

ADITYA BIRLA



ADITYA BIRLA



Creating India's Largest Branded Apparel Company

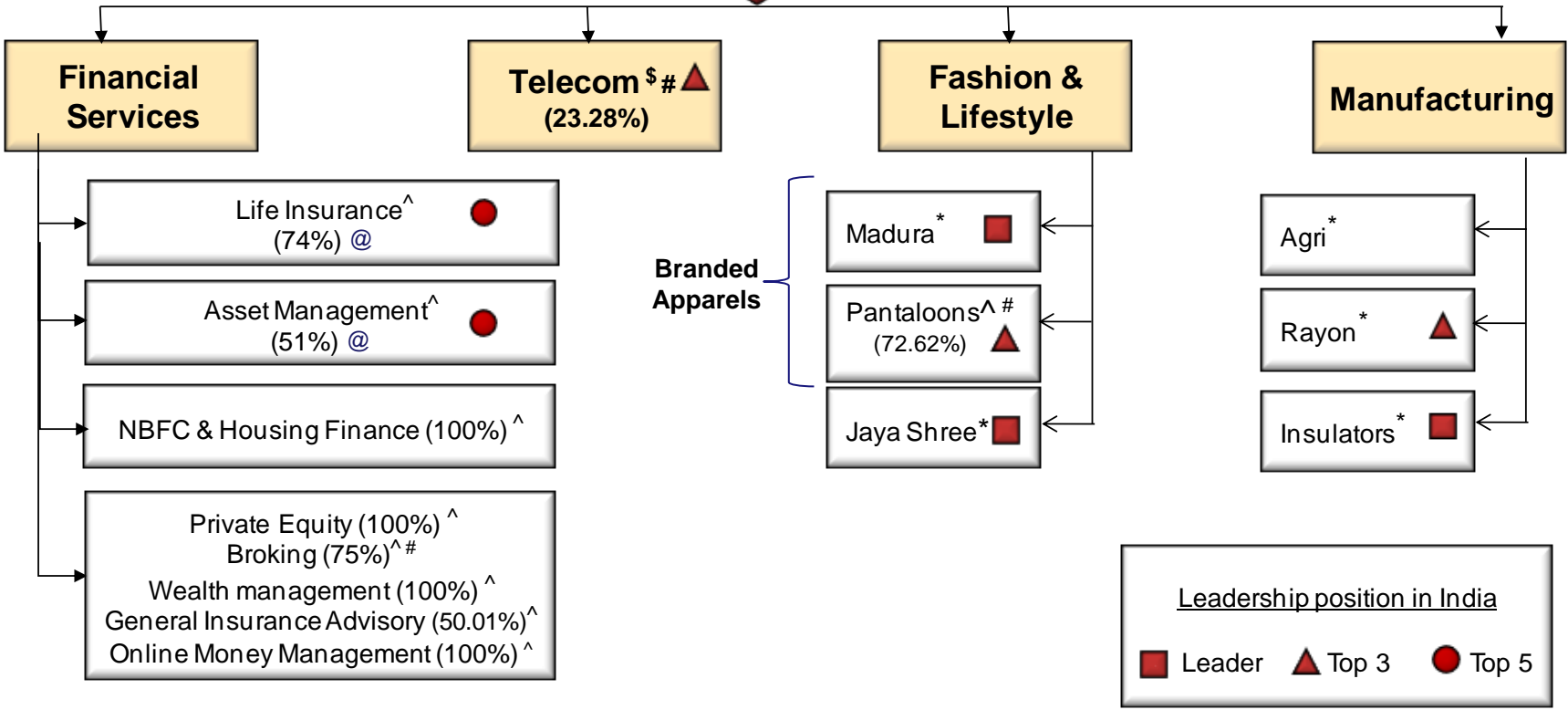
Aditya Birla Fashion & Retail Limited



Investor presentation

Mumbai, 3rd May 2015

Aditya Birla Nuvo : A premium Conglomerate



* Represent Divisions [^] Represent Subsidiaries ^{\$} Represent Joint Ventures @ JV with Sun Life Financial, Canada # Listed

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

Adiya Birla Nuvo Limited

Progressing in line with its vision

1999 - 2003

Investing in the promising sectors

- Entered Fashion business through acquisition of Madura
- Foray in Life Insurance business through JV with Sun Life Canada
- Entry into IT-ITeS Business

2004 - 2012

Building leadership position in businesses

- Enhanced strategic stake in Telecom through Idea
- Expanded Financial Services portfolio by merger of AMC & NBFC and entry in broking, private equity
- Augmented Fashion offerings through acquisition of Pantaloons – a top 3 big box apparel retailer

2013 & Onwards

Creating value for all the stakeholders

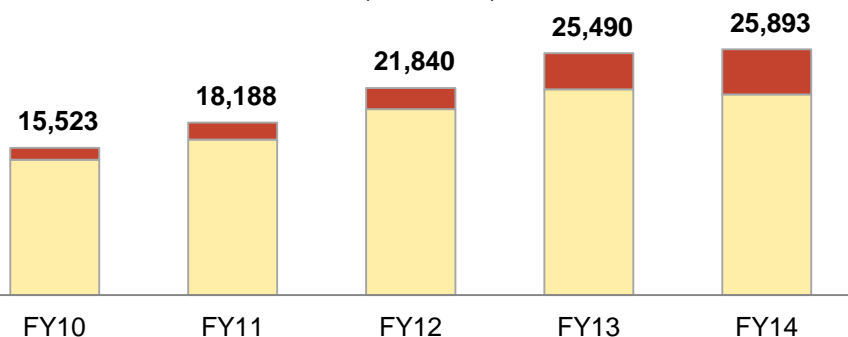
- Divestment of Carbon Black and IT-ITeS to focus on other businesses and strengthening the Balance Sheet
- Consolidation of Branded Apparels Business – Value Unlocking for Shareholders

