



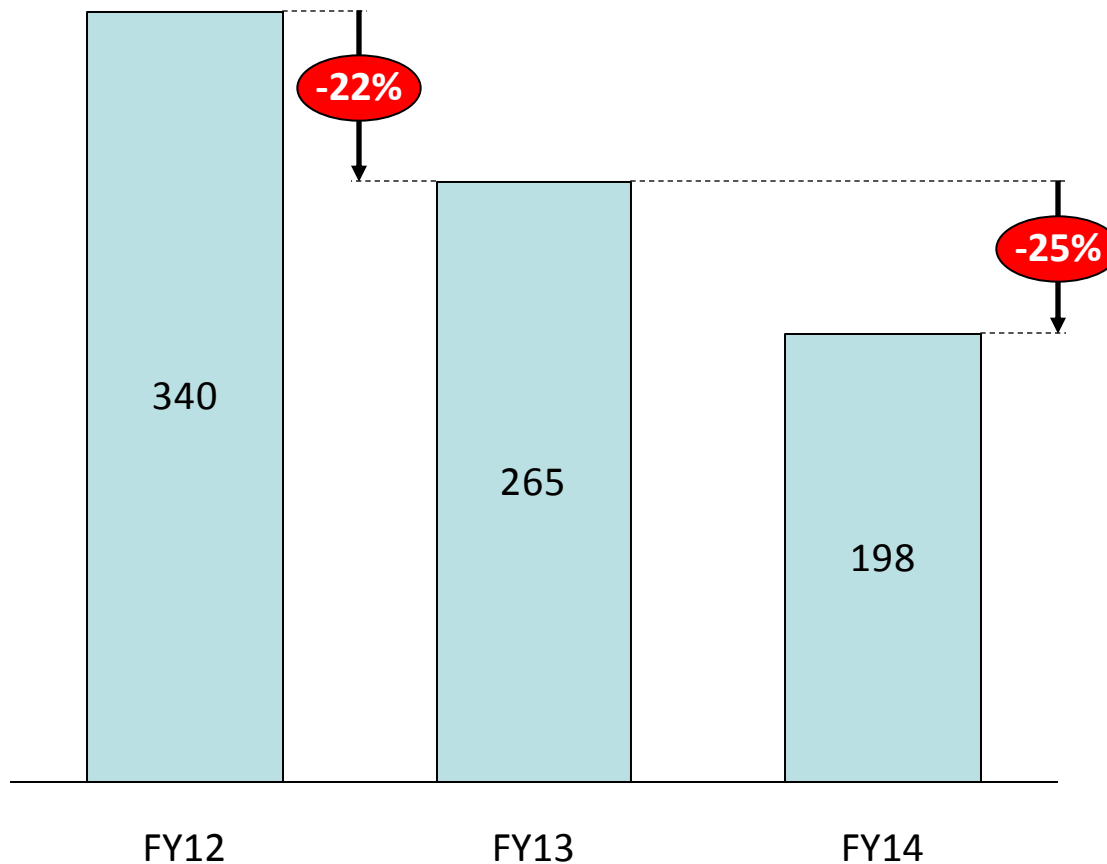
Annual Press Conference 22nd May 2014



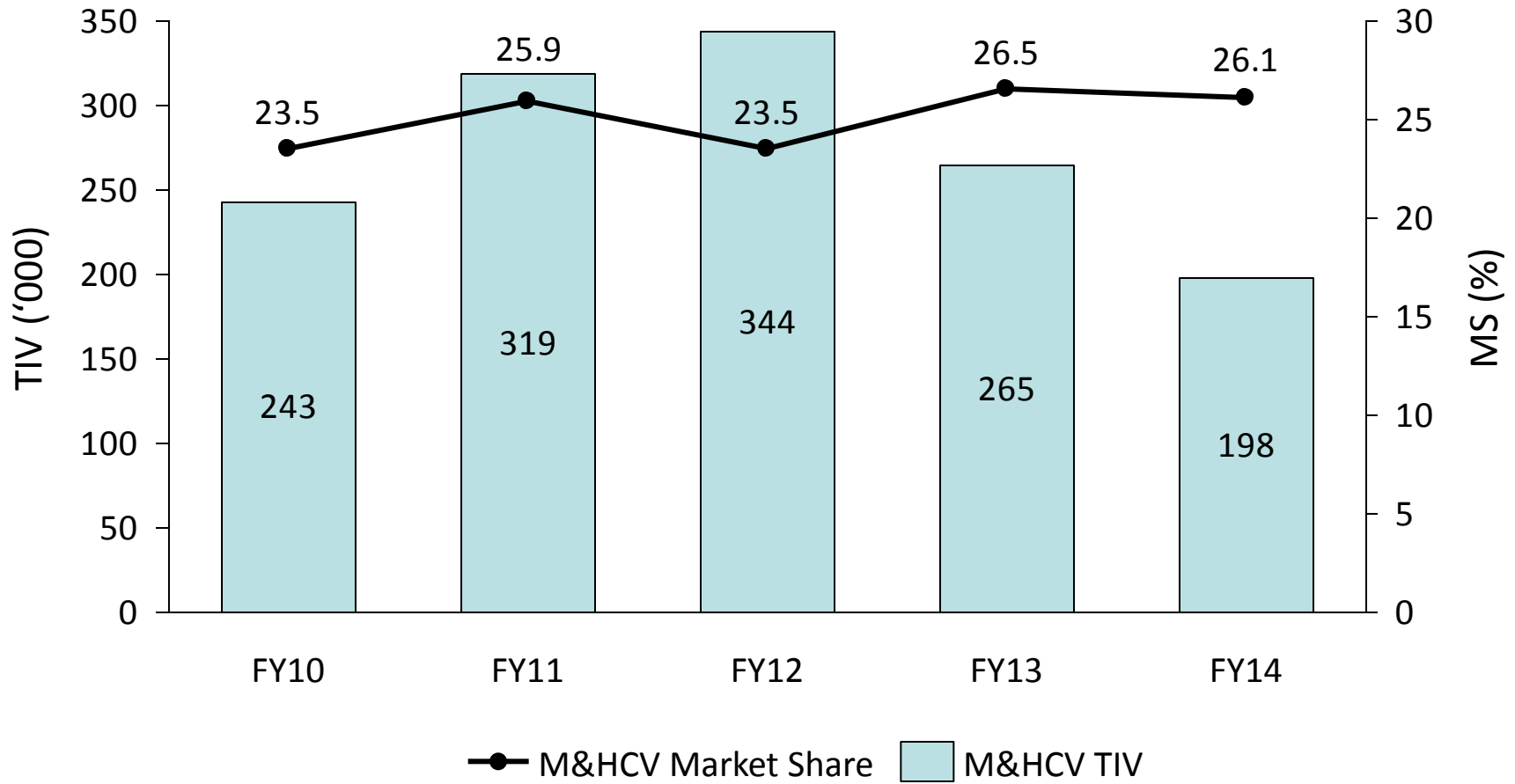
Be in the global Top 10 in M&HCV trucks (>7.5t GVW) and global Top 5 in M&HCV buses (8m and above) in volume terms

MHCV TIV declined 25% in FY14, over and above 22% decline in FY13

(Numbers in '000)



MHCV Market Share maintained in a declining TIV scenario

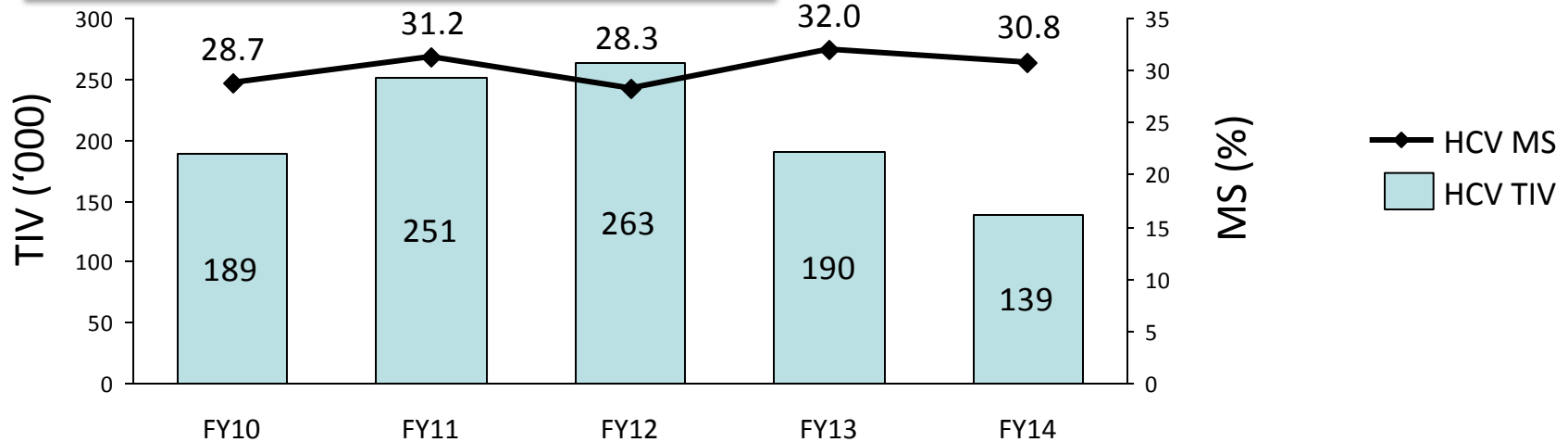


Maintained Market Share in HCV, Grew market share in MCV

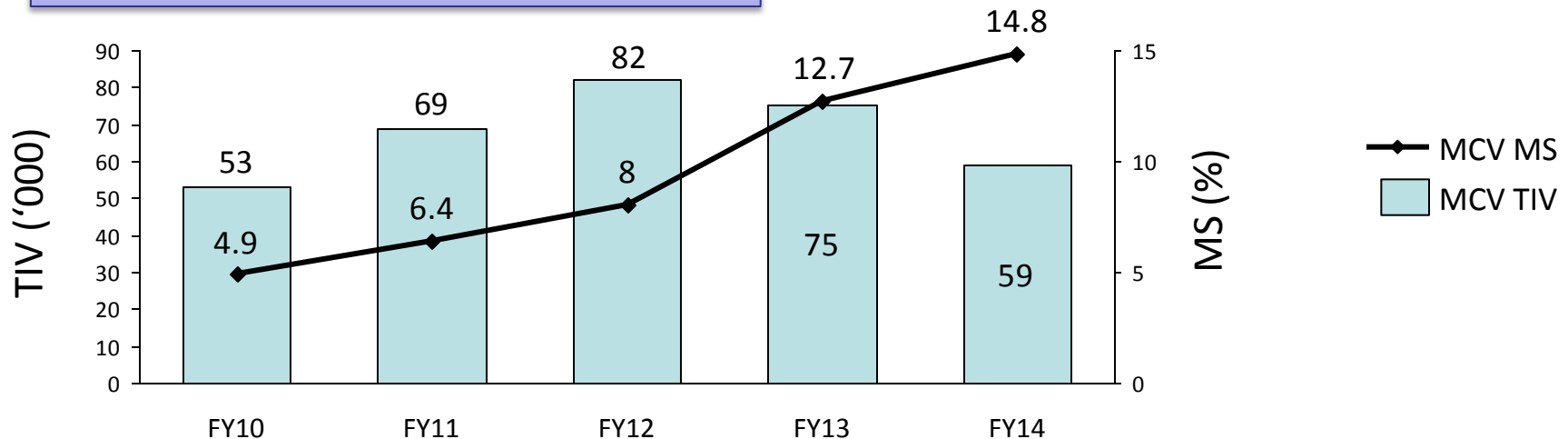


ASHOK LEYLAND

Heavy Commercial Vehicles (HCV): $\geq 16T$



Medium Commercial Vehicles (MCV): $< 16T$

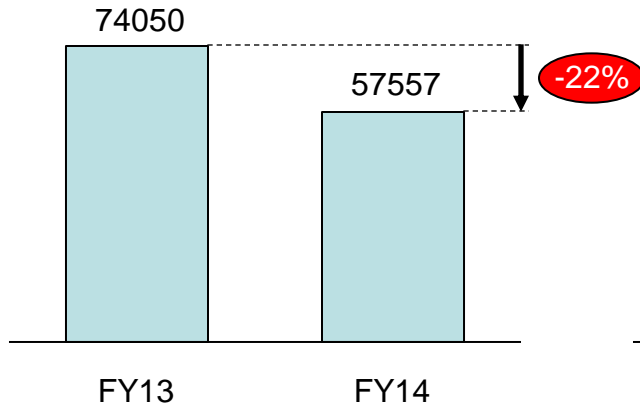


MHCV TIV declined across regions.

