



INVESTOR PRESENTATION

Financial year 2013
May 28, 2013

Structure of the Presentation

Highlights

Performance Review - Aluminium

Performance Review - Copper

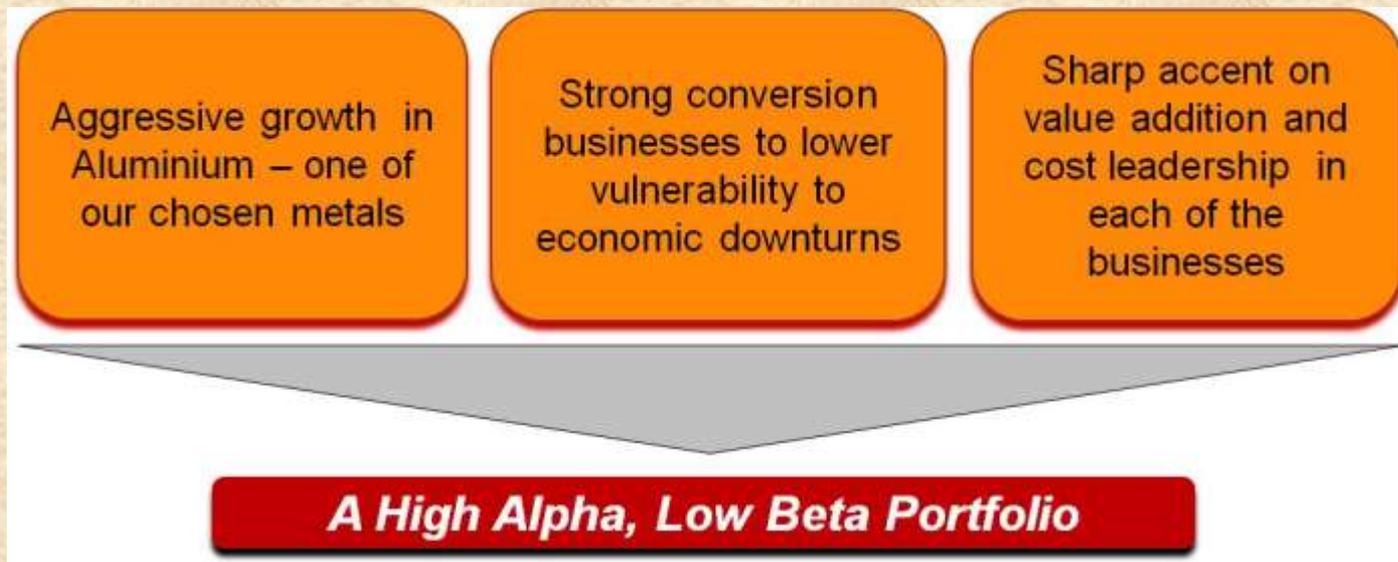
Projects update

Gearing for the Future

FY 2013 : HIGHLIGHTS

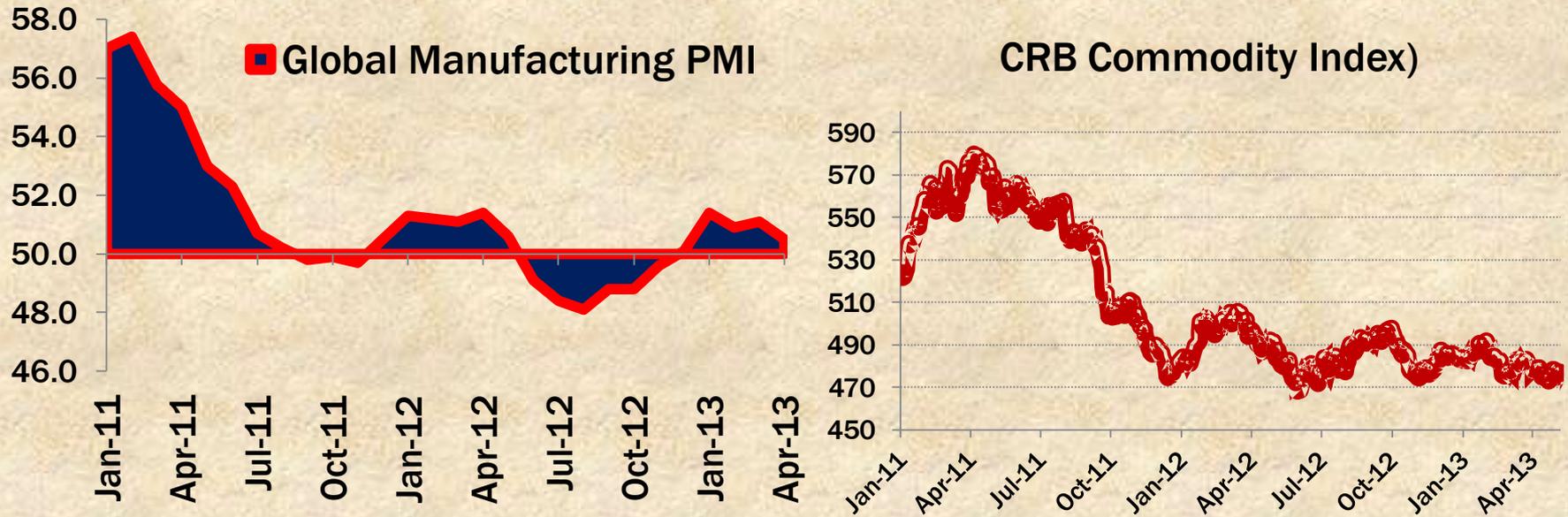


FY13: Major stepping stone on our strategic path



- ⦿ Key **Greenfield projects**, which shall redefine our competitive edge, taken to the last lap
- ⦿ Indian business' **VAP strategy** solidified with Hirakud FRP and Mouda Foils projects
- ⦿ Robustness of **conversion businesses** vindicated yet again in a challenging macro environment

Global Economy: Recovery still elusive



- ⦿ **Equity markets** have been enthusiastic recently, powered by unprecedented support from all major Central Banks
- ⦿ **Commodity markets**, however, are cautious as manufacturing growth remains frail

