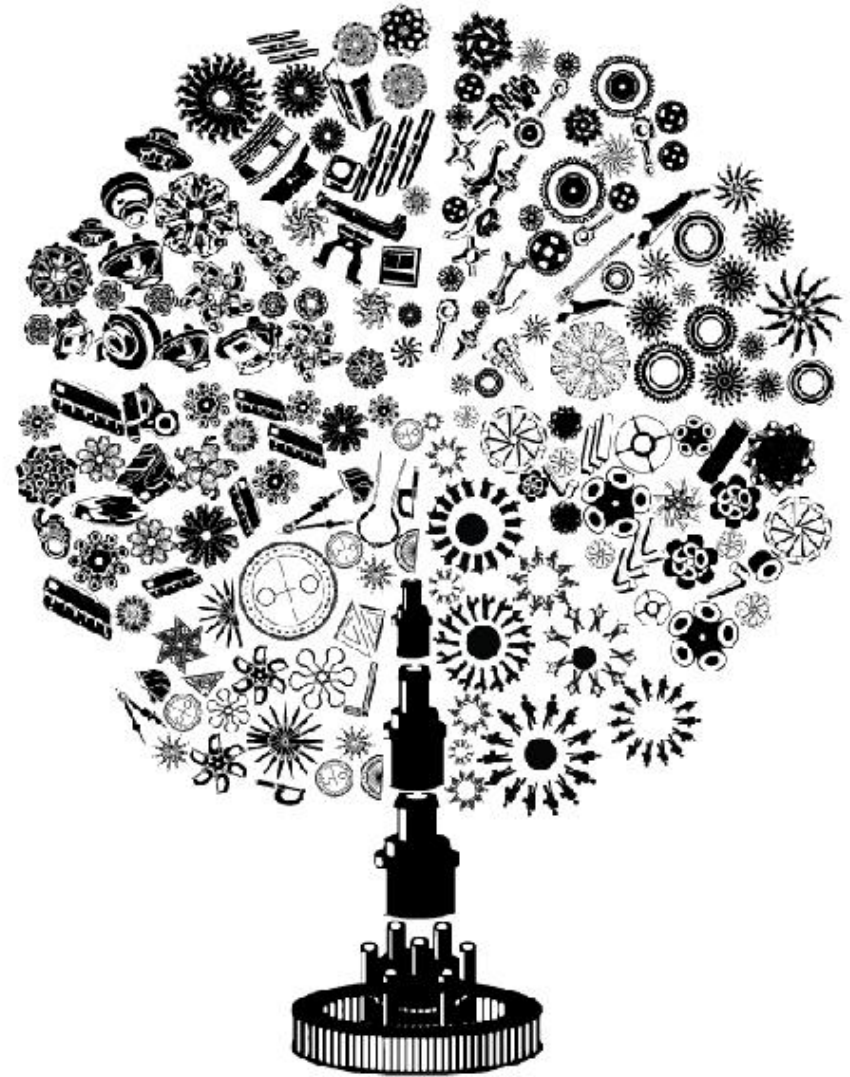


Mahindra Forgings

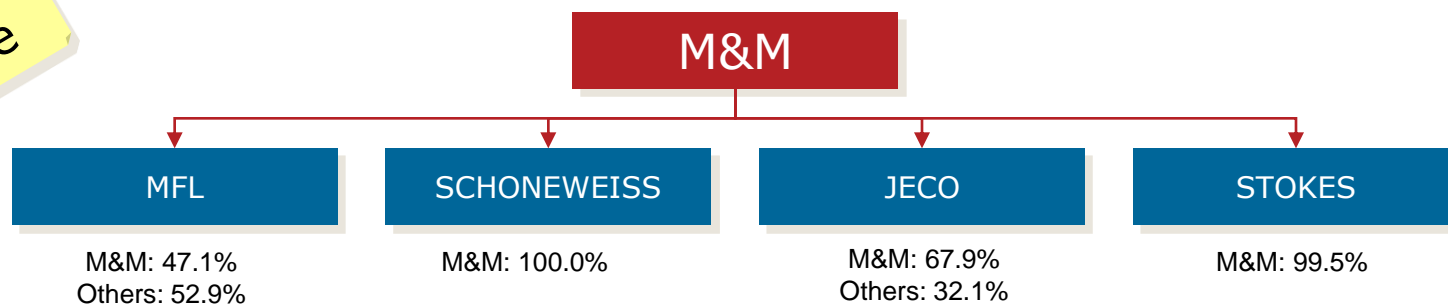
Feb 2012 / Investor Meet



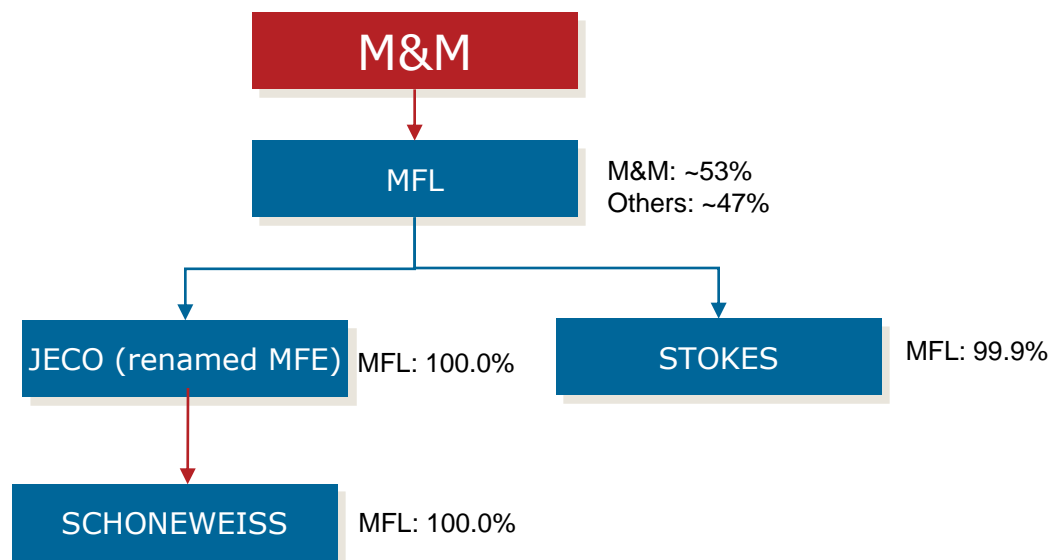
Mahindra Forgings : Structure

Holding structure created to enable global strategy

Before



After



Note: Investments in JECO & Schöneweiss are held through investment companies in Mauritius

Mahindra Forgings: Capabilities

Each acquired company has a distinct value proposition



Location	India	UK	Germany	Germany
Plants	1 Plant	2 Plants	4 Plants	2 Plants
Key highlights	<ul style="list-style-type: none"> Leading supplier of crankshafts and stub-axes for cars/ MUVs in India Machined products 	<ul style="list-style-type: none"> Expertise in producing 'flashless' parts