

Performance Review

FY 2008-09

Investor Presentation

Mumbai, 28th April 2009

ADITYA BIRLA NUVO



ADITYA BIRLA GROUP

strong foundation energised growth

Contents

- **Key Highlights**
- **Financial Performance**
- **Outlook and Strategy**
- **Business-wise Performance**

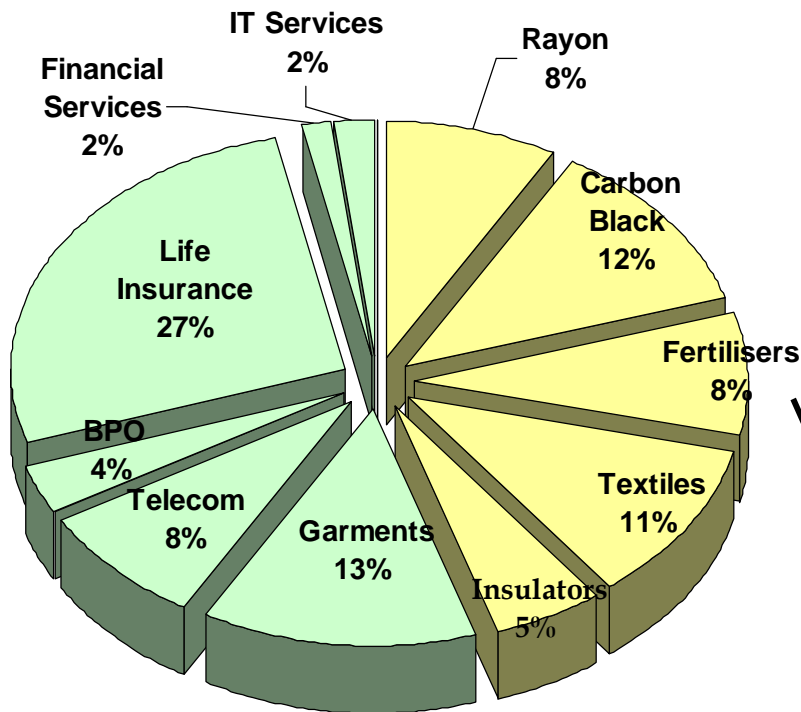
Key Highlights . . .

- **Our strategy to create shareholders' value is effective and showing results**
 - ➔ "To increase share of 'Growth' businesses in the consolidated revenues by deploying surplus cash generated by 'Value' businesses to nurture the 'Growth' businesses" **P 4**
- **Value businesses** maintained operating profits during the year despite Carbon Black business being impacted by unprecedented volatility in crude oil prices **P 5**
- **Telecom & Financial Services** – two key "Growth businesses" have outperformed industry & enhanced market share **P 8**
 - ➔ These businesses together account for over 50% of Nuvo's consolidated revenues
- **Garments** – While expansion of retail space supported revenues growth, gestating impact of new initiatives strained bottom-line **P 12**
 - ➔ Global slowdown impacted contract exports business
 - ➔ Extremely adverse market conditions in 2nd half year affected with the deepening of global financial crisis
- **BPO – Global slowdown affected revenue growth** **P 14**
 - ➔ Realigning capacity to mitigate impact of lower revenues from financial services and auto sector clients suffering slowdown
 - ➔ Increasing presence in India
- Cost control measures, capex re-alignment & working capital monitoring are actioned across businesses
- **No concern over liquidity** : Raised debt of Rs. 1,500 Cr. in FY09 **P 15**

■ ■ ■ Growth businesses nurtured by value businesses

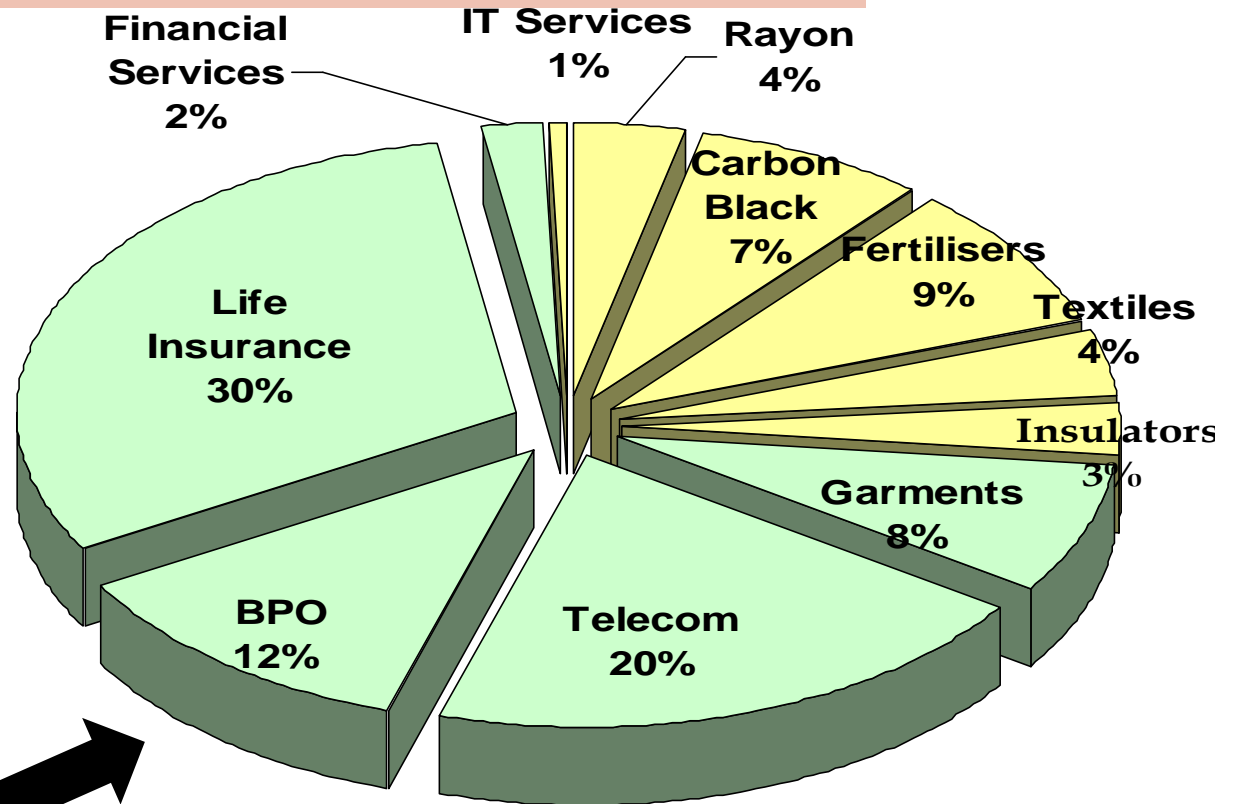
Consolidated Net sales mix

**FY'05-06
Rs. 4,643.8 Cr.**



**Growth Businesses
56%**

**Value Businesses
44%**



**Growth Businesses
73%**

**Value Businesses
27%**

**FY'08-09
Rs. 14,200.4 Cr.**

Value businesses maintained operating profits

Value businesses maintained operating profitability

Revenues

Rs. Crores

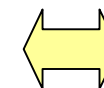
| Q4FY09 | Q4FY08 | Q3FY09 | | FY08 | FY09 |
|--------|--------|--------|-------------------------------|----------------|----------------|
| 238.1 | 267.1 | 221.9 | Carbon Black | 863.8 | 1095.6 |
| 337.8 | 269.2 | 362.6 | Fertilisers | 787.5 | 1,249.8 |
| 387.7 | 396.8 | 378.6 | Others Value businesses | 1,475.2 | 1,535.1 |
| 963.5 | 933.1 | 963.1 | Total Value businesses | 3,126.5 | 3,880.5 |

24%

PBIT

Rs. Crores

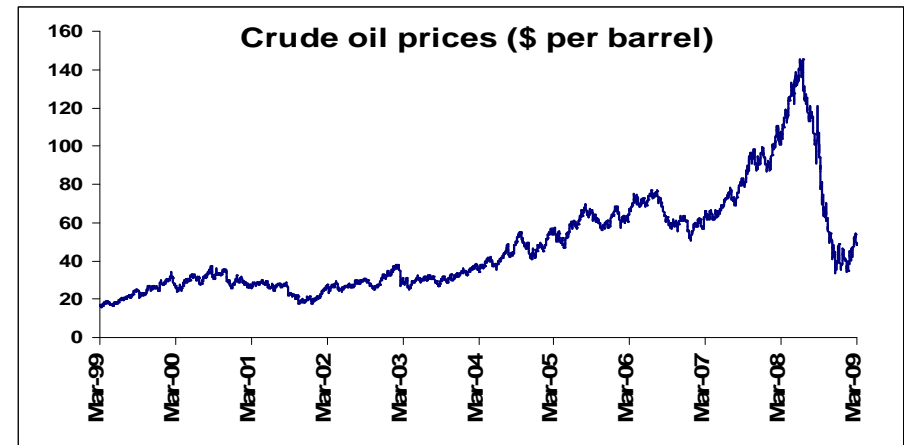
| Q4FY09 | Q4FY08 | Q3FY09 | | FY08 | FY09 |
|--------|--------|--------|-------------------------------|--------------|--------------|
| (13.8) | 30.9 | (26.3) | Carbon Black | 130.3 | 24.7 |
| 76.8 | 31.1 | 43.2 | Fertilisers | 84.5 | 209.7 |
| 62.7 | 74.2 | 43.1 | Others Value businesses | 262.7 | 230.9 |
| 125.7 | 136.2 | 60.0 | Total Value businesses | 477.5 | 465.3 |



Value businesses maintained operating profits

Carbon black : Steep fall in crude oil prices impacted margins across the industry

- ➔ Peak crude oil price built steadily since last 10 years crashed in less than 3 months time
- ➔ Business reported first ever quarterly loss in Q3FY09 due to this fluctuation coupled with lower off take from tyre industry
- ➔ Demand from tyre industry has shown improvement in the last quarter and losses curtailed
- ➔ Business will regain profitability from next quarter benefiting from low crude oil prices
- ➔ Greenfield expansion by 75K MTPA by Mar'10
 - ◆ Project activities will be aligned to match commencement of production with the demand revival



Fertilisers business posted its highest ever profitability

- ➔ PBDIT more than doubled in FY09 to Rs. 228.5 Cr.
 - ◆ In Q4, PBDIT rose from Rs. 35.9 Cr. to Rs. 81.4 Cr.
- ➔ Driven by sale of surplus ammonia, higher urea & agri-input trading volumes and incentives on higher capacity utilisation over cut off limit fixed under new fertilisers policy

