



PRESS RELEASE
BAJAJ AUTO RESULTS: 2ND QUARTER; FINANCIAL YEAR 2007-08

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for the second quarter of 2007-08.

1. HIGHLIGHTS OF Q2:

- ✓ Turnover Rs. 25.1 billion V/s. Rs. 25.8 billion
- ✓ Net Profit Rs. 3.4 billion V/s. Rs. 3.2 billion
- ✓ Operating EBITDA – 15.8%
- ✓ Sequential improvement in operating EBITDA– from 13.2% in Q1/2007-08 to 15.8%
- ✓ Exports (Nos.) – 41% ↑, crosses Rs. 10 billion in H1.
- ✓ This quarter represents,
 - 2nd highest operating profit in the history of company
 - 2nd highest Profit before tax
 - 2nd highest Net Profit

2. SALES:

In Nos.	Q2		H1	
	2007-08	2006-07	2007-08	2006-07
Motorcycles	531,516	623,061	1,025,558	1,191,248
2-Wheelers	539,212	627,441	1,039,467	1,203,660
3-Wheelers	74,881	80,683	146,217	151,558
Total	614,093	708,124	1,185,684	1,355,218
Exports (out of above)	158,218	111,846	308,022	210,109

Motorcycles:

- (a) Industry slowdown witnessed from January 2007 continued. Motorcycle industry declined by 11% in the first half of the year.
- (b) Decline was restricted to the 100cc segment. While 100cc declined by 22%, the “125cc plus” segment actually grew by 16%.
- (c) Bajaj Auto maintains its leadership in the “125cc plus” segment with a market share of 47%.
- (d) Bajaj Auto will continue to focus on the profitable “125cc plus” segment.

- (e) Towards this, Bajaj Auto launched 125cc XCD DTS-Si. The company has met its first month's target with sales of over 18,000 units. The advance bookings virtually cover the October 2007 production target of 50,000 units. The company is expanding capacity to 75,000 units by January 2008.
- (f) The production at Pantnagar Plant crossed 100,000 motorcycles within just six months of commissioning of the plant.

3-Wheelers:

- (a) The sales continued to reflect the overall market trend.
- (b) The company continues its dominance of passenger segment with a market share of 75%.
- (c) Over 50% passenger vehicles are exported.

Exports:

- (a) Exports maintained its robust growth momentum.
- (b) During the first half of the year, exports crossed Rs. 10 billion.
- (c) Export volumes:

In Nos.	Q 2 2007-08	Q 2 2006-07	Growth	H 1 2007-08	H 1 2006-07	Growth
2-Wheelers	126,974	78,898	61%	241,529	150,075	61%
3-Wheelers	31,244	32,948	-5%	66,493	60,034	11%
Total	158,218	111,846	41%	308,022	210,109	47%
Value Rs. millions	5,182	4,261	22%	10,323	7,885	31%

3. FINANCIAL RESULTS:

Rs. In million	Q 2 2007-08	Q 2 2006-07	H 1 2007-08	H 1 2006-07	Full Year 2006-07
Automobiles	23,623	24,360	44,714	46,386	95,204
Treasury & others	1,472	1,424	2,499	2,370	5,556
Total Turnover	25,095	25,784	47,213	48,756	100,760
Gross Profit: #					
- Automobiles	3,710	3,647	6,484	7,277	14,252
- Treasury & others	1,456	1,409	2,462	2,336	5,421
	5,166	5,056	8,946	9,613	19,673
Profit before tax:					
- Automobiles	3,297	3,103	5,653	6,210	12,154
- Treasury & others	1,382	1,335	2,316	2,189	5,126
	4,679	4,438	7,969	8,399	17,280
Profit after tax	3,364	3,188	5,629	5,849	12,379
Earnings per share (Rs.) for the period	33.2	31.4	55.6	57.7	122.3
Earnings per share (Rs.) annualised	132.8	125.6	111.2	115.4	122.3

Gross profit after interest, but before depreciation and taxation

- (a) Operating EBITDA margin for the quarter – **15.8%**.
- (b) Sequentially EBITDA margin **improved** from 13.2% in Q1/2007-08 to **15.8%**.
- (c) Improvement in margins is attributed to richer product mix, control on costs and ability of the company to command a premium for its brands in the “125cc plus” category.
- (d) In view of continuous appreciation of rupee, the company has increased prices of its products for export w.e.f. 1st September 2007.
- (e) **It is heartening to note that during this quarter the company achieved**
 - **2nd highest operating profit (after interest, but before depreciation and taxation) in its history Rs. 3.7 billion.**
 - **2nd highest profit before tax Rs. 4.7 billion**
 - **2nd highest net profit Rs. 3.4 billion**

4. **NON-OPERATING INCOME (TREASURY):**

- (a) The non-operating income (Treasury) for the current quarter was Rs. 1334 million v/s Rs. 1310 million in Q2/2006-07.
- (b) The cost and market value of the investment portfolio is given in the table below:

Rs. in million	As of 30th Sept. 2007	As of 31st March 2007
Cost	64,448	64,691
Market Value	94,678	86,482

5. **DEMERGER:**

After the approval by the board of directors of the company at its meeting held on 17 May 2007, equity shareholders and unsecured creditors, at the court-convened meetings held on 18 August 2007 have also given their approvals with an overwhelming majority. The matter is currently before the Bombay High Court for its approval.

6. **ASSOCIATES, SUBSIDIARIES & JOINT VENTURES:**

Bajaj Allianz General Insurance Company Limited

- (a) The Company recorded a gross premium of Rs. 5.5 billion during Q2/2007-08 as against Rs. 3.9 billion in Q2/2006-07 — growth of 40%. Net earned premium during the quarter was Rs. 3.2 billion as against Rs. 1.9 billion in Q2/2006-07 — increase of 65%.
- (b) Profit before tax for the quarter was Rs. 461 million as compared to Rs. 134 million in Q2/2006-07— increase of 244%.
- (c) Profit after tax for the quarter was Rs. 276 million as compared to Rs. 84 million in Q2/2006-07 — increase of 231%.

Bajaj Allianz Life Insurance Company Limited

- (a) The gross written premium for Q2/2007-08 was Rs. 20 billion as against Rs. 8.8 billion in Q2/2006-07 — growth of 127%.
- (b) The company posted a profit of Rs. 883 million in H1/2007-08 as compared to a loss of Rs. 315 million in H1/2006-07. For the quarter, the profit was Rs. 577 million as compared to a loss of Rs. 124 million in Q2/2006-07.
- (c) The policyholders' surplus during H1/2007-08 was Rs. 1046 million (Corresponding period Rs. 564 million) and the shareholders' loss stands at Rs. 163 million (Corresponding period Rs. 879 million).
- (d) The company has crossed 5 million mark in terms of number of policies issued since its inception.

Bajaj Auto Finance Limited

- (a) During the quarter, the total disbursements increased by 34% to Rs. 7.5 billion as against Rs. 5.6 billion in Q2/2006-07.
- (b) The stock of hire purchase receivables as of 30th September 2007 was Rs. 31.2 billion against Rs. 23.2 billion as of 30th September 2006.
- (c) Profit after tax for the quarter was Rs. 38 million as against Rs. 62 million in Q2/2006-07.

Sanjiv Bajaj
Executive Director
Pune, 19th October 2007