



Earnings Release

Q1 FY2013

9 November 2012

Amtek Group

Amtek Group represents Amtek Auto, Amtek India and Ahmednagar Forgings and the other subsidiaries

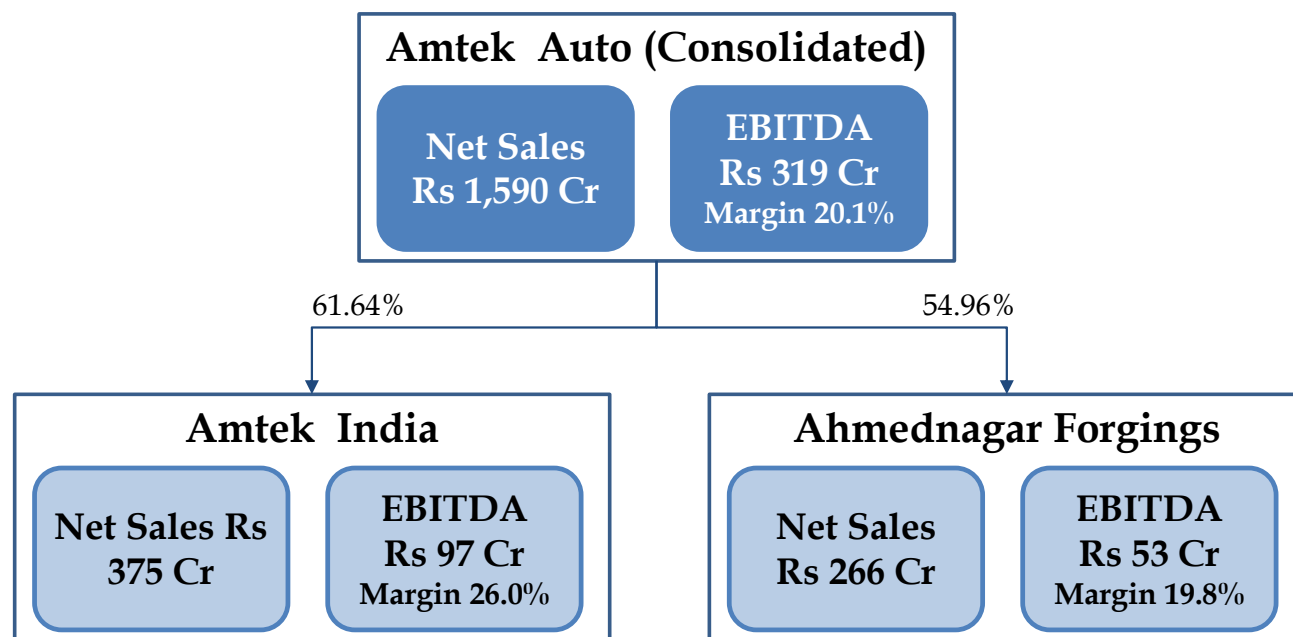
Amtek Auto Limited
NSE: AMTEKAUTO
BSE: 520077

Amtek India Limited
NSE: AMTEKINDIA
BSE: 532282

Ahmednagar Forgings Limited
NSE: AHMEDFORGE
BSE: 513335

Amtek Group

Unaudited Standalone and Consolidated First Quarter Results for FY2013



NEW DELHI, India, November 9, 2012 - Amtek Group (referred to as the “Group”), one of the largest integrated component manufacturers in India with a strong global presence, announced its Unaudited Standalone and Consolidated First Quarter Results for its flagship company Amtek Auto Limited (referred to as “Amtek Auto”) and its listed subsidiaries Amtek India Limited (referred to as “Amtek India”) and Ahmednagar Forgings Limited (referred to as “Ahmednagar Forgings”) in accordance with Indian GAAP.

Commenting on the performance, **Mr. John Flintham, Senior Managing Director of Amtek Auto** said:

“During the last quarter, OEM production volumes in India have been much lower than initially expected. Consumers have been extremely cautious in their purchasing decisions, impacting passenger vehicle and two wheeler demand. Uncertainty in the business environment has resulted in a similar effect on commercial vehicles, in particular MCVs. Internationally, Europe continues to struggle and has not been helped by a significant decline in the traditionally strong German market. From a non-auto perspective, tractor demand has been extremely disappointing.

It is not surprising that our financial performance during this period reflects this challenging backdrop. Management is not anticipating any immediate change in the situation and has prioritised disciplined cost control measures in the interim.”

