

ADITYA BIRLA



17<sup>th</sup> February, 2017

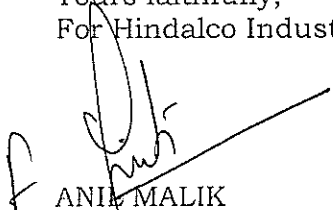
National Stock Exchange of India Ltd.  
Exchange Plaza, 5th Floor.  
Plot No. C/1, G Block  
Bandra Kurla Complex  
Bandra (East)  
Mumbai – 400 051

Dear Sir,

Please find enclosed schedule of Investor Meet to be held today. Also find attached Presentation to be made to the investors.

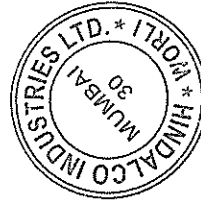
Thanking you,

Yours faithfully,  
For Hindalco Industries Ltd

  
ANIL MALIK  
Company Secretary

Encl : as above

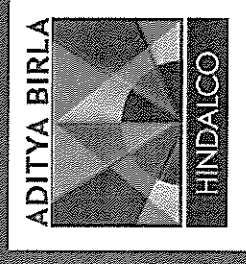
| Sr No | Investor Name                           |
|-------|-----------------------------------------|
| 1     | Max New York Life Insurance Company     |
| 2     | Kotak Mutual Fund                       |
| 3     | Wellington                              |
| 4     | ICICI Prudential Life Insurance Company |
| 5     | BNP Paribas                             |



# Hindalco Industries Ltd.

## Corporate Presentation

February 2017



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Any reference herein to "the Company" shall mean Hindalco Industries Limited, together with its consolidated subsidiaries.

# Key Agenda



1

Hindalco: An Introduction

2

Key Investment Highlights

3

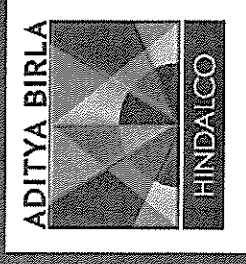
Industry Update

4

Financial Overview

5

Focus on Achieving Sustainable Leadership



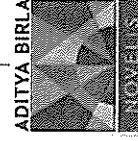
# Hindalco: An Introduction

# Hindalco: Leading Producer of Primary Aluminium and Copper in India



## Leading Global Industry Player

### Hindalco Industries Ltd



#### Integrated Aluminium

##### Aluminium

- Alumina: 2.71 MT<sup>(1)</sup>
- Primary Metal (Al): 1.13 MT<sup>(1)</sup>
- Wire Rod: 1.24 KT<sup>(1)</sup>
- VAP: 291 KT<sup>(1)</sup>

##### Copper: Major player in India

- Copper Cathode: 389 KT<sup>(1)</sup>
- DAP: 324 KT<sup>(1)</sup>

#### Forward Integrated Copper

#### Aluminium Downstream

##### #1 Rolled Products Supplier Worldwide<sup>(2)</sup>

- Global Presence
- Global leader in Aluminium recycling
- Shipments: 3.12 MT<sup>(3)</sup>
- Focused on premium segments

## Business Highlights

✓ *Novelis – Leading aluminium FRP producer globally<sup>(2)</sup>*

✓ *Aditya and Mahan – 1<sup>st</sup> quartile cost producer of Aluminium<sup>(4)</sup>*

✓ *Utkal – amongst the lowest cost producers of Alumina in the world<sup>(5)</sup>*

✓ *c. 78% of the total sales outside India<sup>(6)</sup>*

✓ *c. 53% of the assets outside India<sup>(6)</sup>*

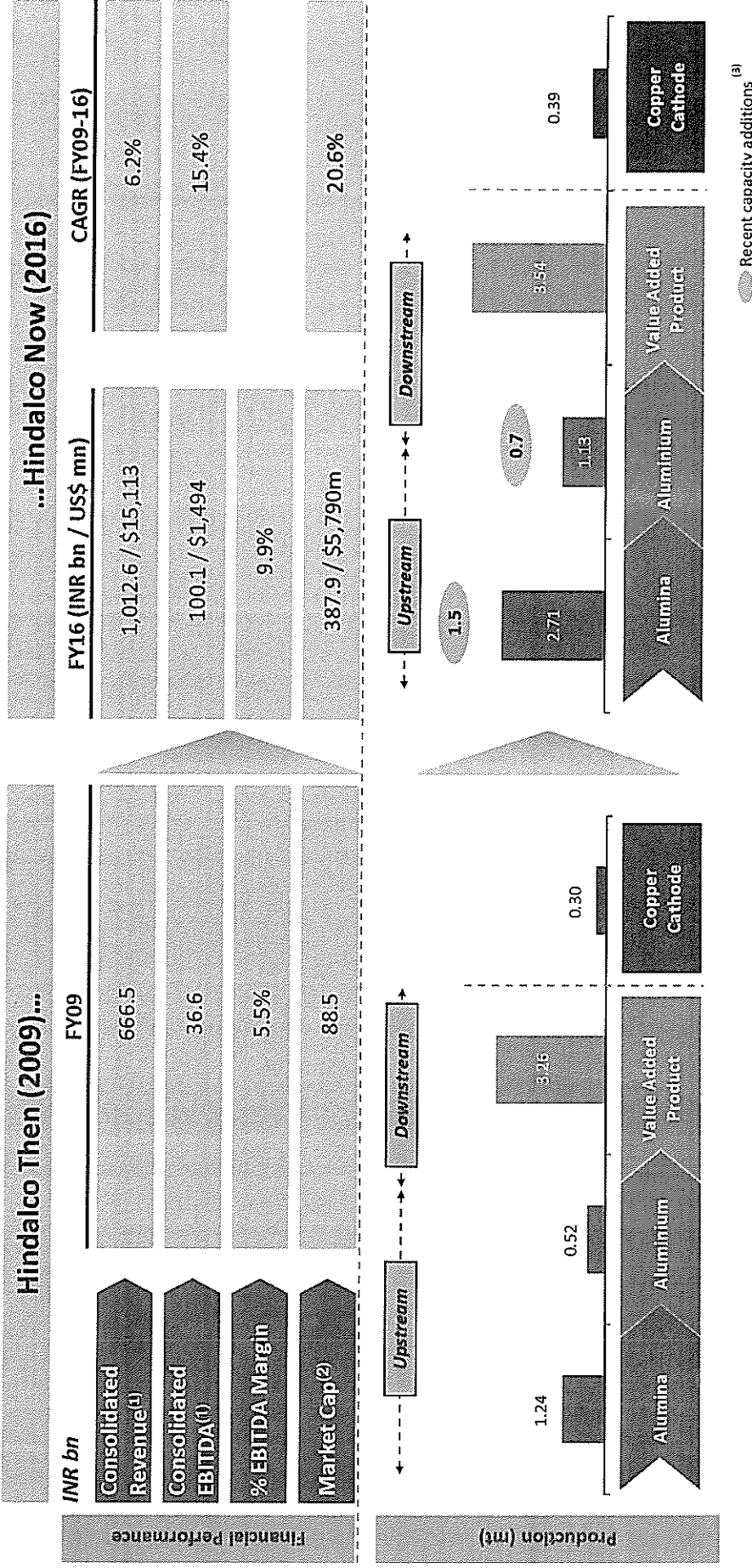
✓ *Global operations across 11 countries*

✓ *c. 37,000 employees across the world*

Note: All INR figures translated at a convenience rate of 1US\$ = INR 67. MT refers to million tons and KT refers to thousand tons all throughout the document

(1) Production for fiscal 2016 adjusted for captive consumption as applicable. VAP refers to Value Added Products and includes FRP (236 KT), Extrusion (42 KT) and Foil (13 KT). DAP refers to Di-Ammonium Phosphate. (2) Source: CRU Aluminium Rolled Products Market Outlook dated August 2016. Based on capacity as of December 31, 2015; (3) Based on FRP shipment volume in fiscal 2016; (4) Source: CRU Aluminium Cost Service 2016, as updated. Based on cash cost for the calendar year 2016; (5) Source: CRU Alumina Cost Service, December 2016 as updated. Based on site cost for the calendar year 2016; (6) As of and for the year March 31, 2016

# Hindalco: Transformational change over the last 7 years



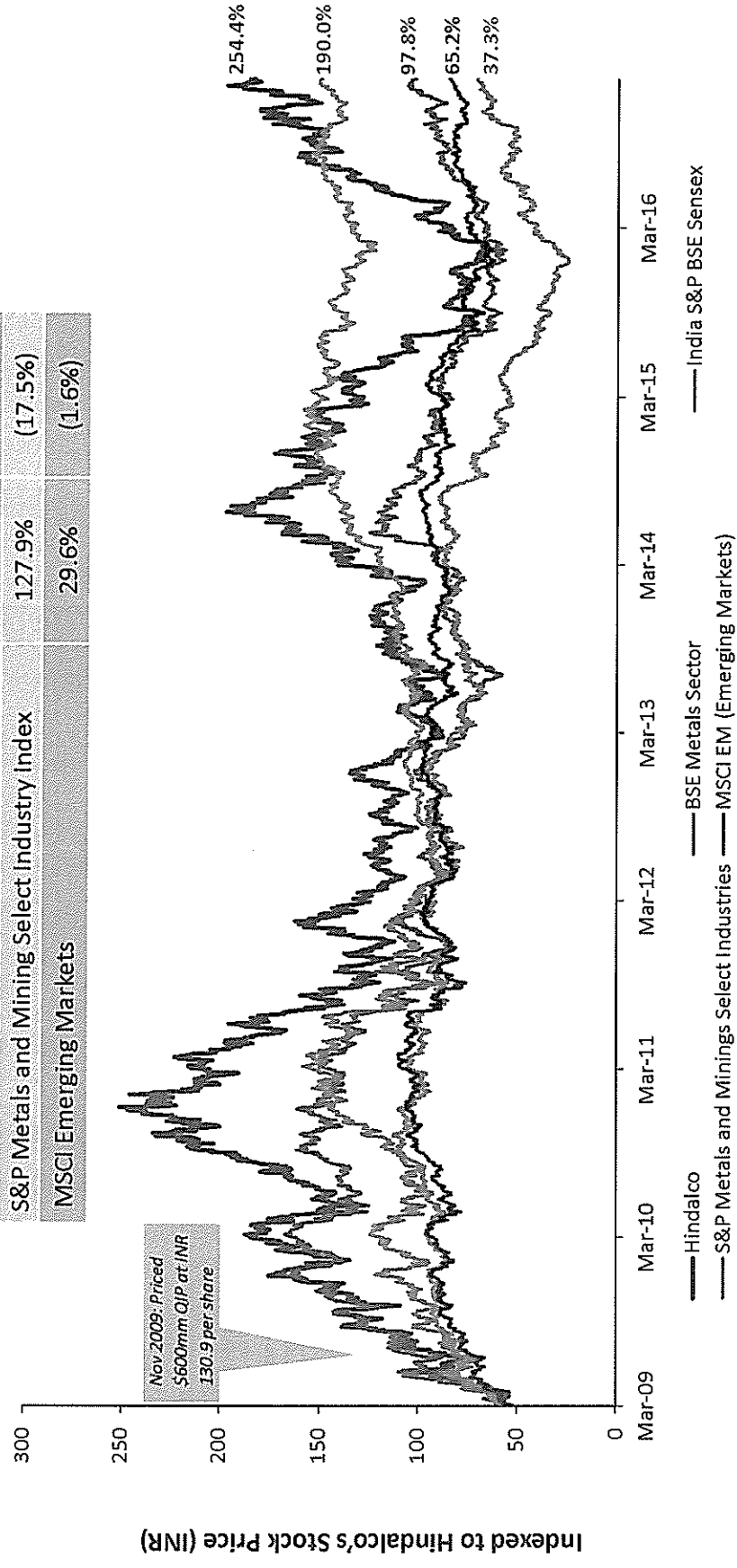
**Increasing production capabilities with significant capacity on-stream now**

Sources: NSE, US\$ figures at a convenience rate of 1US\$ = INR 67  
 Note: Reference of FY09 being taken as it is the first full fiscal year post acquisition of Novelis in FY08  
 (1) Includes other income of INR 6.91 bn for FY09 and INR 12.15 bn for FY16  
 (2) Market Cap as of March 31, 2009 and February 16, 2017  
 (3) Recent additions include Uttal Refinery, Mahan and Aditya Smelters

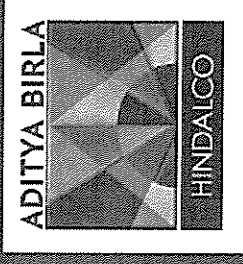
# Consistently Delivering Value to Investors



|                                             | LTM    | Last 3 years |
|---------------------------------------------|--------|--------------|
| Hindalco                                    | 175.3% | 84.6%        |
| BSE Metals                                  | 66.4%  | 26.6%        |
| Sensex                                      | 19.5%  | 38.2%        |
| S&P Metals and Mining Select Industry Index | 127.9% | (17.5%)      |
| MSCI Emerging Markets                       | 29.6%  | (1.6%)       |