FY13 Consolidated : Highlights

- **Aluminium segment:** Margin compression in Indian business largely compensated for by Novelis' steady performance
- **Copper segment:** Robust show by conversion business in India and Nifty mines; decline largely due to losses at MGO and due to Smelter shut down in Q1
- **Projects :** Upstream - Utkal, Mahan, Hirakud expansion under commissioning, Downstream - Hirakud FRP, Pinda (Brazil), Mouda – Foils - Commissioned , Rest progressing well

FY13: Consolidated Results

- ◎ **PBITDA** maintained at last year's level despite challenges across Businesses
- ◎ Higher interest burden led to a drop in **PBT** and **PAT**

₹ Cr	FY13	FY12	Change (%)
Net Sales	80,193	80,821	(0.8)
PBITDA	8,849	8,967	(1.3)
Interest	2,079	1,758	18.3
Depreciation	2,861	2,864	(0.1)
PBT	3,909	4,345	(10.0)
PAT	3,027	3,397	(10.9)
EPS (₹)	15.81	17.74	(10.9)

FY13: Standalone Results

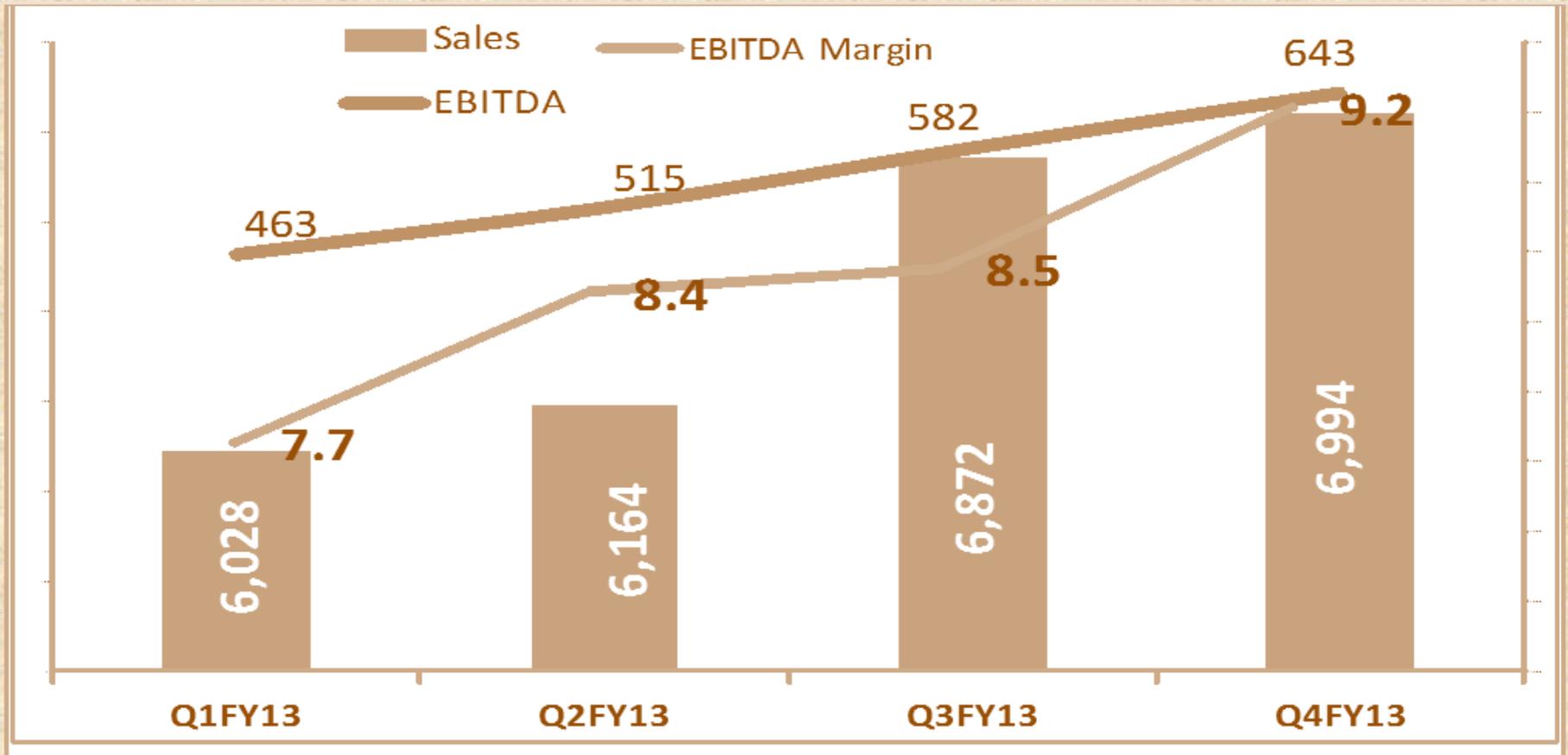
₹ Cr	FY13	FY12	Change (%)
Net Sales	26,057	26,597	(2.0)
EBITDA	2,204	3,105	(29.0)
PBITDA	3,187	3,721	(14.3)
PBT	2,047	2,737	(25.2)
PAT	1,699	2,237	(24.0)
EPS (₹)	8.88	11.69	

Standalone Q4: Sharp sequential improvement..

₹ Cr	Q4 FY13	Q3 FY13	Change (%, sequential)	Q4 FY12
Net Sales	6,994	6,872	1.8	7,647
EBITDA	643	582	10.5	865
Other Income	231	318	(27.4)	161
PBITDA	874	900	(2.9)	1,025
PBT	544	543	0.2	779
PAT	482	434	11.2	640
EPS (₹)	2.52	2.26		3.34

Significant improvement in sequential performance in the face of challenging environment...

