



**INVESTOR PRESENTATION**

***Q1 FY15***

**Performance and Financial Review**

***Aug 14, 2014***

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# HIGHLIGHTS



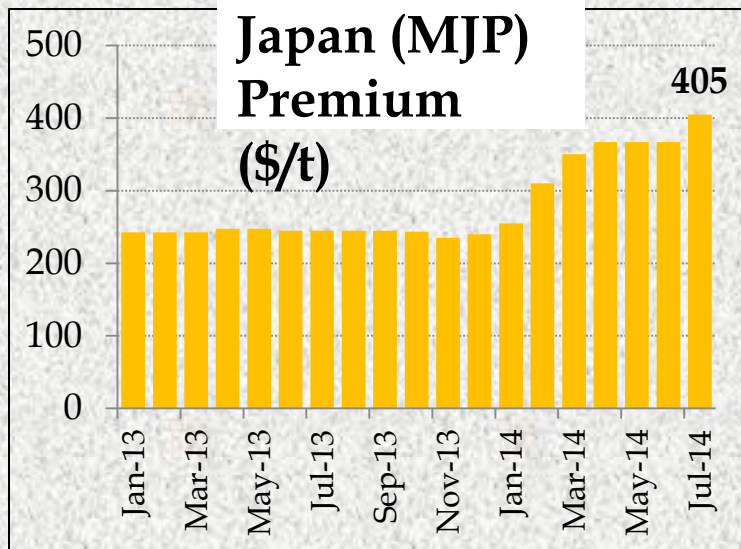
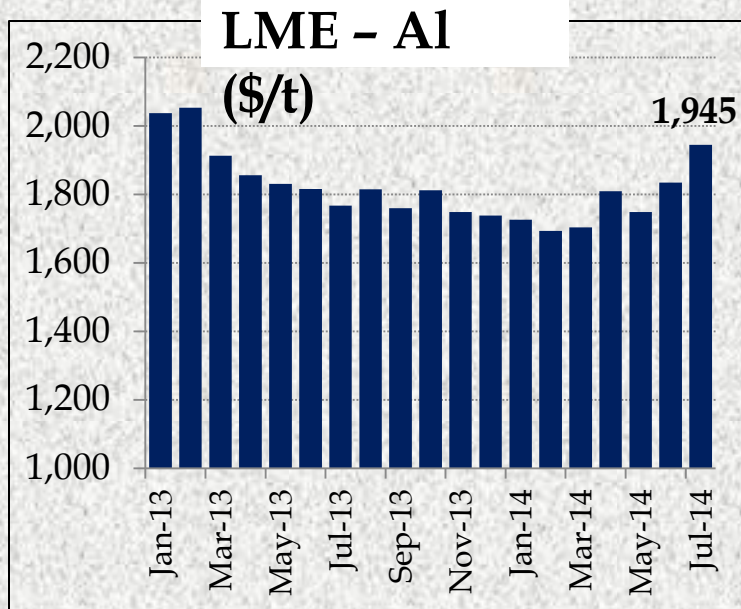
# Aluminium Industry: on recovery path..



- ◎ Improving LME
- ◎ Physical premium remained strong
- Globally.... Outside China, around 3 Mn tonnes capacity closure as cost inflation makes them unviable...
- Global Demand continues to remain strong...

*Indian Demand expected to recover....*

# STRONG REALISATIONS



## Two pillars of recent uptrend

### ✘ *Improving fundamentals*

- + Gradual, yet continued recovery underway in most economies
- + Market balance negative outside China (around 0.75 mn tonnes in 2014)

### ✘ *Supportive financial market sentiment*

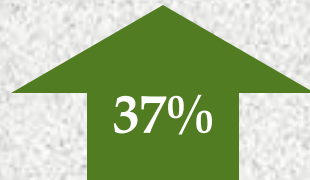
- + Sentiment was positive in H1, 2014, helped by strong liquidity

# HIGHLIGHTS: Q1 FY15



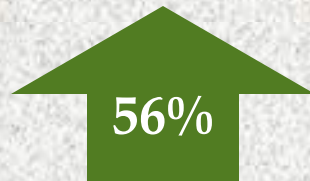
(yoy, %)

