

MAHINDRA & MAHINDRA LIMITED

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CIN No. L65990MH1945PLC004558

Press Release

M&M + MVML Q1 PAT up 4.3%

Mumbai, 8th Aug 2014: The Board of Directors of Mahindra and Mahindra Limited today announced the unaudited financial results for the quarter ended 30th June 2014 of the company and the consolidated Mahindra Group.

Mahindra Vehicle Manufacturers Limited (MVML), located at Chakan near Pune, was set up as a 100% subsidiary of the company with a view to sourcing contemporary products for expanding the market offerings of the company. Hence it is a critical part of its business and only the combined results of the company and MVML can provide a comprehensive view of company's performance.

Q1 F2015 – M&M + MVML Results

In Q4 F2014 under a scheme of arrangement the truck business of M&M's subsidiary Mahindra Trucks and Buses Limited (MTBL) demerged from the subsidiary and merged with M&M.

On a comparable basis the Gross Revenues and Other Income of Mahindra & Mahindra Limited and MVML (Entity) during the quarter ended 30th June 2014 was **Rs. 10823.3 crore** as against Rs. 10942.7 crore in Q1 of the previous year. The Net Profit before tax for the current quarter is **Rs. 1202.1 crore** as against Rs. 1138.6 crore in Q1 of the previous year. After providing for tax the same is **Rs. 896.4 crore** as against Rs. 859.8 crore in Q1 of the previous year – **a growth of 4.3%**. The operating margin of the Entity for the current quarter is **14.3%** as compared to 13.8% in Q1 of the previous year.

The automotive industry in India is currently facing very challenging times. In the current quarter inspite of the stiff competition, the Entity sold 52180 utility vehicles and continued its leadership position with a market share of 40.5%. The Entity also exported 6565 Vehicles in the current quarter.

Crop damage due to unseasonal rains in some parts of India in March coupled with deficient monsoon in June led to marginal degrowth of 1.2% in the domestic tractor industry in Q1 F2015. In this period, the Entity sold 72166 tractors in the domestic market as compared to 71696 tractors sold in Q1 previous year. The market share of the entity in the quarter was 42.2% as against 41.4% in Q1 of the previous year. The Entity exported 2587 tractors in the current quarter.

Q1 F2015 – M&M Standalone results

The Gross Revenues and Other Income of Mahindra & Mahindra Ltd. for the quarter ended 30th June 2014 is **Rs. 10952.4 crore** as against Rs. 10887.8 crore during the corresponding period last year. The Net Profit after tax for the quarter is **Rs. 881.8 crore** for the current quarter as against Rs. 937.9 crore in the corresponding period last year.

On a comparable basis the Gross Revenues and Other Income is **Rs. 10952.4 crore** as against Rs. 11127.5 crore in Q1 of the previous year. The Net Profit after tax for the current quarter is **Rs. 881.8 crore** as against Rs. 888.0 crore in Q1 of the previous year.

Q1 F2015 – Group Consolidated Results

The consolidated Gross Revenues and Other Income of the Group for the Quarter ended 30th June 2014 grew by 2.9% to **Rs. 19919.9 crore (USD 3.3 billion)** from Rs.19356.0 crore (USD 3.2 billion) in Q1 of the previous year. The consolidated profit after tax after minority interest for the current quarter is **Rs. 961.8 crore (USD 157.2 million)** as compared to Rs. 968.3 crore (USD 158.2 million) in Q1 of the previous year.

The Group as on 30th June 2014 comprised of 118 Subsidiaries, 7 Joint Ventures and 14 Associates. A full summation of Gross Revenues and other income of all the group companies taken together for the quarter ended 30th June 2014 is **Rs. 25789.7 crore (USD 4.2 billion)**.

Outlook:

The economy has been displaying some positive indicators in recent months. Economic activity, led by manufacturing, seems to be reviving as indicated by IIP (Index of Industrial Production) data for April and May 2014. This is confirmed by the pickup in non-oil and gold imports in June 2014. With exports returning to double digit growth, the country's trade balance remained well under control in the first quarter of the current fiscal. Led by prudent monetary and fiscal management, inflationary pressures continued to moderate.

If the South West monsoon continues to be weak, it would impact both inflation and consumer demand negatively in the near term. However there are current indications that the monsoon might be reviving. Possible further escalation of current geo political conflicts could also have an adverse impact. Our outlook on the economy in the short term remains cautious at this point of time.

Note: Translation of rupee to dollar is a convenience translation at the average exchange rate for the twelve month period ended 30th June 2014.