



**PRESS RELEASE**

Mumbai, 1<sup>st</sup> November 2011

**Aditya Birla Nuvo reports results for the quarter ended 30<sup>th</sup> September 2011**

Revenue grew by 18% from ₹ 4,533 Crore to ₹ 5,342 Crore

EBITDA rose by 25% from ₹ 621 Crore to ₹ 779 Crore

(₹ Crore)

Quarter 2		Consolidated Results	Half Year			
2011-12	2010-11		2011-12	2010-11		
↑ 18%	5,342	4,533	Revenue	10,109	8,390	↑ 20%
↑ 25%	779	621	EBITDA	1,587	1,177	↑ 35%
	214	105*	Net Profit	467	254*	

**Management Comments**

**Dr. Rakesh Jain, Managing Director said,** “Aditya Birla Nuvo has strengthened its leadership position in Financial Services, Telecom and Fashion & Lifestyle businesses. It has posted strong earnings even amidst the challenges of prevailing macro-economic environment that affected few businesses. This only reflects the strength of its conglomerate model.”

**Mr. Sushil Agarwal, Whole Time Director and CFO said,** “Aditya Birla Nuvo continues to generate strong cash flows, despite earnings pressure in some of the businesses. Standalone balance sheet and financial ratios continue to remain sound.”

**Business-wise Review:**

**A) Financial Services**

Aditya Birla Financial Services (ABFS) continues to augment its market position as a significant non-bank financial services player. While the Life Insurance and Asset Management businesses improved their rankings, the Non Banking Financial Company (NBFC) scaled its book size and diversified its portfolio. Currently, ABFS has assets under management (AUM) of ~ ₹ 88,300 Crore.

During the quarter, ABFS posted a consolidated revenue of ₹ 1,680 Crore, a growth of 4% over the previous year. It displayed a strong growth in profitability. Earnings before tax more than doubled from ₹ 62 Crore to ₹ 138 Crore. The business-wise highlights follow:

\*After one-time exceptional loss of ₹ 104 Crore borne in the last year by Aditya Birla Money & Aditya Birla Money Mart, subsidiaries of Aditya Birla Nuvo, on account of certain trades of their clients

• **Birla Sun Life Insurance (BSLI) :**

- BSLI improved its ranking to 4<sup>th</sup> among the private sector players. Its market share rose from 7.6% to 8.7%.
- In September 2011, new business premium of BSLI achieved year on year growth of 58%.
- During the quarter, earnings before tax of BSLI surged from ₹ 20 Crore to ₹ 97 Crore. Bottom-line growth was driven by the growing in-force book, balanced product mix and better expense management.
- The gross premium income of BSLI grew year on year by 6% to ₹ 1,533 Crore.
  - Driven by good persistency, the renewal premium of BSLI rose by 21% to ₹ 1,055 Crore.
  - The 13<sup>th</sup> month premium persistency ratio stood at 82% as on 30<sup>th</sup> September 2011.
  - During the quarter, new business premium income de-grew from ₹ 580 Crore to ₹ 479 Crore. However, in September 2011, it grew from ₹ 145 Crore to ₹ 232 Crore.
  - Non-ULIP portfolio has been strengthened. It has contributed to 44% of the individual new business compared to 8% in the second quarter of the previous year.
- No capital infusion was required as internal accruals adequately met additional solvency requirement.

• **Birla Sun Life Asset Management (BSAMC) :**

- BSAMC moved one step up to rank 4<sup>th</sup> with a market share of 9%.
- Market share in domestic equity average AUM increased quarter on quarter to 5.4%.
- The total average AUM of BSAMC stood at ₹ 67,897 Crore.
- BSAMC posted revenue of ₹ 78 Crore and earnings before tax of ₹ 20 Crore.
- Its real estate fund of ₹ 1,088 Crore has invested about 20% of the fund size.

