

Mahindra CIE Automotive Ltd.

Recording of Investor Meetings

Date	17-June-2015
Type of meeting	One-on-one
Investor/ Analysts Fund / Firm	Manish Shah, Comgest Singapore Kaynaan Shums, Kotak Institutional Equities
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"> • 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 • 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. • MCIE will continue to be a tier 2 player but with complex value added parts. In line with CIE philosophy, MCIE will continue to focus on operational excellence, diversification in products & customer base and a lean organization. • As per CIE strategy, MCIE will be the driver of CIE growth in Asia. China is not a focus area for CIE
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