



American Chamber of Commerce in India

Update

Focus: Aerospace & Defense Equipments

Amcham ~ The Voice of American Business in India

February 2011 • Issue 02

HIGHLIGHTS

- Overview of Indian Aerospace and Defense Equipments
- First Foreign Military Sale product arrives in India
- In conversation with Philip Lewin
- Aero India 2011
- Zimmer Mobile Learning Centre

CHAIRMAN'S MESSAGE

Dr. Dinesh A Keskar,
Chairman Amcham India,
President Boeing India,
Vice President Boeing
International Corporation.



India and the U.S. have made rapid strides in bilateral cooperation, giving a new meaning to their defense and aerospace ties. The launch pad was the initiation of talks in 2005 between U.S. president George W. Bush and the Indian Prime Minister Manmohan Singh that culminated in the Indo-U.S. civil nuclear agreement. While U.S. aerospace companies like Boeing sold commercial airplanes to India for the last seven decades, U.S. based defense enterprises finally broke ground in India by signing major deals to sell American military aircraft and related hardware to India.

American enterprises in India look towards the two countries to intensify their ties in new vital and strategic areas. In September 2010, the Indian Defense Minister A.K. Antony met the U.S. Defense Secretary Robert Gates at Washington. Thereafter, the U.S. President Barack Obama visited India in November 2010, when major agreements were signed including a preliminary agreement between the Governments for the sale of 10 Boeing C-17 Globemaster III strategic airlifters. The U.S. president also announced the removal of key Indian companies from the U.S. entities' list, thereby giving them access to U.S. made technology. The greater freedom in technology exchanges will eventually lead to greater Indo-U.S. co-development especially in the area of high-tech aerospace products.

In the areas of defense sales, Lockheed Martin sold its Super Hercules C-130J military transport aircraft to the Indian defense forces. The conclusion of this deal illustrated a key step by American defense companies to establish their presence in India. In January 2009, the Indian Navy ordered eight Boeing P-8I maritime reconnaissance aircraft to replace its eight aging TU-142S, a landmark decision that marked the first direct military sales by Boeing to India.

American aerospace companies like Boeing, Northrop Grumman, General Electric, Raytheon and Lockheed Martin are in the race for the Medium Range Multi-Role Combat Aircraft (MMRCA) order from the Indian Air Force. Besides this mega deal, the Indian Government is keen on heavy lift and attack helicopters as well as weapon systems such as the Harpoon missile.

These companies are also forging close partnerships with the Indian industry to effectively discharge their offset obligations and build strong supplier relations. India's current offset guidelines are structured to promote India's national industrial objectives leading to economic development, more jobs and better infrastructure. U.S. companies can help accelerate the defense technology base, increase the indigenous capability of Indian companies and enhance the global competitiveness of public and private sector firms of all sizes. The recently released new defense procurement policy for 2011 broadens the aperture of offset credit to include civil aerospace and internal security. The synergy of these areas will benefit the indigenization of Indian industry, where U.S. companies hope to play a major role.

These are only the initial steps taken between the two countries to partner India's potential. With closer U.S. India ties, this industry is set to change. Aero India 2011 will provide the right momentum to reflect and resolve some of the outstanding issues.

Possibilities Made Real

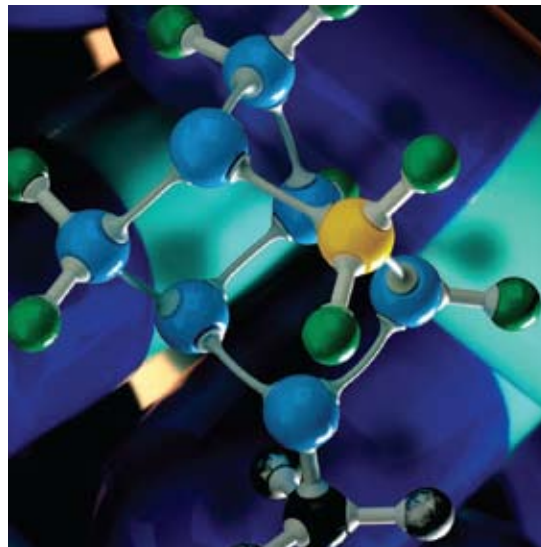
Corning is the world leader in specialty glass and ceramics, creating keystone components that enable high-technology systems for numerous industries. Time and time again, our breakthrough, life-changing innovations have proven that if it is possible, Corning will make it real.



Telecommunications

Optical communication solutions that keep the world connected

To keep pace with the world's insatiable demand for bandwidth, Corning's ground-breaking telecommunications innovations provide customers with high-quality solutions that bring infinite bandwidth capabilities right to your doorstep.



Life Sciences

Helping bring life-saving medicines to market

In the race to bring new drugs to market, researchers rely on innovative tools that compress costs and timelines. Corning's leading-edge scientific laboratory products improve productivity, enabling the development of breakthrough pharmaceutical discoveries.



