

FY2008 First Half Results



Mitsubishi Motors Corporation

October 30, 2008

FY2008 First Half Results and FY2008 Full Year Forecast



Shuichi Aoto

Director

**In Charge of Corporate Planning,
Controlling & Accounting Group Headquarters**

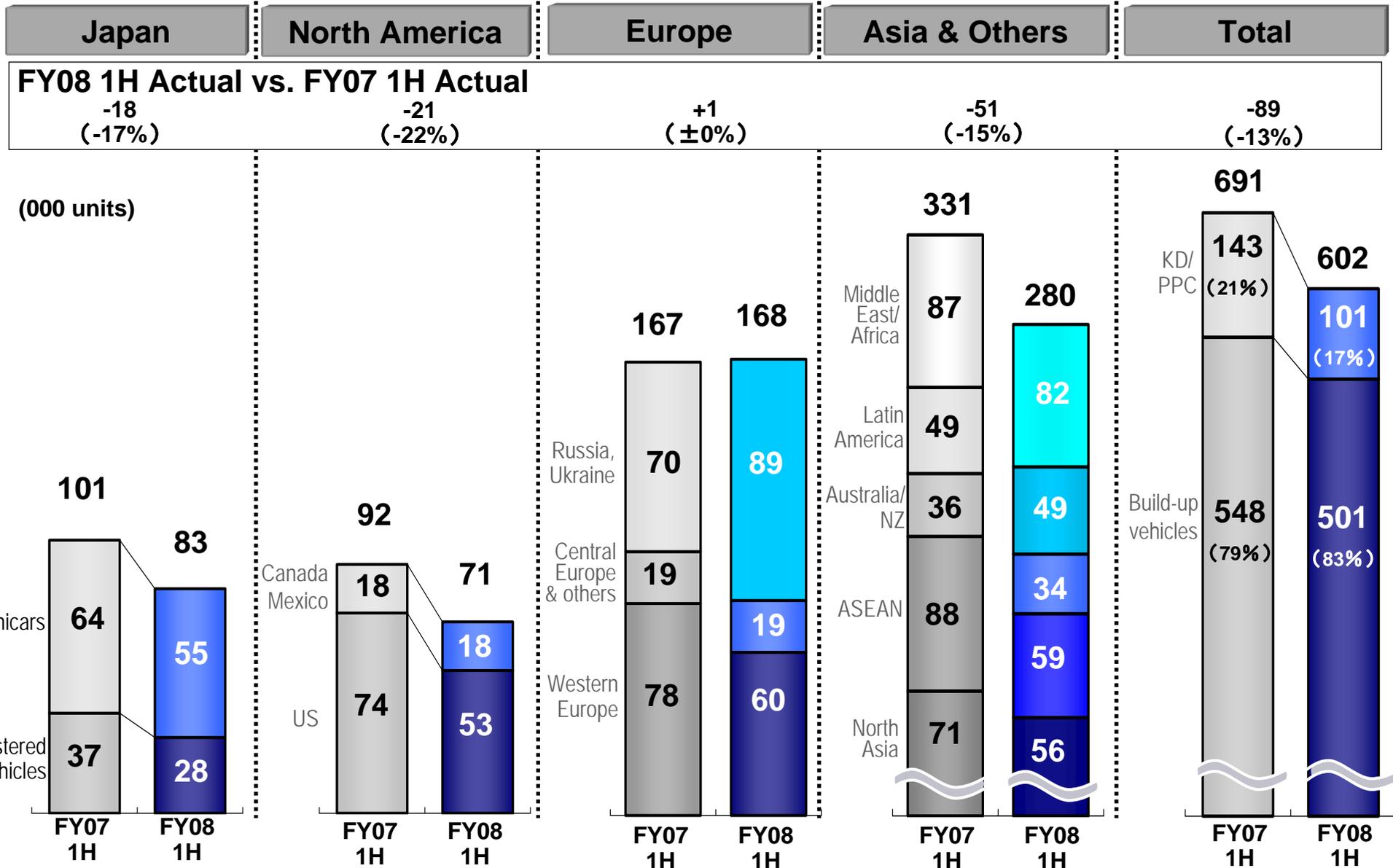
FY2008 1H Results Summary (vs. FY2007 1H Actual)

Operating and ordinary income increased
Net profitability achieved
 ~ First 1H net profit since FY02 ~

