

ADITYA BIRLA



HINDALCO

Q2 FY13



November 6, 2012

INVESTOR PRESENTATION

HIGHLIGHTS AND FINANCIAL PERFORMANCE

Q2, FY13: Highlights

- Operational performance sequentially better than Q1FY13

₹ Crore	Q2FY13	% Increase over Q1FY13
Sales	6,164	 2%
EBITDA	515	 11%

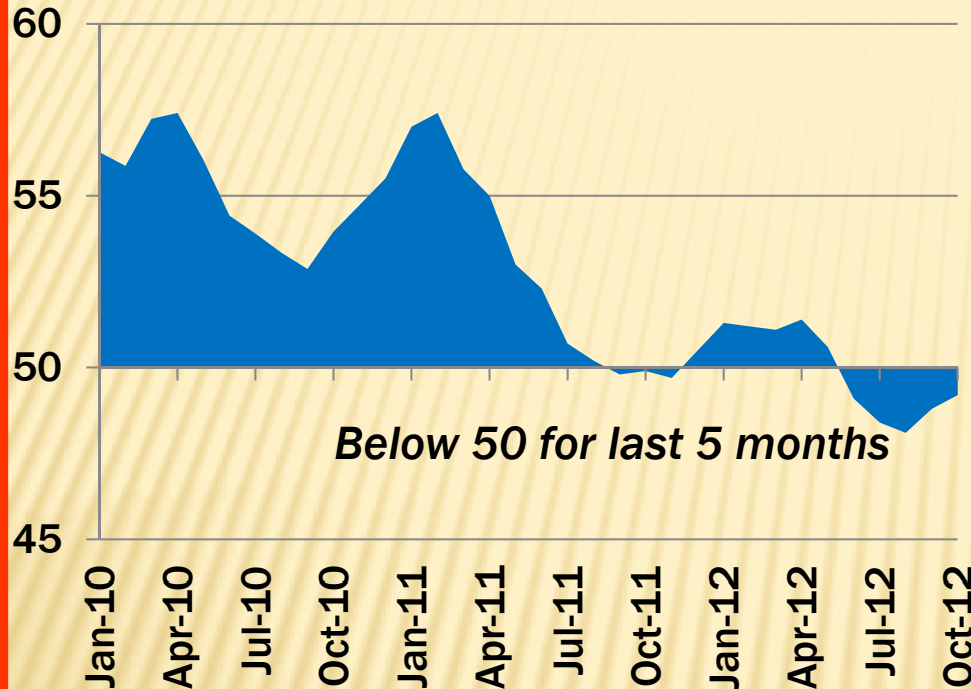
- Copper EBIT 2.8x vs. Q1 on the back of ramp-up of production after shutdown
- Aluminium performance impacted by one-timers
- Aditya Financial closure achieved; Common loan agreement for ₹9,896 crore signed in September

Financial Performance: Q2

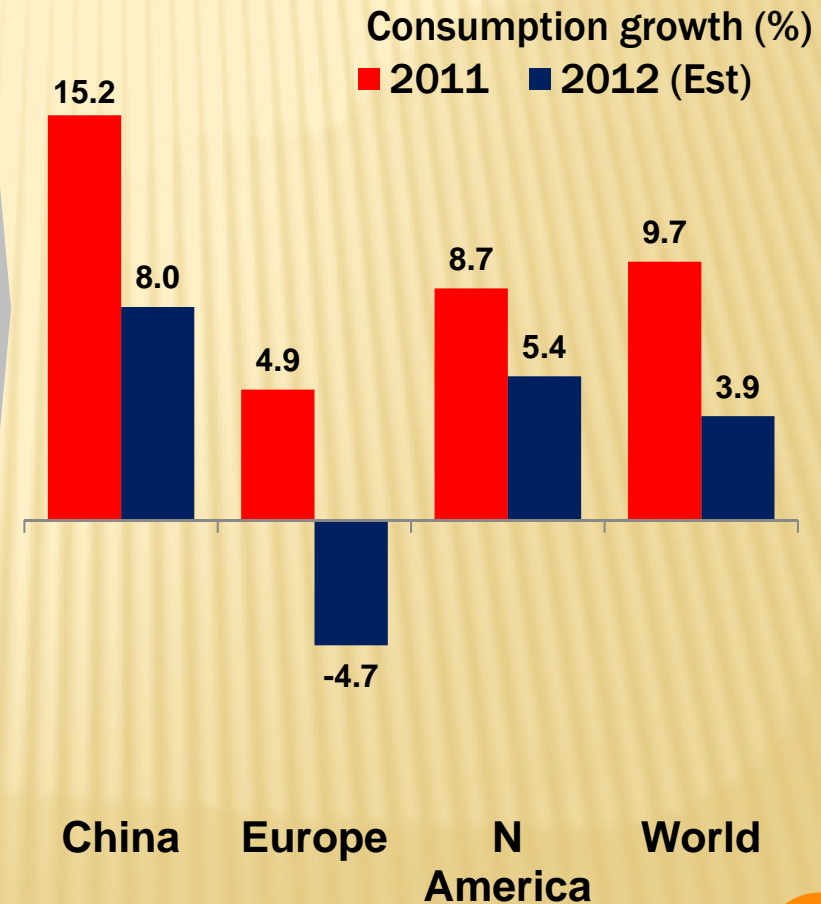
₹ Cr	Q2 FY13	Q1 FY13	Change Vs Q1 FY13%	Q2 FY12	Change Vs Q2 FY12 %
Net Sales	6,164	6028	2%	6,272	(1.7)
PBITDA	648	765	(15%)	845	(23.3)
EBITDA	515	463	11%	660	(22%)
PBT	447	513	(13%)	604	(26.0)
PAT	359	425	(16%)	503	(28.4)
EPS (₹)	1.87	2.22	(16%)	2.62	(28.2)

