



Investor Presentation

HINDALCO INDUSTRIES LTD

Q3 FY 2015

Highlights and Financial Performance

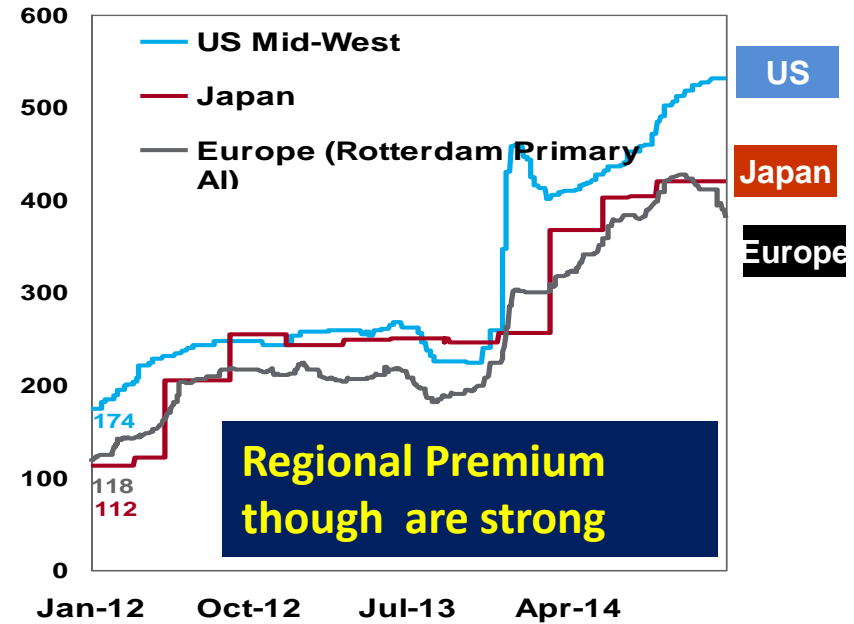
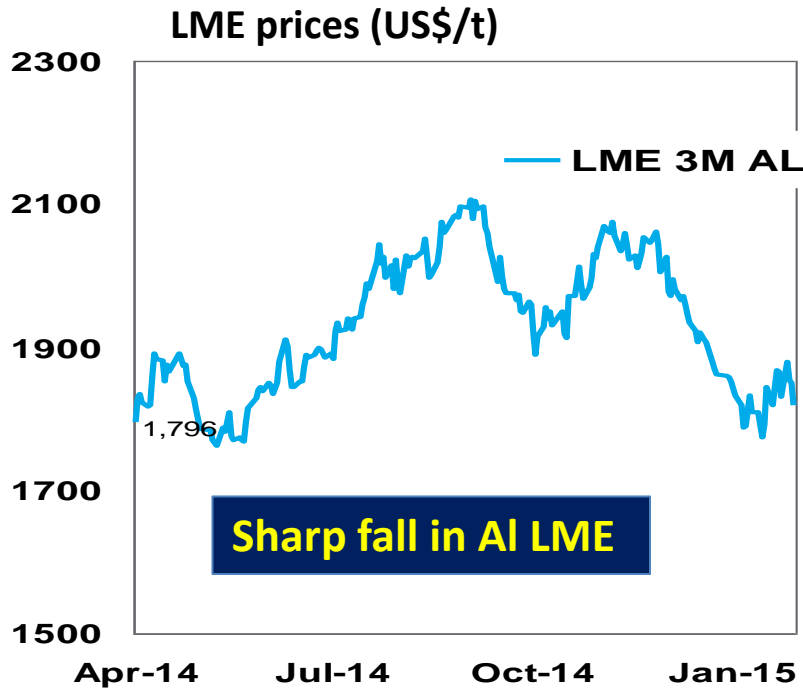
Review – Aluminium Business

Review – Copper Business

Financial markets showing increased volatility

- Mixed signals: US recovering, While Europe staring at possible deflation...
- ECB and BOJ announced QE that resulted in stock market rise
- Weakness in Euro and commodities , Specter of Rising interest rates in the US has increased uncertainty
- India showing signs of early recovery, but China slowing down
- Crude dynamics impacting sentiments

