



Investor Update – Q3 FY'10

Sona Koyo Steering Systems Ltd.



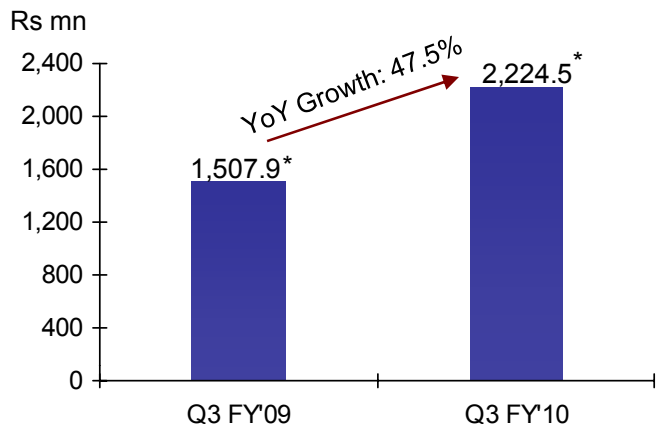
February 1, 2010



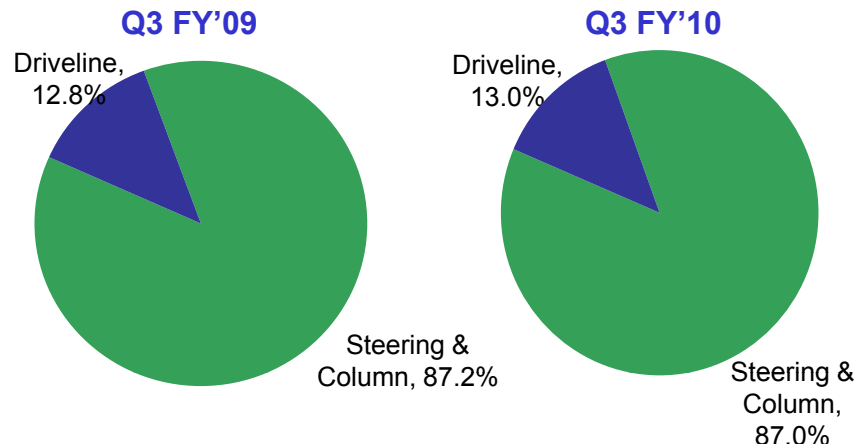
- 1. Performance Review**
- 2. Operational Highlights**
- 3. Financial Statements**
- 4. Shareholding Pattern**

Strong traction in revenues and profitability during Q3 FY'10

Revenue & Revenue Growth



Product Wise Sales Mix

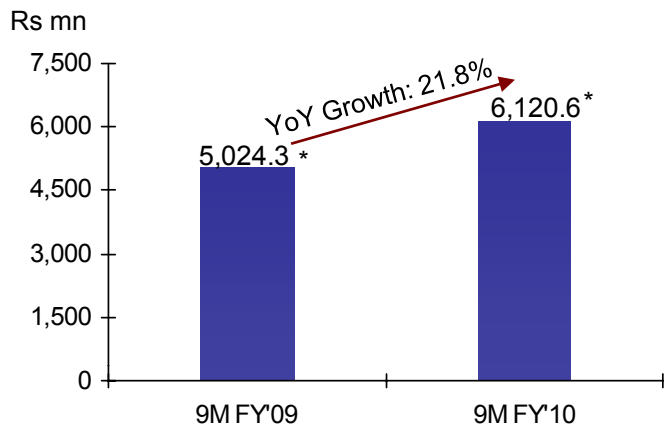


- **Total Revenues up 47.5% from Rs 1,507.9mn in Q3 FY'09 to Rs 2,224.5mn in Q3 FY'10 driven by increased off-take from domestic OEMs:** Domestic sales increased 61.5% YoY to reach Rs 2,140.7mn from Rs 1,325.3mn
- **EBITDA stood at Rs 255.9mn in Q3 FY'10 as against a loss of Rs 96.3mn in Q3 FY'09; EBITDA margin improved to 11.5% during the quarter:**
 - ✓ Raw Material as a % of total revenues declined from 88.3% to 74.2% owing to stabilising foreign exchange market coupled with continuous rationalization of supply chain and localization efforts
 - ✓ Other expenses as a % of total revenues declined from 9.8% to 7.8% due to internal cost control measures
- **Company achieved positive PAT of Rs 68.9mn in Q3 FY'10 as against a loss of Rs 172.4mn in Q3 FY'09; PAT margin stood at 3.1%**

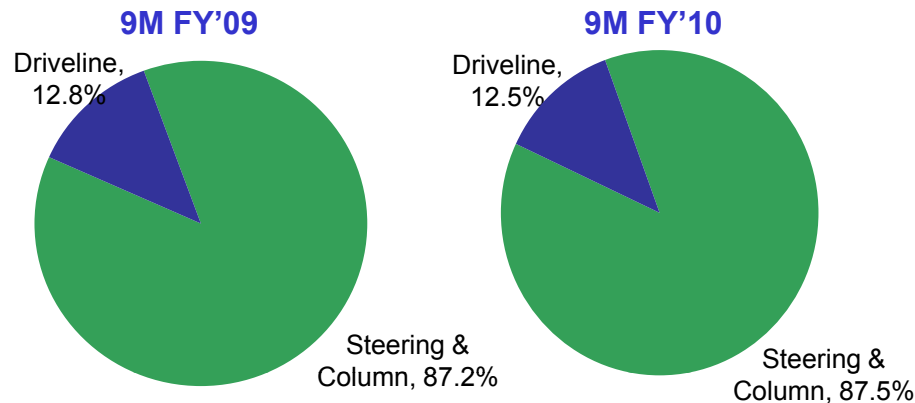
Refer Slide 6 for detailed P&L Statement

