

For immediate release

MAHINDRA CIE AUTOMOTIVE LIMITED (Formerly known as MAHINDRA FORGINGS LIMITED) ANNOUNCES UNAUDITED FINANCIAL RESULTS

Mumbai, February 10, 2014: The Board of Directors of Mahindra CIE Automotive Limited (MCIE) today announced the unaudited financial results for the Quarter ended 31st December, 2013 of the company.

MCIE Consolidated Highlights

Particulars (Rs crs)	Q3 (2013-14)	Q3 (2012-13)	Cum Q3 (2013-14)	Cum Q3 (2012-13)	F2013 (2012-13)
Revenue	642	490	1,876	1,652	2,216
EBIDTA	-4	7	52	69	43
PAT	-60	-31	-91	-45	-114

MCIE Standalone Highlights

Particulars (Rs crs)	Q3 (2013-14)	Q3 (2012-13)	Cum Q3 (2013-14)	Cum Q3 (2012-13)	F2013 (2012-13)
Revenue	90	109	288	331	440
EBIDTA	10	18	35	47	66
PAT	2	11	12	25	41

Highlights : October - December '13

India

Revenue in Q3 F14 is Rs 90 Crs, 17% lower than in Q3 F13 mainly due to slow down in auto market in India.

EBITDA Margin is 11% in Q3 F14.

Europe

Revenue in Q3 F14 is Euro 67 Mio as against Q3 F 13 Euro 55 Mio, higher by 22%, mainly due to improved market demand for heavy trucks.

Consolidated

- The revenue numbers for the current quarter include a currency translation gain of Rs 88 crores due to fluctuation in Euro-Rupee Exchange Rate between Q3 F13 and Q3 F 14 . Revenue has increased by 31 % in Q3 F14 as compared to Q3 F13, without considering Currency Translation Gain, Revenue is higher by 17 % compared to Q3 F13.
- Till Q2 F 14 the Company used to translate opening and closing stock of European Subsidiaries at respective period end exchange rates affecting consolidated results. This used

to create a notional gain or loss in stock valuation in the consolidated results of the Company. Hence, in the current quarter the Company has translated opening and closing stock of European Subsidiaries at average exchange rate. On a like to like basis, Q3 F 13 EBITDA would have been (-ve) Rs 12 crores if the company had used average exchange rate in Q3 F 13.

EBITDA of European subsidiaries in current quarter is Euro (-ve) 1.8 mio compared to Euro (-ve) 3.8 mio in Q3 F 13. Improvement in EBITDA during current quarter is mainly due to improved market demand for heavy trucks.

(-ve) PAT in current quarter is significantly higher mainly due to lower EBITDA, one time costs and effect of currency translation loss on depreciation and interest cost due to fluctuation in Euro-Rupee Exchange Rate between Q3 F13 and Q3 F 14.

Highlights: April – December 13

India

- Revenue reduced by 13% in Cum Q3 F14 as compared to Cum Q3 F 13 mainly due to slow down in auto market in India.
- EBITDA margin is 12% in Cum Q3 F14.

Europe

- Revenue has increased by Euro 8 Mio to Euro 202 Mio in Cum Q3 F14 as compared to Euro 194 Mio in Cum Q3 F 13.

