



Kalyani Group enters into high growth wind energy sector

Acquires RSBconsult GmbH, Germany...

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- Acquisition - a strategic step towards entering into the high growth wind energy sector
- RSB to provide strong design & engineering capability, while the Kalyani Group will bring in its well established global supply chain capability

Pune...Monday, September 3, 2007...The \$ 2.1 billion Kalyani Group, the leader in the auto component sector in India, today announced 100% acquisition of RSBconsult GmbH (RSB), Germany as a strategic step towards entering into the high growth wind energy sector. **RSB** is a well-established design-and-consulting house and has more than 150 man years of cumulative and international experience in the wind industry with customers across the globe.

Announcing the acquisition, **Mr B. N. Kalyani, Chairman, Kalyani Group** said, "We are already present in the wind energy sector, both as a wind farm operator as well as a supplier of components. The group therefore is ideally positioned to further enhance its role in this sector as a wind turbine manufacturer". There are two strategic leverages in the wind turbines business, he added. Product technology and supply chain management. With the acquisition of RSB, Kalyani Group will have a strong and experienced design and engineering team that would take care of product technology, while the Kalyani Group will bring in its well-established global supply chain capabilities and engineering skills to drive the global business model and also manage Asia Pacific markets and operations from India. Wind turbines require a number of forged, machined & other metal components. Our foray into this business will therefore provide immense opportunities within the group to create a global component supply to the OEMs & Tier I companies in this industry.

We are extremely impressed with the Kalyani Group's vision and commitment to this industry, said Dr Andreas Reuter, Managing Director, RSB. He further added that there are several complimentary capabilities which will help establish a globally competitive business model in this highly engineering intensive industry.

The Kalyani Group has ambitious plans to target the fast growing renewable energy market. It will initially focus on Europe and India and by 2010 plans to expand to other key markets of the world such as US and China.

The annual size of the wind energy sector business is about 20000MW globally and 2000MW in India. Global long-term growth rates are expected to be 16%+ and by 2010, global market would be 30000MW. The market is globally expanding and all studies point to its long-term prospects. Strong credibility of the Kalyani Group, its engineering orientation and the business approach including product strategy will provide competitive edge to target large project developers globally, some of whom are also coming to India.

About RSBconsult GmbH, Germany

Based in Muenster, Germany, RSBconsult GmbH (RSB) was set up in September 2003 by highly experienced designers from the wind industry as a design and consulting house. The company has end-to-end design capability right from components to wind turbine systems and currently working on 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 and FAW Corporation, China. The group places strong emphasis on technology, customer relationships and continuous & sustained development of its over 10,000 strong global human resources.

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