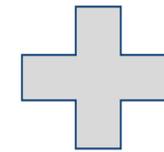
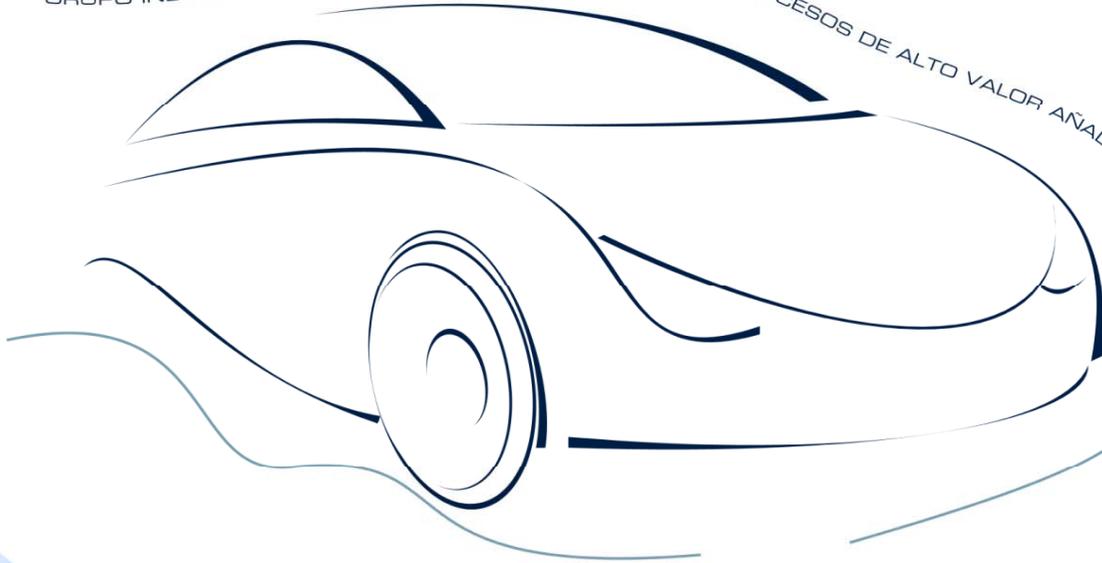


GRUPO INDUSTRIAL ESPECIALIZADO EN LA GESTIÓN DE PROCESOS DE ALTO VALOR AÑADIDO



CIE *Automotive*



Mahindra
SYSTECH

MAHINDRA CIE AUTOMOTIVE

June 2013

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- 1 Introduction to the Mahindra CIE Alliance**
- 2 Rationale for the Alliance
- 3 Introduction to CIE Automotive & Systech
- 4 Key Transaction Steps

CIE Automotive + Mahindra Global Alliance

Overview

CIE Automotive, Spain and Mahindra & Mahindra (M&M), India enter into a global Alliance in the automotive component business

❑ Cross investment by both groups

- ✓ CIE Automotive, through Autometal, to invest in automotive component businesses of M&M's Systech Sector (Mahindra Systech)
- ✓ M&M to invest in CIE Automotive (Spain)

❑ Merge of all automotive component companies of Mahindra Systech and CIE European Forging companies into an India-listed automotive supplier creating Mahindra CIE Automotive that consists of

- ✓ Mahindra Systech's automotive components business (FY13 Sales EUR 575 Mn) with operations in India and Europe
- ✓ CIE's European Forgings business (CY12 Sales EUR 150 Mn) with operations in Spain and Lithuania

