



PRESS RELEASE

**ESCORTS THIRD QUARTER NET PROFIT
AT ₹ 26.9 CRORE**

- **EBIDTA for the quarter stood at ₹55.9 crore**
- **Sales volumes up 13.2%**

New Delhi, August 6, 2012: Escorts Limited today reported a Net Profit of ₹26.9 crore for the third quarter of the 2011-12 financial year, ending June 30, 2012. Net profit for the quarter was up by 104% compared to ₹13.2 crore in the corresponding quarter (April-June 2011) last year. Escorts Limited follows an October-September fiscal year and the reported quarter is the third quarter of fiscal 2011-12.

The company increased sales volumes by 13.2% at 16,083 tractors as against 14,212 units in the corresponding quarter. Net sales rose to ₹858.9 crore in the current quarter as against ₹728.9 crore in the corresponding quarter last fiscal. EBIDTA stood at ₹55.9 crore as against ₹31.4 crore in the corresponding quarter. EBIDTA as percent of sales stood at 6.5% as compared to 4.3% in the corresponding quarter last year.

Escorts outperformed the market during the quarter, growing at 11.66% as against the industry growth of 2.28% during the same period. The company also improved its market share to 10.7 per cent in the quarter

Speaking on the results, Chairman and Managing Director Mr. Rajan Nanda said, "The profitability in the third quarter is a combination of growth in sales, better margins and cost compression measures. The performance this quarter shows the success of strategies that the company has adopted over the last two quarters, including launch of executive tractors, deepening of sales and distribution network and robust brand building.

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However, it would be important to keep in mind that the company's performance is despite the market conditions which have toughened further with the poor performance of the monsoons so far. Escorts will stay focused on delivering to customer requirements and improving its market share in order to continue with its growth story."

According to Mr. Nikhil Nanda, Joint Managing Director, "This quarter has been a good measure of the Company's growth and cost management strategies. While, on the one hand, we have introduced new products, pushed up volumes and improved our margins, by effectively managing costs, we have been able to enhance our EBIDTA as percent of sales from 4.3% in the corresponding quarter last year to 6.5% this year. In a slow market, the challenge is always to choose between growth and consolidation. Escorts has decided to take the path of driving growth by opening up markets and capturing market share while keeping a tight rein on costs."

The reviewed accounts of the third quarter of 2011-12, ending June 30, 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 Third Quarter of Fiscal October 1, 2011 to September 30, 2012.

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