



For immediate publication

Press Release

CG inks MoU with French company Arelis for supply of electronics components to Aerospace and Defence

- To jointly manufacture and supply products
- Electrical, electronic, microelectronic and hybrid microelectronics for aerospace and defence arena
- Technology transfer to CG for localised manufacturing

Mumbai, January 12, 2015: Avantha Group Company CG has entered into a memorandum of understanding (MoU) with French enterprise Arelis that specialises in design and manufacturing of high-tech electronic solutions.

On one side the two companies agree to explore manufacturing and supply of hybrid microelectronics for high mix-mid volume market and for high runner microelectronics hybrids markets for Aerospace and Defence, Energies, Utilities and Telecommunication sectors. With the technology transfer from Arelis on hybrid microelectronics, CG will be able to indigenously manufacture the components and sub-assemblies for Indian and global markets.

On the other side CG and Arelis agree on the manufacturing and supply of electrical, electronics and microelectronics components to key Indian Aerospace and Defence programmes as well as to global OEMs targeting offset discharge.

This collaboration derives competitiveness from the strengths of the two companies: Arelis' technical knowhow in Aerospace and Defence electronics and access to global OEMs and CG's strong manufacturing capability in India and cost efficient vendor base to localise the production in India.

The already large capital expenditure in Indian defence market is expected to double over the next 5 years. Out of this expenditure, 10-12% will be incurred on electrical, electronics, microelectronics, hybrids components and equipment, providing an annual opportunity of about 2 billion USD. This collaboration will also help OEMs to fulfil their offset obligation in various projects and access to cost competitive high technology manufacturing. CG is already engaged with the manufacturing and supply of several critical components, like motors and transformers for the defence sector. With strong Indian manufacturing footprint in electrical and electronics and ready capability to move into microelectronics/hybrid, CG is well positioned to be a significant player in this segment.

"We are proud of this association with CG a key industrial electronics player. This collaborative agreement creates a great synergy by reinforcing CG electronics technologies and industrial

knowhow while offering to Arelis a huge manufacturing potential and a long established presence in the Indian market”, says Pascal Veillat Chairman of Arelis Group. “With already 40% of its global business abroad especially in Russia, Africa and South East Asia, this tremendous opportunity allows Arelis to develop a new rapidly growing export market and to demonstrate its industrial competencies from specifications, design to the complete integration”, adds Pascal Veillat.

Commenting on this association, **Avantha Group Company CG’s CEO and Managing Director Laurent Demortier** said, “We are very excited to collaborate with Arelis who have commendable experience of working with global defence players and significant knowhow in the manufacturing of mission critical equipment. This association is in line with CG’s growth strategy to expand in high value added defence electronics activities and be a significant player within the Indian defence sector”. Mr Demortier added, “CG with its large Indian industrial base and reach will leverage this coordination”.

About CG

Avantha Group Company CG is a global pioneering leader in the management and application of electrical energy. With more than 15,000 employees across its operations in around 85 countries, CG provides electrical products, systems and services for utilities, power generation, industries, and consumers. The company is organized into four business groups: Power, Industrial, Automation, and Consumer. CG clocks US\$ 2.3 billion in revenues from product lines that cover the entire value chain of engineering offerings.

For more information on CG, please visit: www.cgglobal.com

About Avantha

The Avantha Group’s entities in diversified sectors include Crompton Greaves (power transmission and distribution equipment and services), BILT (paper and pulp), The Global Green Company Limited (food processing), Biltech Building Elements Limited (infrastructure), Avantha Power (energy), Avantha Business Solutions Limited (IT and ITES), Jg Glass (glass containers).

With a global footprint, the Group operates in 90 countries with more than 25,000 employees worldwide.

For more information on Avantha, please visit: www.avanthagroup.com

About Arelis

Formed in 2010 from the merger of two French companies, MEUSONIC and SERICAD, Arelis is a major industrial and strategic partner in microwave, radio frequency, energy conversion and testing. Arelis is actively supported by the French Ministry of Defence especially through the RAPID program. Arelis acquired funding in June 2012 from ACE Management, a private equity investor acting on behalf of prestigious partners such as EADS, Airbus, Thales, Safran, CEA, and Areva. Having made important technology and manufacturing acquisitions, especially with the acquisition of Thomson Broadcast in 2012, the leader in television and radio transmission systems, Arelis Group now has the resources to achieve its ambitious development goals in the areas of R & D and manufacturing at the highest level.

For more information on Arelis, please visit: www.arelis.com

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