

ADITYA BIRLA



Aditya Birla Nuvo Limited

Financial Results – Q1FY12-13

Mumbai, 6th August 2012

Stock Code: **BSE** : 500303 **NSE** : ABIRLANUVO **Reuters** : ABRL.BO / ABRL.NS / IRYN.LU **Bloomberg** : ABNL IB / 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 : The financial figures in this presentation have been rounded off to the nearest ₹ 1 Crore

Glossary

- PY – Corresponding period in Previous Year
- PQ – Previous Quarter
- VAS – Value Added Services
- TCV – Total Contract Value
- EBO – Exclusive Brand Outlet
- TPA – Tons per annum

Indian economy & Aditya Birla Nuvo

Indian Economy

- In the recent monetary policy review, Reserve Bank of India (RBI) has revised the GDP growth projection for FY12-13 downward from 7.3% to 6.5%
 - ➔ On account of poor monsoon and weak industrial activity
 - Industrial production grew at 0.8% (y-o-y) in Apr-May'12 (PY : 5.8%)
 - ➔ RBI left interest rates unchanged citing inflationary pressures
 - Headline inflation fell to 7.25% in Jun'12 but is still above the comfort level of the RBI
- Rupee weakened against US dollar to historically low level of 57
- As a good sign, trade deficit narrowed to 15 months low in Jun'12 due to sharp compression in imports on account of rupee depreciation

Aditya Birla Nuvo

- While industry growth has moderated in few of the sectors where ABNL operates, the Company continues to outperform in most of its businesses.

Key Highlights

◆ Aditya Birla Financial Services

- Revenue grew y-o-y by 2% and earnings before tax rose by 15%
- Assets under Management grew q-o-q by 7% to over ₹ 94,600 Cr.
- Market share improved in the Life Insurance, Asset Management and Broking businesses
- NBFC business attained strong y-o-y as well as sequential growth in book size

◆ Telecom

- Idea Cellular leads the industry as the biggest revenue market share gainer since past 4 years
- Idea's revenue market share¹ (Q4FY12) expanded q-o-q from 14.4% to 15%

◆ Fashion & Lifestyle

- Overall revenue growth moderated y-o-y to 8%, however, retail channel achieved 18% revenue growth

◆ IT-ITeS

- Favourable forex movement and conversion of order book drove earnings growth

◆ Manufacturing

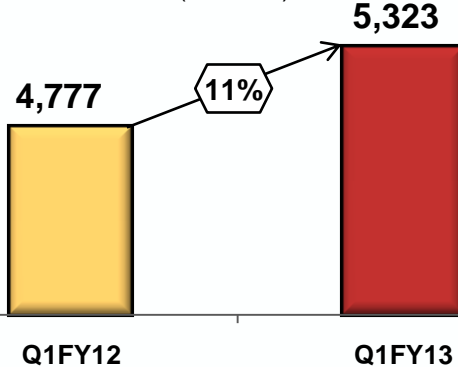
- Textiles and Rayon businesses posted their highest ever quarterly earnings
- Sales volume and profitability in the Carbon Black & Insulators businesses were affected y-o-y due to dumping from China. However, profitability improved q-o-q
- Planned maintenance shutdown constrained urea sales volume and profitability in the Agri business

¹Based on gross revenue for UAS & Mobile licenses only, as released by TRAI

Consolidated earnings

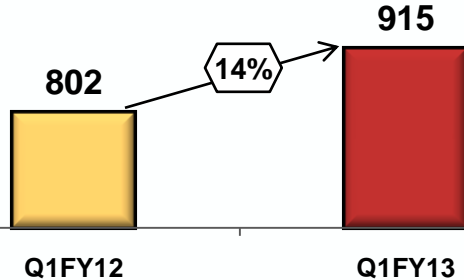
Revenue

(₹ Crore)



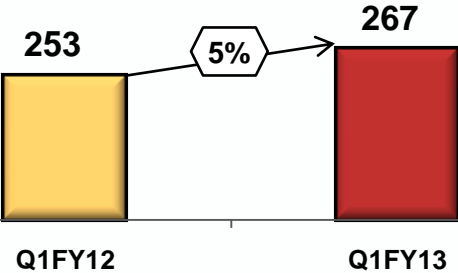
EBITDA

(₹ Crore)



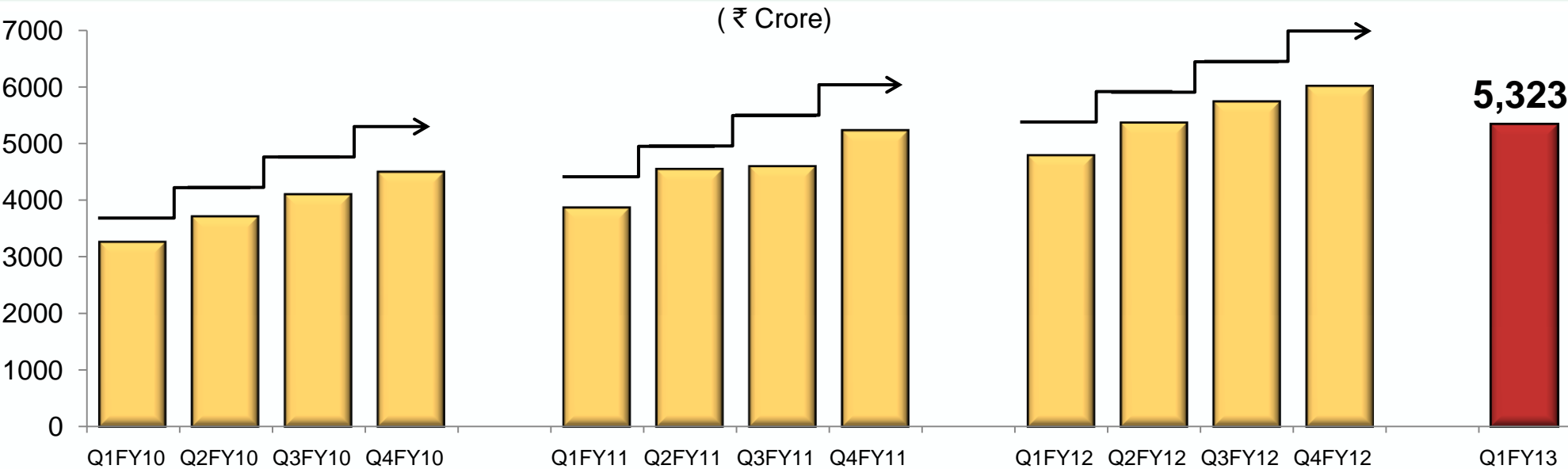
Net Profit

(₹ Crore)

