



**Presentation  
by**



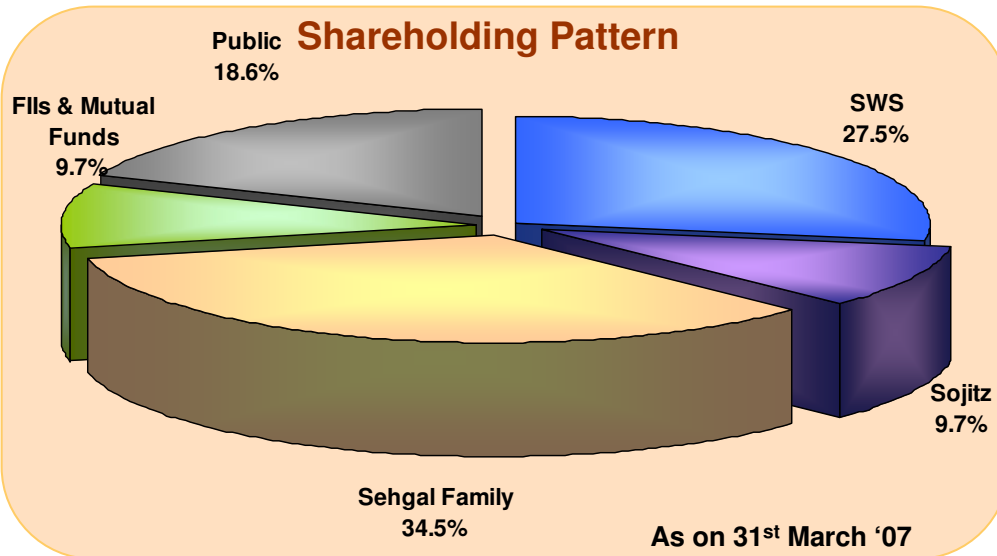
**Motherson Sumi Systems Limited**

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# Motherson Sumi Systems Limited



## Sehgal Family

- Started Motherson Group in 1975
- Technical Agreement with Tokai Electric Industries, Japan in 1983 for Manufacturing of wiring Harnesses
- Established Motherson Sumi Systems Ltd. (MSSL ) in JV with SWS in 1986.
- Share holding level 34.5% in individual names and through Motherson Consultancy Pvt. Ltd. (being reverse merged into Samvardhana Motherson Finance Ltd.)
- Group Turnover USD 588 Million (2006-07)

## Sumitomo Wiring Systems Ltd. (SWS):

- Subsidiary of Sumitomo Electric Industries , Japan
- The third largest Manufacturer of wiring harnesses in the world and the second largest in Asia with. Current market share – about 20 % in the world passenger car market
- Turnover of JP¥ 511,958 millions ( 2006-07)

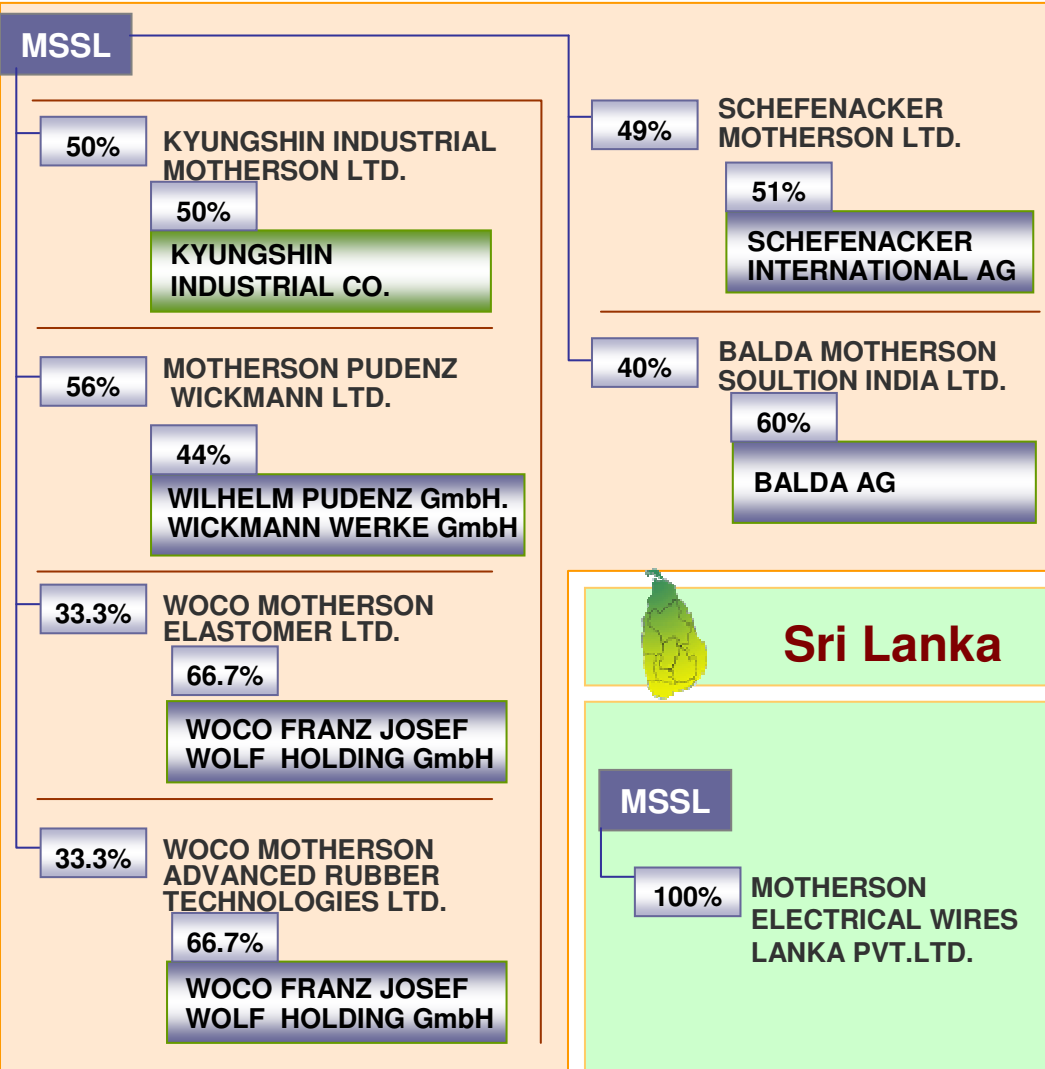
## Sojitz Corporation

- One of the leading trading & investment houses of the world
- Diversified portfolio having 188 Domestic and 409 Overseas affiliates

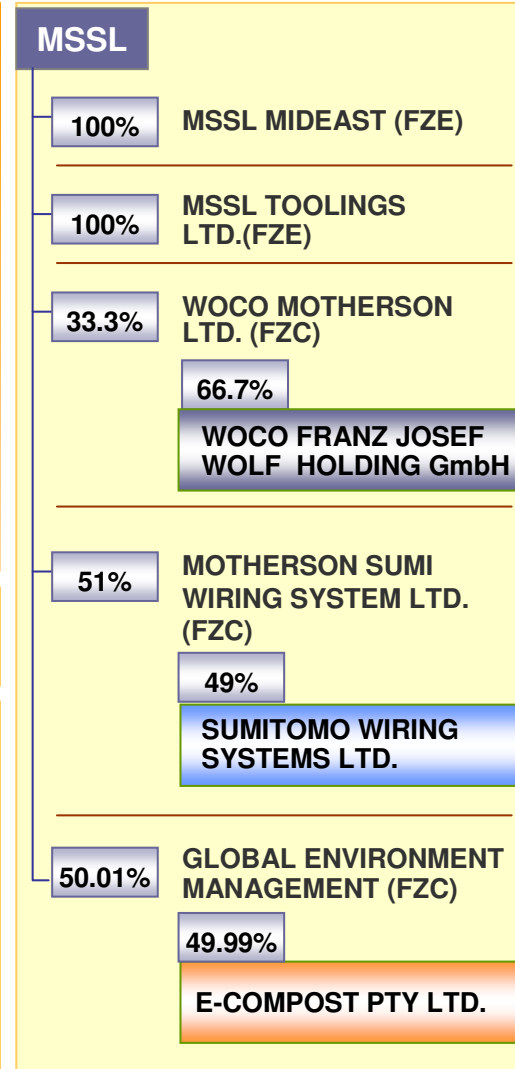
# MSSL Subsidiaries & Joint Ventures



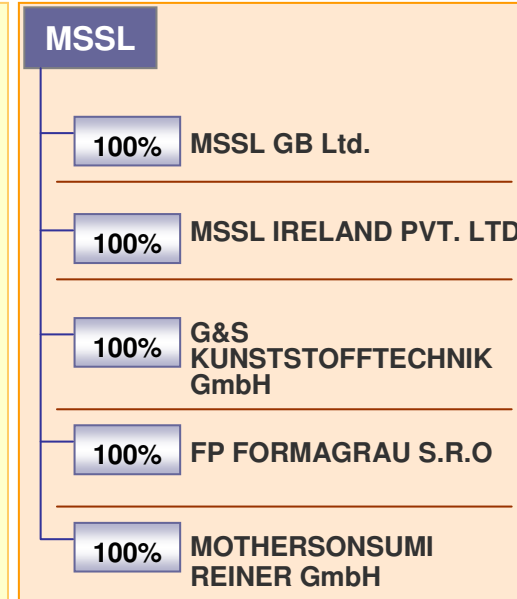
## India



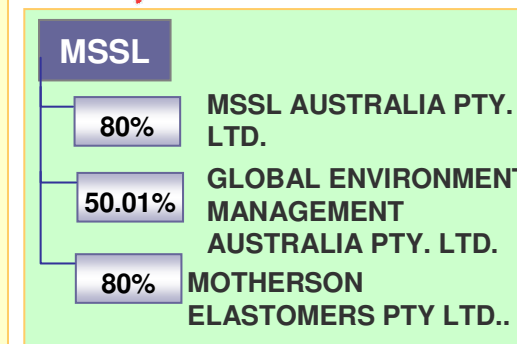
## Middle East



## Europe



## Australia



# Presence Close to the Customer



# Focus on Targets



Targets set for year 2005 in our Annual report of year 1999-2000:

