



November 10, 2015

Hindalco Announces Q2 FY 2015-16 Standalone Results [Unaudited]

		Vs. Q2FY15
Revenue from Operations	↑	4%
PAT	↑	31%

Operationally Strong Quarter against the backdrop of Severe Macro Headwinds

YoY....

- Aluminium LME down 20%
- Aluminium Regional Premium lower by over 70%
- Copper LME down 23%

Financial Highlights

(In Rs. crore)	Q2FY16	Q2FY15	Q1FY16	H1FY16	H1FY15
Revenue from Operations	8,925	8,554	8,575	17,500	16,550
Other Income	418	223	194	612	440
Profit Before Interest, Tax and Depreciation (PBITDA)	1,020	1,120	1,072	2,092	2,085
Depreciation	296	196	332	628	383
Finance Costs	616	386	602	1,218	723
Profit before Exceptional Items and Tax	109	539	138	247	979
Exceptional Items	-	431	-	-	431
Profit before Tax	109	107	138	247	547
Tax Expenses	5	29	31	37	141
Net Profit	103	79	107	210	406
Basic EPS – Rupees	0.50	0.38	0.52	1.02	1.97

Hindalco, the Aditya Birla Group flagship Company, today announced its unaudited results for the quarter ended September 30, 2015.

Revenues for the quarter were higher by 4% over the corresponding quarter of the previous financial year despite a sharp decline in realisations. Revenues rose on the back of the production ramp up at the company's new factories.

Operating results for the quarter were significantly impacted by the severe drop in London Metal Exchange prices and regional aluminium premium, the macro economic factors beyond the company's control. The combined decline on YoY basis was around USD 700 per tonne of Aluminium.

Profit before Interest, Tax and Depreciation (PBITDA) at Rs 1,020 Crore reflects a robust operational performance in the face of severe macro- economic headwinds. Higher other income for the quarter is

partly on account of certain non-recurring items amounting to Rs 119 Crore and partly due to dividend from subsidiaries.

Depreciation and finance cost were higher given the progressive capitalisation of Greenfield projects. These charges were higher by Rs 330 Crore as compared with Q2 FY15. As a result, Profit before tax and before exceptional items was lower at Rs 109 Crore.

On YoY basis Net profit was higher in Q2 FY16 as the previous year's corresponding quarter had certain adverse exceptional items.

Compared to Q1FY16, Revenues from Operations were higher by 4% mainly on account of higher volumes. However PBITDA declined by 5% owing to sharp fall in realisations. Sequentially Net profit was down 4%.

Business Results

(In Rs. crore)	Q2FY16	Q2FY15	Q1FY16	H1FY16	H1FY15
Aluminium Segment					
Net Sales	4,173	3,316	3,966	8,138	6,327
Earnings Before Interest & Tax (EBIT)	29	339	254	283	556
Copper Segment					
Net Sales	4,757	5,247	4,614	9,371	10,237
Earnings Before Interest & Tax (EBIT)	350	414	344	694	726

During the quarter Alumina production (including Utkal refinery) at 628 KT (kilo tonnes) was 18% higher as compared with Q2 FY 15. The published financials do not include Utkal performance.

Aluminium metal production stood at 269 KT and was up 44 % on YoY basis. The Mahan smelter in Madhya Pradesh achieved full ramp up during the quarter, while Aditya smelter in Odisha is under ramp up.

Despite higher volumes, the EBIT of Aluminium segment declined because of lower realisations and higher depreciation.

The Copper segment continued to deliver a solid performance supported by higher TcRc and acid realisations. YoY Cathode production increased by 4% to 100 KT, while fertilizer (DAP) production jumped by 18% to 87 KT.

On YoY basis, the EBIT in copper segment was lower due to removal of certain export incentives and significantly lower Copper LME prices.

During the quarter, the Aditya and Utkal project loan was refinanced extending the tenor. In Aditya, the remaining life was extended from 5.83 years to 10.04 years with the last instalment payable in September 2030 against September 2023. In Utkal, the remaining life was extended from 3.97 years to 10.04 years with the last instalment payable in September 2030 against September 2021.

With macro- economic headwinds continuing, the Company's focus will be on operational excellence and cash conservation in the coming quarters.

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