

For immediate release

MAHINDRA FORGINGS LIMITED ANNOUNCES UNAUDITED FINANCIAL RESULTS

Mumbai, July 31, 2012: The Board of Directors of Mahindra Forgings Limited (MFL) announced the unaudited financial results for the Quarter ended 30th June, 2012 at its meeting held today.

MFL Consolidated Highlights

Particulars (Rs crs)	Q1 (2012-13)	Q1 (2011-12)	F2012 (2011-12)
Revenue	597	611	2,440
EBIDTA	42	55	208
PAT	5	18	51

MFL Standalone Highlights

Particulars (Rs crs)	Q1 (2012-13)	Q1 (2011-12)	F2012 (2011-12)
Revenue	105	95	432
EBIDTA	12	9	41
PAT	5	-1	7

Highlights : April - June '12

Europe

Revenue in Q1 F13 is Euro 71 Mn against Euro 80 Mn. in Q1 F 12.

India

Revenue in Q1 F13 is Rs 105 Crs, against Rs 95 Crs in Q1 F 12 representing an increase of 11% over Q1 F12.

Consolidated

- The revenue numbers for the current quarter include a currency translation gain of Rs 36 crores while the EBITDA includes currency translation gain of Rs 14 crores in stock valuation due to fluctuation in Euro-Rupee Exchange Rate.
 - Revenue has reduced by 2% in Q1 F13 as compared to Q1 F12. Without considering Currency Translation Gain Revenue is lower by 8% compared to Q1 F12.
 - EBITDA Margin in current quarter is 7.1%. After excluding currency translation gain of foreign subsidiaries in Revenue Rs 36 Crs & currency translation gain in EBITDA Rs 14 Crs EBITDA works out to 5.2% in Q1 F13. The reduction in margins is due partly to mix and output changes at heavy truck customers, slower introduction of new products in the European truck industry, as well as higher operating costs due to equipment downtime.
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OUTLOOK

India

- The growth trajectory in the Indian auto industry (Passenger Vehicles and Commercial Vehicles) continued to follow an upward trend in Q1-FY13. Compared to corresponding period in FY12, passenger vehicles production grew by 9% led by a phenomenal growth of over 54% in the UV segment. In commercial vehicles, LCVs grew by 9% this quarter over Q1-FY12 with both passenger and goods segments contributing to the growth. However in M/HCVs, while the passenger segment grew by 11%, the goods segment shrunk by 26% resulting in the overall decline of 21% in the M/HCV segment. Slowdown in overall economic activities may have contributed to the decline in the M/HCVs. That said, commercial and passenger vehicles are still expected to grow in FY13 by ~7% and ~12% respectively.

Europe

- Production of heavy trucks in Germany (largest segment for MFL Europe) hovered around ~60-65% of levels existing before the financial crisis experienced in FY09 and FY10. Data on heavy truck production for Q1-FY13 suggest a decline of 5.4% over the same period last year. The decline mainly due to fall in export demand by 6.9% over corresponding quarter last year. Domestic registrations of heavy trucks too have shrunk by 5% over Q1-FY12.
- The strong growth has led to strong pressure on price of inputs like steel and on wage costs.

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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