

Voltas Limited and Arçelik A.S. join forces in India Joint Venture Company to be established to tap India's growing consumer durables market

Mumbai (India), May 23, 2017 Voltas Limited -- A Tata Enterprise, and Arçelik B.V. (a subsidiary of Arçelik A.S.; part of the Koç Group – Turkey's largest industrial and services group), have agreed to establish a Joint Venture Company (JVC) in India, to enter the consumer durables market in the country. The new company to be incorporated in India will be an equal partnership joint venture. The proposed JVC will leverage the strong brand presence and wide sales and distribution network of Voltas, which is the market leader for residential air-conditioners in India, with over 20% market share. Arçelik will bring to the JVC its strong R&D and manufacturing prowess, in addition to a wide product range and global sourcing capabilities. Beko, the global brand of Arçelik A.Ş., has been the fastest growing home appliances brand of Europe for the past 7 years. The brand is the market leader in UK and the #1 freestanding white goods brand of Europe. The complementary strengths of the two partners will help build a sustainable consumer durables business in India.

The proposed JVC will launch refrigerators, washing machines, microwaves and other white goods / domestic appliances in India. A manufacturing facility will be set up in the country, and the JVC will also source products from Arçelik's global manufacturing facilities and vendor base. The Consumer Durables market in India is slated to grow by 10%-12% per annum and reach US\$ 12 billion by 2027. The JVC will have an equity capital of USD 100 million, and Tata Investment Corporation Limited (TICL) and Koç Holding (KOÇ) will also hold 1% equity stake each, in the new Joint Venture.

Commenting on the Joint Venture, **Fatih Kemal Ebiçlioğlu, President of Consumer Durables Group of Koç Holding**, said "Given the accelerating shift of global economic power to Asia, this joint venture will be a critical step for Beko's growth in the region. India stands out as an important opportunity window as it offers a great potential with its 1.3 billion population. In the last ten years alone, the Indian major domestic appliances market grew by nearly 9 percent, surpassing the overall 3 percent growth of global white goods market. With this joint venture, we make a strategic move to increase our global competitive advantage."

Hakan Bulgurlu, CEO of Arçelik, said: "Our joint venture with Voltas and Tata Group demonstrates Beko's commitment to India and showcases Beko's "Silk Road" strategy, which seeks to capitalize on major growth opportunities in countries across the Asia Pacific."

"India's rapidly expanding new middle class presents a major opportunity for our business. This young, urbanizing population includes many first-time buyers investing in white goods. The potential for growth in this market is incredibly exciting and we are proud to be partnering with the Tata Group, to deliver this ambitious new partnership."

VOLTAS LIMITED

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Corporate Identity Number L29308MH1954PLC009371

A **TATA** Enterprise

“By combining our global manufacturing expertise and innovation capabilities with Voltas’ expertise, we’re confident the company will deliver economic growth and act as a platform for our continued business success going forward.”

Ishaat Hussain, Tata Sons Director and Chairman of Voltas Ltd, said, "Consumer Durables is a logical extension for Voltas, and we are delighted to be forming this Joint Venture with Arçelik, part of the Koç Group. The strong technology platform, combined with the global manufacturing and sourcing capabilities of Arçelik, will help the JVC offer many unique and differentiated products to the Indian market. The Voltas-Beko partnership will also leverage the well-known brand and distribution strengths of Voltas, and we will work towards establishing the joint venture as a market leader for consumer durables in India"

Sanjay Johri, Managing Director of Voltas Ltd, said, “Our long history, and our unique understanding of Indian customers combined with our brand and distribution strengths, has helped us become market leaders in room air-conditioners in India. Voltas’ core competence, and the manufacturing capabilities and wide product range of Arçelik, will help us become a leading player in the consumer durables market in the country. The Indian consumer has always been at the forefront of all our plans, and the expansion in our product portfolio, through this foray, will as always, provide our customers products ‘made for India’, which specifically cater to their needs. We remain committed to our goals of sustainable profitable growth, and this Joint Venture will create enhanced value for our customers and shareholders.”

The Companies

About the Tata Group

*Founded by Jamsetji Tata in 1868, the Tata group is a global enterprise, headquartered in India, comprising over 100 independent operating companies. The group operates in more than 100 countries across six continents, with a mission 'To improve the quality of life of the communities we serve globally, through long-term stakeholder value creation based on Leadership with Trust'. Tata Sons is the principal investment holding company and promoter of various Tata companies, including Voltas. Sixty-six percent of the equity share capital of Tata Sons is held by philanthropic trusts, which support education, health, livelihood generation and art and culture. **In 2015-16, the revenue of Tata companies, taken together, was USD 103.51 billion. These companies collectively employ over 660,000 people.***

Each Tata company or enterprise operates independently under the guidance and supervision of its own Board of Directors. There are 29 publicly-listed Tata enterprises with a combined market capitalization of about USD 116.41 billion (as on March 31, 2016). Going forward, Tata companies are building multinational businesses that seek to differentiate themselves through customer-centricity, innovation, entrepreneurship, trustworthiness and values-driven business operations, while balancing the interests of diverse stakeholders including shareholders, employees and society.

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About Voltas

Voltas Limited is a premier engineering solutions provider and project specialist. Founded in India in 1954, Voltas Limited is part of the Tata Group, and offers engineering solutions for a wide spectrum of industries in areas such as heating, ventilation and air conditioning, refrigeration, electro-mechanical projects, textile machinery, mining and construction equipment, water management & treatment, cold chain solutions, building management systems, and indoor air quality. The Company is also the undisputed market leader in room air conditioners in India with a market share of 21.4% in FY 2016-17. Voltas has announced strong financial results for 2016-17, the highlights of which are as under:

	Full Year (2016-17)		Q4 (2016-17)	
	Rs Crores	% change	Rs Crores	% change
Profit after tax	511	30%	200	22%
Profit before tax	720	28%	250	8%
Gross Sales	6033	5%	2022	9%

About Koç Holding

Koç Holding is the parent company of Arçelik A.Ş. Established in 1926, it is Turkey's largest industrial and services group in terms of revenues, exports, taxes, number of employees and market capitalization on the Borsa İstanbul. Koç Holding is also Turkey's leading investment holding company. **Employing over 95,000 people with consolidated sales of around US\$ 23,5 billion it has leading positions with strong competitive advantages in various sectors, such as energy, automotive, consumer durables and finance, which offer strong long-term growth potential.** Company achieved an average annual growth rate of 11% in consolidated profit in USD terms between 2006 and 2016.

Koç Holding is the only Turkish company in Fortune Global 500. Holding Group has been a driving force of the Turkish economy with total sales corresponding 6% of Turkey's GDP and exports comprising 9% of Turkey's total exports as of 2016. Company and its listed subsidiaries make up 20% of Borsa İstanbul's market capitalization as of 2016 year-end.

About Arçelik and Beko

Today Arçelik A.Ş. offers products and services around the world with its 30,000 employees, 18 production facilities in 7 countries (Turkey, Romania, Russia, China, South Africa, Thailand and Pakistan), its 34 sales and marketing offices in 32 countries and its 11 brands (Arçelik, Beko, Grundig, Blomberg, ElektraBregenz, Arctic, Leisure, Flavel, Defy, Altus and Dawlance) serving products and services in 145 countries. As the third largest home appliances company in Europe, the consolidated turnover of Arçelik A.Ş. was TRY 16.1 billion (USD 4.5 billion) in 2016. Generating 60% of its income from global markets, Arçelik A.Ş. owns 14 R&D centres, employing over 1,300 employees. Arçelik is listed in ISE (Borsa İstanbul) as ARCLK since 1986.

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