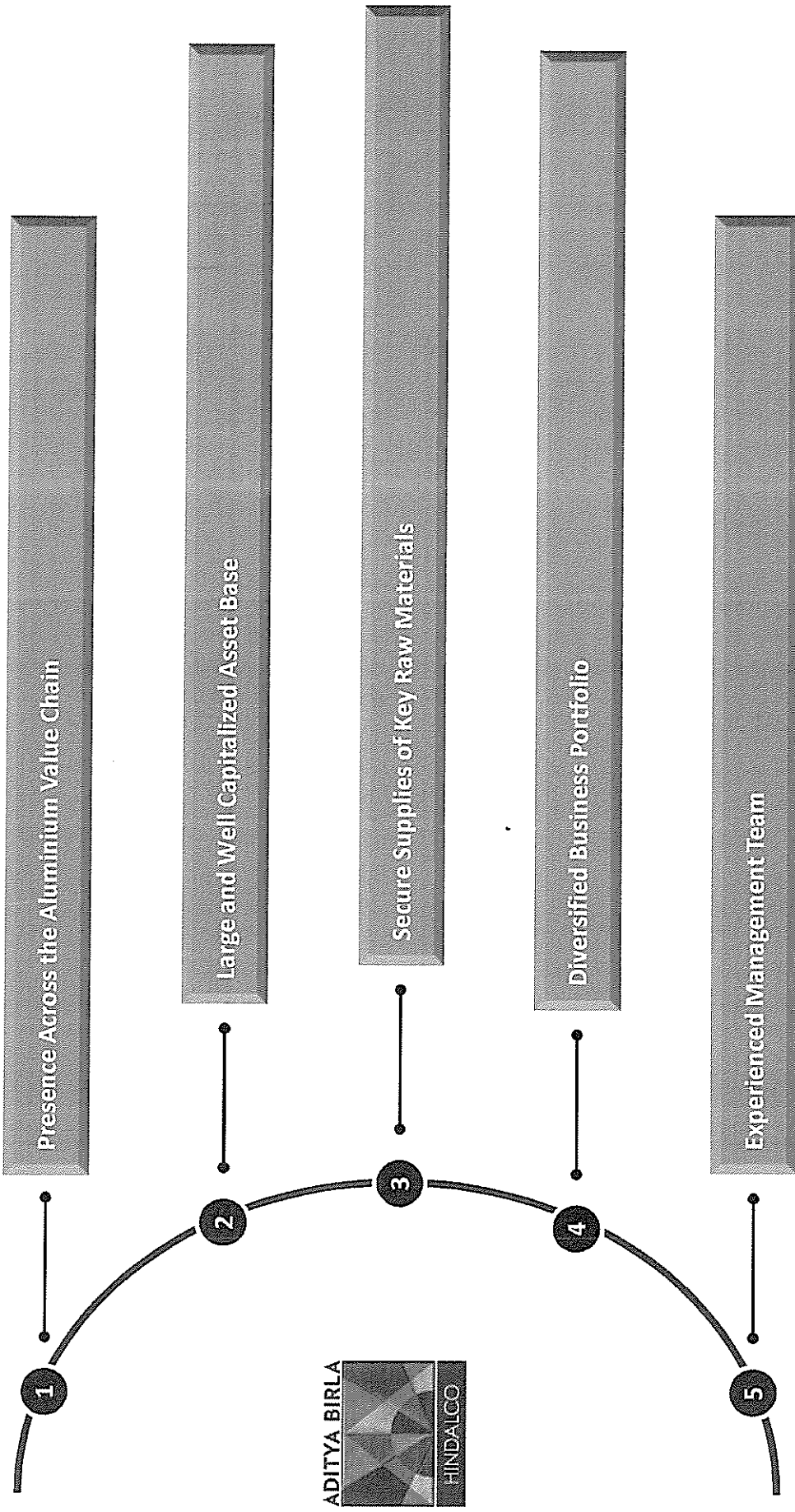


Source: Bloomberg as of February 15, 2017



# Key Investment Highlights

# Our Value Proposition





|                      |                                                                                           |                                      |                                          |
|----------------------|-------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------|
| <b>Raw Materials</b> | <b>Bauxite</b><br><i>Reserves:</i><br>246.73MT <sup>(2)</sup>                             | <b>Alumina</b>                       | <b>Renukoot</b><br>708 KT <sup>(4)</sup> |
|                      |                                                                                           | <b>Muri</b><br>322 KT <sup>(4)</sup> | <b>Belgaum</b><br>279 KT <sup>(4)</sup>  |
|                      |                                                                                           |                                      | <b>Utkal</b><br>1,396 KT <sup>(4)</sup>  |
|                      | <b>Coal</b><br>Captive+Linkage;<br>Over 65%<br>secured for each<br>smelter <sup>(3)</sup> | <b>ALUMINA LTD.</b>                  |                                          |

| Aluminium and Power                                               |              |             |  |  |  |
|-------------------------------------------------------------------|--------------|-------------|--|--|--|
| <b>Renukoot</b><br>409 KT <sup>(4)</sup> / 741.7MW <sup>(5)</sup> |              |             |  |  |  |
| <b>Hirakud</b><br>158 KT <sup>(4)</sup> / 467.5MW <sup>(5)</sup>  |              |             |  |  |  |
| <b>Mahan</b><br>336 KT <sup>(4)</sup> /900MW <sup>(5)</sup>       |              |             |  |  |  |
| <b>Aditya</b><br>231 KT <sup>(4)</sup> /900MW <sup>(5)</sup>      |              |             |  |  |  |
| <b>Wire Rod</b><br>124 KT <sup>(4)</sup>                          |              |             |  |  |  |
|                                                                   | <b>DUBAL</b> | <b>ALBA</b> |  |  |  |

|                                      |                                                 |                                           |                                     |
|--------------------------------------|-------------------------------------------------|-------------------------------------------|-------------------------------------|
| <b>Hindalco</b><br><b>Downstream</b> | <b>Rolled Products</b><br>236 KT <sup>(4)</sup> | <b>Extrusions</b><br>42 KT <sup>(4)</sup> | <b>Foil</b><br>13 KT <sup>(4)</sup> |
|--------------------------------------|-------------------------------------------------|-------------------------------------------|-------------------------------------|

**Novelis  
Rolled Products/VAPs**

Downstream FRP  
3.123 KT<sup>(6)</sup>

- Wide presence across four continents
- Diversified business portfolio, with focus on premium segments

# CONSTELLIUM ARCONIC

## Integrated Players



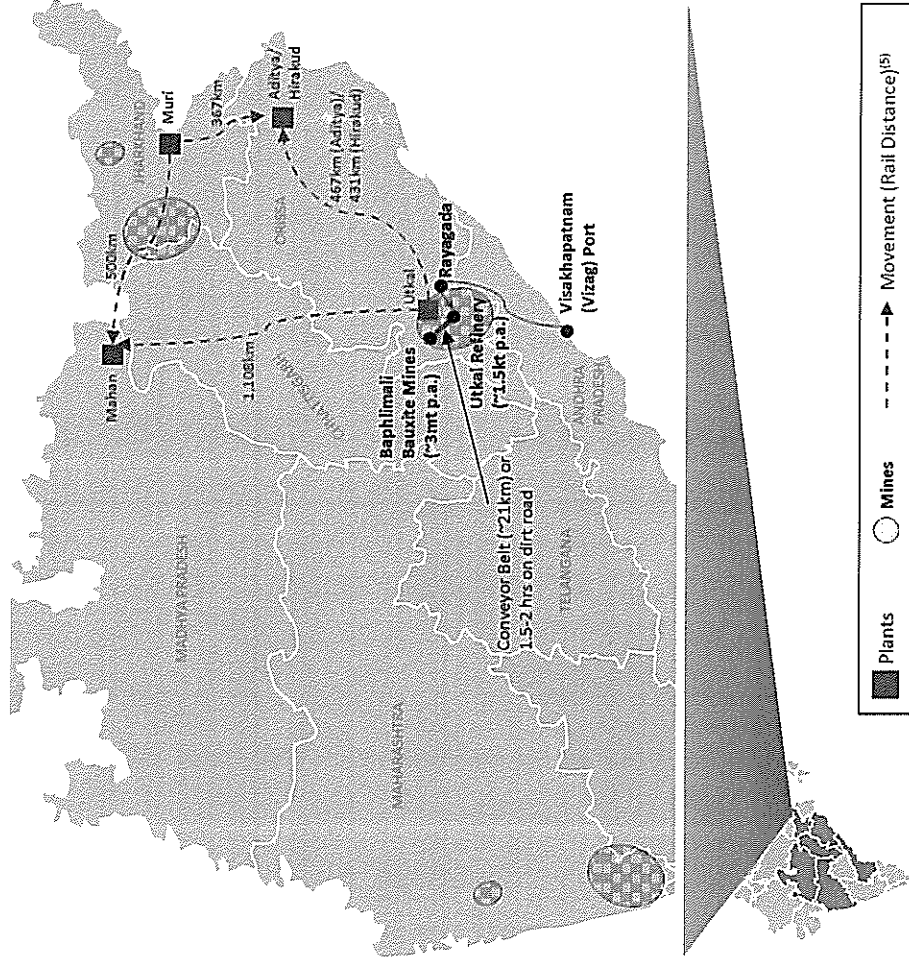
**NORSK HYDRO**

**HONGQIAO**

*Hindalco, supported by its access to bauxite and coal in close proximity, has integrated forward to value added products*

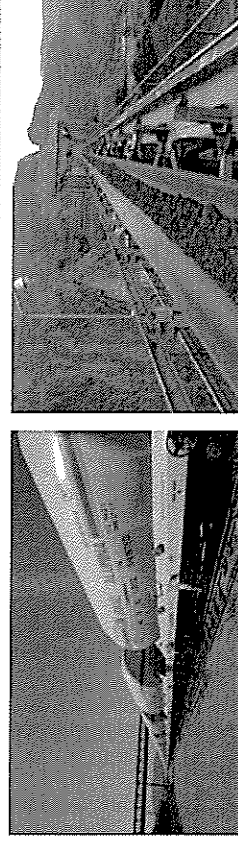
[11] Source: CRU Aluminium Cost Service 2016 Report. Based on data for calendar year 2015; (2) Total P1 (67.86MT) & P2 (178.87MT) reserves as of March 31, 2016; reserves based on latest available mining plan adjusted for annual production post date of mining plan; also includes certain mines that are non-operational as on date as well as certain mines whose mining lease has expired and applications for renewals have been made. Reserves and remaining life subject to (f) change in production in the future compared to production in FY 2015 and (ii) non-operating mines become operational in the future; (3) Based on energy requirements at each of the smelters (Mahana, Adiyo, Renukoot and Hikaloo). Total energy requirement calculated assuming each power plant being operated at 85% PLF and unit heat rates as per CEA norms for the CPP power plants. On the supply side the grade of coal from specified linkages (including ones based on Letters of Intent for which FSAs are yet to be executed) and coal blocks varies and total energy supplied has been calculated at the minimum calorific value corresponding to the specific grade of coal. The range of energy requirement met is being taken for each of the power plants at each of the smelters. Mining lease for Dumri is yet to be executed; (4) Production for fiscal 2016 adjusted for captive consumption as applicable. Wire rods are manufactured in Renukoot and Mahana. (5) Installed capacity; (6) Based on FRP shipment volume in fiscal 2016

# ① Access to Amongst the Lowest Cost Alumina in the World



## The Alumina Advantage

- ✓ Access to total of 28 bauxite mines located in close proximity to the refineries<sup>(1)</sup>
- ✓ Total proved and probable reserves of 246.73 MT<sup>(1)(2)</sup>
- ✓ Utkal – 1.5mt alumina refinery is one of the three greenfield projects commissioned recently
- ✓ Primarily supplies alumina to Mahan and Aditya smelters through dedicated BTAP wagons
- ✓ Utkal has access to good quality bauxite (high in alumina content and low in silica) in Baphimali mine with 189.05 MT<sup>(3)</sup> of proved and probable reserves<sup>(4)</sup>
- ✓ Expected to have mine life of approximately 42 years<sup>(4)</sup>
- ✓ Utkal refinery located in close proximity of the bauxite mine
- ✓ Bauxite transported from mine site to refinery through a long distance conveyer belt



