

Performance Review

FY 2006-07

Investors Presentation



Mumbai, 3rd May 2007

Contents



- **Strategic Highlights**
- **Business-wise Performance**
- **Financial Performance**
- **Business Outlook and Strategy**

Strategic Highlights



● Capital infusion of Rs. 777 Cr. through rights issue

- Equity share capital increased from Rs. 83.5 Cr to Rs. 93.3 Cr
- Proceeds being used for repaying debt for Idea acquisition and fresh investment in Idea

● BPO – Global delivery Model

- Integrated management structure and joint go to market launched successfully
- In the process of achieving globally integrated technology / network architecture
- New centre in Philippines went live in March'07

● Idea – A growth story

- Idea strengthened its balance sheet by raising Rs. 2819 Cr through IPO & Pre-IPO placement
- Nuvo's stake in Idea came down to 31.78% after IPO
- Aggressive Capex planned for both capacity and coverage
- Roll out of services in Mumbai & Bihar expected by January'08
- Licenses for remaining circles being pursued

Strategic Highlights



Cont...

- **Life Insurance - Aggressive approach to expand distribution reach**
 - Direct sales force increased to 57K from 18K in FY2006
 - Branches increased to 137 from 85 in FY2006
 - Position marginally improved in last quarter

- **Madura Garments – Retail expansion viewed as crux in the industry**
 - Thrust on expanding controlled retail space for own brands through EBOs
 - For accelerated & focused growth in garment retail sector, creating SPVs with underlined vision & strategy–
 - ◆ *Fashion Brands to enter pure play in Men’s Lifestyle brand retailing*
 - ◆ *Large format stores offering affordable Peter England “Mega Retail brand” experience*

- **Carbon Black**
 - Brownfield expansion by 60,000 MT targeted in June-07
 - Accelerating Greenfield expansion by 120,000 MT in Western India
 - ◆ *Major part of land acquisition complete and environmental clearance under progress*

Strategic Highlights



Cont...

● Rayon

- Caustic soda capacity increased in Jan'07 by 25 TPD to 225 TPD
- 18 MW power plant commissioned in Sep'06, now stabilised.

● Fertilisers

- New fertiliser policy announced on 8th March'07 (w.e.f. 1st October 2006)
 - ◆ *Lower subsidy & stringent energy consumption norms*
 - ◆ *Benefit to accrue from separate reimbursement of transportation cost on Natural Gas*

● Textiles





- Continuous focus on Linen Fabric retail business.
- Capacity expansion in Linen Spinning progressing well.
- Downsizing of Synthetic operations commenced, to be completed in FY 08.

● Insulators

- JV with NGK terminated & company became Nuvo's subsidiary - to be merged in Nuvo
- Plant operations at Halol being stabilised with new productivity norms

Business Performance – Value Businesses



Business	Growth		Highlights
	Revenue	PBIT	
Rayon			<ul style="list-style-type: none"> ● VFY revenue up by 11% <ul style="list-style-type: none"> ➤ Volumes remained flat (Exports up by 20%) ➤ Realisation improved by 13% ● Chlor-alkali segment's revenue up by 22% <ul style="list-style-type: none"> ➤ Volumes up by 18% on the back of expanded capacity ➤ Realisation were flat due to poor chlorine realisation
Yearly			
Quarterly			<ul style="list-style-type: none"> ● Caustic Soda capacity increased by 65 TPD ● Divisional revenue up by 15% ● 18 MW Captive power plant set up in Sep'06 <ul style="list-style-type: none"> ➤ Savings in power cost ● Thus, operating profit (PBDIT) at Rs.119.7 Cr. jumped up by 33%

Business Performance – Value Businesses



Business	Growth		Highlights
	Revenue	PBIT	
Carbon Black			<ul style="list-style-type: none"> ● Highest ever revenue (Rs. 739 Cr.) & profit achieved ● Operating margin improved in volatile CBFS scenario <ul style="list-style-type: none"> ➔ Optimised market & logistics mix ➔ Product mix linked to productivity & contribution ● Capacity expansion of 60K MT targeted by June'07
Yearly	↑ 31%	↑ 53%	
Quarterly	↑ 17%	↑ 64%	
Fertilisers			<ul style="list-style-type: none"> ● Higher volumes & rise in input prices reflected in higher revenue of Rs. 778.5 Cr. ● Operating profit sustained <ul style="list-style-type: none"> ➔ Despite higher energy consumption & negative impact of new fertiliser policy ➔ CDM credit Rs. 7 Cr. Globally first unit in fertiliser industry to receive CDM credit
Yearly	↑ 20%	↑ 15%	
Quarterly	↑ 27%	↑ 49%	

Business Performance – Value Businesses



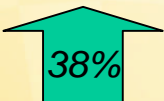
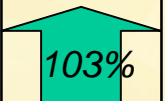


Business	Growth		Highlights
	Revenue	PBIT	
Textiles	Yearly	18%	<ul style="list-style-type: none"> ● Linen yarn witnessed increase in volumes ● Marginal growth in Linen Fabric volume ● Wool segment outperformed with higher volumes and better product mix ● Business posted higher revenue & profit despite planned downsizing in Synthetic segment
	Quarterly	8%	
Insulators	Yearly	20%	<ul style="list-style-type: none"> ● Lower volumes in Halol plant due to labour unrest <ul style="list-style-type: none"> ➤ After settlement, new productivity norms are in place ● Overall, higher realisation fetched higher profit ● Exit of NGK is complete and manufacturing business is back on profitability ● Plant is being expanded & upgraded to meet the demand of booming power sector
	Quarterly	31%	



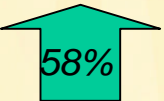
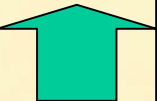


Business Performance – Growth Businesses



Business	Growth		Highlights	
	Revenue	PBIT		
Branded Garments	Yearly	 28%	 52%	<ul style="list-style-type: none"> ● Revenue at Rs. 670.4 Cr. grew by 28% ● Fashion Brands grew at 28% in revenue <ul style="list-style-type: none"> ➤ Brand momentum leveraged by launching sub-brands & focus on own retail outlets ● Peter England achieved sustainable growth ● Operating profit up by 33% <ul style="list-style-type: none"> ➤ Loss making SF jeans to be discontinued from FY'08 ● Thrust on expanding retail space – Explosive growth in sector has led retail space a scarce commodity <ul style="list-style-type: none"> ➤ Controlled Retail space 3.1 Lacs Sq. Ft. ➤ Locked additional 2.5 Lacs Sq. Ft.
	Quarterly	 38%	 103%	

Business Performance – Growth Businesses

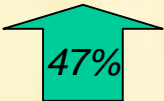
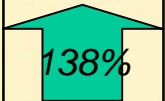
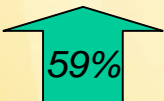
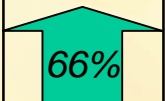


Business	Growth		Highlights	
	Revenue	PBIT		
Contract Exports	Yearly	 58%		<ul style="list-style-type: none"> ● Volumes increased through capacity expansion ● PBIT turned around from Rs (3.14) Cr to Rs 5.19 Cr ● FSP business initiated in UK & India <ul style="list-style-type: none"> ➔ To open soon in US
	Quarterly	 12%		<ul style="list-style-type: none"> ● 14 new customers added in Europe & US ● Greenfield shirts & knits expansion by August'07



Business Performance – Growth Businesses











Business	Growth		Highlights
	Revenue	PAT	
Telecom	 47%	 138%	<ul style="list-style-type: none"> ● End subscriber base at 14 Mn almost doubled than last year summing up to 8.6% market share <ul style="list-style-type: none"> ➤ Cell sites increased to 10311 covering 4432 towns ● EBITDA at 34% vis-à-vis 37% in FY 2005-06 <ul style="list-style-type: none"> ➤ Gestating 3 circles impacted EBITDA percentage ➤ Increased capex put pressure on opex ➤ However, impact of lower rate per unit neutralised by operating efficiencies
			<ul style="list-style-type: none"> ● Roll out of NLD operation will strengthen margins ● Roll out of services in Mumbai & Bihar circles expected by January'08 ● Licenses for remaining circles being pursued ● Aggressive Capex planned for both capacity and coverage ● Eyeing benefits from comprehensive IT outsourcing deal with IBM
Yearly			
Quarterly	 59%	 66%	





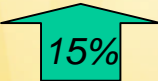
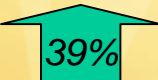
Business Performance – Growth Businesses



Business	Growth		Highlights		
	Revenue	PAT			
BPO – TransWorks	Yearly	 21%	 11%	<ul style="list-style-type: none"> ● Revenue up by 21% supported by improved 33% share of Non-Voice business ● 10 new clients added during the year <ul style="list-style-type: none"> ➔ Fortune 500 clients increased to 7 ➔ Amongst Top 100 IT innovators in list of NASSCOM ● Interest cost on funds borrowed for acquisition of Minacs impacted profitability 	
	Quarterly	 15%	 71%		
BPO-Minacs	Yearly	 18%			<ul style="list-style-type: none"> ● Revenue up by 18%. Added 6 new clients in FY07 ● Profitability impacted <ul style="list-style-type: none"> ➔ Higher training, ramp up & debt restructuring costs ➔ Amortisation of deferred expenses as per Indian GAAP ● Q4 FY07 showed sign of improvement
	Quarterly	 5%			