Global economy: Clouds persist

Global Manufacturing PMI

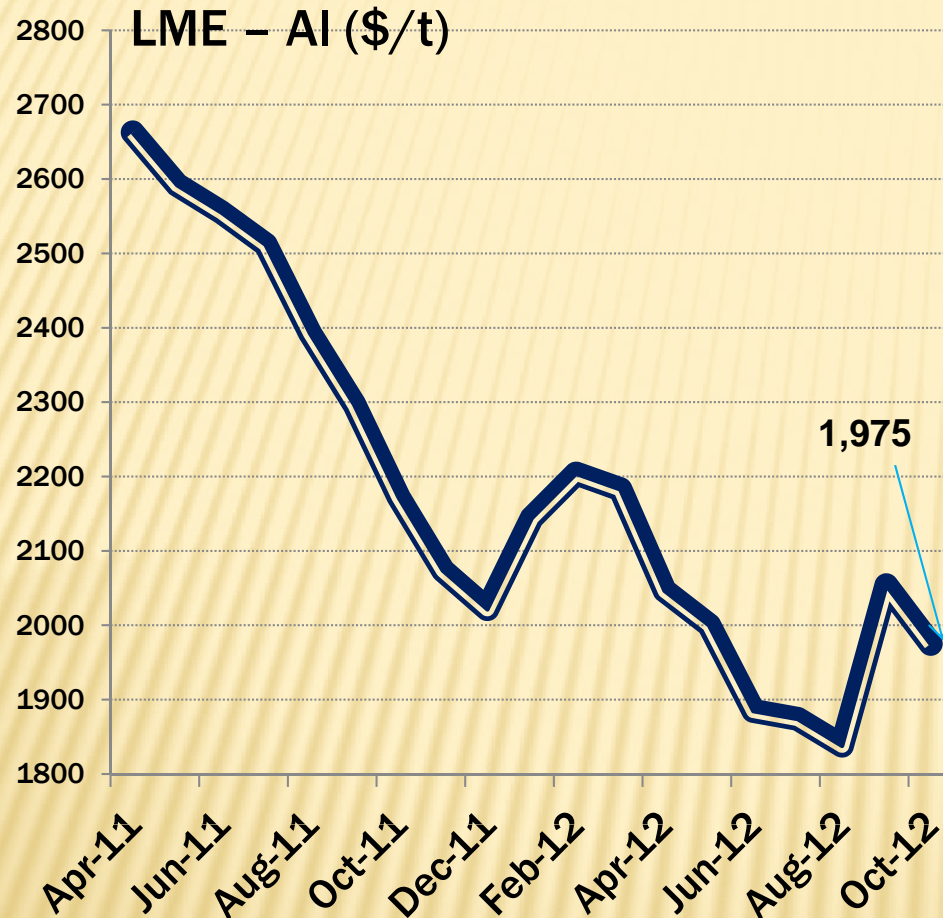


World Aluminium consumption



- ❑ Central banks have announced large interventions; but have not been able to push the growth much
- ❑ US fiscal cliff and China slowdown remain concerns for the near-term

