

TO THE SPANISH SECURITIES AND EXCHANGE COMMISSION

DISCLOSURE OF A RELEVANT EVENT

Following article 82 of the Law 24/1988, dated July 28 on the Securities' Market and applicable legislation, and following the disclosure of a relevant event number 189.144 dated June 15, 2013, CIE AUTOMOTIVE, S.A. (hereinafter, "**CIE AUTOMOTIVE**" or the "**Company**") makes public that (i) on the date hereof, the first phase of the agreements included in the "*Implementation Agreement*" entered into on June 15, 2013 with the Indian group "**MAHINDRA & MAHINDRA**" (hereinafter, "**MAHINDRA**") have been completed and (ii) subject to the registration with the Commercial Registry and admission to listing of the new shares, the share capital increase, excluding the preferential right of subscription and the sale of treasury stock in order to enable MAHINDRA OVERSEAS INVESTMENT COMPANY (MAURITIUS) LIMITED to hold a stake of 13,5% in the share capital of CIE Automotive after the share capital increase have also been completed.

1.- Completion of the first phase of the purchase of a controlling stake of the automotive component manufacturing business of MAHINDRA

On the date hereof, and once the authorisations of the antitrust authorities of India, Germany and Brazil and other regulatory authorisations have been completed, CIE AUTOMOTIVE, through its Brazilian subsidiary AUTOMETAL S.A. and some of their affiliates, have completed the first phase of the a strategic Alliance agreement ("*Implementation Agreement*"), the purpose of which is the integration of the automotive component manufacturing business of MAHINDRA with the forging automotive manufacturing business of CIE AUTOMOTIVE.

This first phase comprises the acquisition by CIE AUTOMOTIVE of a controlling stake in MAHINDRA FORGINGS LTD, MAHINDRA COMPOSITES LTD and MAHINDRA HINODAY LTD. The consideration paid by CIE AUTOMOTIVE, through its Brazilian subsidiary AUTOMETAL S.A. to MAHINDRA has been 6,737 mill INR (83 mill EUR). Upon settlement of the open offers (which is expected by mid October 2013), additional up to 2,072 mill INR (25 mill EUR) may be disbursed depending on the final acceptance. No additional consideration will be paid by CIE AUTOMOTIVE the following phases of the "*Implementation Agreement*".

Once this first phase has been completed, a second phase starts, where MAHINDRA FORGINGS (company under CIE AUTOMOTIVE's control through AUTOMETAL and which has been renamed as MAHINDRA CIE AUTOMOTIVE LTD) shall promote a merger

Este documento contiene o puede contener manifestaciones o estimaciones de futuro sobre intenciones, expectativas o previsiones de CIE AUTOMOTIVE o de su dirección a la fecha del mismo, que se refieren a diversos aspectos como la evolución del negocio y los resultados de la entidad. Dichas manifestaciones responden a nuestras intenciones, opiniones y expectativas futuras, por lo que determinados riesgos, incertidumbres y otros factores relevantes pueden ocasionar que los resultados o decisiones finales difieran de dichas intenciones, previsiones o estimaciones. Entre estos factores se incluyen, sin carácter limitativo, (1) la situación de mercado, factores macroeconómicos, directrices regulatorias, políticas o gubernamentales, (2) movimientos en los mercados de valores nacionales e internacionales, tipos de cambio y tipos de interés, (3) presiones competitivas, (4) cambios tecnológicos, (5) alteraciones en la situación financiera, capacidad crediticia o solvencia de nuestros clientes, deudores o contrapartes. Estos factores podrían condicionar y determinar que lo que ocurra en realidad no se corresponda con los datos e intenciones manifestados, previstos o estimados en este documento y otros pasados o futuros, incluyendo los remitidos a las entidades reguladoras incluyendo la Comisión Nacional del Mercado de Valores. CIE AUTOMOTIVE no se obliga a revisar públicamente el contenido de este documento, ni de ningún otro, tanto en el caso de que los acontecimientos no se correspondan de manera completa con lo aquí expuesto, como en el caso de que los mismos conduzcan a cambios en la estrategia e intenciones manifestadas.

Lo expuesto en esta declaración debe ser tenido en cuenta por todas aquellas personas o entidades que puedan tener que adoptar decisiones o elaborar o difundir opiniones relativas a valores emitidos por CIE AUTOMOTIVE y, en particular, por los analistas que manejen el presente documento. Se advierte que el presente documento puede contener información no auditada o resumida, de manera que se invita a sus destinatarios a consultar la documentación e información pública comunicada o registrada por CIE AUTOMOTIVE en entidades de supervisión de mercados de valores, en particular, los folletos informativos y la información periódica registrada ante la Comisión Nacional del Mercado de Valores de España (CNMV).

process, absorbing MAHINDRA COMPOSITES, MAHINDRA UGINE STEEL COMPANY, MAHINDRA HINODAY and MAHINDRA GEARS, together with the forging automotive manufacturing business of CIE AUTOMOTIVE, which includes the companies CIE Galfor S.A. and CIE Legazpi S.A. (Spanish companies) together with UAB CIE LT Forge (Lithuanian company).

Once the merger process is finalised, CIE AUTOMOTIVE, through its Brazilian listed company AUTOMETAL, shall hold a controlling stake (around 50% of its share capital) of MAHINDRA CIE AUTOMOTIVE LTD, Indian company listed in the Mumbai stock exchange, where MAHINDRA will hold a 20% stake of its share capital.

2.- Completion of the participation of MAHINDRA in CIE AUTOMOTIVE

MAHINDRA GROUP (through MAHINDRA OVERSEAS INVESTMENT COMPANY (MAURITIUS) LIMITED) has acquired 13,50% of the share capital of CIE AUTOMOTIVE, all within the context of the transaction described herein.

Such participation of a 13,50% in CIE AUTOMOTIVE has been structured in the following two steps:

- (a) through the acquisition to CIE AUTOMOTIVE of 9,44% of its share capital (post-share capital increase) hold by the Company in treasury stock at a price of €6,00 per share (SIXTY SEVEN MILLION THREE HUNDRED AND TWENTY THREE THOUSAND NINE HUNDRED AND SIXTY EUROS (€67.323.960))
- (ii) through the subscription of a share capital increase for the remaining 4,06% of the share capital (post-share capital increase) also at a price of €6,00 per share (TWENTY EIGHT MILLION NINE HUNDRED AND TWENTY THOUSAND TWO HUNDRED AND SEVENTY SIX EUROS (€28.920.276))

The share capital increase has been subscribed and disbursed on the date hereof, and its registration with the Commercial Registry of Bizkaia remains pending. The new shares will be requested for listing as soon as the registration is completed.

The admission to listing of the new shares will be disclosed as a relevant event.

3.- Resignation and appointment of directors

Furthermore, CIE AUTOMOTIVE makes public the following events:

- (i) Mrs. Susana MOLINUEVO APELLÁNIZ has resigned from her position as member of the Board of Directors of the Company. CIE AUTOMOTIVE expressly thanks Mrs. MOLINUEVO's services in her condition of member of the Board of Directors of the Company.

- (ii) Mr. Hemant LUTHRA –through the cooptation method subject to ratification by the next Shareholders’ Meeting – as member of the Board of Directors and the Executive Committee of the Company.
- (iii) Mr. Vankipuram PARTHASARATHY –through the cooptation method subject to ratification by the next Shareholders’ Meeting – as member of the Board of Directors of the Company.

Bilbao, October 4, 2013

Roberto J. Alonso Ruiz
Secretario del Consejo de Administración