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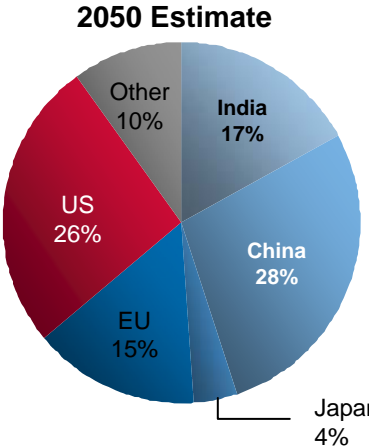
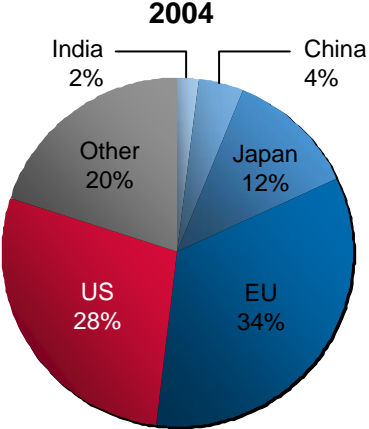
India Automotive Market 2020

The key 5s

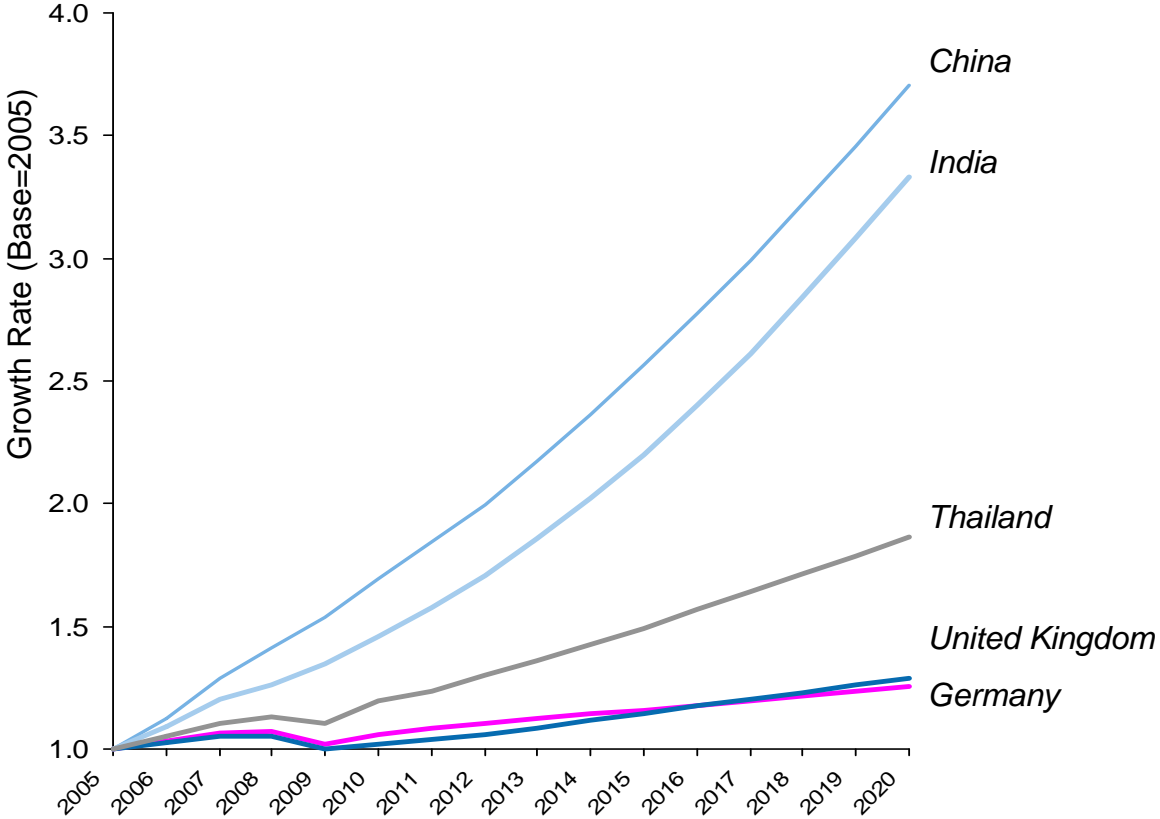
1. **Going forward, India is a key pillar of global automotive market - policy, actions and strategies of players in India will have a fundamental impact on the global auto landscape**
2. **By 2015, India will exceed every major European market inc. Germany, France and UK in automotive sales - making India the 4th largest automotive market by volume in the world**
3. **Over the next 20 years, India will be part of global automotive triumvirate - *the global BIG 3***
4. **In fact, we expect the India automotive sales to exceed the US market by mid 2030s**
5. **The global automotive game will be pretty much decided by twin forces for China and India**

India is booming - and projected to maintain the trajectory

Regional: Percentage of World GDP



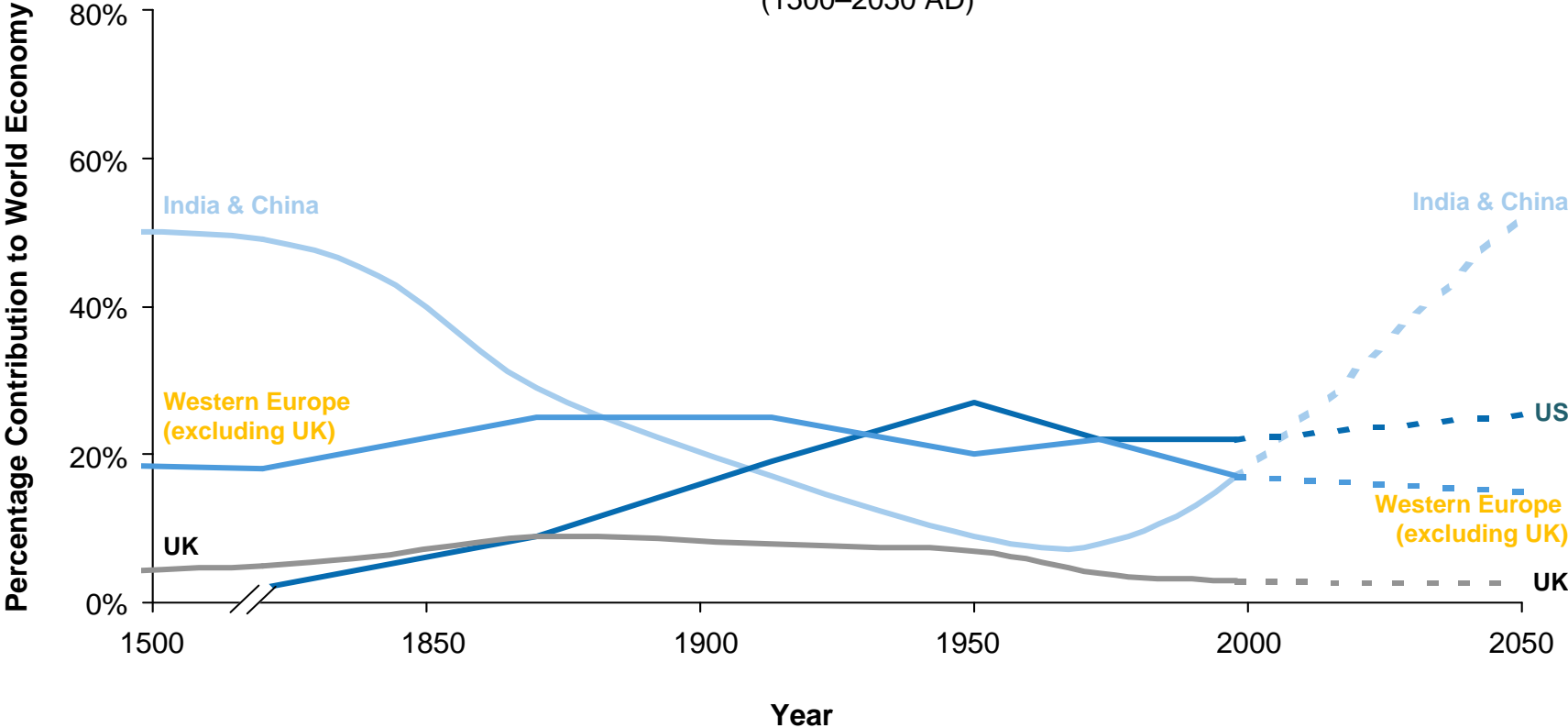
**Real GDP Growth
2005-2020**



Source: Global Insights Database, Business Week, Booz & Company analysis

Emerging markets are transforming the economic landscape – could the future repeat the past ?

