

ADITYA BIRLA



Aditya Birla Nuvo Limited

Performance Review : 3rd Quarter FY2010-11

Mumbai, 11th February 2011

Stock Code: **BSE** : 500303 **NSE** : ABIRLANUVO **Reuters** : ABRL.BO / ABRL.NS / IRYN.LU **Bloomberg** : ABNL IN / NABNL IN / IRIG LX

Investor presentation

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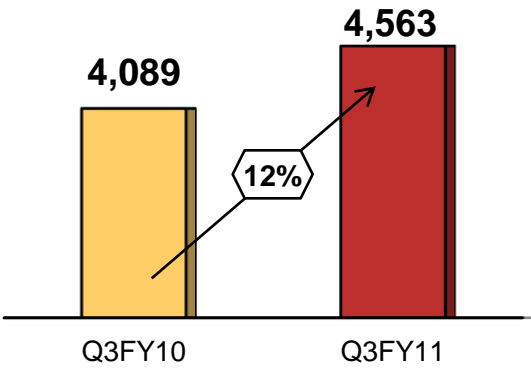
Growth outlook moderates amidst inflation woes

- ◆ **Indian economy grew by 8.9% in the first half of 2010-11. Growth is projected at 8.6% for full year.**
 - ➔ Household consumption growth rose to ~9% while investment growth surged to ~15% during H1FY11
- ◆ **Key economic indicators :**
 - ➔ The volatility in Index of Industrial Production (IIP) continues – After growing at 11.3% (y-o-y) in Oct'10, IIP dipped to 2.7% in Nov'10 on account of both high base effect & decline in month-on-month momentum
 - ➔ FII's invested record ~USD 40 billion in CY10 - Turned equity net sellers in Jan'11
 - ➔ High inflation, RBI's monetary tightening measures, volatile capital inflows, crude oil price, the pace of recovery in developed economies etc. will be key indicators to watch going forward
- ◆ **Growth of Indian Economy continues to be driven by four key factors:**
 - ➔ (a) Savings, (b) Consumption, (c) Infrastructure Development & (d) Exports
- ◆ **Aditya Birla Nuvo**, a large ecosystem with leadership position across its businesses viz., – Financial Services, Telecom, Fashion & Lifestyle, IT-ITeS and Manufacturing – is uniquely positioned to capitalise on growth opportunities present across multiple sectors of Indian economy

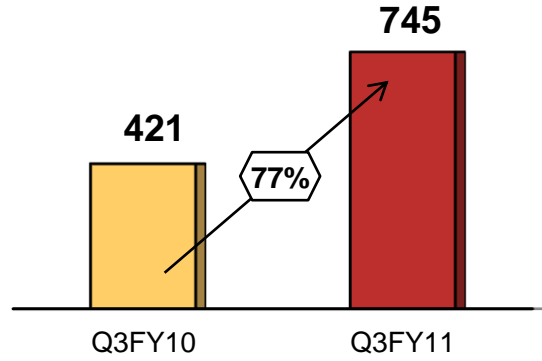
Aditya Birla Nuvo : Consolidated earnings – Q3

Led by strong y-o-y growth in earnings ...

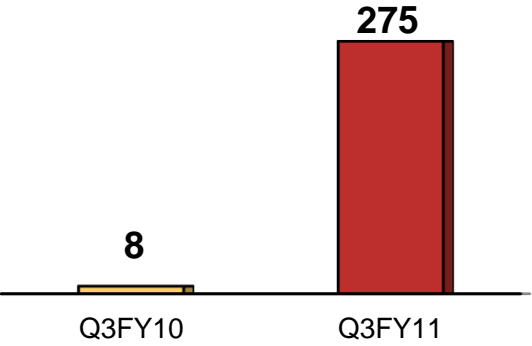
Revenue
(₹ Crore)



EBITDA
(₹ Crore)



Net Profit
(₹ Crore)



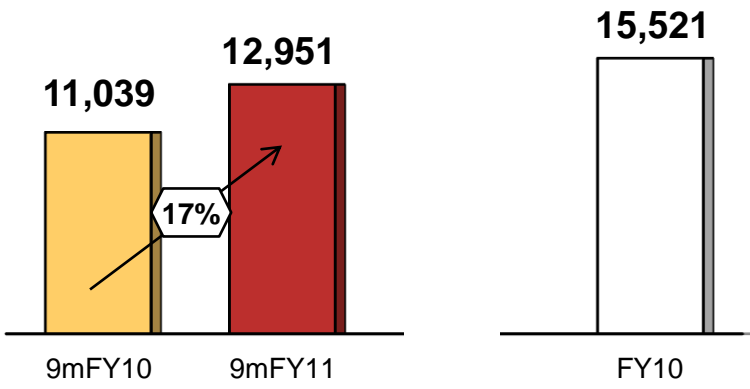
A swing of more than ₹ 250 Cr. in net profit during the quarter

Consolidated earnings – Nine months

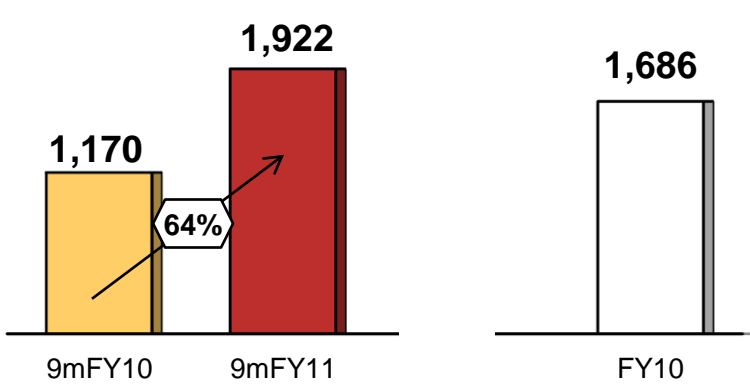
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... nine months profitability surpasses full previous year's earnings

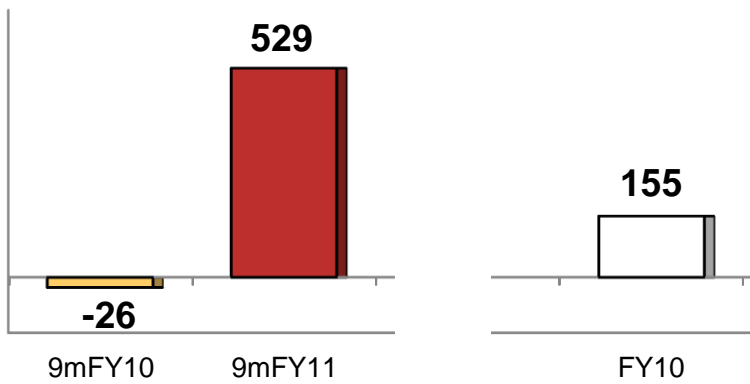
Revenue (₹ Crore)



EBITDA (₹ Crore)



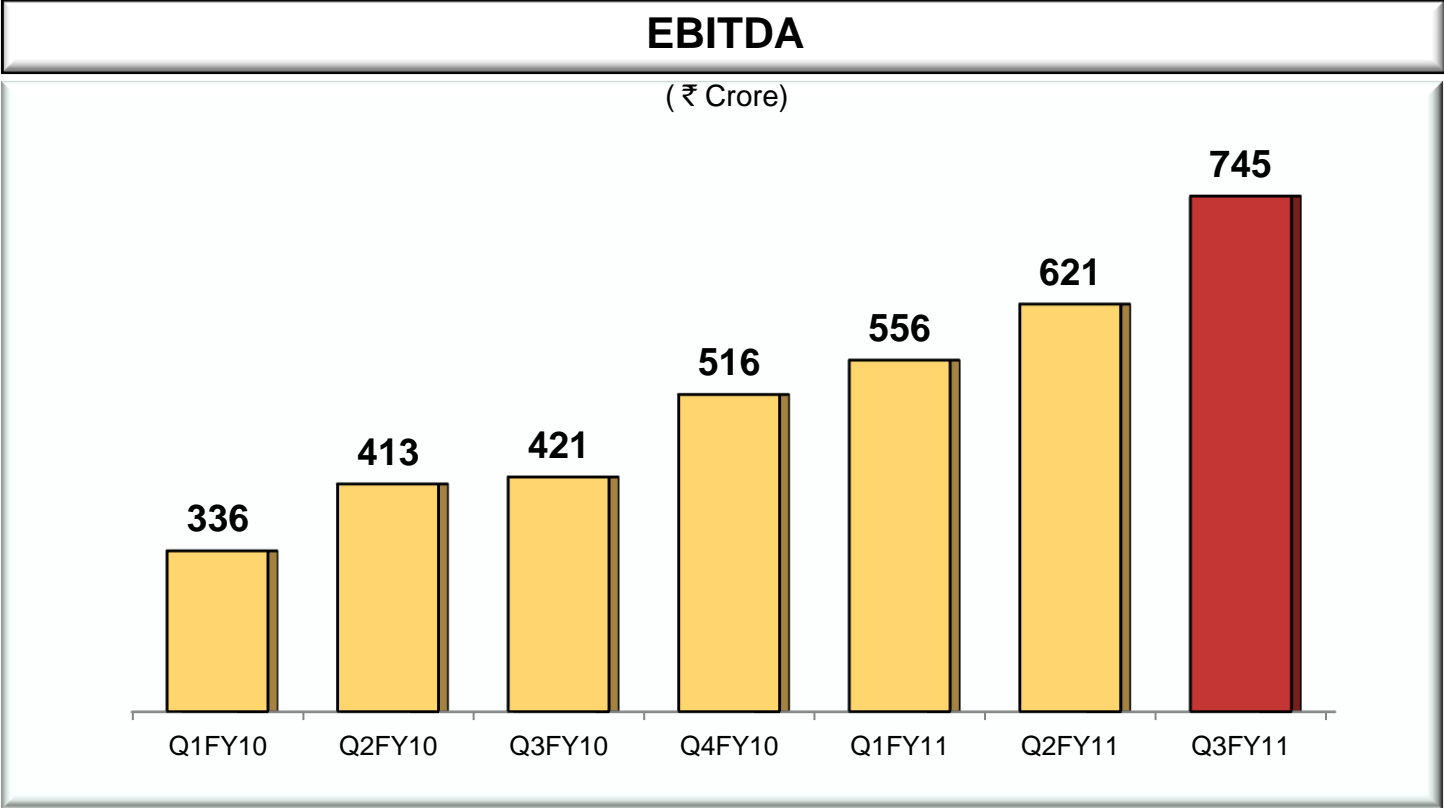
Net Profit (₹ Crore)



