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Mahindra

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REF:NS:SEC:

7th October, 2014

The Secretary
National Stock Exchange of India Limited
"Exchange Plaza", 5th Floor,
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (East), Mumbai 400051.

Dear Sir,

Sub: Mahindra Two Wheelers set to acquire 51% Stake in Peugeot Motocycles

Please find enclosed a Press Release issued by Mahindra Two Wheelers Limited, an unlisted subsidiary of the Company on the captioned subject.

Kindly take the above on record.

Yours faithfully,
For MAHINDRA & MAHINDRA LIMITED

NARAYAN SHANKAR
COMPANY SECRETARY

Encl: as above.

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Press Release **For Immediate Dissemination**

Mahindra Two Wheelers set to acquire 51% Stake in Peugeot Motocycles

Mumbai, India, October 7, 2014: Mahindra Two Wheelers Ltd. (MTWL), an unlisted subsidiary of Mahindra & Mahindra Limited and a part of the USD 16.5 billion Mahindra Group, has made a binding offer to acquire a 51% stake in Peugeot Motocycles (PMTC), part of the Euro 54 billion PSA Group based in France. PMTC (a.k.a. Peugeot Scooters), a key player in urban mobility in Europe for 116 years, is the oldest motorized two-wheeler manufacturer in the world. Peugeot Scooters offers one of the most comprehensive range of scooters and mopeds, from 50cc to 400cc, including the successful three wheeled scooter – Metropolis, in the European market.

The transaction between MTWL and PSA, subject to Works Council consultation, as part of the employee dialogue process and anti-trust law, would involve infusion of Euro 15 million into PMTC to finance projects implemented through the strategic partnership, and further sale of shares by PSA which would allow MTWL to take a 51% stake in PMTC.

Commenting on the development, **Dr. Pawan Goenka, Executive Director, Mahindra & Mahindra said,** "The coming together of Mahindra & Peugeot is a win-win for the two wheeler businesses of both companies. Mahindra would offer access to the India market, mass market product technology and competence in marketing while Peugeot brings premium range, a strong European footprint, and a globally recognized brand. This partnership would enable both MTWL and PMTC to speed their international expansion by driving synergies and leveraging respective strengths of both parties".

Over the past few years, Mahindra has strengthened its position in the two wheeler segment globally. Mahindra Racing competes at the highest level of global motorcycle racing in the Moto3 category of MotoGP, while Mahindra GenZe recently revealed its electric two wheelers in the US market that offer sustainable urban transport solutions to a new generation of US consumers.

In addition, MTWL has introduced several innovative technologies in its award winning range, including the recently launched GUSTO. MTWL also has sales and distribution operations in Latin America, Africa and South Asia. The company has assembly operations in many of these markets.

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MTWL would support PMTC's global growth plan and the brand building effort that enriches the "Frenchness" of the Peugeot brand. PSA would support the Brand and growth strategy by holding a minority share for a long term.

MTWL would be committed to the current leadership team at PMTC. This would be similar to the approach that Mahindra group has followed in other global transactions such as the acquisition of Korean automaker SsangYong.

About Mahindra

The Mahindra Group focuses on enabling people to rise through solutions that power mobility, drive rural prosperity, enhance urban lifestyles and increase business efficiency.

A USD 16.5 billion multinational group based in Mumbai, India, Mahindra employs more than 180,000 people in over 100 countries. Mahindra operates in the key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, information technology, financial services and vacation ownership. In addition, Mahindra enjoys a strong presence in the agribusiness, aerospace, components, consulting services, defence, energy, industrial equipment, logistics, real estate, retail, steel, commercial vehicles and two wheeler industries.

In 2014, Mahindra featured on the Forbes Global 2000, a comprehensive listing of the world's largest, most powerful public companies, as measured by revenue, profit, assets and market value. The Mahindra Group also received the Financial Times 'Boldness in Business' Award in the 'Emerging Markets' category in 2013.

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For further enquiries please contact:

Ruzbeh Irani

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