

Presentation by



Motherson Sumi
Systems Limited

November 2014

A member of Samvardhana Motherson Group

- **Vision**
- SMG Overview
- MSSL Overview
- Strategic Growth & Risk Management Levers
- MSSL Performance
- Recent Developments & Customer Recognition



Vision & Mission



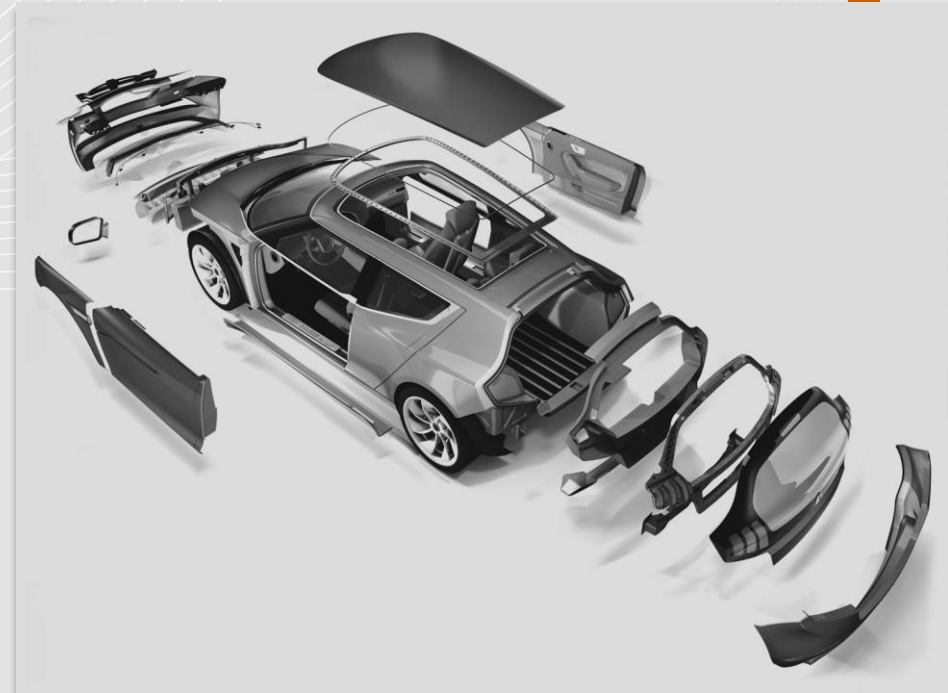
Vision

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



5 Year Targets



2005 Targets



2010 Targets



2015 Targets



Target	Achieved
To cross Rs. 1000 Crore (Consolidated) by the year 2005	Achieved Rs. 1029 Crores* *taking full turnover of JVs
Achieve 30% of sales from global customers	Sales from customers outside India was 29%
Not to have dependence of over 25% on any one source	Largest customer contributed 27% of the total turnover
Attaining Return on Capital Employed of 40%	ROCE of 39% (on both Consolidated & Standalone Basis)
Dividend Payout Ratio 40%	Dividend Payout Ratio was 43% for 2004-05

Target	Achieved
Make MSSL a Billion Dollar Company	Achieved USD 1.5 Bn
60% of our consolidated turnover should cater to the requirements of our customers outside India	Sales from customers outside India was 70%
Contribution from any individual customer in our turnover shall not be more than 20% of the total turnover	Single largest customer contributed 15% of the total turnover
Strive to maintain business ROCE of 40%	ROCE of 37% (standalone basis) ROCE of 22% (consolidated basis)
Shift our stated dividend policy of 40% payout of the company's profits to 40% payout of the consolidated Profits	Dividend Payout Ratio 44% (Standalone) 32% (Consolidated)

Target	Status as on 31.03.2014
Make MSSL a 5 Billion Dollar Company	Already Achieved USD 5.02 Bn, One year ahead of the target
70% of our consolidated turnover should cater to the requirements of our customers outside India	Sales from customers outside India is 84%
Global Presence in 26-27 countries	Presence in 25 countries
Achieve ROCE of 40%	ROCE of 26%* (on consolidated basis) ROCE of 39% (on standalone basis)
Dividend Payout Ratio of 40% of our consolidated net profit	Dividend Payout Ratio 34%

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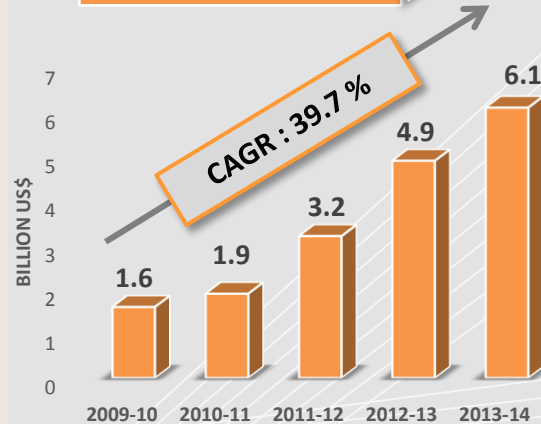
Group Overview



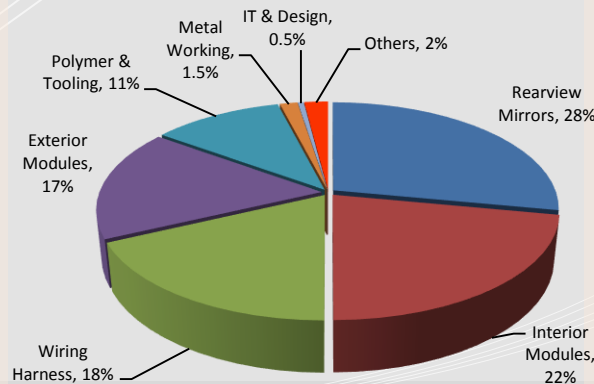
Overview

- A global Group
- Presence in 25 countries
- Global customer base
- Providing full system solutions to automotive and other related industries
- Supplies to all the major automotive OEMs across the world

