

For immediate release

**MAHINDRA CIE AUTOMOTIVE LIMITED (Formerly known as MAHINDRA FORGINGS LIMITED) ANNOUNCES UNAUDITED FINANCIAL RESULTS**

Mumbai, October 21, 2014: The Board of Directors of Mahindra CIE Automotive Limited (MCIE) today announced the unaudited financial results for the Quarter ended 30<sup>th</sup> September, 2014 of the company.

**MCIE Consolidated Highlights**

Particulars (Rs Mio)	Q2 (2014-15)	Q2 (2013-14)	H1 F15 (2014-15)	H1 F14 (2013-14)	F 2014 (2013 - 14)
Revenue	6,062	6,452	12,540	12,338	25,908
EBIDTA	502	272	848	560	1,087
PAT	58	-58	-127	-306	-815

**MCIE Standalone Highlights**

Particulars (Rs Mio)	Q2 (2014-15)	Q2 (2013-14)	H1 F15 (2014-15)	H1 F14 (2013-14)	F 2014 (2013 - 14)
Revenue	944	949	1930	1984	3,865
EBIDTA	131	105	291	246	523
PAT	46	44	111	100	180

**Highlights : July - September '14 (Q2 F 15)**

**India**

Revenue in Q2 F15 is Rs 944 mio , which is at same level as in Q2 F14. EBITDA Margin has improved to 13.9 % in Q2 F15 as compared to 11.1% in Q2 F14 due to operational efficiencies.

**Europe**

Revenue in Q2 F15 is Euro 63 mio which is lower by 7% compared to Q2 F14. EBITDA margin in Q2 F 15 is 7.2%, which has improved significantly from 3.1% in Q2 F 14.

**Consolidated**

Revenue has reduced by 6 % in Q2 F15 as compared to Q2 F14. The revenue numbers for the current quarter include a currency translation gain of Rs 178 mio due to fluctuation in Euro-Rupee Exchange Rate between Q2 F15 and Q2 F 14. Without considering Currency Translation Gain, Revenue in current quarter is lower by 8.8% compared to Q2 F14.

EBITDA margin in Q2 F 15 is 8.3%, which has improved from 4.2% in Q2 F 14. Q2 F 14 numbers of foreign subsidiaries have been restated by translating inventory and depreciation at average exchange rates instead of period end rates.

## **Highlights : April - September '14 (H1 F 15)**

### **India**

Revenue in H1 F15 is Rs 1930 mio , 2.7% lower than in H1 F14 mainly due to slow down in auto market in India.

EBITDA Margin has improved to 15.1 % in H1 F15 as compared to 12.4% in H1 F14 due to operational efficiencies.

### **Europe**

Revenue in H1 F15 is Euro 133 mio which is at the same level as that of H1 F 14.

EBITDA margin in H1 F 15 is 5.2%, which has improved significantly from 3.0% in H1 F 14.

### **Consolidated**

Revenue has increased by 1.6 % in H1 F15 as compared to H1 F14. The revenue numbers for the current quarter include a currency translation gain of Rs 402 mio due to fluctuation in Euro-Rupee Exchange Rate between H1 F15 and H1 F 14. Without considering Currency Translation Gain, Revenue is marginally lower than H1 F14.

EBITDA margin in H1 F 15 is 6.8%, which has improved from 4.5% in H1 F 14.

H1 F 14 numbers of foreign subsidiaries have been restated by translating inventory and depreciation at average exchange rates instead of period end rates.

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## OUTLOOK

### India

MCIE target segments in India are the passenger car, utility vehicles (UV) & tractor markets.

- In the current financial year, the production of UVs has continued to grow by a healthy 25% in Q2 compared respectively to the corresponding quarter of the last year. Overall the UV production has shown good growth in H1FY14 by ~20% compared to the corresponding period last year
- The production of cars in Q2F15 has grown marginally by ~2% compared to the corresponding period in the previous year. Overall the production of cars have shown marginal growth in H1FY14 by ~2% compared to the corresponding period last year
- Combined, passenger vehicle (cars + UVs) production Q2F15 has grown by 6% and overall grown by ~5% in H1 F15 compared to the corresponding periods previous year. The production at our top3 customers grew by 8% in Q2 F15 and about 5% in H1 F15. Meanwhile production at Indian owned OEMs; who are 2 out of our top 3 customers, has degrown by 18.9% in Q2 F15 resulting in an overall degrowth by ~21% in H1 F15 as compared to the corresponding period in F14.
- The cumulative Tractor industry production has shown a slight decline of ~1% in Q2 F15 compared to the corresponding period in the previous year. Overall though in H1 F15 the growth is marginal by about 1.5%.
- Leading auto industry analyst CRISIL, expects the Auto industry to return on to the growth trajectory in 2014-15. But this return to growth is expected to be gradual. In line with this we expect a slight growth in next quarter. CRISIL also expects the domestic tractor market to show marginal growth, which is in line with our assessment.

### Europe

- MCIE target segment in Europe is heavy trucks. Data on heavy truck (>6T) registrations in Germany an uptick of 6.5% in Q1 F15 but has shown a degrowth by ~4% in the first two months of Q2 F15 over the same period in the previous year. The market conditions in the rest of the year are expected to remain stable or show a small decline.

### ABOUT MAHINDRA CIE AUTOMOTIVE LIMITED (MCIE)

- We are one of the leading automotive 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 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-Jøllinghaus 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.

- We are also now a part of CIE Automotive Group.
- As of 28th November 2013 Mahindra Forgings Limited has been renamed to Mahindra CIE Automotive Limited and continues to be listed under a new name (Ticker: BSE: 532756, NSE: MAHINDCIE)
- We continue to be optimistic about the benefit that MCIE can derive from technical and commercial synergies out of this global alliance which is subject to approval for proposed merger schemes.

#### **ABOUT CIE AUTOMOTIVE**

CIE Automotive; headquartered in Bilbao – Spain, is one of the main suppliers of components and sub-components for the automobile sector operating in Europe, Brazil, NAFTA and China with sales of EUR 1.65 Billion / USD 2.2 Billion. CIE develops its entire line of products through seven processes or technologies (forging, machining, aluminum, stamping, plastic, iron casting and painting). CIE's operations in Brazil, Mexico, USA and China are constituted under its subsidiary, Autometal, CIE Automotive (Listed; Madrid, Bilbao: CIE.SM)

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