

Consolidated Revenue crosses Rs 2000 crores, consolidated Net Profit exceeds Rs 200 crore

*Stand alone revenues jump 44% to reach Rs. 1226 crores & Net Profit shows a smart 29% growth to Rs. 162 crores
Proposes Dividend pay out of 125%*

Key Highlights:

Consolidated revenue & net profit reaches Rs. 2001 crore & Rs. 201 crore respectively.

Consolidated EPS reaches Rs.49.8

Bharat Forge's revenue jumps 44% to reach Rs. 1226 Crores with exports at Rs. 510 crores. Net profit grows 29% to reach Rs. 162 crores.

Bharat Forge raised funds thru successful conclusion of GDR & FCCB offering of US \$ 220 million. This is in addition to the Rights Equity issue & ECB of US \$ 54 million. These funds will be utilized for organic, inorganic growth initiatives & setting up global technology center.

Mumbai, 24 May, 2005: Bharat Forge, the leading global supplier of forged & machined auto components, has announced a quantum growth in its consolidated performance. The company achieved consolidated annual revenue of Rs. 2001 crores(US \$ 460 Million) & Profit After Tax of Rs. 201 crores(US \$ 46 Million) for the FY 2004-05.

Of the total revenue of Rs. 2001 crores, Rs. 1285 crores (US \$ 295 Million) was generated from sales to customers outside India. Thus, the share of global revenues in the company's total revenues now stands at 64%. Bharat Forge has a de-risked & well distributed customer base across geographies stretching from North America, Europe, Asia down to Australia & across sectors such as Commercial Vehicles, passenger cars, diesel engines, construction equipment, oil & gas, Railways & various other segments. The company has made significant progress in increasing its share of business in each one of these markets & segments. Bharat forge has positioned itself to be the leading supplier in each of its focus areas.

Bharat Forge, on a stand-alone basis has clocked an all time high net Revenue of Rs 1226 crore (US \$ 282 Million) for the year ended March 31, 2005 up by 44 % from Rs 851 crore previous year. Net Profit of Rs 162 crore (US \$ 37 Million), marks a jump of 29% over the previous year.

Export revenue demonstrated an impressive 53% growth to reach Rs. 510 crores(US \$ 117 Million). US contributed 44% of exports, Europe 33% while Asia Pacific (including China) contributed close to 23 % of BFL's exports The Total revenue was also spurred by an impressive growth in the Domestic revenue, which rose 42% to Rs 709 crore in FY2005 as compared to Rs 499 crore in the previous year.

In the quarter ended 31 March 2005, the company's net revenue & exports reached Rs. 363 crores & Rs. 154 crores respectively which marks growth of 51% & 81% respectively over the corresponding quarter. The Profit before tax &

Profit after tax grew by 31% & 34% respectively to reach Rs. 69 crore and Rs. 48 crore.

Commenting on the result Mr. B N Kalyani, Chairman & Managing Director said: “The year has seen our company achieve significant all round improvement in revenue, exports & profitability. During the year we successfully integrated the operations of our German subsidiaries into the mainstream Bharat Forge. The consolidated results are a culmination of strong strategic focus and improvements in operations & quantum jump in productivity across the board.

We recently concluded our strategic fund raising program of US \$ 220 million (Rs. 957 crore) thru GDR & Foreign Currency Convertible Bonds. This is in addition to the amount of US\$ 54 million raised during the financial year 2004-05 thru Rights Equity Issue & External Commercial Borrowings. These funds will be used for organic & global inorganic growth initiatives & setting up the global technology & development center. These initiatives will go a long way in accelerating our growth & revenue in the coming year.”

The company’s expansion program to double its forging capacity in India is progressing as per schedule and the same will be completed in stages by the end of the year 2005.

According to the company's audited results for the year approved by the Board of Directors on May 24, 2005, following are the financial highlights:

(Rs Crore)

Particulars	Quarter IV Ended 31/03/05	Quarter IV Ended 31/03/04	% Change	Year Ended 31/03/05	Year Ended 31/03/04	% Change
Total Revenue	363.4	240.9	50.8	1226.5	851.2	44.1
Domestic (net of excise)	206.8	145.1	42.5	708.6	499.1	42.0
Exports	154.4	85.2	81.2	510.5	333.0	53.3
Operating Profit [PBDIT]	92.0	71.3	29.0	334.9	259.3	29.2
PBT	69.4	52.8	31.4	248.1	181.2	36.9
PAT	48.4	36.2	33.7	161.6	124.9	29.4

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