



Leadership through Consolidation

ADITYA BIRLA NUVO LIMITED
Performance Update
For the half year ended 30th September, 2011

Our Vision

**To become a premium conglomerate
with market leadership across businesses
delivering superior value to shareholders
on a sustained basis**

Our Values

Integrity

Commitment

Passion

Seamlessness

Speed



Performance update for the half year ended 30th September, 2011

Dear Shareholder,

I am pleased to inform you that your Company has posted a strong performance driven by consistent growth in earnings across the businesses.

Financial Performance

- Consolidated revenue grew by 20% from ₹ 8,390 Crore to ₹ 10,109 Crore. All the businesses contributed to the top-line growth.
- Consolidated EBITDA rose by 35% from ₹ 1,177 Crore to ₹ 1,587 Crore. The Financial Services, Telecom and Fashion & Lifestyle businesses were the enablers. Your Company continues to generate strong cash flows, despite earnings pressure in the IT-ITeS and some of the Manufacturing businesses.
- Consolidated net profit rose by 84% from ₹ 254 Crore to ₹ 467 Crore.

Balance Sheet

- The standalone balance sheet and financial ratios continue to remain sound with Net Debt to Equity at 0.64 and Net Debt to EBITDA at 3.5 as on 30th September 2011.
- This is despite 60% of standalone capital employed of your Company being deployed in long term investments to fund the growth of Financial Services, Telecom and IT-ITeS businesses.

Business – wise performance review

Aditya Birla Financial Services [ABFS]

ABFS continues to strengthen its position as a significant non-bank financial services player. While the Life Insurance and Asset Management businesses improved their rankings, the NBFC business scaled its book size and diversified its portfolio. Currently, ABFS has assets under management (AUM) of about ₹ 88,300 Crore. With value creation for clients at its core, ABFS is trusted by about 5.5 million customers and anchored by over 17,000 employees. ABFS has a nation-wide reach with more than 1,700 points of presence and about 200,000 channel partners. ABFS posted consolidated revenue at ₹ 3,011 Crore, a growth of 4% over the previous year. ABFS displayed a strong growth in profitability. Its earnings before tax more than doubled to ₹ 315 Crore.

- The gross premium income of Birla Sun Life Insurance (BSLI) grew to ₹ 2,716 Crore led by a 24% growth in renewal premium and strong persistency. The 13th month premium persistency ratio stood at 82% as on 30th September 2011. During the half year, BSLI reported a lower de-growth than the private sector in terms of new business premium. As a result, BSLI improved its ranking to 4th among private sector players and increased its market share from 7.6% to 8.7%. New business premium at ₹ 801 Crore de-grew due to lower ULIP sales. However, Non-ULIP portfolio has been strengthened; it has contributed 45% of the individual new business compared to 9% in the previous year. In September 2011, with the waning of the base effect, BSLI achieved year on year growth of 58% in new business. BSLI's AUM stood at ₹ 19,321 Crore as on 30th September 2011. Driven by the growing size of in-force book, balanced product mix, lower new business strain and better expenses management, earnings before tax of BSLI soared from ₹ 29 Crore to ₹ 242 Crore. No capital infusion was required as internal accruals adequately met additional solvency requirement. BSLI's thrust is on increasing market share while building a profitable book with a strong focus on distribution efficiency, persistency, expenses management, product innovation and customer service.
- The total average AUM of Birla Sun Life Asset Management (BSAMC) stood at ₹ 67,897 Crore. BSAMC moved one step up to rank 4th with market share of 9.0%. It has the highest number of funds with 4 and 5 star categories across the industry reflecting its superior investment performance. Its real estate fund of ₹ 1,088 Crore has invested about 20% of the fund size. During the half year, BSAMC posted revenue at ₹ 163 Crore and earnings before tax at ₹ 50 Crore.
- Aditya Birla Finance (NBFC) has diversified its portfolio adding infra financing. This has contributed to the growth of its book size which grew year on year by 24% to about ₹ 2,500 Crore. It has strengthened the management team and is focusing on growing book profitably while managing risk optimally. Revenue rose from ₹ 57 Crore to ₹ 133 Crore and earnings before tax grew by 63% to ₹ 35 Crore.