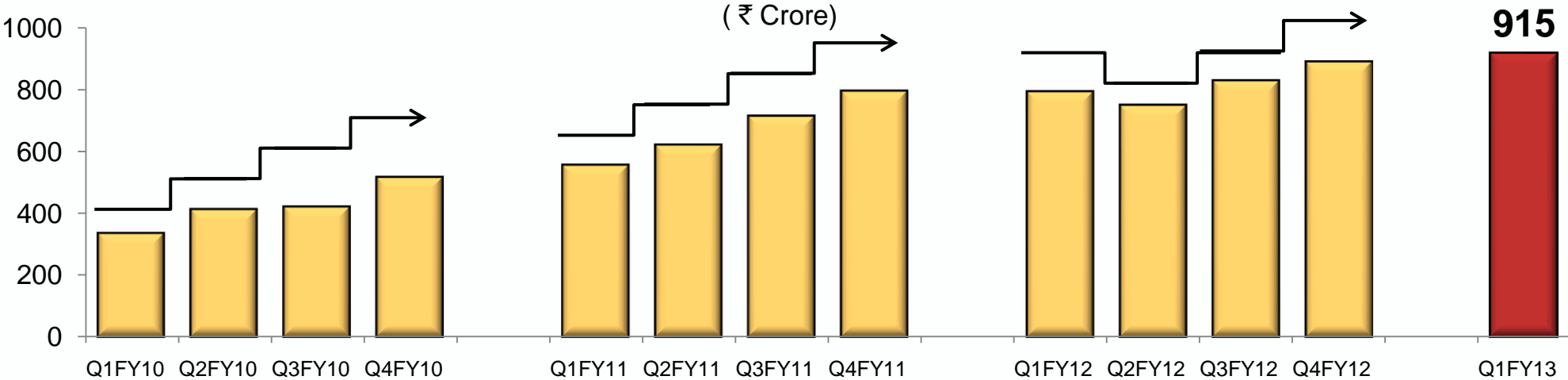


Quarterly Growth Trend

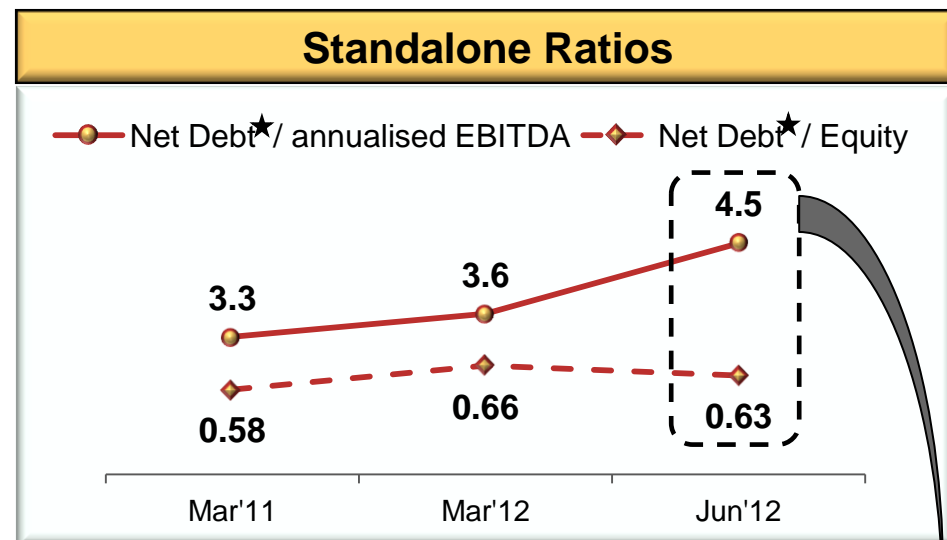
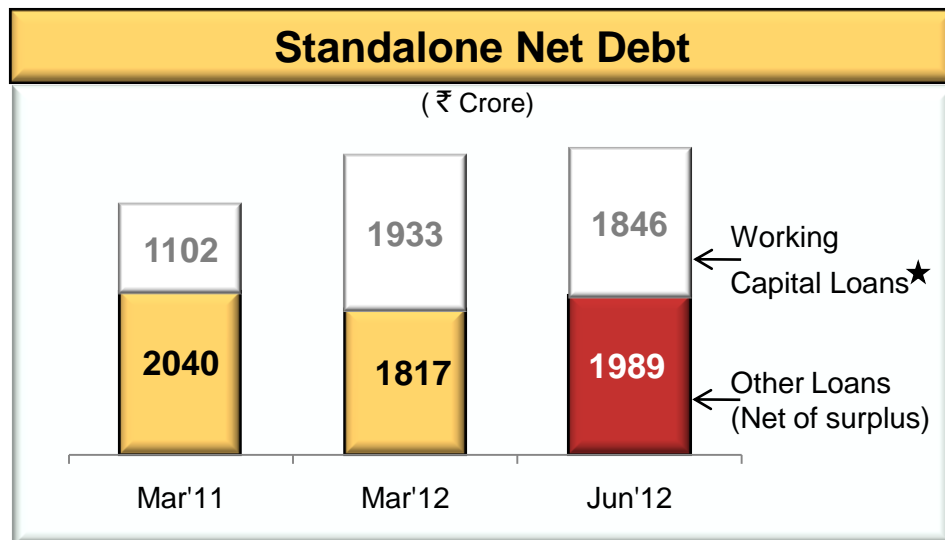
Consolidated Revenue



