



PRESS RELEASE
BAJAJ AUTO RESULTS: 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 financial year 2007-08.

This is the first financial year of the company post demerger. Hence the previous year's financial figures have not been given.

1. FINANCIALS

The summary of audited results of Bajaj Auto is as under:

Rs. in million	FY 2007-08
Turnover (net of excise)	91,688
Gross Profit after interest but before VRS, depreciation and taxation	14,111
Extra ordinary items : Compensation under VRS	1,024
Depreciation	1,740
Profit before taxation	11,347
Provision for taxation (including deferred tax)	3,788
Net profit for the year	7,559
Earnings per share (Rs.)	54.2

2. DIVIDEND

The Board of Directors recommended a dividend of Rs. 20 per share (200%). The total amount of dividend and tax thereon amounted to Rs. 3,385 million.

3. TURNOVER, MARGINS & PROFITS AFTER TAX

- (a) Turnover for the year - Rs. 91.69 billion.
- (b) Operating EBITDA – Rs 12.94 billion. Operating EBITDA margin – **14.3%**.
- (c) Profit before tax Rs 11.35 billion.
- (d) Net Profit after tax Rs. 7.56 billion.

4. SALES

SALES (Nos.)			
	2007-08	2006-07	Change (%)
Motorcycles	2,139,779	2,379,499	-10
2-Wheelers	2,161,095	2,399,996	-10
3-Wheelers	290,312	321,828	-10
Total	2,451,407	2,721,824	-10
Exports (out of the above)	618,341	442,411	40

Motorcycles

- (a) Motorcycle industry sales declined by 8% in 2007-08.
- (b) The shift from 100cc segment to 125cc plus segment continues. The “125cc plus” segment constitutes 36% of market as against 31% during last year.
- (c) The company continued its focus on the profitable “125cc plus” segment – growth of 23% V/s industry growth of 7%.
- (d) As a result, the company’s market share in “125cc plus” segment is close to 50%.
- (e) The growth in “125cc plus” segment was attributable to new launches during the year – XCD 125 DTS-Si, Discover 135 DTS-i, Pulsar 200 DTS-i and Pulsar 220 DTS-Fi.
- (f) The growth in 125cc plus segment has, however, been offset by the decline in its 100cc portfolio.
- (g) Hence the company’s overall motorcycle market share marginally reduced from 33.5% in 2006-07 to 32.7% in 2007-08.

3-Wheelers

- (a) The sales continued to reflect the overall slow market conditions.
- (b) The company continues its dominance in the 3-wheeler market. The market share in passenger carrier segment stands at **71.5%** in 2007-08.
- (c) Over 47% of three wheelers were exported during the year.

Exports

- (a) Bajaj Auto continues to be the '**NUMBER ONE**' exporter of 2&3-wheelers.
- (b) Exports in volumes and value are tabulated in the table given below:

	2007-08	2006-07	Change (%)
Total 2-Wheelers	482,026	301,766	60
Total 3-Wheelers	136,315	140,645	-3
Grand Total	618,341	442,411	40
Value Rs. in million	20,478	16,944	21

- (c) The company achieved a record sale of 482,026 units of 2 wheelers.
- (d) In Srilanka, Bangladesh and Colombia Bajaj bikes strengthened its **Leadership** position
- (e) In Nigeria, Boxer is the most visible two wheeler brand in the city of Lagos.

5. ASSOCIATES, SUBSIDIARIES & JOINT VENTURES

Bajaj Auto International Holdings BV.

- (a) The company has a wholly owned subsidiary - Bajaj Auto International Holdings BV based in Netherlands.
- (b) Through this company, Bajaj Auto Limited has acquired as on date 24.45% equity in KTM Power Sports AG with a total investment of € 98.36 million (Rs. 5.68 billion).
- (c) KTM is the second largest European motorcycle maker and a worldwide leading manufacturer of power sports vehicles.

PT. Bajaj Auto Indonesia

- (a) PT. Bajaj Auto Indonesia was incorporated in 2006-07 as a subsidiary in Indonesia with an issued, subscribed and paid-up capital of US\$ 12.5 million (Rs.562 million). Bajaj Auto holds 97.5% shares in the company.
- (b) The company assembles and markets Pulsars in Indonesia. During 2007-08, variants of the Pulsar were launched, and an exclusive dealer network has been put in place which gives the company reach into the key markets of Jakarta, Java, Sumatra, Bali and Sulawesi.

Rajiv Bajaj
Managing Director

22nd May 2008