Environmental Technologies

Making cleaner, healthier air possible

As global concern for air quality intensifies, Corning continues to provide engine and vehicle manufacturers with innovative diesel and gasoline emission control technologies that help prevent harmful pollutants from entering the air.

CORNING

Technology enables performance



Specialty Materials

Advanced optical solutions for state-of-the-art technologies

From creating glass windows for space shuttles to developing optical components for high-tech industries, Corning's specialty materials capabilities provide optical solutions and more than 150 material formulations to meet unique customer needs.



Display Technologies

Changing the face of consumer electronics

From LCD TV to cell phones and beyond, today's consumer electronics call for clear, vibrant images. Corning's revolutionary display glass makes that possible, helping manufacturers improve the form, capabilities and environmental friendliness of their electronic devices.

TheParish0111-01



NATIONAL EXECUTIVE BOARD

Honorary President

- U.S. Ambassador to India

Chairman

- Dr. Dinesh Keskar
Boeing International Corp. (I) Pvt. Ltd.

Vice-Chairmen

- Aniruddha Lahiri
SkyTech Solutions Pvt. Ltd
- Russell Parera
KPMG in India

Hon. Treasurer

- Atul Dhawan
Deloitte Haskins & Sells

Hon. Members

- Judy R Reinke
U.S. Embassy
- Blair Parks Hall, Jr.
U.S. Embassy

Members

- Michael Boneham
Ford India Pvt. Ltd.
- Ambarish Dasgupta
Price waterhouse Coopers Pvt. Ltd.
- Raj Jain
Bharti Wal-Mart Pvt. Ltd.
- Balvinder S Kalsi
E.I.DuPont India Pvt. Ltd.
- Raj S Kapur
Country Strategy
- V Laxmikanth
Broadridge Financial Solutions (I) Pvt. Ltd.
- Rajiv Memani
Ernst & Young Pvt. Ltd.
- R Ramkumar
Cognizant Technology Solutions
- Roger Rose
Lockheed Martin India Pvt. Ltd.
- Atul Singh
Coca-Cola India
- Joginder Singh
Ford Business Service Centre Pvt. Ltd.
- Atul Ujagar
Nike Sourcing India Pvt. Ltd.

Executive Director

- Ajay Singha

Indian Aerospace and Defense Equipments Industry - An overview



Vivek Lall
Vice President,
Boeing Defense,
Space and Security,
India

The Indian aerospace industry is one of the fastest-growing aerospace markets in the world and the rapid growth of this industry has attracted global aerospace majors to India.

India's rapid economic growth has been catalyzed by the move towards an open-market economy, reduced controls on foreign trade and investment, privatization of Government-owned companies, and significant expansion in manufacturing, engineering and ICT industries. As one of the fastest growing emerging markets, India has enjoyed GDP growth of over 8% each year on an average since 1995. The IMF projects India's GDP will grow by more than 7.5% on

an average from 2010 to 2014.

India's rising economic capacity has enabled the funding of its defense modernization capabilities over the past two decades. As one of the largest global military spenders, India has the third-largest defense procurement budget in Asia. In the Union Budget 2010-11, expenditure of about approximately 32 billion dollars has been earmarked for national defense which has been increased from 29 billion dollars over the previous year. Indian defense procurement spending is expected to increase considerably over the next 10 years, making it one of the most attractive defense markets in the world.

India's acquisition plans include a substantial procurement program for the Army, Navy and Air Force with the Government seeking to develop a flexible, mobile and networked defense force with substantial power projection capabilities. Many of the assets India is acquiring are at the leading edge of technology, including 126 medium multi-role combat aircraft, Sukhoi Su-30MKI aircrafts, Scorpène class submarines, advanced Russian T-90 main battle tanks and state-of-the-art information and communication systems.

The challenge for India in meeting its policy objectives will be expanding its indigenous production capabilities at the same time as meeting its acquisition objectives. Currently, 70 percent of India's procurement needs are met by foreign sources with Indian companies supplying only around 30% of indigenous items to state-owned companies. With each procurement that is made from foreign sources, Indian industry stands to benefit through offset requirements that plough some of those expenditures back into India - thus giving a boost to indigenous industry.

Over the past decade the Ministry of Defense has implemented a series of reforms to its procurement policy framework with the aim of reversing this historical spending pattern, including the introduction of offsets requirements for designated equipment.

The DPP or Defense Procurement Procedure has an evolving national offset policy designed to bring real benefits to India. Revisions so far have made real improvements, benefiting from past procurement experience and from well-meaning guidance from the industry. This is a positive step

for India. The recent release by the Ministry of Defense of the new defense procurement procedures for 2011 is a very progressive step. We welcome the new revisions on broadening the aperture of offset credit to include civil aerospace and internal security.

We believe that India's offset policy and the associated infrastructure will serve to enhance India's position in the global aerospace domain. Current offset guidelines are structured to promote India's national industrial objectives of the sustainment and creation of aerospace and defense jobs- acceleration in the maturity of the defense technology base - increase indigenous capability to build and support defense platforms - and enhance global competitiveness of public and private sector firms.