Telecom [Idea Cellular Limited]

Idea cellular (Idea) continued to gain revenue market share which stands enhanced to 13.9% up from 13% a year ago. Idea has built a strong platform for future growth by crossing the 100 million subscribers base. Idea carries around 1.2 billion minutes of usage per day and is among the top 10 operators in the world. Idea continues to have the highest active subscribers ratio in the industry at 91.5% as on 31st August 2011 and is the leading net subscribers gainer post launch of mobile number portability (MNP), a reflection of its brand strength. Idea currently offers 3G services in 20 service areas (including 3G roaming arrangements in 10 service areas). Idea posted a 25% rise in revenue at ₹ 9,124 Crore led by strong growth in minutes of usage. EBITDA soared by 33% to ₹ 2,385 Crore. Net profit de-grew from ₹ 381 Crore to ₹ 283 Crore. With introduction of 3G services, additional expenses of amortization of 3G spectrum fee and charging of related interest cost impacted bottom line.

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND THE HALF YEAR ENDED 30TH SEPTEMBER, 2011

₹ Crore

FINANCIAL RESULTS	Quarter Ended 30 th September		Year to Date Ended 30 th September		Year Ended 31 st March	
	2011 (Unaudited)	2010 (Unaudited)	2011 (Unaudited)	2010 (Unaudited)	2011 (Audited)	2010 (Audited)
Net Revenue	5,286	4,495	9,996	8,311	17,982	17,982
Other Operating Income	56	38	113	79	186	186
Net Income from Operations	5,342	4,533	10,109	8,390	18,168	18,168
Expenditure:						
Decrease / (Increase) in Stock in Trade	(130)	(107)	(166)	(141)	(166)	(166)
Consumption of Raw Materials	988	805	1,940	1,440	3,095	3,095
Purchase of Traded Goods	299	151	431	219	499	499
Employees Cost	728	628	1,409	1,210	2,463	2,463
Depreciation and Amortisation	273	232	534	453	941	941
Power & Fuel	286	233	553	426	881	881
Benefits Paid - Life Insurance Business	736	504	1,291	861	1,934	1,934
Change in Valuation of Liability in respect of Life Insurance Policies	(753)	1,735	(702)	2,539	3,325	3,325
Investment (Income) / Loss on Life Insurance Policyholders' Fund related to Linked Business (refer note no.5)	1,052	(1,222)	1,157	(1,658)	(1,469)	(1,469)
Other Expenditure	1,410	1,237	2,723	2,412	5,088	5,088
Total Expenditure	4,890	4,195	9,171	7,759	16,592	16,592
Profit from Operations before Other Income, Interest and Exceptional Items	451	338	938	630	1,576	1,576
Other Income	54	51	114	94	185	185
Profit before Interest and Exceptional Items	506	389	1,052	724	1,761	1,761
Interest related to lending activity of subsidiaries	44	21	82	39	112	112
Other Interest and Finance Expenses	168	115	323	232	454	454
Profit after Interest but before Exceptional Items	294	254	647	453	1,195	1,195
Exceptional Items (refer note no.4)	-	(104)	-	(104)	(104)	(104)
Profit before Tax	294	150	647	350	1,091	1,091
Tax Expenses	54	39	116	84	183	183
Net Profit (before Minority Interest)	240	111	532	266	908	908
Minority Interest	(26)	(6)	(64)	(12)	(86)	(86)
Share of Profit / (Loss) of Associates	-	-	-	(0)	(0)	(0)
Net Profit	214	105	467	254	822	822
Paid Up Equity Share Capital (Face Value of ₹ 10 each)	114	103	114	103	114	114
Reserve excluding Revaluation Reserve	18.87	10.13	41.18	24.54	77.60	77.60
Basic Earnings Per Share - ₹	18.86	9.80	41.15	23.73	75.74	75.74
Public Shareholding *						
Number of Shares			52,342,372	52,315,230	52,342,039	52,342,039
Percentage of Shareholding			46.11%	50.79%	46.11%	46.11%
Promoter and Promoter Group Shareholding *						
Pledged/ Encumbered			Nil	Nil	Nil	Nil
No. of Shares			-	-	-	-
Percentage of shares (as a %age of total Shareholding of promoter and promoter group)			-	-	-	-
Percentage of shares (as a % age of total Share Capital of the company)			-	-	-	-
Non - encumbered						
No. of Shares			57,944,697	47,444,697	57,944,697	57,944,697
Percentage of shares (as a %age of total Shareholding of promoter and promoter group)			100.00%	100.00%	100.00%	100.00%
Percentage of shares (as a % age of total Share Capital of the company)			51.05%	46.06%	51.05%	51.05%

