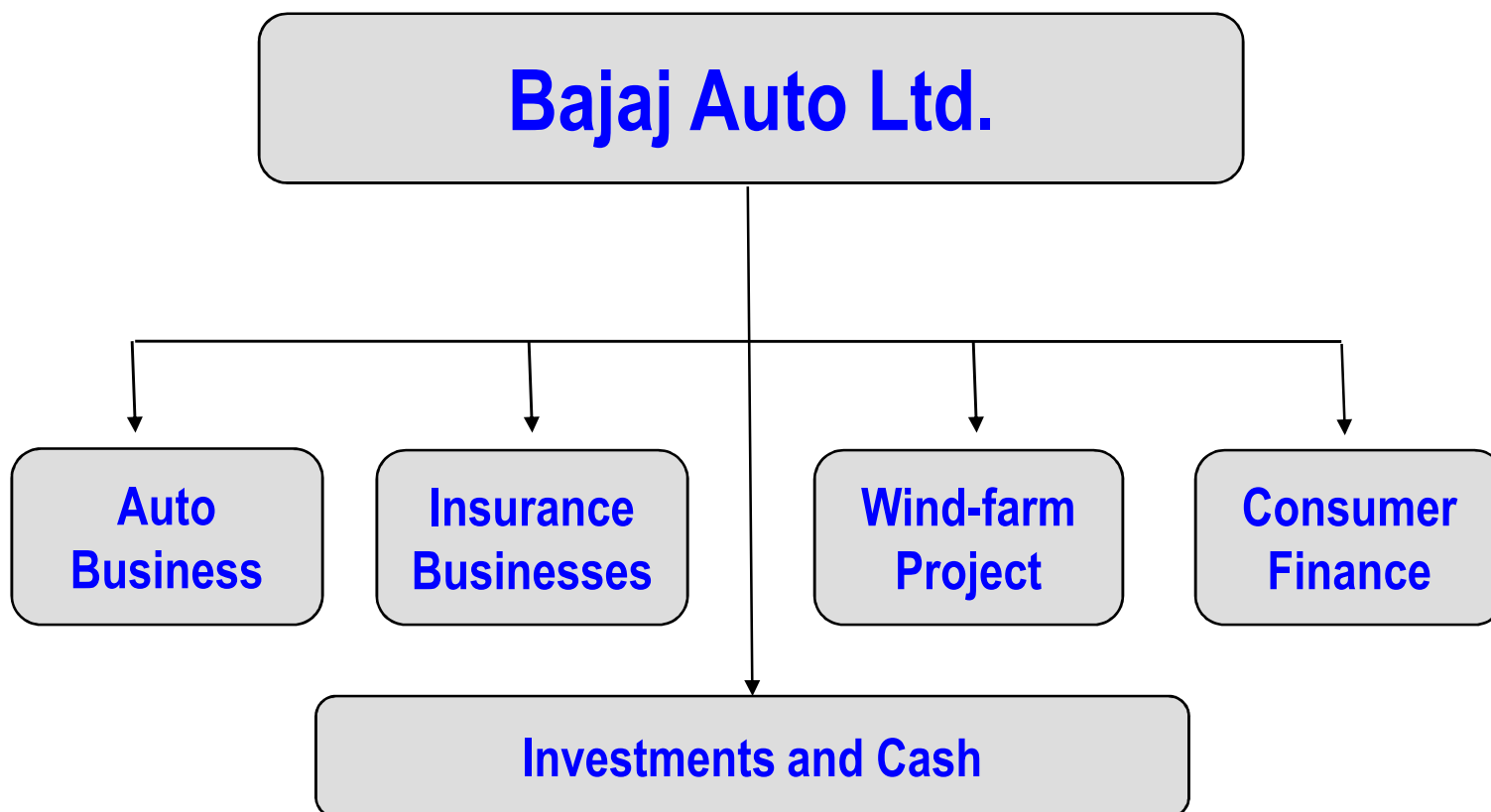




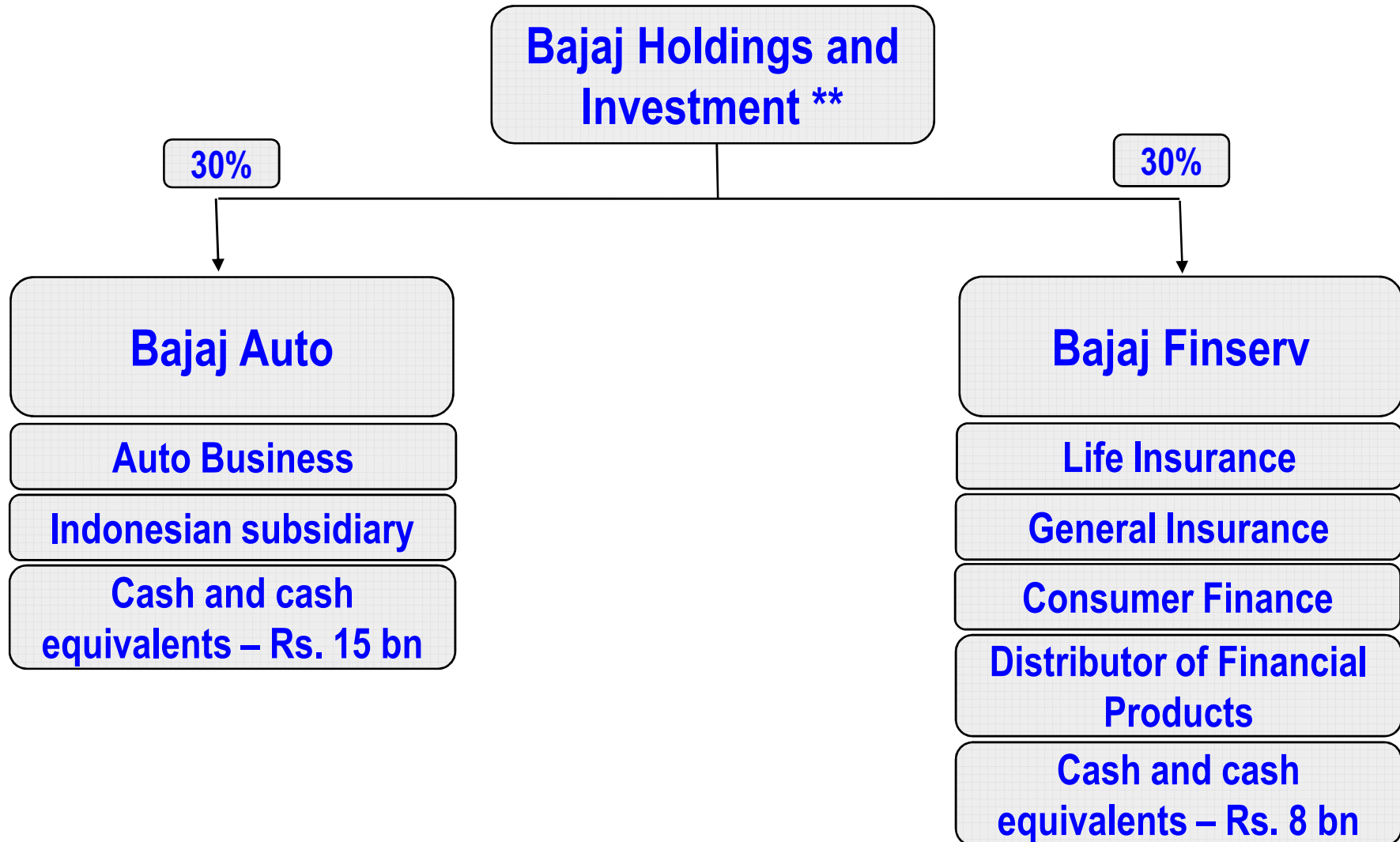
BAJAJ

Distinctly Ahead

Pre-demerger



Post-demerger



**** 30% stake in BAL & BFS, holding in MSL, ICICI and cash equivalents – Rs. 56 bn**

Status on De-merger

- **Board Approval of Scheme** : **17th May 2007**
- **Court convened meeting** : **18th August 07**
- **Court hearing** : **October 07**
- **Filing of Court order with ROC** : **20th February 08**
- **Listing of shares of BHIL** : **March 08**
- **Approval from SEBI** : **Received**
- **Expected listing – BAL** : **26th May 08**
- **BFS** : **26th May 08**

Bajaj Auto Ltd

(post de-merger)

SALES IN UNITS : TOTAL						
	2007-08		2006-07		GROWTH	
	Q4	Total	Q4	Total	Q4	Total
100cc	224,030	986,232	291,057	1,438,323		
125cc	152,364	686,389	104,326	450,845		
150cc	103,511	467,158	140,462	490,331		
Motorcycles	479,905	2,139,779	535,845	2,379,499	-10%	-10%
Total 2Wh's	482,912	2,161,095	543,757	2,399,996		
3 Wh's	69,676	290,312	84,630	321,828	-18%	-10%
Total Units	552,588	2,451,407	628,387	2,721,824	-12%	-10%

of which EXPORTS are						
	2007-08		2006-07		GROWTH	
	Q4	Total	Q4	Total	Q4	Total
100cc	70,510	269,176	43,964	174,312		
125cc	37,408	138,306	17,753	66,363		
150cc	15,712	74,067	15,826	59,981		
Motorcycles	123,630	481,549	77,543	300,656	59%	60%
Total 2Wh's	123,890	482,026	77,550	301,766		
3 Wh's	34,168	136,315	39,133	140,645	-13%	-3%
Total Units	158,058	618,341	116,683	442,411	35%	40%
Rs. in billion	5.05	20.48	4.49	16.94	12%	21%

Financials - Standalone

Particulars	9 Months	Rs. in billion	
		Q4	Full Year
Net Sales & operating Income	69.72	20.74	90.46
Other Income	1.02	0.21	1.23
Total Income	70.74	20.95	91.69
Material Cost	50.96	15.24	66.20
Employee cost	2.56	0.86	3.42
Depreciation	1.33	0.41	1.74
Other expenses	6.05	2.09	8.14
