

Aditya Birla Nuvo Limited

Performance Review : Q3'FY09-10

Investor Presentation

Mumbai, 29th January 2010



strong foundation energised growth

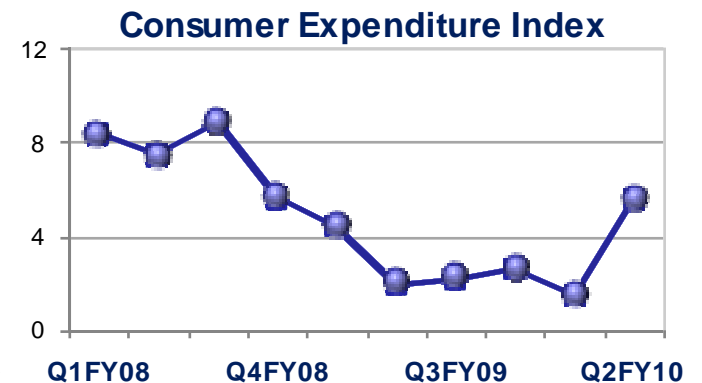
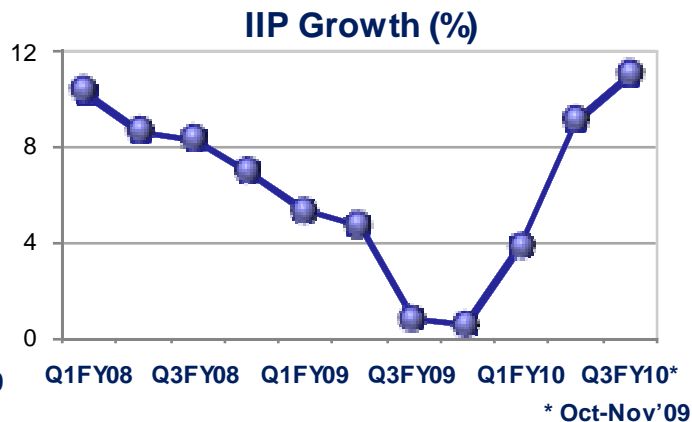
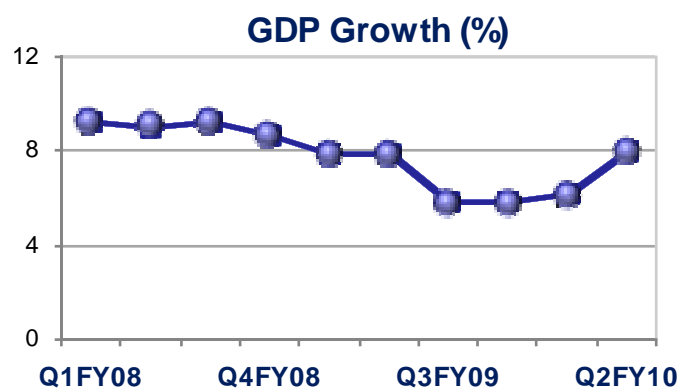
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India Inc. : Growth momentum continues ...

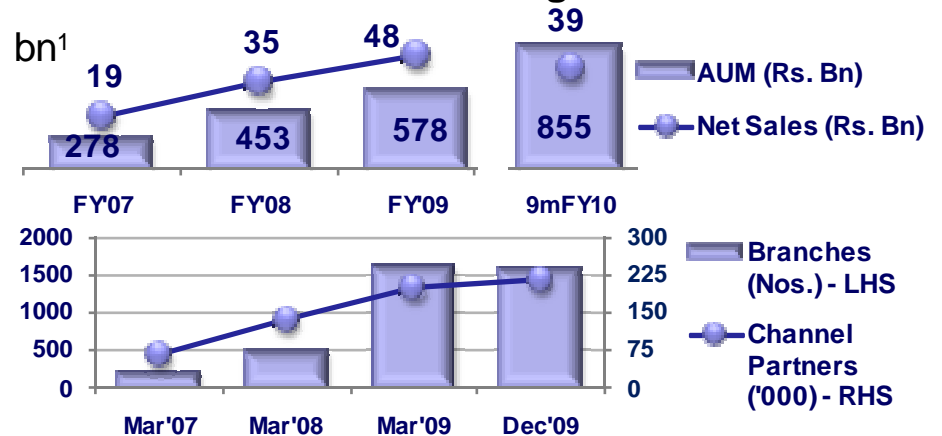
- India's real GDP grew by 7.9% in September quarter propelled by Government stimulus & domestic demand – Growth rate highest in previous 6 quarters (Source : CMIE)
- The Index of Industrial Production (IIP) grew by 11%* during Oct-Nov'09 compared to 1.3% growth achieved during corresponding period last year (*Quick estimate; Source : Ministry of Statistics and Programme Implementation)
- FII net inflows in CY09 aggregated ~USD 18.5 billion (Source : SEBI)
- To fuel its growth, India Inc. raised ~USD 9 billion through QIP in CY09
- Consumer spending is bouncing back after being impacted by global slowdown during last year – Growth achieved in Q2FY10 is highest since last 6 quarters (Source : CMIE)
- Inflation, interest rates & Government stimulus will be key factors to watch going forward



Aditya Birla Nuvo : Pursuing defined objectives

● Aditya Birla Financial Services : Be a leader & role model with a broad based & integrated business

- Combined AUM rose by 85% in past one year to ~ USD19 bn¹
- Net sales rose y-o-y by 29% to Rs. 39 billion in 9mFY10
- Trusted by more than 4.5 million customers
- Nation-wide coverage through more than 1500 branches & over 2 lacs channel partners (Direct Selling Agents, IFAs, Sub-Brokers)
- Maiden PE Fund of Rs. 675 Cr. announced first closure



● Telecom: Building sustainable competitiveness while maintaining growth momentum

- Now a Pan India player, Idea is consistently increasing its revenue market share amidst hyper-competition

● BPO: Building strong order book with a focus on bottom-line

- Turned positive at net profit level during the quarter. Consecutive 3rd quarter of cash profit generation.

● Garments: Capitalising on expanded retail space to achieve profitable growth

- Achieved savings of Rs. 92 Cr. in EBITDA during 9 months. Working capital turnover improved significantly.

● Value (Manufacturing) businesses: Capturing sector-growth & full potential

- Combined together, achieved highest ever EBITDA at Rs. 221 Cr. during the quarter

● Stronger balance sheet : Standalone Net Debt to Equity at 0.6 and Net Debt to EBITDA at less than 4

¹Note : 1 USD = Rs. 45

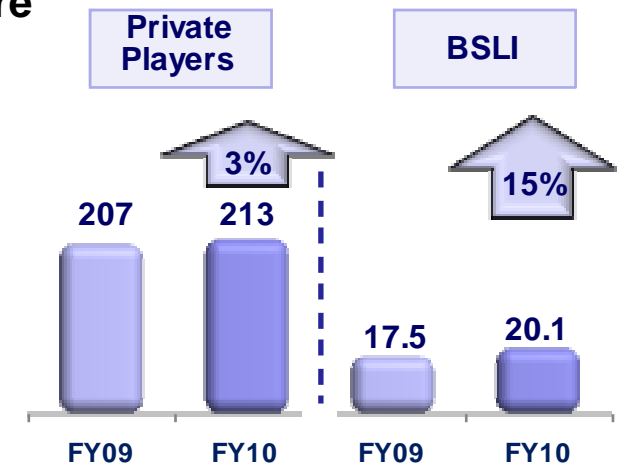
Aditya Birla Financial Services

Birla Sun Life Insurance (BSLI)

