

ADITYA BIRLA



28th May,2016

BSE Limited
Phiroze Jeejeebhoy Towers,
25th Floor
Dalal Street,
MUMBAI 400 001
(Stock Code –500440).
FAX NO. 2272 2037/39/41/61

Dear Sir,

Attached is an Investors Presentation on the performance of the Company for the year ended 31st March,2016.

The same is for your information.

Thanking you.

Yours truly,

For Hindalco Industries Ltd



Anil Malik
President & Company Secretary

HINDALCO INDUSTRIES LIMITED

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Corporate Identity No. L27020MH1958PLC011238



Investor Presentation – Q4 & FY 2016



Hindalco Industries Ltd ...

A Global Aluminium and Copper Producer...



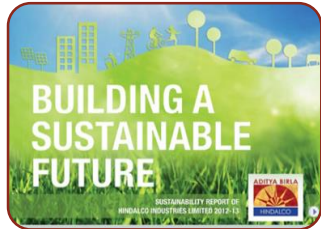
Forward Looking & Cautionary Statement

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.

Contents..



Economy & Industry...



Business Highlights ...



Operational & Financial Review

- Aluminium
- Copper

Economy Update..



- Global Recovery Weak, growth seems to be decelerating to ~3%
 - US growth tapering off and for 2016 now estimated at 2% against 2.4% in 2015
 - European Union & Japan sputtering & under negative interest rate policy
 - Potential Fed rate & Brexit possibility unnerving financial markets

- China –
 - Growth Rebalancing continues leading to slower GDP growth
 - Strong monetary and fiscal stimulus in China has boosted property markets
 - Macro indicators still weak and pose uncertainty

Aluminium Industry Update..

