



BAJAJ

Distinctly Ahead

		FY10	FY09	Gr.
TOTAL UNITS	Motorcycles	2,506,791	1,907,853	31%
	Total 2Wh's	2,511,643	1,919,625	31%
	3 Wh's	340,937	274,529	24%
	Total Units	2,852,580	2,194,154	30%

		FY10	FY09	Gr.
Domestic Units	Motorcycles	1,781,768	1,276,470	40%
	Total 2Wh's	1,785,528	1,286,162	39%
	3 Wh's	176,050	135,473	30%
	Total Units	1,961,578	1,421,635	38%

		FY10	FY09	Gr.
Export Units	Motorcycles	725,023	631,383	15%
	Total 2Wh's	726,115	633,463	15%
	3 Wh's	164,887	139,056	19%
	Total Units	891,002	772,519	15%

Domestic motorcycle market				
Units	H1	Gr.	H2	Gr.
Bajaj	744,000	-5%	1,038,000	109%
Others	2,777,000	22%	2,781,000	23%
Total	3,521,000	15%	3,819,000	38%

Market share for motorcycles in domestic market improved from 21% in H1 / FY10 to **27% in H2 / FY10**

Financial Results (Rs. in crores)



Distinctly Ahead

Particulars	FY10	FY09	Growth
Net Sales	11509	8437	
Other operating Income	412	373	
Total Income	11921	8810	35%
Expenditure			
Material (net)	8055	6449	
Employee cost	400	354	
Other expenditure	874	805	
Total expenditure	9329	7608	23%
EBITDA	2592	1202	116%
%	21.7	13.6	
Interest	6	21	
Depreciation	136	130	
Operating Profit	2450	1051	133%
%	20.6	11.9	
Other income (net)	122	112	
	2572	1163	121%
Exceptional items :			
Expenditure incurred on VRS	183	183	
Loss on derivative hedging instruments	-22	22	
Profit before tax	2411	958	152%
Tax	708	302	
Profit after tax	1703	656	160%
Earnings per share	117.7	45.2	

Material cost	
Qtr	%
Q1	66.2
Q2	66.2
Q3	68.5
Q4	69.3
Full year	67.7

Other expenditure	
Qtr	%
Q1	9.5
Q2	8.1
Q3	6.7
Q4	5.3
Full year	7.2

EBITDA	
Qtr	%
Q1	19.5
Q2	22.0
Q3	22.0
Q4	22.9
Full year	21.7

Summarized Cash flow

Rs. in crores		FY09
Cash and cash equivalents		
Opening balance		933
Closing balance		3263
Net change during the year		2330
Earned from operations and treasury		2730
Outflow : CAPEX	117	
Investments : PTBAI & KTM	83	
Income tax	700	
Dividend	372	
Working capital and others	(872)	
Total outflow		400
Net change		2330

MOTORCYCLES

INDEX

- Industry Analysis and Projections
- Category Projections
- Bajaj Performance
- Brand Strategy
- New Initiatives and Outlook for the Yr 2010-11

INDUSTRY ANALYSIS AND PROJECTIONS

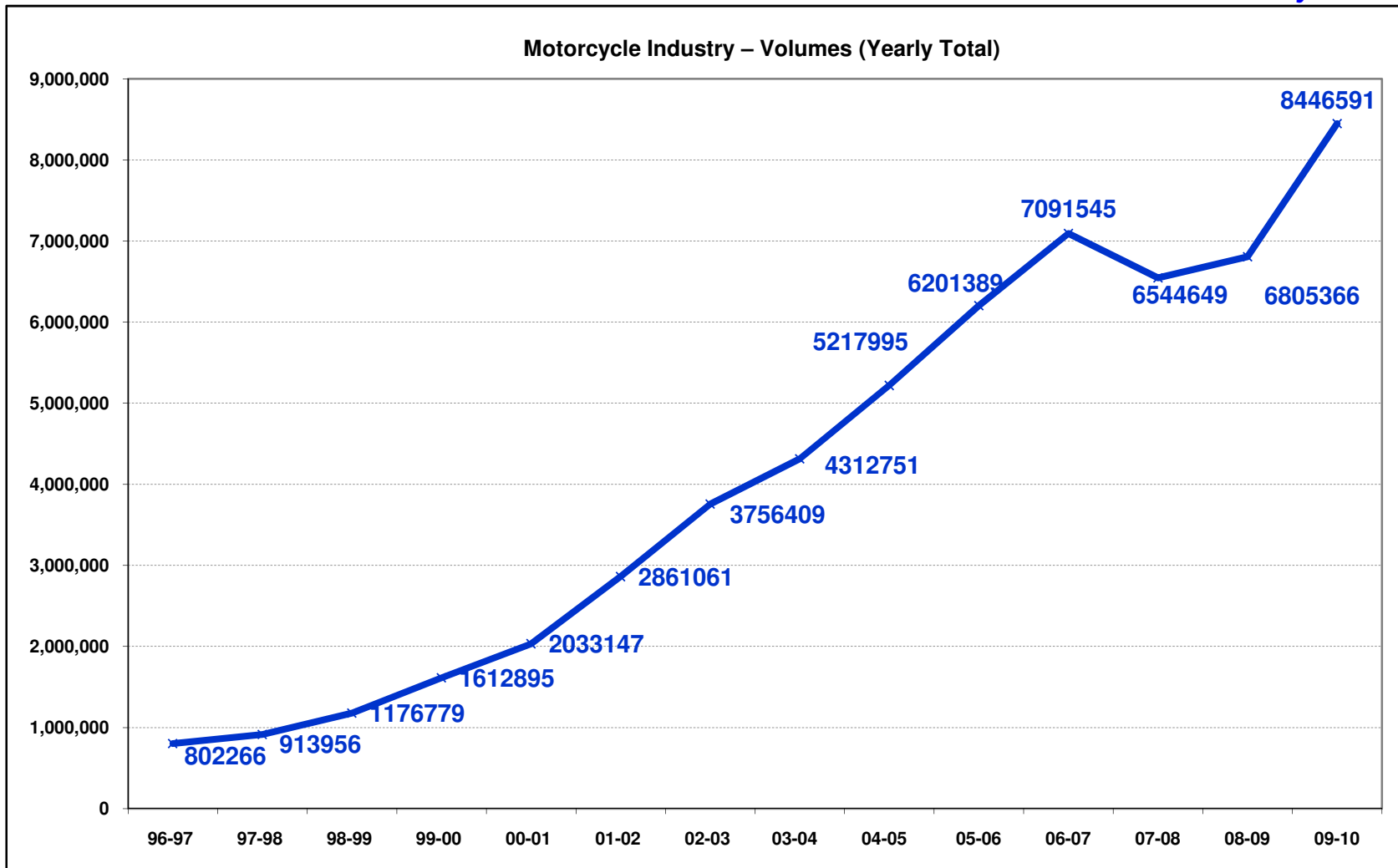
INDUSTRY

- 15 year Trend
- Forecast for next 3 years
- Growth Drivers

INDIAN MOTORCYCLE INDUSTRY (DOMESTIC + EXPORTS)

