

Bharat Forge Q2 Revenues up 40 % to Rs. 291 crore; PBT up 41% to Rs. 60 Crore

Quarterly Export Revenues cross Rs. 1 billion mark, at Rs 111 crore

Pune, October 26, 2004

Strong Growth over corresponding quarter:

- Total revenues up 40% to Rs. 291 Crore
- Exports up 33% to Rs. 111 crore; quarterly export revenues cross the Rs. 1 billion mark for the first time
- PBT up 41% to Rs. 60 Crore
- PAT up 29 % to Rs. 37.8 Crore
- Capacities set to double in one year, funding and business already tied up.
- Revenue & Earnings growth rate set to accelerate on the back of major capacity being productionized.

Bharat Forge Limited (BFL), India's largest exporter of auto components has reported strong results and earnings growth for the quarter ended September 30th, 2004. The company reported Total Revenue of Rs.290.9 crore, a 40% increase over the corresponding quarter of the previous year. The highlight of the quarter was exports which crossed Rs.1 Billion mark for the first time touching Rs 111.2 crore. Domestic sales grew by a healthy 49%. Profit before tax grew by 41% to Rs 60.3 crore. Profit after tax at Rs. 37.8 crore grew by 29% respectively during the same period.

The improved performance has come on the back of strong sustained demand from Domestic automotive market, growing revenue from the US market, commencement of supplies of the passenger car components to European Car manufacturers & new Engine component business in European market.

Commenting on the results, Mr. Baba N Kalyani, Chairman and Managing Director of Bharat Forge Ltd., said: "The company has been able to achieve these results mostly through major improvement in productivity & efficiency, effective utilization of the capacity already installed & control over costs. Our revenue and earnings growth in the quarter was quite healthy, and as our large capex program begins to come on line from the 2nd half of this year, we are very confident of further accelerating the growth rate in Revenue and Earnings. Next year will see an even larger impact when the enhanced capacity will be available for a substantial part of the Year."

Bharat Forge is doubling its forging capacity and substantially enhancing its component machining capacity. The company has already won major long-term contracts from Global customers for significant part of the enhanced capacity. As such most of the enhanced capacity has already been pre-sold.

For the six months ended September 30, 2004, the company's Revenues at Rs 551.8 crore has risen by 39% as compared to the corresponding period of the previous year. Profit before Tax rose by 40% & Profit after tax rose by 29% over the same period.

CDP Bharat Forge, the recently acquired German subsidiary of BFL has turned around and is performing well. It has achieved total revenue of Rs.561 Crores and PAT of Rs. 23.8 Crores for the nine months ended September 2004.

About Bharat Forge

Bharat Forge Ltd. is the flagship company of the Rs 4000 crore Kalyani Group, which has significant presence in the key sectors of the Indian economy. Established in early 1960's, Bharat Forge Limited (BFL) today is a global corporation with world-class engineering capabilities, state-of-the-art manufacturing facilities and a global customer base. It has the world's largest single location forging capacity and is one of the largest and most technologically advanced commercial forging companies in the world. BFL is internationally respected for its cutting edge technology and established quality processes and capabilities developed over the years.

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