

ADITYA BIRLA



Aditya Birla Nuvo Limited

Financial Results – Q2 FY12-13

Mumbai, 8th November 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

- FY : Financial Year ending March
- PY – Corresponding period in Previous Financial Year
- PQ – Previous Quarter
- Q1 – Quarter from April – June
- Q2 – Quarter from July – September
- H1 : Half year from April to September
- ROACE : Return on Average Capital Employed based on EBIT
- VAS – Value Added Services
- TCV – Total Contract Value
- EBO – Exclusive Brand Outlet
- TPA – Tons per annum
- MBO – Multi Brand Outlet

Indian economy & Aditya Birla Nuvo

Indian Economy

- ◆ **GDP growth moderated from 7.7% in Q1FY12 to 5.5% in Q1FY13** : Marginally higher vis-à-vis PQ
 - In the past two years, GDP growth has moderated, quarter after quarter
- ◆ **RBI is keeping interest rates unchanged in view of high inflation**
 - WPI inflation at 7.8% in Sep'12 is expected to move up due to the recent hike in diesel prices
- ◆ **Rupee recovered from the peak levels against US Dollar, however, still remains high at 53-54 levels**
- ◆ **The government recently announced a slew of policy measures to revive investor sentiment and boost the economy**
 - Achieving reduction in fiscal deficit through diesel price hike and disinvestment plans
 - Relaxation of FDI in retail, life insurance, pension, aviation and broadcasting
 - Reduction in withholding tax on foreign borrowings

Aditya Birla Nuvo

- ◆ **While the current economic environment continued to affect growth in some of the sectors where ABNL operates, the Company has posted strong earnings growth**

Key Highlights – Q2

Aditya Birla Financial Services

- Contributed by all the businesses, combined earnings before tax rose y-o-y by 39%
- Combined Assets under Management crossed ₹ 100,000 Cr. mark – Grew y-o-y by 14% and q-o-q by 7%
- Market share improved in the Asset Management and Broking businesses
- Lending book of the NBFC business crossed ₹ 5,000 Cr. mark

Telecom

- Idea's revenue market share¹ expanded y-o-y from 13.9% (Q1FY12) to 14.9% (Q1FY13)
- Rising revenue share, sound growth in minutes of usage & cost optimisation drove y-o-y earnings growth

Fashion & Lifestyle

- Overall y-o-y revenue growth moderated to 9%, however, retail channel achieved 21% revenue growth

IT-ITeS

- Conversion of order book and improved gross margins led to the profitable growth. Favourable forex movement also contributed.

Manufacturing

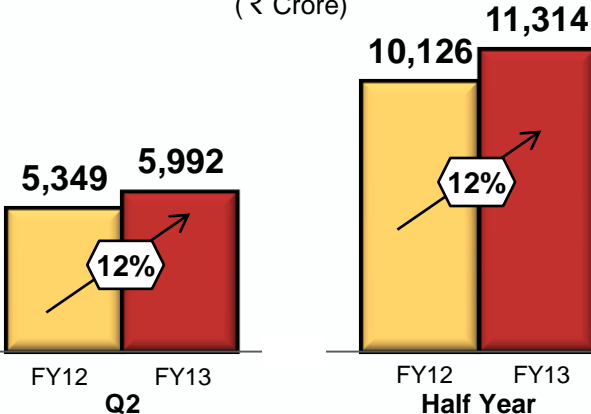
- Combined EBITDA grew y-o-y despite earnings pressure in the Carbon Black and Insulators businesses
- VFY capacity expansion using spool technology from ENKA, Germany is expected to complete in Q4FY13

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

Consolidated earnings

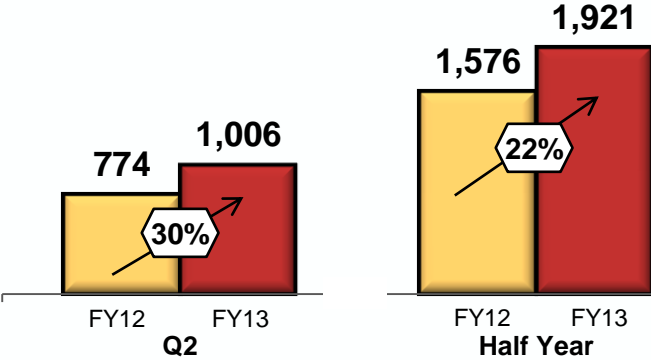
Revenue

(₹ Crore)



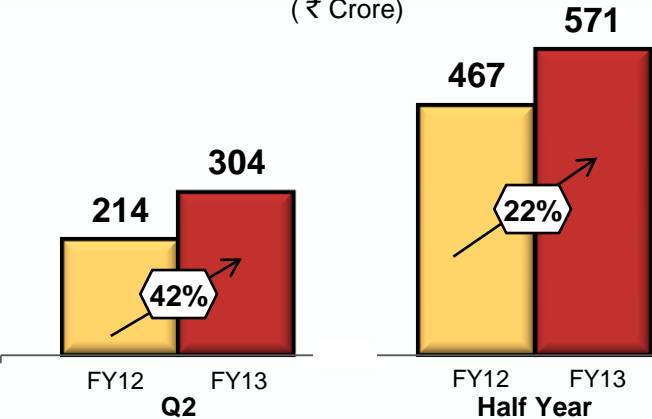
EBITDA

(₹ Crore)



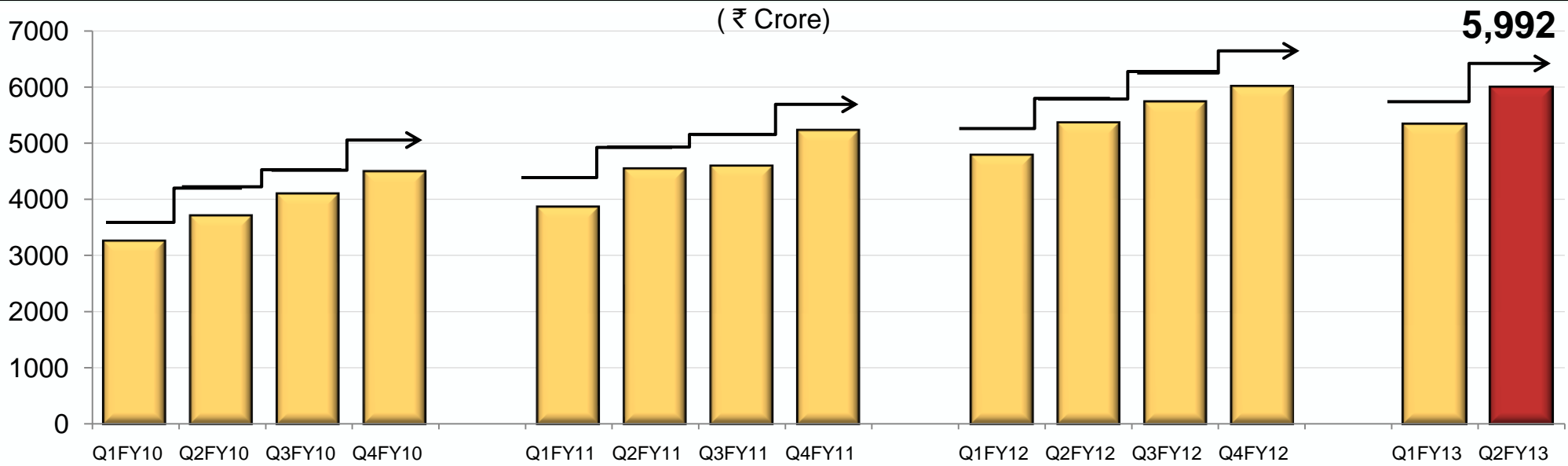
Net Profit

(₹ Crore)

