BAJAJ
Distinctly Ahead

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9 November 2015

To,

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Corporate Listing Department.
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BSE Code: 532977

NSE Code: BAJAJ-AUTO

Sub: Half yearly Communication to Shareholders: H1-FY 2015-16

Dear Sir,

Please find enclosed a copy of the recent Chairman's half yearly communication addressed to our shareholders.

This is for your information and record please.

We wish you a very happy Diwali and a prosperous new year!!

Thanking You,

Yours Faithfully,
For Bajaj Auto Limited,

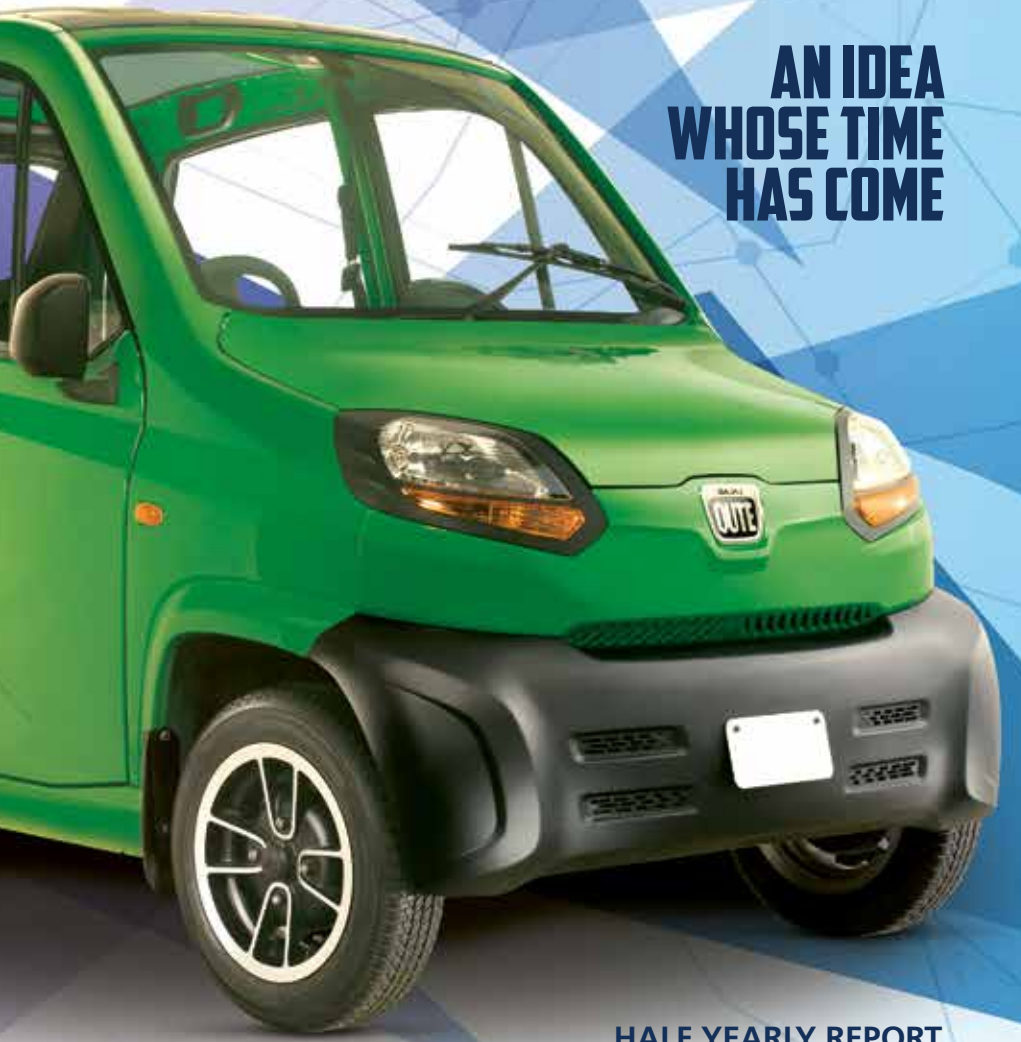
J SRIDHAR
COMPANY SECRETARY

Encl. A/a

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Bajaj Auto Limited

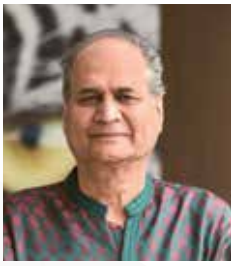
Since 1945



AN IDEA WHOSE TIME HAS COME

HALF YEARLY REPORT
2015-16

Dear Shareholder,



I am happy to share with you the financial results of your Company for the half year ended 30 September 2015.

In an overall challenging business environment, especially in the domestic motorcycle industry, the Company has delivered an excellent performance during the half year ended 30 September 2015, with a robust performance across all business verticals.