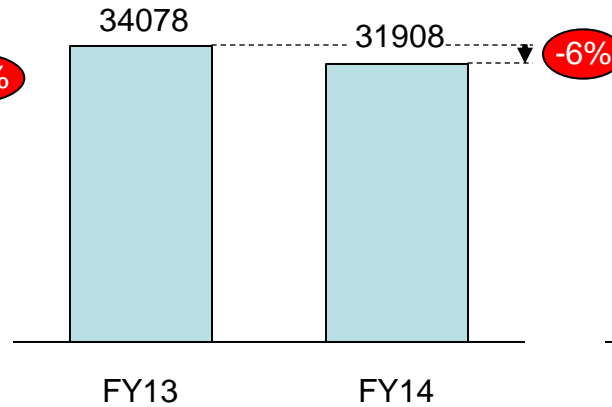
Decline steepest in West and South

(Numbers)

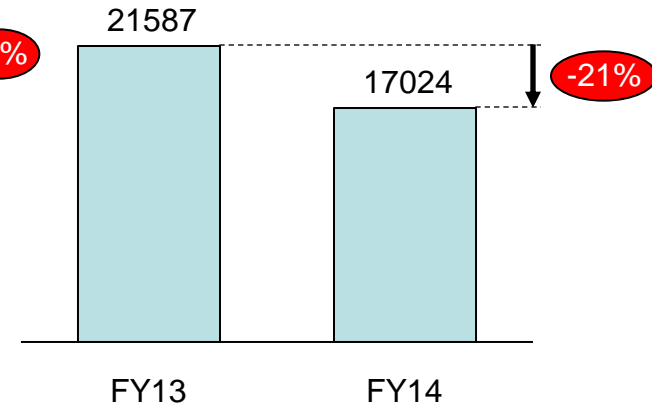
North



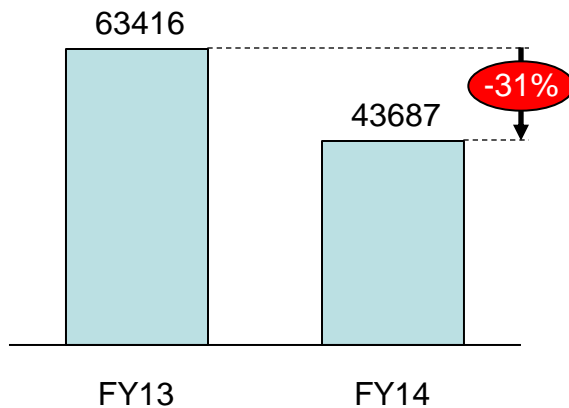
East



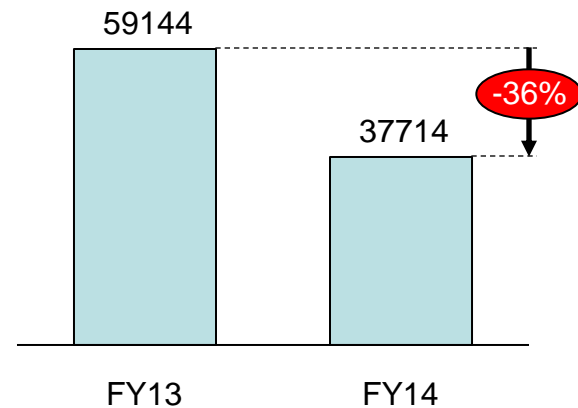
Central



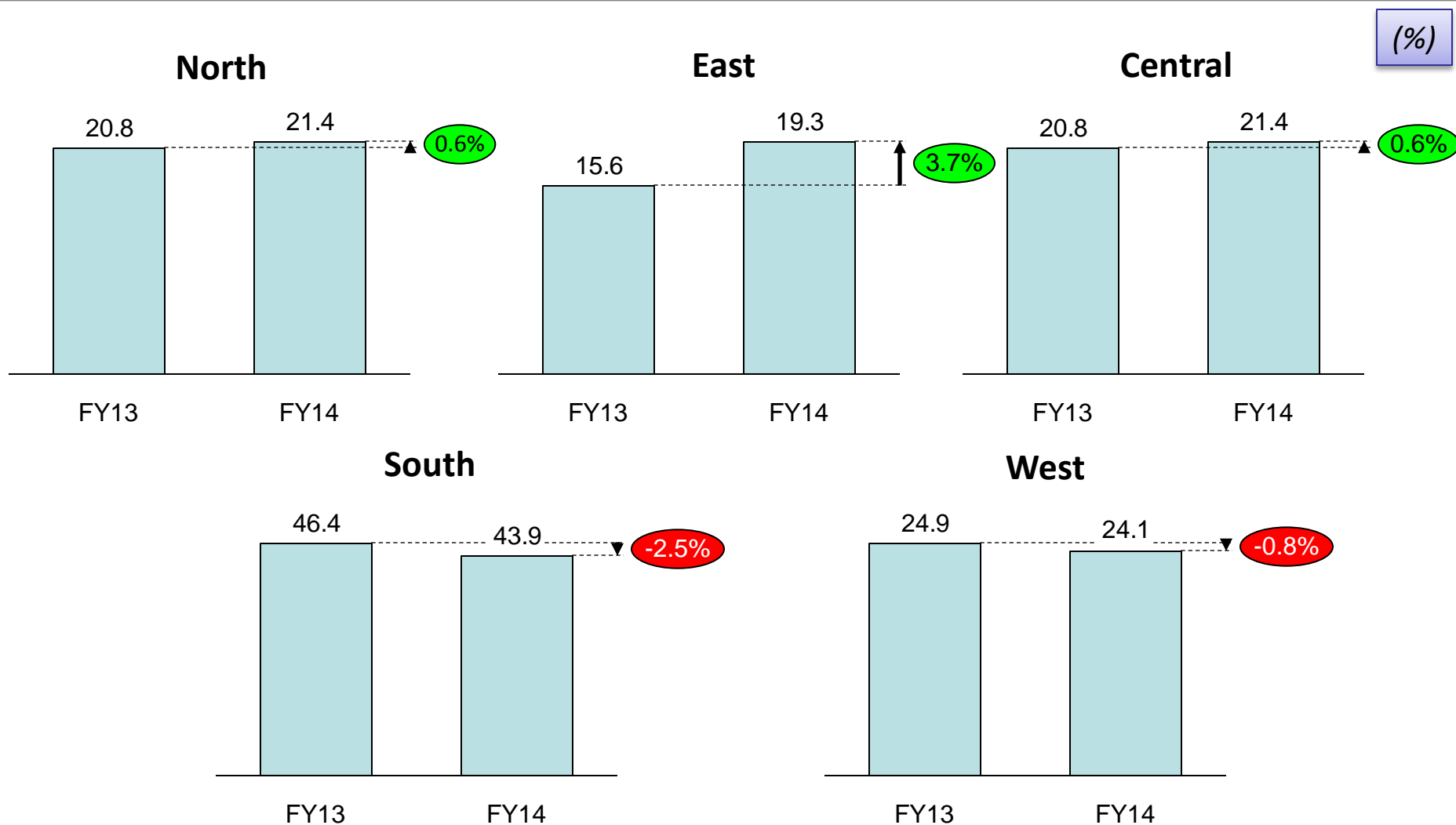
South



West



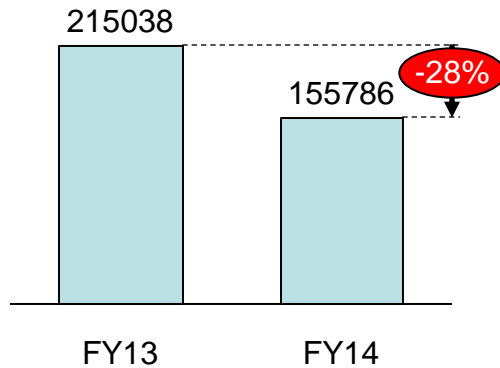
Gained Market Share in MHCV in East, Central and North regions



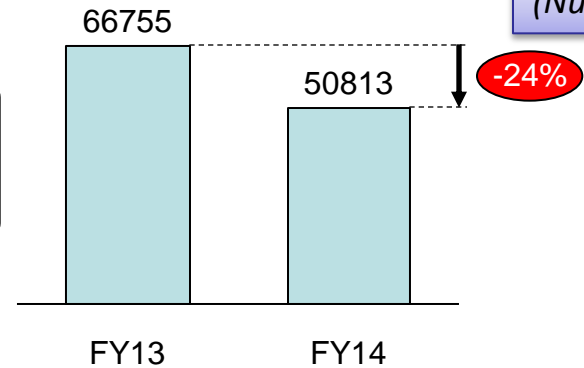
Truck TIV declined 28% overall and in all segments



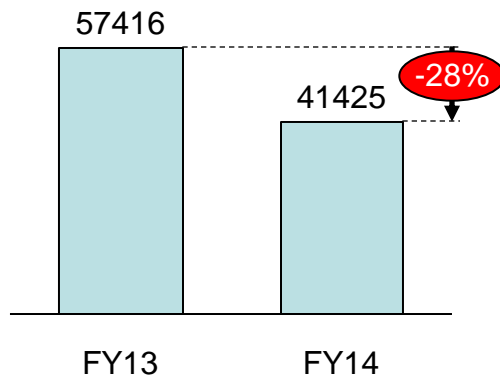
Trucks overall



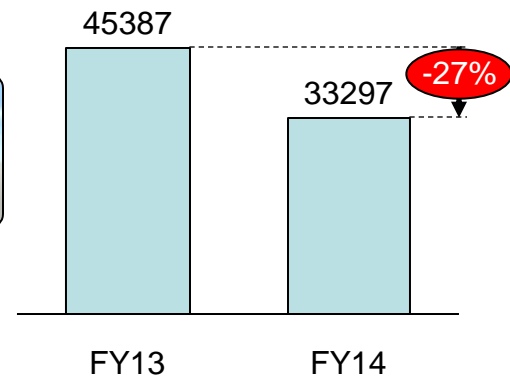
MAV



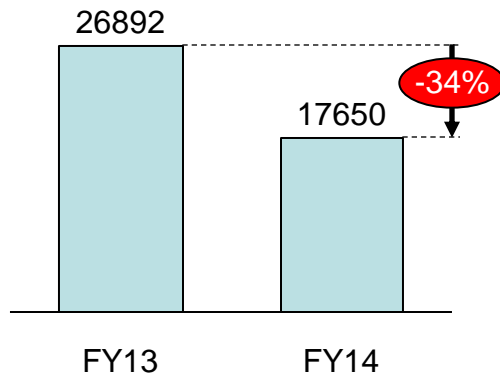
ICV-Goods



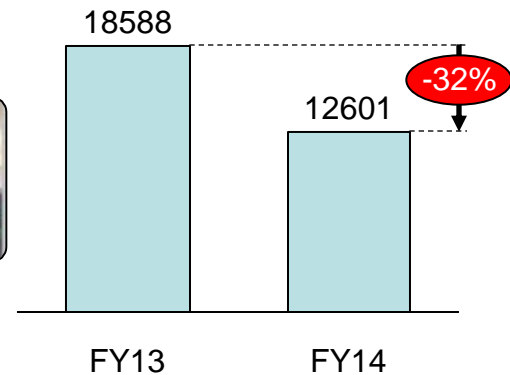
Tipper



4x2 Haulage



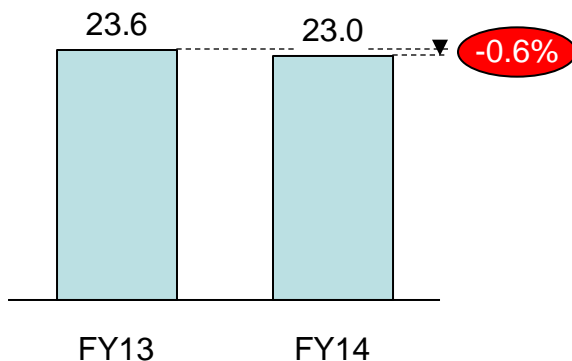
Tractor



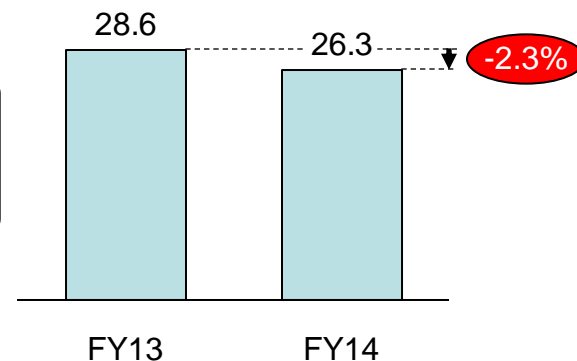
Gained Market Share in Tractor, ICV-Goods and 4x2 Haulage



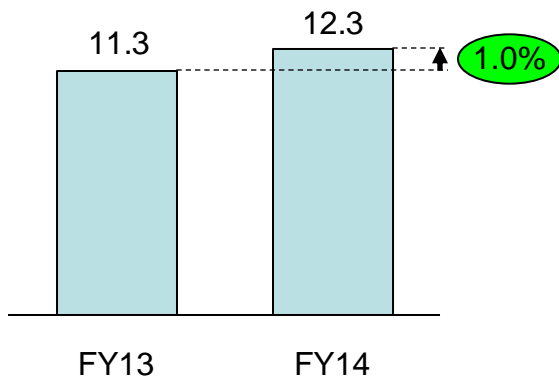
**Trucks
overall**



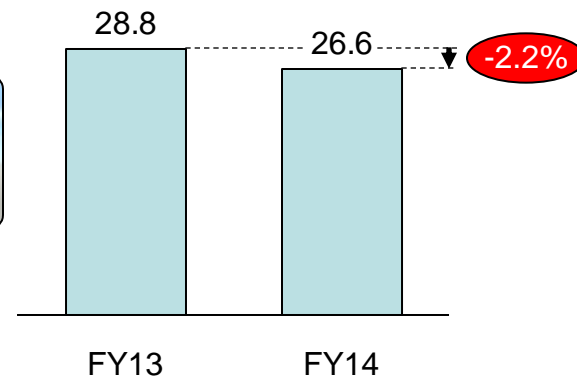
MAV



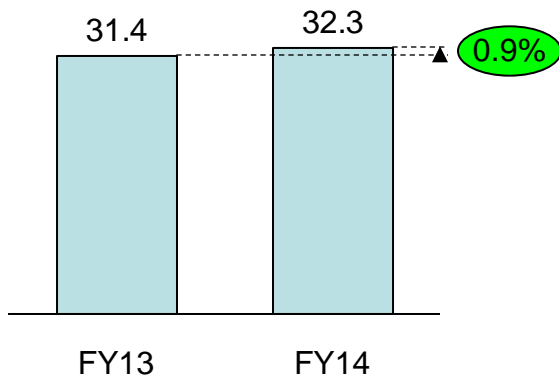
ICV-Goods



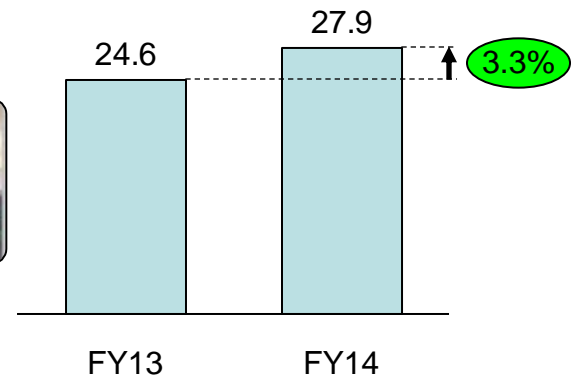
Tipper



4x2 Haulage



Tractor



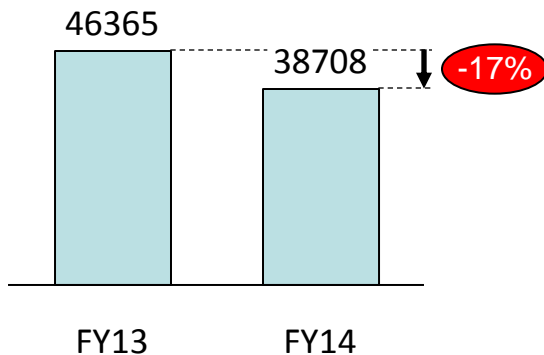
(%)

