

Performance Review

2005-06

ADITYA BIRLA NUVO LIMITED

Mumbai, 28th April 2006

Investor Presentation

Contents



- **Strategic Highlights**
- **Business Highlights**
- **Financial performance**
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- **Business Outlook and Strategy**

Strategic Highlights



- **Accepted offer to increase share in high growth Telecom sector**
 - Total investment in Idea stands at Rs. 757.9 Cr for 20.7% equity stake
 - *Acquired 16.5% equity stake in Idea Cellular for Rs. 660.7 Cr in Sep-05*
 - Accepted offer for 15% equity stake in Idea Cellular for Rs. 1372.7 Cr in Apr-06
 - *On completion, Nuvo will hold 35.7% shares of Idea (the largest shareholder)*
- **Landmark consolidation to enhance shareholders' value**
 - Merger of Indo Gulf Fertilizers with Nuvo completed
 - *Indo Gulf's assets, liabilities and profit merged with Nuvo from September 1, 2005*
 - *A profit making company with cash surplus of Rs. 448.2 Cr*
 - *1 equity share of Nuvo issued for every 3 shares held in Indo Gulf*
 - Merger of Birla Global with Nuvo is pending sanction of Gujarat High Court
- **Changed Company name to “Aditya Birla Nuvo Ltd.” to reflect its thrust on new age businesses**



Business Highlights – Value Businesses



Business	Growth in Full year		Key initiatives
	Revenue	Profits	
Rayon	↑	↑	Caustic soda capacity increased by 45 TPD taking total capacity to 160 TPD
Carbon Black	↑	↑	Optimization of market, product and logistic mix
Textiles	↑	↑	Doubling of wool combing facility (to 8000 TPA); Additional weaving capacity (9 looms); Increased retail distribution in Linen Fabric
Fertilizers	↓	↑	Higher capacity utilisation (115% of re-assessed capacity) mainly due to higher continuous on-stream days and overall high operational efficiency, effective cost management & improved overall realization.
Insulator	↑	↑	Quality efforts gradually stabilizing; Low demand in Exports compensated by higher domestic demand

Business Highlights – Growth Businesses

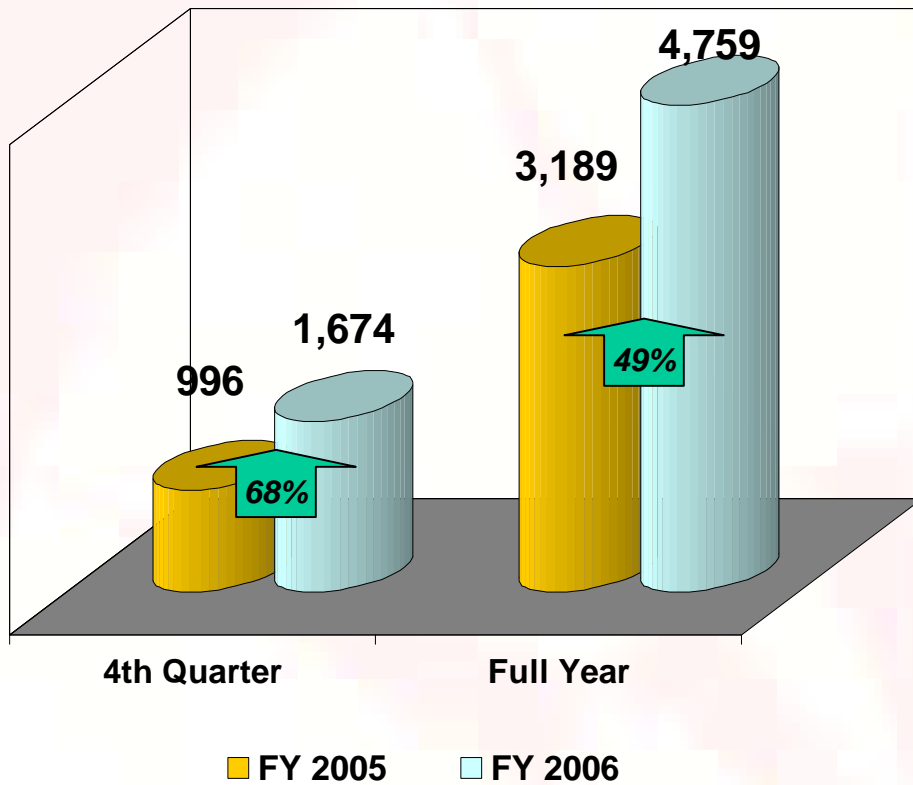


Business	Growth in Full year		Key initiatives
	Revenue	Profits	
Garments	↑	↑	<p>Fashion Brands fortified its leadership position while Peter England achieved significant growth with improved profitability;</p> <p>Retail space increased to 3.1 lac sq ft through 164 stores;</p> <p>Thrust on Contract export through subsidiary;</p> <p>Distribution tie up with international brand – Esprit</p>
Life Insurance	↑	↔	<p>Opened 41 new branches during the year; Aggressive ramping up of feet on street</p>
IT Services	↑	↑	<p>Increased share of offshore revenues with focus on identified verticals;</p> <p>Business turned around with net positive during the year</p>
BPO	↑	↑	<p>Added 4 new clients taking total to 22 clients, of which 10 are Fortune 500 clients; Wiped out accumulated losses during the year</p>
Telecom	↑	↑	<p>Increased subscriber base to 7.37 million</p>

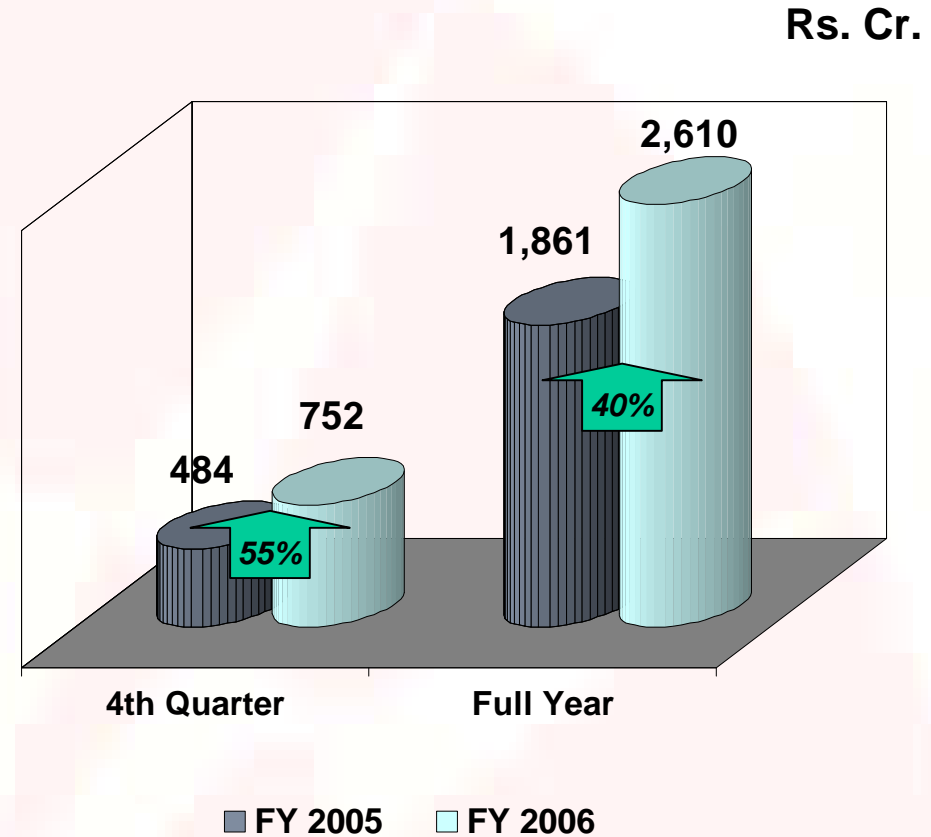
Performance Highlights - Revenue



Aditya Birla Nuvo Consolidated



Aditya Birla Nuvo Standalone



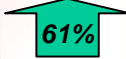

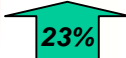

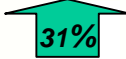
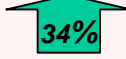
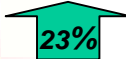
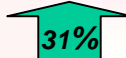
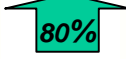
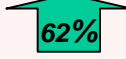
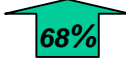
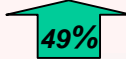


Consolidated Revenue



Contd ...

Rs. Cr.

4th Quarter		Revenue	Full Year			
2005-06	2004-05		2005-06	2004-05		
 55%	752.0	484.2	Aditya Birla Nuvo	2,610.4	1,860.9	 40%
 61%	650.7	403.1	Life Insurance	1,398.5	956.2	 46%
 23%	42.3	34.5	BPO	162.1	107.8	 50%
	25.5	19.8	IT Services	85.8	82.0	
 31%	33.1	25.3	Insulator JV (Nuvo's Share)	113.3	84.4	 34%
 23%	170.4	28.7	Telecom JV (Nuvo's Share)	388.3	96.9	 31%
	0.2	0.2	Others	1.0	0.9	
 80%	922.2	511.6	Nuvo's Share in JV & Subs	2,149.0	1,328.3	 62%
 68%	1,674.2	995.8	Nuvo Consolidated	4,759.4	3,189.1	 49%

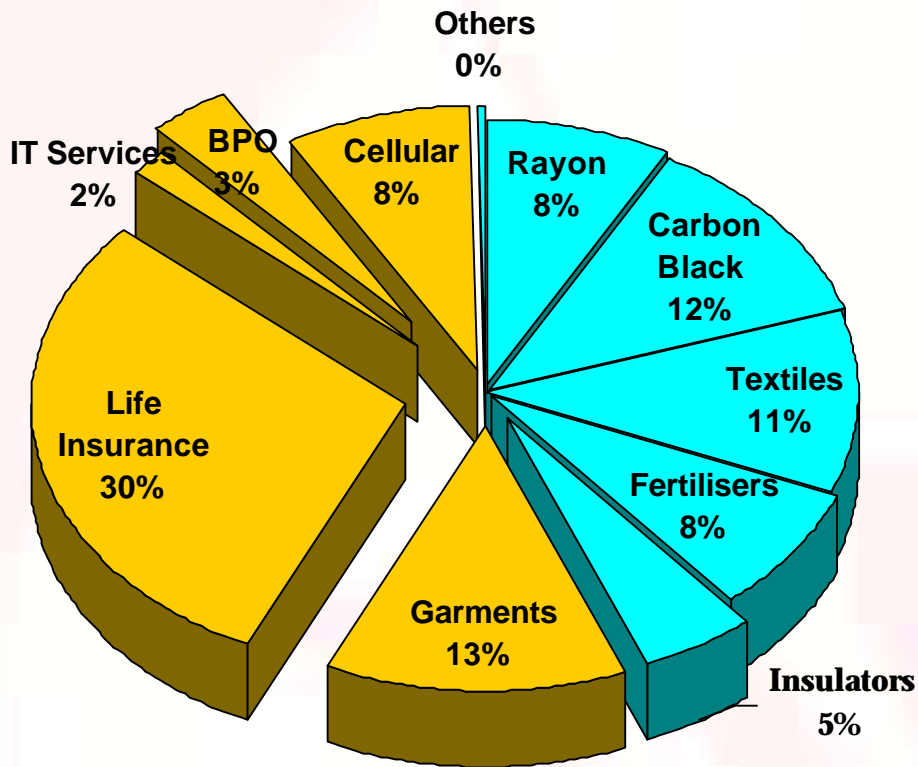
Consolidated revenue crossed US\$ 1Billion mark

Revenue Composition



Consolidated

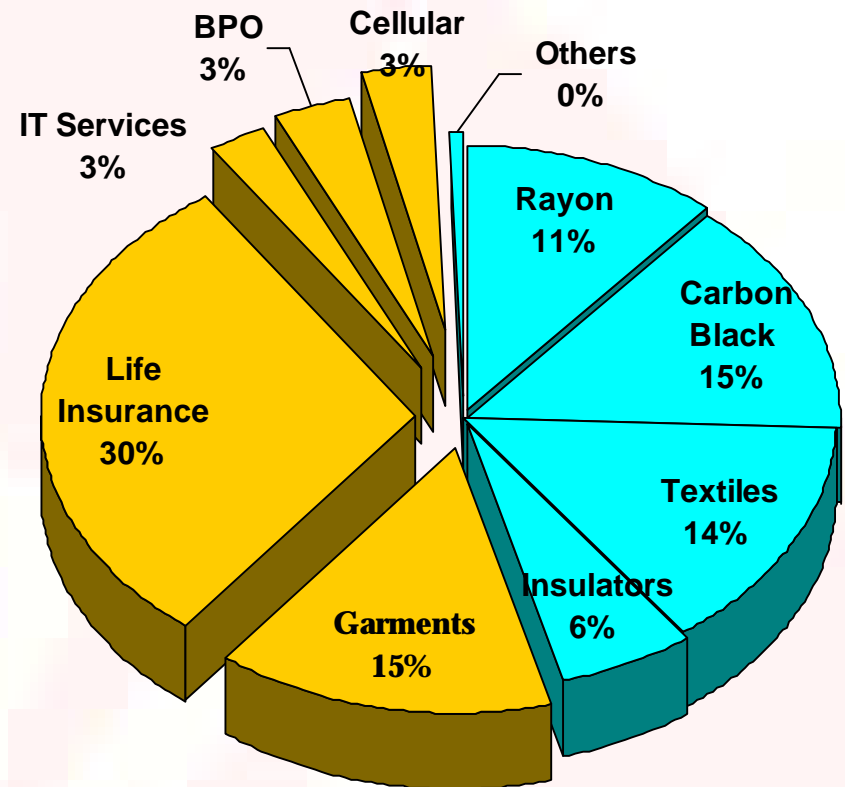
FY2006



Growth Businesses
(56%)

