

PRESS RELEASE

GPI H1 NET PROFIT RISES 45% TO Rs. 673.34 Lacs

Gontermann-Peipers (India) Limited (GPI), a leading engineering company manufacturing high precision Rolls for Hot Rolling Mills, Cold Rolling Mills and the Capital Goods industry, has reported a Net Profit to Rs 296.14 Lacs for second quarter ended 30th September 2007 as against Rs 363.30 Lacs for the corresponding period of the last year, a decline of 18.50%. The performance of the second quarter would have been much better had it not been affected due to flood caused by heavy rains in the month of July.

The net turnover of the Company grew by 6.62% from Rs 3928.87 Lacs in the second quarter of 2006-07 to Rs 4188.85 Lacs in the current year.

During the first six months of the current financial year the company has reported an increase of 32.07% in the Net Turnover and an increase of 45% in the Net Profit.

The company has been able to enter into new markets in Algeria, Macedonia etc., while strengthening its existing markets in USA, Canada, Bulgaria, China, Philippines, Egypt, etc.

The Order position as on 30th September, 2007 is very good.

The world steel scenario continues to be stable with no significant changes in the production levels in the key steel producing countries. Consequently, the demand for rolls continues to be stable. However, the demand is shifting to value added superior grade rolls like HSS & Semi-HSS grades and ICDP rolls.

The expansion-cum-modernisation plan undertaken by the company to enhance the capacity and to manufacture value added products is expected to be completed in the year 2008. The Company has already developed and commercially launched the Enhanced Carbide and Globular Graphite ICDP rolls.

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.

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 implementing 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.