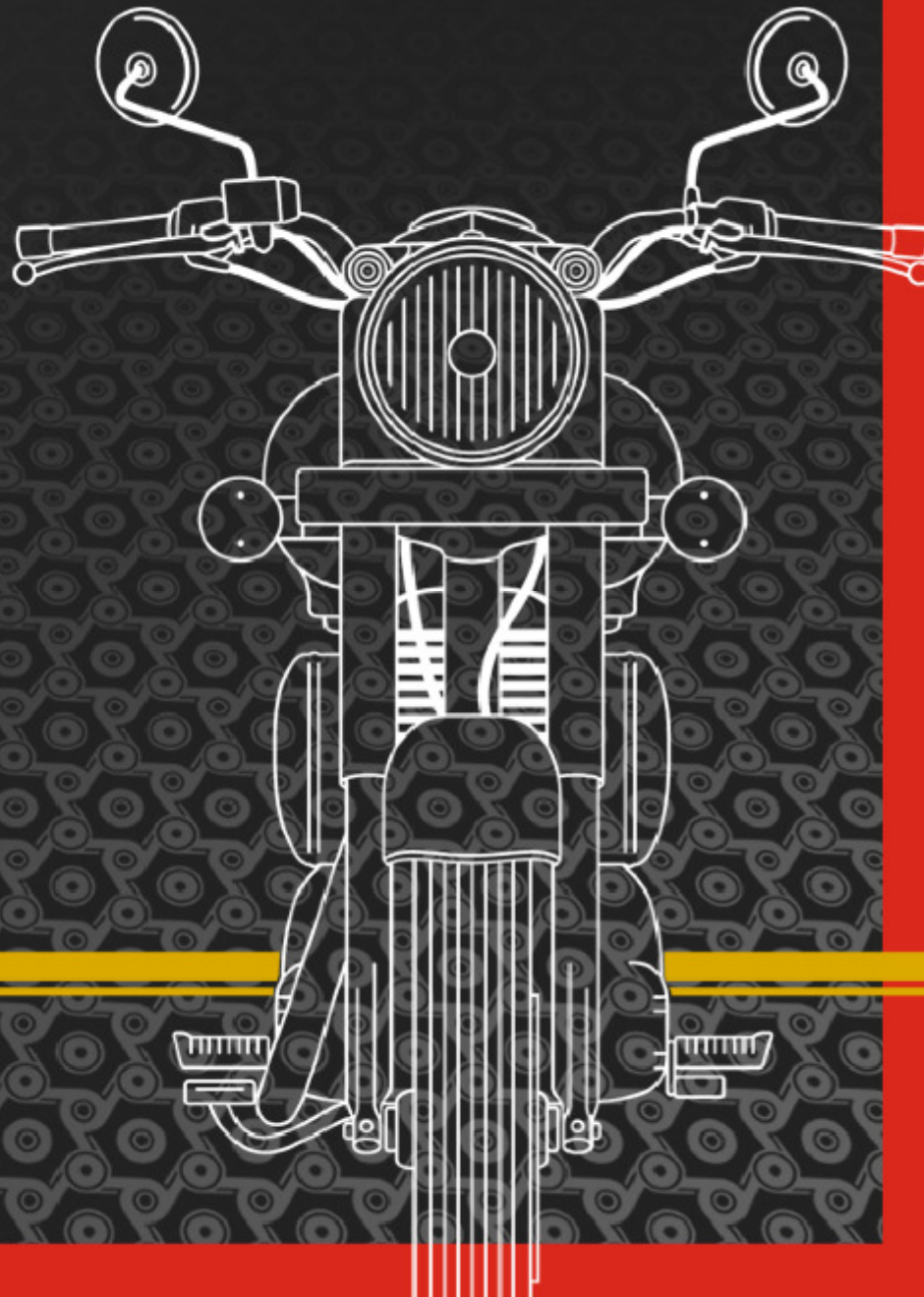


International Growth

Rod Copes

Investor Day, 30th November 2015

ROYAL ENFIELD

