



Press Release

M&M Q2 Net soars by 242%

Mumbai, 29th October 2009: The Board of Directors of Mahindra and Mahindra Limited today announced the unaudited financial results for the quarter ended 30th September 2009 for the company and for the consolidated Mahindra Group.

Q2 F2010 – M&M Standalone results

The Gross Revenues and Other Income of Mahindra & Mahindra Ltd. for the quarter ended 30th September 2009 is **Rs.5188.9 crores** as against Rs.3935.0 crores during the corresponding period last year – **a growth of 31.9%**. The Profit before tax excluding exceptional items for the quarter is **Rs.862.5 crores** as against Rs.235.9 crores in Q2 last year – **a growth of 265.6%**. During the quarter, the company sold 33,69,191 equity shares from out of its holdings in its subsidiary Mahindra Holidays and Resorts India Ltd. (MHRIL) as a part of the IPO of that company at a price of Rs.300 per share. There was an exceptional profit before tax of Rs.90.8 crores arising from this sale. After considering exceptional items and providing for tax, the net profit for the current quarter is **Rs.702.9 crores** as against Rs.205.7 crores in Q2 last year – **a growth of 241.7%**.

The outstanding financial results of the company for the quarter are largely due to a strong sales performance by both Automotive and Farm Equipment Sectors and the company's continued and relentless focus on cost reengineering and cost control.

In the current quarter, the company recorded a volume growth of 43.7% in the Utility Vehicles segment against an industry growth of 21.4%. It sold 55,280 UVs in Q2 F2010 as against 38,462 UVs in Q2 last year and thus reinforced its dominant position in the market by increasing its market share to 64.9% in the current quarter from 54.8% in Q2 last year. The volume and market share growth of the company was driven by the excellent sales of Xylo as well as the refreshed version of the Scorpio and the all time customer favourite 'Bolero'. In the pick-up segment, the company strengthened its leadership position with a volume growth of 26% and a market share of 82.2%. In this segment it also launched its stylish new pick-up 'Bolero Maxi Truck' with micro hybrid technology.

The domestic tractor industry sales during the quarter grew strongly by 27.1% to 93,105 tractors against 73,227 tractors sold during Q2 last year. The company's domestic tractor sales under Mahindra and Swaraj brands were 38811 nos. during the quarter against 29305 nos. sold in Q2 last year- a growth of 32.4%. The company's total market share during the quarter stood at 41.5% as against 39.8% in Q2 last year.

H1 F2010 – M&M Standalone Results

The Gross Revenues and other income of Mahindra & Mahindra Ltd. during the half year ended 30th September 2009 is **Rs.9940.2 crores** as against Rs.7621.0 crores in the corresponding period previous year – **a growth of 30.4%**. The Net Profit after considering exceptional items and tax for the current H1 is **Rs.1103.8 crores** as against Rs.375.2 crores in H1 previous year - **a growth of 194.2%**.

Q2 F2010 – Group Consolidated Results

The Gross Revenues and Other Income for the quarter ended 30th September 2009 **grew by 6.4%** to **Rs.8262.2 crores (USD 1.7 billion)** from Rs.7768.8 crores (USD 1.6 billion) in Q2 last year. The profit before exceptional items and tax for the quarter is Rs.1080.3 crores (USD 220.9 million) as compared to Rs.623.3 crores (USD 127.4 million) in Q2 of F2009. The Consolidated profit after tax for Q2 after considering the MHRIL IPO profit and deducting minority interests is **Rs.843.6 crores (USD 172.5 million)** as against Rs.373.3 crores (USD 76.4 million) earned in Q2 previous year – **a growth of 126%**.



Mahindra

H1 F2010 – Group Consolidated Results

The Gross Revenues and Other Income for the half year ended 30th September 2009 **grew by 5.2%** to **Rs.16150.31 crores (USD 3.3 billion)** from Rs.15349.7 crores (USD 3.1 billion) in H1 last year. The profit before exceptional items and tax for the current year is Rs.1756.6 crores (USD 359.2 million) as compared to Rs.1284.6 crores (USD 262.7 million) in H1 F2009. The Consolidated profit after tax for H1 after considering the MHRIL IPO profit deducting minority interests is **Rs.1275.5 crores (USD 260.8 million)** as against Rs.782.9 crores (USD 160.1 million) earned in H1 previous year – **a growth of 62.9%**.

Outlook:

Industrial activity in India is witnessing an encouraging re-bounce. After rising barely by one percent in the eight months between Oct 2008 and May 2009, industrial production grew by a robust 8.6%, year on year, between June-August 09. The sharp pick up in the growth of consumer durables in the current fiscal, from 6% in Apr-Aug 2008 to 19% in Apr-Aug 2009, is indicative of rising consumer confidence and hence is particularly heartening. However, the country also experienced its severest drought in recent history during the current kharif season. The adverse impact that this is likely to have on agricultural output and incomes and demand for non-agri goods and services is a source of some concern. However, the company, with its strong focus on cost controls, product innovations and customer satisfaction, is confident of meeting these challenges adequately.

Note: Translation of rupee to dollar is a convenience translation at the average exchange rate for the twelve month period ended 30th September 2009.

About The Mahindra Group

Mahindra embarked on its journey in 1945 by assembling the Willys Jeep in India and is now a US \$6.3 billion Indian multinational. It employs over 1,00,000 people across the globe and enjoys a leadership position in utility vehicles, tractors and information technology, with a significant and growing presence in financial services, tourism, infrastructure development, trade and logistics. The Mahindra Group today is an embodiment of global excellence and enjoys a strong corporate brand image.

Mahindra is the only Indian company among the top tractor brands in the world and has made an entry in the two-wheeler segment, which will see the company emerge as a full-range player with a presence in almost every segment of the automobile industry.

The Mahindra Group recently expanded its IT portfolio when Tech Mahindra acquired the leading global business and information technology services company, Satyam Computer Services. The company is now known as Mahindra Satyam.

Mahindra's Farm Equipment Sector is the proud recipient of the Japan Quality Medal, the only tractor company worldwide to be bestowed this honour. It also holds the distinction of being the only tractor company worldwide to win the Deming Prize. The US based Reputation Institute recently ranked Mahindra among the top 10 Indian companies in its Global 200: The World's Best Corporate Reputations list.

Mahindra is also one of the few Indian companies to receive an A+ GRI checked rating for its first Sustainability Report for the year 2007-08.

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