Business Performance – Growth Businesses



Business	Growth		Highlights
	Revenue	PAT	
Life Insurance	Yearly		<ul style="list-style-type: none"> ● New business premium grew by 25% ● Significant steps taken to expand distribution reach <ul style="list-style-type: none"> ➤ Number of branches and advisors increased to 137 and 57K respectively ➤ Two new products launched in March'07 <ul style="list-style-type: none"> ◆ <i>Supreme Life & Children's Dream Plan</i> ● Resulting high operating costs impacted profitability
	Quarterly		
Asset Management	Yearly		<ul style="list-style-type: none"> ● AUM stood at 20849 Cr. with 5.8 % market share ● Profitability under pressure <ul style="list-style-type: none"> ➤ Higher proportion of low margin liquid funds in AUM ➤ Higher marketing expenses on equity-oriented NFOs
	Quarterly		

Business Performance – Growth Businesses



Business	Growth		Highlights
	Revenue	PAT	
Other Financial Services	Yearly		<ul style="list-style-type: none"> ● Collateral finance continued to maintain leadership position ● Increase funding exposure to SME purchasers of Group manufacturing units with credit insurance ● Distribution business's AUM increased to Rs. 4953 Cr with 27% share of equity ● Insurance advisory business focusing on Non Group business
	Quarterly		
IT Services	Yearly	9%	<ul style="list-style-type: none"> ● Revenue grew at a slow pace of 9% ● Ratio of high margin offshore business improved to 50% from 40% in last year ● Acquisition of 20 marquee clients during the year ● Sales team ramped up
	Quarterly	2%	

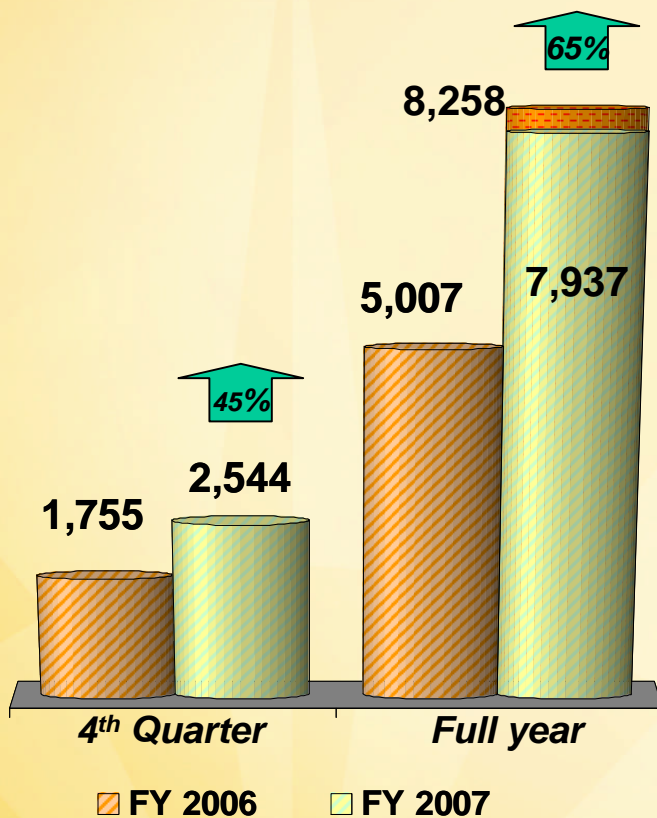
Financial Performance

Performance Highlights – Revenue

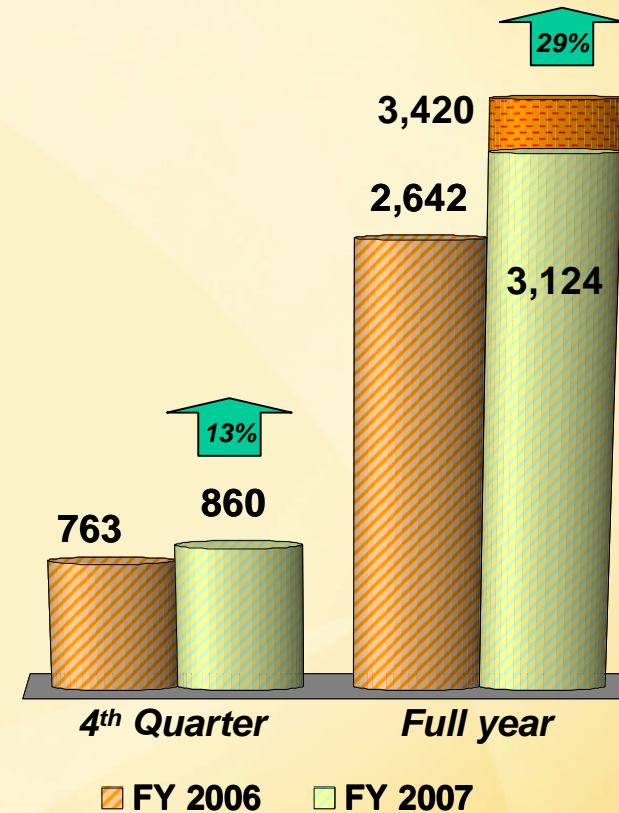


Rs. Cr.

Consolidated



Standalone



■ Denotes revenue from Indo Gulf and Birla Global from April 1, 2006 to August 31, 2006

Segmental Revenue - Consolidated



Rs. Cr.

4th Quarter		Revenue	Full Year			
Actual 2006-07	Actual 2005-06		Actual 2006-07	Actual 2005-06		
13%	859.7	762.8	Aditya Birla Nuvo	3,420.5	2,642.0	29%
	449.1	170.4	Nuvo's Share	1,421.8	388.3	
60%	1308.4	821.9	Telecom <i>Total</i>	4366.4	2965.5	47%
	373.9	43.5	BPO (Transworks & Minacs)*	1,015.5	163.3	
2%	720.2	703.3	Life Insurance	1,960.0	1,575.4	24%
	12.3	8.8	Nuvo's Share	41.0	21.7	
	24.6	17.7	Asset Management <i>Total</i>	81.9	43.5	
	24.9	25.5	IT Services	93.6	85.8	
	68.5	33.1	Nuvo's Share	154.5	113.3	
	68.5	66.1	Insulator Mfg. # <i>Total</i>	218.7	226.6	
	89.8	17.5	Others	262.6	33.9	
	54.3	9.8	Less: Inter Co. Elimination	111.5	16.9	
70%	1,684.4	992.2	Nuvo's Share in JVs/Subs	4,837.5	2,364.9	105%
45%	2,544.1	1,755.0	Nuvo Consolidated	8,258.0	5,006.9	65%

* Includes Minacs financials from August 18, 2006

Insulator manufacturing became subsidiary w.e.f Dec 1, 2006

Segmental Revenue – Standalone



Rs. Cr.

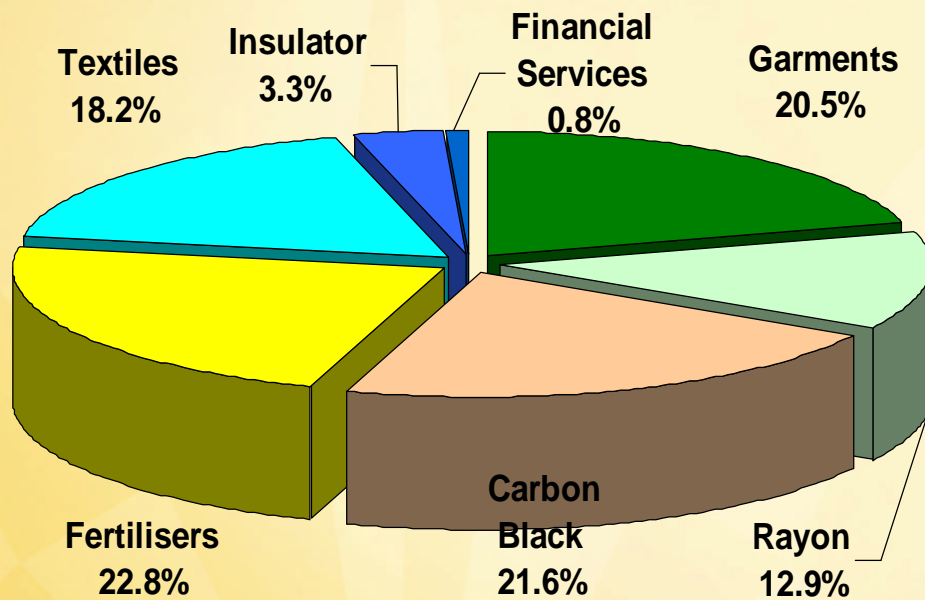
	4th Quarter		Revenue	Full Year		
	Actual 2006-07	Actual 2005-06		Actual 2006-07	Actual 2005-06	
	173.6	125.4	Garments - Branded	670.4	525.7	
	-	33.0	Garments - CE	29.7	94.9	
	107.4	100.5	Rayon	441.5	385.6	
	181.3	155.4	Carbon Black	738.9	564.2	
	197.7	155.6	Fertilisers	778.5	379.4	
	158.6	147.0	Textiles	621.0	524.8	
	38.2	35.1	Insulators	112.8	135.9	
	2.8	10.8	Financial Services	27.7	31.6	
	859.7	762.8	Total	3,420.5	2,642.0	