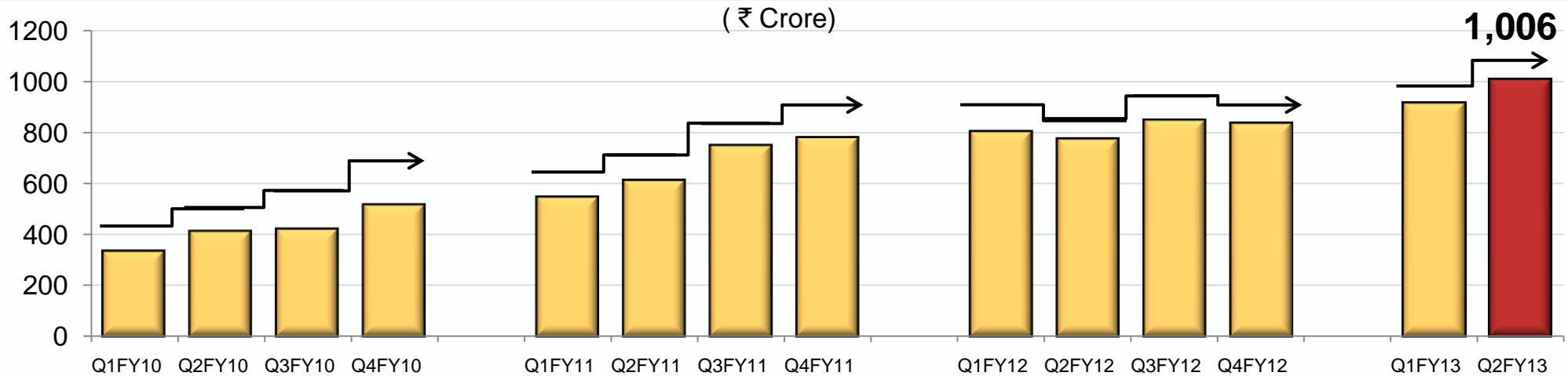


Quarterly Growth Trend

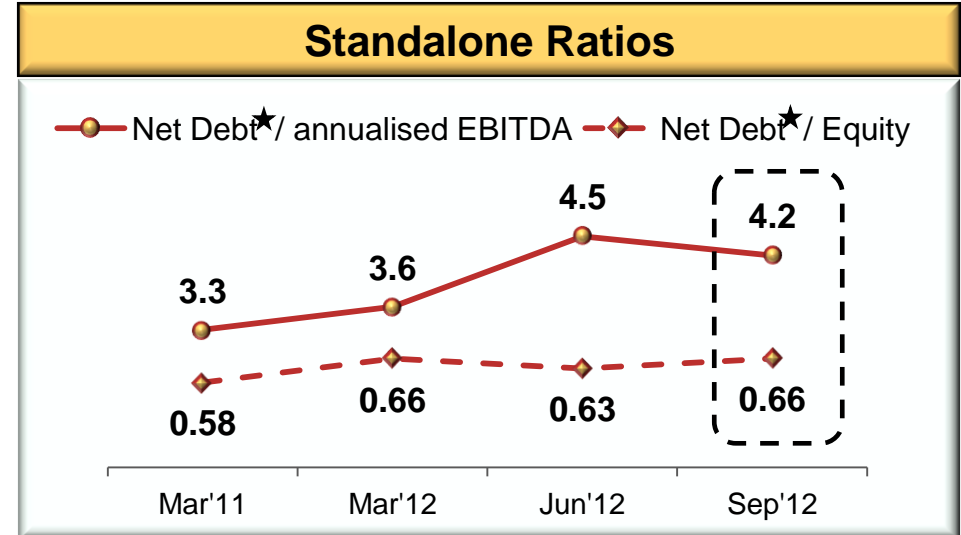
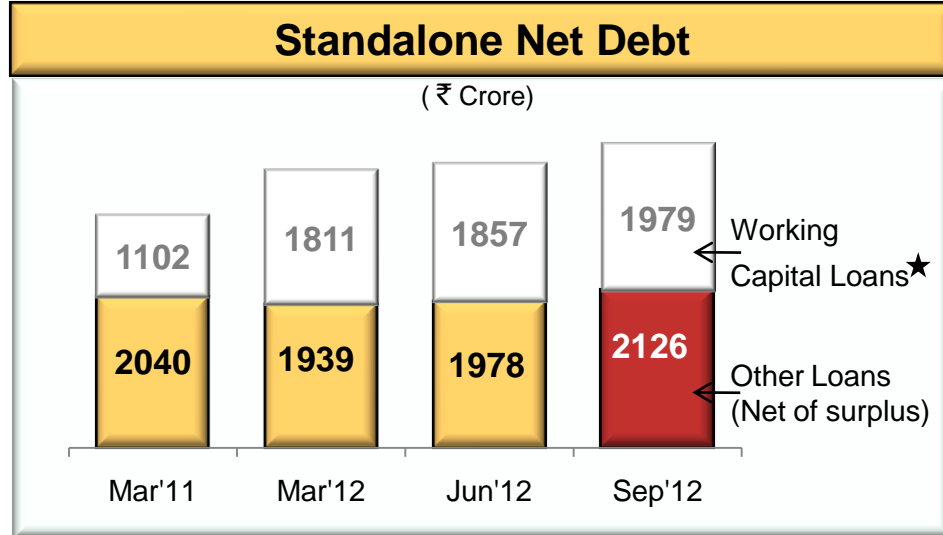
Consolidated Revenue



Consolidated EBITDA



Standalone Debt and Ratios

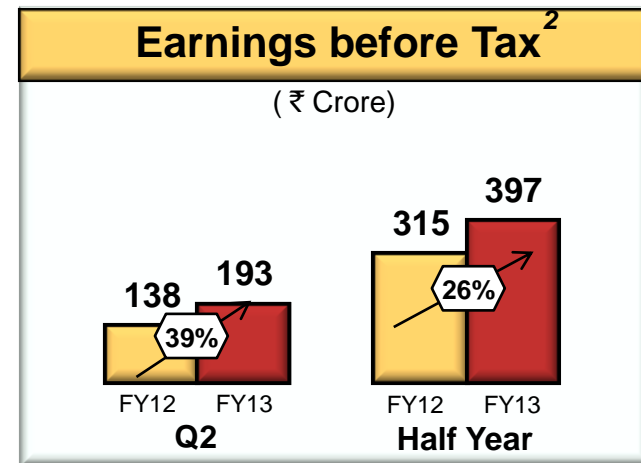
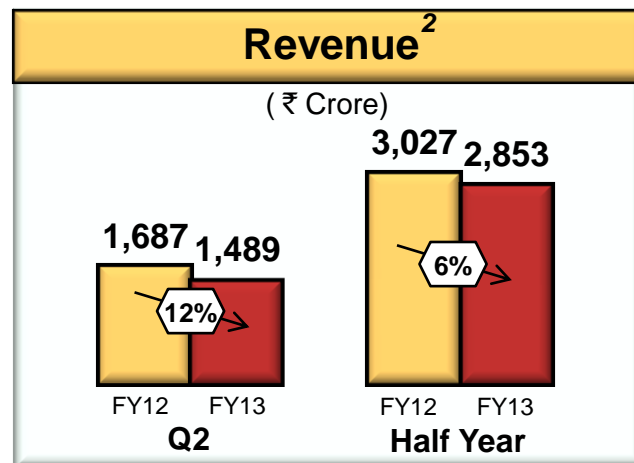
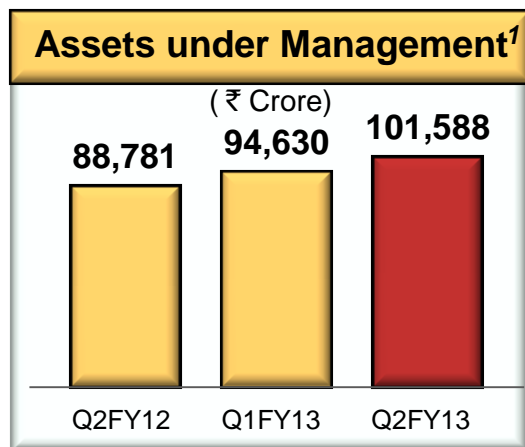


