



PRESS RELEASE

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M&M AND RENAULT ANNOUNCE RESTRUCTURING OF THEIR JV MAHINDRA RENAULT PVT. LTD. (MRPL)

Mahindra and Renault today announced the restructuring plans for their 51:49 JV, Mahindra Renault Pvt Ltd, through which the Logan car is manufactured.

Under a Framework Agreement, which was signed today by senior executives of both companies, the parties have in principle agreed that M&M will take over the operations of the company. Renault will continue to support M&M and the product through a License Agreement and supply of key components, including the engine and transmission. As previously stated by leaders of both companies, the aim of the restructuring is to ensure continuity and build on the positive customer equity that exists for the Logan in India.

"Renault is fully committed to the success of the Logan in India where it has achieved a high level of customer satisfaction. We will continue to extend our support to Mahindra to help it gain market share," said Mr. Katsumi Nakamura, EVP, Asia / Africa for Renault s.a.s. He went on to add, "We reiterate our long term commitment to India through the recent inauguration of our manufacturing facility in Chennai and our plan to launch a range of Renault cars from 2011."

"The new agreement between Mahindra and Renault will give us the opportunity to chart out a new strategy to help drive the Logan brand in India which will also include engineering changes, in keeping with customer requirements," said Dr. Pawan Goenka, President, Automotive & Farm Equipment Sectors, Mahindra & Mahindra Ltd.



Key features of the restructuring are:

- * Mahindra & Mahindra (M&M) will buy Renault's equity stake in MRPL, resulting in MRPL becoming a 100% Mahindra group owned company
- * M&M will be responsible for the management of the Logan in the Indian market
- * The Renault name and logo will continue to be used on the Logan till the end of this calendar year
- * Over the course of a transition period of about 18 months, M&M will:
 - Rename the car to a Mahindra owned brand name and the car shall then only display the Mahindra logo
 - Create a refresh and other modifications in line with customer expectations
 - Execute additional localisation to reduce costs

Other vehicles built on the Logan platform by Renault globally, such as the Sandero, are not included in this new agreement.

M&M and Renault will continue to work together on an ongoing basis to explore areas of synergy for mutual benefit on several fronts.

Mahindra Renault Pvt. Ltd. was established as a 51:49 JV between M&M and Renault sas in 2005 to manufacture and sell the Logan car. The Logan is manufactured at Mahindra's plant in Nashik and sold through more than 100 Mahindra dealer outlets around the country.

The Logan was commercially launched in the Indian market in July 2007 and has more than 44,000 satisfied customers in India today. More than 2,600 units have also been exported to South Africa and Nepal.

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