Bus TIV declined 17% overall and in all segments

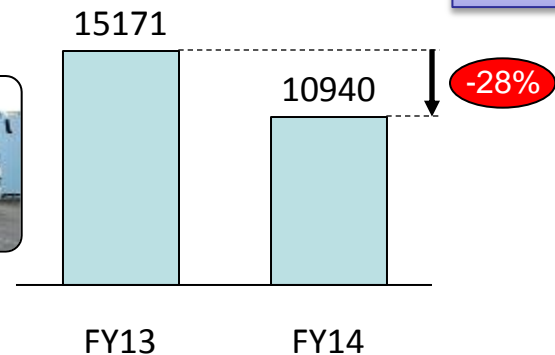
(Numbers)



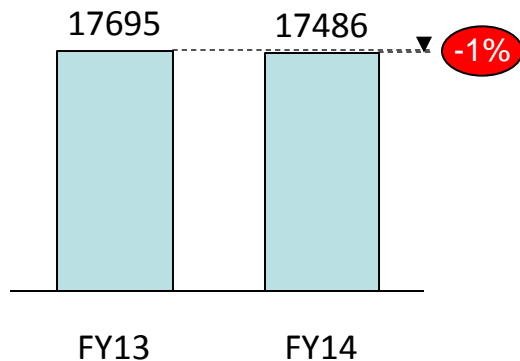
Bus overall



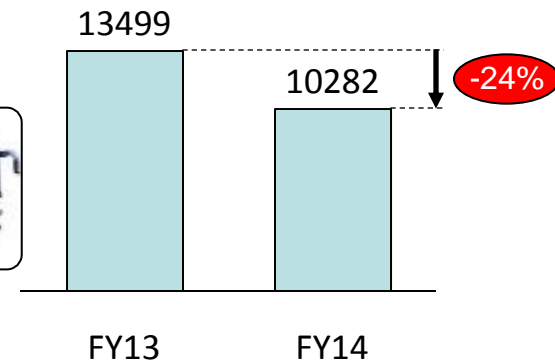
MDV
Private



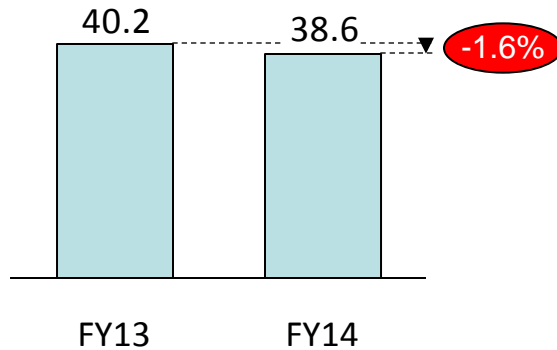
ICV-Bus



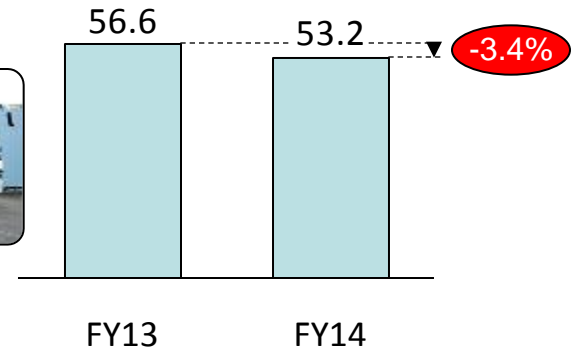
MDV
STU



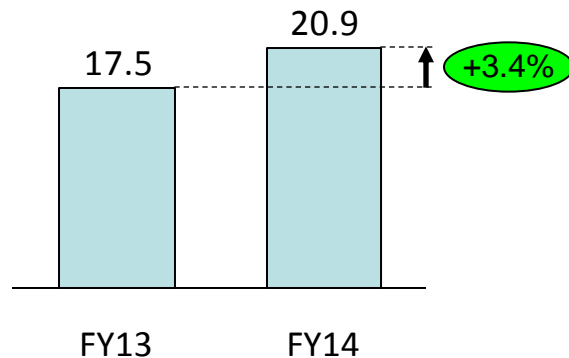
Gained Market Share in ICV and STU bus segments



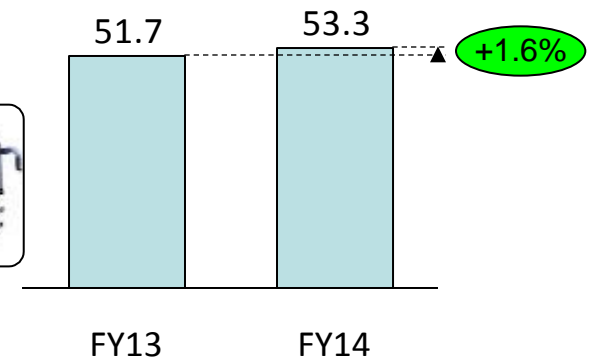
**MDV
Private**



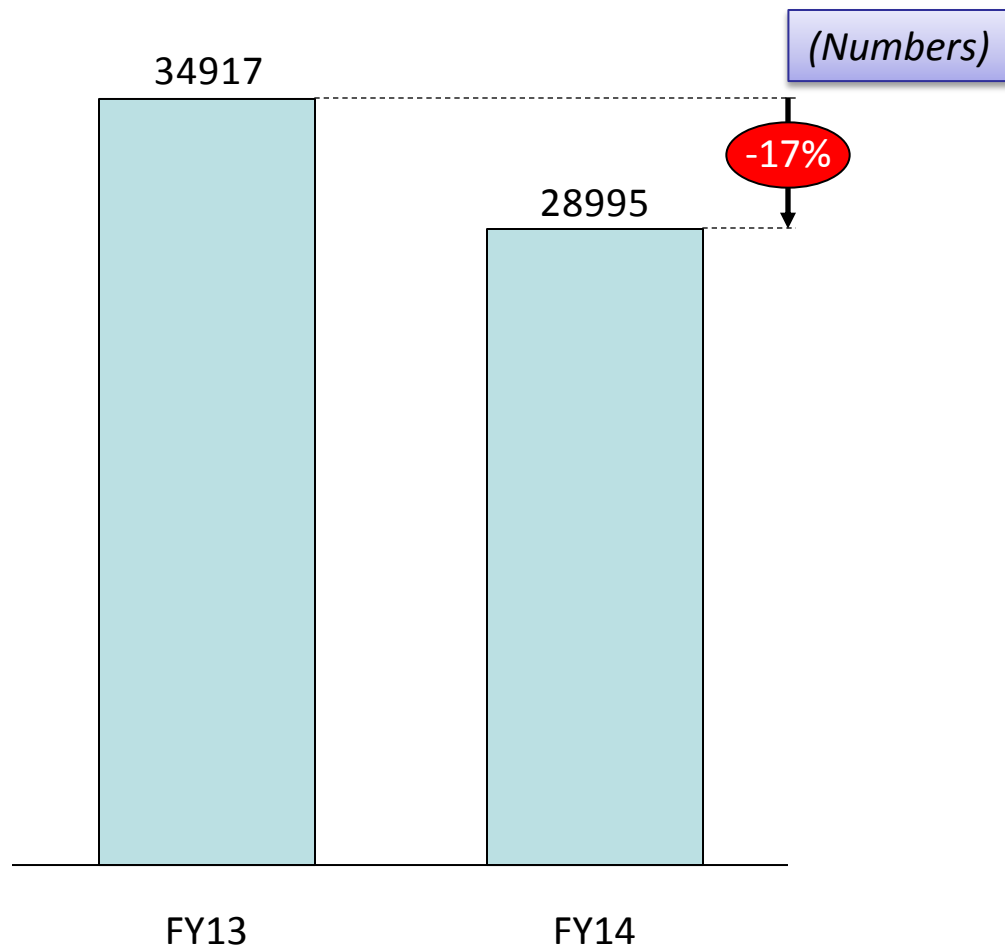
ICV-Bus



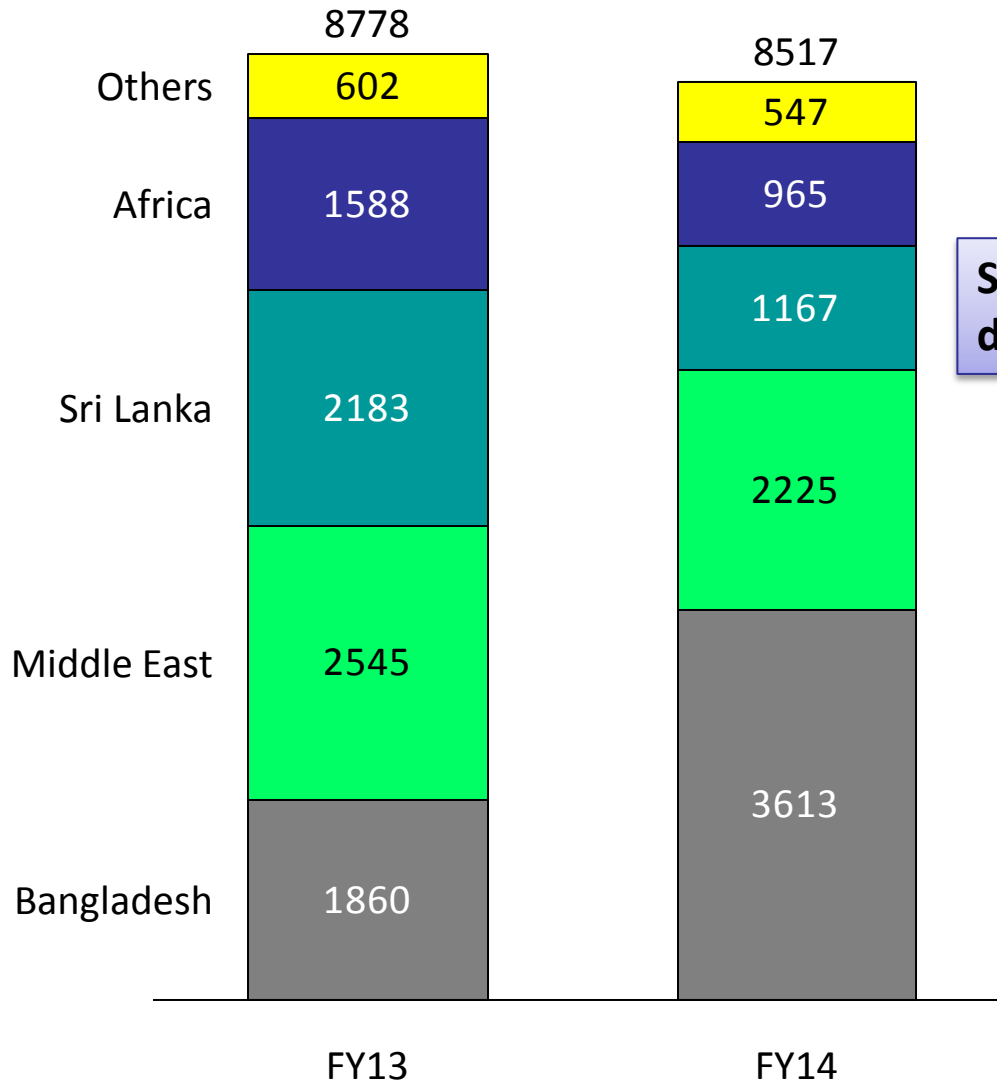
**MDV
STU**



LCV volumes declined 17%



Recovered export volumes despite drop in Sri Lanka

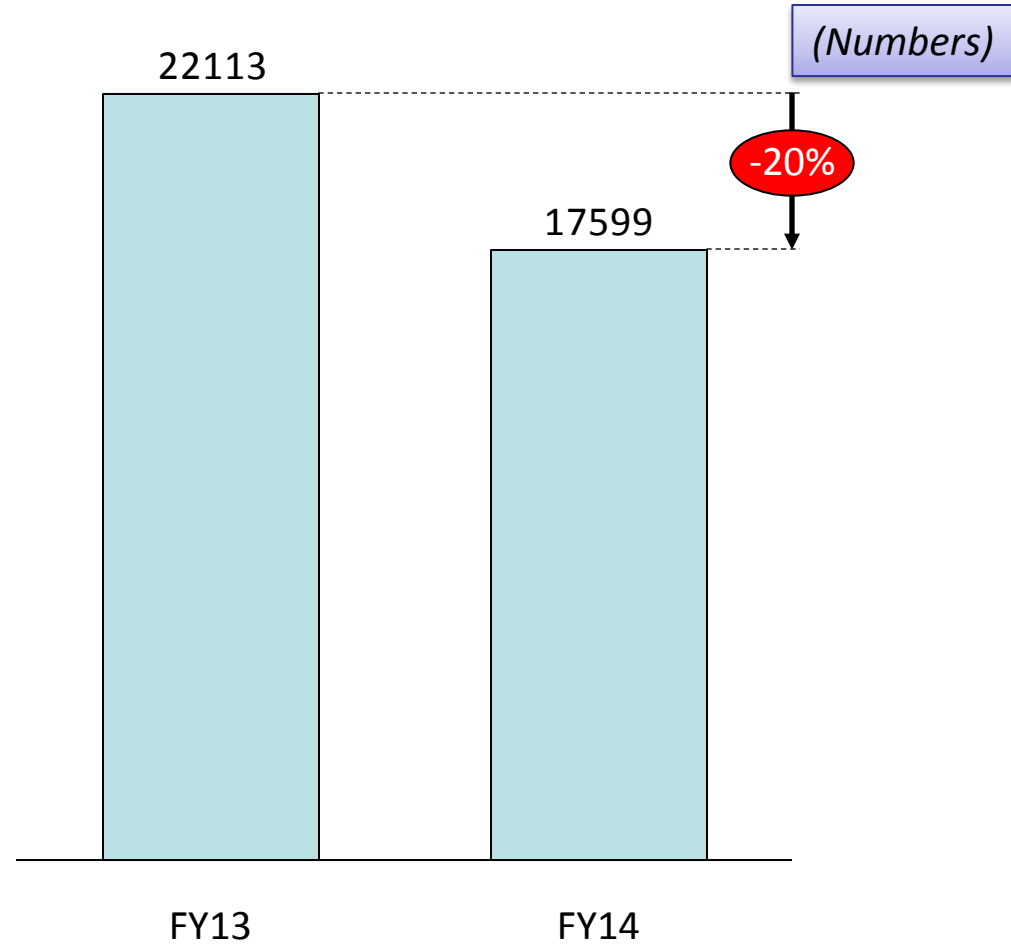


(Numbers)