EBITDA TREND (Rs. Crore)

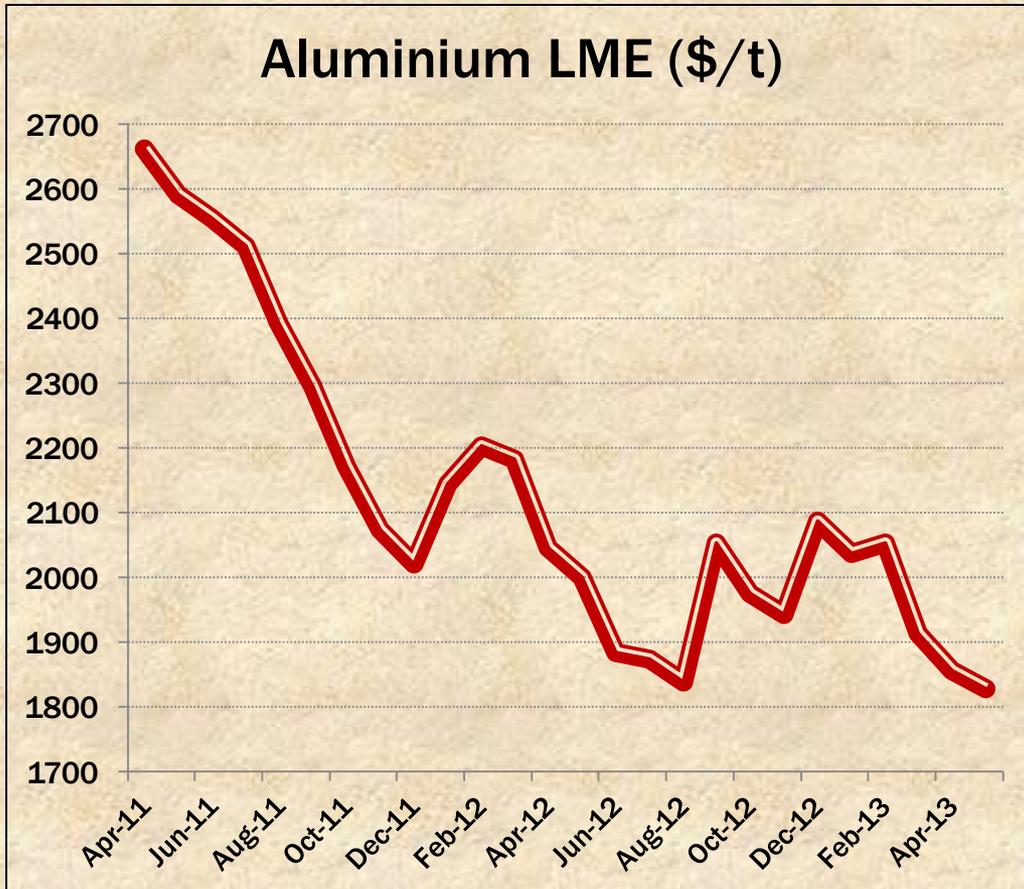


Sequential Growth in Sales, EBITDA and EBITDA Margin

PERFORMANCE REVIEW: ALUMINIUM



LME at unsustainably depressed levels



- ◎ *Global inventory ~96 days*
- ◎ *Capacity operating at loss:
31% in China,
18% outside China*

**Closures of high-cost capacities essential to restore balance
The trend has started.....**

FY13 Highlights: Aluminium



Aluminium (India): *Compression of margins*

- ❑ Margins fell due to adverse macro factors, but still best among the peers
- ❑ Operational improvements in H2 after one-time setbacks in H1
- ❑ Strong progress on projects

Novelis: *Solid results despite unexpected headwinds*

- ❑ Adj. EBITDA of \$961 Mn – affected by pricing pressures and production disruptions
- ❑ Record capex spend; Increased recycling rate , Brazil expansion within time

AI (India) Highlights: FY13

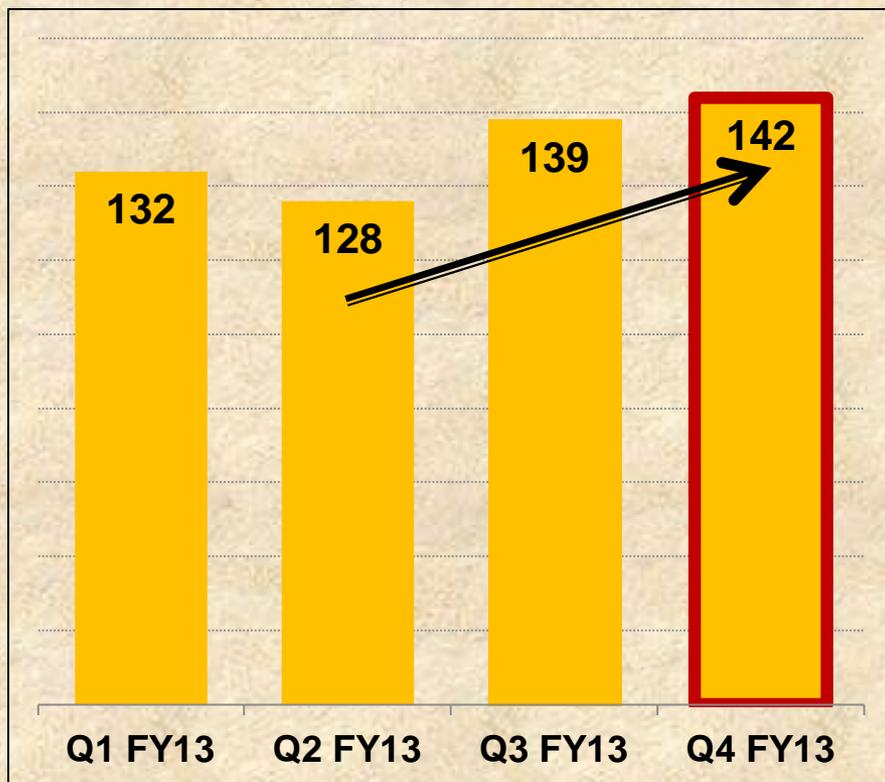
- ◉ Existing **operations have stabilized** after setbacks in H1
- ◉ Sequential **improvement in margins** in both Q3 and Q4
- ◉ **VAP capabilities strengthened** with commissioning of Hirakud FRP and Mouda Foils projects
- ◉ **Downstream volumes** grow despite lower metal availability
- ◉ **Greenfield Projects - Strong Progress**
 - ◉ Mahan – First Metal tapped
 - ◉ Utkal – Under commissioning

Strong recovery in H2

AI: Steady improvement in Operational Performance

With stabilization of smelter operations in H2, volumes improved.....