To cross Rs. 1000 Crore  
(Consolidated) by the year 2005

Achieved Rs. 1029  
Crores\*

\*taking full turnover of JVs

Attaining Return on Capital  
Employed of 40%

Achieved Average  
ROCE of 39%

Not to have dependence of  
over 25% on any one source

Largest Customer –  
27% of total turnover

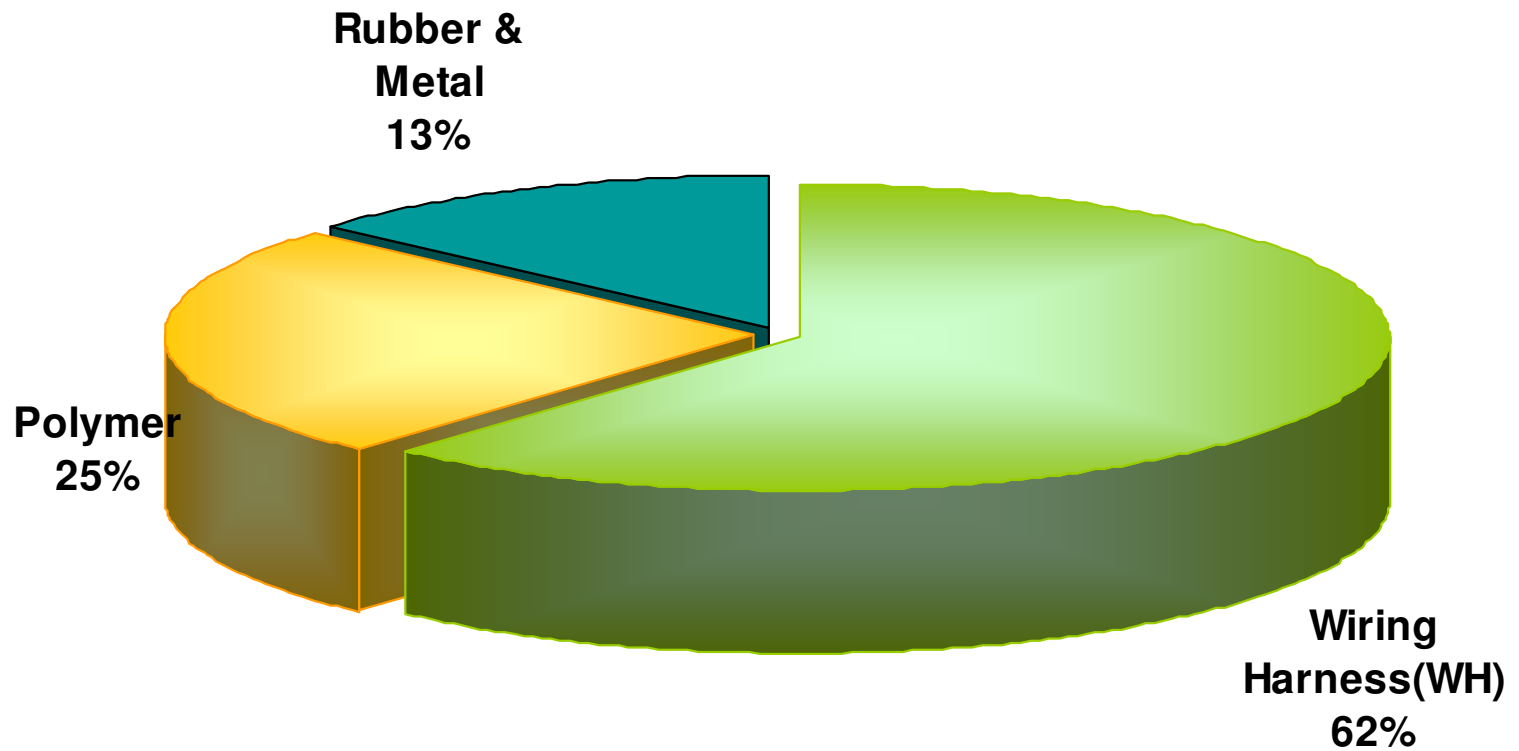
Achieve 30% of sales from  
global customers

29% of Sales from  
exports

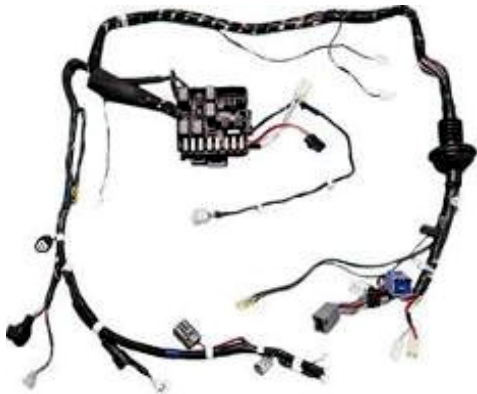
Dividend Payout Ratio 40%

Dividend Payout  
Ratio at 43% for  
2004-05

# Business Profile (2006-07)



# Motherson Sumi Systems Limited - WH

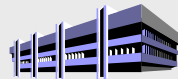
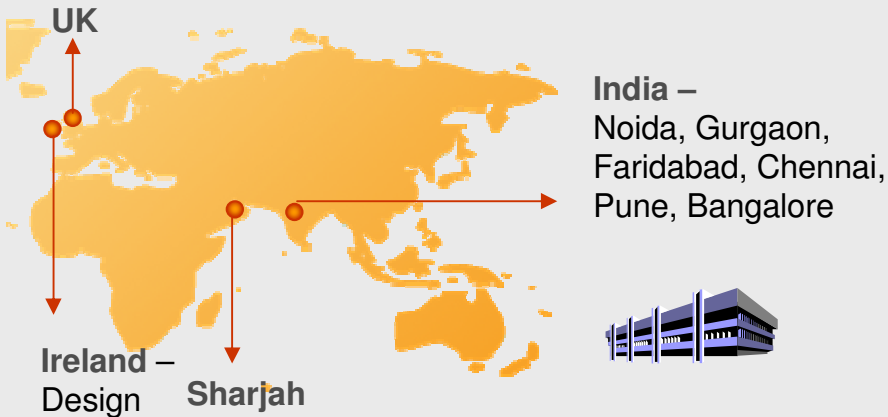


- Founded in 1986 as a JV with Sumitomo Wiring Systems Limited for manufacturing of Wiring Harnesses, catering mainly to Japanese OEMs
- Implemented backward integration for critical inputs for wiring harnesses such as wires, connectors, terminals, fuses and fuse boxes
- Established customer specific collaborations for Hyundai and DaimlerChrysler
- Consistently having over 65% share of wiring harness market for passenger cars in India
- Direct exports to the customers as well as exporting back to collaborators
- Set the first overseas plant in 2001-02, at present having 5 facilities outside India

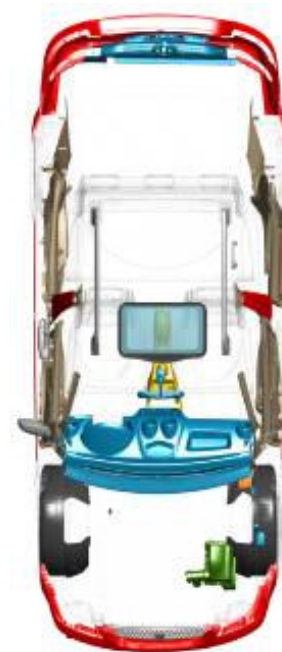
# Wiring Harness



- Over 13000 Types of Wiring Harness Produced Annually
- Over 24000 Types of Components Handled in Manufacturing
- 20 Manufacturing Units
- Over 20 Million Wiring Harnesses Produced Annually