Value Businesses
44%

FY2005



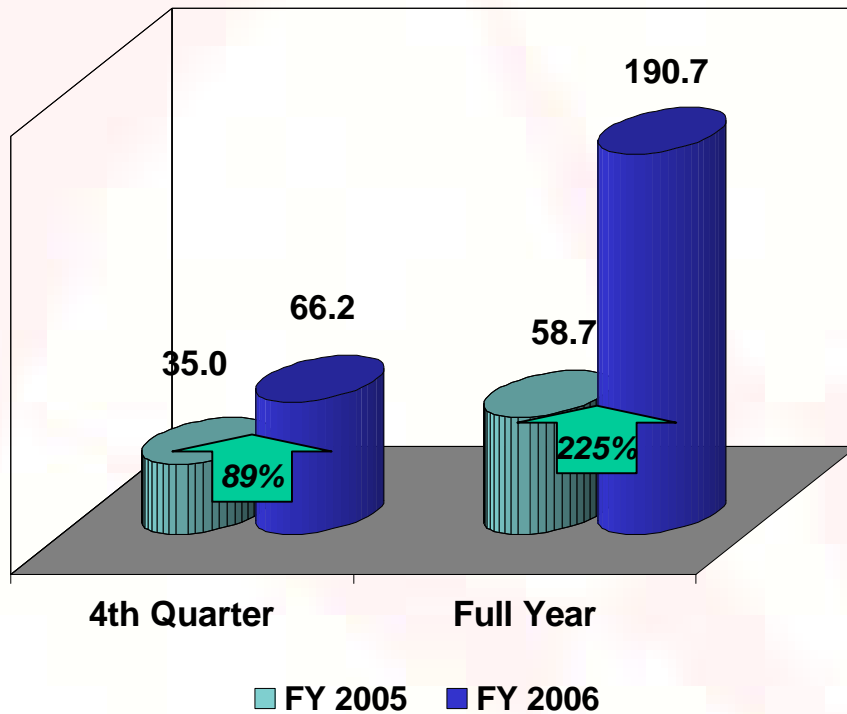
Growth Businesses
(54%)

Value Businesses
46%

Performance Highlights – Net Profit

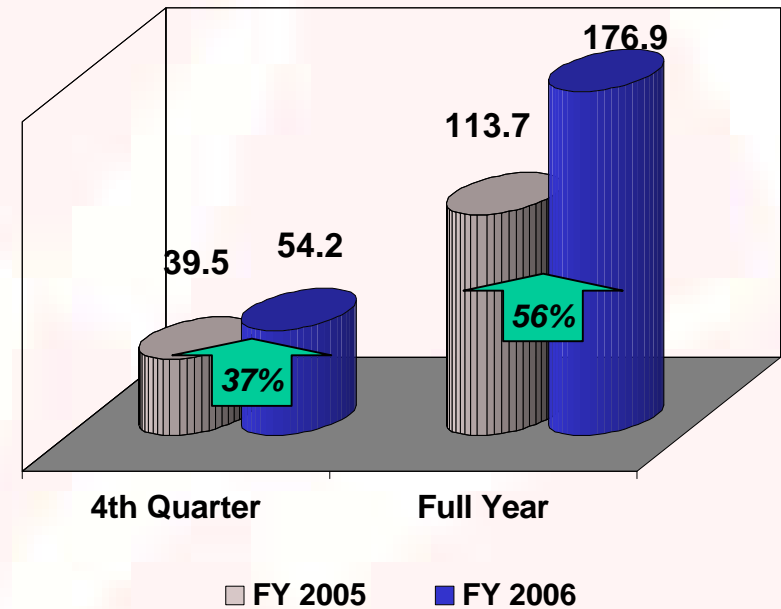


Aditya Birla Nuvo Consolidated



Aditya Birla Nuvo Standalone

Rs. Cr.



Consolidated Net Profit



Contd ...

Rs. Cr.

4th Quarter		Net Profit	Full Year	
2005-06	2004-05		2005-06	2004-05
54.2	39.5	Aditya Birla Nuvo	176.9	113.7
(29.0)	(15.9)	Life Insurance	(61.1)	(60.6)
6.7	6.1	BPO	26.5	1.0
1.5	(0.4)	IT Services	1.3	(2.6)
0.6	(1.5)	Insulator JV (Nuvo's Share)	(1.8)	(12.7)
24.2	2.6	Telecom JV (Nuvo's Share)	31.8	3.3
0.4	0.4	Others	1.1	0.8
(7.6)	(4.1)	Less: Minority Share	(15.9)	(15.8)
11.9	(4.5)	Nuvo's Share in JV & Subs	13.7	(55.0)
66.2	35.0	Nuvo Consolidated	190.7	58.7
34.3	23.0	EPS (Annualised)	27.1	8.8

37%

56%

89%

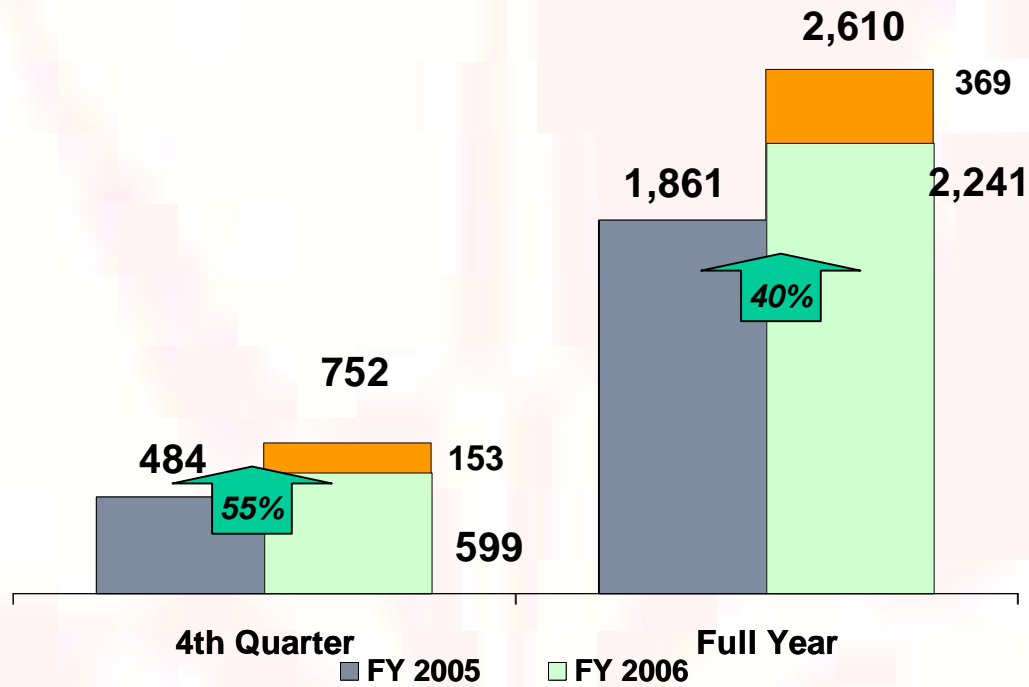
225%

**Aditya Birla Nuvo (Standalone)
Financial Performance**

Revenue (Standalone)



Rs. Cr.


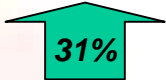
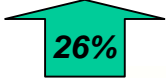
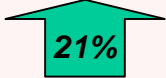
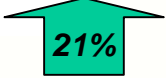

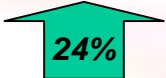

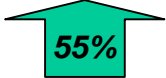



Share of fertilizers business post merger

Nuvo's figure excluding fertilisers

Segmental Revenue (Standalone)

Rs. Cr.

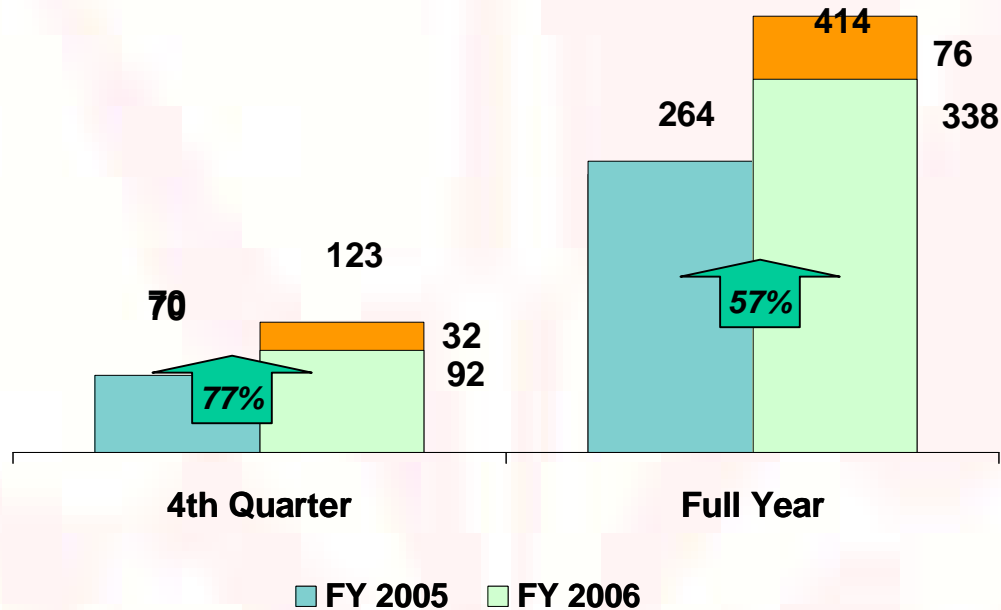
	4th Quarter		Revenue	Full Year		
	2005-06	2004-05		2005-06	2004-05	
	158.4	108.9	Garments	620.5	472.6	
	100.5	91.2	Rayon	385.6	352.0	
	155.4	123.7	Carbon Black	564.2	467.2	
	147.0	121.7	Textiles	524.8	456.1	
	35.1	35.3	Insulator	135.9	100.1	
	2.7	3.4	Others	10.4	12.7	
	599.0	484.2	Total Pre merger	2,241.4	1,860.9	
	153.0	-	Fertilisers	369.0	-	
	752.0	484.2	Total Post merger	2,610.4	1,860.9	

Revenue growth across businesses

Operating Profit (Standalone)



Rs. Cr.













Share of fertilizers business post merger

Nuvo's figure excluding fertilisers

Segmental Profitability (Standalone)

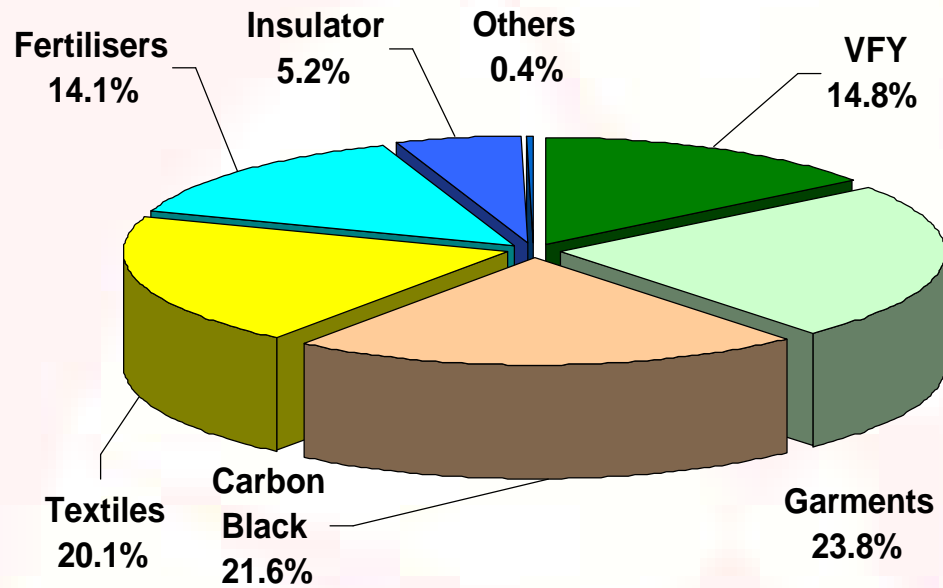
Rs. Cr.

