

ADITYA BIRLA NUVO



Performance Update

For the half year ended 30th September, 2005

ADITYA BIRLA NUVO LTD.

(formerly Indian Rayon and Industries Ltd.)

Registered Office: Indian Rayon Compound, Veraval 362 266, Gujarat.

Dear Shareholders,

I would like to share the performance of your Company for the half year ended 30th September 2005 and the outlook of its businesses, going forward. You will be please to note that the name of your Company is now changed to ADITYA BIRLA NUVO LIMITED as approved by you through postal ballot.

Consolidated				Particulars	Standalone			
Quarter ended 30th September		Half Year ended 30th September			Quarter ended 30th September		Half Year ended 30th September	
2005	2004	2005	2004		2005	2004	2005	2004
945.08	754.84	1,718.74	1,383.76	Net Income from Operations	563.04	466.03	1,048.12	882.15
102.03	61.63	194.70	112.61	Operating Profit	86.67	66.30	159.17	120.93
53.16	20.15	101.65	32.88	Profit Before Tax	56.50	41.92	103.09	72.86
(0.63)	(7.15)	(1.32)	(2.99)	Exceptional Items	(0.63)	(7.15)	(1.32)	(2.99)
17.94	10.16	33.90	24.45	Provisional for Taxation	17.28	10.10	32.44	24.33
37.56	6.95	70.59	12.33	Net Profit (after Minority Interest)	38.59	24.67	69.34	45.54
6.27	1.16	11.79	2.06	EPS(Rs.)	6.44	4.12	11.58	7.60

(0.63)	(7.15)	(1.32)	(7.15)	VRS at Rayon Division	(0.63)	(7.15)	(1.32)	(7.15)
—	—	—	4.16	Sale of Global Export/Strategic Investment	—	—	—	4.16
(0.63)	(7.15)	(1.32)	(2.99)	Exceptional Gain/(Loss)	(0.63)	(7.15)	(1.32)	(2.99)

Aditya Birla Nuvo, a major Aditya Birla Group Company, has posted excellent results for the half year ended 30th September 2005.

Its **consolidated** turnover of Rs. 1718.74 Crores, is up by 24.2% over Rs. 1383.76 Crores achieved in the corresponding period of the previous year. Net profit has soared to Rs. 70.59 Crores against Rs. 12.33 Crores.

The Company's **stand-alone** turnover at Rs. 1048.12 Crores, grew by 18.8% vis-à-vis Rs. 882.15 Crores achieved in the corresponding period of the previous year. Net profit

has risen by 52.3% to Rs. 69.34 Crores against Rs. 45.54 Crores.

All businesses of Aditya Birla Nuvo, including its JVs and subsidiaries, have contributed well through improving profits or cutting down on losses.

The Company has paid Rs. 1.32 Crores towards VRS at its Rayon division, as against Rs. 7.15 Crores towards VRS at the same unit in the comparable period. The Company has made one time gain of Rs. 4.16 Crores from sale of its Global Export Division and Strategic Investment in the first half of the previous year.

Divisional Performance

Particulars	Sales Volume		Net Sales (Rs. Crores)		
	Unit	Half year ended 30th September		Half year ended 30th September	
		2005	2004	2005	2004
Garments	Lac Pcs.	54.7	42.3	291.25	233.73
Viscose Filament Yarn	Tons	8,400	7,694	183.04	164.53
Carbon Black	Tons	84,836	82,069	258.99	224.08
Textiles				238.02	217.00

Madura Garments

The Garments division has performed exceedingly well. Its revenue has soared by 24.6% to Rs. 291.25 Crores vis-à-vis Rs. 233.73 Crores recorded in the corresponding period of the previous year. Operating Profit is up by 19.7% despite higher retailing cost and high discount levels prevailing in the sector. Louis Philippe, Van Huesen and Allen Solly – its fashion brands have been the propellants while Peter England maintained its strong growth momentum.

The opening of new stores has bolstered its already strong retail presence, with retail space at 2.6 lacs sq ft. The division is aggressively expanding controlled retail space for the future, both in malls and in high streets, coupled with selected stores, to provide a retail experience of an international standard. The division has launched Espirit brand in India, which has met with an encouraging response.

Consistent brand building efforts, development of innovative merchandise and aggressive campaigns for each of the brands, have driven growth and brand equity. Madura Garments will continue to be an industry leader. Its thrust will also be on Contract Exports, with a focus on providing full service to international labels/brands.

