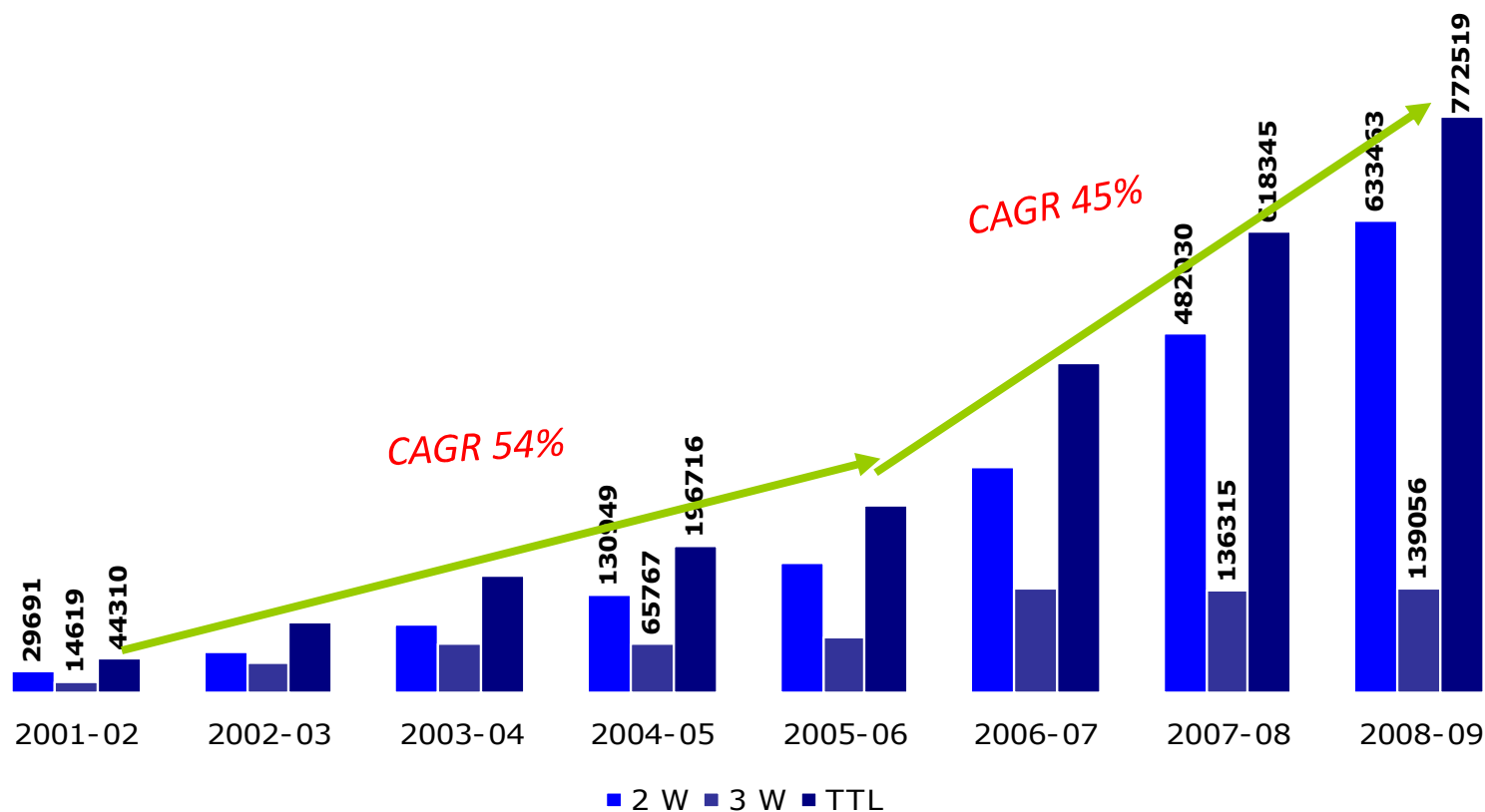


International Business

1st August 2009

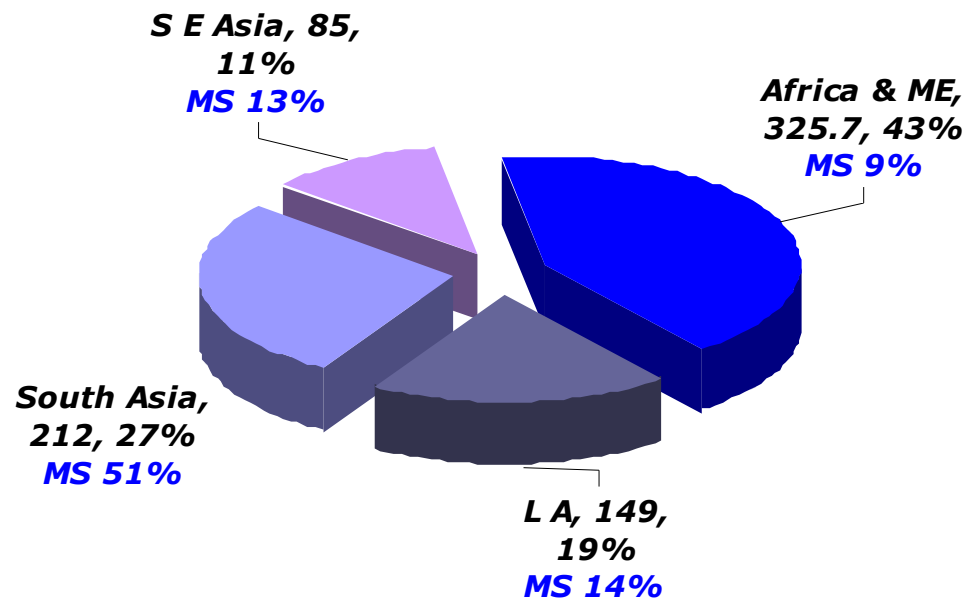
Top Line Performance



| Category | 2007-08 | 2008-09 | % variance |
|------------------|---------|---------|------------|
| 2 W (in units) | 482,030 | 633,463 | 31% |
| 3 W (in units) | 136,315 | 139,056 | 2% |
| Total (in units) | 618,345 | 772,519 | 25% |
| Sales in Rs Mn | 20,870 | 26,152 | 25% |

Geographic Spread

FY 09 - TOTAL 772.5



| Category | Key countries | M.S. |
|-------------|-----------------|------|
| 2 - Wheeler | Sri Lanka | 73% |
| | Bangladesh | 39% |
| | Philippines | 36% |
| | Colombia | 41% |
| | Central America | 22% |
| | Nigeria | 19% |
| | Uganda | 64% |
| | Angola | 40% |
| | Iran | 4% |
| 3 -Wheeler | Sri Lanka | 93% |
| | Bangladesh | 100% |
| | Nigeria | 72% |
| | Egypt | 100% |
| | Peru | 70% |

* Mentioned MS of 2W. In reached markets

* VOL – in Thousands

Business Environment

- **Demand contraction**
 - Key markets are showing decline in the range of -10% to -40%
 - Economic slowdown
 - Withdrawal of financing
 - Buyer has become cautious – better appreciation of quality
- **Chinese Influence weaker**
 - Window of opportunity in Low Priced Entry Level segment
 - China based Japanese will become a bigger threat
- **US Dollar troubles**
 - Poor availability has caused trade difficulties
 - Devaluation in most key markets in the range of -5% to -30%
 - Significant improvement in Profitability

International Business Approach

- **Improve business profitability while maintaining volume and share**
 - Drive topline through Africa
 - Retain most of exchange rate benefits
- **Strengthen dealer network and customer interface**
 - Sales and After Sales network
 - Brand visibility
 - Deeper market understanding
- **New Markets**
 - Establish routes to smaller geographies (low entry barriers)
 - 3 Wheeler – Concept & Business Development
 - Prepare – Larger Geographies
- **Indonesia – Sustainability**