Group Turnover



Business Portfolio



Industry Position

One of the largest

Globally



- Exterior rearview mirrors

Europe



- Exterior rearview mirrors



- IP modules, door trims and bumpers



- Wiring harnesses for 2- wheelers, earthmoving and material handling equipment

India



- Wiring harnesses for passenger cars



- Rearview mirrors for passenger cars



- Moulded components and modules



- Cabins for large size dump trucks



- Plastic air intake manifolds



- CBN & PCD cutting tools & Gear cutting tools

Group Global Presence



Over **150**
Manufacturing
facilities of Group

Over **135**
Manufacturing
facilities of MSSL

Presence in
25 Countries

Global Manufacturing
including strategic low cost
manufacturing locations

Global Customer Base
Strong presence in regions with
key customer concentration

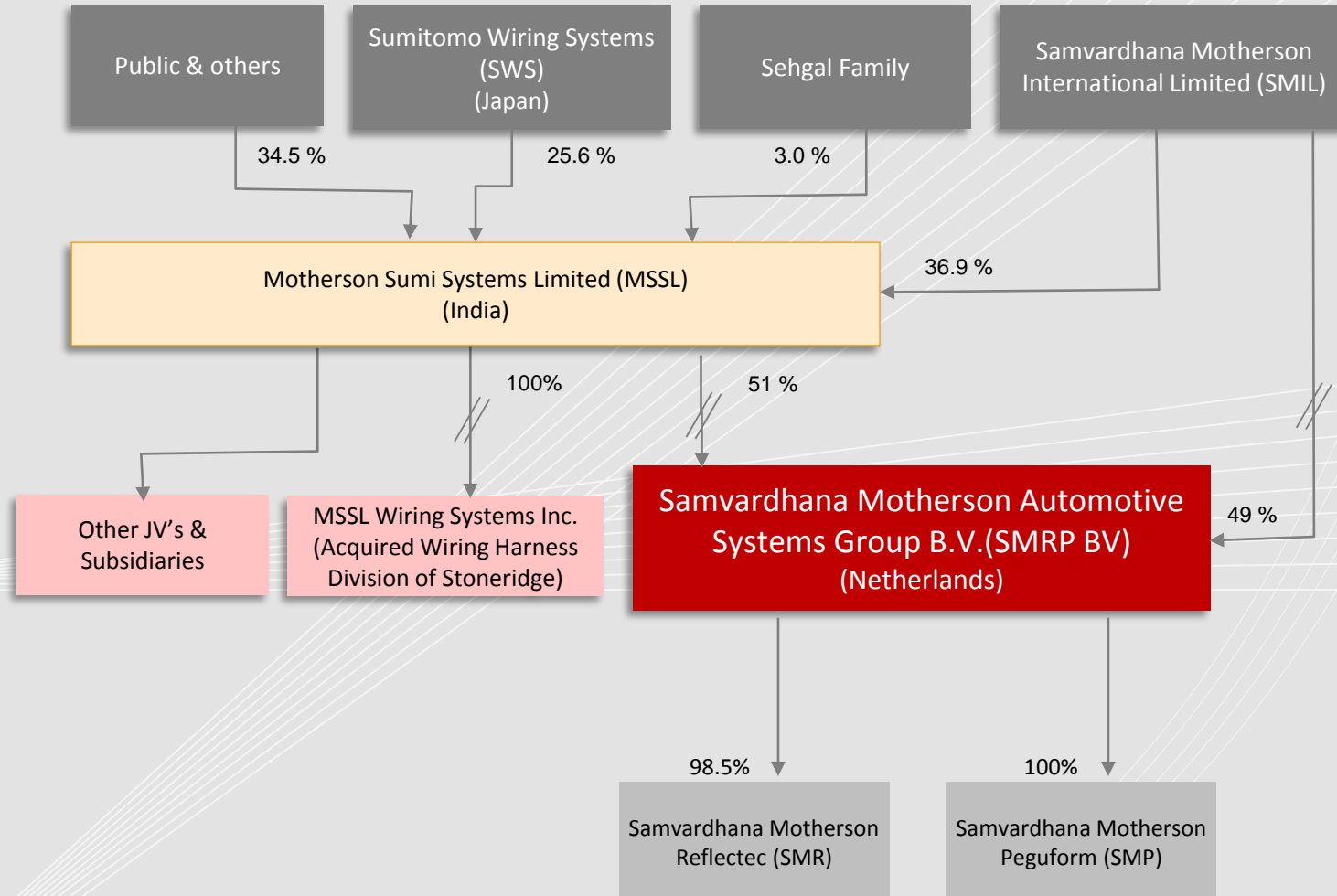
Balanced Spread
Covering both Developed
& Emerging markets



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Group Structure

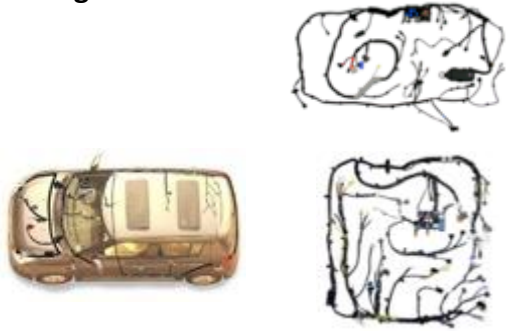


SMIL shareholding: Sehgal Family 90.3%, Sojitz Corporation 6.5%, Employees of the Group 3.2% // Indirect

Business Portfolio



Wiring Harnesses



Rearview Mirrors



Modules



Elastomer Processing



Polymer Processing & Tool Manufacturing



HVAC & Vehicle Electronics



Precision Metal Machining



Key Product Overview



Wiring Harnesses



- Market Leader – with over 65 % market share of passenger car wiring harnesses in India
- Manufacturing bases spread across India, Middle East, Europe, Sri Lanka, Thailand, Japan and Mexico. Serving a global customer base
- Strong presence in Europe two-wheeler & material handling equipment markets along with commercial vehicle segment in USA
- Full service supplier with complete in-house design capability, design validation and lab testing which enables SMG to provide complete design support to its customers
- Vertical backward integration for critical wiring harness components



Sumitomo Wiring Systems,
Japan



Kyungshin Corp
S. Korea

Rearview Mirrors



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



Ningbo HuaXiang Electronic
Co.,Ltd., China

Poong Jeong Ind Co., Ltd.,
S. Korea

Modules, Polymer Products and Tooling



- One of the largest molded parts, assemblies & module supplier to the European automotive industry through Samvardhana Motherson Peguform (SMP), Acquired in Nov 2011 & to the Indian automotive industry through polymer division Motherson Automotive Technologies & Engineering (MATE)
- Over 49 Manufacturing facilities across the globe
- Over 1100 machines of Injection, Gas, Compression and Blow Molding
- Injection Molding Machines from 5 Tons – 4500 Tons (Hydraulic / Electric)
- Complete In-house Post Processing Facilities including Paint Shop
- Robotic Trimming / Welding (Heat stake/ Ultrasonic/ Vibration) Operations
- LPI Injection Molding



Sumitomo Wiring
Systems, Japan



Vacuform 2000 pty
Ltd South Africa



Changshu Automobile
Interior Decoration Co.,
Ltd. China

Blanos Partners S.L
Spain

Nippon Pigment (S) Pte. Ltd
Toyota Tsusho Corporation,
Japan

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Advanced R&D capabilities resulting in strong intellectual property



■ R&D set-up

- Efficient utilisation of R&D spend enabling technological leadership
 - Long track-record of market-first products
 - Dedicated R&D engineering staff
 - Fully equipped centres of excellence for project management and advanced engineering
- Selected Innovation examples
 - Aesthetic/emotion: Audi – two tone slash skin for instrument panels
 - Aesthetic/emotion: JLR – Logo Lamp
 - Safety: Volvo – camera blind spot detection system (BSDS)
 - Safety: Ford Trucks – Telescopic Trailer Tow (TTT) mirrors
 - Environment: Mercedes-Benz – natural fiber inserts for door trims

Ability to serve customers with technologies of their choice

Successful Amalgamation of Multiple Technologies

Design Centers

25

Own Patents

900+

Registered Utility Models

27

■ R&D focus areas

Safety



Sensor based pedestrian protection



360° monitoring system with integrated lane and object detection



Full plastic and fibre-reinforced airbag boxes

Performance/efficiency



Advanced lighting



Next generation LogoLamp with improved properties



High performance full plastic rear bumper beam

Environment



Light weight and fibre composite Class A surface panels



Extremely lightweight door components i.e. "Aerospace foam"



Full plastic battery tray for electric vehicles

Aesthetics/emotion



High gloss panels with integrated HMI and light integration



'Hidden-till-lit' exterior solutions (dark chrome finish)