* Excludes shares represented by Global Depository Receipts

Notes :

1 Consolidated Statement of Assets and Liabilities:

Particulars	Consolidated as on		
	30 th Sept 11 (Unaudited)	30 th Sept 10 (Unaudited)	31 st March 11 (Audited)
			₹ Crore
SOURCES OF FUNDS			
Shareholders' Fund	114	103	114
Equity Share Capital	1	26	26
Preference Share Capital	-	142	-
Share Warrants	23	20	22
Employee Stock Options Outstanding	7,000	5,443	6,517
Reserves & Surplus	7,137	5,733	6,678
Minority Interest	275	198	278
Loan Funds	10,801	9,605	9,301
Deferred Tax Liabilities	298	248	264
Policyholder's Fund	17,810	17,794	18,520
Fund for future appropriations	465	397	457
Total Funds Employed	36,786	33,975	35,499
APPLICATION OF FUNDS			
Fixed Assets	9,129	8,449	8,889
Goodwill on Consolidation	3,070	2,962	2,995
Investments	20,077	19,637	20,799
Deferred Tax Assets	8	3	6
Current Assets, Loans and Advances:			
Inventories	1,568	1,029	1,234
Sundry Debtors	2,056	1,358	1,609
Cash & Bank Balances	1,030	828	851
Other Current Assets	255	313	208
Loans & Advances	4,236	3,409	3,044
	9,146	6,937	6,945
Less: Current Liabilities & Provisions:			
Current Liabilities	4,419	3,890	3,939
Provisions	224	123	196
	4,644	4,014	4,135
Net Current Assets	4,502	2,923	2,811
Total Funds Utilised	36,786	33,975	35,499

2 In terms of Section 391 to 394 of the Companies Act, 1956, the Hon'ble Karnataka High Court vide order dated September 05, 2011 approved the Composite Scheme of Amalgamation for merger of Aditya Birla Minacs IT Services Limited and Aditya Birla Minacs Technologies Limited, subsidiaries of the Company in to another subsidiary namely Aditya Birla Minacs Worldwide Limited (ABMWL). The merger is effective from the Appointed Date, i.e. April 01, 2010.

During the quarter, the Company has purchased 27,53,333 equity shares in ABMWL. Consequent to this share purchase and above mentioned merger, the Company's shareholding in ABMWL now stands increased to 99.71 %.

3 a) Appeal of Idea Cellular Limited (IDEA), a Joint Venture company before the Appellate Bench of the Hon'ble High Court of Delhi, challenging its judgment dated July 04, 2011 passed by single judge concerning amalgamation of erstwhile Spice Communications Limited (Spice) with the IDEA and issues relating thereto is pending to be further heard. The next hearing is scheduled in November 2011. Through Interim orders, Appellate Bench had earlier directed DoT to :-

- (i) Accept the License Fee from the IDEA without prejudice, as IDEA is continuing to operate the licenses for Punjab & Karnataka service areas granted to erstwhile Spice;
- (ii) Maintain status quo in relation to the aforesaid two operating licenses till the next date of hearing and no coercive steps in relation to any demand pertaining to the four non operating licenses.

Pending the final disposal of the appeal, the consequential financial impact, if any, cannot be ascertained.

b) The Hon'ble Supreme Court, vide its judgment dated October 11, 2011, has set aside orders dated July 07, 2006 and August 30, 2007 passed by the Telecom Disputes Settlement & Appellate Tribunal (TDSAT) whereby TDSAT on petition of certain Telecom Operators, had ruled that income derived

by a telecom Operator from non licensed activities should not be taken into account while calculating Adjusted Gross Revenue (AGR) which forms the basis on which License fee is paid to DoT. The Supreme Court while passing the above judgment held that under The National Telecom Policy 1999, as the telecom Operators had signed the amended License Agreement under which a percentage of AGR was to be paid to DoT as License Fee instead of a fixed license fee, it was beyond the jurisdiction of the TDSAT to have entertained petitions from Telecom Operators and to decide on the definition of AGR without a specific demand being disputed before it. It has further held that TDSAT can go into the facts and materials related to the demand of a particular Licensee, if a Licensee disputes the demand raised by the DoT. IDEA is currently reviewing the judgement for the further course of action pending which the financial impact, if any has not been presently determined

c) IDEA has received a demand notice dated October 12, 2011 from DoT imposing penalty amounting to Group's share of ₹ 13 Crore for alleged breach of terms and conditions of the CMTS license agreement for Delhi service area concerning bulk connections. IDEA has challenged the above demand before TDSAT.

