



BHARAT FORGE LIMITED

Performance for the quarter ended September 30, 2007

**Standalone PBT Rs 101 crores; Standalone revenues
grew 25% to 586 crore.**

Key Highlights

- Combined EBITDA margins improved 80 bps to 19.0%
- Standalone PBT Rs101 crore, growth of 10%
- Strong export growth of 41% & 17%, YoY and QoQ basis, respectively
- Domestic sales have grown by 10% out-performing the market both on a YoY & sequential basis.
- Non-auto expansion as per schedule. Trial runs of the Baramati & Heavy Forgings facility, expected in the 1st & 2nd quarter of FY 2009, respectively.

PUNE, October 26th, 2007...Bharat Forge Ltd., the flagship company of the USD 2.1 billion Kalyani Group and a leading global supplier of forged and machined components, today announced its second quarter results with combined revenue reaching Rs.1071.2 crore and PAT of Rs. 79.1 crore, a growth of 8% and 6% respectively. The combined EBITDA margins improved to 19.0% from 18.2% a year ago.

Bharat Forge on a Stand alone basis achieved a healthy growth of 25% in Revenue & 9% in PAT, which now stands at Rs. 588.5 Crore and Rs. 67.7 crore, respectively.



The highlight of the quarter was PBT, which reached Rs 101 crores, a growth of 10% on the back of strong exports. On a sequential basis, Operating profit before Tax excluding other income have grown by 68% from Rs 45 crores to Rs 76 crores.

Exports recorded a stellar growth of 42% on a YoY basis, despite continued softness in the US Medium & Heavy Commercial Vehicle industry & a strong rupee. The exports growth adjusted for currency appreciation is an impressive 54%.

The company has been able to achieve this growth in spite of the rupee appreciation that resulted in a lower realization on the export earnings of the company to extent of about Rs. 26 Crores which was partially compensated by a net gain of 10.8 crores on account of the revalorization of foreign currency loans & deposits .

Commenting on the results, Mr. Baba N Kalyani, Chairman and Managing Director of Bharat Forge Ltd., said: "The Company has been able to maintain a strong growth momentum, in India, Europe & Asia pacific region. The hit on the EBITDA margins in Q1 has been recouped to a substantial extent and will show further improvement in the coming quarters.

Our improved performance has come on the back of strong demand from Europe & Asia Pacific which now constitute roughly 50% of the exports and successful ramp up in production of heavy duty engine parts and passenger car engine components for the US and European market, he added

Our non-auto capacity expansion programme at Baramati and Pune is progressing as per schedule and the facility will come on line for trial runs by 1st and 2nd quarter FY09, respectively.

For further information contact:

Sarita Iyer
Corporate Communications
Bharat Forge Ltd.
Tel: 91 20 2670 2638/2682 4666
Fax: 91 20 2682 2598
Mail: siyer@bharatforge.com