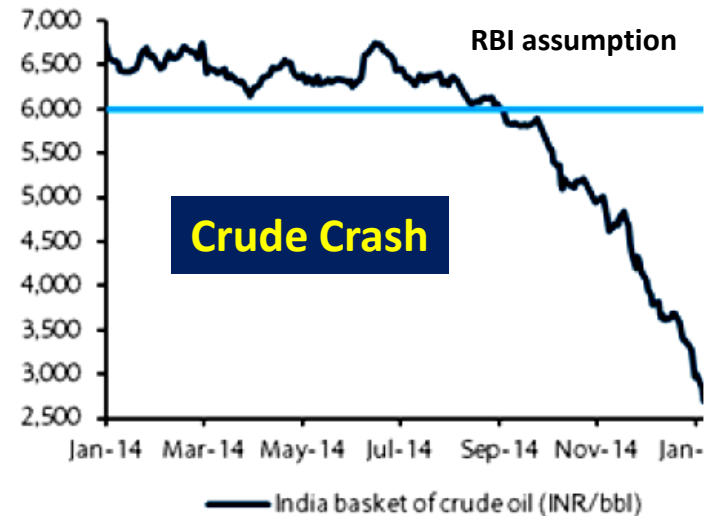
Al - Premium continues to provide support



However crude fall Augurs good for Indian economy....

Declining inflation, Improving fiscal deficit....

Economy on the mend... poised for growth..



Q3 FY15: Highlights...

Aluminium (India)

- ⦿ Aluminium and Alumina volumes jumped by over 37%
- ⦿ Strong Operational Performance
- ⦿ YOY EBIT jumped 127%

Novelis

- ⦿ Record shipments in seasonally weak quarter; Up 18% YOY
- ⦿ Strong Operational Performance- strategic rolling expansions driving higher shipments, Auto story set to play out
- ⦿ EBITDA up 16% YOY

Copper (India)

- ⦿ Continued to deliver robust performance
- ⦿ YOY EBIT up 32%

All round improvement in performance

Financial Highlights: Q3 FY15

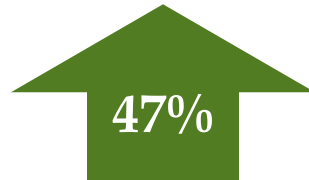
(yoy, %)

Net Sales



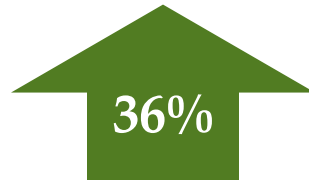
Driven by higher volumes and Al realizations, even as Cu LME fell

EBITDA



Contributed by both Al and Cu segments

PBITDA



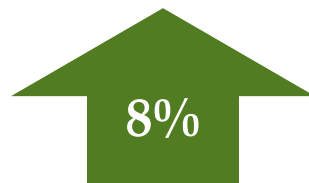
Primarily led by operational improvements

PBT



Robust result, despite over 171% increase in financing charges

Net Profit



Financial Performance – Standalone

Q3 FY15



(₹) Cr	Q3 FY15	Q3 FY14	Change % YoY	Q2 FY15	Change %QOQ
Net Sales	8,603	7,273	18	8,554	1
Other Income	212	204	4	223	(5)
PBITDA	1136	834	36	1,120	1
Depreciation	(216)	(200)	8	(196)	10
Interest	(447)	(165)	171	(386)	16
PBT before exceptional	472	469	2	539	(12)
Exceptional items		...		(431)	
PBT	472	469	1	107	340
PAT	359	334	8	79	355
EPS (₹)	1.74	1.62	8	0.38	



Aluminium Business

AI: Key Industry Drivers

- ❖ LME and strong Premium boosted realisations

	Q3FY14	Q3FY15
LME (\$/t)	1,767	1,968
INR-USD	62.05	61.93
Premium (MJP) \$/T	225	420

- ❖ Coal costs remained at elevated levels

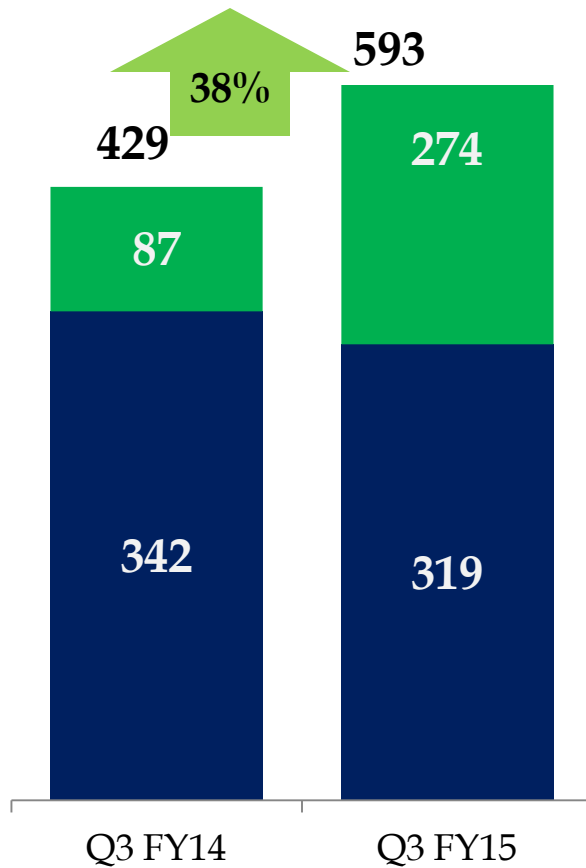
- ❖ Smelter ramp up got affected due to coal availability on account of infrastructure bottlenecks

