

Mahindra
Rise.

Strategic Announcement



Mahindra
Rise.

ERKUNT
ÇİFTÇİNİN GÜCÜ

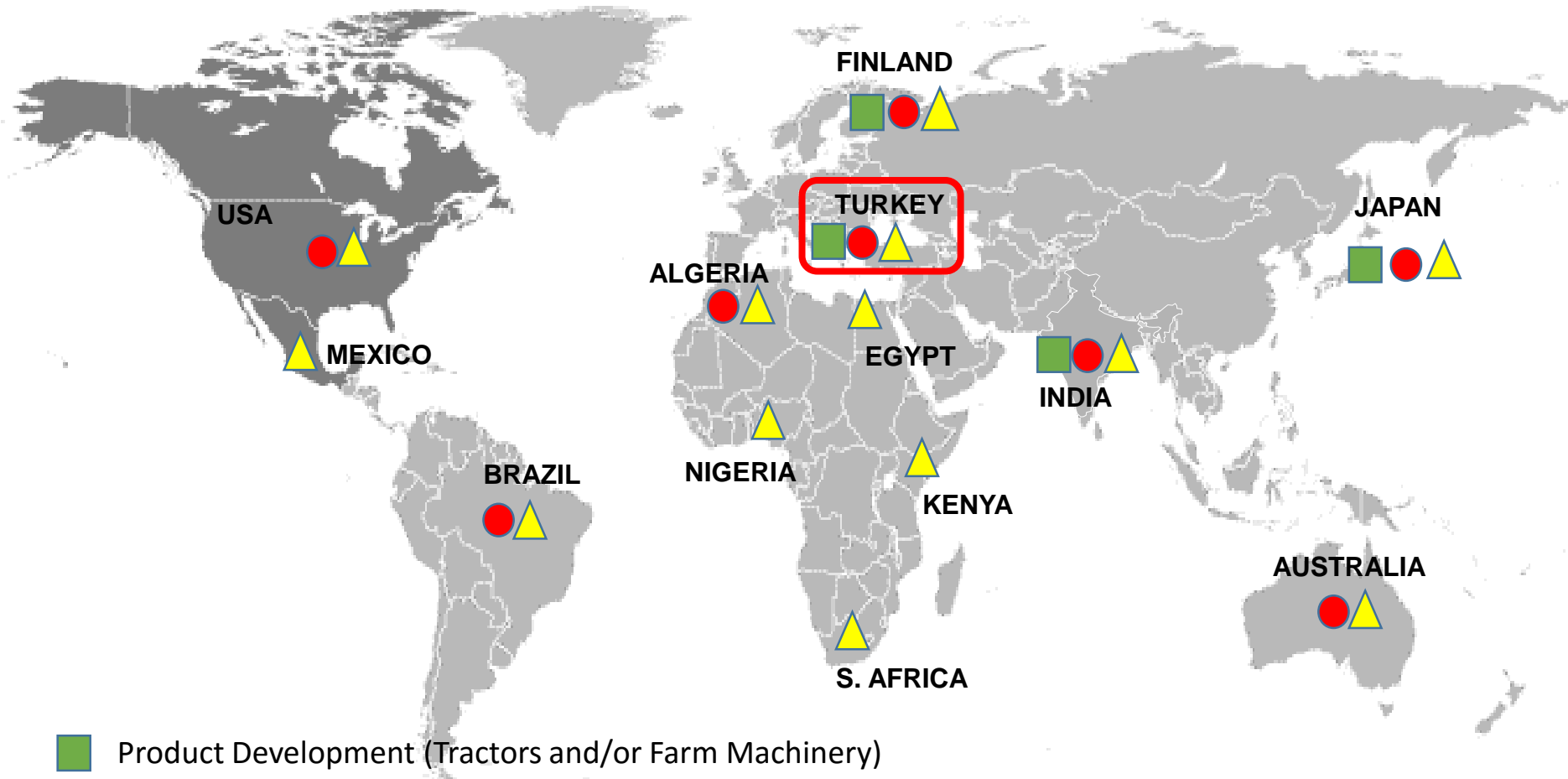
Our progress in Globalization

- Revenues from outside India – 35% of total farm equipment sector revenue
- 15 plants worldwide in major farm equipment markets
 - North America, Japan, Finland, Brazil, Australia, Africa and Turkey
- Successful global partnerships
 - Mitsubishi Mahindra Agricultural Machinery , Japan
 - Sampo Rosenlew, Finland
 - Hisarlar, Turkey
- Brands with Global Recognition