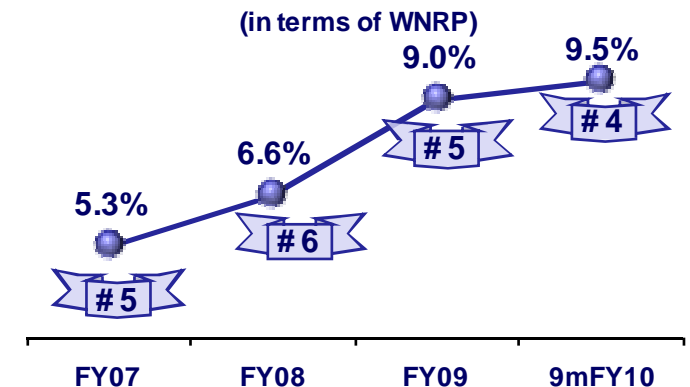
- **Private Sector** posted good growth in Q3 after de-growing in past 4 quarters
- **BSLI: Consistently outperforming private sector to gain market share**
 - Achieved 2nd best y-o-y growth rate in new business among top 7 private players during Apr-Dec'09
- **Expanding customer base for sustainable future growth** : Individual life policies issued in 9 months grew y-o-y by 56% to over 12.6 lacs
- **In Q3, total premium income grew y-o-y by 51% to Rs. 1466.1 Cr.**
 - Renewal premium grew by 43% to Rs. 576.6 Cr.
- **An eye on profitable growth led to reduction of ...**
 - ..net loss from Rs.165.8 Cr. to Rs. 142.8 Cr. in Q3 and from Rs. 512.6 Cr. to Rs. 381.2 Cr. in 9 months
 - ..capital infusion from Rs. 525 Cr. to Rs. 275 Cr. in 9 months
- **AUM almost doubled in past one year to Rs. 14735 Cr.**
 - 100% of AUM outperformed set benchmarks based on one year return

New business premium (WNRP¹)

(Rs. Billion)
9 months (Apr-Dec)



BSLI : Market share among private players



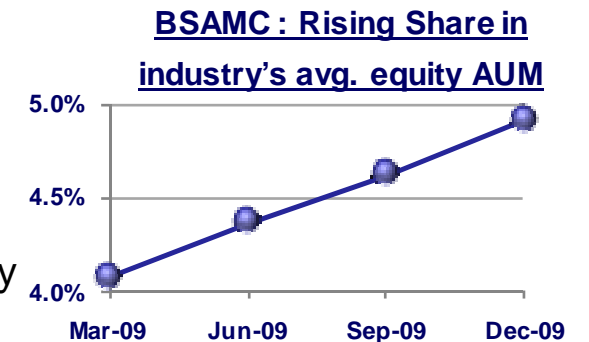
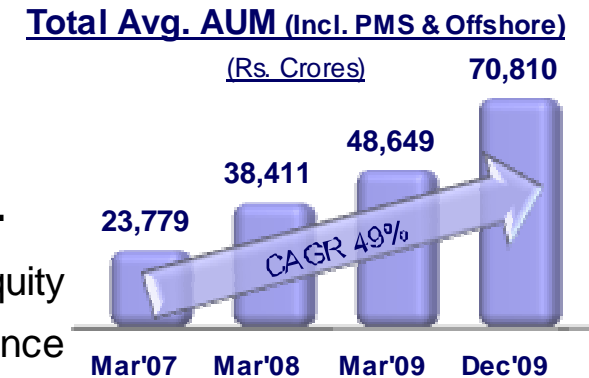
¹ Weighted New Received Premium = 100% of regular first year premium + 10% of single premium

Aditya Birla Financial Services

.... continued

Birla Sun Life Asset Management (BSAMC)

- Total avg. AUM at Rs. 70,810 Cr. registered 46% growth since Mar'09
- Equity avg. AUM (Incl. offshore) doubled since Mar'09 to Rs. 12,820 Cr.
 - Achieved highest growth rate among top 5 players in terms of domestic avg. equity AUM led by focus on increasing share of equity AUM and strong fund performance
 - ◆ BSAMC garnered equity net sales of over Rs. 350 Cr. during Q3 while industry faced net redemption
 - ◆ More than 85% of AUM is in top 2 quartiles of performance based on 90 days, 180 days as well as 3 year returns
 - ◆ Recorded maximum number of funds in 4 & 5 star categories in the industry



Aditya Birla Private Equity - Fund I

- Got commitments of over Rs. 675 Cr. and announced first close for subscription to this Fund in India

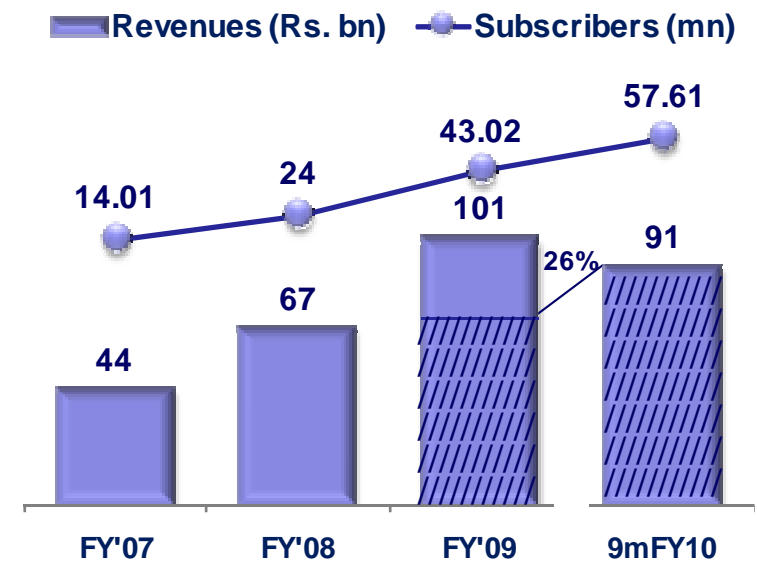
Aditya Birla Money

- Net profit grew considerably during the quarter led by 79% y-o-y rise in equity broking volumes

NBFC : Birla Global Finance Co. Ltd. re-branded as **Aditya Birla Finance Ltd.**

Idea Cellular

- **Now a Pan India player, Idea ranks 3rd in terms of wireless revenues market share at 12.1%¹**
 - + Ranks 2nd with ~ 20.3%¹ revenues market share in 9 service areas where it holds 900MHz spectrum
 - ◆ Industry derives ~48% of its gross revenues from these 9 out of total 22 service areas
 - + Maximisation in 900 MHz service areas and optimisation in 1800 MHz service areas to drive cost efficiencies
- **Subscribers base reached to 57.61 million subscribers (Posted highest ever net adds at 6.16 million in Q3)**
 - + In Q3, subscribers base grew q-o-q by 12% while total minutes of usage (MOU) grew by 14% to 64 billion minutes
- **VAS (as % of revenues) grew y-o-y from ~9.7% to ~11.3% in Q3**
- **In Q3, cash profit grew y-o-y by 21% to Rs. 740.8 Cr. even after absorbing competitive pressure on realised rate per minute and launch of 7 new service areas during the year**
 - + However, higher depreciation due to expansion lowered net profit from Rs. 219.5 Cr. to Rs. 170.1 Cr.
- **Strong balance sheet & sound cash profits to support future funding requirements**
 - + Net Debt to Equity stands at 0.38 and Net Debt to annualised EBITDA stands at 1.5