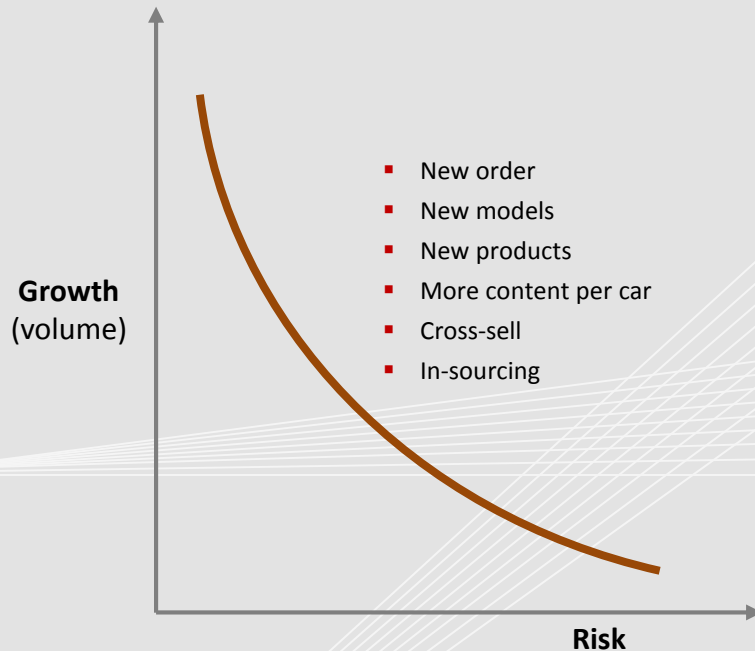


Next generation Logo Lamp with improved properties

Derisking Through Growth



- 1 Organic growth
- 2 In-organic growth
- 3 Organic growth of acquisitions

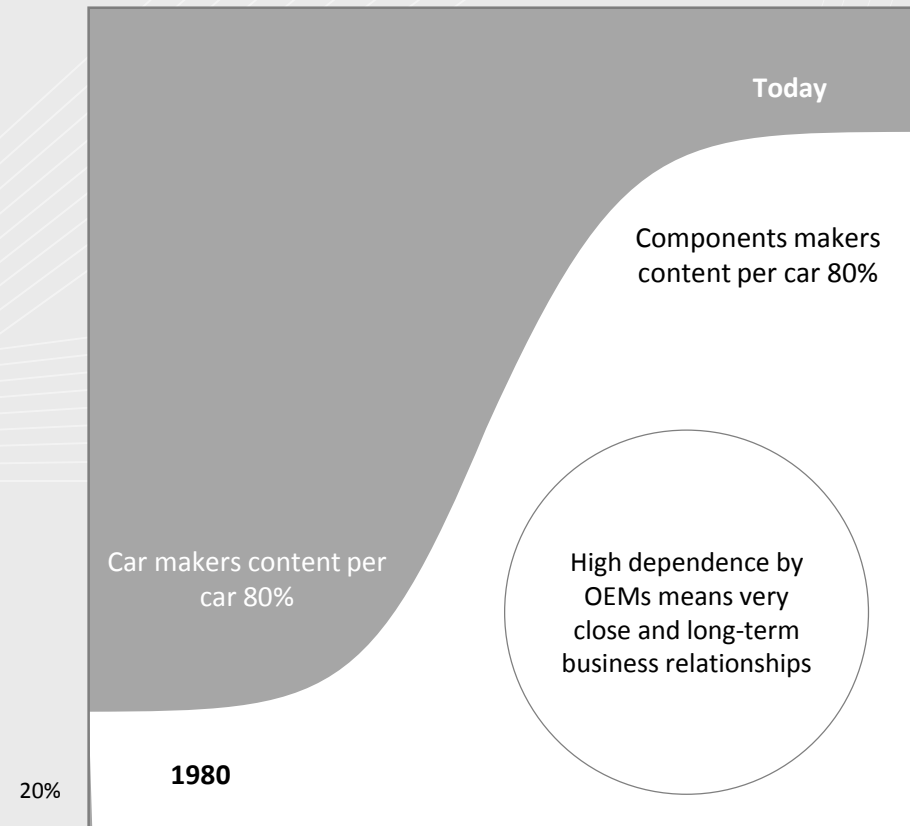


Strong customer bond

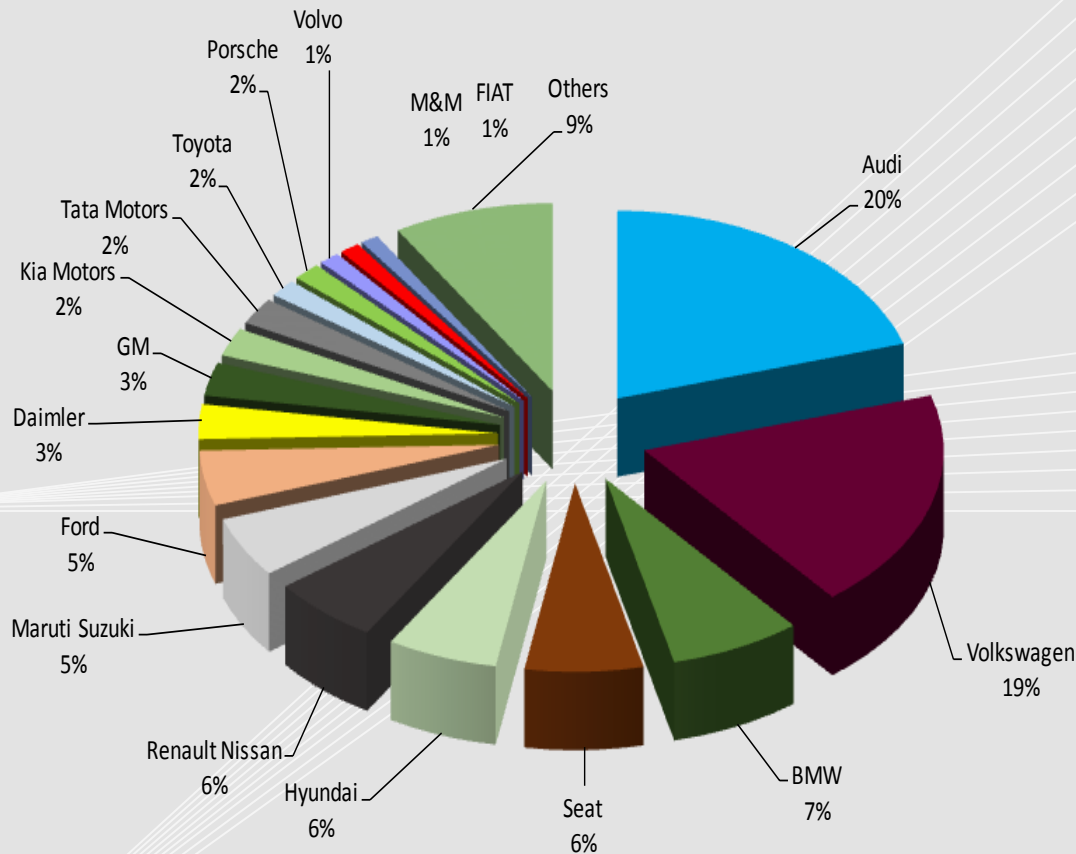
Diversified Portfolio

Lower Business Risk

Increased OEM outsourcing



Customer wise Sales*



Working on a policy to balance and grow the business in such a way that no

Single Customer

Single Country

Single Component

should constitute more than 15% of the turnover

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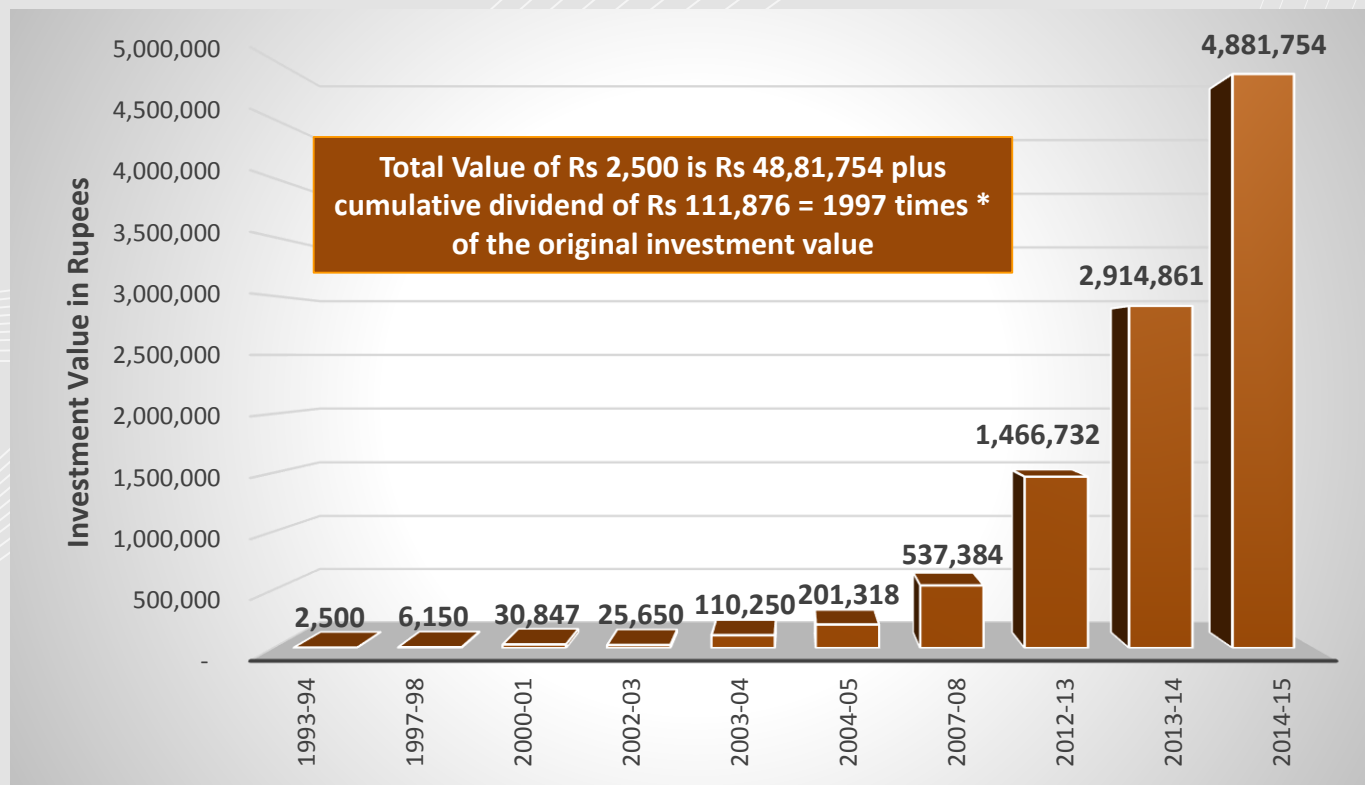