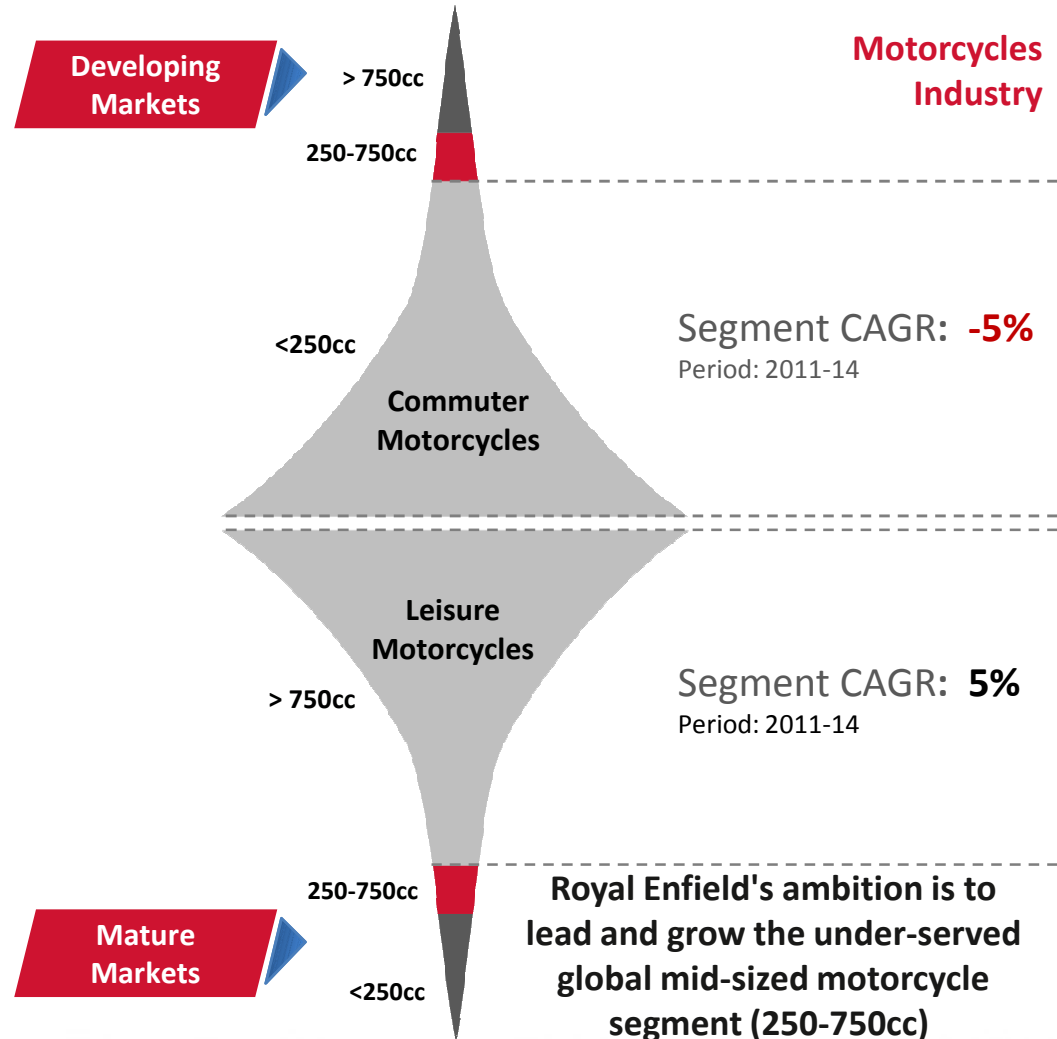
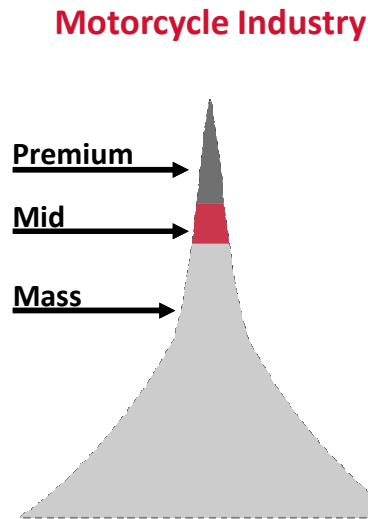
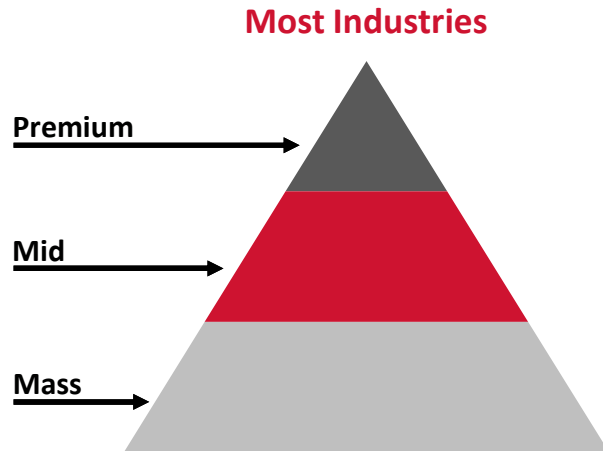


