

ADITYA BIRLA



Aditya Birla Nuvo Limited

Financial Results – Q3 FY 2013-14

Mumbai, 11th February 2014

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

Investor presentation

● Key Highlights	3 – 7
● Business-wise Performance	8 – 20
● Going Forward	21
● Financials and other Annexure	22 – 43

Note 1 : The financial results of ABNL are consolidated financials unless otherwise specified

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

Glossary

- CY : Current Year
- FY : Financial Year (April-March)
- PY – Corresponding period in Previous Financial Year
- PQ – Previous Quarter
- Q2 – July to September
- Q3 – October to December
- YTD : Year to date
- RBI : Reserve Bank of India
- ROACE : Return on Average Capital Employed based on EBIT
- VAS – Value Added Services
- TCV – Total Contract Value
- EBO – Exclusive Brand Outlet
- MBO – Multi Brand Outlet
- EOSS – End of Season Sale
- TPA – Tons per annum
- AAUM – Average Assets under Management

Indian Economy

- ◆ **GDP grew y-o-y by 4.8% during Q2FY14 up from 4.4% growth attained in Q1**
- ◆ **High inflation and interest rates continued to hamper demand and investments**
 - RBI hiked repo rate by 75 bps during past 5 months to contain persistently high inflation
 - WPI inflation reached 7.5% in Nov'13, however, moderated to 6.2% in Dec'13
- ◆ **World Bank projects India's GDP to hit a 11-year low of 4.8% in FY14 & then to expand by 6.2% in FY15**
- ◆ **Economic reforms and macro-economic stability will be key drivers for growth recovery**

Key Highlights

Financial Services

- Posted quarterly revenue at ₹ 1,475 Cr. (9 months : ₹ 4,368 Cr.)
 - ➔ Quarterly earnings before Tax at ₹ 184 Cr. (9 months : ₹ 572 Cr.)
- Funds under management¹ grew y-o-y by 10% and q-o-q by 9% to ₹ 117,278 Cr.
- Lending book reached ~₹ 10,100 Cr. mark, growing y-o-y by 56% and q-o-q by 22%
- ROACE @ 27% p.a.

Fashion & Lifestyle

- Retail presence expanded to 1,670 EBOs / Stores spanning across 4.11 million square feet
- Madura posted all round growth in top-line, margins, free cash flows & ROACE
- Pantaloons is investing in strengthening the organisation, retail presence, brand positioning and merchandise
- Jaya Shree is expanding linen capacity & retail presence to tap sector growth & strengthen market leadership
- Operating at ROACE of 31% p.a.

Key Highlights

Telecom

- Consistently outperforming the industry: Revenue market share rose to 15.8% in Q2FY14 (PY: 14.3%)
- Strengthening of balance sheet quarter after quarter led by earnings growth & healthy cash profits
- ROACE improved y-o-y from 9% p.a. to 13% p.a.

IT-ITeS

- ABNL IT & ITeS Ltd., a wholly owned subsidiary of ABNL, has entered into an agreement to divest Minacs at an Enterprise Value of USD 260 million subject to working capital & other adjustments. The transaction is expected to be completed in 2 to 3 months, subject to the requisite customary and regulatory approvals
- Divestment proceeds will support growth plans of ABNL & ensure its greater focus in the other businesses.

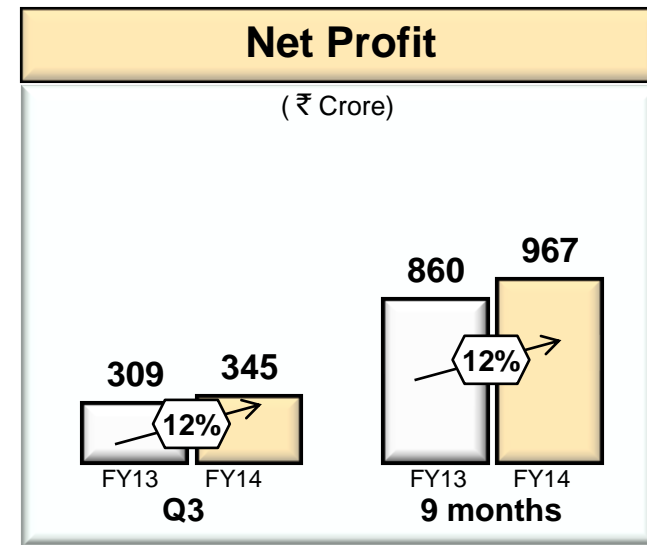
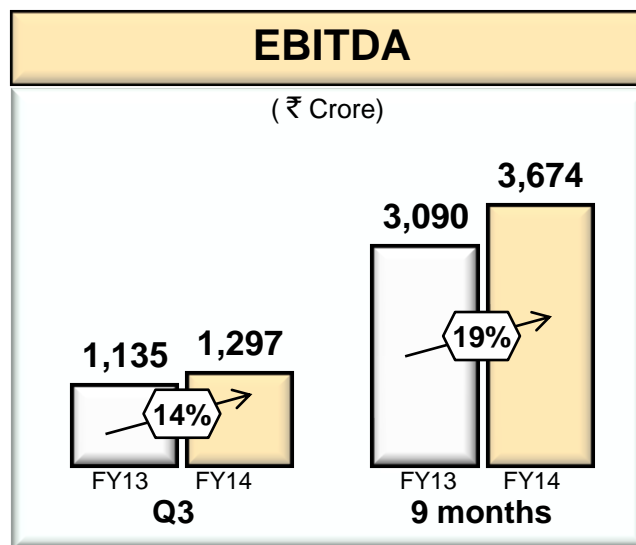
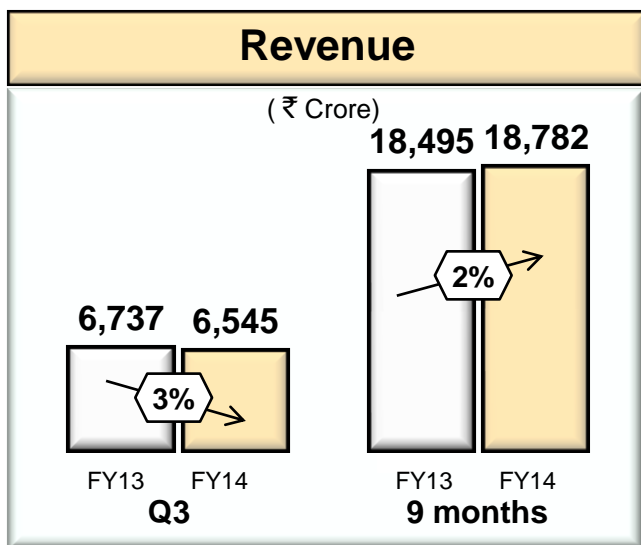
Manufacturing

- New Superfine Yarn unit, currently operating at full capacity, will help in enhancing product quality & range

Capital Infusion

- Promoters infused ₹ 671 Cr. on conversion of remaining warrants in Nov'13

Consolidated earnings growth



• **Previous year's financials are not comparable to the extent of following :**

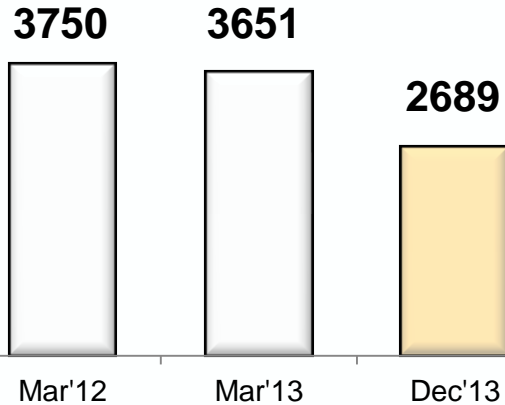
- Pursuant to its acquisition, Pantaloons business has been consolidated w.e.f. 1st Jul'12
- Accounted for slump sale of Carbon Black business w.e.f. 1st Apr'13

• **Like-to-Like y-o-y growth in consolidated earnings** (excluding Pantaloons and Carbon Black)