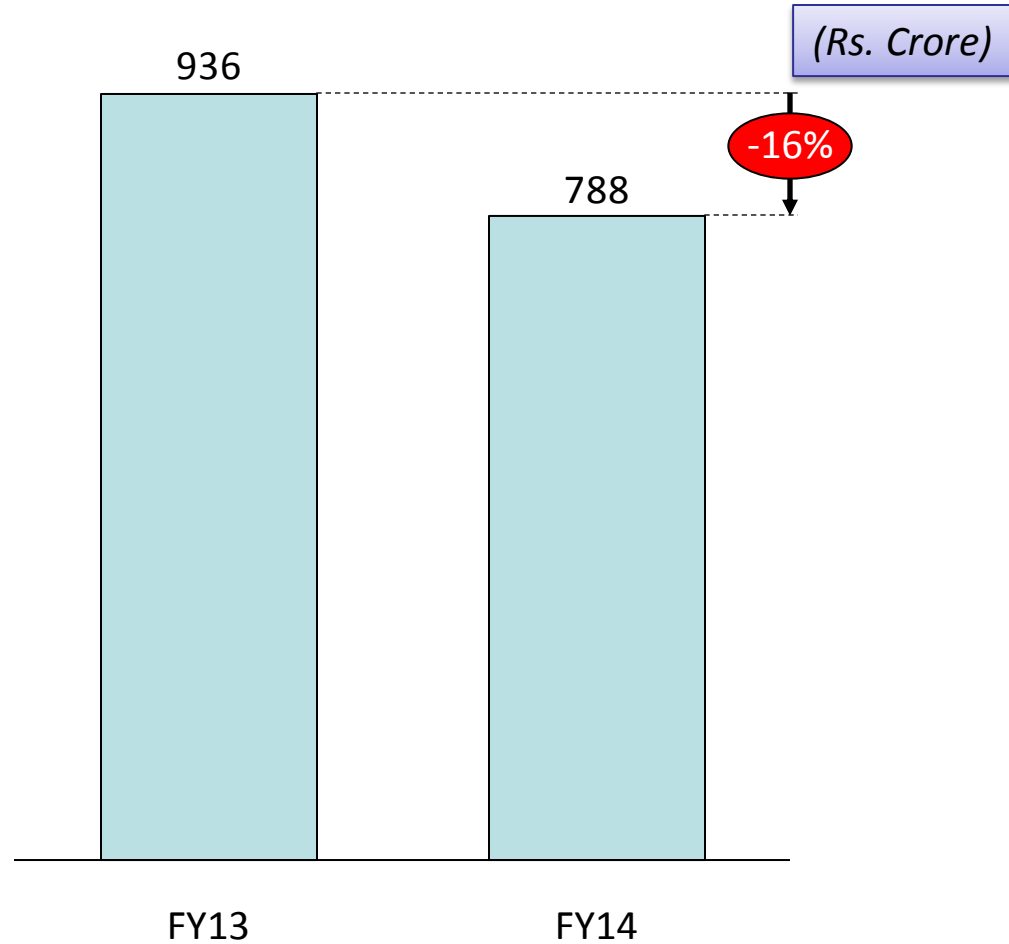
**Sales in Sri Lanka
declined ~50%**

Power Solutions Business

- Volumes declined 20%

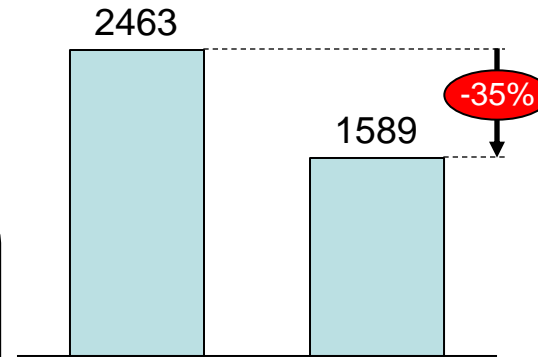


Spares revenue declined 16%



Defence VFJ Kits declined 35%

(Numbers)



VFJ Kits

FY13

FY14

324

345

+7%

(Rs. Crore)

Revenue
(VFJ + CBU)
(includes escalation)

FY13

FY14

In summary...

What went Right?

- Maintained MS in **HCV** (30.8%) and grew in **MCV** (12.7% to 14.8%)
- Gained MS in East, Central & North
- Achieved 60% MS in JnNURM2 (based on LOA)

...and what did not?

- Loss of MS in South and West
- Heavy discounting
- Easy financing by competition
- Drop in Spares & PSB sales
- Drop in LCV sales

Opportunities

- Revival of demand in FY15
- Leverage New products (Boss & Captain)
- Leverage AL's growing network
- Penetrate into identified export clusters
- Leverage DOST with Rigid suspension
- Leverage Partner 4-tyre

Threats

- Ramp up of Bharat Benz's & VECV's (Pro-series) range.
- Entry of new players in LCV market (e.g. Maruti, VECV)

Accelerated the transformation during the downturn

Restructure

Fixed costs
Manpower
Material Cost
Quality
Working Capital
Debt

Invest

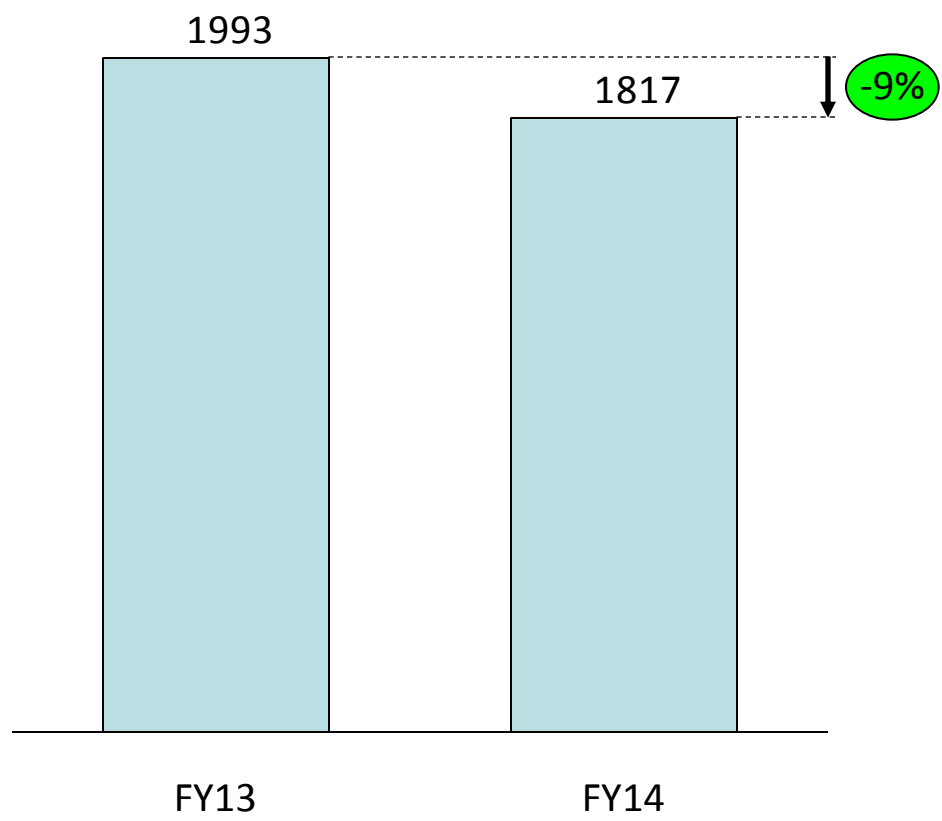
New products
Network
Delivered Quality
R&D
RMAX
PRISM



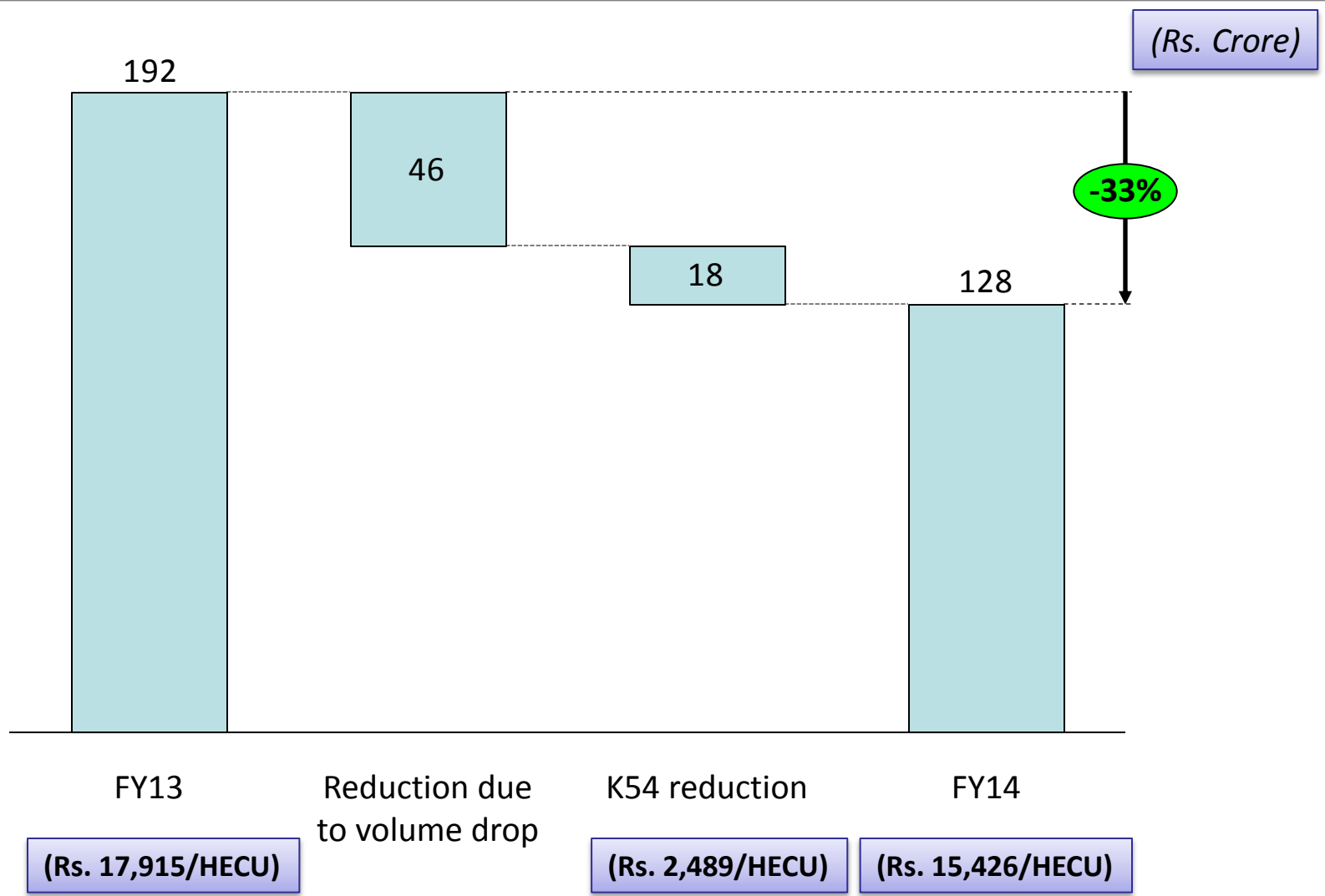
Overall fixed cost reduced by 9%



(Rs. Crore)