Driving strong earnings growth

■ Branded Apparels ■ Financials Services, Telecom & Manufacturing

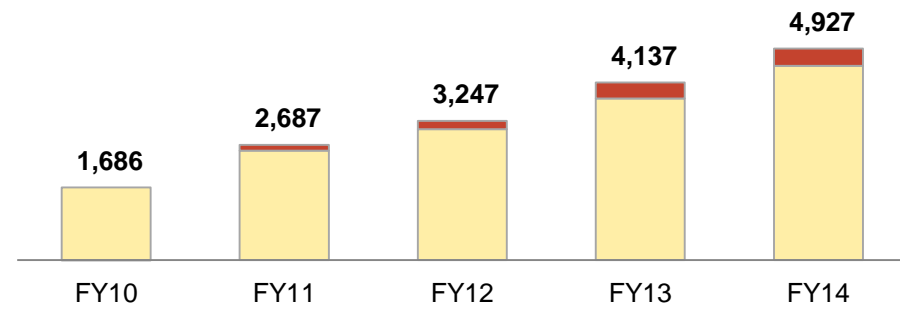
Consolidated Revenue

(Rs. Crore)



Consolidated EBITDA

(Rs. Crore)



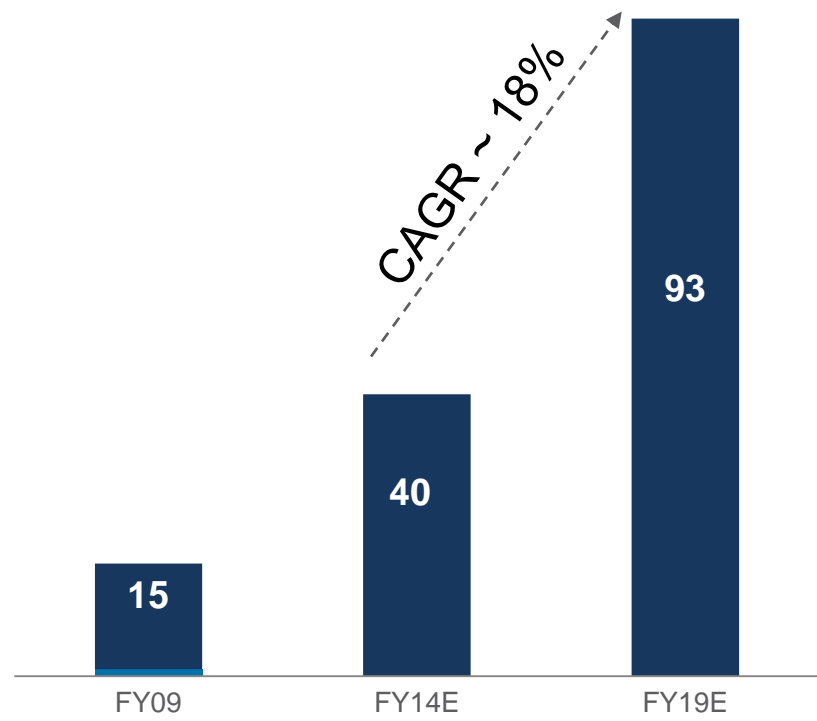
**India's Branded Apparel & Fashion Market
is large & growing rapidly**

Indian Apparel Market – Large and Growing Rapidly

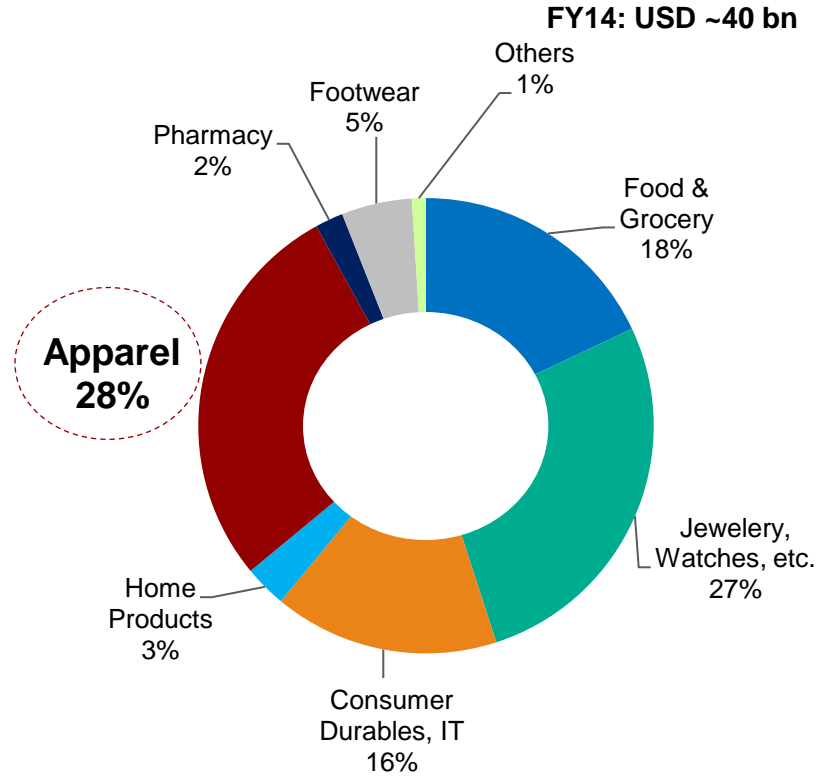
Driven by organized retail growth of ~18% over 5 years

Growth of Organized Retail

Organized Retail Market (USD bn)



