

9/13

MAHINDRA & MAHINDRA LIMITED

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Press Release

M&M + MVML PAT Rs. 978 crore

Mumbai, 6th November 2015: The Board of Directors of Mahindra and Mahindra Limited today announced the unaudited financial results for the quarter ended 30th September 2015 of the company and the consolidated Mahindra Group.

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.

Q2 F2016 – M&M + MVML Results

The Gross Revenues and Other Income of the Combined Entity for the quarter ended 30th September 2015 is **Rs. 10206 crore** as against Rs. 10268 crore in the corresponding quarter of the previous year. The Profit before tax for the current quarter is **Rs. 1310 crore** as against Rs.1240 crore in the corresponding quarter of the previous year – **a growth of 5.7%**. The Net Profit after tax for the current quarter is **Rs. 978 crore** as against Rs. 974 crore in the corresponding quarter of the previous year.

In the current quarter the passenger vehicle market grew 6.3%, with good growth in the car segment, while the UV segment continued to be under pressure and de-grew by 4.3%. In the commercial vehicle industry, the LCV segment continues to be in the negative but the MHCV goods segment continued to grow on back of improvement in industrial activity, movement in infrastructure projects and some replacement demand. The monsoon which had begun on a positive note with June rains being higher than normal, weakened as the season progressed and ended with a rainfall deficit of 14%, making it two years of deficient monsoon in a row. This has adversely impacted the agri incomes and rural sentiments leading to a fourth straight quarter of de-growth for the Tractor industry. Late rains in September has helped in improving soil moisture content and is expected to aid in Rabi sowing. A good Rabi crop will play an important role in boosting agri income and improving the rural demand.

In September 2015, the company launched the TUV300 whose design is inspired by a battle tank which gives it a tough, bold and stylish character. It inherits Mahindra's legendary tough and rugged DNA while its authentic "true-blue" SUV stance establishes its extraordinary road presence. Along with a host of technology features, the TUV300 is also available with first-in-class autoSHIFT (Automated Manual Transmission) Technology. TUV300 has received very good customer response. The small commercial vehicle Jeeto launched in June 2015 has been accepted well in the market and has helped the company gain market share in its segment.

The Combined Entity sold 45228 utility vehicles and continued its leadership position with a market share of 32.7%. The Combined Entity also exported 10230 Vehicles in

the current quarter a growth of 45% over the corresponding quarter of the previous year.

The domestic tractor industry with sales of 106415 tractors de-grew 24.8% compared to the corresponding quarter in the previous year. The Combined Entity sold 42268 tractors in the domestic market in the current quarter and continued to maintain its leadership position with a market share of 39.5%. The Combined Entity exported 3170 tractors in the current quarter.

Q2 F2016 – M&M Standalone results

The Gross Revenues and Other Income of Mahindra & Mahindra Limited for the quarter ended 30th September 2015 is **Rs. 10311 crore** as against Rs. 10386 crore in the corresponding quarter of the previous year. The Net Profit after tax for the quarter is **Rs. 924 crore** as against Rs. 947 crore in the corresponding quarter of the previous year.

H1 F2016 – M&M + MVML Results

The Gross Revenues and Other income of the Combined Entity during the half year ended 30th September 2015 is **Rs. 20679 crore** as against Rs. 21002 crore in the corresponding period of the previous year. The Profit after tax for the current half year is **Rs. 1809 crore** as against Rs. 1870 crore in the corresponding period of the previous year.

H1 F2016 – M&M Standalone Results

The Gross Revenues and Other Income of Mahindra & Mahindra Ltd. for the half year ended 30th September 2015 is **Rs. 20941 crore** as against Rs. 21250 crore during the corresponding period of the previous year. The Net Profit after tax is **Rs. 1776 crore** for the current half year as against Rs. 1828 crore in the corresponding period of the previous year.

Q2 F2016 – Group Consolidated Results

The consolidated Gross Revenues and Other Income of the Group for the Quarter ended 30th September 2015 is **Rs. 18910 crore (USD 3.0 billion)** as against Rs.18335 crore (USD 2.9 billion) in the corresponding quarter of the previous year. The consolidated profit after tax after minority interest for the current quarter is **Rs. 614 crore (USD 97.5 million)** as compared to Rs. 794 crore (USD 126.1 million) in the corresponding quarter of the previous year.

H1 F2016 – Group Consolidated Results

The Gross Revenues and Other Income for the half year ended 30th September 2015 is **Rs. 38727 crore (USD 6.2 billion)** as against Rs. 38165 crore (USD 6.1 billion) in the corresponding period of the previous year. The consolidated profit after tax after minority interest for the current half year is **Rs. 1392 crore (USD 221.0 million)** as compared to Rs. 1756 crore (USD 278.8 million) in the corresponding period of the previous year.

The Group as on 30th September 2015 comprised of 162 Subsidiaries, 10 Joint Ventures and 14 Associates. A full summation of Gross Revenues and other income of all the group companies taken together for the half year ended 30th September 2015 is **Rs. 54176 crore (USD 8.60 billion)**.

11/13

Outlook:

The Indian economy continues to recover, albeit at a slow pace as contracting exports and weak rural incomes weigh heavily on growth. Recent signals from a broad range of indicators, however, suggest that the economy may be about to turn a corner. A steady pick up in industrial production in the last three months driven by an uptick in manufacturing, double digit growth in capital goods volumes, a 22% yoy increase in new investments announced in the second quarter of this fiscal, a pickup in cement dispatches, robust indirect tax collections and indications that the mining sector is rebooting, suggest that the government's attempts to revive the economy, through reforms and higher public capital spending, are working. With investment sentiment picking up and tail winds from falling interest rates likely to bolster urban consumption demand further, we expect growth to step up pace in the second half of the current fiscal. In addition, the healthy winter rains forecast by the IMD presage a pickup in agricultural production and rural demand towards the tail end of the year. Our outlook on the economy, thus, is positive at this point and we look to the future with optimism.

Note: Translation of rupee to dollar is a convenience translation at the average exchange rate for the twelve month period ended 30th September 2015.