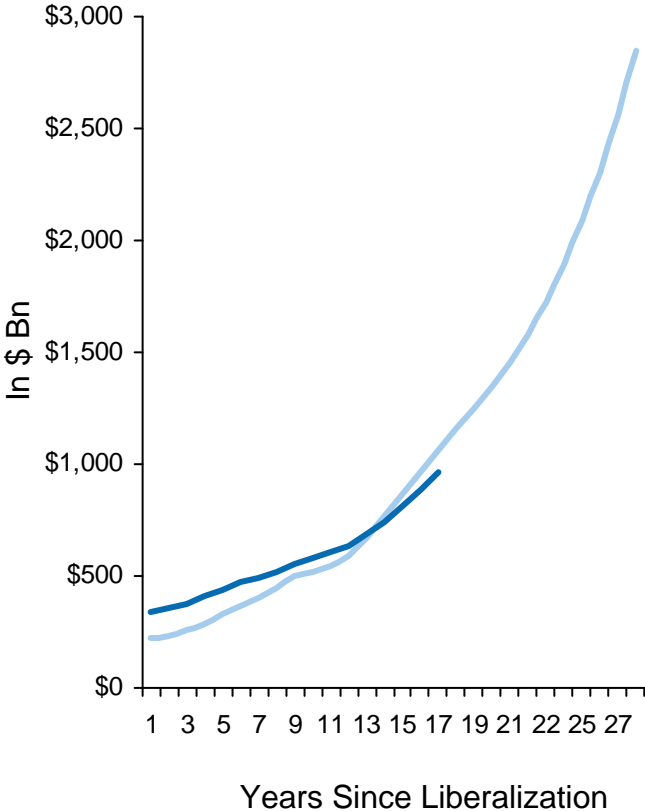
Percent Contribution of India & China, US, Western Europe and UK to World Economy (1500–2050 AD)



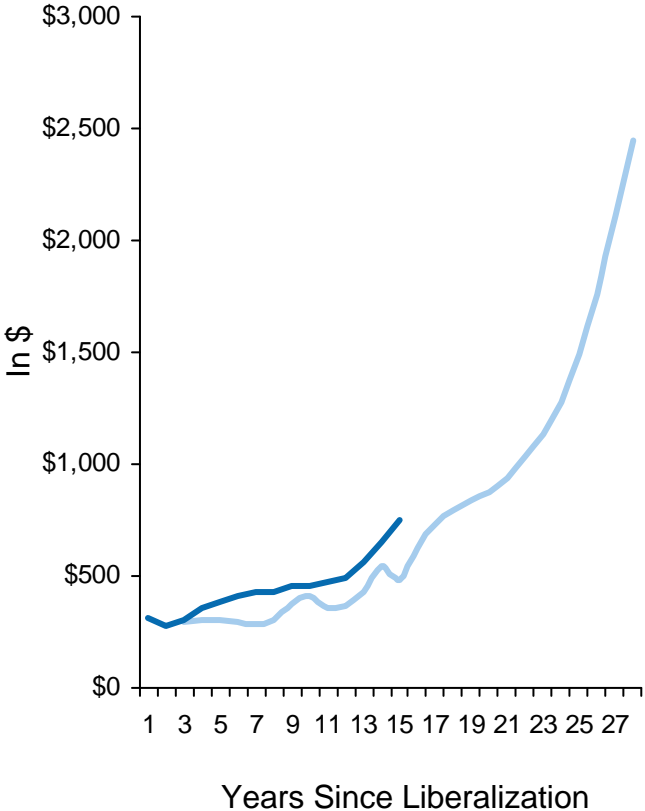
Note: UK, US and W. European countries do not include GDP from former British colonies
Source: The World Economy-Historical Statistics; Goldman Sachs BRIC Report; Booz & Company research and analysis

An assessment of parallels with markets such as China strengthen our belief in tomorrow

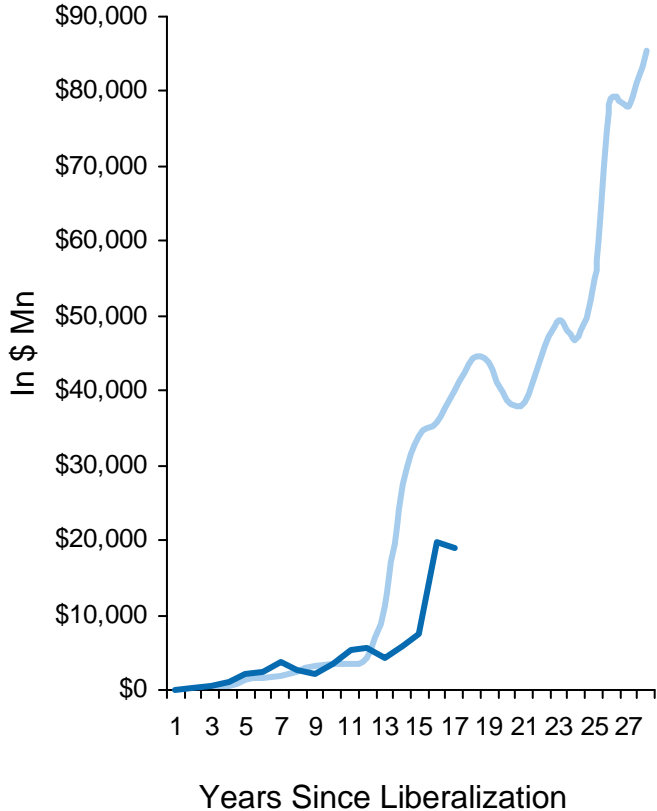
GDP Growth



GDP Per Capita Growth



FDI Trends – India and China

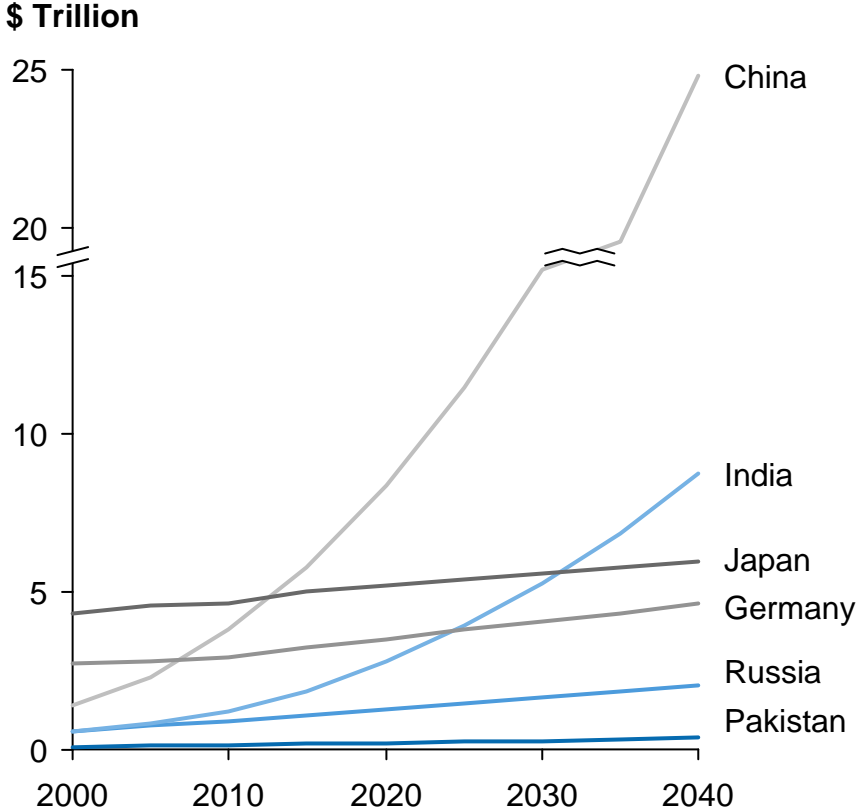


— China – 1979 — India – 1991

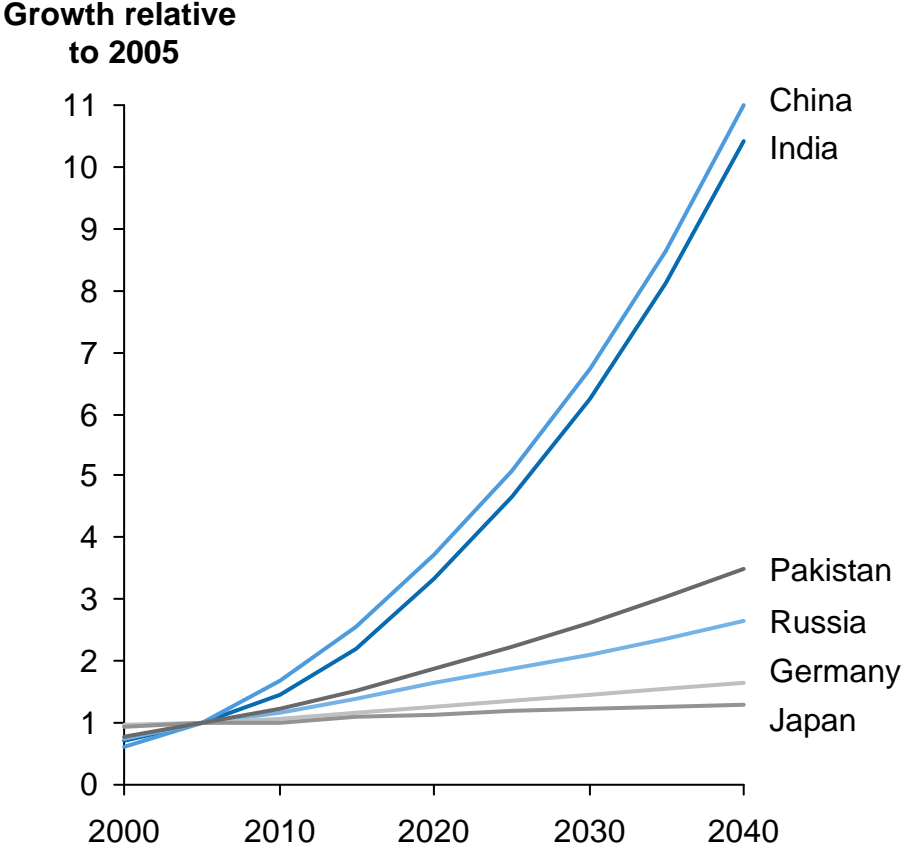
Source: Economic Intelligence Unit, Booz & Company analysis

