

ADITYA BIRLA



# Aditya Birla Nuvo Limited

Performance Review : 2<sup>nd</sup> Quarter FY2011-12

Mumbai, 1<sup>st</sup> November 2011

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

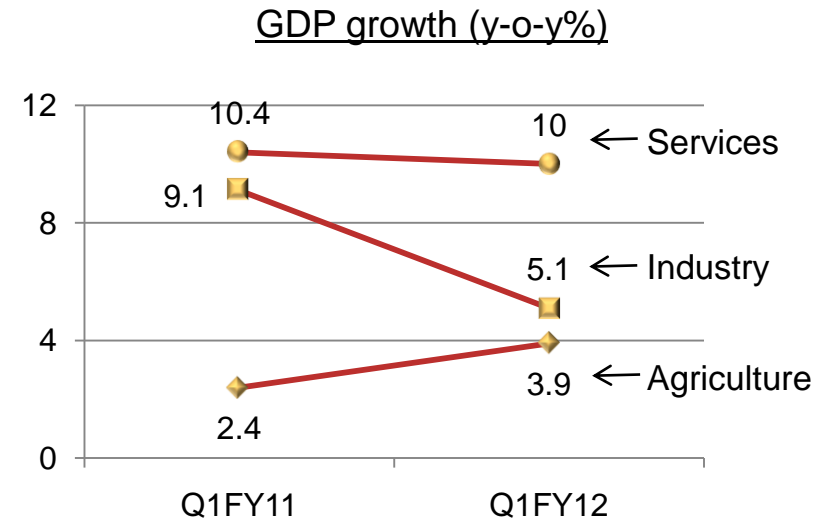
Note 2 : The financial figures in this presentation have been rounded off to the nearest ₹ 1 Crore

# India Inc. and Aditya Birla Nuvo

## India Inc.

### ◆ Key economic indicators are signaling moderation in GDP growth

- ➔ High interest rate levels are impacting investment & private consumption, while inflation remains adamant
- ➔ Sharp fall in government expenditure is also affecting growth
- ➔ Effect is seen more on industrial output while services and agriculture sectors has shown resilience so far



## Aditya Birla Nuvo

- ◆ Strengthened its leadership position in Financial Services, Telecom and Fashion & Lifestyle businesses
- ◆ Few businesses were affected due to prevailing macro-economic environment.
- ◆ Even amidst these challenges, Aditya Birla Nuvo posted strong earnings, reflecting strength of its conglomerate model

# Aditya Birla Nuvo : Key Highlights

## Financial Services

- ➔ Birla Sun Life Insurance improved its ranking to 4<sup>th</sup> among private players
- ➔ Birla Sun Life Asset Management moved one step up to rank 4<sup>th</sup>

## Telecom

- ➔ Idea continued to gain revenue market share – Improved to 13.9% (Q1FY12) from 13% a year ago
- ➔ Built a strong platform for future growth : Crossed 100 million subscribers base

## Fashion & Lifestyle

- ➔ Madura continued to expand its retail presence to strengthen its leadership position
  - Retail channel scaled to 1,021 exclusive brand outlets (EBOs) spanning across 1.5 million sq. ft.

## IT-ITeS

- ➔ Built strong order book in H1. Going forward, sales pipeline is witnessing slower conversion due to weakening of economy in US and Europe

## Manufacturing

- ➔ Carbon Black and Insulators businesses were affected by lower off-take
- ➔ Textiles business supported earnings

# Aditya Birla Nuvo : Q2 earnings growth

Q2FY12 (y-o-y growth)

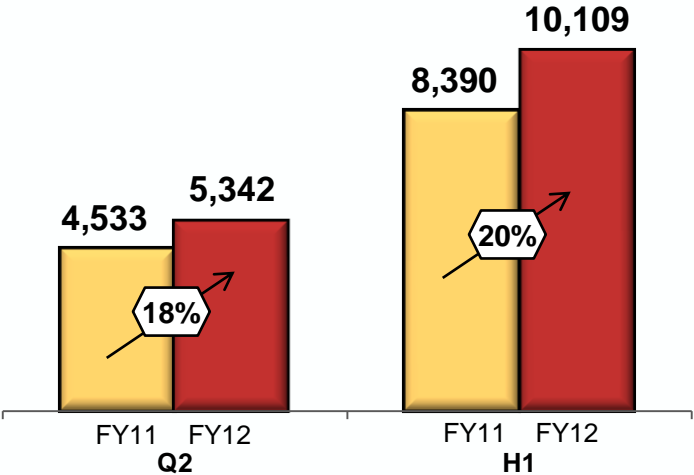
	Revenue	EBITDA
Aditya Birla Nuvo	18%	25%
Financial Services	4%	97%
Telecom	27%	30%
Fashion & Lifestyle	24%	28%
IT-ITeS*	19%	
Manufacturing	25%	-7%

\* IT-ITeS EBITDA is before one-time gain / loss

# Consolidated earnings

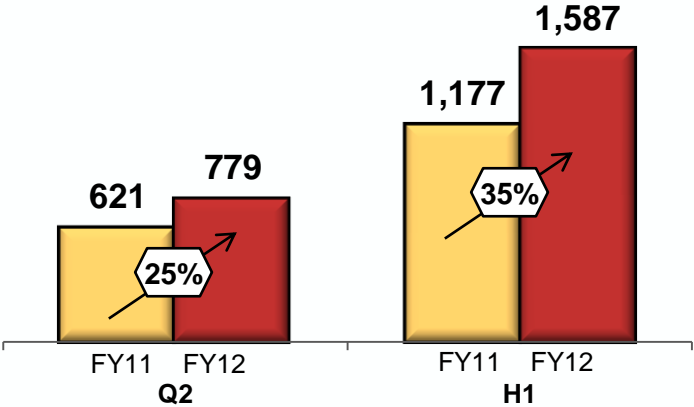
## Quarterly revenue grew by 18%

(₹ Crore)

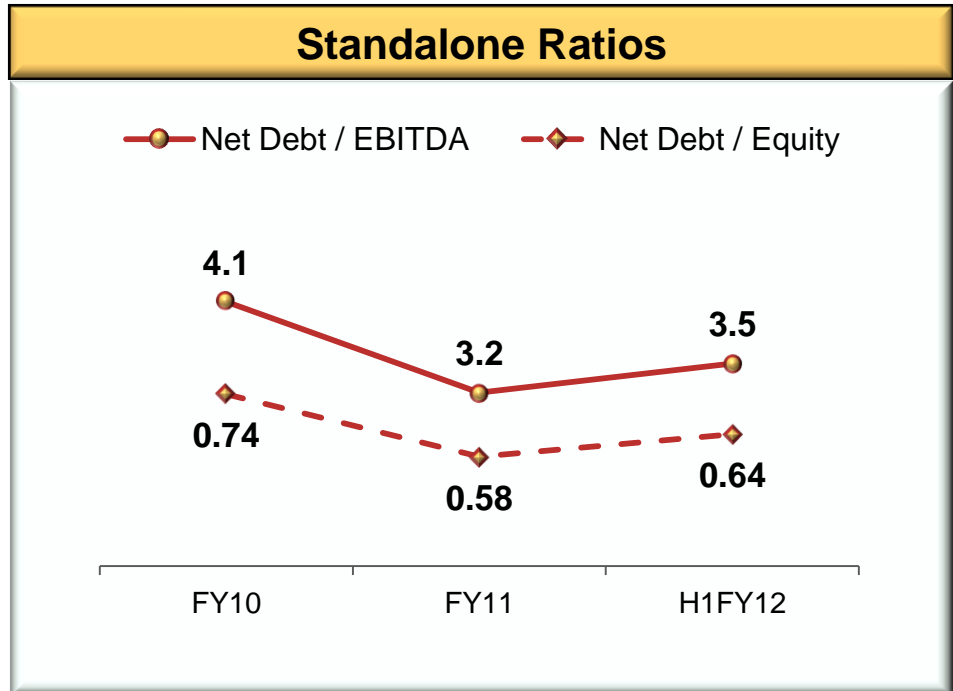
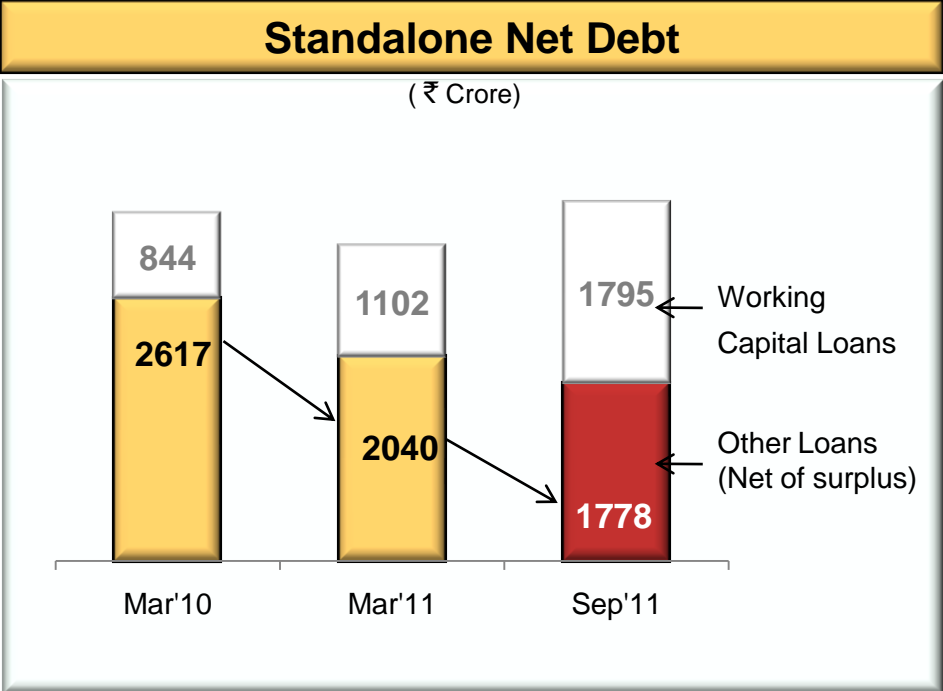


