

Maruti Suzuki India Limited



Q3'Fy08 Financial Results
Oct'07 – Dec'07

29th January 2008

Safe Harbour



1. This presentation might contain forward looking statements which involve a number of risks, uncertainties and other factors that could cause the actual results to differ materially from those in the forward looking statements. Maruti undertakes no obligation to update these to reflect the events or circumstances thereof.
2. This presentation also contains reference to the findings of various reports available in the public domain. Maruti takes no responsibility as to their accuracy or that the company subscribes to those findings.
3. All comparisons have been done with the corresponding figure of same quarter last year (Q3'Fy07) unless mentioned otherwise.

Agenda



1. Quarterly Highlights
2. Financial Performance and Ratios
3. Operational Performance
4. Going Forward

Quarterly Highlights

- Net Sales ↑ 27%
- EBITDA ↑ 23%
- PBT ↑ 26%
- PAT ↑ 24%

Financials

- Domestic Volumes ↑ 15%
- Exports ↑ 52%
- Market share ↑ 1%

Operations

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Financial Performance



Parameters	Q3'08 (Oct-Dec'07)	Q3'07 (Oct-Dec'06)	YTD'08 (Apr-Dec'07)	YTD'07 (Apr-Dec'06)
Net Sales (Rs Mn)	46,540	36,642	130,974	101,788
Other Income (Rs Mn)	1,707	1,284	5,824	3,934
EBITDA (Rs Mn)	7,839	6,356	23,682	18,328
PBT (Rs Mn)	6,828	5,440	20,677	16,112
Tax (Rs Mn)	2,158	1,676	6,346	4,978
PAT (Rs Mn)	4,670	3,764	14,331	11,134
Annualized EPS (Rs)*	64.7	52.1	66.1	51.4

* No guidance intended

Key Financial Ratios

As a Percentage of Net Sales

Parameters	Q3 (FY'08)	Q3 (FY'07)	Change
PAT	10.0%	10.3%	(0.3%)↓
PBT	14.7%	14.8%	(0.1%)↓
EBDITA	16.8%	17.3%	(0.5%)↓
Other Income	3.7%	3.5%	0.2%↑
Material cost	76.8%	75.5%	1.3%↓
Employee cost	2.1%	2.0%	0.1%↓
Manufacturing & Admin Expenses	5.6%	6.1%	(0.5%)↑
Selling and Distribution Expenses	1.9%	2.1%	(0.2%)↑
Depreciation	1.9%	2.1%	(0.2%)↑
ROCE	32.3%	33.4%	(1.1%)↓

Some Insights

1. **Average Realisation** per vehicle increased by 8.8% due to change in the product mix with greater share of A3 and MUV in total sales. However QoQ there has been a fall of 2.5%.
2. **Material Cost** increased by 1.3% to 76.8%
 - Product mix variance
 - Higher Invoice Discount
 - High commodity prices
3. **Other Incomes** were Rs 1,707 Mn out of which 50% was non operational. Operational part constituted (a) Scrap Sales of Rs 396 Mn (b) Cash discounts received from vendors Rs 224 Mn.
4. **Average yield** realized on non- trade investments was 11.61%.
5. **Foreign Exchange gain** realized was Rs 236 Mn.

Some Insights



6. **Royalty** (Running + Lump sum) increased by 27% to Rs 1,210 Mn
 - 75.43% of models under royalty vis-à-vis 65.53%
 - Royalty payable on realization per vehicle which has increased by 8.8%

7. **Number of Employees** (at the quarter end) increased to 6903 as against 5380 a year ago (at the qtr end).

8. **Power and Fuel** cost Rs 364 Mn, an increase of 50%
 - Manesar Plant running at full capacity
 - Increase in fuel cost by 30% from Aug'07

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Operational Performance



Total Sales

Market	Q3'08 units (A)	% to Total sales	Q3'07 units (B)	% to Total sales	Growth (A) vs (B)
Domestic	187,875	93.2%	163,108	94.7%	15.18%
Exports	13,754	6.8%	9,073	5.3%	51.59%
Total Sales	201,629	100%	172,181	100%	17.10%

Domestic

Segments	Q3'08 units (A)	% to Total sales	Q3'07 units (B)	% to Total sales	Growth (A) Vs (B)
A1	17,320	9.2%	19,683	12.07%	(12.01%)
A2	134,293	71.5%	114,461	70.17%	17.33%
A3	11,728	6.2%	6,910	4.24%	69.73%
C	23,475	12.5%	21,426	13.14%	9.56%
MUV	1,059	0.6%	628	0.4%	68.63%
Domestic Total	187,875	100%	163,108	100%	15.18%

Market share (A+C Seg) at 58.49% - YoY Increase of 1.14%
- QoQ Increase of 3.07%

Going Forward



1. Passenger vehicle industry growth expected to remain under pressure due to higher interest rates of financing and high base.
2. New products in the pipeline for domestic and export markets.
3. CAPEX being incurred for capacity expansion, R&D facilities, etc. implies higher depreciation & lower other income.
4. Possibility of higher sales promotion and marketing expenditure to counter any discount moves by competition.
5. Continued exposure to commodity prices like steel, aluminum, etc.

Thank You



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