

## Press Release

### Results : Q2 / FY13

#### EBITDA margin improves sequentially from 19.4% in Q1 to 19.7% in Q2

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for Q2 / FY13.

#### 1. Performance highlights

₹ in crore	Q2 FY13	Q2 FY12	Change	H1 FY13	H1 FY12	Change	FY12
Sales (No's)	1,049,208	1,164,137	-10%	2,128,179	2,256,952	-6%	4,349,560
Turnover	5139	5342	-4%	10187	10192	-	20137
Export revenue	1665	1733	-4%	3403	3420	-	6604
Operating EBITDA	992	1057	-6%	1953	1968	-1%	4001
Operating EBITDA %	19.7	20.1		19.5	19.6		20.2%
Profit after tax	741	726	2%	1459	1437	2%	3004

The quarter was a challenging quarter for the industry at large.

The motorcycle industry which witnessed a CAGR growth of 15% over last 4 years, witnessed a decline of -9% in Q2 / FY13. Added to this was the overall inflationary pressures, rise in input cost and depreciating rupee forcing the government to increase fuel prices.

In this environment, company's performance has been more than satisfying.

Company's strategy to focus on the high end motorcycle segment of the market together with its variable cost structure ensured that in a subdued market there was no negative impact on operating leverage.

- Operating EBITDA margin improved sequentially from 19.4% in Q1 / FY13 to 19.7% in Q2 / FY13 ( 20.1% in Q2 / FY12 )
- Profit after tax stood at ₹ 741 crore in Q2 / FY13 as against ₹ 726 crore in Q2 / FY12.

#### 2. Motorcycles

	Q2 FY13	Q2 FY12	Change	H1 FY13	H1 FY12	Change	FY12
Domestic	601,876	684,671	-12%	1,220,365	1,307,846	-7%	2,566,757
Export	326,648	342,686	-5%	690,782	682,562	1%	1,267,648
Total	928,524	1,027,357	-10%	1,911,147	1,990,408	-4%	3,834,405

During the quarter, the Pulsar 200 NS and Discover ST were launched pan-India.

- ✓ Both the products have received an over-whelming response.
  - In September 2012, Discover became the largest selling motorcycle brand in the country, having dislodged Splendor from the coveted spot.
- ✓ With the success of new launches, Bajaj Auto increased its share in domestic motorcycle market from 23% in April 12 to 27% in September 12.
  - “Discover” market share in the commuter-dlx segment increased from ~16% in April 12 to nearly 25% in September 12
  - “Pulsar” market share in the premium segment increased from ~45% in April 12 to nearly 50% in September 12
- ✓ In the international market, Africa continues to do well. In other markets, in-line with overall global slowdown, demand remained subdued.
- ✓ In Srilanka, as against an average sale of 12,000 motorcycles per month, current sales are at ~6,500 motorcycles per month.
- ✓ Overall ( domestic + exports ), company’s market share, for Q2 / FY13, stood at ~33%

### 3. Commercial Vehicles

	Q2 FY13	Q2 FY12	Change	H1 FY13	H1 FY12	Change	FY12
Domestic	57,047	55,332	3%	101,884	97,608	4%	202,979
Export	63,637	81,448	-22%	115,148	168,936	-32%	312,176
Total	120,684	136,780	-12%	217,032	266,544	-19%	515,155

- ✓ Sale of commercial vehicles in domestic market is a reflection of the general economic conditions. During the quarter, industry remained flat.
- ✓ However, with the success of the recently launched diesel variants, in domestic market, Bajaj Auto has performed better than the industry with a growth of 3%. Overall market share stood at ~41%.
- ✓ Bajaj Auto continues to dominate the gasoline and alternate fuel passenger segment; market share ~85%.
- ✓ Outperformed in the Diesel passenger carrier segment – grew by 31% as against an industry growth of 7%; market share at ~31%.
- ✓ With opening of new permits, outlook for coming quarters in the domestic commercial vehicle segment is encouraging.
- ✓ As regards international markets, with price rationalization in Srilanka, average sales has recovered to ~7,500 commercial vehicles per month. The loss on sales in Srilanka is being partially off-set with gains in Egypt.

#### 4. Results

A summary of the results is given in Annexure I

##### 4.1. Cash and cash equivalents

After payout of dividend and tax thereon in July 2012 ( ₹ 1513 crore ), surplus cash and cash equivalents as on 30<sup>th</sup> September 2012 stood at ₹ 4521 crore as against ₹ 5682 crore as on 30<sup>th</sup> June 2012.

