



**INVESTOR PRESENTATION**

**Q3 *FY14***

**Performance and Financial Review**

*February 13, 2014*

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**Highlights and Financial Performance**

**Aluminium Business**

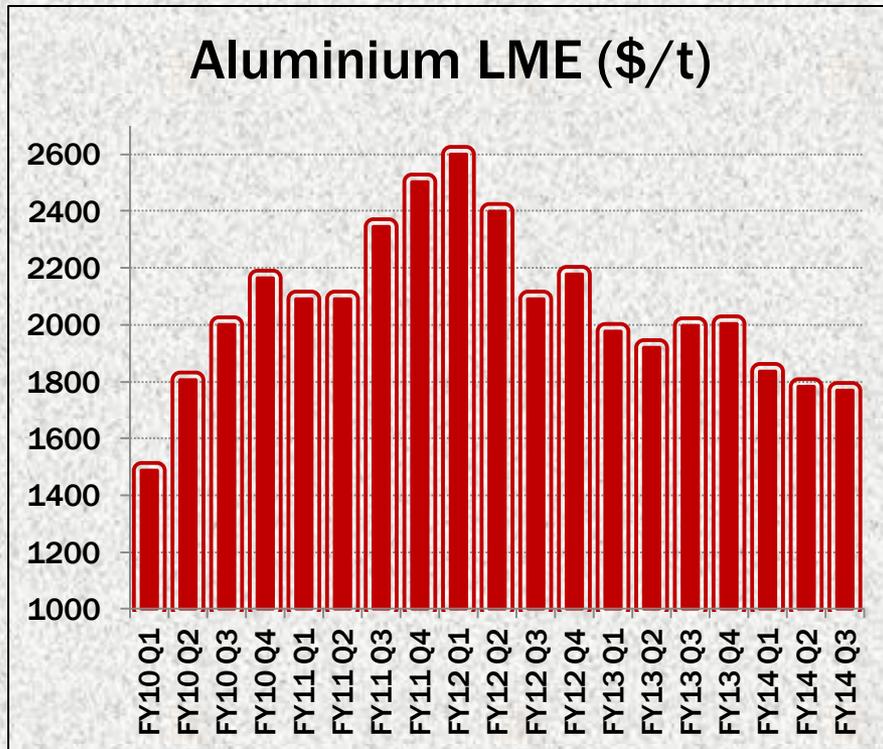
**Copper Business**

**Projects**

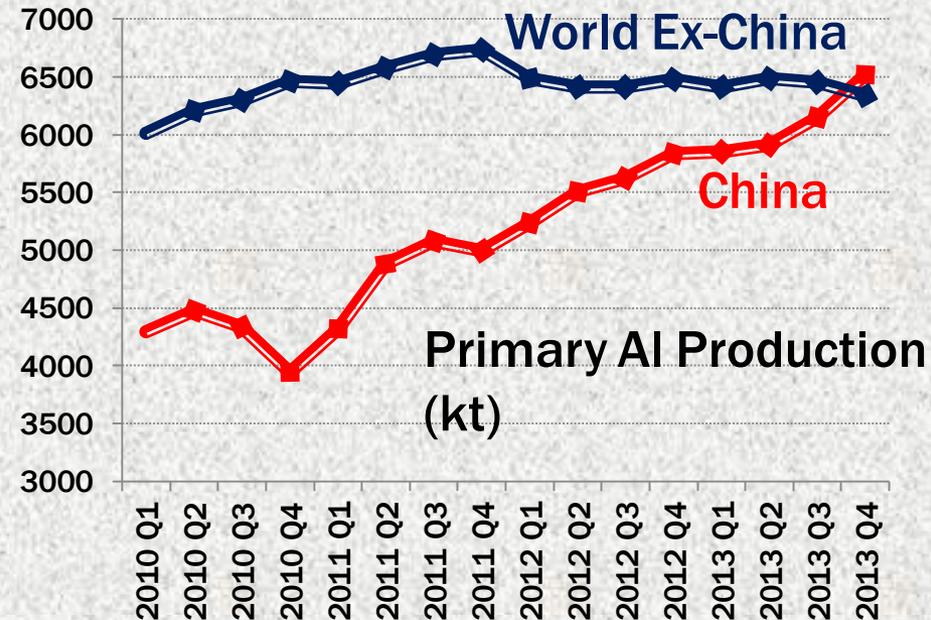
# HIGHLIGHTS AND FINANCIAL PERFORMANCE



# Aluminium: Weakness persists

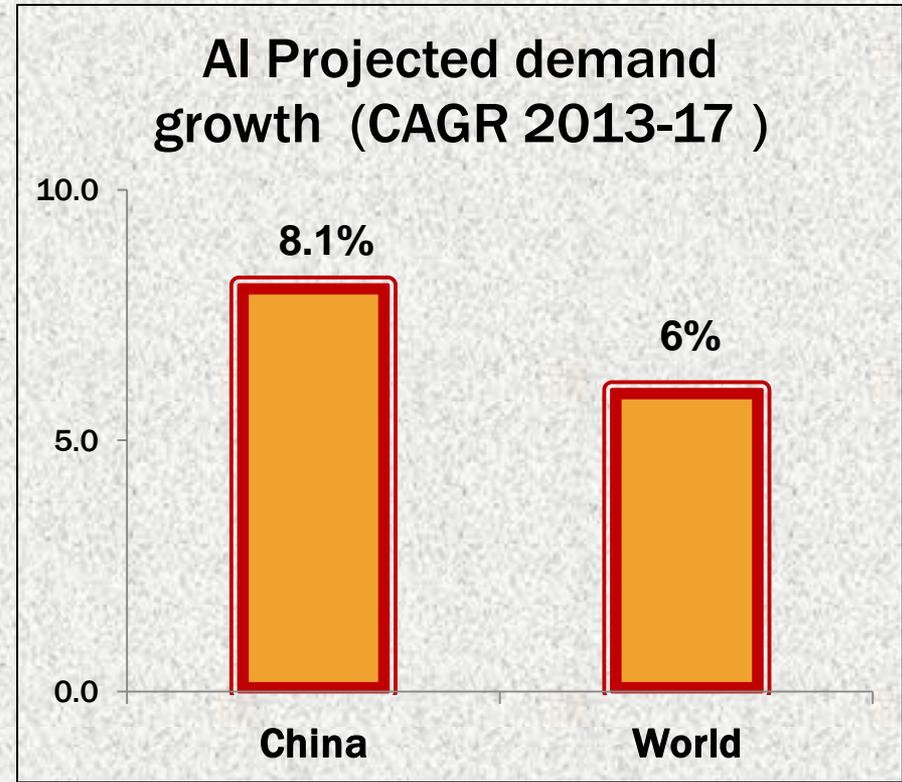
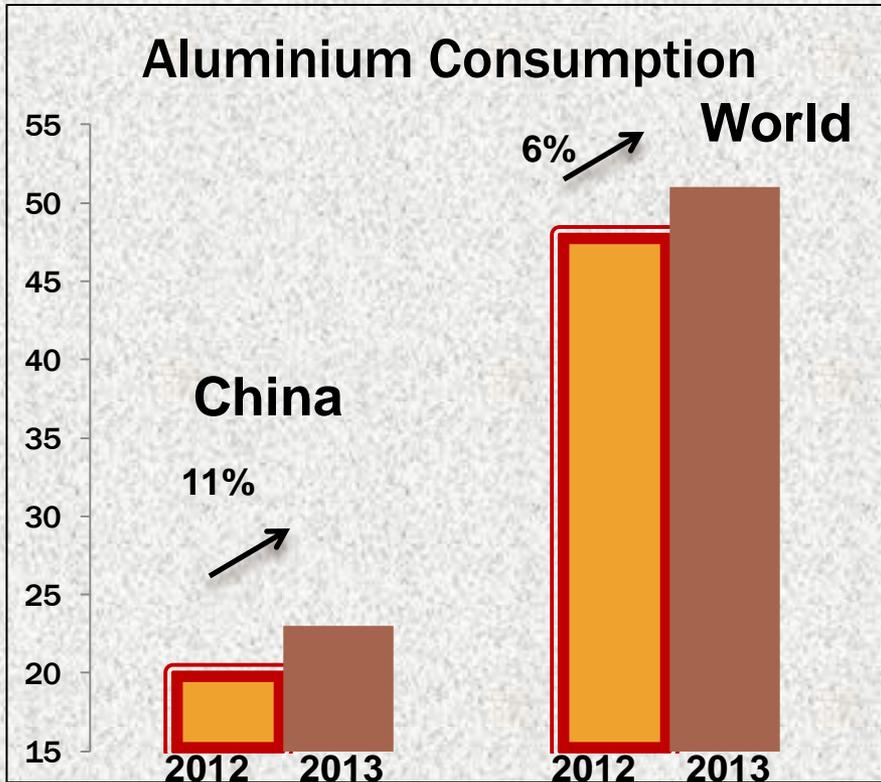


## China overtakes RoW in production



- Higher Chinese production has neutralized the effect of capacity idling elsewhere
- New 4-yr low for LME in the last quarter; World inventory at 90 days

# Demand Robust , Outlook Bullish



- *Demand remained robust & outlook is bullish on the back of strong consumer led demand expectations...*
- *Strong Premia despite announcement of changes in LME warehousing rules are reflective of scarcity in the physical markets...*

# Financial Highlights: Q3 FY14

(Vs. Q2 FY14)

