



Investor Update – Q1 FY'10

Sona Koyo Steering Systems Ltd.



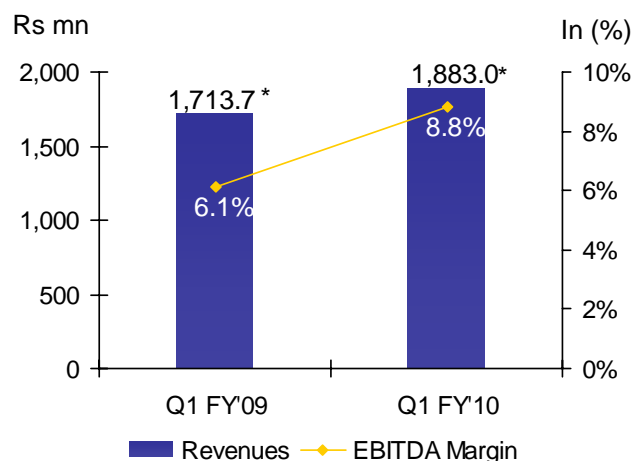
August 3, 2009



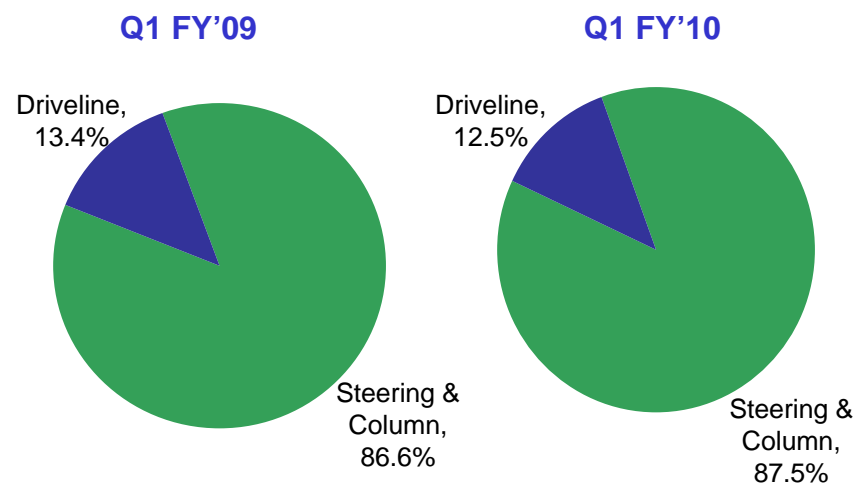
- 1. Performance Review**
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Improved Operating Performance on YoY basis

Revenue & EBITDA Margin Growth



Product Wise Sales Mix

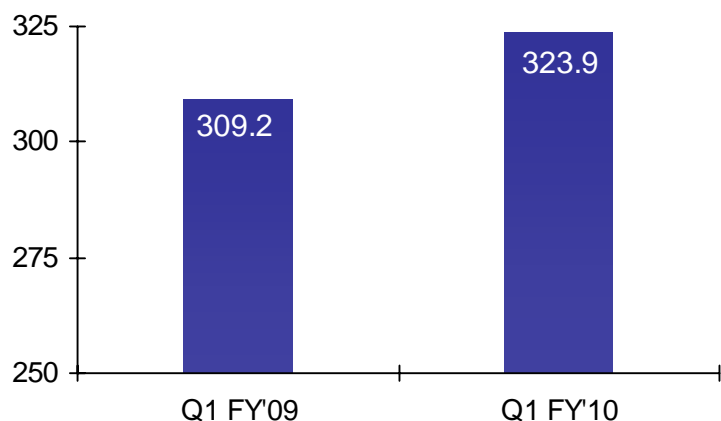


- **Total Revenues up 9.9%** from Rs 1,713.7mn in Q1 FY'09 to Rs 1,883.0mn in Q1 FY'10 driven by:
 - ✓ Improved demand from domestic OEMs resulting in 20.3% YoY increase in Domestic Sales to reach Rs 1,804.4mn
- **EBITDA up 57.6%** from Rs 104.8mn to Rs 165.2mn; **EBITDA margin improved from 6.1% to 8.8% in Q1 FY'10** owing to
 - ✓ Aggressive measures undertaken for internal cost rationalisation. Other expenses (including manufacturing and administrative costs) as a % of total revenues decreased from 10.3% in Q1 FY'09 to 7.0% in Q1 FY'10
 - ✓ Relatively stable external environment for raw material costs and foreign exchange
- **Company achieved positive PAT** of Rs 8.6mn in Q1 FY'10 (PAT Margins of 0.5%) as against a loss of Rs 16.4mn in Q1 FY'09

Refer Slide 6 for detailed P&L Statement

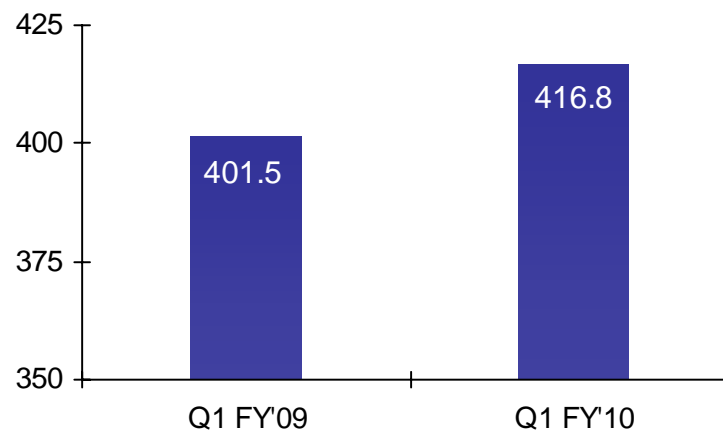
Driven by increased demand in domestic sector