Expenses capitalized	(0.17)	(0.06)	(0.23)
Total Expenses	60.73	18.54	79.27
Interest	0.03	0.02	0.05
Voluntary retirement scheme	0.51	0.51	1.02
Profit before tax	9.47	1.88	11.35
Provision for tax	3.12	0.67	3.79
Profit after tax	6.35	1.21	7.56
EPS (weighted average)			54.2
Dividend (45% payout ratio)			200%

Financials - Standalone

Particulars	Rs in billion
Sources of funds	
Share capital	1.45
Reserves and surplus	14.42
Total shareholders funds	15.87
Secured loans	0.07
SICOM (Sales tax benefit)	13.27
Defered tax adjustment	0.11
	29.32
Application of funds	
Fixed assets (net)	12.93
Technical knowhow	0.11
Investments at cost	18.57
Net current assets	(2.29)
	29.32
Book value per share	110

Overview on Investments

	<u>Cost</u>	<u>Market Value</u>
➤ Subsidiaries		
✓ PTBAI	0.57	0.57 *
✓ Bajaj Auto International		
Holdings BV	5.69	5.69 *
✓ Other equities	<u>.01</u>	<u>.01 *</u>
Sub-total ...	6.27	6.27
➤ Fixed Income	<u>12.30</u>	<u>12.57</u>
Total ...	18.57	18.84

* At book value since not quoted

All values in INR billion unless specified otherwise

Financials - Operating

Rs. in billion	2007 - 08			2006 - 07 *	
	9M	Q4	Full Year	Q4	Full Year
Total Opg Income	69.72	20.74	90.46	23.13	95.20
Material Cost	50.80	15.17	65.97	16.78	68.69
%	72.9	73.1	72.9	72.4	72.1
Employee Cost	2.55	0.87	3.42	0.69	3.02
%	3.7	4.2	3.8	3.0	3.2
Selling & after sales	3.31	1.05	4.36	1.08	5.23
%	4.7	5.1	4.8	4.7	5.5
Other expenses	2.74	1.04	3.78	1.24	3.96
%	3.9	5.0	4.1	5.4	4.2
Total Expenditure	59.40	18.13	77.53	19.79	80.90
EBITDA	10.32	2.61	12.93	3.34	14.30
%	14.8	12.6	14.3	14.5	15.0
VRS & DEPB reversal	0.51	0.51	1.02	0.12	0.49
Revised EBITDA	9.81	2.10	11.91	3.22	13.81
Interest & Depreciation	1.36	0.43	1.79	0.41	1.66
Operating Profit	8.45	1.67	10.12	2.81	12.15
%	12.1	8.1	11.2	12.2	12.8

