



Investor Update – FY'10

Sona Koyo Steering Systems Ltd.



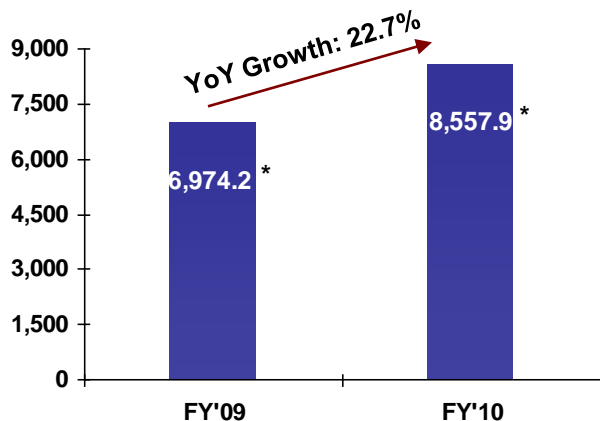
May 5, 2010



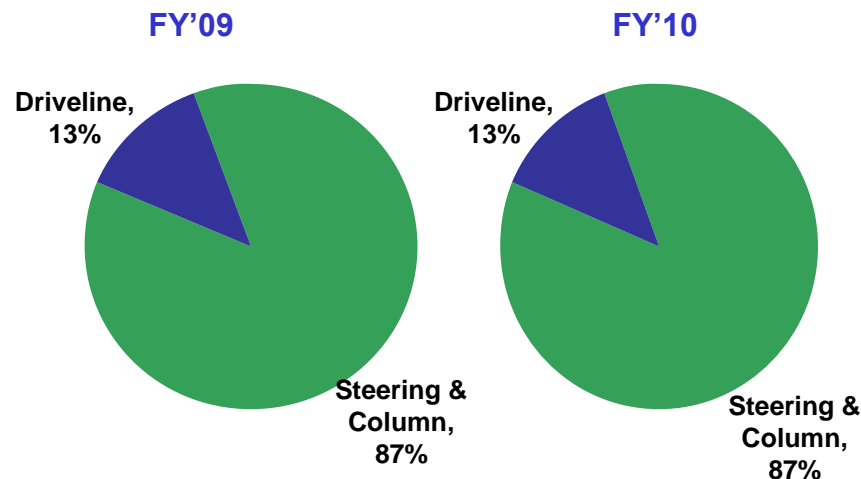
- 1. Performance Review**
- 2. Operational Highlights**
- 3. Financial Statements**
- 4. Shareholding Pattern**

Robust revenue and profitability growth during FY'10

Revenue & Revenue Growth



Product Wise Sales Mix



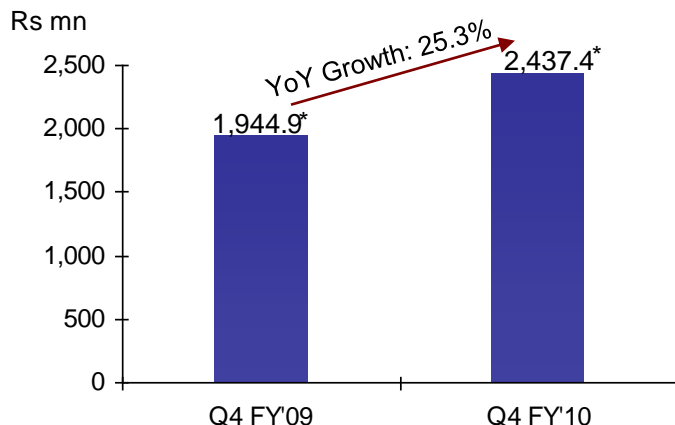
- **Total Revenues up 22.7% from Rs 6,974.2mn in FY'09 to Rs 8,557.9mn in FY'10 driven by growing traction in domestic demand:** Domestic sales increased 31.1% YoY to reach Rs 8,185.5mn from Rs 6,242.4mn
- **EBITDA up 453.0% YoY to reach to Rs 931.6mn in FY'10 from Rs 168.5mn in FY'09; EBITDA margin improved to 10.9% from 2.4%** due to relatively stable external environment for raw material costs and foreign exchange and aggressive measures undertaken for internal cost rationalisation:
 - ✓ Raw Material costs as a % of total revenues decreased from 80.6% in FY'09 to 74.6% in FY'10
 - ✓ Other expenses as a % of total revenues decreased from 9.3% in FY'09 to 8.0% in FY'10
- **Company achieved positive PAT of Rs 216.5mn in FY'10 as against a loss of Rs 310.3mn in FY'09; PAT margin stood at 2.5%**

