INTERIM
REPORT

NINE MONTHS ENDED
DECEMBER 31, 2014

Samvardhana Motherson Automotive Systems Group BV






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OPERATING OVERVIEW

BUSINESS OVERVIEW

Samvardhana Motherson Automotive Systems Group BV together with it's subsidiaries ("SMRP BV Group") are a leading global Tier 1 supplier of rear view vision systems and interior & exterior modules (including door panels, instrument panels and bumpers) to automotive original equipment manufacturers ("**OEMs**") primarily for use in the production of light vehicles. SMRP BV Group has long-term and well-established relationships with top global OEMs and OEM customers collectively represented over 80% of global automotive production in 2013. SMRP BV Group currently supply products to over 300 car model programs and approximately one in every four light vehicles produced globally contains SMRP BV Group's products. In addition, SMRP BV Group currently hold leading market positions in key product segments and geographies, particularly in the premium segment (which includes brands such as Audi, BMW and Mercedes-Benz), on which the company is especially focused. With over a century of combined automotive experience, SMRP BV Group is active in every phase of the product lifecycle, from product conception, design, styling, prototyping & validation to the manufacture, assembly and subsequent delivery of fully-engineered assembled products. SMRP BV Group has presence in each major global automotive production region, with 39 production facilities spread among 16 countries and strategically located within close proximity to the manufacturing plants of OEM customers. SMRP BV Group operate business through two main divisions:

smr
Samvardhana Motherson Reflectec

Rear view vision systems: SMR division produce a wide range of interior and exterior rear view vision systems primarily for light vehicles. SMR is a leading global supplier of exterior mirrors, with a global market share of 22% by volume in 2013. Rear view mirrors play an important role in automotive safety and design, and are becoming increasingly sophisticated. SMR's mirrors are engineered to optimize aerodynamics and can integrate technologically advanced features that enhance safety, comfort and aesthetics.

SMR is active in every phase of the product development cycle, and its product portfolio covers a wide spectrum of vehicle and price segments, from low-cost mirrors to highly complex premium mirrors incorporating a variety of electronic features. SMR's focus on research & development and customer collaboration has resulted in various first-to-market innovations and a variety of full system solutions tailored to the needs of OEMs and end consumers, including Blind Spot Detection Systems (BSDS) and Telescopic Trailer Tow (TTT) mirrors.

From its division headquarters in Stuttgart, Germany, SMR operated 22 manufacturing facilities in 14 countries and employed 8,160 people as of December 31, 2014.

Interior and exterior modules: SMP division produce various polymer-based interior and exterior products for light vehicles. SMP's product portfolio is primarily comprised of complete modules, including door panels, instrument panels and bumpers as well as other plastic components and systems, such as centre consoles, decorative interior trims and plastic body parts. These products involve a complex manufacturing and assembly processes, require significant systems integration expertise and represent key comfort and aesthetic features of the vehicles in which they are integrated.

SMP focuses on the premium segment, with leading market shares in the European premium segment of 27%, 17% and 32% in door panels, bumpers and instrument panels, respectively, by volume in 2013. SMP's facilities are strategically located in close proximity to the plants of its OEM customers, allowing for minimal lead times and transport costs and efficient inventory management through "just-in-time" and "just-in-sequence" deliveries to customers.

SMP's research and development team are focussed on meeting and exceeding the steadily increasing requirements of its customers and focuses on key areas including lightweight constructions, renewable raw materials, occupant protection and pedestrian protection. The engineering team works with OEM to develop cost-efficient products alongwith adding new functionalities and innovating SMP's existing product range.

From its division headquarters in Bötzingen, Germany, SMP operated 17 manufacturing facilities and eight logistics centers in seven countries and employed 10,160 people as of December 31, 2014.






RESEARCH AND DEVELOPMENT

SMRP BV Group is committed to technological leadership and the development of innovative and high quality products in order to meet both the growing demands of OEM customers with regard to product complexity and feature content as well as increasingly stringent environmental goals and regulatory requirements. Many of the products utilize environmentally friendly and lightweight materials and are manufactured using state-of-the-art technologies that provide superior safety, comfort and design. The company has an engineering staff of over 700 people and maintaining a portfolio of over 900 patents. In addition, there are 21 centres of excellence for project management and advanced engineering. Design and research centres are interconnected and share innovations and technological advancements across global network, which enables to efficiently improve the products quality and deliver value added solutions on a global scale and in a cost-efficient manner.

SMRP BV Group's dedication to technological leadership has enabled the company to maintain a long track record of introducing market-first products, including:

- Blind Spot Detection Systems (BSDS) designed to enhance safety and driving experience by utilizing a sophisticated camera-based system to recognize vehicles in drivers' blind spots;
- Telescopic Trailer Tow (TTT) mirrors with power-telescopic and power-folding functions, designed to aid visibility when towing wide loads; and
- Door panels manufactured using innovative lightweight and recyclable natural fibre materials.

SMRP BV Group's strong research & development capabilities have historically enabled the company to develop a diversified and comprehensive product portfolio across rear view mirrors, door panels, instrument panels, bumpers and other interior & exterior components. With ability to offer a full range of system solutions resulting from the vertical integration of company's operations, including strong in-house sourcing capabilities, there are significant opportunities to increase feature content per vehicle across each of OEM customers' vehicle platforms.

SMRP BV Group is focused on retaining and strengthening technological leadership through the continued development of innovative products, which will enable the company to further diversify the products portfolio, reinforce & leverage existing customer relationships & status as a strategic Tier 1 supplier to global OEMs and, consequently, drive increased product orders going forward. The company intend to continue to focus research and development capabilities on four key areas:

- Safety: Developing intelligent features to enhance passenger and pedestrian safety, such as integrated sensors, intelligent camera-based object detection solutions, lane departure warning systems and mirror-integrated blind spot warning lights.
- Environment: Using environmentally-friendly and recyclable materials and reducing component size and weight to minimize material and fuel consumption, such as through the application of lightweight natural fibres in interior systems.
- Performance/efficiency: Optimizing usability through smarter design, the use of new materials and the integration of attractive, value-added features.
- Aesthetics: Improving the aesthetic features of passenger cars through the introduction of new styling solutions, such as high gloss finishes and decorative metallized surfaces

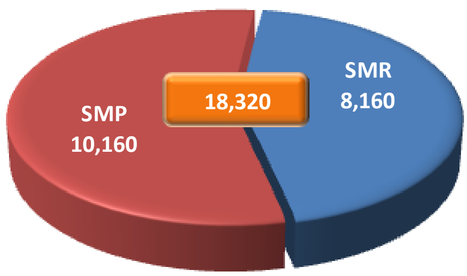
The proven track record and reputation of technological leadership has positioned SMRP BV Group as a preferred partner for collaborative research and development with leading OEMs. The company intend to continue to pursue collaboration opportunities with existing customers, offering them full suite of development capabilities and jointly developing innovative solutions to cater to their needs. Through focus on technological leadership and the design & production of innovative products and solutions. The company aim to further strengthen it's position as the partner of choice in providing innovative and complex products which meet changing consumer needs.

MANAGEMENT TEAM & EMPLOYEES

SMRP BV Group benefits from a strong professional management team, with average automotive industry experience among senior managers of 25 years. The majority of senior management team has been with the group or its legacy businesses for several years, demonstrating a high degree of continuity and commitment in leadership. Company's management team has a demonstrated track record of achieving improved financial results and has solidified the customer relationships of SMR and SMP as well as enhanced their respective local management teams. In addition, the group has experienced and stable senior managers at the regional levels with significant experience and understanding of their respective markets and regions. SMRP BV Group's strategy is to empower local management, ensuring they have ownership of day-to-day operational decisions while being guided by central principles aligned to the Group's vision and strategy. The Group believe that the strength of management team combined with decentralized business model enables to take advantage of strategic market opportunities, to make decisions at the local level quickly and to better serve our customers.

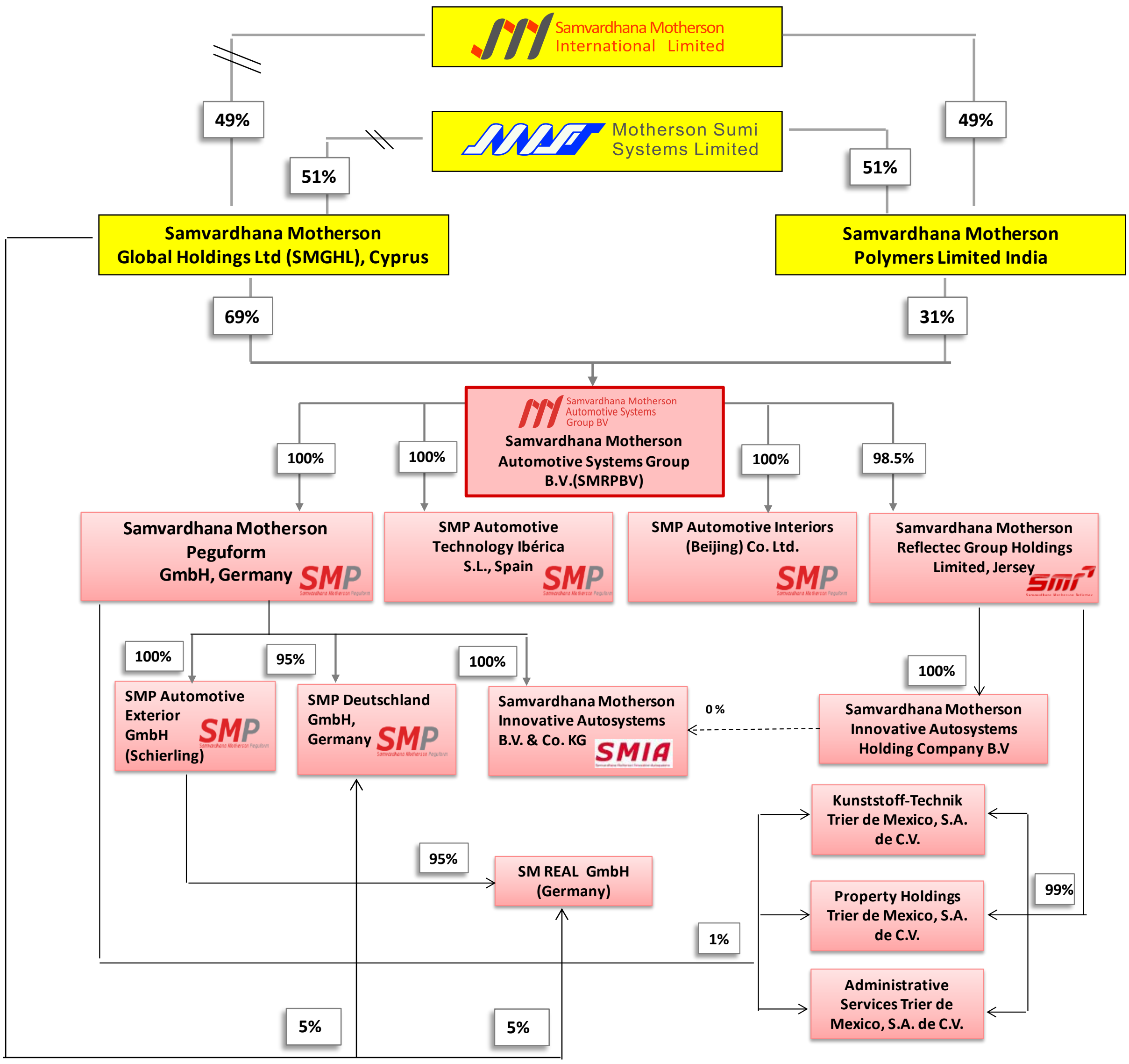
As on December 31, 2014, SMRP BV Group had a total of 18,320 employees (as on September 30, 2014: 18,681). From time to time, the company employs staff on short-term basis to meet the demand for the products. These employees are typically employed under fixed-term contracts, generally of up to twelve months in duration which allows operational flexibility to meet customer demand.

The following chart sets out the total number of persons employed by the company in SMP and SMR businesses:



GROUP STRUCTURE

The following diagram represents the Corporate Structure of SMRP BV Group along with details of its principal shareholders :



Corporate Structure as at date and is not a legal structure.

CORPORATE INFORMATION

MANAGEMENT BOARD :

The Management Board of the company is responsible for managing day to day business and to legally represent the company in its dealing with third parties while maintaining high standards of corporate governance and corporate responsibility. Management Board consists of following members:

1.	Laksh Vaaman Sehgal	Chairman and Chief Executive Officer
2.	Andreas Heuser	Managing Director and Head of Corporate, Europe & Americas-SMG
3.	Jacob Meint Buit	Resident Managing Director

SUPERVISORY BOARD :

The Supervisory Board of the company is responsible for supervising the board of directors' policy and course of action and to supervise the general conduct of the affairs of the company and any business it may be affiliated with. The supervisory board assists the board of directors in an advisory capacity and have to carry out their duties in the interest of the company. Supervisory Board consists of following members:

1.	Vivek Chaand Sehgal	Director and Chairman SMG
2.	Bimal Dhar	Director and Chief Executive Officer-SMP
3.	Cezary Zawadzinski	Director and Chief Operating Officer-SMR
4.	G.N. Gauba	Director
5.	Kunal Malani	Director

The above composition of Management & Supervisory Board is as on date.

