

For immediate release

MAHINDRA FORGINGS LIMITED ANNOUNCES UNAUDITED FINANCIAL RESULTS

Mumbai, July 23, 2013: The Board of Directors of Mahindra Forgings Limited (MFL) today announced the unaudited financial results for the Quarter ended 30th June, 2013 of the company.

MFL Consolidated Highlights

Particulars (Rs crs)	Q1 (2013-14)	Q1 (2012-13)	F2013 (2012-13)
Revenue	589	597	2,216
EBIDTA	60	42	43
PAT	5	5	-114

MFL Standalone Highlights

Particulars (Rs crs)	Q1 (2013-14)	Q1 (2012-13)	F 2013 (2012-13)
Revenue	104	105	440
EBIDTA	14	12	66
PAT	6	5	41

Highlights : April - June '13

India

Revenue in Q1 F14 is Rs 104 Crs almost at the same level as that in Q1 F13. Improvement in operational efficiencies resulted in improvement in EBITDA Margin to 13.5% in Q1 F14.

Europe

Revenue in Q1 F14 is Euro 68 Mn as against Euro 72 Mn. in Q1 F13.

Consolidated

- The revenue numbers for the current quarter include a currency translation gain of Rs 23 crores while the EBITDA includes currency translation gain of Rs 31 crores in stock valuation due to fluctuation in Euro-Rupee Exchange Rate.
 - Revenue has reduced by 1% in Q1 F14 as compared to Q1 F13 largely on account of lower revenues in Europe. Without considering Currency Translation Gain, Revenue is lower by 6% compared to Q1 F13.
 - EBITDA Margin in current quarter is 10.2%. After excluding currency translation Gain of foreign subsidiaries, EBITDA works out to 4.9 % in Q1 F14.
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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 a marginal 6% compared to the corresponding quarter last year; in contrast, production of cars shrank by 13% in the same period. Overall, passenger vehicle (cars + UVs) production experienced a decline of 10%. The UV market will now experience marginal to flat growth, the car market may not recover in the next quarter and taken together the overall passenger vehicle market will experience negative growth as well. Tractor sales in first quarter of FY14 expanded by 27.4% 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. Heavy truck registrations declined by 8% in Q1FY14 (Apr-Jun'12) against the corresponding period in the last financial year. The market conditions in the next quarter are also difficult, 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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