## In-house Facilities



- Component Design
- Tool Manufacturing
- Component Manufacturing



Wires



Connectors



Terminals



Fuses & Fuse Boxes



Clamps & Binders



Grommets & Seals



Caps & Sleeves

## Wiring Harness Design



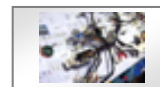
## Process Engineering



Applicators



Jigs



Assembly Boards

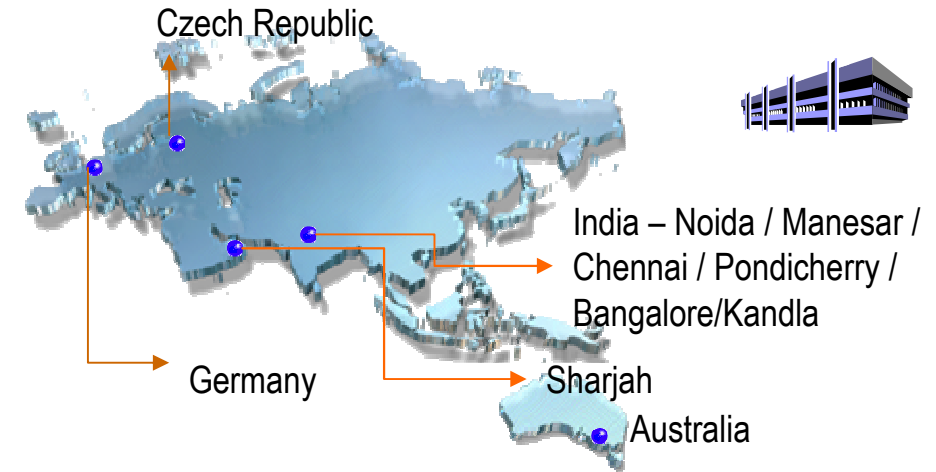
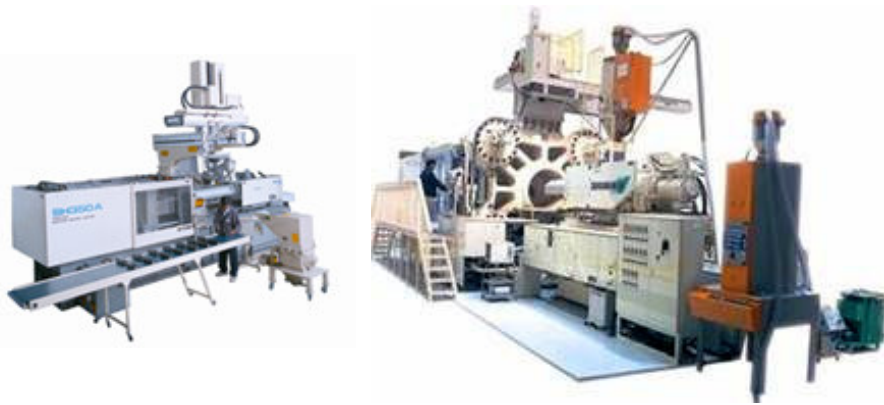


Circuit Boards



Material Handling

# Polymer Processing



- World class Molding Facilities
- Injection, Thermoset, Gas, Compression and Blow Molding
- 14 Component Molding Facilities
- Injection Molding Machines from 20 Tons – 3200 Tons
- Complete In-house Post Processing Facilities including Paint Shop
- Robotic Trimming Operations



- Over 14,000 Tons of Polymer Processed Annually
- Over 2100 Types of Components Produced
- Over 1160 Million Components Manufactured Annually

# Providing Full System Solutions



MSSL is providing Full System Solutions to its customers from product design to tooling, molding, manufacture, assembly and supply of Integrated Modules like IP (Dashboard) and Door Trim Modules

## Examples

MSSL manufactures most of the plastic parts for the Ford Fiesta - bumper to bumper (including bumpers) its value contributions to the Fiesta is among the highest across the vendors for the car.

MSSL has also been a partner for most of these modules right from the design stage undertaking designing & development of Components and assemblies



# Rubber, Metal and Other Parts



## Rubber Parts



- Manufacturing Locations at Noida, Kandla (SEZ) & Sharjah in Joint Venture With Woco Industrietechnik GmbH (WOCO)
- Acquired the business of Empire Rubber in Australia , engaged in Rubber Mixing & manufacture of Extruded Rubber components
- Supplying Products for Automotive applications, Kitchen appliances, Measuring & Control Technology and Medical Equipment Applications.
- Buy back arrangement with WOCO



## Machined Metal Parts



- Manufacturing locations at Bangalore, Chennai (under construction) & Germany
- Specialisation in high precision machined metal components and assemblies.
- Supplying cooling solutions to leading computer manufacturer & metal components to Tier-I manufactures in Europe

## Rear Vision Systems



- Manufacturing Locations at Noida & Chennai
- Specializes in black box designing of automotive rear vision systems
- leading supplier of rear vision systems to major automobile manufacturers in India.

# Performance 2006-07 – Segment wise Sales



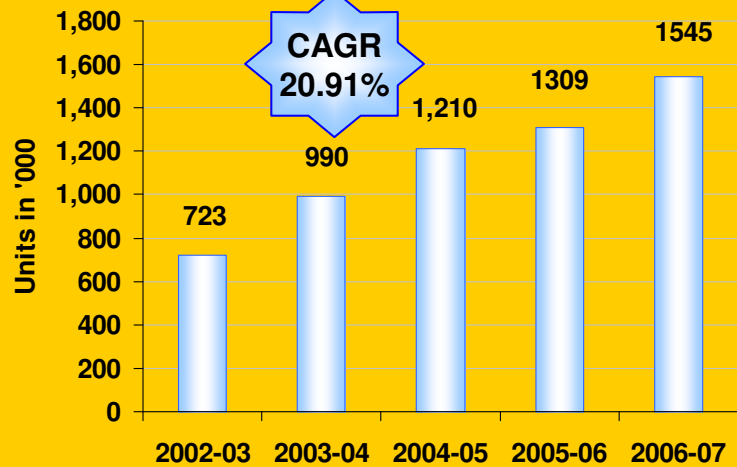
Rs. in Million

	2006-07	2005-06	Growth	
			In Amount	In Percentage
<b>Standalone</b>				
Wiring harnesses	7,369.61	5,338.41	2,031.20	38 %
Polymer components	2,969.69	1,406.12	1,563.57	111 %
Rubber/metal machined components and mirrors	472.89	389.76	83.13	21%
<b>Total</b>	<b>10,812.19</b>	<b>7,134.29</b>	<b>3,677.90</b>	<b>52 %</b>
<b>Consolidated</b>				
Wiring harnesses	9,802.84	6,995.83	2,807.01	40 %
Polymer components	3,926.34	1,765.62	2,160.72	122 %
Rubber/metal machined components, mirrors & others	1,546.56	1,393.94	152.62	11 %
<b>Total</b>	<b>15,275.74</b>	<b>10,155.39</b>	<b>5,120.35</b>	<b>50 %</b>

