

REF:NS:SEC:

12th October, 2016

National Stock Exchange of India Limited
"Exchange Plaza", 5th Floor,
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (East), Mumbai 400051.

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400001.

Bourse de Luxembourg
Societe de la Bourse de Luxembourg
Societe Anonyme/R.C.B. 6222,
B.P. 165, L-2011 Luxembourg.

London Stock Exchange Plc
10 Paternoster Square
London EC4M 7LS.

Dear Sirs,

Sub: Ssangyong Motor Signs LOI for Joint Venture with Shaanxi Automobile Group of China

- Ssangyong to establish first overseas CBU production plant in Xi'an Economic and Technological Development Zone in Xi'an, Shaanxi Province, in northwest China
- A 50/50 partnership with Shaanxi Automobile Group for a production facility with a capacity of 150,000 CBU vehicles by the end of 2019, with plans to expand to 300,000 units
- Ssangyong's decision to set up a joint venture in Xi'an supported by the geographical advantage of the city's location in the center of the Chinese mainland, and a Chinese automotive market that is continuously growing
- With a local production facility in China, Ssangyong to gain new growth momentum to become a strong global SUV manufacturer

Please find enclosed a Press Release issued by the Company on the captioned subject.

Kindly take the above on record.

Yours faithfully,
For MAHINDRA & MAHINDRA LIMITED



 NARAYAN SHANKAR
COMPANY SECRETARY

Encl: a/a

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SSANGYONG

Press Release

October 12, 2016 (Wednesday)

Ssangyong Motor Signs LOI for Joint Venture with Shaanxi Automobile Group of China

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- **Ssangyong's decision to set up a joint venture in Xi'an supported by the geographical advantage of the city's location in the center of the Chinese mainland, and a Chinese automotive market that is continuously growing**
- **With a local production facility in China, Ssangyong to gain new growth momentum to become a strong global SUV manufacturer**

Mumbai, October 12, 2016: SsangYong Motor Company (CEO Choi Johng-sik; www.smotor.com), part of the Mahindra Group, today announced that as part of its effort to grow in China, the company signed a letter of intent (LOI) with the Shaanxi Automobile Group for a joint venture that will establish a local production plant for CBU vehicles.

The signing ceremony, which was held in Xi'an in Shaanxi Province, China on October 11, was attended by Ssangyong Motor CEO Choi Johng-sik, Communist Party Secretary of Shaanxi Province Lou Qinjian, Governor of Shaanxi Hu Heping, Vice Governor of Shaanxi Jiang Feng, Communist Party Secretary of Xi'an Wei Minzhou, Xi'an Mayor Shangguan Jiqing and President of Shaanxi Automobile Group Yuan Hongming and other officials and executives from Korea and China, who witnessed the signing of a Strategic Joint Venture Framework Agreement and an LOI.

The joint venture, which will become Ssangyong's first overseas production base in a 50/50 partnership with the Shaanxi Automobile Group will construct production facilities for CBU vehicles and an engine plant on a site with an area of 1.23 million m² in the Xi'an Economic and Technological Development Zone in Xi'an. The first phase of construction will establish a plant with an annual capacity of 150,000 units per year by the end of 2019 and the second phase will involve an expansion of the facilities to 300,000-units annually.

Furthermore, Ssangyong will establish an automotive cluster with its major suppliers that will also enter the market, to ensure product competitiveness, and start the production of Ssangyong's current models and models under development, in the second half of 2019.

Ssangyong has been reviewing the central and western parts of China for the establishment of its first overseas production facility taking into consideration the Chinese government's policies and the growth potential of the Chinese automotive market.

Xi'an is a strategic bridgehead for West China Development by the Chinese government and one of the key cities in the central and western Chinese region with an excellent geographical location, industrial infrastructure and facilities, good education and human resources, which give it a comparative advantage over other regions. Due to these advantages, it is a city with great investment potential within China.

With the signing of an LOI for a joint venture, Ssangyong and Shaanxi Automobile Group will form a team to work on the Xi'an project and discuss the details for the establishment of a joint venture. Next steps will also involve obtaining the approval from Ssangyong's Board of Directors, the governments of Shaanxi Province and Xi'an, as well as the central government of China.

Ssangyong Motor CEO Choi Johng-sik commented that "it is quite essential to have a local CBU plant in China to increase our competitiveness in the rapidly growing Chinese car market and to increase our sales volume," adding, "The joint venture, which will be Ssangyong's first overseas production base, will serve as a new growth engine for Ssangyong as the company continues its efforts to become a strong global SUV manufacturer." <END>

※ Reference: About Ssangyong's JV partner

- Company name: Shaanxi Automobile Group Co., Ltd.
- Year of Establishment: 1968
- Production Models: Truck, bus, small LCV, pick-up, etc.
- Production/ Sales Volume: approx. 100,000 units (as of 2014)
- Others: Ranked 271 of top 500 Chinese companies; ranked 27 of top 500 Chinese machinery companies

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