and near-net forgings for car market 	<ul style="list-style-type: none"> Provides a basket of forgings products to truck industry Cost Leader Machined products 	<ul style="list-style-type: none"> Among leading axle beam manufacturers globally Focused on truck market Very strong co-development abilities
% of Revenue (FY11 = Rs 19310 mn)	19%	8%	50%	23%

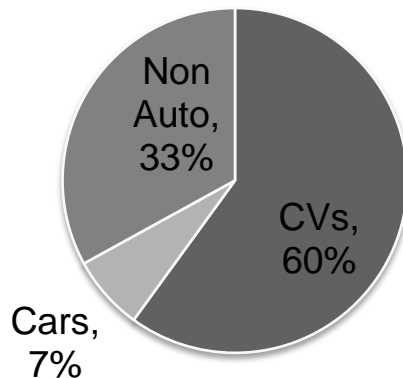
“German operations are the largest”

Mahindra Forgings: End User Segments

Europe and India have complementary products and end user segments

Europe

% of Sales (FY11)

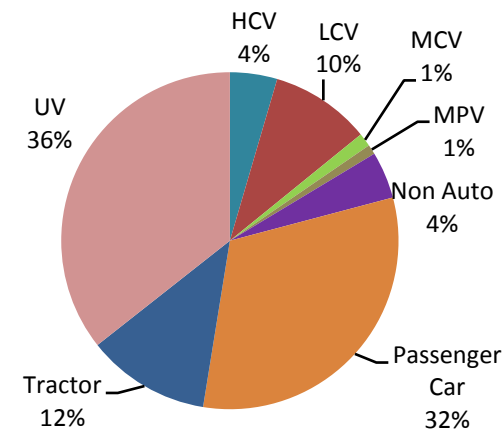


Market Share

- Market leader in CV forgings with a basket of products but excluding crankshafts

India

% of Sales (FY11)



