

## Press Release: Q3 / FY10

### Another Quarter of Records !!!

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for Q3 / FY10

**3<sup>rd</sup> quarter surpassed the records set by the company in the 2<sup>nd</sup> quarter of FY10**

**This quarter witnessed:**

- ✓ “ **Highest** ” ever **motorcycles** sold – 711,991 vehicles
- ✓ “ **Highest** ” ever **three-wheelers** sold – 96,167 vehicles
- ✓ “ **Highest** ” ever **exports** – 273,902 vehicles
- ✓ “ **Highest** ” ever **turnover** – Rs. 3331 crores
- ✓ “ **Highest** ” ever **operating profit** – Rs. 688 crores
- ✓ “ **Highest** ” ever **Net profit** – Rs. 475 crores
- ✓ **EBITDA** margin – at **record 22%**

**Highlights for the quarter :**

- ✓ Motorcycles **↑ 72%** to **711,991** v/s 414,039 in Q3 / FY09
- ✓ Three-wheelers **↑ 25%** to **96,167** v/s 76,637 in Q3 / FY09
- ✓ Exports **↑ 27%** to **273,902** v/s 215,233 in Q3 / FY09
- ✓ While turnover **↑ 55%** to **Rs. 3331** crores, Net profit nearly **tripled** to **Rs. 475** crores as against Rs. 164 crores in Q3 / FY09 - **↑ 189%**
- ✓ Profit from operations **↑ 151%** to **Rs. 688** crores
- ✓ Operating EBITDA Margin – **22%** as against 14.5% in Q3 / FY09 and 22% in Q2 / FY10

## Sales in numbers

	Q3			9M			FY09
	FY10	FY09	Growth	FY10	FY09	Growth	
Motorcycles	711,991	414,039	72%	1,794,381	1,534,149	17%	1,907,853
<b>2 wheelers</b>	<b>713,051</b>	<b>417,111</b>	<b>71%</b>	<b>1,798,974</b>	<b>1,544,186</b>	<b>16%</b>	<b>1,919,625</b>
3 wheelers	96,167	76,637	25%	244,633	209,699	17%	274,529
<b>Total</b>	<b>809,218</b>	<b>493,748</b>	<b>64%</b>	<b>2,043,607</b>	<b>1,753,885</b>	<b>17%</b>	<b>2,194,154</b>
Export (of the above)	273,902	215,233	27%	676,531	620,880	9%	772,519

- During the quarter, motorcycle sales for the company surged 72% as against industry growth of 37%, reflecting the astuteness of the company's brand-market mix strategy
  - The Pulsar brand clocked an average of 50,000 numbers per month.  
Launch of the all new Pulsar 135 LS should enable the *Pulsar* to be a **million** units / year brand
  - The Discover DTS-Si is today “ India's fastest growing bike ”. Since its launch, cumulative sales have crossed 350,000 numbers
- Riding this growth momentum, domestic market share for the company has improved from 22% in 2008-09 to **27%** in **Q3 / FY10**. The Pulsar 135 LS should further improve this market share
- Strategy to focus on the “ bigger and sportier ” motorcycles has enabled the company to grow its market share without compromising on profits – **EBITDA** margins maintained at **record 22%**
- Commercial vehicle sales have continued to grow across in-city and semi-urban markets. The company witnessed a growth of 56% in domestic sales
- The company has launched, in January 2010, upgraded versions for its entire range of three-wheeler passenger carriers
- The quarter also witnessed the highest ever exports. Exports, for **November 09** alone were in excess of **98,000** units, **highest** ever for the company. Tabled below are the export numbers.

	Q3			9M			FY09
	FY10	FY09	Growth	FY10	FY09	Growth	
Motorcycles	223,845	167,970	33%	562,334	507,349	11%	631,383
<b>2 wheelers</b>	<b>224,313</b>	<b>168,490</b>	<b>33%</b>	<b>563,426</b>	<b>509,013</b>	<b>11%</b>	<b>633,463</b>
3 wheelers	49,589	46,743	6%	113,105	111,867	1%	139,056
<b>Total</b>	<b>273,902</b>	<b>215,233</b>	<b>27%</b>	<b>676,531</b>	<b>620,880</b>	<b>9%</b>	<b>772,519</b>
Sales ( Rs. in crores )	950	795	19%	2,386	2,149	11%	2,640

## Operating Results

### Margins

This quarter witnessed an increase in cost of raw-material and components. Material, as a % to operating income, rose sequentially from 66.2% in Q2 / FY10 to 68.5% in Q3 / FY10. However, due to higher volumes – resulting in leveraging of fixed cost, effective cost management and focused sales promotional activities, operating EBITDA margin was maintained at **22%** during **Q3 / FY10**

### Cash and cash equivalents

Strong operating margins together with efficient working capital management has resulted in surplus cash and cash equivalents of **Rs. 2,625 crores** as on 31<sup>st</sup> December 09 as against Rs. 933 crores as on 31<sup>st</sup> March 2009.

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**Kevin D'sa**  
**Vice President (Finance)**  
12<sup>th</sup> January 2010.