

Aditya Birla Nuvo Limited

Performance Review : Q2FY09-10

Investors Presentation

Mumbai, 30th October 2009

ADITYA BIRLA NUVO



strong foundation energised growth

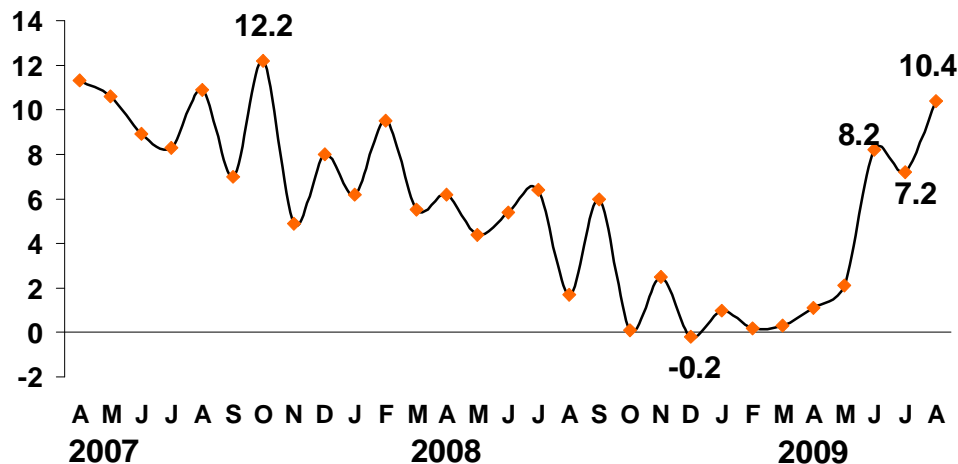
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India Inc. progressing ...

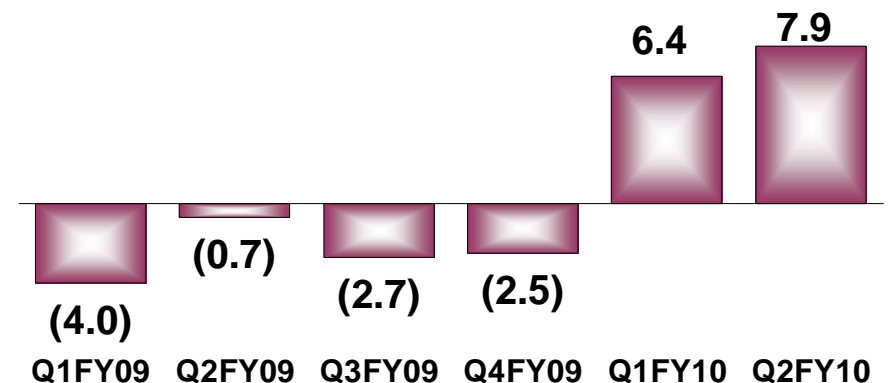
- CMIE revises GDP growth forecast for FY 2009-10 from 5.8% to 6%
- Impact of weak monsoon withering away with higher than expected growth in industrial production
- The Index of Industrial Production (IIP) rose to 10.4%* in Aug'09, highest since Oct'07
 (*Quick estimate; Source : Ministry of Statistics and Programme Implementation)
 - ➔ The stimulus packages provided by the government, softening of interest rates, improvement in liquidity, fall in prices led to a revival in overall demand
- FII net inflows in H1 aggregated USD 14.3 bn Vs net outflows of USD 9.8 bn in FY'09 (Source : SEBI)

IIP (YoY %)



FIIs net Inflows / (Outflows)

(USD billion)



Aditya Birla Nuvo : Pursuing defined objectives

- **Be a leader & role model in Financial Services with a broad based & integrated business**
 - Aditya Birla Financial Services posted 17% y-o-y growth in combined net sales at Rs. 23 billion in H1FY10
- **Building sustainable competitiveness while maintaining growth momentum in Telecom**
 - Now present in 20 out of 22 service areas with roll out in J&K, Kolkata and West Bengal in Oct'09
 - Continued thrust on operating efficiencies to emerge stronger amidst intensified competition
- **Building strong order book with a focus on non-voice segment in BPO**
 - Bagged deals worth ~ USD 500 million (TCV) in H1FY10 & built sales pipeline of ~ USD 1 billion (TCV)
 - Consecutive 2nd quarter of cash profit generation
- **Capitalising on expanded retail space to achieve profitable growth in Garments**
 - Turned EBITDA positive in Q2FY10 driven by right sizing and cost control measures
- **Capturing sector-growth & full potential in 'Value' (manufacturing) businesses**
 - Combined together posted 20% y-o-y growth in EBITDA in Q2FY10
- **Strengthening balance sheet by infusion of Rs. 1,000 Cr. by preferential allotment to promoters**
 - Promoters further infused Rs. 325 Cr. in addition to Rs. 250 Cr. received earlier as 25% application money
 - Equity Share Capital increased from Rs. 95 Cr. to Rs. 103 Cr. on conversion of 8 million warrants

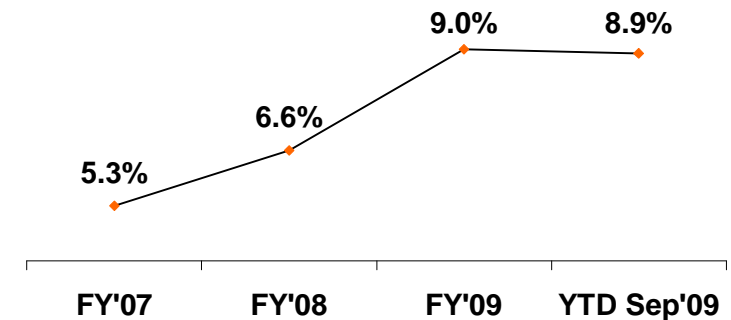
Aditya Birla Financial Services



Birla Sun Life Insurance (BSLI)