Market Share

- Market leader in crankshaft & knuckles for cars/ MUVs and tractor market

Mahindra Forgings : Customers

Supply to Market Leading OEMs

Europe / CV Market

	2010 Share	MFE Customer
Daimler	24%	✓
MAN	17%	✓
Paccar DAF	14%	✓
Volvo	11%	✓
Scania	10%	✓
Iveco	10%	
Renault	10%	

source: Daimler 2011

India / Vehicles < 3T

	2010 Share	MFL Customer
MarutiSuzuki	32%	✓
Hyundai	18%	n/a
Tata Motors	17%	✓
M&M	10%	✓
Ford	4%	n/a
GM	4%	
Toyota	3%	n/a
VW	3%	n/a

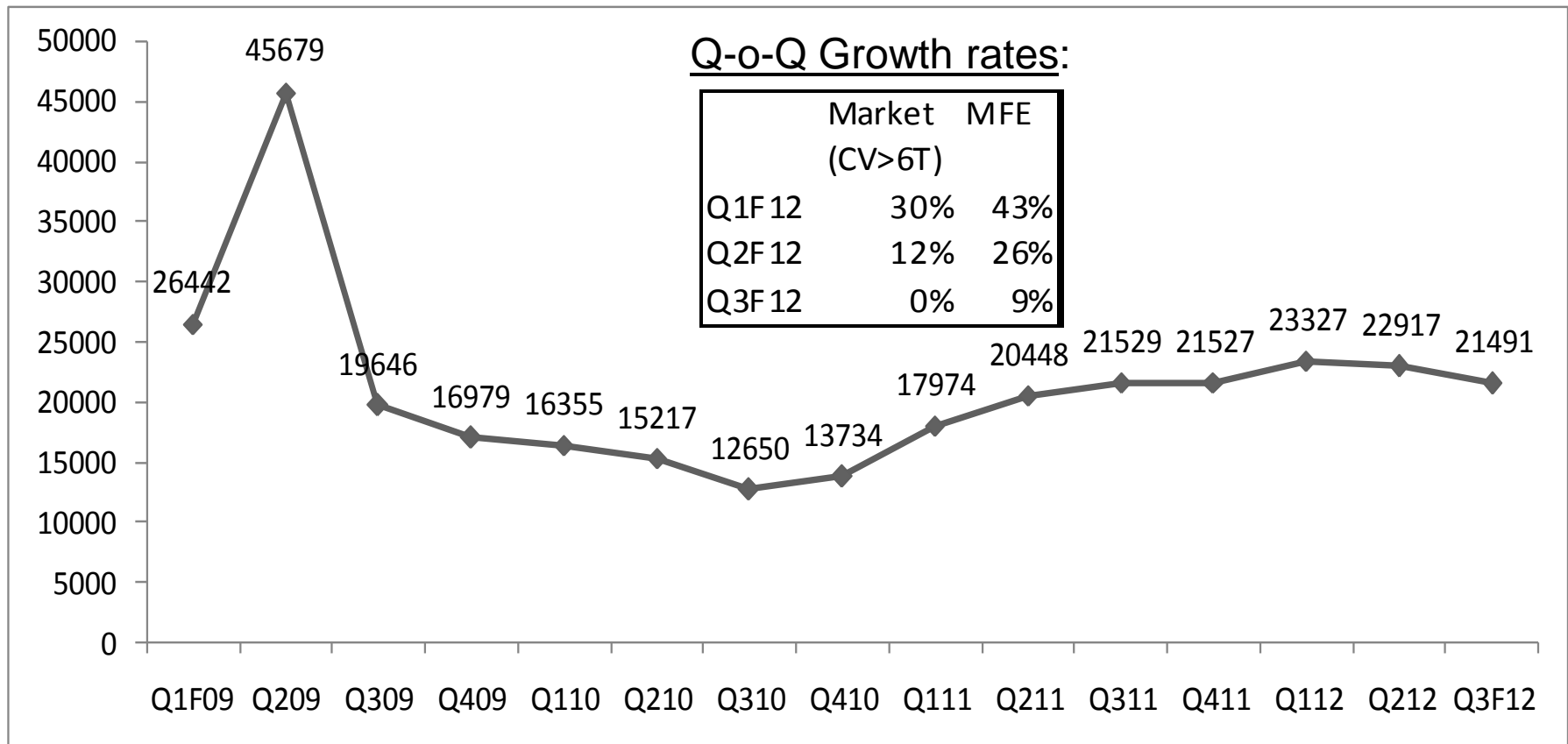
source: CSM

n/a: OEM does not use or buy forged crankshafts in India

Market Situation : Europe

Stable market in the near term

Registration of Heavy Trucks (>6T) in Germany (Quarter-wise)



