

ADITYA BIRLA



AM/STOX-GN/38

12th February, 2019

BSE Limited PhirozeJeejeebhoy 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 12th February, 2019

The Board of Directors of the Company at their meeting held today and concluded at 1.40 p.m has approved the "Unaudited Standalone Financial Results" of the Company for the Third Quarter ended 31st December, 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

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, February 12th, 2019

HINDALCO REPORTS Q3 FY19 RESULTS

Key Highlights of Q3 FY19 (vs Q3 FY18)

- PAT at Rs. 713 crore, up by 47% , for Hindalco Standalone plus Utkal Alumina
- EBITDA of Rs. 1,926 crore, up by 4%, for Hindalco Standalone plus Utkal Alumina
- Prepaid long term loans of Rs. 1,575 crore in October 2018 towards Hindalco's continuous focus on deleveraging
- Hindalco Standalone plus Utkal Alumina Net Debt to EBITDA (on TTM Basis) improves to 2.36x as on December 31st, 2018 from 2.67x as on March 31, 2018
- Copper VAP (CC Rod) production higher by 59% - Share of VAP (Rods) in total sales volume reached 58% in Q3 FY19 vs. 40% in Q3 FY18
- *Novelis reported adjusted EBITDA of US\$ 322 million up 6% YoY; adjusted EBITDA per tonne rises to US\$ 403 in Q3 FY19 vs. US\$ 383 in Q3 last year.*

Financial Summary – Q3 & 9M FY19

(Rs. crore)

Particulars	HIL Standalone plus Utkal Alumina*				
	Q3 FY18	Q2 FY19	Q3 FY19	9M FY18	9M FY19
Revenue from Operations	11,044	10,833	11,938	31,771	33,441
EBITDA :					
Aluminium	1,188	1,349	1,286	3,525	4,159
Copper	421	388	431	1,210	1,154
Others	252	186	209	612	486
Total EBITDA	1,861	1,922	1,926	5,347	5,799
Profit before Exceptional Items and Tax	858	968	944	2,250	2,919
Exceptional Income / (Expenses) (Net)	(115)	-	-	(313)	-
Profit After Tax	484	725	713	1,318	2,171

Note:

*The above financials include relevant numbers of Utkal Alumina International Ltd. (100% subsidiary of Hindalco), from its 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 period numbers have also been presented in a similar manner.



India Business (Hindalco Standalone Plus Utkal Alumina):

The Company's revenue stood at **Rs. 11,938 crore** (vs. Rs. 11,044 crore in Q3 FY18), up **8%**. EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) at **Rs. 1,926 crore in Q3 FY19**, rose by **4%** compared to Q3 FY18. This is on the back of supporting macros, improvement in operational efficiencies and better realisations. This was despite increase in input costs, mainly of coal and furnace oil. Interest expense was lower by 12% at Rs. 477 crore, mainly due to re-pricing of long term project loans and loan re-payments. **Profit After Tax** stood at **Rs. 713 crore** in Q3 FY19, up **47%** vs Rs. 484 crore in Q3 FY18, driven by higher EBITDA and lower finance costs. **Net Debt to EBITDA** (on TTM Basis) at end December 2018 improved to **2.36x** from 2.67x at end March, 2018. Under its continuous deleveraging focus, the Company has prepaid another Rs. 1,575 crore in the month of October 2018.

Business Highlights – Q3 FY19

Aluminium (Hindalco Plus Utkal Alumina):

The revenue from the Aluminium business for Q3 FY19 stood at Rs. 6,018 crore (vs. Rs. 5,345 crore in Q3 FY18) up by 13%. EBITDA at Rs. 1,286 crore in Q3 FY19, rose 8%, compared to Rs. 1,188 crore in Q3 FY18, on the back of supporting macros, partially offset by increase in the input prices. The Company achieved consistent Aluminium metal production of 324 Kt in Q3 FY19, as its plants continued to operate at peak designed capacities. Alumina (including Utkal Alumina) production was higher at 749 Kt vs 734 Kt in the corresponding period last year on account of better operational performance. Aluminium Value Added Products (VAP, including Wire Rod) production was 120 Kt in Q3 FY19 vs 123 kt in Q3 FY18. This was lower on account of lower wire rod production during the quarter.

Copper:

VAP (CC Rod) production was higher by 59% in Q3 FY19 to 66 Kt vis-a-vis to 41 Kt in Q3 FY18 given the continuous ramp-up of the new CCR-3 facility. The share of VAP (CC Rod) in the total sales volume reached 58% in Q3 FY19 vs. 40% in Q3 FY18. DAP production increased by 34% to 76 kt in Q3 FY19 vs 57 kt in Q3 FY18. Overall cathode production was higher at 105 Kt in Q3 FY19 vs 101 Kt in Q3 FY18.

Revenues from the Copper segment was at Rs. 5,925 crore in Q3 FY19 vs Rs. 5,701 crore in Q3 FY18. EBITDA was higher at Rs. 431 crore in Q3 FY19, marginally up vs Rs. 421 crore in Q3 FY18. This was mainly on account of better by-product realization and volume.

Novelis Inc:

Novelis posted a strong quarterly performance on the back of increased asset optimization, better product mix and favourable market conditions. Revenues grew 3% to US\$ 3.0 billion, driven by higher average aluminium prices, higher shipments and a favourable product mix. The total shipments of flat rolled products (FRP) was up 1% to 800 Kt in Q3 FY19. It reported Adjusted EBITDA of US\$ 322 million in Q3 FY19, up 6%, compared to US\$ 305 million in Q3 FY18. This was mainly due to, higher shipments, better operating



efficiencies, with enhanced recycled contents and effective cost management. Novelis reported quarterly adjusted EBITDA of US\$ 403 per tonne vs US\$ 383 per tonne in Q3 FY18, up by 5%. Novelis' Net Income was at US\$ 78 million in Q3 FY19 vs US\$ 121 million in Q3 FY18, inclusive of a non-cash income tax benefit of \$34 million in the prior year from the U.S. Tax Cut and Jobs Act of 2017. Various regulatory approvals for the Aleris acquisition are in progress. It is expected to close in Q2 FY20.

Key Initiatives & Project Updates:

- Utkal Alumina's brownfield capacity expansion of 500 Kt is expected to be operational by FY21.
- Novelis' Automotive expansion projects in US and China are on track
- Novelis has announced an expansion plan in Brazil with a \$175 million investment for 100kt of additional rolling capacity and 60kt of recycling capacity. This is expected to be commissioned in FY22.

Management Comments:

"Hindalco (including Novelis) delivered a very robust quarterly performance across all its businesses despite the challenging environment and rising inputs cost. It remained focussed on deleveraging, operational excellence, customer centricity and resource securitisation to deliver long term shareholder value. However, rising Aluminium and Copper imports in India continue to impact the domestic market. Given its integrated business model with the focus on customer centricity and downstream strategy, Hindalco is well poised to cater to the entire spectrum of market requirements. Novelis's diverse global footprint and product portfolio and emphasis on recycling, positions it well to navigate near-term global economic uncertainties and growth in demand"

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**