## Quarterly EBITDA grew by 25%

(₹ Crore)



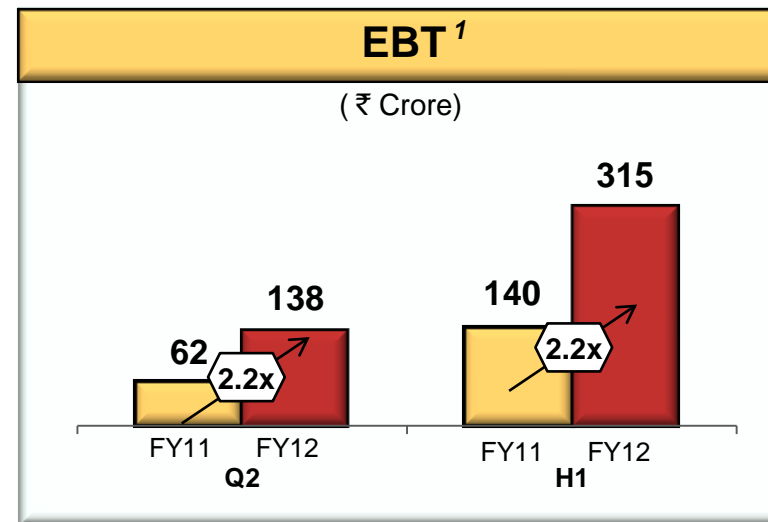
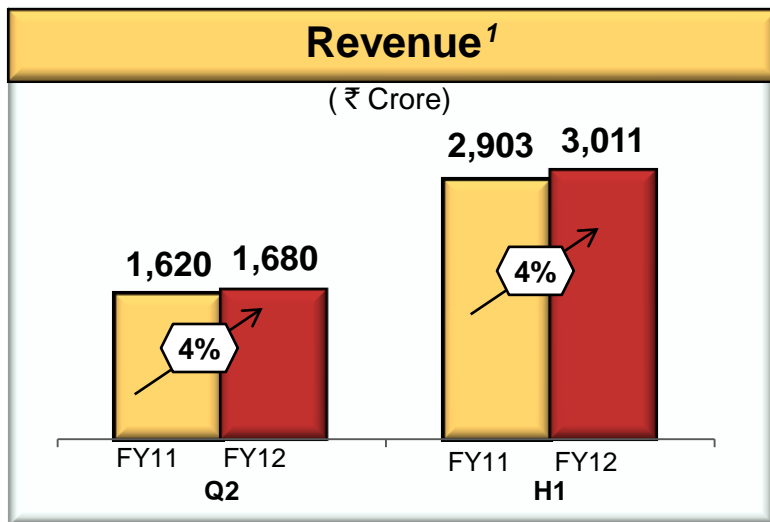
# Strong Balance Sheet



**Business-wise performance highlights**  
**2<sup>nd</sup> Quarter FY2011-12**



# Aditya Birla Financial Services (ABFS)



- ABFS strengthened its market position as a significant non bank financial services player

- Birla Sun Life Insurance and Birla Sun Life Asset Management improved their rankings
- Aditya Birla Finance (NBFC) scaled its book size & diversified its portfolio adding infra financing
- ABFS is managing AUM<sup>2</sup> of ~ ₹ 88,300 Cr. as on 30<sup>th</sup> Sep'11

- During Q2, revenue grew by 4%. Earnings before tax more than doubled to ₹ 138 Cr.

- Post the new ULIP guidelines effective from Sep'10, the life insurance industry has seen negative growth. However in Sep'11, de-growth in industry's new business has been reduced with the waning of base effect
- Led by Life Insurance business, ABFS continues to post a strong growth in its bottom-line

Note 1 : Include full figures of Asset Management business. Being a JV, Asset Management business is consolidated at 50% in ABNL's consolidated financials as per AS 27.

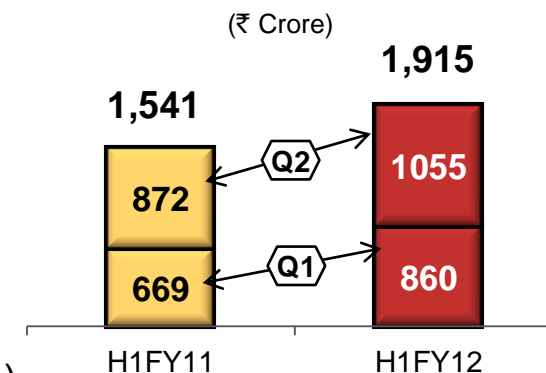
Note 2 : Includes assets of Life Insurance, quarterly AAUM of Asset Management and Private Equity

**Strong growth in profitability**

## Birla Sun Life Insurance (BSLI)

- De-growth in private sector's new business premium reduced to 14% in Sep'11. BSLI grew by 58%**
  - BSLI maintained its individual new business premium y-o-y while private sector de-grew by 25%
- Private sector's new business premium de-grew y-o-y by 36% during the half year**
  - BSLI reported a lower de-growth and increased its market share to 8.7% (PY: 7.6%)
- BSLI's gross premium income grew y-o-y by 6% to ₹ 1,533 Cr. during the quarter**
  - Reported new business premium at ₹ 479 Cr. in Q2 (PY: ₹ 580 Cr.) & ₹ 232 Cr. in Sep'11 (PY : ₹ 145 Cr.)
    - Non-ULIPs contributed to 44% (PY: 8%) of individual new business in Q2
  - Renewal premium grew by 21% to ₹ 1,055 Cr. driven by good persistency
    - 13<sup>th</sup> month premium persistency ratio is at 82% as on 30<sup>th</sup> Sep'11
- Posted earnings before tax of ₹ 97 Cr. in Q2 (PY : ₹ 20 Cr.)**
  - Bottom-line growth has been driven by growing in-force book and balanced product mix. Better expense management also contributed.
  - Operating expenses to premium ratio reduced to 21.7% in H1FY12 (P.Y. 24.1%)
- Going forward** : Focus on increasing market share while building a profitable book with a continued focus on distribution efficiency, persistency, expense management, product innovation and customer service

**BSLI : Renewal Premium**



# Aditya Birla Financial Services

## **Birla Sun Life Asset Management (BSAMC)**

### ● Industry's domestic avg. AUM (AAUM) at ~ ₹ 712,750 Cr. de-grew q-o-q by 4%

- De-growth was led by fall in equity markets and outflow of banking AUM from liquid funds
- BSAMC posted 2<sup>nd</sup> lowest q-o-q de-growth in domestic AUM among top 5 players