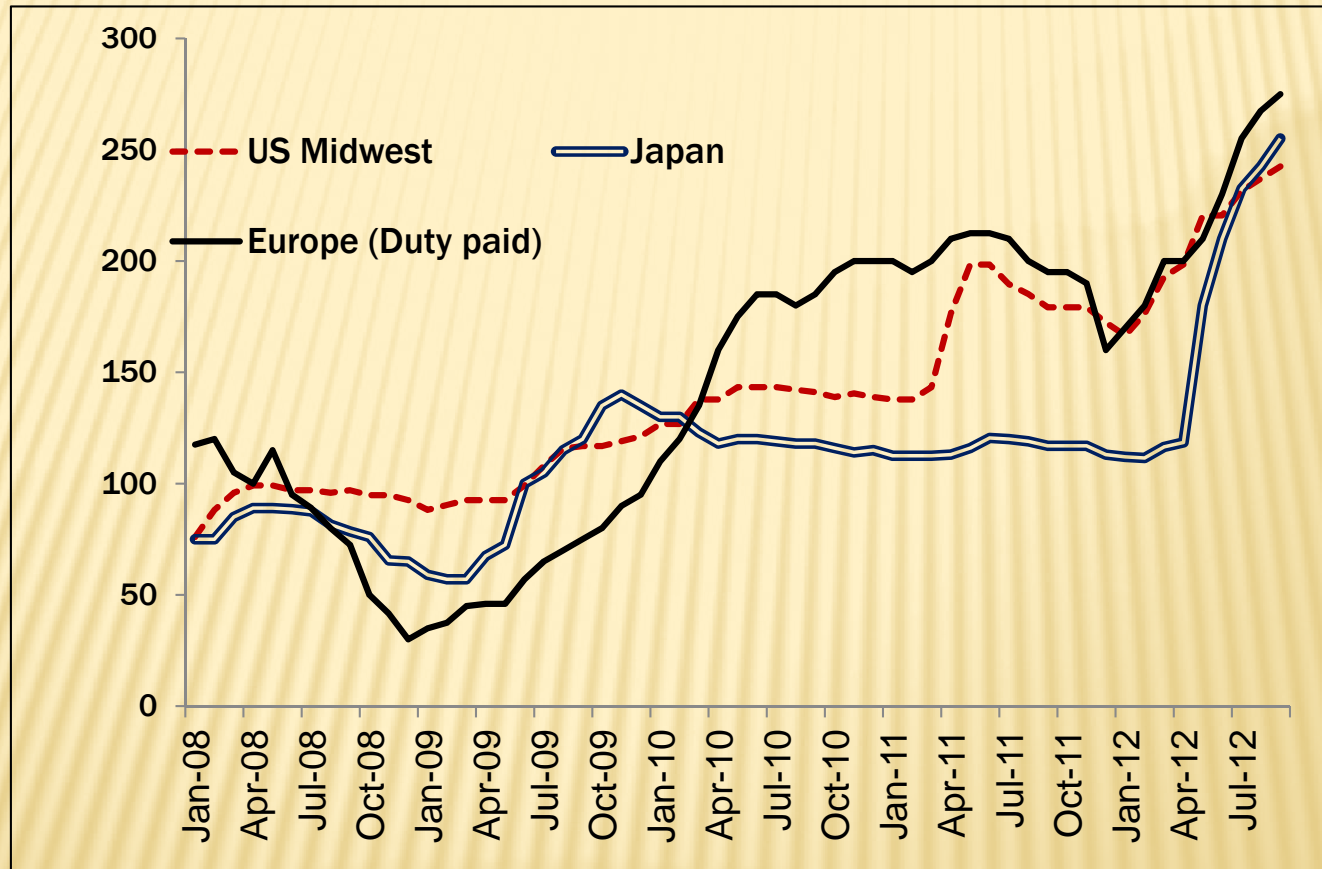
LME still under pressure



- Despite higher ingot premia, ~30% of the capacity making losses at current LME
- Though western world curtailed production (~2mn tons) this year, Chinese production growth has kept the market in surplus
- 2012 is the 4th consecutive year when world stocks are >90 days of consumption (~95 days at present)

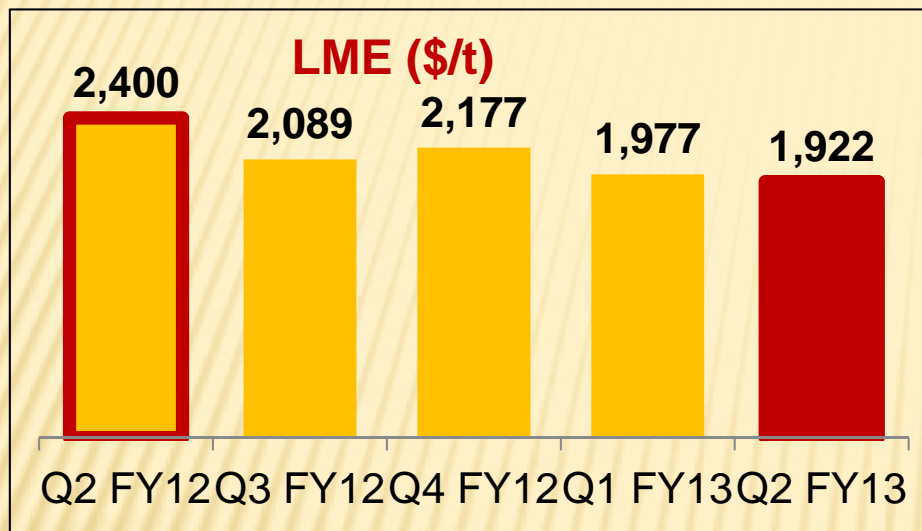
Tough times for Aluminium industry may continue for a while, given the weak macro and overhang of stocks

Rising Premium providing some succor



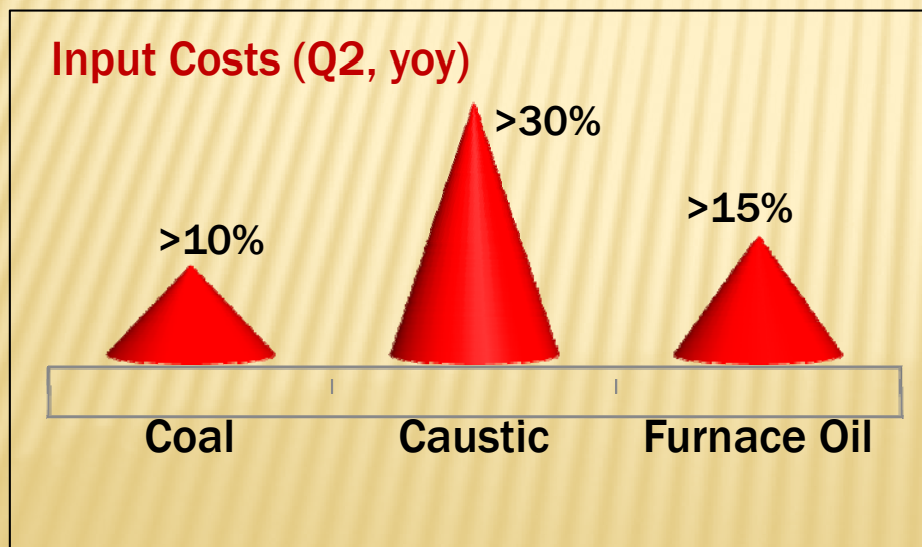
But could not offset the negatives fully ...