AUDITORS :

The statutory auditors of the company are :

PricewaterhouseCoopers Accountants N.V.
Fascinatio Boulevard 350,
3065 WB Rotterdam,
P.O. Box 8800,
3009 AV Rotterdam,
The Netherlands

REGISTERED OFFICE :

The registered office of the company is under :

Claude Debussylaan 24-1082 MD Amsterdam
The Netherlands

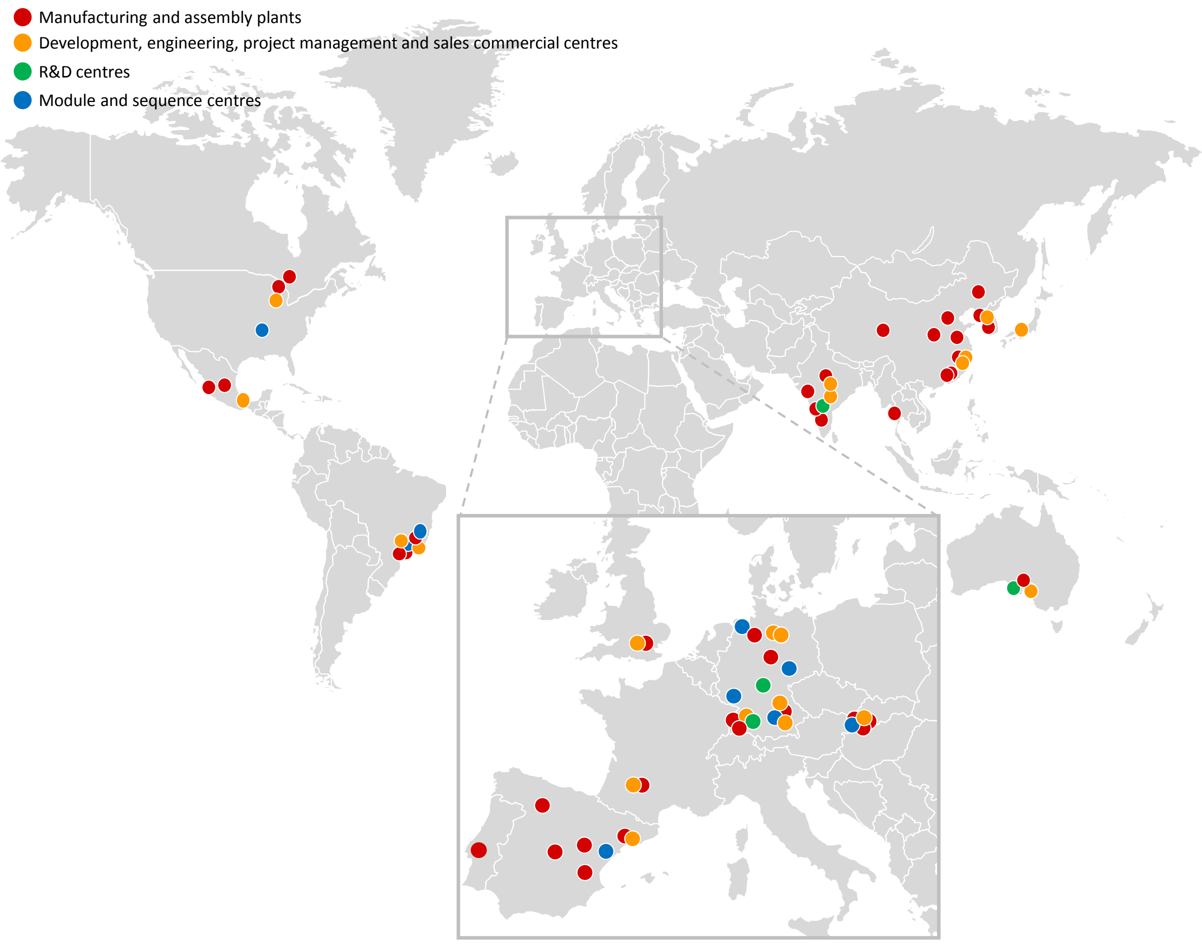
GEOGRAPHICAL FOOTPRINT

SMRP BV Group operate 39 manufacturing facilities across 16 countries and have a network of 20 development, engineering, project management & sales centre, nine logistics centres and four research & development centres. Out of 39 manufacturing plants, SMR operates 22 manufacturing plants and SMP operates 17 manufacturing plants.

SMRP BV Group's global footprint enables strategic presence of manufacturing facilities with close proximity to the plants of OEM customers. This proximity to customer enhances the ability to supply to OEM customers in a timely and cost efficient manner, particularly with respect to the majority of interior and exterior modules, including door panels, instrument panels and bumpers, which cannot typically be transported efficiently. In addition, consumer demand for vehicle personalisation in the premium segment has increased the complexities of interior and exterior modules, some of which could have hundreds of potential permutations and combinations. To overcome these challenges, SMRP assemble products in close proximity to the plants of OEM customers, and deliver them on "just-in-time" and "just-in-sequence" basis directly to customers' production lines with minimal lead times.

SMRP BV Group intends to continue to expand global footprint in line with the international expansion of main OEM customer's production footprint, particularly in emerging markets in Americas & Asia Pacific region.

Following chart provides an overview of SMRP BV Group's global footprint :



INDUSTRY OVERVIEW :

The global automotive industry designs, develops, manufactures, sells and services light vehicles and heavy commercial vehicles. The light vehicle segment consists of passenger cars, vans and light truck weighing less than six tons, while the heavy vehicle segment is generally defined as the market for vehicles weighing in excess of six tons. The automotive production value chain is broken down into OEMs and automotive part suppliers. These automotive part suppliers are further segmented into three Tiers. Tier 1 automotive suppliers sell their products directly to OEMs. Typically these products are larger modules or systems which integrates components, sometimes sourced from Tier 2 automotive suppliers. Tier 2 suppliers sell individual components to Tier 1 suppliers, which components or component groups in turn typically integrate individual parts produced by and purchased from Tier 3 suppliers. Automotive suppliers are typically further divided into sub-segments based on their product or systems function within the car. A typical classification of automotive supplier by vehicle function could include the following sub-segments: powertrain, body & structural, exterior, interior, length, transmission and suspension.

KEY TRENDS AFFECTING THE AUTOMOTIVE SUPPLIER INDUSTRY

SMRP BV Group's revenues are primarily derived from sales of automotive components to global OEM customers operating in the light vehicle industry and, as a result, SMRP BV Group operations are affected by general trends in the automotive industry and global light vehicle production volume and the content per vehicle for the components and systems produced by such suppliers. Suppliers typically have contracts that cover the full life of a vehicle platform or model range, which usually have an average life of five to seven years. Certain components, such as bumpers and exterior lighting, may be updated part-way through the vehicle model lifecycle in what is referred to as a "mid-cycle refresh" action.

The actual production volume of a given vehicle program is rarely fixed and may vary from OEM projections depending on consumer demand. General economic conditions and consumer confidence levels generally have a significant impact on vehicle demand, with more minor impacts resulting from changes in regulations and government policies.

Other specific factors that can influence automotive production include changing demographics (e.g. population growth, aging and urbanization), evolving consumer preferences, levels of consumer disposable income, replacement requirements of old vehicles and affordability.

Globalization of platforms

OEMs are continuing to increase the number of vehicles built on a single platform in an effort to reduce the time and resources spent on the development of new platforms. Vehicle platform-sharing allows OEMs to build a greater variety of vehicles from one basic set of engineered components, lowering overall costs by spreading development expenses over a greater number of units produced. By implementing "platform-sharing" globally, OEMs are able to realize significant economies of scale. To support this strategy, OEMs require suppliers to match the size, scale and geographic footprints of these platforms. SMRP BV Group with a global footprint, broad product offering and the requisite manufacturing expertise are well-positioned to benefit from such platform-sharing because there is no restriction by the high barriers to entry associated with the global supply of a broad product portfolio and are able to efficiently respond to customers' local needs. In addition, higher production volumes across fewer platforms are expected to result in cost savings for suppliers, as they further standardize and optimize their operations.

Localization of production in emerging markets

Increasing disposable income and low existing vehicle production, as well as the development of efficient road infrastructure, are also driving the demand for light vehicles in emerging markets. As a result of increasing local demand combined with low manufacturing costs and lack of import duties for locally manufactured products, global OEMs are increasingly expanding their production and sales networks in emerging markets. This has been a particularly significant trend in the premium segment, which has been the most rapidly growing light vehicle segment in recent years. Leading global premium car makers such as Audi, BMW, Daimler and Jaguar Land Rover have historically exported a significant proportion of their production from Europe and North America to major emerging markets such as China and Brazil. As sales in these markets are projected to continue their rapid growth, most major global premium car makers have announced plans to expand their local production footprints. In China, for example, Daimler has targeted local production of approximately two-thirds of its total China sales by 2015 (vs. approximately 50% in 2012). Similarly, Audi, BMW, Daimler and Jaguar Land Rover each announced plans during 2013 to invest in new production facilities in Brazil. SMRP is well positioned to realize growth opportunities in emerging markets by following their customers due to strong OEM relationships.

Increased outsourcing leading to a high OEM dependency on external suppliers

As OEMs focus their resources on automobile final assembly, OEMs are increasingly looking to external suppliers for content they have historically produced in-house. This trend is underpinned by OEMs' growth outside their home markets, consumer expectations with regard to product complexity and feature integration and an increased focus on safety and the environment. Suppliers can benefit from economies of scale derived from serving various customers on a global scale, while OEM customers may find more difficulty in achieving similar cost and quality levels in-house. The outsourcing trend has led to an increase in OEM dependency on suppliers capable of managing complex projects while maintaining high quality standards across multiple geographies. Furthermore, while know-how is still being developed by suppliers and product design is still largely controlled by OEMs, there is an increasing collaboration between OEMs and Tier 1 suppliers from a vehicle program's initial stages. These research and development partnerships between OEMs and suppliers seek to achieve long-term strategic cooperation in line with the OEMs' cost reduction initiatives.

Consolidation of supplier base

In order to take advantage of the operational economies of scale, OEMs are encouraging consolidation of their supplier base with an increased focus on large, technically and financially strong global suppliers capable of producing consistent and high-quality products across multiple production regions. The OEMs use a number of factors to determine their preferred suppliers including, among other things, product quality, service (including location, service interruptions and on-time delivery), in-house research & development and technological capabilities, overall track record and quality of relationship with the OEM, production capacity, financial stability and product price.

KEY GROWTH TRENDS IN PRODUCT SEGMENTS

Increasing safety features

Stricter legal requirements, a consumer preference for safer vehicles and increasing traffic volumes are driving the development of new features to enhance driver, passenger and pedestrian safety. Most new safety technologies are based on electronic components, in particular sensors, which typically have high value content. Suppliers with strong technological capabilities and expertise in electronic systems are well positioned to benefit from this trend. SMRP BV Group with expertise in the integration of complete systems and modules will benefit from the increased use of electronic driver and pedestrian safety aids, as added electronics content can significantly increase the value of a complete module. The introduction of new safety technologies is typically led by the premium segment, but many key safety technologies are increasingly migrating into higher-volume segments.

Higher consumer expectations of interior quality, aesthetics and comfort

Interior design is generally customized for each individual model program, and represents one of the main distinctive features of the vehicle. Interior quality and comfort represent important factors that can greatly influence a consumer's vehicle selection, and are evaluated through a number of criteria such as visual ambiance, functionality, acoustics, aesthetics, new styling solutions and quality of finish. The trend towards higher consumer expectations for interior content is increasingly evident in OEMs' demands for improved fit, finish and craftsmanship in interiors across all vehicle segments. OEMs are dedicating a larger portion of total cost per vehicle to interior components as they "upscale" vehicle interiors across their entire portfolio of platforms. Suppliers like SMRP BV Group with advanced design, materials science and manufacturing capabilities, with the ability to deliver a broad suite of interior component products at the quality levels OEMs demand, benefits from these trends. Furthermore, this trend has led to a recent migration of high-priced, sophisticated luxury components from premium into higher-volume segments, thus benefiting the experienced suppliers of sophisticated components to the premium segment such as us.

Environmental initiatives

Regulatory changes and shifting consumer preferences have driven OEMs and suppliers to increase their focus on producing "environmentally friendly vehicles," with emphases on fuel efficiency, reduced emissions and the use of sustainable materials. The increasing need for components that are lightweight and environmentally friendly will continue to provide an opportunity for differentiation as OEMs strive to reduce the ecological footprint of their vehicles. Recyclability of synthetic materials, such as plastics, has become of increasing importance amid strengthening regulatory requirements for recyclability of vehicles, in particular in Europe. This increasing trend toward environmental friendliness is driving the development of bio-based renewable materials by suppliers, which can be up to 100% recyclable. Suppliers at the forefront of recyclable and renewable materials will be well-positioned to capitalize on this growing demand.

Recent Developments

ACQUISITION OF ASSETS OF SCHERER & TRIER, GERMANY

SMRP BV has acquired assets of Scherer & Trier group (S&T), Germany from its administrator through its step down subsidiaries. S&T with its headquarters in Michelau/Oberfranken (Germany) is an internationally renowned specialist in plastic technologies since it's foundation in 1967. The company develops and manufactures profiles and moulded parts made of thermoplastics, and hybrid components made of metal and plastic providing uninterrupted services to its customers. The acquisition is core to SMRP BV as it further consolidates its polymer business in Europe & Americas.

Background of S&T

Scherer & Trier is one of the leading specialist suppliers of extruded and injection-moulded exterior and interior components.

- The main plant of the S&T (~98% of S&T's Net Sales for FY 2013) is located in Michelau, Germany. Further, S&T has comparatively smaller manufacturing facility in Puebla, Mexico.
- The key manufacturing technologies: injection-moulding, extrusion, stretch-bending, painting and assembly. Further, S&T has a vast experience in Toolmaking activities.
- On the 10th of Mar 14, Scherer & Trier filed for insolvency due to a failed follow-up financing.
- **Facility -1: Michelau, Germany (Head office):** Products - Exterior components, such as rocker panels, spoilers, scuff plates, moldings, belt line moldings, and antenna hoods; interior products, such as air bag covers, and decorative trim parts
- **Facility -2: Puebla, Mexico:** Products - Extrusion profiles and injection molded parts

The acquisition is based on asset purchase at Germany including land, building & inventories and shareholding held in Mexican entities for a purchase consideration of € 35.8 Million. This is subject to customary adjustment on account of inventory as at the date of closing. The deal was closed on January 30, 2015 by payment of abovementioned purchase consideration.

The funding of acquisition was done through available committed revolving credit facilities.

Rationale of acquisition

SMRP BV did this acquisition at behest of OEMs, who backed SMRP BV due to its proven track record of turning out businesses like SMR and SMP group.