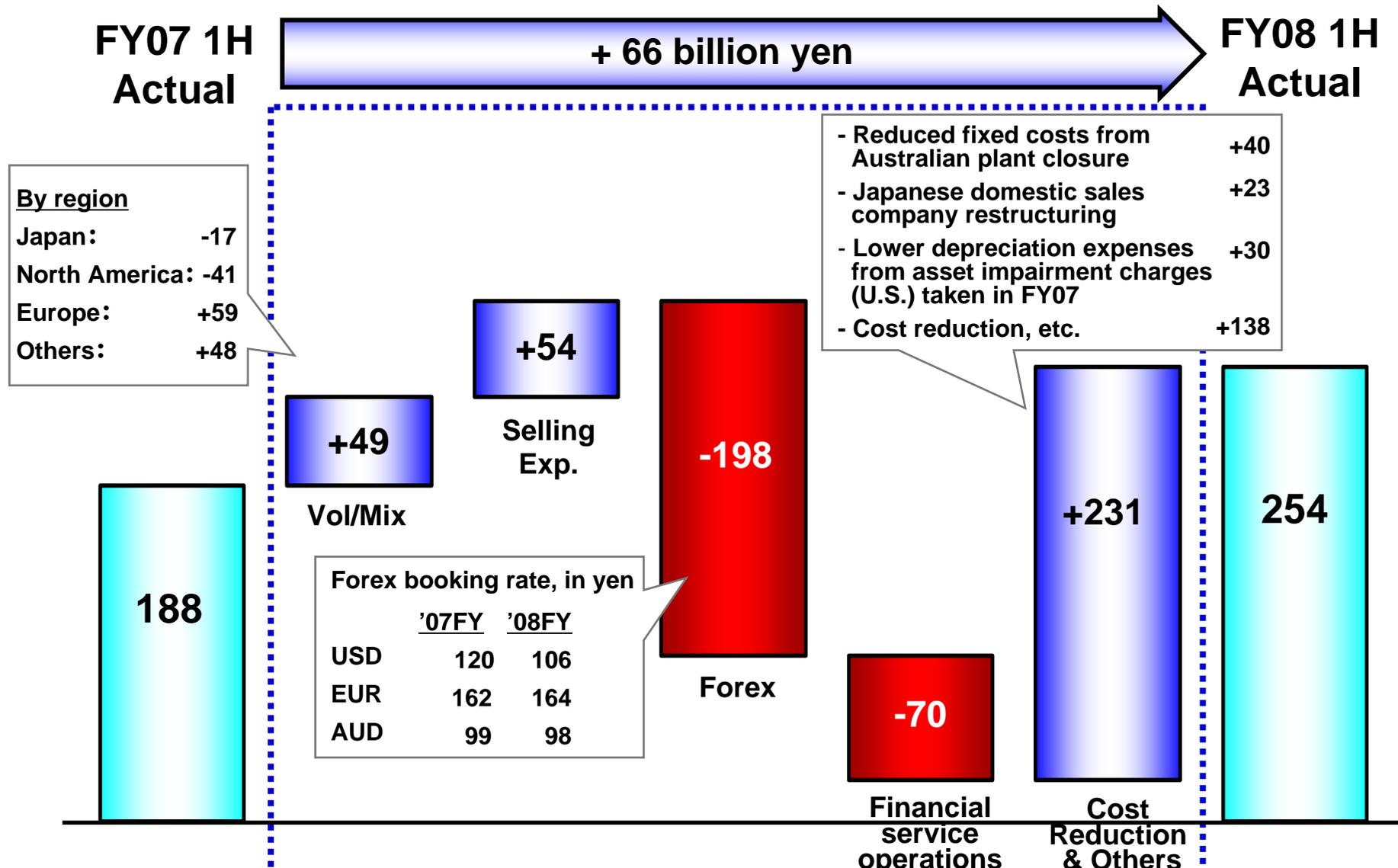
(100 million yen/000 units)

	FY07 1H Actual	FY08 1H Actual	Change	【Reference】 Apr 25 FY08 1H Forecast	【Reference】 Oct 22 FY081H Forecast
Revenue	13,134	12,140	-994	12,500	12,140
Operating Income	188	254	+66	150	250
Ordinary Income	66	209	+143	100	205
Net Income	-56	128	+184	0	125
Unit Volume (Retail)	691	602	-89	628	-

FY2008 1H Regional Unit Volume (vs. FY2007 1H Actual, retail base)



Profit increased on improved model mix, cost reduction



Non-operating and Extraordinary Income (vs. FY2007 1H Actual)

(100 million yen)

	FY07 1H Actual	FY08 1H Actual	Change
Operating Income	188	254	+66
Non-operating Income	-122	-45	+77
Ordinary Income	66	209	+143
Extraordinary Income & Tax	-122	-81	+41
Net Income	-56	128	+184

Main Items

- Interest income/exp. +41
(FY07: -78 => FY08: -37)
- Forex +58
(FY07: -51 => FY07: +7)