■ ■ ■ Value businesses maintained operating profits

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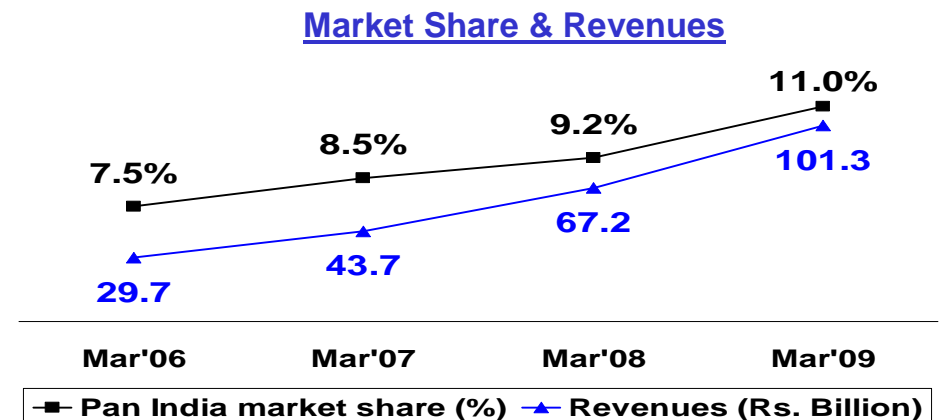
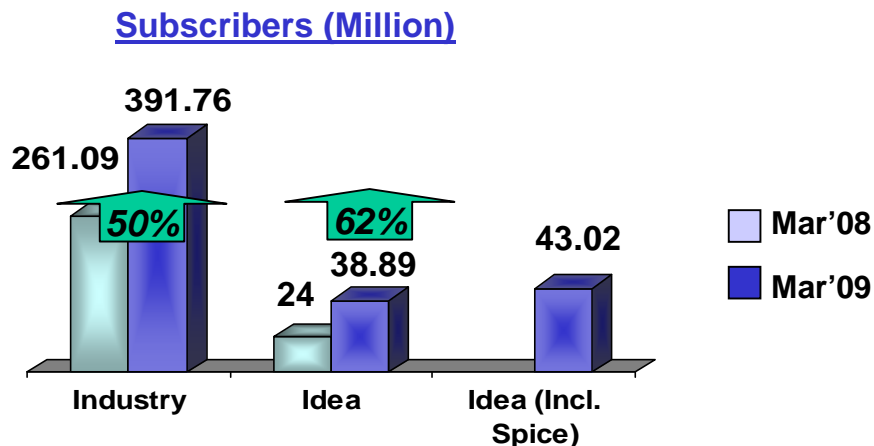
- **Rayon, Insulators and Textiles biz. posted satisfactory results amidst higher input and fuel prices prevailing during major part of the year and slowdown pressure in the textiles industry**
 - ➔ **Rayon** - Focus on finer denier yarn has resulted in improved VFY realisation
 - ➔ **Insulators** – Realisation improved through focus on high rating insulators
 - ◆ Shifted to coal gas for kiln firing at Rishra plant & natural gas at Halol plant to reduce fuel costs
 - ➔ **Textiles** : Nine exclusive brand outlets (under buy & sell mode without any capex) were opened under “Linen Club” brand to increase size of high margin retail segment
 - ◆ Improved share of better paying knit yarn and fine count yarn

- **Capacity expansion in Insulators & Rayon biz. to capture sector growth / de-bottlenecking**
 - ➔ **Insulators** – Capacity expanded by 10,000 TPA at Rishra plant and pilot plant for composite insulators installed at Halol plant are under trial run
 - ◆ Targeting further capacity addition by 4,000 TPA to reach a total capacity of 52,800 TPA
 - ➔ **Rayon** - Caustic Soda capacity expanded from 225 TPD to 250 TPD through line balancing in Dec'08

... Strategic initiatives driving outperformance

Telecom - Targeting Pan India presence by the end of calendar year 2009

- **Footprints expanded from 8 circles in Mar'06 to 16 circles in Apr'09**
 - Launched 3 new circles - Mumbai in Aug'08, Bihar (Incl. Jharkhand) in Oct'08 & Orissa in Apr'09
 - Added Punjab & Karnataka circles through Spice acquisition in Jun'08
 - Targeting to roll out Tamil Nadu circle (Incl. Chennai) by Jun'09 & remaining 5 circles by Dec'09
 - Cash inflows from TMI & Providence deals will cushion financing of capex plans & bidding for 3G
- **Idea Cellular (excl. spice) grew by 62% in subscribers base in FY09 while industry grew by 50%**
 - Including Spice, subscribers base stood at 43.02 million subscribers in Mar'09
 - ◆ Pan India market share increased from 9.2% in Mar'08 to 11% in Mar'09
- **Consolidated revenues of Idea Cellular crossed Rs. 100 billion mark in FY09**



Fastest growing major telco – back to back years of strong market gains

... Strategic initiatives driving outperformance

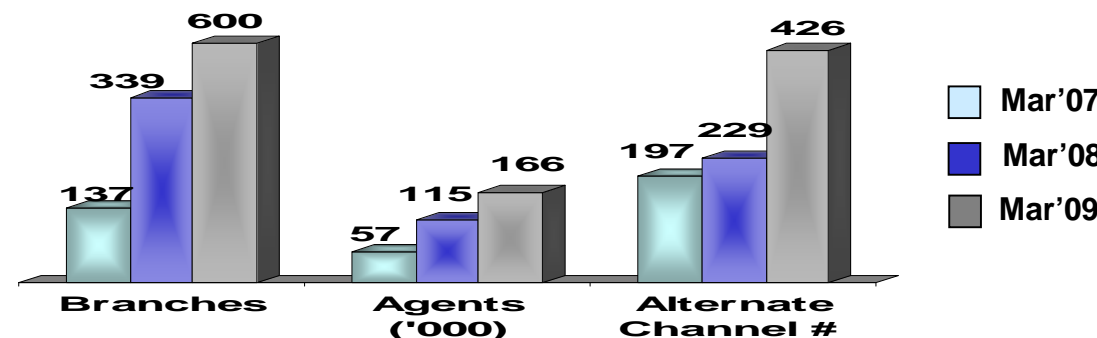
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Financial Services – Gaining market share through expansion of distribution network

Birla Sun Life Insurance

- Achieved 54% growth in terms of weighted new premium (WGRP) during Apr-Feb'09 while industry de-grew by 2% and private players grew by 12%
 - Market share amongst private players increased from 6.6% in FY'07-08 to 8.5% during Apr-Feb'09
 - Sustainable growth momentum built by focusing on non-polarised distribution network
- More than 85% of our AUM is in top quartile of fund performance

| | FY'07 | FY'08 | FY'09 |
|------------------|-----------------------------------|---------|---------|
| | In terms of Weighted New Premium* | | |
| Market Share (%) | 5.3% | 6.6% | 8.5%^ |
| Ranking | 5 | 6 | 5^ |
| AUM (Rs. Cr.) | 4,020.0 | 6,892.7 | 9,168.4 |



* Amongst private players

^ Apr-Feb'09

Banks and Corporate agents & brokers

... Strategic initiatives driving outperformance

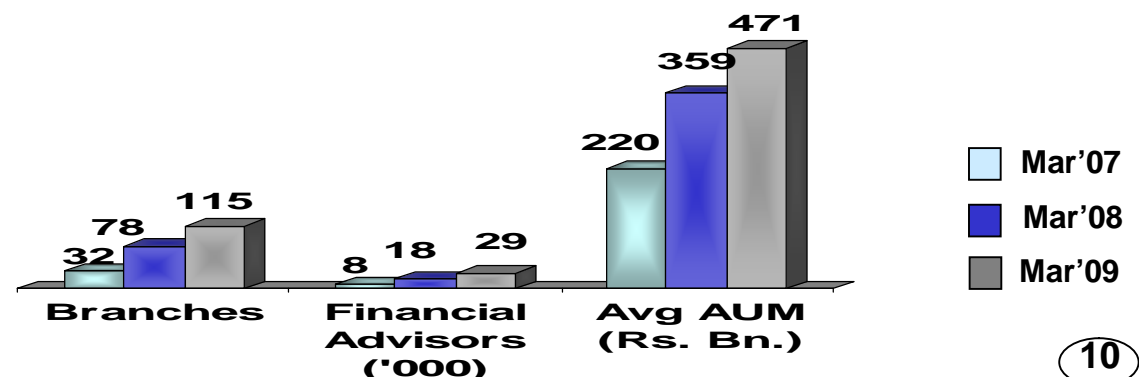
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Financial Services – Gaining market share through expansion of distribution network

Birla Sun Life Asset Management

- **Posted 31% YoY growth in avg. AUM in March 2009 while industry de-grew by 7%**
 - ➔ Market share rose from 6.8% in March 2008 to 9.5% in March 2009
- **Awarded ‘Mutual Fund House of the Year’ second time in a row by CNBC TV 18 – Crisil - a record in the history of Mutual Fund Industry**
 - ➔ Reflects sustainability of investment performance amidst both up-cycle and downturn in economy
 - ➔ Won ‘**Star Fund House of the Year**’ in Debt Category by ICRA
 - ➔ Won “**Best Group in Mixed Assets Category**’ by Lipper
- **More than 75% of our AUM is in top-2 quartiles of fund performance**
(Source : Value Research)

| | Mar'07 | Mar'08 | Mar'09 |
|------------------|----------------------------------|--------|--------|
| | In terms of Average Domestic AUM | | |
| Market Share (%) | 6.2% | 6.8% | 9.5% |
| Ranking | 6 | 5 | 5 |



... Strategic Initiatives for future growth

... continued

Financial Services – Positioning as a leader and role model in financial services sector with a broad based and integrated business

● Augmenting portfolio with entry in new segments

- Acquired 76% stake in Apollo Sindhoori, retail broking company, for Rs. 251.6 Cr. in Feb-Mar'09
 - ◆ Large customer base of over 175K clients will help deriving synergies through cross selling
 - ◆ Large geographical spread through a balanced mix of branches and franchisees
 - ◆ Business has shown improvement in performance since it became subsidiary of Nuvo
- Acquired balance 50% stake in Birla Sun Life Distribution for Rs. 7.6 Cr. in Mar'09
- Nation-wide distribution network of Apollo Sindhoori and BSDL will be leveraged
 - ◆ Building open architecture : ***“Any product – Any Manufacturer – Any Geography”***

● Birla Global Finance, our NBFC, posted improved profitability despite major slowdown in capital markets

- Proactively reduced exposure in fund based portfolio to beat the downturn in the stock market
 - ◆ Managed the fine balance between growth and profitability

... growth initiatives laying initial strain on bottom-line

Garments – Expanded presence in apparel retailing

- Retail space more than doubled in last two years leading to sustainable revenues growth

| Branded Garments | Mar'07 | Mar'08 | Mar'09 |
|---|--------|--------|--------|
| Retail Space ('000 Sq Ft) | 309 | 507 | 702 |
| No. of Exclusive Brand Outlets (EBOs) | 168 | 252 | 340 |
| Revenues (Rs. Cr.) | 670.8 | 825.7 | 906.4 |
| Share of retail channel in revenues (%) | 34% | 40% | 48% |

- During FY09, apparel industry got severely impacted by lower walk-ins, stock built up and prolonged discounting
- Sales from our expanded retail channel achieved 33% YoY growth to support overall 10% revenues growth while bottom-line got impacted by gestating impact of new stores openings
 - Key fashion brands – Louis Philippe and Van Heusen continue to be profitable
 - However, strengthening of Allen Solly remained an issue under difficult market conditions
 - Peter England has shown improved performance
 - Esprit was impacted by rise in costs of imported merchandise due to rupee depreciation

... growth initiatives laying initial strain on bottom-line

... continued

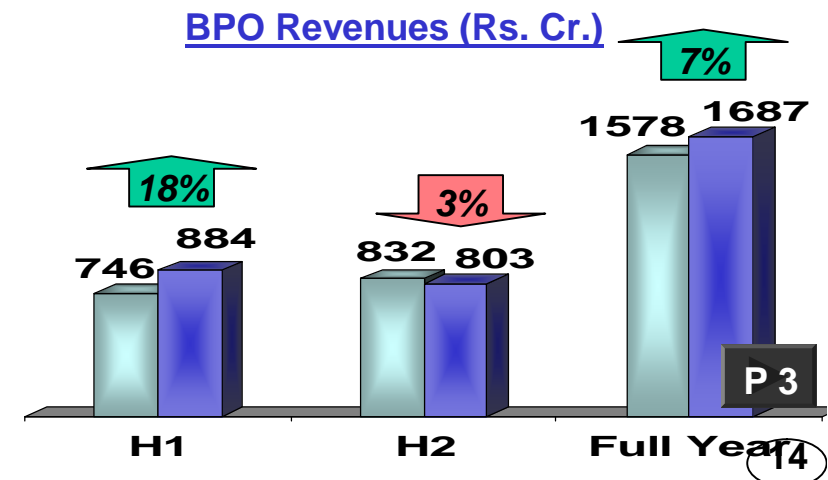
Garments – Thrust on achieving profitable growth

