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 **Mahindra**

Press Release

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Mahindra, Renault and Nissan announce Chennai as the location for a 400,000 capacity production site in India

CHENNAI, FEBRUARY 26: Following the signing of a memorandum of understanding (MOU) today, Chennai, in the state of Tamil Nadu, has been announced as the location of what will potentially be one of the largest automotive production sites in India, with an installed capacity of 400,000 units per year, seven years after its initial production. Automakers Mahindra and Renault will now be joined in this project by Nissan.

Renault, Nissan and Mahindra are committed to investing a minimum of Rs 4,000 crore (€686 million / \$902 million) in the site during the next seven years, with an equity holding of 50% by Mahindra and 50% by Renault and Nissan. The project, a unique industrial complex, will provide vehicle production for each carmaker, plus a powertrain facility for Renault and Nissan. The MOU will facilitate M&M and its partners Renault and Nissan to manufacture passenger cars and SUVs in the 925 acre (approximately 400 ha.) facility.

A range of products suited to the requirements of Indian customers will be manufactured at the new production site. Production is expected to begin in the second half of 2009.

Chennai was chosen as the location for the new production site for reasons including its well developed automotive and components industry, high education levels in its workforce, and its overall infrastructure including its port facilities. The addition of this Greenfield project will help make Chennai a truly global player in the automotive business.

The partners will optimize production costs through economies of scale thanks to joint investment in plant and infrastructure, as well as purchasing synergies.

- Renault will contribute its expertise in engineering, manufacturing and adaptation to meet customer requirements.
- Mahindra will contribute its in-depth understanding of the Indian market and supplier base as well as manufacturing through years of market leadership.
- Nissan will contribute with worldwide export opportunities and manufacturing technologies.

Thiru. M. Karunanidhi, Hon. Chief Minister of Tamil Nadu welcomed the triumvirate of Mahindra, Renault and Nissan to Chennai as a base for its greenfield auto manufacturing operations.

Thiru. Dayanidhi Maran, the Hon. Union Minister of Communications and Information Technology, said, "I welcome this watershed agreement between the three global automotive players and the Tamil Nadu government. I firmly believe that the project's commitment to innovation and technology will set new benchmarks for Indian manufacturing industry and for the state."

Mr. Keshub Mahindra, Chairman of the Mahindra Group, said, "This is a red letter day in the globalization of the Indian automotive space. The choice of location and the expansion of our strategic partnership with Renault to include Nissan are designed to bring world class platforms to the evolved car buyer. The consortium's state-of-the-art Greenfield facility, which is to be set up on a location in Chennai, speaks of our long-term commitment to India's evolution as the favoured global destination for manufacturing. I laud the efforts of the Tamil Nadu govt. for creating an environment conducive to generating employment opportunities and creating a positive business climate for global players."

Dr. Pawan Goenka, President, Automotive Sector - M&M said, "This is M&M's first major manufacturing facility in the state of Tamil Nadu and we appreciate the Tamil Nadu government's initiative in offering us a gateway to this state and providing the project with the necessary infrastructure to commence operations here. The advantages accrued to the customer by our synergies of cost, scale and engineering promise to set new benchmarks of quality and cost for the auto manufacturing in India. We are pleased to have Renault and Nissan as our partners on this mega project. "

Mr. Patrick Pelata, Executive Vice President of Renault said, "India is a key market for Renault's international growth ambitions both up to and beyond the limit of Renault Commitment 2009. Thanks to our already successful relationship with Mahindra we will make this new production site in Chennai a great opportunity for both Renault and Nissan."

Mr. Carlos Tavares, Executive Vice President of Nissan commented, "Through the strong partnership of Renault and Mahindra, Nissan is able to leverage the Alliance and gain a rapid entry advantage for local manufacturing in India. Nissan was able to evaluate several different options for our first manufacturing base in India – but the advantages of working with our Alliance partner and their local Indian partner was compelling."

The Industries Secretary, Government of Tamil Nadu, Mr. S. K. Das said, "It is yet another achievement for the state of Tamil Nadu as we will be hosting the consortium's facility. This project will be a significant contribution on the part of M&M, Renault and Nissan to our state's industrial development and fiscal strength".

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About The Mahindra Group

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)

About Renault

A group with industrial and commercial presence in 118 countries, Renault designs, develops, manufactures and sells innovative, safe and environmentally-friendly vehicles worldwide. Its 128,893 employees contribute to a strategy of profitable growth based on three key factors: competitiveness, innovation and international expansion. Renault is Europe's leading brand, the only vehicle manufacturer to have eight cars with the maximum five-star Euro NCAP rating, and the winner of the Formula 1 World Championship for Constructors and Drivers in 2005 & 2006. Renault is accelerating its international development with the new Logan and pursuing the Alliance with Nissan.

Renault's activities are organized in two main Divisions:

Automobile Division:

Alongside Renault, this Division includes the brands Samsung and Dacia. The Automobile Division designs, develops and markets passenger cars and light commercial vehicles. In 2006, the contribution was down 0.8% compared with 2005, to EUR39,605 million (95,3% of total revenues).

Sales Financing Division:

This Division contributes to Renault's sales and marketing activities. It includes RCI Banque and its subsidiaries, making a total of some 60 companies underpinning the Group's international development.

In 2006, the Division reported revenues of EUR1,923 million, 4.6% of total Group revenues.

About Nissan

Globally, Nissan's operations include automotive styling, engineering, consumer and corporate financing, sales and marketing, distribution and manufacturing. Since its establishment in 1933, Nissan has gained confidence and trust of customers around the world through its distinguished

design and quality of its automobiles not only Japan but also in the United States, Europe and other markets of the world. Nissan currently has manufacturing sites in Japan, United States, United Kingdom, Spain, Mexico, China, South Africa, Thailand, Egypt, etc. and the sales volume of Nissan brand vehicles in the world for the fiscal year 2006 exceeded 3.5 million vehicles. Nissan currently employs 182,273 people worldwide.

Nissan also manufactures, sells and distributes the luxury line-up under the Infiniti brand in the United States, GCC, Taiwan, Korea, China and Russia. Nissan's presence in the world is even more enhanced through the Renault-Nissan Alliance that was established in 1999 with the view to create synergies in any part of the world.

More information on Nissan Motor Co., Ltd. and the complete line of Nissan and Infiniti vehicles can be found online at <http://press.nissan-global.com/EN/> or by contacting the corporate media line at +81-3-5565-2141.

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