

Mahindra CIE Automotive Ltd.

Recording of Investor Meetings

Date of meet	15 December 2015
Type of meeting	One on one meeting
Investor/ Fund / Firm	Edelweiss Institutional Equities Research
Company Representatives	Vikas Sinha, Sr. VP Strategy, Mahindra CIE
Did discussions involve UPSI	No
Gist of discussions	<p>The discussions revolved around clarifications & questions on the with regards to the following documents on the company website:</p> <p>http://www.mahindracie.com/images/pdf/resources/press_release/2014-15/mahindra_cief_15_full_year_update_11_may_2015.pdf</p> <ul style="list-style-type: none"> • Evolution of Mahindra CIE (MCIE) <ul style="list-style-type: none"> ➤ Mahindra Systech, a sector of the Mahindra Group, was formed with the vision of building a global automotive supplier. In June 2013, Mahindra & Mahindra (M&M) announced a Global Alliance with CIE. The alliance was executed completely in Dec'14 and has led to the formation of a single publicly-listed entity in India that includes all of the Systech automotive component businesses as well as CIE's European forgings business. • Rationale for the alliance between Mahindra & CIE <ul style="list-style-type: none"> ➤ Mahindra now has access to a global auto components supplier while CIE has gained entry into Asia – a key automotive market it had limited presence in. • MCIE position in CIE portfolio <ul style="list-style-type: none"> ➤ MCIE will be the CIE vehicle for growth in Asia (largely India & ASEAN) and in forgings ➤ Forgings is the largest business segment of MCIE with Mahindra Forgings Europe (MFE) in Germany & UK focused on truck forgings, CIE Forgings (CIEF) in Spain & Lithuania focused on car forgings especially crankshafts & CV joints, and the Forgings division of MCIE India focused on car, UV & tractor forgings especially crankshafts & steering knuckles • MCIE strategy regionwise <ul style="list-style-type: none"> ➤ India : Waiting for volumes to return at key customers and benefit from existing operating leverage. 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 • 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