

MFL Q3 F2009 Consolidated Results

Mumbai, 6th February 2009: The un-audited consolidated results for the Mahindra Forgings Group for the nine months ended 31st December 2008 is as given below. These results have not been subjected to a limited review by the statutory auditors of the company.

Q3 F09 –

The Total Income for the third quarter ended 31st December 2008 of the **Consolidated Mahindra Forgings Group at Rs.452 crores reduced by 18.4% over Rs.553 crores** for Q3 last year. Earnings before depreciation, Interest, exceptional items and taxation (EBITDA) for the current quarter is Loss Rs. 4 crores as compared to Profit of Rs.53 crores in Q3 last year. The consolidated group Loss for the current quarter after considering exceptional items and taxation is Rs. 41 crores as against Profit of Rs.4 crores in Q3 last year.

Nine months ended December, 2008 –

The Total Income for the nine months ended 31st December 2008 of the **Consolidated Mahindra Forgings Group grew by 11.0% to Rs.1881 crores** from **Rs.1695 crores** in the same period last year. Profit before depreciation, Interest, exceptional items and taxation (EBITDA) for the nine months of current year is Rs.149 crores as compared to Rs.159 crores in the same period last year. The consolidated group Loss for the nine months in current year after exceptional items, taxation is **Rs.11 crores** as against Profit of **Rs.14 crores** earned in the same period last year.

Outlook:

In Q3 F09, the automotive sector faced significant decline in demand and the negative trend is expected to be more severe in the next two quarters. The decline in demand is across both India and Europe. The decline is most marked in the commercial vehicle segment. Mahindra Forgings has readjusted its strategy to face the new reality. To mitigate the business risks in future, non-auto focus has been accelerated to widen the customer base, new parts for new customers are being developed. The short term focus in the next two quarters is on cash conservation and cost reduction. A structured program has been launched to focus on the twin objectives. The objective is to maximize cash even under the scenario of drastic dips in volume.
