



For Immediate Release

Gati Q2 Income up by 24% at Rs 2253 mn

Hyderabad, February 2nd, 2011: Gati Ltd, pioneer and leader in Express Distribution and Supply Chain Solutions, today announced its Q2 and first half yearly results for six months ended 31st December 2010. The company posted a total income of **Rs 4518 mn and a profit after tax of Rs. 69.2 mn** for H1 as compared to a total income of Rs.3538 mn and a profit after tax of Rs. 61 mn for the corresponding H1 of the previous year, thereby registering a growth of 27.7% and 13.2% respectively. For the first half, the EBITDA stood at Rs 440 mn.

The company posted a **total income of Rs 2253 mn** compared to Rs 1823 mn for the corresponding quarter in the previous year thereby registering a robust growth of 24%. Profit after tax stood at Rs 31.7 mn.

Divisional Performance:

The Express Distribution and Supply Chain division has registered an excellent growth of 24.4% over the corresponding quarter in the previous year at Rs.2001 mn and a 28% growth over the corresponding half in the previous year at Rs.3990 mn.

The Shipping division while continuing to battle the sluggish shipping market in the region, has registered a growth of 17.2% at Rs.241 mn, during the quarter as compared to the corresponding quarter in the previous year and a growth of 26.6% at Rs.531 mn, during the half year compared to the corresponding previous half year.

Outlook for Second half

- Autonomous restructuring of business verticals
- Inorganic growth to strengthen the reach and revenue in business verticals

- Strengthening Rail network across India
- Restructuring of the Shipping business
- Reduction in operational costs
- Continue to improve revenue quality and cost efficiencies in Express Distribution
- Expanding Cold Chain into Solutions by increasing capacity for Cold Chain
- Boost revenue , increase operational efficiencies
- Focus on providing Supply Chain Solutions to existing Clients

Commenting on the second quarter results, **Mr. Mahendra Agarwal, Founder and CEO, Gati Limited** said, *“Steep rise in inflation and increasing input cost have put the margins under pressure. Revenues have increased over 24% from the same period in 2009-10. We will focus on restructuring our businesses and continue to cut costs, reduce operating expenses and improve revenue quality and cost efficiencies.”*

About Gati Limited:

Gati Limited was the pioneer and is now the leader in Express Distribution and Supply Chain Solutions in India. Having started as a cargo management company in 1989, Gati has grown into an organization with more than 3500 employees and a consolidated annual turnover of Rs 7447mn covering 622 out of 626 districts in India. Gati has over 4000 vehicles on the road not including their fleet of refrigerated vehicles, container shipping vessels and world class warehousing facilities across India. Furthermore Gati has a strong market presence in the Asia Pacific region and SAARC countries. Today, Gati has offices in Singapore, China, Malaysia, Thailand, Hong Kong, Bangkok, Kuala Lumpur, Mauritius and Dubai apart from SAARC countries that concentrate on India- centric distribution solutions.