★ Adjusted for MTM gain of ₹ 48 Cr. as on 30th Sep'12, MTM loss of ₹ 199 Cr. as on 30th Jun'12 and MTM loss on ₹ 104 Cr. as on 31st Mar'12 respectively w.r.t. fully hedged foreign currency working capital borrowings

- Net Debt to EBITDA as on 30th Sep'12 improved q-o-q, with the improvement in annualised Standalone EBITDA and receipt of ~ ₹ 425 Cr. subsidy in Jul'12.
- ➔ In Q1, annualised standalone EBITDA was lower due to planned maintenance shutdown in the Agri business and seasonally lower profitability in the Fashion & Lifestyle business

**Business-wise performance highlights
Q2FY13 over Q2FY12**

Aditya Birla Financial Services (ABFS)



- Due to muted growth in the financial services sector, particularly in the Life Insurance industry, top-line of ABFS de-grew y-o-y. However, ABFS has posted a strong growth in its profitability and assets size
- ABFS has acquired an additional 1% stake in Birla Sun Life Asset Management (BSAMC) from Sun Life raising its holding to 51% effective from 10th Oct'12.

Market Share and Ranking

- BSLI ranked 5th with a market share of 7.7% among private players in terms of H1FY13 new business premium
- Asset Management : AUM market share grew y-o-y from 9% to 9.8%.
 - Continued to be No. 1 fixed income fund manager & overall 4th largest asset management company in India
- Broking : Achieving steady growth in market share since past two years despite weak market volumes

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

Note 2 : Including full figures of Asset Management biz. Being a 50:50 JV till 9th Oct'12, Asset Management biz. has been proportionately consolidated in ABNL's consolidated financials as per AS27

Aditya Birla Financial Services

Asset Size

- ▶ Life Insurance : AUM grew y-o-y by 18% and q-o-q by 6% to ₹ 22,774 Cr.
 - ▶ Asset Management : Total AAUM grew y-o-y by 14% and q-o-q by 8% to ₹ 77,634 Cr.
 - ▶ NBFC : Lending book more than doubled y-o-y and grew q-o-q by 21% to reach ~₹ 5,150 Cr.
- **Capital Infusion in NBFC** : Share Capital of ₹ 100 Cr. was infused in Jul'12. Net worth as on 30th Sep'12 is ₹ 769 Cr. The business also raised Tier-II capital of ₹ 300 Cr. to support the growth.
 - **Aditya Birla Money MyUniverse**, the online money management platform launched by ABFS, acquired more than 50,000 customers during the first quarter of its launch : This brand agnostic platform provides customised and completely automated advice to customers, based on financial position & risk profile of customer

Earnings : ABFS posted revenue of ₹ 1,489 Cr. EBT grew y-o-y by 39% to ₹ 193 Cr.

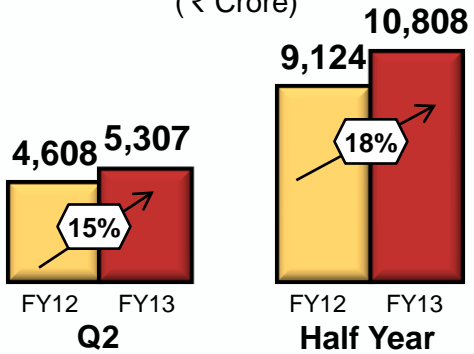
- ▶ Higher loss in other financial services reflects brand building & IT-Infra related spends in MyUniverse

<u>Revenue</u>		Business	<u>EBT</u>	
Q2FY13	Q2FY12		Q2FY13	Q2FY12
1,177	1,479	Life Insurance	145	97
98	78	Asset Management	24	20
158	81	NBFC	32	25
56	49	Others (Private Equity, Broking, Wealth management, Insurance Advisory, MyUniverse)	(9)	(4)

Telecom : Idea Cellular

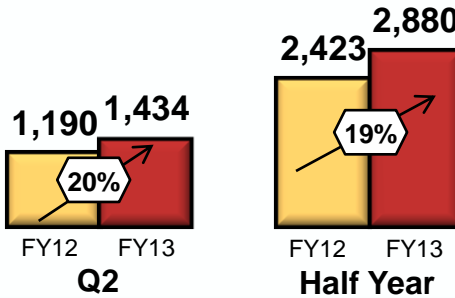
Consolidated Revenue

(₹ Crore)



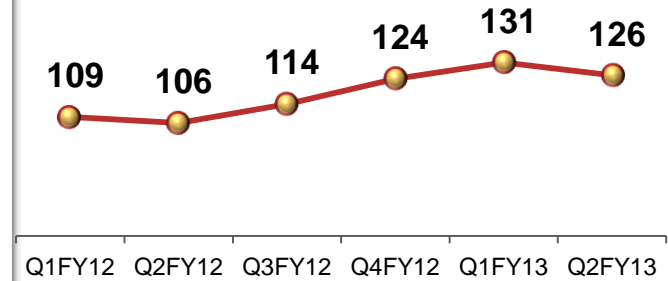
Consolidated EBITDA

(₹ Crore)



Minutes on Network

(In billion)



- ◆ In Q2, revenue surged y-o-y by 15% to ₹ 5,307 Cr. and EBITDA rose by 20% to ₹ 1,434 Cr.

- ▶ A strong 18% y-o-y growth in total minutes on network drove earnings growth
- ▶ EBITDA margin expansion also augmented profitability : Optimisation of subscribers acquisition & servicing cost and advertisement & business promotion expenses coupled with forex gain contributed

- ◆ Net profit more than doubled y-o-y from ₹ 106 Cr. to ₹ 240 Cr.

- ▶ Savings in interest costs also contributed
- ▶ Idea has been free cash flow positive since past 5 quarters

- ◆ Idea's subsidiary has received a dividend of ₹ 154 Cr. from Indus (*eliminated in consolidated net profit*)

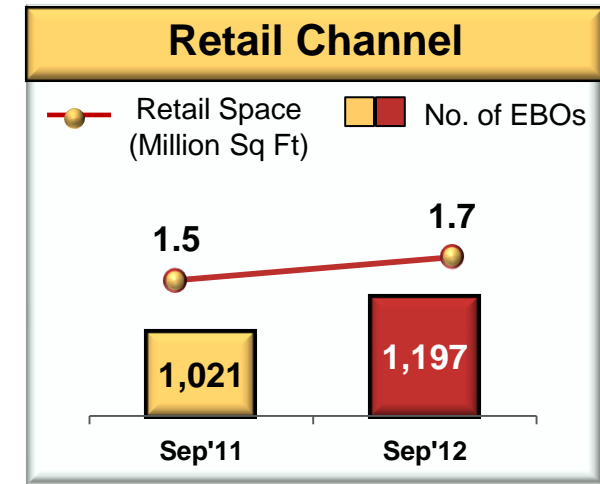
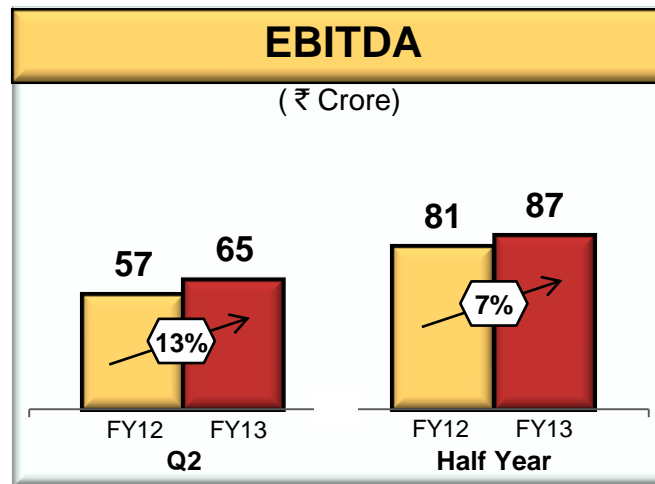
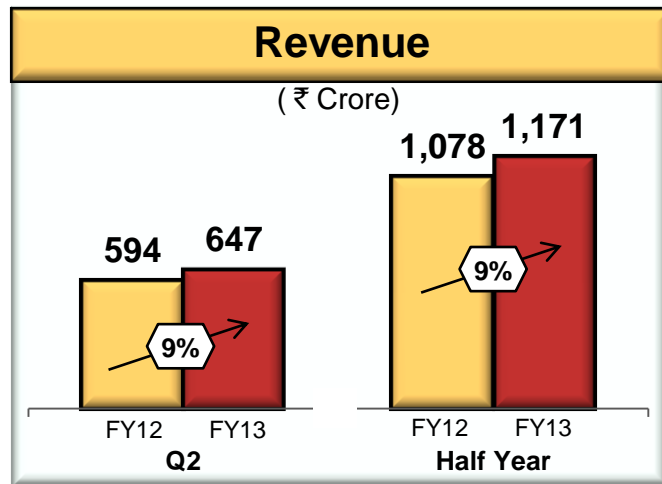
- ◆ Strong balance sheet and free cash flows will continue to support company's growth plans