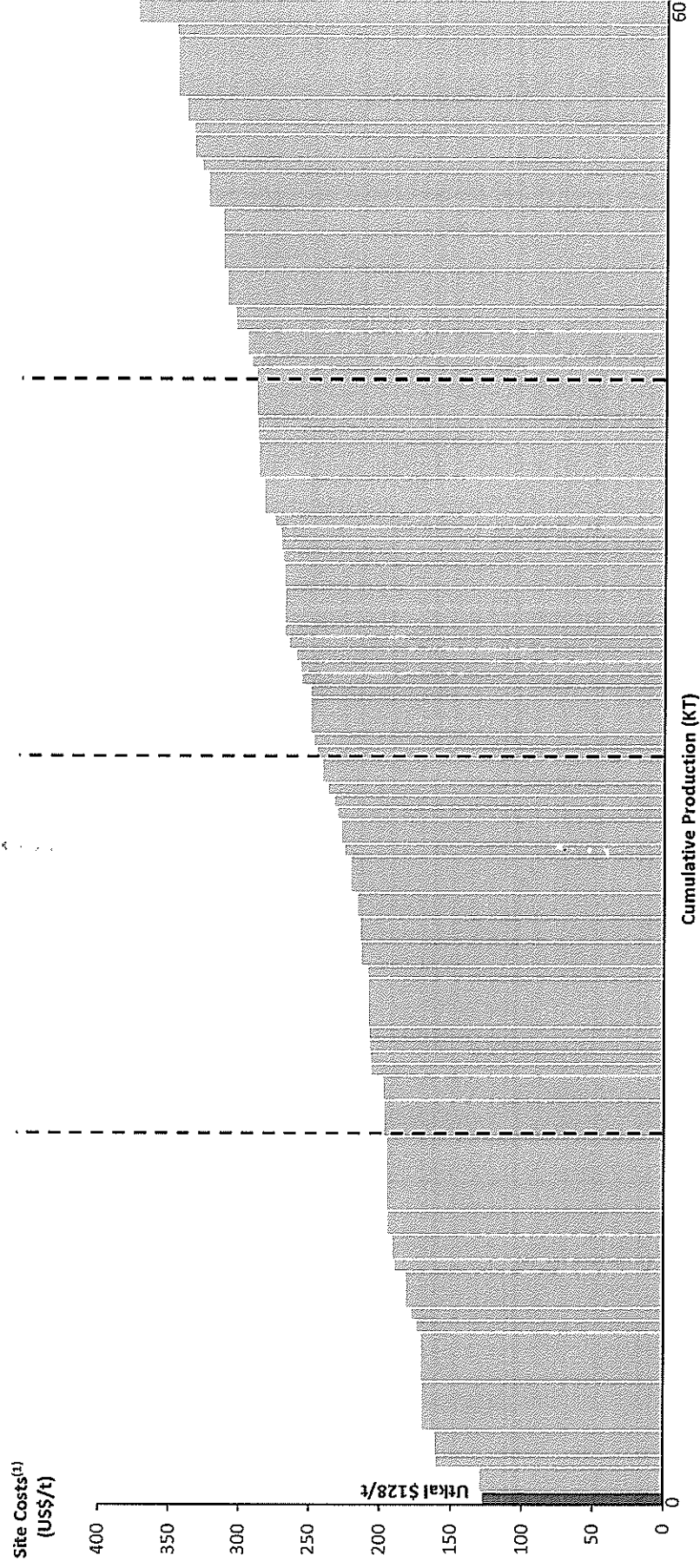
Note: Distances on map for direct rail transport. Cargo may travel by road to the rail sidings

(1) Includes ten non-operating mines as of date. Whilst the original/renewal period for 13 mines have expired, eight mines are being operated under subsisting lease (including one operating mine for which letter of subsisting has not been received) and the remaining five mines are non-operating and application for extension is pending; (2) Total P1 (67.86MT) & P2 (178.87 MT) reserves as of March 31, 2016; reserves based on latest available mining plan adjusted for annual production post date of mining plan; also includes certain mines that are non-operational as on date as well as certain mines where mining lease has expired and applications for renewals have been made. Reserves and remaining life subject to (i) change in production in the future compared to production in FY 2016 and (ii) non-operating mines become operational in the future; (3) Includes P1 of 32.37 MT and P2 of 156.68MT; (4) As of March 31, 2016; expected mine life based on F116 production; (5) Rail distances based on distances as per Indian Railways, Government of India freight calculator

# ① Utkal – Amongst Lowest Cost Producer of Alumina Globally



Cost Curve of Alumina Refineries Globally



Access to captive high quality bauxite coupled with proximity to refinery result in Utkal being amongst the lowest cost producers of Alumina in the world

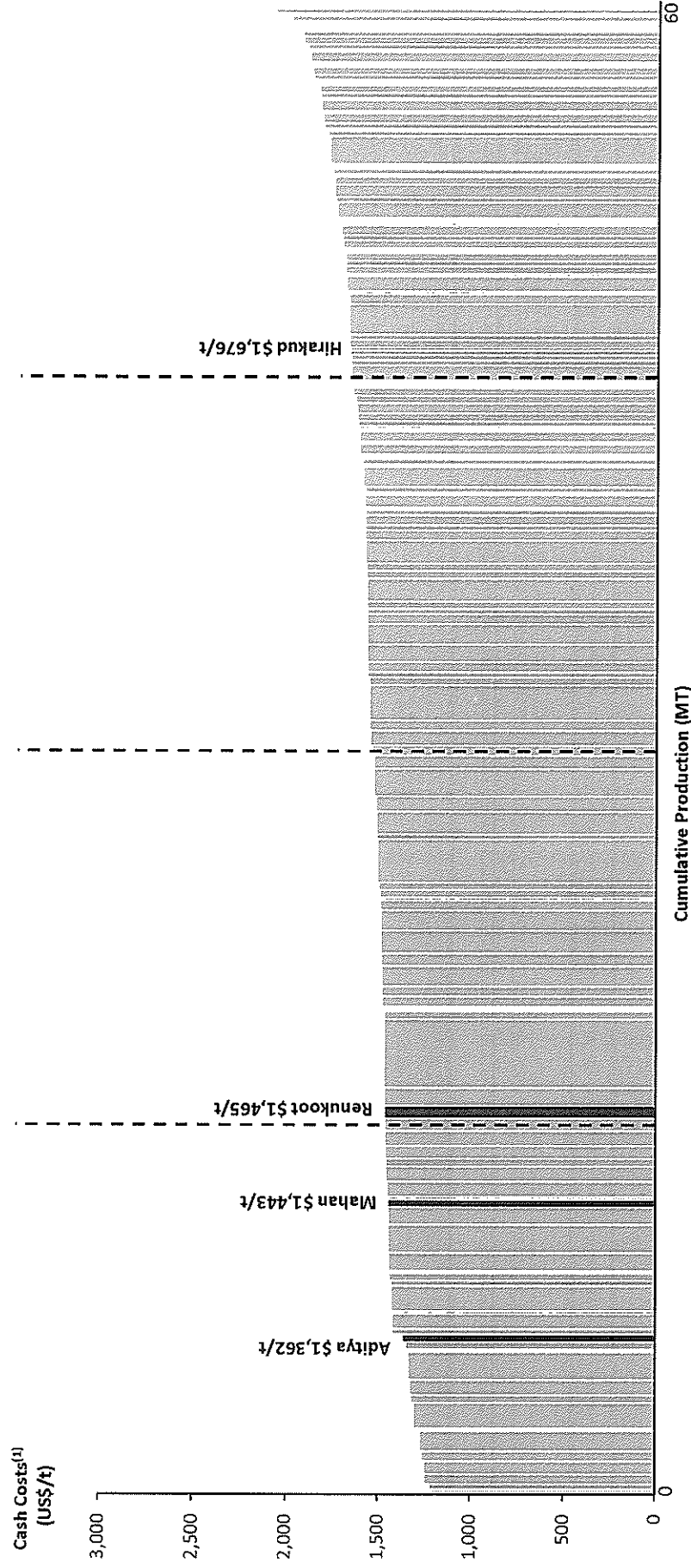
Source: CRU Alumina Cost Service, December 2016 as updated. Based on site cost for the calendar year 2016

(1) Site costs comprise liquid metal production cost and casthouse cost

# ① Aditya and Mahan – 1<sup>st</sup> Quartile Cost Producers of Aluminium



## Cost Curve of Aluminium Smelters Globally

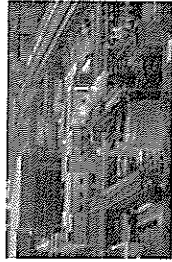


**With access to captive bauxite, combined with secured coal supply and special initiatives to reduce transportation cost, Aditya and Mahan are one of the lowest cost aluminium smelters in the world**

Source: CRU Aluminium Cost Service 2016, as updated. Based on cash cost for calendar year 2016

(1) Cash costs defined as sum of raw material costs, conversion costs and realization costs

## ② Large and Fully Capitalized Asset Base...



Utkal Alumina



Mahan Aluminium



Aditya Aluminium



Hirakud FRP



Mouda Foils

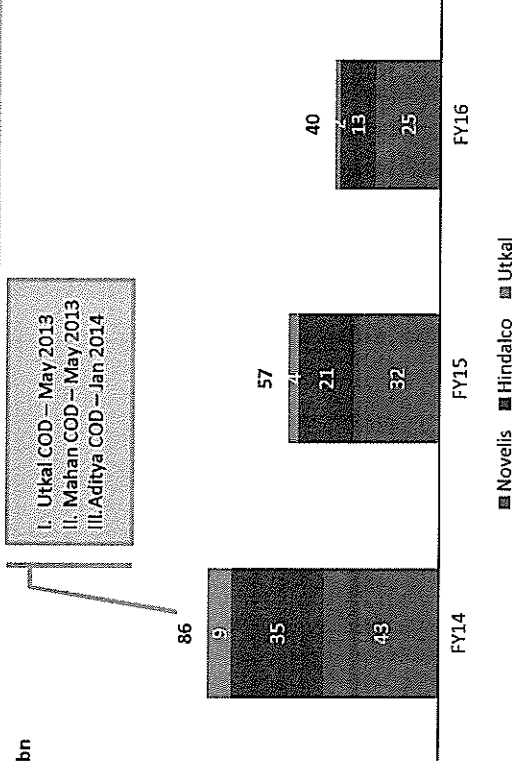


Novelis

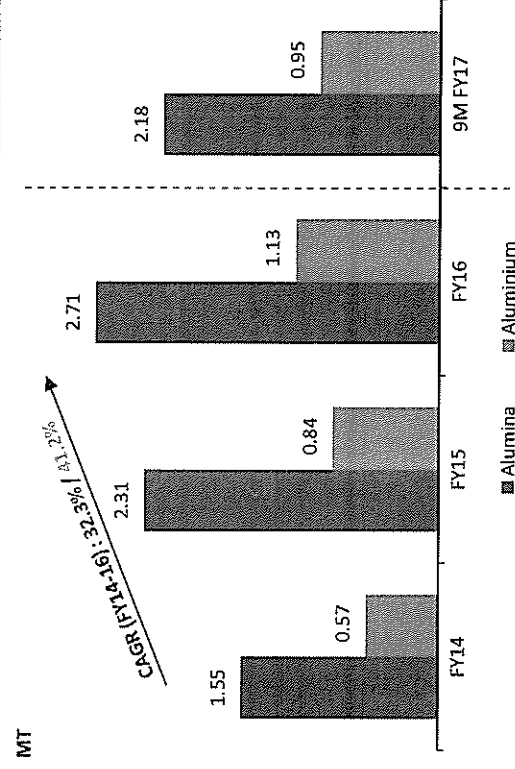
### Significant Capex Behind Us...

