

MAHINDRA & MAHINDRA LIMITED

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Press Release

M&M + MVML Q3 F2016 Net Revenue grows by 15% and EBITDA grows by 31%

Mumbai, 12th February 2016: The Board of Directors of Mahindra and Mahindra Limited today announced the unaudited financial results for the quarter ended 31st December 2015 for the company.

Mahindra Vehicle Manufacturers Limited (MVML), 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 M&M and MVML (Combined Entity) can provide a comprehensive view of the company's performance.

Q3 F2016 – M&M + MVML Results

The Gross Revenues and Other Income of the Combined Entity for the quarter ended 31st December 2015 is **Rs. 11570 crore** as against Rs. 9931 crore in the corresponding quarter of the previous year – **a growth of 17%**. In Q3 of the previous year there was an exceptional gain of Rs 299 crore resulting from the fair valuation of the shares received by M&M against its holdings in Mahindra Engineering Services Limited (MESL) resulting from the merger of MESL with Tech Mahindra Limited. Excluding this exceptional item of the previous year, the Net Profit after tax for the current quarter is **Rs. 821 crore** as against Rs. 667 crore in the corresponding quarter of the previous year – **a growth of 23%**.

The passenger vehicle market grew 14.6% in the current quarter, a double digit growth after 14 quarters. This growth is largely driven by urban demand. The MHCV goods segment continued to grow on back of replacement demand, improvement in industrial activity and movement in infrastructure projects. The tractor market remained subdued with a degrowth of 1.5% in the current quarter on account of lower kharif output and a lower Rabi sowing than last year which impacted the income and the sentiments of the farming community. Going ahead Rabi crop output will play an important role in how the market shapes up. With the recent launch of Pradhan Mantri Fasal Bima Yojna the government has clearly shown its intent on reviving the Indian Agriculture and is expected to take some more steps in this direction thus providing a much needed boost to Indian Agri Sector.

The Combined Entity has continued its leadership position in both the utility vehicle segment and the domestic tractor market with a market share of 38.6% and 42.7% respectively. On the back of good customer acceptance of TUV 300 and increased sale of XUV 500 the Combined Entity sold 58660 utility vehicles during the current quarter **a growth of 18%** over the corresponding quarter of the previous year. The Combined Entity also exported 7851 vehicles in the current quarter **a growth of 20%** over the

corresponding quarter of the previous year. In the current quarter the Combined Entity sold 59883 tractors in the domestic market and exported 2881 tractors.

Q3 F2016 – M&M Standalone Results

The Gross Revenues and Other Income of Mahindra & Mahindra Limited for the quarter ended 31st December 2015 is **Rs. 11697 crore** as against Rs. 10033 crore in the corresponding quarter previous year – **a growth of 17%**. The Net Profit after exceptional item and tax for the current quarter is **Rs. 808 crore** as against Rs. 942 crore in the corresponding quarter of the previous year.

Excluding exceptional items the Net Profit after tax for the current quarter is **Rs. 745 crore** as against Rs 643 crore in the corresponding quarter of the previous year – **a growth of 16%**

YTD F2016 – M&M + MVML Results

The Gross Revenues and Other Income of the Combined Entity for the YTD period ended 31st December 2015 is **Rs. 32250 crore** as against Rs. 30933 crore in the corresponding period of the previous year. Excluding the exceptional item of the previous year, the Net Profit after tax for the current YTD period is **Rs. 2630 crore** as against Rs. 2538 crore in the corresponding period of the previous year.

YTD F2016 – M&M Standalone Results

The Gross Revenues and Other Income of the Company for the current YTD period ended 31st December 2015 is **Rs. 32638 crore** as against Rs. 31282 crore in the corresponding period of the previous year. The Net Profit after exceptional item and tax for the current YTD period is **Rs. 2584 crore** as against Rs. 2771 crore in the corresponding period of the previous year.

Excluding exceptional items the Net Profit after tax for the current YTD period is **Rs. 2521 crore** as against Rs 2471 crore in the corresponding period of the previous year.

Group Consolidated Results

The Board meeting to approve the results of quarter ending 31st December 2015 of two listed entities in the group is still to be held. After the approval and announcement of their results, the company will separately release the information on Consolidated Group Turnover and PAT.

Outlook:

In a world rife with risks, the Indian economy remains a relative island of calm. Heeding the early warning signals provided by the 'taper tantrum' in 2013, the government initiated a series of actions aimed at consolidating the country's macros and improving its extant business regulatory environment. As a result, though aided undoubtedly by softening global commodity and fuel prices, inflation in India has fallen by over 500 basis points in the last couple of years, its current account deficit stands at less than 2 percent of GDP currently compared to over 5% in 2012 and its fiscal position has seen steady improvement. While sharp monetary and fiscal tightening did cause some short-term pain, the dividends flowing from these actions are now evident as, despite the stiff headwinds currently in play - ranging from the adverse agro-climatic conditions precipitated by one of the severest El Nino events in recent history, to the global spillovers emanating from a slowing China and rising US interest rates – India's economic recovery remains on course.

With the macro policy environment now turning more supportive and El Nino conditions, along with its adverse impacts on agricultural output and incomes, set to dissipate, domestic consumer demand is likely to gain strength in the coming quarters.

Consequently, despite continued weakness in external demand India's economic growth is expected to gain momentum in the coming financial year. Your company fully intends to harness the business opportunities that this will present and looks to the future with confidence.