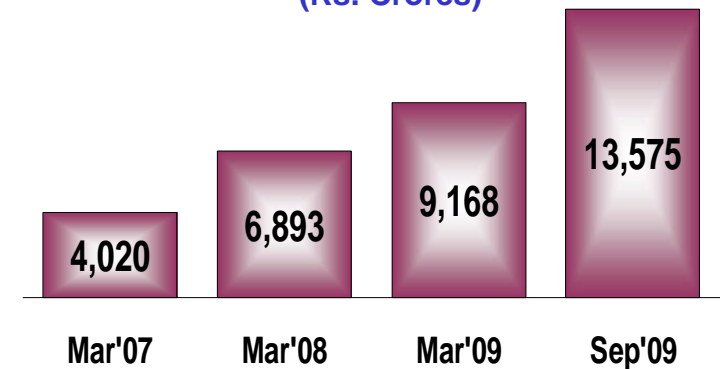
- In Q2FY10, BSLI grew y-o-y by 18% in terms of Annualised Premium Equivalent (APE)
- **Continues to outperform private sector** : Private life insurers de-grew y-o-y by 10% in terms of individual new business premium while BSLI grew by 5%
- **Renewal premium grew y-o-y by 43% to Rs. 535.5 Cr. in Q2**
- **In Q2, net loss reduced y-o-y from Rs. 200 Cr. to Rs. 127.3 Cr.**
 - ➔ Higher profitability arising out of in-force business contributed
 - ➔ In H1, net loss reduced y-o-y from Rs. 346.8 Cr. to Rs. 238.4 Cr.
- **Expanding retail base for sustainable future growth**
 - ➔ Individual life policies issued in H1 grew y-o-y by 58% to 7.6 lacs
 - ◆ Highest growth rate in policies among top 5 private players
- **AUM almost doubled year on year to Rs. 13575 Cr.**
 - ➔ 100% of AUM is ahead of set benchmarks based on one year returns

Market Share among private players (in terms of new business premium)



Assets under Management

(Rs. Crores)



Aditya Birla Financial Services



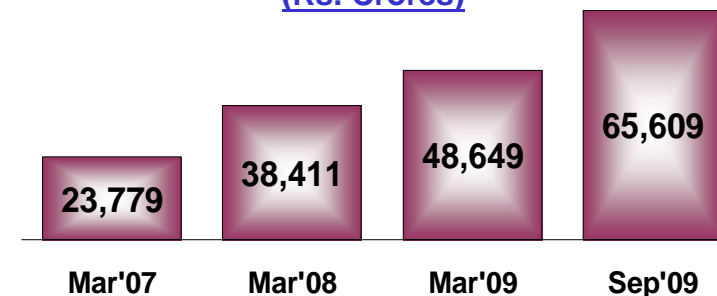
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Birla Sun Life Asset Management

- Total avg. AUM (incl. offshore & PMS) at Rs. 65,609 Cr. registered 35% growth since Mar'09
- Total equity avg. AUM doubled since Mar'09 to Rs. 11,624 Cr.
 - ➔ Domestic avg. equity AUM achieved highest growth rate in this category among top 5 players since Mar'09
 - ➔ Garnered 16% share in industry's equity net sales during H1

Total Avg. AUM

(Rs. Crores)



● Strong fund performance recognised in India as well as abroad

- ➔ Recorded maximum no. of funds in 4 & 5 star categories in the industry (Source : Value Research)
- ➔ Adjudged “Best Wealth Creator – Best Mutual Fund House” by ‘Outlook Money’ in Oct'09
- ➔ Bagged “Asset Management Co. of the Year – 2009” award from ‘The Asset’ - Hong Kong

Apollo Sindhoori re-branded as Aditya Birla Money Ltd.

- Posted considerable growth in q-o-q and y-o-y earnings supported by improved broking volumes

Aditya Birla Private Equity - Fund I

- Got commitments of over Rs. 500 Cr. and will shortly announce first close for subscription to this Fund in India

Aditya Birla Financial Services is well positioned to capitalise on the growth in this sector

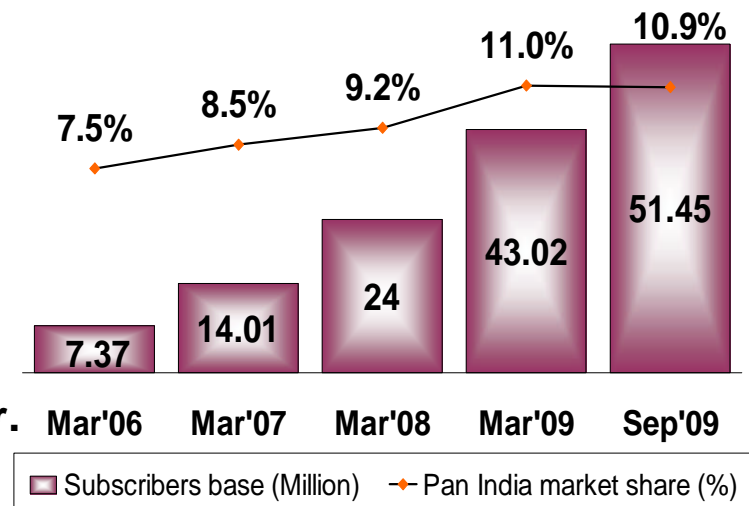
Idea Cellular



Idea reached 51.45 million subscribers with quarterly net adds of 4.37 million subscribers

- Added half of the existing subscribers base in just last 18 months amidst hyper competition
- Ranks 5th with all India market share at 10.9%
- Ranks 2nd with ~18.2%* share in 9 service areas where it holds 900MHz spectrum
 - ◆ Industry derives ~49% of its adjusted gross revenues (AGR) from these 9 out of total 22 service areas
 - ◆ Maximisation in 900 MHz service areas and optimisation in 1800 MHz service areas to drive cost efficiencies

Subscribers base & Market Share



Net profit grew y-o-y by 53% from Rs. 144.1 Cr. to Rs. 220.2 Cr.

- Q-o-Q net profit is lower due to higher depreciation on expansion and lower realised rate per minute

* Source : TRAI, as on 31st Aug'08

Set to become Pan India player in the running quarter

- Strong balance sheet, cash profits and leveraging capacity will cushion financing of capex and 3G auction
- Net debt-equity ratio stands at 0.35

Adjudged 'Emerging Company of the Year - 2009' by Economic Times

Pan India presence will drive operating synergies like roaming, NLD, ad spend etc.