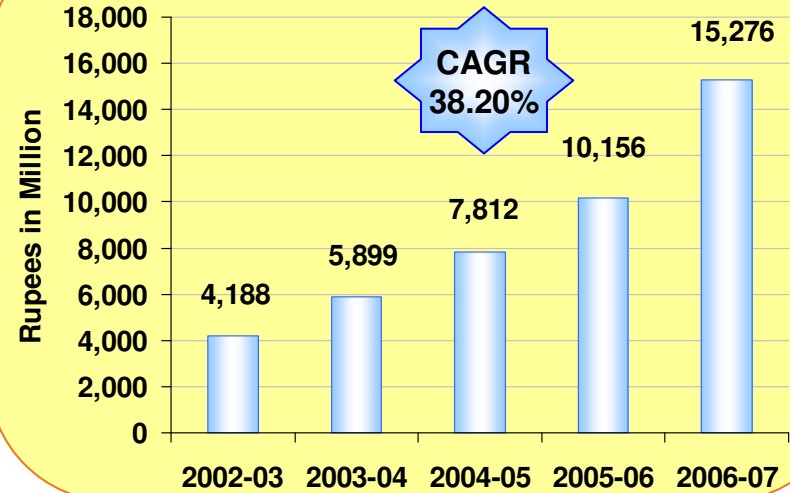
# Growing Faster - Sales



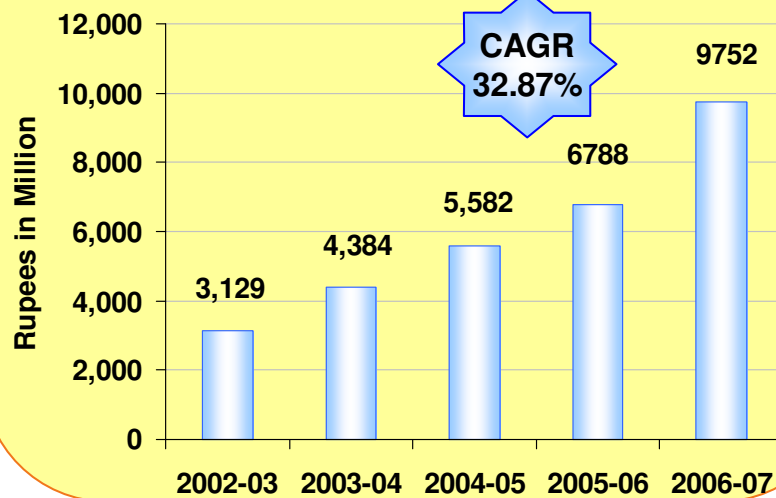
### Cars & MUV



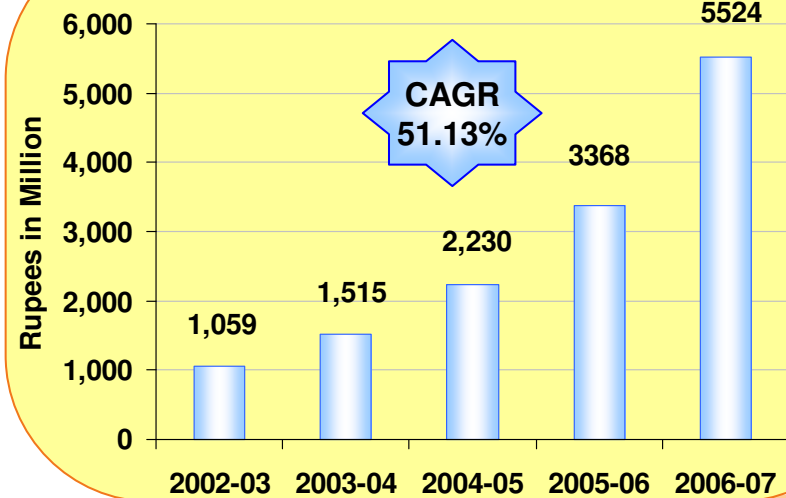
### MSSL



### MSSL - Domestic



### MSSL - Outside India



# Exports



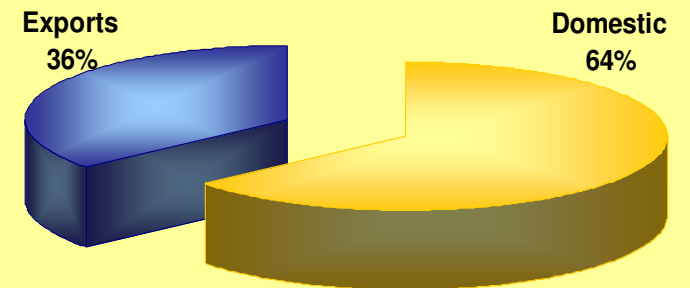
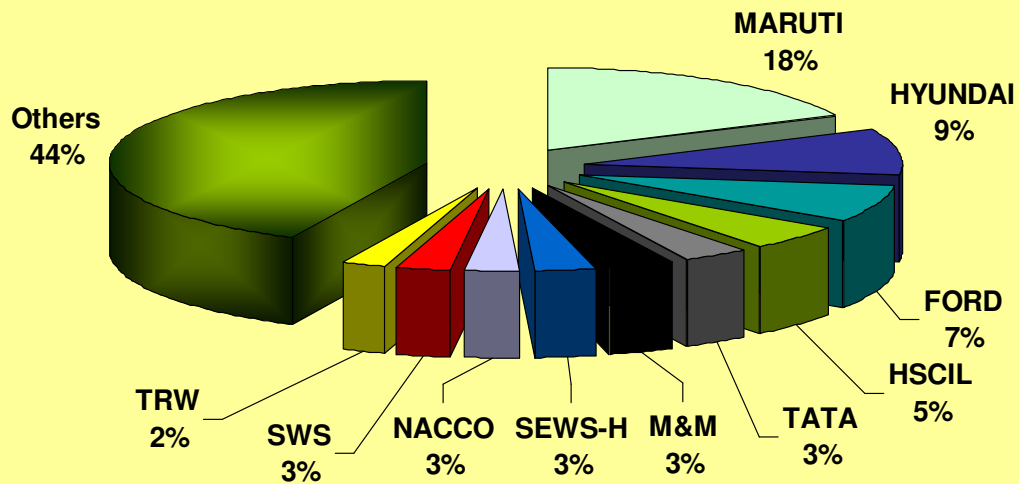
Rs. in Million

	2006-07	2005-06	Growth	
			In Amount	In Percentage
<b>Standalone</b>				
Wiring harnesses	1654	1143	510	45%
Polymer components	527	151	375	248%
Rubber/metal machined components and mirrors	255	239	17	7%
<b>Total</b>	<b>2436</b>	<b>1533</b>	<b>903</b>	<b>59%</b>
<b>Consolidated</b>				
Wiring harnesses	2762	1829	933	51%
Polymer components	1680	511	973	191%
Rubber/metal machined components, mirrors & others	1082	1028	54	5%
<b>Total</b>	<b>5524</b>	<b>3368</b>	<b>1960</b>	<b>58%</b>

# Sales Profile 2006-07



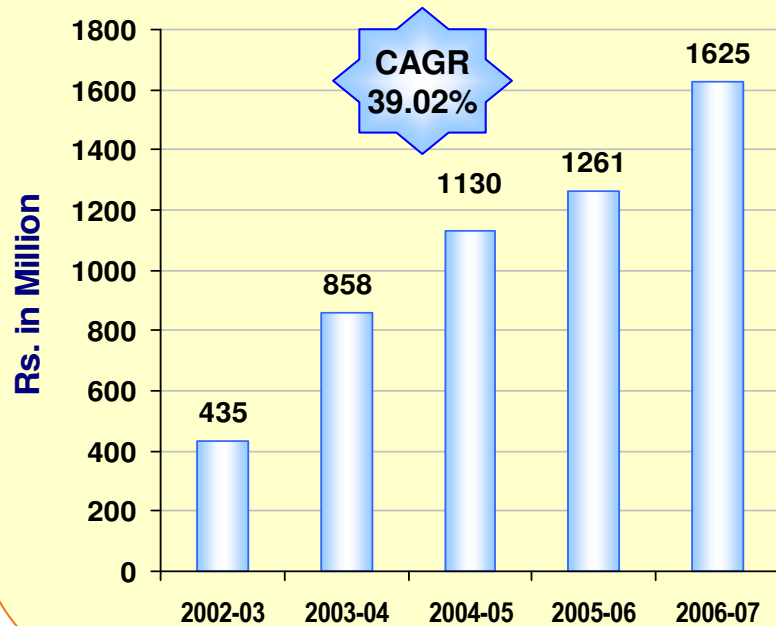
## Customer wise Sales Profile



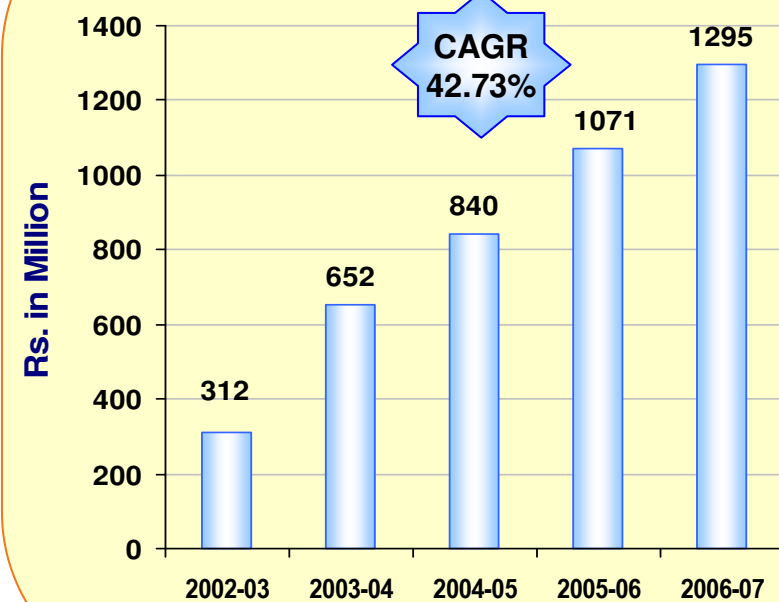
# Focus on Profitability



## Profit Before Tax



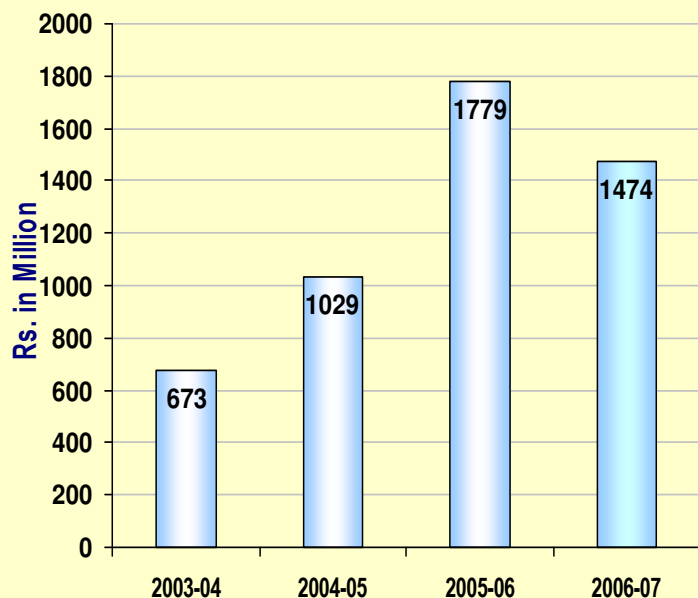
## Profit After Tax



# Capital expenditure & FCCB Issue



## Capital Expenditure



<b>FCCB Issue in July 2005</b>	Euro 50.30 Million
<b>Share Price at the time of Issue</b>	Rs. 74.30 Per Share
<b>Conversion price @ 150% of issue price</b>	Rs. 111.45 Per Share
<b>Coupon Rate</b>	Nil
<b>Redemption price , if not converted/redeemed earlier then, on 16th July 2010</b>	126.77% of Issue price
<b>Unutilised FCCB Balance as on 31.03.2007</b>	Euro 5.80 Million