The offset programme serves as a vehicle for OEMs to partner with their Government customers to support and

achieve these objectives. The OEM can attain productivity gains such as cost reduction, cycle time reduction and access to market-leading technologies while the offset partners can expand their portfolio of export orders, infuse needed technology, and meet growth objectives. This dynamic creates a win - win scenario for the three major stakeholders in the offset program – the Government, the OEM, and local industry.

With the offsets policy, the sheer volume of planned expenditure will create new opportunities for Indian firms, enabling them to have broader market access and platform and systems development that can be met by foreign firms. Indian companies across the board are gearing up to take advantage of this and to give a boost to the indigenization effort.

First Major Foreign Military Sale (FMS) Product in a Decade ~ Arrives in India, Ahead of Schedule and On Budget



C-130J Super Hercules, designed to support India's Special Operations requirements.

Lockheed Martin delivered the first of six C-130Js to the Indian Air Force in December 2010. The Indian Air Force plans on an arrival ceremony in the country in February 2011. Lockheed Martin is very proud of our partnership with India and our ability to deliver on time and on budget. It is what we do at Lockheed Martin.

The new fleet of C-130J's was ordered under a \$1.2 billion U.S. Foreign Military Sale (India's first) in late 2008. It is important to all of us at Lockheed to provide our partners

with what they need and when they need it and the C-130J order is a perfect example of that.

This is India's first experience with the C-130 so the package being provided by the U.S. Government is comprehensive. The contract includes six aircraft, training of aircrew and maintenance technicians, spares, ground support and test equipment, servicing carts, forklifts, loading vehicles, cargo pallets and a team of technical specialists who will be based in India during a three-year initial support period.



Roger M. Rose
Chief Executive,
Lockheed Martin India
Private Ltd., Co-chairman,
Amcham Defense
Equipments Committee
and Member of Amcham
National Executive Board

Also included in the package is India-unique operational equipment designed to increase Special Operations capabilities. The first two C-130Js will be flown to India in early 2011, followed by the remaining four aircraft deliveries later in 2011. India's new airlift fleet will be based at Hindan Air Force Station.

The Indian Air Force's C-130J Super Hercules is a highly integrated and sophisticated configuration primarily designed to support India's special operational requirement. Equipped with

an Infrared Detection Set (IDS), the aircraft can perform precision low-level flying, airdrops and landing in blackout

conditions. Self-protection systems and other features are included to ensure aircraft survivability in hostile air defense environments. The aircraft also is equipped with air-to-air receiver refueling capability for extended range operations.

The C-130J is ideally suited to India's mission environment, which often involves operating out of austere, high-elevation airstrips in hot conditions. The C-130J is powered by four Rolls Royce AE2100 engines and Dowty six bladed props which provide the aircraft with tremendous power. The C-130J has been operated for the past several years in the mountainous areas of Afghanistan in conditions similar to India and performed exceptionally well.

Headquartered in Bethesda, Md., Lockheed Martin is a global security company that employs about 133,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. The Corporation's 2009 sales from continuing operations were \$44.0 billion.

Aero India 2011



Judy R. Reinke
Minister Counselor for
Commercial Affairs,
U.S. Embassy.

I would like to heartily congratulate Amcham India for the introduction of this vibrant newsletter, and choosing to focus on the aerospace and defense industry at a critical time in the growth of this important sector. As you know, the U.S. - India partnership in the aerospace sector is a key component of our evolving strategic relationship. While aerospace sales are important, the U.S. is not focusing on a "transactional"

relationship, rather on building deeper and broader engagement where the U.S. companies are involved in co-production, joint ventures and offset partnerships with the Indian public and private sector. As India sets out to procure the latest aerospace equipment, I know that the U.S. firms are eager to step forward and support India in upgrading its defense capabilities.

It is in this context that India's largest aerospace trade show, Aero India 2011, is being organized in Bangalore from February 9-13, 2011. I am happy to note that for the first time (since Aero India started in 1996), there will be

an official U.S. Department of Commerce-certified U.S. pavilion at Aero India 2011. Kallman Worldwide, a well-known organizer of U.S. pavilions at air-shows around the world, will be partnering with my office to showcase the U.S. presence at this year's event. More than 50 U.S. companies will be exhibiting at Aero India and several more will be visiting to understand and explore business opportunities in India's aerospace and defense sector. My staff and I will be working closely with our U.S. companies to facilitate meaningful dialogues with Indian defense officials with the twin goals of showcasing the best in U.S. technology and expanding the U.S. footprint in India's aerospace market. I invite you all to visit the Commercial Service booth in Hall E and meet with my aerospace specialists.

To further advance U.S. strategic, defense, and trade interests, U.S. Commerce Secretary Gary Locke will be visiting Aero India 2011 along with a 25-company high-level business delegation. During his visit, Secretary Locke will also visit New Delhi, and Mumbai and meet with key Indian officials and captains of Indian industry. Adding to the excitement at Aero India 2011, U.S. Ambassador Timothy Roemer will also be visiting the air show to underscore his crucial support for the U.S. aerospace companies interested in the Indian market, and to support President Obama's National Export Initiative. And, of course, the U.S. Department of Defense will likewise be

well-represented throughout the five-day program by many of its senior leadership, as well as technical experts who will be present in the U.S. pavilion in Hall E.