* for statistical comparison only

Highlights of Q4 / FY08

- EBITDA margins – 12.6% during Q4 **v/s** 14.8 for 9M
- Major reasons for fall in margins are
 - Lower turnover, hence higher % of fixed cost
(Q4 - Rs. 20.74 billion **v/s** Q3 - Rs. 25.00 billion)
 - Adverse mix change
 - Mark to market provision on forward cover, Rs 160 million

Combined annual results

Rs. in billion	2007 - 08				FY 2006 - 07	% Change
	BAL	BFS	BHIL	Total		
Sales	96.90			96.90	106.06	
Less : Excise duty	10.27			10.27	13.14	
Net sales	86.63			86.63	92.92	-7
Windpower generated		0.35		0.35	0.33	
Other income	5.06	0.71	3.55	9.32	7.51	
Total Income	91.69	1.06	3.55	96.30	100.76	-4
Expenditure						
Material	66.20			66.20	69.01	
Other expenses	11.56	0.11	0.06	11.73	12.35	
Interest	0.05			0.05	0.05	
Depreciation	1.74	0.30		2.04	1.90	
Less : Exp capitalized	0.23			0.23	0.32	
sub-total	79.32	0.41	0.06	79.79	82.99	
Compensation for VRS	1.02			1.02	0.39	
Export incentive w/off					0.10	
Total expenditure	80.34	0.41	0.06	80.81	83.48	-3
Profit before tax	11.35	0.65	3.49	15.49	17.28	-10
Provision for tax	3.79	0.21	0.42	4.42	4.90	
Profit after tax	7.56	0.44	3.07	11.07	12.38	-11
EPS (annualized)	54.2	3.1	30.3	109.4 *	122.3 *	

* Considering 101,183,510 number of shares

Dividend

declared for ...

FY07 Rs. 40 / share : 400%
(before demerger)

FY08

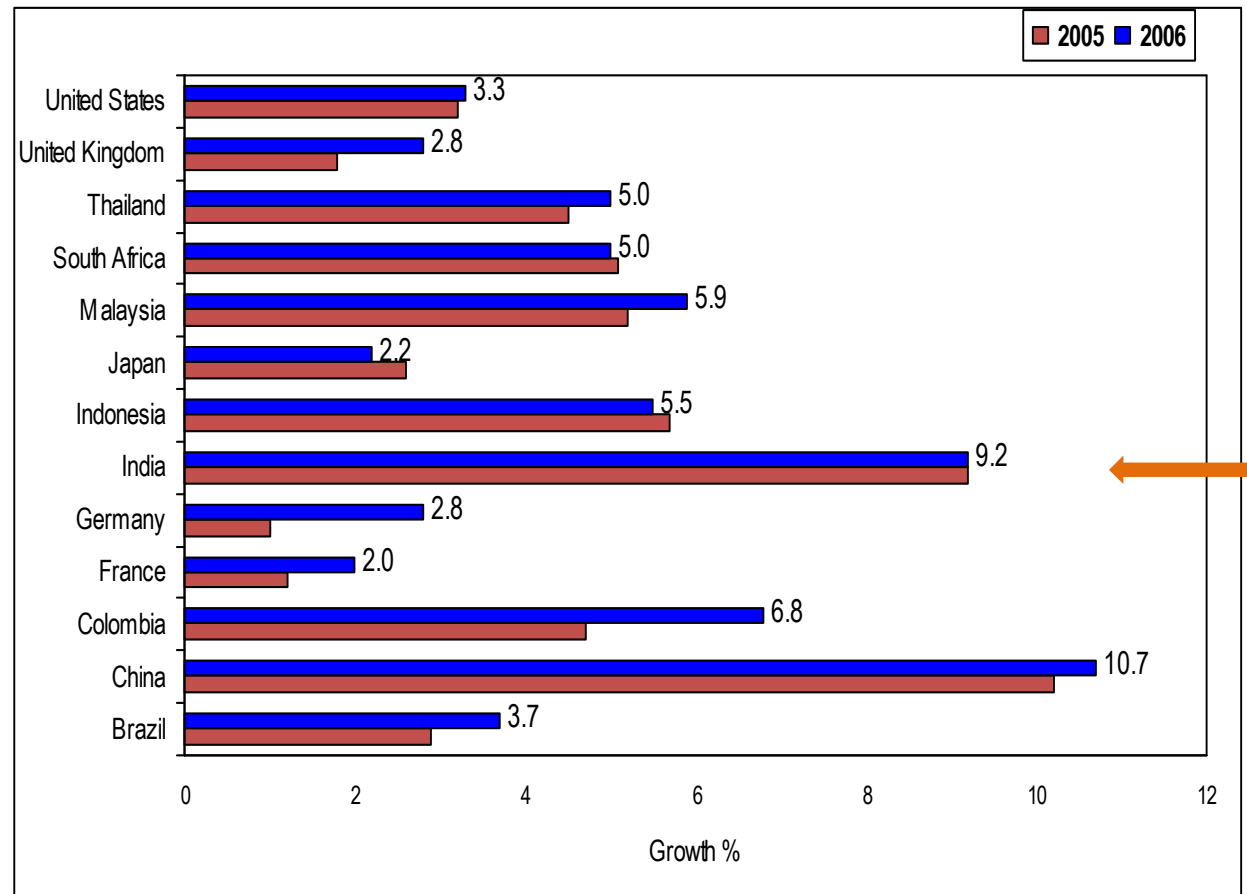
- Bajaj Auto Rs. 20 / share : 200%
- Bajaj Holdings &
Investment Rs. 20 / share : 200%
- Bajaj Finserv Rs. 1 / share : 20%

