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MAHINDRA & MAHINDRA LIMITED

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Press Release

M&M + MVML PAT Rs. 831 crs

Mumbai, 7th Aug 2015: The Board of Directors of Mahindra and Mahindra Limited today announced the unaudited financial results for the quarter ended 30th June 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.

Q1 F2016 – M&M + MVML Results

The Gross Revenues and Other Income of the Combined Entity for the quarter ended 30th June 2015 is **Rs. 10474 crore** as against Rs. 10734 crore in the corresponding quarter of the previous year. The Profit before tax for the current quarter is **Rs. 1149 crore** as against Rs.1202 crore in the corresponding quarter of the previous year. The Net Profit after tax for the current quarter is **Rs. 831 crore** as against Rs. 896 crore in the corresponding quarter of the previous year.
The Net profit before tax for the current quarter is **Rs. 1149 crore** as against Rs. 1108 crore (after adjusting for one time gain) in the corresponding quarter of the previous year - **a growth of 3.7%.** The Net Profit after tax for the current quarter is marginally lower at **Rs. 831 crore** as against the adjusted Rs. 834 crore in the corresponding quarter of the previous year.

In the current quarter the passenger vehicle market grew 8% driven by growth in the car segment. The UV segment continued to be under pressure and de-grew by 0.6%. 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 tractor industry witnessed a sharp de-growth in Q4 F2015 owing to the stress in the Agri Economy caused primarily by crop damage due to unseasonal rains. Going into Q1 F2016 uncertainty loomed over the prospect of a good Kharif crop with the IMD forecasting a less than normal monsoon. This along with only a marginal increase in Minimum Support Prices resulted in subdued rural sentiments leading to another quarter of de-growth in Tractor industry. However, some positivity is seen in the later part of June 2015 with the monsoon setting in on time.

The Combined Entity with sales of 49354 utility vehicles during the current quarter maintained its leadership position with a market share of 38.5%. In May 2015, the Combined Entity launched the All New XUV500 packed with a host of cutting-edge technology features, bold new cheetah-inspired exterior styling, plush and premium new interiors, exhilarating performance and best-in-class safety. In June 2015, the company launched its all new small commercial vehicle Jeeto. Jeeto is the first ever product in its category with a modular range of 8 mini-trucks to cater to the

varied needs of customers in the sub 1 tonne load segments of mini-truck, micro-truck and 3 wheelers. In Q1 F2016 the domestic tractor industry de-grew 16.4%. With sales of 59348 tractors in the domestic market the Combined Entity maintained its market leadership with a market share of 41.5%. The Combined Entity exported 8449 vehicles and 3208 tractors a growth of 29% and 24% respectively over the corresponding quarter in the previous year.

Q1 F2016 – M&M Standalone results

The Gross Revenues and Other Income of Mahindra & Mahindra Ltd. for the quarter ended 30th June 2015 is **Rs. 10629 crore** as against Rs. 10863 crore in the corresponding quarter of the previous year. The Net Profit after tax for the quarter is **Rs. 852 crore** for the current quarter as against Rs. 882 crore in the corresponding quarter of the previous year.

The Net profit before tax for the current quarter is **Rs. 1150 crore** as against Rs. 1111 crore (after adjusting for one time gain) in the corresponding quarter of the previous year - a **growth of 3.5%.** The Net Profit after tax for the current quarter is marginally lower at **Rs. 852 crore** as against the adjusted Rs. 854 crore in the corresponding quarter of the previous year.

Q1 F2016 – Group Consolidated Results

The consolidated Gross Revenues and Other Income of the Group for the Quarter ended 30th June 2015 is **Rs. 19816 crore (USD 3.2 billion)** as against Rs. 19831 crore (USD 3.2 billion) in the corresponding quarter of the previous year. The consolidated profit after tax after minority interest for the current quarter is **Rs. 778 crore (USD 125.8 million)** as compared to Rs. 962 crore (USD 155.5 million) in the corresponding quarter of the previous year. The Net Profit after tax after minority interest for the current quarter is **Rs. 778 crore** as against Rs.814 crore (after adjusting for one time gains) in the corresponding quarter of the previous year.

The Group as on 30th June 2015 comprised of 114 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 quarter ended 30th June 2015 is **Rs. 27318 crore (USD 4.4 billion).**

Outlook:

The Indian economy is gradually gaining momentum. Stalled projects are coming back online while new project announcements have picked up pace in the last couple of quarters. Capex trends, as a result, are far healthier today than they were a year ago, which bodes well for future growth. While consumer demand remains weak, the better than expected rain fall received in the monsoon season thus far, provides room for optimism on this front as well. The country's domestic and external vulnerabilities, at the same time, have moderated significantly on the sharp decline in its current account deficit, moderating inflation trend, improving fiscal position, and a return of capital inflows that have allowed for a significant buildup in foreign exchange reserves. Downside risks, nonetheless, remain. Despite the consolidation in its macros, the economy remains vulnerable to potential surges in global financial market volatility and weaker global growth. Domestic risks stemming from overstretched corporate and bank balance sheets and the slowing pace of structural reforms, are also a source of some concern. The company's balance sheet, however, remains healthy and well buffered, and it looks to future with optimism, while remaining alert to the near term risks outlined above

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