Note: Indo Gulf and Birla Global merged with Nuvo w.e.f September 1, 2005
Garments' Contract export business has been divested w.e.f July 1, 2006

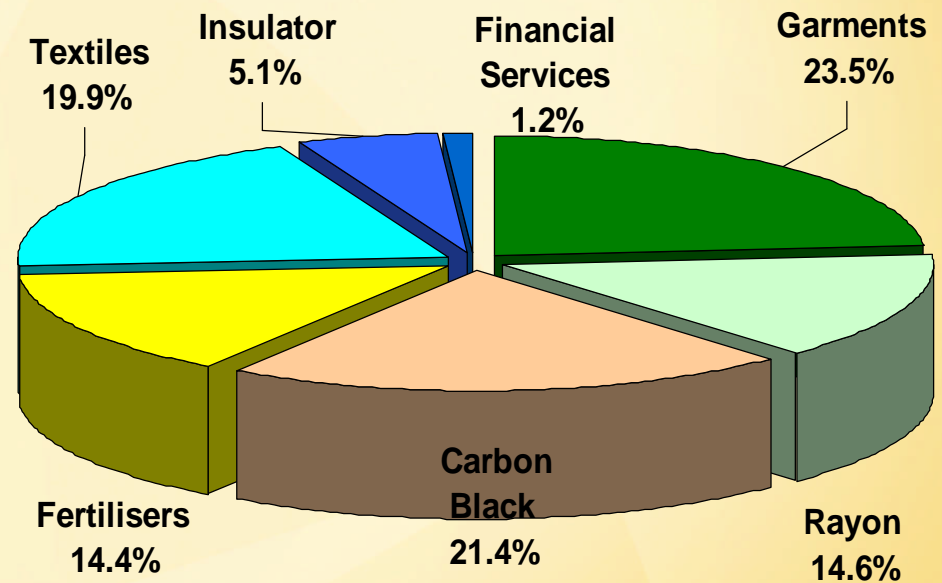
Revenue Composition – Standalone



FY 2007



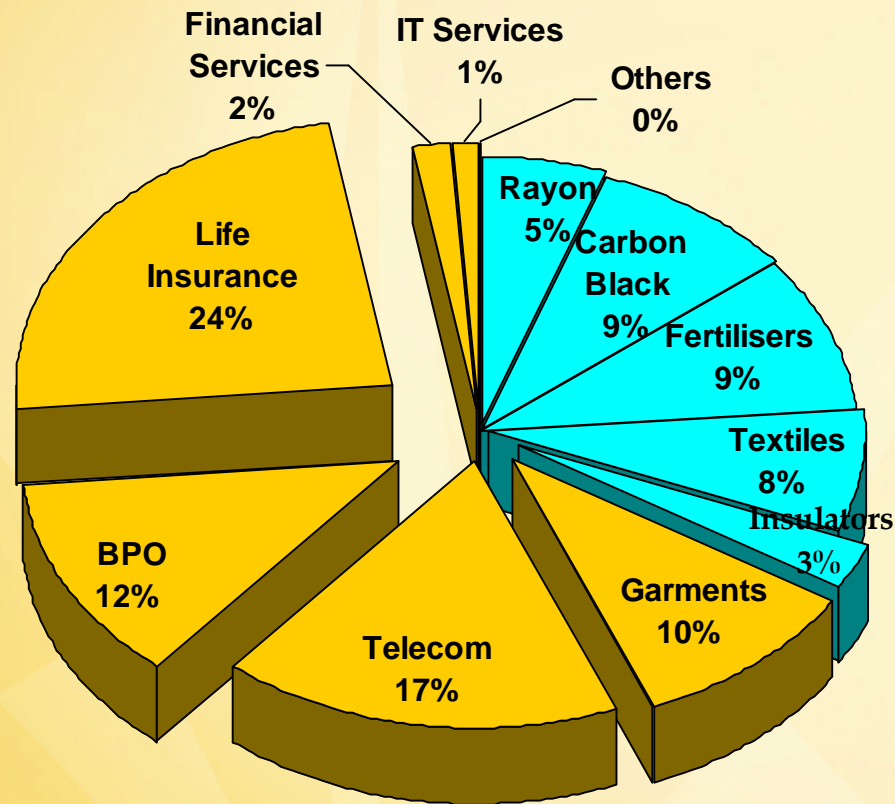
FY 2006



Revenue Composition – Consolidated



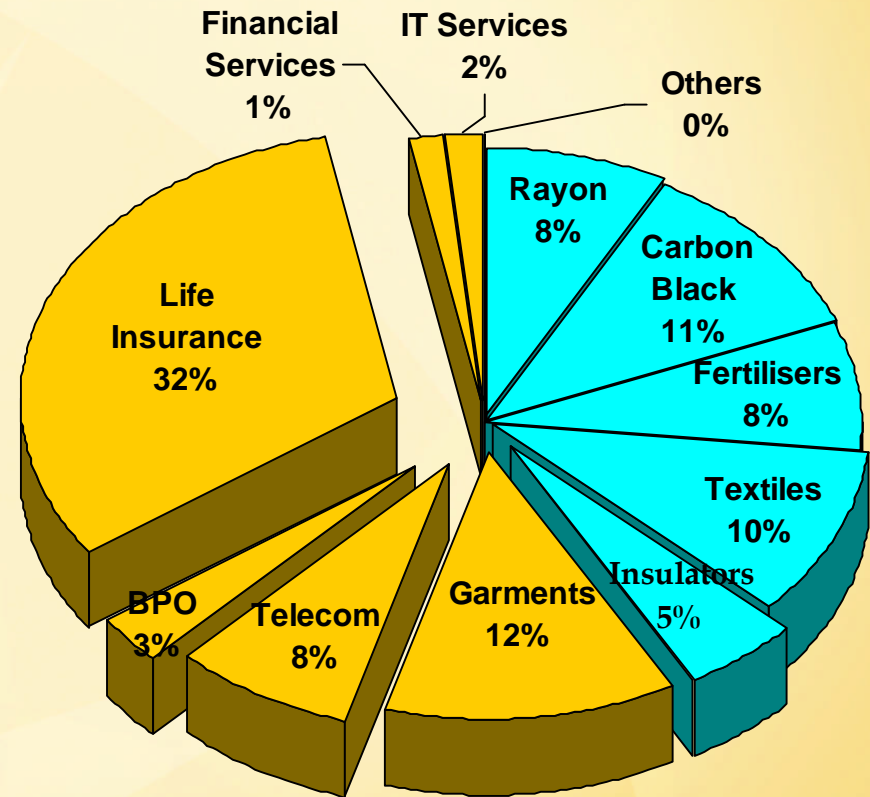
FY 2007



Growth Businesses
66%

Value Businesses
34%

FY 2006



Growth Businesses
58%

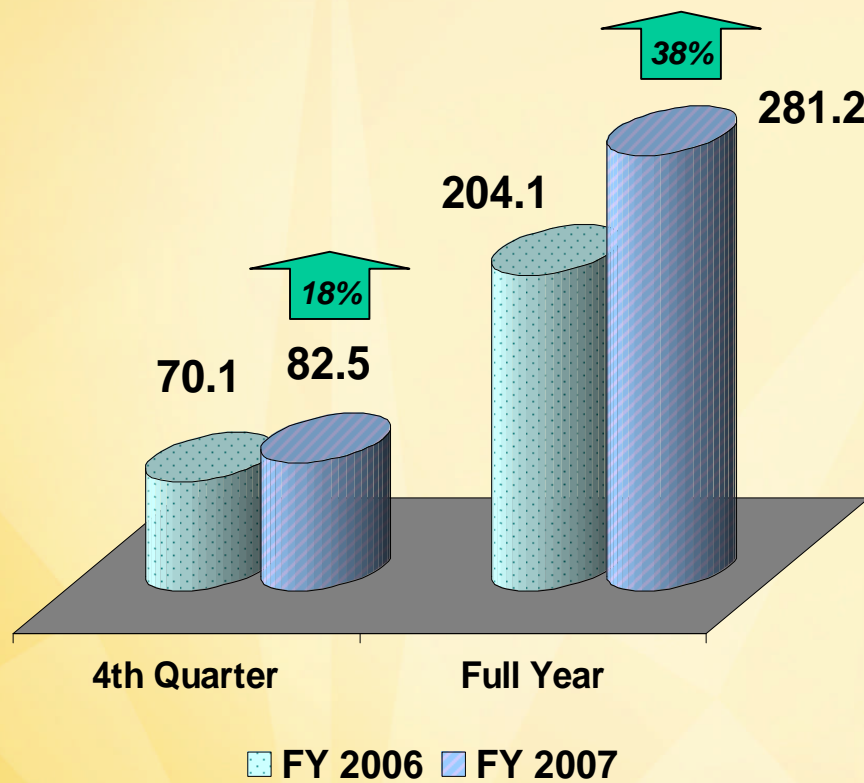
Value Businesses
42%

Net Profit

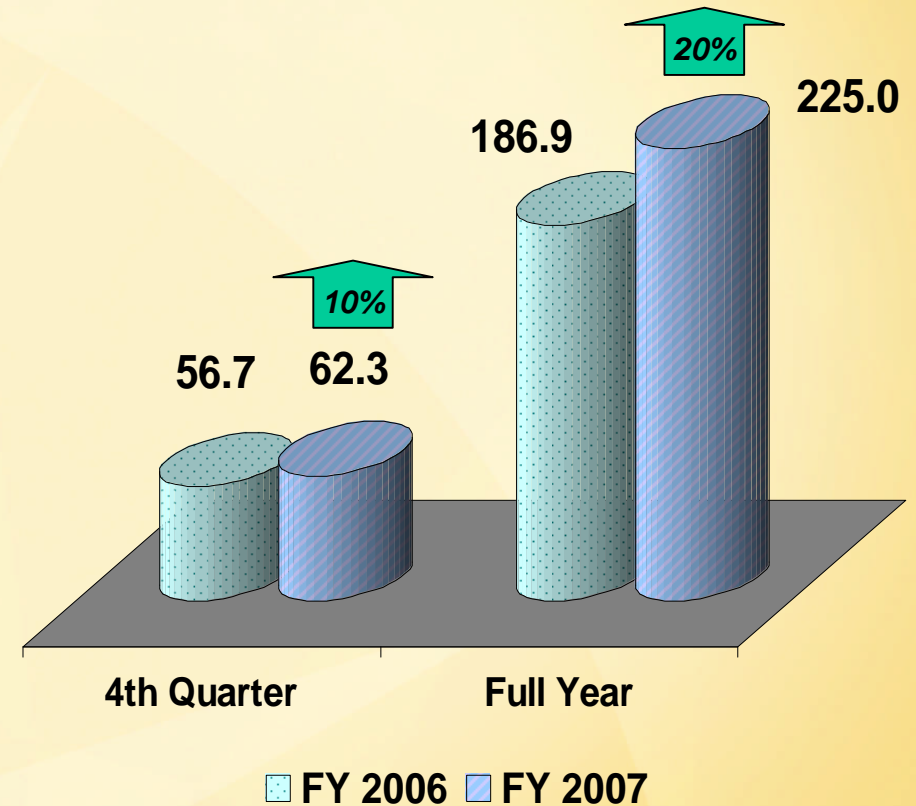


Rs. Cr.

Consolidated



Standalone



Segmental Net Profit – Consolidated



Rs. Cr.

4th Quarter		Net Profit	Full Year	
Actual 2006-07	Actual 2005-06		Actual 2006-07	Actual 2005-06
62.3	56.7	Nuvo Standalone	225.0	186.9