	4th Quarter		PBDIT	Full Year		
	2005-06	2004-05		2005-06	2004-05	
	15.8	9.3	Garments	57.9	39.4	
	29.4	21.8	Rayon	89.7	87.6	
	22.4	20.8	Carbon Black	92.4	77.2	
	14.5	9.6	Textiles	56.6	33.3	
	8.6	7.9	Insulator	30.3	21.5	
	1.0	0.5	Others	10.6	5.1	
	91.6	69.8	Total Pre merger	337.5	264.1	
	31.7	-	Fertilisers	76.0	-	
	123.3	69.8	Total Post merger	413.5	264.1	

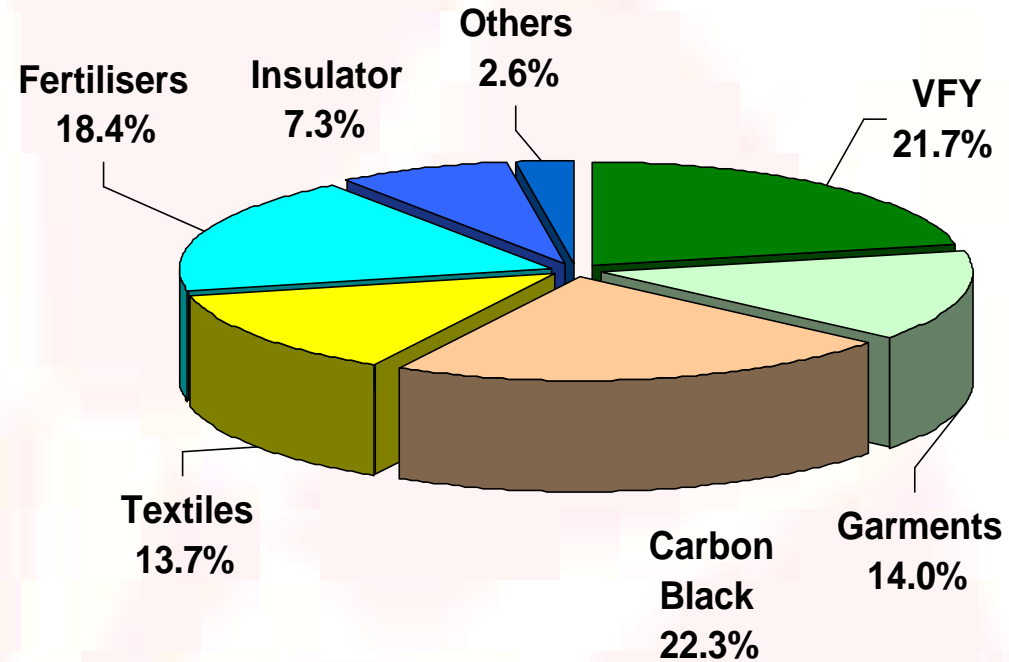
Revenue and Profit composition (Standalone FY06)



Revenue



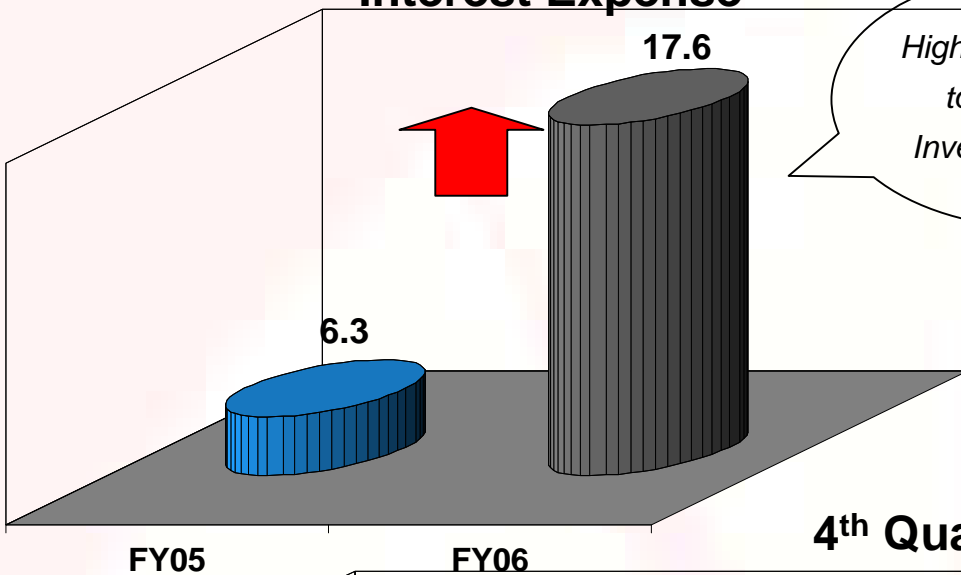
Operating Profit



Net interest moves up (Standalone)



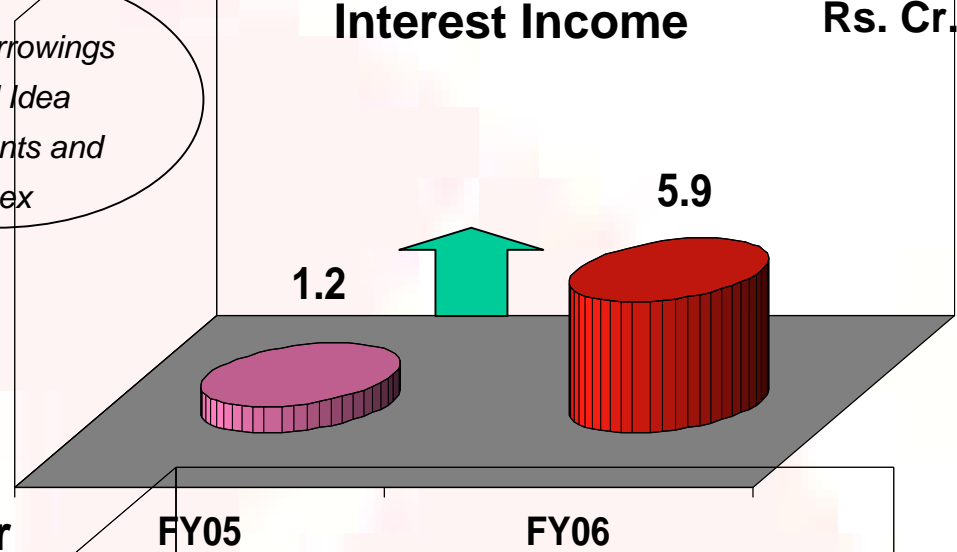
Interest Expense



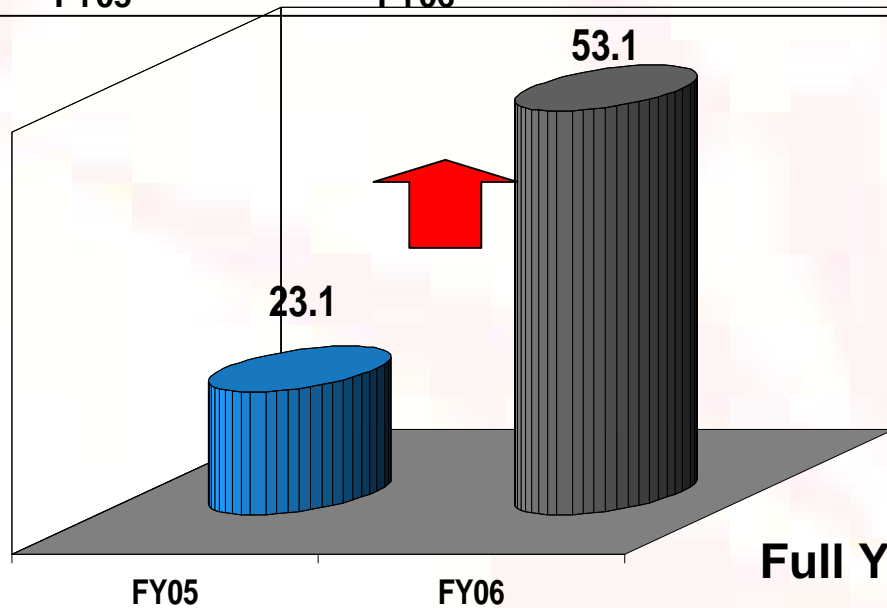
Higher borrowings to fund Idea Investments and Capex

Interest Income

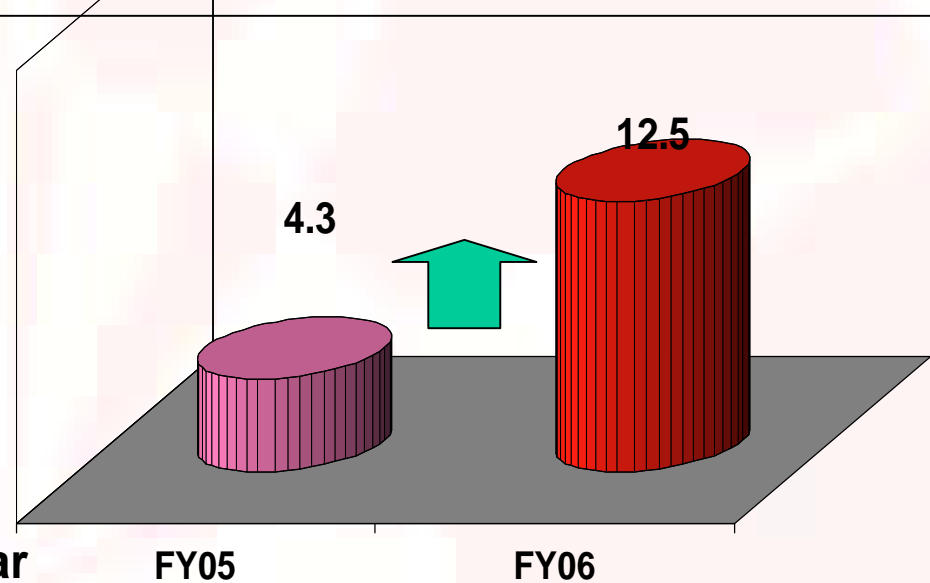
Rs. Cr.



4th Quarter



Full Year



Exceptional items (Standalone)



Rs. Cr.

4th Quarter		Particulars	Full Year	
2005-06	2004-05		2005-06	2004-05
(1.0)	(0.6)	Voluntary Retirement Scheme at Rayon Division	(4.0)	(9.5)
-	-	Gain on sale of Global Exports	-	4.0
-	(0.3)	Gain/loss on Strategic Investments	-	(2.1)
(1.0)	(0.9)	Total	(4.0)	(7.6)



Financial Results (Standalone)



Rs. Cr.

	4th Quarter		Particulars	Full Year		
	2005-06	2004-05		2005-06	2004-05	
	752.0	484.2	Revenue	2,610.4	1,860.9	
	4.6	2.3	Other Income	20.9	9.7	
	123.3	69.8	Operating Profit (PBDIT)	413.5	264.1	
	17.6	6.3	Less: Interest & Finance Expenses	53.1	23.1	
	5.9	1.2	Add: Interest Income	12.5	4.3	
	111.6	64.7	Gross Profit	372.9	245.4	
	35.5	20.6	Depreciation/ Amortisation	110.7	80.7	
	76.1	44.0	Profit Before Tax and Exceptional Items	262.1	164.7	
	(1.0)	(0.9)	Exceptional Items	(4.0)	(7.6)	
	75.2	43.1	Profit after Exceptional Items	258.1	157.1	
	20.9	3.6	Provision for Taxation	81.2	43.4	
	54.2	39.5	Net Profit	176.9	113.7	
	28.9	26.4	EPS (Annualised)	25.8	19.0	

Restated Financial Results (on BGFL Merger)



Rs. Cr.

