

## PRESS RELEASE

### GE Shipping Q1FY12 consolidated Net Profit at Rs.162.59 cr GE Shipping Q1FY12 standalone Net Profit at Rs.101.9 cr

The Board of Directors of The Great Eastern Shipping Company Ltd. (G E Shipping) today approved the Unaudited Financial Results (Provisional) for the first quarter of FY2011-12, ended 30 June 2011.

#### KEY HIGHLIGHTS:

##### Standalone

##### Consolidated

| Q1FY'12 | Q1FY'11  | (Amount in Rs. crs)                       | Q1FY'12  | Q1FY'11  |
|---------|----------|-------------------------------------------|----------|----------|
|         |          | <b>Income Statement</b>                   |          |          |
| 518.83  | 453.24   | Revenue (including other income)          | 784.75   | 727.58   |
| 244.68  | 259.49   | EBITDA (including other income)           | 384.12   | 385.21   |
| 101.90  | 105.94   | Net Profit                                | 162.59   | 171.80   |
|         |          | <b>Balance Sheet</b>                      |          |          |
| 9805.06 | 9020.02  | Total Assets                              | 12893.87 | 11127.34 |
| 5687.32 | 5429.07  | Equity                                    | 6259.72  | 5827.73  |
| 3647.93 | 3590.95  | Long Term Debt (Gross)                    | 5921.42  | 5299.61  |
| 1043.36 | 274.15   | Long Term Debt (Net of Cash)              | 2683.96  | 1428.04  |
|         |          | <b>Cash Flow</b>                          |          |          |
| 125.61  | 217.12   | From operating activities                 | 270.47   | 291.75   |
| (56.47) | (156.95) | From investing activities                 | (93.15)  | (98.87)  |
| 2.63    | (197.90) | From financing activities                 | (95.26)  | (243.51) |
| 71.77   | (137.73) | Net cash inflow/(outflow)                 | 82.06    | (50.63)  |
|         |          | <b>Key financial figures</b>              |          |          |
| 47.16%  | 57.25%   | EBITDA Margin (%)                         | 48.95%   | 52.94%   |
| 7.28%   | 7.90%    | Return on Equity (ROE) (%)                | 11.62%   | 11.91%   |
| 6.31%   | 7.70%    | Return on Capital Employed (ROCE) (%)     | 7.79%    | 9.54%    |
| 0.64    | 0.66     | Gross Debt/Equity Ratio (x)               | 0.95     | 0.91     |
| 0.18    | 0.05     | Net Debt/Equity Ratio (x)                 | 0.43     | 0.25     |
| 44.58   | 45.33    | Exchange rate USD/INR, average (Rs)       | 44.58    | 45.33    |
| 44.70   | 46.44    | Exchange rate USD/INR, end of period (Rs) | 44.70    | 46.44    |
|         |          | <b>Share related figures</b>              |          |          |
| 6.69    | 6.96     | Earnings per share, EPS (Rs)              | 10.68    | 11.28    |
| 6.68    | 6.94     | Diluted earnings per share (Rs)           | 10.65    | 11.26    |
| 12.15   | 12.18    | Cash Profit per share (Rs)                | 18.77    | 18.16    |
| -       | -        | Dividend per share (Rs)                   | -        | -        |

## Performance Review of Q1 FY 2011-12:

### Break up of Revenue days (Shipping):

| Revenue Days                 | Q1 FY12      | Q1 FY11      |
|------------------------------|--------------|--------------|
|                              |              |              |
| Owned Tonnage                | 3,178        | 3,315        |
| Inchartered Tonnage          | 213          | 19           |
| <b>Total Revenue Days</b>    | <b>3,391</b> | <b>3,334</b> |
|                              |              |              |
| Total Owned Tonnage (mn.dwt) | <b>2.55</b>  | <b>2.66</b>  |

