



August 14, 2012

Hindalco Announces Q1 FY 2012-13 Standalone Results [Unaudited]

Performance Impacted By Adverse Macro-Economic Conditions and One-Timers

Financial Highlights

(In Rs. crore)	Q1FY13	Q1FY12
Revenue from Operations	6028	6,031
Other income	301	179
Profit Before Interest, Tax and Depreciation (PBITDA)	765	1,045
Depreciation	171	175
Finance Costs	81	67
Profit before tax	513	803
Tax Expenses	88	159
Net profit	425	644
Basic EPS	2.22	3.36

Note: Certain description and /or figures of earlier periods have been changed/regrouped to conform to current practices

Hindalco, the Aditya Birla Group flagship Company today announced its unaudited results for the first quarter ended June 30, 2012.

Revenue from operations for the quarter was maintained at Q1FY12 level on the back of improved mix, better premium and mark-up, despite lower volumes and realisation.

During the quarter, PBITDA stood at Rs. 765 crore vs. Rs. 1,045 crore in Q1FY12. Surge in input costs, mainly in coal, caustic soda and carbon products affected earnings by nearly Rs. 200 crore this quarter. Further, the operational results were also impacted due to the planned shutdown of the copper production facility and lower volume due to certain operational disturbances in the Aluminium plants. These have since been taken care of and currently the operations are under full ramp-up.

Other Income is inclusive of dividend received from Aditya Birla Minerals Ltd, the Company's Australian subsidiary, of Rs. 45 crore (Rs. 69 crore in Q1FY12) and Rs. 85 crore from Dahej Harbour and Infrastructure Ltd (Rs. Nil in Q1 FY12), the Company's wholly owned Indian subsidiary. Treasury income was also higher on account of a larger corpus.

Finance costs rose, given the hardening of the interest rates compared to Q1FY12.

Business Results

Aluminium LME has been lower by 24% vis-à-vis Q1FY12. Weaker Rupee and higher regional premium cushioned the decline substantially.

Of the total revenue of Rs. 6,028 crore, Aluminium Business contributed Rs. 2,063 crore vs. Rs. 2,093 crore in Q1FY12. Sales were maintained at last year's level, despite lower metal production, based on increased volume and mark-up of value-added downstream products and higher metal premium over LME. Metal production was lower due to operational issues in both the smelters. The benefits of improved mix and mark-up were nullified by macro economic factors, lower overall volume and realisation and higher input cost. EBIT for the quarter was at Rs. 270 crore vs. Rs. 599 crore in Q1FY12.

In the Copper Business, revenue was maintained at Rs. 3,972 crore vs. Rs. 3,940 crore in Q1FY12. The performance of the Copper Business was lower due to planned shutdown undertaken in Q1FY13. EBIT of the Copper Business was lower at Rs. 76 crore in Q1FY13.

The capital employed for Aluminium Business at Rs. 25,957 crore as on June 30, 2012 includes Rs. 17,661 crore relating to Mahan, Hirakud Rolled and Aditya Aluminium Projects. The balance pertains to the existing Aluminium operations.

Operational Review

Aluminium

Alumina production remained flat at 335 Kt in Q1FY13, while metal production declined to 132 Kt vs. 140 Kt in Q1FY12. Temporary operational disturbances in the Aluminium smelters resulted in lower production.

The value added downstream sales rose by almost 16% to 58 Kt vs. 50 Kt in Q1FY12.

Copper

Cathode production declined to 69 Kt as against 73 Kt in Q1FY12, on account of the shutdown in Q1FY13. The value added CCR production increased to 36 Kt from 34 Kt in Q1FY12.

Expansion Projects

All the projects are progressing well. There is no material development to report since the last quarter.

Company Outlook

Input cost surge, availability of quality bauxite and coal coupled with volatile commodity prices pose significant challenges. However, the Company is confident of sustaining its performance given the wide downstream presence and the emphasis on operational efficiencies and cost control.

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.