



For Immediate Release

SONA KOYO STEERING SYSTEMS LTD. CLOSSES YEAR ENDED 31ST MARCH 2009

WITH SALES UP BY 1%

REGISTERED CASH PROFIT OF Rs. 1.4 Crs in Q4

New Delhi, 30th April 2009: The Board of Directors of Sona Koyo Steering Systems Ltd. (SONA), India's largest manufacturer and supplier of Steering Systems, in Technical and Financial Collaboration with global No. 1 Steering System manufacturer viz. 'JTEKT Corporation', Japan (formerly Koyo Seiko Co.Ltd.), in its meeting held on 30th April, 2009 has taken on record the audited Financial Results for the Fourth Quarter & Annual Results ended 31st March, 2009.

In keeping with projections at the end of Q3 F-09 the company has overcome difficult market conditions to turn a small operating profit in the quarter under consideration. Breaking the trend of last two quarters, Sona has registered a Cash Profit of Rs. 1.4 crores, which is a Rs. 19.5 crore improvement from its last quarters' earnings. This has been achieved on the back of improved demand from customers and aggressive internal efficiencies. Net Sales are almost flat at Rs. 193.5 crores in Q4 F09 vs Rs 194.3 crores in Q4 F08. The Profit After Tax (PAT) for Q4 F09 stands at a loss of Rs. 4.8 Crores down from a PAT of Rs. 1.2 Crores during the corresponding period of the previous year.

Cumulatively, for the year ended 31st March 2009, net sales have grown a little over 1% to Rs 693.2 Crores from Rs. 683.6 Crores during the same period last year. However PAT is at a loss of Rs. 31.03 Crores down from a profit of Rs. 25.2 Crores during the same period last year. Given the condition of the market and over all performance of the year – it has been recommended that there be no dividend payment this year.

The Auto & Auto components sectors have been facing difficult times due to sluggish consumer demand, spiralling input costs and Forex fluctuations. Sona has achieved this turn around in the last quarter on the back of focused work with customers on input costs,

internal efficiencies and supply chain management. The aggressive localisation plan has started to pay dividends by eliminating the fluctuations and un-certainty of exchange rates.

Sona continues to work with customers to fully recover the losses on account of input cost fluctuation as customers themselves have also been affected by the difficult economic condition.

Sona is cautiously optimistic about the market conditions predicted for 2009 – 2010. Top Line growth is expected to be in line with the auto sector at 5% while bottom line growth is expected to be achieved by aggressive management of internal efficiencies.

Sona Koyo Steering Systems Ltd.

SONA KOYO Steering Systems Ltd. (SONA) is the flagship company of the Rs. 3,500 crore SONA Group of Companies. The company is India's largest manufacturer of steering systems and is the supplier of choice to major auto manufacturers with over 45% domestic market share, supplying steering gears, columns and RPS assemblies to almost all Indian passenger car and utility vehicle manufacturers. More information about the company is available on the website www.sonagroup.com. The SONA Group comprises the following companies; Sona Okegawa Precision Forgings Ltd., Sona BLW Prazisions Schmiede GmbH, Sona Somic Lemforder Components Ltd., Mahindra Sona Ltd, Sona Mobility and Sona e-Design Ltd.

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