

BHARAT FORGE



INVESTOR PRESENTATION

Bharat Forge - A Leading Global Forging Company

Auto Sector Revival - Bharat Forge Well-Positioned

Non-Auto Sector - Emerging Growth Platform

Financial Performance - Strong Revival Post The Downturn

Conclusion

Bharat Forge Limited (BFL) - A Global Forging Company







Bharat Forge: Profile

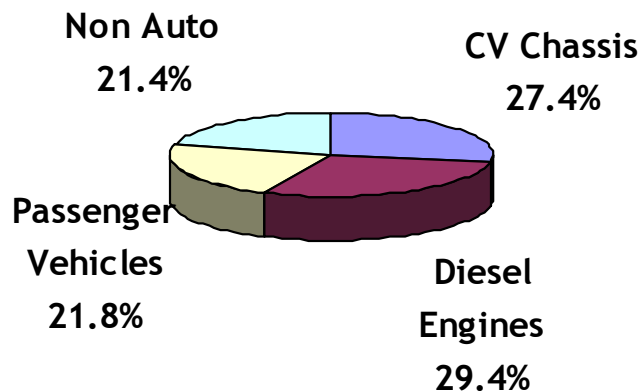
- FY09 Consolidated Revenues: ~ US\$1.1 bn.
- 11 Manufacturing locations across 5 countries.
- Global Marquee Customer base of more than 35 OEM's & Tier- 1 companies across automotive & non automotive applications.
- Non Auto: 21.4% of consolidated revenues in FY 09.
- In FY09, No single customer exceeded 10% of consolidated revenues.

1 US\$ = Rs 45

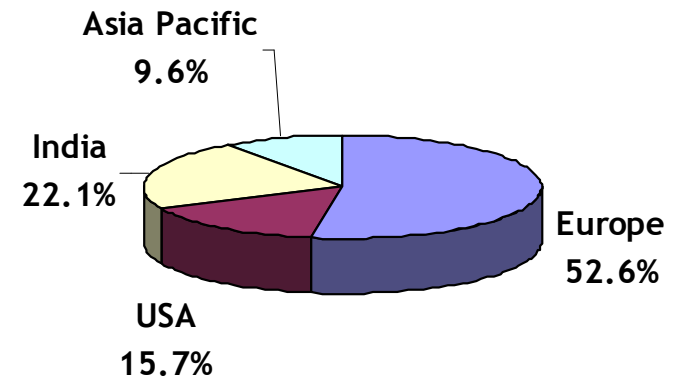
Global Forging Conglomerate

Geography	Capacity (MTPA)
	365,000
	200,000
	135,000
	60,000

Revenue Break-up by Segments - FY 2009



Revenue Break-up by Geography - FY 2009



Bharat Forge - A Leading Global Forging Company

Auto Sector Revival - Bharat Forge Well-Positioned

Non-Auto Sector - Emerging Growth Platform

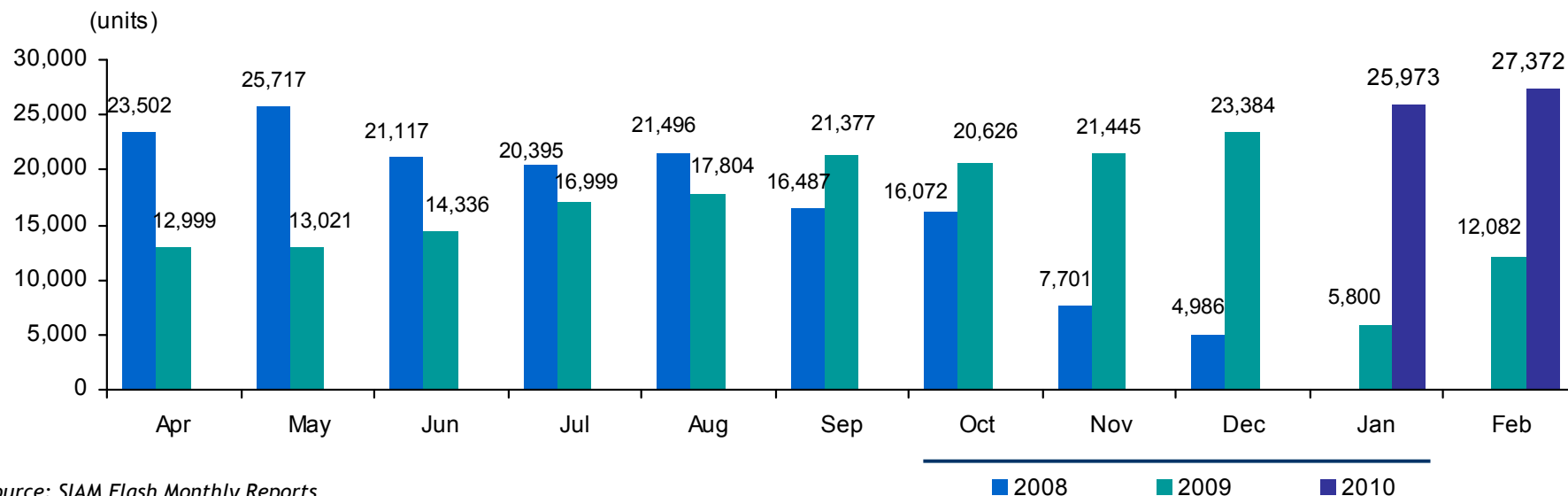
Financial Performance - Strong Revival Post The Downturn

