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

3rd quarter surpassed the records set by the company in the 2nd 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

<table>
<thead>
<tr>
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<th>Q3</th>
<th>9M</th>
<th>FY09</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>FY10</td>
<td>FY09</td>
<td>Growth</td>
</tr>
<tr>
<td>Motorcycles</td>
<td>711,991</td>
<td>414,039</td>
<td>72%</td>
</tr>
<tr>
<td>2 wheelers</td>
<td>713,051</td>
<td>417,111</td>
<td>71%</td>
</tr>
<tr>
<td>3 wheelers</td>
<td>96,167</td>
<td>76,637</td>
<td>25%</td>
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<tr>
<td>Total</td>
<td>809,218</td>
<td>493,748</td>
<td>64%</td>
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<td>Export (of the above)</td>
<td>273,902</td>
<td>215,233</td>
<td>27%</td>
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- 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.
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 31st December 09 as against Rs. 933 crores as on 31st March 2009.

Kevin D’sa
Vice President (Finance)
12th January 2010.