Rayon Division

The Rayon division's revenues at Rs. 183.04 Crores increased by 11.3% compared to Rs. 164.53 Crores in the corresponding period of the previous year. While VFY sales

volume grew by 9.2% to 8,400 tonnes, realisations were lower compared to the corresponding period of the previous year, though they rose in the later part of the half year.

On a positive note, the chlor-alkali segment has been buoyant, supported by higher chemical volumes and better ECU realizations. The expanded 45 TPD caustic soda capacity has been fully utilised, leading to enhanced revenues.

Carbon Black Division

Carbon Black Division has shown its best ever performance. Revenues at Rs. 258.99 Crores are up by 15.6% vis-à-vis Rs. 224.08 Crores attained in the corresponding period of the previous year. On the back of robust auto sector growth, domestic sales grew impressively by 21.5%. Realisation is up by 11.8% supported by a change in market mix and the partial passing on of the high CBFS prices to the market. Volumes extended by 3.4% at 84,836 tonnes while plants operated at full capacity.

Textiles Division

The Textiles Division's revenues have gone up 9.7% to Rs. 238.02 Crores as against Rs. 217.00 Crores. Operating Profits jumped by 78.4% helped by strong performance across segments. Linen fabric segment benefited from the growing awareness and usage. Worsted segment has gained from value added products and increased volumes due to expansion of the wool combing facility. Synthetic yarn benefited from the conversion into EOU.



UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER, 2005

Consolidated Financial Results					FINANCIAL RESULTS	Standalone Financial Results				
Quarter Ended 30th Sept		Year to date		Year Ended 31st March		Quarter Ended 30th Sept		Year to date		Year Ended 31st March
2005	2004	2005	2004	2005		2005	2004	2005	2004	2005
983.89	788.16	1,791.87	1,454.16	3,325.74	Income from Operations	599.08	497.33	1,115.95	948.62	1,987.82
38.83	33.32	73.14	70.40	136.36	Less: Excise Duty	36.05	31.30	67.83	66.47	127.20
945.06	754.84	1,718.73	1,383.76	3,189.38	Net Income from Operations	563.03	466.03	1,048.12	882.15	1,860.62
9.21	3.87	14.51	7.27	19.40	Other Income	6.91	4.36	9.38	5.71	10.07
954.27	758.71	1,733.24	1,391.03	3,208.78	Total Income	569.94	470.39	1,057.50	887.86	1,870.69
(13.03)	(15.55)	(39.72)	(21.25)	(14.41)	Total Expenditure:					
331.87	271.82	611.41	498.55	1,040.68	Decrease / (Increase) in Stock in Trade	(12.43)	(11.53)	(38.66)	(16.23)	(11.16)
92.32	78.40	176.54	152.36	319.87	Cost of Raw Materials/Traded Goods	313.62	261.78	587.00	477.92	995.74
268.69	227.32	518.54	422.86	917.28	Staff Cost	35.39	30.67	68.13	60.88	125.16
172.39	135.10	271.76	225.90	684.12	Other Expenditure	146.69	123.17	281.86	244.36	496.93
					Change in valuation of liability in respect of life Insurance policies in force					
102.03	61.62	194.71	112.61	261.24	Profit Before Interest, Depreciation & Tax	86.67	66.30	159.17	120.93	264.02
15.29	10.26	27.34	19.35	41.67	Interest and Finance Expenses	9.90	5.41	16.67	10.48	22.94
1.33	0.85	2.40	1.95	4.86	Add: Interest Income	0.92	0.85	1.94	1.89	4.34
88.07	52.21	169.77	95.21	224.43	Profit Before Depreciation, Royalty & Tax	77.69	61.74	144.44	112.34	245.42
34.91	32.07	68.10	62.32	130.29	Depreciation and Amortisation	21.19	19.82	41.35	39.48	80.69
53.16	20.14	101.67	32.89	94.14	Profit Before Tax and Exceptional Items	56.50	41.92	103.09	72.86	164.73
-	-	-	4.16	1.89	Gain/(Loss) on Long Term Strategic Investments/ Transfer of business (Net)	-	-	-	4.16	1.89
(0.63)	(7.15)	(1.32)	(7.15)	(9.54)	VRS Cost at Rayon Division / Others	(0.63)	(7.15)	(1.32)	(7.15)	(9.54)
52.53	12.99	100.35	29.90	86.49	Profit After Exceptional Items	55.87	34.77	101.77	69.87	157.08
15.48	11.63	30.44	22.17	45.78	Less: Provision for Taxation:					
1.06	(1.47)	0.65	2.28	(1.94)	Current Tax	15.33	11.57	30.20	22.05	45.35
1.40	-	2.81	-	-	Deferred Tax (Net)	1.06	(1.47)	0.65	2.28	(1.99)
-	-	-	-	(0.07)	Fringe Benefit Tax	0.89	-	1.59	-	-
					Provision for Tax for earlier years written back					
34.59	2.83	66.45	5.45	42.72	Net Profit	38.59	24.67	69.33	45.54	113.72
(2.97)	(4.11)	(4.16)	(6.89)	(15.76)	Less : Minority Interest					
-	-	-	-	(0.24)	Share of Loss of Associate written back					
37.56	6.94	70.61	12.34	58.72	Net Profit (After Minority Interest)	38.59	24.67	69.33	45.54	113.72
59.89	59.88	59.89	59.88	59.88	Paid up Equity Share Capital (Face Value of Rs.10 each)	59.89	59.88	59.89	59.88	59.88
6.27	1.16	11.79	2.06	8.78	Reserve					1294.18
					Basic and Diluted Earnings Per Share - Rs	6.44	4.12	11.58	7.60	18.98
					Aggregate of Non-Promoter Shareholding					
					Number of Shares			42,738,738	42,774,889	42,747,570
					Percentage of Shareholding			71.37%	71.43%	71.38%