Conclusion

Recent Pick up in Domestic CV Market Expected To Continue



Month on Month Domestic CV Production Picking Up



Source: SIAM Flash Monthly Reports

Periods of Decline In Indian CV Markets Been Short; Growth Phases Have Been Longer With High CAGR

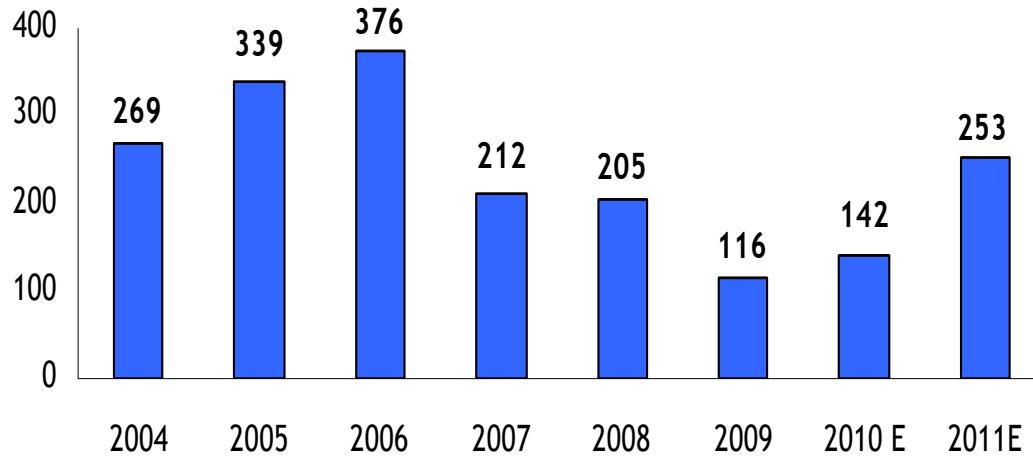
Period	Phase Type	No. of years	CAGR
FY 1998	Decline	1	-27.3%
FY1999	Growth	1	25.0%
FY 2000 - FY 2001	Decline	2	-6.9%
FY 2002 - FY 2008	Growth	7	21.0%
FY 2009	Decline	1	-34.7%
FY 2010	Growth	Ongoing	22.9%

Source: SIAM

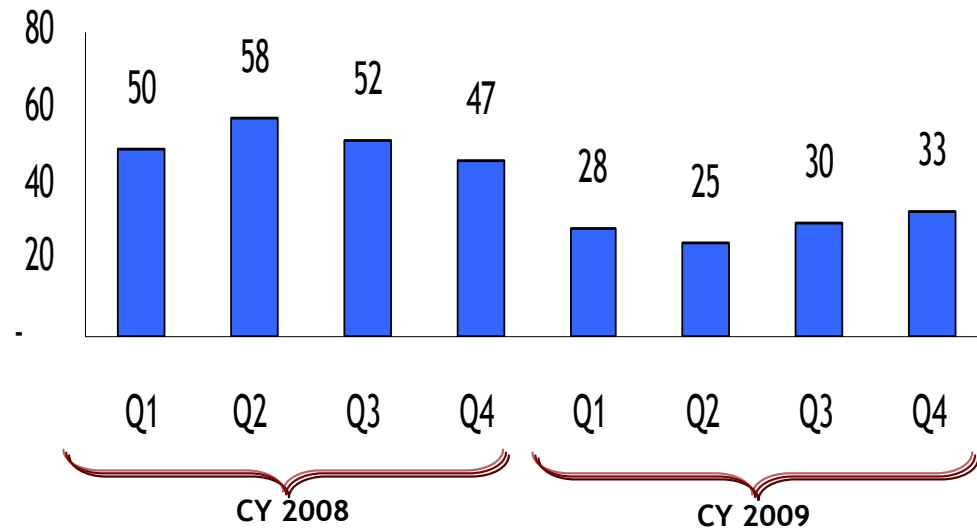
Strong growth expected to continue ...

- Strong pick up in domestic CV volumes driven by revival in industrial activity
- Continued infrastructure development focus (roads, construction etc.) to enhance the growth momentum
- New players like Man, Volvo, Daimler, Navistar who have entered the domestic market