PT BAI – Indonesia Update



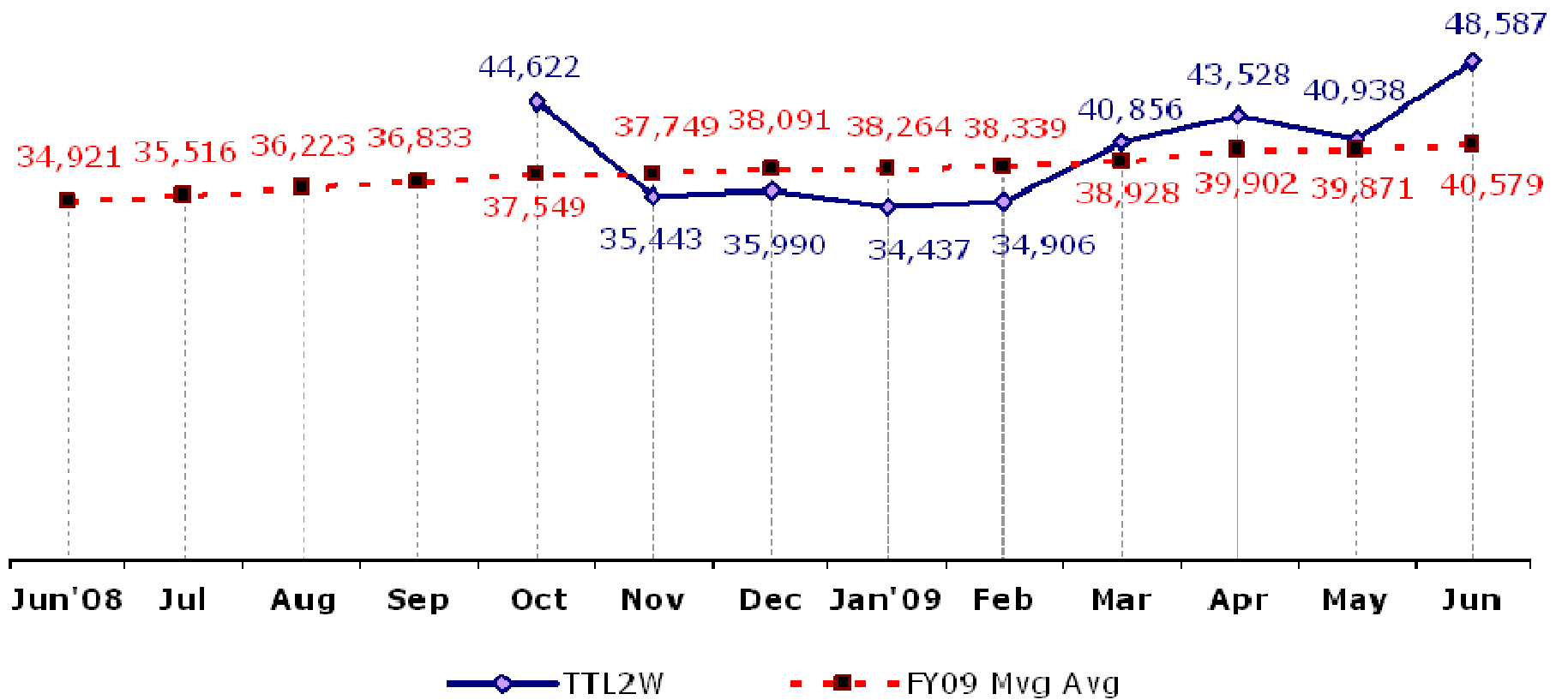
- **Decline in business environment**
 - Devaluation, restrictions on financing, economic contraction
 - Motorcycles market performance in H1 2009 : -12%
 - PT BAI : 08-09 : Sales doubled but PBT : - Rs 610 Mn

- **Stay with Strategy**
 - Focus on motorcycles – Sharp portfolio
 - Differentiate and build brand – Pulsar & DTSi
 - Steadily expand and improve reach
 - Shift from SKD to CKD status

