



Statement from Eicher Motors Limited on AB Volvo's stake sale

New Delhi, March 4, 2015:

"In May 2008 AB Volvo and Eicher Motors Limited (EML) entered into a Joint Venture agreement to create VE Commercial Vehicles Limited (VECV) with the intent to drive modernization in the commercial vehicle industry in India and the developing world.

As a part of the transaction, in addition to acquiring 45.6% of the shareholding of VECV, AB Volvo had also acquired 22.75 lac shares of EML representing 8.4% of equity capital of the company. AB Volvo has today divested 12.7 lac shares, representing approximately 4.7% of Eicher Motors Limited's equity capital.

This divestment will have no bearing whatsoever on VECV, which will continue to be governed as an equal partnership venture. The shareholding pattern and governance framework of VECV remains unchanged. Both partners- Eicher Motors Limited and AB Volvo are equally committed to grow the business together. Since its formation, VECV has been growing from strength to strength, outpacing the industry across various segments and gaining market share with breakthrough products and a lean business model. Since inception, VECV has made many strategic investments. The more significant of these investments are:

- Pro series, a modern range of Eicher trucks and buses that both partners strongly believe represents the future of commercial vehicles in India
- Medium duty engine facility, that is Volvo group's supplier of Euro 6 medium duty engines
- Creation of highly capable and optimal industrial set up including bus body facility

These investments along with other strategic initiatives have shaped VECV into a highly differentiated company. It has an extremely unique business model that ensured that it was the only commercial vehicle player in India to have remained profitable throughout the prolonged downturn". Both the Joint Venture partners are committed to nurture this further in the exciting period that lies ahead, as the commercial vehicle industry looks to revive after a long period of downturn.

- *To be attributed to the spokesperson, Eicher Motors Limited*

About Eicher Motors Limited:

Eicher Motors Limited (EML) is the flagship company of the Eicher Group, which was a catalyst in the green revolution in India with the production of India's first agricultural tractor in 1959. EML is now a leading player in the Indian automotive space. Its joint venture with the Volvo group, VE Commercial

Vehicles Limited, designs, manufactures and markets reliable, fuel-efficient trucks and buses; and is leading the path in driving modernization in commercial transportation in India and other developing markets. Eicher Motors also owns the iconic Royal Enfield motorcycle business, which leads the premium motorcycle segment in India. The oldest motorcycle company in continuous production worldwide, Royal Enfield has witnessed a huge surge in demand in the recent past, and is charting its course to be the leading player in the mid-size motorcycle segment globally. EML's 50:50 strategic joint venture with US based Polaris Industries Inc., Eicher Polaris Private Ltd. is in start-up phase, and is currently designing and developing, and will soon manufacture and sell a full new range of personal vehicles. In 2014, Eicher Motors recorded its highest ever total income of INR 8738 crores (USD 1.4 billion) and is listed on the Bombay and National Stock Exchanges.

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All statements included or incorporated by reference in this media release, other than statements or characterizations of historical fact, are forward-looking statements. These forward-looking statements are based on our current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by us. Although EML believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Any forward-looking statement speaks only as of the date on which such statement was made, and EML undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. No assurance can be given that actual results, performance or achievement expressed in, or implied by, forward looking statements within this disclosure will occur, or if they do, that any benefits may be derived from them.

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