Mahindra Forgings

Mahindra Forgings Ltd.
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21st May, 2013

National Stock Exchange of India Ltd.
Listing Department, Exchange Plaza
Plot no. C/1, G-Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051.

Dear Sir/ Madam

Sub: Press Release of the Standalone and Consolidated Audited Financial Results of the Company for the quarter and year ended 31st March, 2013

Scrip ID: MAHINDFORG

We are enclosing a copy of the Press Release in respect of the Standalone and Consolidated Audited Financial Results of the Company for the quarter and year ended 31st March, 2013.

Kindly acknowledge receipt of the same.

Yours faithfully,
For Mahindra Forgings Limited

Krishnan Shankar
Company Secretary & Head – Legal
Encl. as above.

For immediate release

MAHINDRA FORGINGS LIMITED ANNOUNCES AUDITED FINANCIAL RESULTS

Mumbai, May 21, 2013: The Board of Directors of Mahindra Forgings Limited (MFL) today announced the audited financial results for the Quarter ended 31st March, 2013 of the company and audited results for the year ended 31st March, 2013 for the company and the consolidated Mahindra Forgings Group.

MFL Consolidated Highlights

Particulars (Rs crs)	Q4 (2012-13)	Q4 (2011-12)	F2013 (2012-13)	F2012 (2011-12)
Revenue	564	614	2,216	2,440
EBIDTA	-26	30	43	208
PAT	-69	-3	-114	51

MFL Standalone Highlights

Particulars (Rs crs)	Q4 (2012-13)	Q4 (2011-12)	F 2013 (2012-13)	F2012 (2011-12)
Revenue	109	115	440	432
EBIDTA	20	9	66	41
PAT	16	1	41	7

Highlights : January - March '13

India

Revenue in Q4 F13 is Rs 109 Crs against Rs. 115 crs. in Q4 F 12.
Improvement in operations resulted in EBITDA Margin of 18.2% in Q4 F13 which is highest margin achieved in the history of the company in a quarter

Europe

Revenue in Q4 F13 is Euro 66 Mn against Euro 77 Mn. in Q4 F 12.

Consolidated

- The revenue numbers for the current quarter include a currency translation gain of Rs 28 crores while the EBITDA includes currency translation loss of Rs 12 crores in stock valuation due to fluctuation in Euro-Rupee Exchange Rate.
- Revenue has reduced by 8% in Q4 F13 as compared to Q4 F12 largely on account of lower revenues in Europe. Without considering Currency Translation Gain, Revenue is lower by 13% compared to Q4 F12.
- EBITDA Margin in current quarter is -4.6%. After excluding currency translation Loss of foreign subsidiaries in Revenue of Rs 12 Crs, EBITDA works out to -2.5% in Q4 F13.

Highlights: April - March 13

India

- Revenue increased by 1.8% in F13 as compared to F 12.
- EBITDA has improved to 15.1% in F13 over 9.5% in F 12, mainly due to improvement in operations.

Europe

- Revenue has reduced to Euro 260 Mn in F13 as compared to Euro 308 Mn in F 12. This represents 16% reduction over F 12.
- In Euro terms, the EBITDA margin is -0.3% compared to 7.5% in the previous year. 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.

Consolidated

- In the current year, currency translation gain of Rs 97 Crs is included in revenue due to appreciation of Euro compared to Rupee; while the EBITDA includes currency translation gain of Rs 7 crores in stock valuation due to fluctuation in Euro-Rupee Exchange Rate.
- Revenue reduced by 9% in F13 as compared to 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 F13 is 1.9% compared to 8.5% in 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 current financial year, the production of UVs grew by 52% compared to the corresponding period of last year; in contrast, production of cars shrank by 4% in the same period. Overall, passenger vehicle (cars + UVs) production experienced a growth of ~3%. 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 will remain flat in the next quarter. Tractor sales in FY13 shrank by 1.7% compared to the corresponding period last year. However, given the focus on new business and exports, we expect moderate growth for the next year. .

Europe

- MFL target segment in Europe is heavy trucks. Data on heavy truck (>6T) registrations in Germany for FY13 indicates a decline of 13% over the same period last year. Heavy truck registrations declined by 5% in Q1FY13 (Apr-Jun'12), by 13% in Q2FY13 (July-Sept'12) and by 16% in Q3FY13 and by 19% in Q4 FY13 against the corresponding periods in the last financial year. The market conditions in the next quarter, but we see a chance of recovery with a few key customers.

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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