

Bharat Forge buys Federal Forge of US for \$9.1m

OUR CORPORATE BUREAU
Mumbai, 26 June

Bharat Forge Ltd (BFL), the flagship of the \$1.25 billion Kalyani Group, has acquired the US-based Federal Forge Inc through its wholly owned subsidiary, Bharat Forge America Inc.

In an all-cash deal, Bharat Forge America acquired the assets of Federal Forge on June 24 at \$9.1 million. Bharat Forge is the second largest forging company in the world following Germany's Thyssenkrupp. Earlier, in December 2004, Bharat Forge

had acquired German aluminium auto component maker CDP Aluminiumtechnik GmbH & Co KG (CDP AT). In January 2004, the company completed the acquisition of Carl Dan Peddighous GmbH (CDP).

Federal Forge, located in Lansing, Michigan, manufactures a variety of forged automotive components including control arms, links, steering knuckles and connecting rods. Its annual turnover is about \$60 million with a staff complement of 150 employees. Its customers include ZF Lemforder (for General Motors) and Goodyear.

In February 2004, Federal Forge had filed for protection under Chapter 11 of the US Bankruptcy Code. Sale of the company was concluded after successful renegotiation of the existing UAW contract, a Bharat Forge release said.

Announcing the acquisition, Bharat Forge chairman & managing director BN Kalyani, said, "The Federal Forge acquisition is a significant step towards implementing Bharat Forge's strategy of expanding our global footprint and establishing a presence in one of our largest markets - US."