Growth momentum continues in nine months ending Dec 31, 2009

Revenue & Revenue Growth



Product Wise Sales Mix



- **Total Revenues up 21.8% from Rs 5,024.3mn to Rs 6,120.6mn driven by increased domestic demand:** Domestic sales increased 32.6% YoY to reach Rs 5,874.5mn from Rs 4,430.2mn
- **EBITDA up 933.2% from Rs 60.5mn to Rs 625.1mn; EBITDA margin improved from 1.2% to 10.2% in 9M FY'10 due to accruing benefits of the aggressive cost rationalisation measures undertaken in the past:**
 - ✓ Raw Material as a % of total revenues declined from 80.3% to 75.8%
 - ✓ Other expenses as a % of total revenues declined from 9.9% to 7.4%
- **Company achieved positive net income of Rs 114.7mn (net income margin of 1.9%)** as against a loss of Rs 262.0mn in 9M FY'09

Refer Slide 6 for detailed P&L Statement

* Including Other Income of Rs 28.2mn during 9M FY'09 and Rs 33.9mn during 9M FY'10

Capacity Utilisation

- Company witnessed significant increase in capacity utilisation during 9M FY'10 in each of its product groups:
 - ✓ Steering products: Capacity utilisation increased from 59% in 9M FY'09 to 69% in 9M FY'10 (Q3 FY'10 capacity utilisation: 76%)
 - ✓ Driveline products: Capacity utilisation increased from 58% in 9M FY'09 to 69% in 9M FY'10 (Q3 FY'10 capacity utilisation: 76%)

New Products

- Started supplies of column to Tata World Truck during Q3 FY'10
- Company plans to start supplies to Ford Motors, Fiat, Mahindra and Nissan in Q4 FY'10.

Standalone Un-audited Financials

Amount in Rs mn

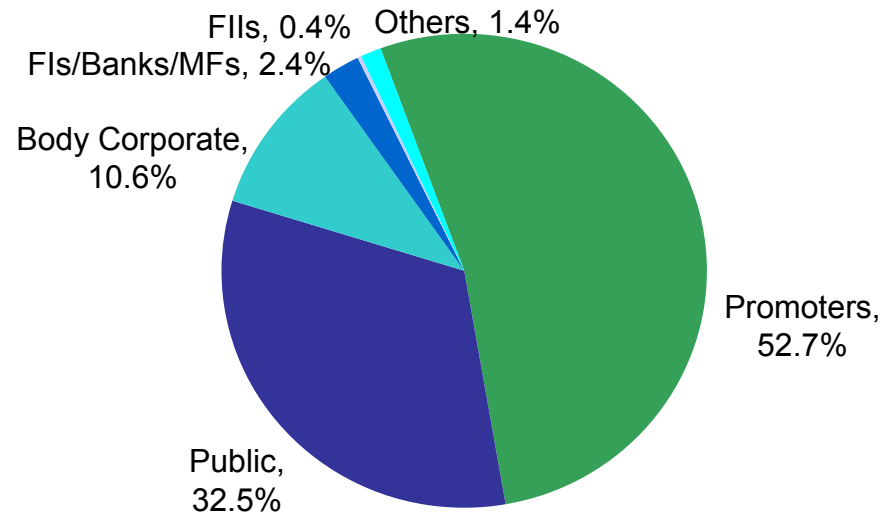
Particulars	Q3 FY'09	Q3 FY'10	YoY (%)	9M FY'09	9M FY'10	YoY (%)
Domestic Sales	1,325.3	2,140.7	61.5%	4,430.2	5,874.5	32.6%
Exports Sales	177.8	71.4	-59.8%	565.9	212.2	-62.5%
Net Income from Operations	1,503.1	2,212.1	47.2%	4,996.1	6,086.7	21.8%
Other Operational Income	4.8	12.5	159.8%	28.2	33.9	20.1%
Total Income	1,507.9	2,224.6	47.5%	5,024.3	6,120.6	21.8%
Total Expenditure	1,604.2	1,968.6	22.7%	4,963.8	5,495.5	10.7%
Consumption of Raw material	1,320.0	1,649.7	25.0%	4,043.9	4,642.3	14.8%
Staff Cost	136.9	144.8	5.7%	423.1	400.1	-5.4%
Other Expenditure	147.3	174.2	18.3%	496.8	453.1	-8.8%
EBITDA	(96.3)	255.9	NA	60.5	625.1	933.2%
Depreciation & Amortisation	64.6	67.7	4.8%	181.1	198.6	9.7%
EBIT	(160.9)	188.3	NA	(120.6)	426.5	NA
Finance Charges	92.5	79.4	-14.2%	219.6	253.5	15.4%
(Gain)/Loss on Foreign Currency Loan Translation	7.6	2.4	-68.6%	47.5	(1.7)	NA
PBT	(261.0)	106.4	NA	(387.7)	174.6	NA
Tax (including deferred)	(88.6)	37.5	NA	(125.7)	59.9	NA
PAT	(172.4)	68.9	NA	(262.0)	114.7	NA

*Other Expenditure includes deferred revenue expenditure

Key Ratios as a % of Total Revenue	Q3 FY'09	Q3 FY'10	9M FY'09	9M FY'10
EBIDTA	NA	11.5%	1.2%	10.2%
PAT	NA	3.1%	NA	1.9%
Total Expenditure	106.4%	88.5%	98.8%	89.8%
Raw material	88.3%	74.2%	80.3%	75.8%
Staff Cost	9.1%	6.5%	8.4%	6.5%
Other Expenditure	9.8%	7.8%	9.9%	7.4%

As on 31st December 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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