



ANNUAL RESULTS

Audited consolidated financial results for the year ended December 31, 2010

- Total income (net of excise) at 4524.7 crore rupees
- Profit before tax at 417.7 crore rupees

Consolidated financial results for the quarter ended December 31, 2010

- Total income (net of excise) at 1267.4 crore rupees
- Profit before tax at 128.9 crore rupees

Dividend recommended at 110%

New Delhi, February 5, 2011:

Today, Eicher Motors Limited (EML) convened a board meeting to approve the annual audited accounts and results for the year ended December 31, 2010.

Performance Highlights:

Audited consolidated financial results (Year ended December 31, 2010)

- ✓ Total Income (net of excise) is 4524.7 crore rupees.
- ✓ EBIT is 427.2 crore rupees; 9.4% of total income.
- ✓ Profit before tax and before minority interest (PBT) is 417.7 crore rupees.
- ✓ Profit after tax and before minority interest (PAT) is 306.9 crore rupees.

Consolidated financial results (Quarter ended December 31, 2010)

- ✓ Total Income (net of excise) for the quarter is 1267.4 crore rupees.
- ✓ EBIT is 129.7 crore rupees; 10.2% of total income.
- ✓ Profit before tax and before minority interest (PBT) is 128.9 crore rupees.
- ✓ Profit after tax and before minority interest (PAT) is 93.7 crore rupees.

Please Note - Consolidated PAT for the year is 306.9 crore rupees on a revenue of 4524.7 crore rupees
- Consolidated PAT for the quarter is 93.7 crore rupees on a revenue of 1267 crore rupees.

PAT after minority interest cannot be directly related to the revenue.

Comments:

Reviewing the year 2010, Siddhartha Lal, Managing Director and CEO, Eicher Motors Limited, said, *“The year 2010 was a water-shed year for Eicher Motors in terms for growth and profitability. On a consolidated basis, our net income grew by 50% over 2009 to reach 1 Billion US \$ mark (Rs 4525 Crs) with EBIDTA margin at an all time high of 8.6%, as compared to 5.4% in the previous year. Apart from continued focus on cost reduction, we were able to gain operating leverage which helped in achieving our highest ever EBIDTA margin of 9.7% in Q4. ”*

“We were very successful in capitalizing on a strong CV demand – our sales volumes in the 5T & above segment grew by 57.4% to 38181 units in Eicher Trucks and Buses and it grew by 22.7% at 1104 units in Volvo Trucks. Our market share in 5 to 12 T segment was an all time high at 28.2% in 2010 as compared to 25.6% in 2009. In the high end European Heavy Duty segment, Volvo Trucks India continued to lead with a market share of more than 70%.”

In Royal Enfield motorcycle division, where we operate in leisure segment of 350cc and 500 cc, we sold an all time high of 52574 units, marginally higher than 51955 units sold in 2009. Even though opportunity was much higher, due to capacity constraints, we could not produce more and supply lagged demand through out the year. Necessary steps are being taken to increase the capacity in 2011. Major highlight of the year was transition to a new engine platform with unit construction engine meeting the Bharat Stage III emission norms.

On outlook for the year 2011, Siddhartha said, *“On the whole, we expect economic activity to improve in 2011 as well. Rising income levels will continue to stimulate demand. However, continued availability of credit and a reasonable interest rate regime will be critical to economic growth.”*

“Apart from launching many improved variants across product categories, VE Commercial Vehicles Limited (VECV) has started selling semi low floor buses and 25T Tipper in 2011. This will help VECV to improve its position in Heavy Duty segment.

The new engine project that was launched in 2010 for manufacture and supply of latest technology engines to Volvo is progressing well as per plan”.

About Eicher Motors Limited:

Eicher Motors Limited, incorporated in 1982, is the flagship company of the Eicher Group in India and a significant player in the Indian automobile industry. Its 50-50 joint venture with the Volvo group, namely, 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>

Disclaimer:

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.

Media Contacts: Shaila Aggarwal: +91-11-41437600/saggarwal1@eicher.in