North American Class 8 Production

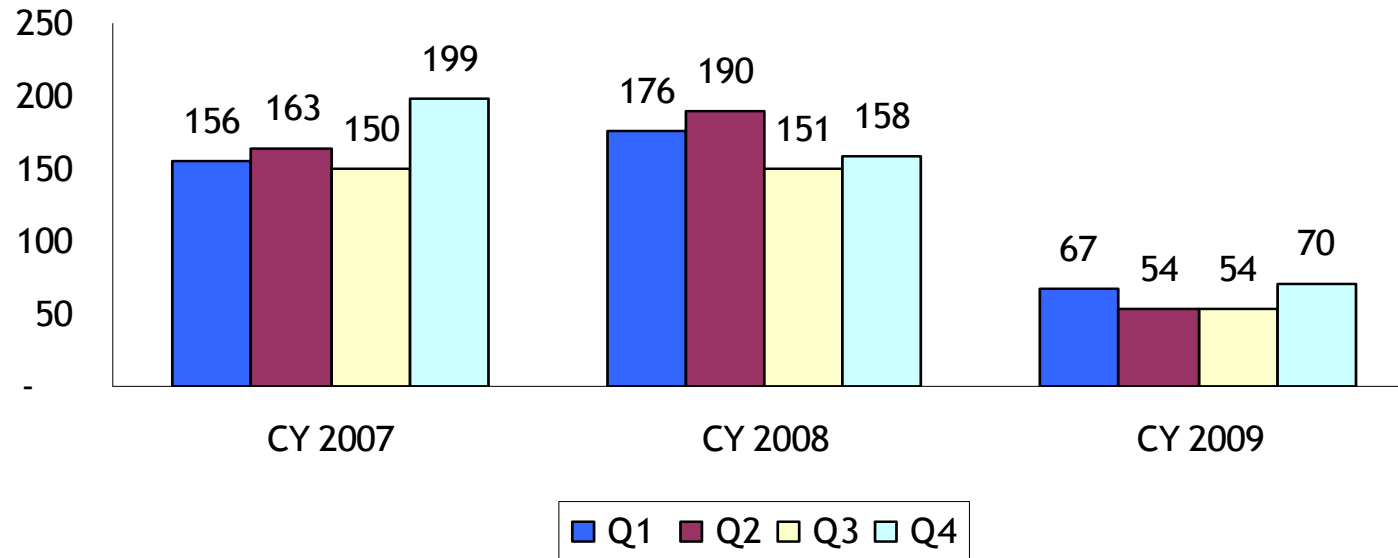


North American Class 8 Production



- BFL has a significant market share for Chassis & Engine components in the North American Class 8 commercial vehicle segment.
- The North American Class 8 truck market reached peak levels in 2006 with volumes of 376K units. In CY09, the segment recorded volumes of 116K, a drop of 69% from 2006 levels.
- The segment is showing signs of demand revival as visible from the increase in production from Q2 CY09. The sector is forecasted to grow at 47% CAGR till CY 2011 from CY 2009 levels.
- Replacement demand expected to be significant growth driver, given the average age of the fleet is very old, almost close to 7 years.






Commercial Vehicle Production



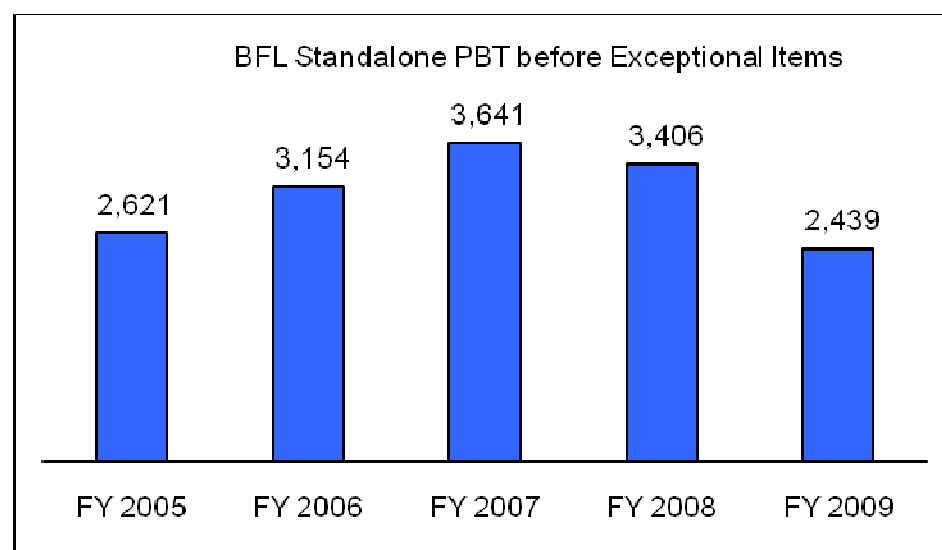
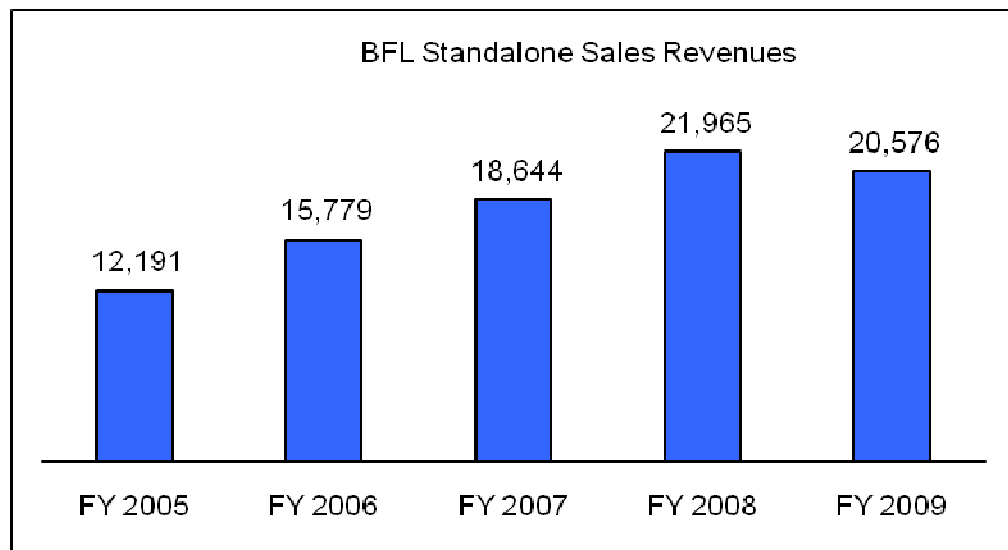
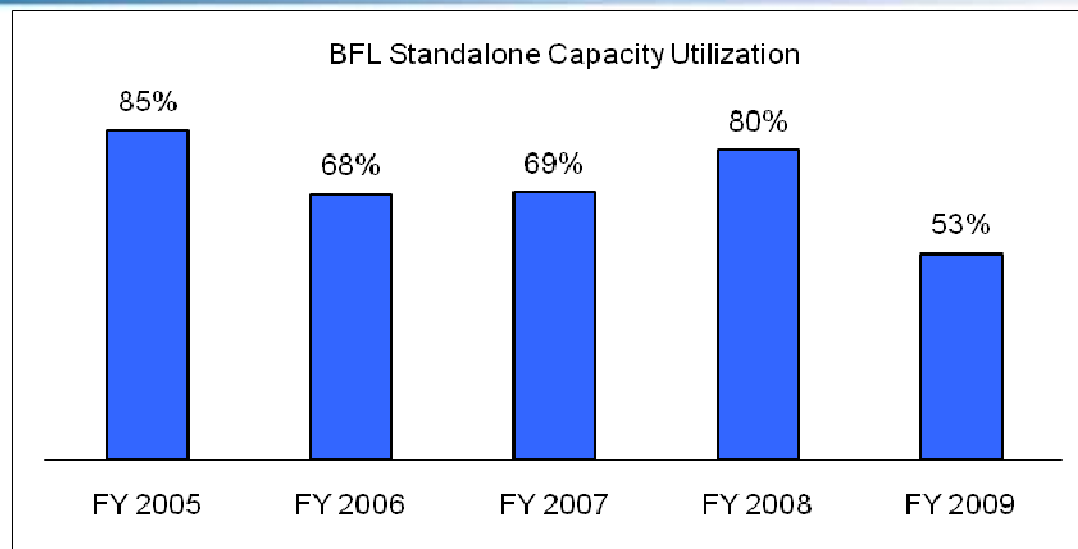
- Commercial vehicle production in CY 2009 was 245,000 units, a drop of 64% as against CY 2008 levels.
- The industry witnessed destocking of inventory through out the year as automakers adapted stocks & output levels to the economic situation, significantly impacting suppliers.
- However, the production levels have started to pick up as visible from Q4 CY09 numbers which shows a growth of 37% over Q3 CY09.