Note: Year in the graph refers to Financial Year

Source - VDA

Market Situation: Europe

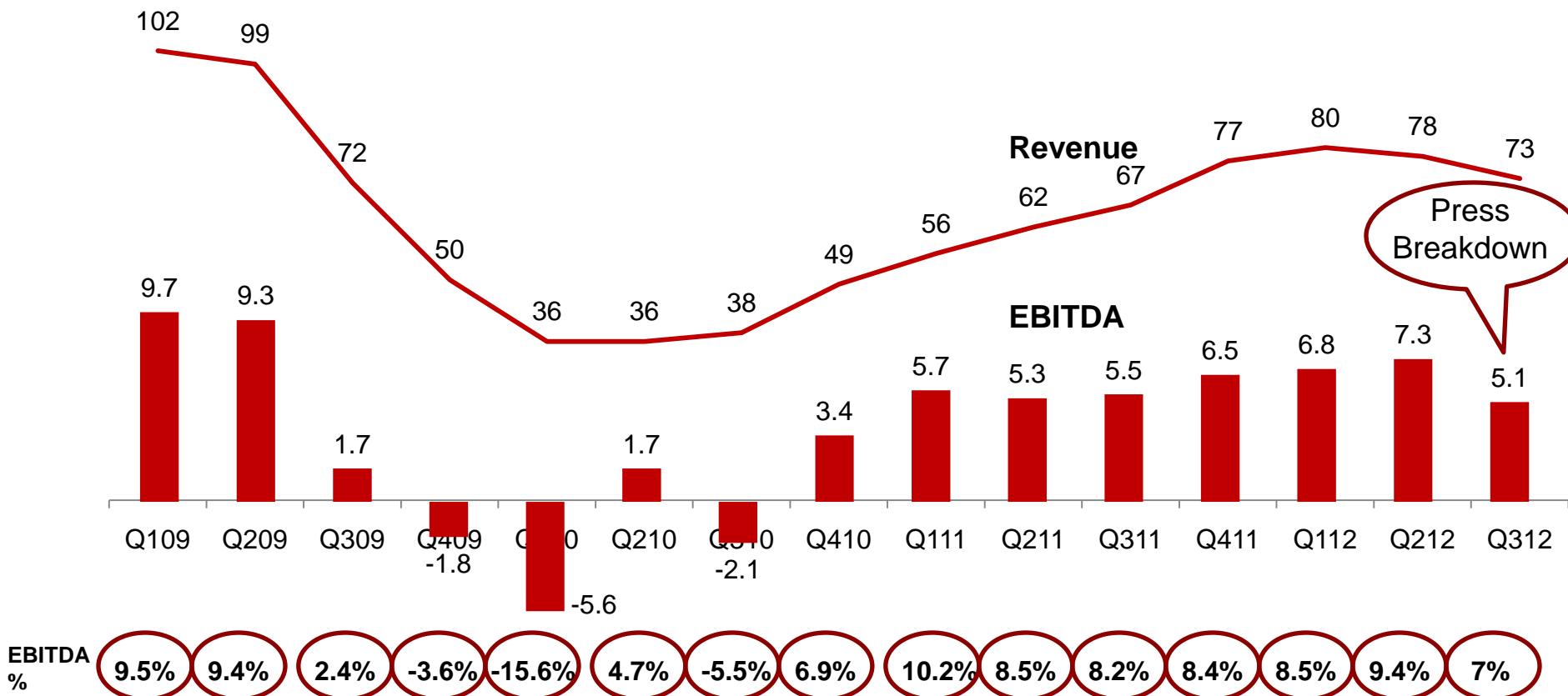
Long term outlook remains positive

- Commercial vehicles production in Germany is our core market
 - **60-70% of the production is exported**, exports to non W European countries account for 35-40% of production (*Source: VDA*)
- CV Industry is susceptible to fluctuations in the economy but **experts forecast a stable growth**
 - CAGR~7-9% for our key customers in the next three years (*Source: E&Y*)
 - Transportation **demand in Europe will continue to be strong** because of inequities between Western and Eastern Europe
- **New emission regulations** driving new products and fleet renewal
 - All major **truck OEMs planning new launches** in the next 3-5 years
 - We expect **higher share of business in the new launches**

Performance Overview: MFE

Breakeven ↓: Q2F12 EBITDA% = Q2F09 EBITDA% @ 75% of volumes

MFE Quarterly Revenue & EBITDA(Euro mn)