Overview

- Why change international approach?
- Opportunity
- Overview of North America region
- Plans for North America

Opportunity – International Markets

The Oddity of the Motorcycle Industry Globally... is an opportunity



Change from Opportunistic to Strategic Global Growth

GLOBAL GROWTH

Opportunistic

Poor Independent Distributors

Reactive

Few resources for Int'l

No focus

Minimal Investment

Strategic

Upgrade Distributors

Proactive

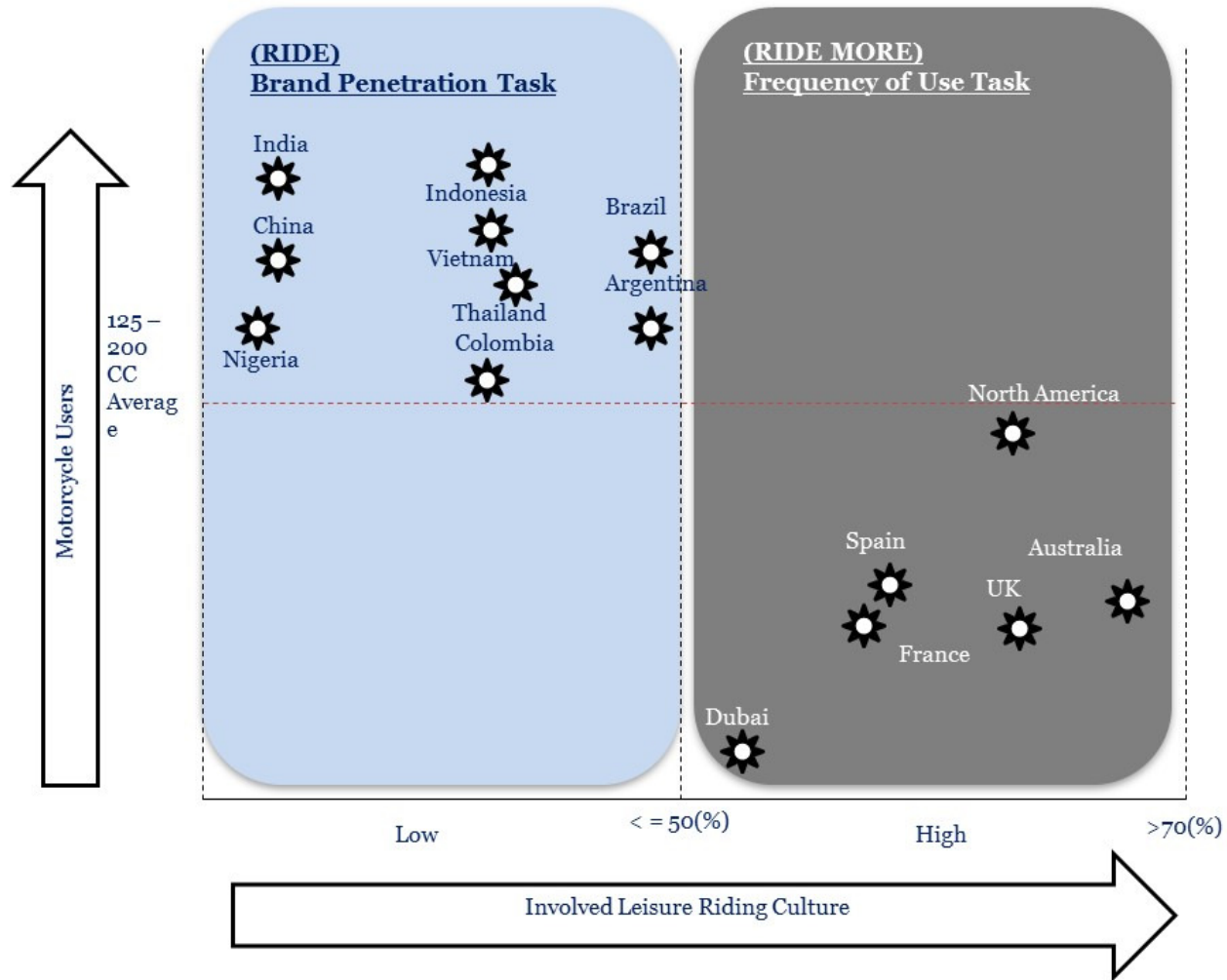
Dedicated Int'l resources

Focus on key markets

Optimal Investment in key markets

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Motorcycle Markets



Mature/Developed Motorcycle Markets

- Primarily recreation motorcycle markets
- Lower volume, but higher price and profit
- Influence rest of world
- Relatively small middle-weight segment
- Large millennial population interested in motorcycling
- Motorcycle brands offer “lifestyle” not just motorcycles.....

= Growth Opportunity for Royal Enfield

ROYAL ENFIELD

Build Aspiration in key cities, countries will follow



Exclusive Stores- 2015, early 2016



North America Region Opportunity

- Highest revenue/value of motorcycles sold annually
 - Over \$8 billion (USD)
- Dominated by Harley-Davidson with new competition gaining rapidly
- Demographic shift in USA (Millennials)
- Distributors have limited resources and capabilities
- Opportunity for Royal Enfield

ROYAL ENFIELD

Why Royal Enfield?

- Motorcycles in North America have gotten –
 - Large
 - Complex
 - Expensive
- Millennial generation in North America
 - Moving to urban centers
 - Want 2-way interaction with brands
 - Interested in motorcycling
 - Avoid popular brands like Harley-Davidson
 - Enjoy Retro, modern classic styling
 - Interested in environmental sustainability

 *Royal Enfield is the Answer!*

ROYAL ENFIELD

North America Region Plan

Take control of region from Independent Distributors

- Establish wholly-owned market company
- Implement key team aligned with growth strategy
- Develop systems & processes
- Adapt Marketing/Communications with appropriate tone
- Create benefits & profit for “best” dealers to become RE dealers



