



PRESS RELEASE

**ESCORTS SECOND QUARTER NET PROFIT
TO ₹ 73.2 CRORE**

- Second Quarter sales at Rs 889.80 crore, up 32.5 per cent
- EBITDA margin for the quarter at 6.5% as against 5.3% in previous quarter
- Debt Equity Ratio at 0.22
- Higher Tractor volumes drive up sales revenue by 37 per cent
- Annualized EPS Rs 19.30 increase 31.5% over last year
- Construction equipment business shows half yearly net sales of Rs 380.8 crore ending March 2011 as against full year sales of Rs 575 crore in FY2010

New Delhi, May 03, 2011: Escorts Limited today reported a Net Profit of Rs 73.2 crore for the second quarter of the 2010-11 financial year ending March 31, 2011, from Rs 41.4 crore for the corresponding quarter last fiscal. Net Sales grew by 32.5% to Rs 889.80 crore as against Rs 671.70 crore registered in the corresponding quarter last year. The Debt to Equity ratio for the Escorts Group stands at a low of 0.22. *Escorts Limited follows an October-September fiscal year and the reported quarter is the second quarter of fiscal 2010-11.*

The Agri Machinery Division recorded sales of Rs 817.60 crore during the quarter, up 37 per cent from Rs 595.80 crore in the corresponding quarter last year. Tractor volumes are up by 21 per cent to 17,672 units as against 14,623 units in the corresponding quarter last year. Railways Sales have also seen a sequential growth of 19.10%.

Speaking on the results, Chairman and Managing Director Mr. Rajan Nanda said, "Escorts' second quarter results of fiscal 2010-11 reflects a profitable quarter with strong sales performance by the Agri Machinery Group. We are confident that, sustained growth in farm incomes, increasing demand from agriculture sector, a good monsoon and good crop will aid further growth."

The company has introduced a range of products that are well suited to agricultural, haulage, infrastructure as well as specialized application needs of the consumer. The 'Escorts Jai Kisan Series' is an initiative, which will recast of recast the entire product portfolio, to make it application and geography specific.

ESCORTS LIMITED

Corporate Centre: 15/5, Mathura Road, Faridabad-121 003, India
Tel.: +91-129-2250222 Fax: +91-129-2250009
Website: www.escortsgroup.com



Mr. Rajan Nanda added, "While the agri business is showing sustained and profitable growth, there is a concerted effort at accelerating growth and profitability in construction business. We have set aside Rs.165 crore and Rs. 50 crore as capital expenditure for our Agri Machinery and construction business respectively and are looking at introducing higher capacity engines, higher HP tractors, and augmenting our capacity in material handling and earth moving machinery to meet the growing demand."

Mr. Nikhil Nanda, Joint Managing Director said, "The performance of this quarter is the outcome of an increased focus on higher sales and better margins. This has been most evident in the Agri Machinery business where we have seen volume and revenue growth. EBITDA margins as a whole have improved to 6.4 per cent as against 5.3 per cent in the previous quarter. While there have been cost pressures, our focus on cost efficiencies and tight fiscal management have been able to offset some of the inflationary pressures. We will continue our focus in this area."

"With strong demand for infrastructure machinery, we are today focused and have aggressive plans for the construction equipment business. Technology tie-ups are in the pipe to offer higher value added products to our customers with an aim to become a one-stop-shop for providing end-to-end solutions for the construction industry," *he further said.*

The reviewed accounts of the second quarter of FY 2010-11 ending March 31, 2011, 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 second Quarter of Fiscal October 1, 2010 to September 30, 2011.

For further information kindly contact:

Ms. Shradha

Torque Communications Pvt Ltd.

Handphone: +91 9910163995

E-Mail I-D: shradha@torquemail.com

ESCORTS LIMITED

Corporate Centre- 15/5, Mathura Road, Faridabad-121 003, India

Tel: +91-129-2250222 Fax: +91-129-2250009

Website: www.escortsgroup.com