

ADITYA BIRLA



Aditya Birla Nuvo Limited

Performance Review : 1st Quarter FY2011-12

Mumbai, 13th August 2011

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

Investor presentation

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Note 1 : The financial results of ABNL are consolidated financials unless otherwise specified

Note 2 : USD 1 = ₹ 45

Note 3 : The financial figures in this presentation have been rounded off to the nearest ₹ 1 Crore

- ◆ **Indian economy grew by 8.5% in 2010-11**
- ◆ **In 2011-12, moderation in the GDP growth is projected**
 - ▶ Industrial GDP growth and investment activities have slowed down due to rise in cost of borrowings and increase in input and fuel costs
 - ▶ Inflationary pressure has led to moderation in domestic demand and household spending
- ◆ **Having withstood economic turns in the past, growth outlook for Indian economy remains positive in the medium to long term. India remains strongly positioned as one of the fastest growing economies in the world**
- ◆ **Amidst these challenges, Aditya Birla Nuvo continued its profitable growth journey with strengthened market positioning and robust growth across its businesses**

Aditya Birla Nuvo : Profitable growth journey continues ...

● Achieved highest ever consolidated quarterly EBITDA

- Posted healthy earnings growth across the businesses

● Strengthened market positioning

- Birla Sun Life Insurance moved one step up to rank 5th among private life insurers in India in terms of new business with an improved market share of 8.8%
- Revenue market share of Idea, the 3rd largest cellular operator in India, grew q-o-q from 13.3% to 13.6%¹
- Madura Fashion & Lifestyle, the largest branded apparel player in India, outperformed market growth
- Aditya Birla Minacs named among 'top five emerging outsourcers to watch for in North America'²

● Attained robust volume growth year on year

- Idea's total minutes on network (MoN) rose by 32% outperforming the sector growth
- Madura Fashion & Lifestyle achieved 39% growth in sales volume amidst rise in apparel prices
- Aditya Birla Minacs sold Total contract value (TCV) of ~USD 128 million (New business - 93% of TCV)
- Carbon Black business registered 32% growth in volumes led by expansion in the previous year
- Textiles business posted 29% volume growth in linen fabric segment driven by buoyant demand

¹Based on gross revenue for UAS & Mobile license only, released by TRAI, for March 2011 quarter

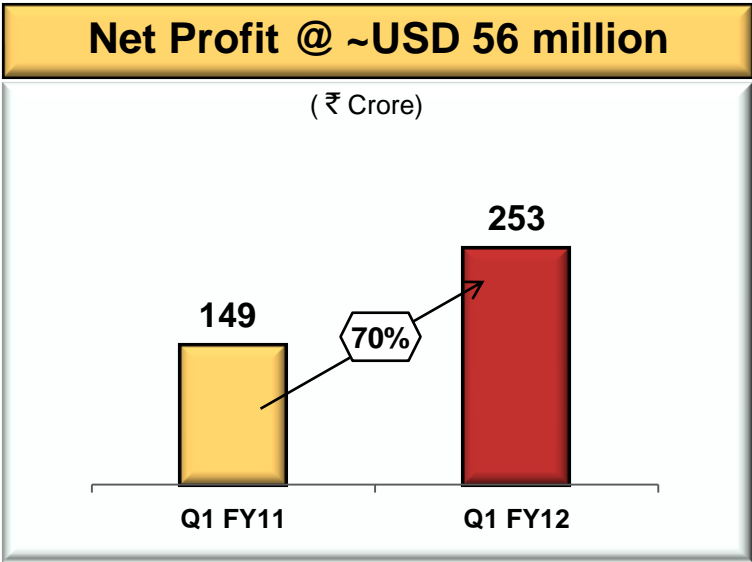
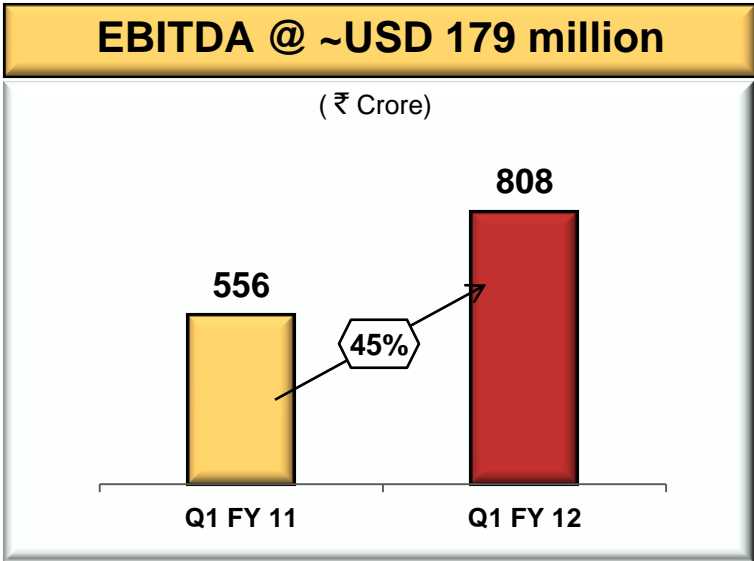
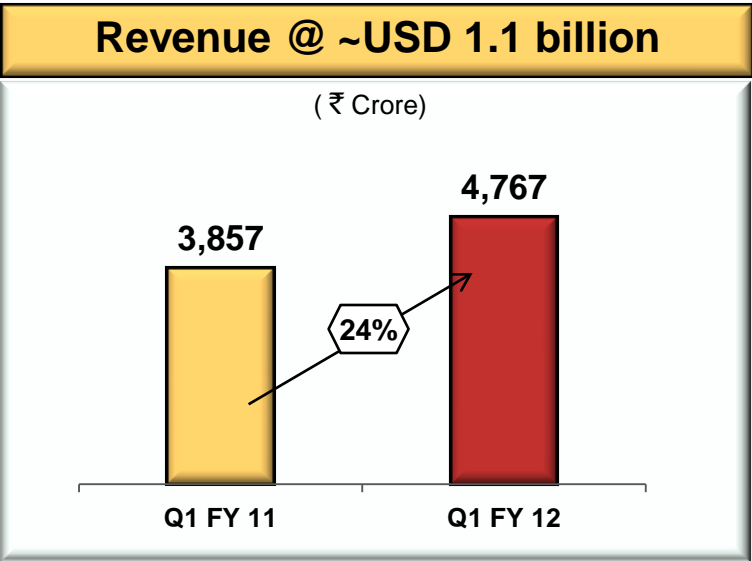
²Source: Frost & Sullivan

... supported by earnings growth across the businesses

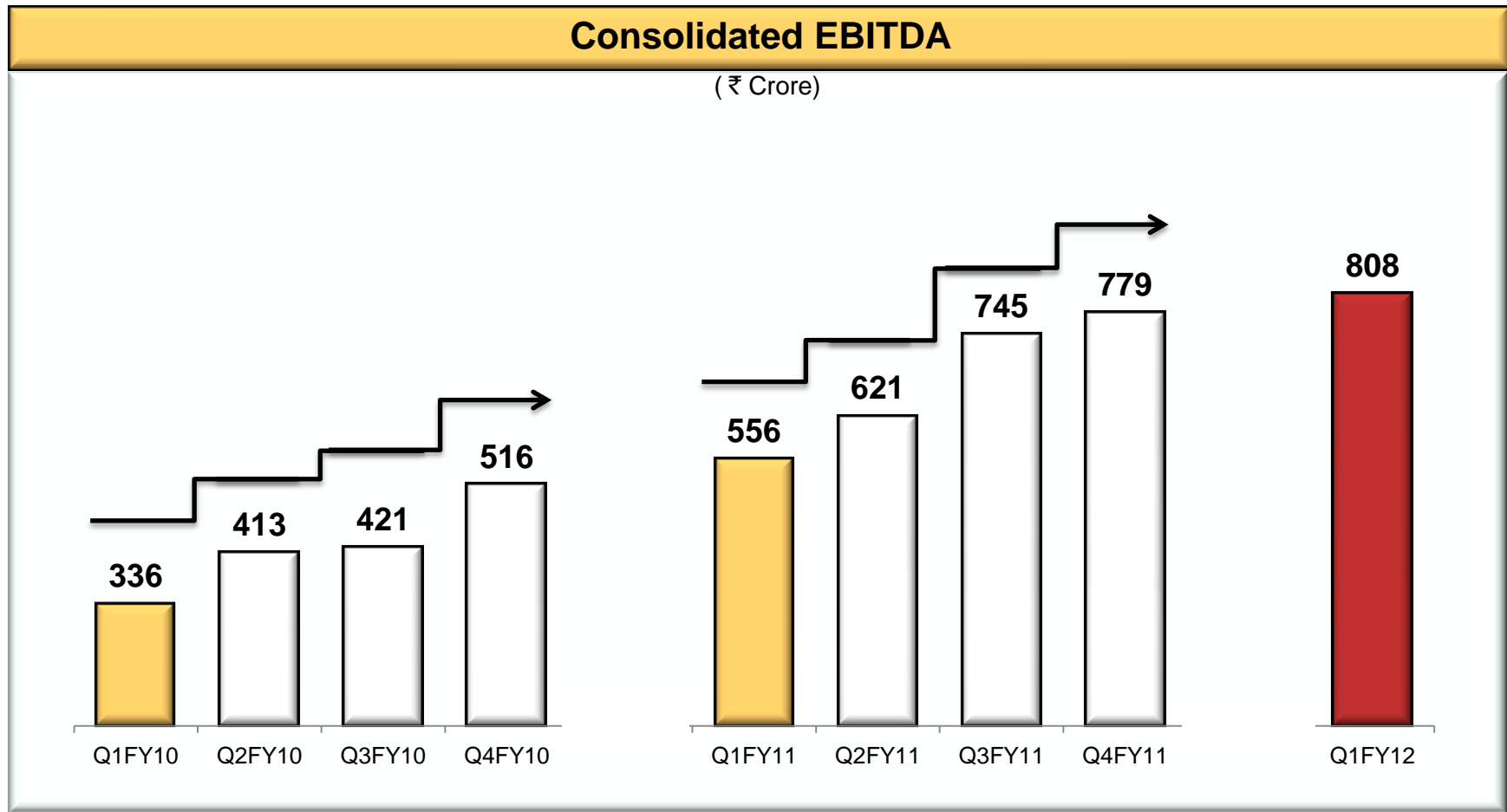
Business-wise earnings growth in Q1FY12 (y-o-y)

