



PRESS RELEASE

Mumbai, 30th October 2010

Aditya Birla Nuvo reports results
for the quarter ended 30th September 2010

Aditya Birla Nuvo has posted strong growth in its operating performance driven by consistent improvement in earnings across the businesses:

(₹ Crore)

	Quarter-2		Consolidated Results	Half-Year	
	2010-11	2009-10		2010-11	2009-10
	23%				21%
Revenue	4,532	3,698	Revenue	8,388	6,950
EBITDA	50%	413	EBITDA	1,177	749
Net Profit*		1	Net Profit*	254	-34
					57%

*Including one-time exceptional loss of ₹ 103 Crore borne in Q2FY11 by Aditya Birla Money and Aditya Birla Money Mart, subsidiaries of Aditya Birla Nuvo

Business-wise Performance Review:

Aditya Birla Financial Services (ABFS)

ABFS continues to strengthen its position as a large non-bank financial services player with an integrated and broad-based business. With value creation for clients at its core, ABFS is trusted by about 5.5 million customers. Anchored by over 15,000 employees, ABFS has nation-wide reach through about 1,600 points of presence and 2,00,000 channel partners. **Its combined Assets under Management (AUM) grew by 14% to ₹ 90,566 Crore (approx. USD 20 billion). Revenue surged by 27% to ₹ 1,619 Crore.**

- The total premium income of **Birla Sun Life Insurance (BSLI)** grew by 22% to ₹ 1,451 Crore driven by 63% growth in renewal premium. New business premium at ₹ 580 Crore de-grew by 12%. Majority of life insurers witnessed muted new business sales post new ULIP guidelines effective 1st September 2010. While new business premium of BSLI grew by 7% during April-August 2010, sales growth was impacted in September 2010. BSLI's AUM scaled up by 37% to ₹ 18,616 Crore. **Driven by growing size of in-force book, lower new business strain and better expense management, BSLI achieved net profit of ₹ 20 Crore vis-a-vis net loss of ₹ 127 Crore.** BSLI's thrust is on achieving balanced product mix and driving cost and operating efficiencies across the distribution channels and areas of operations. Non-ULIP policies contributed 25% of total policies issued during the half year.

- The total average AUM (incl. alternate assets) of **Birla Sun Life Asset Management (BSAMC)** augmented year on year by 8% to ₹ 71,069 Crore as on 30th September 2010. BSAMC is focusing on raising its share of equity AUM and alternate assets. Average equity AUM surged by 30% to ₹ 15,069 Crore compared to 14% industry growth. **Real Estate Onshore Fund collected ₹ 635 Crore on its first closure in August 2010.** It is targeting second closure shortly.
- The overall book size of **Aditya Birla Finance (NBFC)** surged by 86% quarter-on-quarter to more than ₹ 1,900 Crore. It has received capital infusion of ₹ 225 Crore to support its growth and is well capitalised with a net worth of ₹ 475 Crore.
- Equity volumes of Aditya Birla Money (Broking) grew quarter on quarter by 22% vis-à-vis industry's 11% growth. Its clients base stands enhanced to 2.4 lacs customers.

Telecom : Idea Cellular continued to build sustainable competitiveness while maintaining its growth momentum. **Idea ranks 3rd in terms of wireless revenue market share at 13% in Q1FY11 up from 12.1% a year ago** (Based on gross revenue for UAS & Mobile license only, as released by TRAI, latest available till Q1FY11). **Revenue soared by 23% to ₹ 3,637 Crore led by a strong growth in minutes of usage. EBITDA is up by 4% to ₹ 890 Crore** even after absorbing the competitive pressure on average realised rate per minute, increase in spectrum charges and start up costs of new service areas launched in the past one year. Its net profit de-grew from ₹ 220 Crore to ₹ 180 Crore. **Idea is targeting 3G roll out by Q4FY11 in 11 services areas where it won 3G spectrum and which account for 80% of its existing revenue.** Idea is pursuing long-term arrangements with select quality operators for other service areas.

Fashion & Lifestyle : The business is capitalising on brand leadership and enhancing channel productivity to achieve profitable growth. **Madura Garments has posted 40% growth in revenue at ₹ 478 Crore.** Improved customer footfalls led to robust sales growth across the brands viz., Louis Philippe, Van Heusen, Allen Solly and Peter England. Initiatives taken to improve retail throughput, inventory replenishment and brand communication also contributed. The wholesale channel posted 56% growth and the retail channel grew by 39%. **EBITDA rose by 5 times to ₹ 45 Crore driven by robust sales growth.** In the quarter, 36 EBOs were launched to reach a total of 454 EBOs across 9 lacs sq. ft. area. After the success of its Mumbai and Bengaluru stores, 'The Collective' – a premium international brands store – launched its 3rd store in Delhi.

IT-ITeS : Aditya Birla Minacs continued to augment its capabilities and build strong order book with a focus on the bottom-line. **It has sold Total Contract Value of ~USD 550 million in the first half year.** Revenue grew year on year as well as sequentially to ₹ 405 Crore. **EBITDA soared by 76% to ₹ 44 Crore.**

In the **Manufacturing businesses**, the focus is on capturing the sector growth and realising its full potential. **Combined revenue at ₹ 1,171 Crore registered 26% growth over the last year. EBITDA at ₹ 206 Crore remained flat.** Profitability in the second quarter of the previous year, reflects a one time

input price advantage attained in the Carbon Black business. While steep rise in the input and fuel costs strained profitability in the Rayon business, the Agri-business, Insulators and Textiles businesses contributed to the bottom-line growth. **The operating margin at 18% and return on average capital employed at 30% has been encouraging.**

The Company's standalone balance sheet stands strengthened with Net Debt to Equity and Net Debt to EBITDA at 0.67 and 3.4 as on 30th September 2010 vis-à-vis 0.74 and 4.1 as on 31st March 2010.

Management Comments

Commenting on the results, Dr. Rakesh Jain, MD, Aditya Birla Nuvo emphasised, "The Company's thrust on profitable growth across the businesses has led to strong results. Financial Services, Fashion & Lifestyle and IT-ITeS businesses have also achieved the 'path to profitability' and continue to grow in terms of top-line as well as bottom-line."

Mr. Sushil Agarwal, CFO, Aditya Birla Nuvo said, "Quarter after quarter, Aditya Birla Nuvo has not only demonstrated strong growth in the earnings but also strengthened its financial position. We are committed to maintain this trend."

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 part of the **Aditya Birla Group**, India's first truly multinational group. The group operates in 26 countries across the globe, is anchored by an extraordinary force of over 130,000 employees belonging to 40 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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