

The Great Eastern Shipping Company Ltd.

Business & Financial Presentation
FY 2004-05

April 29, 2005

Forward Looking Statements

Except for historical information, the statements made in this presentation constitute forward looking statements. These include statements regarding the intent, belief or current expectations of GE Shipping and its management regarding the Company's operations, strategic directions, prospects and future results which in turn involve certain risks and uncertainties.

Certain factors may cause actual results to differ materially from those contained in the forward looking statements; including changes in freight rates; global economic and business conditions; effects of competition and technological developments; changes in laws and regulations; difficulties in achieving cost savings; currency, fuel price and interest rate fluctuations etc.

The Company assumes no responsibility with regard to publicly amending, modifying or revising the statements based on any subsequent developments, information or events that may occur.

A year of record performance

- ◆ Total income of Rs. 2119 cr.up by 48%
- ◆ PAT at Rs. 809 cr. up by 72%
- ◆ EPS of Rs.42.34 (PY Rs.24.29)
- ◆ Highest ever equity dividend payout of Rs. 194.24 crores (includes tax)
- ◆ Committed capex as on date - USD 399 mn towards 16 vessels

Financial Comparison

Year on Year

(in Rs. Cr.)

	FY 2004-05	FY 2003-04
Total Income	2119	1426
EBIDTA	1159	740
Interest	83	47
Depreciation	285	201
PBT	791	492
PAT*	809	471

* includes prior period adjustments

Financial Comparison

Quarter on Quarter

(in Rs. Cr.)

	Q4 FY 2004-05	Q4 FY 2003-04
Total Income	571	479
EBIDTA	313	265
Interest	22	15
Depreciation	74	60
PBT	217	190
PAT*	252	185

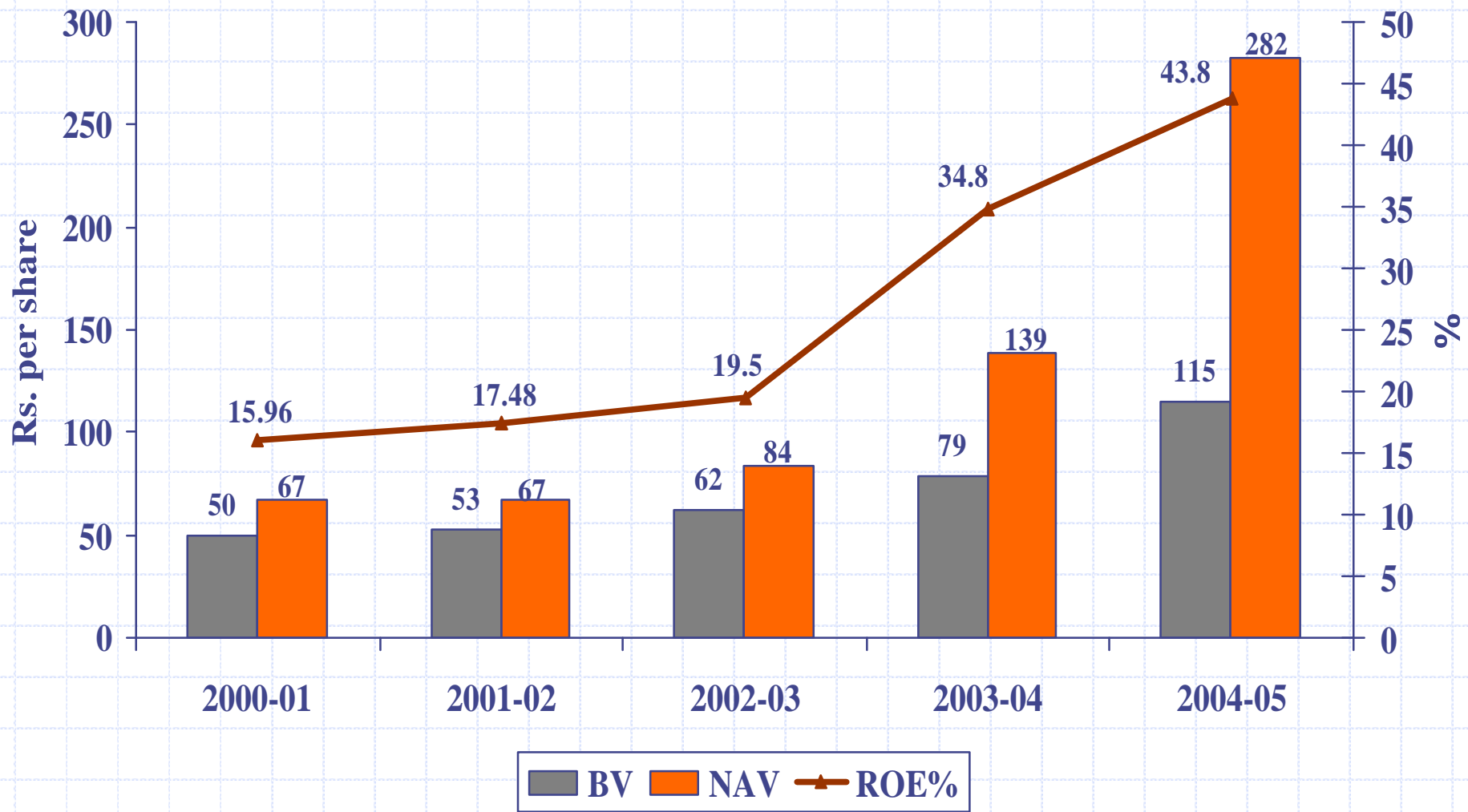
* includes prior period adjustments

Balance Sheet Comparison

(in Rs. Cr.)

	FY 2004-05	FY 2003-04
Company Owned:		
Asset (incl. Vessels under Construction)	3201	2552
Total Assets	4269	3156
Company Owed:		
Shareholder's Funds	2189	1497
Debt	2080	1534
Deferred Taxation	-	125
Debt Equity Ratio	0.95	1.03
Net Debt Equity Ratio	0.47	0.61

Delivering through the years ..



Growing bigger & stronger

◆ FY 1999-00

✎ Capital Employed	Rs. 2112 cr.
✎ Net worth	Rs. 1107 cr.
✎ Net Debt Equity Ratio	0.78

◆ Cash outflows between FY 2000-01 to FY 2004-05

✎ to shareholders	Rs. 785 cr.
✎ spent on Capex	Rs. 3050 cr.