Al: Volume growth primarily from the new plants

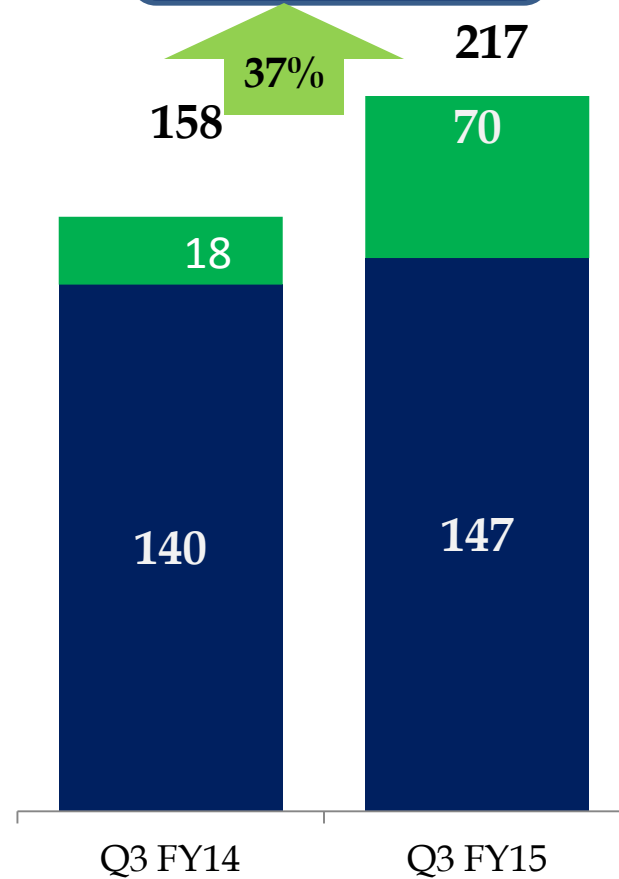
(Figures in Kt = '000 t)



Alumina (incl. Utkal)



Al Metal



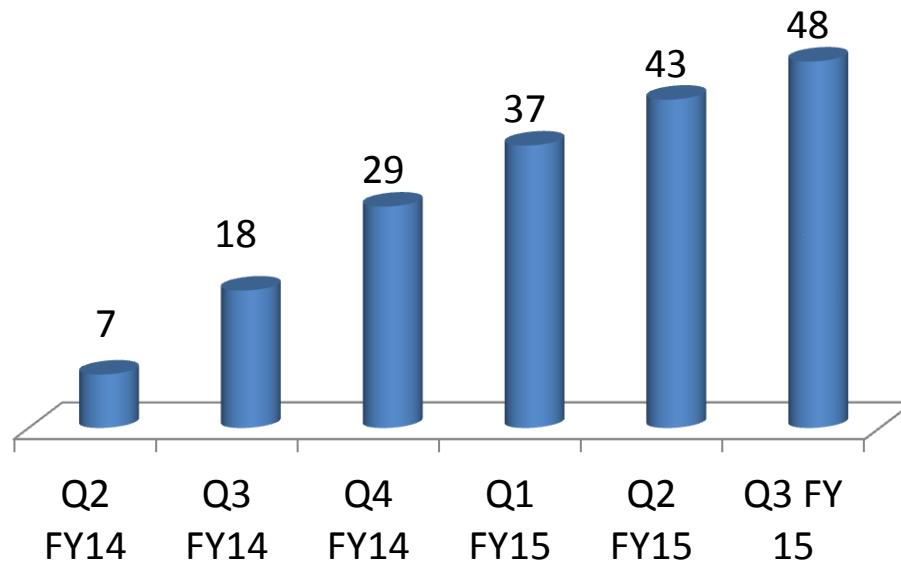
Volume from Greenfield Projects

New Smelters: ramping Up

Mahan



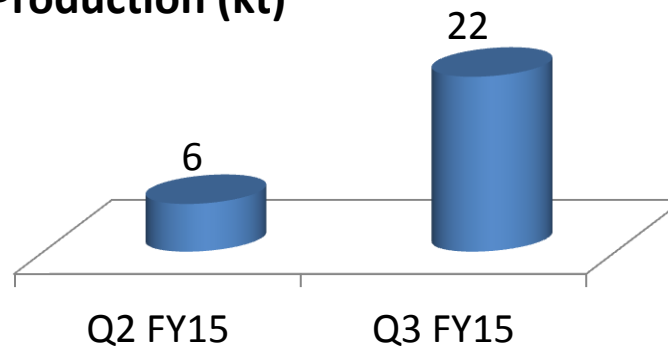
Metal Production (kt)