- **New concepts “Collective” and “People” could not perform as per plan due to unprecedented market conditions**
 - Investment in infrastructure & brand building resulted in losses of Rs. 128.7 Cr. (LY-Rs. 25.5 Cr.)
 - Substantial restructuring already done to make these initiatives more cost effective
 - ◆ This will help in reducing the losses to almost one-third in the coming year
- **Exports business suffered from under utilisation of capacity resulting from weak order flows and forex loss on cancellation of few orders**
- **Initiatives taken to bring back profitability** : Expected savings of Rs. 100 Cr. for full next year
 - Rent re-negotiation and exit from unviable stores
 - Tighter working capital management
 - Manpower rationalisation and overheads reduction
- **Capex plans have been re-aligned to match demand outlook**
 - Only 12 new EBOs launched in Q4FY09 compared to 84 stores launched in last three quarters
 - Thrust is on improving sales from already expanded set up
- **Appointment of new business head in Feb’09 will strengthen leadership and ensure that garments business re-gain profitability faster**

... global slowdown affected revenues growth

BPO – Steps are being taken to improve profitability

- Overall revenues in BPO business grew by 7% but revenues in North America impacted due to lower business from existing clients suffering slowdown
 - ➔ Achieved 18% growth in H1FY09, while deepening of global slowdown post Lehman fallout led to de-growth in H2FY09
 - ➔ Weak order flow resulted in forex loss
- Added ~ 600 seats in India to serve telecom sector; planning to add further 1,000 seats next year
- Achieved savings in overheads led by site rationalisation and cost control efforts
- As a result, business remained positive at operating profit level despite site closure costs of Rs. 27 Cr., forex loss of Rs. 24.6 Cr. and higher manpower costs
- Renewed business leadership will ensure achievement of profitable growth
- Efforts are on to integrate IT services business with BPO business
 - ➔ PSI Data Systems de-listed from the BSE w.e.f. 6th April 2009



Financial Performance

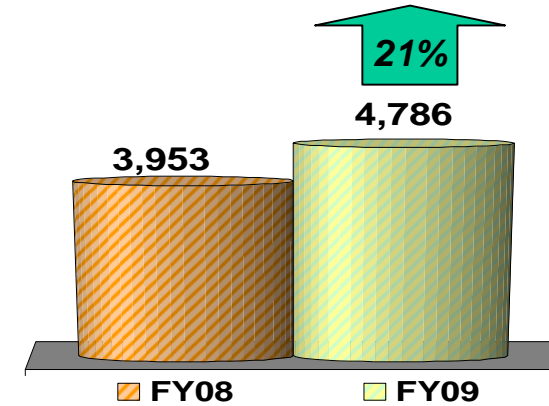
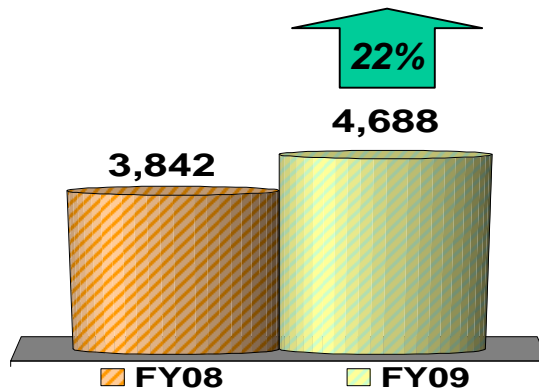
Revenues : FY 2008-09

Rs. Cr.

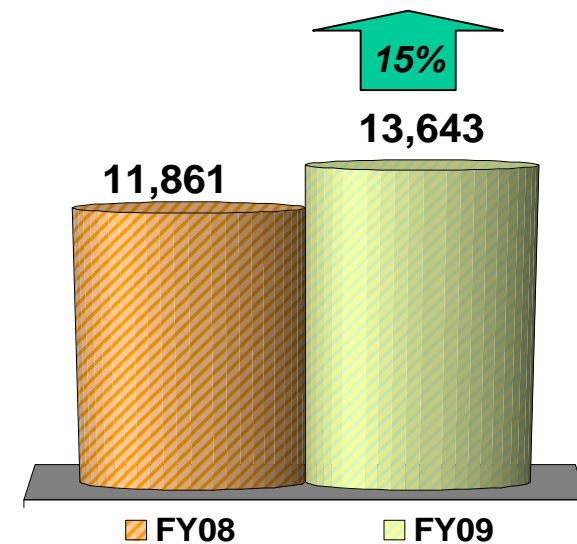
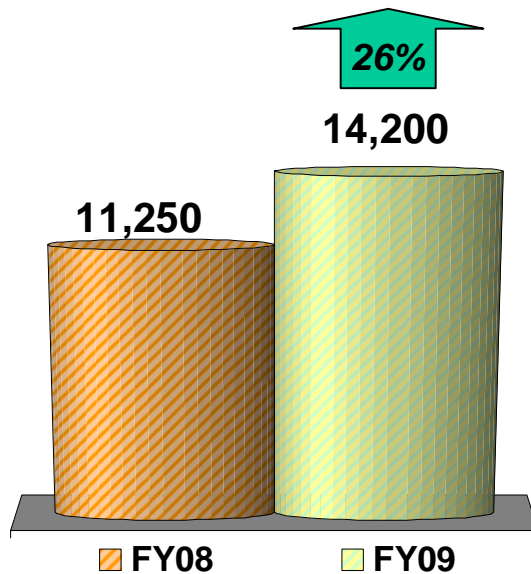
Net Sales

Net Income from Operations

Standalone



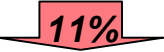
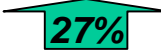

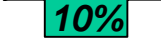
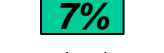
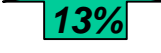

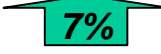






Consolidated



Revenues Chart - Standalone

Rs. Cr.







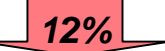
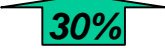
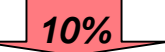



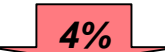







| Quarter - 4 | | Net income from operations | Full Year | | | |
|---|---------|----------------------------|-------------------------|---------|---------|---|
| 2008-09 | 2007-08 | | 2008-09 | 2007-08 | | |
|  25% | 337.8 | 269.2 | Fertilisers | 1,249.8 | 787.5 |  59% |
|  11% | 238.1 | 267.1 | Carbon Black | 1,095.6 | 863.8 |  27% |
|  5% | 210.6 | 222.3 | Branded Garments | 906.4 | 825.7 |  10% |
|  7% | 137.1 | 127.8 | Rayon | 537.1 | 476.0 |  13% |
|  | 115.3 | 115.3 | Insulator | 424.8 | 398.9 |  7% |
|  12% | 135.2 | 153.7 | Textiles | 573.2 | 600.3 |  5% |
| | (0.2) | (1.5) | Inter-unit elimination | (0.8) | 0.9 | |
|  2% | 1,173.9 | 1,153.9 | Standalone Total | 4,786.2 | 3,953.1 |  21% |

... Standalone revenues grew by 21%

... continued

- **Standalone net income from operations rose by 21% from Rs 3953.1 Crores to Rs. 4786.2 Cr.**
 - In the fertilisers business, sharp rise in natural gas and naphtha prices resulted in higher subsidies while volumes grew by 23%
 - Rise in feedstock prices pushed realisation up in Carbon black business, while sales volumes de-grew by 5%
 - ◆ During Q4FY09, the Carbon Black revenues decreased due to lower sales volumes
 - In the Garments business, sales from expanded retail channel grew by 33% year on year while lower walk-ins & prolonged discounting reduced overall growth to 10%
 - Improved product mix in the Rayon and the Insulators businesses resulted in higher realisation
 - Revenues in the textiles business were impacted by slowdown

Revenues Chart - Consolidated

| Quarter - 4 | | Net income from operations | Full Year | | | |
|---|--------------|----------------------------|--|---------------|----------------|---|
| 2008-09 | 2007-08 | | 2008-09 | 2007-08 | | |
|  | 1,173.9 | 1,153.9 | Standalone Total | 4,786.2 | 3,953.1 |  |
|  | 790.0 | 626.8 | Telecom (Nuvo's Share) @ | 2,890.2 | 2,135.6 |  |
|  | 1,635.9 | 1,391.0 | Life Insurance <div style="display: inline-block; vertical-align: middle; margin-left: 10px;"> { Premium income Investment income / (loss) on policyholders' funds </div> | 4,414.3 | 3,223.1 |  |
| | 115.1 | (828.8) | | | (670.7) | 487.3 |
|  | 58.0 | 65.6 | Other financial Services | 249.3 | 192.2 |  |
|  | 409.1 | 455.2 | BPO & IT | 1,782.5 | 1,678.7 |  |
|  | 8.1 | 0.4 | Apperal Retail | 20.8 | 0.4 |  |
|  | 52.6 | 54.6 | Contract Garments Export | 198.8 | 209.1 |  |
| | (4.8) | (6.1) | Contra | (28.3) | (18.4) | |
|  | 4,237.9 | 2,912.6 | Consolidated total | 13,643.2 | 11,861.1 |  |
|  | 4,122.7 | 3,741.4 | Consolidated (Without investment income / (loss) on policyholders' funds) | 14,313.9 | 11,373.8 |  |
|  | 2924.0 | 1972.4 | Idea Cellular (Telecom) | 10125.2 | 6720.0 |  |

@ Idea is consolidated at 31.78% till 12th Aug'08 and at 27.02% afterwards. Full financial numbers are as under:

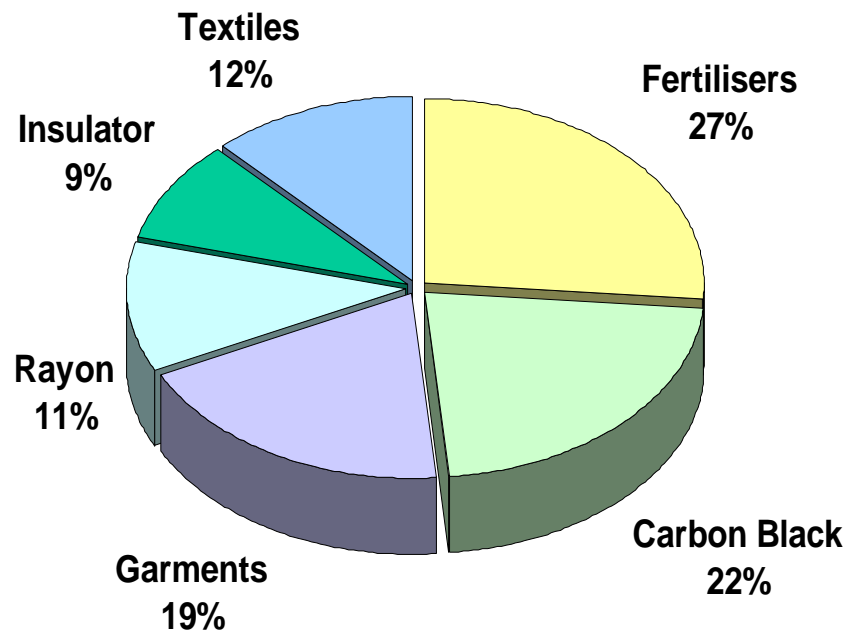
... Consolidated revenues grew by 15%

... continued

- **Consolidated net income from operations grew by 15% from Rs. 11861.1 Cr. to Rs. 13643.2 Cr.**
 - Idea Cellular revenues grew by 51% driven by subscribers growth and launch of new circles
 - ◆ Nuvo's share could grow only by 35% from Rs. 2135.6 Cr. to Rs. 2890.2 Cr. due to dilution of Nuvo stake in Idea from 31.78% to 27.02%
 - While Life Insurance business witnessed 37% growth in net premium income, loss on policyholders' investments arrested revenues growth
 - Other financial services grew considerably in revenues despite depressed market conditions
 - World-wide slowdown impacted revenues growth in BPO and IT services businesses, particularly in the last quarter
 - New apparel retail initiatives could not grow as planned, due to unprecedented market conditions
 - Revenues in the contract garments exports business were impacted due to reduced order flow