The twin pillars of the global economy, India & China, will define the economic landscape for generations to come

GDP Trends
2005 Constant Prices (\$Trillion)



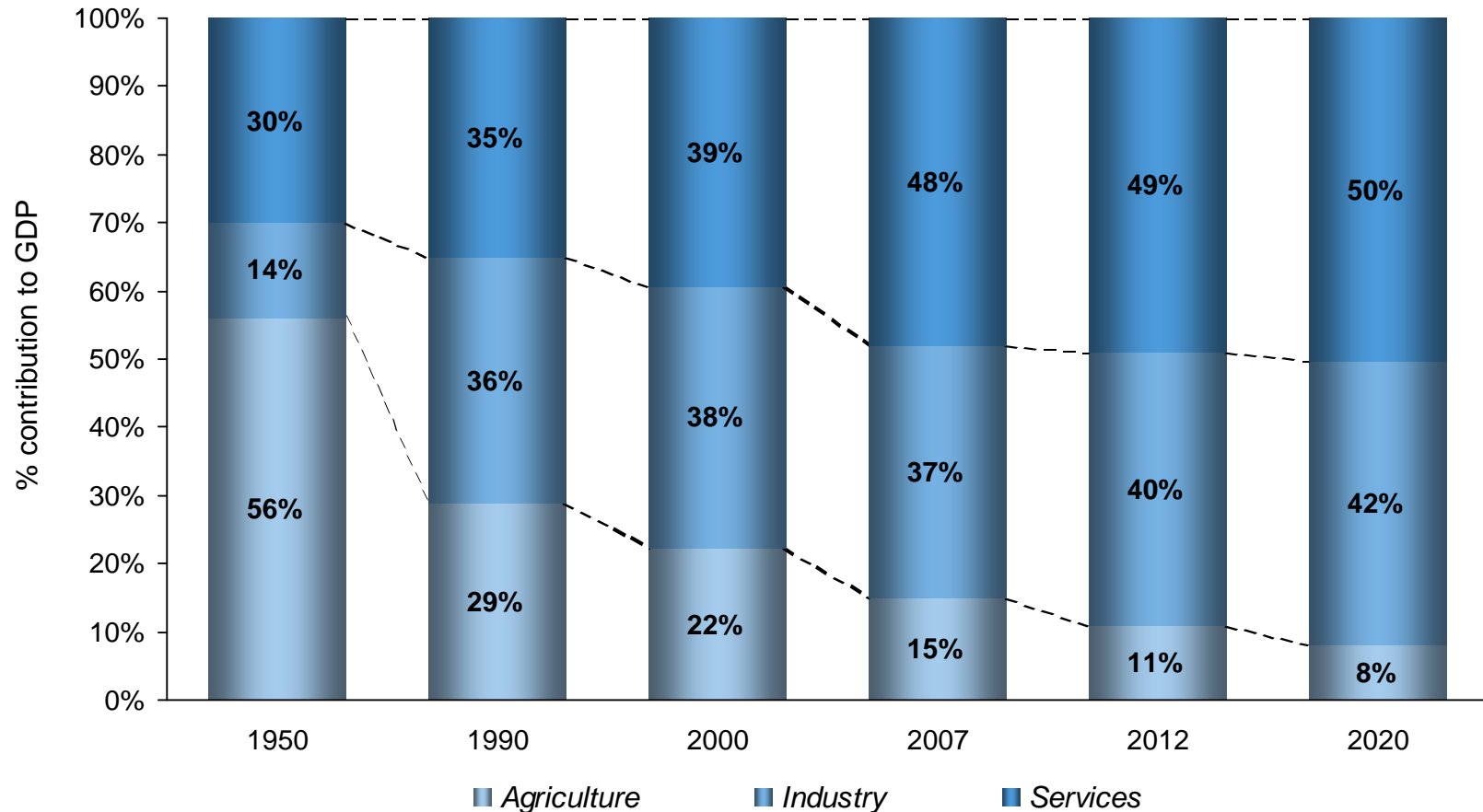
Real GDP Growth
(Base = 2005)



Source: Global Insight Database, Booz & Company analysis

Wealth is being generated via a positive structural shift in the economy

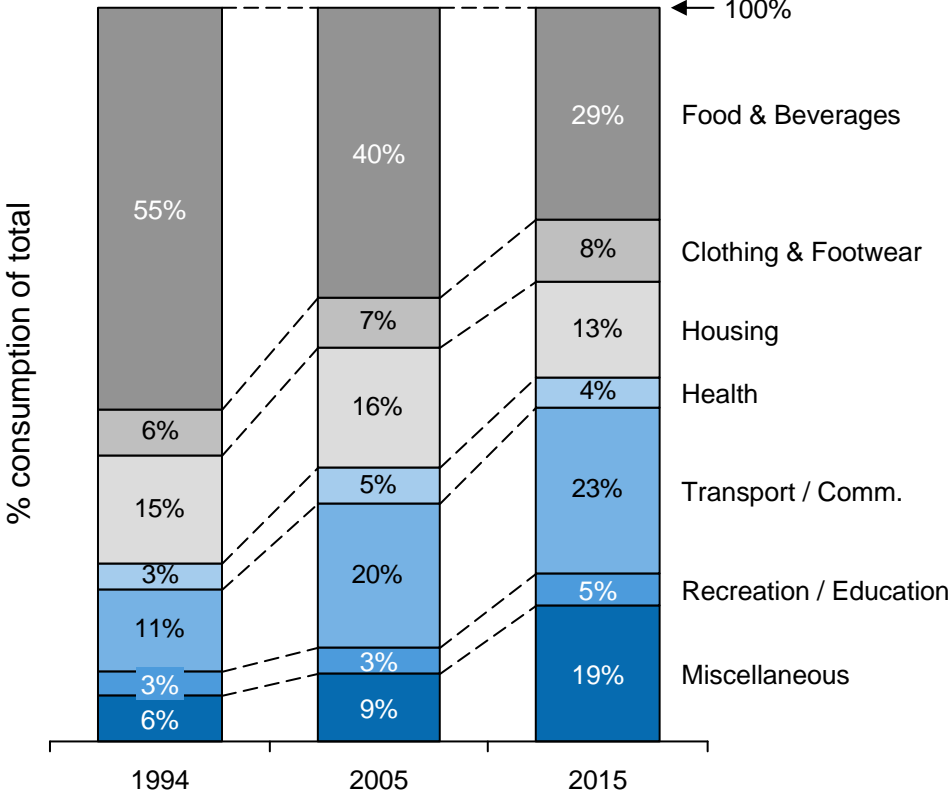
Shift in GDP composition by sector (1950 to 2020E)



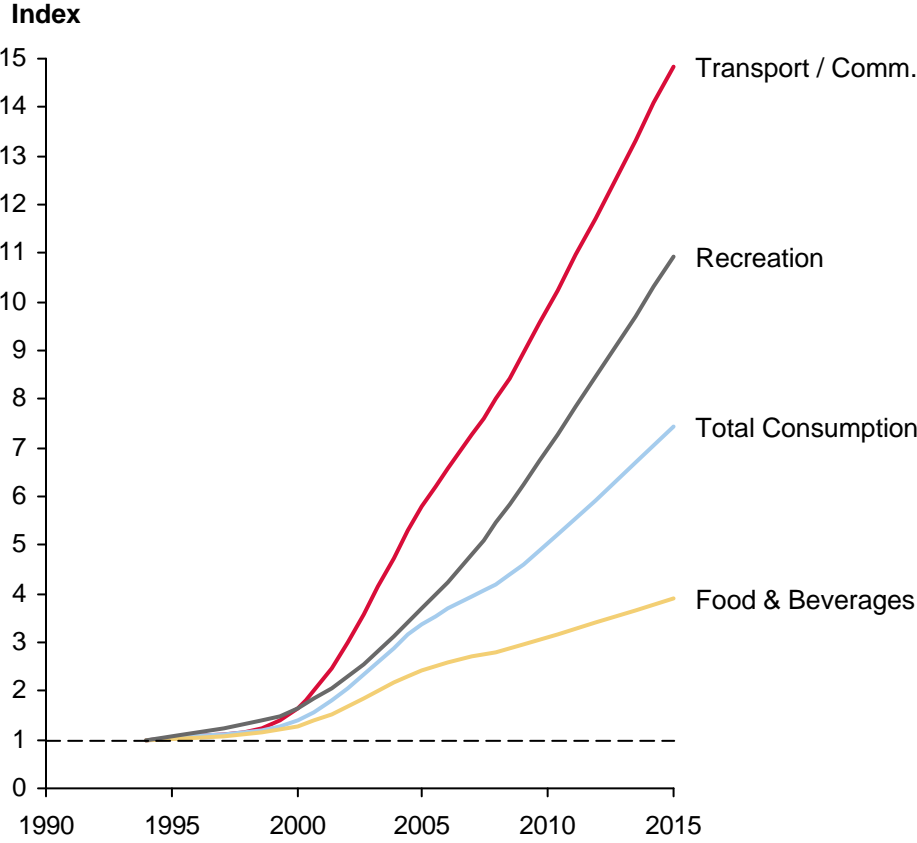
Source: Global Insights Database, Economic Intelligence Unit, Booz & Company analysis

