

# Performance Review

## 2<sup>nd</sup> Quarter ended 30th September 2008

Investor Presentation

Mumbai, 24<sup>th</sup> October 2008



**strong foundation energised growth**

# Contents

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- **Key Developments**
- **Business-wise Performance**
- **Financial Performance**
- **Business Outlook and Strategy**

# Working on Defined Strategy

## ● Telecom – Achieving Pan India Presence

- ➔ Launched commercial operations in Mumbai (in Aug'08) and Bihar & Jharkhand (in Oct'08)
- ➔ Idea will be operational in 17 circles (incl. Spice operated Punjab and Karnataka circles), with the planned launch of Tamil Nadu (incl. Chennai) and Orissa circles by the financial year end, covering approx. 90% of India's telephony potential

## ● Financial Services – Augmenting portfolio and expanding customer reach

- ➔ Agreed to acquire 56% stake in Apollo Sindhoori for Rs. 198.8 Cr. in Aug'08
  - ◆ Accordingly, open offer for additional 20% stake will be made after getting necessary approvals
  - ◆ An established platform to enter retail broking space and derive synergies through cross selling
    - ▶ Strong distribution network of over 190 own and 570 franchisee branches
    - ▶ Serving a large base of over 1,50,000 customers across more than 150 cities
- ➔ Expanding distribution network across existing business segments

Branches (Nos.)	Sep'07	March'08	Sep'08
Life Insurance	308	339	600
Asset Management	66	78	116

# Working on Defined Strategy



continued ...

- **BPO – Thrust on consolidation and full utilisation of existing capacity**
  - Improving operational efficiency through seats / sites rationalisation
  
- **Garments – Building sizeable presence in apparel retailing**
  - Controlled retail space expanded to 5.7 lacs square feet across 279 exclusive brand outlets
  - Ready to launch “THE COLLECTIVE” this month
  
- **Insulators – Expediting expansion by 12,000 MTPA (in two phases) at Rishra plant and composite insulators project at Halol plant**

# **Business-wise Performance Q2FY09 over Q2FY08**

# Business Performance – Growth Businesses

## Telecom – Idea Cellular Limited

- **Idea garnered Rs. 72.9 bn through preferential allotment of equity shares to TMI in Aug'08**
  - ➔ TMI acquired 14.99% stake in Idea through issue of fresh shares at Rs. 156.96 per share
  - ➔ Nuvo's stake in Idea reduced to 27.02% from 31.78% (Aditya Birla Group now owns 49.05% stake)
  - ➔ This dilution at high premium has increased Nuvo's consolidated net worth by Rs. 1,781 Cr.
- **Providence to invest USD 640 million in Idea's subsidiary Aditya Birla Telecom (ABTL)**
  - ➔ ABTL has license to operate in Bihar & Jharkhand circle and will hold 16% stake in proposed Indus Towers Joint Venture
- **TMI & Providence deals will strengthen financial position and leveraging capacity of Idea**
  - ➔ Cash inflow will act as a cushion for financing 3G spectrum auction and capex plans
- **Speeding towards Pan India presence**
  - ➔ Targeting roll out of Tamil Nadu (incl. Chennai) and Orissa circles by the financial year end
  - ➔ Awaiting spectrum for roll out of services in remaining 5 circles – West Bengal, Kolkata, Assam, North East and Jammu & Kashmir

**Crossed 30 million subscribers mark (excl. Spice) in Sep'08**

# Business Performance – Growth Businesses



continued ...

## Telecom – Idea Cellular Limited

- **Idea grew by 63% Y-o-Y to reach 30.38 million subscribers (excl. Spice) as on 30th Sep'08**
  - ➔ Ranks 5<sup>th</sup> with all India market share at 9.6% up from 9.2% in Mar'08
  - ➔ Ranks 2<sup>nd</sup> in 8 established operating circles with 19.6% market share reflecting its brand strength
  - ➔ New circles continue to grow
- **During Q2FY09, revenues jumped by 47% to Rs. 2,299.2 Cr.**
  - ➔ Share of Value added Services (VAS) increased from 8.9% in Jun'08 to 9.8% in Sep'08
- **Net Profit lower at Rs. 144.1 Cr. vis-à-vis Rs. 220.3 Cr. in Q2 last year**
  - ➔ EBITDA increased from Rs. 524.8 Cr. to Rs. 654.6 Cr. despite start up losses for Mumbai circle and brand building costs ahead of launch of Mumbai & Bihar circles
  - ➔ Depreciation and interest costs increased by Rs. 102.5 Cr. and Rs. 121.4 Cr. respectively to finance expansion and new acquisition, full benefit of which will accrue over a period of time

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# Business Performance – Growth Businesses

## Life Insurance – Birla Sun Life Insurance Company Limited (BSLI)

- **Continued thrust on strengthening distribution reach & launching innovative products...**
  - Network expanded to 600 centres & 132K agents up from 339 centres & 115K agents in Mar'08
    - ◆ Alternate channel relationships grew from 229 in Mar'08 to 315 in Sep'08
    - ◆ Further branch expansion is being reviewed considering current market conditions
  - Launched pension plan-Freedom 58 in Aug'08, Platinum Plus-II in Sep'08 & Health Plan in Oct'08
- **... has resulted in improved market positioning (YTD Aug'08)**
  - BSLI ranked 5<sup>th</sup> with 8.15% share in private players up from 6<sup>th</sup> rank with 6.6% share in FY07-08
    - ◆ BSLI achieved more than 100% growth in new business premium as well as number of individual life policies
- **In Q2FY09, BSLI achieved 59% YoY growth in new business premium income at Rs. 672.8 Cr.**
  - During Apr-Aug'08, Private players grew YoY by 56% (BSLI - 121%) while LIC de-grew by 29%
- **Net loss higher at Rs. 200 Cr. vis-à-vis Rs. 83.9 Cr. in Q2FY08**
  - Growing share of new business premium coupled with network expansion strained profitability
- **Growth funded by capital infusion of Rs. 350 Cr. in H1FY08-09 (Nuvo's share - Rs. 259 Cr.)**

# Business Performance – Growth Businesses

## Asset Management – Birla Sun Life Asset Management Co. Ltd. (BSAMC)

- **Runners up in Best Mutual Fund Category by “Outlook Money NDTV Profit Awards 2008”**
- **Scaling up distribution network to garner market share**
  - ➔ YTD 38 branches & over 5,500 advisors (IFAs) added to reach 116 branches & over 23K IFAs
  - ➔ YTD 2.5 lacs folios (incl. 1.1 lacs SIPs) added to reach over 21.4 lacs folios (incl. 1.9 lacs SIPs)
- **BSAMC ranked 5<sup>th</sup> in Sep’08 with 7.1% share in Industry’s average AUM** P 34
  - ➔ Achieved 23% growth in average AUM during the calendar year (since Dec’07), only AMC amongst top 10 players to achieve double digit growth during this period
- **Total AUM at Rs. 37,752 Cr. as on 30<sup>th</sup> Sep’08 grew YoY by 24% but de-grew by 4% QoQ**
  - ➔ PMS portfolio expanded to Rs. 150 Cr. from Rs. 19 Cr. in Jun’08
- **Quarterly revenues grew by 69% to Rs. 41.9 Cr. and net profit jumped to Rs. 4.5 Cr.**

## Other Financial Services

- **Other financial services performed well despite depressed stock market & rise in interest rates**
  - ➔ Revenues grew by 51% to Rs. 48.9 Cr. and PBT rose from Rs. 9.4 Cr. to Rs. 11.2 Cr.P 35

# Business Performance – Growth Businesses

## BPO – Aditya Birla Minacs Worldwide Limited

- **Business focusing on efforts critical to improve profitability**
  - ➔ Improving seats utilisation & rationalisation of sites – Closed one loss making site in Sep'08
  - ➔ Supporting new business from low cost locations – Added 80 seats at Baroda and expanding Manilla site by 120 seats to 365 seats
  - ➔ Price renegotiation successfully completed with couple of clients and underway with a major client
  - ➔ Reduction of overheads
  - ➔ Substantial benefit to accrue in Q4FY09
- **Won 2 new clients in the quarter taking total number of clients to 58 (Fortune 500 – 26 Clients)**
- **Supporting customers through 30 global delivery centres with 9,689 seats & 12,252 employees**
  - ➔ Effective utilisation of seats is a major challenge at North America
- **Revenues grew by 15% to Rs. 453 Cr.**
  - ➔ **North America** maintained revenues at CAD 89 million despite global slowdown
  - ➔ **Asia Pacific** achieved 29% revenues growth over Q2 last year
- **Net loss higher at Rs. 25.7 Cr. from Rs. 20.3 Cr. due to forex rates**
- **IT services business** reported revenues at Rs. 25.2 Cr. and net profit at Rs. 0.2 Cr.