### ● BSAMC's total AAUM stood at ₹ 67,897 Cr.

- Market share in domestic equity AAUM increased q-o-q to 5.4%
- Real Estate Fund of ₹ 1,088 Cr. has so far invested ~20% of the fund size

### ● BSAMC has highest number of funds with 4 & 5 star ratings in industry

- Superior fixed income performance : On basis of one year return 55% of AUM is in top quartile and more than 95% AUM is in top two quartiles

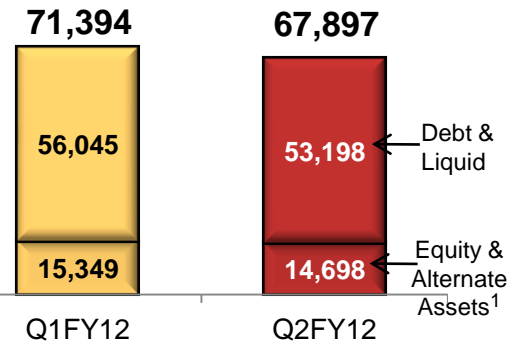
### ● Quarterly revenue at ₹ 78 Cr. and EBT at ₹ 20 Cr.

- Earnings are under pressure across the industry due to reduction in AUM size led by outflows from liquid funds and equity market action

### ● **Going forward** : Increasing market share profitably with a strong focus on distribution expansion, high margin assets, fund performance and customer service

#### **BSAMC : Total AAUM**

(₹ Crore)

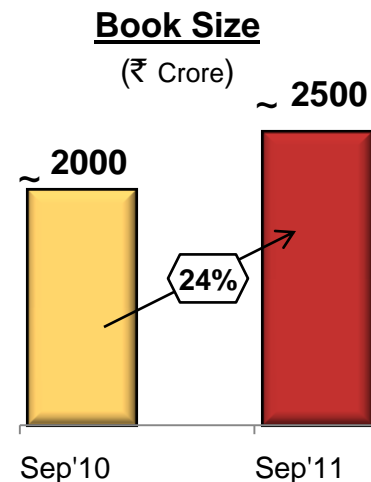


<sup>1</sup>Equity AAUM (Domestic & Offshore) + PMS + Real Estate Onshore Fund

# Aditya Birla Financial Services

## ● NBFC : Aditya Birla Finance (ABFL)

- ➔ Book size grew y-o-y by 24% to ₹ 2,500Cr.
  - Infra funding contributed to the growth in book size
  - Revenue grew y-o-y from ₹ 32 Cr. to ₹ 73 Cr.
    - ✿ EBT more than doubled to ₹ 25 Cr. (PY ₹ 11 Cr.)
- ➔ Having strengthened the management team, ABFL is focusing to grow the book profitably while managing risk optimally



## ● Aditya Birla Private Equity (ABPE)

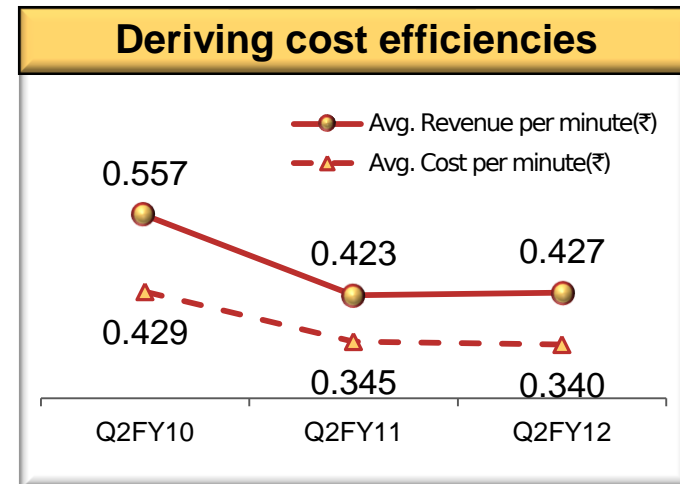
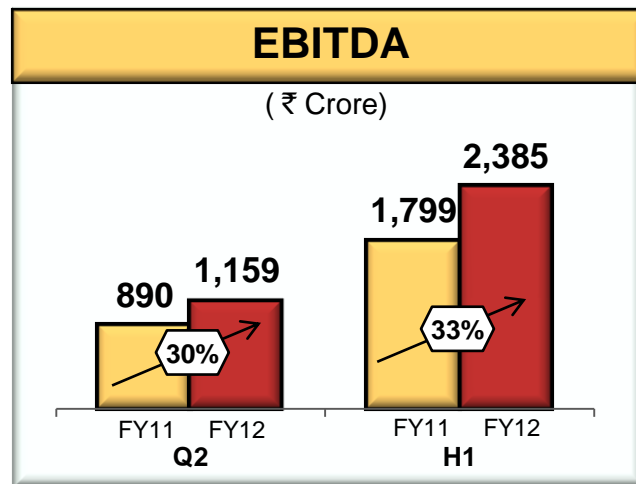
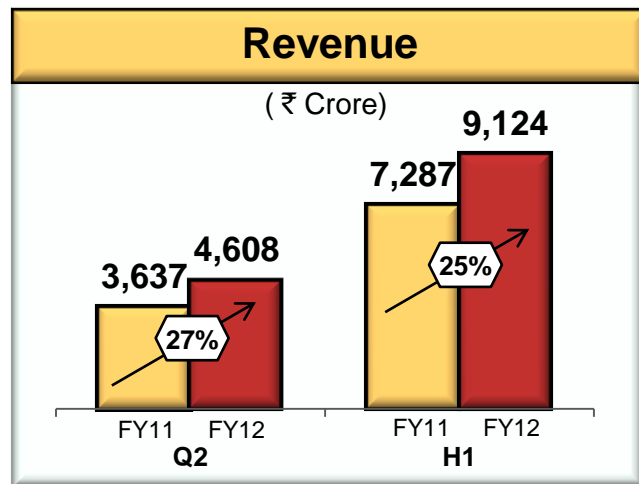
- ➔ Of ₹ 881 Cr. commitment received in ABPE Fund I, ~40% has been deployed
- ➔ The 2<sup>nd</sup> fund 'Sunrise Fund' has received commitments of ~₹ 225 Cr. (incl. 10% sponsor commitment) on its first closing. Investment has been made for ~10% of the fund size

## ● Aditya Birla Money and Aditya Birla Money Mart (Broking and Wealth Management)

- ➔ Losses reduced quarter on quarter led by revenue growth
- ➔ Aditya Birla Money : Continued to enhance market share in commodities and retail equity segments. Entered into an MoU with Allahabad Bank for offering online trading platform to its customers
- ➔ Aditya Birla Money Mart : Ranked 3<sup>rd</sup> largest corporate mutual fund distributor in India, based on Assets under Advisory (Source : August CAMS report)

