

Mahindra CIE Automotive Ltd.

Recording of Investor Meetings

Date of meet	02-November-2015 & 03-November-2015
Type of meeting	Meetings in London
Investor/ Fund / Firm	Pioneer. Capital Research Global Investors, HABROK, Stewart Investors. Hermes, Ocean Dial, Blackfriars Asset Management, Pictet Asset Management
Company Representatives	Sanjay Joglekar, Chief Financial Officer, Mahindra CIE Vikas Sinha, Sr 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"> • Overview of Mahindra CIE alliance <ul style="list-style-type: none"> ➤ Merger process completed in Dec'14 ➤ CIE is now the majority owner of Mahindra CIE (MCIE) and has management control ➤ Integration with CIE is proceeding satisfactorily To ensure integration, the different verticals of MCIE work closely with similar verticals of CIE under the guidance of the CIE global heads of each of these verticals. ➤ CIE does not charge any royalty to MCIE • Overview of products & customers <ul style="list-style-type: none"> ➤ Mahindra Forgings Europe (MFE) : Basket of forgings for trucks ➤ CIE Forge : Cars – crankshafts, constant velocity joints & common rail forgings ➤ Metalcastello (MC) : Agricultural + Construction Equipment – gears & shafts ➤ India: forgings, castings, stamping & gears – largely for cars& UVs and tractors ➤ Overall: MCIE is a tier 2 player with complex value added parts • MCIE strategy regionwise <ul style="list-style-type: none"> ➤ India – Market plus growth with operational improvements. Focus is to diversify product-customers with CIE support. ➤ 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 • Europe Market Overview <ul style="list-style-type: none"> ➤ CIE Forge primarily supplies to passenger car market which has been growing steadily and grew by 8% in H1C15. ACEA forecasts a growth rate for 5% for the full calendar year 2015 ➤ MFE supplies mainly to trucks which too has grown at 8% in H1C15 but where the trends have been fluctuating ➤ MC supplies to off road market which has seen declining sales ➤ At MCIE Europe, capacity augmentation is not required for the above growth • India Market Overview & Strategy <ul style="list-style-type: none"> ➤ Waiting for volumes to return at key customers and benefit from existing operating leverage. ➤ Focused on parts on new models introduced and to be introduced by our existing customers - 'Indian OEMs'. Exploring participation on new models of new customers – 'Western OEMs'. This is the key synergy area with CIE. ➤ MCIE India exports from some of its verticals like Foundry, Gears & Magnetics. It will continue to explore these opportunities but the main focus will remain the domestic market

	<ul style="list-style-type: none"> • Overall goals of MCIE: In the 1st phase, MCIE will focus on financial 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 the 2nd phase, MCIE will focus on growth including via acquisitions both in India & ASEAN. Acquisitions will be subject to prudent financial norms listed above. • CIE business model: <ul style="list-style-type: none"> ➤ CIE globally (incl. MCIE) will remain a tier 2 company and will invest in capex selectively. To ensure that growth happens, CIE (incl. MCIE) continuously evaluates acquisitions. The CIE approach focuses equally on margin as well as growth expansion ➤ While being a tier 2 company, CIE focuses on complex parts wherein OEMs require value engineering inputs ➤ CIE is focused on operational efficiency, low corporate costs and customer & product diversification ➤ CIE has a results oriented culture where every plant is expected to meet CIE’s financial norms described earlier. The plant management is sufficiently empowered and multi skilled for this purpose. ➤ CIE’s plant focused management approach does not mean that synergies across plants are missed, CIE has developed a culture of networked organization where plant managers are encouraged to discuss issues and solutions on a continuous basis • Role of MCIE in CIE global portfolio <ul style="list-style-type: none"> ➤ MCIE is the Asian vehicle of CIE and expansion in Asia (focus on India & ASEAN) is expected to happen via MCIE India ➤ CIE periodically introduces strategic plans which define the overall goals of CIE including at MCIE • Comparison with Bharat Forge <ul style="list-style-type: none"> ➤ BFL is focused on forgings and moving into non auto & industrial segment. MCIE is a multiprocess company (forgings, castings, gears , stampings etc,) and is largely focused on the automotive segment (cars, UVs, CVs, Tractors) • Impact of Electric Cars <ul style="list-style-type: none"> ➤ CIE in Europe is part of the industry wide effort on electric cars. It is expected that electric cars will continue to be a niche and the focus will remain on internal combustion engines and/ or hybrid. CIE likes to work in high volume segments and will focus on conventional & hybrid engines while keeping an eye on emerging technologies. • Year end change <ul style="list-style-type: none"> ➤ From calendar year 2016, MCIE will shift to a calendar year reporting in order to synergise with CIE annual planning cycle. All necessary approvals have been obtained. 2015 results will be for 9 months.
Any other comments	All the above points have been covered in detail in earnings updates released earlier and in earnings conference calls