I. Utkal COD – May 2013  
II. Mahan COD – May 2013  
III. Aditya COD – Jan 2014

INR bn



### ...Reaping Benefits with Increased Production



- Invested a total of INR 377 bn / US\$ 5.6 bn<sup>(1)</sup> for an alumina refinery, two smelters and a rolling plant in India
- Invested US\$ 2.89 bn<sup>(2)</sup> in Novelis – Hot rolling capacity, recycling capacity & capability enhancement & Auto body capacity

**With recent capacity expansions, no significant capex expected in near to medium term**

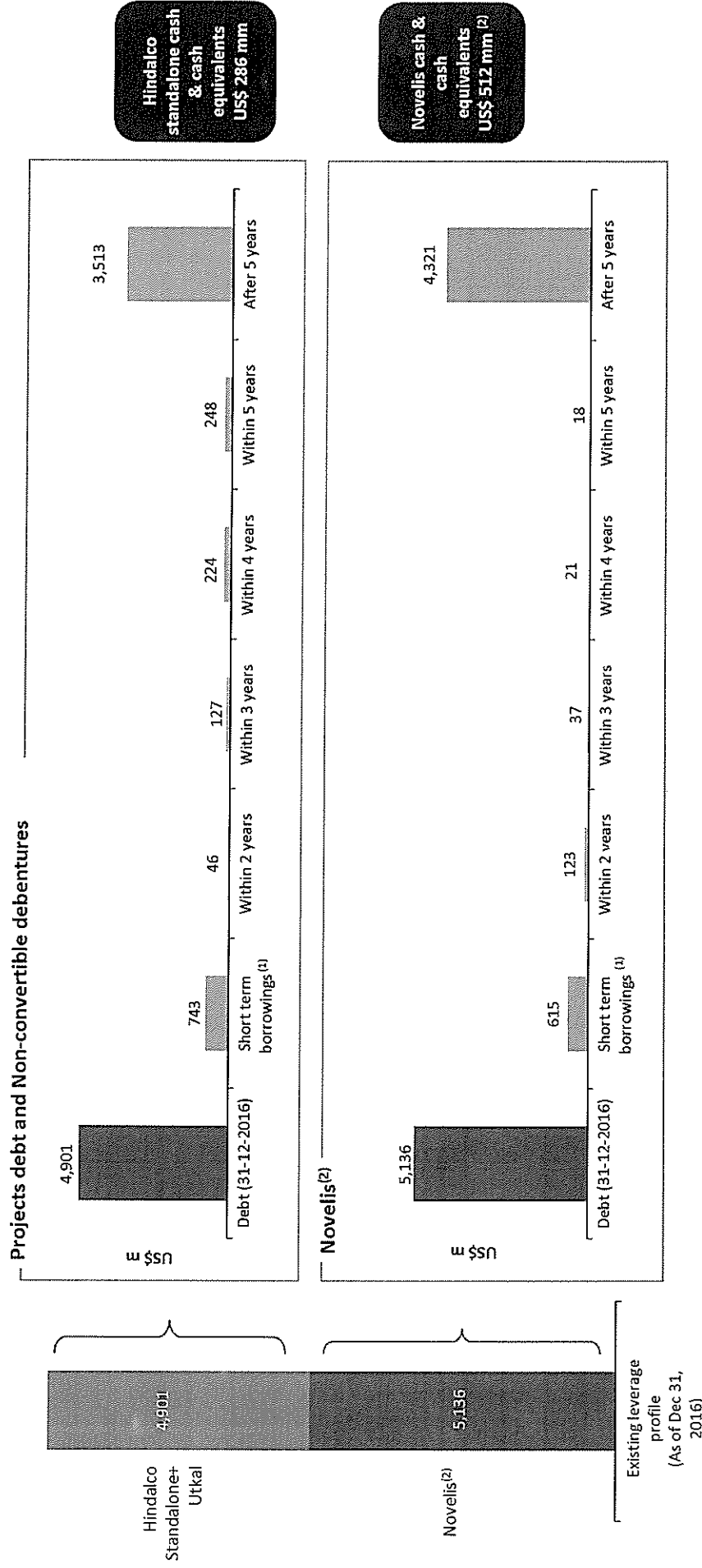
Note: Capex for Hindalco includes standalone as well as projects other than Novelis and Utkal. Novelis capex at exchange rate of 1US\$=60.015 INR (FY14), 1US\$=62.315 INR (FY15), and 1US\$=66.255 INR (FY16)

(1) Represents actual amount spent upto March 31, 2016 (ex-cenvar) for Utkal, Aditya, Mahan and Hirakud FRP plant. US\$ figures at a convenience rate of 1US\$ = INR 67; (2) Represents total capex incurred at Novelis over the last 5 years

## ② ...With A Back Ended Debt Repayment Profile



**No major repayments in the short-term; the Company also has significant cash and cash equivalents balance**



Note: US\$ figures at a convenience rate of 1US\$ = INR 67

<sup>(1)</sup> Short term borrowings include short term debt as well as current portion of long term debt

<sup>(2)</sup> Novelis debt and cash & cash equivalents translated into INR at an exchange rate of INR 67.96 per USD

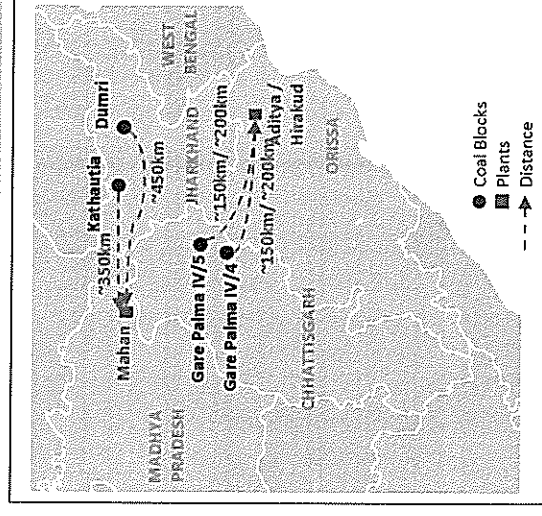
# ③ Secure Supplies of Key Raw Materials: Coal Risk Mitigated



## Coal Procurement Options

|                                                  | Key Considerations                                                                                                                                                                                                                                                    | % of Total Requirement <sup>(1)</sup> |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| <b>A</b><br>Linkage coal                         | <ul style="list-style-type: none"> <li>Long term coal linkage contract with Coal India; typically for 5 years</li> <li>New Linkage: Oct - Nov'2016<sup>(2)</sup></li> <li>Existing Linkage: 2013/ 2014</li> </ul>                                                     | Over 30% secured for each smelter     |
| <b>B</b><br>Bidding / Tendering of captive mines | <ul style="list-style-type: none"> <li>Hindalco has acquired 4 coal blocks in 2015                             <ul style="list-style-type: none"> <li>Kathautia</li> <li>Gare Palma IV/5</li> <li>Gare Palma IV/4</li> <li>Dumri<sup>(3)</sup></li> </ul> </li> </ul> | Over 35% tied-up for each smelter     |
| <b>C</b><br>Purchase from the market             | <b>E-auction</b> <ul style="list-style-type: none"> <li>Spot purchase via e-auction route</li> </ul> <b>Imported coal</b> <ul style="list-style-type: none"> <li>Import of the coal from Indonesian / Australian mines through ports located on east coast</li> </ul> | Balance requirement                   |

## Coal Blocks Won by Hindalco in 2015



- Coal blocks located in close proximity to the smelters
- Currently, evacuated by road transport; multi-modal evacuation using combination of rail/ road planned
- 3 of the 4 blocks are operational (Gare Palma IV/4 & Gare Palma IV/5 and Kathautia)

**Hindalco has successfully mitigated the risk related to availability of coal**

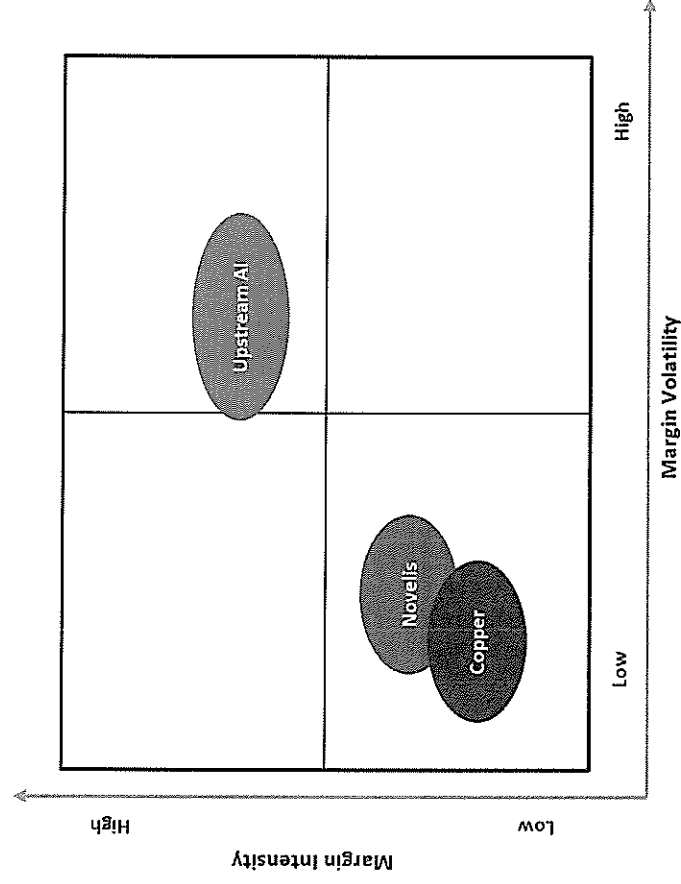
Note: All data on this page pertains only to Hindalco's AI business. Of the total energy required, requirement at smelters accounts for ~87% while requirement at refineries accounts for ~13%

(1) Total energy requirement calculated assuming each power plant being operated at 85% PLF and unit heat rates as per CEA norms for the CPP power plants and as per CIFMR formula for the Cogen plants. On the supply side the grade of coal from specified linkages and coal blocks varies and total energy supplied has been calculated at minimum calorific value corresponding to the specific grade of coal. The range of energy requirement met is being taken for each of the power plants at smelters and refineries; (2) Including linkages which 13 only have Letters of Intent and FSAs are yet to be executed; (3) Mining lease for Dumri is yet to be executed

## ④ Diversified Business Portfolio: De-risked Business Model



De-Risked Business Portfolio: High Margin- High Volatility Aluminium Business and Two Converter Businesses



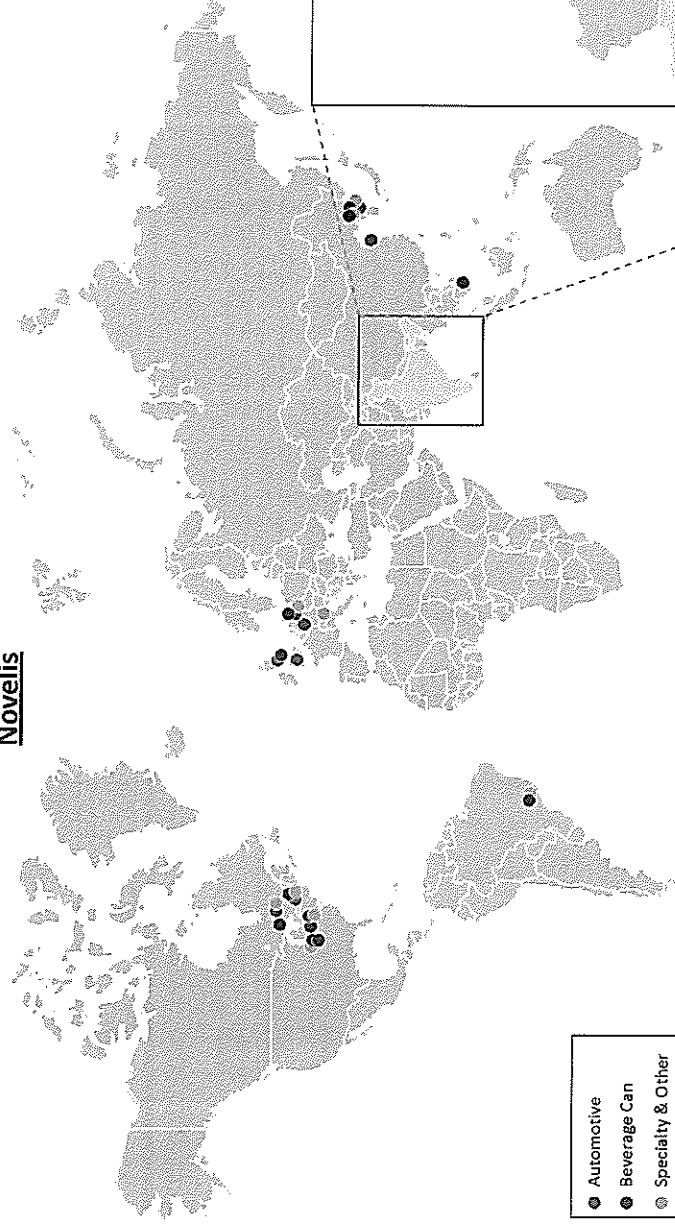
- ✓ Upstream Aluminium → co-related to the metals cycle
- ✓ Novelis → Steady operational results, likely to benefit from growth in the automotive sector
- ✓ Copper → TCRC-linked earnings
- ✓ Diversified operations to provide a stable margin profile