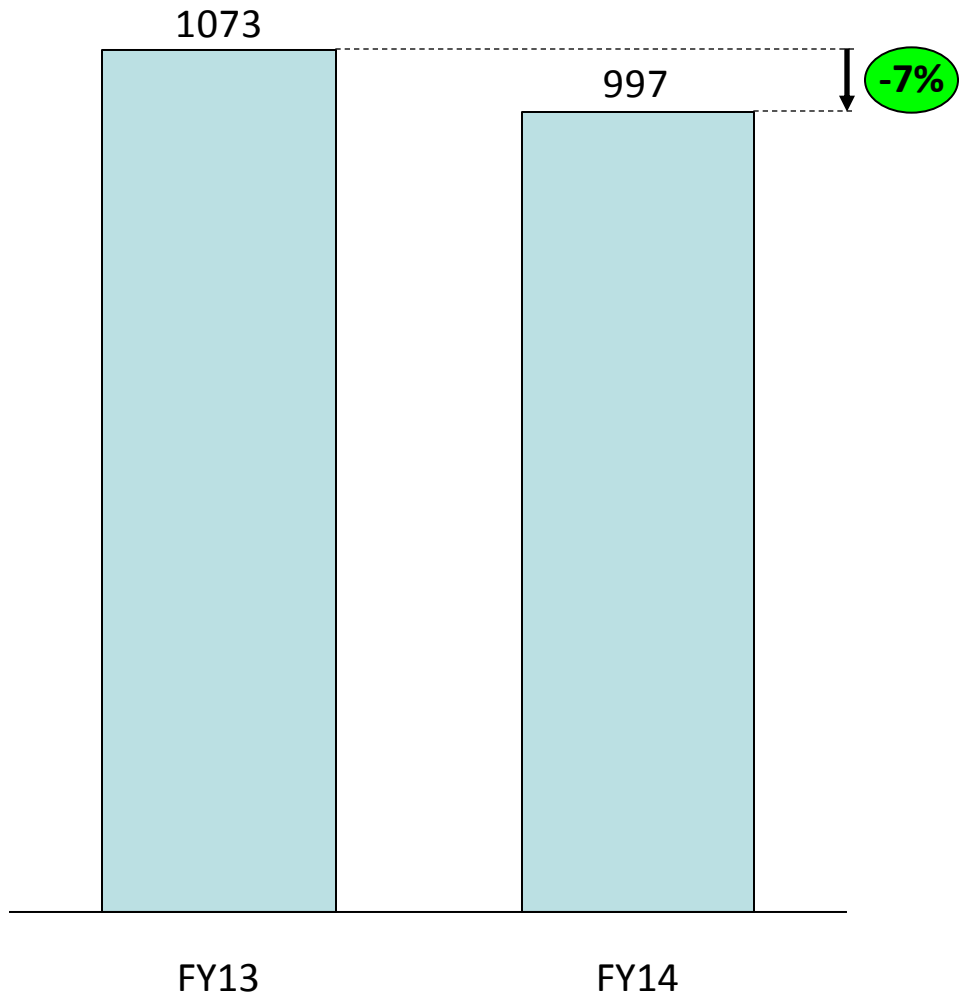
Production overheads reduced



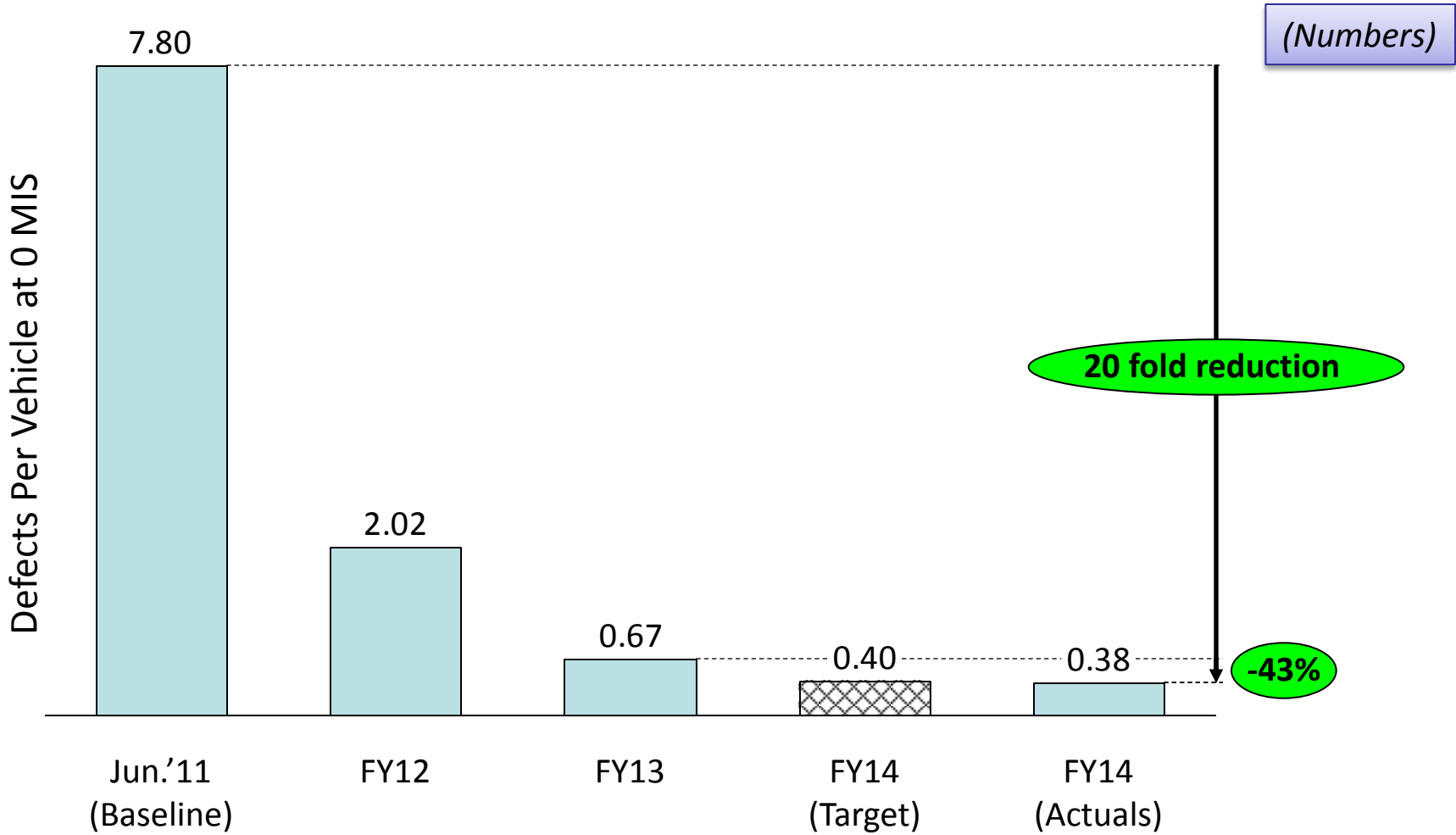
Manpower cost reduced by 7%



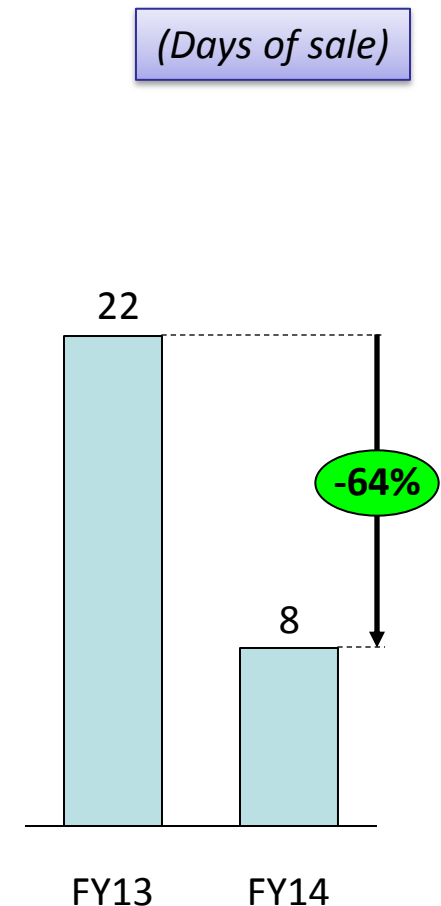
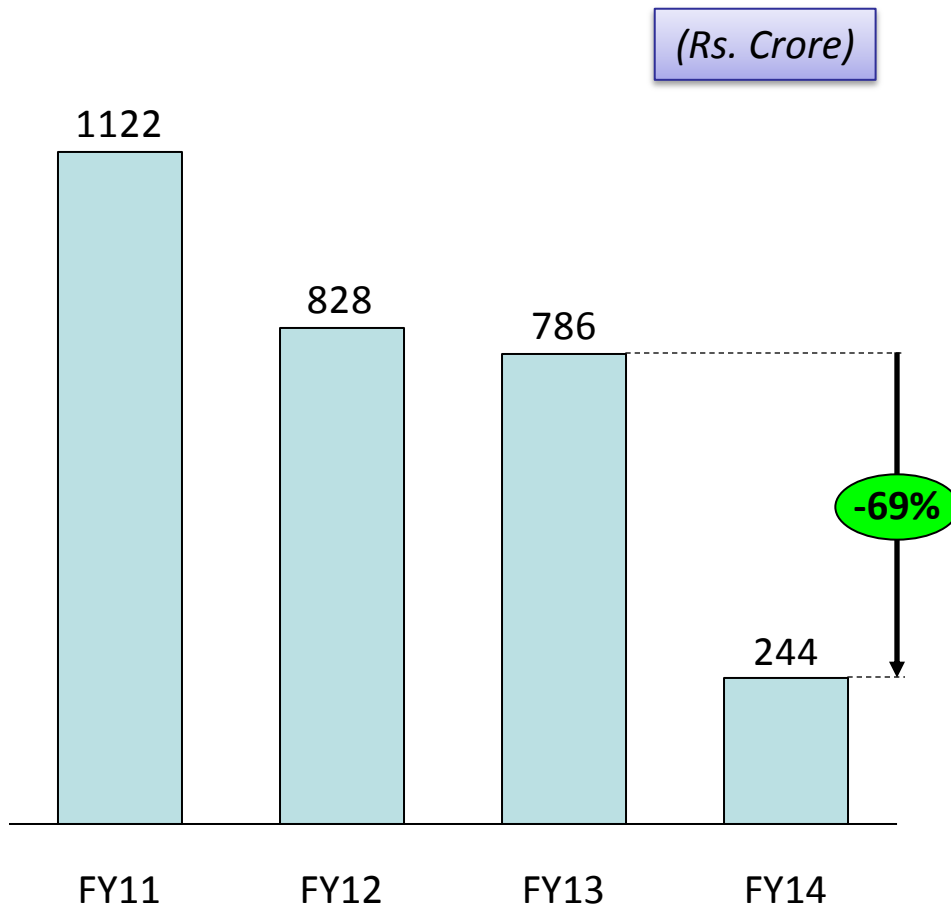
(Rs. Crore)



Reduced end-of-line defects by 43%



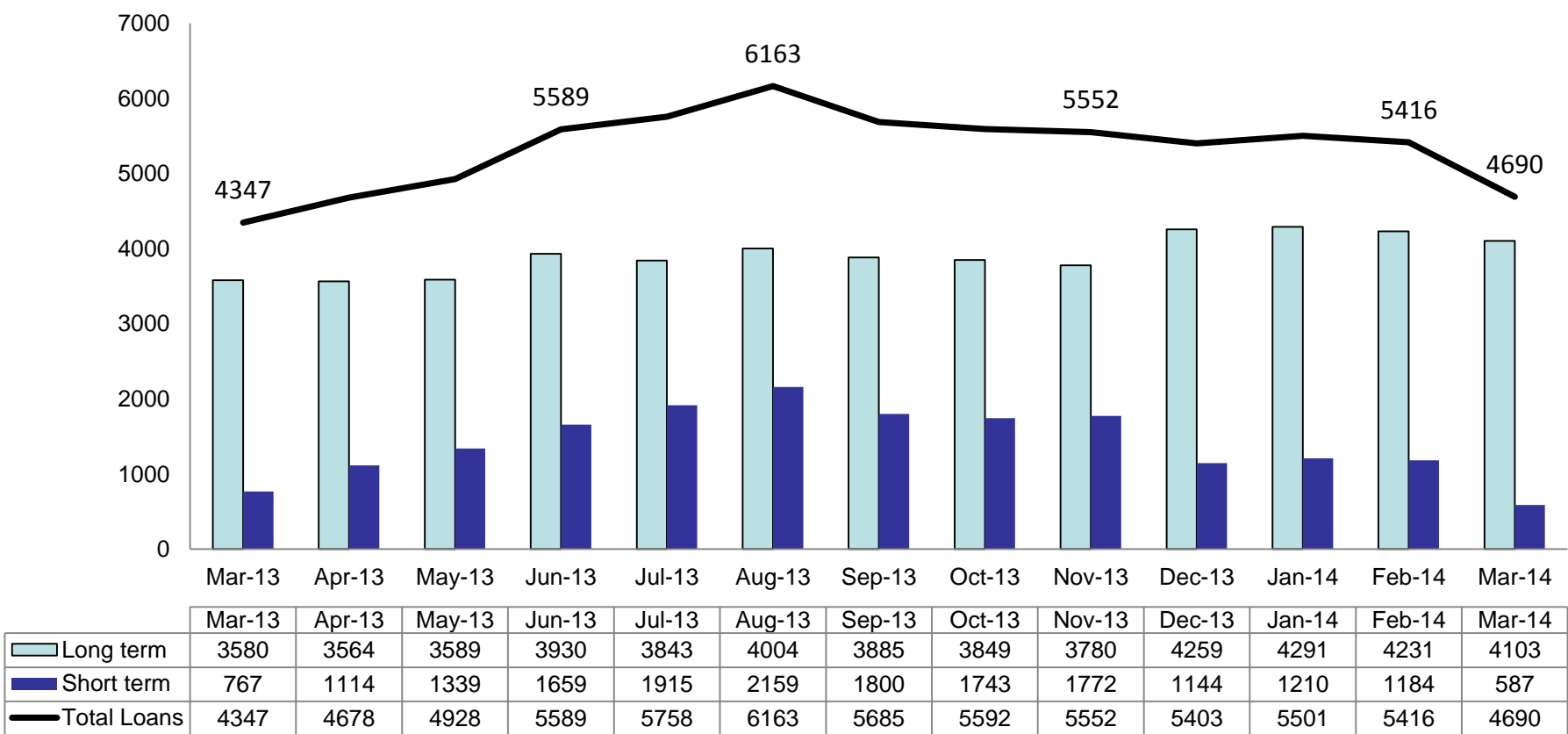
Lowest Working Capital in last 5 years



Reduced debt by ~1470 Crore; almost entirely in short term



(Rs. Crore)



Accelerated the transformation during the downturn

Restructure

Fixed costs
Manpower
Material Cost
Quality
Working Capital
Debt

Invest

New products
Network
Delivered Quality
R&D
RMAX
PRISM

Launched new products - BOSS



- Launched in Sep.'13
- Sold ~1000 nos. in first 6 months
- Awarded CV of the year 2013
- Significant market share gains

BOSS

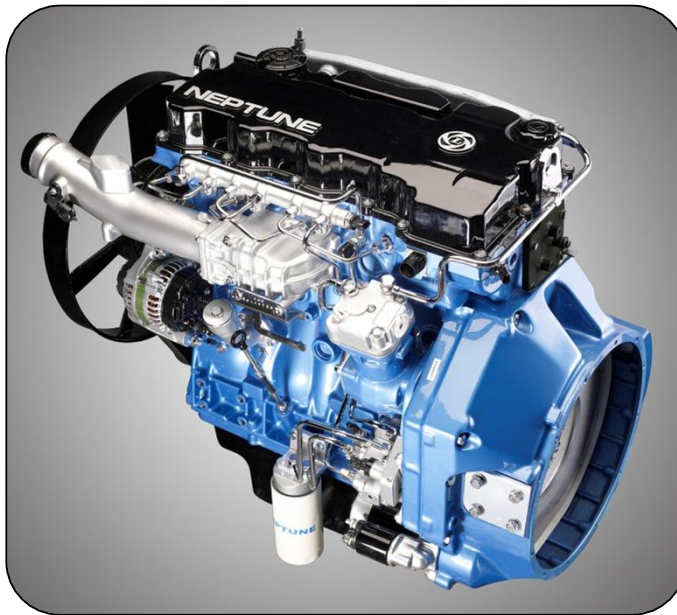
BOSS awarded CV of the Year 2013



BOSS CV of the Year award

- Doubled Market share in states where launched
- New benchmarks in service response