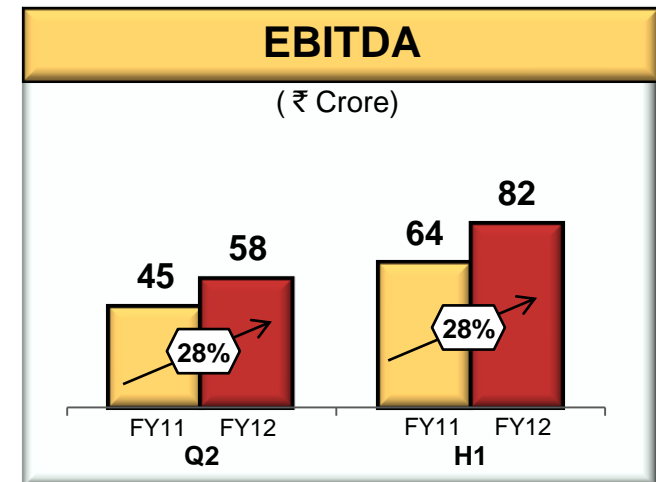
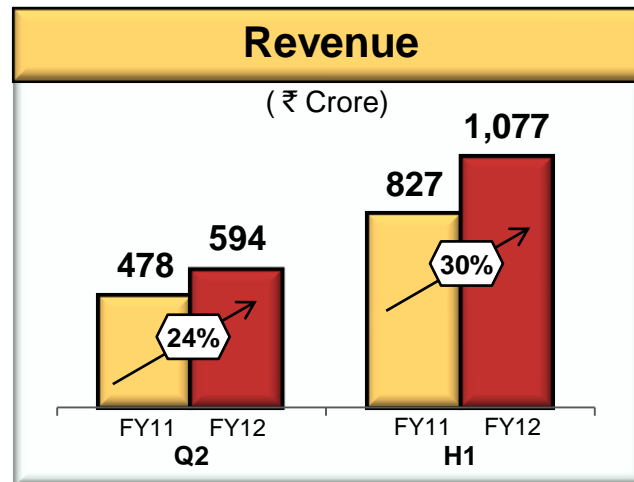
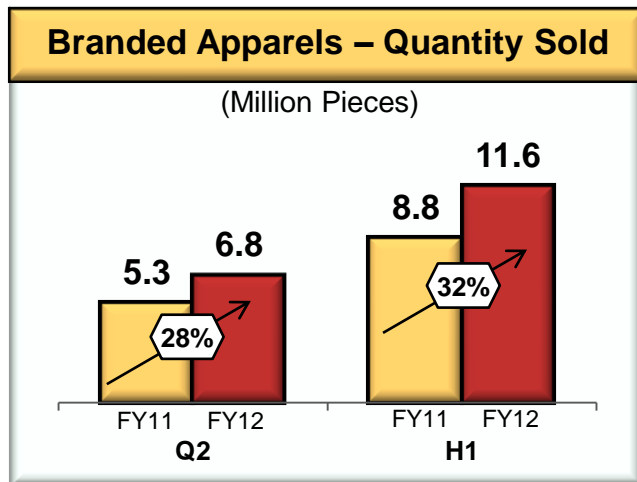
## ● Aditya Birla Insurance brokers, the general insurance advisory arm, wrote a premium of ₹ 58 Cr. (PY: ₹ 40 Cr.)

# Telecom : Idea Cellular



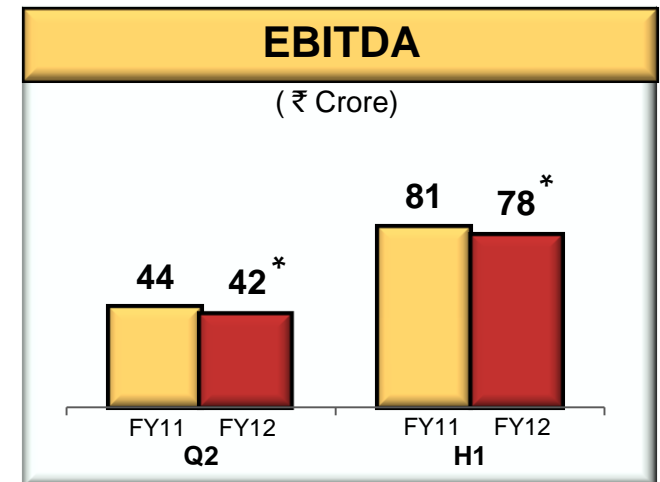
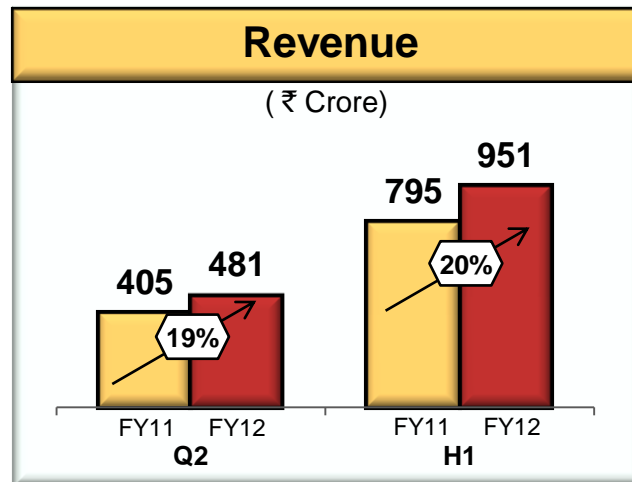
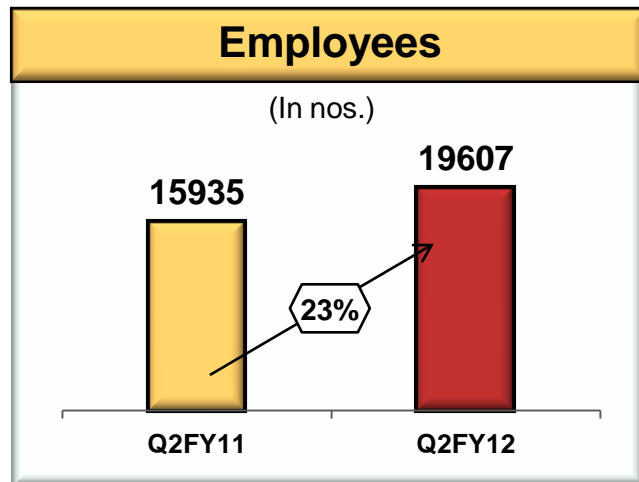
- In Q2, a strong 25% growth in total MoN<sup>1</sup> and rise in ARPM<sup>2</sup> drove y-o-y earnings growth**
  - Rising revenue share and scale benefit led cost efficiencies also contributed to 30% growth in EBITDA
  - Net profit de-grew from ₹ 180 Cr. to ₹ 106 Cr. : With the introduction of 3G services this year, additional expenses of amortisation of 3G spectrum fee & charging of related interest cost impacted bottom-line
- Idea continues to have the highest active subscribers ratio in the industry at 91.5% as on 31<sup>st</sup> Aug'11 and is the leading net subscribers gainer post launch of mobile number portability (MNP) reflecting its brand strength
- Currently offers 3G services in 20 services areas (Incl. 3G roaming arrangements in 10 service areas)
- Going Forward** : Continue to increase revenue market share by capitalising on brand !DEA besides leveraging 3G spectrum to augment revenue stream and enrich customer experience

# Madura Fashion & Lifestyle



- Industry witnessed increase in promotions and discounting to achieve planned volumes during End of Season Sale (EOSS) in Jul'11. Post EOSS, moderation in volume growth has been observed.
- In Q2, Madura achieved 24% y-o-y growth in revenue supported by 28% volume growth**
  - Retail channel achieved 39% growth led by 15% like-to-like stores sales growth & retail space expansion
  - Launched 90 Exclusive Brand Outlets (EBOs) during the quarter (160 EBOs in H1).
- EBITDA grew by 28% to ₹ 58 Cr. driven by sales growth across the channels & brands viz., Louis Philippe, Van Heusen, Allen Solly and Peter England**
  - Increase in apparel prices & volume growth compensated for cost push and higher discounting
  - Posted an ROACE (annualised) of 16% during the half year (PY : 11%)
- Going forward** : Continue to leverage brand leadership and expanded retail space besides extending range of merchandise for superior shopper experience.