Financial Highlights

Amtek Auto (Consolidated)					
(Rs. Crore)	Q1		y-o-y Growth (%)	Q4	q-o-q Growth (%)
	FY2013	FY2012		FY2012	
Net Sales	1,590.1	1,734.8	(8.3)%	1,720.0	(7.6)%
Other Income	124.91	80.03	56.1%	185.11	(32.5)%
Total Income	1,715.0	1,814.8	(5.5)%	1,905.1	(10.0)%
EBITDA	318.9	373.4	(14.6)%	354.1	(9.9)%
EBITDA Margin (%)	20.1%	21.5%		20.6%	
Net Profit	97.2	108.5	(10.4)%	111.2	(12.6)%
Net Profit Margin (%)	5.7%	6.0%		5.8%	
Basic EPS (Rs)	4.45	4.65	(4.3)%	5.04	(11.7)%

Note: Q4 FY2012 Net Profit has been adjusted for extraordinary gains/losses

Amtek India (Subsidiary)					
(Rs. Crore)	Q1		y-o-y Growth (%)	Q4	q-o-q Growth (%)
	FY2013	FY2012		FY2012	
Net Sales	374.8	436.6	(14.1)%	418.7	(10.5)%
Other Income	29.31	22.49	30.3%	18.53	58.2%
Total Income	404.1	459.1	(12.0)%	437.2	(7.6)%
EBITDA	97.3	116.7	(16.6)%	111.1	(12.4)%
EBITDA Margin (%)	26.0%	26.7%		26.5%	
Net Profit	29.5	40.2	(26.6)%	33.3	(11.3)%
Net Profit Margin (%)	7.3%	8.8%		7.6%	
Basic EPS (Rs)	1.07	1.45	(26.2)%	1.20	(10.8)%

Note: No. of shares used for the calculation of EPS for Q1 FY2012 has been adjusted for bonus issue for ease of comparison

Ahmednagar Forgings (Subsidiary)					
(Rs. Crore)	Q1		y-o-y Growth (%)	Q4	q-o-q Growth (%)
	FY2013	FY2012		FY2012	
Net Sales	266.4	276.7	(3.7)%	281.0	(5.2)%
Other Income	23.53	8.01	193.8%	14.29	64.7%
Total Income	289.9	284.7	1.8%	295.3	(1.8)%
EBITDA	52.7	60.1	(12.2)%	61.3	(13.9)%
EBITDA Margin (%)	19.8%	21.7%		21.8%	
Net Profit	29.7	25.4	17.1%	31.2	(4.7)%
Net Profit Margin (%)	10.2%	8.9%		10.6%	
Basic EPS (Rs)	8.08	6.90	17.1%	8.48	(4.7)%

Economic Environment

Indian Markets: Auto and Non-Auto

Automotive production growth has declined sharply from 7.6% y-o-y in Q4 FY2012 to a contraction of (2.5)% in Q1 FY2013. This has been a consequence of a number of different factors including increased excise duties and fuel prices, high cost of financing, changes in duty drawback rates on exports and generally weaker consumer sentiment.

These near term demand pressures have had a significant impact on the Indian Passenger Vehicle sector. Despite the onset of the festive season, growth in the Passenger Vehicles segment has been effectively flat year on year at 1.1%. The two wheeler volumes have collapsed during the last quarter from 9.7% to (2.8)%. In anticipation of the festive season, OEMs launched new models and have also focussed on re-balancing their inventory levels.

Transportation, construction and infrastructure activities have also experienced uncertainty and volatility. The Commercial Vehicle sector has declined by (5.2)% y-o-y with LCV production volumes flat but MCVs having declined by (15.4)% y-o-y.

Domestic Automotive Production (No. of Units)	Q1 FY2013	Q1 FY2012	Y-o-Y Change	Q4 FY2012	Q-o-Q Change
Passenger Vehicles	739,516	731,451	1.1%	820,944	(9.9)%
Commercial Vehicles	216,292	228,259	(5.2)%	194,786	11.0%
MCV	78,522	92,778	(15.4)%	69,920	12.3%
LCV	137,770	135,481	1.7%	124,866	10.3%
2 / 3 Wheeler	4,028,088	4,151,671	(3.0)%	4,189,956	(3.9)%
Total	4,983,896	5,111,381	(2.5)%	5,205,686	(4.3)%

Source: SIAM

Tractor production volumes declined by (7.5)% y-o-y. Tractor OEMs are focussed on expanding and refurbishing their products to address sluggish demand. Tractor sales, which peaked at the end of 2011, have been unable to reach those levels since.

Domestic Tractors (No. of Units)	Q1 FY2013	Q1 FY2012	Y-o-Y Change	Q4 FY2012	Q-o-Q Change
Production Volumes	148,301	160,265	(7.5)%	142,332	4.2%

Source: TMA

International Markets: Auto

Key Eurozone countries continue to remain under pressure. During the quarter, total sales volumes in Europe have declined significantly by (18.4)% q-o-q and varied considerably by country. Passenger Vehicles sales in Western Europe continue to deteriorate with sales in Germany declining by (15.8)% q-o-q. However, the relatively smaller UK market has increased by 13.9% q-o-q.