4th Quarter: 2005-06					Particulars	Full Year: 2005-06				
Nuvo Pre Merger	IGFL	Nuvo post merger	BGFL	Total		Nuvo Pre Merger	IGFL	Nuvo post merger	BGFL	Total
599	153	752	11	763	Revenue	2,241	369	2,610	35	2,645
99	24	123	9	133	Operating Profit	337	77	413	31	444
25	(13)	12	5	17	Interest (Net)	53	(12)	41	16	57
75	37	112	4	116	Gross Profit	284	89	373	15	387
24	12	35	1	36	Depreciation/ Amortisation	86	24	111	1	112
51	25	76	3	79	Profit Before Tax and Exceptional	198	64	262	14	276
(1)	-	(1)	-	(1)	Exceptional Items	(4)	-	(4)	-	(4)
50	25	75	3	78	Profit after Exceptional Items	194	64	258	14	272
		21	1	22	Provision for Taxation			81	3	84
		54	2	56	Net Profit			177	10	187
		28.9		27.0	EPS (Annualised)			25.8		25.4

Business Performance



Value Businesses

Rayon

Carbon
Black

Textiles

Fertilizers

Insulators

High Growth Businesses

Garments

Life
Insurance

IT/ITeS

Telecom

Financial
Services

Asset
Management

Distribution

Note: Dotted lines represents business under merger

Value Businesses

Rayon: Volume led growth

○ Highest ever VFY volumes at 17,380 tons, up by 6%

→ Supported revenue growth of 4% to Rs. 260.4 Cr

→ Realization showed sign of improvement

- *Anti dumping duty levied on Chinese imports*

○ Chemical business performance satisfactory

→ Revenue grew on higher volumes

- *Commissioned 45 TPD caustic plant in Jul-05*

→ ECU realization witnessed volatility though marginally lower than previous year

○ PBDIT marginally higher at Rs. 89.7 Cr

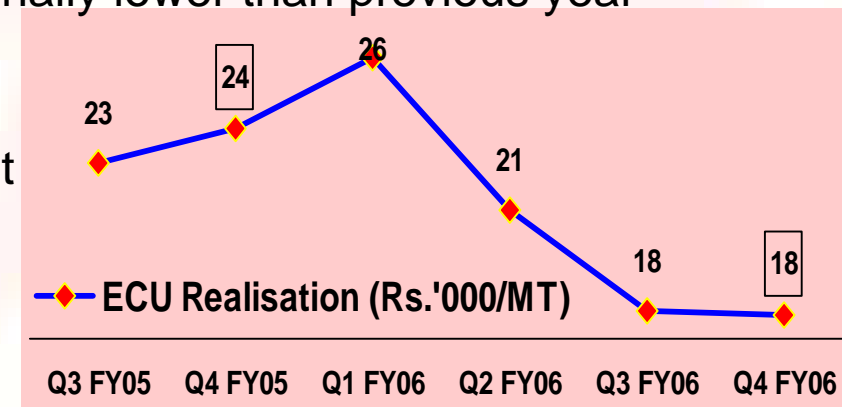
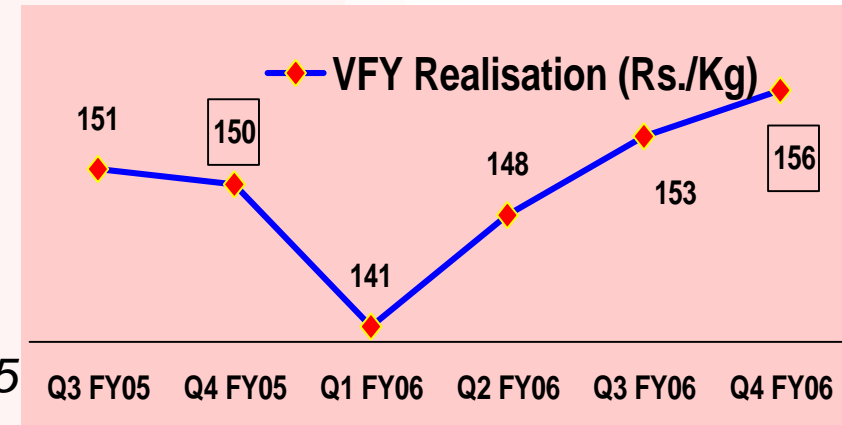
→ Despite higher input prices and maintenance cost

○ Improvement in manpower productivity

→ VRS to 172 persons at a cost of Rs. 4.0 Cr

○ Progress on 20MW captive power plant on schedule

○ Further Caustic expansion from 160 TPD to 225 TPD on stream



Rayon: Performance Summary



Rs. Cr.

4th Quarter		Particulars	Full Year	
2005-06	2004-05		2005-06	2004-05
4,333	4,147	Production (Tons)	17,233	16,420
108.3	103.7	Capacity Utilization (%)	107.7	105.9
4,317	4,084	Sales Volumes (Tons)	17,380	16,445
156	150	VFY Realisation (Rs./Kg.)	150	152
17,744	23,775	ECU Realisation (Rs./MT.)	20,301	20,911
67.4	61.3	Revenue - VFY	260.4	250.3
33.0	29.8	- Chemicals	125.2	101.7
100.5	91.2	Revenue	385.6	352.0
29.4	21.8	PBDIT	89.7	87.6
22.3	15.9	PBIT	64.2	66.3
408.2	318.6	Capital Employed	408.2	318.6
23.8	21.3	ROACE (Annualised) (%)	17.7	22.8

↑ 6%

↑ 4%

↑ 11%

↑ 6%

↔

↑ 23%

Carbon Black: Robust performance



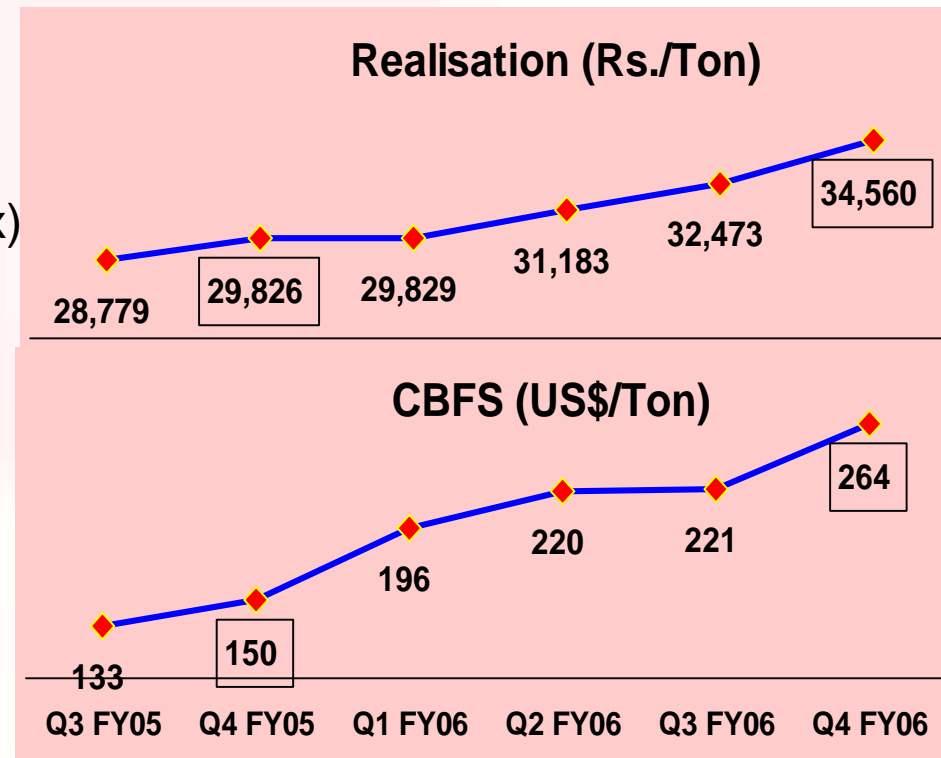
- **Record high volumes at 175,943 tons, up by 7%**
 - Fuelled by double digit domestic auto sector growth

- **Realization improved by 13%**
 - Positive changes in market mix (segment mix, customer mix, product mix, logistics mix)

- **Operating profits up by 20%**
 - Positive change in market and product mix
 - Improved production efficiency
 - CBFS prices though continued to rise; creating cost pressure

- **Expansions planned**

- Proposed 55,000 TPA brownfield expansion awaiting environmental clearance
- Exploring Greenfield project of 60,000 TPA in Western India



Carbon Black: Performance Summary



Rs. Cr.

4th Quarter		Particulars	Full Year	
2005-06	2004-05		2005-06	2004-05
44,216	41,138	Production (Tons)	175,080	164,025
104.0	96.8	Capacity Utilization %	103.0	100.9
44,967	41,526	Sales Volumes (Tons)	175,944	165,095
34,560	29,799	Realisation (Rs./Ton)	32,069	28,302
155.4	123.7	Revenue	564.2	467.2
22.4	20.8	PBDIT	92.4	77.2
14.4	16.8	OPM %	16.4	16.5
18.0	16.2	PBIT	75.8	60.3
409.0	371.9	Capital Employed	409.0	371.9
18.4	18.2	ROACE (Annualised) (%)	19.4	17.1

↑
8%

↑
16%

↑
26%

↑
11%

↑
7%

↑
13%

↑
21%

↑
26%

Increased domestic volumes helped

○ Linen segment – Better performance continued

- Linen Fabric continued its growth momentum aided by higher volume and improved realization
- Linen Yarn benefited from de-bottlenecking in operations and higher realizations

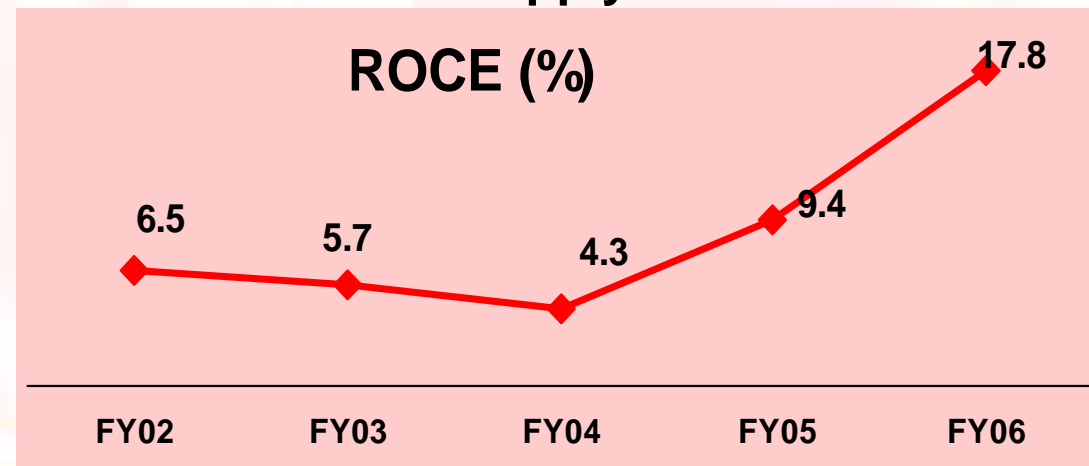
○ Worst segment – Benefited from higher share of value added products

- Improved volumes supported by expanded capacity of wool combing

○ Synthetic Yarn – Performance impaired due to demand-supply mismatch

○ Operating profits jumped by 70%

- Lower input prices helped
- Focus on niche and value added product paying off



Textiles: Performance Summary



Rs. Cr.

	4th Quarter		Particulars	Full Year		
	2005-06	2004-05		2005-06	2004-05	
	28.5	22.7	Linen Fabrics	98.6	74.2	
	13.9	11.5	Flax Yarn	61.1	59.4	
	72.3	51.6	Worsted Segment	239.2	184.4	
	32.3	35.9	Synthetic Yarn	125.9	138.1	
	147.0	121.7	Total Revenue	524.8	456.1	
	14.5	9.6	PBDIT	56.6	33.3	
	10.1	6.4	PBIT	41.4	19.8	
	232.5	211.3	Capital Employed	232.5	211.3	
	16.5	12.9	ROACE (Annualised) (%)	18.7	10.9	

Textile ROCE on track

Fertilizers: Margins expand



- **Production for the year is 9.94 Lac MT**
 - 115% utilisation of re-assessed capacity and higher on-stream days
- **Sales during the year higher at 9.97 Lac MT (Last Year 9.75 Lac MT)**
 - Mainly due to overall high demand of urea fertiliser
- **Revenue for the year Rs. 636.8 Cr. (Last Year Rs.678.35 Cr.)**
 - Mainly due to uses of cheaper RLNG in place of high cost of Naphtha as feed & fuel
- **Operating profits improved to Rs. 144.8 Cr during the year**
 - Higher operational efficiency & improved overall energy consumption and strong focus on controlling cost
 - Higher availability of gas due to commencement of 0.7 mmscmd RLNG supply w.e.f. 1st April 2005
 - Improved overall sales realisation consequent to strong brand equity of 'Birla Shaktiman' and increasing share of value added product "Neem Coated Urea " further complemented.

Fertilizers: Performance Summary



Rs. Cr.

4th Quarter		Particulars	7 Months	Full Year	
2005-06	2004-05		2005-06	2005-06	2004-05
256	259	Production ('000 Tons)	576	994	985
242	251	Sales Volumes ('000 Tons)	564	997	975
152.9	171.6	Revenue	368.8	636.8	678.4
37.9	24.0	PBDIT	90.9	144.8	123.8
24.8	14.0	OPM %	24.6	22.7	18.3
26.1	14.1	PBIT	66.5	104.5	83.9
769.9	677.3	Capital Employed	769.9	769.9	677.3
13.6	8.3	ROCE (Annualised) (%)	14.8	13.6	12.4

Insulators: Improved performance

Domestic Marketing:

- **Revenue is higher by 36% at Rs. 135.9 Cr**
 - Volume growth supported by robust demand in T&D segment
- **Profit up by 41% at Rs. 30.3 Cr**

Birla NGK (JV):

- **Sales volume rise on back of higher demand in domestic market**
 - Exports lower due to weak demand
- **Revenue up with increase in share of high value/value added products**
 - Realization improved as high input cost passed on to the customer
- **Waste reduction and Yield improvement efforts are underway**
- **JV losses substantially curtailed at Rs. 3.6 Cr vis-à-vis Rs 25.3 Cr in last year**

Insulators: Performance Summary

Rs. Cr.