¹Based on gross revenues for UAS and Mobile license only for Sep'09 quarter, as released by TRAI

Other Growth businesses

● BPO : Business turned positive at net profit level in Q3FY10

- ◆ In Q3, posted net profit of Rs. 1 Cr. vis-à-vis net loss of Rs. 37.8 Cr. last year
- ◆ Continued cost rationalisation efforts strengthening bottom-line
 - ◆ Despite top-line being constrained due to lower business from few existing clients suffering slowdown
 - ◆ USD ~ 550 million (TCV) deals won during nine months will benefit largely from next year
- ◆ Infusion of Rs. 250 Cr. through zero coupon CCDs will strengthen balance sheet in Jan'2010

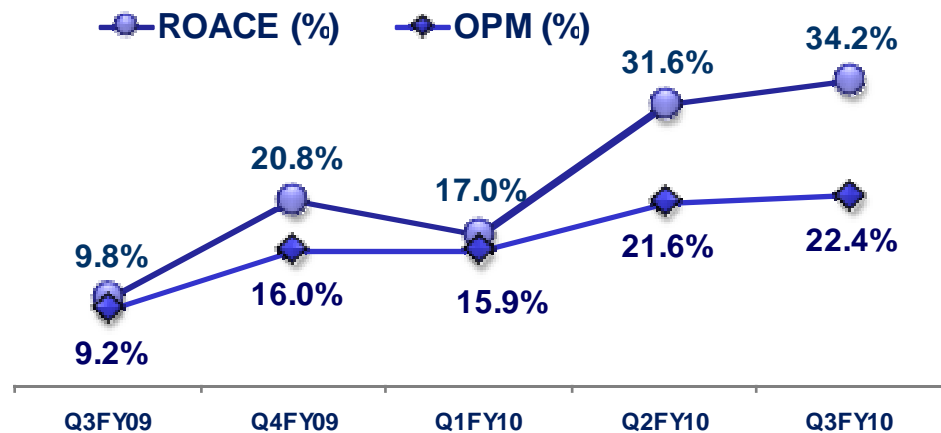
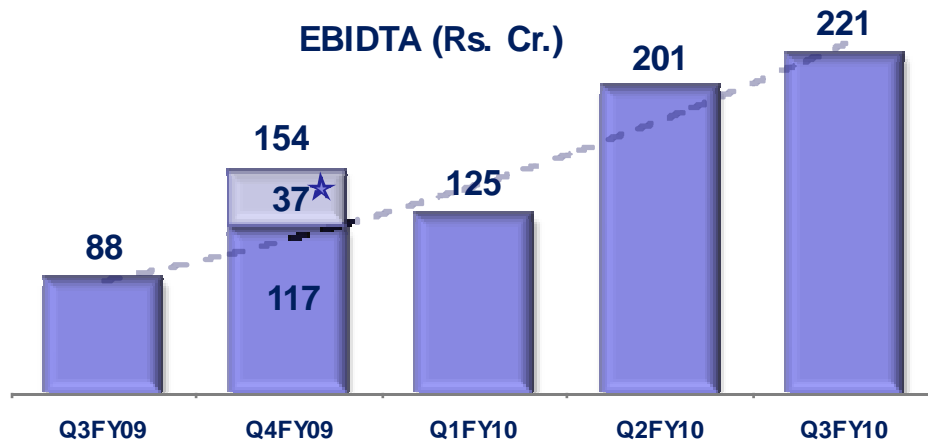
● Garments : Improving bottom-line

- ◆ In Q3, revenues grew y-o-y by 8% supported by 20% growth in retail channel
- ◆ Achieved savings of Rs. 50 Cr. in EBITDA during Q3 (Savings of Rs. 92 Cr. in 9 months) driven by cost optimisation and rightsizing measures
- ◆ Led by improved working capital management, capital employed reduced y-o-y

Value (Manufacturing) businesses

Achieved highest ever EBITDA at Rs. 221 Cr. during the quarter

- Posted 29% y-o-y growth in EBITDA during 9 months at Rs. 547 Cr.
- Consistently delivering strong operating margins and return on capital employed



Carbon black : Bottom-line improved considerably y-o-y supported by volume growth

- Greenfield expansion at Patalganga is progressing well. This will increase total capacity to 315K MTPA
- Planning to augment capacity further by 85K MTPA at Patalganga and by 85K MTPA in Southern India

Fertilisers : Attained higher per day productivity and profitability y-o-y as well as q-o-q

Rayon : Y-o-Y earnings grew significantly driven by higher VFY realisation and lower input costs

Insulators : Achieved highest ever quarterly volumes led by recent capacity expansion & improved yield

Textiles : Considerable improvement in profitability led by robust volume growth in linen segment

★ IPP Gain booked in the fertilisers business during Q4FY09

Financial Performance

Consolidated Revenues - Segmental

(Rs. Crores)

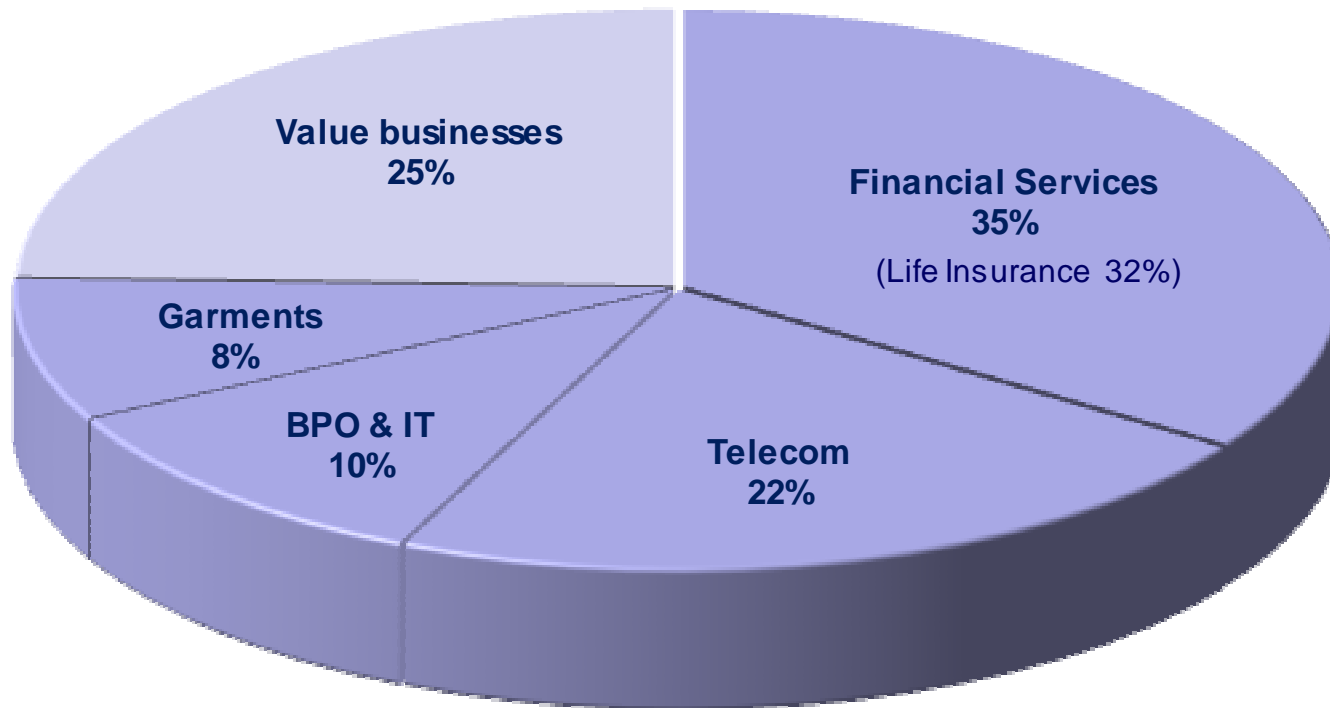
Quarter - 2	Quarter - 3		Revenues	Nine Months	
	2009-10	2008-09		2009-10	2008-09
1,142.5	1,466.1	972.9	Life Insurance (Premium income)	3,537.8	2,778.3
97.3	105.0	58.7	Other Financial Services *	286.9	191.6
801.9	847.2	737.2	Telecom (Nuvo's share) @	2,452.8	2,100.2
387.0	375.6	437.3	BPO & IT	1,154.8	1,371.2
341.6	315.2	292.5	Garments	911.9	842.5
931.2	986.9	963.1	Value businesses	2,705.0	2,917.0
286.7	310.4	221.9	Carbon Black	842.8	857.5
281.2	275.9	362.6	Fertilisers	748.5	912.0
134.4	129.4	125.8	Rayon	403.9	400.0
91.0	115.8	112.8	Insulators	285.2	309.5
138.0	155.4	139.9	Textiles	424.5	438.0
(7.5)	(10.9)	(3.9)	Inter-segment Elimination	(22.2)	(9.8)
3,694.0	4,085.0	3,457.6	Consolidated Net Sales (Incl. other operating income)	11,027.0	10,191.1
1,188.6	488.5	(315.1)	Investment Income / (Loss) on policyholders' funds	3,798.5	(785.8)
4,882.6	4,573.5	3,142.5	Consolidated Net Income from operations	14,825.5	9,405.3

