

**Presentation
by**



**Motherson Sumi
Systems Limited**

August –September 2011

a member of Samvardhana Motherson Group

MSSL Overview

Recent Developments

Business Portfolio & Capabilities

Vision 2015

Current Performance

Customer Recognition



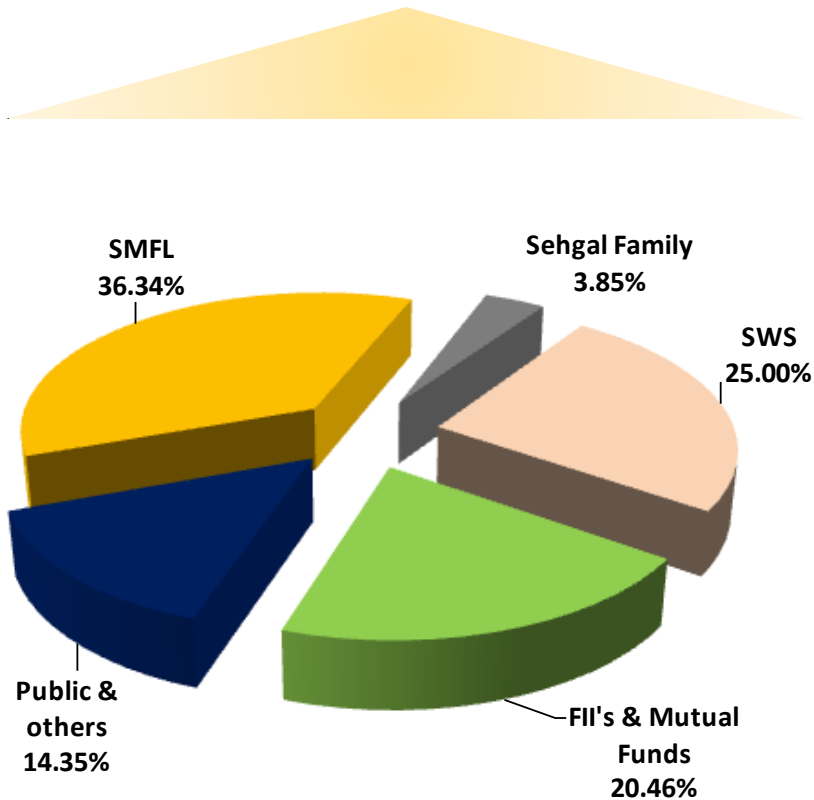
Vision

To be a Globally Preferred Solutions Provider



Mission

- Ensure Customer Delight
- Involve Employees as “Partners” in Progress
- Enhance Shareholder Value
- Set new standards in Good Corporate Citizenship



Sehgal Family & SMFL* (40.19%) :

- Started Motherson Group in 1975
- Started manufacturing Wiring Harness in technical agreement with Tokai Electric Industries, Japan (a part of Sumitomo Wiring Systems) in 1983
- Established Motherson Sumi Systems Ltd. (MSSL) in JV with Sumitomo Wiring Systems Ltd. (SWS) in 1986
- Group Turnover approx USD 2.70 Billion (2010-11)

Sumitomo Wiring Systems Ltd. (25%) :

- Subsidiary of Sumitomo Electric Industries, Japan
- The second largest Manufacturer of wiring harnesses in the world and the second largest in Asia with current market share – more than 20% in the world passenger car market

** As on 30th June 2011

1975

Motherson established

1983

Establishment of Motherson Auto P. Ltd. - technical assistance agreement signed with Tokai Electric Wire Co. Ltd., now known as Sumitomo Wiring Systems Ltd., Japan (SWS)

1986

Motherson Sumi Systems Limited (MSSL) formed as a JV with Sumitomo Wiring Systems Ltd.

1993

**Motherson Sumi Systems Limited listed on Stock Exchange
1st Public Issue at a premium of Rs. 15 per share
(issue size : Rs 46.25 millions)**

1995

**Right Issue (1:5 rights issue) at a premium of Rs. 80 per share
(issue size Rs. 104.4 Million)**

2005

FCCB Issue of Euro 50.30 Million (50,300 Bonds of Euro 1,000 each)

2010

Full conversion of FCCB in equity (Equity Dilution by 10%)

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- The company has, through its subsidiary, executed binding agreement with Cross Industries for acquiring 80% stake in Peguform GmbH and Peguform Iberica, SL together with 50% stake in Wethje Entwicklungs GmbH and Wethje Carbon Composite GmbH.
- The acquisition would be made through a joint venture in which Motherson Sumi Systems Limited would hold 51% and Samvardhana Motherson Finance Limited would hold 49% share.
- The deal is expected to be completed by end of September 2011, by which time all closing conditions including regulatory approvals as applicable, are expected to be received.
- The total share consideration for this transaction is Euros 141.5 million, of which MSSL share shall be Euro 72.165 million. MSSL proposes to raise loan overseas to finance this transaction.
- ICICI Bank Limited is the mandated lead arranger for financing the entire transaction.
- The key financials of Peguform Group for the calendar year 2010 are:

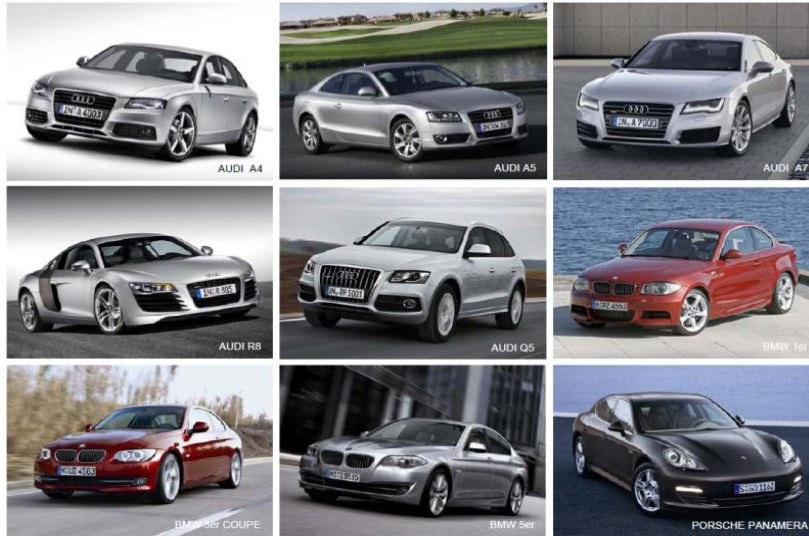
	Amount (Mn Euro)
Revenues	1355.53
EBITDA	66.87
Profit after tax	6.80
Net debt (as on 31-12-2010)	166.50

PEGUFORM



- Established in 1959 as Badische Plastikwerke, Peguform is a leading full service supplier of differentiated high quality interior and exterior products for the automotive and related industries.
- It is an internationally operating supplier involved in development, manufacture and distribution of bumper systems, plastic components for vehicle exteriors, vehicle cockpits, dashboards and vehicle interior trims.
- Peguform has a strong presence in Europe, supplying to major premium German brands.
- The company is the 2nd largest supplier of door panels and the 3rd largest supplier of Instrument Panels in Germany.
- The company is one of the market leaders of bumpers in Germany and holds a market leader position in Cockpit Assemblies in Spain.
- It has one of the largest state-of-the-art painting facilities in Europe. The company has over 200 injection molding machines and employs over 7000 employees.
- Strength of the company lies in creating new applications of plastics and engineering. The company has a strong history of innovations and Firsts in the European Automotive Plastics industry.

