



## **Bharat Forge Limited**

### **Performance for First Quarter of the Financial Year 2007- 08**

**Combined revenue (BFL plus its wholly owned subsidiaries) reached Rs. 1,115.3 Crores, PAT reached Rs. 80.4 Crores.**

#### **Key Highlights**

- Stand-alone revenue for Q1 grew 24% to reach Rs. 550.2 Crores despite significantly lower off - take in two of its key markets, India & USA.
- Export revenues grew by 31.5% to reach Rs 223.7 Crores. The Exchange Rate adjusted growth is even more impressive at 42.5%
- Standalone & Combined EBITDA margin maintained at healthy levels of 28% & 18% respectively.

**Pune 24th July 2007: Bharat Forge Ltd.**, today announced its Q1 results with combined revenue reaching Rs. 1,115.3 Crore, a growth of 10.3%. The combined EBITDA margin was maintained at healthy levels of 18.0%.

Stand-alone revenue, EBITDA & PAT for Q1 reached Rs. 550.2 Crore, Rs. 154.6 Crore and Rs. 64.8 Crore, a growth of 24.0%, 23.7% and 25.8% respectively.

BFL clocked impressive performance on the export front which grew by 31.5% over the corresponding quarter previous year. This growth has been achieved despite a significant & rapid appreciation in the value of Indian rupee against all the major currencies and also the slowdown in the US Medium and Heavy Commercial Vehicle market.

During the quarter the value of Indian Rupee appreciated rapidly and significantly against all major currencies viz. US Dollars, Euro and GBP. This has had an adverse impact on the export earnings of the company to extent of about Rs. 18.7 Crores & a favourable impact on account of the net foreign currency loans to the extent of about Rs. 33.3 Crores. The results of the Q1 include this impact.

Commenting on the results of the company Mr. B N Kalyani, Chairman & Managing Director said "The first quarter of the current financial year has posed distinct challenges on three accounts - Rapid and significant appreciation in the value of Indian Rupee leading to erosion in the revenue and margins from export business, slow off-take in the Indian automotive market, especially Commercial Vehicles and continued softness in the US heavy truck market. In spite of these challenges, the export revenues have grown significantly and the company has maintained complete traction with all the key domestic players.

In my assessment, the slow down in Indian and US markets is more as a result of localized reasons such as rise in Interest rates and change in the emission norms. We expect that the growth in these markets will restore beginning early 2008. BFL, with its strong competitive position, is well placed to be the key beneficiary of such revival". He added

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