# Business Performance – Growth Businesses

## Garments

- **During Q2FY09, continued discount sale offerings stimulated demand across the industry**
  - Retailers resorted to higher discounting to stimulate sales & clear inventories
  - Industry witnessed longest ever end of season sale from mid Jun'08 to end Aug'08
- **Madura Garments continued to expand its footprints in apparel retailing space**
  - **Controlled retail space under Exclusive Brand Outlets (EBOs) format expanded to 5.7 Lacs square feet across 279 EBOs (Fashion brands (incl. Esprit) – 199; Peter England – 80)**
    - ◆ 24 new EBOs launched during the quarter
  - **Five Peter England PEOPLE family stores launched in Q1FY09, five more planned by the financial year end**
  - **Ready to launch Mens Exclusive “THE COLLECTIVE” – Lifestyle experience based on service excellence**
    - ◆ Will offer Madura garments' fashion brands as well as international brands under one roof
    - ◆ 3 such stores of an average size of 15-20K sq. ft. will be launched during FY08-09

# Business Performance – Growth Businesses



continued ...

## Garments

### Branded Garments (Louis Philippe, Van Heusen, Allen Solly, Esprit and Peter England)

- Revenues rose by 28% to Rs. 283.1 Cr. driven by volumes growth of 22% & better product mix
  - ➔ Value growth could be higher but for higher discounts to meet market dynamics
  - ➔ Revenues from retail segment rose by 57% supported by expanded retail presence
- Operating profit (PBDIT) is up by 23% at Rs. 26.6 Cr.
  - ➔ Profitability growth could be higher but for high lease rentals and higher discounts

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### Apparel Retail (Peter England PEOPLE and THE COLLECTIVE)

- Five Peter England PEOPLE stores launched in Q1 generated revenues of Rs. 4 Cr.
- Combined net loss reported at Rs. 30.5 Cr. including business and brand building costs

### Contract Manufacturing

- Revenues at Rs. 50 Cr. lower by 10% due to weak order flow
  - ➔ Consequent lower capacity utilisation impacting profitability
- Efforts are on to bring back profitability
  - ➔ Improving efficiency and capacity utilisation for cost optimisation
  - ➔ Reducing dependence on USD business – Expanding European and domestic business
  - ➔ Scaling full service provider segment

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# Business Performance – Value Businesses

## Carbon Black – Hi tech Carbon

- **Sharp rise in crude oil prices impacted operating margins across the industry**
  - Abnormal rise in feedstock (CBFS) prices affected demand from auto industry passing through difficult phase
- **Business revenues at Rs. 338 Cr. jumped by 78% → Achieved volume growth of 11%**
  - Mounting CBFS prices partly reflected in higher realisation
- **Time lag in passing steep rise in input costs led to 25% dip in operating profit**
  - Operating profit at Rs. 29.5 Cr. vis-à-vis Rs. 39.1 Cr. in Q2 last year
    - ◆ Energy sales contributed Rs. 10.8 Cr. (Rs. 8 Cr. in Q2 last year)
- **Environment clearance received and project activities started for at Patalganga Greenfield expansion by 150,000 MTPA (in two phases)**
  - Phase-I expansion by 75,000 MTPA at a capex of Rs. 270 Cr.

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# Business Performance – Value Businesses

## Fertilisers – Indo Gulf Fertilisers

- **Lower availability of natural gas created pressure on targeted production across the industry during Q2FY09**
- **Indo-Gulf's revenues grew by 131% to Rs. 320.2 Cr. → Achieved volume growth of 44%**
  - Soaring natural gas and naphtha prices reflected in higher realisation
  - Volumes in Q2 last year were impacted due to plant breakdown for 27 days
  - Revenues from agri-inputs marketing almost doubled to Rs. 17.3 Cr.
- **Operating profit grew significantly to Rs. 61.4 Cr. led by volume growth and subsidy for earlier years**
- **Indo-Gulf Fertilisers set to position itself as Complete Agri-Solution provider**
  - Industry moving towards non-regulated agricultural products that will drive future growth

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# Business Performance – Value Businesses

## Rayon – Indian Rayon

- **VFY segment continued to witness weak demand across the industry; further impacted by rising input and fuel prices**
  - ➔ Closure of production by two competitors in Q2 likely to create supply gap
- **Business revenues grew by 13% to Rs. 139.9 Cr.**
  - ➔ **VFY revenues up by 5% at Rs. 86.8 Cr.**
    - ◆ Sales Volume lower by 13% at 4269 MT due to focus on super fine denier yarn
    - ◆ VFY realisation higher by 21% at Rs. 203.3 per kg
  - ➔ **Chlor-alkali segment's revenues up by 29% at Rs. 53.1 Cr. while volumes remained flat**
    - ◆ ECU realisation rose by 21% to Rs. 24,443 per MT
- **Operating profit dipped by 25% to Rs. 27 Cr.**
  - ➔ Steep rise in wood-pulp and sulphur costs impacted VFY segment
  - ➔ Impact of rise in coal prices in Chlor-alkali segment partly offset by improved realisation

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# Business Performance – Value Businesses

## Insulators – Aditya Birla Insulators

- **Revenues up by 5% to Rs. 105.9 Cr.**
  - Focus on high rating insulators fetched better realisation
  - Lower volumes at Halol plant due to increased rejections arrested higher growth
    - ◆ Shortage of raw material & yield stabilisation of high rating insulators caused higher rejections
- **Operating profit at Rs. 32 Cr. vis-à-vis Rs. 33.6 Cr. in Q2 last year** P 43
  - Operating margins reduced to 30.2% due to high fuel costs and high rejections at Halol plant
- **Business achieved ROACE of 49.1%**
- **Augmenting capacity to capture power sector growth**
  - Expansion of 12,000 MTPA (in two phases) at Rishra plant and composite insulators project at Halol plant are progressing well

## Textiles – Jaya Shree Textiles

- **Domestic as well as exports demand remained stagnant across the industry**
  - Industry will witness benefit of rupee weakening in coming quarters
- **Business revenues from continued operations grew by 6% to Rs. 149.3 Cr.**
- **Operating profit maintained at Rs. 18 Cr. vis-à-vis Rs. 18.3 Cr. in Q2FY08** P 44
  - Last year Q2 includes gain of Rs. 2.4 Cr. from sale of carbon credits