Industry is likely to benefit from the change in consumption pattern of an increasingly prosperous society

Private Consumer Spending
1994-2015



Private Consumption Growth
Base - 1994

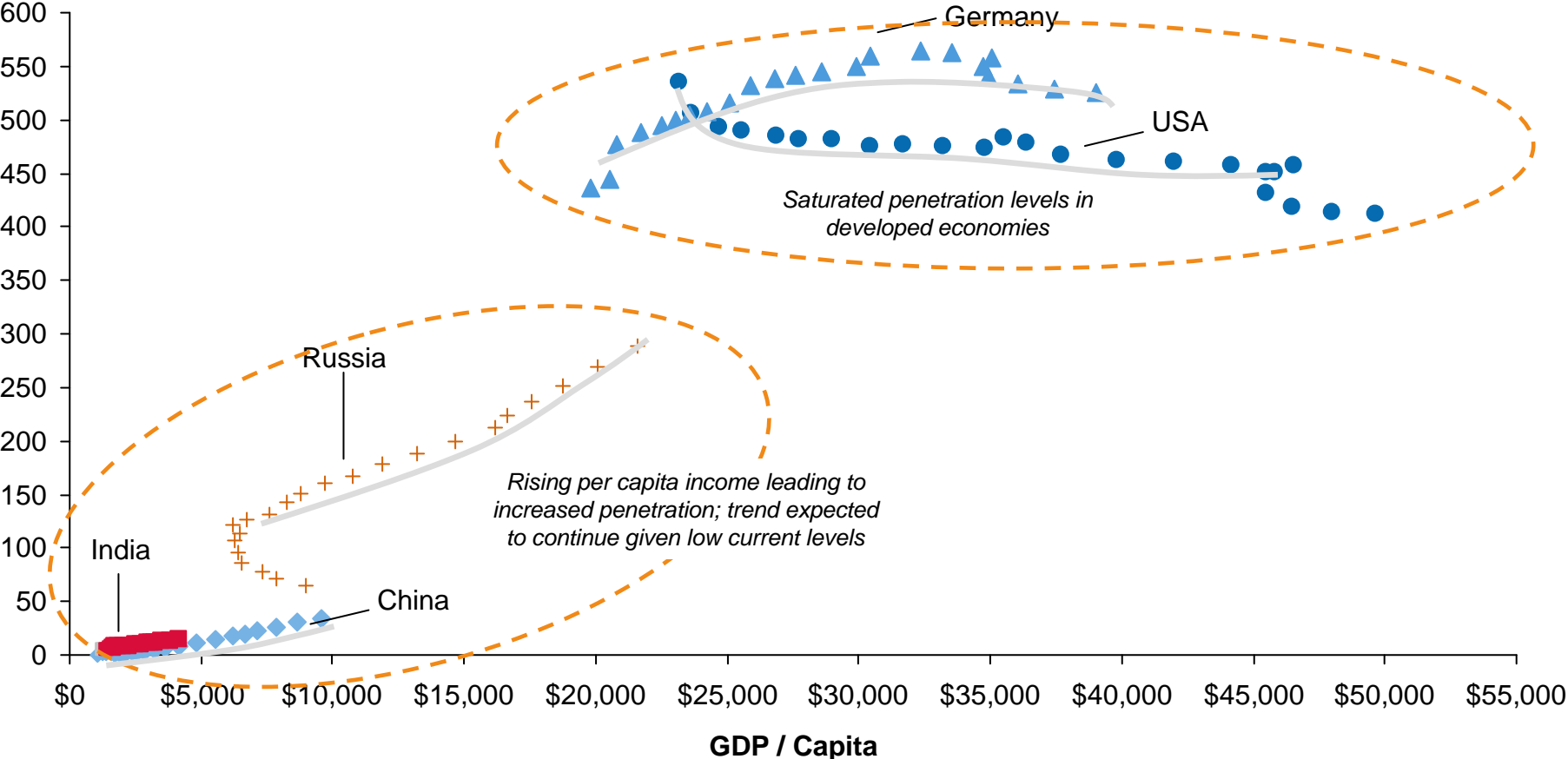


Note: Miscellaneous includes personal care goods and other services
Source: Central Statistics Organization (GOI), Booz & Company analysis