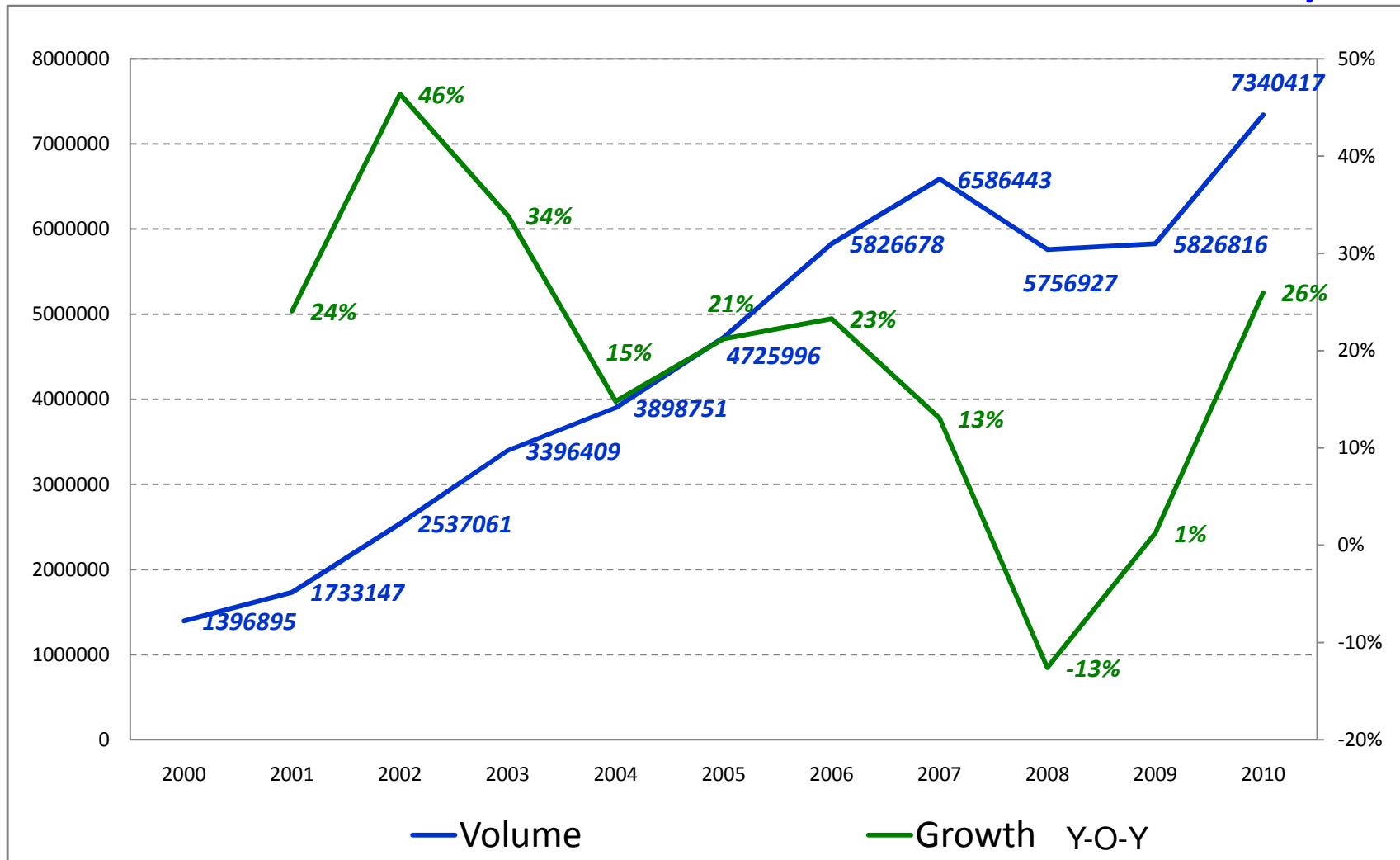


Yearly Total



DOMESTIC MOTORCYCLE INDUSTRY

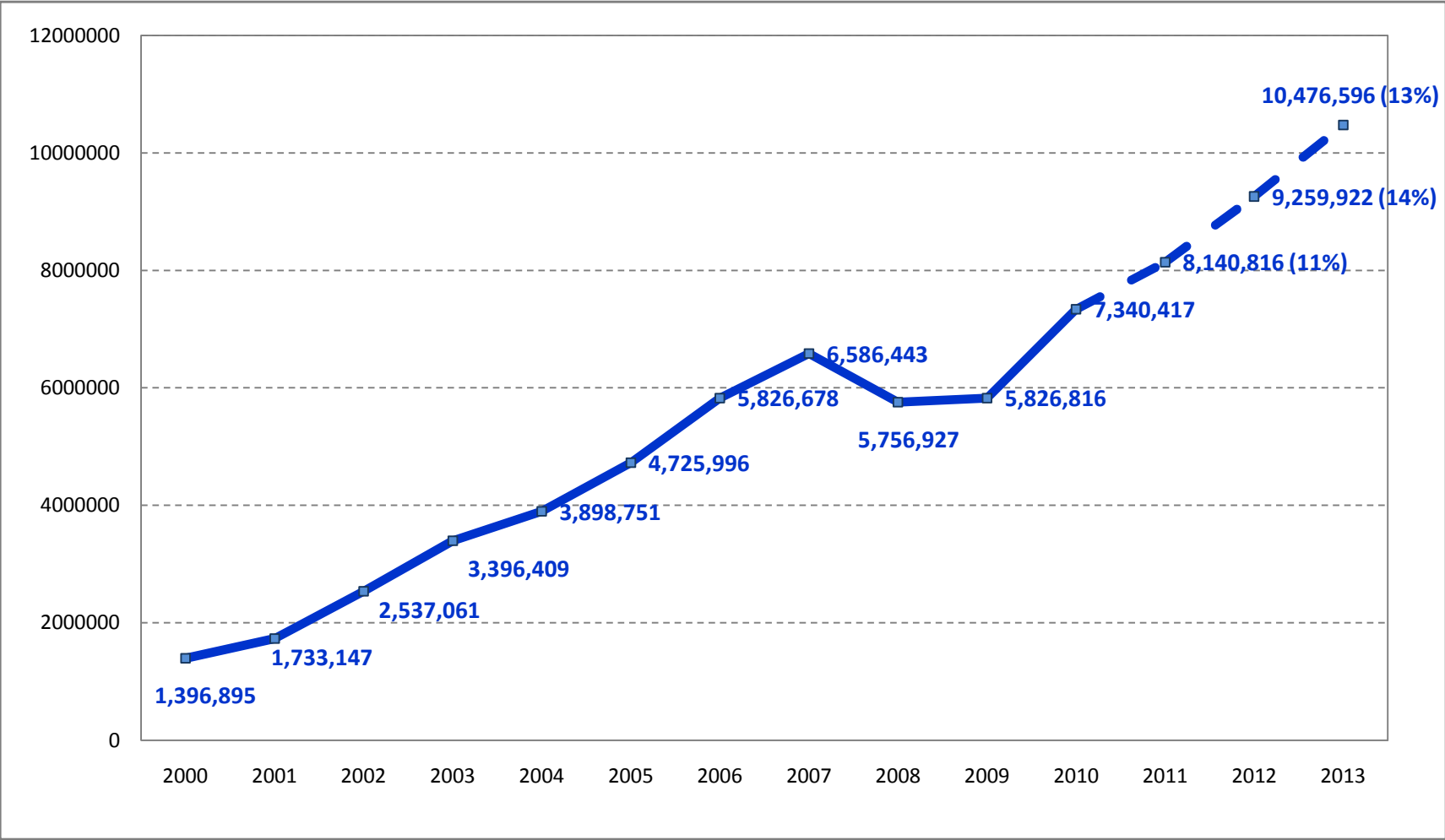
Yearly Total



MOTORCYCLE DOMESTIC INDUSTRY - PROJECTIONS



Yearly Total

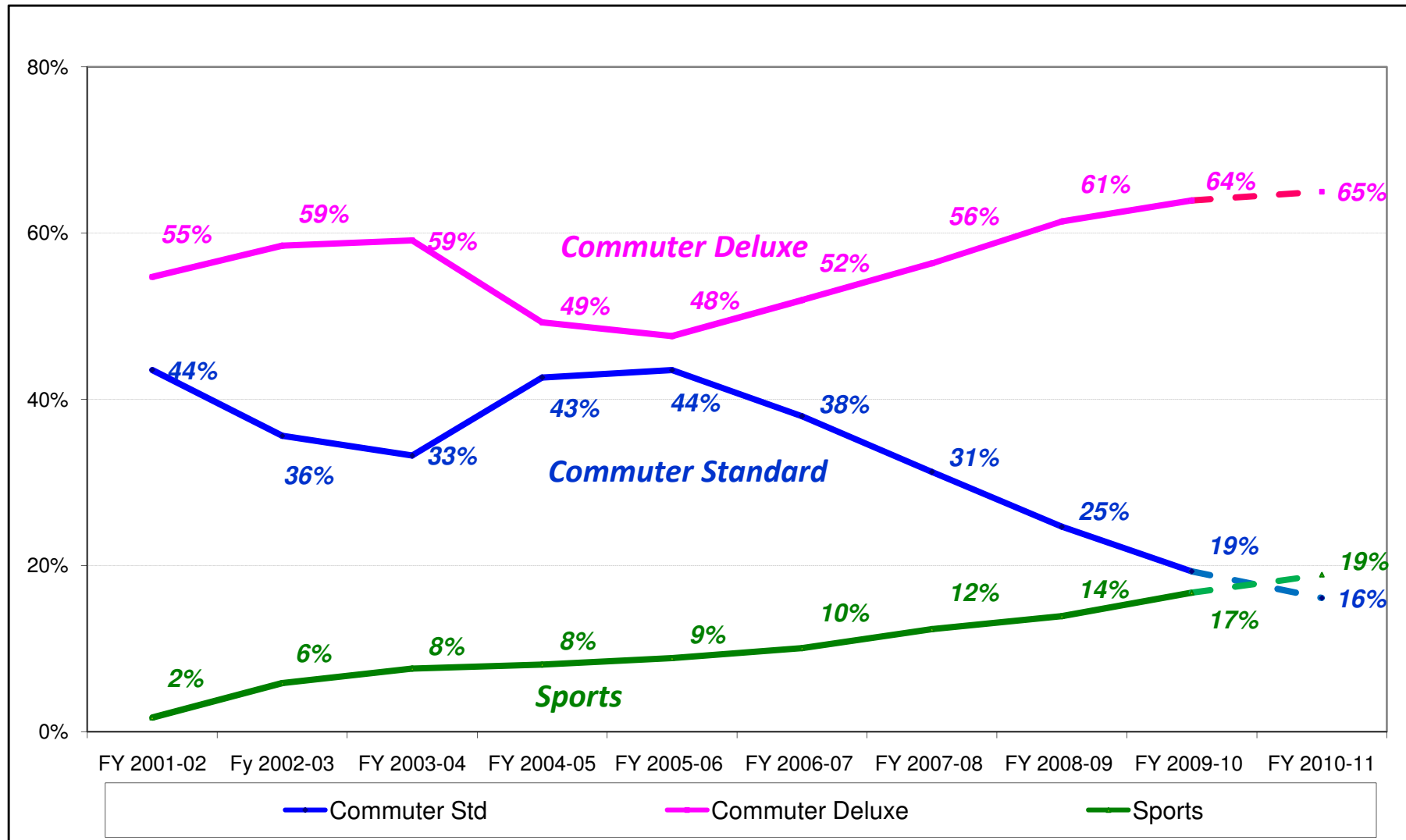


GROWTH DRIVERS (YR 2010-11)