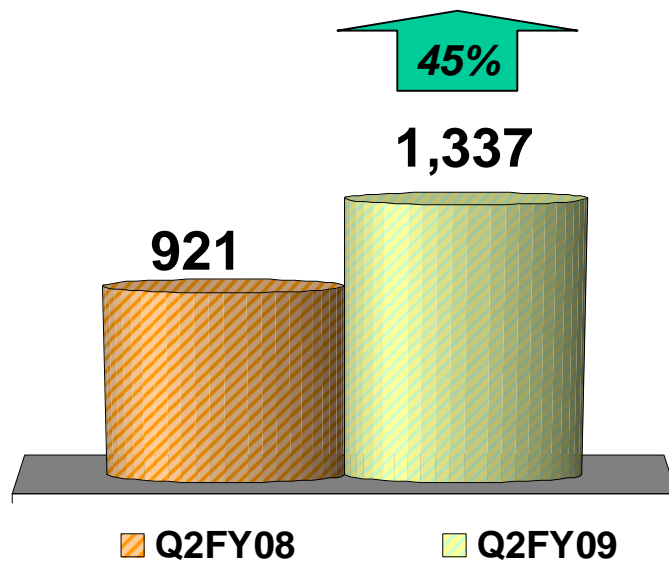
# Financial Performance

# Revenues – Quarter 2 FY08-09

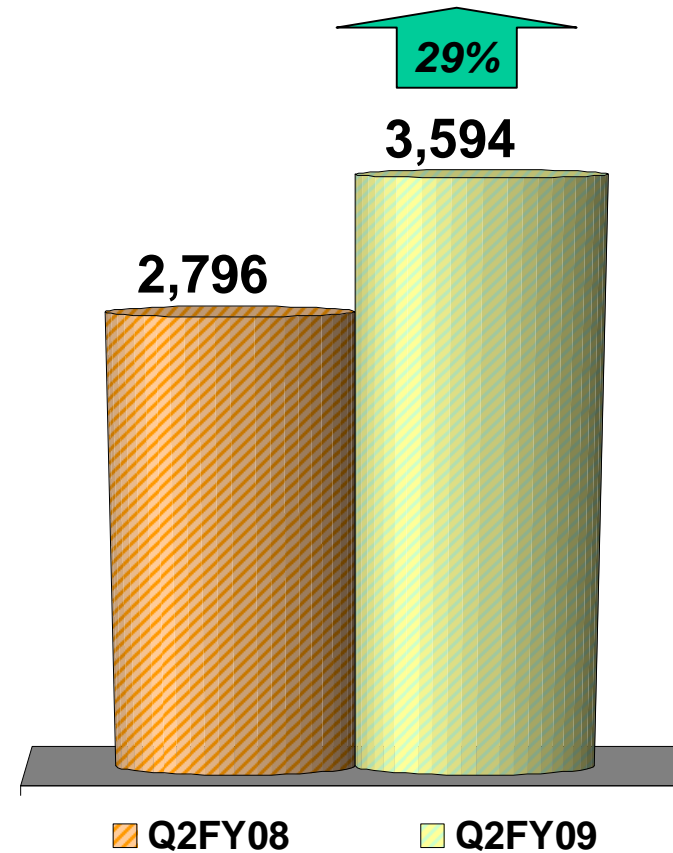


Rs. Cr.

## Standalone



## Consolidated



Telecom, Life Insurance, Carbon Black & Fertilisers driving consolidated revenue growth

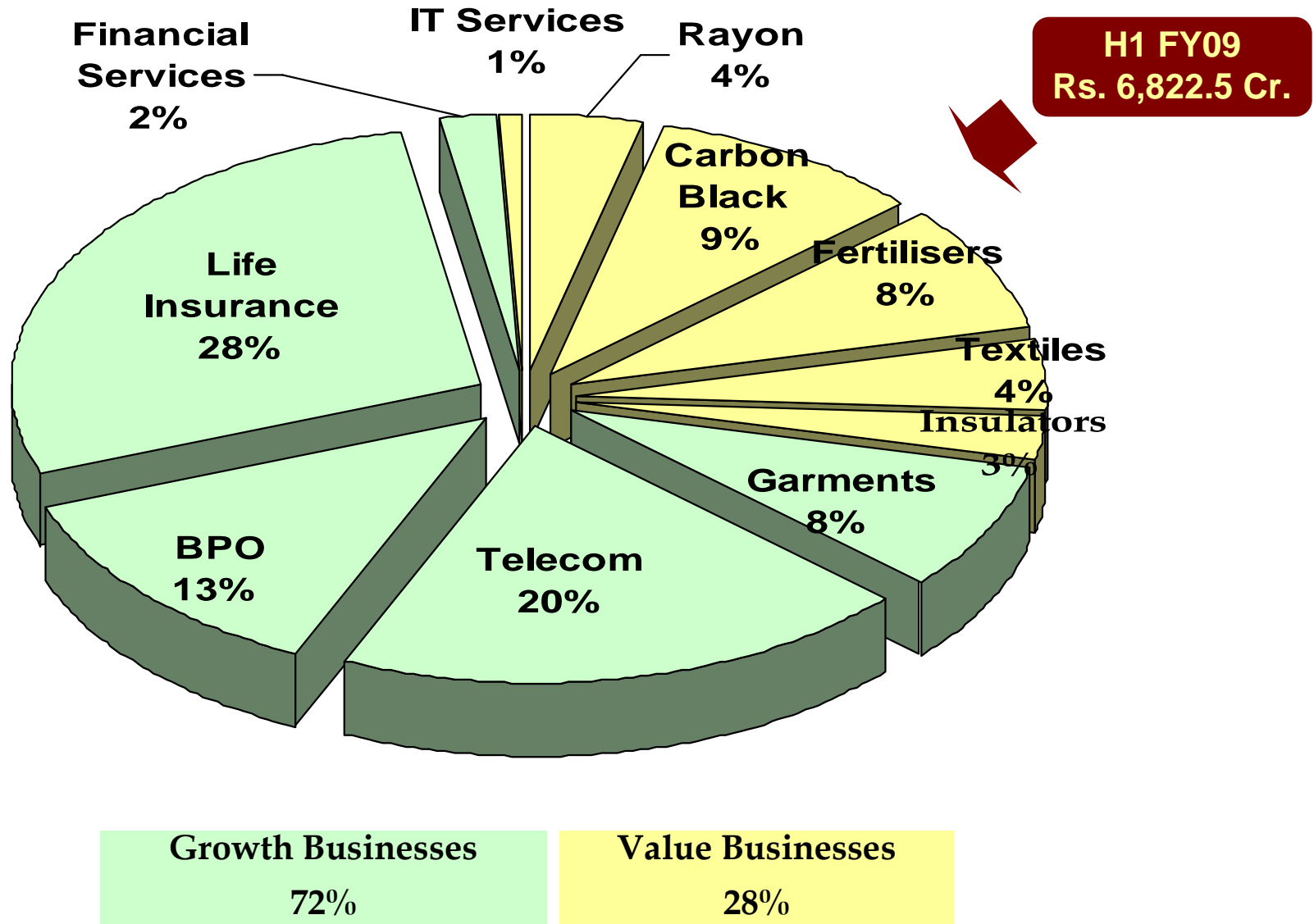
# Consolidated Revenues - Segmental

Rs. Cr.

