

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, CIE AUTOMOTIVE, S.A. (hereinafter, "**CIE AUTOMOTIVE**" or the "**Company**") makes public that (i) on the date hereof, a agreement has been subscribed ("*Implementation Agreement*") with the Indian group "**MAHINDRA & MAHINDRA**" (hereinafter, "**MAHINDRA**") and (ii) the Company's Board of Directors has agreed to the adoption of a share capital increase, excluding the preferential right of subscription and to the sale of treasury stock in order to enable MAHINDRA OVERSEAS INVESTMENT COMPANY (MAURITIUS) LIMITED (or its relevant affiliate) to hold a stake of 13,5% in the share capital of CIE Automotive after the share capital increase.

The execution of this transaction –and consequently, the execution of the transactions referred to in sections one and two below- is conditioned to the relevant regulatory permits and authorisations (including the authorisation of the Indian and German antitrust authorities as well as the authorisation of the Indian stock exchanges and the "*Securities and Exchange Board of India*" for the below referred open offers).

Please find below a description of the transactions object of this disclosure:

1.- Subscription of an agreement ("*Implementation Agreement*") with MAHINDRA.

On the date hereof, CIE AUTOMOTIVE, through its Brazilian subsidiary AUTOMETAL S.A. and some of their affiliates have entered into 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.

MAHINDRA's automotive component manufacturing business is divided in the five following businesses: MAHINDRA FORGINGS (listed in the Mumbai stock exchange), MAHINDRA COMPOSITES (listed in the Mumbai stock exchange), MAHINDRA UGINE STEEL COMPANY (listed in the Mumbai stock exchange), MAHINDRA HINODAY (non listed company) y MAHINDRA GEARS (non listed company).

In a first phase of the transaction, CIE Automotive shall purchase in the Mumbai stock exchanges, a controlling stake over MAHINDRA FORGINGS and in MAHINDRA

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).

COMPOSITES through direct acquisition and open offers, and through a private acquisition, a controlling stake in MAHINDRA HINODAY.

In a second phase, MAHINDRA FORGINGS (company at that time under CIE Automotive's control) shall promote a merger process, absorbing MAHINDRA COMPOSITES (listed in the Mumbai stock exchange), MAHINDRA UGINE STEEL COMPANY (listed in the Mumbai stock exchange), MAHINDRA HINODAY (non listed company) y MAHINDRA GEARS (on listed company), together with 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.- Participation of MAHINDRA in CIE AUTOMOTIVE

Within the framework of this transaction, MAHINDRA shall invest the financial resources received from CIE AUTOMOTIVE through Autometal, as a consequence of the transactions referred to in section 1 above, in CIE Automotive, so that Mahindra acquires 13,50% of its share capital, post-share capital increase.

Mahindra's acquisition of 13,50% in CIE Automotive shall be carried out in two different manners: (a) through the acquisition 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 and (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.

2.1. Share capital increase in CIE AUTOMOTIVE.

Following the authorisation granted under the sixth point in the agenda of the Ordinary General Shareholders' Meeting of the Company held on April 25, 2012 it has been resolved to increase the share capital of the company for a nominal amount of one million two hundred and five thousand and eleven euros with fifty cents (1.205.011,50), through the issue of four million eight hundred and twenty thousand and forty-six ordinary shares (4.820.046), of twenty-five (0,25) cents of nominal value each, with a share premium of five euros and seventy five cents (€5,75).

As a consequence thereof, the total amount of funds to be obtained by CIE Automotive as a consequence of the share capital increase shall amount to TWENTY EIGHT MILLION NINE HUNDRED AND TWENTY THOUSAND TWO HUNDRED AND SEVENTY SIX EUROS (€28.920.276).

A. Purpose of the share capital increase

The purpose of the share capital increase is two-fold:

- (i) Industrial Alliance with MAHINDRA. The investment of MAHINDRA into CIE AUTOMOTIVE happens due to the strategic rationale of the industrial and business partnership to be built among the parties.

Both the integration by CIE AUTOMOTIVE through Autometal of the automotive component manufacturing business of MAHINDRA, and the acquisition by MAHINDRA of shares in the Company, pursue the strengthening of such alliance with a clear aim of stability and permanence in the long term aligned with both parties' strategies.

- (ii) A path for the strategic plan of CIE AUTOMOTIVE. As released during the Shareholders' Meeting held on April 30, 2013, CIE AUTOMOTIVE strategic outlook contemplates the expansion of its activity into Asia.

Within Asia, India has been chosen as the most appropriate place to locate this growth, for its interesting future outlook, competitive in costs and projected leadership in the area.

The transaction, as defined, directly consolidates part of the foreseen growth, in optimal risk and cost conditions, strengthening the capital structure of the Company due to the direct investment of MAHINDRA into the Company.