Consolidated EBITDA



Balance Sheet



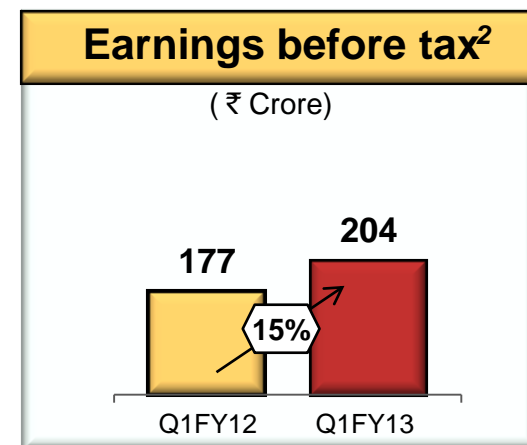
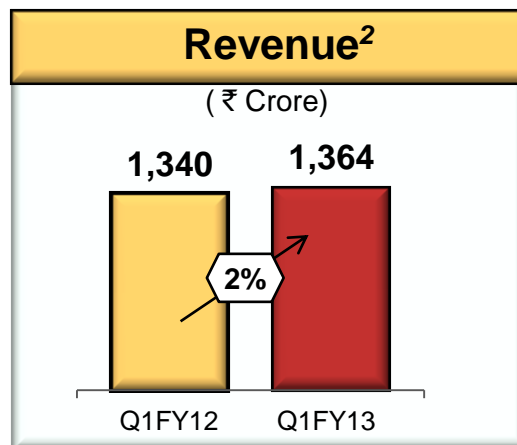
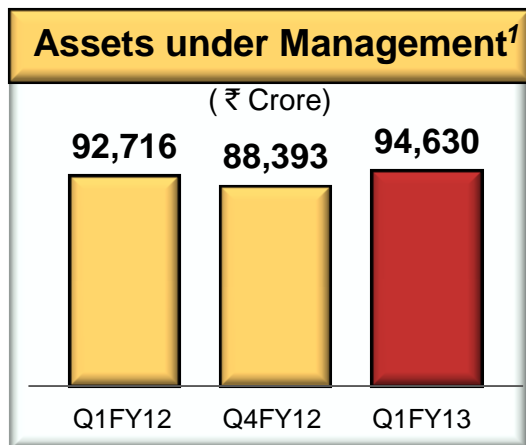
* Net of MTM provision of ₹ 199 Cr. as on 30th Jun'12 and ₹ 104 Cr. as on 31st Mar'12 w.r.t. fully hedged foreign currency working capital borrowings

- Standalone Net Debt to annualised EBITDA appears higher due to strained Q1 profitability and higher outstanding subsidy as on 30th Jun'12 in Agri business
 - Annualised EBITDA is lower since standalone Q1 profitability is strained due to planned maintenance shutdown in the Agri business and seasonally lower profitability in the Fashion & Lifestyle business

➤ Adjusting for subsidies of ~₹ 425 Cr. received in July'12, Net Debt / EBITDA improves to 3.98

**Business-wise performance highlights
Q1FY13 over Q1FY12**

Aditya Birla Financial Services (ABFS)



- Industry growth in fee and agency based businesses viz., life insurance. mutual funds, broking etc. remained under pressure. Lending businesses continued to grow.
- ABFS continued to strengthen its market positioning across the key parameters

Market Share and Ranking

- Life Insurance : New business market share among private players rose q-o-q from 6.6% to 8.8% .
 - ➔ Improved private sector ranking in group business to 2nd while maintaining individual business ranking at 5th
- Asset Management : AUM market share grew q-o-q from 9.2% to 9.7%.
 - ➔ Became the largest fixed income manager in India and cemented overall 4th position
- Broking : During Q1, market share rose y-o-y from 1% to 1.5% in retail cash equity broking segment and from 0.28% to 0.44% in the commodity broking segment

EV & VNB : Embedded Value (EV) of BSLI is ₹ 4,015 Cr. as at 31st Mar'12 (PY: ₹ 4,108 Cr.). EV as at 31st Mar'12 before dividend (Including tax thereon) is ₹ 4,129 Cr. VNB margin for FY12 is 22.8%.

Note 1 : Includes AUM of Life Insurance, Private Equity and quarterly AAUM of Asset Management business

Note 2 : 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

Aditya Birla Financial Services

Asset Size

- ▶ Life Insurance : AUM grew y-o-y by 8% and q-o-q by 2% to ₹ 21,583 Cr.
- ▶ Asset Management : Total AAUM grew q-o-q by 9% to ₹ 71,868 Cr.
- ▶ NBFC : Book size more than doubled y-o-y to ~₹ 4,250 Cr.
 - Attained 25% q-o-q growth in the book size

Earnings : ABFS posted revenue of ₹ 1,364 Cr. EBT grew y-o-y by 15% and q-o-q by 38% to ₹ 204 Cr.

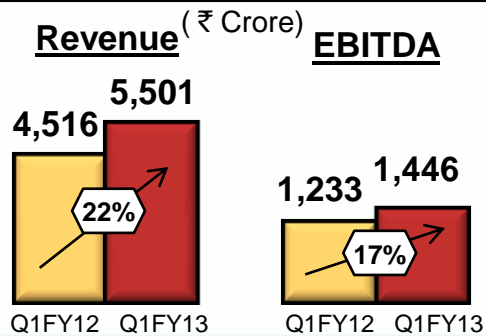
<u>Revenue</u>		Business	<u>EBT</u>	
Q1FY13	Q1FY12		Q1FY13	Q1FY12
1,088	1,140	Life Insurance	147	144
92	85	Asset Management	32	30
128	69	NBFC	27	10
56	45	Others (Private Equity, Insurance Advisory, Broking & Wealth Management etc.)	(2)	(7)

MyUniverse

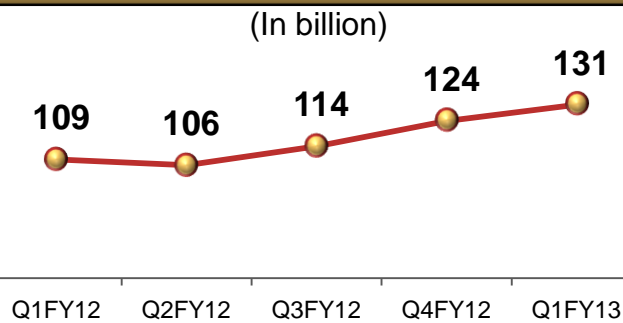
- ◆ Online money management platform launched by ABFS – Aditya Birla Money MyUniverse – voted “Product of the Year, 2012” for innovation in financial services in a survey conducted by Nielson
 - ▶ This unique brand agnostic platform enables customers to aggregate their various financial relationships & provides customised & completely automated advice, based on financial position & risk profile of customer.

Telecom : Idea Cellular

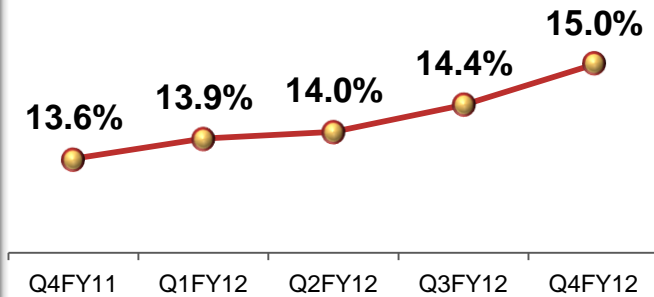
Earnings



Minutes on Network



Revenue Market Share¹



- Revenue surged y-o-y by 22% and EBITDA rose by 17%

➔ Driven by a strong 21% growth in total minutes on network while average realisation per minute was flat

- Net profit soared y-o-y by 32% from ₹ 177 Cr. to ₹ 234 Cr.