MSSL Returns to Shareholders



Returns to shareholders through consistent value creation

	1993-94	1997-98	2000-01	2002-03	2003-04	2004-05	2007-08	2012-13	2013-14
	IPO	Bonus Issue	Bonus Issue	Split to Par value of Rs. 5 per Share	Split to Par value of Rs. 1 per Share	Bonus Issue	Bonus Issue	Bonus Issue	Bonus Issue
Shares Held	100	150	225	450	2,250	3,375	5,062	7,593	11,390
Cumulative Dividend		1,040	2,990	5,802	8,052	11,428	27,205	83,399	111,876



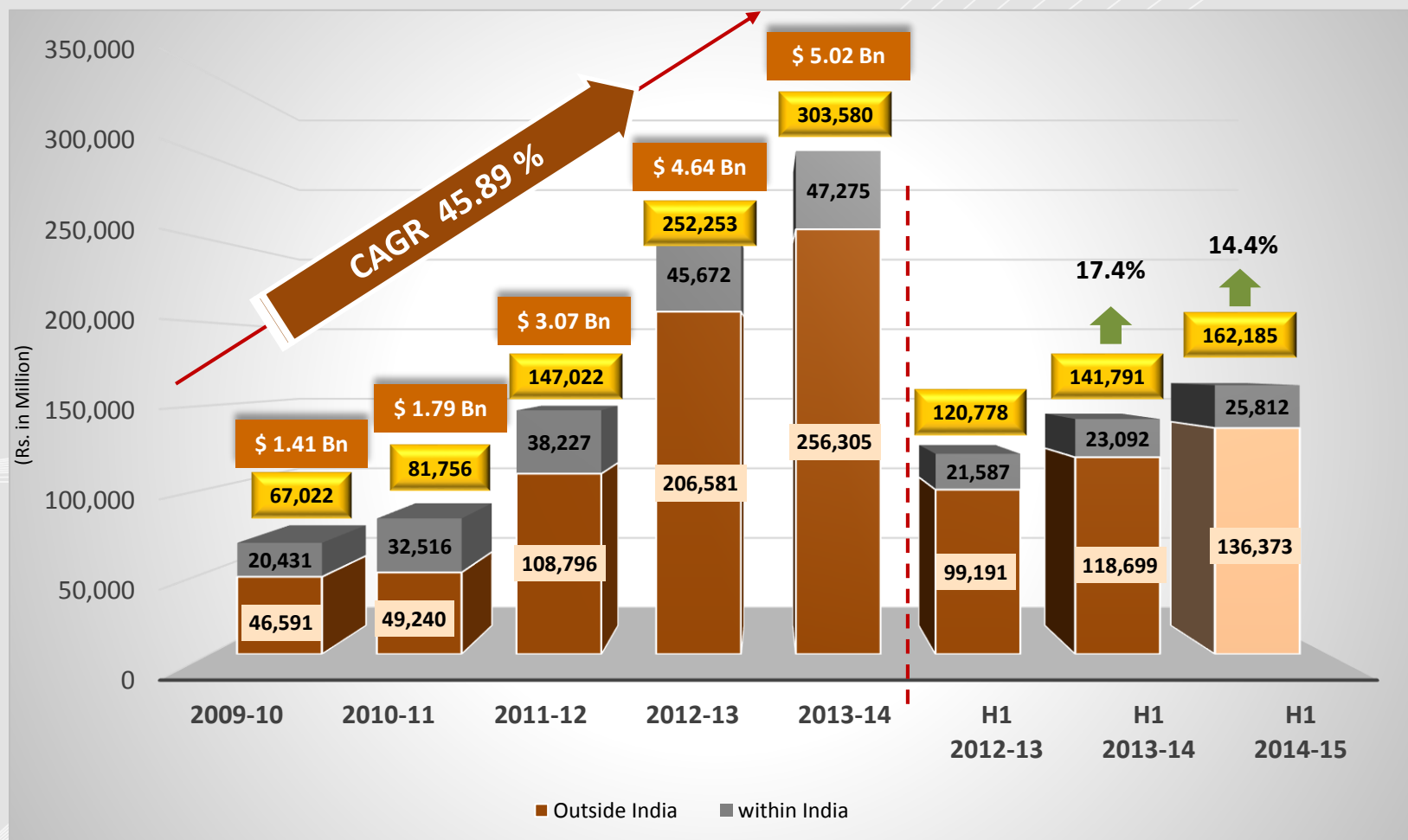
* At closing rate of 12th Nov 2014

Financial Performance



Consolidated Sales

(Rs. in Million)

