

HMCL:ICK:11/14A:SECT:13

December 03, 2013

Fax/Email/Courier

Asst. Vice President,
Listing Department,
National Stock Exchange of India Ltd.,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
MUMBAI - 400 051

The Secretary,
BSE Limited
25th Floor,
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI - 400 001

Dear Sir,

Re: Press Release

Please find attached herewith a copy of the Press release being issued by the company in respect of forming new Joint Venture in partnership with Magneti Marelli to develop next-gen two-wheeler fueling systems.

Kindly take the same on record and acknowledge receipt.

Thanking you,

**Yours faithfully,
for Hero MotoCorp Ltd.**



ILAM C. KAMBOJ
A.V.P. - Legal & Company Secretary

Encl: as above



HERO MOTOCORP SETS YET ANOTHER MILESTONE IN ITS JOURNEY OF TECHNOLOGICAL LEADERSHIP

**FORMS NEW JOINT VENTURE IN PARTNERSHIP WITH MAGNETI MARELLI TO
DEVELOP NEXT-GEN TWO-WHEELER FUELING SYSTEMS**

**HERO TO BE THE FIRST INDIAN TWO-WHEELER CO TO HAVE EFI PRODUCT-
LINE OF ITS OWN**

New Delhi, December 3, 2013

"It has always been my firm belief that the path to technological excellence is through self-sufficiency and independence. Therefore, over the past year, we have been forging multiple alliances with globally-renowned design and technology firms, and the newly-formed partnership with Magneti Marelli is yet another strategic move in that direction. This is our first Joint Venture since charting our solo journey and as an immediate opportunity and focus area, the new firm shall be taking up development and manufacturing of next-generation Fueling Systems. This is one of the most important areas in various technologies involved in making of better fuel-efficient, environment friendly modern engines. Fuel technology has undergone a major shift over the past two decades. The advances in electronics and control technology, which have become smarter and real time, have given a very useful tool in the hands of engine designers to precisely optimize fuel supply for control of output performance, emissions, fuel consumption and usage of certain fuel blends."

Mr. Pawan Munjal, Managing Director & Chief Executive Officer, Hero MotoCorp

"The scope of this agreement is quite significant for Magneti Marelli as our partner in this JV is the world's largest manufacturer of two-wheelers. The aim is to partner with Hero MotoCorp in order to equip with advanced Powertrain solutions all Hero motorcycles and scooters, and indeed most two-wheelers circulating in a country where current sales are already close to 15 million units per year. We are also proud to be able to contribute to initiating a technological revolution in favour of sustainable mobility for two-wheeled vehicles as well, in one of the most important markets in the world."

Mr. Eugenio Razelli, CEO, Magneti Marelli

Striving to achieve Technological Leadership within a short span of time, Hero MotoCorp Ltd (HMCL) – the world's largest two-wheeler manufacturer - today added yet another significant milestone by forming a Joint Venture (JV) with Milan-headquartered Magneti Marelli (MM) to develop and manufacture new generation fuelling systems.

The new entity – to be called HMC-MM Auto Ltd - is HMCL's first joint venture since commencing its solo journey a little over two years ago. HMCL will hold majority stake of 60 per cent in the new company while Magneti Marelli will hold the rest 40 per cent. There will be a total equity injection of US\$ 8.5 million as envisaged by Hero MotoCorp & Magneti Marelli in a ratio of 60:40 over a three-year period. The total investment is likely to be around US\$27 million over the next 10-year period.

HMC-MM Auto Ltd will also develop its own autonomous Development Centre. As Hero expands its global footprint at a fast pace, this will enable the company to develop products featuring appropriate technology for different customers in geographies across the world.

As a responsible world citizen, HMCL is wedded to go-green as a policy and staunchly believes in minimum impact on environment by producing highly fuel-efficient products with lower emissions. It has always met all new emission norms put out by various Governments every few years. The new JV shall be of great value in helping meet future standards as well.

HMC-MM Auto Ltd will help build Electronic Fuel Injection (EFI) systems which will offer distinct advantages to the engines used in Hero's two-wheelers such as adaptability to different working climates, altitudes, improved performance and fuel efficiency, environmental regulations and gasoline blends. Additional functionality such as Immobilisers, traction and slip control, multi map, flexi fuel and multi fuel management etc. will also be available with the above technology.

Above all, the joint venture will bring key engine-related technology within the Hero Group, thereby reducing dependence on external vendors.

Within a very short span of time since charting its solo journey after separating from its erstwhile partner, Hero MotoCorp has quickly scaled up its in-house Research & Development (R&D) and design and technology facilities with over 400 highly-skilled engineers working on future product line-up. The company's current R&D centres, located at the Gurgaon and Dharuhera factories, will shift to the "**Hero Global Innovation & Research & Design Centre**" at Kukas on the outskirts of Jaipur in Rajasthan – thus creating a nucleus for the key technological functions.

Hero MotoCorp is investing about US\$75 million in building the state-of-the-art **Hero Global Innovation & Research & Design Centre**" which is expected to commence operations by the 1st quarter of calendar year 2015. Once operational, the Centre is going to be on the global map as a truly world-class centre of excellence – not just in terms of its design, development, testing and validation facilities, but also in terms of the diversified pool of human talent from all over the world. Once operational, the Centre will bring about game-changing breakthrough technologies with the power of its intellectual creativity and innovations. It will have the best of

global talent to build a truly multi-cultural, multi-national set-up here, which will also play the role of a catalyst in nurturing multi faceted local talent through knowledge sharing.

Hero MotoCorp has also forged alliances with the US-based **Erik Buell Racing (EBR)** and Austria-based **AVL** to further enhance its in-house R&D capabilities and engine technologies. The company has also roped in the renowned Italian two-wheeler design firm “**Engines Engineering**” to partner with it in bringing Hero’s next-generation product line-up.

Magneti Marelli designs and produces advanced systems and components for the automotive industry. With its 83 production units, 12 R&D centres and 26 application centres in 19 countries, about 36,900 employees and a turnover of 5.8 billion Euros in 2012, the group supplies to all leading automobile and two-wheeler makers in Europe, North and South America and the Far East. Its business areas include: Electronic Systems, Lighting; Powertrain, Suspension Systems and Shock Absorbers, Exhaust Systems, Aftermarket Parts & Services, Plastic Components and Modules, Motorsport.

For further information:

Hero Contact

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