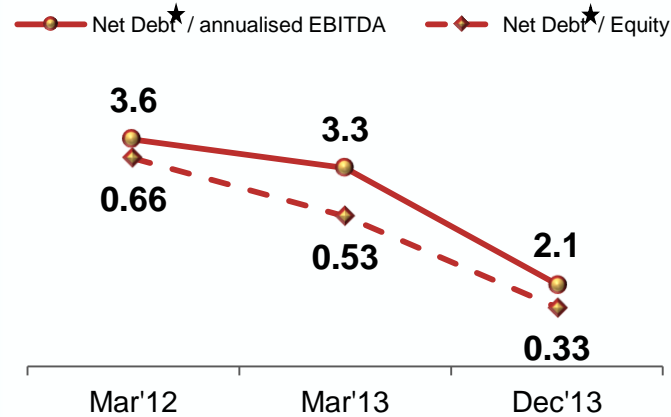
Parameter	Q3	9 months
Revenue	+5%	+9%
EBITDA	+22%	+28%
Net Profit	+18%	+20%

Standalone Balance Sheet

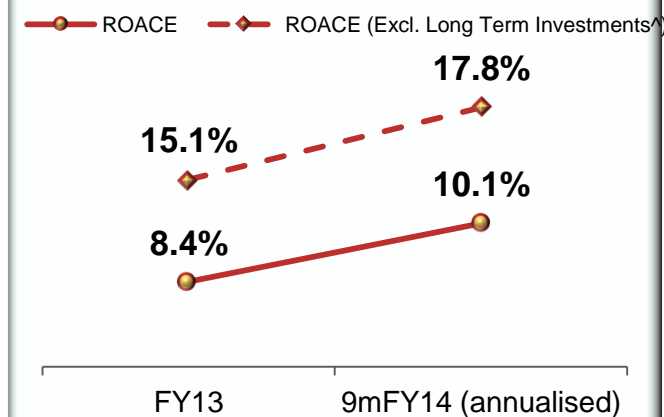
Net Debt [★] (₹ Crore)



Ratios



ROACE



[★] Excluding MTM gain of ₹ 22 Cr. as on 31st Mar'13 and MTM loss of ₹ 1 Cr. as on 31st Dec'13 & ₹ 104 Cr. as on 31st Mar'12 w.r.t. fully hedged foreign currency working capital borrowings
[^] (EBIT less dividend income) / (Average Capital Employed less long term investments)

- **Net Debt to EBITDA (annualised) improved to 2.1 times and Net Debt to Equity to 0.33 times**
 - ➔ Reduction in debt is largely on account of slump sale of Carbon Black business w.e.f. 1st Apr'13 and reduction in outstanding subsidy in Agri business from ₹ 1,441 Cr. in Mar'13 to ₹ 1,098 Cr. in Dec'13
- **Promoters' infusion of ₹ 671 Cr. & dividend / buyback proceeds of ₹ 294 Cr. from BSLI also contributed**
- **Cash flow from the divestment of Minacs will further support growth plans of ABNL**

Aditya Birla Financial Services



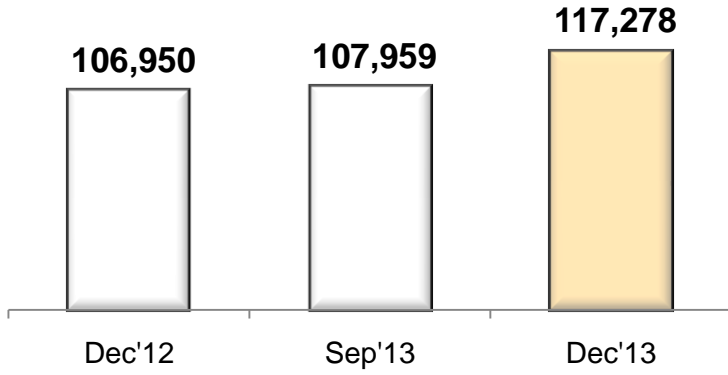
Performance highlights

Aditya Birla Financial Services (ABFS)

- ABFS is a large player in the non-banking financial services space having presence in several verticals
- Among the top 5 fund managers in India (excl. LIC)
- Funds under management at ₹ 117,278 Cr. grew y-o-y by 10%
- Attained growth in most of the businesses. Life Insurance business remained impacted.

Funds under Management¹

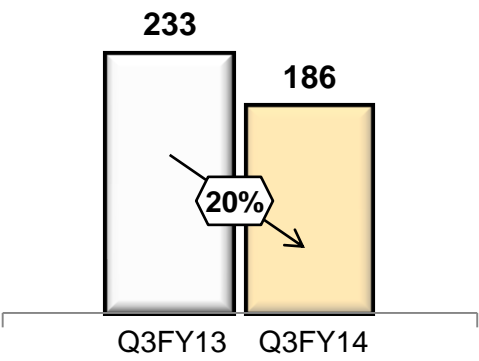
(₹ Crore)



Life Insurance

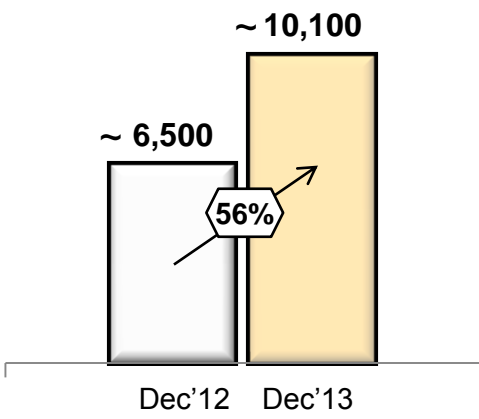
(Individual New Business Premium)

(₹ Crore)



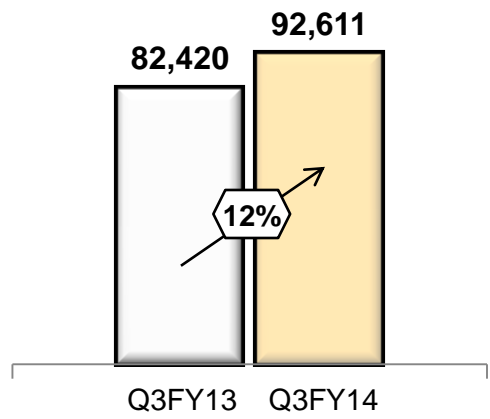
NBFC

(Lending Book - ₹ Crore)



Asset Management

(Average AUM - ₹ Crore)



Note 1 : Includes AUM of Life Insurance, Private Equity and quarterly AAUM of Asset Management business

Aditya Birla Financial Services (ABFS)

◆ Lending book growth continues while keeping risk under control

- ▶ Loan book grew to ~₹ 10,100 Cr. as on 31st Dec'13 (PY: ₹ 6,500 Cr., PQ : ₹ 8,300 Cr.)
- ▶ Return on average Net Worth enhanced y-o-y from 12.8% p.a. to 13.3% p.a.
- ▶ As on 31st Dec'13, Gross NPA was 1.5% (PQ : 1.9%, PY : 1.3%) and Net NPA was 0.8% (PQ : 1.3%, PY : 1.0%)

◆ Funding capital requirements of the NBFC business

- ▶ Share capital of ₹ 250 Cr. was infused during nine months ended 31st Dec'13

◆ Birla Sun Life Insurance is revamping its product suite to meet the new IRDA guidelines and to strengthen the traditional product suite

- ▶ Traditional products contributed to 63% of the new business during Q3 (YTD : 59%)

◆ Asset Management business posted 12% y-o-y growth in AAUM at ₹ 92,611 Cr.

- ▶ Recorded healthy rise in earnings driven by AAUM growth and posted strong fund performance in debt as well equity asset class

Aditya Birla Financial Services (ABFS)

Posted Q3 revenue at ₹ 1,475 Cr.

- Revenue of NBFC and Asset Management businesses grew y-o-y by 58% and 15% respectively
- Life Insurance business witnessed de-growth in premium income

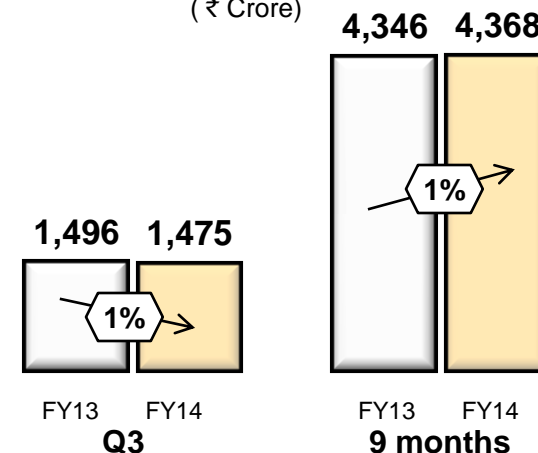
EBT de-grew y-o-y from ₹ 230 Cr. to ₹ 184 Cr. due to lower profitability in the Life Insurance business.