66.0	24.2	Nuvo's Share	164.9	31.8
193.4	116.7	Telecom <i>Total</i>	503.3	211.8
(7.2)	6.7	BPO (Transworks & Minacs)	(17.5)	26.5
(66.0)	(29.0)	Life Insurance	(139.7)	(61.1)
(0.2)	1.4	Nuvo's Share	7.1	4.7
(0.5)	2.8	Asset Management <i>Total</i>	14.3	9.4
2.0	1.5	IT Services	1.5	1.3
6.9	0.6	Nuvo's Share	3.5	(1.8)
6.9	1.3	Insulators Mfg. <i>Total</i>	1.1	(3.6)
(1.4)	0.7	Others	5.7	3.0
(20.2)	(7.3)	Less: Inter Co. Elimination / M	(30.7)	(12.7)
20.3	13.4	Nuvo's Share in JVs/Subs	56.3	17.1
82.5	70.1	Nuvo Consolidated	281.2	204.1

10%

66%

18%

20%

138%

38%

* Includes Minacs financials from August 18, 2006

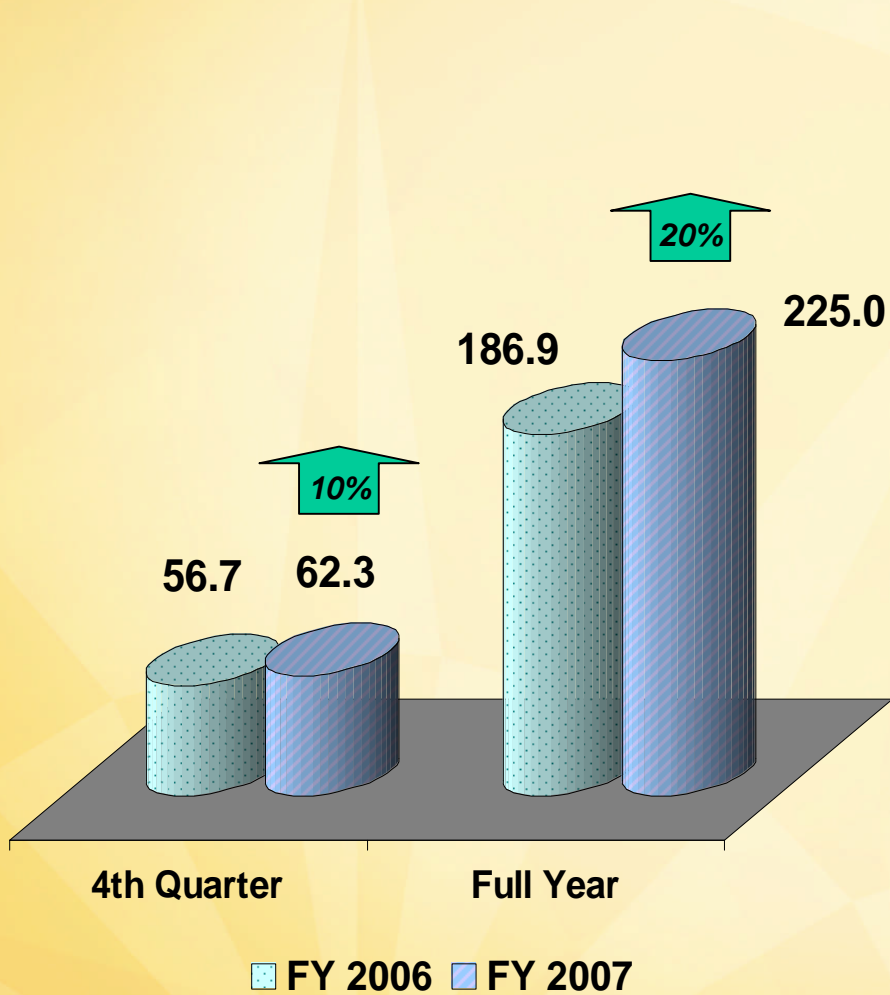
Insulator manufacturing became subsidiary w.e.f Dec 1, 2006

Profitability – Standalone

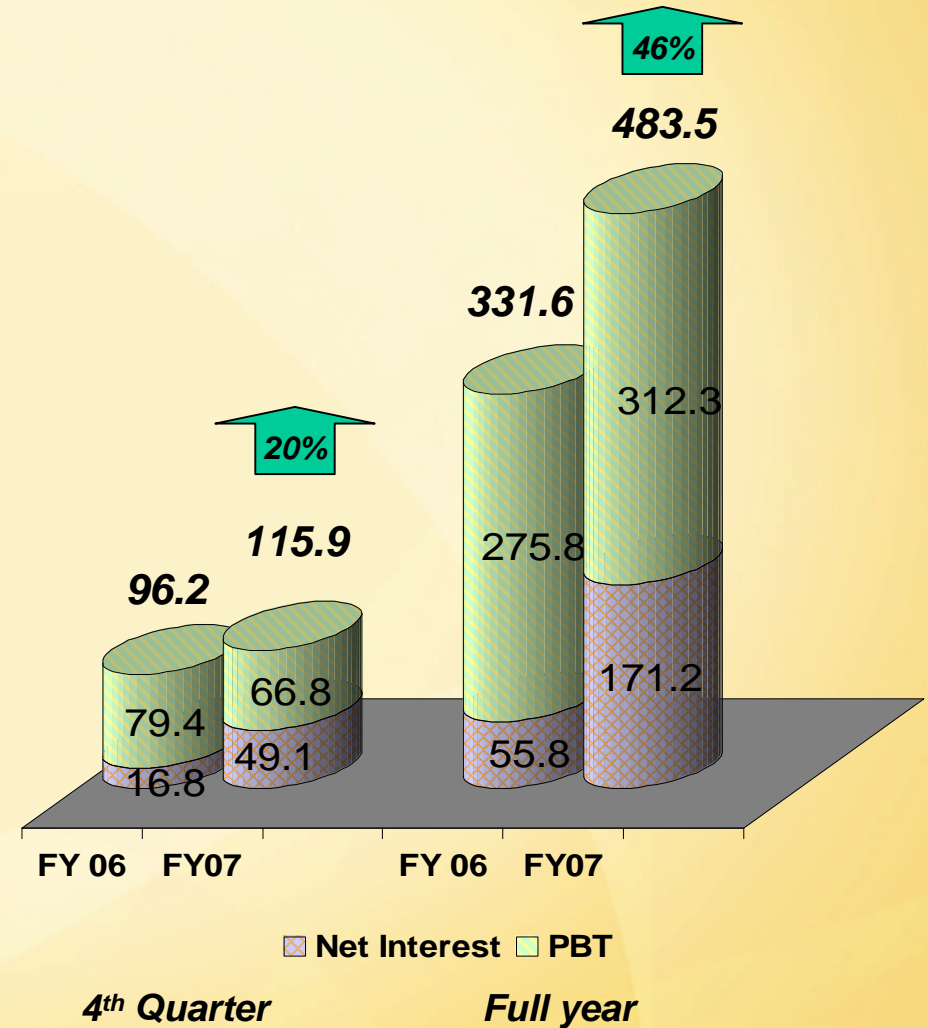


Rs. Cr.