Aero India 2011 is undoubtedly a “must attend” event for U.S. aerospace companies interested in India’s market. In keeping with its expanding strategic role as a regional power, India’s focus is on upgrading its surveillance, defense and strike capabilities. India’s capital expenditures on aerospace purchases are expected to be over \$50 billion in the next 5 years. This includes Medium Multi-Role Combat Aircrafts (MMRCA), Heavy Lift Transport Aircrafts, Attack Helicopters, Engines for Jaguar and LCA, Heavy Lift Helicopters, Basic Trainer Aircrafts, Maritime Helicopters, Helicopter Avionics Upgrades among others. Now, more than ever, is the time for U.S. companies to showcase their capabilities and take advantage of these excellent opportunities by participating at Aero India 2011.

Over the past few years U.S. companies have demonstrated their quality products and reliability as suppliers, having won some major aerospace projects in the recent past including the P-8i, C-130J, and VVIP

aircraft. However, considering the technical and lifecycle superiority of U.S. aerospace products, I am confident that these wins are only a tip of the iceberg for future business to come. I believe the strategic value of a U.S. solution to India cannot be matched. Selection of U.S. aerospace solutions – especially in the case of the MMRCA – will demonstrate India’s vision for long-lasting and mutually-supportive bilateral relations with the United States, establishing a binding 40-year bedrock from which to foster a stronger economic, trade, defense security, and political partnership. I am also hopeful for an expeditious final approval of the pending purchase of the C-17 military transport aircraft. These aircraft can provide significant cost savings to the Indian military over other forms of transport.

In closing, I would reiterate that deeper cooperation in the aerospace sector will reinforce the bond of trust between our two countries and take our bilateral relationship to greater heights. I look forward to seeing all of you at Aero India 2011 and wish the many participating Amcham members great success at the event.

In Conversation...



Philip Lewin
Country Manager, American
Airlines and Chairman
Amcham Civil Aviation
Committee

1. What are the current growth trends in the Civil Aviation sector in terms of the Supply-Demand equation and industry profitability goals?

Calendar 2010 was a year of recovery for the aviation industry. Led by a strong rebound in business and leisure long-haul travel, particularly in emerging BRIC markets, international traffic grew by 8.8 per cent. The

International Civil Aviation Organization forecast which highlighted the robust recovery during 2010 anticipates worldwide air traffic growth to continue well into 2011 and 2012 at 4.7% and 4.9% respectively.

Economic growth and increased spending power have resulted in impressive international traffic growth and a robust domestic market. Most of the air-carriers across the world have seen strong rebound in demand since the pre-economic downturn level, bringing promises of improved profitability and renewed growth – particularly to and within

fast developing economies such as India, which is likely to surpass the 50 million passengers per year mark in 2011.

According to a December report from aviation consulting firm Centre for Asia Pacific Aviation (CAPA), international traffic to India is expected to grow at 10-12% in fiscal 2011. The key challenge going forward will be to balance this burgeoning demand with capacity discipline, to ensure that yields are maintained. Operating full aircraft doesn't necessarily mean you are operating profitable aircraft!

With respect to the India-U.S. market, there is still a lot of untapped demand from both ends of the route for both business and leisure travel. In many ways non-stop operations such as American's are a good barometer of U.S.-India relations. What we see now is increasing business travel demand from both ends of the route as economic ties continue to strengthen, particularly on the back of President Obama's recent visit. Interestingly some of the greatest surge in demand comes from SMEs, particularly U.S. based companies that are looking to expand their footprint in developing economies such as India. The role Amcham plays in helping encourage trade and commerce cannot be understated.

2. How do you see the civil aviation policy in India support and encourage the foreign

carriers existing or entering the Indian airspace?

India is an increasingly important player in aviation industry, and has a key role to play in shaping global policies and standards. Broadly speaking Indian civil aviation policy is pro-business and pro-growth, which is a good thing. The Open Skies agreement between India and USA is an excellent example of this, and is critical in stimulating a robust and competitive market environment.

On the other hand, we also need to ensure that civil aviation policy in India is supportive to foreign carriers from an infrastructure and cost perspective. We have seen huge leaps in infrastructure development recently, for example IGI Terminal 3 in New Delhi, and continued investment in Air Traffic Management technology. However more still needs to be done, especially for cargo operators which are hampered by weaker infrastructure.

It is important to ensure there is an equitable balance between key stakeholders. In this regard, the Government has a key role to play in supporting the recovery and sustainable growth of our industry. Taxation of consumers and air travel service providers needs to be managed very carefully to ensure demand is not dampened.