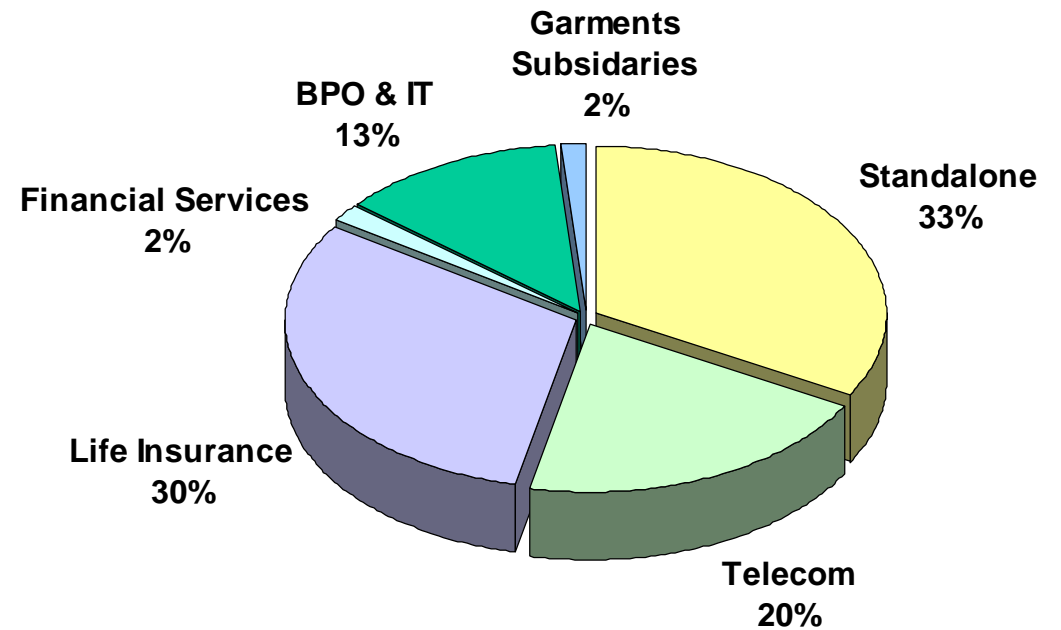
Net Sales Mix : FY 2008-09

Standalone



Rs. 4,687.6 Cr.

Consolidated



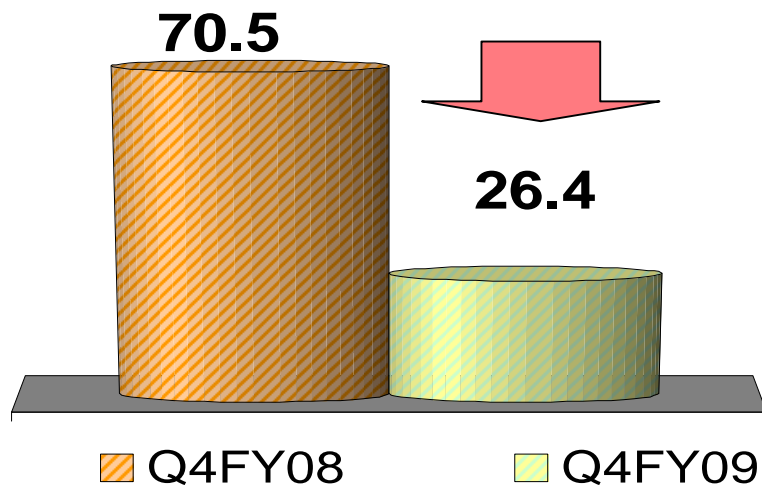
Rs. 14,200.4 Cr.

Standalone Net Profit

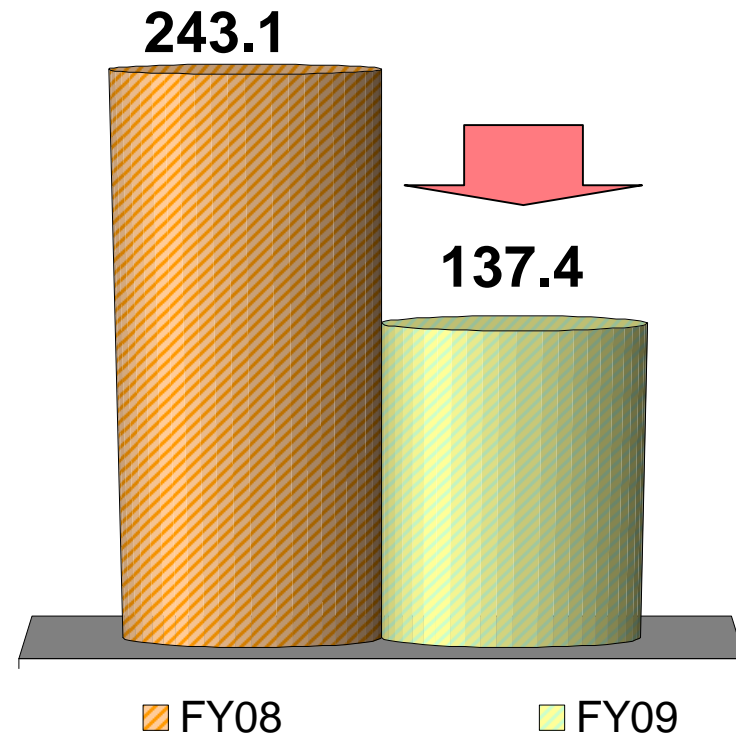
Rs. Cr.



Quarter-4



Full Year



Standalone Operating Profit

Rs. Cr.

| Quarter - 3 | Quarter - 4 | | PBDIT | Full Year | |
|-------------|--------------|--------------|--------------------|--------------|--------------|
| | 2008-09 | 2007-08 | | 2008-09 | 2007-08 |
| 6.0 | (17.3) | 24.7 | Branded Garments | 1.7 | 67.1 |
| (20.1) | (7.3) | 37.6 | Carbon Black | 49.7 | 152.6 |
| 47.8 | 81.4 | 35.9 | Fertilisers | 228.5 | 102.4 |
| 28.7 | 33.5 | 40.9 | Insulators | 122.8 | 136.3 |
| 21.2 | 37.2 | 33.8 | Rayon | 123.0 | 124.4 |
| 10.5 | 9.7 | 16.7 | Textiles | 54.2 | 67.9 |
| (4.6) | 15.0 | (9.7) | Corporate / Others | 5.9 | (16.8) |
| 89.5 | 152.2 | 180.0 | PBDIT | 585.7 | 633.9 |

... Standalone operating profit

... continued

● Standalone operating profit de-grew from Rs. 633.9 Cr. to Rs. 585.7 Cr.

- In the Garments business profitability was impacted due to high lease rentals and prolonged discounting.
- The Carbon Black business was impacted due to unprecedented volatility in the feed stock prices
- The Fertilizers business posted its highest ever profitability driven by higher capacity utilisation, surplus ammonia sales and scaling of agri-products trading segment
- The Rayon business maintained its profitability amidst higher sulphur and wood-pulp prices prevailing for a large part of the year
- The Insulators business was affected by higher input and fuel prices
- The Textiles business was impacted due to lower volumes consequent to slowdown
 - ◆ Usage of high prices stock impacted wool industry due to sudden fall in commodity prices

● Standalone operating profit grew from Rs 89.5 Cr. in Q3FY09 to Rs 152.2 Crores in Q4FY09

Standalone Financial

Rs. Cr.

| Quarter - 3 | Quarter - 4 | | Particulars | Full Year | |
|-------------|-------------|-------------|------------------------------|--------------|--------------|
| | 2008-09 | 2007-08 | | 2008-09 | 2007-08 |
| 1,172.5 | 1,152.7 | 1,102.3 | Net Sales | 4,687.6 | 3,842.3 |
| 24.2 | 21.2 | 51.6 | Other Operating Income | 98.6 | 110.8 |
| 1,196.6 | 1,173.9 | 1,153.9 | Net income from operations | 4,786.2 | 3,953.1 |
| 89.5 | 152.2 | 180.0 | Operating Profit (PBDIT) | 585.7 | 633.9 |
| 72.8 | 86.0 | 50.2 | Interest (Net) # | 257.4 | 179.0 |
| 16.7 | 66.2 | 129.8 | Gross Profit (PBDT) | 328.3 | 454.9 |
| 42.1 | 44.7 | 37.7 | Depreciation/ Amortisation | 166.0 | 141.1 |
| - | - | - | Exceptional Gain / (Loss) | - | 0.7 |
| (29.4) | (4.8) | 21.5 | Provision for Taxation (Net) | 24.9 | 71.5 |
| 4.1 | 26.4 | 70.5 | Net Profit | 137.4 | 243.1 |

Interest costs grew from Rs. 179 Cr. to Rs. 257.4 Cr. due to higher debt level to fund :

- Capex requirements in Garments, Rayon, Carbon Black and insulators businesses per se
- Investments in Life Insurance and other financial services
- Increased working capital requirement in Carbon black and Garments businesses per se

Consolidated Net Profit

Rs. Cr.

| Quarter - 3 | Quarter - 4 | | Net Profit | Full Year | |
|----------------|----------------|---------------|---------------------------------------|----------------|---------------|
| 2008-09 | 2008-09 | 2007-08 | | 2008-09 | 2007-08 |
| 59.3 | 74.1 | 87.9 | Telecom (Nuvo's share) @ | 259.1 | 331.2 |
| (43.4) | (36.6) | (20.6) | BPO & IT | (127.9) | (86.3) |
| (165.8) | (189.5) | (201.9) | Life Insurance | (702.1) | (445.3) |
| (2.3) | 1.4 | 1.4 | Asset Management (Nuvo's share 50%) @ | 3.9 | 1.4 |
| 6.7 | (1.5) | 11.7 | Other financial services | 26.9 | 30.7 |
| (27.9) | (14.7) | (10.2) | Contract Garments Manufacturing | (83.8) | (22.0) |
| (34.5) | (43.8) | (16.0) | Apparel Retail | (128.7) | (25.5) |
| (1.0) | 0.5 | 0.9 | Others | (0.5) | 0.4 |
| (208.8) | (210.0) | (146.8) | Total JVs / Subs | (753.1) | (215.3) |
| (48.3) | (42.5) | (54.5) | Less: Contra / Minority Interest | (185.1) | (123.1) |
| (160.5) | (167.6) | (92.3) | Nuvo's Share in JVs/Subs | (568.0) | (92.3) |
| 4.1 | 26.4 | 70.5 | Nuvo Standalone | 137.4 | 243.1 |
| (156.4) | (141.2) | (21.8) | Nuvo Consolidated | (430.5) | 150.8 |

@ Only pro-rata share (Idea is consolidated at 31.78% till 12th Aug'08 and at 27.02% afterwards). Full financial numbers are as under:

| | | | | | |
|-------|-------|-------|---------------------------------------|-------|--------|
| 219.5 | 274.3 | 276.7 | Idea Cellular (Telecom) | 900.9 | 1042.3 |
| -4.6 | 2.9 | 2.8 | Birla Sun Life AMC (Asset Management) | 7.9 | 2.8 |

