

**The Chairman's Address To Shareholders Of Hindalco Industries Limited At  
The 55<sup>th</sup> Annual General Meeting On Wednesday, 24 September 2014 In  
Mumbai**

Dear Fellow Shareholders,

It's indeed a pleasure to welcome all of you this afternoon, and to briefly apprise you of your Company's performance during the financial year gone by. I will also give you my sense of how the year ahead will play out.

While FY 2014 witnessed a rather insipid growth and even now though the global economic outlook is clouded by the geopolitical developments in some regions of the world, I believe FY 2015 should be marginally better for both the developed and developing countries. .

In the Indian context, growth continued to hover between 4.5% to 5% in FY2014. The manufacturing sector's performance was muted. The government and the Reserve Bank of India initiated a slew of measures, to contain fiscal and current account deficit. These were aimed at stabilizing the rupee and bolstering investor confidence. The new Government has rolled out many initiatives, to address fiscal imbalances and escalate investment activity. These are positives that should see the Indian economy shifting to a higher growth trajectory.

Your Company faced a very challenging year, replete with external adversities, among these feature depressed metal prices, de-growth in metal consumption in India and subdued growth in other emerging markets.

The expected birth pangs of strategic green field projects also impacted costs significantly. Braving these tough times, your Company posted an absolutely

remarkable performance — a turnover of US\$ 14.5 billion (Rs. 87,695 crore) and an EBITDA of US\$ 1.5 billion (Rs. 9,303 crore).

Notwithstanding the market related headwinds, FY 14 has been a watershed year for your Company. Each of its three strategic Greenfield projects – Utkal Alumina, Mahan Aluminium and Aditya Aluminium — went on stream and are currently ramping up. These projects, in fullness of time, will redefine Hindalco's cost competitiveness on the global map. It will significantly enhance the long term sustainability of its operations. With the commissioning of these projects, Hindalco's Alumina and Aluminium capacity will be doubled – Alumina from 1.5 million tons to 3 million tons and Aluminium from 0.6 million tons to 1.3 million tons. The Hirakud Flat Rolled Products project and Mouda Foils projects are on course and they will continue to sharpen the value – addition edge of your Company.

Novelis too achieved significant progress in each of its strategic expansion projects. These include the ramp up of production at the Pinda plant in Brazil, the mill expansions in Korea and the start of commercial production at its US automotive finishing lines. Significant strides have also been made towards bolstering your Company's recycling capabilities. This is in line with our goal of achieving 80% recycled aluminium content. The commercial use of EVERCAN, the world's first certified high-recycled content beverage can sheet, marked yet another milestone.

The Copper business delivered outstanding performance this year again, registering its highest ever EBIT in FY 14. With its thrust on multiple value drivers and a pass through model, it once again delivered a robust performance despite plant shutdown, lower co-product realizations and cost pressures. The copper business' splendid performance cushioned the pressure on aluminium margins. The virtue of a balanced portfolio in your Company's metal businesses stands vindicated.

Your Company's consolidated capital expenditure was close to US\$ 1.5 billion (Rs. 9,300 crore). With most of its projects coming to fruition, we are now moving into the consolidation phase. The ramping up of all these projects will enable us to achieve discontinuous growth ahead. Importantly, these projects will facilitate capturing value across the aluminium chain on a sustainable basis.

Having given you a brief overview of the performance of your Company during the year 2013-14, let me now move on to the dividend. Your Directors have recommended a dividend of Re. 1 per share. It entails a cash outgo of Rs.242 crore, inclusive of tax on dividend.

On a different yet connected plane, I am pleased to reiterate that as a Group, we are sworn to inclusive growth and to synergizing growth with responsibility.

Since its inception, your Company has been working towards inclusive growth and sustainable development. Your Company works intensively in 690 villages and 35 urban slums in proximity to your company's 17 manufacturing units across 16 districts within 10 states in India, it reaches out to a rural population of nearly 35 lakhs. Its activities are implemented under the aegis of the Aditya Birla Centre for Community Initiatives and Rural Development, led by Mrs. Rajashree Birla, your Director. Its focus areas are health care, education, sustainable livelihood, infrastructure and social reform.

Your Company pursues a project-based approach with a robust implementation structure, monitoring process and teams of professionals in place at your Company's Units. In its own humble way, your Company helps in alleviating the level of poverty in villages and urban slums near its Units.

Your Company's Sustainable Development philosophy is to manage the business in a responsible manner. It is also a reflection of your Company's commitment to sustainability at a higher level, engaging with multiple stakeholders in this regard.

Your Company's efforts towards CSR, environment conservation and safety are spelt out at great length in the Annual Report

On behalf of your Company's Board, I would like to express our deep sense of gratitude to all our stakeholders, business associates, the Central and State Governments for their continued support and guidance. We are beholden to all of our employees for their tenacity and commitment to the growth of your Company. Last, but not the least, I convey our deepest gratitude to each one of you, our shareholders, and, I look forward to your ongoing support.

Having provided you with a snapshot of your Company, I now come to the first resolution relating to the adoption of audited accounts for the year ended 31<sup>st</sup> March, 2014 and the Directors Report for your consideration and approval.

Kumar Mangalam Birla

*(This document does not purport to be a record of the proceedings at the Annual General Meeting)*