



PRESS RELEASE
BAJAJ AUTO RESULTS: 3rd QUARTER; 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 third quarter of 2007-08.

1. HIGHLIGHTS OF Q3:

- ✓ Turnover Rs. 26.8 billion V/s. Rs. 27.3 billion
- ✓ Net Profit Rs. 3.3 billion V/s. Rs. 3.4 billion
- ✓ Operating EBITDA – 14.6% V/s. 14.2% in Q3/2006-07
- ✓ Exports during the nine months - Rs. 15 billion; Nos. 41%↑
- ✓ “Bajaj XCD DTS –Si” sales to date cross 150,000 nos.
 Awarded “Bike of the Year 2008” by
 CNBC – TV18 Autocar Auto Awards
 NDTV Profit Car India & Bike India Awards
 Business Standard Motoring

2. SALES:

In Nos.	Q 3		9 Months	
	2007-08	2006-07	2007-08	2006-07
Motorcycles	634,316	652,406	1,659,874	1,843,654
2-Wheelers	638,716	652,579	1,678,183	1,856,239
3-Wheelers	74,419	85,640	220,636	237,198
Total	713,135	738,219	1,898,819	2,093,437
Exports (out of above)	152,261	115,619	460,283	325,728

Motorcycles:

- (a) Industry slowdown continues. Motorcycle industry declined by 8% in the nine months. The decline in Q3/2007-08 was 3%. Decline in Q3/2007-08 was partially arrested due to festive sales and promotion activities by manufacturers.
- (b) Decline was restricted to the 100cc segment. While 100cc declined by 16%, the “125cc plus” segment actually grew by 11%. This was led by “Bajaj XCD 125 DTS-Si”.

(c) The “Bajaj XCD 125 DTS-Si” has been recognized by all. XCD received “Bike of the Year 2008” award from three juries:

- CNBC – TV18 Autocar Auto Awards
- NDTV Profit Car India & Bike India Awards
- Business Standard Motoring

To date, the bike has crossed sale of over 150,000 units.

(d) Bajaj Auto maintains its leadership in the “125cc plus” segment with a market share of 55%.

3-Wheelers:

- (a) The sales continued to reflect the overall subdued market.
- (b) The company continues its dominance in the passenger segment with a market share of 73%.
- (c) Over 50% passenger vehicles are exported.

Exports:

- (a) Exports maintained its growth momentum.
- (b) Export volumes at 460,283 units in nine months of the current year crossed last financial year’s exports of 442,411 units.
- (c) Export volumes:

In Nos.	Q 3 2007-08	Q 3 2006-07	Growth	9 Months 2007-08	9 Months 2006-07	Growth
2-Wheelers	116,607	74,141	57%	358,136	224,216	60%
3-Wheelers	35,654	41,478	-14%	102,147	101,512	1%
Total	152,261	115,619	32%	460,283	325,728	41%
Value Rs. millions	5,107	4,572	12%	15,430	12,457	24%

3. FINANCIAL RESULTS:

Rs. In million	Q 3 2007-08	Q 3 2006-07	9 Months 2007-08	9 Months 2006-07	Full Year 2006-07
Automobiles	25,017	25,682	69,731	72,069	95,204
Treasury & others	1,787	1,610	4,286	3,979	5,556
Total Turnover	26,804	27,292	74,017	76,048	100,760
Gross Profit: #					
- Automobiles	3,633	3,653	10,117	10,931	14,252
- Treasury & others	1,768	1,590	4,230	3,926	5,421
	5,401	5,243	14,347	14,857	19,673
Profit before tax:					
- Automobiles	2,702	3,132	8,355	9,341	12,154
- Treasury & others	1,694	1,516	4,010	3,706	5,126
	4,396	4,648	12,365	13,047	17,280
Profit after tax	3,271	3,448	8,900	9,297	12,379
Earnings per share (Rs.) for the period	32.3	34.1	87.9	91.8	122.3
Earnings per share (Rs.) annualised	129.2	136.4	117.2	122.4	122.3

Gross profit after interest, but before depreciation and taxation

- Operating EBITDA margin for the quarter – **14.6%** V/s. 14.2% in Q3/2006-07.
- Sequentially, however, adjusted EBITDA margin declined from 15.2% in Q2/2007-08 to 14.6%.
- The sequential decline in margins is attributed to the price realignment of Platina. This was offset to a large extent by sales of the XCD 125 DTS –Si.

4. **NON-OPERATING INCOME – TREASURY:**

(a) The non-operating income (Treasury) for the current quarter was Rs. 1648 million v/s Rs. 1575 million in Q3/2006-07.

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

Rs. in million	As of 31st December 2007	As of 31st March 2007
Cost	66,470	64,691
Market Value	107,294	86,482

5. **DEMERGER:**

The Scheme of arrangement approved by the Board of Directors on 17 May 2007, involving demerger of undertakings of the company resulting into three entities viz. Bajaj Auto Limited, Bajaj Finserv Limited and Bajaj Holdings & Investment Limited has been sanctioned by the Honourable High Court having jurisdiction at Bombay on 18 December 2007. The company is awaiting the written court order. On receipt of the same, necessary steps will be taken for filing the order with the Registrar of Companies upon which the scheme becomes effective.

6. **ASSOCIATES, SUBSIDIARIES & JOINT VENTURES:**

Bajaj Allianz General Insurance Company Limited

(a) The Company recorded a gross premium of Rs. 5.7 billion during Q3/2007-08 as against Rs. 4.6 billion in Q3/2006-07 — growth of 24%. Net earned premium during the quarter was Rs. 3.5 billion as against Rs. 2.1 billion in Q3/2006-07 — increase of 64%.

(b) Profit before tax for the quarter was Rs. 625 million, which is a significant increase of 444% over the figure of Rs. 115 million recorded in Q3/2006-07.

(c) Profit after tax for the quarter also recorded a significant increase of 381% to Rs. 411 million as compared to Rs. 86 million recorded in Q3/2006-07.

Bajaj Allianz Life Insurance Company Limited

- (a) The gross written premium for 9 months/2007-08 was Rs. 52 billion as against Rs. 27 billion in 9 months/2006-07 — growth of 93%. The gross written premium for Q3/2007-08 was Rs. 21.7 billion as against Rs. 11 billion in Q3/2006-07 — growth of 98%.
- (b) For the quarter, there was an overall loss (Shareholders' account + Policyholders' account) of Rs. 383 million as compared to overall loss of Rs. 86 million in Q3/2006-07. However, the company posted overall profit of Rs. 500 million in 9 Months/2007-08 as compared to overall loss of Rs. 402 million in 9 Months/2006-07.
- (c) The policyholders' surplus during 9 Months/2007-08 was Rs. 1860 million (Corresponding period Rs. 819 million) and the shareholders' loss stands at Rs. 1360 million (Corresponding period Rs. 1221 million).

Bajaj Auto Finance Limited

- (a) During the quarter, the total deployment increased by 7% to Rs. 8.4 billion as against Rs. 7.8 billion in Q3/2006-07.
- (b) The assets under finance and other receivables as of 31st December 2007 was Rs. 33 billion against Rs. 25.7 billion as of 31st December 2006.
- (c) Profit after tax for the quarter was Rs. 77 million as against Rs. 169 million in Q3/2006-07.

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 22.56% equity in KTM Power Sports AG, the second largest European motorcycle maker and a worldwide leading manufacturer of power sports vehicles.

Sanjiv Bajaj
Executive Director
Pune, 30th January 2008