



**PRESS RELEASE**

Mumbai, 15<sup>th</sup> May 2012

**Aditya Birla Nuvo reports results for the year ended 31<sup>st</sup> March 2012**

Revenue rose by 20% to cross ₹ 21,000 Crore mark

EBITDA up by 21% to ₹ 3,259 Crore

Net Profit up by 8% to ₹ 890 Crore

(₹ Crore)

Quarter 4		Consolidated Results	Full Year	
2011-12	2010-11		2011-12	2010-11
5,994	5,215	Revenue	21,840	18,188
862	778	EBITDA	3,259	2,685
326	382	Earnings before Tax (EBT)	1,330	1,195
(104)	-	Exceptional Gain / (Loss)*	(104)	(104)
222	382	EBT after Exceptional Gain / (Loss)	1,226	1,091
170	294	Net Profit after minority interest	890	822

\*A provision of ₹ 104 Crore has been made during 2011-12 towards entry tax liability (largely related to previous years, earlier recognized as contingent liability) w.r.t. Renukoot (U.P.) plant of the Carbon Black business; the matter is sub-judice. In 2010-11, Aditya Birla Money and Aditya Birla Money Mart, subsidiaries of ABNL, had borne a one-time exception loss of ₹ 104 Crore.

During 2011-12, Aditya Birla Nuvo Limited (ABNL) has posted a strong 20% growth in revenue at ₹ 21,840 Crore. EBITDA at ₹ 3,259 Crore reflects a 21% growth. Net profit at ₹ 890 Crore is up by 8%.

During the fourth quarter, revenue rose by 15% and EBITDA grew by 11%. Earnings before Tax (before exceptional items) at ₹ 326 Crore de-grew by 15%.

The rise in depreciation and interest costs primarily relating to 3G investments in the Telecom business has constrained net profit.

**Management Comments**

**Commenting on the results, Dr. Rakesh Jain, Managing Director said,** “Aditya Birla Nuvo, as a conglomerate, is progressing well on the growth path to tap sector opportunities. ABNL has made this evident by outperforming the industry across most of its businesses. ABNL is committed to keep up this trend.”

**Mr. Sushil Agarwal, Whole Time Director and CFO remarked that,** “ABNL has posted strong results considering the testing macro-economic scenario and earnings pressure in some of its businesses. ABNL will continue to pursue its growth journey. The Promoter infusion will further strengthen the Company’s balance sheet to support the future growth”.

## **Business-wise Review:**

### **Aditya Birla Financial Services (ABFS)**

With funds under management worth USD 17.5 billion, Aditya Birla Financial Services (ABFS) ranks among the top 5 private fund managers (excluding banks) in India. Anchored by about 17,000 employees, and trusted by approx. 5.5 million customers, ABFS has a nationwide presence through more than 1,775 points of presence and around 200,000 channel partners.

During 2011-12, ABFS strengthened its foothold amidst growth challenges faced by the sector. It gained market share in the Life Insurance, Asset Management, NBFC and Broking businesses. Aditya Birla Private Equity launched second fund, taking the total funds under its management to ₹ 1,179 Crore.

ABFS posted a consolidated revenue of ₹ 6,550 Crore while its EBT surged by 27% to ₹ 600 Crore. The business-wise highlights follow:

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

- BSLI improved its ranking to 5<sup>th</sup> in the private sector. Its market share rose from 7% to 7.8%.
  - Its gross premium income grew by 4% to ₹ 5,885 Crore. While the first year premium de-grew by 7% to ₹ 1,926 Crore, renewal premium extended by 10% to ₹ 3,959 Crore.
  - Its conservation ratio at 76% and 13<sup>th</sup> month premium persistency at 82% continue to be one of the best in the industry.
  - Earnings before tax surged by 51% to ₹ 461 Crore led by expanded in-force book.
- Having attained a strong growth in profitability, BSLI has declared its maiden dividend of ₹ 98.5 Crore @ 5% of paid up capital. ABNL received ₹ 73 Crore for its 74% shareholding.

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

- BSAMC improved its ranking to 4<sup>th</sup> and enhanced its market share to 9.2%.
- Its total average AUM stood at ₹ 64,460 Crore.

