

PRESS RELEASE
BAJAJ AUTO RESULTS: 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 financial year 2006-07.

1. HIGHLIGHTS OF THE YEAR

- ✓ Motorcycles sales – 2.38 million – 24%↑ - well above industry growth of 14.5%.
- ✓ 2 & 3-Wheeler sales – 2.72 million – 19%↑.
- ✓ Turnover crosses Rs. 100 billion mark - 24% ↑.
- ✓ Exports - Rs. 16.9 billion – 88% ↑.
- ✓ Operating EBITDA Rs. 14.31 billion.
- ✓ Operating EBITDA margin highest in the industry – 15%
- ✓ Net profit Rs. 12.37 billion – 10%↑.

2. FINANCIALS

The summary of audited results of Bajaj Auto (not consolidated) is as under:

Rs. in million	FY 2006-07	FY 2005-06
Turnover (net of excise)	100,760	81,064
Gross Profit after interest but before VRS, depreciation and taxation	19,673	17,943
Extra ordinary items : Compensation under VRS, Exports incentives written off	490	226
Depreciation	1,903	1,910
Profit before taxation	17,280	15,807
Provision for taxation (including deferred tax)	4,901	4,791
Profit after Tax	12,379	11,016
Tax credits of earlier years, prior period expenses, net	(8)	217
Net profit for the year	12,371	11,233
Earnings per share (Rs.)	122.3	111

3. DIVIDEND

The Board of Directors recommended a dividend of Rs. 40 per share (400%). The total amount of dividend and tax thereon amounted to Rs. 4735 million. Dividend paid in the previous year was Rs 40 per share (400%).

4. TURNOVER, MARGINS & PROFITS AFTER TAX

- (a) Turnover for the year - Rs. 100.76 billion v/s Rs. 81.06 billion – **increase of 24%**.
- (b) Sales (net of excise duty) - Rs. 92.92 billion v/s Rs. 74.69 billion in 2005-06 – **increase of 24%**.
- (c) Operating EBITDA – Rs 14.31 billion v/s Rs. 13.69 billion in 2005-06. Operating EBITDA margins at **15%** is highest in the industry.
- (d) Profit before tax Rs 17.28 billion.
- (e) Net Profit after tax Rs 12.37 billion – **increase of 10%**.
- (f) Pre-tax return on operating capital - **125%**.

5. SALES

SALES (Nos.)			
	2006-07	2005-06	Change (%)
Motorcycles	2,379,499	1,912,306	24
2-Wheelers	2,399,996	2,029,176	18
3-Wheelers	321,828	252,054	28
Total	2,721,824	2,281,230	19
Exports (out of the above)	442,411	250,204	77

Motorcycles

- (a) Motorcycle sales continue to **outgrow** the industry – **24% growth v/s industry growth of 14.5%**.
- (b) Market share in Motorcycles **increased** from **31%** in 2005-06 to **34%** in 2006-07.
- (c) Growth driven by product launches and on the back of strong pull for its lead brand - Bajaj Pulsar.

- (d) The Pulsar range saw a full up-grade and the introduction of the 200cc and 220cc DTS-Fi top end models.
- (e) The Bajaj Discover range continued to gain value segment customers and the Bajaj Platina introduced in April'06 did brisk business, closing its first year with 740,000 units.
- (f) A newer version of Discover DTS-i with a 135cc engine has been launched in April'07.
- (g) For the year as a whole > 100cc bikes contributed **52%** of motorcycle sales.

3-Wheelers

- (a) 3-Wheeler sales for the year grew by **28%**.
- (b) Growth in 3-Wheeler sales was driven by replacement demand in many markets due to statutory mandate to convert to clean fuel vehicles.
- (c) Exports now constitute **45%** of total 3-wheeler sales.
- (d) Continued dominance in 3-wheeler market: passenger carrier segment (3 -seater) with a share of **78%**. Goods carrier market share: **27%**.
- (e) Bajaj test marketed its 2 stroke Digital Direct Injection (DDI) 3-wheeler in Pune and the product has received very good response owing to 30% better fuel efficiency, superior performance and features including self start.