Well diversified product mix and business operations

## ④ Diversified Business Portfolio: Presence Spanning 11 Countries

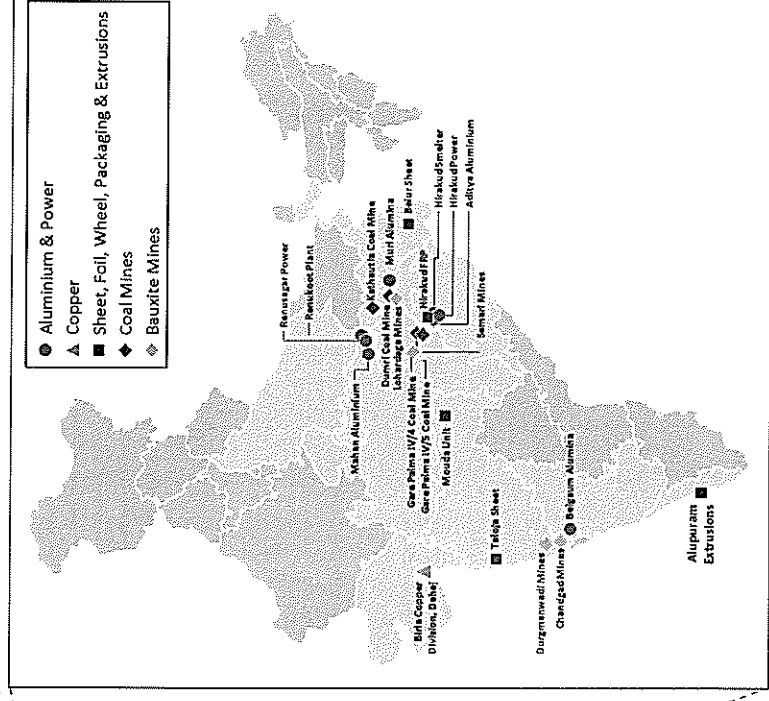


### Novelis



- Automotive
- Beverage Can
- Specialty & Other

### Hindalco



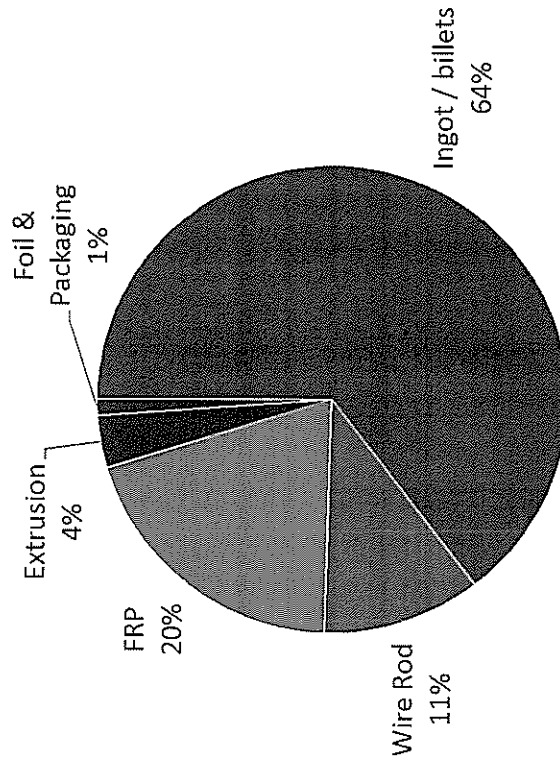
- Aluminum & Power
- ▲ Copper
- Sheet, Foil, Wheel, Packaging & Extrusions
- ◆ Coal Mines
- ◆ Bauxite Mines

## ④ The Hindalco Domestic Story: Focus on VAP



### Focus on High Margin VAP Products

FY16 Sales (MT)



**Total: 1.14 MT**

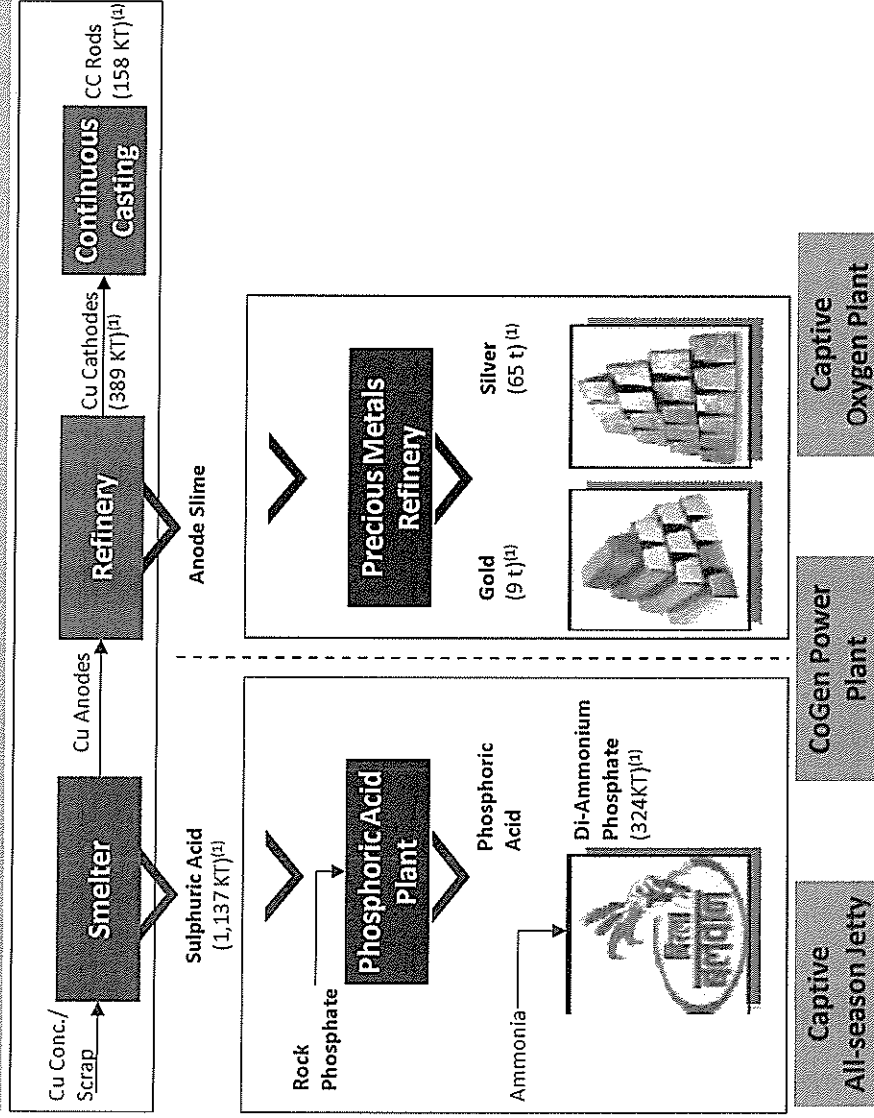
### Strong Brands in FRP Aluminium Products



# ④ Copper: Leading Producer in India



## Brief Overview

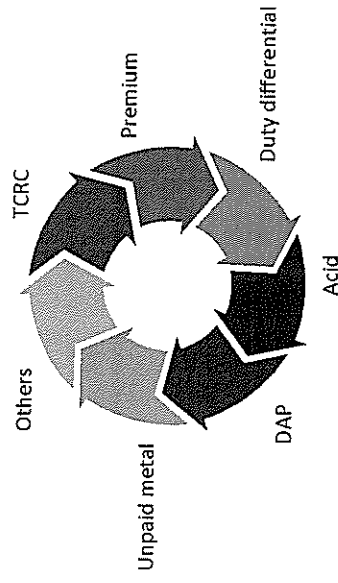


Note: US\$ figures at a convenience rate of 1US\$ = INR 67

(1) Production for fiscal 2016

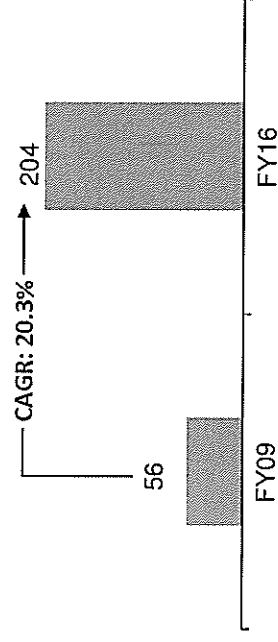
## Multiple Value Driver Model, Reducing Volatility Further

### Copper Business Contribution



## Significant Contribution to Standalone Operations

### Copper EBIT Growth (US\$mm)<sup>(2)</sup>



# 4 Novelis: Leading FRP Player



**Leading Market Position**

- ✓ World's largest producer of aluminium rolled products<sup>(1)</sup>
- ✓ Focus on automotive sheet
- ✓ World's largest in aluminium recycling

**Effective Risk Management**

- ✓ Controls and systems to manage risk (offset hedging)
- ✓ Limit exposure to commodity metal price volatility (margins over metal)
- ✓ Continuous focus on cost control

**Well Balanced Geographic Mix**

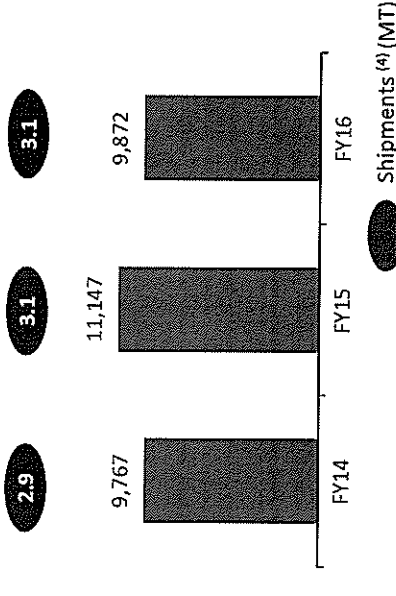
- ✓ Global footprint spanning four continents
- ✓ 36% of revenues from Asia and South America<sup>(2)</sup>

**Premium Product Focus**

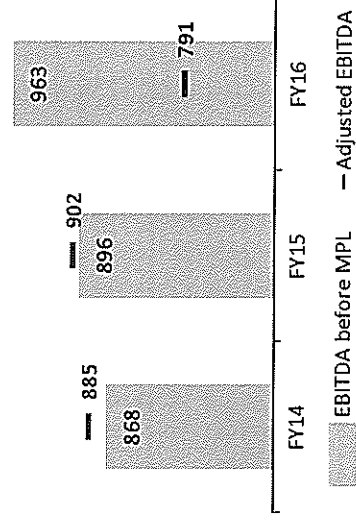
- ✓ Premium product segments (beverage can, automotive and specialties)
- ✓ Increased focus on high growth automotive segment
- ✓ Divestiture of non-core businesses



## Revenue (US\$ mn)



## EBITDA (US\$ mn)<sup>(3)</sup>



Source: CRU Aluminium Rolled Products Market Outlook dated August 2016. Based on capacity as of December 31, 2015

(1) Pertains to revenues for year ended March 31, 2016

(2) Adjusted EBITDA is equivalent to Segment income as defined in the Novelis 10K filings. MPL refers to metal price lag

(3) Based on FRP shipment volume

## ④ Novelis: Portfolio Evolution



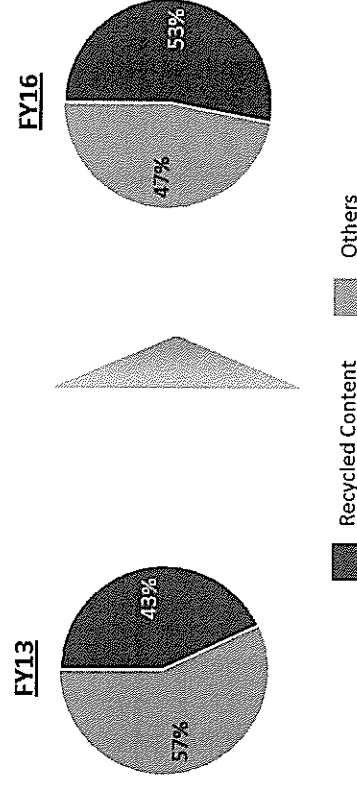
### Strengthen the Business

- Invested US\$2.89 bn<sup>(1)</sup> to solidify global leadership position
- Structured cost reduction initiatives
- Refinancing has resulted into interest cost savings
- Divested non-core assets
  - Foil assets in North America, Europe and Asia
  - Hydro assets in South America
- Capacity expansions & portfolio optimization driving results
  - All five automotive finishing lines built since FY13 have commissioned and have begun shipping product to customers

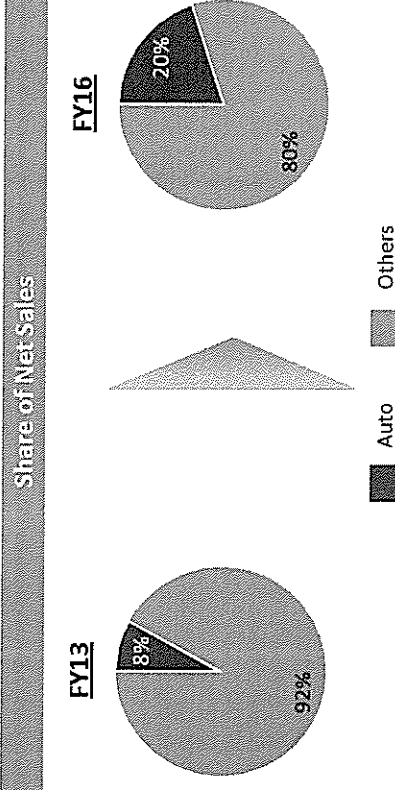
- Partnered with Customers on Innovative Solutions
  - Beverage cans – InBev, Coca Cola, Crown
  - High End Specialties – Pactiv, LG, Samsung
  - Automotive – Ford, JLR, Chrysler, VW, GM

