Hindalco Industries Limited

Performance Review
Consolidated 2007-08

Presentation to the Investors
20th June’08
## Hindalco: Impressive Growth

<table>
<thead>
<tr>
<th></th>
<th>FY 00</th>
<th>FY 08</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales $Bn</td>
<td>0.47</td>
<td>14.8</td>
<td>64%</td>
</tr>
<tr>
<td>EBITDA $Bn</td>
<td>0.25</td>
<td>1.8</td>
<td>33%</td>
</tr>
<tr>
<td>PAT $Bn</td>
<td>0.15</td>
<td>0.6</td>
<td>22%</td>
</tr>
<tr>
<td>Capital employed $ Bn</td>
<td>1.00</td>
<td>14.1</td>
<td>46%</td>
</tr>
<tr>
<td>Business Segments</td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Plants</td>
<td>2</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td>Countries</td>
<td>1</td>
<td>13</td>
<td></td>
</tr>
</tbody>
</table>

- **Spread Across 5 continents**
Hindalco Growth Path 2000-2008

- Copper business acquisition and expansion to 250,000 tpa
- Acquisition of Nifty & Mt. Gordon Copper Mines
- Increase stake in Utkal from 20% to 55%. Further increased to 100% in 2007.
- JV agreement signed with Almex for aerospace alloys
- Acquisition of Novelis

- Majority stake in Indal through largest all-cash acquisition in India
- Aluminium Expansion at Renukoot to 342,000 tpa, Hirakud to 65,000 tpa
- Doubling of copper capacity to 500,000 tpa
- Listing of Aditya Birla Minerals Ltd. on Australia Stock Exchange in May 2006 raising AUD 299 million
- Doubling of Hirakud Smelter capacity to 143,000 tpa
- Alumina Expansion at Muri
## Hindalco: Global Non Ferrous Metals Company

<table>
<thead>
<tr>
<th>Copper</th>
<th>Aluminium</th>
</tr>
</thead>
<tbody>
<tr>
<td>India: One of the largest single location Smelters with integrated port facilities located at Dahej, Gujarat.</td>
<td>India: India's largest aluminium producer having low cost upstream operations with power / coal backup, and strategically located downstream units close to the markets. Pursuing several exciting upstream projects.</td>
</tr>
<tr>
<td>Australia: In 2005, Hindalco acquired and put into operation copper mines at Nifty and Mt. Gordon. The Australian subsidiary, ABML is the first Indian Company to be listed on the ASX.</td>
<td>Novelis: In May 2007, Hindalco completed the acquisition of Novelis - an acquisition so significant, it still engages headline writers. Novelis has manufacturing presence in 4 continents and has marketing presence worldwide.</td>
</tr>
</tbody>
</table>

### A Multinational Company with over 33,000 employees with 15 Nationalities
## Consolidated Hindalco: Dimensions

### Number Of Entities

<table>
<thead>
<tr>
<th></th>
<th>FY 07</th>
<th>FY 08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidiaries</td>
<td>18</td>
<td>57</td>
</tr>
<tr>
<td>Associates</td>
<td>01</td>
<td>06</td>
</tr>
<tr>
<td>Joint Ventures</td>
<td>02</td>
<td>02</td>
</tr>
</tbody>
</table>
46 Operations in 13 countries

Locations
- Bauxite
- Alumina
- Primary
- Rolled Products
- Extrusion
- Recycling
- Wheels
- Power
- Coke
- Regional Office
- Executive Office
- Sales Center
- Research and Development
- Copper Mines
- Copper Smelter

USA
- CANADA
- S. AMERICA
- EUROPE
- ASIA
- AUSTRALIA
Consolidating position in two of the fastest growing metals in the world

![Graph showing growth multiples of different metals from 1960 to 2005. The metals include Tin, Lead, Crude Steel, Zinc, Nickel, Copper, and Aluminium. Each metal's growth is represented by a separate line, with Aluminium showing the highest growth multiple.]
Global Portfolio: FY07 VS FY08 Operational Performance

Higher Production Volumes

Volume Growth in Aluminium Metal
- 31%

Volume Growth in Aluminium FRP
- 1429%

Volume Growth in Aluminium Extrn.
- 13%

Volume Growth in Copper Cathodes
- 12%

Volume Growth in Copper Concentrate
- 74%

Volume Growth in CC Rods
- 28%
## Consolidated Financial Highlights

(Rs. Crores)

<table>
<thead>
<tr>
<th>Results</th>
<th>FY 2006-07</th>
<th>FY 2007-08</th>
<th>(Bn US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>19,316</td>
<td>60,013</td>
<td>4.2</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>4,840</td>
<td>7,291</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>3,975</td>
<td>4,835</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Profit before Tax</strong></td>
<td>3,662</td>
<td>2,986</td>
<td>0.8</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>2,686</td>
<td>2,387</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>Capital Employed</strong></td>
<td>23,285</td>
<td>56,266</td>
<td>5.4</td>
</tr>
<tr>
<td><strong>Net Worth</strong></td>
<td>12,814</td>
<td>17,346</td>
<td>2.9</td>
</tr>
</tbody>
</table>

4.3 2.9 14.1 5.4 0.6 0.9 1.2 0.8 0.6 5.4 14.1 2.9 4.3
Towards Sustainable Predictable Growth

2007

- India centric Operations
- Globally cost Competitive due to secured key inputs
- Presence in upstream predominantly commodity segment

Sustainable Future

De-risked Operations owing to
- Presence in multiple geographies
- Costs and revenues in different currencies
- Presence across the value chain

Hindalco Cost Advantage & Novelis Technology & customer base, offers Enormous growth potential especially in emerging markets.

2015

- Global scale of Operations
- High Value added Products
- Marquee Customer base
- Multi location, Proximity to Customers
- Advanced Technology

Recycled aluminium an important growth segment going forward with Rising power costs and scarcity of Raw material. Growth in both primary as well as recycled aluminium segment
## Novelis: Significant EBITDA & Free cash Flow improvement

### Normalised EBITDA ($Mn)

<table>
<thead>
<tr>
<th></th>
<th>FY07</th>
<th>FY08</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normalised EBITDA ($Mn)</td>
<td>303</td>
<td>491</td>
<td>62%</td>
</tr>
</tbody>
</table>

Free cash Flows improved by $ 164 Mn

Driven By……..

- Reduced price ceiling exposure
- Product Mix & Price Gains
- Volume improvements
- WC management
Hindalco Standalone Overview
Backdrop: FY08, a Challenging year

Adverse Global Macro economic factors

Sharp appreciation of INR Vs USD

Average Al LME lower than last year

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY07</th>
<th>Q2 FY07</th>
<th>Q3 FY07</th>
<th>Q4 FY07</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY07</td>
<td>45.47</td>
<td>46.37</td>
<td>45.47</td>
<td>39.82</td>
</tr>
<tr>
<td>FY08</td>
<td>Avg FY 07 - 45.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY08</td>
<td>Avg FY 08 - 40.5</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

11%

FY 07 Average - US$2,664
FY08 Average - US$2,623

US$/Mt

FY 07

FY 08
Adversities On Domestic Front Too......

- Reduced Import duty differential
  - Aluminium Customs duty down from 8.08% to 5.72%
    - Annual Impact- Rs.109 Cr
  - Copper duty differential down from 4.9 % to 3.1 %.
    - Annual Impact- Rs.57 Cr
Impact Of Adverse Macroeconomic Trends

Sharp fall in Aluminium Realisation

(Rs/Mt)

FY07 FY08

125,400 111,098

YOY drop 11%

Q4 FY07 Q4 FY08

131,124 111,748

QOQ drop 15%
Copper - Strong Demand & Prices

Copper LME continues to be strong with falling stock

But little to cheer for Custom smelters as TC/RC remained subdued.

* 2008 LME figures is Till March’08

Indexed

FY07 Avg

FY08 Avg

* 2008 LME figures is Till March’08
Backdrop : FY08, a Challenging year

Incessant Cost Push

Energy prices reached all time highs

Surging Freight costs

WTI Crude ($/bbl)
Nymex Natural gas ($/mbtu)

Baltic Dry Freight Index

H1 FY07: 3141
H2 FY07: 4442
H1 FY08: 7107
H2 FY08: 8626
Performance Overview:

The following steps had already been taken which helped in mitigating the adverse macro economic impact

- Aluminium
  - Brownfield expansion:
    - Timely progress of Hirakud expansion led to incremental production growth of 35% compared to FY07
  - De-bottlenecking smelter assets
    - At Renukoot- Metal production enhanced by more than 9,200 Mt
  - Continued sweating of assets in downstream businesses resulting in
    - Higher value added downstream production (FRP up 2%, extrusion up 13%)
  - Focus on improving markup of value added products
    - FRP-exports net markup grew by 7% & Extrusion exports net markup grew by 28% during FY08 through improved product mix and better premium.
    - Domestic markups also improved for FRP (3%) as well as Extrusions (16%)
Performance Overview continued…..