### Average TCY's earned in various categories:

| Average (TCY \$ per day)     | Q1'FY12 | Q1'FY11 | % Chg |
|------------------------------|---------|---------|-------|
|                              |         |         |       |
| Crude Carriers               | 20,097  | 20,444  | (2)%  |
| Product Carriers (Incl. Gas) | 16,326  | 15,485  | 5%    |
| Dry Bulk                     | 16,569  | 24,484  | (32)% |

## FLEET DEVELOPMENT:

### Sale & Purchase Activities during Q1 FY2011-12:

During the quarter:

- The Company entered into a contract to sell en bloc all three VLCC's (318,000 dwt each) on order. These will be delivered to the new buyer immediately upon delivery from the yard.
- The Company took delivery of new building Kamsarmax dry bulk carrier "Jag Aditi".
- The Company delivered its 1989 built Suezmax crude carrier "Jag Lakshya" to the buyers.

Subsequent to the quarter:

- The Company took delivery of new building Supramax dry bulk carrier "Jag Rani".

## Capital Expansion Plan

The Company currently has a total capex commitment of around USD 55 mn, which translates to approx. Rs.242 crores at current exchange rates. Out of this, approx USD 33 mn has already been advanced to the

yards as stage payments. This will result in addition to the tonnage of about 0.08 mn dwt (1 Kamsarmax dry bulk carrier).

**FLEET PROFILE: as on date**

| Categories                            | No. of ships | Avg age (years) |
|---------------------------------------|--------------|-----------------|
| Crude Carriers                        | 9            | 8.6             |
| Product Carriers                      | 16           | 9.0             |
| Gas Carrier                           | 1            | 20.0            |
| <b>TANKERS TOTAL</b>                  | <b>26</b>    | <b>8.9</b>      |
| Capesize                              | 1            | 15.0            |
| Kamsarmax                             | 2            | 0.0             |
| Panamax                               | 1            | 16.0            |
| Supramax                              | 4            | 4.3             |
| Handymax                              | 1            | 14.0            |
| <b>DRY BULK TOTAL</b>                 | <b>9</b>     | <b>7.9</b>      |
| <b>TOTAL FLEET<br/>( 2.61 mn dwt)</b> | <b>35</b>    | <b>8.6</b>      |

**MARKET COMMENTARY:**

➤ *Excessive fleet supply as a theme continues to dominate*

The tanker freight market remained subdued throughout the quarter. Some of the key factors that resulted in weak markets were less Japanese crude imports due to earthquake, stagnant oil demand from the developed economies and ongoing MENA crisis which intensified during this period. Even the US driving season failed to pick up this year reflecting in softer product tanker freight rates. The new fleet supply added pressure to the existing fragile freight market.

Even though steady demand in the steel products and minor bulks supported by strong Chinese coastal trade was witnessed throughout the quarter, the dry bulk freight rates remained under pressure, especially the larger assets due to excessive fleet addition in the market. Iron ore shipments in China also registered a decent growth but were unable to absorb the supply side pressure. Australian coal mines and ports are yet to recover fully from the after effects of the floods resulting in disrupted coal exports. All these factors were collectively responsible for the depressed dry bulk freight scenario.

## **OUTLOOK:**

### **Tanker Market:**

IEA forecasts world oil demand to grow by 1.47 mn barrels per day (mbpd) to 91 mbpd in CY2012. But declining demand from major industrialized nations, higher crude prices and aggravating European debt crisis is expected to have a negative effect on the oil demand imposing uncertainty for the medium term. The ongoing Libyan tension has materially tightened the crude supply market and with no signs of cease fire, the situation seems grim adding pressure on the existing weak freight rates. Steady fleet addition and high fuel cost are also expected to drag down the effective day rates and operating margins of the tanker operators.