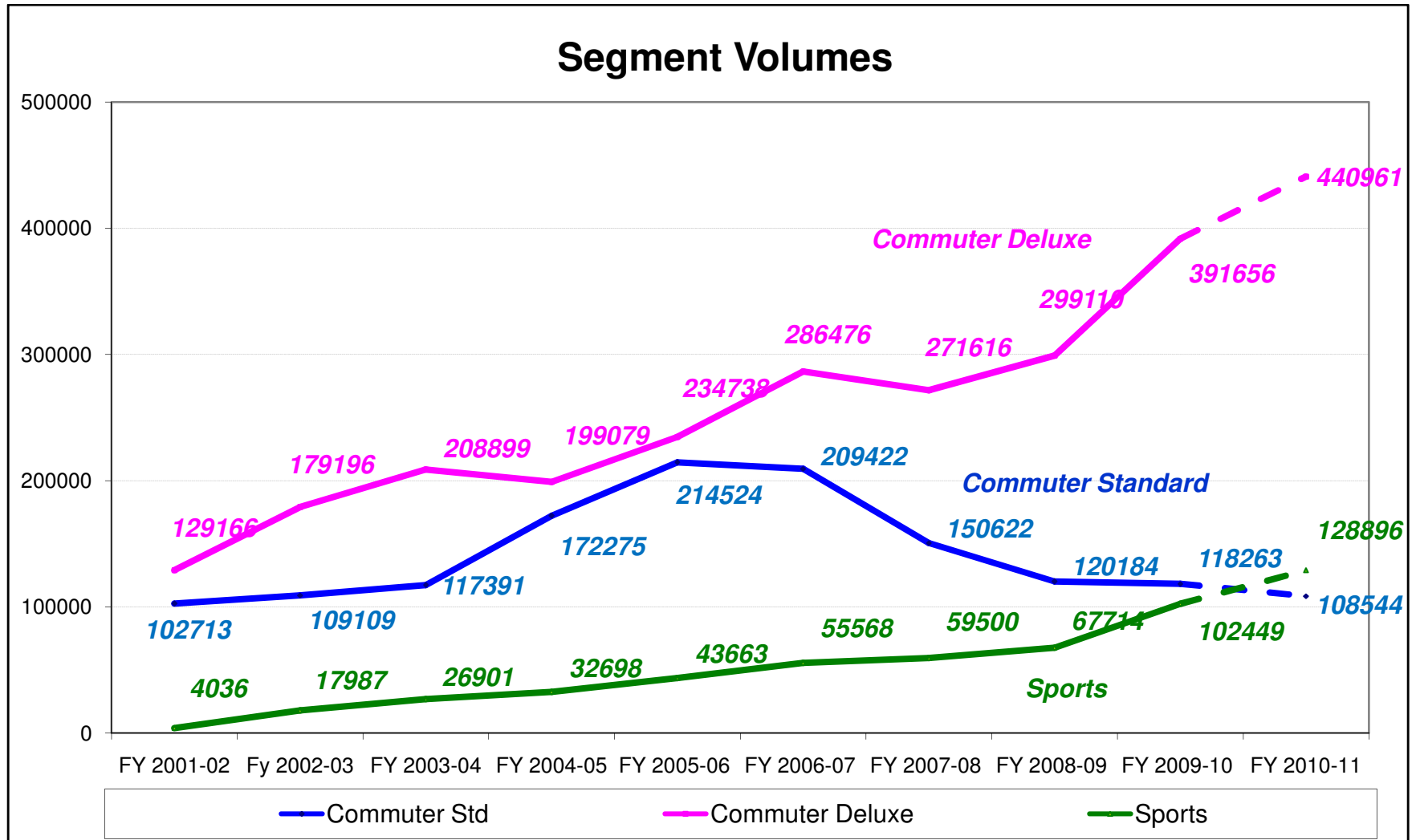
- GDP
 - 8.5%
- Consumer Confidence
 - 55% are Rural
 - Crop Production (expected was 260 MT vs Actual near to 230 MT)
 - MSP (Major Crops Y-O-Y)
 - Sugarcane (33% hike)
 - Paddy (11%)
 - Wheat (8%)
 - Rain (Quantity, Time and Spread)
 - 45% are Urban and Semi Urban
 - Salary rises

CATEGORY PROJECTIONS

CATEGORY SHARE PROJECTIONS



CATEGORY VOLUME PROJECTIONS (MA)