B. Amount, share premium and disbursement

It is resolved to increase the share capital of the company for a nominal amount of one million two hundred and five thousand and eleven euros with fifty cents (1.205.011,50), through the issue of four million eight hundred and twenty thousand and forty-six ordinary shares (4.820.046), of twenty-five (0,25) cents of nominal value each, with a share premium of five euros and seventy five cents (€5,75).

The funds will be disbursed through cash contributions.

C. Subscriber of the share capital increase. Exclusion of the preferential right of subscription of the shares.

The shares are exclusively allocated to MAHINDRA OVERSEAS INVESTMENT COMPANY (MAURITIUS) LIMITED (or its affiliates). It consequently implies no offer of securities in any stock exchange.

As required by the corporate interest, the preferential right of acquisition of the shareholders has been excluded in order such mechanism to enable (a) MAHINDRA (through MAHINDRA OVERSEAS INVESTMENT COMPANY (MAURITIUS) LIMITED (or the affiliate to be appointed)) become a strategic partner; (b) a faster and more flexible execution; y (c) cost savings.

The Board of Directors of CIE AUTOMOTIVE has issued the corresponding report which shall be disclosed and set at disposal of the shareholders at the time of the next Shareholders' Meeting of the Company.

Additionally, following applicable legislation, the price of issue of the shares of the Company shall correspond to their fair value. In order to determine such circumstances, the Company has filed for the appointment of an auditor different from the Company's auditor, following article 506.4 of the Spanish Companies' Act ("*Ley de Sociedades de Capital*").

The Commercial Registry of Bizkaia has appointed AUREN AUDITORES BIO, S.L. as auditor different from the statutory auditor who –having accepted such appointment- has issued a special report on the fair value of the shares of the Company. Such report has been made available to the Board of Directors of CIE AUTOMOTIVE before the adoption of the resolution and shall also be disclosed and set at disposal of the shareholders at the time of the next Shareholders' Meeting of the Company..

D. Rights of the new shares.

The new shares shall be ordinary shares, equal to the ones currently in trade, and shall be represented by book entries at SOCIEDAD DE GESTIÓN DE LOS SISTEMAS DE REGISTRO, COMPENSACIÓN Y LIQUIDACIÓN DE VALORES, S.A. (IBERCLEAR).

In particular, the acquirer shall be entitled to receive amounts on account of dividends and complementary payments of dividends that may be resolved to be granted to the shareholders of CIE Automotive S.A. as from the date the share capital increase is declared subscribed and disbursed.

2.2. Purchase by MAHINDRA OVERSEAS INVESTMENT COMPANY (MAURITIUS) LIMITED (or the appointed affiliate) of CIE AUTOMOTIVE Treasury Stock.

CIE AUTOMOTIVE has also agreed to sell to MAHINDRA OVERSEAS INVESTMENT COMPANY (MAURITIUS) LIMITED (or the appointed affiliate) 11.220.660 shares in Treasury Stock representing 9,44% after the share capital referred to in 2.1. above, at a share price of six euros (€6,00), per share, which amounts to sixty seven million three hundred and twenty three thousand nine hundred and sixty euros (€67.323.960).

This document is complemented by a press release and a presentation, which shall be released immediately after this document is released.

Bilbao, June 15, 2013

Roberto J. Alonso Ruiz
Secretario del Consejo de Administración

PRESS RELEASE

CIE AUTOMOTIVE AND MAHINDRA GROUP TO FORM AN ALLIANCE IN AUTO COMPONENTS

It marks the entry of CIE into the Indian market

Consolidates all of Mahindra Systech Companies and CIE European Forgings into one listed Entity in India

Bilbao, 15.06.2013 - CIE Automotive (Spain) and the Mahindra Group (India) announced today the signing of a global alliance agreement between CIE Automotive (involving its subsidiary Autometal) and Mahindra's automotive component businesses (held under its Systech Sector).

The agreement enables the Asian expansion of CIE Group and will allow CIE to reach annual sales of approx 2.225 million euros, implying a growth of 580 million euros compared to 1.645 million euros in 2012. The Group will now have operations in North America, South America, Europe and Asia held through listed businesses in Spain, Brazil and India.

As part of the transaction CIE Automotive -through Autometal- will acquire from Mahindra Group a stake in its listed and unlisted companies from the Systech Automotive Component business and contribute its forging businesses in Spain and Lithuania and together consolidate all companies under MFL which will be rechristened Mahindra CIE and will continue to be listed on BSE (Bombay Stock Exchange) and NSE (National Stock Exchange).

The share sale by Mahindra will trigger open-offer provisions under the Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011.