Neptune engine



- Launched in 3120 Multi- Axle Vehicle
- Better fuel efficiency

NEPTUNE

Captain



CAPTAIN

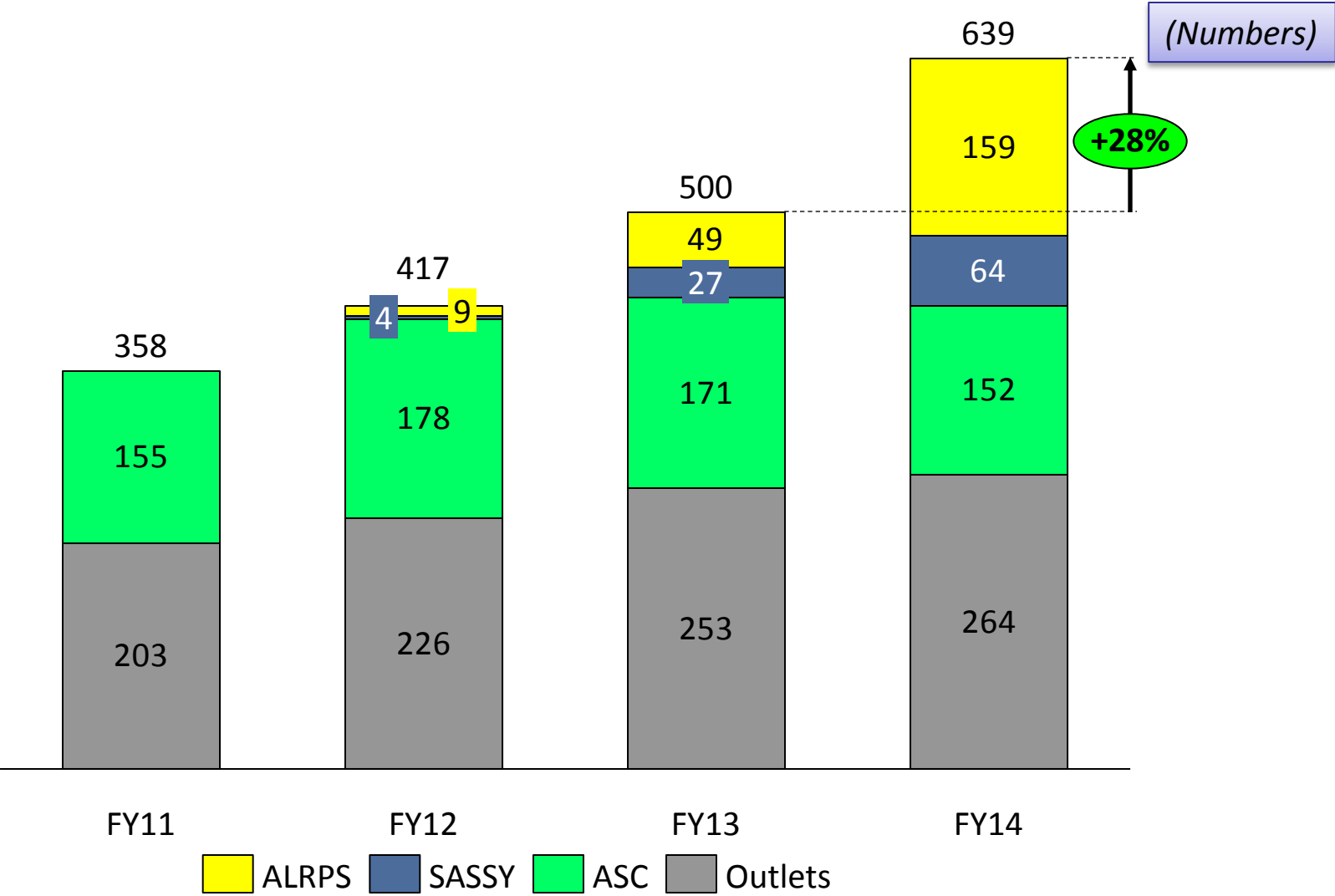
- Launched in Jan.'14
- Positive feedback from media and customers
- Ramp up planned in FY15



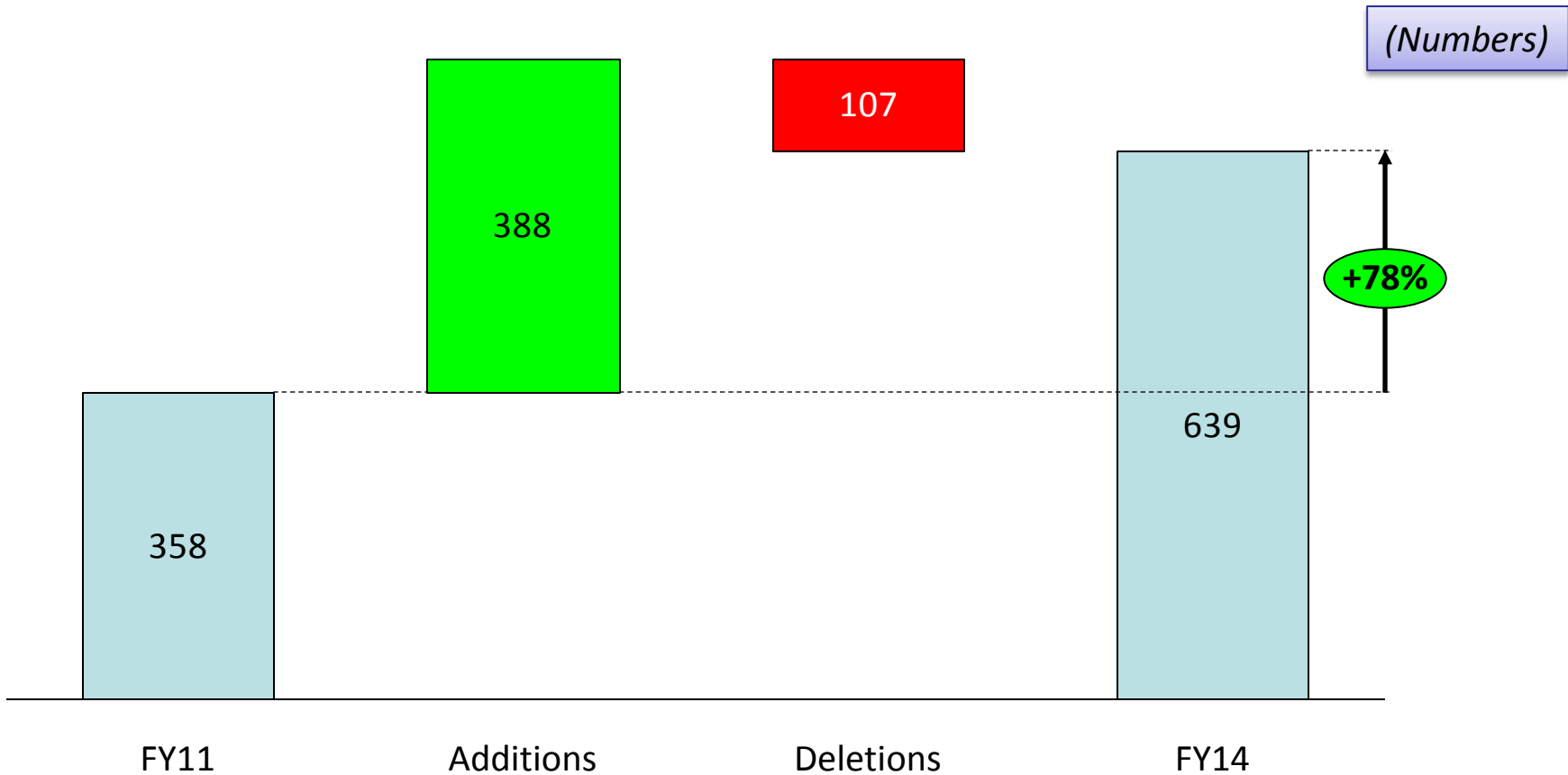
- Commencing sales from Jun.'14
- 1600 STU orders recd.
- 4 Patents filed
- covering 18 features

Jan Bus

28% increase in AL touch points

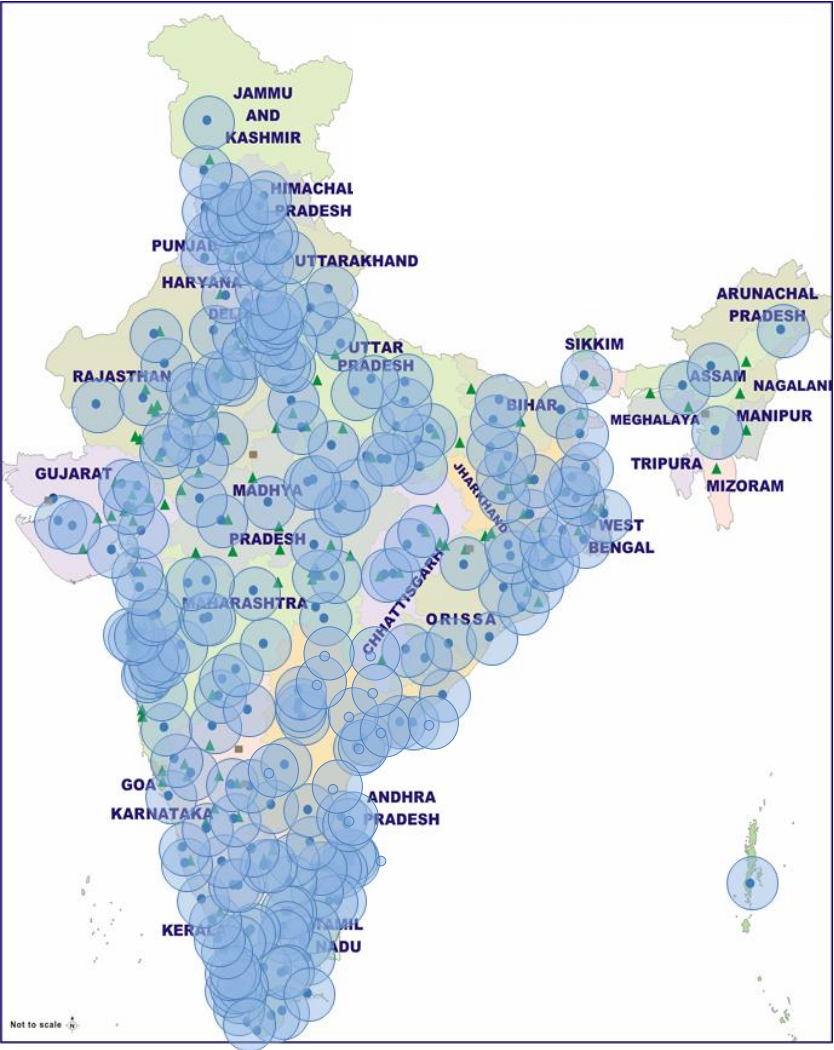


Expansion of AL's Network

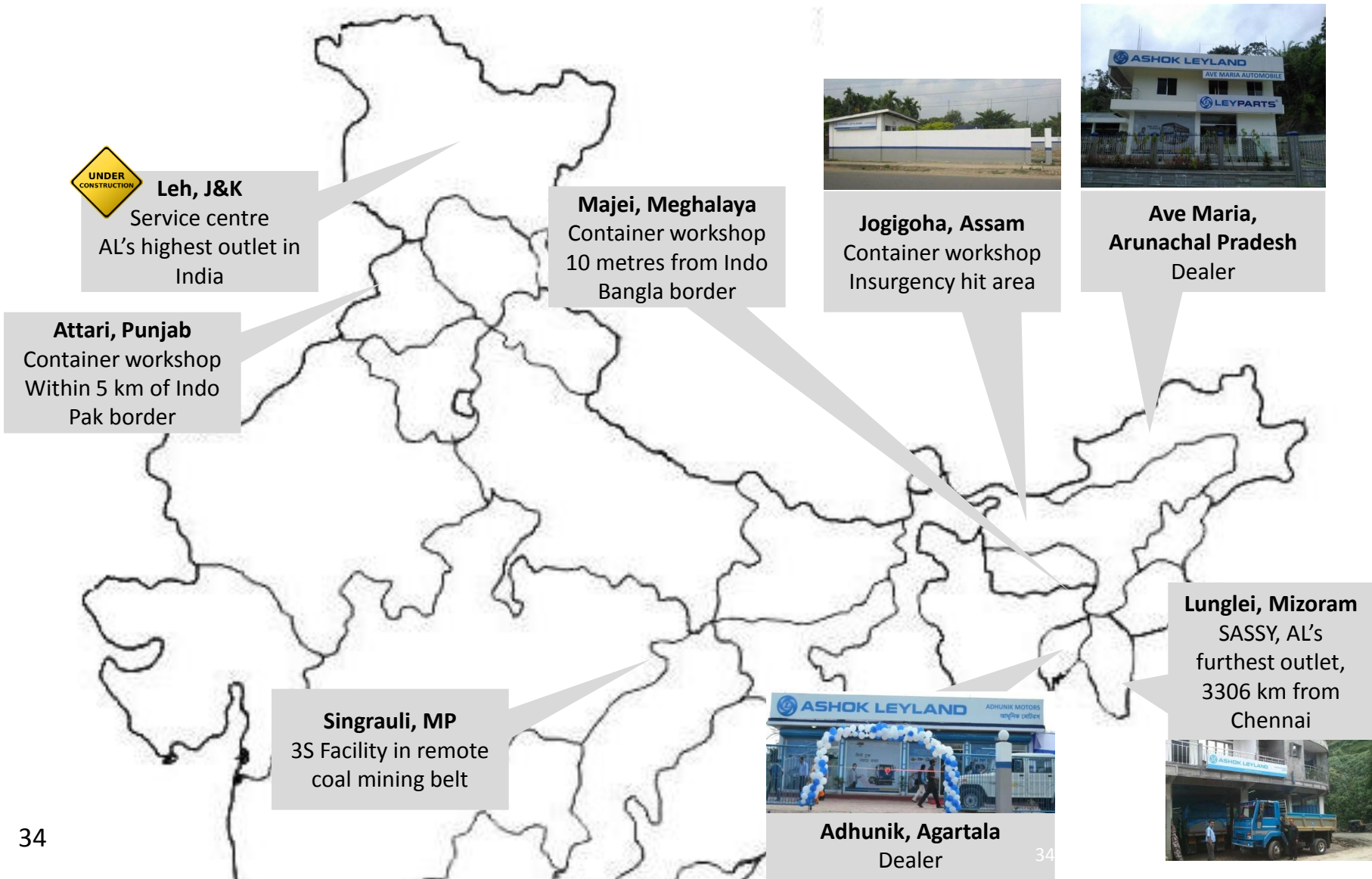


200 outlets added and 60 outlets deleted in FY14 alone

Increase in AL's reach



Network expansion in remote areas...