Q2: External drivers remained adverse



LME lower...

Firmness in regional premia was a supporting factor



Continued cost pressures

Q2: Operationally A Challenging Quarter



- One off issues impacted the operations
- Production loss at both Renukoot & Hirakud
- VAP also got impacted due to supply chain disturbances
- Lower efficiency dragged financial performance in an extremely inflationary environment

- Copper business performance though got back to normalcy post shutdown

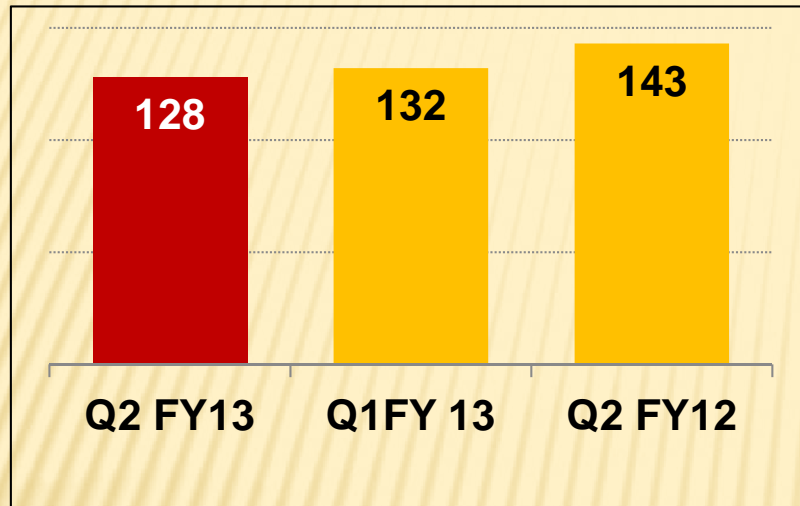
One off Internal challenges... to add to macroeconomic challenges..

PERFORMANCE REVIEW:

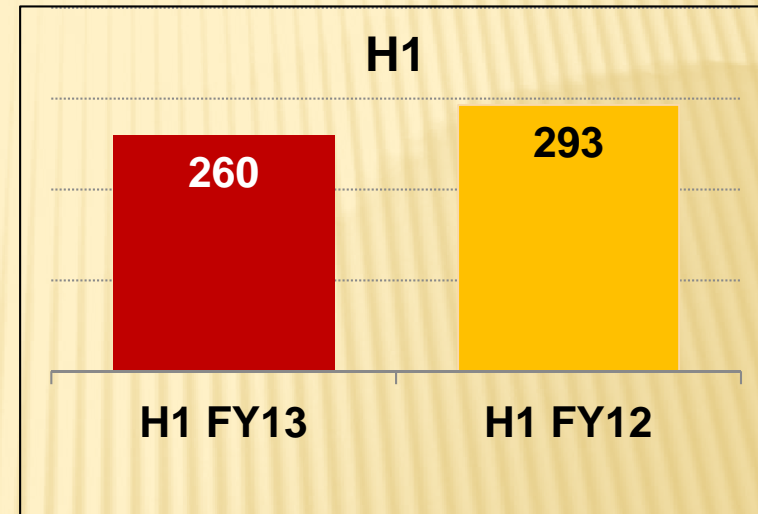


AI : Subdued Production...

