

ARIA's partial exit of Havell's India

Hong Kong, 10 October 2006 – ARIA Investment Partners II, L.P, a fund managed by CLSA Capital Partners, announced today it has divested part of its investment in Havell's India Ltd.

Last week, ARIA sold a portion of its shareholding in Havell's India. The shares were sold at over four times of the investment costs. The investment in Havell's India was made in 2004. During this period, ARIA has been played an active role in various areas of the company, including providing strategic advice and improving the company's corporate governance & investor relations.

"This partial divestment marks our first exit in an Indian listed company," said Josephine Price, Managing Director of CLSA Private Equity. "ARIA has a positive long term view of India and continues to believe that the strong construction and infrastructure growth in India. We believe that this growth will sustain demand for Havell's products. We remain committed to strong working partnership with management to build great companies and are pleased with this successful exit."

Mr Gary Ng, Director of CLSA Private Equity. "Havell's India is a fast growing company with a focused and driven management. The company has grown at a CAGR of almost 50% in the last three years both on revenues and profits. It has expanded both its distribution reach and product range to become one of the leaders in each of the segments that it has operated. We felt it was prudent to realise some returns for our investors but we continue to see good growth potential in the company and therefore have only partially exited our investment."

About CLSA Capital Partners

CLSA Capital Partners is the alternative asset management arm of CLSA Asia-Pacific Markets, Asia's leading investment bank and part of one of the world's top financial institutions. CLSA Capital Partners currently manages five main funds: Aria Investments, which focuses on growth capital for companies exposed to domestic demand; Fudo Capital, investing in Asian property; CLSA Sunrise Capital, which focuses on growth and mid-market buyout opportunities in Japan; Clean Resources Asia which focuses on the region's clean energy plays; and MezzAsia, which provides mezzanine debt financing for Asian buyouts.

CLSA Capital Partners has a diverse team of professionals with backgrounds spanning industries from banking to law and accounting. Our experienced team with long established roots in the region has helped many Asian companies realise their potential. Through the CLSA network, research and investment banking teams, CLSA Capital Partners has unique access to Asia and its decision makers, hard knowledge of what is really happening and strategic insight into future Asian investment trends.

Corporate Profile

Havell's India Ltd

India's Fastest Growing Electrical Equipment Company

The Company

Havell's India Ltd.,(HIL) is one of the largest electrical and power distribution equipment companies in the country. HIL manufactures products ranging from building & industrial circuit protection devices, electrical switches & sockets, power cables & wires, fans, luminaries & energy saving lamps (ESL). HIL is the market leader for building circuit protection devices in India and amongst the top 10 in the world. HIL is the leader in ESL, power cables & wires.

Growth through Consolidation

Incorporated as a private limited company in 1983, Havell's came out with its first IPO in 1993. Continuous product addition and improvement led to the addition of fans and ESL to the existing product mix in the year 2004.

With an annual revenue growth of 67% over last year, the company is poised for another quantum jump in the current year. Havell's has achieved a compounded annual growth (CAGR) of 56% over the last three years in annual revenue and 91% in Profit After Tax.

Global Standard Manufacturing Facilities

With 6 state-of-the-art manufacturing plants and a Center for Research & Innovation (CRI) for R&D purposes, Havell's is known for its quality processes and norms. All its units have ISO9001-2000 certifications. The company is the largest manufacturer of building circuit protection devices and ESLs and has the largest integrated manufacturing facility for fans in India. Its name is synonymous with excellence and expertise in the electrical industry. Products manufactured by Havell's include:

- *Industrial Circuit Protection Devices* – Moulded Case Circuit Breaker, HRC fuses, Contractor, Relays and Control Gears.
- *Building Circuit Protection Devices* – Distribution Boards, Residual Current Circuit Breaker and Miniature Circuit Breakers (MCB).

Havell's is amongst the top 10 manufacturers of building circuit protection devices in the world with a production capacity of 30 million MCBs per annum. Manufactured at its plants in Baddi and Badli, this segment grew at a rate of 30% last year.

- *Power Cables & Wires* – PVC/XLPE, Low Tension Underground Cables, Telephone and Co-axial Cables, Control Cables and Domestic Wires.

Havell's has been recognized as the fastest growing brand in power cables and wires in India. Its wires and cables are known for their superior quality in both domestic and industrial use. This division grew at a phenomenal rate of 51% last year.

- *Fans* – Ceiling Fans, Oscillating Portable Fans, Domestic Exhaust Fans and Heavy Duty Exhaust Fans.

With a new state of the art plant at Haridwar and an installed production capacity of 2.4mn fans/year, Havell's has set up India's largest integrated fan facility. Havell's fans have received an over whelming response since they were launched in 2004 and is among the Top 5 Brands in the country.

- *Energy Saving Lamps* – After launching its range of world class ESLs in 2003, today Havell's is the largest producer of ESLs in India. To meet the ever-increasing

demands of its customers, Havell's imported 3 state-of-the-art plants and installed them at its facilities in Faridabad and Haridwar.

- *Luminaires and Lighting Fixtures* – Industrial, Commercial & Consumer Lighting, Area Lighting, Street Lighting, Flood Lighting, Specialty Lamps and Accessories. Havell's commenced business in lighting and luminaries in 2004. Today, Havell's Lighting Division focuses on providing innovative energy saving lighting solutions for industrial, commercial and consumer lighting.

Pan India Presence

Its 43 branch offices & service centers, a network of 1,800 dealers & over 25,000 retailers, and a strong backing of over 4,000 professionals across India has helped the company achieve extensive penetration in the Indian market. Today Havell's is a name to reckon with in the electrical trade. Its strong dealer management and focus on relationships have led to a solid foundation for the growth of business in times to come.

High Focus on International Market

Havell's International Business Division "IBD" caters to its international clientele spread over 52 countries with offices in Dubai, Sri Lanka, China, Nigeria and Dhaka and has distribution networks in all major countries. The company recorded 62% growth in the previous year.

Havell's achieved global recognition of products through international approvals like CSA, KEMA, CB, CE, ASTA, SEMKO, SIRIUM (MALAYSIA), SPRING (SINGAPORE), TSE (Turkey), SNI (Indonesia) and EDD (Bahrain) for various products. This will open up lot of frontiers and enhance international presence.

Financial Strength

Havell's annual revenue stood at Rs 11,151mn (US\$ 242mn) in FY06 with a growth of 67% over last year. The Profit After Tax grew at over 107% last year. The market cap is Rs. 18bn (US\$ 390mn) at Indian indices.

The Vision to Think Ahead

Today, Havell's Group has emerged as the preferred choice for a discerning range of individual and industrial consumers both in India and abroad. The essence of its success lies in the expertise of a fine team of professionals, the strong relationship with associates, the ability to change quickly and efficiently and the vision to think ahead.

Additional information is available at www.clsa.com.

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