- NBFC and Asset Management businesses registered growth in EBT.

Generated sound ROACE at 27% p.a.

Revenue¹

(₹ Crore)



Q3 Revenue

(₹ Crore)

Key Businesses

Q3 EBT

(₹ Crore)

FY13

FY14

FY13

FY14

1,134

983

Life Insurance

160

80

193

306

NBFC

35

63

111

127

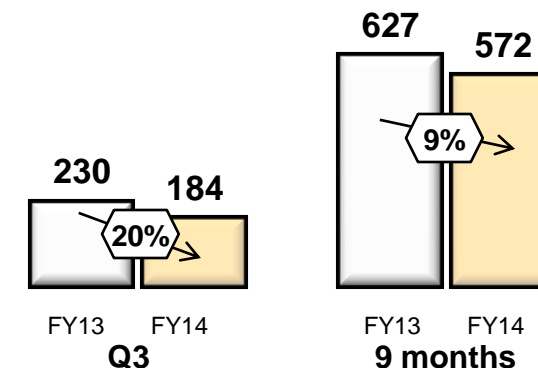
Asset Management

30

44

Earnings before Tax¹

(₹ Crore)



Note 1 : Including full figures of Asset Management business. Till 9th Oct'12, Asset Management business has been proportionately consolidated @ 50% in ABNL's financials, being a 50:50 Joint Venture, as per AS27. Thereafter, it is consolidated as subsidiary since ABFS holds 51% w.e.f. 10th Oct'12.



LINEN CLUB 

Fashion & Lifestyle



Performance highlights

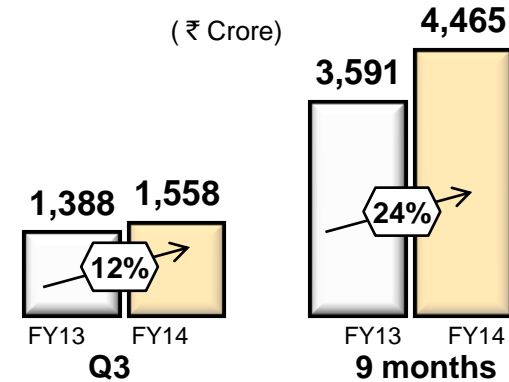
Fashion & Lifestyle

- ◆ L2L stores sales growth moderated across Industry due to weak festive sales
- ◆ ABNL's Fashion & Lifestyle business continues to expand its reach
 - ➔ Retail presence expanded to 1,670 EBOs / stores across 4.11 mn sq. ft.
 - Gross addition of 0.24 mn sq. ft. in Q3 (Over 0.55 mn sq. ft. in 9 months)
 - ➔ In Q3, combined revenue grew y-o-y by 12% to ₹ 1,558 Cr.
 - EBITDA rose by 41% from ₹ 136 Cr. to ₹ 192 Cr.
 - ➔ Generated 31% p.a. return on average operating capital employed

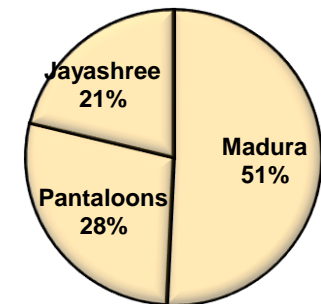
Retail EBOs/ Stores	Retail Space (mn sq. ft.)	Business	Q3 Revenue (₹ Crore)		Q3 EBITDA (₹ Crore)	
			FY13	FY14	FY13	FY14
1,478	2.11	Madura	694	855	58	116
103	1.90	Pantaloons	434	419	45	35
89	0.1	Jaya Shree	270	331	33	50
1,670	4.11	Total	1,388	1,558	136	192

Revenue ¹

(₹ Crore)

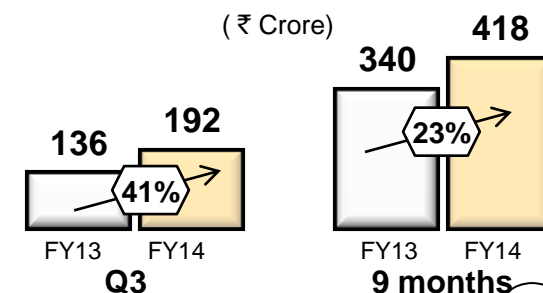


Revenue mix (9mFY14)



EBITDA ¹

(₹ Crore)



¹Pursuant to its acquisition, Pantaloons business was consolidated w.e.f. 1st July 2012. Hence, nine months financials are not comparable with the previous year to that extent

Fashion & Lifestyle

◆ Madura Fashion & Lifestyle : Posted all round growth

- ➔ In Q3, revenue at ₹ 855 Cr. rose y-o-y by 23% driven by strong volume growth across brands & products
 - Sales in Retail Channel grew by 19%, led by store expansion and 4% like-to-like growth
 - EBITDA doubled from ₹ 58 Cr. to ₹ 116 Cr.
- ➔ During 9 months, EBITDA margin of brands segment¹ enhanced y-o-y from 10.5% to 12.1%
- ➔ Generated free cash flows of about ₹ 250 Cr. during the nine months
- ➔ ROACE improved y-o-y from 20% p.a. to 60% p.a.

◆ Pantaloons Fashion & Retail Ltd. : In the investment phase

- ➔ Quarterly revenue de-grew y-o-y by 3% to ₹ 419 Cr. Like-to-Like (L2L) stores sales de-grew by 7.6%
 - Merchandise availability issue impacted coupled with weak festive sales experienced across Industry
- ➔ During past 3 quarters, significant thrust has been given on organisation building, investing in people & processes as well as ensuring availability of fresh merchandise for the upcoming Spring-Summer'14 season
- ➔ Improving merchandise assortment, refurbishing key stores & expanding retail presence will be the key focus areas going forward.

◆ Jaya Shree : Capacity expanded to tap sector growth and strengthen market leadership

- ➔ Linen Yarn capacity expanded from 2,300 to 3,400 TPA in Q2FY14
- ➔ Linen Fabric processing capacity expansion from 7.3 to 10.1 million meters p.a. completed in Q3FY14
- ➔ Posted its highest ever quarterly earnings led by expansion

¹Brands segment = Louis Philippe, Van Heusen, Allen Solly, Peter England, Planet Fashion, People and Collective



Telecom



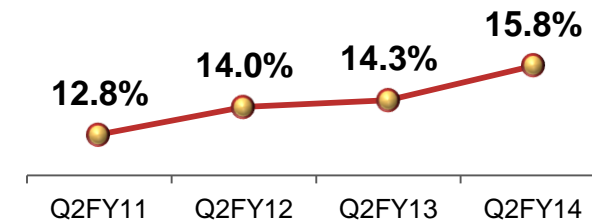
Performance highlights

Telecom : Idea Cellular

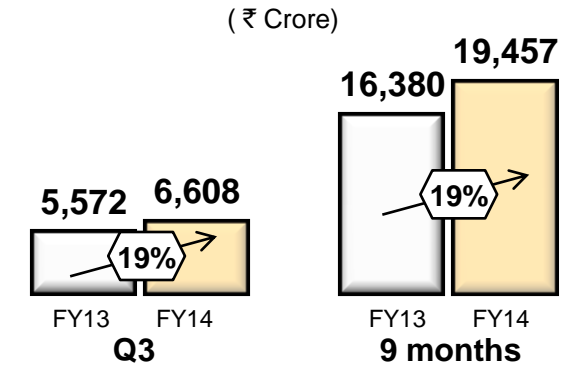
Robust performance across key metrics drove earnings growth

	Q3FY13 (PY)	Q3FY14 (CY)	Δ%
Minutes of Use (billion)	132.2	144.6	+9.4%
Average Realisation per minute (₹)	0.411	0.449	+ 9.2%
Cost per minute (₹)	0.325	0.332	+2%
Subscribers (In million)	113.9	128.7	+13.0%
Data Volume (billion Mega Bytes)	10.0	20.8	+107.6%
Revenue (₹ Crore)	5,572	6,608	+18.6%
Net Profit (₹ Crore)	229	468	+105%

Revenue Market Share¹



Consolidated Revenue



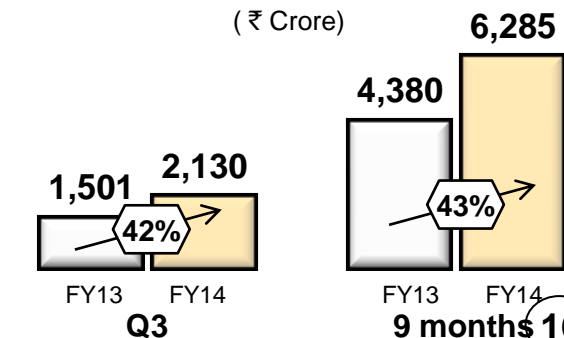
EBITDA surged by 42% driven by ~500 bps margin expansion

Strong Standalone² balance sheet & free cash flows to support growth

- Generated cash profit of ₹ 4,766 Cr. in 9 months attaining 41% y-o-y growth
- Net debt/EBITDA (annualised) at 1.23 (PY:2.22) & Net Debt/Equity at 0.58 (PY:0.83)

ROACE improved y-o-y from 9% p.a. to 13% p.a.

