

Press Release

Results : Q1 / FY13

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for Q1 / FY13.

1. Performance highlights

| ₹ in crore | Q1 FY13 | Q1 FY12 | Change | FY12 |
|--------------------|------------------|------------|--------|-----------|
| Sales (No's) | 1,078,971 | 1,092,815 | -1% | 4,349,560 |
| Turnover | 5048 | 4850 | 4% | 20137 |
| Export revenue | 1738 | 1688 | 3% | 6604 |
| Operating EBITDA | 961 | 911 | 5% | 4001 |
| Operating EBITDA % | 19.4% | 19.1% | | 20.2% |
| Profit after tax | 718 | 711 | 1% | 3004 |

- ✓ The quarter witnessed
 - Subdued domestic demand
 - Disruption in exports
 - Rising input cost
- ✓ Bajaj Auto's strategy of managing growth with profitability and building a sustainable growth momentum has resulted in maintaining its industry leading **EBITDA margin** of **19.4%** for Q1/FY13.

2. Motorcycles

| | Q1 FY13 | Q1 FY12 | Change | FY12 |
|----------|----------------|------------|--------|-----------|
| Domestic | 618,489 | 623,175 | -1% | 2,566,757 |
| Exports | 364,134 | 339,876 | 7% | 1,267,648 |
| Total | 982,623 | 963,051 | 2% | 3,834,405 |

- ✓ **Overall** (domestic + exports), company's market share remained steady at **32%**.

2.1 India

- ✓ Demand in **domestic** market remains subdued.
- ✓ Domestic market witnessed a growth of ~6%. Bajaj Auto, in contrast, witnessed a **flat** sale. The above statistics is based on the billing numbers as reported by the manufacturers. However, on tracking the retail numbers, there seems no significant change in company's market share at retail level.

- ✓ Within the segments,
 - **Sports** segment : Contributes ~16% of total domestic volumes. Bajaj Auto continues to **dominate** this segment with a **market share** of ~**46%**. The newly launched *generation next Pulsar 200 NS*, which will open at Pan-India level shortly, would further strengthen company's leadership position.
 - **Commuter-Deluxe** segment : This is the largest contributor to domestic volumes, ~64%. The segment witnessed a growth of ~3%. In contrast, **Bajaj Auto** declined by 16% and has a market share of ~**18%**. To address this, Bajaj Auto has planned new launches in this segment. The **Discover 125 ST** was launched in mid-June and has received very good response.
 - **Commuter-Standard** segment : Contributes ~20% of total domestic volumes. Bajaj Auto grew by **34%** as against an industry growth of 22% and now enjoys a **market share** of ~**29%**.

2.2 Exports

- ✓ Motorcycle volumes grew by **7%**.
- ✓ African and Latin American markets performed well; however the company lost sales of ~20,000 units in Sri-lanka due to introduction of import barriers.

3. Commercial Vehicles

| | Q1 FY13 | Q1 FY12 | Change | FY12 |
|----------|---------------|------------|--------|---------|
| Domestic | 44,837 | 42,276 | 6% | 202,979 |
| Exports | 51,511 | 87,488 | -41% | 312,176 |
| Total | 96,348 | 129,764 | -26% | 515,155 |

3.1 India

- ✓ Bajaj Auto witnessed a growth of **6%** as against a flat industry growth.
- ✓ Share in domestic market, for Bajaj Auto, stood at **40%**.
- ✓ Within segments,
 - Bajaj Auto continues to dominate the gasoline and alternate fuel passenger segment; market share of ~**86%**.
 - Bajaj Auto outperformed in the **Diesel** passenger carrier segment – grew by **29%** as against an industry growth of 10%; segment **market share** increased to **31%**, a **gain** of **400** basis points over FY12.

3.2 Exports

- ✓ Bajaj Auto, due to restrictions by importing countries and political unrest in Egypt, lost sales of ~25,000 units in this quarter.

