



PRESS RELEASE

**ESCORTS FY11 NET PROFIT AT ₹ 120.1 CRORE**

- Annual sales up 17 per cent at ₹ 3210.1 crore
- EBIDTA at ₹174.5 crore

**New Delhi, November 28, 2011:** Escorts Limited today reported a rise in Net Sales by 17% at Rs 3,210 crore in the financial year 2010-11 as against Rs 2,745 crore in the previous year. The company reported a Net Profit of Rs 120.1 crore for the financial year 2010-11 ending September 30, 2011. This is against a net profit of Rs 137.5 crore in the previous fiscal. EBIDTA stood at Rs 174.5 crore in the current fiscal. Total expenditure saw a rise of 20 per cent, largely on account of a 24 per cent increase in material cost due to inflationary pressures. *Escorts Limited follows an October-September fiscal year.*

Escorts Agri Machinery recorded revenues of Rs 2,951 crore, up 19.3 per cent from Rs 2,474 crore in the previous fiscal. Tractor volumes were up by 5.5% at 63,420 units against 60,086 units in the previous year. In the year past, Escorts Agri Machinery has introduced a slew of products under the 'Jai Kisan Series' to tap into the increasing trend of farm mechanization. In addition, the division's increasing network, introduction of innovative products and customer support programme has helped in strengthening sales in a challenged market.

*Speaking on the results, Chairman and Managing Director Mr. Rajan Nanda said,* "The Escorts annual results reflect the direct impact of a sharp rise in material costs in an overall inflationary economy characterized by price increase of raw material, higher petroleum prices and high interest rates. The continued profitability of the group is a reflection of its sound fundamentals, market resilience and successful implementation of market strategies that offset the cost increase and constrained market situation. Looking ahead, our aggressive market strategies, launch of new products, recent price revisions and an ongoing cost compression exercise should provide some cushion in the event of continued inflationary pressures."

Mr. Nanda further said, "At the same time, Escorts Constructions Equipment has been on a growth path as a result of an expansion in product portfolio as well as strong demand in the Indian earth moving and construction industry. In the past 12 months, ECEL has achieved an invoicing value of about Rs 1000 crore. Importantly, ECEL's growth has encompassed the entire product portfolio."



Wholly owned subsidiary Escorts Construction Equipment Ltd (ECEL) has been recording a CAGR of 10% and is projected to register a 45 per cent increase in net sales for the year 2011-12.

*Mr. Nikhil Nanda, Joint Managing Director said, "The year past has been a test for the basic business parameters in the face of mounting costs. However, there is much to look forward to as Escorts has entered into a number of new areas in the tractors business and is looking at significant expansion of products and geographical reach. We are, therefore, focusing on providing customers a range of crop solutions and implements to compliment our brands Farmtrac® and Powertrac®. Farm mechanization will be the catalyzer for farmer productivity and profitability in the days ahead. With the advent of newer applications across cropping cycle as well as use in commercial applications, Escorts is catering to the need for tractors to be customized and specialized to maximize farm productivity."*

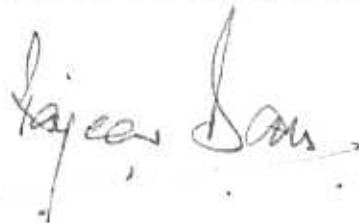
The audited accounts of 2010-11 ending September 2011 has been approved by the Board of Escorts Limited.

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

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