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Kevin D'sa  
President (Finance)  
20<sup>th</sup> October 2012.



**Bajaj Auto Limited**  
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**Annexure I**

(₹ In Crore)

	Particulars	Quarter ended		Half year ended		Year ended
		30.09.2012 (Unaudited)	30.09.2011 (Unaudited)	30.09.2012 (Unaudited)	30.09.2011 (Unaudited)	31.03.2012 (Audited)
	<b>Sales in numbers</b>	1,049,208	1,164,137	2,128,179	2,256,952	4,349,560
<b>1</b>	<b>Income from operations</b>					
a.	Gross sales	5,100.57	5,237.93	10,071.98	9,979.81	19,827.03
	Less: Excise duty	283.50	248.54	541.27	455.04	946.76
	Net sales	4,817.07	4,989.39	9,530.71	9,524.77	18,880.27
b.	Other operating income	155.33	195.97	307.35	366.88	648.71
	<b>Total income from operations (net)</b>	<b>4,972.40</b>	<b>5,185.36</b>	<b>9,838.06</b>	<b>9,891.65</b>	<b>19,528.98</b>
<b>2</b>	<b>Expenses</b>					
	(a) Cost of materials consumed	3,446.23	3,604.49	6,646.99	6,779.32	13,445.54
	(b) Purchases of stock-in-trade	212.64	199.44	404.37	375.72	751.15
	(c) Changes in inventories	(90.24)	(41.53)	25.31	73.24	(94.15)
	(d) Employee benefits expense	153.22	139.24	313.62	282.33	540.11
	(e) Depreciation	41.04	39.42	76.28	70.06	145.62
	(f) Other expenses	347.87	319.49	684.05	578.37	1,215.77
	(g) Expenses capitalised	(12.53)	(11.24)	(23.19)	(12.64)	(49.43)
	<b>Total expenses</b>	<b>4,098.23</b>	<b>4,249.31</b>	<b>8,127.43</b>	<b>8,146.40</b>	<b>15,954.61</b>
<b>3</b>	<b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>874.17</b>	<b>936.05</b>	<b>1,710.63</b>	<b>1,745.25</b>	<b>3,574.37</b>
<b>4</b>	<b>Other income</b>					
a.	Investment income	89.54	74.48	182.36	147.57	332.91
b.	Other income	77.18	81.90	166.33	152.90	275.13
		<b>166.72</b>	<b>156.38</b>	<b>348.69</b>	<b>300.47</b>	<b>608.04</b>
<b>5</b>	<b>Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>1,040.89</b>	<b>1,092.43</b>	<b>2,059.32</b>	<b>2,045.72</b>	<b>4,182.41</b>
<b>6</b>	<b>Finance costs</b>	<b>0.22</b>	<b>20.22</b>	<b>0.26</b>	<b>20.45</b>	<b>22.24</b>
<b>7</b>	<b>Profit from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>1,040.67</b>	<b>1,072.21</b>	<b>2,059.06</b>	<b>2,025.27</b>	<b>4,160.17</b>
<b>8</b>	<b>Exceptional items</b>					
	Valuation gains / (losses) on derivative hedging instruments	-	(95.41)	-	(95.41)	(134.00)
<b>9</b>	<b>Profit from ordinary activities before tax (7+8)</b>	<b>1,040.67</b>	<b>976.80</b>	<b>2,059.06</b>	<b>1,929.86</b>	<b>4,026.17</b>
<b>10</b>	<b>Tax expense</b>	<b>300.00</b>	<b>251.00</b>	<b>600.00</b>	<b>493.00</b>	<b>1,022.12</b>
<b>11</b>	<b>Net Profit for the period (9-10)</b>	<b>740.67</b>	<b>725.80</b>	<b>1,459.06</b>	<b>1,436.86</b>	<b>3,004.05</b>
<b>12</b>	<b>Paid-up equity share capital (Face value of ₹ 10)</b>	<b>289.37</b>	<b>289.37</b>	<b>289.37</b>	<b>289.37</b>	<b>289.37</b>
<b>13</b>	<b>Reserves excluding Revaluation Reserves</b>					<b>5,751.70</b>
<b>14</b>	<b>Basic and Diluted Earnings per share (₹) (not annualised)</b>					
	before and after extraordinary items	<b>25.6</b>	<b>25.1</b>	<b>50.4</b>	<b>49.6</b>	<b>103.8</b>