



Corporate Presentation

November 2012



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Hinduja Group: Business Verticals ⁽¹⁾



Established in 1914 in Mumbai

Active in Over 35 Countries

Present in 8 Business Sectors

Automotive



Oil & Gas



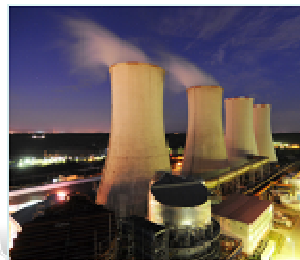
Banking & Finance



Information Technology



Power



Media



Real Estate



Healthcare



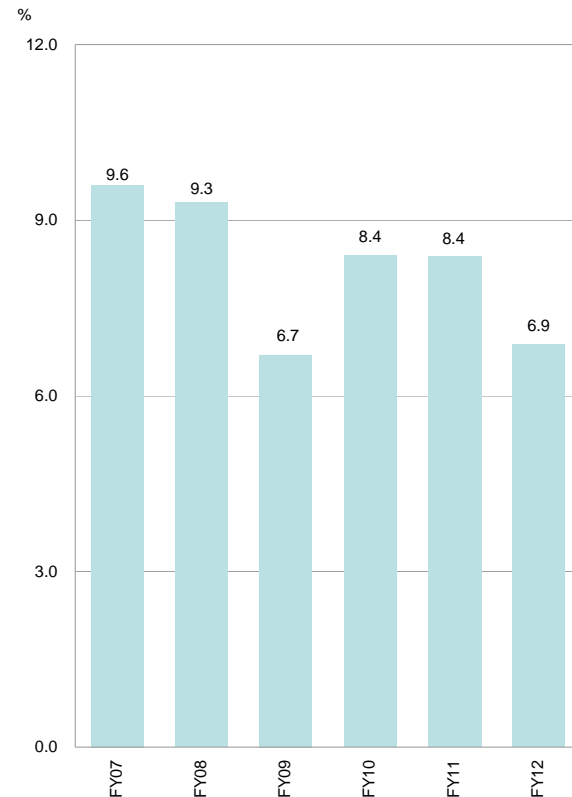
Note:

1. Based on publicly available data

India's Macro Indicators at Multi-Year Low Levels, Potential for Upside

Lowest Growth Rate Since FY07 Except for the Period During The Global Financial Crisis in FY09