Net Sales

15%

EBITDA

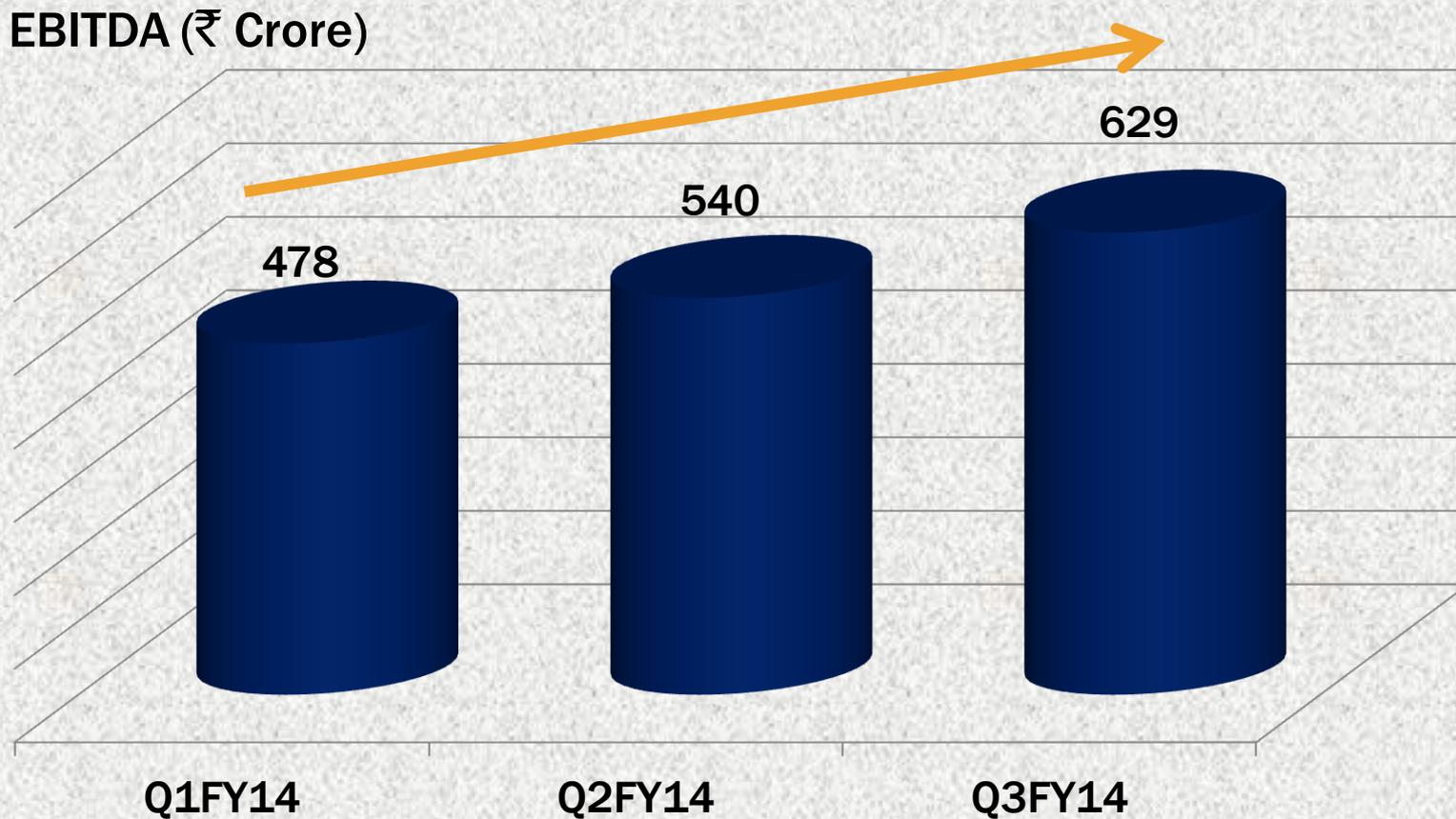
17%

PAT

6%

*Lower other income and Higher effective tax rate affected financial performance despite a robust operational performance*

# HIGHLIGHTS ... EBIDTA TREND



*Sequential rise despite severe headwinds...*

# HIGHLIGHTS ...

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**□ Robust Portfolio helped us deliver in these challenging times...**

**□ For Q3 FY 14...**

**□ Aluminium EBIT at Rs 170 Cr**

**□ Copper EBIT at Rs 300 Cr ... delivered highest ever quarterly EBIT..**

# HIGHLIGHTS ...

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## Projects on course...

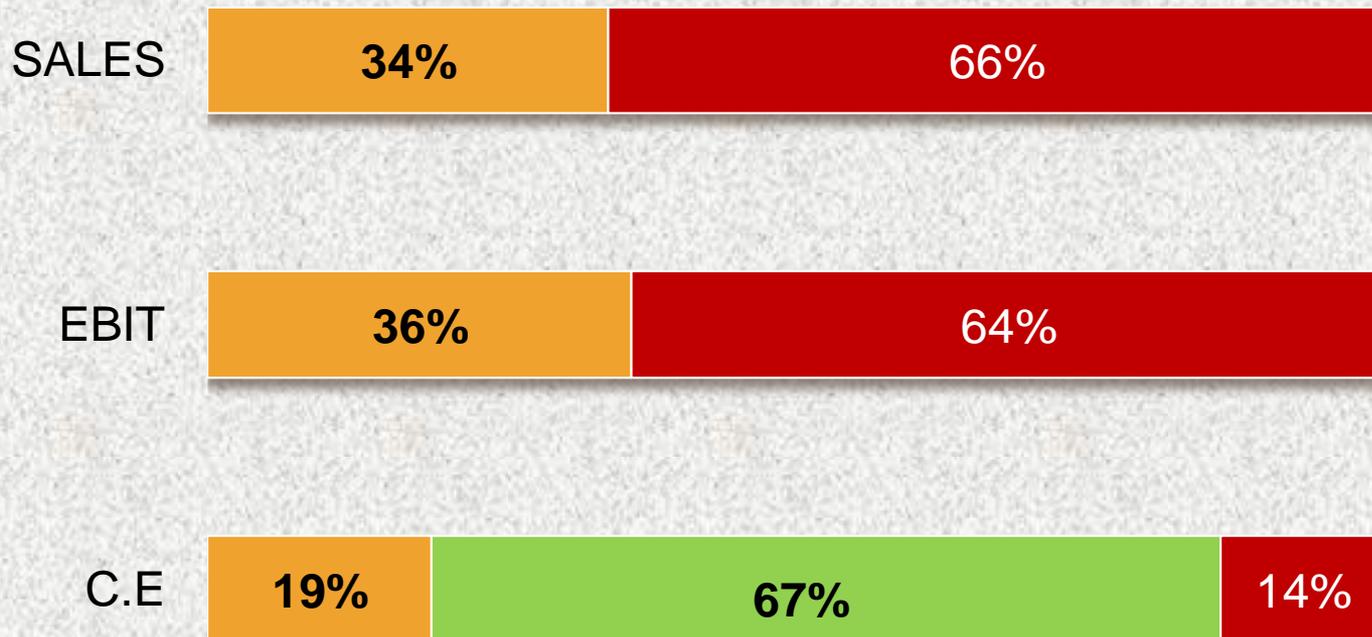
- ❑ Mahan & Utkal ramp up progressing as per plan
- ❑ In Q3 FY14...
  - ❑ Mahan produced 18 KT Metal
  - ❑ Utkal produced 87 KT Alumina
- ❑ Aditya first metal tapped in January 2014
  - ❑ Mahan debt refinanced... Annual interest savings of Rs 100 Cr....
  - ❑ *With this refinancing all project debt has been refinanced with total annual interest cost savings in 3 projects ~ 340 Cr*