The following are the highlights for the half year ended 30 September 2015:

Highest ever

(₹ In Crore)

Turnover	**12,301**	**↑ 7%**
Exports	**5,471**	**↑ 10%**
Operating EBITDA*	**2,548**	**↑ 11%**
Profit before tax	**2,889**	**↑ 51%**
Profit after tax	**1,948**	**↑ 46%**
EBITDA margin*	**21.6%**	

This is the outcome of the Company's focus on differentiation and a Brand centric strategy which ensures that the overall product portfolio under the respective brands command a premium.

1. Summary of financial results

(₹ In Crore)

Particulars	H1 2015-16	H1 2014-15	Full Year 2014-15
Sales in numbers	2,069,625	2,044,012	3,811,201
Turnover	12,301	11,548	22,194
Export revenue	5,471	4,987	9,758
Operating EBITDA*	2,548	2,289	4,429
Operating EBITDA %*	21.6%	20.3%	20.3%
Profit before tax and exceptional item	2,889	2,247	4,425
Exceptional item	–	340	340
Profit before tax	2,889	1,907	4,085
Profit after tax	1,948	1,331	2,814

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

2. Motorcycle highlights

Particulars	H1 2015-16	H1 2014-15	Full Year 2014-15
Domestic	955,148	952,492	1,770,778
Export	823,184	821,519	1,521,306
Total	**1,778,332**	**1,774,011**	**3,292,084**

In the domestic market, the Company's broad strategy is to expand the "M1" Mileage segment, scale its presence in the "M3" Mileage segment, reassert its dominance in the "Sports" segment and expand and grow the "Super Sports" segment.

The Company is currently reaping the benefits arising from the execution of this strategy.

i. M1 Mileage segment

Bajaj, represented by CT100 and Platina, in the segment showed a remarkable growth of 74% in H1/2015-16 over H1/2014-15.

With the phenomenal success of CT100 in the domestic market, the size of M1 Mileage segment has increased by ~250 bps from over 20% in 2014-15 to 23% in H1/2015-16.

Company's share in domestic market in this segment increased from under 24% in 2014-15 to nearly 38% in H1/2015-16.

ii. Sports segment

Bajaj is represented by Pulsar and Avenger in the segment.

With sales of around 326,000 units in this segment of the domestic market, Bajaj Auto continues to be a leader with market share of 44%.

The all new Pulsar AS150 and the Pulsar AS200 models, launched in April 2015, have been very well accepted in the market. With the launch of three new variants of Avenger in October 2015, the Company anticipates to further expand its market share by the end of 2015-16.

iii. Super sports segment

Bajaj is represented by Pulsar RS200 and KTM in the segment.

Sales of Pulsar RS200, a star attraction, doubled in Q2/2015-16 as against Q1/2015-16 and currently has a waiting period of more than a month.

Together with KTM, Bajaj Auto dominates this segment with sales of over 36,000 units in H1/2015-16 and is a market leader with share in domestic market of over 63%.

Thus, the Company continues to be a dominant player in the three broad segments mentioned above, representing ~40% of the total domestic market.

iv. M3 Mileage segment

The Company intends to scale its presence in this segment with the launch of a new brand in Q4/2015-16.

3. Commercial vehicle highlights

Particulars	H1 2015-16	H1 2014-15	Full Year 2014-15
Domestic	117,832	130,460	234,345
Export	173,461	139,541	284,772
Total	**291,293**	**270,001**	**519,117**

The Company continues to be a leader in the domestic market of this segment with an overall share of 46%.

In the domestic market, in petrol and alternate fuel passenger segment, market share was 91%. In the small diesel carrier segment, the Company continues to be a leader with market share of 62% while in big diesel carrier segment, market share has improved sequentially from 15% in Q1/2015-16 to 20% in Q2/2015-16.

4. International business highlights

Particulars	H1 2015-16	H1 2014-15	Full Year 2014-15
Motorcycles	823,184	821,519	1,521,306
Commercial vehicles	173,461	139,541	284,772
Total	**996,645**	**961,060**	**1,806,078**

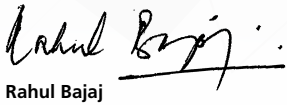
This business now contributes **~48%** of our net sales, making us an Indian multi-national company.

5. Cash and cash equivalents

As on 31 March 2015, surplus cash and cash equivalents stood at ₹ 8,455 crore.

After payment of dividend and tax thereon amounting to ₹ 1,723 crore, surplus cash and cash equivalents stood at ₹ **9,671 crore** as on 30 September 2015.

On this positive note, I wish you and your family a very happy Diwali and a prosperous New Year.



Rahul Bajaj
Chairman
21 October 2015



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