



PRESS RELEASE

Mumbai, 30th May 2011

Aditya Birla Nuvo reports results for the year ended 31st March 2011

Highlights

Aditya Birla Nuvo Limited (ABNL), a USD 4 billion conglomerate, having leadership position across its businesses, reported highest ever earnings

Revenue	₹ 17,102 Crore	↑ 17%
EBITDA	₹ 2,420 Crore	↑ 71%
Net Profit	₹ 752 Crore	↑

(₹ Crore)

Quarter-4			Consolidated Results	Full Year		
Pro-forma*		Published		Pro-forma*		Published
2010-11	2009-10	2009-10		2010-11	2009-10	2009-10
4,148	3,605	4,483	Revenue	17,102	14,645	15,523
497	243	516	EBITDA	2,420	1,413	1,686
224	110	180	Net Profit	752	84	155

*Idea Cellular (Idea), a JV of ABNL, has not published its Financial Statements (FS) for the quarter and the year ended 31st March 2011. Hence for comparison purpose, ABNL has considered the FS of Idea for the nine months ended 31st December in both the years. On receipt of the FS of Idea, ABNL will publish its audited consolidated results.

Management Comments

Dr. Rakesh Jain, MD, Aditya Birla Nuvo said, “With a leadership position across its businesses that mirror the growing sectors of the Indian Economy, ABNL is a uniquely positioned conglomerate. We remain focused to capture opportunities across the businesses to achieve the next level of growth”.

Mr. Sushil Agarwal, CFO, Aditya Birla Nuvo emphasised, “ABNL’s consistent improvement in operating and financial performance year after year is an outcome of enhanced focus on profitable growth across the businesses. We are committed to maintain this trend of superior performance while creating value for all the stakeholders.”

Business-wise Review:

Financial Services

Aditya Birla Financial Services (ABFS) continues to strengthen its position as a large non-bank financial services player. Trusted by about 5.5 million customers and anchored by about 15,000 employees,

ABFS has a nation-wide reach with more than 1,700 points of presence and about 200,000 channel partners. **Its combined Funds under Management are in the range of ₹ 88,200 Crore (approx. USD 20 billion). ABFS's revenue stood at ₹ 6,296 Crore (USD 1.4 billion), EBITDA at ₹ 537 Crore and net profit at ₹ 309 Crore.**

- **Driven by strong persistency, the renewal premium of Birla Sun Life Insurance (BSLI) surged by 41% to ₹ 3,597 Crore.** The new business premium income at ₹ 2,080 Crore de-grew year on year. ULIP sales were impacted across the industry post the new guidelines which became effective from 1st September 2010. However, non-ULIP sales gained traction. For BSLI, non-ULIPs contributed 21% of its new business. BSLI's AUM scaled up by 23% to ₹ 19,760 Crore. **Fuelled by the growing size of in-force book, lower new business strain and better expense management, BSLI achieved EBITDA of ₹ 352 Crore vis-a-vis a loss of ₹ 378 Crore in the earlier year. Net profit stood at ₹ 305 Crore during the year compared to a net loss of ₹ 435 Crore in the previous year.** No capital infusion was required.
- The total average AUM (AAUM) of **Birla Sun Life Asset Management (BSAMC)** stood at ₹ 67,560 Crore with an increase in market share in terms of domestic AAUM from 8.3% to 9.1%. BSAMC's equity AAUM (Including offshore) and alternate assets at ₹ 15,177 Crore grew by 12%. **It's maiden Real Estate Onshore Fund collected ₹ 1,088 Crore. During the year, EBITDA rose by 53% to ₹ 130 Crore and net profit rose by 75% to ₹ 85 Crore.**
- The average book size of **Aditya Birla Finance (ABFL)**, the NBFC arm, more than doubled year-on-year to around ₹ 1,800 Crore. **ABFL disbursed loans of approximately ₹ 5,000 Crore towards IPO financing.** Operating profit (net of interest cost) grew by 22% to ₹ 57 Crore.

Telecom : With total Minutes of Usages of more than 1 billion per day, Idea is among the top 10 operators in the world. Idea ranks 3rd in India in terms of wireless revenue market share at 13.1% during April – December 2010 up from 12.4% a year ago. Idea has won 1 million 3G customers within a month of its launch in nine service areas. Idea is pursuing long-term arrangements with select quality operators for other service areas.

Idea has not published its results for the quarter and the year ended 31st March 2011. However, during the nine months, the revenue of Idea Cellular rose by 24% to ₹ 11,240 Crore driven by a strong growth in the total minutes of usage. During the nine months, Idea's EBITDA grew by 5% to ₹ 2,757 Crore while net profit de-grew by 9% to ₹ 624 Crore. The decline in average revenue per minute was almost compensated by volume led cost efficiencies.