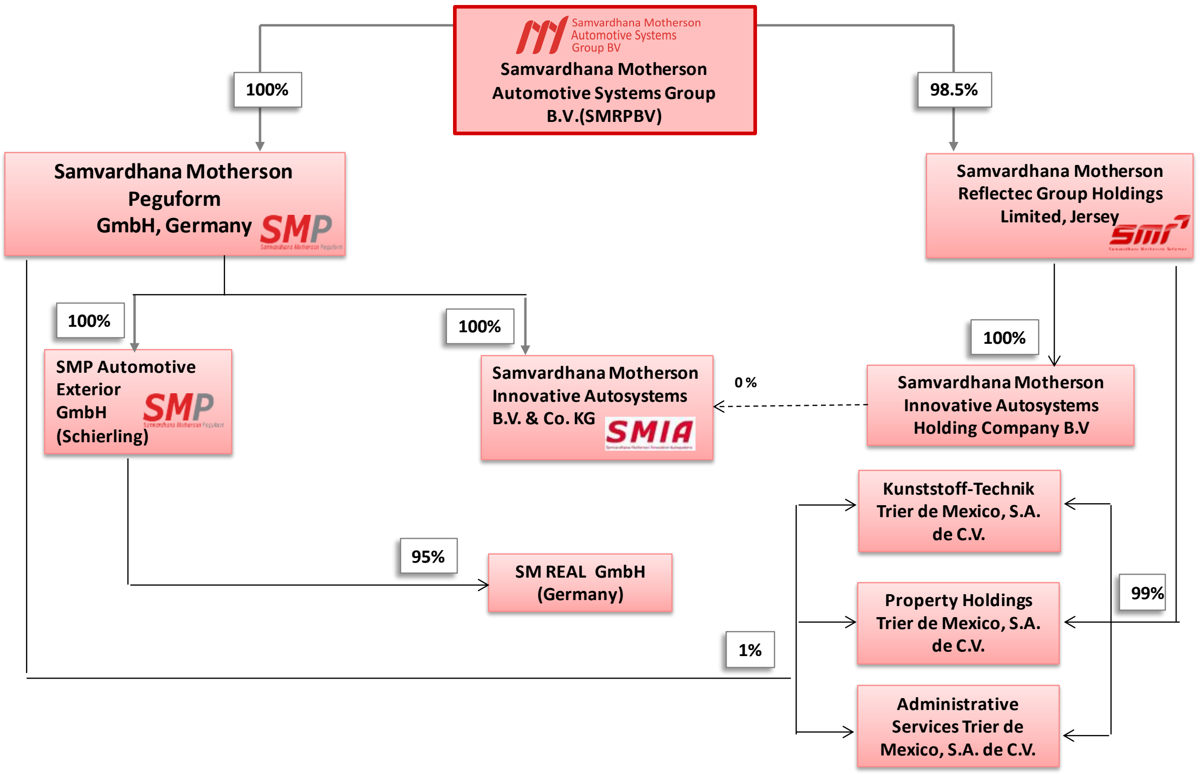
Various initiatives which have been planned to turn around S&T mainly includes:

- Efficient material handling through optimization of plant layout
- Investment in automation of logistics to drive productivity gains
- Sourcing synergies
- Sharing resources with SMRP BV => Reduction in Overheads

This acquisition is strategic fit for SMRP BV as it will provide diversification of client and product mix and access to a strong R&D portfolio. It also has a strong vertical integration including state-of-the-art tool room for injection moulding tools, process engineering and in-house material development capabilities. The significant synergies between S&T's products and SMRP BV, will allow SMRP BV to offer a diversified range of polymer products to its customers.

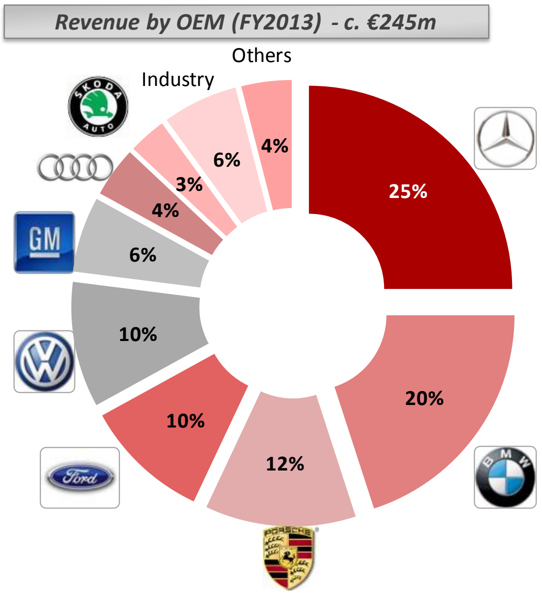
Revised Group Structure (post acquisition of S&T)

The group structure post acquisition of S&T is as under:



Diversified customer base

S&T enjoys a diverse customer base which include major OEMs like Daimler, BMW, VW group, Ford and General Motors. The largest customer is Daimler contributing 25% of the revenue of S&T group for 2013.



Products Snapshot

FINANCIAL OVERVIEW FOR QTR. & NINE MONTHS ENDED DECEMBER 31, 2014

Samvardhana Motherson Automotive Systems Group BV Board has approved its Unaudited Interim Condensed Consolidated Financial Statements for nine months ended December 31, 2014. Since this is the first fiscal year of consolidation under IFRS, therefore there are no comparative prior period figures available.

SUMMARY FINANCIALS

Following are the summary financials for the quarter and nine months ended December 31, 2014 :

Income Statement	For Qtr ended June 30, 2014			For Qtr ended Sept 30, 2014			For Qtr ended Dec 31, 2014			For period ended Dec 31, 2014		
€ millions	SMRPBV	SMP	SMR	SMRPBV	SMP	SMR	SMRPBV	SMP	SMR	SMRP BV	SMP	SMR
Revenue	832.7	540.4	292.3	776.6	492.7	283.9	884.7	576.5	308.2	2,494.0	1,609.6	884.4
EBITDA	56.7	31.0	25.7	52.7	26.7	26.0	67.3	35.4	31.9	176.7	93.1	83.6
% to Revenue	6.8%	5.7%	8.8%	6.8%	5.4%	9.2%	7.6%	6.1%	10.3%	7.1%	5.8%	9.4%
EBIT	36.4	17.5	18.9	31.7	13.4	18.3	45.1	21.7	23.4	113.2	52.6	60.6
% to Revenue	4.4%	3.2%	6.5%	4.1%	2.7%	6.5%	5.1%	3.8%	7.6%	4.5%	3.3%	6.8%

Statement of Financial Position	As at March 31, 2014	As at June 30, 2014	As at Sept 30, 2014	As at Dec 31, 2014
Total Assets	1,380.7	1,444.5	1,482.0	1,506.5
Debt	487.8	564.7	606.0	577.1
Cash	85.7	80.0	82.1	82.1
Net Debt	402.1	484.7	523.9	495.0

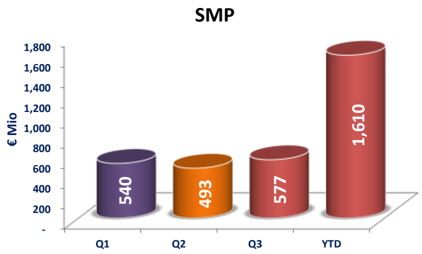
COMPONENTS OF REVENUE & EXPENSES

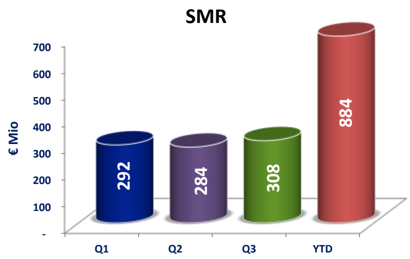
REVENUE

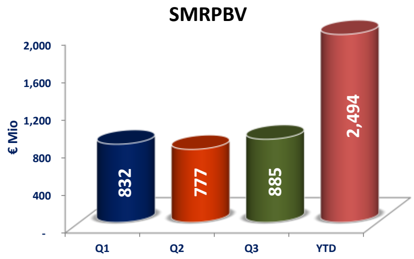
SMRP BV Group's revenues for the quarter ended December 31, 2014 were € 884.7 million which were higher than revenues for the quarter ended September 30, 2014 at € 776.6 million. In previous quarter July ~ September automotive demand was lower due to summer holidays which partly recovered in the current quarter October ~ December. SMP revenues increased from € 492.7 million during quarter ended September 30, 2014 to € 576.5 million during the quarter ended December 31, 2014. SMR revenues increased from € 283.9 million during the quarter ended September 30, 2014 to € 308.2 million during the quarter ended December 31, 2014.

Revenues for nine months ended December 31, 2014 were € 2,494.0 million.

Split of revenue between SMP & SMR was as under :





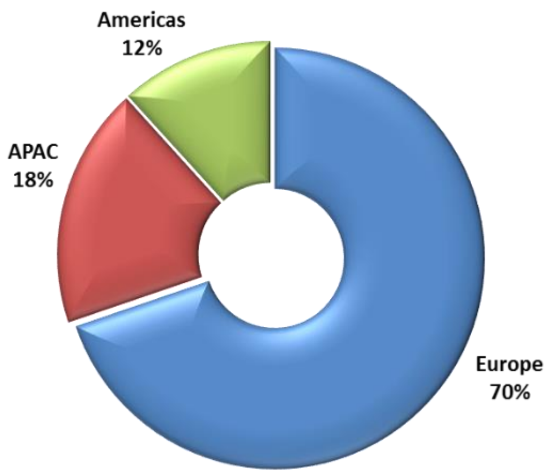


SMP, which is the interior & exterior module business, contributed 65% of the revenues and SMR, which is exterior & interior Mirror business contributed 35% of the turnover for the quarter ended December 31, 2014.

Since there are no comparable figures available under IFRS for the same quarter of previous years, figures reported under IGAAP for consolidation under Motherson Sumi Systems Ltd. (MSSL) (ultimate parent company) can be referred. Both the business recorded growth over same quarter of previous year under IGAAP reported figures. SMR's revenue grew by 13% and SMP's revenue grew by 19% in quarter ended December 31, 2014 as compared to quarter ended December 31, 2013. For more details refer section *"Comparability of Financial Information"*.

Geographical Spread of Revenues

During the nine months ended December 31, 2014, 70% of the revenues were contributed by European region, followed by APAC region 18% and Americas region 12%. The geographical spread of revenues is consistent with the previous quarters. European region is largely serviced to German OEMs like Audi, VW, Daimler, BMW, etc. While the company envisage healthy revenue growth on consolidated basis but geographical spread of revenues would further diversify with commencement of commercial supplies from new plants under construction at USA, Mexico and China. The following charts shows the revenue breakdown by geography for the nine months ended December 31, 2014:

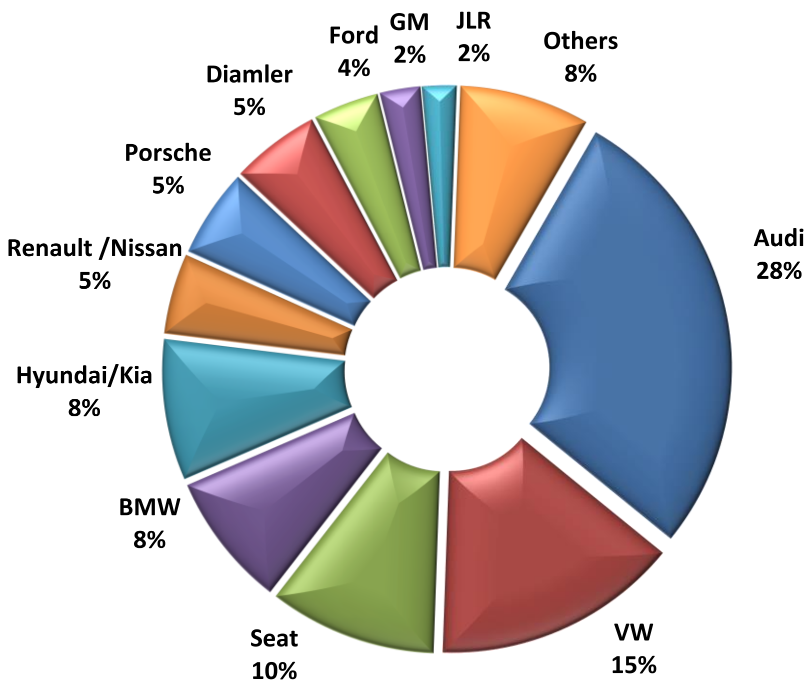


Diversified Customer Portfolio

SMRP BV Group is a trusted partner and strategic Tier I supplier to leading global OEMs and have well established strategic relationships with several OEMs across the globe. The ability to support OEMs in every phase of product development process differentiates the company from many of the competitors and given the substantial investment & time that would be required to replicate company's global footprint, strengthens the status of SMRP BV Group as a preferred partner to most of the leading OEMs in the automotive industry. The company is able to engage with customers during the early stages of collaborative development projects which regularly enables the company to introduce company's products into vehicle's designs phase. This collaboration when combined with close proximity to customer, technological leadership, demonstrated reliability and financial stability results into maintaining strong track record by not only winning repeat orders but new global upcoming platforms.

Customer profile of SMRP BV Group is very well diversified with Audi as the single largest customer contributing to 28% of total revenues. VW, Seat, BMW, Hyundai/Kia, Renault/Nissan, Porsche, Daimler, Ford, GM and JLR are other major customers of the company.

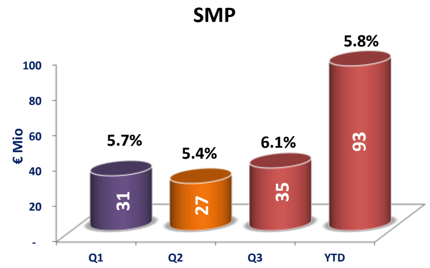
The following charts shows the revenue breakdown by customers for the nine months ended December 31, 2014 :

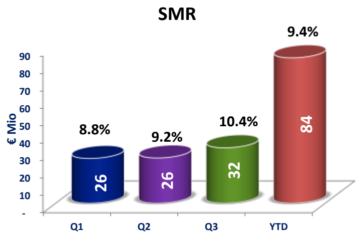


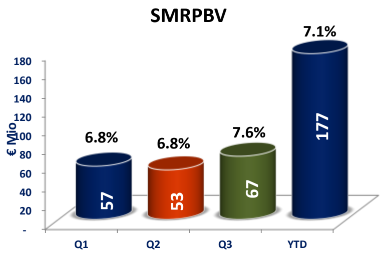
EBIDTA

SMRP BV Group's EBIDTA for the quarter ended December 31, 2014 was at 7.6% of revenues which is better than EBIDTA for the quarter ended September 30, 2014 at 6.8% of revenues. EBIDTA for nine months ended December 31, 2014 was at 7.1% of revenues.

