

ADITYA BIRLA



AM/SN/RES/1

Date : 2nd November, 2018

BSE Limited Phiroze Jeejeebhoy Towers, 25 th Floor Dalal Street, MUMBAI 400 001 (Stock Code -500440).	The National Stock Exchange of India Ltd Exchange Plaza Bandra-Kurla Complex Bandra East Mumbai- 400051
BanqueInternationale A Luxembourg SocieteAnonyme 69, Route Esch L-2953 Luxembourg Fax No. 00352 4590 2010 Tel. 00 352 4590-1	

Dear Sir,

Sub: Outcome of Board Meeting held on 2nd November, 2018.

The Board of Directors of the Company at their meeting held today and concluded at 1.30 P.M. has approved the "Unaudited Standalone Financial Results" of the Company for the Second Quarter ended 30th September, 2018.

In this regard, please find enclosed herewith the Media Release for the same.

Thanking you,

Yours faithfully,
For Hindalco Industries Ltd


Anil Malik
President &
Company Secretary

Encl: as above

CC: National Securities Depository Ltd , Kamala Mills , Mumbai

CC: Central Depository Services (India) Limited, Lower Parel(E), Mumbai

CC: IDBI Trusteeship Services Limited, Fort, Mumbai

Hindalco Industries Limited

6th & 7th Floor, Birla Centurion, Pandurang Budhkar Marg, Worli, Mumbai 400030, India.

T: +91 22 6662 6666 / 62610555 | F: +91 22 62610400 / 62610500 | W: www.hindalco.com

Registered Office: Ahura Centre, B-Wing, 1st Floor, Mahakali Caves Road, Andheri (East), Mumbai 400 093, India.

Corporate ID No.: L27020MH1958PLC011238

Media Release

Mumbai, November 2nd, 2018

HINDALCO REPORTS Q2 & H1 FY19 RESULTS

Key Highlights of Q2 FY19

- PAT at Rs. 725 crore, up by 54% , for Hindalco Standalone plus Utkal Alumina
- EBITDA of Rs. 1,922 crore, up by 5%, for Hindalco Standalone plus Utkal Alumina
- Hindalco Standalone plus Utkal Alumina Net Debt to EBITDA (on TTM Basis) improves to 2.47x as on September 30th, 2018 from 2.67x as on March 31, 2018
- Copper VAP (Rod) production was higher by 24% in Q2 FY19 vs. Q2 FY18; Share of VAP (Rods) in total sales volume reached 70% in Q2 FY19 vs. 43% in Q2 FY18
- Hindalco wins back Krishnashila Coal linkage of 3.1 Million Tons in auction conducted in September '18
- Deleveraging continues at Hindalco - prepaid long term loans of Rs. 1,575 crore in October 2018
- *Novelis reported highest ever quarterly adjusted EBITDA of US\$ 355 million; highest ever adjusted EBITDA of US\$ 440 per tonne this quarter*
- *Novelis breaks ground on automotive finishing line in Changzhou, China to double its capacity to 200 Kt*
- *Novelis secures commitment from Banks for financing Aleris acquisition*

Key Highlights of H1 FY19

- PAT at Rs. 1,458 crore, up 75% (vs Rs 834 crore in H1 FY18) for Hindalco Standalone plus Utkal Alumina
- EBITDA at Rs. 3,873 crore up 11% (vs Rs 3,486 crore in H1 FY18) for Hindalco Standalone plus Utkal Alumina
- Copper VAP (Rod) production was higher by 38% in H1 FY19 vs. H1 FY18; Share of VAP (Rods) in total sales volume reached 72% in H1 FY19 vs. 39% in H1 FY18
- *Novelis reported adjusted EBITDA of US\$ 689 million, up by 17% (vs US\$ 591 million)*

Financial Summary – Q2 & H1 FY19

(Rs. crore)

Particulars	HIL Standalone plus Utkal Alumina*				
	Q2 FY18	Q1 FY19	Q2 FY19	H1 FY18	H1 FY19
Revenue from Operations	10,313	10,670	10,833	20,727	21,503
EBITDA :					
Aluminium	1,204	1,531	1,364	2,337	2,895
Copper	467	335	388	789	723
Others	154	85	170	360	255
Total EBITDA	1,825	1,951	1,922	3,486	3,873
Profit before Exceptional Items and Tax	792	1,007	968	1,392	1,975
Exceptional Income / (Expenses) (Net)	(94)	-	-	(198)	-
Profit After Tax	470	734	725	834	1,458

Note:

*The above financials include the relevant numbers of Utkal Alumina International Ltd. (Utkal Alumina) from its unaudited accounts to present a comprehensive view of the business. For this purpose, standard principles of consolidation have been applied by elimination of inter-company transactions and unrealized profit or loss in the inventory. For comparison purposes, previous year's numbers have also been presented in a similar manner.

Post the applicability of GST with effect from July 1, 2017, Revenue is required to be disclosed net of GST as per requirement of Ind AS 18, 'Revenue'. Accordingly, the Revenue figures for half year, are not comparable with those of the previous periods.