	Revenue	EBITDA
Financial Services	4%	97%
Telecom	24%	35%
Fashion & Lifestyle	39%	27%
IT-ITeS	21%	
Manufacturing	43%	21%

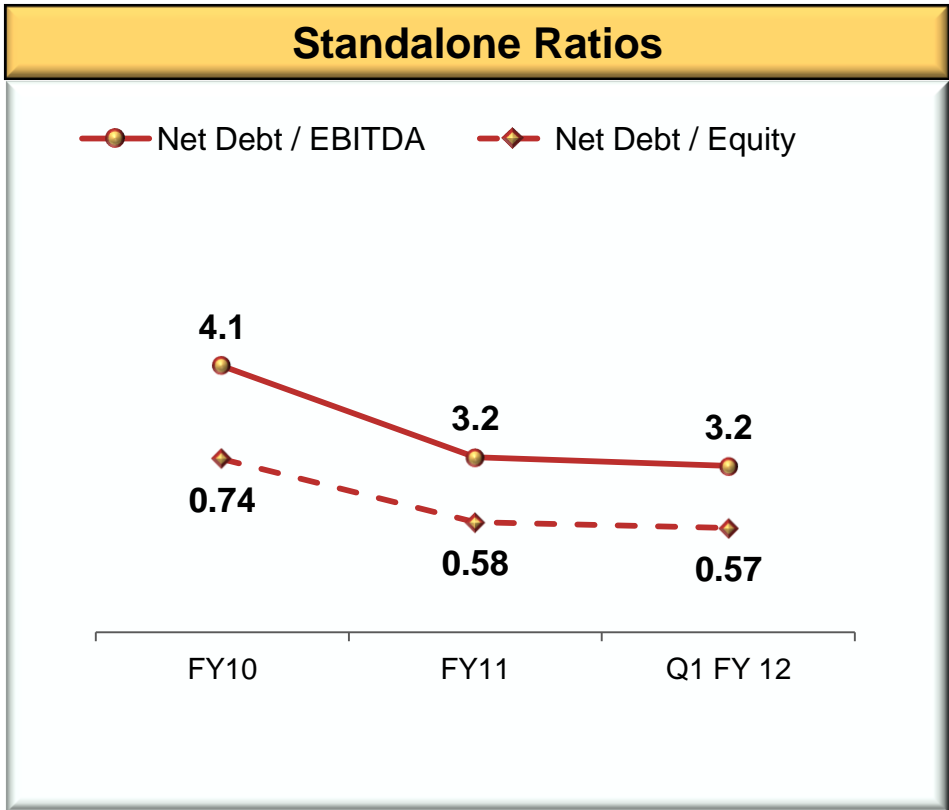
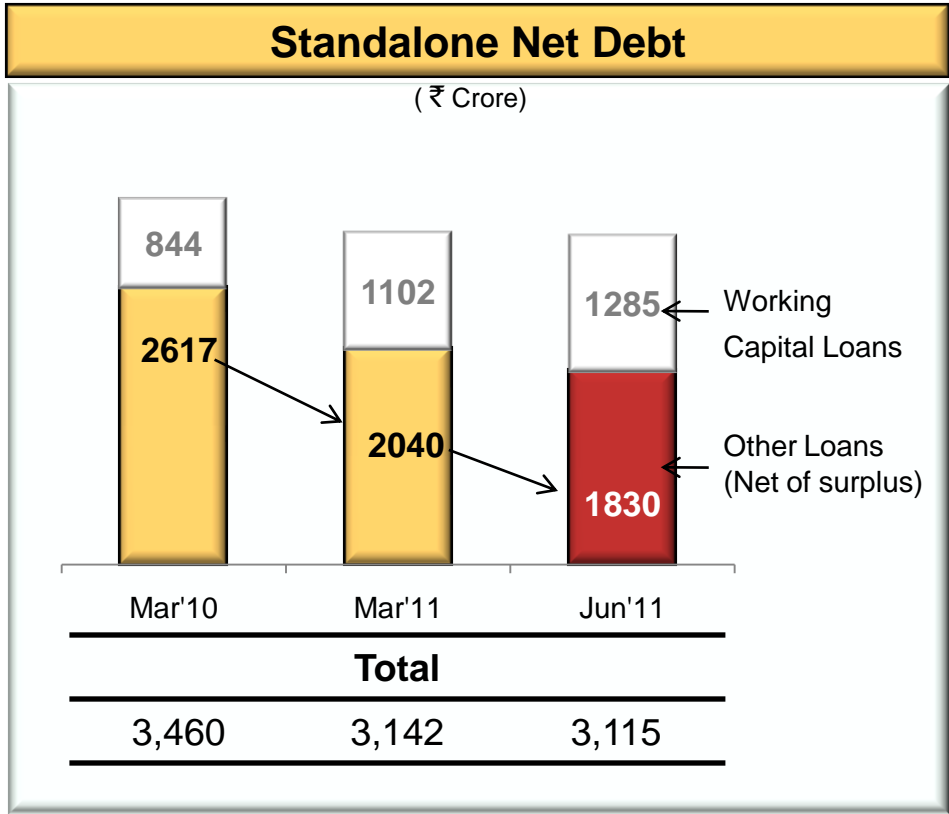
Consolidated earnings registered strong growth



Profitability stepping up quarter after quarter



Strengthening Balance Sheet year after year



● Balance Sheet strengthened & Financial ratios improved considerably

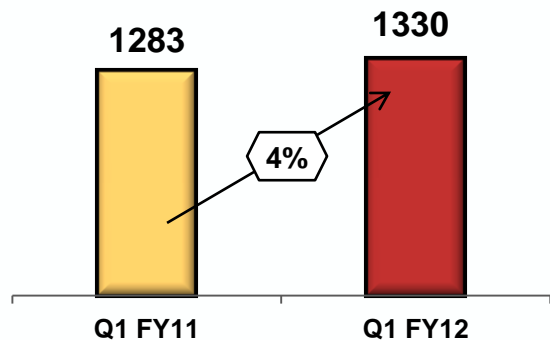
Business-wise performance highlights

1st Quarter FY2011-12

Aditya Birla Financial Services (ABFS)

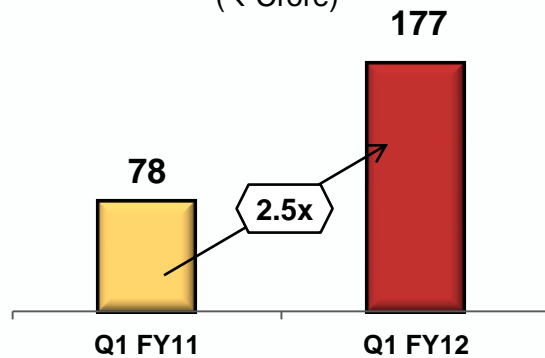
Revenue¹

(₹ Crore)



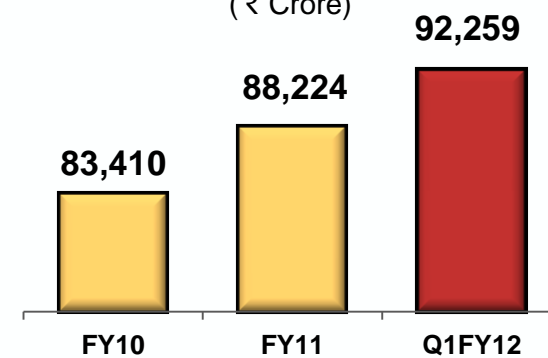
EBT¹

(₹ Crore)



AUM²

(₹ Crore)



- While the Indian financial services industry is undergoing a rapidly evolving phase, driven by regulatory changes and uncertain markets, ABFS has strengthened its position as a significant non bank Financial Services player : Managing AUM of ~USD 20.5 billion, ABFS is one of the two non bank players in India which rank among top 7 players in both life insurance and asset management businesses
- During Q1, revenue grew by 4%. However, earnings before tax grew 2.5 times to ₹ 177 Cr.
 - Post new IRDA guidelines effective from 1st Sep'10, life insurance industry witnessed subdued ULIP sales, affecting ABFS revenue growth too.
 - While there was a focus on profitable growth across all the businesses, life insurance was the major contributor to the bottom-line growth

Note 1 : Include full figures of Asset Management business. Being a JV, Asset Management business is consolidated at 50% in ABNL's consolidated financials as per AS 27.