Similarly, the Government has a duty to support airlines by encouraging competition between aviation service providers (e.g. Ground Handlers), and ensuring there is robust pricing regulation for de facto monopoly providers such as, Air Traffic Control and Airport Authorities. While we recognize that new infrastructure needs to be paid for, it is important that pricing structures are arrived in a fair way which considers the interests of all stakeholders.

Striking these kinds of balance is never easy, and it is important to emphasize that the Government has taken giant strides in fostering and encouraging the growth of civil aviation over recent years.

3. Air travel Industry felt the impact of the global economic downturn. Passenger Air traffic declined in India by about 2%. How did it effect the global aviation industry?

and

4. How do you see the air traffic growth poised for the next five years globally?

The worst economic recession in 80 years saw revenues drop by \$81 billion and losses of almost \$10 billion in 2009. Today there is some cautious optimism. Global traffic is back to pre-recession levels with load factors nearing 80%

and the bottom line is improving. Asia-Pacific is powering the upturn with \$2.2 billion in profit. North American carriers will move into the black at \$1.9 billion. But not all regions will recover equally.

IATA in December upgraded its forecast for airline industry profits in response to a strong cyclical upswing in revenues and much better utilization of capacity by airlines. Its forecast for net post-tax profits in 2010 has been raised to US\$15.1 billion, up from our previous forecast of US\$8.9 billion. Better economic conditions, despite the European crisis, have supported stronger market growth and better aircraft utilization has driven a sharp upswing in profitability in all regions. Operating margins are now expected to exceed 5% this year, not as good as the late-1990s but better than the previous cycle peak in 2007.

Emerging markets such as India look set to continue to grow strongly, but a weak Europe is expected to make the business environment for airlines more challenging than it was in 2010. With a stronger 2010 the starting point for industry profits is higher than expected than previously forecast.

Margins look set to be squeezed to some extent in 2011 by stable yields on the one side and rising fuel prices on the other side. Higher oil prices, stable yields and weak traffic volumes originating from certain developed economies, particularly in Europe, will cause some slippage in airline profits next year. Geographic differences will remain. Stronger growth in the emerging markets will support stronger performance from airlines based in those regions.

The aviation sector in India looks likely to boom in the coming years, attracting huge investments. Passenger traffic is projected to grow at a compound annual growth rate of about 15% in the next 5 years. The Vision 2020 statement announced by the Ministry of Civil Aviation, envisages creating infrastructure to handle 280 million passengers by 2020. Air cargo traffic is expected to grow at over 10% per annum over the next 5 years. Investment opportunities of US\$ 110 billion are envisaged up to 2020 with US\$ 80 billion on new aircraft.

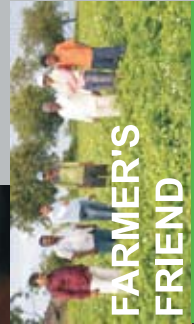
Associated areas like maintenance, repair and overhaul (MRO) and training offer high potential. A report by Ernst and Young says the MRO category in aviation sector can absorb upto US\$ 120 billion worth of investment by 2020. The projected aviation growth provides great challenges and opportunities to the aviation community. As air travel demand continues to grow, there will be increasing pressure to ensure that training and infrastructure is fully prepared to keep up.

Quenching India's thirst for progress



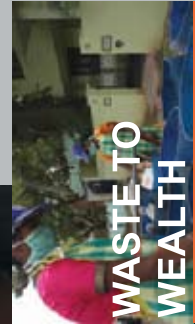
Positive Water Balance in 2009

In 2009, PepsiCo India gave back more water than it consumed. Through its pioneering initiatives such as 'Direct Seeding' of paddy and many other programs covering water recharge through community programs and harvesting water within its manufacturing plants, **PepsiCo saved over 6 bn litres of water in 2009.**



Benefitting more than 22,000 farmers

PepsiCo India continues to strengthen its partnerships with farmers across the country to boost their productivity and income by providing 360 degree support to the farmers through quality seeds, disease control packages, bank loan & insurance support and technological interventions.



Benefitting 450,000 people

PepsiCo India's award winning partnership with NGO Exnora for Household Waste Management helps recycle 97% of household waste across seven cities, benefitting more than 450,000 people.



- Awards**
- CII National Award for Excellence in Water Management
 - UNESCO - supported Water Digest Award in CSR for Water Practices
 - Golden Peacock Award for Innovative Product/Services for 'Direct Seeding' initiative
 - Best Practices in CSR Award by the Bombay Stock Exchange, NASCOM Foundation & Times Foundation



In Conversation...

5. What is the way forward in overcoming the impediments to the growth of Civil Aviation in India?

The Indian civil aviation market is growing at a phenomenal rate. Such growth would have been hard to achieve and sustain in the absence of Government support and adequate policy measures. Further, to continue this growth rate there is a need for an improvement in infrastructure. Today, the aviation infrastructure in the country has received a boost with the final approval for the second airport in Mumbai, opening of IGI Terminal 3 in New Delhi, and refurbishment of Mumbai, Bangalore and Hyderabad airports.

India has the potential to be a global aviation crossroad, and the investment made in new facilities in the metros shows clearly the degree of belief in this. The key challenge is to ensure that India's airports are able to operate to the

same degree of efficiency as other global hubs such as Dubai and Singapore. This requires not only investment in infrastructure, but also a completely new approach to training and processes. Great progress is already being made, but there remains much to do.

Going further, these improvements need to be further backed by development of aviation infrastructure in feeder tier-II and III cities which are the emerging sources for new travellers in India. These cities have huge potential because they are populous and their residents have increasingly disposable incomes and the desire to travel. Development of infrastructure in these key cities and states will pave the way for the next phase of aviation growth in the future.

While the airline industry is renowned for being highly capital intensive, it is also an intensely human business. New terminals and runways are only part of the story.

Zimmer Mobile Learning Centre



A fully equipped van for training Resident Surgeons in various Medical Colleges and Institutions on key Orthopaedic procedures - Zimmer Mobile Learning Centre (MLC) – was flagged off on 17 September 2010 by Ms Judy Reinke, Counselor for Commercial Affairs, U.S. Embassy in India. The MLC will travel 12,000 km in 120 days covering 53 cities to train young surgeons/residents and paramedical staff and provide them with cost effective learning and providing high quality care for Orthopaedic patients.

MLC has a mock operation theatre setup, a full array of display products including Gender knee for women, real-time instruments and sawbones, audio-visual aids, pull-down workstations, backlit display frames and seating. Besides educating orthopedic surgeons and paramedical personnel, MLC is used for conducting community awareness seminars for the general public.



Breakfast Roundtable with Ms. Mara Burr, Deputy Assistant, USTR on 12 January 2011 in New Delhi and 18 January 2011 at Bangalore

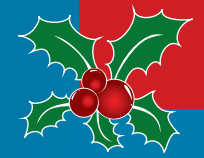


Amcham New Delhi represented by Ms. Madhvi Kataria, organized a Breakfast Roundtable with Ms. Mara Burr, Deputy Assistant, USTR on 12 January 2011 in New Delhi.

Mr. Atul Dhawan, National Leader Clients & Markets, Deloitte Haskins & Sells and Mr. Amitabh Singh, Partner, Tax & Regulatory Services, Ernst & Young Pvt. Ltd. raised issues regarding Tax & Tariff. Mr. Deepak Maheshwari, Director - Corporate Affairs, Legal & Corporate Affairs, Microsoft Corporation (India) Pvt Ltd spoke on IPR issues and Mr. S. Ramkrishna, Vice Chairman and Executive Director, Caterpillar India Pvt. Ltd spoke on the need for review of Indian Government's policy on re-manufactured goods.

Amcham Bangalore also had a meeting with Ms. Burr and Mr. Maxwell J Hamilton, Political and Economic Officer, U.S. Consulate Chennai.

Christmas Ball



Christmas Ball



Breakfast Roundtable with Deputy Secretary of the U.S. Dept. of Homeland Security, Ms. Jane Holl Lute 12th January 2011 in New Delhi



Amcham together with USIBC organized a Breakfast Roundtable with Deputy Secretary of the U.S. Dept. of Homeland Security, Ms. Jane Holl Lute and her Delegation on 12 January 2011 in New Delhi. Over 40 persons participated.

Mr. William Blair, Chairman, Amcham - USIBC Homeland Security Committee and President, Raytheon India and Mr. Amit Sharma, Chairman Amcham Telecommunications Committee and Executive Vice President - President Asia, ATC Tower Company of India Ltd. made brief observations on their respective sectors.



Delegation from the World Trade Centre of Greater Philadelphia, New Delhi

A delegation from the World Trade Centre of Greater Philadelphia visited Delhi and Mumbai from January 3-12, 2011. The delegation consisted of MBA Students and professors from Temple University and World Trade Centre Officials. This program served as real world experience for

these emerging global business leaders and they in turn provided market Intelligence for the Firms.

KPMG representatives, Mr. Partha Banerjee, Executive Director, KPMG and his team met the group and discussed various issues relating to business environment in India.

IBM Gets 5,896 U.S. patents in 2010



IBM received 5,896 patents in the U.S. in 2010, topping the list of world's most inventive companies for the 18th consecutive year. According to the IFI Patent Intelligence, which maintains U.S. patents databases, IBM received a record 5,896 U.S. patents in 2010.

(PTI, Hindustan Times, Jan 15, 2011)

JP Morgan profit beats expectations

JP Morgan Chase & Co reported higher-than-expected quarterly earnings, helped by narrowing losses on bad loans that allowed it to release \$ 2 billion in reserves. JP Morgan, the first of the major U.S. banks to report earnings for the

fourth quarter, said profit increases to \$4.8 billion or \$1.12 a share, from \$3.3 billion, or 74 cents a share, a year earlier. Revenue increased 6% to 26.7% billion.

(Reuters, Hindustan Times, Jan 15, 2011)

Cognizant's executives are the "gold standard..."

