

MOTOR INDUSTRIES COMPANY LIMITED

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AUTO ANCILLARIES

M N C

Chairman: Hubert Zimmerer

SEC: B. S. Iyer

AUD: M/s Price Waterhouse & Co.

| Yr of Inc | B. Code | BL. Code | F.V. | Price | % ch 1-m | % ch 12-m | P/E | P/CF | Yield | Mkt cap | Vol. | ISIN |
|-----------|---------|----------|------|---------|----------|-----------|------|------|-------|-----------|------|--------------|
| 1951 | 500530 | MICO.IN | 10 | 3,512.5 | 3.0 | 48.2 | 32.9 | 20.8 | 0.3 | 112,751.3 | 1.4 | INE323A01026 |

SHAREHOLDING

| | | FX Transaction (CY05) | |
|-----------------------|----------|-----------------------|-------------|
| Indian Promoters | : 0.0% | Exports (fob) | Rs m 4,231 |
| Foreign collaborators | : 60.5% | Imports (cif) | Rs m 8,631 |
| Indian inst/Mut Fund | : 20.5% | Fx inflow | Rs m 4,646 |
| FII's/GDR | : 7.4% | Fx outflow | Rs m 12,557 |
| Free float | : 11.6% | Net fx | Rs m -7,911 |
| Shareholders | : 14,493 | | |

| No. of months | 12 | 12 | 12 |
|---------------|----------|----------|----------|
| Year ending | 31/12/03 | 31/12/04 | 31/12/05 |

EQUITY SHARE DATA

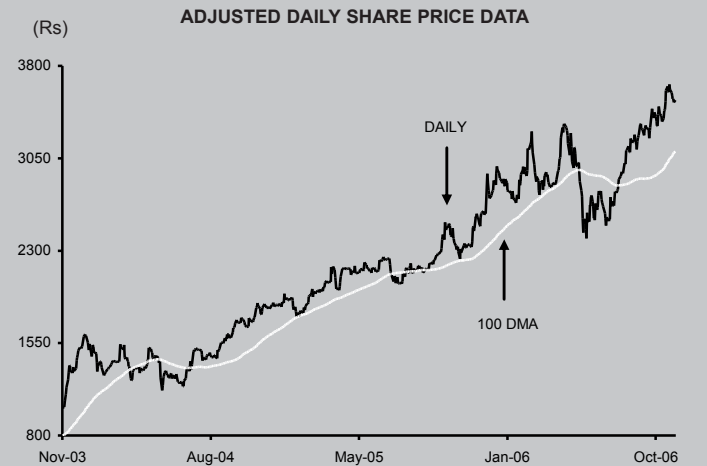
| | | | | |
|--------------------------|-------|---------|---------|---------|
| High | Rs | 16,790 | 1,999 | 2,968 |
| Low | Rs | 3,357 | 1,123 | 1,751 |
| Sales per share | Rs | 5,912.1 | 726.3 | 929.0 |
| Earnings per share | Rs | 732.1 | 116.9 | 107.1 |
| Cash flow per share | Rs | 1,126.5 | 147.2 | 166.3 |
| Dividends per share | Rs | 65.00 | 10.00 | 12.00 |
| Dividend yield (eoy) | % | 0.6 | 0.6 | 0.5 |
| Book value per share | Rs | 2,851.7 | 391.2 | 484.5 |
| Shares outstanding (eoy) | m | 3.21 | 32.05 | 32.05 |
| Bonus/Rights/Conversions | - | - | FV10 | - |
| Price / Sales ratio | x | 1.7 | 2.1 | 2.5 |
| Avg P/E ratio | x | 13.8 | 13.4 | 22.0 |
| P/CF ratio (eoy) | x | 9.6 | 10.6 | 14.0 |
| Price / Book Value ratio | x | 3.5 | 4.0 | 4.9 |
| Dividend payout | % | 8.9 | 8.6 | 11.2 |
| Avg Mkt Cap | Rs m | 32,336 | 50,030 | 75,622 |
| No. of employees | '000 | 10 | 10 | 10 |
| Total wages/salary | Rs m | 3,226 | 3,382 | 3,736 |
| Avg. sales/employee | Rs Th | 1,897.8 | 2,327.7 | 2,977.5 |
| Avg. wages/employee | Rs Th | 322.6 | 338.2 | 373.6 |
| Avg. net profit/employee | Rs Th | 235.0 | 374.7 | 343.1 |

INCOME DATA

| | | | | |
|-------------------------|------|--------|--------|--------|
| Net Sales | Rs m | 18,978 | 23,277 | 29,775 |
| Other income | Rs m | 1,045 | 1,445 | 1,883 |
| Total revenues | Rs m | 20,023 | 24,722 | 31,658 |
| Gross profit | Rs m | 4,107 | 5,202 | 5,443 |
| Depreciation | Rs m | 1,016 | 989 | 1,981 |
| Interest | Rs m | 50 | 42 | 136 |
| Profit before tax | Rs m | 4,086 | 5,616 | 5,209 |
| Minority Interest | Rs m | 0 | 0 | 0 |
| Prior Period Items | Rs m | 0 | 0 | 0 |
| Extraordinary Inc (Exp) | Rs m | -250 | 19 | 81 |
| Tax | Rs m | 1,486 | 1,888 | 1,859 |
| Profit after tax | Rs m | 2,350 | 3,747 | 3,431 |
| Gross profit margin | % | 21.6 | 22.3 | 18.3 |
| Effective tax rate | % | 36.4 | 33.6 | 35.7 |
| Net profit margin | % | 12.4 | 16.1 | 11.5 |