Note 2 : Includes assets of Life Insurance, quarterly AAUM of Asset Management and Private Equity

Moderate growth in top-line – Strong growth in profitability

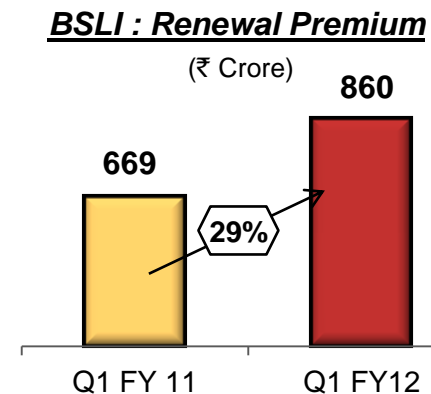
Birla Sun Life Insurance (BSLI)

Industry witnessed subdued ULIP sales vis-à-vis Q1 last year on account of new guidelines

- ▶ During Q1, private sector's weighted new business premium de-grew y-o-y by 39%
- ▶ BSLI reported 2nd lowest de-growth among the top 7 private life insurers. Its market share among private players in terms of weighted new business premium increased to 8.8% from 8.1% in Q1 last year

BSLI's gross premium income grew marginally y-o-y to ₹ 1,183 Cr.

- ▶ New business premium at ₹ 322 Cr. vis-à-vis ₹ 473 Cr. in Q1 last year
- ▶ Non-ULIP portfolio strengthened contributing to 47% of individual new business vis-à-vis 8% in Q1 last year
- ▶ Renewal premium surged by 29% to ₹ 860 Cr. driven by strong persistency
 - 13th month premium persistency ratio is at 83% as on 30th June'11



Strong growth in bottom-line led by growing in-force book and lower new business strain.

Balanced product mix and better expense management also contributed.

- ▶ Posted earnings before tax at ₹ 144 Cr. vis-à-vis ₹ 9 Cr in Q1 last year
- ▶ The business is well capitalised and hence no capital infusion was required.

EV at ₹ 4,108 Cr. as at 31st March 2011 (PY : ₹ 3,816 Cr.). VNB margin at 27.5% (PY : 22.5%)

Going forward : Increasing market share while building a profitable book with a strong focus on distribution efficiency, persistency, expense management and customer service

Birla Sun Life Asset Management (BSAMC)

- Industry's domestic avg. AUM (AAUM) at ~ ₹ 743,000 Cr. grew q-o-q by 6%

- ▶ Witnessing inflows largely in liquid funds and FMPs since past two quarters led by improved liquidity conditions in the market
- ▶ BSAMC's domestic AAUM of achieved 3rd highest growth q-o-q among top 5 players
 - Ranks 5th with a market share of 9.1%

- Total AAUM of BSAMC at ₹ 71,394 Cr. grew 6% q-o-q

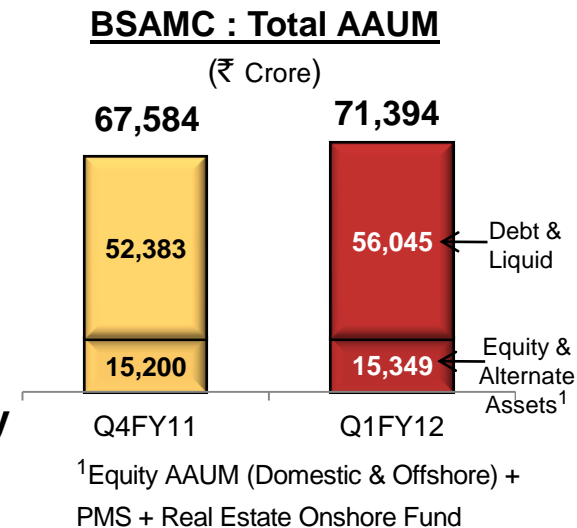
- ▶ Equity & alternate assets AAUM is at ₹ 15,349 Cr.
 - Garnered 18% share in industry's net equity sales during the quarter
- ▶ Real estate fund : Out of ₹ 1,088 Cr., ~15% has been deployed

- BSAMC has highest number of funds with 5 star ratings in the industry

- Quarterly revenue at ₹ 85 Cr. and EBT at ₹ 30 Cr.

- ▶ Q-o-Q, revenue grew by 28% and EBT rose by 53%

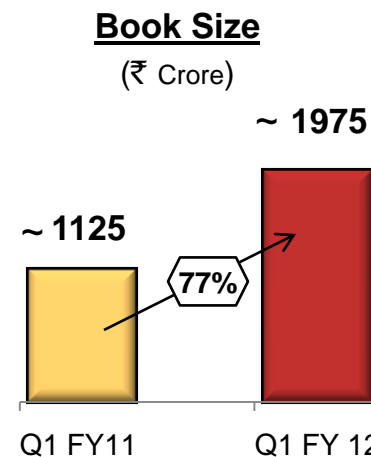
- Going forward** : Increasing market share profitably with a strong focus on distribution and high margin assets besides fund performance and superior customer service



Other Financial Services

● NBFC : Aditya Birla Finance (ABFL)

- ➔ During the quarter, closing book size of ABFL grew y-o-y by 77%
 - Revenue more than doubled to ₹ 60 Cr. in line with growth in book size
 - Earnings before tax was flat at ₹ 10 Cr.
 - ✳ Rise in interest rates continue to put pressure on NIMs across the industry
- ➔ Focusing to grow the book profitably while managing risk optimally



● Aditya Birla Private Equity (ABPE)

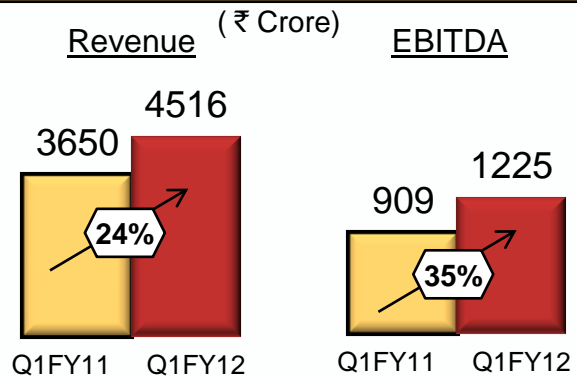
- ➔ “Sunrise Fund” – the second private equity fund is targeting its first closure in August 2011.
- ➔ About 22% of the USD 200 million ABPE Fund - I has been invested in four companies.

● Aditya Birla Money and Aditya Birla Money Mart (Broking and Wealth Management)

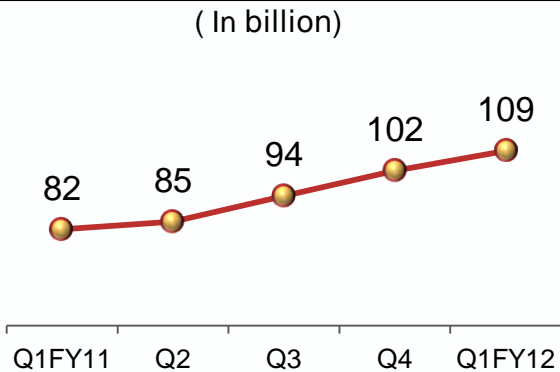
- ➔ Losses reduced quarter on quarter
- ➔ Aditya Birla Money Mart is amongst the top mutual fund distributors in the country, the largest corporate agent for Birla Sun Life Insurance and a significant player in wealth management
- ➔ Aditya Birla Money : Retail market share in cash segment enhanced q-o-q. Market share in commodities segment has also increased.
- ➔ Aditya Birla Insurance brokers, the general insurance advisory arm, wrote a premium of ₹ 84 Cr.

Telecom : Idea Cellular

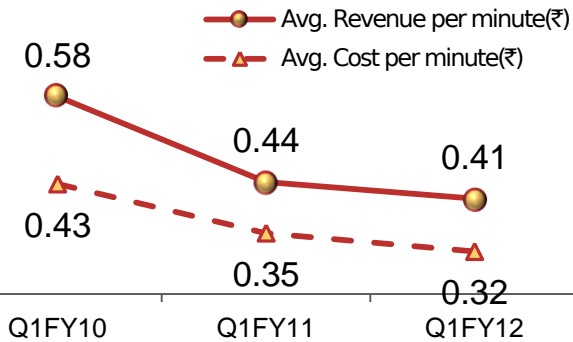
Earnings



Minutes on Network

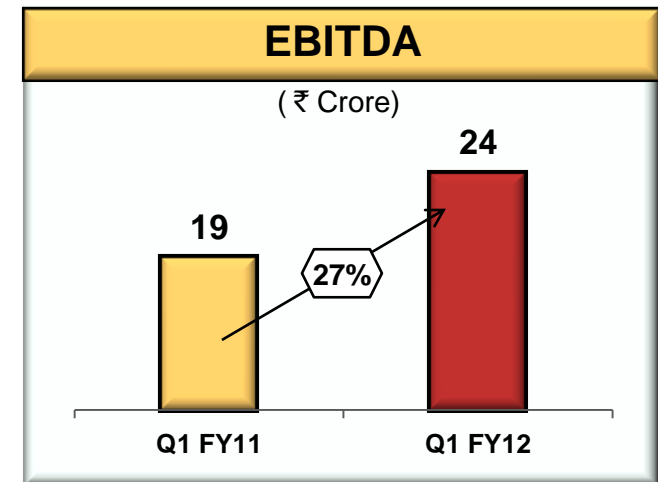
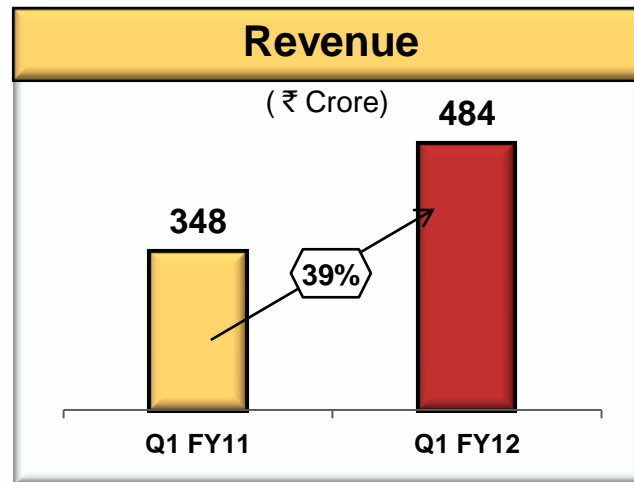
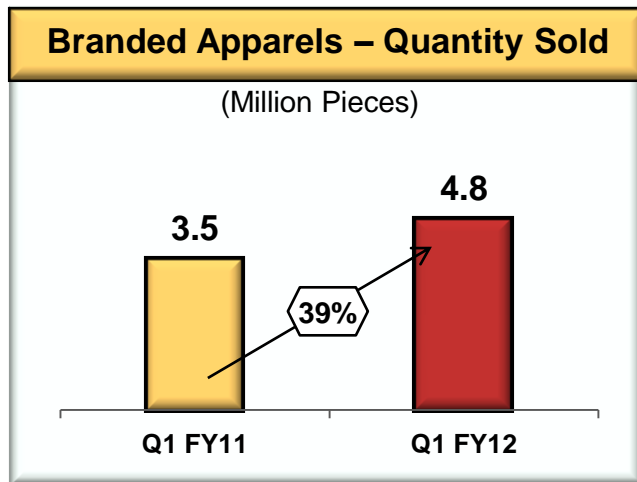


Deriving cost efficiencies



- In Q1, a robust 32% growth in total MoN drove y-o-y earnings growth absorbing ~6% decline in ARPM¹**
 - Rising revenue share and scale benefit led cost efficiencies also contributed to 35% growth in EBITDA
 - Net profit de-grew from ₹ 201 Cr. to ₹ 177 Cr. : With the introduction of 3G services, additional expenses of amortisation of 3G spectrum fee (₹ 66 Cr.) & charging of related interest cost (₹ 123 Cr.) impacted profits
- Q-o-Q, EBITDA grew by 12% - ARPM improved q-o-q while cost per minute continued to reduce**
- Idea has the highest active subscribers ratio in the industry at 92% as on 31st May 2011 and is the leading net subscribers gainer post launch of mobile number portability (MNP) reflecting its brand strength**
- Currently offers 3G services in 19 services areas**
- Going Forward :** Continue to increase revenue market share by capitalising on brand !DEA besides leveraging 3G spectrum to augment revenue stream and enrich customer experience

Madura Fashion & Lifestyle



• Achieved 39% y-o-y revenue growth supported by 39% volume growth

➤ Posted strong volume growth amidst rise in apparel prices

■ Apparel prices were increased to pass on rise in cotton prices & levy of excise duty

➤ Retail channel achieved overall 43% growth driven by same store sales growth and expanded retail space

■ Like to like stores sales grew by 16%

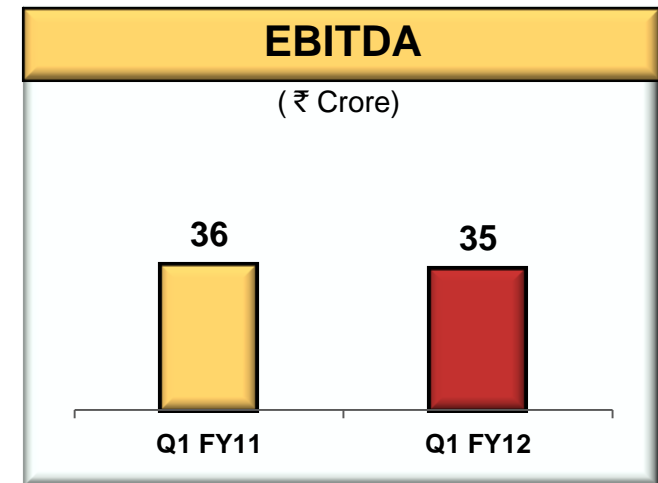
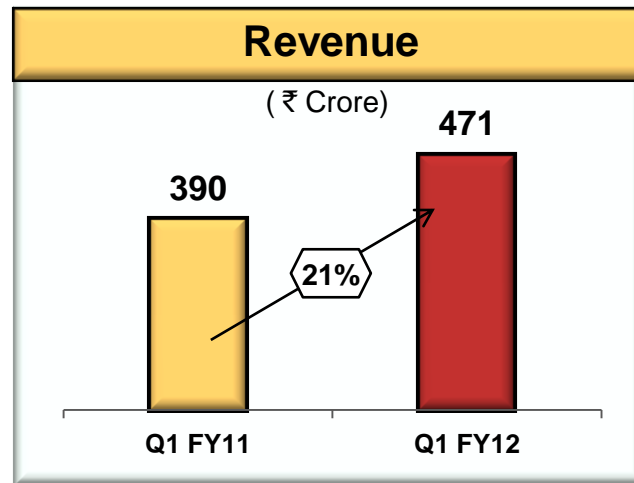
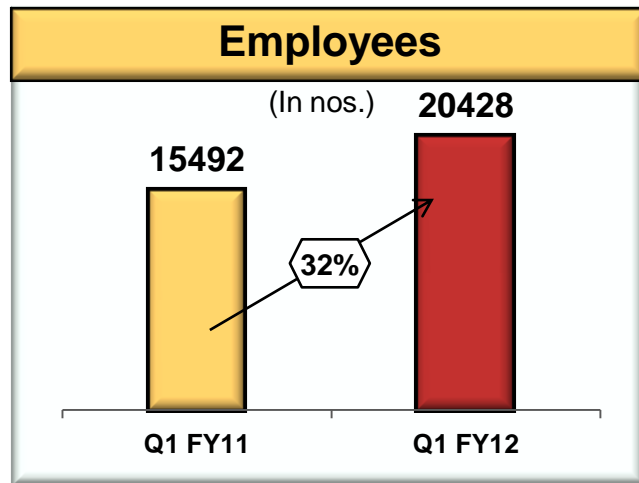
■ Launched 70 Exclusive Brand Outlets (EBOs) to reach 948 EBOs spanning across ~1.4 million sq. ft.

• EBITDA grew y-o-y by 27% driven by sales growth across the channels & brands

➤ Increase in volumes & prices compensated for cost push and higher discounting

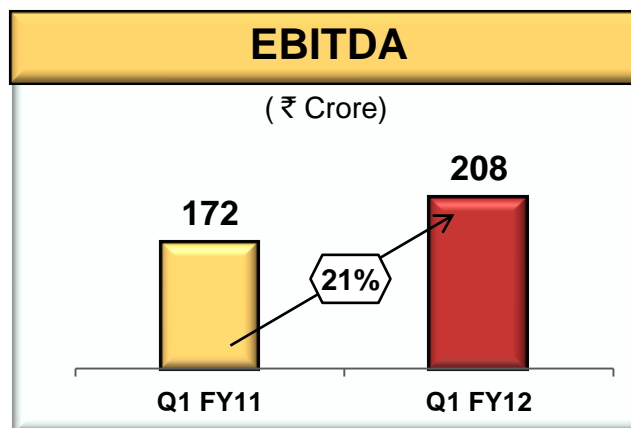
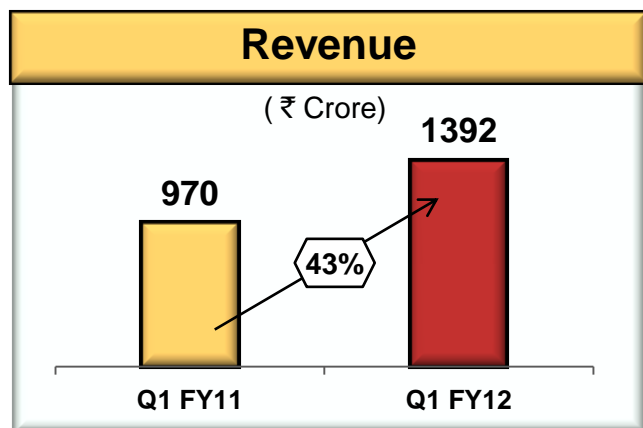
• **Going forward** : Continue to leverage brand leadership and expanded retail space besides extending range of merchandise for superior shopper experience.

IT-ITeS : Aditya Birla Minacs



- **Total contract value (TCV) of ~USD 128 million sold in Q1 : Won 3 new logos**
 - ➔ About 93% of TCV is on account of new business and balance is renewal business
- **Diversifying geographical presence** : Added one more centre in Philippines with 285 seats capacity
- **During the quarter, revenue grew y-o-y by 21% to ₹ 471 Cr.**
 - ➔ Conversion of order book drove revenue growth
 - ➔ Added about 800 headcounts during the quarter to support growth
- **EBITDA was flat at ₹ 35 Cr.**
 - ➔ Rise in manpower cost & ramp up expenses for new contracts contained profitability.
 - ➔ Reported net profit at ₹ 8 Cr. (PY: ₹ 10 Cr.)
- **Going forward** : Augmenting capacities, building strong order book and asset sweating

Manufacturing Businesses



Profitability & Return Ratios

EBITDA %	15%
ROACE %	25%

- Revenue growth was largely driven by expanded capacity in carbon black , buoyant sales volume in linen segment and higher production in Agri-business. Higher input costs also reflected in realisation in Carbon Black and Agri-business.

Business	Performance Review	Q1- EBITDA	
		FY11	FY12
Agri-business	In Q1 last year, annual maintenance shut down of 21 days led to lower volumes	29	44
Carbon Black	Expansion & higher power sales contributed; partly offset by rise in cost of feedstock	58	68
Insulators	Lower volumes & rise in input & fuel costs impacted; partly off set by rise in realisation	31	25
Rayon	Increase in realisation compensated for rise in input & fuel costs	31	30
Textiles	Robust demand in linen segment & improved realisation across segments	22	43

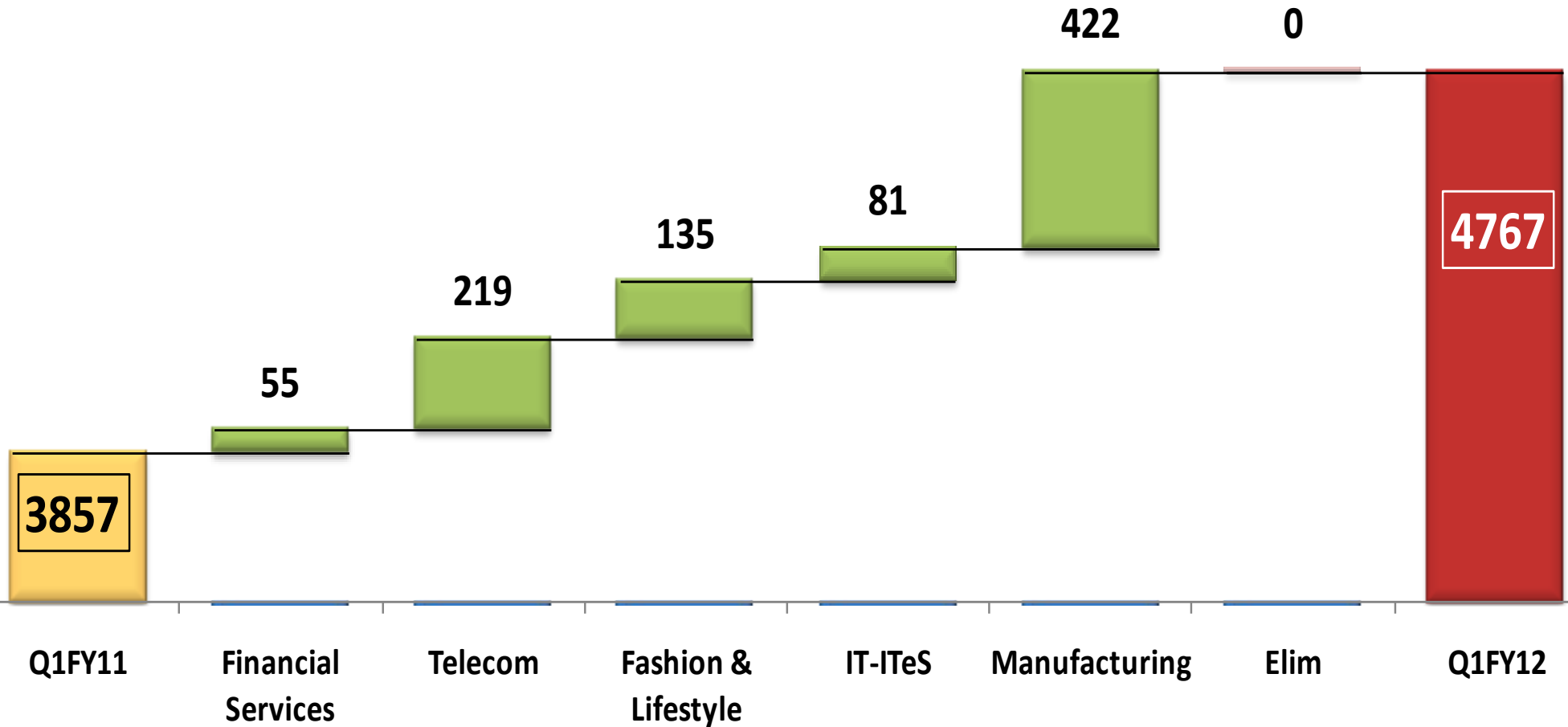
- Going forward** : Margin enhancement by maximising operating efficiency & passing on rise in input & fuel costs. Pursuing capacity expansion in the Carbon Black, Caustic soda and Insulators businesses.

Financial Performance

Consolidated Revenue Walk

Manufacturing businesses led the revenue walk followed by Telecom & Fashion & Lifestyle businesses

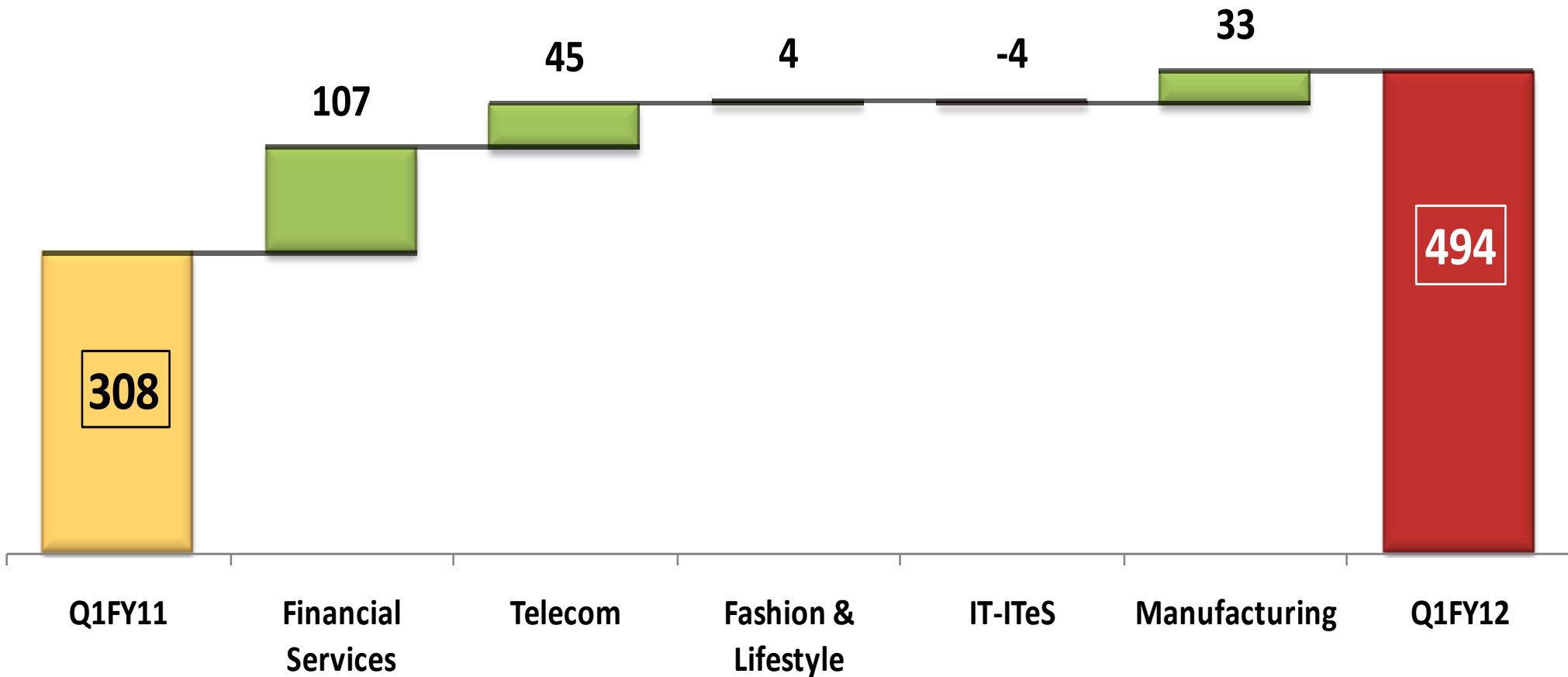
(₹ Crore)



Consolidated Segmental EBIT Walk

Financial Services led the profit walk followed by Telecom and Manufacturing businesses