Apparel - largest share in Organized Retail

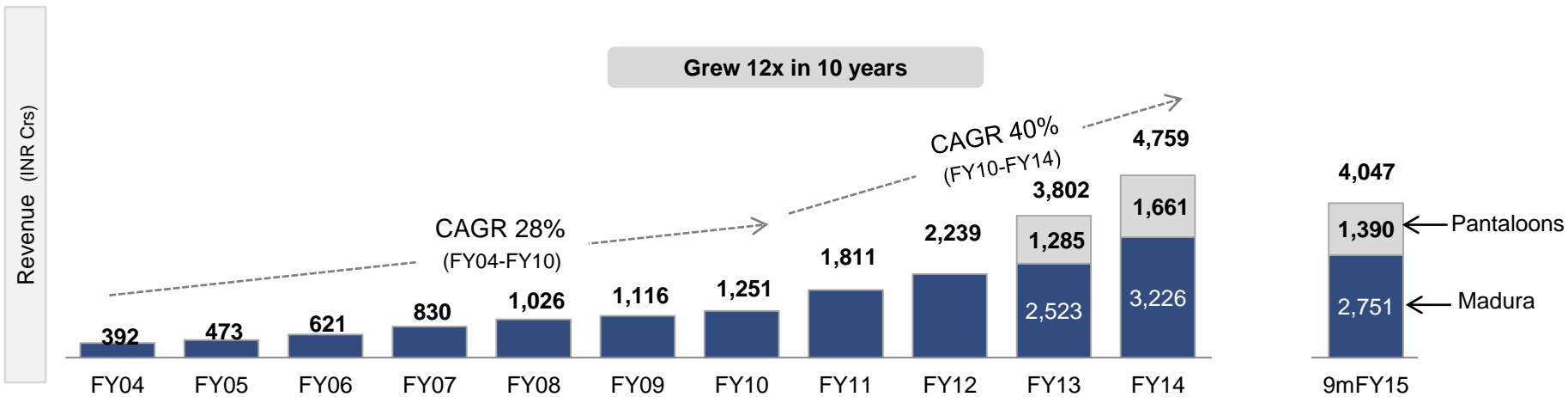
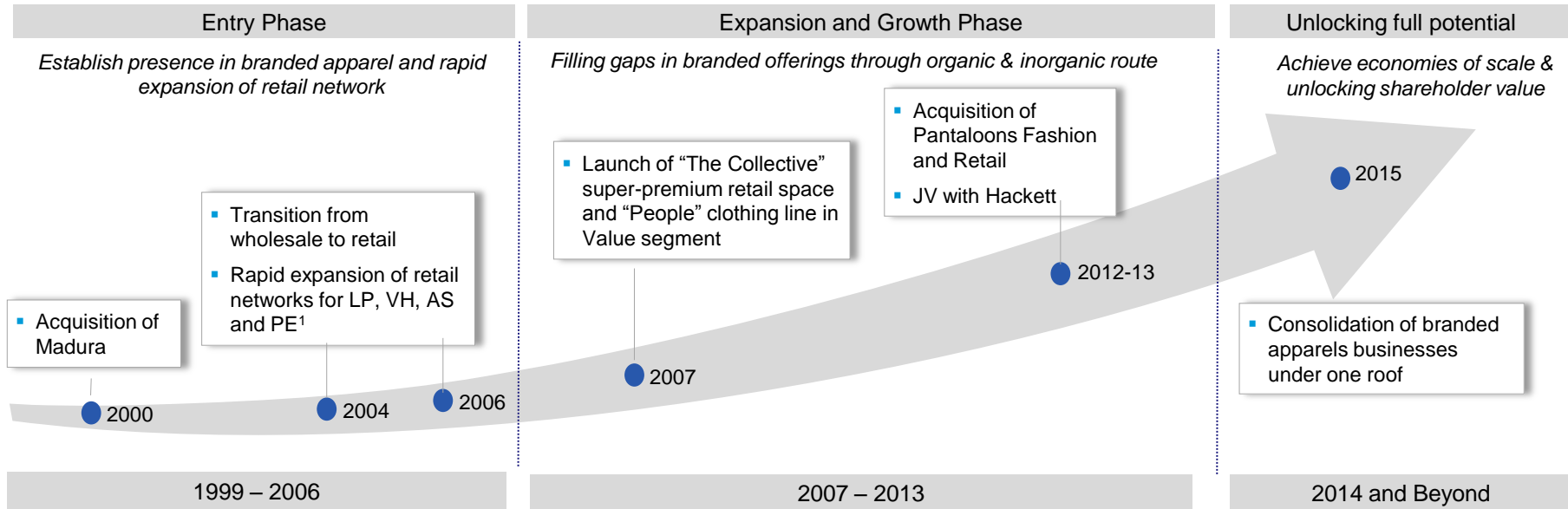


ABFRL well poised to exploit the growth opportunity

We have strong businesses in the Branded apparels Space

ABG's Journey in Apparel Industry

A story of continuous evolution



Note:
 (1) LP: Louis Philippe; VH: Van Heusen; AS: Allen Solly; PE: Peter England

Transaction Highlights

Creating India's **largest pure-play fashion** lifestyle company

Presence across **entire spectrum** of Fashion with **market leading brands**

Largest retail network with 1,869 stores spanning ~5 Mn Sq ft

Significant **shareholder value unlock**: direct access to apparel entity with track record of high growth & profitability



**ADITYA BIRLA
FASHION & RETAIL
LIMITED**

Winning Combination of Brands & Retail



- Powerhouse of **India's leading fashion brands**: Louis Philippe, Van Heusen, Allen Solly, Peter England
- Extensive reach through **multi-channel distribution** network: ~ 1735 Retail stores & 6000+ additional points of sale
- State of Art **global supply chain**
- **Strong in-house design** & product development capabilities
- Track record of **robust financial performance**