Quarter - 2		Revenues	Half - Year			
2008-09	2007-08		2008-09	2007-08		
35%	672.4	496.5	Telecom (Nuvo's share) @	1,363.1	966.0	41%
15%	999.4	869.7	Life Insurance	1,895.3	1,356.6	40%
15%	453.0	393.7	BPO	884.0	746.1	18%
20%	325.0	270.1	Garments (Incl. apparel retail)	549.2	470.7	17%
65%	69.4	42.1	Other Financial Services	133.0	77.7	71%
	25.2	25.2	IT Services	51.1	48.7	
78%	338.0	190.2	Carbon Black	635.6	351.4	81%
131%	320.2	138.5	Fertilisers	549.5	254.8	116%
	105.9	101.3	Insulators	196.7	185.4	
13%	139.9	124.3	Rayon	274.2	228.2	20%
	149.3	145.3	Textiles	298.0	296.7	
	(3.4)	(1.2)	Inter-unit Elimination	(7.1)	(2.6)	
29%	3,594.1	2,795.6	Consolidated Revenues	6,822.5	4,979.7	37%
45%	1,336.6	921.4	Standalone Revenues	2,415.6	1,701.5	42%
47%	2,299.2	1,562.2	Idea Cellular (Telecom)	4,472.7	3,039.5	47%

@ Idea is consolidated at 31.78% till 12<sup>th</sup> Aug'08 and at 27.02% afterwards. Full financial numbers are as under:

# Consolidated Revenues - Composition

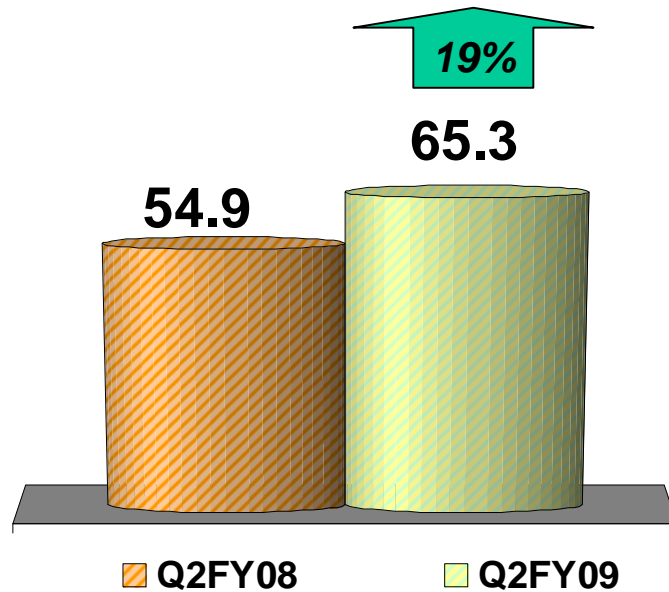


# Standalone – Net Profit

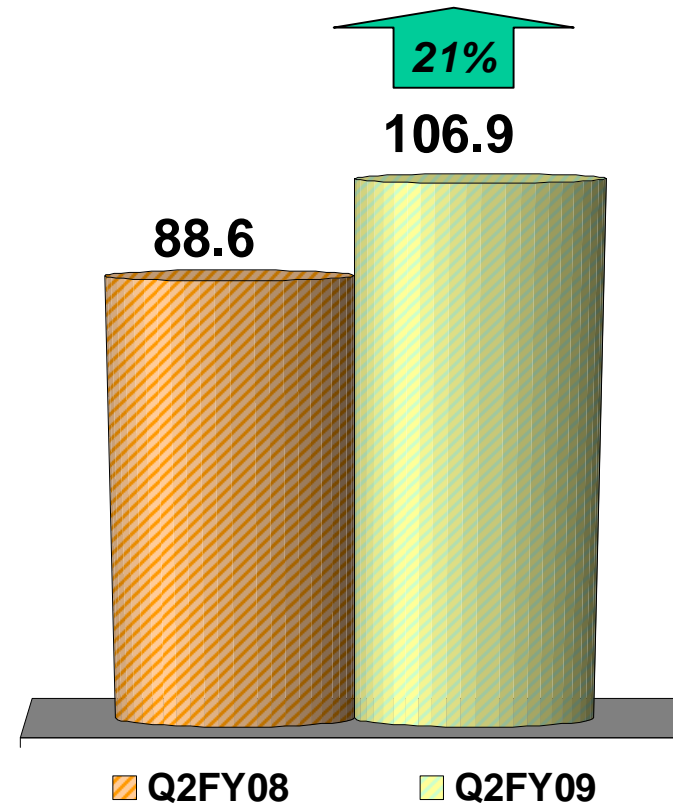


Rs. Cr.

Quarter - 2



Half - Year



# Standalone Financial

Rs. Cr.



	Quarter - 2		Particulars	Half - Year		
	2008-09	2007-08		2008-09	2007-08	
↑ 45%	1,336.6	921.4	Revenues	2,415.6	1,701.5	↑ 42%
	7.0	2.5	Other Income	9.2	8.0	P 23
↑ 23%	194.7	158.5	Operating Profit (PBDIT)	344.0	281.8	↑ 22%
	59.3	49.2	Less: Interest & Finance Expenses	110.3	97.6	
	6.7	1.9	Add: Interest Income	11.6	6.7	
↑ 28%	142.1	111.1	Gross Profit (PBDT)	245.3	190.9	↑ 29%
	40.5	35.2	Depreciation/ Amortisation	79.3	66.2	
	101.6	75.9	Profit Before Tax and Exceptional Items	166.1	124.7	P 24
	-	0.0	Exceptional Gain / (Loss)	-	0.7	
	36.3	21.0	Provision for Taxation (Net)	59.1	36.8	
↑ 19%	65.3	54.9	<b>Net Profit</b>	<b>106.9</b>	<b>88.6</b>	↑ 21%

# Standalone Operating Profit

Rs. Cr.



Quarter - 2		PBDIT	Half - Year			
2008-09	2007-08		2008-09	2007-08		
23%	26.6	21.6	Branded Garments	13.0	22.9	43%
25%	29.5	39.1	Carbon Black	77.1	71.8	7%
298%	61.4	15.4	Fertilisers	99.2	32.5	206%
	32.0	33.6	Insulators	60.5	60.2	
25%	27.0	36.0	Rayon	64.6	63.1	2%
	18.0	18.3	Textiles	34.0	34.1	
	0.1	(5.5)	Corporate / Others	(4.5)	(2.7)	
23%	<b>194.7</b>	<b>158.5</b>	<b>PBDIT</b>	<b>344.0</b>	<b>281.8</b>	22%

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# Consolidated Net Profit

Rs. Cr.

Quarter - 2		Net Profit	Half - Year	
2008-09	2007-08		2008-09	2007-08
42.1	70.0	Telecom (Nuvo's share) @	125.7	168.1
(25.7)	(20.3)	BPO	(49.4)	(28.2)
(200.0)	(83.9)	Life Insurance	(346.8)	(117.5)
2.3	0.4	Asset Management (Nuvo's share 50%) @	4.8	1.2
9.2	7.1	Other financial services	21.6	11.0
(23.2)	0.5	Contract Exports	(41.3)	(6.3)
(30.5)	(4.5)	Apparel Retail	(50.5)	(5.7)
0.2	0.0	IT Services	1.5	0.1
0.8	0.5	Others	0.1	(0.5)
(224.8)	(30.2)	Total JVs / Subs	(334.2)	22.0
(54.9)	(23.2)	Less: Contra / Minority Interest	(94.4)	(31.9)
(169.9)	(7.0)	<b>Nuvo's Share in JVs/Subs</b>	<b>(239.9)</b>	<b>53.9</b>
<b>65.3</b>	<b>54.9</b>	<b>Nuvo Standalone</b>	<b>106.9</b>	<b>88.6</b>
<b>(104.6)</b>	<b>47.8</b>	<b>Nuvo Consolidated</b>	<b>(132.9)</b>	<b>142.5</b>

19%

21%

@ Only pro-rata share (Idea is consolidated at 31.78% till 12th Aug'08 and at 27.02% afterwards). Full financial numbers are as under:

144.1	220.3	Idea Cellular (Telecom)	407.2	528.9
4.5	0.8	Birla Sunlife AMC (Asset Management)	9.6	2.4

# Consolidated Financial



Rs. Cr.