Outlook for Key Automotive Markets



Particulars			
	<ul style="list-style-type: none"> ■ Growth of 22.9% for M& HCV sector YTD FY 2010 over corresponding period. <i>(source: SIAM)</i> ■ The segment is expected to witness growth in FY 2011 on back on infrastructure spending and global OEM's entering the space. 	<ul style="list-style-type: none"> ■ CV sector volumes fell by about 50% in CY 2009. <i>(source: ACEA)</i> ■ Volumes are expected to be flat in CY 2010. 	<ul style="list-style-type: none"> ■ Class 8 truck volumes were down close to 70% compared to peak levels of CY 2006. ■ The segment is expected to grow at a CAGR of 47% from CY 2009 to CY 2011 driven by need for replacement of legacy fleets. <i>(source: ACT Research)</i>
	<ul style="list-style-type: none"> ■ Growth in this sector remains strong driving higher per capita income & growing middle class. 	<ul style="list-style-type: none"> ■ The passenger vehicle segment witnessed only a small decline in volumes in CY 2009 on back on scrappage incentives. ■ CSM expects vehicle sales in Europe to fall for the third consecutive year in 2010, as governments in the West pull away the scrappage schemes that propped up demand in 2009. <i>(Source: CSM)</i> 	<ul style="list-style-type: none"> ■ Full-year sales in 2009 have come in at a 39 -year low, with 10.4 million units sold in the United States. ■ CSM is projecting auto sales in 2010 to improve by 13.5 percent to 11.8 million units in the United States. <i>(Source: CSM Worldwide)</i>

Capacity Utilization: Headroom for Growth in Auto Segment



- *Robust financial performance even at low levels of capacity utilization*
- *Enough headroom to reach previous peak utilization levels on the back of improvement in domestic CV markets & revival in US & Europe.*