◆ FY 2004-05

✎ Capital Employed	Rs. 4269 cr.
✎ Net worth	Rs. 2189 cr.
✎ Net Debt Equity Ratio	0.47



Offshore Oil Field Services

The Market-CY 2004

◆ Demand for rigs rose :

- ✍ Worldwide by around 6%
- ✍ In India by around 9%

◆ Utilisation and day rates improved

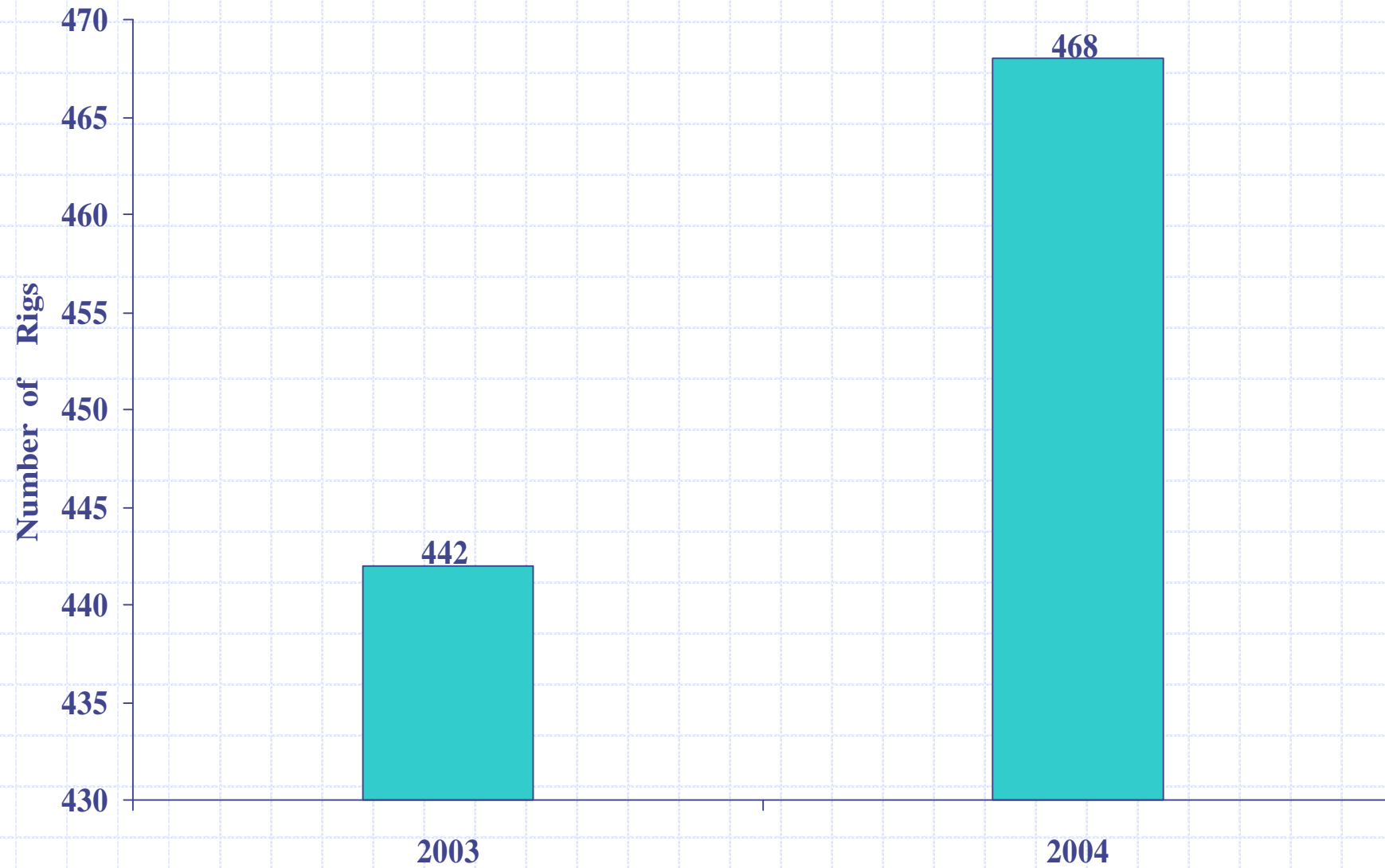
- ✍ Rig utilisation by around 5%
- ✍ PSV utilisation by around 4%

◆ India, Mexico, Russia, and West African countries initiated plans for oil security

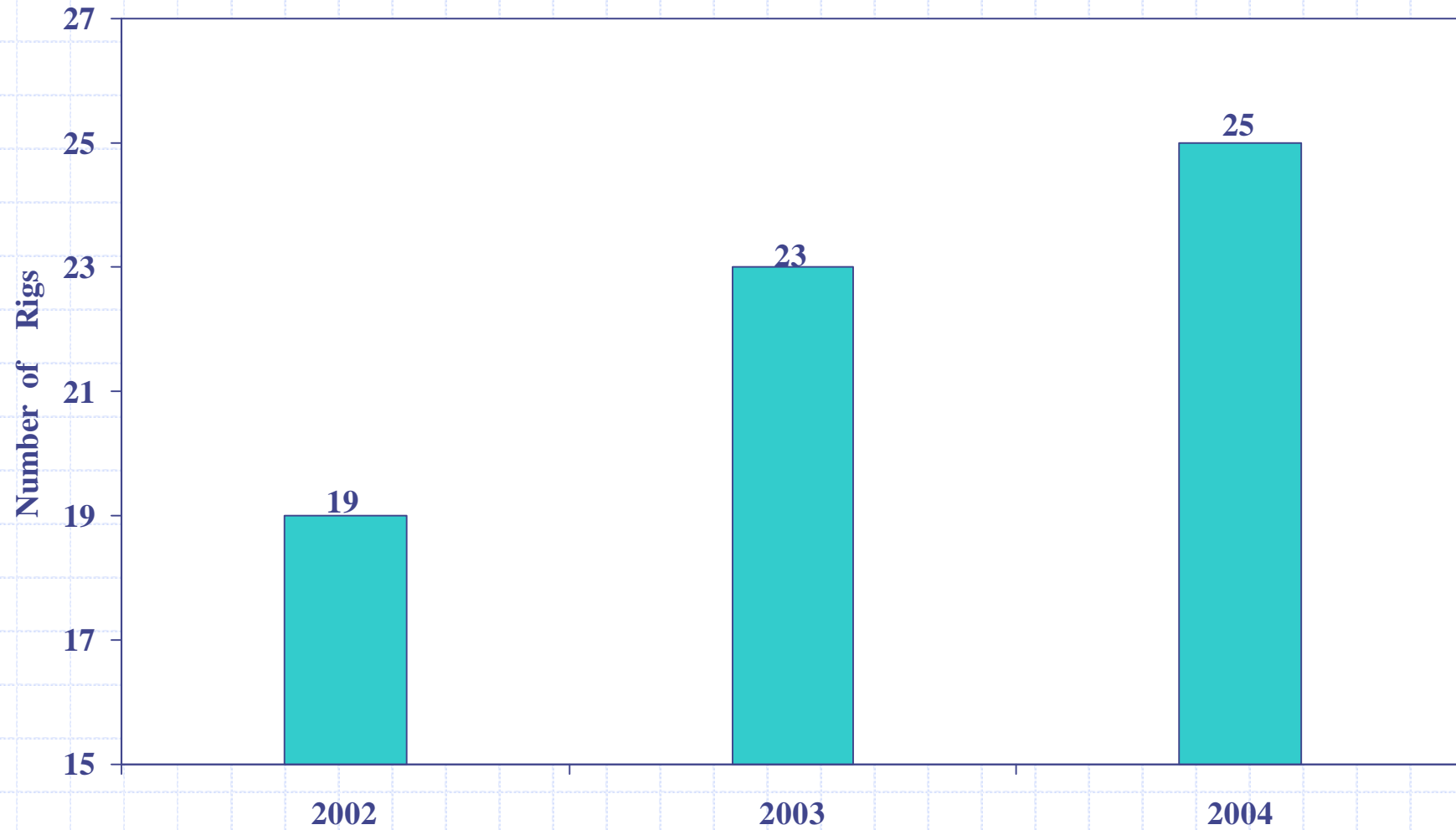
◆ Of the 20 blocks offered under NELP V, 8 are offshore

