

Note

Stokes Group Limited

Stokes Group Limited supply forged and machined components, mainly to the automotive industry, from 3 sites in the Midlands of the United Kingdom .

The Company has been operating in a challenging environment for some considerable time and the recent collapse in European car sales has negatively impacted the current prospects and without restructuring, could affect the future viability of the business.

Towards protecting the future, the business must now be restructured in line with current and future demand to ensure an ongoing viable operation.

As a result, it has been decided to close the manufacturing site in Walsall , West Midlands and concentrate the forging and machining operations at the other two sites in Dudley and Brierley Hill.

The announcement of the closure of the Walsall plant at the end of April 2009, which will affect 137 jobs, was made to the employee representatives at a meeting held this morning in Walsall .

The customers and products currently supported from Walsall will be now be supplied from the other two manufacturing facilities.

To support this transfer, 52 additional jobs will be required at the Dudley / Brierley Hill plants and all Walsall employees will be given the opportunity to apply for these vacancies.

The management are confident that this restructuring, coupled with the introduction of a number of other improvement measures, will result in a viable ongoing business venture.

This planned restructuring programme demonstrates the strong commitment of the Mahindra Group towards its Automotive and Components Businesses across the World.

Over the next few days we shall be discussing the restructuring with our customers so that they are kept fully informed and supported throughout this exercise.

7th January 2009