	Quarter - 2		Particulars	Half - Year		
	2008-09	2007-08		2008-09	2007-08	
	3,594.1	2,795.6	Revenues	6,822.5	4,979.7	
	<b>211.4</b>	<b>288.1</b>	<b>PBDIT</b>	<b>482.2</b>	<b>595.3</b>	
	160.4	124.4	Depreciation	316.5	239.6	
	<b>50.9</b>	<b>163.6</b>	<b>PBIT</b>	<b>165.7</b>	<b>355.7</b>	
	158.2	102.3	Net Interest	295.0	188.0	
	<b>(107.3)</b>	<b>61.4</b>	<b>Profit Before Tax</b>	<b>(129.4)</b>	<b>167.7</b>	
	-	0.0	Exceptional Gain / (Loss)	-	0.7	
	51.4	37.1	Provision for Taxation (Net)	97.4	58.5	
	<b>(158.8)</b>	<b>24.3</b>	<b>Net Profit before minority interest</b>	<b>(226.8)</b>	<b>110.0</b>	
	<b>(54.2)</b>	<b>(23.5)</b>	Minority Interest	<b>(93.8)</b>	<b>(32.5)</b>	
	<b>(104.6)</b>	<b>47.8</b>	<b>Net Profit after minority interest</b>	<b>(132.9)</b>	<b>142.5</b>	

# Capex and Investment Plan

Rs. Cr.

S.N.	Description	Plan	Spent till Sep'08	To be spent	
				FY 2008-09	FY10 & FY11
<b>i)</b>	<b><u>Aditya Birla Nuvo Limited</u></b>				
	<b><u>Project Based</u></b>				
	Rayon	38.9	9.6	29.3	-
	Branded Garments	335.2	50.7	50.4	234.1
	Carbon Black	267.8	18.4	139.4	110.0
	Fertilisers	16.3	9.4	6.8	-
	Insulators	43.2	12.4	30.7	-
	Textiles	8.4	7.2	1.2	-
	<b>Sub-Total (i)</b>	<b>709.8</b>	<b>107.8</b>	<b>257.9</b>	<b>344.1</b>
<b>ii)</b>	<b><u>Modernisation &amp; maintenance</u></b>				
	Rayon	16.2	6.9	9.3	-
	Branded Garments	75.6	27.9	33.0	14.8
	Carbon Black	28.0	15.2	12.8	(0.0)
	Fertilisers	9.7	2.6	7.1	-
	Insulators	51.0	9.4	41.6	-
	Textiles	40.4	19.8	20.6	-
	Others	0.6	0.2	0.5	-
	<b>Sub-Total (ii)</b>	<b>221.7</b>	<b>81.9</b>	<b>125.0</b>	<b>14.8</b>
<b>A</b>	<b>Nuvo's Capex (i) + (ii)</b>	<b>931.5</b>	<b>189.8</b>	<b>382.9</b>	<b>358.9</b>
<b>B</b>	<b><u>Major Capex (Direct Subsidiaries)</u></b>				
	Apparel Retail	317.4	30.9	75.0	211.5
	Garment Manufacturing	49.3	4.9	23.2	21.2
	Contract exports	15.1	2.3	5.2	7.6
	BPO	146.1	7.0	139.2	-
	IT Services	5.6	0.4	5.2	-
<b>C</b>	<b>Grand Total (A+B)</b>	<b>1,465.0</b>	<b>235.3</b>	<b>630.6</b>	<b>599.1</b>

Note : Life Insurance business will need funding of about Rs. 1000 Cr. from Nuvo in FY09 to expedite its growth plans  
Idea will invest over USD 2 billion in next two years out of internal accruals and own borrowings

# Business Outlook and Strategy

# Going Forward : Growth Businesses

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## ● **Telecom : Achieving Pan India presence**

- ➔ Expedite merger and integration of Spice with Idea
- ➔ Speedy roll out in Tamil Nadu (incl. Chennai) and Orissa circles, obtaining 3G license and roll out in remaining 5 circles on receipt of spectrum
- ➔ Expedite profitability of capex on new circles as well as on expansion of existing circles
- ➔ Expediting completion of Tower Joint Venture and exploiting its full benefits

## ● **Life Insurance / Asset Management : Regaining Market Share**

- ➔ To become one of the Top-3 players by building efficient branches network, strengthening agents/advisors force and launching innovative products
- ➔ Completing Apollo Sindhoori acquisition and utilising the client base for cross selling

## ● **BPO : Profitable growth**

- ➔ Improving seats utilisation and rationalisation of sites
- ➔ Thrust on growing high margin KPO segment
- ➔ Pursuing cost control measures

## ● **Garments : Pursuing apparel retailing**

- ➔ Controlling overheads and improving sales efficiency
- ➔ Completing wardrobe through focus on retailing and fashion
- ➔ In Contract Exports, thrust is on regaining profitability by improving efficiency & market penetration

# Going Forward : Value Businesses

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## ● Carbon Black

- ➔ Passing on CBFS price rise to the maximum extent
- ➔ Greenfield expansion by 150,000 MTPA (in two phases) to achieve domestic leadership

## ● Fertilisers

- ➔ Focus on agri-products (input / output) for future growth
- ➔ Expansion/de-bottlenecking on liberalisation of policy

## ● Rayon

- ➔ Thrust on quality improvement to derive premium in exports markets

## ● Insulators

- ➔ Expediting capacity expansion by 12,000 MTPA in two phases and foray in composite insulators
- ➔ Yield enhancement and reducing rejections

## ● Textiles

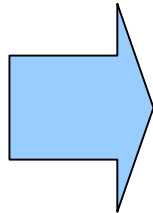
- ➔ Improving OTIF in Linen segment & expanding presence in retail segment under Linen Club
- ➔ Increasing share of value added yarns

# Vision and Strategy

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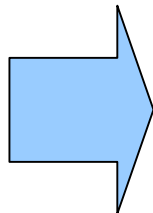


**Vision**



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

**Strategy**



*To increase the share of High growth businesses in total revenue by deploying surplus cash from Value businesses to grow the high growth businesses of tomorrow*

***Dedicated to deliver better results quarter after quarter***

# Business Financials

# Idea Cellular Ltd.



Rs. Cr.

Quarter - 2		Particulars	Half - Year		
2008-09	2007-08		2008-09	2007-08	
	30.38	18.67	No. of Subscribers (Mn)	30.38	18.67
↑ 47%	2,299.2	1,562.2	Revenues	4,472.7	3,039.5
	654.6	524.8	PBDIT	1,391.8	1,076.4
	351.4	324.1	PBIT	813.7	687.0
↓ 35%	144.1	220.3	PAT	407.2	528.9
			Net Worth	11,236.4	3,027.4
			Total Debt	9,897.3	4,806.5
			Capital Employed	21,133.8	7,833.9
	8.1	16.2	ROACE (Annualised) (%)	10.4	19.3

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Note : Net debt (net of cash surplus) stands at Rs. 3192 Cr. and net debt to equity ratio stands at 0.28 as on 30<sup>th</sup> Sep'08

# Birla Sun Life Insurance Company Ltd.



Rs. Cr.

