



Press Release

- Amara Raja's gross sale crosses Rs.2000 crore in FY2010-11.
- Amara Raja recommends Rs.2.60 per share (130%) as dividend.

May 16, 2011 – Milwaukee, USA

Amara Raja Batteries Limited (ARBL), India's leading Industrial and Automotive Battery major, (BSE Code: 500008 & NSE Symbol: AMARAJABAT) today announced a top line growth of 20% for the Financial Year (FY) 2010-11, recording a net revenue of Rs.17,611 million (excluding other income) compared to Rs.14,645 million in FY 2009-10. For the same period, the gross sales stood at Rs.20,765 million as against Rs.16,904 million of the previous FY 2009-10, recording a growth of 23% over FY 2009-10.

During the fourth quarter of FY 2010-11, the Company recorded net sales of Rs.5,009 million and a net profit of Rs.411 million, a growth of 16% and 12% respectively over the corresponding period of the previous financial year.

The Board of Directors which met in Milwaukee, USA today to approve the financial results for the financial year ended March 31, 2011, declared a dividend of Rs. 2.60 per share (par value of Rs. 2/-), subject to the approval of the shareholders in the ensuing annual general meeting. The dividend recommended is in line with the dividend policy adopted by the Board to distribute upto 15% of the net profits of the Company (after tax) to the shareholders. **The proposed dividend is over and above the "One Time special dividend" of Rs. 2/- per share declared and paid in February 2011, to coincide with the 25th year of existence (silver jubilee year) of the Company.**

(Rs. Million)

Particulars	Fourth Quarter Ended		Full Year Ended	
	31-Mar 2011	31-Mar 2010	31-Mar 2011	31-Mar 2010
Gross Sales	6,740	5,004	20,765	16,904
Net Sales (excluding other income)	5,009	4,317	17,611	14,645
PBT	615	560	2,210	2,546
PAT	411	367	1,481	1,670

The Company's **Industrial Battery Unit** registered a 20% volume growth during the financial year 2010-11 amidst very competitive market conditions. Slow down in network expansion and sharing of tower infrastructure, resulted in reduced market potential in telecom and it has presented significant challenges both in volume and price realization. The Company was able to partially minimize the impact by continuing to increase its market share in telecom sector by virtue of its preferred supplier status with all the major telecom customers. The Company has capitalized on the growing demand for batteries in UPS business segment and achieved substantial growth in sales volumes during FY 2010-11. While the price erosion in telecom segment impacted the margins significantly,

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improved overall business mix aided by higher share of UPS battery volume and aggressive cost management strategies helped the company to achieve better than planned margins.

The Company has gained market leadership in both telecom and UPS business segments propelled by customer preference to its leading brands viz. Powerstack^R and QuantaTM. The Company has introduced Amaron VoltTM Hi-Life range of premium batteries for critical application requirements in telecom networks, renewable energy sector and power control business segments. The Company has started expanding its foot print into African countries by partnering with Bharti Africa for supplying its products to power their African telecom network.

Continued growth in UPS demand and emerging applications such as renewable energy along with focus on export markets, will form the thrust areas for growth during FY2011-12.

The Company's **Automotive Battery Unit** sales volumes grew by 20% and 50% in four wheeler and two wheeler batteries respectively over the previous financial year. Consequent to the significant increase in sales volume, the Company's markets share has improved in automotive aftermarket. The overall growth in sales volume has been achieved due to various initiatives around channel expansion in aftermarket, robust demand from OEMs and through addition of new geographies in international markets.

During the year, the Company has doubled its two wheeler/small VRLA battery capacity from 1.80 million units to 3.60 million units per annum in line with market potential. The Company has also placed orders for equipments to enhance the capacity of both four wheeler batteries and two wheeler batteries during FY 2011-12.

The additional capacities coming on stream during FY 2011-12 will help the Company to capitalize on the growth opportunities available in aftermarket and exports, while being able to address the OEM requirements in full.

Recognitions

The Company was recognised with the following awards during FY 2010-11:

- First prize under the 'discrete manufacturing category' in CII- 4th National conference and competitions on Six Sigma.
- HR awards by "Employer Branding Institute, Mumbai"
 - 'Best HR strategy in line with Business' (Regional and National level).
 - 'Continuous innovation in HR Strategy at Work' (Regional & National level).
 - 'Excellence in HR through Technology' (Regional level).
- The Supply Chain Leader 2011 award under the category 'Dry cells and storage batteries' by Industry 2.0 India SCM Conclave.

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Mr. Jayadev Galla, Managing Director said: The Company has crossed the milestone of Rs.2000 crore mark in gross sales for the first time, aided by good volume traction in all the businesses. Despite continuing pricing pressure in telecom sector, the Company's overall performance was well above plan. The hardening interest rates fuelled by inflation along with increasing fuel prices is likely to impact the macro economy. The Company will appropriately respond to the developments in telecom, possible slowdown in automotive OE business and volatile movements in lead in managing the year ahead".

Mr. K. Suresh, Chief Financial Officer, said "on the financial front, the Company continues to enjoy comfortable liquidity. CRISIL has reaffirmed "AA/Stable" and P1+ ratings for the long term and short term loan facilities, which will enable us to mobilize funds from lenders at competitive rates. Our expansion programmes are progressing as per schedule and we are meeting the funding requirements from our internal accruals.

About Amara Raja Batteries Limited

Amara Raja Batteries Limited, a company with 26% equity each from Galla Family and Johnson Controls Inc, USA, is the technology leader and is one of the largest manufacturers of lead acid batteries for both industrial and automotive applications in the Indian storage battery industry.

In India, Amara Raja is the preferred supplier to major telecom service providers, Telecom equipment manufacturers, UPS sector (OEM & Replacement), Indian Railways and to Power, Oil & Gas among other industry segments. Amara Raja is a leading manufacturer of automotive batteries under the brands - Amaron® and Powerzone™, which are distributed through a large pan-India sales & service retail network.

The Company supplies automotive batteries under OE relationships to Ashok Leyland, Ford India, General Motors, Honda, Hyundai, Mahindra & Mahindra, Maruti Suzuki, and Tata Motors. The Company's Industrial and Automotive batteries are exported to Asia Pacific, Africa and Middle East.

Johnson Controls is a global leader in Power Solutions, Automotive Seating Systems and Building Efficiency. Johnson Controls provides batteries for automobiles and hybrid electric vehicles, along with system engineering and service expertise. The Company provides innovative automotive interiors that help driving more comfortable, safe and enjoyable. For buildings it offers products and services that optimize energy use and improve comfort and security. Johnson Controls (NYSE: JCI), founded in 1885, is head quartered in Milwaukee, Wisconsin. Its net sales for the year ended September 30, 2010 is US\$ 34.30 billion.

Safe Harbor

Some of the statements in this news release that are not historical facts are forward looking statements. These forward looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward looking statements. These risks include, but are not limited to, the level of the market demand for our products, the highly competitive market for

the types of the products that we offer, market condition that would cause our customers to reduce their spending for our products, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and otherwise not specifically mentioned herein but those that are common to industry.

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