Refer Slide 6 for detailed P&L Statement

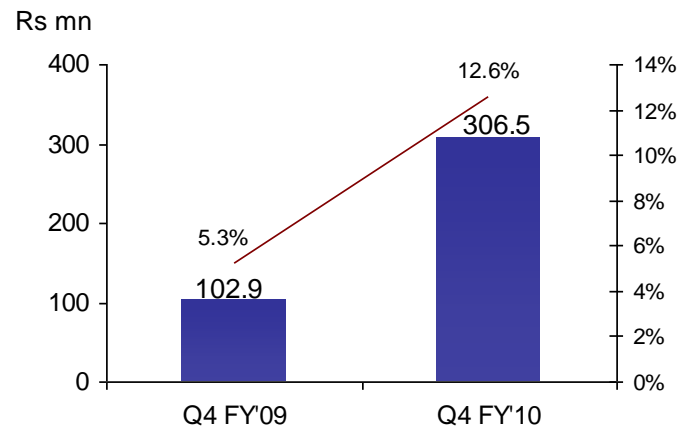
* Including Other Income of Rs 42.6mn during FY'09 and Rs 55.0mn during FY'10

Growth momentum accentuated during Q4 FY'10

Revenue & Revenue Growth



EBITDA & EBITDA Margin



- **Total Revenues up 25.3% from Rs 1,944.9mn to Rs 2,437.4mn driven by increased off-take from domestic OEMs:** Domestic sales increased 27.9% YoY to reach Rs 2,317.6mn from Rs 1,812.1mn
- **EBITDA up 197.8% from Rs 102.9mn to Rs 306.5mn; EBITDA margin improved from 5.3% to 12.6% in Q4 FY'10** due to decline in raw material cost as a % of total revenues from 81.1% to 71.6%
- **Company achieved positive net income of Rs 101.7mn (net income margin of 4.2%)** as against a loss of Rs 48.4mn in Q4 FY'09 due to decline in depreciation and finance charges:
 - ✓ Depreciation cost as a % of total revenues decreased from 3.5% in Q4 FY'09 to 2.8% in Q4 FY'10
 - ✓ Finance costs as a % of total revenues decreased from 5.0% in Q4 FY'09 to 3.4% in Q4 FY'10

Refer Slide 6 for detailed P&L Statement

* Including Other Income of Rs 9.5mn during Q4 FY'09 and Rs 21.1mn during Q4 FY'10

Increased Capacity Utilisation

- Capacity utilisation for each of the product groups increased during FY'10:
 - ✓ Steering products: Capacity utilisation increased from 59% in FY'09 to 71% in FY'10
 - ✓ Driveline products: Capacity utilisation increased from 58% in FY'09 to 70% in FY'10

Localization Program

- Localization program for CEPS reached 67% by end of FY'10

New Products/ Order Flow

- Started production and supplies to Ford Motors, Fiat and Mahindra in Q4 FY'10
- Received new order from Nissan for which production and supplies will start in Q1 FY'11

Awards & Recognitions

- Awarded for its 'Pursuit of Excellence in Quality' by Tata Motors Ltd.
- Conferred with 'Supply Chain Leader Award' by 9.9 media publications

Standalone Audited Financials

Amount in Rs mn

Particulars	Q4 FY'10	Q4 FY'09	YoY (%)	Q3 FY'10	QoQ (%)	FY'10	FY'09	YoY (%)
Domestic Sales	2,317.6	1,812.1	27.9%	2,140.7	8.3%	8,185.5	6,242.4	31.1%
Exports Sales	98.7	123.4	-20.1%	71.4	38.2%	317.5	689.3	-53.9%
Net Income from Operations	2,416.3	1,935.4	24.8%	2,212.1	9.2%	8,503.0	6,931.6	22.7%
Other Operational Income	21.1	9.5	121.1%	12.5	69.2%	55.0	42.6	29.0%
Total Income	2,437.4	1,944.9	25.3%	2,224.6	9.6%	8,557.9	6,974.2	22.7%
Total Expenditure	2,130.9	1,841.9	15.7%	1,968.7	8.2%	7,626.4	6,805.8	12.1%
Consumption of Raw Material	1,744.2	1,577.2	10.6%	1,649.7	5.7%	6,386.5	5,621.1	13.6%
Staff Cost	155.5	115.3	34.9%	144.8	7.5%	555.6	538.4	3.2%
Other Expenditure	231.1	149.4	54.7%	174.2	32.7%	684.2	646.2	5.9%
EBITDA	306.5	102.9	197.8%	255.9	19.8%	931.6	168.5	453.0%
Depreciation & Amortisation	67.2	68.2	-1.5%	67.7	-0.7%	265.8	249.3	6.6%
EBIT	239.3	34.7	590.1%	188.2	27.1%	665.8	(80.9)	NA
Finance Charges	82.6	97.3	-15.1%	79.4	4.0%	336.1	321.7	4.5%
(Gain)/Loss on Foreign Currency Loan Translation	1.7	3.3	-47.4%	2.4	-27.0%	-	50.8	NA
PBT	155.0	(65.8)	NA	106.3	45.8%	329.7	(453.3)	NA
Tax (including deferred)	53.3	(17.4)	NA	37.5	42.1%	113.2	(143.1)	NA
PAT	101.7	(48.4)	NA	68.8	47.8%	216.5	(310.3)	NA

