

## **PRESS RELEASE**

### **BAJAJ AUTO RESULTS – 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 financial year 2004-05.

#### **1. Highlights of the year**

- ✓ **Turnover (net of excise) Rs. 63.4 billion — 20% ↑**
- ✓ **Motorcycle sales — 1.45 million units — 42% ↑ , ahead of industry growth of 21%.**
- ✓ **Exports – 26% ↑ — Continues to be “India’s # 1 Two & Three wheeler exporter”**
- ✓ **Highest ever Profit before tax — Rs. 10.9 billion – 13% ↑**
- ✓ **Highest ever Profit after tax — Rs. 7.7 billion v/s Rs. 7.3 billion in FY 2003-04.**
- ✓ **Pre-tax Operating ROCE up from 71% to 80%**

#### **2. Financials**

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

<b>Rs. in million</b>	<b>FY 2004-05</b>	<b>FY 2003-04</b>
<b>Turnover (net of excise)</b>	<b>63,352</b>	<b>52,703</b>
<b>Gross Profit after interest but before depreciation and taxation</b>	<b>13,208</b>	<b>12,053</b>
VRS, Liability for settlement of claims of temporary workmen	490	650
Depreciation	1,854	1,799
<b>Profit before taxation</b>	<b>10,864</b>	<b>9,604</b>
Provision for taxation (including deferred tax)	3,196	2,289
<b>Profit after Tax</b>	<b>7,668</b>	<b>7,315</b>
Basic and diluted earnings per share (Rs.)	75.6	73

#### **3. Dividend**

The Board of Directors recommended a dividend of Rs. 25 per share ( 250 %). The total amount of dividend and tax thereon amounted to Rs. 2,884 million. Dividend paid in the previous year was Rs. 25 per share (250%).

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

- (a) Turnover (net of excise) was Rs. 63.4 billion and grew by 20% v/s Rs. 52.7 billion in FY 2003-04. Net sales and other operating income was Rs. 59.3 billion v/s 49.2 billion in FY 2003-04.
- (b) Operating EBITDA for FY 2004-05 was 15.7% v/s 18.2% in FY 2003-04. The margin contraction is a result of increasing prices of raw materials and a change in product mix.
- (c) The Profit before tax for FY 2004-05 was Rs. 10,864 million v/s Rs. 9,604 million in FY 2003-04. The Profit after tax for FY 2004-05 was Rs. 7,668 million v/s Rs. 7,315 million in FY 2003-04.
- (d) Pre-tax return on operating capital employed increased by 9 percentage points to 80% in FY 2004-05 v/s 71% in FY 2003-04.

#### **5. Sales**

<b>SALES (Nos.)</b>			
	<b>2004-05</b>	<b>2003-04</b>	<b>Change</b>
Motorcycles	1,449,710	1,023,551	42%
<b>2-Wheelers</b>	<b>1,602,646</b>	<b>1,288,949</b>	<b>24%</b>
3-Wheelers	222,053	229,182	-3%
<b>Total</b>	<b>1,824,699</b>	<b>1,518,131</b>	<b>20%</b>
<b>Exports (out of the above)</b>	<b>196,710</b>	<b>156,007</b>	<b>26%</b>

#### **2-Wheelers**

- (a) In 2004-05, Bajaj Auto's motorcycle sales grew by 42% well ahead of the industry growth of 21%.
- (b) The three motorcycle brands — CT 100, Discover and the Pulsar-upgrades enabled Bajaj Auto to outperform the industry. Bajaj Auto continues to dominate the price and the premium segment of the motorcycle market.
- (c) During the year, Bajaj Discover DTSi won the Overdrive — Bike of the Year 2005 and Overdrive — Best Indigenous Design of the Year 2005. This is the third year in succession that Bajaj bikes have won the bike of the year award.
- (d) The new Ung geared scooter — “Wave” was launched in March 2005 in Pune. This will be launched nationally by Q2/2005-06.
- (e) In the premium end of the motorcycle market a competitively priced cruiser bike — “Avenger” will be launched in Q2 / 2005-06.

#### **3-Wheelers**

- (a) The company's 3-wheelers sales declined marginally by 3%.
- (b) The decline in the overall sales of 3-wheelers is largely due to cap in permits issued by the local/state governments in the local markets.

- (c) The company continues to dominate the passenger carrier segment (3 seater) with an 86% market share.
- (d) In the goods carrier segment, Bajaj Auto's sales grew by 31% to achieve a market share of 26%.

### **Exports**

- (a) Exports in volumes are given in the below table:

	<b>2004-05</b>	<b>2003-04</b>	<b>Change</b>
Total 2-Wheelers	130,945	90,210	45%
Total 3-Wheelers	65,765	65,797	--
<b>Grand Total</b>	<b>196,710</b>	<b>156,007</b>	<b>26%</b>

- (b) The company continues to be the "**number one**" exporter of two and three wheelers in the country. During the year, Bajaj Auto opened a Representative Office at Jakarta, Indonesia to explore the market for its 2&3 Wheelers in that country and in ASEAN region.
- (c) Exports in value of 2&3 wheelers during FY 2004-05 were Rs. 6,949 million v/s Rs. 5,560 million in FY 2003-04.

### **6. Non-operating Income**

- (a) Non-operating income for FY 2004-05 was Rs. 3,832 million v/s Rs. 3,271 million in FY 2003-04.
- (b) The cost and market value of the investment portfolio is given in the table below:

<b>Rs. in millions</b>	<b>As of 31<sup>st</sup> March 2005</b>	<b>As of 31<sup>st</sup> March 2004</b>
Cost	45,882	39,072
Market Value	53,299	45,108

**Sanjiv Bajaj**  
**Executive Director**

Mumbai, 11<sup>th</sup> May 2005