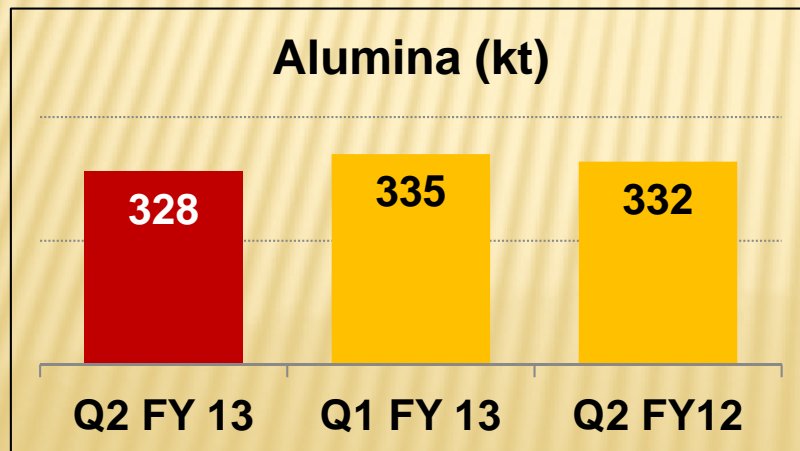
Quarterly



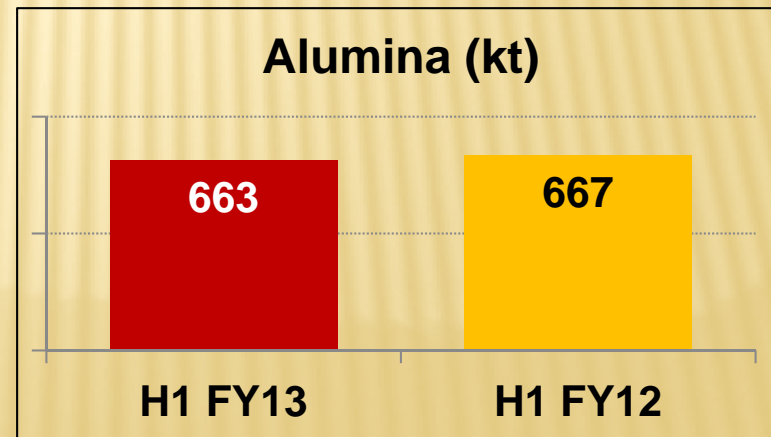
Half yearly



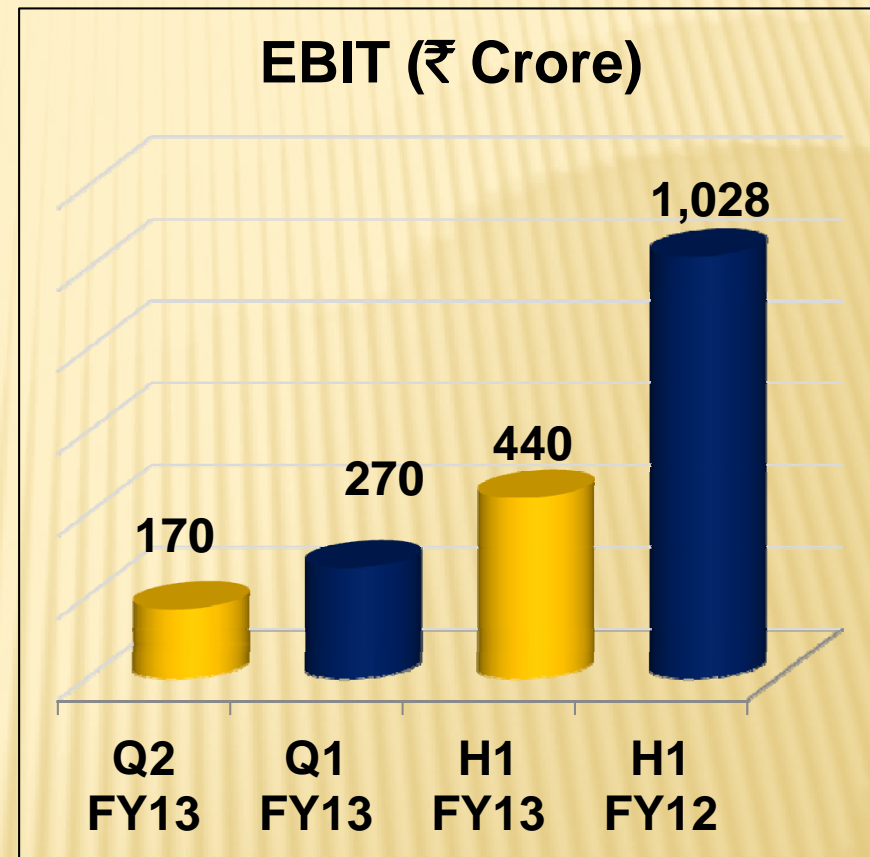
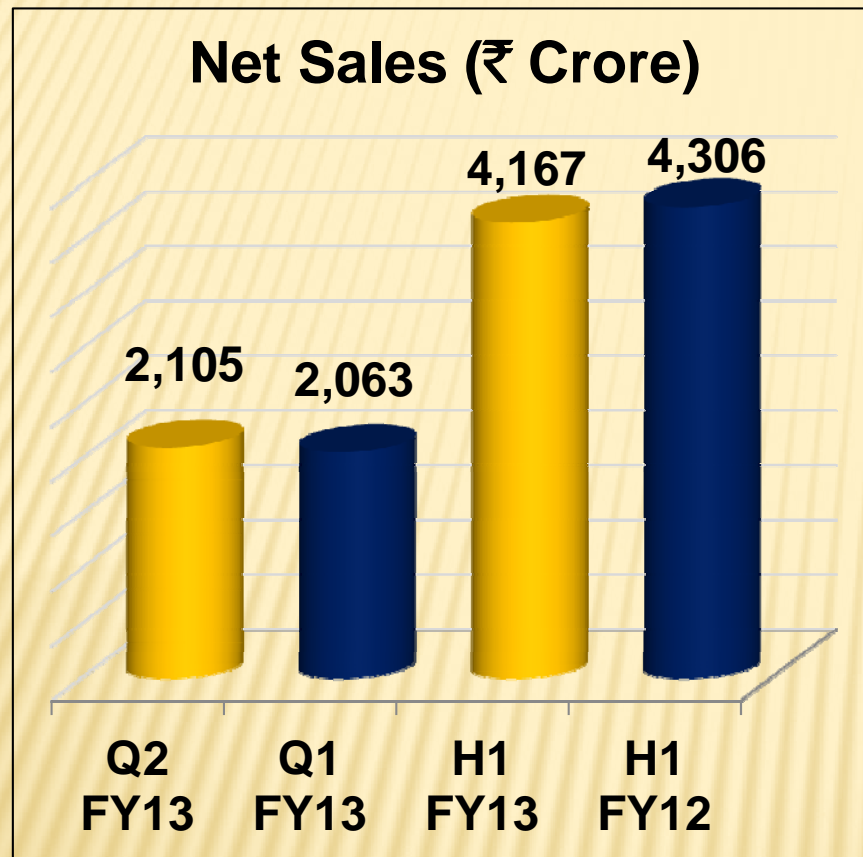
Alumina (kt)