# Financial Performance:

₹ Cr	Q3 FY14	Q3 FY13	Change %, YoY	Q2 FY 14	Change %QOQ	9M FY14	9M FY13	Change (%, YoY)
Net Sales	7273	6,872	5.8	6305	15.4	19416	19063	1.9
EBITDA	629	582	8.1	540	16.6	1,648	1560	5.6
Other Income	204	318	(35.8)	280	(27)	912	752	21.3
PBITDA	834	900	(7.4)	820	1.7	2560	2312	10.7
PBT	469	543	(13)	440	6.5	1483	1502	(1.3)
PAT	334	434	(23)	357	(6.5)	1165	1217	(4.3)
EPS (₹)	1.62	2.26	(28.6)	1.85	(12.5)	5.91	6.36	(7.0)

# Segmental Performance – Q3 FY 14

■ Aluminium ■ Greenfield ■ Copper

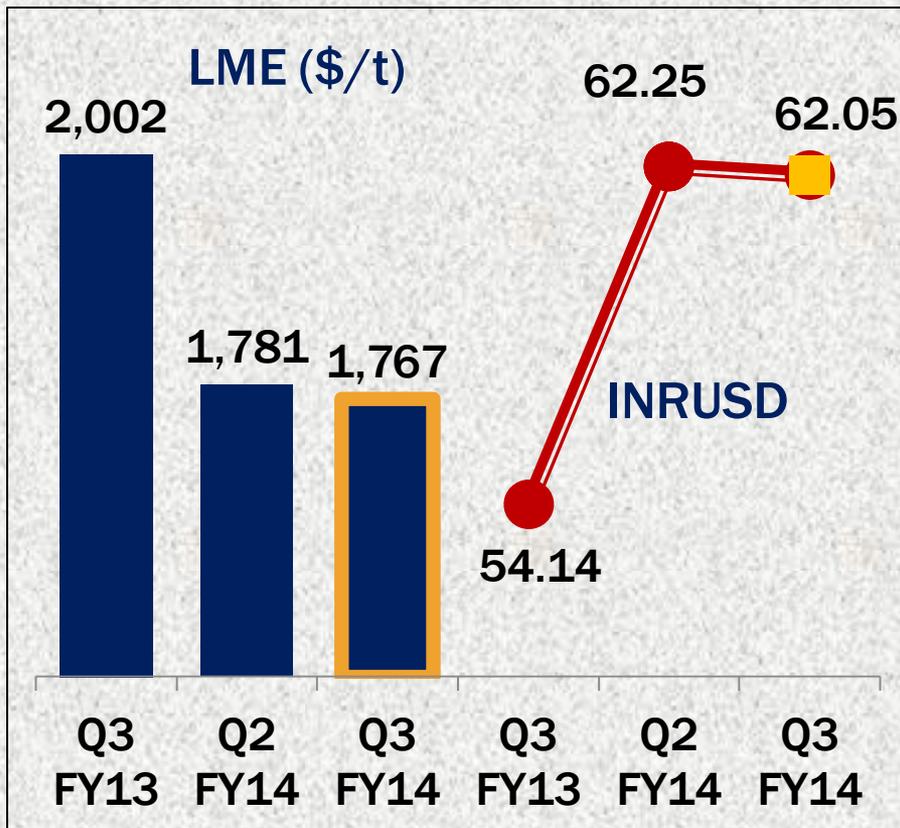


# ALUMINIUM BUSINESS



# AI: External Environment

LME was at 18-quarter low, but rupee depreciation mitigated some impact



## Value Drivers Trend

	YOY trend & Impact
LME (\$/t)	↓
Exch. Rate (₹/\$)	↑
Ingot Premium	↑
Rising Key Input Prices	↓

# Al: Production Performance

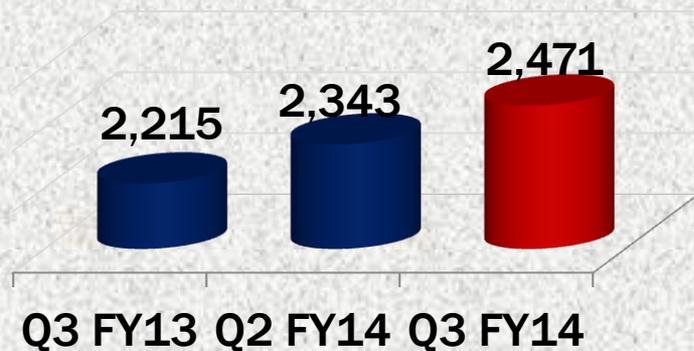
(Kt)	Q3 FY14	Q3 FY13	Change (%)
Alumina	342	326	4.8
Metal	158	139	13.5
FRP	59.7	56.9	5.1
Extrusions	9.5	8.3	14.3

- Metal output includes 18.1 kt trial production at Mahan (7.4 kt in the previous quarter)
- Alumina output corresponds to standalone Hindalco and does not include production at Utkal (87 kt in Q3 FY14)