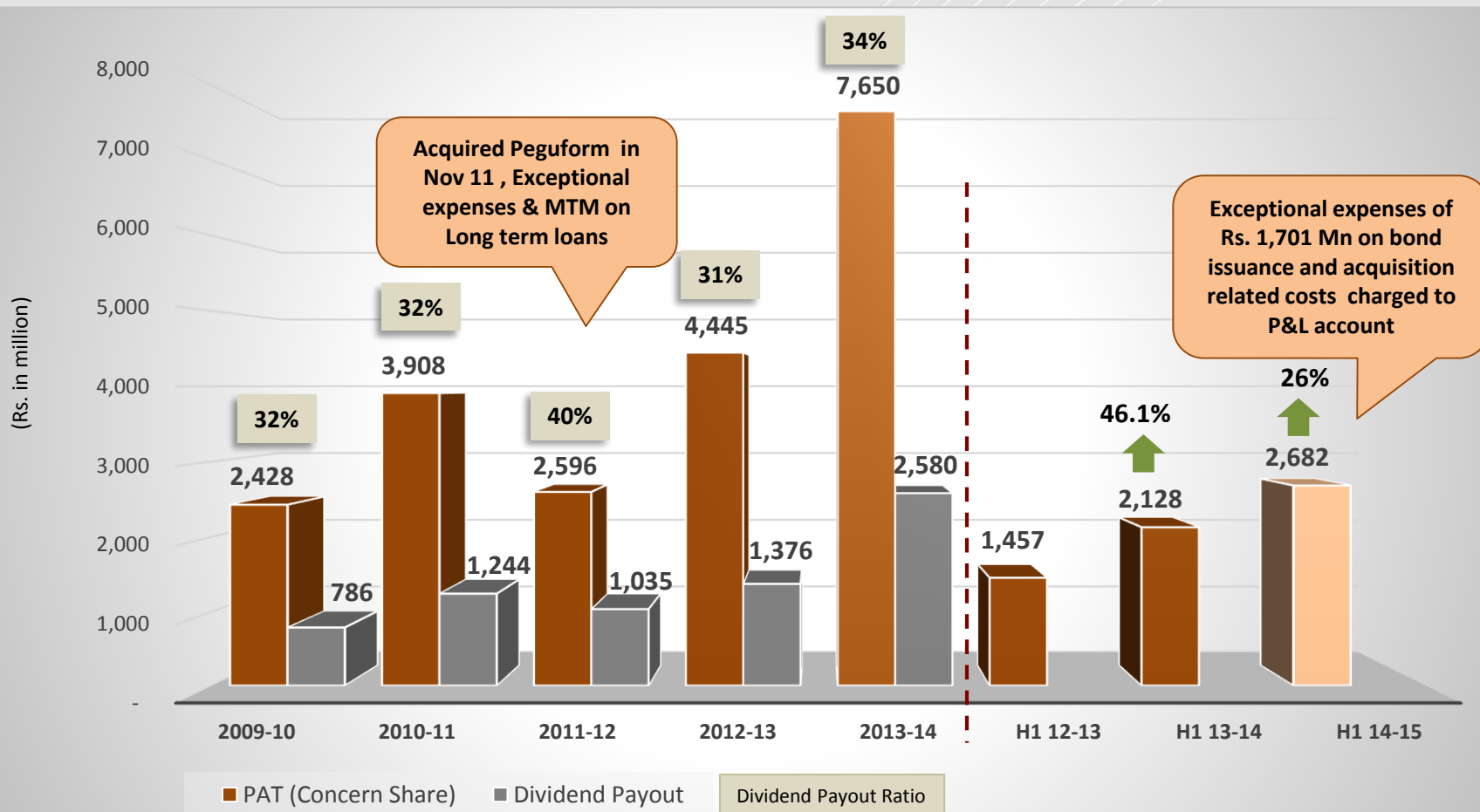


Financial Performance



PAT, Dividend Payout & Dividend Payout Ratio

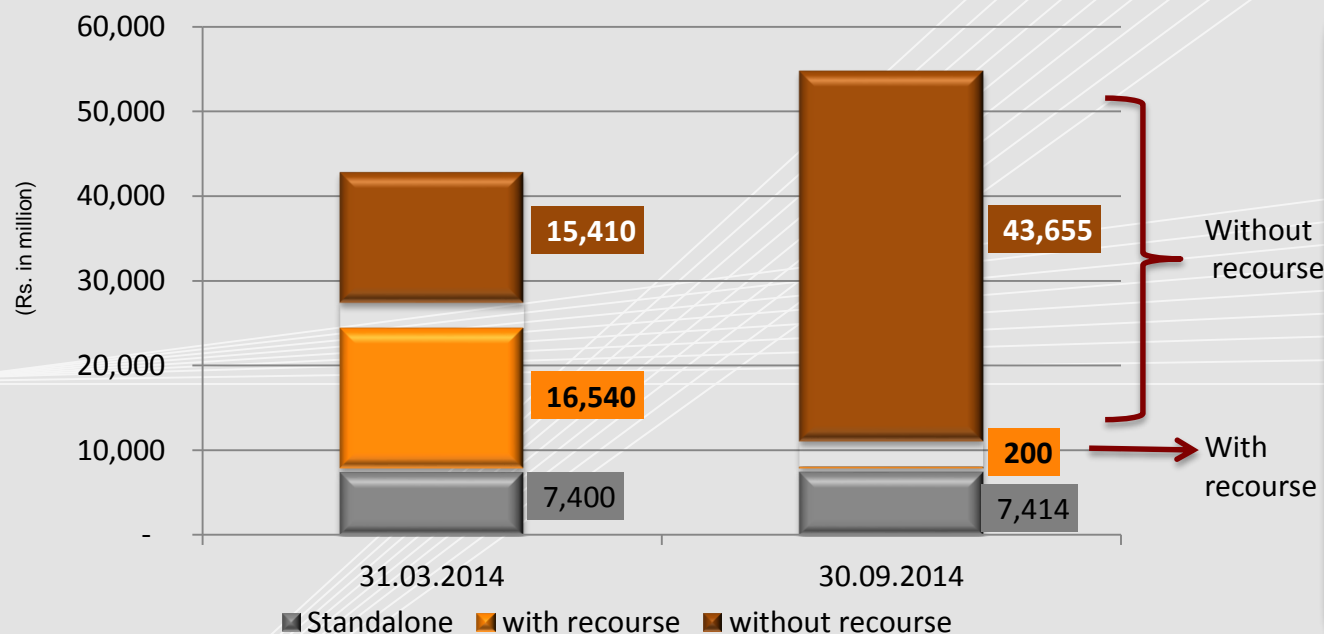
(Rs. in Million)



Debt Status



Rs in million	31.3.2014	30.09.2014
Gross Debt*	48,398	61,924
* Include loans due in one year	8,452	2,977
Cash & Bank Balance	9,048	10,655
Net Debt	39,350	51,269



Exchange Rate used	31.3.2014	30.09.2014
Rs / Euro	82.49	77.99
Rs / US \$	59.91	61.74

Major cash outflows April – September 2014 :