This rise in per capita GDP will lead to higher vehicle ownership

Cars / 1000 People Versus GDP / Capita
1990 - 2013

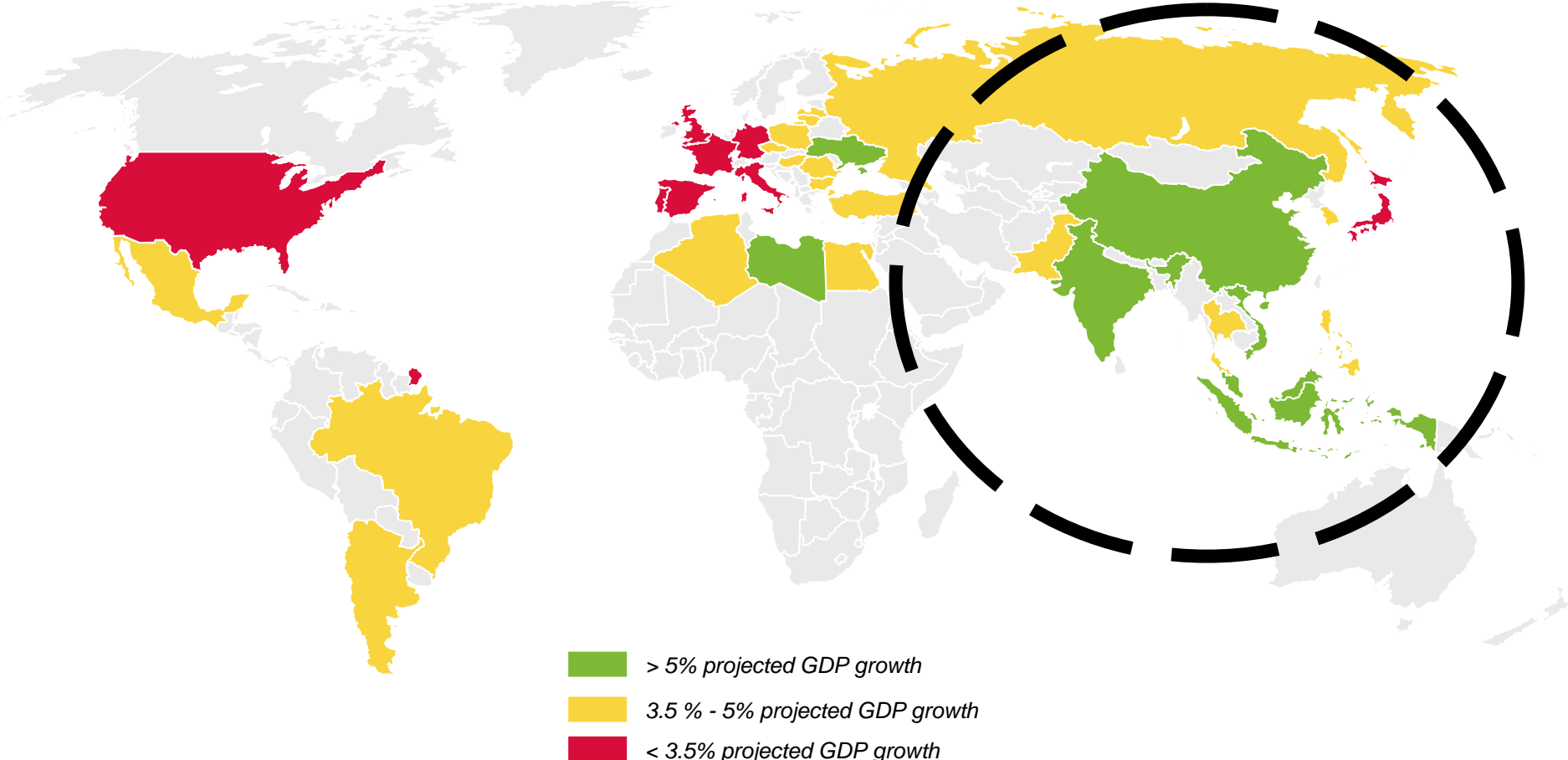
Cars / 1000 People



Source: Economist Intelligence Unit; Booz & Company analysis

The result: India is an anchor of future growth in the auto industry

GDP Growth by Country
2010 – 2020

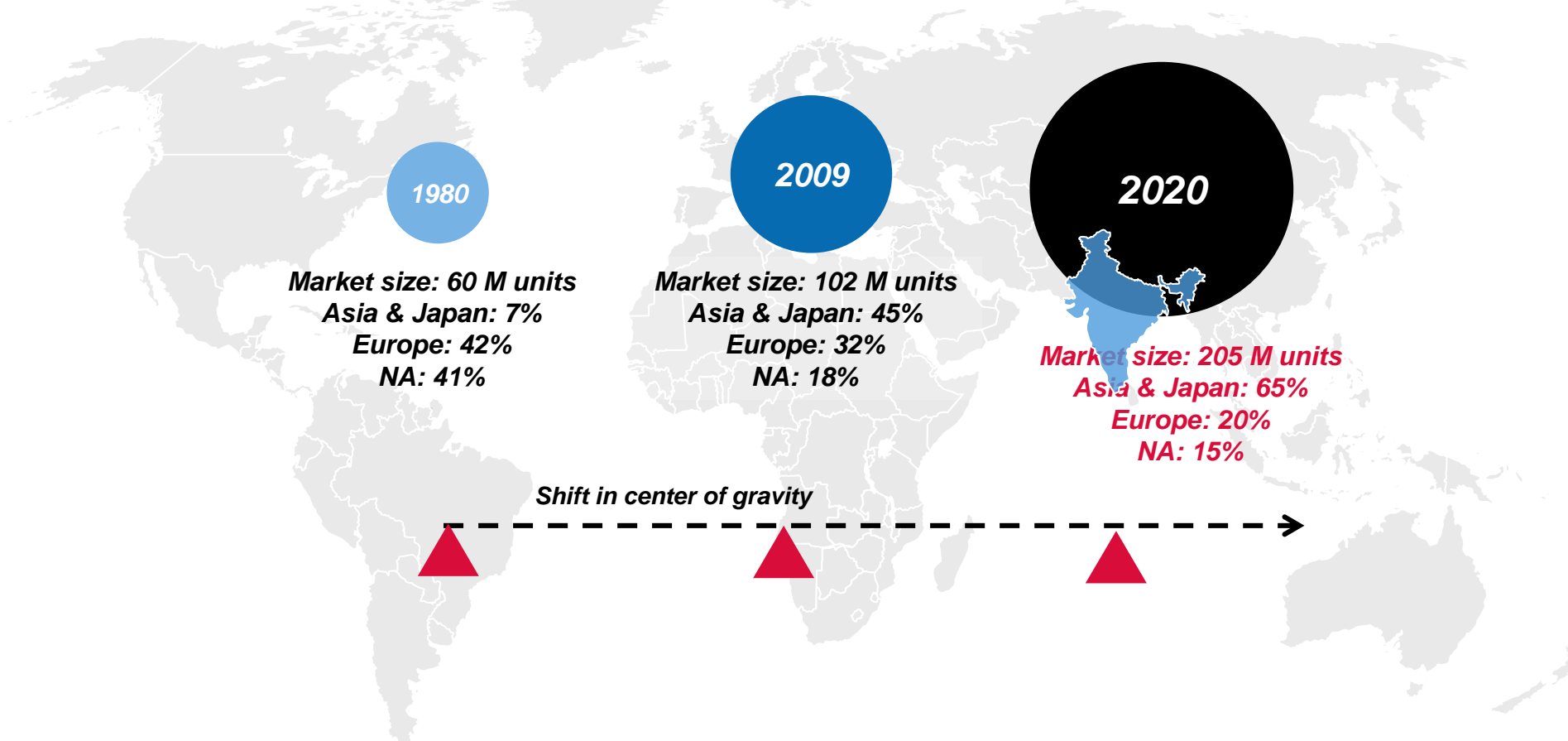


Source: Global Insight Database, Booz & Company analysis

Automotive sales are destined to resonate with global economic shift - India is the place to be for the global OEMs

Automotive Sales by Geography

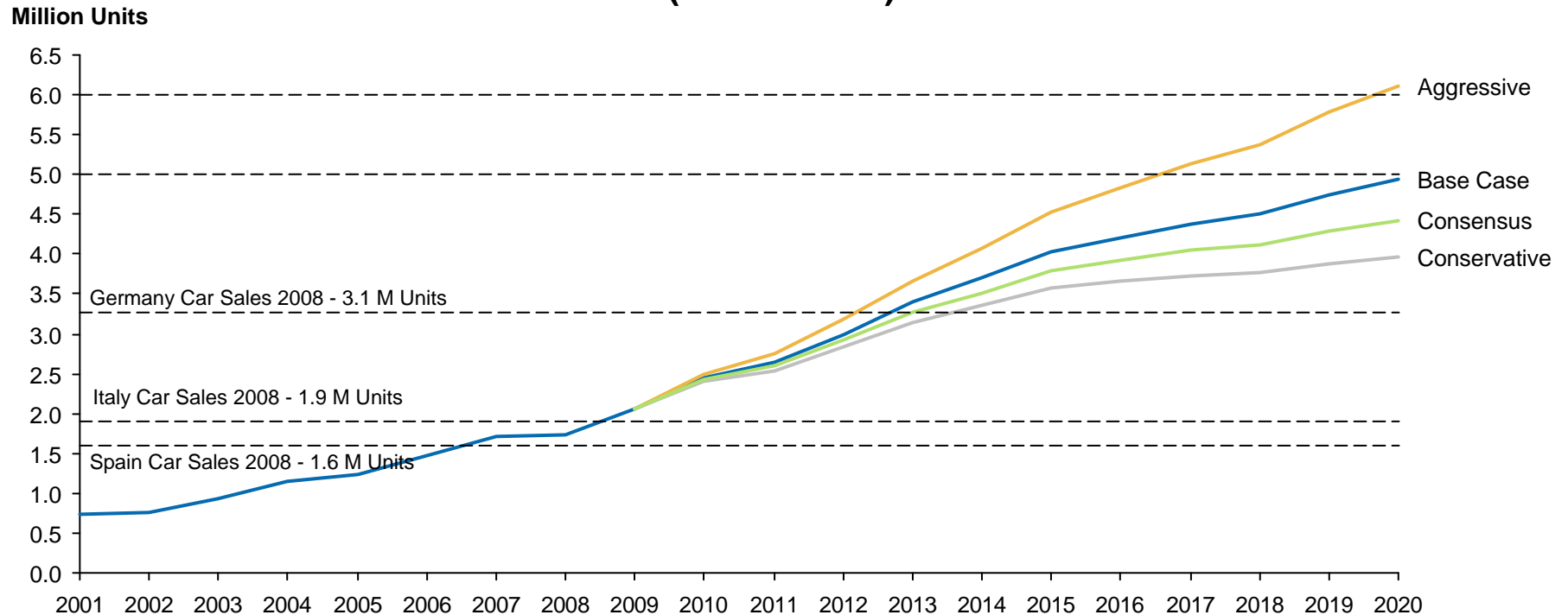
(Passenger Vehicles, Commercial Vehicles and Two Wheelers)



1) Includes passenger vehicles, commercial vehicles and two-wheelers
Source: Global Insight Database, March 2009; Wards Auto; Booz & Company analysis

India's car market has the potential to grow up to 6+ million units annually by 2020

Passenger vehicle sales in India (2001 – 2020)



Note: Figures for passenger vehicles includes numbers for light commercial vehicles like TATA Ace, TATA Magik, Suzuki Omnivan, Toyota Dyna, Mitsubishi Canter, etc

Note: Aggressive scenario – 14% CAGR upto 2015, after which market stabilizes (based on similar growth seen in the Chinese markets under similar macroeconomic conditions)

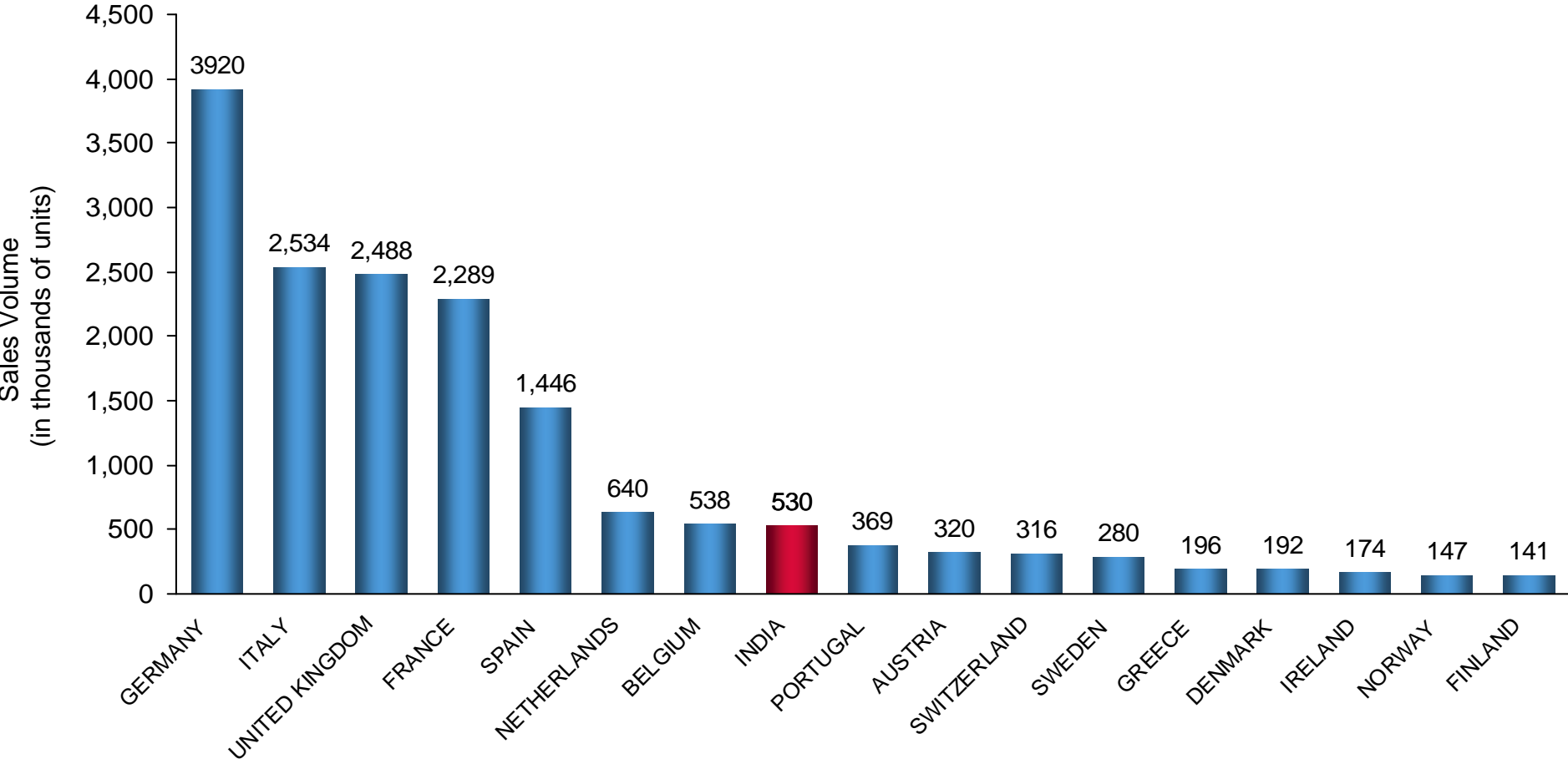
Base Scenario – 8% CAGR over 2009-2020; based on historical growth trends of the Indian car market