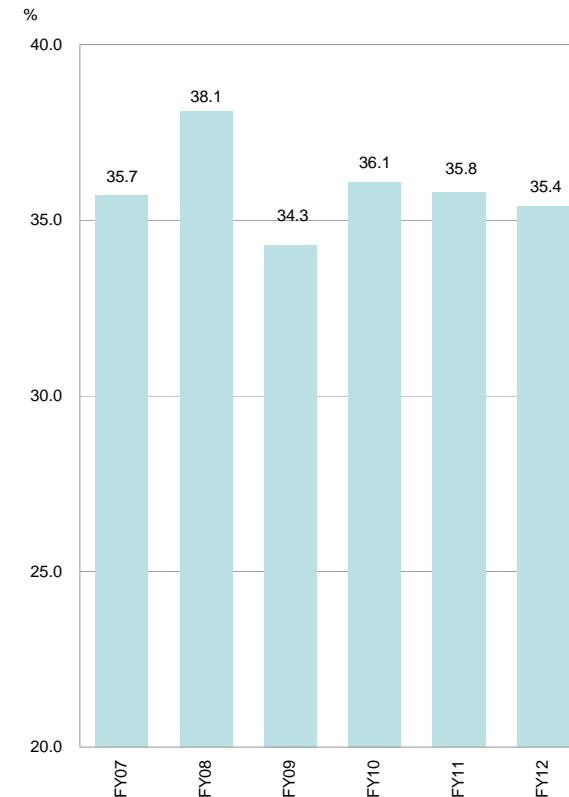
YoY GDP Growth



Source: Planning Commission Report, 10 April 2012

Investments as a % of GDP Lower than Last 5 Year Average

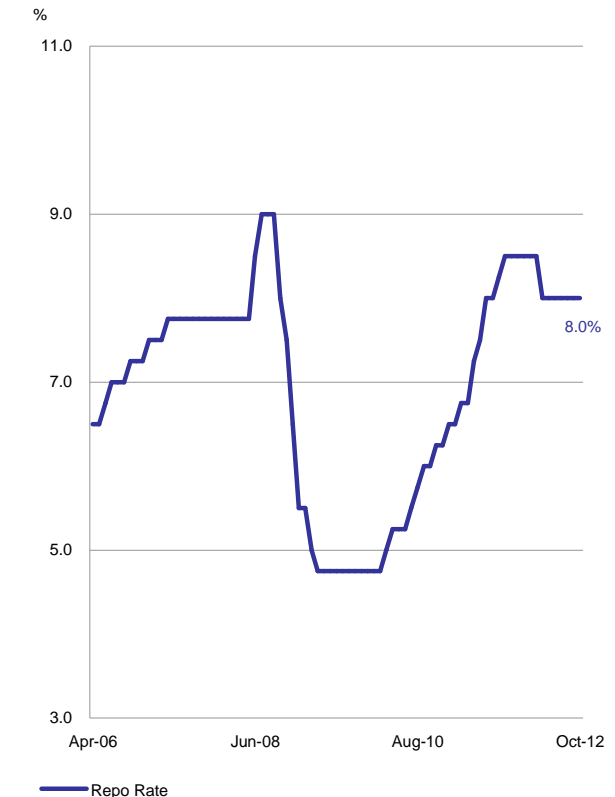
Total Capital Costs as a % of GDP



Source: Planning Commission Report, 10 April 2012

Interest Rates Steadily Increasing from FY10-12

RBI Repo Rate



Source: Reserve Bank of India

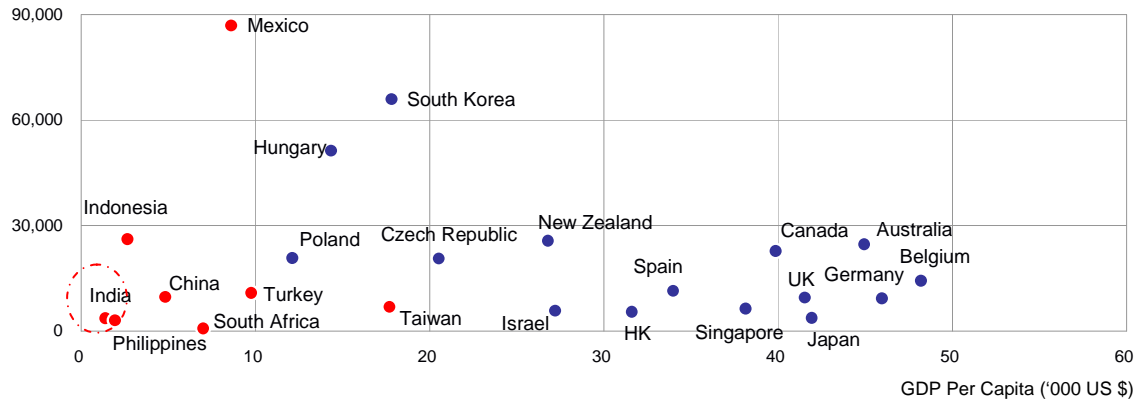
Underlying Drivers For Growth Remain



Low Penetration of Trucks

Truck Penetration vs. GDP Per Capita

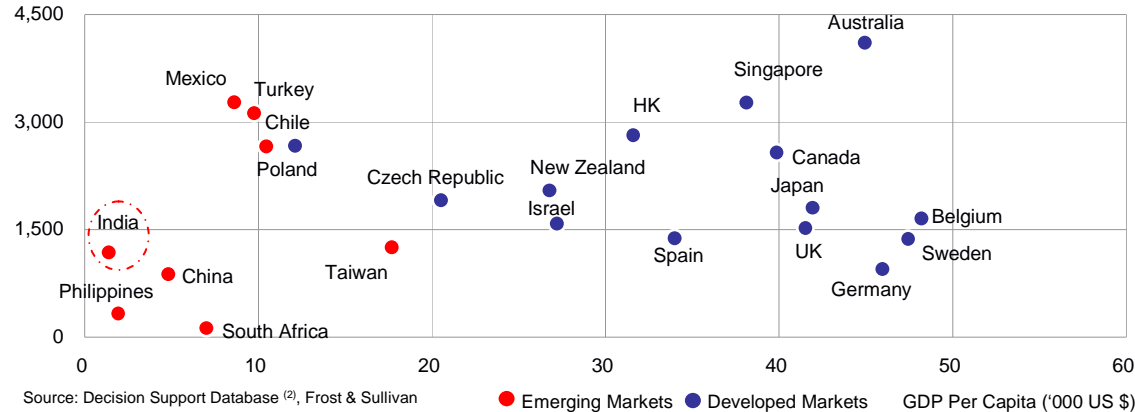
of Trucks Per MM Population



Low Penetration of Buses

Bus Penetration vs. GDP per Capita

of Buses Per MM Population



Source: Decision Support Database ⁽²⁾, Frost & Sullivan

Notes:

1. Source: 2011-12 Annual Report, Ministry of Road Transport & Highways, Government of India

2. Decision Support Database – Motors, Drives and Motor Controls, Frost & Sullivan Nov '11 and July '12; Decision Support Database – Demographics, Frost & Sullivan July '12

Improving Operating Environment

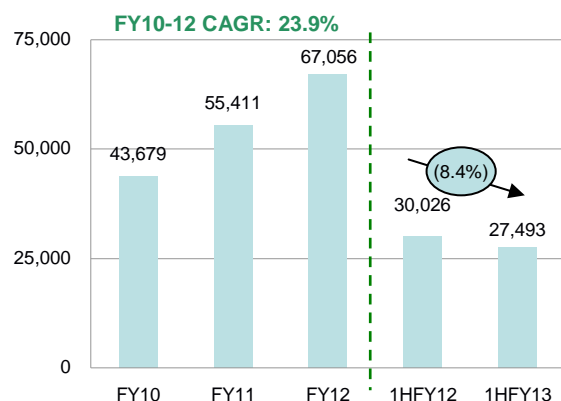
- ✓ **Policy initiatives by Central and State Governments** relating to FDI in retail, coal and sand mining, urbanization and infrastructure projects
- ✓ **Recent reduction in fuel prices** by the oil marketing companies
- ✓ NHAI actively bidding out road projects to private players via the public private partnership (PPP) route; **Programmes under implementation to upgrade/ build 40,309 Kms of road network between 2005-15⁽¹⁾**
- ✓ Increasing **proliferation of the hub-and-spoke model**
- ✓ Increased investments by the Government to improve **urban infrastructure via projects such as JnNURM Phase II**