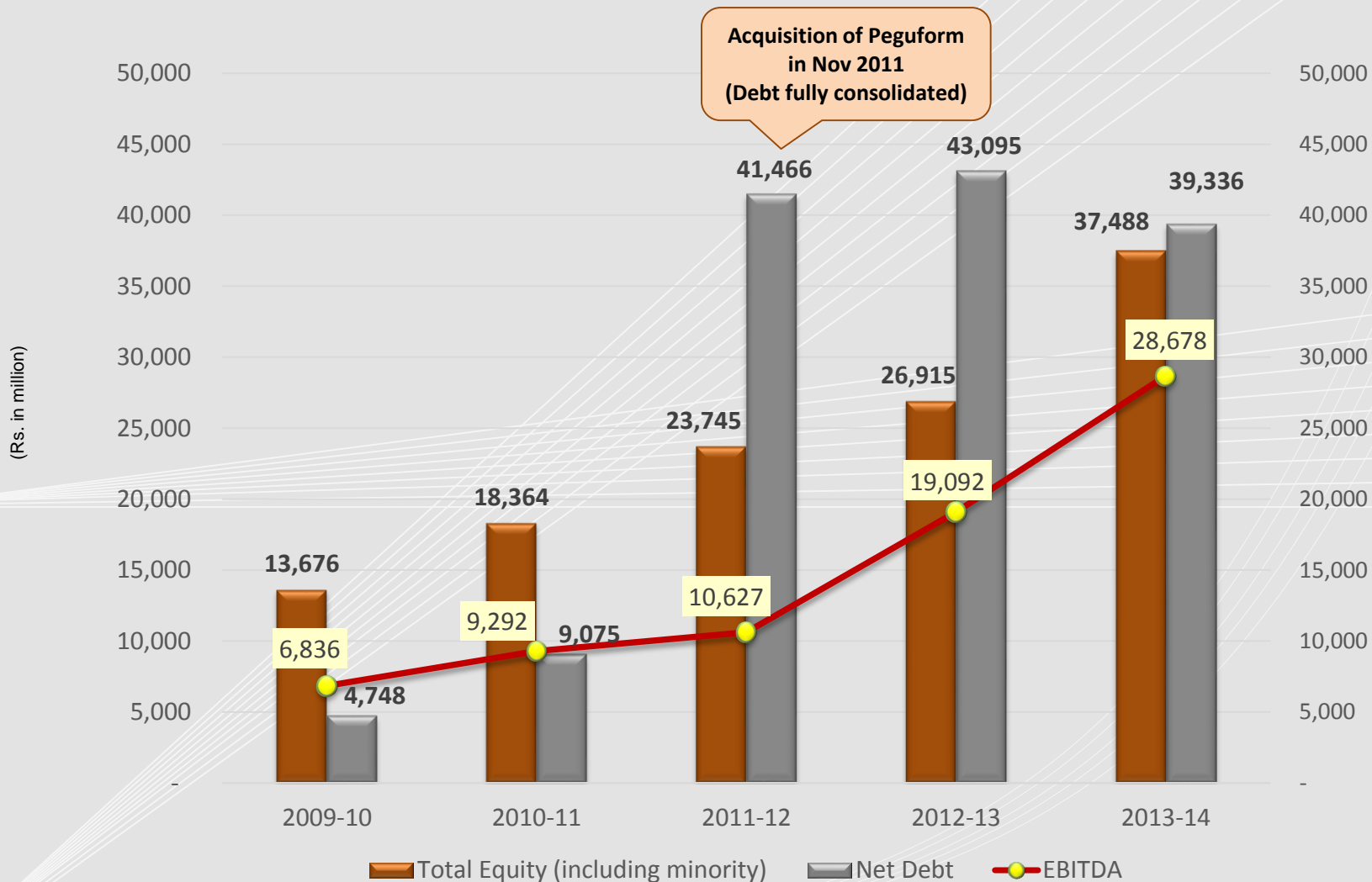
- Acquisition of wiring division of Stoneridge Inc. USA at a value of USD 71.4 Mn.
- Acquisition of minority interest in SMR & SMP to increase holdings to 98.5% in SMR and 100% in SMP.
- Capital expenditure of Rs. 9,322 Mn on new facilities & expansion.

Financial Performance

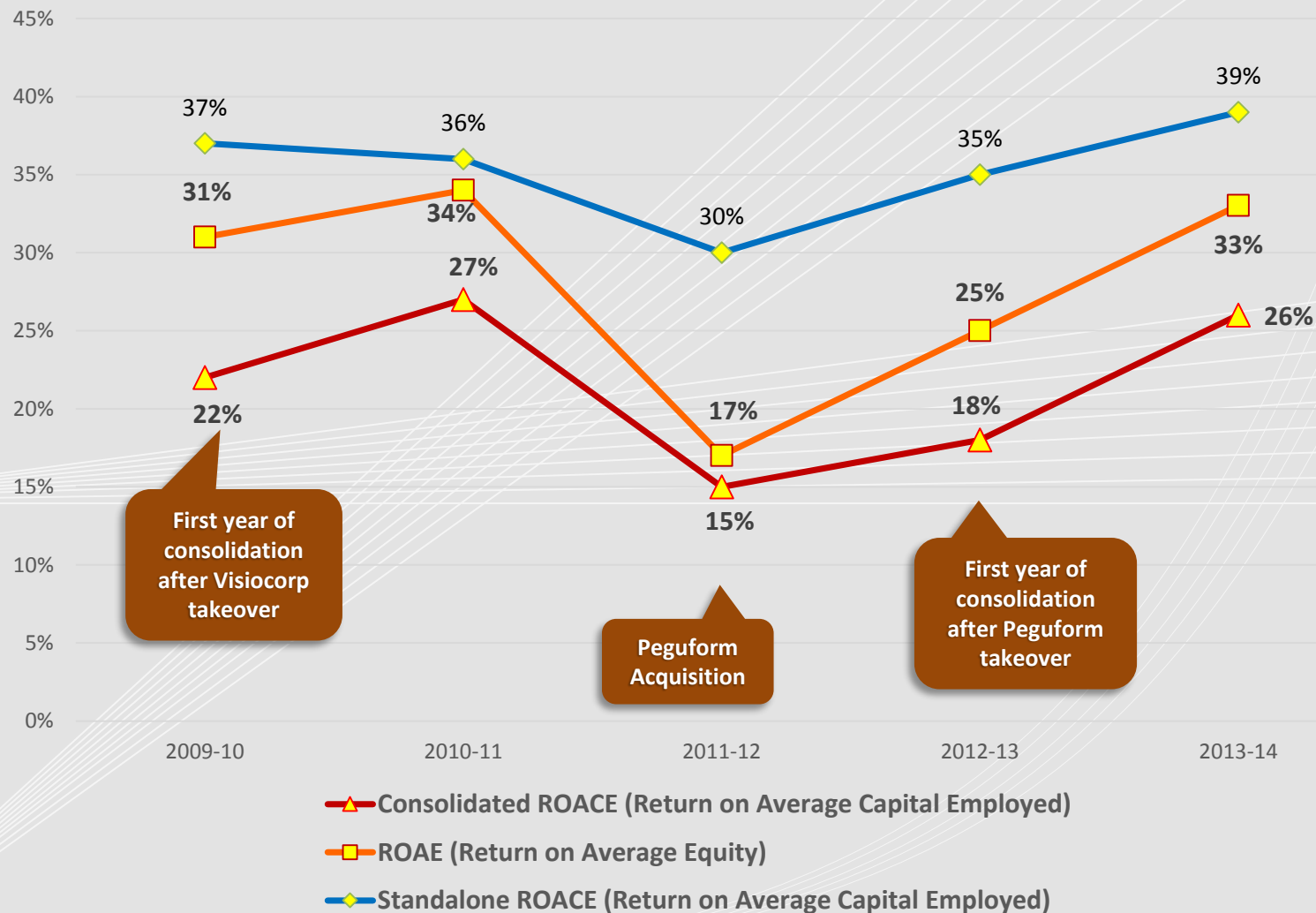


Total Equity, Net Debt & EBITDA

(Rs. in Million)