- Idea's 3G subscribers' base expanded to 3.1 million subscribers

- Having 117.2 million subscribers and generating more than 1.4 billion minutes per day, Idea has built a platform for accelerated future growth in Voice, VAS, Wireless broadband and related telecom services.

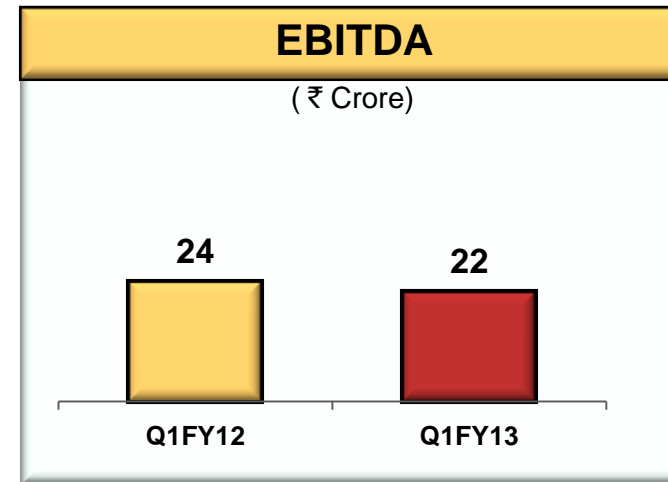
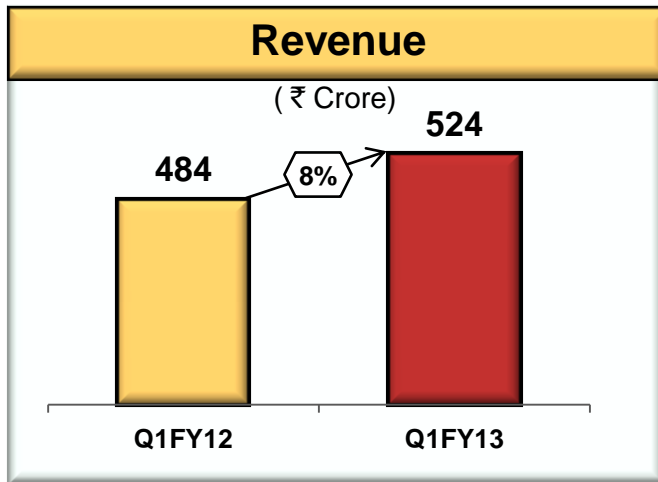
- Strong balance sheet and free cash flows will continue to support company's growth plans

➔ Standalone Net debt / EBITDA at 2.23 (PQ : 2.48) and Net Debt/Equity at 0.88 (PQ : 0.93) improved q-o-q

➔ Idea has been free cash flow positive since past 3 quarters

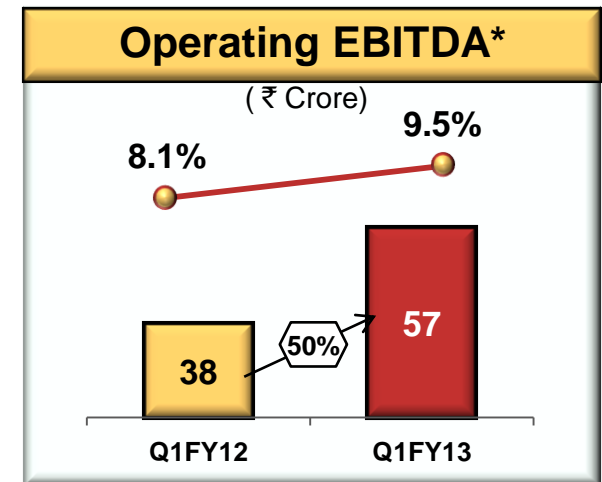
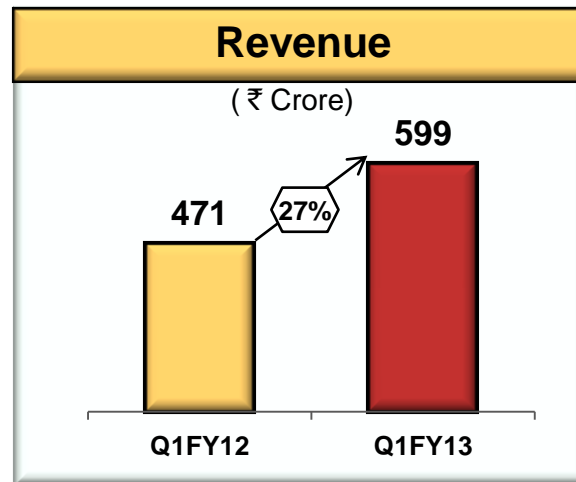
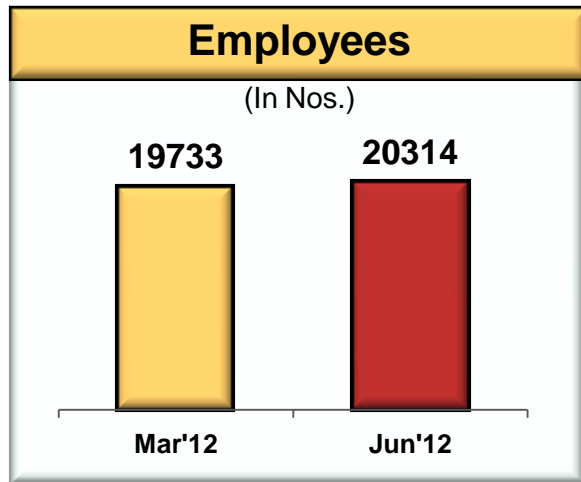
¹Based on gross revenue for UAS & Mobile licenses only, as released by TRAI