Metal Output (kt)



- ⊙ **VAP** tonnage increased from 245 kt in FY12 to 255 kt in FY13
 - *VAP proportion up from 43% to 47%*
- ⊙ **Hydrate/Alumina sale** up 4% to 281 kt

FY13 metal volume was, however, 6% down at 542 kt

Three key factors affected profitability in FY13

Weak LME

	FY12	FY13
\$ /t	2,317	1,976
₹/Kg	111.0	107.3

Input Cost Pressures

Costs of key inputs like coal, caustic soda and furnace oil were higher in FY13 than FY12 by 10-30%

H1 Smelter Disruptions

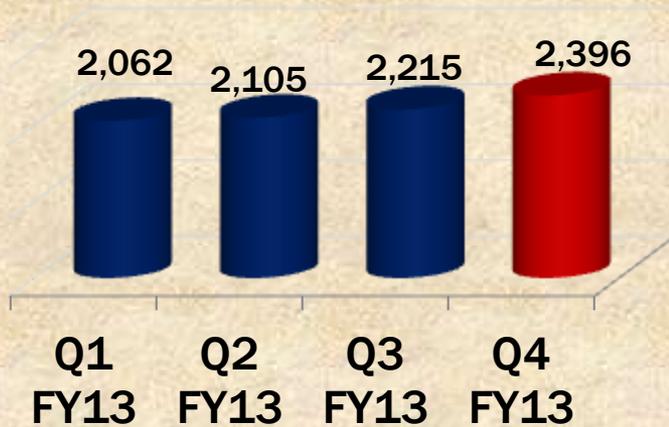
Nearly 30 kt volume lost and efficiencies suffered .. Now normalcy has returned

In addition certain other one offs such as bauxite related issues, water shortage at Muri, Heavy rains at Hirakud also impacted operations

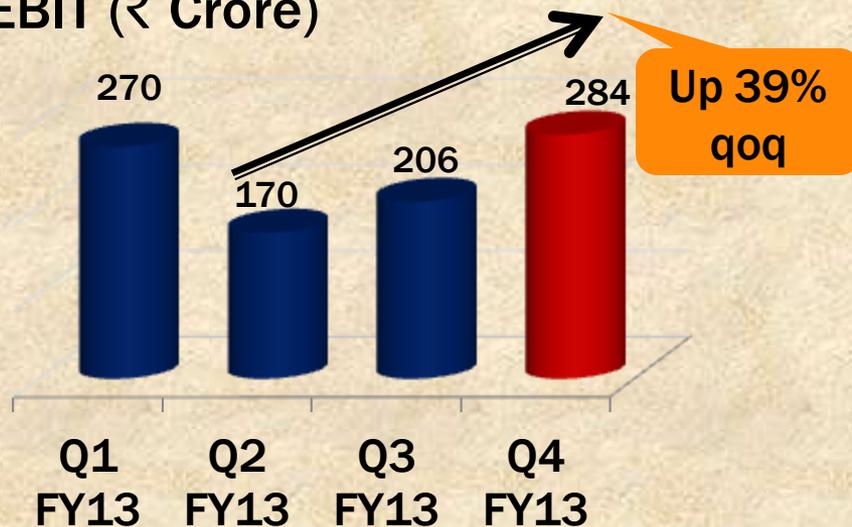
AI: Financial Performance

Quarterly Trend

Net Sales (₹ Crore)

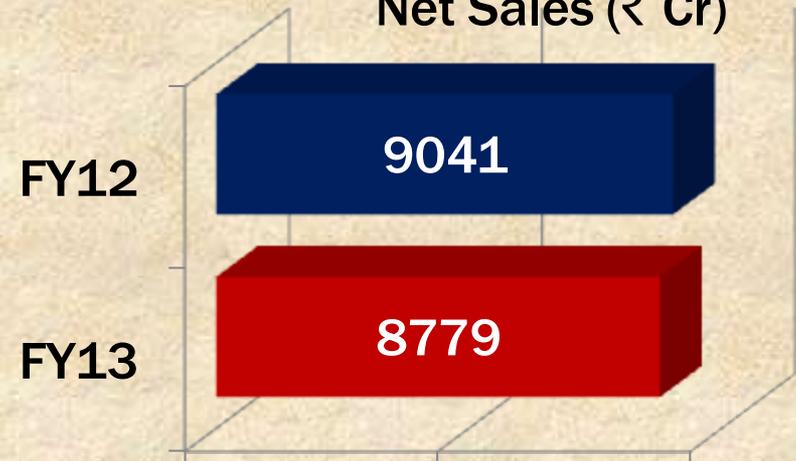


EBIT (₹ Crore)

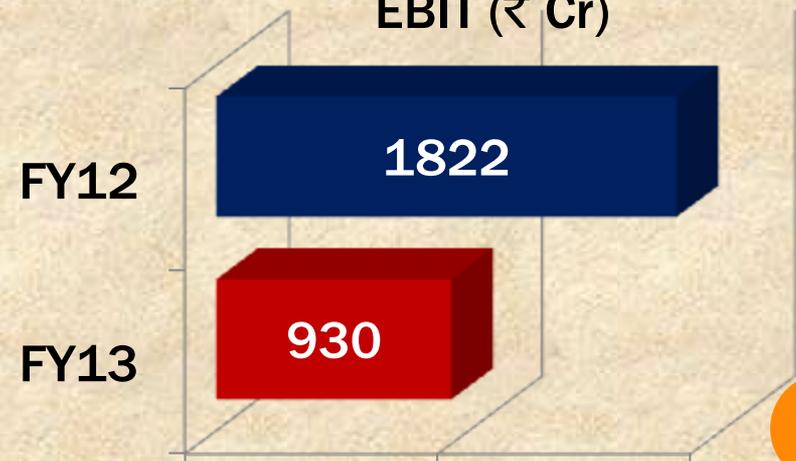


FY13 Performance

Net Sales (₹ Cr)