- ▶ Standalone² Net debt / EBITDA at 2.11 (PY : 2.68) and Net Debt/Equity at 0.79 (PY : 0.89) improved y-o-y

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

²Standalone = Idea and its 100% subsidiaries

Madura Fashion & Lifestyle

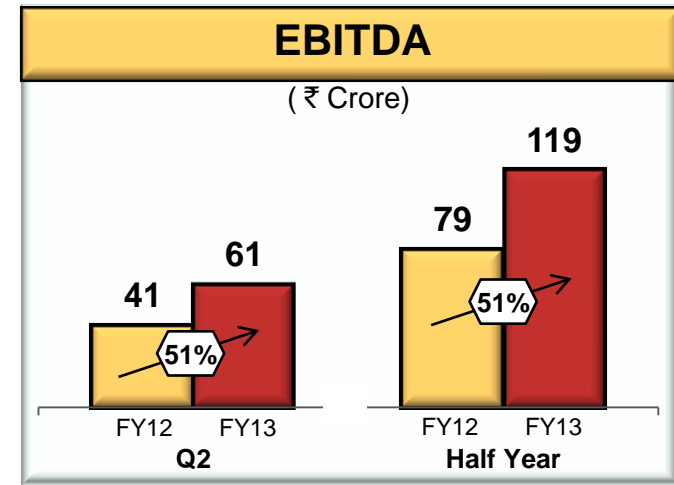
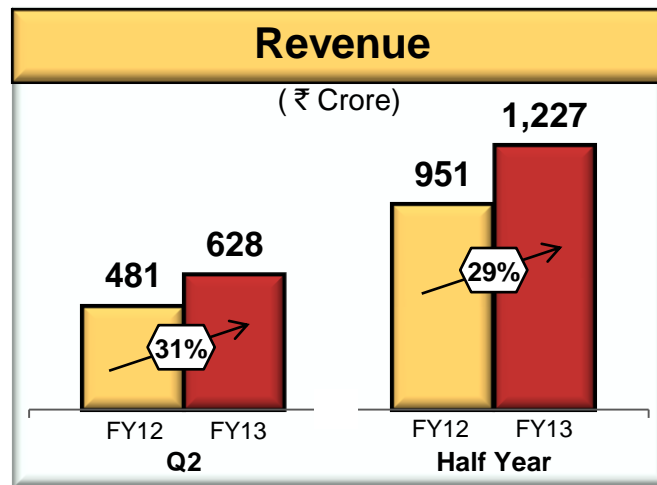
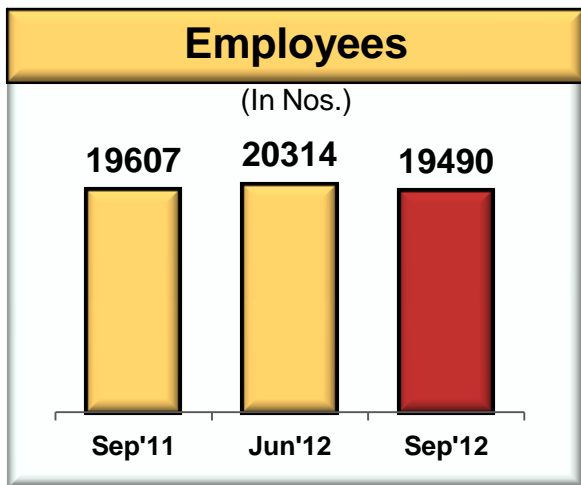


- Lower customer footfalls & spending continues to constrain the growth of the branded apparels sector
- During Q2, Madura's revenue grew y-o-y by 9% to ₹ 647 Cr.
 - ➔ Wholesale channel registered marginal growth in revenue
 - ➔ Retail Channel posted 21% revenue growth led by stores expansion
 - During the quarter, new 56 EBOs (Half Year – 117 EBOs) were added taking the total to 1,197 EBOs
 - Like-to-like stores sales growth of 3% also contributed
- EBITDA rose y-o-y by 13% to ₹ 65 Cr. : Sales growth and improved gross margin contributed
 - ➔ EBITDA margin improved to 10.0% during the quarter (PY : 9.6%)
 - Despite higher discounting on account of extended end of seasons sale (EOSS)
- Volumes, earnings and margin surged q-o-q driven by EOSS and festive season sales
- Generating sound ROACE led by profitable growth and working capital management

Pantaloons Transaction Update

- ABNL, through its subsidiary Peter England Fashions & Retail Ltd. (PEFRL), had invested ₹ 800 Cr. through Optionally Fully Convertible Debentures (OFCDs) in Pantaloon Retail India Ltd. (PRIL).
- The Board of PEFRL approved the share entitlement ratio in relation to the demerger. Accordingly, upon effectiveness of Scheme of Arrangement and under its terms, equity shareholders of PRIL will receive 1 fully paid up equity share of ₹ 10/- each in PEFRL for 5 fully paid up equity shares (including DVR equity shares) of ₹ 2/- each held in PRIL.
- Post approval by the stock exchanges, the demerger scheme has been filed with the Hon'ble Bombay High Court. In its hearing, the Hon'ble High Court has directed PRIL to hold its shareholders' meeting on 6th December 2012.
- An application has been filed with the Competition Commission of India for its approval.
- PRIL, through a court scheme of arrangement, will transfer all undertakings, business activities and operations pertaining to the 'Pantaloons Fashion Format' to PEFRL (the resulting company). A debt of ₹ 1,600 Crore will also be transferred to the resulting company. PRIL will redeem ₹ 800 Cr. OFCDs and the redemption proceeds will be utilised by the resulting company to reduce its debt.
- The Appointed Date of the transfer is 1st July 2012.
- The resulting company will issue equity shares to shareholders of PRIL as per approved share entitlement ratio.
- Post demerger, the holding of ABNL, through its subsidiary, in the resulting company, will be 50.09%.
- On effectiveness of the Scheme and receipt of necessary approvals, the equity shares of the resulting company will be listed on the National Stock Exchange of India and The Stock Exchange, Bombay
- As part of the Scheme of Arrangement, ABNL and/or its Affiliates intend making a voluntary open offer to the other shareholders of the resulting company.