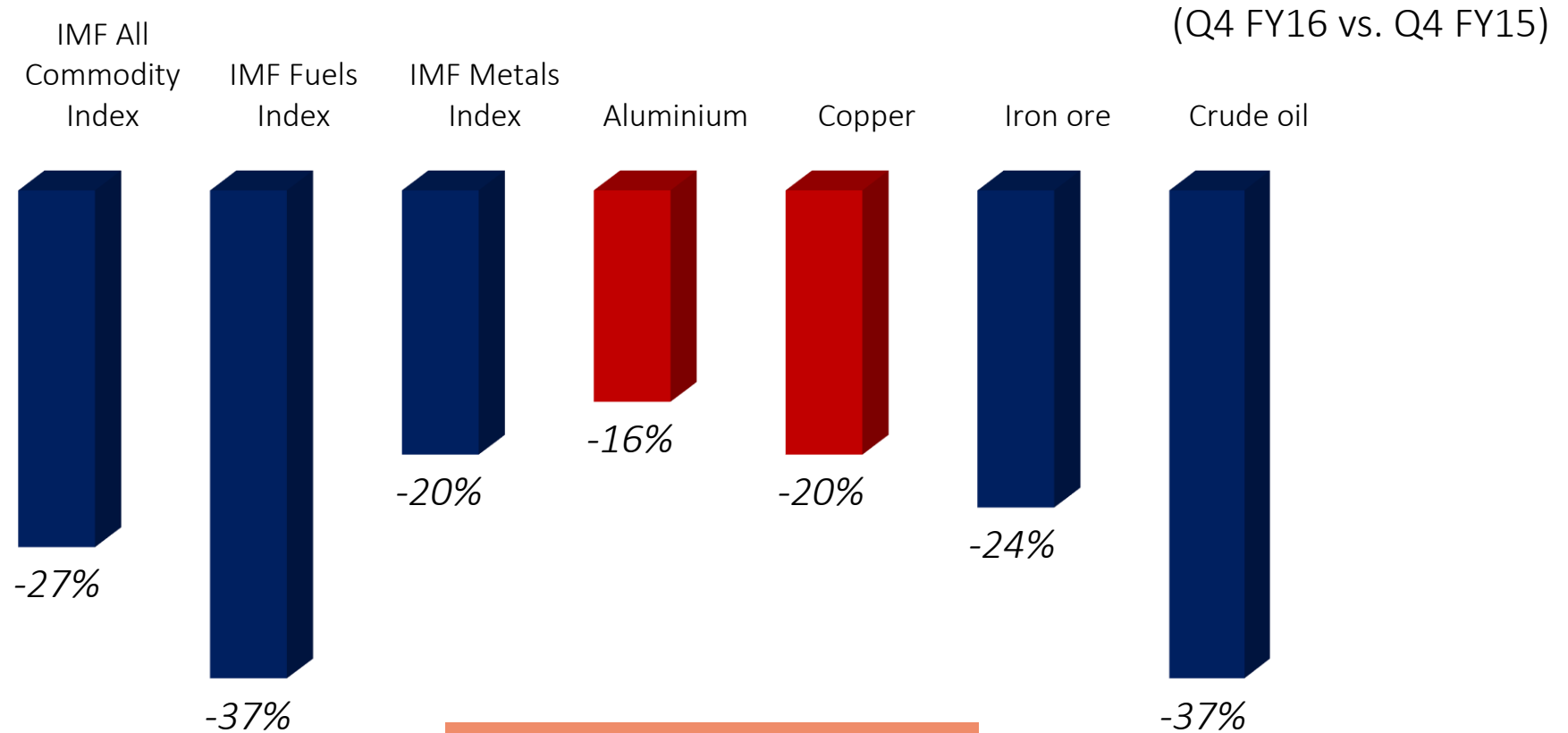


- Demand – Robust demand
 - Global demand continued to remain robust and expected to grow at ~4%
 - Indian demand rising and is expected to grow smartly on the back of expected pick up in industrial activity, infrastructure spend and focus on power transmission and distribution

- Supply – Significant curtailments in 2015, but restarts pose a threat..
 - 2015 witnessed significant capacity curtailments in and outside China
 - Softening of global cost curve and continued metal inventory overhang (> 90 days of consumption) resulted in depressed prices and hence curtailments

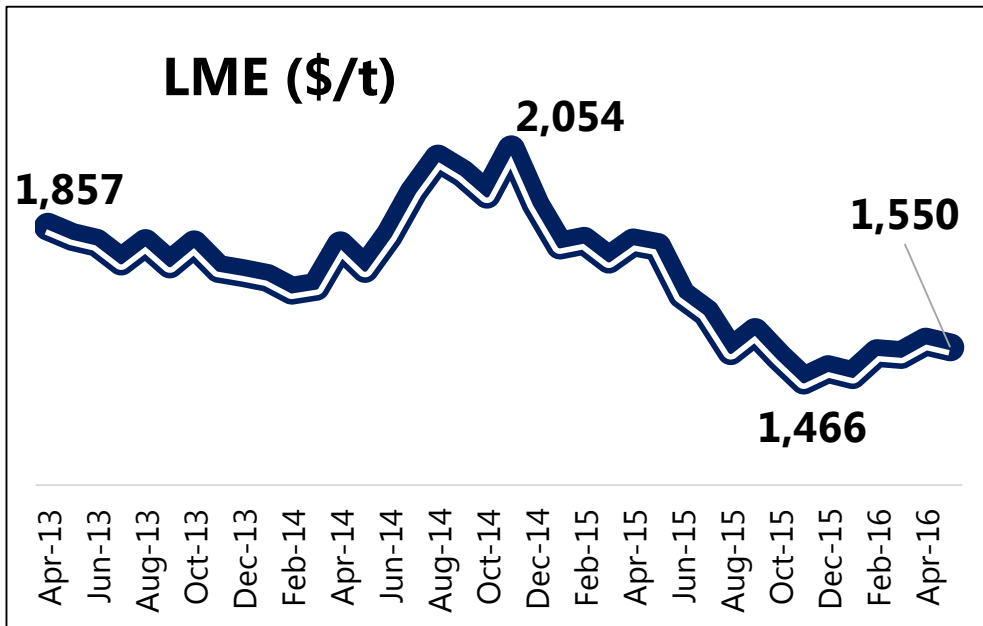
Global market expected to be in balance in 2016, after a 1+Mn t surplus in 2015

Industry Update..



Commodities Meltdown

Industry Update..



- In early 2016, the prices bottomed out and later surged primarily due to strong restocking demand from China post holidays
 - Of late this has encouraged aggressive smelter restarts in China
 - This is expected to cap the price recovery in the near future

LME may remain range-bound in the near term notwithstanding positive long-term outlook

Highlights....



Q4 FY 16 – A Strong operating performance



Q4 FY 16: Operational Highlights...



Aluminium

- Strong Volume growth. Greenfield projects achieved full ramp up, efficiencies improved
- Supportive input costs especially coal and crude derivatives
- VAP (FRP and Extrusion) production up 28%

Novelis

- Record Automotive shipments up 22% YOY
- Global FRP shipments at 788 KT up 4%

Copper

- Cathode Production declined 7% due to operational issues
- Continuous cast rod production rose 9% in line with our focus on value addition

Strong operational performance by all businesses

Q4 FY 16: Standalone Highlights...