* Other Expenditure includes Manufacturing costs, Other Admin costs and Deferred Revenue Expenditure

Standalone Audited Financials

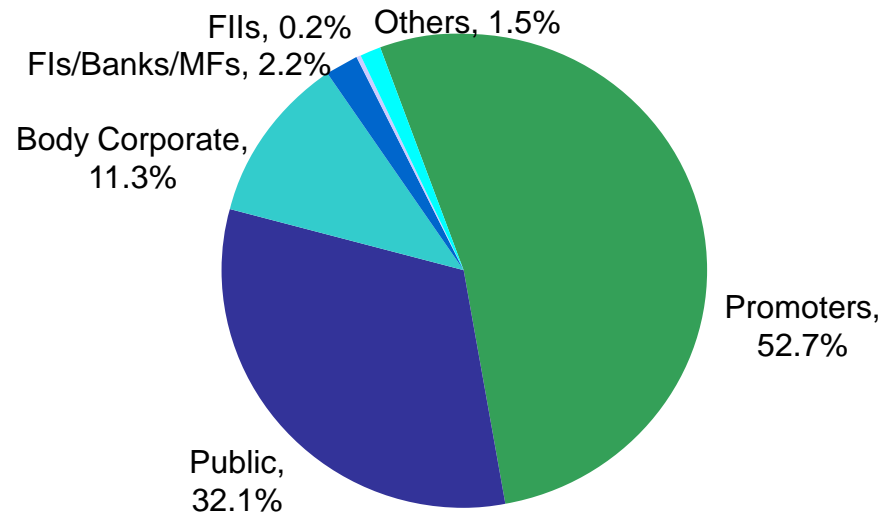
Amount in Rs mn

Particulars	31st Mar 10	31st Mar 09
I.Sources of Funds		
Share Holder's Fund	1,883.2	1,666.8
Share Capital	198.7	198.7
Reserves & Surplus	1,684.5	1,468.0
Deferred Tax Liability	227.9	117.2
Loan	2,191.2	2,389.9
Secured	2,191.2	1,814.9
Unsecured	-	575.0
TOTAL	4,302.4	4,173.9
II.Application of Fund		
Net Fixed Assets	3,194.2	3,271.3
Gross Block	4,577.4	4,423.9
Depreciation	1,579.4	1,352.5
Net Block	2,997.9	3,071.4
CWIP	196.2	199.9
Investments	713.4	587.5
Net Current Assets	394.8	315.2
Current Assets	1,794.8	1,730.1
Inventories	390.2	279.3
Debtors	913.1	807.0
Others	491.4	643.7
Current liabilities	1,399.9	1,414.9
Current Liabilities	1,366.2	1,398.5
Provisions	33.7	16.4
Miscellaneous Expenses	-	-
TOTAL	4,302.4	4,173.9

Key Ratios as a % of Total Revenue	Q4 FY'10	Q4 FY'09	Q3 FY'10	FY'10	FY'09
EBIDTA	12.6%	5.3%	11.5%	10.9%	2.4%
PAT	4.2%	NA	3.1%	2.5%	NA
Total Expenditure	87.4%	94.7%	88.5%	89.1%	97.6%
Raw material	71.6%	81.1%	74.2%	74.6%	80.6%
Staff Cost	6.4%	5.9%	6.5%	6.5%	7.7%
Other Expenditure	9.5%	7.7%	7.8%	8.0%	9.3%

As on 31st March 2010

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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