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:

	2006-07	2005-06	Change
Total 2-Wheelers	301,766	174,907	73%
Total 3-Wheelers	140,645	75,297	87%
Grand Total	442,411	250,204	77%
Value Rs. in million	16,944	8,990	88%

- (c) Highest ever 2 wheeler exports of over 300,000 units and 3-wheelers of approx. 140,000 units.

(d) In Srilanka, Bangladesh and Colombia Bajaj bikes garnered **Leadership** position

- Over 150,000 2 and 3 wheelers sold in Srilanka
- Over 100,000 2 and 3 wheelers sold in Latin America
- Close to 100,000 numbers sold in Africa and Middle East.

(e) Joint Venture Company with majority equity holding formed in Indonesia

- RE 4S (CNG) and Pulsar 180 DTS-i launched.

6. NON-OPERATING INCOME

(a) The non-operating income (Treasury) for the year - Rs 5,226 million v/s Rs. 4,168 million in the previous year.

(b) Cost and market value of the investments:

Rs. in millions	As of 31st March 2007	As of 31st March 2006
Cost	64,691	58,703
Market Value	86,482	75,739

7. ASSOCIATES, SUBSIDIARIES & JOINT VENTURES

General Insurance

- (a) Bajaj Allianz General Insurance Company retained the number two slot amongst private general insurance companies.
- (b) The gross written premium during the year - Rs 18.03 billion – an increase of 40% over the previous year.
- (c) The profit after tax for the year - Rs 754 million v/s Rs 516 million in the previous year.
- (d) The only general insurance company within the private sector to have generated underwriting profits in a competitive and difficult market.
- (e) Continued its focus on geographical reach and customer service. The total number of offices of the company exceeded 150.

Life Insurance

- (a) Bajaj Allianz Life Insurance Company occupies the number two slot amongst private life insurance companies and the '**first**' position on the basis of number of policies.
- (b) The company wrote new business of Rs. 42.7 billion as against Rs. 27.17 billion in the previous year.
- (c) The gross written premium during the year - Rs 53.10 billion – an increase of 69% over the previous year.
- (d) After a transfer of Rs. 972 million to Policyholders' account, loss for the year was Rs. 717 million. Previous year transfer to Policyholders' account was Rs. 1085 million, loss for the previous year was Rs. 985 million.
- (e) The company has the largest distribution network in the private sector. It has 876 offices across the country. Strength of agents doubled in the year from 109,000 to 213,000.

Retail Finance

- (a) The total disbursements of Bajaj Auto Finance Limited during the year increased by 35% from Rs 19.55 billion to Rs 26.31 billion.
- (b) The stock of hire purchase receivables as of 31st March 2007 was Rs 27.61 billion v/s Rs 19.81 billion as of 31st March 2006.
- (c) The profit after tax grew by 25% to Rs. 472 million from Rs. 377 million.
- (d) Capital adequacy ratio of the company - 46.85 per cent (pre-dividend) as against RBI norm of 12 percent.

Sanjiv Bajaj
Executive Director

17th May 2007

Annexure to Press release dated 17th May 2007**Bajaj Auto Limited (not consolidated)**

Rs in million	Q 4			Full Year		
	2006-07	2005-06	Change (%)	2006-07	2005-06	Change (%)
Sales in numbers	628,387	619,330		2,721,824	2,281,230	
Sales & Operating income	23,136	21,659	7	95,204	76,679	24
Treasury & Windfarm	1,577	1,031	53	5,556	4,385	27
Turnover	24,713	22,690	9	100,760	81,064	24
Profit before tax :						
Automobile	2,813	3,765	(25)	12,154	11,845	3
Treasury & Windfarm	1,421	929	53	5,126	3,962	29
TOTAL	4,234	4,694	(10)	17,280	15,807	9
Profit after tax	3,083	3,218	(4)	12,379	11,016	12
Tax credits, prior period expenses, net		252		(8)	217	
Net profit for the year	3,083	3,470	(11)	12,371	11,233	10
EPS (in Rs.)	30.5	34.3		122.3	111.0	
Operating EBITDA	14.5%	20.0%		15.0%	17.9%	