Split of EBIDTA between SMP & SMR was as under :







SMP's EBIDTA in quarter ended December 31, 2014 was at 6.1% of revenues which is higher than 5.4% of revenues in quarter ended September 30, 2014. SMR's EBIDTA was better at 10.4% of revenues for the quarter ended December 31, 2014 as compared to 9.2% of revenues for the quarter ended September 30, 2014.

COST OF MATERIAL

Cost of materials includes purchases of raw materials, purchases of goods and tools for resale, discounts for prompt payment, purchase returns and similar transactions, volume discounts, changes to inventories, consumption of other supplies and purchase of pre-constructed components. These are primarily variable in nature based on the product mix sold during the period. Cost of material were at € 596.7 million which accounted for 67.4% of our revenues for quarter ended December 31, 2014. This is higher as compared to € 513.3 million which accounted for 66.1% of our revenues for quarter ended September 30, 2014 due to higher engineering sales coupled with changes in product mix. For the nine months ended December 31, 2014 cost of material were € 1,667.9 million which accounted for 66.9% of total revenues.

PERSONNEL COSTS

Personnel expenses include wages, salaries, paid labor rendered by third parties, employer's social security contributions and other welfare expenses. Personnel expenses are primarily driven by the size of our operations, our geographical reach and customer requirements. Personnel expenses were at € 156.7 million which accounted for 17.7% of our revenues for quarter ended December 31, 2014. Personnel cost for quarter ended September 30, 2014 were at € 143.7 million which accounted for 18.5% of our revenues. The cost is higher in quarter ended December 31, 2014 due to significant increase in revenues; however cost as a percentage of revenue is lower for the quarter ended December 31, 2014. Personnel expenses also includes costs of manpower deployed on new plants which are under construction. For the nine months ended December 31, 2014, personnel expenses were € 453.7 million which accounted for 18.2% of our revenues.

OTHER OPERATING EXPENSES

Other operating expenses primarily consists of general administrative expenses, energy costs, repair & maintenance costs, rental & lease costs, freight & forwarding costs, auditors remuneration, net foreign exchange loss and legal & professional fees. Other operating expenses for the quarter ended December 31, 2014 were at € 88.8 million as compared to € 78.0 million for quarter ended September 30, 2014. Other operating expenses includes a business interruption expense of € 11.2 million for the nine months ended December 31, 2014 (€ 4.4 million for the quarter ended December 31, 2014) resulting from a fire at SMP's paint facility in Polinya, Spain. Other operating expenses also includes start-up costs incurred on new facilities which are under construction.

OTHER OPERATING INCOME

Other operating income primarily consists of income from development work & other recoveries from customers, income from derecognition of liabilities, recovery of proceeds from insurance claims, rental income, royalty income and subsidies or grants. Other operating income for the quarter ended December 31, 2104 were at € 24.9 million as compared to € 11.1 million for quarter ended September 30, 2014. Other operating income for the nine months ended December 31, 2014 is € 47.5 million. This includes an amount of € 16.3 million (€ 11.5 million for the quarter ended December 31, 2014) from settlement of insurance claim for fire at SMP Polinya plant which was settled during the current quarter.

DEPRECIATION & AMORTISATION

Depreciation & Amortisation refers to the amount recognized in our income statement under this concept reflecting the amortized value of the tangible and intangible assets on a straight-line basis over the estimated useful life of the asset. Depreciation & Amortisation for the nine months ended December 31, 2014 were at € 63.5 million (€ 22.2 million for the quarter ended December 31, 2014 and € 21.0 million for quarter ended September 30, 2014).

FINANCE COSTS/(INCOME)

Finance cost consists primarily of interest expense on borrowings, finance leases and defined benefit obligations as well as foreign exchange losses on long-term loans. Finance income consists of interest income, return on plan assets under defined benefit obligations and foreign exchange gain. Net Finance cost for the nine months ended December 31, 2014 were at € 31.2 million (€ 8.2 million for the quarter ended December 31, 2104 and € 10.6 million for quarter ended September 30, 2014). Finance costs for the nine months ended December 31, 2014 includes write-off of € 5.3 million towards unamortised upfront fees on various loans (taken for acquisition of SMP and other loans), € 1.2 million towards break fees on pre-payment of third party debts and € 1.0 million towards amortisation of bond issue expenses.

INCOME TAXES

Income tax represents the sum of tax currently payable and deferred tax under the laws of each jurisdiction in which the business is conducted. Income Tax was € 24.8 million for nine months ended December 31, 2014 which represents Effective Tax Rate of 28.3%.

WORKING CAPITAL

Working Capital of the company is largely influenced by Trade Receivables, Inventories & Trade Payables. Analysis on each of these element are described below :

Trade Receivables

Trade Receivable represents the amount to be received from customers for which goods have already been sold and delivered to the customers or title of the property in goods have been transferred to customers. Trade receivable are recognised initially at fair value and carried at amortised cost. These are net of impairment due to delay or defaults which become likely in specific cases. As at December 31, 2014, company had Trade Receivables for € 398.1 million which represents 43 days on hand as compared to € 415.5 million as at September 30, 2014 representing 46 days on hand. This reduction is primarily result of lower sales in the month of December 2014 due to winter holidays. As at March 31, 2014, company had Trade Receivables of € 406.1 million which represents 49 days on hand.

Inventories

Inventories represents the amount of raw material, work-in-progress and finished goods held by the company in normal course of business. Inventories are carried at the lower of the cost or net realisable value at the reporting date. These are net of impairment due to reduced market visibility or obsolescence. As at December 31, 2014, company had Inventory for € 157.9 million representing 17 days on hand which is lower than inventory as at September 30, 2014 for € 164.3 million representing 18 days on hand. This decrease is primarily due to lower procurement in the month of December 2014 die to winter holidays.

Inventory as at March 31, 2014 was € 146.8 million representing 18 days on hand.

Trade Payables

Trade Payables represents obligations to pay for goods or services that have been acquired in the ordinary course of business from the suppliers. Trade payables are carried at fair value. As at December 31, 2014, company had Trade Payables for € 393.3 million representing 44 days on hand. These are lower as compared to € 393.8 million representing 44 days on hand as at September 30, 2014.

As at March 31, 2014, company had Trade Payables of € 399.6 million which represents 48 days on hand.

Days on hand are calculated based on 360 days basis and by annualising sales for nine months ended December 31, 2014 into full year sales for calculating December 31, 2014 figures and annualising sales for six months ended September 30, 2014 into full year sales for calculating September 30, 2014 figures.

EXPANSION OF OPERATIONAL FOOTPRINT

Expansion in Europe

SMP has set up a greenfield plant in Schierling, Germany for exterior module business and the commercial production has started during the current quarter which will gradually ramp up.

SMP has set up new paint line at Olderburg, Germany for painting of exterior parts like bumpers and rocker panels. The commercial production from this new paint line has started during the current quarter. This paint line is going to enhance existing capacities and bring operational efficiencies.

SMP is also setting up brownfield production facility at Botzingen, Germany for manufacturing of natural fibre based door panels to meet new OEM orders. Commercial production is expected to start from Q3 of FY 15-16.

SMP is also rebuilding its paint line at Polinya, Spain which was destroyed due to fire. The new paint line is going to be state of art facility and is expected to start commercial production from Q1 of FY 15-16.

With focus on increased vertical integration, SMR has set up an actuator manufacturing & assembly line in France. Actuator is a key component of exterior mirror which is used to actuate the position of mirror through electrical circuits. SMR holds patents in some of the models of these actuators and these components are used in captive consumption at various plants of SMR. The commercial production is expected to start in Q4 of FY 14-15 after successful trials.

Expansion in Asia Pacific

SMR is setting up greenfield plant at Chongqing, China for manufacture of exterior mirrors. This facility would be located in Central China and would complement other manufacturing locations of SMR in China. Commercial production from this facility is expected to start from Q4 of FY 14-15.

SMP is setting up greenfield plant at Beijing, China for manufacture of door panels for new orders. Commercial production from this plant is expected to start in Q1 of FY 16-17.

SMP has set up a greenfield plant at Foshan, China for manufacture of plastic components. Commercial production from this plant has already started and is expected to ramp up towards end of FY 14-15.

Expansion in Americas

SMR has set up a new plant at Michigan, USA for manufacturing of exterior mirrors. This facility will commence commercial production from Q4 FY 14-15 and is expected to ramp up gradually in FY 15-16. This facility is set up to cater to new orders which have already been awarded to SMR and is going to significantly increase the market share of SMR in North America in next 2 years.

SMP is setting up greenfield plant in Zitlaltepec, Mexico for manufacture of bumpers, rocker panels, roof spoilers and wheel covers. Orders for this new facility have already been secured from the customers and the commercial production is expected to start from Q1 of FY 16-17.

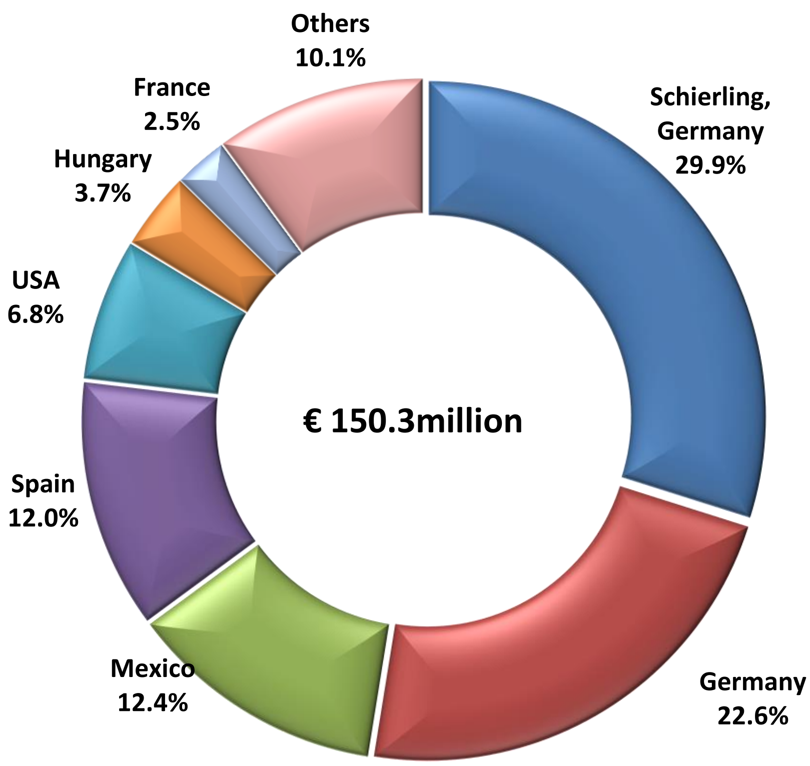
SMRP BV Group is incurring significant start-up costs during the construction phase and trial phase of above plants and most of indirect costs during this phase is charged to Income statement as expense.

CAPITAL EXPENDITURE

SMRP BV Group's growth strategy includes expanding operations in line with customers' growth and sales order book. The company is one of the few suppliers in its product segment with a global engineering & manufacturing footprint and this strong geographical diversification enables the company to capitalise on global growth opportunities while mitigating the impact of any regional demand fluctuations. The company continuously assess the need for setting up Greenfield plants or expand capacities in existing plants to cater to new platforms with existing/new customers.

SMRP BV Group is also focussed on improving the cost base by enhancing the vertical integration of the manufacturing operations. Capital expenditure is also incurred to upgrade or replace key machineries utilised in manufacturing & assembly process to increase production efficiencies. The establishment period for new manufacturing facilities typically ranges between 12 and 24 months. Such capital expenditure primarily relates to the building of new manufacturing plants or increasing the capacities in existing plants in response to new orders from our customers. Capital expenditure is used primarily for investment in property, plant and equipment ranging from injection moulding machines, paint line, assembly lines and various auxiliary equipment for secondary operations.

Capital Expenditure incurred for the nine months ended December 31, 2014 was € 150.3 million. Break-up of major contributors of capital expenditure is depicted in below chart :



Approximately 69% of capital expenditure amounting to € 103.4 million for nine months ended December 31, 2014 was incurred on new facilities/expansion. This was majorly contributed by capital expenditure on Greenfield plant at Schierling-Germany for € 44.9 million, Greenfield plant at Zitlaltepec- Mexico for € 14.1 million new paint line at Polinya-Spain for € 13.6 million, new plant at Michigan-USA for € 10.2 million, new paint line at Oldenburg-Germany for € 5.8 million and brownfield expansion at Botzingen-Germany for € 11.0 million.

CASH FLOW

The following summarises cash flow information for nine months ended December 31, 2014 :

Statement of Cash Flows (€ millions)	For the period ended December 31, 2014	For the period ended September 30, 2014
Cash flow from operating activities before changes in working capital and income tax	174.2	113.8
Changes in working capital	(22.4)	(63.4)
Income tax paid	(33.2)	(20.3)
Cash flow from operating activities	**118.6**	**30.1**
Purchase of property, plant and equipment (including Pre-Payments)	(134.5)	(82.6)
Acquisition of Minority Interest at SMP	(28.9)	(28.9)
Others	3.7	1.5
Cash flow from investing activities	**(159.7)**	**(110.0)**
Proceeds from issue of bond (net of issue cost)	485.0	484.4
Proceeds from borrowings	85.1	84.7
Repayment of borrowings/finance leases	(441.0)	(408.7)
Net Repayment of Shareholders Loan	(68.3)	(68.3)
Interest Paid	(13.1)	(10.6)
Others	(12.0)	(5.9)
Cash flow from financing activities	**35.7**	**75.6**
Net increase in cash and cash equivalents	**(5.4)**	**(4.3)**
Cash and cash equivalents at the beginning of the period	85.7	85.7
Variation in cash and cash equivalents from translation in foreign currencies	1.8	0.8
Cash and cash equivalents at the end of the period	**82.1**	**82.1**

Operating Activities

Net cash generated from operating activities for nine months ended December 31, 2014 was € 118.6 million. Cash generated from operations before changes in working capital & income tax was € 174.2 million. This is partly offset by net increase in working capital by € 22.4 million, however there has been a release of € 41.0 million in the net working capital as compared to September 30, 2014. Income Tax of € 33.2 million was paid for nine months ended December 31, 2014.