**CY2012: Jan 2012-Dec 2012 / FY2013: April 2012-March 2013*

CIE Automotive + Mahindra Global Alliance Schematic Representation

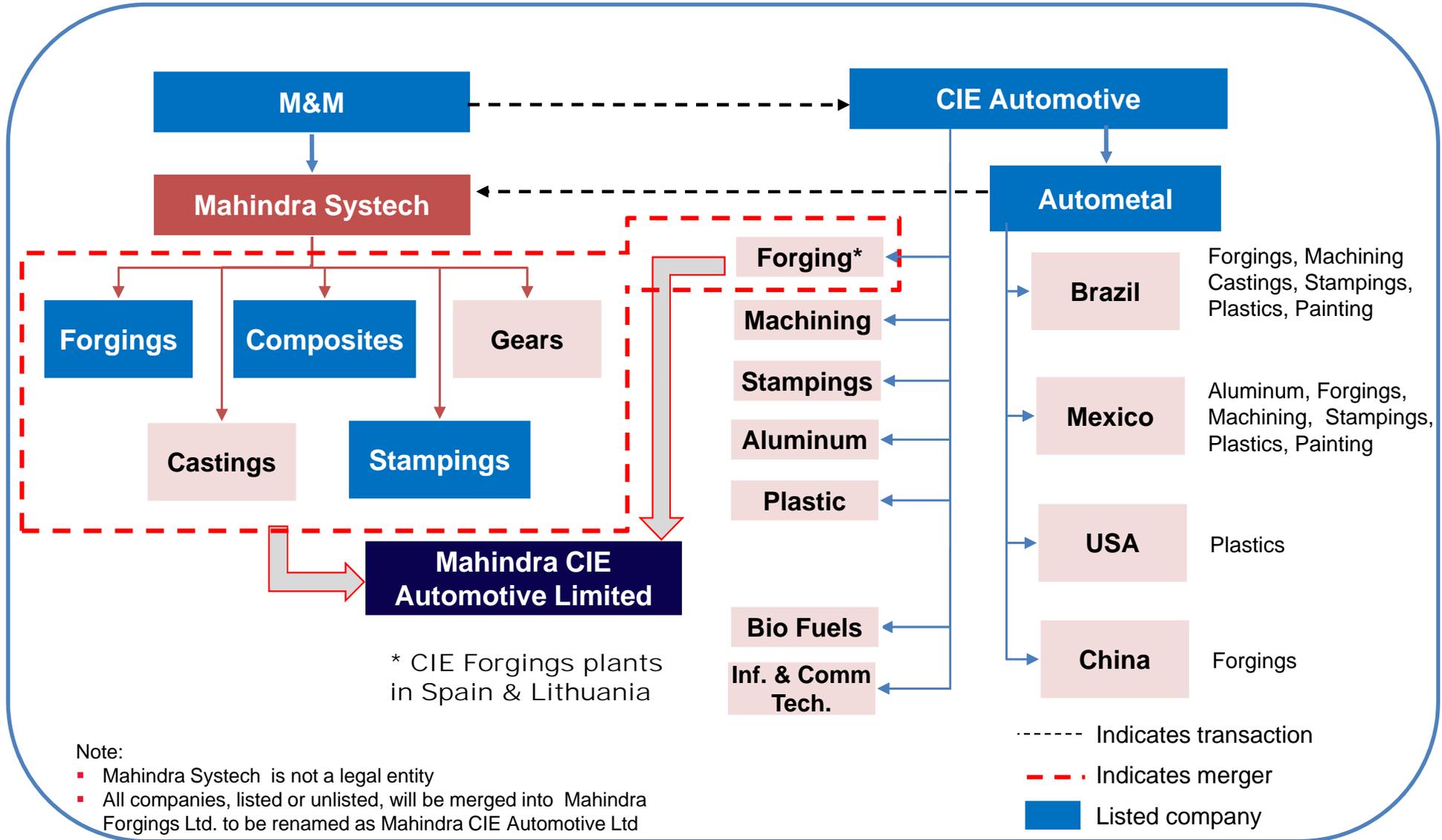
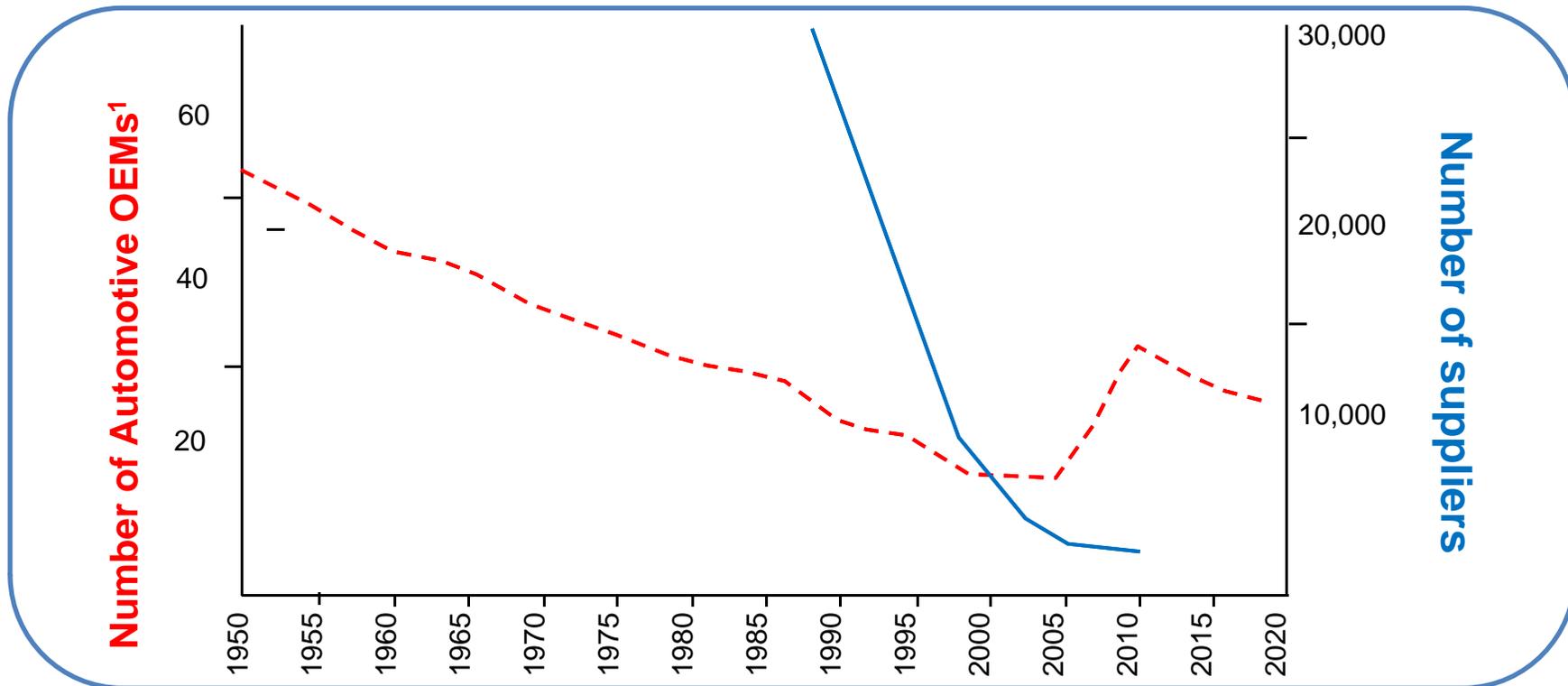


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Industry structure

As industry consolidates via acquisitions/partnerships, global presence is key



Source: Boston Consulting Group, E&Y

Supplier consolidation is faster than OEM consolidation
Global presence (emerging + developed world) becoming key for suppliers

Strategic positioning in high growth markets

Annual Vehicle production: Period 2012 – 2017 (Mn units.)