YOY

Revenue

- The company revenue declined 8% due to sharp fall in Aluminium and copper realisations
- Aluminium revenues up 14% on the back of higher volumes and better product mix
- Copper revenues down 25% owing to lower Copper LME

PBIDTA

- PBIDTA rose by 27% with strong contribution from both Aluminium and copper segment
- Higher aluminium volumes and lower input costs led to this robust performance

PAT

- Depreciation and Finance charges jumped by 30% to Rs 916 Cr
- Net Profit at Rs 356 Crore up 123% vs Q4 FY 15 (impacted by one timers)

Solid Financial Performance on the back of strong volumes and supportive costs

Highlights....



FY 16 – A Watershed Year...

all greenfield projects ramped up



FY 16: Operational Highlights...



Aluminium

- Record Production- up 36%, surpassed 1 Mn tonnes mark
- Improved cost competency with the full ramp up of all greenfield projects
- VAP focus - 12% rise in production of FRP and extrusions, 39% jump in wire rod output

Novelis

- Record FRP shipments at 3.12 Mn tonnes
- Strong growth in automotive shipments – now 15% of total portfolio vs 6% in 2012

Copper

- Record cathode and Fertiliser Production at 388 KT and 324 KT respectively
- CCR production – up 5%

Robust Operational Performance

FY 16: Financial Highlights...



Revenue

- Consolidated revenues declined 4%, yet crossed 1 lac Crore mark once again
- Standalone revenue were broadly stable despite sharp fall in realisations

PBIDTA

- Consolidated PBIDTA lower by 1% only notwithstanding the macro headwinds
- Standalone PBIDTA – Rs 4,384 Cr up 2%

PAT

- Standalone Net Profit at Rs 607 Crore, impacted by a sharp jump in interest and depreciation
- Consolidated Net Profit at Rs 263 Crore

Debt

- Refinanced the India project debt - extended the tenor of till 2030
- Comfortable liquidity at Novelis



Performance Review – Aluminium India



Aluminium Industry Drivers



Driver	Q4 FY16	Q4 FY15	Change %	FY 16	FY 15	Change %
LME	1515	1801	(16%)	1592	1889	(16%)
Premium (MJP)	90	370	(76%)	120	375	(68%)
Re/\$	67.5	62.2	8,5%	65.5	61.1	7.2%

- Realisations were significantly lower due to drop in LME and sharp decline in local market premium
- Imports increased substantially

- Industry cost curve fell sharply...
 - Lower crude prices led to relief on carbon costs
 - Alumina prices declined
 - In India, decline in coal cost due to improved availability of coal

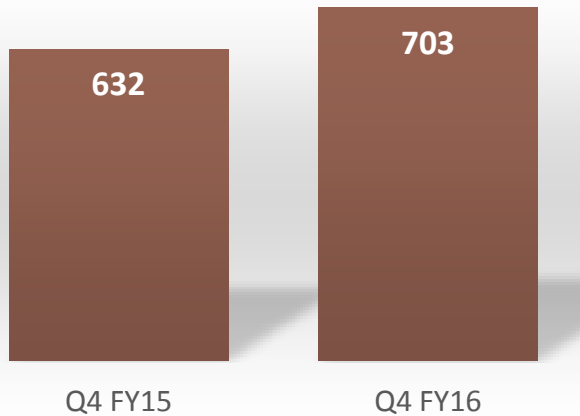
- Customs duty on Aluminium increased from 5% to 7.5% in Budget 2016, but the benefit more than eroded by doubling of coal cess to Rs 400/t

..... Decline in cost but not enough to offset the sharp drop in realisations

Production Trends.... Quarterly

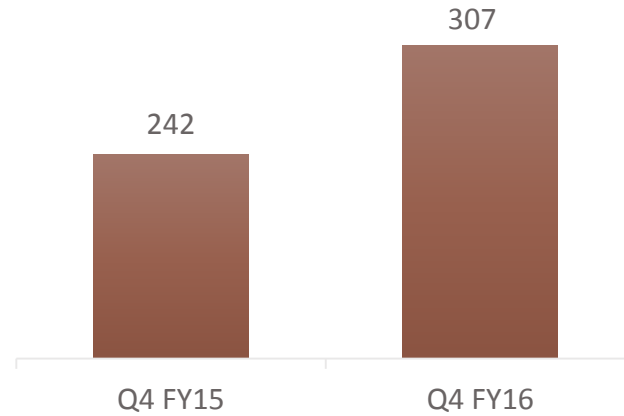


Alumina* (kt)



***Includes Utkal**

Metal (kt)



