



First Reserve Corporation invests in Kenersys; the newly formed Kalyani Group Company into wind energy sector

Investment to fund new wind turbine design and manufacturing company...

Pune, April 7, 2008 - The \$ 2.1 billion Kalyani Group, the leader in the auto component sector in India, today announced that First Reserve Corporation, a leading energy-focused private equity firm has invested in Kenersys, the newly-formed integrated wind energy company focused on design, assembly and marketing of wind turbine generators.

First Reserve is the world's leading private equity firm in the energy industry and has an active investment program in the renewable energy sector and has invested in 7 companies covering Biofuels, Waste to Energy, CO2 offset origination and renewable generation; solar and wind. With over USD 1.2 billion invested and committed to alternative and renewables companies, First Reserve is one of the largest investors in renewable energy and is targeting up to 15% of Funds under management to this sector.

Speaking on the investment, **Mr B. N. Kalyani, Chairman, Kalyani Group** said, "We are pleased to welcome First Reserve Corporation as a strategic investor in our wind energy business. With their expertise & knowledge in the energy industry, we will be able to further strengthen our business in the wind energy sector".

He further added that the Kalyani Group including Bharat Forge, currently supplies key wind turbine sub-components to component manufacturers and has utilized these relationships to secure components for Kenersys. Going forward, Kenersys will design and develop several key components for OEM's & Tier I companies in the industry, thus reducing their reliance on outside suppliers.

Mr. Francesco Giuliani, Director at First Reserve said "We are very excited to invest into Kenersys. We believe this to be a perfect match between First Reserve's energy experience and Kalyani Group's operational excellence." Additional investment opportunities have been identified as a follow up investment in either incremental capacity or as ownership of wind farms.

"The combination of superior design and performance with secure component supply from a low cost manufacturing base puts Kenersys in an outstanding position to meet the shortage of wind turbine capacity in the world today. We believe that Kenersys will quickly emerge as a leader in the turbine manufacturing industry," said Mr. Glenn Payne, Director at First Reserve.

Kenersys, with its design set-up in Germany and two operating companies in Germany & India, will initially focus on assembling and marketing turbines in Europe and Asia Pacific. The Indian organization will also focus additionally on turnkey wind farm project development.

Other regions, including North America, are expected to follow. Kenersys' product strategy is built on state-of-the-art technology that will be targeted for specific markets. The initial products, 2 and 2.5 MW turbines are currently in the detail design phase with commercialization expected in Q4 2008/Q1 2009.

The wind turbine generators have a mature component design with demonstrated reliability that will be the basis for proven and economic performance with high availability. Component reliability which is crucial for the stable operation of wind turbine generator system is the integral element of the design of this new wind turbine platform. The company has end-to-end design capability right from components to wind turbine systems and has a proven track record of wind industry projects with customers across Europe as well as in China, Japan and India in the Asian Region.

About Kalyani Group

Kalyani Group established in mid 1960s, is a leading Indian industrial conglomerate today with interests in forgings, automotive components, Engineering Quality steel and other niche segments such as non conventional energy & heavy engineering components. The Group turnover is \$2.1 billion and market capitalization of its listed entities exceeds \$5 billion. The Group's manufacturing presence spans six countries across three continents viz. Asia, North America & Europe. The group has joint venture relationships with some of the world's leading players such as ArvinMeritor, USA, Carpenter Technology Corporation, USA, Hayes Lemmerz, USA, Gerdau SA, Brazil and FAW Corporation, China. The group places strong emphasis on technology, customer relationships and continuous & sustained development of it's over 10,000 strong global human resources.

About First Reserve

First Reserve is the world's leading private equity firm in the energy industry. Throughout its 25-year history of investing solely in the global energy industry, First Reserve has developed a strong franchise, utilizing its broad base of specialized industry knowledge as an advantage. First Reserve believes that strategic diversification across a wide range of energy industry sectors has been a major contributor to the long-term, superior investment record achieved by the First Reserve Funds across economic cycles. Further information is available at www.firstreserve.com.

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