

Earnings Release
Q3 FY2013

13th May 2013

Amtek Group

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

Amtek Auto Limited
NSE: AMTEKAUTO
BSE: 520077

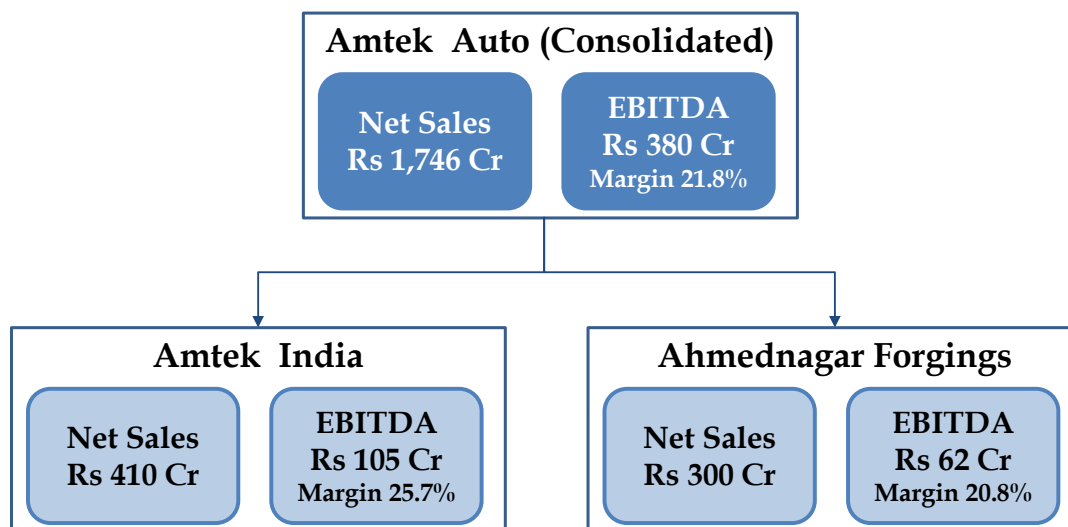
Amtek India Limited
NSE: AMTEKINDIA
BSE: 532282

Ahmednagar Forgings Limited
NSE: AHMEDFORGE
BSE: 513335

Amtek Group

Unaudited Standalone and Consolidated Third Quarter Results for FY2013

Amtek Auto: Strategic acquisition of Neumayer Tekfor expected to close by 31st May 2013



NEW DELHI, India, May 13, 2013 - Amtek Group (referred to as the “Group”), set to become one of the world’s largest global forging and integrated machining companies, announced its Unaudited Standalone and Consolidated Third 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.

“There is no doubt that the domestic Indian market is facing unprecedented weakness in demand, and it seems unlikely that market conditions will change significantly in the coming quarters. With regards to the overseas environment, the decline of the German market will put additional pressure on Europe, whilst the UK continues to outperform and deliver growth.

Having said this, Amtek Group’s overall performance for the quarter is in line with management’s expectations and is a reflection of today’s commercial pressures. Management is focussed on tight cost control measures, optimising work flows and implementing operational improvements. Our global strategic position will be transformed significantly with the closing of the acquisition of the Neumayer Tekfor Group in the coming weeks. Going forward we are excited about our expanded geographic market reach, enhanced product portfolio and global customer synergies.”

Financial Highlights

Amtek Auto (Consolidated)										
(Rs. Crore)	Q3		y-o-y	Q2		q-o-q		Nine Months Ended		y-o-y
	FY2013	FY2012	Growth (%)	FY2013	Growth (%)	Mar-13	Mar-12	Growth (%)		
Net Sales	1,746	1,998	(12.6)%	1,653	5.7%	4,989	5,637	(11.5)%		
Other Income	159	78	103.5%	136	16.5%	420	228	83.9%		
Total Income	1,905	2,076	(8.3)%	1,789	6.5%	5,408	5,866	(7.8)%		
EBITDA	380	436	(12.8)%	330	15.2%	1,029	1,222	(15.8)%		
EBITDA Margin (%)	21.8%	21.8%		20.0%		20.6%	21.7%			
Net Profit*	129	138	(6.8)%	125	2.9%	351.1	378.7	(7.3)%		
Net Profit Margin (%)	6.8%	6.7%		7.0%		6.5%	6.5%			
Basic EPS (Rs)	5.89	6.12	(3.8)%	5.72	3.0%	16.06	16.53	(2.8)%		