◆ ONGC's success in deep-water exploration campaign "Sagar Samriddhi"

Global Rig Demand

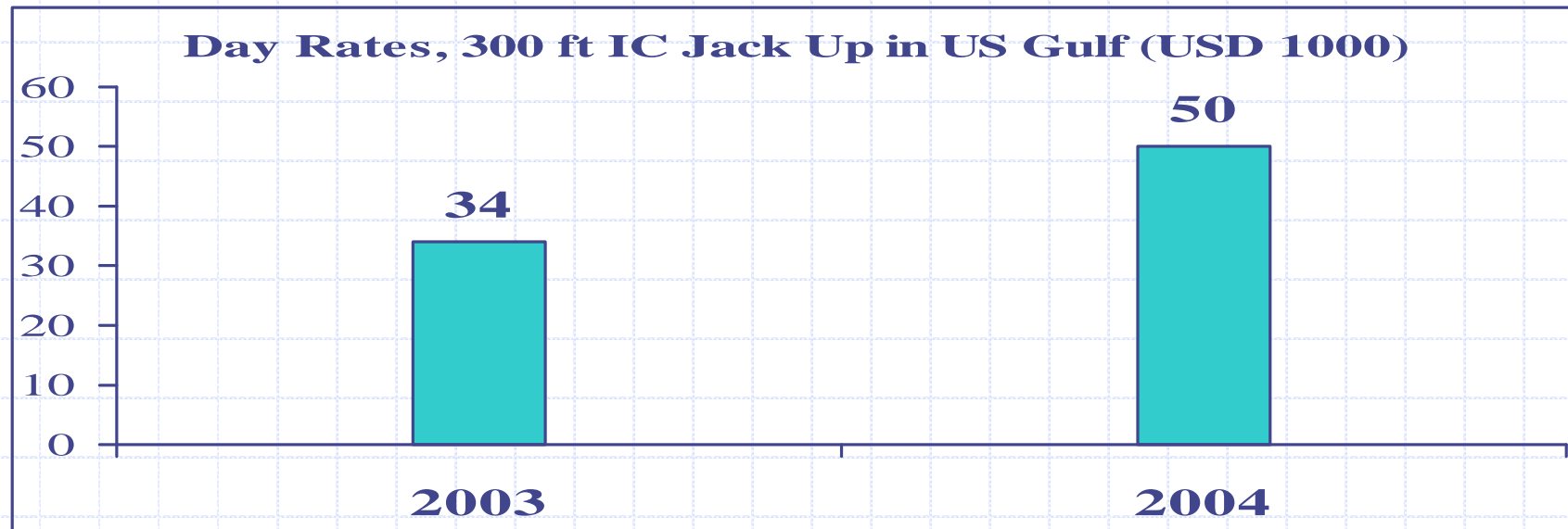
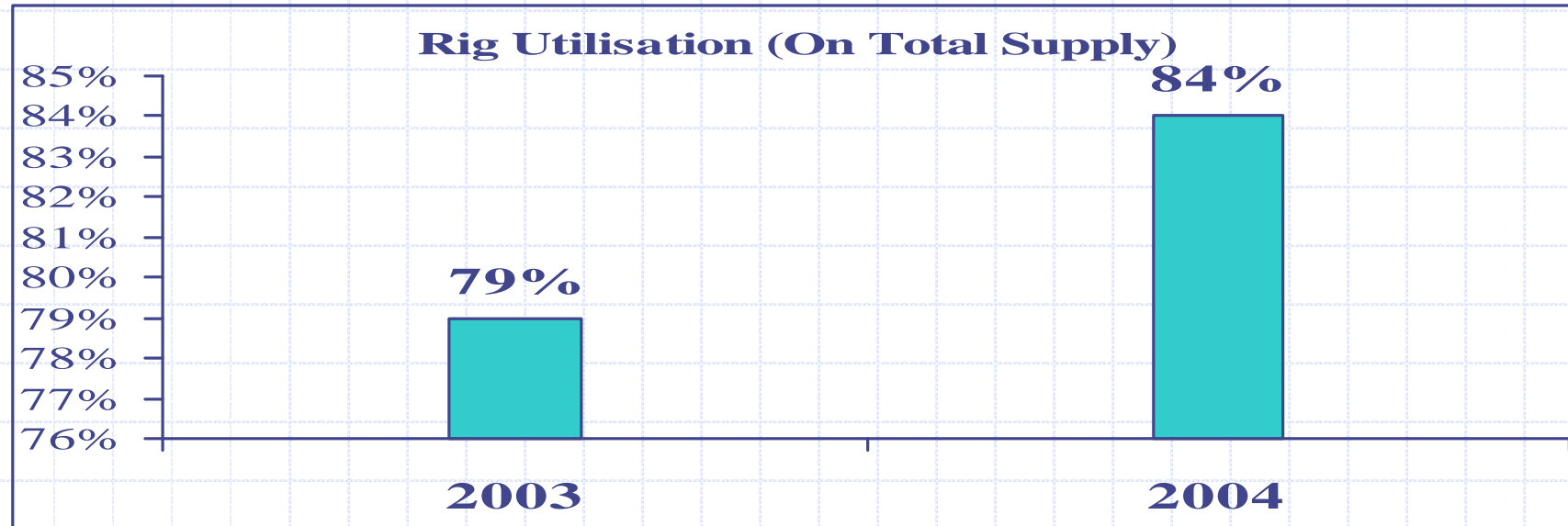


