NEW HORIZONS. NEW FRONTIERS.

ADITYA BIRLA NUVO

ADITYA BIRLA GROUP

Aditya Birla Nuvo Limited

Performance Update

For the half year ended 30th September, 2008

Dear Shareholders,

I am pleased to inform you that your Company continued to work on its defined strategy of building a strong foundation for all the businesses which includes

- achieving pan India presence in the Telecom business;
- enhancing market share through expansion of customer reach and augmenting its portfolio in the Financial Services business;
- transformation from a wholesale garment company to a "High-end apparel retailing" company through continued expansion of retail space and
- improving operating efficiency through full utilisation of existing capacity and partnering with new customers through cost effective sites and locations in the BPO business.

As a result, while your company has grown in revenues as per plan, the consolidated profitability does not truly reflect the results of the investments and efforts made due to

a) The gestating impact of the aggressive growth initiatives bunched together and

b) The nature of Life Insurance business where new business premium, though profitable in the long run, causes strain in the first year due to the accounting procedure of amortising all expenses in the first year itself.

Revenues on growth path

Your Company's **standalone revenues**, during the half-year ended 30th September 2008, grew by 42% from Rs. 1,701.5 Crores to Rs. 2,415.6 Crores, largely driven by higher volumes and better realisation in the Fertilisers and the Carbon Black businesses.

Your Company's **consolidated revenues** rose by 37% from Rs. 4,979.7 Crores to Rs. 6,822.5 Crores. The growth businesses contributed 72% of the consolidated revenues led by Life Insurance (28% share), Telecom (20%), BPO (13%) and Garments (8%).

Standalone Results			Particulats	Consolidated Results		
Half Year ended 30th September				Half Year ended 30th September		
2008	2007	Growth %		2008	2007	Growth %
2,415.6	1,701.5	42%	Net income from Operations	6,822.5	4,979.7	37%
344.0	281.8	22%	Operating Profit (PBDIT)	482.2	595.3	-19%
106.9	88.6	21%	Net Profit/(Loss) after Monority Interest	(132.9)	142.5	-193%

Investment phase of growth businesses had gestating impact on consolidated profitability

Standalone net profit, during the half-year, surged by 21% from Rs. 88.6 Crores to Rs. 106.9 Crores. At the consolidated level, your Company has reported a net loss of Rs. 132.9 Crores against net profit of Rs. 142.5 Crores attained in the corresponding half of the preceding year. This was largely due to the growing share of new business premium and higher spends on expansion of distribution network in the Life Insurance business, which are its key growth drivers. The pre-launch expenses of stores in the apparel retail business, lower capacity utilisation in the contract manufacturing business and the start up costs and brand building activities for Mumbai circle in the Telecom business also impacted the consolidated profitability.

Business-wise Performance review

Telecom [Idea Cellular Limited]

During the half year, the Telecom business registered a 47% rise in revenues at Rs. 4,472.7 Crores up from Rs. 3,039.5 Crores attained in corresponding half of the previous year. Idea ranked 5th with 9.6% all India market share and 30.38 million subscribers (excluding Spice) as on 30th September 2008. In 8 established operating circles, Idea ranks 2nd with 19.6% market share which reflects its brand strength. After the launch of operations in Mumbai and Bihar (including Jharkhand) circles and acquisition of controlling stake in Spice that operates in Punjab and Karnataka circles, Idea is now operational in 15 circles. With the planned launch of services in Tamil Nadu (including Chennai) and Orissa circles by the financial year end, Idea's footprint will cover approximately 90% of India's telephony potential.

Idea has received Rs. 72.9 billion through the sale of 14.99% stake to TM International at Rs. 156.96 per share. Consequently, Nuvo's stake in Idea now stands at 27.02%. Idea's subsidiary Aditya Birla Telecom (ABTL) has also received clearance from the Foreign Investment Promotion Board (FIPB) to sell 20% stake to Providence for USD 640 million. ABTL has license to operate in Bihar & Jharkhand and will hold 16% stake in the proposed Indus towers Joint Venture (JV). After this deal, the financial position and leveraging capacity of Idea will further strengthen. Cash inflows from these deals will be used to fund capex requirements for existing and new circles as well as for bidding for the 3G spectrum.

Idea, during the half year, reported lower net profit at Rs. 407.2 Crores vis-à-vis Rs. 528.9 Crores. The start up costs for Mumbai circle coupled with higher interest costs for new acquisition impacted the profitability.