**Net Sales**



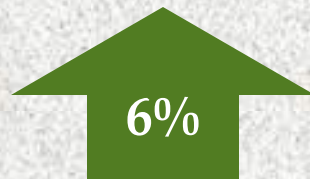
*Al metal sales up 37% as new factories ramped up, Cu volumes increased*

**EBITDA**



*Strong gains in both Aluminium and Copper segments*

**PBITDA**



*High base of other income - one-off item of ₹103 crore in Q1 FY14; without this PBITDA up 20%*

**Net Profit**



*Sharp increase in financing charges - though along expected lines*

# Financial Performance: Standalone

(₹) Cr	Q1 FY15	Q1 FY14	Change % YoY	Q4 FY14	Change %QOQ
Net Sales	<b>7,996</b>	5,838	37.0	8,435	(5.2)
EBITDA	<b>748</b>	478	56.4	844	(11.3)
Other Income	<b>216</b>	428	(49.5)	212	(1.8)
PBITDA	<b>965</b>	906	6.4	1,057	(8.7)
Depreciation	<b>(187)</b>	(183)	2.2	(244)	(23.3)
Interest	<b>(338)</b>	(149)	127.0	(215)	57
PBT before exceptional	<b>440</b>	575	(23.4)	598	(26.2)
Exceptional items	-			(396)	
PBT	<b>440</b>	575	(23.4)	202	117.8
PAT	<b>328</b>	474	(30.9)	248	32
EPS (₹)	<b>1.59</b>	2.48	(35.9)	1.20	32