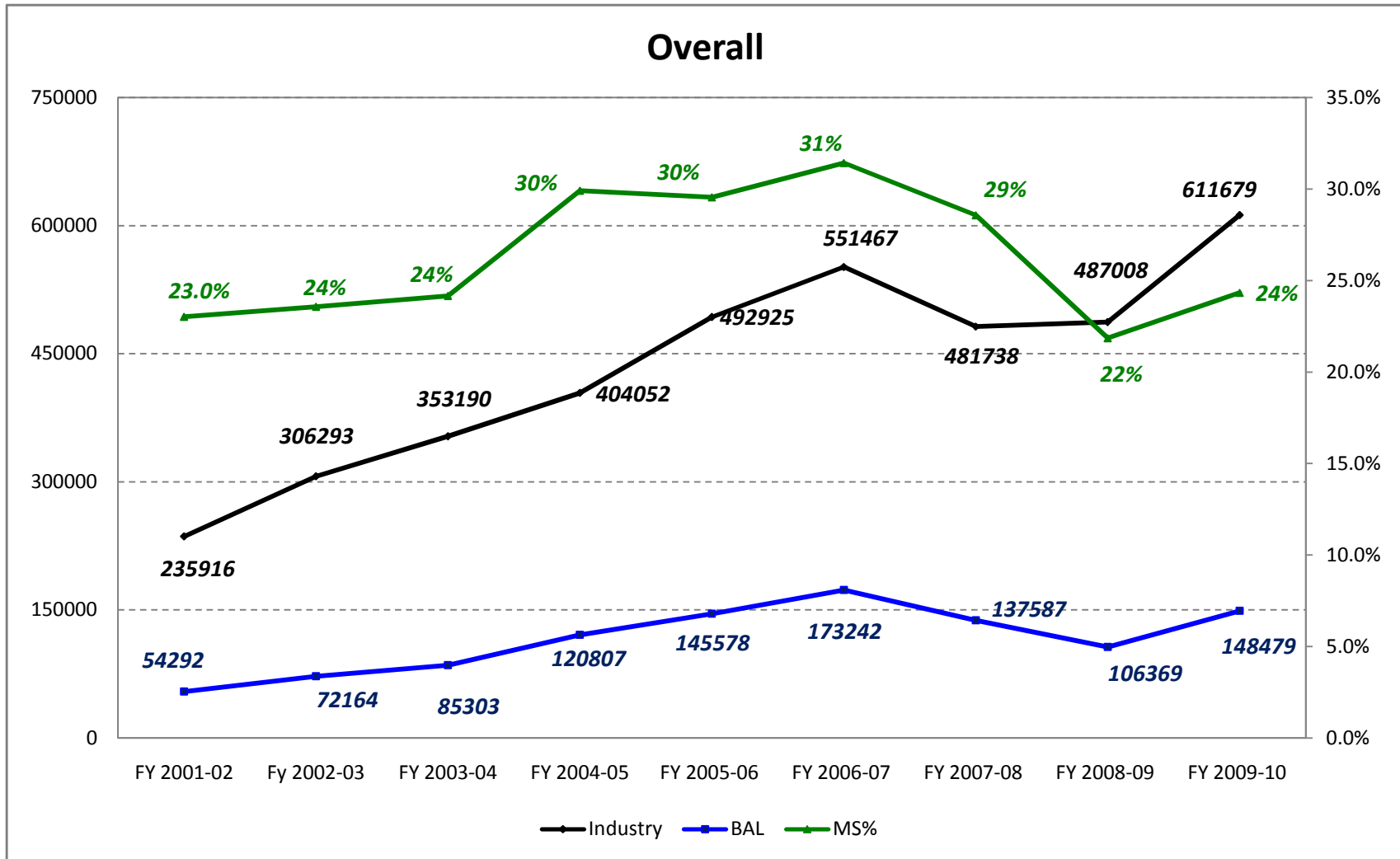


BAJAJ PERFORMANCE

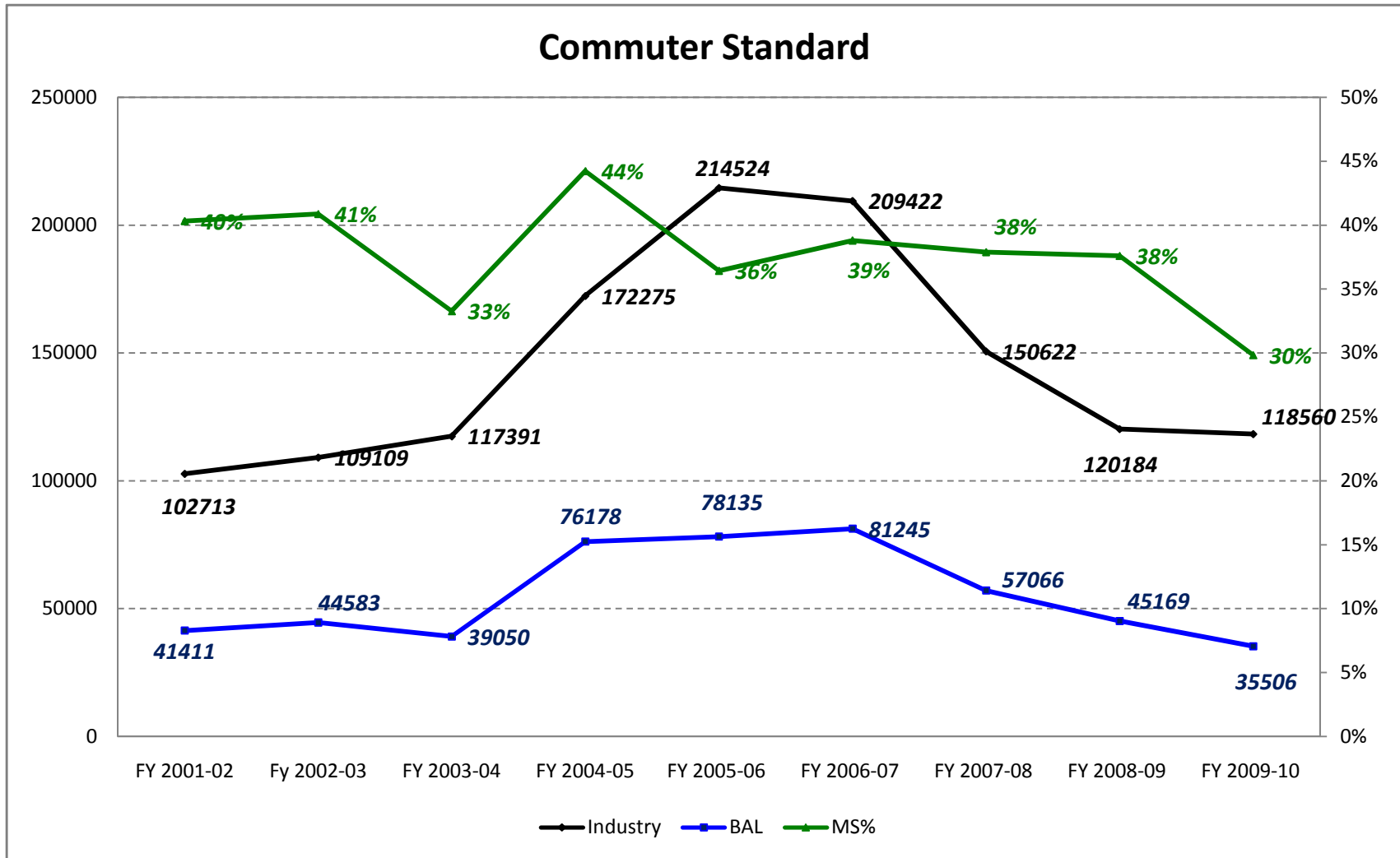
BAL PERFORMANCE

- Overall
- Category Wise

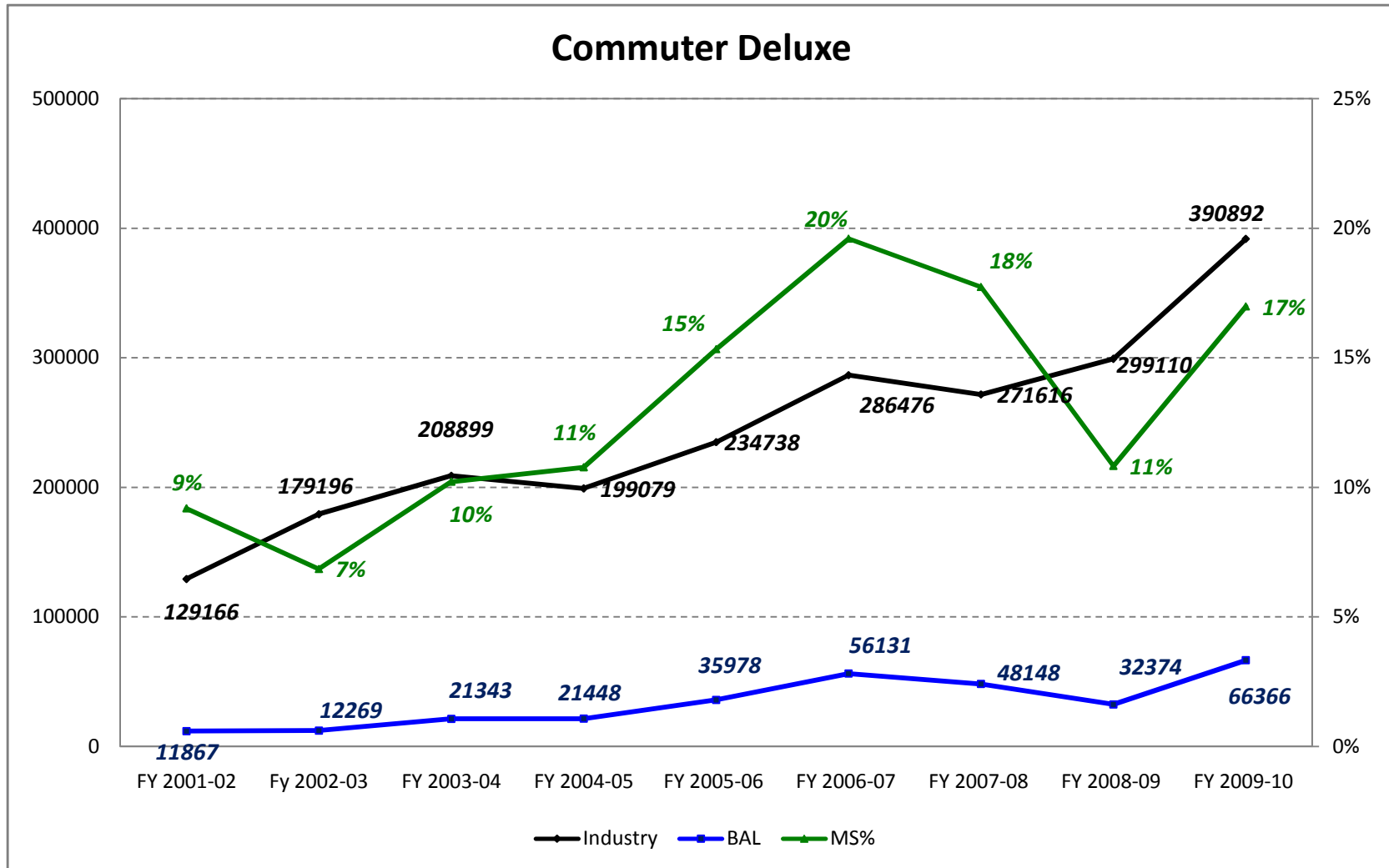
OVERALL (MA)



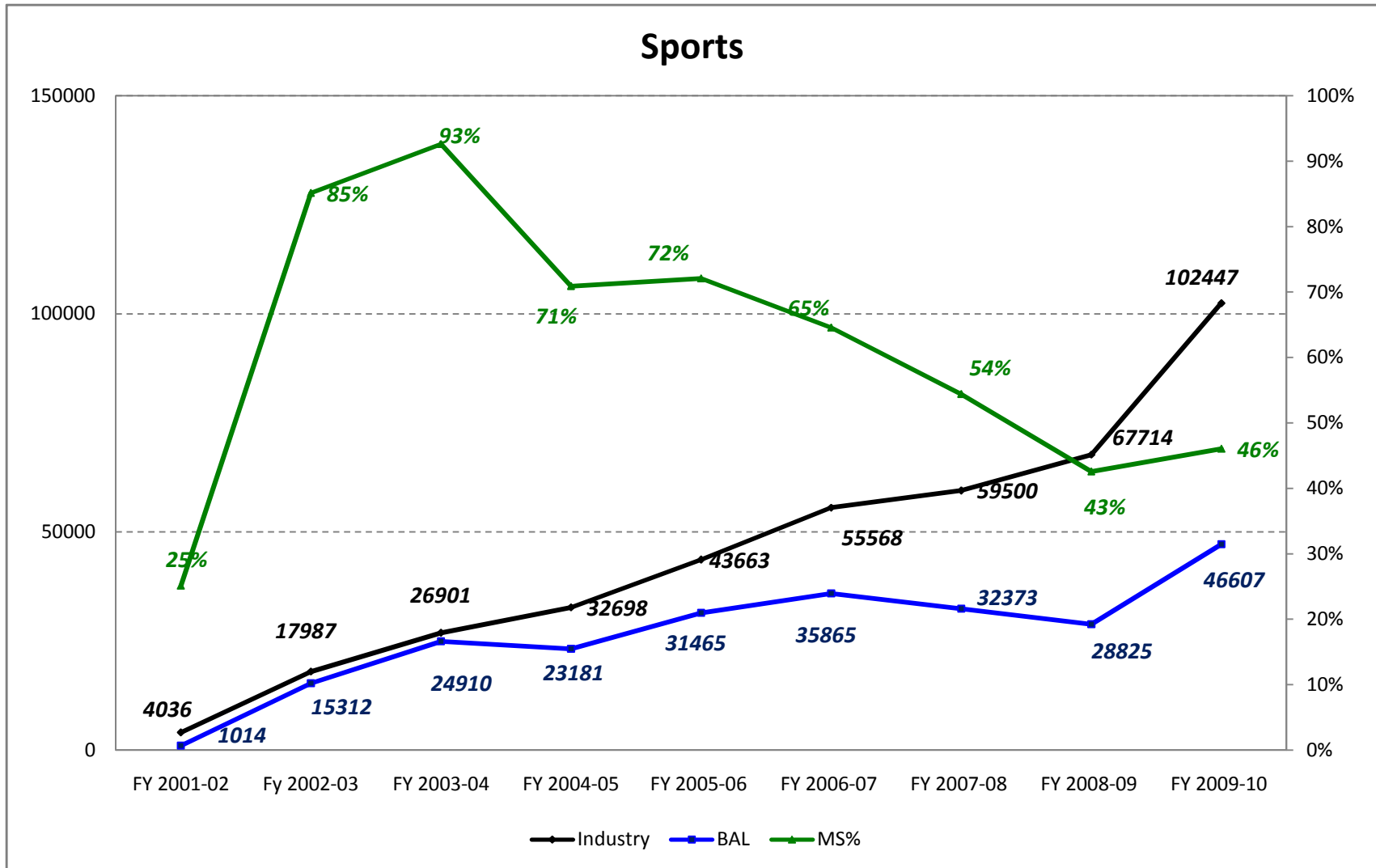
COMMUTER STANDARD (MA)



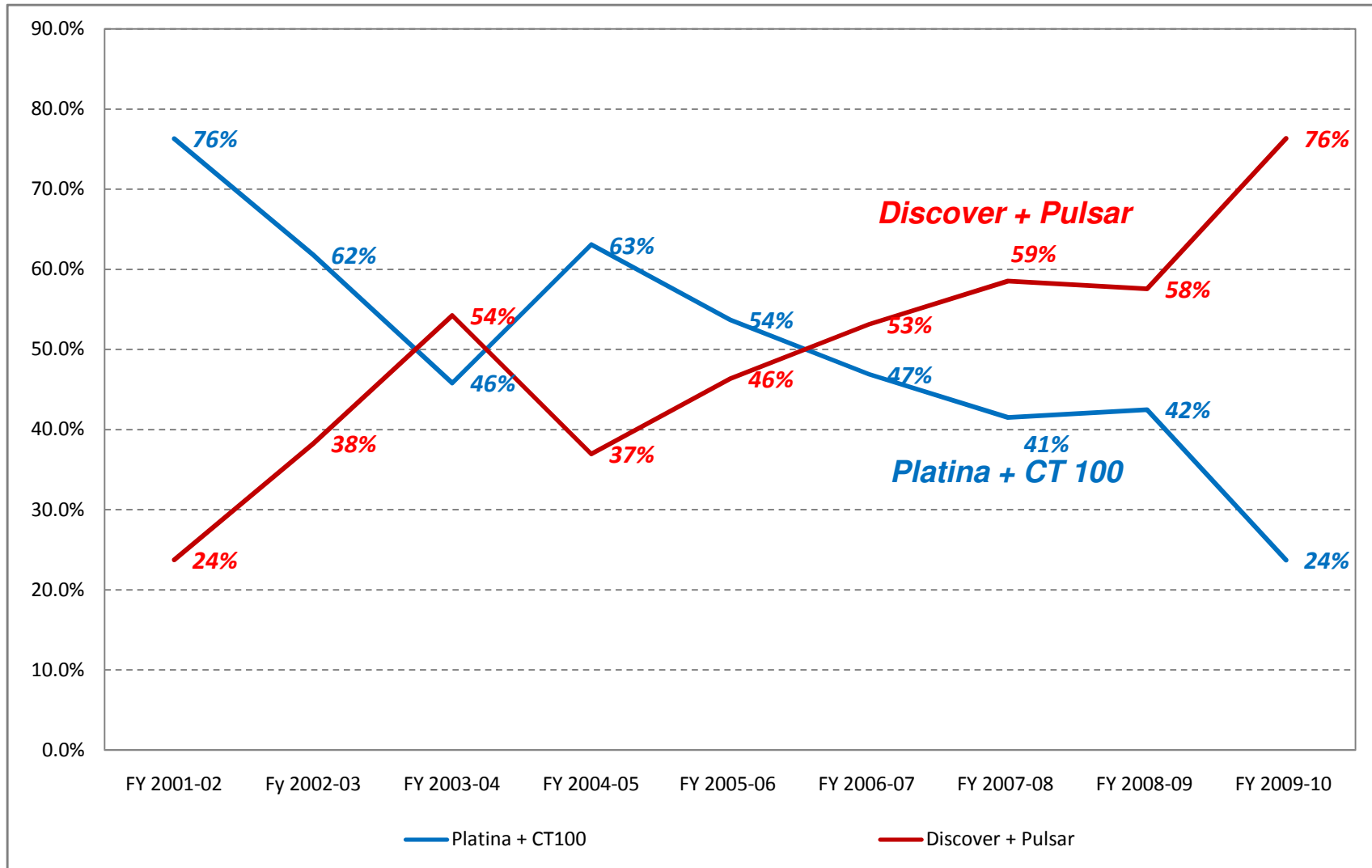
COMMUTER DELUXE (MA)