Going forward, the business is expected to benefit from its strong cash position, new roll outs and the Spice acquisition.

Life Insurance [Birla Sun Life Insurance Company Limited (BSLI)]

The Life Insurance business, during April to August 2008 for which the latest industry data is available, achieved 121% growth in new business premium income, compared to 56% growth attained by private players and ranked 5th with a market share of 8.15%. Revenues, during the half year, grew from Rs. 1,356.6 Crores to Rs. 1,895.3 Crores. BSLI has added 261 new distribution centres during the half year itself to reach a total of 600 centres. Agency force has been expanded to more than 132,000 agents.

BSLI, during the half year, reported net loss of Rs. 346.8 Crores up from Rs. 117.5 Crores, caused by the initial strain of growing new business premium and intensification of distribution infrastructure. The new business is fully profitable. However, income from it will accrue over the policy period, as is the case with the nature of this business. To fund the expansion and losses, Nuvo has invested Rs. 259 Crores for its 74% share in JV, in the half year, taking its total investment in the business to over Rs. 1200 Crores.

The ramp up of distribution network lays a strong foundation for the future growth of the business.

Asset Management [Birla Sun Life Asset Management Company Limited (BSAMC)]

Assets under Management (AUM) of the business stood at Rs. 37,752 Crores as on September 30, 2008. BSAMC ranked 5th with 7.1% share in Industry's average AUM. It is the only AMC amongst top 10 players to achieve double digit growth in average AUM during the calendar year since December 2007. During the half year, revenues rose by 89% to Rs. 84.9 Crores and net profit increased to Rs. 9.6 Crores this year vis-à-vis Rs. 2.4 Crores in the previous year. BSMAC was presented "Mutual Fund House of the Year" award by 'CNBC TV18-Crisil' besides winning 5 CNBC TV18-Crisil Awards, 2 ICRA awards and 4 Lipper Awards during the year for consistent fund performance across various asset classes. It was also named as a runner up in the "Best Mutual Fund House" category by 'Outlook Money NDTV Profit Awards 2008'.

ITES-BPO & IT [Aditya Birla Minacs Worldwide Limited & PSI Data Systems Limited]

Aditya Birla Minacs, the BPO subsidiary, posted 18% rise in revenues at Rs. 884 Crores during the half year. Amidst global slowdown, North America region maintained revenues at 180 million Canadian dollars while Asia Pacific region posted 30% rise in revenues at 27 million US dollars. Adversely impacted by the forex rates and high manpower costs, the net loss increased from Rs. 28.2 Crores to Rs. 49.4 Crores.

In the direction of optimising seats and sites utilization, one site was closed and its business was shifted to a more cost effective site. To support new business from low cost locations, we have added 80 seats at Baroda and are also expanding

FINANCIAL RESULTS FOR THE QUARTER AND THE HALF YEAR ENDED 30TH SEPTEMBER, 2008

(Rs. Crores)

