HINDALCO

ADITYA BIRLA GROUP

Q1 – FY 2003 Results

July 31, 2002

QI FY 03 - Highlights

- Higher Production
- Higher Turnover
- Profits adversely affected due to:-

  Unfavourable economic conditions

  Lower LME

  Higher Input costs

Improved Production Performance

Production	Unit	Q1 FY 2003	Q1 FY 2002	% Change
Alumina	**MT**	**118,175**	**113,633**	**4.0**
Aluminium Metal	**MT**	**66,867**	**61,585**	**8.6**
Wire Rod	**MT**	**12,692**	**12,111**	**4.8**
Rolled Products	**MT**	**17,997**	**17,545**	**2.6**
Extruded Products	**MT**	**4,614**	**4,140**	**11.4**
Aluminium Foils	**MT**	**4,438**	**3,557**	**24.8**
Alloy Wheels	**No.**	**7,131**	**5,889**	**21.1**
Power Availability				
Renusagar	**MU**	**1,054**	**974**	**8.3**
Co-generation	**MU**	**62**	**35**	**78.1**

Financial Results

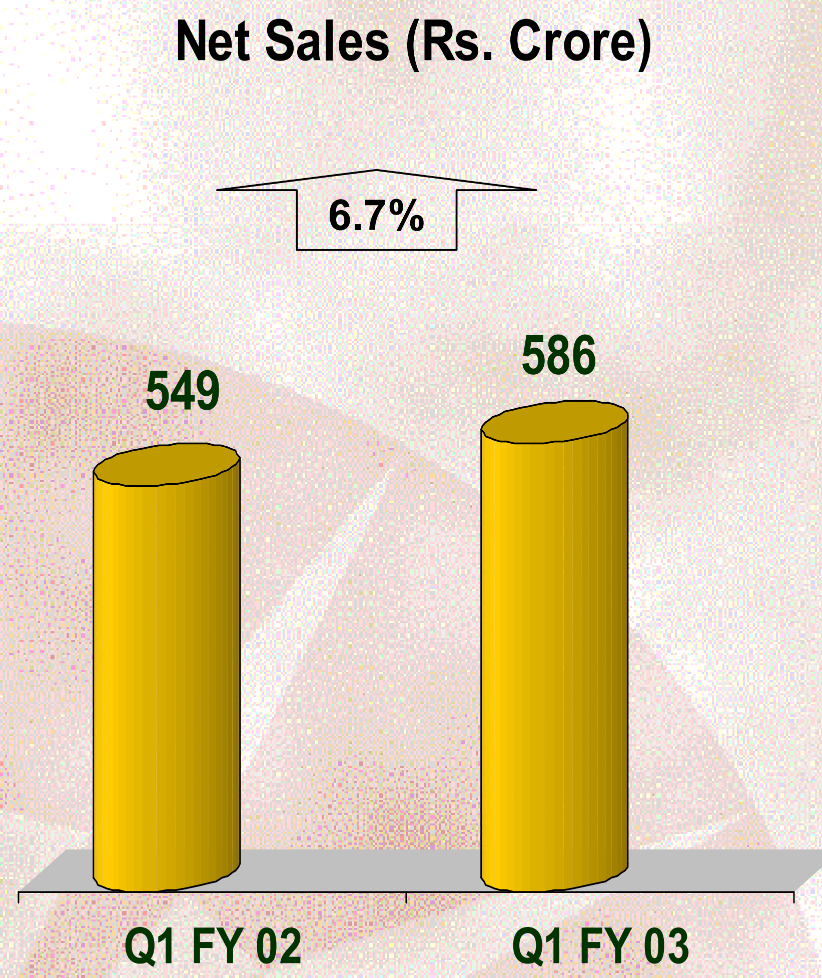
(Rs. in Crores)

Particulars	Q1 '03	Q1 '02	Change (%)
Net Sales	586.0	549.0	6.7
Total Expenditure	359.0	297.0	20.9
Operating Profit	227.0	252.0	(9.9)
Other Income	31.5	32.6	(3.6)
Interest Payment *	7.9	10.4	(23.9)
Depreciation	41.3	37.0	11.8
Profit before Tax	209.2	237.2	(11.8)
Provision for Current Tax	45.0	65.0	(30.8)
Profit before Deferred Tax	164.2	172.2	(4.7)
Provision for Deferred Tax	24.0	11.1	116.2
Net Profit	140.2	161.1	(13.0)
EPS (Rs.)	19.0	21.9	(13.0)
Cash EPS (Rs.)	24.6	26.9	(8.4)
* Net of Interest Capitalised	15.0	8.0	87.6

Higher Turnover – lower realisation

% Change	Volumes	Realisation
Domestic	4.3	(1.8)
Exports	45.4	(6.2)
Total	9.9	(2.9)