- Copper
  - Improved operating efficiency
    - Cathode production increased by 12% to 324KT (19% growth excluding production from Cu II in FY07)
    - Continuous Cast Rod production rose by 28% to 140KT
    - Conversion costs improved significantly
  - Improved geographic & product mix
    - More sales in domestic markets (up 37%)
    - Increased Continuous Cast Rod Sales (up 27%)

- Alumina
  - More sale of Specials in domestic market (52% of total sales as against 49% during FY07)
Operations: FY 2008 at a Glance

- Highest ever Aluminium production at 477,726 T
- Highest ever FRP production at 215,198 T
- Highest ever Extrusion Production at 43,315 T
- Highest ever Copper cathode Production at 323,883 T
  
  19% growth excluding Cu II production in FY 07
- Highest ever Copper CC rod production at 139,833 T
- Improved Copper conversion cost
  
  Without by-product credit

All round improvement in Operating performance
## Hindalco Stand-alone Financials: Recap FY08 VS. FY07

### (Rs. Cr)

<table>
<thead>
<tr>
<th>Change</th>
<th>FY07</th>
<th>FY08</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales &amp; Op revenues</td>
<td>18,313</td>
<td>19,201</td>
<td>5%</td>
</tr>
<tr>
<td>EBIDTA</td>
<td>4,385</td>
<td>3,894</td>
<td>-11%</td>
</tr>
<tr>
<td>PBT</td>
<td>3505</td>
<td>3026</td>
<td>-14%</td>
</tr>
<tr>
<td>PAT (before tax write backs)</td>
<td>2564</td>
<td>2320</td>
<td>-10%</td>
</tr>
<tr>
<td>PAT (after tax write backs)</td>
<td>2564</td>
<td>2861</td>
<td>12%</td>
</tr>
<tr>
<td>Basic EPS</td>
<td>25.5</td>
<td>24.5</td>
<td>-4%</td>
</tr>
</tbody>
</table>

### (Mn US$)

<table>
<thead>
<tr>
<th>Change</th>
<th>FY07</th>
<th>FY08</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIDTA</td>
<td>4025</td>
<td>4741</td>
<td>18%</td>
</tr>
<tr>
<td>PBT</td>
<td>964</td>
<td>961</td>
<td>-</td>
</tr>
<tr>
<td>PAT (before tax write backs)</td>
<td>770</td>
<td>747</td>
<td>-3%</td>
</tr>
<tr>
<td>PAT (after tax write backs)</td>
<td>564</td>
<td>573</td>
<td>2%</td>
</tr>
<tr>
<td>Basic EPS</td>
<td>0.56</td>
<td>0.60</td>
<td>7%</td>
</tr>
</tbody>
</table>
Aluminium Business
Aluminium Performance affected due to 11% drop in metal realisation & sharp increase in input costs.

<table>
<thead>
<tr>
<th></th>
<th>FY 07</th>
<th>FY08</th>
<th>Change (%)</th>
<th>FY07</th>
<th>FY08</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Rs. Cr)</td>
<td>7,344</td>
<td>7,145</td>
<td>-3%</td>
<td>1,614</td>
<td>1,764</td>
<td>9%</td>
</tr>
<tr>
<td>(Mn US$)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales &amp; Operating Revenue</td>
<td>2,929</td>
<td>2,423</td>
<td>-17%</td>
<td>644</td>
<td>598</td>
<td>-7%</td>
</tr>
</tbody>
</table>

Note: As per SEBI Format
Cost escalations: Cost Push to Continue

CP Coke Price at all time high

Fuel Oil Price at High Levels

 Coal price gone up by 10% from Q4 FY07.

- Alloying element prices have moved up significantly
- Crude price increase is a major factor for most cost escalations
  - Higher crude derivative costs such as CP coke or Fuel oil
  - Higher freight costs
  - Higher alternate energy sources cost

Aluminium

Cost escalations: Cost Push to Continue

CP Coke Price at all time high

Fuel Oil Price at High Levels

Coal price gone up by 10% from Q4 FY07.

- Alloying element prices have moved up significantly
- Crude price increase is a major factor for most cost escalations
  - Higher crude derivative costs such as CP coke or Fuel oil
  - Higher freight costs
  - Higher alternate energy sources cost
Adversity Mitigation: Consistent production growth

All round improvement in production

Source: Company Data
Adversity Mitigation: Maximising sales revenue through

Improved Aluminium sales volume ...

Consistent increase in value added sales volume

<table>
<thead>
<tr>
<th>Year</th>
<th>Aluminium Sales Volume</th>
<th>Value Added Sales Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 07</td>
<td>441,301 Mt</td>
<td>152 ‘000 Mt</td>
</tr>
<tr>
<td>FY 08</td>
<td>473,429 Mt</td>
<td>180 ‘000 Mt</td>
</tr>
</tbody>
</table>

+7% increase in the Aluminium sales volume from FY 07 to FY 08.
High input costs & adverse macro-economic factors are affecting even the global leaders; but our margins maintained.

**EBIT comparison**

<table>
<thead>
<tr>
<th></th>
<th>Hindalco</th>
<th>Global Major 1</th>
<th>Global Major 2</th>
<th>Indian Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 FY07</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>76</td>
<td>56</td>
<td>26</td>
<td>72</td>
</tr>
</tbody>
</table>

**EBIDTA Margin fall contained**

FY 07 Indexed: Base =100 (All currencies translated into US$)

EBIT as per SEBI format for Hindalco
Copper Business
FY 08 key levers of performance

- All round improvement in performance...
  - In FY 08, compared to FY 07
    - Cathode production increased by 12%
    - Continuous Cast Rod production rose by 28%
    - Sulphuric Acid production increased by 15 % to 1,023KT
    - Overall Copper sales volumes up 10 %, to 320KT
- Improved product & market mix (more domestic & CC rod) resulted in higher realizations
- Significantly higher by-product Realization as compared to FY07.
- Operating efficiency and Conversion cost improved.
Improvement in bottom line in spite of drop in the TCRC

Better working capital management, Operational efficiency & higher by-product credits boosted the bottom line by 20% even though TCRC dropped by 30%
## Copper Business Performance

**Note:** As per SEBI Format

<table>
<thead>
<tr>
<th>FY07</th>
<th>FY08</th>
<th>Change (%)</th>
<th>Net Sales &amp; Operating Revenue</th>
<th>FY07</th>
<th>FY08</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,978</td>
<td>12,066</td>
<td>10%</td>
<td></td>
<td>2413</td>
<td>2979</td>
<td>23%</td>
</tr>
<tr>
<td>517</td>
<td>503</td>
<td>-3%</td>
<td>EBIT</td>
<td>114</td>
<td>124</td>
<td>9%</td>
</tr>
</tbody>
</table>

*(Rs. Cr) & ($ Mn)*
Aluminium Outlook
Aluminium demand expected to be robust.

World Aluminium consumption to grow sharply driven largely by China

Regional Metal Imbalance to grow, leading to deficit in the relevant markets

Asia’s Supply Gap (excluding China & Middle east) to remain large.

Source: CRU Long term Outlook -2007

Source: CRU April’08
Major investments required for the production to catch up with demand

By 2010, ~ 1.1 Mn Tonnes additional smelting capacity needed to meet the world demand. The gap is expected to rise to 32.7 Mn tonnes by 2030.

Capex for new smelter construction to be significantly higher
Operating cost Increase to Keep the Prices Up

- Last quartile of the cost between US$2,014 and US$2,700 in CY2007 as per CRU
- 2008 will be even higher
- 1/4th of the world capacity has to be shut down if the prices fall below US$2,000.

Source CRU 2007 data

(%) of World Production
Other Drivers influencing price

• Power shortages: Almost a million tonne metal production was lost in last 12 months; of which Chinese smelters lost around 600,000 tonnes

• South African power supplier ESCOM is running short of power generating capacity and also facing issues with coal supplies
  - Around 10% production cut in Hillside, Bayside and Mozal smelters of total capacity of 1.5mn tonnes

• Production cut in Rio’s smelter in New Zealand due to lower water level

• Power cuts in Tajikistan smelter & in Brazil

• Rising oil and coal prices

• Increasing interest by funds in the commodities on account of depressed equity markets following sub prime crisis.

• Rumors of increase in export tax on Aluminium in China
Conclusion: Prices to remain strong

In recent months, in spite of an increase in LME stock, prices have shown an upward trend in anticipation of supply concerns.

