



KEC International Limited

CEAT Mahal, 1st Floor, 463, Dr. Annie Besant Road, Worli, Mumbai 400030, India.
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September 06, 2010

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor,
Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051

Fax: 26598237/38

Sub: Press Release - Acquisition of SAE Towers Holdings LLC, USA

Dear Sir,

In terms of the Listing Agreement, we are pleased to enclose a copy of the press release being issued to the press for the information of members of the Stock Exchange.

Thanking you.

Yours faithfully

For KEC International Limited

Ch. V. Jagannadha Rao
Company Secretary



Encl: As above





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**KEC International executes a definitive agreement to acquire SAE Towers Holdings LLC –
06/09/2010**

- Builds a strong presence in North America & Latin America
- Acquires the largest lattice tower manufacturing company in these markets
- Becomes the largest lattice tower manufacturing company operating globally
- Purchase consideration on cash free, debt free basis is USD 95 million
- Transaction is expected to be EPS accretive to KEC from the first year (FY 2010-11)

Mumbai, September 6, 2010: KEC International Ltd. ("KEC") today announced that it has signed a definitive agreement to acquire 100% of SAE Towers Holdings LLC ("SAE Towers" or the "Company") from an entity affiliated with ACON Investments, L.L.C. ("ACON"), a Washington, D.C.-based private equity firm, for USD 95 million (excluding adjustments for working capital) on a cash free, debt free basis.

Headquartered in Houston, Texas, SAE Towers is the leading manufacturer of steel lattice transmission towers in the Americas with an annual production capacity of 100,000 metric tons. (Monterrey, Mexico - 35,000 MT & Belo Horizonte, Brazil - 65,000 MT). The Company also manufactures steel poles for electrical transmission as well as related hardware. SAE Towers currently has over 750 employees.

SAE Towers' management team and employees will continue with the Company. Under the leadership of Mr. Luigi Ruggieri, SAE Towers' CEO, who partnered with ACON in 2007 to acquire the assets that comprise SAE Towers from the ABB Group, the Company will continue to provide its clients throughout the United States, Canada, Brazil, Mexico and the rest of Latin America with highly-engineered structures critical for the construction of high-voltage transmission lines.

The transaction is expected to be EPS accretive to KEC from the first year (FY 2010-11).

The transaction is expected to close in September 2010, subject to regulatory approvals and customary closing conditions. KEC was advised by Sagent Advisors Inc. and Daiwa Capital Markets India Private Limited as financial advisors, KPMG as accounting advisor, and Khaitan & Co. and White & Case LLP as legal advisors on this transaction. SAE Towers was advised by Harris Williams & Co. as financial advisor and Hogan Lovells LLP as legal advisor.

Mr. Ramesh Chandak, Managing Director & CEO, KEC International Ltd said *"This acquisition will strengthen KEC's global leadership position in the large and growing markets of North America and Latin America. SAE Towers has a significant presence in geographic areas which are of substantial interest to KEC. The transmission and distribution spend in these regions are currently rapidly increasing. SAE Towers is well positioned to capitalize on these long term growth opportunities."*





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We expect the combined entity to derive significant operational synergies, procurement and administrative cost savings and marketing opportunities. Going forward, we expect to leverage SAE Towers' existing customer relations for KEC's other business segments as well.

We look forward to working with SAE, its talented management team, employees and its respected customers. We are very proud to become the largest international tower manufacturing company in the world."

Mr. José Knoell, Partner of ACON, added, *"We are very pleased that KEC and SAE Towers' management team will be working together to further develop SAE Towers' business throughout the Americas. Given its experience and resources in power transmission globally, KEC will be an excellent home for SAE Towers. We are also extremely proud of the significant shareholder value that SAE Towers' management team generated within a short amount of time and amidst one of the most challenging macroeconomic environments in recent history."*

Mr. Luigi Ruggieri, CEO of SAE Towers, concluded, *"The development of power infrastructure in Brazil and Mexico will represent a compelling market opportunity for KEC for many years to come as power consumption outpaces GDP growth in these markets. In addition, KEC and SAE Towers are uniquely positioned to play a key role in the expansion and upgrading of the US and Canada power grid, where significant investment is required to improve reliability and support the development of new wind, solar and conventional generation. Our management team is very enthusiastic about joining KEC and also bringing expanded products and services to our valued customers."*

About KEC International Limited

KEC, a RPG Group company, is one of the largest power transmission engineering, procurement & construction (EPC) companies in the world. Apart from transmission, it has a significant presence in power distribution, cables, telecom and railway infrastructure. KEC is a listed company on major Indian stock exchanges and has annual turnover of approximately Rs. 4,000 crore. KEC has completed transmission line projects in over 40 countries and has expertise in handling mega EPC projects across the globe in diverse terrain.

About RPG Enterprises

RPG Enterprises is one of India's leading business groups with a turnover of Rs. 17,000 crores (USD 3.7 bn) RPG Enterprises has a presence in sectors including infrastructure, power, tyres, retail, information technology, carbon black, specialty and entertainment.

About ACON Investments, L.L.C.

With offices in Washington, D.C., Los Angeles, CA, Sao Paulo, Brazil and Mexico City, ACON Investments is an international diversified private equity investment firm managing capital through investment funds and special purpose partnerships in the United States, Europe and Latin America. Since its founding in 1996, ACON has maintained a disciplined and value-oriented investment philosophy. ACON's investment strategy is to identify middle-market companies and form collaborative value-added partnerships with their management teams in times of change. ACON





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manages approximately \$1.7 billion of capital and is currently investing domestically out of its second US institutional fund and internationally out of its third pool of capital for investments in Latin America, ACON Latin America Opportunities Fund, L.P. which completed a first closing in the 2Q of 2009.

For further information, please contact:

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