India M&HCV Market Performance

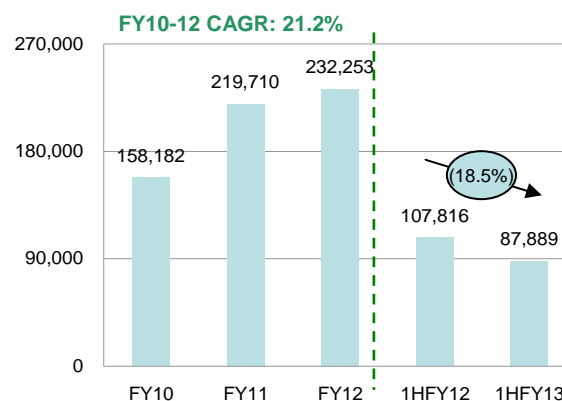


Trucks

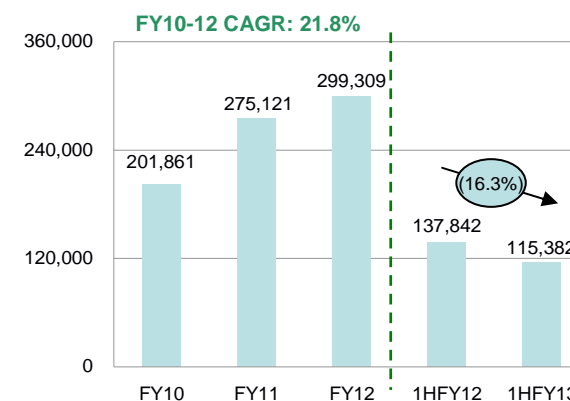
7.5 MT < Capacity < 12.0 MT



Capacity > 12.0 MT

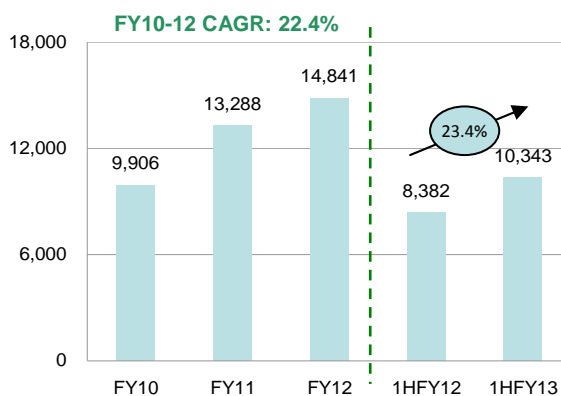


Total Volume

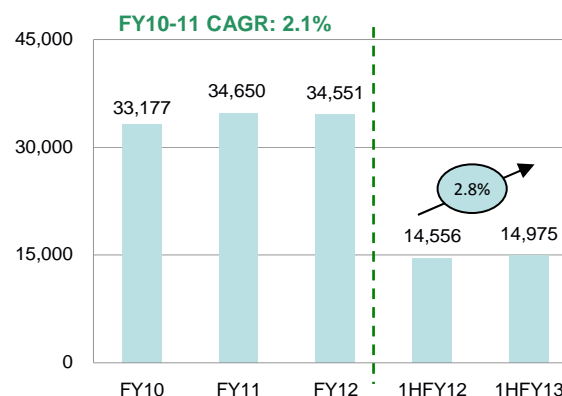


Buses

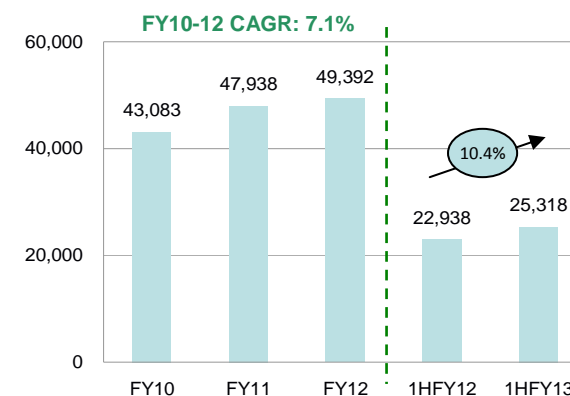
7.5 MT < Capacity < 12.0 MT



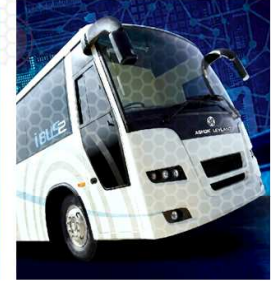
Capacity > 12.0 MT



Total Volume

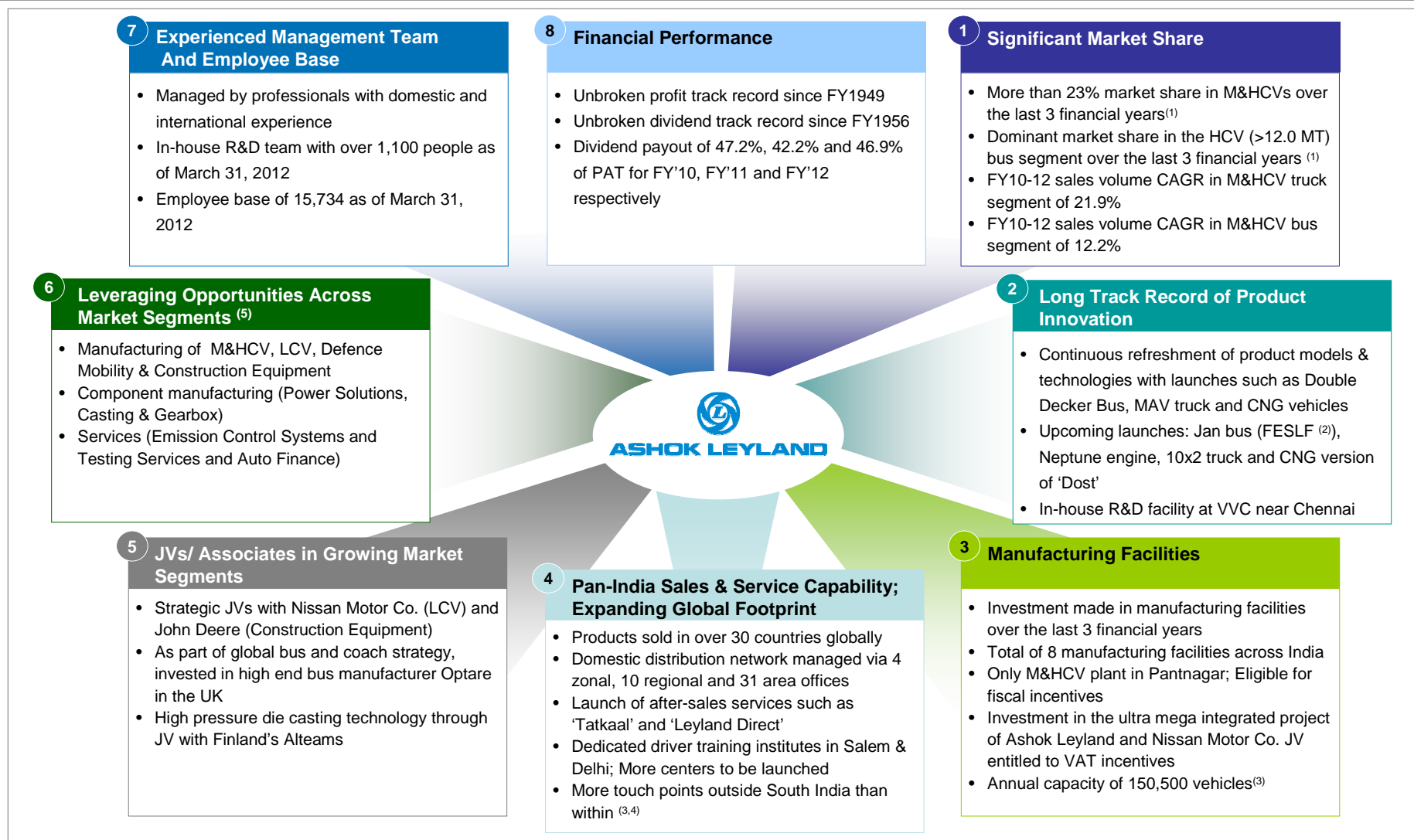


Source: SIAM Database



Key Strengths

Key Strengths



Notes:

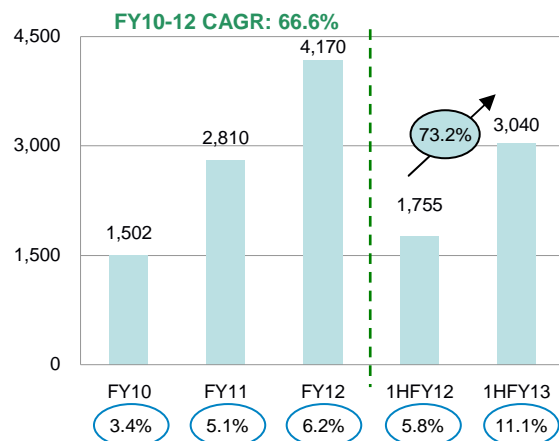
- Source: SIAM database
- Front Engine Semi Low Floor