Aditya



Metal Production (kt)

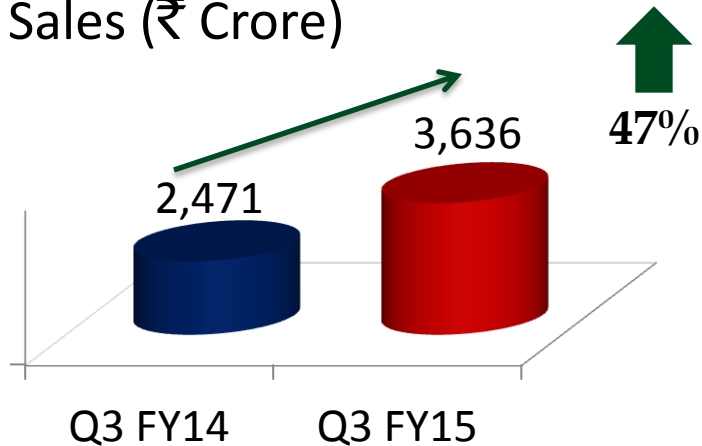


A1: Financial Performance

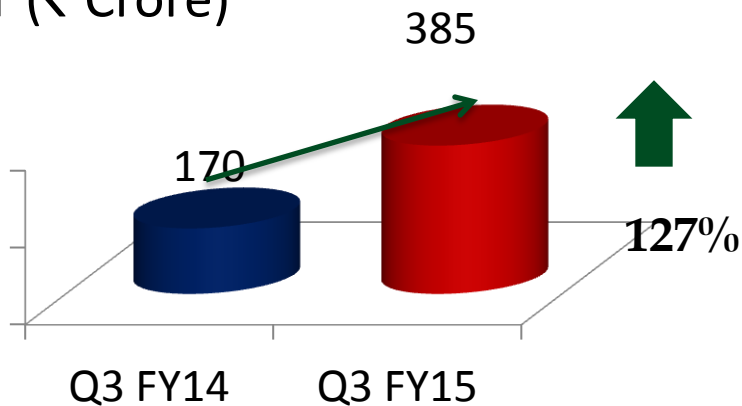


Q3 Performance

Net Sales (₹ Crore)

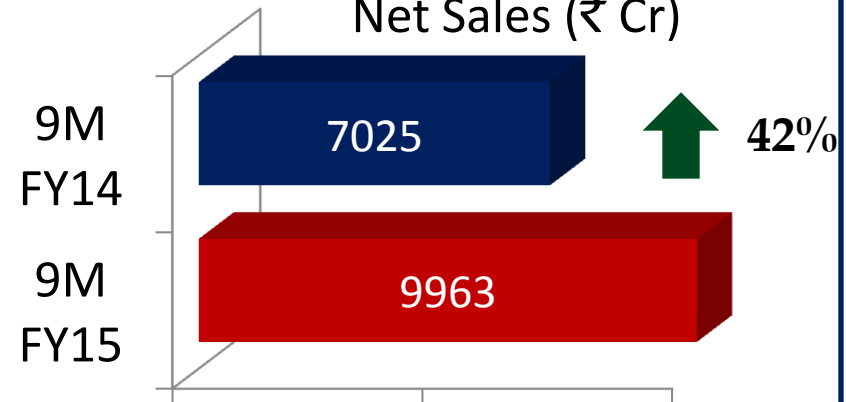


EBIT (₹ Crore)

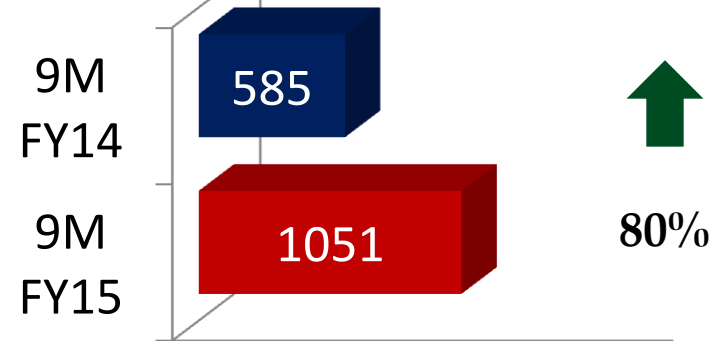


9M Performance

Net Sales (₹ Cr)