Amtek India (Subsidiary)										
(Rs. Crore)	Q3		y-o-y	Q2		q-o-q		Nine Months Ended		y-o-y
	FY2013	FY2012	Growth (%)	FY2013	Growth (%)	Mar-13	Mar-12	Growth (%)		
Net Sales	410	488	(16.1)%	390	5.1%	1,175	1,386	(15.3)%		
Other Income	42	21	105.1%	27	57.0%	98	63	55.1%		
Total Income	452	509	(11.2)%	417	8.5%	1,273	1,449	(12.2)%		
EBITDA	105	131	(19.8)%	98	7.1%	301	372	(19.2)%		
EBITDA Margin (%)	25.7%	26.9%		25.2%		25.6%	26.8%			
Net Profit*	43	44	(3.0)%	28	52.7%	101	127	(20.6)%		
Net Profit Margin (%)	9.5%	8.7%		6.8%		7.9%	8.8%			
Basic EPS (Rs)	1.55	1.61	(3.7)%	1.02	52.0%	3.63	4.59	(20.9)%		

Ahmednagar Forgings (Subsidiary)										
(Rs. Crore)	Q3		y-o-y	Q2		q-o-q		Nine Months Ended		y-o-y
	FY2013	FY2012	Growth (%)	FY2013	Growth (%)	Mar-13	Mar-12	Growth (%)		
Net Sales	300	320	(6.4)%	281	6.6%	847	895	(5.4)%		
Other Income	31	10	203.4%	22	40.9%	76	25	205.2%		
Total Income	330	330	0.0%	303	9.1%	923	920	0.3%		
EBITDA	62	70	(11.2)%	58	6.7%	174	194	(10.6)%		
EBITDA Margin (%)	20.8%	22.0%		20.8%		20.5%	21.7%			
Net Profit	38	32	18.0%	31	23.3%	99	87	13.9%		
Net Profit Margin (%)	11.5%	9.8%		10.2%		10.7%	9.4%			
Basic EPS (Rs)	10.35	8.77	18.0%	8.39	23.4%	26.82	23.55	13.9%		

* Excluding extraordinary item

Economic Environment

Indian Markets

During the quarter, overall automotive production in India declined by (1.6)% y-o-y reflecting the ongoing macro-economic weakness. Demand is suppressed across all vehicle categories including the passenger vehicles, commercial vehicles and tractor segments.

Passenger Vehicles production volumes declined sharply by (7.7)% y-o-y in contrast to the previous four quarters which had shown positive y-o-y growth. Key factors impacting demand include weak consumer sentiment, high cost of ownership and the discretionary nature of car purchases. Heavy discounts and exchange values offered by OEMs and dealers as they approached their financial year-end failed to encourage customers.

Commercial Vehicles production continued to contract severely due to several factors: reduced industrial activity, lower cargo shipments, high cost of vehicle ownership and increasing diesel prices. In addition to the volume pressures, fleet owners continue to face pricing pressure from their end customers. Furthermore lending banks are also facing increasing delinquencies in auto loan payments from fleet owners making the banks reluctant to provide fresh financing to the sector. Production volumes in the Commercial Vehicle segment decreased by (17.3)% y-o-y, despite the heavy discounts offered by the OEMs. This is the fourth straight quarter of y-o-y decline in Commercial Vehicles. MCVs production during the quarter declined by (40.4)% with LCVs performing relatively better with a marginal decline of (0.7)%. During the quarter, 2/3 Wheeler production growth was effectively flat at 0.9% y-o-y. This is the third consecutive quarter of contraction of y-o-y growth in the 2/3 Wheeler segment.