Quarter - 2		Particulars	Half - Year		
2008-09	2007-08		2008-09	2007-08	
		<u>First Year Premium</u>			
579.9	413.8	Individual Business	1,068.9	564.8	
93.0	8.0	Group Business	105.4	32.1	
<b>59%</b>		<b>672.8</b>	<b>421.9</b>	<b>Total First Year Premium (Gross)</b>	<b>97%</b>
374.9	268.5	Renewal Premium (Gross)	696.0	474.6	
<b>48%</b>		<b>1,009.4</b>	<b>682.0</b>	<b>Net Premium Income</b>	<b>71%</b>
		(Net of reinsurance and service tax)			
999.4	869.7	Revenues	1,895.3	1,356.6	
<b>(200.0)</b>	<b>(83.9)</b>	<b>Net Profit/(Loss)</b>	<b>(346.8)</b>	<b>(117.5)</b>	
		Share Capital	1,624.5	877.0	
		Funds under management	7,620.5	5,330.2	<b>43%</b>

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# Birla Sun Life Asset Management Co. Ltd.

Rs. Cr.

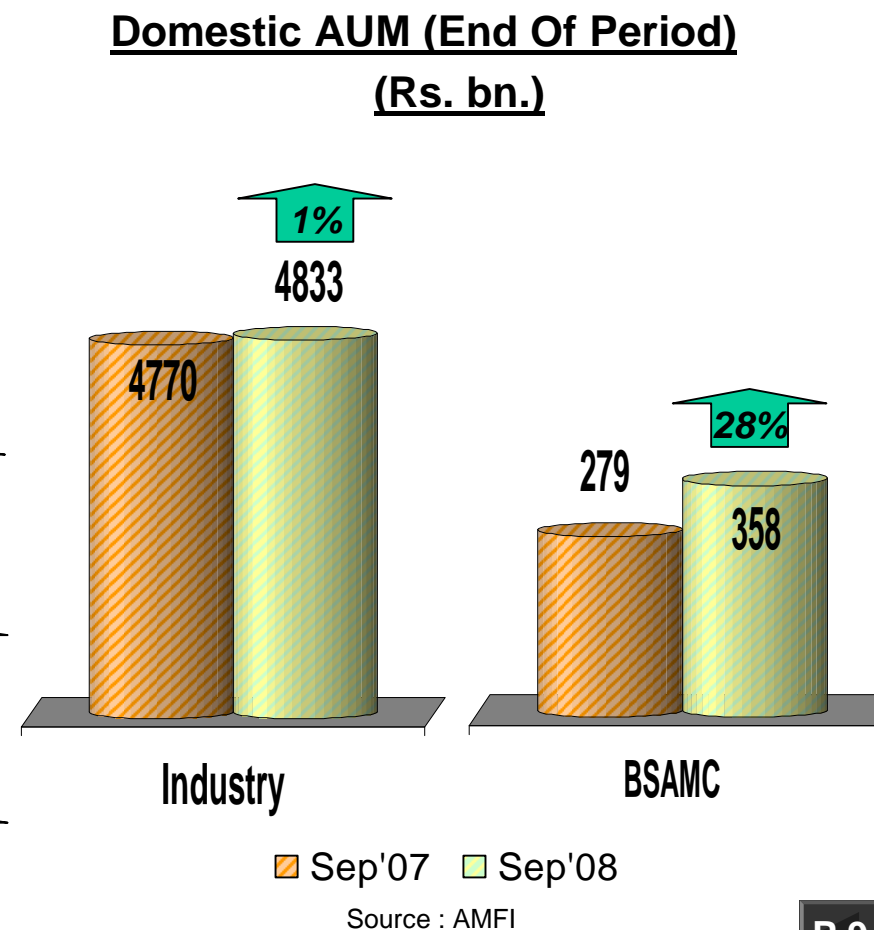


Particulars	Half - Year		
	2008-09	2007-08	
Equity	6,283	6,486	
Debt & Liquid	29,512	21,414	
<b>Domestic AUM</b>	<b>35,794</b>	<b>27,900</b>	
Off shore (All Equity)	1,958	2,552	
<b>Total AUM</b>	<b>37,752</b>	<b>30,452</b>	
PMS (AUM)	150	12	
<b>Revenues</b>	Quarter 2	41.9	24.8
	Half Year	84.9	44.9
<b>PAT</b>	Quarter 2	4.5	0.8
	Half Year	9.6	2.4

↑ 24%

↑ 69%

↑ 493%



# Other Financial Services



Rs. Cr.

Quarter - 2		Particulars	Half - Year	
2008-09	2007-08		2008-09	2007-08
<b>Financial Services division, BGFCL, BSDL &amp; BIASL</b>				
48.9	32.3	Revenues	92.8	61.2
11.2	9.4	PBT	28.4	14.9
257.2	143.6	Capital Employed	257.2	143.6

51%

20%

52%

90%

P 9

# BPO – Aditya Birla Minacs



Rs. Cr.

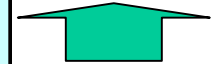
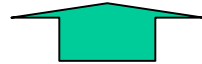
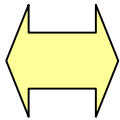
Quarter - 2		Particulars	Half - Year				
2008-09	2007-08		2008-09	2007-08			
		Operating Seats (Nos.)	9,689	7,758			
		Employees (Nos.)	12,252	10,560			
	<b>453.0</b>	<b>393.7</b>	<b>Revenues</b>	<b>884.0</b>	<b>746.1</b>		
	89.0	90.6	North America	CAD Mn	180.0	173.2	<b>P 10</b>
	13.7	10.6	Asia Pacific	USD Mn	27.0	20.8	
	<b>(9.9)</b>	<b>(0.3)</b>	<b>PBIT</b>		<b>(18.6)</b>	<b>5.6</b>	
	<b>(7.0)</b>	<b>(1.2)</b>	- North America		<b>(15.1)</b>	3.0	
	<b>(3.0)</b>	0.9	- Asia Pacific		<b>(3.5)</b>	2.6	
	<b>(25.7)</b>	<b>(20.3)</b>	<b>Net Profit/(Loss)</b>		<b>(49.4)</b>	<b>(28.2)</b>	

# IT Services – PSI Data Systems



Rs. Cr.

Quarter - 2		Particulars	Half - Year		
2008-09	2007-08		2008-09	2007-08	
25.2	25.2	Revenues	51.1	48.7	5%
1.5	0.9	PBIT	3.9	1.9	
0.2	0.0	PAT	1.5	0.1	
27.4	28.7	Capital Employed	27.4	28.7	



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# Branded Garments – Madura Garments



Rs. Cr.

Quarter - 2		Particulars	Half - Year	
2008-09	2007-08		2008-09	2007-08
168.7	129.9	Shirts (A)	273.0	223.4
61.5	55.6	Trousers (B)	104.3	95.3
18.8	14.4	Suits (C)	33.7	26.4
34.1	20.9	Others (D)	50.4	36.8
<b>283.1</b>	<b>220.7</b>	<b>Revenues (A+B+C+D)</b>	<b>461.4</b>	<b>381.9</b>
39.8	33.7	Operating Profit before adspend	39.5	47.1
13.1	12.1	Advt. Expenses	26.5	24.2
26.6	21.6	PBDIT	13.0	22.9
<b>14.9</b>	<b>14.1</b>	<b>PBIT</b>	<b>(8.9)</b>	<b>8.1</b>
552.8	414.6	Capital Employed	552.8	414.6

28%

21%

P 12

6%

# Contract Exports – Madura Garments Exports

Rs. Cr.



Quarter - 2		Particulars	Half - Year	
2008-09	2007-08		2008-09	2007-08
16.5	16.2	Sales Volume (Lacs Pcs)	35.8	27.8
50.0	55.2	Revenues	93.8	94.4
(19.7)	1.9	PBIT	(34.5)	(3.2)
(23.2)	0.5	PAT	(41.3)	(6.3)
171.5	151.1	Capital Employed	171.5	151.1

10%

1%

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# Carbon Black – Hi Tech Carbon



Rs. Cr.