Source : Vehicle Production, CSM March 2013
 Growth % : CAGR (Compound Annual Growth Rate)

CIE Automotive bet is to increase its presence in Mexico and settle in India

Why India?

In Asia we are committed to **INDIA**



Significant growth in the coming years.

Great country, very competitive costs for domestic market and export.

World leader in Heavy Vehicle industry.

The world leader in forging.

A country with great opportunity to lead the growth in the region (Indonesia, Thailand, etc.).

Transaction impact

CIE Automotive

Segments

Forgings, Stampings, Castings, Machining, Plastics, Paintings, Aluminum

OEM Customers



Markets

Nafta, Mercosur, Europe, China
Russia, Morocco

Market Position

Amongst top European, Brazilian and Nafta auto component groups

Size (EUR Mn)

1.647 (CY2012*)

Mahindra Systech

Forgings, Castings, Composites, Stamping, Gears



India and Europe

Leader in India crankshafts (Car+UV)
Leader in Heavy Vehicle Forgings (Europe)
Amongst top 7 Indian auto comp groups

575 (FY2013*)



*CY2012: Jan 2012-Dec 2012 / FY2013: April 2012-March 2013

Amongst top auto components groups globally

Complementary product market presence

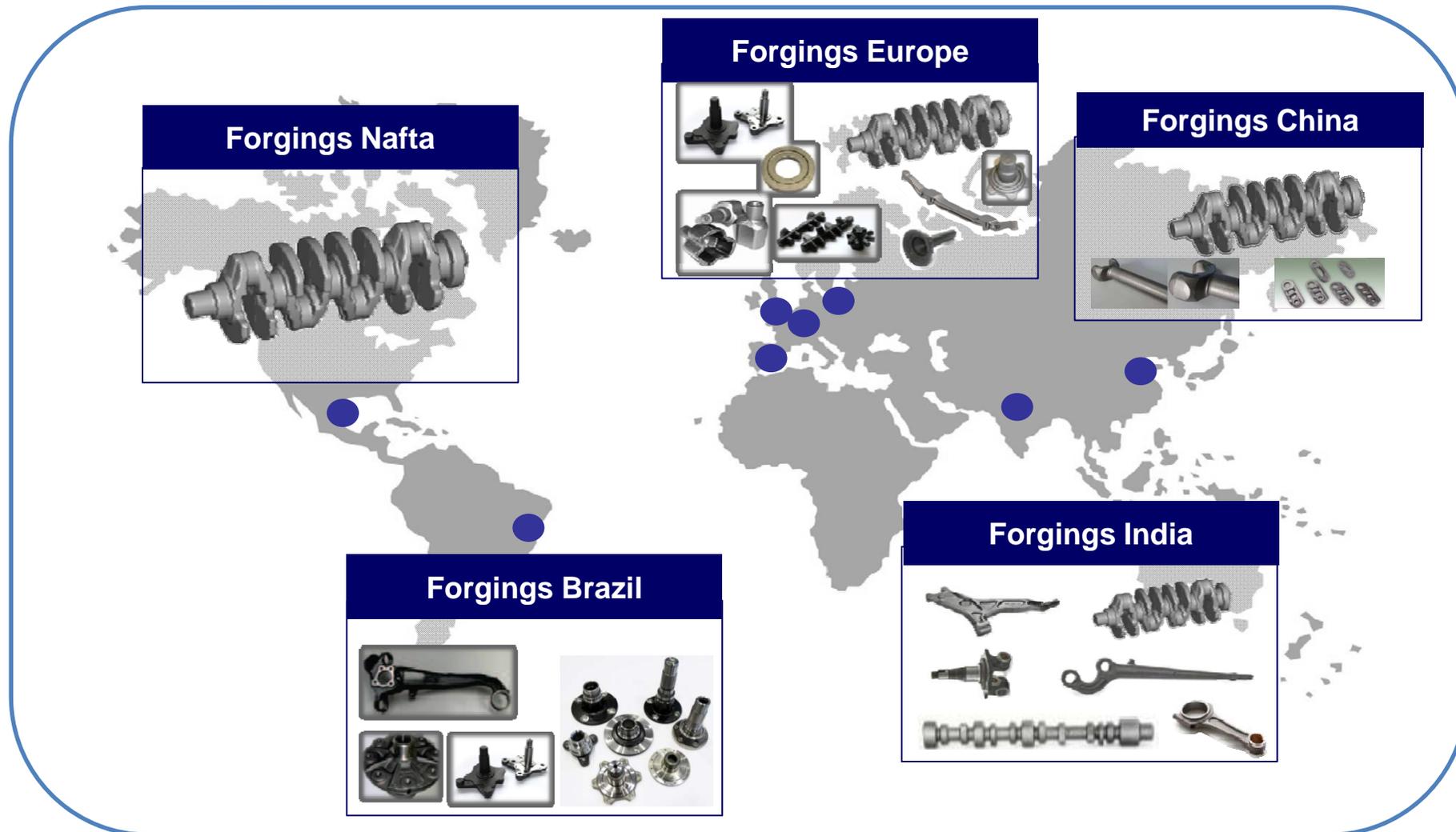
Process	EU	NAFTA	Brazil	Russia	India	China
Stampings						
Forgings ⁽¹⁾	 					
Gears/ Machining ⁽²⁾	 					
Plastics						
Aluminum						
Castings						
Painting						
Roof Sys.						
Composites						
Magnets						

