

Press Release : Q2 / FY12

First time ever !

Motorcycle sales cross 1 million units

Turnover crosses ₹ 5000 crore

EBITDA crosses ₹ 1000 crore

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for Q2 / FY12.

Q2 / FY12 has been a record breaking quarter for the company.

The quarter witnessed:

- ✓ " Highest " ever motorcycles sold – 1,027,357 units
- ✓ " Highest " ever commercial vehicles sold – 136,780 units
- ✓ " Highest " ever turnover – ₹ 5342 crore
- ✓ " Highest " ever exports – ₹ 1733 crore
- ✓ " Highest " ever operating EBITDA – ₹ 1057 crore
- ✓ EBITDA margin – 20.1%; the best in the industry !

1. Performance

		Q2 FY12	Q2 FY11	Growth	FY11
Sales	Numbers	1,164,137	1,000,570	16%	3,823,954
Turnover	₹ in crore	5342	4426	21%	16975
Operating EBITDA	₹ in crore	1057	897	18%	3385
Profit before tax and exceptional items *	₹ in crore	1072	950	13%	3626
Profit after tax, before exceptional items *	₹ in crore	790	682	16%	2615
Profit after tax	₹ in crore	726	682	6%	3340

* See note 5b

2. Motorcycles

	Q2 FY12	Q2 FY11	Growth	FY11
Domestic	684,671	632,672	8%	2,414,606
Exports	342,686	250,822	37%	972,437
Total	1,027,357	883,494	16%	3,387,043

- During the quarter, motorcycle sales crossed **1 million** units.
 - “**Pulsar**”, averaged ~86,000 numbers per month.
 - “**Discover**”, averaged ~133,000 numbers per month. Cumulative sales for the “**Discover**” brand cross **5 million** vehicles.
- Overall market share stood at ~**34%** in Q2 / FY12. Share in **domestic** market stood at ~**27%**.

3. Commercial Vehicles

	Q2 FY12	Q2 FY11	Growth	FY11
Domestic	55,332	60,566	-9%	205,603
Exports	81,448	56,510	44%	231,281
Total	136,780	117,076	17%	436,884

- Commercial vehicle recorded its **highest** ever sales.
- Demand for commercial vehicles, both domestic and export markets, continue to be strong.
- Share in **domestic** market was ~**40%**. The company continues to dominate the petrol & alternate fuel passenger segment with market share of ~**89%**.

4. Exports

	Q2 FY12	Q2 FY11	Growth	FY11
Motorcycles	342,686	250,822	37%	972,437
Three-wheeler	81,448	56,510	44%	231,281
Total	424,134	307,332	38%	1,203,718
Exports in value – ₹ in crore	1733	1153	50%	4,552

- **Highest** ever exports in any quarter – ₹ 1733 crore.
- Overseas markets now contribute over **36%** of all vehicles sold.
- Demand from overseas markets is robust. Company is on course to exceed its target for the year.

5. Operating Results

a. Margins

In a challenging business environment, the company has improved its operating EBITDA margin from 19.1% in Q1 / FY12 to **20.1%** in Q2 / FY12. The improvement in margin was due to higher realization from exports, operating leverage and the rationalization of spends on sales promotion.

b. Exceptional items

The company has protected its future export realizations by entering into range forward contracts. As per the principles laid down under the accounting standard AS30, some of the range forward contracts are deemed ineffective. Accordingly, a MTM loss of ₹ 95 crore on valuation of the contracts are charged to the P&L account. This is a purely notional loss and would get reversed on maturity of the underlying contracts.

c. ROCE and Working capital

Pre-tax return on operating capital stood at **381%**.

Company's net operating working capital was **negative ₹ 730 crore**.

d. Cash and cash equivalents

During the quarter the company received VAT refund of ₹ 860 crore.

After paying ₹ 1345 crore towards dividend and tax thereon, the company had surplus cash and cash equivalents of ₹ 4516 crore, as on 30th September 2011.

e. Awards

In recognition of its consistent and outstanding performance, the company has received the

ET Award – **Company of the year** and

CNBC-TV18 International Trade Awards 2011 – **Outstanding Exporter of the year – Auto Manufacturers**

Overall Exporter of the year.

Kevin D'sa
President (Finance)
20th October 2011.