Other Growth businesses

● **BPO & IT : Bagged deals worth over USD 500 million (TCV) in the first half of FY09-10**

- ➔ Won 4 major new logo deals with total contract value (TCV) of ~ USD 100 million
- ➔ New business & major renewals worth over USD 400 million (TCV) achieved from existing clients
 - ◆ This includes ~USD 125 million (TCV) deal with Idea - A step ahead towards leveraging Aditya Birla Group's ecosystem
- ➔ Launched 3 new sites in H1FY10 adding about 500 seats
 - ◆ Plan to further launch / ramp up ~ 2,000 seats by Mar'10
- ➔ Progressing well in non-voice area with a focus on F&A, Insurance processing & other back office services
- ➔ Bottom-line improved significantly y-o-y & q-o-q driven by site rationalisation and cash conservation efforts led by strengthened team across the board

● **Garments : Business turned EBITDA positive in Q2FY10**

- ➔ Revenues grew y-o-y by 5% and q-o-q by 34% to Rs. 341.6 Cr.
- ➔ Q2 EBITDA improved y-o-y by Rs. 23 Cr. and q-o-q by Rs. 33 Cr. driven by rent negotiation, manpower rationalisation and overheads reduction measures
- ➔ Led by improved working capital management, capital employed reduced y-o-y

Value businesses

● Carbon black : Back to normalcy

- ➔ Continue to operate at full capacity on back of revived demand from tyre sector
- ➔ Expansion by 75K MTPA at Patalganga & 10MW power plant at Renukoot targeted by Mar'10

● Fertilisers : Achieved higher per day productivity leading to 18% y-o-y growth in volumes

- ➔ Q-o-Q profitability is higher : Volumes in previous quarter being impacted by plant shut down for 24 days

● Rayon : Earnings grew significantly driven by higher VFY realisation and lower input costs

- ➔ Despite lower profitability in the chemical segment due to lower caustic soda realisation

● Insulators : Domestic power industry gaining momentum; realisation remains under pressure

- ➔ Newly expanded capacity by 10K MTPA has commenced production - full capacity utilisation expected in coming quarters

Financial Performance

Consolidated Revenues - Segmental

Rs. Crores

Quarter - 1	Quarter - 2		Revenues	Half-Year	
	2009-10	2008-09		2009-10	2008-09
929.2	1,142.5	1,009.1	Life Insurance (Premium income)	2,071.8	1,805.5
84.6	97.3	69.4	Other Financial Services *	181.9	133.0
803.7	801.9	672.4	Telecom (Nuvo's share) @	1,605.6	1,363.1
392.3	387.0	477.8	BPO & IT	779.2	933.9
255.1	341.6	325.0	Garments	596.7	550.0
245.7	286.7	338.0	Carbon Black	532.4	635.6
191.4	281.2	320.2	Fertilisers	472.6	549.5
140.1	134.4	139.9	Rayon	274.5	274.2
78.4	91.0	105.9	Insulators	169.4	196.7
131.1	138.0	149.3	Textiles	269.2	298.0
(3.8)	(7.5)	(3.0)	Inter-segment Elimination	(11.3)	(5.9)
3,248.0	3,694.0	3,603.8	Consolidated Net Sales (Incl. other operating income)	6,942.0	6,733.5
2,121.4	1,188.6	5.7	Investment Income / (Loss) on policyholders' funds	3,310.0	(470.7)
5,369.4	4,882.6	3,609.6	Consolidated Net Income from operations	10,252.0	6,262.8

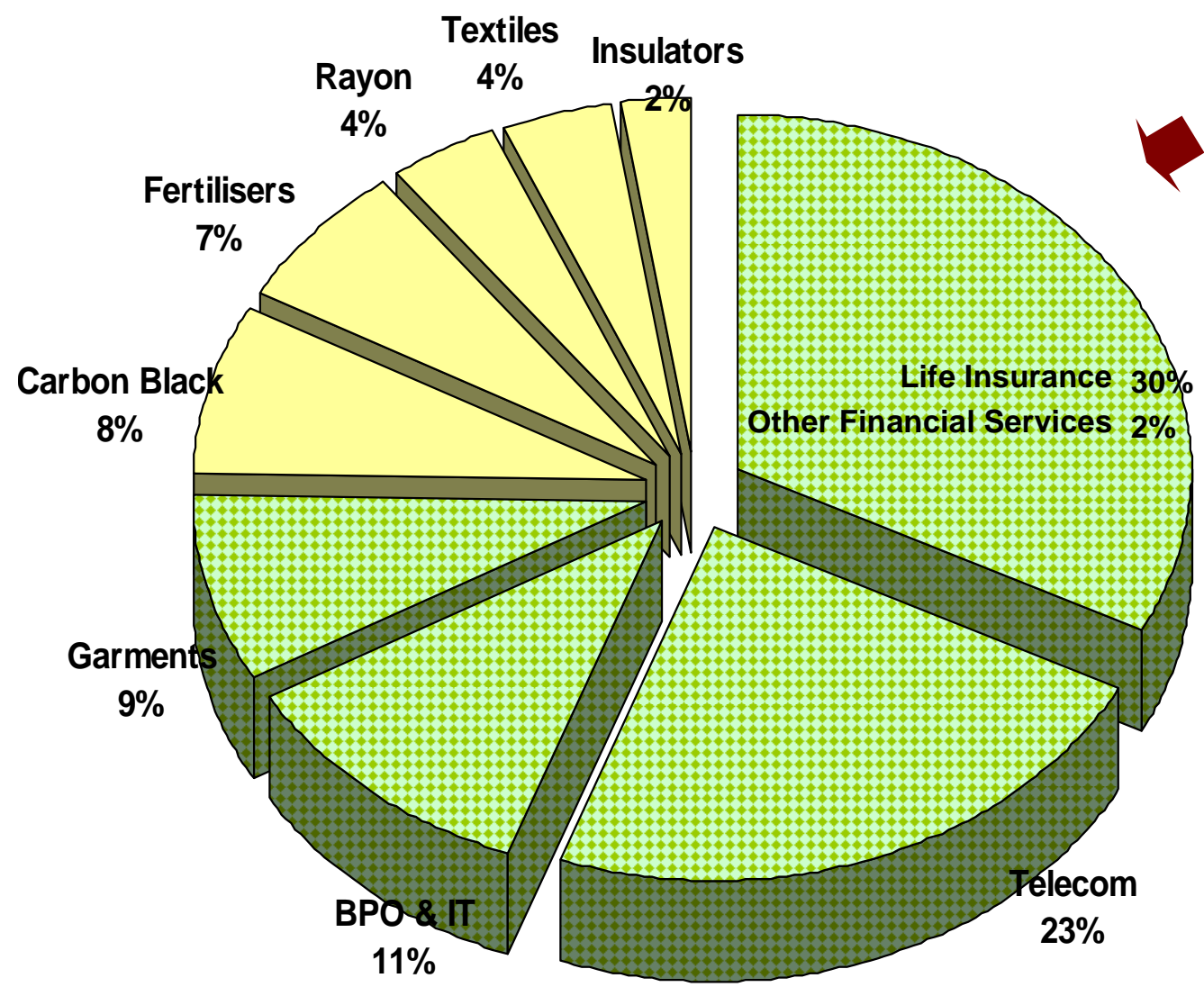
* Other Financial Services include Asset Management, NBFC, Retail Broking, Wealth Management and Insurance Advisory

@ Idea is consolidated at 31.78% till 12th Aug'08 and at 27.02% afterwards.