4 In the previous year Exceptional item consist of one time loss borne by Aditya Birla Money Limited and Aditya Birla Money Mart Limited, subsidiaries of the Company on account of certain trades of their clients.

5 For the purpose of consolidated financial results, the "Investment (Income) / Loss on Life Insurance Policyholders' Fund related to Linked Business", has been disclosed with "Change in Valuation Liability in respect of Life Insurance Policies."

6 Additional Information of Standalone Accounts required pursuant to Clause 29 of Listing Agreement for Debt Securities:

Particulars	As on 30 th September		As on 31 st March 2011
	2011	2010	
i) Paid-up Debt Capital - ₹ Crore	4,100	3,855	3,287
ii) Debenture Redemption Reserve - ₹ Crore	149	106	116
iii) Debt Equity Ratio	0.73	0.82	0.61
iv) Debt Service Coverage Ratio	1.81	2.14	1.32
v) Interest Service Coverage Ratio	3.32	3.33	3.45

Following have been computed as under:

i) Paid up Debt Capital = Total borrowings including Debentures

ii) Debt Equity Ratio = Paid up Debt Capital/ Net Worth ; (Net Worth : Equity Share Capital + Reserves and Surplus)

iii) Debt Service Coverage Ratio = Profit before Depreciation, Interest and Tax / (Interest and Finance Expenses + Principal Repayment of Long term Debts)

(excluding prepayments of ₹ 80 Crore during the current period, ₹ 323 Crore during the corresponding previous period and ₹ 345 Crore during the previous year)

iv) Interest Service Coverage Ratio = Profit before Depreciation, Interest and Tax / Interest and Finance Expenses

Pursuant to Clause 41 of the Listing Agreement, the Company has opted to publish consolidated financial results. The standalone financial results are available at company's website viz. www.adityabirlanuvo.com and on websites of BSE(www.bseindia.com) and NSE(www.nseindia.com).

Key Standalone financial information is given below:

Particulars	Quarter Ended 30 th September		Year to Date Ended 30 th September		Year Ended 31 st March	
	2011	2010	2011	2010	2011	2010
Net Income from Operations	2,052	1,639	3,916	2,950	6,445	495
Profit before Tax	126	146	253	236	495	380
Net Profit	92	120	186	184	380	380

Status of Investor Complaints for the quarter ended September 30, 2011:

Opening	0
Received	21
Pending	21

Previous year's / period's figures are regrouped / rearranged wherever necessary. Figures of Consolidated Financial Results for the quarter and year to date under review are not comparable with that of the corresponding previous periods since there have been acquisitions/disposals/stake changes/mergers/de-merger in subsidiaries and joint ventures.

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 held on November 01, 2011. The Statutory Auditors of the Company have carried out Limited Review as required under Clause 41 of Listing Agreement and the related report will be submitted to the concerned stock exchanges.

Madura Fashion & Lifestyle

Madura Fashion & Lifestyle has achieved a robust 30% year on year growth in revenue at ₹ 1,077 Crore. Madura posted a strong 32% volume growth despite the rise in apparel prices. Apparel prices were increased to pass on the rise in cotton prices and levy of excise duty. Its retail channel achieved 40% growth driven by same stores sales growth and expanded retail space. Like to Like stores sale grew by 15%. EBITDA grew by 28% to ₹ 82 Crore driven by consistent sales growth across the channels and brands viz. Louis Philippe, Van Heusen, Allen Solly and Peter England. Increase in apparel prices and volumes growth compensated for cost push and higher discounting. During the half year, Madura posted return on average capital employed (ROACE) of 16% vis-a-vis 11% in the previous year. A total of 160 exclusive brand outlets (EBOs) were launched to scale up the retail channel to 1,021 EBOs spanning across a 1.5 million square feet area.