A swing of more than ₹ 550 Cr. in net profit during nine months

Consolidated EBITDA – Growth Trend

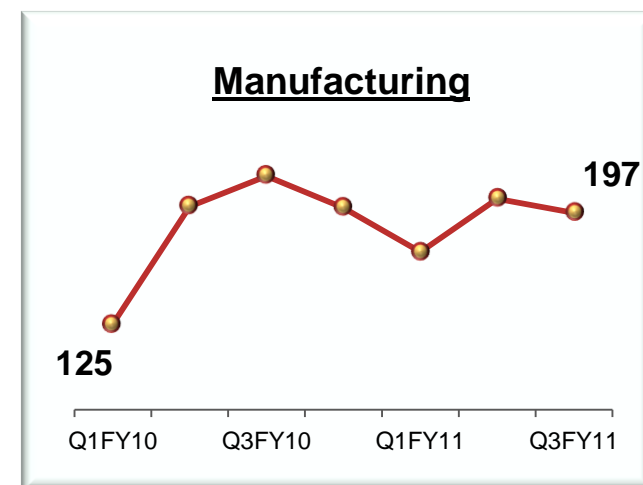
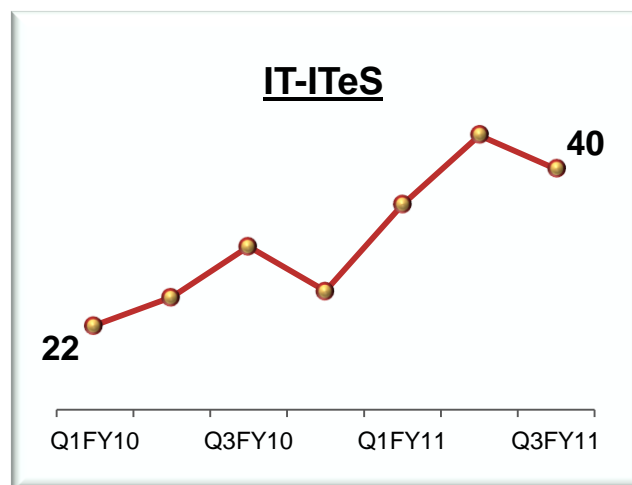
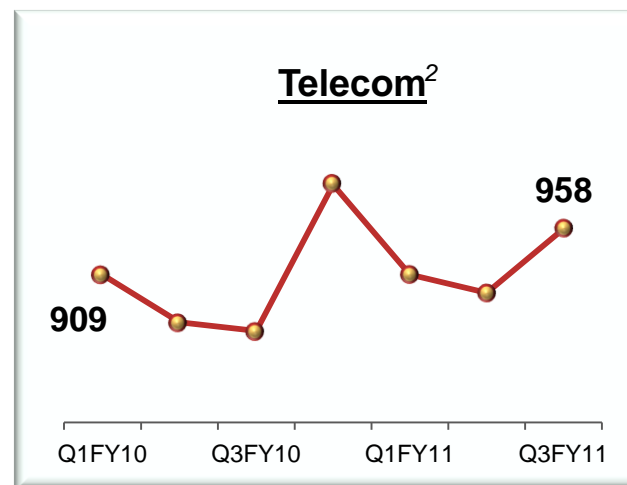
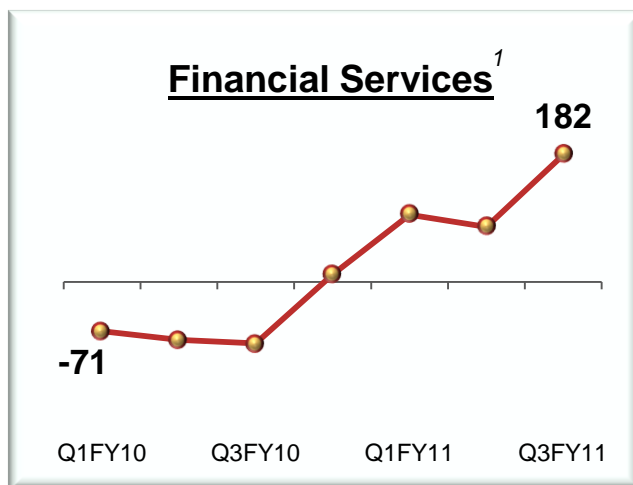
Consistent growth in profitability quarter after quarter ...



EBITDA more than doubled in one and a half year

... supported by improved profitability across the businesses

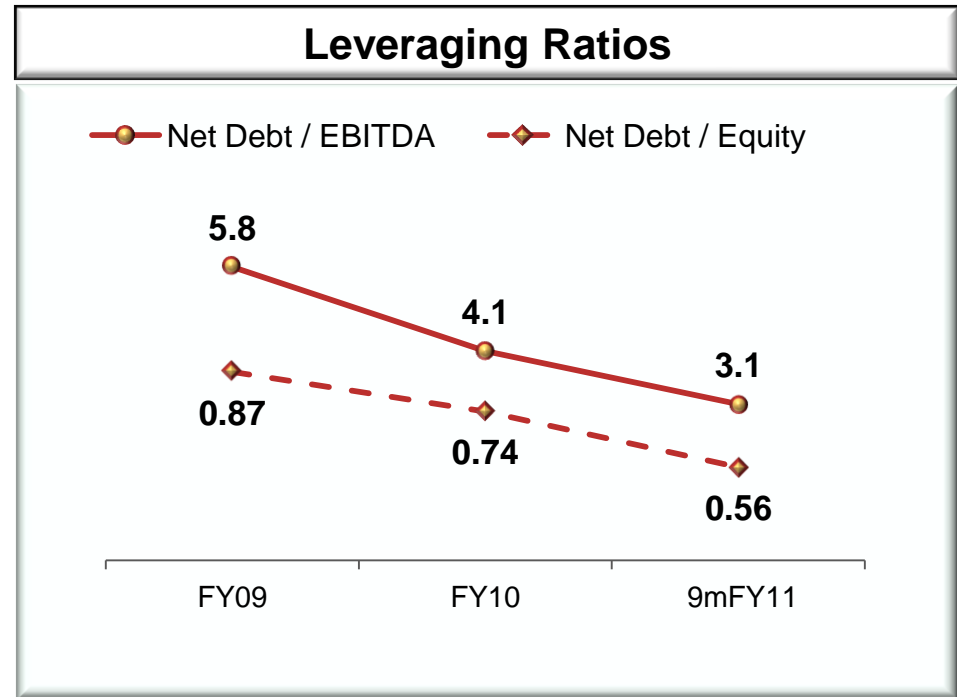
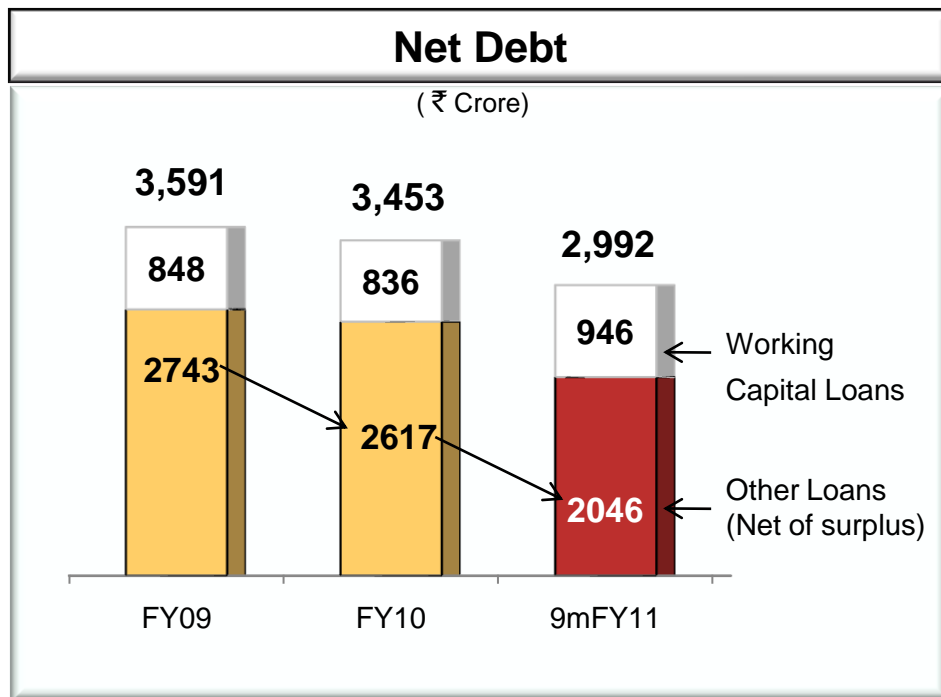
(₹ Crore)



Note 1 : Include full figures of Asset Management business. Being a JV, Asset Management business is consolidated at 50% in consolidated financials of ABNL as per AS 27
 Note 2 : Full figures of Idea. Being a JV, Idea is consolidated at 27.02% in consolidated financials of ABNL till 1st Mar'10 and at 25.4% thereafter as per AS27

