



PRESS RELEASE

Mumbai, 30th July 2010

Aditya Birla Nuvo reports financial performance
for the quarter ended 30th June 2010

Aditya Birla Nuvo's focus on strategic objectives across the businesses continues to drive robust growth in its earnings.

- Consolidated Revenue grew by 18%
- Consolidated EBITDA surged by 66%
- Consolidated Net profit improved significantly to ₹ 149 Crore

(₹ Crore)

Consolidated Results	Quarter-1	
	2010-11	2009-10
Revenue	3,852	3,252
EBITDA	556	336
Net Profit / (Loss)	149	(35)

Financial Services business led the top-line as well as the bottom-line growth. Fashion & Lifestyle (branded apparels and accessories) and Manufacturing businesses also contributed significantly to the earnings.

Business-wise Performance Review:

Aditya Birla Financial Services (ABFS)

ABFS continues to take rapid strides in line with its vision "to be a leader and role model in the financial services sector with a broad based and integrated business". **Its combined Assets under Management (AUM) grew by 19% to ₹ 83,633 Crore (approx. USD 19 billion). Revenue surged by 23% to ₹ 1,277 Crore. ABFS posted net profit (including Life Insurance) of ₹ 54 Crore vis-a-vis loss of ₹ 100 Crore in the corresponding quarter of the preceding year.**

- The total premium income of **Birla Sun Life Insurance (BSLI)** grew by 18% to ₹ 1,143 Crore. New business premium at ₹ 473 Crore is up by 7% while renewal premium rose by 27% to ₹ 669 Crore. AUM scaled up by 44% to ₹ 16,841 Crore. **Driven by the growing size of in-force book, BSLI achieved net profit of ₹ 9 Crore vis-a-vis net loss of ₹ 111 Crore.**

The Embedded Value (EV) of BSLI at ₹ 3,816 Crore as on 31st March 2010, grew year on year by 25%. EV reflects the value of future profits embedded in the in-force policies written by the life insurance company. The Value of New Business (VNB) margin, a measure used for gauging the profitability of new business stood at 22.5% for FY2009-10 vis-a-vis 20.3% in FY2008-09.

- The total average AUM (incl. offshore and PMS) of **Birla Sun Life Asset Management (BSAMC)** at ₹ 65,911 Crore recorded 13% growth over the last year. Its average equity AUM is up by 42% to ₹ 13,904 Crore compared to 20% industry growth. **Domestic equity net sales of BSAMC at ₹ 425 Crore placed it among the top three equity mobilisers while the industry witnessed net redemption to the tune of ~₹ 1,425 Crore.** Its net profit grew multifold to ₹ 32 Crore.

ABFS continues to lay thrust on building alternate assets. After garnering ~USD 200 million through its private equity arm, it has launched Real Estate Onshore fund through its asset management arm.

Telecom : Idea Cellular continued to build sustainable competitiveness while maintaining growth momentum. **Idea ranks 3rd in terms of wireless revenue market share. This stands enhanced from 11.7% to 12.6% during financial year 2009-10 amidst hyper competition** (Based on gross revenue of UAS & Mobile license only, as released by TRAI). **Idea won 3G spectrum in 11 service areas which account for ~80% of its existing revenue. Revenue soared by 23% to ₹ 3,650 Crore led by a strong growth in minutes of usage. Cash profit sustained at ₹ 779 Crore** even after absorbing the competitive pressure on average realised rate per minute and start up costs of seven new service areas launched in past one year. Its net profit de-grew from ₹ 297 Crore to ₹ 201 Crore.

IT-ITeS : Aditya Birla Minacs continued to augment its capabilities and build strong order book with a focus on the bottom-line. To strengthen its presence in the US debt collection market (an industry size of USD 13 billion), **Aditya Birla Minacs has acquired 'Bureau of Collection Recovery' (BCR), a US based leading accounts receivable management company. It has built an additional USD 134 million (total contract value) order book during the quarter. EBITDA soared by 65% to ₹ 36 Crore.**

Fashion & Lifestyle : The business is capitalising on brand leadership and enhancing channel productivity to achieve profitable growth. **Revenue at ₹ 348 Crore witnessed a robust 37% growth.** This was driven by improved footfalls and 30% like to like stores sales growth in the retail channel. **EBITDA at ₹ 19 Crore grew considerably vis-à-vis a loss of ₹ 25 Crore in the previous year.**

In the **Manufacturing businesses**, the focus is on capturing the sector growth and realising full potential. **Collectively, revenue at ₹ 970 Crore registered 23% growth and EBITDA at ₹ 172 Crore posted 37% growth over the last year. The operating margin at 18% and return on average capital employed at 25% has been encouraging.** The Carbon Black, Agri-business, Insulators and Textiles businesses were the major contributors to the earnings growth.

The ~85,000 metric tons per annum (MTPA) Greenfield Carbon Black capacity expansion at Patalganga was completed in May 2010 end. It is currently under stabilisation. This has increased the total carbon black manufacturing capacity to ~315,000 MTPA. The company is planning to further augment its capacity by 85,000 MTPA each at Patalganga in the second phase as well as in southern India.

Management Comments

Commenting on the results, Dr. Rakesh Jain, MD, Aditya Birla Nuvo emphasised, “The strong presence of Aditya Birla Nuvo in the Financial Services, Telecom, IT-ITeS, Fashion & Lifestyle and Manufacturing sectors makes it a large eco-system which is uniquely positioned to capitalise on growth opportunities available across the wide spectrum of the Indian Economy.”

Mr. Sushil Agarwal, CFO, Aditya Birla Nuvo said, “Given the thrust on profitable growth and guided by distinct strategies, all our businesses continue to perform well and contribute to the earnings growth. We remain confident of creating value for all the stakeholders by capturing the growth potential in all our businesses.”

About Aditya Birla Nuvo Ltd.

Aditya Birla Nuvo is a USD 3.5 billion conglomerate. Over the years, it has built successful ventures into sunrise sectors viz., Financial Services (Life Insurance, Asset Management, NBFC, Private Equity, Broking, Wealth Management etc), Telecom, IT-ITeS and Fashion & Lifestyle. The razor sharp focus on manufacturing businesses has made it a leading player in Carbon Black, Agri-business, 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 more than 60% of its revenue from its overseas operations.

Certain statements in this “Press Release” may not be based on historical information or facts and may be “forward looking statements” within the meaning of applicable securities laws and regulations, including, but not limited to, those relating to general business plans & strategy of the Company, its future outlook & growth prospects, future developments in its businesses, its competitive & regulatory environment and management's current views & assumptions which may not remain constant due to risks and uncertainties. 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, competitors actions, 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 statement, on the basis of any subsequent development, information or events, or otherwise. This “Press Release” does not constitute a prospectus, offering circular or offering memorandum or an offer to acquire any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of the Company's shares. The financial figures in this “Press Release” have been rounded off to the nearest ₹ one Crore.

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