

Maruti Suzuki India Limited

Q4 and FY '09
Financial Results

24th April 2009

Safe Harbour

1. This presentation might contain forward looking statements which involve a number of risks, uncertainties and other factors that could cause the actual results to differ materially from those in the forward looking statements. Maruti undertakes no obligation to update these to reflect the events or circumstances thereof.
2. This presentation also contains reference to the findings of various reports available in the public domain. Maruti takes no responsibility as to their accuracy or that the company subscribes to those findings.
3. All comparisons have been done with the corresponding figure of same period last year unless mentioned otherwise.

Agenda

Key Highlights of Q4

Key Highlights of the Year

Performance of Q4 FY '09

Performance of the FY '09

Way Forward

Key Highlights of Q4 (FY09)

- Net Sales 32% ↑
 - EBIDTA (27) % ↓
 - PBT (20)% ↓
 - PAT (18)% ↓
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- Domestic Volumes 13 % ↑
 - Export Volumes 67 % ↑

Key Highlights of FY09

- Net Sales 14% ↑
 - EBIDTA (22.3) % ↓
 - PBT (33)% ↓
 - PAT (29.6)% ↓
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- Domestic volumes 1.5 % ↑
 - Export volumes 32.1 % ↑

Performance of Q4 FY09

- Highlights
- Quarterly Performance Ratios
- Analysis of Q4

Highlights Q4 FY '09

Parameters	Q4 '09 (Jan-Mar '09)	Q4 '08 (Jan-Mar '08)	Change
Net Sales (Rs Mn)	63,084	47,629	32.45 %
Other Income (Rs Mn)	2,040	2,356	(13.41) %
EBIDTA (Rs Mn)	5,547	7,626	(27.26) %
PBT (Rs Mn)	3,487	4,354 *	(19.91) %
PAT (Rs Mn)	2,431	2,977 *	(18.34) %

* After change in depreciation policy for full year

As a Percentage of Net Sales

Quarterly Performance Ratios

Parameters	Q4 (FY '09)	Q4 (FY '08)	Change
Material cost	80.5%	76.5%	4.1 %
Employee cost	2.1 %	1.8%	0.3%
Manufacturing & Admin Expense	8.9 %	7.1%	1.8 %
Selling and Distribution Expenses	3.2%	4.0%	(0.8) %
EBIDTA	8.8 %	16.0%	(7.2) %
Depreciation	3.1 %	6.5%*	(3.4) %
PBT	5.5 %	9.1%	(3.6) %
PAT	3.9 %	6.2%	(2.3) %
Other Income	3.2 %	4.9%	(1.7) %

* After change in depreciation policy for full year

Analysis : Q4 FY '09 Vs Q4 FY '08

Income:

- Average Realisation/vehicle up by 12.96 %
 - Higher product mix
 - Higher Market share in A3.
- Higher Sales

Analysis: Q4 FY '09 Vs Q4 FY '08

COSTS: as percentage of Net Sales

Material Cost: up 410 bps

- o 1.6 % FOREX impact of vendor imports
- o 1.2 % FOREX impact of direct imports
- o 1.2% commodity increase

Manufacturing Cost: up 180 bps

- o Royalty : up 28 bps : percentage of royalty paying models 76 % to 85 %, forex impact of Yen
- o Forward Contract Exchange Impact: Rs1210 Mn

Analysis : Q4 FY '09 Vs Q4 FY '08

Treatment of Forex impact on various areas

- Imports(Direct & Vendor) reflected in Material Cost
- Exports reflected in Net Sales
- Royalty reflected in Mfg, Admin & other expenses
- Forward contract loss as exchange variation in Mfg, Admin & other expenses
- Translation gain / loss as exchange variation in Mfg, Admin & other expenses

Annual Performance FY '09 Vs FY '08

- Highlights
- Annual Performance Ratios
- Analysis on Annual Performance

Highlights FY '09

Parameters	FY'09	FY'08	Change
Net Sales (Rs Mn)	203,583	178,603	13.99 %
Other Income (Rs Mn)	9,985	8,371	19.28%
EBIDTA (Rs Mn)	24,334	31,308	(22.03) %
PBT (Rs Mn)	16,759	25,030	(33) %
PAT (Rs Mn)	12,187	17,308	(29.6) %

As a Percentage of Net Sales

Annual Performance Ratios

Parameters	(FY'09)	(FY'08)	Change
Material cost	79.78%	76.41%	3.37%
Manufacturing & Admin Expense	7.70%	6.0%	1.37%
• Power & Fuel	0.95 %	0.82%	0.13%
• Royalty	3.3%	2.8%	0.50%
Selling and Distribution Expenses	3.63%	3.14%	0.49%
•Transportation costs	1.44 %	0.91 %	0.53%
Employee cost	2.31 %	1.99%	0.32%
EBIDTA	11.95 %	17.53%	(5.58%)
Depreciation	3.47 %	3.18%	0.29%
PBT	8.23 %	14%	(5.77%)
PAT	5.99%	9.69%	(3.70%)
Other Income	4.90 %	4.69%	0.21%

Analysis: Annual Performance

- Net Sales : up by 14 %: increase in volumes
- Average Realization: up by 9.4 % : higher product mix, higher market share in A3 .
- Income from Services: up by 27.8% : increase in sales of extended warranty packages and pre-owned cars.
- Other Income: up by 19.3% : higher returns on liquid surplus, sale of scrap due to increase in steel prices.

Analysis: Annual Performance

- **Material Cost up 337 bps**
 - Forex Impact on direct & indirect imports
 - Commodity price increase
- **Mfg Admin & other expenses up by 170bps**
 - Running Royalty: higher by Rs 1900 Mn (product mix), forex
 - Power & Fuel: higher Rs 460 Mn product mix shift towards Manesr facility: runs on High Speed Diesel
 - Exchange Variation:Rs1338 Mn loss on forward contract

Analysis: Annual Performance

- **Selling & Distribution Costs up by 49 bps**
 - Transportation cost up by Rs.1300Mn
- **Employee Costs up by 32 bps**
 - Increase in R&D manpower
- **Depreciation Costs up by 30 bps**
 - K – Series engine plant
 - One million vehicle production capacity

Way Forward FY10

Way forward

- Products
- Exports
- Domestic market opportunities
- Commodity & Forex
- R&D

Way forward Maruti Suzuki

Products

- Full year volumes of A-star
(powered by next generation light weight KB engine, mileage 19.6 km/l, ELV compliant and lowest emissions in its category)
- Suzuki World Strategic Model-Ritz
(K12 engine, Petrol & Diesel variant)
- Increased availability of diesel engines



Way forward Maruti Suzuki

Exports

New product- new markets (A- star)

- A-star badged as Suzuki Alto in EU, as Nissan Pixo in EU, & as Celerio in non EU.
- Markets: UK, Italy, France, Germany, Belgium
- Favourable Government Support

Way forward Maruti Suzuki

Domestic market opportunities

- Potential consumer segments
 - Rural Sector (~8% of our sales)*
 - Government Employees (~15% of our sales)*
- Enhanced Customer Interface
 - Brand Centers & Stockyards*

Way forward Maruti Suzuki

On Commodity side

- Commodities softening
- Continued focus on special campaigns as: one gram one component
- Extensive work on Tier-II vendor upgradation

On Forex

- Exports Neutral
- Increased focus on Vendor Localization

Way forward Maruti Suzuki

On R&D

- Investment in R&D capability full stream
- Full body change capability in 2010
- Transforming models for new engines
- Speed, relevance and excitement in market place
- R&D centre at par with Japan
- Complete Test Course facility

Thank You

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