SPORTS (MA)



PORTFOLIO COMPOSITION



BRAND STRATEGY

TWO BROAD MOTORCYCLE SEGMENTS



Commuter

83% of the
Market

Share of the
Market

Target Group

Middle age, Middle class

Geography

Semi-Urban , Rural

Available
Offerings

Frugal, utility and value offerings



Sports

17% of the Market

Youth

Mainly urban

Premium, stylish and feature rich bikes with loads of excitement value

BRAND STRATEGY

- Commuter : Discover
- Sports : Pulsar

DISCOVER – ATTACK STRATEGY

Bajaj Idea

To upgrade the commuters to experience
Bigger & Sportier bikes.

Two step upgradation plan

Upgrade 1 : Feature upgradation – Discover 100

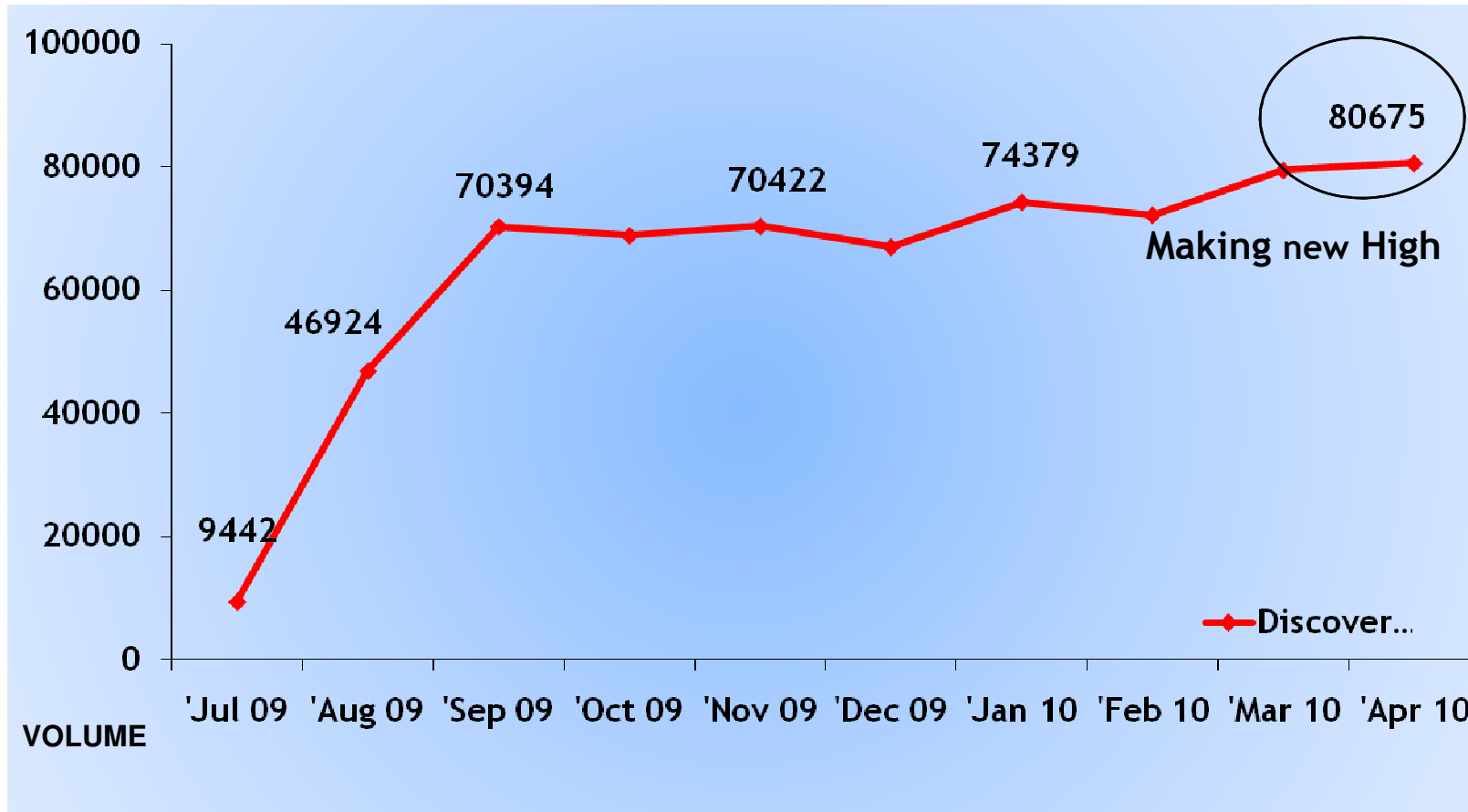
Upgrade 2 : Experience upgradation – Discover 150

Upgrade 1 : Feature Up-gradation

FEATURE UP-GRADATION :DISCOVER 100



THE CONSUMERS WERE EXCITED....



- **6 Lacs** Discovers sold in record time of 250 days.
- The **Fastest growing** bike ever.

REASONS BEHIND SUCCESS OF DISCOVER 100



DTS-Si Engine

On-road mileage of 80 Kmpl

Long Wheelbase

Nitrox Suspension

5 Speed Gear Box

Electric Start

All these at a price of Rs. 41736 : An unbeatable value for money

Attains new milestone in April '10

Discover becomes **The 2nd largest** selling
brand

And now....

Upgrade 2 : Experience Up-gradation

EXPERIENCE UP-GRADATION : DISCOVER 150

 **BAJAJ**
Distinctly Ahead



DISCOVER 150 : EXCITEMENT PER LITRE



145 cc DTS-i Engine

On-road mileage of 65 Kmpl

Disk Brake

Dark Tone Sporty Graphics

Wider Rear Tyres

All these at a price of Rs. 46000 (Ex-showroom Delhi)

PERFORMANCE CHECK AGAINST KEY COMPETITION

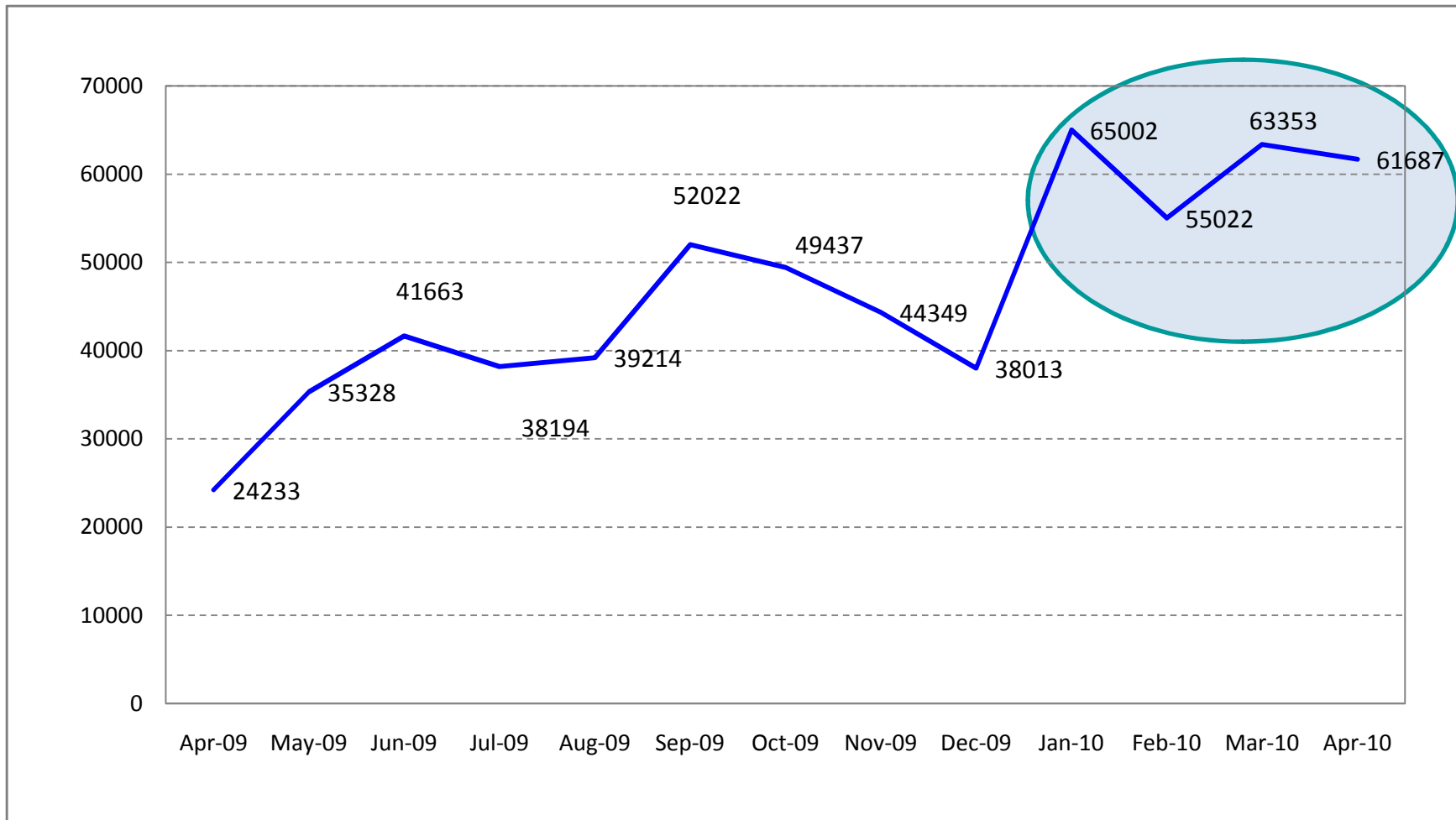
	Discover 150	Shine	Passion Pro	Glamour
Engine CC	144.8cc	124.6cc	97.2cc	124.7cc
Max Power [Ps @ rpm]	13.0 @ 7500	10.4 @ 7500	7.8 @ 7500	9.0 bhp @ 7000
Max Torque [Nm @ rpm]	12.75 @ 5500	10.78 @ 5500	8.04 @ 4500	10.35 Nm @ 4000 rpm
Wider tires	Yes	No	No	No
Gears	5	4	4	4
Price (Ex showroom Delhi)	Rs 46,000/- <i>Elect. Start + Alloy wheel + Disc brake</i>	Rs 50,787/- <i>Elect. Start + Alloy wheel + Disc brake</i>	Rs 44,800/- <i>Elect. Start + Alloy wheel + Drum brake</i>	Rs 48,250 /- <i>Elect. Start + Alloy wheel + Disc brake</i>