EBIT (₹ Cr)



Novelis: FY13 Actions on Strategy

CONTINUE TO STRENGTHEN THE BUSINESS

- ✓ Divested 3 foil plants in Europe
- ✓ Closed Saguenay Plant in Canada
- ✓ Shut down Ouro Preto potline in Brazil
- ✓ Implemented ERP system in 2 North American Plants

CAPTURE GROWTH IN OUR FRP MARKETS

- ✓ Major Rolling Expansions progressing well
- ✓ Commissioned new cold mill at Pinda Plant in Brazil
- ✓ Broke ground on automotive heat treatment line in China

80% RECYCLED CONTENT IN OUR PRODUCTS BY 2020

- ✓ Major Recycling expansions progressing well
 - Commissioned Yeongju, the Largest Fully-Integrated Beverage Can Recycling System in Asia
 - Broke Ground on Fully-Integrated Recycling Center in Europe
 - Exited Evermore, Established North America UBC Procurement Organization

Novelis Highlights: FY13

- ◎ **Q4 had a strong comeback** - Adj. EBITDA up 30% sequentially to \$240 Mn
- ◎ Record **Capex** of \$775 Mn in FY13 for strategically directed future growth projects
- ◎ Solid **Liquidity** of \$760 Mn despite aggressive capex
- ◎ **Shipments** down 2% in FY13 due to divestment of three foil plants in Europe and production disruptions in North America
- ◎ **Recycling** rate up from 39% in FY12 to 43% in FY13
- ◎ Adjusted **EBITDA** for FY13 down 9% to \$961 Mn due to pricing pressures in certain regions and other one-offs

Strong results despite headwinds

PERFORMANCE REVIEW: COPPER



Cu: Key External Drivers

	FY13 vs. FY12	Impact
TCRC	Nearly flat	
LME (\$/t)	-7%	
Exch. Rate (₹/\$)	+13%	
Acid Price	Significantly lower	
DAP Subsidy	lower	

FY13 Highlights: Copper (India)



Copper (India): Robust performance

- ❑ Financial performance maintained overcoming the weakness in co-product markets in H2 & loss of production in H1

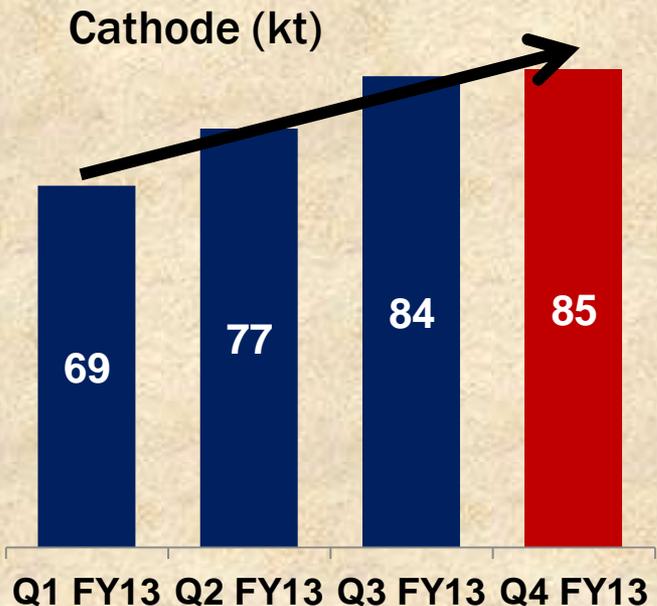
Cu: Production Performance

⊙ Cathode output declined from 330 kt in FY12 to 315 kt in FY13 (5%) due to plant health issues in Cu-III

⊙ Output has improved sequentially in every quarter of FY13

⊙ CCR output maintained, improving product-mix

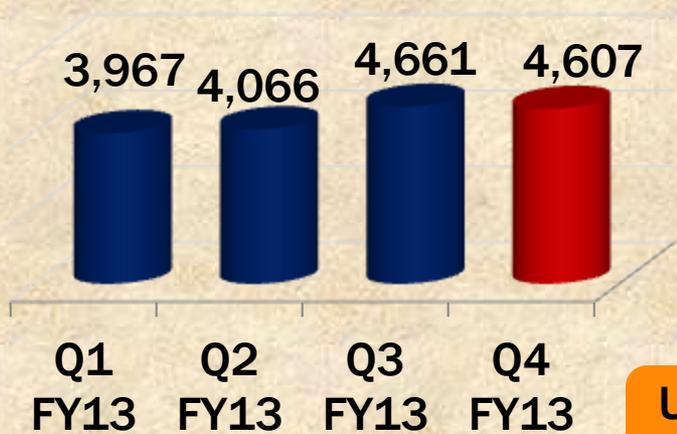
➤ CCR proportion up from 44.5% in FY12 to 46.3% in FY13



Cu: Financial Performance

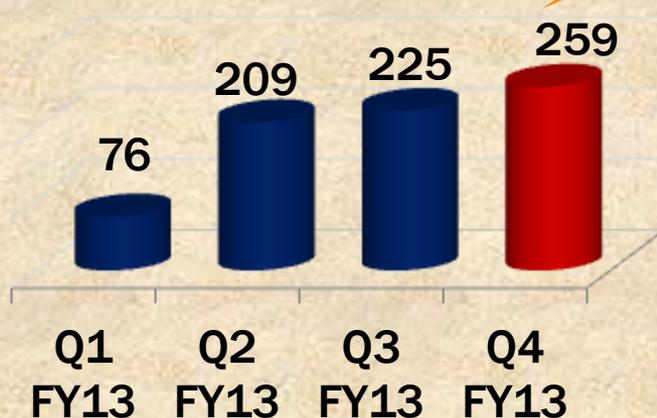
Quarterly Trend

Net Sales (₹ Crore)



