

PRESS RELEASE
BAJAJ AUTO RESULTS: 3RD QUARTER; FINANCIAL YEAR 2004-05

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for the third quarter of 2004-05 and the nine months ended 31st December 2004.

1. HIGHLIGHTS OF Q3:

- ✓ Turnover Rs 16.9 billion – 23% ↑.
- ✓ Led by CT 100, Discover & Pulsar, motorcycles grew by 63%
- Well above industry growth rate of 29%.
- ✓ Bajaj Discover sweeps the Overdrive 2005 awards.
- ✓ Continues to be “India’s # 1 Two & Three wheeler exporter”.
- ✓ Operating EBITDA – 15.1%.
- ✓ Gross Profit - Rs 3.3 billion.
- ✓ Profit after tax - Rs 1.8 billion.

2. SALES:

Sales (nos.)							
Product	Q3 2004-05	Q3 2003-04	Change %	9 Months 2004-05	9 Months 2003-04	Change %	Full Year 2003-04
Motorcycles	441,355	269,995	63.5	1,053,566	760,658	38.5	1,023,551
Total 2 Wheelers	477,482	333,314	43.3	1,176,827	955,890	23.1	1,288,949
Three Wheelers	49,501	63,516	-22.1	168,260	168,745	-0.3	229,182
Grand Total	526,983	396,830	32.8	1,345,087	1,124,635	19.6	1,518,131

2-Wheelers

- (a) Bajaj Auto’s motorcycle sales grew by 63.5% in the quarter v/s industry growth of 28.9%.
- (b) Each of the new motorcycles introduced by the Company – CT 100, Discover, Pulsar-upgrade has enabled the Company to outperform the industry.
- (c) The Company’s products won the following awards:

“Overdrive” – Bike of the year 2005 – For Bajaj Discover DTSi.
 (Third year in succession that Bajaj bikes has won the Bike of the Year award)

“Overdrive” – Indigenous Design of the Year 2005 – For Bajaj Discover DTSi.

- (d) **Considering the robust growth in motorcycles, the Company is planning to increase its motorcycle capacity to 2.8 million vehicles per annum by December 2005 taking the total vehicle capacity to 3.6 million vehicles per annum.**

3-Wheelers:

- (a) The Company continues to be a market leader in the passenger carrier segment with a market share of 83%.
- (b) The Company's 3-Wheeler sales declined by 22.1% in the current quarter v/s Q3/2003-04. The decline in sales is due to a combination of slack in demand and freeze on the permits issued by certain states and in addition lower exports during the quarter.

Exports:

- (a) The Company continues to be the #1 exporter of 2 & 3 Wheelers in the country.
- (b) Motorcycles exports grew by 25% in the quarter. However, the overall export volumes were stagnant in the quarter due to lower 3-Wheeler volumes.
- (c) The exports in volumes are given in the table below:

Product	Q3 2004-05	Q3 2003-04	9 Months 2004-05	9 Months 2003-04	Full Year 2003-04
Motorcycles	28,086	22,462	82,896	57,362	82,424
Total 2 Wheelers	28,786	24,063	87,221	61,989	90,210
Three Wheelers	13,355	19,855	50,933	51,534	65,797
Grand Total	42,141	43,918	138,154	113,523	156,007

- (d) Exports for Q3/2004-05 was Rs.1.5 billion v/s Rs. 1.6 billion in Q3/2003-04. Cumulative exports for the first nine months were Rs. 5 billion v/s Rs. 4.2 billion in corresponding period of FY 2003-04.

3. TURNOVER, MARGINS & PROFIT AFTER TAX:

- (a) **Total turnover for Q3/2004-05 was Rs 16.9 billion v/s Rs. 13.7 billion in corresponding quarter of FY 2003-04 - increase of 23%.**
- (b) **Net Sales and other operating income for Q3/2004-05 was Rs.16.1 billion v/s Rs.13.1 billion in Q3/2003-04 - increase of 23%.**
- (c) EBITDA percentage on automobile operations for the quarter is 15.1% and for the first nine months of FY 2004-05 is 15.7%.
- (d) Decline of margins in Q3/2004-05 was a result of increase in prices of input raw materials, a fall in 3-Wheeler sales (domestic & exports) and the initial advertisement and launch expenses for Discover. Production of Pulsar in the quarter was lower due to the switchover to the upgraded version.

- (e) **The Company has increased prices of its products from the third week of December 2004. The customer response to Discover and Pulsar upgrade is overwhelming and the Company is ramping up production capacities for these products.**
- (f) **The Profit after tax for Q3/2004-05 at Rs. 1.83 billion was marginally higher than Rs 1.81 billion in Q3/2003-04.**
- (g) **The summary of financials of Bajaj Auto (not consolidated) and details of non-operating income are annexed to this Press Release.**

Sanjiv Bajaj
Executive Director
Mumbai, 19th January 2005.

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ANNEXURE TO PRESS RELEASE DATED 19th JANUARY 2005

A) The summary of financials of Bajaj Auto (not consolidated) is as under:

Rs. in millions	Q3 2004-05	Q3 2003-04	9 Months 2004-05	9 Months 2003-04	Full Year 2003-04
Sales and Income from operations	16057	13101	42800	36332	49168
Other Income & Windpower	869	618	2816	2892	3535
Total Turnover	16926	13719	45616	39224	52703
Gross Profit after Interest before Depreciation and Taxation	3278	3138	9461	9153	12053
Profit before Taxation	2647	2581	7741	7365	9604
Provision for Taxation	820	770	2470	2010	2289
Profit after Tax	1827	1811	5271	5355	7315
Earnings Per Share (Rs) for the period	17.9	17.8	51.8	53.6	73.0
Earnings Per Share (Rs) Annualised	72	71	69	71	73

B) NON-OPERATING INCOME:

(a) Non-operating income for Q3/2004-05 was Rs. 8.3 billion v/s Rs. 5.8 billion in Q3/2003-04 – **increase of 44.1%.**

(b) The cost and market value of the investment portfolio is given in the table below:

Rs. in millions	As of 31st December 2004	As of 31st March 2004
Cost	44893	39072
Market Value	51457	45108