Standalone Financial Position

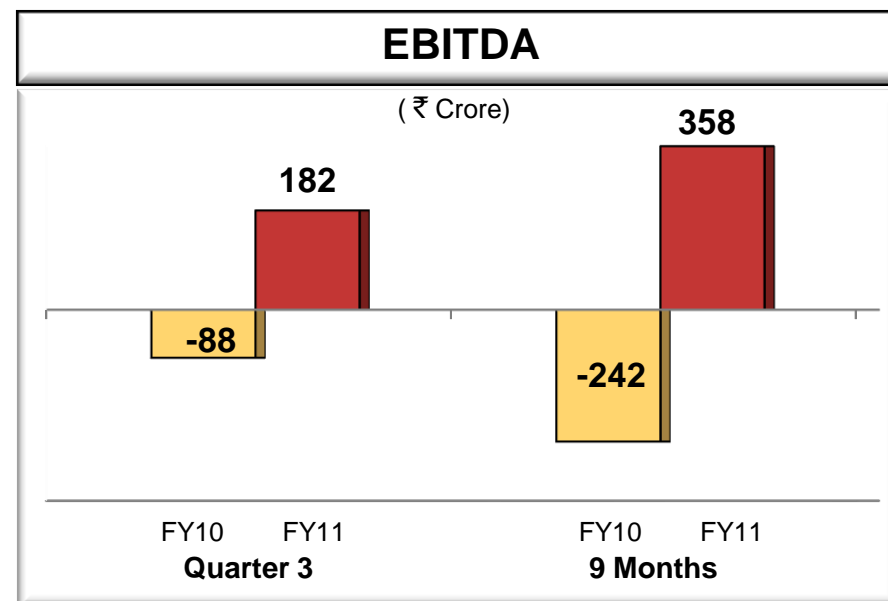
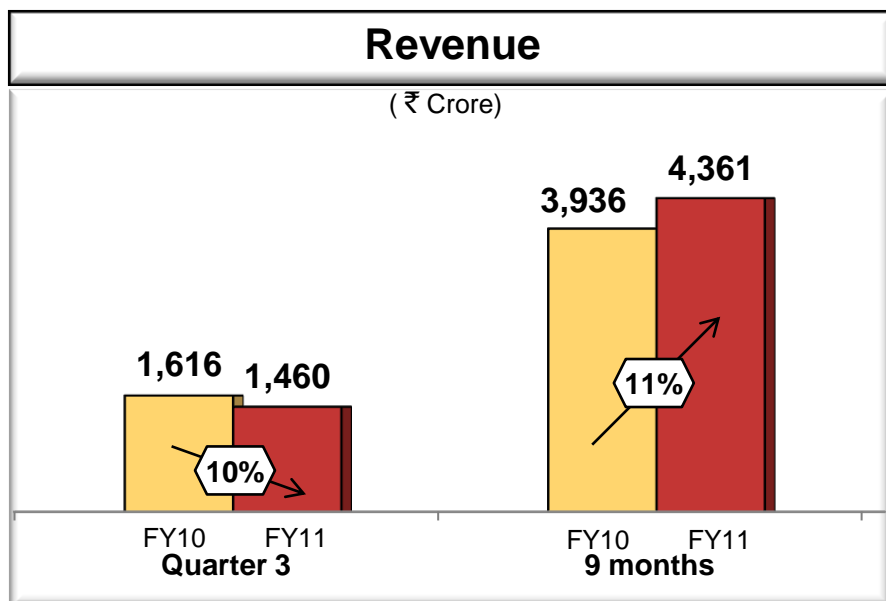
Balance Sheet strengthened & Financial ratios improved significantly



Driven by cash flows generated by Manufacturing and Fashion & Lifestyle businesses coupled with promoter infusion of ₹ 426 Cr. in Dec'10 on conversion of remaining warrants

Business-wise Performance Highlights

Aditya Birla Financial Services



- **ABFS continues to strengthen its position as a large non bank Financial Services player** with presence across Life Insurance, Asset Management, NBFC, Private Equity, Broking, Wealth Management & General Insurance Broking
 - Managing AUM of ~ USD 18 billion and revenue (9mFY11) of ~ USD 1 billion
 - With value creation for clients at its core, ABFS is trusted by ~5.5 million customers.
 - Having a nationwide presence through over 1,600 points of presence & ~ 2 lacs channel partners, ABFS is anchored by about 15,000 employees
- **In Q3, revenue growth was impacted due to subdued ULIP sales in the life insurance business**
 - ULIP sales were impacted across the life insurance industry post new ULIP guidelines w.e.f. 1st Sep'10

Posted net profit of ₹ 152 Cr. in nine months – A swing of ~ ₹ 5 billion over last year

Birla Sun Life Insurance (BSLI)

- **Medium to long term growth prospects remain intact for the industry**

- Lower insurance premium per capita levels in India portrays ample growth opportunity in the long term

- **Private Sector's new business premium de-grew y-o-y by 40% in Q3**

- ULIP sales for majority of players were affected post new guidelines

- **In Q3, BSLI's total premium income de-grew y-o-y by 16% to ₹ 1,277 Cr.**

- New business premium at ₹ 385 Cr. was impacted due to subdued ULIP sales
Non-ULIP sales were encouraging & contributed to 38% of new business
- Renewal premium surged by 55% to ₹ 893 Cr. driven by strong persistency
 - 13 months persistency ratio at 83% as on 31st Dec'10

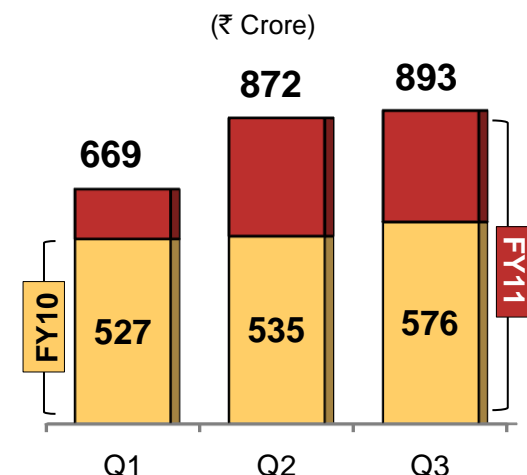
- **Growing size of in-force book, lower new business strain & better expense management strengthened bottom-line**

- Posted EBITDA at ₹ 138 Cr. (PY loss of ₹ 128 Cr.) in Q3 and ₹ 194 Cr. (PY loss of ₹ 338 Cr.) in nine months
- No capital infusion during nine months. In Q4 too, no capital infusion is estimated.

- **AUM grew by 30% y-o-y to ₹ 19,165 Cr. as on 31st Dec'10**

- **Driving efficiencies across the distribution channels & areas of operations besides augmenting product suite**

Growing size of Renewal Premium



Reported net profit at ₹ 156 Cr. in nine months vis-à-vis net loss of ₹ 381 Cr. last year

Birla Sun Life Asset Management (BSAMC)

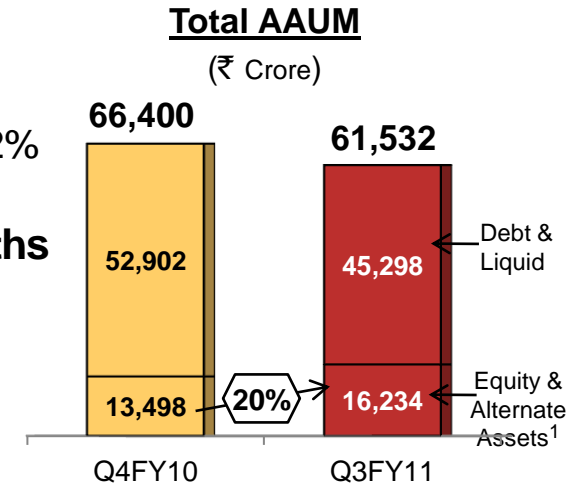
● **Rising share of mutual fund investments in household savings augurs well for industry in long run**

● **BSAMC's total average AUM (AAUM) stood at ₹ 61,532 Cr. in Q3**

- ➔ Liquidity pressure led to redemption in Debt & Liquid funds across the industry
- ➔ BSAMC's domestic AAUM de-grew by 9% in nine months. Industry de-grew by 12%

● **BSAMC's equity AAUM (Incl. offshore) at ₹ 15,141 Cr. grew by 15% in 9 months**

- ➔ Domestic equity AAUM achieved 3rd highest growth rate among top 10 players
- ➔ Profit booking led to outflows in equity funds : In nine months, industry faced net redemption of ~ ₹ 17,000 Cr. vis-à-vis BSAMC's ~ ₹ 80 Cr.

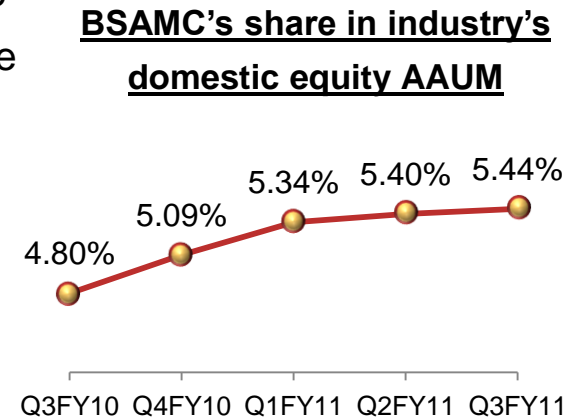


● **Raising alternate assets** : Maiden Real Estate Onshore Fund collected ₹ 1,088 Cr.