(1) Forgings in EU largely complementary – CIE serves car markets while Systech serves CV market

(2) Gears/ Machining complementary – Systech manufactures gears while CIE machines other components

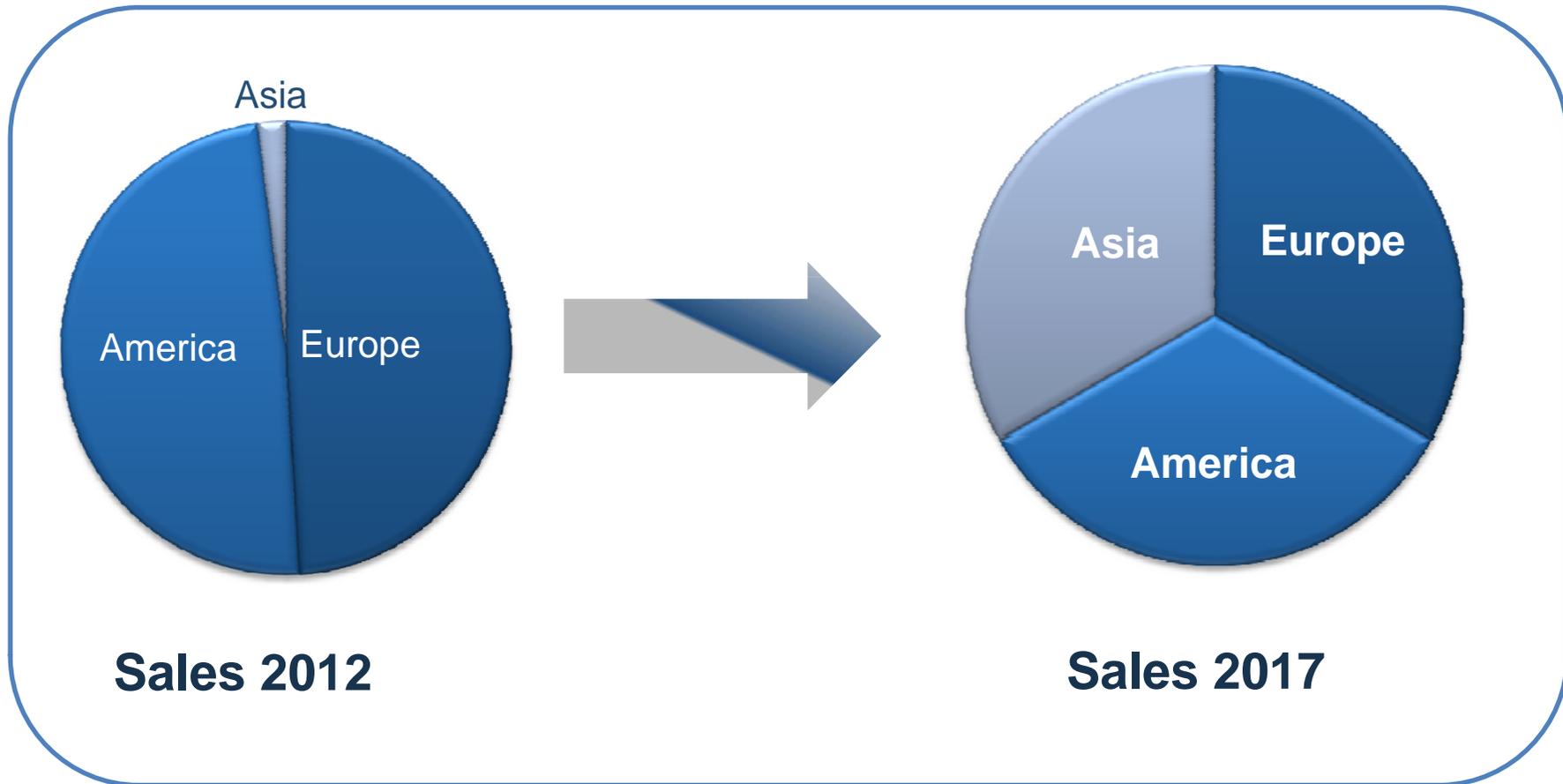
 CIE Presence  Systech Presence

New forging powerhouse under Autometal management



Creation of a major forging group with global footprint

Diversifying into new high growth markets



Consolidating a significant market share in the Asian market, continuing with the strategy of emerging markets growth

