



Press Release

For Immediate Publication

Mahindra Finance Q4 net up 31% to Rs 75.39 Cr

PAT for 2007-08 rises 33 % to Rs 177.02 Crore

33 New Branches added

Fourth Quarter Results Highlights

- Q4 PBT up 31 % to Rs 116.32 Crore
- Q4 PAT up 31 % to Rs 75.39 Crore

FY 2007-08 Results Highlights

- PBT for 2007-08 up 34% to Rs 271.99 Crore
- Net Profit for 2007-08 rises 33 % to Rs 177.02 Crore
- Asset Under Management grew by 14% from Rs. 6951 crores to Rs. 7919 crores
- 33 Branches added during the year so as to take the total network to 436 offices .

Mumbai, April 22, 2008: Mahindra & Mahindra Financial Services Ltd (Mahindra Finance), part of the \$ 6 billion Mahindra Group and a leading player in providing financial services in the rural and semi-urban markets, has registered a rise of 31 % in its profit before tax (PBT) during Q4 of FY 2007 - 08 to Rs 116.32 Crore from Rs 88.60 Crore in the same quarter of the previous year. PBT for FY2007-08 stood at Rs 271.99 Crore, up 34 % from Rs 202.74 Crore in 2006-07. The company posted this performance despite tightening money market conditions.

Profit after tax (PAT) rose 31 % to Rs 75.39 Crore in Q4 from Rs 57.70 Crore in the corresponding period last fiscal. MMFSL posted a net profit of Rs 177.02 Crore in for the 12 month ended March 31, 2008 compared to Rs 132.88 Crore in 2006-07 registering a growth of 33% over previous year. The board of directors has recommended a final dividend of 45%.

Mr. Ramesh Iyer, Managing Director, Mahindra Finance said, "During the year Mahindra Finance has increased its network to 436 offices. In addition to concentrating on new vehicle financing, we have also grown our pre-owned vehicle financing volumes during the year.

We have commenced rural housing business through our 100% subsidiary Mahindra Rural Housing and expect this business to grow in the years to come. The insurance subsidiary has registered a growth of 66% in premium generation and 29% in profits in spite of various regulatory changes that were introduced during this financial year.

Mr. V. Ravi, Chief Financial Officer, Mahindra Finance said, despite the volatility in interest rate throughout the year, the Company was able to contain the cost of borrowing and reduce the impact on the overall borrowing cost for the company. During the last quarter, the Company made a Private Placement with leading investment companies TPG Axon and Standard Chartered Equity Private Limited for Rs. 414 crores at Rs.380/- per share which has increased the capital adequacy of the company considerably providing the ability to leverage to meet the growth phase of the Company.

MMFSL significantly increased its exposure to vehicle financing during 2007-08. In November, 2007 it formed an alliance with Ashok Leyland to provide finance for the commercial vehicles.

Mahindra Finance's growth will also be enhanced by the various organic/inorganic initiatives of the parent company, Mahindra & Mahindra.

-----X-----

About Mahindra & Mahindra Financial Services Ltd

Mahindra & Mahindra Financial Services Ltd (MMFSL), part of the US\$ 6 billion Mahindra Group, is one of India's leading non-banking finance companies with a pan India presence. Focused on the rural and semi-urban sector, it provides finance for utility vehicles, tractors and cars and has the largest network of branches covering these areas. MMFSL's goal is to be the preferred provider for retail financing services in the rural and semi-urban areas of India, while its strategy is to provide a range of financial products and services to its customers through its nationwide distribution network. MMFSL currently has the largest network of 436 offices and total asset under management of Rs. 7919 crores.

-----X-----

For further information please contact:

Ms Roma Balwani

Vice President- Corporate Communication
Mahindra & Mahindra Ltd
Phone: 022 - 24975176
Fax: 022 - 2490 0830
Email : balwani.roma@mahindra.com

Sushant Balsekar/ Rahul Lakhpatri

Adfactors PR Pvt. Ltd.
Phone: 022 – 2204 9804, Fax: 022-2204 9814
Mobile: 9819162987/98338 00721
Email:sushant.balsekar@adfactorspr.com /
rahul.lakhpatri@adfactorspr.com