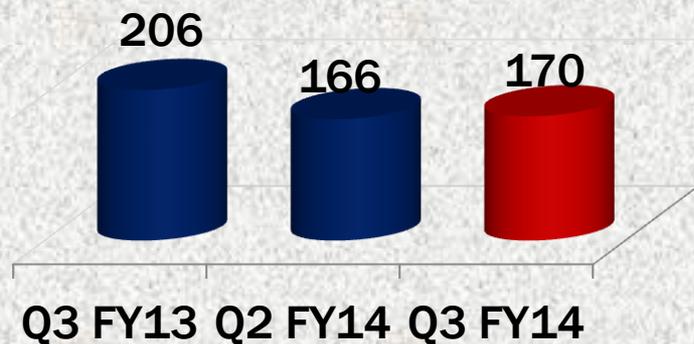
# AI: Financial Performance

## Q3 Performance

Net Sales (₹ Crore)

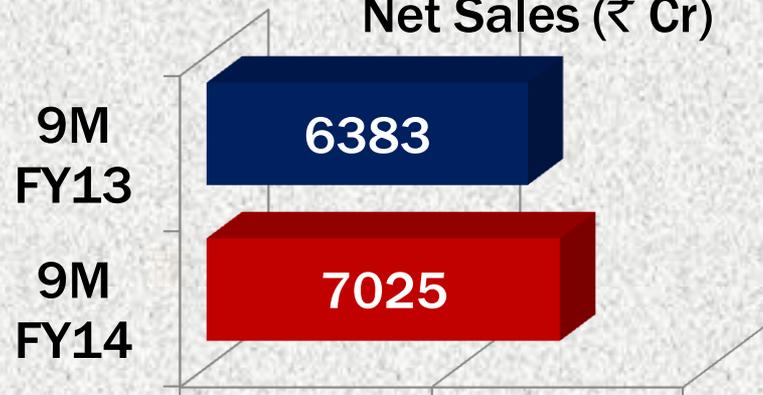


EBIT (₹ Crore)

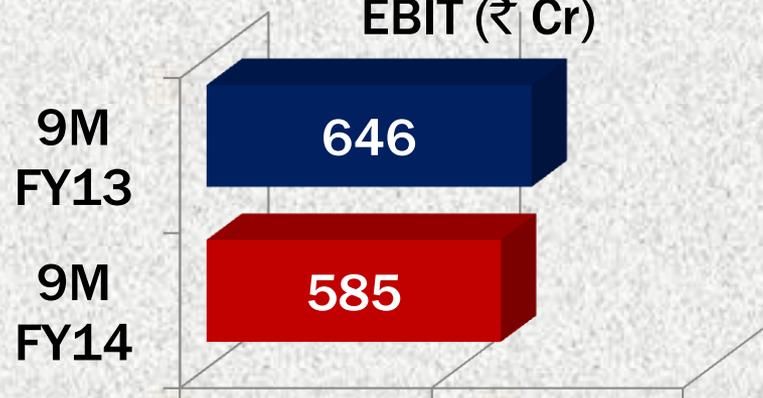


## 9M Performance

Net Sales (₹ Cr)



EBIT (₹ Cr)



# NOVELIS : Q3 FY14 HIGHLIGHTS

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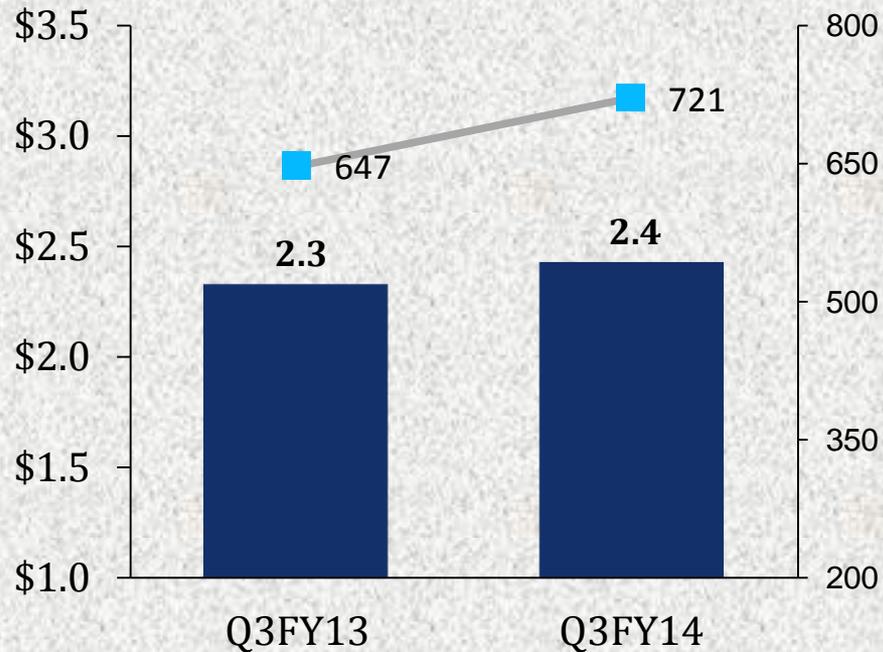
- Shipments Up 11% YoY to 721 Kilo tonnes, Up 1% Sequentially Despite Seasonally Low Quarter
- Adjusted EBITDA Up 10% YoY to \$203 Million
- Free Cash Flow Before Capex of \$96 Million, Up \$212 Million YoY
- Net Income of \$13 Million; Excluding Certain Items, Net Income \$23 Million