Consolidated Revenues - Segmental

- **During Q2, consolidated net sales grew y-o-y from Rs. 3,603.8 Cr. to Rs. 3,694 Cr.**
 - **Life Insurance** : Witnessed 13% growth in premium income led by 43% growth in renewal premium
 - **Telecom** : Revenues of Idea grew by 29% driven by subscribers growth and launch of new service areas
 - ◆ Nuvo's share could grow only by 19% from Rs. 672.4 Cr. to Rs. 801.9 Cr. due to dilution of stake in Idea from 31.78% to 27.02%
 - **BPO & IT** : Revenues de-grew due to lower business from few of the existing clients suffering slowdown
 - ◆ Benefit of recently won USD 500 million deals to accrue largely in later half of FY10 and onwards
 - **Garments** : Achieved 5% y-o-y growth amidst flat footfalls and higher discounting across the industry
 - Both **Carbon Black** and **Fertilisers** achieved good volumes growth. However, revenues de-grew since in Q2 last year realisation was higher in line with high feedstock prices
 - ◆ Sequentially both the businesses have achieved good volumes as well as revenues growth
 - **Rayon** : Revenues marginally de-grew due to lower caustic soda realisation
 - **Insulators** : Revenues de-grew due to lower realisation caused by increased competition
 - **Textiles** : Higher wool prices in Q2 last year reflected in higher revenues

Consolidated Net Sales Mix – H1FY10



Consolidated Net Sales Mix
(Incl. other operating income)
Rs. 6942 Crores

Financial Services
32%

Growth Businesses
(Brands & Services)
75%

Value Businesses
(Manufacturing)
25%

Consolidated Profitability (EBIT) - Segmental



Rs. Crores

Quarter - 1	Quarter - 2		EBIT	Half-Year	
	2009-10	2008-09		2009-10	2008-09
(108.5)	(124.9)	(194.3)	Life Insurance	(233.3)	(338.6)
16.8	15.5	16.1	Other Financial Services *	32.3	39.0
122.4	102.2	102.8	Telecom (Nuvo's share) @	224.6	249.7
7.2	9.7	(8.4)	BPO & IT	16.9	(14.7)
(45.1)	(12.2)	(30.5)	Garments	(57.3)	(87.3)
25.0	78.2	23.3	Carbon Black	103.2	64.8
11.3	33.5	56.7	Fertilisers	44.9	89.7
38.5	32.8	18.7	Rayon	71.3	48.1
17.0	17.2	28.5	Insulators	34.2	53.3
4.5	9.9	12.6	Textiles	14.4	23.7
(0.4)	(0.9)	2.6	Others	(1.3)	(1.8)
88.9	160.9	28.1	Segmental EBIT	249.8	125.8

* Other Financial Services include Asset Management, NBFC, Retail Broking, Wealth Management and Insurance Advisory

@ Idea is consolidated at 31.78% till 12th Aug'08 and at 27.02% afterwards.

Consolidated EBIT - Segmental

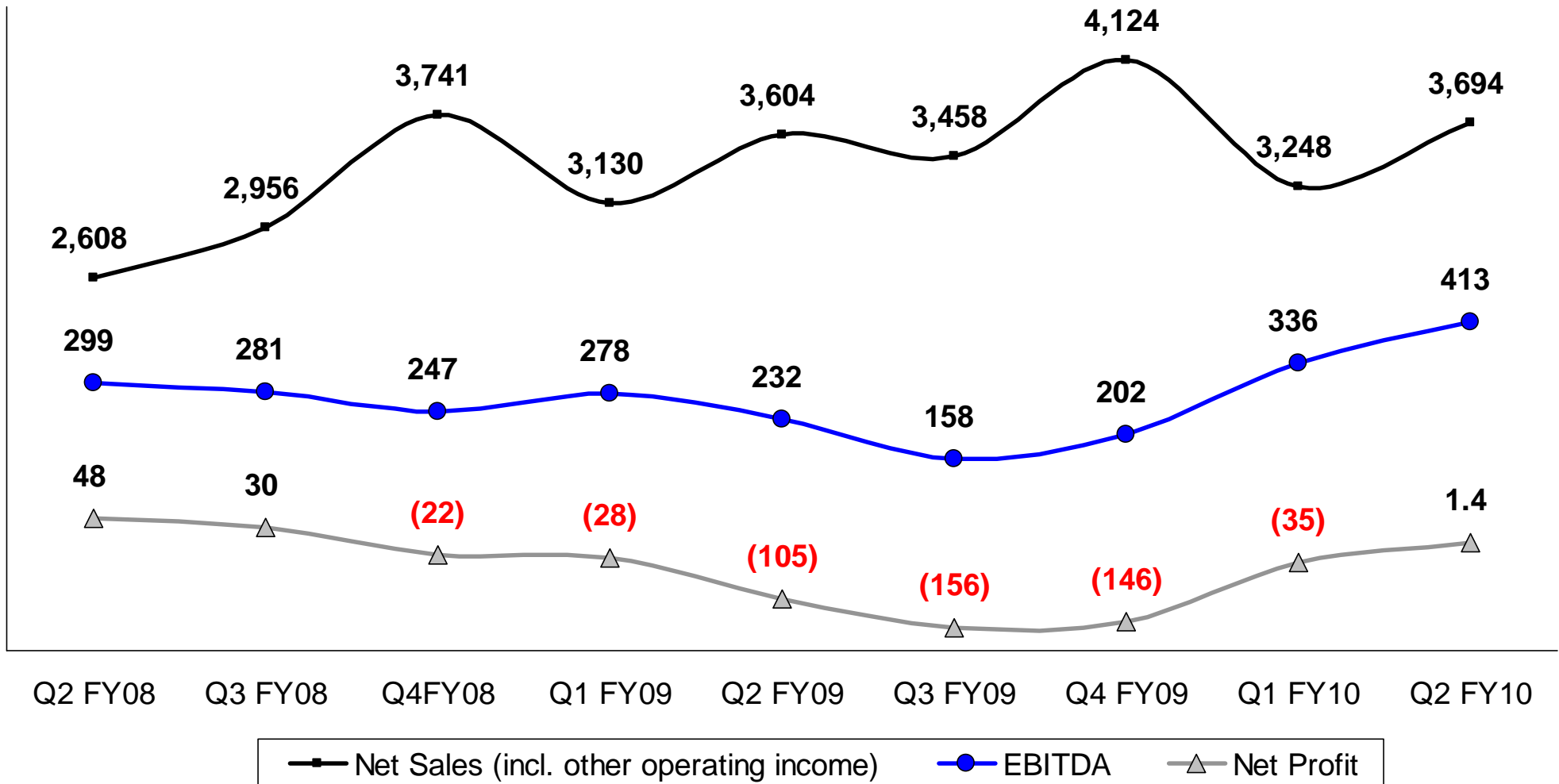
- **During Q2, segmental EBIT grew y-o-y from Rs. 28.1 Cr. to Rs. 160.9 Cr.**
 - ➔ **Life Insurance** : Loss reduced aided by higher profitability arising out of in-force business
 - ➔ **Telecom** : EBIT of Idea grew by 8% to Rs. 378.1 Cr. even after absorbing rise in depreciation consequent to expansion in new as well as existing service areas
 - ◆ Nuvo's share remained flat due to dilution of stake in Idea from 31.78% to 27.02%
 - ➔ **BPO & IT** : Bottom-line improved y-o-y driven by site rationalisation & cash conservation measures
 - ➔ **Garments** : Loss reduced considerably y-o-y & q-o-q, driven by rightsizing & overheads reduction efforts
 - ➔ **Carbon Black** : *Higher profitability during the quarter is reflective more of one time input price advantage. CBFS prices have already started showing upturn in line with crude oil prices.*
 - ➔ **Fertilisers** : EBIT in Q2 last year includes subsidy arrears of Rs. 24 Crores
 - ➔ **Rayon** : Earnings growth driven by higher VFY realisation and lower input costs
 - ➔ **Insulators** : Lower realisation consequent to increased competition led to lower profitability
 - ➔ **Textiles** : Excluding gain on sale of fixed assets Rs. 2.5 Cr. included in Q2 last year, profitability maintained