Investing Activities

Net cash flow utilised in investing activities for nine months ended December 31, 2014 was € 159.7 million. This was primarily contributed by purchase of property, plant & equipment for € 134.5 million and acquisition of minority shareholding of 16.28% stake held by PF Beteiligungsverwaltungs (Cross Industries AG) in SMP Deutschland GmbH and SMP Automotive Technology Iberica S.L. for a consideration of € 28.9 million.

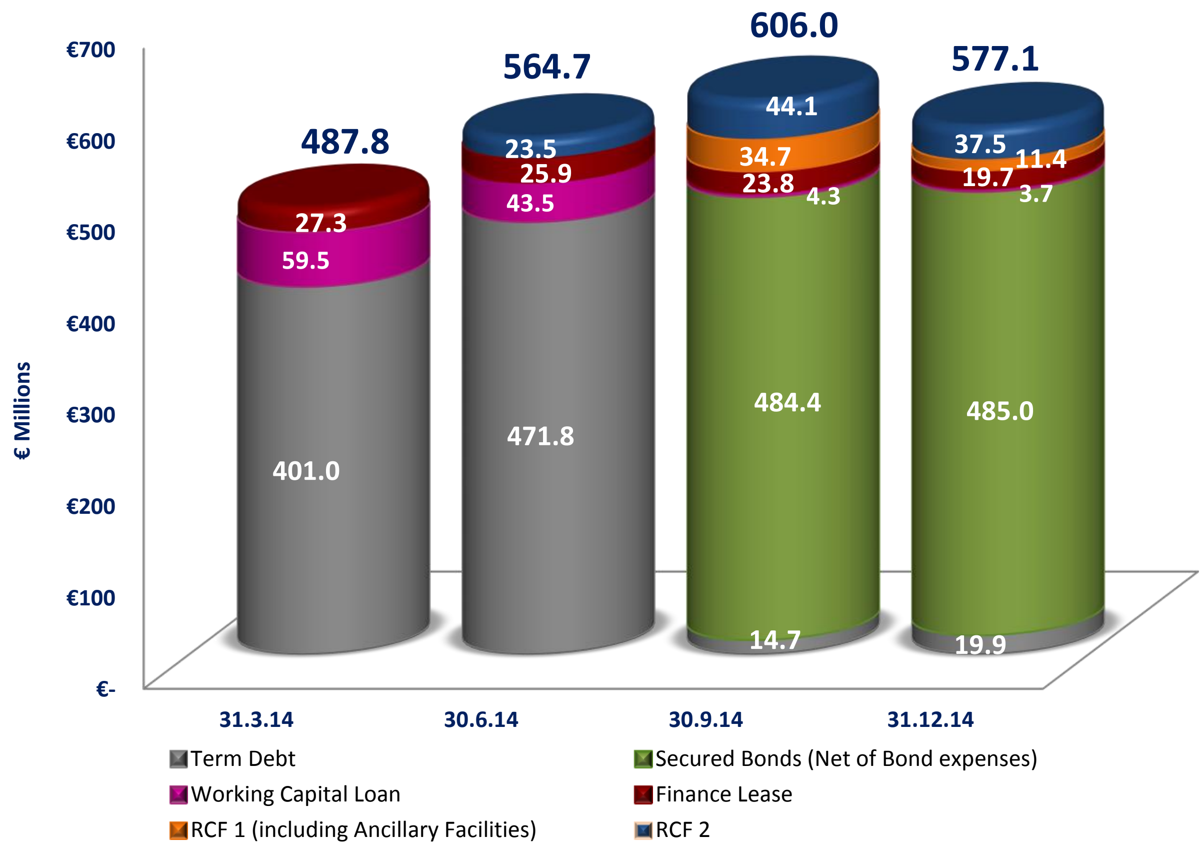
Financing Activities

Net cash flow from financing activities for nine months ended December 31, 2014 was € 35.7 million. This mainly constituted proceeds from secured bonds for € 485.0 million (net of bond expenses), utilisation of Revolving Credit Facility 1 for € 11.4 million and Revolving Credit facility 2 for € 37.5 million which were partly utilised to repay existing third party debts and finance lease liabilities for € 441.0 million and shareholder debt € 68.3 million. Interest payment on financial liabilities for the nine months ended December 31, 2014 was € 13.1 million, and dividend paid to non-controlling shareholders was € 12.0 million.

DEBT & CASH

Gross Debt

Gross Debt as at December 31, 2014 was € 577.1 million against € 606.0 million as at September 30, 2014 and € 487.8 million as at March 31, 2014. Break-up of Gross Debt (including shareholder debt) into various facilities is as under :



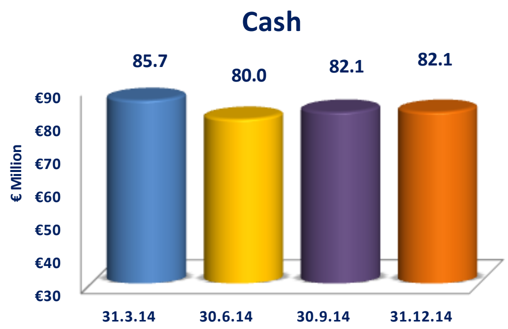
SMRP BV Group had issued 4.125% high yield Senior Secured Notes (due 2021) in an initial aggregate principal amount of € 500 million on 10th July 2014. In accordance with bond proceeds described in Offering Memorandum, these were used to repay amount outstanding under certain term loans (including shareholder loans), working capital facilities and finance leases. All these repayments have been executed as per the terms of the bond offering and is reflected in the change in Debt profile as per above table.

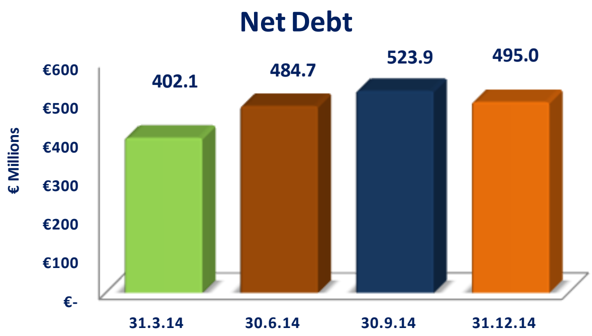
The company also entered into € 125 million committed revolving credit facility (RCF 1) valid till 2019 and one of subsidiary of the company, SMP Deutschland Gmbh entered into € 50 million (RCF 2) committed secondary revolving credit facility (RCF 2) valid till 2016. These credit lines are entered into to provide liquidity to the company to meet its operational cash requirement. As on December 31, 2014, out of RCF 1, ancillary limits at Brazil and Thailand were utilised for €11.4 million to meet operational cash requirement for working capital. RCF 2 was utilised for €37.5 million as on December 31, 2014 to meet funding requirement for tooling and engineering projects for new launches.

Cash & Net Debt

Cash and cash equivalent as at December 31, 2014 was € 82.1 million which is consistent with the cash levels as on September 30, 2014 and March 31, 2014.

Net Debt as on December 31, 2014 was € 495.0 million which was lower as compared to € 523.9 million as on September 30, 2014. This decrease is primarily due to release of working capital which was higher as on September 30, 2014 on account of summer holidays and customer block closures. RCF 2 was utilised for € 37.5 million to finance engineering projects for customer's new project launches.





LIQUIDITY ANALYSIS

SMRP BV Group's liquidity requirements arise principally from operating activities, capital expenditure for new facilities, maintenance & expansion capital expenditure, short term investments in engineering projects for customer new product launches, repayment of borrowings and debt service obligations. Principal source of funding includes cash from operations, committed credit lines, short-term loans and overdraft facilities at some of the operating entities.

Cash generated from operating subsidiaries is utilised to finance growth within the operations of such subsidiary or is transferred to holding companies through the payment of dividends or inter-company loans. In most cases there are no significant obstacles or barriers for such transfer of funds but these are always subject to local jurisdictions at respective country.

SMRP BV entered into a Revolving Credit facility (RCF 1) for €125 million to finance working capital and general corporate needs (including capital expenditure) of the company. This is a committed facility available to the company till 2019. As on December 31, 2014, an amount of €11.4 million was utilised under ancillary facilities at Brazil and Thailand to meet operational cash requirement.

SMP Deutschland Gmbh entered into a Secondary Revolving Credit facility (RC F 2) for € 50 million to finance engineering projects for customer new launches. This is a committed facility available to the company till 2016.

In additional to committed credit facilities, SMRP BV Group has also entered into various Receivable finance facilities or factoring agreements with various banks providing for sale of receivables. This provides additional liquidity to SMRP BV group.

SMRP BV has set up additional uncommitted limits for € 30 million at subsidiaries in USA, Mexico and Spain to meet capital expenditure and working capital requirements during the quarter ended December 31, 2014.

Liquidity available to SMRP BV group from committed facilities as on December 31, 2014 was as under:

€ in Millions	Committed Limit Available	Utilised as at Dec 31, 2014	Liquidity Available
RCF 1 (including Ancilary facility)	125.0	11.4	113.6
RCF 2	50.0	37.5	12.5
Cash and Cash Equivalent			82.1
Total Liquidity Available			**208.2**

UPDATE ON SECURITY CREATION & COMPLIANCES

SMRPBV had completed security creation over the assets of SMP Automotive Exterior GmbH on January 05, 2015. With this, all securities have been created as envisaged in the offering memorandum well within the stipulated timelines.

SMRPBV had made prepayment of all financial liabilities as envisaged in the offering memorandum.

SMRPBV complied with the 1x Asset Cover which is not less than EUR 625 million and the amount of RCF 2 drawn down.

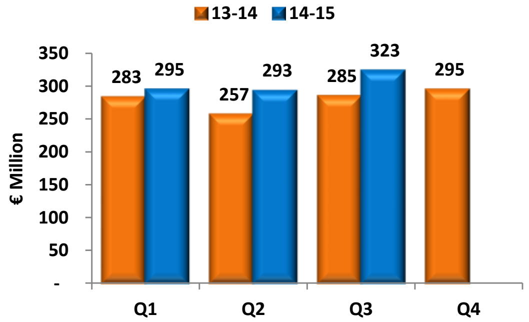
Status of leverage ratios as at December 31, 2014

- Net leverage ratio - 2.52 : 1
- Gross leverage ratio - 2.69 : 1

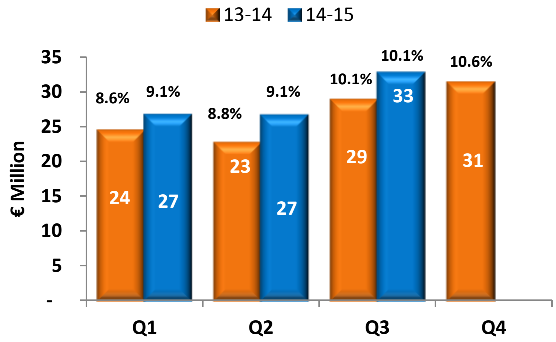
COMPARABILITY OF FINANCIAL INFORMATION

SMRP BV is consolidating financial information under IFRS for the first time in this fiscal year, therefore there are no comparative prior period figures available on consolidated basis for SMRP BV group under IFRS. However based on the feedback received from investors & analysts, we reproduce hereunder financial performance of SMP & SMR in terms of revenue and EBITDA for last six quarters as used for consolidation in Motherson Sumi Systems Ltd. (ultimate parent company) results under Indian GAAPs. These figures are translated as per exchange rate used for consolidation for respective period.

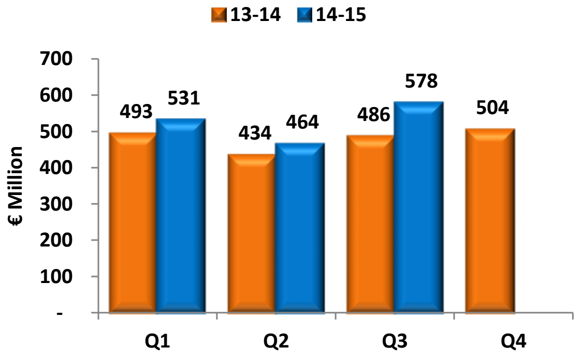
SALES



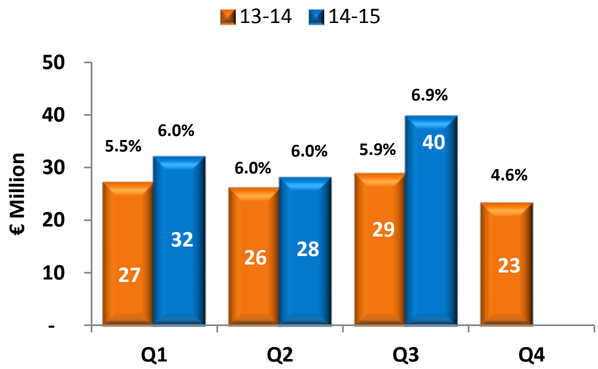
EBIDTA*/% to SALES



SALES



EBIDTA*/% to SALES



EBIDTA is before Exchange Gain/Loss and exceptional expenses.

SMP's sales have grown by 19% in quarter ended December 31, 2014 as compared to corresponding quarter of previous year. Sales were also higher by 24% in quarter ended December 31, 2014 as compared to quarter ended September 30, 2014.

SMR's sales have grown by 13% in quarter ended December 31, 2014 as compared to corresponding quarter of previous year. Sales were also higher by 11% in quarter ended December 31, 2014 as compared to quarter ended September 30, 2014.

SMP's EBITDA to sales have grown by 38% in quarter ended December 31, 2014 as compared to corresponding quarter of previous year. EBITDA to sales was also higher by 42% in quarter ended December 31, 2014 as compared to quarter ended September 30, 2014.

SMR's EBITDA to sales have grown by 14% in quarter ended December 31, 2014 as compared to corresponding quarter of previous year. EBITDA to sales was also higher by 23% in quarter ended December 31, 2014 as compared to quarter ended September 30, 2014.