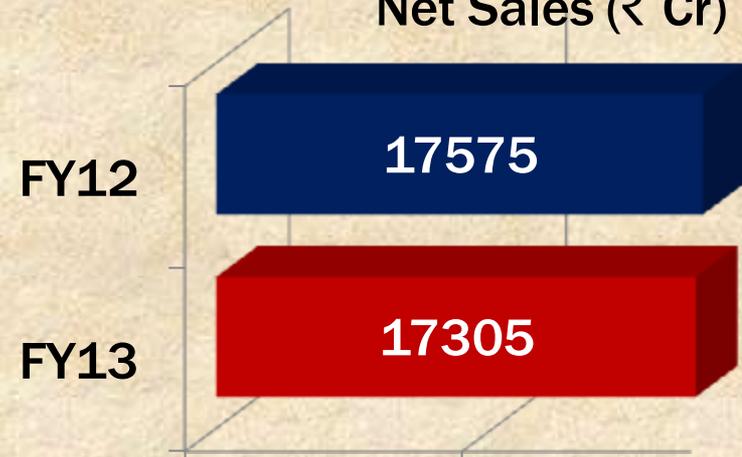
Up 15%
qoq

EBIT (₹ Crore)

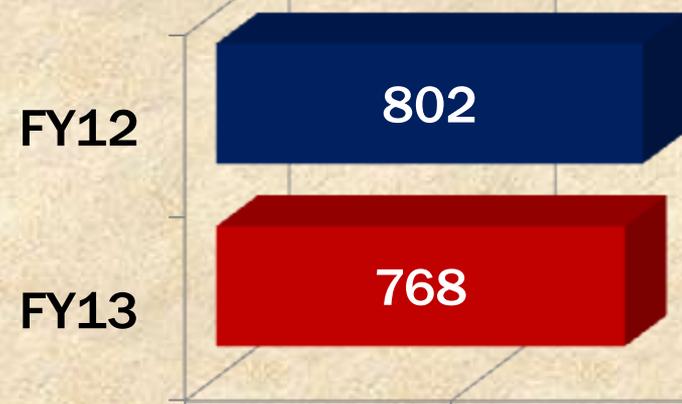


FY13 Performance

Net Sales (₹ Cr)

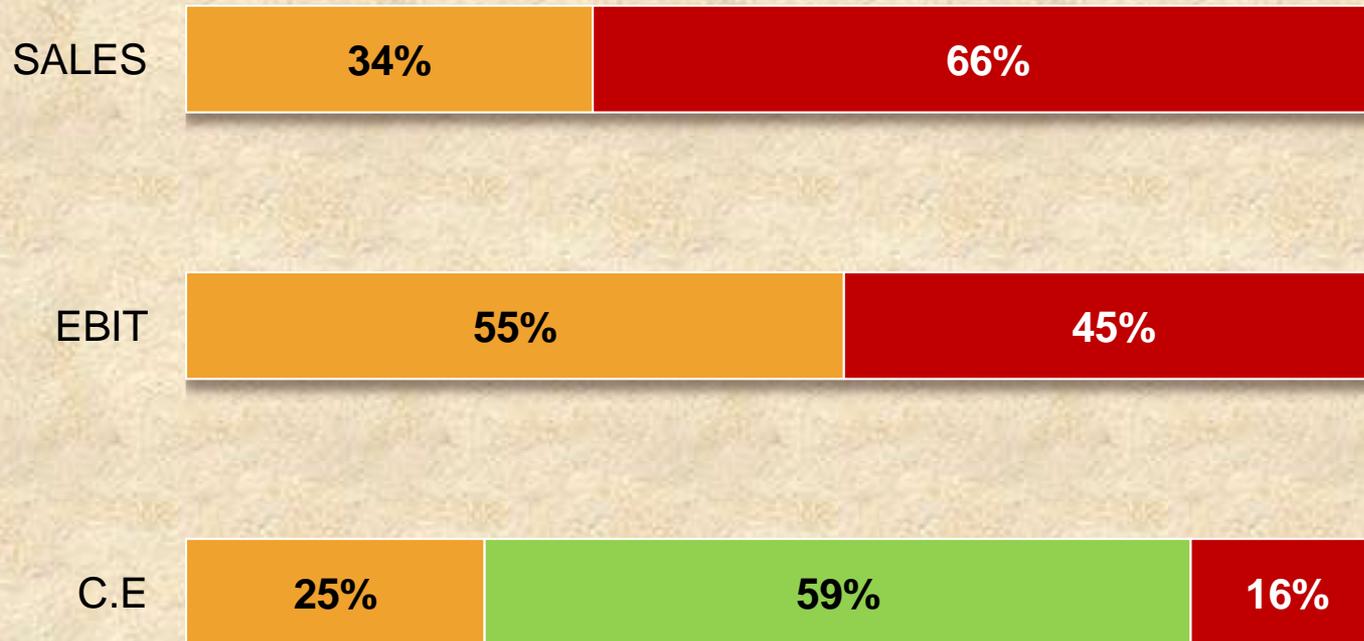


EBIT (₹ Cr)