Tea Break

BAJAJ

Bajaj FinServ Limited

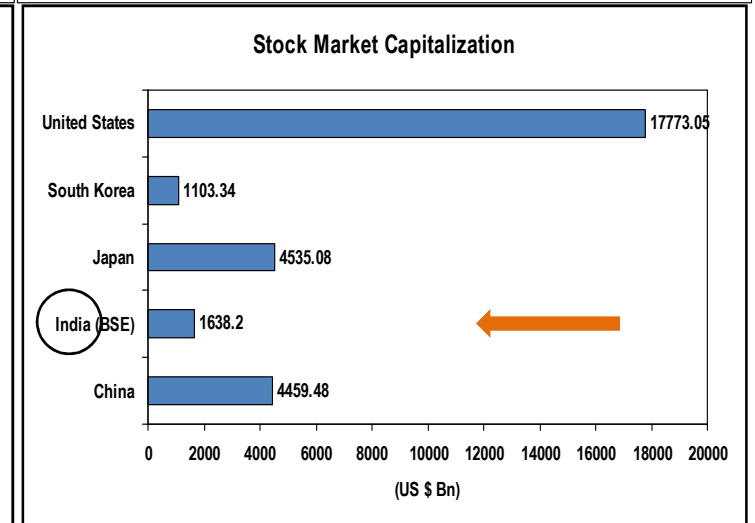
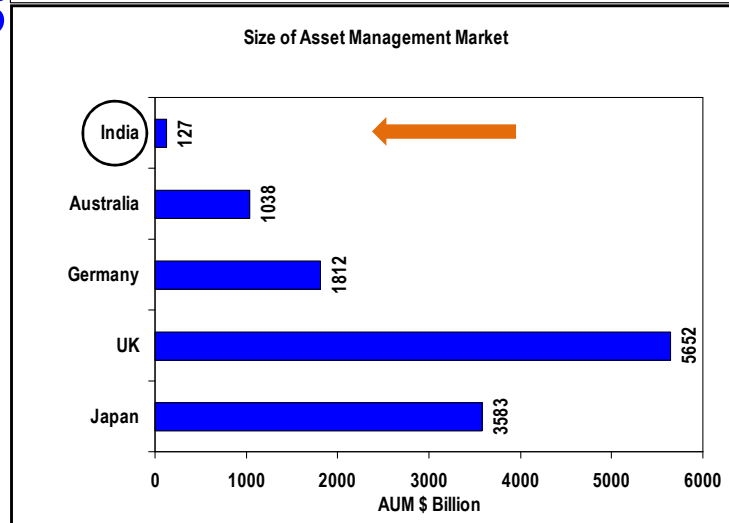
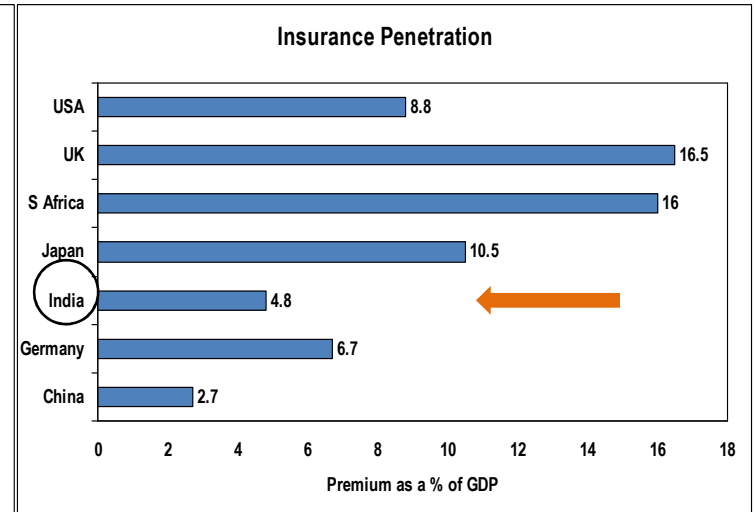
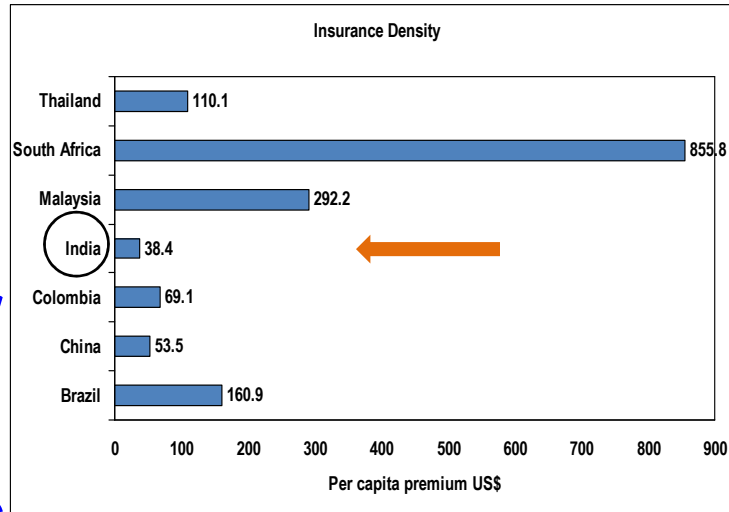
INDIA – One of the fastest growing economies