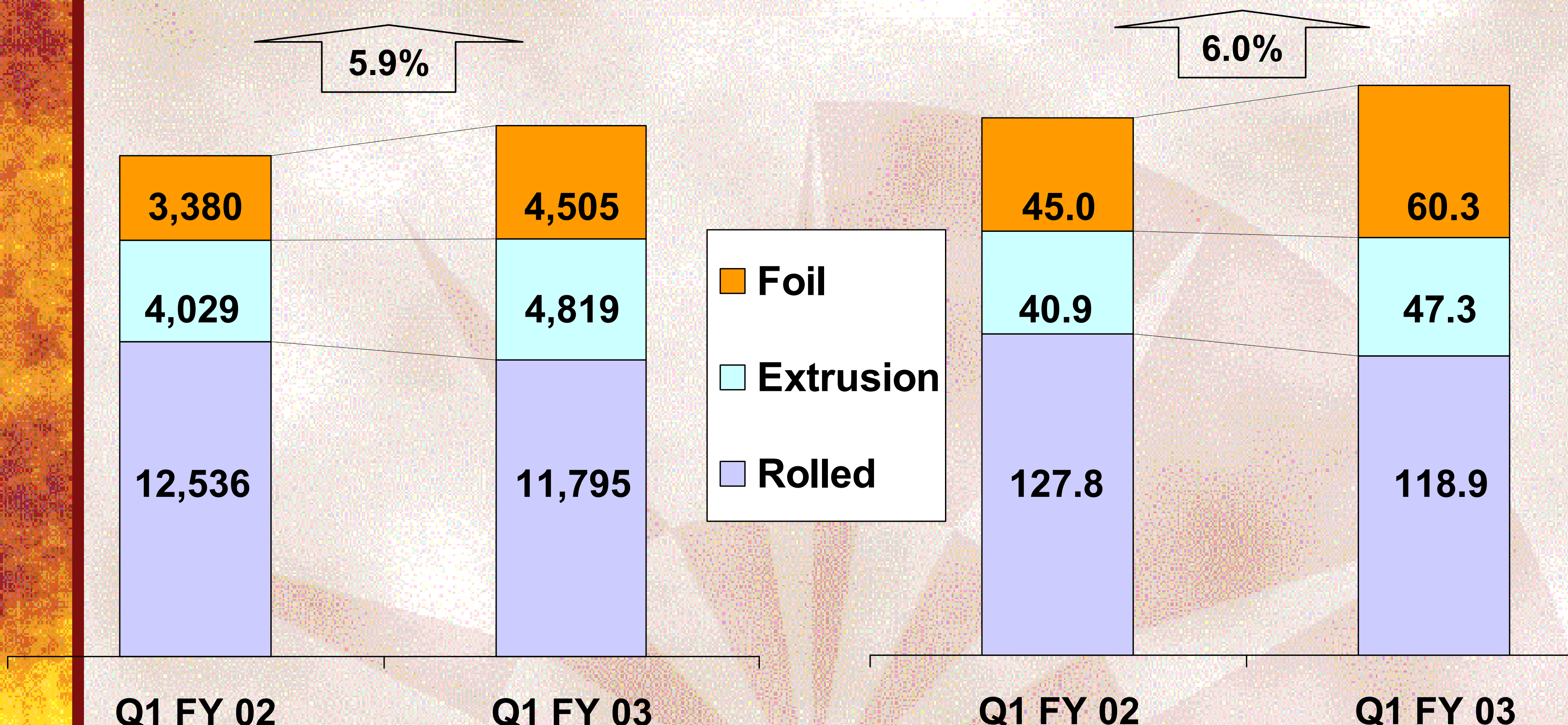
Quantity MT	Q1 FY 2003	Q1 FY 2002
Domestic	54,431	52,170
Exports	11,876	8,166
Total	66,307	60,336



