



BHARAT FORGE LIMITED

Performance for the quarter ended December 31, 2008

**Combined Revenue reaches Rs 974 crores
Standalone Revenue reaches Rs 453 crores**

Key Highlights

- Unprecedented, sudden and unforeseen decline in the global automotive industry affecting BFL's domestic & global performance.
- Non-auto expansion at Mundhwa & Centre for Advanced Manufacturing completed. Serial production expected to commence as per schedule.

PUNE, January 22nd 2009...Bharat Forge Ltd., the flagship company of the USD 2.4 billion Kalyani Group and a leading global supplier of forged and machined components, today announced its third quarter results.

During the quarter, the company's standalone revenues declined from Rs 557 crores in Q3 FY08 to Rs.453 crores and PBT (before exchange gain / loss) declined from Rs 90 crores to Rs.30 crores in the same period. Combined revenues declined from Rs 1,099 crores in Q3 FY08 to Rs.974 crores.

During this quarter, the demand for automobiles globally across all segments saw an unprecedented and sudden drop which caught the entire industry by surprise.

In October – December 2008, Domestic M&HCV production plunged by 62% on a YoY basis while the overall passenger & Commercial vehicle production dropped by 20%. Similar sharp declines were witnessed in the US &



European Automotive industry. In fact, the Indian Automotive Industry had registered a growth of 10.2% in passenger and commercial vehicle production in the first half of FY 2009.

The non auto facilities (HFD – II and CAM, Baramati) have commenced operations, as per schedule. The Heavy forge division is in ramp up mode while the Baramati facility is under trial production and will be developing different parts for customers in the current quarter and serial production is expected to start as per schedule.

Commenting on the results, Mr. Baba N Kalyani, Chairman and Managing Director of Bharat Forge Ltd., said: "the risk aversion from both the OEMs and end-consumers fuelled by the deepening global recession has had a severe impact on the overall automotive supplier industry. This had a cascading effect on the overall performance of Bharat Forge, both at its overseas and domestic operations".

"To tide over these difficult times, Bharat Forge has implemented several measures aimed at optimizing facility cost in line with the foreseeable demand in the near future. In addition, we are in the process of identifying new business opportunities in the non-auto space for our existing facilities which are currently under-utilized", he added.

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