

## Press Release

### A Year of Excellence

**Motorcycles, Commercial vehicles, Exports, Turnover and Profits – recorded New Highs !**

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for FY11.

The Board of Directors recommended a dividend of Rs. 40 per share – 400% (previous year – 400%) on the expanded share capital after issue of bonus share in the ratio of 1:1.

The total amount of dividend and tax thereon amounts to Rs. 1345 crores (previous year – Rs. 675 crores).

#### Q4 / FY11

Rs. in crores	Q4 FY11	Q4 FY10	Growth
Sales (No's)	948,198	808,973	17%
Turnover	4301	3442	25%
Profit from operations before Interest & exceptional items	831	743	12%
<b>Profit after interest, but before exceptional items</b>	<b>932</b>	<b>786</b>	<b>19%</b>
Net Profit from ordinary activities after tax for the quarter *	1400	532	163%

\* See note 5.2

- Sales numbers and profits, both recite the success story of the company's brand centric strategy.
- Total motorcycles sold – 836,671 as against 712,410 in Q4 / FY10; **↑ 17%**
- Commercial vehicles sold – 111,527 as against 96,304 in Q4 / FY10; **↑ 16%**
- Focus on high end motorcycles and near record sale of commercial vehicles enabled the company to record healthy operating **EBITDA** margin – **20.5%**; the best in the industry.

#### FY11

##### 1. Performance highlights

Rs. in crores	FY11	FY10	Growth
Sales (No's)	3,823,954	2,852,580	34%
Turnover	16975	12044	41%
Profit from operations before Interest & exceptional items	3262	2456	33%
<b>Profit after interest, but before exceptional items</b>	<b>3626</b>	<b>2573</b>	<b>41%</b>
Net Profit from ordinary activities after tax for the year *	3340	1704	96%

\* See note 5.2

- ✓ " Highest " ever turnover
- ✓ " Highest " ever profit from operations
- ✓ " Highest " ever profit after tax

## 2. Motorcycle highlights

	FY11	FY10	Growth
Domestic	2,414,606	1,781,768	36%
Exports	972,437	725,023	34%
<b>Total</b>	<b>3,387,043</b>	<b>2,506,791</b>	<b>35%</b>

- **Domestic** motorcycle sales for the company witnessed a growth of **36%** – 2,414,606 units as against industry growth of 23%; resulting in a **gain of 2.4%** in domestic market share.
- The “ bigger and sportier ” motorcycles contribute in excess of **70%** of total motorcycles sold.
  - “ **Pulsar** ”, cumulative sales exceeded 4 million units in February 2011.
  - “ **Discover** ” has now become **one million+** units / year brand, estimated to be the second largest motorcycle brand in the country.

## 3. Commercial Vehicle highlights

	FY11	FY10	Growth
Domestic	205,603	176,050	17%
Exports	231,281	164,887	40%
<b>Total</b>	<b>436,884</b>	<b>340,937</b>	<b>28%</b>

- Commercial vehicle sales, for the first time crossed 200,000 units in the domestic market.
- Sales in domestic market largely driven by alternate fuel vehicles & diesel passenger carriers.
- Continue to dominate the alternate fuel passenger vehicle segment; market share of ~85%.
- Capacity for commercial vehicles increased to 45,000 units / month.

## 4. Export highlights

	FY11	FY10	Growth
Motorcycles	972,437	725,023	34%
Commercial Vehicles	231,281	164,887	40%
Total	1,203,718	891,002 *	35%
<b>Rs. in crores</b>	<b>4552</b>	<b>3246</b>	<b>40%</b>

\* includes other two wheelers

- Exports, in value, close to **1 billion USD**.
- Demand from overseas market remains robust.

## 5. Operating Results

A summary of the results is given in Annexure I.

### 5.1. Margins

Despite input cost pressures and inflationary conditions, a richer product mix, higher volumes, and effective cost management enabled the company to declare an industry high operating EBITDA margin of **20.4%** for FY11.

### 5.2. Exceptional items

During the quarter –

- Sales tax deferral incentive/loan, to the extent eligible under Rule 84 of the Maharashtra Value Added Tax Rules, 2005, has been prepaid at a discounted value of Rs. 368 crores, thereby resulting in a surplus of Rs. 827 crores. The said sum has been reflected as an exceptional item in the Profit and Loss account.
- Considering the longer gestation period and initial losses made in PT. Bajaj Auto Indonesia, the company has determined an impairment amount of Rs.102 crore as a diminution in the value of investment.

### 5.3. Cash and cash equivalents

Strong operating margins together with effective working capital management resulted in surplus cash and cash equivalents of **Rs. 4239 crores** as on 31<sup>st</sup> March 2011 as against Rs. 3263 crores as on 31<sup>st</sup> March 2010.

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Kevin D'sa  
President (Finance)  
18<sup>th</sup> May 2011.



**Bajaj Auto Limited**  
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Annexure I

(Rs. In Crores)

Particulars	STANDALONE			
	QUARTER ENDED	QUARTER ENDED	YEAR ENDED	YEAR ENDED
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
<b>Sales in numbers</b>	<b>948,198</b>	<b>808,973</b>	<b>3,823,954</b>	<b>2,852,580</b>
Gross Sales	4299	3475	16932	12118
Less: Excise duty	247	185	934	609
Net Sales	4052	3290	15998	11509
Other Operating Income	148	109	611	412
<b>TOTAL INCOME</b>	<b>4200</b>	<b>3399</b>	<b>16609</b>	<b>11921</b>
<b>EXPENDITURE :</b>				
a) (Increase) / decrease in stock in trade and work in progress	(176)	(101)	(83)	(48)
b) Consumption of raw materials	3030	2337	11313	7698
c) Purchase of traded goods	123	118	568	420
d) Employees Cost	130	86	477	399
e) Depreciation and write downs	30	34	123	136
f) Other expenditure	241	188	966	875
g) Expenses capitalised	(9)	(6)	(17)	(15)
<b>h) Total</b>	<b>3369</b>	<b>2656</b>	<b>13347</b>	<b>9465</b>
<b>Profit from Operations before Other Income, Interest &amp; Exceptional Items</b>	<b>831</b>	<b>743</b>	<b>3262</b>	<b>2456</b>
<b>Other Income ( net )</b>	101	43	366	123
<b>Profit before Interest &amp; Exceptional Items</b>	<b>932</b>	<b>786</b>	<b>3628</b>	<b>2579</b>
Interest	0	0	2	6
<b>Profit after Interest but before Exceptional Items</b>	<b>932</b>	<b>786</b>	<b>3626</b>	<b>2573</b>
Exceptional items				
Surplus on pre-payment of sales tax deferral liability/loan	827	0	827	0
Provision for diminution in value of investment in PT. Bajaj Auto Indonesia	(102)	0	(102)	0
Expenditure incurred for Voluntary Retirement of employees	0	(46)	0	(183)
Valuation gains/(losses) on derivative hedging instruments	0	0	0	22
<b>Profit / (Loss) from ordinary activities before tax</b>	<b>1657</b>	<b>740</b>	<b>4351</b>	<b>2412</b>
Tax expense	257	208	1011	708
<b>Net Profit / (Loss) from ordinary activities after tax</b>	<b>1400</b>	<b>532</b>	<b>3340</b>	<b>1704</b>