BAJAJ
Distinctly Ahead

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Press Release

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for FY15.

The Board of Directors recommended a dividend of ₹ 50 per share – 500% (previous year – 500%).
The total amount of dividend and tax thereon amounts to ₹ 1,735 crore (previous year – ₹1,693 crore).

In a year of difficult macroeconomic circumstances, especially for the automobile industry, Bajaj Auto recorded its –

- ✓ **Highest** ever
  - — **Turnover – ₹ 22,194 crore**
  - — **Exports**, in value – **₹ 9,758 crore**; **USD 1.52 billion**
    in units – **1.81 million**; growth of **14%**
  - — **Sale of Commercial Vehicles – 519,117**; growth of **16%**
  - — **Operating EBITDA*** – **₹ 4,429 crore**
- ✓ **Operating EBITDA margin*** at **20.3%** – best in the industry !
- ✓ **Profit before tax** and exceptional item – **₹ 4,425** crore; **2nd highest** in the history of the Company !
- ✓ **Profit after tax – ₹ 2,814** crore (see note 6.2)

1. Performance highlights

₹ in crore	Q4 FY15	Q4 FY14	FY15	FY14
Sales (No's)	**782,669**	935,782	**3,811,201**	3,870,077
Turnover	**4,894**	5,117	**22,194**	20,856
Export revenue	**2,091**	2,076	**9,758**	8,199
Operating EBITDA*	**937**	1,030	**4,429**	4,382
*Operating EBITDA %**	***19.4***	*20.6*	***20.3***	*21.5*
Profit before tax	**922**	1,072	**4,085**	4,632
Profit after tax	**622**	764	**2,814**	3,243

* **before mark-to-market (MTM) gain/loss**

2. Motorcycles

Sold a total of 3.3 million motorcycles.

i. **KTM**, the high-end high-priced motorcycles, recorded a spectacular growth.
   - — In the domestic market, more than doubled the sales to over 22,000 units
   - — In the international market, sold to over 51,000 units; growth of 112%

ii. **Pulsar**, along with Avenger, sold over 932,000 units worldwide.
   - — Sold over 631,000 units in the domestic market; growth of over 5%
   - — The highly profitable Pulsars account for ~36% of the company's domestic motorcycle sales
   - — Sold over 250,000 units in the international market; growth of ~11%
   - — The newly launched Pulsar RS 200 and Pulsar AS 200 models would see further gain in market share, reinforcing its leadership position

iii. **Discover** sold 814,000 units worldwide.
   - — Sold over 261,000 units in the international market; growth of ~37%
   - — However, performance in the domestic market was below expectations

iv. **Platina**, along with recently launched **CT100**, sold over 1.47 million units worldwide.
   - — Sold over 518,000 units in the domestic market; growth of over 12%
   - — The newly launched CT100 has been well received in the domestic market

With the success of CT100 and the new Pulsars, April 2015 saw the company increase its share in domestic market, sequentially, by over 300 bps.

3. Commercial Vehicle

Sold over 519,000 units worldwide – continue to be world's largest three-wheeler manufacturer

i. Dominate the domestic market with share of 44% – increase of over 500 basis points over previous year.
   - — Bajaj Auto's growth in sales volume of 25% in the domestic market is more than double the industry growth rate of 11%
   - — Continue to dominate the domestic market for petrol and alternate fuel passenger segment with market share of 88%.
   - — Share in the domestic market for large diesel three-wheeler passenger carriers improved by 200 basis points to 18%
   - — Maintained dominance in the domestic market for small diesel three-wheeler passenger carriers with share of 61%.

4. International Business

Continue to be India's No. 1 exporter of motorcycles and three-wheelers, having exported over 1.5 million motorcycles and 284,000 three-wheelers. This business now contributes over **46%** of net sales.

i. Considerable emphasis is on entering new markets. Current geographical presence in over 62 countries; enjoy the No.1 or No. 2 position in 20 countries.

ii. Improved market share for motorcycles across South Asia, Middle East, Latin America & Africa.

iii. Boxer continues to be the No. 1 brand in East Africa and Nigeria.

iv. Discover and Pulsar continue to gain market share in key markets like Colombia, Central America, Egypt, Srilanka and Bangladesh.

v. Exports, by value, grew by 19% to a record ₹ 9,758 crore.

In USD, the same grew by 15% to over $1.5 billion.

Q4 / FY15 faced severe headwinds in various international markets on account of devaluation of local currency and state elections in Nigeria, availability of US$ for imports and other macroeconomic uncertainties. With normalcy returning across major geographical markets, growth in exports is back on track.

5. Investment in KTM

Bajaj Auto International Holdings BV is a 100% Netherlands based subsidiary of Bajaj Auto Ltd. Through this subsidiary, Bajaj Auto holds ~48% stake at a total investment of €198.1 million (₹ 1,219 crore) in KTM AG of Austria, Europe's largest sport motorcycle manufacturer in units. As on 31st March 2015, market value for the same was €652 million (₹ 4,380 crore)

For KTM, calendar year 2014 has been an excellent year, the accounts of which are consolidated in Bajaj Auto. It recorded its –

Highest ever

— **Sales**; 158,760 motorcycles, a growth of **28%**

— **Turnover**; €864.6 million, a growth of **21%**

— **Profit after tax**; €57.2 million, a growth of **57%**

Proportionate profit after tax of €27.4 million (₹ 214 crore) has been accounted in the consolidated results of Bajaj Auto Ltd.

In its Annual General Meeting for the calendar year 2014, held on 23 April 2015, KTM AG has declared a dividend of €1.50 per share, compared to €1.00 per share for the year 2013. Our subsidiary has received €7.8 million (₹ 52 crore), in May 2015, as its share of dividend.

6. Results

6.1. Margins for Q4 / FY15

Declared an operating EBITDA margin of **19.4%** in **Q4 / FY15**. Margins for the quarter were lower largely due to one-off expenses, as stated below:

a. Two rate cuts by RBI during Q4, resulted in an increase in charge due to actuarial valuation for gratuity, from ₹ 31 crore in the previous year to ₹ 90 crore in the current year

b. Provision for loss on account of a fire incident at Akurdi in January 2015

6.2. Margins for FY15

For the full year of FY15, declared HIGHEST ever operating EBITDA of ₹ 4,429 crore and EBITDA margin at 20.3% – best in the industry !

Profit after tax stood at ₹ 2,814 crore as against ₹ 3,243 crore in FY14.

Profits are lower largely due to the **one time only exception charge** towards payment of National Calamity Contingent Duty (NCCD) by our Pantnagar plant for the last **seven and a half years**, i.e. **1st April 2007 to 30th September 2014** aggregating to ₹ 340 crore.

But for this exceptional charge, Profit before tax would have been ₹ 4,425 crore – 2nd highest in the history of the company and

Profit after tax would have been ₹ 3,076 crore.

6.3. Cash and cash equivalents

Cash and cash equivalents as on 31st March 2015 stood at **₹ 8,455** crore as against ₹ 7,759 crore as on 1st April 2014.

Kevin D'sa
President (Finance)
21st May 2015.