Cognizant is the big winner in Institutional Investor's second annual All-America Executive Team survey. Institutional Investor asked buy- and sell-side analysts to name the best CEOs, CFOs, investor-relations professionals, and outfits with the most highly regarded IR departments among the U.S. companies they cover. Analysts on both sides agreed that, in the Computer Services & IT Consulting sector,

Cognizant's executives are the gold standard: Francisco D'Souza is the Best CEO; Gordon Coburn is the Best CFO; and David Nelson is the Best IR Professional. They also say Cognizant provides better IR services than any of its peers. Cognizant is the only company to finish in first place in every category in its sector in this year's survey.

Marriott International continues expansion drive



Hospitality in India is set for a major boost with Marriott International planning to add more rooms to their portfolio. The company has 12 operating hotels in India and plans to add six more under management contract this year, a net addition of 1,400 rooms. The group has increased average room rates by 5 to 10% and expects revenue per available room for India to increase by 10 to 12% in 2011, as against 8 to 10% last year.

LIST OF UPCOMING EVENTS

DELHI

- 27th Jan 2011 Meeting of Amcham's Committee on Pharmaceuticals at the office of Biogen Idec Biotech India Pvt. Ltd.
- 1st Feb 2011 Meeting of Amcham's Committee on Medical Equipment and Devices at ACSA, US Embassy, New Delhi.
- 7th Feb 2011 Breakfast Meeting with U.S Commerce Secretary Gary Locke.
- 8th Feb 2011 Breakfast Meeting of U.S India Energy Cooperation Program with Director USTDA Leocadia Zak and Commerce Secretary Gary Locke.
- 8-11th Feb 2011 Business Delegation to Bangladesh.
- 13th Mar 2011 Amcham Singapore delegation to India (Delhi / Mumbai).

KOLKATA

- 9th Feb 2011 Executive Committee Meeting of Amcham Kolkata Chapter.

MUMBAI

- 3rd Feb 2011 Amcham HR Meeting

BANGALORE

- 8th Feb 2011 US Ambassador's Reception (supported by Amcham) on the eve of Aero India 2011.

CHENNAI

- 29th Jan 2011 "Welcome 2011" a social event organised by Amcham Chennai.

American Chamber of Commerce in India



Established in 1992, the American Chamber of Commerce in India (Amcham India) is an association of American business organizations operating in the country.

Amcham India has around 500 members, spread across the nation. The Chamber enjoys a close relationship with the U.S. Embassy, which supports its objectives and helps in fulfilling them. The incumbent U.S. Ambassador to India is the Honorary President of Amcham.

Mission

Amcham's principle objectives are to:

- Promote activities that encourage and stimulate investment by U.S. companies in the country.
- Support the business operations of its members.
- Encourage bilateral trade between India and the U.S.

These primary objectives are fulfilled by:

- Providing a forum for U.S. – based business organizations to discuss and identify

common issues, economic and commercial interests in India and /or the U.S.

- Instituting Sectoral Committees which implement the primary objectives in their respective sectors.
- Reviewing policies and procedures in various sectors that affect the members as well as growth of foreign direct investment.

Affiliations

Amcham is affiliated to the following Chambers in the U.S.:

- Chamber of Commerce of USA in Washington, D.C.
- Asia Pacific Council of American Chambers of Commerce (APCAC)
- Amcham's in other countries.

Regional Chapters

Amcham's National Secretariat is based in **New Delhi** with six Regional Chapters in **Bangalore, Chennai, Delhi, Hyderabad, Kolkata** and **Mumbai**.

Reconstructive Implants



Orthopaedic Surgical Products



Trauma

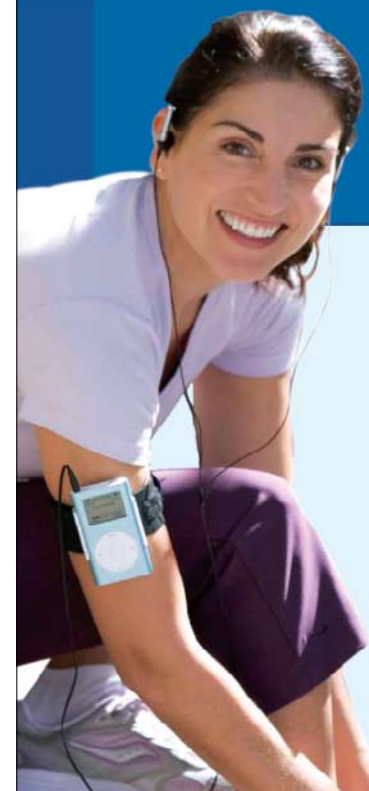


Spine



Enhancing Quality of Life for Orthopaedic Patients World Wide

- Zimmer is the worldwide #1 pure-play orthopaedic leader in designing, manufacturing and marketing of reconstructive and spinal implants, trauma and related orthopaedic surgical products.
- Zimmer brings a true spirit of partnership to its relationships with surgeons around the world.



American Chamber of Commerce in India

PHD House, 4th Floor, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi 110016
T : 91 11 2652 5201 F : 91 11 2652 5203 E : amcham@amchamindia.com

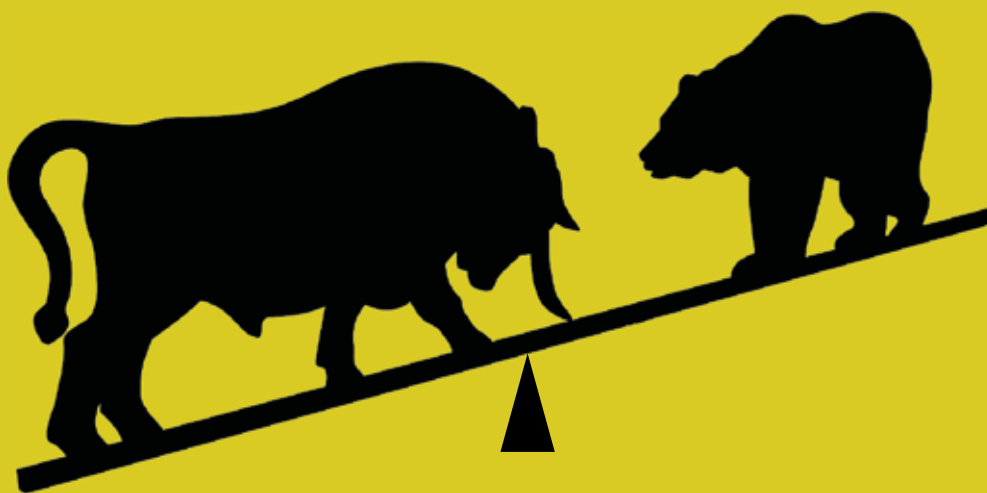
www.amchamindia.com

Published by Ajay Singha,
Executive Director, Amcham India



For more information, please visit
www : zimmerindia.com

FINALLY A FUND THAT AIMS TO MAKE THE BEST OF ANY MARKET SWING.



Principal SMART Equity Fund is an open-ended equity scheme which invests in equity markets based on market valuations. When markets are expensive, it reduces allocation to equity; protecting downside. When market valuations are attractive, it increases allocation to equity allowing full participation in a subsequent rally. Hence, your investment has an opportunity to thrive, whether it's a bull market or a bear market. To invest in this scheme, contact your financial advisor or speak to us at 1800 22 5600. For more details about this scheme, log on to www.principalindia.com



**Principal
SMART
Equity Fund**

AN OPEN-ENDED EQUITY SCHEME

Toll Free: 1800 22 5600 | Website: www.principalindia.com

Statutory Details: Principal Mutual Fund has been constituted as a trust with Principal Financial Group (Mauritius) Limited, Punjab National Bank and Vijaya Bank as the co-settlers. **Sponsor:** Principal Financial Services Inc., USA [acting through its wholly owned subsidiary Principal Financial Group (Mauritius) Ltd.]. **Trustee:** Principal Trustee Company Private Limited. **Investment Manager:** Principal Pnb Asset Management Company Private Limited (AMC). **Risk Factors:** Mutual funds and securities investments are subject to market risks and there can be no assurance and no guarantee that the scheme's objective can be achieved. As with any investment in securities, the NAV of the units issued under the scheme can go up or down, depending upon the factors and forces affecting the capital markets. Past performance of the Sponsor and any of its associates, co-settlers and/or AMC/ Mutual Fund does not indicate or guarantee the future performance of the Schemes of Principal Mutual Fund. The Sponsor and any of its associates including co-settlers are not responsible or liable for any loss resulting from the operations of the Mutual Fund beyond the initial contribution of an amount of ₹ 25 Lakhs towards setting up Principal Mutual Fund. **Principal Smart Equity Fund (An open - ended Equity Scheme) is only the name of the Scheme and does not in any manner indicate either the quality of the Scheme or its future prospects or returns.** Investors in the Scheme are not being offered a guaranteed or assured rate of return. **Investment Objective:** The primary objective is to seek to generate long term capital appreciation with relatively lower volatility through systematic allocation of funds into equity; and in debt /money market instruments for defensive purposes. The Scheme will decide on allocation of funds into equity assets based on equity market Price Earning Ratio (PE Ratio) levels. When the markets become expensive in terms of 'Price to Earnings' Ratio; the Scheme will reduce its allocation to equities and move assets into debt and/or money market instruments and vice versa. **Terms of issue, sale & repurchase of units:** Sale & redemption facility will be available on all business days. **Investor benefits and general services:** The NAVs will be calculated and disclosed at the close of every Business Day. **For detailed risk factors, terms of issue etc. investors are urged to read the Scheme Information Document (SID) / Statement of Additional Information (SAI) and Key Information Memorandum (KIM) carefully and consult with their legal/tax/investment advisor before they invest in the Scheme. Copy of SID/SAI & KIM can be obtained at the investor service centres of AMC and website: www.principalindia.com. Alternately investors can call our Toll Free No: 1800 22 5600 to obtain a copy of the same.**