PRESS RELEASE

ESCORTS FIRST QUARTER NET PROFIT AT ₹ 25.4 CRORE

- **First Quarter sales at ₹ 827.7 crore, up 38 per cent**
- **Tractor volumes up by 20 per cent**
- **Agri Machinery Business grows 45 per cent**
- **Profit Before Tax at ₹30.7 crore**

New Delhi, January 31, 2011: Escorts Limited today reported a Net Profit of ₹25.4 crore for the first quarter of the 2010-11 financial year ending December 31, 2010, registering an increase of 9 per cent from ₹23.4 crore for the corresponding quarter last fiscal. The company's Profit Before Tax (PBT) stood at ₹30.7 crore. Net Sales grew by 38% to ₹827.7 crore as against ₹600.2 crore registered in the corresponding quarter. As opposed to the preceding quarter, net sales up 24 per cent. EBIDTA for the first quarter of the year is at ₹43.8 crore higher by 25 per cent as compared to the preceding quarter. Escorts Limited follows an October-September fiscal year and the reported quarter is the first quarter of fiscal 2010-11.

The Agri Machinery Division recorded revenue of ₹773 crore, up 45 per cent from ₹534.1 crore. Tractor volumes are up by 20 per cent to 16,333 units as against 13,561 units in the corresponding quarter.

Speaking on the results, Chairman and Managing Director Mr. Rajan Nanda said, "Escorts' first quarter results of fiscal 2010-11 reflects a profitable quarter with increase in sales performance in the tractor segment. The industry is faced with rising inflation, which will be a test of our managerial initiatives to neutralize increasing costs. We will continue our focus on improving our product offering to our customers, deeper market penetration and increasing the efficiencies of our channel partners."

Mr. Nikhil Nanda, Joint Managing Director said, "Our results for the quarter are a demonstration of the company's thrust to grow the business. Whilst the sales growth has been steady, our focus will continue to be to improve EBITDA and manage the challenge of rising input costs. Financial charges have seen a downward trend and this is a reflection of several initiatives to improve fund management.

Our construction business is seeing growth in the year ahead and we are geared to participate in this opportunity. The railway business continues to hold promise, and several product initiatives are in the pipeline, which will support modernization plans of the Indian Railways. We look at 2011 as a year of new business opportunities, where new initiatives will strengthen our profitability and growth in all segments."

The reviewed accounts of the first quarter of 2010-11 ending December 31, 2010 has been approved by the Board of Escorts Limited.

Note for Editors: Escorts Limited follows an October-September fiscal year. The results reported are for the first Quarter of Fiscal October 1, 2010 to September 30, 2011.

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