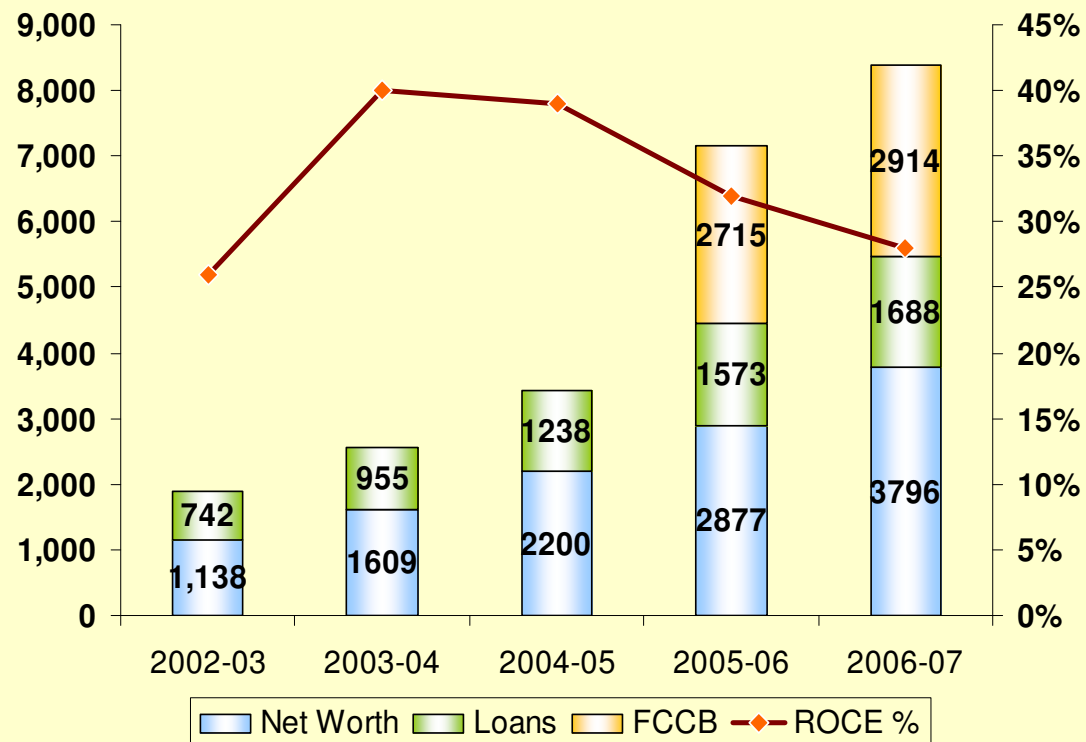
## Expenditure Charged to Profit & Loss Account Rs. In Million

	2005-2006 ( July 05- March 06)	2006-2007 (Apr-Mar'07)	Total (July'05- Mar'07)
<b>Premium on Redemption</b>	110.24	155.63	265.87
<b>Issue Expenditure</b>	11.08	14.78	25.86
<b>Interest Income</b>	(32.45)	(34.24)	(66.69)
<b>Total Finance Cost</b>	88.87	136.17	225.04
<b>Exchange Loss/(Gain)</b>	6.32	81.98	88.30

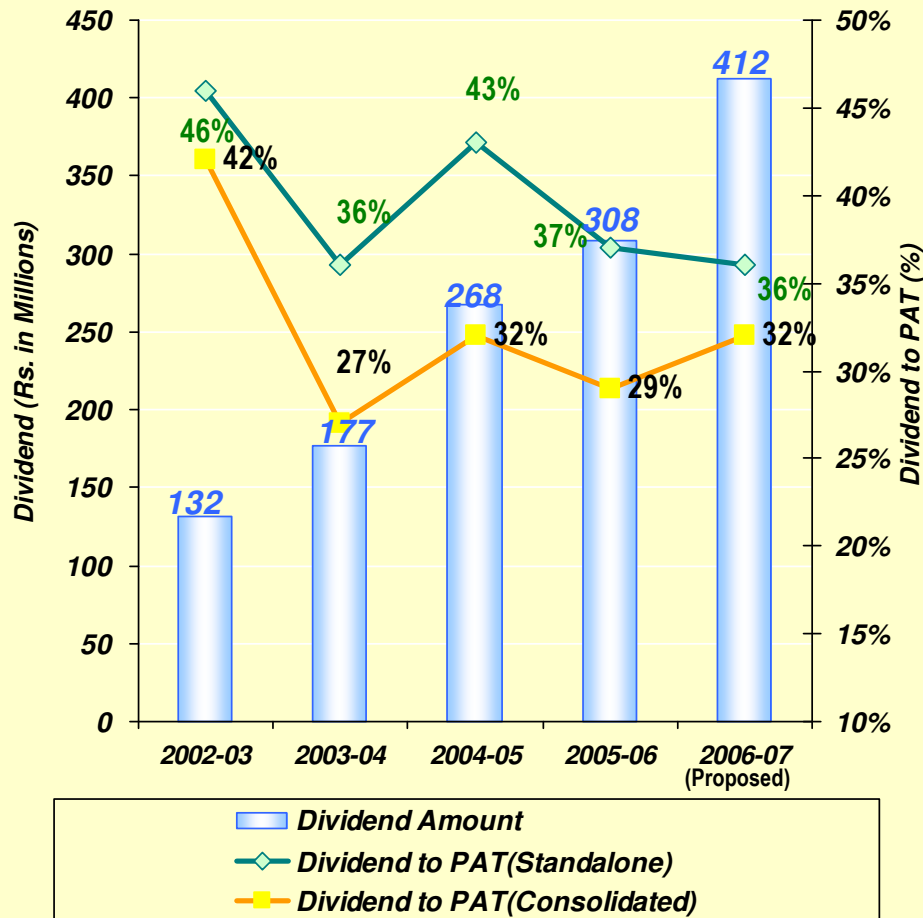
# Focus on ROCE



## RETURN ON CAPITAL EMPLOYED



# Dividend Payout



Dividend Payout Ratio 40%

Return to Shareholders

Bonus Issues

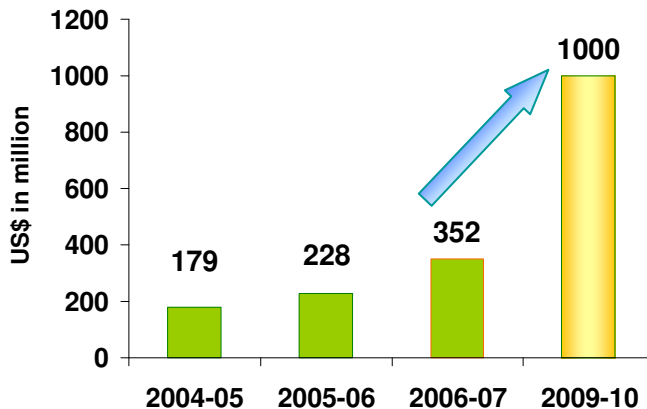
- **Bonus Issue in 1997-98:** One share against Two shares held
- **Bonus Issue in 2000-01 :** One share against Two shares held
- **Bonus Issue in 2004-05 :** One share against Two shares held
- **Bonus Issue in 2006-07 (Proposed) :** One share against Two shares held

