India

Passenger Vehicle Market

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Corporate Planning
Maruti Suzuki India Ltd.
April 20th, 2011
Moving on to a different growth trajectory...

Average real GDP growth

- 1950s: 3.6%
- 1960s: 3.8%
- 1970s: 3.8%
- 1980s: 4.7%
- 1990s: 5.8%
- 2000s: 7.1%
- 2010-12CL: 8.1%

Source: CLSA
Resilience shown clearly in 2008-09 slowdown...

(GDP Growth Rates)

<table>
<thead>
<tr>
<th>Region</th>
<th>2009 Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>-0.6</td>
</tr>
<tr>
<td>Japan</td>
<td>-5.2</td>
</tr>
<tr>
<td>European Union</td>
<td>-4.1</td>
</tr>
<tr>
<td>US</td>
<td>-2.4</td>
</tr>
<tr>
<td>Russia</td>
<td>-7.9</td>
</tr>
<tr>
<td>Brazil</td>
<td>-0.2</td>
</tr>
<tr>
<td>India</td>
<td>5.7</td>
</tr>
<tr>
<td>China</td>
<td>8.7</td>
</tr>
</tbody>
</table>

Source: IMF
India is unique...

• Demand leads and supply follows
• Youth will be the new consuming force
• Stratify India to study India
• Indian Consumer: I want THIS & THAT
• Under-penetrated
• Aspirations offset imperfections
• Rural India witnessing steep growth
Favorable demographics, a key enabler...

Age distribution of population

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-4</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>5-9</td>
<td>15%</td>
<td>5%</td>
</tr>
<tr>
<td>10-14</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>15-19</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>20-24</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>25-29</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>30-34</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>35-39</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>40-44</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>45-49</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>50-54</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>55-59</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>60-64</td>
<td>10%</td>
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</tr>
<tr>
<td>65-69</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>70-74</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>75-79</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>80-84</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>85-89</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>90-94</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>95-99</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: CLSA & McKinsey

Working age population (age 15-60)
Percent of total population

- India
- Brazil
- China
- Russia
- G6

Source: CLSA & McKinsey
Different faces of the Indian consumer...
Indian position worldwide in automobile manufacturing

- Two Wheelers: 2nd
- Small Cars: 3rd
- Car Production: 7th
- Heavy Trucks: 3rd
- Heavy Buses: 2nd
India: it’s a unique market...

- Higher preference for compact cars:
  - Lower cost of ownership
  - Easy to maneuver in a bumper to bumper traffic
  - Easy to park
  - Govt. has recognized the benefits and incentivized

- Intelligent and cost sensitive customers, however, playing only on the cost strategy won’t work or convert to sales.
Structure of the Passenger Vehicle Industry

Passenger Vehicle Market Size 2010-11: 2.5 million units

- A (Passenger Cars): 79%
- B (UVs): 13%
- C (MPVs): 8%

~2 million units
Sub-segments under passenger cars

A1: up to 3.4 meters, A2: 3.4 to 4 meters, A3: 4 to 4.5 meters, A4-A6: 4.5 meters+

~1.5 million units

73% A1
18% A3
5% A4-A6
4% A2
Number of compact car launches post 2007-08

- Skoda Fabia (Upper A2)
- Honda Jazz (Upper A2)
- Hyundai i20 (Upper A2)
- Fiat Punto (Upper A2)
- Tata Nano (A1)
- VW Polo (Upper A2)
- Ford Figo (Mid A2)
- GM Beat (Mid A2)
- Nissan Micra
Top 10 Selling Models

1. Maruti Suzuki Alto (A2)
   - Engine: 0.8/1L
   - Length: 3,495mm
   - Monthly Volume: ~35,000 units

2. Maruti Suzuki Wagon R (A2)
   - Engine: 1L
   - Length: 3,595mm
   - Monthly Volume: ~14,000 – 15,000 units

3. Hyundai i10 (A2)
   - Engine: 1.1L/1.2L
   - Length: 3,563mm
   - Monthly Volume: ~14,000 – 15,000 units

Source: Overdrive; (P) – Petrol, (D) – Diesel
Top 10 Selling Models

4. Maruti Suzuki Swift (A2)
   - Engine: 1.2 L (P) / 1.3 L (D)
   - Length: 3,695mm
   - Monthly Volume: ~11,000 – 12,000 units

5. Maruti Suzuki Swift Dzire (A3)
   - Engine: 1.2 L (P) / 1.3 L (D)
   - Length: 4,160mm
   - Monthly Volume: ~ 9,000 – 10,000 units