Conservative Scenario – 6% CAGR; car sales negatively impacted by economic downturn or unfavorable government policies (high interest rates, financing not easily accessible, etc)

Source: Global Insight database, Booz & Company Analysis

India will soon be bigger than most other markets

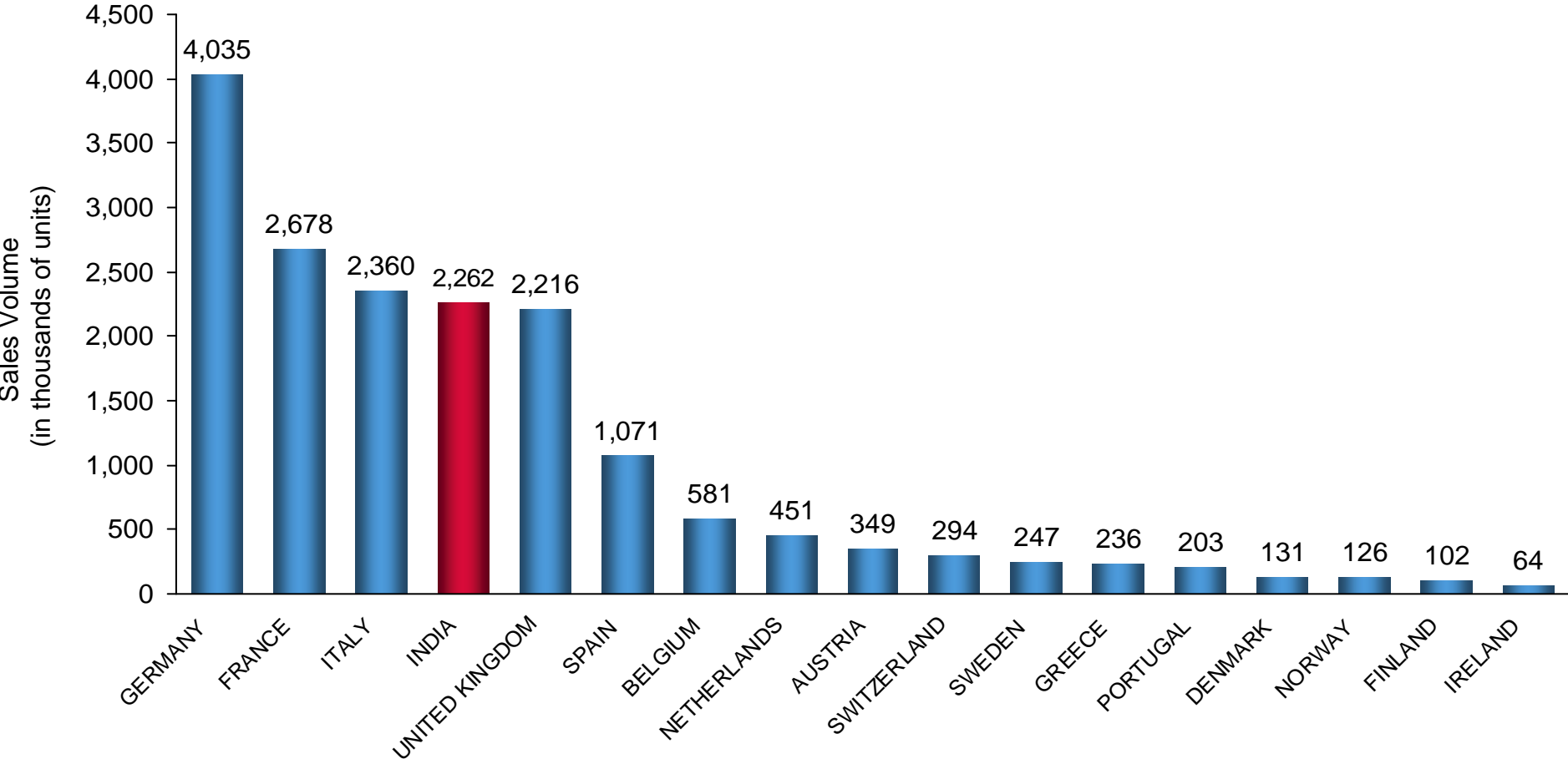
Western Europe (1998) and India (1998)



Source: Global Insight Database, Booz & Company analysis

India will soon be bigger than most other markets

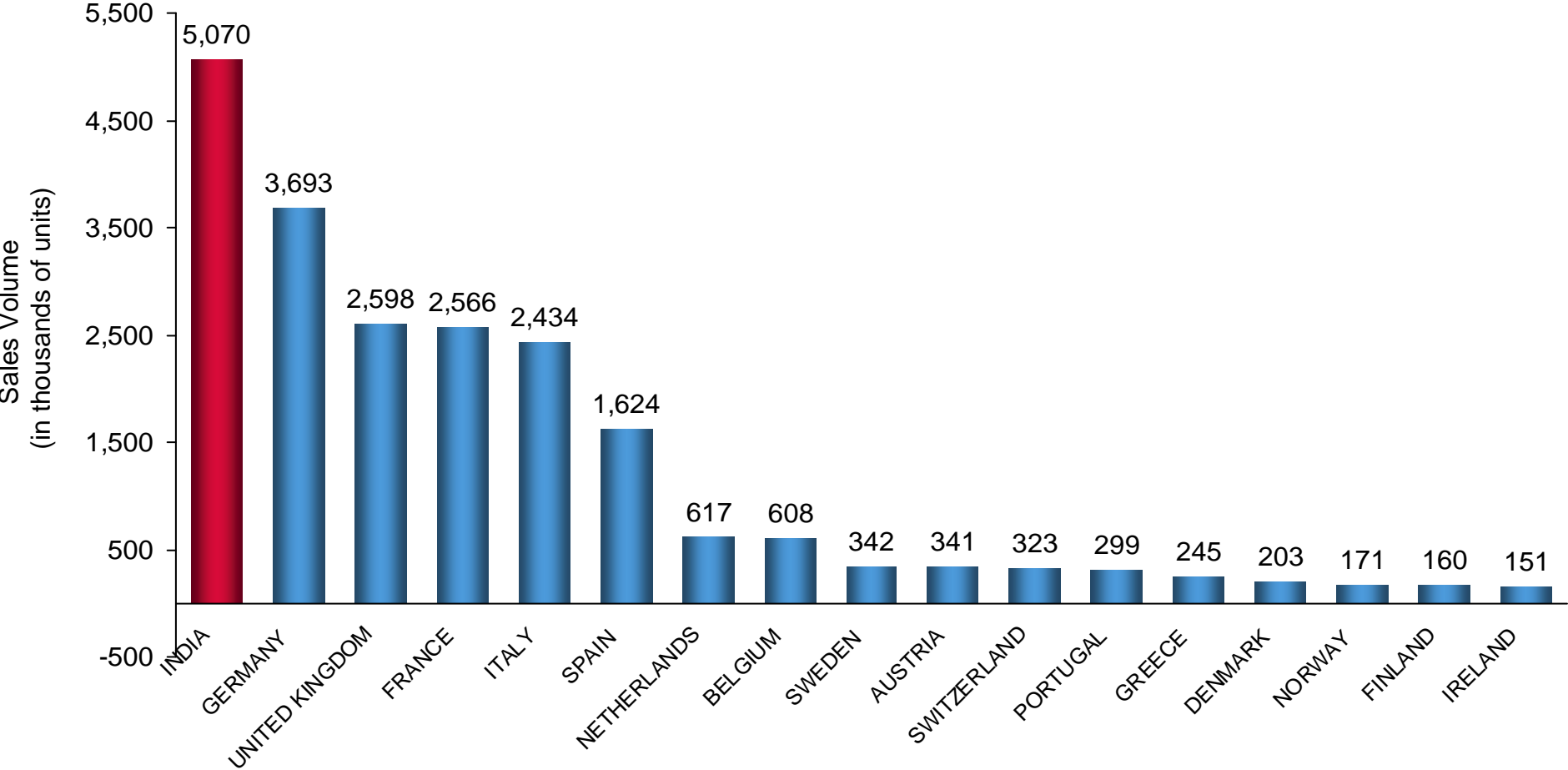
Western Europe (2009) and India (2009)



