

**PRESS RELEASE**  
**BAJAJ AUTO RESULTS: 1st QUARTER; FINANCIAL YEAR 2006-07**

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for the first quarter of 2006-07.

**1. HIGHLIGHTS OF Q1:**

- ✓ **Motorcycles Sales 34% ↑ - above the industry growth of 24%.**
- ✓ **Three-wheeler Sales 33%↑.**
- ✓ **Exports (Nos.) 95%↑.**
- ✓ **Turnover Rs. 23 billion – 33%↑.**
- ✓ **Operating EBITDA Rs. 3.6 billion – 40%↑.**
- ✓ **Operating EBITDA margin – 16.5% against 15.9% in Q1/2005-06.**
- ✓ **Gross Profit - Rs 4.5 billion – 30%↑.**
- ✓ **Profit after tax – Rs. 2.6 billion – 27%↑.**

**2. SALES:**

<b>SALES (Nos.)</b>			
	<b>Q1 2006-07</b>	<b>Q1 2005-06</b>	<b>Growth %</b>
Motorcycles	568,187	422,543	34%
<b>2-Wheelers</b>	<b>576,219</b>	<b>452,213</b>	<b>27%</b>
3-Wheelers	70,875	53,311	33%
<b>Total</b>	<b>647,094</b>	<b>505,524</b>	<b>28%</b>
Exports (out of the above)	98,263	50,493	95%

**Motorcycles**

- (a) Bajaj Auto's motorcycle sales **continue to outperform** the industry. In the current quarter Bajaj Auto's motorcycle sales grew by **34%** v/s industry growth of **24%**.
- (b) Bajaj Auto **continues to gain market share – 33%** for the current quarter as against 31% in 2005-06.
- (c) Bajaj Auto continues to be leader in price segment with strongly positioned products, namely, the Bajaj CT 100 & the Bajaj Platina together yielding a market share of 38%.
- (d) The new model – the Bajaj Platina, launched in April 2006 has seen very good response. Sales have crossed **100,000 units in just third month of launch.**

- (e) The Bajaj Discover twins have achieved a **dominant position in value segment**.
- (f) The Bajaj **Pulsar DTSi twins complemented by the Bajaj Avenger DTSi continue their leadership** in premium segment with a market share of **66%** in the quarter.

### **3-Wheelers:**

- (a) Bajaj Auto's three wheeler sales grew by **33%**.
- (b) Over 38% of 3 Wheelers were exported.
- (c) The Company continues to be the market leader in the passenger carrier segment with a market share of **78%**.
- (d) In Cargo segment, the new exclusive three-wheeler dealerships have resulted in the company achieving a **growth of 36%** against industry growth of 23%.

### **Exports:**

- (a) The Company continues to be **the #1 exporter of 2 & 3 Wheelers** in the country.
- (b) Exports grew by 95% in current quarter.
- (c) The exports in volumes are given in the table below:

<b>EXPORTS (Nos.)</b>			
	<b>Q 1 2006-07</b>	<b>Q 1 2005-06</b>	<b>Growth</b>
Motorcycles	70,771	30,718	130%
Total 2W	71,177	33,512	112%
Total 3W	27,086	16,981	59%
<b>Grand Total</b>	<b>98,263</b>	<b>50,493</b>	<b>95%</b>
<b>Sales in Value Rs. millions</b>	<b>3,624</b>	<b>1,809</b>	<b>100%</b>

- (d) The Bajaj CT 100 continues to be the market leader in Sri Lanka.
- (e) The Bajaj Discover is the highest selling brand in Bangladesh.
- (f) The Bajaj Pulsar is the highest selling brand in "over 125 cc category" in Colombia.
- (g) The assembly operations for motorcycles have started by our distributor in Nigeria. Significant volumes expected in coming years considering the one million-motorcycle market in Nigeria.
- (h) The company initiatives in setting up a company in Indonesia is going as per plans. Initial production should commence in Q3/2006-07.

### 3. TURNOVER, MARGINS & PROFIT AFTER TAX:

(a) The summary of financials by revenue stream is given below:

Rs. In million	Q 1 2006-07	Q 1 2005-06	Growth
<b>Automobiles</b>	<b>22,027</b>	<b>16,341</b>	<b>35%</b>
Treasury & others	945	928	2%
<b>Total Turnover</b>	<b>22,972</b>	<b>17,269</b>	<b>33%</b>
<b>Gross Profit:</b>			
- <b>Automobiles</b>	<b>3,618</b>	<b>2,592</b>	<b>40%</b>
- Treasury & others	927	910	2%
	4,545	3,502	30%
<b>Profit before tax:</b>			
- <b>Automobiles</b>	<b>3,106</b>	<b>2,203</b>	<b>41%</b>
- Treasury & others	854	837	2%
	3,960	3,040	30%

- (b) Turnover for the quarter was Rs. 23 billion: 33%↑
- (c) Gross Profit for the quarter was Rs. 4.5 billion: 30%↑
- (d) Turnover from operations grew by **35%**, while the operating profits grew by **41%**.
- (e) The operating EBITDA margin for the quarter has **improved** from 15.9% in Q1/2005-06 to **16.5%**.

