Hindalco announces (unaudited) Q2 FY 2015-16 standalone results

10 November 2015

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

Operationally strong quarter against the backdrop of severe macro headwinds

YoY....

- Aluminium LME down 20 per cent
- Aluminium regional premium lower by over 70 per cent
- Copper LME down 23 per cent

Financial highlights

(In Rs. crore)	**Q2FY16**	Q2FY15	Q1FY16	**H1FY16**	**H1FY15**

	8,925	8,554	8,575	17,500	16,550
	418	223	194	612	440
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 30 September 2015.

Revenues for the quarter were higher by 4 per cent 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

obust operational performance in the face of

conomic headwinds. Higher other income for the

on account of certain non-recurring items

.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 per cent mainly on account of higher volumes. However PBITDA declined by 5 per cent owing to sharp fall in realisations. Sequentially net profit was down 4 per cent.

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

er alumina production (including Utkal refinery) at
nes) was 18 per cent higher as compared with Q2
shed financials do not include Utkal performance.
l production stood at 269 KT and was up 44 per cent 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 per cent to 100 KT, while fertiliser (DAP) production jumped by 18 per cent 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.

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

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...her facters such as litigation and labour
...e company assume no responsibility to publicly
...or revise any forward looking statement, on the
...sequent development, information or events, or
otherwise.