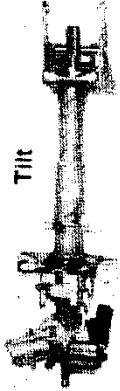


EA Bracket



Tilt

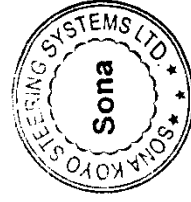


Investor Update – Q2 FY'12

Sona Koyo Steering Systems Ltd.

sona
DRIVERS TOMORROW

Nov 02, 2011



1. Performance Review

2. Operational Highlights

3. Financial Statements

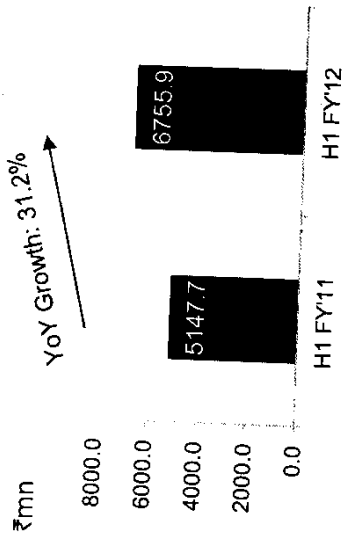
4. Shareholding Pattern



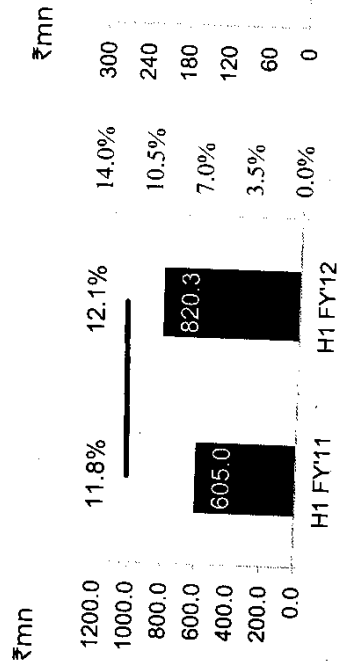
Robust growth in Revenues & Profitability in H1 FY'12 on Consolidated basis



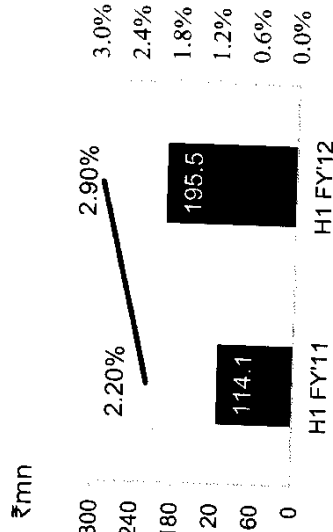
Revenue & Revenue Growth



EBITDA & EBITDA Margin



PAT & PAT Margin



■ **Total Revenues up 31.2% YoY from ₹5,147.7mn to ₹6,755.9mn on the back of strong growth in revenue contribution from subsidiaries including JTEKT SONA Automotive India (JSAI), Sona Fuji Kiko Automotive (SFAL) and Sona Stampings**

■ **EBITDA up 35.6% YoY to reach ₹820.3mn in H1 FY'12 from ₹605.0mn in H1 FY'11; EBITDA margin increased from 11.8% to 12.1% owing to**

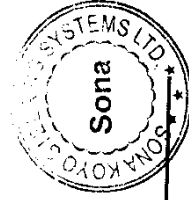
- ✓ Decline in raw material cost as a % of revenues from 70.9% to 70.1%
- ✓ Decline in Other Expenditure as a % of revenue from 9.8% to 9.4%

■ **PAT up 71.4% YoY to ₹195.5mn in H1 FY'12 from ₹114.1mn in H1 FY'11; PAT margin increased to 2.9% from 2.2% owing to:**

- ✓ Decline in depreciation charges as a % of revenues from 3.6% to 3.2%;
- ✓ Decline in finance charges as a % of revenues from 5.0% to 4.6%

Refer Slide 9 for detailed P&L Statement

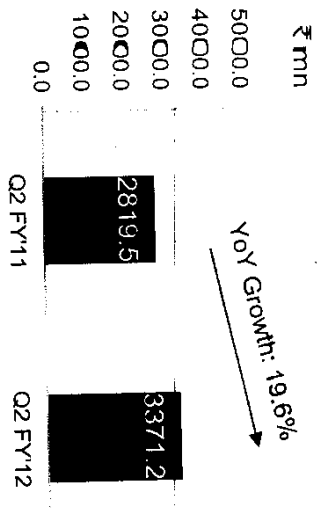
* Note: Total Revenues include other operating income of ₹20.6mn during H1 FY'12 and ₹14.1mn during H1 FY'11