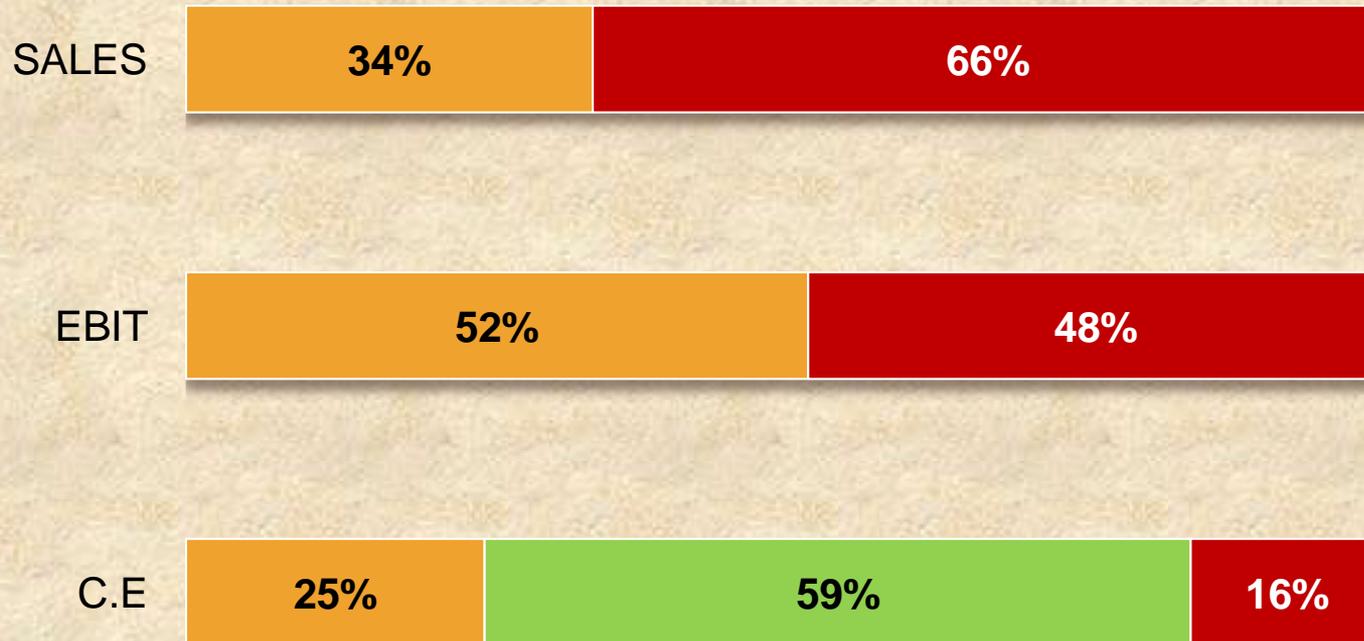
Segmental – FY 13

■ Aluminium ■ Greenfield ■ Copper



Segmental – Q4 FY 13

Aluminium Greenfield Copper



UPDATE ON STRATEGIC PROJECTS

Our growth ambitions assuming shape & structure



Projects – Wave-I on ground ...

2009

We started implementing an ambitious **\$5.5 Bn Greenfield Capex** programme to:

- ⊙ *Build best-in-the-class, ‘Last Man Standing’ assets*
- ⊙ *Raise metal capacity to 2.3x (0.6 Mn ton to 1.3 Mn ton)*
- ⊙ *Double alumina capacity (1.5 Mn ton to 3 Mn ton)*

2013

Trial production started in Mahan and Utkal; Aditya smelter to follow in H2



Mahan: First Metal Out; Trial production started (Apr'13)

Staff accommodation



Mahan Complex



Anode Rodding



First Metal Poured

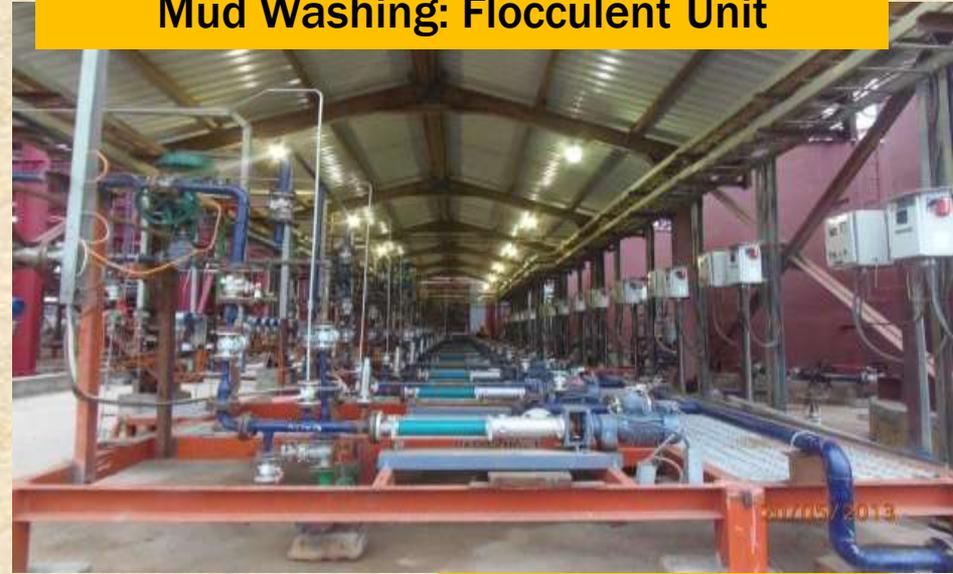


Utkal Alumina: Under Commissioning

Bauxite grinding mill



Mud Washing: Flocculent Unit



Bauxite Conveyor



CPP: Unit 1 ready



Aditya Aluminium: Progressing well



Power House



Pot Room



Cast House Furnace

- ◎ Around **11,000** people at site
- ◎ **220KV** line completed and charged

Hirakud Brownfield Expansion

New 235 KA Pots



Power Plant – New Unit



Stage-wise commissioning started

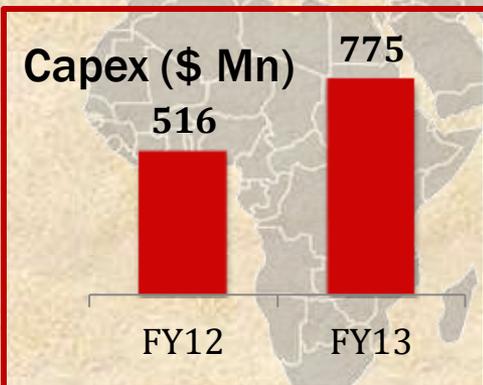
Novelis: Solidifying Leadership Position