* Other Financial Services include Asset Management, NBFC, Broking, Private Equity, Wealth Management and Insurance Advisory
@ Idea is consolidated at 31.78% till 12th Aug'08 and at 27.02% afterwards.

Consolidated Net Sales Mix – 9mFY10

Consolidated Net Sales (Incl. other operating income)

Rs. 11027 Crores



Growth Businesses
(Services & Brands)
75%

Value Businesses
(Manufacturing)
25%

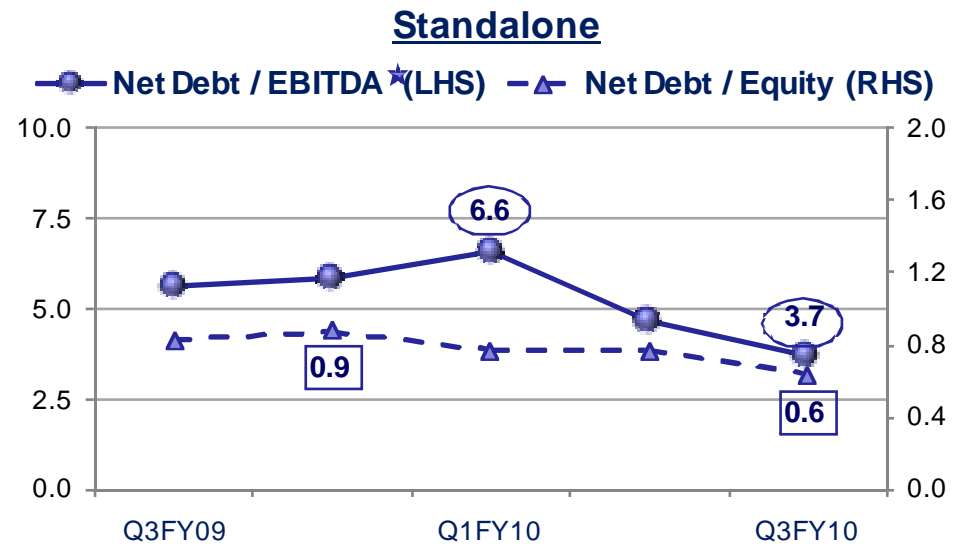
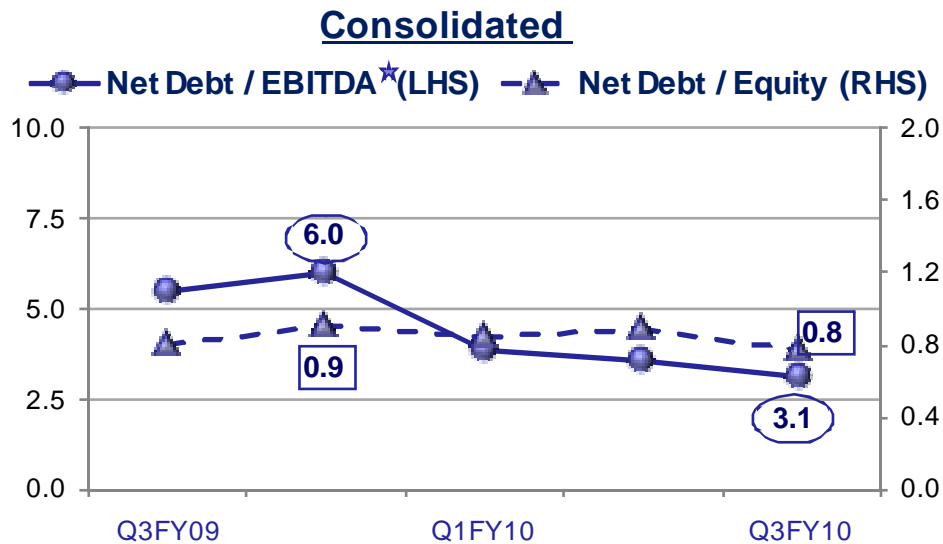
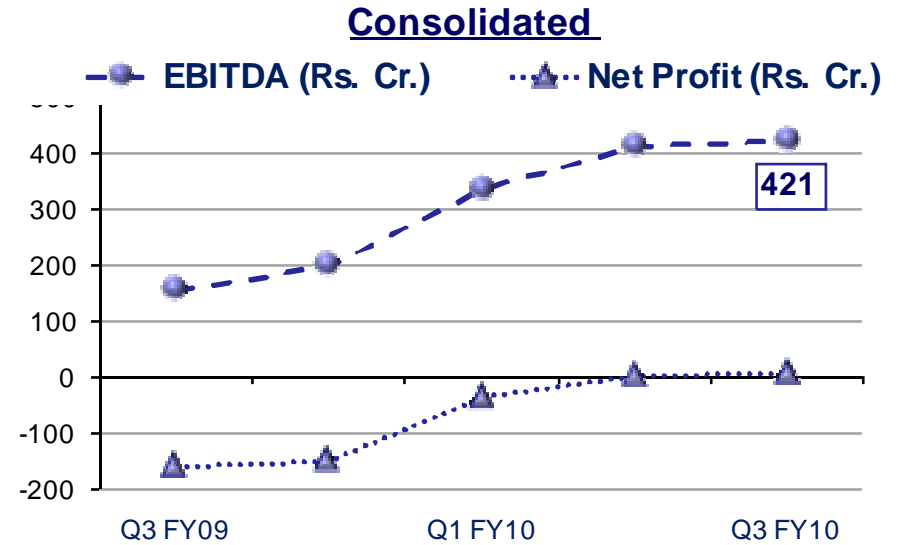
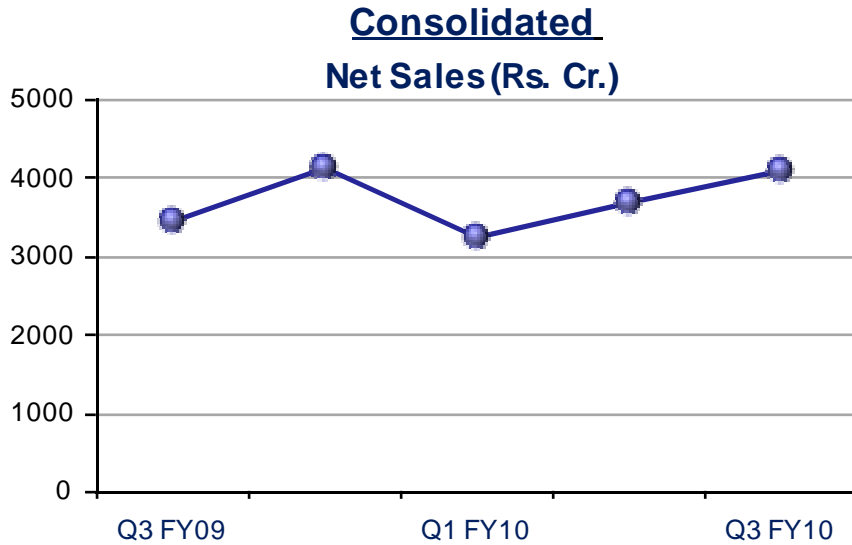
Consolidated Profitability (EBIT) - Segmental