... Consolidated Net Profit

... continued

- **Consolidated net loss at Rs. 430.5 Cr. against net profit of Rs. 150.8 Cr. last year.**
 - ➔ In the telecom business, despite strong growth in revenues, bottom line was constrained due to start up costs of new roll outs and share of losses in Spice and Indus tower
 - ➔ The BPO business was impacted by site closure costs and forex losses
 - ➔ In the Life Insurance business, the infrastructure created for growth led to new business strain affecting the bottom-line. The losses in Q4FY09 are lower than last year despite 19% growth in new business premium
 - ➔ Other financial services posted satisfactory performance amidst sector challenges
 - ➔ The contract exports business suffered forex loss & lower capacity utilisation due to reduced order flow
 - ➔ Apparel retail subsidiaries incurred start up losses due to investment in infrastructure and brand building

- **Consolidated loss reduced from Rs 156.4 Cr. in Q3FY09 to Rs 141.2 Cr. in Q4FY09, despite higher new business strain in the life insurance business**

Consolidated Financial

Rs. Cr.

| Quarter - 3 | Quarter - 4 | | Particulars | Full Year | |
|-------------|-------------|---------|--|----------------|--------------|
| 2008-09 | 2008-09 | 2007-08 | | 2008-09 | 2007-08 |
| 3,429.0 | 4,096.9 | 3,683.3 | Net Sales | 14,200.4 | 11,249.6 |
| (315.1) | 115.1 | (828.8) | Investment income / (loss) on policyholders' funds | (670.7) | 487.3 |
| 29.3 | 25.8 | 58.1 | Other Operating Income | 113.4 | 124.2 |
| 3,143.3 | 4,237.9 | 2,912.6 | Net income from operations | 13,643.2 | 11,861.1 |
| 118.6 | 171.7 | 241.0 | PBDIT | 772.5 | 1,101.3 |
| 181.5 | 198.0 | 150.1 | Depreciation | 695.9 | 524.9 |
| (62.9) | (26.3) | 90.9 | PBIT | 76.5 | 576.3 |
| 160.6 | 168.5 | 132.3 | Net Interest | 624.1 | 425.0 |
| (223.4) | (194.8) | (41.4) | Profit Before Tax | (547.6) | 151.3 |
| (1.2) | (1.1) | - | Exceptional Gain / (Loss) | (2.2) | 0.7 |
| (20.8) | (1.3) | 35.5 | Provision for Taxation (Net) | 75.3 | 125.9 |
| (47.4) | (53.4) | (55.0) | Minority Interest | (194.6) | (124.6) |
| (156.4) | (141.2) | (21.8) | Net Profit after minority interest | (430.5) | 150.8 |

Strategy Going forward

Strategy Going Forward : Growth Businesses

● Telecom : Achieving Pan India presence

- Speedy roll out in remaining six circles and increasing presence in existing circles
- Improving quality of services in Punjab & Karnataka circles as per Idea standards
- Deriving full benefits from Tower Joint Venture, international long distance (ILD) license held by Spice and TMI's presence in ten Asian countries

● Financial Services : Striking balance between growth and profitability

➤ Life Insurance / Asset Management

- ◆ Improving productivity and augmenting relationships across distribution channels
 - ▶ Building newer channels to achieve sustainable growth in future
- ◆ Launching contemporary products to optimise product suite
- ◆ Delivering consistent & superior returns to customers
- ◆ Increasing share of high margin equity & PMS AUM along with expanding foot print in overseas market and real estate arena in the Asset Management business

➤ Deriving synergy across business verticals to achieve vision

- ◆ Utilising the client base and distribution network of Apollo Sindhoori for cross selling
- ◆ Delivering differentiated and superior but uniform customer experience

Strategy Going Forward : Growth Businesses

● BPO : Achieving profitable growth

- Improving seats utilisation and sites rationalisation to reduce overheads
- Improving SLA and client retention
- Off-shoring support functions and supporting new business from low cost locations
- Thrust on growing high margin KPO segment
- Leveraging Aditya Birla Group Ecosystem particularly in the Telecom and Insurance verticals

● Garments : Improving profitability

- Improving retail productivity with emphasis on product and merchandise grid for higher sell through
- Controlling overheads and enhancing supply chain efficiency
- New initiatives being re-modeled to curtail losses
- Regaining profitability in the garments exports business by right sizing the business and cost reduction.

Strategy Going Forward : Value Businesses

● Carbon Black

- ➔ Regaining profitability by managing CBFS procurement costs
- ➔ Aligning completion of Greenfield expansion by 75,000 MTPA with revival of demand

● Fertilisers

- ➔ Improving profitability by higher capacity utilisation and by scaling up agri-product trading segment

● Insulators

- ➔ Full utilisation of capacity expansion by 10,000 MTPA
- ➔ Augmenting capacity further by 4,000 MTPA
- ➔ Yield enhancement to improve margins

● Rayon

- ➔ Improving yarn quality to derive premium in exports markets

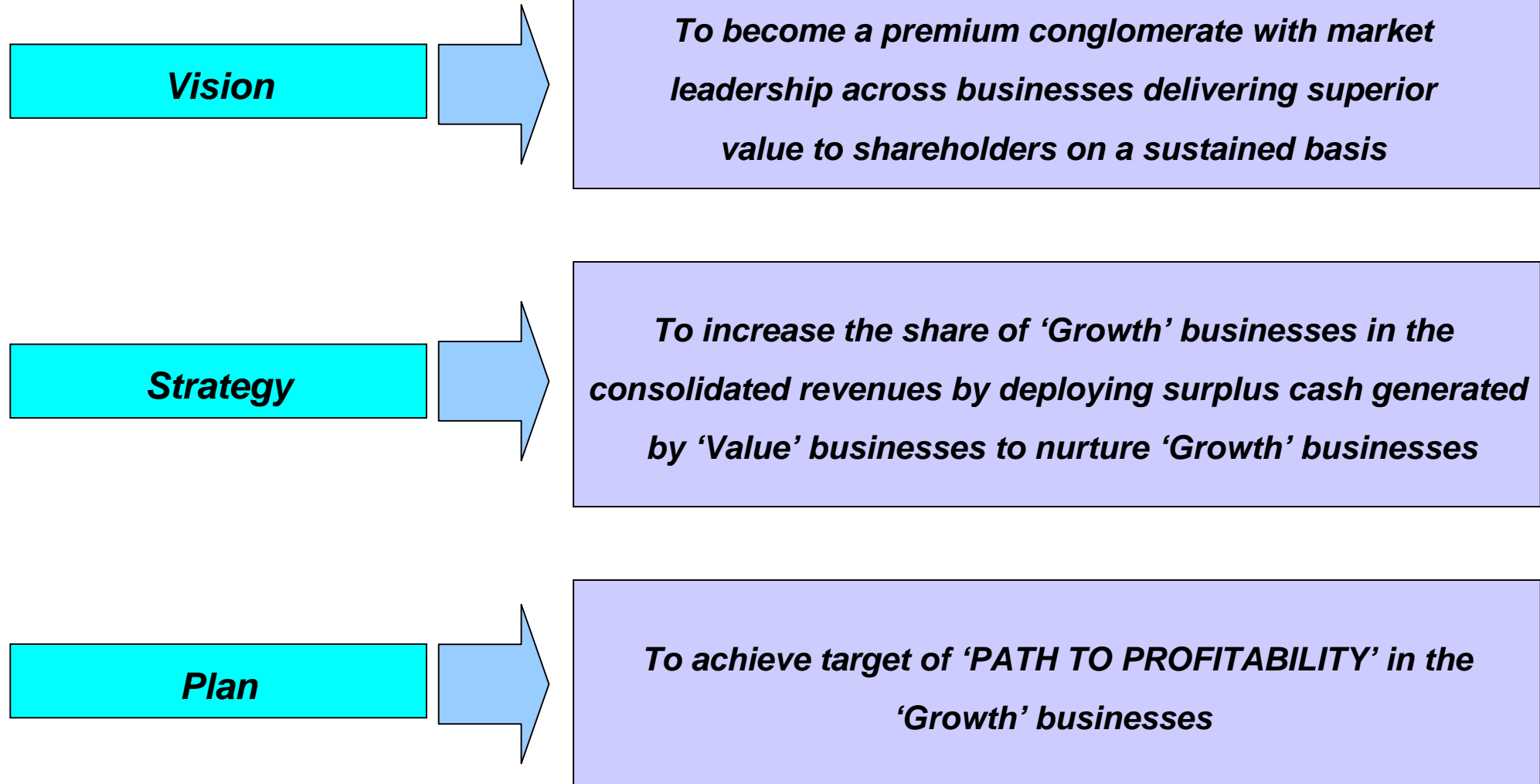
● Textiles

- ➔ Expanding presence in high margin retail segment under “Linen Club” brand

● Finance

- ➔ Reducing Debt burden

Vision and Strategy



Dedicated to ensure that ongoing growth initiatives achieve profitability faster

Business-wise Performance FY2009 over FY2008

Telecom – Idea Cellular

● Revenues jumped YoY by 51% to Rs. 10,125.2 Cr. supported by growth in subscribers

- Spice results since 16th Oct'08 have been consolidated at 41.09% as a Joint Venture

● Net Profit lower at Rs. 900.9 Cr. vis-à-vis Rs. 1,042.3 Cr. last year

- Cash profit grew from Rs. 1,991.6 Cr. to Rs. 2,341 Cr. despite start up losses in Mumbai & Bihar
- Share in losses of Spice and Indus towers lowered net profit by Rs. 74.5 Cr.
- Depreciation rose from Rs. 876.8 Cr to Rs. 1,403.9 Cr. due to new roll outs, Spice & Indus Consolidation and capacity & quality enhancement efforts in existing circles, benefit of which will accrue going forward

● During Q4FY09, net profit at Rs. 274.3 Cr. maintained compared to last year and grew from Rs. 219.5 Cr. in Q3FY09

● Financial position and leveraging capacity of Idea strengthened

- Net debt-equity ratio (net of cash & cash equivalents of Rs. 5,131.6 Cr.) stands at 0.27 as on 31st Mar'09

● Pan India presence will drive economies of scale and operational synergies

Rs. Cr.

| Quarter - 4 | | Particulars | Full Year | |
|-------------|---------|----------------------------|-----------|----------|
| 2008-09 | 2007-08 | | 2008-09 | 2007-08 |
| | | Subscribers (Nos. Million) | 38.89 | 24.00 |
| | | 13 Service areas | | |
| | | Punjab & Karnataka | 4.13 | |
| 2,924.0 | 1,972.4 | Revenues | 10,125.2 | 6,720.0 |
| 874.0 | 694.4 | PBDIT | 3,049.6 | 2,375.7 |
| 441.9 | 434.6 | PBIT | 1,645.7 | 1,498.8 |
| 274.3 | 276.7 | PAT | 900.9 | 1,042.3 |
| | | Net Worth | 13,828.6 | 3,544.6 |
| | | Total Debt | 8,916.5 | 6,515.4 |
| | | Capital Employed | 22,745.1 | 10,060.0 |
| 7.5 | 18.7 | ROACE (Annualised) (%) | 10.0 | 18.2 |

Life Insurance – Birla Sun Life Insurance

Rs. Cr.

● **Achieved 44% YoY growth in new business premium income at Rs. 2,823.9 Cr in FY09**

- In Q4FY09, new business premium income grew YoY by 19% to Rs. 1,035.1 Cr.

● **Garnered market share amidst slowdown woes supported by expanded customer reach and launch of contemporary products to suit market conditions**

- Traditional Life, Pension plan, Health Plan and Platinum Plus-II launched during the year

● **Net loss higher at Rs. 702.1 Cr. vis-à-vis Rs. 445.3 Cr. incurred last year**

- Initial strain of growing size of new business premium coupled with expansion of distribution reach

● **Superior AUM portfolio quality** : More than 80% of equity as well as debt AUM is invested in fundamentally strong large caps and highest rated instruments respectively

- AUM grew by 33% from Rs. 6,892.7 Cr. to Rs. 9,168.4 Cr.