Consolidated EBITDA



¹Based on gross revenue for UAS & Mobile licenses only, as released by TRAI

²Standalone Financial position = Idea and its 100% subsidiaries



IT-ITeS



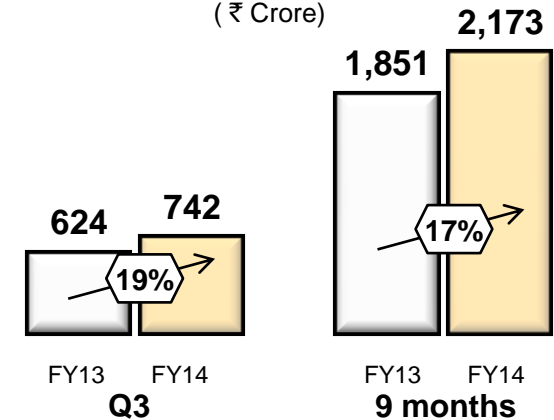
Performance highlights

IT-ITeS : Aditya Birla Minacs

- Quarterly revenue rose y-o-y by 19% to ₹ 742 Cr.
 - Conversion of order book and favourable forex movement contributed
- EBITDA grew by 5% to ₹ 73 Cr.
- Net profit grew by 2% to ₹ 38 Cr.
- On constant currency¹ basis, revenue grew y-o-y by 12% & EBITDA by 5% during nine months
- Sold TCV of ~USD 242 million in 9 months (PY: ~USD 200 million)
 - Includes new business TCV of ~USD 95 million (PY: ~USD 138 million)
- Generating steady cash profit

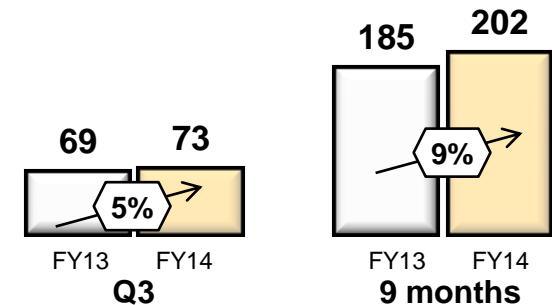
Revenue

(₹ Crore)



EBITDA

(₹ Crore)



	Dec'12	Dec'13
Headcount	19,520	21,517

¹Normalised for CAD/INR translation impact due to forex movement



Manufacturing



Performance highlights

Manufacturing Businesses (Agri, Rayon & Insulators)

- Rayon recorded its highest ever quarterly earnings
- Insulators posted improved earnings
- Y-o-Y performance review :

<u>Q3 Revenue</u>		<u>(₹ Crore)</u>	<u>Q3 EBITDA</u>		<u>Remarks</u>
<u>FY13</u>	<u>FY14</u>		<u>FY13</u>	<u>FY14</u>	
1,065	754	Agri	78	37	Discontinuance of trading in imported P&K fertilisers, high energy costs / consumption & lower sales of neem coated urea
194	220	Rayon	50	57	Higher VFY and ECU realisation
117	135	Insulators	17	24	Higher volumes and improved realisation
1,375	1,109	Total	145	118	

Going Forward

◆ Financial Services

- ◆ Embedding new product offerings and strengthening sales relationships to gain market share besides focusing on distribution reach, persistency and expense management in the **Life Insurance** business
- ◆ Growing profitable assets with a thrust on improving distribution efficiency and maintaining fund performance in the **Asset Management** business
- ◆ Scaling up the book size in the **NBFC** business while keeping risk under control

- ◆ Capitalising on brand !DEA in the Telecom business and capturing the emerging opportunities in Voice & Data

◆ Fashion & Lifestyle

- ◆ Leveraging brand leadership, scaling up retail space & enriching product portfolio in the Apparels business
- ◆ Expanding linen capacity & focusing on high margin linen fabric retail segment in the Textiles business

- ◆ Divestment of IT-ITeS business and utilising proceeds to fund ABNL's growth plans in its other businesses

- ◆ Capturing sector growth opportunities and improving margins in the Manufacturing businesses

Annexure I

Financials

Consolidated Revenue

(₹ Crore)

Quarter - 2	Quarter 3		Revenue	9 months	
	2013-14 (PQ)	2012-13 (PY)		2013-14 (CY)	2012-13 (PY)
1,526	1,496	1,475	Aditya Birla Financial Services	4,251	4,368
1,083	1,134	983	Life Insurance	3,399	2,962
446	366	494	Other Financial Services*	859	1,415
(3)	(4)	(2)	Elimination	(7)	(9)
1,596	1,410	1,670	Telecom (Nuvo's share) @	4,146	4,917
1,613	1,388	1,558	Fashion & Lifestyle	3,591	4,465
1,303	1,126	1,232	Branded Apparels & Accessories	2,740	3,516
311	270	331	Textiles	862	955
(1)	(8)	(5)	Elimination	(11)	(7)
774	624	742	IT-ITeS	1,851	2,173
994	1,375	1,109	Manufacturing	3,181	2,889
664	1,065	754	Agri-business	2,274	1,905
213	194	220	Rayon	568	637
116	117	135	Insulators	339	346
-	453	-	Carbon Black^	1,505	-
(10)	(10)	(9)	Inter-segment Elimination	(32)	(30)
6,493	6,737	6,545	Consolidated Revenue	18,495	18,782

* Other Financial Services include Asset Management (proportionately consolidated at 50%, being a 50:50 JV till 9th Oct'12 and thereafter consolidated as subsidiary since ABFS holds 51% w.e.f. 10th Oct'12), NBFC, Private Equity, Broking, Wealth Management & General Insurance Advisory.

@ Idea is consolidated at ~25.3%

^ Accounted for slump sale of Carbon Black business w.e.f 1st April 2013

Consolidated EBIT

(₹ Crore)

Quarter - 2	Quarter 3		EBIT	9 months	
2013-14 (PQ)	2012-13 (PY)	2013-14 (CY)		2012-13 (PY)	2013-14 (CY)
156	207	179	Aditya Birla Financial Services	566	555
75	160	80	<i>Life Insurance</i>	452	290
81	47	99	<i>Other Financial Services*</i>	114	265
225	149	225	Telecom (Nuvo's share) @	446	688
102	87	139	Fashion & Lifestyle	224	267
72	60	98	<i>Branded Apparels & Accessories</i>	126	163
30	26	42	<i>Textiles</i>	99	104
44	48	47	IT-ITeS	120	128
96	126	92	Manufacturing	312	252
40	73	31	<i>Agri-business</i>	159	86
43	41	44	<i>Rayon</i>	118	127
13	11	18	<i>Insulators</i>	35	38
-	16	-	Carbon Black^	73	-
624	633	682	Segmental EBIT	1,743	1,890

* Other Financial Services include Asset Management (proportionately consolidated at 50%, being a 50:50 JV till 9th Oct'12 & thereafter consolidated as subsidiary since ABFS holds 51% w.e.f. 10th Oct'12), NBFC, Private Equity, Broking, Wealth Management & General Insurance Advisory. Interest cost of NBFC business, being an operating expense as per AS 17, is deducted from Segmental EBIT

@ Idea is consolidated at ~25.3%

^ Accounted for slump sale of Carbon Black business w.e.f 1st April 2013

Consolidated Profit & Loss

(₹ Crore)

Quarter - 2	Quarter 3		Consolidated Profit & Loss Account	9 months	
2013-14 (PQ)	2012-13 (PY)	2013-14 (CY)		2012-13 (PY)	2013-14 (CY)
6,493	6,737	6,545	Revenue	18,495	18,782
1,203	1,135	1,297	EBITDA	3,090	3,674
176	131	188	Less : NBFC Interest expenses	306	530
181	231	168	Less : Other Interest Expenses	631	560
847	773	941	EBDT	2,152	2,584
384	334	407	Less : Depreciation	950	1,179
463	439	534	Earnings before Tax (before exceptional items)	1,202	1,405
-	-	-	Exceptional Gain / (Loss)*	-	24
463	439	534	Earnings before Tax	1,202	1,429
155	78	158	Less : Provision for Taxation (Net)*	217	390
17	52	31	Less : Minority Interest	125	72
290	309	345	Net Profit	860	967