### **Dry Bulk Market:**

On back of huge fleet additions, dry bulk freight rates are expected to remain volatile. Even if positive factors like port congestions, slippages in deliveries and substantial increase in scrapping activities (around 13mn dwt has been scrapped year to date) are witnessed, the sheer volume additions in the new supply are keeping the freight rates depressed. On the demand side, China is expected to continue its steady pace of iron ore and coal imports and with its tight monetary policies likely to have peaked out, slight rebound in commodity demand is expected, which can provide some relief for the dry bulk shipping demand.

### **REVENUE VISIBILITY:**

The revenue visibility for the balance part of FY 2011-12 is around Rs.396 crores. Crude tankers and product carriers (incl Gas carrier) are covered to the extent of around 55% and 60% of their operating days respectively. In case of dry bulk carriers, they are covered to the extent of around 42% of the fleet's operating days.

## **DEVELOPMENTS IN THE SUBSIDIARIES:**

### **Greatship (India) Limited (GIL):**

GIL and its subsidiaries currently own and operate four Platform Supply Vessels (PSV), seven Anchor Handling Tug cum Supply Vessels (AHTSV), three Multipurpose Platform Supply and Support Vessels (MPSSV), three Platform/ ROV Support Vessels (ROVSV) and two 350 Feet jack up rigs. GIL and its subsidiaries have a total capex commitment of around US\$ 450 mn for an order book of seven vessels - two Multi Support Vessels (MSV) in India, three Platform/ ROV Support Vessels (ROVSV) in

Sri Lanka and two 150 TBP Anchor Handling Tug cum Supply Vessels (AHTSV) in Singapore and one 350 feet jack up rig in Dubai.

**OUTLOOK:**

With oil stabilizing around US\$90 per barrel, strong signals of optimism are witnessed in the E&P activities. Globally, E&P expenditures rose by 10% in 2010 and are expected to grow at a healthy level in 2011 & 2012 as well going by most estimates. Demand for older technology assets is expected to remain under pressure as clients have started preferring newer and more advanced assets given the increased activities in deep waters, stringent operational & client safety regulations. This should inevitably lead to phasing out of the old fleet, easing pressure on the supply side created by addition of new fleet in recent times.

**REVENUE VISIBILITY:**

The revenue visibility for the balance part of FY 2011-12 is around Rs.604 crores. PSVs and AHTSVs are covered to the extent of around 76% and 37% of their operating days respectively. ROVSVs and MPSSVs have coverage of around 100% and 38% for the balance part of FY2012. In case of Jackup rigs, they are covered to the extent of around 97% of the operating days.

**The Great Eastern Chartering LLC (Sharjah):**

This wholly owned subsidiary was set up with the objective of inchartering tankers as well as dry bulk vessels and the commercial operation of such inchartered tonnage. This company currently operates 1 dry bulk carrier with remaining average inchartered duration of 8 months.

Place: Mumbai

Date: 5 August, 2011

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For further details, please email us at [corp\\_comm@greatship.com](mailto:corp_comm@greatship.com)

Q1 FY12 Earnings Call scheduled at **4:30 pm (IST) on Monday, 8 August 2011.**

To participate, kindly dial **(+91) - 22 - 67934400**

# THE GREAT EASTERN SHIPPING CO. LTD.

Regd. Office: Ocean House,134-A, Dr.Annie Besant Road, Mumbai-400 018.

## CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2011.

(Rs. in Crores)

