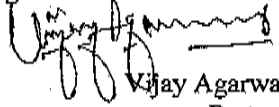


## INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF HERO MOTOCORP LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **HERO MOTOCORP LIMITED** ("the Company") for the quarter and nine months ended December 31, 2013 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II – Select Information referred to in paragraph 4 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to investor complaints disclosed in Part II – Select Information for the quarter and nine months ended December 31, 2013 of the Statement, from the details furnished by the Management.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 015125N)

  
Vijay Agarwal  
Partner  
(Membership No. 094468)

Place: New Delhi, 30 January, 2014

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# HERO MOTOR CORP. LIMITED

Regd. office: 34, Community Centre, Barand Loh, Vasant Vihar, New Delhi-110057  
Unaudited Financial Results for the quarter and nine months ended December 31, 2013

| S. No. | Particulars                                                              | Quarter ended     |                    |                   |                   | Nine months ended |                   | Corresponding nine months ended |                   | Year ended     |                |
|--------|--------------------------------------------------------------------------|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|---------------------------------|-------------------|----------------|----------------|
|        |                                                                          | December 31, 2013 | September 30, 2013 | December 31, 2012 | December 31, 2012 | December 31, 2013 | December 31, 2013 | December 31, 2012               | December 31, 2012 | March 31, 2013 | March 31, 2013 |
|        |                                                                          | Unaudited         | Unaudited          | Unaudited         | Unaudited         | Unaudited         | Unaudited         | Unaudited                       | Unaudited         | Unaudited      | Audited        |
| 1      | Income from Operations                                                   |                   |                    |                   |                   |                   |                   |                                 |                   |                |                |
|        | (a) Net sales/Income from Operations (Net of excise duty)                | 11,659,942        | 14,16,274          | 15,73,148         | 15,73,148         | 41,55,478         | 41,55,478         | 45,48,232                       | 45,48,232         | 60,75,583      | 60,75,583      |
|        | (b) Other Operating Income                                               | 6,64,591          | 5,69,243           | 6,13,131          | 6,13,131          | 18,66,921         | 18,66,921         | 17,51,027                       | 17,51,027         | 23,59,274      | 23,59,274      |
|        | Total Income from operations (net)                                       | 18,30,533         | 19,85,517          | 21,86,279         | 21,86,279         | 60,22,399         | 60,22,399         | 62,99,259                       | 62,99,259         | 84,34,857      | 84,34,857      |
| 2      | Expenses                                                                 |                   |                    |                   |                   |                   |                   |                                 |                   |                |                |
|        | (a) Cost of materials consumed                                           | 4,97,847          | 4,11,448           | 4,40,157          | 4,40,157          | 13,53,344         | 13,53,344         | 12,94,932                       | 12,94,932         | 17,36,486      | 17,36,486      |
|        | (b) Change in inventories of finished goods and work-in-progress         | 202               | 11,893             | 10,363            | 10,363            | 11,336            | 11,336            | 892                             | 892               | 3,280          | 3,280          |
|        | (c) Employees benefits expenses                                          | 24,384            | 22,899             | 19,824            | 19,824            | 69,435            | 69,435            | 59,302                          | 59,302            | 82,092         | 82,092         |
|        | (d) Depreciation and amortisation expenses                               | 27,334            | 26,691             | 28,263            | 28,263            | 83,453            | 83,453            | 87,422                          | 87,422            | 1,14,173       | 1,14,173       |
|        | (e) Other expenses                                                       | 73,601            | 56,999             | 62,538            | 62,538            | 1,87,219          | 1,87,219          | 1,63,450                        | 1,63,450          | 2,26,005       | 2,26,005       |
|        | Total Expenses                                                           | 4,35,205          | 5,15,942           | 5,49,220          | 5,49,220          | 16,95,115         | 16,95,115         | 14,64,368                       | 14,64,368         | 21,42,638      | 21,42,638      |
| 3      | Profit from Operations before Other Income, Finance cost (1-2)           | 13,95,328         | 14,69,575          | 16,37,059         | 16,37,059         | 43,27,284         | 43,27,284         | 48,34,891                       | 48,34,891         | 62,92,219      | 62,92,219      |
| 4      | Other Income                                                             | 9,348             | 11,546             | 9,010             | 9,010             | 30,340            | 30,340            | 29,387                          | 29,387            | 39,838         | 39,838         |
| 5      | Profit before finance costs (3+4)                                        | 13,99,376         | 14,81,121          | 16,46,069         | 16,46,069         | 43,57,624         | 43,57,624         | 48,64,278                       | 48,64,278         | 63,32,057      | 63,32,057      |
| 6      | Finance costs                                                            | 285               | 296                | 294               | 294               | 889               | 889               | 884                             | 884               | 1,191          | 1,191          |
| 7      | Profit before tax (5-6)                                                  | 13,99,091         | 14,80,825          | 16,45,775         | 16,45,775         | 43,56,735         | 43,56,735         | 48,63,394                       | 48,63,394         | 62,12,866      | 62,12,866      |
| 8      | Tax expense                                                              | 19,237            | 17,666             | 9,467             | 9,467             | 57,122            | 57,122            | 29,936                          | 29,936            | 41,104         | 41,104         |
| 9      | Net Profit for the period (7-8)                                          | 13,79,854         | 14,63,159          | 16,36,308         | 16,36,308         | 43,00,613         | 43,00,613         | 47,69,458                       | 47,69,458         | 61,71,762      | 61,71,762      |
| 10     | Paid-up Equity Share Capital                                             | 3,994             | 3,994              | 3,994             | 3,994             | 3,994             | 3,994             | 3,994                           | 3,994             | 3,994          | 3,994          |
|        | Face value of the share (Rs.)                                            | 200               | 200                | 200               | 200               | 200               | 200               | 200                             | 200               | 200            | 200            |
| 11     | Reserves excluding Revaluation Reserve                                   |                   |                    |                   |                   |                   |                   |                                 |                   |                |                |
| 12     | Basic and diluted earnings per share face value Rs. 2/- each (Rs. Super) | 26.37             | 24.11              | 24.43             | 24.43             | 77.65             | 77.65             | 77.31                           | 77.31             | 106.07         | 106.07         |