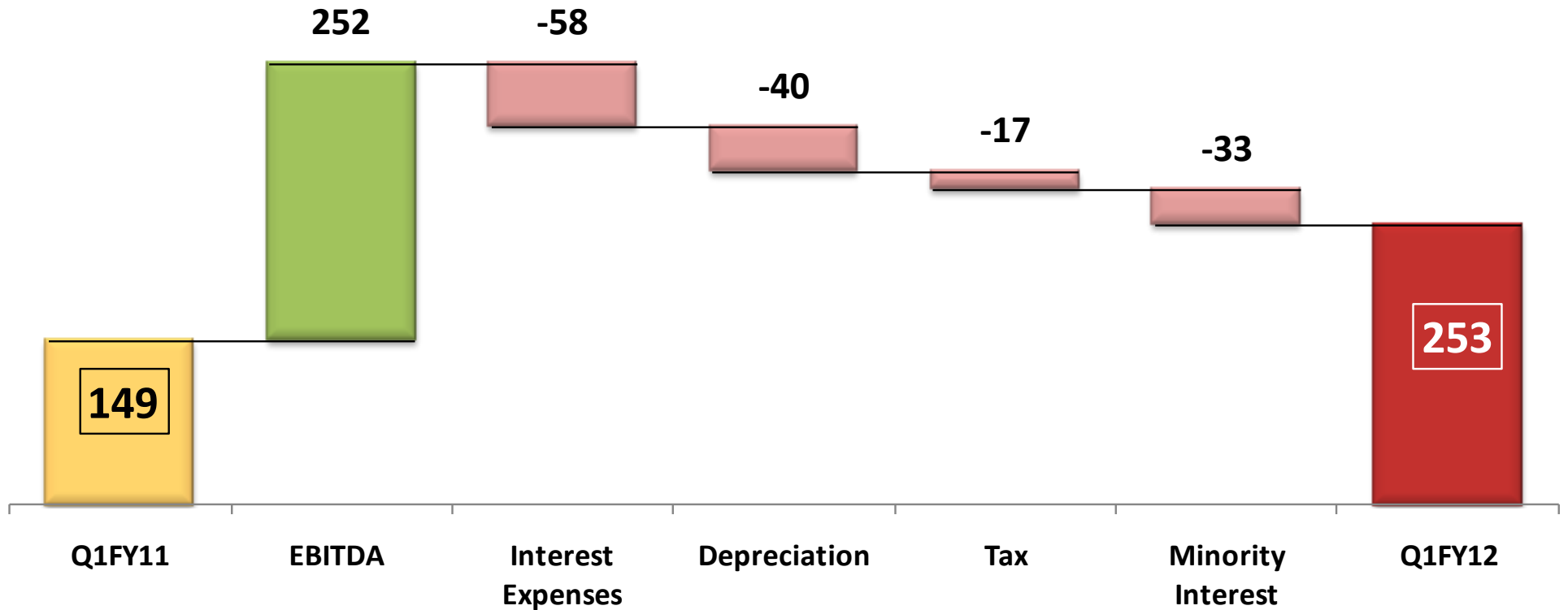
(₹ Crore)



Consolidated Net Profit Walk

Improved earnings across the businesses led the strong bottom-line growth

(₹ Crore)

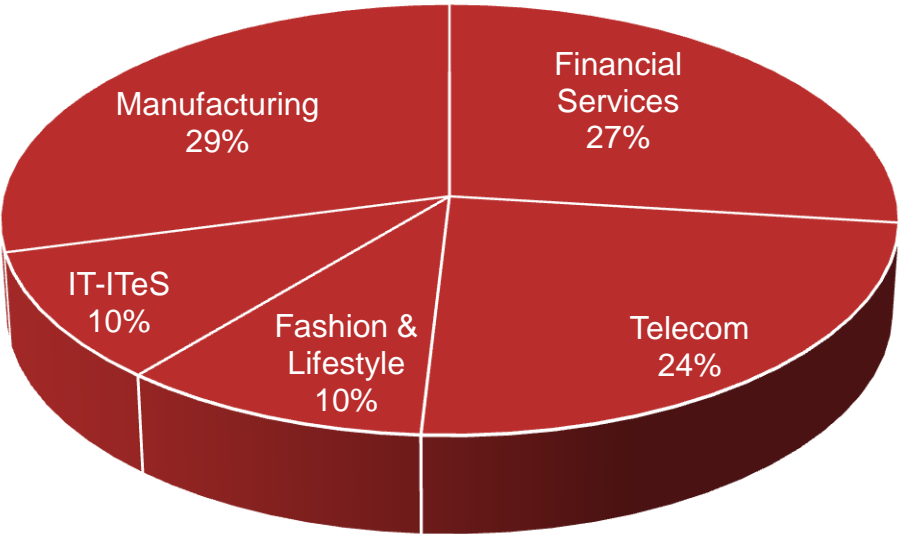


- With the introduction of 3G services, additional expenses of amortisation of 3G spectrum fee of ₹ 66 Cr (Nuvo's share ₹ 17 Cr.) & related interest cost of ₹ 123 Cr. (Nuvo's share ₹ 31 Cr.) were charged to profit in the telecom business leading to rise in ABNL's consolidated depreciation & interest cost

Consolidated Mix – Q1FY12

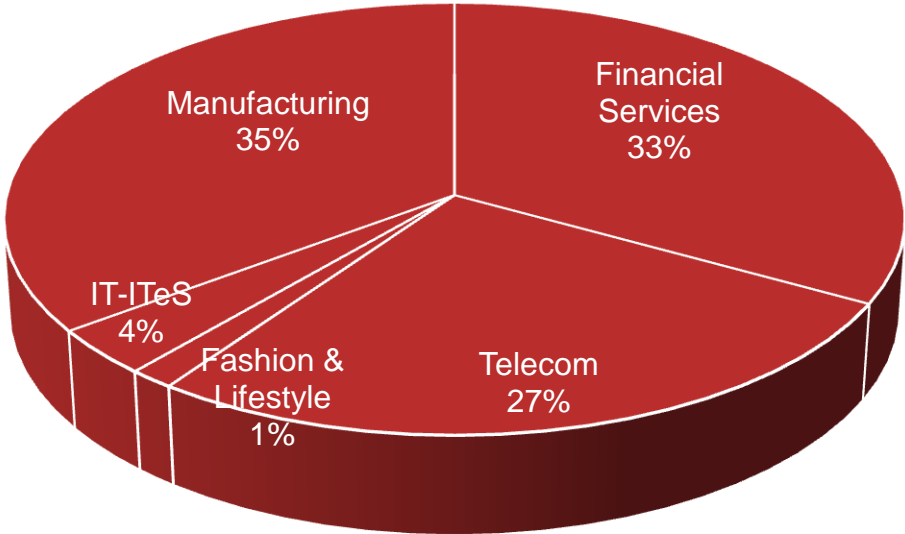
Revenue

₹ 4,767 Cr.



EBIT

₹ 494 Cr.



Aditya Birla Nuvo : A Uniquely Positioned Conglomerate

Vision

**To become a premium conglomerate
with market leadership across businesses
delivering superior value to shareholders on a sustained basis**

Going Forward

**Capturing opportunities across the businesses
to achieve next higher level of growth
supported by strong balance sheet**

Annexure I

Financials

Segmental Revenue

(₹ Crore)

Revenue	Quarter 1	
	2011-12	2010-11
Life Insurance	1,140	1,095
Other Financial Services *	147	138
Telecom (Nuvo's share) @	1,145	926
Fashion & Lifestyle	484	348
IT-ITeS	471	390
Manufacturing	1,392	970
<i>Carbon Black</i>	<i>513</i>	<i>324</i>
<i>Agri-business</i>	<i>351</i>	<i>226</i>
<i>Rayon</i>	<i>156</i>	<i>126</i>
<i>Insulators</i>	<i>110</i>	<i>115</i>
<i>Textiles</i>	<i>261</i>	<i>178</i>
Inter-segment Elimination	(11)	(11)
Consolidated Revenue	4,767	3,857

* Other Financial Services include Asset Management (consolidated at 50%), NBFC, Private Equity, Broking, Wealth Management & General Insurance Advisory.