4th Quarter		Particulars	Full Year		
2005-06	2004-05		2005-06	2004-05	
Domestic Marketing					
35.1	35.3	Revenue	135.9	100.1	↑ 36%
8.6	7.9	PBDIT/ PBIT	30.3	21.5	↑ 41%
21.6	20.9	Capital Employed	21.6	20.9	
BIRLA NGK (JV)					
6,268	7,641	Production (Tons)	25,501	25,449	
7,185	7,246	Sales Volumes (Tons)	26,065	24,412	↑ 7%
66.1	50.6	Revenue	226.6	168.8	↑ 34%
6.0	0.3	PBDIT	13.7	(15.6)	
1.3	(3.0)	PAT	(3.6)	(25.3)	
163.2	179.2	Capital Employed	163.2	179.2	

Growth Businesses

Garments: All round growth



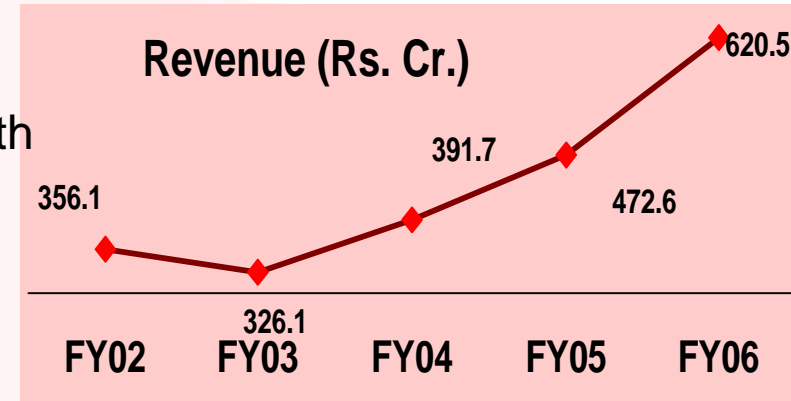
○ Aided by strong volumes growth, all time high revenue of Rs 620.5 Cr, up 31%

→ Fashion Brands performance continue to outshine industry performance

- *Supported by innovative new merchandise*

→ Peter England's expanded reach led to robust growth

→ Increased thrust on exports business helped grow revenue significantly



○ Successful launch of Esprit – distribution tie-up

○ New large format exclusive brand outlets opened

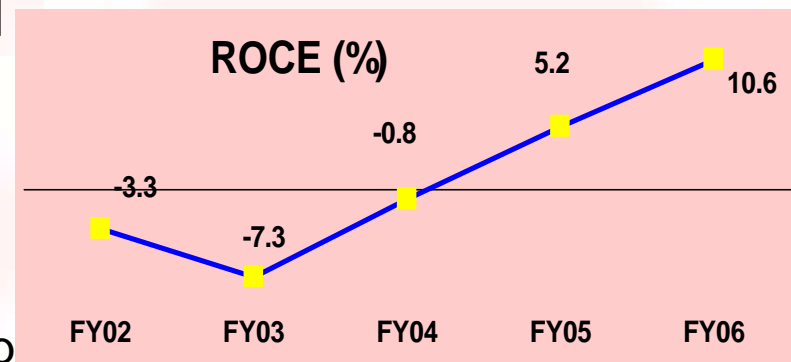
→ Retail space increased to 3.1 lac sq. ft (from 2.3 lac sq. ft) through 164 stores

○ Operating profit at Rs. 57.9 Cr

→ Richer product mix, higher realization and better sup.

→ Advertising expenses contained at 7.6% against 9.1% in previous year



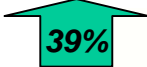





- *Yet launched exciting new communication campaigns*



Garments: Performance Summary



Rs. Cr.

	4th Quarter		Particulars	Full Year		
	2005-06	2004-05		2005-06	2004-05	
	17.5	13.6	Shirts	69.7	56.8	
	7.1	3.6	Trousers	23.9	15.0	
	0.3	0.1	Suits	1.2	0.8	
	4.6	4.6	Others	16.2	10.8	
	29.5	21.9	Total Volumes (Lac Pcs.)	111.0	83.3	
	158.4	108.9	Revenue	620.5	472.6	
	22.5	13.9	Operating Profit	105.3	82.3	
	6.7	4.6	Advt. Expenses	47.5	42.9	
	15.8	9.3	PBDIT	57.9	39.4	
	8.9	3.1	PBIT	32.6	13.2	
	307.5	252.2	Capital Employed	307.5	252.2	
	12.3	5.0	ROACE (Annualised) (%)	11.6	5.4	

ROACE improves from 5.4% to 11.6%

- **Market share declined to 8% from 13% among private insurers**
 - Group business suffered due to cut throat pricing competition
- **Aggressive efforts underway towards regaining market position**
 - BSLI added 41 more branches taking total branches at 85
 - Added 9,000 advisors during the year (Total: 18,000)
 - Many new products introduced to target specific customer needs
- **New Business Annualized Premium grew by 16% at Rs. 711.1 Cr**
- **Premium income up by 37%**
 - 202K policies issued; up by 34%
 - Individual business up by 42%
 - Average premium per policy at Rs. 31,000
- **Capital infusion of Rs. 110 Cr during the year**

Life Insurance: Performance Summary



Rs. Cr.

4th Quarter		Particulars	Full Year	
2005-06	2004-05		2005-06	2004-05
		Individual Business		
		First Year Premium	586.5	527.5
		Renewal Premium	533.6	261.4
		Total Individual business	1,120.2	788.9
		Group Business		
		First Year Premium	86.5	89.6
		Renewal Premium	27.2	23.0
		Total Group business	113.7	112.7
		Total Premium Income	1,233.8	901.6
		Net Profit/(Loss)	(61.1)	(60.6)
		Share Capital	460.0	350.0
		Fund under management	2,556.9	1,333.4

↑ 20%

↑ 45%

↑ 49%

↑ 11%

↑ 42%

↑ 37%

BPO: Continuing strong growth



○ Revenue growth momentum continued

→ Enriched client portfolio

- *Enhanced client base with significant ramp-up potential*
- *Business with existing clients increased further*
- *10 of 22 clients are Fortune 500*

→ Employee base strengthened to 4,100

→ Expanded seats from 1656 to 2235

○ Net Profit jumped to Rs. 26.5 Cr

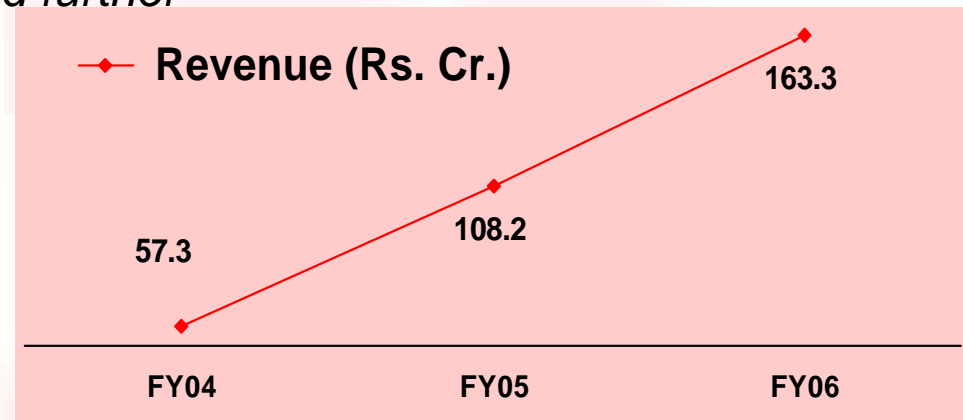
→ Positive change in business mix

- *Share of outbound and Non Voice business increased*

→ Optimum utilization of infrastructure

→ Improved productivity and service levels

○ Attrition management remains a concern and challenge



BPO: Performance Summary

Rs. Cr.

4th Quarter		Particulars	Full Year	
2005-06	2004-05		2005-06	2004-05
2,235	1,656	No of Operating Seats	2,235	1,656
4,114	3,234	No of Employees	4,114	3,234
33.7	28.2	Voice	127.6	87.7
9.8	6.8	Non-Voice	35.7	20.6
43.5	34.9	Revenue	163.3	108.2
7.1	6.6	PBIT	28.1	2.5
6.7	6.1	Net Profit/(Loss)	26.5	1.0
72.8	61.5	Capital Employed	72.8	61.5

↑ 19%

↑ 24%

↑ 46%

↑ 51%

IT Services: Turned around

Rs. Cr.

4th Quarter		Particulars	Full Year	
2005-06	2004-05		2005-06	2004-05
22.3	18.5	Software Revenue	79.5	77.7
3.2	1.3	Hardware Revenue	6.3	4.4
25.5	19.8	Total Revenue	85.8	82.1
2.5	0.4	PBDIT	5.7	1.6
1.5	(0.4)	Net Profit/(Loss)	1.3	(2.6)
23.1	19.5	Capital Employed	23.1	19.5

- Revenue is marginally up at Rs. 85.8 Cr
- Gross Margins improved from 36% to 39%
 - Increased share of high margin offshore business (41% against 30% in previous year)
 - Improved manpower utilization
 - Focus on new verticals viz. Corporate Banking, High tech and Testing

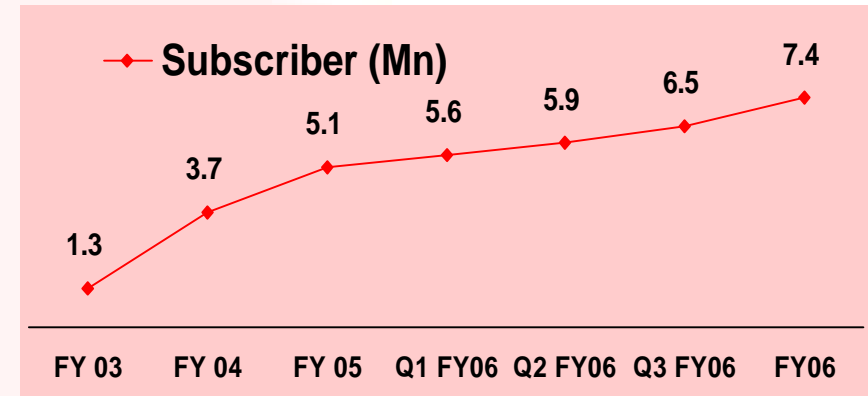
Telecom: On high growth trajectory



- **Subscriber base at 7.37 million**

→ Net adds of 2.0 million subscribers

during the year



- **Revenue jumped 31% at Rs. 2965.8 Cr.**



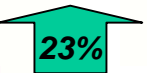
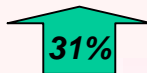


- **Plans to strengthen existing network and expand in 3 more circles (H.P.,**

Rajasthan and U.P. (E))

- **Debt restructuring underway to reduce interest burden and realign tenure**

Telecom: Performance Summary

Rs. Cr.

4th Quarter		Particulars	Full Year			
2005-06	2004-05		2005-06	2004-05		
 45%	73.7	50.7	No of Subscriber (Lacs)	73.7	50.7	 45%
 23%	822.0	669.5	Revenue	2,965.8	2,261.7	 31%
 43%	199.4	139.1	PBIT	546.2	389.5	 40%
	4,420.1	4,615.7	Capital Employed	4,420.1	4,615.7	

Capex and Investment Plan

Rs. Cr.

	Particulars	Total Plan FY06-FY09	CWIP FY 2006	Net Capex FY07-09	Spending Plan	
					FY 2007	FY 2008/09
A	<u>Project Based</u>					
	Garments	38.1	-	38.1	25.1	13.0
	VFY / Chemical	141.9	74.3	67.6	57.5	10.1
	Carbon Black	126.2	14.6	111.6	111.6	-
	Textiles	84.1	6.0	78.1	40.4	37.7
	Fertilisers	94.6	-	94.6	94.6	-
	Sub-Total A	484.8	94.9	389.9	329.2	60.8
B	<u>Modernization</u>					
	Garments	8.6	0.4	8.2	8.2	-
	VFY / Chemical	32.6	6.9	25.7	23.9	1.8
	Carbon Black	20.0	-	20.0	19.0	1.0
	Textiles	17.6	2.0	15.6	15.6	-
	Fertilisers	37.8	18.1	19.7	14.2	5.5
	Others	0.6	0.1	0.5	0.5	-
	Sub-Total B	117.2	27.6	89.7	81.4	8.3
C	Total Capex at Nuvo (A+B)	602.1	122.5	479.6	410.5	69.1
D	Investment in Insurance	340.4	-	340.4	155.4	185.0
E	Total Capital Outlay (C+D)	942.5	122.5	820.0	565.9	254.1
F	<u>Major Capex (Other than JVs)</u>					
	Software	4.9	0.0	4.8	4.8	-
	BPO	25.7	0.6	25.1	25.1	-
	Manufacturing Exports	60.8	8.4	52.4	33.5	18.9
	Other Associates	12.8	-	12.8	12.8	-
	Sub-Total F	104.1	9.0	95.1	76.2	18.9
	Grand Total (E+F)	1,046.6	131.5	915.1	642.1	273.0
G	Major Capex in JV					
	Life Insurance	70.2	1.7	68.5	68.5	-
	Insulators	13.3	0.5	12.8	12.8	-

Note: Telecom Capex can be discussed only after completion of acquisition

Business Outlook and Strategy – Value Businesses



Business	Outlook	Key Challenges	Strategy
Rayon Chemicals	Moderate	<ul style="list-style-type: none"> ○ Low realization 	<ul style="list-style-type: none"> ○ Thrust on quality and value added yarns ○ Cost reduction through captive power plant ○ Volume growth through optimizing asset utilization
	Moderate	<ul style="list-style-type: none"> ○ High energy cost ○ Declining prices 	
Carbon Black	Positive	<ul style="list-style-type: none"> ○ Increasing domestic market share ○ Timely completion of capacity expansion ○ Rising feedstock prices 	<ul style="list-style-type: none"> ○ Increase in volumes to be fuelled by proposed expansion <ul style="list-style-type: none"> → Identify alternate location for expansion ○ Optimizing segment, market, product and logistic mix ○ Pass on of rising CBFS prices to customers