Note: Year in the graph refers to Financial Year

Key Initiatives: MFE

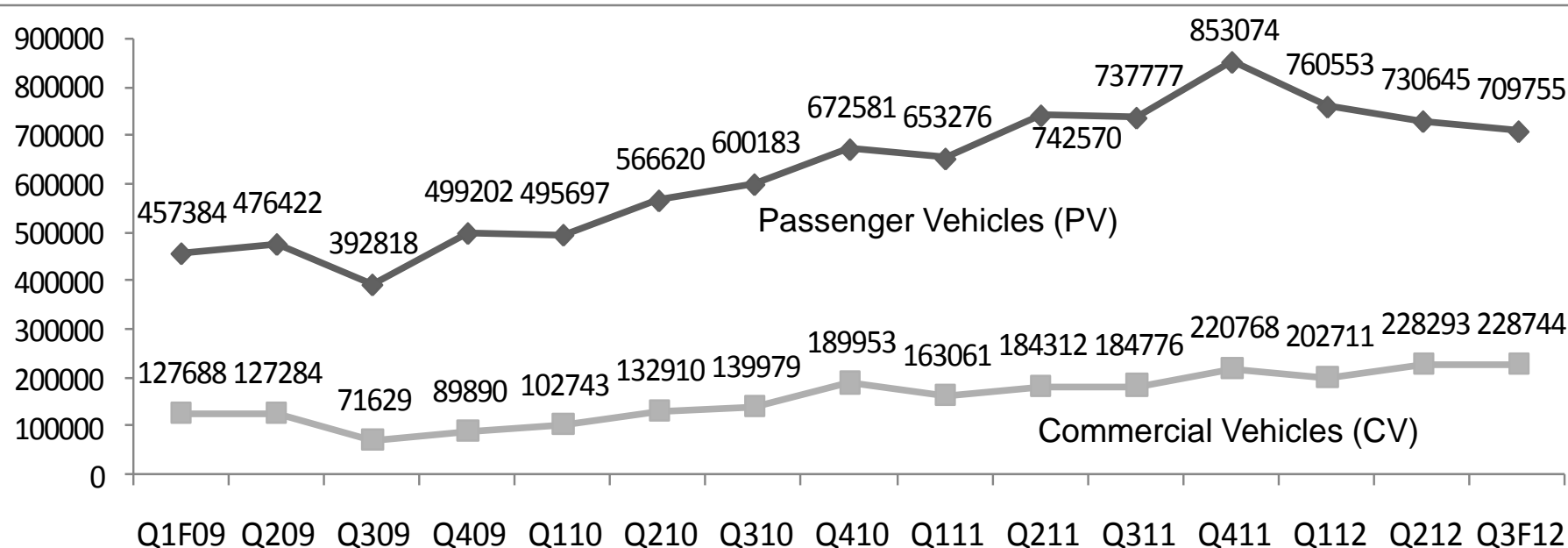
Focus on profitability : ROCE > WACC, EBITDA% & FCF

- Maximise **utilisation** of existing forgings capacity
- Focus on **product portfolio and personnel costs** to boost profitability
 - Increased share in new launches will help boost margins
- Increase share of **machined parts**
 - Growth Capex focused on machining (plus some maintenance required to keep the plant in good condition) to increase margins
- **Self funding** of capex (cash flow)
- Improvement of **Gearing**

Market Situation : India

Healthy growth/ near term headwinds

Production of Vehicles in India (Quarter Wise)