The proposed business transaction will be carried out in a series of steps over the next year that will culminate in:

1. CIE Automotive taking a majority stake in a single listed entity in India which will continue to operate the current Systech automotive component businesses globally and include CIE's European forgings operations.
2. M&M taking a stake of 13,5% in CIE Automotive, which is listed on the Madrid Stock Exchange making it the second largest share holding of CIE. M&M will nominate 2 Directors to the CIE Board.

"Eight years ago, we at Mahindra set out to build an Indian automotive supplier with a global footprint and this drove a series of acquisitions in India and Europe for us. We have been listening closely to our customers who have asked to step up our globalisation efforts and follow them around the world.

This Grand Alliance with CIE enables us to “Rise” above competition, quickly extend our reach into new geographies, and grow our collective product portfolio in the coming years”, said Anand Mahindra, Chairman of the Mahindra Group

Anton Pradera, Chairman of CIE Automotive said "CIE's leadership and shareholders have set up a strategy to develop the Asian market through India as the gateway to Asia. We have been impressed by the promise of the Indian automotive market and the growing emergence of India as a key global production hub for small cars. In Mahindra, we found a partner that has a multi-technology portfolio similar to ours and shared the same business values. So while we are happy to see CIE gaining an entry to India, we are equally pleased to have M&M as one of CIE's largest shareholders"

Jesus Maria Herrera, CEO of CIE Automotive and Chairman of Autometal noted that "CIE's focus on growth with operational excellence is a value shared with the Mahindra Group. This alliance is a step ahead to become one of the most relevant suppliers in the sector in our technologies with presence in all regions, we see a bright future ahead of us."

Hemant Luthra, President of Mahindra's Systech Sector commented "Systech businesses are the result of acquisitions and alliances that we have struck around the world as we sought to quickly gain scale in the components business with our unique "Art to Part" proposition. This Alliance with CIE dwarfs everything we have done in the past and marks the next bold step towards global supplier consolidation".

About CIE Automotive

CIE Automotive is one of the main suppliers of components and sub-components for the automobile sector operating in Europe, Brazil, Nafta and China with sales of EUR 1,65bn (USD 2,2bn).

We develop our entire line of products through seven basic processes or technologies (forging, machining, aluminum, stamping, plastic, iron casting and painting). With them, we manufacture components and sub-assemblies for all parts of vehicles, including: (i) the engine and powertrain; (ii) the chassis and/or steering assembly; and (iii) the exterior and interior of the vehicle. These items are manufactured in more than 60 industrial plants.

Our business model concentrates on diversification and flexibility of technologies, clients, vehicle platforms, suppliers and geographical localization. This has enabled us to minimize risk and obtain significant economic results, with low dependence on vehicle platforms, or specific clients or industrial plants.

Its operations in Brazil, Mexico, USA and China are constituted under its subsidiary, Autometal, listed on the Sao Paulo stock exchange (Ticker AUTM3).

CIE Automotive (Listed Bilbao and Madrid Stock Exchange; Ticker: CIE.SM)

About Mahindra

The Mahindra Group focuses on enabling people to rise through solutions that power mobility, drive rural prosperity, enhance urban lifestyles and increase business efficiency.

A USD 16.2 billion multinational group based in Mumbai, India, Mahindra employs more than 155,000 people in over 100 countries. Mahindra operates in the key industries that

drive economic growth, enjoying a leadership position in tractors, utility vehicles, after-market, and information technology and vacation ownership. In addition, Mahindra enjoys a strong presence in the agribusiness, aerospace, components, consulting services, defence, energy, financial services, industrial equipment, logistics, real estate, retail, steel, commercial vehicles and two wheeler industries.

In 2012, Mahindra featured on the Forbes Global 2000 list, a listing of the biggest and most powerful listed companies in the world.

Mahindra & Mahindra (Listed; BSE: 500520, NSE: M&M)

About Mahindra Systech

Mahindra Systech offers a variety of components and services to the automotive and other ground-based mobility industries around the world. Our component portfolio includes Castings, Forgings, Stampings, Gears, Magnetic products and Composites. It has a network of plants and offices in India, Germany, UK and Italy to service customers located in North America, Europe and Asia. Mahindra Systech is one of India's largest automotive component groups and a global leader in automotive forgings.

Mahindra Systech is the components business arm of the Mahindra Group. It partners with its global customers in their business needs and provides them full service, *"Art to Part"* solutions.

Mahindra Systech consists of the following companies:

Mahindra Forgings Ltd (Listed; BSE: 532756, NSE: MAHINDFORG)

Mahindra UGINE Steel Co Ltd (Listed; BSE: 504823, NSE: MAHINDUGIN)

Mahindra Composites Ltd (Listed; BSE: 524138)

Mahindra Hinoday Industries Ltd (Unlisted)

Mahindra Gears Ltd (Unlisted)

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