



PRESS RELEASE

Mumbai, 30th October 2009

Aditya Birla Nuvo reports results for the quarter ended 30th September 2009

Aditya Birla Nuvo continues to pursue distinct strategic objectives across its businesses, defined as indicated:

- Be a leader and role model in **Financial Services** with a broad based and integrated business;
- Building sustainable competitiveness while maintaining growth momentum in **Telecom**;
- Building a strong order book with a focus on non-voice segment in **BPO**;
- Capitalising on expanded retail space to achieve profitable growth in **Garments** and
- Capturing sector-growth and full potential in '**Value**' (manufacturing) businesses.

Achieved highest ever quarterly Consolidated EBITDA at Rs. 413 Cr. driven by strengthened earnings across the businesses

Rs. in Crores

Q2 FY 2009-10	Q2 FY 2008-09	Consolidated Results	H1 FY 2009-10	H1 FY 2008-09
3,694	3,603.8	Net Sales (incl. other operating income)	6,942	6,733.5
4,882.6	3,609.6	Net Income from Operations	10,252	6,262.8
413	231.7	EBITDA	748.8	510.1
1.4	(104.6)	Net Profit / (Loss)	(33.8)	(132.9)

Quarter 2 – Year on Year performance review

- EBITDA grew by 78% driven by improved profitability in the BPO, Rayon and Carbon Black businesses coupled with reduced losses in the Life Insurance and Garments businesses.
- As a result, net profit improved considerably even after absorbing higher depreciation consequent to expansion in the Telecom business.

To strengthen balance sheet, promoters have further infused Rs. 325 Crores on conversion of warrants in addition to Rs. 250 Crores received earlier as 25% application money.

All the businesses are progressing on the designed path of achieving profitable growth.

Aditya Birla Financial Services

- **Birla Sun Life Insurance (BSLI)** continues to outperform the private sector. During the quarter, private life insurers de-grew year on year by 10% in terms of individual new business premium while BSLI grew by 5%. BSLI posted 13% year on year growth in total premium income at Rs. 1,142.5 Crores. Renewal premium rose by 43%. Assets under Management almost doubled year on year to Rs. 13,575.3 Crores. **Net loss reduced from Rs. 200 Crores to Rs. 127.3 Crores aided by higher**

profitability arising out of in-force business. BSLI ranked 5th with 8.9 % market share amongst private players during April-September 2009.

- **Birla Sun Life Asset Management (BSAMC)** too outperformed industry by a good margin. BSAMC achieved 68% year on year growth in average domestic AUM compared to industry's 41% growth and ranked 5th with 8.5% market share. Total average AUM (incl. offshore and PMS) at Rs. 65,609 Crores posted 35% growth since March 2009. Backed by superior fund performance, its average domestic equity AUM almost doubled since March 2009 achieving highest growth rate in this segment among top 5 players. Its strong fund performance got recognised in India as well as abroad. It bagged "Best Wealth Creator–Best Mutual Fund House" award from 'Outlook Money' and "Asset Management Co. of the Year – 2009" award from 'The Asset', Hong Kong.
- Apollo Sindhoori has been rebranded as **Aditya Birla Money Ltd.** Its net profit grew year on year supported by 17% growth in equity broking volumes. '**Aditya Birla Private Equity - Fund I**', has received commitments in excess of Rs. 500 Crores. It will shortly announce the first close for subscription to this fund in India.

Telecom : **Idea Cellular** has expanded its footprint to 20 services areas with roll out in Jammu & Kashmir, Kolkata and West Bengal. Idea now serves over 51 million subscribers. Idea has added half of its existing subscriber base in the last 18 months amidst hyper competitive market conditions. Idea registered a 29% rise in revenues from Rs. 2,299.2 Crores to Rs. 2,968.2 Crores. **Net profit grew by 53% from Rs. 144.1 Crores to Rs. 220.2 Crores** despite a rise in depreciation coupled with the impact of consolidation of Spice and Indus joint ventures.