Diversification bringing less volatility to cash flows

Diversifying financial markets

Equities

- ❑ **Three different vehicles to invest in the Auto sector:**
 - CIE Automotive: Global market investment
 - Autometal: Investment in emerging markets
 - Mahindra CIE Automotive: Investment in Asia and Global Forgings
- ❑ **Highest standards of corporate governance in each market**

Banks and Debt Markets

- ❑ Diversifying finance: raising where cash flows are generated
- ❑ Relationships with global and local banks in every region
- ❑ Global access to debt capital markets

Diversification and transparency of being listed companies improves credit quality

Alliance with a partner that has a perfect match

CIE Automotive & Mahindra groups have similar values & focus areas

		
Focus on financial returns	✓	✓
Strong organic & inorganic growth	✓	✓
Multi - technology	✓	✓
Decentralized (local) decision process	✓	✓
Independent business units	✓	✓
JV / Acquisition Focus	✓	✓
Globalization	✓	✓

The transaction in numbers

□ Integration of a Group of companies with a recurrent level ⁽¹⁾ of:

- ✓ Revenues: EUR 650 Mn
- ✓ EBITDA : EUR 66 Mn
- ✓ Net financial debt: EUR 170 Mn

□ The transaction is mainly cash neutral at CIE Automotive level:

- ✓ Cash paid for equity acquisitions for Mahindra stake in Systech companies is reinvested by Mahindra into CIE Automotive shares (13,5%)
- ✓ Only cash out comes from tender offers: aprox EUR 25 Mn ⁽²⁾

□ CIE Automotive Group merges its European Forgings into Mahindra CIE

□ As a result CIE Automotive Group holds 51%~ 53% ⁽²⁾ and Mahindra 20% of Mahindra CIE

- (1) Recurrent level figures: Proforma calculated at normal 2011 market levels in Europe and India
- (2) Depending on the tender offer acceptance

BENEFICIAL FOR ALL SHAREHOLDERS

- CIE Automotive has proven financial performance over last 16 years with domain knowledge in automotive components business, in all different geographical areas.
- CIE Automotive, with successful track record of M&As, has also proved its integration capacity, improving margins of integrated companies and creating value for shareholders.
- Mahindra CIE operational performance expected to improve with synergy; particularly in Europe. Indian operations are on the cusp of upturn.
- Mahindra CIE will also have access to other geographic markets where CIE has presence.
- M&M continues to be a strategic investor in auto comp business with 20% stake in Mahindra CIE and 13.5% stake in Spain at parent level.
- Managements of the alliance will be aligned operationally and shareholders are aligned strategically.
- Together, the alliance becomes close to EUR 2,2 Bn and fulfills M&M's & CIE's ambition to be a global player in this business.

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Overview of CIE Automotive

Company Overview

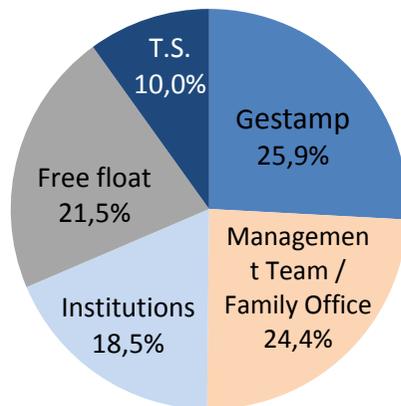
- ❑ Listed in Spain with a significant subsidiary listed in Brazil
- ❑ Key business areas include forgings, machining, stampings, casting, plastics, Aluminum and painting.
- ❑ Locations - Europe, Brazil, Mexico, USA, China, Russia, Morocco

Financial Summary

<i>EUR Mn</i>	CY 10	CY 11	CY 12
Sales	1,591	1,840	1,647
EBITDA	193	234	224
<i>EBITDA margin</i>	<i>12.1%</i>	<i>12.7%</i>	<i>13.6%</i>
PAT	41	61	61
Net Debt	507	342	394

*CY2012: Jan 2012-Dec 2012 / FY2013: April 2012-March 2013

Shareholding Pattern of CIE Automotive



Corporate Structure

Key businesses:

Aluminum, Forgings, Castings, Stampings, Machining, Plastics.

Non key businesses:

Biofuels, Info & Comm Tech

CIE (Spain)

75%

Autometal (Brazil)

Sales: EUR 1,647 Mn
EBITDA: EUR 224 Mn
Market Cap: EUR 659 Mn

Sales: Eur 641 Mn
EBITDA: Eur 108 Mn
Market Cap: Eur 978 Mn

Overview of Autometal

Company Overview

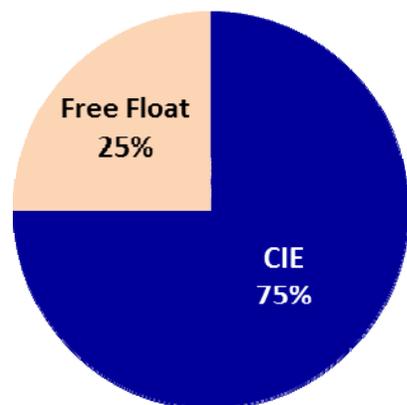
- Listed in Brazil
- Key business areas include forgings, machining, stampings, casting, plastics, aluminum and painting
- Locations – Brazil, Mexico, USA and China