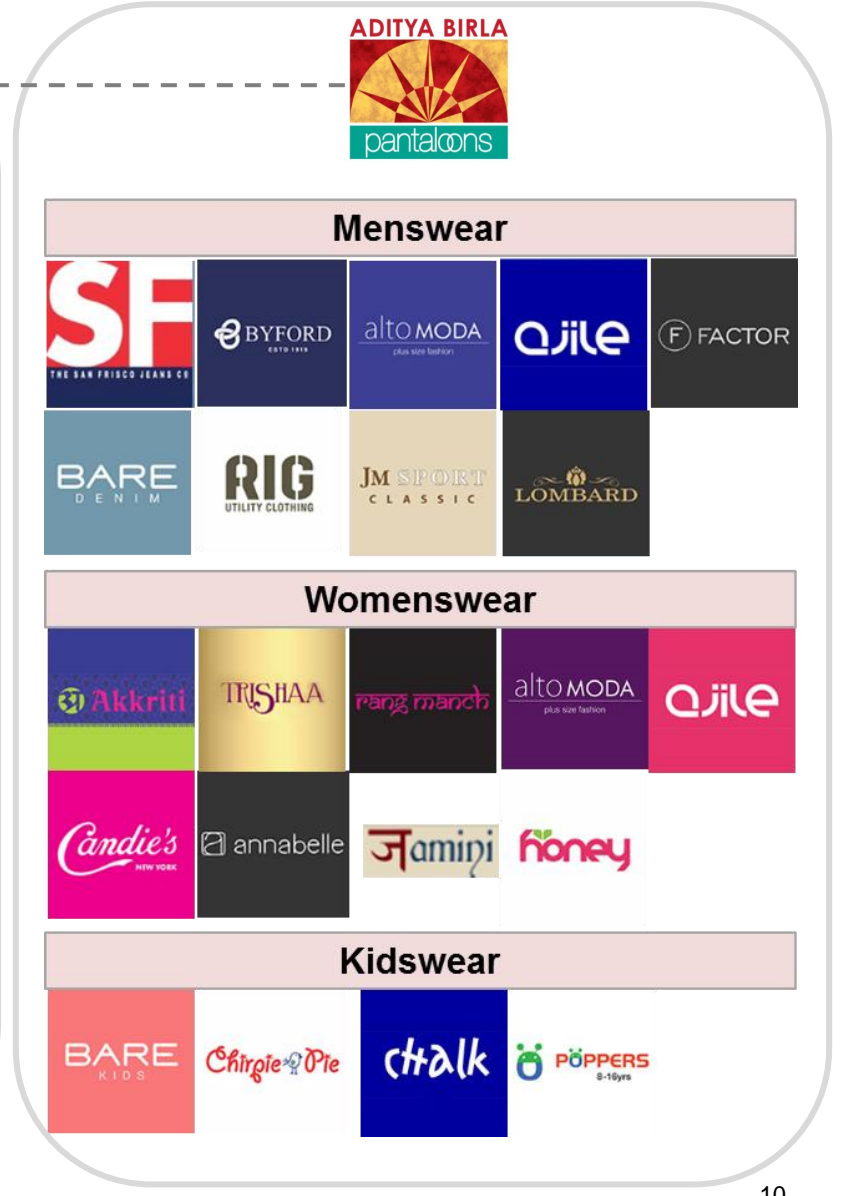
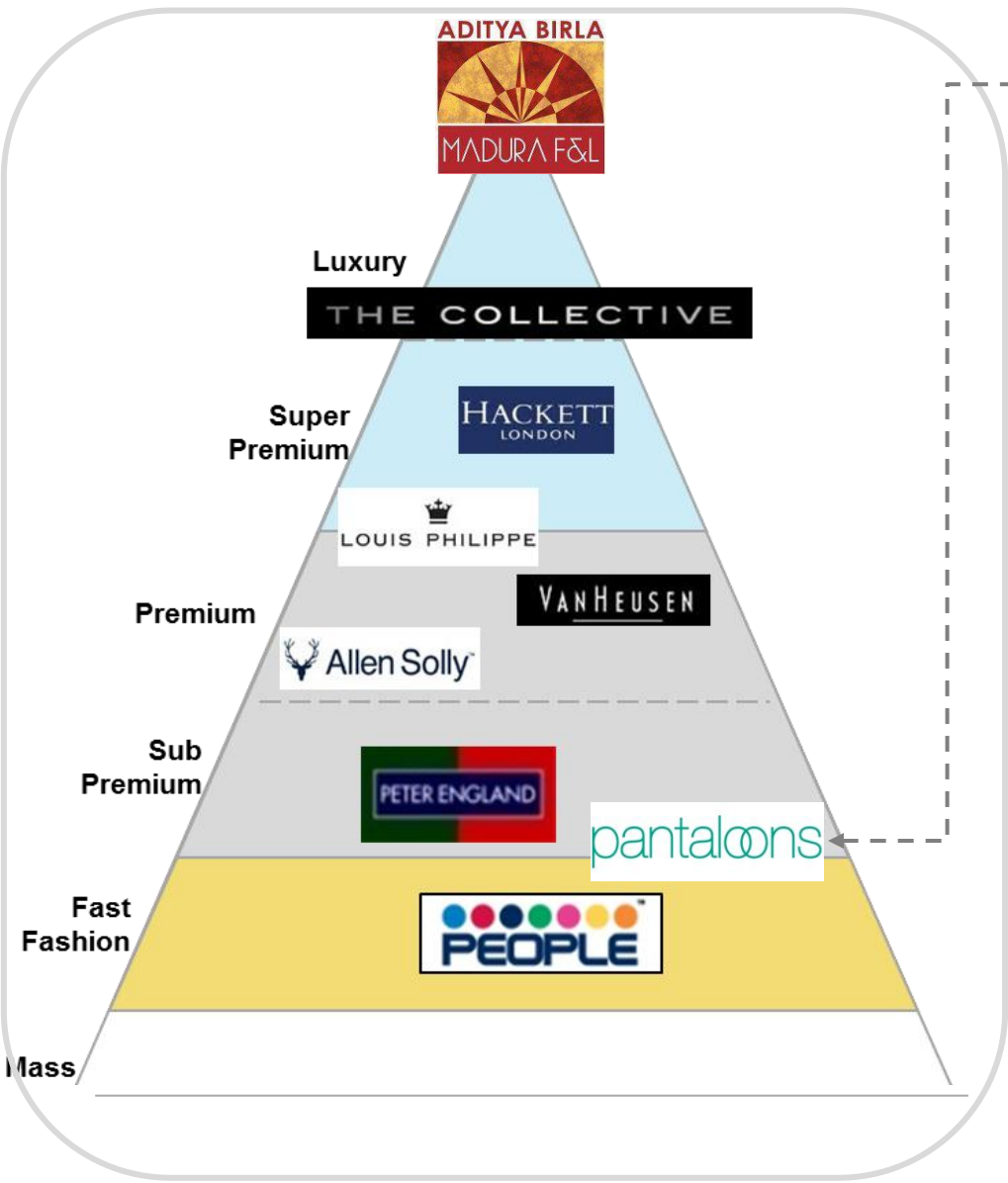
India's #1 Menswear Player