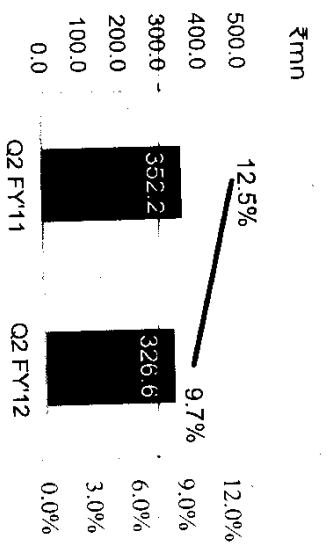
Strong growth of 19.6% in Revenues in Q2 on Consolidated basis



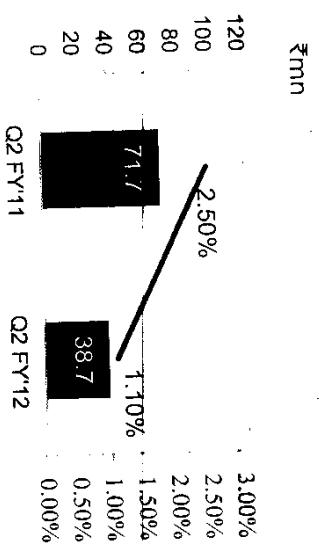
Revenue & Revenue Growth



EBITDA & EBITDA Margin



PAT & PAT Margin



█ Total Revenues up 19.6% YoY from ₹2,819.5mn to ₹3,371.2mn on the back of strong growth in revenue contribution from subsidiaries including JTEKT SONA Automotive India (JSAI), Sona Fuji Kiko Automotive (SFAL) and Sona Stampings.

- █ EBITDA for the quarter stood at ₹326.6mn with EBITDA margins of 9.7%
 - ✓ Increase in raw material cost as a % of revenues from 70.3% to 71.7%
 - ✓ Increase in staff costs as a % of revenues from 7.3% to 8.3%
- █ PAT for the quarter stood at ₹38.7mn with PAT margins at 1.1%

Refer Slide 9 for detailed P&L Statement

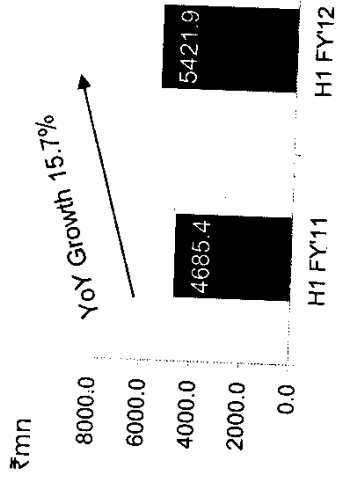
* Note: Total Revenues include other operating income of ₹10.7mn during Q2 FY'12 and ₹6.2mn during Q2 FY'11



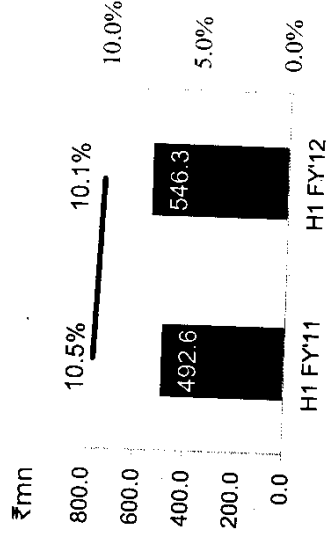
15.7% growth in Revenues in H1 FY'12 on standalone basis