Financial Summary

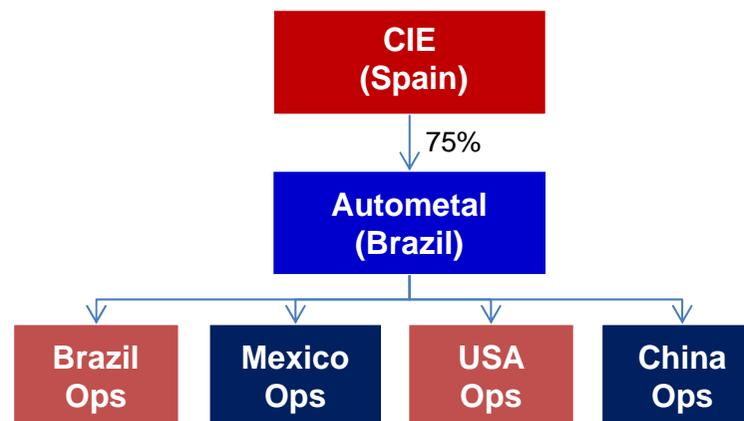
<i>EUR Mn</i>	CY 10	CY 11	CY 12
Sales	670	671	641
EBITDA	128	126	108
<i>EBITDA margin</i>	<i>19.2%</i>	<i>18.7%</i>	<i>16.9%</i>
PAT	58	79	63
Net Debt	96	-111	-36

*CY2012: Jan 2012-Dec 2012 / FY2013: April 2012-March 2013

Shareholding Pattern of Autometal



Corporate Structure



Overview of Systech auto components

Business Overview

- Largest part of Mahindra Systech Sector (~80%)
- FY13 Sales of ~INR 40,000 mn / Euro 580 mn
- 19 Manufacturing facilities in 4 countries
- 55% of revenues from European operations

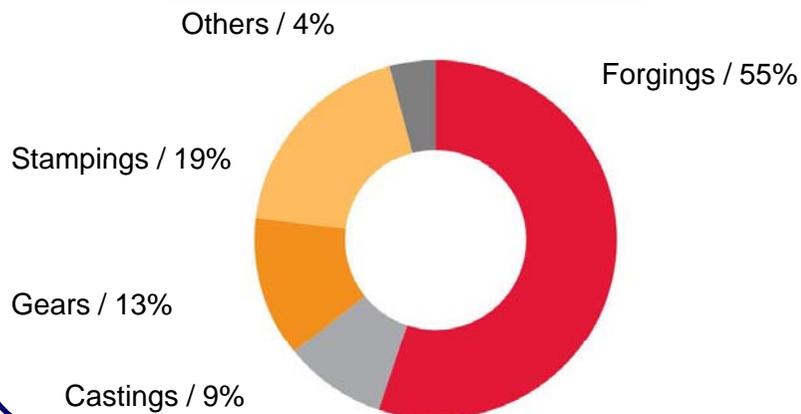
Financial Summary

INR mn	FY11	FY12	FY13
Sales: India	13,364	18,231	18,413
Sales: Europe	22,448	26,488	22,175
Euro mn			
Sales: India	191	260	263
Sales: Europe	321	378	317

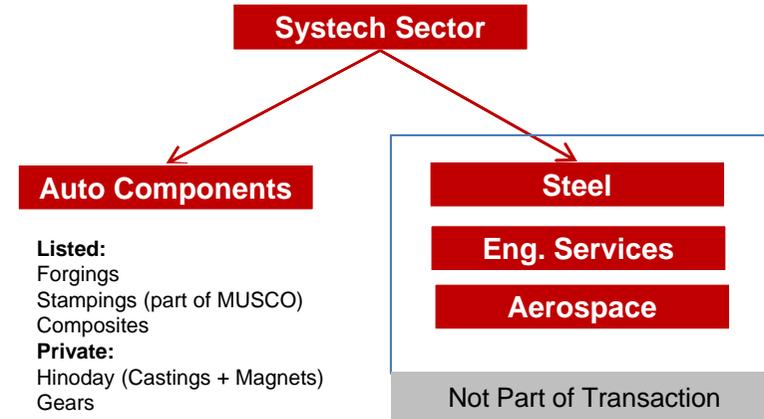
*1 Euro = INR 70.0

*CY2012: Jan 2012-Dec 2012 / FY2013: April 2012-March 2013

Sales by Business



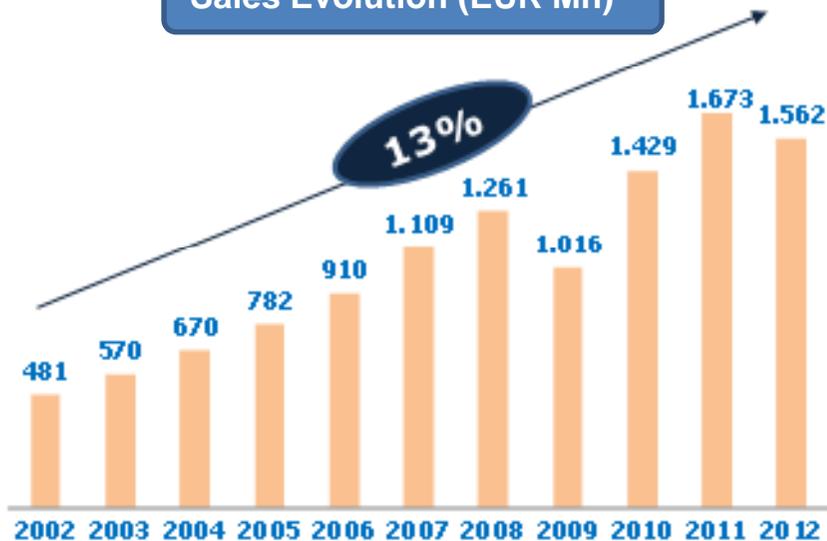
Corporate Structure



CIE Automotive performance

Profitable growth history over 10 years; successful track record of 50 M&As

Sales Evolution (EUR Mn) ¹



■ RoCE⁽²⁾ 15,5% in 2012

EBITDA Evolution (EUR Mn)