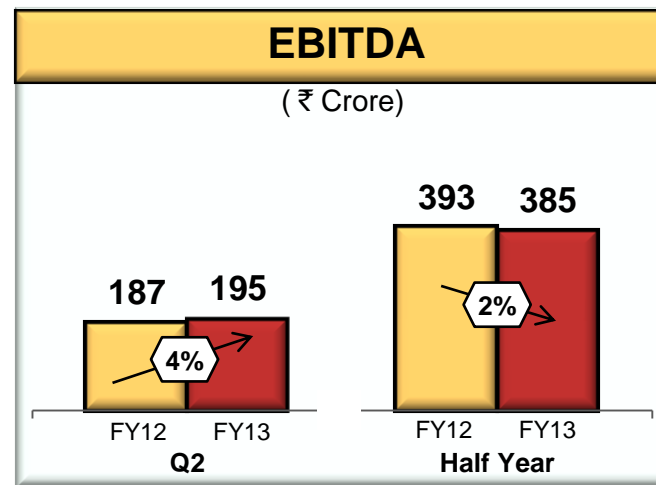
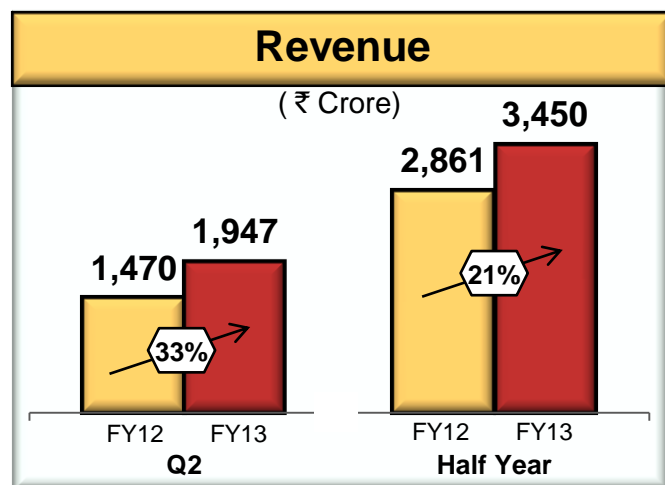
IT-ITeS : Aditya Birla Minacs



- In Q2, revenue grew y-o-y by 31% : Conversion of order book & favourable forex movement contributed
- Operating EBITDA* surged y-o-y by 51% to ₹ 61 Cr. : Operating EBITDA margin* rose from 8.5% to 9.8%
 - ➔ Driven by revenue growth and improved gross margin. Favourable forex movement also contributed
- Net profit rose from ₹ 12 Cr. to ₹ 31 Cr.
- On constant currency basis, revenue grew y-o-y by 13% & Operating EBITDA by 33% during the half year
- Sold TCV of ~USD 160 million in H1 (PY:~USD 243 million) : Over 60% of TCV is contributed by new business
 - ➔ Conversion of sales pipeline is under pressure due to weak economic conditions in the North America
- Generating steady cash profit to fund its capex and working capital requirements

* Excluding non-recurring gain / loss viz., restructuring costs and one time forex gain

Manufacturing Businesses



- Revenue growth was largely driven by higher urea sales and growth in revenue from trading of imported fertilisers

<u>Q2 Revenue</u>		Business	<u>Q2 EBITDA</u>		Remarks on profitability
FY13	FY12		FY13	FY12	
864	450	Agri-business	66	55	Higher urea sales volume & revenue from trading of imported fertilisers
494	468	Carbon Black	25	50	Constrain on sales volume & cost pass through due to cheaper imports
288	261	Textiles	39	35	Higher volumes and better realisation in the linen segment
188	172	Rayon	46	27	Improved VFY and ECU realisation and growth in VFY sales volume
112	118	Insulators	19	20	Volume de-growth offset by improved realisation to pass on rise in costs

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 in the **NBFC** business while keeping risk under control
- Deploying **Private Equity** assets, thrust on profitable growth in **Insurance Advisory** business and growing customer base in **Broking & Wealth Management** businesses
- Increasing revenue share in the **Telecom** business by capitalising on brand IDEA 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

Annexure I

Financials

Consolidated Revenue

(₹ Crore)

Quarter - 1	Quarter 2		Revenue	Half Year	
	2012-13	2011-12		2012-13	2011-12
1,318	1,440	1,648	Aditya Birla Financial Services	2,758	2,945
1,088	1,177	1,480	<i>Life Insurance</i>	2,265	2,620
230	263	169	<i>Other Financial Services *</i>	493	326
1,393	1,343	1,168	Telecom (Nuvo's share) @	2,736	2,313
524	647	594	Fashion & Lifestyle	1,171	1,078
599	628	481	IT-ITeS	1,227	951
1,503	1,947	1,470	Manufacturing	3,450	2,861
557	494	468	<i>Carbon Black</i>	1,052	981
345	864	450	<i>Agri-business</i>	1,209	802
186	188	172	<i>Rayon</i>	374	328
110	112	118	<i>Insulators</i>	223	228
304	288	261	<i>Textiles</i>	592	522
(14)	(13)	(12)	Inter-segment Elimination	(28)	(23)
5,323	5,992	5,349	Consolidated Revenue	11,314	10,126

* Other Financial Services include Asset Management (proportionately consolidated at 50%, being a 50:50 JV till 9th Oct'12), NBFC, Private Equity, Broking, Wealth Management & General Insurance Advisory.

@ Idea is consolidated at ~25.3%

Consolidated EBIT

(₹ Crore)

Quarter - 1	Quarter 2		EBIT	Half Year	
	2012-13	2011-12		2012-13	2011-12
182	177	126	Aditya Birla Financial Services	359	285
147	145	97	<i>Life Insurance</i>	292	242
35	32	28	<i>Other Financial Services *</i>	67	43
153	144	114	Telecom (Nuvo's share) @	297	241
4	46	39	Fashion & Lifestyle	50	45
31	41	17	IT-ITeS	72	37
155	161	152	Manufacturing	315	321
42	15	40	<i>Carbon Black</i>	57	97
24	61	50	<i>Agri-business</i>	86	89
39	37	18	<i>Rayon</i>	76	39
10	14	14	<i>Insulators</i>	24	32
40	33	29	<i>Textiles</i>	72	65
525	569	447	Segmental EBIT	1,094	929

* Other Financial Services include Asset Management (proportionately consolidated at 50%, being a 50:50 JV till 9th Oct'12), 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 - 1	Quarter 2		Consolidated Profit & Loss Account	Half Year	
2012-13	2012-13	2011-12		2012-13	2011-12
5,323	5,992	5,349	Revenue	11,314	10,126
915	1,006	774	EBITDA	1,921	1,576
81	94	44	Less : NBFC Interest expenses	175	82
166	185	163	Less : Other Interest Expenses	350	313
668	727	568	EBDT	1,395	1,181
295	303	273	Less : Depreciation	598	534
373	424	294	Earnings before Tax	797	647
66	82	54	Less : Provision for Taxation (Net)	148	116
40	38	26	Less : Minority Interest	78	64
267	304	214	Net Profit	571	467

Balance Sheet

(₹ Crore)

Standalone		Balance Sheet	Consolidated	
Sep-12	Mar-12		Sep-12	Mar-12
6,209	5,679	Net Worth	8,499	7,517
-	-	Minority Interest	377	298
4,627★	4,457★	Debt	10,006★	9,224★
		NBFC borrowings	4,547	2,973
160	158	Deferred Tax Liabilities (Net)	362	317
10,995	10,294	Capital Employed	23,791	20,328
-	-	Policyholders' funds (Incl. funds for future appropriation)	21,350	19,964
10,995	10,294	Total Liabilities	45,141	40,292
2,063	1,976	Net Block (Incl. Goodwill)	12,727	12,531
2,306★	2,012★	Net Working Capital	7,329★	4,600★
6,105	5,598	Long Term Investments	345	319
-	-	Life Insurance Investments	22,774	21,110
-	-	Policyholders' Investments	21,470	20,095
-	-	Shareholders' Investments	1,304	1,015
522	707	Cash Surplus & Current Investments	1,964	1,733
547	500	Book Value (₹)	749	662
4.2	3.6	Net Debt / EBITDA (x)	2.1	2.3
0.66	0.66	Net Debt / Equity (x)	0.95	1.00
10,194	10,723	Market Capitalisation - NSE		

