



PRESS RELEASE
BAJAJ AUTO RESULTS: 2ND QUARTER; FINANCIAL YEAR 2004-05

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for the second quarter of 2004-05 and the half year ended 30th September 2004.

1. HIGHLIGHTS OF Q2:

- ✓ Turnover Rs 15.4 billion – 12% ↑.
- ✓ Motorcycles – 34%↑ - well above industry growth rate of 19%.
- ✓ Exports – 29%↑ - continues to be “India’s # 1 Two & Three wheeler exporter”.
- ✓ Profit from Automobile business – Rs. 1.9 billion – 21%↑.
- ✓ Operating EBITDA – 16.8%.
- ✓ Gross Profit - Rs 3.3 billion.
- ✓ Profit before tax - Rs 2.6 billion.
- ✓ Profit after tax - Rs 1.8 billion.

2. FINANCIALS:

The summary of financials of Bajaj Auto (not consolidated) is as under:

Rs. in millions	Q2 2004-05	Q2 2003-04	H1 2004-05	H1 2003-04	Full Year 2003-04
Sales and Income from operations	14482	12490	26744	23231	49168
Other Income & Windpower	883	1176	1947	2274	3534
Total Turnover	15365	13666	28691	25505	52702
Gross Profit after Interest before Depreciation and Taxation	3277	3441	6184	6015	12053
Profit before Taxation	2649	2644	5095	4784	9604
Provision for Taxation	850	710	1650	1240	2289
Profit after Tax	1799	1934	3445	3544	7315
Earnings Per Share (Rs) for the period	17.8	20.0	33.9	35.8	73.0
Earnings Per Share (Rs) Annualised	71	80	68	72	73

3. TURNOVER, MARGINS & PROFIT AFTER TAX:

- (a) Total turnover for Q2/2004-05 was Rs 15.4 billion v/s Rs. 13.7 billion in corresponding quarter of FY 2003-04 - **increase of 12%**.
- (b) Net Sales and other operating income for Q2/2004-05 was Rs.14.5 billion v/s Rs.12.5 billion in Q2/2003-04 - **increase of 16%**.
- (c) Profits from automobile operations for Q2/2004-05 was Rs. 1877 million v/s Rs. 1552 million in Q2/2003-04 – **increase of 21%**.
- (d) EBITDA percentage on automobile operations has increased from 15.3% in Q1/2004-05 to 16.8% in Q2/2004-05.
- (e) 714 workmen opted for a voluntary retirement scheme in July 2004. The total outflow on this account is Rs. 490 million. This will be charged equally over three quarters of the current financial year. Accordingly in this quarter a sum of Rs. 163 million has been charged.
- (f) The Profit after tax for Q2/2004-05 was Rs. 1799 million v/s Rs 1934 million in Q2/2003-04.

4. SALES:

Sales (nos.)							
Product	Q2 2004-05	Q2 2003-04	Change %	H1 2004-05	H1 2003-04	Change %	Full Year 2003-04
Motorcycles	336,425	250,133	34%	612,211	490,663	25%	1,023,551
Total 2 Wheelers	380,514	320,046	19%	699,345	622,576	12%	1,288,949
Three Wheelers	64,681	60,227	7%	118,759	105,229	13%	229,182
Grand Total	445,195	380,273	17%	818,104	727,805	12%	1,518,131

2-Wheelers

- (a) Bajaj Auto's motorcycle sales grew by 34% in the quarter v/s industry growth of 19%. Market share of Bajaj Auto in motorcycle segment, which was 24% in Q1/2004-05, has increased to 28% in Q2.
- (b) In the 100cc segment, the new Bajaj CT 100 launched in May 2004 has done exceptionally well with a sale of over 74,000 bikes in September 2004. Today this is the second largest brand in this segment. Plans are on the anvil to increase production to 100,000 bikes per month.
- (c) In the premium segment of the motorcycle segment, the Pulsar twins continued to maintain their market leadership.
- (d) In the executive segment, Bajaj Discover has been launched in select states in September 2004. With planned production ramp-up, this product will be available nationally in November 2004.

3-Wheelers:

- (a) The Company's 3-Wheeler sales grew by 7% in the current quarter.
- (b) The Company continues to be a market leader in the passenger carrier segment with a market share of 89%.
- (c) GC 1000 has enabled the Company to garner a market share of 31% in Q2/2004-05 v/s 26% in Q1/2004-05 in the Goods Carrier segment.

Exports:

- (a) Exports for Q2/2004-05 was Rs.1817 million v/s Rs. 1286 million in Q2/2003-04 - an increase of 41%.
- (b) Exports in volumes are given in the table below:

Product	Q2 2004-05	Q2 2003-04	Change %	H1 2004-05	H1 2003-04	Change %	Full Year 2003-04
Motorcycles	25,073	18,961	32%	54,810	34,900	57%	82,424
Total 2 Wheelers	26,348	20,435	29%	58,435	37,926	54%	90,210
Three Wheelers	19,644	15,081	30%	37,578	31,679	19%	65,797
Grand Total	45,992	35,516	29%	96,013	69,605	38%	156,007

- (c) The Company continues to be the #1 exporter of 2 & 3 Wheelers in the country.

5. NON-OPERATING INCOME:

- (a) Non-operating income for Q2/2004-05 was Rs. 782 million v/s Rs. 1039 million in Q2/2003-04.
- (b) The cost and market value of the investment portfolio is given in the table below:

Rs. in millions	As of 30th September 2004	As of 31st March 2004
Cost	41511	39072
Market Value	45210	45108

Sanjiv Bajaj
Executive Director
Pune, 20th October 2004.