- As on March 31, 2012
- South India includes Tamil Nadu, Karnataka, Andhra Pradesh and Kerala
- Ashok Leyland directly and through associates

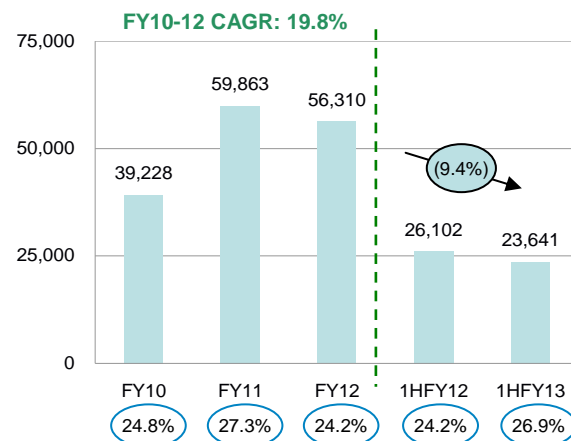
1 Significant Market Share

Trucks

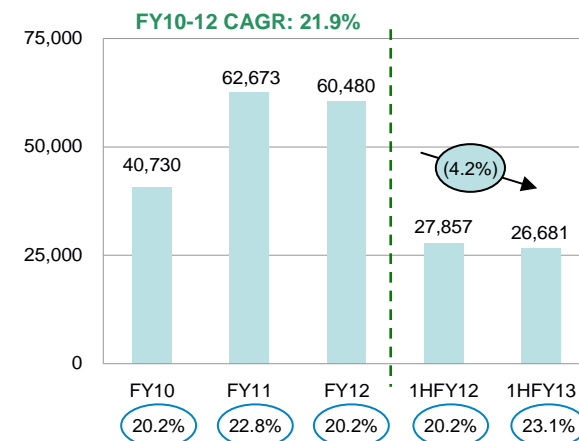
7.5 MT < Capacity < 12.0 MT



Capacity > 12.0 MT

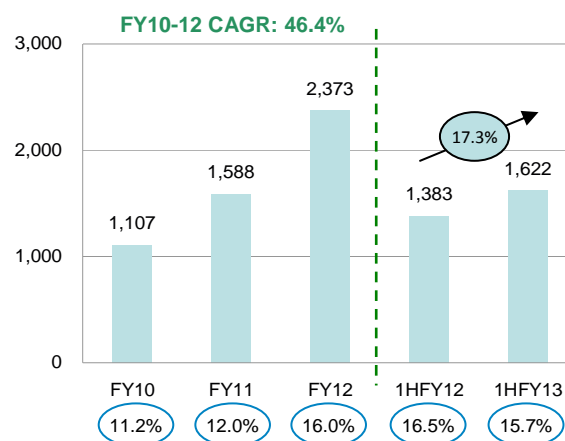


Total Volume

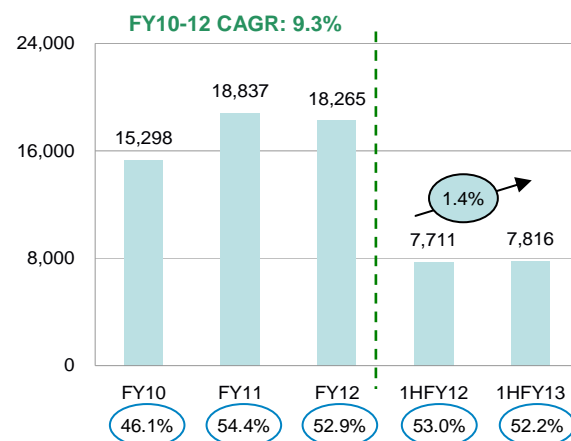


Buses

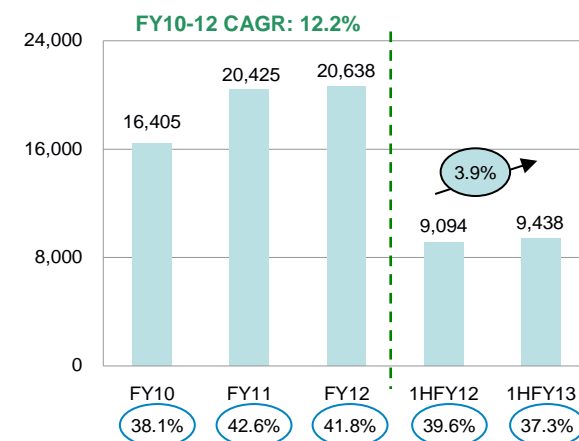
7.5 MT < Capacity < 12.0 MT



Capacity > 12.0 MT



Total Volume



Source: SIAM Database

Marketshare

2 Track Record of Product Innovation

Buses



Double Decker Bus in India



Hybrid CNG plug-in Bus



Jan Bus

LCV



LCV - Dost



Dost CNG

Trucks



Specially designed vehicle for the Indian Army – "Hippo"



13-ton Truck "Tusker"



Multi-Axle Truck – "Taurus"



10x2 Truck

Technological Strengths



Rear Engine Bus – "Cheetah"



CNG Bus



Hybrid Electric Vehicle



Neptune Engines



Upcoming Launches

2 Customer Centric Innovation And Product Launches



Note:

1. NGICV: Next Generation Intermediate Commercial Vehicle

3 Well Equipped Manufacturing Facilities



8 Manufacturing Facilities Across India; Total Annual Capacity: 150,500 Vehicles ⁽¹⁾

Alwar, Rajasthan: Bus Body Manufacturing Facility



- Alwar facility for assembling various vehicles
- Facility for building low floor buses created in 2009

Ras Al Khaimah, UAE: Bus Body Manufacturing Facility



- Produced 150 vehicles for the month of Oct'12
- Facility catering to the Middle East and African markets
- Driving Ashok Leyland's global bus and coach strategy

Pantnagar, Uttarakhand: With Attractive Fiscal Incentives



- Set-up a new unit for 50,000 vehicles per annum in two shifts at Pantnagar in Mar'10
 - Integrated facility to maximize value addition
- Only MHCV plant in Pantnagar
- Enjoys tax benefit u/s 80IC of the Income Tax Act, 1961 until financial year ending March 2019 for
 - 100% deduction of profits for the first five years;
 - 30% deduction of profits thereafter until end of tax benefit period
- Also enjoys full exemption from excise duty until Feb 2020
- Monthly production reached 4,024 units in Mar '12