Growing top-line as well as bottom-line



Rs. Crores

Consolidated



Almost all the businesses have strengthened their earnings q-o-q as well as y-o-y

Consolidated Financials



Rs. Crores

Quarter - 1	Quarter - 2		Particulars	Half-Year	
	2009-10	2008-09		2009-10	2008-09
3,248.0	3,694.0	3,603.8	Net Sales (Incl. Other operating income)	6,942.0	6,733.5
2,121.4	1,188.6	5.7	Investment income / (loss) on policyholders' funds	3,310.0	(470.7)
5,369.4	4,882.6	3,609.6	Net income from operations	10,252.0	6,262.8
335.8	413.0	231.7	EBITDA	748.8	510.1
189.8	166.9	178.6	Interest Expenses	356.7	323.0
146.0	246.1	53.1	EBDT	392.1	187.1
202.7	212.6	160.4	Depreciation	415.3	316.5
(56.7)	33.5	(107.3)	Earnings before Tax	(23.2)	(129.4)
6.5	65.5	51.4	Provision for Taxation (Net)	71.9	97.4
(27.8)	(33.4)	(54.2)	Minority Interest	(61.3)	(93.8)
(35.3)	1.4	(104.6)	Net Profit after minority interest	(33.8)	(132.9)

Standalone Financials



Rs. Crores

Quarter - 1	Quarter - 2		Particulars	Half-Year	
	2009-10	2008-09		2009-10	2008-09
996.8	1,227.9	1,336.6	Net income from operations	2,224.8	2,415.6
127.2	235.1	201.4	EBITDA	362.3	355.6
94.7	86.1	59.3	Interest Expenses	180.8	110.3
32.5	149.0	142.1	EBDT	181.4	245.3
44.2	44.9	40.5	Depreciation	89.1	79.3
(11.7)	104.1	101.6	Earnings before Tax	92.3	166.1
(9.5)	44.8	36.3	Provision for Taxation (Net)	35.3	59.1
(2.2)	59.2	65.3	Net Profit	57.0	106.9

Vision and Strategy



Vision

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

Strategy

To increase share of 'Growth' businesses in the consolidated revenues by deploying surplus cash generated by 'Value' businesses to nurture 'Growth' businesses

Plan

To achieve target of 'PATH TO PROFITABILITY' in the 'Growth' businesses

Annexure I

Business-wise Review

Q2FY10 over Q2FY09

Birla Sun Life Insurance

- **During Q2, total premium income at Rs. 1,142.5 Cr. grew y-o-y by 13%**
 - Renewal premium rose by 43% to Rs. 535.5 Cr.
 - Individual first year premium grew y-o-y by 5%
- **Net loss reduced from Rs. 200 Cr. to Rs. 127.3 Cr.**
 - Higher profitability arising out of in-force business aided
- **Capital infusion of Rs. 175 Cr. by promoters in H1 (ABNL's share : Rs. 129.5 Cr.) vis-à-vis Rs. 350 Cr. in H1 last year**
- **Gearing to re-launch products to meet new IRDA guidelines**
- **Going Forward :**
 - Delivering consistent & superior returns to policyholders
 - Leveraging expanded reach and improving productivity across distribution channels
 - Offering innovative and customer centric products

Quarter - 2		Rs. Crores	Half-Year	
2009-10	2008-09		2009-10	2008-09
		<u>First Year Premium</u>		
608.3	579.8	Individual Business	988.5	1,068.9
48.7	92.7	Group Business	109.5	105.4
656.9	672.6	First Year Premium (Gross)	1,098.0	1,174.4
535.5	374.9	Renewal Premium (Gross)	1,062.4	696.0
1,142.5	1,009.1	Net Premium Income (Net of reinsurance and service tax)	2,071.8	1,805.5
1,188.6	5.7	Investment income / (loss) on policyholders' funds	3,310.0	(470.7)
2,331.1	1,014.9	Revenues	5,381.8	1,334.8
(127.3)	(200.0)	Net Profit/(Loss)	(238.4)	(346.8)
		Capital	2,174.5	1,624.5
		Assets under management	13,575.3	7,620.5

Birla Sun Life Asset Management

- **Posted 68% y-o-y growth in avg. domestic AUM at Rs. 63,056 Cr. while industry grew by 41%**
 - Ranked 5th with 8.5% market share
 - Achieved 2nd highest growth rate amongst top-5 players
- **Revenues grew y-o-y from Rs. 41.9 Cr. to Rs. 67.7 Cr. driven by higher average AUM**
 - Net profit grew y-o-y from Rs. 4.5 Cr. to Rs. 8.8 Cr.
- **Going Forward :**
 - Delivering consistent & superior returns to customers
 - Increasing share of high margin AUM

Rs. Crores	Average AUM		
	Sep-09	Sep-08	
Equity	9,366	6,694	
Debt & Liquid	53,689	30,884	
Domestic AUM	63,056	37,578	
Off shore (All Equity)	2,257	2,075	
PMS	296	139	
Total AUM	65,609	39,792	
Revenues	Quarter - 2	67.7	41.9
	Half-Year	116.6	84.9
Net Profit	Quarter - 2	8.8	4.5
	Half-Year	14.1	9.6