Net Profit



PBIT



Financials – Standalone



Rs. Cr.

4th Quarter		Particulars	Full Year	
Actual 2006-07	Actual 2005-06		Actual 2006-07	Actual 2005-06
859.7	762.8	Revenue	3,420.5	2,642.0
10.6	4.9	Other Income	44.5	23.4
143.8	132.5	Operating Profit (PBDIT)	603.8	443.4
51.2	22.5	Less: Interest & Finance Expenses	195.4	68.5
2.1	5.7	Add: Interest Income	24.2	12.7
94.8	115.7	Gross Profit	432.6	387.6
28.0	36.4	Depreciation/ Amortisation	120.3	111.8
66.8	79.4	Profit Before Tax and Exceptional Items	312.3	275.8
-	(1.0)	Exceptional Items	(1.2)	(4.0)
66.8	78.4	Profit after Exceptional Items	311.1	271.7
4.5	21.7	Provision for Taxation	86.1	84.8
62.3	56.7	Net Profit	225.0	186.9

13%

9%

10%

29%

36%

20%

Segmental Operating Profit – Standalone



Rs. Cr.

4th Quarter		PBDIT	Full Year			
Actual 2006-07	Actual 2005-06		Actual 2006-07	Actual 2005-06		
↑ 61%	24.8	15.4	Garments - Branded	81.2	61.2	↑ 33%
↓ 30%	-	0.4	Garments - CE	3.1	(3.3)	
↑ 50%	20.5	29.4	Rayon	119.7	89.7	↑ 33%
↑ 6%	33.7	22.4	Carbon Black	132.2	92.4	↑ 43%
↑ 30%	34.5	33.1	Fertilisers	129.6	81.6	
↑ 30%	15.3	14.5	Textiles	67.4	56.6	↑ 19%
	11.2	8.6	Insulator	35.1	30.3	↑ 16%
	0.4	4.1	Financial Services (FSD)	8.3	12.5	
	2.1	(0.4)	Corporate	13.4	7.1	
↑ 12%	142.5	127.4	Total	589.9	428.2	↑ 38%
	1.4	5.1	Finance Charge FSD	13.9	15.2	
	143.8	132.5	Total	603.8	443.4	

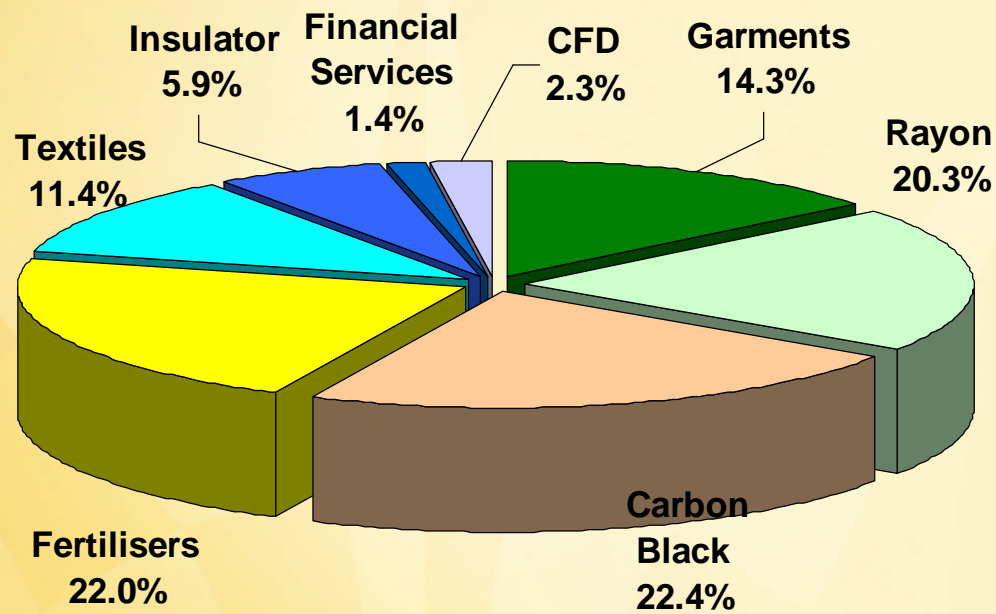
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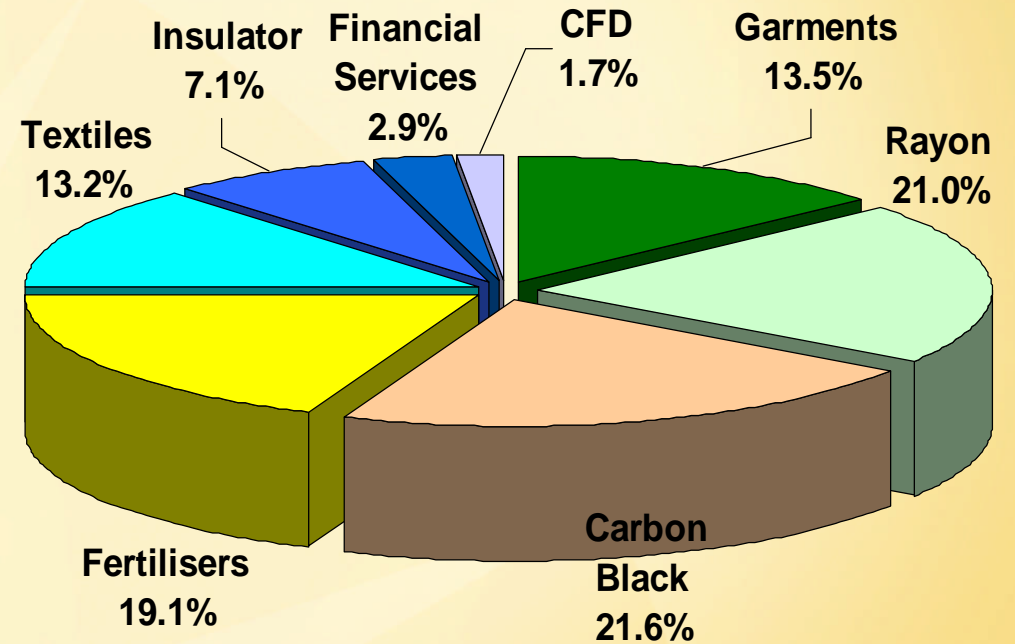
Operating Profit Composition – Standalone



FY 2007



FY 2006



Capex and Investment Plan



Rs. Cr.

S.N.	Description	Capex Plan			To be Spent	
		Existing	New Plan	Total	FY 2008	FY 2009/10
i)	<u>Aditya Birla Nuvo Limited</u>					
	<u>Project Based</u>					
	Rayon	11.0	-	11.0	11.0	-
	Branded Garments	17.9	272.6	290.5	77.3	213.2
	Carbon Black	35.8	-	35.8	35.8	-
	Fertilisers	47.2	-	47.2	47.2	-
	Insulator	-	23.9	23.9	23.9	-
	Textiles	21.7	17.3	39.0	39.0	-
	Sub-Total (i)	133.6	313.8	447.4	234.2	213.2
ii)	<u>Modernisation & maintenance</u>					
	Rayon	4.6	17.7	22.3	22.3	-
	Branded Garments	6.2	73.6	79.9	43.4	36.5
	Carbon Black	4.3	16.9	21.2	21.2	-
	Fertilisers	12.5	3.8	16.3	16.3	-
	Insulator	16.9	11.1	27.9	27.9	-
	Textiles	13.1	19.9	32.9	32.9	-
	Others	0.5	0.9	1.4	1.4	-
	Sub-Total (ii)	58.1	143.9	202.0	165.5	36.5
A	Nuvo's Capex (i) + (ii)	191.7	457.7	649.4	399.7	249.7
B	<u>Major Capex (Direct Subsidiaries)</u>					
	Apparel Retail	-	193.2	193.2	38.5	154.7
	Garment Manufacturing	7.7	29.2	36.9	24.8	12.1
	Contract exports	29.6	13.0	42.6	34.9	7.7
	BPO	70.5	91.2	161.6	161.6	-
	Software	1.4	5.7	7.1	7.1	-
C	Grand Total (A+B)	300.9	789.9	1,090.8	666.7	424.1

Note : 1) Insurance business is fast forwarding its growth plan for which it will need funding of Rs. 400 Cr. from Nuvo out of which Nuvo's board has approved Rs. 200 Cr. to be funded in 1st half year of FY 2007-08

2) Idea will invest over \$ 2 billions in next two years out of internal accruals and own borrowings

Balance Sheet & Key ratios



Rs. Cr.