(Rs. Crores)

Quarter - 2	Quarter - 3		EBIT	Nine Months	
2009-10	2009-10	2008-09		2009-10	2008-09
(124.9)	(140.0)	(161.1)	Life Insurance	(373.3)	(499.7)
15.5	23.6	7.2	Other Financial Services *	55.9	46.2
102.2	90.7	105.4	Telecom (Nuvo's share) @	315.3	355.1
9.7	15.5	(29.4)	BPO & IT	32.4	(44.1)
(12.2)	(9.1)	(57.9)	Garments	(66.4)	(145.2)
171.6	191.0	60.0	Value businesses	459.0	339.5
78.2	69.8	(26.3)	Carbon Black	173.0	38.4
33.5	51.1	43.2	Fertilisers	96.0	132.9
32.8	28.8	13.0	Rayon	100.1	61.1
17.2	27.5	25.2	Insulators	61.7	78.5
9.9	13.8	4.9	Textiles	28.2	28.6
161.9	171.7	(75.7)	Segmental EBIT	422.8	51.8

* Other Financial Services include Asset Management, NBFC, Broking, Private Equity, Wealth Management and Insurance Advisory
 @ Idea is consolidated at 31.78% till 12th Aug'08 and at 27.02% afterwards.

Financial Snapshot



★ Annualised EBITDA

Consolidated Financials

(Rs. Crores)

Quarter - 2	Quarter - 3		Particulars	Nine Months	
	2009-10	2008-09		2009-10	2008-09
3,694.0	4,085.0	3,457.6	Net Sales (Incl. Other operating income)	11,027.0	10,191.1
1,188.6	488.5	(315.1)	Investment income / (loss) on policyholders' funds	3,798.5	(785.8)
4,882.6	4,573.5	3,142.5	Net income from operations	14,825.5	9,405.3
413.0	421.0	156.4	EBITDA	1,169.8	666.5
166.9	154.9	199.5	Interest Expenses (Gross)	511.5	522.5
246.1	266.2	(43.1)	EBDT	658.3	144.0
212.6	220.4	181.5	Depreciation	635.7	498.0
33.5	45.7	(224.6)	Earnings before Tax	22.6	(354.0)
65.5	73.5	(20.8)	Provision for Taxation (Net)	145.4	76.6
(33.4)	(35.9)	(47.4)	Minority Interest	(97.2)	(141.2)
1.4	8.2	(156.4)	Net Profit after minority interest	(25.7)	(289.4)

Standalone Financials

(Rs. Crores)

Quarter - 2	Quarter - 3		Particulars	Nine Months	
	2009-10	2008-09		2009-10	2008-09
1,227.9	1,251.7	1,196.6	Net income from operations	3,476.5	3,612.3
235.1	254.9	102.9	EBITDA	617.2	458.5
86.1	80.1	86.2	Interest Expenses (Gross)	261.0	196.5
149.0	174.8	16.7	EBDT	356.2	262.1
44.9	43.9	42.1	Depreciation	133.0	121.3
104.1	130.9	(25.3)	Earnings before Tax	223.2	140.8
44.8	50.3	(29.4)	Provision for Taxation (Net)	85.6	29.7
59.2	80.7	4.1	Net Profit	137.7	111.1

Vision and Strategy

Vision

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

Strategy

To increase share of 'Growth' businesses in the consolidated revenues by deploying surplus cash generated by 'Value' businesses to nurture 'Growth' businesses

Plan

To achieve target of 'PATH TO PROFITABILITY' in the 'Growth' businesses

Annexure I
Business-wise Review
Q3FY10 over Q3FY09

Birla Sun Life Insurance

- During Q3, total premium income at Rs. 1,466.1 Cr. grew y-o-y by 51%
 - First year premium rose by 54%
 - Group new business grew multifold
 - Renewal premium grew by 43%
- In Q3, net loss reduced from Rs. 165.8 Cr. to Rs. 142.8 Cr.
 - Profitability arising out of in-force business and declining expense ratio contributed
- New Product suite launched – Saral solutions, Dream solutions & Titanium plus - in line with IRDA guidelines
- Alternate channel relationships (Banks, Corporate Agents & Brokers) & Direct Selling Agents grew from 426 & 1.66 lacs in Mar'09 to over 675 & 1.78 lacs in Dec'09 respectively
- Going Forward :
 - Delivering consistent & superior returns to policyholders
 - Leveraging expanded reach and improving productivity across distribution channels
 - Offering innovative and customer centric products

Quarter - 3		Rs. Crores	Nine Months	
2009-10	2008-09		2009-10	2008-09
		<u>First Year Premium</u>		
633.1	560.4	Individual Business	1,621.6	1,629.3
314.3	54.0	Group Business	423.8	159.5
947.4	614.4	First Year Premium (Gross)	2,045.5	1,788.8
576.6	402.6	Renewal Premium (Gross)	1,639.0	1,098.6
1,466.1	972.9	Net Premium Income (Net of reinsurance and service tax)	3,537.8	2,778.3
488.5	(315.1)	Investment income / (loss) on policyholders' funds	3,798.5	(785.8)
1,954.5	657.8	Revenues	7,336.3	1,992.6
(142.8)	(165.8)	Net Profit/(Loss)	(381.2)	(512.6)
		Capital	2,274.5	1,799.5
		Assets under management	14,734.7	7,958.5