@ Idea is consolidated at 25.4%

Segmental EBIT

(₹ Crore)

EBIT	Quarter 1	
	2011-12	2010-11
Life Insurance	147	12
Other Financial Services *	16	44
Telecom (Nuvo's share) @	133	87
Fashion & Lifestyle	7	4
IT-ITeS	17	21
Manufacturing	174	141
<i>Carbon Black</i>	<i>57</i>	<i>51</i>
<i>Agri-business</i>	<i>39</i>	<i>25</i>
<i>Rayon</i>	<i>21</i>	<i>23</i>
<i>Insulators</i>	<i>19</i>	<i>26</i>
<i>Textiles</i>	<i>37</i>	<i>17</i>
Segmental EBIT	494	308

* Other Financial Services include Asset Management (consolidated at 50%), NBFC, Private Equity, Broking, Wealth Management & General Insurance Advisory.
Interest cost of NBFC business, being an operating expense as per AS 17, is deducted from Segmental EBIT

@ Idea is consolidated at 25.4%

Consolidated Profit & Loss and Balance Sheet

(₹ Crore)

Consolidated Profit & Loss Account	Quarter 1	
	2011-12	2010-11
Revenue	4,767	3,857
EBITDA	808	556
Less : NBFC Interest expenses	39	18
Less : Other Interest Expenses	155	117
EBDT	614	420
Less : Depreciation	261	221
Earnings before Tax	353	199
Less : Provision for Taxation (Net)	61	44
Less : Minority Interest	38	6
Consolidated Net Profit	253	149

Balance Sheet	Jun-11	Mar-11
Net Worth	6,908	6,678
Minority Interest	317	278
Total Debt	7,865	7,763
Deferred Tax Liabilities (Net)	275	259
Capital Employed	15,366	14,978
Policyholders' funds (Incl. funds for future appropriation)	19,028	18,977
Total Liabilities	34,393	33,955
Net Block (Incl. Goodwill)	11,982	11,884
Net Working Capital	1,047	542
Long Term Investments	289	289
Life Insurance Investments	19,984	19,760
Cash Surplus & Current Investments	1,091	1,481
Book Value (₹)	609	586
Net Debt / EBITDA (x)	2.1	2.3
Net Debt / Equity (x)	0.98	0.94

- With the introduction of 3G services, additional expenses of amortisation of 3G spectrum fee of ₹ 66 Cr (Nuvo's share ₹ 17 Cr.) & related interest cost of ₹ 123 Cr. (Nuvo's share ₹ 31 Cr.) were charged to profit in the telecom business leading to rise in ABNL's consolidated depreciation & interest cost

Standalone Profit & Loss and Balance Sheet

(₹ Crore)

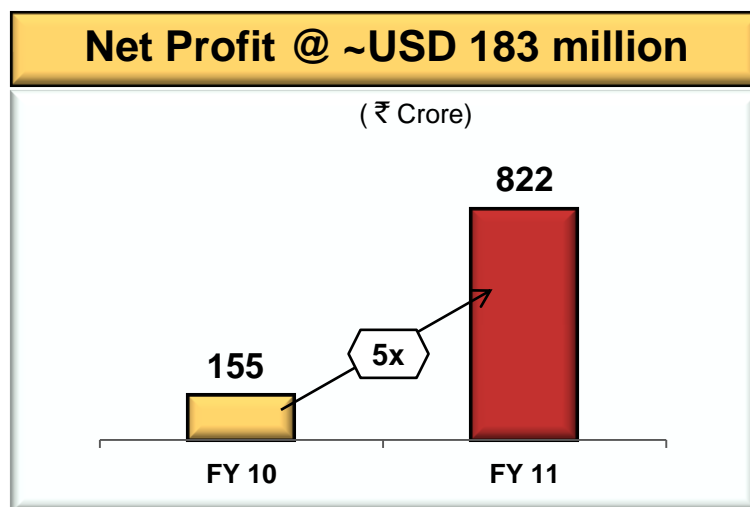
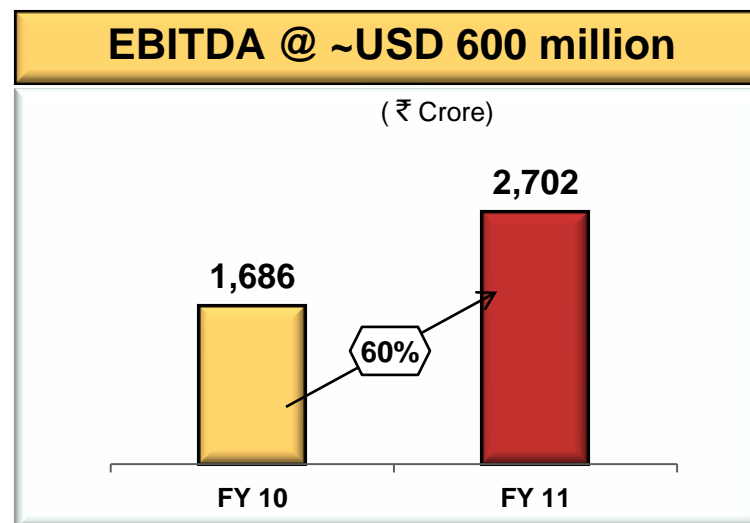
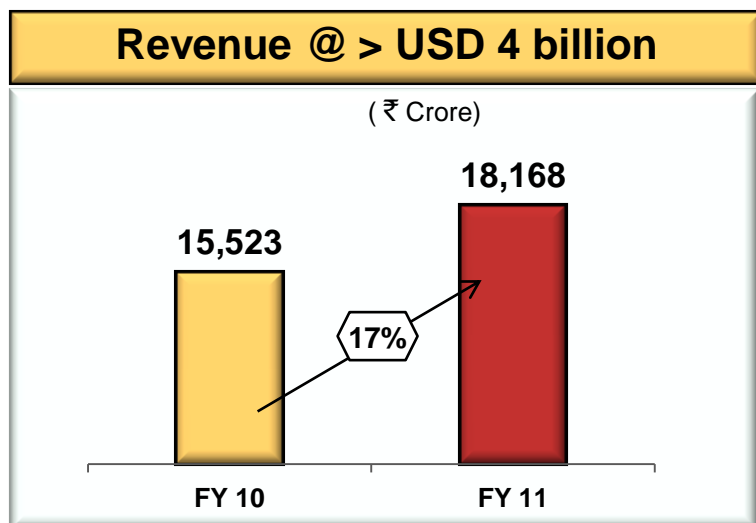
Profit & Loss Account	Quarter 1	
	2011-12	2010-11
Revenue	1,864	1,311
EBITDA	247	204
Interest Expenses	71	69
EBDT	176	135
Depreciation	50	45
Earnings before Tax	126	90
Provision for Taxation (Net)	32	25
Net Profit	94	65

Balance Sheet	June 2011	March 2011
Net Worth	5,495	5,401
Total Debt	3,335	3,287
Deferred Tax Liabilities	173	174
Capital Employed	9,003	8,862
Net Block	1,855	1,858
Net Working Capital	1,478	1,434
Long Term Investments	5,449	5,424
Cash Surplus & Current Investments	220	146
Book Value (₹)	484	476
Net Debt / EBITDA (x)	3.2	3.2
Net Debt / Equity (x)	0.57	0.58
Market Capitalisation - NSE	10,252	9,244

Annexure II

Financials – 2010-11

Audited consolidated results – FY 2010-11



Note : The Board of Directors of ABNL had approved, on 30th May, 2011 the unaudited consolidated financial results, inter alia, considering then available unaudited consolidated financial results of Idea Cellular Limited (Idea) for the nine months ended 31st December, 2010 and adopted the standalone audited accounts of ABNL for the year ended 31st March, 2011. Idea has now adopted, on 29th July, 2011, its audited consolidated financial statement (FS) for the year ended 31st March, 2011. Accordingly, ABNL has now published its consolidated FS considering Idea's FS for the year ended 31st March, 2011.

Segmental Revenue and EBIT – FY 2010-11

(₹ Crore)

Revenue		Segmental	EBIT	
2010-11	2009-10		2010-11	2009-10
5534	5309	Life Insurance	314	(425)
579	416	Other Financial Services *	101	88
3918	3331	Telecom (Nuvo's share) @	369	431
1809	1251	Fashion & Lifestyle	66	(81)
1692	1530	IT-ITeS	116	42
4689	3725	Manufacturing	648	628
1588	1161	Carbon Black	221	227
1244	1022	Agri-business	157	136
565	538	Rayon	75	120
518	428	Insulators	114	98
774	577	Textiles	80	47
(53)	(38)	Inter-segment Elimination	-	-
18168	15523	Total	1614	684

* Other Financial Services include Asset Management (consolidated at 50%), NBFC, Private Equity, Broking, Wealth Management & General Insurance Advisory. Interest cost of NBFC business, being an operating expense as per AS 17, is deducted from Segmental EBIT

@ Idea is consolidated at 27.02% till 1st Mar'10 and at 25.4% thereafter.

Consolidated Profit & Loss

(₹ Crore)

Consolidated Profit & Loss Account	2010-11	2009-10
Revenue	18,168	15,523
EBITDA	2,702	1,686
Less : NBFC Interest expenses	112	80
Less : Other Interest Expenses	454	582
EBDT	2,136	1,024
Less : Depreciation	941	866
Earnings before Tax	1,195	158
Less : Provision for Taxation (Net)	183	114
Less : Minority Interest	86	(111)
Net Profit after minority interest before exceptional gain / (loss)	926	155
Add : Exceptional Gain / (Loss)*	(104)	-
Consolidated Net Profit	822	155

* Aditya Birla Money & Aditya Birla Money Mart, subsidiaries of ABNL, have borne one time exceptional loss of ₹ 104 Cr.