United States
~200kt Mid CY13

Germany
~400kt
Mid CY14

Korea
~350kt Mid CY13
~265kt
Oct. 2012

Brazil
~220kt Dec. 2012
Commissioned
~190kt
End CY13



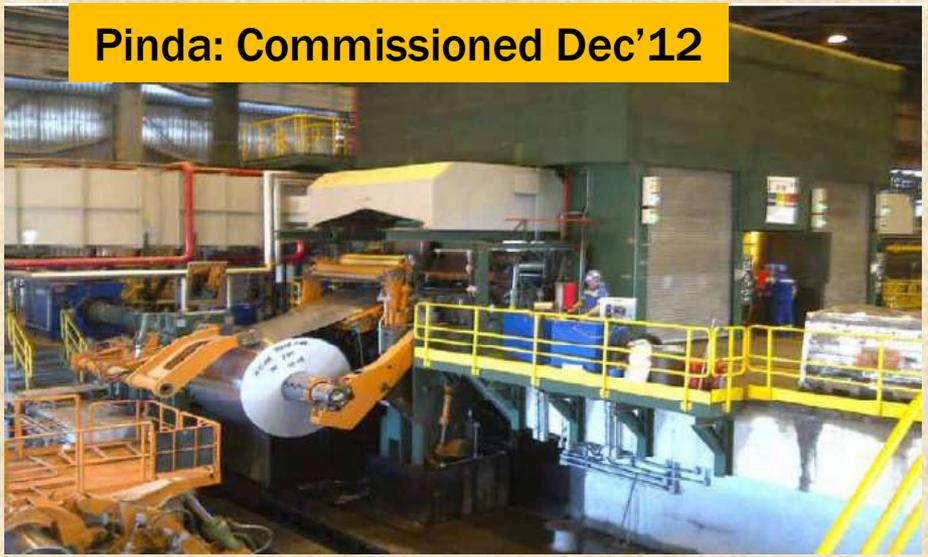
China
~120kt End CY14

- Rolling Capacity Expansion
- Automotive Finishing Line(s)
- Recycling Expansions

Growth Plans tailored for secular industry trends

Novelis: Projects progressing well

Pinda: Commissioned Dec'12



Auto finishing line in the US



Germany Recycling Project: project team on first pillar (Mar'13)



Korea Cold Mill

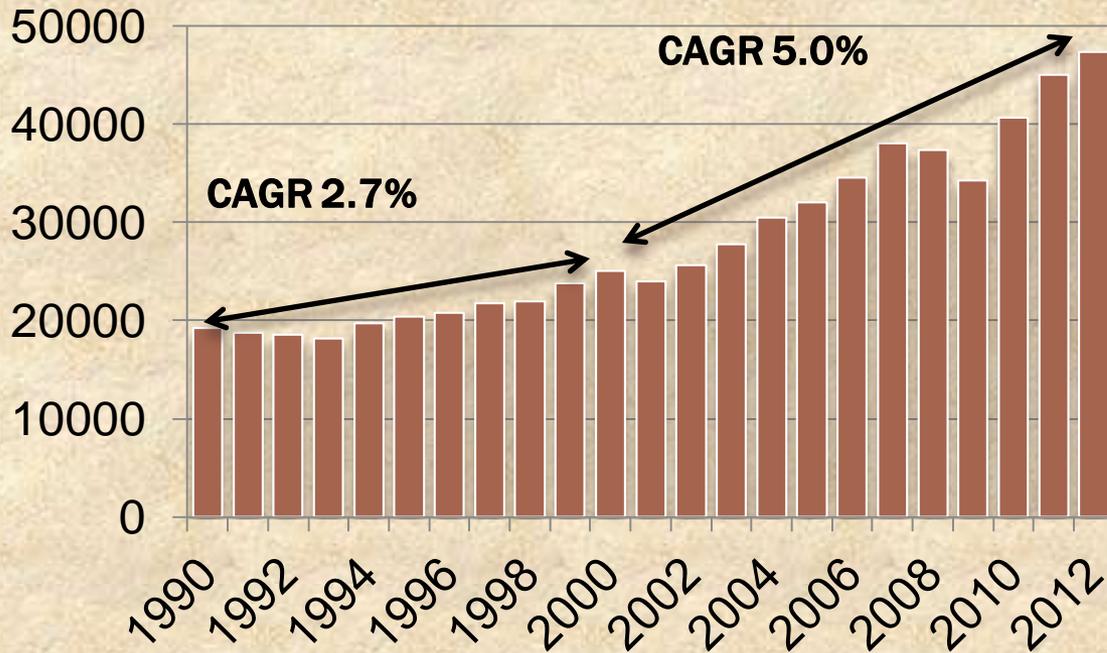


GEARING FOR THE FUTURE

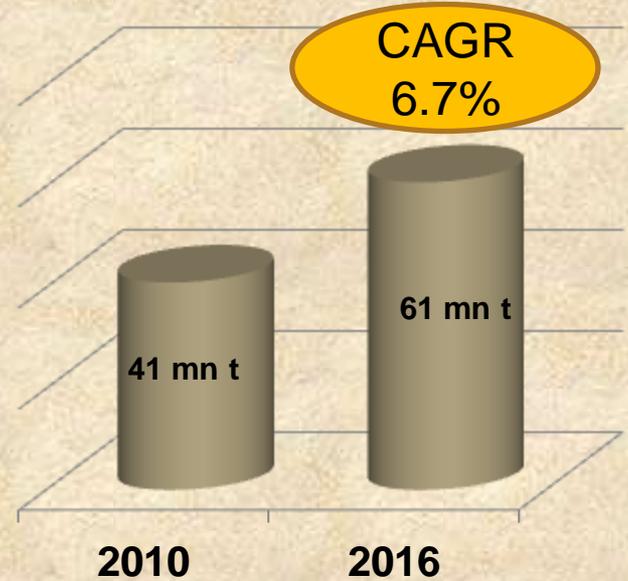


Aluminium – Strong Growth Prospects

World Aluminium Consumption (kt)



Projected Consumption Growth



Source: Published reports

Consumption growth multiple (1990-2010) vis-à-vis GDP growth



LONG-TERM TRENDS IN ALUMINUM DEMAND

Long-term CAGR (CY12-17)

~4-5%



Beverage Can

~25%



Automotive

~6%



Specialties

Strong Long-Term Growth in Premium Products

Industry dynamics & Hindalco

Resource challenges are likely to continue into the long-term



Growth strategy based on access to proximate resources even more relevant than in the past

Inventory overhang and its effects are transient; but may continue for a while



Pressure on margins for existing facilities will continue; But de-risked portfolio will provide a cushion

Long-term prospects are bright



Our investments shall deliver strong returns

Robust Strategy ..Strong Outlook



Thank you

Forward Looking & Cautionary Statement

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.