Bumper Systems and Frontend Modules, Exterior Body Panels



Bumper Systems and Frontend Modules, Exterior Body Panels



Cockpits and Interior Systems



Door Panels



- **MSSL through its division has been in the field on Plastic Molding, assemblies and module integration for more than a decade. Acquisition of Peguform business would be in line with the existing business in India and would add significant value by integrating & consolidating the business in India & globally.**
- **The product range of Peguform has strong synergies with the existing product range of SMG in plastic injection molding, door panels, Instrument Panels and Bumpers. This acquisition would provide new technologies and depth to the Polymer Product range of the Group.**
- **The experience of acquisition of Visiocorp to form SMR, achieving profitability of the venture in the first year of acquisition and integrating it with SMG is going to be very useful to the Group.**

MSSL Overview

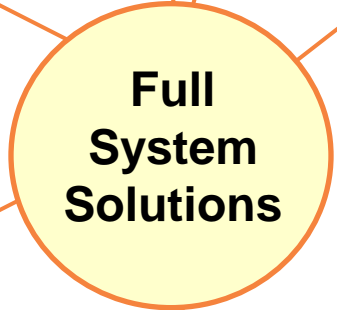
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Wiring Harnesses



Rearview Mirrors



Elastomer Processing



Polymer Processing & Tool Manufacturing



Precision Metal Machining



Modules



Global Presence



Presence in 23 Countries with over 90 manufacturing facilities



Being Established
 SMG Locations
 Peguform Locations

Presence in India



Working with a philosophy of nearness to customers
MSSL has established facilities near major customer locations

KANDLA

- ▣ Rubber Injection Molding
- ▣ Wiring Harness

NASHIK

- ▣ Design Engineering
- ▣ Automotive Rear View Mirrors

PUNE

- ▣ Wiring Harness
- ▣ Plastic Molding & Assemblies

BANGALORE

- ▣ Wiring Harness
- ▣ Wires
- ▣ Plastic Molding & Assemblies
- ▣ Metal Machining
- ▣ Automotive Rear View Mirrors

PONDICHERRY

- ▣ Plastic Molding & Assemblies

HALDWANI

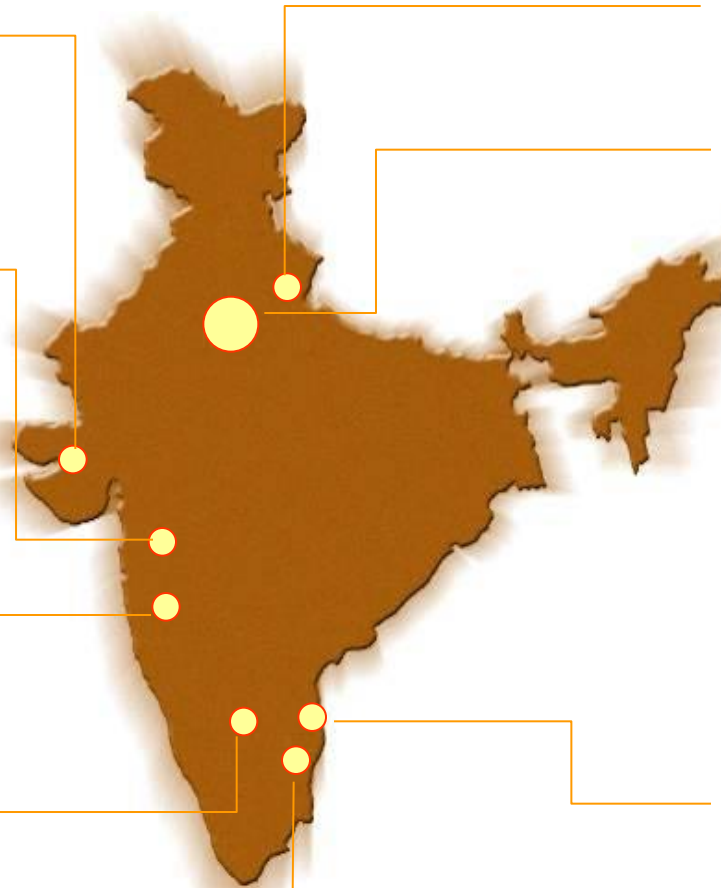
- ▣ Wiring Harness

NOIDA & NCR REGION

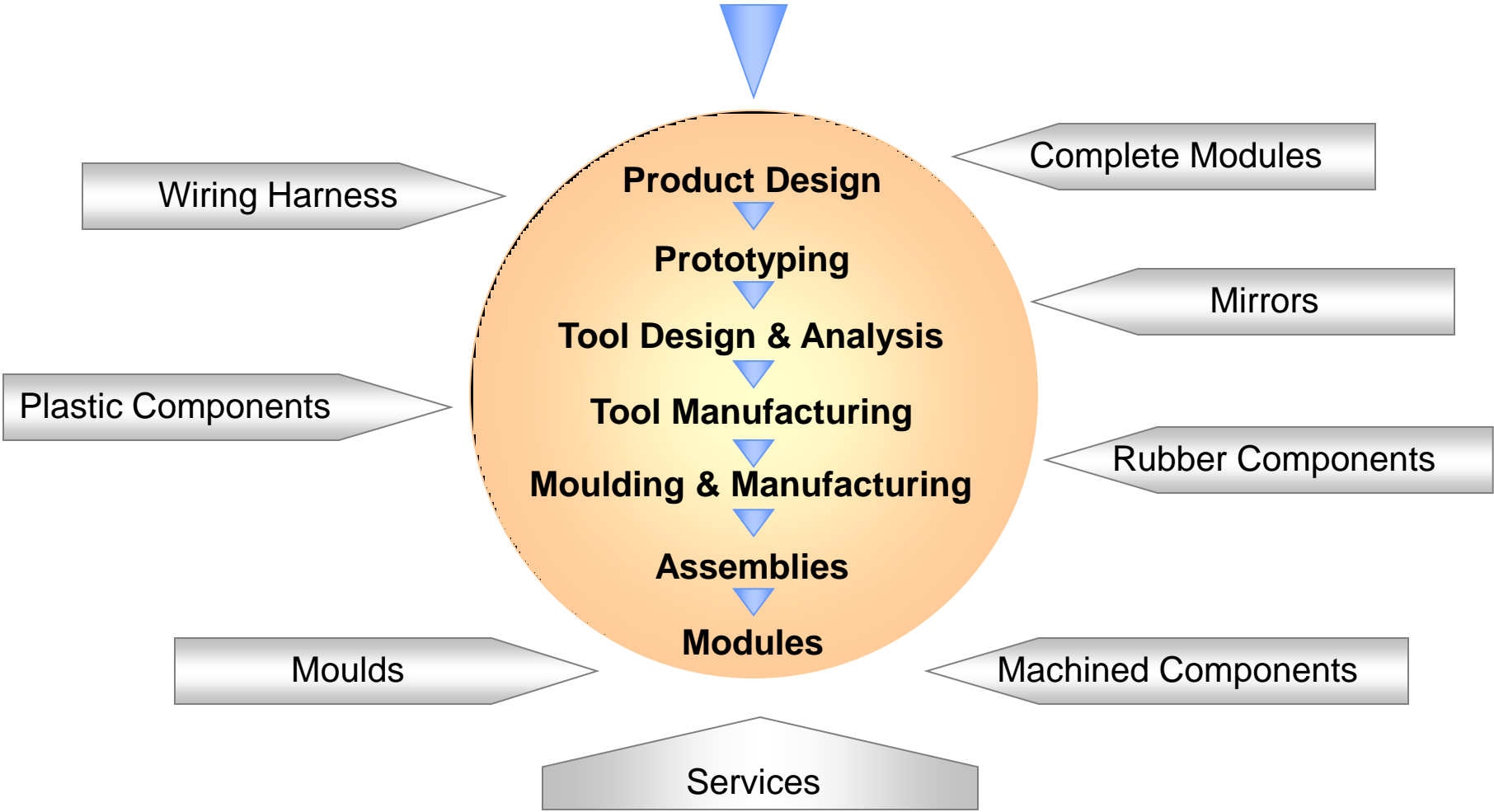
- ▣ Wiring Harness
- ▣ Wires
- ▣ Fuse Boxes
- ▣ Tubes
- ▣ Plastic Molding & Assemblies
- ▣ Rubber Injection Molding
- ▣ IP, Door Trim & Bumpers
- ▣ Automotive Rearview Mirrors
- ▣ Design Engineering
- ▣ Components & HVAC