Bharat Forge - A Leading Global Forging Company

Auto Sector Revival - Bharat Forge Well-Positioned

Non-Auto Sector - Emerging Growth Platform

Financial Performance - Strong Revival Post The Downturn

Conclusion

Expanding the Horizon – Focus on Non Automotive



Energy

Windmill shafts, gas engine components



Aerospace

Structural & rotating components



Oil & Gas

Valve bodies, bonnets, choke bodies, composite blocks



Construction & Mining

Engine components, GETs



Marine

Engine components



Railways

Engine components, turnouts

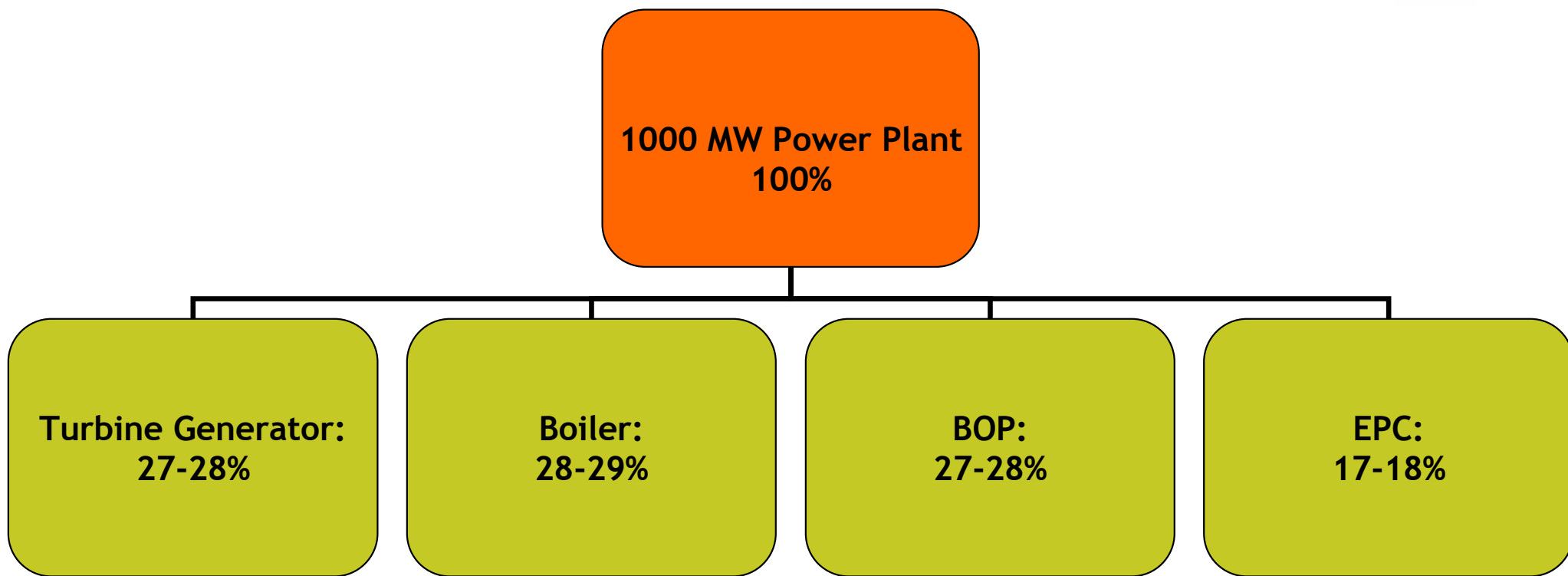
Infrastructure Supply Business

Advanced New Non-Auto Capacity has been commissioned



Total Outlay: Rs 500 crores since FY 2008

Facilities	Products & Industries	Product Dimensions
<ul style="list-style-type: none">■ Heavy Forge Division II - 4,000 MT Press & Machining Capacity	<ul style="list-style-type: none">■ Wind turbine components. Hydro, gas & steam turbine components and components for mining, metal industry & general engineering applications.	<ul style="list-style-type: none">■ Max Ingot weight upto 70T single piece
<ul style="list-style-type: none">■ Centre For Advanced Manufacturing - 80 MT Hammer & Machining Capacity	<ul style="list-style-type: none">■ Large components for energy sector, transportation including aerospace, railways & marine.	<ul style="list-style-type: none">■ Components up to 2.5 tons in weight and 4.5 m in length
<ul style="list-style-type: none">■ Ring Rolling facility	<ul style="list-style-type: none">■ Large rings & gears blanks for various sectors like marine, wind and construction equipments.	<ul style="list-style-type: none">■ Rings up to 3 Tons in weight and 4.5m in dia.



Joint Ventures	Focus Area	Capacity
Alstom - JV 1	Turbine Generator	5,000 MW
Alstom - JV 2	Auxiliaries	
NTPC	BOP	4,000 MW

BFL will see additional benefits by supplying forged & machined components to the above ventures and also directly to other customers like BHEL.

Select Non Auto Product Portfolio



Import substitution of critical part for power sector

Crankshaft for locomotive
Length: 3.95 m
Approx. Weight : 2.1 tons



Bharat Forge - A Leading Global Forging Company

Auto Sector Revival - Bharat Forge Well-Positioned

Non-Auto Sector - Emerging Growth Platform

Indian Power Sector

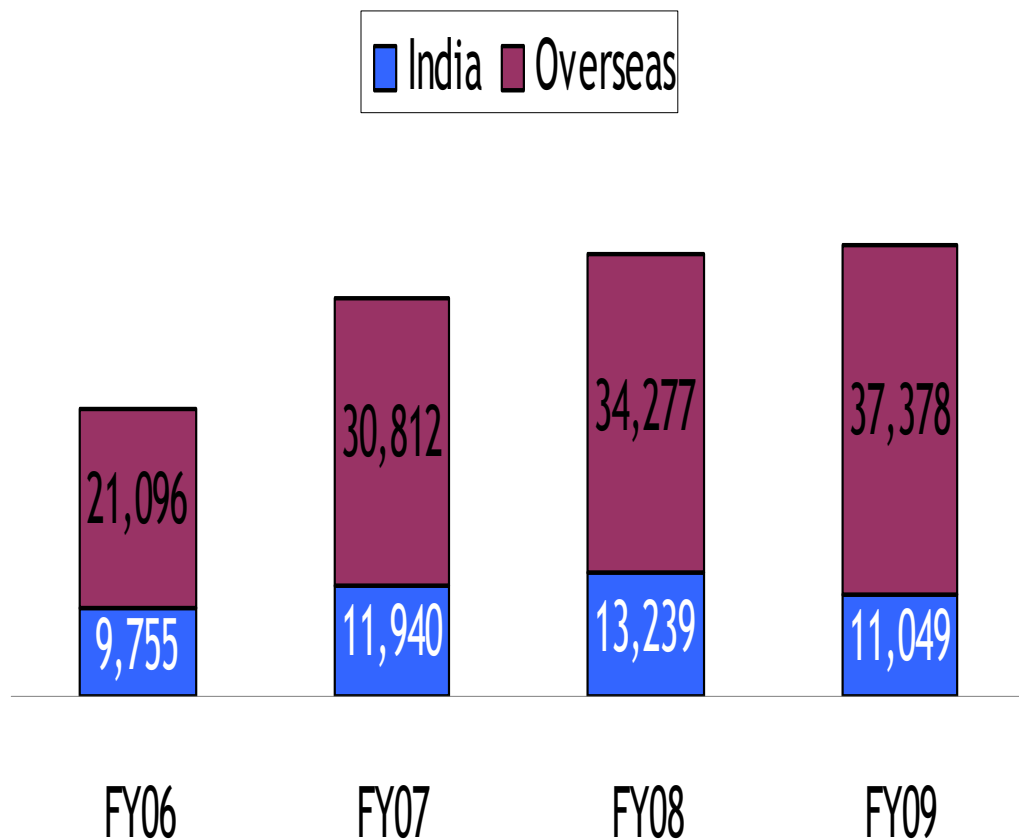
Financial Performance - Strong Revival Post The Downturn