# IT-ITeS : Aditya Birla Minacs

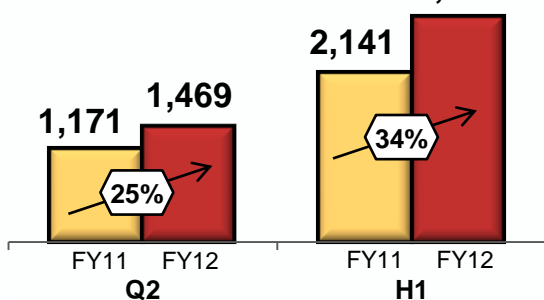


- Total contract value (TCV) of ~USD 243 million sold in H1 : Won 12 new logos**
  - ▶ About 84% of TCV is on account of new business and balance is renewal business
- In Q2, revenue grew y-o-y by 19% to ₹ 481 Cr. : Conversion of order book & forex movement contributed**
- \*Before one-off items, EBITDA at ₹ 42 Cr. remained flat y-o-y & grew q-o-q by 19%**
  - ▶ Slower ramp up in new contracts constrained margins
  - ▶ One off items : (a) Incurred one time cost of ₹ 21 Cr. on closure of one site in North America to achieve cost rationalisation and (b) Net gain of ₹ 15 Cr. due to forex movement
  - ▶ Reported net profit at ₹ 12 Cr. (PY : ₹ 16 Cr., PQ : ₹ 8 Cr.)
- ABNL acquired 11.72% holding in Aditya Birla Minacs. The IT and ITeS subsidiaries have been merged and ABNL holds 99.71% in the merged entity.**
- Going forward** : Augmenting capacities, building strong order book and asset sweating

# Manufacturing Businesses

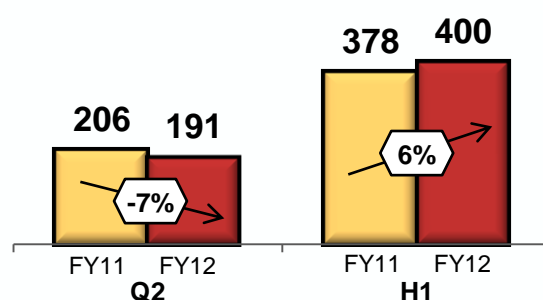
## Revenue

(₹ Crore)



## EBITDA

(₹ Crore)



## Profitability & Return Ratios (H1)

EBITDA %	14%
ROACE %	22%

- Revenue growth was driven by volume growth in linen fabric & higher agri-products trading coupled with higher realisation in Carbon Black, Rayon, Textiles and Agri-business reflecting pass on of rise in input / fuel costs.

Business	Performance Review	Q2- EBITDA	
		FY11	FY12
Agri-business	Higher trading revenue contributed	55	57
Carbon Black	Lower off-take and higher CBFS prices affected	67	51
Insulators	Lower volumes and rise in input / fuel costs impacted	33	20
Rayon	Rise in production costs was compensated by higher realisation & higher VFY sales	25	26
Textiles	Volume growth in linen fabric & improved realisation across segments	26	38

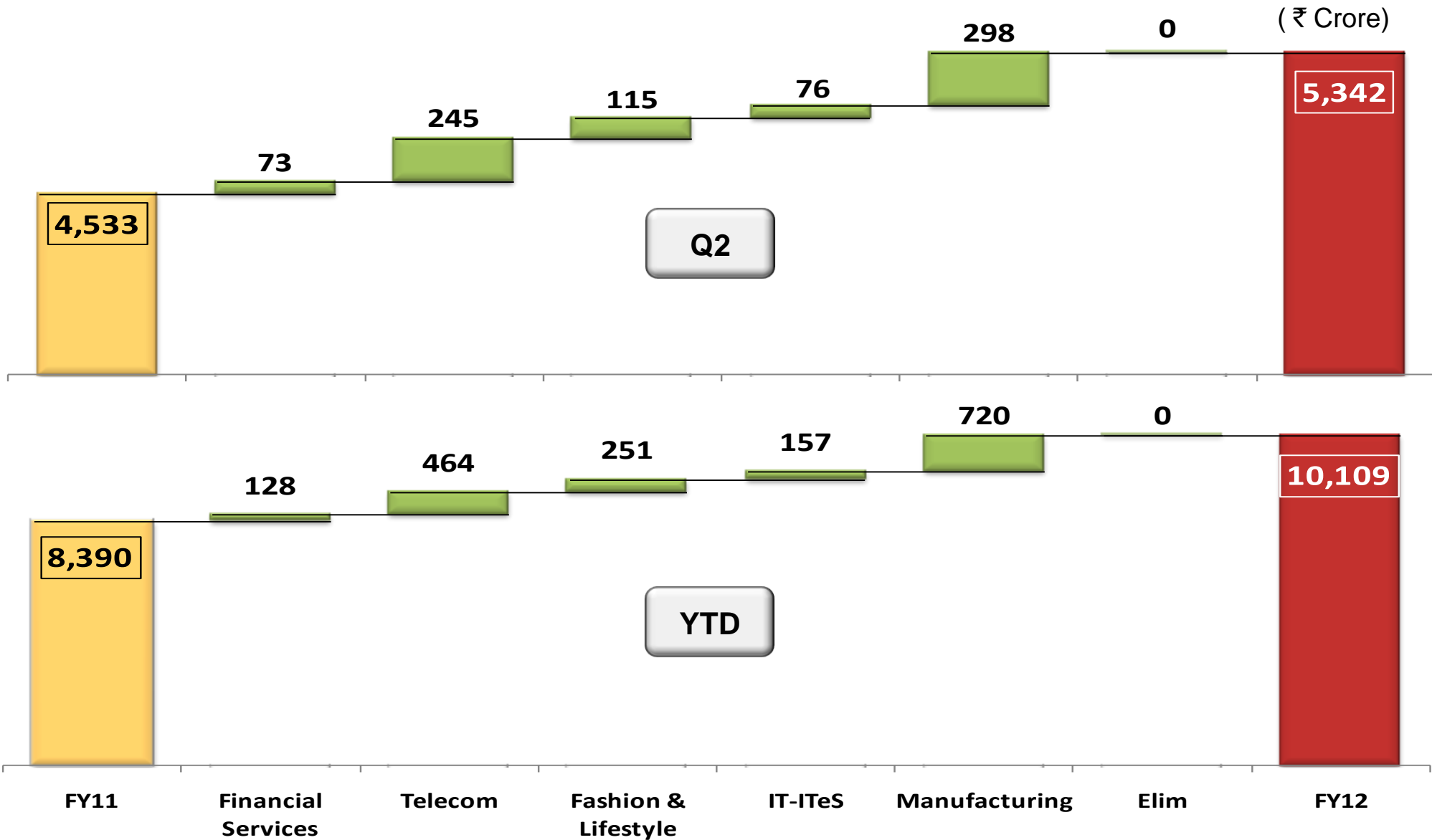
- Going forward** : Optimising operating efficiency & passing on rise in input & fuel costs.



