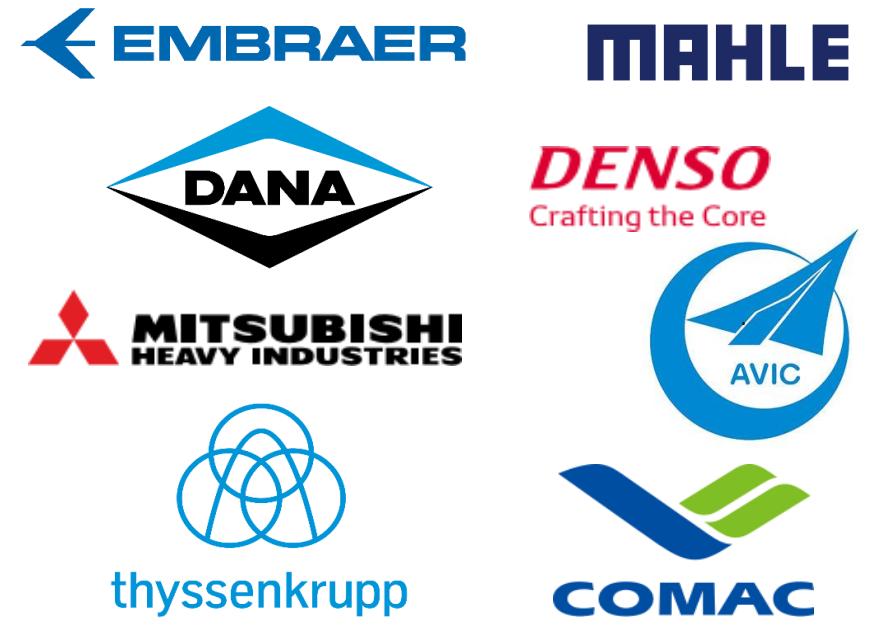
ENTRY INTO NEW SEGMENT - AEROSPACE

- Novelis to enter high-end aerospace segment
 - Well established manufacturing capabilities
 - R&D in Aleris - Koblenz, Germany
- Long-term contracted business with blue chip-customers

Key Customers



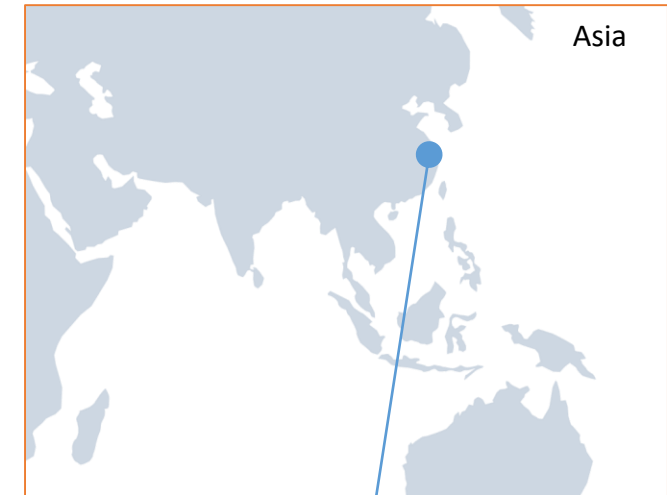
BOMBARDIER



World-class Aerospace plate facilities in Europe and Asia

STRENGTHENS OUR COMPETITIVE POSITIONING IN ASIA

- Novelis recently announced 100 kt Auto expansion in China taking the overall capacity to 200 kt
- Enhances our competitive position in Asia :
 - Aleris' recently commissioned Zhenjiang facility is Located close to Novelis facility in Changzhou



Enhances Existing Asia Footprint for Growth

AUTO LEADERSHIP – STRENGTHENS ABILITY TO CAPTURE GROWTH

- Enhances ability to innovate and compete against steel
- Diversifies automotive customer base and vehicle platforms
- Larger asset base mitigating risks



Novelis



Oswego, New York



Kingston, Ontario



Broke ground May 2018
Guthrie, Kentucky



Sierre, Switzerland



Nachterstedt, Germany



Changzhou, China

Aleris



Lewisport, Kentucky



Duffel, Belgium

Expands asset base and diversifies customer portfolio

BENEFITS FOR INDIA VALUE ADDED PRODUCTS BUSINESS

Indian Demand

 Consumption dominated by Electrical Segment

 Growth expected in FRP and Extrusions



Building & Construction



Aerospace & Defence



Transport & Auto



Solar



Railways

Hindalco

Focus on growth in FRP, Foil, Extrusions

Aluminium VAP production to Double in next 5 years

Key Success Factors



Skillset



Training



Technology

Access to Aleris manufacturing capabilities - helps in Building & Construction and Transport segments

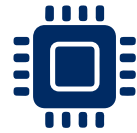
ACCELERATING OUR GROWTH

Solidify the global position

1

Further strengthen our leading position

Diversified Product Mix



Access to technology for B&C and Truck Trailer products to help in India operation

Strong Financial Profile

Potential Synergy

~ **US\$ 150 mn**

Integration in Asia
Supply Chain
SG&A Optimization

Attractive Valuation

EV	US\$ 2.58 bn
Expected EBITDA	US\$ 360 mn
Multiple	7.2x

Leverage (Net Debt / EBITDA)

	Novelis + Aleris	HIL Consolidated
At Closing	< 4x	< 3.5x
After 2 years	~3x	< 3x

To Create a ~US\$ 21 Billion Company by Revenue

SAFE HARBOUR

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.



Thank You