(Kt)	Q4FY15	Q4FY16
Wire Rods	22	38
FRP	52	69
Extrusions	10	11

Strong Production growth. After Mahan, Aditya too ramped up to full capacity

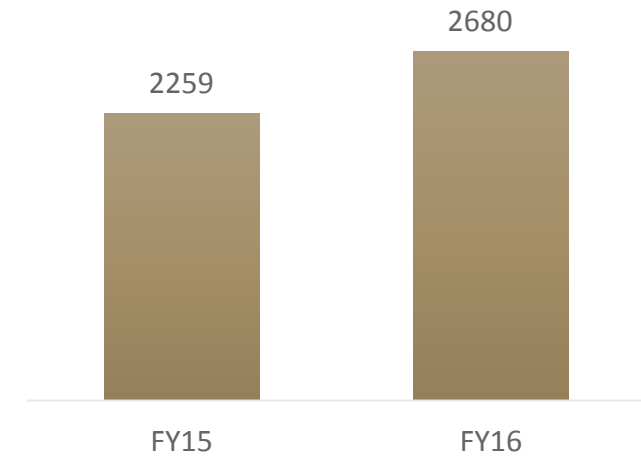
VAP production rising with improved demand outlook

Gare Palma mines started production

Production Trends.... Annual

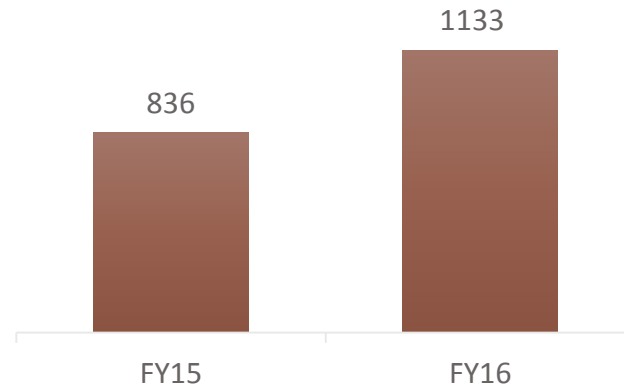


Alumina* (kt)



***Includes Utkal**

Metal (kt)



(Kt)	FY15	FY16
Wire Rods	90	124
FRP	226	256
Extrusions	40.4	42.6

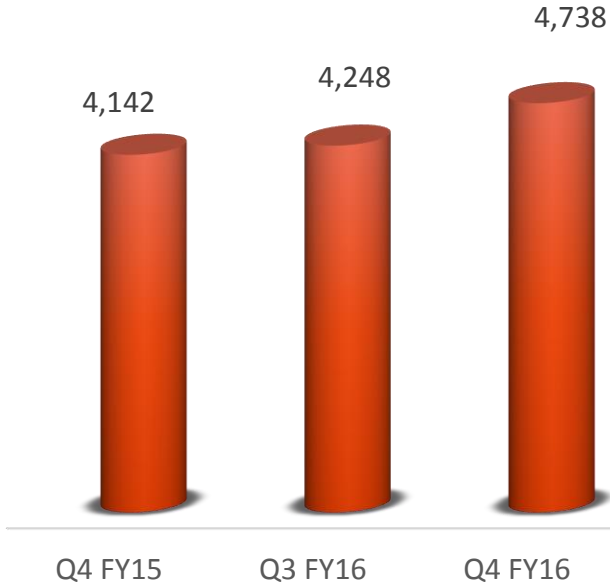
Strong Production growth. Greenfield plants operating at designed capacities.

VAP production ramping up

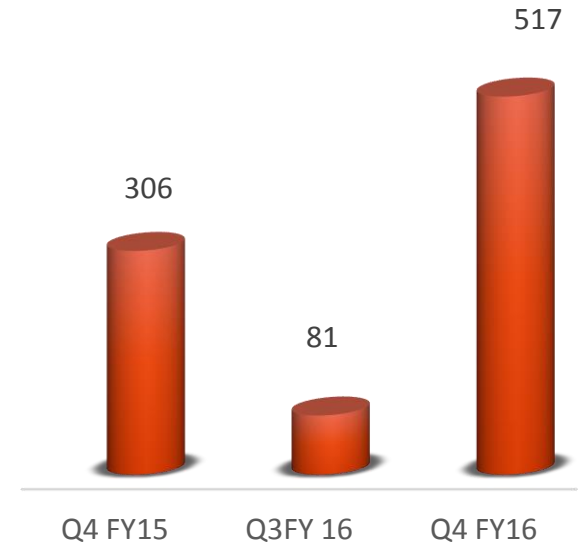
AI Financial Performance - Quarterly



Net Sales (Rs Cr)



EBIT (Rs Cr)



