

For immediate release

MAHINDRA FORGINGS LIMITED ANNOUNCES AUDITED FINANCIAL RESULTS

Mumbai, October 20, 2011: The Board of Directors of Mahindra Forgings Limited (MFL) announced the unaudited financial results for the quarter ended 30th September, 2011 at its meeting held today.

MFL Consolidated Highlights

Particulars (Rs crs)	Q2 (2011-12)	Q2 (2010-11)	H1 (2011-12)	H1 (2010-11)	2010-11
Revenue	616	461	1227	866	1,926
EBIDTA	66	42	121	83	176
PAT	20	13	38	0	4

MFL Standalone Highlights

Particulars (Rs crs)	Q2 (2011-12)	Q2 (2010-11)	H1 (2011-12)	H1 (2010-11)	2010-11
Revenue	113	91	208	169	357
EBIDTA	12	7	21	15	32
PAT	4	(2)	3	(2)	(3)

Highlights - July - September '11

Europe

European recovery has been stronger than anticipated and revenue has increased to Euro 78 mn in current quarter as compared to Euro 62 mn in Q2 F 11. This represents 26% increase over Q2 F 11. Revenue in current quarter has remained at same level as that of Q1 F 12.

India

Revenue increased by 24% in Q2 F12 as compared to Q2 F11.
EBITDA in current quarter has increased by 71% over Q2 F 11.

Consolidated

- Revenue increased by 34% in Q2 F12 as compared to Q2 F11. The growth in consolidated revenue is higher by 24% without considering the currency translation gain due to appreciation of Euro compared to Rupee.
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Highlights - Apr - September 11

Europe

- Revenue has increased to Euro 158 mn in current half year as compared to Euro 118 mn in H1 F 11. This represents 34% increase over H1 F 11.
- EBITDA is almost at the same level at 9.7% for current half year as compared to H1 F 11 at 9.9%.

India

- Revenue increased by 23% in current half year as compared to H1 F 11.
- EBITDA is 10% in current half year as compared to 9% in H1 F 11.

Consolidated

- Revenue increased by 42% in current half year as compared to H1 F11. The growth in consolidated revenue is 31% without considering the currency translation gain due to appreciation of Euro compared to Rupee.
- EBITDA Margin in current half year is at the same level compared to H1 F11 at approx. 10%.
- Current half year revenue includes currency translation gain of Rs 90 crores and EBITDA includes currency translation gain of Rs 12 crores in stock valuation due to appreciation of Euro compared to Rupee.

OUTLOOK

India

- *The growth trajectory in the Indian auto industry continued to follow an upward trend in Q2FY12. Compared to Q2FY11, passenger cars & UV production grew by 9%, LCVs by 35% and M/HCVs by 13%. There is expected to be a slowdown of growth rates in FY12 in 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 Jan-Sep'11 suggest that the growth trajectory will be maintained in calendar year 2011 - registrations in the 9 months of 2011 increased by ~20% over the corresponding period in 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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