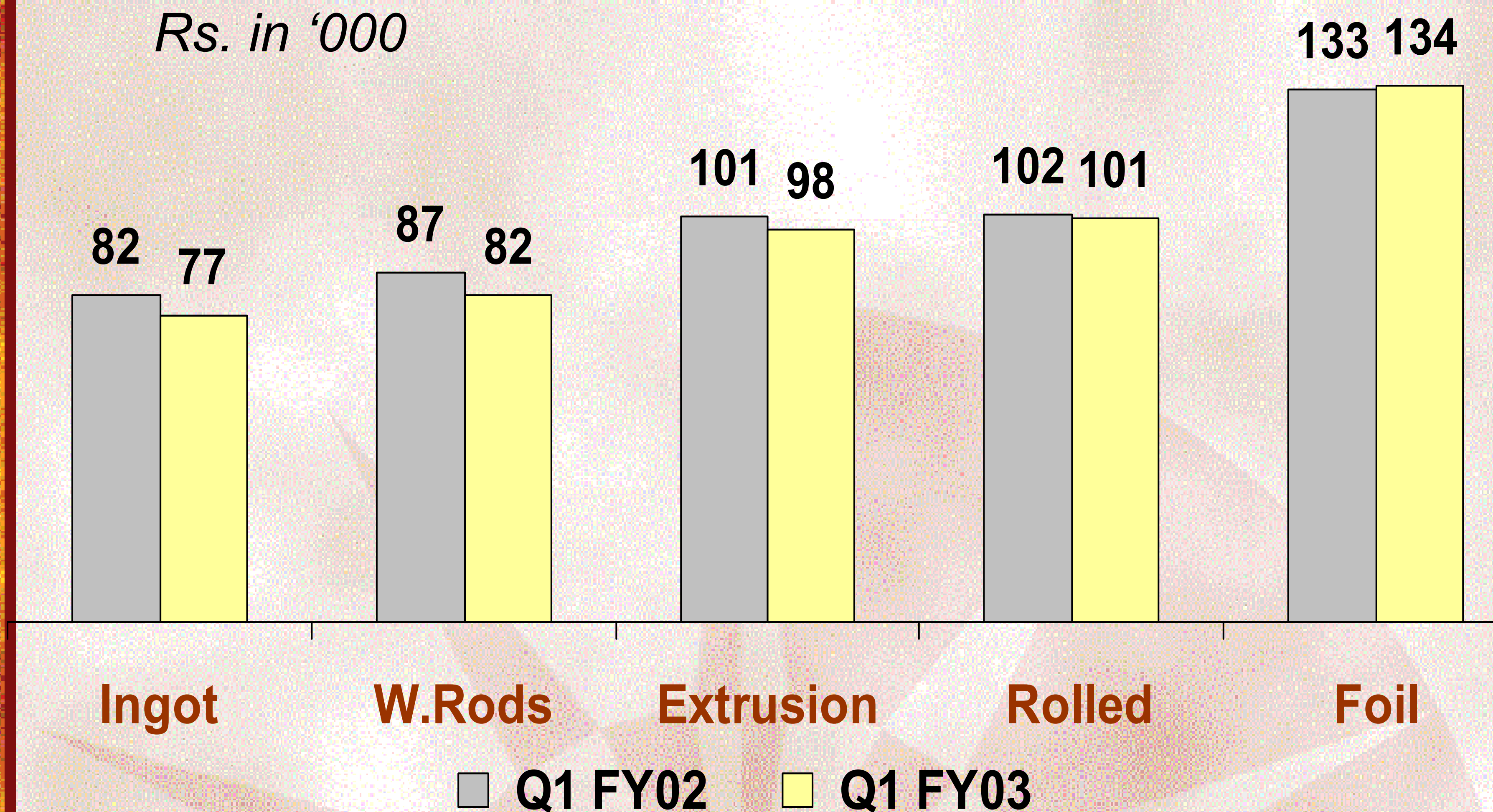
Higher Volume of Value Added Products

Volume (MT)	
19,945	21,119

Sales (Rs. Crore)	
213.6	226.5



Lower average per ton realisation

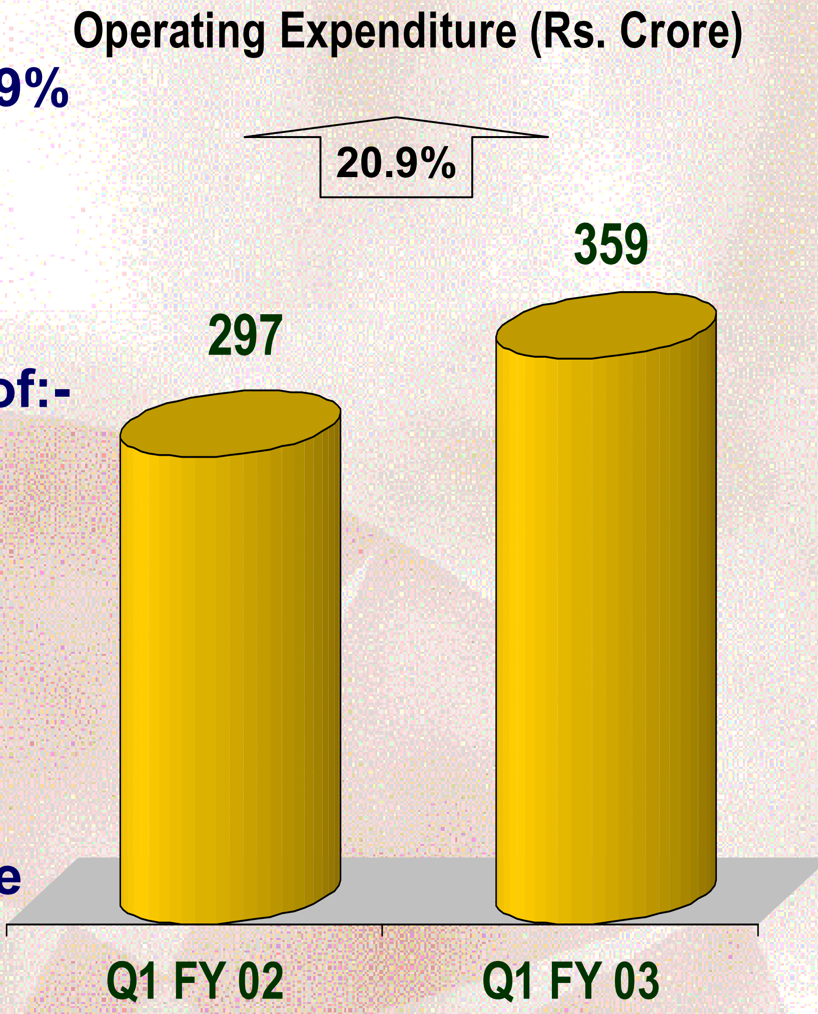


A reflection of weak LME and lower domestic prices

Operating Expenditure

Operating Expenses increased by 20.9% against higher volume of 9.9% mainly due to:-

- Increased power cost on account of:-
  - Poor Coal quality from NCL
  - Market purchases of coal at higher prices
- More Salaries & Wages – New Wage Agreement impact
- Higher Input prices of CP Coke, fuel oil etc.



