

# *Financial Presentation*

**FOR THE HALF YEAR ENDED  
DECEMBER 31, 2010**



Finance Department

# Indus Motor Company

## Financial Summary

For the Halfyear ended December 10

		Half year Ended			Quarter Ended		
		Dec 10	Dec 09	% Change 2010 Vs 2009	Dec 10	Dec 09	% Change 2010 Vs 2009
Units sold							
- Own Manufactured	No.	22,408	20,903	7%	10,616	10,476	1%
- CBUs	No.	495	399	24%	173	193	-10%
Units Produced	No.	23,482	21,119	11%	11,296	10,543	7%
Net revenues	Rs in Million	26,828	24,079	11%	12,485	12,143	3%
Profit Before Tax	Rs in Million	1,430	2,102	-32%	481	935	-48%
Net Income	Rs in Million	908	1,366	-34%	330	607	-46%
Return on Equity		7.2%	12.6%	-43%	2.6%	5.6%	-53%
Manpower Strength	No.	2,038	1,885	8%			
<b>Per Share Data</b>							
Earnings (EPS)	Rs	11.6	17.4	-34%	4.20	7.72	-46%
Shareholder's Equity	Rs.	161	138	17%			
<b>At Period end</b>		Dec 10	June 10				
Total Assets	Rs in Million	20,915	27,138	-23%			
Share holders' Equity	Rs in Million	12,683	12,588	1%			
<b>Share Performance</b>		Feb 23, 2011	Feb 24, 2010				
Price per Share	Rs.	243.01	214.15	13%			
Market Capitalization	Rs in Million	19,101	16,832				

## Operating Highlights

For the half year ended December 31, 2010

↑ **Vehicle Sales:** up 7% to 22,903 units

↑ **Vehicle Production:** up 11% to 23,482 units

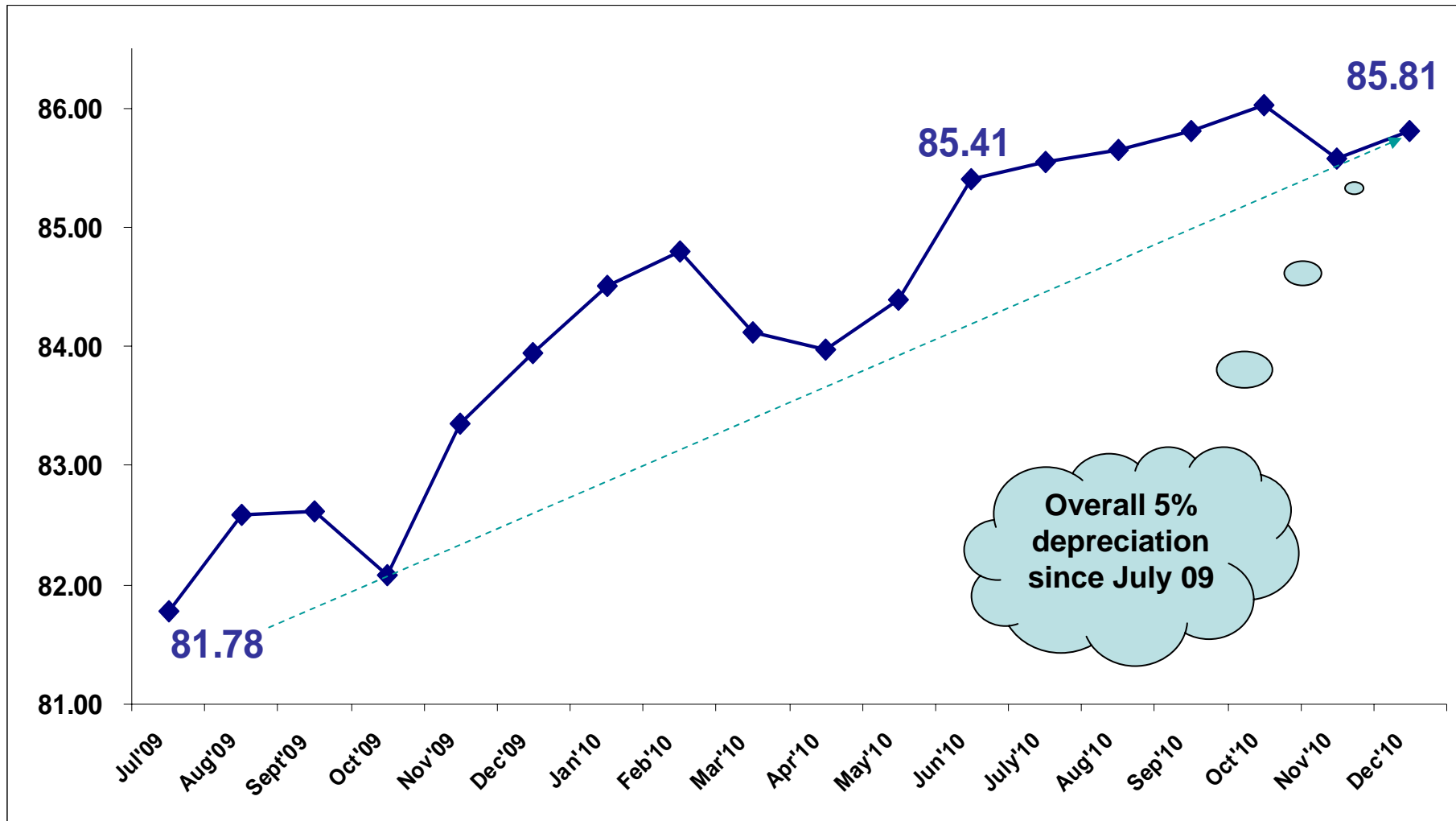
↑ **Net Revenues:** up 11% to Rs 26.83 billion