CHENNAI

- ▣ Wiring Harness
- ▣ Plastic Molding & Assemblies
- ▣ IP, Door Trim & Bumpers
- ▣ Automotive Rearview Mirrors
- ▣ Components & HVAC
- ▣ Rubber Molding



Full System Solutions





- **Market Leader – With over 65 % market share of passenger car wiring harnesses in India**
- **JV with Sumitomo Wiring Systems, Japan, the 2nd largest wiring harness manufacturer in the in world (Partnership since 1983, JV since 1986)**
- **Serving a global customer base**
- **Strong presence in Europe Two-Wheeler & Material Handling Equipment markets**
- **Full Service Supplier with complete in-house design capability**
- **More than 25 Manufacturing Facilities**
- **Vertical backward integration for critical wiring harness components**

Partners



Sumitomo
Wiring Systems,
Japan










Kyungshin
Industrial Co.,
S. Korea



- Backward integration for critical inputs for wiring harnesses such as wires, connectors, terminals, fuses and fuse boxes. Company engaged in making components for wiring harness is now merged with MSSL, which further strengthens the backward integration.
- Direct exports to the customers as well as exporting back to collaborators
- Over 13000 Types of Wiring Harness Produced Annually
- Over 45000 Types of Components Handled in Manufacturing
- Over 35 Million Wiring Harnesses Produced Annually



- Component Design
- Tool Manufacturing
- Component Manufacturing

-  Wires
-  Connectors
-  Terminals
-  Fuse Boxes
-  Clamps & Binders
-  Grommets & Seals
-  Caps & Sleeves

Wiring Harness



Process Engineering



Applicators



Jigs



Assembly Boards



Circuit Boards



Material Handling



First turn signal in exterior mirror



First combined power telescopic and power folding mirror



First Blind Spot Detection System

- **Samvardhana Motherson Reflectec, which acquired global rear view mirror business of Visiocrp in March 2009, is a leading manufacturer of automotive rear view mirrors in the world**
- **Supplying products to the Top Ten OEMs totalling more than 360 individual programs**
- **16 manufacturing plants across the world in growing markets like China, India, Korea, Japan & Mexico**
- **Technology leader with over 500 patents and a history of innovations**
- **Presence in India since 1996 through initial JV with Britax which later on became a part of Visiocrp**
- **22% share of global passenger car rearview mirror market and a 53% share in India**

Partners



Ningbo HuaXiang Electronic Co.,Ltd.
China
50:50JV for China

Poong Jeong Ind Co., Ltd
S.Korea
90:10 JV for Korea





First to market

– SMR offers innovation in technology and styling options



First turn signal in exterior mirror (Mercedes-Benz)



First interior mirror with multiple functions (Mercedes-Benz)



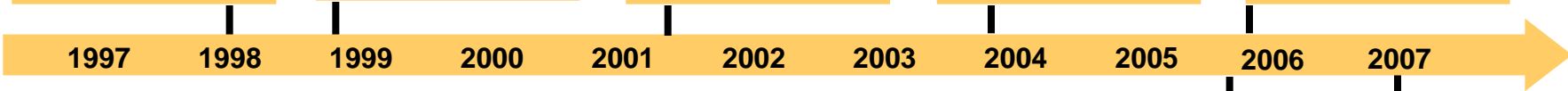
First LIN-bus-system in exterior mirror (Jaguar)



First camera-based blind spot detection system



First light guide style turn signal (Audi Q7)



First side-looker-LED turn signal (Hyundai)



First combined power telescopic and power folding mirror





On closing Peguform Deal SMG would have:

- Over 52 Polymer Processing Facilities
- Over 1100 injection molding machines

- One of the largest molded parts, assemblies & module supplier to the Indian automotive industry
- Over 30 Manufacturing Facilities
- Over 900 injection molding machines
- Injection molding machines ranging from 5 ton to 3200 tons
- Over 24 Blow Molding Machines
- 2K & 4K Molding Facilities
- Comprehensive post molding & assembly processes along with Polymer Compounding
- Global manufacturing, Global supplies





- **Manufacturing processes include**
 - **Rubber Injection Molding**
 - **Silicon Injection Molding**
 - **Rubber Extrusion**
 - **Rubber Compounding**
- **Supporting Collaborator with exports from India**
- **Manufacturing parts for the Automotive, Measuring and Control, Medical, White Goods and for other Industrial applications**
- **Five manufacturing Facilities spread over India, U.A.E. and Australia**

Partner



Woco Industrietechnik
GmbH, Germany



Machined Metal Components



- Specialise in machining of high precision, critical application metal components

HVAC Systems for cars



- Manufacturing HVAC Systems for passenger cars
- Modules including Body Control Modules and Engine Cooling Modules

Waste Recycling Systems



- Manufacturing and marketing “Aerobin”, a home and garden waste containment system
- Patented Areation technology
- Product launched in Australia, Europe & Japan