Business Outlook and Strategy – Value Businesses



Business	Outlook	Key Challenges	Strategy
Textiles	Positive	<ul style="list-style-type: none"> ○ Branding and promoting Linen Fabric ○ Improve delivery capability ○ High input cost in synthetic 	<ul style="list-style-type: none"> ○ Deeper penetration through retail ○ Focus on Value added products in Worsted segment ○ Focus on Specialty yarn in Synthetic yarn segment
Fertilizers	Positive	<ul style="list-style-type: none"> ○ Delayed approval for de-bottlenecking ○ Non-availability of RLNG to meet additional requirement of gas at affordable price for increase in capacity by de-bottlenecking in near norm ○ Fertilizer sector continues to be regulated 	<ul style="list-style-type: none"> ○ To sustain overall operational excellence & strong brand equity through effective cost management and improved realization ○ To maximize production & sales through higher operational efficiency & higher on-stream days of operation ○ Increase share of value added products ○ To become total agri solution provider ○ De-bottlenecking to increase urea capacity to 1.10 Million Tons from 0.865 Million Tons
Insulators	Moderate	<ul style="list-style-type: none"> ○ Yield and efficiency improvement while reducing rejections 	<ul style="list-style-type: none"> ○ Improve productivity at shop floor ○ Increase share of high value/value added products

Business Outlook and Strategy – High Growth Businesses



Business	Outlook	Key Challenges	Strategy
Garments	Positive	<ul style="list-style-type: none"> ○ Sustain leadership ○ To increase controlled retail space in prime location ○ To increase share of Contract export 	<ul style="list-style-type: none"> ○ Integrated go to market initiatives for each brands ○ Increase quality reach of Peter England ○ Retail space to be doubled over next two years <ul style="list-style-type: none"> → Ensuring new store deliver international quality shopping experience ○ Focus on merchandise management and sell thrus ○ Renewed focus on Manufacturing export <ul style="list-style-type: none"> → Strengthening manufacturing, design and product development capabilities
Life Insurance	Positive	<ul style="list-style-type: none"> ○ Regain its top 3 position ○ Focus on Value building growth 	<ul style="list-style-type: none"> ○ Aggressive ramping up: 31 Branches and additional advisors on cards; ○ New products launch targeting specific segments ○ Superior returns to policyholders with better transparency

Business Outlook and Strategy – High Growth Businesses

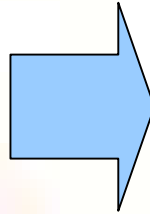


Business	Outlook	Key Challenges	Strategy
BPO	Positive	<ul style="list-style-type: none"> ○ Execution excellence and value beyond SLA ○ Increasing share of Non voice/BPO business ○ Managing attrition 	<ul style="list-style-type: none"> ○ Create world class infrastructure ahead of demand ○ Focus in building new verticals and horizontals ○ Revamp recruitment and improve quality of hire
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 ○ Initiating build up of specialization/differentiation
Telecom	Positive	<ul style="list-style-type: none"> ○ Increase subscriber addition 	<ul style="list-style-type: none"> ○ Strengthening network in existing circles ○ Roll out of services in three new circles and explore further expansion ○ To provide value added services to drive customer loyalty and revenues ○ Financial restructuring to reduce interest cost

Vision and Strategy

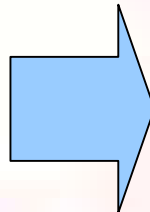


Vision



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

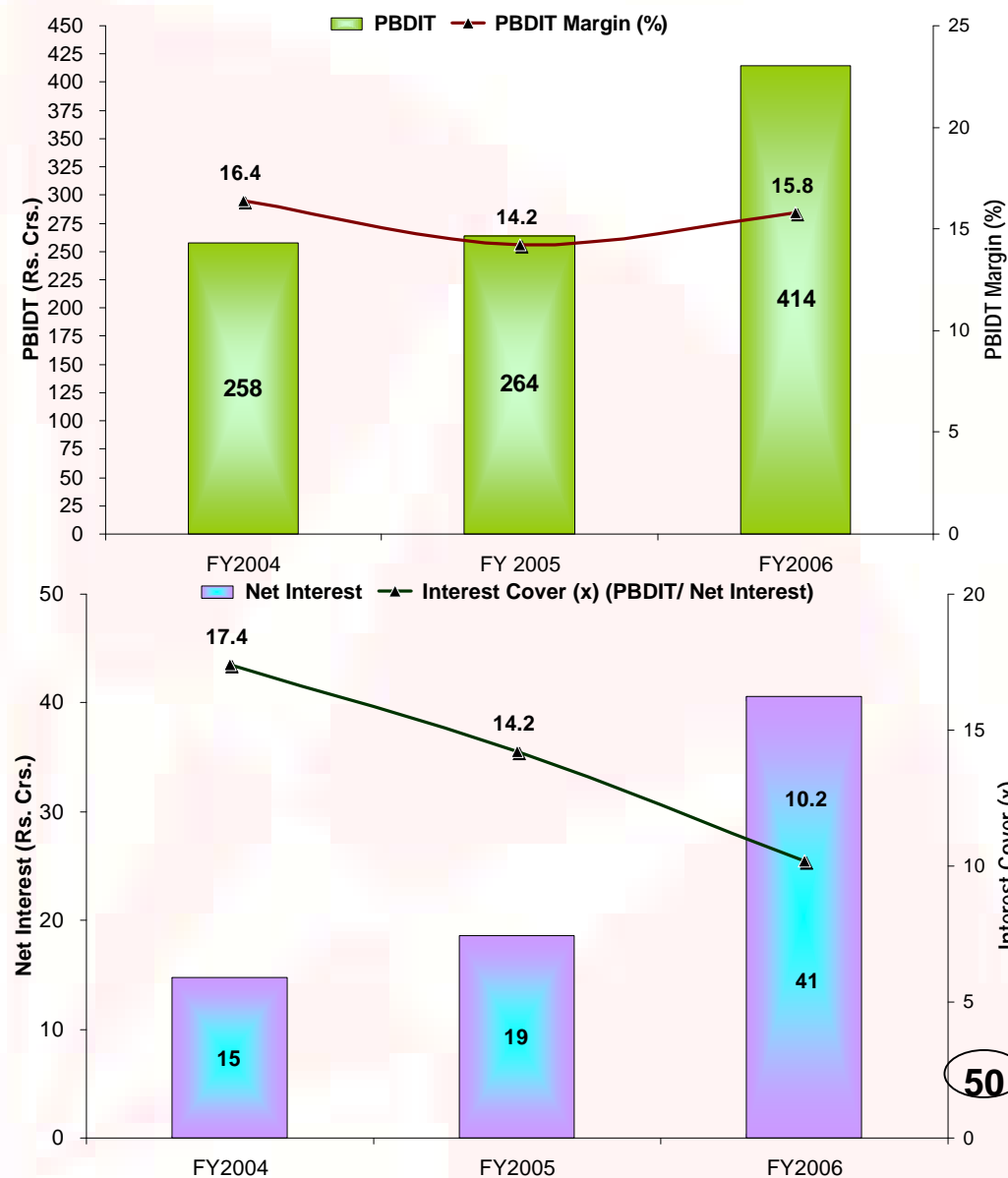
Annexures

Profitability Snapshot – Aditya Birla Nuvo Standalone



Rs. Cr.

	4th Quarter		Full Year		
	2005-06	2004-05	2005-06	2004-05	2003-04
Gross Turnover	789.7	513.3	2,754.7	1,988.0	1,717.6
Net Turnover	752.0	484.2	2,610.4	1,860.9	1,577.4
PBDIT	123.3	69.8	413.5	264.1	257.8
PBDIT Margin (%)	16.4	14.4	15.8	14.2	16.3
Net Interest	11.7	5.2	40.6	18.7	14.8
PBDT	111.6	64.7	372.9	245.4	243.0
PAT before exceptional items	55.2	40.4	181.0	121.4	111.3
PAT	54.2	39.5	176.9	113.7	131.3
PAT Margin (%)	7.2	8.2	6.8	6.1	8.3
Annualised EPS (Rs.)	28.9	26.4	25.8	19.0	21.9
Annualised CEPS (Rs.)	45.5	36.7	40.9	32.1	36.5
Dividend (%)			50.0%	40.0%	40.0%
Interest Cover (x) (PBDIT/ Net Interest)	10.5	13.5	10.2	14.1	17.4

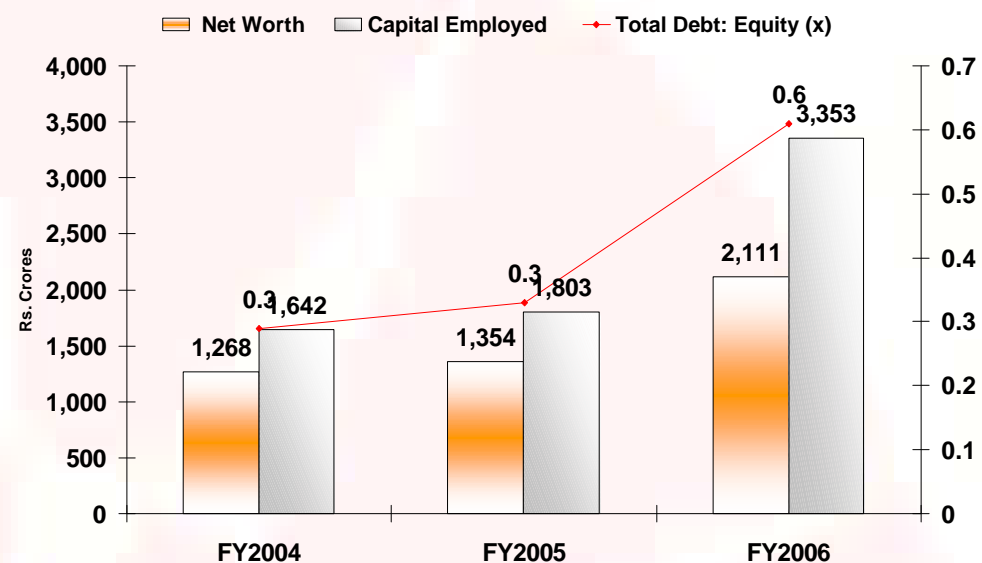


Balance Sheet Snapshot – Aditya Birla Nuvo Standalone



Rs. Cr.

	Full Year		
	2005-06	2004-05	2003-04
Equity	74.9	59.9	59.9
Net Worth	2,110.8	1,354.1	1,267.7
Long Term Debt	906.4	240.9	180.1
Short Term Debt	336.2	207.7	194.3
Total Debts	1,242.6	448.6	374.3
Capital Employed	3,353.5	1,802.7	1,642.0
Net Block	1,120.8	810.3	740.4
Net Working Capital	758.3	418.2	287.5
Deferred Tax Liabilities	(167.9)	(125.5)	(127.5)
Strategic Investments	1,388.1	618.3	581.6
Other Investments	254.2	81.3	160.0
Total Investments	1,642.3	699.7	741.6
ROACE (at PBIT) (%)	13.6	10.6	11.5
ROANW (at PAT) (%)	12.5	8.7	10.8
Book Value (Rs.)	281.8	226.1	211.7
Total Debt Equity (x)	0.59:1	0.33:1	0.3:1
Long Term Debt Equity (x)	0.43:1	0.18:1	0.14:1
Market Capitalisation	5,566.4	2,390.7	1,131.4



Consolidated Profit and Loss and Balance Sheet Snapshot



Particulars	4th Quarter		Full Year		
	2005-06	2004-05	2005-06	2004-05	2003-04
	Gross Turnover	1,715.3	1,027.7	4,915.5	3,325.5
Net Turnover	1,674.2	995.8	4,759.4	3,189.1	2,404.3
PBDIT	185.4	80.2	573.4	261.4	204.2
PBDIT Margin (%)	11.1	8.1	12.0	8.2	8.5
Net Interest	30.2	9.9	87.5	36.9	32.4
PBDT	155.2	70.3	485.8	224.4	171.8
Net Profit (after Minority Interest)	66.2	35.0	190.7	58.7	33.1
Net Profit Margin (%)	4.0	3.5	4.0	1.8	1.4
Annualised EPS (Rs.)	34.3	23.0	27.1	8.8	5.5
Annualised CEPS (Rs.)	70.9	42.9	58.3	31.2	27.4
Dividend (%)			50.0%	40.0%	40.0%
Interest Cover (x) (PBDIT/ Net Interest)	6.1	8.1	6.6	7.08	6.31

Particulars	Full Year		
	2005-06	2004-05	2003-04
Equity	74.9	59.9	59.9
Net Worth	1,865.3	1,093.9	1,062.6
Preference Share Capital	100.2	20.7	20.7
Minority Interest	40.3	27.6	27.8
Total Debts	2,048.2	717.0	556.8
Capital Employed	4,054.0	1,859.3	1,668.0
Policyholders' funds	2,378.4	1,212.3	539.1
Total Liabilities	6,432.4	3,071.5	2,207.1
Goodwill on consolidation	956.0	185.2	153.8
Net Block	2,110.9	1,110.1	993.6
Net Working Capital	644.0	433.3	307.8
Deferred Tax Liabilities	(168.5)	(125.7)	(127.6)
Investments	2,889.9	1,468.6	876.3
Life Insurance Investments	2,554.8	1,333.0	644.1
Other Investments	335.1	135.6	232.2
Miscellaneous Expenditure	-	-	3.0
ROCE (at PBIT) (%)	8.7	7.1	4.6
RONW (at PAT) (%)	10.2	5.4	3.1
Book Value (Rs.)	249.0	183	175.2
Total Debt Equity (x)	1.1:1	0.66:1	0.52:1

Segmental Performance – Aditya Birla Nuvo Standalone



4th Quarter

Rs. Cr.