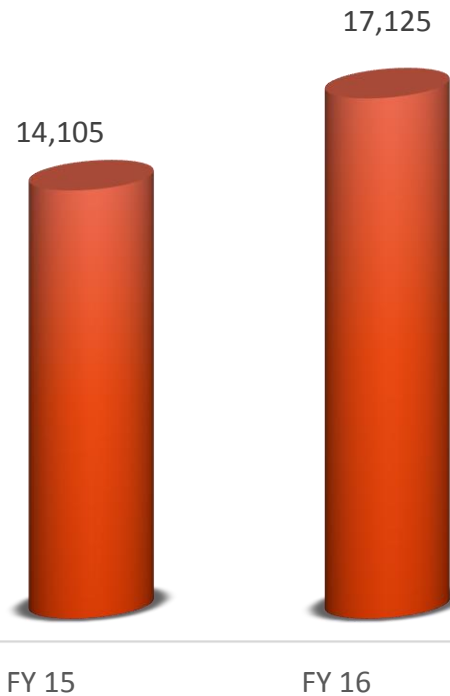
	YOY	QOQ
Revenue	↑ 14 %	↑ 12 %
EBIT	↑ 68 %	↑ 538 %

Strong Production growth. Greenfield plants fully ramped up
 Lower coal and crude derivative prices were supportive

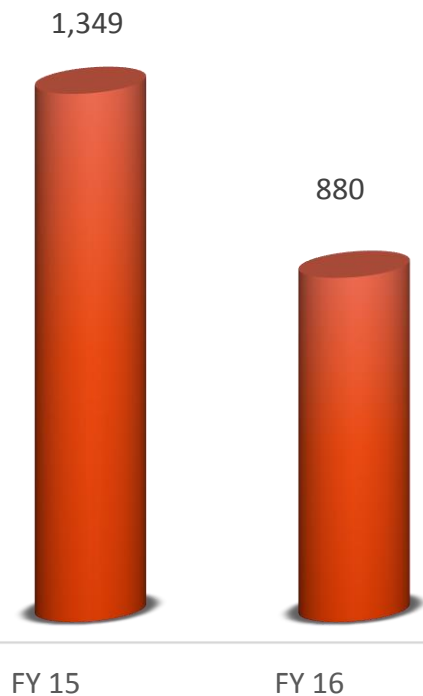
AI Financial Performance - Annual



Net Sales (Rs Cr)



EBIT (Rs Cr)



- Revenues increased primarily on the back of sharp jump in volumes
- Notwithstanding strong operational performance in a difficult macro environment
 - EBIT declined sharply on account of higher depreciation
 - Depreciation jumped with progressive capitalisation of green field projects



