

Mahindra CIE Automotive Ltd.

Recording of Investor Meetings

Date	17-June-2015
Type of meeting	One-on-one
Investor/ Analysts Fund / Firm	Viral Berawala & Prashant Shah, Reliance Life Insurance Hitakshi Mehra, Ambit Capital
Company Representatives	Pedro Echegaray, Executive Director Mahindra CIE Vikas Sinha, VP Strategy, Mahindra CIE
Did discussions involve UPSI	No
Gist of discussions	<p>The discussions revolved around the Industry, company information already in public domain. The main points of the discussion are as follows:</p> <ul style="list-style-type: none"> • End user segments in Europe <ul style="list-style-type: none"> ➤ Mahindra Forgings Europe : Largely trucks with greater focus on trucks>16T ➤ CIE Forge : Cars ➤ Metalcastello : Off road (Agricultural + Construction Equipment) • MCIE regionwise strategy <ul style="list-style-type: none"> ➤ India – Market plus growth with operational improvements. Focus is to diversify product-customers with CIE help. ➤ MFE – Turnaround by focusing on internal efficiency improvements. ➤ Metalcastello – Turnaround by focusing on cost reduction & increasing revenues via new customers. ➤ CIE Forge – Maintain current performance • Mahindra Forgings Europe turnaround plan <ul style="list-style-type: none"> ➤ Phase I : Short term focus on cost reduction – Headcount, Downtime, Power subsidy, Procurement & Sales price and productivity improvements ➤ Phase II : Explore synergies with CIE Forgings; Profitability improvement via optimizing product- process-location combination • MCIE India will continue to grow the already strong M&M relationship while diversifying into other customers at the same time • Synergies in India <ul style="list-style-type: none"> ➤ New products being introduced are cross car beams, fuel tank, suspension arms, cargo bodies in the stampings vertical; turbomanifold in castings and balancer shaft assembly in forgings. In future, MCIE will also look at common rail forgings & electronic power steering parts (forged & machined) ➤ CIE customers in Europe who are present in India have been approached and some initial success has happened in forgings (crankshaft) and castings (crankshafts & manifolds) ➤ No significant extra capex required for these synergies though some capex in machining might be required • In the 1st phase, MCIE will focus on consolidation and meeting the five parameters that CIE uses to evaluate businesses viz. RONA%, EBIT%, Free Cash Flow/ EBITDA, Net Operating Assets/ EBITDA, Debt/ EBITDA. In this case, there will be control on capex and a focus on debt reduction In the 2nd phase which is at an exploratory phase, MCIE will focus on growth including via acquisitions both in India & ASEAN. • MCIE has a result oriented culture and will continue to focus on operational excellence, diversification in products & customer base and a lean organization.

Any other comments	Most of the above points have been covered in detail in the full year F15/ Q4F15 update released on 12-May-2015
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