Note: Year in the graph refers to Financial Year

Q-o-Q Growth rates

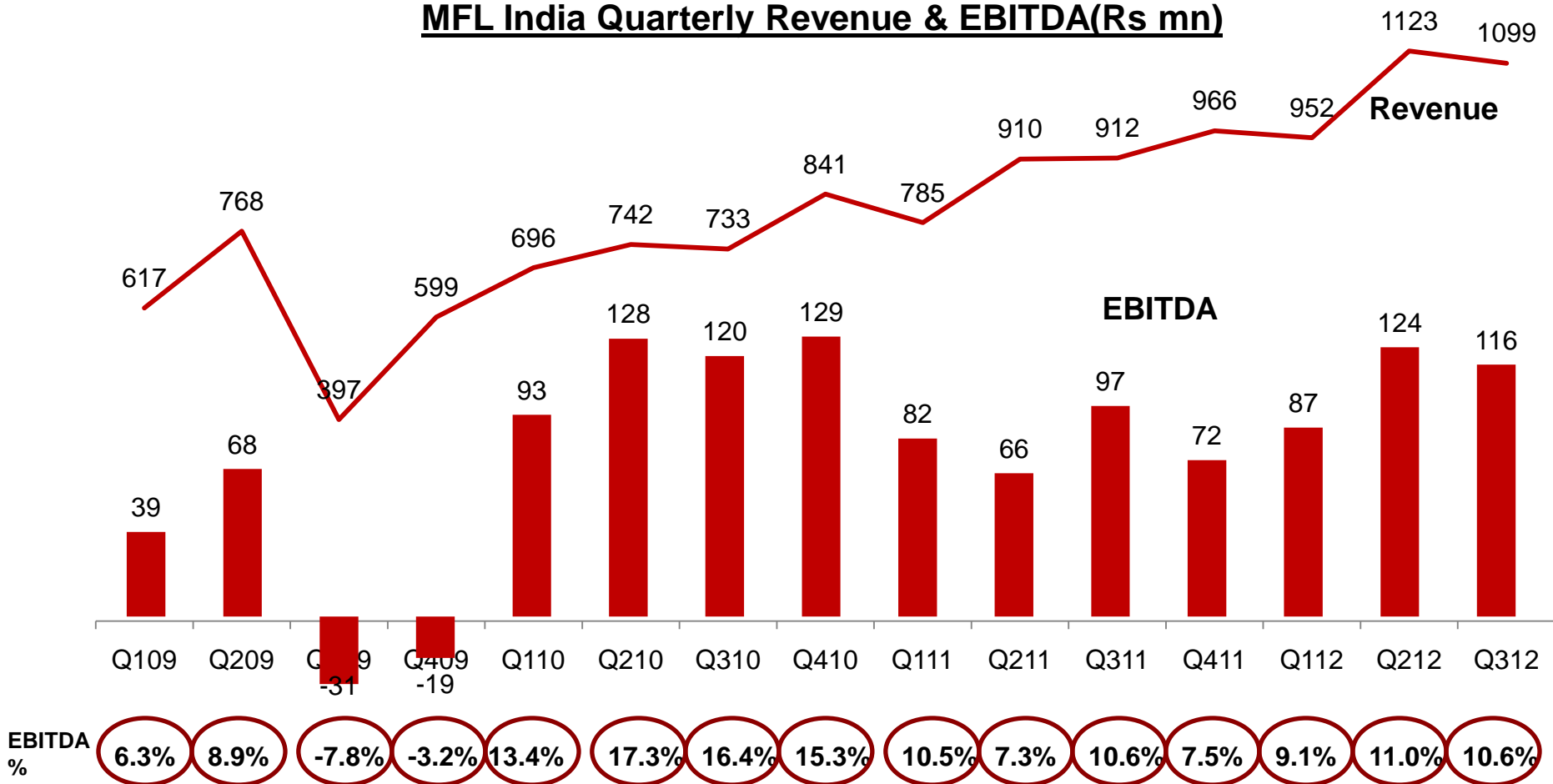
	PVs	CVs	MFL
Q1F12	16%	24%	21%
Q2F12	-2%	24%	23%
Q3F12	-4%	24%	21%

Source - SIAM

Performance Overview: MFL India

Back on track

MFL India Quarterly Revenue & EBITDA(Rs mn)



Note: Year in the graph refers to Financial Year

Key Initiatives: MFL India

- Growth
 - F12: Better than market growth
 - F13: In line with market growth
- To sustain growth momentum, initiate action now to **diversify product range and increase export business** (both directly and through MFE) without losing sight of current competencies
 - One project on shifting parts from MFE stabilised while another is WIP
 - Other projects from MFE to be evaluated for cost benefits
- **Build internal competencies in quality, productivity & process parameters** to become a global forging company via mentorship program with MFE
- Build technical competencies for **Compact crankshaft** forging and Machining

Mahindra Forgings : Strategy Summary

Challenges Ahead

	India	Europe
F12/F13 (Short term) Focus	<ul style="list-style-type: none"> • Operational excellence –Use mentorship program to improve consistency in EBITDA% 	<ul style="list-style-type: none"> • Maintain customer traction –Innovation to improve customer relationships: 20 patents, higher sob @Daimler Actros • Keep an eye on costs
F14+ (Medium term) Focus	<ul style="list-style-type: none"> • Centre of Excellence in crankshafts • Product Diversification, Exports 	<ul style="list-style-type: none"> • Respond to changing market needs –emission norms, lightweighting • Address capacity plateau