HISARLAR

Globalization journey



■ Product Development (Tractors and/or Farm Machinery)

● Manufacturing/CKD Assembly

▲ On-Ground Presence

Note: Distributor sales in other 25+ countries have not been shown

Turkey

- Population: 79.8 million
- Urban population: 73.4%
- Per capita GDP: 10,731 USD
- GDP: 856 USD bn
- Ranks 7th in agriculture output in the world
- World largest producer of: Hazelnuts, figs, apricots and raisins
- 4th largest producer of fresh vegetables and grapes



Note: All data is 2016 except where mentioned

Sources:

1. focus-economics

2. allaboutturkey.

Turkey Opportunity

Agri-Machinery Market of \$3.5 bn (India \$ 5 bn)

- 4th largest tractor market globally
- Large market for other farm machinery
- Government focus on Agriculture & mechanization
- Gateway to Europe and Middle East

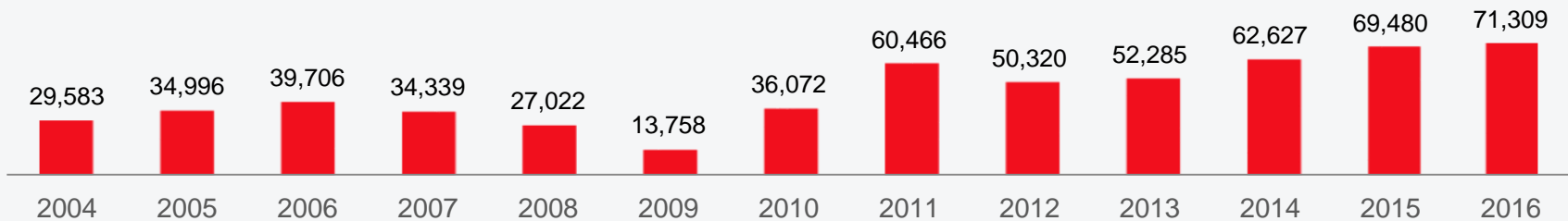
Turkey: Tractor Market Scenario

Turkish Tractor Market expected to sustain its strong demand

Turkey Tractor market - \$ 1.7 bn



CAGR ('2013-2016): 10.9%

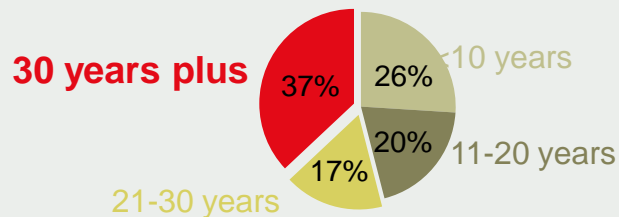


Tractor Park

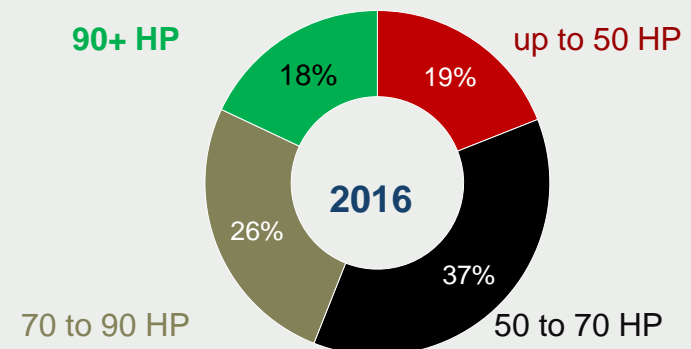
Total no. of Tractors

1,726,939

Split of Tractor Park by Age



Tractor Sales by HP Range



Turkey: Growing market for harvesters and other Farm machinery

Harvesters

- 500-600 units per year
- Industry size ~ \$ 0.2 Bn
- Import led market

Other Farm Machinery

- ~ \$ 1.5 Bn market and growing
- Soil preparation, harvesting and post harvesting machinery
- Exports to neighbouring countries