Madura Fashion & Lifestyle



- ◆ Persistent inflationary pressure is affecting customer footfalls and spending in the branded apparels sector.
- ◆ **During the quarter, Madura's revenue grew y-o-y by 8%**
 - ➔ Sales from the wholesale channel was flat
 - ➔ Stores expansion led to 18% sales growth in the retail channel
 - During the quarter, 38 EBOs (net) were added taking the total to 1,167 EBOs.
- ◆ **EBITDA at ₹ 22 Cr. was flat y-o-y**
 - ➔ Moderation in the sales growth, during seasonally subdued first quarter, led to lower absorption of rentals and other fixed costs

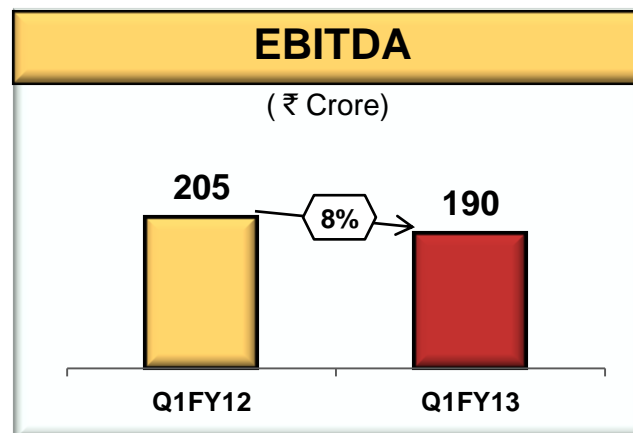
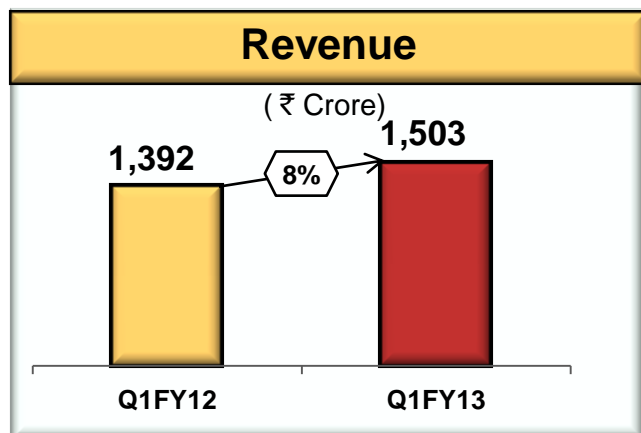
IT-ITeS : Aditya Birla Minacs



- In Q1, revenue grew y-o-y by 27% : Conversion of order book & favourable forex movement contributed
- Operating EBITDA* surged y-o-y by 50% to ₹ 57 Cr.
 - ➔ Operating EBITDA margin* improved from 8.1% to 9.5%
 - ➔ Higher revenue on account of ramp up and forex conversion contributed
- Net profit rose from ₹ 8 Cr. to ₹ 19 Cr.
- Sold TCV of ~USD 50 million in Q1: New business contributed to more than 70% of TCV
 - ➔ Conversion of sales pipeline remains under pressure due to weak economic conditions in the US & Europe
- Continued to generate steady cash profit to fund its capex and working capital requirements.

*Before restructuring costs

Manufacturing Businesses



- Revenue growth was largely driven by improved ECU realisation & higher VFY sales volume in the Rayon business. Higher realisation in Carbon Black & Textiles businesses reflecting pass through of rise in input costs also contributed.

<u>Q1 Revenue</u>		<u>Business</u>	<u>Q1 EBITDA</u>		<u>Key Highlights</u>
FY13	FY12		FY13	FY12	
345	351	Agri-business	29	44	Planned maintenance shutdown for 20 days led to lower urea sales volumes and higher energy costs
557	513	Carbon Black	52	67	Lower volumes due to dumping from China and higher input costs
110	110	Insulators	15	24	Higher production costs and cheaper imports from China
186	156	Rayon	48	30	Higher VFY sales, drop in wood-pulp prices & improved ECU realisation
304	261	Textiles	46	41	Improved realisation across the segments

Going Forward

- Augmenting product offerings besides focusing on persistency, expense management and distribution efficiency in the **Life Insurance** business
- Growing profitable assets with a thrust on improving distribution efficiency and fund performance in the **Asset Management** business
- Scaling up the book size cautiously in the **NBFC** business while managing risk optimally
- Deploying **Private Equity** assets, thrust on profitable growth in **Insurance Advisory** business and growth in customer base & expense management in **Broking & Wealth Management** businesses
- Increasing revenue share in the **Telecom** business by capitalising on brand !DEA besides consolidating its position in voice market & participating aggressively in evolving wireless broadband business.
- Leveraging brand leadership, expanding retail space and strengthening channel relationships in the **Fashion & Lifestyle** business
- Sustaining revenue growth from both existing as well as new clients in the **IT-ITeS** business while focusing on operational efficiencies to push margins upwards.
- Enhancing cost competitiveness and margin improvement in the **Manufacturing** businesses

Pantaloons Deal Update

- **ABNL, through its subsidiary Peter England Fashions & Retail Ltd., has invested ₹ 800 Cr. through Optionally Fully Convertible Debentures in Pantaloon Retail India Ltd. (PRIL) in Jun'12.**
- **Due diligence is in progress.**
- **Demerger scheme will be filed by ABNL and PRIL shortly.**

Annexure I

Financials

Consolidated Revenue

(₹ Crore)

Quarter - 4	Revenue	Quarter 1	
		2012-13	2011-12
2011-12			
1,921	Aditya Birla Financial Services	1,318	1,297
1,717	<i>Life Insurance</i>	1,088	1,140
204	<i>Other Financial Services *</i>	230	157
1,347	Telecom (Nuvo's share) @	1,393	1,145
576	Fashion & Lifestyle	524	484
574	IT-ITeS	599	471
1,592	Manufacturing	1,503	1,392
501	<i>Carbon Black</i>	557	513
531	<i>Agri-business</i>	345	351
175	<i>Rayon</i>	186	156
123	<i>Insulators</i>	110	110
261	<i>Textiles</i>	304	261
(15)	Inter-segment Elimination	(14)	(11)
5,994	Consolidated Revenue	5,323	4,777

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

@ Idea is consolidated at ~25.3%

Consolidated EBIT

(₹ Crore)

Quarter - 4	EBIT	Quarter 1	
		2012-13	2011-12
2011-12			
136	Aditya Birla Financial Services	182	159
117	<i>Life Insurance</i>	147	144
19	<i>Other Financial Services *</i>	35	15
144	Telecom (Nuvo's share) @	153	127
43	Fashion & Lifestyle	4	7
38	IT-ITeS	31	20
120	Manufacturing	155	170
34	<i>Carbon Black</i>	42	57
24	<i>Agri-business</i>	24	39
31	<i>Rayon</i>	39	21
6	<i>Insulators</i>	10	18
25	<i>Textiles</i>	40	35
482	Segmental EBIT	525	482