 - Aim to break even at contribution level

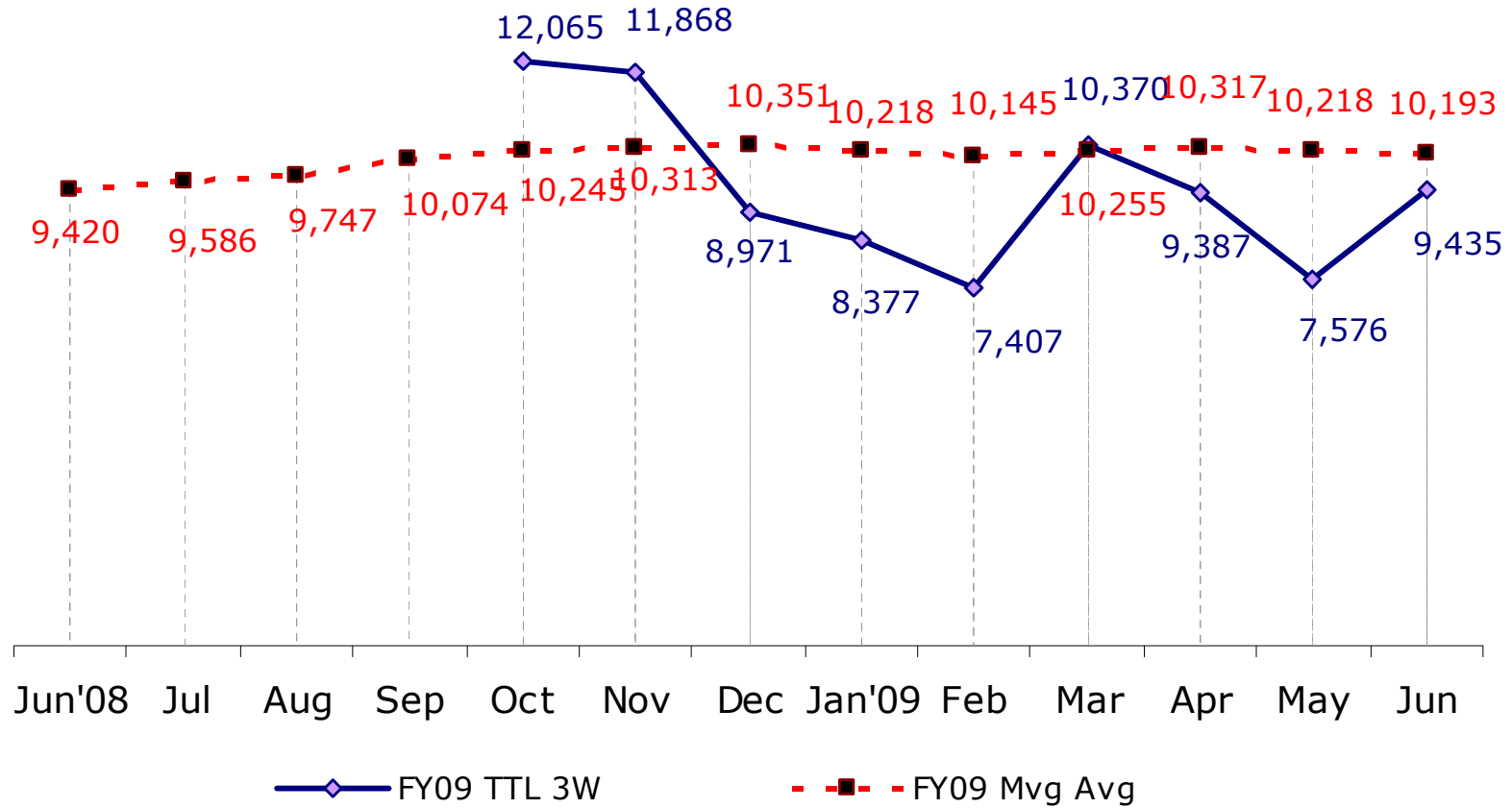
Retail Trends

Total 2W



Retail Trends

Total 3W



Outlook & Risks

| Category | Actual 08-09 | Outlook 09-10 | % variance |
|-----------------|--------------|---------------|------------|
| 2 Wheelers | 633,463 | 651,320 | 3% |
| 3 Wheelers | 139,056 | 151,342 | 9% |
| Total Vehicles | 772,519 | 802,662 | 4% |
| Sales in Rs. Mn | 26,152 | 30,707 | 17% |

Key Risks

- Access to USD for Global Trade
- Demand should hold steady at these levels, but Latin America is soft
- Pace of 3 Wheeler development/revival

Thank You