For immediate release

MAHINDRA FORGINGS LIMITED ANNOUNCES AUDITED FINANCIAL RESULTS

Mumbai, January 20, 2012: The Board of Directors of Mahindra Forgings Limited (MFL) announced the unaudited financial results for the quarter ended 31st December, 2011 at its meeting held today.

MFL Consolidated Highlights

Particulars (Rs crs)	Q3 (2011-12)	Q3 (2010-11)	YTD Dec. 11 (2011-12)	YTD Dec. 10 (2010-11)	2010-11
Revenue	599	493	1,826	1,359	1,926
EBIDTA	57	36	178	119	176
PAT	16	(4)	54	(4)	4

MFL Standalone Highlights

Particulars (Rs crs)	Q3 (2011-12)	Q3 (2010-11)	YTD Dec. 11 (2011-12)	YTD Dec. 10 (2010-11)	2010-11
Revenue	110	91	317	260	357
EBIDTA	12	10	33	25	32
PAT	2	-	6	(2)	(3)

Highlights – October - December '11

Europe

Revenue has increased to Euro 73 mn in current quarter as compared to Euro 67 mn in Q3 F 11. This represents 9% increase over Q3 F 11.

India

Revenue increased by 21% in Q3 F12 as compared to Q3 F11.

Consolidated

- **Current quarter revenue includes currency translation gain of Rs 59 crores and EBITDA includes currency translation gain of Rs 14 crores in stock valuation due to appreciation of Euro compared to Rupee.**
- **Revenue increased by 22% in Q3 F12 as compared to Q3 F11. The growth in consolidated revenue is higher by 12% without considering the currency translation gain due to appreciation of Euro compared to Rupee.**
- **EBITDA Margin in current quarter has improved to 8.5% (excluding currency translation gain in Revenue & EBITDA of foreign subsidiaries) compared to 7.3% in corresponding period of F 11. Considering currency translation gain Rs. 59 crs. in revenue & Rs.14 crs in EBITDA, EBITDA % works out to 9.5%.**

Highlights – April – December 11

Europe

- **Revenue has increased to Euro 231 mn in nine months of current year as compared to Euro 185 mn in corresponding period of F 11. This represents 25% increase over nine months of F 11.**
- **In Euro terms EBITDA is maintained at 8.7% (P.Y. 8.61%).**
  Considering currency translation gain Rs. 149 crs. in revenue & Rs.26 crs in EBITDA, EBITDA % works out to 9.6%

India

- **Revenue increased by 22% in nine months of current year as compared to corresponding period of F 11.**
- **EBITDA is 10.4% in nine months of current year as compared to 9.5% in corresponding period of F 11.**

Consolidated

- **Current year nine months revenue includes currency translation gain of Rs 149 crores and EBITDA includes currency translation gain of Rs 26 crores in stock valuation due to appreciation of Euro compared to Rupee.**
- **Revenue increased by 34% in nine months of current year as compared to corresponding period of F 11. The growth in consolidated revenue is 24% without considering the currency translation gain due to appreciation of Euro compared to Rupee.**
- **EBITDA Margin in nine months of current year has improved to 9.1% (excluding currency translation gain in Revenue & EBITDA of foreign subsidiaries) compared to 8.7% in corresponding period of F 11.**
  Considering currency translation gain Rs. 149 crs. in revenue & Rs.26 crs in EBITDA, EBITDA % works out to 9.7%

OUTLOOK

India

- *Indian 4W auto industry growth decelerated in Q3FY12. Production of passenger car, UV & MPV in Q3FY12 shrunk by 4% compared to that of Q3FY11; however, production for LCVs and M/HCVs grew by 29% and 16% respectively during this period. This is in line with lower growth expectation in FY12 for passenger cars to ~ 8%, in UVs to 10 -12%, in LCVs to 20-23% and in MHCVs to 6-8%.*

Europe

- *Production of heavy trucks (relevant segment for MFL Europe) recovered in FY11 to ~60-65% of levels existing before the financial crisis experienced in FY09 and FY10. Data on heavy truck registration for calendar year 2011 shows a growth of ~21% over the 2010. However, in the last quarter of 2011 (Oct – Dec'11) the registration of heavy trucks remained flat compared to that of last quarter of 2010.*

Overall

- *Our vision is to be one of the world's leading forging companies with an 'art to part', or design to delivery competence that leverages the strong engineering DNA of its parent Mahindra & Mahindra (M&M), benefits from the latter as an anchor customer while being free to offer products to M&M and its competitors. The key elements of our strategy remain unchanged to what we reported last year - "reboot" (reduce costs), "reinvent" (move up the value chain), and "reignite" (pursue growth). The company has made considerable progress towards implementation of the strategy.*
- *The company has adopted a strong and proactive strategy that is focused on exploiting the growth opportunity in India, consolidating profitability in Europe and exploiting synergies between India and Europe. Furthermore, MFL continually seeks synergies with other companies in the M&M Systech sector fold as well as M&M itself. Such an integrated approach gives us a unique edge in the market place.*

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.

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