# Financial Performance

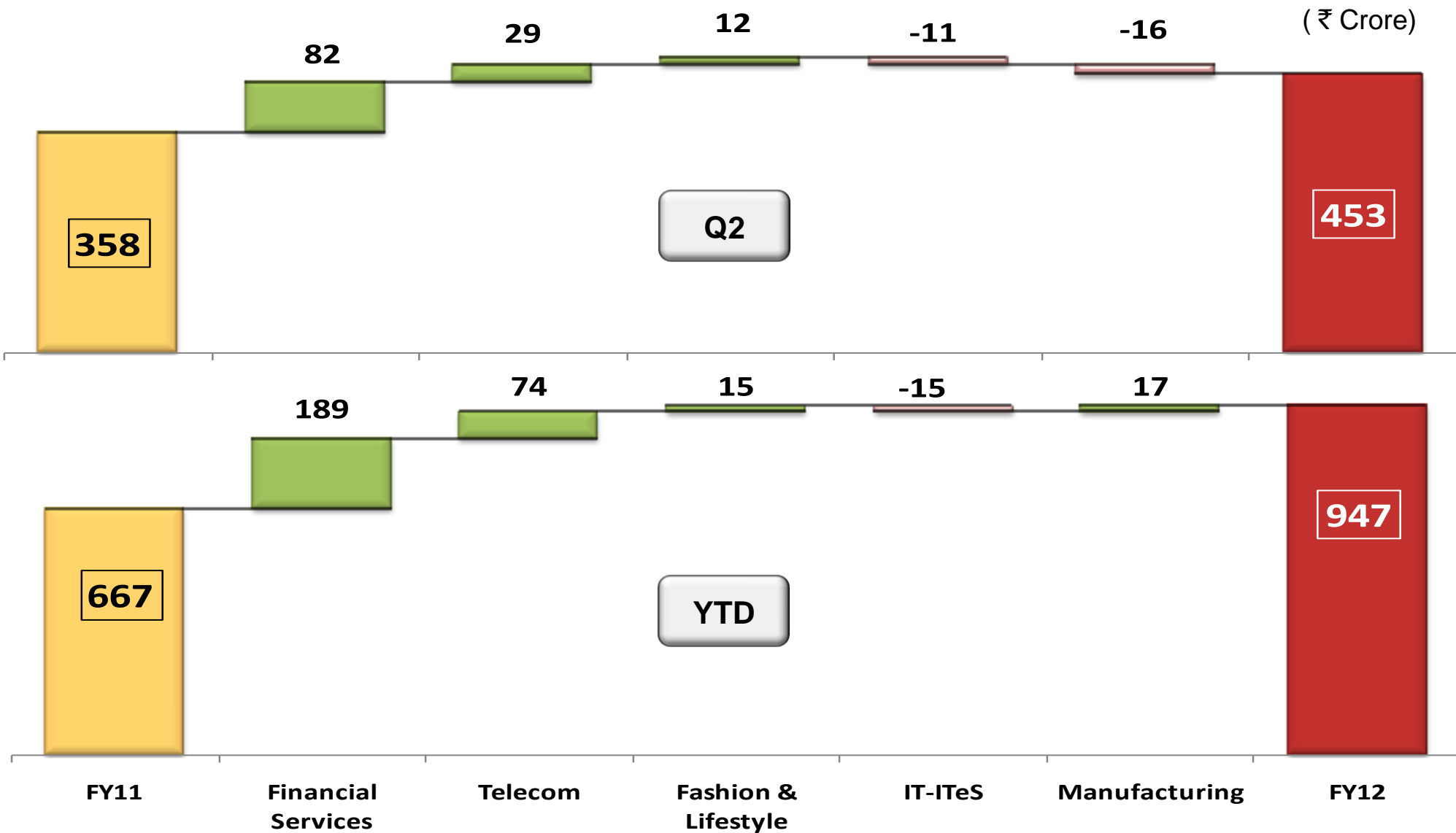
# Consolidated Revenue Walk

Manufacturing businesses led the revenue walk followed by Telecom & Fashion & Lifestyle businesses



# Consolidated Segmental EBIT Walk

Financial Services led the profit walk followed by Telecom businesses



# Consolidated Net Profit Walk

Improved earnings led the strong bottom-line growth



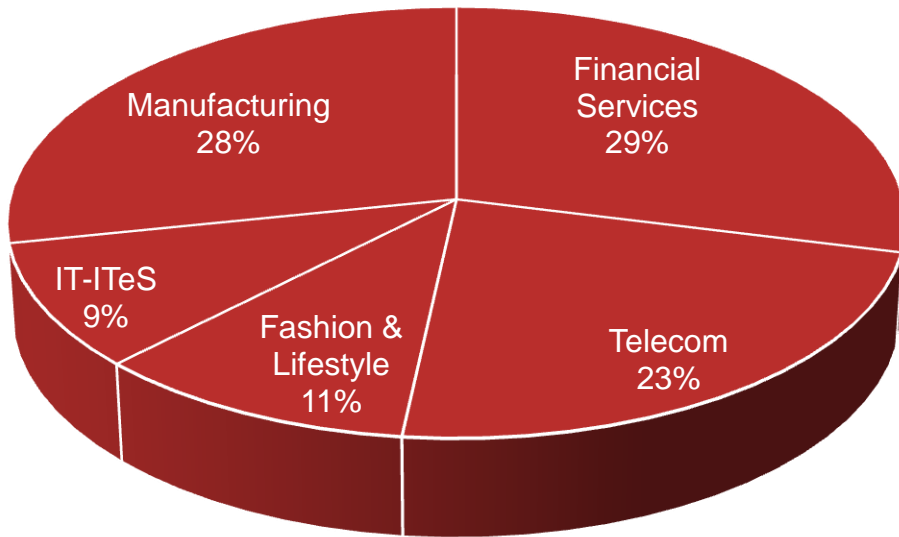
Note : With the introduction of 3G services, additional expenses of amortisation of 3G spectrum fee & related interest cost were charged to profit in the telecom business leading to rise in ABNL's consolidated depreciation & interest cost

\*Last year, Aditya Birla Money & Aditya Birla Money Mart, subsidiaries of Aditya Birla Nuvo, had borne one time exceptional loss of ₹ 104 Cr.

# Consolidated Mix – H1FY12

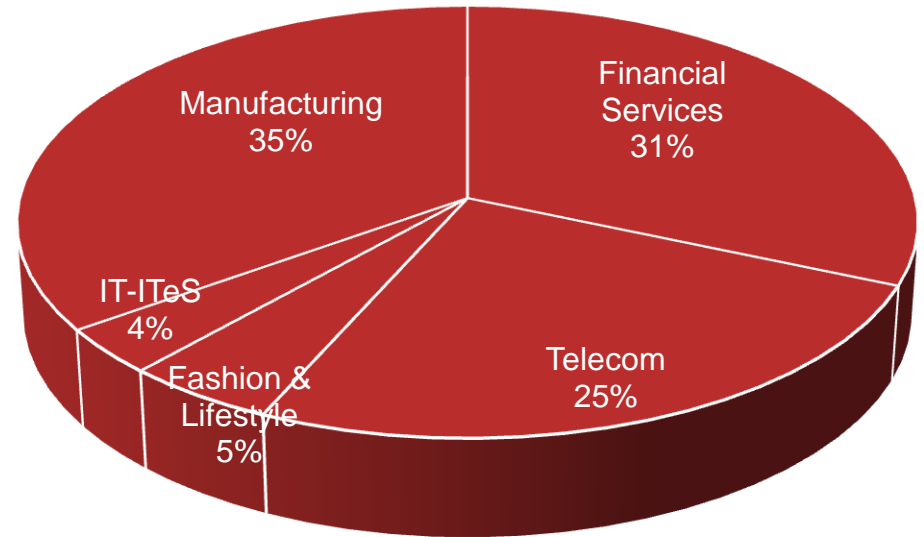
## Revenue

₹ 10,109 Cr.



## EBIT

₹ 947 Cr.



# Aditya Birla Nuvo : A Uniquely Positioned Conglomerate

## Vision

**To become a premium conglomerate  
with market leadership across businesses  
delivering superior value to shareholders on a sustained basis**

## Going Forward

**Capturing opportunities across the businesses  
to achieve next higher level of growth  
supported by strong balance sheet**

# **Annexure I**

# **Financials**

# Consolidated Revenue

( ₹ Crore)

Quarter - 1	Quarter 2		Revenue	Half Year	
2011-12	2011-12	2010-11		2011-12	2010-11
1,140	1,480	1,417	Life Insurance	2,620	2,512
147	162	151	Other Financial Services *	309	289
1,145	1,168	923	Telecom (Nuvo's share) @	2,313	1,849
484	594	478	Fashion & Lifestyle	1,077	827
471	481	405	IT-ITeS	951	795
1,392	1,469	1,171	Manufacturing	2,861	2,141
513	468	387	Carbon Black	981	712
351	450	334	Agri-business	801	561
156	172	135	Rayon	328	261
110	118	128	Insulators	228	244
261	261	185	Textiles	522	363
(11)	(12)	(12)	Inter-segment Elimination	(23)	(23)
<b>4,767</b>	<b>5,342</b>	<b>4,533</b>	<b>Consolidated Revenue</b>	<b>10,109</b>	<b>8,390</b>

\* Other Financial Services include Asset Management (consolidated at 50%), NBFC, Private Equity, Broking, Wealth Management & General Insurance Advisory.

