



PRESS RELEASE

04 June 2010

Consolidated Turnover	Rs. 60,722 Crore	USD 12.8 Billion
PBIDTA*	Rs. 10,069 Crore	USD 2.1 Billion
Proposed Dividend	Rs. 1.35 per share	

Hindalco Industries Ltd., the flagship company of the Aditya Birla Group, today announced its standalone and consolidated audited financial results for the year ended 31 March 2010.

(In Rs. Crore)	Audited Standalone Year ended		Audited Consolidated Year ended	
	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09
Net sales and operating revenues	19,536.3	18,219.7	60,722.1	65,963.0
Other income	259.9	636.7	322.7	691.4
PBIDTA*	3,209.7	3,672.6	10,068.5	3,660.9
Depreciation and impairment	667.2	645.3	2,783.6	3,037.8
Interest and financing charges	278.0	336.9	1,104.1	1,228.0
Profit before tax *	2,264.5	2,690.4	6,180.8	(604.9)
Provision for taxes	462.1	610.9	1,931.9	(804.6)
Tax adjustment for earlier years (Net)	(113.2)	(150.8)	(103.0)	(149.1)
Profit before Minority Interest	1,915.6	2,230.3	4,351.9	348.8
Minority interest	-	-	423.7	(171.8)
Share in (Profit)/loss of Associates (Net)	-	-	2.7	36.7
Net Profit	1,915.6	2,230.3	3925.5	483.9
EPS (Basic) - Rupees	10.82	14.82	22.17	3.21

* Consolidated results include pre-tax adjustments for unrealized derivative gain / (loss) of Rs. 2,736.4 crore in FY10 and Rs. (2,380.7) crore in FY09 at Novelis.

Standalone Results

For the year ended 31 March 2010, net sales at Rs.19,536 crore were higher by 7%.The highest ever metal volumes, better product and geographic mix, despite subdued commodity prices helped improve the company's performance. The

superior operational performance in terms of highest ever metal production and substantial cost savings on improved efficiencies were negated by adverse macro-economic factors, which was pronounced in both the businesses.

In the Aluminium business, lower Rupee-LME eroded profit by around Rs.750 crore. Additionally, Rs.100 crore was lost on account of the higher coal cost at Renusagar Power. Copper business, which benefited from higher contracted TcRc (Treatment charges and Refining charges), lost Rs.750 crore on lower by-product credit, in terms of sulphuric acid realisation and lower fertiliser subsidy. Against this backdrop, the performance of both the businesses was satisfactory. Other income at Rs.260 crore was lower by Rs.377 crore, on account of low treasury corpus, post repayment of bridge loan in November 2008, which was taken for Novelis acquisition and for higher project spending. Abundant liquidity kept short-term rates low. This also affected yields on the company's investments which are mostly in liquid plans. It also reduced the cost of working capital borrowing. As a result, the interest and financing charges also reduced from Rs.337 crore in FY09 to Rs.278 crore in FY10.

Consolidated Results

Consolidated revenues were lower at Rs. 60,722 crore, mainly due to lower aluminum prices and softness in the Company's end-markets in the first half of the year, especially for Novelis. Further, change in the status of Idea Cellular Ltd. from Joint Venture to Associate w.e.f from 01 Jan 2009 for the purpose of consolidation, also resulted in proportionate revenue from Idea not being included in the consolidated revenue.

Profit before Depreciation, Interest and Taxes soared to a record level of Rs. 10,069 crore from Rs. 3,661 crore in FY09. This include USD 578 million of unrealized gains consisting of USD 504 million reversal of previously recognized losses upon settlement of derivatives and USD 74 million of unrealized gains relating to mark to market adjustments on metal and currency derivatives at Novelis.

Aluminium business revenue fell by 11% to Rs. 48,091 crore on the back of lower LME and lower demand in first half of the year. Earning before Interest and tax turned around from a loss of Rs. 425 crore to a profit of Rs. 5,998 crore. This reflects steady improvements in operations across the board.

