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Subject: Elliott Licensee in India

KEPL INAUGURATION

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Kirloskar Ebara Pumps Limited (KEPL) is Elliott's licensee in India. KEPL manufactures API process pumps for sale in India and for export and also manufactures steam turbine components for Elliott Company and sells steam turbines in India and neighboring countries. To meet the growing needs of the Indian market, KEPL upgraded their manufacturing facility.

Originally built in the late 1980's to manufacture API process pumps, the factory has added capacity in the following areas:

- New CNC machining facilities for pump and turbine components
- Automated Vertical Component Storage System
- Infrastructure support systems
- Steam turbine manufacturing, assembly and testing
- Additional test facilities for API pumps
- String test facility for steam turbine driven pumps
- 5 TPH Boiler (upgradable to 10 TPH)
- Reverse Osmosis Water Treatment Plant

The expansion increased the manufacturing area from two bays (6,950 sq.ft) to four bays (13,835 sq.ft). Additional expansion to add more bays is planned in the next fiscal year.

Kirloskar Ebara Pumps, LTD

The new KEPL factory was inaugurated on June 16, 2006 in the presence of Ebara, Elliott & Kirloskar senior management. This new facility will be instrumental in providing KEPL and Elliott a competitive edge in capturing a larger market share in the growing market in India for steam turbines. KEPL already has orders for six turbines which will be built in the next few months. KEPL is a joint venture between Ebara Corporation, Japan (45%); Kirloskar Brothers, India (45%); and private investors. The KEPL factory adjoins the parent company, Kirloskar Brothers' factory and housing complex. Most of the employees and their families actually live where they work. The complex includes housing, hospital, shopping, recreation areas, schools, helipad and even a golf course. For more information about the Kirloskar group of companies, visit www.kirloskar.com.