



PRESS RELEASE

Mumbai, 14th May 2015

Aditya Birla Nuvo reports results for the year ended 31st March, 2015

Revenue attained 26,516 Crore
 EBITDA ↑ 18% to ₹ 5,798 Crore
 Net Profit ↑ 24% to ₹ 1,416 Crore

(₹ Crore)

Quarter 4		Consolidated Results	Full Year			
2013-14 (Previous Year)	2014-15 (Current Year)		2013-14 (Previous Year)	2014-15 (Current Year)		
-1%	7,111	7,073	Revenue	25,892	26,516	2%
21%	1,263	1,527	EBITDA	4,927	5,798	18%
88%	176	332	Net Profit	1,143	1,416	24%

For the year 2014-15, revenues at Aditya Birla Nuvo Ltd. (ABNL) grew to ₹ 26,516 Crore. Its EBITDA rose by 18% and net profit by 24%. On a like to like basis, i.e., excluding IT-ITeS business which was divested w.e.f. 9th May 2014, the year on year revenue growth was 14%.

Business-wise Review (2014-15)

Aditya Birla Financial Services

Aditya Birla Financial Services (ABFS) is a significant non-bank player having a diversified portfolio with 10 lines of businesses. ABFS ranks among the top 5 fund managers in India. During 2014-15, its assets under management (AUM) grew by 35% to USD 27.5 billion (₹ 164,995 Crore). Its consolidated revenue at ₹ 7,926 Crore registered a 19% rise and earnings before tax is up by 17% to ₹ 849 Crore.

The lending book of Aditya Birla Finance expanded by 52% to ₹ 17,550 Crore. Its loan book continues to be well diversified and healthy with Gross NPA at 0.90% and net NPA at 0.32%. Led by strong equity support and internal accruals, its net worth expanded by 46% to ₹ 2,585 Crore.

Birla Sun Life Insurance ranked 6th in India with the new business premium market share at 7.6% in the private sector. It maintained its No. 1 position in the group segment. Its AUM rose by 22% to cross ₹ 30,000 Crore.

The AUM of Birla Sun Life Asset Management surged by 39% to ₹ 133,689 Crore. It ranks as the 4th largest asset management company in India with domestic AUM market share of 10.09%. Its equity and offshore AUM more than doubled to more than ₹ 25,900 Crore and ₹ 12,000 Crore respectively.

The broking business improved its market share in retail F&O, commodities and currency segments. The General Insurance Advisory business continues to outperform the industry growth rate, gaining market share. The Average equity assets under advisory in the Wealth Management business registered a 34% year-on-year growth. Its Private Equity arm has invested more than 90% of its net deployable corpus.

ABFS is entering into strategic partnerships and investing in promising sectors to tap sector growth opportunities. It has commenced Housing Finance business in October 2014 and is planning to foray in the health insurance sector through a joint venture with MMI holdings, a leading South African insurance based financial services group. ABFS is also scaling up MyUniverse, India's No. 1 online personal finance management platform, which enjoys the trust of over 1.5 million registered users. It is helping customers manage more than ₹15,400 Crore as of date. IFC has become a strategic financial investor in this venture.

Fashion & Lifestyle (Madura and Pantaloons)

ABNL's Fashion & Lifestyle business is the largest branded menswear and womenswear player in India with over 10.8 million loyalty customers. It sells two branded apparels per second. It has the widest fashion retail presence in India with 1869 EBOs / Stores (spanning 4.8 million square feet) and 6000+ additional points of sale. During 2014-15, it posted a strong growth in earnings despite weak customer footfalls and higher promotions / discounting across the industry. Its revenue rose by 15% at ₹ 5,450 Crore and its EBITDA zoomed 32% to ₹ 532 Crore.

Madura is a powerhouse of India's best selling brands viz., Louis Philippe, Van Heusen, Allen Solly and Peter England. It also retails leading international luxury brands under the retail format 'The Collective'. Led by stores expansion, its revenue extended by 16% to ₹3,735 Crore and EBITDA soared by 19% to ₹ 463 Crore. It is operating at an EBITDA margin of 12.4% and a sound ROACE of 72%.