Consolidated Financial Results					FINANCIAL RESULTS	Standalone Financial Results				
Quarter ended 30th September		Half Year ended 30th September		Year ended 31st March		Quarter ended 30th September		Half Year ended 30th September		Year ended 31st March
2008	2007	2008	2007	2008 (Audited)		2008	2007	2008	2007	2008 (Audited)
3,629.2	2,821.9	6,888.8	5,036.9	12,252.0	Gross Sales	1,373.9	950.8	2,486.9	1,763.1	4,055.6
63.3	52.1	124.5	98.5	213.3	Less: Excise Duty	63.3	52.1	124.5	98.5	213.3
3,566.0	2,769.8	6,764.3	4,938.4	12,038.7	Net Sales	1,310.6	898.7	2,362.4	1,664.6	3,842.3
28.1	25.8	58.3	41.3	124.2	Other Operating Income	26.0	22.8	53.2	37.0	110.8
3,594.1	2,795.6	6,822.5	4,979.7	12,162.9	Net Income from Operations	1,336.6	921.4	2,415.6	1,701.5	3,953.1
					Expenditure:					
(48.9)	(31.5)	(85.8)	(75.8)	(93.2)	Decrease / (Increase) in Stock in Trade	(39.0)	(32.4)	(59.8)	(71.5)	(83.7)
681.0	462.2	1,261.9	871.7	2,004.4	Consumption of Raw Materials	650.2	426.7	1,193.1	805.3	1,874.0
89.0	51.4	131.8	81.8	187.8	Purchase of Traded Goods	79.5	51.4	122.3	81.8	187.8
639.9	493.9	1,220.4	901.9	1,995.4	Employees Cost	77.7	67.9	146.4	126.8	258.2
160.4	124.4	316.5	239.6	524.9	Depreciation and Amortisation	40.5	35.2	79.3	66.2	141.1
202.8	95.6	330.0	182.7	438.8	Power & Fuel	166.5	78.7	261.8	148.3	357.0
1,195.5	820.9	2,267.9	1,499.8	3,552.3	Other Expenditure	213.9	173.2	417.0	337.0	738.5
660.3	628.1	1,275.6	949.5	3,040.4	Change in valuation of liability in respect of Life	-	-	-	-	-
-	-	-	-	-	Insurance policies in force	-	-	-	-	-
3,580.1	2,645.0	6,718.3	4,651.2	11,650.9	Total Expenditure	1,189.4	800.7	2,160.1	1,494.0	3,473.0
14.0	150.6	104.2	328.5	512.0	Profit from Operations before Other Income, Interest & Exceptional Items	147.3	120.7	255.6	207.6	480.1
36.9	13.0	61.4	27.2	64.3	Other Income	7.0	2.5	9.2	8.0	12.7
50.9	163.6	165.7	355.7	576.3	Profit before Interest and Exceptional Items	154.2	123.2	264.7	215.5	492.9
158.2	102.2	295.0	188.0	425.0	Interest and Finance Expenses (Net)	52.6	47.4	98.7	90.9	179.0
(107.3)	61.4	(129.4)	167.7	151.3	Profit after Interest but before Exceptional Items	101.6	75.9	166.1	124.7	313.8
-	-	-	0.7	0.7	Gain on sale of Undertaking	-	-	-	0.7	0.7
(107.3)	61.4	(129.4)	168.4	152.0	Profit before Tax	101.6	75.9	166.1	125.4	314.6
					Less: Provision for Taxation:					
51.6	23.7	89.0	40.4	103.6	Current Tax	43.5	17.3	68.6	29.4	78.1
(5.2)	12.0	(0.8)	16.0	45.6	Deferred Tax (Net)	(8.4)	4.3	(11.6)	8.8	25.2
5.1	2.8	8.5	5.2	11.8	Fringe Benefit Tax	1.1	0.9	2.2	1.7	3.9
-	(1.4)	0.7	(3.1)	(35.1)	(Excess)/short provision for Tax/Income Tax refund related to earlier years (net)	-	(1.4)	-	(3.1)	(35.7)
(158.8)	24.3	(226.8)	110.0	26.2	Net Profit (Before Minority Interest)	65.3	54.9	106.9	88.6	243.1
(54.2)	(23.5)	(93.8)	(32.5)	(124.6)	Less : Minority Interest					
(104.6)	47.8	(132.9)	142.5	150.8	Net Profit	65.3	54.9	106.9	88.6	243.1
		95.0	93.3	95.0	Paid Up Equity Share Capital			95.0	93.3	95.0
					(Face Value of Rs.10 each)					
				3,510.5	Reserve excluding Revaluation Reserve					3,551.3
(11.1)	5.1	(14.2)	15.3	16.0	Basic Earnings Per Share (Rs)	6.9	5.9	11.3	9.5	26.0
(11.1)	5.1	(14.2)	15.3	15.9	Diluted Earnings Per Share (Rs)	6.9	5.9	11.2	9.5	26.0
					Aggregate of Public Shareholding					
					Number of Shares			53,520,574	53,541,638	53,564,907
					Percentage of Shareholding			56.3%	57.4%	56.4%

Notes:

1 The company has entered an agreement with the promoters of Apollo Sindhoori Capital Investments Limited (“ASCIL”), to acquire 3,10,24,000 equity shares in ASCIL representing 56% of its capital at a price of Rs 64.08 per share aggregating to Rs 198.81 Crores, subject to compliance of the formalities and conditions precedents as mentioned in the agreement. The company will also make an open offer to acquire upto 20% of the stake in the capital, as per SEBI regulations, for which the necessary announcement has already been made. The effect of these transactions will be given as and when completed.

2 On August 13, 2008 Idea Cellular Limited (IDEA) a Joint Venture Company has made preferential allotment to TMI Mauritius Ltd of 464,734,670 equity shares of Rs 10/- at a price of Rs 156.96 per share each representating 14.99% of IDEA's equity capital post allotment. Consequently the holding of the Company in IDEA has been reduced from 31.78 % to 27.02 % and the Net Worth of the Company on Consolidated basis has increased by Rs 1781 Crores.