Disclaimer
No assurance is provided for differences between Indian GAAP and IFRS. Certain differences exist between Indian GAAP and IFRS which might be material to the financial information contained herein. In making an investment decision, investors must rely upon their own examination of the Company and the financial information.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Abbreviations used for companies

SMRPBV Group	Samvardhana Motherson Automotive Systems Group B.V & subsidiaries
SMR Group	Samvardhana Motherson Reflectec Group Holdings Limited & subsidiaries
SMP Group	Samvardhana Motherson Peguform GmbH Germany, SMP Deutschland GmbH and its subsidiaries, SMP Automotive Technology Ibérica S.L. and its subsidiaries and SMP Automotive Interiors (Beijing) Co. Ltd.
SMG	Samvardhana Motherson Group
SMRPBV	Samvardhana Motherson Automotive Systems Group B.V, Amsterdam (earlier known as Samvardhana Motherson B.V.)
SMPL	Samvardhana Motherson Polymers Limited
SMGHL	Samvardhana Motherson Global Holdings Ltd
MSSL	Motherson Sumi Systems Limited
SMIL	Samvardhana Motherson International Limited

All amount in Euro'000, unless otherwise stated

A.1 Consolidated balance sheet

	Note	December 31, 2014
Assets		
Intangible assets		26,886
Property, plant and equipment		700,737
Investment properties		11,066
Joint ventures, accounted for using the equity method		23,249
Associates, accounted for using the equity method		273
Other financial instruments		5
Trade receivables and other assets		32,613
Deferred tax assets		14,299
Non-current assets		**809,128**
Inventories		157,915
Trade receivables		398,103
Tax receivables		1,102
Other financial instruments		644
Other receivables and other assets		57,464
Cash and cash equivalents	**A.6.3.1**	82,118
Current assets		**697,346**
Total assets		**1,506,474**
Equity and liabilities		
Subscribed capital	**A.5**	66
Share premium	**A.5**	2,510
Capital reserve	**A.5**	25,383
Translation reserve	**A.5**	14,341
Retained earnings	**A.5**	162,064
Non-controlling interests	**A.5**	55,795
Equity		**260,159**
Provisions for pension liabilities		10,516
Other provisions		1,951
Financial liabilities	**A.6.3.3**	513,822
Other liabilities		24,916
Deferred tax liabilities		44,095
Non-current liabilities		**595,300**
Other provisions		9,653
Financial liabilities	**A.6.3.3**	63,290
Trade payables		393,315
Liabilities to companies accounted for using the equity method and related parties		13,340
Tax liabilities		15,147
Other liabilities		156,270
Current liabilities		**651,015**
Liabilities		**1,246,315**
Total		**1,506,474**

The notes on pages 37 to 59 are an integral part of these interim condensed consolidated financial statements.

All amount in Euro'000, unless otherwise stated

A.2 Consolidated income statement

	Notes	Period ended December 31, 2014
Revenue	**A.6.3.4**	**2,493,963**
Changes in inventories	**A.6.3.5**	5,384
Other operating Income	**A.6.3.6**	47,514
Cost of materials	**A.6.3.7**	(1,673,298)
Personnel expenses	**A.6.3.8**	(453,654)
Depreciation and amortization	**A.6.3.9**	(63,529)
Other operating expenses	**A.6.3.10**	(243,161)
Result from operating activities		**113,219**
Finance income	**A.6.3.11**	767
Finance costs	**A.6.3.11**	(32,048)
Finance costs - net	**A.6.3.11**	**(31,281)**
Share of after-tax profits/(losses) of joint ventures accounted for under the equity method	**A.6.3.12**	5,555
Share of after-tax profits/(losses) of associates accounted for under the equity method	**A.6.3.13**	13
Earnings before taxes (EBT)		**87,506**
Income taxes	**A.6.3.14**	(24,782)
Profit / (loss) for the year		**62,724**
Thereof profit or loss for the year attributable to:		
Equity holders of the SMRPBV		51,136
Non controlling interests		11,588
Profit / (loss) for the year		**62,724**

The notes on pages 37 to 59 are an integral part of these interim condensed consolidated financial statements.

All amount in Euro'000, unless otherwise stated

A.3 Consolidated statement of comprehensive income

	December 31, 2014
Profit / (loss) for the year after tax:	**62,724**
Other comprehensive income / (loss):	**21,633**
- Items that will not be reclassified to profit & loss	
Remeasurement of post employment benefits	(944)
Deferred tax on actuarial losses	206
- Items that may be subsequently classified to profit & loss	
Exchange differences on translating foreign operations	22,371
Total comprehensive income for the year	**84,357**
Attributable to:	
Equity holders of the SMRPBV	67,748
Non controlling interests	16,609
	84,357

The notes on pages 37 to 59 are an integral part of these interim condensed consolidated financial statements.

All amount in Euro'000, unless otherwise stated

A.4 Consolidated statement of cash flows

	Note	December 31, 2014
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) of the period before income taxes	A.2	**87,506**
Reconciliation from net profit before income taxes to net earnings		
Depreciation of property, plant and equipment and investment properties	A.6.3.9	57,406
Amortisation of intangibles	A.6.3.9	6,123
(Gain)/loss from sale of property, plant and equip., inv. properties and assets held for sale		792
Net finance cost	A.6.3.11	31,281
Share of profits of JV and associates accounted for using equity method		(5,568)
Reversal / addition of bad debt allowances and provisions		66
Income from reversal of provisions and liabilities	A.6.3.6	(10,484)
Unrealised foreign exchange (gain)/loss		7,056
Net earnings before changes in working capital		**174,178**
Change in working capital		
Increase / (decrease) in provisions		(2,526)
(Increase) / decrease in inventories, receivables & other assets		
Change in inventories		(11,151)
Change in trade receivables		8,005
Change in other assets[1]		(19,026)
Increase/(decrease) in payables & other non investing liabilities		
Change in trade payables		(21,261)
Change in other liabilities[2]		23,522
Cash flow from operating activities before income tax		**151,741**
Income tax paid		(33,184)
Cash flow from operating activities (A)		**118,557**
CASH FLOW FROM INVESTING ACTIVITIES		
Investment in joint ventures/Associates		49
Purchase of property, plant & equipment (including Pre-Payments)		(132,536)
Purchase of intangible assets		(1,945)
Proceeds from sale of property, plant and equipment		2,353
Proceeds from disposal of financial investments		5
Dividends received from Joint Ventures		500
Acquisition of subsidiaries, net of cash acquired		(28,862)
Interest received		767
Cash flow from investing activities (B)		**(159,669)**
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid to non controlling interest		(11,976)
Repayment of finance lease liabilities		(9,672)
Proceeds from issue of bond (net of issue cost)		484,950
Proceeds from other borrowings		85,109
Repayment of borrowings		(431,290)
Interest paid		(13,103)
Loans received from non-consolidated related parties		6,861
Loans repayments to non-consolidated related parties		(75,186)
Cash flow from financing activities (C)		**35,693**
Changes in cash and cash equivalents (A+B+C)		(5,419)
Cash and cash equivalents at beginning of period		85,702
Variation in cash & cash equivalents from translation in foreign currencies		1,835
Cash and cash equivalents at end of year	A.6.3.1	**82,118**

[1] Other asset comprising of other financial and non-financial assets.

[2] Other liabilities comprise of prepayment received, liabilities from shareholders, and other financial and non-financial liabilities.

All amount in Euro'000, unless otherwise stated

A.5 Consolidated statement of changes in equity

	Attributable to owners of the parent						Non controlling interest	Total equity
	Subscribed capital	Share premium	Capital reserve	Retained earnings	Currency translation reserve	Total		
As at April 1, 2014	**21**	**2,510**	**7,702**	**111,663**	**(3,006)**	**118,890**	**51,162**	**170,052**
Comprehensive income								
Profit for the year	-	-	-	51,136	-	51,136	11,588	62,724
Other comprehensive income								
- Items that may be subsequently classified to profit & loss								
Foreign currency translation	-	-	-	-	17,347	17,347	5,024	22,371
- Items that will not be reclassified to profit & loss								
Remeasurement of post employment benefits	-	-	-	(941)	-	(941)	(3)	(944)
Deferred tax relating to remeasurement	-	-	-	206	-	206	-	206
Total other comprehensive income	-	-	-	(735)	17,347	16,612	5,021	21,633
Total comprehensive income	**-**	**-**	**-**	**50,401**	**17,347**	**67,748**	**16,609**	**84,357**
Transactions with owners								
Addition on acquisition	-	-	-	-	-	-	-	-
Addition during the year	45	-	17,681	-	-	17,726	-	17,726
Dividend distribution to non controlling interests	-	-	-	-	-	-	(11,976)	(11,976)
As at December 31, 2014	**66**	**2,510**	**25,383**	**162,064**	**14,341**	**204,364**	**55,795**	**260,159**

The notes on pages 37 to 59 are an integral part of these interim condensed consolidated financial statements.

A.6. Notes to the consolidated financial statements

A.6.1 General information and description of the business

The financial statements comprise of Samvardhana Motherson Automotive Systems Group B.V (SMRPBV) (earlier known as Samvardhana Motherson B.V.), located in Amsterdam, Netherlands and its subsidiaries (hereafter "SMRPBV Group") for nine months ended December 31, 2014. MSSL and SMIL are the ultimate shareholders of SMRPBV Group.

On June 13, 2014, SMRPBV acquired shareholding of Samvardhana Motherson Reflectec Group Holdings Limited (SMR) from Samvardhana Motherson Group Holdings Limited (SMGHL), Cyprus in share exchange deal wherein SMGHL transferred its entire shareholding (including acquired on June 9, 2014 from minority shareholders) to SMRPBV in exchange of 45,676 shares of a nominal value of euro one each issued by SMRPBV and consequently SMRPBV has become subsidiary of SMGHL. SMP Group and SMR Group were jointly controlled by MSSL and SMIL prior to June 13, 2014. Shareholders of SMRPBV have approved allotment of shares to SMGHL in their meeting dated June 13, 2014.

On June 24, 2014, SMRPBV acquired 16.28% stake held by PF Beteiligungsverwaltungs (Cross Industries AG). PF Beteiligungsverwaltungs had exercised put option for 16.28% held by them in SMP Deutschland GmbH and SMP Automotive Technology Iberica S.L. in accordance with the framework agreement. Consequent to this buy out SMPRBV along with SMGHL holds 100% in SMP Deutschland GmbH and SMP Automotive Technology Iberica S.L.

These consolidated financial statements comprise of financial statements of SMRPBV and its subsidiaries for the period ended December 31, 2014. SMRPBV Group is headquartered in Amsterdam, the Netherlands.

A.6.2 Summary of significant accounting policies

A.6.2.1 Basis of preparation

The interim condensed consolidated financial statements for the nine months ended December 31, 2014 have been prepared for reporting to bondholders in accordance with the offering memorandum and as provided in the offering memorandum no such comparable prior period figures for nine months ended December 31, 2014.

It does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's combined annual financial statements as at March 31, 2014 which were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("IFRS EU").

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual combined financial statements for the year ended March 31, 2014. The new standards and interpretations applicable for financial year beginning April 1, 2014 do not have any impact on the unaudited interim condensed consolidated financial statements of the Group. Only material policies have been reproduced herein after.

The interim condensed consolidated financial statements have been prepared under the historical cost convention except for available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

All amount in Euro'000, unless otherwise stated

A.6.2.2 Currency translation

A.6.2.2.1 Transactions in foreign currencies

All transactions are recorded in functional currency of the principal operating environment in which each Group company operates. The functional currency of SMRPBV Group is determined to be Euro. The interim condensed consolidated financial statements are presented in 'Euro', which is the Group's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the rate prevailing on this date. Differences from foreign currency transactions are reported in the income statement. Non-monetary assets and liabilities that are measured at historical cost in foreign currencies at the reporting date are translated into the functional currency at the rate prevailing on the day of the transaction. Non-monetary assets and liabilities that are measured at fair value in foreign currencies at the reporting date are translated into the functional currency at the rate prevailing on the date on which the fair value was determined.

A.6.2.2.2 Financial statements of foreign operations

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
c) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

The exchange rates of currencies of non-Euro zone countries used for the consolidated financial statements are listed below (expressed in foreign currency units per Euro):

Foreign currencies		**Closing rates December 31, 2014**	**Avg. rates YTD December 2014**
Brazilian Real	(BRL)	3.214	3.256
Mexican Peso	(MXN)	17.836	17.901
Chinese Yuan	(CNY)	7.506	7.617
US Dollar	(USD)	1.210	1.231
Great British Pound	(GBP)	0.777	0.787
Korean Won	(KRW)	1,322.081	1,356.721
Indian Rupee	(INR)	76.247	77.225
Thai Bhat	(THB)	39.799	40.455
Hungarian Forint	(HUF)	316.143	310.954
Japanese Yen	(JPY)	144.777	146.943
Australian Dollar	(AUD)	1.481	1.495

A.6.2.3 Principles of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Subsidiaries

The consolidation of companies acquired from third parties was carried out at the time of control using the acquisition method. According to this method, identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Intangible assets are recognised separately from any (negative) goodwill, provided that they can be separated from the company or are derived from a contractual or other entitlement.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration and the fair value of non-controlling interest is lower than the fair value of the net assets of the subsidiary acquired, the difference is directly recognised in profit or loss.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The potential cash payments related to put options issued by the Group over the equity of subsidiary companies are accounted for as financial liabilities when such options may only be settled other than by exchange of a fixed amount of cash or another financial asset for a fixed number of shares in the subsidiary. The amount that may become payable under the option on exercise is initially recognised at fair value within liabilities with a corresponding charge directly to equity. The charge to equity is recognised separately as written put options over non-controlling interests, adjacent to non-controlling interests in the net assets of consolidated subsidiaries.

The Group recognises the cost of writing such put options, determined as the excess of the fair value of the option over any consideration received, as a financing cost. Such options are subsequently measured at amortised cost, using the effective interest rate method, in order to accrete the liability up to the amount payable under the option at the date at which it first becomes exercisable. The charge arising is recorded as a financing cost.

Joint ventures

Joint ventures are companies over which the Group holds joint control as a result of contractual agreements. Joint ventures are reported in using the equity method.

The consolidated financial statements contain the revenue and expenses attributable to the Group for joint ventures from the time at which joint control begins until the end of the control after they have been adapted to the accounting and measurement methods used by the Group.