A rising forward curve reflects the bullish sentiments about aluminium prices.
Copper Outlook
Copper Price Forecast

- Prices expected to remain strong through 2008 on account of continued strong demand & concerns about Supply
  - **Demand**: Chinese copper consumption continue to drive the market
  - **US consumption decline will be offset by demand from emerging markets**
  - **Supply**: Restricted Chilean supply due to energy, security, water availability and labour unrest
  - **Delay in New mine capacities due to Socio-political & environmental issues**
  - **Increasing interest by funds in the commodities on account of depressed equity markets following sub prime crisis**
  - **Rising Capital & Operating costs due to increased input, interest costs and declining copper grades**
Low global copper inventories & strong price forecast

Copper stock at historically low levels has led to strong price forecast in coming years

Source: Brrok Hunt May 2008

<table>
<thead>
<tr>
<th>Year</th>
<th>Bloomberg Average LME (USD/t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>7878</td>
</tr>
<tr>
<td>2009</td>
<td>6951</td>
</tr>
<tr>
<td>2010</td>
<td>5089</td>
</tr>
<tr>
<td>2011</td>
<td>4917</td>
</tr>
</tbody>
</table>
India and China followed by E.Bloc are the main drivers of copper demand, thereby offsetting weaknesses elsewhere.
India Presents Significant Growth Potential ...

Copper Per Capita Consumption

Per capita consumption of Cu in India and China is very low

Source: Population CIA fact book July '07 estimates Copper consumption Q4 2007
Brook hunt
Custom smelters: No immediate relief

- TC/RC expected to continue to remain subdued on account of
- Tightness in concentrate supply as incremental supplies finding difficult to keep pace with demand
  - High input costs, rising capex, credit crunch & environmental issues resulting into delay in planned production
  - Major new discoveries and projects located in politically sensitive countries and involve high risk
- Strong refined copper demand resulting in continued expansion in smelting capacities
- Higher consolidation in the mining industry resulting in increased supplier power
Projects
Muri Alumina Expansion

• Basic & Detailed Engineering - Completed
• Environmental Clearance - “Consent to Operate” application filed on 24.11.07.
  o Inspection completed. Deemed consent
• Other Statutory Clearances - Obtained
• Land for future mud disposal site - Notification acquisition by Govt. awaited
• Construction Status -
  o Muri expansion Overall- Commissioning in progress
    • Power Plant Overall- +99% complete
    • Refinery Overall- Commissioning in Progress.
    • Rail Network Overall- Completed and Rail movement commenced.
Hirakud Expansion

• Smelter – Phase-I (35 kTPA expn.)-
  o Completed in Dec’06 & operation stabilized.
  o Phase-II (43 kTPA expn.)–
    o Conversion of 314 pots completed and operations stabilized
    o Conversion of balance 86 pots in progress.
    o Completion Date of Phase II: Q2 ’FY 08-09

• Power - 100MW (Unit#4), Three boilers and single turbine
  o Commissioned with two boilers (Boiler-10 & 11) on 8th Feb 08
  o 100 MW generation achieved on 17th May08
  o All systems stabilised
Utkal Alumina Project

Project Highlights

- **Mining**
  - 4.5 million tpa bauxite mining capacity at Baphlimali (Rayagada District)

- **Refinery**
  - 1.5 million tpa alumina refinery at Doragurha (Rayagada District), which after debottlenecking can produce 2 million tpa within 3 years of startup

- Land - Land acquisition mostly completed. R&R scheme Phase 1 completed and Phase 2 is under implementation
- Technology - Technology supplier finalized (Alcan). Basic engineering completed
- EPCM consultants – Finalized for all major areas
- Equipments- Major orders issued for all major equipments. Imported supplies for various packages has started arriving.
- Clearances – All major clearances are in place
- Organization – Project organization finalized. Recruitment being done as required

- **Mechanical Completion Date** – Q3’ 2010
Aditya Alumina and Aluminium Project

Project Highlights

- **Mining**
  - 4.2 million tpa bauxite mining capacity at Kodingamali (Koraput District)

- **Refinery**
  - 1.5 million tpa alumina refinery at Kansariguda (Rayagada District), which after debottlenecking can produce 2 million tpa within 3 years of startup

- **Coal**
  - 20 million TPA JV Coal Mine at Ib Valley, Talabira 2& 3, Orissa

- **Power**
  - 900 MW capacity captive power plant at Lapanga

- **Smelter**
  - 359 ktpa capacity aluminium smelter at Lapanga

- Technology agreement with Aluminium Pechiney (AP) signed. SIA clearance from Government received. Alumina Technology tie up with ALCAN signed
- Engineering consultant for smelter as well as power plant finalised and Engineering work in progress.
- In-principle approval obtained for 855 ha of SEZ at Lapanga, district Sambalpur. Area measuring 115.71 ha is already notified.
- Water: Agreement signed for drawal of water.
- Environment Clearance for Kodingamali Mine cleared by expert env. committee of MoEF.
- **Expected date of Project completion: Q3’2011**
Mahan Aluminium Project

Project Highlights

- **Smelter**
  - 359 ktpa capacity aluminium smelter near Bargawan, Singrauli District of Madhya Pradesh

- **Power**
  - 900 MW capacity captive thermal power plant near Bargawan, Sidhi District of Madhya Pradesh

- **Coal**
  - 3.5 million tpa of coal from Mahan Coal Block of Main Basin in Singrauli Coal Fields (in joint venture with Essar Power)

Coal: Coal block allotted in Apr’06 in JV with ESSAR. Pre project activities in progress.

SEZ: Govt. of India extended the validity of in-principle approval of SEZ up to 31st Oct’08

Construction Power: 132KV grid connectivity approved.

Water: Water resource department of GOMP has allotted 45.12 cusecs

Environmental Clearances: Application has been submitted to MOEF on 31st January 07 and TOR obtained from MoEF on 18th July 2007. Public hearing conducted on 14th Mar’08.

Technology Agreement: Signed with Pechiney for Smelter. SIA clearance obtained.

EPCM consultant: For Smelter & Power plant finalised

Expected Commissioning date: Q3’2012
Jharkhand Aluminium Project

Project Highlights

- **Smelter**
  - 359 ktpa capacity aluminium smelter at Jharkhand

- **Power**
  - 900 MW capacity captive thermal power plant at Jharkhand

- **Coal**
  - 4.6 million tpa of coal from Tubed Coal Mine of Auranga Coal Fields, Jharkhand (in JV with Tata Power) inclusive of 0.6 million tpa coal requirement of Muri

Tubed Coal Mine Allotted-

Joint venture formed between Tata power and Hindalco. JV agreement in progress

Water Allocation – awaiting clearance from GoJ for 55 MCM water from Subernrekha basin.

Land Acquisition: Few sites have been short listed but work can start only after GoJ indicates the location of water source.

Technology Agreement signed with Aluminium Pechiney for Aluminium Smelter

All other activities can start only after finalisation of location of water and land is cleared by GoJ.

**Expected Commissioning date: Q3’2013**
Summary: Hindalco Operations

A Challenging year, on account of macroeconomic factors & these factors are here to stay……

Anticipation of the adverse trend and the remedial steps taken to face the emerging challenges have helped in containing the adverse impact

TCRC will continue to have a negative influence on Copper Business; enhanced asset productivity, containment of input costs will be key.

Domestic consumption growth for both aluminium and copper augers well for Hindalco, which has embarked on the ambitious growth plan through the low cost greenfield aluminium projects

So, inspite of major challenges in the coming volatile period, the Management feels encouraged to face them and to maintain the growth trend.
Aditya Birla Minerals
ABML - Highlights

- Highest Metal production since acquisition of mines.
- Long Hole - Stope mining has successfully been implemented in the Nifty underground mine.
- The project for Oxide Heap re-treatment has been taken forward - construction of screening and washing plant is in progress.
- Explorations / infill drilling is in progress in MGO to extend the mineralization at depth with encouraging initial result - Construction of a new haulage shaft has been conceptualised for cast reduction by increasing ore production from depth and extension of mine life.
- Ongoing underground drilling has successfully extended mine life of MGO till 2012. Further explorations drilling is in progress in MGO.
- Development of Esperanza south UG mine is being taken up in FY09.
- Maroochydore- Scoping study is in progress.
## ABML Financials - FY 08

<table>
<thead>
<tr>
<th>(Rs. Crs)</th>
<th>FY07</th>
<th>FY08</th>
<th>Chg (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>1127</td>
<td>2335</td>
<td>107%</td>
</tr>
<tr>
<td>EBIT</td>
<td>39</td>
<td>562</td>
<td>1342%</td>
</tr>
<tr>
<td>Operating Cash Flow*</td>
<td>-390</td>
<td>447</td>
<td>215%</td>
</tr>
</tbody>
</table>

* Operating Cash Flow is after capex and mine development expenditure

---

**EBIT Trend (Rs. Crs)**

- FY 05: -99
- FY 06: -40
- FY 07: 39
- FY 08: 562
Novelis
Novelis Acquisition - A Recap

• In May 2007, Hindalco acquired Novelis for US$6 billion

• The rationale:
  
  o *Immediate global reach and scale along with technological expertise*
  
  o *Downstream business derives its margin through conversion mark-up, should act as a natural hedge for LME-driven, volatile, upstream commodity business*
  
  o *Industry leading technology, assets and expertise can be leveraged to grow high-value-added, flat rolled products in fast-growing markets such as India and China*
Challenges of the Acquisition

• Quick completion: Approvals from government agencies, company boards, lenders and courts

• Integration: Integration of companies with diverse cultures, nationalities across various levels and functions