Domestic Automotive Production (No. of Units)	Q3 FY2013	Q3 FY2012	Y-o-Y Change	Q2 FY2013	Q-o-Q Change
Passenger Vehicles	870,810	943,375	(7.7)%	799,170	9.0%
Commercial Vehicles	221,500	267,934	(17.3)%	199,171	11.2%
<i>MCV</i>	67,030	112,401	(40.4)%	63,093	6.2%
<i>LCV</i>	154,470	155,533	(0.7)%	136,078	13.5%
2/3 Wheeler	4,165,727	4,130,280	0.9%	4,175,269	(0.2)%
Total	5,258,037	5,341,589	(1.6)%	5,173,610	1.6%

Source: SIAM

For the full year ended March 2013, Tractor sales volumes are expected to decline by ~(4.0)%. Tractor penetration is expected to increase on account of higher multi-cropping, shortening of the replacement cycle, scarce farm labour and increased use of tractors for non-farm needs.

International Markets

Key Eurozone countries remain under pressure due to marginal GDP growth rates and rising unemployment. Governments continue to manage fiscal deficits and implement austerity programs. Lending for vehicle purchases in the Eurozone has contracted sharply in February signaling a declining trend in the auto markets. Passenger Vehicle registrations in the EU declined by (9.7)% y-o-y

in Q3 FY2013 but increased by 10.4% q-o-q. However, as with previous quarters, countries within the EU have had varying performances. Quarterly sales in Germany declined year on year which is consistent with the trend in previous two quarters whereas UK sales increased year on year as with the previous three quarters. The UK market has benefitted from relatively buoyant sales delivered by Tata Motors JLR. The March month is seasonally strong for new vehicle registrations in the UK market and is not strictly comparable with the previous month.

International Automotive Data (No. of Units)	Q3 FY2013	Q3 FY2012	Y-o-Y Change	Q2 FY2013	Q-o-Q Change
Passenger Vehicles - Sales					
Europe	30,94,528	34,28,196	(9.7)%	28,03,245	10.4%
<i>Germany</i>	6,73,957	7,73,636	(12.9)%	7,23,706	(6.9)%
<i>UK</i>	6,05,198	5,63,556	7.4%	4,24,000	42.7%

Source: ACEA

With an improving economic environment in the US and a corresponding decline in the unemployment rate, Q3 FY2013 automotive production in North America increased by 5.1% compared to the last quarter. However, production was effectively flat y-o-y compared to the previous quarter which increased by 9.8%

International Automotive Data (No. of Units)	Q3 FY2013	Q3 FY2012	Y-o-Y Change	Q2 FY2013	Q-o-Q Change
<i>North America - Production</i>	4,088,787	4,065,265	0.6%	3,889,257	5.1%
Total Light Vehicle	3,994,991	3,951,881	1.1%	3,795,555	5.3%
Total Med./Hvy. Truck	93,796	113,384	(17.3)%	93,702	0.1%

Source: Wards Auto

Financial Results

Amtek Auto: Consolidated

Q3 FY2013 consolidated Net Sales improved by 5.7% q-o-q and EBITDA by 15.2% primarily due to overseas sales. Net Profit (before extraordinary items and after minority interest) increased by 2.9% q-o-q. Interest expense has increased from Rs. 139 crores in Q2 FY2013 to Rs. 155 crores in Q3 FY2013. During the quarter, Amtek Auto sales in Western Europe remained relatively flat but with Germany significantly outperforming with an increase of 40.7% q-o-q. Q3 FY2013 overseas sales increased by 9.7% q-o-q, although it has decreased by (3.7)% y-o-y. Consolidated Net Sales declined by (12.6)% y-o-y, with domestic sales decreasing by (8.4)% y-o-y.

Amtek India

Q3 FY2013 Net Sales increased by 5.1% q-o-q and EBITDA by 7.1% q-o-q. Over the last 12 months, Amtek India has consistently maintained EBITDA margins of over 25%. Interest expense has

increased marginally by 4% as compared to the previous quarter. Net Profit increased by 52.7% compared to Q2 FY2013 with margins improving by 276 bps. This increase is primarily due to other income.