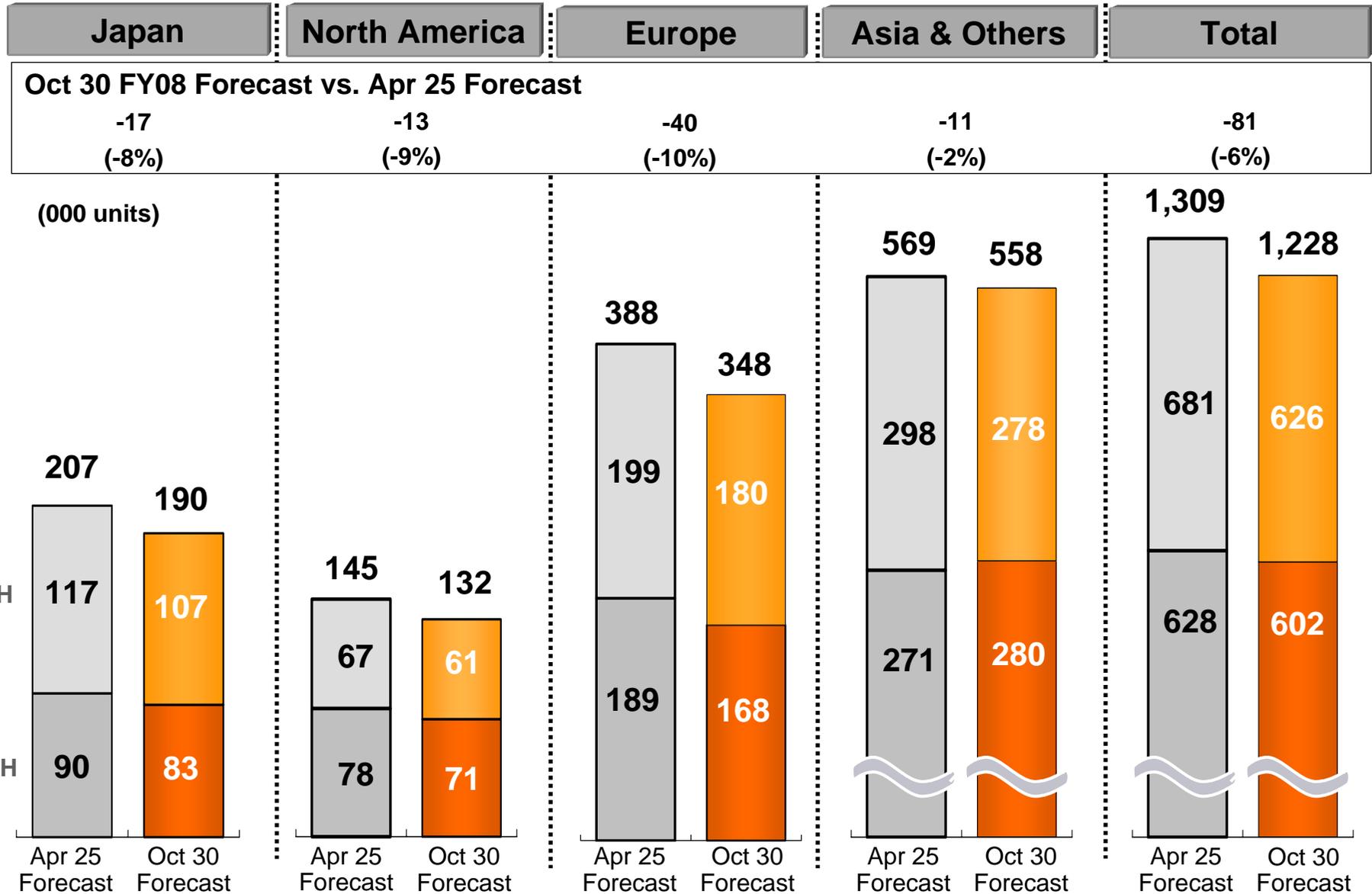
Main Items

- Extraordinary profit and loss +14
- Corporate tax, etc. +27

(100 million yen)

	<u>Mar 2008</u>	<u>Sep 2008</u>	<u>Change</u>
Total Assets	16,094	15,239	-855
Cash and cash deposits	3,559	3,127	-432
Inventory	2,996	2,700	-296
Total Liabilities	12,813	12,154	-659
Interest Bearing Debt	3,539	3,341	-198
Net Assets	3,281	3,085	-196

FY2008 Regional Unit Volume Forecast (vs. Apr 25 Forecast, Retail base)



Aiming to achieve net income target announced at start of FY08

(100 million yen/000 units)

	FY08 Apr 25 Fcast	FY08 Oct 30 Fcast	Change	【Reference】 FY07 Actual
Revenue	26,500	23,600	-2,900	26,821
Operating Income	600	500	-100	1,086
Ordinary Income	480	430	-50	857
Net Income	200	200	±0	347
Unit Volume (Retail)	1,309	1,228	-81	1,360

Assumed Forex Rate

		1H	2H	FY2008
USD:	100	106	95	101
EUR:	155	164	125	144
AUD:	90	98	65	81

Breakdown of change

- Volume/Mix	-310
- Selling Exp.	+170
- Cost reduc., etc	+100
- Forex	-60

FY2008 Business Plan Second Half Strategy



Osamu Masuko

President

Global situation

- Global financial turmoil
- Economic slowdown hits all countries simultaneously; effects will be felt for the long term

Impact on auto industry

- Loss of consumer confidence
- Credit squeeze impairs functioning of financial institutions
- Economic slowdown spreads to emerging nations

⇒ Tough business climate to continue in FY09

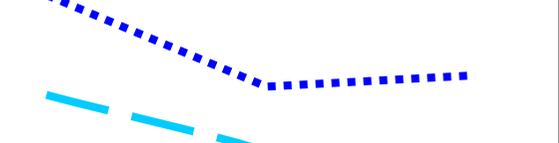
Addressing environmental issues & oil price changes will bring structural changes in demand

MMC response plan

Strategic mid-term tactics

- ✓ Company-wide commitment to formulation of emergency measures
- ✓ Firm implementation of reasonable measures to improve profitability
- ✓ Total commitment to bringing inventory and production levels in line
- ✓ Implementation of personnel and organizational reforms
- ✓ Introduction of market-appropriate models
- ✓ Bring “green cars” to market
- ✓ Make sales activities more profit oriented
- ✓ Strengthen after-sales operations
- ✓ Active promotion of various operational tie-ups