Performance Review – Novelis



Highlights - Novelis

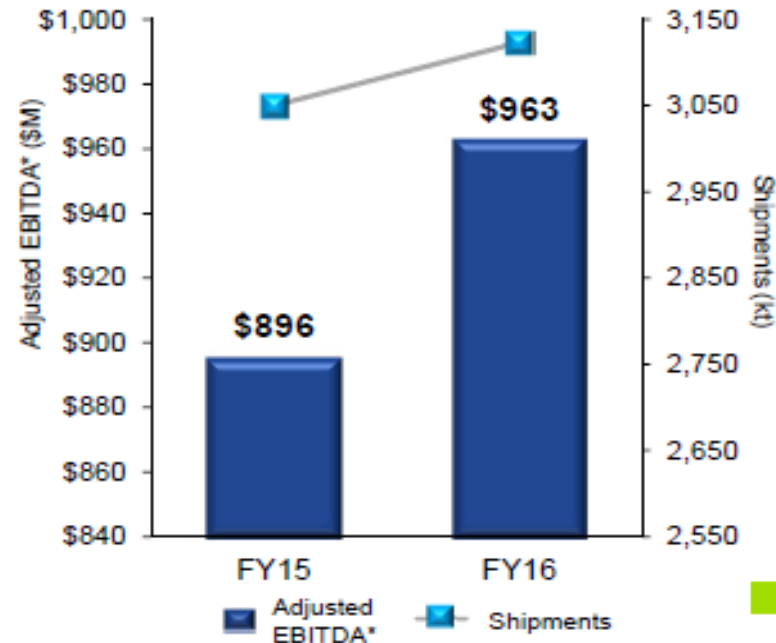


Q4 FY 16 Vs Q4 FY 15

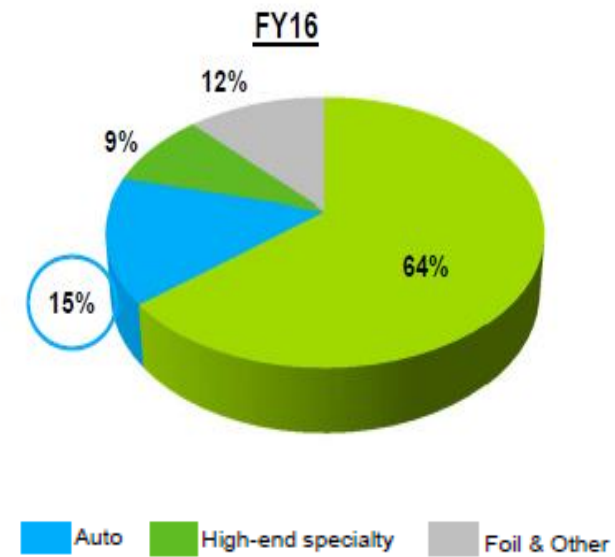
- Shipments up 4% to 788kt
 - Record automotive shipments up 22%
- Excluding metal price lag, Adjusted EBITDA \$277 million up 29%
 - Up 16% sequentially from Q3FY16
 - Negative metal price lag \$7 million
- Free cash flow \$457 million
- Solid liquidity position of \$1.2 billion

**FY 16 – Shipment 3.12 Mn tonnes
 EBIDTA without MPL \$ 963 Mn**

YoY Growth in FRP Shipments and Adjusted EBITDA*



Enriching product mix



Novelis – Auto focus...



- Novelis automotive sheet shipment CAGR 31% FY12-FY16
- Early adoption of mix shift to automotive delivering timely returns
- Outlook for aluminum sheet demand remains strong driven by favorable substitution trends towards aluminum globally
- Experience allows us to reduce start up cost and leverage fixed costs quicker
- Partnering with customers to provide innovative and global solutions

Aluminum as preferred material in substitution trend



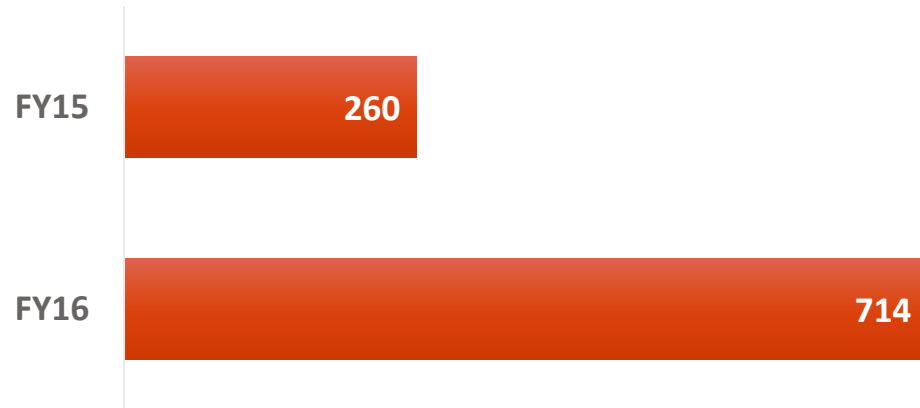
Performance Review – UAIL Refinery



Utkal Alumina Update



Utkal EBITDA (Rs Crore)

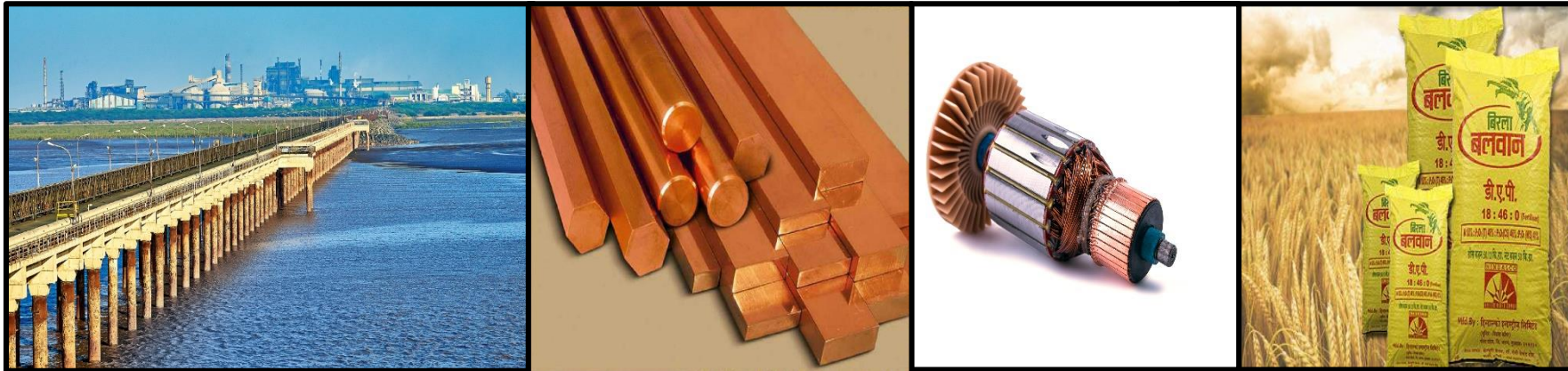


- Utkal sold 130 KT alumina to third parties.
- Balance was supplied to Hindalco smelters

