

BHARAT FORGE LIMITED

Q2 RESULTS FY 06

**Consolidated Revenue jumps 45% to reach Rs. 698 Crores,
Consolidated PAT improves 31% to Rs. 61 Crore**

Key Highlights of the Quarter

- Bharat Forge's stand alone revenue & PAT jumped 33% & 37% to reach Rs. 388 Crores and Rs. 52 Crores respectively.
- Bharat Forge acquired 100% ownership interest in Imatra Kilsta AB, Sweden along with its wholly owned subsidiary, Scottish Stampings, Scotland (together called as Imatra Forging Group) in an all cash deal.
- Bharat Forge completes the "Dual Shore" manufacturing model & now has the capability to supply all key components from at least two locations.
- Bharat Forge Commissioned two highly sophisticated press lines to take the Indian forging capacity to 200,000 Tons & global forging capacity to 460,000 Tons per annum.
- Established the Center of Excellence in Germany to serve as Front end Product development & technology center.

Pune ... October 18, 2005 ...

Bharat Forge, the second largest commercial forging conglomerate in the world, & largest exporter of auto components from India, has reported a healthy growth in its consolidated performance. The company achieved consolidated revenue of Rs. 698 crores (US \$ 159 Million) & Profit After Tax of Rs. 61 crores (US\$ 14 Million) for the quarter ended September 30th, 2005, an increase of 45% & 31% respectively over the consolidated performance achieved in the corresponding quarter of the previous year.

66% of the total consolidated revenue (about US \$ 105 Million) was generated from sales to overseas customers which include top car & truck manufacturers in the world.

Bharat Forge, on a stand-alone basis achieved healthy growth of 33% in Revenue and 37 % in Profit after Tax which now stands at Rs. 388 crores and Rs. 52 crores respectively.

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 on the back of strong demand flow resulting out of acceleration in the outsourcing initiatives, matching capacity expansion & good performance by the global subsidiaries.

The company's global business model has now become very strong, with BFL having eight manufacturing locations spread across five countries, Strong "Dual Shore" supply capability, Full service supply capability with Center of Excellence in Europe and Full service testing & validation facility in India. BFL also has developed extremely strong, technology led, relationships with the top automotive customers worldwide. In order to reinforce its technology & product development capability and bandwidth, BFL has now become one of the first Auto Component Companies from a Low Cost country to set up a center of excellence in the developed market, Germany. This strong positioning of the company will be leveraged to further deepen the engagement with the customers & would translate into a product pipeline and order flow that will ensure strong long term growth of the company. He added.

The following are the highlights of the company's consolidated and stand-alone performance for the quarter ended September 30, 2005.

Rs. Crores

Particulars	(Consolidated) Quarter II Ended 30/09/05	(Consolidated) Quarter II Ended 30/09/04	% change	(Standalone) Quarter II Ended 30/09/05	(Standalone) Quarter II Ended 30/09/04	% Change	Consolidated Year Ended 31/03/05
Total Revenue	698.1	482.2	44.8	388.1	290.9	33.4	2001.4
Domestic (net of excise)	237.4	179.7	32.1	237.4	179.7	32.1	716.0
Revenue outside India	460.7	302.5	52.2	150.7	111.2	35.5	1285.4
Operating Profit [PBDIT]	141.4	104.4	35.5	108.6	81.8	32.8	431.9
PBT	96.6	74.0	30.6	78.3	60.3	29.9	313.0
PAT	61.2	46.6	31.3	51.8	37.8	37.0	201.1

About Bharat Forge Limited

Bharat Forge Ltd. (BFL) is the flagship company of the US \$ 1.50 billion Kalyani Group, which has significant presence in the key sectors of the Indian economy. With world-class manufacturing facilities across eight locations - two in India, three in Germany one in Sweden, one in Scotland and one in North America, BFL today is a global corporation with 'Full Service Supply' Capability in Power-train & chassis components. It is the largest exporter of auto components from India and leading chassis component manufacturer in the world. BFL is internationally respected for its cutting edge technology developed over the years, full service supply capability and dual-shore manufacturing model.

For further information contact:

Ms Sarita Iyer

Bharat Forge Limited

020 26824666 (D)

Email: siyer@bharatforge.com