Birla Sun Life Asset Management

- **Posted 86% y-o-y growth in avg. domestic AUM at Rs. 68,066 Cr.**
 - + Ranked 5th with 8.6% market share
 - + Achieved 3rd highest growth rate amongst top-5 players
- **In Q3, revenues (fee income) grew y-o-y from Rs. 43 Cr. to Rs. 82.6 Cr. driven by higher average AUM**
 - + Achieved net profit of Rs. 16.1 Cr. vis-à-vis net loss of Rs. 4.6 Cr. incurred in Q3 last year
- **During 9 months, net profit grew six fold to Rs. 30.2 Cr.**
- **Financial Advisors (IFAs) grew from 29K in Mar'09 to 31K in Dec'09**
- **SIPs grew by 34% y-o-y from 2 lacs to 2.7 lacs**
- **Going Forward :**
 - + Delivering consistent & superior returns to customers
 - + Increasing share of high margin AUM

Rs. Crores	Average AUM	
	Dec-09	Dec-08
Equity	10,396	4,883
Debt & Liquid	57,670	31,683
Domestic AUM	68,066	36,566
Off shore (All Equity)	2,424	1,423
PMS	320	249
Total AUM	70,810	38,238
	<u>FY'10</u>	<u>FY'09</u>
Revenues (Fee Income) Quarter - 3	82.6	43.0
9 Months	199.1	128.0
Earnings before Tax Quarter - 3	23.1	(6.0)
9 Months	44.6	11.3
Net Profit Quarter - 3	16.1	(4.6)
9 Months	30.2	5.0

Other Financial Services

- During Q3, revenues of Aditya Birla Finance (NBFC) de-grew from Rs. 30.1 Cr. to Rs. 16.1 Cr.

 - Net profit sustained at Rs. 7.7 Cr.
- In Q3, Aditya Birla Money posted 70% y-o-y growth in revenues led by 79% rise in equity broking volumes

 - Net profit grew to Rs. 3.9 Cr. in Q3
 - In 9mFY10, revenues grew by 24% and net profit grew 3 times driven by 36% rise in equity broking volumes
- Birla Sun Life Distribution : Revenues grew y-o-y & q-o-q

 - Investment in people, process and technology related infrastructure has strained bottom-line; full benefit to accrue in coming quarters with growth in top-line
 - Loss is reducing q-o-q led by growing top-line

Quarter - 3		Rs. Crores	Nine Months	
2009-10	2008-09		2009-10	2008-09

Aditya Birla Finance Ltd.

16.1	30.1	Revenues	53.4	100.0
11.7	12.0	Earnings before tax	32.1	38.9
7.7	8.0	Net Profit	21.0	25.3

Aditya Birla Money Ltd.

30.3	17.8	Revenues	84.9	68.7
6.0	0.2	Earnings before tax	16.0	5.3
3.9	(0.0)	Net Profit	10.0	3.3

Birla Sun Life Distribution Company Ltd.

12.5	4.1	Revenues	31.3	17.5
(2.6)	(2.1)	Earnings before tax	(13.7)	(5.0)
(2.6)	(2.1)	Net Profit	(13.7)	(5.1)

Birla Insurance Advisory & Broking Services Ltd.

4.0	3.3	Revenues	15.1	13.2
0.2	0.6	Earnings before tax	4.1	6.7
0.2	0.3	Net Profit	2.7	4.6

Note : ABNL acquired 76% stake in Aditya Birla Money w.e.f. 6th Mar'09. The table displays full quarterly & 9 months figures of Aditya Birla Money for FY2008-09 to make the performance comparable

Idea Cellular

- In Q3, revenues grew y-o-y by 15% to Rs. 3,135.8 Cr. supported by growth in MOUs
- During the quarter, cash profit rose by 21% from Rs. 611.7 Cr. to Rs. 740.8 Cr.
 - Depreciation rose from Rs. 393.7 Cr. to Rs. 513 Cr. due to expansion besides consolidation of Spice & Indus
 - Benefit of these costs will accrue going forward
 - Net profit de-grew y-o-y from Rs. 219.5 to Rs.170.1 Cr.
- Being a Pan India player, peak funding period for 2G operations is now over
- Going Forward :
 - Continued focus on operating efficiencies to emerge stronger in the phase of hyper-competition
 - Leveraging synergies from Pan India presence and deriving full benefits from Tower Joint Venture

Quarter - 3		Rs. Crores	Nine Months	
2009-10	2008-09		2009-10	2008-09
		Subscribers (Nos. in Million)	57.61	38.01
3,135.8	2,728.6	Revenues	9,078.9	7,201.2
848.7	783.8	EBITDA	2,615.2	2,175.6
335.7	390.1	EBIT	1,166.9	1,203.8
170.1	219.5	Net Profit	687.3	626.6
		Net Worth (A)	13,977.5	13,558.4
		Total Debt (B)	7,369.1	10,777.3
		Capital Employed (A + B)	21,346.6	24,335.7
6.3	6.9	ROACE (Annualised) (%)	7.1	9.3
895.2	1,410.8	Capital Expenditure	2,772.4	4,187.6

* Spice results have been consolidated at 41.09% as a Joint Venture since 16th Oct'08 and Indus at 16%

Aditya Birla Minacs

BPO

- **Revenues de-grew due to lower business from few of the existing clients suffering slowdown**
 - Benefit of ~USD 550 million deals won during nine months will accrue largely next year onwards
- **Turned positive at net profit level in Q3**
 - EBITDA margins improved by 200 bps q-o-q & 1000 bps y-o-y
 - Driven by site consolidation and cost control efforts
- **Going Forward :**
 - Leveraging Aditya Birla Group Ecosystem
 - Improving seats utilisation and sites rationalisation
 - Growing share of high margin KPO / non-voice segments
 - Off-shoring support functions
 - Capitalising on strengthened balance sheet

Quarter - 3		Rs. Crores	Nine Months	
2009-10	2008-09		2009-10	2008-09
		Operating Seats (Nos.)	8,659	9,006
		Employees (Nos.)	12,665	12,794
361.4	416.0	Revenues	1106.4	1300.1
13.8	(24.6)	EBIT	25.0	(43.3)
1.0	(37.8)	Net Profit/(Loss)	(16.1)	(87.2)

IT Services

- In Q3, posted revenues at Rs. 24.2 Cr. & net profit at Rs. 1.1 Cr. vis-à-vis revenues of Rs. 22.3Cr. & net loss of Rs. 5.6 Cr. incurred in the corresponding quarter last year

Madura Garments

■ In Q3, revenues grew y-o-y by 8% to Rs. 315.2 Cr.

- Branded Garments revenues grew y-o-y by 13% supported by 8% volume growth
- Apparel Retail : Achieved good growth in revenues
- Contract exports : Achieved 6% q-o-q growth in sales volumes

■ Bottom-line improved q-o-q as well as y-o-y

- Led by manpower rationalisation, rent re-negotiation and overheads reduction efforts

■ Significant reduction in working capital through improved inventory management

■ Consolidation of subsidiaries is underway

■ Going Forward :

- Improving retail productivity for higher sell-through
- Focus on profitable expansion to drive sustainable growth
- Controlling overheads, rightsizing and enhancing supply chain efficiency

Quarter - 3		Rs. Crores	Nine Months	
2009-10	2008-09		2009-10	2008-09
265.6	234.4	Branded Garments	772.2	695.9
10.6	7.4	Apparel Retail	26.0	12.7
39.6	51.7	Contract Exports	107.2	146.3
315.2	292.5	Revenues (Net of Elimination)	911.9	842.5
10.1	(39.5)	EBITDA	(6.7)	(98.2)
(9.1)	(57.9)	EBIT	(66.4)	(145.2)
515.5	791.4	Capital Employed	515.5	791.4

