

PRESS RELEASE
BAJAJ AUTO RESULTS: 1st 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 first quarter of 2005-06.

1. HIGHLIGHTS OF Q1:

- ✓ **Motorcycles grew by 53% - well above the industry growth rate of 24%.**
- ✓ **Turnover Rs 17.3 billion – 30% ↑.**
- ✓ **Operating EBITDA Rs. 2.6 billion – 38%↑.**
- ✓ **Operating EBITDA margin – 15.9% against 15.3% in Q1/2004-05.**
- ✓ **Gross Profit - Rs 3.5 billion – 20%↑.**
- ✓ **Profit after tax – Rs. 2.1 billion – 27%↑.**

2. SALES:

SALES (Nos.)			
	Q1 2005-06	Q1 2004-05	Growth %
Motorcycles	422,543	275,786	53%
2-Wheelers	452,213	318,831	42%
3-Wheelers	53,311	54,078	-1%
Total	505,524	372,909	36%
Exports (out of the above)	50,493	50,021	1%

2-Wheelers

- (a) Bajaj Auto's motorcycle sales continue to outperform the industry. In the current quarter Bajaj Auto's motorcycle sales grew by **53%**. v/s industry growth of **24%**.
- (b) The Bajaj CT 100 completed a cumulative sale of **"ONE MILLION"** since its launch in May 2004. To further enhance customer value, CT 100 is being revamped with ExhaustTec, Spring in spring (SNS) rear suspension and 17" wheels — all of this brings in class leading ride comfort to this product.
- (c) The Bajaj Pulsar DTSi twins have sold an average of 29,000 vehicles in this quarter registering a growth of **29%** over the Q1/2004-05.

- (d) The Bajaj Avenger rolled out of the Chakan plant on 10th June 2005. This cruiser bike is available at select dealerships across the country at an ex-showroom price of Rs. 60,000/-. This is further expected to consolidate Bajaj Auto's presence in the performance category of the motorcycle market.

3-Wheelers:

- (a) The Company continues to be the market leader in the passenger carrier segment with a market share of **81%** while the market share in the goods carrier segment improved marginally to **26.3%**.

Exports:

- (a) The Company continues to be the #1 exporter of 2 & 3 Wheelers in the country.
- (b) The exports in volumes are given in the table below:

EXPORTS (Nos.)			
	Q 1 2005-06	Q 1 2004-05	Growth
Motorcycles	30,718	29,737	3%
Total 2W	33,512	32,087	4%
Total 3W	16,981	17,934	-5%
Grand Total	50,493	50,021	1%
Sales in Value Rs. millions	1,809	1,714	6%

3. TURNOVER, MARGINS & PROFIT AFTER TAX:

- (a) During the quarter, an impressive **30%** revenue growth led to a strong **27%** PAT growth as is evident from table given below:

	Growth Q1/2005-06 v/s Q1/2004-05
Net Sales & income from operations	33%
Total Turnover	30%
Operating EBITDA	38%
Gross Profit	20%
Profit before tax	24%
Profit after tax	27%

- (b) EBITDA margin has improved over the last three succeeding quarters and stands at **15.9%** for Q1/2005-06.

- (c) 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

The Company is a leading provider of consumer credit in the NBFC sector. During the quarter, the total disbursements increased by 40% to Rs. 3,879 million as against Rs. 2,763 million in Q1/2004-05. Profit after tax for the quarter was Rs. 115 million as against Rs. 93 million in Q1/2004-05 — growth of 24%.

During the year, the Company proposes to extend its retail reach by opening 20 new branches. With this proposed expansion, the Company would have 110 branches covering over 250 towns across the country.

Bajaj Allianz General Insurance Company Limited

The Company recorded a gross premium of Rs.3,169 million during Q1/2005-06 as against Rs. 2,256 million in Q1/2004-05 — growth of 40%. Net earned premium during the quarter was Rs. 1,319 million as against Rs. 791 million in Q1/2004-05 — increase of 67%. Profit before tax for the quarter was Rs. 195 million as compared to Rs. 244 million in Q1/2004-05. Profit after tax for the quarter was Rs. 121 million as compared to Rs. 155 million in Q1/2004-05.

The Company continues to retain its number two slot in general insurance area amongst private players in terms of Gross Written Premium.

The Company is currently present in 44 locations across the country with a staff strength of 1,025 employees as of 30th June 2005.

Bajaj Allianz Life Insurance Company Limited

The Company continues to retain its number two slot in terms of premium income amongst private life insurers.

The gross written premium for Q1/2005-06 was Rs. 2,397 million as against Rs. 860 million in Q1/2004-05 — growth of 179%. The total number of policies issued during the quarter was 70,180 as against 32,979 in Q1/2004-05. The Profit after tax for the quarter was Rs. 20 million as against Rs. 34 million in Q1/2004-05.

In addition to its agency network, the Company continues to explore alternative channels for distribution. During the quarter, the Company tied up with 2 banks for bancassurance taking the total of such tie-ups to 6. Bancassurance contributed 30% of the new business in the quarter.

Sanjiv Bajaj
Executive Director
Pune, 16th July 2005

ANNEXURE TO PRESS RELEASE DATED 16TH JULY 2005

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

Rs. in millions	Q1 2005-06	Q1 2004-05	Full Year 2004-05
Sales and Income from operations	16,341	12,261	59,271
Other Income & Windpower	928	1,065	4,081
Total Turnover	17,269	13,326	63,352
Gross Profit after Interest before Depreciation and Taxation	3,502	2,907	13,208
Profit before Taxation	3,040	2,446	10,864
Provision for Taxation	950	800	3,196
Profit after Tax	2,090	1,646	7,668
Earnings Per Share (Rs) for the period	20.55	16.12	75.6
Earnings Per Share (Rs) Annualised	82.2	64.5	75.6

B) NON-OPERATING INCOME:

- (a) Non-operating income for Q1/2005-06 was Rs. 878 million v/s Rs. 991 million in Q1/2004-05.
- (b) The cost and market value of the investment portfolio is given in the table below:

Rs. in millions	As of 30th June 2005	As of 31st March 2005
Cost	49,968	45,882
Market Value	57,953	53,299