Notes:

1 The Board of Directors of the Company, at its meeting held on 11th September 2005, has approved, subject to requisite approvals, merger of Birla Global Finance Limited (BGFL) and Indo Gulf Fertilizers Limited (IGFL) with the Company with effect from 1st September 2005 through two separate Schemes of Amalgamation (Schemes), u/s 391 to 394 of the Companies Act, 1956. On the Schemes coming into effect, the business of BGFL and IGFL will be transferred to the Company on going concern basis and in consideration the Company will issue equity shares to the shareholders of the BGFL and IGFL, one equity share of Rs.10/- each in the Company for every three equity shares, held in BGFL and IGFL respectively.

As directed by the Hon'ble High Court of Gujarat at Ahmedabad, meetings of shareholders of the Company will be held on 16th November, 2005 to consider the Schemes.

Pending requisite approvals, no effect has been given in the above results for the proposed merger.

2 On 28th September 2005, the Company has acquired 3718 lac equity shares of IDEA Cellular Limited (IDEA) at an aggregate price of Rs 660.73 crs from AT & T Cellular Pvt. Limited, Mauritius, raising its equity holding in IDEA from 4.28% to 20.74% and that of Aditya Birla Group from 33.70% to 50.15%. In the Consolidated profit and loss, the benefit of additional shareholding will accrue from the next quarter.

(Rs. Crores)