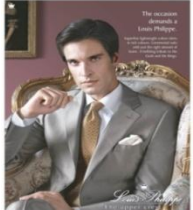
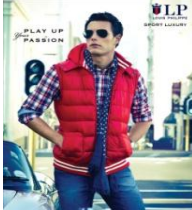

















- One of **India's largest big-box** affordable fashion retailer
- Unique business model: **Design to Retail**
- Strong portfolio of **exclusive private brands**: ~60% of Revenue
- **Widest reach**: 49 cities & 104 stores
- **Rich portfolio** spanning all genders & consumer segments
- One of the **largest loyalty programs**: ~4 Mn members - 60% of sales

India's #1 Womenswear Retailer

Bouquet of Market Leading Brands across Segments

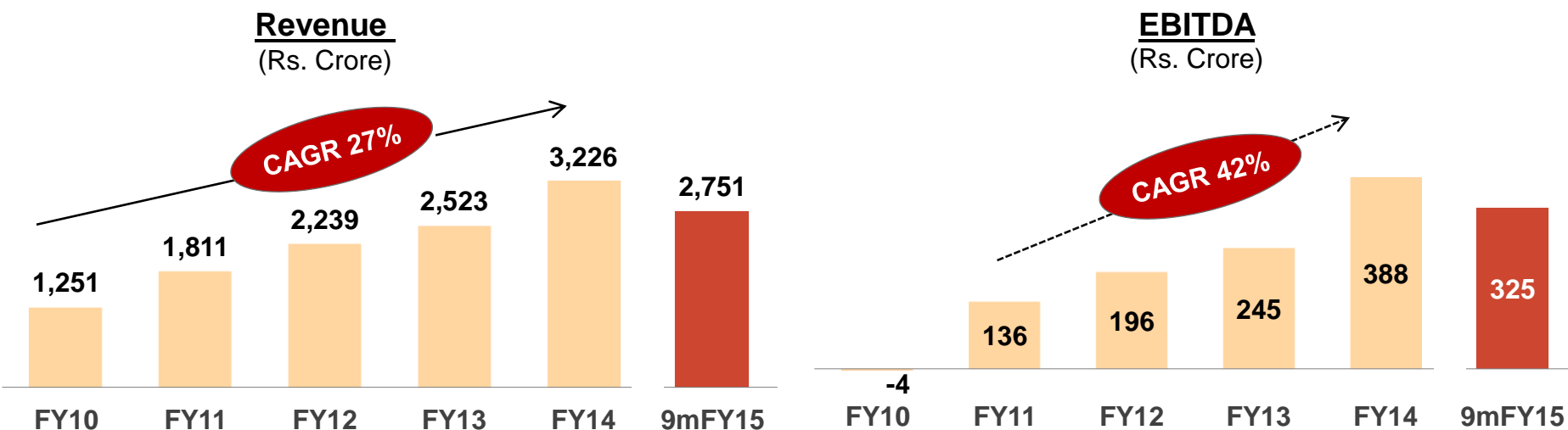


Madura has rapidly grown its 'Power Brands' by successfully extending them into fast growing segments

Brand	Core	Brand and Product Extensions			
 LOUIS PHILIPPE					
 VAN HEUSEN					
 Allen Solly					
 PETER ENGLAND					

Successfully broadened product offerings of each brand yet reinforcing core positioning

Madura : Track record of robust financial performance



	FY 11	FY 12	FY 13	FY 14	9m FY 15
EBITDA %	8%	9%	10%	12%	12%
ROACE % (annualised)	11%	20%	29%	64%	70%

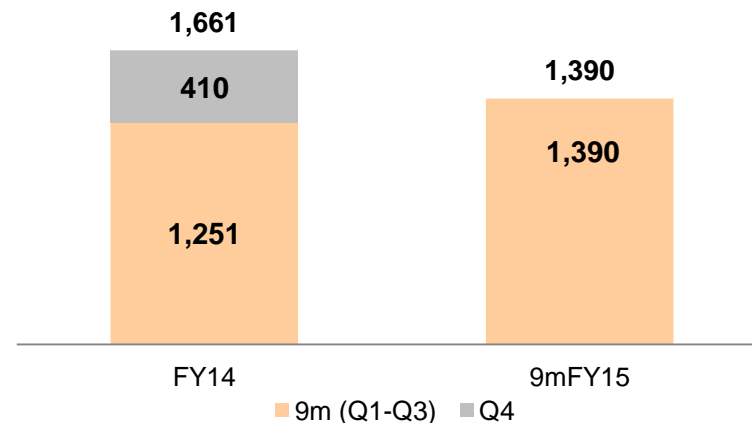
Combination of High ROACE & Robust Growth

Pantaloons: Transformation since acquisition

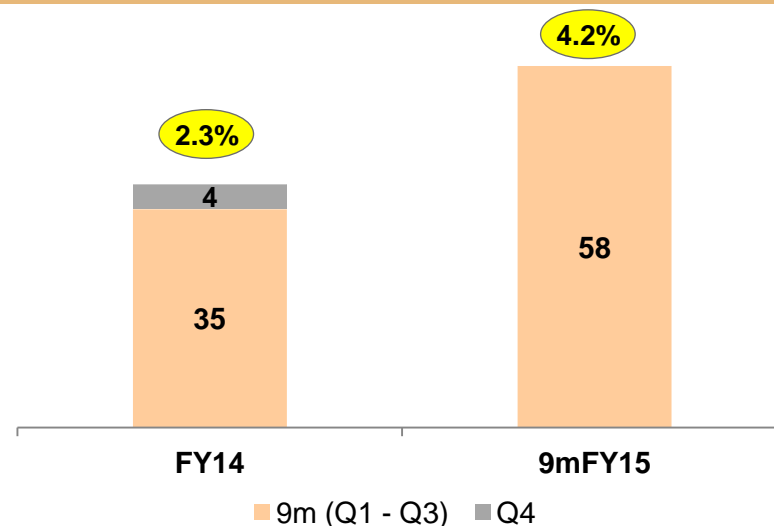
Major Initiatives since acquisition

- 39 new stores launched
- 40 store renovated and 100% store re-layouts
- Overhauling of portfolio leading to 4% improvement in Gross Margin
- Created 8 new brands, added 15 external brands
- Increased share of Private Brands from ~47% to ~60%
- Created a newer & stronger vendor network with pan India capability