...in various forms



152 ALRPS



264 Dealers



64 SASSYs



159 ALASCs

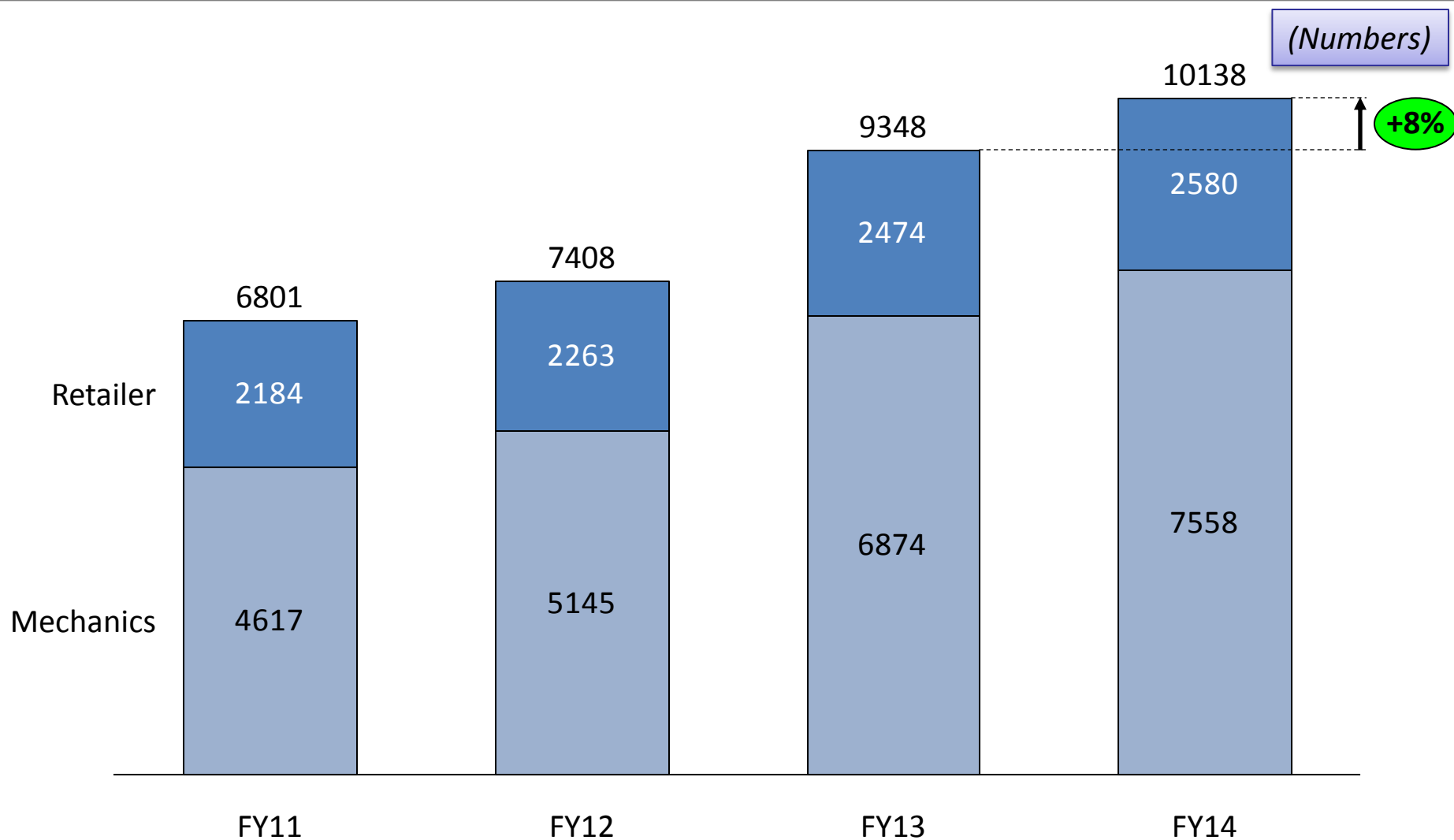
...and in innovative ways



Containerized workshops (SASSY)



Increase in retailer and mechanic engagement



Enhancement of delivered quality

Introduction of
3M protective
wrap

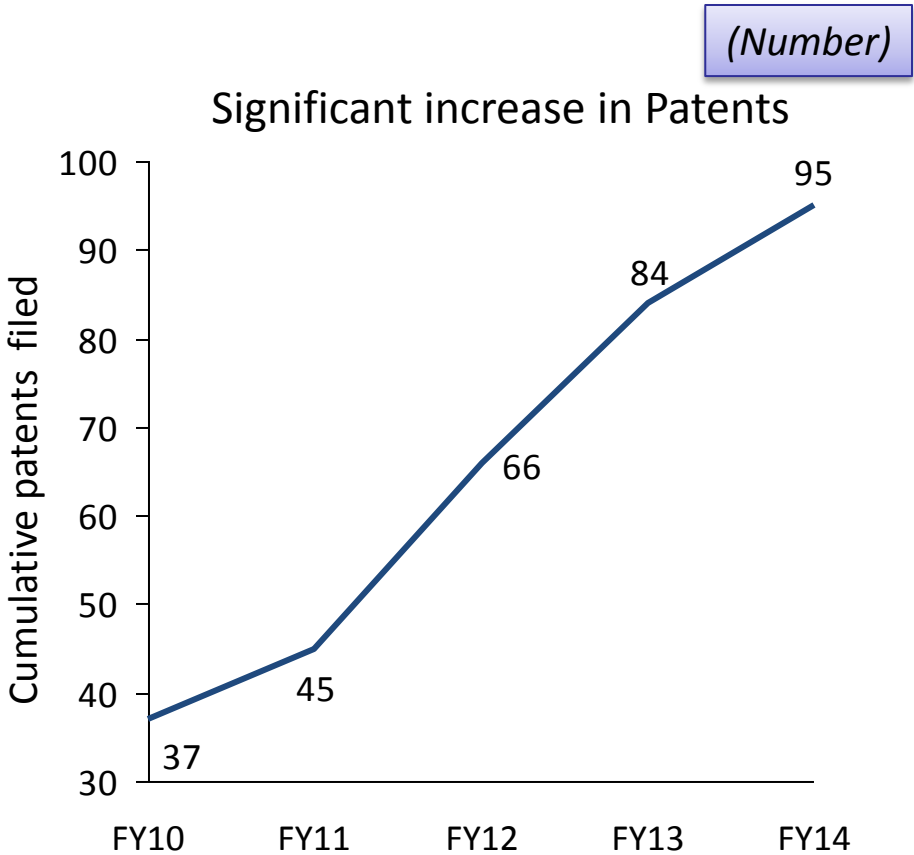


Protective wraps to
prevent damages
due to dust, water
entry and abuse
(passengers / goods
transportation)

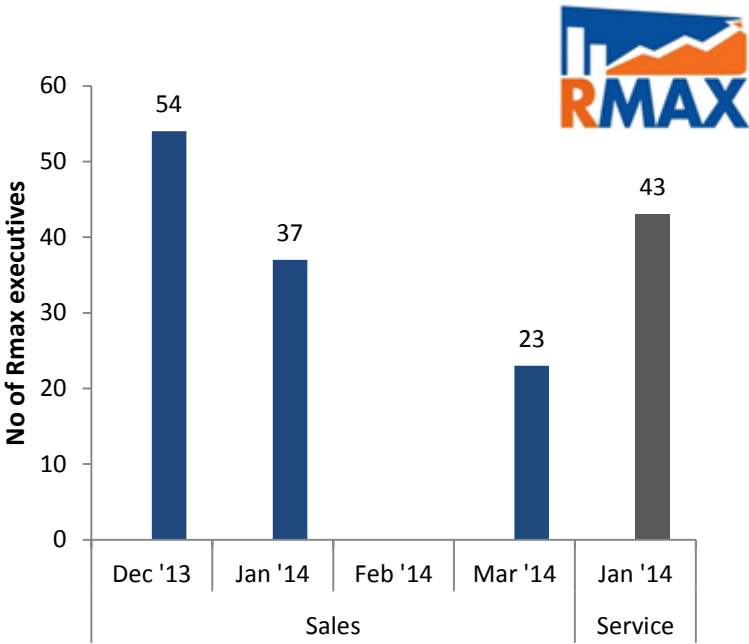
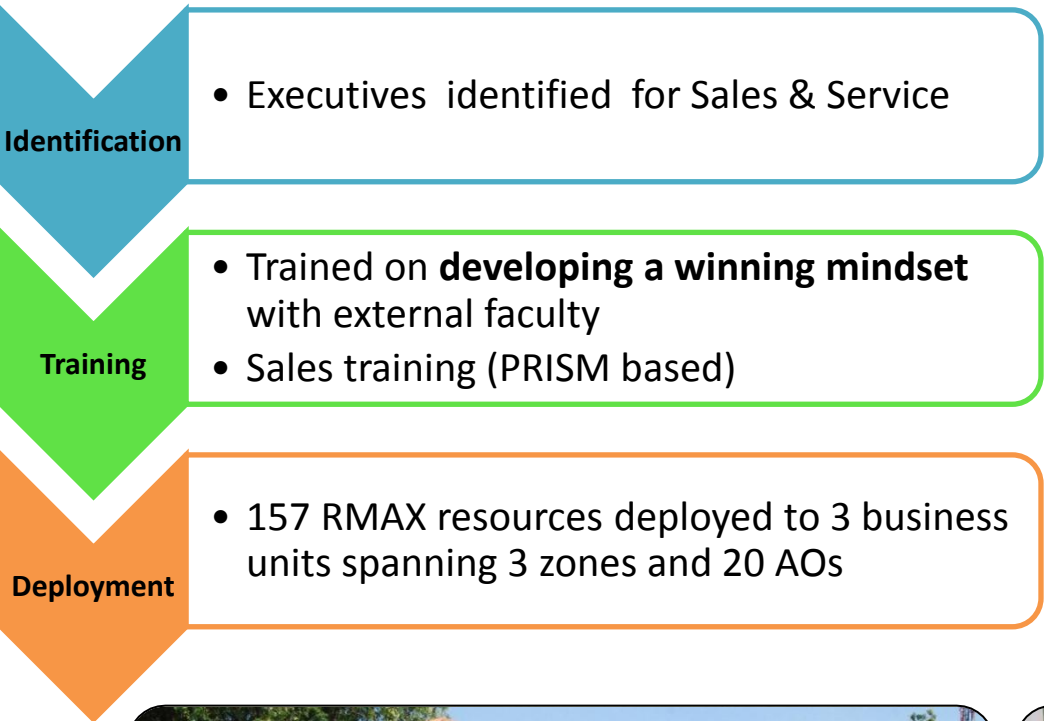
Higher penetration of Truck-on-Truck delivery



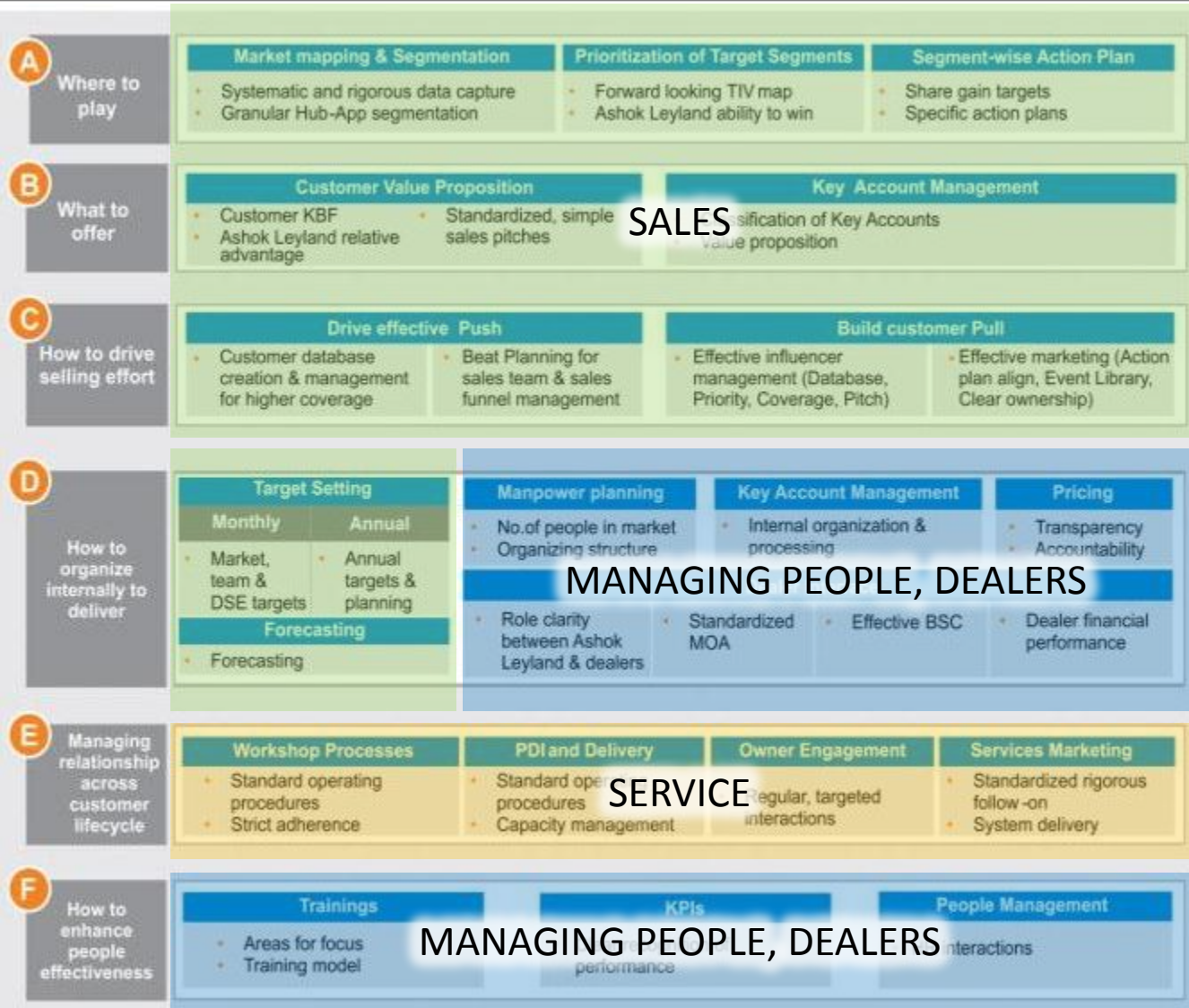
R&D initiatives and Patents



RMAX initiative



PRISM



Strategy, Process & Capability

Sales

Market share

CSI

Dealer profitability

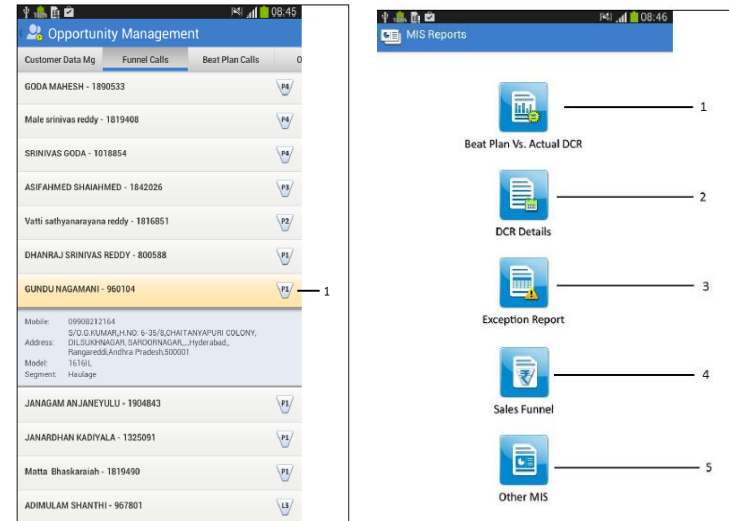
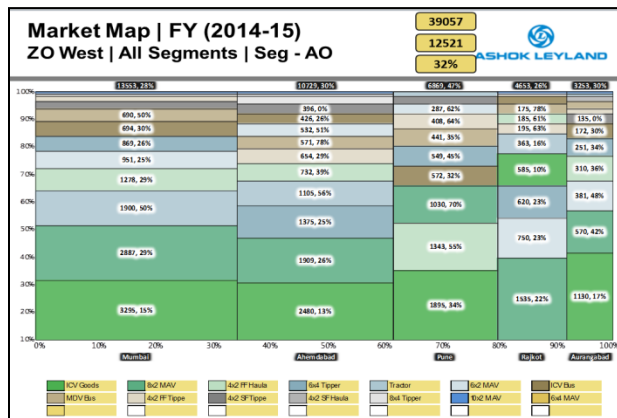
SALES

MANAGING PEOPLE, DEALERS

SERVICE

MANAGING PEOPLE, DEALERS

On a Tablet



- Automating the Information flow.
- First of its kind in the world.
- Reducing human dependency from the process.
- Positive impact in the entire value chain.

