

PRESS RELEASE
BAJAJ AUTO RESULTS: 2nd QUARTER; FINANCIAL YEAR 2005-06

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 2005-06 and the half year ended 30th September 2005.

1. HIGHLIGHTS OF Q 2

- ✓ **Motorcycle Sales 32%↑ - above the industry growth of 22%.**
- ✓ **2 & 3-Wheeler Sales 25% ↑.**
- ✓ **Exports (Nos.) 35%↑.**
- ✓ **Turnover Rs. 20 billion – 30% ↑.**
- ✓ **Profit before tax - 52%↑.**
- ✓ **Profit after tax - 62%↑**
- ✓ **Operating EBITDA margin –17.2 % against 15.9% in Q1/2005-06.**

2. SALES:

In Nos.	Q 2 2005-06	Q 2 2004-05	Growth	H 1 2005-06	H 1 2004-05	Growth
Motorcycles	445,557	336,425	32%	868,100	612,211	42%
2 Wheelers	487,067	380,514	28%	939,280	699,345	34%
3-Wheelers	68,485	64,681	6%	121,796	118,759	3%
Total	555,552	445,195	25%	1,061,076	818,104	30%
Exports (out of above)	61,913	45,992	35%	112,406	96,013	17%

2-Wheelers

- (a) **“HIGHEST EVER”** sale of 2 & 3-wheelers during the quarter and first six months.
- (b) **“HIGHEST EVER”** sale of 2 & 3-wheelers in a month; September 2005 – 218,342.
- (c) **“HIGHEST EVER”** sale of motorcycles in a month; September 2005 – 180,926 Motorcycles.

- (d) Motorcycle sales continue to outgrow the industry – **32%** v/s industry growth of **22%**.
- (e) **“SEGMENT LEADER”** in the price segment of motorcycle market with the Bajaj CT 100. Sold over 105,000 units in September 2005; capacity constraints to be overcome in October 2005.
- (f) **“SEGMENT LEADER”** in premium segment of the motorcycle market. The Bajaj Pulsar DTS-i continues to dominate despite competition. **“HIGHEST EVER”** monthly sale of 35,997 units in September 2005. Leadership strengthened with the launch of a cruiser bike - **“Bajaj Avenger DTS-i”**; 3,036 units sold in September 2005.
- (g) **“SIGNIFICANT GROWTH”** of market share in value segment of the motorcycle market with the launch of the Bajaj Discover DTS-i upgrade. Vehicle received very well in the market with demand outstripping supply leading to waiting period; Over 35,000 units sold in September 2005.
- (h) Motorcycle capacity being increased to 200,000 per month by October 2005 to meet the increasing demand.
- (i) New ungeared scooter **“Bajaj Wave”** was launched in June 2005; sold over 7,500 units in September 2005; capacity is being expanded to 10,000 units per month in October 2005.

3-Wheelers

- (a) Continued dominance in 3-wheeler passenger segment with market share of over 80%.
- (b) With Governments mandating clean fuel vehicles, outlook for 3-wheeler LPG/CNG vehicle sales is positive.

Exports:

- (a) Bajaj Auto continues to be the country’s #1 Exporter of 2 & 3-wheelers.
- (b) Exports in volume and value is tabulated below:

In Nos.	Q 2 2005-06	Q 2 2004-05	Growth	H 1 2005-06	H 1 2004-05	Growth
Motorcycles	38,235	25,073	52%	68,953	54,810	26%
2 Wheelers	40,454	26,348	54%	73,966	58,435	27%
3-Wheelers	21,459	19,644	9%	38,440	37,578	2%
Total	61,913	45,992	35%	112,406	96,013	17%
Value Rs. millions	2,263	1,817	25%	4,072	3,531	15%

3. TURNOVER, MARGINS & PROFIT AFTER TAX:

- (a) Turnover for the quarter was Rs.20 billion - **30%**↑.
- (b) Gross Profit for the quarter was Rs. 4.5 billion –**38%** ↑.
- (c) Net profit for the quarter was Rs. 2.9 billion – **62%** ↑.
- (d) Growth in profits largely driven by core automotive business.
- (e) EPS for the quarter was Rs. 28.60.
- (f) Operating EBITDA margin for the quarter was **17.2% v/s 15.9%** in Q1 and 15.7% for FY 2004-05.
- (g) The rise in EBITDA for the quarter is a result of richer product mix, productivity improvements and control over costs.
- (h) The summary of financials of Bajaj Auto (not consolidated) and details of non-operating income are annexed to this Press Release.

4. ASSOCIATES & JOINT VENTURES

Bajaj Auto Finance Limited

- (a) During the quarter, total disbursements increased by 19% to Rs. 4,446 million as against Rs. 3,748 million in Q2/2004-05.
- (b) The stock of hire purchase finance and receivables as of 30th September 2005 was Rs. 15,134 million against Rs. 9,523 million on 30th September 2004.
- (c) The profit after tax for the quarter was Rs. 123 million against Rs. 125 million in Q2/2004-05.
- (d) The company proposes to increase its authorized share capital to Rs. 500 million from Rs. 200 million, subject to the approval of the Shareholders in General Meeting.

Bajaj Allianz General Insurance Company Limited

- (a) The gross written premium for the quarter was Rs. 3,054 million against Rs. 1,795 million in Q2/2004-05 – an increase of 70%.
- (b) The profit before tax for the quarter was Rs. 159 million against Rs. 89 million in Q 2 / 2004-05 – increase of 79%.
- (c) The profit after tax for the quarter was Rs. 95 million against Rs. 49 million in the corresponding quarter last year – increase of 94%.

- (d) The company continues to retain its number 2 slot amongst private insurers in terms of gross premiums.

Bajaj Allianz Life Insurance Company Limited

- (a) The gross written premium for the quarter was Rs. 5,365 million against Rs. 1,576 million in Q2/2004-05 – increase of 240%.
- (b) The results for the six months ended September 30,2005 includes a sum of Rs 505 million representing the transfer from shareholders' account to policyholders' account to fund the deficit in the policyholders account. (Corresponding previous period Rs Nil). Consequently the loss in Q2/2005-06 was Rs. 479 million against a profit of Rs. 25 million in Q2/2004-05.
- (c) The company continues to retain its number 2 slot in terms of premium income amongst private players.

Sanjiv Bajaj
Executive Director
Pune, 15th October 2005

ANNEXURE TO PRESS RELEASE DATED 15th October 2005

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

Rs. in millions	Q 2 2005-06	Q 2 2004-05	H 1 2005-06	H 1 2004-05	Full Year 2004-05
Sales and Income from operations	18,669	14,482	35,011	26,744	59,271
Other Income & Windpower	1,362	883	2,290	1,947	4,081
Total Turnover	20,031	15,365	37,301	28,691	63,352
Gross Profit after Interest before Depreciation and Taxation	4,518	3,277	8,020	6,184	13,208
Profit before Taxation	4,028	2,649	7,068	5,095	10,864
Provision for Taxation	1,120	850	2,070	1,650	3,196
Profit after Tax	2,908	1,799	4,998	3,445	7,668
Earnings Per Share (Rs) for the period	28.6	17.8	49.2	33.9	75.6

B) NON-OPERATING INCOME:

- (a) Non-operating income for Q2/2005-06 was Rs.1,267 million v/s Rs. 785 million in Q2/2004-05.
- (b) The cost and market value of the investment portfolio is given in the table below:

Rs. in millions	As of 30th Sept. 2005	As of 31st March 2005
Cost	52,126	45,882
Market Value	65,492	53,299