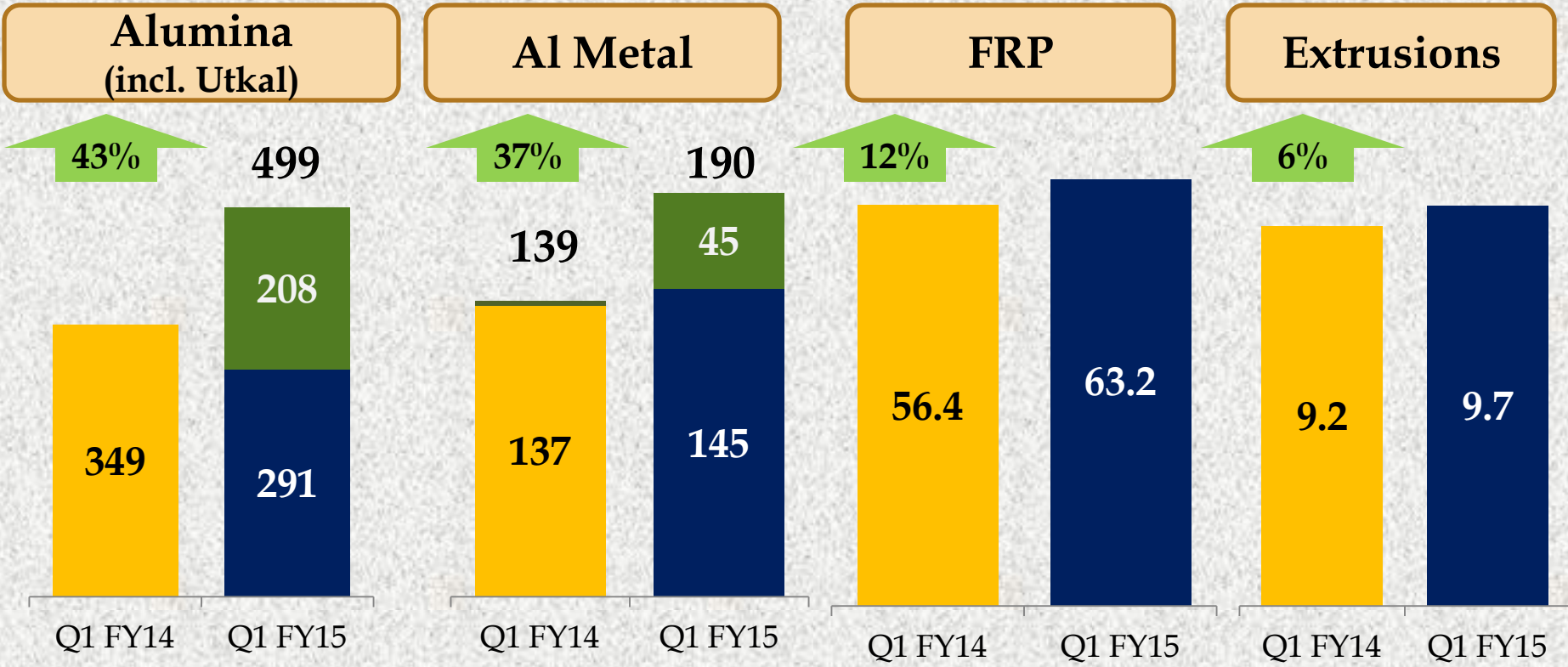
# ALUMINIUM BUSINESS

*Aditya Aluminium,  
Lapanga, Odisha*





# AL: VOLUMES IMPROVED ACROSS BUSINESS (FIGURES IN KT = '000 T)



✘ Alumina production suffered at Renukoot due to bauxite availability and quality issues

