



## PRESS RELEASE

### ESCORTS Q3 NET PROFIT UP 106% TO ₹ 45.84 CRORE

- *Nine month PAT at Rs 110.7 crore, up from Rs 29.7 crore*
- *Nine Month sales up 33 per cent at Rs 2078 crore*
- *Quarter Sales grows by 38.5 per cent to Rs. 806 crore*
- *Q3 Profit Before Tax at Rs.68.4 crore*

*New Delhi, July 19, 2010:* Escorts Limited today reported a profit of Rs. 45.84 crore for the quarter ended June 30, 2010, a 106 per cent increase over Rs 22.2 crore registered for the corresponding period of last fiscal. The Profit Before Tax (PBT) stands at Rs.68.4 crore for the quarter, as against a profit of Rs.41.4 crore in the corresponding period. Net sales rose to Rs 806 crore, a 38.5 per cent increase from Rs.582 crore in the previous year. EBITDA before exceptional items went up by 24 per cent from Rs 63.1 crore to Rs.78.3. *Escorts Limited follows an October-September fiscal year.*

During the quarter, Escorts Limited registered Tractor sales of 17,917 units, a 39 per cent increase over 12,889 units. The sales performance is a result of aggressive marketing backed by a streamlined sales & marketing team. The tractor industry grew by 34% during the period October 09 to June 10. During the same period Escorts sales grew by 43%.

During the quarter, Escorts launched its new tractor variant Powertrac 429 (PT429), a 27 HP - 2 cylinder offering to bring the best solution to farmers to deliver maximum productivity. Besides this, the Construction Equipment Business of the company recently introduced its backhoe loader - DIGMAX, as part of its strategy to expand its product portfolio to address larger share of the construction equipment market.

*Speaking on the results, Chairman and Managing Director Mr Rajan Nanda said,* "Escorts is creating value in the market place, for the company and its shareholders. I am very pleased that we have been able to justify the faith that our shareholders have reposed in us and the track record of growth and profits on a sustained basis should serve to act as assurance that the company is poised for great advancements. Our efforts at cost savings, streamlining and

cost management puts us in a situation where sales growth translates into both equivalent revenue and profit growth. Our liquidity has improved, interest costs have fallen substantially and debt:equity ratio is attractive. The company is consistently enhancing shareholder value through growth initiatives, fiscal prudence and innovative strategies. We are leveraging our ability to engineer technology to chart a growth path that spans a wider canvas of economic activity across agriculture and infrastructure sector. "

*He further added,* "We will be investing in Agri machinery business to expand capacity and develop new technology. We plan to launch 6-7 new products which are best suited for specialized application needs of the farmer. Keeping pace with the growing expectations of the farming community, we are today transforming ourselves to be a provider of mechanized farm solutions for the farmers. We have tied up with leading implement and attachment manufacturers to provide farming solutions across various stages of the cropping cycle as well as non-farm applications."

**According to Joint Managing Director Mr Nikhil Nanda,** "Escorts financial performance continues to gain momentum quarter after quarter which demonstrates a growth momentum that is unflagging as well as an appetite for a higher share of the market. In comparison to the previous quarter of the current fiscal, net profit is up from Rs 41.47 crore to Rs 45.84 crore, operational profit is up by 28%, net sales is up by 20% and tractor sales volumes are up by 22.5% . The focus on efficiencies has led our EBITDA to grow by 18.5 per cent. Going forward, we will continue to focus on creating a top-quality efficient business that delivers higher value to our stakeholders."

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