

Mahindra CIE Automotive Ltd.  
Recording of Investor Meetings

Date of meet	30-September-2015
Type of meeting	Meetings in Mumbai
Investor/ Fund / Firm	Centrum Capital, Motilal Oswal
Company Representatives	Sanjay Joglekar, Chief Financial Officer, 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"> <li>• <b>MCIE strategy regionwise</b> <ul style="list-style-type: none"> <li>➤ India – Market plus growth with operational improvements. Focus is to diversify product-customers with CIE support.</li> <li>➤ MFE – Turnaround by focusing on internal efficiency improvements.</li> <li>➤ Metalcastello – Turnaround by focusing on cost reduction &amp; increasing revenues via new customers.</li> <li>➤ CIE Forge – Maintain current performance</li> </ul> </li> <li>• <b>Europe Market Overview</b> <ul style="list-style-type: none"> <li>➤ 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</li> <li>➤ MFE supplies mainly to trucks which too has grown at 8% in H1C15 but where the trends have been fluctuating</li> <li>➤ MC supplies to off road market which has seen declining sales</li> <li>➤ At MCIE Europe, capacity augmentation is not required for the above growth</li> </ul> </li> <li>• <b>Mahindra Forgings Europe turnaround plan</b> <ul style="list-style-type: none"> <li>➤ Phase I : Short term focus on cost reduction – completed</li> <li>➤ Phase II : Explore synergies with CIE Forgings; Profitability improvement via optimizing product- process-location combination. Jeco in process of being closed down. New products to be evaluated in the medium term</li> </ul> </li> <li>• <b>MCIE India Strategy</b> <ul style="list-style-type: none"> <li>➤ Waiting for volumes to return at key customers and benefit from existing operating leverage.</li> <li>➤ 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’</li> <li>➤ 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.</li> </ul> </li> <li>• <b>Overall goals of MCIE:</b> 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 &amp; ASEAN. Acquisitions will be subject to prudent financial norms listed above</li> </ul>
Any other comments	All the above points have been covered in detail in earnings updates released earlier and in earnings conference calls