| Part-3<br>Select information for the quarter and nine months ended December 31, 2013 |                                                                                    |                                     |                                     |                                    |                                           |                                                         |                                    |  |  |  |
|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|------------------------------------|-------------------------------------------|---------------------------------------------------------|------------------------------------|--|--|--|
|                                                                                      | Particulars                                                                        | Quarter ended<br>December 31, 2013  | Quarter ended<br>September 30, 2013 | Quarter ended<br>December 31, 2012 | Nine months<br>ended<br>December 31, 2013 | Corresponding<br>nine months ended<br>December 31, 2012 | Year ended<br>March 31, 2013       |  |  |  |
| A                                                                                    | PARTICULARS OF SHAREHOLDING                                                        |                                     |                                     |                                    |                                           |                                                         |                                    |  |  |  |
| 1                                                                                    | Public shareholding                                                                |                                     |                                     |                                    |                                           |                                                         |                                    |  |  |  |
|                                                                                      | Number of shares                                                                   | (Rs. 200 per share)<br>11,99,75,018 | (Rs. 200 per share)<br>11,99,75,018 | (Rs. 200 per share)<br>9,54,28,010 | (Rs. 200 per share)<br>11,99,75,018       | (Rs. 200 per share)<br>9,54,28,010                      | (Rs. 200 per share)<br>9,54,28,010 |  |  |  |
|                                                                                      | Percentage of holding (to total holding)                                           | 60.05%                              | 60.05%                              | 47.29%                             | 60.05%                                    | 47.29%                                                  | 47.29%                             |  |  |  |
| 2                                                                                    | Promoters and promoter group shareholding                                          |                                     |                                     |                                    |                                           |                                                         |                                    |  |  |  |
|                                                                                      | (a) Hedged/encumbered                                                              |                                     |                                     |                                    |                                           |                                                         |                                    |  |  |  |
|                                                                                      | Number of shares                                                                   | NIL                                 | NIL                                 | 31,25,000                          | NIL                                       | 31,25,000                                               | NIL                                |  |  |  |
|                                                                                      | Percentage of shares (as a % of total shareholding of promoter and promoter group) | -                                   | -                                   | 300%                               | -                                         | 300%                                                    | -                                  |  |  |  |
|                                                                                      | (b) Non-encumbered                                                                 |                                     |                                     |                                    |                                           |                                                         |                                    |  |  |  |
|                                                                                      | Number of shares                                                                   | 7,97,12,482                         | 7,97,12,482                         | 10,11,34,490                       | 7,97,12,482                               | 10,11,34,490                                            | 10,42,59,490                       |  |  |  |
|                                                                                      | Percentage of shares (as a % of total shareholding of promoter and promoter group) | 100.00%                             | 100.00%                             | 97.03%                             | 100.00%                                   | 97.03%                                                  | 100.00%                            |  |  |  |
|                                                                                      | Percentage of shares (as a % of the total share capital of the company)            | 39.92%                              | 39.92%                              | 50.63%                             | 39.92%                                    | 50.63%                                                  | 52.21%                             |  |  |  |
| B                                                                                    | DIVIDEND COMPLAINTS                                                                |                                     |                                     |                                    |                                           |                                                         |                                    |  |  |  |
|                                                                                      | Pending at the beginning of quarter                                                |                                     |                                     |                                    |                                           |                                                         | 5                                  |  |  |  |
|                                                                                      | Received during the quarter                                                        |                                     |                                     |                                    |                                           |                                                         | 85                                 |  |  |  |
|                                                                                      | Disposed off during the quarter                                                    |                                     |                                     |                                    |                                           |                                                         | 87                                 |  |  |  |
|                                                                                      | Remaining unrescued at the end of the quarter                                      |                                     |                                     |                                    |                                           |                                                         |                                    |  |  |  |