Source: Global Insight Database, Booz & Company analysis

Much earlier than 2020, India will exceed the major EU markets

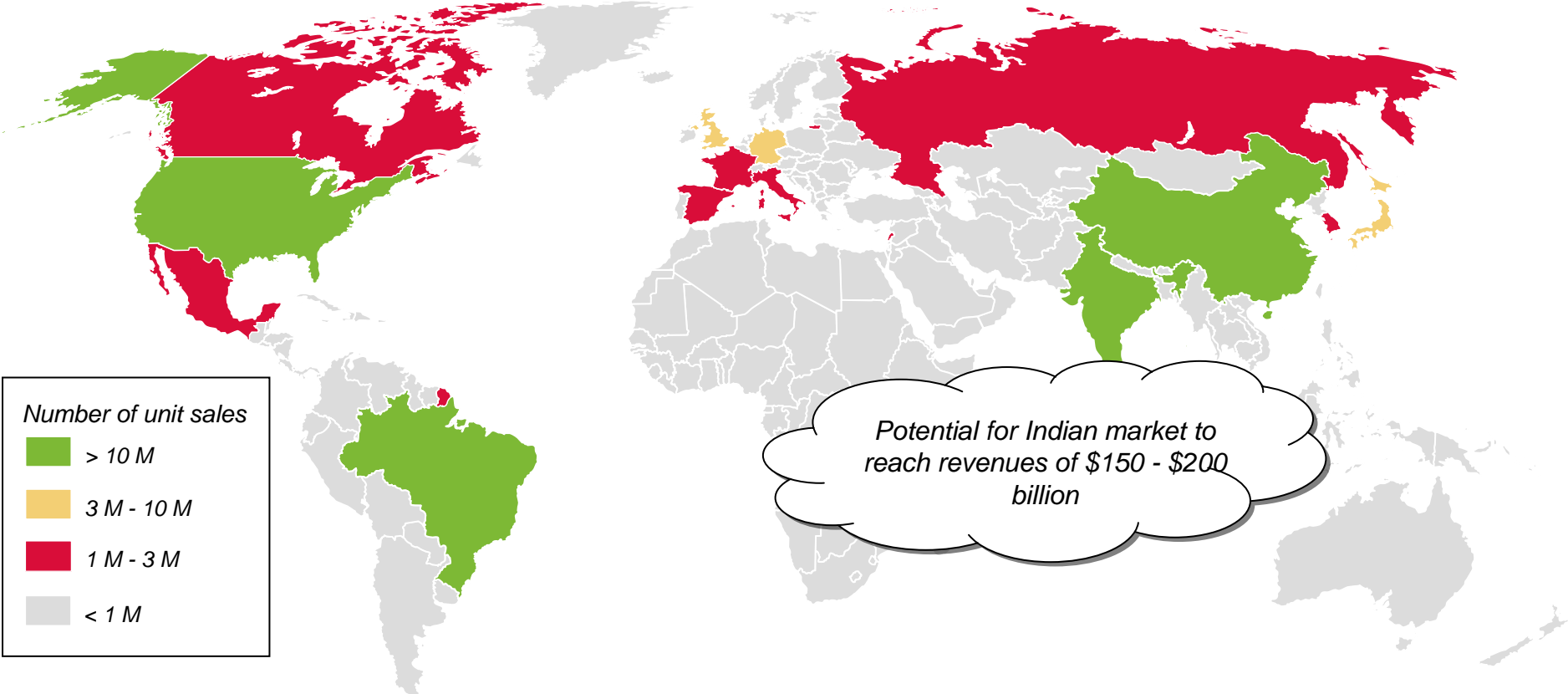
Western Europe (2015) and India (2015)



Note: Forecasts for 2015
Source: Global Insight Database, Booz & Company analysis

India and China dwarf existing automotive markets such as Germany or UK

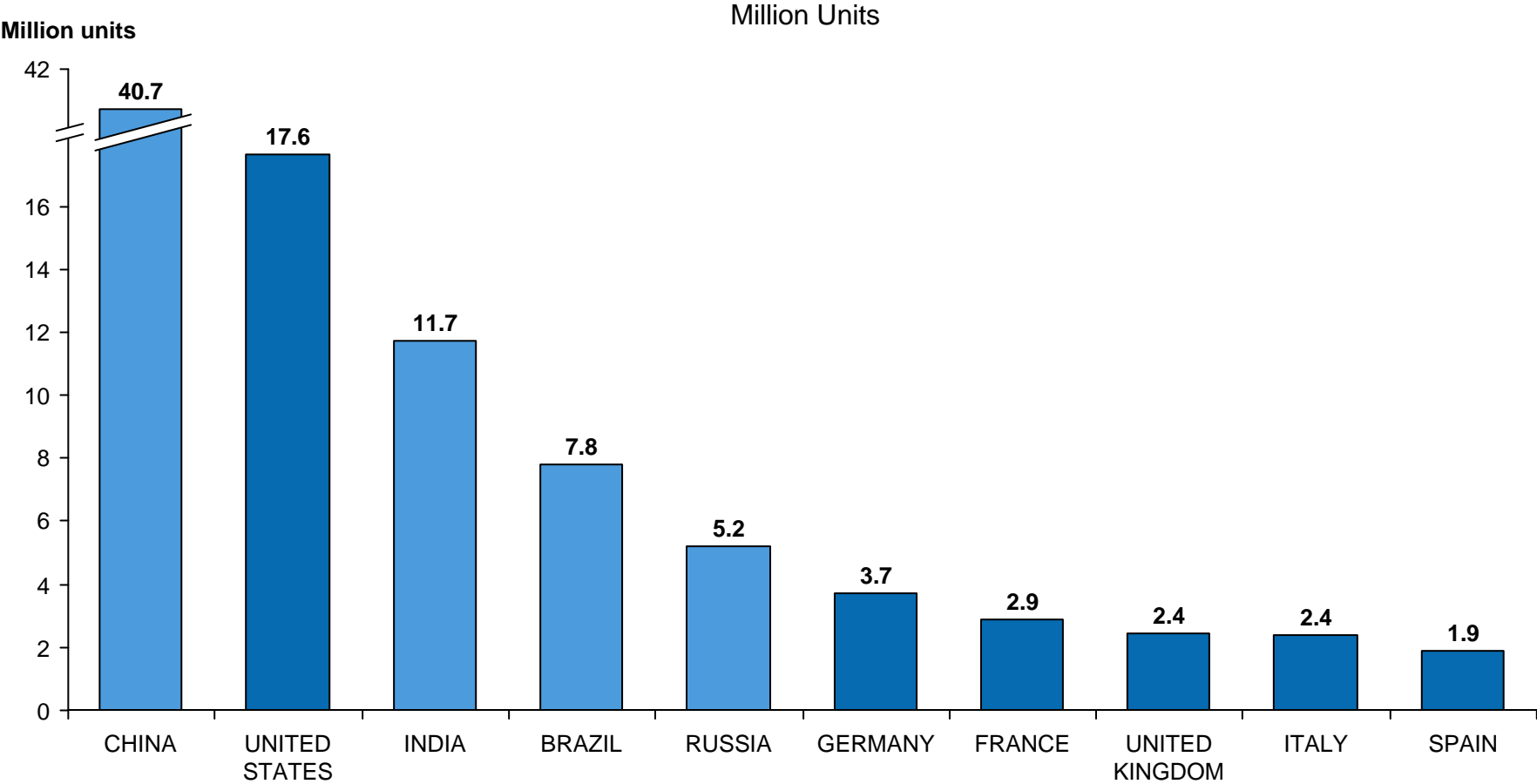
Automotive sales volume by country
2030



Note: 2030 sales and GDP projections are based on annual GDP growth rates projected by country per GS BRIC report
Source: Global Insight Database, March 2009; Goldman Sachs BRIC Report; Booz & Company analyses

By 2030, India will be among the GLOBAL BIG 3

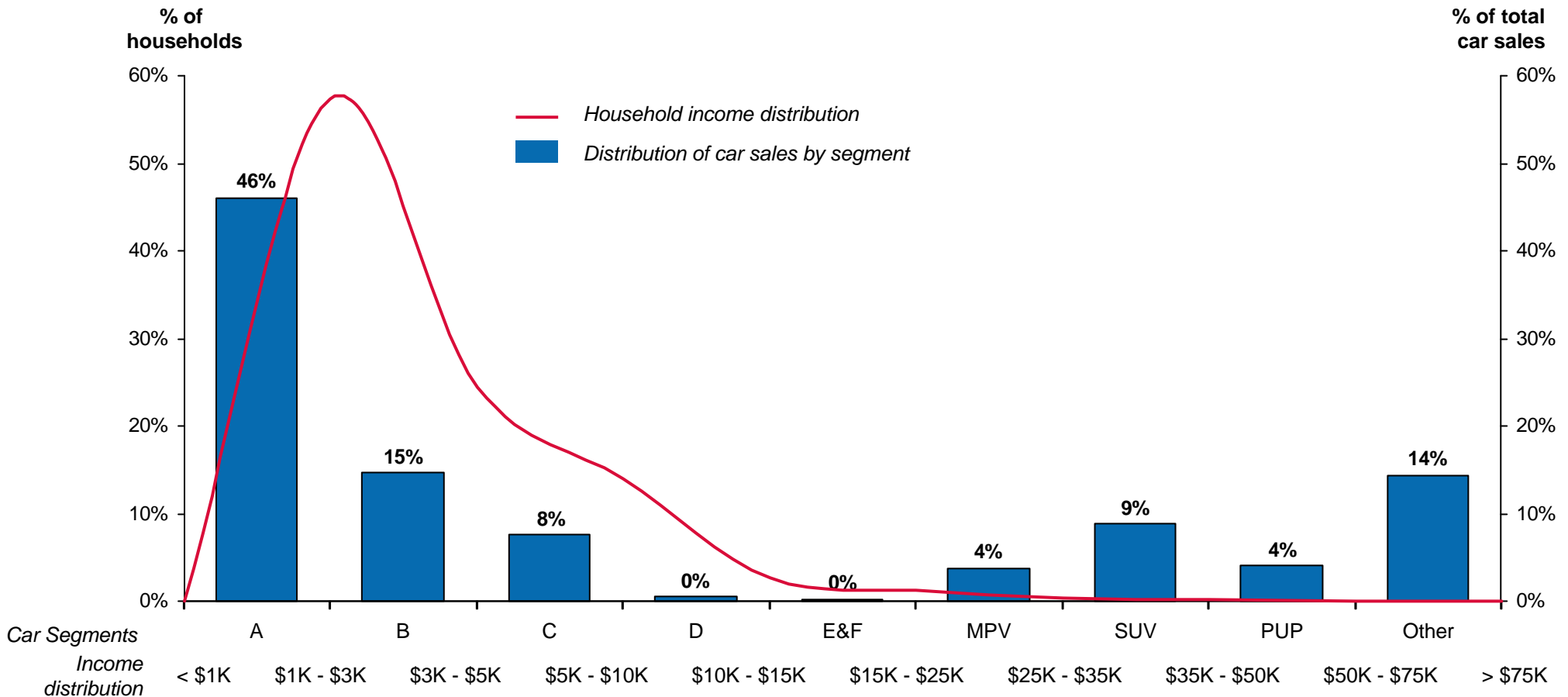
Light Passenger Vehicle Sales Projections - 2030