Note : NBFC book is included in Net Working Capital

★ Adjusted for MTM gain of ₹ 48 Cr. as on 30th Sep'12 & MTM loss of ₹ 104 Cr. as on 31st Mar'12 w.r.t. fully hedged foreign currency working capital debt

Standalone Profit & Loss

(₹ Crore)

Quarter - 1	Quarter 2		Standalone Profit & Loss Account	Half Year	
2012-13	2012-13	2011-12		2012-13	2011-12
2,037	2,562	2,053	Revenue	4,599	3,917
214	271	254	EBITDA	485	496
86	96	76	Interest Expenses	182	142
128	175	178	EBDT	303	354
50	52	51	Depreciation	102	101
78	124	126	Earnings before Tax	201	253
20	28	35	Provision for Taxation (Net)	47	66
58	96	92	Net Profit	154	186

Standalone Capex

(₹ Crore)

<u>Capex</u>	Plan	Spent till Mar'12	Spent in H1FY13	<u>Balance to be spent in</u>	
				H2FY13	FY14
<u>Major Projects</u>					
Rayon (VFY & Caustic)	460	110	110	125	115
Agri	279	7	4	86	182
Textiles	100	-	-	45	55
Fashion & Lifestyle (EBOs)	74	-	18	27	29
Other Capex	520	110	62	154	194
	1,433	227	194	437	575

Annexure II

Business-wise Financials

Aditya Birla Financial Services

Quarter 2		₹ Crore	Half Year	
2012-13	2011-12		2012-13	2011-12
		<u>Revenue</u>		
1,177	1,479	Birla Sun Life Insurance	2,265	2,620
98	78	Birla Sun Life Asset Management	190	163
158	81	Aditya Birla Finance	286	150
21	23	Aditya Birla Money	42	43
17	17	Aditya Birla Money Mart	30	29
13	7	Aditya Birla Insurance Brokers	30	16
6	5	Aditya Birla Capital Advisors (PE)	12	9
(2)	(2)	Elimination	(3)	(3)
1,489	1,687	Revenue	2,853	3,027
193	138	Earnings before tax	397	315
172	123	Net Profit	354	284

Note : Including full figures of Asset Management biz. Being a 50:50 JV till 9th Oct'12, Asset Management biz. has been proportionately consolidated in ABNL's consolidated financials as per AS27

Birla Sun Life Insurance

- During the first half year, private life insurers' new business premium remained flat y-o-y
 - Growth in individual new business remained impacted for most of the life insurers due to sluggish macro-economic environment
 - BSLI ranked 5th among private players with a market share of 7.7%
- In Q2, BSLI's first year premium de-grew y-o-y to ₹ 366 Cr.
 - Non-ULIPs contributed to 57% (PY:44%) of individual business
 - Launched Guaranteed Wealth Plan , a traditional plan with guaranteed benefits, in the month of Sep'12
- Renewal premium at ₹ 854 Cr. is lower y-o-y due to de-growth in new business during H1 last year
- 13th month premium persistency ratio is at 81% as on 30th Sep'12
- In Q2, earnings before tax grew y-o-y by 50% to ₹ 145 Cr.
- AUM grew y-o-y by 18% and q-o-q by 6% to ₹ 22,774 Cr.

Quarter 2		₹ Crore	Half Year	
2012-13	2011-12		2012-13	2011-12
		<u>New Business Premium</u>		
245	317	Individual Business	433	564
121	161	Group Business	254	237
366	479	New Business Premium (Gross)	687	801
854	1,055	Renewal Premium (Gross)	1,664	1,915
1,220	1,533	Premium Income (Gross)	2,350	2,716
(74)	(64)	Less : Reinsurance ceded & Service tax	(143)	(114)
1,146	1,469	Premium Income (Net)	2,208	2,602
31	10	Other Operating Income	57	18
1,177	1,479	Revenue	2,265	2,620
145	97	Earnings before tax	292	242
145	97	Net Profit	292	242
		Capital	2,450	2,450
		Assets under management	22,774	19,321

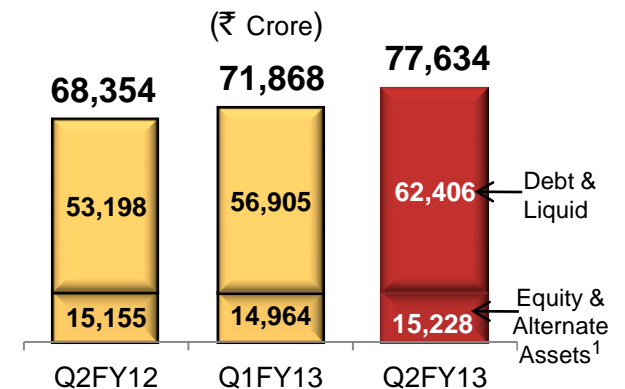
Birla Sun Life Asset Management

- ◆ **Industry's domestic AAUM at ~ ₹ 747,230 Cr. grew q-o-q by 8%**
 - Driven by growth in all the segments, debt being the highest contributor
 - Domestic AAUM of BSAMC grew q-o-q by 8.5% : Registered highest y-o-y and 2nd highest q-o-q growth in AAUM among top 5 players
 - Improved its market share to 9.8% (PY: 9.0%, PQ: 9.7%)
- ◆ **BSAMC's total AAUM grew q-o-q by 8% to ₹ 77,634 Cr.**
 - Growth in debt and liquid AUM contributed
- ◆ **Revenue rose y-o-y from ₹ 78 Cr. to ₹ 98 Cr.**
 - Earnings before tax grew from ₹ 20 Cr. to ₹ 24 Cr.
 - Growth in AAUM led to improved earnings
- ◆ Recent regulatory changes will help geographical expansion of mutual funds beyond top 15 cities

₹ Crore	Average AUM	
	Q2FY13	Q2FY12
Equity	10,573	11,050
Debt & Liquid	62,406	53,198
Domestic AUM	72,979	64,249
Off shore	3,226	2,383
PMS	368	634
Real Estate Fund	1,060	1,088
Total AUM	77,634	68,354

Quarter 2		₹ Crore	Half Year	
2012-13	2011-12		2012-13	2011-12
98	78	Revenue (Fee Income)	190	163
24	20	Earnings before tax	56	50
16	13	Net Profit	38	31

BSAMC : Total AAUM



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

Aditya Birla Finance

- ◆ **Book size more than doubled y-o-y to ~ ₹ 5,150 Cr.**

- ▶ Achieved sequential 21% growth in book size
- ▶ All the segments are contributing to the growth
- ▶ Capital Market book crossed ₹ 2,100 Cr. mark while Corporate Finance & Infra financing portfolios crossed ₹ 1,100 Cr. mark
- ▶ Mortgage Financing book crossed ₹ 500 Cr. mark

- ◆ **During Q2, revenue surged y-o-y by 95% to ₹ 158 Cr. while EBT grew by 29% to ₹ 32 Cr.**

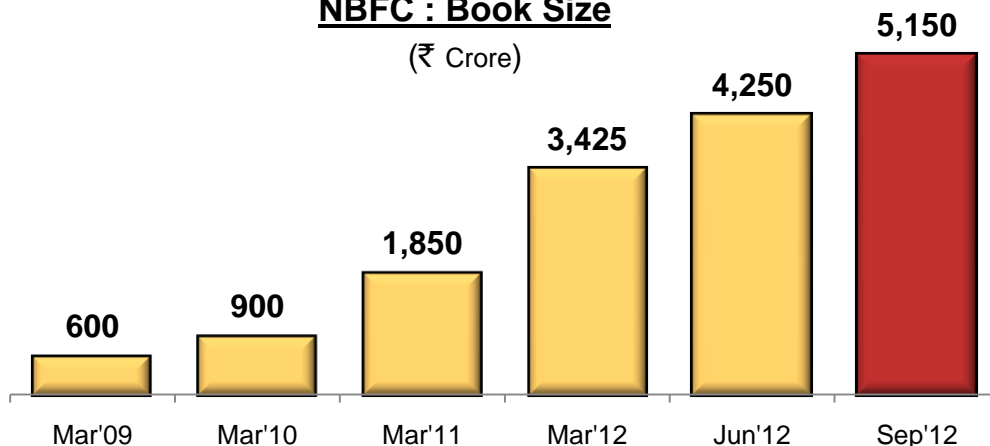
- ▶ Rise in operating costs due to team build-up and addition of new lines of business constrained margins
- ▶ Q-o-Q, revenue grew by 24% and EBT grew by 20% in line with the growth in book size

