



**PRESS RELEASE**

Mumbai, 29<sup>th</sup> January 2010

**Aditya Birla Nuvo reports results for the quarter ended 31<sup>st</sup> December 2009**

Aditya Birla Nuvo continues to pursue distinct strategic objectives across its businesses:

- Be a leader and role model in **Financial Services** with a broad based and integrated business;
  - ✓ *Combined Assets under Management (AUM) rose by 85% in last one year to ~USD 19 billion*
- Building sustainable competitiveness while maintaining the growth momentum in **Telecom**;
  - ✓ *Idea, now a Pan India player, ranks 3<sup>rd</sup> in terms of wireless revenue market share*
- Building a strong order book with a focus on the bottom-line in **BPO**;
  - ✓ *Turned positive at net profit level*
  - ✓ *Has built a strong order book of ~ USD 550 million (Total Contract Value) during 9 months*
- Capitalising on the expanded retail space to achieve profitable growth in **Garments**;
  - ✓ *Achieved 20% year on year growth in sales from retail channel during the quarter*
- Capturing sector-growth and realising the full potential in '**Value**' (manufacturing) businesses
  - ✓ *Collectively posted highest ever quarterly EBITDA of Rs. 221 Crores*

(Rs. Crores)

<b>Consolidated Results</b>	<b>Q3</b>	<b>Q3</b>
	<b>FY 2009-10</b>	<b>FY 2008-09</b>
Net Sales (incl. other operating income)	4,085	3,457.6
Net Income from Operations	4,573.5	3,142.5
EBITDA	421	156.4
Net Profit / (Loss) after minority interest	8.2	(156.4)

**Aditya Birla Nuvo has achieved its highest ever quarterly Consolidated EBITDA at Rs. 421 Crores during the quarter**

- This was largely driven by improved profitability in the manufacturing businesses coupled with reduced losses in the Life Insurance, BPO and Garments businesses.
- As a result, net profit improved considerably, despite higher depreciation consequent to expansion in the Telecom business.

**Aditya Birla Financial Services**

- **Birla Sun Life Insurance (BSLI)** continues to outperform the private sector. During April-December 2009, BSLI achieved 15% year on year growth in its new business premium, while private life insurers grew by 3%. BSLI continues to rank among top 5 private players. **BSLI improved its market share to 9.5% during this nine months period vis-à-vis 8.5% share attained in the corresponding period last year.** During the quarter, BSLI posted a 51% growth in the total premium income at Rs. 1,466.1

Crores. Renewal premium rose by 43%. AUM almost doubled year on year to Rs. 14,734.7 Crores. **Net loss reduced from Rs. 165.8 Crores to Rs. 142.8 Crores, aided by higher profitability arising out of in-force business.**

- The total average AUM (incl. offshore and PMS) of **Birla Sun Life Asset Management (BSAMC)** posted **46% growth since March 2009 to reach Rs. 70,810 Crores.** It ranks 5<sup>th</sup> with 8.6% market share in average domestic AUM. Backed by superior fund performance and its focus on increasing the share of equity AUM, its average domestic equity AUM has more than doubled since March 2009. It has achieved highest growth rate in this segment among the top 5 players. BSAMC garnered equity net sales of over Rs. 350 Crores during the quarter even as the industry faced net redemption.
- **'Aditya Birla Private Equity - Fund I', has received commitments in excess of Rs. 675 Crores.** It has announced the first closure for subscription to this fund in India. The net profit of **Aditya Birla Money Ltd.** grew considerably during the quarter supported by a 79% year on year rise in equity broking volumes. Birla Global Finance Co. Ltd. has been re-branded as **Aditya Birla Finance Ltd.**

**Telecom : Idea Cellular** is now a Pan India player serving 57.61 million subscribers. Idea ranks 3<sup>rd</sup> in terms of wireless revenues market share at 12.1% (Based on gross revenues for July-September 2009 released by TRAI). Idea registered a 15% rise in revenues from Rs. 2,728.6 Crores to Rs. 3,135.8 Crores. Quarterly cash profit grew by 21% to Rs. 740.8 Crores even after absorbing the competitive pressure on realised rate per minute and the gestating impact of 7 new service areas launched during the nine months. Net profit degrew from Rs. 219.5 Crores to Rs. 170.1 Crores largely due to higher depreciation on expansion.

**BPO : Aditya Birla Minacs has turned positive at net profit level during the quarter.** It generated cash profit for a consecutive third quarter reflecting sustainability of cost rationalisation efforts. It posted a net profit of Rs. 1 Crore vis-à-vis a loss of Rs. 37.8 Crores incurred in the corresponding quarter last year. Its balance sheet has been strengthened with the infusion of Rs. 250 Crores through zero coupon compulsory convertible debentures.

**Garments :** Revenues grew year on year by 8% to Rs. 315.2 Crores driven by a 20% growth in sales from the retail channel. **The business earned EBITDA of Rs. 10.1 Crores compared to a loss of Rs. 39.5 Crores incurred in corresponding quarter last year.** Higher sales along with ongoing costs rationalisation measures supported the turnaround.

**'Value' (Manufacturing) businesses:** have collectively posted highest ever quarterly EBITDA at Rs. 221 Crores and earned a 22.4% operating margin with a 34.2% return on average capital employed.

The **Carbon Black** business attained an EBITDA of Rs. 76 Crores vis-à-vis a loss of Rs. 20.1 Crores. This was led by 53% year on year growth in sales volumes. Higher energy sales also contributed. Its profitability in the corresponding quarter last year was impacted due to consumption of high priced CBFS and lower sales volumes given the demand slowdown in auto / tyre sector. **Greenfield capacity expansion at Patalganga is progressing well. This will increase the total capacity to 315,000 MTPA. The company is planning to further augment its capacity by 85,000 MTPA at Patalganga in**

**second phase besides another 85,000 MTPA expansion in southern India.**

The **Fertilisers** business achieved higher per day productivity year on year and quarter on quarter. Its EBITDA grew from Rs. 47.8 Crores to Rs. 55.9 Crores. In the **Rayon** business, EBITDA rose from Rs. 21.2 Crores to Rs. 37.3 Crores, driven by higher VFY realisation and lower input costs. The **Insulators** business achieved its highest ever quarterly volumes, on account of the recent capacity expansion and yield improvement. EBITDA rose from Rs. 28.7 Crores to Rs. 32.1 Crores. In the **textiles** business, EBITDA doubled to Rs. 19.5 Crores spurred by robust demand in the linen segment.

### **Management Comments**

**Commenting on the results, Dr. Rakesh Jain, MD, Aditya Birla Nuvo said, “As a unique conglomerate having a presence in the services and manufacturing sectors, Aditya Birla Nuvo is well positioned to capitalise on the growth opportunities available across the wide spectrum of Indian economy”.**

**Mr. Sushil Agarwal, CFO, Aditya Birla Nuvo emphasised that, “The consistent improvement in earnings as well as market positioning across the businesses coupled with a strengthened balance sheet gives us great confidence in future growth prospects with an objective to create value for all the stakeholders”.**

### **About Aditya Birla Nuvo Ltd.**

**Aditya Birla Nuvo** Ltd is a USD 3 billion 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, 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**, a USD 29 billion Indian business house. 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.

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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.

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