

Press Release: Q1 / FY11

Best quarter ever – 4th time in a row !!

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for Q1 / FY11 and issue of bonus shares

A. Bonus shares

The board of directors have recommended an issue of bonus shares in the proportion of **one** new equity share of the company of Rs. 10 each for every **one** existing equity share of the company of Rs. 10 each held by the members on a date to be fixed by the board of directors by capitalizing a part of the general reserves account. This issue will be subject to the approval of the members

B. Results

The company continues to surpass the records of earlier quarters; this quarter too was no exception !

1. Performance Highlights

		Q1 / FY11	Q1 / FY10	Growth	FY10
Sales	Numbers	928,336	547,662	70%	2,852,580
Turnover	Rs. in crores	3972	2362	68%	12043
Profit from operations	Rs. in crores	745	422	77%	2456
Net Profit	Rs. in crores	590	293	101%	1704
EBITDA	%	20.0%	19.5%		21.7%

- 1.1 While turnover went up by 68%, **Net Profit** more than **doubled** to Rs. 590 crores
- 1.2 The quarter witnessed a marked increase in cost of raw-materials and components. Material, as a percentage to operating income, rose from 66.2% in Q1/FY10 to 71.1% in Q1/FY11
- 1.3 Higher volumes of bigger and sportier motorcycles, effective cost management and focused sales promotional activities saw the company declare an EBITDA margin of **20%** - best in the industry !

2. Motorcycles highlights

	Q1 / FY11	Q1 / FY10	Growth	FY10
Domestic	566,121	330,194	71%	1,781,768
Exports	262,270	152,555	72%	725,023
Total	828,391	482,749	72%	2,506,791
Market share	33%	25%		30%

2.1 Total motorcycle sales of the company grew by **72%**. **Domestic** motorcycle sales grew by **71%** as against the industry growth of 24% - reflecting the success of the company's **brand strategy**

2.2 The bigger and sportier brands of Pulsar and Discover now contribute over **80%** of domestic motorcycle sales

2.3 Overall, motorcycle market share for the company improved from 30% in 2009-10 to **33%** in **Q1 / FY11**

- **Pulsar**, now close to a **million** units / year brand, averaged 76,000 numbers per month
- **Discover** sold over 110,000 numbers per month and is now, estimated to be the second largest motorcycle brand in the country
- **Discover H**, launched in mid May in select states, sold **~20,000** units in June. With pan-india coverage scheduled in Q2, the full impact would be seen in the coming quarters

2.4 This quarter, production constraints limited sales. From July 10, the company expects motorcycle capacity of 300,000 units/month to go on stream

3. Three-wheelers highlights

	Q1 / FY11	Q1 / FY10	Growth	FY10
Domestic	38,289	37,636	2%	176,050
Exports	61,629	25,584	141%	164,887
Total	99,918	63,220	58%	340,937

3.1 **Three-wheelers** recorded its **highest** ever volumes of 99,918 for the quarter – a **growth** of **58%**

3.2 From July 10, the company expects three-wheeler capacity of 35,000 units/month to go on stream

4. Export highlights

	Q1 / FY11	Q1 / FY10	Growth	FY10
Motorcycles	262,270	152,555	72%	725,023
Three-wheeler	61,629	25,584	141%	164,887
Total	323,899	178,295 *	82%	891,002 *
Exports in value – Rs. in crores	1,210	637	90%	3,246

* includes scooters

4.1 Export sales continue to be ahead of plan. Company witnessed the **highest** ever quarterly exports

5. Other highlights

5.1 Strong margins and efficient working capital management resulted in further cash generation of **Rs. 484 crores** during the quarter. Cash and equivalents as on 30th June 10 are **Rs. 3,747 crores**

5.2 Company is poised to achieve its **target** of **4 million** vehicles for the year at an EBITDA margin of **20%**

Kevin D'sa
President (Finance)
22nd July 2010.



Bajaj Auto Limited

Mumbai - Pune Road, Akurdi, Pune 411 035

STANDALONE RESULTS

(Rs. In Lakhs)

Particulars	Q1 2010-11	Q1 2009-10	FY 2009-10
Sales in numbers	928,336	547,662	2,852,580
Gross Sales	394210	237506	1211808
Less: Excise duty	20481	11607	60958
Net Sales	373729	225899	1150850
Other Operating Income	15277	7948	41248
TOTAL INCOME	389006	233847	1192098
EXPENDITURE :			
a) (Increase) / decrease in stock in trade and work in progress	8689	4768	(4760)
b) Consumption of raw materials	255619	141720	769823
c) Purchase of traded goods	12510	8214	41981
d) Employees Cost	12639	11291	39946
e) Depreciation and write downs	3182	3308	13645
f) Other expenditure	21946	22441	87419
g) Expenses capitalised	(90)	(129)	(1567)
h) Total	314495	191613	946487
Profit from Operations before Other income, Interest & Exceptional Items	74511	42234	245611
Other Income (net)	8167	2314	12250
Profit before Interest & Exceptional Items	82678	44548	257861
Interest	63	597	598
Profit after interest but before Exceptional Items	82615	43951	257263
Exceptional items			
Expenditure incurred for Voluntary Retirement of employees	-	(4582)	(18330)
Valuation gains/(losses) on derivative hedging instruments	-	2180	2180
Profit / (Loss) from ordinary activities before tax	82615	41549	241113
Tax expense	23600	12200	70750
Net Profit / (Loss) from ordinary activities after tax	59015	29349	170363
Prior period adjustments (net)	-	-	(90)
Net Profit / (Loss) before deferred tax adjustments	59015	29349	170273
Adjustments on revaluation of deferred tax assets	-	-	(262)
Net Profit / (Loss) for the period	59015	29349	170011
Basic and Diluted Earnings Per Share (Rs.) (not annualised)			
before and after extraordinary items	40.8	20.3	117.7