PULSAR – DEFENSE STRATEGY

PULSAR : DEFENSE STRATEGY

- Up the Benchmark
 - Fastest Indian : Top Speed – 145 km/hr
 - Pulsar Stunt Mania
- Expand the Category
 - Pulsar 135 LS

PULSAR VOLUME



MAJOR INITIATIVES AND OUTLOOK FOR YEAR 2010 – 11

MAJOR INITIATIVES

<i>Actions</i>	<i>2009-10</i>	<i>2010-11</i>
1. New Products		
Discover 100	✓	
Pulsar 135 LS	✓	
Platina 125	✓	
Discover 150		✓
2. Quality		
Oil Frequency Reduction (From 5000 Km to 10000 Km)	✓	✓
Service Frequency Reduction (From 2500 Km to 5000 Km)	✓	✓
3. Network		
Dealers Expansion (10% increase)	✓	✓
Secondary network Quality up gradation (RSO's to ASC's)		✓
4. Brand		
Twin Brand Strategy		
.Pulsar	✓	✓
.Discover	✓	✓
5. Customer Finance (Direct Cash Collection)		
850 ASC's offer DCC model	✓	✓

OUTLOOK FOR YR 2010 – 11

- Industry Estimated to grow at 11% to 15%
- Discover 150 will further grow our Commuter Segment market share
- Pulsar market share will continue to be 50% +
- Discover - Pulsar proportion will continue to grow in Bajaj Domestic Portfolio

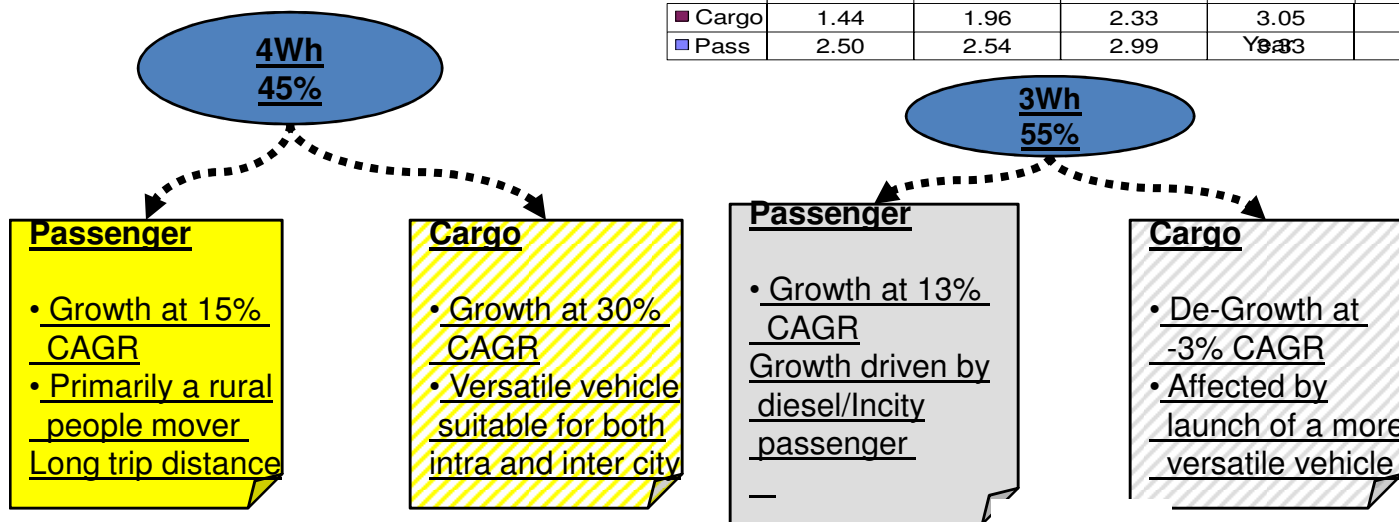
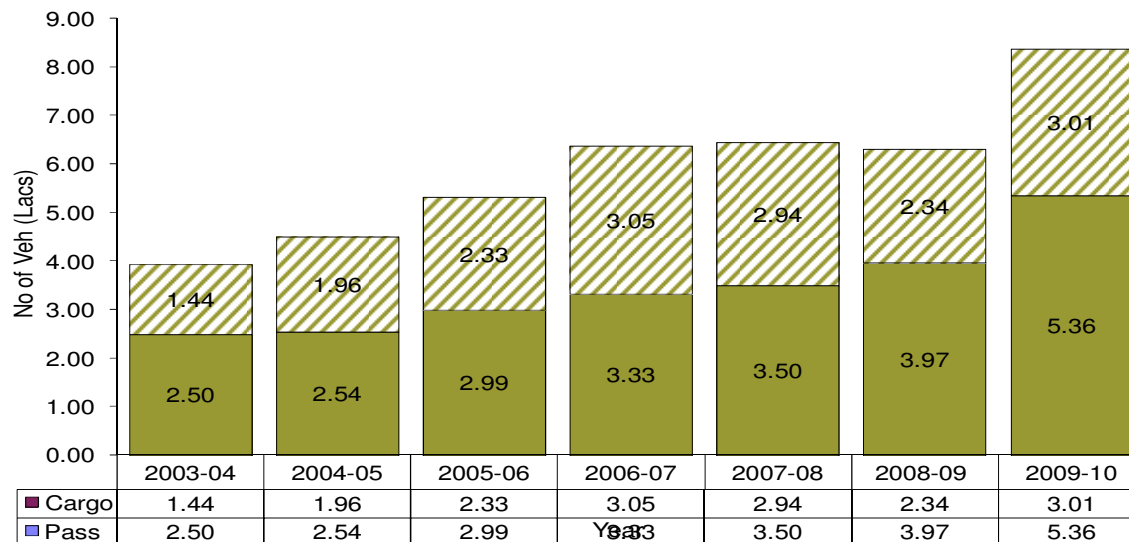


दुनिया की नं. १ सवारी

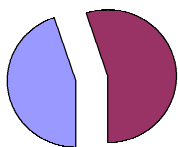
Growth Drivers & characteristics - SCV Industry

SCV Industry

- Growth at 13% CAGR
- Drivers – GDP growth, Hub & Spoke model, Poor public transport, Replacement triggered by availability of alt. fuel

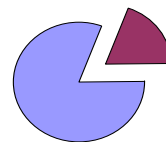


45%



55%

81%



19%

COMMERCIAL VEHICLE BUSINESS



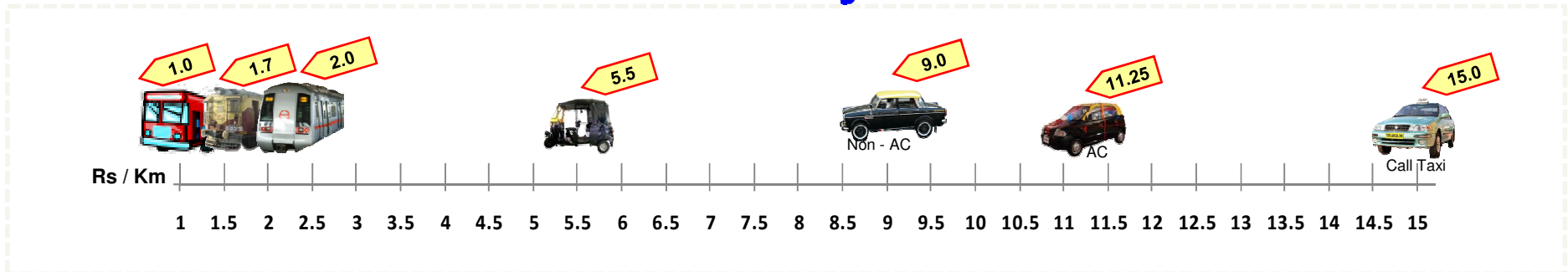
दुनिया की नं. १ सवारी

Principal application of 3 wheelers/Like

There are three distinctly different applications, currently needing different value propositions and catering to distinctly different customer segments and hence needing different strategies