Copper business revenue increased by 13% to Rs. 12,575 crore and EBIT trebled from Rs. 374 crore to 1,003 crore.

Overall results clearly reflects derisked business portfolio in terms of geographic and product mix.

Novelis

Shipments of aluminium rolled products totalled 2,708 Kilotonne for fiscal 2010, a decrease of 2 percent compared to shipments of 2,770 Kilotonne in the previous year, driven by softer end-market conditions in most of the regions during the first half of the year

Net sales for fiscal 2010 were USD 8.7 Billion; a decrease of 15 percent compared to the USD 10.2 Billion reported in the same period a year ago, a result of lower aluminum prices and softness in the Company's end-markets in the first half of the year.

Adjusted EBITDA for the year was a record USD 754 Million, representing a 55 percent increase from adjusted EBITDA of USD 486 Million posted for the same period a year ago. These record operating results were primarily due to the Company's focus on cost reductions and restructuring initiatives.

Aditya Birla Minerals

Aditya Birla Minerals Limited, the Australian Subsidiary, reported Profit after Tax of AUD 61.4 Million as against a loss of AUD 76.0 Million in the previous year. Sustained cost management resulted in turnaround in financial performance. Lower production was mainly due to loss of production of Copper in Concentrate at Mt. Gordon and Cathode production at Nifty Oxide operations which were put under Care & Maintenance as a management decision. The drop in overall production was partly off-set by 13.8% increase in Nifty's production of Copper in Concentrate.

	FY10	FY09
Copper Production (MT)	57,093	70,111
EBIT (AUD '000)	93,259	(103,605)
PAT (AUD '000)	61,440	(76,019)

Dividend

The Board of Directors of the Company has recommended dividend of Rs. 1.35 per share i.e. 135% aggregating to Rs. 258.32 crore. Together with the Corporate Dividend Tax of Rs. 42.90 crore, the total payout works out to Rs. 301.22 crore.

Expansion projects

India

As reported earlier, our expansions projects are on track and are expected to deliver as per schedule.

Project	Commissioning
Hirakud Smelter & Power expansion	
155 KTPA to 161 KTPA	Q2FY11
161 KTPA to 213 KTPA	Q4FY 12
Flat Rolled Products at Hirakud	Q2FY12
UTKAL Alumina Project	Q2FY12
Mahan Aluminium Project	Q2FY12
Aditya Aluminium Project	Q3FY12
Aditya Refinery Project	Q1FY14
Jharkhand Aluminium Project	Q1FY14

Further to the above, the smelting capacity at Hirakud is intended to be further expanded from the proposed 213 KTPA to 360 KTPA with corresponding increase in back-up captive power from proposed 467.5 MW to 967.5 MW. The Company undertakes to appropriately finance the project.

Novelis

To debottleneck and increase capacity, primarily in South America and Asia, Novelis has increased its capital expenditure plan by approximately USD150 Million or 148 percent for fiscal 2011 compared to the previous year. A significant amount is aimed at expanding its rolling operations in Brazil. This investment will increase capacity by over 50 percent and better support the increasing demand for flat rolled products in the Regions. The expansion is expected to be completed by late 2012.

Company Outlook

The volatile financial and commodity markets in FY09 and FY10 have tested the resilience of the Company's business model. The Company has emerged stronger with a highly proactive approach in managing the downturn through focused cost management and efficient asset utilisation. Improving commodity prices and domestic / global demand are encouraging.

At Novelis, South America and Asia markets are expected to continue to grow and North America and Europe may see moderate increases in demand. The results are expected to continue to strengthen given market conditions, price increases and continued cost management initiatives.

Hindalco's continued focus on cost control, operational efficiencies and integrated business approach will enable the company consolidate its cost leadership as well as its position in the value chain. The Company remains on track with respect to the growth projections despite the challenging ground conditions.

The outlook of the Company remains cautiously optimistic for FY11 before the quantum growth leap.

Statements in this "Press 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.