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GATI Ahead in reach

June 28, 2012

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

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

Sub: Press Release

Ref: BSE: 532345 ; NSE: GATI

Dear Sir/ Madam,

With reference to subject-cited above, Please find enclosed press release titled **"Japan's KWE invests Rs 267.7 Crore in Gati-Kintetsu Express Pvt Ltd"** being released by the company.

This is for your information and dissemination.

Thanking You,

Yours faithfully,
For GATI LIMITED

for **VSN RAJU**
Company Secretary

Press Release

Japan's KWE invests Rs 267.7 Crore in Gati-Kintetsu Express Pvt Ltd

Funds infusion to substantially reduce debt and bring down the interest burden

New Delhi – June 28th, 2012— GATI LIMITED, India's pioneer in Express Distribution and Supply Chain Solutions, has concluded the Joint venture with Japan's Kintetsu World Express to form Gati-Kintetsu Express Pvt Ltd, the new leader in Express Distribution and Supply Chain Solutions in the country.

Under the JV agreement, Gati will hold 70 per cent stake and 30 per cent will be held by Kintetsu World Express (KWE) in Gati-Kintetsu Express Pvt Ltd (GATI-KWE). GATI-KWE is a subsidiary of GATI LIMITED.

KWE received the Foreign Investment Promotion Board approval and invested a total amount of Rs 267.7 crore for its 30 per cent stake in the JV and the monetary transaction has been culminated. This fund infusion makes GATI's Balance sheet much stronger through a significant deleveraging of the debt and reduction in the interest costs upto 50 percent, which in turn will help in re-investment in the growth of the organization and will reflect a healthy bottom line.

GATI-KWE brings together the strengths of Gati's local expertise in Express Distribution and KWE's global experience in 3PL warehousing, supply chain and freight forwarding capabilities creating an unmatched offering and superior value to customers. GATI-KWE expects to provide a seamless transfer for cross border trade through a single window solution to its customers like Texas instruments, HP, Panasonic, Toshiba and other global players.

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The JV also benefits from India- Japan Comprehensive Economic Partnership Agreement (CEPA) signed in 2011 and the two countries target USD 25 billion worth of bilateral trade by 2014 from the present USD 10.3 billion.

Speaking on the occasion **Mahendra Agarwal, Founder and CEO of GATI LIMITED** said "The Joint venture with KWE will set a new benchmark in Express Distribution and Supply Chain Solutions in India. All our efforts will now be channelized towards synergizing the strengths of both the companies thereby creating a win- win situation. We believe this alliance will create enhanced value for our customers and shareholders"

Mr Satoshi Ishizaki, President and CEO of KWE, said, "It is a proud moment for "GATI-KINTETSU" brand which combines the excellent infrastructure services of GATI and the service mind of KWE to provide the best possible services for all our customers"

GATI LIMITED the parent company will continue to provide leadership to GATI-KWE and to all its other businesses / subsidiary companies which are GATI INTERNATIONAL and GATI ASIA PACIFIC, GATI KAUSAR (Cold Chain Solutions), GATI HOME DELIVERY SERVICES and GATI SHIPS.

GATI SHIPS has been recently transferred into an independent subsidiary company and is now on the path to recovery having stopped making losses.

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 622 out of total 626 districts in India. Gati has over 4500 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

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Pacific region and SAARC countries. Gati has offices in Singapore, Beijing, Shanghai, Qingdao, Hong Kong, Bangkok, Kuala Lumpur and Dubai and the SAARC countries.

About KWE Inc

The Tokyo Stock Exchange listed KWE Inc (www.kwe.com) is a Global provider of logistic services and solutions to its world-wide clients. Established in the year 1970, KWE today has a total of 333 offices in 203 cities in 31 countries overseas.

KWE provides comprehensive one-stop services & solutions that incorporate airfreight forwarding, Ocean freight forwarding and a full-range of logistics services to provide "Optimum Distribution Solutions" to its clients on a global scale. KWE has 57 affiliated companies with a total of 333 offices spread in 203 cities and 31 countries. The consolidated revenue for the last financial year stood at USD 3505.6 Mn and the consolidated net income was at 103.20 Mn USD. The total asset was at USD 1575.17 Mn.

About Gati-Kintetsu Express Private Limited

Gati-Kintetsu Express Pvt Ltd (www.gatikwe.com) is a Joint Venture between the Indian logistics player Gati Ltd and the Japanese logistics solutions provider KWE Inc. The company, formed in February 2012, specializes in Express Distribution and Supply Chain Solutions (EDSC) and combines Gati's proficiency in 3PL in India along with KWE's freight forwarding expertise and global customer base. The JV company, in which Gati holds 70% and KWE 30%, is targeting business expansion of domestic and international customers in the Indian market. The company shall also invest in high end 3PL facilities, including temperature controlled warehouses.

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For Further Details Contact:

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