4. International Business

| | Q1 FY13 | Q1 FY12 | Change | FY12 |
|---------------------|------------|------------|--------|-----------|
| Motorcycles | 364,134 | 339,876 | 7% | 1,267,648 |
| Commercial Vehicles | 51,511 | 87,488 | -41% | 312,176 |
| Total | 415,645 | 427,364 | -3% | 1,579,824 |
| ₹ in crore | 1738 | 1688 | 3% | 6604 |

- ✓ Sales to Egypt were affected by political unrest while sales to Sri-lanka were affected by duty hikes.
- ✓ Bajaj Auto, along with its distributor, has undertaken pro-active measures like rationalising the end-user cost of vehicles in Sri-lanka and expects normalcy in sales to return by end of Q2 / FY13.

5. Results

A summary of the results is given in Annexure I

5.1. Cash and cash equivalents

As on 30th June 2012, surplus cash and cash equivalents stood at ₹ 5682 crore as against ₹ 5451 crore as on 31st March 2012.

Kevin D'sa
President (Finance)
18th July 2012.



Bajaj Auto Limited
Mumbai - Pune Road, Akurdi, Pune 411 035

Statement of standalone unaudited financial results for the quarter ended 30 June 2012

(₹ In Crore)

| | Particulars | Quarter ended | | Year ended |
|----|---|---------------------------|---------------------------|-------------------------|
| | | 30.06.2012 (Unaudited) | 30.06.2011 (Unaudited) | 31.03.2012 (Audited) |
| | Sales in numbers | 1,078,971 | 1,092,815 | 4,349,560 |
| 1 | Income from operations | | | |
| a. | Gross sales | 4,971.41 | 4,741.88 | 19,827.03 |
| | Less: Excise duty | 257.77 | 206.50 | 946.76 |
| | Net sales | 4,713.64 | 4,535.38 | 18,880.27 |
| b. | Other operating income | 152.02 | 170.91 | 648.71 |
| | Total income from operations (net) | 4,865.66 | 4,706.29 | 19,528.98 |
| 2 | Expenses | | | |
| | (a) Cost of materials consumed | 3,200.76 | 3,174.83 | 13,445.54 |
| | (b) Purchases of stock-in-trade | 191.73 | 176.28 | 751.15 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 115.55 | 114.77 | (94.15) |
| | (d) Employee benefits expense | 160.40 | 143.09 | 540.11 |
| | (e) Depreciation | 35.24 | 30.64 | 145.62 |
| | (f) Other expenses | 336.18 | 258.88 | 1,215.77 |
| | (g) Expenses capitalised | (10.66) | (1.40) | (49.43) |
| | Total expenses | 4,029.20 | 3,897.09 | 15,954.61 |
| 3 | Profit from operations before other income, finance costs and exceptional items (1-2) | 836.46 | 809.20 | 3,574.37 |
| 4 | Other income | 181.97 | 144.09 | 608.04 |
| 5 | Profit from ordinary activities before finance costs and exceptional items (3+4) | 1,018.43 | 953.29 | 4,182.41 |
| 6 | Finance costs | 0.04 | 0.23 | 22.24 |
| 7 | Profit from ordinary activities after finance costs but before exceptional items (5-6) | 1,018.39 | 953.06 | 4,160.17 |
| 8 | Exceptional items | | | |
| | Valuation gains / (losses) on derivative hedging instruments | - | - | (134.00) |
| 9 | Profit from ordinary activities before tax (7+8) | 1,018.39 | 953.06 | 4,026.17 |
| 10 | Tax expense | 300.00 | 242.00 | 1,022.12 |
| 11 | Net Profit for the period (9-10) | 718.39 | 711.06 | 3,004.05 |
| 12 | Paid-up equity share capital (Face value of ₹ 10) | 289.37 | 289.37 | 289.37 |
| 13 | Reserves excluding Revaluation Reserves | | | 5,751.70 |
| 14 | Basic and Diluted Earnings per share (₹) (not annualised) | | | |
| | before and after extraordinary items | 24.8 | 24.6 | 103.8 |