Conclusion

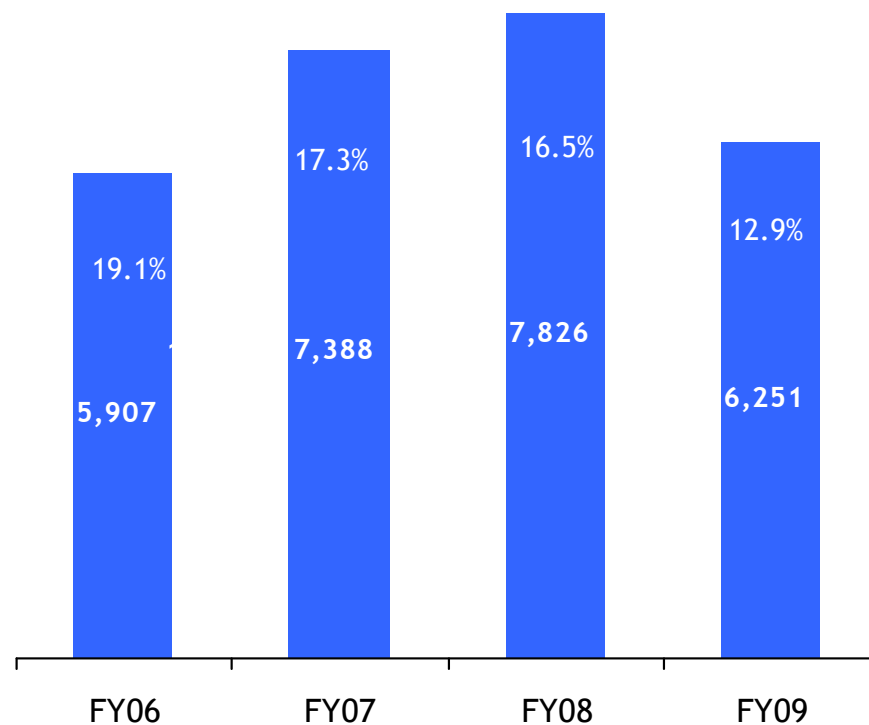
Consolidated Financial Performance



Strong Historic Consolidated Revenue Growth (Rs. million)



Consolidated EBITDA * (Rs. million)