• Retaining cutting edge: Spirit and capability of innovation, key customer relationships, people skills to be expanded across greater Hindalco

• Identifying and realising synergies: IT and risk management skills, jointly realising downstream vision, and international marketing

• Improving Novelis’ financial performance: focus on costs, operations, pricing and working capital
Sustaining Global Leadership

- Thrust on recycling Capacities: New investments and de-bottlenecking
- Increasing rolling capabilities through mill upgrades and innovative practices
- Renewed focus on OEE & energy efficiencies
- Partnering with customers for product development/enhancement:
  Several auto programs on the anvil
- Leverage on first mover advantage in high value added product segments in India
To Sum Up: Beginning of an exciting new era

- Hindalco has embraced an aggressive growth plan, a combination of organic & inorganic growth
- Upstream growth through organic route; a prudent mix of Brownfield & Greenfield expansions
- Downstream growth through acquisition (Novelis)

Priorities

- Maintain Growth Momentum
  - Continued stress on operational excellence

- Build New Assets
  - Progress on planned Greenfield projects & deliver as per schedule

- Realise Novelis Synergies
  - Financial turnaround
    - With continued Operational improvement
    - Leverage on technology

Well Positioned for Greater Value Creation
Safe Harbor Statement

Statements made in this presentation which describe Novelis' intentions, expectations or predictions may be forward-looking statements within the meaning of securities laws. Forward-looking statements may include statements preceded by, followed by, or including the words "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," or similar expressions. Novelis cautions that, by their nature, forward-looking statements involve risk and uncertainty and that Novelis' actual results could differ materially from those expressed or implied in such statements. Important factors which could cause such differences include: the level of our indebtedness and our ability to generate cash; relationships with, and financial and operating conditions of, our customers and suppliers; changes in the prices and availability of aluminum (or premiums associated with such prices) or other raw materials we use; the effect of metal price ceilings in certain of our sales contracts; our ability to successfully negotiate with our customers to remove or limit metal price ceilings in our contracts; the effectiveness of our hedging activities, including our internal used beverage can and smelter hedges; fluctuations in the supply of, and prices for, energy in the areas in which we maintain production facilities; our ability to access financing for future capital requirements; continuing obligations and other relationships resulting from our spinoff from Alcan; changes in the relative values of various currencies; factors affecting our operations, such as litigation, labor relations and negotiations, breakdown of equipment and other events; economic, regulatory and political factors within the countries in which we operate or sell our products, including changes in duties or tariffs; competition from other aluminum rolled products producers as well as from substitute materials such as steel, glass, plastic and composite materials; changes in general economic conditions; our ability to maintain effective internal control over financial reporting and disclosure controls and procedures in the future; changes in the fair market value of derivatives; cyclical demand and pricing within the principal markets for our products as well as seasonality in certain of our customers’ industries; changes in government regulations, particularly those affecting environmental, health or safety compliance; changes in interest rates that have the effect of increasing the amounts we pay under our principal credit agreements and other financing arrangements; the development of the most efficient tax structure for the Company; and the integration with Hindalco. The above list of factors is not exhaustive. Other important risk factors are included under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2008, as filed with the SEC, and may be discussed in subsequent filings with the SEC. Further, the risk factors included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2008, are specifically incorporated by reference into this presentation.
Operational Highlights

Martha Finn Brooks
President and Chief Operating Officer
Significant Financial Improvements

Normalized Operating EBITDA increased 62%

Free Cash Flow improvement: $164 M*

* FY’08 FCF reduced by acquisition cost of $92 M
Achieving Higher Profitability

Record production in key locations

Can ceiling volumes reduced from approximately 20% - 10% of global sales

Portfolio improvements

Price increases

Novelis Fusion expanded to each of our four regions

Working capital improvements: better inventory, logistics and accounts receivable management

Significant SG&A cost reductions, primarily corporate office

$65 M Net of input cost increases
Overcoming Challenges

New metal risk management program

One contract with can price ceiling remains

Cost increases in energy, freight and alloys - $110 M

Softness in certain North American markets – housing and transportation

LME and SHFE volatility

Strong Real (BRL) and Euro (EUR)
Strong Growth for Flat Rolled Products
Novelis a Market Leader in All Regions

North America -6.2%

Latin America +9.3%

Western Europe +2.6%

Middle East +10.2%

Eastern Europe & CIS +10.7%

Asia Pacific +18.6%*

Japan -1.2%

Global growth + 4.2%

Source: CRU, 2007 as compared to 2006 flat rolled products consumption
Growth in Aluminium Beverage Cans

Source: CRU, Aluminium Flat Rolled Products Quarterly, May 2008
Novelis is Leader in Can Sheet Market

- **North America**: 5 YR CAGR* 0.3%
- **Europe**: 5 YR CAGR* 6.1%
- **Latin America**: 5 YR CAGR* 4.2%
- **Asia Pacific**: 5 YR CAGR* 1.8%

**Novelis**
- 37% global market share
- #1 producer in all regions

* CAGR Percentage Increase 2007 - 2012
Source: CRU, Aluminium Flat Rolled Products Quarterly, May 2008
Aluminium Use in Autos – North America

Source: Ducker Worldwide 2006
Aluminium Use in Autos – Europe

Sources: Ducker Research, Knibb Gormezano & Partner, EAA, AMM, JAA, GDA, McKinsey, Novelis
Novelis is Leader in Auto Sheet Market

North America

Europe

Korea

Novelis

- Preferred partner for automakers
- Over 70 models in production
- 4.5 million vehicles this year
- First entry into Asia

Source: Novelis estimates
Global Footprint for Novelis Fusion™

Oswego, New York
- Installation of new melting furnace this spring will significantly increase Novelis Fusion™ casting capacity

Ulsan, South Korea
- Smooth, rapid startup. Commercial volume production started in March

Sierre, Switzerland
- Greenfield casthouse commissioned in April. Novelis Fusion™ casting to begin in August

Ouro Preto, Brazil
- Investment announced May 2008. Facility to be operational in 2009
Growth Platforms for Novelis Fusion™

Global markets
Heat exchangers
Automotive structures and body panels

Regional markets
Household Appliances
Architectural/Building
High Pressure Cylinders
Existing Clad Products
Transportation

Examples of target markets for Novelis Fusion
Investments for Strategic Growth

Completed in FY’08
Start-up laser cutting center at Sierre ($4M)
Install new melting furnace at Pinda ($7M)
Start-up Novelis Fusion™ at Ulsan ($5M)
Expand rolling mill at Yeongju ($30M)
Construct new casthouse at Sierre ($49M)

In Progress
- Start-up Novelis Fusion production at Sierre
- Install new melting furnace at Oswego ($9M)
- Upgrade anneal/lacquer line at Nachterstedt ($17M)
- Upgrade rolling and recycling at Pinda ($21M)
- Install Novelis Fusion™ at Ouro Preto ($5M)
- Pilot project to integrate IT systems in Brazil ($5M)
- Expansion of hydro capacity in Brazil ($41M)
Cost-effective Research & Development

Kingston Global Technology Center -- innovation partnering and consolidation of footprint through facility sharing with a leading Canadian university

Exited Neuhausen, moved resources to market-focused innovation centers at Gottingen, Dudelange and Sierre

Opened innovation center in Ulsan

Strengthened in-house capabilities for molten metal & advanced solidification technology

“Solution Center” tools and techniques fostering creativity, helping customers to solve challenges and find solutions
Product and Process Innovation

Goals:

- Generate increasing levels of profits from new products, process or business model breakthroughs
- Be rated best innovation partner by our customers

NIMES: Novelis Innovation Management and Execution System
Customer and Industry Recognition

World Excellence Award - Ford Motor Co.

