



**PRESS RELEASE**

Mumbai, 11<sup>th</sup> February 2011

**Aditya Birla Nuvo reports results  
for the quarter ended 31<sup>st</sup> December 2010**

Aditya Birla Nuvo Limited (ABNL), a USD 3.5 billion conglomerate with leadership position across its businesses, has reported strong financial results. For the quarter ended 31<sup>st</sup> December 2010, the Company's consolidated revenue at ₹ 4,563 Crore grew by 12% and net profit at ₹ 275 Crore rose phenomenally vis-à-vis ₹ 8 Crore attained in corresponding quarter of the earlier year.

(₹ Crore)

	Quarter-3		Consolidated	Nine Months		
	FY10-11	FY09-10		FY10-11	FY09-10	
	4,563	4,089	Revenue	12,951	11,039	17%
	745	421	EBITDA	1,922	1,170	64%
	275	8	Net Profit	529	-26	

Led by a strong year on year earnings growth, net profit at ₹ 529 Crore earned in nine months surpassed full year net profit of ₹ 155 Crore attained in previous financial year 2009-10.

Commenting on the results, Dr. Rakesh Jain, MD, Aditya Birla Nuvo said, "The investments made in the growth businesses viz., Financial Services, Fashion & Lifestyle and IT-ITeS businesses are now yielding consistent results. This reflects the strength of ABNL's diversified business model and growth strategy which will continue to be pursued to further strengthen ABNL's leadership positions across all the businesses".

Mr. Sushil Agarwal, CFO, Aditya Birla Nuvo highlighted, "Continuing its trend of delivering strong results quarter after quarter, ABNL posted 8<sup>th</sup> consecutive quarterly growth in EBITDA. On a year on year basis, net profit recorded a swing of more than ₹ 250 Crore during the quarter and more than ₹ 550 Crore during the nine months. The balance sheet and financial ratios have also been strengthened considerably. We are committed to maintain this trend of superior performance."

**Business-wise Quarterly Performance Review:**

**Aditya Birla Financial Services (ABFS)**

ABFS continues to strengthen its position as a large non-bank financial services player. ABFS is trusted by about 5.5 million customers and anchored by about 15,000 employees. ABFS has a nation-wide reach with more than 1,600 points of presence and about 2,00,000 channel partners. **It manages**

combined Assets under Management (AUM) of about ₹ 81,500 Crore (approx. USD 18 billion). During the quarter, ABFS's revenue stood at ₹ 1,460 Crore, EBITDA at ₹ 182 Crore and net profit at ₹ 151 Crore.

- **Driven by strong persistency ratio, the renewal premium of Birla Sun Life Insurance (BSLI) surged by 55% to ₹ 893 Crore.** The new business premium income at ₹ 385 Crore de-grew year on year. ULIP sales for majority of life insurers were impacted post the new guidelines which became effective from 1<sup>st</sup> September 2010. For BSLI, non-ULIPs contributed 38% of new business. BSLI's AUM scaled up by 30% to ₹ 19,165 Crore. **Fuelled by the growing size of in-force book, lower new business strain and better expense management, BSLI achieved EBITDA of ₹ 138 Crore vis-a-vis loss of ₹ 128 Crore in the last year. Net profit stood at ₹ 127 Crore during the quarter.**

No capital infusion was required during the three quarters. In the fourth quarter too, no capital infusion is estimated.

- The total average AUM (AAUM) of **Birla Sun Life Asset Management (BSAMC)** stood at ₹ 61,532 Crore as on 31<sup>st</sup> December 2010. BSAMC's equity AAUM (Incl. offshore) at ₹ 15,141 Crore grew by 15% during nine months. **In Domestic equity AAUM, BSAMC achieved the 3<sup>rd</sup> highest growth rate among the top ten players. It's maiden Real Estate Onshore Fund collected ₹ 1,088 Crore.** During the three quarters, EBITDA of BSAMC doubled to ₹ 110 Crore.
- The average book size of **Aditya Birla Finance (ABFL)**, the NBFC arm, surged by 90% quarter-on-quarter to around ₹ 2,150 Crore. **ABFL disbursed loans of approximately ₹ 4,700 Crore towards IPO financing during the quarter.**
- Aditya Birla Private Equity launched 'Sunrise Fund' aimed at investing in companies engaged in emerging sectors such as Lifestyle, Lifeskills & Education, Lifecare and Applied Technologies.

**Telecom : The revenue of Idea Cellular rose by 26% to ₹ 3,953 Crore driven by a strong growth in total Minutes of Use (MoU).** The total MoU on network crossed the '1 billion per day' mark during the quarter. Idea ranks 3<sup>rd</sup> in terms of wireless revenue market share at 12.8% up from 12.1% a year ago. **Idea's EBITDA grew by 13% to ₹ 958 Crore and net profit surged by 43% to ₹ 243 Crore.** It absorbed the competitive pressures on average revenue per minute through cost efficiencies. **Idea is targeting the 3G roll out within the next few months in 11 services areas where it has won 3G spectrum and account for 80% of its existing revenue.** Idea is pursuing long-term arrangements with select quality operators for other service areas.

**Fashion & Lifestyle : Madura Garments has posted a 60% growth in revenue at ₹ 504 Crore.** The business is leveraging its brand leadership and expanded retail presence to ride on the buoyant demand in the domestic market. Like to like stores sales from the major brands (Louis Philippe, Van Heusen, Allen Solly and Peter England) grew by 35%. During the quarter, 54 Exclusive Brand Outlets (EBOs) were launched to reach a total of 506 EBOs across 9.5 lacs sq. ft. area. **EBITDA shot up from ₹ 10 Crore to ₹ 47 Crore during the quarter.**

**During the three quarters, business posted an EBITDA of ₹ 111 Crore – a swing of more than ₹ 100 Crore over the last year.**

**IT-ITeS** : Quarterly revenue grew year on year by 14% to ₹ 428 Crore. **EBITDA extended by 29% to ₹ 40 Crore.** Revenue growth, rationalised cost structure and savings in interest cost spurred profitability. **During the three quarters, Aditya Birla Minacs sold Total Contract Value of ~USD 625 million and posted a net profit of ₹ 41 Crore vis-à-vis a net loss of ₹ 11 Crore last year.**

The combined revenue of the **Manufacturing businesses** grew by 25% to ₹ 1,231 Crore, driven by expansion in the carbon black business and buoyant volumes in the linen segment. **EBITDA stood at ₹ 197 Crore.** In the third quarter of the previous year, the Carbon Black business benefited from low cost inventory while Agri-business received higher subsidy arrears. While a steep rise in the input and fuel costs strained profitability in the Rayon business, volume growth in the Textiles business augmented profitability.

**During the three quarters, manufacturing businesses posted EBITDA of ₹ 575 Crore, operating margin of 17% and return on average capital employed (ROACE) of 27%.**

The Company's standalone balance sheet stands strengthened with Net Debt to Equity and Net Debt to EBITDA at 0.56 and 3.1 as on 31<sup>st</sup> December 2010 vis-à-vis 0.74 and 4.1 as on 31<sup>st</sup> March 2010. This is the outcome of consistent earnings growth, along with the promoter infusion of ₹ 426 Crore in December 2010, on the conversion of remaining warrants.

#### **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 27 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.

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