Source: United Nations Statistics Division www.data.un.org

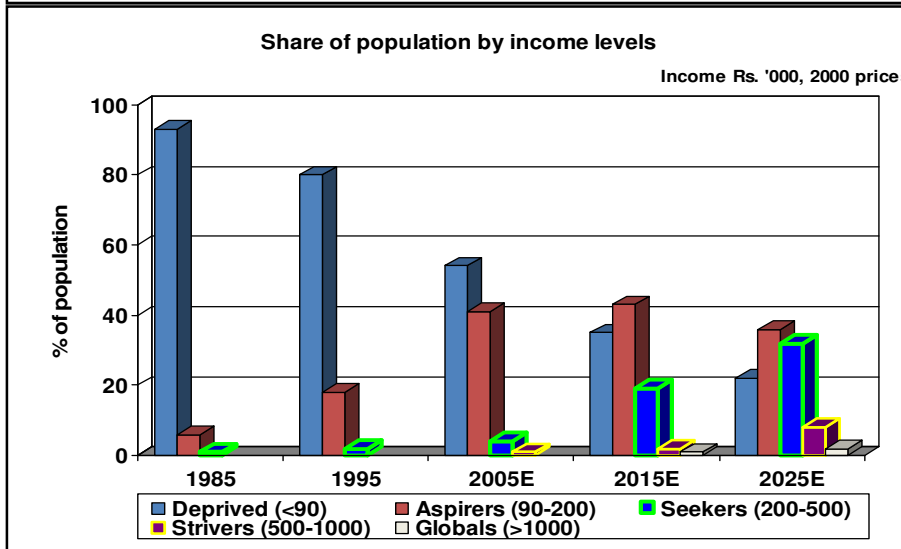
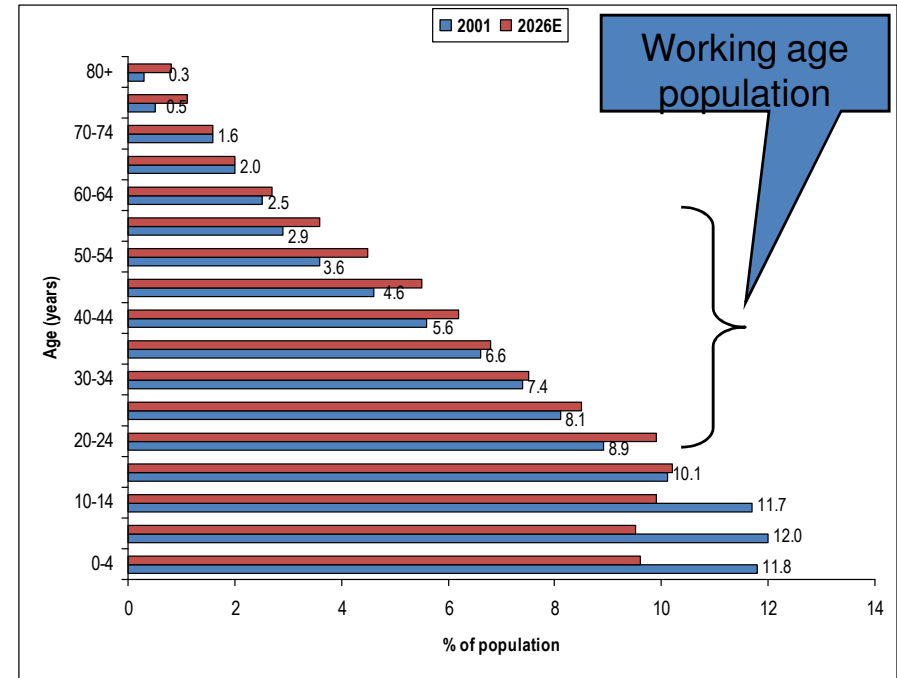
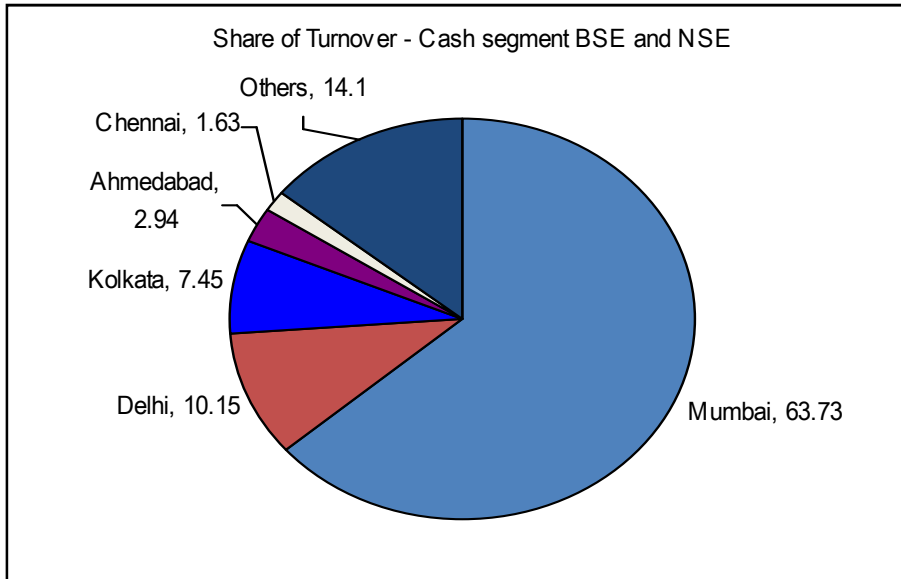
- **2nd fastest growing economy, after China**
- **Clocking an average growth rate of ~9%**
- **Expected to grow at ~8% over the next decade**

**Immense
market
potential for
financial
investments**



- **Under-penetrated market**
- **Low Insurance density with penetration under 5%**