● **Expanding International presence** : Received approval from DFSA, Dubai to reach out to the customers in middle-east region and Africa. Received in-principle approval from MAS for office in Singapore

● **In Q3, revenue grew y-o-y by 16% to ₹ 96 Cr.**

- ➔ EBITDA grew from ₹ 24 Cr. to ₹ 37 Cr. during the quarter and doubled during nine months to ₹ 110 Cr.

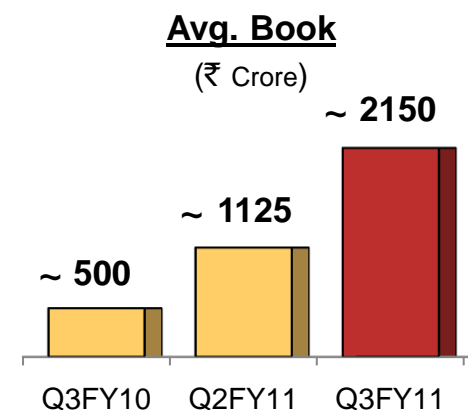


¹Equity AUM (Domestic & Offshore) + PMS + Real Estate Onshore Fund

Other Financial Services

◆ NBFC : Aditya Birla Finance (ABFL)

- ➔ Lower credit penetration in India offers ample growth opportunity for NBFCs
- ➔ During the quarter, inflationary & liquidity pressures led to hardening of interest rates & rise in borrowing cost for NBFCs
- ➔ In Q3, average book of ABFL grew q-o-q by 90% to ~ ₹ 2,150 Cr.
 - Disbursed loans of ~₹ 4,700 Cr. towards IPO financing
- ➔ Quarterly EBITDA grew y-o-y by 50% to ₹ 18 Cr.
 - In nine months, EBITDA grew by 23% to ₹ 41 Cr.
- ➔ Business has a net worth of ~ ₹ 500 Cr. as on 31st Dec'10



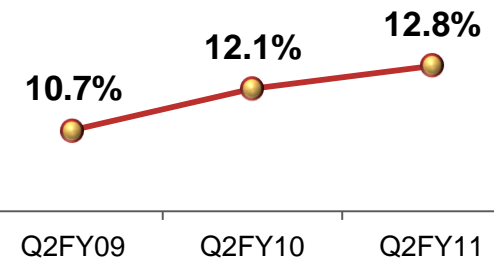
◆ Aditya Birla Private Equity (ABPE)

- ➔ After collecting ~USD 200 million through its first fund, ABPE has launched 'Sunrise Fund' aiming at investing in companies engaged in emerging sectors viz., Lifestyle, Lifeskills & Education, Lifecare and Applied Technologies

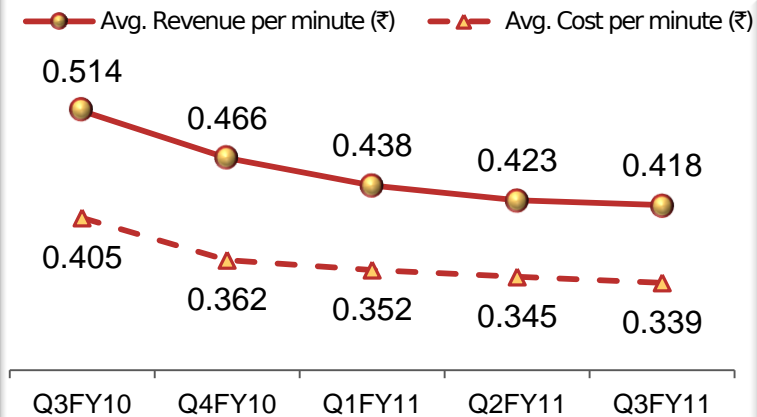
Telecom : Idea Cellular

- In Q3, revenue grew y-o-y by 26% to ₹ 3,953 Cr.** driven by robust growth in total Minutes of Use (MoU)
 - EBITDA grew by 13% to ₹ 958 Cr.
- Net profit soared y-o-y by 43% to ₹ 243 Cr.**
 - Absorbing y-o-y decline in average revenue per minute through cost efficiencies driven by scale benefit
 - Total MoU on network crossed '1 billion per day' mark in Q3
- Q-o-Q, revenue grew by 9% & net profit surged by 35%**
 - Improved seasonal demand & longer term trend of expanding market share led 10% q-o-q growth in MoU
- Targeting 3G roll out in eleven services areas where it has won 3G spectrum in next few months**
 - Pursuing long-term arrangements with select quality operators for remaining service areas
 - Capex guidance (2G+3G) for FY11 revised to ~ ₹ 3,000 Cr.
 - Capex of ~₹ 1750 Cr. spent during nine months
- Net debt to equity at 0.9 & Net debt to EBITDA at 2.9**

Ranks 3rd in revenue market share¹



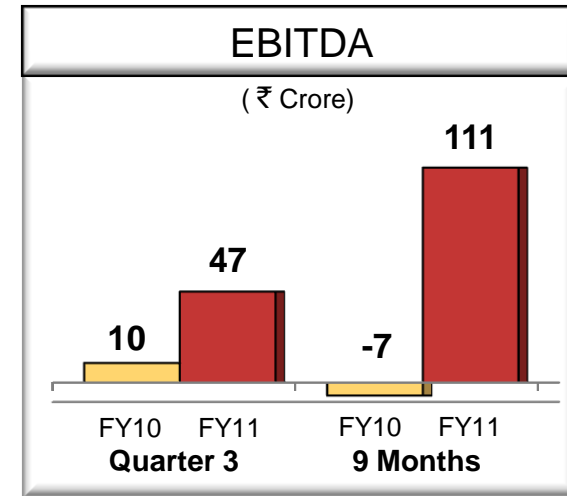
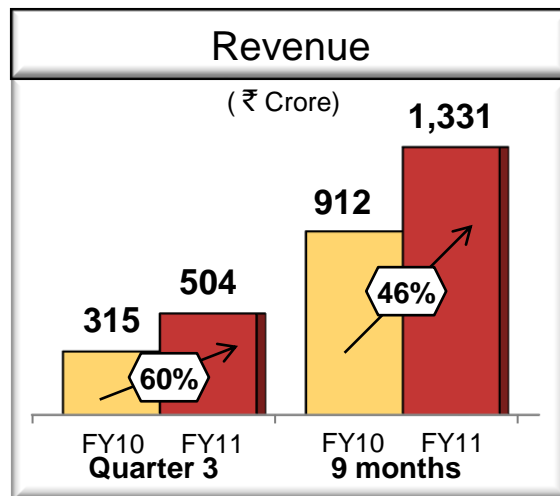
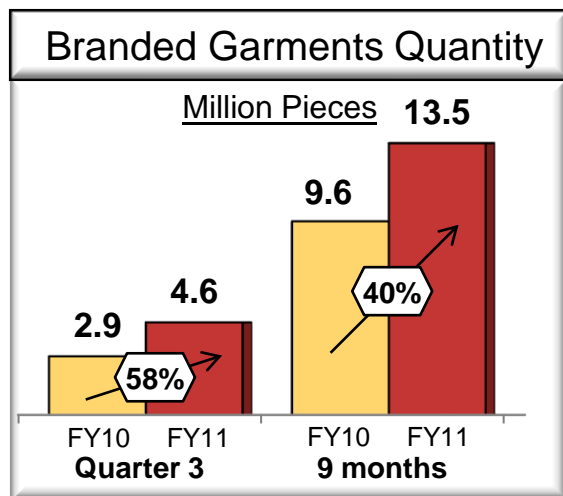
Scale benefit driving cost efficiency



¹Incl.Spice & based on gross revenue for UAS & Mobile license only, as released by TRAI, latest available till Q2FY11

Strong balance sheet and cash profit to support growth

Fashion & Lifestyle : Madura Garments



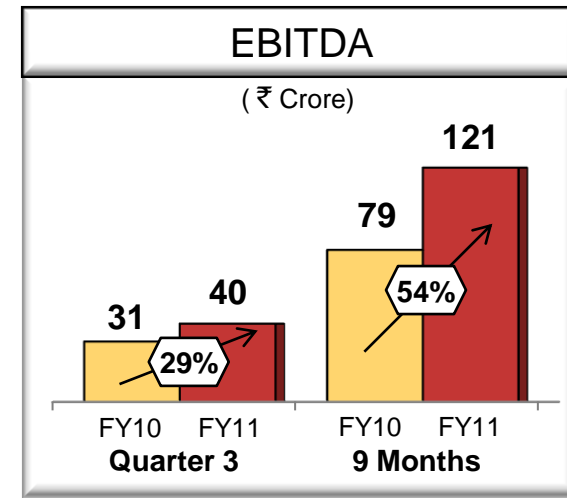
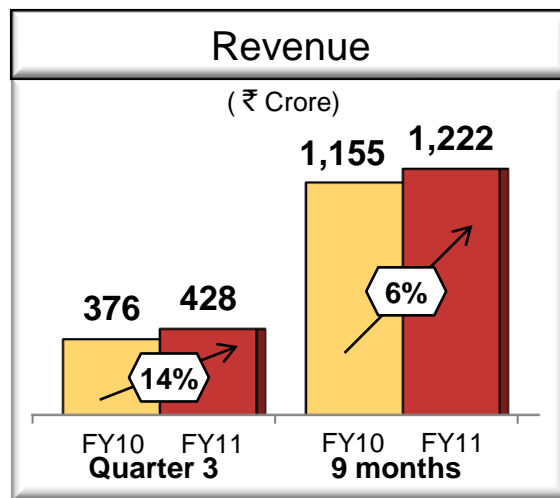
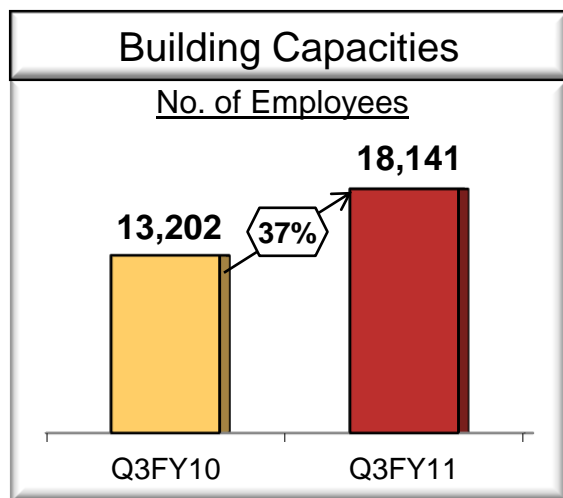
◆ In Q3, Madura Garments achieved 60% y-o-y revenue growth (46% during nine months)