Segment	Primary uses	Fuel used	BAL position	Forecast 3yr CAGR
In-city	Home-Office-Home Shopping School children Home-Railway station/Airport-Home	Petrol/LPG/CNG	Leader –about 90% market share	10%
Rural	Stage coach	Diesel	23% market share	11%
Cargo	Wholesaler to retailer Retailer to end user Distribution	Diesel/ CNG	Marginal presence	-6%

In city



- Auto rickshaws offer an economical transportation to people
- They make a good value proposition to all stake holders
 - Attractiveness to operators/users
 - Attractiveness to transport and city planners
 - Attractiveness to Environmentalists

In city (cont)

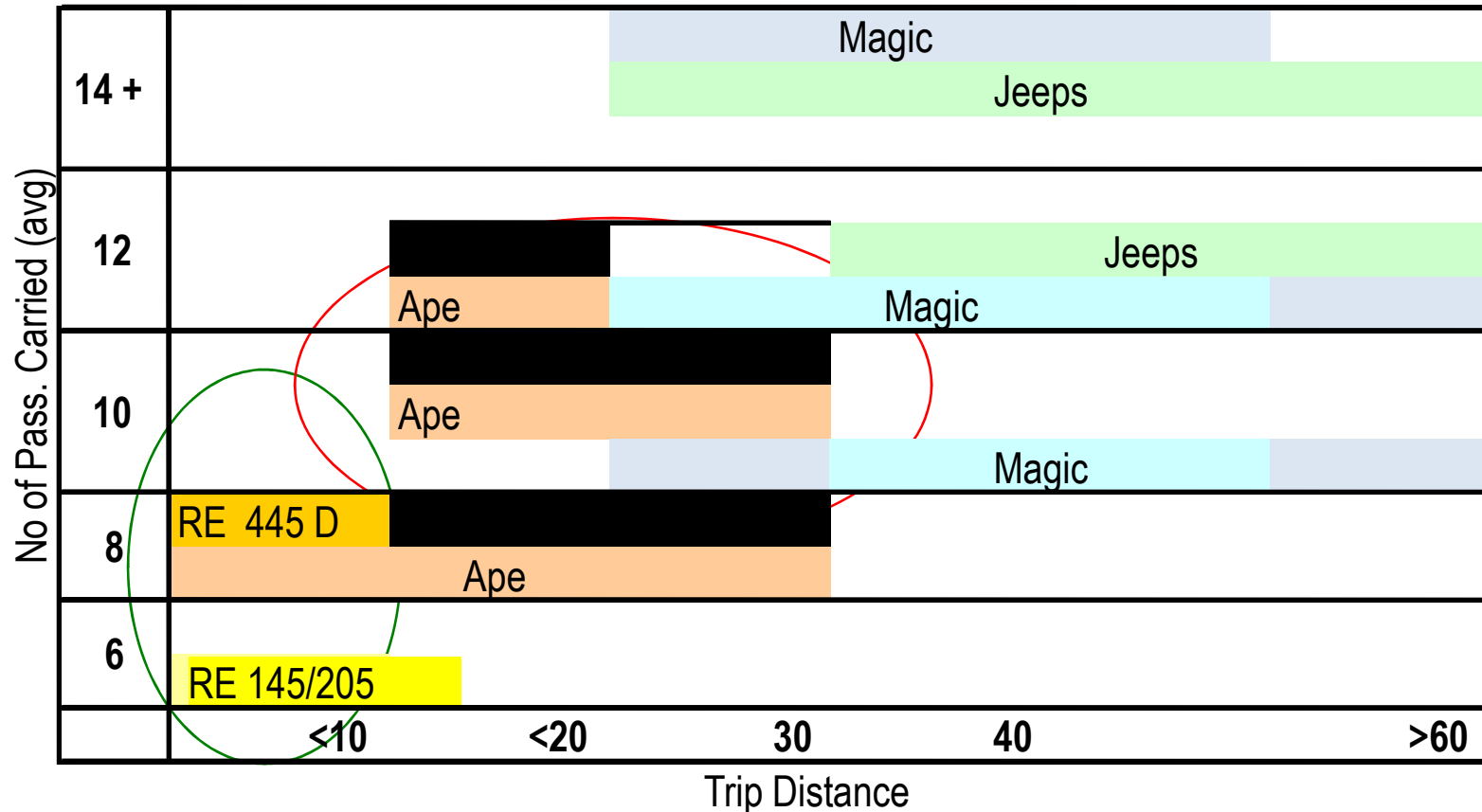
- **Opportunities**

- Heavy traffic congestion on city roads.
- Greater realization of the need for sectoral reforms among policy planners.
- Growth of population
- Growth of cities
- Resource limitation in expanding bus fleet and/ or providing other means of mass transport.
- CNG availability in more cities towns leading to a huge replacement/Fresh demand.

- **BAL Plans**

- Set & raise industry standards of excellence in products, service, quality and innovation
- Wider product range – RE 145 family, RE 205 family (07 products)
- Investment in technology development and emission management --- GDI, CNG and LPG versions optimized for use with alternate fuels and not merely tuned to run on alternate fuels
- Cutting down on dead weight further by optimized engineering and use of alternate materials.

Rural -- Current vehicle usage



- Small 3WH are used for distances < 10 KMs & upto 8 passengers
- Larger 3+1 3WH are used upto 30 KMs lead & upto 12 passengers
- Magic/jeeps is for longer leads (40 – 60 Kms)

Rural Passenger

- In suburban and rural areas 3W are primarily used as substitutes for buses.
- They thrive because of very poor public transport (Poor Frequency Impatience?) and on shorter trip distances.
- They carry from 6-15 passengers. Availability of passenger per trip decreasing as population of 3w increasing
- They compete with host of substitute products doing the same thing i.e. act as substitute for buses eg. jeeps etc.
- Success here in future would depend on providing a vehicle with right space for, keeping costs low, best fuel efficiency reasonable revenue to give highest earnings under the given operating conditions.

Rural (cont)

- **Opportunities**

- Inability of State Governments to provide the required number of buses
- Lack of political will to privatize public transport and free up fares
- Increasing number of three wheelers on these routes bringing down load availability from 10-12 to 6-8 people for 80% of the trips.
- Lack of connectivity from villages to highways leading to a need for feeder vehicles.

- **BAL Plan**

- Use the 'RE' equity to gain leading market share over a two year time frame.
- Developed and launched LPG/CNG versions of RE445M products to be ready when environmental concerns spread to upcountry markets.

BAL Marketing plans – Brand and Identity

- RE to stand for MORE (Product portfolio upgraded/created new, First to meet Emission norms effective 1st april)
 - More mileage
 - More space
 - More earnings
 - More comfort
 - More service points
 - More customer facilitation
- Beginning FY 11 we will building the brand ‘RE’ so customers start associating it with ‘MORE’ of all they seek.
- New CI



Marketing plans -- Access

- An expansion of network being implemented

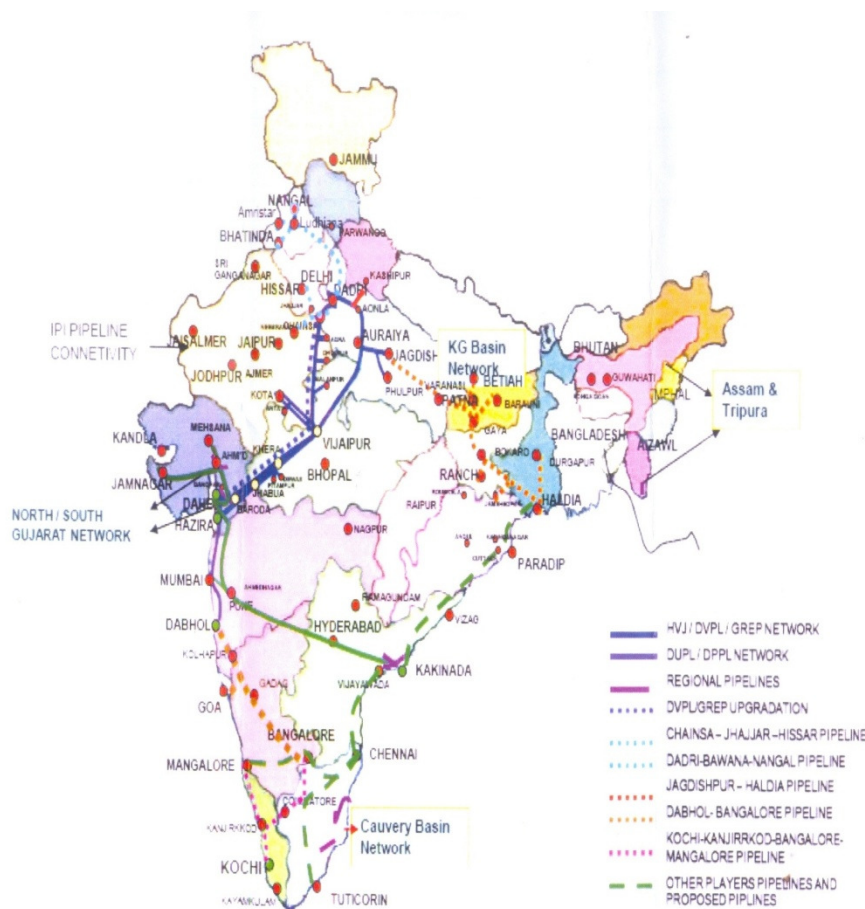
	2009-10	2010-11
Dealers	152	183
Dealer branches	327	403
Sales outlets	265	329
ASCs/CSTs	384	630

Marketing plans -- Financing

- A sharp focus on making competitive finance options available to our customers

	2009-10	2010-11
Nationalized Banks	25%	35%
Dealer funding (No. of dealers)	10	20

The CNG boon



Source: GAIL (India) Limited; India Infrastructure Research

- Rapid progress in in the CNG Pipeline.
- Over 100 City Gas Distribution (CGD) contracts awarded and under implementation.
- Huge replacement potential
- BAL best placed to exploit the huge replacement demand that would inevitably be created

- CGD contracts awarded

BAJAJ's view of the future of 3W passenger business

- 3W passenger business will grow at a healthy rate
- 3W passenger vehicles will play a significant role in people movement in
- both In-city and rural segments
- Growth will be triggered and sustained due to following favorable factors:
 - Emission concerns will force policy makers to acknowledge and recognize the favorable emission values, more specifically the green house gases, of the Autorickshaw.
 - There is no substitute for a cheap and economical mode of transport in a heavily layered socio-economic structure as in India.
 - Heavy traffic congestion and the lack of resources and space for roads in most Indian cities will force city and traffic planners to relook at strategy for urban mobility, Public transport like metro trains and buses to be supplemented by last mile transportation mode like 3w..