Fashion & Lifestyle : Madura Fashion & Lifestyle sells one branded apparel every two seconds through its 900 Exclusive Brand Outlets spanning across 1.3 million square feet besides more than 1,250 departmental stores and Multi Brand Outlets.

Madura Fashion & Lifestyle has posted a robust 45% growth in revenue at ₹ 1,809 Crore. It continues to leverage 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 more than 30%. EBITDA shot up to ₹ 137 Crore vis-à-vis loss of ₹ 4 Crore in the preceding year.**

IT-ITeS : Having global delivery capabilities serving several Fortune 500 clients through 35 centres and over 19,500 employees, Aditya Birla Minacs was recently recognised in the leaders category of the 'Global Outsourcing 100' companies by IAOP. Revenue grew year on year by 11% to ₹ 1,692 Crore while EBITDA extended by 75% to ₹ 183 Crore. It sold Total Contract Value in excess of USD 775 million during the year. The business has posted a net profit of ₹ 74 Crore vis-à-vis a net loss of ₹ 13 Crore last year. Revenue growth, rationalised cost structure and savings in interest cost spurred profitability.

Manufacturing businesses are well positioned to tap growth opportunities arising from investment and consumption across Agriculture, Power, Automobiles and Textiles sectors. The combined revenue grew by 26% to ₹ 4,689 Crore, fuelled by expansion in the carbon black business and buoyant demand in the linen segment. EBITDA stood at ₹ 781 Crore up from ₹ 748 Crore earned in the last year. Expansion led 19% volume growth and higher power sales in the Carbon Black business was partly offset by stabilisation of the expanded capacity. While a steep rise in the input and fuel costs strained profitability in the Rayon business, volume growth in the Textiles and Insulators businesses contributed to the bottom-line. Higher agri-input sales also augmented profitability. **Manufacturing businesses posted an operating margin of 16% and return on average capital employed (ROACE) of 26%.**

Financial Position

The Company's Standalone balance sheet has been strengthened with Net Debt to Equity improving from 0.74 to 0.58 and Net Debt to EBITDA from 4.1 to 3.2. This is the outcome of consistent earnings growth, along with the promoter infusion of ₹ 426 Crore in December 2010, on conversion of the remaining warrants.

Dividend

The Board of Directors has recommended a dividend of 55% for 2010-11 entailing a total outgo of ₹ 73 Crore including the dividend distribution tax.

Going Forward :

ABNL's strategy going forward includes:

- Increasing market share while building a profitable book with a strong focus on distribution efficiency, persistency, expense management and service in the **Life Insurance** business
- Increasing market share profitably with a strong focus on distribution, high margin assets, service and fund performance in the **Asset Management** business
- Continuing to augment revenue market share by capitalising on brand !DEA in the **Telecom** business backed by excellent service delivery
- Continuing to leverage brand leadership and expanded retail space in the **Fashion & Lifestyle** business
- Augmenting capabilities, building a strong order book and scaling F&A and Collections verticals in the **IT-ITeS** business

- Margin enhancement by maximising operating efficiency and passing on the rise in input and fuel costs in the **Manufacturing** businesses. Expansion of capacities is also on the cards to capture sector growth.
 - Caustic soda capacity expansion by 125 TPD to 375 TPD by FY13.
 - Plans to further expand carbon black capacity by 85,000 TPA each at Patalganga in the second phase and in Southern India, to capitalise on the auto sector growth.
 - Insulators capacity enhancement by 2,000 TPA through debottlenecking to tap power sector growth.

ABNL's thrust is on capturing growth opportunities across the businesses to achieve the next level of growth, supported by its strong balance sheet.

About Aditya Birla Nuvo Ltd.

Aditya Birla Nuvo is a USD 4 billion conglomerate. Over the years, it has built successful ventures into the 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 sectors.

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 31 countries across the globe, is anchored by an extraordinary force of 131,000 employees belonging to 42 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.

Aditya Birla Nuvo Limited

Regd. Office: Indian Rayon Compound, Veraval – 362 266 (Gujarat)

Corporate Office: 4th Floor 'A' Wing, Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai – 400 030

Website: www.adityabirlanuvo.com / www.adityabirla.com Email: nuvo-investors@adityabirla.com

Stock Code: BSE : 500303 NSE : ABIRLANUVO Reuters : ABRL.BO / ABRL.NS / IRYN.LU Bloomberg : ABNL IN / IRIG LX