Supplier of the Year - Alcoa Architectural Products

Supplier of the Year - Plus Pack, a leading European packaging company

Recycling Industry Award - Valpak, a leading UK provider of recycling solutions

- Design & Innovation Award for Novelis Fusion™ - The Manufacturer

- Export Tower Award for top performing exporter - Republic of Korea
Driving the Conversion Model

12% Growth
FY 2007 – FY 2008

[Diagram showing the breakdown of growth into Price/Mix, Currency, and Volume]
Regional Highlights: North America

FY07 vs FY08

<table>
<thead>
<tr>
<th></th>
<th>FY07</th>
<th>FY08</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRP Shipments (kt)</td>
<td>1,135</td>
<td>1,102</td>
<td>(3)</td>
</tr>
<tr>
<td>Sales ($ M)</td>
<td>3,722</td>
<td>4,110</td>
<td>10</td>
</tr>
<tr>
<td>Operating EBITDA ($ M)</td>
<td>(54)</td>
<td>242</td>
<td>550</td>
</tr>
</tbody>
</table>

- Reduced ceiling exposure (one contract remains)
- Purchase accounting benefit
- Price increases in face of difficult economic conditions
- Improved metal inputs mix
Regional Highlights: Europe
FY07 vs FY08

- Price increases across all major markets and strong Euro effect
- Solid operational performance, but capacity constrained in some markets
- Construction of Novelis Fusion™ casthouse at Sierre
- FY ’08 nearly $60 M better than FY ’07 when metal timing is removed

<table>
<thead>
<tr>
<th></th>
<th>FY07</th>
<th>FY08</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRP Shipments (kt)</td>
<td>1,068</td>
<td>1,075</td>
<td>1</td>
</tr>
<tr>
<td>Sales ($ M)</td>
<td>3,857</td>
<td>4,341</td>
<td>13</td>
</tr>
<tr>
<td>Operating EBITDA ($ M)</td>
<td>276</td>
<td>273</td>
<td>(1)</td>
</tr>
</tbody>
</table>
Regional Highlights: Asia
FY07 vs FY08

- Challenging mix with decline in Korean industrial market
- One-time refinancing expenses
- Yeongju hot mill upgraded and Novelis Fusion™ capacity added in Ulsan at year end
- Price increases across all major markets in Q4

<table>
<thead>
<tr>
<th></th>
<th>FY07</th>
<th>FY08</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRP Shipments (kt)</td>
<td>463</td>
<td>495</td>
<td>7</td>
</tr>
<tr>
<td>Sales ($ M)</td>
<td>1,726</td>
<td>1,829</td>
<td>6</td>
</tr>
<tr>
<td>Operating EBITDA ($ M)</td>
<td>72</td>
<td>52</td>
<td>(27)</td>
</tr>
</tbody>
</table>
Regional Highlights: South America

FY07 vs FY08

- Strengthening Real inhibits smelter profits
- Price increases across all major markets
- Record operational performances; Pinda capacity improvements
- Headcount optimization

<table>
<thead>
<tr>
<th></th>
<th>FY07</th>
<th>FY08</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRP Shipments (kt)</td>
<td>285</td>
<td>324</td>
<td>14</td>
</tr>
<tr>
<td>Sales ($ M)</td>
<td>945</td>
<td>1,028</td>
<td>9</td>
</tr>
<tr>
<td>Operating EBITDA ($ M)</td>
<td>181</td>
<td>162</td>
<td>(11)</td>
</tr>
</tbody>
</table>
Underlying Cost Drivers:
**LME Cash, Currencies, Crude Oil Price and Hardeners**

**LME Cash (AoM)**

**Currency Movements (AoM)**

**Crude Oil Price (AoM)**

**Hardeners (China FOB basis)**
Actions to Reduce Costs

SG&A reductions

Closure of Louisville, Kentucky plant

Restructuring:
- Bridgnorth, UK foil operations
- Korean finishing lines
- Ouro Preto, Brazil smelter potline

Energy projects (Energy Task Force)

Continuous Improvement Process
Financial Section

Steve Fisher
Chief Financial Officer
Explanation on Financial Materials Presented

- Under U.S. GAAP, consolidated financial statements for FY 2008 are presented in two distinct periods, as Predecessor and Successor entities, and are not comparable in all material respects.

- However, to facilitate a discussion of our results, financial information for the 12 months ended March 31, 2007, are presented on a combined basis.

- Comparing the consolidated financial statements for FY 2008 with the combined financial statements for the year ended March 31, 2007, allows a more meaningful analysis.

- In addition, our Predecessor and Successor results for the period from April 1, 2007, through May 15, 2007, and for the period from May 16, 2007, through March 31, 2008, are presented on a combined basis.

- Combined operating results, segment information and cash flows are non-GAAP financial measures, do not include any pro forma assumptions or adjustments and should not be used in isolation or substitution of the Predecessor and Successor operating results, segment information or cash flows.
Financial Highlights

Since the acquisition by Hindalco, the company’s earnings performance on a normalized basis has improved significantly when compared to the prior year. This improvement is driven by:

- Reduced exposure to the price ceilings
- Improved pricing and mix
- Lower corporate costs

The company has also improved its performance on a Free Cash Flow basis and has maintained a strong position in terms of liquidity. This position has been solidified by:

- Stronger earnings performance
- Refinancing of Senior Secured Credit Facilities
- Better working capital management
The Conversion Business Model

Product price structure with two components:
- “Pass-through” aluminium price based on the LME plus specified local market premiums
- Conversion premium price related to the value added of rolling and the competitive market conditions for the product

Elimination of price ceilings:
- Approximately 8% of overall estimated shipments are under price ceilings for FY ‘09
- Cash flows are negatively impacted - utilize internal and external hedges to mitigate the risk
- No new contracts with ceilings
New Risk Management Approach

Metal Price Lag

How we manage the risk

- **Historical**: Long term metal price lag exposure balances out; short term exposure exists
- **Current**: Hedging in place to remove LT & ST exposures
- **Benefit**: Substantial mitigation of cash exposure; some non-cash P&L volatility continues because of mark-to-market and inventory accounting

Note: illustrative example only
## Operating EBITDA Reconciliation
### FY07 vs FY08

<table>
<thead>
<tr>
<th></th>
<th>FY07</th>
<th>FY08</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Income (Loss)</strong></td>
<td>(265)</td>
<td>(69)</td>
</tr>
<tr>
<td>Provision (Benefit) for Income Taxes</td>
<td>(98)</td>
<td>7</td>
</tr>
<tr>
<td>Minority Interests’ Share</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Interest Expense and Amortization of Debt Costs, Net</td>
<td>207</td>
<td>199</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>233</td>
<td>395</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>81</td>
<td>536</td>
</tr>
</tbody>
</table>

**Reconciliation to Operating EBITDA:**

<table>
<thead>
<tr>
<th></th>
<th>FY07</th>
<th>FY08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale Transaction Fees</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Other Expenses, Net</td>
<td>18</td>
<td>2</td>
</tr>
<tr>
<td>Unrealized Loss on Change in Fair Value of Derivatives</td>
<td>150</td>
<td>2</td>
</tr>
<tr>
<td>Proportional Consolidation of Non-Consolidated Affiliates</td>
<td>36</td>
<td>72</td>
</tr>
<tr>
<td><strong>Operating EBITDA</strong></td>
<td>316</td>
<td>644</td>
</tr>
</tbody>
</table>

EBITDA = Earnings before interest, tax, depreciation and amortization
## Normalized Operating EBITDA

**FY07 vs FY08**

<table>
<thead>
<tr>
<th></th>
<th>FY07</th>
<th>FY08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating EBITDA</td>
<td>316</td>
<td>644</td>
</tr>
<tr>
<td><strong>Normalizations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metal Price Lag (Gain)/Loss</td>
<td>(43)</td>
<td>21</td>
</tr>
<tr>
<td>Purchase Accounting benefit</td>
<td>-</td>
<td>(219)</td>
</tr>
<tr>
<td>Stock Compensation expense</td>
<td>30</td>
<td>45</td>
</tr>
<tr>
<td><strong>Normalized Operating EBITDA</strong></td>
<td>303</td>
<td>491</td>
</tr>
</tbody>
</table>

Strong operational and market performance translating to significantly higher operating EBITDA
Normalized Operating EBITDA Bridge
FY07 vs FY08 ($ M)

- Mix, Price and Volume: $180 million
- Price Ceiling Exposure: $119 million
- Corporate SG&A: $29 million
- Brazil Social Tax: $8 million
- Higher Operating Cost: $115 million
- Currency, Net of Hedge: $33 million
- FY08: $491 million
Better Working Capital Management

Free Cash Flow Improvement $164M

Operating with lower metal volumes
  – Inventory reduction by 25 KT year-over-year

Improved collection of Receivables
  – DSO reduced by 6.5 days

More rigorous cash management ensuring adequate liquidity and lower interest costs year-over-year
Liquidity ($ M)

<table>
<thead>
<tr>
<th>Year Ended March 31</th>
<th>FY07</th>
<th>FY08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$128</td>
<td>$326</td>
</tr>
<tr>
<td>Amount available under senior secured credit facilities</td>
<td>234</td>
<td>582</td>
</tr>
<tr>
<td>Total estimated liquidity</td>
<td>$362</td>
<td>$908</td>
</tr>
</tbody>
</table>

- Facilities refinanced to provide for additional capacity
- Maintaining forfaiting and factoring arrangements in Asia and South America to provide for flexibility and liquidity
- Sufficient liquidity to provide for higher LME
## Credit Facilities

<table>
<thead>
<tr>
<th>($)M</th>
<th>Prior</th>
<th>New</th>
<th>Current Market</th>
</tr>
</thead>
</table>
| **Amount** | Revolver – $500  
Term Loan – $958 | Revolver – $800  
Term Loan – $960 | Varies |
| **Maturity** | Revolver – 2.5 years  
Term Loan – 4.5 years | Revolver – 5 years  
Term Loan – 7 years | Varies |
| **Rate** | Revolver – L + 250 bps  
Term Loan – L + 225 bps | Revolver – L + 125 bps  
Term Loan – L + 200 bps | Revolver – L + 175 bps  
Term Loan – L + 350-400 bps |
| **Covenants** | Financial covenants | Revolver\(^1\) and Term Loan  
No financial covenants | Revolver\(^2\) – No financial covenants  
Term Loan – Financial covenants |