Partners

DREMOTEC GmbH & Co. ORCA)
Germany

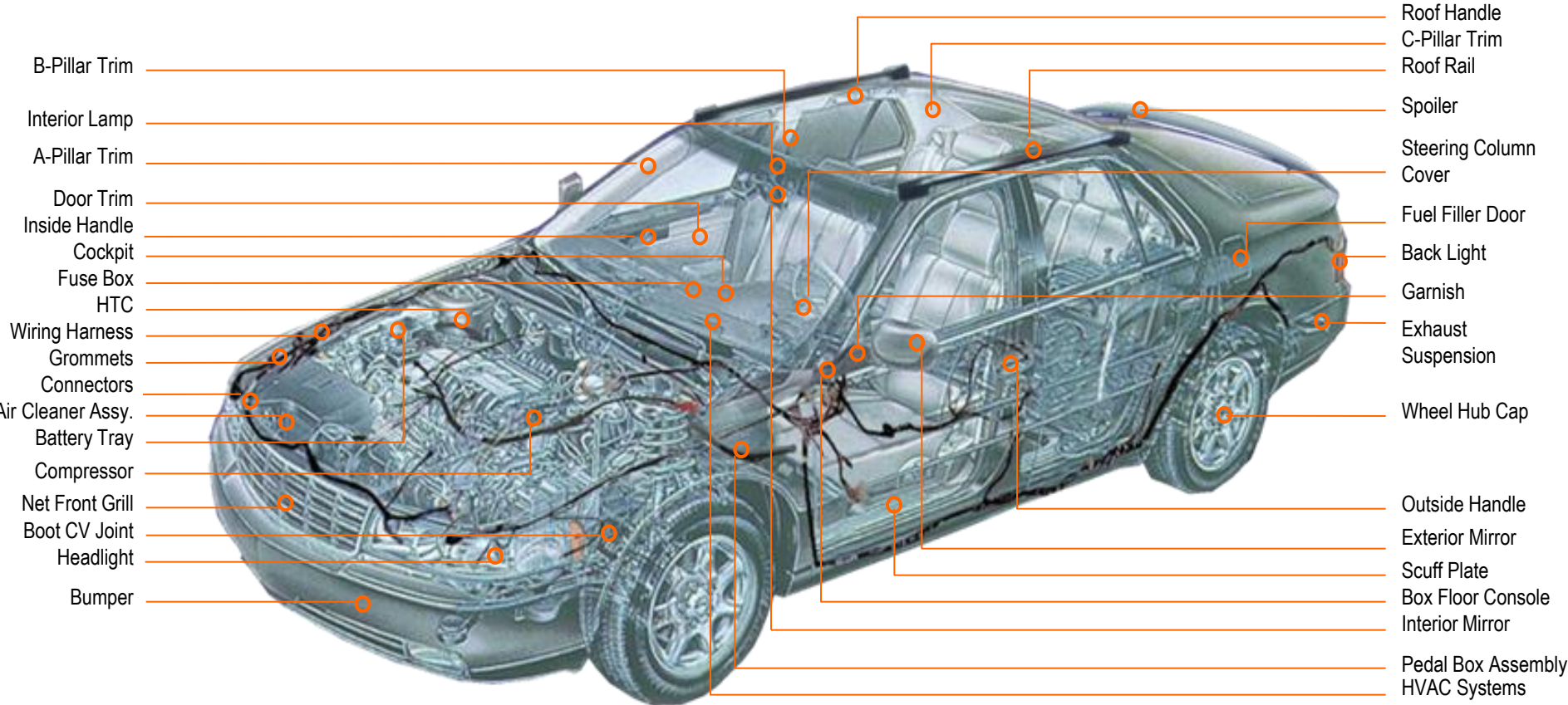
Calsonic Kansei
Japan

ECompost

E-Compost
Australia



Increasing Content per Car



* Depictive range only

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Vision 2015

Current Performance

Customer Recognition

Since year 2000 MSSL has set targets for 5 years and has delivered well on those targets. MSSL has always focused on profitable growth, diversifying its customer base and creating more value for its stakeholders

	2005		2010	
	Target	Achieved	Target	Achieved
Sales	Rs1000 Cr	Rs1029 Cr	USD 1 Bn	USD 1.5 Bn
ROCE	40%	39%	40%	37% (Stand Alone) 22% (Consolidated)
Single largest Customer's Contribution	< 25%	27%	< 20%	15%
Sales from Global Customers	30%	29%	60%	70%
Dividend Payout Ratio	40%	43%	40%	44% (Stand Alone) 32% (Consolidated)

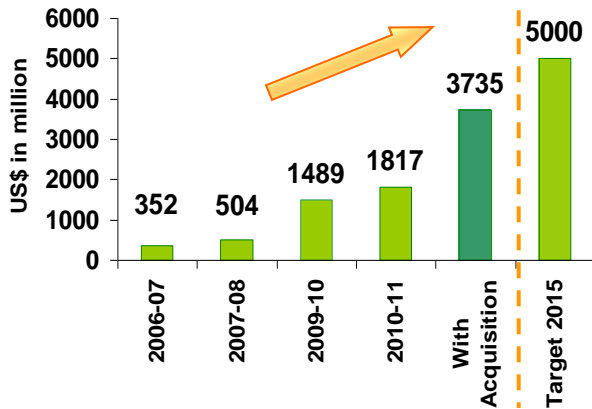
MSSL declared its targets for 2015 in its annual Report for 2009-10



Targets set for year 2015

Make MSSL a 5 Billion Dollar Company

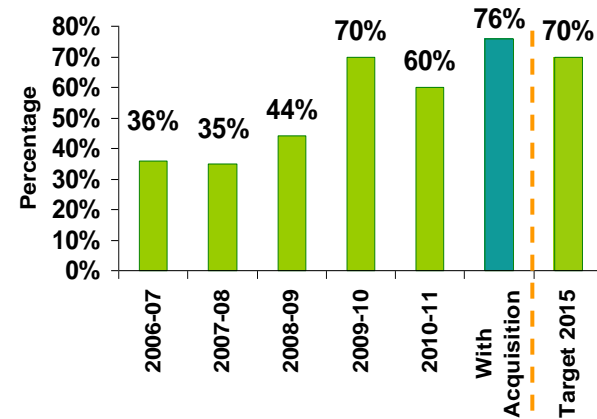
Reached Very Close to the target With acquisition



* Considered 2010 figures for Peguform

70% of our consolidated turnover should cater to the requirements of our customers outside India

