

5/7



HERO MOTOCORP BEGINS NEW JOURNEY WITH HIGHEST-EVER QUARTERLY SALES AND TURNOVER

- REPORTS HIGHEST-EVER QUARTERLY SALES OF 15.4 LAKH
- SELLS AN AVERAGE OF 5 LAKH UNITS PER MONTH IN Q2'12
- REPORTS ALL-TIME HIGH TURNOVER OF RS. 5829 CR.
- BRINGS NEW LAUNCHES TO LEVERAGE FESTIVE DEMAND

Highlights of Q2, FY'12

- Sales for Q2 FY'12 stands at **15,44,315 units**, a growth of 20 per cent
- Over 3 million units sales in H1 of FY'12, a growth of 22 per cent
- Total turnover (Net Sales & Other Operating income) for Q2 at a record Rs 5829 crores
- PAT at Rs 603.62 crores
- EBIDTA margin for the quarter at 15.76 per cent

New Delhi, October 18, 2011: Hero MotoCorp Ltd., the world's largest two-wheeler manufacturer, has begun its new journey with a record top line and bottom line performance.

Consistently reporting robust top line volumes over the past several months, Hero MotoCorp Ltd, (formerly Hero Honda Motors Ltd), today reported record numbers for the second quarter (July-September) of FY'12 – the very first quarter of donning a new brand identity. After unveiling its new global brand identity in London on August 9th this year, Hero MotoCorp notched up sales of 503,654 units that month, and then followed it up with its highest-ever monthly sales of 549,625 units in September.

The company closed the second quarter of FY'12 with sales of **15,44,315 units** of two-wheelers, a growth of 20 per cent over the corresponding period in FY'11 when the company had sold 12,85,944 units.

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6/7

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Recording an average sale of five lakh-plus units in each month of Q2 (July-September) of 2011-12, Hero MotoCorp registered its highest-ever turnover (Net Sales & Other Operating income) of Rs 5829.32 crores. The company's turnover in the corresponding period last fiscal was Rs. 4551.95 crores.

The company reported profit after tax (PAT) of Rs 603.62 crores and EBIDTA margin of 15.76 per cent. The company's PAT for the corresponding period last fiscal was Rs. 505.60 crores.

Hero MotoCorp has set another benchmark in the H1 (April-September) of FY'12 with record sales of over three million units during the period, setting a perfect platform to comfortably surpass the initial guidance of six million units in FY'12.

Dr. Brijmohan Lall, Chairman, Hero MotoCorp Ltd, said, *"Our consistent performance over the past two quarters has come about thanks to the tremendous support we have received from all our stakeholders, including our customers, dealer friends, suppliers and our employees. It is their support and the inherent managerial strength at Hero MotoCorp that gives us the confidence to continue with this kind of performance."*

Mr. Pawan Munjal, Managing Director & Chief Executive Officer, Hero MotoCorp Ltd, said, *"Our solid performance over the past several months amply demonstrates our ability to sustain growth against odds. The manner in which we have started our new journey vindicates our confidence in our future."*

"Our bottom line results reflect our record top line performance over the past six months. This performance has come despite the rising food inflation and fuel costs. These two areas remain a concern for the industry, as it might adversely impact consumer spending in the coming months. However, we remain confident of carrying forward the buoyancy in our sales. We expect our retail volumes to peak during the festive month of October, and in anticipation of rising market demand for our products in the coming months, we have been augmenting capacity at our existing plants," he added.

Hero MotoCorp has just launched its first motorcycle under the new "Hero" brand name, providing an all-new riding experience for its customers this festive season. The company on Monday started despatches of the 150cc **"Impulse"** – the country's only dual-purpose on-road-off-road bike, thereby launching an entirely new segment in the Indian two-wheeler market. Impulse would be available for test rides and purchase at several locations across the country ahead of Diwali. Attractively priced at **Rs 66,800/- (ex-showroom Delhi)**, Impulse is available in five exciting colours - Black, Vibrant Blue Metallic, Sports Red, Leaf Green Metallic & Vibrant Orange.

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7/7

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Hero MotoCorp is also set to bring several new launches, including the 110cc scooter 'Maestro' in the coming months.

Hero MotoCorp is already receiving accolades for its highly-innovative rebranding initiative. This initiative won the CNBC Awaaz-Storyboard special commendation for "Effective rebranding of a new corporate entity" at the recently-held CNBC Awaaz Consumer Awards 2011. The company also won the "Most Recommended Two-Wheeler Brand of the Year" award at the same awards.

Hero MotoCorp's customer loyalty programme "Hero GoodLife" has also received coveted international recognitions recently, winning the Colloquy Loyalty Awards "Innovation in Loyalty Marketing International 2011" award and the "Promotion Marketing Award of Asia Order of Merit" award for "Best Activity Generating Short or Long-Term Brand Loyalty".

In yet another vindication of the popularity of the brand among customers, Hero MotoCorp has again been ranked No 1 brand in the Auto (Two-Wheelers) category in the recent Brand Equity "Most Trusted Brand" 2011 survey.

For queries, please contact: