



BHARAT FORGE LIMITED

**Performance for the quarter ended
December 31, 2007**

**Combined Revenue reaches Rs 1099 crores
Standalone Revenues grew 16% to Rs 572 crores**

Key Highlights

- The Company achieved standalone revenue of Rs 572 crores, a growth of 16%.
- BFL Non Auto programme well on stream. Commercial production to start in 2nd Half FY09.
- Joint Venture with NTPC

PUNE, January 21st 2008...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 third quarter results with combined revenue reaching Rs.1099.4 crores, a growth of 6%.

Stand alone Revenue & EBITDA reached Rs 572.3 crores and Rs 151.9 crores, a growth of 16% & 8.4% respectively.

During the quarter, the company on a standalone basis has maintained its Operating margins on YoY as well as sequential basis.



Commenting on the results, Mr. Baba N Kalyani, Chairman and Managing Director of Bharat Forge Ltd., said: "the last few quarters have been challenging for the Indian auto industry, particularly to companies which are large exporters due to the double effect of Indian market slowdown coupled with the drastic reduction in US CV Market". The US CV space witnessed a fall in production on YoY basis of over 40% which was much higher than expectation of 24% to 25%. This has resulted in lower production and slower ramp-up of BFL's new HDEP programmes. Based on feedback from our customers, we expect the US CV market to recover in 2nd half of 2008.

The Domestic market after witnessing YOY drop in the first two quarters of FY08 has shown signs of initial recovery in Q3 and markets expect it to gain momentum in the coming quarters. , he added.

As a part of the company's foray in to Capital goods sector, Bharat Forge will invest in a JV with NTPC for manufacturing equipments for the power and capital goods sector. BFL will have majority stake in the said JV.

The Company's non-auto capacity expansion programme is well on stream and commercial production for its Baramati & open forge plant will commence towards the end of Q4 FY09 and Q1 FY10 respectively. This will be a major inflection point and will add significantly to the top line in FY09.

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