Sona

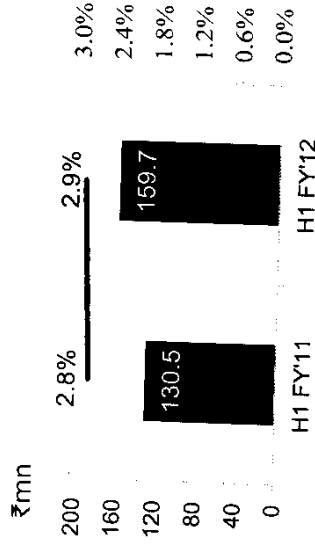
Revenue & Revenue Growth



EBITDA & EBITDA Margin



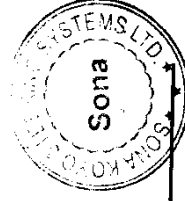
PAT & PAT Margin



- Revenues up 15.7% YoY from ₹4,685.4mn to ₹5,421.9mn driven by strong growth witnessed in domestic sales
 - ✓ Domestic sales increased 16.4% YoY from ₹4,464.5mn to ₹5,198.1mn
- EBITDA up 10.9% YoY to reach ₹546.3mn in H1 FY'12 from ₹492.6mn in H1FY'11; EBITDA margin declined from 10.5% to 10.1% owing to
 - ✓ Increase in staff cost as a % of revenues from 7.1% in H1 FY'11 to 8.8% H1 FY'12
- PAT up 22.4% YoY to ₹159.7mn in H1FY'12 from ₹130.5mn in H1 FY'11, with PAT margin improving to 2.9% in H1 FY'12 from 2.8% in H1FY11

Refer Slide 10 for detailed P&L Statement

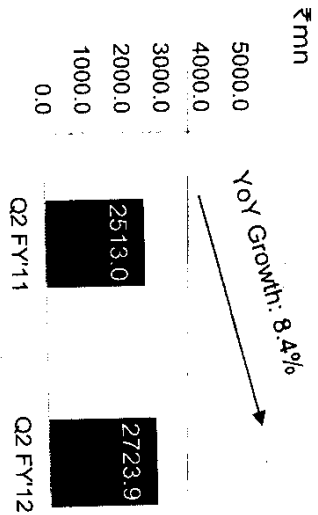
* Note: Total Revenues include other operating income of ₹18.2mn during H1 FY'12 and ₹13.9mn during H1 FY'11



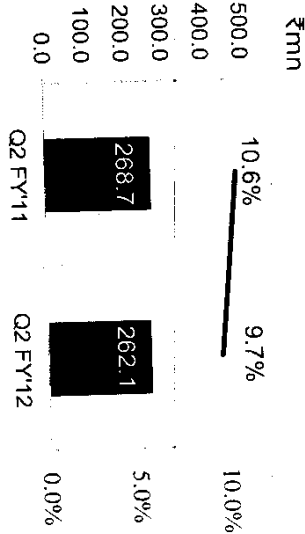
Over 8% growth in Revenues in Q2 FY'12 on standalone basis

Sona

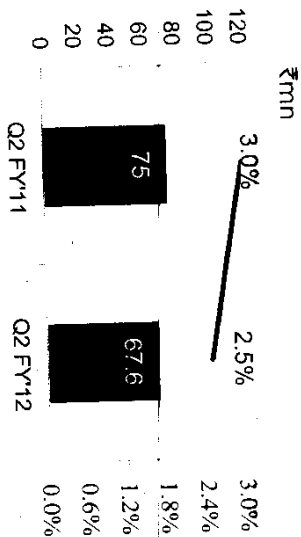
Revenue & Revenue Growth



EBITDA & EBITDA Margin



PAT & PAT Margin



Revenues up 8.4% YoY from ₹2,513.0mn to ₹2,723.9mn driven by strong growth witnessed in domestic and export markets:

- ✓ Domestic sales increased 7.4% YoY from ₹2,427.3mn to ₹2,607.2mn
- ✓ Export sales increased by 34.8% YoY from ₹79.6mn to ₹107.3mn

EBITDA stood at ₹262.1mn with EBITDA margins at 9.6%

- ✓ Staff Cost as a % of revenues increased from 7% to 8.6%
- ✓ Raw material cost as a % of revenues declined from 73.4% to 72.9%

PAT for the quarter stood at ₹67.6mn with PAT margins at 2.5%

Refer Slide 10 for detailed P&L Statement

* Note: Total Revenues include other operating income of ₹9.3mn during Q2 FY'12 and ₹6.0mn during Q2 FY'11



With a diversified sales mix

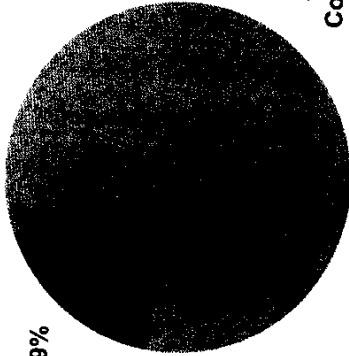
SONA

SONA SYSTEMS LTD.