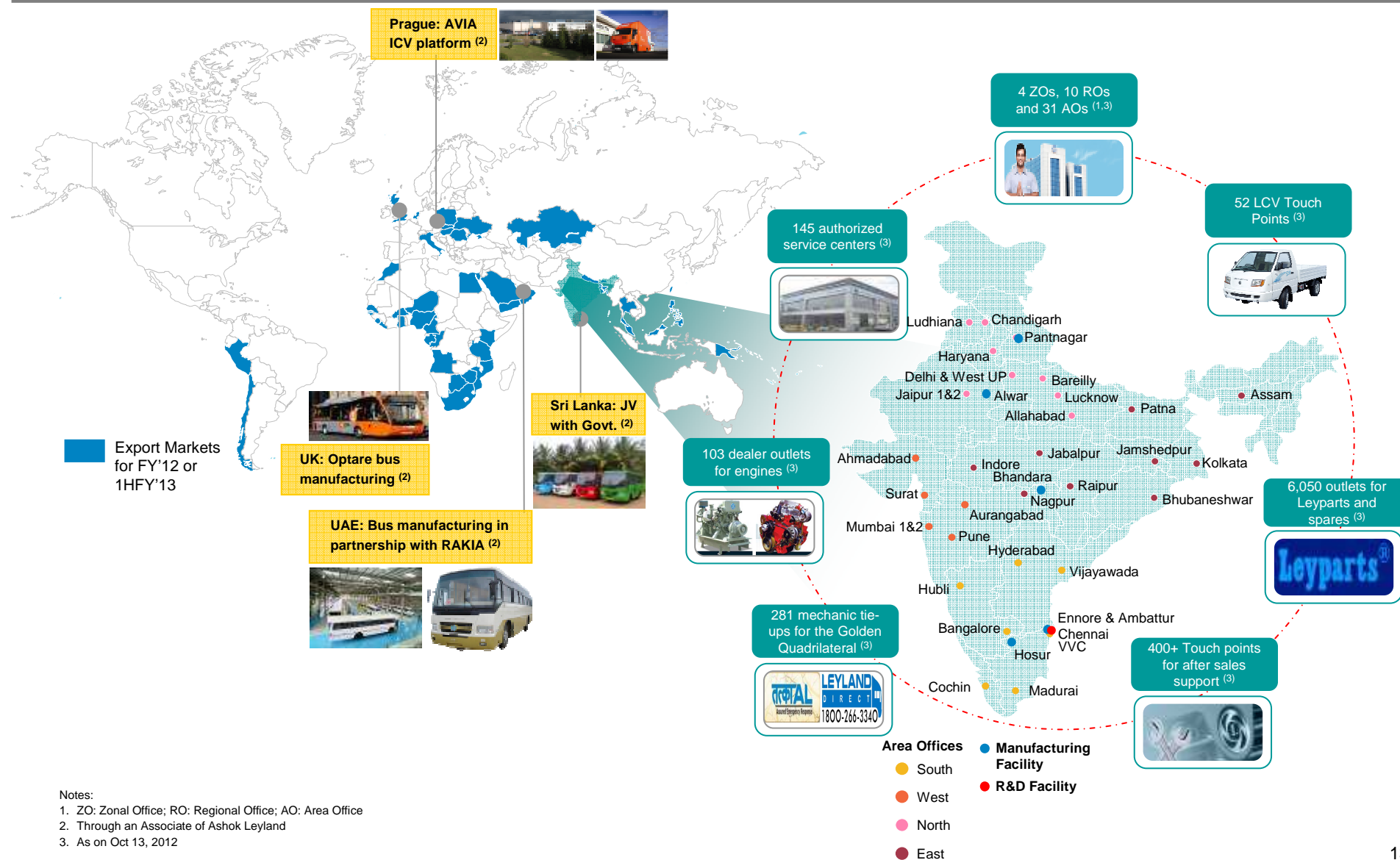
Other Facilities

- Facility at Ennore for producing Neptune Engines, gearboxes, crankshafts and axle;
- Signed MoU with Government of Tamil Nadu for VAT incentives on fresh investments in an integrated automobile project of Ashok Leyland and Nissan
 - MoU signed in Sep'08; Amended in May'12
 - Eligible for 14 year VAT loan ⁽²⁾ at 0.1% interest rate





Notes:

1. As on 31 March 2012
2. As per the MoU, an amount equivalent to the gross output VAT and CST paid by the M&HCV project will be given as a loan for a period of the earlier of 14 years from the start of commercial production or until the VAT payable reaches 90% of the investment made in eligible assets. A similar incentive is available for the LCV project

4 Pan-India Sales & Service Capability; Expanding Global Footprint



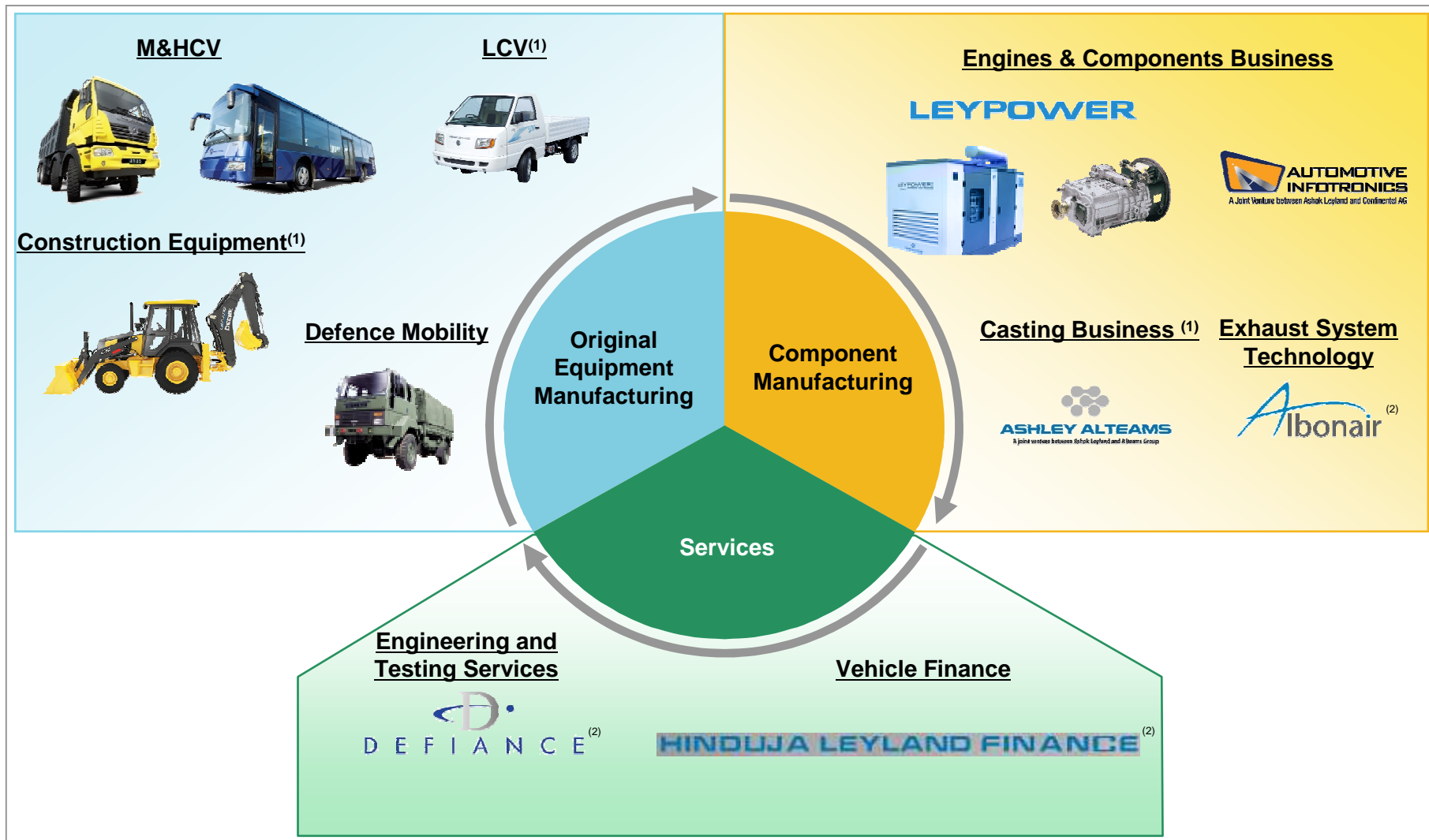
5 JVs/ Associates in Growing Market Segments