Achieved with the acquisition



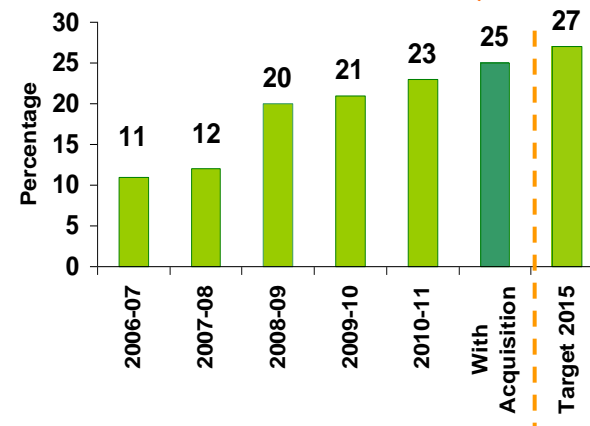
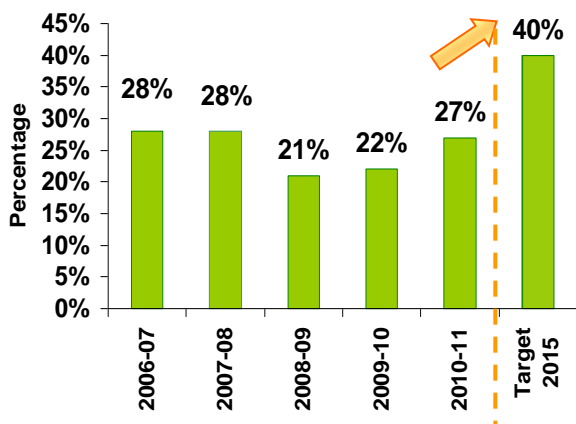
Targets set for year 2015

Strive to maintain business ROCE of 40%

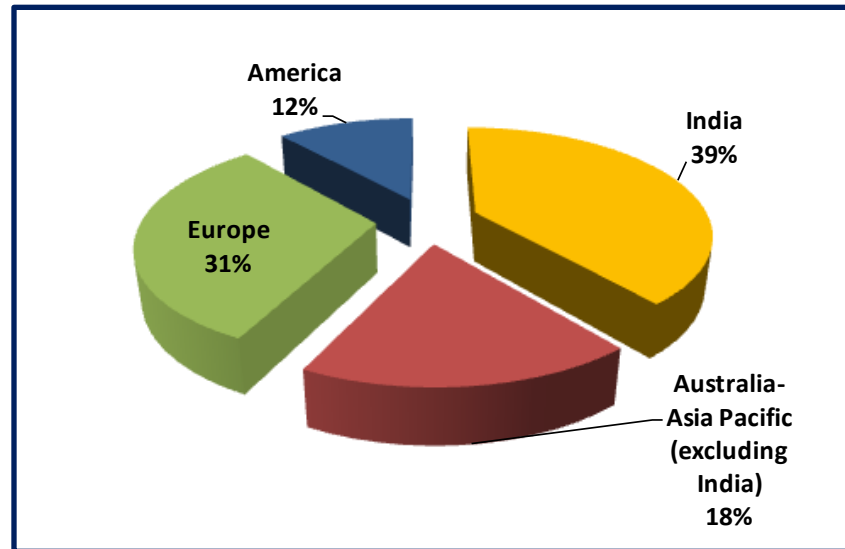
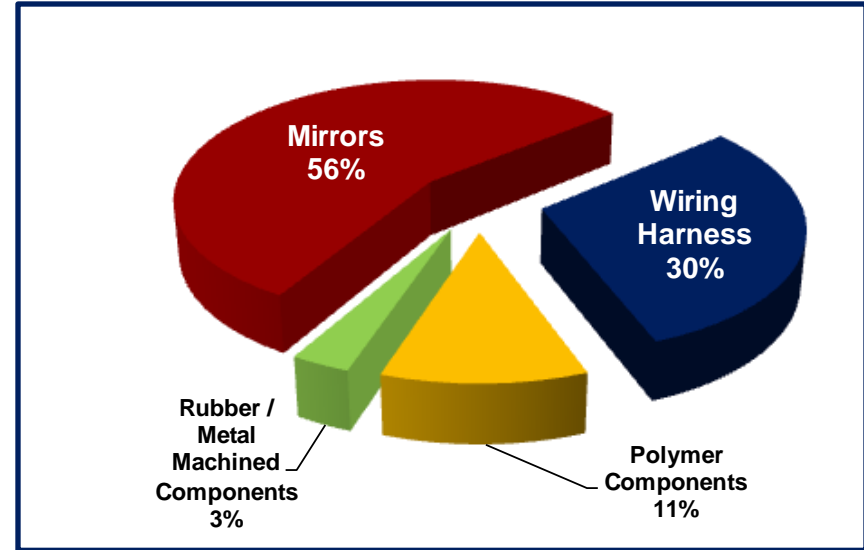
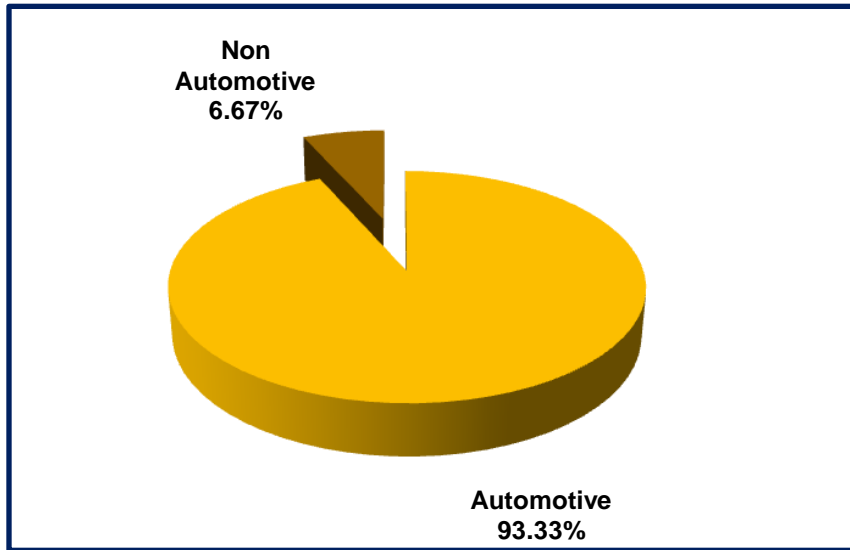
Have a Global presence with facilities in 26-27 Countries

Since this acquisition is done in the 2nd year of our 5 year targets, we have three years to improve on the ROCE in line with our target of 40% ROCE by 2015

