

**PRESS RELEASE**  
**BAJAJ AUTO RESULTS: 3rd QUARTER; FINANCIAL YEAR 2006-07**

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 2006-07 and the nine months ended 31<sup>st</sup> December 2006.

**1. HIGHLIGHTS OF Q 3**

- ✓ **Motorcycle Sales 28%↑ - more than double the industry growth of 13%.**
- ✓ **Market share 34% - Increase of 3% over 2005-06.**
- ✓ **3-Wheeler Sales 49% ↑.**
- ✓ **Exports (Nos.) 80%↑.**
- ✓ **Turnover Rs. 27 billion – 30% ↑.**
- ✓ **Operating EBITDA margin – 14.2 %.**
- ✓ **Gross Profit Rs. 5.2 billion – 13% ↑.**
- ✓ **Profit after tax Rs. 3.4 billion - 23%↑**

**2. SALES:**

In Nos.	Q 3 2006-07	Q 3 2005-06	Growth	9 Months 2006-07	9 Months 2005-06	Growth
Motorcycles	652,406	511,106	<b>28%</b>	1,843,654	1,379,206	<b>34%</b>
2-Wheelers	652,579	543,252	20%	1,856,239	1,482,532	25%
3-Wheelers	85,640	57,572	49%	237,198	179,368	32%
<b>Total</b>	<b>738,219</b>	<b>600,824</b>	<b>23%</b>	<b>2,093,437</b>	<b>1,661,900</b>	<b>26%</b>
Exports (out of above)	115,619	64,359	<b>80%</b>	325,728	176,765	<b>84%</b>

During the quarter, Bajaj Auto recorded its

- **“HIGHEST EVER”** sale of motorcycles.
- **“HIGHEST EVER”** sale of three wheelers
- **“HIGHEST EVER”** exports
- **“HIGHEST EVER”** net profit

## Motorcycles

- (a) Bajaj Auto's market share has further improved and stands at 34% as of 31<sup>st</sup> December 2006.
- (b) Motorcycle sales continue to outgrow the industry. In Q3/2006-07, Bajaj registered growth of **28%** v/s industry growth of 13%. During the quarter, Bajaj Auto has garnered **65%** of the incremental industry growth.
- (c) **The Bajaj Platina** has recorded sale of over 500,000 units within 8 months of its launch in April 2006. Bajaj Auto's leadership in the "price" segment of the motorcycle market continues with a share of 45%.
- (d) **The Bajaj Discovers** crossed cumulative sales of "**ONE MILLION**" in November 2006. The share in the "value" segment has steadily increased from 16% in 2005-06 to **21%** as of 31<sup>st</sup> December 2006.
- (e) The new upgrades of **Bajaj Pulsar DTS-i twins** were introduced in December 2006. Both the products have been well received and have raised the bar in the "premium" segment. Bajaj Auto will shortly launch the all-new Pulsar 220 DTS-Fi, which will further consolidate Bajaj Auto's dominance in the segment.
- (f) The company continues its focus on higher end motorcycles. Spearheading the initiative, three new motorcycles will be launched in next few months.
- (g) Motorcycle capacity is being expanded to 300,000 per month from April 2007 in anticipation of the growing demand.
- (h) The Company's efforts in new product development have been recognized. Bajaj Auto has received:

**"Bajaj Auto – Bikemaker of the year – Overdrive Awards 2007"**

**"Bajaj Auto – Bike Manufacturer of the year – NDTV Profit - Bike India Awards, 2007 "**

**"Bajaj Pulsar DTS-Fi – Bike of the year – CNBC-TV18 Autocar Auto Awards"**

**"Bajaj Platina – 100cc Bike of the year – NDTV Profit - Bike India Awards, 2007 "**

## 3-Wheelers

- (a) In the Passenger segment, Bajaj Auto has recorded a growth of **53%** during Q3/2006-07.
- (b) The company continues to dominate the 3-wheeler passenger segment with a market share of **78%**.

- (c) In the Cargo segment, the company has achieved a market share of **28%** during 9 Months/2006-07. To further consolidate its position in the segment, the company has recently launched an upgrade of the GC 1000.
- (d) 3-wheeler passenger carriers have received overwhelming response in export market. Over **55%** of Bajaj Auto's 3-wheeler passenger carriers were exported during Q3/2006-07.

### **Exports:**

<b>In Nos.</b>	<b>Q 3 2006-07</b>	<b>Q 3 2005-06</b>	<b>Growth</b>	<b>9 Months 2006-07</b>	<b>9 Months 2005-06</b>	<b>Growth</b>
Motorcycles	74,141	43,826	69%	223,113	112,779	98%
2 Wheelers	74,141	47,040	58%	224,216	121,006	85%
3-Wheelers	41,478	17,319	139%	101,512	55,759	82%
<b>Total</b>	<b>115,619</b>	<b>64,359</b>	<b>80%</b>	<b>325,728</b>	<b>176,765</b>	<b>84%</b>
Value Rs. millions	4,572	2,359	94%	12,457	6,431	94%

- (a) Exports continue their strong growth - **80%** in Q3/2006-07.
- (b) Exports (Nos.) now constitute **17%** of total sales – significant growth as compared to just 3% five years back.
- (c) Bajaj Auto continues to be the country's #1 Exporter of 2 & 3-wheelers.
- (d) This quarter has witnessed the commencement of the new export initiatives of the company.
- PT. Bajaj Auto Indonesia, a majority owned subsidiary of Bajaj Auto, has commenced operations during the quarter. The Pulsar 180 DTS-i was launched successfully in November 2006 at the Jakarta Motor Show. The company is currently focusing on network development, sales and after sales services and brand building.
  - Despatches to Iran have started.
  - As Nigeria sales grow, the company continues to expand its sales & service network in the country.
  - These new markets should generate significant volumes in next year.