Financial activities concentrated in metros



Large working population with growing income levels

Bajaj FinServ will offer

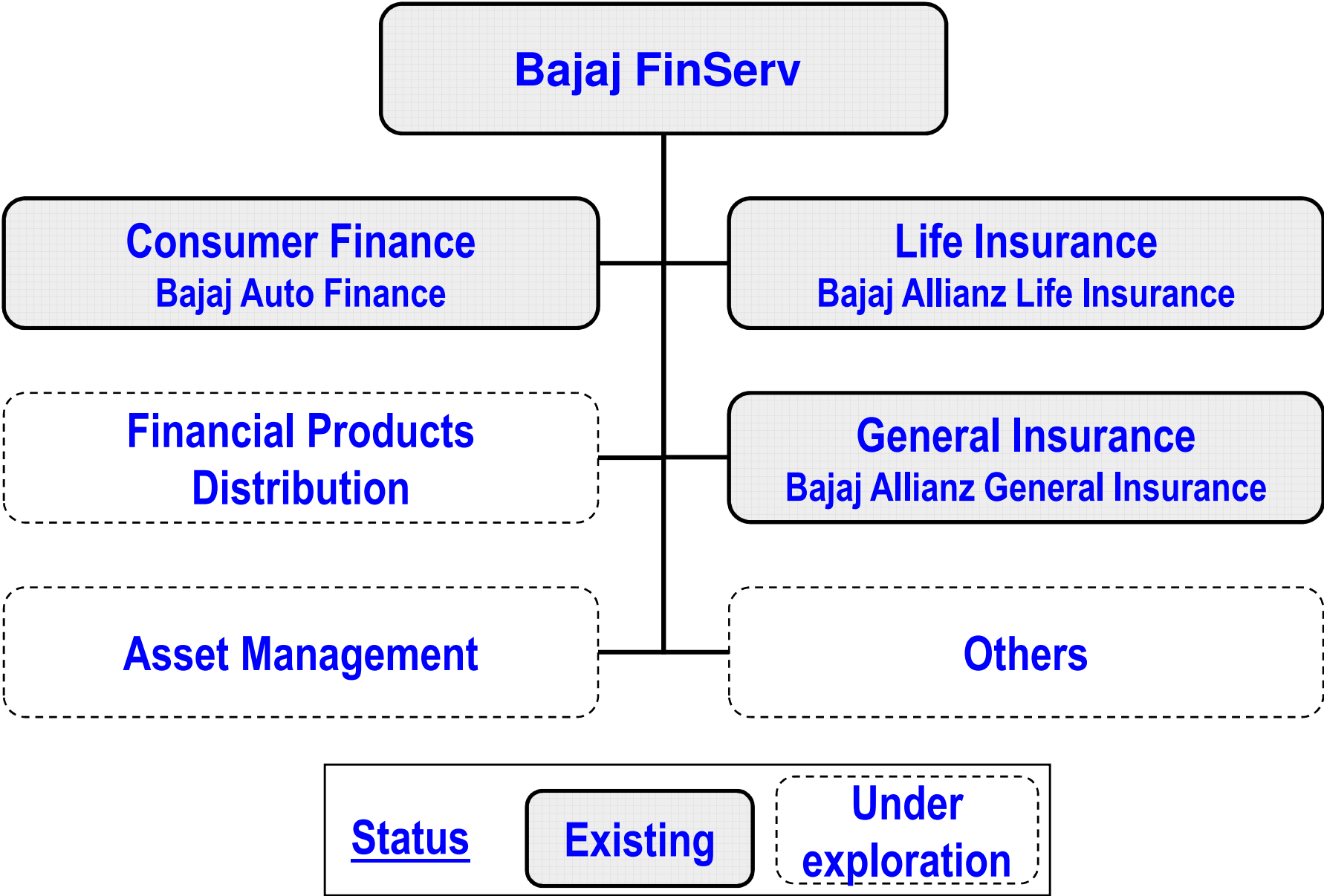
An entire range of financial products and services required by an individual during his entire life cycle

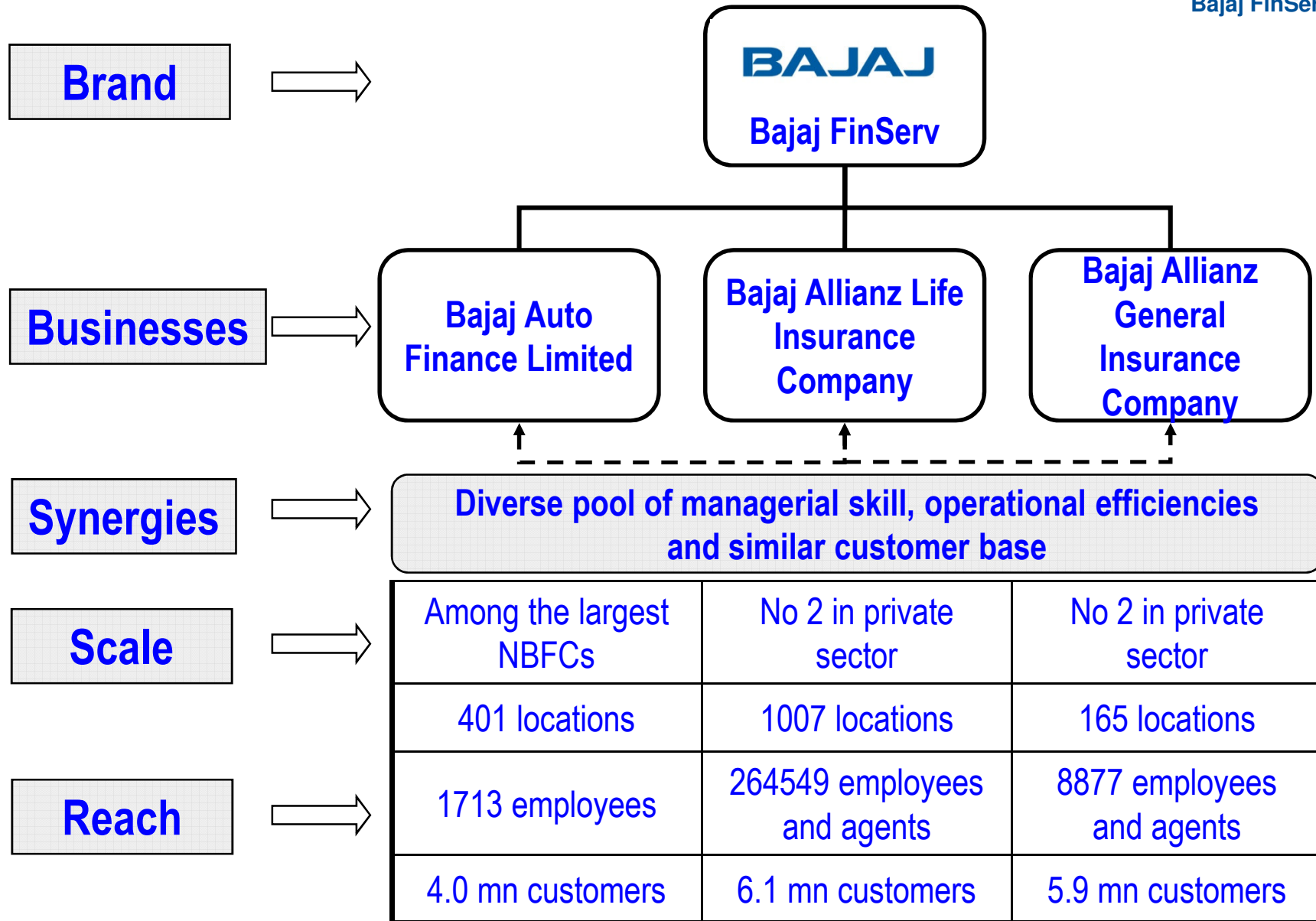
Covering products in :