ROYAL ENFIELD

North America Region Plan

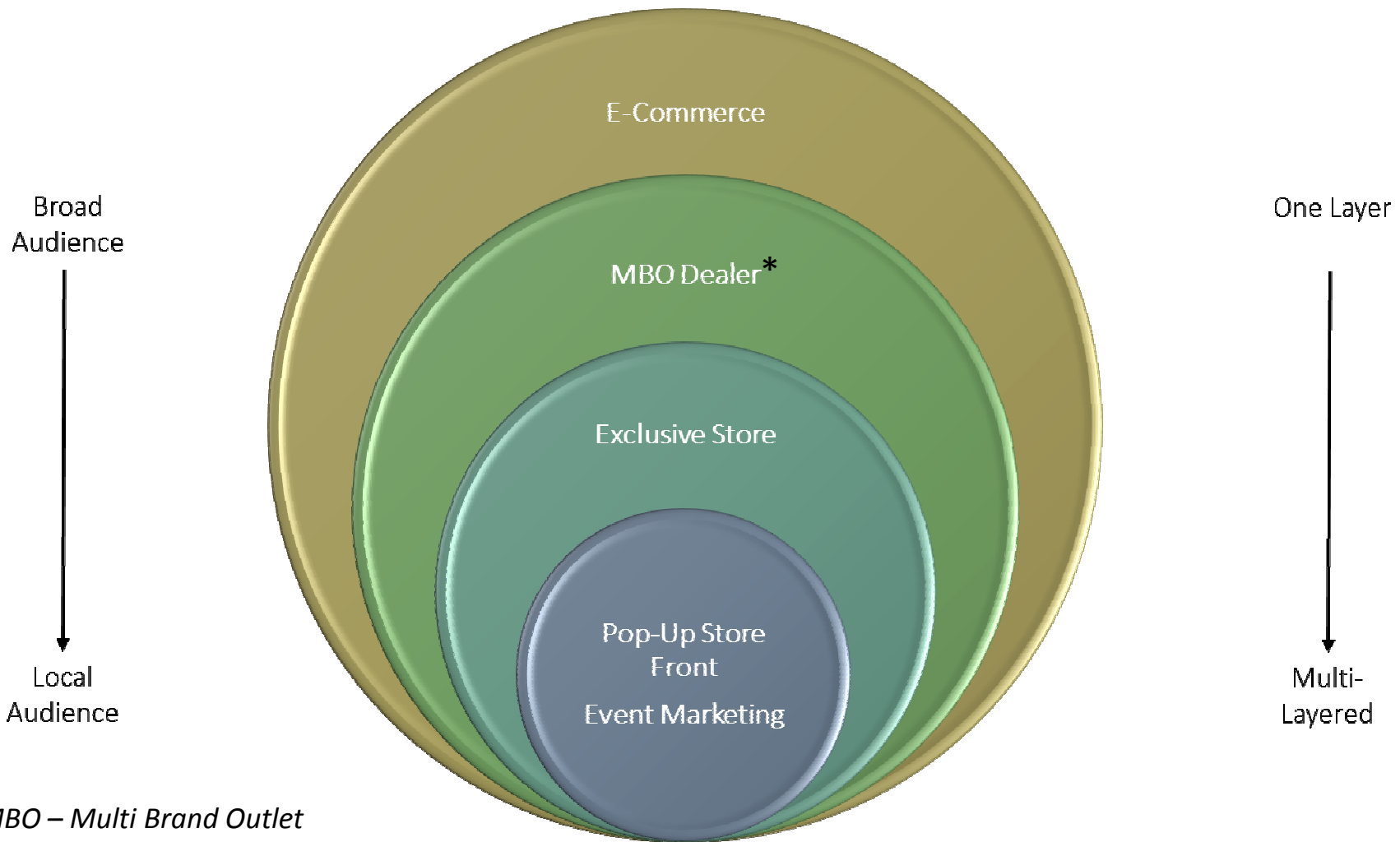
Build Brand Awareness

- Retail/dealer network
- Events – grassroots activation
- Demo Rides at dealers and events
- Influencers
- Social Media – dedicated effort and content creation
- PR – proactive and creative
- Digitally led advertising & marketing
- Mobile interactivity – customer experience



ROYAL ENFIELD

North America Retail Distribution Plan



*MBO – Multi Brand Outlet

Geographically Expansive and Multi-Layered In Market



North America Region Plan

Establish Retail Distribution

- Focus on excellent customer experience
- Speed to market
- Brand-building and awareness – national/regional in scope
- Sales volume
- Profit for dealer and Royal Enfield

- Geographically expansive and multi-layered

- Utilize the Smart Phone as the interface to the brand - for purchasing, community, service, etc.

Thank You