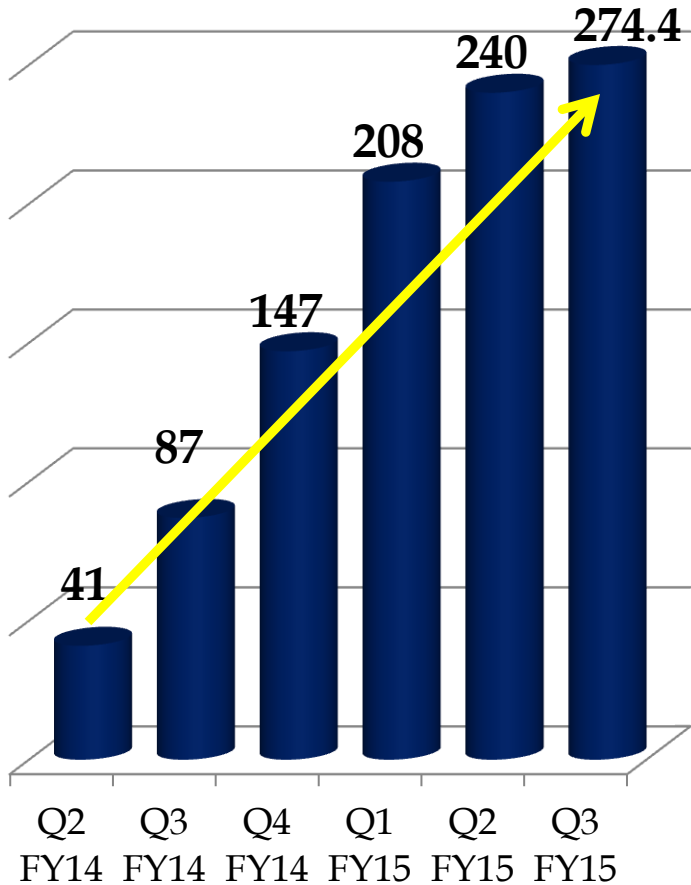
EBIT (₹ Cr)



All round Improvement on the back of higher realisations and volumes

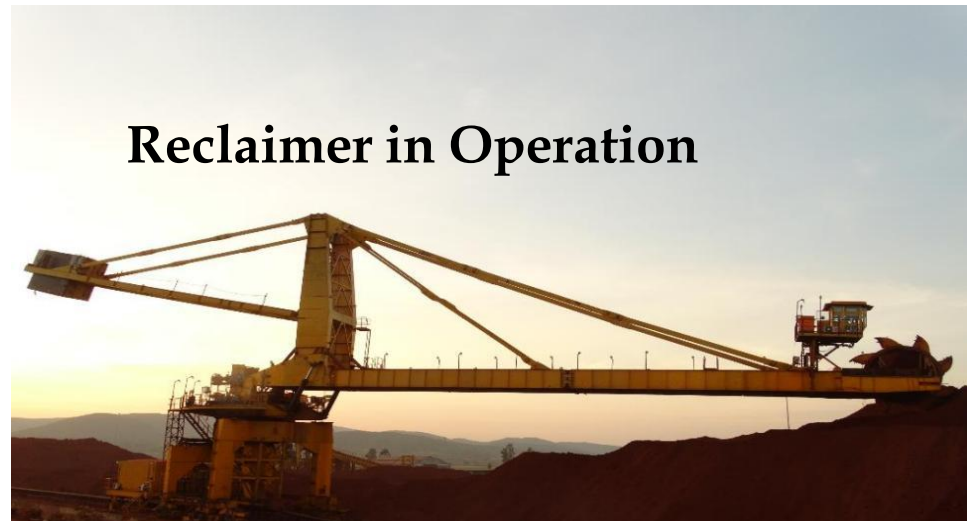
Utkal: Efficiency gains kicking in...