#### **• Aditya Birla Finance (ABFL) :**

- The book size of ABFL soared year on year by 84% to reach ₹ 3,425 Crore.
- This was supported by growth in the existing book as well as commencement of infra financing and mortgage financing.
- A capital of ₹ 75 Crore was infused to support growth, taking ABFL's net worth to ₹ 628 Crore.

## **Telecom :**

- With a strong customer base of 113 million subscribers and 1.4 billion minutes per day, Idea is among the top 10 global cellular operators.
- Idea continued to expand its revenue market share which stands enhanced to 14.4% (Q3FY12) up from 13.6% (Q4FY11).
- While Idea ranks 3<sup>rd</sup> on a pan India basis, it ranks 1<sup>st</sup> with about 24.4% revenue share in 8 service areas where it has 900 or 2100 MHz spectrum.
- Reflecting the strength of its brand and quality of its services, Idea continues to lead the industry as an MNP provider and enjoys the highest active subscribers' ratio in the industry.
- Its revenue rose by 26% to ₹ 19,489 Crore and EBITDA by 32% to ₹ 5,135 Crore.
- Net profit is lower at ₹ 723 Crore vis-a-vis ₹ 899 Crore due to higher depreciation/amortisation and interest costs relating to 3G investments coupled with higher deferred tax.

## **Fashion & Lifestyle :**

- Madura Fashion & Lifestyle crossed the ₹ 2,200 Crore revenue mark – almost doubling its revenue size in just two years.
- Its key brands viz., Louis Philippe, Van Heusen, Allen Solly and Peter England continued to outperform the industry.
- Led by strong sales growth and improved product mix, EBITDA shot up by 46% to ₹ 198 Crore.
- Its retail channel achieved double digit like to like stores sales growth. The retail channel stands expanded to 1,129 EBOs across 1.6 million square feet.

ABNL aims to fortify its leadership position in the Fashion & Lifestyle business by entering into the value segment including kidswear and womenswear. In this direction, ABNL's Board has approved the proposed acquisition of a controlling stake in Future Group's 'Pantaloons Format Business' post its demerger from Pantaloon Retail (India) Ltd (PRIL), subject to requisite approvals. First PRIL will issue Optionally Fully Convertible Debentures worth ₹ 800 Crore to ABNL or its subsidiary. Then PRIL will demerge the Pantaloon Format (resulting entity) through court scheme of arrangement. ABNL's stake in the resulting entity will be ~45% triggering open offer. ABNL's holding in the resulting entity post open offer shall be a minimum of 50.01%. The resulting entity will become a listed subsidiary of ABNL. The transaction is likely to be completed in the next 8 to 10 months.

## **IT-ITeS :**

- Aditya Birla Minacs sold Total Contract Value of USD 730 million and won 16 new clients.
- Its revenue surged year on year by 23% to ₹ 2,082 Crore and operating EBITDA grew by 16%.
- It posted a net profit of ₹ 70 Crore.

## **Manufacturing**

- Combined revenue soared by 33% to ₹ 6,244 Crore. Agri business crossed ₹ 2,000 Crore revenue mark supported by commencement of trading in imported fertilizers. Textiles business crossed ₹ 1,000 Crore revenue mark.
- EBITDA was maintained at ₹ 752 Crore. Higher trading of imported fertilisers in the Agri-business has augmented profitability, including pricing gain due to favourable forex movement. Improved realisation in the Rayon and the Textiles businesses also contributed. However, dumping from China and rise in production costs strained profitability in the Carbon Black and Insulators businesses.

## **Equity Infusion:**

- To strengthen its balance sheet and to meet future growth capital requirements, ABNL has issued 16.5 million warrants to its Promoters after getting approval from the shareholders.
- Out of the total equity infusion of about ₹ 1,500 Crore, a sum of ₹ 375 Crore has already been received as 25% application money.

## **Dividend :**

- The Board of Directors has recommended an equity dividend of 60% for 2011-12 entailing a total outgo of ₹ 68 Crore.

**Going forward, ABNL's thrust is on capturing growth opportunities across its businesses to achieve the next higher level of growth.**

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

**Aditya Birla Nuvo** is a USD 4.5 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 36 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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### **Aditya Birla Nuvo Limited**

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

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

**Website: [www.adityabirlanuvo.com](http://www.adityabirlanuvo.com) / [www.adityabirla.com](http://www.adityabirla.com) Email: [nuvo-investors@adityabirla.com](mailto:nuvo-investors@adityabirla.com)**

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