Standalone		Particulars	Consolidated	
2006-07	2005-06		2006-07	2005-06
93.3	83.5	Equity Share Capital	93.3	83.5
-	-	Preference Share capital	-	100.2
3,124.5	2,207.6	Net Worth	3,493.5	2,098.5
-	-	Minority Interest	143.3	43.2
174.1	167.7	Deferred Tax Liability	179.3	168.7
2,831.8	1,563.6	Total Debts	5,461.6	2,364.6
6,130.5	3,938.9	Capital Employed	9,277.7	4,675.0
-	-	Policy Holder's Funds	3,762.0	2,378.4
1,308.1	1,135.5	Net Block	6,744.9	3,118.9
-	-	Investments - Insurance	4,020.0	2,554.8
3,849.4	1,675.8	Other Investments	523.3	362.1
972.9	1,127.6	Net Current Asset	1,751.3	1,017.5
		<u>Key Ratios</u>		
0.91:1	0.71:1	Total Debt Equity Ratio	1.56:1	1.13:1
334.9	264.4	Book Value per share	374.4	251.3

Business Outlook and Strategy

Business Outlook and Strategy – High Growth Businesses



Business	Outlook	Key Challenges	Strategy
Branded Garments	Positive	<ul style="list-style-type: none"> ● Strengthening leadership position ● Increase controlled retail space in prime location 	<ul style="list-style-type: none"> ● Leverage brand equity by executing strategic brand architecture & promoting sub-brands ● Emphasis on symbolising “Fashion brands” as complete “Lifestyle” proposition ● Expand controlled retail space at strategic locations amidst highly intensified competition for retail space ● Focus on retailing of Lifestyle & Popular brands through SPVs creating “Mega Retail Brands”
Contract Exports	Positive	<ul style="list-style-type: none"> ● Cost-competitive and timely delivery 	<ul style="list-style-type: none"> ● Strengthening manufacturing, design and product development capabilities ● Expedite Greenfield Shirts expansion ● Enlarging domain through “Full Service Provider” segment
Telecom	Positive	<ul style="list-style-type: none"> ● Exploiting the peak growth phase amidst heating competition 	<ul style="list-style-type: none"> ● Strengthening & expanding network in existing circles ● Speedy rollout of services in Mumbai & Bihar circles and pursuing licenses for remaining circles ● Enhance value added services to drive customer loyalty ● Build stature from regional to national power brand

Business Outlook and Strategy – High Growth Businesses



Business	Outlook	Key Challenges	Strategy
BPO	Positive	<ul style="list-style-type: none"> ● Execution excellence ● Extracting profitability from the Integrated Transworks-Minacs 	<ul style="list-style-type: none"> ● Building Global delivery capabilities ● Extracting value from synergy between Transworks & Minacs ● Building robust sales pipeline and cost extraction company wide ● Migration to high value optimum BPO/KPO mix ● Best in class people practices from recruitment to talent Management
Life Insurance	Positive (Challenging in short term)	<ul style="list-style-type: none"> ● Regain market share 	<ul style="list-style-type: none"> ● Aggressively expand distribution reach <ul style="list-style-type: none"> ➔ Expanding DSF & utilising AC relationships ➔ Speedy opening of low cost branches ● Product innovation & differentiation ● Process improvement for efficient policy administration
Asset Management	Positive	<ul style="list-style-type: none"> ● Heating competition 	<ul style="list-style-type: none"> ● Innovative product launches ● Improve distribution network

Business Outlook and Strategy – High Growth Businesses



Business	Outlook	Key Challenges	Strategy
Other Financial Services	Positive	<ul style="list-style-type: none"> ● Sustaining Growth ● Regulatory Changes (RBI guidelines on Prudential norms) 	<ul style="list-style-type: none"> ● Better synergy amongst all Financial outfits ● Leveraging Group relationships & synergy
IT Services	Moderate	<ul style="list-style-type: none"> ● Building scalability to support business 	<ul style="list-style-type: none"> ● Strengthening marketing and delivery capabilities ● Focus on select Verticals – Corporate Banking, ISV's in BFSI ● Focus on Horizontals - Service Oriented Architecture (SOA), Business Process Management (BPM) & ERP Integration

Business Outlook and Strategy – Value Businesses



Business	Outlook	Key Challenges	Strategy
Rayon	Positive (Moderate industry outlook)	<ul style="list-style-type: none"> Improving Quality 	<ul style="list-style-type: none"> Thrust on improving intrinsic yarn quality Increasing exports to grab opportunity due to closure of plants in Western Europe Increasing share of Value added yarns Volume growth through optimised asset utilization Cost optimisation to face challenge of competition
Carbon Black	Positive	<ul style="list-style-type: none"> Tap industry growth by timely capacity expansion Volatile CBFS prices 	<ul style="list-style-type: none"> Expansion of 60K MT slated to be completed by June 07; maintaining contribution with higher volumes Optimising market- product-logistic mix & managing CBFS procurements Accelerate 120K MT Greenfield expansion in Western India
Fertilizers	Positive (within regulated industry growth)	<ul style="list-style-type: none"> Highly regulated sector 	<ul style="list-style-type: none"> Pursue with Govt. authorities on regulations impacting industry & new fertiliser policy De-bottlenecking to increase urea capacity to 1.10 Million Tons

Business Outlook and Strategy – Value Businesses

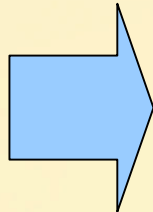


Business	Outlook	Key Challenges	Strategy
Textiles	Positive	<ul style="list-style-type: none"> ● Sustain leadership position in Linen segment ● Improve delivery capability & quality of fabric ● Increase in share of value added product in worsted segment ● Complete exit from synthetics 	<ul style="list-style-type: none"> ● Capacity expansion in Linen segment; thereby improving OTIF ● Deeper penetration through retail ● Promoting usage of linen fabric in different applications ● To move away from commodity product in worsted segment ● Thrust on quality improvement across all businesses
Insulators	Positive	<ul style="list-style-type: none"> ● Yield and efficiency improvement; reducing rejections ● Expanding Capacities in both the Substation and Transmission Segment 	<ul style="list-style-type: none"> ● Extending product range to high rating insulators ● Capacity expansion by approximately 10000 MT to support growth and leverage on the power reforms. ● Capex plans to improve efficiency & quality ● HR initiative to improve labour productivity

Vision and Strategy

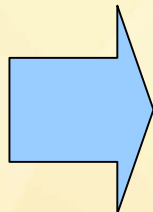


Vision



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

Strategy



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

Dedicated to deliver better results quarter after quarter

Business Financials

Rayon



Rs. Cr.

4th Quarter		Particulars	Full Year	
Actual 2006-07	Actual 2005-06		Actual 2006-07	Actual 2005-06
4,371	4,333	Production (Tons)	17,669	17,233
106.6	108.3	Capacity Utilization (%)	109.7	107.7
4,466	4,317	Sales Volumes (Tons)	17,039	17,380
169	156	VFY Realisation (Rs./Kg.)	169	150
17,483	17,747	ECU Realisation (Rs./MT.)	20,491	20,302
75.4	67.4	Revenue - VFY	288.6	260.4
32.0	33.0	- Chemicals	152.8	125.2
107.4	100.5	Revenue	441.5	385.6
20.5	29.4	PBDIT	119.7	89.7
19.1	29.3	OPM (%)	27.1	23.3
12.3	22.3	PBIT	88.7	64.2
450.5	408.2	Capital Employed	450.5	408.2
11.1	23.8	ROACE (Annualised) (%)	20.7	17.7

↑ 8%

↑ 12%

↑ 7%

↓ 45%

↑ 13%

↑ 11%

↑ 15%

↑ 38%



Carbon Black



Rs. Cr.

4th Quarter		Particulars	Full Year	
Actual 2006-07	Actual 2005-06		Actual 2006-07	Actual 2005-06
45,580	44,215	Production (Tons)	182,668	175,080
107.2	104.0	Capacity Utilization %	107.5	103.0
45,283	44,963	Sales Volumes (Tons)	180,893	175,944
40,045	34,563	Realisation (Rs./Ton)	40,850	32,069
181.3	155.4	Revenue	738.9	564.2
33.7	22.4	PBDIT	132.2	92.4
18.6	14.4	OPM %	17.9	16.4
29.4	18.0	PBIT	116.0	75.8
487.2	409.0	Capital Employed	487.2	409.0
24.7	18.4	ROACE (Annualised) (%)	25.9	19.4

16%

17%

50%

64%

27%

31%

43%

53%

Fertilizers



Rs. Cr.

4th Quarter		Particulars	12 Months	
Actual 2006-07	Actual 2005-06		Actual 2006-07	Actual 2005-06
275	255	Production ('000 Tons)	1,028	994
278	243	Sales Volumes ('000 Tons)	1,044	998
197.7	155.6	Revenue	778.5	647.4
34.5	33.1	PBDIT	129.6	129.7
17.4	21.3	OPM %	16.6	20.0
31.2	20.9	PBIT	100.9	87.8
400.7	303.3	Capital Employed	400.7	303.3
34.8	31.5	ROACE (Annualised) (%)	28.7	28.9

27%

20%

49%

15%

Textiles



Rs. Cr.