- Utkal produced 1.4 Mn tonnes of alumina in FY16
 - 34% higher than in the previous year
- Cash cost of Alumina amongst the lowest cost refineries of the world
- Long distance bauxite conveyor stabilised

Tight supply chain logistics due to proximate mine and bauxite transport by conveyor

Performance Review – Copper



Industry Drivers



	Q4 FY 16 Vs. Q4 FY 15	Impact (YoY)	FY 16 Vs FY 15	Impact
TCRC	Higher	↑	Higher	↑
LME (\$/t)	Lower	↓	Lower	↓
Exch. Rate (Re/\$)	Favorable	↑	Favorable	↑
Acid Price	Stable	↔	Higher	↑
DAP Realization	Stable	↔	Slightly Higher	↑

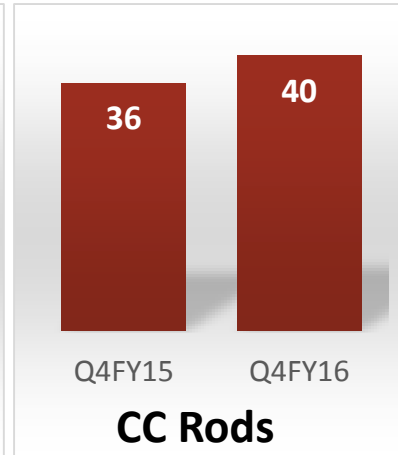
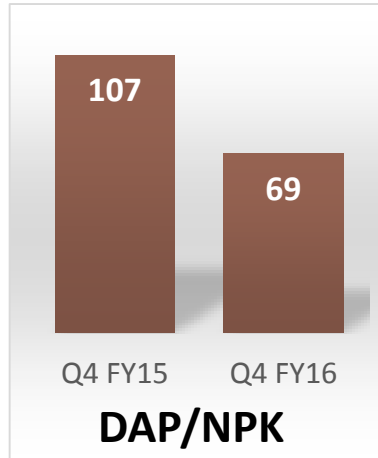
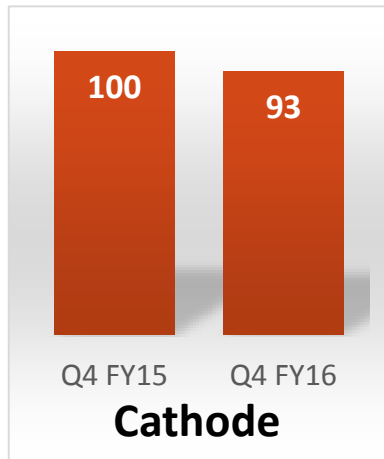
- Industry drivers broadly supportive...
 - TC/RC were strong, however benchmark for 2016 has softened
 - By product prices, especially sulphuric acid prices are on the rise
 - Lower coal cost

While macro factors were broadly supportive in FY16, withdrawal of export incentives affected earnings

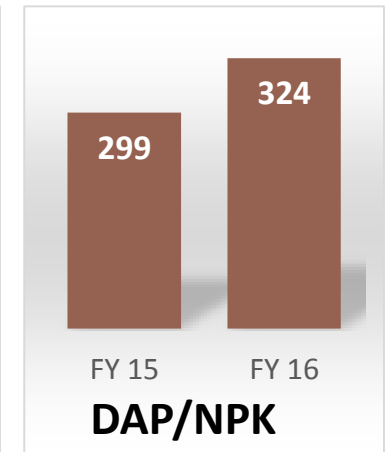
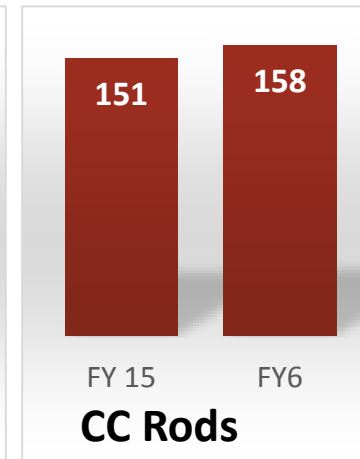
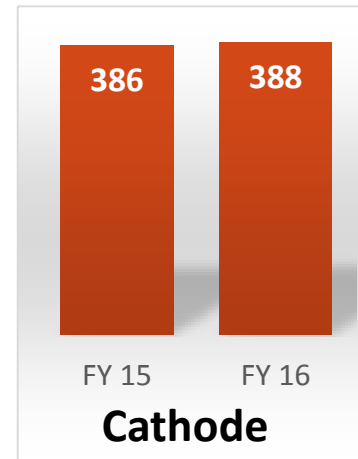
Copper - Production Trends....