Mid-term measures by region

Region		Year on year changes in market demand			Mid-term tactics by region
		1Q average	2Q average	September	
Mature markets	Japan				<ul style="list-style-type: none"> - Strengthen after-sales business - Raise efficiency of sales network
	U.S.				<ul style="list-style-type: none"> - Meet shift to smaller cars - Streamline and cost reduction at Illinois plant
	Western Europe *1				<ul style="list-style-type: none"> - Increase number of low-CO2 models in lineup - Increase capacity utilization rate at NedCar
Emerging markets	Russia & Ukraine				<ul style="list-style-type: none"> - Introduce new SUVs for emerging markets - Continue to expand sales network
	China				<ul style="list-style-type: none"> - Establish new sales company to strengthen built-up import business - Strengthen China sales division within MMC
	Middle East *2				<ul style="list-style-type: none"> - Introduce new SUVs - Launch new corporate structure in Dubai
	Brazil				<ul style="list-style-type: none"> - Introduce new SUVs - Increase number of "green" FFV models
	ASEAN *3				<ul style="list-style-type: none"> - Strengthen regional sales division within MMC

*1) 5 main nations: UK, Germany, France, Italy, Spain

*2) 6 GCC nations: UAE, Bahrain, Kuwait, Oman, Katal, Saudi Arabia

*3) Thailand, The Philippines, Malaysia, Indonesia, Singapore

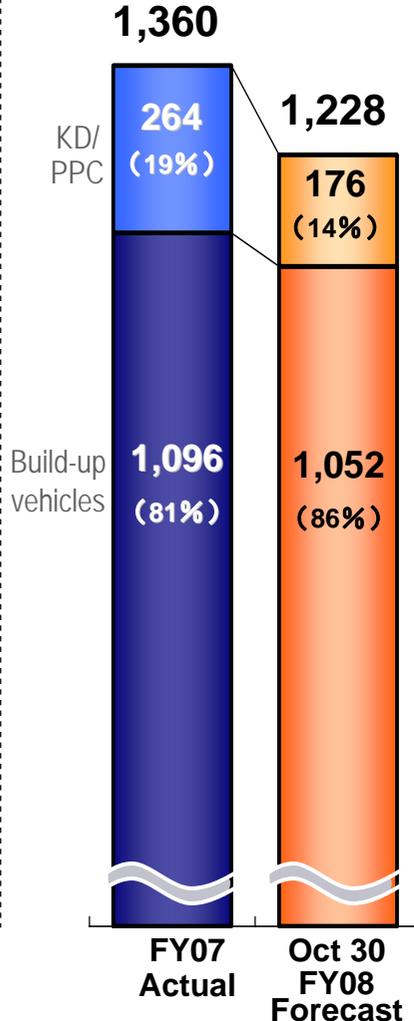
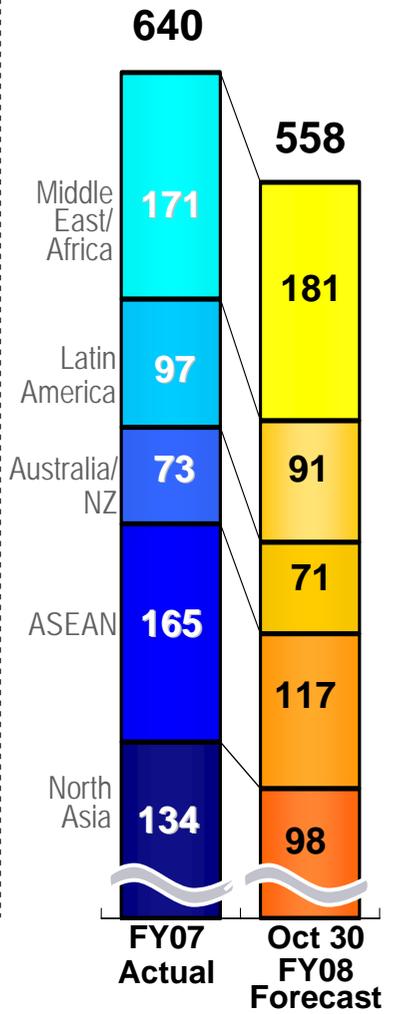
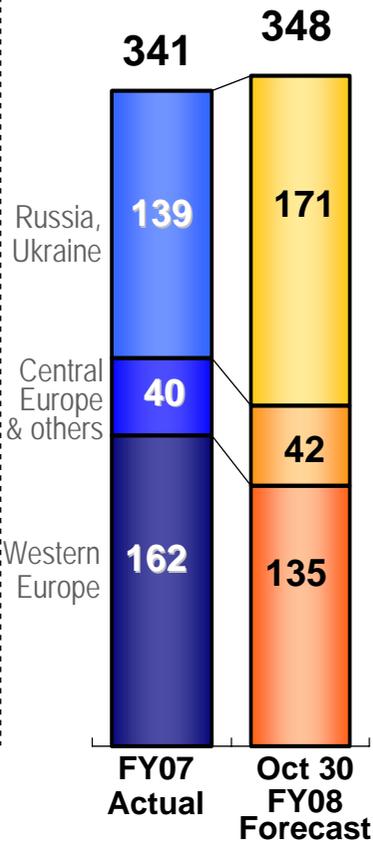
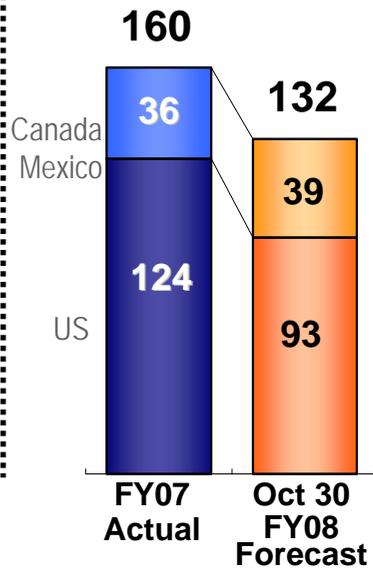
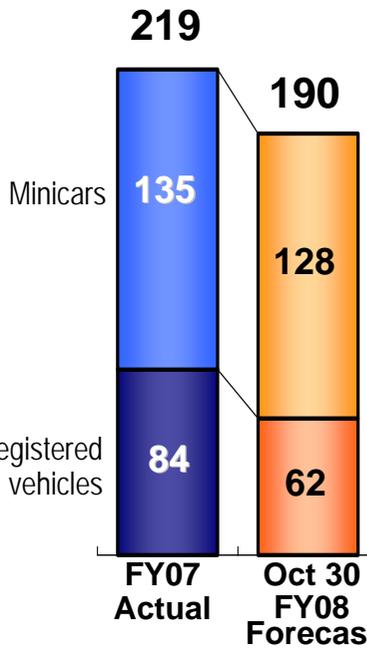
Expand Lancer series lineup and introduce new SUV models