IT-ITeS [Aditya Birla Minacs]

Aditya Birla Minacs has been named among the 'top five emerging outsourcers to watch for North America' by Frost and Sullivan. To diversify its geographical presence, Aditya Birla Minacs added one more centre in Philippines with a capacity of 285 seats. It has sold Total Contract Value of about USD 243 million and won 12 new logos in the first half year. Revenue grew year on year by 20% to ₹ 951 Crore. EBITDA before one-off items remained flat ₹ 78 Crore. Rise in manpower cost and slower ramp up in new contracts strained profitability. Your Company has acquired 11.72% holding in Aditya Birla Minacs. The IT and ITeS subsidiaries have been merged and your Company holds 99.71% in the merged entity.

Manufacturing businesses [Carbon Black, Agri-business, Rayon, Textiles and Insulators]

Collectively, revenue grew by 34% to ₹ 2,861 Crore. This was largely driven by buoyant sales volume in the Textiles business, higher trading revenue in the Agri-business, volume growth in the Carbon Black business and higher realization in the Carbon Black, Textiles, Rayon and Agri-business reflecting pass on of rise in input costs. EBITDA grew from ₹ 378 Crore to ₹ 400 Crore. In the Textiles business, strong volume growth in linen segment and improved realization across the segments augmented earnings growth. Higher urea and agri-input sales in the Agri business supported the earnings growth. A steep rise in the input costs and lower off take strained profitability in the Carbon black and Insulators business. Operating margin of the manufacturing businesses stood at 14% and ROACE at 22%. Working capital requirement increased largely in the Carbon Black business due to rise in input prices and in the Agri-business due to slower recovery of subsidy.

Your Company has strengthened its leadership position in the Financial Services, Telecom and Fashion & Lifestyle businesses. It has posted strong earnings even amidst the challenges of the prevailing macro-economic environment. This truly reflects the strength of its conglomerate model.

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-investors@adityabirla.com or abnlsecretarial@adityabirla.com

Looking forward for your continued support and wishing you a very happy and prosperous new year ahead.

Yours sincerely,



Sushil Agarwal

Whole Time Director & Chief Financial Officer
Mumbai, 1st November 2011

ADITYA BIRLA NUVO LIMITED

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ADITYA BIRLA NUVO LIMITED

Registered Office: Indian Rayon Compound, Veraval - 362266 (Gujarat)

USEFUL INFORMATION ON DEMATERIALIZATION OF PHYSICAL SHARES

1. Trading in the Equity Shares of your Company at BSE & NSE is permitted only in dematerialized form. The ISIN for Company's Equity Shares is INE069A01017.

2. Benefits of Holding Shares in Dematerialized Form

There are a number of benefits for holding of shares in dematerialized form, viz.

- Elimination of bad deliveries such as signature mismatches, invalid transfer deeds, etc.
- Elimination of all risks associated with physical share certificates, such as loss, theft, mutilation, etc.
- Reduction in handling of huge volumes of paper
- Waiver of stamp duty for transfer of equity shares
- Immediate transfer and registration of shares
- Pay in & pay out of securities & funds is on the same day for scripless trades
- Faster settlement cycles
- Faster disbursement of corporate benefits like rights, bonus, etc.
- Reduction in brokerage for trades done in dematerialized shares
- Periodic status reports to investors on their holdings and transactions, leading to better controls
- Convenient nomination facility
- Convenience in effecting change in address
- Freezing of the Depository Account in case desired by the shareholder

3. How to Get the Physical Shares Dematerialized

Dematerialization is the process by which physical shares of an investor are converted to an equivalent number of shares in electronic form and credited in the investor's account with his/ her Depository Participant (DP). In order to dematerialize physical shares, an investor will have to first open an account with a DP of his / her choice and then make a request for the dematerialization of shares by filling up a Dematerialization Request Form (DRF), which is available with the DP and submitting the same along with the physical share certificates. The investor has to ensure that before the share certificates are handed over by him / her to his DP for demat, the same are defaced by marking "**Surrendered for Dematerialization**" on the face of the share certificates.

4. **Shareholders holding shares in physical form are, therefore, requested to get their shares dematerialized as per their earliest convenience so as to avail benefits of holding shares in dematerialized form.**
5. In case any assistance is required from us, please write to our Investor Service Centre at the following address:

Aditya Birla Nuvo Limited
Investors Service Centre,
Indian Rayon Compound, Veraval - 362266 (Gujarat)
Email: abnlsecretarial@adityabirla.com

BOOK-POST

If undelivered, please return to:

Investor Service Centre

ADITYA BIRLA NUVO LIMITED

Registered Office:

Indian Rayon Compound,

Veraval – 362 266 (Gujarat)