↓ **Profit after tax:** down 34% to Rs 0.91 billion

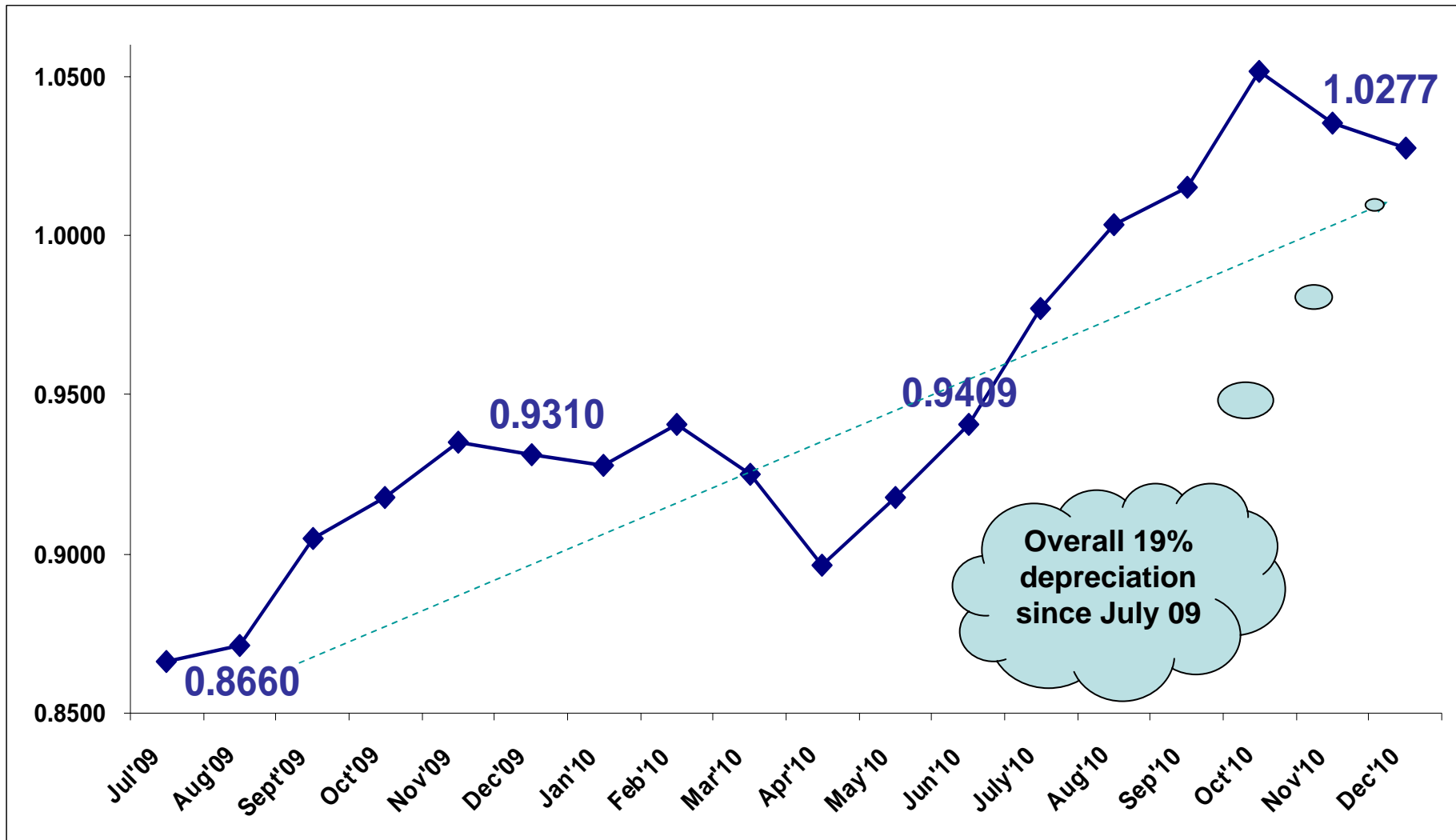
↓ **Earning per share:** down 34% to Rs. 11.6

