



PRESS RELEASE

Mumbai, 10th February 2015

Aditya Birla Nuvo reports results for the quarter ended 31st December, 2014

Revenue grew to ₹ 6,640 Crore
 EBITDA is up by 15% to ₹ 1,484 Crore
 Net Profit increased by 7% to ₹ 368 Crore

(₹ Crore)

Quarter 3		Consolidated Results	9 months	
2013-14 (Previous Year)	2014-15 (Current Year)		2013-14 (Previous Year)	2014-15 (Current Year)
↑ 1%	6,545	Revenue	18,781	↑ 4%
↑ 15%	1,296	EBITDA	3,664	↑ 17%
↑ 7%	345	Net Profit	967	↑ 12%
↑ 20%	307	Net Profit (Ex-IT-ITeS business and before one-off items)	802	↑ 40%
	368		1,120	

One-off items: During nine months last year, profit is higher by ₹ 65 Crore on account of slump sale of Carbon Black business. During nine months in the current year, 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 years, which will be accounted for on actual receipt basis.

Revenues for the quarter at Aditya Birla Nuvo (excluding IT-ITeS business which was divested w.e.f. 9th May 2014 and before one-off items) grew year on year by 14%, EBITDA rose by 21% and net profit increased by 20%.

Aditya Birla Nuvo has applied for Payments Bank license in accordance with RBI guidelines. ABNL will be the promoter of the proposed Payments Bank, holding 51% of its equity capital. Idea Cellular will hold the balance 49%, which may be increased to 60% if permitted from time to time with regulatory approval.

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 year-on-year by 26% to USD 24.6 billion (₹ 147,388 Crore). Its quarterly consolidated revenue at ₹ 1,913 Crore registered a 30% year-on-year growth and earnings before tax grew by 10% to ₹ 202 Crore. ABFS posted an ROACE of 23% per annum during these nine months. ABFS is ramping up its online and offline distribution reach and entering into strategic partnerships to tap sector growth opportunities. A definitive agreement was signed with IFC for strategic investment in MyUniverse, India's #1 online money management portal. ABFS is also planning to enter health insurance business in India through joint venture with MMI Holdings Ltd., a leading South African insurance-based financial services group.

The lending book of Aditya Birla Finance expanded year-on-year by 53% to ₹ 15,475 Crore. Its loan book continues to be healthy. Its gross NPA stands at 1.22% and net NPA at 0.43%. The new business premium market share of Birla Sun Life Insurance, among the private life insurers, rose year-on-year from 6.6% to 7.5% during April to December 2014. The total AUM of Birla Sun Life Asset Management is up by 27% year-on-year to ₹ 117,489 Crore led by 98% growth in its domestic equity AUM. The broking business improved its market share in retail F&O, commodities and currency segments. MyUniverse is enjoying trust of 1.3 million registered users and is managing more than ₹ 14,700 Crore.

Fashion & Lifestyle

The revenue of the Fashion & Lifestyle business extended by 8% to ₹ 1,676 Crore. EBITDA de-grew from ₹ 192 Crore to ₹ 168 Crore. Soft consumer spending and weak festive sales coupled with pricing pressure impacted earnings growth across the industry. Led by sound working capital management, ROACE during these nine months continued to be robust at 32% per annum.

Madura's revenue augmented by 7% to ₹913 Crore. EDITDA de-grew from ₹116 Crore to ₹102 Crore due to weak customer footfalls and higher discounting. Pantaloon's Revenues increased year-on-year by 7% to ₹450 Crore. EBITDA de-grew from ₹35 Crore to ₹31 Crore given the moderated sales growth. Jaya Shree reported a marginal uptake in revenues to ₹336 Crore. EBIDTA de-grew from ₹50 Crore to ₹35 Crore constrained by lower linen fabric realisation and wool combing sales owing to weak demand.

Telecom

With a base of 152 million active subscribers, 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 17.2% up from 15.8% a year ago. Its consolidated revenue rose by 21% to ₹ 8,009 Crore and EBITDA surged by 36% to ₹ 2,885 Crore. With cash profit generation run rate of ₹ 2,000 Crore per quarter and equity infusion of ₹ 3,750 Crore, Idea's net debt reduced by more than ₹ 8,250 Crore during nine months and Net Debt to EBIDTA ratio improved to 1.12 times.

Manufacturing (Agri, Rayon and Insulators)

The Revenue from the manufacturing businesses at ₹ 1,186 Crore expanded by 7% and EBITDA at ₹ 141 Crore enhanced by 19%. In the Agri business, improved energy efficiency, higher fixed cost reimbursement as per the Government policy and increased sales of pesticides and seeds augmented profitability. In the Rayon business, profitable growth in VFY segment was offset by lower Caustic Soda volumes owing to annual maintenance shutdown in power plant and softening of ECU realisation. In the Insulators business, a rise in volumes coupled with higher realisation, mainly to pass on the rise in operating costs, contributed to the earnings growth.

ABNL's Standalone Balance Sheet

Net debt reduced to ₹ 2,836 Crore led by operating cash profit and lower net working capital. Net Debt to annualised EBITDA improved from 2.6 times in March 2014 to 2.3 times in December 2014.

Going Forward

For fiscal 2014-15, ABNL has a capital expenditure and investment plan of about ₹ 900 Crore, towards funding of growth capital requirement in Financial Services businesses and capex plan of standalone businesses. Of this, a sum of ₹ 327 Crore has been incurred in the first nine months.

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, Housing Finance, Private Equity, Broking, Wealth Management, online money 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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Aditya Birla Nuvo Limited

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