Interest in associates
Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of 20% to 50% of the voting rights. Investments in associate are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Equity Method
The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in the associate/joint venture equals or exceeds its interest in the associate/joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate/joint venture.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate/joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate/joint ventures and its carrying value and recognizes the amount adjacent to share of profit/(loss) of an associate/joint ventures in the income statement.

Accounting policies of the associates/joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates/joint ventures are recognized in the income statement.

Elimination of business transactions in the course of consolidation
Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated.

Profits and losses resulting from unrealised upstream and downstream transactions between the Group and its associate / joint ventures are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates / joint ventures. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Unrealised gains or losses from business transactions with joint ventures accounted for using the equity method have been eliminated from the investments in accordance with the amount of the holding.

A.6.2.4 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets with a finite useful life are carried at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement.

Research and development costs

Research costs are expensed as incurred. Development expenditure on an individual project is capitalised if it meets the definition of an intangible asset. Costs not eligible for capitalisation are expensed off in the income statement.

The intangible assets are amortised on a straight-line basis over their useful lives, beginning at the time the asset is first used and ending after a length of time usual for the asset in operation. The uniform useful lives applied within the Group are as follows:

Useful lives	In Years
Concessions, intellectual property, software and similar rights	1-3
Contracts with customers	3-11
Patents & Technologies	5-13

The useful life of customer contracts, engineering contracts as well as technology is the result of the analyses and average useful life of the contracts.

The depreciation methods, the usual useful lives and the residual values are checked annually.

A.6.2.5 Property, plant and equipment

A.6.2.5.1 Own assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. When a major replacement is made, its cost is recognised in the carrying amount of the plant and equipment if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

All amount in Euro'000, unless otherwise stated

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

A.6.2.5.2 Leased assets

Leasing agreements in which the Group has essentially assumed all risks and opportunities are classified as finance leases. A property acquired under finance lease needs to be capitalized at the lower of its fair value or the present value of the minimum lease payments at the beginning of the lease period. Asset acquired under finance lease is depreciated over shorter of its useful life and lease term (provided that there is no transfer of the assets at the end of the lease term) or the estimated useful life (see A.6.2.5.3). Impairments are performed as necessary (see A.6.2.7).

If, from an economic perspective, not all material opportunities and risks have been transferred, leasing agreements are classified as operating leases and the income and expenses derived there from are recognised in the income statement.

A.6.2.5.3 Depreciation

Straight-line depreciation is applied within the Group using uniform useful lives.

Useful lives	Years
Land & buildings	40 - 50
Machinery and other technical facilities	10 -15
Tooling	1-7
Other plant and office equipment	5 - 15

The depreciation methods, the usual useful life and the residual values are checked annually. No depreciation is charged on land.

A.6.2.6 Investment properties

Investment properties are stated at cost less accumulated depreciation. Transaction costs are included on initial measurement. The fair values of investment properties are disclosed in the notes. These are assessed using internationally accepted valuation methods. The fair values are calculated based on the income method and are supported by the results of the sales comparison method which compares a subject property's characteristics with those of comparable properties which have recently sold in similar transactions and uses multiples to calculate the fair value. Comparable characteristics that are used for the multiples are the construction level and the specific rent level. Depreciation is provided on investment property other than land, on a straight-line basis over the expected useful life which is 30 years.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the cost less accumulated depreciation at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

A.6.2.7 Impairment of non-current assets

Assets that are subject to depreciation/amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable (see A.6.2.7.1).

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units), generally individual business units. Prior impairments of nonfinancial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Impairment is recognised if the carrying value of an asset or its cash-generating unit exceeds the recoverable amount. Impairments are reported in the income statement.

The Group performed reviews at the reporting date to determine whether there were indications that assets or their cash-generating units have to be impaired. The triggering event for the impairment of customer and engineering contracts is a budget that causes sales revenues from customer and engineering contracts to be reduced in the future.

The triggering event for the impairment of technology is also a budget that causes revenues to be reduced in the future or material changes in determination of royalty rate.

The triggering event for the impairment of patent and intellectual property is change in future economic benefits embodied in the asset.

As of the reporting date, no impairments have been identified on customer and engineering contracts, technology or fixed assets.

A.6.2.7.1 Recoverable amounts

The recoverable amount of an asset or a cash-generating unit is the higher of fair value less costs of disposal and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For assets that primarily do not generate independent cash flows, the recoverable amount was determined for the cash-generating units to which these assets belonged.

A.6.2.7.2 Impairment reversals

In case events which caused impairment initially ceases to exist, impairments are only reversed to the extent that increased carrying amount of the asset does not exceed the carrying amount that would have been in place had there no impairment been carried out in the first place, taking into account the normal depreciation/amortization.

A.6.2.8 Financial instruments

A financial instrument is any agreement that leads to the generation of financial asset at one company and/or to a financial liability or equity instrument at another. Financial instruments can be placed into one of four categories according to their intended purpose: financial assets measured at fair value through profit or loss, financial assets held to maturity, loans and receivables, financial assets available for sale.

Financial instruments include primary financial instruments such as receivables and trade liabilities, securities, debt instruments and other financial liabilities. They also include derivative financial instruments used to hedge against risks arising from changes in exchange rates and interest rates.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

A.6.2.8.1 Primary financial instruments

Primary financial instruments are allocated to one of four categories according to their intended purpose. This allocation is re-assessed at each reporting date and it is determined whether the asset is to be reported as current or non-current.

a. Financial assets carried at fair value through profit or losses are initially recognised at fair value, and transaction costs are expensed in the income statement. Changes in the fair value of financial assets measured at fair value – either because they have been reported as such upon initial recognition or are held for trading – are recognised directly in the income statement. They are also reported as current assets if they are being held for trading or it can be reasonably expected that they will be converted within twelve months from the reporting date.

b. Financial assets held to maturity are initially recognised at fair value plus transaction costs. Financial assets held to maturity which exhibit fixed or determinable payments and a fixed maturity period, and which the Group wishes and is able to hold until maturity are measured at amortised cost and reported depending on their maturity period as non-current or current assets. Impairments are recorded in profit or loss.

c. Loans and receivables are initially recognised at fair value plus transaction costs. Loans and receivables that have fixed or determinable payments and are not listed on an active market are measured at amortised cost using the effective interest method less any necessary write-downs arising from impairments. They are reported in the statement of financial position under other receivables and other assets unless they are trade receivables, and are recorded as non-current or current depending on their maturity period.

d. Available-for-sale financial assets that have been reported as such upon initial recognition are measured at fair value, provided that this can be determined, and then reported as non-current or current assets, depending on the expected time of sale. Gains and losses from changes in fair value are recorded net, i.e. after tax, and taken directly to equity ("Other comprehensive income") until the financial asset has been derecognised. In the event that an asset is impaired permanently, however, the loss must be recorded directly in the income statement. If it is not possible to determine the fair value, for example with holdings in non-consolidated affiliated companies or other investments in companies, these assets are measured at cost.

Financial liabilities are initially recognised at fair value less transaction costs for liabilities not recognised at fair value through profit or loss. Subsequently financial liabilities from primary financial instruments are measured at amortised cost. The Group measures all financial liabilities except derivatives at amortised cost, which encompasses the remaining debt amount less expenses. Liabilities from finance leases are measured at the present value of the remaining minimum lease payments on the basis of the interest rate underlying the leasing agreement. Financial liabilities with fixed or determinable payments that are neither debt instruments nor derivative financial instruments listed on an active market are reported in the statement of financial position under other liabilities in accordance with their maturity.

All material financial instruments are therefore measured at historical cost or amortised cost less impairments.

A.6.2.8.2 Derivative financial instruments

Derivative financial instruments that are not part of a hedging relationship are carried at fair value upon initial recognition, corresponding to the fair value of the consideration received or given in return. After initial recognition, derivative financial instruments are carried at fair value, which is based on the market value of the financial instrument. Any changes in fair value are recorded directly in profit or loss.

A.6.2.9 Inventories

Inventories are initially measured at cost, which comprises those costs directly attributable to the production process and an appropriate share of production overheads based on normal operating capacity. This includes write-downs related to production and a reasonable proportion of the administrative and social security costs. Financing costs are not included in the acquisition or production costs. Costs for raw materials and supplies are determined using the moving weighted average prices.

In the course of the subsequent valuation, inventories are carried at the lower of the cost or net realisable value at the reporting date. The net realisable value is the estimated selling price that could be achieved in the course of normal business less estimated costs of completion and sales costs. Impairments take into account reduced market viability and excessive storage times as indicator for a reduced net realisable value. If the reasons for the impairment no longer apply, the impairments are reversed in full.

A.6.2.10 Construction contracts

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion. Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. The Group uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The Group determines the level of completion on the basis of milestones achieved to date. If it is not possible to determine the level of completion reliably, revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable. Therefore, no profit is reported in such a situation ("zero profit margin method"). The costs include all expenses incurred in direct relation to the specific projects and a proportion of the fixed and variable general costs incurred on the basis of normal capacity for the Group's construction contracts. On the balance sheet, the Group reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognised profits (less recognised losses) exceed progress billings; a contract represents a liability where the opposite is the case.

A.6.2.11 Trade receivables

Trade receivables are carried as applicable using the effective interest method at amortised cost less any impairment. Impairment is carried out if delays or defaults become likely in specific cases.

A.6.2.12 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and bank deposits that each has an original maturity of less than three months.

A.6.2.13 Income taxes

Current taxes are those taxes foreseeably payable on a year's taxable income in accordance with the statutory tax rates or tax rates that had been substantially adopted as of the reporting date, as well as all adjustments to payable taxes in relation to previous reporting periods.

Income taxes for the annual result reported in the income statement comprise current taxes and deferred taxes. Income taxes are recorded in the income statement unless they relate to items recognised directly in equity or in other comprehensive income. In this case, the income taxes incurred are also recognised directly in equity or in other comprehensive income.

Deferred tax assets and liabilities are recognised for all temporary differences between the carrying amount as per IFRS and the relevant tax assessment basis. Deferred tax liabilities are not recognised for temporary differences ("outside-basis differences") if the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax liabilities for dividends from subsidiaries will be recognised if the parent company determines that the profits of the respective subsidiary will be distributed in the foreseeable future. Deferred tax assets contain tax assets that are derived from the expected utilization of unused tax losses and unused tax credits, unless it is improbable that the future taxable profits will be available against which the temporary differences can be utilized. Deferred taxes are calculated on the basis of the tax rates that are expected to apply to the period when the asset is realized and the liability is settled, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period in the respective country.

A.6.2.14 Provisions

A.6.2.14.1 Pension provisions

Companies within the Group operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in income.

When a settlement or a curtailment occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in the income statement during the period in which the settlement or curtailment occurs.
The value of a net pension benefit asset is restricted to the present value of any amount the Group expects to recover by way of refunds from the plan or reductions in the future contributions after considering any legal or contractual minimum funding requirements. The minimum funding requirements stipulate a minimum amount or level of contributions that must be made to a plan over a given period and may limit the ability of the entity to reduce future contributions and considered respectively in determining the economic benefit from the plan.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A.6.2.14.2 Warranties

A provision is recognised for expected warranty claims on products previously sold, based on past experience of the level of repairs and returns. It is expected that most of these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the warranty period for all products sold.

A.6.2.14.3 Tax provisions and other provisions

Provisions for tax and other purposes are recognised to accommodate the possibility that current legal or constructive obligations against third parties resulting from a past event exist, and that it is probable that an outflow of economic benefits will be required to settle the obligation, and that the amount of these obligations can be estimated reliably.

Long-term provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. Short term provisions are carried at their redemption value and are not offset against receivables from reimbursements.

A.6.2.15 Government grants and grants from private companies & institutions

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment. Government grants in respect of capital expenditure are credited to the acquisition costs of the respective fixed asset and thus are released as income over the expected useful lives of the relevant assets. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate as the conditions attached to the grants are met.

Grants from private companies and institutions are accounted for in a manner similar to the accounting for government grants, if the grants are comparable to government grants in their nature and the conditions related to these grants are satisfied.

A.6.2.16 Liabilities

Liabilities from finance lease are initially carried at equal to the fair value of leased property, or if lower, the present value of minimum lease payments. The lease payments are then separated into financing costs and the redemption of the remaining liability.

Other liabilities are measured - as applicable - at amortised cost using the effective interest method.

A.6.2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

A.6.2.18 Recognition of income and expenses

Sales revenue and other operating income is recognised when ownership of an asset changes hands or the opportunities and risks related to the property are transferred to the customer, when the amount of the income has been determined or can be determined, and when there is sufficient likelihood that the economic benefit from the sale will flow to the Group. Sales revenue from the sale of goods is measured at the fair value of the consideration received or to be received less product returns, rebates and discounts for early payment. Revenues from the sale of services are recorded with respect to the stage of completion as of the reporting date in relation to the total service to be provided in the course of the transaction.

Operating expenses are recognised when goods or services are used or when the expense is incurred. Anticipated losses from construction contracts are directly recognised as expenses.

Interest is recognised using the effective interest method as an expense or income for the period in which it occurs. Interest payments for finance leases are calculated by breaking down the minimum lease payments into financing costs and redemption payments for the remainder of the liability and spreading the financing costs over the periods covered by the term of the leasing agreement. This allows a constant, periodic interest rate for the remainder of the liability to be calculated. Payments from operating leases are recognised over the term of the leasing agreement using a straight-line distribution in the income statement.

Dividend income is recognised when the right to receive payment is established.

A.6.2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the supervisory board that makes strategic decisions.

All amount in Euro'000, unless otherwise stated

A.6.3 Disclosures regarding consolidated financial statements

A.6.3.1 Cash and cash equivalents

	December 31, 2014
Cash at bank	82,002
Cash in hand	116
Total cash and cash equivalents	**82,118**

A.6.3.2 Property, plant and equipment

Acquisition and disposals
During the nine months ended December 31, 2014 the Group acquired assets with a cost of k€ 150,347.
Assets with a net book value of k€ 2,276 were disposed by the Group during the nine months ended December 31, 2014.
Refer to note A.6.4.2 for capital commitments.