Hi-Tech Carbon

Quarterly sales volumes grew y-o-y by 53%

- During Q3 last year, sales volumes were constrained by demand slowdown in auto / tyre sector
- Revenues grew y-o-y by 40% to Rs. 310.4 Cr.
- Realisation is lower y-o-y but higher q-o-q reflecting movement in crude oil prices with a time lag of 3 months

Posted EBITDA at Rs. 76 Cr. during Q3 vis-à-vis loss of Rs. 20.1 Cr. incurred last year

- Profitability in Q3 last year was impacted due to consumption of high priced CBFS
- Higher profitability during the past two quarters is reflective more of one time input price advantage*

Going Forward :

- Optimising CBFS procurement costs
- Completion of Greenfield expansion at Patalganga and 10MW Power plant at Renukoot plant
- Further expansion by 85K MTPA at Patalganga in second phase and by 85K MTPA in southern India

Quarter - 3		Rs. Crores	Nine Months	
2009-10	2008-09		2009-10	2008-09
56,400	36,831	Sales Volumes (MT)	172,373	154,968
51,842	57,306	Realisation (Rs./MT)	45,510	53,116
310.4	221.9	Revenues	842.8	857.5
76.0	(20.1)	EBITDA	191.7	57.1
69.8	(26.3)	EBIT	173.0	38.4
850.9	887.1	Capital Employed	850.9	887.1
33.9	(11.3)	ROACE (Annualised) (%)	28.8	6.6

Indo Gulf Fertilisers

During Q3, Indo-Gulf achieved higher per day productivity y-o-y leading to growth in volumes

Revenues lower at Rs. 275.9 Cr. vis-à-vis Rs. 362.6 Cr.

- In Q3 last year, high input / fuel (Natural Gas / Naphtha) cost was reflected in higher subsidies
- Delayed monsoon affected agri-products trading segment

EBITDA at Rs. 55.9 Crores grew year on year driven by higher volumes

Going Forward

- Enhancing profitability through improved productivity

Quarter - 3		Rs. Crores	Nine Months	
2009-10	2008-09		2009-10	2008-09
301	289	Urea Sales ('000MT)	807	792
275.9	362.6	Revenues	748.5	912.0
262.0	308.6	Urea	702.4	807.2
13.9	54.0	Agri-products trading	46.1	104.8
55.9	47.8	EBITDA	110.1	147.0
51.1	43.2	EBIT	96.0	132.9
400.2	444.9	Capital Employed	400.2	444.9
50.2	41.8	ROACE (Annualised) (%)	25.9	36.3

Indian Rayon

● **During Q3, VFY revenues rose by 7% to Rs. 92.6 Cr.**

- Focus on finer denier yarn fetched higher realisation

● **In Q3, chemical revenues de-grew marginally to Rs. 36.8 Cr.**

- Caustic Soda sales volumes grew y-o-y by 28% on back of capacity expansion done in Dec'08 end last year
- ECU realisation remained under pressure due to lower caustic soda prices

● **EBITDA grew considerably from Rs. 21.2 Cr. to Rs. 37.3 Cr.**

- Higher VFY realisation coupled with lower sulphur & wood-pulp prices contributed significantly
- In the chemical segment, lower ECU realisation was offset by increase in caustic soda volumes

● **Going Forward**

- Improving yarn quality to derive premium
- Increasing share of value added yarn

Quarter - 3		Rs. Crores	Nine Months	
2009-10	2008-09		2009-10	2008-09
		<u>VFY</u>		
4,101	4,138	Sales Volumes (MT)	12,372	12,605
225.8	209.8	Realisation (Rs./Kg.)	222.6	200.5
92.6	86.8	Revenues (Rs. Cr.)	275.4	252.7
		<u>Chemical</u>		
22,013	17,220	Caustic Soda Sales (MT)	65,757	56,148
15,799	20,037	ECU Realisation (Rs./MT.)	18,859	22,913
36.8	39.0	Revenues (Rs. Cr.)	128.5	147.3
129.4	125.8	Total Revenues	403.9	400.0
37.3	21.2	EBITDA	125.5	85.8
28.8	13.0	EBIT	100.1	61.1
413.5	439.6	Capital Employed	413.5	439.6
27.5	11.8	ROACE (Annualised) (%)	31.4	18.2

Aditya Birla Insulators

- During Apr-Dec'09, power sector achieved ~60% of targeted capacity addition of ~10,500 MW. This is 2 times capacity added in Apr-Dec'08 (Source : CEA)
- Business achieved highest ever quarterly volumes
 - Recent capacity expansion & improved yield contributed
- Quarterly revenues remained flat at Rs. 115.8 Cr.
 - Domestic volumes grew 22% q-o-q and 32% y-o-y with the power projects activities gaining momentum
 - ◆ Realisation remained under pressure due to increased competition
 - Export volumes doubled q-o-q but remained lower y-o-y
- In Q3, EBITDA grew y-o-y from Rs. 28.7 Cr. to Rs. 32.1 Cr. led by higher volumes
- Going Forward
 - Continuous yield enhancement to improve margins

Quarter - 3		Rs. Crores	Nine Months	
2009-10	2008-09		2009-10	2008-09
10,144	8,311	Sales Volumes (MT)	24,744	23,480
115.8	112.8	Revenues	285.2	309.5
32.1	28.7	EBITDA	74.8	89.1
27.5	25.2	EBIT	61.7	78.5
299.6	268.9	Capital Employed	299.6	268.9
38.5	39.7	ROACE (Annualised) (%)	29.2	41.1

Jaya Shree Textiles

Quarterly revenues grew y-o-y by 11% to Rs. 155.4 Cr.

- Linens Fabric and Linens Yarn witnessed robust demand

In Q3, EBITDA almost doubled y-o-y and grew by 25% q-o-q

- Volume growth in the linens segment coupled with lower flax fibre prices contributed
- Q3 last year was impacted by usage of high priced stock due to sudden fall in commodity prices

Significant reduction in working capital through improved inventory and receivables management

Increasing share of high margin retail segment

- Rolled out 9 stores YTD under the brand "Linen Club" (buy & sell model without any capex) to reach a total of 30 stores

Going Forward

- Expanding presence in high margin retail segment

Quarter - 3		Rs. Crores	Nine Months	
2009-10	2008-09		2009-10	2008-09
69.3	50.0	Linen Segment	153.5	136.6
86.0	90.0	Wool Segment	271.1	301.4
155.4	139.9	Revenues	424.5	438.0
19.5	10.5	EBITDA	45.2	44.5
13.8	4.9	EBIT	28.2	28.6
289.5	399.4	Capital Employed	289.5	399.4
18.7	4.8	ROACE (Annualised) (%)	11.9	10.0

Annexure II

Capex & Balance Sheet

Capex Plan

(Rs. Crores)

S.N.	Description	Capex Plan	Spent till Dec'09	Balance to be spent
A	<u>Aditya Birla Nuvo Limited</u>			
	Rayon	46.4	26.6	19.8
	Garments (<i>Incl. Security Deposits</i>)	55.2	20.2	35.1
	Carbon Black		-	
	Patalganga (75,000 MTPA)	240.0	155.4	84.7
	Power Project (10 MW)	24.0	8.3	15.7
	Others	11.7	10.3	1.4
	Fertilisers	46.0	23.0	22.9
	Insulator	85.5	49.6	35.9
	Textiles	19.6	4.0	15.6
	Nuvo's Capex	528.4	297.4	231.0
B	<u>Major Capex (Subsidiaries)</u>			
	Apparel Retail (<i>Incl. Security Deposits</i>)	22.1	8.5	13.6
	BPO & IT	145.5	51.2	94.3
C	Grand Total	696.0	357.1	338.9

Note : Life Insurance biz. will require funding of Rs. 400-500 Crores from Nuvo in FY'09-10 to fund its growth plans. Nuvo will also contribute 20% of the corpus of Private Equity fund as sponsor commitment over a period of three years.