* 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 ~25.3%

Consolidated Profit & Loss

(₹ Crore)

Quarter - 4	Consolidated Profit & Loss Account	Quarter 1	
		2012-13	2011-12
2011-12			
5,994	Revenue	5,323	4,777
836	EBITDA	915	802
67	Less : NBFC Interest expenses	81	39
162	Less : Other Interest Expenses	166	150
608	EBDT	668	614
281	Less : Depreciation	295	261
326	Earnings before Tax (before exceptional items)	373	353
(104)	Add : Exceptional Gain / (Loss)*	-	-
222	Earnings before Tax (after exceptional items)	373	353
22	Less : Provision for Taxation (Net)	66	61
30	Less : Minority Interest	40	38
170	Net Profit	267	253

* A provision of ₹ 104 Crore has been made during Q4FY12 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.

Balance Sheet

(₹ Crore)

Standalone		Balance Sheet	Consolidated	
Jun-12	Mar-12		Jun-12	Mar-12
6,110	5,679	Net Worth	8,182	7,517
-	-	Minority Interest	339	298
4,497★	4,457★	Debt	9,799★	9,224★
		NBFC borrowings	3,461	2,973
157	158	Deferred Tax Liabilities (Net)	339	317
10,763	10,294	Capital Employed	22,119	20,328
-	-	Policyholders' funds (Incl. funds for future appropriation)	20,279	19,964
10,763	10,294	Total Liabilities	42,398	40,292
1,995	1,976	Net Block (Incl. Goodwill)	12,622	12,531
2,206★	2,012★	Net Working Capital	6,410★	4,600★
5,900	5,598	Long Term Investments	319	319
-	-	Life Insurance Investments	21,583	21,110
-	-	<i>Policyholders' Investments</i>	20,415	20,095
-	-	<i>Shareholders' Investments</i>	1,168	1,015
662	707	Cash Surplus & Current Investments	1,465	1,733
538	500	Book Value (₹)	721	662
4.5 [^]	3.6	Net Debt / EBITDA (x)	2.3	2.3
0.63	0.66	Net Debt / Equity (x)	1.02	1.00
9,160	10,723	Market Capitalisation - NSE		

Note : NBFC book is included in Net Working Capital

[^] Adjusting for subsidies of ~₹ 425 Cr. received in July 2012, Net Debt / EBITDA improves to 3.98

★ Net of MTM provision of ₹ 199 Cr. as on 30th Jun'12 & ₹ 104 Cr. as on 31st Mar'12 w.r.t. fully hedged foreign currency working capital borrowings

Standalone Profit & Loss

(₹ Crore)

Quarter - 4	Profit & Loss Account	Quarter 1	
		2012-13	2011-12
2011-12			
2,153	Revenue	2,037	1,864
292	EBITDA	214	242
92	Interest Expenses	87	66
201	EBDT	128	176
51	Depreciation	50	50
150	Earnings before Tax (before exceptional items)	78	126
(104)	Add : Exceptional Gain / (Loss)*	-	-
46	Earnings before Tax (after exceptional items)	78	126
(18)	Provision for Taxation (Net)	20	32
64	Net Profit	58	94

* A provision of ₹ 104 Crore has been made during Q4FY12 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.

Standalone Capex

(₹ Crore)

<u>Capex</u>	Plan	Spent till Mar'12	Spent in Q1FY13	<u>Balance to be spent in</u>	
				9mFY13	FY14
<u>Major Projects</u>					
Rayon (VFY & Caustic)	460	110	35	226	89
Agri	200	7	3	75	115
Textiles	100	-	-	60	40
Fashion & Lifestyle (EBOs)	74	-	9	45	20
Other Capex	520	110	25	196	189
	1,354	227	72	602	453

Annexure II

Business-wise Financials

Aditya Birla Financial Services

₹ Crore	Quarter 1	
	2012-13	2011-12
<u>Revenue</u>		
Birla Sun Life Insurance	1,088	1,140
Birla Sun Life Asset Management	92	85
Aditya Birla Finance	128	69
Aditya Birla Money	21	20
Aditya Birla Money Mart	13	12
Aditya Birla Insurance Brokers	17	9
Aditya Birla Capital Advisors (PE)	6	4
Elimination	(1)	(1)
Revenue	1,364	1,340
Earnings before tax	204	177
Net Profit	181	161

Note : Above financials 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.

Birla Sun Life Insurance

- In Q1, private sector's new business premium grew y-o-y by 2%
 - Growth was led by group business. Growth in individual business remained impacted for most of the life insurers due to delay in product approvals & sluggish macro-economic environment
 - BSLI's new business grew in line with the industry
 - Market share among private players grew q-o-q from 6.6% to 8.8%
 - BSLI improved its private sector ranking in group business to 2nd while maintaining individual business ranking at 5th
- During Q1, BSLI's first year premium income was flat at ₹ 320 Cr.
 - Non-ULIPs contributed to 57% (PY:47%) of the individual new business
- Renewal premium at ₹ 810 Cr. is lower y-o-y by 6% due to de-growth in new business during Q1 last year
- Earnings before tax grew to ₹ 147 Cr. (PY : ₹ 144 Cr.)
- More than 90% of funds outperformed their respective benchmarks
- EV of BSLI is ₹ 4,015 Cr. as at 31st Mar'12 (PY: ₹ 4,108 Cr.). EV before dividend (Including tax thereon) is ₹ 4,129 Cr.
- VNB margin for FY11-12 is 22.8%.