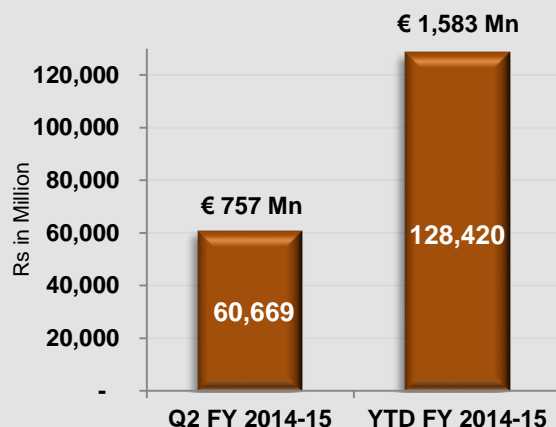
ROACE & ROAE



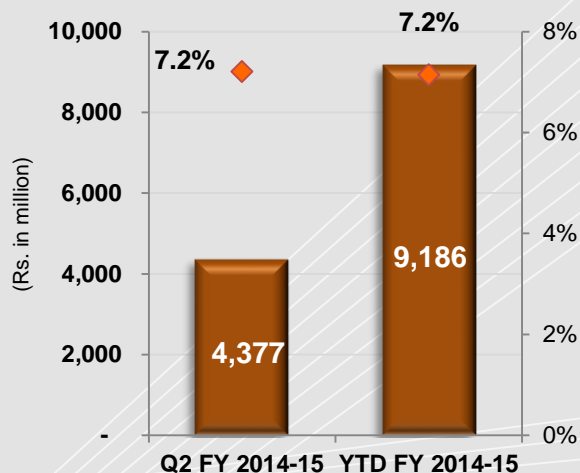
SMRPBV : Q2 FY 2014-15 and YTD FY 2014-15



» Sales



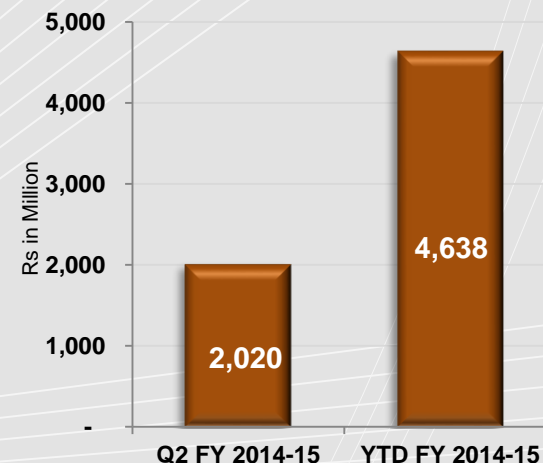
» EBITDA* / % to sales



■ EBITDA ♦ % of Sales

{* Before exchange loss/ (Gain) and exceptional expenses}

» PBT



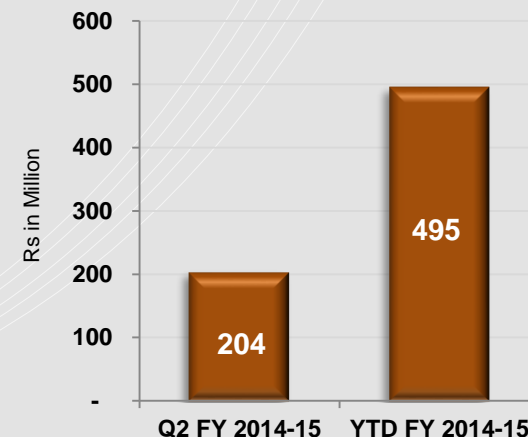
Notes :

In Rs. Million	Q2 2014-15	YTD 2014-15
Exceptional expenses towards bonds issuance	849	1,306

» New Orders Won

New Orders Won	Rs in Million	Euro Mn
April'14 ~ Sept'14	100,880	1,294

» PAT (MSSL Share)