North America Light Vehicle production increased by 15.2% y-o-y, although declined by (8.2)% sequentially. Despite a difficult labor market, end customers are capitalizing on low auto financing rates to replace their existing vehicles with fuel efficient variants. Total Medium / Heavy vehicle production has reflected uncertainty in the business environment, declining by (5.0)% y-o-y and (18.6)% q-o-q.

International Automotive Data (No. of Units)	Q1 FY2013	Q1 FY2012	Y-o-Y Change	Q4 FY2012	Q-o-Q Change
Passenger Vehicles - Sales					
Europe	2,827,377	3,112,584	(9.2)%	3,462,834	(18.4)%
<i>Germany</i>	724,397	779,157	(7.0)%	860,765	(15.8)%
UK	562,929	523,456	7.5%	494,124	13.9%
North America - Production					
Total Light Vehicle	3,662,327	3,178,221	15.2%	3,987,935	(8.2)%
Total Med./Hvy. Truck	96,124	101,147	(5.0)%	118,152	(18.6)%

Source: ACEA and Wards Auto

Financial Results

Amtek Auto: Consolidated

Q1 FY2013 consolidated Net Sales declined by (8.3)% compared to the prior year, with domestic sales decreasing by (7.9)% y-o-y. In Europe, Q1 FY2013 Net Sales in the UK business delivered growth of 26.2% y-o-y which was offset by a decline of (13.2)% y-o-y in Germany. However, sales from both countries benefitted significantly from the depreciation of the rupee over the year. Q1 FY2013 Exports were marginally positive with 2.2% growth. The Non-Auto segment has also been impacted by significantly reduced industrial activity. This segment now accounts for ~25% of sales. Given the decline in topline, consolidated EBITDA in Q1 FY2013 decreased by (14.6)% compared to the prior year. Q1 FY2013 consolidated Net Profit decreased by (10.4)% compared to the prior year.

Amtek India

Q1 FY2013 Net Sales decreased by (14.1)% and EBITDA by (16.6)%, compared to Q1 FY2012. Net Profit during the quarter declined by (26.6)% as compared to last year.

Ahmednagar Forgings

Q1 FY2013 Net Sales decreased by (3.7)% and EBITDA by (12.2)%, compared to Q1 FY2012. However, Net Profit during the quarter increased by 17.1% as compared to last year.

Corporate Events

Amtek India - Fund Raising

The Board of Directors of Amtek India has issued and allotted 2.50% Unsecured Foreign Currency Convertible Bonds (FCCBs) due 2017 for an aggregate amount of US\$ 70 million with an initial conversion price of Rs. 103 per share. The Company intends to use the FCCBs proceeds for capital expenditure. The use of net proceeds shall be in accordance with the guidelines specified by the Reserve Bank of India.

Performance Outlook

Continued macroeconomic uncertainty has impacted sectors like automobile, power generation, construction and infrastructure, resulting in weaker order books. Consumer confidence has also been reduced and high value purchases are being postponed.

Downward pressure on the domestic automobile market has intensified particularly in the last quarter. SIAM lowered its annual growth projection of auto domestic sales for the second time in four months, from the previous 10-12% to currently 5-7% for FY2013. Key indicators and market sentiments signal a continuing contraction across all auto segments. Given this softness in demand, inventory levels are being adjusted by major auto OEMs, both domestic and globally.

International markets varied significantly, particularly with Europe being exposed to ongoing economic and fiscal difficulties. German auto sales declined significantly in the last quarter and are expected to remain subdued. Although US auto markets have performed relatively well during the past few quarters, they have now started showing some signs of moderation.

Although the long term dynamics in India are attractive, domestic auto demand is expected to remain under pressure. Given the ongoing economic uncertainty, management anticipates that the volatility and deterioration in demand is set to continue over the near term. Going forward, the Group's priorities are to focus on manufacturing excellence, implementing cost control measures and optimizing working capital in all areas.

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Accounting Notes:

1. Net Sales: Excludes Other Income
2. EBITDA: Earnings before interest, taxes and depreciation; Excluding Other Income
3. Net Profit: Profit after tax (including Other Income), after minority interest and excludes extraordinary item
4. Basic Earnings per Share (excludes extraordinary item) as of September 30, 2012:
 - a. **Amtek Auto**: Share face value of Rs. 2.00; 21.86 Crore shares outstanding
 - b. **Amtek India**: Share face value of Rs. 2.00; 27.68 Crore shares outstanding
 - c. **Ahmednagar Forgings**: Share face value of Rs. 10.00; 3.675 Crore shares outstanding

Safe Harbor:

This release contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Amtek Group’s (i.e. “Amtek Group” represents Amtek Auto, Amtek India & Ahmednagar Forgings and their subsidiaries) future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Amtek Group undertakes no obligation to publicly revise any forward looking statements to reflect future /likely events or circumstances.