Quarter - 2		Particulars	Half - Year	
2008-09	2007-08		2008-09	2007-08
58,525	55,375	Production (MT)	118,304	96,889
101.8	105.5	Capacity Utilization %	102.9	102.0
57,190	51,390	Sales Volumes (MT)	118,136	93,665
20%	25%	Share of Exports volumes	21%	20%
57,037	35,257	Realisation (Rs./MT)	51,809	35,900
338.0	190.2	Revenues	635.6	351.4
29.5	39.1	PBDIT	77.1	71.8
8.7	20.6	OPM (%)	12.1	20.4
23.3	33.2	PBIT	64.8	62.0
974.4	566.9	Capital Employed	974.4	566.9
10.8	26.3	ROACE (Annualised) (%)	15.8	23.5

11%

62%

78%

30%

26%

44%

81%




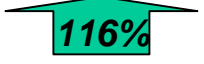

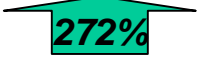
5%

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# Fertilisers – Indo Gulf Fertilisers



Rs. Cr.

Quarter - 2		Particulars	Half - Year			
2008-09	2007-08		2008-09	2007-08		
	264	182	Production ('000 MT)	500	336	
	264	184	Sales Volumes ('000 MT)	503	326	
	320.2	138.5	Revenues	549.5	254.8	
	302.8	129.0	Urea	500.4	234.5	
	17.3	9.5	Agri-Inputs trading	49.1	20.3	
	61.4	15.4	PBDIT	99.2	32.5	
	19.2	11.1	OPM (%)	18.1	12.7	
	56.7	10.9	PBIT	89.7	24.1	
	382.8	320.5	Capital Employed	382.8	320.5	
	49.8	12.6	ROACE (Annualised) (%)	39.3	13.4	

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# Rayon – Indian Rayon



Rs. Cr.

Quarter - 2		Particulars	Half - Year	
2008-09	2007-08		2008-09	2007-08
<b><u>VFY</u></b>				
4,121	4,355	Production (MT)	8,244	8,761
100.5	106.2	Capacity Utilization (%)	100.5	106.8
4,269	4,934	Sales Volumes (MT)	8,466	9,116
203.3	168.3	Realisation (Rs./Kg.)	196.0	167.0
86.8	83.0	Revenues (Rs. Cr.)	165.9	152.2
<b><u>Chemical</u></b>				
24,443	20,181	ECU Realisation (Rs./MT.)	24,135	19,516
53.1	41.2	Revenues (Rs. Cr.)	108.3	76.0
139.9	124.3	Total Revenues	274.2	228.2
27.0	36.0	PBDIT	64.6	63.1
19.3	29.0	OPM (%)	23.6	27.6
18.7	27.8	PBIT	48.1	46.8
441.2	443.2	Capital Employed	441.2	443.2
16.8	25.0	ROACE (Annualised) (%)	21.5	21.0

5%

9%

13%

20%

33%

3%

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# Insulators – Aditya Birla Insulators

Rs. Cr.



Quarter - 2		Particulars	Half - Year	
2008-09	2007-08		2008-09	2007-08
8,618	8,659	Production (MT)	15,917	16,223
8,021	8,569	Sales Volumes (MT)	15,168	15,905
105.9	101.3	Revenues	196.7	185.4
32.0	33.6	PBDIT	60.5	60.2
30.2	33.1	OPM (%)	30.8	32.5
28.5	29.8	PBIT	53.3	53.3
238.7	210.5	Capital Employed	238.7	210.5
49.1	59.1	ROACE (Annualised) (%)	44.6	53.7

5%

6%

4%

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# Textiles – Jaya Shree Textiles



Rs. Cr.

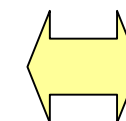
Quarter - 2		Particulars	Half - Year	
2008-09	2007-08		2008-09	2007-08
46.9	41.6	Linen Segment	86.6	77.9
102.4	99.7	Wool Segment	211.4	200.2
149.3	141.3	Continued operations (Linen and Wool)	298.0	278.1
-	4.0	Discontinued (Synthetic Yarn)	-	18.6
149.3	145.3	Revenues	298.0	296.7
18.0	18.3	PBDIT	34.0	34.1
12.6	13.7	PBIT	23.7	25.5
424.1	344.3	Capital Employed	424.1	344.3
12.2	16.2	ROACE (Annualised) (%)	12.1	15.5

6%

3%

8%

7%



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# Annexure

# Consolidated Profit and Loss and Balance Sheet Snapshot



## Annexure I

Rs. Cr.

Particulars	Quarter - 2		Half - Year	
	2008-09	2007-08	2008-09	2007-08
Net Turnover	3,594.1	2,795.6	6,822.5	4,979.7
PBDIT	211.4	288.1	482.2	595.3
PBDIT Margin (%)	5.9	10.3	7.1	12.0
Net Interest	158.2	102.3	295.0	188.0
PBDT	53.1	185.8	187.1	407.3
Net Profit (after Minority Interest)	(104.6)	47.8	(132.9)	142.5
Annualised EPS (Rs.)	(44.24)	20.48	(28.4)	30.5
Annualised CEPS (Rs.)	21.4	79.0	39.1	85.3

Particulars	September	March	March
	2008	2008	2007
Equity	95.0	95.0	93.3
Preference Share Capital	25.0	50.0	-
Net Worth	5,716.4	4,032.9	3,119.6
Minority Interest	171.6	174.4	143.3
Total Debts	8,103.1	6,647.9	5,461.6
Deferred Tax Liabilities	221.2	226.2	179.6
Capital Employed	14,212.3	11,081.3	8,904.1
Policyholders' funds	7,186.8	6,484.7	3,762.0
Total Liabilities	21,399.1	17,566.0	12,666.1
Goodwill on consolidation	2,639.1	2,571.0	2,594.9
Net Block	5,676.6	5,447.8	3,777.6
Net Working Capital	3,695.9	2,180.1	1,750.2
Investments	9,387.5	7,367.0	4,543.4
Life Insurance Investments	7,620.5	6,892.7	4,020.0
Other Investments	1,767.0	474.3	523.3
ROCE (at PBIT) (%)	2.4	5.3	8.3
RONW (at PAT) (%)	(4.7)	3.7	9.0
Book Value (Rs.)	601.6	424.5	334.3
Total Debt Equity (x)	1.4:1	1.6:1	1.8:1

# Standalone Profit and Loss and Balance Sheet Snapshot



## Annexure II

Rs. Cr.

Particulars	Quarter - 2		Half - Year	
	2008-09	2007-08	2008-09	2007-08
Net Turnover	1,336.6	921.4	2,415.6	1,701.5
PBDIT	194.7	158.5	344.0	281.8
PBDIT Margin (%)	14.6	17.2	14.2	16.6
Net Interest	52.6	47.3	98.7	90.9
PBDT	142.1	111.1	245.3	190.9
PAT	65.3	54.9	106.9	88.6
PAT Margin (%)	4.9	6.0	4.4	5.2
Annualised EPS (Rs.)	27.5	23.5	22.5	19.0
Annualised CEPS (Rs.)	41.0	40.4	36.8	35.1
Interest Cover (x) (PBDIT/ Net Interest)	3.7	3.3	3.5	3.1

Particulars	September	March	March
	2008	2008	2007
Equity	95.0	95.0	93.3
Net Worth	4,132.6	4,023.7	3,124.5
Long Term Debt	1,783.5	1,841.2	1,869.2
Short Term Debt	1,574.3	902.2	962.7
Total Debts	3,357.9	2,743.4	2,831.8
Deferred Tax Liabilities	189.2	200.3	174.1
Capital Employed	7,679.6	6,967.5	6,130.5
Net Block	1,536.4	1,501.6	1,308.1
Net Working Capital	1,924.6	1,411.7	972.9
Total Investments	4,218.7	4,054.2	3,849.4
ROACE (at PBIT) (%)	7.5	7.8	10.1
ROANW (at PAT) (%)	5.2	6.8	8.4
Book Value (Rs.)	435.0	423.5	334.9
Total Debt Equity (x)	0.8:1	0.7:1	0.9:1
Long Term Debt Equity (x)	0.4:1	0.5:1	0.6:1
Market Capitalisation (Rs. Cr.)	8,828	13,253	9,907

# Segment Results –Nuvo Standalone



## Annexure III

Rs. Cr.