*Well positioned to strengthen its leadership position in global auto, can and aluminium recycling*

### Increased Recycled Content in Our Products



### Auto Contribution Growth to Drive Performance



<sup>(1)</sup> Represents total capex incurred at Novelis over the last 5 years

# 5 Experienced Management Team



## Mr. Satish Pai Managing Director

- Mr. Pai joined Hindalco in August 2016
- Prior to joining Hindalco, in his 28-year career with Schlumberger Limited, he held various positions including executive vice president, worldwide operations, global roles leading oilfield technology services, IT services, human resources and large manufacturing units
- He holds a bachelor's degree in mechanical engineering from the Indian Institute of Technology, Madras

## Mr. Praveen Maheshwari Chief Financial Officer & Wholtime Director

- Mr. Maheshwari has over three decades of experience in finance including fund raising, investor relations, mergers and acquisitions in India and in other global markets
- Prior to joining Hindalco, he worked with Bharat Forge Limited as the group chief financial officer and executive director – finance
- He is a fellow member of the Institute of Chartered Accountants of India and holds a post graduate diploma in management from IIM Ahmedabad

## Mr. Sanjay Sehgal Business Head – Chemicals Business

- Mr. Sehgal has over three decades of experience across various sectors such as manufacturing, technical operations and sales and marketing in India and globally
- Prior to joining Hindalco, he worked with Hindustan Unilever Limited in operations, Sandoz Private Limited as managing directors and technical operations head

## Mr. B.B. Jha Head of the Corporate Projects and Procurement Cell

- Mr. Jha has 32 years of experience in planning and management of projects for oil refineries and petrochemical plants at Indian Oil Corporation
- He is currently involved in stream lining and stabilizing alumina and aluminium production at our Aditya and Mahan units
- He holds a bachelor's degree in Mechanical Engineering from Birla Institute of Technology, Mesra, Ranchi

## Steve Fisher President and CEO, Novelis

- Mr. Fisher joined Novelis in 2006
- Prior to joining Novelis, Fisher spent 13 years consulting in the energy industry. Most recently, he served as Vice President and Controller for TXU Energy, Texas, the non-regulated subsidiary of TXU Corp.
- Fisher received a bachelor's degree in finance and accounting from the University of Iowa and is a certified public accountant

## Mr. Arun K.B. Nair President - Operations and Planning (Downstream Operations)

- Mr. Nair over 25 years of experience in the aluminium manufacturing sector and has worked in different units of Hindalco prior to assuming this position
- He holds a bachelor's degree in production technology from Madras Institute of Technology, Anna University

## Mr. Devotash K. Das Chief Marketing Officer (Aluminium)

- Mr. Das over three decades of experience in sales and marketing functions in leading companies in India across diverse industries
- Prior to joining Hindalco, he has worked in Hindustan Lever Limited, Godrej Soaps Limited and Ballarpur Industries Limited
- He holds a bachelor's degree in engineering from IIT Kharagpur and post graduate diploma in management from the Indian Institute of Management, Ahmedabad

## Mr. Satish N. Jajoo Chief Operating Officer (Renukoot, Renuagar and Mahan Units)

- Mr. Jajoo is the Chief Operating Officer (Renukoot, Renuagar and Mahan Units)
- Prior to joining Hindalco, he has served as the chief marketing officer of Ultra Tech Cement Limited
- He holds a bachelor's degree in commerce, a post graduate diploma in management and is a fellow member of the Institute of Chartered Accountants of India

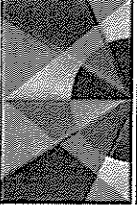
## Mr. Jagdish C. Laddha Business Head – Copper Division

- Mr. Laddha has over three decades of experience in industry sectors including heavy chemicals, oil and gas, fertilizers, insulators and metals
- Prior to joining Hindalco, he has worked with Hindustan Lever Limited, Indian Rayon Corp Limited and National Rayon Corporation Limited in various roles
- He is a qualified chartered accountant and a fellow member of the Institute of Chartered Accountants of India

## Devinder Ahuja Senior Vice President and Chief Financial Officer, Novelis

- Mr. Ahuja joined Novelis in July 2016
- Prior to joining Novelis, he spent 15 years in CFO positions with various subsidiaries of Novartis in the U.S., Japan, South Korea and Switzerland
- He is a qualified chartered accountant with a bachelor's degree in commerce from R.A. Podar College of Commerce and Economics in Mumbai and has completed general management training at INSEAD in Fontainebleau, France

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# Industry Update

# Robust Growth Potential Across End Users Categories For Rolled Products

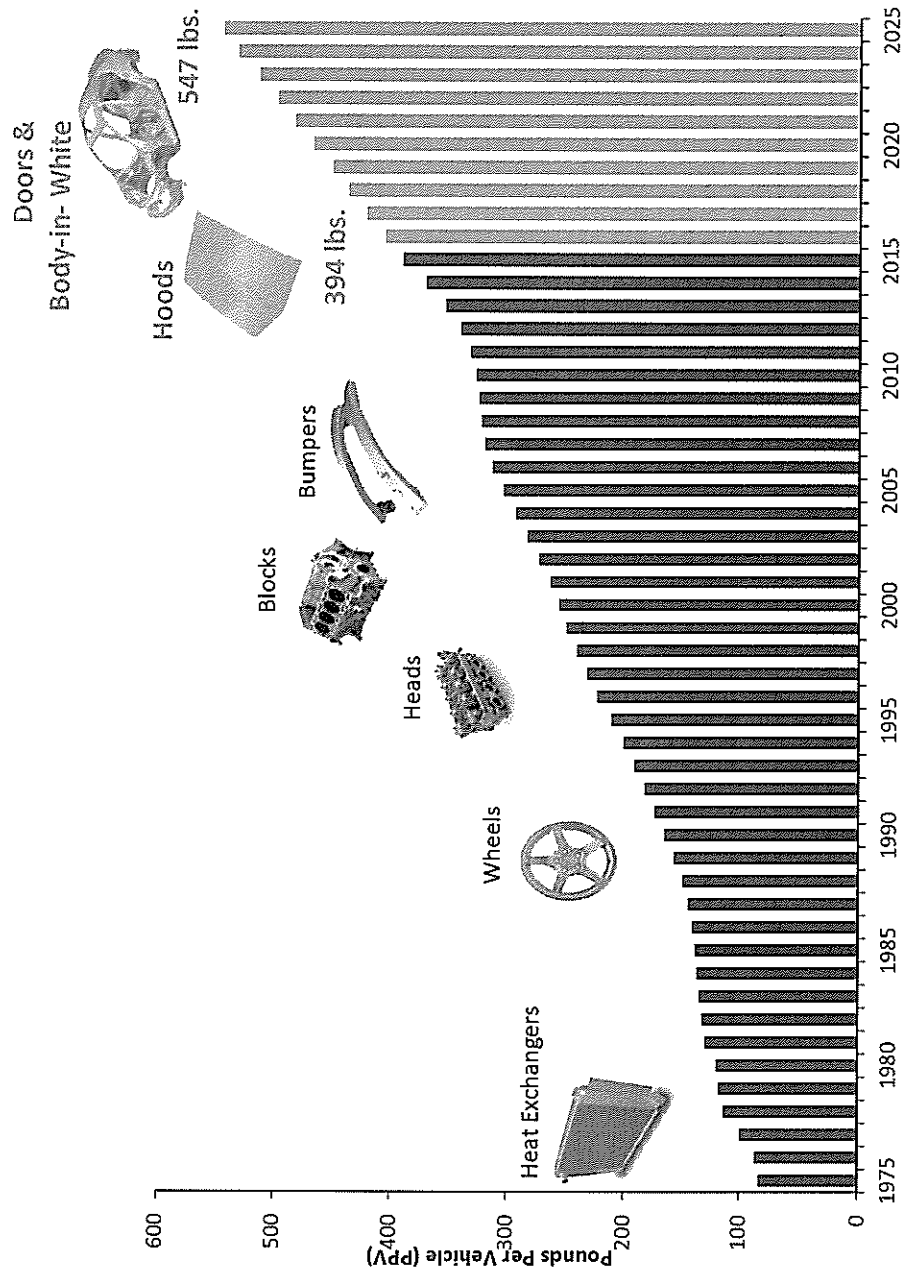


| End-Users                                                                                                                 | Demand drivers                                                                                                                      | Key considerations                                                                                                                       | 2020 Consumption (KT) <sup>(1)</sup> | CAGR (2015-20E) (%) |
|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------------------|
| <br><b>Transport</b>                   | <ul style="list-style-type: none"> <li>Stringent fuel efficiency norms (viz. CAFE)</li> </ul>                                       | <ul style="list-style-type: none"> <li>Need for Light-weight cars → more demand for aluminium sheets</li> </ul>                          | 5,508                                | 7.7%                |
| <br><b>Packaging &amp; Foil Stock</b>  | <ul style="list-style-type: none"> <li>Disposable incomes</li> <li>Penetration or organized retail in emerging economies</li> </ul> | <ul style="list-style-type: none"> <li>Growing consumption, greater demand for packaging materials, especially aluminium foil</li> </ul> | 8,397                                | 3.7%                |
| <br><b>Can Stock</b>                   | <ul style="list-style-type: none"> <li>Disposable incomes</li> <li>Penetration or organized retail in emerging economies</li> </ul> | <ul style="list-style-type: none"> <li>Growing consumption in emerging markets</li> <li>Rising urbanization</li> </ul>                   | 6,260                                | 3.4%                |
| <br><b>Consumer Durables</b>          | <ul style="list-style-type: none"> <li>Disposable incomes</li> <li>Growth of middle class in emerging economies</li> </ul>          | <ul style="list-style-type: none"> <li>Continued growth in consumer base</li> </ul>                                                      | 1,538                                | 3.3%                |
| <br><b>Machinery &amp; Equipment</b> | <ul style="list-style-type: none"> <li>GDP and industrial growth in emerging economies</li> </ul>                                   | <ul style="list-style-type: none"> <li>Greater industrialization and investments to spur growth</li> </ul>                               | 2,257                                | 3.2%                |

Positive long-term growth prospects for end-use segments to drive aluminium consumption

1) Source: CRU - Aluminium Rolled Products Market Outlook, August 2016

# Auto FRP Demand Growth – Increasing Automotive Aluminum Utilization



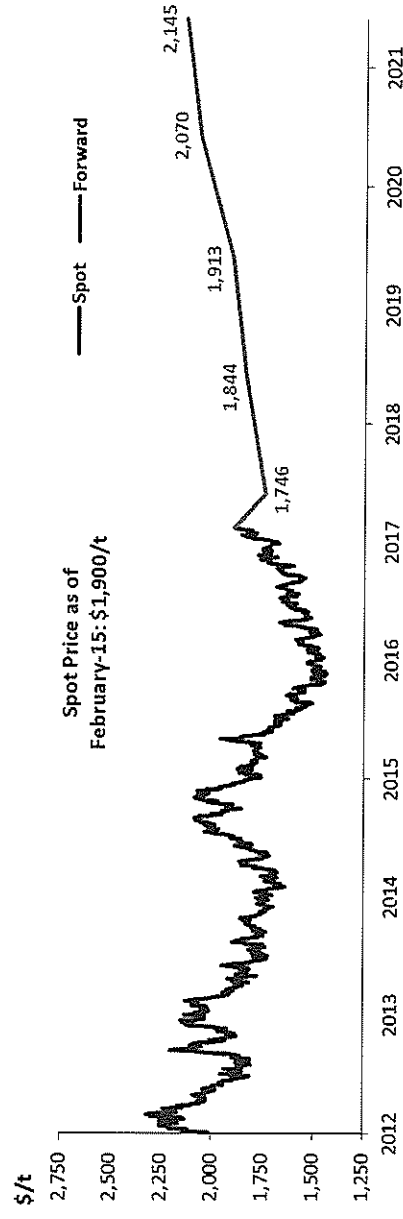
North America FRP demand for auto is expected to be more than 1.7 million tonnes by 2025