BPO : **Aditya Birla Minacs** has bagged deals worth over **USD 500 million (Total Contract Value)** in the first half of **FY09-10** itself including USD 125 million (TCV) deal with Idea. This is a step ahead towards leveraging Aditya Birla Group's ecosystem. **Besides Aditya Birla Minacs has built a strong sales pipeline of around USD 1 billion (TCV).** It has launched three new sites during the half year adding about 500 seats. It plans to further launch / ramp up about 2,000 seats by March 2010. Site rationalisation and cash conservation efforts are leading to sustainable cost outs. The business generated cash profit for a consecutive second quarter led by a strengthened team across the board. Net loss at Rs. 7.9 Crores has been reduced considerably from Rs. 25.7 Crores incurred in corresponding quarter last year.

Garments : Revenues grew year on year by 5% to Rs. 341.6 Crores. **Business has turned EBITDA positive during the quarter. It posted EBITDA at Rs. 8 Crores compared to loss of Rs. 15.1 Crores incurred in corresponding quarter last year and loss of Rs. 24.9 Crores in the previous quarter.** Continuous focus on costs rationalisation and working capital management supported the turnaround.

Carbon Black : Hi-Tech Carbon continues to operate at full capacity utilisation. EBITDA grew year on year from Rs. 29.5 Crores to Rs. 84.5 Crores. *Higher profitability during the quarter is reflective more of one time input price advantage. CBFS prices have already started showing an upturn in line with crude oil prices.* Higher energy sales also contributed, led by an upward revision in price. The 75,000 MTPA capacity expansion at Patalganga is targeted for completion by March 2010 to tap the robust demand.

Fertilisers : Indo-Gulf achieved higher per day productivity year on year and quarter on quarter. On a like to like basis (excluding subsidy arrears of Rs. 24 Crores received in 2^d quarter of the last year), EBITDA at Rs. 38.3 Crores grew year on year.

Rayon : Indian Rayon posted considerable growth in earnings driven by higher VFY realisation and lower input costs. This is despite lower profitability in the chemical segment due to lower caustic soda realisation.

Insulators : In Aditya Birla Insulators, the 10,000 TPA capacity addition has gone on stream. The benefit of full capacity utilisation is expected in the coming quarters.

Commenting on the results Dr. Rakesh Jain, MD, Aditya Birla Nuvo said, “Aditya Birla Nuvo is well positioned to emerge stronger with the continuous pursuit of strategic initiatives and is looking beyond immediate challenges”. Mr. Sushil Agarwal, CFO, Aditya Birla Nuvo emphasised that, “Aditya Birla Nuvo is moving closer to achieving ‘path to profitability’ in the ‘Growth’ businesses. The investments made, specifically in the Financial Services, BPO and Garments businesses, are geared towards building businesses with long term goals while creating value for the shareholders”.

About Aditya Birla Nuvo Ltd.

Aditya Birla Nuvo Ltd is a conglomerate and platform that has launched many new age businesses for the Aditya Birla Group. Over the years, it has built successful ventures into sunrise sectors viz., Financial Services (Life Insurance, Asset Management, NBFC, Retail Broking etc), Telecom, Business Process Outsourcing and Garments. The razor sharp focus on ‘Value’ businesses has made it a leading player in Carbon Black, Fertilisers, Rayon, Insulators and Textiles.

Vision

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

Aditya Birla Nuvo is a part of the **Aditya Birla Group**, India’s first truly multinational group. The group operates in 25 countries, is anchored by an extraordinary force of over 130,000 employees belonging to 30 nationalities and derives over half of revenues from operations outside India.

Statements in this “Press Release” describing the Company’s objectives, projections, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the Company’s principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the company conducts business and other factors such as litigation and labour negotiations. The Company assume no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events, or otherwise.

Aditya Birla Nuvo Limited

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