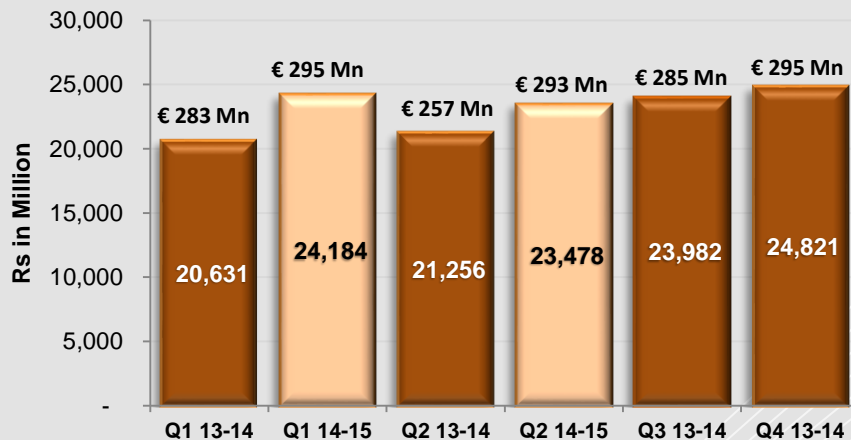
SMP & SMR: Quarterly Overview



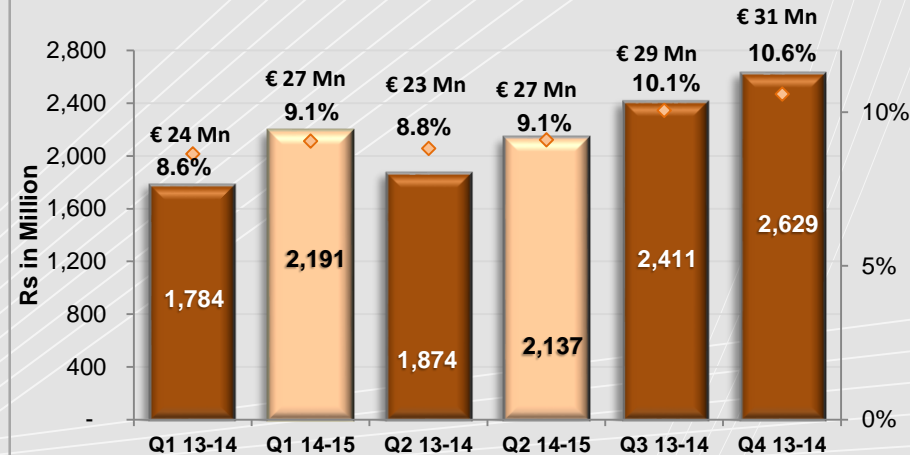
SMR

- Acquired rear view mirror business of Visocorp in March 2009

Sales



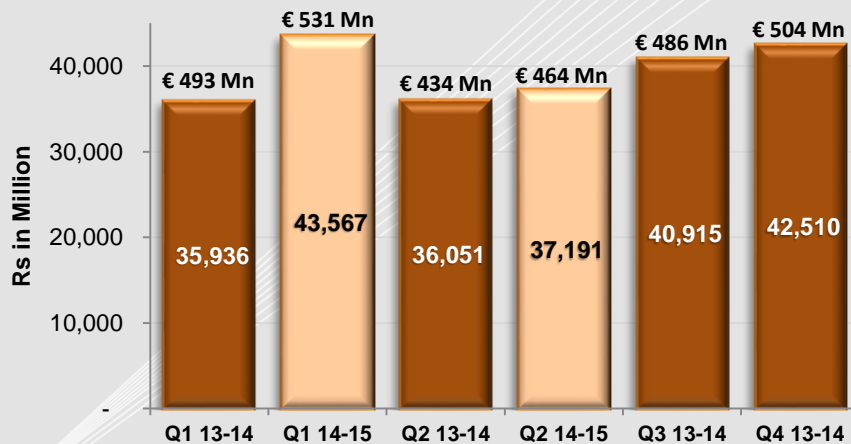
EBIDTA* / % to Sales



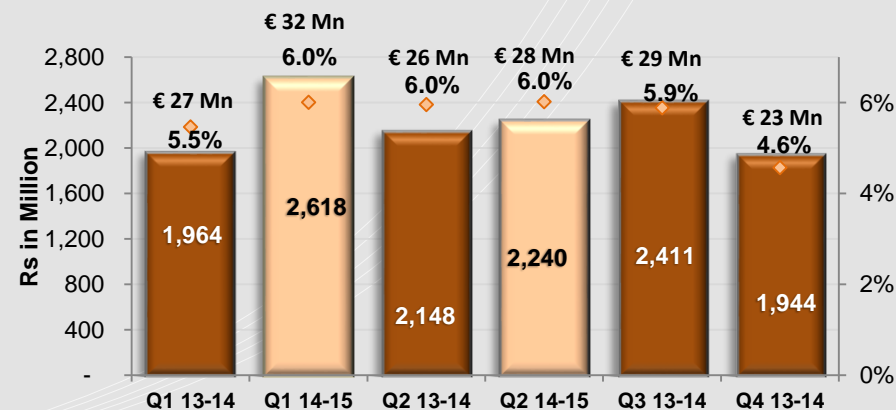
SMP

- Acquired Peguform in November 2011

Sales



EBIDTA* / % to Sales



{* Before exchange loss/ (Gain) and exceptional expenses}

Euro figures converted on Exchange rate used for consolidation for respective period

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Acquisitions

- Wiring harness business of Stoneridge
- Acquisition of shareholding from minority shareholding at SMP (16.28%) and SMR (4.8%).
- Assets of Minda Schenk GmbH (in administration) in Germany.

New Orders

- SMRP BV received new orders for life time value of Euro 1.294 billions (Rs. 100,880 Mn) during April – September 2014. MSSL standalone, its JVs & subsidiaries received strong orders.

Issuance of Senior Secured Bonds

- SMRPBV issued Euro 500 Mn 4.125% senior secured bonds with issuer ratings “BB+” with stable outlook by S&P. Bonds proceeds have been utilized to prepay the loans at SMR and SMP making them self sustained and self financed

New / Upcoming facilities - Europe



Company : SMP
Location : Oldenburg (Germany)
Type : New Painting facility
Products : Bumpers & Rocker Panels
Start of Operation : Q3 FY14-15

Company : SMP
Location : Polinya (Spain)
Type : New Painting facility
Products : Bumpers
Start of Operation : Q1 FY15-16



Company : SMP
Location : Boetzingen (Germany)
Type : Brownfield Expansion
Products : Door Panels based on natural fibre plastic
Start of Operation : Q 3FY15-16



Company : SMP
Location : Schierling (Germany)
Type : Greenfield Plant
Products : Bumpers
Start of Operation : Q3FY14-15



New/Upcoming facilities – Asia Pacific including India



Architectural Impression

Company : MSSL WHD
Location : A 15, Sector-6, Noida (U.P.), India
Type : Reconstruction of entire plant
Products : Wiring Harnesses
Start of Operation : Q2 FY 15-16



Outside view

Part of Paintshop

Company : MATE
Location : Sanand (Gujarat), India
Type : Greenfield plant
Products : Polymer products
Start of Operation : Q1 FY 15-16



Construction on site

Construction on site

Company : MATE
Location : Walajabad, Chennai, India
Type : Greenfield plant
Products : Polymer products
Start of Operation : Q1 FY15-16



Architectural Impression

Company : MSSL WHD
Location : Walajabad, Chennai, India
Type : Greenfield plant
Products : Wiring Harnesses
Start of Operation : Q1 FY15-16

Company : SMP
Location : Beijing (China)
Type : Greenfield Plant
Products : Door Panels
Start of Operation : Q1 FY 16-17



Outside view

Company : SMR
Location : Chongqing (China)
Type : Greenfield Plant
Products : Exterior Mirrors
Start of Operation : Q4 FY 14-15



Outside view



Painting Workshop

Company : SMP
Location : Foshan (China)
Type : Greenfield Plant
Products : A/B/C pillars
Start of Operation : Q2 FY 14-15



Inside view

Company : MSSL WHD
Location : Thailand
Type : Expansion
Products : Wiring Harness

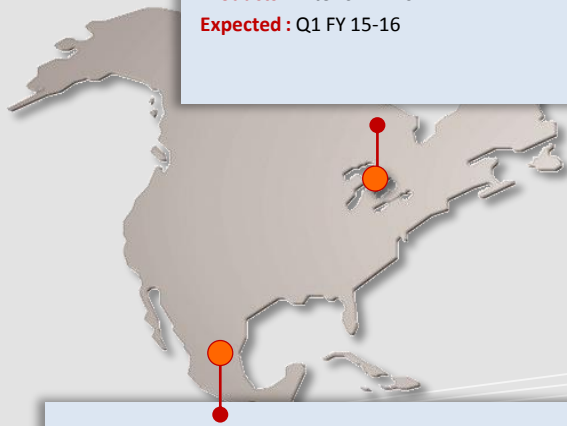


Outside view

New/Upcoming facilities- Americas (USA+Mexico+Brazil)



Company : SMR
Location : Marysville (USA)
Type : New plant and significant capacity expansion
Products : Exterior mirror
Expected : Q1 FY 15-16



Outside view



Inside view



Inside view

Company : SMP
Location : Zitlaltepec (Mexico)
Type : Greenfield plant
Products : Bumpers, Rocker panels, Wheel covers, Roof spoilers
Expected : Q 1 FY 16-17



Architectural Impression

Customer Recognition



Overall Performance
Gold Award
2013-14



Quality & Delivery
2013-14



System Audit Rating
2013-14



Inner Part Localisation
2013-14



Manufacturing Excellence
2013-14



Nagare Schedule
Adherence
2013-14



Consistently High
Quality Performance
2013-14



Safety
2013-14



Superior Performance
Focused Cost Down
2013-14



Superior Performance
Car Sale
2013-14



Gold Award
Quality,
Cost and Delivery
2014



Outstanding
Performance in New
Products
Development
2013-14



Overall Best
Performance
Award
2013-14



Merit Award
for Best
Performance
2013-14



Supplier of the Year
Gold Award
2013



Outstanding Project
Management
2013



Zero PPM Award
2013



Best Quality
Performance
2013



Localisation
Award
2013

Customer Recognition



RENAULT NISSAN



Significant Improvement
in Customer indicators
2013



Best Quality
Performance
in FY 2014



Supplier of the Year
2013



Supplier of the Year
2012

VOLVO



Quality Award
2013



Social Contribution
Activities



QCIDM Supplier
2013



Quality Commitment
2011

CATERPILLAR®



Gold Certification
2012



Significant Contribution

JOHN DEERE



Excellence in
partner level
Performance
2013



New Product
Development
2013



Award for
support in
Aggressive
Indigenization

LEAR CORPORATION



Quality Improvement
Award



Salcomp



Best Supplier Award
on Overall
Performance 2013



Best Supplier for
Quality & Delivery
2013-14

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