Other Financial Services

- **Revenues of Birla Global Finance (NBFC) de-grew from Rs. 38.4 Cr. to Rs. 19.6 Cr.**
 - ➔ Portfolio was proactively curtailed in later half of last year to manage downturn in financial markets
 - ◆ IPO funding & Loan against shares segments expected to grow in coming quarters
 - ➔ Net profit sustained at Rs. 6.4 Cr.
- **Aditya Birla Money's revenues grew y-o-y driven by 17% growth in equity broking volumes**
 - ➔ Net profit grew y-o-y from Rs. 1.3 Cr. to Rs. 3.4 Cr.
- **Birla Sun Life Distribution : Revenues grew y-o-y & q-o-q**
 - ➔ Investment in people, process and technology related infrastructure has strained bottom-line, full benefit of which is expected to accrue in coming quarters

Quarter - 2		Rs. Crores	Half-Year	
2009-10	2008-09		2009-10	2008-09
Birla Global Finance Company Ltd.				
19.6	38.4	Revenues	37.3	70.0
6.4	8.5	Net Profit	13.3	17.3
Aditya Birla Money Ltd.				
27.9	26.6	Revenues	54.6	50.9
3.4	1.3	Net Profit	6.1	3.4
Birla Sun Life Distribution Company Ltd.				
11.9	5.5	Revenues	18.7	13.4
(4.8)	(2.5)	Net Profit	(11.1)	(3.0)
Birla Insurance Advisory & Broking Services Ltd.				
3.1	5.2	Revenues	11.1	9.9
(0.5)	1.7	Net Profit	2.5	4.2

Note : ABNL acquired 76% stake in Aditya Birla Money w.e.f. 6th Mar'09. Q2FY09 & H1FY09 displays full quarterly & half-yearly figures of Aditya Birla Money to make the performance comparable

Idea Cellular

- **Revenues grew y-o-y by 29% to Rs. 2,968.2 Cr. supported by growth in subscribers base**

- Q-o-Q revenues remained flat due to pressure on realised rate caused by intensified competition

- **Net profit rose y-o-y by 53% to Rs. 220.2 Cr.**

- Cash profit up by 62% from Rs. 454.4 Cr. to Rs. 735.7 Cr.
- Depreciation rose from Rs. 303.2 Cr. to Rs. 479.6 Cr. due to expansion besides consolidation of Spice & Indus
 - ◆ Benefit of these costs will accrue going forward
- Despite consolidation of Idea's share* in losses of Spice and Indus → Rs. 25.7 Cr. and Rs. 4.9 Cr. respectively

- **Net profit de-grew from Rs. 297.1 Cr. earned in Q1FY10** due to higher depreciation and lower realised rate

- Contraction in rural demand due to delayed monsoons also impacted in Q2 with negligible long term impact

- **Going Forward :**

- Continued focus on operating efficiencies to emerge stronger in the phase of hyper-competition
- Leveraging synergies from Pan India presence and deriving full benefits from Tower Joint Venture

Quarter - 2		Rs. Crores	Half-Year		
2009-10	2008-09		2009-10	2008-09	
			Subscribers (Nos. in Million)	51.46	30.38
2,968.2	2,299.2	Revenues	5,943.1	4,472.7	
857.8	654.6	EBITDA	1,766.4	1,391.8	
378.1	351.4	EBIT	831.3	813.7	
220.2	144.1	Net Profit	517.2	407.2	
			Net Worth (A)	13,786.9	11,236.4
			Total Debt (B)	7,206.3	9,897.3
		Capital Employed (A + B)	20,993.2	21,133.8	
7.2	8.1	ROACE (Annualised) (%)	7.7	10.4	
963.0	1,003.4	Capital Expenditure	1,877.2	2,985.1	

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

Aditya Birla Minacs

BPO

- **Revenues de-grew due to lower business from few of the existing clients suffering slowdown**
 - ➔ Benefit of recently won USD 500 million deals to accrue largely in later half of FY10 and onwards
- **Bottom-line improved significantly y-o-y & q-o-q**
 - ➔ Net loss at Rs. 7.9 Cr. reduced from Rs. 25.7 Cr. incurred in Q2 last year and Rs. 9.2 Cr. incurred in the previous quarter driven by site consolidation and cost control efforts
- **Going Forward :**
 - ➔ Growing share of high margin KPO / non-voice segments
 - ➔ Leveraging Aditya Birla Group Ecosystem
 - ➔ Improving seats utilisation and sites rationalisation
 - ➔ Off-shoring support functions

Quarter - 2		Rs. Crores	Half-Year	
2009-10	2008-09		2009-10	2008-09
		Operating Seats (Nos.)	8,095	9,689
		Employees (Nos.)	11,132	12,252
373.5	453.0	Revenues	745.1	884.0
6.5	(9.9)	EBIT	11.2	(18.6)
(7.9)	(25.7)	Net Profit/(Loss)	(17.1)	(49.5)

IT Services

- Revenues at Rs. 20.8 Cr. & net profit at Rs. 2.5 Cr. vis-à-vis Rs. 25.2 Cr. & Rs. 0.2 Cr. earned in Q2 last year

Madura Garments

● Revenues grew by 5% to Rs. 341.6 Cr.

- Branded garments revenues grew by 5% to Rs. 296.7 Cr.
- Revenues from Apparel Retail subs. more than doubled
- In contract exports subsidiary, order flow remained weak due to global slowdown

● Business turned EBITDA positive

- Strain on bottom-line reduced considerably y-o-y as well as q-o-q supported by manpower rationalisation, rent re-negotiation and overheads reduction

● Significant reduction in working capital through improved inventory management

● Going Forward :

- Improving retail productivity for higher sell-through
- Focus on profitable expansion to drive sustainable growth
- Controlling overheads, rightsizing and enhancing supply chain efficiency

Quarter - 2		Rs. Crores	Half-Year	
2009-10	2008-09		2009-10	2008-09
296.7	283.1	Branded Garments	506.6	461.4
8.7	4.0	Apparel Retail	15.4	5.3
31.6	49.9	Contract Exports	67.6	94.6
341.6	325.0	Revenues (Net of Elimination)	596.7	550.0
8.0	(15.1)	EBITDA	(16.9)	(58.8)
(12.2)	(30.5)	EBIT	(57.3)	(87.3)
592.6	846.0	Capital Employed	592.6	846.0

Hi-Tech Carbon

● Sales volumes grew y-o-y as well as q-o-q

- ➔ Revenues de-grew y-o-y from Rs. 338 Cr. to Rs. 286.7 Cr.
- ➔ In Q2 last year, realisation was higher in line with high feedstock (CBFS) prices (linked to crude oil prices)

