

For immediate release

MAHINDRA FORGINGS LIMITED ANNOUNCES UNAUDITED FINANCIAL RESULTS

Mumbai, January 31, 2013: The Board of Directors of Mahindra Forgings Limited (MFL) announced the unaudited financial results for the Quarter ended 31st December, 2012 at its meeting held today.

MFL Consolidated Highlights

Particulars (Rs crs)	Q3 (2012-13)	Q3 (2011-12)	Cum. Q3 (2012-13)	Cum. Q3 (2011-12)	F2012 (2011-12)
Revenue	490	599	1,652	1,826	2,440
EBIDTA	7	57	69	178	208
PAT	-31	16	-45	54	51

MFL Standalone Highlights

Particulars (Rs crs)	Q3 (2012-13)	Q3 (2011-12)	Cum. Q3 (2012-13)	Cum. Q3 (2011-12)	F2012 (2011-12)
Revenue	109	110	331	317	432
EBIDTA	18	12	47	33	41
PAT	11	2	25	6	7

Highlights : October - December '12

Europe

Revenue in Q3 F13 is Euro 55 Mn against Euro 73 Mn. in Q3 F 12.

India

Revenue in Q3 F13 is Rs 109 Crs which is on the same level as that in Q3 F 12.

Consolidated

- The revenue numbers for the current quarter include a currency translation gain of Rs 11 crores while the EBITDA includes currency translation gain of Rs 19 crores in stock valuation due to fluctuation in Euro-Rupee Exchange Rate.
 - Revenue has reduced by 18% in Q3 F13 as compared to Q3 F12 largely on account of lower revenues in Europe. Without considering Currency Translation Gain Revenue is lower by 20% compared to Q3 F12.
 - EBITDA Margin in current quarter is 1.5%.
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Highlights : April – December 12

Europe

- Revenue has reduced to Euro 194 Mn in Cum Q3 F13 as compared to Euro 231 Mn in Cum Q3 F 12. This represents 16% reduction over Cum Q3 F 12.
- In Euro terms, the EBITDA margin is 0.5% compared to 8.3% in the previous year. This drop is mainly because of the decrease in market demand – Heavy truck registrations in Germany has declined by 11% cumulatively for the first three quarters compared to a corresponding period in the previous years.

India

- Revenue increased by 4% in Cum Q3 F13 as compared to Cum Q3 F 12.
- EBITDA has improved to 14% in Cum Q3 F13 over 10% in Cum Q3 F 12, mainly due to improvement in operations.

Consolidated

- In the current year, currency translation gain of Rs 69 Crs is included in revenue due to appreciation of Euro compared to Rupee; while the EBITDA includes currency translation gain of Rs 18 crores in stock valuation due to fluctuation in Euro-Rupee Exchange Rate.
- Revenue reduced by 10% in Cum Q3 F13 as compared to Cum Q3 F 12 largely on account of lower revenues in Europe. The reduction in consolidated revenue is 13% without considering the currency translation gain due to appreciation of Euro compared to Rupee.
- EBITDA Margin in Cum Q3 F13 is 4% compared to 10% in Cum Q3 F 12. The increase in margins in India in has been countermanded by the reduction in margins in Europe.

OUTLOOK

India

- MFL target segments in India are the passenger car, utility vehicles (UV) & tractor markets. In the first three quarters of the current financial year, the production of UVs grew 38% compared to the corresponding period of last year; in contrast, production of cars shrank by 0.1% in the same period. Overall, passenger vehicle (cars + UVs) production experienced a growth of ~7% at the end of the 3rd Quarter of the current financial year. The UV market will continue to experience growth but the high growth rates may taper, the car market is slowly recovering and taken together the overall passenger vehicle market in the last quarter of the financial year will continue to experience similar growth rates as in the first three. Tractor sales in first three quarters of FY13 shrank by 2% compared to the corresponding period last year and growth expectations for the next quarter continue to be modest.

Europe

- MFE target segment in Europe is heavy trucks. Data on heavy truck (>6T) registrations in Germany first three quarters of FY13 indicates a decline of 11% over the same period last year. Heavy truck registrations declined by 5% in Q1FY13 (Apr-Jun'12), by 13% in Q2FY13 (Jul-Sep'12) and by 16% in Q3FY13 (Oct-Dec'12) against the corresponding periods in the last financial year. Cumulative registrations declined by 11% for the first three quarters of the financial year against the corresponding period of last year. The declining trend is expected to continue into the next quarter.

ABOUT MAHINDRA FORGINGS LIMITED (MFL)

We are one of the leading forging companies in the world. We manufacture and supply engine and chassis forged components for commercial and passenger vehicles and other non-automotive products..

We are a part of the Mahindra group referred to as 'Mahindra Systech'.

We have a diversified and complementary product portfolio across geographies. In India, our Company is focused on design, development and machining of crankshafts and steering knuckles for cars and multi-utility vehicles. Schöneweiss, our German subsidiary, is one of the leading axle beam manufacturers in the world. Jeco-Jellinghaus GmbH ("Jeco"), Gesenkschmiede Schneider GmbH ("GSA") and Falkenroth Umformtechnik GmbH ("Falkenroth"), our other German subsidiaries, are providers of a diverse range of forging products, primarily for heavy commercial vehicles, and collectively manufacture more than 250 products. Stokes Group Limited, our subsidiary in UK, has an expertise in flashless forgings for passenger car applications.

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