A.6.3.3 Financial liabilities

	December 31, 2014
Non-current financial liabilities	
Liabilities to bank and financial institutions	502,132
Finance lease liabilities	11,690
Total non-current financial liabilities	**513,822**
Current financial liabilities	
Liabilities to bank and financial institutions	55,264
Finance lease liabilities	8,026
Total current financial liabilities	**63,290**

A.6.3.4 Revenues

	Period ended December 31, 2014
Sale of products	2,250,097
Sale of tooling	243,866
Total revenues	**2,493,963**

All amount in Euro'000, unless otherwise stated

A.6.3.5 Changes in inventories

	Period ended December 31, 2014
Opening stock of	
finished goods	39,253
work-in-progress	19,005
Less: closing stock of	
finished goods	(42,787)
work-in-progress	(20,855)
Total change in inventories	**(5,384)**

A.6.3.6 Other operating income

	Period ended December 31, 2014
Subsidies /Income from investment grants	3,564
Income from development work and other recoveries from customers	5,302
Rental income	924
Royalty income	1,108
Gain from the sale of property, plant and equipment and intangible assets	49
Provisions written back/gain on reversal of bad debt allowance	536
Income from de-recognition of liabilities	10,484
Other income	25,547
Total other operating income	**47,514**

A.6.3.7 Cost of materials

	Period ended December 31, 2014
Raw material	1,673,298
Total cost of materials	**1,673,298**

All amount in Euro'000, unless otherwise stated

A.6.3.8 Personnel expenses

	Period ended December 31, 2014
Wages and salaries	322,801
Paid labour rendered by third parties	72,404
Social security costs (incl. pensions costs from defined contribution plans)	46,127
Pensions costs from defined benefit plans (service cost)	12,322
Total personnel expenses	**453,654**

A.6.3.9 Depreciation and amortization

	Period ended December 31, 2014
Depreciation of property, plant and equipment	57,406
Amortization of intangible assets	6,123
Total depreciation and amortization	**63,529**

A.6.3.10 Other operating expenses

	Period ended December 31, 2014
General administration expenses	87,236
Energy	41,113
Repairs and maintenance	40,085
Rent & lease	25,918
Freight & forwarding	24,642
Bad debts/advances written off	602
Auditors remuneration	2,875
Net foreign exchange loss	3,279
Legal & professional expenses	17,411
Total other operating expenses	**243,161**

A.6.3.11 Financial costs and income

	Period ended December 31, 2014
Interest income	767
Total finance income	**767**
Interest expenses finance leases	1,256
Foreign exchange losses	667
Interest expense on borrowings	23,395
Write off of unamortised upfront fees and other similar expenses	6,482
Interest expense on defined benefit obligations	248
Total finance cost	**32,048**

Foreign exchange gain / loss contain amounts from the revaluation of foreign currency financial liabilities.

All amount in Euro'000, unless otherwise stated

A.6.3.12 Share of the profits or loss of joint ventures accounted for using the equity method

	Period ended December 31, 2014
Share of after-tax profits/(losses) of joint venture accounted for under the equity method	5,555

A.6.3.13 Share of the profits or loss of associates accounted for using the equity method

	Period ended December 31, 2014
Share of after-tax profits/(losses) of associate accounted for under the equity method	13

A.6.3.14 Income taxes

Deferred income taxes are calculated using the balance-sheet based liability method. Deferred tax assets and liabilities are recognised for all temporary differences between the carrying amount of an asset or liability and the values used for taxation purposes. Deferred tax assets are also recognised for tax-loss carry forwards to the extent it is probable that future taxable profits will be available. For this reason, the recognition of all deferred tax assets based on tax losses is carried out with suitable consideration given to their realisation. Deferred taxes are determined on the basis of tax rates that are applicable or can be expected at the time of the realisation of the gain.

The income tax credit/expense for the three years comprises the following:

	Period ended December 31, 2014
Current Year	29,459
Prior year adjustments	-
Current Tax expense	**29,459**
Development and reversal of temporary differences	(4,677)
Current deferred tax expense/(credit)	**(4,677)**
Total income taxes	**24,782**

There is no significant change in corporate tax rates, in jurisdictions where group operates, having material impact on current charge and future adjustment to the carrying amounts of assets and liabilities. Due to the short-term nature of cash and cash equivalents and the short-term maturities of trade receivables and liabilities and other current receivables and liabilities, their fair values are equal to their carrying amounts.

A.6.4 Other disclosures

A.6.4.1 Operating segment information

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker ("CODM") in taking strategic decisions. Those operating segments are SMR Group and SMP Group which are also the reportable segments.

SMR Group

SMR Group develops and produces a wide range of exterior mirrors from simple prismatic versions up to complex multi-function systems. In addition to the mirror technology, the Group develops and produces driver assistance systems such as detection systems in the door mirror for monitoring blind spots or mirror turn signals. It has production facilities and engineering centres in 14 countries across the globe.

SMP Group

SMP Group supplies plastic parts and system modules for vehicle interiors and exteriors. Products for vehicle interiors include in particular interior door panels and dashboards. For exteriors, bumpers and other bodywork components are manufactured. The product range encompasses individual parts and complete modules, with engineering and tooling services also being provided. It has production facilities and engineering centres in 7 countries across the globe.

The CODM considers revenues from external parties, EBITDA (Earnings before interest, tax, Depreciation and Amortisation), profit before taxes and assets of each of the segments in taking strategic decisions. These amounts are measured in a manner consistent with that of the financial statements. Segment assets comprise of trade receivables, inventories and cash and cash equivalents. Geographically, the CODM considers the performance of sales in the Americas, Europe and Asia Pacific.

All amount in Euro'000, unless otherwise stated

Transfer prices for transactions between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	SMR	SMP	Unallocated / Inter-segment knocking off	Total
Segment revenue:				
Sales to external customers	884,496	1,609,467	-	2,493,963
Inter-segment sales	64	-	(64)	-
Total revenue	**884,560**	**1,609,467**	**(64)**	**2,493,963**
Results:				
EBITDA	83,665	93,083	-	176,748
Segment results	60,663	52,556	-	113,219
Interest income	-	-	767	767
Interest expense	-	-	(32,048)	(32,048)
Share of after-tax profits/(losses) of joint ventures accounted for under the equity method	-	-	5,555	5,555
Share of after-tax profits/(losses) of joint ventures accounted for under the equity method	-	-	13	13
Profit before tax	**60,663**	**52,556**	**(25,713)**	**87,506**
Income taxes	-	-	(24,782)	(24,782)
Profit after tax	**60,663**	**52,556**	**(50,495)**	**62,724**
Segment assets:				
Inventory, debtors and cash	246,913	391,223	-	638,136
Others	285,899	582,439	-	868,338
Inter-segment assets	5,023	58,942	(63,965)	-
Total assets	**537,835**	**1,032,604**	**(63,965)**	**1,506,474**
Other items:				
Depreciation and amortization	23,002	40,527	-	63,529
Capital expenditure	32,849	117,498	-	150,347
Investment in joint venture	9,570	13,679	-	23,249
Investment in associate	273	-	-	273

A.6.4.2 Contingencies and capital commitments

Contingencies

In the ordinary course of business activities, the Group may be contingently liable for litigation and claims with customers, suppliers, former employees and other parties. In addition, the Group may be, or could become, liable to incur environmental remediation costs to bring environmental contamination levels back within acceptable legal limits. On an on-going basis, the Group assesses the likelihood of any adverse judgments or outcomes to these matters as well as potential ranges of probable costs and losses. A determination of the provision required, if any, for these contingencies is made after analysis of each individual issue. The required provision may change in the future due to new developments in each matter or changes in approach such as a change in settlement strategy in dealing with these matters.

The tax position taken by the Group with respect to certain transactions and calculations may be challenged by tax authorities for reasons including transfer pricing, the availability of deductions for interest expense and other deductible items, the treatment of acquisition, refinancing and reorganization transactions, intercompany funding arrangements, the application and effect of tax "holidays" and the calculation of deferred tax assets and liabilities. The Group does not expect any significant cash outflow in respect of these contingencies.

Capital commitments
At December 31, 2014, amounts contracted for but not provided in the financial statements for the acquisition of property, plant and equipment amounted to k€ 116,677 for the Group.

A.6.4.3 Related parties

During the period the Group entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, include the sale and purchase of goods and services. In addition, financing transactions have been undertaken.

Entities with joint control over the Group
SMP Group and SMR Group were jointly controlled by Motherson Sumi Systems Limited and Samvardhana Motherson International Limited prior to June 13, 2014. On June 13, 2014 SMRPBV acquired the majority of the outstanding shares of SMR Group through the issuance of new shares to the shareholders of SMR Group.

Samvardhana Motherson Global Holdings Limited, Cyprus, the direct parent company of Samvardhana Motherson Automotive Systems Group B.V (SMRPBV) (earlier known as Samvardhana Motherson B.V.) holds 69% of the voting shares of the Group.

Samvardhana Motherson Polymers Limited, India holds 31% of the voting shares of SMRPBV.

Samvardhana Motherson Global Holdings Limited and Samvardhana Motherson Polymers Limited itself is indirectly held by both MSSL, India, which prepares financial statements available for public use and by SMIL, India. MSSL and SMIL are referred to as the substantial shareholders of the Group.
SMIL is owned by Mr. V.C. Sehgal and family. SMIL holds an equity interest (36.92%) in MSSL.
As a result, MSSL and SMIL and its direct and indirect held subsidiaries, except for the companies forming the subgroup of Samvardhana Motherson Automotive Systems Group B.V are considered as related parties.

All amount in Euro'000, unless otherwise stated

Details of related party transactions

	Period ended December 31, 2014					
	Substantial shareholders	**Entities in which V.C. Sehgal and family holds significant influence**	**Fellow subsidiaries**	**Joint venture of holding companies**	**Entities in which Key management personnel hold significant influence**	**Total**
Sales	546	-	146	-	-	692
Purchases	21,682	29	21,327	5	2,292	45,335
Interest and similar income	-	-	47	-	-	47
Miscellaneous expenses	26	1,521	1,712	-	114	3,373
Interest expenses	248	326	-	-	-	574
Inter corporate and security deposits given	-	75	5,759	-	-	5,834
Repayment of inter-corporate deposit	24,300	-	50,886	-	-	75,186
Inter-corporate deposits taken	362	-	18,748	-	-	19,110
Reciept of Inter-corporate deposit given	-	-	5,750	-	-	5,750
Rental income	-	-	87	-	-	87
Purchase of assets	53	14	118	88	-	273
Sale of shares	-	49	-	-	-	49
Miscellaneous income	203	417	301	-	-	921

Details of related party balances

	As at December 31, 2014					
	Substantial shareholders	**Entities in which V.C. Sehgal and family holds significant influence**	**Fellow subsidiaries**	**Joint venture of holding companies**	**Entities in which Key management personnel hold significant influence**	**Total**
Receivables	203	1,948	73	1	-	2,225
Payables	4,929	1,103	6,110	26	-	12,168
Security Deposits Receivable	79	478	-	20	-	577
Security Deposits Payable	-	-	41	-	-	41

A.6.4.4 Risk management with respect to financial risks-

The Group in its capacity as an internationally active supplier for the automobile industry is exposed to various risks with each of its business segments and products. The global presence and decentralised management structure with the main activities in the plants make an organised risk management system necessary. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks.

The successful management of opportunities and risks is part of operating a business and is the primary task of all management personnel. During the regular management meetings at all management levels, opportunities, risks and optimisation measures are subjected to systematic treatment. Rapid, open and unhindered communication between all levels of management on the risks and imminent exceptional situations ensure that potential risks can be identified at an early stage and their effects can be limited. Risk awareness and the integration of risk management into management personnel's on-going duties at an organisational level enable the Group to identify risks immediately and to eliminate them or to minimise their effects on the net asset, financial and income position.

A detailed examination has revealed that the risks detailed below are manageable for the SMRPBV Group.
The Group is exposed in particular to credit risks with regard to trade receivables, liquidity risks and market risks from changes in interest rates and exchange rates. The Group counters customer default risks by monitoring customers continuously and carrying out regular credit checks. Liquidity is secured by means of medium-term loans, pre-emptive liquidity planning and daily liquidity reporting. Interest and currency risks are monitored on a monthly basis centrally by the finance department and the Group's Board of Management.

The Group has developed guidelines on risk controlling and the use of financial instruments. These guidelines contain a clear allocation of duties. Risks are controlled and monitored by means of operational and financial measures.
The risks listed below are not so material that they would result in extraordinary concentrations of risk.

Credit risk
Credit risk is the risk of economic loss caused by a counterparty not fulfilling his contractual obligations with respect to repayment or the servicing of liabilities. The maximum amount of the credit risk is equal to the carrying amounts of the receivables. The Group has developed guidelines for the management of credit risk from trade receivables. The Group's primary customers are major European automobile manufacturers (OEMs) with good credit ratings. Non-OEM clients are subjected to credit assessments as a precautionary measure and the adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default. Suppliers are also regularly subjected to monitoring and credit assessments. If critical changes arise, alternative suppliers are sought.

The Group has deposited liquid funds at various banking institutions. Primary banking institutions are major international banks. In long term credit ratings these banking institutions are considered to be investment grade.

Liquidity risk

The liquidity risk encompasses any risk that the Group cannot fully meet its financial obligations. To manage the liquidity risk cash flow forecasting is performed in the operating entities of the group and aggregated by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and if applicable external regulatory or legal requirements – for example currency restrictions. Furthermore, in the case of an expected breach of covenants Group management evaluates early counteractions to prohibit negative impacts for the Group out of a breach of covenants.

Market risk

The Group is also exposed to market risk with respect to changes in interest rates and foreign exchange rates. These changes may affect the operating result and financial position.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations related to floating interest rates.

The Group's exposure to the risk of changes in market interest rates relates to its floating rate loans and other borrowings

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's equity, earnings and cash flows are influenced by a wide variety of currencies due to the geographic diversity of the Group's sales and the countries in which it operates. The Euro, Korean Won and US dollar, however are the currencies in which the majority of the Group's sales are denominated. The Group also has transactional currency exposures arising from sales or purchases by operating subsidiaries in currencies other than the subsidiaries functional currencies. Most of the Group's borrowings are denominated in the functional currency of the Group entity that holds the instrument.

The Group is also exposed to movements in foreign currency exchange rates in respect of the translation of net assets and income statements of foreign subsidiaries.

The balance sheet and results of the Group can be affected by the movement in exchange rates. The long term relationship between the currencies of most of the countries where the Group operates provides a degree of natural protection; however in short-term it can be volatile.