



PRESS RELEASE

**ESCORTS SECOND QUARTER NET PROFIT
AT ₹ 18.1 CRORE**

- **Second Quarter operating income at ₹ 795 crore**
- **EBIDTA at ₹ 43.8 crore, up 65 per cent on sequential basis**

New Delhi, May 10, 2012: Escorts Limited today reported a Net Profit of ₹ 18.1 crore for the second quarter of the 2011-12 financial year, ending March 31, 2012. Net profit stood at ₹ 18.1 crore as against ₹ 10.9 crore in the previous quarter. Escorts Limited follows an October-September fiscal year and the reported quarter is the second quarter of fiscal 2011-12.

While the company increased its market share for the quarter at 11.9 per cent, sales dipped by 3.9 per cent on a sequential basis. The tractor industry has continued to slide in the first four months of calendar 2012. Despite the constrained market situation, Escorts improved its margins on the back of reduced expenditure and favourable realizations from customers in the period November 2011 to April 2012. EBIDTA for the quarter stood at ₹ 43.80 crore as compared to ₹ 26.55 crore in the preceding quarter, a gain of 65 per cent. The Agri Machinery division recorded sales of ₹ 719 crore in the quarter. The Auto Parts Division and the Railway Equipment Division also improved their sequential performance.

Speaking on the results, Chairman and Managing Director Mr. Rajan Nanda said, "Despite a profitable quarter and growth over the immediate two preceding quarters, the industry environment is far from healthy with tractor sales for the industry down between 2 per cent and 9 per cent over the past four months. These have had an obvious impact on our performance both on the top line and the bottom line.

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However, there are some important positives to take away from the last quarter: Escorts grew its tractor market share, the Auto and Railways divisions performed better; we managed to hold down costs and we increased our profitability over the previous two quarters. The second half of the year is traditionally better for the industry and we are expanding our reach and product portfolio to enter new markets and new market segments. We are also looking forward to the completion of our merger process within the financial year which would change the dynamics of the Escorts Group for its shareholders, customers and associates."

According to Mr. Nikhil Nanda, Joint Managing Director, "The Company is today rolling out in the market a lot of what we had planned over the years. Escorts today is focused on building profitability by taking a higher share of the top end of the tractors market by launching higher HP tractors. Further, we are creating significant presence in the South while shoring up our portfolio in the North and West. We see the current phase as one of investment and expansion and we believe that we shall reap the rewards on the upturn of the market as the industry continues to be optimistic about an 8 per cent annual growth."

The reviewed accounts of the second quarter of 2011-12, ending March 31, 2012, 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, 2011 to September 30, 2012.

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