**Excellent Operational Performance**

# Novelis: Shipments and Sales

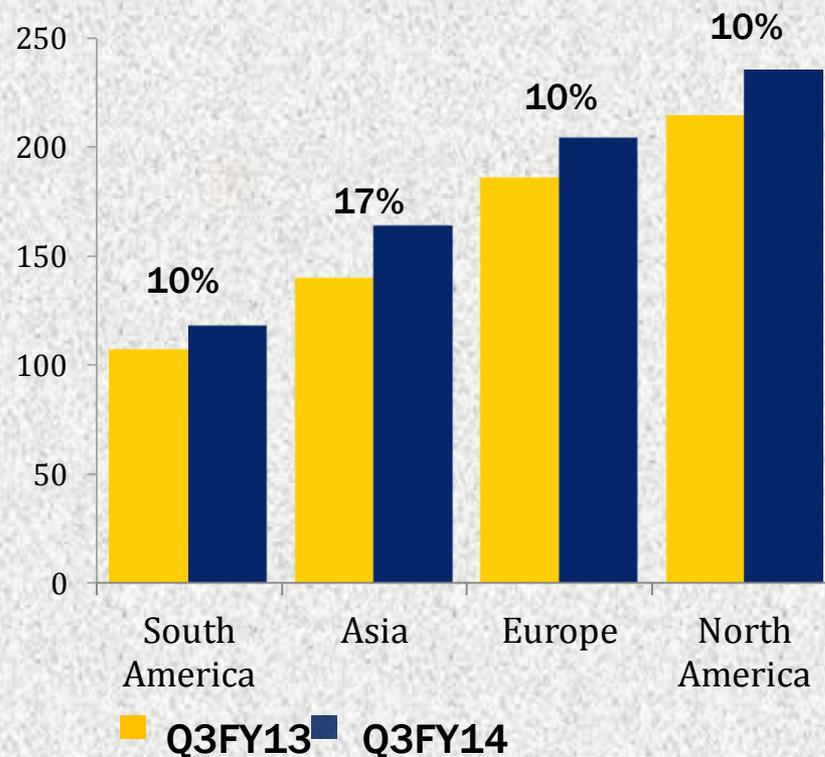
Sales (Billions) • Third Party Shipments (Kt)

## Consolidated Shipments & Sales



■ Sales ■ Shipments

## Shipments by Region

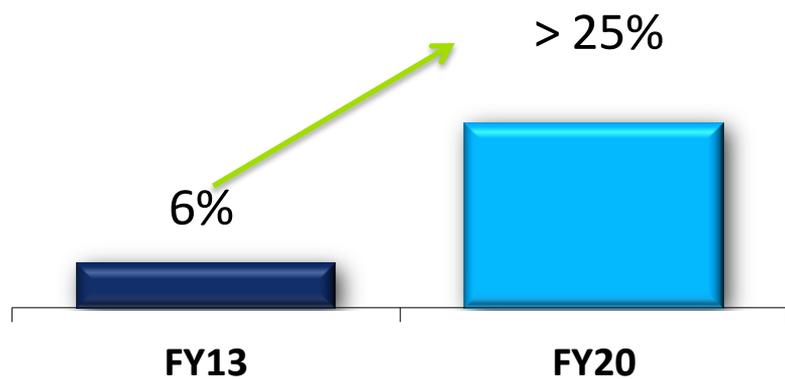


■ Q3FY13 ■ Q3FY14

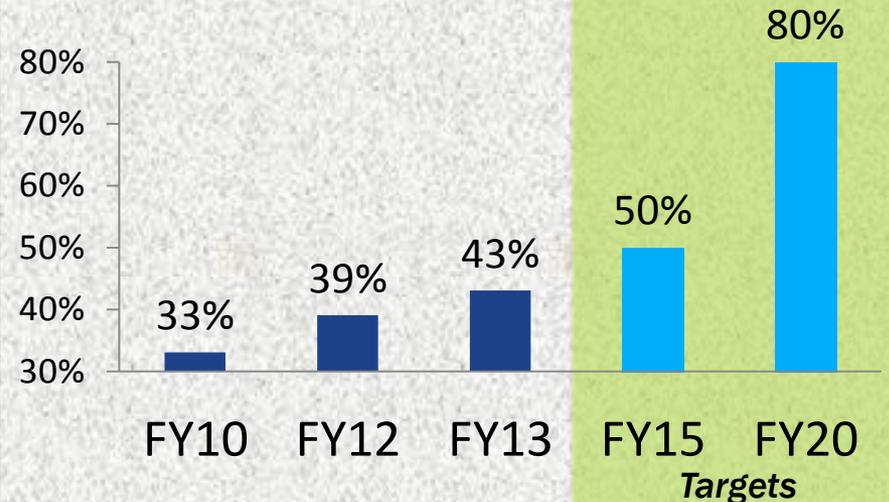
**Highest Q3 Shipments Since FY 2008**

# Auto and Recycling: Key Growth Stories for Novelis

## Auto Share of Novelis Portfolio

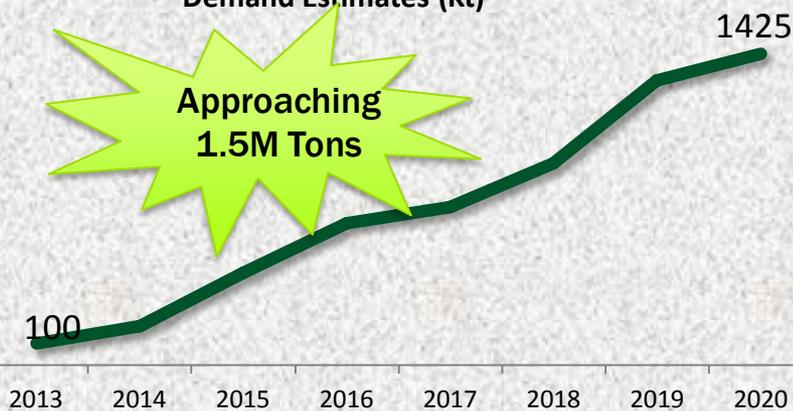


## Average Recycled Content in Novelis Products



## North America FRP Auto Demand

North America Aluminum Auto FRP Demand Estimates (Kt)