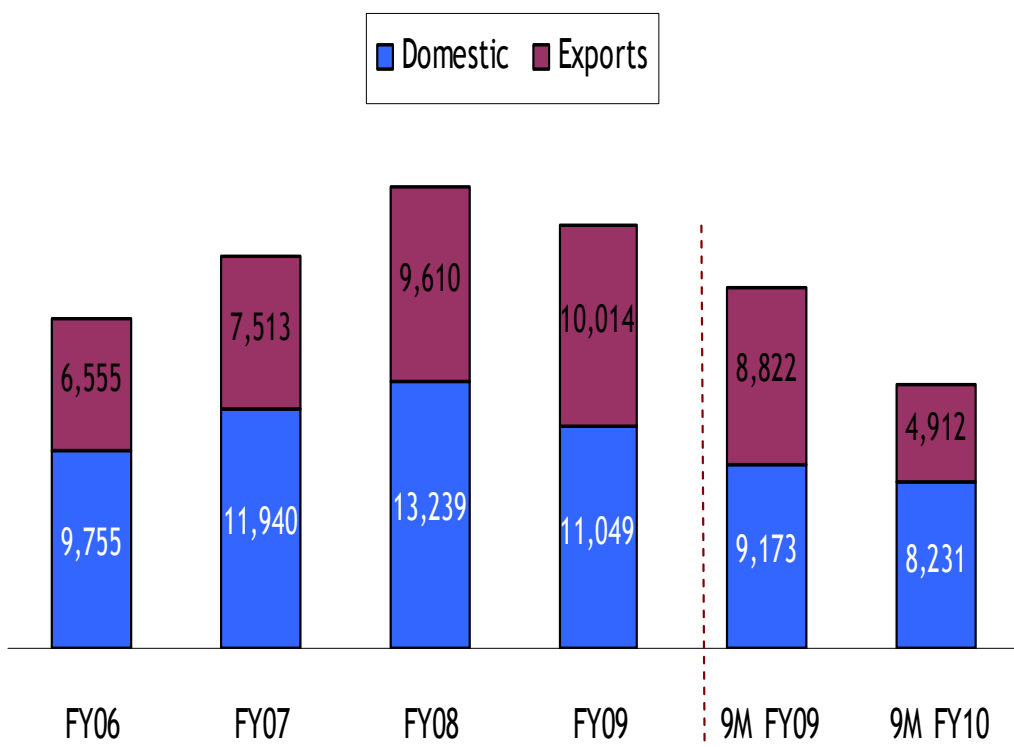


% indicates EBITDA Margins

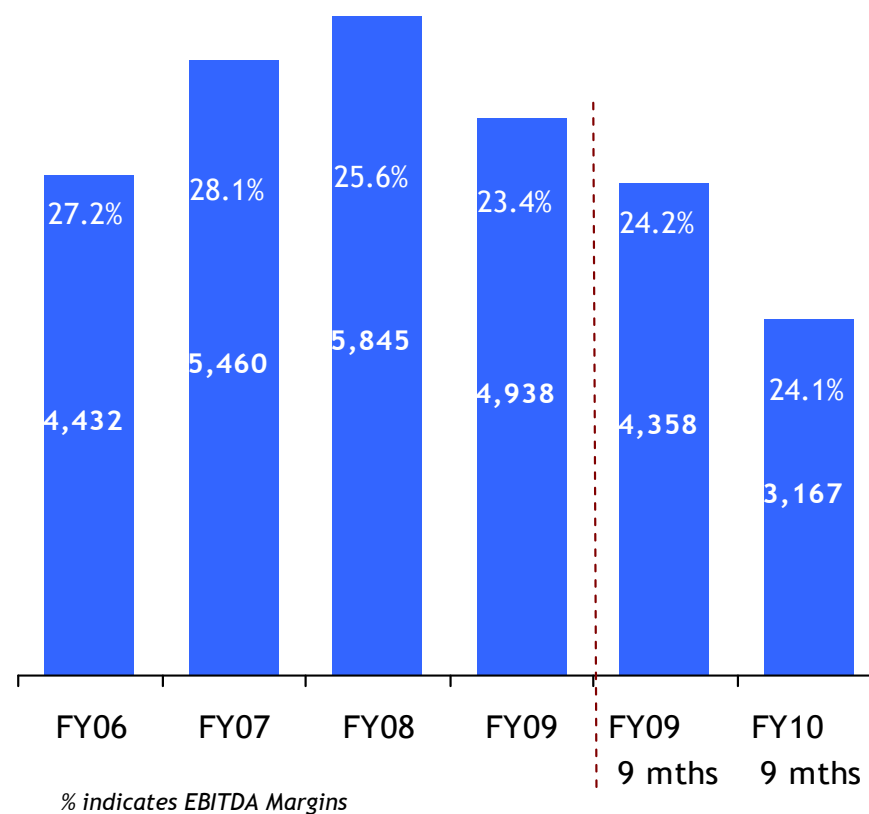
Unconsolidated Financial Performance



Strong Historic Standalone Revenue Growth (Rs. million)



Standalone EBITDA * (Rs. million)

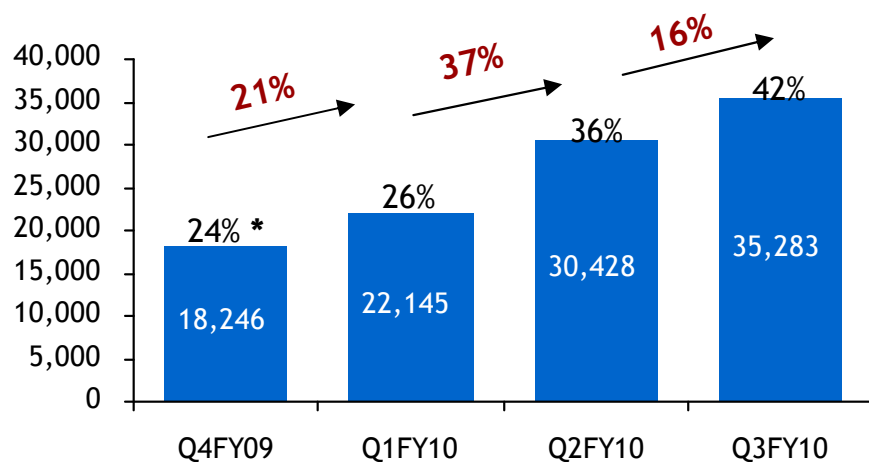


* EBITDA before exceptional items & exchange gain / loss

Recovery in Unconsolidated Financial Performance On a Sequential Basis

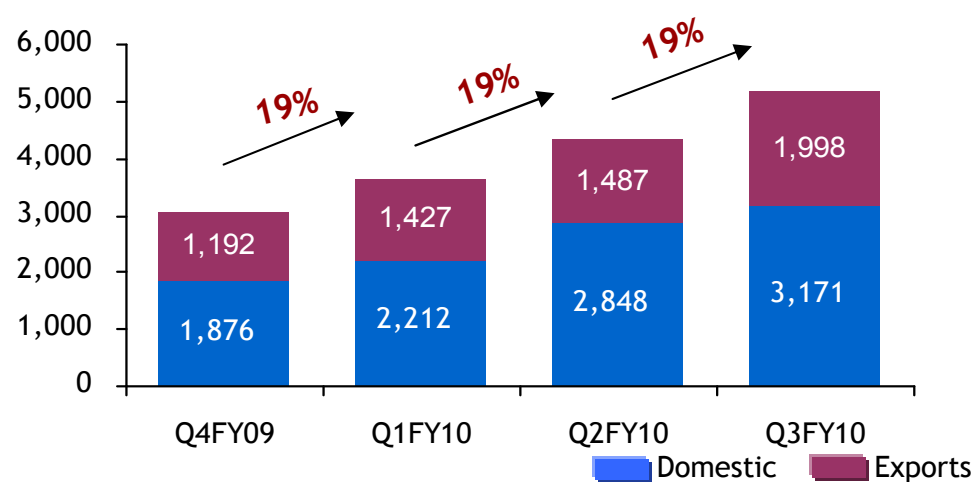


Tonnage (MT)

