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MAHINDRA & MAHINDRA LIMITED

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Press Release

Mumbai, 29th May 2015: The Board of Directors of Mahindra and Mahindra Limited (the company or M&M) today announced the financial results for the quarter ended 31st March 2015 of the company and the audited results for the year ended 31st March 2015 for 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.

Q4 F2015 – M&M + MVML Results *

In F2015, The Indian Auto Industry, especially Passenger Vehicles (PV) has shown signs of revival, but this has been patchy. The car segment growth is largely driven by new launches, while the UV segment growth reflects the market shift towards compact UVs attracting lower excise rates. The < 2T LCV industry continues to shrink and the 2 to 3.5T LCV industry (Pickups) suffered due to slowdown in Agri incomes and finance availability. The medium and heavy commercial vehicles (MHCV) goods segment, grew on back of pickup in economic growth and thrust on infrastructure projects. In Q4 F2015, sales were somewhat impacted due to rollback of excise duty concession w.e.f 1st January 2015. In Q4 F2015, unseasonal rains and hail storms in various parts of the country caused crop damage. The crop damage, coupled with subdued crop prices resulted in loss of Agri incomes which in turn created a negative sentiment in the farming community.

The Combined Entity with sales of 57027 utility vehicles during the current quarter maintained its leadership position with a market share of 38.7%. In Q4 F2015 the domestic tractor industry de-grew 29.9%, the worst de-growth in 47 quarters. With sales of 34682 tractors in the domestic market the Combined Entity maintained its market leadership with a market share of 35.5%. The Combined Entity exported 10016 vehicles, and 4079 tractors a growth of 20% and 51% respectively over the corresponding quarter in the previous year.

The Gross Revenues and other income of the Combined Entity during the quarter ended 31st March 2015 is **Rs. 10187 crore** as against Rs. 11097 crore in Q4 of the previous year. The Profit before tax after exceptional items for the current quarter is **Rs. 776 crore** as against Rs.1104 crore in Q4 of the previous year. The Net Profit after exceptional items and tax at **Rs. 586 crore** from Rs 1173 crore in Q4 of the previous year.

During Q4 of the previous year, the Scheme of Arrangement for the merger of the Trucks business of M&M's subsidiary, Mahindra Trucks and Buses Ltd. (MTBL) with M&M, was approved by the Honourable High Court of Bombay vide its order dated

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7th March 2014 and as required by the order, it has been given effect to w.e.f. 1st April 2013. Due to the same, the past unabsorbed tax losses related to the Trucks business of MTBL became available to the company and there was a one time tax benefit during Q4 of the previous year.

Adjusting for the effect of exceptional and one time items in both the quarters, the Profit before tax for the current quarter is **Rs. 826 crore** as against Rs.1052 crore in Q4 of the previous year. The Net Profit after tax is **Rs. 617 crore** as against Rs 823 crore in Q4 of the previous year.

Q4 F2015 – M&M Standalone results
The Gross Revenues and Other Income of the Company for the quarter ended 31st March 2015 is **Rs. 10322 crore** as against Rs. 11765 crore in the corresponding quarter previous year. The Net Profit after exceptional item and tax for the current quarter is **Rs. 551 crore** as against Rs. 897 crore in the corresponding quarter of the previous year.

F2015 – M&M + MVML Results
The Gross Revenues and other income of the Combined Entity for the year ended 31st March 2015 is **Rs. 41498 crore** as against Rs. 43256 crore in the previous year**.** The Net Profit after exceptional items and tax for the current year is **Rs. 3423 crore** against Rs. 3905 crore in the previous year.

F2015 - M&M Standalone results
The Gross Revenues and other income of Mahindra & Mahindra Ltd for the year ended 31st March 2015 is **Rs. 41982 crore** as against Rs. 43838 crore in the previous year. The Net Profit after exceptional items and tax for the current year is **Rs. 3321 crore** against Rs. 3758 crore in the previous year.

The Board of Directors has recommended a dividend of Rs. 12 (240 %) per share of face value Rs. 5.00 which will absorb a sum of Rs. 846.89 crore inclusive of tax (previous year Rs. 13.50 (270%) per share and a special dividend of Rs. 0.50 (10%) per share of face value Rs.5.00 each which absorbed an amount of Rs. 963.01 crore inclusive of tax) and will be paid to those shareholders whose names stand registered in the books of the company as on the book closure date.

F2015 – Group Consolidated Results
The consolidated Gross Revenues and Other Income for the year ended 31st March 2015 is **Rs. 76015 crore (USD 12.4 billion)** as against Rs.78736 crore (USD 12.9 billion) in the previous year. The consolidated profit after tax and after deducting minority interests for the year is **Rs. 3137 crore (USD 513.3 million)** as compared to Rs. 4667 crore (USD 763.6 million) in the previous year.

The prevailing economic conditions combined with subdued consumer interest affected the performance of companies in the group. However, the groups real estate arm Mahindra Lifespaces performed better with a growth of 52% in consolidated revenue and a 165% growth in consolidated profits.

The Group at the end of the year comprised of 113 Subsidiaries, 8 Joint Ventures and 15 Associates. A full summation of Gross Revenues and other income of all the group companies taken together for the whole year F2015 is **Rs. 103583 crore (USD 16.9 billion).**

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Outlook:

Aided by benign commodity prices and supported by conducive policy actions, the Indian economy continues to heal. The fiscal deficit has narrowed, consumer price inflation has dropped below 5% and the current account deficit remains well within comfort range. Growth, however, is 'hastening slowly', constrained by weak demand at home and abroad. With recovery still tentative in the developed world and growth slowing across major emerging markets, external demand remained weak and uninspiring through the year. At the same time, poor monsoons and unseasonal winter rains combined with moderating food prices to depress farm incomes, with inevitable negative impacts on domestic-consumption demand. Investment activity, in contrast, witnessed a pick up 2014-15, signaled by the sharp uptick in capital goods production as well capex plans announced and commissioned in the second half of the year. With policy actions focused on unlocking mining and other infrastructural activities, the company expects this trend to gain strength in the coming months which bodes well for medium term growth. Over the shorter run, however, risks to the economy stemming from the El Nino warning currently in place, upcoming monetary policy normalization in the United States, ongoing uncertainties in the euro area and, potential spillovers from geopolitical conflicts in Eastern Europe and the Middle East, warrant a vigilant stance

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* During Q4 F2014, the trucks and buses business of Mahindra Trucks and Buses Limited (MTBL) was demerged into the Company with the entire year results coming in Q4. To make the figures comparable, the results up to PBT of Q4 F2014 have been adjusted to reflect the Q4 impact only.

Note: Translation of rupee to dollar is a convenience translation at the average exchange rate for the year ended 31st March 2015.