\(^1\) Springing Covenant - 10% and monthly reporting of Borrowing Base  
\(^2\) Springing Covenant - 15% and monthly reporting of Borrowing Base
Reconciliation from Operating EBITDA to Net Income (Loss)

<table>
<thead>
<tr>
<th>description</th>
<th>Year Ended March 31, 2007</th>
<th>Year Ended March 31, 2008</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating EBITDA</td>
<td>316</td>
<td>644</td>
<td>328</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(207)</td>
<td>(199)</td>
<td>8</td>
</tr>
<tr>
<td>Unrealized gain (loss) on derivatives</td>
<td>(150)</td>
<td>(2)</td>
<td>148</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>(233)</td>
<td>(395)</td>
<td>(161)</td>
</tr>
<tr>
<td>Proportional consolidation</td>
<td>(36)</td>
<td>(72)</td>
<td>(36)</td>
</tr>
<tr>
<td>Corporate S, G &amp; A</td>
<td>(121)</td>
<td>(93)</td>
<td>28</td>
</tr>
<tr>
<td>Corporate Realized Derivatives</td>
<td>(37)</td>
<td>13</td>
<td>50</td>
</tr>
<tr>
<td>Tax</td>
<td>98</td>
<td>(7)</td>
<td>(105)</td>
</tr>
<tr>
<td>Other</td>
<td>106</td>
<td>42</td>
<td>(64)</td>
</tr>
<tr>
<td>Net Income (loss)</td>
<td>(265)</td>
<td>(69)</td>
<td>196</td>
</tr>
</tbody>
</table>
# Tax Rate Reconciliation – FY 2008

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pre-tax income / (loss)</strong></td>
<td>(114)</td>
<td>(19)</td>
<td>(41)</td>
<td>119</td>
<td>(55)</td>
</tr>
<tr>
<td><strong>Income taxes at statutory rate</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(19)</td>
</tr>
<tr>
<td><strong>Increase/(decrease) in valuation allowances:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>30</td>
<td>11</td>
<td>8</td>
<td>(37)</td>
<td>12</td>
</tr>
<tr>
<td>Europe</td>
<td>4</td>
<td>8</td>
<td>6</td>
<td>(23)</td>
<td>(5)</td>
</tr>
<tr>
<td><strong>Exchange translation items in Canada and Brazil:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>38</td>
<td>22</td>
<td>12</td>
<td>(23)</td>
<td>49</td>
</tr>
<tr>
<td>Brazil</td>
<td>5</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td><strong>Exchange remeasurement of deferred income taxes</strong></td>
<td>6</td>
<td>4</td>
<td>18</td>
<td>2</td>
<td>30</td>
</tr>
<tr>
<td><strong>Enacted tax rate changes</strong></td>
<td>5</td>
<td>(74)</td>
<td>(32)</td>
<td>23</td>
<td>(78)</td>
</tr>
<tr>
<td><strong>items with no tax effect</strong></td>
<td>(20)</td>
<td>(10)</td>
<td>0</td>
<td>26</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Tax Rate Differences on Foreign Earnings</strong></td>
<td>4</td>
<td>(2)</td>
<td>0</td>
<td>(12)</td>
<td>(10)</td>
</tr>
<tr>
<td><strong>Uncertain Tax Positions</strong></td>
<td>2</td>
<td>9</td>
<td>3</td>
<td>3</td>
<td>17</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>3</td>
<td>(3)</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Provision for taxes on income</strong></td>
<td>40</td>
<td>(36)</td>
<td>4</td>
<td>(1)</td>
<td>7</td>
</tr>
</tbody>
</table>
## Gains (Losses) on Derivatives

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Realized and included in Segment Income*</th>
<th>Realized on corporate derivative instruments*</th>
<th>Unrealized</th>
<th>Gain (loss) on derivative instruments - net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2008</td>
<td>39</td>
<td>5</td>
<td>(10)</td>
<td>34</td>
</tr>
<tr>
<td>Q2 2008</td>
<td>22</td>
<td>29</td>
<td>(87)</td>
<td>(36)</td>
</tr>
<tr>
<td>Q3 2008</td>
<td>(28)</td>
<td>2</td>
<td>(24)</td>
<td>(50)</td>
</tr>
<tr>
<td>Q4 2008</td>
<td>(1)</td>
<td>(23)</td>
<td>118</td>
<td>94</td>
</tr>
<tr>
<td>FY 2008</td>
<td></td>
<td></td>
<td>(3)</td>
<td>42</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Realized and included in Segment Income*</th>
<th>Realized on corporate derivative instruments*</th>
<th>Unrealized</th>
<th>Gain (loss) on derivative instruments - net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2007</td>
<td>78</td>
<td>0</td>
<td>(37)</td>
<td>41</td>
</tr>
<tr>
<td>Q2 2007</td>
<td>61</td>
<td>0</td>
<td>(98)</td>
<td>(37)</td>
</tr>
<tr>
<td>Q3 2007</td>
<td>56</td>
<td>(35)</td>
<td>(16)</td>
<td>5</td>
</tr>
<tr>
<td>Q4 2007</td>
<td>33</td>
<td>(2)</td>
<td>(1)</td>
<td>30</td>
</tr>
<tr>
<td>FY 2007</td>
<td></td>
<td></td>
<td>(152)</td>
<td>39</td>
</tr>
</tbody>
</table>

* - For Segment Income purposes we only include the impact of the derivative gains or losses to the extent they are settled in cash (i.e., realized) during that period.
Summary

Very strong year for cash flow performance

Substantial operating improvements

Novelis Fusion global footprint

Solid progress on risk management

Improvements in pricing and portfolio

Reduction in price ceilings

Reduction in corporate costs
Brighter ideas with aluminium!

Thank you
Financials
Hindalco Standalone
Refinancing of Novelis Acquisition
Hindalco Consolidated
Highlights FY’08

• Sales - We sold more and grew @ 10% (Copper) & 7% (Aluminium) by:

1 Producing More (Highest ever production of Copper, Aluminium, FRP & Extrusion)

• CC Rods †28%, Cathodes †12%
• Hirakud †35%, Renukoot †3%
• Taloja †7%, Mouda †24%, Extrusions †13%, Wire Rods †4%
And Improving Realisations by

- **Enriching Product Mix** -
  - CC Rods \(\uparrow\) 27%, Specials \(\uparrow\) 5%, FRP \(\uparrow\) 6%, Extrusion \(\uparrow\) 12%,

- **Improving Market Mix**
  - Copper Domestic Sales up 37%.
  - Specials - Domestic Sales up from 49% to 52% of total sales.
  - Extrusions - Domestic Sales up from 89% to 92% of total sales.

- **Realising Higher Mark-up & Premium**
  - Premium on Copper Domestic sales \(\uparrow\) 10%
  - FRP Exports net mark-up \(\uparrow\) 7%
  - Extrusions Exports net mark- up \(\uparrow\) 28%

- **Reducing gap between domestic ingot prices and import parity price**
  - from Rs 5209/ton to Rs 2194/ton
Highlights FY’08

- **Efficiencies**
  
  - *Cost pressure off-set by plant efficiencies: Rs 225 Crs.*
  
  - *Aluminium*
    
    - Hirakud Pre baked conversion ★ Power Efficiency
    
    - Energy efficiency improved to offset price escalation
  
  - *Copper*
    
    - Recovery improved by 1%
    
    - Power generation up by 10% (lower grid drawal & surplus exported)
    
    - Byproducts credits improved - Sulphuric acid & DAP subsidy
Highlights FY’08

• Free Cashflow
  - Cashflow from Operations Rs. 2427Crs
  - Disposal of idle assets - Mouda conductor plant

• Treasury/Tax Management
  - Pre-tax treasury yield 10.7%
  - ETR down from 26.8% to 23.3%

However all macro economic parameters turned adverse

Aluminium: LME, Re/$, Duty, Fuel, Coal, Carbon Prices
Copper: Re/$, Duty, Fuel & Tc/Rc
Drivers of Performance: FY08

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Unit</th>
<th>FY07</th>
<th>FY08</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Re/US$</td>
<td>Rs</td>
<td>45.5</td>
<td>40.5</td>
<td>-11%</td>
</tr>
<tr>
<td>Al. LME</td>
<td>$/t</td>
<td>2664</td>
<td>2623</td>
<td>-2%</td>
</tr>
<tr>
<td>Effective Al. Customs duty</td>
<td>%</td>
<td>8.1</td>
<td>5.7</td>
<td>-30%</td>
</tr>
<tr>
<td>Domestic Ingot Realisation</td>
<td>Rs/t</td>
<td>125,400</td>
<td>111,098</td>
<td>-11%</td>
</tr>
<tr>
<td>Cu LME</td>
<td>$/t</td>
<td>6862</td>
<td>7521</td>
<td>10%</td>
</tr>
<tr>
<td>Copper TcRc</td>
<td>c/lb</td>
<td>34</td>
<td>24</td>
<td>-30%</td>
</tr>
<tr>
<td>Cu Duty differential</td>
<td>%</td>
<td>4.9</td>
<td>3.1</td>
<td>-35%</td>
</tr>
</tbody>
</table>

