



May 28, 2015

Hindalco reports Standalone and Consolidated audited results for year ended 31 March 2015

- Consolidated Turnover crosses Rs. 1 lac Crore ~ USD 17 Bn
- Consolidated PBITDA at USD 1.6 Bn
- Exceptional Items of Rs. 1,940 crore impacted Consolidated Net Profit

Financial Highlights

Particulars (Rs. Crore)	Standalone					Consolidated	
	Q4FY15	Q3FY15	Q4FY14	FY15	FY14	FY15	FY14
Revenue from Operations	9,372	8,603	8,435	34,525	27,851	1,04,281	87,695
Other Income	230	212	212	882	1,124	1,105	1,017
PBITDA	1,078	1,136	1,057	4,299	3,616	10,049	9,303
Depreciation	238	216	244	837	823	3,591	3,553
PBIT	840	920	813	3,462	2,793	6,459	5,751
Finance Cost	466	447	215	1,637	712	4,178	2,702
Profit before Exceptional Items and Tax	374	472	598	1,825	2,081	2,280	3,049
Exceptional Items	146	-	396	578	396	1,940	396
Profit before tax	227	472	202	1,247	1,685	340	2,653
Tax Expenses	68	113	(46)	322	272	256	525
Profit before Minority Interest and Share in profit/(loss) of Associates	160	359	248	925	1,413	84	2,128
Minority Interest in Profit/ (Loss)	-	-	-	-	-	(596)	20
Share in Profit/(loss) of Associates	-	-	-	-	-	175	67
Net Profit	160	359	248	925	1,413	854	2,175
EPS (Basic) - Rupees	0.77	1.74	1.20	4.48	7.09	4.14	10.91

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

Hindalco Industries Limited, the flagship company of the Aditya Birla Group, today announced its standalone as well as consolidated audited financial results for the year ended 31 March, 2015.

Standalone results

Quarterly Results

Net sales in Q4FY15 were up 9% over Q3FY15 on the back of the higher aluminium and copper sales volume. Profit before Interest and Depreciation was lower by 5% reflecting the lower realisation due to market conditions.

Profit before exceptional items and tax is lower by 21% over Q3FY15 given lower realisation, higher depreciation and interest arising out of capitalisation of some of the assets at Mahan Aluminium and Aditya Aluminium projects.

Net profit after tax at Rs. 160 crore is lower mainly on account of an exceptional items of Rs. 146 crore liability provided towards Renewable Power Obligations (RPO).

Aluminium sales grew by 14% compared to Q3 FY15 driven by higher volumes. The Segment result before Interest and Tax was lower at Rs. 306 crore down by 20% consequent to adverse macro-economic conditions.

Higher aluminium production in Q4 FY15 at 242 kilotonnes compared to 217 kilotonnes in Q3FY15 reflects the ramping up of capacity at Mahan Aluminium and Aditya Aluminium projects.

Copper sales rose by 5% compared to Q3FY15 on the back of higher copper production. EBIT level was sustained despite adverse market conditions.

Copper Cathode production in Q4 FY15 soared to 100 kilotonnes from 94 kilotonnes in Q3FY15.

Annual Results

For the year ended March 31, 2015, net sales are up by 24% with Profit before depreciation, interest and tax growth at 19%.

Depreciation stood at Rs. 837 crore compared to Rs. 823 crore in the previous year, reflecting a change in the manner of calculation of depreciation w.e.f. 1st April, 2014 by considering revised useful life of assets to bring it in line with Schedule II of the Companies Act, 2013.

The increase in Finance cost from Rs. 712 crore in FY14 to Rs. 1,637 crore in FY15 reflects the lower capitalisation of finance charges in line with progressive commissioning of facilities.

Profit before exceptional items at Rs. 1,825 crore was lower by 12% compared to FY14 resulting from higher interest.

Exceptional Items (Net) of Rs. 578 crore include:

- (a) Rs. 563 crore towards additional levy of Rs. 295/- per MT on extracted coal for the period up to 30th September, 2014.
- (b) Rs. 258 crore towards provision for diminution in the carrying value of investments in Aditya Birla Minerals Limited, Australia, a subsidiary of the Company.