- ◆ Leveraging brand leadership & expanded retail space to ride on market growth momentum
 - Like to like stores sales from major brands (Louis Philippe, Van Heusen, Allen Solly & Peter England) grew by 35%
- ◆ Improved customer footfalls and increased spending is driving sales growth across the industry
- ◆ Retail channel achieved 55% y-o-y growth contributing to 45% of business revenue
 - Expanded retail presence to reach a total of 506 Exclusive Brand Outlets (EBOs) across 9.5 lacs sq. ft.
 - ✿ Launched 54 new EBOs during the quarter (123 EBOs during nine months)

◆ Profitability improved considerably driven by strong sales growth across the channels & brands

A swing of more than ~ ₹ 100 Cr. in EBITDA during nine months

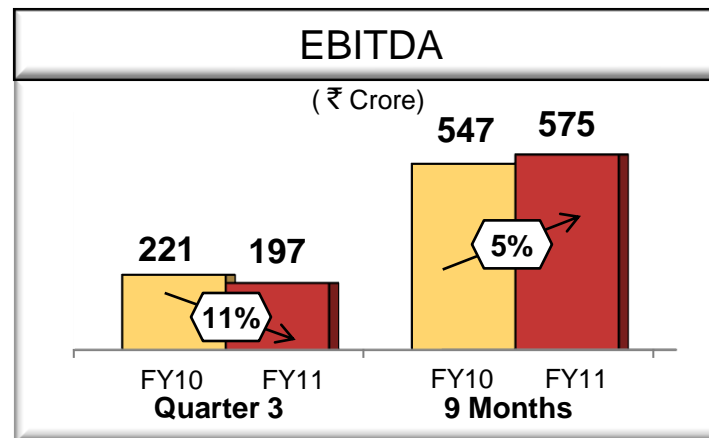
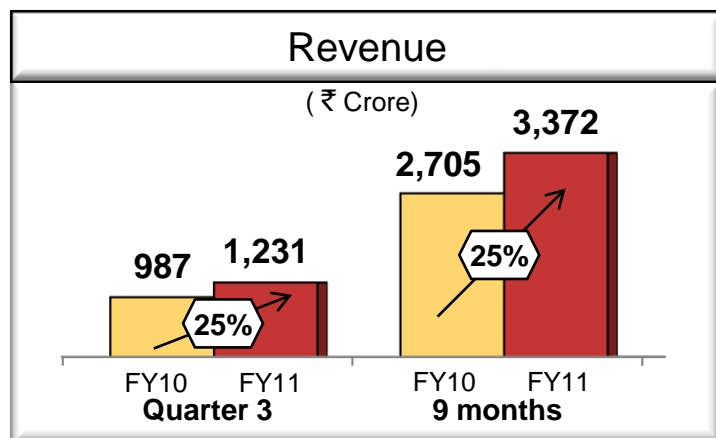
IT-ITeS : Aditya Birla Minacs



- ◆ **Total contract value (TCV) of ~USD 625 million sold during nine months**
 - About 56% of TCV is on account of new business and balance is renewal business
 - Won 19 new logos during nine months
 - About 5,000 headcounts were added in past one year (over 2,000 during the quarter) to support growth.
- ◆ **Revenue at ₹ 428 Cr. grew y-o-y by 14% and q-o-q by 6%**
- ◆ **Growing profitability : EBITDA grew y-o-y by 29% during the quarter and 54% during nine months**
 - In nine months, business posted net profit of ₹ 41 Cr. (PY Loss of ₹ 11 Cr.)
 - Revenue growth, rationalised cost structure and savings in interest costs spurred profitability

During nine months, EBITDA margin improved to 10% (PY 7%)

Manufacturing Businesses



- In Q3, revenue growth was largely driven by expansion in the carbon black business & buoyant sales volume in linen segment. In Agri-business, rise in feed & fuel (natural gas) prices pushed up revenue.

EBITDA

Q3 Performance Review

Q3
FY10 FY11

9 months
FY10 FY11

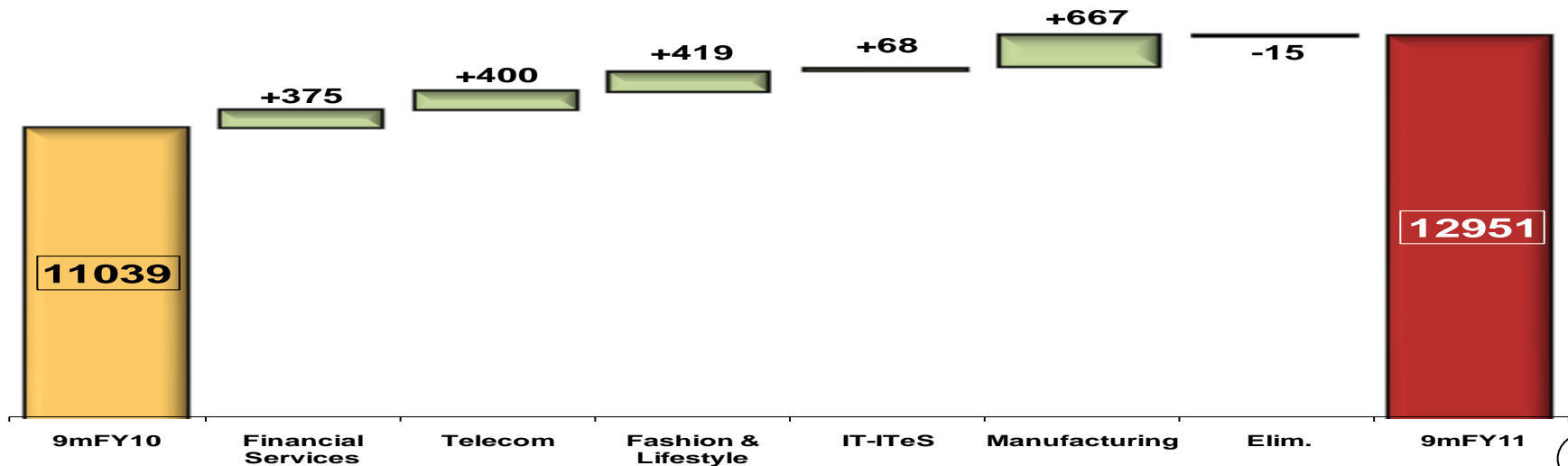
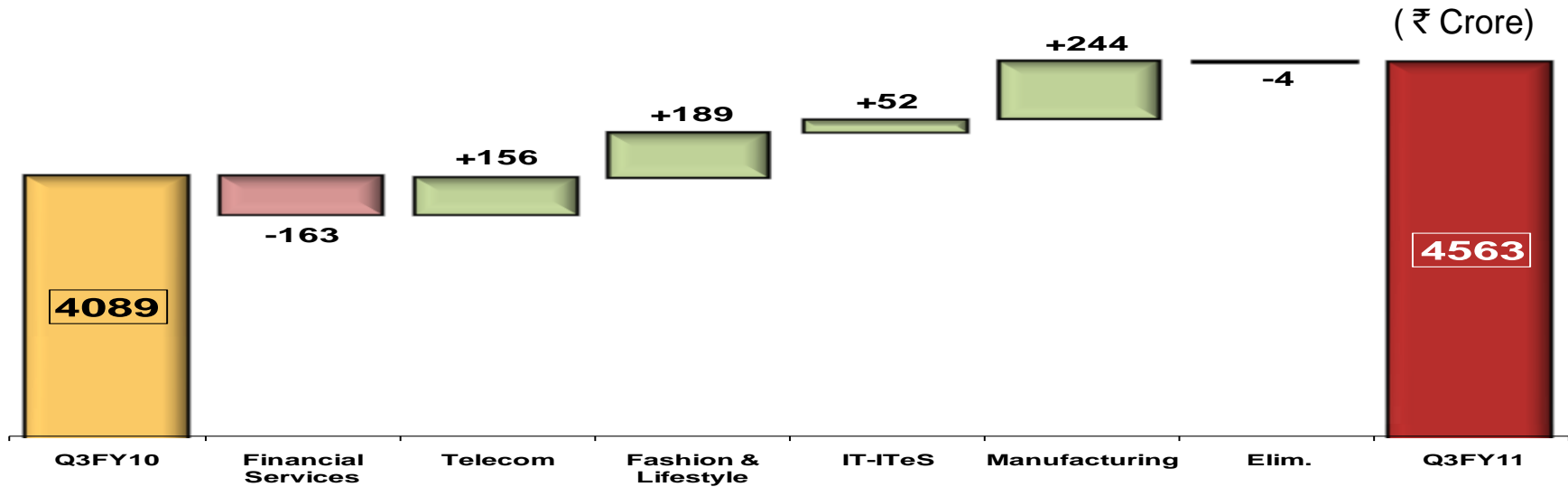
		FY10	FY11	FY10	FY11
Agri-business	Receipt of higher subsidy arrears in Q3 last year	56	47	110	131
Carbon Black	In Q3 last year, business benefited from low cost inventory	76	64	192	189
Insulators	Higher sales volume	32	33	75	97
Rayon	Steep rise in wood-pulp & fuel prices	37	20	126	77
Textiles	Robust demand in linen segment & improved realisation across segments	20	32	45	81