Revenue (INR Crs)



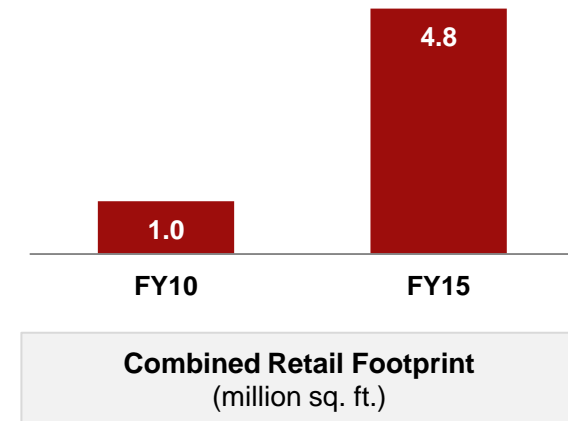
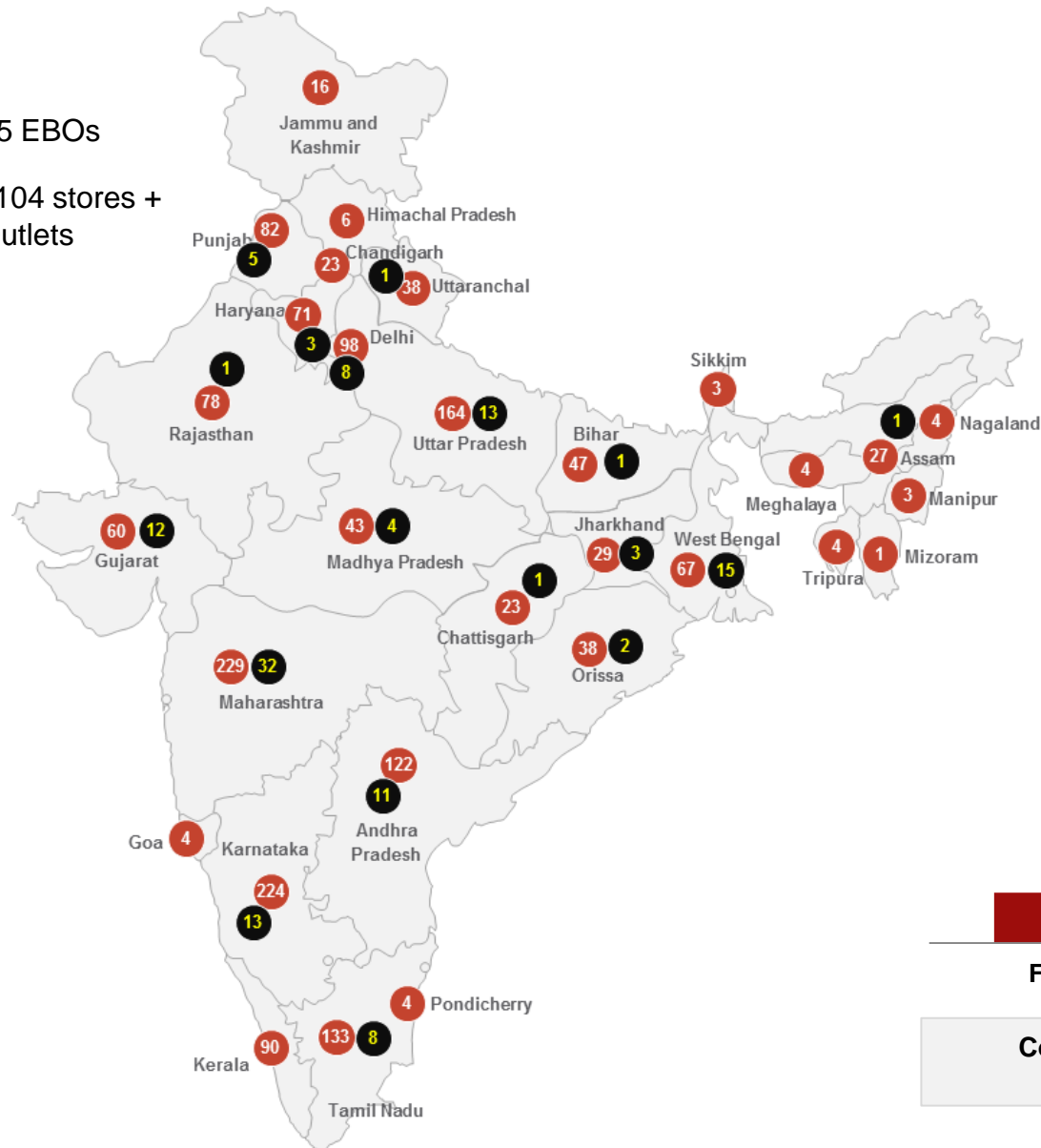
EBITDA (INR Crs)



ABFRL: Largest retail network in the fashion space

As at Mar 31, 2015

- Madura: 1735 EBOs
- Pantaloons: 104 stores + 30 Factory Outlets



Combination to Lead to Significant Advantages

ADVANTAGES OF COMBINATION FOR STAKEHOLDERS

SHAREHOLDERS



- Largest and high growth pure play fashion company in India – significant value unlocking for shareholders
- Sound balance sheet as a strong enabler for growth

CUSTOMERS



- Pooling of strong consumer insights across formats
- Enhanced Loyalty customer-base from the combination
- Increased penetration & reach to serve larger consumer base
- Ability to leverage combined strength of the two businesses to expand presence across fast growing segments