3 Previous year's / period's figures are regrouped / rearranged wherever necessary.

4 Status of Investor Complaints for the quarter ended September 30, 2008.

Opening	Received	Redressed	Pending
-	23	21	2

5 The above results have been reviewed by the Audit Committee of the Board and taken on record at the meeting of the Board of Directors. The Statutory Auditors of the Company have carried out Limited Review of the Unaudited Standalone and Consolidated Financial Results as required under Clause 41 of Listing Agreement and the related report will be submitted to the concerned stock exchanges.

SEGMENTAL REPORTING FOR THE QUARTER AND THE HALF YEAR ENDED 30TH SEPTEMBER, 2008

(Rs. Crores)

Consolidated Financial Results					SEGMENT REPORTING	Standalone Financial Results				
Quarter ended 30th September		Half Year ended 30th September		Year ended 31st March		Quarter ended 30th September		Half Year ended 30th September		Year ended 31st March
2008	2007	2008	2007	2008 (Audited)		2008	2007	2008	2007	2008 (Audited)
					Segment Revenue					
325.0	270.1	549.2	470.7	1,025.8	Garments	283.1	220.7	461.4	381.9	825.7
139.9	124.3	274.2	228.2	476.0	Rayon Yarn*	139.9	124.3	274.2	228.2	476.0
338.0	190.2	635.6	351.4	863.8	Carbon Black	338.0	190.2	635.6	351.4	863.8
105.9	101.3	196.7	185.4	398.9	Insulators	105.9	101.3	196.7	185.4	398.9
149.3	145.3	298.0	296.7	600.3	Other Textiles#	149.3	145.3	298.0	296.7	600.3
320.2	138.5	549.5	254.8	787.5	Fertilizers	320.2	138.5	549.5	254.8	787.5
69.4	42.1	133.0	77.7	197.5	Financial Services	0.3	1.2	0.3	3.9	5.3
999.4	869.7	1,895.3	1,356.6	4,012.1	Life Insurance	-	-	-	-	-
25.2	25.2	51.1	48.7	101.1	Software	-	-	-	-	-
453.0	393.7	884.0	746.1	1,577.7	BPO	-	-	-	-	-
672.4	496.5	1,363.1	966.0	2,135.6	Telecom	-	-	-	-	-
3,597.5	2,796.8	6,829.6	4,982.3	12,176.3	Total Segmental Revenue	1,336.5	921.5	2,415.7	1,702.4	3,957.5
(3.4)	(1.2)	(7.1)	(2.6)	(13.4)	Less: Inter Segment Revenue	0.1	(0.1)	(0.1)	(0.9)	(4.4)
3,594.1	2,795.6	6,822.5	4,979.7	12,162.9	Net Income from Operations	1,336.6	921.4	2,415.6	1,701.5	3,953.1
					Segment Results (Profit before Interest and Tax - PBIT)					
(30.5)	12.0	(87.4)	(0.7)	0.0	Garments	14.9	14.1	(8.9)	8.1	35.1
18.7	27.8	48.1	46.8	91.5	Rayon Yarn*	18.7	27.8	48.1	46.8	91.5
23.3	33.2	64.8	62.0	130.3	Carbon Black	23.3	33.2	64.8	62.0	130.3
28.5	29.8	53.3	53.3	122.5	Insulators	28.5	29.8	53.3	53.3	122.5
12.6	13.7	23.7	25.5	48.7	Other Textiles#	12.6	13.7	23.7	25.5	48.7
56.7	10.9	89.7	24.1	84.5	Fertilizers	56.7	10.9	89.7	24.1	84.5
16.1	10.4	39.0	16.9	44.3	Financial Services	(2.9)	(0.6)	(3.7)	(0.2)	(2.4)
(194.3)	(82.3)	(338.6)	(114.6)	(437.7)	Life Insurance	-	-	-	-	-
1.5	0.9	3.9	1.9	6.5	Software	-	-	-	-	-
(9.9)	(0.3)	(18.6)	5.6	(26.5)	BPO	-	-	-	-	-
102.8	103.0	249.7	218.3	476.3	Telecom	-	-	-	-	-
25.5	159.2	127.6	339.2	540.5	Total Segment Result	151.9	128.9	267.1	219.6	510.2
(135.5)	(90.6)	(255.2)	(164.3)	(367.0)	Less: Interest & Finance Expenses (Net)	(52.4)	(46.2)	(98.5)	(88.5)	(174.9)
2.6	(7.2)	(1.8)	(7.1)	(22.2)	Add: Net of Unallocable Income/(Expenditure)	2.2	(6.8)	(2.5)	(6.4)	(21.5)
(107.3)	61.4	(129.4)	167.7	151.3	Profit Before Tax and Exceptional Items	101.6	75.9	166.1	124.7	313.8
-	-	-	0.7	0.7	Gain on sale of Subsidiary/Undertaking	-	-	-	0.7	0.7
(107.3)	61.4	(129.4)	168.4	152.0	Profit After Exceptional Items	101.6	75.9	166.1	125.4	314.6
		As on 30th September 2008	As on 30th September 2007	As on 31st March 2008	Capital Employed (Segment Assets - Segment Liabilities)			As on 30th September 2008	As on 30th September 2007	As on 31st March 2008
		846.0	616.7	746.1	Garments			552.8	414.6	471.2
		441.2	443.2	453.7	Rayon Yarn*			441.2	443.2	453.7
		974.4	566.9	667.5	Carbon Black			974.4	566.9	667.5
		238.7	210.5	240.0	Insulators			238.7	210.5	240.0
		424.1	344.3	359.3	Other Textiles#			424.1	344.3	359.3
		382.8	320.5	531.3	Fertilizers			382.8	320.5	531.3
		331.3	209.8	307.0	Financial Services			13.0	9.1	14.0
		388.0	314.9	384.6	Life Insurance			-	-	-
		27.4	28.7	31.6	Software			-	-	-
		1,062.6	931.5	1,005.6	BPO			-	-	-
		5,736.7	2,498.3	3,218.1	Telecom			-	-	-
		10,853.3	6,485.3	7,944.8	Total Segment Capital Employed			3,026.9	2,309.2	2,737.1
		2,099.3	2,025.0	2,139.9	Add: Unallocated Corporate Assets			4,380.3	3,502.1	3,949.1
		12,952.6	8,510.3	10,084.7	Total Capital Employed			7,407.2	5,811.3	6,686.2