- (c) Reversal of Rs. 29 crore out of the liability provided for in the previous year on account of the UP Tax on Entry of Goods into Local Areas Act, 2007 (UP Entry Tax), following completion of assessment.
- (d) Foreign exchange gain of Rs. 361 crore in connection with Rs.1,394 crore received from A V Minerals (Netherlands) N. V., a wholly owned subsidiary of the Company, towards return of capital by reducing nominal value of shares.
- (e) Rs. 146 crore liability provided towards Renewable Power Obligations (RPO) under the Electricity Act, 2003.

Net profit stood at Rs. 925 crore compared to Rs. 1,413 crore in previous year.

Consolidated results

The Consolidated Revenue and Profit before Depreciation, Interest and Taxes grew by 19% and 8% respectively, in comparison to the last year's corresponding figures.

Net profit was lower at Rs. 854 crore, because of higher interest cost and exceptional items. The exceptional items (in addition to items included in standalone as mentioned above) mainly relate to a sinkhole incident at one of the subsidiary companies in Australia and change in macro-economic conditions. This has resulted in the impairment of fixed assets, write down in value of inventories and expenses incurred towards restoration of operations.

Novelis Inc. (a wholly owned subsidiary)

Revenue of Fiscal 2015 increased 14% to \$11.1 billion compared to \$9.8 billion in fiscal 2014. Revenue growth was driven by record shipments of rolled aluminium products of 3,050 kilotonnes in fiscal year 2015. Higher average metal prices in fiscal year 2015 also contributed to the increase in revenues.

Novelis reported net income of \$148 million for fiscal year 2015, a 42% increase from \$104 million reported in fiscal 2014. Excluding certain tax-effected items, net income increased four percent to \$161 million in fiscal 2015.

Adjusted EBITDA grew 2% to \$902 million in fiscal 2015 compared to the \$885 million reported in fiscal 2014. The increase was primarily driven by higher shipments, favourable product mix due to a strategic shift to grow automotive shipments and cost benefits from using a higher percentage of recycled metal inputs. Partially offsetting these gains were higher costs associated with the start-up and support of new capacity, lower pricing in some Asian markets, as well as unfavourable foreign exchange and metal price lag.

The company reported free cash flow of \$71 million for the year, an \$87 million increase over the prior year. Novelis generated positive free cash flow for fiscal year 2015 as a result of strong operating results, lower capital spending, and structural reductions to working capital, despite volatile metal prices and higher working capital requirements as it ramped up new assets.

At the end of the fiscal 2015, the company reported liquidity of \$1.1 billion.

Utkal Alumina International Limited(UAIL) (a wholly-owned subsidiary)

The Alumina Refinery at UAIL produced 1 million ton of Alumina in FY15 compared to 0.2 million ton in FY14. Of this, 288 kilotonnes of Alumina was exported, the balance was supplied to smelters at Hindalco. The cost of production of Alumina at UAIL is comparable to world benchmark cost of production.

UAIL reported an EBITDA of Rs. 261 crore. Its Net loss stood at Rs. 496 crore after interest charge of Rs. 519 crore and Depreciation of Rs. 238 crore.

Aditya Birla Minerals Limited (a 51% subsidiary)

Aditya Birla Minerals Limited, Australia reported a net loss of AUD 219.7 million in FY15 compared to AUD 0.2 million in FY14. The sinkhole incident in March 2014 resulted in a cost of approximately \$22m during the suspension period. Its Copper production volume after recommencement of operations was lower and Impairment charges of ~\$219 million had an adverse impact on the Company's financials in FY15.

The suspension of operations for more than 4.5 months in FY15 resulted in significantly lower operating performance compared to the previous year FY14. The Nifty Copper Sulphide Concentrator produced 12,698 metric tonnes of copper in concentrate as compared to 44,071 metric tonnes of contained copper the previous year, a decrease of 71%. The management is now focussed on implementation of various cost optimisation initiatives and rationalisation of capex spending.

ABML has resolved to undertake a review of the Company's strategic options with a view to maximise value for all shareholders (Strategic Review). The Strategic Review will consider corporate and operational strategies, and include a review of ownership options available to the Company.

Dividend

The Board of Directors of the Company have recommended dividend of Re. 1 per share aggregating to Rs. 246 crore (including dividend distribution tax of Rs. 40 crore) for the year ended 31st March, 2015.

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.