Utkal Alumina Production* ('000 t)



* Hydrate as Alumina

- ❖ Produced 293 KT calcined Alumina
- ❖ *Progressive reduction in Cash COP ... in lowest quartile ...* expected to improve further after commissioning of conveyor belt



Reclaimer in Operation

Novelis

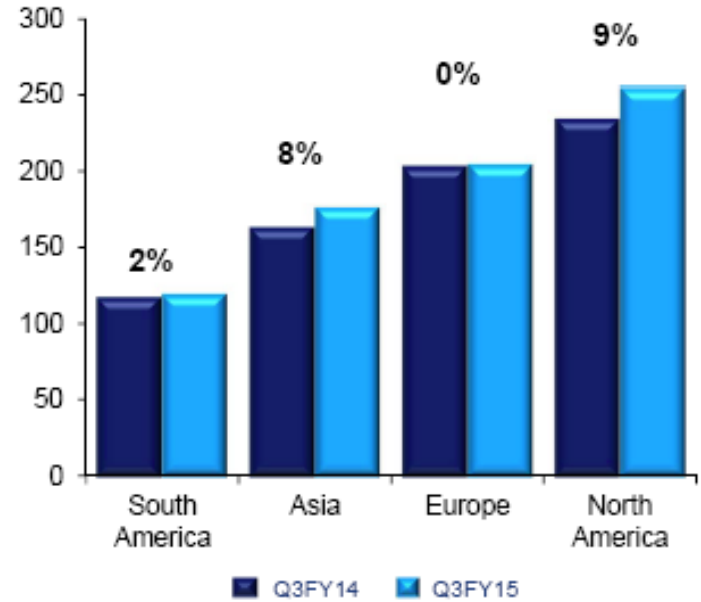


Novelis: Q3 FY 15 – Highlights...

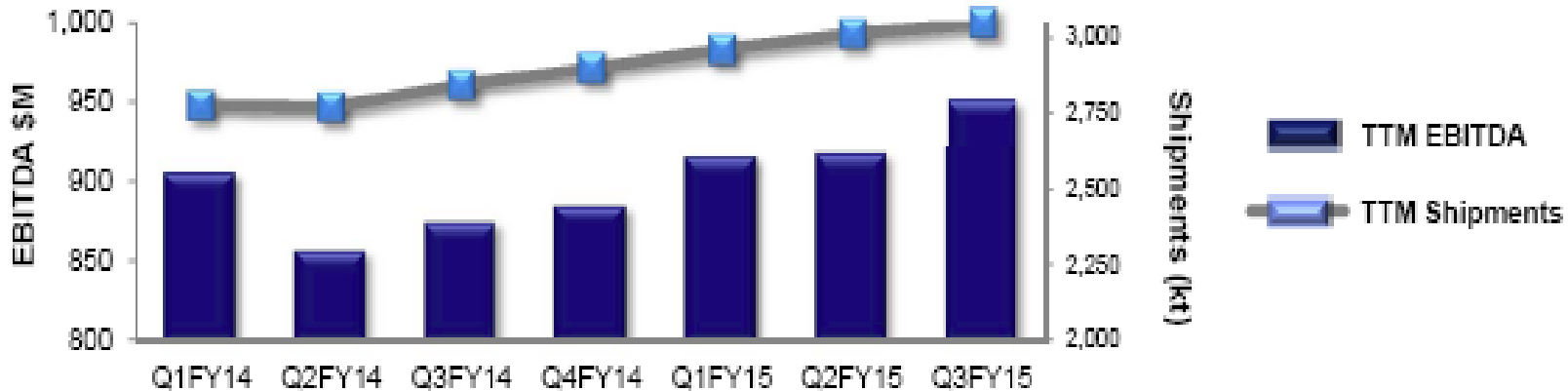
- Adjusted EBITDA \$ 236 Million, up 16% YoY.
- Record third quarter Shipments at 757 kt, up 5% YoY, on the back of ongoing rolling expansions in Korea and Brazil.
- Expanding low cost recycling capabilities

Higher shipments, improving EBIDTA

Third Party Shipments (kt)



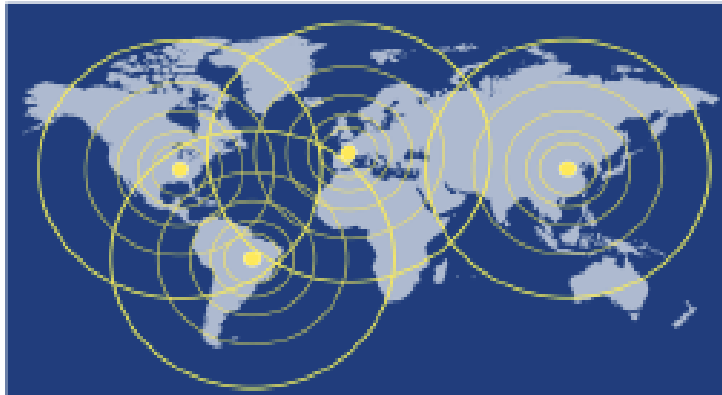
Trailing 12 Month Trend



Novelis: Business Model

Strong Global Presence

Integrated Footprint



- Utilize global footprint
- Closed last smelting operation in December to focus on FRP

