

PRESS RELEASE

GPIL ON GROWTH PATH

Gontermann-Peipers (India) Limited (GPI), a leading engineering company manufacturing high precision Rolls for Hot Rolling Mills, Cold Rolling Mills and Capital Goods industry, has reported an increase of 9% increase in Net Profit at Rs 391.33 Lacs for third quarter ended 31st December, 2007 as against Rs 358.54 Lacs for the corresponding period of the last year.

During the first nine months of the current financial year the company has reported an increase of 19.82% in the Net Turnover and an increase of 30% in the Net Profit.

The Company has an order book for next 12 months as on 31st December, 2007.

In view of the growing demand in steel industry worldwide and the domestic steel production being estimated around 200 million tonnes in the next 10 years, the demand for rolls is good as it is integral to steel production and directly linked to the capacity growth of the steel industry.

Further, the high cost of production of European, American & Japanese roll makers and environmental problems in these countries have opened-up good promise for Indian rolls in the export market, especially in South East Asia, China, Middle East, Africa, East Europe & even USA. The Company is geared up to take advantage with increased exports.

In keeping with the future trend of business globally, the Company has decided to focus more on the development of new products such as back up rolls, High Speed Steel Rolls etc.. The Research & Development center at GPI has been constantly involved in the development of value added rolls to suit the future needs of the steel industry worldwide.

In order to meet the ever increasing demand for rolls, the Company has decided to take up a further expansion project to enhance its production capacity and produce value added Cast and Forged Rolls for the steel industry.

Under Phase I, the present capacity of 15300 MT will be increased to 18300 MT by the second quarter of 2008. On Completion of the second phase of the project, scheduled around end of the year 2010, the company's annual production capacity will be enhanced to 35,000 M.T. of finished Rolls. The outlay for Phase I and Phase II of the expansion project is estimated at Rs. 290.00 crores, subject to financial appraisal and tie-up.

The Company is one of the first in the roll industry to achieve the TPM Level One Excellence Award from JIPM, Japan.

To achieve the maximum performance efficiency, company has undertaken modern management initiatives such as Six Sigma, Total Productive Maintenance(TPM), Activity Based Costing, Just – In – Time (JIT), Performance Management System (PMS) in consultation with leading consultants in their respective fields.

The Company has also started the process of implementing world renowned SAP ERP package.

The Company's Corporate Governance Philosophy is based on imbibing best practices in the area with emphasis on ensuring transparency and accountability. Risk identification and mitigation exercises are constantly reviewed and implemented.