



FORCE MOTORS ENTERS INTO JV WITH ROLLS-ROYCE POWER SYSTEMS

- **'Force MTU Power Systems' to set up new facility in Chakan**
- **Production of MTU Series 1600 engines and power generation sets**
- **First MTU Series 1600 engine to be delivered in summer 2019**

Pune/Friedrichshafen, March 20, 2018

Rolls-Royce Power Systems and Pune-based automobile manufacturer Force Motors today signed an agreement on a Joint Venture in which Force Motors will hold a 51% and Rolls-Royce Power Systems a 49% stake.

The new joint venture will be named 'Force MTU Power Systems Pvt. Ltd.' and is to produce MTU's renowned 10 and 12-cylinder Series 1600 units with power outputs from 545 to 1050HP (400 to 800 KWm). Series 1600 engines are particularly suitable for power generation and rail underfloor applications.

Besides manufacturing Series 1600 units, the JV will also build Series 1600 generator sets for the Indian and global markets.

Generator sets built and supplied by the JV to customers in India, Nepal and Sri Lanka will carry the 'Force - MTU' brand while those destined for the rest of the world will be sold under the name 'MTU Onsite Energy'. The engines will continue to have the brand MTU.

Overall, the parties are investing more than Rs. 300 crores (40 million euros) in the JV in proportion to their respective stakes. To meet Rolls-Royce Power System's exacting standards, the JV is to build a dedicated state-of-the-art manufacturing facility at Chakan near Pune. The facility will be equipped with nearly all core functions and is to operate as a stand-alone enterprise. The new factory is expected to launch serial production by the third quarter of 2019. The JV will use Force Motors' expertise to lead localisation efforts and aims to achieve consistently high local content without compromising on quality.

MTU launched its Series 1600 engine family in 2009 and now has thousands of units in service. Renowned as a state-of-the-art engine for its common rail injection, turbocharging and electronic control, it is well-established in the market for power generation and rail applications.

The JV will handle sales and service of Series 1600 generator sets for end users in India, Nepal and Sri Lanka territory, while Rolls-Royce Power Systems will handle sales and service in the Rest of World territory.

Mr. Andreas Schell, President and CEO of Rolls-Royce Power Systems, said: "This Joint Venture opens new opportunities for a bright future with our Series 1600 products. In

For immediate release



Force Motors we have found a reliable partner whose excellent production quality is proven by decades of experience in building engines for premium automotive brands.”

“Once serial production capabilities for 1600 units have been established within the joint venture, we will have opportunities to add other applications, engines and power systems to the JV portfolio,” he added.

“Our joint venture combines the strengths of the two partners: Rolls-Royce Power Systems’ cutting-edge technology in reciprocating off-highway engines, and Force Motors’ long-standing experience in top quality manufacturing with access to the Indian market. For us, it’s the perfect fit,” said Schell.

Mr. Prasan Firodia, Managing Director of Force Motors said, “It’s a matter of great pride and honour for us that Rolls-Royce Power Systems has chosen to partner with Force Motors not only for production of engines but also for production and engineering of the whole genset system. This tie-up comes after our successful cooperation with Mercedes and BMW and will open up numerous opportunities for growth and diversification. I see exciting times ahead, since we are set to play a pivotal role in bringing to India and making in India cutting-edge, top-of-the-line engines for multiple applications.”

About Force Motors Ltd.

Force Motors is a fully vertically integrated automobile company with expertise in the design, development and manufacture of the full range of automotive components, aggregates and vehicles. Its ‘Traveller’ and ‘Trax’ vehicle ranges are market leaders in their respective segments.

Force Motors is the flagship of the company group headed by Dr Abhay Firodia which has 15 manufacturing units across the country and a 14,000-strong workforce.

Since 1997, when Daimler AG took the decision to manufacture Mercedes cars in India, every engine fitted there has been produced at Force Motors. To date, it has supplied over 88,000 engines to Mercedes Benz India.

BMW decided on car and SUV production in India in 2015, and commissioned Force Motors to set up a dedicated facility close to its factory in Chennai to produce and test engines for its full range of cars and SUVs. So far, Force Motors has supplied over 23,000 engines to BMW.



About Rolls-Royce Holdings plc

1. Rolls-Royce pioneers cutting-edge technologies that deliver the cleanest, safest and most competitive solutions to meet our planet's vital power needs.
2. Rolls-Royce Power Systems is headquartered in Friedrichshafen in southern Germany and employs around 10,000 people. The product portfolio includes MTU-brand high-speed engines and propulsion systems for ships, power generation, heavy land, rail and defence vehicles and for the oil and gas industry. Under the MTU Onsite Energy brand, the company markets diesel gensets for emergency, base load and peak load applications as well as cogeneration plants using gas engines for the combined generation of heat and power. Bergen medium-speed engines power ships and power generation applications. L'Orange completes the portfolio with fuel injection systems for large engines.
3. Rolls-Royce has customers in more than 150 countries, comprising more than 400 airlines and leasing customers, 160 armed forces, 4,000 marine customers including 70 navies, and more than 5,000 power and nuclear customers.
4. Annual underlying revenue was £15 billion in 2017, around half of which came from the provision of aftermarket services. The firm and announced order book stood at £78.5 billion at the end of December 2017.
5. In 2017, Rolls-Royce invested £1.4 billion on research and development. We also support a global network of 31 University Technology Centres, which position Rolls-Royce engineers at the forefront of scientific research.
6. Rolls-Royce employs almost 50,000 people in 50 countries. More than 16,500 of these are engineers.
7. The Group has a strong commitment to apprentice and graduate recruitment and to further developing employee skills. In 2016 we recruited 274 graduates and 327 apprentices through our worldwide training programmes.

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