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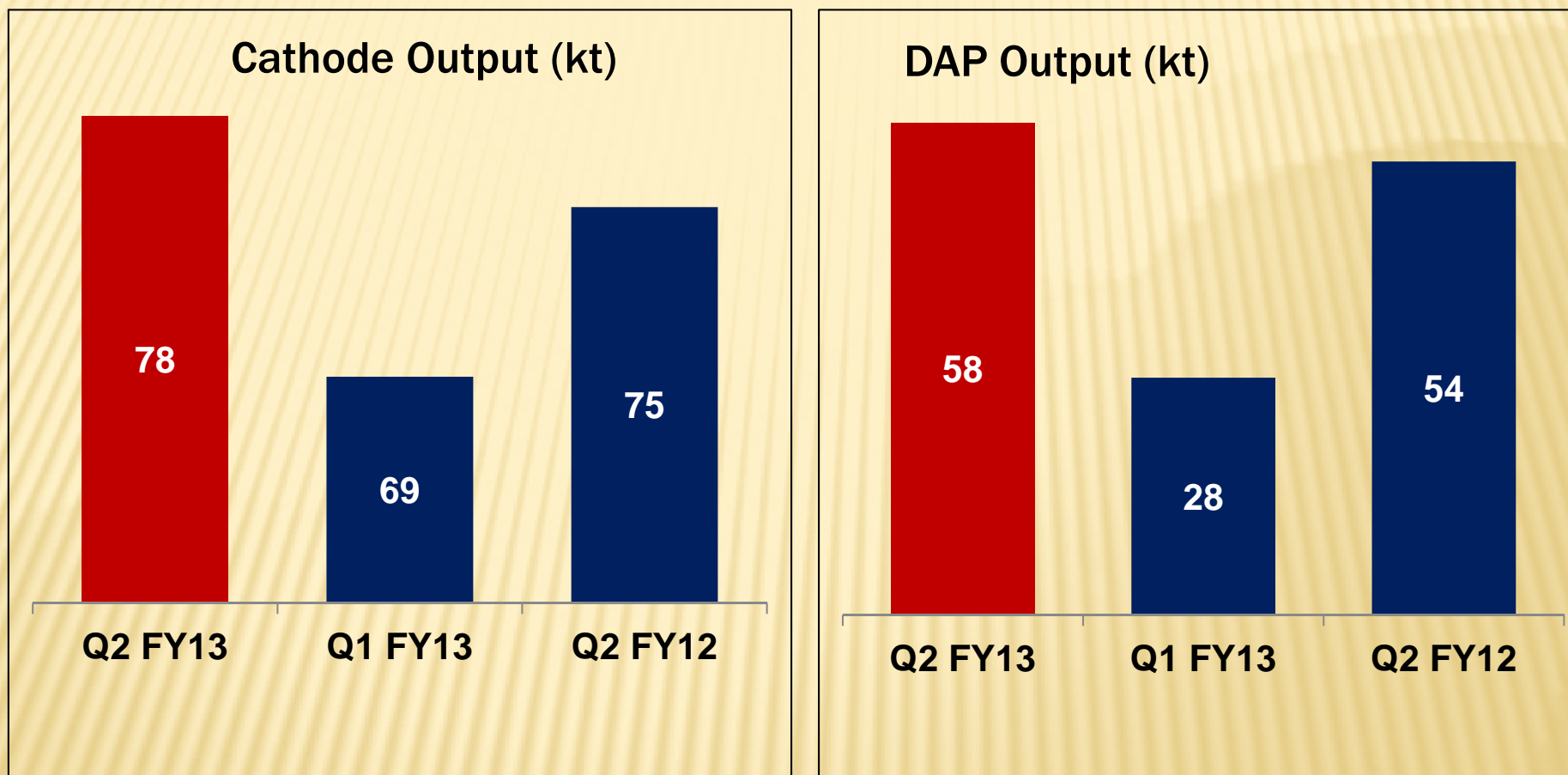