Operating at EBITDA margin of 17% & ROACE of 27% during nine months

Financial Performance

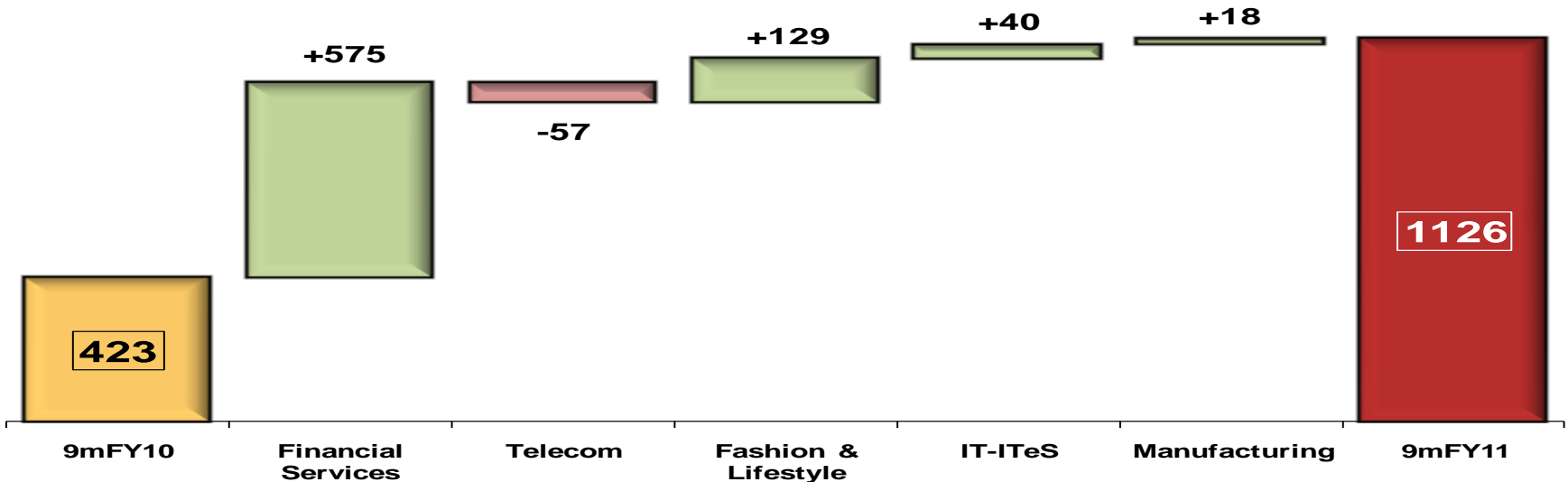
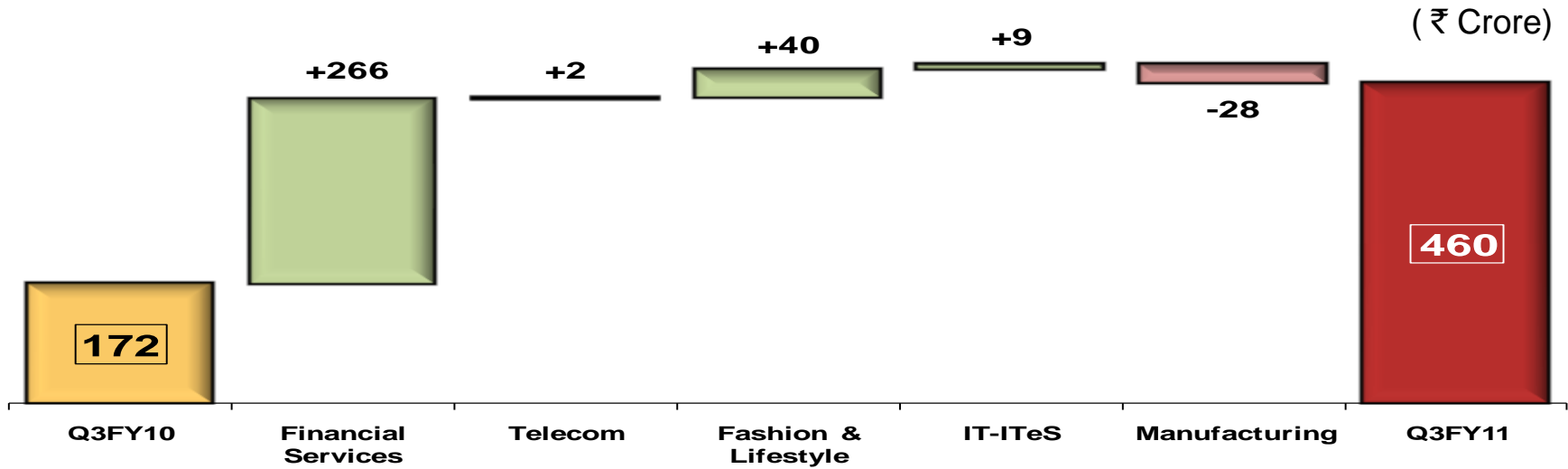
Consolidated Revenue Walk

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



Consolidated Segmental EBIT Walk

Financial Services led the profit walk followed by Fashion & Lifestyle and IT-ITeS businesses

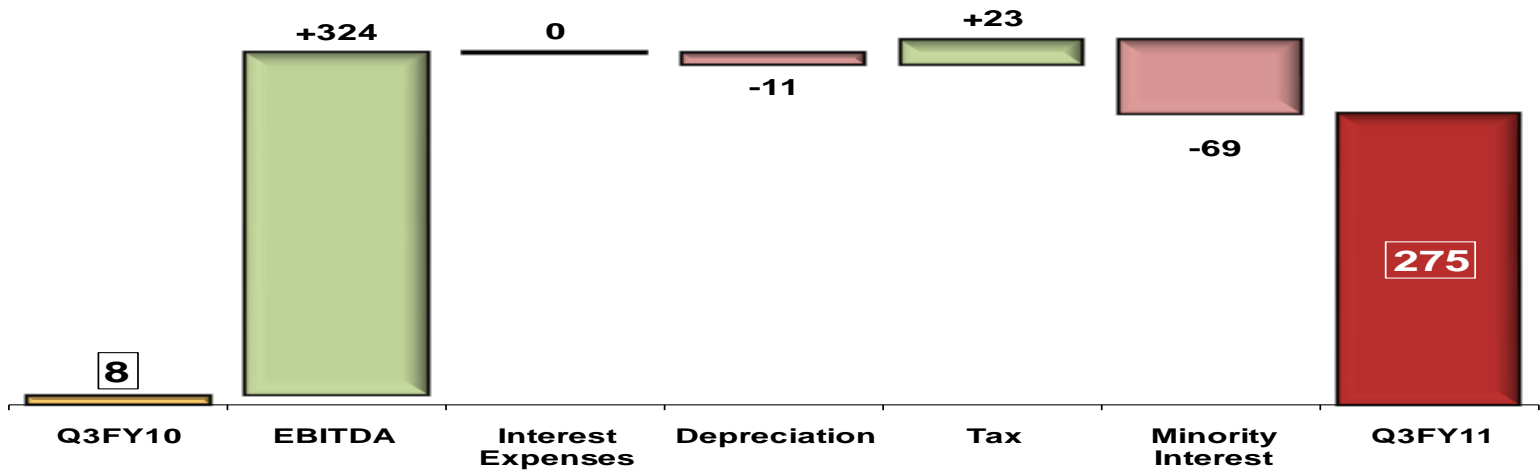


Consolidated Net Profit Walk

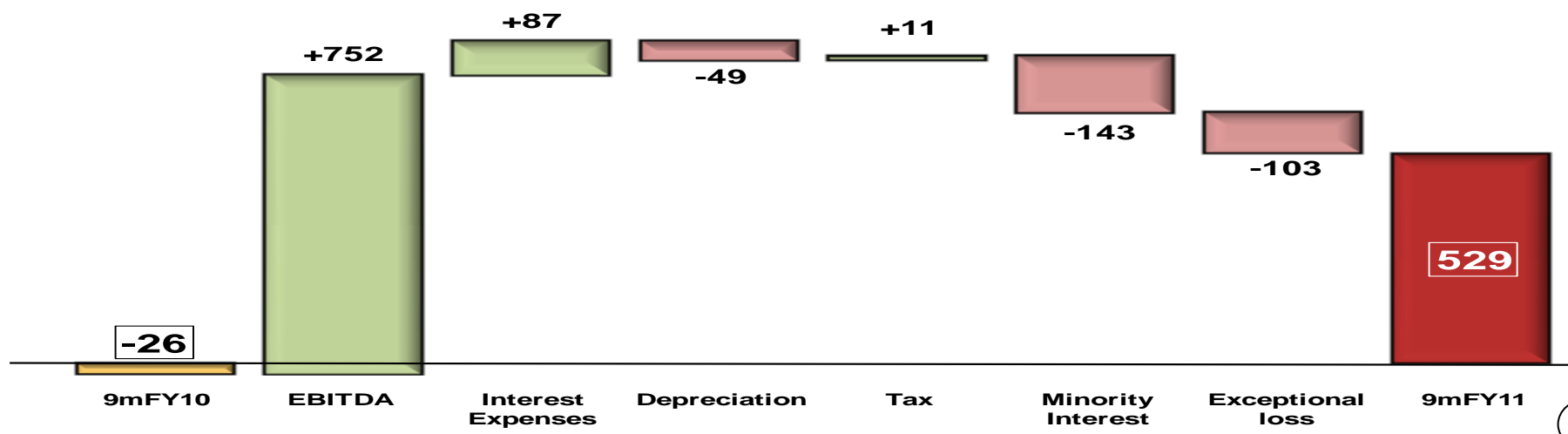
Improved earnings across the businesses led the turnaround at bottom-line