- ◆ **Net worth grew to ₹ 769 Cr. as on 30th Sep'12 (PY : ₹ 520 Cr., PQ: ₹ 647 Cr.)**

- ▶ Share Capital of ₹ 100 Cr. infused during the quarter
- ▶ The business also raised tier-II capital of ₹ 300 Cr.
- ▶ The business will require further capital for future growth

NBFC : Book Size

(₹ Crore)



Quarter 2		₹ Crore	Half Year	
2012-13	2011-12		2012-13	2011-12
158	81	Revenue	286	150
32	25	Earnings before tax	59	35
22	16	Net Profit	40	23

Other Financial Services

Aditya Birla Private Equity (ABPE)

- Out of its ₹ 1179 Cr. corpus, ABPE has deployed / committed over 45% of the fund size
- Committed investment in Olive Bar and Kitchen Ltd., a restaurant chain, through Sun rise fund

Aditya Birla Money (Broking and Wealth Management)

- In Q2, market share in retail cash equity, retail F&O & commodity broking rose to 1.5% (PY:1%, PQ:1.5%), 1% (PY:0.67%, PQ:0.88%) & 0.47% (PY:0.35%, PQ:0.44%) respectively
- Ranked 2nd largest corporate mutual fund distributor in India, based on Assets under Advisory (Source : CAMS, Sep'12)
- Earnings are under pressure due to sluggish market volumes and regulatory changes

Aditya Birla Insurance Brokers (General insurance advisory)

- In Q2, premium placement as well as earnings before tax more than doubled y-o-y to ₹ 144 Cr. and ₹ 4 Cr. respectively

₹ Crore	Quarter 2							
	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	5	21	23	17	17	13	7
Earnings before tax	2	1	(4)	(4)	(2)	(2)	4	2
Net Profit / (Loss)	2	2	(4)	(3)	(2)	(2)	2	1

₹ Crore	Half Year							
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Revenue	12	9	42	43	30	29	30	16
Earnings before tax	5	2	(8)	(10)	(6)	(6)	12	6
Net Profit / (Loss)	3	2	(8)	(9)	(6)	(6)	8	4

Quarter 2		₹ Crore (Consolidated Results)	Half Year	
2012-13	2011-12		2012-13	2011-12
5,307	4,608	Revenue	10,808	9,124
1,434	1,190	EBITDA	2,880	2,423
570	450	Segment EBIT	1,173	951
240	106	Net Profit	474	283
		Net Worth	13,508	12,597
		Total Debt	12,747	12,716
		Capital Employed	26,255	25,313

- As of 31st August'12, Idea had ~94.1% of reported subscribers as VLR (active) subscribers – highest in the industry
- VAS as percentage of service revenue increased to 15.6% in Q2FY13 (PY: 13.2%, PQ : 14.5%)
- Idea's high speed broadband services are now available in 3,500 towns in 20 service areas (including roaming arrangements).
- Out of total 115.5 mn subscribers, over 18.9 mn subscribers use mobile data services, contributing 5.4% of total service revenue.
- Capex of ₹ 9.7 billion incurred in Q2FY13 (Half Year : ₹ 13.8 billion). For the full year 2012-13, capex guidance stands at ₹ 35 billion (excluding any payment towards spectrum)

Madura Fashion & Lifestyle

Quarter 2		₹ Crore	Half Year	
2012-13	2011-12		2012-13	2011-12
		No. of EBOs	1,197	1,021
		Retail Space (Mn. Sq. Ft)	1.7	1.5
647	594	Revenue	1,171	1,078
65	57	EBITDA	87	81
46	39	Segment EBIT	50	45
581	577	Capital Employed	581	577
31	27	ROACE (Annualised) (%)	17	15

● Channel Mix

Channel	Q2	Half Year
Retail	43%	43%
Wholesale	43%	40%
Others	14%	17%

Quarter 2		₹ Crore	Half Year	
2012-13	2011-12		2012-13	2011-12
		Employees (Nos.)	20,314	19,607
628	481	Revenue	1,227	951
61	41	Operating EBITDA*	119	79
3	(3)	Non-recurring gain / (loss)	(2)	(3)
64	38	EBITDA	116	75
41	17	Segment EBIT	72	37
31	12	Net Profit	50	20
1,434	1,299	Capital Employed	1,434	1,299

*Excluding non-recurring gain / loss viz., restructuring costs and one time forex gain

- Non-recurring gain / loss in Q2 last year include site closure cost of ₹ 21 Cr. for one site in North America to achieve cost rationalisation, partly set off by one time forex gain of ₹ 15 Cr.
- Capital Employed reduced q-o-q from ₹ 1,518 Cr. to ₹ 1,434 Cr. primarily due to appreciation of INR against USD, better receivables management and receipt of outstanding employment incentives
- Capital Employed as on 30th Sep'12 is higher y-o-y largely on account of forex movement

Indo Gulf Fertilisers

Quarter 2		₹ Crore	Half Year	
2012-13	2011-12		2012-13	2011-12
332	289	Manufactured Urea Sales ('000 MT)	503	549
864	450	Revenue	1,209	802
555	364	Manufacturing (Urea, Customised Fertilisers)	837	681
309	86	Trading (Imported Fertilisers, Agri-inputs etc.)	372	120
66	55	EBITDA	95	99
61	50	Segment EBIT	86	89
1,244	646	Capital Employed	1,244	646
21	35	ROACE (Annualised) (%)	15	31

- Revenue rose y-o-y by 92% to ₹ 864 Cr. and EBITDA grew from ₹ 55 Cr. to ₹ 66 Cr.
 - Revenue from manufacturing operations surged y-o-y by 52% to ₹ 555 Cr. : Driven by 15% growth in urea sales volume and increase in urea prices reflecting pass through of rise in raw material (natural gas) prices
 - Trading sales grew y-o-y largely due to higher sales of imported fertilisers contributing to top-line as well as bottom-line
- Working capital has increased y-o-y due to rise in urea prices, higher closing stock of imported fertilisers in line with sales growth and slower recovery of subsidies
- Q-o-Q, profitability has surged on account of higher urea sales coupled with growth in trading revenue
 - In PQ, planned maintenance shutdown led to lower urea sales volume, higher energy and repairs & maintenance costs

Quarter 2		₹ Crore	Half Year	
2012-13	2011-12		2012-13	2011-12
60,406	64,513	Sales Volumes (MT)	128,133	140,564
77,764	69,234	Realisation (Rs./MT)	78,040	66,152
494	468	Revenue	1,052	981
25	50	EBITDA	77	117
15	40	Segment EBIT	57	97
1,422	1,531	Capital Employed	1,422	1,531
4	11	ROACE (Annualised) (%)	8	14

- Cheaper Chinese imports continued to constrain sales volumes and cost pass through
- Revenue grew y-o-y to ₹ 494 Cr. due to increase in realisation reflecting part pass through of rise in raw material cost
- EBITDA is lower at ₹ 25 Cr. (PY : ₹ 50 Cr.)
- In the previous year, capital employed is higher by ₹ 112 Cr. on account of MTM loss w.r.t. fully hedged foreign currency working capital borrowings
- Finance Ministry has imposed safeguard duty of 30% minus anti dumping duty on carbon black imports from China for one year starting 5th Oct'12 after which it will be reduced to 25% minus anti dumping till 31st Dec'13. The duty will apply on carbon black used in rubber applications (including tyres)