# Aluminium Prices Expected to be Range Bound Going Forward

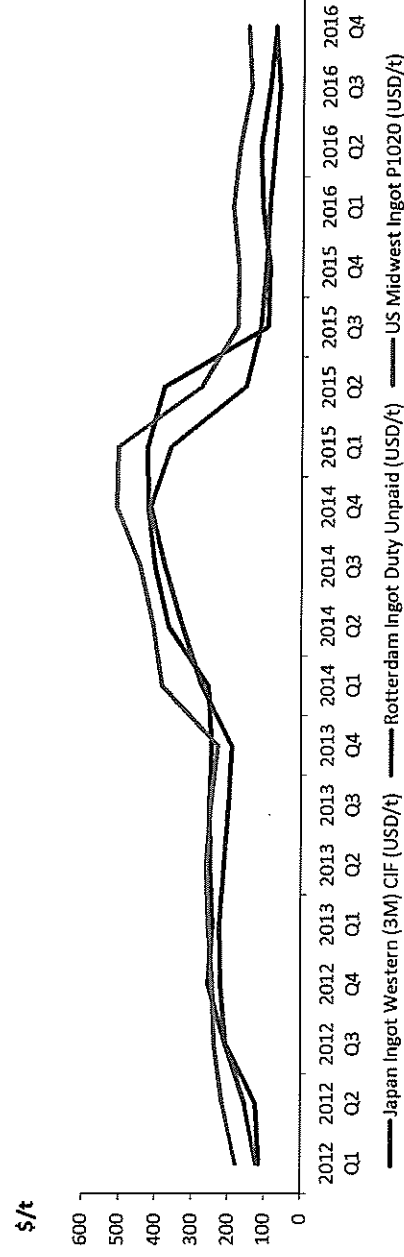


- Global demand is expected to grow at a CAGR of 3.3% in (2016-21), led by factors such as increased penetration in automobiles, transport and power
- Consumption demand from transport section expected to be driven by increasing carbon emissions legislations, stricter fuel norms and overall growth
- Asia is expected to be the fastest growing market with India recording the highest growth in the region, with a CAGR of 7.3% (2016-21)

LME Aluminium Prices<sup>(1)(2)</sup>



Regional Premiums<sup>(3)</sup>



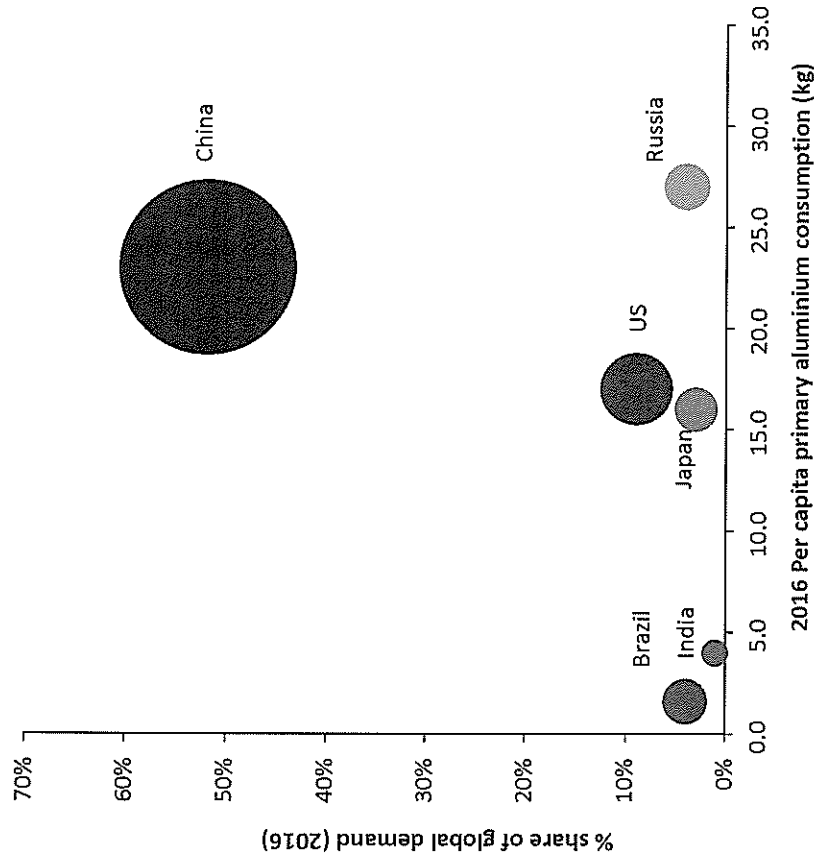
1) Bloomberg as of February 15, 2017  
 2) Source: CRU - Aluminium Market Outlook, January 2017  
 3) Source: CRU - Aluminium Market Outlook, October 2016

# Low Aluminium Consumption Base in India; Significant Growth Potential

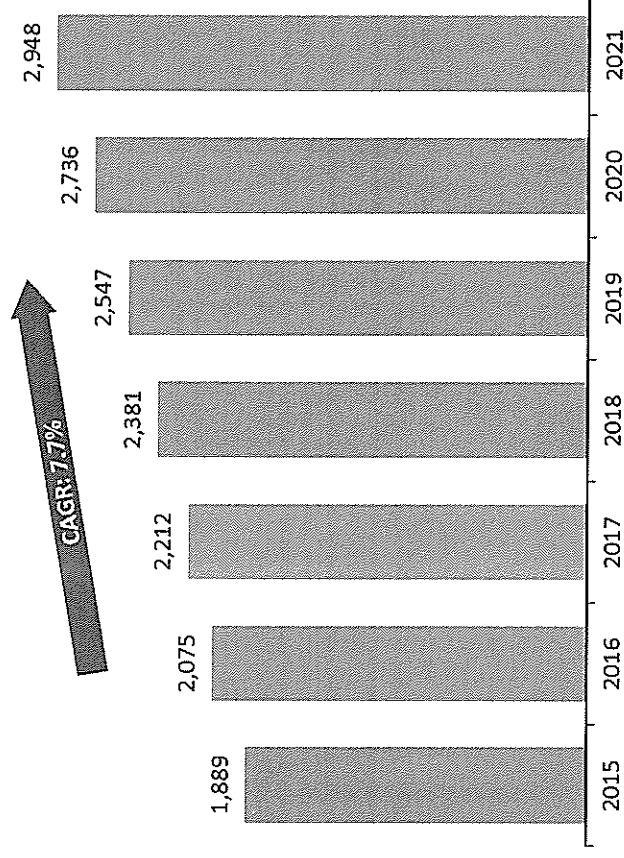


Low Per Capita Consumption of Aluminium in India... (1)(2)

...Expected to Drive Primary Aluminum Consumption Growth Over Time<sup>(1)</sup>



India Consumption (KT)



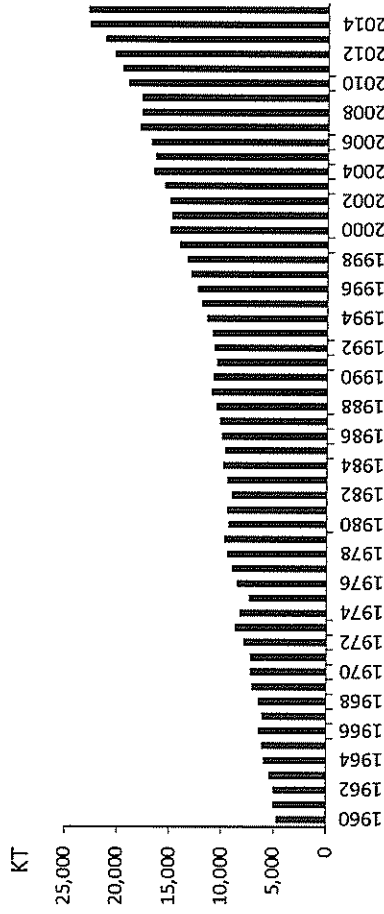
1) Source: CRU Aluminium Market Outlook, October 2016

2) Per Capita Aluminium Consumption arrived at by using Aluminium Market Outlook, October 2016 and 2016 Population from IMF Database

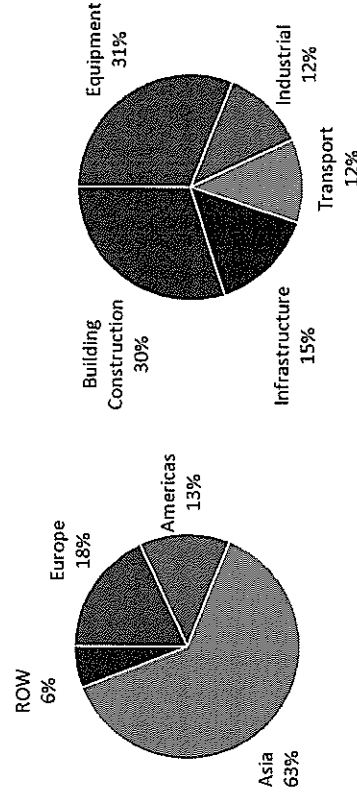
# Copper Sector Update



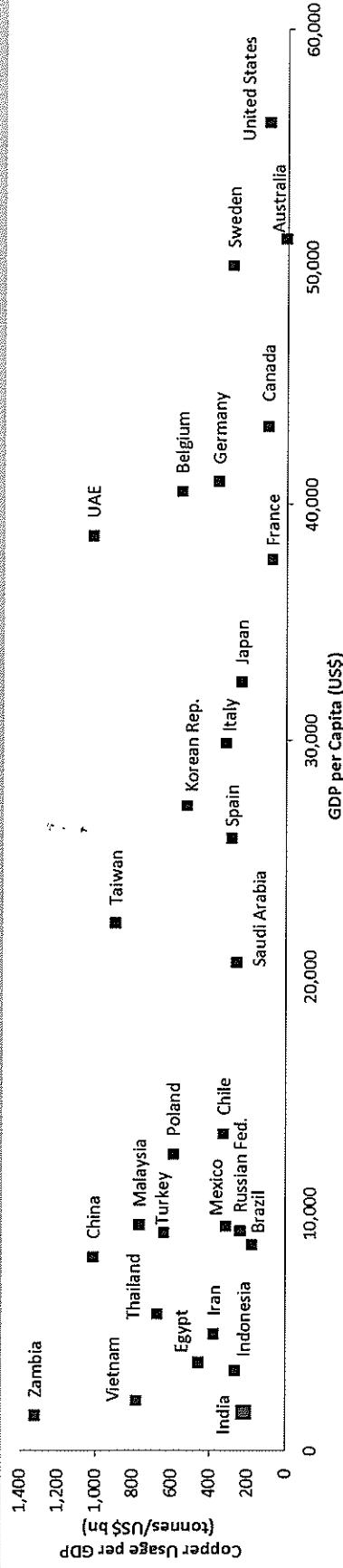
## World Refined Copper Usage



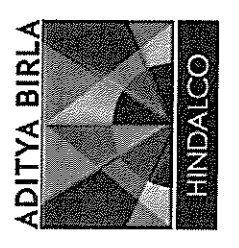
## Major Uses of Copper: Usage by region and End Use Sector, 2015



## Intensity of Copper Usage 2015



- Global demand for copper has more than tripled in the last 50 years – refined copper usage in 2015 reached 23.0 MT
- China was also the largest consumer of refined copper in 2015 with apparent usage of approximately 11.3 MT
- India's Demand for Copper is expected to grow approximately 4.0 times over 2010-25 (9.7% CAGR)<sup>(1)</sup>
- Equipment was the largest copper end-use sector in 2015, followed by building construction and infrastructure



# Financial Overview

# Summary Financials

## Consolidated Profit and Loss Statement



|                                                                        | Year ended Mar 31, |                |                              |
|------------------------------------------------------------------------|--------------------|----------------|------------------------------|
|                                                                        | 2014               | 2015           | 2016 (US\$mn) <sup>(2)</sup> |
| <i>All figures in INR bn<sup>(1)</sup></i>                             |                    |                |                              |
| Revenue from Operations                                                | 877.0              | 1,042.8        | 1,000.4                      |
| Other Income                                                           | 10.2               | 11.0           | 12.2                         |
| <b>Total Revenue</b>                                                   | <b>887.1</b>       | <b>1,053.9</b> | <b>1,012.6</b>               |
| Operating Expenses                                                     | (796.2)            | (954.3)        | (914.1)                      |
| <b>EBITDA</b>                                                          | <b>91.0</b>        | <b>99.5</b>    | <b>98.5</b>                  |
| Depreciation & Amortization                                            | (33.5)             | (34.9)         | (41.3)                       |
| <b>EBIT</b>                                                            | <b>57.5</b>        | <b>64.6</b>    | <b>57.2</b>                  |
| Finance Costs                                                          | (27.0)             | (41.8)         | (50.5)                       |
| <b>Profit before Exceptional Items and Tax</b>                         | <b>30.5</b>        | <b>22.8</b>    | <b>6.7</b>                   |
| Exceptional Items (Net)                                                | (4.0)              | (19.4)         | (5.8)                        |
| <b>Profit before Tax</b>                                               | <b>26.5</b>        | <b>3.4</b>     | <b>0.9</b>                   |
| Tax Expenses                                                           | (5.2)              | (2.6)          | (5.1)                        |
| <b>Profit/ (Loss) before Minority Interest and share in Associates</b> | <b>21.3</b>        | <b>0.8</b>     | <b>(5.8)</b>                 |
| <b>Profit/ (Loss) for the year</b>                                     | <b>21.8</b>        | <b>8.5</b>     | <b>0.4</b>                   |
|                                                                        |                    |                | <b>7</b>                     |

