



Mahindra Forgings

25th May, 2012

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

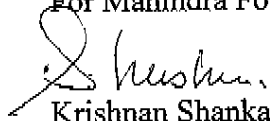
Dear Sir,

Sub: Standalone & Consolidated Audited Financial Results – Year ended 31st
March, 2012.

Scrip ID : MAHINDFORG

We would like to inform you that the Company wishes to upload a Press Release in respect of the Standalone and Consolidated Audited Financial Results of the Company for the year ended 31st March, 2012 on its website. A copy of the Press Release is enclosed for your reference.

Yours faithfully,
For Mahindra Forgings Ltd.


Krishnan Shankar
Company Secretary & Head – Legal

Encl. As above.

Mahindra Forgings Ltd.

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For immediate release

MAHINDRA FORGINGS LIMITED ANNOUNCES AUDITED FINANCIAL RESULTS

Mumbai, May 25, 2012: The Board of Directors of Mahindra Forgings Limited (MFL) announced the audited financial results for the year ended 31st March, 2012 at its meeting held today.

MFL Consolidated Highlights

Particulars (Rs crs)	Q4 (2011-12)	Q4 (2010-11)	F2012 (2011-12)	F2011 (2010-11)
Revenue	614	567	2,440	1,925
EBIDTA	30	57	208	175
PAT	-3	8	51	4

MFL Standalone Highlights

Particulars (Rs crs)	Q4 (2011-12)	Q4 (2010-11)	F2012 (2011-12)	F2011 (2010-11)
Revenue	115	97	432	357
EBIDTA	9	7	41	31
PAT	1	-1	7	(3)

Highlights : January - March '12

Europe

Revenue in Q4F12 at Euro 77 mn was same as that achieved in Q4 F 11.

India

Revenue in Q4F12 is Rs 115cr, representing an increase of 19% over Q4 F11.

Consolidated

- The revenue numbers for the current quarter include a currency translation gain of Rs 30 crores while the EBITDA includes currency translation loss of Rs 3 crores in stock valuation due to fluctuation in Euro-Rupee Exchange Rate.
- Revenue increased by 8% in Q4 F12 as compared to Q4 F11. If the revenue numbers are adjusted for the currency translation gain, then they are at the same level as Q4F11.
- EBITDA Margin in current quarter is 5.5% (after excluding currency translation gain in Revenue & currency translation loss in EBITDA of foreign subsidiaries). Considering currency translation gain of Rs. 30 Crs. in revenue & currency translation loss of Rs. 3 Crs in EBITDA, the margin works out to 4.7% in Q4 F12. The reduction in margins compared to Q4F11 is mainly due to break down of forging presses at our German Subsidiaries which resulted in loss of revenue and one time machine maintenance cost.

Highlights : April - March 12

Europe

- Revenue has increased to Euro 308 Mn in current year as compared to Euro 262 Mn in F 11. This represents an 18% increase over of F 11.
- After considering currency translation gain Rs. 179 crs. in revenue & Rs.23 crs in EBITDA, EBITDA % works out to 8.1%.
- In Euro terms, the EBITDA margin is 7.7% compared to 9.2% in the previous year. The reduction is due to break down of forging presses which resulted in increased maintenance cost.

India

- Revenue increased by 21% in current year as compared to F 11.
- EBITDA has improved to 9.5% in current year over 8.6% in F 11.

Consolidated

- In the current year, currency translation gain of Rs 179Cr is included in revenue and Rs 23Cr in EBITDA on account of stock valuation due to appreciation of Euro compared to Rupee.
- Revenue increased by 27% in current year as compared to F 11. The growth in consolidated revenue is 17% without considering the currency translation gain due to appreciation of Euro compared to Rupee.
- EBITDA Margin in current year is 8.5% compared to 9.1% in F 11. This is after considering currency translation gain Rs. 179 Crs. in revenue & Rs.23 Crs in EBITDA.

OUTLOOK

India

FY12 was a year where the automotive market experienced a slowing down in growth rates driven by inflationary pressures and industrial unrest at some large OEMs. Passenger vehicle (cars + UVs+vans) production grew by 5% and commercial vehicles (LCVs+ MCVs) by 20% in FY12. Q4F12 saw passenger vehicle production grow by 8% which is higher than the F12 growth rate while commercial vehicle production grew by 13%, lower than the F12 rate. We expect the trend of Q4F12 to continue into the next year

Europe

The European forgings industry is primarily driven by the automotive industry and the segment most relevant to MFE is heavy trucks (>6T). Registrations of heavy trucks in Germany in the first half of FY12 (April – Sept'11) grew handsomely by 20% over the corresponding half of the

previous financial year. But the growth stalled in the second half (Oct'11 – Mar'12) with heavy truck registrations experiencing a contraction of 2.5% against the corresponding period of FY11. We expect the trend of H2F12 to continue into the next year and even though exports out of Germany should mitigate the lack of domestic growth, we believe the demand for heavy trucks will remain flat in F13.

Overall

- MFL's 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 not only to M&M but to OEMs across the globe. The key elements of our strategy remain unchanged to what we have reported for the last two years - "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 your Company 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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