Ahmednagar Forgings

Q3 FY2013 Net Sales increased by 6.6% q-o-q and EBITDA by 6.7% q-o-q. Ahmednagar Forgings has consistently maintained EBITDA margins of ~20% over the last 4 quarters. Interest expense has increased by 13.5% as compared to Q2 FY2013. Net Profit increased by 23.3% compared to Q2 FY2013 with margins improving by 133 bps. This increase is primarily due to other income.

Major Corporate Events

Amtek Auto: Acquisition of Neumayer Tekfor

On March 10, 2013, Amtek Auto announced the acquisition of the Neumayer Tekfor Group. This Group is a market leader in the development and production of pioneering forging and machining solutions for transmissions, engines, drivelines, special applications and safety fasteners. The transaction is expected to close by the end of May 2013.

The combined Group shall have turnover of over US\$ 2.0 billion and 53 world-class facilities across India, Germany, UK, Brazil, Italy, Mexico, Russia and the US. In addition to being one of the leading casting and machining companies in the automotive sector, the enlarged Amtek Group shall also become one of the world's largest global forging and integrated machining companies.

Amtek Auto: Increased holding in Amtek India and Ahmednagar Forgings

Amtek Auto acquired additional equity shares equivalent to 4.87% in Amtek India and 4.91% in Ahmednagar Forgings during the quarter, taking the Company's holdings to 66.34% and 59.88%, respectively as on March 31, 2013. This enhances shareholder returns, streamlines the capital structure and demonstrates management's confidence in Amtek India's and Ahmednagar Forgings' future growth prospects.

Amtek Auto: Sale of majority stake in ARGL and ACIL

During the quarter, Amtek Auto sold 56% equity stakes in each of Amtek Ring Gears Ltd. ("ARGL") and Amtek Crankshaft India Ltd. ("ACIL"). These companies will now cease to be subsidiary companies of Amtek Auto. The strategy of unlocking value from relatively low profitable units enables Amtek Auto to utilize cash generated for the reduction of debt and for other corporate activities.

Performance Outlook

According to the Society of Indian Automobile Manufacturers (SIAM), overall automobile sales are expected to grow at 6-8% for the year ending March 2014 with Passenger Vehicle forecast at 5-7% and Commercial Vehicles at 7-9%. 2/3 wheelers are expected to grow at 5-8% in FY2014.

However, given the actual production volumes registered at the start of this year and ongoing market softness, management is planning for a relatively flat demand environment or for marginal growth over the next 12 months.

International automotive market prospects are highly dependent on the US economic recovery and stability in the Eurozone. Overall vehicle production in North America may yield limited growth for the full year as demonstrated by the results of the first quarter. Vehicle registrations in the EU in CY2013 are expected to decline by (5.0)% in CY2013.

OEM's such as Maruti Suzuki, Ford, Honda, Toyota, and Renault-Nissan have announced expansion plans for the Indian market in the near term. Luxury car manufacturers like Mercedes-Benz, Audi and BMW are also shifting the production of smaller cars to domestic plants in India in order to reduce costs and to expand their customer base. These global automotive manufacturers continue to invest for the long term in the Indian markets, strengthening the fundamentals and growth outlook of the domestic auto component manufacturers.

The Amtek Group is well positioned to benefit not only from a recovery in the Indian market but to also take advantage of the global opportunities that now become available to the new group structure.

Contact Details

John Flintham, Amtek Group	+91 11 4234 4444
Amman Kumar, Amtek Group	+91 11 4234 4444
Deepak Balwani, Churchgate Partners	+91 22 3953 7444

For further information on Amtek Auto visit www.amtek.com

Accounting Notes:

1. Shareholding of Amtek Auto in Amtek India and Ahmednagar Forgings as of March 31, 2013
2. Net Sales: Excludes Other Income
3. EBITDA: Earnings before interest, taxes and depreciation; Excluding Other Income
4. Net Profit: Profit after tax (including Other Income), after minority interest and before extraordinary items
5. Basic Earnings per Share (excludes extraordinary item) as of March 31, 2013:
 - 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.