Consolidated Financial Results					SEGMENT REPORTING	Standalone Financial Results				
Quarter Ended 30th Sept		Year to date		Year Ended 31st March		Quarter Ended 30th Sept		Year to date		Year Ended 31st March
2005	2004	2005	2004	2005		2005	2004	2005	2004	2005
163.30	126.64	291.25	233.73	472.40	Segment Revenue					
96.22	89.21	183.04	164.53	352.00	Garments	163.30	126.64	291.25	233.73	472.40
136.73	113.39	258.99	224.08	467.25	Rayon Yarn (Including Caustic & Allied Chemicals)	96.22	89.21	183.04	164.53	352.00
63.70	37.16	121.17	73.43	184.53	Carbon Black	136.73	113.39	258.99	224.08	467.25
128.38	114.83	239.40	217.73	459.02	Insulators	36.93	19.70	71.24	37.70	100.12
264.26	201.29	444.67	335.32	956.19	Other Textiles (Spun Yarn & Fabrics)	128.38	114.83	239.40	217.73	459.02
21.84	20.65	39.17	41.90	82.13	Life Insurance					
39.57	25.50	77.60	46.38	108.23	Software					
29.50	23.66	59.04	41.79	97.40	BPO					
2.43	2.82	6.06	5.60	13.70	Telecom					
					Others	2.19	2.58	5.58	5.11	12.74
945.93	755.15	1,720.39	1,384.49	3,192.85	Total Segmental Revenue	563.75	466.35	1,049.50	882.88	1,863.52
(0.87)	(0.31)	(1.66)	(0.73)	(3.47)	Less: Inter Segment Revenue	(0.72)	(0.32)	(1.38)	(0.73)	(2.90)
945.06	754.84	1,718.73	1,383.76	3,189.38	Net Income from Operations	563.03	466.03	1,048.12	882.15	1,860.62
					Segment Results (Profit before Interest and Tax - PBIT)					
9.74	6.14	12.46	7.33	13.03	Garments	9.74	6.14	12.46	7.33	13.03
13.91	15.33	29.84	30.00	66.32	Rayon Yarn (Including Caustic & Allied Chemicals)	13.91	15.33	29.84	30.00	66.32
20.00	12.79	38.04	28.58	60.32	Carbon Black	20.00	12.79	38.04	28.58	60.32
7.38	1.10	13.47	1.45	9.90	Insulators	7.82	4.05	15.71	8.01	21.61
10.58	5.44	18.06	7.22	19.79	Other Textiles (Spun Yarn & Fabrics)	10.58	5.44	18.06	7.22	19.79
(10.93)	(15.70)	(14.74)	(26.28)	(60.03)	Life Insurance					
0.50	0.24	0.33	(0.24)	(0.55)	Software					
7.46	(1.76)	14.56	(4.44)	2.47	BPO					
4.80	3.04	10.46	5.71	16.69	Telecom					
1.10	1.05	2.89	2.38	6.93	Others	0.85	0.85	2.47	1.73	6.20
64.54	27.67	125.37	51.71	134.87	Total Segment Result	62.90	44.60	116.58	82.87	187.25
(13.96)	(9.41)	(24.94)	(17.40)	(36.81)	Less: Interest & Finance Expenses (Net)	(8.98)	(4.56)	(14.73)	(8.59)	(18.60)
2.58	1.88	1.24	(1.42)	(3.92)	Add: Net of Unallocable Income/(Expenditure)	2.58	1.88	1.24	(1.42)	(3.92)
53.16	20.14	101.67	32.89	94.14	Profit Before Tax and Exceptional Items	56.50	41.92	103.09	72.86	164.73
-	-	-	4.16	1.89	Gain/(Loss) on Long Term Strategic Investments/ Transfer of business (Net)	-	-	-	4.16	1.89
(0.63)	(7.15)	(1.32)	(7.15)	(9.54)	VRS Cost at Rayon Division	(0.63)	(7.15)	(1.32)	(7.15)	(9.54)
52.53	12.99	100.35	29.90	86.49	Profit After Exceptional Items	55.87	34.77	101.77	69.87	157.08
		As on 30th Sept. 05	As on 30th Sept. 04	As on 31st March, 05	Capital Employed			As on 30th Sept. 05	As on 30th Sept. 04	As on 31st March, 05
		292.61	259.03	252.21	(Segment Assets - Segment Liabilities)			292.61	259.03	252.20
		342.10	277.02	318.60	Garments			342.10	277.02	318.60
		375.52	348.09	371.87	Rayon Yarn (Including Caustic & Allied Chemicals)			375.52	348.09	371.87
		106.43	109.39	110.53	Carbon Black			106.43	109.39	110.53
		237.91	165.45	211.34	Insulators			237.91	165.45	211.35
		110.30	105.42	106.29	Other Textiles (Spun Yarn & Fabrics)			110.30	105.42	106.29
		18.47	22.55	19.53	Life Insurance			18.47	22.55	19.53
		61.27	59.25	61.51	Software			61.27	59.25	61.51
		914.96	189.59	197.77	BPO			914.96	189.59	197.77
		31.30	32.74	32.25	Telecom			31.30	32.74	32.25
		2,490.87	1,568.53	1,681.90	Others			11.87	13.68	13.18
		710.94	170.03	177.52	Total Segment Capital Employed			1279.08	1078.51	1188.13
		3,201.81	1,738.56	1,859.42	Add: Unallocated Corporate Assets			1247.06	581.12	614.53
					Total Capital Employed			2526.14	1659.62	1,802.66

3 The shareholders of the Company have approved change of the name of the Company to "ADITYA BIRLA NUVO LTD".

4 Status of Investor Complaints for the quarter ended 30th September, 2005

Opening	Received	Redressed	Pending
NIL	16	16	NIL

5 Previous Year's/period's figures are regrouped/ rearranged wherever necessary.

6 The above results, have been taken on record at a meeting of the Board of Directors held on 27th October, 2005. The limited review of Standalone Financial Results as required under Clause 41 of Listing agreement has been completed and the related report will be submitted to the concerned stock exchanges.

Insulators Domestic Marketing

Strong demand in Transmission and Distribution segment helped in achieving 27.1% volume growth. At Rs. 71.24 Crores, revenue growth of 89.0% was supported by higher volumes, improved realisation and higher share of direct billing.

Joint Ventures and Subsidiaries

The Company's joint ventures and subsidiaries are on track.

BIRLA NGK Insulators Private Limited has posted a turnover of Rs.99.86 crores, representing a growth of 39.9%. Guided by NGK experts, yield improvement efforts are being pursued.