Quarter 2		₹ Crore	Half Year	
2012-13	2011-12		2012-13	2011-12
124	101	Linen Segment	244	202
164	160	Wool Segment	348	320
288	261	Revenue	592	522
39	35	EBITDA	85	76
33	29	Segment EBIT	72	65
81	187	Capital Employed	81	187
159	62	ROACE (Annualised) (%)	172	67

- ◆ Revenue grew y-o-y by 10% to 288 Cr. led by growth in the linen segment
 - ➔ Revenue from the linen segment rose y-o-y by 23% : Linen yarn and fabric volumes grew by 5% and 7%.
 - Improved realisation in the linen segment to pass on rise in input costs also contributed
- ◆ EBITDA grew y-o-y by 10% to ₹ 39 Cr. : Driven by higher volumes and better realisation in the linen segment
- ◆ Focus on high margin Linen Fabric OTC segment : It contributed to 59% of total linen fabric sales volume during H1
 - ➔ Launched 11 new EBOs during H1 to reach 68 EBOs. 'Linen Club' is also being retailed through more than 2,900 MBOs
- ◆ Business is operating at robust ROACE led by improved earnings and working capital management
- ◆ Capacity expansion of linen yarn from 2,300 TPA to 3,400 TPA and linen fabric from 5.6 million meters to 8.3 million meters is planned at a capex of ₹ 100 Cr.

Quarter 2		₹ Crore	Half Year	
2012-13	2011-12		2012-13	2011-12
<u>VFY</u>				
4,359	4,165	Sales Volumes (MT)	8,508	7,728
297	284	Realisation (Rs./Kg.)	295	289
129	118	Revenue (₹ Cr.)	251	224
<u>Chemical</u>				
20,299	20,340	Caustic Soda Sales (MT)	42,467	40,885
26,237	24,264	ECU Realisation (Rs./MT.)	26,742	23,682
59	54	Revenue (₹ Cr.)	123	105
188	172	Total Revenue	374	328
46	27	EBITDA	94	56
37	18	Segment EBIT	76	39
580	489	Capital Employed	580	489
27	16	ROACE (Annualised) (%)	28	17

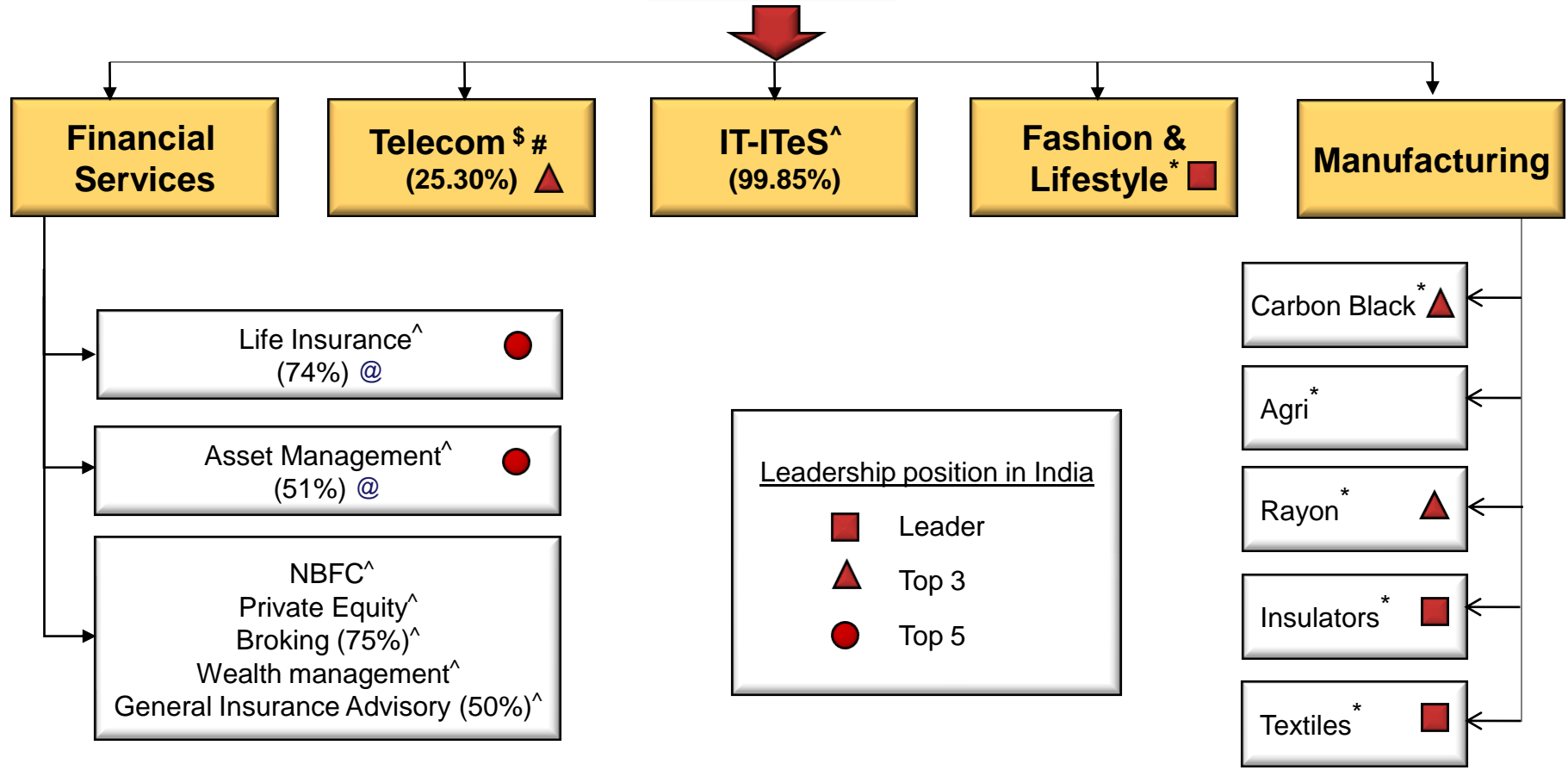
- Revenue grew y-o-y by 9% to ₹ 188 Cr.
 - VFY sales volume and realisation grew by 5%
 - ECU realisation grew by 8% while caustic soda volumes were flat due to planned maintenance shutdown in Sep'12
- EBITDA rose y-o-y by 73% to ₹ 46 Cr.
 - Led by improved VFY and ECU realisation due to weakening of Rupee coupled with growth in VFY sales volume
- Increase in capital employed is primarily on account of ongoing VFY capacity expansion.
- Annualized ROACE improved to 28% during the half year

Aditya Birla Insulators

Quarter 2		₹ Crore	Half Year	
2012-13	2011-12		2012-13	2011-12
8,569	9,691	Sales Volumes (MT)	17,492	18,948
112	118	Revenue	223	228
19	20	EBITDA	34	44
14	14	Segment EBIT	24	32
392	404	Capital Employed	392	404
15	14	ROACE (Annualised) (%)	12	17

- ◆ Insulators industry's domestic sales volume de-grew y-o-y by 20% during Apr-Aug'12 (Source : IEEMA)
 - ▶ Deferment of projects coupled with cheaper imports from China continues to impact sales across the industry
 - ▶ Liquidity crunch in the power sector is also restricting dispatches
- ◆ Aditya Birla Insulators contained de-growth in its volumes to 12% during Q2 and 8% during H1 .
- ◆ In Q2, revenue at ₹ 112 Cr. is lower y-o-y by 4% while EBITDA was largely maintained
 - ◆ Volume de-growth was offset by increase in realisation to pass on rise in cost of production
- ◆ However, profitability grew q-o-q driven by better realisation
- ◆ Industry is pursuing the Government for levy of safeguard / anti-dumping duty on Chinese imports

Annexure III : Reporting Structure



* Represent Divisions ^ Represent Subsidiaries \$ Represent Joint Ventures @ JV with Sun Life Financial, Canada # Listed, Aditya Birla Group holds 45.93%

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

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