| CONSOLIDATED              |                           |                         |                                                                                                | STANDALONE                |                           |                         |
|---------------------------|---------------------------|-------------------------|------------------------------------------------------------------------------------------------|---------------------------|---------------------------|-------------------------|
| Quarter Ended on          |                           | Year Ended on           |                                                                                                | Quarter Ended on          |                           | Year Ended on           |
| 30.06.2011<br>(UNAUDITED) | 30.06.2010<br>(UNAUDITED) | 31.03.2011<br>(AUDITED) |                                                                                                | 30.06.2011<br>(UNAUDITED) | 30.06.2010<br>(UNAUDITED) | 31.03.2011<br>(AUDITED) |
| 681.82                    | 644.31                    | 2432.90                 | 1. Income -                                                                                    | 420.93                    | 385.87                    | 1363.09                 |
| 46.13                     | 44.06                     | 125.07                  | (a) Income from Operations - Freight & Charter hire                                            | 46.13                     | 31.12                     | 105.53                  |
|                           |                           |                         | (b) Other Operating Income - Gain on sale of ships                                             |                           |                           |                         |
| 727.95                    | 688.37                    | 2557.97                 | <b>Total</b>                                                                                   | 467.06                    | 416.99                    | 1468.62                 |
| 117.00                    | 87.62                     | 372.34                  | 2. Expenditure -                                                                               | 55.26                     | 60.07                     | 222.43                  |
| 57.61                     | 50.12                     | 212.96                  | (a) Employees Cost (ashore and floating)                                                       | 34.97                     | 41.14                     | 164.33                  |
| 121.59                    | 116.36                    | 430.66                  | (b) Repairs & Maintenance-Fleet & Rigs                                                         | 107.78                    | 102.28                    | 357.68                  |
| 17.34                     | 17.59                     | 65.68                   | (c) Direct operating expenses                                                                  | 8.86                      | 9.23                      | 34.92                   |
| 75.22                     | 92.39                     | 318.66                  | (d) Other operating expenses                                                                   | 62.30                     | 5.87                      | 15.76                   |
| (9.03)                    | (40.54)                   | (11.73)                 | (e) Hire of chartered ships/rigs                                                               | (5.52)                    | (31.46)                   | (10.67)                 |
| 20.90                     | 18.83                     | 77.44                   | (f) Loss/(gain) on foreign currency transaction (net)                                          | 10.50                     | 6.62                      | 34.96                   |
| 400.63                    | 342.37                    | 1466.01                 | (g) Administration and general expenses                                                        | 274.15                    | 193.75                    | 819.41                  |
|                           |                           |                         | <b>Total</b>                                                                                   |                           |                           |                         |
| 327.32                    | 346.00                    | 1091.96                 | 3. (a) Operating Profit (PBIDT)                                                                | 192.91                    | 223.24                    | 649.21                  |
| 281.19                    | 301.94                    | 966.89                  | (b) Operating Profit (PBIDT)                                                                   | 146.78                    | 192.12                    | 543.68                  |
|                           |                           |                         | (excluding gain on sale of ships)                                                              |                           |                           |                         |
| 123.27                    | 104.74                    | 420.44                  | 4. Depreciation                                                                                | 83.20                     | 79.60                     | 303.03                  |
| -                         | -                         | 85.70                   | 5. Impairment on ships under construction                                                      | -                         | -                         | 85.70                   |
| 204.05                    | 241.26                    | 585.82                  | 6. Profit from Operations before Other Income, Interest and Exceptional Items [ 3(a) - 4 - 5 ] | 109.71                    | 143.64                    | 260.48                  |
| 56.80                     | 39.21                     | 182.99                  | 7. Other Income                                                                                | 51.77                     | 36.25                     | 179.99                  |
| 260.85                    | 280.47                    | 768.81                  | 8. Profit before Interest and Exceptional Items [ 6 + 7 ]                                      | 161.48                    | 179.89                    | 440.47                  |
| 73.49                     | 93.05                     | 239.66                  | 9. Interest                                                                                    | 43.58                     | 66.95                     | 145.26                  |
| 187.36                    | 187.42                    | 529.15                  | 10. Profit after interest but before Exceptional Items [ 8 - 9 ]                               | 117.90                    | 112.94                    | 295.21                  |
| -                         | -                         | -                       | 11. Exceptional items                                                                          | -                         | -                         | -                       |
| 187.36                    | 187.42                    | 529.15                  | 12. Profit from Ordinary Activities before tax [ 10 + 11 ]                                     | 117.90                    | 112.94                    | 295.21                  |
| 23.11                     | 14.63                     | 55.39                   | 13. Tax expense -                                                                              | 16.00                     | 7.00                      | 28.00                   |
| 0.50                      | (0.20)                    | (0.18)                  | - current tax                                                                                  | -                         | -                         | -                       |
| -                         | -                         | 0.75                    | - deferred tax                                                                                 | -                         | -                         | 0.75                    |
| 23.61                     | 14.43                     | 55.96                   | - for prior years                                                                              | 16.00                     | 7.00                      | 28.75                   |
| 163.75                    | 172.99                    | 473.19                  | 14. Net Profit after tax [ 12 - 13 ]                                                           | 101.90                    | 105.94                    | 266.46                  |
| (1.16)                    | (1.19)                    | (4.49)                  | 15. Minority Interest                                                                          | -                         | -                         | -                       |
| 162.59                    | 171.80                    | 468.70                  | 16. Net Profit [ 14 + 15 ]                                                                     | 101.90                    | 105.94                    | 266.46                  |
| 152.29                    | 152.29                    | 152.29                  | 17. Paid-up Equity Share Capital (Face Value Rs.10/- )                                         | 152.29                    | 152.29                    | 152.29                  |
|                           |                           | 5876.00                 | 18. Reserves excluding revaluation reserves                                                    |                           |                           | 5351.77                 |