# AI: Key Industry Drivers

- ⊙ **LME** fell but impact offset by higher premium & lower Rupee

	Q1FY14	Q1FY15
LME (\$/t)	1,834	1,798
INRUSD	55.94	59.35
Premium	247	367



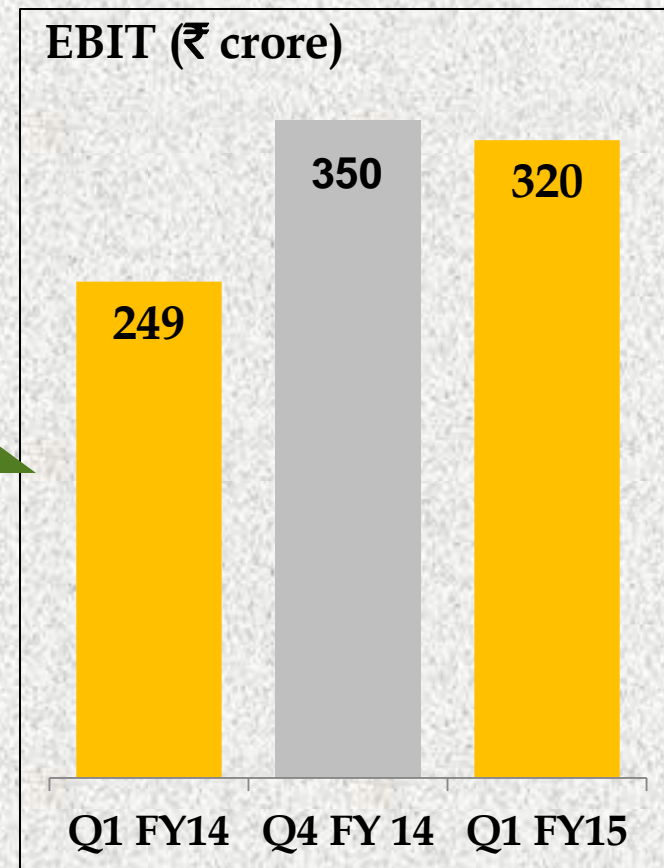
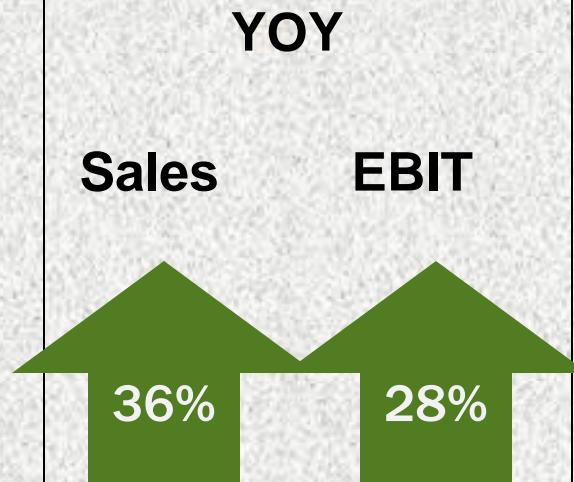
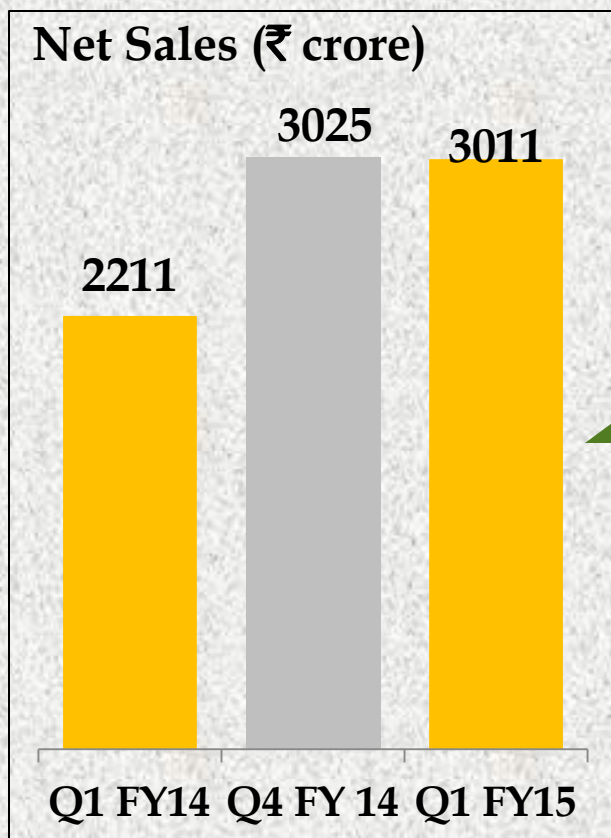
- ⊙ **Energy/carbon cost** pressures have continued