Q4 FY 16 Vs Q4 FY 15



FY 16 Vs FY 15



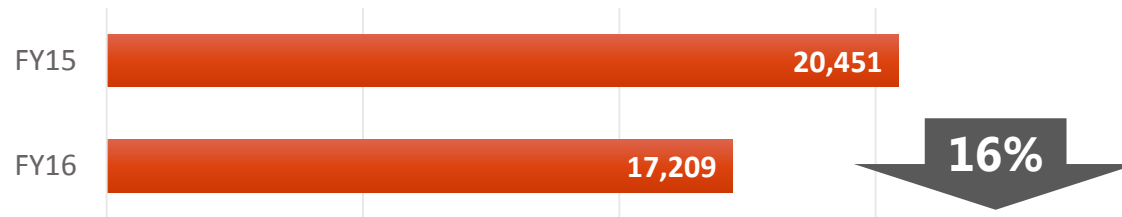
Q4 FY 16 Production declined due to operational issues. Being addressed through planned Maintenance shutdown of one smelter

Focus on Value addition and value generation from co-products

Copper – Financial Performance



Revenue (RsCrore)



EBIT (Rs Crore)



(Rs Crore)	Revenue	EBIT
Q4 FY15	5,238	390
Q1 FY16	4,614	344
Q2 FY16	4,757	350
Q3 FY16	3,905	348
Q4 FY16	3,932	377

Stable performance even as Weak LME and removal of export incentives negated the benefits of higher Tc/Rc

Aditya Birla Minerals Ltd... Update

- October 2015 - Completed sale of Mount Gordon Assets
- April 2016 – Expressed intention to accept revised offer of Metals X, an ASX listed company
 - Off market takeover of ABML
 - 1 Metals X share for every 4.5 ABML shares and A\$ 0.08 cash for every ABML share – represents 32% premium based on stock prices traded on the offer date
 - The transaction is subject to RBI approval



Our Focus -



- Plant stabilisation and Operating efficiency
- Supply Chain logistics optimisation
- Leverage potential demand in Value added products across businesses
- Proactive working capital management
- Cost savings and cash conservation across operations

In Summary -



- Culmination of large investment program .All greenfield projects running at designed capacities
 - *Interest and depreciation almost peaked*
 - Softening interest rates augurs well for the company
- Exceptional financial performance in Q4 FY 16
 - *On the back of volume gains following the project ramp up*
 - *Significantly supported by lower input cost, especially coal and crude derivatives*
- Copper business delivered yet another robust performance
- Novelis - *Expected to build momentum through focus on premium portfolio*

Focus on operational excellence, enhanced Value addition & Cash conservation...



Thank you

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Annexure 1 - Financials -



(In Rs. crore)	Standalone					Consolidated	
	Q4FY16	Q4FY15	Q3FY16	FY16	FY15	FY16	FY15
Revenue from Operations	8,668	9,372	8,150	34,318	34,525	1,00,054	1,04,281
Other Income	204	230	250	1,066	882	1,211	1,105
Profit Before Interest, Tax and Depreciation (PBITDA)	1,371	1,078	922	4,384	4,299	9,935	10,049
Depreciation	341	238	308	1,277	837	4,196	3,591
Finance Costs	575	466	582	2,375	1,637	5,047	4,178
Profit before Exceptional Items and Tax	455	374	31	733	1,825	692	2,280
Exceptional Items	-	146	-	-	578	171	1,940
Profit before Tax	455	227	31	733	1,247	521	340
Tax Expenses	98	68	(9)	125	322	515	256
Profit/ (Loss) for the period from Continuing Operations	356	160	40	607	925	7	84
Profit/ (Loss) from Discontinuing Operations	-	-	-	-	-	(156)	-
Share in Profit/ (Loss) of Associates (Net)	-	-	-	-	-	175	175
Minority Interest in Profit/ (Loss) (Net)	-	-	-	-	-	(238)	(596)
Net Profit	356	160	40	607	925	263	854
Basic EPS - Rupees	1.73	0.77	0.20	2.94	4.48	1.28	4.14