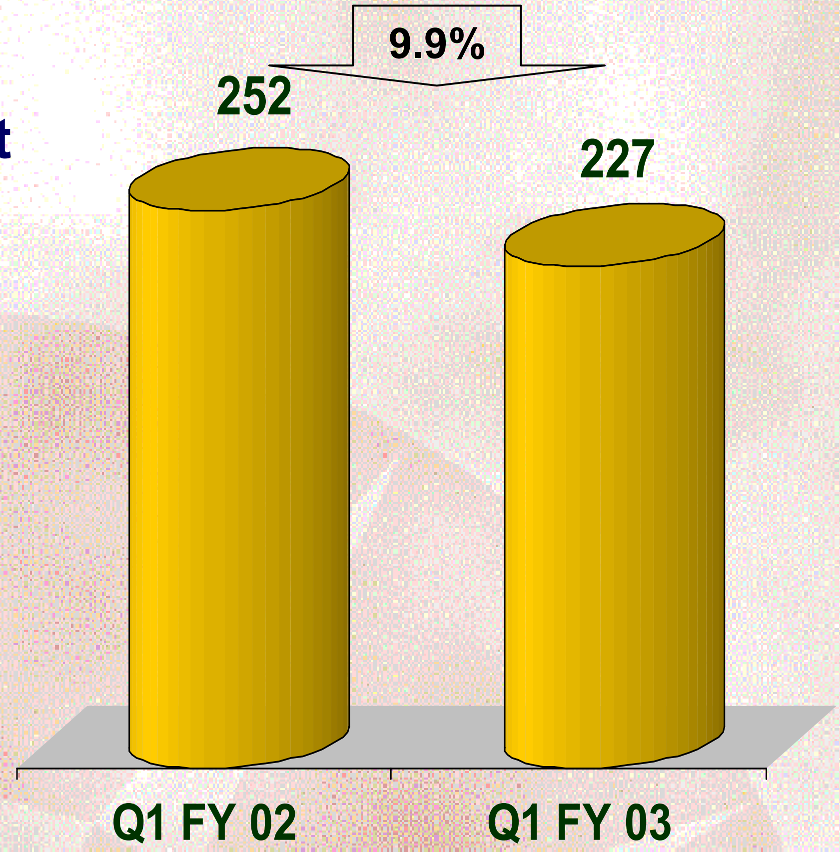
Operating Profits

Despite continued pressures on selling prices and input cost

- **Operating Margins maintained at the level of Q4 FY 2002**

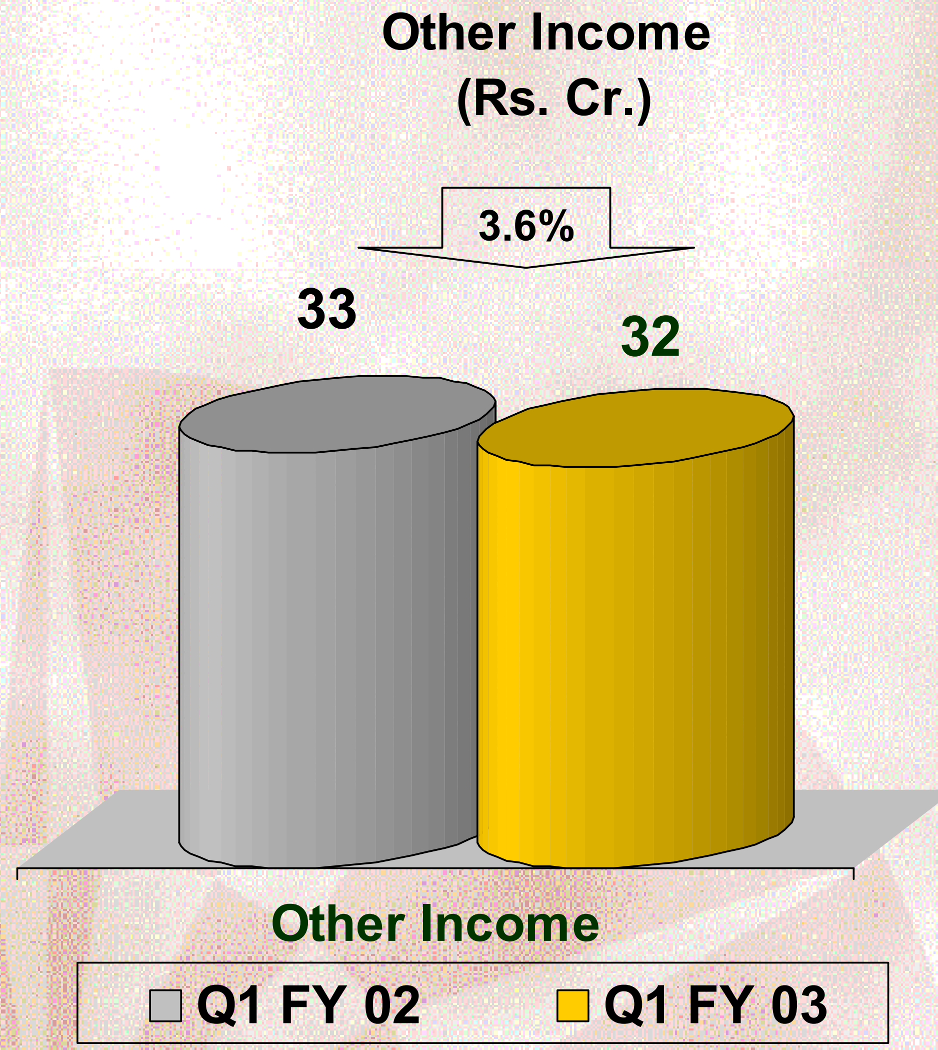
Period	Operating Margin
Q1 FY 02	45.9%
Q4 FY 02	38.3%
Q1 FY 03	38.7%

Operating Profit (Rs. Crore)