● EBITDA at Rs. 84.5 Cr. vis-à-vis Rs. 29.5 Cr. earned in Q2 last year and Rs. 31.3 Cr. attained in the previous quarter

- ➔ Profitability in the earlier quarters was impacted by consumption of high priced CBFS
- ➔ Energy sales contributed led by upward revision in price
- ➔ *Higher profitability during the quarter is reflective more of one time input price advantage. CBFS prices have already started showing upturn in line with crude oil prices*

● Going Forward :

- ➔ Optimising CBFS procurement costs
- ➔ Completion of 75,000 MTPA Greenfield expansion and 10MW Power plant targeted by Mar'10

Quarter - 2		Rs. Crores	Half-Year	
2009-10	2008-09		2009-10	2008-09
59,805	57,190	Sales Volumes (MT)	115,973	118,136
44,926	57,037	Realisation (Rs./MT)	42,432	51,809
286.7	338.0	Revenues	532.4	635.6
84.5	29.5	EBITDA	115.7	77.1
78.2	23.3	EBIT	103.2	64.8
797.8	974.4	Capital Employed	797.8	974.4
41.2	10.8	ROACE (Annualised) (%)	26.6	15.8

Indo Gulf Fertilisers



- Indo-Gulf achieved higher per day productivity y-o-y & q-o-q

- Urea sales volumes grew y-o-y by 18%

- ➔ Revenues lower at Rs. 281.2 Cr. vis-à-vis Rs. 320.2 Cr.
 - ◆ In Q2 last year, high feedstock (Natural Gas) prices reflected in higher subsidies
- ➔ Delayed monsoon affected agri-products trading segment

- On a like to like basis (excluding subsidy arrears), EBITDA at Rs. 38.3 Crores grew year on year

- ➔ Q2 last year includes subsidy arrears of Rs. 24 Cr.

- Going Forward

- ➔ Enhancing profitability through improved productivity

Quarter - 2		Rs. Crores	Half-Year	
2009-10	2008-09		2009-10	2008-09
311	264	Urea Sales ('000MT)	506	503
281.2	320.2	Revenues	472.6	549.5
276.2	302.8	Urea	440.4	500.4
4.9	17.4	Agri-products trading	32.1	49.1
38.3	61.4	EBITDA	54.2	99.2
33.5	56.7	EBIT	44.9	89.7
414.6	382.8	Capital Employed	414.6	382.8
32.2	49.8	ROACE (Annualised) (%)	17.9	39.3

Indian Rayon

● VFY revenues rose by 7% to Rs. 92.9 Cr.

- ➔ Focus on finer denier yarn fetched higher realisation

● Chemical revenues de-grew to Rs. 41.5 Cr.

- ➔ Caustic Soda sales volumes grew y-o-y by 9% on back of capacity expansion done in Q3 last year
- ➔ ECU realisation remained under pressure due to lower caustic soda prices

● EBITDA grew considerably from Rs. 27 Cr. to Rs. 41.2 Cr.

- ➔ Higher VFY realisation coupled with lower sulphur & wood-pulp prices contributed significantly
- ➔ Despite lower profitability in chemical segment

● Going Forward

- ➔ Improving yarn quality to derive premium
- ➔ Increasing share of value added yarn

Quarter - 2		Rs. Crores	Half-Year	
2009-10	2008-09		2009-10	2008-09
<u>VFY</u>				
4,183	4,270	Sales Volumes (MT)	8,271	8,466
222.1	203.3	Realisation (Rs./Kg.)	221.1	196.0
92.9	86.8	Revenues (Rs. Cr.)	182.8	165.9
<u>Chemical</u>				
20,773	18,982	Caustic Soda Sales (MT)	44,474	39,455
19,963	24,443	ECU Realisation (Rs./MT.)	20,391	24,135
41.5	53.0	Revenues (Rs. Cr.)	91.7	108.3
134.4	139.9	Total Revenues	274.5	274.2
41.2	27.0	EBITDA	88.2	64.6
32.8	18.7	EBIT	71.3	48.1
423.4	441.2	Capital Employed	423.4	441.2
30.8	16.8	ROACE (Annualised) (%)	33.2	21.5

Aditya Birla Insulators

- During H1, power sector achieved ~70% of targeted capacity addition of ~6500 MW (Source : CEA)
- Revenues de-grew y-o-y from Rs. 105.9 Cr. to Rs. 91 Cr.
 - ➔ Export volumes de-grew due to subdued demand
 - ➔ Domestic volumes grew 26% q-o-q and 12% y-o-y with the power projects activities gaining momentum
 - ◆ Realisation remained under pressure due to increased competition
- EBITDA lower at Rs. 21.7 Cr. vis-à-vis Rs. 32 Cr. largely due to lower realisation
- Recently expanded capacity by 10,000 TPA commenced production – expected to achieve full capacity utilisation in coming quarters
- Commercial production of composite insulators targeted in H2FY10, samples sent for quality testing
- Going Forward
 - ➔ Full utilisation of capacity expansion by 10,000 MTPA
 - ➔ Continuous yield enhancement to improve margins

Quarter - 2		Rs. Crores	Half-Year	
2009-10	2008-09		2009-10	2008-09
7,873	8,021	Sales Volumes (MT)	14,600	15,168
91.0	105.9	Revenues	169.4	196.7
21.7	32.0	EBITDA	42.8	60.4
17.2	28.5	EBIT	34.2	53.3
270.4	238.7	Capital Employed	270.4	238.7
26.0	49.0	ROACE (Annualised) (%)	25.6	44.5

Jaya Shree Textiles

● Revenues at Rs. 138 Cr. vis-à-vis Rs. 149.3 Cr.

- Higher wool prices reflected in realisation in Q2 last year

● On a like to like basis, EBITDA maintained year on year

- Q2 last year includes gain from sale of old fixed assets of Rs. 2.5 Cr.