# Setting New Targets ( as set out in 2005)

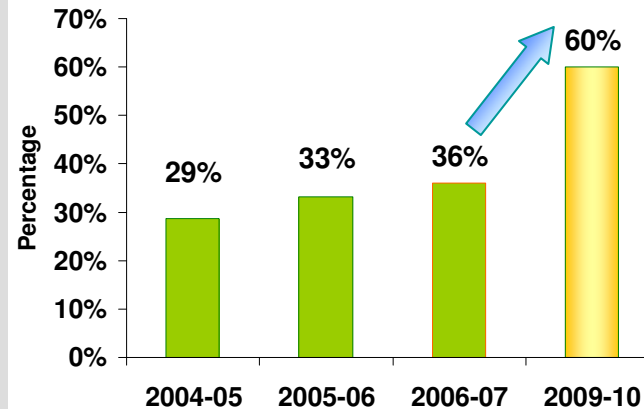


## Targets set for year 2010

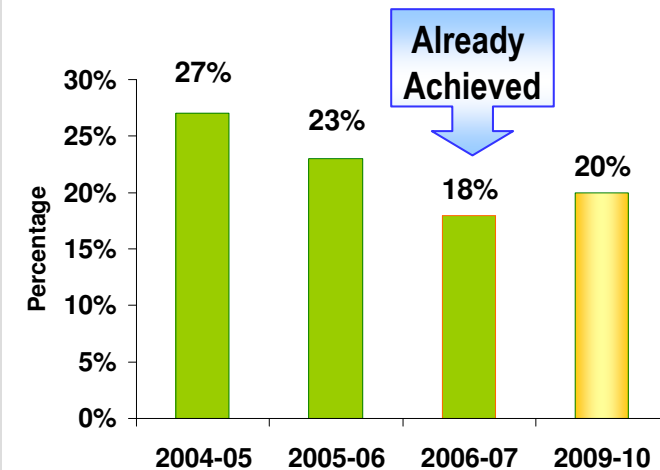
**Make MSSL a Billion Dollar Company**



**60% of our consolidated turnover should cater to the requirements of our customers outside India**



**Have a customer profile where contribution from any individual customer in our turnover shall not be more than 20% of the total turnover**



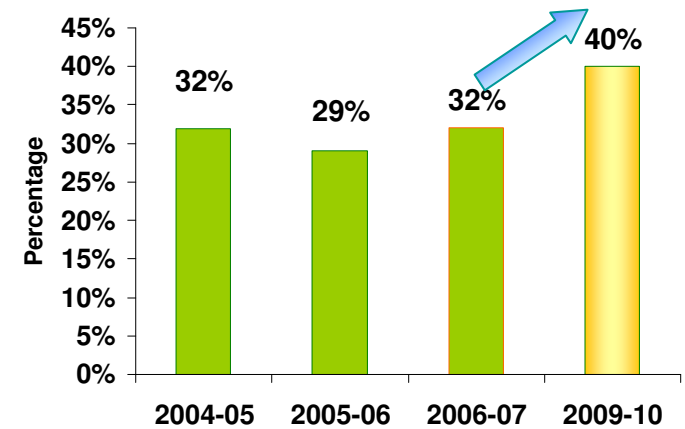
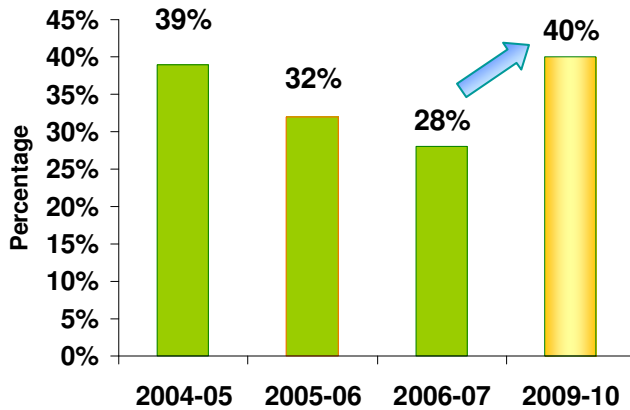
# Setting New Targets ( as set out in 2005)



## Targets set for year 2010

Strive to maintain business ROCE of 40%

Shift our stated dividend policy of 40% payout of the company's profits to 40% payout of the consolidated Profits



# Road to the Targets



## Growth in Domestic Market

- Growth in the domestic market
- MSSL rate of growth higher than the industry growth
- Strong relationship of SWS with OEs like Nissan and Volkswagen will help MSSL
- Extending the entire range to new upcoming models
- New Car companies setting facilities for exports in India

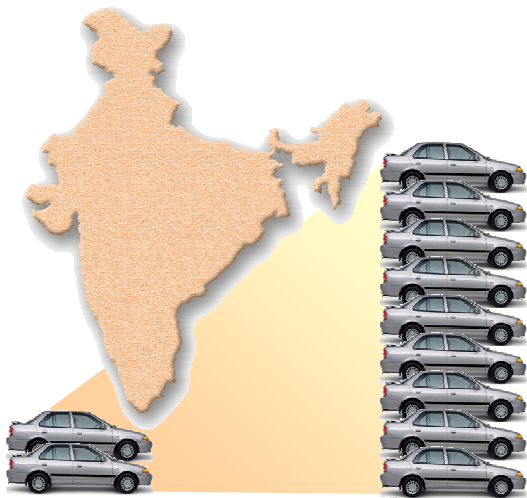
## Growth in Overseas Market

- New Acquisitions bring more opportunities
- Penetration into existing markets and opening of new segments
- Exporting back to the collaborators

## New Technologies & JVs

- The company will continue introducing new components as per customer requirements
- New JVs such as Balda to add to the growth momentum
- More JVs to follow

# ***Automotive Industry – Trends & Projections***



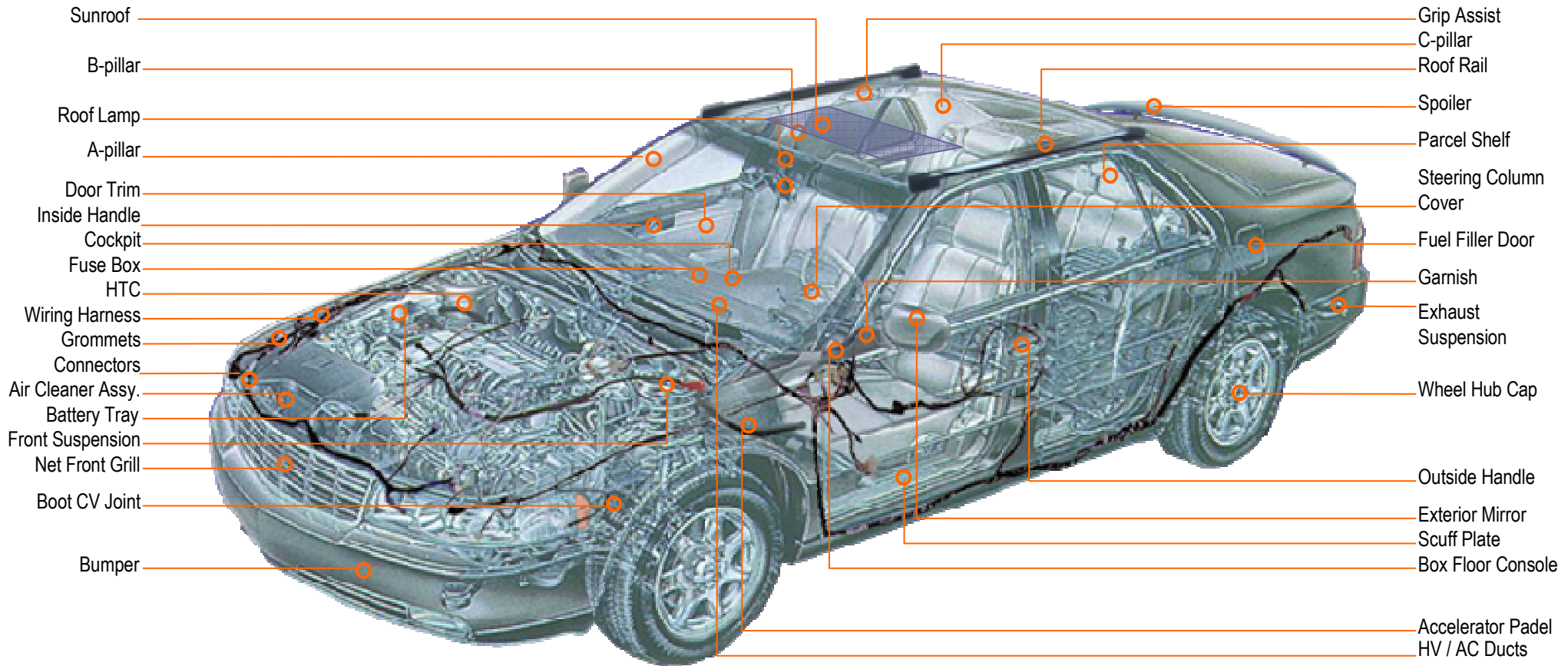
- **All major OEs are planning capacity expansion and making base in India for global exports of small cars**
- **Global Sourcing of components from India**
- **Increased complexity of vehicles resulting in more value addition**
- **Increased focus on modularisation**
- **Estimated Market size 2009-10 : 2.5 million units**

# ***Growth Drivers***



- **Increasing Content per Car with increasing complexity in vehicles**
- **Growth of customers resulting in increased volumes**
- **Developing new products and setting up new Joint Ventures**
- **Move to new markets and new segments**
- **More acquisitions giving access to a new customer base**
- **Starting supplies from all the group companies to newly acquired customers**

# Increasing Content per Car



# Expanding through Acquisitions & Overseas Ventures



- Acquire the businesses and assets in distress with customer contracts mainly in the European market
- Improve and stabilize the business and the relationship with the customers with improved quality, delivery and engineering support
- Relocate the substantive manpower oriented manufacturing to Sharjah / India
- Offer ease of doing business to the customers by dealing with the same face at the same time and at the same location
- Extend the relationship by introducing other products from our range to the same customers

# Acquisitions so far



## MSSL Ireland Pvt. Ltd. and MSSL Mideast (FZE)

Established MSSL Ireland Pvt. Ltd., 1<sup>st</sup> Overseas wiring harness design centre and customer support centre through acquisition of Wexford Electronix which was in receivership. Relocated the manufacturing operations to MSSL Mideast Sharjah in a record time of 70 days.