Product	Description	Stake	Key Highlights
 <p>LCV - Dost</p>	<ul style="list-style-type: none"> • JVs with Nissan Motor Co. for manufacture of vehicles & engines and development of related automobile technology • Ashok Leyland invested INR 3,061 MM till March 31, 2012 	<ul style="list-style-type: none"> • ~49.0% stake⁽¹⁾ in 3 separate JVs for LCVs, Power trains and for other Automotive technologies, respectively 	<ul style="list-style-type: none"> • Launched LCV 'Dost' in Aug'11 • Dost has gained #2 position in the domestic market with a 19.7% market share in 2.0 to 3.5 MT GVW category for 1H FY'13 • 1H FY'13 sales of 15,913 vehicles⁽²⁾
 <p>'435 Backhoe Loader</p>	<ul style="list-style-type: none"> • JV with John Deere for manufacturing construction equipments; Ashok Leyland supplies engines for these equipments • Ashok Leyland invested INR 608 MM till March 31, 2012 	<ul style="list-style-type: none"> • 50% stake held by Ashok Leyland and John Deere each 	<ul style="list-style-type: none"> • Launched product '435 Backhoe Loader' in Nov '11
 <p>High Pressure Die Cast</p>	<ul style="list-style-type: none"> • JV with Finland's Alteams for producing High Pressure Die Casting (HPDC) aluminum components for the telecom and automotive industry • Plant inaugurated in Jan'10 • Ashok Leyland invested INR 400 MM till March 31, 2012 	<ul style="list-style-type: none"> • 50% stake held by Ashok Leyland and Alteams each 	<ul style="list-style-type: none"> • JV to meet Ashok Leyland's requirement for gear box casings, case oil coolers & connection housings • Secured LOI from other Auto OEMs • Share of FY12 revenue of INR 606.7 MM
 <p>Optare Bus</p>	<ul style="list-style-type: none"> • Optare designs, manufactures and sells single deck and double decker buses, electric buses and offers comprehensive after sales service 	<ul style="list-style-type: none"> • Ashok Leyland holds a 25.3% stake 	<ul style="list-style-type: none"> • Acquisition of a stake in Optare is part of Ashok Leyland's global bus and coach strategy • Orders secured for Optare's electric bus as more countries in Europe promote cleaner, greener mobility

Note:

1. 49.05% stake in JV for manufacture of LCVs; 48.68% stake in JV for manufacture of Power trains and 49.0% stake in JV for development of related automotive technology
2. Source: SIAM database

6 Leveraging Opportunities Across Market Segments



Note:

1. LCV business is a JV with Nissan Motor Co.; Construction Equipment business is a JV with John Deere; Casting business is a JV with Alteams Group;
2. Albonair GmbH, Albonair India Pvt Ltd, Defiance Technologies Limited, Defiance Testing and Engineering Services Inc USA and Hinduja Leyland Finance are Associates of Ashok Leyland

7 Experienced Management Team and Employee Base



Experienced Leadership



R. Seshasayee

Executive
Vice- Chairman

- Over 35 years of association with the company
- Led the Company through diversification and globalization
- Chairman of IndusInd Bank
- Past President of CII and SIAM
- Co-Chairman of World Economic Forum – Middle East during 2007



Dr. V. Sumantran

Vice Chairman

- Doctorate in Aerospace Engineering and Master's degree in Management of Technology
- Over 27 years of experience in the Indian and Global auto industry
- Member, Science Advisory Committee to the Cabinet of Government of India
- Member, National Manufacturing Competitiveness Council
- Chairman, CII National Defence Committee
- Past-President, Automotive Research Association of India
- Distinguished Visiting Professor, Indian Institute of Technology, Madras



Vinod K Dasari

Managing Director

- MBA from Kellogg School of Management and a Masters in Engineering Management from McCormick School of Engineering, US
- Joined Ashok Leyland in 2005 as Chief Operating Officer
- As MD, he has overall responsibility for the Company's operations

Professional Management

- Team of 14 professional managers, including professionals with international experience, heading various verticals/ functions
- Responsible for strategic initiatives as well as implementation of medium term plans for achieving business objectives

Research & Development Manpower

- Over 1,100 executives work at the Research and Development centre at VVC near Chennai ⁽¹⁾
- 20 of them are Doctorates in related fields ⁽¹⁾
- Conducting ~100 research programs ⁽¹⁾
- Programs are application oriented and vehicle performance related
- Govt. has recognized these work places as "Research Centers" eligible for tax concession

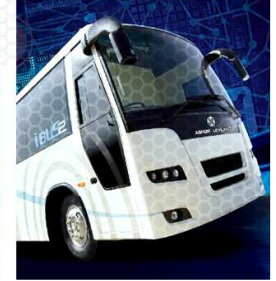
Key Features

- Employee base of 15,734 as on March 31, 2012
- BLESSING⁽¹⁾ scheme operational at Pantnagar

Notes:

1. As of March 31, 2012

2. BLESSING – Building Leaders of Excellence for Social Sustainability through Inspiring and Nurturing Generation Next

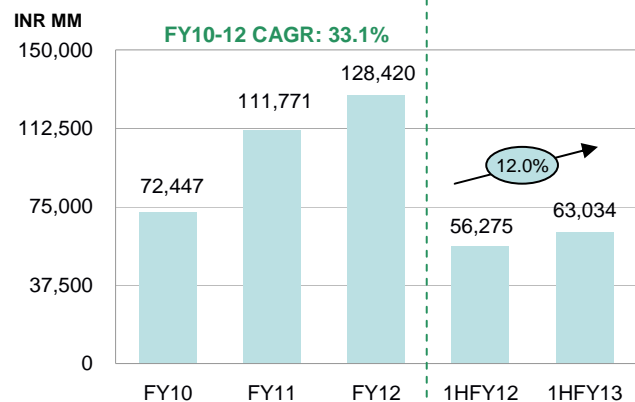


Financial Performance

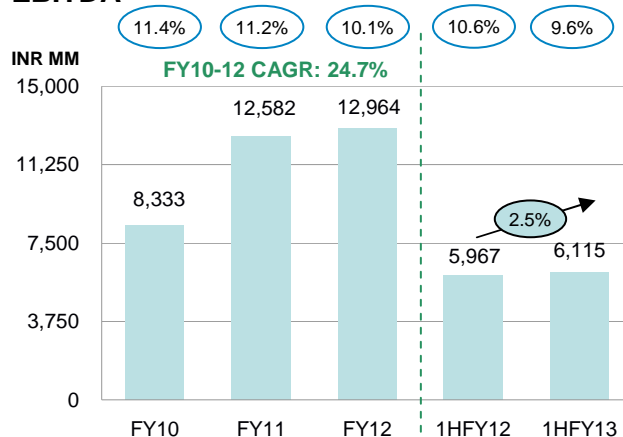
Key Financials⁽¹⁾



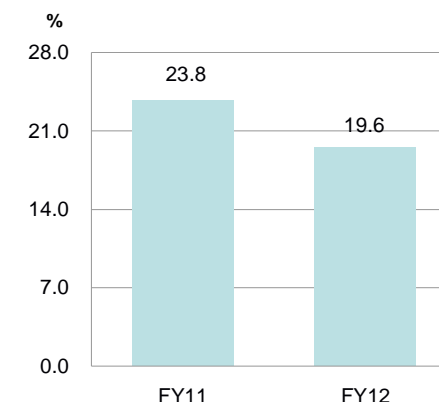
Net Revenue from Operations



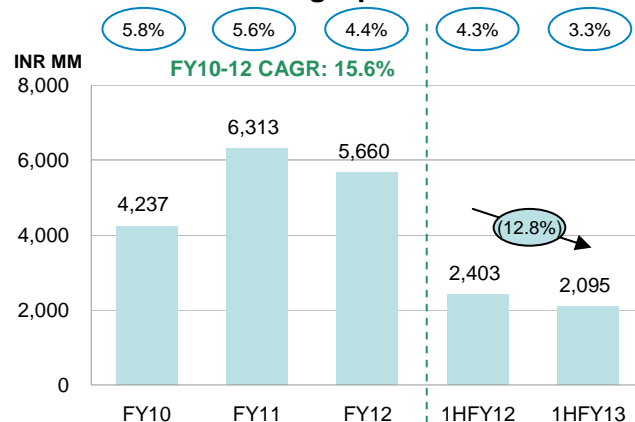
EBITDA⁽²⁾



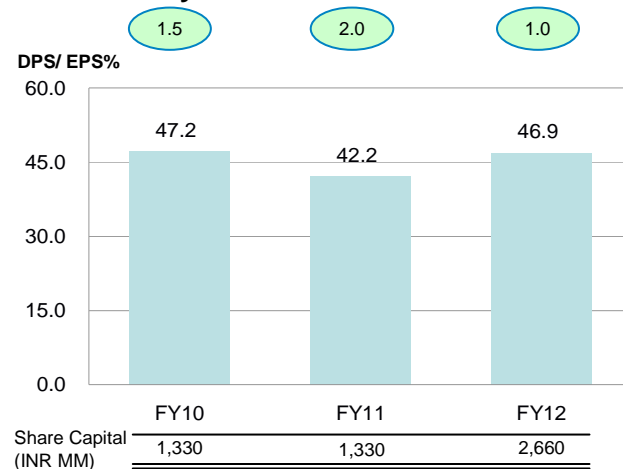
Return on Net Worth



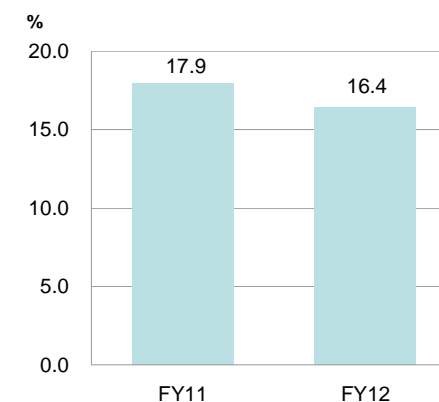
Profit from Continuing Operations



Dividend Payout⁽³⁾



Return on Capital Employed



EBITDA Margin; Profit Margin Dividend per Share

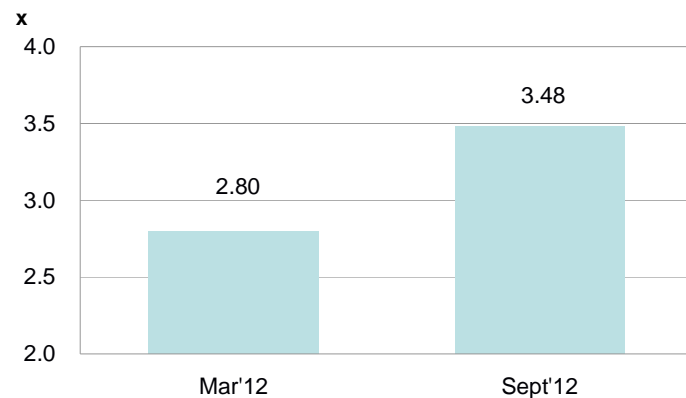
Notes:

- Financials for FY10 may not be directly comparable to FY11 and FY12. Financials for FY10 have not been restated in the new schedule VI format; 1HFY12 and 1HFY13 numbers are unaudited
- EBITDA includes other income but not exceptional items
- Bonus issue of 1:1 in Aug'11