(1) Source: Consolidated audited financials of the Company prepared under Indian GAAP

(2) US\$ figures at a convenience rate of 1US\$ = INR 67

# Summary Financials

## Consolidated Balance Sheet



|                                | Year ended Mar 31, |                |                |
|--------------------------------|--------------------|----------------|----------------|
|                                | 2014               | 2015           | 2016           |
| 2016 (US\$mn) <sup>(2)</sup>   |                    |                |                |
| <b>Liabilities</b>             |                    |                |                |
| Shareholders' Funds            | 406.0              | 383.3          | 384.1          |
| Minority Interest              | 17.8               | 9.6            | 3.9            |
| Borrowings                     | 633.5              | 670.6          | 669.4          |
| Deferred Tax Liabilities (Net) | 43.7               | 39.5           | 33.3           |
| Other Long-Term Liabilities    | 11.6               | 8.2            | 8.0            |
| Long-Term Provisions           | 58.1               | 65.6           | 73.6           |
| Current Liabilities            | 221.0              | 254.7          | 229.3          |
| <b>Total</b>                   | <b>1,391.8</b>     | <b>1,431.4</b> | <b>1,401.6</b> |
| <b>Assets</b>                  |                    |                |                |
| Net Fixed Assets               | 842.2              | 860.7          | 848.6          |
| Non-Current Investments        | 62.7               | 57.3           | 65.6           |
| Deferred Tax Assets (Net)      | 12.0               | 13.9           | 16.0           |
| Other Long Term Assets         | 32.2               | 27.0           | 20.2           |
| Cash & Cash Equivalents        | 117.1              | 119.3          | 120.8          |
| Current Assets                 | 325.5              | 353.2          | 330.4          |
| <b>Total</b>                   | <b>1,391.8</b>     | <b>1,431.4</b> | <b>1,401.6</b> |
|                                |                    |                | <b>20,920</b>  |
|                                |                    |                | <b>20,920</b>  |

(1) Source: Consolidated audited financials of the Company prepared under Indian GAAP

(2) US\$ figures at a convenience rate of 1US\$ = INR 67



(1) Source: Consolidated audited financials of the Company prepared under Indian GAAP

(2) US\$ figures at a convenience rate of 1US\$ = INR 67

# Summary Financials

## Condensed Combined Profit and Loss Statement



|                                                  | Nine Months Ended December 31, |                              |
|--------------------------------------------------|--------------------------------|------------------------------|
|                                                  | 2015                           | 2016 (US\$mn) <sup>(2)</sup> |
| Revenue from Operations                          | 739.7                          | 718.1                        |
| Other Income                                     | 9.7                            | 8.7                          |
| <b>Total Revenue</b>                             | <b>749.4</b>                   | <b>726.8</b>                 |
| Operating Expenses                               | (681.2)                        | (627.1)                      |
| <b>EBITDA</b>                                    | <b>68.2</b>                    | <b>99.7</b>                  |
| Depreciation & Amortization                      | (30.8)                         | (32.7)                       |
| <b>EBIT</b>                                      | <b>37.4</b>                    | <b>67.0</b>                  |
| Finance Costs                                    | (38.3)                         | (44.0)                       |
| <b>Profit before Exceptional Items and Tax</b>   | <b>(0.9)</b>                   | <b>23.0</b>                  |
| Exceptional Items (Net)                          | -                              | (0.1)                        |
| <b>Profit before Tax</b>                         | <b>(0.9)</b>                   | <b>22.9</b>                  |
| Tax Expenses                                     | (3.3)                          | (10.8)                       |
| <b>Profit/ (Loss) from Continuing Operations</b> | <b>(4.2)</b>                   | <b>12.2</b>                  |
| <b>Profit/ (Loss) for the period</b>             | <b>(4.2)</b>                   | <b>12.2</b>                  |
|                                                  |                                | <b>10,848</b>                |
|                                                  |                                | <b>1,489</b>                 |
|                                                  |                                | <b>1,000</b>                 |
|                                                  |                                | <b>(656)</b>                 |
|                                                  |                                | <b>343</b>                   |
|                                                  |                                | <b>(1)</b>                   |
|                                                  |                                | <b>342</b>                   |
|                                                  |                                | <b>(160)</b>                 |
|                                                  |                                | <b>182</b>                   |
|                                                  |                                | <b>182</b>                   |

All figures in INR bn<sup>(1)</sup>

(1) Source: Condensed Combined financials of the Company prepared under Ind-AS. Combined financials include Hindalco Industries Limited and its key subsidiaries Novelis Inc, A V Minerals (Netherlands) N.V., A V Metals Inc and Utkal Alumina International Limited  
(2) US\$ figures at a convenience rate of 1US\$ = INR 67

# Summary Financials

## Condensed Combined Balance Sheet



|                                | Nine Months Ended December 31, |                |                              |
|--------------------------------|--------------------------------|----------------|------------------------------|
|                                | 2015                           | 2016           | 2016 (US\$mn) <sup>(2)</sup> |
| <b>Liabilities</b>             |                                |                |                              |
| Shareholders' Funds            | 396.2                          | 409.8          | 6,116                        |
| Minority Interest              | 1.4                            | 0.0            | 0                            |
| Borrowings                     | 683.3                          | 664.8          | 9,923                        |
| Deferred Tax Liabilities (Net) | 41.5                           | 39.8           | 594                          |
| Other Long-Term Liabilities    | 11.6                           | 10.5           | 157                          |
| Long-Term Provisions           | 61.5                           | 66.0           | 986                          |
| Current Liabilities            | 211.3                          | 234.0          | 3,492                        |
| <b>Total</b>                   | <b>1,406.7</b>                 | <b>1,424.9</b> | <b>21,268</b>                |
| <b>Assets</b>                  |                                |                |                              |
| Net Fixed Assets               | 900.4                          | 879.2          | 13,122                       |
| Non-Current Investments        | 41.9                           | 46.2           | 690                          |
| Deferred Tax Assets (Net)      | 9.6                            | 9.8            | 147                          |
| Other Long Term Assets         | 17.0                           | 16.5           | 246                          |
| Cash & Cash Equivalents        | 100.2                          | 127.8          | 1,907                        |
| Current Assets                 | 337.6                          | 345.4          | 5,155                        |
| <b>Total</b>                   | <b>1,406.7</b>                 | <b>1,424.9</b> | <b>21,268</b>                |

(1) Source: Condensed Combined Financials of the Company prepared under Ind-AS. Combined financials include Hindalco Industries Limited and its key subsidiaries Novelis Inc, A V Minerals (Netherlands) N.V, A.V Metals Inc and Utkal Alumina International Limited

(2) US\$ figures at a convenience rate of 1US\$ = INR 67

# Summary Financials

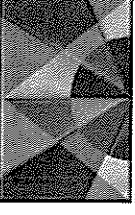
## Condensed Combined Cash Flow Statement



|                                                              | Nine Months Ended December 31, |               |
|--------------------------------------------------------------|--------------------------------|---------------|
|                                                              | 2015                           | 2016          |
|                                                              | 2016 (US\$mn) <sup>(2)</sup>   |               |
| <i>All figures in INR bn<sup>(1)</sup></i>                   |                                |               |
| Operating profit before Working Capital changes              | 56.0                           | 93.8          |
| Changes in Working Capital                                   | 24.1                           | (9.9)         |
| Payment of Direct Taxes                                      | (9.7)                          | (9.0)         |
| Realised Hedging Gain / (Loss)                               | 0.0                            | 2.8           |
| <b>Cash Flow From Operating Activities</b>                   | <b>70.4</b>                    | <b>77.7</b>   |
| Capex                                                        | (29.8)                         | (19.0)        |
| Other Investing Cash Flow                                    | 14.7                           | 12.3          |
| <b>Cash Flow From Investing Activities</b>                   | <b>(15.1)</b>                  | <b>(6.7)</b>  |
| Net Borrowings (including finance lease liability)           | (20.8)                         | (6.3)         |
| Finance Costs                                                | (41.9)                         | (47.9)        |
| Other Financing Cash Flows                                   | (2.3)                          | (2.4)         |
| <b>Cash Flow From Financing Activities</b>                   | <b>(65.0)</b>                  | <b>(56.6)</b> |
| <b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b> | <b>(9.7)</b>                   | <b>14.4</b>   |
| <b>Add : Opening Cash and Cash Equivalents</b>               | <b>44.8</b>                    | <b>39.0</b>   |
| <b>Closing Cash and Cash Equivalents</b>                     | <b>37.8</b>                    | <b>53.4</b>   |
|                                                              |                                | <b>796</b>    |

(1) Source: Condensed Combined financials of the Company prepared under Ind-AS. Combined financials include Hindalco Industries Limited and its key subsidiaries Novelis Inc, A.V Minerals (Netherlands) N.V., A.V Metals Inc and Utkal Alumina International Limited  
(2) US\$ figures at a convenience rate of 1US\$ = INR 67

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# Focus on Sustainable Leadership

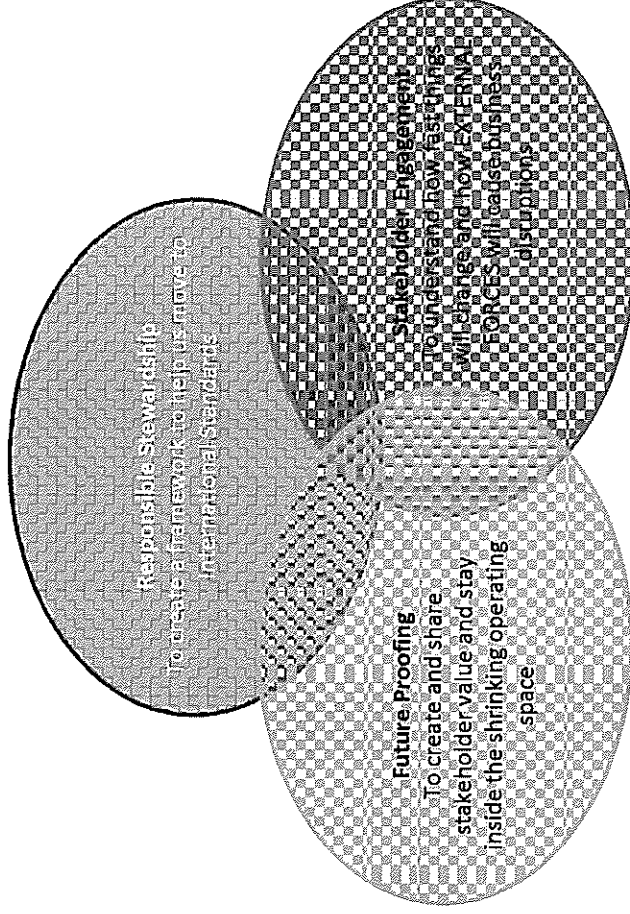
# Towards a Sustainable Future



## Key focus areas in CSR activities



- ✓ **Education:** Female childhood education, Digital literacy
- ✓ **Healthcare:** Awareness and prevention camps
- ✓ **Sustainable livelihood**
- ✓ **Rural infrastructure development**
- ✓ **Social reform:** Culture & Sports and women empowerment



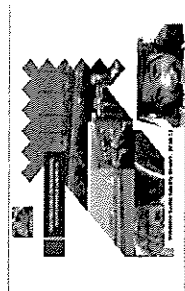
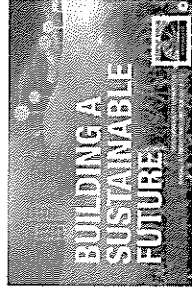
**THE ROAD TO SUSTAINABLE GROWTH AND PROSPERITY**

Hindalco endeavors to become a leading metals company for sustainable business practices – balancing its economic growth with environmental and societal interests across its global operations.



INITIATING GROWTH FOR SUSTAINABILITY

## STEERING A SUSTAINABILITY



## In Summary...



Hindalco is well-placed to capture growth in the Indian Aluminium Sector – integrated producer with a well capitalized asset base



Novelis is well positioned to take advantage of growth in FRP demand from the auto segment, as well as to leverage its strategic investments in emerging markets and in recycling



Planned project expansions completed and having ramped up to their full capacity



De-risked business portfolio with robust conversion businesses (copper & Novelis)



Multiple value drivers for copper business



Back-ended debt repayment profile