AI: Financial Performance



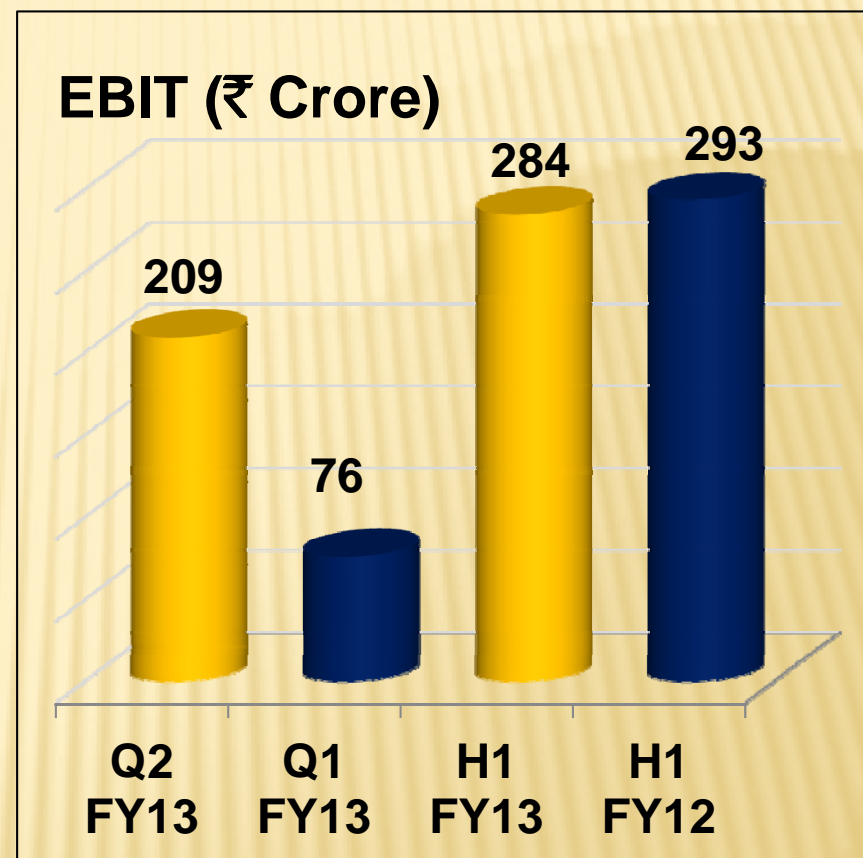
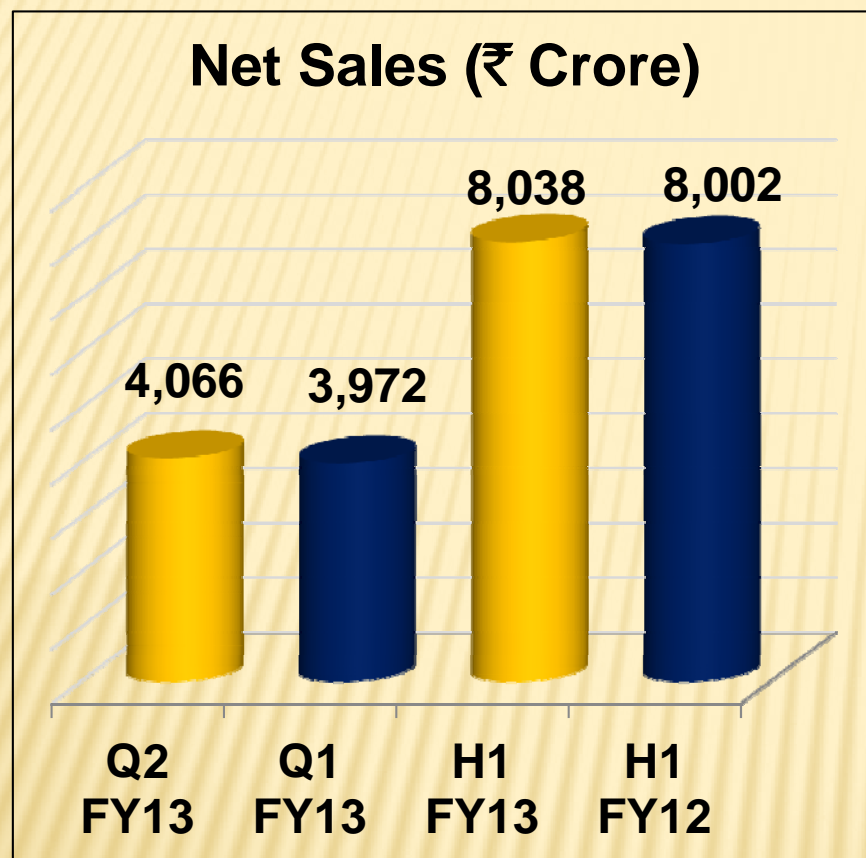
Cost push, lower volumes, disruption-related efficiencies & lower LME