₹ Crore	Quarter 1	
	2012-13	2011-12
<u>New Business Premium</u>		
Individual Business	188	247
Group Business	133	76
New Business Premium (Gross)	320	322
Renewal Premium (Gross)	810	860
Premium Income (Gross)	1,130	1,183
Less : Reinsurance ceded & Service tax	(68)	(50)
Premium Income (Net)	1,062	1,132
Other Operating Income	26	8
Revenue	1,088	1,140
Earnings before tax	147	144
Net Profit	147	144
Capital	2,450	2,450
Assets under management	21,583	19,984

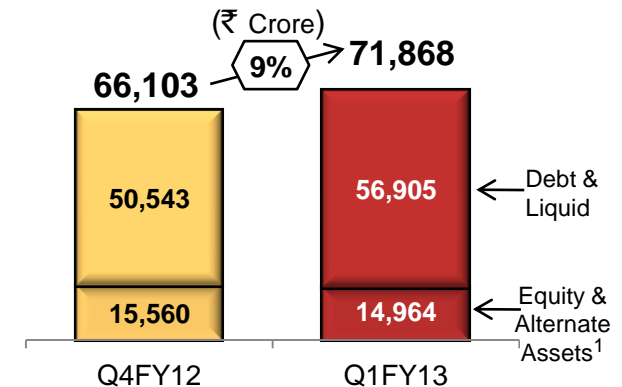
Birla Sun Life Asset Management

- ◆ **Industry's domestic AAUM at ~ ₹ 692,800 Cr. grew q-o-q by 4%**
 - ➔ Growth was driven by net sales in the debt and liquid schemes to the tune of ₹ 96,000 Cr.
 - ➔ Domestic AAUM of BSAMC grew q-o-q by 10%
 - BSAMC became the largest fixed income manager in India and strengthened its overall # 4 position.
 - Improved its market share to 9.7% (PY : 9.1%, PQ : 9.2%)
- ◆ **BSAMC's total AAUM grew q-o-q by 9% to ₹ 71,868 Cr.**
 - ➔ Increase in offshore and domestic debt & liquid AUM contributed
- ◆ **Revenue grew to ₹ 92 Cr. (PY : ₹ 85 Cr., PQ : ₹ 77 Cr.) and earnings before tax to ₹ 32 Cr. (PY : ₹ 30 Cr., PQ : ₹ 13 Cr.)**
 - ➔ In Q1FY13, profit is higher by ₹ 5 Cr. on account of one time cost savings
 - ➔ Increase in AAUM and cost savings drove q-o-q earnings growth
- ◆ Over 85% of ranked AUM is in top 2 quartiles of performance based on 90 days, 180 days and 1 year return

₹ Crore	Quarter 1	
	2012-13	2011-12
Revenue (Fee Income)	92	85
Earnings before tax	32	30
Net Profit	22	18

₹ Crore	Average AUM	
	Q1FY13	Q1FY12
Equity	10,365	11,464
Debt & Liquid	56,905	56,045
Domestic AUM	67,270	67,510
Off shore	3,160	2,577
PMS	379	677
Real Estate Fund	1,060	1,088
Total AUM	71,868	71,851

BSAMC : Total AAUM



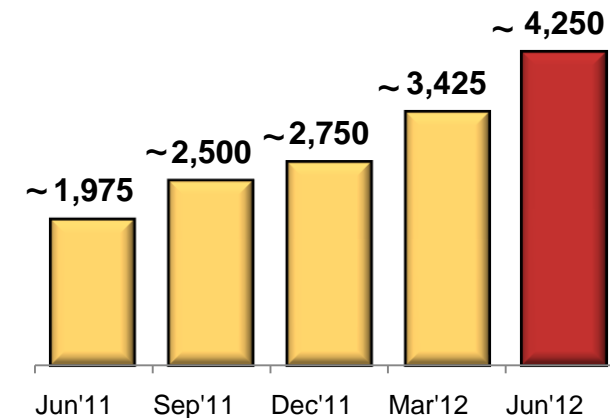
¹Equity AAUM (Domestic & Offshore) + PMS + Real Estate Onshore Fund

◆ **Book size more than doubled y-o-y to ~ ₹4,250 Cr.**

- ➔ Growth in existing segments and commencement of infra and mortgage financing during the previous year contributed
- ➔ Achieved sequential 25% growth in book size
- ➔ Achieved highest ever Capital Market portfolio and Corporate Finance portfolio which stand at more than ₹ 2,000 Cr. and ₹ 900 Cr. respectively
- ➔ Infra financing portfolio reached about ₹ 900 Cr. – It is growing as per plan
- ➔ Mortgages portfolio has started building up – Stands at more than ₹ 275 Cr.

NBFC : Book Size

(₹ Crore)



◆ **During Q1, revenue surged y-o-y by 85% to ₹ 128 Cr.**

- ➔ EBT more than doubled y-o-y to ₹ 27 Cr.
- ➔ Profitability maintained q-o-q, despite rise in manpower cost due to team build-up and addition of new lines of business

◆ **Net worth at ₹ 647 Cr. more than doubled in past 2 years**

- ➔ The business is growing at a good pace and will require capital for future growth

₹ Crore	Quarter 1	
	2012-13	2011-12
Revenue	128	69
Earnings before tax	27	10
Net Profit	18	7

Other Financial Services

Aditya Birla Private Equity (ABPE)

- Out of its ₹ 1179 Cr. corpus, ABPE has deployed / committed over 45% of the fund size

Aditya Birla Money (Broking and Wealth Management)

- Market share in retail cash equity & commodity broking segments rose to 1.5% (PY:1%) & 0.44% (PY:0.28%)
- Ranked 2nd largest corporate mutual fund distributor in India, based on Assets under Advisory (Source : CAMS, April 2012)
- Earnings are under pressure due to sluggish market volumes and regulatory changes

Aditya Birla Insurance Brokers (General insurance advisory)

- In Q1, premium placement more than doubled y-o-y to ₹ 194 Cr. and earnings before tax more than doubled to ₹ 9 Cr.

₹ Crore	Quarter 1							
	Aditya Birla Capital Advisors (Private Equity)		Aditya Birla Money (Broking)		Aditya Birla Money Mart (Wealth Management)		Aditya Birla Insurance Brokers (General Insurance Advisory)	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Revenue	6	4	21	20	13	12	17	9
Earnings before tax	2	1	(4)	(7)	(5)	(4)	9	4
Net Profit / (Loss)	2	1	(4)	(6)	(5)	(4)	6	3

₹ Crore	Quarter 1	
	2012-13	2011-12
Revenue	5,501	4,516
EBITDA	1,446	1,233
Segment EBIT	603	501
Net Profit	234	177
Net Worth	13,288	12,481
Total Debt	12,854	11,969
Capital Employed	26,142	24,449

- Idea is the largest player with 25.1% revenue share in 8 service areas put together where it holds 900 MHz spectrum
- As of 31st May'12, Idea had ~92.3% of reported subscribers as VLR (active) subscribers – highest in the industry
- VAS as percentage of service revenue increased to 14.5% in Q1FY13 (PY: 12.1%, PQ : 14.3%)
- Capex of ₹ 4.1 billion incurred in Q1FY13. For full year, capex guidance stands at ₹ 35 billion (excl. any payment towards spectrum)