Consolidated

- In Cum Q3 F 14, currency translation gain of Rs 205 Crs is included in revenue due to appreciation of Euro compared to Rupee between Cum Q3 F 13 to Cum Q3 F 14.
 - Revenue increased by 14% in Cum Q3 F14 as compared to Cum Q3 F 13. Without considering the currency translation gain consolidated revenue in Cum Q3 F 14 is marginally higher by 1% as compared to Cum Q3 F 13.
 - EBITDA Margin in Cum Q3 F 14 is 3% as compared to 4% in Cum Q3 F13.
 - Till H1 F 14 the Company used to translate opening and closing stock of European Subsidiaries at respective period end exchange rates affecting consolidated results. This used to create a notional gain or loss in stock valuation in the consolidated results of the Company. Hence, in the Cum Q3 F 14 the Company has translated opening and closing stock of European Subsidiaries at average exchange rate. On a like to like basis Cum Q3 F 13 EBITDA would have been Rs 53 crores if the company would have used average exchange rate in Cum Q3 F 13 which is comparable with current quarter EBITDA of Rs 52 cr..
 - EBITDA of European subsidiaries has improved in Current period to Euro 2.7 mio compared to Euro 1 mio in Cum Q3 F 13 due to higher volumes in heavy truck market.
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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 6% in Q1 and has shrunk by 6% in Q2, and has remained pretty much flat in Q3 having marginally shrunk by less than 1% compared respectively to the corresponding quarters of the last year. Overall the cumulative UV production has declined marginally by ~1% compared to the corresponding period last year.
- In contrast, the production of cars in Q1FY14 shrank by 13% but bounced back in Q2FY14 to 12% growth to shrink back again in Q3 by approximately 8% compared respectively to the corresponding quarters of the last year. Thus, the cumulative cars production fell by ~4% compared to the corresponding period last year.
- Overall, passenger vehicle (cars + UVs) production shrank by 10% in Q1FY14, grew by 8% in Q2FY14 and shrank again by approximately 7% compared respectively to the corresponding quarters of the last year. Thus, the cumulative Passenger vehicle production has declined marginally by ~3% compared to the corresponding period last year. Production at Indian OEMs, which constitutes the largest part of our sales, has fallen more sharply (approximately 26%) as compared to the market (approximately 3%) in the first 9 month period of FY14.
- The UV market will continue to experience flat growth, the car market is showing signs of staying flat and taken together the overall passenger vehicle market might shrink in the next quarter.
- Tractor sales in Q1FY14 grew by 26% and in Q2FY14 grew by 18% compared to the respective corresponding periods last year. This translates to a healthy growth of approximately 21% this year and we expect this to continue till end of this financial year.

Europe

- MCIE target segment in Europe is heavy trucks. Data on heavy truck (>6T) registrations in Germany cumulative for FY14 indicates a slight uptick of 6% over the same period last year. Heavy truck registrations declined by 8% in Q1FY14 (Apr-Jun'13), but after seven consecutive quarters of decline show a marginal positive growth of 1% in Q2FY14 (July-Sept'13) and has picked up sharply in Q3FY14 by 29% over the same period last year. The market conditions in the next quarter are expected to be flat as we see this as a temporary correction, thus we see a chance of slowdown in recovery with a few key customers.

ABOUT MAHINDRA CIE AUTOMOTIVE LIMITED (MCIE)

- We are one of the leading automotive 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 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.
- We are also now a part of CIE Automotive Group.
- Following an alliance announced by Mahindra and CIE Automotive on 15th June 2013, "Participaciones Internacionales Autometal Dos, S.L." ("PIA 2"), a company within CIE Group, acquired equity shares from Mahindra & Mahindra Limited (M & M) on 4th October, 2013 aggregating to 50.81% of fully paid diluted equity share capital of the Company.
Consequent to the aforesaid acquisition of equity shares,:
 - PIA 2 has become one of the Promoters of the Company in addition to the existing Promoter of the Company.
 - The Company has ceased to be a subsidiary of M & M and become subsidiary of PIA 2 with effect from 4th October, 2013.
- As of 28th November 2013 Mahindra Forgings Limited has been renamed as Mahindra CIE Automotive Limited and continues to be listed under the new name (Ticker: BSE: 532756, NSE: MAHINDCIE)
- We continue to be optimistic about the benefit that MCIE can derive from technical and commercial synergies out of this global alliance which is subject to approval for proposed merger schemes.

About CIE Automotive

- CIE Automotive; headquartered in Bilbao – Spain, is one of the main suppliers of components and sub-components for the automobile sector operating in Europe, Brazil, NAFTA and China with sales of EUR 1.65 Billion / USD 2.2 Billion. CIE develops its entire line of products through seven processes or technologies (forging, machining, aluminum, stamping, plastic, iron casting and painting). CIE's operations in Brazil, Mexico, USA and China are constituted under its subsidiary, Autometal, listed on the Sao Paulo stock exchange (Ticker: AUTM3).
- CIE Automotive (Listed; Madrid, Bilbao: CIE.SM)

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