4th Quarter		Particulars	Full Year	
Actual 2006-07	Actual 2005-06		Actual 2006-07	Actual 2005-06
39.4	42.4	Linen Segment	173.8	159.7
97.2	72.3	Wool Segment	351.4	239.2
22.1	32.3	Synthetic Yarn	95.8	125.9
158.6	147.0	Total Revenue	621.0	524.8
15.3	14.5	PBDIT	67.4	56.6
11.1	10.1	PBIT	52.1	41.4
311.2	232.5	Capital Employed	311.2	232.5
14.4	16.5	ROACE (Annualised) (%)	19.2	18.7

8%

6%

10%

18%

19%

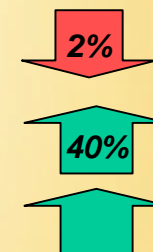
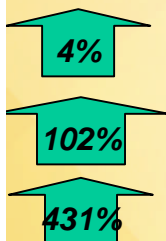
26%

Insulators



Rs. Cr.

4th Quarter		Particulars	Full Year	
Actual 2006-07	Actual 2005-06		Actual 2006-07	Actual 2005-06
Manufacturing Subsidiary				
6,611	6,319	Production (Tons)	21,326	25,501
6,618	7,181	Sales Volumes (Tons)	22,967	26,068
68.5	66.1	Revenue	218.7	226.6
12.1	6.0	PBDIT	19.2	13.7
6.9	1.3	PAT	1.1	(3.6)
158.6	163.2	Capital Employed	158.6	163.2
Domestic Marketing				
38.2	35.1	Revenue	112.8	135.9
11.2	8.6	PBDIT/ PBIT	35.1	30.3
27.5	21.6	Capital Employed	27.5	21.6



Branded Garments



Rs. Cr.

4th Quarter		Particulars	Full Year	
Actual 2006-07	Actual 2005-06		Actual 2006-07	Actual 2005-06
87.7	69.6	Shirts	360.9	293.9
44.0	29.5	Trousers	168.2	129.0
15.9	9.1	Suits	56.9	42.8
26.0	17.2	Others	84.4	60.0
173.6	125.4	Revenue	670.4	525.7
31.4	22.1	Operating Profit	133.2	108.6
6.6	6.7	Advt. Expenses	51.9	47.5
24.8	15.4	PBDIT	81.2	61.2
17.5	8.6	PBIT	55.0	36.2
331.2	307.5	Capital Employed	331.2	307.5
22.5	11.9	ROACE (Annualised) (%)	17.2	12.9

38%

28%

61%

33%

103%

52%

Note: Contract export performance has been excluded wherever necessary to make the performance comparable

Contract Exports



Rs. Cr.

4th Quarter		Particulars	Full Year	
Actual 2006-07	Actual 2005-06		Actual 2006-07	Actual 2005-06
46.4	41.4	Revenue	173.2	110.0
(0.9)	1.7	PBDIT	8.6	(1.4)
(2.5)	(0.2)	PBT	(0.6)	(5.1)
125.9	39.3	Capital Employed	125.9	39.3

↑
12%

↓

↑
58%

↑



Telecom



Rs. Cr.

4th Quarter		Particulars	Full Year	
Actual 2006-07	Actual 2005-06		Actual 2006-07	Actual 2005-06
1.57	0.90	No of Subscriber (Mn)	14.01	7.37
1,308.4	821.9	Revenue	4,366.4	2,965.5
279.6	199.3	PBIT	830.9	546.1
193.4	116.7	PAT	503.3	211.8
7,606.9	4,419.2	Capital Employed	7,606.9	4,419.2
17.1	18.3	ROACE (Annualised) (%)	13.8	12.1

75%

59%

66%

91%

47%

138%



BPO - TransWorks



Rs. Cr.

4th Quarter		Particulars	Full Year	
Actual 2006-07	Actual 2005-06		Actual 2006-07	Actual 2005-06
2,384	2,235	No of Operating Seats	2,384	2,235
3,596	4,114	No of Employees	3,596	4,114
34.7	33.7	Voice	131.9	127.6
15.3	9.8	Non-Voice	65.3	35.7
49.9	43.5	Revenue	197.2	163.3
7.1	7.1	PBIT	36.8	28.1
1.9	6.7	PAT	23.5	26.5
82.9	72.8	Capital Employed	82.9	72.8

↑
15%

↑
21%

↓
71%

↓
11%



BPO - Minacs



Rs. Cr.

4th Quarter		Particulars	12 Months	
Actual 2006-07	Actual 2005-06		Actual 2006-07	Actual 2005-06
324.0	307.8	Revenue	1317.5	1112.7
13.2	27.9	PBDIT	57.9	103.4
4.1	9.1	OPM %	4.4	9.3
(9.1)	5.8	Net Profit/(Loss) before Restructuring costs	(51.1)	24.5
-	9.1	Restructuring costs	32.6	20.4
(9.1)	(3.3)	Net Profit/(Loss) after Restructuring costs	(83.7)	4.0

5%

18%

Birla Sun Life Insurance Ltd



Rs. Cr.

4th Quarter		Particulars	12 Months	
Actual 2006-07	Actual 2005-06		Actual 2006-07	Actual 2005-06
		<u>Individual Business</u>		
273.4	246.9	First Year Premium	711.4	586.5
405.3	256.5	Renewal Premium	863.6	533.6
678.7	503.5	Total Individual business	1,575.0	1,120.2
		<u>Group Business</u>		
60.3	66.1	First Year Premium	129.8	86.5
6.2	7.2	Renewal Premium	30.4	27.2
66.5	73.3	Total Group business	160.2	113.7
745.2	576.8	Total Premium Income	1,735.2	1,233.9
(66.0)	(29.0)	Net Profit/(Loss)	(139.7)	(61.1)
671.5	460.0	Share Capital	671.5	460.0
4,020.1	2,554.8	Fund under management	4,020.1	2,554.8

35%

9%

29%

41%

41%

41%

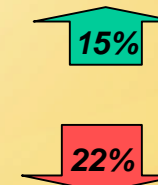
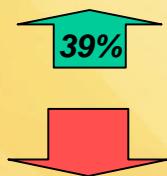
57%

Birla Sun Life Asset Management Co Ltd



Rs. Cr.

4th Quarter		Particulars	12 Months	
Actual 2006-07	Actual 2005-06		Actual 2006-07	Actual 2005-06
19,066	15,043	Domestic AUM	19,066	15,043
4,753	4,683	Equity	4,753	4,683
14,294	10,337	Debt & Liquid	14,294	10,337
19	23	Fund of funds	19	23
1,783	1,405	Off shore funds	1,783	1,405
20,849	16,448	Total AUM	20,849	16,448
24.6	17.7	Revenue	81.9	71.1
(0.5)	2.8	PAT	14.3	18.4



Other Financial Services



Rs. Cr.

4th Quarter		Particulars	12 Months	
Actual 2006-07	Actual 2005-06		Actual 2006-07	Actual 2005-06
Financial Service division & BGFCL				
28.8	12.9	Revenue	76.1	64.2
0.3	3.2	PBT (FSD)	7.8	*22.6
1.6	(0.6)	PAT (BGFCL)	5.4	(1.9)
90.3	77.9	Capital Employed	90.3	77.9
Birla Sun Life Distribution Limited				
8,744	6,581	Gross Mobilisation	26,167	19,321
5.7	9.1	Revenue	21.0	24.5
(0.0)	1.2	PAT	0.7	3.2
Birla Insurance Advisory Services Limited				
1.3	1.8	Revenue	8.2	7.6
0.3	0.5	PAT	2.8	2.8



IT Services



Rs. Cr.

4th Quarter		Particulars	Full Year	
Actual 2006-07	Actual 2005-06		Actual 2006-07	Actual 2005-06
24.9	25.5	Revenue	93.6	85.8
3.2	2.5	PBDIT	6.4	5.7
2.0	1.5	PAT	1.5	1.3
29.1	23.1	Capital Employed	29.1	23.1

2%

9%

28%

13%

Annexure

Standalone Profit and Loss and Balance Sheet Snapshot

Annexure I

Rs. Cr.



Particulars	4th Quarter		Full Year	
	2006-07	2005-06	2006-07	2005-06
Gross Turnover	898.9	800.5	3,577.9	2,786.4
Net Turnover	859.7	762.8	3,420.5	2,642.0
PBDIT	143.8	132.5	603.8	443.4
PBDIT Margin (%)	16.7	17.4	17.7	16.8
Net Interest	49.1	16.8	171.2	55.8
PBDT	94.8	115.7	432.6	387.6
PAT before exceptional	62.3	57.7	226.2	191.0
PAT	62.3	56.7	225.0	186.9
PAT Margin (%)	7.2	7.4	6.6	7.1
Annualised EPS (Rs.)	27.2	26.2	25.6	24.5
Annualised CEPS (Rs.)	43.7	42.3	42.3	39.6
Dividend (%)			55.0%	50.0%
Interest Cover (x) (PBDIT/ Net Interest)	2.9	7.9	3.5	7.9

	Full year	
	2006-07	2005-06
Equity	93.3	83.5
Net Worth	3,124.5	2,207.6
Long Term Debt	2,044.2	972.5
Short Term Debt	787.7	591.1
Total Debts	2,831.8	1,563.6
Deferred Tax Liabilities	174.1	167.7
Capital Employed	6,130.5	3,938.9
Net Block	1,308.1	1,135.5
Net Working Capital	972.9	1,127.6
Strategic Investment	3,473.9	1,410.3
Other Investments	375.5	265.5
Total Investments	3,849.4	1,675.8
ROACE (at PBIT) (%)	10.1	12.0
ROANW (at PAT) (%)	8.4	10.5
Book Value (Rs.)	334.9	264.4
Total Debt Equity (x)	0.91:1	0.71:1
Long Term Debt Equity (x)	0.65:1	0.44:1
Market Capitalisation	9,907.1	6,203.7

Consolidated Profit and Loss and Balance Sheet Snapshot

Annexure II

Rs. Cr.