EMPLOYEES



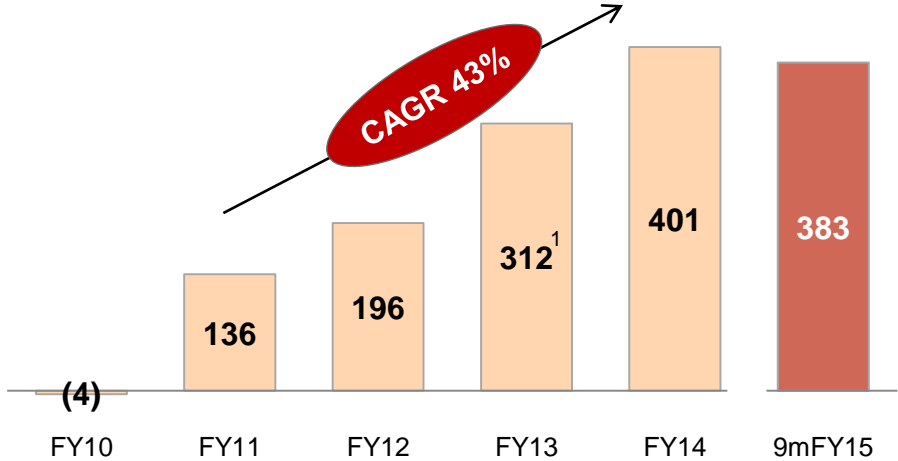
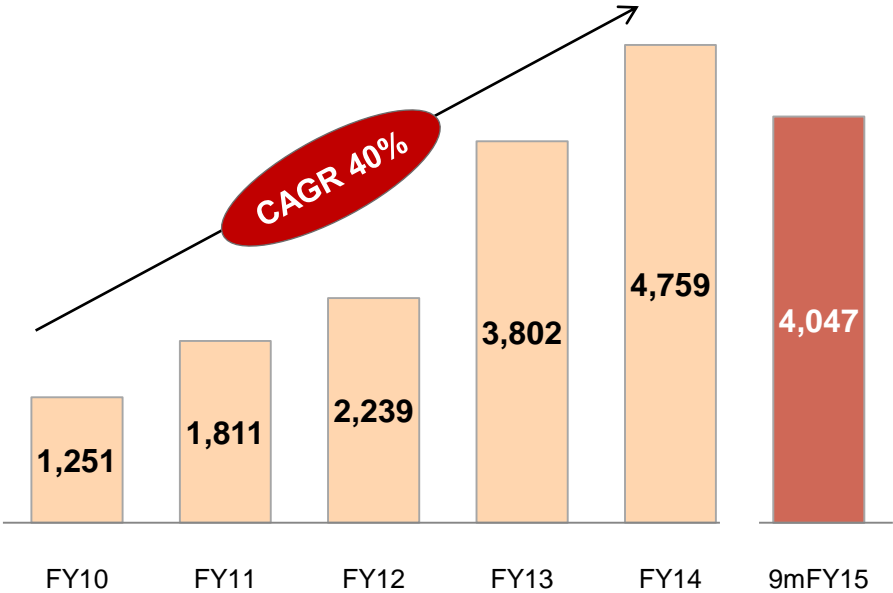
- Combined entity to have a pool of highly experienced management team
- With increasing competition for resources, the combined entity will be a powerhouse of sector talent

ABFRL: Pro-forma Consolidated Financial Statements

ABFRL will be the largest branded apparel player in India with a track record of having delivered substantially higher growth than market

Revenue (INR Crs)

EBITDA (INR Crs)



Note 1 : Excluding one-time investment income

ABFRL – Key pillars of Future Growth

Brand

Capitalize on strong brand portfolio of Madura & Pantaloons

Multiple opportunities to build brands: women, kids, casuals, denim, etc.

Channel

Rapidly expand network by leveraging multiple formats

Strong & focused attention to emerging channels – omni-channel

Capability

Highly experienced management team

Combination of experienced design teams: repository of knowledge and innovation

Leverage combined high quality consumer insights

Multiple Operating Synergies – Sourcing, Real Estate, Supply Chain & IT

Key Management Personnel



Pranab Barua
Business Director,
Apparel & Retail
Business

- Pranab, a 40+ year veteran in the consumer and retail industry, is business director for Apparels & Retail businesses of the Aditya Birla Group (ABG)
- Before being associated with ABG, he was the CEO of Trinethra Super Retail which was acquired by the ABG in 2007.
- He has previously worked in senior positions with Brooke Bond India, as Foods Director on the Hindustan Unilever Board, as Chairman and Managing Director of Reckitt Benckiser and as Regional Director, Reckitt Benckiser for South Asia
- He holds a graduate degree in B.A. (English Honours) from St. Stephens College, New Delhi



Ashish Dikshit
Business Head,
Madura

- Ashish has been with the Aditya Birla Group for over 15 years having joined Madura from Asian Paints in 1998
- He has worked across several functions in the business and has headed its supply chain, marketing and sourcing functions over this period. He has also worked as Principal Executive Assistant to the Chairman of ABG for more than 3 years
- He is an Electronics and Electrical Engineer from IIT-Madras and holds a Postgraduate Diploma in Management from IIM-Bangalore



Shital Mehta
CEO, Pantaloons

- He has been with Aditya Birla Group for about 15 years. Previously, he served as the Chief Operating Officer of the International Brands and Retail, Madura Fashions and Lifestyle
- Prior to that worked as brand manager for Godrej Foods (1996-2000)
- He is an MBA in marketing from SP Jain Institute of Management and Research and has attended advanced management programs at Wharton Business School

