



PRESS RELEASE

Mumbai, 12th August 2014

Aditya Birla Nuvo reports results for the quarter ended 30th June 2014

Revenue grew by 8% to ₹ 6,207 Crore

EBITDA is up by 8% to ₹ 1,273 Crore

(₹ Crore)

Consolidated Results	Quarter 1		
	2013-14 (Previous Year)	2014-15 (Current Year)	
Revenue	5,744	6,207	8%
EBITDA	1,174	1,273	8%
Normalised Net Profit (Excluding IT-ITeS business and before one-off items) ¹	237	300	27%
Reported Net Profit	331	264	

Note1: In Q1 last year, profit is higher by ₹ 65 Crore on account of gain on slump sale of Carbon Black business (including net tax credit of ₹ 41 Crore). In Q1FY15, profit is lower by ₹ 36 Crore on account of net loss of ₹ 23 Crore from operations of Minacs for the period from 1st April 2014 to 8th May 2014 and exceptional loss of ₹ 13 Crore pertaining to the divestment of Minacs. This loss is without considering deferred grant of ₹ 42 Crore receivable over next 3 year, which will be accounted for on actual receipt basis.

Excluding IT-ITeS business, which was divested with effect from 9th May 2014, the revenue of Aditya Birla Nuvo (ABNL) rose year on year by 16% and net profit (before one-off items) is up by 27%.

Business-wise Review

Aditya Birla Financial Services

Aditya Birla Financial Services (ABFS) ranks among the top 5 fund managers (excluding LIC) in India. Its funds under management grew by 21% to USD 22.4 billion (₹ 134,216 Crore). Its consolidated revenue at ₹ 1,655 Crore registered a 21% growth. It posted earnings before tax of ₹ 220 Crore. ABFS gained market share across its Life Insurance, Asset Management, Broking and General Insurance Advisory businesses. Growth in its lending book continues to be robust. The business portfolio of ABFS stands augmented with the license for housing finance business granted.

Among the private life insurers, new business premium market share of Birla Sun Life Insurance (BSLI) is up from 6.7% to 9.5% and its ranking improved from 7th to 5th led by strong growth in the group business. BSLI reported its Embedded Value at ₹ 3,225 Crore and Value of New Business margin at 16.2% for 2013-14. Birla Sun Life Asset Management (BSAMC) cemented its position as the 4th largest player in India with an improved market share of 9.98% up from 9.42% a year ago. In terms of domestic equity AUM, BSAMC moved 2 places up to rank 5th. Its AUM crossed the ₹ 100,000 Crore mark. The lending book of Aditya Birla Finance expanded by 50% to about ₹ 12,600 Crore. The broking and the wealth management businesses turned profitable with the improvement in market sentiment coupled with cost control initiatives.

Fashion & Lifestyle

The Company's Fashion & Lifestyle business continued to expand its customer reach, strengthening its leadership position. During the quarter, 66 stores were opened to reach 1,791 exclusive brand outlets / stores, spanning nationwide across 4.4 million square feet. Its revenue rose by 18% to ₹ 1,528 Crore and EBITDA by 53% to ₹ 109 Crore led by revenue growth and margin expansion across formats.

Madura achieved all round growth in earnings. Its revenue surged by 23% to ₹ 787 Crore and EBITDA soared by 66% to ₹ 62 Crore. EBITDA margin stands expanded by 200 basis points.

The revenue of Pantaloons grew by 12% to ₹ 386 Crore. Led by execution of portfolio strategy and improved merchandising, gross margin expanded by over 300 basis points. The annualisation impact of business building costs and higher accelerated depreciation on account of stores refurbishment strained its bottom-line. Pantaloons is raising capital through rights issue to fund its growth capital requirements.

Jaya Shree attained its highest ever quarterly earnings led by expansion in linen segment. To strengthen its market leadership, it is further expanding its Linen Yarn capacity from 3,400 to 6,400 tons per annum.

Telecom

Idea ranks as the 6th largest cellular operator in the world, in terms of subscribers based on operations in a single country. In India, it ranks 3rd with an improved revenue market share at 16.6% up from 15.7% a year ago. It posted a strong growth in earnings led by robust voice and data usage, improved voice realisation, scale benefit and cost efficiency. Its revenue grew by 16% to ₹ 7,555 Crore and EBITDA rose by 20% to ₹ 2,545 Crore. With Net Debt to EBITDA at 1.54 times, its balance sheet remained strong. The cash profit generation of ₹ 20.2 billion and equity infusion of ₹ 3,000 Crore raised in June 2014 through the QIP were the contributors. In July 2014, Idea raised ₹ 750 Crore through the issue of equity shares on preferential basis to Axiata.

Manufacturing (Agri, Rayon and Insulators)

The revenue from the manufacturing businesses at ₹ 863 Crore grew by 10% and EBITDA at ₹ 88 Crore is up by 4%. In the Agri business, profitability is higher led by energy savings despite the plant shutdown for 15 days. In the Rayon business, the new superfine unit is running at full capacity and contributing to the bottom-line. Earnings were partly offset by lower caustic soda volumes owing to the maintenance shutdown. The Insulators business was impacted by disruption / suspension of work for 42 days at Rishra plant due to labour unrest. The plant resumed operations on 18th June 2014.

Going Forward

For fiscal 2014-15, ABNL has earmarked a capital expenditure plan of around ₹ 500 Crore. The Company plans to invest about ₹ 350 Crore in the Financial Services business besides subscribing to the rights issue of Pantaloons. The cash flow from operations and proceeds from the divestment of Minacs will support the growth plans of ABNL.

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.

Disclaimer : Certain statements in this "Press Release" may not be based on historical information or facts and may be "forward looking statements" within the meaning of applicable securities laws and regulations, including, but not limited to, those relating to general business plans & strategy of the Company, its future outlook & growth prospects, future developments in its businesses, its competitive & regulatory environment and management's current views & assumptions which may not remain constant due to risks and uncertainties. Actual results could differ materially from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any statement, on the basis of any subsequent development, information or events, or otherwise. This "Press Release" does not constitute a prospectus, offering circular or offering memorandum or an offer to acquire any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of the Company's shares. The financial figures in this "Press Release" have been rounded off to the nearest ₹ one Crore. The financial results are consolidated financials unless otherwise specified.

Aditya Birla Nuvo Limited

Regd. Office: Indian Rayon Compound, Veraval – 362 266 (Gujarat) [Corporate Identity Number L17199GJ1956PLC001107]

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

Follow us at : www.adityabirlanuvo.com / www.adityabirla.com / www.twitter.com/adityabirlagrp Email: nuvo-investors@adityabirla.com

Stock Code: BSE: 500303 NSE: ABIRLANUVO Reuters: ABRL.BO / ABRL.NS / IRYN.LU Bloomberg: ABNL IN / IRIG LX