At **Birla Sun Life Insurance**, the total premium income has grown by 24.6% to Rs. 385.99 Crores. The first year premium in the individual business has grown by 5.5%. Renewal premium was encouraging, with more than 95% renewal rate. The Group business, however, suffered with the intense pricing pressure from the competitors. The Company is now focusing aggressively on expanding its branch network and strengthening agency force to increase its reach. It has enriched its product portfolio by introducing new target specific plans.

At **TransWorks**, revenues have grown significantly by 67.3% at Rs. 77.60 Crores vis-à-vis Rs. 46.38 Crores in the previous year. During the half year, three new clients were added and business from existing clients was ramped up. The Company has also increased seat capacity to 1,811 and strengthened its employee base to cater to the fast growing business. The Company continues to further augment client base and improve seat utilization.

At **PSI Data Systems**, EBITDA is marginally higher on lower revenues due to improved margins. Revenues stood at Rs. 39.16 Crores. The company's focus is on core verticals with greater thrust on high margin business continues.

At **IDEA Cellular**, subscriber base grew by 36.5% to 5.95 million. Revenues for the half year showed an impressive jump of 41.2% at Rs. 1,377.68 Crores. The company has 9.2% market share in the total mobility segment and ranks 5th in the cellular industry

Strategic Initiatives

The Company acquired an extra 16.5% equity stake in Idea Cellular Ltd for Rs. 660.7 Crores. This takes the total Aditya Birla Nuvo holding to 20.7%, which is part of the 50.2% holding of Aditya Birla Group companies. Idea Cellular Ltd is a profit making cellular company operating in 11 Telecom Circles (of which 3 are being rolled out) with a subscriber base of 5.95 million.

The Company is taking necessary steps to complete the landmark corporate restructuring to merge Birla Global Finance and Indo Gulf Fertilisers, with Aditya Birla Nuvo. The Merger would become effective from September 1, 2005 once approved by the authorities. The Court convened meeting of Aditya Birla Nuvo's shareholders will be held on November 16, 2005 to consider the merger proposal. Birla Global and Indo Gulf shareholders will meet on November 24, 2005 and November 28, 2005 respectively for necessary approvals.

Going Forward

- **Madura Garment** will focus on retail expansion, optimising cost and brand transformation
- **VFY's** thrust on improving quality will continue. It is expected to benefit from the buoyant chlor-alkali segment through utilising recently expanded caustic soda capacity
- **Carbon Black** will push volumes in domestic market and expedite the proposed expansion of 50,000 TPA at Gummidipoondi.
- **Textiles** will gain from focus on niche areas
- **The Insulator JV** will continue focus on higher value products and yield improvement
- **Life insurance** emphasis is on increasing branch network and strengthening agency force while enriching its product portfolio
- **BPO** – is geared to up its performance through expanding and optimally utilising its seat capacity by acquiring new clients and enhancing its service quality.
- **IT Services** – the reinforcement of its management team, focus on marketing and building specialisation/differentiation will fuel growth
- **Telecom** – increasing its reach by roll out in three new circles, and debt refinancing, will strengthen the company.

Overall, the outlook for the Company is optimistic given the strategic thrust, growth and the capex initiatives taken in each of the businesses.

Before I end, I would like to take this opportunity to record our sincere appreciation for the support extended to us. I look forward to your continued commitment in the future. I am sure you will be attending, the forthcoming court convened meeting of the shareholders on 16th November 2005, to consider the merger of Indo Gulf Fertilisers Limited and Birla Global Finance Limited with your Company.

On the occasion of festival of lights, we would like to wish a happy Diwali and prosperous New Year.

A detailed presentation is available on your company's website in the Investors' section. Should you require a

copy of the same, please write or email us at the below given address.

Yours sincerely,



Adesh Gupta

Wholtime Director & CFO

Aditya Birla Centre, 4th Floor, 'A' Wing, S.K. Ahire Marg, Worli, Mumbai – 400 030

Phone No. 5652 5577 Fax No. 5652 5821

E-Mail: nuvocfd@adityabirla.com

Mumbai, 31st October 2005

Cautionary Statement

Statements in this "Performance Update" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. The actual results could differ materially from those expressed or implied. The important factors that could make a difference to the Company's operations include the 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.

Book-Post

If undelivered please return to:

ADITYA BIRLA NUVO LTD.

Share Department

Regd. Office: Indian Rayon Compound,

Veraval 362 266, Gujarat.

www.adityabirla.com, www.adityabirlanuvo.co.in