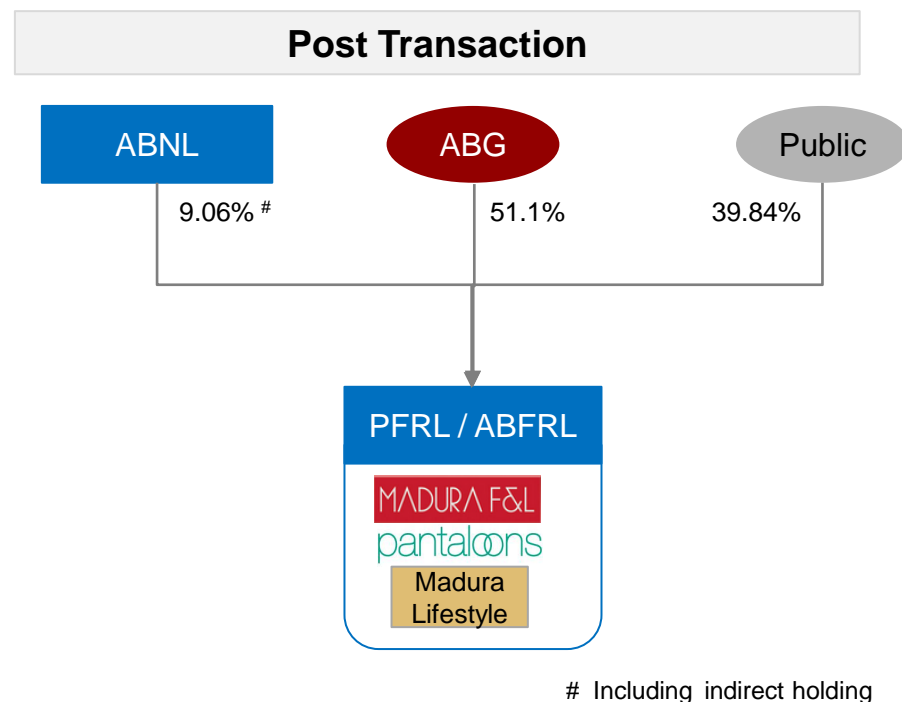
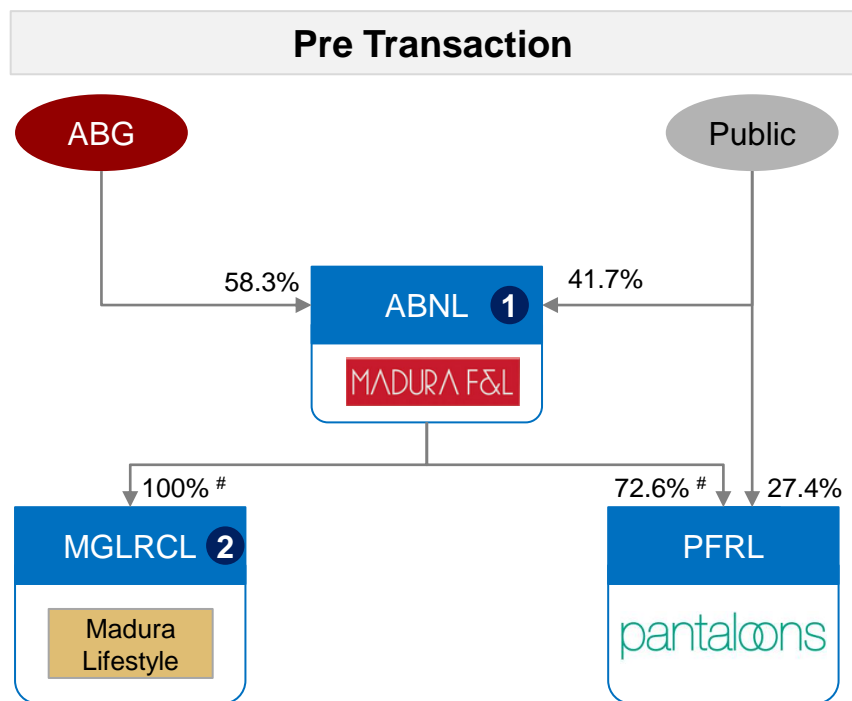


S Visvanathan
CFO, Apparel &
Retail Business

- S. Visvanathan joined the Aditya Birla Group in 2007 and has been with the Textile and Apparel business since then. He is also a member of the Management Committee of the Textile and Apparel business of the Aditya Birla Group
- He has 26 years of experience across industries spanning white goods, capital equipment, electrical equipment and auto components
- Previously he has worked with the Tata Group in various capacities in auto components business, Voltas and Allwyn (CFO)
- He is a commerce graduate from Chennai University and a qualified Chartered Accountant and Cost Accountant

Transaction Details

Transaction Structure



Transaction Steps

- 1 Mirror Demerger of Madura Fashion division into PFRL
- 2 Mirror Demerger of Madura Lifestyle division into PFRL

Net debt of ~Rs. 473 Cr. will be transferred along with the businesses into PFRL. Transaction is subject to corporate & regulatory approvals and is expected to take 6 to 9 months

Swap Ratio

- 26 equity shares of PFRL for every 5 equity shares of ABNL
- 7 equity shares of PFRL for every 500 equity shares of MGLRCL
- 1 equity share of PFRL for all o/s preference shares of MGLRCL

A shareholder holding 100 shares in ABNL will continue to hold 100 shares in ABNL & in addition will get 520 shares of PFRL

Transaction Details

Key Regulatory Approvals

Regulatory Body	Requirement
▪ Stock Exchange and SEBI	<ul style="list-style-type: none">▪ Scheme filing after board approval▪ Post court order – Allotment of shares▪ Approval for listing of shares
▪ High Courts	<ul style="list-style-type: none">▪ Bombay and Gujarat High Courts

Transaction is expected to be completed in next 6 - 9 months

Advisors

Transaction Advisor	<ul style="list-style-type: none">• Standard Chartered Bank
Independent Fairness Opinion	<ul style="list-style-type: none">• Axis Capital Limited• JM Financial Institutional Securities Pvt. Ltd.
Legal Advisor	<ul style="list-style-type: none">• Amarchand & Mangaldas & Suresh A Shroff & Co.
Valuation Expert	<ul style="list-style-type: none">• Price Waterhouse & Co. LLP• Bansilal S Mehta & Co.

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
Corporate Identity Number L17199GJ1956PLC001107
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