



Mahindra soars into the aerospace segment

Acquires majority stake in two Australian companies



Mr Hemant Luthra, President, Systech with Mr. Stephen Roebuck, MD, Aerostaff Australia finalising the agreements in the presence of Mr. Arvind Mehra, Senior VP-Strategy & Director-Mahindra Aerospace, and Mr V S Parthasarthy, EVP - M&A and Corporate IT



Mr Hemant Luthra, President- Systech along with Mr George Morgan, Founding Director, Gippsland Aeronautics, Australia finalising the agreements in presence of Mr. Arvind Mehra, Senior VP-Strategy & Director-Mahindra Aerospace and Mr V S Parthasarthy, EVP - M&A and Corporate IT

Mumbai December 15, 2009: Mahindra today announced two landmark aerospace deals with the simultaneous acquisition of a majority stake in two Australian companies, Aerostaff Australia and Gippsland Aeronautics. This move signals Mahindra's strategic entry into the global aerospace components and the general aviation markets, and continues the commitment it made to this industry in 2006, with the acquisition of Engineering Design Company, Plexion Technologies. The acquisitions of Aerostaff Australia and Gippsland Aeronautics have been made jointly with Kotak Private Equity with a total commitment of approximately Rs. 175 crores.

Aerostaff Australia (AA) is a component manufacturer of high-precision close-tolerance aircraft components and assemblies for large aerospace OEMs. AA's acquisition will help catapult M&M into the burgeoning Defence Offset and Commercial Aviation market.

Gippsland Aeronautics (GA) is an established brand in general aviation and has delivered more than 200 FAR 23 certified planes in 32 countries. The FAR 23 certification is mandatory for carrying fare paying passengers and signifies the highest level of passenger safety. GA's



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acquisition signals Mahindra's entry into the 2 - 20 seater, turbo prop market, which is amongst the fastest growing segments in general aviation. Turbo props provide operational adaptability in environments with relatively poor infrastructure and are noted for their ability to serve the market at the lowest cost per passenger seat kilometre.

Mahindra will retain the existing managements of GA and AA, securing the services of the founders who developed this technology.

A plant is being set up in Bangalore to complement these acquisitions and provide dual shoring cost benefits to customers.

GA's product portfolio also complements the NM5, which is being jointly developed by Mahindra with the National Aeronautics Laboratory (NAL) – another first in public private partnership.

Mr. Anand Mahindra, Vice Chairman and Managing Director, Mahindra Group, said, "M&M's move into the Aerospace segment is deliberate, bold and timely, and is supported by a renewed demand for economical air transportation around the world. Our investment in component capability addresses the growing needs of both the civil and defence markets."

Hemant Luthra, President, Systech Sector and Member of the Group Management Board, Mahindra & Mahindra, added, "I am delighted that the M&M Board has endorsed our strategy to extend our Art to Part strategy from Systech to a promising new vertical."

Expressing their collective delight, **Stephen Roebuck, MD, AA**, and **George Morgan, Founding Director, GA**, added, "Both organizations will benefit enormously as a result of their association with Mahindra, given its strong global brand, impeccable standards of corporate governance and its ability and willingness to expand both component facilities and the GA product line-up."

About Gippsland Aeronautics

Gippsland Aeronautics (GA) was formed in 1984 by George Morgan and Peter Furlong and has designed various aircrafts suited to international standards. GA is currently based in Latrobe valley, Australia. It has IP/type certificate approvals for four aircraft and has successfully produced in excess of 200 aircrafts, which fly in 34 countries around the world, including USA, Australia, EU etc. GA is a reputed aircraft producer and is the only one of its kind in the state of Victoria, Australia. Its aircraft design meets the latest international safety standards.

About Aerostaff Australia (AA)

Aerostaff Australia (AA) was formed in 1990 and is based in Melbourne, Australia. It is a manufacturer of close tolerance high precision metal components and assemblies for aviation, defence and specialized sheet metal industries and currently exports to North America and Europe. AA offers total turnkey solutions for OEMs manufacturing needs. It utilises the latest fabrication needs, together with a team of dedicated staff. AA is AS 9100 accredited quality system certified, which signifies relevant aviation process expertise and approvals.

About Mahindra & Mahindra

Mahindra embarked on its journey in 1945 by assembling the Willys Jeep in India and is now a US \$6.3 billion Indian multinational. It employs over 1,00,000 people across the globe and



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enjoys a leadership position in utility vehicles, tractors and information technology, with a significant and growing presence in financial services, tourism, infrastructure development, trade and logistics. The Mahindra Group today is an embodiment of global excellence and enjoys a strong corporate brand image.

Mahindra is the only Indian company among the top tractor brands in the world and has made an entry in the two-wheeler segment, which will see the company emerge as a full-range player with a presence in almost every segment of the automobile industry.

The Mahindra Group expanded its IT portfolio when Tech Mahindra acquired the leading global business and information technology services company, Satyam Computer Services. The company is now known as Mahindra Satyam.

Mahindra's Farm Equipment Sector is the proud recipient of the Japan Quality Medal, the only tractor company worldwide to be bestowed this honour. It also holds the distinction of being the only tractor company worldwide to win the Deming Prize. The US based Reputation Institute ranked Mahindra among the top 10 Indian companies in its Global 200: The World's Best Corporate Reputations list.

Mahindra is also one of the few Indian companies to receive an A+ GRI checked rating for its first Sustainability Report for the year 2007-08 and has also received the A+ GRI rating for the year 2008-09.

For further information, please contact:

Roma Balwani

Sr. VP & Head - Corporate Communications
Mahindra & Mahindra Ltd.
Mumbai, India
Phone: (+91-22) 2497 5176
Email: balwani.roma@mahindra.com

Anuradha Handique / Kavita Das

Genesis Burson-Marsteller
Tel: +91 9820142996 / +91 9820139217
Email: rupa.kannan@bm.com / sahana.prabhakar@bm.com