Pantaloons is among the top 3 large format fashion retailers in India. Strategic initiatives taken since its acquisition, viz., stores expansion, renovation and portfolio enrichment are yielding results. The share of Private and Madura brands increased from 46% to 62% and gross margin expanded to 45%. Its revenue grew by 11% to ₹1,851 Crore and EBITDA almost doubled from ₹39 Crore to ₹75 Crore in 2014-15.

Telecom (Idea Cellular)

Idea ranks 3rd in India with an improved revenue market share at 17.5% up from 16.1% a year ago. Having a base of 161 million active subscribers, Idea is the 6th largest cellular operator in the world, in terms of subscribers (based on operations in a single country). In 2014-15, Idea's consolidated revenue jumped by 19% to ₹ 31,527 Crore and EBITDA surged by 32% to ₹ 11,281 Crore. With an annual cash profit generation of ₹ 8,482 Crore and equity of ₹ 3,750 Crore raised in 2014, Idea's Net Debt to EBITDA at 1.31 times remains strong. During the spectrum auctions held in March 2015, Idea won 79.4 MHz for USD 5 billion laying solid foundation and visibility for its business growth for the next 20 years.

Divisions (Jaya Shree, Indo-Gulf Fertilisers, Indian Rayon and Aditya Birla Insulators)

ABNL's divisions Jaya Shree, Indo-Gulf, Indian Rayon and Aditya Birla Insulators are India's leading manufacturers of linen, urea, viscose filament yarn (VFY) and insulators respectively. Combined together, their revenue at ₹ 5,405 Crore was up by 9% and EBITDA at ₹ 615 Crore enhanced by 11%. At Jaya Shree, the linen segment posted higher profitability led by expansion. At Indo-Gulf, improved energy efficiency, higher fixed cost reimbursement as per the Government policy and increased sales of pesticides augmented earnings. At Indian Rayon, profitable growth in the VFY segment was offset by lower Caustic Soda volumes owing to maintenance shutdown in the power plant and the softening of ECU realisation. At Aditya Birla Insulators, higher volumes and an increase in realisation, mainly to pass on the rise in operating costs, contributed to the earnings growth.

Consolidation of Fashion & Lifestyle Businesses

In a bid to create India's largest pure play branded apparels Company, ABNL is consolidating its Fashion & Lifestyle businesses under its listed subsidiary - Pantaloons Fashion & Retail Limited (PFRL), through a composite scheme of arrangement. The appointed date will be 1st April 2015.

The Boards of respective companies have approved the following swap ratio:-

- Shareholders of ABNL will get 26 equity shares of PFRL for every 5 equity shares held in ABNL
- Shareholders of Madura Garments Lifestyle Retail Co. Ltd. (MGLRCL), a subsidiary of ABNL, will get 7 equity shares of PFRL for every 500 equity shares held in MGLRCL
- Preference shareholders of MGLRCL will get 1 equity share of PFRL

An existing shareholder with 100 equity shares in ABNL will continue to hold these 100 equity shares and in addition, will get 520 equity shares of PFRL. This will unlock value for the shareholders by giving them an opportunity to participate in the promising fashion space directly through the consolidated entity.

The transaction is subject to the shareholders' consent and other statutory and regulatory approvals. It is expected to be consummated in the next 6 to 9 months.

Standalone Balance Sheet and Capital Outlay

The Standalone balance sheet has been the growth engine for ABNL. It incurred capital expenditure and made investments of approx. ₹ 960 Crore in fiscal 2014-15. It remains healthy with a Net debt to EBITDA at 3 times and Net Debt to Equity at 0.42. For 2015-16, it will support capital expenditure plan of about ₹ 300 Crore and investment plan of around ₹ 600 Crore in the Financial Services businesses.

Dividend

The Board of Directors has recommended an equity dividend of 70% (₹ 7 per equity share) for financial year 2014-15 entailing a total outgo of ₹ 109.6 Crore including dividend distribution tax.

About Aditya Birla Nuvo Ltd.

Aditya Birla Nuvo Limited 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) and Telecom. It is a leading player in Linen, 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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