Consolidated Profit and Loss and Balance Sheet Snapshot

(Rs. Crores)

Particulars	Dec 2009	March 2009
Net Worth	6,324.6	5,742.3
Minority Interest	153.5	179.2
Total Debts	6,670.7	8,115.1
Deferred Tax Liabilities (Net)	240.5	219.8
Capital Employed	13,389.4	14,256.4
Policyholders' funds (Incl. funds for future appropriation)	14,409.5	8,725.8
Total Liabilities	27,798.8	22,982.2
Net Block (Incl. Goodwill)	10,623.2	10,094.6
Net Working Capital	444.0	583.4
Long Term Investments	218.9	218.9
Life Insurance Investments	14,734.7	9,168.4
Cash & Cash Equivalents	1,778.0	2,917.0
Book Value (Rs.)	613.9	604.3
Net Debt Equity (x)	0.8:1	0.9:1

Particulars	Quarter - 3		Nine Months	
	2009-10	2008-09	2009-10	2008-09
Net income from operations	4,573.5	3,142.5	14,825.5	9,405.3
EBITDA	421.0	156.4	1,169.8	666.5
EBITDA Margin (%)	9.2	5.0	7.9	7.1
Interest	154.9	199.5	511.5	522.5
EBDT	266.2	(43.1)	658.3	144.0
Net Profit (after Minority Interest)	8.2	(156.4)	(25.7)	(289.4)
Annualised EPS (Rs.)	3.24	(65.88)	(3.5)	(40.8)

Note : Equity Share Capital increased from Rs. 95 Cr. to Rs. 103 Cr. in Oct'09 on conversion of 8 million warrants

Standalone Profit and Loss and Balance Sheet Snapshot

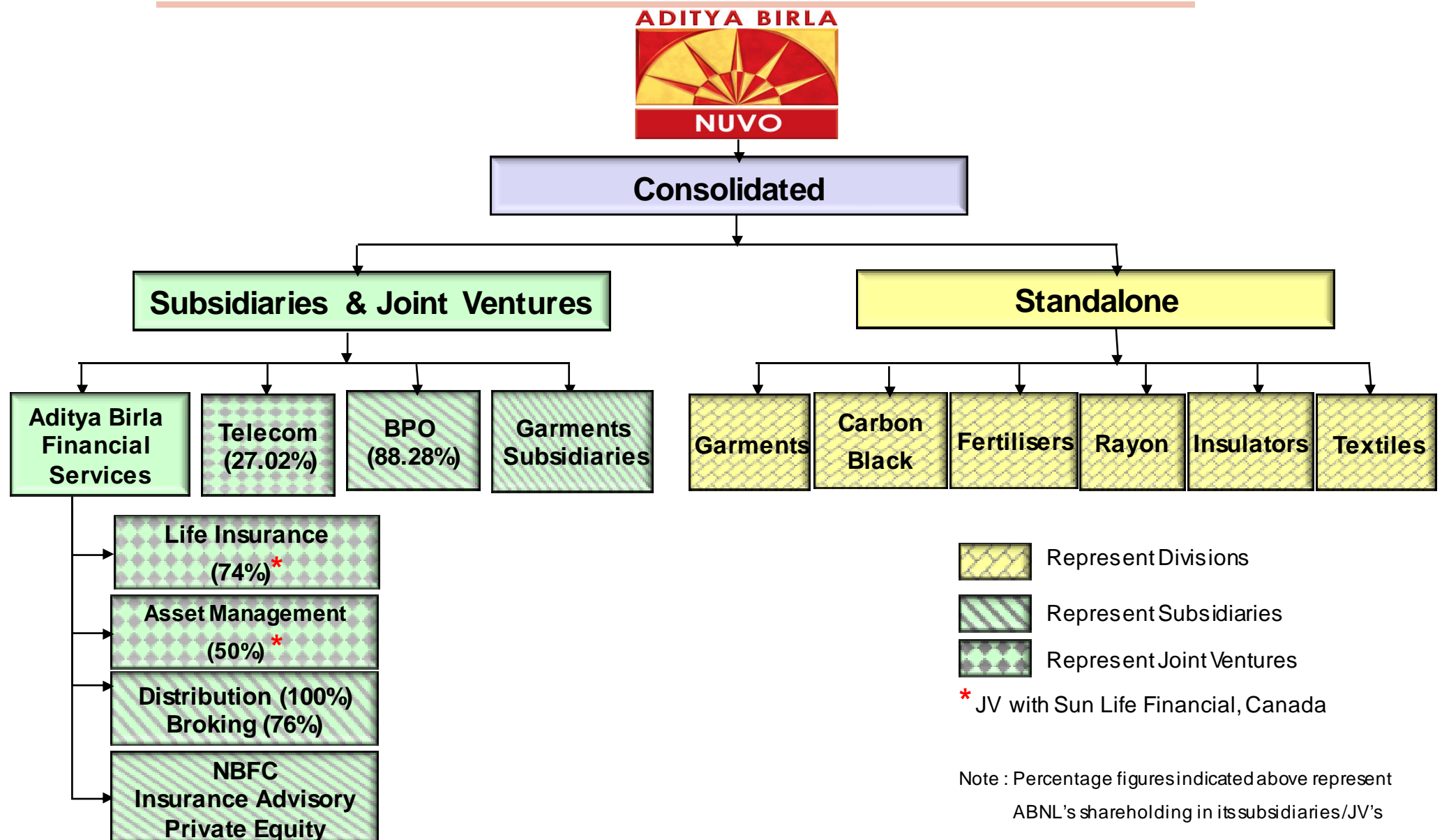
(Rs. Crores)

Particulars	Dec 2009	March 2009
Net Worth	4,834.8	4,121.7
Total Debts	3,532.0	4,499.2
Deferred Tax Liabilities	175.3	180.2
Capital Employed	8,542.1	8,801.1
Net Block	1,621.6	1,605.0
Net Working Capital	1,171.3	1,356.5
Long Term Investments	5,285.2	4,982.4
Cash & Cash Equivalents	464.1	857.3
Book Value (Rs.)	469.4	433.8
Net Debt Equity (x)	0.6:1	0.9:1
Market Capitalisation - NSE	9,027	4,227

Particulars	Quarter - 3		Nine Months	
	2009-10	2008-09	2009-10	2008-09
Net income from operations	1,251.7	1,196.6	3,476.5	3,612.3
EBITDA	254.9	102.9	617.2	458.5
EBITDA Margin (%)	20.4	8.6	17.8	12.7
Interest	80.1	86.2	261.0	196.5
EBDT	174.8	16.7	356.2	262.1
Net Profit	80.7	4.1	137.7	111.1
Annualised EPS (Rs.)	32.1	1.7	19.0	15.6

Note : Equity Share Capital increased from Rs. 95 Cr. to Rs. 103 Cr. in Oct'09 on conversion of 8 million warrants

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