Industry's First Independently Certified 90% Recycled Content Can Body Sheet

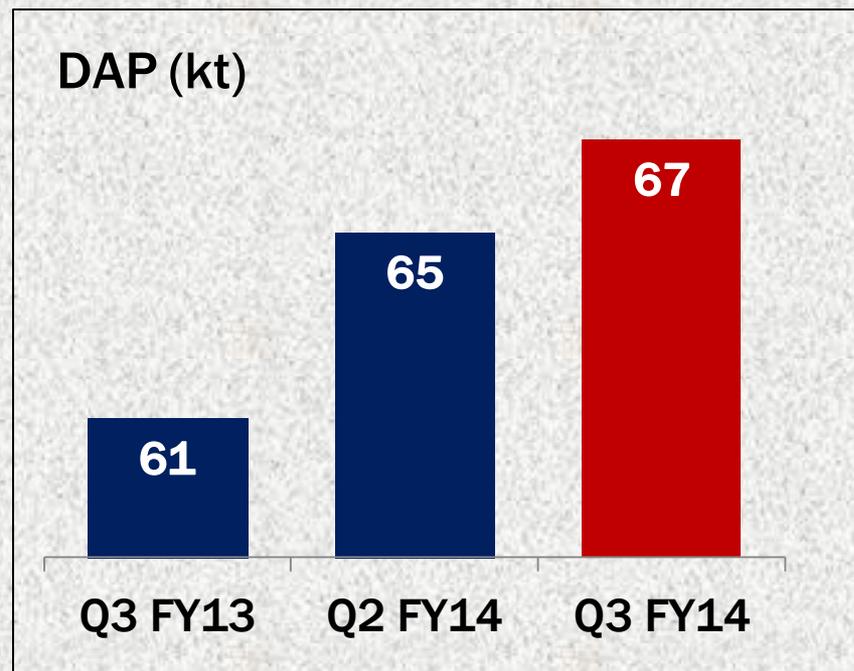
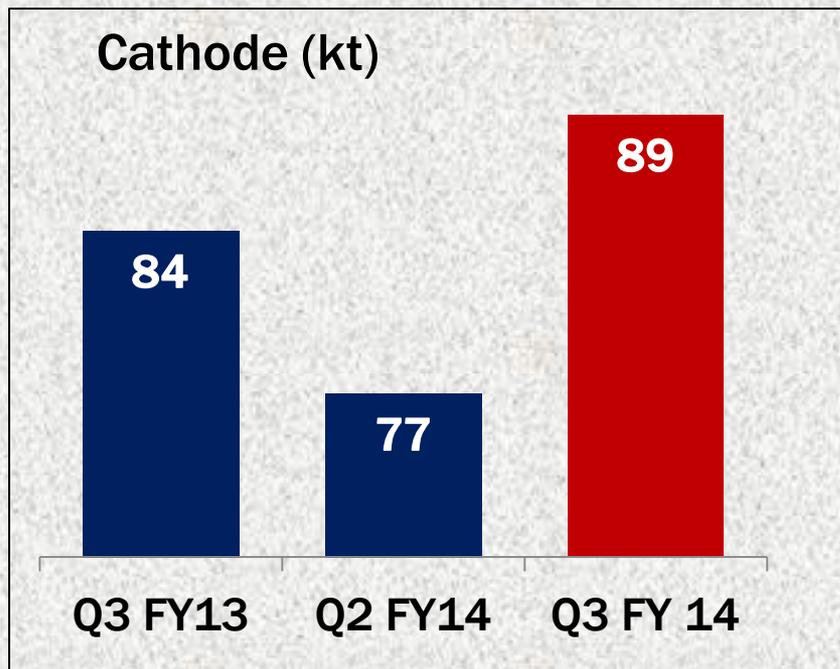
# COPPER BUSINESS



# Cu: Sharp drop in Co-Product Realization

	Q3 FY14 vs. Q2 FY14	Q3 FY14 vs. Q3 FY13	Impact (YoY)
TCRC	Slightly higher	Slightly higher	
LME (\$/t)	Flat	Sharply lower	
Exch. Rate (₹/\$)	Flat	Favourable	
Acid Price	Slightly higher	Significantly lower	
DAP Realization	Flat	Weaker	

# Cu: Production Performance



- **Post shutdown– Improved Operating efficiency**
  - **Achieving better feed rate, plant uptime and operating efficiencies**

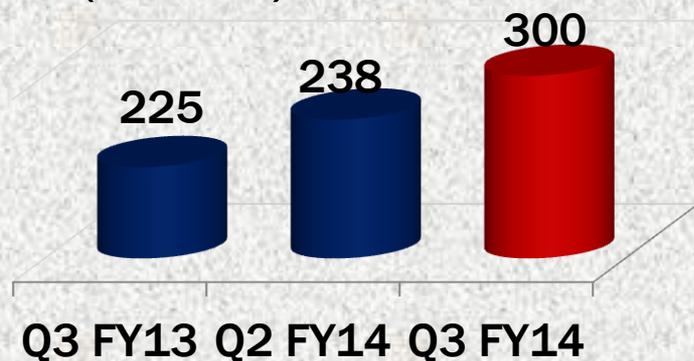
# Cu: Financial Performance

## Q3 Performance

Net Sales (₹ Crore)



EBIT (₹ Crore)