@ Idea is consolidated at ~25.4%



# Consolidated EBIT

( ₹ Crore)

Quarter - 1	Quarter 2		EBIT	Half Year	
	2011-12	2010-11		2011-12	2010-11
147	105	22	Life Insurance	252	34
16	29	30	Other Financial Services *	46	74
133	107	78	Telecom (Nuvo's share) @	240	165
7	40	28	Fashion & Lifestyle	47	32
17	16	27	IT-ITeS	33	48
174	156	173	Manufacturing	330	313
57	41	57	Carbon Black	98	108
39	52	50	Agri-business	91	75
21	17	16	Rayon	39	39
19	14	28	Insulators	33	54
37	32	20	Textiles	69	37
<b>494</b>	<b>453</b>	<b>358</b>	<b>Segmental EBIT</b>	<b>947</b>	<b>667</b>

\* Other Financial Services include Asset Management (consolidated at 50%), 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 ~25.4%

# Consolidated Profit & Loss

( ₹ Crore)

Quarter - 1	Quarter 2		Consolidated Profit & Loss Account	Half Year	
	2011-12	2010-11		2011-12	2010-11
<b>4,767</b>	<b>5,342</b>	<b>4,533</b>	<b>Revenue</b>	<b>10,109</b>	<b>8,390</b>
<b>808</b>	<b>779</b>	<b>621</b>	<b>EBITDA</b>	<b>1,587</b>	<b>1,177</b>
39	44	21	Less : NBFC Interest expenses	82	39
155	168	115	Less : Other Interest Expenses	323	232
<b>614</b>	<b>567</b>	<b>486</b>	<b>EBDT</b>	<b>1,181</b>	<b>907</b>
261	273	232	Less : Depreciation	534	453
<b>353</b>	<b>294</b>	<b>254</b>	<b>Earnings before Tax</b>	<b>647</b>	<b>453</b>
61	54	39	Less : Provision for Taxation (Net)	116	84
38	26	6	Less : Minority Interest	64	12
-	-	(104)	Add : Exceptional Gain / (Loss)*	-	(104)
<b>253</b>	<b>214</b>	<b>105</b>	<b>Consolidated Net Profit</b>	<b>467</b>	<b>254</b>

Note : With the introduction of 3G services, additional expenses of amortisation of 3G spectrum fee & related interest cost were charged to profit in the telecom business leading to rise in ABNL's consolidated depreciation & interest cost

\*Last year, Aditya Birla Money & Aditya Birla Money Mart, subsidiaries of Aditya Birla Nuvo, had borne one time exceptional loss of ₹ 104 Cr.

# Balance Sheet

(₹ Crore)

Standalone		Balance Sheet	Consolidated	
Sep-11	Mar-11		Sep-11	Mar-11
<b>5,587</b>	5,401	Net Worth	<b>7,137</b>	6,678
-	-	Minority Interest	<b>275</b>	278
<b>4,100</b>	3,287	Debt	<b>8,776</b>	7,763
<b>182</b>	174	Deferred Tax Liabilities (Net)	<b>290</b>	259
<b>9,869</b>	8,862	Capital Employed	<b>16,478</b>	14,978
-	-	Policyholders' funds (Incl. funds for future appropriation)	<b>18,274</b>	18,977
<b>9,869</b>	8,862	Total Liabilities	<b>34,753</b>	33,955
<b>1,889</b>	1,858	Net Block (Incl. Goodwill)	<b>12,199</b>	11,884
<b>1,885</b>	1,434	Net Working Capital	<b>1,454</b>	542
<b>5,568</b>	5,424	Long Term Investments	<b>289</b>	289
-	-	Life Insurance Investments	<b>19,321</b>	19,760
<b>527</b>	146	Cash Surplus & Current Investments	<b>1,488</b>	1,481
<b>492</b>	476	Book Value (₹)	<b>629</b>	586
<b>3.5</b>	3.2	Net Debt / EBITDA (x)	<b>2.3</b>	2.3
<b>0.64</b>	0.58	Net Debt / Equity (x)	<b>1.02</b>	0.94
<b>10,352</b>	9,244	Market Capitalisation - NSE		

Note : Consolidated debt is net of NBFC borrowings

# Standalone Profit & Loss

(₹ Crore)

Quarter - 1	Quarter 2		Profit & Loss Account	Half Year	
2011-12	2011-12	2010-11		2011-12	2010-11
1,864	2,052	1,639	Revenue	3,916	2,950
247	259	268	EBITDA	506	472
71	82	73	Interest Expenses	153	142
176	178	195	EBDT	354	330
50	51	49	Depreciation	101	94
126	126	146	Earnings before Tax	253	236
32	35	27	Provision for Taxation (Net)	66	52
94	92	120	Net Profit	186	184

# **Annexure II**

## **Business-wise Financials**

# Aditya Birla Financial Services

Quarter 2		₹ Crore	Half Year	
2011-12	2010-11		2011-12	2010-11
		<b><u>Revenue</u></b>		
1,480	1,417	Birla Sun Life Insurance	2,620	2,512
78	104	Birla Sun Life Asset Management	163	204
73	32	Aditya Birla Finance	133	57
23	39	Aditya Birla Money	43	67
17	21	Aditya Birla Money Mart	28	40
7	3	Aditya Birla Insurance Brokers	16	13
4	4	Others	7	11
<b>1,680</b>	<b>1,620</b>	<b>Total Revenue</b>	<b>3,011</b>	<b>2,903</b>
157	80	EBITDA	348	176
138	62	Earnings before tax	315	140
<b>123</b>	<b>51</b>	<b>Net Profit / (Loss) before exceptional items</b>	<b>284</b>	<b>105</b>
-	(104)	Exceptional Gain / (Loss)	-	(104)
<b>123</b>	<b>(53)</b>	<b>Net Profit</b>	<b>284</b>	<b>1</b>

- Trusted by about 5.5 million customers and anchored by about 15,000 employees, ABFS has a nation-wide reach with more than 1,700 points of presence and about 200,000 channel partners.

# Birla Sun Life Insurance

Quarter 2		₹ Crore	Half Year	
2011-12	2010-11		2011-12	2010-11
		<u>New Business Premium</u>		
317	464	Individual Business	564	862
161	115	Group Business	237	190
<b>479</b>	<b>580</b>	<b>New Business Premium (Gross)</b>	<b>801</b>	<b>1,053</b>
1,055	872	Renewal Premium (Gross)	1,915	1,541
<b>1,533</b>	<b>1,451</b>	<b>Premium Income (Gross)</b>	<b>2,716</b>	<b>2,594</b>
(64)	(39)	Less : Reinsurance ceded & Service tax	(114)	(91)
<b>1,469</b>	<b>1,412</b>	<b>Premium Income (Net)</b>	<b>2,602</b>	<b>2,503</b>
10	5	Other Operating Income	18	9
<b>1,480</b>	<b>1,417</b>	<b>Revenue</b>	<b>2,620</b>	<b>2,512</b>
112	33	EBITDA	266	56
97	20	Earnings before tax	242	29
<b>97</b>	<b>20</b>	<b>Net Profit</b>	<b>242</b>	<b>29</b>
		Capital	2,450	2,450
		Assets under management	19,321	18,616

- No capital infusion was required as internal accruals adequately met additional solvency requirement
- Total commission to premium ratio reduced to 5.6% in H1FY12 (PY : 7.6%)

# Birla Sun Life Asset Management

₹ Crore	Average AUM	
	Q2FY12	Q2FY11
Equity	11,050	12,137
Debt & Liquid	53,198	52,254
<b>Domestic AUM</b>	<b>64,249</b>	<b>64,391</b>
Off shore	2,382	2,578
PMS	178	357
Real Estate Fund	1,088	212
<b>Total AUM</b>	<b>67,897</b>	<b>67,538</b>

Quarter 2		₹ Crore	Half Year	
2011-12	2010-11		2011-12	2010-11
78	104	Revenue (Fee Income)	163	204
22	23	EBITDA	53	73
20	22	Earnings before tax	50	70
13	14	Net Profit	31	47



Quarter 2		₹ Crore	Half Year	
2011-12	2010-11		2011-12	2010-11
<b>4,608</b>	<b>3,637</b>	<b>Revenue</b>	<b>9,124</b>	<b>7,287</b>
<b>1,159</b>	<b>890</b>	<b>EBITDA</b>	<b>2,385</b>	<b>1,799</b>
422	308	EBIT	945	651
<b>106</b>	<b>180</b>	<b>Net Profit</b>	<b>283</b>	<b>381</b>
		Net Worth	12,597	11,767
		Total Debt	12,716	11,197
		<b>Capital Employed</b>	<b>25,313</b>	<b>22,963</b>

- Idea posted a healthy 4.2% q-o-q rise in ARPM from ₹ 0.41 to ₹ 0.427 driven by increase in VAS contribution, roaming revenue and revision in promotional tariffs
- Share of VAS in revenue increased q-o-q from 12.1% to 13.2%
- Capex (2G+3G) of ~ ₹ 11 billion was spent during Q2 (₹ 21 billion in H1). For FY12, capex guidance stands at ₹ 40 billion
- Strong balance sheet & steady cash profit to support growth: Consolidated Net debt / EBITDA - 2.6 & Net Debt/Equity - 1
- Total Interest cost of ₹ 161 Cr. pertaining to 3G borrowings had been capitalised in H1 last year