Charter hired Rigs in India*

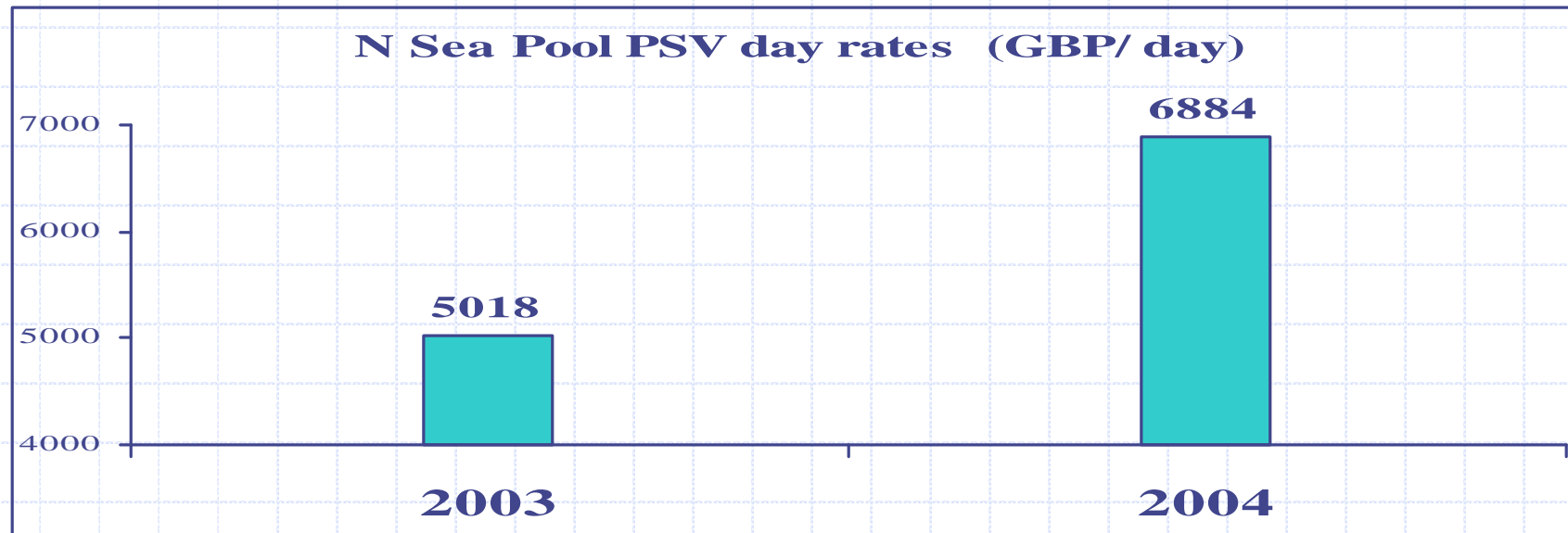
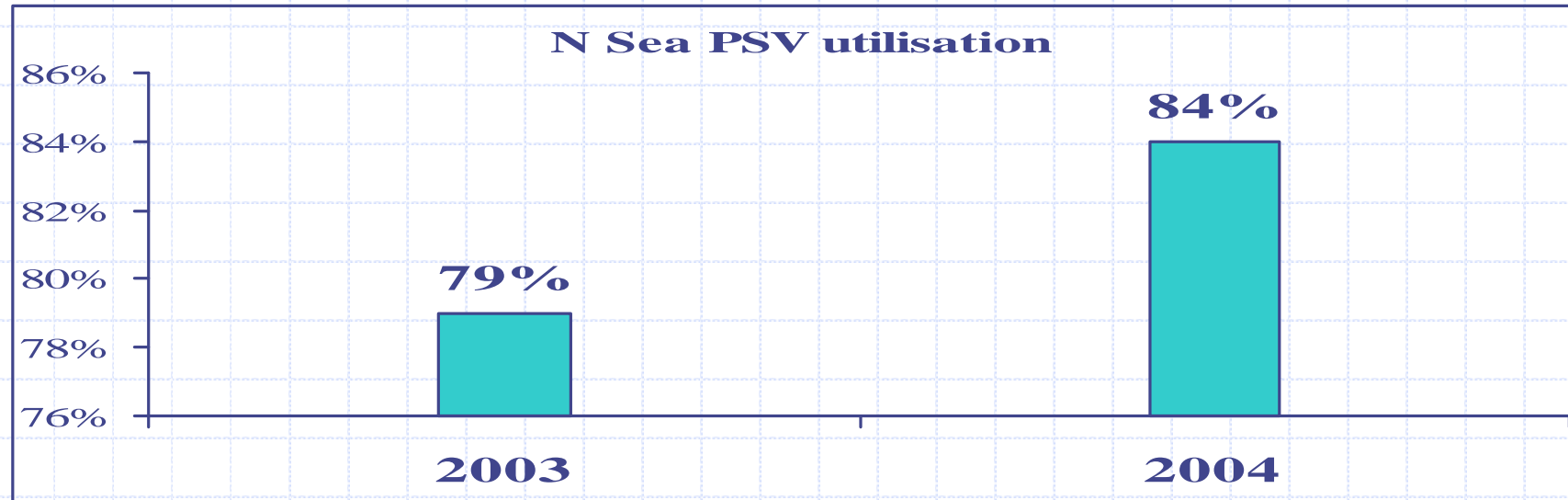