Ashok Leyland (UAE) LLC at Ras Al Khaimah, UAE



- Production ramped up to 8 buses per day.
- Net Profit increased from **Rs. 0.5 Crore** to **Rs. 15.5 Crore** in FY14.

Ras Al Khaimah, UAE

-Architectural rendering of plant



Ras Al Khaimah, UAE

- Flexible Chassis Line



Optare plant at Sherburn, Leeds (UK)



Optare Double-Decker Bus launched



Transformation summary

- Contemporary product range
- Expanded reach
- Robust sales process
- World class end-of-line quality
- Lowest working capital
- Lower break even point
- Leaner head count

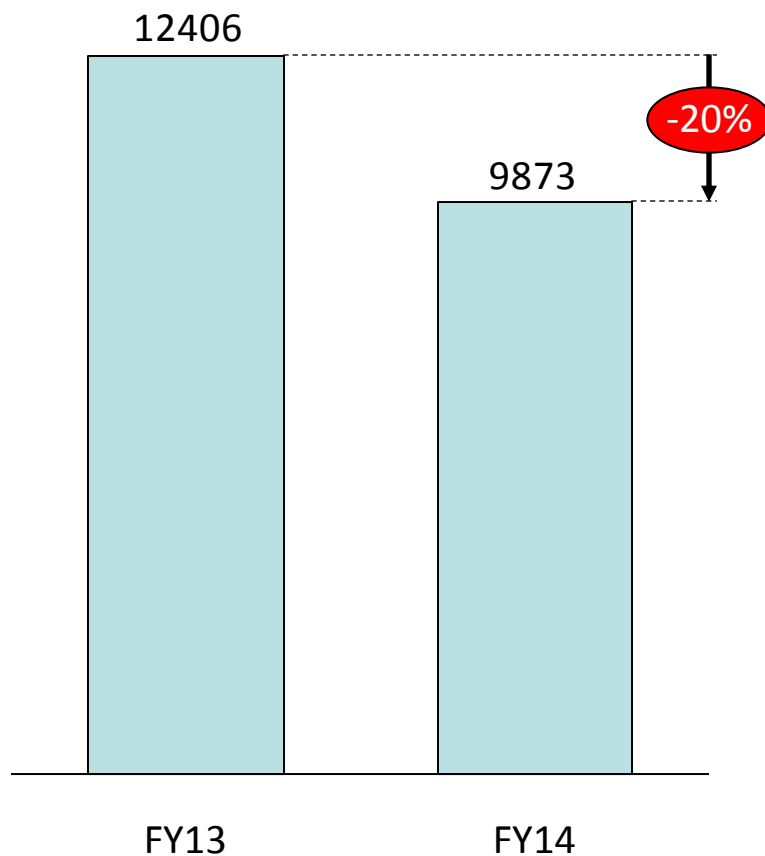



FY2013-14 financials



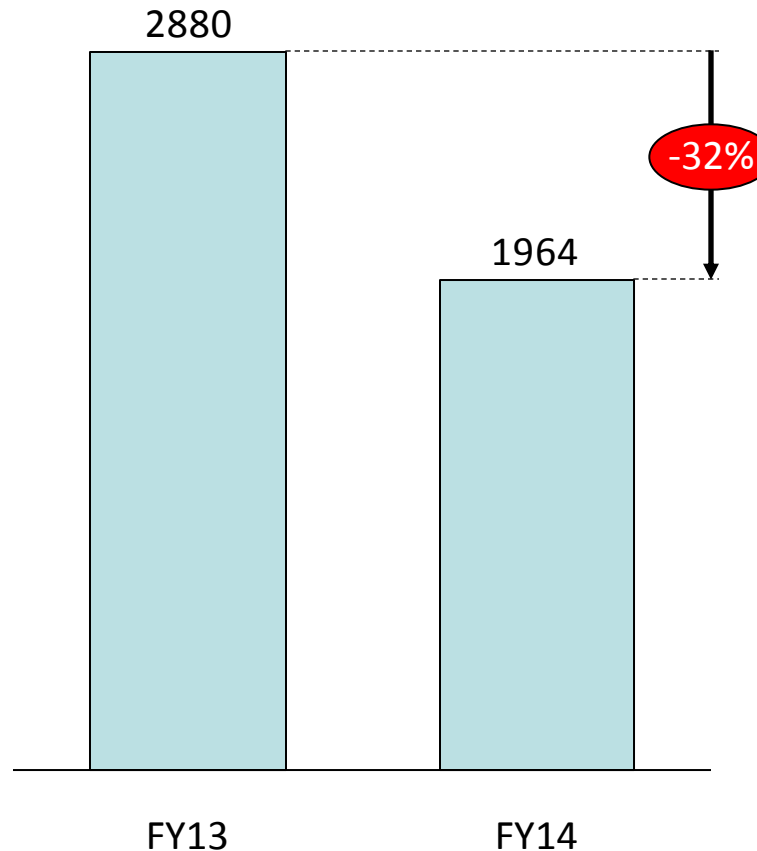
Overall AL revenue declined 20%

(Rs. Crore)

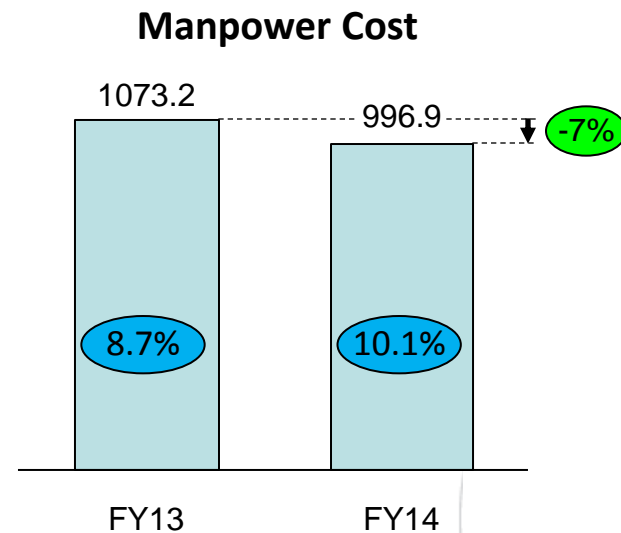
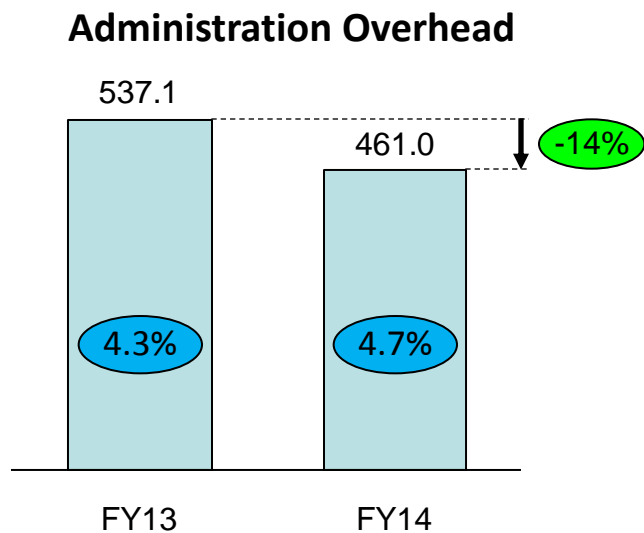
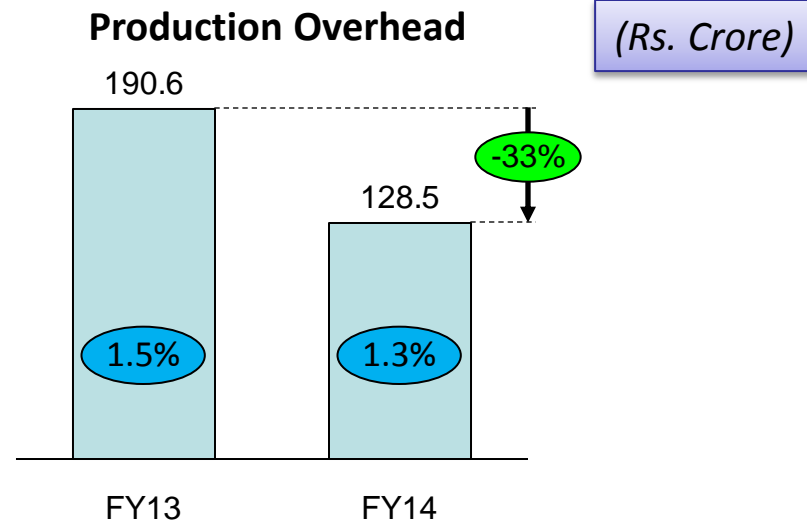
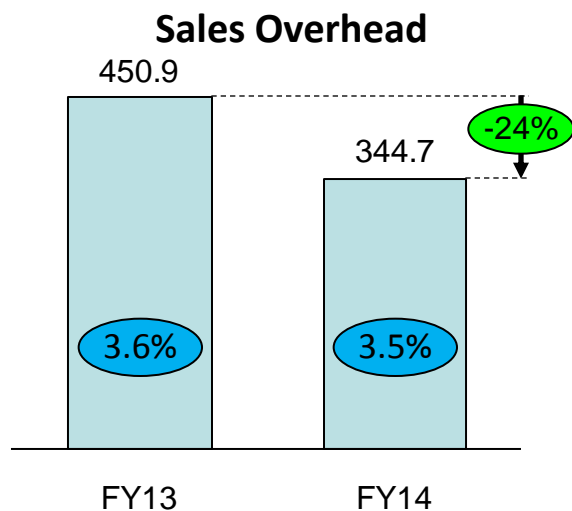


Gross profit declined due to lower volume, higher discounts and unfavorable mix  **ASHOK LEYLAND**

(Rs. Crore)

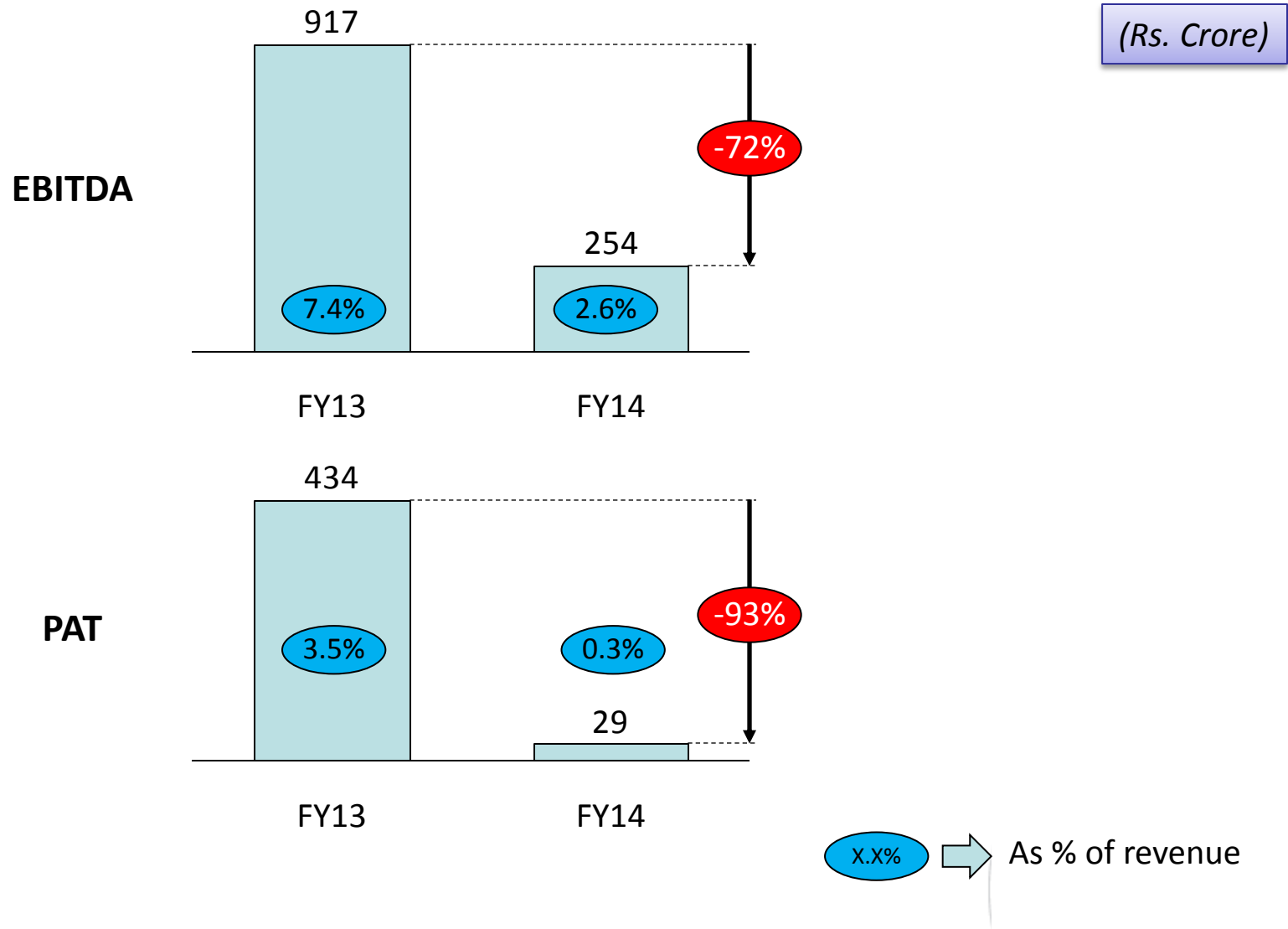


Operating Costs reduced drastically



X.X% ➡ As % of revenue

Cost control measures arrested further erosion in EBITDA and PAT



Thank You