↑ **Manpower:** up 8% to 2,038 employees

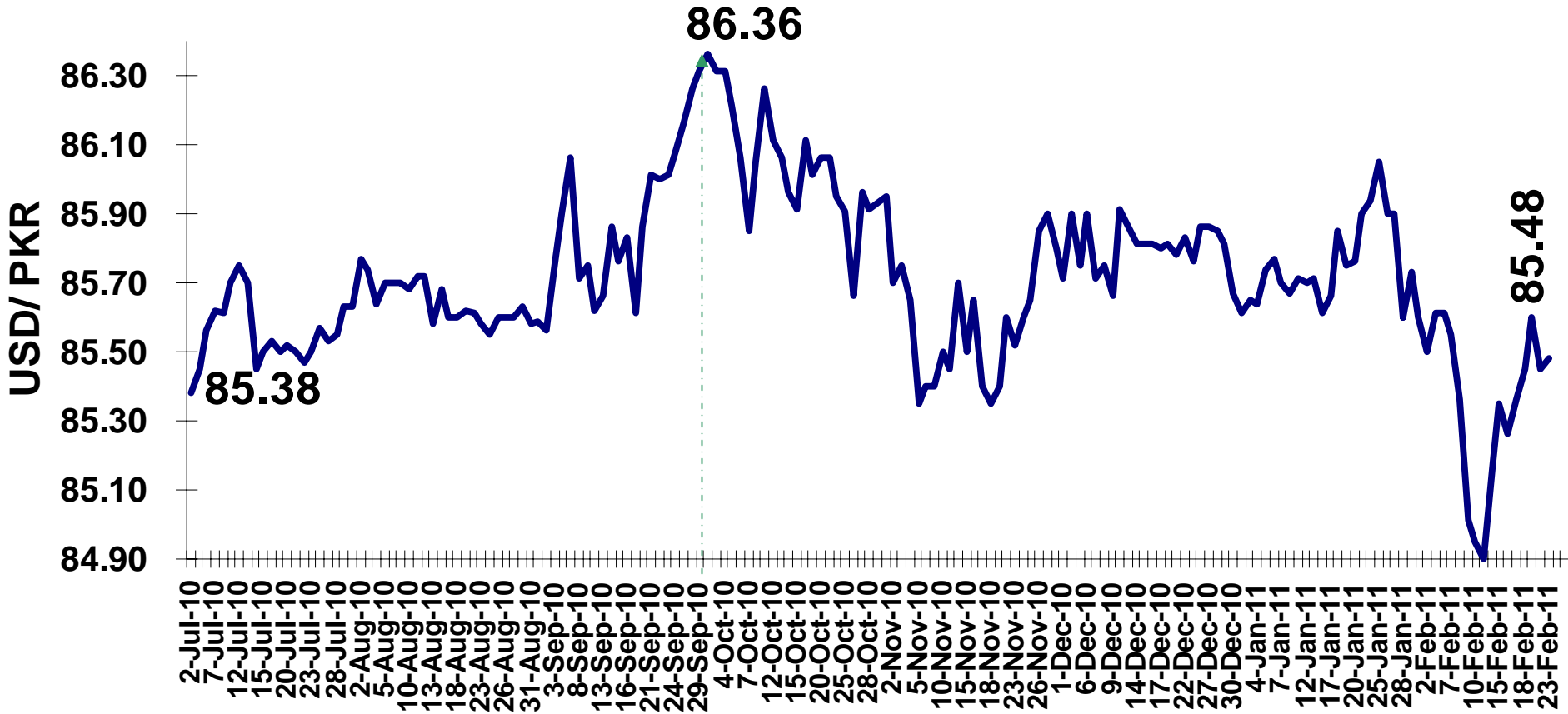
# \$ : PKR Movement



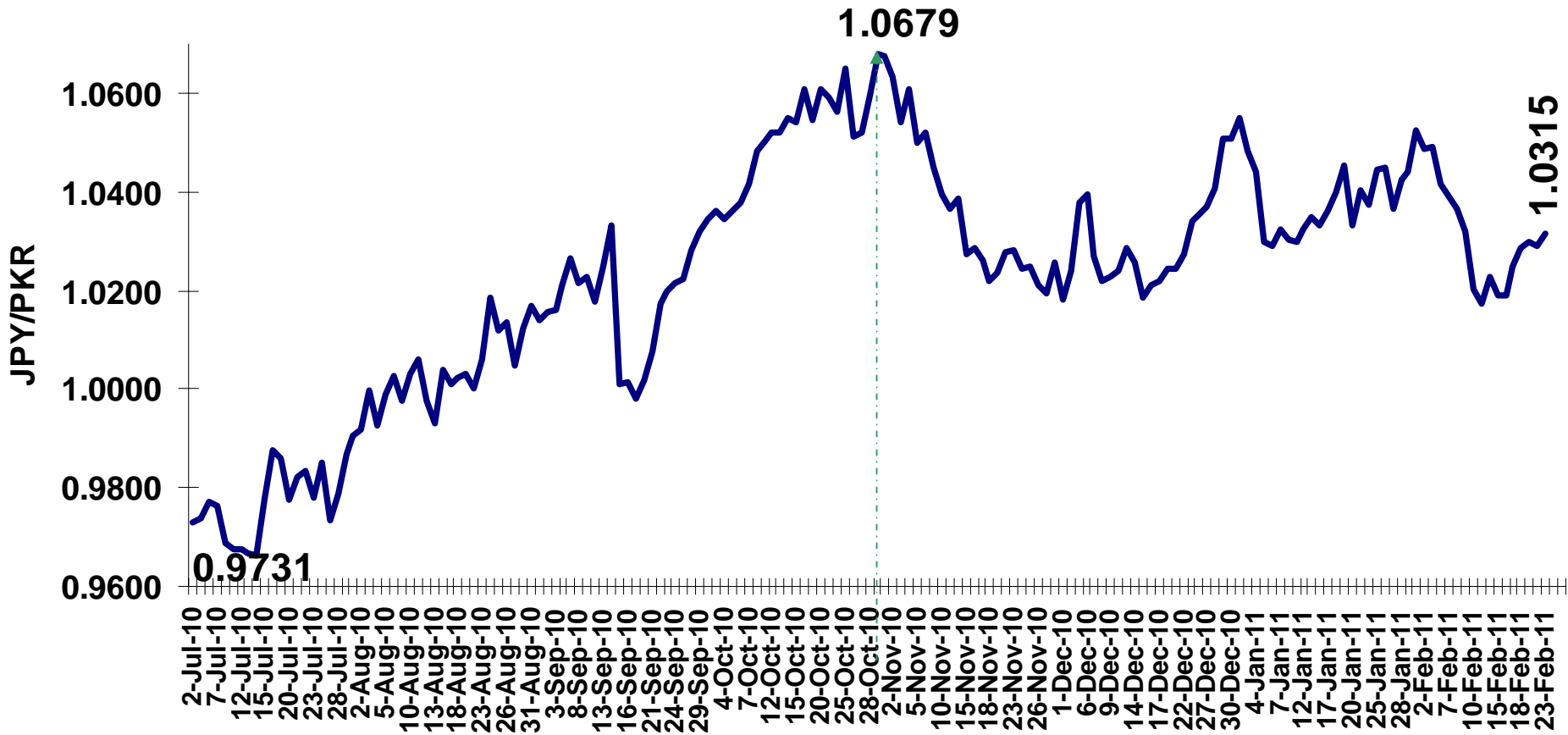
# ¥ : PKR Movement



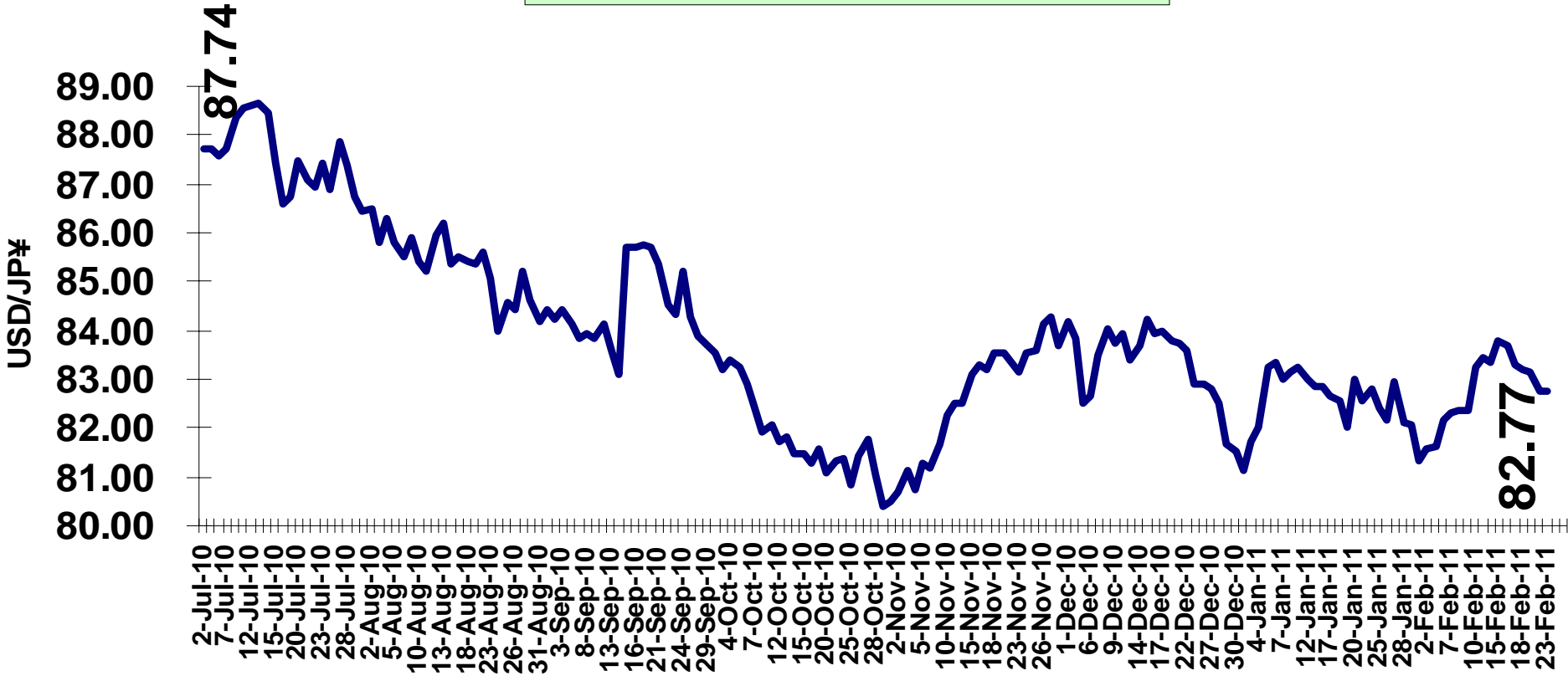
# US \$ TO RUPEE MOVEMENT



# ¥ YEN TO RUPEE MOVEMENT



# US \$ TO ¥ YEN MOVEMENT



# Near Term Business Outlook

- The second half of 2010-11 is expected to remain tough, in view of stringent economic conditions, political instability and unstable law and order situation;
- The sales volumes in 2nd half are normally higher than the 1st half, owing to demand from agricultural sector, however, it may have impact due to fallout of relaxation of used cars imports from 3 – 5 years;
