



Bharat Forge Ltd.

Performance for the quarter ended September 30, 2006

**Combined Revenue up by 42 % to Rs. 990 crore
Combined PAT of Rs. 74 crore, registered a growth of 21%**

Key Highlights

The company achieved stand alone revenue of Rs. 469.9 crore, a growth of 21%

Exports grew 22.5% to reach Rs. 184.7 Crore

Superior product mix, capacity ramp up and cost initiatives drive EBIDTA margin to grow to 29.1% in against 28% previous year.

Four large new long term global contracts on the anvil.

Global Operations continue strong performance

MUMBAI, October 17th, 2006: Bharat Forge Ltd., today announced strong second quarter results with combined revenue reaching Rs. 990.1 crore and PAT of Rs. 74.2 crore, a growth of 42% and 21% respectively.

Stand alone revenue & PAT reached Rs. 469.9 Crore and Rs. 62.2 crore, a growth of 21% and 20% respectively.

During the quarter the company's EBIDTA margin crossed 29% on the back of progressive ramp up in forging capacity, superior product mix with higher proportion of machined components and ramp up of value added Heavy Duty Engine Part Programs.

This quarter, our European & American operations have annual vacations during which they undertake annual maintenance. On account of this, the quarter has fewer working days & higher annual maintenance costs, as against the regular quarters. As such, the quarter of June - September is not reflective of the Annual operations.



The company is in the process of finalizing four large long term contracts with marquee global customers, each in excess of USD 50 million per year. The company expects to sign these contracts by the end of Financial year 2007.

Commenting on the results of the company Mr. B N Kalyani said “We see the revenue beginning to accelerate and the margins have come back to a healthy level of 29%. We are achieving good success in ramping up our new capacities and as the ramp up gathers further momentum the pace of acceleration will improve further.

Our consistent efforts in the product extension and our initiatives in moving up the value chain with our customers, has made our business model extremely robust globally, which makes us resilient to any normal economic cycles.

We have commenced implementation of the capacity expansion program for Non Automotive applications. This business will be a major revenue and profitability driver in the years to come.

We are establishing a world class Center for Advanced Technology to address the need for intensive technology, design and engineering inputs. We are also setting up our own Center for Leadership Development, which will ensure availability of adequately trained manpower & incremental management bandwidth for our sustained future growth. ” he added.

Financial Highlights

Rs. Crores

Particulars	Q2 FY 2007 Combined	Q2 FY 2006 Combined	Growth %	Q2 FY 2007 Standalone	Q2 FY 2006 Standalone	Growth %
Revenue Within India <i>(Including Other Income)</i>	285.2	237.4	20.1	285.2	237.4	20.1
Global Revenue <i>(Including Other Income)</i>	704.9	460.7	53.0	184.7	150.7	22.6
Total Revenue	990.1	698.1	41.8	469.9	388.1	21.1
EBIDTA	180.1	141.5	27.2	136.9	108.6	26.1
EBIDTA %	18.2%	20.3%		29.1%	28.0%	
Profit Before Taxation	111.8	96.6	15.8	92.2	78.2	17.9
Profit after Taxation	74.2	61.2	21.2	62.2	51.8	20.1

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