	08FY/1Q	08FY/2Q	08FY/3Q	08FY/4Q
Lancer Sportback *Galant Fortis Sportback in Japan		Europe		
			Australia	
			Japan	
Lancer Evolution	Australia			
		Europe		
			China	
			Middle East	
Pajero Sport			ASEAN	
			Russia/ The Ukraine	
			Mid. E / Latin America / Africa	

FY2008 Regional Unit Volume Forecast (vs. FY2007 Actual, Retail base)

Japan	North America	Europe	Asia & Others	Total
Oct 30 FY08 Forecast vs. FY2007 1H Actual				
-13%	-17%	+2%	-13%	-10%

(000 units)



Notes: Unit volume figures exclude OEM volume.

Profit-oriented sales / Maximized business efficiency

➔ Strengthen lineup with new models

- New *Toppo*, *Pajero Mini*, *eK* series introduced in August and September 2008
- *Pajero* diesel model introduced October 2008
- New *Galant Fortis Sportback* and *Lancer Cargo* models to be introduced late 2008

➔ Improve profit margin on new car sales

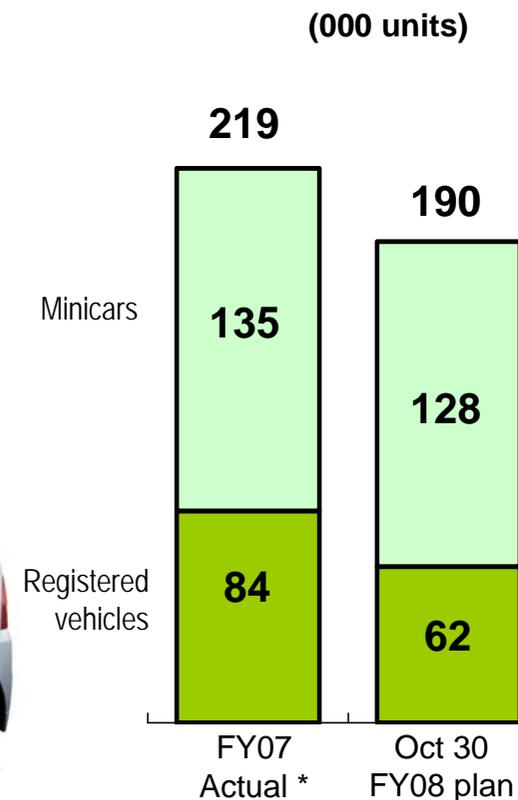
- Increase proportion of dealership sales
- Extend coverage and penetration of sales capability boosting programs

➔ Attract customers and retain loyalty

- Move to “showroom-centered” sales model by strengthening customer skills
- Expand and improve after-sales services
- Increase customer satisfaction through better care and “people skills”

➔ Promote high efficiency sales structure

- Build up high efficiency sales network
- Open wide-area regional showrooms



* Unit volume figures exclude OEM volume.

Strengthening mid- to long-term branding

➤ Strengthen *Lancer* series lineup with new models

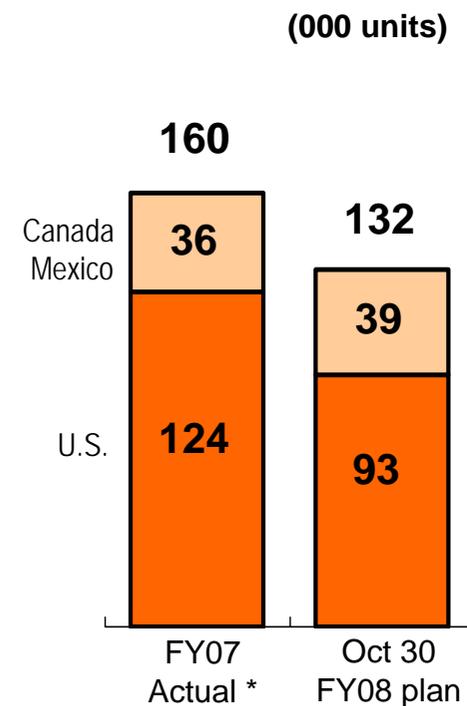
- 2.4-liter *Lancer* introduced in March 2008
- *Lancer Evolution SST* introduced in June 2008
- *Lancer Ralliart* introduced in October 2008