* Book gain of ₹ 24 Cr. and a net tax credit of ₹ 41 Cr. has been recognized in Q1FY14 w.r.t. the slump sale of Carbon Black business

Balance Sheet

(₹ Crore)

Standalone		Balance Sheet	Consolidated	
Dec-13	Mar-13		Dec-13	Mar-13
8,107	6,854	Net Worth	11,183	9,384
-	-	Minority Interest	772	940
2,837 [★]	4,005 [★]	Debt	8,394 [★]	11,799 [★]
-	-	NBFC borrowings	8,515	6,903
87	155	Deferred Tax Liabilities (Net)	488	428
11,031	11,014	Capital Employed	29,352	29,455
-	-	Policyholders' funds (Incl. funds for future appropriation)	22,165	21,576
11,031	11,014	Total Liabilities	51,517	51,031
1,797	2,206	Net Block (Incl. Capital Advances)	10,323	10,677
20	20	Goodwill	5,056	4,825
-	-	NBFC Lending	10,100	8,000
1,424 [★]	2,577 [★]	Net Working Capital	462 [★]	1,837 [★]
7,641	5,857	Long Term Investments	365	354
-	-	Life Insurance Investments	23,478	22,929
-	-	Policyholders' Investments	22,226	21,559
-	-	Shareholders' Investments	1,252	1,371
148	353	Cash Surplus & Current Investments	1,734	2,409
623	570	Book Value (₹)	860	781
2.1	3.3	Net Debt / EBITDA (x)	1.6	2.5
0.33	0.53	Net Debt / Equity (x)	0.60	1.00
16,165	11,727	Market Capitalisation - NSE		

Note : Standalone capex of ₹ 313 Cr. was incurred during nine months ending 31st Dec'13

[★] Excluding MTM gain of ₹ 22 Cr. as on 31st Mar'13 and MTM loss of ₹ 1 Cr. as on 31st Dec'13 w.r.t. fully hedged foreign currency working capital debt

Standalone Profit & Loss

(₹ Crore)

Quarter - 2	Quarter 3		Standalone Profit & Loss Account	9 months	
	2013-14 (PQ)	2012-13 (PY)		2013-14 (CY)	2012-13 (PY)
2,132	2,736	2,220	Revenue	7,335	6,053
392	252	272	EBITDA	737	979
66	89	68	Interest Expenses	271	198
326	163	204	EBDT	466	781
51	57	49	Depreciation	158	146
275	106	155	Earnings before Tax (before exceptional items)	308	635
-	-	-	Exceptional Gain / (Loss)*	-	24
275	106	155	Earnings before Tax	308	659
57	21	52	Provision for Taxation (Net)*	68	84
218	85	104	Net Profit	239	576

* Book gain of ₹ 24 Cr. and a net tax credit of ₹ 41 Cr. has been recognized in Q1FY14 w.r.t. the slump sale of Carbon Black business

Annexure II

Business-wise Financials

Aditya Birla Financial Services

Quarter 3		₹ Crore	9 months	
2012-13 (PY)	2013-14 (CY)		2012-13 (PY)	2013-14 (CY)
		<u>Revenue</u>		
1,134	983	Birla Sun Life Insurance	3,399	2,962
193	306	Aditya Birla Finance	479	856
111	127	Birla Sun Life Asset Management	301	377
14	22	Aditya Birla Insurance Brokers	45	64
22	19	Aditya Birla Money	64	55
21	16	Aditya Birla Money Mart	52	47
6	6	Aditya Birla Capital Advisors (PE)	18	18
(5)	(3)	Others / (Elimination)	(12)	(12)
1,496	1,475	Revenue	4,346	4,368
230	184	Earnings before tax	627	572
203	144	Net Profit	556	462

Note : Including full figures of Asset Management business. Till 9th Oct'12, Asset Management business has been proportionately consolidated @ 50% in ABNL's financials, being a 50:50 Joint Venture, as per AS27. Thereafter, it is consolidated as subsidiary since ABFS holds 51% w.e.f. 10th Oct'12.

Birla Sun Life Insurance (BSLI)

- ◆ In Q3, Private life Insurers' individual new business premium remained flat y-o-y. Non-bank backed life insurers underperformed sector growth.
 - ◆ Growth remained muted given the macro-economic environment and product regulations
- ◆ In Q3, BSLI's individual new business premium income de-grew from ₹ 233 Cr. to ₹ 186 Cr.
- ◆ Renewal premium at ₹ 704 Cr. (PY : ₹ 726 Cr.)
- ◆ Earnings before tax at ₹ 80 Cr. (PY : ₹ 160 Cr.)
- ◆ Share of traditional products in the individual new business sales at 59% (Apr-Dec'13) is likely to rise going forward led by the revamped products suite

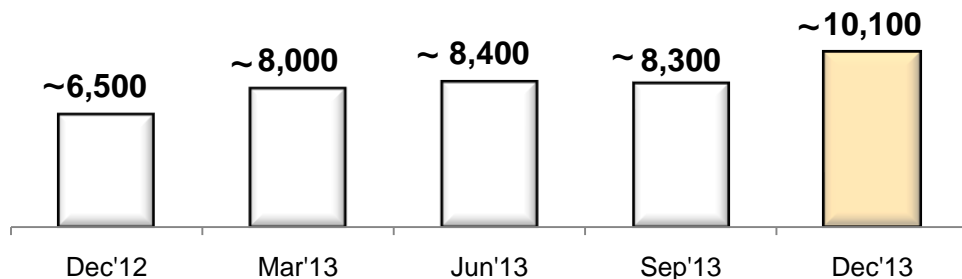
Quarter 3		₹ Crore	9 months	
2012-13 (PY)	2013-14 (CY)		2012-13 (PY)	2013-14 (CY)
456	307	New Business Premium (Gross)	1,143	971
233	186	<i>Individual</i>	666	582
223	121	<i>Group</i>	476	390
726	704	Renewal Premium (Gross)	2,390	2,083
690	668	<i>Individual</i>	2,322	1,992
36	36	<i>Group</i>	68	92
1,182	1,011	Premium Income (Gross)	3,533	3,055
(85)	(76)	<i>Less : Reinsurance ceded & Service tax</i>	(227)	(228)
1,098	935	Premium Income (Net)	3,306	2,827
36	48	<i>Other Operating Income</i>	94	135
1,134	983	Revenue	3,399	2,962
160	80	Earnings before tax	452	290
160	80	Net Profit	452	290
		Assets under management	23,351	23,488
		<i>Policyholders' Investments</i>	21,871	22,236
		<i>Shareholders' Investments</i>	1,480	1,252

Aditya Birla Finance

- Lending book at ~₹ 10,100 Cr. grew y-o-y by 56% and q-o-q by 22%
- In Q3, revenue rose y-o-y by 58% to ₹ 306 Cr.
 - ▶ EBT soared by 78% from ₹ 35 Cr. to ₹ 63 Cr.
 - ▶ Growth in lending book and improved opex ratio contributed
- Share Capital of ₹ 25 Cr. was infused in Q3 (₹ 250 Cr. in 9 months)
- During nine months, revenue at ₹ 856 Cr. and EBT at ₹ 180 Cr. grew y-o-y by 79% and 90% respectively
 - ▶ ROANW improved y-o-y to 13.3% p.a. (PY: 12.8%)
- Presence expanded from 8 cities to 21 cities
- Long term credit rating upgraded from AA to AA+ by CARE

Growth in Lending book

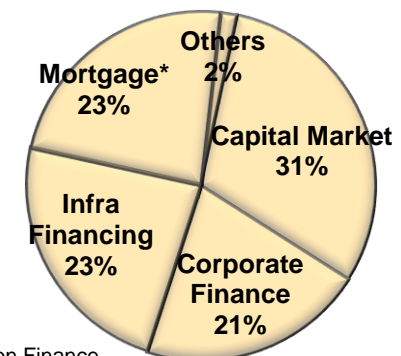
(₹ Crore)



Key business metrics

	9mFY13 (PY)	9mFY14 (CY)
Net Interest Income (incl. fee income) (%)	5.4%	5.1%
Opex to NII Ratio (%)	41%	29%
Return on Avg. Net Worth (p.a.) (%)	12.8%	13.3%
Return on Avg. Assets (p.a.) (%)	1.8%	1.9%
Gross NPA (as % of total loans & advances)	1.3%	1.5%
Net NPA (as % of total loans & advances)	1.0%	0.8%
Fee Income (₹ Crore)	26	35
Revenue (₹ Crore)	479	856
Earnings before tax (₹ Crore)	95	180
Net Profit (₹ Crore)	64	119
Net Worth (₹ Crore)	892	1,448
Borrowings (₹ Crore)	5,537	8,515
Leverage (x)	6.21x	5.88x

Lending book as on 31st Dec'13 : Break-up



* LAP / LRD & Construction Finance

Birla Sun Life Asset Management (BSAMC)

- Industry's domestic AAUM grew y-o-y by 11% to ~ ₹ 876,500 Cr.