Product Wise Sales Mix

Q2 FY'11

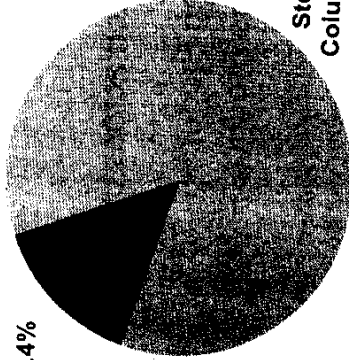
Driveline, 16.9%



Steering & Column, 83.1%

Q2 FY'12

Driveline, 14.4%

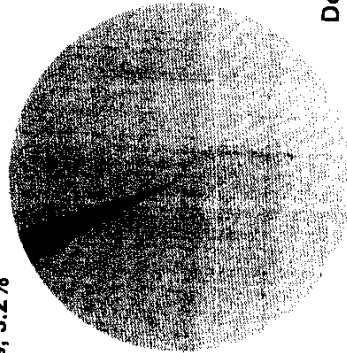


Steering & Column, 85.6%

Geographic Sales Mix

Q2 FY'11

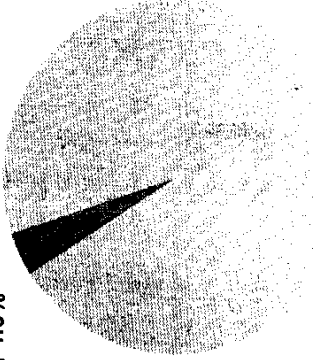
Exports, 3.2%



Domestic, 96.8%

Q2 FY'12

Exports, 4.0%



Domestic, 96.0%



*Note: Break up on standalone basis

Supported by increase in capacity utilization and new business orders

Sona
DRIVERS FOR GROWTH

Increased Capacity utilization

- ▮ Overall capacity utilization for H1 FY'12 stood at ~65%
- ▮ Capacity Utilization across product categories during H1 FY'12:
 - ✓ Steering Products – 73%
 - ✓ Driveline Products – 36%

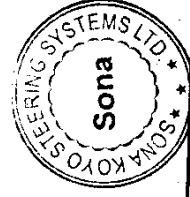
New Product/ Order Flows

- ▮ Production and supplies commenced for following during Q2:
 - ✓ Mahindra & Mahindra (XUV 500)
- ▮ Supplies for Maruti – New Swift to commence in Q3 FY'12



Income Statement & Key Ratios - Consolidated

sona
SOMAKOYO ENGINEERING SYSTEMS LTD.



Consolidated Audited Income Statement

Particulars	Amount in ₹mn					
	Q2 FY12	Q2 FY11	YoY (%)	H1 FY12	H1 FY11	YoY (%)
Net Income from Operations	3,360.5	2,813.3	19.4%	6,735.2	5,133.6	31.2%
Other Operating Income	10.7	6.2	73.7%	20.6	14.1	46.1%
Total Income	3,371.2	2,819.5	19.6%	6,755.9	5,147.7	31.2%
Total Expenditure	3,044.6	2,467.3	23.4%	5,935.6	4,542.7	30.7%
Consumption of Raw Material	2,416.9	1,981.1	22.0%	4,736.3	3,647.2	29.9%
Staff Cost	278.9	206.0	35.4%	562.7	389.9	44.3%
Other Expenditure	348.8	280.2	24.5%	636.5	505.6	25.9%
EBITDA	326.6	352.2	-7.3%	820.3	605.0	35.6%
Depreciation & Amortisation	107.6	94.1	14.3%	216.1	185.4	16.5%
EBIT	219.0	258.1	-15.1%	604.2	419.6	44.0%
Finance Charges	196.8	147.0	33.8%	310.7	258.1	20.4%
Other Income	11.4	6.4	76.6%	24.2	12.0	102.2%
Exceptional items	-	6.0	N.A.	-	6.0	N.A.
(Gain)/Loss on Foreign Currency Loan Tran	-	-	N.A.	-	-	N.A.
PBT	33.6	111.5	-69.8%	317.7	167.5	89.6%
Tax (including deferred)	15.6	39.1	-60.1%	76.1	58.7	29.6%
PAT (before Minority Interest)	18.1	72.4	-75.1%	241.6	108.8	122.0%
Share of (Profit)/ Loss to Minority	20.6	(0.7)	N.A.	(46.1)	5.3	N.A.
PAT	38.7	71.7	-46.1%	195.5	114.1	71.4%

*Other Expenditure includes manufacturing costs, administrative costs, selling costs and other expenses