BALANCE SHEET DATA

| | | | | |
|--------------------------|------|--------|--------|--------|
| Current assets | Rs m | 9,986 | 11,935 | 16,119 |
| Current liabilities | Rs m | 6,327 | 7,745 | 10,396 |
| Net working cap to sales | % | 19.3 | 18.0 | 19.2 |
| Current ratio | x | 1.6 | 1.5 | 1.6 |
| Inventory Turnover | Days | 43 | 45 | 46 |
| Debtors Turnover | Days | 39 | 34 | 46 |
| Net fixed assets | Rs m | 2,071 | 2,590 | 4,722 |
| Share capital | Rs m | 321 | 321 | 321 |
| "Free" reserves | Rs m | 8,827 | 12,212 | 15,201 |
| Net worth | Rs m | 9,154 | 12,539 | 15,528 |
| Long term debt | Rs m | 432 | 1,235 | 1,508 |
| Total assets | Rs m | 14,972 | 20,067 | 26,050 |
| Interest coverage | x | 82.7 | 134.7 | 39.3 |
| Debt to equity ratio | x | 0.0 | 0.1 | 0.1 |
| Sales to assets ratio | x | 1.3 | 1.2 | 1.1 |
| Return on assets | % | 15.7 | 18.7 | 13.2 |
| Return on equity | % | 25.7 | 29.9 | 22.1 |
| Return on capital | % | 25.0 | 27.5 | 20.9 |
| Exports to sales | % | 17.2 | 17.2 | 14.2 |
| Imports to sales | % | 14.6 | 17.8 | 29.0 |



| No. of months | 12 | 12 | 12 |
|---------------|----------|----------|----------|
| Year ending | 31/12/03 | 31/12/04 | 31/12/05 |

CASH FLOW

| | | | | |
|-------------------------|------|--------|--------|--------|
| From Operations | Rs m | 2,954 | 4,025 | 5,284 |
| From Investments | Rs m | -1,642 | -4,238 | -4,268 |
| From Financial Activity | Rs m | 228 | 279 | -143 |
| Net Cashflow | Rs m | 1,540 | 67 | 873 |

INTERIM RESULTS

| | | 3QFY06 | 4QFY06 | 1QFY07 | 2QFY07 |
|---------------------|------|--------|--------|--------|--------|
| Net sales | Rs m | 8,223 | 9,231 | 9,192 | 9,974 |
| Gross profit | Rs m | 1,707 | 2,122 | 2,044 | 2,188 |
| Gross profit margin | % | 20.8 | 23.0 | 22.2 | 21.9 |
| Net profit | Rs m | 631 | 1,067 | 992 | 1,257 |
| Net profit margin | % | 7.7 | 11.6 | 10.8 | 12.6 |

KEY DATA

| Parameters | Unit | CY03 | CY04 | CY05 |
|--------------------------|-------|------|------|-------|
| Fuel injection capacity | MPCS | 2.3 | 2.7 | 2.9 |
| Spark plug capacity | MPCS | 32.5 | 24.0 | 20.0 |
| Auto electrical capacity | THNOS | 874 | 931 | 1,044 |
| Capex/sales | % | 0.5 | 3.7 | 10.7 |

NOTES

Motor Industries Company Limited (MICO) is a subsidiary of Robert Bosch GmbH, Germany. It is the largest diesel fuel injection company in the country. MICO's business includes industrial equipment, auto electrical equipment, gear pumps for tractor applications and security technology products. Similarly, it has a strong service network spanning over 1,000 towns, which ensures widespread availability of products as well as after-sales services.

MICO recorded a rather mixed financial performance in CY05. Backed by strong growth in the fuel injection equipment segment, the topline of the company grew by 28%. Performance at the operating level however, was disappointing as higher raw material expenses took a toll on margins, which shrunk by 420 basis points. The 12% growth in bottomline was further depressed by the doubling of depreciation outgo and rise in interest expenses. Performance for the nine months ended CY06 was also a mixed one as while topline grew by 31%, bottomline once again grew at a lower rate of 12% (excluding gains from sale of property).

With the growing diesel passenger car segment, the demand for Common Rail Systems is expected to improve significantly in the coming years. MICO backed up by the parent Bosch technology and its own efforts at quality improvement and cost control is set to take advantage of this opportunity. The company also sees significant potential in the exports of Common Rail components. With general optimism prevailing in the economy, the company with its wide array of products, both in the automotive and non-automotive sectors, is in a position to further strengthen its market position.