



**PRESS RELEASE**

Mumbai, 7<sup>th</sup> May 2010

## **Aditya Birla Nuvo reports financial performance for the year ended 31<sup>st</sup> March 2010**

Key achievements during the year:

- Consolidated net sales crossed Rs. 15,000 Cr. mark (approx. USD 3.5 billion)
- Achieved highest ever consolidated EBITDA and cash profit
- Turned positive at consolidated net profit level

(Rs. Crores)

Q4		Consolidated Results	Full Year	
2009-10	2008-09		2009-10	2008-09
4,478	4,124	Net Sales (incl. other operating income)	15,505	14,315
516	201	EBITDA	1,686	867
180	(146)	Net Profit / (Loss) after minority interest	155	(436)

Aditya Birla Nuvo's earnings growth was driven by improved profitability in the manufacturing businesses coupled with reduced losses in the Life Insurance, IT-ITeS and Garments businesses. Led by improved earnings and equity infusion by promoters, the balance sheet has been strengthened.

### **Business-Wise Annual Performance Review**

#### **Aditya Birla Financial Services (ABFS)**

With the launch of the Private Equity fund, ABFS has built a prominent presence across a large spectrum of financial services space. **Net sales grew by 23% to Rs. 5,850 Crores (approx. USD 1.25 billion). The combined Assets under Management (AUM) rose by 42% to Rs. 82,140 Crores (approx. USD 18 billion).** Net profit (excl. Life Insurance) has more than doubled.

- The total premium income of **Birla Sun Life Insurance (BSLI)** grew by 20% to Rs. 5,506 Crores. New business premium at Rs. 2,960 Crores is higher by 5%. Renewal premium rose by 45%. AUM scaled up by 76% to Rs. 16,130 Crores. 100% of AUM outperformed set benchmarks based on one year return. **Net loss reduced from Rs. 702 Crores to Rs. 435 Crores, led by growing size of in-force book and better expense management.**

- The total average AUM (incl. offshore and PMS) of **Birla Sun Life Asset Management (BSAMC)** has posted 34% growth to reach Rs. 65,130 Crores. Its average equity AUM more than doubled to Rs. 13,470 Crores. **BSAMC garnered domestic equity net sales of over Rs. 2,000 Crores to rank among the top three equity mobilisers.** BSAMC recorded the highest number of funds in 4 & 5 star categories across the industry throughout the year reflecting strong investment performance. It posted a net profit of Rs. 48 Crores.
- **'Aditya Birla Private Equity - Fund I'**, closed with a size of Rs. 881 Crores.

**Telecom** : Now a Pan India player, **Idea ranks 3<sup>rd</sup> in terms of wireless revenues market share which grew from 11.4% to 12.7% during calendar year 2009 amidst hyper competition** (Based on gross revenues for UAS & Mobile license only as released by TRAI). Idea registered a 22% upsurge in revenues from Rs. 10,131 Crores to Rs. 12,398 Crores. **Cash profit rose by 31% to Rs. 3,064 Crores. Net profit grew from Rs. 882 Crores to Rs. 954 Crores** even after absorbing the competitive pressure on realised rate per minute and the gestating impact of seven new service areas launched during the year..

**IT-ITeS** : **Aditya Birla Minacs acquired 'Compass BPO Ltd.'** to strengthen its F&A capabilities. Compass has been ranked among the top 15 upcoming F&A players (Source : Gartner). Aditya Birla Minacs remained cash profit positive throughout the year driven by cost rationalisation efforts. Though top-line remained constrained, **EBIT turned around to Rs. 42.4 Crores vis-à-vis a loss of Rs. 63.6 Crores in the previous year.** It has built a strong sales pipeline of USD 1 billion (Total Contract Value) which will benefit going forward. Capacities have been expanded by adding about 2000 seats and more than 3000 employees to reach about 10,000 seats and more than 14,700 employees.

**Garments** : Revenues grew by 12% to Rs. 1,251 Crores spurred by a 15% growth in sales from the retail channel. **EBITDA** (before store closure costs) **stood at Rs. 7 Crores compared to a loss of Rs. 154 Crores in the previous year.** Higher sales along with cost optimisation and rightsizing measures supported the turnaround.

**Manufacturing businesses** have collectively posted their highest ever EBITDA at Rs. 748 Crores vis-à-vis Rs. 578 Crores in the previous year. The operating margin at 20.1% and return on average capital employed at 27.1% has been encouraging. The **Carbon Black, Rayon and Textiles businesses were the major contributors to the earnings growth.**

The Greenfield Carbon Black capacity expansion at Patalganga is targeted to commence production by the end of May 2010. This will increase the total carbon black manufacturing capacity to 315,000 metric tons per annum (MTPA). The company is planning to augment its capacity further by 85,000 MTPA each at Patalganga in second phase as well as in southern India.

To sum up, financial services business not only piloted the revenues growth but also led the year on

year profit walk. The Garments and IT-ITeS businesses moved closer towards profitability while the manufacturing businesses achieved highest ever earnings.

### **Dividend**

The Board of Directors has recommended a dividend of 50% for the current year entailing total outgo of Rs. 59.5 Crores including dividend distribution tax.

### **Management Comments**

**Commenting on the results, Dr. Rakesh Jain, MD, Aditya Birla Nuvo said,** “ABNL is uniquely positioned to incubate growth businesses profitably and adding significant value to the customers through diversified services and products”

**Mr. Sushil Agarwal, CFO, Aditya Birla Nuvo emphasised that,** “Our thrust on profitable growth across the businesses has led to a turnaround of about Rs. 600 Crores at the bottom-line. We remain confident of creating value for all the stakeholders by capturing growth potential in all our businesses”

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

**Aditya Birla Nuvo** Ltd is a USD 3.5 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, IT-ITeS and Garments. The razor sharp focus on manufacturing businesses has made it a leading player in Carbon Black, Fertilisers, Rayon, Insulators and Textiles businesses.

#### **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.

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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. The figures in this “Press Release” have been rounded off to the nearest one rupee.*

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