Key Ratios as a % of Total Revenue	Key Ratios as a % of Total Revenue				
	Q2 FY12	Q2 FY11	Q1 FY12	H1 FY12	H1 FY11
EBITDA	9.7%	12.5%	14.6%	12.1%	11.8%
PAT	1.1%	2.5%	6.6%	2.9%	2.2%
Total Expenditure	90.3%	87.5%	85.4%	87.9%	88.2%
Raw material	71.7%	70.3%	68.5%	70.1%	70.9%
Staff Cost	8.3%	7.3%	8.4%	8.3%	7.6%
Other Expenditure	10.3%	9.9%	8.5%	9.4%	9.8%

Income Statement & Key Ratios - Standalone

Sona

Standalone Audited Income Statement

Amount in ₹mm

Particulars	Q2 FY12	Q2 FY11	YOY (%)	H1 FY12	H1 FY11	YOY (%)
Domestic Sales	2,607.2	2,427.3	7.4%	5,198.1	4,464.5	16.4%
Exports Sales	107.3	79.6	34.8%	205.5	207.1	-0.7%
Net Income from Operations	2,714.6	2,506.9	8.3%	5,403.6	4,671.5	15.7%
Other Operating Income	9.3	6.0	54.3%	18.2	13.9	31.0%
Total Income	2,723.9	2,513.0	8.4%	5,421.9	4,685.4	15.7%
Total Expenditure	2,461.8	2,244.3	9.7%	4,875.6	4,192.8	16.3%
Consumption of Raw Material	1986.0	1844.3	7.7%	3,948.2	3,450.5	14.4%
Staff Cost	235.5	175.1	34.6%	476.3	334.0	42.6%
Other Expenditure	240.2	225.0	6.8%	451.1	408.2	10.5%
EBITDA	262.1	268.7	-2.4%	546.3	492.6	10.9%
Depreciation & Amortisation	79.4	70.2	13.2%	156.8	138.3	13.4%
EBIT	182.7	198.5	-7.9%	389.5	354.3	9.9%
Finance Charges	94.8	85.5	10.9%	179.4	166.6	7.7%
Other Income	10.8	6.5	65.6%	25.1	12.6	99.2%
Exceptional Items	-	6.0	N.A.	-	6.0	N.A.
(Gain)/Loss on Foreign Currency Loan Tran	-	-	N.A.	-	-	N.A.
PBT	98.8	113.5	-13.0%	235.1	194.3	21.0%
Tax (including deferred)	31.2	38.5	-19.2%	75.4	63.8	18.2%
PAT	67.6	75.0	-9.9%	159.7	130.5	22.4%

• Other Expenditure includes manufacturing costs, administrative costs, selling costs and other expenses

Key Ratios as a % of Total Revenue	Q2 FY12	Q2 FY11	Q1 FY11	H1 FY12	H1 FY11
EBITDA	9.6%	10.7%	10.5%	10.1%	10.5%
PAT	2.5%	3.0%	3.4%	2.9%	2.8%
Total Expenditure	90.4%	89.3%	89.5%	89.9%	89.5%
Raw material	72.9%	73.4%	72.7%	72.8%	73.6%
Staff Cost	8.6%	7.0%	8.9%	8.8%	7.1%
Other Expenditure	8.8%	9.0%	7.8%	8.3%	8.7%



Shareholding Pattern

sona
Sona Koyasystems Limited

As on 30th Sep'2011

Equity Shares Outstanding-198,741,832

Others, 2.4%

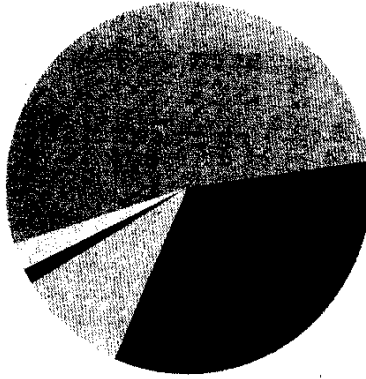
FIs, 0.2%

FIs/Banks/MFs, 1.2%

Body Corporate,
9.8%

Public, 33.8%

Promoters,
52.7%



Contact Us

Sona
STEERING SYSTEMS LTD.

For any Investor Relations queries please contact:

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Sona Koyo Steering Systems Ltd
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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

Forward Looking Statement

Certain statements in this document with words or phrases such as "will", "should", etc., and similar expressions or variation of these expressions or those concerning our future prospects are forward looking statements. Actual results may differ materially from those suggested by the forward looking statements due to a number of risks or uncertainties associated with the expectations. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy and changes in government policies. The company may, from time to time, make additional written and oral forward looking statements, including statements contained in the company's filings with the stock exchanges and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.