Annexure III

Business-wise Financials

Aditya Birla Financial Services

₹ Crore	Quarter 1	
	2011-12	2010-11
<u>Revenue</u>		
Birla Sun Life Insurance	1,140	1,095
Birla Sun Life Asset Management	85	100
Aditya Birla Finance	60	25
Aditya Birla Money	20	28
Aditya Birla Money Mart	12	18
Aditya Birla Insurance Brokers	9	10
Others	4	7
Total Revenue	1,330	1,283
EBITDA	190	96
Earnings before tax	177	78
Net Profit	161	54

Length and Breadth	
AUM	~USD 20.5 billion
Customers	~ 5.5 million
Points of presence	Over 1,700
Channel Partners	~ 2 lacs
Employees	~ 15,000

Birla Sun Life Insurance

₹ Crore	Quarter 1	
	2011-12	2010-11
<u>New Business Premium</u>		
Individual Business	247	398
Group Business	76	75
New Business Premium (Gross)	322	473
Renewal Premium (Gross)	860	669
Premium Income (Gross)	1,183	1,143
Less : Reinsurance ceded & Service tax	(50)	(52)
Premium Income (Net)	1,132	1,091
Other Operating Income	8	4
Revenue	1,140	1,095
EBITDA	154	22
Earnings before tax	144	9
Net Profit	144	9
Capital	2,450	2,450
Assets under management	19,984	16,841

- AUM grew y-o-y by 19% to ₹ 19,984 Cr. (~USD 4.5 billion)
- Covering ~2.4 million lives supported by ~150,000 agents and about 600 branches

Birla Sun Life Asset Management

₹ Crore	Average AUM	
	Q1FY12	Q1FY11
Equity	11,464	11,401
Debt & Liquid	56,045	57,470
Domestic AUM	67,510	68,871
Off shore (All Equity)	2,577	2,405
PMS	220	397
Real Estate Fund	1,088	na
Total AUM	71,394	71,673

₹ Crore	Quarter 1	
	2011-12	2010-11
Revenue (Fee Income)	85	100
EBITDA	31	51
Earnings before tax	30	49
Net Profit	18	32

- Serving ~ 2.4 million customers supported by ~34,000 IFAs and 103 branches

₹ Crore	Quarter 1	
	2011-12	2010-11
Revenue	4,516	3,650
EBITDA	1,225	909
EBIT	523	344
Net Profit	177	201
Net Worth	12,481	11,580
Total Debt	11,969	11,197
Capital Employed	24,449	22,776

- Strong balance sheet & steady cash profit to support growth: Net debt / EBITDA at 2.4 & Net Debt/Equity at 0.9
- Out of 19 service areas, where Idea has launched 3G services, Idea has bilateral roaming arrangement for 10 service areas with leading quality operators
- Capex (2G+3G) of ~ ₹ 1,038 Cr. was spent during Q1. For FY12, the total capex guidance stands at ₹ 40 billion
- Idea is serving a large base of more than 95 million subscribers as on 30th June'11
- Interest cost on 3G borrowings (₹ 40 Cr.) had been capitalised in Q1 last year

₹ Crore	Quarter 1	
	2011-12	2010-11
No. of EBOs	948	748
Retail Space (Mn Sq. Ft)	1.4	1.1
Revenue	484	348
EBITDA	24	19
EBIT	7	4
Capital Employed	570	530

₹ Crore	Quarter 1	
	2011-12	2010-11
Employees (Nos.)	20,428	15,492
Revenue	471	390
EBITDA	35	36
EBIT	17	21
Net Profit	8	10

₹ Crore	Quarter 1	
	2011-12	2010-11
Urea Sales ('000 MT)	260	223
Revenue	351	226
EBITDA	44	29
EBIT	39	25
Capital Employed	511	275
ROACE (Annualised) (%)	31	34

- ◆ **Sales volume grew by 16%** : In Q1 last year, plant was under annual maintenance shutdown for 21 days
- ◆ **Revenue grew by 55% to ₹ 351 Cr. led by increase in sales volumes, higher realisation (subsidy) & higher agri-input sales**
 - ▶ Higher feed & fuel (natural gas) prices resulted in higher subsidies
- ◆ **EBITDA grew y-o-y by 49% to ₹ 44 Cr.**
 - ▶ Last year, profitability was constrained due to lower volumes, higher energy cost & higher repairs on account of plant shutdown
 - ▶ Higher agri-input sales & higher share of neem coated urea contributed to the profitability growth
- ◆ **Operating at ROACE of 31%**
- ◆ The Government is planning to bring urea under Nutrient based subsidy policy. This coupled with proposal to lift the ceiling on production of neem coated urea (currently at 35% of total production) will benefit the business

₹ Crore	Quarter 1	
	2011-12	2010-11
Sales Volumes (MT)	76,052	57,721
Realisation (Rs./MT)	63,537	52,552
Revenue	513	324
EBITDA	68	58
EBIT	57	51
Capital Employed	1,264	1,036
ROACE (Annualised) (%)	18	21

- In Q1, business revenue surged by 58% to ₹ 513 Cr. led by 32% growth in sales volume & increase in realisation**
 - Volume growth was largely driven by capacity expansion of ~85,000 TPA at Patalganga completed in Q1 last year
 - Realisation grew by 21% reflecting movement in feedstock (CBFS) prices in line with crude oil prices
- EBITDA grew by 16% to ₹ 68 Cr. supported by volume growth and higher power sales**
 - Power sales grew to ₹ 29 Cr. (PY ₹ 20 Cr.) – Power sales at Renukoot and Patalganga plants commenced from Feb'11.
 - Rise in feedstock prices put pressure on margin
- Planning capacity expansion by 85,000 TPA each at Patalganga plant in second phase and in southern India**

Aditya Birla Insulators

₹ Crore	Quarter 1	
	2011-12	2010-11
Sales Volumes (MT)	9,257	9,850
Revenue	110	115
EBITDA	25	31
EBIT	19	26
Capital Employed	372	274
ROACE (Annualised) (%)	21	36

- ◆ **In Q1, business revenue remained flat at ₹ 110 Cr.**
 - Sales volume were lower due to deferment of delivery schedule by few clients
 - Realisation in substation segment remained under pressure while realisation in transmission segment increased in line with rise in input and fuel costs.
- ◆ **EBITDA de-grew from ₹ 31 Cr to ₹ 25 Cr.**
 - Lower volumes and rise in production costs impacted; partly set off by increase in realisation
- ◆ **Capacity enhancement by ~2,000 TPA through de-bottlenecking is on cards**

₹ Crore	Quarter 1	
	2011-12	2010-11
<u>VFY</u>		
Sales Volumes (MT)	3,563	3,546
Realisation (Rs./Kg.)	296	239
Revenue (₹ Cr.)	105	85
<u>Chemical</u>		
Caustic Soda Sales (MT)	20,545	20,540
ECU Realisation (Rs./MT.)	23,117	18,409
Revenue (₹ Cr.)	51	41
Total Revenue	156	126
EBITDA	30	31
EBIT	21	23
Capital Employed	431	406
ROACE (Annualised) (%)	19	22

- Sharp rise in pulp cost continues to keep margins of VFY players under pressure.
- In Q1, business revenue grew y-o-y by 24% to ₹ 156 Cr.
 - VFY realisation grew by 24% : Prices increased during past one year to pass on rise in input and fuel costs
 - ECU realisation grew by 26% led by higher caustic prices
 - VFY and Caustic soda sales volume remained flat
- Posted EBITDA at ₹ 30 Cr. (PY ₹ 31 Cr.)
 - Increase in VFY and ECU realisation compensated for rise in input and fuel costs
- Targeting Greenfield caustic soda expansion by 125 tons per day (TPD) at Patalganga at a capex of ₹ 155 Cr. by FY13 end, thereby taking total capacity to 375 TPD
- Planning to expand its presence in Fine / Superfine VFY segment using Spool Technology from Germany at a capex of about ₹ 270 Cr. to cater premium segment

₹ Crore	Quarter 1	
	2011-12	2010-11
Linen Segment	101	64
Wool Segment	160	114
Revenue	261	178
EBITDA	43	22
EBIT	37	17
Capital Employed	191	196
ROACE (Annualised) (%)	77	28

- **Textiles business achieved its highest ever quarterly revenue and EBITDA**
- **Revenue grew y-o-y by 47% to 261 Cr.**
 - Buoyant demand in domestic market continues to drive volume growth in the linen segment
 - Linen Fabric sales volume grew by 29% while Linen Yarn sales volume grew by 21%
 - Realisation improved in both linen and wool segments partly reflecting rise in input cost
- **EBITDA almost doubled to ₹ 43 Cr. driven by improved realisation across the segments and volume growth in linen segment**
 - Focus on high margin OTC segment : Share in total linen fabric sales volume grew from 39% to 54%
 - Added 3 more exclusive store franchisees of 'Linen Club' fabric in Q1 to reach a total of 43 stores
- **ROACE improved considerably led by improved earnings and better working capital management**

Annexure IV : Reporting Structure



Consolidated

Subsidiaries & Joint Ventures

Standalone

Financial Services

Telecom³ # (25.35%)

IT-ITeS² (88.28%)

Fashion & Lifestyle¹

Manufacturing

- Life Insurance² (74%)*
- Asset Management³ (50%)*
- NBFC²
Private Equity²
Broking (75%)²
Wealth management²
General Insurance Advisory²

- Carbon Black¹
- Agri-Business¹
- Rayon¹
- Insulators¹
- Textiles¹

¹ Represent Divisions
² Represent Subsidiaries
³ Represent Joint Ventures
 * JV with Sun Life Financial, Canada
 # Listed, Aditya Birla Group holds 46.03%
 Note : Percentage figures indicated above represent ABNL's shareholding in its subsidiaries /JV's

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