January 15, 2013

The Secretary,
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.

The Listing Department,
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra(E), Mumbai – 400 051.

Dear Sir,

Sub:- Press release – reg.

Please find enclosed the press release of the Company. This is for your information and records please.

Thanking you,

Yours faithfully,
for **GATI LIMITED**

VSN Raju
Company Secretary

Encls:a/a.

For immediate release

Gati Ltd Q2 Total Income up by 12 per cent to Rs 338 Crore

EBIDTA stood at Rs. 30 Cr up by 42% (QoQ)

Hyderabad, January 12th , 2013: Gati Ltd., India 's pioneer in Express Distribution and Supply Chain Solutions, today announced its Second Quarter results ended 31st December, 2012.

For the Quarter ended 31st December, 2012, the total income was up by 12 percent at Rs 338 Cr as compared to total income of Rs 302 Cr of the previous quarter.

Profit After Tax has grown to Rs. 7.7 Cr for the quarter from a loss of Rs (5.2) Cr Q1FY 12

Commenting on the company's results, **Mr. Mahendra Agarwal, Founder & CEO**, Gati Limited said, "India is growing at 5 percent and the government is hopeful to take it to 8 percent in the next two to three years. Future growth projection is a good sign for our business sector as our industry is directly impacted with the GDP expansion. We are confident that we will grow above industry growth in the coming quarters."

Business Highlights

Gati-Kintetsu Express Private Ltd (GATI-KWE):

- For the quarter ended 31st December, 2012, GATI-KWE revenues were up 8 per cent to Rs 225 Cr from Rs. 209 Cr for the previous quarter ended September 2012.
- EBIDTA increased to Rs. 23 Cr in Q2 FY 13 from Rs. 22 Cr in Q1 FY13
- PAT increased by 8%
- The quarter growth in EBIDTA is despite the September '12 fuel increase of 12.5% that has increased the transportation input cost significantly.
- An interim dividend of Rs. 6.9 Cr was declared by Gati-Kintetsu Express Pvt. Ltd to the shareholders.

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- Fleet size increased by 140 taking total fleet number to 4400.
- JV synergy – The synergies from our Joint partners have just started to flow. We have already signed up five major customers like Emerson, Idemitsu, Toshiba, Pioneer, Fuji Electric etc. and more are in pipeline. KWE is working with their global teams to increase their India lane business and also promoting GATI-KWE JV to its clients in global markets.
- Added an additional distribution space of 50,000 sq ft in Chennai.
- CCTV 24/7 monitoring to ensure adherence to proper shipment handling and stacking procedures. A central network monitoring centre is designed to monitor vehicle movements across the country through a Vehicle tracking devise installed in all long haul vehicles.
- Our customers now have access to an online integrated service performance report on a monthly basis with information on delivery performance, delayed delivery with the reason for delayed or non delivery. This also provides the invoice and the images of the proof of delivery. Customers can also see three months trends in the performance, the load pattern they ship to and the payments that are outstanding. Customers can access these at their convenience at their desktops.

Gati Kausar (Cold Chain Solutions)

- Gati Kausar grew by 17 per cent over the last Quarter, which is the ever highest growth achieved. The H1 YOY growth stood at 11.2 per cent
- The team is currently strengthening its fleet size by adding 30 new vehicles to service its growing customer base. The vehicles are also being upgraded with GPS/VTS facility
- Gati Kausar's business strategy will focus on secondary distribution to organized retail chains including food chains, pharmaceuticals, dairy products and FMCG.

International - Business Updates

- Focus on India centric distribution mainly from China, Singapore and Thailand

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- The key business areas would be to provide India centric distribution solutions mainly to markets in China, Singapore and Thailand. There will be an increased focus to explore the trade lanes between India- Pakistan, India-Afghanistan and other SAARC countries

Gati E-commerce

Gati E-commerce has completely evolved over the last quarter. Today, we are delivering 8000 packages per day; the expansion plan for this year is to build capability to deliver 20,000 packages per day.

We have established our presence in the residential areas to cater to this segment independent of the express distribution centers across the country. Gati E-commerce offers an unmatched reach across India, The best cash-on-delivery capability with a 5 day payment cycle even in the remote locations to large and small B2C and C2C customers. The division is already catering to some of the top notch large online retailers, Home Shopping Channels and providing franchisee solutions to multinational brands. Dedicated 24/7 call center for ecommerce customer is setup which will make end consumer delighted with round the clock information sharing

In terms of top line the Gati Ecommerce business has been growing in double digits quarter on quarter (64%)

Gati Ship

In the coast to coast business turnaround has started, Operating losses have reduced to almost half of the previous quarter.

Financial Highlights

- Gati Ship closed the quarter at Rs. 7.5 Cr compared to Q1FY13 at Rs.6.5Cr a growth of 16 per cent
- Operating cost has reduced from 102 per cent of revenue to 75 per cent in Q2.
- PBT increased by Rs. 3.5 Cr (From Q1 Rs. (-8.3Cr) to Q2 Rs. (-4.8 Cr)

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- Operating costs reduced by nearly 25 per cent due to running of ships on high load volume lanes

About Gati Limited

Gati Limited (www.gati.com) is pioneer and 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 an annual turnover of Rs. 12094 million (249 million USD) covering 653 out of total 657 districts in India. Gati has over 4000 vehicles on the road excluding 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. Gati has offices in India Singapore, Hong Kong, China , Nepal Indonesia and Thailand.

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