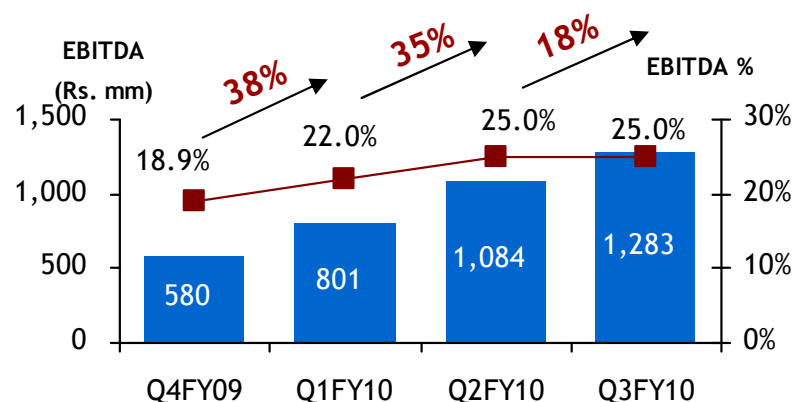


*% Capacity Utilization

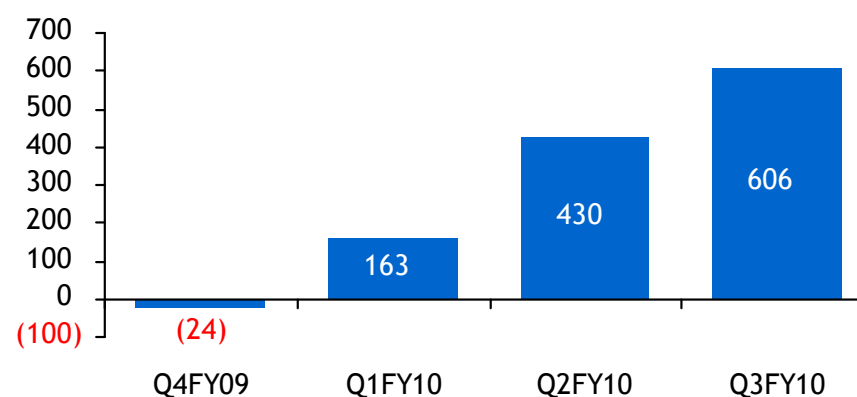
Total Revenues⁽¹⁾ (Rs. mm)



EBITDA⁽¹⁾ (Rs.mm)



PBT Before Excp. Item (Rs.mm)



YoY growth in EBITDA margin even at low capacity utilization

(1) Includes other income

Historic Financial Performance



Rs Million	Unconsolidated					Consolidated		
	FY2007	FY2008	FY2009	FY 2010 9 Months	FY 2009 9 Months	FY2007	FY2008	FY2009
Total Income	19,453	22,849	21,064	13,143	17,995	42,752	47,516	48,427
EBITDA	5,460	5,845	4,938	3,167	4,358	7,388	7,826	6,251
PBT before excp item & Ex. Gain/(Loss)	3,641	3,406	2,439	1,199	2,464	4,440	4,287	2,443
Exchange Gain / (Loss)	25	261	(863)	(208)	(1,851)	45	211	(1,037)
Exceptional Item	(68)	303	-	-	-	(121)	-	(299)
PBT after excp item & Ex. Gain/(Loss)	3,598	3,969	1,577	991	613	4,363	4,498	1,107
PAT*	2,410	2,736	1,033	658	422	2,906	3,015	583
Debt	14,016	12,875	18,079	20,377	16,220	17,896	16,544	21,908

Exchange Gain/(Loss) is mainly on account of revalorization of Foreign currency loans in accordance with Indian Accounting Standard. Indian Rupee at the end of FY 2008 & FY 2009 was Rs 39.81 & Rs 50.72 respectively.

In a year in which many suppliers are in financial distress, we have been able to maintain positive EBITDA margin on a consolidated basis in FY09

* PAT is after minority interest in case of consolidated financials

Bharat Forge - A Leading Global Forging Company

Auto Sector Revival - Bharat Forge Well-Positioned

Non-Auto Sector - Emerging Growth Platform

Indian Power Sector

Financial Performance - Strong Revival Post The Downturn

Conclusion

Auto

- ❑ Riding on strong growth in domestic market.
- ❑ Strong relationships with global OEMs due to global presence and full service capability.
- ❑ De-integration of OEM facilities to result in greater offshoring.
- ❑ Well positioned to increase market share from global OEMs due to 'supplier consolidation'.

Non Auto

- ❑ Business line started more than 10 years ago, existing customer base of over 30 clients.
- ❑ Addition of dedicated facilities to provide major thrust to the non auto segment.
- ❑ Well positioned to address the growing demand from new sectors such as marine, power, transportation, wind & Nuclear energy etc.
- ❑ Increasing share of business from existing customers & continuing additions to the customer portfolio.

Capital Goods - Power

- ❑ Cater to the growing demand for capital goods.
- ❑ Foray through JVs with reputed players like Alstom, Areva and NTPC.



BHARAT FORGE

Disclaimer



This presentation contains certain forward looking statements concerning our future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but not limited to, risks and uncertainties, regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and the target countries for exports, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies, fiscal deficits, regulations among others. We do not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by on our behalf. No part of this presentation shall be reproduced, copied, forwarded to any third party either in print or in electronic form without our prior express consent.

This presentation does not constitute an offer or solicitation of an offer to purchase or subscribe for any securities in any jurisdiction including the United States. No part of this presentation should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. None of our securities may be offered or sold in the United States, without registration under the U.S. Securities Act of 1933, as amended, or pursuant to an exemption from registration there from.