Reached Very Close to the target With acquisition

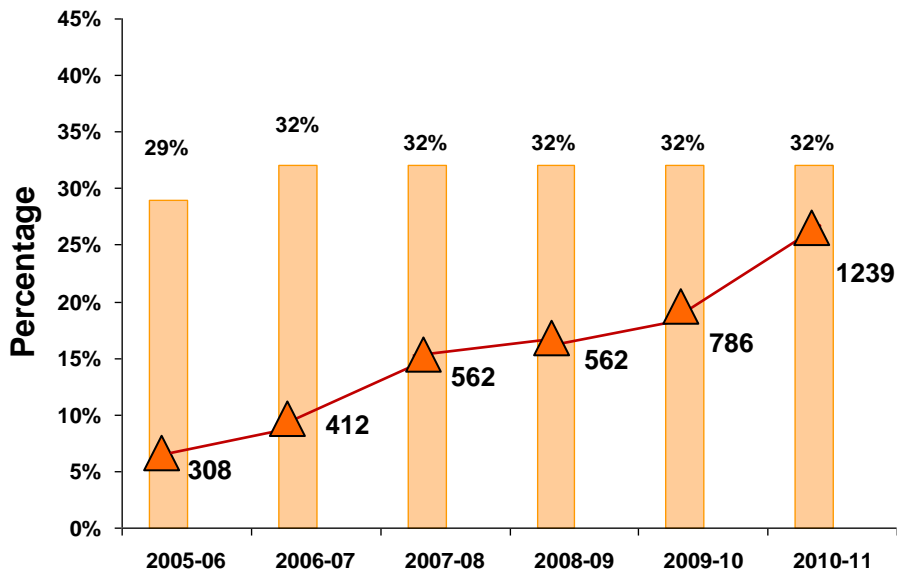


Consolidated Sales Profile : FY 2010-11

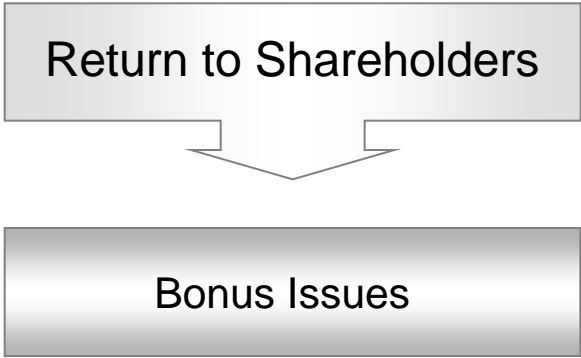




Dividend Payout Ratio



Target Dividend Payout Ratio 40%



- **Bonus Issue in 1997-98: One share against Two shares held**
- **Bonus Issue in 2000-01 : One share against Two shares held**
- **Bonus Issue in 2004-05 : One share against Two shares held**
- **Bonus Issue in 2007-08 : One share against Two shares held**

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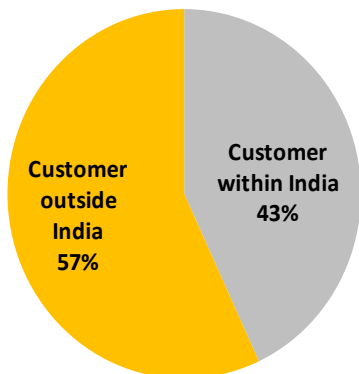
Current Performance

Customer Recognition

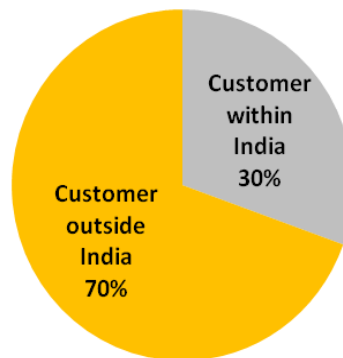
Performance Q1 : FY 2011-12



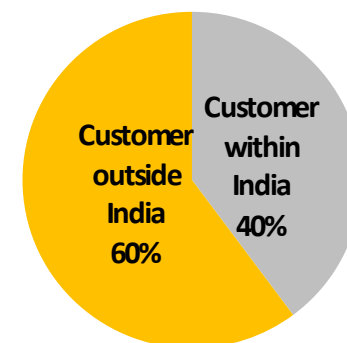
Q 1 FY 2011-12 (Consolidated)



Q 1 FY 2010-11 (Consolidated)

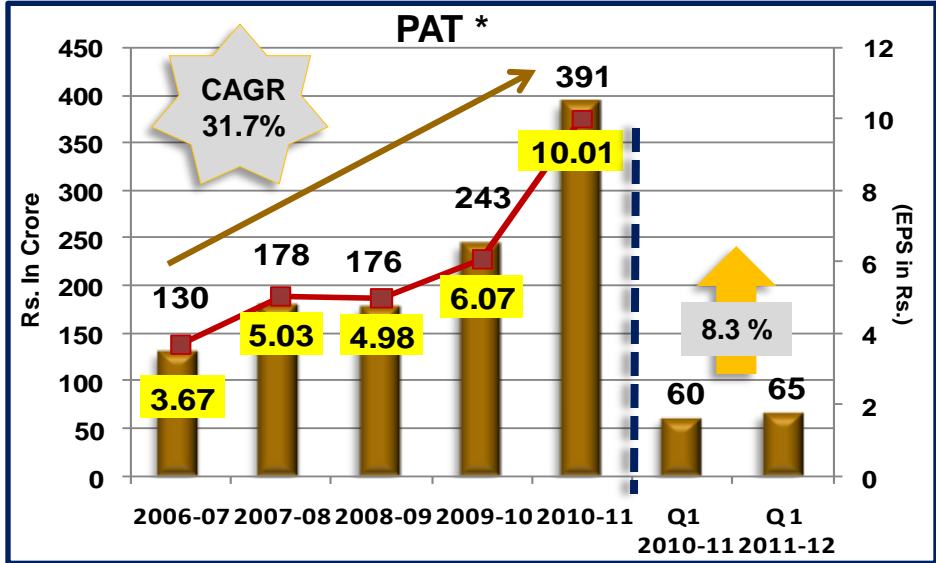
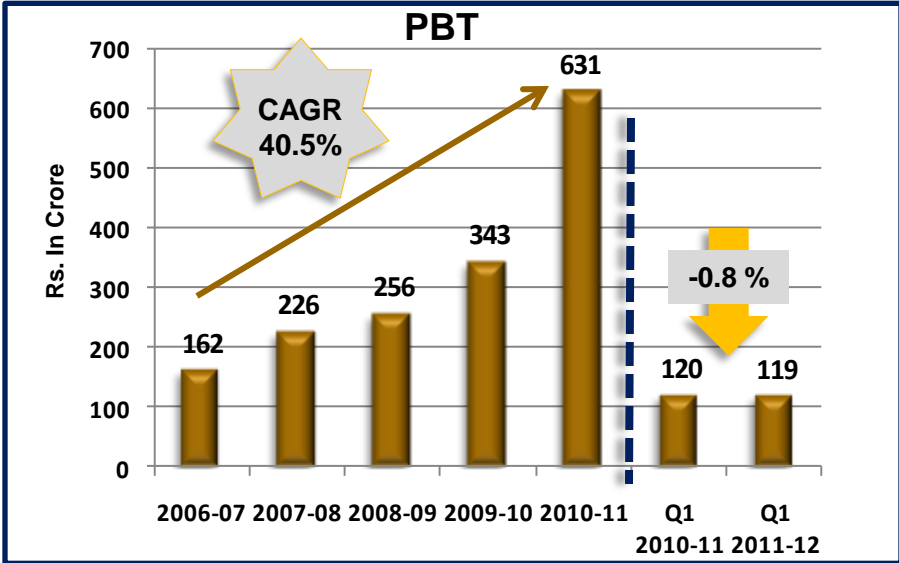
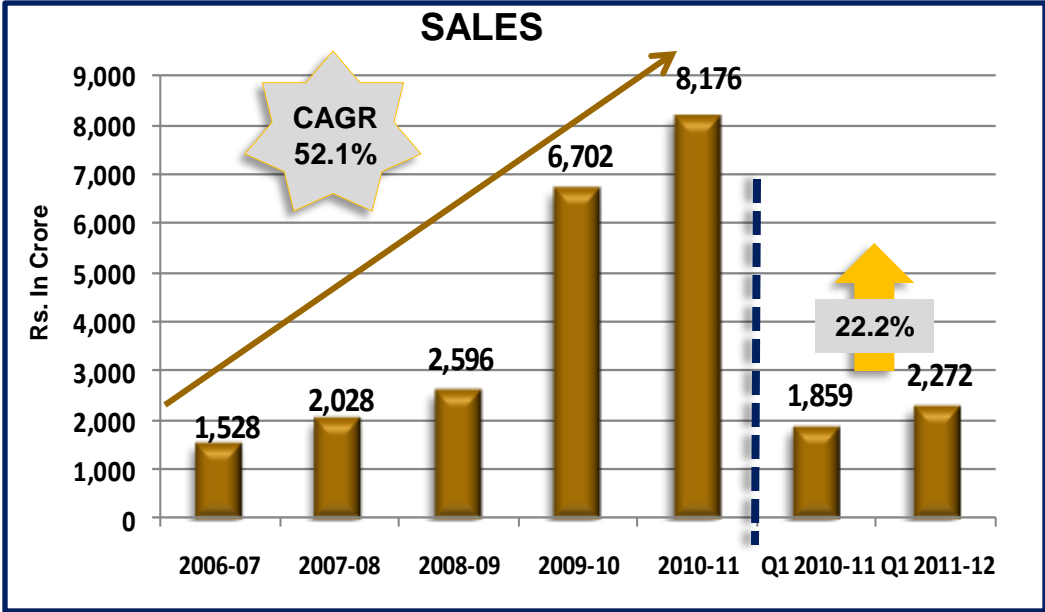


