

Press Release : Q3 / FY12

Record Profits – EBITDA margin at 21% !!!

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for Q3 / FY12.

Q3 / FY12 was another strong quarter for the company

- ✓ Sales – crossed 1 million units; 3rd time in a row
- ✓ Turnover – ₹ 5154 crore
- ✓ Export revenue – ₹ 1710 crore
- ✓ Operating EBITDA – ₹ 1061 crore; highest ever
- ✓ Profit after tax, before exceptional items – ₹ 834 crore; highest ever
- ✓ EBITDA margin – 21.0%; the best in the industry !

1. Performance

₹ in crore	Q3 FY12	Q3 FY11	Growth	FY11
Sales (numbers)	1,075,441	946,850	14%	3,823,954
Turnover	5154	4277	21%	16975
Operating EBITDA	1061	849	25%	3385
Profit after tax, before exceptional items *	834	667	25%	2615
Profit after tax	795	667	19%	3340

* See note 5b

2. Motorcycles

	Q3 FY12	Q3 FY11	Growth	FY11
Domestic	642,395	598,558	7%	2,414,606
Exports	304,354	239,929	27%	972,437
Total	946,749	838,487	13%	3,387,043

- Sales during festive season were satisfactory. However, towards end of November, industry sales witnessed a slowdown.
- Overall market share stood at ~31% in Q3 / FY12.

3. Commercial Vehicles

	Q3 FY12	Q3 FY11	Growth	FY11
Domestic	52,134	51,648	1%	205,603
Exports	76,558	56,715	35%	231,281
Total	128,692	108,363	19%	436,884

- Overall demand for commercial vehicle continues to be strong.
- Company dominates the petrol & alternate fuel passenger segment with market share of ~87%.

4. Exports

	Q3 FY12	Q3 FY11	Growth	FY11
Motorcycles	304,354	239,929	27%	972,437
Three-wheeler	76,558	56,715	35%	231,281
Total	380,912	296,644	28%	1,203,718
Export revenue – ₹ in crore *	1710	1132	51%	4,552

* including exchange difference

- Export sales continue to be robust and ahead of plan.
- Overseas markets now contribute over 35% of all vehicles sold.
- Company is on course to exceed its target of 1.5 million vehicles for the year.

5. Operating Results

a. Margins

In a challenging business environment, the company has improved its operating EBITDA margin from 20.1% in Q2 / FY12 to **21.0%** in Q3 / FY12. The improvement in margin was primarily due to higher realization from exports.

b. Exceptional items

The Company has entered into foreign exchange contracts to hedge highly probable forecast transactions. MTM losses in respect of effective hedges is carried to the Hedge Reserve and ineffectiveness, if any, including the time value of option contracts is recognised in the results, as per the principles of AS-30. The time value of option contracts, aggregating ₹154 crore for 9M / FY12, will reverse over the tenure of the contract.

c. Cash and cash equivalents

The company had surplus cash and cash equivalents of ₹ 4758 crore, as on 31st December 2011.

d. Awards

In recognition of its consistent and outstanding performance, the company has received the ET ZW Special Award – **Bike maker of the year**

CNBC – TV18 IBLA – **Outstanding Business Leader of the year** – Mr. Rajiv Bajaj, MD Bajaj Auto and

NDTV Profit Business Leadership Awards 2011 – **Automobiles – Two Wheeler**

Young Business Leader – Mr. Rajiv Bajaj, MD Bajaj Auto.