1. Eicher Motors Limited
   - Journey so far
   - EML: Overview

2. Royal Enfield

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4. Financials
# Eicher Motors Limited – Journey so far...

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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</thead>
<tbody>
<tr>
<td>1959</td>
<td>India’s first tractor rolls out of Eicher factory in Faridabad</td>
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<tr>
<td>1984</td>
<td>JV with Mitsubishi Motors to make ‘Canter’ trucks</td>
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<tr>
<td>1991</td>
<td>Royal Enfield motorcycles acquired</td>
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<tr>
<td>1993</td>
<td>JV with Mitsubishi ended, enters MD bus segment</td>
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<tr>
<td>2002</td>
<td>Enters HD trucks segment</td>
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<tr>
<td>2005</td>
<td>Divests tractor and allied businesses to focus on CV and motorcycle businesses</td>
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<tr>
<td>2008</td>
<td>Forms JV with AB Volvo of Sweden; transfers CV business to the JV</td>
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**Royal Enfield motorcycles acquired**

**Enters HD trucks segment**

**Forms JV with AB Volvo of Sweden; transfers CV business to the JV**
Eicher Motors Limited Overview

Retail Investors
- AB Volvo: 8.4%
- 11.5%

Institutional Investors
- 24.9%
- 55.2%

Promoter Group
- 45.6%
- 54.4%

VE Commercial Vehicles Ltd.

Royal Enfield
Eicher Management Philosophy

**Break-through Market Business Model**
- An evolved business model with 50+ years of experience in automotive space in India, that:
  - In-depth customer insights and market understanding
- Best-in-class Capital Optimization:
  - Frugal engineering practices
  - Extensive knowledge of suppliers
  - Operational Excellence
  - Global Quality Standards

**Established Corporate Governance**
- Fully empowered management teams
- Regular board meetings, every two months - full review with management
- Strategic quarterly reviews and regular monthly operations review
- Product board, Quality board, Customer Satisfaction board, Soft products board (after-market) held every quarter along with other statutory meetings

**Strong Values**
- Corporate conduct rooted in highest standards of ethics, integrity and transparency
- Highly professional work ethic based on mutual respect
- Very strong HR and IR culture and brand
- Long-term orientation
- Long history of institutionalized CSR and community activities
Established Governance Structure: EML Board

S Sandilya
Non Executive Chairman

Siddhartha Lal
Managing Director & CEO

MJ Subbaiah
Independent Director

R L Ravichandran
Executive Director

Priya Brat
Independent Director

Prateek Jalan
Independent Director
Royal Enfield “Bullet” is the longest running model in continuous production. Royal Enfield Motorcycles are unique in terms of the engine character - Single Cylinder, Air-Cooled, Push-rod & Valve operated for the distinctive Bullet beat. The authentic vintage styling, traditional paint schemes, 1950’s style, nacelle and toolboxes contribute to its “distinctive classic” appeal.

1901: Royal Enfield rolls out its first Motor Cycle
1955: Enfield India is incorporated.
1994: Eicher Motors acquires Enfield India Ltd.
After successfully managing 2010, the year of transition, Royal Enfield continues to grow and evolve.

- Transition of all models to UCE platform; Surge in demand
- Introduced UCE engine in Bullet’s export model & launched Classic 500 with UCE
- Demand continues to be ahead of capacity; optimising production in TVT; commencement of capacity expansion at new site in Oragadam

![Bullet](image1)
![Thunderbird](image2)
![Classic](image3)
Uniquely differentiated offering

Market Trading Up
Upper end segment, less price sensitive, growing

Rich Heritage
Enhanced Product
Removed perceptual & physical purchase barriers
Practical Leisure
Motorcycling

Sold as a leisure bike; bought as a practical bike
Thriving in “Community”: Both physical & virtual
# Plans being executed for profitable growth

## Enhance production capacity
- Enhance production for CY 2012 to 1,00,000 units;
- Capacity increase to 150,000 pa after start of commercial production from new site at Oragadam, Chennai, India from 1st half, 2013

## Improve profitability
- Focus on cost management
- Exploit significant opportunities after market

## New product launches
- Thunderbird 500 launch planned in Q2, 2012
- Café Racer to be launched in Q1, 2013
- Accessories launch planned in Q2, 2012

## Distribution and after market footprint
- Increase reach in India and global markets
- Currently, there are 175 distribution and after market points in India. Exports to more than 30 countries
Future: Café Racer
VE COMMERCIAL VEHICLES Ltd. (VECV)
VECV was established in 2008 with strong parentage

**Eicher strengths**
- Leadership in LD / MD segments
- Specialist skills and experience in developing low cost, better performance products
- Wide dealer network
- After sales infrastructure for LD / MD
- Cost effective operations

**Volvo strengths**
- Global expertise
- Leadership in product technology
- Good infrastructure facilities
- Well-defined processes and controls
- Brand image and customer relationships

**VECV vision**
“To be recognised as the industry leader driving modernisation in commercial transportation in India and the developing world”

**Eicher transferred its CV, components and engineering solutions businesses into VECV**

**Volvo demerged Volvo Truck India’s sales & distribution business from Volvo India Pvt Ltd.**
VECV milestones

- Dec 2007: Signing of Letter of intent
- May 2008: Signing of definitive agreements
- Jul – Aug 2008: Commencement of JV
- Dec 2008: Volvo Board Visit
- Mar 2009: Launch of Quality Improvement CSI-1 Initiative
- April 2009: Inauguration of the new gear plant at Dewas
- Jan 2010: Launch of VE-series of Eicher HD trucks
- June 2010: Launch of MDE Project
- October 2010: Groundbreaking ceremony of MDEP plant site
- February 2012: Groundbreaking ceremony of Eicher Bus manufacturing plant site at Dhar, Madhya Pradesh
VECV Overview

Eicher Trucks & Buses
Volvo Trucks India
Eicher Engineering Components
Eicher Engineering Solutions
Medium Duty Engine Project
**VECV - Wanted position in 2015**

**Wanted position 2015: Strategic**

- Seen as a leading CV group in India
  - Most innovative products covering entire range
  - Comprehensive network
  - Proactive solution / service provider
  - Lean organization

- Recognized competitive advantages
  - Best fuel economy
  - Reliable products
  - Superior service quality
  - Safety and comfort setting industry standards

- "Best of both" company culture
  - Culture incorporating best of Eicher values and Volvo Way
  - Professionalism, honesty, people caring to attract best talents in industry

**Wanted position 2015: Operations**

- Long term operating margin target >8% over a business cycle
- Customer satisfaction to reach >80%

![Graph showing sales in units for 2010 and 2015 for different segments (Bus, LD/MD, HD) with market share data for 2015 (%)]
FINANCIALS
EML Consolidated: Optimising returns on capital employed and effective cash management

- **Return on operating capital employed (%)**
  - CY09: 56.1%
  - CY10: 125.0%
  - CY11: 77.0%

- **Net Sales/Net Fixed Assets**
  - CY09: 7.1%
  - CY10: 10.0%
  - CY11: 8.4%

- **Net sales**
  - CY09: 29,386
  - CY10: 43,971
  - CY11: 56,775

- **Working Capital (excl cash)**
  - CY09: 29,386
  - CY10: (1,289)
  - CY11: (1,815)

- **Shareholders fund - Eicher Motors**
  - CY09: (563)
  - CY10: 43,971
  - CY11: 56,775

- **Shareholders funds - AB Volvo**
  - CY09: 5,500
  - CY10: 6,250
  - CY11: 7,000
THANK YOU