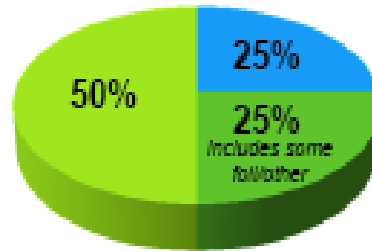
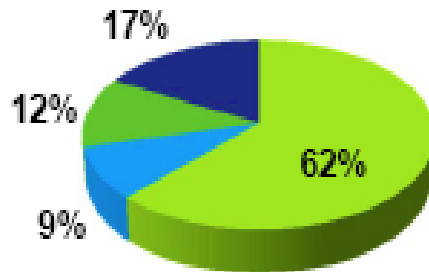
Premium Product Portfolio

Portfolio Evolution

% of FRP shipments

FY14

FY20*



Can Auto Specialty Foil & Other

- Shifting portfolio to premium products
- China & US auto finishing lines accelerating production
- Auto finishing lines under construction are on track

Copper Business



Cu: Robust Production Performance

Volumes in Kt = '000 t



Cathode

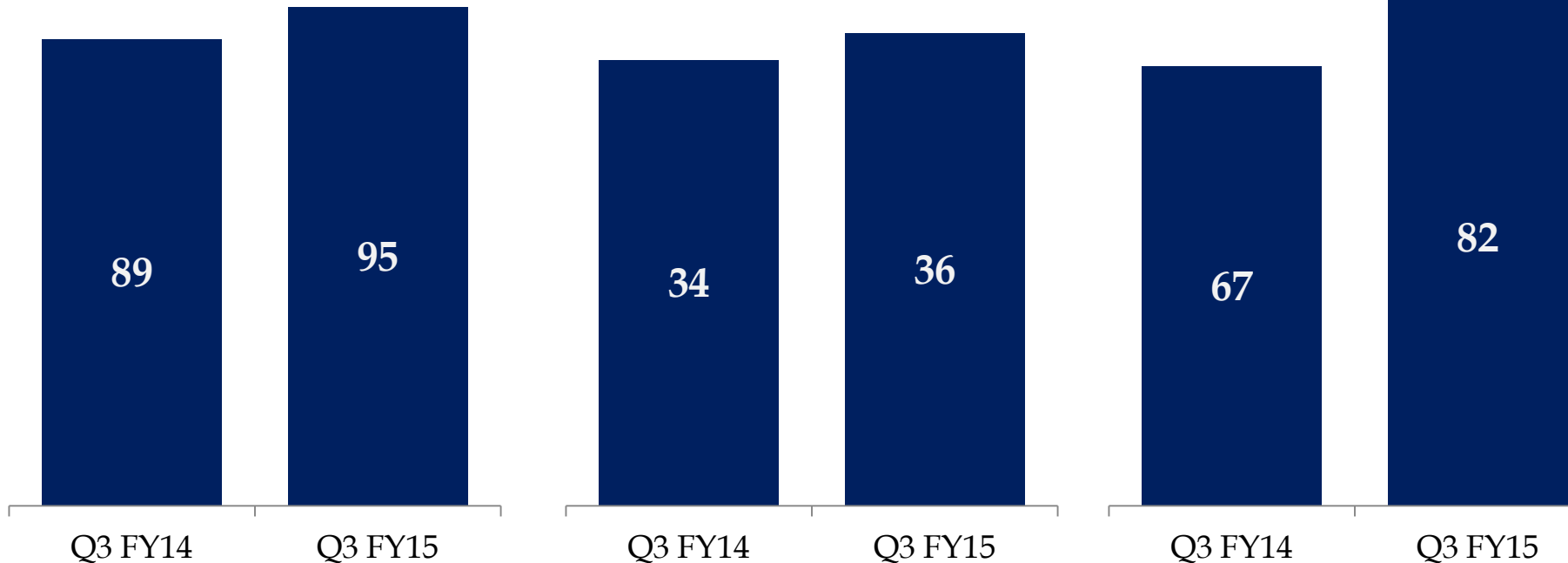
7%

CCR

6%






DAP

22%



Strong Production growth

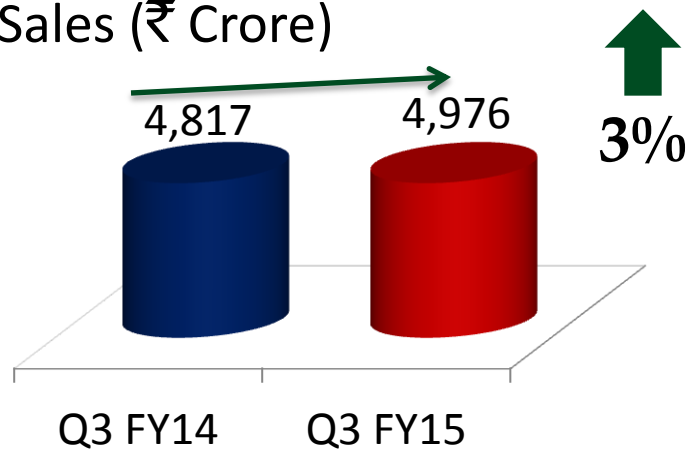
Cu: Favourable Industry Trends...

	Q3 FY15 vs. Q3FY14	Impact (YoY)
TCRC	Higher	
LME (\$/t)	Lower	
Exch. Rate (₹/\$)		
Acid Price	Higher	
DAP Realization	Higher	

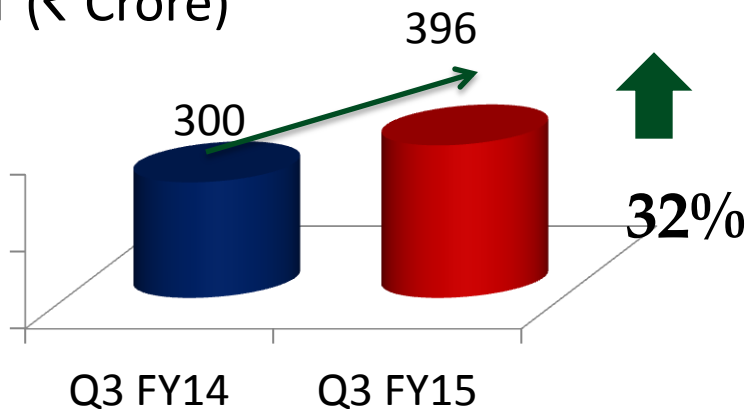
Cu: Financial Performance