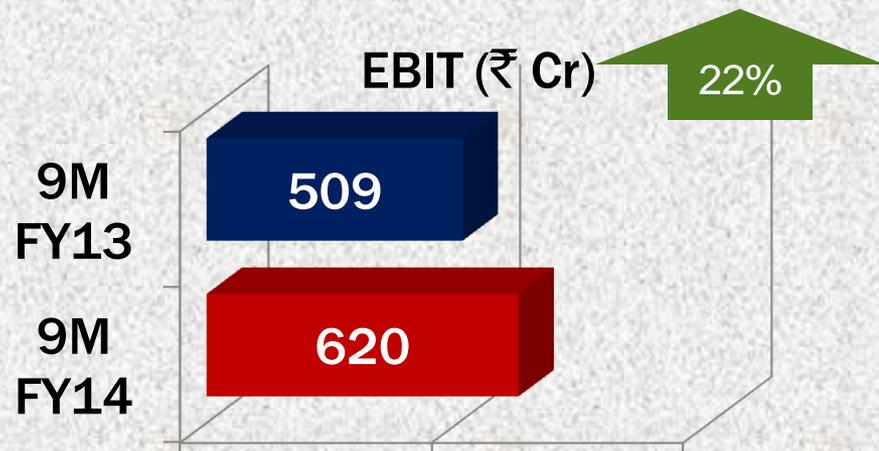


## 9M Performance

Net Sales (₹ Cr)



EBIT (₹ Cr)



# PROJECTS



# PROJECTS : ON STREAM

**Utkal Refinery**



**Aditya Smelter**



**Hirakud FRP**



**Mahan CPP**



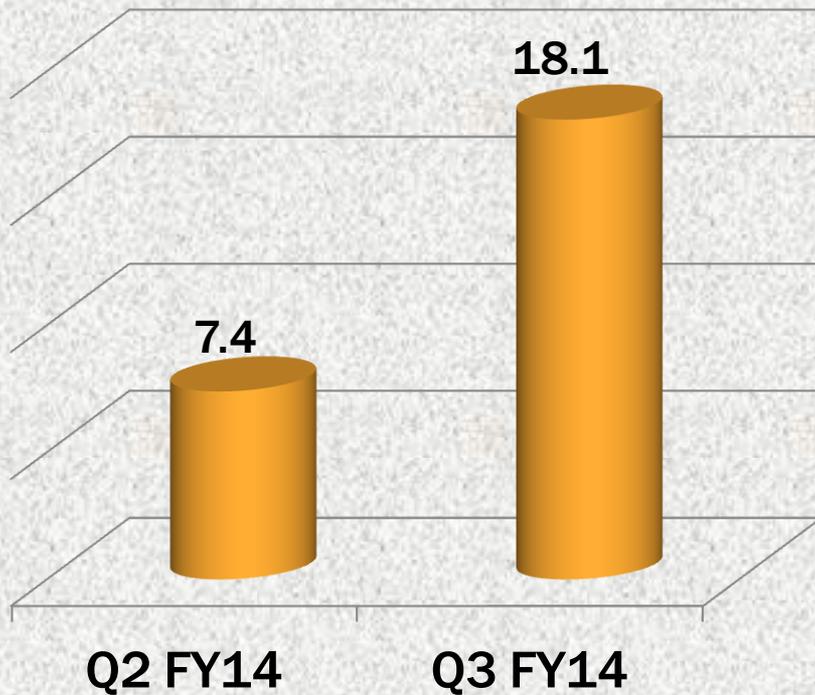
# Aditya: First Metal tapped....

First Metal: 18<sup>th</sup> January 2014



# Mahan: Scaling up

Metal Production (kt)



\*YTD ... 27.6 kt



CPP View



Green anode line

# Utkal: Gaining momentum

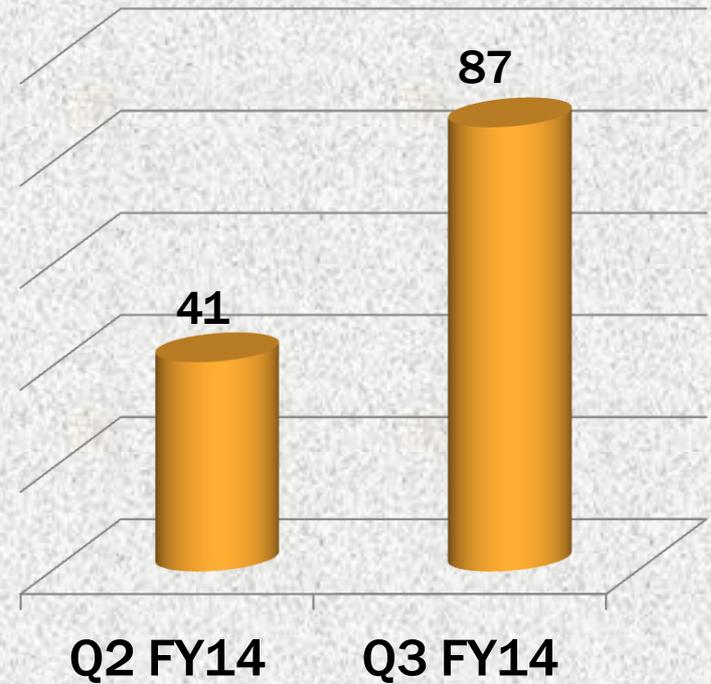
Refinery Overview



Alumina Conveyor



Alumina Production (kt)



# Summing Up

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**FY14 has turned out to be a watershed year for us when the projects have gone on stream**

**Business environment will continue to be tough, with added uncertainty on coal blocks**

**TCRC cycle turning in favour of Copper business; but co-product realizations pose challenges**

**Bottom line will come under strain in the coming quarters on higher depreciation and interest**

***Progressing strongly as Challenging times continue ...***

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ADITYA BIRLA



HINDALCO

Thank you

## Forward Looking & Cautionary Statement

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*Certain statements in this report may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company’s operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the company’s principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the company conducts business and other factors such as litigation and labour negotiations. The company assume no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events, or otherwise.*