Note: Figures for passenger vehicles includes numbers for light commercial vehicles like TATA Ace, TATA Magik, Suzuki Omnivan, Toyota Dyna, Mitsubishi Canter, etc
Source: Global Insight Database, Booz & Company analyses

We expect not just a quantitative but also a qualitative change in the market...

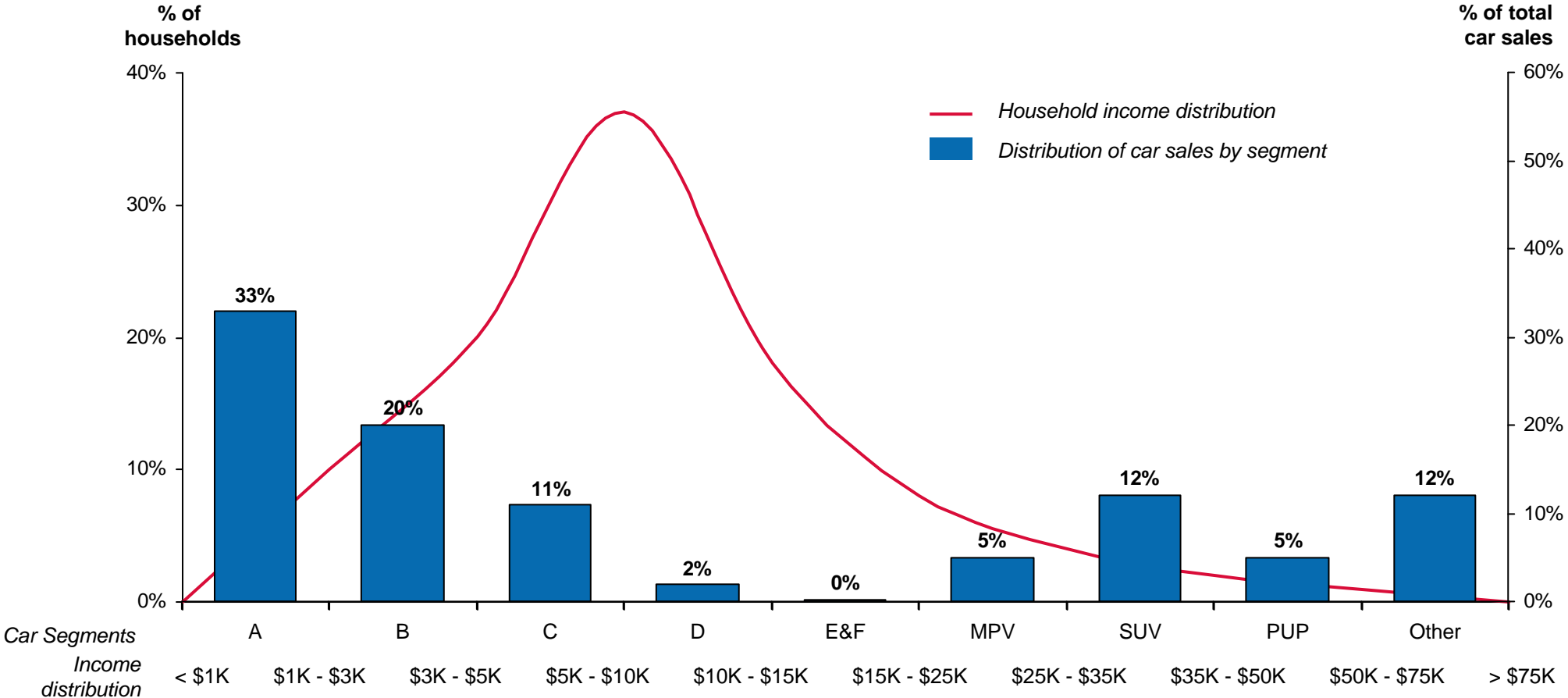
Indian household income & car sales distribution
2008



Source: Global Insight 2009, Booz & Company Analysis

The market of tomorrow will reflect increased prosperity of the nation

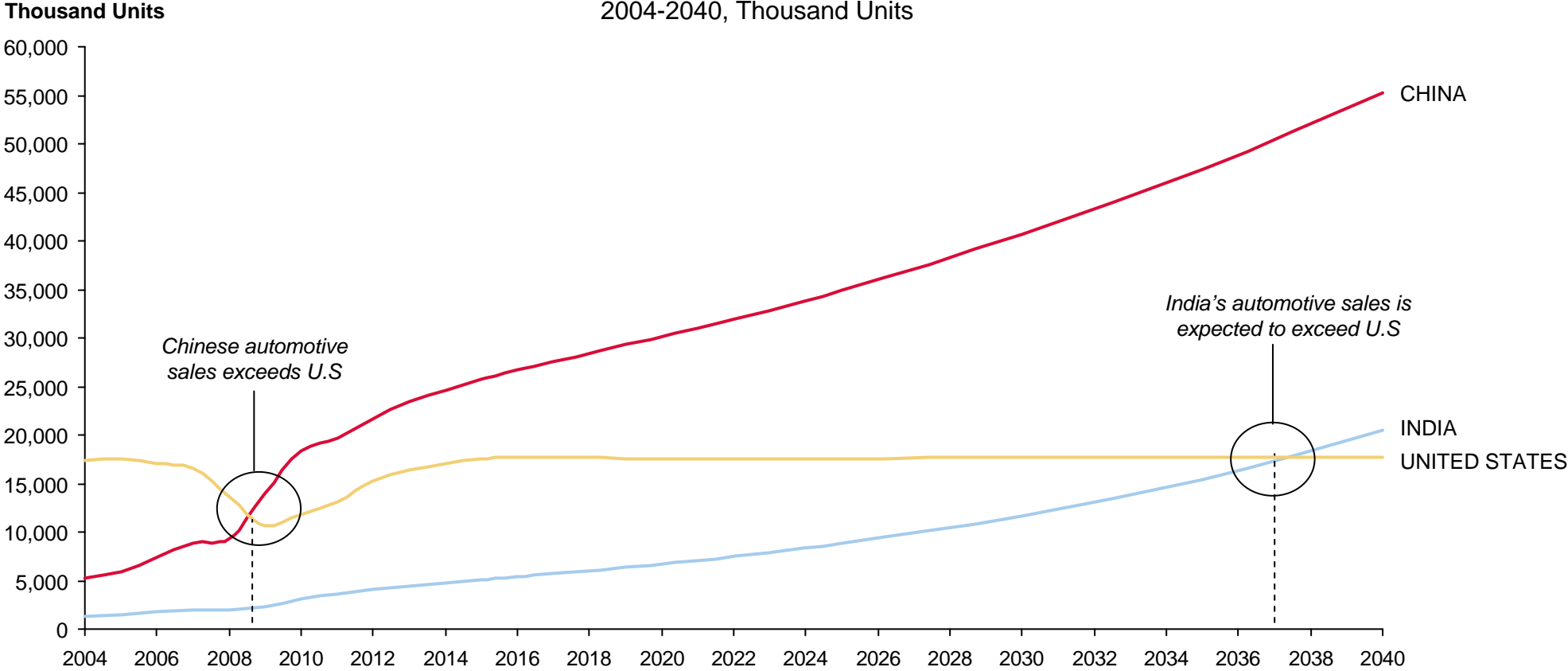
Indian household income & car sales distribution
2030



Source: Global Insight 2009, Booz & Company Analysis

Interestingly, India's market is expected to overtake the US auto sales by ~2035

Light Vehicle Sales Projections - US, China, India 2004-2040, Thousand Units



Note: Figures for passenger vehicles includes numbers for light commercial vehicles like TATA Ace, TATA Magik, Suzuki Omnivan, Toyota Dyna, Mitsubishi Canter, etc
Source: Global Insight Database, Booz & Company analyses

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