➤ United States

- Campaign promoting high fuel economy models
 Rolled out new marketing campaign promoting 4-cylinder engine models
 (*Lancer, Outlander, Galant, Eclipse*)
- Reached agreement with UAW on new labor contract at Illinois plant at beginning of October
- Started shipment of Illinois-built *Eclipse* to Middle East, China and Korea

➤ Canada

- Expand sales network
 68 outlets at end FY07 to 75 outlets by end FY08



* Puerto Rico unit sales (FY07 Actual & FY08 plan) includes in Asia & other regions.

New models to strengthen lineup and meet environmental targets

➔ Strengthen *Lancer* series

- *Lancer Evolution* and *Lancer Sportback* models introduced in October 2008

➔ Russia, Ukraine, Central Europe

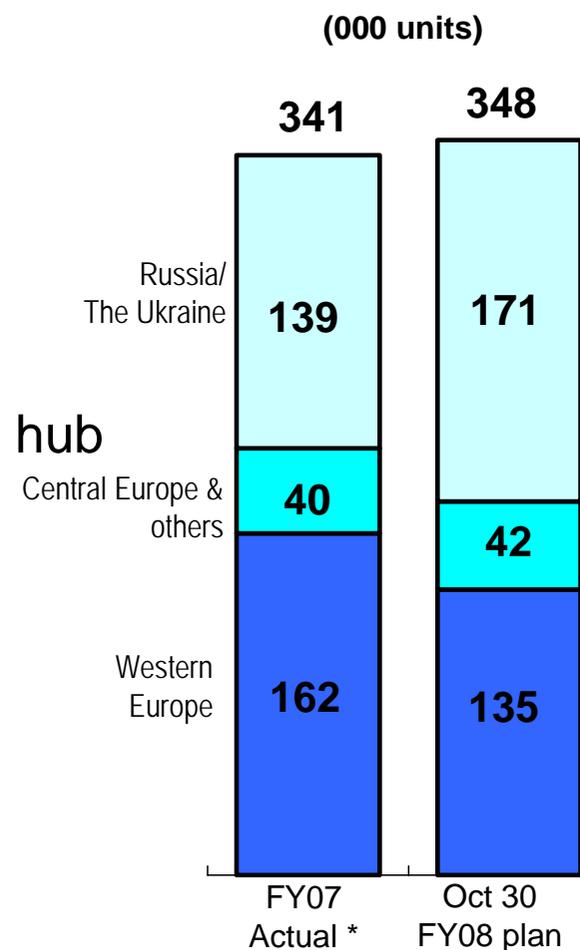
- New *Pajero Sport* introduced in fall 2008

➔ Western Europe

- Redesigned *Colt* introduced in October 2008
- *Colt* with idle-stop technology and *FFV Colt* to be added in January 2009

➔ Transfer production to & raise utilization rate at European hub (Netherlands)

- Transfer of Europe-spec *Outlander* production completed in August 2008
- Started production of redesigned *Colt* in October 2008



* Unit volume figures exclude OEM volume.

Expand presence to increase Mitsubishi brand penetration

➔ China

- Expand built-up import vehicle business
Add 3 models: *Lancer Evolution*, *Lancer* and *Eclipse*
- Establish new sales company targeted to start operation in April 2009

➔ Korea

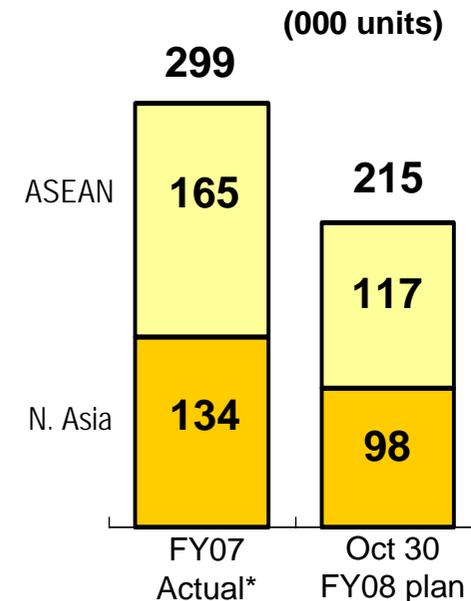
- Started sales through sole distributor MMSK in October 2008

➔ Thailand

- Started production of *Pajero Sport* SUV model in July 2008

➔ India

- Strengthen presence in SUV segment
Locally-built *Outlander* introduced in October 2008



* Shipments to PROTON finished in FY07 (63,000 units in F'07)