* Including Caustic & Allied Chemicals

Spun Yarn & Fabrics

the Manila site in Philippines by 120 seats. Substantial benefits from these initiatives should accrue in the second half of the financial year. The business is expexted to breakeven in the last quarter.

During the half year, PSI Data Systems reported revenues at Rs. 51.1 Crores and net profit at Rs. 1.5 Crores vis-à-vis Rs. 48.7 Crores and Rs. 0.1 Crores respectively attained in the corresponding period of the last year.

Mr. Deepak Patel who has about two decades of experience, has joined as CEO of the BPO business.

Branded Garments [Esprit & Madura Garments' FASHION brands – Louis Philippe, Van Heusen and Allen Solly & POPULAR brand – Peter England]

In the Branded Garments business, revenues surged by 21% from Rs. 381.9 Crores to Rs. 461.4 Crores driven by 47% growth in sales from the retail segment. During the half year, 42 new Exclusive Brand Outlets (EBOs) were launched, taking the controlled retail space to 5.7 lacs square feet across 279 EBOs. Operating Profit, however, is lower at Rs. 13 Crores vis-à-vis Rs. 22.9 Crores. Higher discounts offered to boost sales and rising lease rentals amidst gestating new stores impacted the bottom line. Going forward, business is expected to achieve profitable growth once the gestation phase of the new stores is over.

High-end apparel retailing [Peter England PEOPLE & THE COLLECTIVE]

As stated earlier, Nuvo has ventured in high-end apparel retailing through two separate subsidiaries. During the half year, the first subsidiary has launched five "Peter England PEOPLE" family stores of an average size of 12,000 to 15,000 square feet generating revenues of Rs. 4 Crores. The second subsidiary has launched "THE COLLECTIVE", a store spanning across about 17,500 square feet in the month of October 2008. This Men's exclusive store offers Madura garments' fashion brands as well as international brands under one roof. Combined, both the formats reported net loss of Rs. 50.5 Crores including business and brand building costs.

Contract Manufacturing [Madura Garments Export Limited]

In the Contract Manufacturing business, sales volumes grew by 29% to 35.8 lacs pieces during the half year. Last year, in August 2007, capacity of the business was more than doubled to 15.4 million pieces. Revenues remained flat at Rs. 93.8 Crores due to weak order flows impacted by the global slowdown. Consequent lower capacity utilisation has impacted profitability and resulted in net loss of Rs. 41.3 Crores. Efforts are on to bring back profitability through improved capacity utilisation and reducing dependence on USD business besides scaling full service provider (FSP) segment.