• **Aditya Birla Finance (ABFL) :**

- ABFL, the NBFC arm, diversified its portfolio adding infra financing which contributed to the bolstering of its book size.
- The closing book size rose year on year by 24% to around ₹ 2,500 Crore.
- Revenue grew from ₹ 32 Crore to ₹ 73 Crore.
- Earnings before tax more than doubled to ₹ 25 Crore.
- Having strengthened the management team, ABFL is focusing on growing profitably its book while managing risk optimally.

• **Aditya Birla Private Equity (ABPE) :**

- Of ₹ 881 Crore commitment received in ABPE Fund I, ~40% has been deployed.
- The second fund 'Sunrise Fund' has received commitments of about ₹ 225 Crore (Incl. 10% sponsor commitment) on its first closing. An investment has been made for about 10% of fund size.

**B) Telecom :**

- Idea continued to gain revenue market share. It stands enhanced at 13.9% (Q1FY12) up from 13% a year ago.
- Having crossed the 100 million subscribers base and with the highest active subscribers' ratio in

the industry, Idea has built a strong platform for future growth.

- Revenue grew by 27% to ₹ 4,608 Crore and EBITDA rose by 30% to ₹ 1,159 Crore.
- Strong growth in total minutes on the network drove year on year earnings growth.
- Net profit de-grew from ₹ 180 Crore to ₹ 106 Crore. With the introduction of 3G services this year, additional expenses of amortisation of 3G spectrum fee and charging of related interest cost has impacted the bottom-line.

### **C) Fashion & Lifestyle :**

- Madura Fashion & Lifestyle achieved 24% year on year growth in revenue at ₹ 594 Crore supported by 28% volume growth.
- The retail channel attained an overall 39% sales growth led by a 15% like-to-like stores sales growth and retail space expansion.
- Madura continued to scale up its retail presence to strengthen its leadership position. It launched 90 Exclusive Brand Outlets (EBOs) during the quarter (160 in the half year) to reach 1,021 EBOs spanning across 1.5 million square feet.
- EBITDA grew by 28% to ₹ 58 Crore driven by sales growth across the channels and brands viz., Louis Philippe, Van Heusen, Allen Solly and Peter England.

### **D) IT-ITeS :**

- Aditya Birla Minacs has sold Total Contract Value (TCV) of USD 243 million and won 12 new clients during the first six months.
- Revenue expanded year on year by 19% to ₹ 481 Crore supported by conversion of order book and forex movement.
- EBITDA before one-off items remained flat at ₹ 42 Crore as slower ramp up in new contracts constrained margins.
- Aditya Birla Nuvo has acquired 11.72% holding in Aditya Birla Minacs. The IT and ITeS subsidiaries have been merged and Aditya Birla Nuvo holds 99.71% in the merged entity.

### **E) Manufacturing**

- During the quarter, revenue grew by 25% to ₹ 1,469 Crore. Revenue growth was driven by higher linen fabric volumes, higher agri-products trading and increased realisation in Carbon Black, Rayon, Textiles and Agri-business reflecting pass on of rise in production costs.
- EBITDA de-grew by 7% to ₹ 191 Crore. Lower volumes and rise in production costs strained profitability in the Carbon Black and Insulators businesses. Textiles and Agri-business contributed to the earnings.

## **About Aditya Birla Nuvo Ltd.**

**Aditya Birla Nuvo** is a USD 4 billion conglomerate. Over the years, it has made successful ventures into the sunrise sectors viz., Financial Services (Life Insurance, Asset Management, NBFC, Private Equity, Broking, Wealth Management and general insurance advisory), Telecom, Fashion & Lifestyle and IT-ITeS. Its razor sharp focus on manufacturing businesses has made it a leading player in Agri-business, Carbon Black, Insulators, Rayon 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**, a USD 35 billion Indian multinational. The group operates in 33 countries across the globe, is anchored by an extraordinary force of 133,000 employees belonging to 42 nationalities and derives more than 60% of its revenue from its overseas operations.

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