(₹ Crore)

Q3



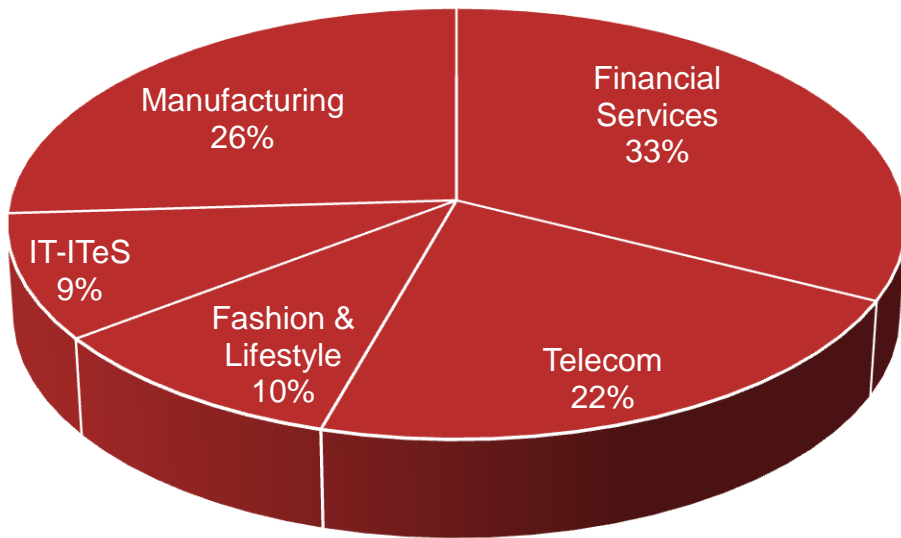
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Consolidated Mix – Nine Months FY2010-11

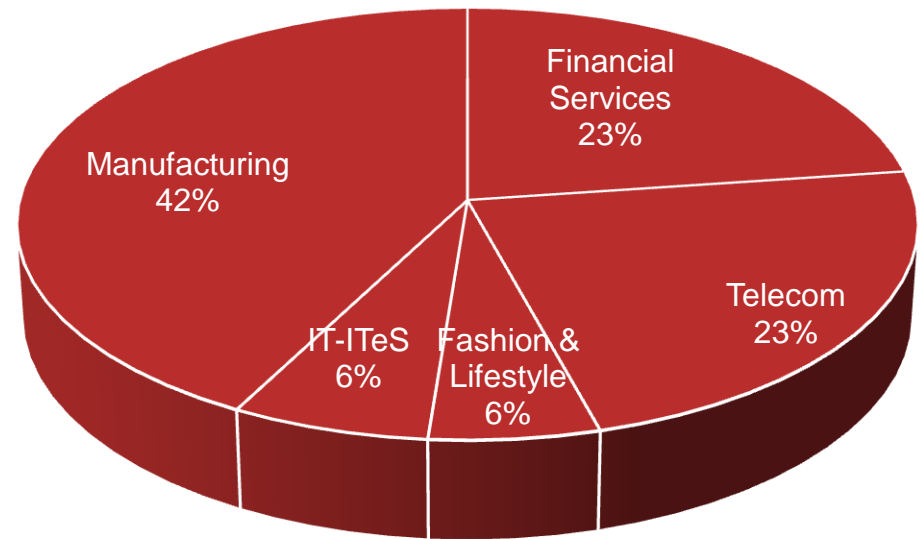
Revenue

₹ 12,951 Cr.



EBIT

₹ 1,126 Cr.



Going Forward ...

- Driving efficiencies across the distribution channels & areas of operations besides augmenting product suite in the **Life Insurance** business
- Increasing share of higher margin assets in the **Asset Management** business
- Focus on expanding book size in the **NBFC** business
- Continue to increase revenue market share while exploiting 3G spectrum to enrich customer experience in the **Telecom** business
- Capitalising on expanded retail space, enhancing channel productivity and extending range of merchandise for superior shopper experience in the **Fashion & Lifestyle** business
- Thrust on growing high margin non-voice business in the **IT-ITeS** business
- Increasing margins across the **Manufacturing** businesses by maximising operating efficiency and passing on rise in input and fuel costs

Annexure I : Financials

Consolidated Revenue - Segmental

(₹ Crore)

Quarter - 2	Quarter 3		Revenue	9 months	
2010-11	2010-11	2009-10		2010-11	2009-10
1,417	1,255	1,470	Life Insurance	3,767	3,550
150	157	105	Other Financial Services *	444	287
923	1,003	847	Telecom (Nuvo's share) @	2,852	2,453
478	504	315	Fashion & Lifestyle	1,331	912
405	428	376	IT-ITeS	1,222	1,155
1,171	1,231	987	Manufacturing	3,372	2,705
387	412	310	Carbon Black	1,124	843
334	347	276	Agri-business	908	748
135	141	129	Rayon	403	404
128	125	116	Insulators	368	285
185	205	155	Textiles	569	425
(12)	(15)	(11)	Inter-segment Elimination	(37)	(22)
4,532	4,563	4,089	Consolidated Revenue	12,951	11,039

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

@ Idea is consolidated at 27.02% till 1st Mar'10 and at 25.4% thereafter.

Consolidated Profitability (EBIT) - Segmental

(₹ Crore)

Quarter - 2	Quarter 3		EBIT	9 months	
	2010-11	2009-10		2010-11	2009-10
22	129	(140)	Life Insurance	163	(373)
29	20	24	Other Financial Services *	94	56
78	93	91	Telecom (Nuvo's share) @	258	315
28	31	(9)	Fashion & Lifestyle	62	(66)
27	25	16	IT-ITeS	72	32
173	163	191	Manufacturing	477	459
57	54	70	Carbon Black	162	173
50	43	51	Agri-business	118	96
16	12	29	Rayon	51	100
28	28	27	Insulators	82	62
20	27	14	Textiles	64	28
358	460	172	Segmental EBIT	1126	423

* Other Financial Services include Asset Management (consolidated at 50%), NBFC, Broking, Private Equity, Wealth Management & General Insurance Advisory
 @ Idea is consolidated at 27.02% till 1st Mar'10 and at 25.4% thereafter.

Consolidated Profit & Loss

(₹ Crore)

Quarter - 2	Quarter 3		Profit & Loss Account	9 months	
	2010-11	2009-10		2010-11	2009-10
4,532	4,563	4,089	Net income from operations	12,951	11,039
621	745	421	EBITDA	1,922	1,170
20	43	17	NBFC Interest expenses	82	62
115	111	138	Other Interest Expenses	343	449
486	591	266	EBDT	1,497	658
232	232	220	Depreciation	685	636
254	359	46	Earnings before Tax	812	23
39	51	73	Provision for Taxation (Net)	135	145
6	33	(36)	Minority Interest	46	(97)
208	275	8	Net Profit after minority interest before exceptional gain / (loss)	632	(26)
(103)	-	-	Exceptional Gain / (Loss)*	(103)	-
105	275	8	Consolidated Net Profit	529	(26)

* Aditya Birla Money & Aditya Birla Money Mart, subsidiaries of ABNL, have borne one time exceptional loss of ₹ 103 Cr. in Q2FY11

Standalone Profit & Loss

(₹ Crore)

Quarter - 2	Quarter 3		Profit & Loss Account	9 months	
2010-11	2010-11	2009-10		2010-11	2009-10
1,639	1,715	1,252	Net income from operations	4,665	3,477
268	255	255	EBITDA	727	617
73	70	80	Interest Expenses	212	261
195	185	175	EBDT	515	356
49	49	44	Depreciation	143	133
146	136	131	Earnings before Tax	372	223
27	36	50	Provision for Taxation (Net)	88	86
120	100	81	Net Profit	285	138

Balance Sheet

(₹ Crore)

Standalone		Balance Sheet	Consolidated	
Dec-10	Mar-10		Dec-10	Mar-10
5,374	4,662	Net Worth	6,448	5,475
-	-	Minority Interest	231	186
3,384	3,633	Total Debt	7,687	6,703
180	178	Deferred Tax Liabilities (Net)	248	241
8,938	8,473	Capital Employed	14,615	12,604
-	-	Policyholders' funds (Incl. funds for future appropriation)	18,660	15,652
8,938	8,473	Total Liabilities	33,274	28,256
1,844	1,815	Net Block (Incl. Goodwill)	11,572	9,881
1,281	1,042	Net Working Capital	907	564
5,421	5,436	Long Term Investments	219	219
-	-	Life Insurance Investments	19,165	16,130
391	180	Cash Surplus & Current Investments	1,412	1,462
473	453	Book Value (₹)	568	531
3.1	4.1	Net Debt / EBITDA (x)	2.4	3.1
0.56	0.74	Net Debt / Equity (x)	0.97	0.96
9,551	9,336	Market Capitalisation - NSE		

Note 1 : In Standalone businesses, capex of ₹ 175 Cr. was spent during nine months

Note 2 : Consolidated debt excludes NBFC borrowings

Annexure II

Business-wise Financials

Aditya Birla Financial Services

Quarter 3		₹ Crore	9 months	
2010-11	2009-10		2010-11	2009-10
		<u>Revenue</u>		
1,255	1,470	Birla Sun Life Insurance	3,767	3,550
96	83	Birla Sun Life Asset Management	300	199
57	16	Aditya Birla Finance	114	53
26	30	Aditya Birla Money	92	85
16	13	Aditya Birla Money Mart	54	31
5	4	Aditya Birla Insurance Brokers	17	15
6	1	Others	16	3
1,460	1,616	Total Revenue	4,361	3,936
182	(88)	EBITDA	358	(242)
151	(119)	Net Profit before exceptional gain / (loss)	255	(335)
-	-	Exceptional gain / (loss)*	(103)	-
151	(119)	Net Profit / (Loss)	152	(335)