* Excludes ONGC owned rigs

Rig Utilisations and day rates on the rise



Increase in PSV Utilisations and day rates



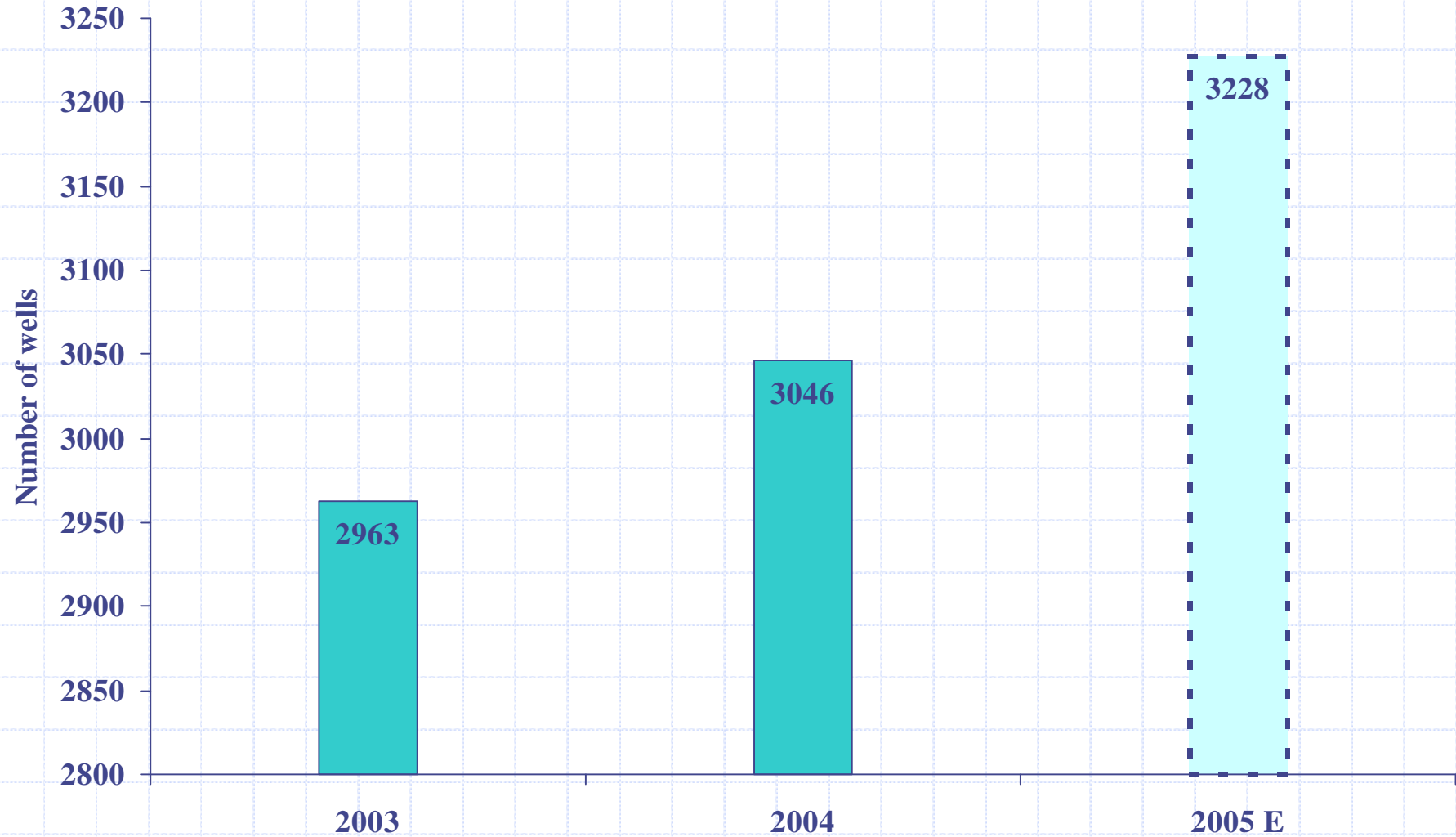
Overview of the year - 2004-05

- ◆ Enhanced the OSV fleet - deep water capability
- ◆ Ordered new building – 2 AHTSVs and 2 PSVs
- ◆ Increased operational presence in North Sea / Middle East with major international operators
- ◆ 3 yr contract for Kedarnath renewed at higher rates commencing October 2005

Market Outlook CY 2005

- ◆ Increased pressure to explore and produce oil
 - ✍ World oil estimates 6% increase in offshore drilling activities
- ◆ Budgetary allocations of oil companies reconsidered
 - ✍ Thrust on reserve accretion
- ◆ Marine construction market to absorb more vessels
 - ✍ Increased activities envisaged in platform maintenance and allied jobs
- ◆ OSVs expected to witness improved utilisations
- ◆ Earnings from Harbour Tugs business to remain satisfactory

Offshore Wells Drilled Globally



Addressing Business Concerns

◆ Restricted marketability of older assets

- ✎ Adapting to clients specific requirements through upgradation
- ✎ Building an OSV fleet through NB orders - 4 New Buildings to join the fleet during the year

◆ Increasing competition from foreign flags

- ✎ Diversifying risk by increasing operational presence in global markets
- ✎ Leveraging on domain expertise – repeat business

The Emerging Scenario !

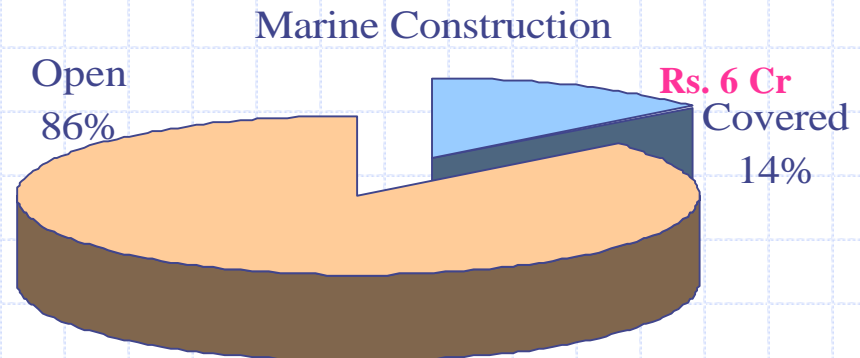
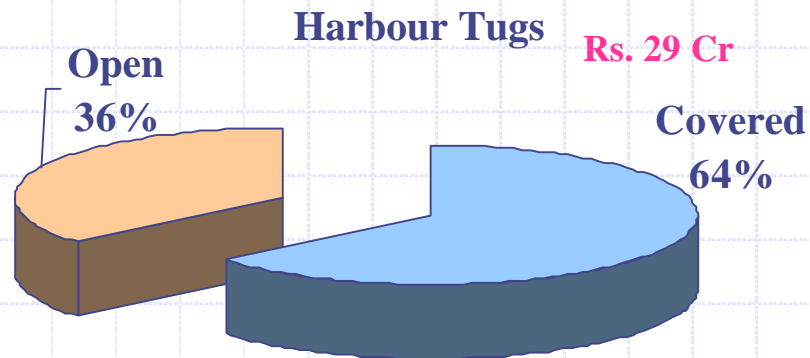
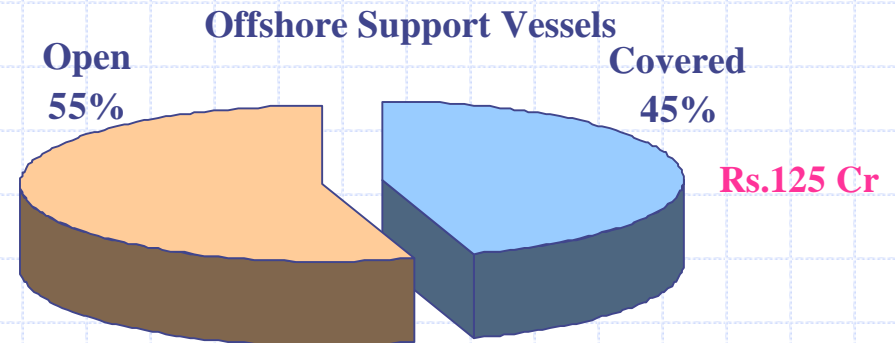
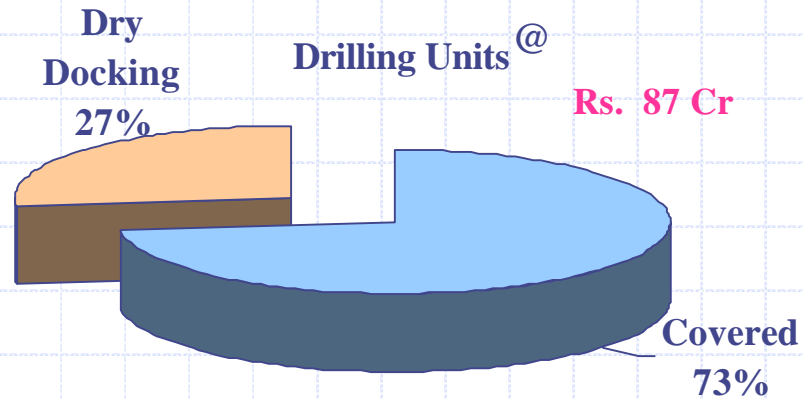
International Market

- ◆ High oil & gas prices and reducing large opportunities resulting in increasing pressures on oil companies to explore & produce
- ◆ Major increase in oil co. spending underway. In 2005, initial indications of 8-10% growth
- ◆ Strength in rigs market to continue through 2005 with companies unfurling exploration plans

Domestic Market

- ◆ ONGC has committed USD 2 bn in 2005 for its exploration campaign
- ◆ Commitment by Reliance, GSPCL, BGEPIL, Cairn towards increased activities is apparent from their budgetary allocations

Revenue Visibility: FY 2005-06



Revenue of Rs 292* cr. covers OPEX by 1.2 x

@Inchartered by Deep Water Services

* Includes Project Income of Rs.45 Cr.