● **Growth funded by capital infusion of Rs. 725 Cr. in FY'08-09 (Nuvo's share - Rs. 536.5 Cr.)**

| Quarter - 4 | | Particulars | Full Year | |
|-------------|---------|--|-----------|---------|
| 2008-09 | 2007-08 | | 2008-09 | 2007-08 |
| | | <u>First Year Premium</u> | | |
| 851.5 | 713.5 | Individual Business | 2,480.8 | 1,741.0 |
| 183.7 | 153.9 | Group Business | 343.2 | 224.0 |
| 1,035.1 | 867.4 | Total First Year Premium (Gross) | 2,823.9 | 1,965.0 |
| 655.1 | 542.3 | Renewal Premium (Gross) | 1,753.7 | 1,307.2 |
| 1,635.9 | 1,391.0 | Net Premium Income (Net of reinsurance and service tax) | 4,414.3 | 3,223.1 |
| 115.1 | (828.8) | Investment income / (loss) on policyholders' funds | (670.7) | 487.3 |
| 1,751.1 | 562.2 | Revenues | 3,743.6 | 3,710.4 |
| (189.5) | (201.9) | Net Profit/(Loss) | (702.1) | (445.3) |
| | | Assets under management | 9,168.4 | 6,892.7 |

Asset Management – Birla Sun Life Asset Management

Rs. Cr.

- **Average domestic AUM stood at Rs. 47,096 Cr. in Mar'09, registering YoY 31% growth**
 - ➔ Achieved highest growth rate among top 5 AMCs in FY09 while Industry de-grew by 7%
 - ◆ Asset mix tilted in favour of fixed income amidst downturn in equity market
 - ➔ Posted 29% QoQ growth, vis-à-vis 17% industry growth
- **Total average AUM stood at Rs. 48,649 Cr. including offshore AUM of Rs. 1,265 Cr.**
 - ➔ Average PMS AUM expanded to Rs. 287 Cr. in Mar'09 from Rs. 16 Cr. in Mar'08
- **During the year, revenues grew by 49% from Rs. 119.3 Cr. to Rs. 177.9 Cr.**
 - ➔ Net profit increased from Rs. 2.8 Cr. to Rs. 7.9 Cr.

| Particulars | Average AUM | | |
|------------------------|---------------|---------------|-------|
| | Mar-09 Actual | Mar-08 Actual | |
| Equity | 4,607 | 7,525 | |
| Debt & Liquid | 42,489 | 28,381 | |
| Domestic AUM | 47,096 | 35,906 | |
| Off shore (All Equity) | 1,265 | 2,489 | |
| PMS | 287 | 16 | |
| Total AUM | 48,649 | 38,411 | |
| Revenues | Quarter 4 | 49.9 | 40.7 |
| | Full Year | 177.9 | 119.3 |
| PAT | Quarter 4 | 2.9 | 2.8 |
| | Full Year | 7.9 | 2.8 |

Other Financial Services

Rs. Cr.

- **Birla Global Finance (NBFC) posted excellent performance despite depressed stock markets**
 - ➔ Revenues grew by 24% to Rs. 120.3 Cr. and net profit rose by 31% to Rs. 29.6 Cr.
- **Revenues of Birla Insurance Advisory grew from Rs. 10.6 Cr. to Rs. 16.5 Cr. and net profit rose from Rs. 3.2 Cr. to Rs. 4.8 Cr.**
- **Impacted by volatility and downturn in stock market, revenues of Birla Sun Life Distribution Company de-grew from Rs. 37.5 Cr. Rs. 21.1 Cr.**
 - ➔ Investment in people, process and technology related infrastructure strained bottom-line
 - ➔ Reported net loss of Rs. 9.1 Cr. vis-à-vis net profit of Rs. 2.7 Cr. attained last year
- **Apollo Sindhoori reported revenues of Rs. 83.3 Cr. and net profit of Rs. 1.2 Cr.**
 - ➔ Volumes in the retail broking business impacted by sharp volatility in the capital markets

| Quarter - 4 | | Particulars | Full Year | |
|--|---------|------------------|-----------|---------|
| 2008-09 | 2007-08 | | 2008-09 | 2007-08 |
| Birla Global Finance Company Limited | | | | |
| 20.3 | 34.7 | Revenues | 120.3 | 97.0 |
| 4.3 | 9.5 | PAT | 29.6 | 22.7 |
| 210.9 | 200.3 | Capital Employed | 210.9 | 200.3 |
| Birla Sun Life Distribution Company Limited | | | | |
| 5.3 | 12.0 | Revenues | 21.1 | 37.5 |
| (6.2) | 1.2 | PAT | (9.1) | 2.7 |
| 13.9 | 13.9 | Capital Employed | 13.9 | 13.9 |
| Birla Insurance Advisory & Broking Services Limited | | | | |
| 3.3 | 2.1 | Revenue | 16.5 | 10.6 |
| 0.2 | 0.3 | PAT | 4.8 | 3.2 |
| Apollo Sindhoori Capital Investments Limited | | | | |
| | | Revenue | 83.3 | 122.2 |
| | | PAT | 1.2 | 22.0 |

BPO – Aditya Birla Minacs

Rs. Cr.

- **Focusing on efforts critical to improve profitability and mitigate impact of global slowdown**
 - Three loss making sites in Canada closed by shifting their operations to cost effective sites
 - ◆ Incurred cost of Rs. 27 Cr. for closure of sites which will reduce overheads going forward
 - Two new sites will be launched in India adding over 1,000 seats
- **Supporting 54 clients (Incl. 27 Fortune 500 Companies) through 27 global delivery centres with 8,326 seats & 11,621 employees**
- **Revenues up by 7% to Rs. 1687.2 Cr. supported by 18% growth in Asia Pacific**
 - Revenues in North America impacted due to lower business from existing clients suffering slowdown
- **Business reported PBDIT (before one-time site closure costs) at Rs. 31.9 Cr.**
 - Savings in overheads made up for higher manpower costs and forex loss
- **Net loss increased from Rs 88.9 Cr. to Rs 121.1 Cr due to unabsorbed interest and depreciation costs**

| Quarter - 4 | | Particulars | Full Year | |
|-------------|---------|--------------------------|----------------|---------------|
| 2008-09 | 2007-08 | | 2008-09 | 2007-08 |
| | | Operating Seats (Nos.) | 8,326 | 9,089 |
| | | Employees (Nos.) | 11,621 | 12,908 |
| 387.1 | 428.4 | Revenues | 1687.2 | 1577.7 |
| 82.0 | 94.6 | North America CAD Mn | 348.9 | 357.1 |
| 12.6 | 13.6 | Asia Pacific USD Mn | 53.6 | 45.5 |
| (17.7) | (8.7) | PBIT | (61.0) | (26.5) |
| (8.6) | (8.2) | - North America | (48.7) | (20.4) |
| (9.1) | (0.5) | - Asia Pacific | (12.3) | (6.1) |
| (33.9) | (22.4) | Net Profit/(Loss) | (121.1) | (88.9) |

IT Services – PSI Data Systems

● **IT services business** reported revenues at Rs. 95.4 Cr. and net loss of Rs. 6.8 Cr.

- ➔ Weak order flow and resulting forex loss impacted revenues and profitability
- ➔ PSI Data Systems de-listed from the BSE w.e.f. April 6, 2009
 - ◆ PSI will become back end IT solution provider for BPO subsidiary Aditya Birla Minacs

| Quarter - 4 | | Particulars | Full Year | |
|-------------|---------|------------------|-----------|---------|
| 2008-09 | 2007-08 | | 2008-09 | 2007-08 |
| 22.0 | 26.8 | Revenues | 95.4 | 101.1 |
| (1.8) | 2.9 | PBIT | (2.6) | 6.5 |
| (2.7) | 1.9 | PAT | (6.8) | 2.5 |
| 19.4 | 31.6 | Capital Employed | 19.4 | 31.6 |

Garments

Branded Garments

- Revenues up by 10% at Rs. 906.4 Cr. vis-à-vis Rs. 825.7 Cr. attained last year

- ➔ Growth was impeded by lower walk-ins and prolonged discounting to meet competition
- ➔ Revenues from retail channel rose by 33% supported by expanded retail space

- Higher rentals on expanded retail space and discounting pressure impacted bottom-line

Apparel Retail (PEOPLE and COLLECTIVE)

- Revenues at Rs. 20.8 Cr. & net loss at Rs. 128.7 Cr. including business building & brand promotion costs

Contract Manufacturing

- Revenues at Rs. 198.8 Cr. and net loss at Rs. 83.8 Cr.

- ➔ Weak order flow / order cancellation led to forex losses and lower capacity utilisation

Rs. Cr.

| Quarter - 4 | | Branded Garments | Full Year | |
|-------------|---------|---------------------------------|-----------|---------|
| 2008-09 | 2007-08 | | 2008-09 | 2007-08 |
| 120.1 | 117.6 | Shirts (A) | 511.7 | 449.5 |
| 45.6 | 49.2 | Trousers (B) | 197.8 | 193.0 |
| 25.5 | 23.5 | Suits (C) | 90.7 | 80.3 |
| 19.4 | 32.0 | Others (D) | 106.3 | 102.8 |
| 210.6 | 222.3 | Revenues (A+B+C+D) | 906.4 | 825.7 |
| (10.5) | 30.7 | Operating Profit before adspend | 50.6 | 115.5 |
| 6.8 | 6.1 | Advt. Expenses | 48.9 | 48.4 |
| (17.3) | 24.7 | PBDIT | 1.7 | 67.1 |
| (32.5) | 16.5 | PBIT | (48.5) | 35.1 |
| 411.6 | 471.2 | Capital Employed | 411.6 | 471.2 |

| Quarter - 4 | | Contract Exports | Full Year | |
|-------------|---------|-------------------------|-----------|---------|
| 2008-09 | 2007-08 | | 2008-09 | 2007-08 |
| 17.4 | 17.6 | Sales Volume (Lacs Pcs) | 65.9 | 66.7 |
| 52.6 | 54.6 | Revenues | 198.8 | 209.1 |
| (10.2) | (7.4) | PBIT | (68.6) | (14.0) |
| (14.7) | (10.2) | PAT | (83.8) | (22.0) |
| 164.3 | 187.8 | Capital Employed | 164.3 | 187.8 |

Fertilisers – Indo Gulf Fertilisers

Rs. Cr.

- Revenues grew by 59% from Rs. 787.5 Cr. to Rs. 1249.8 Cr. supported by 23% volume growth

- Sharp rise in spot natural gas and naphtha prices reflected in higher subsidies
- Revenues from agri-products marketing grew to Rs. 114.5 Cr. vis-à-vis Rs. 65.1 Cr. last year

- Operating profit more than doubled to Rs. 228.5 Cr.

- Higher volumes of urea and agri-products contributed coupled with subsidy arrears
- Fetched incentives for achieving higher than targeted production as fixed under new policy
- Sale of carbon credits fetched Rs. 4.6 Cr. (vis-à-vis Rs. 2.5 Cr. last year)
- Provided mark to market loss of Rs. 5.1 Cr. on fertilisers bonds (vis-à-vis Rs. 3.2 Cr. last year)

| Quarter - 4 | | Particulars | Full Year | |
|-------------|---------|---------------------------|-----------|---------|
| 2008-09 | 2007-08 | | 2008-09 | 2007-08 |
| 275 | 266 | Urea Production ('000 MT) | 1,070 | 881 |
| 281 | 268 | Urea Sales ('000 MT) | 1,073 | 870 |
| 337.8 | 269.2 | Revenues | 1,249.8 | 787.5 |
| 328.1 | 263.4 | Urea | 1,135.2 | 722.3 |
| 9.7 | 5.8 | Agri-Inputs trading | 114.5 | 65.1 |
| 81.4 | 35.9 | PBDIT | 228.5 | 102.4 |
| 24.1 | 13.3 | OPM (%) | 18.3 | 13.0 |
| 76.8 | 31.1 | PBIT | 209.7 | 84.5 |
| 586.6 | 531.3 | Capital Employed | 586.6 | 531.3 |
| 59.6 | 27.9 | ROACE (Annualised) (%) | 37.5 | 18.1 |

Insulators – Aditya Birla Insulators

Rs. Cr.