● Significant reduction in working capital through improved inventory and receivables management

● Profitability improved sequentially

- Usage of high priced stock impacted in the previous quarter

● Increasing share of high margin retail segment

- Rolled out 7 stores under the brand “Linen Club” fabric (buy & sell model without any capex) to reach a total of 28 stores

● Going Forward

- Expanding presence in high margin retail segment

Quarter - 2		Rs. Crores	Half-Year	
2009-10	2008-09		2009-10	2008-09
47.5	46.9	Linen Segment	84.1	86.6
90.5	102.4	Wool Segment	185.0	211.4
138.0	149.3	Revenues	269.2	298.0
15.5	18.0	EBITDA	25.7	34.0
9.9	12.6	EBIT	14.4	23.7
302.5	424.1	Capital Employed	302.5	424.1
12.7	12.2	ROACE (Annualised) (%)	8.9	12.1

Annexure II

Capex & Balance Sheet

Capex Plan



Rs. Crores

S.N.	Description	Capex Plan	Spent till Sep'09	Balance to be spent in FY10
A	<u>Aditya Birla Nuvo Limited</u>			
	Rayon	46.4	23.2	23.2
	Garments (<i>Incl. Security Deposits</i>)	51.2	15.9	35.3
	Carbon Black		-	
	Patalganga (75,000 MTPA)	240.0	99.7	140.3
	Power Project (10 MW)	24.0	4.5	19.5
	Others	11.7	10.9	0.8
	Fertilisers	46.0	19.0	27.0
	Insulator	85.5	40.2	45.3
	Textiles	19.9	3.8	16.1
	Nuvo's Capex	524.7	217.2	307.5
B	<u>Major Capex (Subsidiaries)</u>			
	Apparel Retail (<i>Incl. Security Deposits</i>)	22.7	6.8	15.9
	BPO & IT	145.5	31.5	114.0
C	Grand Total	693.0	255.5	437.5

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

Consolidated Profit and Loss and Balance Sheet Snapshot

Rs. Crores



Particulars	Sep 2009	March 2009
Net Worth (Equity - Rs. 95 Cr.)	5,985.2	5,742.3
Minority Interest	163.5	179.2
Total Debts	6,889.5	8,115.1
Deferred Tax Liabilities (Net)	237.7	219.8
Capital Employed	13,275.9	14,256.4
Policyholders' funds (Incl. funds for future appropriation)	13,181.0	8,725.8
Total Liabilities	26,456.9	22,982.2
Net Block (Incl. Goodwill)	10,467.3	10,094.6
Net Working Capital	654.1	583.4
Long Term Investments	218.9	218.9
Life Insurance Investments	13,575.3	9,168.4
Cash & Cash Equivalents	1,541.3	2,917.0
ROCE (%) (Annualised)	4.2	0.5
RONW (%) (Annualised)	(1.1)	(7.6)
Book Value (Rs.)	629.9	604.3
Net Debt Equity (x)	0.9:1	0.9:1

Particulars	Quarter - 2		Half-Year	
	2009-10	2008-09	2009-10	2008-09
Net income from operations	4,882.6	3,609.6	10,252.0	6,262.8
EBITDA	413.0	231.7	748.8	510.1
EBITDA Margin (%)	8.5	6.4	7.3	8.1
Interest	166.9	178.6	356.7	323.0
EBDT	246.1	53.1	392.1	187.1
Net Profit (after Minority Interest)	1.4	(104.6)	(33.8)	(132.9)
Annualised EPS (Rs.)	0.60	(44.24)	(7.1)	(28.4)

Note : Equity Share Capital increased from Rs. 95 Cr. to Rs. 103 Cr. in Oct'09 on conversion of 8 million warrants

Standalone Profit and Loss and Balance Sheet Snapshot

Rs. Crores



Particulars	Sep 2009	March 2009
Net Worth (Equity - Rs. 95 Cr.)	4,429.2	4,121.7
Total Debts	3,794.5	4,499.2
Deferred Tax Liabilities	184.0	180.2
Capital Employed	8,407.7	8,801.1
Net Block	1,588.5	1,605.0
Net Working Capital	1,209.8	1,356.5
Long Term Investments	5,208.6	4,982.4
Cash and Cash Equivalents	400.7	857.3
ROACE (%) (Annualised)	5.8	5.3
ROANW (%) (Annualised)	2.7	3.4
Book Value (Rs.)	466.2	433.8
Net Debt Equity (x)	0.8:1	0.9:1
Market Capitalisation - NSE	9,051	4,227

Particulars	Quarter - 2		Half-Year	
	2009-10	2008-09	2009-10	2008-09
Net income from operations	1,227.9	1,336.6	2,224.8	2,415.6
EBITDA	235.1	201.4	362.3	355.6
EBITDA Margin (%)	19.1	15.1	16.3	14.7
Interest	86.1	59.3	180.8	110.3
EBDT	149.0	142.1	181.4	245.3
Net Profit	59.2	65.3	57.0	106.9
Annualised EPS (Rs.)	25.0	27.5	12.0	22.5

Note : Equity Share Capital increased from Rs. 95 Cr. to Rs. 103 Cr. in Oct'09 on conversion of 8 million warrants

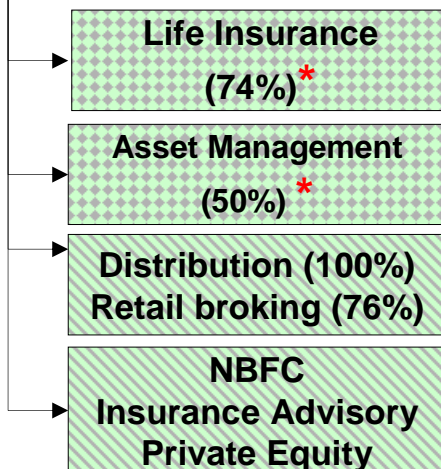
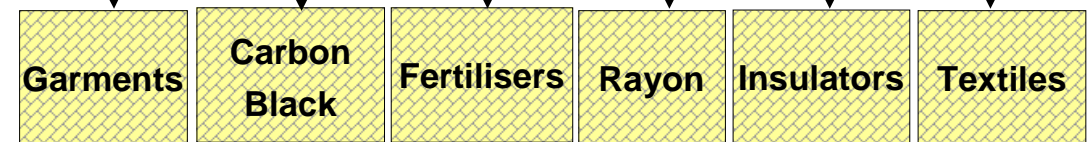
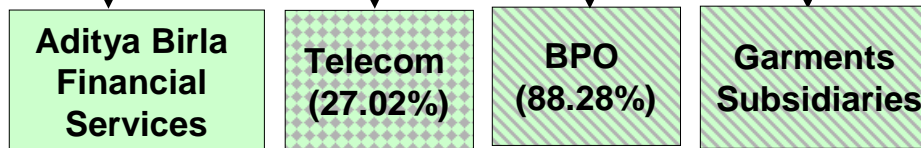
Aditya Birla Nuvo : Reporting guidelines






Consolidated

Subsidiaries & Joint Ventures

Standalone



-  Represent Divisions
-  Represent Subsidiaries
-  Represent Joint Ventures

* JV with Sun Life Financial, Canada

Note : Percentage figures indicated above represent ABNL's shareholding in its subsidiaries /JV's

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