FY 2010-11 (Consolidated)



Rs. in Crores

SALES	Q1			FY 2010-11
	2011-12	2010-11	Growth (%)	
Consolidated				
Customers Within India	841.47	629.62	33.65%	3,251.59
Customers Outside India	1,430.10	1,229.00	16.36%	4,924.04
Total	2,271.57	1,858.63	22.22%	8,175.63
Standalone				
Customers Within India	665.59	481.80	38.14%	2,500.28
Customers Outside India	85.68	60.69	41.17%	277.61
Total	741.27	542.49	36.64%	2,777.88



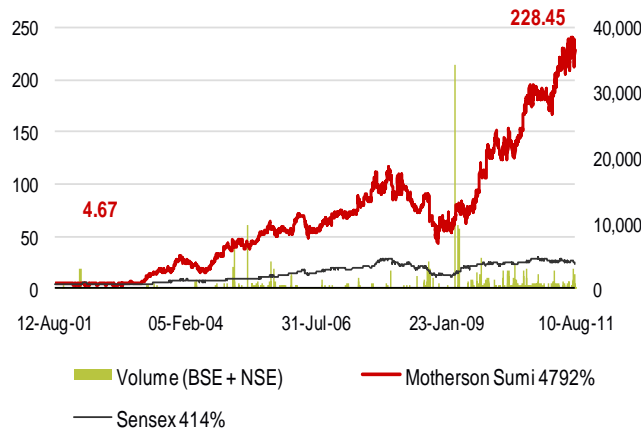
* Concern share

A Great Value Creator for its Stakeholders

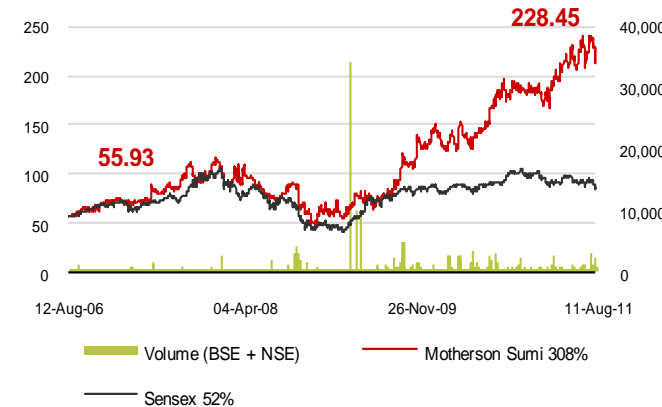


- **Motherson Sumi has constantly rewarded its shareholders in the past**
 - **Given an IRR of 40% since listing in 1993**
 - **Paid out an average dividend payout ratio of 30% over the last 5 years**
- **Apart from healthy cash dividends they have also rewarded shareholders by giving bonus shares in the ratio of 1:2 four times in the past**

