



PRESS RELEASE

**ESCORTS RECORDS 216 % GROWTH IN THIRD QUARTER
PROFIT AT Rs. 58.3 CRORE**

9 MONTH HIGHLIGHTS

Total Income has gone up from Rs. 3070 crore to Rs. 3205 crore

Material Cost down by 1.3% from 73.4% to 72.1%

EBIDTA margin up by 1.82 % from 4.4% to 6.2%

EBIDTA up by 47.4% from Rs. 135.7 crore to Rs. 200 crore

Finance Cost down by Rs. 11 crore from Rs. 74 crore to 63 crore

Better management of Working Capital.

Debt/Equity Ratio 0.28

PBT doubled from Rs. 67 crore to Rs 135 crore

PBT as % to sales up by 2.2% from 2.2% to 4.4%

PAT increase 2.4 times to Rs. 124 crore from Rs 51 crore.

Sequential Profit up 55.6%

Nine month profit up 144.3% to Rs. 123.9 crore

EBIDTA up 71.6% to Rs. 92.7 crore

EPS more than doubled at Rs. 10.39 from Rs. 4.25

Sales up 16.2% to Rs. 1173 crore, sequentially up 17.6%

Tractor volumes grows by 21.4% to 19,518 tractors

Sequential tractor volumes up by 32.2%

New Delhi, August 13, 2013: Escorts Limited today reported a 215.7% growth in profit to Rs. 58.3 crore for the third quarter of fiscal year 2012-13 as against Rs. 18.5 crore in the corresponding period. Sequential profit was up 55.6% from Rs. 37.5 crore in the second quarter of fiscal 2012-13. Consequently, profit after tax for the first nine months of the year was up by 144.3% to Rs. 123.9 crore as against Rs. 50.7 crore in the corresponding period. Escorts Limited follows an October-September fiscal year. *The results reported are for the third quarter and the nine-month period of fiscal October 1, 2012 to September 30, 2013.*

The company recorded a growth in EBIDTA of 71.6% on a corresponding basis to Rs. 92.7 crore as compared to Rs. 54.1 crore. The sequential increase was 70.9% from Rs. 54.3 crore in the second quarter of the current fiscal. The company attributes the increase in EBIDTA to increase in volumes, better product mix and better price realization along with cost saving across all verticals.

The company recorded a 16.2% increase in sales from Rs. 1009.1 crore in the previous fiscal to Rs. 1172.9 crore in the third quarter of the current fiscal. Sequential sales were up 17.6%, demonstrating consistent and continuous growth in topline performance.

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Speaking on the third quarter results, Chairman and Managing Director Mr. Rajan Nanda said, “Management initiatives have focused on entrepreneurial strategies that are opening up new markets, new opportunities and a better profitable presence in the market. At the crux of these consistently strong results over the past few quarters is the strategy of improving volumes and strengthening margins by introducing high power and specialized tractors. The performance is even more noteworthy when seen in the context of the overall economic environment.”

Mr. Nikhil Nanda, Joint Managing Director said, “What we see today is the beginning of a journey which started with a strong focus on profitability in a constrained market situation. The growth in farm incomes will fuel the need for mechanization, which will tend to accelerate as social welfare programs, urbanization and alternative occupations move farm labor to other sectors. Consequently, we expanded

our product reach, introduced new higher HP tractors and tractors for specialized needs. Understanding the changing profile of our customers and innovating new products that address their requirements will be one of our key goals. Management will continue to remain focused on execution to further improve the operating performance in the months ahead. While the pain point has been the construction sector, there is no denying the ultimate potential of the business. We are also seeing movement in the Railways and Auto Products business which is adding to the bottom line.”

Q3 HIGHLIGHTS

Total Income has gone up from Rs. 1014 crore to Rs. 1176 crore

Material Cost down by 1.5% from 73.2% to 71.7%

EBIDTA margin up by 2.56% from 5.3% to 7.9%

EBIDTA up by 71.6% from Rs. 54.1 crore to Rs. 92.7 crore

Finance Cost down by Rs. 3.4 crore from Rs. 23.7 crore to 20.2 crore.

Better management of Working Capital

Debt/Equity Ratio 0.28

PBT more than doubled from Rs. 29.9 crore to Rs. 72.3 crore

PBT as % to sales up by 3.1% from 3.0% to 6.1%

PAT increase 3.1 times to Rs. 58.3 crore from Rs. 18.5 crore.

EPS more than tripled at Rs. 4.89 from Rs. 1.57

SEGMENT WISE PERFORMANCE

Escorts Agri Machinery

The sterling performance of the Escorts Agri Machinery was reflected in a 21.4% increase in tractor sales to 19,518 tractors. Sequential sales up by 32.2% as against 14,764 tractors sold in the second quarter. Tractor volumes for the nine-month period was up by 7.7% at 51,388 as compare to 47,723 in the previous fiscal.

Escorts Construction Equipment

Escorts Construction Equipment was impacted by the slow-down in industry and saw volumes drop to 718 in the third quarter. Third quarter sales stood at Rs. 109.3 crore.

Escorts Auto Products

Escorts Auto Products recorded third quarter sales of Rs. 37.4 crore while sales for the first nine months of the fiscal was up by 5.7% to Rs. 119.2 crore as against Rs. 112.8 crore in the corresponding period of the last fiscal.

Escorts Railway Products

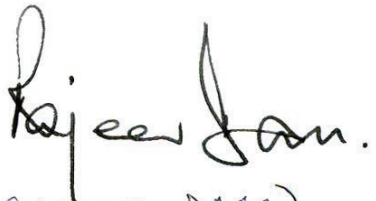
Escorts Railway Products continued to improve its performance with a sequential growth of 17.7% to Rs. 53.7 crore and a 36.7% growth over the corresponding period in the previous fiscal. For the first nine months of the year, ERP grew by 15.3% to Rs. 126.9 crore as compared to Rs. 110 crore in the same period of the last fiscal.

The reviewed accounts of the third quarter of fiscal year 2012-13 ending June 30, 2013 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 the fiscal October 1, 2012 to September 30, 2013.

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