- Fixed income funds drove y-o-y growth
- AAUM grew 8% q-o-q driven by strong inflow in liquid funds

- BSAMC's AAUM grew y-o-y by 12% to ₹ 92,611 Cr.

- Debt funds were the largest contributor to the growth.
- Offshore AUM grew y-o-y by 61% to ₹ 6,207 Cr.

- Ranks 4th in India with domestic AAUM market share of 9.7%

- Share in Industry's equity AAUM rose q-o-q from 5.53% to 5.65%

- In Q3, revenue rose y-o-y by 15% from ₹ 111 Cr. to ₹ 127 Cr.

- Earnings before tax grew by 46% to ₹ 44 Cr.
 - Growth in AAUM led to improved earnings

- Strong fund performance** : 90% of avg. Equity AUM and 70% of avg. debt & liquid AUM are in top 2 quartiles in terms of 1 year return

- Birla Sun Life AMC was voted as the "Best Debt Fund House" at Outlook Money Awards 2013

₹ Crore	Average AUM		
	Q3FY13 (PY)	Q2FY14 (PQ)	Q3FY14 (CY)
Domestic Equity & Alternate Assets	12,578	11,533	12,252
Domestic Fixed Income	65,998	67,273	74,151
Offshore Assets	3,844	5,594	6,207
Total AUM	82,420	84,400	92,611

Quarter 3		₹ Crore	9 months	
2012-13 (PY)	2013-14 (CY)		2012-13 (PY)	2013-14 (CY)
111	127	Revenue (Fee Income)	301	377
30	44	Earnings before tax	86	116
21	28	Net Profit	59	77

Other Financial Services

Aditya Birla Insurance Brokers (General insurance advisory)

- Quarterly revenue grew by 50% to ₹ 22 Cr. (PY : ₹ 14 Cr.) and earnings before tax grew by 25% to ₹ 4 Cr. (PY : ₹ 3 Cr.)

Aditya Birla Money (ABM) (Broking and Wealth Management)

- Broking** : Industry continues to witness sluggish volumes, lower retail participation and pressure on yields.
 - In Q3, Aditya Birla Money's market share in retail F&O and commodity segments grew y-o-y to 1.42% (PY:0.97%, PQ: 1.18%) & 0.59% (PY:0.53%, PQ: 0.61%). Market share in retail cash equity segment grew q-o-q to 1.52% (PQ : 1.38%, PY:1.58%).
- Wealth Management**: Introduction of mutual funds direct plan impacted Assets under Advisory which stood at ~ ₹ 9,000 Cr. as on 31st Dec'13 (PQ : ~₹ 9,800 Cr., PY : ~₹ 20,000 Cr.)

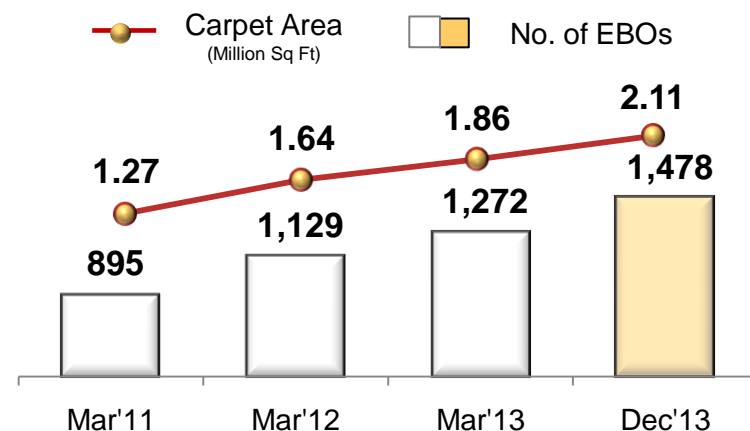
Aditya Birla Private Equity (ABPE) : Funds under management at ₹ 1,179 Cr.

- Fund I has deployed 74% of its deployable corpus
- Sunrise Fund has deployed 43% of its deployable corpus

₹ Crore	Aditya Birla Insurance Brokers (General Insurance Advisory)		Aditya Birla Money (Broking)		Aditya Birla Money Mart (Wealth Management)		Aditya Birla Capital Advisors (Private Equity)	
	PY	CY	PY	CY	PY	CY	PY	CY
	Quarter 3							
Revenue	14	22	22	19	21	16	6	6
Earnings before tax	3	4	(3)	(2)	1	0	2	3
Net Profit / (Loss)	2	3	(3)	(2)	1	0	1	2
9 months								
Revenue	45	64	64	55	52	47	18	18
Earnings before tax	15	20	(11)	(11)	(5)	(8)	7	7
Net Profit / (Loss)	10	13	(11)	(11)	(5)	(8)	5	5

Quarter 3		₹ Crore	9 months	
2012-13 (PY)	2013-14 (CY)		2012-13 (PY)	2013-14 (CY)
694	855	Revenue	1,862	2,333
58	116	EBITDA	143	270
34	96	Segment EBIT	82	206
475	446	Capital Employed	475	446
26	87	ROACE (Annualised) (%)	20	60

Retail Channel



- **Expanding retail presence to strengthen leadership**
 - ➔ During the quarter, 102 Stores (276 in nine months) were launched
- Capex of ₹ 62 Cr. was incurred during nine months

Pantaloons Fashion & Retail Ltd.

Quarter 3		₹ Crore	9 months	
2012-13 (PY)	2013-14 (CY)		2012-13 (PY)	2013-14 (CY)
434	419	Revenue	884	1,251
45	35	EBITDA*	80	35
27	10	Segment EBIT	43	(29)

Note: Pursuant to its acquisition, Pantaloons business was consolidated w.e.f. 1st July 2012.

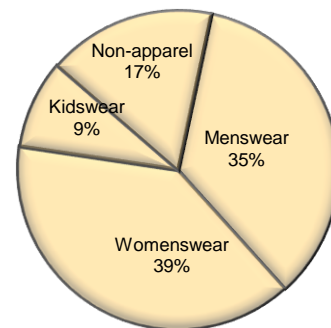
Hence, nine months results are not comparable with the previous year to that extent

* EBITDA in the previous year is net of interest income on current investments of ₹ 800 Cr.

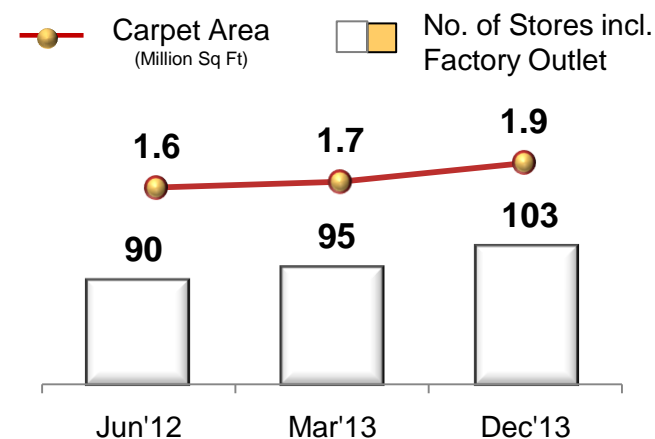
₹ Crore	As on 31st Mar'13	As on 31st Dec'13
Net Fixed Assets	488	503
Goodwill	1,168	1,168
Cash & Current Investments	19 [^]	39
Net Working Capital	25	(59)
Net Worth	770	650
Total Debt	931 [^]	1,000

[^] Net of current investments of ₹ 800 Cr.