## Mothersonsumi Reiner GmbH

Acquired machining business of Reiner Prazision GmbH in Germany. This acquisition added capabilities in precision metal machining and gave the Group entry to Tier – I suppliers in Europe.

## G&S Kunststofftechnik GmbH

Acquisition of G&S business added capabilities in Plastic injection molding including 2K molding. Gave an entry into Tier-I manufacturers and enabled setting-up a window for customer support and logistics



## MSSL (GB) Ltd.

This acquisition of business of ASL Systems was a step in consolidating position of wiring harness business in niche markets. Business relocation planning is underway.

# Acquisitions so far



## **MSSL Australia Pty. Ltd.**

Established footprint in Australia by acquiring assets from receiver of Huon Corporation.

## **FP Formagrau s.r.o.**

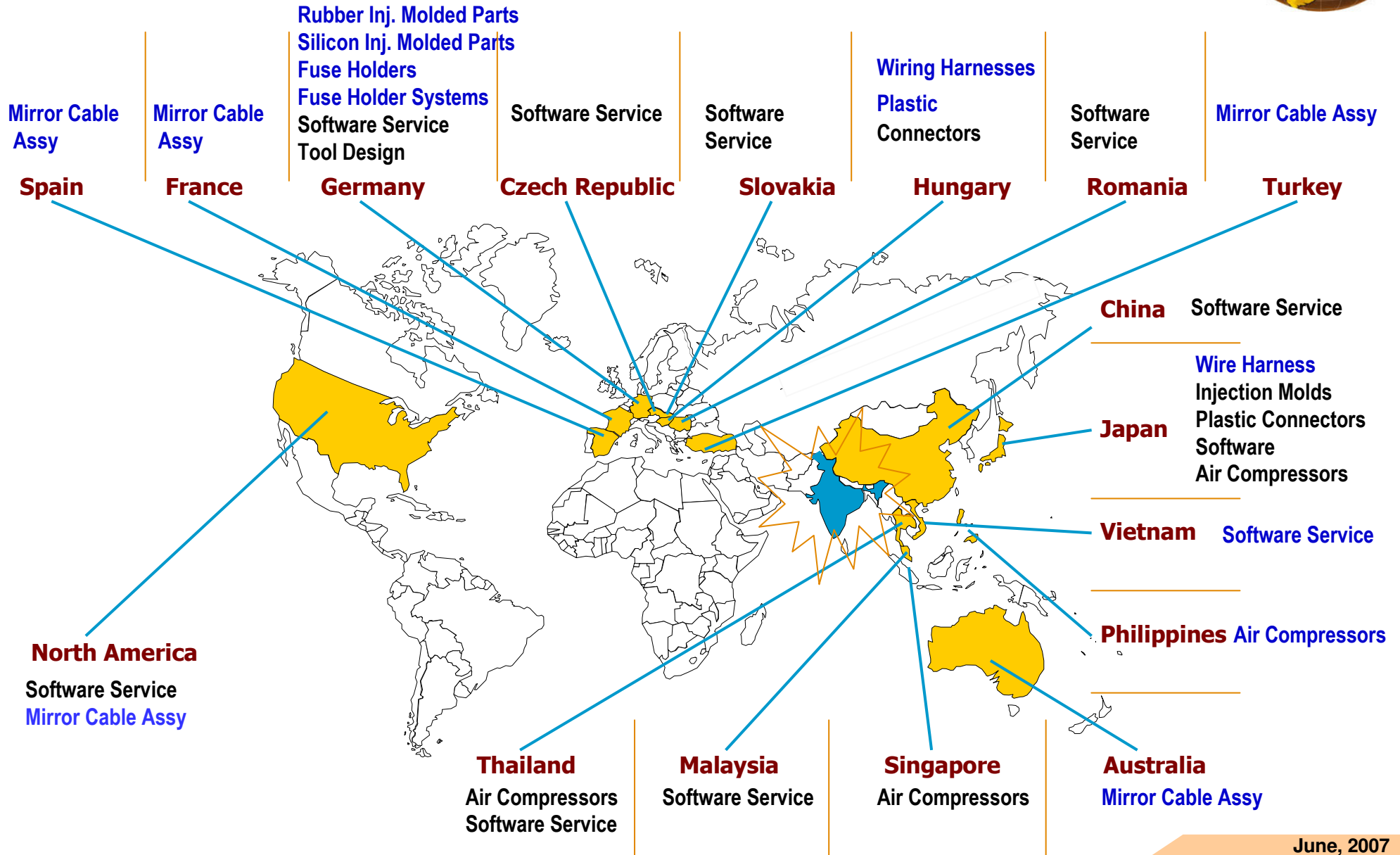
Acquisition of FP Formagrau s.r.o. provided a low cost manufacturing base in Europe and added capabilities in Injection molding of plastics.



## **Motherson Elastomers Pty. Ltd.**

Strengthened the company's positioning as a full systems supplier to the OEMs by acquiring Empire Rubber, Australia which is engaged in rubber mixing and manufacture of rubber extruded components on going concern basis.

# Exports to Collaborators



# Joint Venture Specialist



- Specialise in being a manufacturing company
- Bring new technologies for customers
- Acquire tested technologies from collaborators
- Amalgamation of technologies to provide single window solutions to customers
- Collaborate with follow-me sources of global OEMs
- Develop long term relationships
- Extend relationship to new business areas

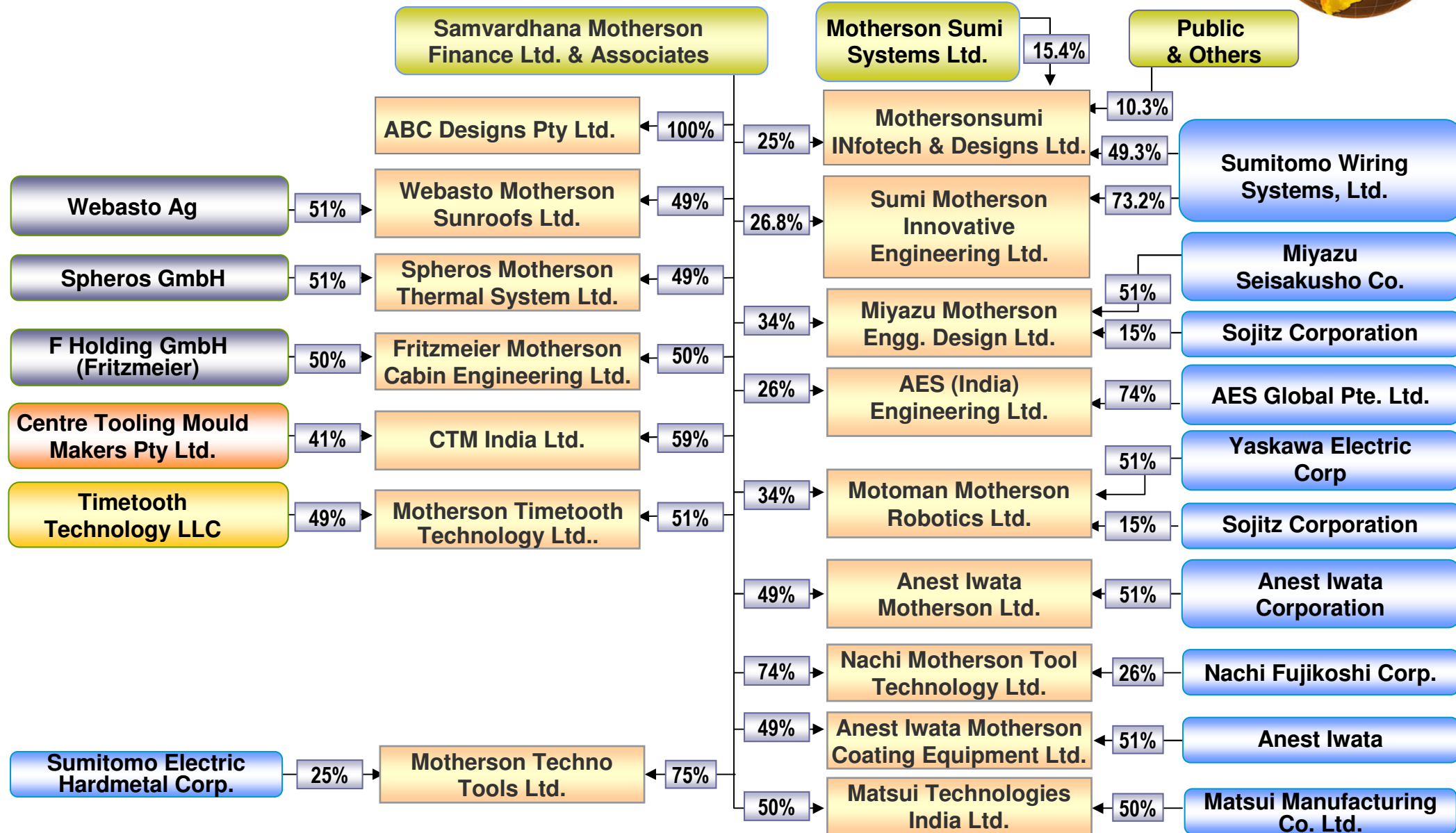
## Existing Partners

Japan	8
Germany	8
Korea	1
Australia	2
<b>Total</b>	<b>19</b>

(Sumi Motherson Group)