More model introductions in growth markets

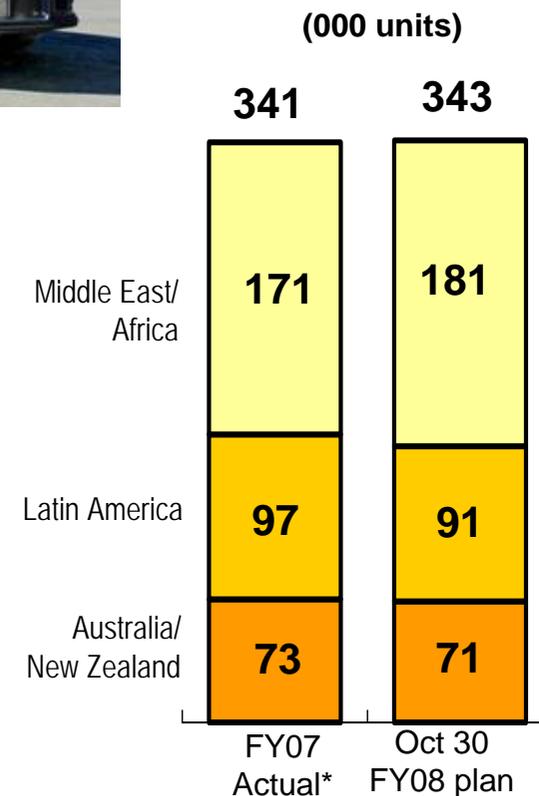
➤ Australia

- Expand lineup of fast-selling built-up imports
 - *Lancer Evolution* (July 2008)
 - *Lancer Sportback* (November 2008)
 - *Outlander Roadest* special edition model



➤ Latin America, Middle East, Africa

- Expand sales by introducing new models in growth markets
 - *Pajero Sport* SUV (September 2008)
 - *Lancer Evolution* in Middle East (October 2008)
- Establish company overseeing Middle East in Dubai (target February 2009)



* Puerto Rico unit sales of FY07 Actual (12,000) and FY08 plan, both are included in Latin America.

■ FY2008 1H results

Operating and ordinary income increased Net profitability achieved

- Unit sales: 13% down year-on-year
Units sales down in Japan, North America, Asia and other regions suffering strong economic downturn. Thanks to growth in Russia and Ukraine offsetting the drop in other Western European markets.
- Revenue: 8% down year-on-year
- Income levels: Operating and ordinary profits up / Net income moves into black
Reductions in expenses and costs plus a more profitable model mix offset the impact of adverse currency exchange rates.

■ FY08 full-year forecasts

Aiming to achieve net income target announced at start of FY08

- Unit sales: Forecast lowered by 81,000 units (6% down on Apr 25 forecast) due to the deteriorating sales climate.
- Revenue: Forecast lowered by 290 billion yen (11% down) due to lower unit sales and sharp appreciation of the Yen.
- Income levels: Still aiming to achieve the full-year net income target announced at start of FY08. Forecasts for operating and ordinary profits are lowered by 10 billion yen and 5 billion yen respectively.

