



TITAGARH GROUP BETS BIG ON METRO COACH AND HIGH-SPEED TRAIN MANUFACTURING
Titagarh Wagons Limited becomes the only Indian company to possess the technology post acquisition of business of Firema Trasporti S.p.A., Italy

- *Eyes a pie in the metro coach manufacturing market in India currently dominated by foreign players*
- *Group order book increases from approximately INR 875 crore by addition of Euro 220 mn by the acquisition totalling above INR 2400 crore*
- *Plans to enhance its global presence in both freight and passenger segment of Railways.*

Kolkata July 16, 2015 : Titagarh Wagons Limited (TWL), one of the leading private sector wagon manufacturers in India, today announced its foray in the metro coach and high-speed train manufacturing with the acquisition of the business of **Firema Trasporti S.p.A.** based in Italy. The transaction entails transfer of technology, all tangible and intangible assets and some liabilities relating to ongoing orders.

The business has been acquired through a SPV **Titagarh Firema Adler S.p.A.** registered in Milan, Italy (TFA) in which TWL holds 90% stake and balance 10% by **Adler Plastics S.p.A** a part of a leading Italian group with a revenue of above a billion Euro. The funding of about Euro 20-25 million for the acquisition, new investment and operations of the company is planned primarily from internal accruals as well as some proposed external borrowings by Titagarh Singapore Pte Limited, the wholly-owned Singapore subsidiary of Titagarh wagons.

Titagarh wagons also successfully concluded issuance of equity shares by way of a QIP. The issue was oversubscribed by 1.9 times base book. The company allotted 15089025 equity shares of face value of Rs. 2 each at Rs. 99.41 per share aggregating Rs. 150 crores. Part of the proceeds will be utilised to upgrade the Indian coach manufacturing facilities in order to absorb the technology from the newly acquired unit, and cater to the booming Indian market for metro coaches and other trains.

The local partner, Adler Plastics will help coordinate and provide necessary local support and relationships, and will also provide modern interiors for the trains.

Mr J.P. Chowdhary, Group Chairman of Titagarh expressed his delight on this development and said *.. "This is a big milestone for our Group and will completely transform the size and outlook for the Group. I am sure that we will make a grand success of this acquisition."*

Speaking on the occasion of the announcement, **Mr. Umesh Chowdhary, Vice Chairman and Managing Director, Titagarh Wagons Limited** said, *"...The acquisition of Firema's business will greatly complement Titagarh's growth strategy and will add significant value to Titagarh's existing business as well. While we have been making conventional EMUs for the Indian Railways, Firema has state of the art trains with IGBT based 3 phase technology. Moreover, they have both Stainless steel and Aluminium car body technology which is going to open the world markets for the Group. We were a global player in goods wagons, and with this acquisition, we will be a global player in passenger trains as well."* He added.

Mr. Chowdhary further said *"...Besides the increase of Euro 220 million to our Group order book of INR 878 Crore as of March 31, 2015, this acquisition makes TWL the first Indian company to possess high technology for manufacture of all three types of rolling stock i.e. carbon steel, stainless steel and aluminium. There is a surge in the world demand for rail transportation infrastructure and our Group with cost effective manufacturing in India and high technology in Europe will have a unique presence in both freight and passenger trains to cater to global market. We have already started booking orders for freight wagons with the help of our subsidiary in France for Africa and we*





will repeat the same strategy for the acquisition in Italy. Ofcourse Indian market for both metro and passenger coaches is extremely exciting and we are going to enter these segments in a very definitive way."

Firema has been an established player in the manufacturing of metro coaches, semi/ high speed trains with speed of upto 160 km per hour, propulsion systems for trains such as traction motors, converters etc. in Italy. During its hay days in 2007 Firema achieved a sales of 195 million Euro with an EBIDTA of 28 million Euro. It has manufactured rolling stock for the Italian State Railways and Metro Campania, Milan's underground railway system. However, due to global economic slowdown the company was put under Extraordinary Commissioner in 2010. The acquisition of business of Firema has been completed by TWL through Titagarh Firema Adler S.p.A. with the signing of a share purchase agreement with the company represented by the Extraordinary Commissioner.

This is the second overseas acquisition in the last five years, the first one being the France-based Arbel Fauvet Rail (now Titagarh Wagons AFR) for which Titagarh Wagons Limited has scripted a turnaround in turnover from Euro 2 million at the time of acquisition in 2010 to Euro 49 million in the last fiscal. In recognition of the successful turnaround of TWA, the French Republic has recently bestowed the honour of Knighthood in the National Order of Merit ("Chevalier du Ordre National du Mérite") on Mr. Umesh Chowdhary.

Lodha Capital Markets Limited, a SEBI Category I Merchant Banker registered with SEBI, was associated in this acquisition.

About Titagarh Wagons Limited

TWL has successfully transformed itself from a wagon maker for Indian Railways to a multinational diversified engineering and fabrication group.

TWL is the largest private sector manufacturer of railway coaches (EMUs, MEMUs) with more than 39% market share and the largest wagon maker (other than Railways) and the largest exporter of wagons from India. It has successfully turned around the French Company, AFR and is one of the largest manufacturer in Western Europe and 4th largest in Europe overall.

It is a leader in supply of wagons for defence, bailey bridges, NBC shelters etc. One of the earliest private entrants in defence, it is an 'Industry partner' to DRDO and 'Industrial License' holder for defence. It has state of the art engineering infrastructure spread across Titagarh and Hind Motors in West Bengal; Bharatpur in Rajasthan and Douai in Northern France.

It achieved a consolidated turnover of Rs. 7,809 mn for the year ended March 31, 2015 with EBIDTA of Rs. 580 mn.

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