- Revenues grew from Rs. 398.9 Cr. to Rs. 424.8 Cr. supported by higher realisation
 - ➔ Improved product mix pushed realisation up
- Operating profit decreased to Rs. 122.8 Cr. from Rs. 136.3 Cr. attained last year
 - ➔ Operating margins reduced to 28.9% due to rise in fuel & input costs

| Quarter - 4 | | Particulars | Full Year | |
|-------------|---------|------------------------|-----------|---------|
| 2008-09 | 2007-08 | | 2008-09 | 2007-08 |
| 8,583 | 8,032 | Production (MT) | 32,904 | 32,921 |
| 9,081 | 8,690 | Sales Volumes (MT) | 32,561 | 32,304 |
| 115.3 | 115.3 | Revenues | 424.8 | 398.9 |
| 33.5 | 40.9 | PBDIT | 122.8 | 136.3 |
| 29.1 | 35.5 | OPM (%) | 28.9 | 34.2 |
| 29.8 | 37.4 | PBIT | 108.4 | 122.5 |
| 264.3 | 240.0 | Capital Employed | 264.3 | 240.0 |
| 44.8 | 64.6 | ROACE (Annualised) (%) | 43.0 | 57.5 |

Carbon Black – Hi tech Carbon

- **Revenues at Rs. 1095.6 Cr. grew by 27% from Rs. 863.8 Cr. attained last year**
 - ➔ High feedstock (CBFS) prices (linked to crude oil prices) are reflected in higher realisation
 - ➔ Sales volumes de-grew by 5% due to lower off take from tyre customers, particularly in exports market
- **Operating profit reduced from Rs. 152.6 Cr. to Rs. 49.7 Cr.**
 - ➔ Consumption of high priced CBFS & subsequent steep fall in crude oil prices impacted
 - ➔ Lower sales volumes and consequent lower capacity utilisation also strained bottom-line
- **Demand from tyre industry has improved in Q4FY09 compared to previous quarter**
 - ➔ Capacity utilisation at Hi tech carbon has improved from 67% in Q3FY09 to 79% in Q4FY09

Rs. Cr.

| Quarter - 4 | | Particulars | Full Year | |
|-------------|---------|------------------------|-----------|---------|
| 2008-09 | 2007-08 | | 2008-09 | 2007-08 |
| 45,182 | 59,783 | Production (MT) | 202,076 | 215,103 |
| 78.6 | 104.0 | Capacity Utilization % | 87.9 | 102.4 |
| 48,859 | 60,115 | Sales Volumes (MT) | 203,827 | 214,617 |
| 46,463 | 42,502 | Realisation (Rs./MT) | 51,521 | 38,485 |
| 238.1 | 267.1 | Revenues | 1,095.6 | 863.8 |
| (7.3) | 37.6 | PBDIT | 49.7 | 152.6 |
| (3.1) | 14.1 | OPM (%) | 4.5 | 17.7 |
| (13.8) | 30.9 | PBIT | 24.7 | 130.3 |
| 753.1 | 667.5 | Capital Employed | 753.1 | 667.5 |
| (6.7) | 20.1 | ROACE (Annualised) (%) | 3.5 | 22.6 |

Rayon – Indian Rayon

- Indian Rayon sustained its performance amidst challenges of higher input / fuel costs
- Business revenues grew by 13% from Rs. 476 Cr. to Rs. 537.1 Cr.
 - ➔ VFY revenues up by 10% at Rs. 342.1 Cr.
 - ◆ Sales volumes at 16,792 MT lower by 6% due to focus on finer denier yarn
 - ◆ VFY realisation rose by 18% due to improved product mix and pass on of rise in input costs
 - ➔ Chlor-alkali revenues rose by 18% to Rs. 195 Cr. primarily due to higher ECU realisation
- Operating profit marginally decreased from Rs. 124.4 Cr. to Rs. 123 Cr.
 - ➔ Higher VFY realisation compensated lower VFY volumes and high sulphur & wood-pulp prices
 - ➔ Rise in coal and salt prices offset by higher ECU realisation in the Chlor-alkali segment

Rs. Cr.

| Quarter - 4 | | Particulars | Full Year | |
|-------------|---------|---------------------------|-----------|---------|
| 2008-09 | 2007-08 | | 2008-09 | 2007-08 |
| | | <u>VFY</u> | | |
| 4,193 | 4,106 | Production (MT) | 16,625 | 17,000 |
| 102.3 | 100.1 | Capacity Utilization (%) | 101.4 | 103.7 |
| 4,187 | 4,283 | Sales Volumes (MT) | 16,792 | 17,923 |
| 213.3 | 184.5 | Realisation (Rs./Kg.) | 203.7 | 173.3 |
| 89.3 | 79.0 | Revenues (Rs. Cr.) | 342.1 | 310.6 |
| | | <u>Chemical</u> | | |
| 22,133 | 19,733 | ECU Realisation (Rs./MT.) | 22,671 | 19,999 |
| 47.8 | 48.8 | Revenues (Rs. Cr.) | 195.0 | 165.4 |
| 137.1 | 127.8 | Total Revenues | 537.1 | 476.0 |
| 37.2 | 33.8 | PBDIT | 123.0 | 124.4 |
| 27.1 | 26.5 | OPM (%) | 22.9 | 26.1 |
| 28.7 | 25.4 | PBIT | 89.8 | 91.5 |
| 436.9 | 453.7 | Capital Employed | 436.9 | 453.7 |
| 26.2 | 23.0 | ROACE (Annualised) (%) | 20.2 | 20.2 |

Textiles – Jaya Shree Textiles

Rs. Cr.

● Domestic and exports demand hit by global slowdown and liquidity crunch

- ➔ Textiles industry witnessed substantial production cut across the value chain

● Business revenues decreased from Rs. 600.3 Cr. to Rs. 573.2 Cr. due to lower fabric volumes

● Operating profit lower at Rs. 54.2 Cr. vis-à-vis Rs. 67.9 Cr. achieved in the previous year

- ➔ Lower volumes coupled with high flax fiber prices impacted
- ➔ Usage of high prices stock impacted wool industry due to sudden fall in commodity prices
- ➔ Last year profit includes gain on sale of fixed assets and gain from sale of carbon credit

● Recent imposition of anti dumping duty on Linen Fabric will benefit domestic industry.

| Quarter - 4 | | Particulars | Full Year | |
|-------------|---------|---------------------------------------|-----------|---------|
| 2008-09 | 2007-08 | | 2008-09 | 2007-08 |
| 46.5 | 42.0 | Linen Segment | 183.0 | 169.7 |
| 88.8 | 111.7 | Wool Segment | 390.2 | 411.6 |
| 135.2 | 153.7 | Continued operations (Linen and Wool) | 573.2 | 581.3 |
| - | 0.1 | Discontinued (Synthetic Yarn) | - | 19.1 |
| 135.2 | 153.7 | Revenues | 573.2 | 600.3 |
| 9.7 | 16.7 | PBDIT | 54.2 | 67.9 |
| 4.1 | 11.3 | PBIT | 32.7 | 48.7 |
| 345.1 | 359.3 | Capital Employed | 345.1 | 359.3 |
| 4.4 | 12.6 | ROACE (Annualised) (%) | 9.3 | 14.5 |

Annexure

Consolidated Profit and Loss and Balance Sheet Snapshot

Annexure I

Rs. Cr.

| Particulars | Quarter - 4 | | Full Year | |
|---|-------------|---------|-----------|----------|
| | 2008-09 | 2007-08 | 2008-09 | 2007-08 |
| Net Turnover | 4,237.9 | 2,912.6 | 13,643.2 | 11,861.1 |
| PBDIT | 171.7 | 241.0 | 772.5 | 1,101.3 |
| PBDIT Margin (%) | 4.1 | 8.3 | 5.7 | 9.3 |
| Net Interest | 168.5 | 132.3 | 624.1 | 425.0 |
| PBDT | 3.2 | 108.7 | 148.4 | 676.2 |
| Net Profit (after Minority Interest) | (141.2) | (21.9) | (430.5) | 150.8 |
| Annualised EPS (Rs.) | (60.44) | (10.08) | (45.7) | 16.0 |
| Annualised CEPS (Rs.) | 22.4 | 65.2 | 26.8 | 76.3 |

| Particulars | March | March | March |
|----------------------------|----------|----------|----------|
| | 2009 | 2008 | 2007 |
| Equity | 95.0 | 95.0 | 93.3 |
| Preference Share Capital | 25.5 | 50.0 | - |
| Net Worth | 5,894.4 | 4,032.9 | 3,119.6 |
| Minority Interest | 179.2 | 174.4 | 143.3 |
| Total Debts | 8,894.0 | 6,647.9 | 5,461.6 |
| Deferred Tax Liabilities | 214.0 | 226.2 | 179.6 |
| Capital Employed | 15,181.7 | 11,081.3 | 8,904.1 |
| Policyholders' funds | 8,596.9 | 6,484.7 | 3,762.0 |
| Total Liabilities | 23,778.5 | 17,566.0 | 12,666.0 |
| Goodwill on consolidation | 3,422.6 | 2,571.0 | 2,594.9 |
| Net Block | 6,812.8 | 5,447.8 | 3,777.6 |
| Net Working Capital | 926.4 | 1,433.0 | 934.4 |
| Long Term Investments | 218.9 | 93.0 | 73.4 |
| Life Insurance Investments | 9,168.4 | 6,892.7 | 4,020.0 |
| Cash & Cash Equivalents | 3,229.5 | 1,128.4 | 1,265.8 |
| ROCE (%) (Annualised) | 0.5 | 5.3 | 8.3 |
| RONW (%) (Annualised) | (7.3) | 3.7 | 9.0 |
| Book Value (Rs.) | 620.4 | 424.5 | 334.3 |
| Total Debt Equity (x) | 1.5:1 | 1.6:1 | 1.8:1 |

Standalone Profit and Loss and Balance Sheet Snapshot

Annexure II

Rs. Cr.