Mahindra Forgings: Financials

Financial Summary

Consolidated Financials

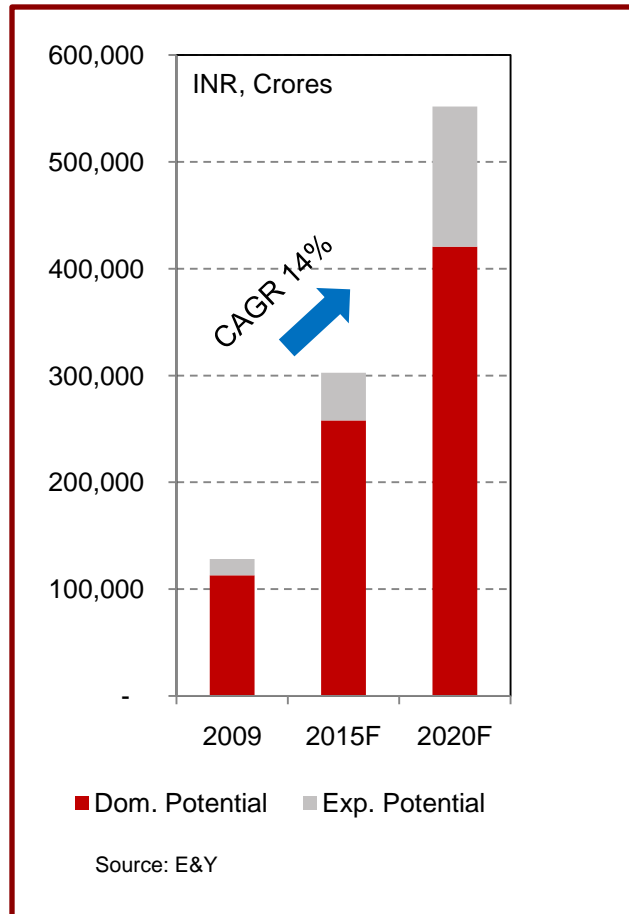
INR Mn	FY 09	FY10	FY101	YTD Dec,F12
Net Sales	22429	13281	19258	18258
EBITDA	1434	-88	1764	1778
EBITDA (% of net sales)	6.4%	-0.7%	9.2%	9.7%
One-time write-off (Stokes)		-182		
Profit (loss) (excluding one-time writeoff)	-1166	-1663	38	541
Shareholders' Funds	7444	7943	7912	
Total Debt	8740	6536	6970	
Total Fixed Assets (inc CWIP)	14004	12355	12031	
Cash and Bank Balance	348	287	183	

Standalone Financials

INR Mn	FY 09	FY 10	FY 11	YTD Dec,F12
Net Sales	2380	3012	3573	3174
EBITDA	71	470	320	328
EBITDA (% of net sales)	3.0%	15.6%	9.0%	10.3%
One-time write-off (Stokes)		-902		
Profit (loss) (excluding one-time writeoff)	-414	-45	-32	57
Shareholders' Funds	6710	8026	8026	
Total Debt	2430	1487	1382	
Total Fixed Assets (inc CWIP)	2391	2266	2276	
Cash and Bank Balance	47	78	19	

India: Auto Components

Growing as Forecast, but Cost Challenges Emerging



- ➔ Outlook holding up
 - Exports accelerating
- ➔ Challenges
 - Inflation
 - Power (Cost and Availability)
 - Labor (Cost and Availability)
 - Export Incentives
- ➔ Opportunities
 - Localization
 - Volumes
 - Rupee Depreciation

