



EICHER MOTORS LIMITED

UNAUDITED FINANCIAL RESULTS FOR Q1 2011

Consolidated total income at Rs. 1415.0 crore

Operating Earnings before interest, depreciation, taxes and minority interest (EBIDTA) at Rs. 162.4 crore

Profit after tax and before minority interest (PAT) at Rs. 122.6 crore

New Delhi, May 6, 2011:

Today, Eicher Motors Limited (EML) approved the unaudited consolidated financial results for the quarter ended March 31, 2011

Performance Highlights:

Consolidated financial results (Q1' 11 versus Q1 '10)

- ✓ Total Income (net of excise) for the quarter was Rs. 1415.0 crore as against Rs. 1062.7 crore in the same quarter of previous year. **QoQ growth of 33.2%**
- ✓ Operating Earnings before interest, depreciation, taxes and minority interest (EBIDTA) for the quarter was Rs. 162.4 crore as against Rs. 91.2 crore in the same quarter previous year. **QoQ growth of 78.1%**
- ✓ Profit after tax and before minority interest (PAT) for the quarter was Rs. 122.6 crore as against Rs. 66.2 crore in the same quarter of the previous year. **QoQ growth of 85.2%**

Please Note - PAT after minority interest cannot be directly related to the revenue, and should not be quoted as a %age of Net Sales – as it gives a distorted picture of the net margins of the company.

Comments:

On the results, Siddhartha Lal, Managing Director and CEO, Eicher Motors Limited, said, “After posting record highs in Q4-2010 and also for the full year of 2010 in terms of volume and profitability, Eicher Motors has done exceedingly well to carry the growth momentum into Q1. Q1-2011 bettered not only Q1-2010 but also the Q4-2010. On a consolidated basis, our net income grew by 33.2% over Q1-2010, and by 11.7% over Q4-2010. The EBIDTA margin is at an all time high of 11.7% for the quarter, compared to 8.8% in Q1-2010, and the previous record of 9.7% in Q4-2010.

In VECV's Eicher Trucks and Buses division, our sales volume in the 5T & above segment grew by 30.5% over Q1-2010 to 12505 units. This was much better than market growth of 12.4%; and resulted in improving market share to a record 30.7% in 5-12 T segment. In the 16T and above segment, we grew by 96.5%, and that resulted in the improvement of market share from 1.7% in Q1-2010 to 2.7% in Q1-2011.

In the high end European Heavy Duty segment, due to issues specific to the mining segment, Volvo Trucks India's sales fell by 34.2% compared to Q1-2010. I believe that this is a temporary phenomenon, and that Volvo Trucks India will be back on growth trajectory very soon.

In Royal Enfield motorcycle division, we had our best ever quarter. We sold 16968 units, 36.2% better than Q1-2010. We now have capacity to produce and sell at a run rate of more than 6000 units a months. We are continuing with necessary steps to further increase this capacity. Even with this capacity enhancement, the unmet demand for Royal Enfield motorcycles remains very high.

The outstanding results last quarter are an outcome of focused strategies and initiatives that we have taken over the last few years, which have structurally improved our efficiencies and competitiveness. These include our relentless focus on cost management, improving price realization, greater penetration of spare parts sales, and continued focus on ensuring success of HD truck in the market place. We have a deep commitment to strengthening the quality culture across organization and increasing customer centricity. The Q1 performance is an evidence of success of these initiatives."

About Eicher Motors Limited:

Eicher Motors Limited, incorporated in 1982, is the flagship company of the Eicher Group in India and a leading player in the Indian automobile industry. Its 50-50 joint venture with the Volvo group, VE Commercial Vehicles Limited, is involved in business activities ranging from design, manufacturing and marketing of reliable, fuel-efficient commercial vehicles of high quality and modern technology to manufacturing engineering components and providing engineering design solutions. Eicher Motors' two-wheeler division manufactures and markets Royal Enfield motorcycles.

<http://www.eicherworld.com>

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All statements included or incorporated by reference in this media release, other than statements or characterizations of historical fact, are forward-looking statements. These forward-looking statements are based on our current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by us. Although EML believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Any forward-looking statement speaks only as of the date on which such statement was made, and EML undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. No assurance can be given that actual results, performance or achievement expressed in, or implied by, forward looking statements within this disclosure will occur, or if they do, that any benefits may be derived from them.

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