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Mahindra

Mahindra & Mahindra Ltd.
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REF:NS:SEC:
18th December, 2012

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 & Mahindra Limited ("Mahindra" or "the Company") to purchase Navistar's stake in two Indian Joint Venture companies.

The Company intends to purchase Navistar Group's stake in the Company's subsidiaries, Mahindra Navistar Automotives Limited ("MNAL") and Mahindra Navistar Engines Private Limited ("MNEPL"), for a total consideration of approximately Rs.175 crores.

Consequent upon purchase of the shareholding of Navistar Group as above, MNAL and MNEPL shall be wholly owned by Mahindra and the Company would be fully incharge of the operations of the two companies.

The purchase of Navistar Group's stake in MNAL and MNEPL requires regulatory approvals in India, is subject to the conclusion of definitive agreements, and is expected to be completed in early 2013.

Navistar and Mahindra entered into the MNAL Joint Venture in late 2005 and the MNEPL Joint Venture was formed in 2007.

Please find enclosed a Press Release pertaining to the captioned subject issued by the Company.

Kindly take the above on record.

Yours faithfully,
For MAHINDRA & MAHINDRA LIMITED

NARAYAN SHANKAR
COMPANY SECRETARY

Encl: as above
C:\DLOBACKUP\Backup\Stock-Exchange\Press Release Navistar sale (18.12.2012).doc

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NAVISTAR

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MAHINDRA TO PURCHASE NAVISTAR'S STAKE IN INDIA JOINT VENTURES

LISLE, Ill. – MUMBAI - December 18, 2012 – Mahindra & Mahindra Ltd. (M&M) and Navistar International Corporation (NYSE: NAV) announced today that Mahindra intends to purchase Navistar Group's stake in Mahindra Navistar Automotives Ltd (MNAL) and Mahindra Navistar Engines Pvt Ltd (MNEPL). Following the purchase, both MNAL and MNEPL would become wholly owned subsidiaries of Mahindra. Mahindra would take complete ownership of operations and continue to sell MNEPL and MNAL products. The sale requires regulatory approval in India, is subject to the conclusion of definitive agreements, and is expected to be completed in early 2013.

The terms of the proposed transaction call for Mahindra to pay approximately Rs.175 crores or $33 million, for Navistar group's stake in both ventures. The agreement allows Navistar to continue sourcing components from India while Mahindra would continue to provide engineering services to Navistar. Navistar Group would continue to support M&M through a license agreement and extend necessary support to MNAL and MNEPL for the purposes of business continuity.

As part of its "Drive to Deliver" turnaround plan launched in August, Navistar has been conducting an analysis of all of its businesses and programs to determine their return on invested capital (ROIC) and identify areas for improvement. Based on this business environment, Navistar has determined that it needs to redirect its efforts to other initiatives that more quickly contribute to the company's goal to improve its ROIC.

"Since it was established in 2005, Mahindra Navistar Automotives Ltd. has created a niche for itself in the Indian CV industry," said Dr. Pawan Goenka, president, Automotive and Farm Equipment Sectors, Mahindra & Mahindra Ltd. "MNAL has set up a world class dealer and service network for trucks, which coupled with synergies with Mahindra's dealer network gives us a significant opportunity to grow our presence in the truck market. In addition, the product has been well accepted as is evident from our high-ranking in the TNS customer satisfaction survey. M&M is committed to the success of the truck business. We acknowledge the contribution made by Navistar to this venture thus far and appreciate their support for business continuity after they exit the business."

"While the Indian market has not expanded as we had originally expected and industry challenges there continue in the near term, we still see promise in India going forward. But given Navistar's 2013 priorities, our capital and focus needs to be allocated to other business opportunities in the near term," said Troy Clarke, president and chief operating officer, Navistar. "Mahindra has extensive experience and knowledge of the Indian automotive sector and they are best situated to devote the time and resources required to capitalize on future opportunities in India."

Navistar and Mahindra entered into the MNAL joint venture in late 2005 to manufacture trucks and buses in India, source components and provide engineering services for the design and development of Navistar vehicle products. The MNEPL joint venture was formed in 2007 and began producing engines in 2010.

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About Navistar

Navistar International Corporation (NYSE: NAV) is a holding company whose subsidiaries and affiliates produce International® brand commercial and military trucks, MaxxForce® brand diesel engines, IC Bus™ brand school and commercial buses, and Navistar RV brands of recreational vehicles. The company also provides truck and diesel engine service parts. Another affiliate offers financing services. Additional information is available at www.Navistar.com/newsroom.

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About The Mahindra Group

The Mahindra Group focuses on enabling people to rise. Mahindra operates in the key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, information technology and vacation ownership. Mahindra also has a strong presence in the agribusiness, aerospace, components, consulting services, defence, energy, financial services, industrial equipment, logistics, real estate, retail, steel and two wheelers.

A USD 15.9 billion multinational group based in Mumbai, India, Mahindra employs more than 155,000 people in over 100 countries. In 2011, Mahindra featured on the Forbes Global 2000 list, a listing of the biggest and most powerful listed companies in the world. Dun & Bradstreet also ranked Mahindra at No. 1 in the automobile sector in its list of India's Top 500 Companies. In 2010, Mahindra featured in the Credit Suisse Great Brands of Tomorrow. In 2011, Mahindra acquired a majority stake in Korea's SsangYong Motor Company.

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For further enquiries

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