

PRESS RELEASE

GPI DECLARES 15% DIVIDEND

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 24% increase in Net Profit at Rs 1511.10 Lacs for the financial year ended 31st March, 2008 as against Rs 1221.57 Lacs for the corresponding period of the last year.

The net turnover of the Company grew by 18% from Rs 14774.25 Lacs in 2006-07 to Rs 17399.14 Lacs in 2007-08.

The Profit before Tax increased by 19% from Rs. 2026.58 Lacs during 2006-07 to Rs 2403.99 Lacs in the current fiscal.

The Board of Directors have recommended an Equity Dividend of 15% and a Preference Dividend on the 6% Cumulative Preference Shares respectively for the financial year ended 31st March, 2008, subject to necessary approvals. The Earning per share has increased from Rs 8.71 in 2006-07 to is Rs.10.80 during 2007-08.

The performance of the company during the year would have been much better had it not been affected by flood caused by heavy rains, during July-August, 2007.

GPI's profit has been higher because of better product-mix, effective cost control, better realization, better operating efficiency, etc. Quality complaints and rejections have been reduced substantially which not only contributed to improvement in bottom line of the company but also enriched the brand value of the company world wide.

The Company has been laying major thrust on exports. During the year the company exported 53% of its turnover. The company has entered new markets like Spain, Taiwan and South Korea, besides strengthening its existing markets in USA, Canada, Bulgaria, China, Italy, Philippines, Egypt, Malaysia and Indonesia. Major thrust is being laid on the Chinese market since China is the major producer of Steel in the world.

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 view of the growing demand in steel industry worldwide and the domestic steel production being estimated around 200 million tonnes p.a. 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.

With the development of new grades of rolls & penetration in overseas market coupled with increasing capacity of steel industry world wide both growth & profitability should be maintained in future. The order book position is quite healthy & offers good scope for growth.

GPI will have an annual production capacity of about 18000 MT finished rolls, by end of the second quarter of the current fiscal, upon completion of the expansion-cum-modernisation of its existing facility, It is hoped that the Company will witness a substantial growth and improvement in revenue, operating leverage and profitability.

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 in consultation with leading consultants in their respective fields. These management initiatives have been integrated with the Human Resource Development policies of the Company.

For Gontermann-Peipers (India) Limited

Sd/-
S. Subramanian
Company Secretary