# AL: FINANCIAL PERFORMANCE

YOY Sales zoomed up on the back of higher volumes & realization

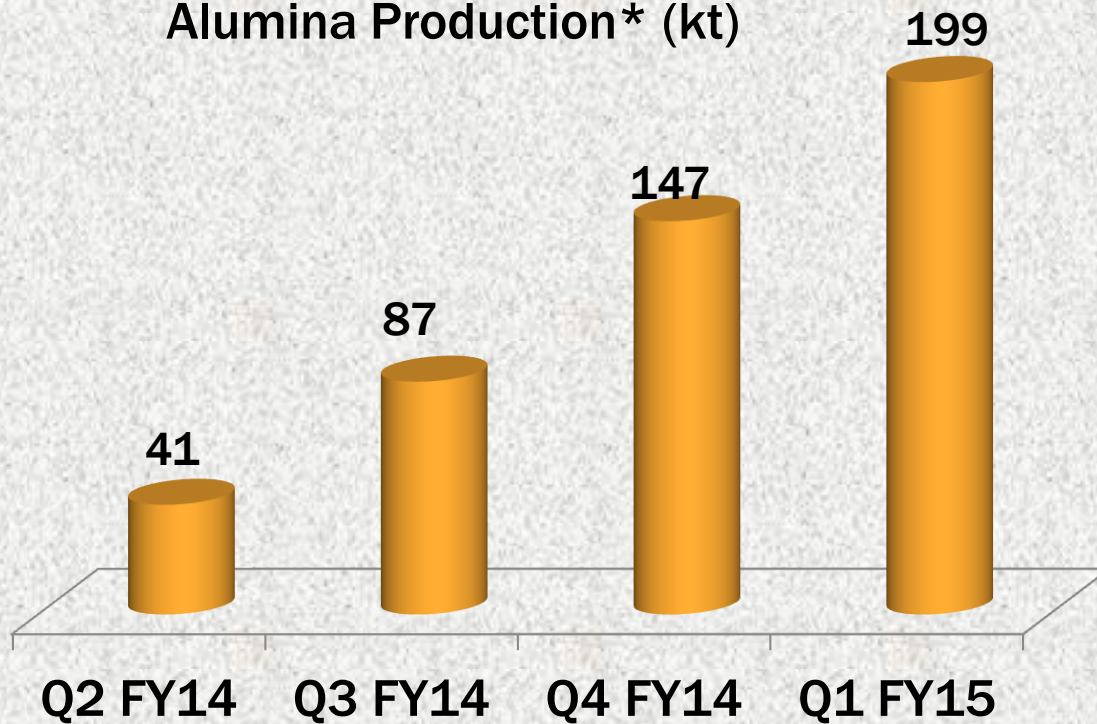
YOY ..Though profitability improved , ramp up related costs.. affected margins



