

Mahindra & Mahindra agrees to acquire 43.3 percent stake in Punjab Tractors Limited

Punjab Tractors Limited is a significant player in the tractor industry, having been in operation since 1974. Its "Swaraj" brand of tractors and farm equipment enjoy strong brand loyalty with customers.

Mumbai, Maharashtra, IND, 2007-03-12 17:33:07 (IndiaPRwire.com)

Mahindra & Mahindra Ltd., the fourth largest tractor manufacturer in the world and the domestic leader for 23 consecutive years, announced today that it signed a deal to acquire 43.3 percent stake in Punjab Tractors Ltd. at a price of Rs. 360 per share.

M&M Ltd. along with its subsidiary Mahindra Holdings and Finance Ltd. agreed to acquire the stake from Actis Group and the investment companies of the Burman family, subject to the receipt of requisite approvals.

Punjab Tractors Limited is a significant player in the tractor industry, having been in operation since 1974. Its 'Swaraj' brand of tractors and farm equipment enjoy strong brand loyalty with customers.

Mr. Anand Mahindra, Vice Chairman & Managing Director, Mahindra & Mahindra, said, 'The acquisition adds significantly to our core business of farm equipment. We expect this to enhance value for our shareholders through the synergies which our farm equipment business and Punjab Tractors will together generate.'

Mr. Anjanikumar Choudhari, President, Farm Equipment Sector, M&M, said, 'This acquisition will add a well-respected brand, Swaraj, and a strong product range to our portfolio. It will further strengthen our market position in different regions in India. Some of the PTL models have clear opportunities in overseas markets in which M&M operates. The manufacturing capacities of Punjab Tractors fit well with our future plans, and its North India vendor base will provide us opportunities to derive good benefits from sourcing synergy.'

Mr. Donald Peck, Managing Partner, Actis, opined, 'Our close involvement as an investor in Punjab Tractors has now borne fruit and we are delighted that M&M will champion the growth of this company in times to come.'

Mr. Mohit Burman said, 'Punjab Tractors is an extremely attractive asset that is passing on to good hands.'

Kotak Investment Banking advised M&M for this transaction, whereas the sellers were advised by Citigroup Global Markets.

Khaitan & Co were the legal advisors to M&M, while Wadia Ghandy advised the sellers on legal matters.

- END -

About The Mahindra Group

Page 1/2

© Copyright 2006 India PRwire Pvt. Ltd. All Rights Reserved.

India PRwire disclaims any content contained in press releases published on IndiaPRwire.com. Issuers of press releases are solely responsible for the accuracy of their content.

The US \$4 billion* Mahindra Group is among the top 10 industrial houses in India. Mahindra & Mahindra is the only Indian company among the top five tractor manufacturers in the world and is the market leader in multi-utility vehicles in India. The Group has a leading presence in key sectors of the Indian economy, including trade and financial services (Mahindra Intertrade, Mahindra & Mahindra Financial Services Ltd.), automotive components, information technology & telecom (Tech Mahindra, Bristlecone), and infrastructure development (Mahindra GESCO, Mahindra Holidays & Resorts India Ltd., Mahindra World City). With over 60 years of manufacturing experience, the Mahindra Group has built a strong base in technology, engineering, marketing and distribution which are key in its evolution as a customer-centric organization. The Group employs over 40,000 people and has several state-of-the-art facilities in India and overseas. The Mahindra Group has ambitious global aspirations and has a presence in five continents. Mahindra products are today available in every continent except Antarctica. M&M has one tractor manufacturing plant in China and three assembly plants in the United States. It has made strategic acquisitions across the globe including Stokes Forgings (UK), Jeco Holding AG (Germany) and Schoneweiss & Co GmbH (Germany). Its global subsidiaries include Mahindra Europe Srl. based in Italy, Mahindra USA Inc. and Mahindra South Africa. M&M has entered into partnerships with international companies like Renault SA, France, and International Truck and Engine Corporation, USA. Forbes has ranked the Mahindra Group in its Top 200 list of the World's Most Reputable Companies and in the Top 10 list of Most Reputable Indian companies.

(* Annualised for current fiscal)

For further enquiries, contact:

Ms. Roma Balwani

Sr. GM - Head, Corporate Communication

Mahindra and Mahindra Ltd

Phone: (+91-22) 24975176

Fax: (+91-22) 2490 0830

Email: balwani.roma@mahindra.com