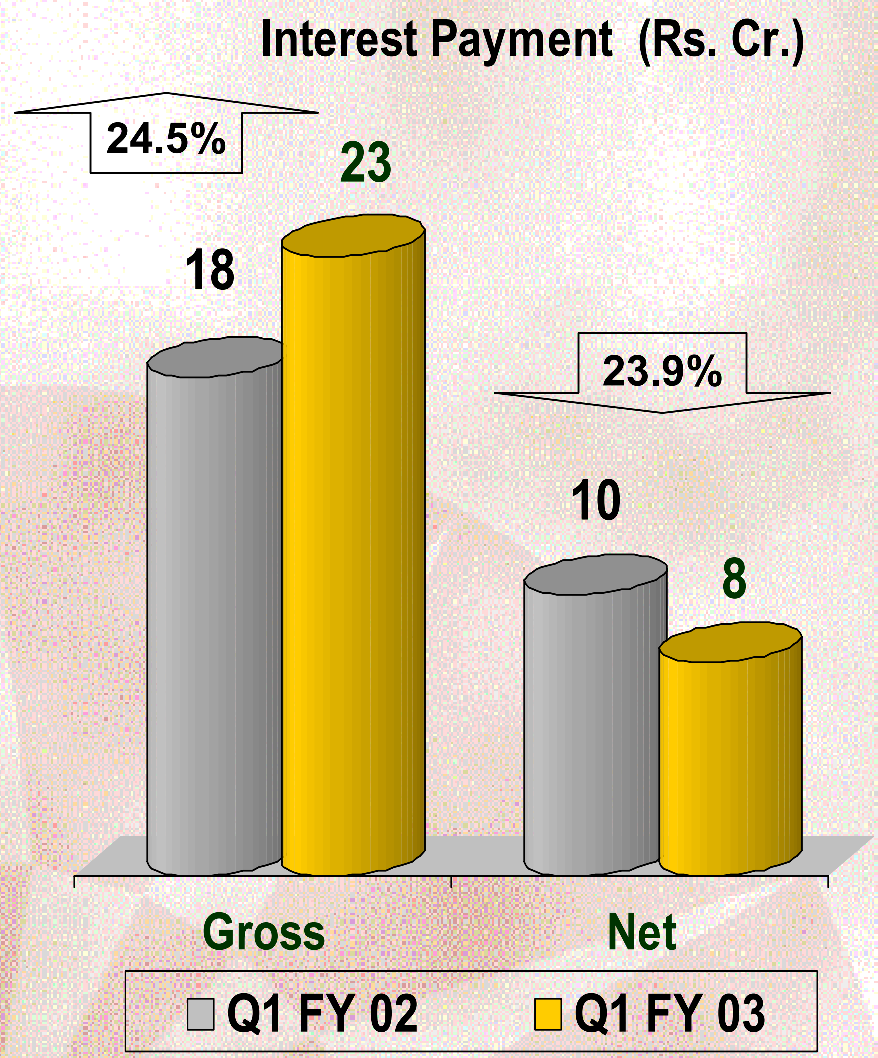
Other Income

- Lower other income due to
  - Lower treasury returns
  - Softer interest rates



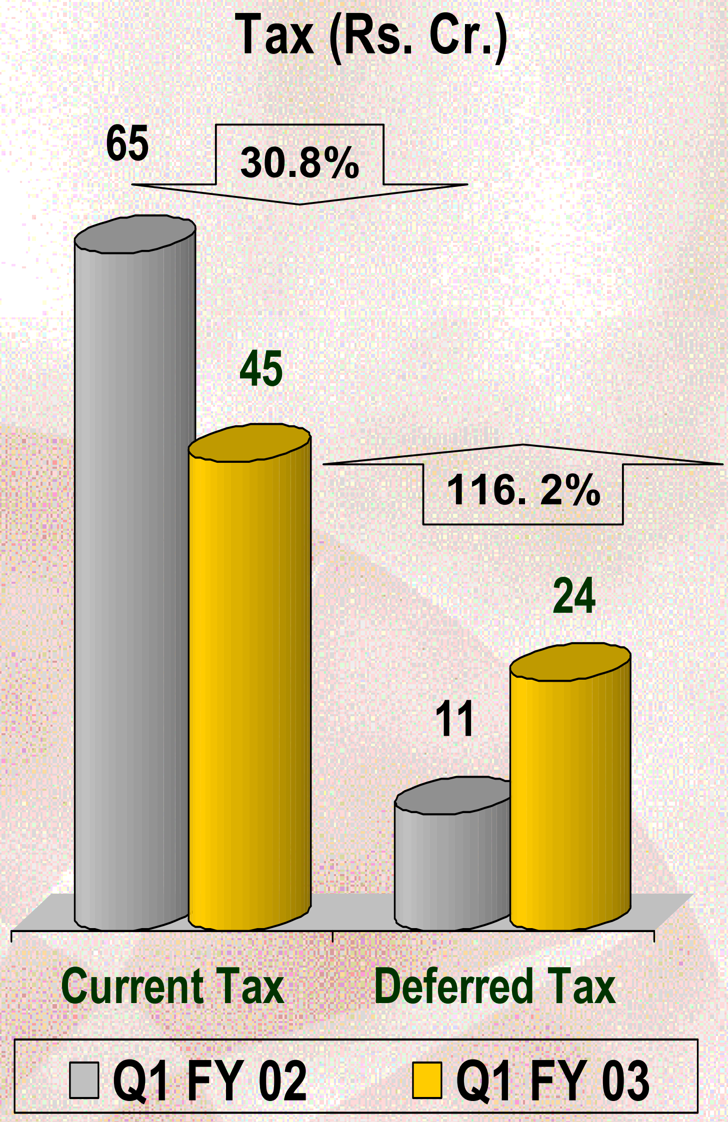
Interest Payment

- Gross Interest more due to new loans
- However, net interest decreased due to higher capitalisation Rs. 15 Cr. (8 Cr.)



Taxation

- Effective current tax rate reduced from 27.4% to 21.5% despite:-
  - Higher Marginal tax rate
  - Lower 80 HHC Advantage
  - Withdrawal of tax exemption on short term capital gain
- Higher WDV Depreciation resulted in more deferred tax



Aluminium Industry Outlook

Global Growth Pattern

(in %)