# **CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2011.**

(Rs. in Crores)

| CONSOLIDATED              |                           |                         |                                                                                            | STANDALONE                |                           |                         |
|---------------------------|---------------------------|-------------------------|--------------------------------------------------------------------------------------------|---------------------------|---------------------------|-------------------------|
| Quarter Ended on          |                           | Year Ended on           |                                                                                            | Quarter Ended on          |                           | Year Ended on           |
| 30.06.2011<br>(UNAUDITED) | 30.06.2010<br>(UNAUDITED) | 31.03.2011<br>(AUDITED) |                                                                                            | 30.06.2011<br>(UNAUDITED) | 30.06.2010<br>(UNAUDITED) | 31.03.2011<br>(AUDITED) |
| 10.68                     | 11.28                     | 30.78                   | 19. Earnings per share (in Rs.)                                                            | 6.69                      | 6.96                      | 17.50                   |
| 10.65                     | 11.26                     | 30.71                   | - Basic                                                                                    | 6.68                      | 6.94                      | 17.46                   |
|                           |                           |                         | - Diluted                                                                                  |                           |                           |                         |
| 106698796                 | 106582228                 | 106650796               | 20. Public Shareholding -                                                                  | 106698796                 | 106582228                 | 106650796               |
| 70.06                     | 69.99                     | 70.03                   | - Number of Shares                                                                         | 70.06                     | 69.99                     | 70.03                   |
|                           |                           |                         | - Percentage of shareholding                                                               |                           |                           |                         |
|                           |                           |                         | 21. Promoters and promoter group shareholding                                              |                           |                           |                         |
|                           |                           |                         | (a) Pledged/Encumbered                                                                     |                           |                           |                         |
| 7000                      | 7000                      | 7000                    | - Number of shares                                                                         | 7000                      | 7000                      | 7000                    |
| 0.02                      | 0.02                      | 0.02                    | - Percentage of shares(as a % of the total shareholding of promoter and promoter group)    | 0.02                      | 0.02                      | 0.02                    |
| -                         | -                         | -                       | - Percentage of shares(as a % of the total share capital of the Company) (Less than 0.01%) | -                         | -                         | -                       |
| 45583888                  | 45700456                  | 45631888                | (b) Non-encumbered                                                                         | 45583888                  | 45700456                  | 45631888                |
| 99.98                     | 99.98                     | 99.98                   | - Number of shares                                                                         | 99.98                     | 99.98                     | 99.98                   |
|                           |                           |                         | - Percentage of shares(as a % of the total shareholding of promoter and promoter group)    |                           |                           |                         |
| 29.94                     | 30.01                     | 29.97                   | - Percentage of shares(as a % of the total share capital of the Company)                   | 29.94                     | 30.01                     | 29.97                   |

# THE GREAT EASTERN SHIPPING CO. LTD.

Regd. Office: Ocean House, 134-A, Dr. Annie Besant Road, Mumbai 400018.

