For immediate release

MAHINDRA FORGINGS LIMITED ANNOUNCES AUDITED FINANCIAL RESULTS

Mumbai, January, 21, 2011: The Board of Directors of Mahindra Forgings Limited (MFL) announced the unaudited financial results for the nine months ended 31st December, 2010 at its meeting held today.

MFL Consolidated Highlights

Particulars (Rs crs)	Q3 (2010-11)	Q3 (2009-10)	YTD Dec. 10 (2010-11)	YTD Dec. 09 (2009-10)	2009-10
Revenue	493	325	1,359	943	1,327
EBIDTA	36	(8)	119	(9)	(9)
PAT	(4)	(79)	(4)	(184)	(184)

MFL Standalone Highlights

Particulars (Rs crs)	Q3 (2010-11)	Q3 (2009-10)	YTD Dec. 10 (2010-11)	YTD Dec. 09 (2009-10)	2009-10
Revenue	91	73	260	217	301
EBIDTA	10	12	25	34	47
PAT	0	(91)	(2)	(94)	(95)

Highlights - Oct-Dec '10

Europe

European recovery has been stronger than anticipated and revenue has increased to Euro 67 mn in current quarter as compared to Euro 38 mn in Q3 F 10. This represents 76% increase over Q3 F 10 and 8% increase over Q2 F 11.

India

Revenue increased by 25% in Q3 F11 as compared to Q3 F10.

Consolidated

Revenue increased by 52% in Q3 F11 as compared to Q3 F10. The growth in consolidated revenue would have been higher at 70% without considering the currency translation loss due to depreciation of the Euro.

Highlights - Apr-Dec '10

Europe

- **Revenue has increased to Euro 185 mn in current nine months as compared to Euro 110 mn in corresponding period of F 10. This represents 68% increase over nine months of F 10.**
- **EBITDA improved to 9% in current nine months as compared to -5% in corresponding period of F 10.**

India

- **Revenue increased by 20% in nine months ended Dec. 10 as compared to corresponding period of F10.**
- **EBITDA is lower at 10% in current nine months as compared to 16% in corresponding period of F 10 due to internal operational issues which are being corrected**
- **As part of integration between India and Europe, joint teams of Indian and European personnel have been identified to invest in and improve key operational parameters that will enable the transfer of identified parts from Europe to India.**

Consolidated

- **Revenue increased by 44% in nine months ended Dec. 10 as compared to corresponding period in F10. The growth in consolidated revenue would have been higher at 61% without considering the currency translation loss due to depreciation of the Euro.**
- **EBITDA Margin in nine months ended Dec. 10 is 9% as compared to -1% in corresponding period in F10.**

OUTLOOK

India

- *The growth momentum in the auto industry continued into Q3F11. Compared to Q3F10, in Q3F11 passenger vehicle (cars, UVs and MPVs) production grew by 22%, MHCV production grew by 22% and LCV production by 41%. On a YTD basis, passenger vehicle production grew by 31%, MHCV production by 50% and LCV production by 41%. This growth momentum is expected to sustain in the next quarter.*

Europe

- *The German economy continued to grow robustly in this quarter. Our main market segment in Germany - CVs (>6t) - showed strong signs of recovery in the first half of FY11. The trend*

continued in Q3F11 with production growing by 120% over Q3F10. On a YTD basis, production in this segment grew by 110% over the same period last year.

- *The strong growth has led to strong pressure price of inputs on like steel and on wage costs.*

Overall

- *Our vision is to be one of the world's leading forging companies that leverages an 'art to part', or design to manufacturing competence. The key elements of our strategy are:*
  - *short term: REBOOT to reduce costs*
  - *medium term: REINVENT to move up the value chain*
  - *long term: REIGNITE to pursue growth*
- *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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