6. Tata Indica (A2)
   - Engine: 1.2 L (P) / 1.3 L (D)
   - Length: 3,795mm
   - Monthly Volume: ~ 6,000 – 10,000 units

Source: Overdrive; (P) – Petrol, (D) – Diesel
Top 10 Selling Models

7. Maruti Suzuki Omni (C)
   - Engine: 0.8 L (P)
   - Length: 3,370mm
   - Monthly Volume: ~ 7,000 – 8,000 units

8. Tata Indigo (A3)
   - Engine: 1.4 L (P) / 1.3 L (D)
   - Length: 4,413mm
   - Monthly Volume: ~ 6,000 – 8,000 units

9. Mahindra Bolero (B)
   - Engine: 2.5L (D)
   - Length: 4,056mm
   - Monthly Volume: ~ 6,000 – 8,000 units

Source: Overdrive; (P) – Petrol, (D) – Diesel
Top 10 Selling Models

10. Hyundai Santro (A2)
   - Engine: 1.1 L (P)
   - Length: 3,565mm
   - Monthly Volume: ~ 6,000 – 8,000 units

Source: Overdrive; (P) – Petrol, (D) – Diesel
Indian passenger vehicle market

Maruti Suzuki

Hyundai

Tata Motors

Mahindra & Mahindra

GM

Ford

Honda

Toyota

VW

Others (Fiat, Nissan, Skoda, Audi, BMW, Mercedes)

Passenger vehicle market size (2010-11): 2.5 million units

Source: SIAM
Way of Life!
About Maruti Suzuki...

- **Equity Structure:** 54.2% Suzuki, 45.8% FIs & Public
- **Production Capability:** 1.4 million units p.a.
- **Location:** 4 Plants in 2 locations
- **Turnover FY 2009-10:** US $ 6.4 billion
- **Market Capitalization:** US $ 9 billion
- **Employees:** 8,500 +
- **Models:** 14 Models with over 150 variants
- **Customer Satisfaction:** No.1 in JD Power CSI survey for 10 years
Maruti Suzuki unit sales over the years...

10 years CAGR: 14%
Net Sales & PAT

- **Net Sales (Rs Mn)**
- **PAT (Rs Mn)**

- **2004-05**: 8,534
- **2005-06**: 11,891
- **2006-07**: 15,620
- **2007-08**: 17,308
- **2008-09**: 12,187
- **2009-10**: 289,585
- **2010-11**: 24,976

*Graph shows an increase in net sales and PAT over the years.*
Focus on the Customer...

- Proximate Network
- Lowest Cost of Ownership
- Product Portfolio
- Technology
- Right Price
- Service
Extensive product portfolio...

- M800 (A1)
- Alto (Entry A2)
- Estilo (Mid A2)
- Wagon R (Mid A2)
- A-star (Mid A2)
- Ritz (Upper A2)
Value

Styling

Lowest cost of ownership

Technology

Alto/WagonR

Zen/Esteem

M800

Kizashi

SX4, Swift, Dzire

I-GPI

Diesel Engine

K-series

F-series

VVT/VGT

Life cycle cost of ownership.
Widest network coverage...
Maruti Suzuki strategy

- New model launches
- Faster model refreshments
- New engines & fuel options
- New design philosophy
- Network expansion + more feet on street
- Continued focus on customer satisfaction
- Communicate total cost of ownership
J.D. Power 2010 Sales Satisfaction Rankings

Source: JD Power
J.D. Power 2010 Customer Satisfaction Rankings

<table>
<thead>
<tr>
<th>Brand</th>
<th>Rank 2010</th>
<th>Rank 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maruti Suzuki</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total Industry</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fiat</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Honda</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Hyundai</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Tata</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Toyota</td>
<td>6</td>
<td>4</td>
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<tr>
<td>Chevrolet</td>
<td>7</td>
<td>7</td>
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<tr>
<td>Skoda</td>
<td>8</td>
<td>11</td>
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<tr>
<td>Ford</td>
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<tr>
<td>Mahindra</td>
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<td>3</td>
</tr>
<tr>
<td>Mahindra-Renault</td>
<td>11</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: JD Power
R&D will lead the way forward...
Design capability development

Phase 1: Localization
New Model introduction
Adaptation for India

Phase II:
Minor changes

Phase III: Co-design with SMC Alternate fuels Design to cost

Phase IV: Full Body Change Live Projects
Study Projects
Looking at the future...
Car market, an affordability story...

Number of months of per-capita income required to purchase an entry level car

- Year 2005: 96 months
- Year 2010: 56 months
- Year 2020: 14 months
Market study through stratification...

Income bracket ($ p.a.)

- >31,000
- 15,000-31,000
- 6,000-15,000
- 3,000-6,000
- <3,000

Total no. of households (Mn)
- 2009-10: 114.3Mn
- 2015-16: 79.4Mn

Vehicle parc (Mn)
- 2009-10: 15.4Mn
- 2015-16: 31.4Mn

Passenger Vehicle market size in 2015-16: 4.8 million (16.2% CAGR)
Thank You