Additional Information

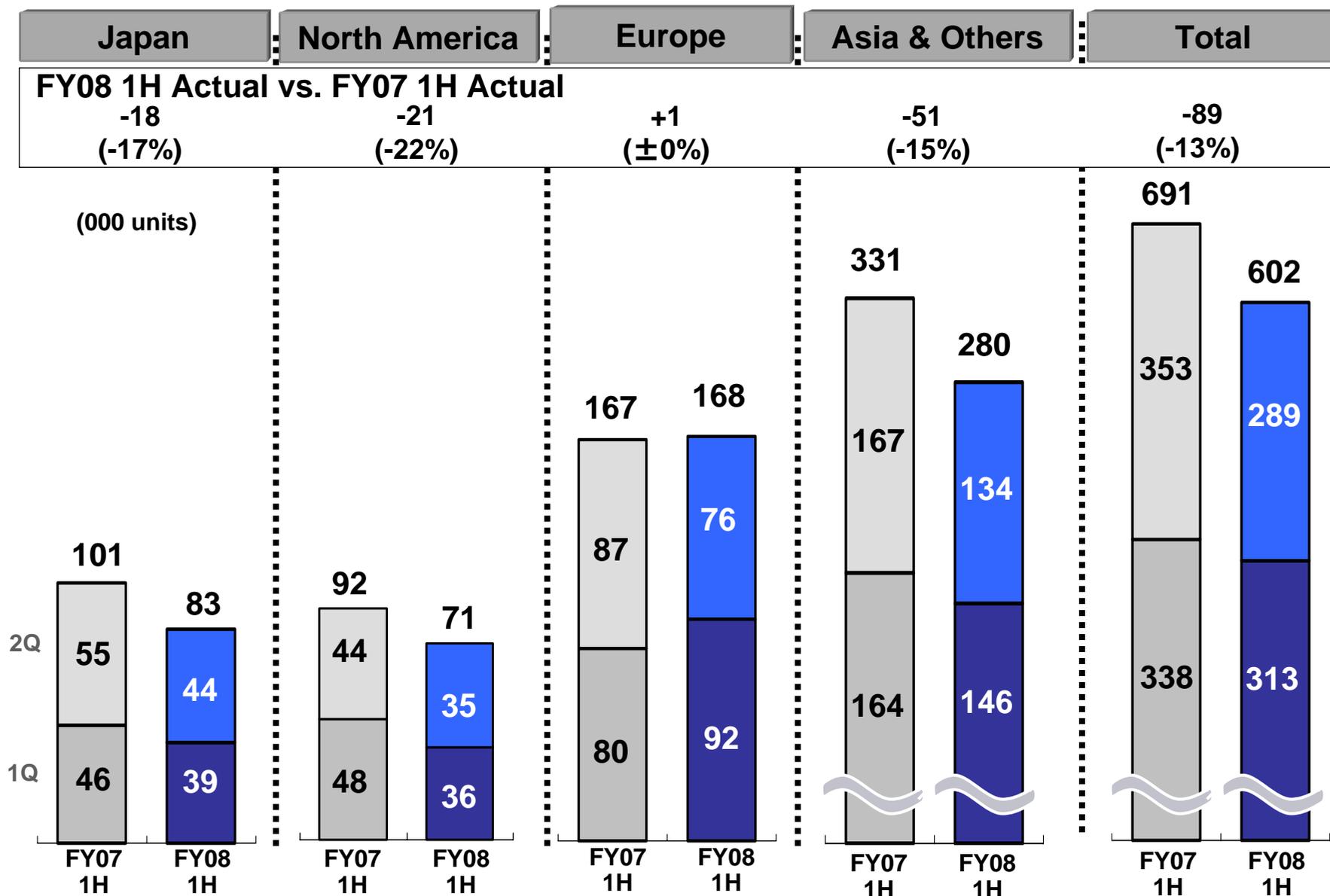


FY2008 First Half Results Summary (vs. Apr 25 Forecast and Oct 22 Forecast)

(100 million yen/000 units)

	Apr 25 Forecast	Oct 22 Forecast	FY08 1H Actual
Revenue	12,500	12,140	12,140
Operating Income	150	250	254
Ordinary Income	100	205	209
Net Income	0	125	128
Unit Volume (Retail)	628	-	602

FY2008 1H Regional Unit Volume (vs. FY2007 1H Actual)



Notes: Unit volume figures exclude OEM volume. Unit volumes of FY2008 1H refer to preliminary results.

Unit volumes of Puerto Rico in FY07 1H (7,000) and FY2008 1H (5,000) are both included in those of Latin America.

FY2008 First Half Regional Results (vs. FY2007 1H Actual)

	FY07 1H Actual	FY08 1H Actual	Change
	(100 million yen)		
Revenue	13,134	12,140	-994
Japan	2,254	2,000	-254
North America	2,281	1,524	-757
Europe	4,549	4,397	-152
Asia & Others	4,050	4,219	+169
Operating Income	188	254	+66
Japan	-200	-95	+105
North America	-44	-145	-101
Europe	232	165	-67
Asia & Others	200	329	+129

FY2008 First Half Results Summary (by quarter)

(100 million yen/000 units)

	FY08 1Q (‘08/4-6)	FY08 2Q (‘08/7-9)	FY08 1H (‘08/4-9)
Revenue	6,101	6,039	12,140
Operating Income	99	155	254
Ordinary Income	162	47	209
Net Income	103	25	128
Unit Volume (Retail)	313	289	602

FY2008 Regional Results Forecast (vs. FY2007 Actual and Apr 25 FY08 Forecast)

(100 million yen)

	FY07	FY08	FY08
	Actual	Apr 25 Forecast	Oct 30 Forecast
Revenue	26,821	26,500	23,600
- Japan	4,885	5,200	4,500
- North America	4,027	3,000	2,700
- Europe	9,316	9,400	8,000
- Asia & Others	8,593	8,900	8,400
Operating Income	1,086	600	500
- Japan	-189	-120	-140
- North America	-178	-270	-330
- Europe	797	270	230
- Asia & Others	656	720	740

July 2008

- MMC exhibits at KidZania Tokyo and KidZania Koshien “edutainment towns” that offer children a variety of fun and role-playing activities in a realistic city setting.
- MMC establishes MMSK in Korea as sole distributor for MMC built-up vehicles as it enters market in that country.
- Rating and Investment Information Inc. Japan raises MMC short-term debt rating from B+ to BB with “stable” outlook.
- MMC conducts proving trials for *i MiEV* with assistance of Kanagawa Prefecture authorities and police.

August 2008

- Japan’s Ministry of the Environment starts fleet testing of *i MiEV* new-generation EV
- MMC gives *Pajero Sport* SUV world premiere at Moscow Motor Show
- MMC announces it is to work with two Californian power companies in conducting research on electric vehicles
- Lithium Energy Japan (MMC, GS Yuasa Power Supply Ltd., and Mitsubishi Corporation joint-venture) secures land and building for factory and begins installation of mass production line.

September 2008

- MMC announces it will work with New Zealand state-owned electric power company in promoting use of EVs
- MMC announces *i MiEV* fleet testing agreement with Iceland government
- MMC brings *Toppo* minicar to market featuring spacious interior

October 2008

- MMC gives *Lancer Sportback* global premiere at Paris Motor Show
- MMC announces introduction of new *Outlander* on Indian market
- MMC launches *Pajero* powered by New Long-term Regulation-compliant diesel engine
- MMC supplies Kyoto Prefecture and GS Yuasa with *i MiEV* for joint research

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- **Fluctuations in interest rates, exchange rates and oil prices;**
- **Changes in laws, regulations and government policies; and**
- **Regional and/or global socioeconomic changes.**

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