High Oil Prices

Depleting reserves

Oil fuels growth

leading to
higher E&P activities



Shipping

2004-05: The year of the ship owner

Tanker

BDTI was up by 26 %

Second hand values gained 35%

NB price Index up by 32 %

Drybulk

BHMI was up by 32 %

Second hand values gained 45 %

NB prices up by 32%

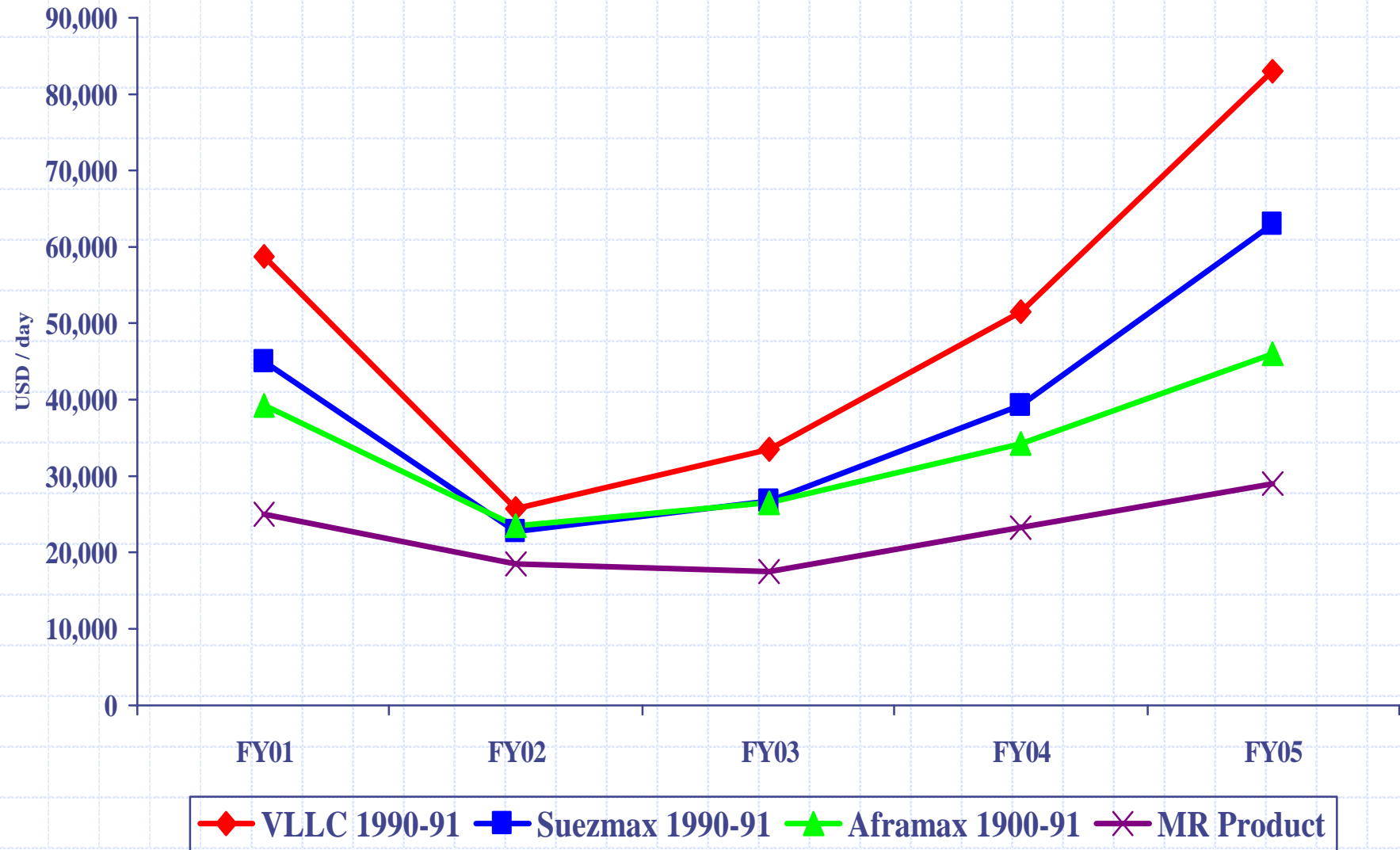
Container

Earnings were up by 52%

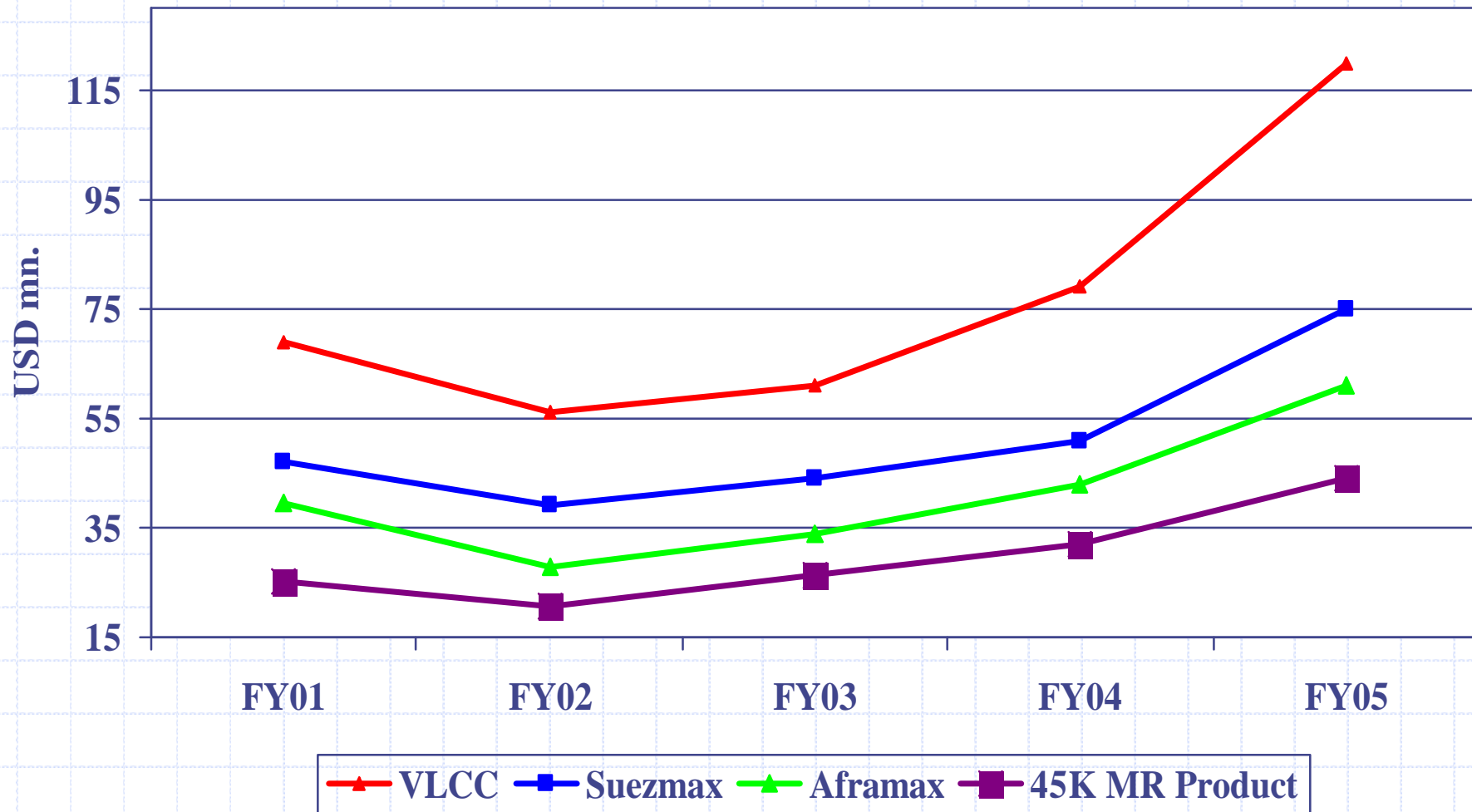
10 yr second hand values 57%

NB prices up by 26%

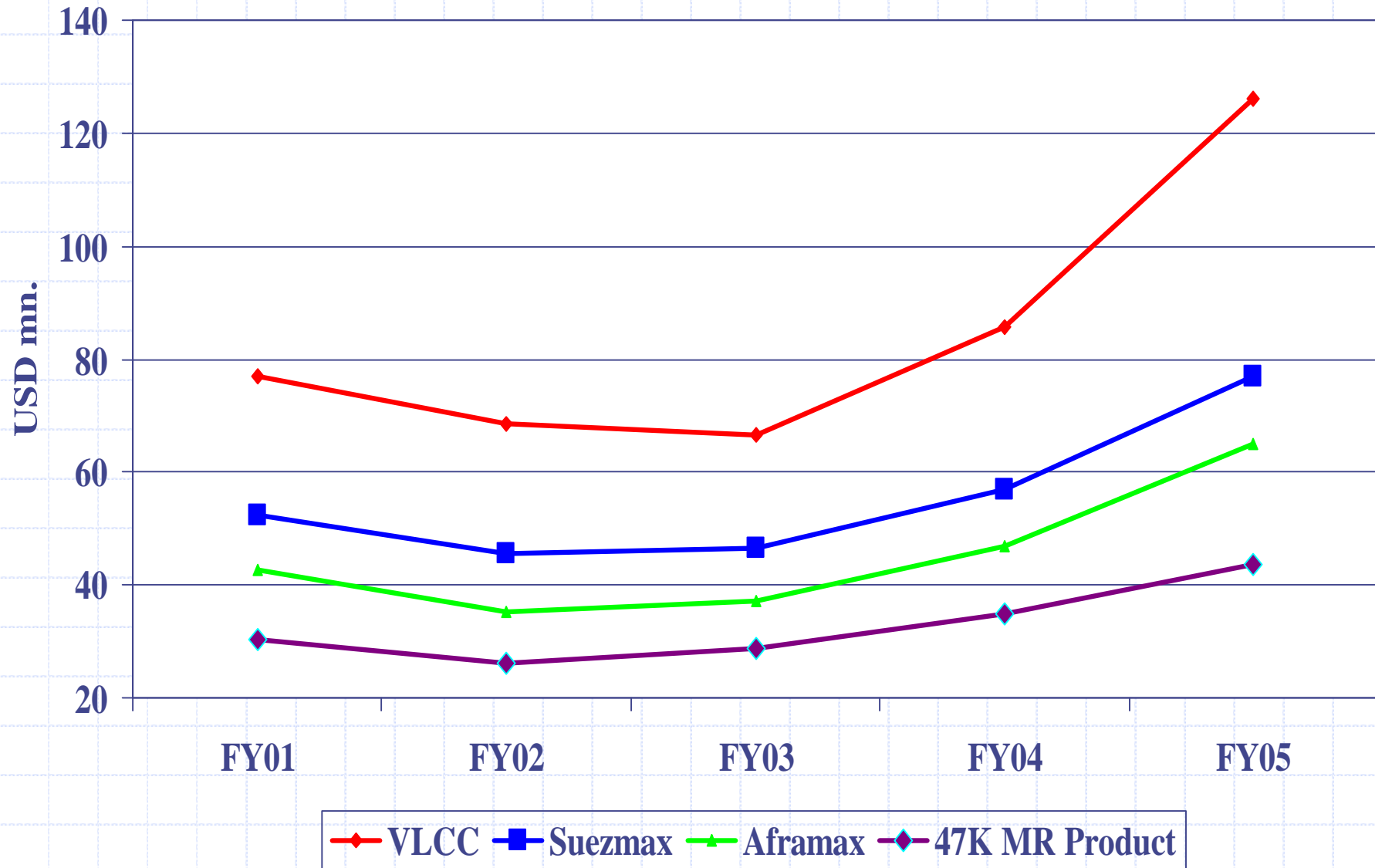
Tanker earnings (Average for each year)



