

KIRLOSKAR OIL ENGINES LIMITED
UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER 2007

(Rs In Crores)

| Particulars | Quarter ended | | Nine months ended | | Year ended |
|---|---------------|------------|-------------------|------------|------------|
| | 31-12-2007 | 31-12-2006 | 31-12-2007 | 31-12-2006 | 31-03-2007 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 Net Sales / Income from Operations | 537.10 | 456.42 | 1,595.07 | 1,384.16 | 1,938.39 |
| 2 Other Income (Refer note 2) | 2.07 | 2.86 | 9.40 | 34.48 | 44.04 |
| 3 Total Income (1+2) | 539.17 | 459.28 | 1,604.47 | 1,418.64 | 1,982.43 |
| 4 Expenditure | 498.22 | 422.72 | 1,461.96 | 1,264.65 | 1,750.95 |
| a) (Increase) / decrease in stock in trade and work in progress | (3.14) | (1.75) | (19.07) | (18.72) | (7.43) |
| b) Consumption of raw materials | 302.40 | 252.23 | 882.46 | 739.93 | 1,034.18 |
| c) Purchase of traded goods | 85.12 | 76.11 | 268.38 | 269.76 | 352.54 |
| d) Employees cost | 37.01 | 27.40 | 105.06 | 77.93 | 105.31 |
| e) Depreciation | 9.85 | 7.32 | 30.09 | 22.20 | 31.81 |
| f) Other Expenditure | 66.98 | 61.41 | 195.04 | 173.55 | 234.54 |
| 5 Interest | 5.23 | 2.47 | 11.83 | 9.05 | 14.40 |
| 6 Exceptional Items - Expenses / (Income) | - | (14.04) | - | (14.04) | (22.42) |
| 7 Profit(+) / Loss(-) from Ordinary Activities before tax (3) - (4+5+6) | 35.72 | 48.13 | 130.68 | 158.98 | 239.50 |
| 8 Tax Expenses | 13.96 | 12.75 | 47.90 | 35.30 | 61.09 |
| 9 Net Profit (+)/ Loss (-) from Ordinary Activities after tax (7-8) | 21.76 | 35.38 | 82.78 | 123.70 | 178.41 |
| 10 Extraordinary Items (net of tax expense) | - | - | - | - | - |
| 11 Net Profit(+)/ Loss(-) for the period (9-10) | 21.76 | 35.38 | 82.78 | 123.70 | 178.41 |
| 12 Paid Up Equity Share Capital (Face value of Rs 2 each) | 38.83 | 38.83 | 38.83 | 38.83 | 38.83 |
| 13 Reserves excluding revaluation reserves as per balance sheet of previous accounting year | - | - | - | - | 831.93 |
| 14 Basic and diluted EPS (Rs.) (Refer note 7) Before and After Extraordinary items for the period, for the year to date and for the previous year (not annualized) | 1.12 | 1.82 | 4.26 | 6.37 | 9.19 |
| 15 Public Shareholding | | | | | |
| - Number of Shares | 76,130,137 | 76,035,740 | 76,130,137 | 76,035,740 | 76,075,740 |
| - Percentage of shareholding | 39.21 | 39.16 | 39.21 | 39.16 | 39.18 |

Notes :

- Figures for the previous periods have been regrouped wherever required. Figures for quarter and nine months ended December 31, 2007 are not comparable with those of the corresponding quarter of the previous year in view of hive off of Casting Division w.e.f. January 01, 2007.
- Other income for nine months ended December 31, 2007 is not comparable with the corresponding periods of the previous year, due to receipt of arrears of Rs. 23 Crores from group company in the previous dividend of nine months.
- The Board of Directors of the Company has declared an interim dividend of Re. 1 per equity share of Rs. 2 each (50%) and for this purpose February 4, 2008 has been fixed as the Record Date.
- The above results are reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on January 18, 2008 and are subjected to a " Limited Review " by the Statutory Auditors.
- Company received 15 complaints from investors during the current quarter. 14 complaints have been resolved. 1 Complaint is pending at the end of quarter.
- The shareholders of the Company, in the Extraordinary General Meeting held on September 12, 2007 have approved :
 - Increase in authorised share capital from Rs. 27 Crores to Rs. 50 Crores.
 - Issue of Bonus Shares in the proportion of One Equity Share of Rs. 2 each , for every One Equity Share of Rs. 2 each held by the shareholders. Record date for the same was fixed at October 27, 2007 and bonus shares were allotted on November 3, 2007.
- In pursuance of accounting standard (AS 20) on Earning per share (EPS), EPS for the current and prior periods have been computed on the basis of new number of shares.

Registered Office:
Laxmanrao Kirloskar Road,
Khadki, Pune - 411 003

Place : Pune
Date : 18th January, 2008

For Kirloskar Oil Engines Limited

Gautam A. Kulkarni
Joint Managing Director

KIRLOSKAR OIL ENGINES LIMITED

**SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED,
AS PER CLAUSE 41 OF THE LISTING AGREEMENT**

(Rs. In Crores)

| Particulars | Quarter ended | | Nine months ended | | Year ended |
|---|-----------------|---------------|-------------------|-----------------|-----------------|
| | 31-12-2007 | 31-12-2006 | 31-12-2007 | 31-12-2006 | 31-03-2007 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 Segment Revenue | | | | | |
| a Engines | 510.13 | 389.22 | 1,469.68 | 1,143.93 | 1,650.08 |
| b Auto Components | 33.98 | 31.90 | 98.50 | 94.12 | 129.19 |
| c Others | (1.57) | 48.36 | 42.63 | 184.09 | 201.86 |
| Total | 542.54 | 469.48 | 1,610.81 | 1,422.14 | 1,981.13 |
| Less: Inter segment revenue | 5.44 | 13.06 | 15.74 | 37.98 | 42.74 |
| Net Sales / Income from Operations | 537.10 | 456.42 | 1,595.07 | 1,384.16 | 1,938.39 |
| 2 Segment Results | | | | | |
| Profit (+) / Loss (-) before tax and interest from each segment | | | | | |
| a Engines | 44.98 | 33.78 | 143.33 | 111.66 | 178.75 |
| b Auto Components | (0.55) | 2.53 | (0.04) | 8.26 | 12.47 |
| c Others | (0.57) | (0.84) | 1.09 | 6.74 | 7.07 |
| Total | 43.86 | 35.47 | 144.38 | 126.66 | 198.29 |
| Less: | | | | | |
| i Interest | 5.23 | 2.47 | 11.83 | 9.05 | 14.40 |
| ii Other Unallocable expenditure net off unallocable income | 2.91 | (15.13) | 1.87 | (41.37) | (55.61) |
| Total Profit Before Tax | 35.72 | 48.13 | 130.68 | 158.98 | 239.50 |
| 3 Capital Employed (Segment assets - Segment liabilities) | | | | | |
| a Engines | 548.38 | 235.42 | 548.38 | 235.42 | 296.87 |
| b Auto Components | 122.96 | 96.12 | 122.96 | 96.12 | 111.40 |
| c Others | 570.41 | 561.59 | 570.41 | 561.59 | 565.83 |
| Total capital employed | 1,241.75 | 893.13 | 1,241.75 | 893.13 | 974.10 |

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Joint Managing Director