■ Auto EBITDA margin of 15,8% in 2012

(1) 2006 to 2011 data deducting turnover of diesel oil used for blending
(2) ROCE calculated as EBIT divided by average employed capital (equity + net financial debt)

CIE Automotive's growth and profitability trend keeps in double digit rates, having reached an optimal activity and EBITDA level and a record Net Result in its history

CIE Automotive unique positioning

Tier 1.5 : Supply parts to OEMs and Tier 1

Business Characteristics

Strong Commercial Relationships

Excellent relationship and penetration with all OEM and Tier 1 customers

Growth Fuelled by Alliances & Joint Ventures

Track record with over 50 new integrations in the last 10 year on a global scale

Emphasis on Corporate Culture of Productivity

Lean and robust procedures with effective cost control

Product Portfolio

Products serving global platforms and local customer needs

Multi-technology Portfolio

R&D in multiple technologies as a differentiating factor offering broad growth potential

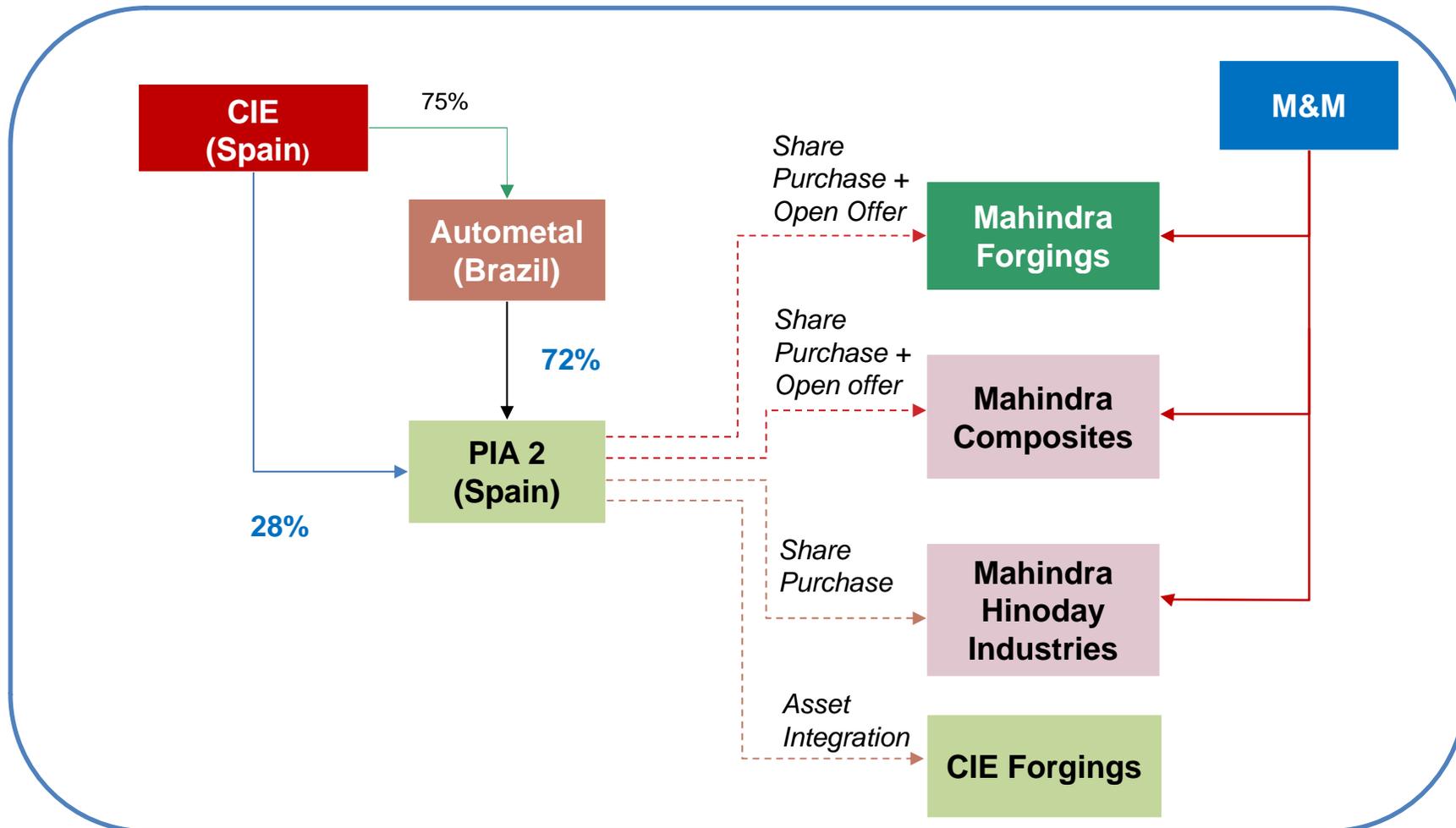
Overtime CIE has been able to achieve higher EBIT margins than the industry average