# Madura Fashion & Lifestyle

Quarter 2		₹ Crore	Half Year	
2011-12	2010-11		2011-12	2010-11
		No. of EBOs	1,021	805
		Retail Space (Mn Sq. Ft)	1.5	1.2
<b>594</b>	<b>478</b>	<b>Revenue</b>	<b>1,077</b>	<b>827</b>
<b>58</b>	<b>45</b>	<b>EBITDA</b>	<b>82</b>	<b>64</b>
40	28	EBIT	47	32
584	598	Capital Employed	584	598
27	20	ROACE (Annualised) (%)	16	11

- Retail, Wholesale and other Channels (Exports, Clearance Sale etc.) contributed 40% , 42% and 18% respectively to the total revenue during the half year

Quarter 2		₹ Crore	Half Year	
2011-12	2010-11		2011-12	2010-11
		Employees (Nos.)	19,607	15,935
<b>481</b>	<b>405</b>	<b>Revenue</b>	<b>951</b>	<b>795</b>
<b>42</b>	<b>44</b>	<b>EBITDA*</b>	<b>78</b>	<b>81</b>
(6)	-	One time gain / (loss)	(6)	-
<b>36</b>	<b>44</b>	<b>EBITDA</b>	<b>72</b>	<b>81</b>
16	27	EBIT	33	48
12	16	Net Profit	20	27

\* Before one time gain / loss

Quarter 2		₹ Crore	Half Year	
2011-12	2010-11		2011-12	2010-11
289	297	Urea Sales ('000 MT)	549	520
<b>450</b>	<b>334</b>	<b>Revenue</b>	<b>801</b>	<b>561</b>
364	320	Urea	681	535
86	15	Trading	120	25
<b>57</b>	<b>55</b>	<b>EBITDA</b>	<b>101</b>	<b>84</b>
52	50	EBIT	91	75
646	297	Capital Employed	646	297
36	70	ROACE (Annualised) (%)	32	50

- ◆ In Q2, revenue grew y-o-y by 35% to ₹ 450 Cr. and EBITDA grew from ₹ 55 Cr. to ₹ 57 Cr.
  - Urea sales volume remained flat , however, higher input prices reflected in higher realisation (subsidy)
  - Trading revenue surged : Commenced trading in imported fertilisers. Higher sales of seeds & agro-chemicals also contributed
- ◆ **Operating at ROACE of 36%** : Working capital has increased primarily due to rise in prices & slower recovery of subsidies

Quarter 2		₹ Crore	Half Year	
2011-12	2010-11		2011-12	2010-11
64,513	67,307	Sales Volumes (MT)	140,564	125,028
69,234	55,054	Realisation (Rs./MT)	66,152	53,899
<b>468</b>	<b>387</b>	<b>Revenue</b>	<b>981</b>	<b>712</b>
<b>51</b>	<b>67</b>	<b>EBITDA</b>	<b>118</b>	<b>125</b>
41	57	EBIT	98	108
1,499	1,138	Capital Employed	1,499	1,138
12	21	ROACE (Annualised) (%)	14	21

- ◆ In Q2, revenue grew y-o-y by 21% to ₹ 468 Cr. EBITDA is lower at ₹ 51 Cr. vis-à-vis ₹ 67 Cr.
  - Realisation grew by 26% partly passing on of rise in feedstock (CBFS) prices
  - Sales volume were affected due to lower off-take from tyre customers
- ◆ **Rise in capital employed** : Working capital has increased due to rise in raw material prices.

# Aditya Birla Insulators

Quarter 2		₹ Crore	Half Year	
2011-12	2010-11		2011-12	2010-11
9,691	10,871	Sales Volumes (MT)	18,948	20,722
<b>118</b>	<b>128</b>	<b>Revenue</b>	<b>228</b>	<b>244</b>
<b>20</b>	<b>33</b>	<b>EBITDA</b>	<b>45</b>	<b>64</b>
14	28	EBIT	33	54
404	313	Capital Employed	404	313
15	39	ROACE (Annualised) (%)	17	36

- Industry's domestic sales volume have de-grown y-o-y by 14% during Apr-Aug'11 (Source : IEEMA). Deferment of projects is impacting sales across the industry. Aditya Birla Insulators witnessed 9% de-growth in volumes during H1
- In Q2, revenue of Aditya Birla Insulators de-grew y-o-y by 8% to ₹ 118 Cr.
  - Deferment of deliveries by customers and rise in imports led to lower off-take
- EBITDA de-grew y-o-y from ₹ 33 Cr. to ₹ 20 Cr. : Lower volumes and rise in production costs impacted

Quarter 2		₹ Crore	Half Year	
2011-12	2010-11		2011-12	2010-11
<b><u>VFY</u></b>				
4,165	3,745	Sales Volumes (MT)	7,728	7,291
284	237	Realisation (Rs./Kg.)	289	238
118	89	Revenue ( ₹ Cr.)	224	173
<b><u>Chemical</u></b>				
20,340	23,623	Caustic Soda Sales (MT)	40,885	44,164
24,264	19,183	ECU Realisation (Rs./MT.)	23,682	18,810
54	47	Revenue ( ₹ Cr.)	105	88
<b>172</b>	<b>135</b>	<b>Total Revenue</b>	<b>328</b>	<b>261</b>
<b>26</b>	<b>25</b>	<b>EBITDA</b>	<b>56</b>	<b>56</b>
17	16	EBIT	39	39
488	420	Capital Employed	488	420
15	16	ROACE (Annualised) (%)	17	18

- ◆ In Q2, revenue grew y-o-y by 27% to ₹ 172 Cr.
  - ◆ VFY volumes grew by 11% & realisation grew by 20% : VFY prices were increased in past one year to pass on rise in costs
  - ◆ Caustic soda sales volumes de-grew while ECU realisation grew by 26% led by higher caustic prices
- ◆ EBITDA remained flat at ₹ 26 Cr. : Higher VFY & ECU realisation & higher VFY sales compensated for rise in production costs

Quarter 2		₹ Crore	Half Year	
2011-12	2010-11		2011-12	2010-11
101	76	Linen Segment	202	140
160	109	Wool Segment	320	224
<b>261</b>	<b>185</b>	<b>Revenue</b>	<b>522</b>	<b>363</b>
<b>38</b>	<b>26</b>	<b>EBITDA</b>	<b>80</b>	<b>48</b>
32	20	EBIT	69	37
184	196	Capital Employed	184	196
68	42	ROACE (Annualised) (%)	73	31

- ◆ **Revenue grew y-o-y by 41% to 261 Cr.** : Realisation improved across the segments as increase in input cost is passed on. Linen Fabric sales volume grew by 14%.
- ◆ **EBITDA rose y-o-y by 44% to ₹ 38 Cr.** driven by improved realisation across segments & volume growth in linen fabric
- ◆ **Focus on high margin OTC segment** : Its share in linen fabric sales volume grew y-o-y from 50% to 57% during H1
  - Added 5 more exclusive store franchisees of 'Linen Club' fabric in Q2 (8 stores in H1) to reach a total of 48 stores
- ◆ **Business continues to post robust ROACE led by improved earnings and better working capital management**



# Annexure III : Reporting Structure



## Consolidated

### Subsidiaries & Joint Ventures

### Standalone

#### Financial Services

#### Telecom<sup>3</sup> # (25.33%)

#### IT-ITeS<sup>2</sup> (99.71%)

#### Fashion & Lifestyle<sup>1</sup>

#### Manufacturing

Life Insurance<sup>2</sup>  
(74%)\*

Asset Management<sup>3</sup>  
(50%)\*

NBFC<sup>2</sup>  
Private Equity<sup>2</sup>  
Broking (75%)<sup>2</sup>  
Wealth management<sup>2</sup>  
General Insurance Advisory<sup>2</sup>

- Carbon Black<sup>1</sup>
- Agri-Business<sup>1</sup>
- Rayon<sup>1</sup>
- Insulators<sup>1</sup>
- Textiles<sup>1</sup>

<sup>1</sup> Represent Divisions  
<sup>2</sup> Represent Subsidiaries  
<sup>3</sup> Represent Joint Ventures  
 \* JV with Sun Life Financial, Canada  
 # Listed, Aditya Birla Group holds 46%  
 Note : Percentage figures indicated above represent ABNL's shareholding in its subsidiaries /JV's

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