- Lending
- Investments
- Protection

To grow for, and with, India

Our Plans





Bajaj FinServ Ltd

Annual Results

Consolidated segment financials

<i>Rs in million</i>	9 months	Q4 / FY08	Full Year
Segment revenue			
Insurance	94,788	26,436	121,224
Windmill	317	31	348
Investments & others	473	209	682
Total	95,578	26,676	122,254
Segment Profit / (Loss)			
Insurance	70	(530)	(460)
Windmill	40	(67)	(27)
Retail financing	64	19	83
Investments & others	448	180	628
Profit before tax	622	(398)	224
Profit after tax & minority interest	10	(337)	(327)

Financials - Standalone

Particulars	Rs in million
Total Income	1,064
Employee cost	21
Depreciation	297
Other expenses	96
Total Expenses	414
Profit before tax	650
Provision for tax	210
Profit after tax	440
EPS (weighted average)	3.10
Dividend	20%

Financials - Standalone

Particulars	Rs in million
Sources of funds	
Share capital	723
Reserves and surplus	11,088
Total shareholders funds	11,811
SICOM (on windmill)	3,108
	14,919
Application of funds	
Fixed assets (net)	999
Investments at cost	13,469
Net current assets	425
Deferred tax adjustment	26
	14,919

Ownership

	<u>% holding</u>	
➤ Subsidiaries & associates		
✓ Bajaj Allianz Life Insurance		74.0%
✓ Bajaj Allianz General		74.0%
✓ Bajaj Auto Finance		40.5%
✓ Bajaj Allianz Financial Distributors		50.0%
	<u>Cost</u>	<u>Market Value</u>
➤ Other investments	7934	8009

* At book value since not quoted

All values in INR million unless specified otherwise

BAJAJ ALLIANZ GENERAL INSURANCE CO

Industry

- First full year after commencement of de-tariffication
- Removal of price controls on Fire, Engineering and Motor own damage business
- Fire, Engineering and motor account for 2/3rd of industry's Gross Written Premium
- During the year, IMTPIP formed for 3rd party motor insurance

As a result ...

➤ ↓ Growth rate - 12.6% in FY08 v/s 22.4% in FY07

However ...

✓ Total Gross Premium - ↑

Rs. 281 billion in FY08 v/s Rs. 250 billion in FY07

&

✓ Private insurers market share - ↑

40% in FY08 v/s 35% in FY07

➤ Top 3 companies now enjoy 68% of the private market

Currently, number of players : 14 (excluding specialized)

Bajaj Allianz General

- Gross Written Premium – **↑43%**
Rs. 26 billion **v/s** Rs. 18 billion in P. Yr
- Growth rate – **Double** that of market
- Market share – **↑, 8.5%** **v/s** 7.2% in P. Yr
- Net premium earned – **↑ 69%**
Rs. 14.1 billion **v/s** Rs. 8.4 billion in P. Yr
- Number of policies sold – 6.6 million **v/s** 4.9 million in P.Yr
- Investible surplus – Rs. 20.4 billion
- Profit before tax – **↑44%** to Rs. 1.7 billion

Business mix

Line of Business	2007-08	2006-07	2005-06
Corporate ex-health	26%	42%	45%
Motor (Retail)	58%	43%	42%
Health & Travel	10%	9%	8%
Other (mainly retail)	6%	6%	5%

- ✓ **Focus on profitable growth**
 - **Reduce exposure in corporate business as highly discounted**
 - **Concentration on retail customers**
- ✓ **Service oriented approach – Rated amongst the top for services**

Profitability

Rs. in million	Apr-Mar 08	Apr-Mar 07	YOY change
Gross written premium	25,780	18,033	42.9%
Net earned premium	14,134	8,366	68.9%
Net Insurance Income	2,919	2,084	40.1%
Underwriting profit	(210)	254	
Profit before tax	1,679	1,170	43.5%
Profit after tax	1,056	754	40.1%
Loss ratio	66.7%	66.4%	
Combined ratio	101.5%	97.0%	
Retention ratio	69.1%	60.2%	

- ✓ **Strong growth**
- ✓ **Strong retention – over 68% growth in net premiums**
- ✓ **PBT growth – over 43%**

Balance sheet

Rs. in million	March 2008	March 2007
Cash and investments	20,483	14,754
Other assets	4,195	1,716
Insurance reserves	16,355	9,764
Other liabilities	2,576	3,081
Net worth	5,748	4,116
Free cash flow	5,038	5,736

Focus on cash flows, growth in invested surplus.

Free cash flow = increase in invested surplus net of financing cash flows

Shareholders funds

Rs. in million	2007-08	2006-07
Share Capital	1,102	1,101
Share premium	1,666	976
Balance in P&L account & others	2,980	2,039
Net worth	5,748	4,116

Total capital infused during the year – Rs. 691 million
Share capital – Rs. 1 million
Share premium – Rs. 690 million

BAJAJ ALLIANZ LIFE INSURANCE CO

Industry

- Favorable economic environment ...
 - ✓ GDP growth fastest amongst the world
 - ✓ Asia's 4th largest emerging market with fastest growth
 - ✓ Strong manufacturing base and growing service industry
 - ✓ Untapped potential in urban, semi-urban & rural towns
 - ✓ Large base of young population
 - ✓ Rising aspirations and income levels
 - ✓ Increasing awareness on financial security

Industry contd ...

As a result ...