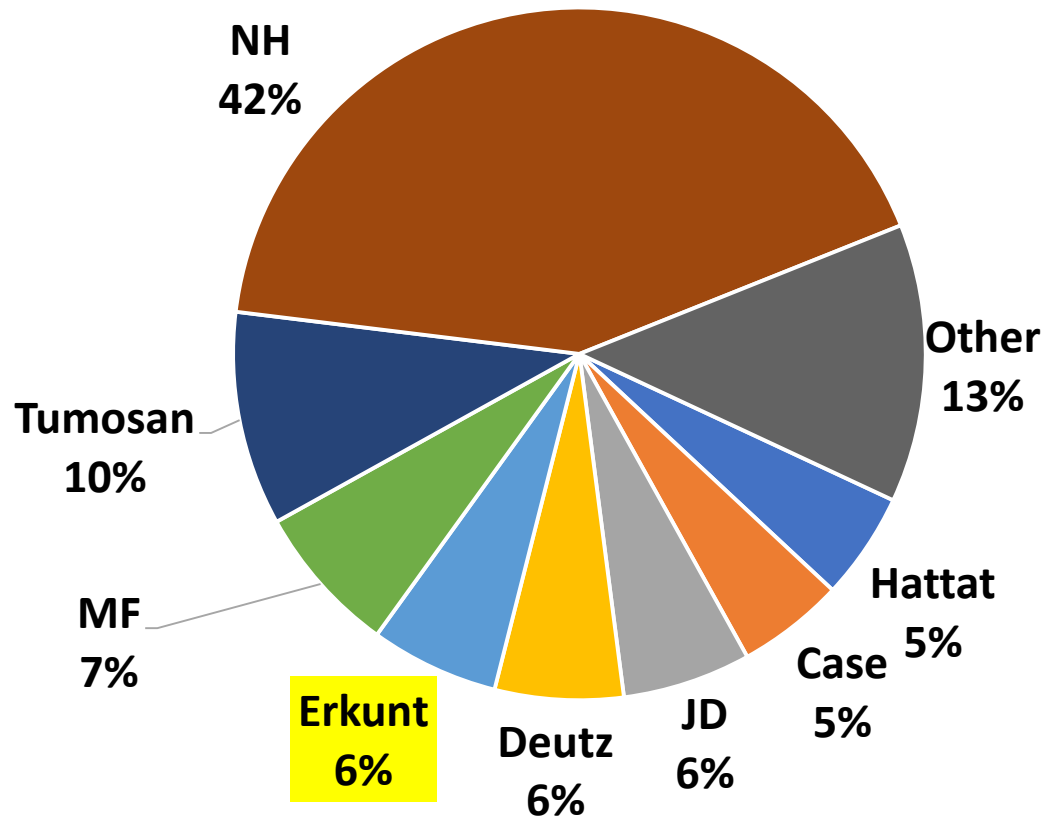
Turkey: Our approach


- Be Local. Build trust.
- Participate in entire Agri-mechanisation
 - Tractors & Farm machinery
 - Tillage to post harvesting

Addressing the Tractor Industry...

- Strong preference for local brands
 - 70% + share of local players
- Changing regulations
 - Prohibitive duty structure for imports
 - Stringent Emission norms for imports
- Need for local supply chain

