



**PRESS RELEASE**  
**BAJAJ AUTO RESULTS – Q 1 / 2004-05**

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for the first quarter of the financial year 2004-05.

**1. Highlights**

- ✓ **Turnover Rs. 13.3 billion - 13% ↑**
- ✓ **Exports – 46.7% ↑ - continues to be “India’s # 1 Two & Three wheeler exporter”**
- ✓ **Gross profit – Rs. 2.9 billion – 13%↑**
- ✓ **Profit before tax - Rs. 2.4 billion – 14%↑**
- ✓ **Profit after tax - Rs. 1.6 billion**

**2. Financials**

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

<b>Rs. in million</b>	<b>Q 1 2004-05</b>	<b>Q 1 2003-04</b>	<b>Full Year 2003-04</b>
Sales and Income from operations	12261	10741	49168
<b>Total Turnover</b>	<b>13326</b>	<b>11839</b>	<b>52703</b>
Gross Profit after interest before depreciation and taxation	2907	2574	12053
Depreciation	462	433	1799
Liability in respect of labour dispute	--	--	415
Compensation paid under Voluntary Retirement schemes	--	--	235
<b>Profit before taxation</b>	<b>2445</b>	<b>2141</b>	<b>9604</b>
Provision for taxation (including deferred tax)	800	530	2289
<b>Profit after Tax</b>	<b>1645</b>	<b>1611</b>	<b>7315</b>
Weighted Average Earnings per share (Rs.) (not annualised)	16.1	15.7	73.0

### **3. Turnover, Operating EBITDA & Profit before/after tax**

- (a) Total turnover for Q1/2004-05 was Rs.13.3 billion v/s Rs. 11.8 billion in Q1/ 2003-04 - increase of 13%.
- (b) Sales and other operating income for Q1/2004-05 was Rs.12.3 billion v/s Rs.10.7 billion in Q1/2003-04 – increase of 15%.
- (c) Raw material price increases and reduction in export incentives has resulted in EBITDA margin on operations lower at 15.3% v/s 18% in Q1/2003-04.
- (d) Gross Profit after interest but before depreciation for Q1/2004-05 was Rs. 2,907 million v/s Rs. 2574 million in Q1/2003-04 - increase of 13%.
- (e) The Profit before tax for Q1/2004-05 was Rs.2445 million v/s Rs. 2141 million in Q1/2003-04 – increase of 14%.
- (f) The effective tax rate for Q1/2004-05 is 32.7% v/s 23.8% for 2003-04. The rate in 2003-04 was lower on account of tax-free incomes received in that year.
- (g) The Profit after tax for Q1/2004-05 was Rs. 1645 million v/s Rs. 1611 million in Q1/2003-04.
- (h) The Company has announced a voluntary retirement scheme (VRS) from 1<sup>st</sup> July 2004 for its workmen of its Akurdi plant. The scheme was open till 21<sup>st</sup> July 2004. In response to this 700 workmen have opted for the same. The liability on account of the VRS amounting to Rs. 482 million will be charged over the next three quarters of the current financial year.

### **4. Sales**

<b>SALES (Nos.)</b>			
	<b>Q1/ 2004-05</b>	<b>Q1/ 2003-04</b>	<b>Growth %</b>
Motorcycles	275,786	240,530	14.7
<b>2-Wheelers</b>	<b>318,831</b>	<b>302,530</b>	<b>5.4</b>
3-Wheelers	54,078	45,002	20.2
<b>Total</b>	<b>372,909</b>	<b>347,532</b>	<b>7.3</b>
Exports (out of the above)	50,021	34,089	46.7

**2-Wheelers**

- (a) The total motorcycle sales of the Company in Q1/2004-05 grew by 14.7% v/s industry growth of 12.1%.
- (b) In the entry level segment, Bajaj CT 100 launched in May 2004 has sold over 64,000 numbers in the first two months of its launch. This stylish product with phenomenal fuel efficiency (101 kmpl under standard testing conditions) has been very well received in the market. This product enabled Bajaj Auto to regain leadership in the entry-level segment with a 42% of market share in the month of June 2004.
- (c) The Company continued to maintain its leadership position in the premium segment of the motorcycle market with its Pulsar twins.
- (d) In the executive segment, the new motorcycle – Discover will be launched in August 2004.

**3-Wheelers:**

- (a) The 3-Wheeler sales of the Company grew by 20.2% in the current quarter.
- (b) The Company continues to be a market leader in the passenger carrier (3 seater) segment with a market share of 89%.
- (c) In the goods carrier segment, GC 1000 has enabled the Company to improve its market share to 26%.

**Exports:**

- (a) Exports in value for Q1/2004-05 was Rs.1714 million v/s Rs.1284 million in Q1/2003-04 - an increase of 33%.
- (b) Exports in volumes are given in the below table:

	<b>Q1/2004-05</b>	<b>Q1/2003-04</b>	<b>Change %</b>
Total 2-Wheelers	32,087	17,491	83.4
Total 3-Wheelers	17,934	16,598	8.0
<b>Grand Total</b>	<b>50,021</b>	<b>34,089</b>	<b>46.7</b>

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

**5. Non-operating Income**

- (a) Treasury income for Q1/2004-05 was Rs. 991 million v/s Rs. 1017 million in Q1/2003-04.
- (b) The market value of investments are higher than cost by Rs. 2536 million as tabulated below:

<b>Rs. in millions</b>	<b>As of 30<sup>th</sup> June 2004</b>	<b>As of 31<sup>st</sup> March 2004</b>
Cost	41758	39072
Market Value	44294	45108

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**Rajiv Bajaj**  
**Jt. Managing Director**

Pune, 31<sup>st</sup> July 2004