

**Bharat Forge enters into Joint Venture Contract with FAW Corporation, China**  
*The JV will be the largest forging company in China*

**Highlights**

- **Bharat Forge to have majority stake in the Joint Venture**
- **JV to address the fast growing Chinese automotive market made up of Local automotive manufacturers as well as the Chinese Ventures of BFL's Global OEM customers**
- **The joint venture completes the company's dual shore supply capability across all the geographies.**

**Mumbai ... December 8, 2005 ...** Bharat Forge Limited (BFL) today signed a Joint Venture (JV) contract with FAW Corporation for its forging business. The JV agreement was signed in Mumbai by Mr Dong Chunbo, Chairman of FAW Forging Limited and Board Director of FAW Group, and Mr B N Kalyani, Chairman Bharat Forge Limited. The occasion was graced by the presence of Mr. Zhu Yanfeng, CEO of FAW Group.

FAW is the largest automotive group in China, with a leading position in both passenger car and commercial vehicle sectors. FAW has extremely successful JV's for car manufacturing with both Toyota and VW group with multiple plants in China. Thru this new JV BFL makes a powerful entry into the large and fast growing Chinese automotive market. The Forging company of the FAW group is the largest in China, and by joining hands with them, BFL will instantly become the largest forging company in China with a strong customer base across segments and covering numerous customers.

BFL will hold majority stake in the JV company. The JV company will be engaged in the manufacturing of wide range of highly engineered forged auto components for the Commercial Vehicle, Passenger Car & Light Truck market & will address both, the local Chinese manufacturers as well as the Chinese plants of the Global OEMs.

The JV will offer BFL a strong base from which it will leverage its relationship with Global OEM customers thru large new supply opportunities for their manufacturing facilities in China. BFL will be well positioned to leverage its full service supply capability & Dual Shore manufacturing to offer a wide spectrum of high quality, highly engineered components to these global OEM customers as well as the local automotive manufacturers in China.

While announcing the signing of joint venture contract, Mr B N Kalyani, Chairman & Managing Director, Bharat Forge said, "This Joint Venture is a step in the direction of reiterating our strong commitment to providing world class forging technology to the fastest growing automotive market of the world – China. We will be able to fully support our customers across the world who have manufacturing plants in China thru our Chinese plant.

I believe this Joint Venture between the two very accomplished partners – BFL & FAW Corporation would open up opportunities for growth by offering win – win solutions to the customers & take this relationship to a new height.” He added.

The JV has its manufacturing facility at Changchun in Northern China. The total annual forging capacity is in excess of 100,000 MT with a staff compliment of about 1700 employees. The JV Company will be engaged in the manufacture of forged auto components for Commercial Vehicles, Buses, Light Trucks, and Passenger Car industry in China.

The JV Company will be established after obtaining the necessary regulatory approvals from the concerned authorities in China.

Shanghai based investment banking firm E. J. McKay & Co., Inc. advised BFL on the transaction. James Z. Li, Chairman of E. J. McKay said, “By joining hands with FAW, BFL instantly becomes the largest auto forging company in China, and is well positioned to become the largest auto forging company in the world”

### **About Bharat Forge**

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 this joint venture, Bharat Forge will have world-class manufacturing facilities across nine locations - two in India, three in Germany and one each in Sweden, Scotland, North America and China. 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.

### **About FAW Corporation**

With a total revenue of USD14 Billion, FAW is the largest automotive group in China. The company has existing joint ventures in China with world leaders such as Toyota, Volkswagon and Audi to manufacture passenger cars. FAW also has one of the largest commercial vehicle manufacturing companies in China, and many subsidiaries in component manufacturing, forming joint ventures with world leaders such as Eaton, TRW, and Johnson Control. The Group’s annual vehicle output is over 1 million units.

### **For further information contact:**

Ms Sarita Iyer  
Bharat Forge Limited  
020 26824666 (D)  
Email: [siyer@bharatforge.com](mailto:siyer@bharatforge.com)