

For immediate release

MAHINDRA FORGINGS LIMITED ANNOUNCES AUDITED FINANCIAL RESULTS

Mumbai, May, 12, 2010: The Board of Directors of Mahindra Forgings Limited (MFL) announced the Audited financial results for the year ended 31st March, 2010 at its meeting held today.

MFL Standalone Highlights

Particulars (Rs crs)	Q4 (2009-10)	Q4 (2008-09)	2009-10	2008-09
Revenue	84	60	301	238
EBIDTA	13	(2)	47	7
PAT	0	(21)	(95)	(41)

MFL Consolidated Highlights

Particulars (Rs crs)	Q4 (2009-10)	Q4 (2008-09)	2009-10	2008-09
Revenue	384	362	1,327	2,243
EBIDTA	0	(6)	(9)	143
PAT	0	(106)	(184)	(117)

India Highlights

Highlights - Year '10

- The Company on stand alone basis during F 10 has posted positive EBITDA on a consistent basis on an increasing trend totaling to Rs 47 crores, against Rs.7 crores of the previous year.
- Successful completion of Qualified Institutional Placement of Equity Shares and Preferential Warrants to restructure Balance Sheet, Production and growth capital.

Highlights - Jan- March '10

- The Company on stand alone basis during Q4 has achieved EBITDA of Rs 13 crores against loss of Rs 2 crores in Q4 of previous year

Europe Highlights

Highlights - Year '10

- Benefits of restructuring:
Personnel costs reduced to Euro 53 mn in F 10 from Euro 80 mn in F 09
Other operating expenses reduced to Euro 20 mn in F 10 from Euro 31 mn in F 09

Highlights - Jan- March '10

- In current year Revenues have been growing sequentially quarter on quarter to Euro 50 mn in Q4 from Euro 30 mn in Q1 F 10
- In Q4 F 10 EBITDA has increased to Euro 3 mn profit from Euro 2 mn (loss) in Q4 F 09

Consolidated Highlights

Highlights - Year '10

- In Q3 F10 the company in its consolidated accounts had provided for diminution in the value of investment amounting to Rs 18 crores in its subsidiary Stokes Group Limited.

Other Highlights

India:

- Adoption of new die welding technology in collaboration with European subsidiaries to enable substantial increase in die life leading to reduction in rejection and costs

Europe:

- Continuous reduction in personnel and fixed costs.

Ongoing Activities

India:

- Reduction in rejections and increase in yields.

Europe:

- Process innovation in the areas of hollow and lightweight forgings.
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OUTLOOK

India

- The domestic production of different types of vehicles in India has followed an upward trend in Fy10. Compared to FY09, passenger cars & UV production grew by 28%, LCVs by 41% and M/HCVs by 30%. MFL Standalone revenues grew in line with the industry at 26%. All segments are expected to grow further in FY11 by 10-15%.

Europe

- The heavy truck production (relevant segment for MFL Europe) declined by >60% in Fy10 compared to Fy09. **There was a revival in Q410 with production nos. reaching ~20000 compared to ~16500 in Q310, representing a sequential quarterly growth of ~20%. This growth is expected to sustain in FY11 and possibly accelerate post August.**
- **One of our key customers Daimler AG (DAI) has reportedly advanced its regular production schedule and also will end its shortened working hours with effect from may/June 10 others are expected to follow suit.**

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 is 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. Stokes, our UK subsidiary, has an expertise in flashless forgings.

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