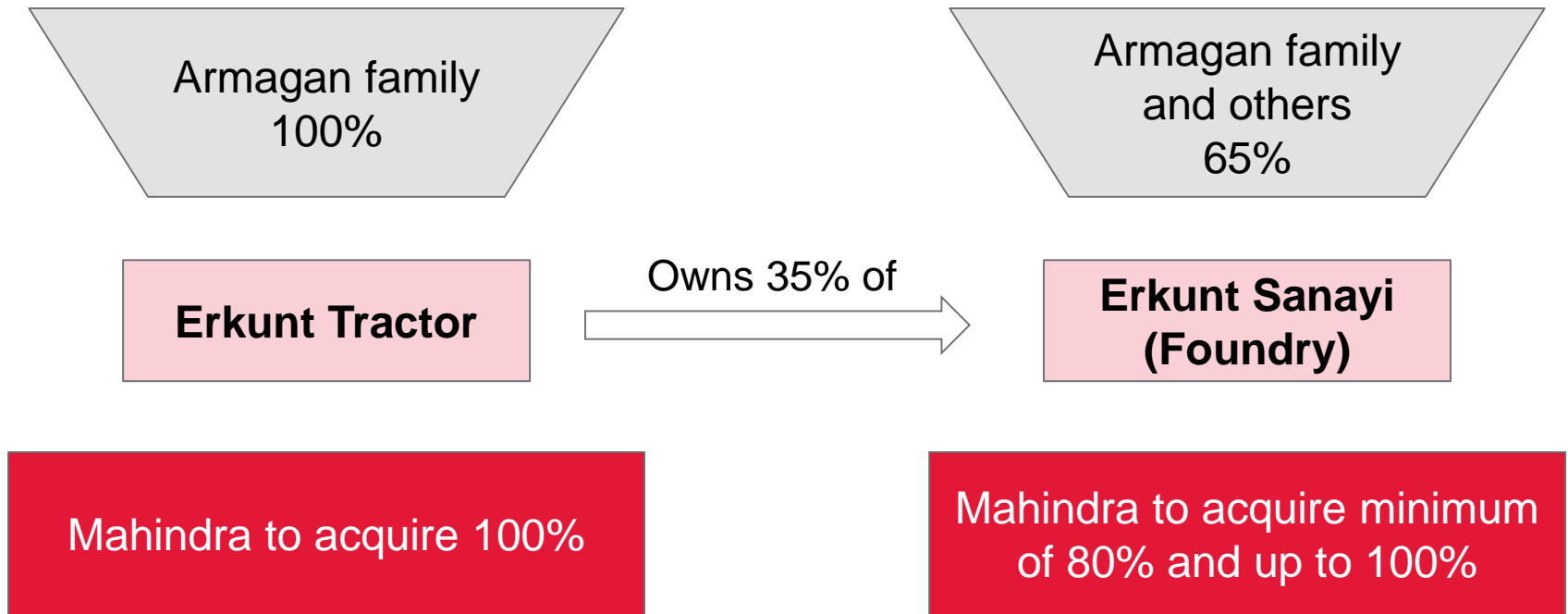
Tractor Market Share in Turkey





Mahindra & Mahindra is set to acquire
Erkunt to enter the Tractor market in
Turkey

Deal Structure



About Erkunt Tractor

Founded in 2003

- 4th largest tractor brand in Turkey – MS ~6%
- Founded in 2003, 100% owned by Armagan family
- CY 2016 Tractor sales: ~ 4700 tractors
- \$ 88 mn Revenue and EBITDA positive
- Employees: ~ 355

Foundry Unit

- CY 16 Revenue : \$ 47 mn
- Full service provider: Castings to machining
- 65,000 tons of casting and 32,000 tons of machining capacities.
- Focus on engines blocks, cylinder heads and transmission cases.
- Strong customer portfolio
- Employees: ~ 1,043

Erkunt



Wide Product Portfolio to address diverse local needs

Cereal Farms

Pasture Farms

Orchards &
Vineyards

Green Houses &
Vegetable Farms

Type of Tractors

- Production and Utility
- Multi-application
- Orchard

Tractor Configuration:

- 2WD or 4WD
- Open Station & Cabin

Wide Product Portfolio

Cereal Farms

Pasture Farms

Orchards &
Vineyards

Green Houses &
Vegetable Farms

- 55 to 110 HP
- Economy and Premium Offerings
- Open Station and Cabin Offerings
- 2WD and 4WD



Advanced Features, Push button controls

Wide Product Portfolio

Cereal Farms

Pasture Farms

Orchards &
Vineyards

Green Houses &
Vegetable Farms

- 55 to 80 HP
- 2WD and 4WD



Dimensions to suit applications within an orchard

Wide Product Portfolio

Cereal Farms

Pasture Farms

Orchards &
Vineyards

Green Houses &
Vegetable Farms

- 55 to 80 HP
- Open Station and Cabin
- 2WD and 4WD



Multi-application suitability

Superior Technology Products

AV



Strong dealer network

- Erkunt has the second largest number of sales outlets
- Has a network of 95 Dealers with 326 authorised service points

Strong Local Brand



ERKUNT
ÇİFTÇİNİN GÜCÜ

Power to the Farmers

Well known for:

- Fuel Efficiency
- Pulling Power and Performance
- Being Innovative

Strategic Rationale

- Strong local Brand with wide product portfolio and countrywide dealer network
- Availability of homologated product range and dedicated export brand
- Access to manufacturing capacity and vendor base in Turkey
- Beachhead to make foray into Middle East, CIS and North Africa
- Synergy with Hisarlar and Sampo

Management

- Local Management to continue
- Key support resources from India

Zeynep Erkunt Armağan



Tuna Armağan



Mahindra
Rise.