



**BGR ENERGY SYSTEMS LIMITED**  
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## Press Release

- BGR Energy signs JV with Hitachi Limited, Japan and Hitachi Power Europe GmbH, Germany
- To Invest an estimated Rs.4400 Crores for setting up boiler and turbine manufacturing facility
- Hitachi Limited, Japan picks up 26% stake in BGR Turbines Company (P) Ltd
- Hitachi Power Europe GmbH, Germany picks up 30% stake in BGR Boilers Pvt. Limited
- Move to create over 3300 direct jobs.

**Chennai, August 06, 2010:** BGR Energy Systems Limited has today signed two joint venture agreements with Hitachi Limited, Japan and Hitachi Power Europe GmbH, Germany, a Hitachi subsidiary. The first joint venture with Hitachi Limited, Japan is for design, manufacture, installation and commissioning of supercritical steam turbines and generators for thermal power plants while the second joint venture with Hitachi Power Europe GmbH, Germany would be for supercritical steam generators for thermal power plants. With the establishment of these two ventures, BGR Energy will be the third company in India (after BHEL and L&T) able to offer the complete boiler, turbine-generator (BTG) solution to the Indian Power Industry.

The Indian economy is growing at 8% per annum and to sustain this growth availability of electricity is vital. The current per capita consumption of electricity at 750 KWH per annum is likely to increase to 1000 KWH per annum by 2012 and will grow to atleast 3000 KWH as is the case with countries like China. The installed power generation capacity of approximately 150,000 MW is set to grow manifold. A leading consultant has projected a capacity of around 750,000 MW by 2027. Thermal power, which constitutes about 70% of the total generation will provide bulk of this additional capacity. Large supercritical power plants will constitute the majority of thermal plant additions.

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A handwritten signature in black ink, appearing to be the initials "JAP" followed by a flourish.

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Hitachi Limited, BGR's JV partner for steam turbines-generators, headquartered in Tokyo, Japan, is one of the largest conglomerates in the world with approximately 360,000 employees worldwide with a consolidated revenue of USD 96.4 billion for the year ended March 31, 2010.

**BGR Turbines Company (P) Ltd.**, the joint venture company set up for this purpose, will have its manufacturing facility in Tamil Nadu with an estimated investment of Rs.3000 Crores, employing about 1200 employees. The joint venture with a shareholding of 74:26 (BGR Energy – 74% and Hitachi Limited – 26%) will commence production in 2012 and will have capacity to manufacture 5 units per annum of 660 MW, 800 MW and 1000 MW.

Hitachi Power Europe GmbH, Germany, a subsidiary of Hitachi Limited (Japan), BGR's joint venture partner for Boiler, designs and constructs fossil fuel-fired power plants and with its references, is one of the market and technology leaders. The energy plant constructor also supplies key components such as utility steam generators, environmental technology equipment and pulverizers. The company is based in Duisburg (Germany) and has a workforce (including associated companies and manufacturing facilities) numbering approximately 2,000 and is responsible for the markets in Europe, Africa, Russia (incl. Belarus) and India.

**BGR Boilers Private Limited**, the joint venture company for the manufacture of boilers with an investment of Rs.1400 Crores, based in Tamil Nadu will employ about 2100 and will have capacity to manufacture 5 units per annum of 660 MW, 800 MW and 1000 MW. Production will commence in 2012.

BGR Energy Systems Ltd. established in 1985, has today become one of the India's largest players in the power industry. Today BGR Energy is the largest BoP contractor and the second largest EPC contractor in the country with an order book of Rs. 10,230 crores (as on Mar 31, 2010) and a revenue of Rs. 3069.25 crores (as on FY 2009 – 10). BGR today manufactures 22 products for the power generation industry and exports its products to over 45 countries across the globe.

BGR Energy was the first to introduce the balance of plant concept to Indian power utilities in the late 1990's and was the first private sector company in India to undertake balance of plant



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contract for a 500 MW plant. Having achieved almost 1500 MW of installed capacity, the company is currently executing 3000 MW of balance of plant contracts.

**“We are currently executing EPC contracts for three units of 600 MW and we believe that this strategic alliance with Hitachi will ensure that we have a reliable and secured source of supply for BTGs (Boiler, Turbine-Generator) to meet all our EPC project requirements. We are glad that BGR Energy will contribute significantly to India’s rapid augmentation of Power Generation capacity” said Mr. B.G. Raghupathy, Chairman & Managing Director, BGR Energy Systems Limited.**

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