### **3. TURNOVER, MARGINS & PROFIT AFTER TAX:**

- (a) Turnover for the quarter - Rs.27 billion v/s Rs. 21 billion - 30%↑.
- (b) Gross Profit for the quarter - Rs. 5.2 billion v/s Rs. 4.6 billion –13% ↑.
- (c) Net profit for the quarter - Rs. 3.4 billion v/s Rs. 2.8 billion – 23% ↑.
- (d) EPS for the quarter was Rs. 34.1.
- (e) On a sequential basis, Operating EBITDA margin stands at 14.2% in Q3/2006-07 v/s. 15.1% in Q2/2006-07. This is attributable to the sales promotion expenses incurred during the festive season. The sales promotion activities have enabled the company to garner market share and have ensured a healthy top-line growth of 30%.
- (f) Input costs have continued to rise. The same have been partially offset by price increases effected on company's products from 1<sup>st</sup> November 2006 and 1<sup>st</sup> January 2007.
- (g) The summary of financials of Bajaj Auto (not consolidated) and details of non-operating income are annexed to this Press Release.

### **4. ASSOCIATES, SUBSIDIARIES & JOINT VENTURES**

#### **Bajaj Auto Finance Limited**

- (a) During the quarter, total disbursements increased by 35% to Rs. 7.82 billion as against Rs. 5.80 billion in Q3/2005-06.
- (b) The stock of hire purchase finance and receivables as of 31<sup>st</sup> December 2006 was Rs. 25.7 billion against Rs. 17.7 billion on 31<sup>st</sup> December 2005.
- (c) The profit before tax for the quarter was Rs. 243 million against Rs. 153 million in Q3/2005-06.
- (d) The profit after tax for the quarter was Rs. 169 million against Rs. 48 million in Q3/2005-06.

Bajaj Allianz General Insurance Company Limited

- (a) The gross written premium for the quarter was Rs. 4.6 billion against Rs. 3.3 billion in Q3/2005-06 – an increase of 38%.
- (b) The profit before tax for the quarter was Rs. 115 million against Rs. 50 million in Q 3 / 2005-06.
- (c) The profit after tax for the quarter was Rs. 86 million against Rs. 38 million in the corresponding quarter last year – an increase of 126%. The profit for 9 Months/2006-07 was Rs. 355 million against Rs. 254 million in 9 Months/2005-06.
- (d) The company continues to retain its number 2 slot amongst private insurers in terms of gross premiums.
- (e) The Company has expanded its presence to 111 locations across the country with staff strength of 2139 employees as of 31<sup>st</sup> December 2006. The company had 5580 active agents as of 31<sup>st</sup> December 2006.

Bajaj Allianz Life Insurance Company Limited

- (a) The gross written premium for the quarter was Rs. 11 billion against Rs. 8 billion in Q3/2005-06 – increase of 36%.
- (b) The total number of policies issued during the quarter was 435,504 v/s 177,026 in Q3/2005-06.
- (c) The loss for the nine months was Rs. 1,221 million v/s Rs. 768 million in 9 Months /2005-06.
- (d) The Company has 876 offices across the country with staff strength of 14,425 employees as of 31<sup>st</sup> December 2006.
- (e) The Company continued to retain the # 2 slot in terms of new business premium among private life insurance companies – as per IRDA November 2006 New Business Premium Report.

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**Sanjiv Bajaj**  
**Executive Director**  
**Pune, 16<sup>th</sup> January 2007**

**ANNEXURE TO PRESS RELEASE DATED 16th January 2007**

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

<b>Rs. in millions</b>	<b>Q 3 2006-07</b>	<b>Q 3 2005-06</b>	<b>9 Months 2006-07</b>	<b>9 Months 2005-06</b>	<b>Full Year 2005-06</b>
Sales and Income from operations	25,682	20,009	72,069	55,020	76,679
Other Income & Windpower	1,610	1,064	3,979	3,354	4,385
<b>Total Turnover</b>	<b>27,292</b>	<b>21,073</b>	<b>76,048</b>	<b>58,374</b>	<b>81,064</b>
Gross Profit after Interest before Depreciation and Taxation	5,244	4,644	14,857	12,664	17,944
<b>Profit before Taxation</b>	<b>4,648</b>	<b>4,045</b>	<b>13,047</b>	<b>11,113</b>	<b>15,807</b>
Provision for Taxation	1,200	1,245	3,750	3,315	4,791
<b>Profit after Tax</b>	<b>3,448</b>	<b>2,800</b>	<b>9,297</b>	<b>7,798</b>	<b>11,016</b>
<b>Earnings Per Share (Rs) for the period</b>	<b>34.1</b>	<b>27.5</b>	<b>91.8</b>	<b>76.7</b>	<b>111.0</b>

**B) NON-OPERATING INCOME:**

(a) Non-operating income (net of expenses) for Q3/2006-07 was Rs. 1,575 million v/s Rs. 1,038 million in Q3/2005-06.

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

<b>Rs. in millions</b>	<b>As of 31st Dec. 2006</b>	<b>As of 31<sup>st</sup> March 2006</b>
Cost	60,229	58,703
Market Value	84,679	75,739

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