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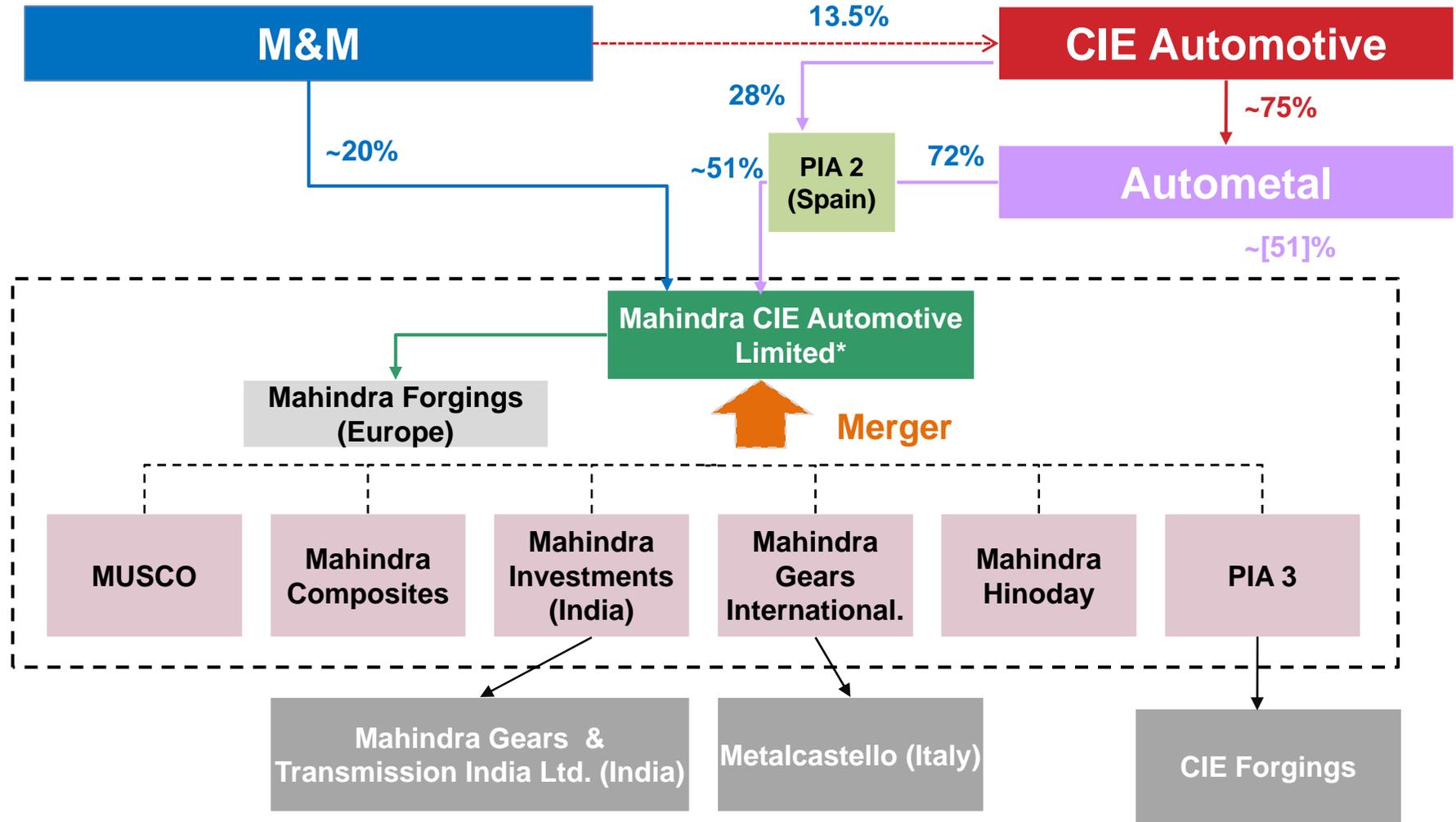
Transaction structure (STEP 1)

CIE Automotive, through Autometal, to purchase stake in MFL, MHIL, and MCL from M&M



Transaction structure (STEP 2)

Mahindra CIE Automotive is created



*Erstwhile Mahindra Forgings Limited

Swap ratios

Company	Swap Ratio
Mahindra Hinoday	1.10
Mahindra Composites	0.90
Mahindra Gears Europe	0.17
Mahindra Gears India	0.20
MUSCO	2.84
CIE Forgings	1.05

**Swap ratios are based to 1 share of Mahindra Forgings Limited*

Estimated timeline for transaction and regulatory approvals

Event	Estimated Dates
Transaction Signing	[June 15, 2013]
Closure of Open Offer	[Oct, 2013]
Receipt of High Court Approval	[April, 2014]

Regulatory approvals

Competition Commission of India

Bundeskartellamt, Germany (Anti-Trust Authority)

SEBI Clearance for the Letter of Offer (Open Offer)

High Court and shareholders' approval for the merger

Advisors



Legal Advisors



Manager of the tender offers



Independent valuers providing Swap Ratios for Merger

NM RAIJI



Independent valuers for the capital increase in CIE



CIE *Automotive*

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