Revenue Mix (9mFY14)



Customer Reach



- Customer reach expanded to 77 Pantaloons stores & 26 Factory Outlets spanning across 1.9 million sq. ft.
 - Launched 9 new Pantaloons stores & 1 Factory outlet and closed 2 non-profitable stores during the nine months period
- Y-o-Y profitability is strained reflecting full impact of organisation building costs compared to allocation of costs till last year
- Q-o-Q EBITDA margin improved owing to full priced festive season sales in Q3. EBITDA margin to remain muted in the short run, business being in the investment phase
- Finance costs optimised through debt refinancing
- Capex of ₹ 66 Cr. was incurred during nine months

Quarter 3		₹ Crore	9 months	
2012-13 (PY)	2013-14 (CY)		2012-13 (PY)	2013-14 (CY)
129	164	Linen Segment	373	446
141	168	Wool Segment	489	509
270	331	Revenue	862	955
33	50	EBITDA	117	126
26	42	Segment EBIT	99	104
164	230	Capital Employed	164	230
87	74	ROACE (Annualised) (%)	105	68

- ◆ In Q3, revenue grew y-o-y by 23% to ₹ 331 Cr. and EBITDA rose by 52% to ₹ 50 Cr. -

- ◆ Posted highest ever quarterly earnings
- ◆ Expansion led volume growth in the linen segment coupled with higher realisation contributed
- ◆ Earnings in the Wool segment also improved

- ◆ Focusing on high margin Linen Fabric OTC segment

- ◆ Opened 13 new 'Linen Club Fabrics' EBOs during the nine months to reach 89 EBOs

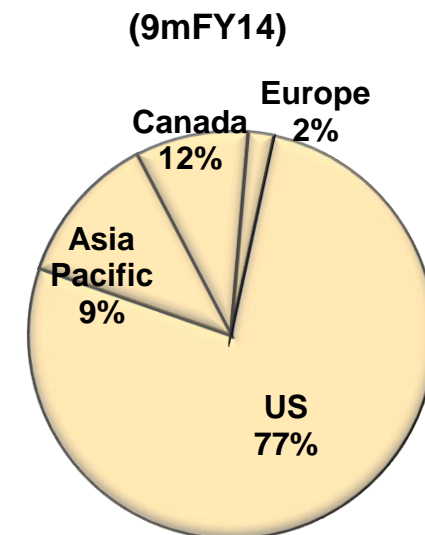
- ◆ Operating at a sound ROACE of 68% p.a.

Quarter 3		₹ Crore (Consolidated Results)	9 months	
2012-13 (PY)	2013-14 (CY)		2012-13 (PY)	2013-14 (CY)
5,572	6,608	Revenue	16,380	19,457
1,501	2,130	EBITDA	4,380	6,285
590	889	Segment EBIT	1,763	2,722
229	468	Net Profit	703	1,378
		Net Worth	14,100	16,115
		Total Debt	14,932	13,265
		Capital Employed	29,031	29,380
		ROACE (Annualised) (%)	9	13

- Base of 128.7 million subscribers provides a large platform for upgrading pure voice customers to wireless data services in future
 - Currently, 25.5 million subscribers use mobile data services, contributing 9.5% of total service revenue in Q3FY14
- Recorded highest ~36.7% share in industry's active subscribers' net additions during Nov'12-Oct13
- As of 31st Oct'13, Idea had ~97.5% of reported subscribers as VLR (active) subscribers – highest in the industry
- VAS as percentage of service revenue grew to 16.1% in Q3FY14 (PY: 14.6%)
- Capex of ₹ 22.3 billion incurred in 9mFY14. Capex guidance for FY14, excl. spectrum payout, stands at ₹ 35 billion

Quarter 3		₹ Crore	9 months	
2012-13 (PY)	2013-14 (CY)		2012-13 (PY)	2013-14 (CY)
624	742	Revenue	1,851	2,173
69	73	EBITDA	185	202
48	47	Segment EBIT	120	128
37	38	Net Profit	87	100
1,460	1,586	Capital Employed	1,460	1,586

Revenue Mix by Customer Location



- Capital Employed in INR terms is higher than normal levels largely due to CAD/INR translation impact
 - Conversion rates : 1 CAD = INR 57.80 as on 31st Dec'13 (PY: INR 55.18, PQ: INR 60.81)

Divestment of Aditya Birla Minacs

Background

- ABNL entered the ITeS sector in 2003 through acquisition of TransWorks. Later in 2006, to provide scale to the business, TransWorks acquired Minacs for USD 125 million. Committed to its turnaround and growth, ABNL supported Minacs over the years, to attain revenue of ~USD 450 million (₹ 2,466 Crore) and net profit of ~USD 23 million (₹ 125 Crore) in fiscal 2012-13. Today, Aditya Birla Minacs has risen to the stature of a global business solutions provider that partners with global corporations through its 35 centers spanning 10 countries across 3 continents.
- To further expand its scale, enhance its competitive advantage & attain next level of growth, Minacs requires capital investments.

Rationale

- Being a conglomerate, ABNL constantly evaluates its capital allocation strategy & reviews its business portfolio. Given the multiple growth opportunities & capital commitments at ABNL, the Company decided to divest Minacs to a strategic financial investor, with extensive domain experience, who can ensure that Minacs continues to progress on its strategic roadmap.

Going Forward

- Pursuant to a share purchase agreement with a group of financial investors led by Capital Square Partners and CX Partners, ABNL IT & ITeS Ltd., a wholly owned subsidiary of ABNL, will divest Minacs at an Enterprise Value of USD 260 million subject to working capital & other adjustments, customary closing conditions, third party consents and regulatory approvals.
- Cash flow from the divestment of Minacs will support growth plans of ABNL & ensure its greater focus in the other businesses.
- The transaction is expected to be completed in 2 to 3 months, subject to the requisite customary and regulatory approvals.

Indo Gulf Fertilisers

Quarter 3		₹ Crore	9 months	
2012-13 (PY)	2013-14 (CY)		2012-13 (PY)	2013-14 (CY)
304	303	Manufactured Urea Sales ('000 MT)	807	859
1,065	754	Revenue	2,274	1,905
523	613	Manufacturing (Urea, Customised Fertilisers)	1,360	1,635
542	142	Trading (Fertilisers, Seeds, Agro-Chemicals)	914	271
78	37	EBITDA	174	102
73	31	Segment EBIT	159	86
1,644	1,459	Capital Employed	1,644	1,459
20	10	ROACE (Annualised) (%)	16	7

- Posted quarterly revenue at ₹ 754 Cr. (PY : ₹ 1,065 Cr.)
 - Revenue from manufacturing operations grew by 17% to ₹ 613 Cr. owing to rise in natural gas prices which is pass through
 - Trading revenue is lower y-o-y due to discontinuance of trading in imported P&K fertilisers
- EBITDA is lower y-o-y at ₹ 37 Cr. due to discontinuance of trading in imported P&K fertilisers and higher energy costs / consumption coupled with lower sales of neem coated urea owing to preponement of sales in Q2FY14
- Outstanding subsidy increased q-o-q from ₹ 747 Cr. in Sep'13 to ₹ 1,098 Cr. in Dec'13. Of this, received subsidised loan of ₹ 192 Cr. in Nov'13 & ₹ 323 Cr. in Jan-Feb'14 through Special Banking Arrangement
- Capital employed is lower y-o-y on account of discontinuance of trading in imported P&K fertilisers
- Maintenance shutdown for 35 days is planned in the first week of Mar'14 for Energy Saving and Debottlenecking Project

Indian Rayon

Quarter 3		₹ Crore	9 months	
2012-13 (PY)	2013-14 (CY)		2012-13 (PY)	2013-14 (CY)
		<u>VFY</u>		
4,223	4,317	Manufactured VFY Sales Volumes (MT)	12,731	12,908
308	322	Realisation (Rs./Kg.)	300	310
142	167	Revenue (VFY & allied chemicals) (₹ Cr.)	416	487
		<u>Chemicals</u>		
21,823	21,008	Caustic Soda Sales (MT)	64,290	66,586
26,576	29,161	ECU Realisation (Rs./MT.)	26,684	26,125
52	53	Revenue (₹ Cr.)	153	150
194	220	Total Revenue	568	637
50	57	EBITDA	144	165
41	44	Segment EBIT	118	127
635	771	Capital Employed	635	771
27	23	ROACE (Annualised) (%)	27	23