Particulars	4th Quarter		Full Year	
	2006-07	2005-06	2006-07	2005-06
	Gross Turnover	2,592.7	1,796.2	8,434.2
Net Turnover	2,544.1	1,755.0	8,258.0	5,006.9
PBDIT	305.0	199.8	1,139.1	615.7
PBDIT Margin (%)	12.0	11.4	13.8	12.3
Net Interest	109.4	36.1	362.9	103.8
PBDT	195.6	163.6	776.2	511.9
Net Profit (after Minority Interest)	82.5	70.1	281.2	204.1
Annualised EPS (Rs.)	36.0	31.6	32.0	26.1
Annualised CEPS (Rs.)	94.2	67.2	84.8	57.5

Particulars	Full year	
	2006-07	2005-06
Equity	93.3	83.5
Preference Share Capital	-	100.2
Net Worth	3,493.5	2,098.5
Minority Interest	143.3	43.2
Total Debts	5,461.6	2,364.6
Deferred Tax Liabilities	179.3	168.7
Capital Employed	9,277.7	4,675.0
Policyholders' funds	3,762.0	2,378.4
Total Liabilities	13,039.7	7,053.4
Goodwill on consolidation	2,968.5	961.3
Net Block	3,776.4	2,157.6
Net Working Capital	1,751.4	1,017.6
Investments	4,543.4	2,916.9
Life Insurance Investments	4,020.0	2,554.8
Other Investments	523.3	362.1
ROCE (at PBIT) (%)	7.9	8.8
RONW (at PAT) (%)	8.1	9.7
Book Value (Rs.)	374.4	251.3
Total Debt Equity (x)	1.56:1	1.13:1

Segment Results – Aditya Birla Nuvo Standalone

Annexure III



4th Quarter

Rs. Cr.

Particulars	Revenue		PBIT		Avg Capital Employed		ROACE (PBIT basis)	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
Garments	173.6	158.4	17.5	8.9	310.6	290.5	22.5%	12.3%
Rayon	107.4	100.5	12.3	22.3	442.5	374.7	11.1%	23.8%
Carbon Black	181.3	155.4	29.4	18.0	476.8	390.2	24.7%	18.4%
Textiles	158.6	147.0	11.1	10.1	308.8	245.6	14.4%	16.5%
Fertilizers	197.7	155.6	31.2	20.9	358.0	265.6	34.8%	31.5%
Financial Services	2.8	10.8	0.3	3.2	56.4	76.5	2.0%	16.9%
Insulators	38.2	35.1	11.2	8.6	25.2	20.5	177.9%	167.1%
Total Operating Assets	859.7	762.8	113.0	92.0	1,978.3	1,663.5	22.8%	22.1%
Corporate Assets	-	-	1.5	(1.0)	3,520.9	1,630.0	0.2%	-0.2%
Total	859.7	762.8	114.5	91.1	5,499.2	3,293.5	8.3%	11.1%

Full Year

Particulars	Revenue		PBIT		Avg Capital Employed		ROACE (PBIT basis)	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
Garments	700.1	620.5	58.0	32.6	319.3	279.9	18.2%	11.6%
VFY	441.5	385.6	88.7	64.2	429.4	363.4	20.7%	17.7%
Carbon Black	738.9	564.2	116.0	75.8	448.1	390.4	25.9%	19.4%
Textiles	621.0	524.8	52.1	41.4	271.9	221.9	19.2%	18.7%
Fertilizers	778.5	379.4	100.9	55.5	352.0	303.3	28.7%	18.3%
Financial Services	27.7	31.6	7.8	11.4	46.4	77.1	16.7%	14.8%
Insulators	112.8	135.9	35.1	30.3	24.6	21.3	142.8%	142.4%
Total Operating Assets	3,420.5	2,642.0	458.7	311.3	1,891.7	1,657.4	24.2%	18.8%
Corporate Assets	-	-	10.9	5.0	2,735.6	1,152.7	0.4%	0.4%
Total	3,420.5	2,642.0	469.6	316.4	4,627.3	2,810.1	10.1%	11.3%

Note: Indo Gulf and Birla Global merged with Nuvo w.e.f September 1, 2005

Operating Margin - Aditya Birla Nuvo Standalone

Annexure IV



4th Quarter		Operating Margin	Full Year	
Actual 2006-07	Actual 2005-06		Actual 2006-07	Actual 2005-06
14.3%	12.3%	Garments - Branded	12.1%	11.6%
19.1%	29.3%	Rayon	27.1%	23.3%
18.6%	14.4%	Carbon Black	17.9%	16.4%
17.4%	21.3%	Fertilisers	16.6%	21.5%
9.6%	9.8%	Textiles	10.8%	10.8%
29.3%	24.4%	Insulator	31.1%	22.3%
14.8%	38.2%	Financial Services	29.9%	39.4%
16.6%	16.7%	Total	17.2%	16.2%

Exports - Aditya Birla Nuvo Standalone

Annexure V



4th Quarter		Exports (Rs Crores)	Full Year	
2006-07	2005-06		2006-07	2005-06
12.8	40.2	Garments	63.0	117.6
16.6	8.9	Rayon	49.0	33.0
28.4	27.6	Carbon Black	120.2	108.2
105.3	123.2	Textiles	267.7	225.1
163.1	199.8	Total	499.9	483.8

4th Quarter		Exports (% of Sales)	Full Year	
2006-07	2005-06		2006-07	2005-06
7.4%	25.3%	Garments	9.0%	18.9%
15.4%	8.9%	Rayon	11.1%	8.6%
15.7%	17.7%	Carbon Black	16.3%	19.2%
66.4%	83.8%	Textiles	43.1%	42.9%
19.0%	26.2%	Total	14.6%	18.3%

Sales Volume - Aditya Birla Nuvo Standalone

Annexure VI



4th Quarter		Particulars	Full Year	
Actual 2006-07	Actual 2005-06		Actual 2006-07	Actual 2005-06
26	29	Garments (lacs Pcs)	107	111
4,466	4,317	VFY (MT)	17,039	17,380
17,229	17,349	Caustic (MT)	67,226	56,954
45,283	44,963	Carbon Black (MT)	180,893	175,944
278	243	Fertilisers ('000 MT)	1,044	998
5,542	5,046	Insulators (MT)	18,117	18,321

Sales Volume - Aditya Birla Nuvo Standalone

Annexure VI

Cont...



4th Quarter		Particulars	Full Year	
Actual 2006-07	Actual 2005-06		Actual 2006-07	Actual 2005-06
Garments (Lac Pcs)				
13.9	17.5	Shirts	62.8	69.7
5.7	7.1	Trousers	24.1	23.9
0.4	0.2	Suits	1.4	1.2
5.9	4.7	Others	18.8	16.3
Textiles				
1,084	1,286	Linen Fabric ('000 Mtrs)	4,645	4,418
502	396	Flax Yarn (MT)	2,127	1,687
2,163	1,959	Worsted Segment (MT)	8,478	6,050
2,418	3,027	Synthetic Yarn (MT)	7,752	11,129

Production - Aditya Birla Nuvo Standalone

Annexure VII



4th Quarter			Particulars	Full Year		
Effective Capacity	Production	Utilisation		Effective Capacity	Production	Utilisation
4,100	4,371	107%	VFY (MT)	16,100	17,669	110%
20,250	17,590	87%	Caustic (MT)	69,130	67,663	98%
42,500	45,580	107%	Carbon Black (MT)	170,000	182,668	107%
216	275	127%	Fertilisers ('000 MT)	865	1,028	119%

Production - Aditya Birla Nuvo Standalone

Annexure VII

Cont...



4th Quarter		Particulars	Full Year	
Effective Capacity	Production		Effective Capacity	Production
Garments (Lac Pcs)				
4.6	4.7	Shirts	13.8	13.5
1.7	1.3	Trousers	5.0	4.3
0.5	0.6	Suits	1.6	1.5
Textiles				
Spindles	MT		Spindles	MT
884	1,247	Linen Fabric ('000 Mtrs)	4,244	4,809
1,658	1,308	Flax Yarn	6,370	2,933
5,556	2,143	Worsted Segment	22,224	8,459
12,808	1,264	Synthetic Yarn	51,232	6,598

Cautionary Statement



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

Aditya Birla Nuvo Limited

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