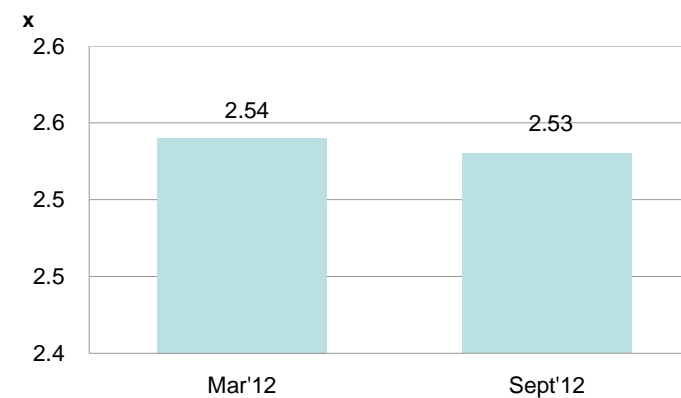
Select Leverage Metrics for Covenants



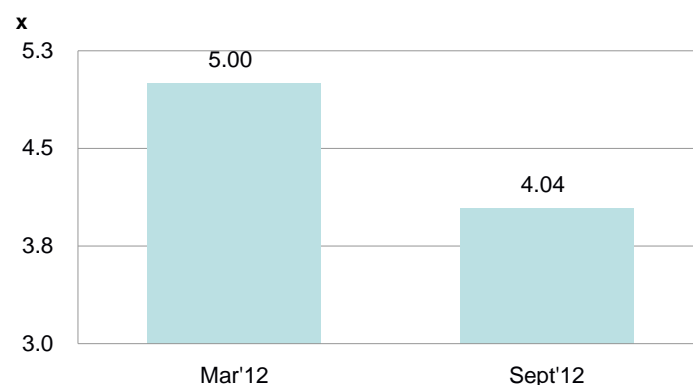
Total Borrowing/ EBITDA⁽¹⁾



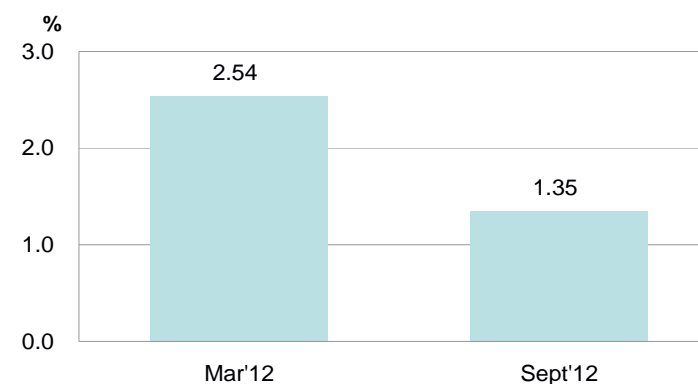
Total Gross Borrowing/ Total Net Worth⁽²⁾



EBITDA/ Interest⁽³⁾

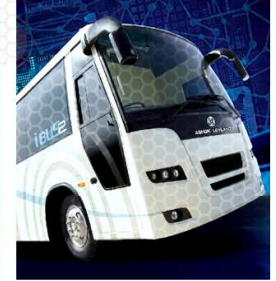


Debt Service Coverage Ratio⁽⁴⁾



Notes:

1. (Secured and unsecured borrowings + financial guarantees) / (EBITDA for last 12 months less other income); Stipulated Ratio of <3.5:1
2. (Secured and unsecured borrowings + financial guarantees+ current Liabilities and provisions excluding proposed dividend and dividend tax) / (Equity less revaluation reserve and miscs expenditure to the extent not written off); Stipulated Ratio of <2.5:1
3. (EBITDA for last 12 months less other income) / Interest Expense; Stipulated Ratio of >3:1
4. (EBITDA for last 12 months less tax less other income) / (Long term loan repayments made during the period excluding long term loan prepayments + interest expense); Stipulated Ratio of >1.5:1



Strategy



Modern and Competitive Product Platform

- Modern Next Generation cab trucks
- Neptune Engine: Advanced 8 litre engine; BS III and BS IV compliant
- AVIA (NGICV⁽¹⁾): New product in a growing segment

Steep Increase in Service / Sales network

- More than 400 customer touch points for sales and after sales, 6,050⁽²⁾ outlets for Leyparts and spares and 52⁽²⁾ touch points for LCV
- Customer centric services such as 'Tatkaal' and 'Leyland Direct'
- Greater presence in non-South Indian states ⁽³⁾

Capitalizing on State incentives

- Panthagar: Excise Duty on vehicles exempt for 10 yrs (until Feb 2020) and Income tax benefit until financial year ending March 2019
- Tamil Nadu: VAT incentive available for 14 years

De-risk Cyclicity: Operate Across Segments

- LCV through JV with Nissan Motor Co.
- Construction equipment through JV with John Deere
- New products for Defence Mobility on the anvil
- Spare Parts and Power Solutions business
- Expand in new international markets

Notes:

1. Next Generation Intermediate Commercial Vehicle

2. As on Oct 13, 2012

3. South India includes Tamil Nadu, Karnataka, Andhra Pradesh and Kerala

4. As per the MoU, an amount equivalent to the gross output VAT and CST paid by the M&HCV project will be given as a loan for a period of the earlier of 14 years from the start of commercial production or until the VAT payable reaches 90% of the investment made in eligible assets. A similar incentive is available for the LCV project

Well Positioned To Capture Market Opportunities



Key Future Themes	Ashok Leyland Advantage	
Improving Road Infrastructure	Demand for high HP engines expected to rise; enables faster turnaround <ul style="list-style-type: none"> Investment in developing next generation of Neptune series of engines with 160 – 380 HP capacity along with modular Next Generation Cabs to fit whole range of M&HCV trucks 	✓
Hub And Spoke Model	Increasing demand for < 16.2 MT GVW <ul style="list-style-type: none"> Launch NGICV⁽¹⁾ (AVIA)– advanced 8 MT to 15 MT capacity; LCV 'Dost' through JV with Nissan Motor Co. for 1 MT to 6 MT capacity 	✓
Low Carbon Emissions	Engines meeting the BS IV emission norms <ul style="list-style-type: none"> In-house R&D facility Neptune + H Engine Neptune Engine package eligible for Euro V & VI Working towards addressing the BS V & BS VI requirements in future 	✓
Advancement in Public Transport Systems (JnNURM)	Competitive with new product range <ul style="list-style-type: none"> Ready to launch Jan Bus – front engine, semi-low floor bus 	✓
Shortage of Quality Drivers	Training Drivers <ul style="list-style-type: none"> 2 driver training institutes at Delhi and Salem; More planned to be launched Offer trained drivers to customers Training via simulator 	✓
Financing	Access to Finance <ul style="list-style-type: none"> Customer financing enabled through access to Hinduja Leyland Finance 	✓

Note:

1. Next Generation Intermediate Commercial Vehicle