



PRESS RELEASE

Mumbai, 20th May 2014

Aditya Birla Nuvo reports results for the year ended 31st March 2014

Achieved Revenue at ₹ 25,893 Crore

EBITDA up by 19% to ₹ 4,937 Crore

(₹ Crore)

Quarter 4		Consolidated Results ¹	Full Year		
2012-13 (Previous Year)	2013-14 (Current Year)		2012-13 (Previous Year)	2013-14 (Current Year)	
↑ 2%	6,996	Revenue	25,490	25,893	↑ 2%
↑ 20%	1,053	EBITDA	4,142	4,937	↑ 19%
↑ 42%	199	Net Profit (before non-recurring gain/loss) ²	1,059	1,226	↑ 16%
	199	Reported Net Profit	1,059	1,143	

Note 1: The financial results are not strictly comparable with the previous year on account of slump sale of the Carbon Black business with effect from 1st April 2013 and consolidation of Pantaloons business with effect from 1st July 2012.

Note 2: Non-recurring gain / loss includes gain of ₹ 24 Cr. on slump sale of Carbon Black business, loss of ₹ 19 Crore on impairment of goodwill relating to investments in broking and wealth management businesses and one-time interest cost of ₹ 88 Cr. on redemption of Compulsory Convertible Debentures owing to divestment of IT-ITeS business.

Aditya Birla Nuvo (ABNL) has posted strong earnings and is competitively well positioned in most of its businesses.

Business-wise Review

Aditya Birla Financial Services

With funds under management worth USD 20.4 billion, Aditya Birla Financial Services (ABFS) ranks among the top 5 fund managers (excluding LIC) in India. ABFS has a nationwide presence through about 1,500 branches / points of presence and around 130,000 agents / channel partners. It posted a consolidated revenue of USD 1.1 billion (₹ 6,640 Crore) and earnings before tax at USD 124 million (₹ 745 Crore). It generated Return on Average Capital Employed (RoACE) of 25% per annum.

Birla Sun Life Insurance returned surplus funds to the tune of about ₹ 400 Crore to the shareholders. Birla Sun Life Asset Management is ranked as the 4th largest asset management company in India, with a market share of 9.85%. Its AUM crossed the ₹ 100,000 Crore mark. The lending book of Aditya Birla Finance expanded by 44% to about ₹ 11,550 Crore as on 31st March 2014. To support its growth, a share capital of ₹ 525 Crore was infused during the year, taking its net worth to ₹ 1,769 Crore.

Fashion & Lifestyle

Selling two branded apparels every second, Fashion & Lifestyle business is one of the largest branded apparel players in India. Louis Philippe and Van Heusen continue to be the best selling brands in India.

It opened one store per day to expand its retail presence to 1,750 exclusive brand outlets / stores, spanning nationwide across 4.3 million square feet. Its revenue rose by 23% to USD 1 billion (₹ 6,048 Crore) and EBITDA by 23% to around USD 100 million (₹ 573 Crore). It is generating an operating ROACE of 28% per annum.

Madura posted all round growth in top-line, profitability and free cash flows. Its revenue grew by 28% to ₹ 3,226 Crore and the EBITDA surged by 58% to ₹ 388 Crore, led by growth in the wholesale channel, retail stores expansion and 7% like-to-like retail stores sales growth. Madura added 364 stores and generated free cash flows of about ₹ 325 Crore during the year.

Pantaloons is in the investment phase and is strengthening its retail presence, brand portfolio and merchandise to enhance sell through. It has launched 14 new Pantaloons stores and 1 factory outlet during the year.

To strengthen its market leadership, Jaya Shree has expanded Linen Yarn capacity from 2,300 to 3,400 tons per annum and Linen Fabric capacity from 7.3 to 10.1 million meters per annum. The full benefit of the expanded capacity will reflect in fiscal 2014-15.

Telecom

Idea Cellular is the biggest revenue market share gainer in India since the past five years. It ranks 3rd largest in India with a revenue market share at 16.1%. Idea ranks 7th largest in the world, in terms of subscribers based on operations in a single country. It posted a strong growth in earnings led by robust voice and data usage, improved voice realisation, scale benefit and cost efficiency. Its ROACE is up from 10% per annum to 12% per annum. Its revenue grew at nearly double the wireless industry growth rate by 18% to USD 4.4 billion (₹ 26,432 Crore) and EBITDA rose by 41% to USD 1.4 billion (₹ 8,560 Crore). With Net Debt to EBITDA at 2.6 times, its balance sheet remained strong after incurring a capex of ₹ 35.3 billion and the spectrum acquisition cost of ₹ 104.2 billion. The cash profit generation of ₹ 64.4 billion contributed. Idea has proposed dividend at 4% of share capital entailing outlay of ₹ 155 Crore including tax.

Manufacturing (Agri, Rayon and Insulators)

The revenue from the manufacturing businesses at ₹ 3,678 Crore and EBITDA at ₹ 383 Crore are lower year on year mainly due to lower profitability in the Agri business which was impacted by the discontinuance of trading in imported P&K fertilisers and the 41 days shutdown for the annual turnaround. The urea plant resumed full operations on 8th April 2014. The Agri business will benefit from higher fixed cost reimbursement as per the Government policy and energy savings project in fiscal 2014-15. The Rayon business recorded its highest ever earnings. The new superfine yarn unit is currently operating at full capacity. However, its complete benefit will accrue in fiscal 2014-15. Insulators business has posted higher profitability driven by increase in volumes, improved realisation and enhanced yield.

Divestment of Carbon Black and IT-ITeS businesses

To ensure greater focus in its core businesses, ABNL divested its Carbon Black business with effect from 1st April 2013 and the IT-ITeS business with effect from 9th May 2014 at Enterprise Value of approx. USD 240 million and USD 260 million respectively, subject to working capital and other adjustments.

The divestment proceeds have and will support the balance sheet and the growth plans of ABNL.

Balance Sheet

The standalone balance sheet supported an investment and capex outlay of about ₹ 2,500 Crore during the year, yet achieved reduction in net debt by around ₹ 450 Crore. The divestment of the Carbon Black business, the balance equity infusion of ₹ 671 Crore by promoters and the release of net working capital has strengthened the Company's balance sheet. Standalone Net Debt to EBITDA improved year on year from 3.3 times to 2.6 times and Net Debt to Equity from 0.53 times to 0.39 times.

Dividend

The Board of Directors has recommended an equity dividend of 70% (₹ 7 per equity share) for financial year 2013-14 entailing a total outgo of ₹ 98 Crore including dividend distribution tax.

Capital Outlay for 2014-15

For 2014-15, ABNL has earmarked a capital expenditure plan of around ₹ 460 Crore. The Company plans to invest about ₹ 350 Crore in the Financial Services business.

Going forward, ABNL's thrust is on capturing growth opportunities across its businesses.

About Aditya Birla Nuvo Ltd.

Aditya Birla Nuvo is a ~USD 4 billion conglomerate operating in the services and the manufacturing sectors, where it commands a leadership position. Its service sector businesses include Financial Services (Life Insurance, Asset Management, NBFC, Private Equity, Broking, Wealth Management and general insurance advisory), Fashion & Lifestyle (Branded apparels & Textiles) and Telecom. Its manufacturing businesses comprise of the Agri, Rayon and Insulators businesses.

Aditya Birla Nuvo is part of the **Aditya Birla Group**, a USD 40 billion Indian multinational. The Group operates in 36 countries across the globe, is anchored by an extraordinary force of about 120,000 employees belonging to 42 nationalities and derives more than 50% of its revenue from its overseas operations.

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