| Particulars | Quarter - 4 | | Full Year | |
|-----------------------|-------------|---------|-----------|---------|
| | 2008-09 | 2007-08 | 2008-09 | 2007-08 |
| Net Turnover | 1,173.9 | 1,153.9 | 4,786.2 | 3,953.1 |
| PBDIT | 152.2 | 180.0 | 585.7 | 633.9 |
| PBDIT Margin (%) | 13.0 | 15.6 | 12.2 | 16.0 |
| Net Interest | 86.0 | 50.2 | 257.4 | 179.0 |
| PBDT | 66.2 | 129.8 | 328.3 | 454.9 |
| PAT | 26.4 | 70.5 | 137.4 | 243.1 |
| PAT Margin (%) | 2.2 | 6.1 | 2.9 | 6.1 |
| Annualised EPS (Rs.) | 11.1 | 30.2 | 14.5 | 26.1 |
| Annualised CEPS (Rs.) | 29.1 | 49.4 | 29.7 | 43.9 |

| Particulars | March | March | March |
|---------------------------------|---------|---------|---------|
| | 2009 | 2008 | 2007 |
| Equity | 95.0 | 95.0 | 93.3 |
| Net Worth | 4,121.7 | 4,023.7 | 3,124.5 |
| Long Term Debt | 2,651.2 | 1,841.2 | 1,869.2 |
| Short Term Debt | 1,848.0 | 902.2 | 962.7 |
| Total Debts | 4,499.2 | 2,743.4 | 2,831.8 |
| Deferred Tax Liabilities | 180.2 | 200.3 | 174.1 |
| Capital Employed | 8,801.1 | 6,967.5 | 6,130.5 |
| Net Block | 1,605.0 | 1,501.6 | 1,308.1 |
| Net Working Capital | 1,393.9 | 1,361.4 | 950.2 |
| Long Term Investments | 4,982.4 | 3,909.3 | 3,473.9 |
| Cash and Cash Equivalents | 819.8 | 195.2 | 398.3 |
| ROACE (%) (Annualised) | 5.5 | 7.8 | 10.1 |
| ROANW (%) (Annualised) | 3.4 | 6.8 | 8.4 |
| Book Value (Rs.) | 433.8 | 423.5 | 334.9 |
| Total Debt Equity (x) | 1.1:1 | 0.7:1 | 0.9:1 |
| Long Term Debt Equity (x) | 0.6:1 | 0.5:1 | 0.6:1 |
| Market Capitalisation (Rs. Cr.) | 4,220 | 13,253 | 9,907 |

Capex Plan

Annexure III

| S.N. | Description | Capex Plan (FY 10) | Spent till Mar'09 | To be spent |
|----------|---|--------------------|-------------------|--------------|
| A | <u>Aditya Birla Nuvo Limited</u> | | | |
| | Rayon | 35.6 | 13.6 | 22.0 |
| | Branded Garments (<i>Incl. Security Deposits</i>) | 48.1 | 8.1 | 39.9 |
| | Carbon Black | | | |
| | <i>Patalganga</i> | 240.0 | 60.5 | 179.5 |
| | <i>Others</i> | 35.7 | 4.8 | 30.9 |
| | Fertilisers | 78.4 | 16.1 | 62.3 |
| | Insulator | 78.9 | 22.9 | 56.1 |
| | Textiles | 20.2 | 2.9 | 17.3 |
| | Nuvo's Capex | 537.0 | 128.8 | 408.2 |
| B | <u>Major Capex (Subsidiaries)</u> | | | |
| | Apparel Retail (<i>Incl. Security Deposits</i>) | 32.3 | 1.3 | 31.0 |
| | BPO & IT | 147.5 | 0.5 | 147.1 |
| C | Grand Total | 716.8 | 130.6 | 586.2 |

Note : Life Insurance business will require funding of about Rs. 500 Crores in FY10 to fund its growth plans

Segment Results –Nuvo Standalone

Annexure IV

Rs. Cr.

Quarter - 4

| Particulars | Revenues | | PBIT | | Avg Capital Employed | | ROACE (PBIT basis) | |
|-------------------------------|----------------|----------------|--------------|--------------|----------------------|----------------|--------------------|--------------|
| | 2008-09 | 2007-08 | 2008-09 | 2007-08 | 2008-09 | 2007-08 | 2008-09 | 2007-08 |
| Garments | 210.6 | 222.3 | (32.5) | 16.5 | 451.6 | 443.0 | -28.8% | 14.9% |
| Rayon | 137.1 | 127.8 | 28.7 | 25.4 | 438.2 | 442.0 | 26.2% | 23.0% |
| Carbon Black | 238.1 | 267.1 | (13.8) | 30.9 | 820.1 | 615.5 | -6.7% | 20.1% |
| Textiles | 135.1 | 152.0 | 4.1 | 11.3 | 372.3 | 361.1 | 4.4% | 12.6% |
| Fertilizers | 337.8 | 269.2 | 76.8 | 31.1 | 515.7 | 445.2 | 59.6% | 27.9% |
| Financial Services | - | 0.2 | (2.9) | (0.6) | 6.4 | 11.0 | -183.8% | -22.9% |
| Insulators | 115.3 | 115.3 | 29.8 | 37.4 | 266.6 | 231.4 | 44.8% | 64.6% |
| Total Operating Assets | 1,173.9 | 1,153.9 | 90.3 | 152.0 | 2,870.9 | 2,549.3 | 12.6% | 23.9% |
| Corporate Assets / Elim | - | - | 17.2 | (9.8) | 5,221.0 | 3,808.3 | 1.3% | -1.0% |
| Nuvo Standalone | 1,173.9 | 1,153.9 | 107.5 | 142.2 | 8,091.8 | 6,357.6 | 5.3% | 8.9% |

Full Year

| Particulars | Revenues | | PBIT | | Avg Capital Employed | | ROACE (PBIT basis) | |
|-------------------------------|----------------|----------------|--------------|--------------|----------------------|----------------|--------------------|--------------|
| | 2008-09 | 2007-08 | 2008-09 | 2007-08 | 2008-09 | 2007-08 | 2008-09 | 2007-08 |
| Garments | 906.4 | 825.7 | (48.5) | 35.1 | 441.4 | 401.2 | -11.0% | 8.7% |
| Rayon | 537.1 | 476.0 | 89.8 | 91.5 | 445.3 | 452.1 | 20.2% | 20.2% |
| Carbon Black | 1,095.6 | 863.8 | 24.7 | 130.3 | 710.3 | 577.4 | 3.5% | 22.6% |
| Textiles | 572.1 | 596.0 | 32.7 | 48.7 | 352.2 | 335.2 | 9.3% | 14.5% |
| Fertilizers | 1,249.8 | 787.5 | 209.7 | 84.5 | 558.9 | 466.0 | 37.5% | 18.1% |
| Financial Services | 0.3 | 5.3 | (8.3) | 1.7 | 6.8 | 14.9 | -121.7% | 11.5% |
| Insulators | 424.8 | 398.9 | 108.4 | 122.5 | 252.2 | 213.0 | 43.0% | 57.5% |
| Total Operating Assets | 4,786.2 | 3,953.1 | 408.5 | 514.3 | 2,767.2 | 2,459.9 | 14.8% | 20.9% |
| Corporate Assets | - | - | 11.3 | (21.5) | 4,836.6 | 3,864.7 | 0.2% | -0.6% |
| Nuvo Standalone | 4,786.2 | 3,953.1 | 419.7 | 492.8 | 7,603.8 | 6,324.6 | 5.5% | 7.8% |

Operating Margin - Nuvo Standalone

Annexure V

| Quarter - 4 | | Operating Margin | Full Year | |
|-------------|---------|------------------|-----------|---------|
| 2008-09 | 2007-08 | | 2008-09 | 2007-08 |
| -8.2% | 11.1% | Branded Garments | 0.2% | 8.1% |
| 27.1% | 26.5% | Rayon | 22.9% | 26.1% |
| -3.1% | 14.1% | Carbon Black | 4.5% | 17.7% |
| 24.1% | 13.3% | Fertilisers | 18.3% | 13.0% |
| 7.2% | 10.9% | Textiles | 9.5% | 11.3% |
| 29.1% | 35.5% | Insulators | 28.9% | 34.2% |
| 13.0% | 15.6% | Nuvo Standalone | 12.2% | 16.0% |

Exports - Nuvo Standalone

Annexure VI

| Quarter - 4 | | Exports (Rs Crores) | Full Year | |
|-------------|---------|------------------------|--------------|--------------|
| 2008-09 | 2007-08 | | 2008-09 | 2007-08 |
| 7.6 | 11.4 | Garments | 50.8 | 37.8 |
| 9.5 | 15.5 | Rayon | 60.8 | 75.0 |
| 20.2 | 70.4 | Carbon Black | 170.9 | 196.0 |
| 59.5 | 55.2 | Textiles | 263.9 | 257.0 |
| 37.2 | 34.9 | Insulators | 103.1 | 82.0 |
| 134.0 | 187.4 | Nuvo Standalone | 649.5 | 647.7 |

| Quarter - 4 | | Exports (% of Sales) | Full Year | |
|-------------|---------|-------------------------|--------------|--------------|
| 2008-09 | 2007-08 | | 2008-09 | 2007-08 |
| 3.6% | 5.1% | Garments | 5.6% | 4.6% |
| 6.9% | 12.2% | Rayon | 11.3% | 15.8% |
| 8.5% | 26.3% | Carbon Black | 15.6% | 22.7% |
| 44.0% | 35.9% | Textiles | 46.0% | 42.8% |
| 32.2% | 30.3% | Insulators | 24.3% | 20.6% |
| 11.4% | 16.2% | Nuvo Standalone | 13.6% | 16.4% |

Sales Volume - Nuvo Standalone

Annexure VII

| Quarter - 4 | | Particulars | Full Year | |
|-------------|---------|-----------------------|-----------|---------|
| 2008-09 | 2007-08 | | 2008-09 | 2007-08 |
| 30.7 | 28.2 | Garments (lacs Pcs) | 115.7 | 106.9 |
| 4,187 | 4,283 | VFY (MT) | 16,792 | 17,923 |
| 20,614 | 20,970 | Caustic (MT) | 77,590 | 74,441 |
| 48,859 | 60,115 | Carbon Black (MT) | 203,827 | 214,617 |
| 281 | 268 | Fertilisers ('000 MT) | 1,073 | 870 |
| 9,081 | 8,690 | Insulators (MT) | 32,561 | 32,304 |

| Quarter - 4 | | Particulars | Full Year | |
|---------------------------|---------|--------------------------|-----------|---------|
| 2008-09 | 2007-08 | | 2008-09 | 2007-08 |
| Garments (Lac Pcs) | | | | |
| 17.2 | 16.1 | Shirts | 70.1 | 63.0 |
| 5.5 | 5.8 | Trousers | 22.7 | 22.2 |
| 0.6 | 0.6 | Suits | 2.2 | 1.9 |
| 7.4 | 5.7 | Others | 20.8 | 19.9 |
| Textiles | | | | |
| 1,104 | 1,306 | Linen Fabric ('000 Mtrs) | 4,049 | 4,710 |
| 574 | 455 | Flax Yarn (MT) | 2,307 | 2,039 |
| 809 | 801 | Worsted Yarn (MT) | 3,152 | 2,902 |
| 938 | 1,019 | Wool Combing (MT) | 3,705 | 4,278 |

Production - Nuvo Standalone

Annexure VIII

| Quarter - 4 | | | Particulars | Full Year | | |
|--------------------|------------|-------------|-----------------------|--------------------|------------|-------------|
| Effective Capacity | Production | Utilisation | | Effective Capacity | Production | Utilisation |
| 4,100 | 4,193 | 102% | VFY (MT) | 16,400 | 16,625 | 101% |
| 22,781 | 21,589 | 95% | Caustic (MT) | 84,375 | 78,574 | 93% |
| 57,500 | 45,182 | 79% | Carbon Black (MT) | 230,000 | 202,076 | 88% |
| 216 | 275 | 127% | Fertilisers ('000 MT) | 865 | 1,070 | 124% |
| 9,700 | 8,583 | 88% | Insulators (MT) | 38,800 | 32,904 | 85% |

| Quarter - 4 | | Particulars | Full Year | |
|------------------------|------------|--------------------------|------------------------|------------|
| Effective Capacity | Production | | Effective Capacity | Production |
| MT / '000 Mtrs. | | Textiles | MT / '000 Mtrs. | |
| 25 Looms | 625 | Linen Fabric ('000 Mtrs) | 106 Looms | 3,646 |
| 3771 Spindles | 567 | Flax Yarn (MT) | 15084 Spindles | 2,209 |
| 6387 Spindles | 663 | Worsted Yarn (MT) | 25548 Spindles | 3,225 |
| 1.75 Cards | 938 | Wool Combing (MT) | 6.50 Cards | 3,705 |



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