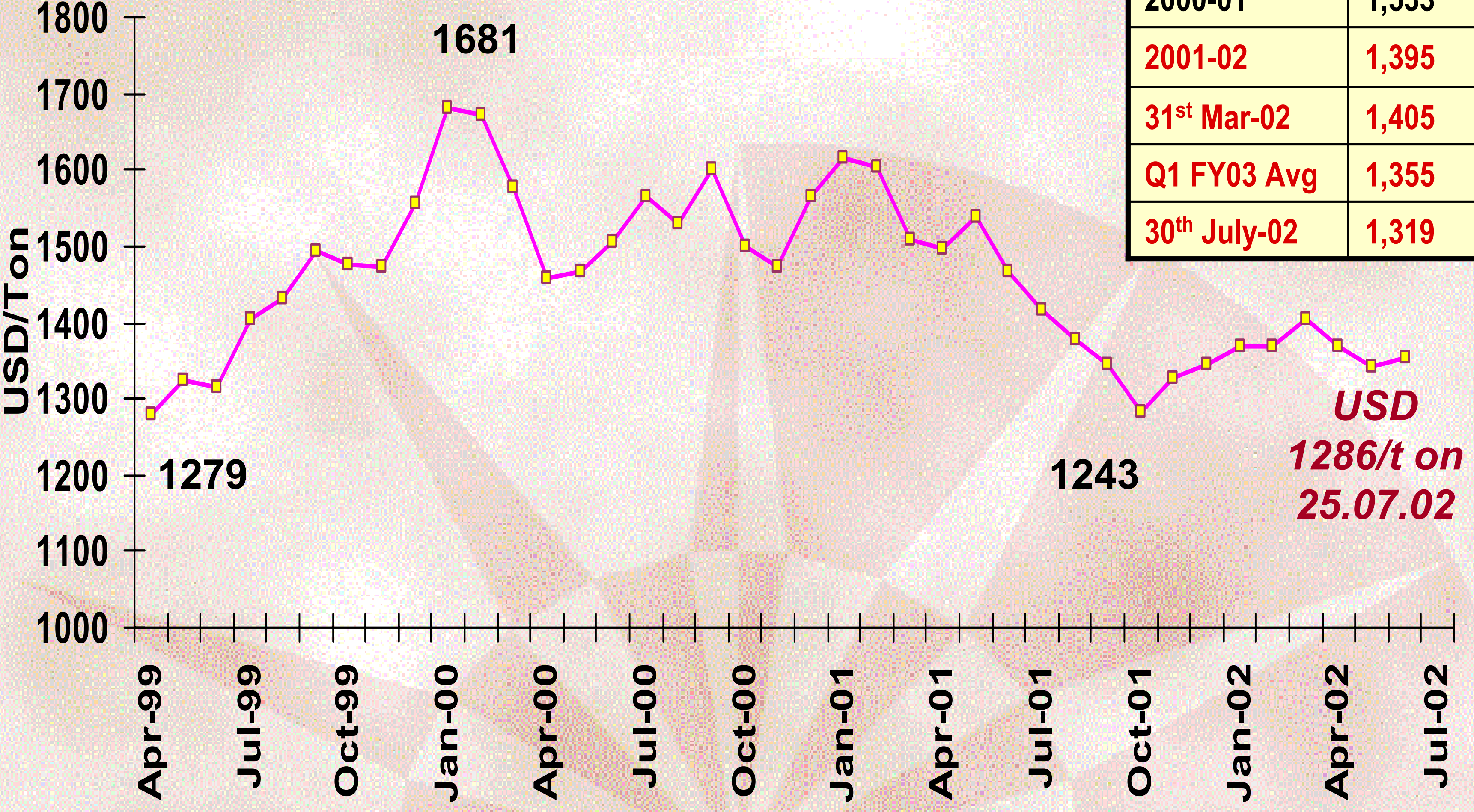
Aluminium Consumption growth			
Region	H1 CY 2002	CY 2001	CY 2000
North America	1.9	-14.0	-0.50
Asia	3.8	-6.7	13.9
Japan	-7.4	-9.0	5.8
China	9.9	10.2	15.4
Western Europe	-3.0	-0.5	4.0
World	1.0	-4.1	6.1
Aluminium Production Growth			
World	+4.5	+0.2	+3.1

Source: CRU Aluminium Monitor July, 2002

Global Scenario

- The slow and uncertain pace of US recovery and stock market crashes, have severely affected consumer confidence
- Erosion of wealth will lead to lower spending on autos, houses , white goods and travel – affecting sectors vital for Aluminium consumption growth.
- Production continues to grow and add to inventories despite weak fundamentals and continuation of US cutbacks.
- China continues to shine but cannot offset weak trends in US, Europe and Japan.
- Commodities including Aluminium must wait for a recovery of the US markets
- In July, LME prices have touched a low last seen in November 2001.

LME Cash Prices



Yearly Averages	
1998-99	1,291
1999-00	1,473
2000-01	1,533
2001-02	1,395
31st Mar-02	1,405
Q1 FY03 Avg	1,355
30th July-02	1,319

Domestic Scenario & Outlook

- Manufacturing sector grew by 3.7% in April – May 2002 – need for faster growth rates
- Q1 FY 2003 has seen positive trends in the Electrical, Transportation, Packaging and Strategic Application Sectors
- Building Construction and Consumer Durables have not fared as well
- The lower interest rate and varied financing options provide prospects of increased spending in Housing and Transport – but has also lowered incomes
- With Agriculture propping up GDP growth in the recent past - poor Monsoon is a cause of worry

The Scenario for Prices

International Market:

- The fundamentals must strengthen for prices to move up
- Strengthening is expected to be *very* gradual

Domestic Market:

- With unattractive international prices exports are not a preferred option
- Increased metal volumes from Hindalco, Nalco and Balco will increase competition in the primary segment
- Extrusions expected to pick up with larger growth from the Building & Construction and strategic segments
- Lower metal prices on a sustained basis may trickle down to the semi- fab segments
- Lower import tariffs and weak international prices are likely to result in convergence of domestic and international prices

Prices are likely to remain under pressure

Striving to create superior value for stakeholders

THANK YOU

HINDALCO

ADITYA BIRLA GROUP

HINDALCO INDUSTRIES LIMITED

Regd. Office: "Century Bhavan",3rd Floor, Dr.Annie Besant Road, Worli, Mumbai-400 025

UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE QUARTER ENDED 30TH JUNE, 2002

(Rupees in Million)

	Particulars	Quarter ended 30/06/2002	Quarter ended 30/06/2001	Previous Accounting Year ended 31/03/2002 (Audited)
1	**Net Sales**	**5,860**	**5,490**	**23,314**
2	**Other Income**	**315**	**326**	**2,109**
3	**Total Expenditure**	**3,591**	**2,970**	**13,374**
	(a). (Increase)/Decrease in Stock in Trade	(144)	(118)	(193)
	(b). Consumption of Raw Materials	1,307	1,093	4,756
	(c). Staff Cost	454	384	1,672
	(d). Manufacturing Expenses	1,588	1,237	5,549
	(e). Other Expenditure	386	374	1,590
4	**Interest**	**79**	**104**	**456**
5	**Gross Profit**	**2,505**	**2,742**	**11,593**
6	**Depreciation**	**413**	**370**	**1,543**
7	**Profit before Tax & Extraordinary Item**	**2,092**	**2,372**	**10,050**
8	(a). Provision for Current Tax	450	650	2,570
	Profit before Deferred Tax	1,642	1,722	7,480
8	(b). Provision for Deferred Tax	240	111	620
9	**Net Profit**	**1,402**	**1,611**	**6,860**
10	**Paid-up Equity Share Capital**			
	(Face Value : Rs.10/- per Share)	**737**	**745**	**745**
11	**Reserves (excluding revaluation reserve)**			**45,071**
12	**Basic & Diluted EPS (Rs.)**	**19**	**22**	**92**
13	**Aggregate of non-promoter shareholding**			
	(a). Number of shares	56,745,609	58,541,228	57,498,321
	(b). Percentage of shareholding	76.99%	78.61%	77.22%
14	**Metal Production (MT)**	66,867	61,585	261,338

SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED UNDER CLAUSE 41 OF THE LISTING AGREEMENT

(Rupees in Million)

	Particulars	Quarter ended 30/06/2002 (Unaudited)	Accounting Year ended 31/03/2002 (Audited)
1.	**Segment Revenue**		
	Aluminium Business	5,860	23,314
	Less: Inter Segment Revenue	-	-
	Net Sales/Income from operations	**5,860**	**23,314**
2.	**Segment Results (Profit/Loss before Tax and interest from each Segment)**		
	Aluminium Business	1,881	8,518
	Less: Interest Paid	(79)	(456)
		1,802	8,062
	Add: Other un-allocable Income net off un-allocable expenses	290	1,988
	Profit before Tax	**2,092**	**10,050**
3.	**Capital Employed (Segment assets-Segment liabilities)**		
	Aluminium Business	**33,264**	**33,148**

Notes:

1 The Company has raised debt of Rs. 1,000 million in July, 2002 for general corporate purposes by issuing 7.95% Secured Redeemable Non-Convertible Debentures having maturity period of 7 years with a put/call option at the end of 5th year.

2 On 21st July, 2002 the Board of Directors of the company approved a draft scheme of amalgamation of Indo Gulf Corporation Limited (Remaining Business after demerger of fertilizer undertaking at Jagdishpur) with the Company with effect from 1st April 2002 subject to requisite approvals and sanctions. As per the scheme the company will issue one fully paid-up equity share for each twelve shares to the shareholders of Indo Gulf Corporation Limited and the Company's issued and paid-up capital would increase to Rs.924.75 million. The above results does not include results of the Indo Gulf Corporation Limited.

3 The Board of Directors of the Company at the above meeting has also approved : -

(a) acquisition of 18,182,507 Equity Shares of Indian Aluminium Company Limited representing remaining 25.5% of its equity share capital to make it a wholly owned subsidiary through an open offer to public shareholders at a price of Rs. 120/- per share; and

(b) closure and discontinuance of the Company's offer dated 1st February, 2002 to buy-back its equity shares, with effect from 22nd July, 2002. Under this offer the Company has bought back its 758,530 equity shares for a total consideration of Rs. 557 million.

4 The above results have been taken on record at the meeting of the Board of Directors of the Company held on Wednesday, 31st July, 2002.

By and on behalf of the Board

Place: Mumbai
Dated: 31st July, 2002

A.K. Agarwala
Whole-time Director