* Aditya Birla Money & Aditya Birla Money Mart, subsidiaries of ABNL, have borne one time exceptional loss of ₹ 103 Cr. in Q2FY11

Birla Sun Life Insurance

Quarter 3		₹ Crore	9 months	
2010-11	2009-10		2010-11	2009-10
		<u>New Business Premium</u>		
321	633	Individual Business	1,183	1,621
64	314	Group Business	254	423
385	947	New Business Premium (Gross)	1,437	2,044
893	576	Renewal Premium (Gross)	2,434	1,637
1,277	1,522	Premium Income (Gross)	3,871	3,681
(29)	(56)	Less : Reinsurance ceded & Service tax	(120)	(143)
1,248	1,466	Premium Income (Net)	3,751	3,538
7	4	Other Operating Income	16	12
1,255	1,470	Revenue	3,767	3,550
138	(128)	EBITDA	194	(338)
127	(143)	Net Profit / (Loss)	156	(381)
		Capital	2,450	2,275
		Assets under management	19,165	14,735

- Launched 5 traditional plans & 7 ULIPs (as per new guidelines) during nine months
- During nine months, opex ratio improved to 23.2% (PY 26.5%) & commission ratio to 7.2% (PY 10.1%)

Birla Sun Life Asset Management

₹ Crore	Average AUM	
	Q3FY11	Q3FY10
Equity	12,392	9,987
Debt & Liquid	45,298	57,575
Domestic AUM	57,689	67,561
Off shore (All Equity)	2,749	2,357
PMS	306	325
Real Estate Fund	788	na
Total AUM	61,532	70,244

Quarter 3		₹ Crore	9 months	
2010-11	2009-10		2010-11	2009-10
96	83	Revenue (Fee Income)	300	199
37	24	EBITDA	110	55
25	16	Net Profit	72	30

- Adjudged as runner up 'Best Fund House of the Year'– Outlook Money, 2010
- Has 2nd highest number of funds with 4 & 5 Star ratings across the Industry
- Live SIPs increased by 47% y-o-y to ~4 lacs SIPs
- Serving ~ 2.4 million customer folios and supported by ~33K IFA, ~750 employees and 105 branches

Quarter 3		₹ Crore	9 months	
2010-11	2009-10		2010-11	2009-10
		Subscribers (Nos. in Million)	81.8	57.6
3,953	3,136	Revenue	11,240	9,079
958	849	EBITDA	2,757	2,615
366	336	EBIT	1,017	1,167
243	170	Net Profit	624	687
		Net Worth	12,016	13,977
		Total Debt	11,236	7,369
		Capital Employed	23,252	21,347

Note : Spice results consolidated at 41.09% as JV since 16th Oct'08 and as 100% subsidiary since 1st Mar'10. Indus consolidated at 16% as JV

- Average realised rate per minute exhibited slowest rate of decline in the past 8 quarters
- Interest of ₹ 124 Cr. against payment for 3G auction fee has been capitalised in Q3FY11 (₹ 285 Cr. in 9mFY11)
- Q-o-q revenue growth is highest among the top three cellular operators (in terms of revenue market share)

Quarter 3		₹ Crore	9 months	
2010-11	2009-10		2010-11	2009-10
		No. of EBOs	506	365
		Retail Space (Lacs Sq. Ft)	9.5	7.8
504	315	Revenue	1,331	912
47	10	EBITDA	111	(7)
31	(9)	EBIT	62	(66)
604	515	Capital Employed	604	515

Quarter 3		₹ Crore	9 months	
2010-11	2009-10		2010-11	2009-10
428	376	Revenue	1222	1155
40	31	EBITDA	121	79
25	16	EBIT	72	32
15	2	Net Profit / (Loss)	41	(11)

Quarter 3		₹ Crore	9 months	
2010-11	2009-10		2010-11	2009-10
72,659	56,400	Sales Volumes (MT)	197,688	172,373
53,991	51,841	Realisation (Rs./MT)	53,933	45,511
412	310	Revenue	1,124	843
64	76	EBITDA	189	192
54	70	EBIT	162	173
1,193	851	Capital Employed	1,193	851
19	34	ROACE (Annualised) (%)	20	29

- ◆ During Apr-Nov'10, tyre production grew y-o-y by 26% driven by strong demand from auto sector
- ◆ In Q3, business revenue surged by 33% to ₹ 412 Cr. led by expansion and increase in realisation
 - ◆ Recent capacity expansion of ~85K MTPA contributed to growth in sales volume
 - ◆ Higher realisation reflects movement in feedstock (CBFS) prices in line with crude oil prices
- ◆ EBITDA is lower at ₹ 64 Cr. : In Q3 last year, business benefited from low cost inventory
- ◆ Planning to augment capacity further by 85K MTPA each at Patalganga in 2nd phase as well as in southern India

Quarter 3		₹ Crore	9 months	
2010-11	2009-10		2010-11	2009-10
297,765	301,084	Urea Sales (MT)	817,615	807,175
347	276	Revenue	908	748
47	56	EBITDA	131	110
43	51	EBIT	118	96
356	400	Capital Employed	356	400
52	50	ROACE (Annualised) (%)	48	26

- Quarterly revenue grew by 26% to ₹ 347 Cr. led by increase in realisation (subsidy) & higher agri-input sales
 - Rise in feed & fuel (natural gas) prices resulted in higher subsidies
- EBITDA is lower at ₹ 47 Cr. : Subsidy arrears of ~ ₹ 9 Cr. received during Q3 last year
- Department of Fertilisers increased the ceiling for Neem Coated Urea from 20% of total production to 35% of total production w.e.f. 11th Jan'2011. Business to benefit from additional production of this value added urea.
- Operating at ROACE of 52%

Quarter 3		₹ Crore	9 months	
2010-11	2009-10		2010-11	2009-10
		<u>VFY</u>		
4,215	4,101	Sales Volumes (MT)	11,507	12,372
237	226	Realisation (Rs./Kg.)	237	223
100	93	Revenue (₹ Cr.)	273	275
		<u>Chemical</u>		
19,897	22,393	Caustic Soda Sales (MT)	64,061	66,867
19,004	15,799	ECU Realisation (Rs./MT.)	18,862	18,859
42	37	Revenue (₹ Cr.)	130	128
141	129	Total Revenue	403	404
20	37	EBITDA	77	126
12	29	EBIT	51	100
406	413	Capital Employed	406	413
11	28	ROACE (Annualised) (%)	16	31

- Revenue grew by 9% to ₹ 141 Cr. led by improved VFY & ECU realisation
 - Lower caustic soda volumes due to planned shutdown
- EBITDA at ₹ 20 Cr. is lower vis-à-vis ₹ 37 Cr. : Steep rise in wood-pulp and fuel prices adversely strained profitability
- Green Field Caustic Soda expansion by 125 TPD at Patalganga is progressing. Targeting completion in 2011-12 at a Capex of ₹ 150 Cr., thereby, taking total capacity to 375 TPD.

Aditya Birla Insulators

Quarter 3		₹ Crore	9 months	
2010-11	2009-10		2010-11	2009-10
10,688	10,144	Sales Volumes (MT)	31,409	24,744
125	116	Revenue	368	285
33	32	EBITDA	97	75
28	27	EBIT	82	62
279	300	Capital Employed	279	300
38	39	ROACE (Annualised) (%)	38	29

- In Q3, business revenue grew y-o-y by 8% to ₹ 125 Cr. led by higher volumes
- EBITDA marginally grew to ₹ 33 Cr. : Higher volumes and realisation partly set off by rise in fuel costs
- In nine months, revenue grew by 29% & EBITDA grew by 30% driven by expansion led higher volumes

Quarter 3		₹ Crore	9 months	
2010-11	2009-10		2010-11	2009-10
87	69	Linen Segment	227	153
119	86	Wool Segment	342	271
205	155	Revenue	569	425
32	20	EBITDA	81	45
27	14	EBIT	64	28
220	290	Capital Employed	220	290
52	19	ROACE (Annualised) (%)	34	12

- ◆ In Q3, revenue surged y-o-y by 32% to ₹ 205 Cr.
 - ▶ Domestic market buoyancy & robust demand drove volume growth & led to improved realisation across the segments
 - ▶ Linen Fabric sales volume grew by 30%. Linen yarn & Worsted yarn witnessed 10% & 17% sales volume growth respectively
- ◆ EBITDA soared by 66% to ₹ 32 Cr. driven by improved realisation and volume growth
- ◆ Q-o-Q, revenue grew by 11% and EBITDA rose by 25%
- ◆ ROACE improved considerably driven by improved earnings & working capital management

Annexure III : Reporting Structure



Consolidated

Subsidiaries & Joint Ventures

Standalone

Financial Services

Telecom³ # (25.37%)

IT-ITeS² (88.28%)

Fashion & Lifestyle¹

Manufacturing

Life Insurance²
(74%)*

Asset Management³
(50%)*

NBFC²
Private Equity²
Broking (75%)²
Wealth management²
General Insurance Advisory²

Carbon Black¹

Agri-Business¹

Rayon¹

Insulators¹

Textiles¹

¹ Represent Divisions

² Represent Subsidiaries

³ Represent Joint Ventures

* JV with Sun Life Financial, Canada

Listed, Aditya Birla Group holds 46.96%

Note : Percentage figures indicated above represent ABNL's shareholding in its subsidiaries /JV's

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