Particulars	Revenue		PBIT		Avg Capital Employed		ROACE (PBIT basis)	
	2005-06	2004-05	2005-06	2004-05	2005-06	2004-05	2005-06	2004-05
Garments	158.4	108.9	8.9	3.1	290.5	243.8	12.3%	5.0%
VFY	100.5	91.2	22.3	15.9	374.7	299.7	23.8%	21.3%
Carbon Black	155.4	123.7	18.0	16.2	390.2	356.3	18.4%	18.2%
Textiles	147.0	121.7	10.1	6.4	245.6	197.1	16.5%	12.9%
Fertilizers	153.0	-	20.0	-	254.2	-	31.4%	0.0%
Insulators	35.1	35.3	8.6	7.9	20.5	19.7	167.1%	160.6%
Others	2.7	3.4	1.0	1.9	11.4	13.3	33.4%	56.8%
Total Operating Assets	752.0	484.2	88.8	51.4	1,587.1	1,129.9	22.4%	18.2%
Corporate Assets	-	-	(1.0)	(2.2)	1,621.9	649.5	-0.2%	-1.4%
Total	752.0	484.2	87.8	49.2	3,209.0	1,779.3	10.9%	11.1%

Full Year

Particulars	Revenue		PBIT		Avg Capital Employed		ROACE (PBIT basis)	
	2005-06	2004-05	2005-06	2004-05	2005-06	2004-05	2005-06	2004-05
Garments	620.5	472.6	32.6	13.2	279.9	247.2	11.6%	5.4%
VFY	385.6	352.0	64.2	66.3	363.4	291.5	17.7%	22.8%
Carbon Black	564.2	467.2	75.8	60.3	390.4	352.4	19.4%	17.1%
Textiles	524.8	456.1	41.4	19.8	221.9	182.4	18.7%	10.9%
Fertilizers	369.0	-	51.5	-	260.0	-	34.0%	0.0%
Insulators	135.9	100.1	30.3	21.5	21.3	20.5	142.4%	105.2%
Others	10.4	12.7	4.0	6.2	12.3	15.0	32.6%	41.3%
Total Operating Assets	2,610.4	1,860.9	300.0	187.4	1,549.3	1,109.0	19.4%	16.9%
Corporate Assets	-	-	2.8	(3.9)	1,164.2	613.3	0.2%	-0.6%
Total	2,610.4	1,860.9	302.7	183.5	2,713.5	1,722.3	11.2%	10.7%

Operating Margin



Rs. Cr.

4th Quarter		Operating Margin	Full Year	
2005-06	2004-05		2005-06	2004-05
10.0%	8.5%	Garments	9.3%	8.3%
29.3%	23.9%	Rayon	23.3%	24.9%
14.4%	16.8%	Carbon Black	16.4%	16.5%
9.8%	7.9%	Textiles	10.8%	7.3%
20.7%	0.0%	Fertilisers	20.6%	0.0%
24.4%	22.4%	Insulator	22.3%	21.5%
36.0%	14.4%	Others	101.5%	40.0%
15.3%	14.4%	Total	15.1%	14.2%

Volumes

4th Quarter		Particulars	Full Year	
2005-06	2004-05		2005-06	2004-05
30	22	Garments (lacs Pcs)	111	83
4,317	4,084	VFY (MT)	17,380	16,445
16,498	12,660	Caustic (MT)	56,103	45,920
44,967	41,526	Carbon Black (MT)	175,944	165,095
		Textiles		
5,195	4,544	Insulators (MT)	18,412	15,288



Volumes

4th Quarter		Particulars	Full Year	
2005-06	2004-05		2005-06	2004-05
		Garments (Lac Pcs)		
17.5	13.6	Shirts	69.7	56.8
7.1	3.6	Trousers	23.9	15.0
0.3	0.1	Suits	1.2	0.8
4.6	4.6	Others	16.2	10.8
		Textiles		
1,286	973	Linen Fabric ('000 Mtrs)	4,418	3,591
396	320	Flax Yarn (MT)	1,687	1,618
1,959	1,192	Worsted Segment (MT)	6,050	4,381
3,027	5,274	Synthetic Yarn (MT)	11,266	13,613

Production: 2005-06



4th Quarter			Particulars	Full Year		
Capacity	Production	Utilisation		Capacity	Production	Utilisation
			Garments (lacs Pcs)			
4,000	4,176	108	VFY (MT)	16,000	17,233	108
14,400	16,401	114	Caustic (MT)	52,875	56,200	106
42,500	44,216	104	Carbon Black (MT)	170,000	175,080	103
			Textiles			



Production: 2005-06



4th Quarter		Particulars	Full Year	
Capacity	Production		Capacity	Production
		Garments (Lac Pcs)		
12.3	9.9	Shirts	49.2	35.5
4.5	3.4	Trousers	18.0	11.0
0.6	0.4	Suits	2.4	1.7
-	-	Others	-	-
Spindles	MT	Textiles	Spindles	MT
1120	1,164	Linen Fabric ('000 Mtrs)	4,480	4,744
1,534	341	Flax Yarn	6,136	1,741
5,556	1,926	Worsted Segment	22,224	6,114
12,808	3,052	Synthetic Yarn	51,232	11,544

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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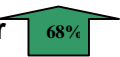





PRESS RELEASE

Mumbai, 28th April 2006

ADITYA BIRLA NUVO, AN ADITYA BIRLA GROUP COMPANY

REPORTS EXCELLENT PERFORMANCE FOR THE YEAR ENDED MARCH 31, 2006

Consolidated Net Sales	4th Quarter Rs. 1674.20 Cr		Full Year Rs. 4759.36 Cr	
Consolidated Net Profit	Rs. 66.17 Cr		Rs. 190.67 Cr	

Rs. Crores

Consolidated				Particulars	Standalone			
Quarter ended 31st March		Year ended 31st March			Quarter ended 31st March		Year ended 31st March	
2006	2005	2006	2005		2006	2005	2006	2005
1,674.20	995.81	4,759.36	3,189.11	Net Income from Operations	752.01	484.17	2,610.40	1,860.84
185.40	80.16	573.39	261.35	Operating Profit	123.30	69.84	413.46	264.15
81.96	35.39	264.38	94.14	Profit Before Tax	76.15	44.04	262.15	164.73
(0.97)	(0.89)	(4.04)	(7.65)	Exceptional Items	(0.97)	(0.89)	(4.04)	(7.65)
22.81	3.84	85.92	43.77	Provision for Taxation	20.95	3.62	81.19	43.36
66.17	35.04	190.67	58.72	Net Profit (after Minority Interest)	54.22	39.53	176.92	113.72
8.58	5.76	27.07	8.78	EPS (Rs.)	7.24	6.60	25.77	18.98

Aditya Birla Nuvo has posted excellent results for the year ended 31st March 2006.

Its **consolidated** turnover of Rs. 4759.36 Crores, is up by 49.2% over Rs. 3189.11 Crores achieved in the previous year, also placing the company in the billion dollar league. Net profit has leapfrogged to Rs. 190.67 Crores against Rs. 58.72 Crores in the previous year.

Revenue from its subsidiaries and associates rose from Rs. 1328.26 Crores to Rs. 2148.95 Crores. Their performance has been impressive, with Nuvo's share in profit of JV's and Subsidiaries jumping from negative Rs. 55.00 crores to positive Rs. 13.74 crores, mainly driven by the BPO, and the Telecom business. During the year, the Company increased stake in Idea Cellular from 4.3% to 20.7%

The Company's **stand-alone** turnover at Rs. 2610.40 Crores, grew by 40.3% vis-à-vis Rs. 1860.84 Crores attained in the previous year. This is inclusive of Rs. 368.98 crores reached by its fertilisers business, incorporating the period from September to March. The Company's stand-alone operating profit, also reflecting fertiliser's profit of Rs.75.95 Crores, is up by 56.5% at Rs. 413.46 Crores. Stand-alone net profit is higher at Rs. 176.92 Crores against Rs. 113.72 Crores, despite a major rise in interest on borrowings to fund the acquisition of the 16.5% additional stake in Idea Cellular.

Dividend

The Board of Directors has recommended a dividend of 50% for the current year as against 40% last year. The company will also pay a dividend tax of 14.025%. The dividend outgo will therefore be Rs. 42.71 Crores.

Standalone Performance

Particulars	Sales Volume		Net Sales (Rs. Crores.)		
	Unit	Year ended 31st March		Year ended 31st March	
		2006	2005	2006	2005
Garments	Lac Pcs.	111.0	83.3	620.55	472.63
Viscose Filament Yarn	Tons	17,380	16,444	385.55	352.00
Carbon Black	Tons	175,944	165,095	564.23	467.25
Textiles		-	-	524.80	456.12

Madura Garments

Several new stores augmented Madura Garment's, salient retail presence, currently at 3.1 lacs sq ft. To give the customer an international retail experience, the division is aggressively expanding large format exclusive brand outlets, along with selected stores. The Esprit brand, which it launched recently in India, has met with an encouraging response.

Louis Philippe, Van Huesen and Allen Solly – its fashion brands and Peter England – its popular brand, consolidated their market share, registering strong profitable growth. Innovative merchandise and creative campaigns has resulted in an upsurge in brand equity, further entrenching its leadership status.

MG's revenue has thus soared by 31.3% to Rs. 620.55 Crores vis-à-vis Rs. 472.63 Crores recorded in the previous year. Strong growth across its product range particularly in Shirts, Trousers and Suits boosted revenue growth. Operating Profit is up by 46.9%.

The thrust on Contract Exports towards providing full service is paying off. To give a fillip to Madura Garment's Contract Exports business, a capex of Rs. 46 Crores has been planned to increase capacity, strengthening design and product development.

Rayon Division

The Rayon Division recorded its highest ever volumes at 17,380 tonnes, higher by 5.7% over the previous year. Aided by strong volume growth, revenues increased by 9.5% to Rs. 385.55 Crores as against Rs. 352.00 Crores in the previous year. VFY realisation is marginally lower than previous year, though it improved in the later part of the year. With the levy of anti-dumping duty against Chinese imports, realisation is expected to improve.

In the chlor-alkali segment, the expanded caustic soda capacity has been fully utilised, leading to enhanced revenues. However, ECU realisation remained volatile, and is marginally lower than the previous year. The Division's operating profit is flat at Rs. 89.71 Crores (Rs.87.62 crores) despite high input prices and maintenance cost. The 20MW captive power plant and 65 TPD caustic soda expansion is on track.

Carbon Black Division

The Carbon Black Division has shown a robust performance. Total volumes grew by 6.6% at 175,944 tons, the highest ever recorded in a year, on the back of a vibrant auto sector. Realisation is up by 13.3% supported by a change in market and segment mix and the partial passing on of the high CBFS prices to its customers. Revenues at Rs. 564.23 Crores grew by 20.8% vis-à-vis Rs. 467.25 Crores attained in the previous year. Operating profits are higher by 19.7% at Rs.92.37 Cores. While the Company is pursuing environmental clearance for 55,000 TPA brown-field expansion, the division is also exploring possibilities to set up a green-field project of 60,000 TPA in Western India.

Textiles Division

The Textiles Division's revenues have gone up 15.1% to Rs. 524.80 Crores as against Rs. 456.12 Crores in the preceding year. Operating Profits jumped by 69.9% buoyed by a strong performance across segments. Its Linen fabric segment continued on its expansive growth trajectory gaining from higher volumes and better realisations. Value added products and enhanced volumes spurred the

performance of the Worsted segment, while Synthetic yarn segment was impaired due to a demand supply mismatch.

Fertilisers Division

Increased operational efficiencies coupled with rising demand for urea fertiliser, aided the Fertiliser division's production and sales reaching higher levels at 5.76 lacs MT and 5.64 lacs MT respectively for the period from 1st September, 05 to 31st March, 2006, representing 115% of re-assessed capacity. The net turnover stood at Rs. 368.98 Crores for the seven months ending March 31, 2006, while operating profits have been impressive at Rs. 75.95 Crore.

Insulators Domestic Marketing

A Strong demand in the Transmission and Distribution segment led to a 20.4% volume growth in the insulators business. Revenue at 135.89 crores reflect a 35.7% rise stemming from higher volumes and better realisation.