₹ Crore	Quarter 1	
	2012-13	2011-12
No. of EBOs	1,167	948
Retail Space (Mn Sq. Ft)	1.7	1.4
Revenue	524	484
EBITDA	22	24
Segment EBIT	4	7
Capital Employed	598	563

- Retail, Wholesale and other Channels contributed 44%, 36% and 20% respectively to the revenue

₹ Crore	Quarter 1	
	2012-13	2011-12
Employees (Nos.)	20,314	20,428
Revenue	599	471
Operating EBITDA*	57	38
Non-recurring gain / (loss)	(5)	(0.4)
EBITDA	52	38
Segment EBIT	31	20
Net Profit	19	8

*Before restructuring costs

₹ Crore	Quarter 1	
	2012-13	2011-12
Urea Sales ('000 MT)	170	260
Revenue	345	351
Urea	282	317
Trading	63	34
EBITDA	29	44
Segment EBIT	24	39
Capital Employed	1,096	511
ROACE (Annualised) (%)	9	31

- ◆ During Q1, planned maintenance shutdown for 20 days led to lower urea sales volumes
 - ▶ Revenue maintained at ₹ 345 Cr. due to higher urea prices (pass through of rise in input costs) and higher agri-input sales
- ◆ EBITDA de-grew from ₹ 44 Cr. to ₹ 29 Cr.
 - ▶ Lower urea sales, higher energy costs & rise in repairs & maintenance costs on account of shutdown strained profitability
 - ▶ Higher agri-input trading added to the top-line as well as bottom-line
- ◆ Working capital has increased y-o-y primarily due to rise in urea prices and slower recovery of subsidies.

₹ Crore	Quarter 1	
	2012-13	2011-12
Sales Volumes (MT)	67,728	76,052
Realisation (Rs./MT)	78,286	63,537
Revenue	557	513
EBITDA	52	67
Segment EBIT	42	57
Capital Employed	1,557	1,285
ROACE (Annualised) (%)	11	18

- ◆ Revenue grew y-o-y by 9% to ₹ 557 Cr. while EBITDA de-grew from ₹ 67 Cr. to ₹ 52 Cr.
 - Volumes were affected by cheaper Chinese imports while realisation grew due to rise in raw material (CBFS) prices
 - Profitability strained due to lower volumes coupled with higher CBFS cost, though partly passed on
- ◆ Rise in capital employed is on account of increase in CBFS prices inflating inventories and receivables
 - It is also higher to the extent of MTM provision of ₹ 123 Cr. w.r.t. fully hedged foreign currency working capital borrowings
- ◆ Industry is pursuing the Government for levy of safeguard duty on Chinese imports

Aditya Birla Insulators

₹ Crore	Quarter 1	
	2012-13	2011-12
Sales Volumes (MT)	8,923	9,257
Revenue	110	110
EBITDA	15	24
Segment EBIT	10	18
Capital Employed	376	372
ROACE (Annualised) (%)	11	20

- Insulators industry's domestic sales volume de-grew y-o-y by 7% and Electrical Equipment Industry Index de-grew y-o-y by 9% in Apr'12 (Source : IEEMA). Deferment of projects and dumping from China continued to impact sales across the industry.
- In Q1, Aditya Birla Insulators contained de-growth in its volumes to 4% while maintaining revenue at ₹ 110 Cr.
- EBITDA de-grew y-o-y to ₹ 15 Cr. : Higher production costs strained profitability while volume growth and capacity utilisation remained affected due to cheaper imports from China
- However, profitability grew q-o-q driven by improved yield and softening of input and fuel prices
- Industry is pursuing the Government for levy of safeguard / anti-dumping duty on Chinese imports

₹ Crore	Quarter 1	
	2012-13	2011-12
<u>VFY</u>		
Sales Volumes (MT)	4,149	3,563
Realisation (Rs./Kg.)	294	296
Revenue (₹ Cr.)	122	105
<u>Chemical</u>		
Caustic Soda Sales (MT)	22,168	20,545
ECU Realisation (Rs./MT.)	27,236	23,117
Revenue (₹ Cr.)	64	51
Total Revenue	186	156
EBITDA	48	30
Segment EBIT	39	21
Capital Employed	535	431
ROACE (Annualised) (%)	30	19

- ◆ Anti-dumping duty was recently levied / extended on VFY and Caustic Soda
 - During the quarter, VFY production in India was flat q-o-q while imports de-grew by 20%
- ◆ Revenue grew y-o-y by 19% to ₹ 186 Cr.
 - Domestic VFY sales volume grew by 14% led by lower imports from China. Higher exports also contributed to the earnings.
 - ECU realisation is up by 18% : Caustic soda prices remained high due to demand - supply mismatch
- ◆ EBITDA rose by 62% to ₹ 48 Cr. led by improved ECU realisation, growth in VFY sales volume and drop in wood-pulp prices
- ◆ Annualized ROACE improved to 30%

₹ Crore	Quarter 1	
	2012-13	2011-12
Linen Segment	120	101
Wool Segment	184	160
Revenue	304	261
EBITDA	46	41
Segment EBIT	40	35
Capital Employed	83	195
ROACE (Annualised) (%)	186	72

- ◆ In Q1, Jaya Shree Textiles (JST) posted its highest ever quarterly earnings.
- ◆ Revenue rose y-o-y by 16% to 304 Cr. : Realisation improved across the segments to pass on rise in input costs.
 - Linen yarn registered 11% y-o-y growth in volumes. Wool segment witnessed lower exports volumes
- ◆ EBITDA grew y-o-y by 12% to ₹ 46 Cr. : Higher realisation across the segments partly offset by lower volumes in wool segment
- ◆ Focus on high margin Linen Fabric OTC segment : Its share in total linen fabric sales volume grew to 60%
- ◆ Growth in ROACE is led by improved working capital management
- ◆ To capitalise on the buoyant demand in the linen segment, Jaya Shree Textiles is planning to expand its linen yarn capacity from 2,300 TPA to 3,400 TPA and linen fabric capacity from 5.6 million meters to 8.3 million meters at a capex of ₹ 100 Cr.

Annexure III : Reporting Structure



Consolidated

Subsidiaries & Joint Ventures

Standalone

Financial Services

Telecom³ # (25.30%)

IT-ITeS² (~100%)

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 45.95%

Note : Percentage figures indicated above represent ABNL's shareholding in its subsidiaries /JV's

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