Passenger Cars: Sales Volume ('000)



Source: SIAM

Total Passenger Vehicles: Sales Volume ('000)



Source: SIAM

■ Indian auto market witnessing slow and steady recovery, after bottoming out in FY'09, on the back of:

- ✓ Three stimulus packages announced since December 2008 leading to price cuts by OEMs to pass on the benefit of 4% reduction in excise duty to customers
- ✓ Sixth Pay Commission hike and low interest rate scheme offered by large PSU banks further helped to attract customers
- ✓ Promotional strategies by OEMs and their increased penetration in rural market

■ Domestic sales of passenger cars segment increased 5% on YoY basis from 309,221 units in Q1 FY'09 to 323,920 units in Q1 FY'10

Operational Highlights



New Products

- Started supplies of column assembly and steering gears for Spark (General Motors)

Localization Program

- Localization program for CEPS on track to reach 68% by January 2010

Awards & Recognitions

- 'Best supplier performance award 2008-09' awarded by Mahindra & Mahindra for value addition/value engineering (VA/VE) & cost management in commodity group
- 'Best group Kaizen activity' award by Toyota Kirloskar Motors Ltd (TKML)
- 'Overall improvement award' by Maruti Udyog Ltd.

Financial Statements – Income Statement



Standalone Un-audited Financials

Amount in Rs mn

Particulars	Q1 FY'09	Q1 FY'10	YoY (%)
Domestic Sales	1,499.7	1,804.4	20.3%
Exports Sales	204.2	66.3	-67.5%
Net Income from Operations	1,703.9	1,870.8	9.8%
Other Operational Income	9.8	12.3	25.2%
Total Income	1,713.7	1,883.0	9.9%
Total Expenditure	1,608.9	1,717.9	6.8%
Consumption of Raw material	1,313.3	1,474.5	12.3%
Purchase of Traded Goods	2.6	3.3	25.4%
Increase/decrease in stock in trade	(23.2)	(16.3)	NA
Staff Cost	139.9	125.6	-10.3%
Other Expenditure	176.3	130.9	-25.7%
EBITDA	104.8	165.2	57.6%
Depreciation & Amortisation	57.4	65.9	14.9%
EBIT	47.4	99.2	109.3%
Finance Charges	52.0	91.5	76.0%
(Gain)/Loss on Foreign Currency Loan Translation	15.6	(4.4)	NA
PBT	(20.2)	12.1	NA
Tax (including deferred)	(3.8)	3.5	NA
PAT	(16.4)	8.6	NA

*Other Expenditure includes deferred revenue expenditure

Financial Statements – Key Ratios



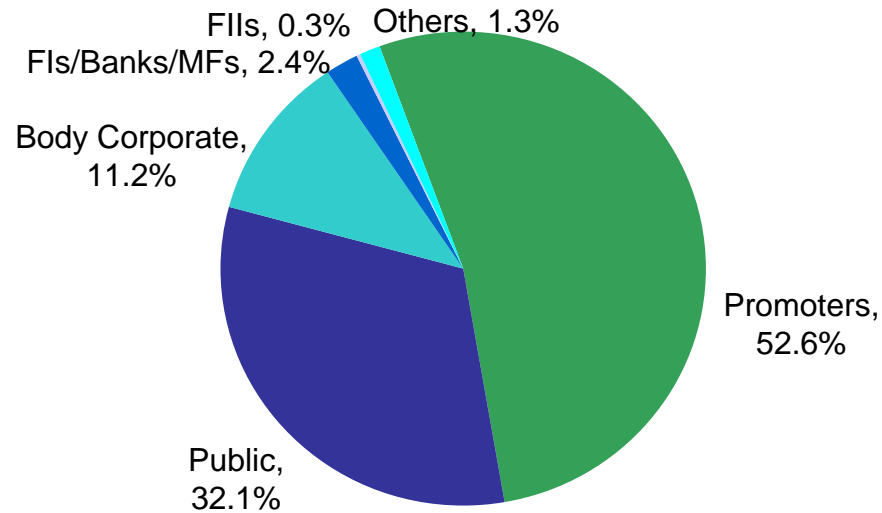
Key Ratios as a % of Total Revenue	Q1 FY'09	Q1 FY'10
EBIDTA	6.1%	8.8%
PAT	NA	0.5%
Total Expenditure	93.9%	91.2%
Raw material	75.4%	77.6%
Staff Cost	8.2%	6.7%
Other Expenditure	10.3%	7.0%

Shareholding Pattern



As on 31st July 2009

Equity Shares Outstanding-198,741,832



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About Sona Koyo Steering Systems Ltd.

Sona Koyo Steering Systems Limited (SKSSL) is a technical and financial joint venture company of JTEKT Corporation, Japan, the global technology leader in Steering Systems. With a market share of 45%, SKSSL is the largest manufacturer of steering gears in India and is the leading supplier of Hydraulic Power Steering Systems, Electric Power Steering Systems, Manual Rack & Pinion Steering Systems and Collapsible, Tilt and Rigid Steering Columns for Passenger Vans and MUVs. SKSSL is the first steering systems company in the world to have bagged the prestigious Deming award, the world's most coveted honour for excellence in Total Quality Management. For more information please visit www.sonagroup.com

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Certain statements in this document with words or phrases such as “will”, “should”, etc., and similar expressions or variation of these expressions or those concerning our future prospects are forward looking statements. Actual results may differ materially from those suggested by the forward looking statements due to a number of risks or uncertainties associated with the expectations. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy and changes in government policies. The company may, from time to time, make additional written and oral forward looking statements, including statements contained in the company’s filings with the stock exchanges and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.