### Quarter - 2

Particulars	Revenues		PBIT		Avg Capital Employed		ROACE (PBIT basis)	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Garments	283.1	220.7	14.9	14.1	526.7	383.6	11.3%	14.7%
Rayon	139.9	124.3	18.7	27.8	446.0	444.7	16.8%	25.0%
Carbon Black	338.0	190.2	23.3	33.2	861.3	504.7	10.8%	26.3%
Textiles	149.4	145.2	12.6	13.7	413.4	338.3	12.2%	16.2%
Fertilizers	320.2	138.5	56.7	10.9	454.8	344.9	49.8%	12.6%
Financial Services	0.3	1.2	(2.7)	0.5	13.4	14.6	-81.8%	14.9%
Insulators	105.9	101.3	28.5	29.8	232.4	201.6	49.1%	59.1%
<b>Total Operating Assets</b>	<b>1,336.6</b>	<b>921.4</b>	<b>152.1</b>	<b>130.1</b>	<b>2,948.0</b>	<b>2,232.5</b>	<b>20.6%</b>	<b>23.3%</b>
Corporate Assets / Elim	-	-	2.1	(6.8)	4,177.5	3,429.7	0.2%	-0.8%
<b>Nuvo Standalone</b>	<b>1,336.6</b>	<b>921.4</b>	<b>154.2</b>	<b>123.2</b>	<b>7,125.5</b>	<b>5,662.2</b>	<b>8.7%</b>	<b>8.7%</b>

### Half - Year

Particulars	Revenues		PBIT		Avg Capital Employed		ROACE (PBIT basis)	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Garments	461.4	381.9	(8.9)	8.1	512.0	372.9	-3.5%	4.4%
Rayon	274.2	228.2	48.1	46.8	447.5	446.9	21.5%	21.0%
Carbon Black	635.6	351.4	64.8	62.0	821.0	527.1	15.8%	23.5%
Textiles	298.0	295.8	23.7	25.5	391.7	327.7	12.1%	15.5%
Fertilizers	549.5	254.8	89.7	24.1	457.0	360.6	39.3%	13.4%
Financial Services	0.3	3.9	(3.5)	2.2	13.5	12.4	-51.4%	35.1%
Insulators	196.7	185.4	53.3	53.3	239.3	198.3	44.6%	53.7%
<b>Total Operating Assets</b>	<b>2,415.6</b>	<b>1,701.5</b>	<b>267.3</b>	<b>221.9</b>	<b>2,882.0</b>	<b>2,246.0</b>	<b>18.5%</b>	<b>19.8%</b>
Corporate Assets	-	-	(2.5)	(6.4)	4,164.7	3,641.2	-0.1%	-0.4%
<b>Nuvo Standalone</b>	<b>2,415.6</b>	<b>1,701.5</b>	<b>264.7</b>	<b>215.5</b>	<b>7,046.7</b>	<b>5,887.1</b>	<b>7.5%</b>	<b>7.3%</b>

# Operating Margin - Nuvo Standalone

## Annexure IV



Quarter - 2		Operating Margin	Half - Year	
2008-09	2007-08		2008-09	2007-08
9.4%	9.8%	Branded Garments	2.8%	6.0%
19.3%	29.0%	Rayon	23.6%	27.6%
8.7%	20.6%	Carbon Black	12.1%	20.4%
19.2%	11.1%	Fertilisers	18.1%	12.7%
12.0%	12.6%	Textiles	11.4%	11.5%
30.2%	33.1%	Insulators	30.8%	32.5%
14.6%	17.2%	Nuvo Standalone	14.2%	16.6%

# Exports - Nuvo Standalone

## Annexure V



Quarter - 2		Exports (Rs Crores)	Half - Year	
2008-09	2007-08		2008-09	2007-08
18.6	10.3	Garments	28.5	16.5
20.8	23.9	Rayon	35.8	39.2
66.3	44.4	Carbon Black	132.3	64.4
70.0	65.3	Textiles	142.5	132.9
21.7	17.6	Insulators	37.9	31.4
197.3	161.4	<b>Nuvo Standalone</b>	<b>376.9</b>	<b>284.4</b>

Quarter - 2		Exports (% of Sales)	Half - Year	
2008-09	2007-08		2008-09	2007-08
6.6%	4.7%	Garments	6.2%	4.3%
14.8%	19.2%	Rayon	13.0%	17.2%
19.6%	23.3%	Carbon Black	20.8%	18.3%
46.8%	44.9%	Textiles	47.8%	44.8%
20.4%	17.3%	Insulators	19.3%	17.0%
14.8%	17.5%	<b>Nuvo Standalone</b>	<b>15.6%</b>	<b>16.7%</b>

# Sales Volume - Nuvo Standalone

## Annexure VI

Quarter - 2		Particulars	Half - Year	
2008-09	2007-08		2008-09	2007-08
37.9	31.0	Garments (lacs Pcs)	59.9	54.8
4,269	4,934	VFY (MT)	8,466	9,116
18,982	19,535	Caustic (MT)	39,455	36,225
57,190	51,390	Carbon Black (MT)	118,136	93,665
264	184	Fertilisers ('000 MT)	503	326
8,021	8,569	Insulators (MT)	15,168	15,905

Quarter - 2		Particulars	Half - Year	
2008-09	2007-08		2008-09	2007-08
<b>Garments (Lac Pcs)</b>				
24.0	19.3	Shirts	38.3	33.3
7.6	6.9	Trousers	12.2	11.3
0.5	0.4	Suits	0.8	0.6
5.9	4.5	Others	8.6	9.6
<b>Textiles</b>				
918	1,093	Linen Fabric ('000 Mtrs)	2,011	2,053
576	523	Flax Yarn (MT)	1,023	965
874	663	Worsted Yarn (MT)	1,736	1,369
833	1,173	Wool Combing (MT)	1,755	2,249

# Production - Nuvo Standalone

## Annexure VII

Quarter - 2			Particulars	Half - Year		
Effective Capacity	Production	Utilisation		Effective Capacity	Production	Utilisation
4,100	4,121	101%	VFY (MT)	8,200	8,244	101%
20,531	19,210	94%	Caustic (MT)	41,063	39,796	97%
57,500	58,525	102%	Carbon Black (MT)	115,000	118,304	103%
216	264	122%	Fertilisers ('000 MT)	432	500	116%
9,700	8,618	89%	Insulators (MT)	19,400	15,917	82%

Quarter - 2		Particulars	Half - Year	
Effective Capacity	Production		Effective Capacity	Production
MT / '000 Mtrs.		Textiles	MT / '000 Mtrs.	
27 Looms	1,095	Linen Fabric ('000 Mtrs)	54 Looms	2,154
3771 Spindles	526	Flax Yarn (MT)	7542 Spindles	1,070
6387 Spindles	881	Worsted Yarn (MT)	12774 Spindles	1,745
1.5 Cards	833	Wool Combing (MT)	3 Cards	1,755

# Safe Harbor

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Statements in this “Presentation” describing the Company’s objectives, projections, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the Company’s principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the company conducts business and other factors such as litigation and labour negotiations. The Company assume no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events, or otherwise.

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