BIRLA NGK Insulators Private Limited, the 50:50 JV with NGK has posted a turnover of Rs.226.60 crores, a growth of 34.2%. Led by NGK experts, yield improvement efforts are being pursued. The JV has substantially curtailed its losses from Rs.25.33 crores in the previous year to Rs.3.62 crores in the current year.

Other Joint Ventures and Subsidiaries

At **Birla Sun Life Insurance**, the total premium income has grown by 36.7% to Rs. 1237.84 Crores. The Individual new business annualised premium advanced by 16% at Rs. 711.11 Crores. The Group business was impacted by the intense pricing pressure from the competitors. The Company has multiplied its branches; today it has 85 branches as against 44 in the preceding year. The company is focusing on expanding its branch network by adding another 31 in the ensuing year, while ramping up the agency force considerably. It has an agency force of 18,000.

At **TransWorks**, revenues have risen significantly by 50.9% to Rs. 163.30 Crores vis-à-vis Rs. 108.23 Crores in the previous year. While four new major clients were added, business from existing clients was ramped up. The Company has also been able to improve its business mix with a growing share of outbound and non-voice business. Further, the company increased its seat capacity to 2,235 (1656) and strengthened its employee base to 4100 for catering to its fast growing business. The Company is optimising its infrastructure utilisation leading to improved margins, and has wiped off all carried forward losses.

At **PSI Data Systems**, the business has turned into the black with positive net profits on improved margins. Revenues stood at Rs. 85.79 Crores. Gross margins improved from 36% to 39% through an increased share of high margin offshore business and improved manpower utilisation. The Company has added 11 clients while focusing on core verticals namely Corporate Banking, High Tech and Testing.

IDEA Cellular's subscriber base grew by 45.3% to 7.37 million. Revenues for the year showed an impressive jump of 31.1% at Rs. 2965.78 Crores. The Company has an 8.2% market share in the total mobility segment. It enjoys a predominant position in Maharashtra, Gujarat, Andhra Pradesh, Kerala, Madhya Pradesh, Delhi, U.P. (E) and Haryana, and is planning to roll out in three new circles, increasing its presence in 11 circles.

Strategic Highlights

The Company has merged Indo Gulf Fertilisers with Aditya Birla Nuvo, effective September 1, 2005. Its accounts include the seven months financials of the Indo Gulf fertilisers.

Status of Consolidation of Birla Global Finance with Aditya Birla Nuvo

The Company is taking necessary steps to complete the corporate restructuring to merge Birla Global Finance with Aditya Birla Nuvo. The scheme of amalgamation between Birla Global Finance and Aditya Birla Nuvo has been sanctioned by the Hon'ble High Court, Mumbai on January 27, 2006. However,

the sanction from High Court of Gujarat is pending.

Going Forward

Overall, the outlook for Aditya Birla Nuvo is optimistic given its strategic thrust, growth and capex initiatives taken in each of the businesses.

- **Madura Garment** thrust will continue on retail expansion, merchandise management, sell thrus and optimising cost. In export manufacturing, strengthening manufacturing, design and product development is on the cards
- **VFY's** focus is on improving quality. To offset the declining ECU realisation, endeavours to improve productivity and reduce costs are ongoing.
- **Carbon Black** will push volumes in domestic market and pass on the increased CBFS cost to its customers.
- **Fertilisers** will focus on increasing share of value added products while maximising volumes through higher operational efficiency, increased on-stream days and de-bottlenecking to increase capacity
- **Textiles** will gain from the focus on value added yarns and the retail reach of Linen Fabrics.
- **The Insulator JV** will continue its emphasis on higher value products and yield improvement
- **Birla Sun Life insurance's emphasis** is on increasing the branch network and strengthening its agency force while enriching its product portfolio
- **BPO** – is geared to up its performance through expanding and optimally utilising its seat capacity through existing new clients and raising its service quality.
- **IT Services** – attention will be on building scalability to support business growth and improving delivery capabilities
- **Telecom** – will be expanding its reach through a roll out in three new circles. Its debt restructuring will further strengthen the company.

Aditya Birla Nuvo Limited

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Notes:

- 1 The Scheme of Amalgamation of Indo Gulf Fertilisers Limited (IGFL) with the Company has become effective on 3rd April, 2006 on receipt of requisite approvals and sanctions. The Scheme is operative from 1st September, 2005, i.e. Appointed Date. Accordingly, as on the Appointed Date, the assets, liabilities and reserves of IGFL have been incorporated appropriately in the books of the Company. In consideration of the above, the Company has issued and allotted 1,50,30,935 equity shares in the ratio of one fully paid-up equity share of Rs.10/- each of the Company for every three fully paid-up equity shares of Rs.10/- each held by the shareholders of IGFL as on the Record Date i.e. 19th April, 2006.
- 2 The Scheme of Amalgamation between Birla Global Finance Limited (BGFL) and the Company u/s 391 & 394 of the Companies Act, 1956, has been sanctioned by High Court of Mumbai on 27th January, 2006 and is pending for sanction of High Court of Gujarat at Ahmedabad. On Sanction and receipt of other requisite approvals, the Scheme will become operative from 1st September 2005 (Appointed Date) and the shareholders of BGFL will get one fully paid-up share of the Company for every three fully paid-up shares held by them in BGFL on the Record Date to be specified by the Company on the effectiveness of the Scheme. Pending requisite approvals, no effect has been given in the above results.
- 3 On 28th September 2005, the Company acquired equity shares of IDEA Cellular Limited (IDEA) at an aggregate price of Rs 660.73 crs from AT & T Cellular Pvt. Limited, Mauritius, raising its equity holding in IDEA from 4.28% to 20.74%.
The Aditya Birla Group, in terms of the Shareholders Agreement, has accepted the offer made by the Tata Group, and will acquire its entire holding of 48.14 % in IDEA. The Company will acquire 15% of the said holding directly or through its subsidiaries. Post acquisition the Company's equity holding in IDEA will increase from 20.74% to 35.74%.
- 4 The results for nine-month period have been restated to include the results of the erstwhile IGFL from the Appointed Date. Therefore, the results for the quarter/period/full year are not comparable with that of the corresponding quarter/period/year. Previous Year's/period's figures are regrouped/ rearranged wherever necessary.
- 5 Earnings Per Share and the Non-promoter Shareholding for the current period are based on the enhanced share capital post IGFL Amalgamation, though the amount/shares allotted has been shown under the Share Capital Suspense account as at 31st March 2006.
- 6 The above consolidated results, interalia include the results of Madura Garments Export Limited, Aditya Birla Telecom Limited and Alpha Garments Private Limited which have become subsidiaries of the Company during the year.
- 7 Status of Investor Complaints for the quarter ended 31st March, 2006

Opening	Received	Redressed	Pending
NIL	9	9	NIL
- 8 The Board of Directors has recommended a dividend of 50% at its meeting held on 28th April 2006.
- 9 The above results, have been taken on record at the meeting of the Board of Directors held on 28th April, 2006.



Consolidated Financial Results					SEGMENT REPORTING	Standalone Financial Results				
Nine Months		Quarter Ended 31st March		Year Ended		Nine Months Ended 31st Dec-05	Quarter Ended 31st March		Year Ended	
Ended 31st Dec-05	2006	2005	31st March 2006	31st March 2005	2006		2005	31st March 2006	31st March 2005	
462.28	158.36	108.88	620.64	472.62	Segment Revenue					
285.10	100.45	91.15	385.55	352.00	Garments	462.15	158.40	108.88	620.55	472.62
408.82	155.41	123.74	564.23	467.25	Rayon Yarn (Including Caustic & Allied Chemicals)	285.10	100.45	91.15	385.55	352.00
180.98	68.21	60.65	249.19	184.53	Carbon Black	408.82	155.41	123.74	564.23	467.25
379.16	148.53	122.80	527.69	459.02	Insulators	100.74	35.15	35.34	135.89	100.12
216.00	152.98	-	368.98	-	Other Textiles (Spun Yarn & Fabrics)	379.16	148.53	122.80	527.69	459.02
748.12	650.66	403.08	1,398.78	956.19	Fertilizers	216.00	152.98	-	368.98	-
60.30	25.49	19.84	85.79	82.13	Life Insurance					
119.82	43.48	34.94	163.30	108.23	Software					
217.88	170.44	28.69	388.32	96.91	BPO					
8.47	2.90	3.62	11.37	13.70	Telecom					
3,086.93	1,676.91	997.39	4,763.84	3,192.58	Others	7.75	2.65	3.39	10.40	12.73
(1.77)	(2.71)	(1.58)	(4.48)	(3.47)	Total Segmental Revenue	1,859.72	753.57	485.30	2,613.29	1,863.74
3,085.16	1,674.20	995.81	4,759.36	3,189.11	Less: Inter Segment Revenue	(1.33)	(1.56)	(1.13)	(2.89)	(2.90)
					Net income from Operations	1,858.39	752.01	484.17	2,610.40	1,860.84
					Segment Results (Profit before Interest and Tax - PBIT)					
24.06	9.03	3.07	33.09	13.23	Garments	23.67	8.92	3.07	32.59	13.23
41.94	22.28	15.93	64.22	66.32	Rayon Yarn (Including Caustic & Allied Chemicals)	41.94	22.28	15.93	64.22	66.32
57.87	17.98	16.24	75.85	60.32	Carbon Black	57.87	17.98	16.24	75.85	60.32
21.17	10.04	6.90	31.21	9.82	Insulators	21.75	8.57	7.93	30.32	21.52
31.32	10.12	6.35	41.44	19.79	Other Textiles (Spun Yarn & Fabrics)	31.32	10.12	6.35	41.44	19.79
31.56	19.96	-	51.52	-	Fertilizers	31.56	19.96	-	51.52	-
(30.08)	(27.86)	(15.72)	(57.94)	(60.03)	Life Insurance					
1.61	2.17	0.08	3.78	(0.55)	Software					
21.03	7.12	6.58	28.15	2.47	BPO					
31.77	41.33	5.96	73.10	16.69	Telecom					
3.75	0.95	2.08	4.70	6.93	Others	3.05	0.96	1.89	4.02	6.20
236.00	113.12	47.47	349.12	134.99	Total Segment Result	211.16	88.79	51.41	299.96	187.38
(57.31)	(30.21)	(9.88)	(87.52)	(36.93)	Less: Interest & Finance Expenses (Net)	(28.89)	(11.69)	(5.17)	(40.59)	(18.73)
3.73	(0.94)	(2.20)	2.78	(3.92)	Add: Net of Unallocable Income/(Expenditure)	3.73	(0.95)	(2.20)	2.78	(3.92)
182.42	81.97	35.39	264.38	94.14	Profit Before Tax and Exceptional Items	186.00	76.15	44.04	262.15	164.73
					Gain/(Loss) on Long Term Strategic Investments/Transfer of business (Net)	-	-	(0.32)	-	1.89
(3.06)	(0.98)	(0.57)	(4.04)	(9.54)	VRS Cost at Rayon Division	(3.06)	(0.98)	(0.57)	(4.04)	(9.54)
179.36	80.99	34.50	260.34	86.49	Profit After Exceptional Items	182.94	75.17	43.15	258.11	157.08
					Capital Employed	As on	As on	As on	As on	As on
					(Segment Assets - Segment Liabilities)	31st Dec, 05	31st March, 06	31st March, 05	31st March, 06	31st March, 05
294.46	346.77	252.21	346.77	252.21	Garments	273.45	307.51	252.21	307.51	252.21
341.10	408.23	318.60	408.23	318.60	Rayon Yarn (Including Caustic & Allied Chemicals)	341.10	408.23	318.60	408.23	318.60
371.38	409.00	371.87	409.00	371.87	Carbon Black	371.38	409.00	371.87	409.00	371.87
107.07	103.21	110.53	103.21	110.53	Insulators	19.40	21.63	20.94	21.63	20.94
258.64	232.54	211.34	232.54	211.34	Other Textiles (Spun Yarn & Fabrics)	258.64	232.54	211.34	232.54	211.34
216.56	291.86	0.00	291.86	0.00	Fertilizers	216.56	291.86	0.00	291.86	0.00
124.22	155.18	106.29	155.18	106.29	Life Insurance					
21.95	23.14	19.53	23.14	19.53	Software					
65.99	72.78	61.52	72.78	61.52	BPO					
893.88	916.49	197.77	916.49	197.77	Telecom					
31.13	40.57	32.26	40.57	32.26	Others	11.40	11.47	13.18	11.47	13.18
2,726.38	2999.77	1681.92	2999.77	1681.92	Total Segment Capital Employed	1491.93	1682.24	1188.14	1682.24	1188.14
1158.56	1058.49	177.52	1058.49	177.52	Add: Unallocated Corporate Assets	1529.90	1671.21	614.51	1671.21	614.51
3,884.94	4058.26	1859.44	4058.26	1859.44	Total Capital Employed	3021.83	3353.45	1802.65	3353.45	1802.65

Place: Mumbai
Date: 28th April, 2006

ADITYA BIRLA NUVO LIMITED
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Web Site: <http://www.adityabirla.com>
An Aditya Birla Group Company