- Industry growth rate : Overall – 23%
Private players – 74%
- Market penetration – just 4.8%
- High concentration in metros and large cities
- New business premium – **↑** 23% to Rs. 930 billion
- Market share of private insurers – **↑** to 36% (P.Yr – 26%)

- Amongst private insurers ...
 - ✓ **Second** largest in new business premium
 - ✓ In **first** position on number of policies issues
- Gross Written Premium – **↑** 82%
Rs. 97 billion **v/s** Rs. 53 billion in P. Yr
- Market share **↑** – 10.3% **v/s** 7.4% in P. Yr
- Number of policies – 3.7 million **v/s** 2.1 million in P. Yr
- Unit linked funds increased by 111%
- 12 new products launched during the current year
- Currently 32 individual products & 9 product groups on offer

Performance Summary

Rs. In billion	Apr-Mar 08	Apr-Mar 07
Gross written premium	97.2	53.4
New business premium	67.0	43.0
Net earned premium	97.1	53.3
Total income	107.1	57.4
Annualized premium equivalent	60.0	32.3
Profit / (Loss)	(2.1)	(0.7)
Net contribution to policy holders account	2.9	0.9

Shareholders funds

Rs. in million	2007-08	2006-07
Share Capital	1,507	1,504
Share premium	10,600	5,502
Sub-total	12,107	7,006
Balance in P & L account	(4,899)	(2,760)
Total	7,208	4,246

Total capital infused during the year – Rs. 5,101 million
Share capital – Rs. 3 million
Share premium – Rs. 5,098 million

New Business Achieved Profit – FY08

New Business Achieved Profit Rs. 12,029 million

Economic Assumptions

Particulars	Assumptions
Cash / Money Market / TB	5.0%
G Secs	8.0%
Corporate bond	8.5%
Equities	12.0%
Inflation	5.0%
Risk discount rate	13.25%
Tax rate	12.5% (plus 10% surcharge + 3% education cess)

Operating Assumptions

- Operating assumptions like mortality, morbidity & lapses are based on industry / reinsures experience & validated against our own experience so far
- Expense assumptions are based on our own expense projection model

New Business Achieved Profit (contd.)

Sensitivity

The sensitivity of the New Business Achieved Profit to Economic assumptions is given below:

Rs. in million

Particulars	Base Value	+1%	-1%
Investment Income	12,029	13,020	10,954
Risk Discount rate	12,029	10,717	13,512

Further Consideration

- Any value addition from riders has been ignored. The proportion of riders with base policies is not very significant
- Comparison with other Life Companies might not be very relevant as actuarial assumptions & methodology used are likely to vary from Company to Company, in the absence of any common agreed process

RETAIL FINANCING

Bajaj Auto Finance

- **Leading financer of ...**
 - Two wheelers
 - Consumer durables & personal computers
 - Personal loans

- **Pan-India network**

- **New business lines**
 - Securitization
 - IPO financing
 - Loans against shares
 - Personal loans
 - Cross-sell
 - Small business loans (to be launched)
 - Loans against property (to be launched)

Performance indicators : 2007-08

- Asset base of Rs. 38 billion
- Book value per share – Rs. 292 v/s Rs. 282 in P. Yr
- Capital adequacy ratio – 39.4% (pre-dividend)
(RBI norm – 12%)
- Earning per share – Rs. 5.68 v/s Rs. 18.8 in P. Yr
(diluted)

Business Performance

Rs. in million	2007 – 08	2006 – 07
Automobiles	14,844	15,652
Consumer Durables	6,307	5,916
Personal Computers	4,628	4,349
Personal Loans	1,627	396
Securitized retail asset pool	2,597	-
Total Disbursals	30,363	26,313

Financial Performance

Rs. in million	2007 – 08	2006 – 07
Total Income	5,027	4,018
Interest and Finance charges	1,704	1,181
Expenses	2,975	2,094
Depreciation	48	31
Provision for tax	99	240
Profit for the year	201	472

Bajaj Holdings and Investment Ltd (post de-merger)

Financials - Standalone

Particulars	Rs. in million
Total Income	3,553
Employee cost	8
Depreciation	2
Other expenses	50
Total Expenses	60
Profit before tax	3,493
Provision for tax	423
Profit after tax	3,070
EPS (weighted average)	30.3
Dividend	200%

Financials - Standalone

Particulars	Rs. in million
Sources of funds	
Share capital	1,012
Reserves and surplus	30,273
Total shareholders funds	31,285
	<hr/>
	31,285
	<hr/>
Application of funds	
Fixed assets (net)	301
Investments at cost	32,292
Net current assets	(1,779)
Deferred tax adjustment	471
	<hr/>
	31,285
	<hr/>

Overview on Investments

	<u>NOS</u>	<u>Cost</u>	<u>Market Value</u>
➤ ICICI Bank	38.0 mn	13,904	29,234
➤ Bajaj Auto	43.5 mn	435	435 *
➤ Bajaj FinServ	43.5 mn	218	218 *
➤ MSL	2.7 mn	2	758
➤ Other equities		<u>7,601</u>	<u>9,867</u>
sub-total		22,160	40,512
➤ Fixed Income		<u>10,132</u>	<u>10,176</u>
Total ...		32,292	50,688

* At book value since not quoted

All values in INR million unless specified otherwise

Consolidated Financials

<i>Rs in million</i>	9 months	Q4 / FY08	Full Year
Net sales & operating income	3,004	626	3,630
Employee cost	29	12	41
Depreciation	04	01	05
Other expenditure	52	05	57
Total	85	18	103
PBT and share of profit on investments in associates	2,919	608	3,527
Add : Share of PAT in associates	1,843	313	2,156
PBT from ordinary activities	4,762	921	5,683
Less : Tax expense	299	127	426
Profit after tax	4,463	794	5,257
Earnings per share			52

Bajaj Allianz Life Insurance Co Ltd
Bajaj Allianz General Insurance Co Ltd
Cautionary Statements

Except for the historical information contained herein, certain statements & values are forward –looking statements & values including, but not limited to, statements & values that are predictions of or indicate future events, trends, plans or objective. Undue reliance should not be placed on such statements & values because by their nature, they are subject to known and unknown risks and uncertainties and can be affected by numerous factors that could cause actual results to differ materially.

Thank you

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