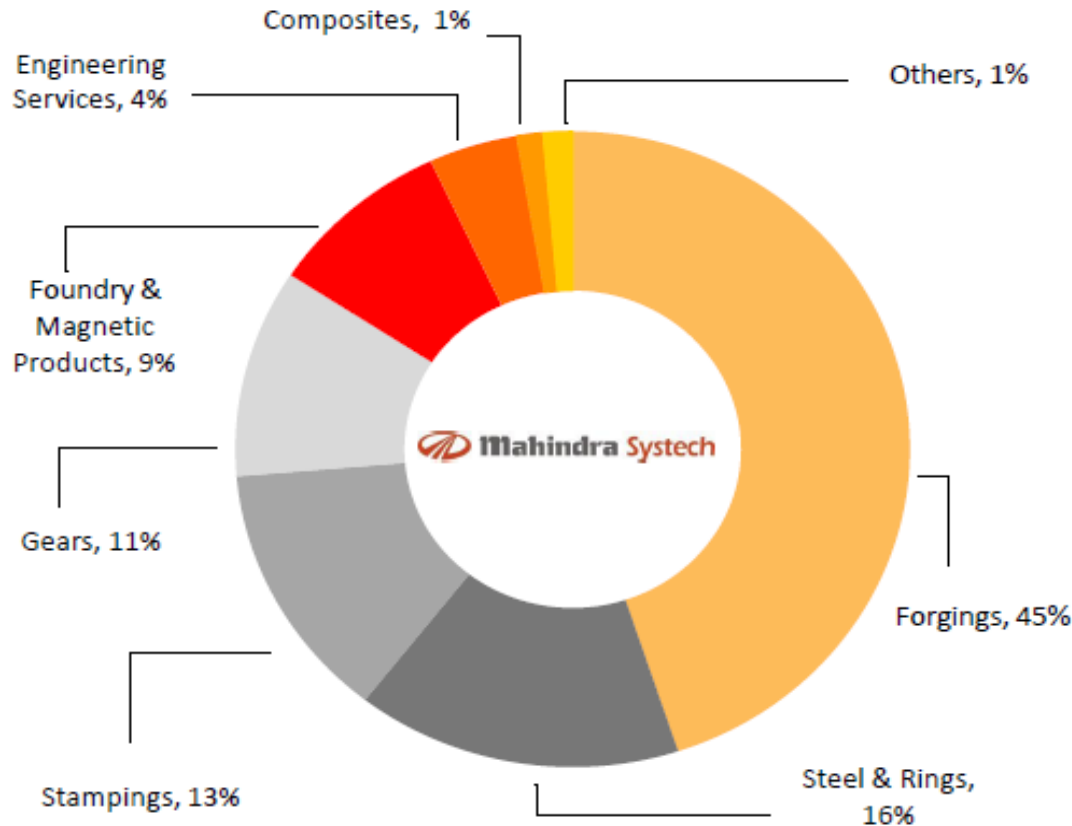
Market	2011-12	2012-13
Domestic	16~18 %	13~15%
Export	23 %	25 %

Source: E&Y

Mahindra Systech : Business Snapshot

Diverse Products with Diverse Automotive Markets

F2011 Revenues
USD929M / INR42B



WE ARE



Europe's leading Truck Forgings Supplier



India's largest Maker of Crankshafts



India's largest Producer of Axle & Transmission Housing Castings



India's largest Producer of Magnets for Automotive Applications

Mahindra Hinoday

Technical Leadership in Ductile Iron and Magnetic Materials



CASTINGS

- ➔ India's leading ductile iron foundry
- ➔ Leadership in **axle & transmission components and turbocharger housings**
- ➔ Casting weight upto 70 kg
- ➔ New materials in production include ADI
- ➔ Machining lines for turbocharger housings
- ➔ 1 Plant

MAGNETS

- ➔ India's largest producer of magnetic products
- ➔ Key products include arc magnets, cores and ferrite bars for auto and non-auto applications
- ➔ **Innovation-driven growth to energy efficient product solutions like Industrial Lighting**
- ➔ 1 Plant

Mahindra Gears

Focus on Excellence and Volumes in Offroad Applications



GEARS INDIA

- ➔ Transmission gears/shafts and engine timing gears for offroad and CV/UV markets
- ➔ Gears upto DIN7 Class
- ➔ **Building capability and capacity for domestic and export markets**
- ➔ **Developing aggregates**
- ➔ Two plants in India

GEARS EUROPE / METALCASTELLO

- ➔ Transmission gears/shafts and Crown Wheel Pinions for offroad and defense markets
- ➔ **Focus on low volume, high complexity applications**
- ➔ Gears upto DIN4 Class
- ➔ Two plants in Italy

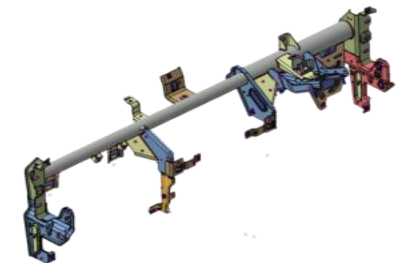
MUSCO Stampings

Business Transformation through Value Addition



STAMPINGS

- ➔ Supplier of Skin Panels and B/C Panels to domestic OEMs
- ➔ **Growth focus on value added products**
 - fuel tanks, suspension arms, cross car beams etc
- ➔ Press range from 60T – 1200T for parts upto 35 kg
 - expanding robotic handling
- ➔ 4 Plants in India



Mahindra Composites

SMC/DMC Compounding and Components



COMPOSITES

- ➔ Vertically integrated composites company
 - SMC/DMC Compounding
 - Concept Design, Engineering, Prototyping
 - Compression Moulding (100T-2000T)
 - Hand lay-up
 - RTM facilities
 - Painting
 - Assembly
- ➔ **Non auto products include electrical enclosures and GRP pipes (2013)**
- ➔ 2 Plants



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