# Utkal: Gaining momentum



Alumina Production\* (kt)



# NOVELIS : HIGHLIGHTS



**Leader in Auto & Can FRP**

# Novelis: Strategic Goals on track ...

Invested \$2 Bn in last 3 years to solidify Global Leadership

Auto Share in Product Portfolio to lead the Light-weighting trend

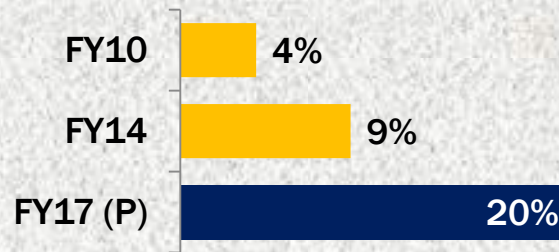
Sustainability : Goal of 80% recycling content by 2020

Global Capacity Additions



- 570 kt of high quality rolling capacity
- 600 kt of auto finishing capability
- ~1mtpa of recycling capacity

Auto Share in Portfolio (%)



- Europe auto shipments up 35% yoy
- FY15 ..launch of new Ford supply programme



- Recycling content at 46% in FY14 vs. 33% in FY10
- Novelis Evercan™ now commercially available

# Novelis: Q1 FY 15 Highlights..



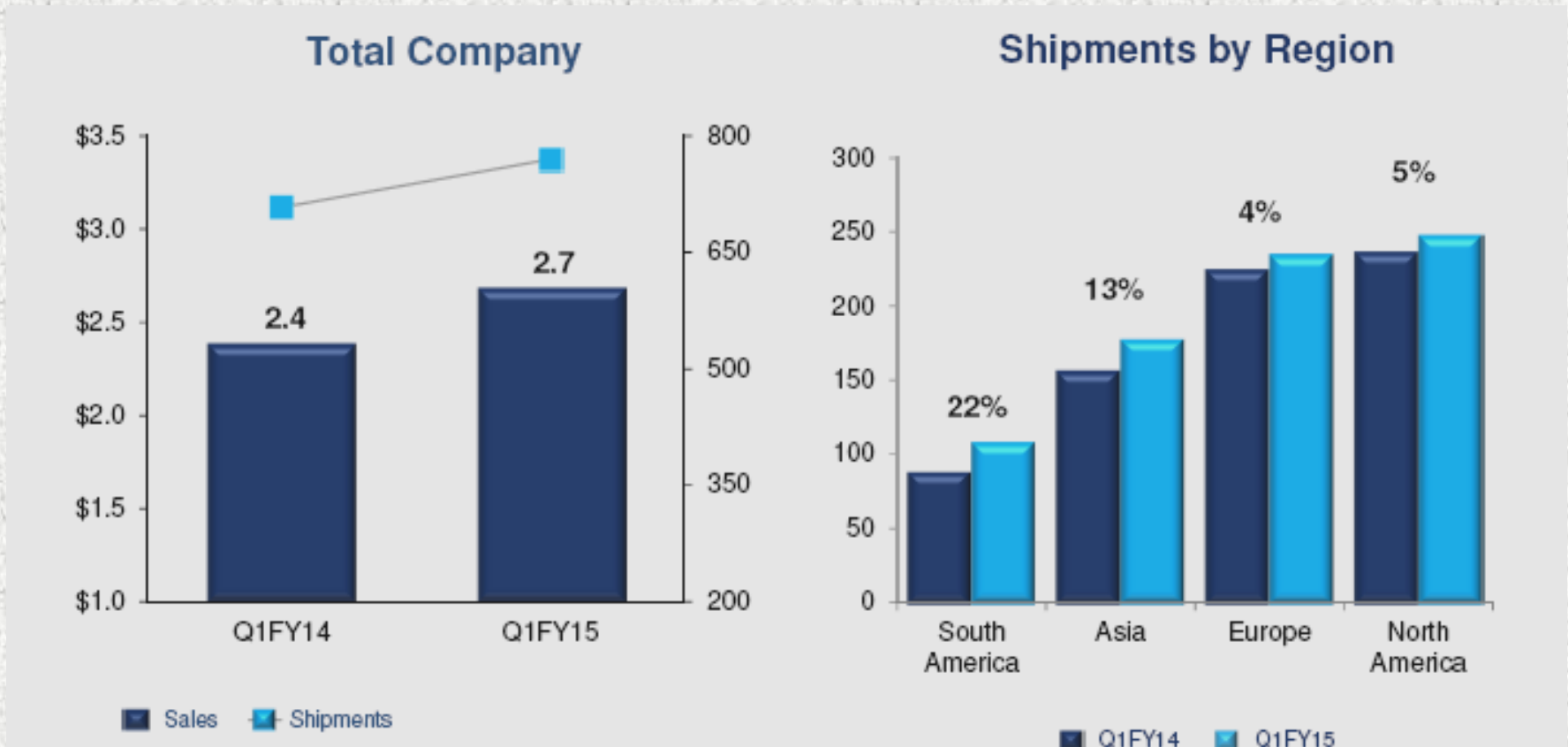
## Q1 FY 15 vs Q1 FY 14

- Shipments Up 9% YoY to 770 Kilotonnes
- Sales Up 12% to \$2.7 Billion
- Adjusted EBITDA Up 15% to \$235 Million
- Net Income of \$35 Million; Net Income Excluding Certain Items of \$30 Million, up 43%
- Negative Free Cash Flow Before Capex (\$39) Million, Up \$69 Million

# Novelis: Shipment in every region increased prior year



Sales - \$ Bn , Shipments - KT










# COPPER BUSINESS



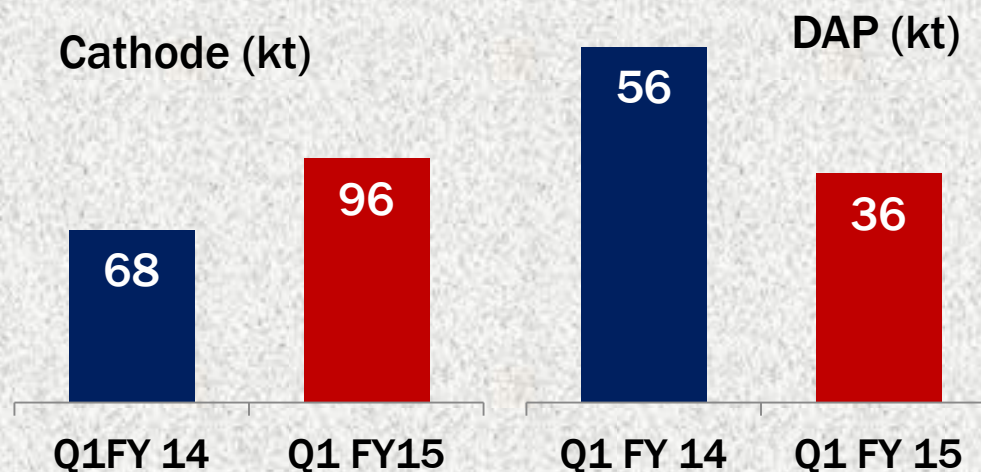
# Cu: Mixed Industry Trends...