Q3 Performance

Net Sales (₹ Crore)

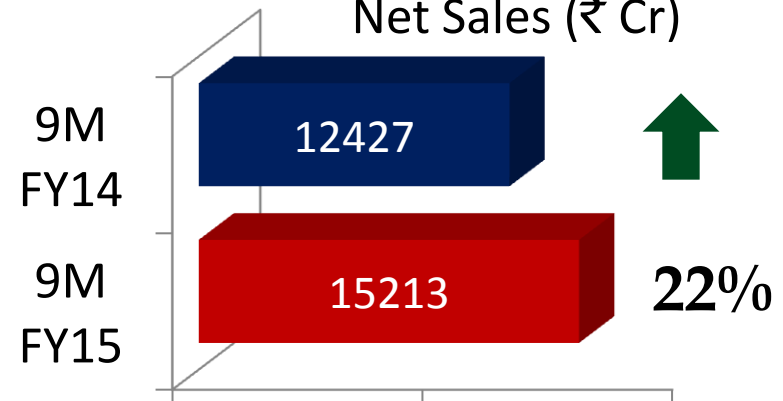


EBIT (₹ Crore)

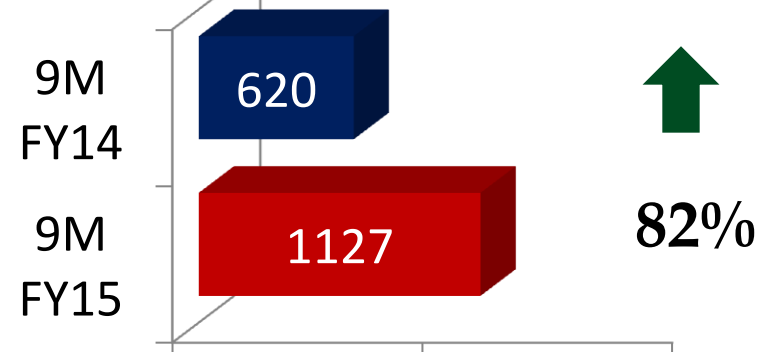


9M Performance

Net Sales (₹ Cr)



EBIT (₹ Cr)



All round Improvement leveraging favourable industry trends...

Greenfield projects are ramping well; Volumes and COP expected to be on an improving trajectory

Aluminium sector environment hazy on account of China slow down and global growth uncertainty

Copper business expected to continue to contribute significantly with favourable trend in TCRC

Novelis' shipments and EBITDA expected to keep moving north, driving benefits of its expansion projects

Once Coal issues are resolved the growth momentum shall be even stronger...



Thank you

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