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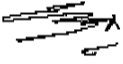
Notes:-

- 1 The above results for the quarter and nine months ended December 31, 2013 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors ("Board") in their respective meetings held on Thursday, January 30, 2014.
- 2 As the Company's business activity falls within a single primary business segment viz 'Two-wheelers, its parts and ancillary services' and is a single geographical segment, the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting", specified in the Companies (Accounting Standard) Rules, 2006 are not applicable.
- 3 During the quarter, the Company has set up a Joint Venture Company (JVC) i.e. HMC MM Auto Ltd. with Magneti Marelli S.p.A. and has initially invested approx. Rs. 180 lacs as part of capital contribution in the JVC.
- 4 In line with Notification No. G.S.R. 378 (E) dated May 11, 2011 issued by The Ministry of Corporate Affairs, Government of India, the exchange differences arising after April 1, 2007 on reporting of long term foreign currency monetary items at rates at end of quarter compared to those at which they were initially recorded, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, have been added to or deducted from the cost of the asset and shall be depreciated over the balance useful life of the asset.
- 5 Previous period/year figures have been regrouped/ reclassified wherever necessary, to make them comparable.
- 6 The above results of the Company are available on the Company's website [www.heromotocorp.com](http://www.heromotocorp.com) and also on [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

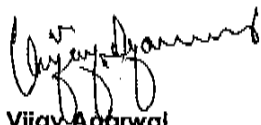
For and on behalf of the board

Sd/-

**BRIJMOHAN LALL MUNJAL**  
Chairman

  
New Delhi  
January 30, 2014

Per our report attached  
**For Deloitte Haskins & Sells**  
Chartered Accountants



**Vijay Agarwal**  
Partner  
Membership No.- 94468

New Delhi  
Dated:- January 30, 2014

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New Delhi, January 30<sup>th</sup>, 2014:

## **HERO MOTOCORP CONTINUES ON A STRONG FOOTING IN Q3'14**

**REPORTS PAT OF RS. 525 CRORE & HIGHEST-EVER QUARTERLY TURNOVER OF RS 6877 CRORE FOR OCT-DEC, FY'14**

### **Financial Results for Q3, FY'14**

- Total sales for the quarter stands at 16,80,940 units
- Total turnover (Net sales and other operating income) Rs. 6877 Crore
- Profit Before Tax (PBT) stands at Rs. 717 crore
- Net Profit After Tax (PAT) stands at Rs. 525 crore
- EBIDTA margin for the quarter at 13.06 per cent

**Hero MotoCorp Ltd. (HMCL)**, the world's largest two-wheeler manufacturer, today reported results for the third quarter (October-December) of this financial year (FY 2013-14).