All the key value drivers deteriorated against FY07. Timely brownfield expansions/acquisitions and better asset productivity helped contain EBIT fall.
## Stand Alone Financial Highlights - FY08

<table>
<thead>
<tr>
<th></th>
<th>FY07</th>
<th>FY08</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales &amp; Op. Revenue</td>
<td>18313</td>
<td>19201</td>
<td>5%</td>
</tr>
<tr>
<td>EBIT</td>
<td>3747</td>
<td>3306</td>
<td>-12%</td>
</tr>
<tr>
<td>Pre-tax profits</td>
<td>3505</td>
<td>3026</td>
<td>-14%</td>
</tr>
<tr>
<td>Net Profit before tax write Back</td>
<td>2564</td>
<td>2320</td>
<td>-10%</td>
</tr>
<tr>
<td>Net Profit</td>
<td>2564</td>
<td>2861</td>
<td>12%</td>
</tr>
<tr>
<td>Basic EPS (Per Share)</td>
<td>25.52</td>
<td>24.51</td>
<td>-4%</td>
</tr>
</tbody>
</table>
Key Ratios: Aluminium Business

- **EBIT Margin**
  - FY07: 40%
  - FY08: 34%

- **ROCE %**
  - FY07: 42%
  - FY08: 31%

- **Cap. Turnover**
  - FY07: 1.0
  - FY08: 0.9

- **EBIT Margin** vs **Ingot Real Rs/t**
  - FY05: 30%
  - FY06: 35%
  - FY07: 40%
  - FY08: 34%
  - FY09: 30%

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT Margin</th>
<th>ROCE %</th>
<th>Cap. Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY05</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY06</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY07</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY08</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
EBIT Trends and Peer Comparison

- Relatively less impacted by LME & INR volatility compared to pure play companies
- HIL ROCE better than Peers

Strategic thrust to combine cost leadership & portfolio derisking
## PAT Bridge

<table>
<thead>
<tr>
<th>Rs. Crs</th>
<th>Segment</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Al EBIT</td>
<td>Cu EBIT</td>
</tr>
<tr>
<td>FY07</td>
<td>2929</td>
<td>517</td>
</tr>
<tr>
<td>FY08</td>
<td>2423</td>
<td>503</td>
</tr>
<tr>
<td>Change</td>
<td>(506)</td>
<td>(14)</td>
</tr>
</tbody>
</table>

- Net and Gross interest higher due to higher average borrowings & higher average Interest rate
- Treasury income higher due to higher pre-tax treasury yield & higher average treasury
- Provision for Taxes lower due to lower PBT, lower ETR & higher capitalization
# Stand Alone Financial Highlights - Q4 FY08

<table>
<thead>
<tr>
<th></th>
<th>Q4FY07 (Rs. Cr)</th>
<th>Q4 FY08 (Rs. Cr)</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales &amp; Op. Revenue</td>
<td>4749</td>
<td>5010</td>
<td>6%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1173</td>
<td>941</td>
<td>-20%</td>
</tr>
<tr>
<td>PBIT</td>
<td>1016</td>
<td>789</td>
<td>-22%</td>
</tr>
<tr>
<td>Pre-tax profits</td>
<td>958</td>
<td>690</td>
<td>-28%</td>
</tr>
<tr>
<td>Net Profit before tax write Back</td>
<td>721</td>
<td>536</td>
<td>-26%</td>
</tr>
<tr>
<td>Net Profit</td>
<td>721</td>
<td>1077</td>
<td>49%</td>
</tr>
<tr>
<td>Basic EPS (Per Share)</td>
<td>7.32</td>
<td>8.78</td>
<td>19%</td>
</tr>
</tbody>
</table>
## Drivers of Performance: Q4 FY08

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Unit</th>
<th>Q4FY07</th>
<th>Q4FY08</th>
<th>Change %</th>
<th>Impact Rs.Crs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Re/US$</td>
<td>Rs</td>
<td>44.4</td>
<td>40.1</td>
<td>-10%</td>
<td>189</td>
</tr>
<tr>
<td>Al. LME</td>
<td>$/t</td>
<td>2800</td>
<td>2742</td>
<td>-2%</td>
<td>88</td>
</tr>
<tr>
<td>Effective Al. Customs duty</td>
<td>%</td>
<td>8.1</td>
<td>5.7</td>
<td>-30%</td>
<td>36</td>
</tr>
<tr>
<td>Domestic Ingot Realisation</td>
<td>Rs/t</td>
<td>131,124</td>
<td>111,748</td>
<td>-15%</td>
<td></td>
</tr>
<tr>
<td>Cu LME</td>
<td>$/t</td>
<td>5949</td>
<td>7684</td>
<td>29%</td>
<td>17</td>
</tr>
<tr>
<td>Copper TcRc</td>
<td>c/lb</td>
<td>33.8</td>
<td>19.4</td>
<td>-42%</td>
<td>89</td>
</tr>
<tr>
<td>Cu Duty differential</td>
<td>%</td>
<td>3.8</td>
<td>3.1</td>
<td>-17%</td>
<td>5</td>
</tr>
</tbody>
</table>

All the key value drivers deteriorated against FY07. Strong rupee, Lower LME, lower Tc/Rc affected the topline. This, coupled with higher input costs primarily on account of a sharp surge in crude, depressed margins.
Positive trend going into Q1 of FY09

Aluminium LME

Rupee : USD

Leading to…….
Improving Domestic Ingot Realisations

LME improves but rupee stronger

Fall in LME + Rupee strong + Duty cut

Spurt in LME, Rupee weakens marginally

Strong LME, Rupee depreciates

Spurt in LME, Rupee weakens marginally

Strong LME, Rupee depreciates
Existing bank loans of US$1.2 billion refinanced through ABL, term loan. Existing US$1.4 billion notes continue.

Lenders for bridge loan of US$3.03 billion

Equity US$450 million
Take out Financing Plans - US$ 3.03 Bn Bridge Loan

- Rights Issue Not Exceeding Rs 5000 Crs
- Balance
  - *International loan or Bonds*
  - *Rupee loan or Bonds*
  - *Treasury*

Put in place Optimal Capital Structure to Preserve Balance Sheet Strength to Fund Value Accretive Projects
# Consolidation: Dimensions & Schematic

## Number of Entities

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Relevant Account Standards (AS)</th>
<th>FY 2006-07</th>
<th>FY 2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidiary</td>
<td>AS - 21</td>
<td>18</td>
<td>57</td>
</tr>
<tr>
<td>Associate</td>
<td>AS - 23</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Joint Venture</td>
<td>AS - 27</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

## Relationship Holding/ Control

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Holding/ Control</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidiary</td>
<td>&gt; 50%</td>
<td>Line by line Consolidation Minority Interest shown separately</td>
</tr>
<tr>
<td>Associate</td>
<td>&gt; 20% ≤ 50%</td>
<td>Adjustment in carrying cost of investment</td>
</tr>
<tr>
<td>Joint Venture</td>
<td>Jointly Controlled Entities</td>
<td>Line by line Proportionate Consolidation</td>
</tr>
</tbody>
</table>
# Consolidated Financials (Under Indian GAAP)

<table>
<thead>
<tr>
<th></th>
<th>FY 2006-07</th>
<th>FY 2007-08</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Standalone</td>
<td>Consolidated</td>
<td>Standalone</td>
</tr>
<tr>
<td><strong>Net Sales</strong></td>
<td>18,313</td>
<td>19,316</td>
<td>94.8%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>4,385</td>
<td>4,840</td>
<td>90.6%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>3,747</td>
<td>3,975</td>
<td>94.3%</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>2,564</td>
<td>2,686</td>
<td>95.5%</td>
</tr>
<tr>
<td><strong>EPS (Rs.)</strong></td>
<td>25.5</td>
<td>26.7</td>
<td></td>
</tr>
<tr>
<td><strong>Net Worth</strong></td>
<td>12,415</td>
<td>12,814</td>
<td></td>
</tr>
</tbody>
</table>

