

MAHINDRA & MAHINDRA LIMITED

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Press Release

Mumbai, 31st October 2014: The Board of Directors of Mahindra and Mahindra Limited today announced the unaudited financial results for the quarter ended 30th September 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.

Q2 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 September 2014 was **Rs. 10400.9 crore** as against Rs. 9931.2 crore in Q2 of the previous year – **a growth of 4.7%**. The Net Profit before tax for the current quarter is **Rs. 1240.1 crore** as against Rs.1197.1 crore in Q2 of the previous year. After providing for tax the same is **Rs. 974.1 crore** as against Rs. 957.4 crore in Q2 of the previous year – **a growth of 1.7%**.

The automotive industry in India though showing some initial signs of recovery is still sometime away from a full recovery. A below average and delayed monsoon in some parts of the country aggravated further with crop damage due to cyclones has led to the domestic tractor industry remaining flat in Q2 FY15 as compared to Q2 FY14. The Company however, continues to meet these challenges through its strong focus on costs and delivering value through new and improved products.

During the current quarter the Company unveiled its New Generation Scorpio. The New Generation Scorpio is built on an all new platform and comes with contemporary, more aggressive exterior styling and advanced technology features. The New Generation Scorpio received a very positive feedback from Auto journalists and customers and will help strengthen the already Iconic Scorpio Brand.

The Company also launched new Arjun Novo, the most technologically advanced and stylishly designed new generation tractor, based on a whole new platform boasting of many first of its kind features. The Arjun Novo also has received very positive feedback.

The Entity sold 47906 utility vehicles and continued its leadership position with a market share of 33.2%. The Entity also exported 7053 Vehicles in the current quarter.

The domestic tractor industry had sales of 141560 tractors in Q2 FY15. The Entity sold 57701 tractors in the domestic market in the current quarter as compared to 57549 tractors sold in Q2 previous year. The Entity continued to maintain its leadership position with a market share of 40.6%. The Entity exported 3695 tractors in the current quarter.

Q2 F2015 – M&M Standalone results

The Gross Revenues and Other Income of Mahindra & Mahindra Limited for the quarter ended 30th September 2014 is **Rs. 10519.6 crore** as against Rs. 9890.6 crore in the corresponding quarter last year. The Net Profit after tax for the quarter is **Rs. 946.6 crore** as against Rs. 989.5 crore in the corresponding quarter last year.

On a comparable basis the Gross Revenues and Other Income is **Rs. 10519.6 crore** as against Rs. 10044.5 crore in the corresponding quarter last year. The Net Profit after tax for the current quarter is **Rs. 946.6 crore** as against Rs. 919.2 crore in the corresponding quarter last year.

H1 F2015 – M&M + MVML Results

On a comparable basis the Gross Revenues and other income of the Entity during the half year ended 30th September 2014 is **Rs. 21224.2 crore** as against Rs. 20873.9 crore in the corresponding period previous year. The Profit after tax for the current half year is **Rs. 1870.5 crore** as against Rs. 1817.2 crore in the corresponding previous half year – **a growth of 2.9%**.

H1 F2015 – M&M Standalone Results

The Gross Revenues and Other Income of Mahindra & Mahindra Ltd. for the half year ended 30th September 2014 is **Rs. 21472.0 crore** as against Rs. 20778.4 crore during the corresponding period last year. The Net Profit after tax is **Rs. 1828.4 crore** for the current half year as against Rs. 1927.4 crore in the corresponding period last year.

On a comparable basis the Gross Revenues and Other Income is **Rs. 21472.0 crore** as against Rs. 21172.0 crore in the corresponding period of the previous year. The Net Profit after tax for the current half year is **Rs. 1828.4 crore** as against Rs. 1807.3 crore in the corresponding period last year.

Q2 F2015 – Group Consolidated Results

The consolidated Gross Revenues and Other Income of the Group for the Quarter ended 30th September 2014 is **Rs. 18467.7 crore (USD 3.0 billion)** as against Rs.18675.6 crore (USD 3.1 billion) in the corresponding quarter of the previous year. The consolidated profit after tax after minority interest for the current quarter is **Rs. 794.0 crore (USD 130.1 million)** as compared to Rs. 835.7 crore (USD 136.9 million) in the corresponding quarter of the previous year.

H1 F2015 – Group Consolidated Results

The Gross Revenues and Other Income for the half year ended 30th September 2014 is **Rs. 38387.6 crore (USD 6.3 billion)** as against Rs. 38031.6 crore (USD 6.2 billion) in the corresponding period of the previous year. The consolidated profit after tax after minority interest for the current half year is **Rs. 1755.8 crore (USD 287.6 million)** as compared to Rs. 1803.8 crore (USD 295.5 million) in the corresponding period of the previous year.

The Group as on 30th September 2014 comprised of 119 Subsidiaries, 7 Joint Ventures and 15 Associates. A full summation of Gross Revenues and other income of all the group companies taken together for the half year ended 30th September 2014 is **Rs. 50503.2 crore (USD 8.3 billion)**.

Outlook:

India's economic growth has witnessed some weakness in recent months with YoY IIP growth decelerating from 3.9% in the first quarter of this fiscal to a meagre 0.4% in July and August. On the positive side, price pressures have eased considerably with headline CPI Inflation decelerating to 6.5% YoY in September while WPI inflation in the same month hit a 5 year low of 2.38% YoY. India's CAD also remains well in check, dropping to 1.7% of GDP in the first quarter of this fiscal year, from 4.8% in Q1 F14. With the outlook on commodity and crude oil prices remaining benign, and non-oil exports witnessing an acceleration YTD, the country's balance of payments position is likely to remain comfortable through the year. While the weak South West monsoon season this year will undoubtedly have some negative impact on the Kharif harvest, live storage at water reservoirs is currently at 78%, above the ten year average of 76%, which bodes well for the winter /rabi agricultural season. Furthermore, the recent verdicts in state elections and the slew of actions on the labour, coal blocks and reforms on the fuel price front have created an environment of policy action which will help support infrastructural and industrial growth in the medium term.

The outlook for Indian agriculture growth for the Financial Year is muted. The global economic and political scenario remains weak and uncertain. Geo-political tensions are rife across the globe at present and should these escalate a negative impact on growth prospects would be inevitable. Thus, while recognizing the improved domestic environment and potential growth momentum in the medium term, we remain alert to volatility in the short term.

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