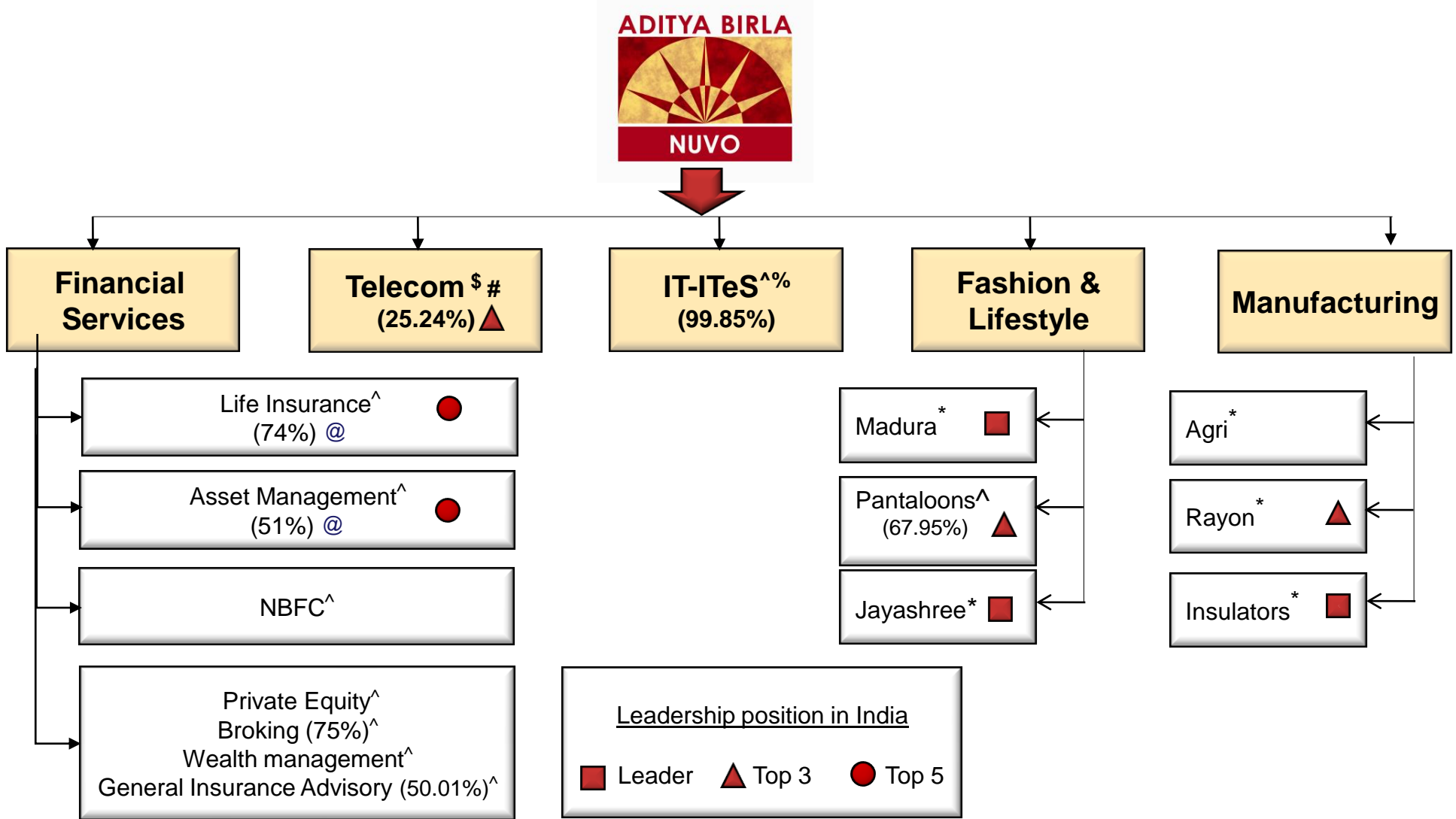
- ◆ Posted highest ever quarterly earnings
- ◆ Revenue grew y-o-y by 13% to ₹ 220 Cr. and EBITDA grew by 14% to ₹ 57 Cr.
 - ▶ VFY : Revenue grew by 17% owing to higher realisation and volumes driven by superfine yarn
 - ▶ Chemicals : Caustic Soda sales volume de-grew by 4% while ECU realisation is up by 10%
- ◆ Capital employed is higher y-o-y on account of commissioning of additional unit of Superfine Yarn in Mar'13 at existing premises.
 - ▶ Having reached full capacity utilisation in Jan'14, new unit will help in enhancing product quality & range, in superfine segment
- ◆ Operating at an ROACE of 23% p.a.

Aditya Birla Insulators

Quarter 3		₹ Crore	9 months	
2012-13 (PY)	2013-14 (CY)		2012-13 (PY)	2013-14 (CY)
9,257	9,851	Sales Volumes (MT)	26,750	25,573
117	135	Revenue	339	346
17	24	EBITDA	51	55
11	18	Segment EBIT	35	38
403	385	Capital Employed	403	385
11	19	ROACE (Annualised) (%)	12	13

- ◆ Insulators industry's domestic sales volume grew y-o-y by 4% during Apr-Nov'13 while domestic sales of Aditya Birla Insulators grew y-o-y by 14% during Q3FY14 (5% growth in Apr-Dec'13) (Source : IEEMA)
 - Deferment of projects & liquidity crunch in the power sector continued but partial benefit of safeguard duty levied last year reflected in the volumes and realisation growth during Q3. Safeguard duty was effective till 31st Dec'13. Industry is pursuing the Government for imposition of Anti-Dumping duty against cheaper Chinese imports.
- ◆ In Q3, revenue grew y-o-y by 16% to ₹ 135 Cr. and EBITDA rose by 40% to ₹ 24 Cr.
 - Sales volumes grew by 6% while realisation improved by 9% contributing to the earnings growth
- ◆ EBITDA grew q-o-q from ₹ 19 Cr. to ₹ 24 Cr. led by higher sales volume

Annexure III : Reporting Structure



* Represent Divisions ^ Represent Subsidiaries \$ Represent Joint Ventures @ JV with Sun Life Financial, Canada # Listed, Aditya Birla Group holds 45.83%
 % ABNL IT & ITeS Ltd., a wholly owned subsidiary of ABNL has entered into an agreement to divest IT-ITeS business subject to closing conditions and customary approvals
 Note : Percentage figures indicated above represent ABNL's shareholding in its subsidiaries /JV's

Disclaimer

Certain statements made in this presentation may not be based on historical information or facts and may be “forward looking statements” including, but not limited to, those relating to general business plans & strategy of Aditya Birla Nuvo Limited ("ABNL"), its future outlook & growth prospects, future developments in its businesses, its competitive & regulatory environment and management's current views & assumptions which may not remain constant due to risks and uncertainties. Actual results may differ materially from these forward-looking statements due to a number of factors, including future changes or developments in ABNL's business, its competitive environment, its ability to implement its strategies and initiatives and respond to technological changes and political, economic, regulatory and social conditions in the countries in which ABNL conducts business. Important factors that could make a difference to ABNL's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in ABNL's principal markets, changes in Government regulations, tax regimes, competitors actions, economic developments within India and the countries within which ABNL conducts business and other factors such as litigation and labour negotiations.

This presentation does not constitute a prospectus, offering circular or offering memorandum or an offer to acquire any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of ABNL's shares. Neither this presentation nor any other documentation or information (or any part thereof) delivered or supplied under or in relation to the shares shall be deemed to constitute an offer of or an invitation by or on behalf of ABNL.

ABNL, as such, makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information or opinions contained herein. The information contained in this presentation, unless otherwise specified is only current as of the date of this presentation. ABNL assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events or otherwise. Unless otherwise stated in this document, the information contained herein is based on management information and estimates. The information contained herein is subject to change without notice and past performance is not indicative of future results. ABNL may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such revision or changes. This presentation may not be copied and disseminated in any manner.

INFORMATION PRESENTED HERE IS NOT AN OFFER FOR SALE OF ANY EQUITY SHARES OR ANY OTHER SECURITY OF ABNL

This presentation is not for publication or distribution, directly or indirectly, in or into the United States, Canada or Japan. These materials are not an offer of securities for sale in or into the United States, Canada or Japan.

Aditya Birla Nuvo Limited

Regd. Office: Indian Rayon Compound, Veraval – 362 266 (Gujarat)

Corporate Office: 4th Floor 'A' Wing, Aditya Birla Center, S.K. Ahire Marg, Worli, Mumbai – 400 030

Website: www.adityabirlanuvo.com or www.adityabirla.com Email: nuvo-investors@adityabirla.com