Quantum growth through Acquisition
## Consolidated Balance Sheet

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31-Mar-07</th>
<th>31-Mar-08</th>
<th>31-Mar-07</th>
<th>31-Mar-08</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Application of Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Assets and CWIP (net)</td>
<td>10,824</td>
<td>25,454</td>
<td>2.48</td>
<td>6.37</td>
</tr>
<tr>
<td>Goodwill</td>
<td>159</td>
<td>8,833</td>
<td>0.04</td>
<td>2.21</td>
</tr>
<tr>
<td>Other Intangibles</td>
<td>170</td>
<td>3,817</td>
<td>0.04</td>
<td>0.95</td>
</tr>
<tr>
<td>Investments</td>
<td>7,874</td>
<td>13,892</td>
<td>1.81</td>
<td>3.48</td>
</tr>
<tr>
<td>Net Current Assets</td>
<td>4,257</td>
<td>4,271</td>
<td>0.98</td>
<td>1.07</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>23,285</td>
<td>56,266</td>
<td>5.35</td>
<td>14.08</td>
</tr>
<tr>
<td><strong>Sources of Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share Capital</td>
<td>104</td>
<td>262</td>
<td>0.02</td>
<td>0.07</td>
</tr>
<tr>
<td>Reserves and Surplus</td>
<td>12,710</td>
<td>17,084</td>
<td>2.92</td>
<td>4.27</td>
</tr>
<tr>
<td><strong>Net Worth</strong></td>
<td>12,814</td>
<td>17,346</td>
<td>2.94</td>
<td>4.34</td>
</tr>
<tr>
<td>Loans</td>
<td>8,443</td>
<td>32,352</td>
<td>1.94</td>
<td>8.09</td>
</tr>
<tr>
<td>Minority Interest</td>
<td>857</td>
<td>1,617</td>
<td>0.20</td>
<td>0.40</td>
</tr>
<tr>
<td>Deferred Tax Liabilities</td>
<td>1,171</td>
<td>4,951</td>
<td>0.27</td>
<td>1.24</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>23,285</td>
<td>56,266</td>
<td>5.35</td>
<td>14.08</td>
</tr>
</tbody>
</table>
Major Developments

During the Year:

- **On May 15, 2007**, the Company acquired Novelis Inc., Canada through its indirect wholly-owned subsidiary AV Metals Inc. (Acquisition Sub) pursuant to a plan of arrangement (Arrangement) entered into on February 10, 2007 and approved by the Ontario Superior Court of Justice on May 14, 2007.

- **On October 5, 2007** the Company acquired shareholding of Alcan Inc. consisting of 78,564,384 equity shares of Rs 10/- each in Utkal Alumina International Limited (Utkal).

- Pursuant to a scheme of amalgamation, Indian Aluminium Company, Limited an existing subsidiary was amalgamated with the Company effective April 1, 2007.

- **Two new subsidiaries** Tubed Coal Company Limited (with Tata Power as the other JV partner) and East Coast Bauxite Mining Company Private Limited (with Orissa Mining Corporation as the other JV partner) have been formed.
### Reconciliation of Profit/(Loss) - Rs Crores

<table>
<thead>
<tr>
<th>Item</th>
<th>Novelis</th>
<th>AV Aluminum</th>
<th>AV Metals</th>
<th>AV Minerals</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit/Loss as per US GAAP (Full Year)</td>
<td>(276)</td>
<td>(133)</td>
<td>(9)</td>
<td>(485)</td>
<td>(902)</td>
</tr>
<tr>
<td>Less: Related to Predecessor Period</td>
<td>(387)</td>
<td></td>
<td></td>
<td></td>
<td>(387)</td>
</tr>
<tr>
<td>Profit/(Loss) as per US GAAP (for Successor Period wef 16/05/07)</td>
<td>111</td>
<td>(133)</td>
<td>(9)</td>
<td>(485)</td>
<td>(515)</td>
</tr>
<tr>
<td>Less Adjustment for GAAP differences</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Deferred Financing cost</td>
<td>(107)</td>
<td></td>
<td>(5)</td>
<td>(13)</td>
<td>(125)</td>
</tr>
<tr>
<td>(ii) Actuarial loss of pension liabilities</td>
<td>(68)</td>
<td></td>
<td></td>
<td></td>
<td>(68)</td>
</tr>
<tr>
<td>(iii) Deferred Tax assets on above adjustments</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>Profit/(Loss) as per Indian GAAP</td>
<td>(33)</td>
<td>(133)</td>
<td>(14)</td>
<td>(498)</td>
<td>(677)</td>
</tr>
</tbody>
</table>

GAAP differences are only three

Total Loss of Rs. 644 Crores, mainly interest
## Reconciliation of Net Sales

<table>
<thead>
<tr>
<th></th>
<th>2006-07</th>
<th>2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales of Hindalco Industries Limited (Standalone)</strong></td>
<td>18,313.0</td>
<td>19,201.0</td>
</tr>
<tr>
<td><strong>Impact of Subsidiaries:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Novelis Inc.</td>
<td>-</td>
<td>39,909.0</td>
</tr>
<tr>
<td>Aditya Birla Minerals Limited (Consolidated)</td>
<td>1,561.1</td>
<td>2,517.2</td>
</tr>
<tr>
<td>Bihar Caustic &amp; Chemicals Limited</td>
<td>144.0</td>
<td>174.9</td>
</tr>
<tr>
<td>Dahej Harbour and Infrastructure Limited</td>
<td>56.1</td>
<td>54.8</td>
</tr>
<tr>
<td>Indian Aluminium Company, Limited</td>
<td>76.5</td>
<td>0.0</td>
</tr>
<tr>
<td>Minerals &amp; Minerals Limited</td>
<td>1.3</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>1,839.0</td>
<td>42,656.2</td>
</tr>
<tr>
<td><strong>Less: Inter Company Sales</strong></td>
<td>(1,220.4)</td>
<td>(2,426.9)</td>
</tr>
<tr>
<td></td>
<td>618.6</td>
<td>40,229.3</td>
</tr>
<tr>
<td><strong>Net Sales of Hindalco and its Subsidiaries</strong></td>
<td>18,931.6</td>
<td>59,430.3</td>
</tr>
<tr>
<td><strong>Impact of Joint Venture:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Idea Cellular Limited (8.66% of total Sales of Rs. 6,723.5 crores)</td>
<td>384.5</td>
<td>582.5</td>
</tr>
<tr>
<td><strong>Consolidated Net Sales</strong></td>
<td>19,316.1</td>
<td>60,012.8</td>
</tr>
</tbody>
</table>
## Reconciliation of Net Profit

### Rs Crores

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit of Hindalco Industries Limited (Standalone)</td>
<td></td>
<td></td>
<td>2,564.3</td>
<td>2,860.9</td>
</tr>
<tr>
<td><strong>Impact of Subsidiaries:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dahej Harbour &amp; Infrastructure Limited</td>
<td>37.5</td>
<td>42.8</td>
<td>37.5</td>
<td>42.8</td>
</tr>
<tr>
<td>Bihar Caustic &amp; Chemicals Limited</td>
<td>33.6</td>
<td>56.7</td>
<td>20.2</td>
<td>34.8</td>
</tr>
<tr>
<td>Aditya Birla Minerals Limited (Consolidated)</td>
<td>30.2</td>
<td>408.4</td>
<td>27.4</td>
<td>228.7</td>
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<tr>
<td>Renuka Investment &amp; Finance Limited</td>
<td>3.9</td>
<td>3.6</td>
<td>3.9</td>
<td>3.6</td>
</tr>
<tr>
<td>Renukeshwar Investment &amp; Finance Limited</td>
<td>2.7</td>
<td>2.5</td>
<td>2.7</td>
<td>2.5</td>
</tr>
<tr>
<td>Novelis Inc. (Group)</td>
<td>-</td>
<td>(33.0)</td>
<td>-</td>
<td>(33.0)</td>
</tr>
<tr>
<td>AV Companies (SPVs)</td>
<td>-</td>
<td>(644.3)</td>
<td>-</td>
<td>(644.3)</td>
</tr>
<tr>
<td>Other Subsidiaries</td>
<td>(1.5)</td>
<td>1.0</td>
<td>(1.4)</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Total of Subsidiaries</strong></td>
<td>106.4</td>
<td>(162.3)</td>
<td>90.3</td>
<td>(363.9)</td>
</tr>
<tr>
<td><strong>Less: Unrealised Profit in inter Company Inventory</strong></td>
<td></td>
<td></td>
<td>(10.6)</td>
<td>(200.0)</td>
</tr>
<tr>
<td><strong>Less: Others</strong></td>
<td>(1.3)</td>
<td></td>
<td>(1.9)</td>
<td></td>
</tr>
<tr>
<td><strong>Net Change due to Subsidiaries</strong></td>
<td></td>
<td></td>
<td>(565.8)</td>
<td></td>
</tr>
<tr>
<td><strong>Net Profit of Hindalco and its Subsidiaries</strong></td>
<td></td>
<td></td>
<td>2,642.7</td>
<td>2,295.1</td>
</tr>
<tr>
<td><strong>Impact of Joint Ventures &amp; Associate:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint Venture - Idea Cellular Limited</td>
<td>502.8</td>
<td>1,042.3</td>
<td>44.3</td>
<td>90.3</td>
</tr>
<tr>
<td>Associate - Aditya Birla Science &amp; Technology Ltd.</td>
<td>3.9</td>
<td>(0.5)</td>
<td>1.9</td>
<td></td>
</tr>
<tr>
<td><strong>Consolidated Net Profit</strong></td>
<td></td>
<td></td>
<td>2,686.5</td>
<td>2,387.3</td>
</tr>
</tbody>
</table>
THANK YOU