The improvement in margin is despite rising input costs. This has been achieved through richer product mix in the company's motorcycles portfolio.

The company has increased prices of its three wheelers and motorcycles w.e.f. 1<sup>st</sup> July 2006.

- (f) During this quarter, the company has written off export incentives of Rs. 104 million that had accrued and was accounted during the last year, due to reduction of incentive under Target Plus Scheme announced by Government of India in the current quarter with retrospective effect.
- (g) While operating profits have grown by 41%, profit from treasury & windpower has shown a marginal growth of 2% from Rs. 837 million to Rs. 854 million. As a result net profit for the quarter has shown a growth of 27%.
- (h) The summary of financials of Bajaj Auto (not consolidated) and details of non-operating income are annexed to this Press Release.

#### **4. Associates, Subsidiaries & Joint Ventures**

##### **Bajaj Allianz General Insurance Company Limited**

- (a) The Company recorded a gross premium of Rs.4,501 million during Q1/2006-07 as against Rs. 3,169 million in Q1/2005-06 — growth of 42%. Net earned premium during the quarter was Rs. 1,889 million as against Rs. 1,319 million in Q1/2005-06 — increase of 43%.
- (b) Profit before tax for the quarter was Rs. 305 million as compared to Rs. 195 million in Q1/2005-06. Profit after tax for the quarter was Rs. 186 million as compared to Rs. 121 million in Q1/2005-06 — increase of 54%.
- (c) The Company is currently present in 50 locations across the country with staff strength of 1,698 employees as of 30th June 2006.

##### **Bajaj Allianz Life Insurance Company Limited**

- (a) The gross written premium for Q1/2006-07 was Rs. 7,322 million as against Rs. 2,397 million in Q1/2005-06 — growth of 205%. The total number of policies issued during the quarter was 201,442 as against 70,180 in Q1/2005-06.
- (b) The results for the quarter ended June 30, 2006 includes a sum of Rs. 404 million representing the transfer from shareholders' account to policyholders' account to fund the deficit in the policyholders' account. (Corresponding previous period Rs. Nil).

##### **Bajaj Auto Finance Limited**

- (a) During the quarter, the total disbursements increased by 48% to Rs. 5,732 million as against Rs. 3,879 million in Q1/2005-06.
- (b) The stock of hire purchase receivables as of 30<sup>th</sup> June 2006 was Rs. 22 billion against Rs. 13.5 billion as of 30<sup>th</sup> June 2005.
- (c) Profit after tax for the quarter was Rs. 34 million as against Rs. 115 million in Q1/2005-06.
- (d) During the year, the Company proposes to extend its retail reach by opening 20 new branches. With this proposed expansion, the Company would have 120 branches covering over 250 towns across the country.

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**Sanjiv Bajaj**  
**Executive Director**  
**Pune, 15<sup>th</sup> July 2006**

**ANNEXURE TO PRESS RELEASE DATED 15<sup>TH</sup> JULY 2006**

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

<b>Rs. in millions</b>	<b>Q1 2006-07</b>	<b>Q1 2005-06</b>	<b>Full Year 2005-06</b>
Sales and Income from operations	22,027	16,341	76,679
Other Income & Windpower	945	928	4,385
<b>Total Turnover</b>	<b>22,972</b>	<b>17,269</b>	<b>81,064</b>
Gross Profit after Interest but before VRS, adjustment to export incentives, Depreciation and Taxation	4,545	3,502	17,943
<b>Profit before Taxation</b>	<b>3,960</b>	<b>3,040</b>	<b>15,807</b>
Provision for Taxation	1,300	950	4,791
<b>Profit after Tax</b>	<b>2,660</b>	<b>2,090</b>	<b>11,016</b>
Earnings Per Share (Rs) for the period	26.3	20.6	111.0
<b>Earnings Per Share (Rs) Annualised</b>	<b>105.2</b>	<b>82.4</b>	<b>111.0</b>

**B) NON-OPERATING INCOME:**

(a) Non-operating income for Q1/2006-07 was Rs. 895 million v/s Rs. 878 million in Q1/2005-06.

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

<b>Rs. in millions</b>	<b>As of 30<sup>th</sup> June 2006</b>	<b>As of 31<sup>st</sup> March 2006</b>
Cost	61,617	58,703
Market Value	72,187	75,739

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