Carbon Black [Hi-tech Carbon]

The Carbon Black business registered 81% growth in revenues at Rs. 635.6 Crores during the half year. Pass on of higher CBFS (raw material) prices is partly reflected in 44% rise in realisation at Rs. 51,809 per metric tonne (MT). Brownfield expansion in second quarter of the previous year led to 26% growth in sales volumes at 118,136 MT. Carbon Black industry witnessed squeeze in operating margins due to high raw material costs led by sharp rise in crude oil prices which is passed on to customers with a time lag. Amidst these challenges, Hi-tech Carbon posted 7% rise in operating profit at Rs. 77.1 Crores vis-à-vis Rs. 71.8 Crores. The business is accelerating project activities for Greenfield expansion by 150,000 MT per annum (in two phases) at Patalganga after receiving environment clearance. First phase expansion by 75,000 MT is targeted at a capex of Rs. 270 Crores.

Fertilisers [Indo Gulf Fertilisers]

Revenues in the Fertilisers business, during the half year, more than doubled to Rs. 549.5 Crores supported by 54% growth achieved in sales volumes at 502,610 MT. In the previous year, volumes were impacted due to plant shutdown for annual maintenance for 42 days in the first quarter and breakdown for 27 days in the second quarter. Operating profit grew significantly to Rs. 99.2 Crores vis-à-vis Rs. 32.5 Crores, led by volume growth and subsidy for earlier years. Indo-Gulf Fertilisers is set to position itself as Complete Agri-Solution provider. It has more than doubled its revenues from agri-inputs marketing to Rs. 49.1 Crores during the half year.

Rayon [Indian Rayon]

The Rayon business posted 20% rise in revenues at Rs. 274.2 Crores supported by improved VFY and ECU realisations. Higher production of super fine denier yarn led to 7% decrease in VFY sales volumes at 8,466 MT while VFY realisation rose by 17% to Rs. 196 per kg. Caustic soda sales volumes grew by 9% to 39,455 MT and ECU realisation surged by 24% to Rs. 24,135 per MT. The margins in the VFY industry are adversely impacted by steep rise in input material and fuel costs. Indian Rayon managed to maintain its operating profit at Rs. 64.6 Crores amidst escalating wood pulp, sulphur and coal prices. The business continued to lay thrust on quality improvement to derive premium in exports markets.

Insulators [Aditya Birla Insulators]

The Insulators business, during the half year, grew by 6% in revenues at Rs. 196.7 Crores. Focus on high rating insulators led to higher realisation. The growth could have been higher but sales volumes were impacted due to higher rejections at the Halol plant. Initial stabilization process for shifting to high rating insulators caused higher rejections for which corrective actions have been taken. Despite lower volumes and rise in fuel prices, the business has maintained its operating profit at Rs. 60.5 Crores. To capture power sector growth, Aditya Birla Insulators is expanding capacity by 12,000 MT (in two phases) at Rishra plant besides foraying in composite insulators at Halol plant. Both the projects are expected to go on stream by the financial year end.

Textiles [Jaya Shree Textiles]

The Textiles Industry witnessed stagnant domestic as well as exports demand impacted by the global slowdown. During the half year, Jaya Shree textiles posted 7% growth in revenues from the continued operations at Rs. 298 Crores. The Synthetic Yarn segment was completely exited during second half of the previous year. Operating profit was maintained at Rs. 34 Crores, even though in the previous year, the operating profit included Rs. 2.4 Cr. from the sale of carbon credits. The business is focusing on expanding its high paying retail distribution channel under the Linen Club brand besides increasing share of value added yarns.

Most of our businesses are progressing well on the designed path to leverage growth opportunities. Aditya Birla Nuvo is optimistic about meeting the challenges of strategic growth initiatives and enhancing its revenues and earnings. The investments made specifically into the Life Insurance, BPO and Garments businesses, which have created a stretch on profitability in the short term as per plan, will go a long way towards value creation for shareholders.

A detailed presentation is available on your Company's website in the 'Investors' section. Should you require a copy of the same, please email us at nuvo.cfd@adityabirla.com

Yours sincerely,

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Mumbai, 31st October 2008

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ADITYA BIRLA NUVO LIMITED

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