



PRESS RELEASE

Mumbai, 30th January, 2008

ADITYA BIRLA NUVO LIMITED REPORTS RESULTS FOR Q3 FY 2008

Standalone

Consolidated



NET SALES



NET PROFIT



Standalone			Particulars	Consolidated		
Quarter ended 31st December				Quarter ended 31st December		
2007	2006	Growth %		2007	2006	Growth %
1,097.4	881.1	25%	Net Income from Operations	3,661.6	2,316.1	58%
172.4	151.5	14%	Operating Profit (PBDIT)	265.2	307.9	-14%
84.0	52.7	59%	Net Profit (after Minority Interest)	30.2	55.3	-45%
9.0	6.1	48%	EPS (Rs.)	3.2	6.0	-47%

Rs. Crores

Continued growth in consolidated revenues

The Company's **consolidated** revenues at Rs. 3,661.6 Crores have risen substantially by 58% from Rs. 2,316.1 Crores achieved during the corresponding quarter of FY 2007. **Revenues from its subsidiaries and joint ventures, where the company has made substantial investments in the past, grew by 79% to Rs. 2564.2 Crores from Rs. 1,435 Crores.** All the businesses are on the growth trajectory.

- ◆ The **Telecom** business registered a 49% rise in revenues at Rs. 1708.1 Crores vis-à-vis Rs. 1148.2 Crores with a subscriber base of 21.05 Millions as on December 31, 2007, growing at a higher clip than the industry. Idea has received Letter of Intent to operate in the remaining 9 circles besides receiving spectrum allocation for Mumbai and Bihar circles. This is a significant move towards Pan India presence.
- ◆ The **Life Insurance** business soared by 185% in revenues to Rs. 1484.7 Crores from Rs. 521.8 Crores. New business premium is up by 163% to Rs. 498 Crores. The business garnered 6.6% market share till Dec'07 up from 5.3% in FY2007, in terms of new business premium amongst private players. This was possible with the substantial investments that the company has made to strengthen the distribution reach. The business now has 339 branches and over 86,000 agents compared to 137 branches and over 57,000 agents in the beginning of the year.
- ◆ In the **Garments** business, revenues rose by 36% to Rs. 278.8 Crores from Rs. 204.7 Crores.

Controlled retail space has been expanded to 4.7 lacs square feet across 235 Exclusive Brand Outlets.

- ♦ The **BPO** business reported revenues of Rs. 403.1 Crores. Three new clients including two fortune 500 companies were added during the quarter besides launching one new site in India.

The **standalone** revenues grew by 25% from Rs. 881.1 Crores to Rs. 1097.4 Crores. The Carbon Black business posted the best ever quarterly revenues. Insulators and Fertilisers business also contributed to the revenues growth. After the breakdown in the preceding quarter, the fertiliser plant is now stabilised and is running on full capacity.

Growth in standalone net profit by 59% while investment phase of growth businesses had gestating impact on consolidated profitability

The **standalone** net profit during the quarter was higher by 59% at Rs. 84 Crores as against Rs 52.7 Crores attained in the corresponding quarter of last year. Insulators and Carbon Black businesses and income tax refunds contributed significantly to the earnings.

Despite higher standalone profitability, **consolidated** net profit at Rs. 30.2 Crores is lower by 45% against Rs. 55.3 Crores attained in the corresponding quarter of the preceding year.

The consolidated net profit for nine months ended 31st December 2007 is Rs. 172.6 Crores against Rs. 198.7 Crores in corresponding period of previous year despite aggressive growth in Telecom, Life Insurance, Asset Management and BPO businesses.

- ♦ In the **Life insurance** business, net loss increased during the quarter to Rs. 125.8 Crores from Rs. 30.8 Crores. This was largely due to rising share of new business premium and higher spends on expanding its distribution reach to regain the market share.
- ♦ In the **BPO** business, net loss was higher at Rs. 38.2 Crores, constrained by the weakening of US Dollar, besides ramping up and training costs for new sites.
- ♦ Pre-launch expenses of stores in apparel retail subsidiaries affected the profitability of the **Garments** business.

However, the **Telecom** business, which is now in the profit phase, has reported a substantial jump of 108% in net profit at Rs. 236.7 Crores vis-à-vis Rs. 113.8 Crores earned in the corresponding quarter of the last year.

In most of our businesses, we are moving ahead with our investment plans to leverage growth opportunities. Aditya Birla Nuvo is very optimistic about meeting the challenges of strategic growth initiatives and enhancing its revenues and earnings. The investments pumped into the Life Insurance, BPO and Garments businesses, which have created a stretch on profitability in the short term, will go long way for value creation for the shareholders.

Aditya Birla Nuvo Limited

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