Summary of BAL's medium term strategy for CV business

- We will stay focused as specialist on the passenger segment.
- We see this product category continuing to play a significant role in people movement both in Cities/towns and short distance inter-town because of the values and compulsions enumerated earlier.
- We intend to continue our domination of In-city segment
- In the rural passenger movement, we intend to gain significant market share through a combination of product and marketing initiatives.
- Making finance available at competitive interest rates

**AN IDEA
WHICH PROVIDED MOBILITY TO INDIA
WILL NOW
ALSO 'GREEN' INDIA!!**

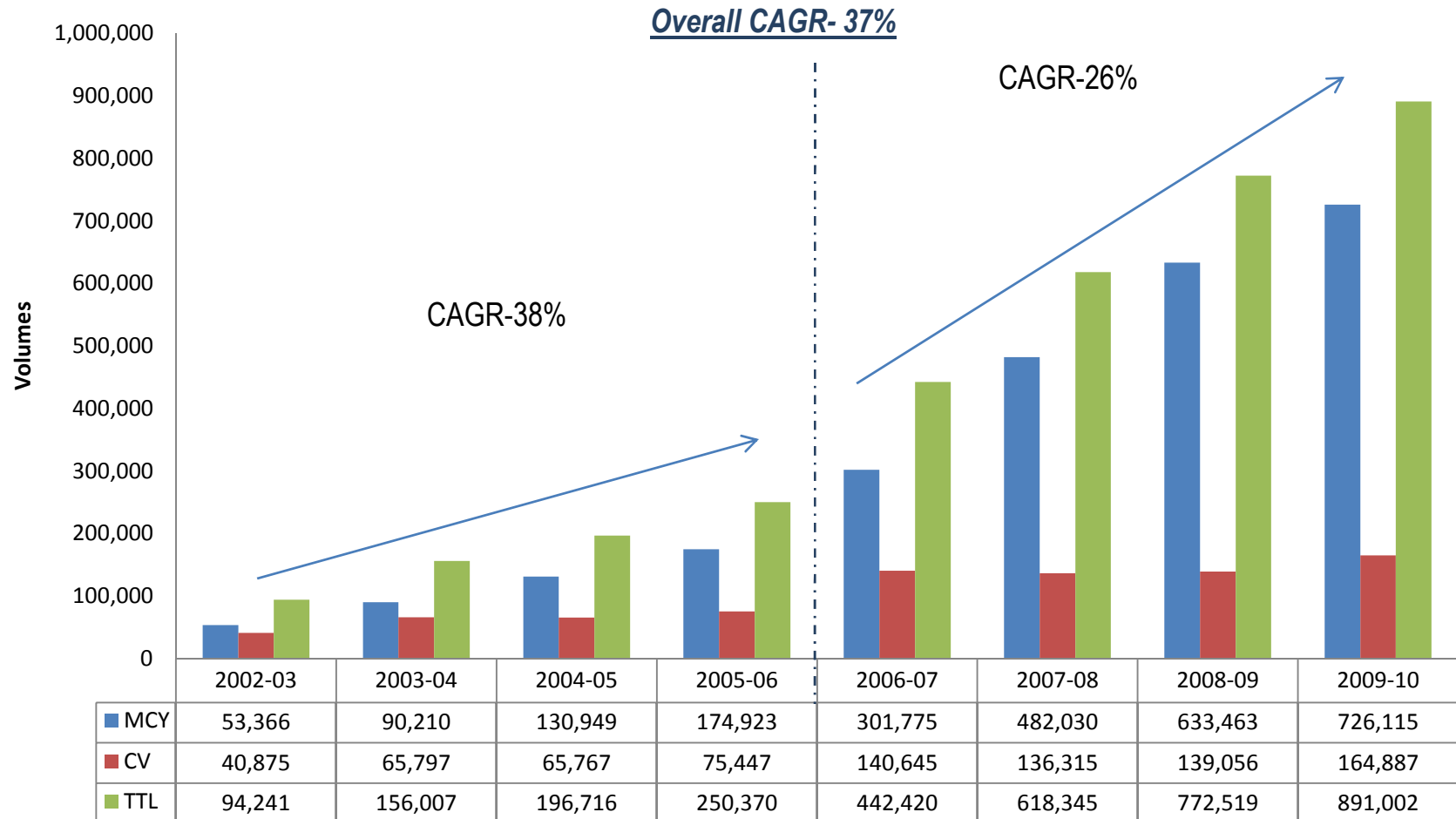


CLEAN MACHINE

THANK YOU

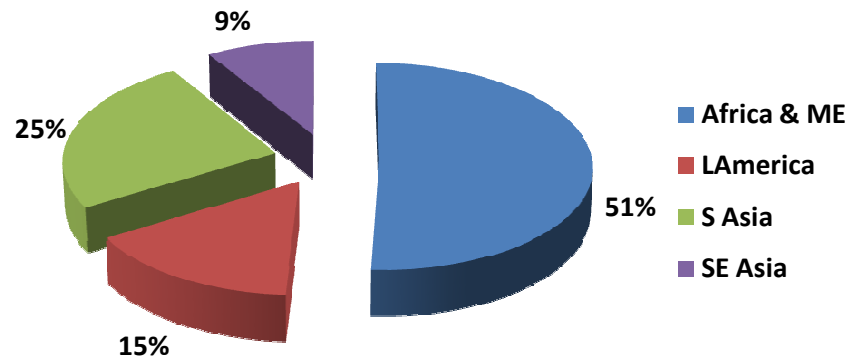
International Business

Volume Trends

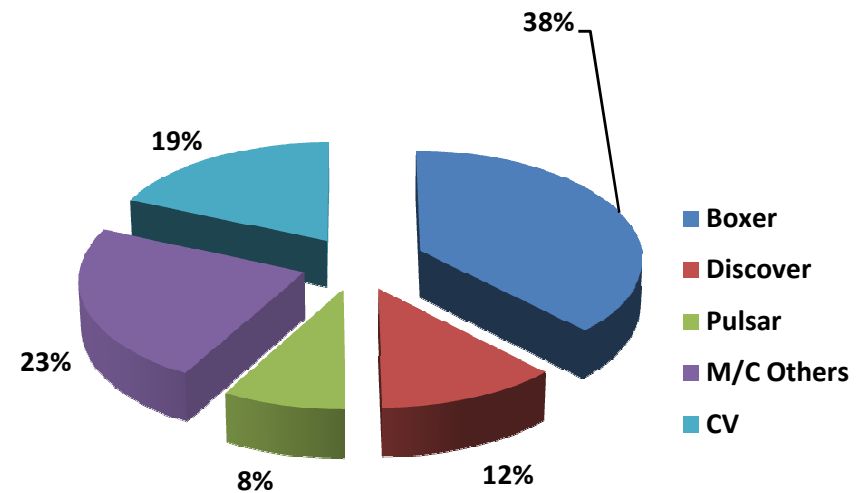


FY 10 Performance

Region Wise



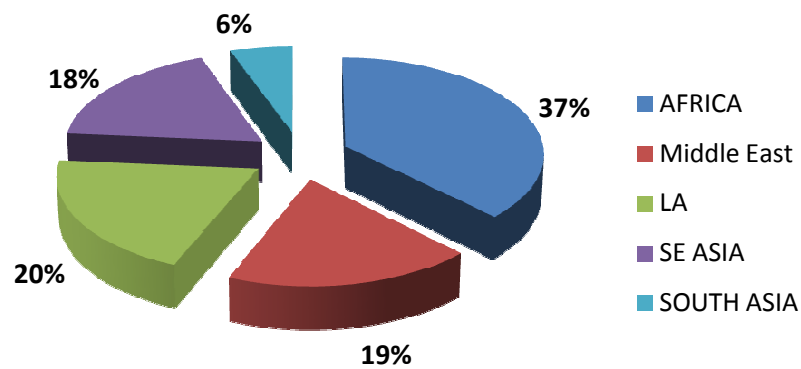
Product Wise



Category	2009-10	Growth
M/C	726,115	14.6%
CV	164,887	18.6%
Total	891,002	15.3%

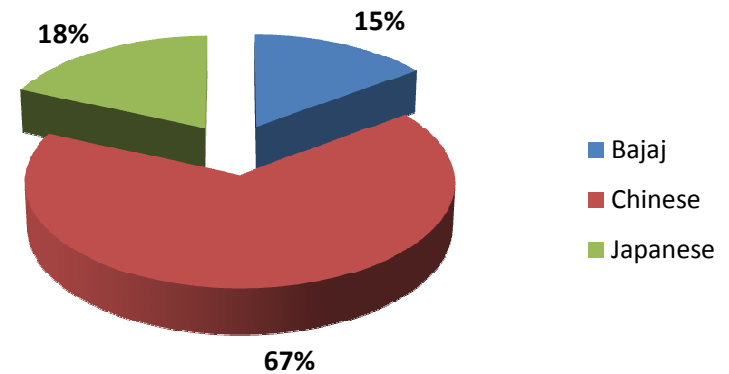
Addressed Markets

Region Wise



Africa & ME Contribute 56% of the market

Competition Wise



Chinese motorcycle has 67% of the world market

Note: China/ Non EU /Brazil/Pakistan markets have not been included

International Business Approach

- **Africa**
 - Deeper penetration through exclusive sales network
 - Ensure after sales reach and repairability
 - Build Boxer brand
 - Develop new markets for CV
- **Asia**
 - Defend high shares. Drive growth through penetration in Bangladesh
 - Indonesia : rejig portfolio with Pulsar 135. Reposition Pulsar brand.
- **Latam**
 - Focus on Pulsar and Discover brands
 - Selectively strengthen routes to market
- **Invest in “ last point capability”**
- **Develop strategies for larger new markets**

Thank you

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