



ASHOK LEYLAND TO ACQUIRE AVIA'S TRUCK BUSINESS UNIT

AVIA Trucks to be Ashok's window into Europe

Prague, July 19, 2006 – AVIA, a.s., an Odien Group company, and Ashok Leyland Ltd., the Indian flagship of the Hinduja Group, announced the signing a framework agreement for the sale of AVIA's Truck Business Unit to Ashok Leyland. The sale is subject to the completion of certain conditions as well as corporate and statutory approvals by both Ashok Leyland and AVIA.

AVIA's Truck Business Unit, manufactures trucks in the medium truck segment in Prague. AVIA Trucks' main markets are the Czech Republic, Hungary, UK, Ireland, Italy, Slovakia and Spain. AVIA was revived in 2005 through an aggressive restructuring and investment program following Odien's acquisition. AVIA recently expanded its 6 to 9 tonne GVW (gross vehicle weight) D-Line series product range to 12 tonnes with the introduction of its 10 tonne (D100), 11 tonne (D110) and 12 tonne (D120) models. The new models were fully developed in-house in less than a year and were introduced with EURO 4 engine technology in early June at AUTOTEC 2006, the Czech Republic's biennial commercial vehicle fair in Brno.

Ashok Leyland, an Indian commercial vehicle manufacturer based in Chennai had 2005 annual revenues in excess of USD 1.2 billion and exports to over 30 countries in Asia, the Middle East, Africa and South America. Ashok Leyland is part of the Hinduja Group, a multi billion dollar transnational conglomerate with a diversified portfolio of businesses. "AVIA is part of our inorganic growth plan and is a significant step in securing a beachhead in the European Union and the Eastern European markets. The acquisition will also give us a modern, international vehicle for our light and medium commercial vehicle range of trucks for India and other export markets", said Mr. R. Seshasayee, Managing Director of Ashok Leyland. The strategic location of AVIA also opens up possibilities of using its facilities as an assembly and marketing base for some of Ashok Leyland's future products. Ashok also intends to use the AVIA brand for some commercial vehicles planned to be produced in the future.

"It is a very compelling fit. Ashok Leyland will gain a modern truck, design capabilities, and access to the European market and AVIA Truck Business Unit will gain a strategic parent resulting in significant savings in purchasing and access to Ashok's existing markets. The strategic rationale and the combined capabilities under Ashok ownership have the potential to make AVIA Trucks a global player." said Mr. Michael Saran, Chairman of AVIA, a.s.

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COMPANY PROFILES

About AVIA: AVIA, a.s. is an Odien Group company. AVIA, a.s. based in Prague, Czech Republic was founded as an aircraft and engine manufacturer in 1919. With 400 employees working in its production facilities in Prague, AVIA is comprised of three business units: TBU, OEM, and REN. The company produces and sells trucks with GVW vehicles ranging from 6 to 12 tonnes through its Truck Business Unit (TBU), supplies machined and pressed products to customers primarily in the transport sector through its Original Equipment (OEM) Business Unit, and manages the company's real estate and other holdings through its REN Business Unit. Following an aggressive restructuring program and supported by investment capital from Odien and active management participation, AVIA underwent a significant revitalization and new product development program in 2005 and early 2006.

About Odien: Odien Capital Partners L.P. is a private investment firm which specializes in corporate turnarounds and restructurings. The Odien Group is active in Central and Eastern Europe and has regional offices in Prague and Istanbul.

About Ashok Leyland: Ashok Leyland, Ltd., based in Chennai, India is a major commercial vehicle manufacturer in India. Ashok Leyland's 2005 turnover was in excess of US \$ 1.2 billion, with international operations contributing US \$ 97 million. The Company has an annual production capacity of 77,000 commercial vehicles and 87,000 diesel engines and exports to over 30 countries in Asia, the Middle East, Africa and South America. Ashok Leyland's product range includes 19 seaters to 80 seaters for passenger transport including double deckers, vestibuled buses and low floor buses. Its truck range consists of 4x2 rigid vehicles, tippers, multi-axle vehicles and tractor-trailers spanning 7.5T GVW to 49T GTW, with a power range of 90 hp to 260 hp and soon 350 hp. A technology leader for over five decades, Ashok Leyland is a pioneer in CNG-driven vehicles and developed India's first hybrid electric vehicle in 2002. Ashok Leyland is the leader in Indian bus market - the Company made buses carry an estimated 70 million passengers every day. Ashok Leyland is also the largest supplier of logistics vehicles to the Indian army and one of the world's largest manufacturers of medium duty defence logistics vehicles.

About the Hinduja Group: Ashok Leyland is part of the Hinduja Group, a multi billion dollar transnational conglomerate with a diversified portfolio of businesses, which provides a variety of products and services worldwide. The Group has structured themselves into four core business areas, namely: Global Holdings & Trading, Investment Banking, Global Investment and Hinduja Foundation. Under Global Holdings, the Group has strategic interests in Transportation, Banking & Finance, Energy, Chemicals & Agriculture, Media & Communications, IT, Real Estate and Project Development sectors. The Hinduja Foundation reflects global initiatives in health, education, art and culture and social welfare.