With sales of 16,80,940 two-wheelers in Q3 FY'14, the company registered a total turnover (Net Sales & other Operating Income) of Rs 6876.78 crore and net Profit After Tax (PAT) of Rs 524.66 crore. HMCL had reported sales of 15,73,135 two-wheelers, total turnover of Rs. 6187.62 and PAT of Rs 487.89 crore in the corresponding quarter in the previous fiscal (2012-13). EBIDTA margin (Earnings Before Interest, Depreciation & Amortization) for the third quarter (October-December) of this financial year (FY 2013-14) stood at 13.06 per cent.

The cumulative sales for the first three quarters of the year (April-December'13) stand at 46,56,498 two-wheelers. The company registered a total turnover (Net Sales & other Operating Income) of Rs 18762.51 crore and net PAT of Rs 1554.65 crore in this period. HMCL had reported sales of 45,48,232 two wheelers, total turnover of Rs. 17622.36 crore and PAT of Rs 1543.93 crore in the corresponding period in the previous fiscal (2012-13).

Delivering on its commitment to bring revolutionary products in the two-wheeler market, **Hero Moto Corp Ltd (HMCL)**, the world's largest two-wheeler manufacturer, on Wednesday unveiled a slew of game-changing two-wheelers across-the-spectrum. The next-generation range of two-wheelers includes the new 250-cc sports bike 'HX250R', the break-through Liquid-

cooled Turbo Charged Diesel Concept Bike 'RNT'; India's first series hybrid scooter 'LEAP' and 110cc scooter 'Dash'.

**Mr. Pawan Munjal, Managing Director & Chief Executive Officer, Hero MotoCorp Ltd.** said "We have been able to post solid sales in the quarter in a relatively dull market, and our PAT and total turnover figures are up from the corresponding quarter last year. However, our EBIDTA has been affected due to partial recovery of rising metal costs and currency fluctuation. We continue to sustain our market-leadership quarter after quarter with a strong focus on performance and profitability, and going forward, we plan to further strengthen our leadership and demonstrate our prowess in innovation and technology.

"While the industry overall is under constant pressure due to a number of reasons, we are confident of and committed to deliver value to our stakeholders. For this, we will continue to challenge the existing benchmarks and innovate constantly to pave way for improved performance.

"We are excited about the upcoming Auto Expo where we will be showcasing our vision for the future of two-wheelers. Only yesterday, we gave you a glimpse of the range of products that we are developing. But there's more to come – several more products, including new concepts which you will get to see at the Delhi Motor Show in February.

The Q3 of FY'14 marked several milestones in Hero MotoCorp's journey towards next-generation technological excellence.

|                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Demonstrated technological excellence and innovation (Unveiled 15 new offerings')</b> | <ul style="list-style-type: none"> <li>- Showcased next-gen features to be introduced in its new product line-up: <ul style="list-style-type: none"> <li>o i3S Technology (Idle Stop &amp; Start System) to debut on all-new Splendor iSmart</li> <li>o Integrated Braking System (IBS) to be introduced in the all-new Pleasure</li> <li>o Electronic Immobiliser to debut on the new 150cc Xtreme</li> </ul> </li> <li>- Apart from these offerings, HMCL also showcased a series of radical refreshes and variants of existing platforms (Karizma&amp; ZMR, HF Dawn, HF Deluxe, HF Deluxe Eco, Splendor Pro, Super Splendor, Passion Pro, Glamour and Glamour F1)</li> <li>- These products are being launched in a phased manner in the Indian market</li> </ul> |
| <b>Global Foray</b>                                                                      | <ul style="list-style-type: none"> <li>- The company has started despatching vehicles to other new markets such as Tanzania, Uganda, Burundi, Egypt, Ecuador and Bangladesh.</li> <li>- In Tanzania and Uganda, HMCL will have local assemblies</li> <li>- HMCL plans to have presence in 20 new markets by March'14 with at least four assembly operations globally</li> <li>- HMCL will finalise a joint venture agreement for Colombia within the first three months of 2014</li> <li>- The company is preparing to set up a manufacturing unit in</li> </ul>                                                                                                                                                                                                     |

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|                                  |                                                                                                                                  |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
|                                  | Colombia to cater to the Latin American markets<br>In the first quarter of 2014, HMCL will enter Ethiopia, Turkey and Nicaragua. |
| <b>New Strategic Partnership</b> | – Formed strategic joint venture with MagnetiMarelli to develop and manufacture new generation fuelling systems                  |

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For further information please contact:

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