- Profit margins are expected to stay under pressure due to depreciation of Pak Rupee against major currencies, increase in utility tariff rates and increase in other input costs;
- The Company is committed to remain focused at improving operational efficiencies, maintaining high quality and effectively managing the cost increases to deliver maximum value to our esteemed customers;
- We expect to have positive impacts on volume on account of recently launched 4x4 Hilux Turbo double cab and price reduction in Corolla and Cuore variants;

# Issues Facing Auto Industry

For the advancement of industry performance, the government is requested to address the following concerns:

- Restrict used car imports upto 3 years (instead of 5 years) and strictly maintain the policy to the imports under gift baggage and TR scheme for OVERSEAS PAKISTANIS;
- Maintain depreciation rate @ 1% on used cars import;
- New entrant policy should provide equal level playing field to new and existing Automobile manufacturers;
- Review unrealistic localization requirements based on current volumes;
- Need for a stable policy for growth of the industry contributing approx. 5% to the National Exchequer. The current AIDP will be expiring on June 30, 2012; and
- Eliminate illegal imports of parts as well as vehicles through:
  1. Afghan Transit Trade;
  2. Illegal imports and smuggling (under invoicing etc.);
  3. Imports of scrap auto parts under SRO No. 487(I) 2007 dated June 9, 2007.

*Thank You*