**Growing with many successful alliances, oldest being over 20 years**

# Group Companies supporting Growth



# 20 Years of Transition



1986

Current Range

Products

Wiring Harness

- Wiring Harnesses
- Assemblies & Modules
- Molded Rubber & Silicon Rubber Components
- Molded Plastic Components
- Automotive Mirrors
- Injection Molding Tools
- Machined Metal Components
- Environment Management Systems

Technologies

Wiring Harness

- Wiring Harness Assembly
- Module Assemblies (Cockpit, Door trim etc.)
- Wire Manufacturing
- Injection Molding
- Blow Molding
- Painting & printing
- Mold making
- Metal Machining

# 20 Years of Transition



1986

Current Range

Customers

Mainly Japanese OEMs

■ Maruti Suzuki ■ Hyundai Motors ■ Ford Motor ■ NACCO ■ Honda Siel ■ M&M ■ TATA Motors and ■ Export back to collaborators (WOCO & SWS) about 50% of the turnover

Presence in Countries

India

India, UAE, Germany, UK, Ireland, Austria, Czech Republic, Sri Lanka, Australia, Singapore

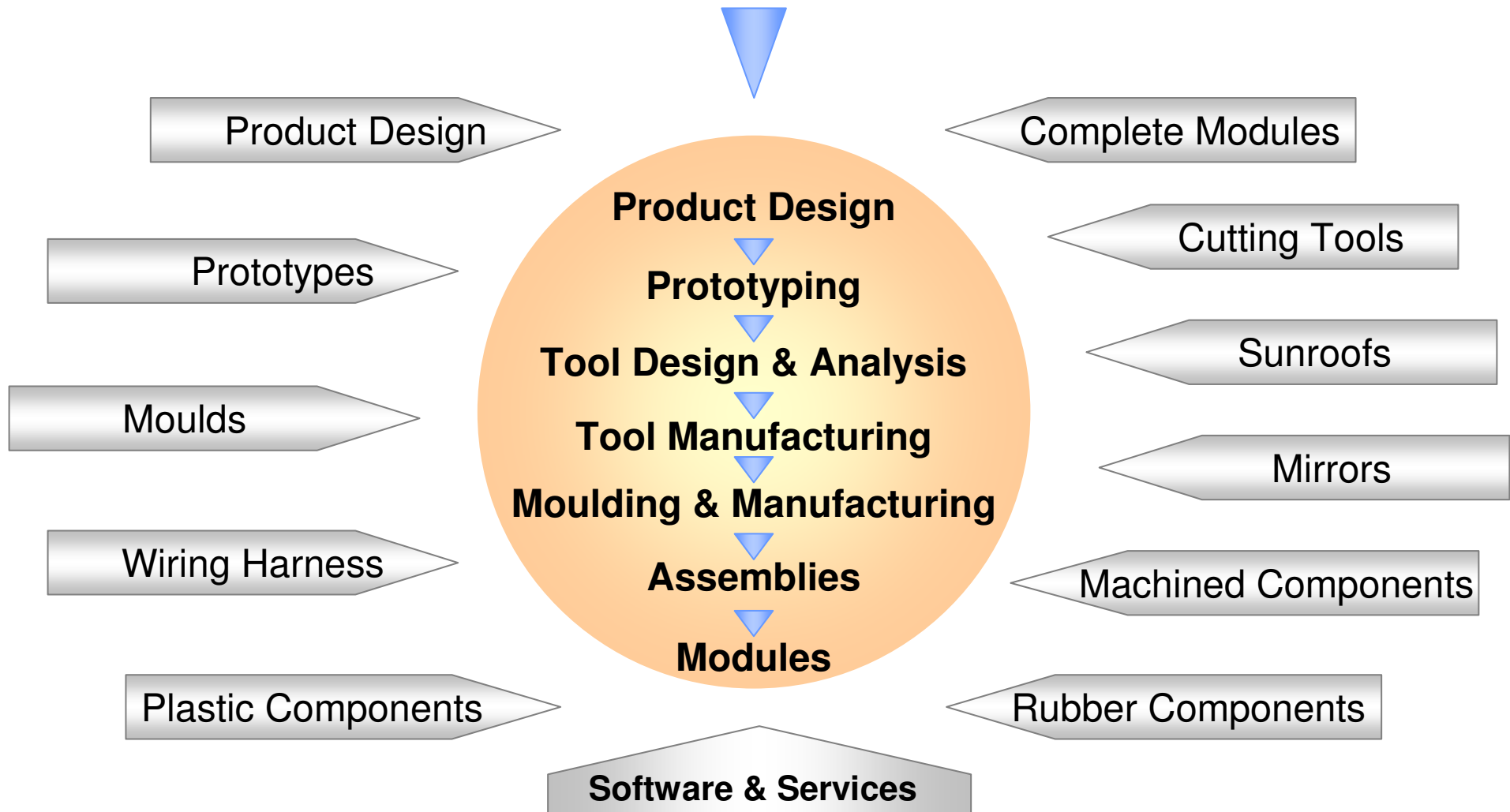
Manufacturing Plants

1 Plant in Noida, India

Over 40 facilities in Asia, Europe, Middle East & Australia



## Full System Solutions



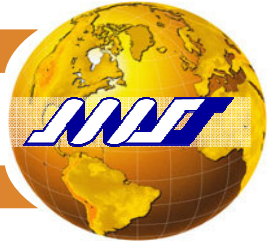
# Our Presence in Car Models in India



Added products to strengthen relationships with global customers present in India

Suzuki	Honda	Mahindra & Mahindra	Daimler Chrysler	Ford	Hyundai	General Motors
 800 CC  Gypsy  Alto  Omni  Wagon-R  Swift  Versa  Esteem  Baleno  Zen Estilo  SX4	 City  Accord  Civic	 Scorpio  Bolero	 C-Class  E-Class <div style="background-color: #FFD700; padding: 2px; text-align: center;"><b>Toyota</b></div>  Innova  Corolla	 Ikon  Fusion  Fiesta	 Santro  Accent  Sonata  Getz  Elantra  Verna	 Corsa  Tavera  Aveo <div style="background-color: #FFD700; padding: 2px; text-align: center;"><b>Tata Motors</b></div>  Safari  Sumo
<div style="background-color: #FFD700; padding: 5px; border: 1px solid black; margin-bottom: 10px;"><b>Product Range</b></div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <ul style="list-style-type: none"> <li>■ Wiring Harness</li> <li>■ High Tension Cords</li> <li>■ Injection Molded Plastic Components</li> <li>■ Blow Molded Components</li> </ul> </div> <div style="width: 45%;"> <ul style="list-style-type: none"> <li>■ IP / Cockpit Module</li> <li>■ Bumpers</li> <li>■ Door Trims</li> <li>■ Sunroofs</li> <li>■ Rear View Mirrors</li> </ul> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;"> <ul style="list-style-type: none"> <li>★ Wiring Harness Supply</li> <li>● Sunroofs Supply</li> </ul> </div> <div style="width: 45%;"> <ul style="list-style-type: none"> <li>◆ Polymer Products Supply</li> <li>★ Mirrors Supply</li> </ul> </div> </div>						

# ***Serving Non Automotive Segments***



- **Material Handling Equipment**
- **Earthmoving Equipment**
- **Tractors & Farm Equipment**
- **White Goods**
- **Medical Diagnostic Equipment**
- **Elevators**
- **Garden Equipment**
- **Waste Disposal Systems**
- **Electrical & Electronics**

# What we can do for a new car being designed in India



- Component Design
- Tool Design & Manufacturing
- Wiring Harnesses Design & Manufacturing
- Rear View Mirrors
- Structural Plastic Parts
- HVAC Ducts
- All Plastic Assemblies
- Body Colour Matched Components
- Higher Level Assemblies
- Complete Modules including
  - IP Assemblies (Dashboard)
  - Consoles
  - Door Trims
  - Bumpers



# ***Safe Harbor***



**Certain expectations and projections regarding future performance of company referred to in this presentation may be “forward-looking” statements within the meaning of applicable securities laws and regulations. These are statements which the management believes are true at the time of their preparation based on available data and information and are subject to certain future events and uncertainties, which would cause actual results to differ materially from those anticipated in these forward-looking statements. Factors influencing forward looking statements include the operating environment and foreign currency exchange fluctuations.**



*Thank You ...*



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*A Relationship Built on Trust*

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