Cu: Output ramped up after shutdowns



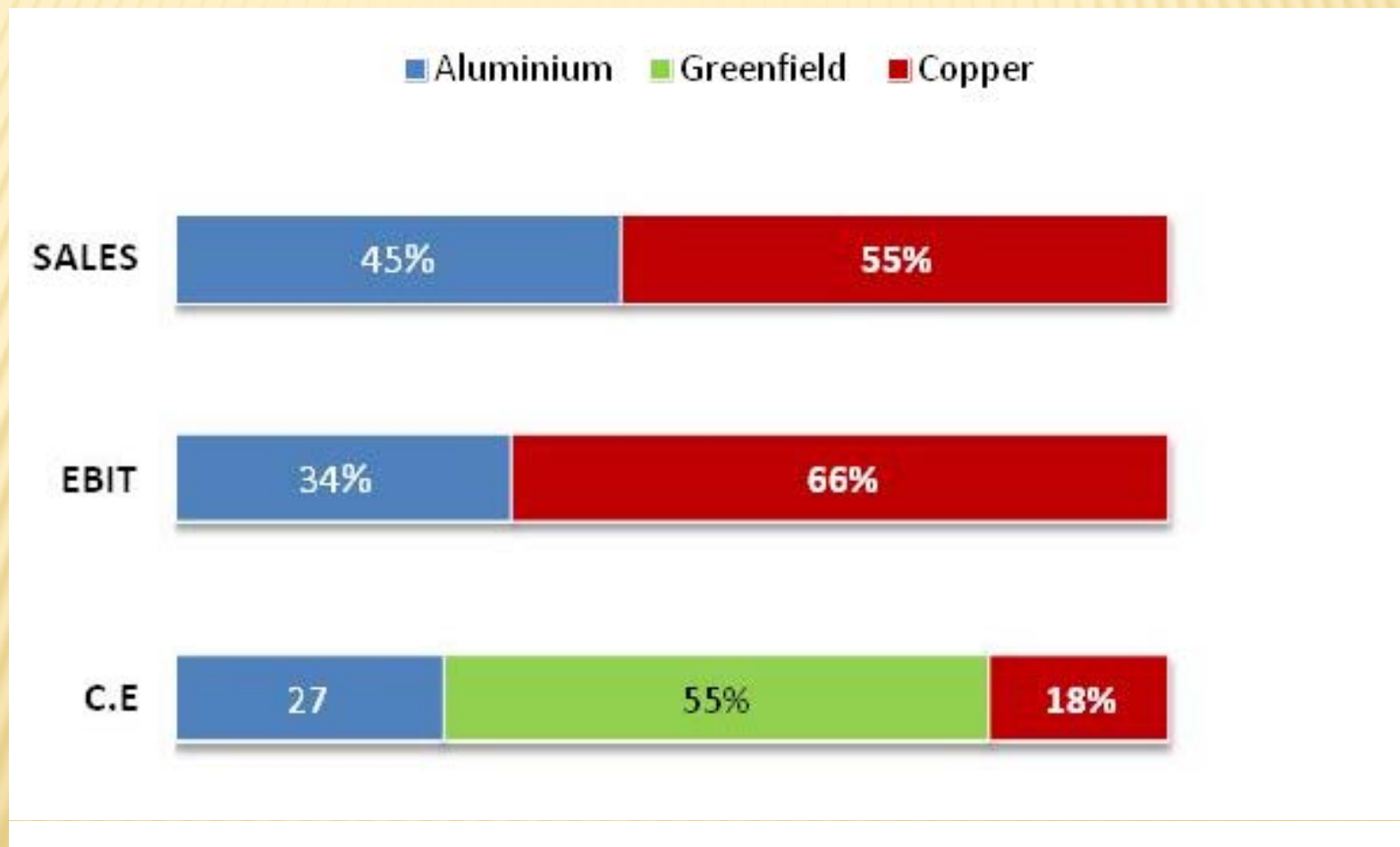
- There were three annual shutdowns (Cu-I, Cu-III, Fertilizer plant) in Q1

Cu: Financial Performance



© On sequential basis EBIT up 2.8X

SEGMENT RESULTS - Q2

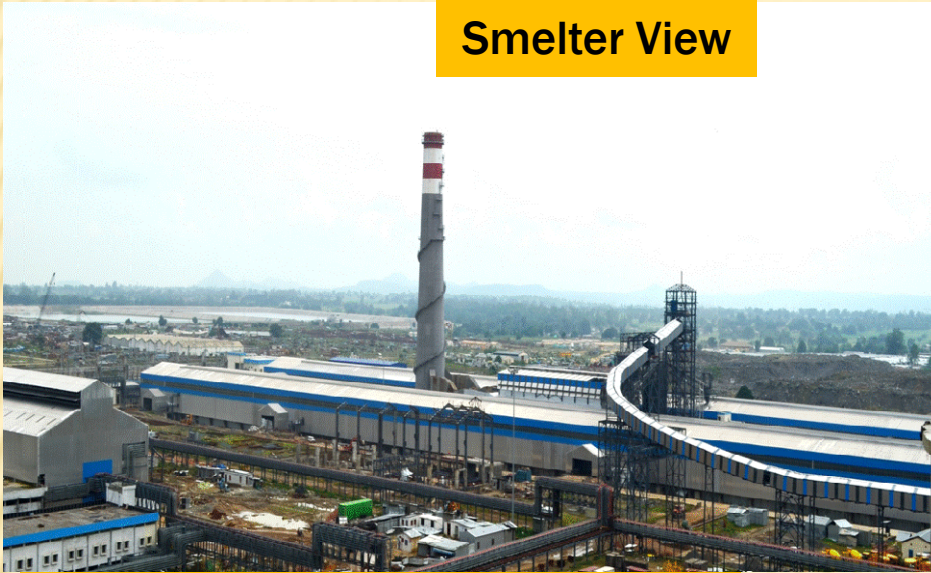


PROJECTS UPDATE



Mahan Aluminium

Smelter View



Pot line ready



TG-1 Ready for commissioning



✓ Coal block Stage-I FC received

Utkal Alumina

Refinery View



Commissioning of DG



Gearing up for commissioning

Aditya Aluminium

Pot Room



Cathode Sealing Shop: Commissioned



CPP Overview



- First draw-down of the loan in September
- Work in full steam

Hirakud FRP

Cold Mill: Commissioned



Finishing line



Hot Mill



- Hot mill erection completed; commissioning to begin soon

Near-term Outlook

Aluminium **operations stabilizing**; full return to normalcy expected in Q4 only

With downside risks to LME, continued cost pressures and resource availability challenges, **external environment** remains rough

Key **projects** into the last lap; Depreciation and interest will depress net income in the coming quarters

Steady outlook for **conversion businesses**; will partly cushion us from the strain in Aluminium business

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Thank you

Forward Looking & Cautionary Statement

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