	Q1 FY15 vs. Q1 FY14	Impact (YoY)
TCRC	Higher	
LME (\$/t)	Lower	
Exch. Rate (₹/\$)	Favourable	
Acid Price	Lower	
DAP Realization	Stable	

# Cu: Strong Volumes

Higher production

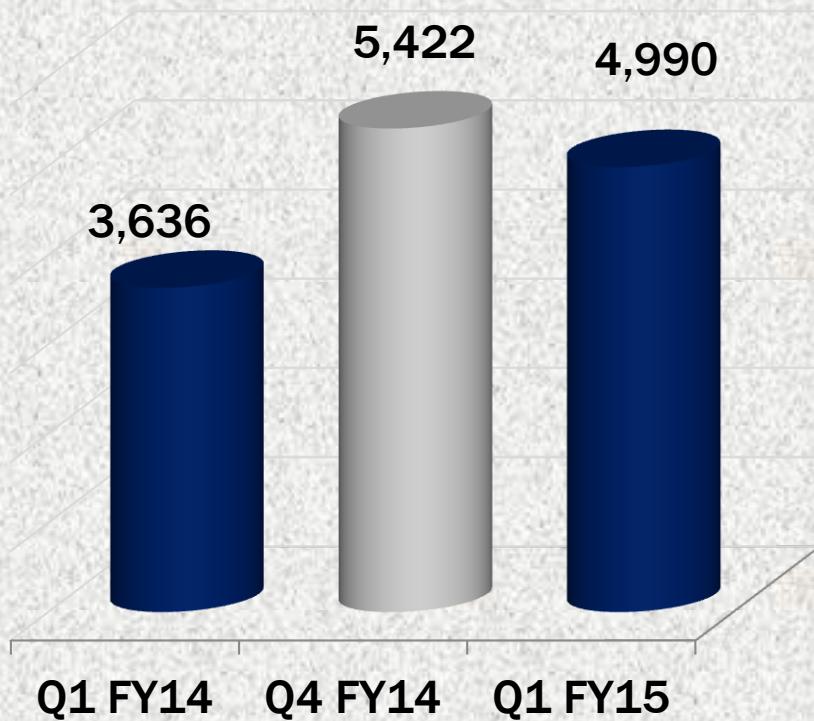
Improved Cu-III performance post last year's shutdown



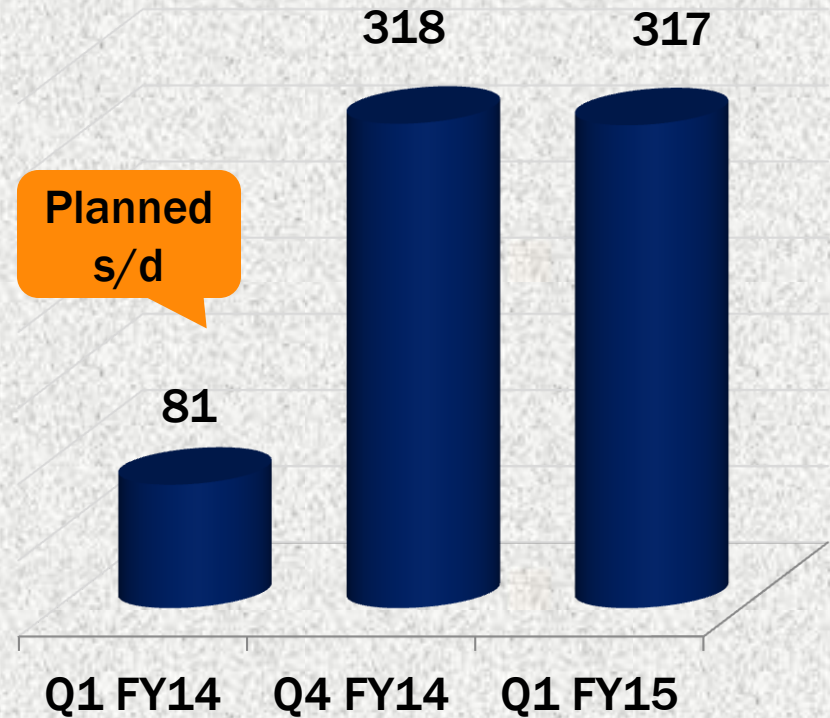
DAP production fell owing to annual and expansion related shutdown

# Cu: Financial Performance

Net Sales (₹ Cr)



EBIT (₹ Cr)



Robust Financial performance

# SUMMING UP



**Greenfield factories progressing towards realizing their potential...**

**Encouraging trend in metal realization .. Strong LME+Premium ... augurs well**

**Robust performance in Copper business expected to continue**

**Novelis capacities ramping up...**

**FY 15.. A year of Consolidation...**



# Thank you

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