## REPORTING OF SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED :

The Company is mainly engaged in shipping business and there are no separate reportable segments as per Accounting Standard (AS) 17 for standalone results. Hence Segment information is given below for consolidated results only.

(Rs. in crores)

|                                            | Consolidated              |                           |                         |
|--------------------------------------------|---------------------------|---------------------------|-------------------------|
|                                            | Quarter Ended             |                           | Year Ended              |
|                                            | 30.06.2011<br>(UNAUDITED) | 30.06.2010<br>(UNAUDITED) | 31.03.2011<br>(AUDITED) |
| <b>a) Segment Revenue :</b>                |                           |                           |                         |
| Shipping                                   | 538.08                    | 496.67                    | 1834.52                 |
| Offshore                                   | 246.72                    | 231.28                    | 913.60                  |
| Sub-total                                  | 784.80                    | 727.95                    | 2748.12                 |
| Less : Inter Segment Revenue               | 0.05                      | 0.37                      | 7.16                    |
| <b>Total</b>                               | <b>784.75</b>             | <b>727.58</b>             | <b>2740.96</b>          |
| <b>b) Segment Results :</b>                |                           |                           |                         |
| Profit before tax and interest<br>Shipping | 164.88                    | 173.06                    | 431.12                  |
| Offshore                                   | 95.97                     | 107.41                    | 337.69                  |
| Sub-total                                  | 260.85                    | 280.47                    | 768.81                  |
| Less : Interest                            | 73.49                     | 93.05                     | 239.66                  |
| <b>Total Profit before tax</b>             | <b>187.36</b>             | <b>187.42</b>             | <b>529.15</b>           |
| <b>c) Capital employed :</b>               |                           |                           |                         |
| Shipping                                   | 7871.78                   | 8032.61                   | 7631.78                 |
| Offshore                                   | 4347.83                   | 3130.29                   | 4393.93                 |
| <b>Total</b>                               | <b>12219.61</b>           | <b>11162.90</b>           | <b>12025.71</b>         |
|                                            |                           |                           |                         |



# **THE GREAT EASTERN SHIPPING CO. LTD.**

Regd. Office: Ocean House, 134-A, Dr. Annie Besant Road, Mumbai-400 018.

## **NOTES TO CONSOLIDATED RESULTS:**

1. During the quarter, the Company –

- has contracted to sell three Very Large Crude Carriers under construction upon delivery from the yard, for delivery to the buyers in the fourth quarter of financial year 2011-12 and first quarter of financial year 2012-13. (Already informed in the previous quarter).
- took delivery of newly built Kamsarmax dry bulk carrier named "Jag Aditi" of DWT 80700 MT. (Already informed in the previous quarter).
- Sold and delivered a Non-double Hull Suezmax Crude Carrier named "Jag Lakshya" (Year Built: 1989) of DWT 152485 MT.

Subsequent to the end of the quarter, the Company took delivery of newly built Supramax dry bulk carrier named "Jag Rani" of DWT 56719 MT.

2. Previous period figures have been re-grouped wherever necessary.
3. Number of Investor Complaints at the beginning of the quarter were "Nil", received during the quarter were "9", disposed off during the quarter were "9" and lying unresolved at the end of the quarter were "Nil".
4. The above results which have been subjected to a limited review by the Statutory Auditors of the Company were reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at their meetings held on August 05, 2011 and have been prepared in accordance with Clause 41 of the Listing Agreement.

**For The Great Eastern Shipping Co. Ltd.**



**( K. M. Sheth )**  
**Executive Chairman**

Place: Mumbai.

Date : 05.08.2011