



Press Release

Batliboi acquires Air Engineering Company in Europe

Mumbai, June 20, 2007 : Batliboi Ltd., one of India's leading Engineering companies, today announced the acquisition of 70% controlling stake in AESA Air Engineering, SA, Europe's premier Air Technology company for Euro 1.6 million (Approx Rs. 9 crores) in an all cash deal.

Batliboi Ltd., with a gross turnover of Rs. 300 crores is a leading player in Textile Air Engineering, Textile Machinery, Machine Tools and Air Conditioning in India. This landmark acquisition of AESA marks Batliboi Ltd's second foray into the M&A space after the successful acquisition of QuickMill, a Canadian Machine Tool company in March 2007.

AESA Air Engineering, SA, a leading European player in Industrial Air Engineering, is an part of erstwhile air engineering business of leading international companies Ameliorair, SA France and Lufttechnische Gesellschaft, Germany (LTG). AESA was spun off from LTG Group when AESA acquired LTG Textile Technology in 2003.

This acquisition of AESA by Batliboi will help both companies reap benefits of mutual synergies, through;

- (a) Gaining a global footprint in world markets, enabling it to be an international player in Textile Air Engineering in European, South American and fast growing Asian markets using AESA's wide spread marketing network through its subsidiaries in Italy, Singapore, China and India.
- (b) Strengthening Batliboi's existing lead in the Indian market for Textile Air Engineering, and will put it in a commanding position to compete with other foreign players.
- (c) Broadening the product basket to customers through addition of applications for synthetics and non-woven textiles, and opening avenues to enter in to new areas of air-engineering i.e. glass and carbon fibers, paper and tobacco through Batliboi's well established engineering and marketing reputation.

AESA will further stand to benefit:

- a) In achieving greater cost competitiveness by sourcing from India.



- b) With the financial backing of Batliboi, it will be able to embark on a more aggressive growth leveraging its own design, technology, brand name, coupled with India's cost advantage.

Using a stand alone dual brand strategy – both companies expect to increase sales globally and expand market share. This acquisition of AESA is expected to more than double Batliboi's existing sales in Textile Air Engineering on a consolidated basis.

Post acquisition Batliboi will hold a total 70% shareholding with an absolute majority controlling stake in AESA Air Engineering, SA, France the holding company of AESA Group

About Batliboi

Batliboi has grown to a position of leadership among engineering companies. The company has spearheaded technological change in all the activities comprising Textile Air Engineering, Textile Machinery, Machine Tools and Air Conditioning. Batliboi's manufacturing facilities are located at Surat and Bangalore. Its wholly owned subsidiary – Quickmill Inc., a leading manufacturer of large area CNC Gantry and Bridge Milling and Drilling Machines is based in Peterborough, Canada.

Batliboi Ltd. is a part of Rs. 500 crores Batliboi Group which also has interests in Environmental Engineering, Rotating Machines, Wind Energy, Logistics and International Marketing.

About AESA Air Engineering, SA

AESA Air Engineering, SA, France the holding company headquartered in France, has subsidiaries in Italy, China, India, Singapore and Hongkong. AESA is one of the leading global companies in the business of Air Engineering for Textiles, Paper and Tobacco industries, and markets and services its equipment and systems in Europe, Africa, America, South East Asia, China, and India. AESA has also recently forayed into the business of new revolutionary air conditioning system by radiant ceiling for commercial buildings – a fast emerging concept also known as 'green air-conditioning'. This new concept has been well accepted worldwide due to its eco - friendly and energy saving characteristics. AESA's turnover was Rs. 70 crores (Euro 13 million) for the year ending December 2006 and is expected to cross Rs. 100 crores (Euro 19 million) by December 2007. AESA's current employees strength is approx 100, of which a third are in Europe and the balance two thirds in Asia.