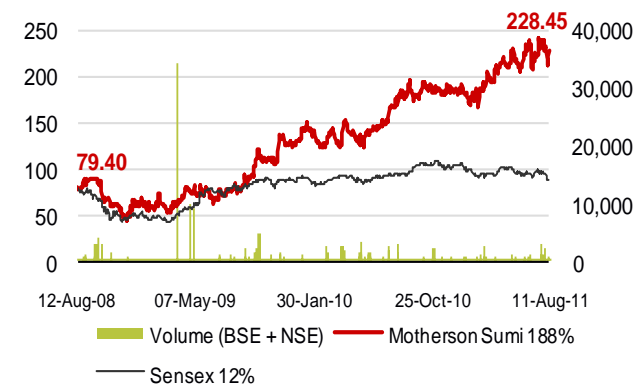
Price Performance Last 10 Years '000



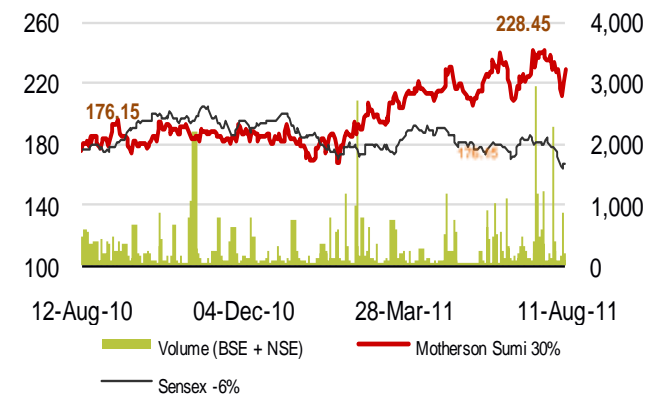
Price Performance Last 5 Years '000



Price Performance Last 3 Years '000



Price Performance Last 1 Years '000



Source Bloomberg

MSSL has given an IRR of 40% since listing in 1993

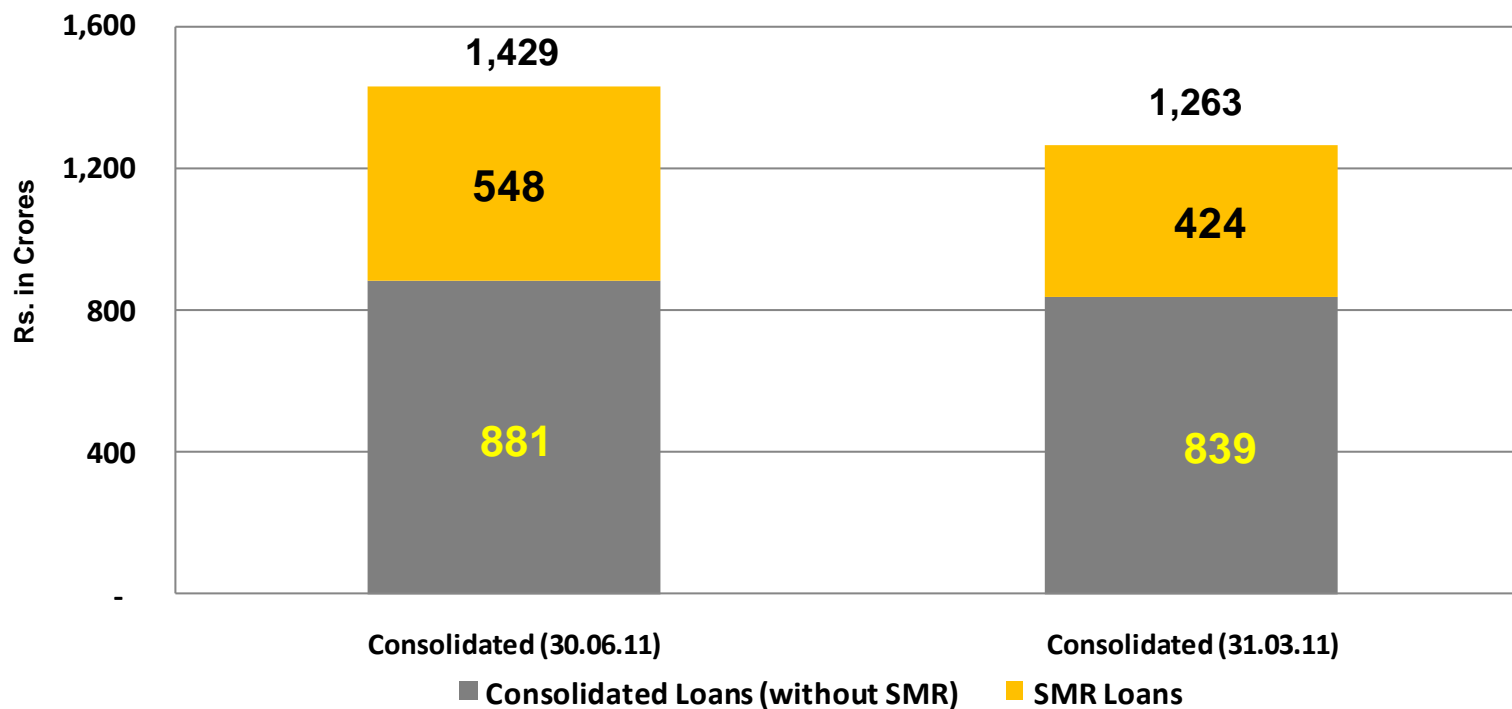
Debt Position : Consolidated



Cash and Bank Balances

Figures in Rs. Crores

	30.06.2011	31.03.2011
Consolidated (without SMR)	102	147
SMR	150	209



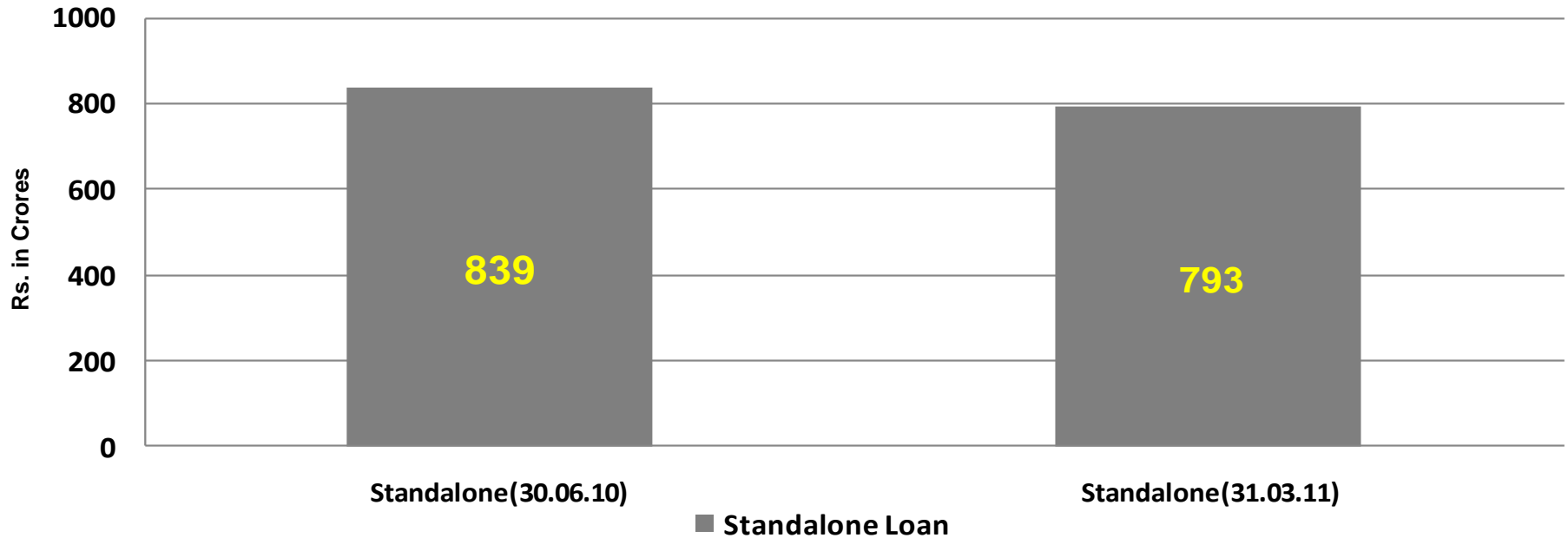
Debt Position :Standalone



Cash and Bank Balances

Figures in Rs. Crores

	30.06.2011	31.03.2011
Standalone	22	38



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Focused Cost Down Award
2009- 10



System Audit Rating Award
2009- 10



Warranty Improvement Award
2009- 10



Overall Performance Award-
Platinum
2009-10



Manufacturing Excellence
2009- 10

Customer Recognition




Overall Best Performance 2010



Zero PPM Award 2010



Best Quality Supplier Award, 2010



Best Vendor Award in Quality and Delivery 2009



Gold Award in Delivery 2008-09



Recognition for Special Contribution & Certificate of Appreciation - 2010



Outstanding Performance in FY 2011

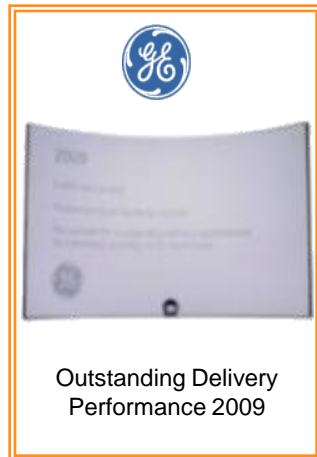


Best in Class Performance in Development 2010



Silver Award in Quality 2010

Customer Recognition



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