India Business (Hindalco Standalone Plus Utkal Alumina):

The Company's revenue (India operations) stood at Rs. 10,833 crore for Q2 FY19 (vs. Rs. 10,313 crore in Q2 FY18) up by 5%. EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) at Rs. 1,922 crore in Q2 FY19, up by 5% compared to Q2 FY18. The performance rode on the back of supporting macros, improvement in operational efficiencies and better realisation. This was despite increase in input costs, mainly of coal and furnace oil. The interest expense was lower by 16% at Rs. 479 crore, mainly on account of re-pricing of long term project loans and loan re-payments made last year. **Profit After Tax** was at Rs. 725 crore in Q2 FY19, up by 54% vs Rs. 470 crore in Q2 FY18, driven by higher EBITDA and lower finance costs. **Net Debt to EBITDA** (on TTM Basis) at end September 2018 improved further to 2.47x from 2.67x at end March, 2018. Under its continuous deleveraging programme, the Company has prepaid another Rs. 1,575 crore in the month of October 2018.

Business Highlights – Q2 FY19

Aluminium (Hindalco Plus Utkal Alumina):

The Aluminium revenue for Q2 FY19 stood at Rs. 6,135 crore (vs. Rs. 5,218 crore in Q2 FY18) up by 18%. EBITDA at Rs. 1,364 crore in Q2 FY19, is up 13% compared to Rs. 1,204 crore in Q2 FY18, on the back of supporting macros, partially offset by increase in the input prices. The Company has achieved consistent Aluminium metal production of 326 Kt in Q2 FY19, as its plants continued to operate at peak designed capacities. Alumina (including Utkal Alumina) production was marginally lower at 701 Kt vs 712 Kt in the corresponding period last year due to operational issues on account of heavy rains during the quarter. Aluminium Value Added Products



(VAP, including Wire Rod) production was higher at 123 Kt in Q2 FY19 vs 119 kt in Q2 FY18, regardless of the continuous surge in imports, which is a major challenge.

Copper:

The VAP (CC Rod) production was higher by 24% in Q2 FY19 to 49 Kt compared to 39 Kt in Q2 FY18 on account of continuous ramp-up of the new CCR-3 facility. The share of VAP (CC Rods) in the total sales volume reached 70% in Q2 FY19 vs. 43% in Q2 FY18. The DAP production was higher by 73% to 88 kt in Q2 FY19 vs 51 kt in Q2 FY18. The overall cathode production was 72 Kt in Q2 FY19 vs 96 Kt in Q2 FY18.

Revenues from Copper segment was at Rs. 4,710 crore in Q2 FY19 vs Rs. 5,097 crore in Q2 FY18. EBITDA stood at Rs. 388 crore in Q2 FY19 down by 17%, vs Rs. 467 crore in Q2 FY18. This was mainly on account of lower volumes due to a planned maintenance shutdown at one of the smelters in the month of July-18 and also due to lower copper realisations. This was partially offset by higher by-product realisations.

Novelis Inc:

Novelis posted a strong performance on the back of increased asset optimization, better product mix and favourable market conditions. Revenues grew 12% to US\$ 3.1 billion, given by higher average aluminium prices, higher shipments and favourable product mix. The total shipments of flat rolled products (FRP) was up by 1% to 807 Kt in Q2 FY19. It has achieved highest ever quarterly adjusted EBITDA of US\$ 355 million in Q2 FY19, up 18%, compared to US\$ 302 million in Q2 FY18. This was mainly due to higher automotive sheet shipments, better operating efficiencies, with enhanced recycled contents and effective cost management. Novelis also achieved its highest ever quarterly adjusted EBITDA of US\$ 440 per tonne in Q2 FY19 vs US\$ 377 in Q2 FY18, up by 17%. Novelis' Net Income was at US\$ 116 million in Q2 FY19.

Applications for regulatory approvals for Aleris acquisition filed with the concerned authorities are at various stages of approval. We expect the transaction to close in about 9-15 months from the date of the announcement of the transaction. Novelis has secured firm commitments from banks for financing the Aleris acquisition.

Key Initiatives & Project Updates:

- Utkal Alumina's brownfield capacity expansion of 500 Kt is on schedule and is expected to be operational by FY21.
- Novelis breaks ground on the new automotive finishing line facility in Changzhou, China. This will double its capacity to 200 kt and is expected to be operational by CY20.



Management Comments:

"The Company delivered yet another strong quarterly results, despite the challenging business environment, rising input costs and surge in imports. The Company continues its focus on strengthening its balance sheet, resource securitisation and its strategy to grow in the downstream businesses to deliver long-term shareholder value. Novelis will continue to play a crucial role in supporting the next generation of automotive innovation and design, as the market demand for lighter and more fuel-efficient vehicles grows."

Statements in this "Media Release" describing the company's objectives, projections, estimates, expectations or predictions 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.

About Hindalco Industries Limited:

Hindalco Industries Limited (HIL), the metals flagship Company of the Aditya Birla Group, is a leading player in aluminium and copper manufacturing. It is the world's largest aluminium rolling company and one of Asia's biggest producers of primary aluminium. In India, the Company's aluminium Units across the country encompass the gamut of operations from bauxite mining, alumina refining, coal mining, captive power generation and aluminium smelting to downstream value addition of aluminium rolling, extruding and foils. Birla Copper, the Company's copper facility comprises a world-class copper smelter, downstream facilities, a fertiliser plant and a captive jetty. The copper smelter is among the world's largest custom smelters at a single location. Birla Copper produces copper cathodes and continuous cast copper rods along with other by-products. Novelis Inc., HIL's wholly-owned subsidiary, is the global leader in aluminium rolled products and the world's largest recycler of aluminium. Novelis has 24 operating plants in 10 countries and across 4 continents.

Registered Office: Ahura Centre, 1st Floor, B Wing, Mahakali Caves Road Andheri (East), Mumbai 400 093
www.hindalco.com, E mail: hindalco@adityabirla.com, Corporate Identity No. L27020MH1958PLC011238