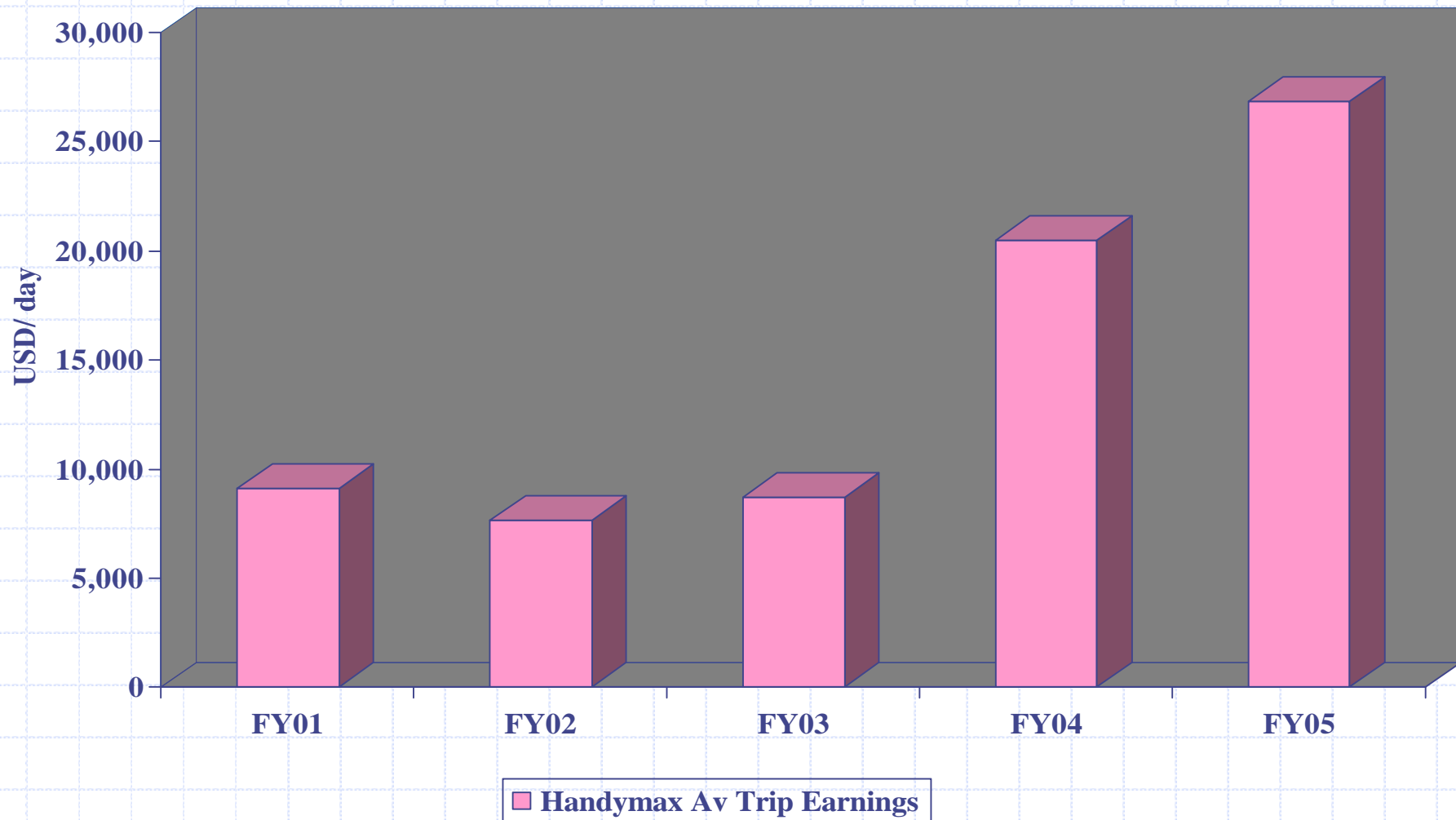
Record Second Hand Asset Values (for 5 year old tankers)



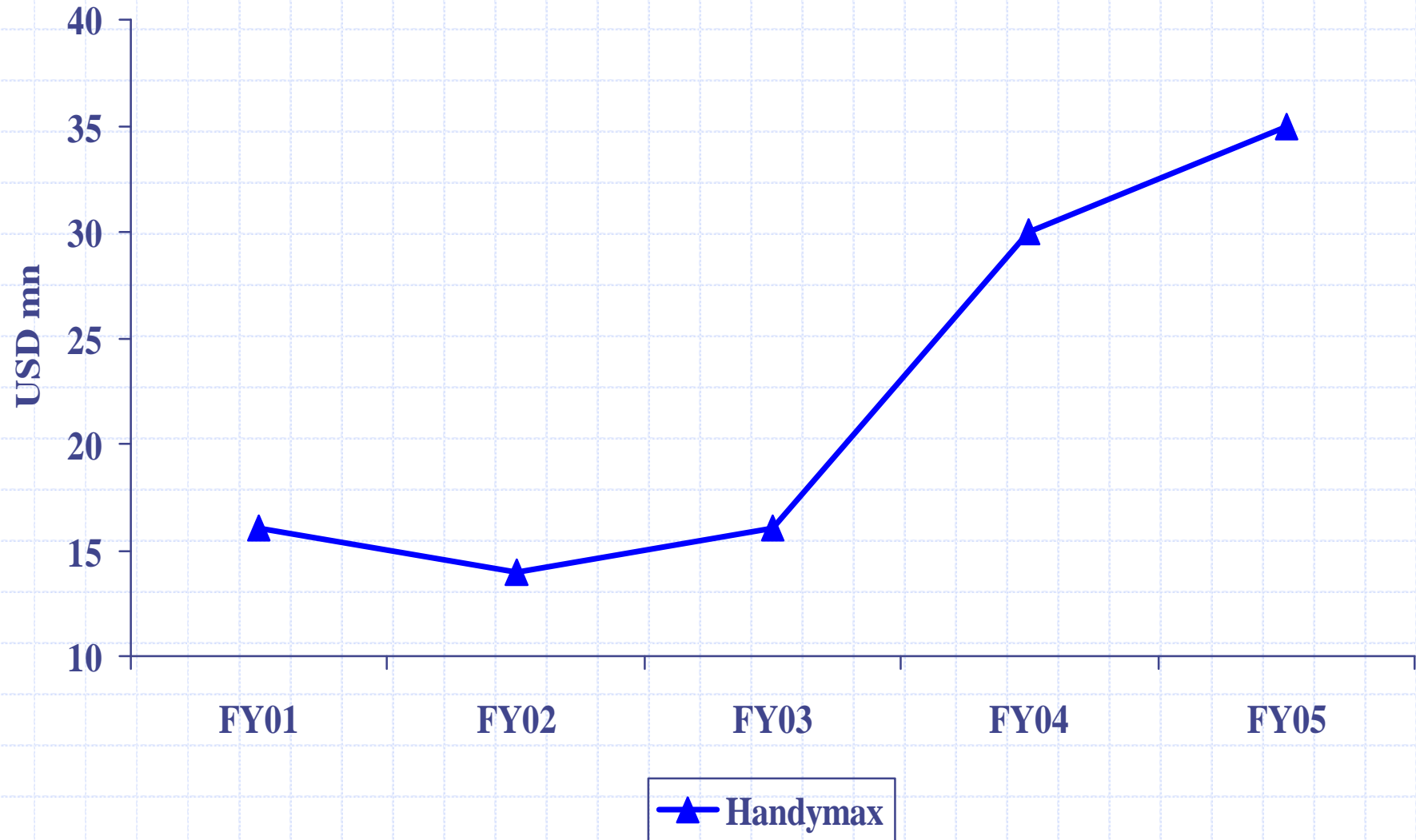
Record New Building Prices



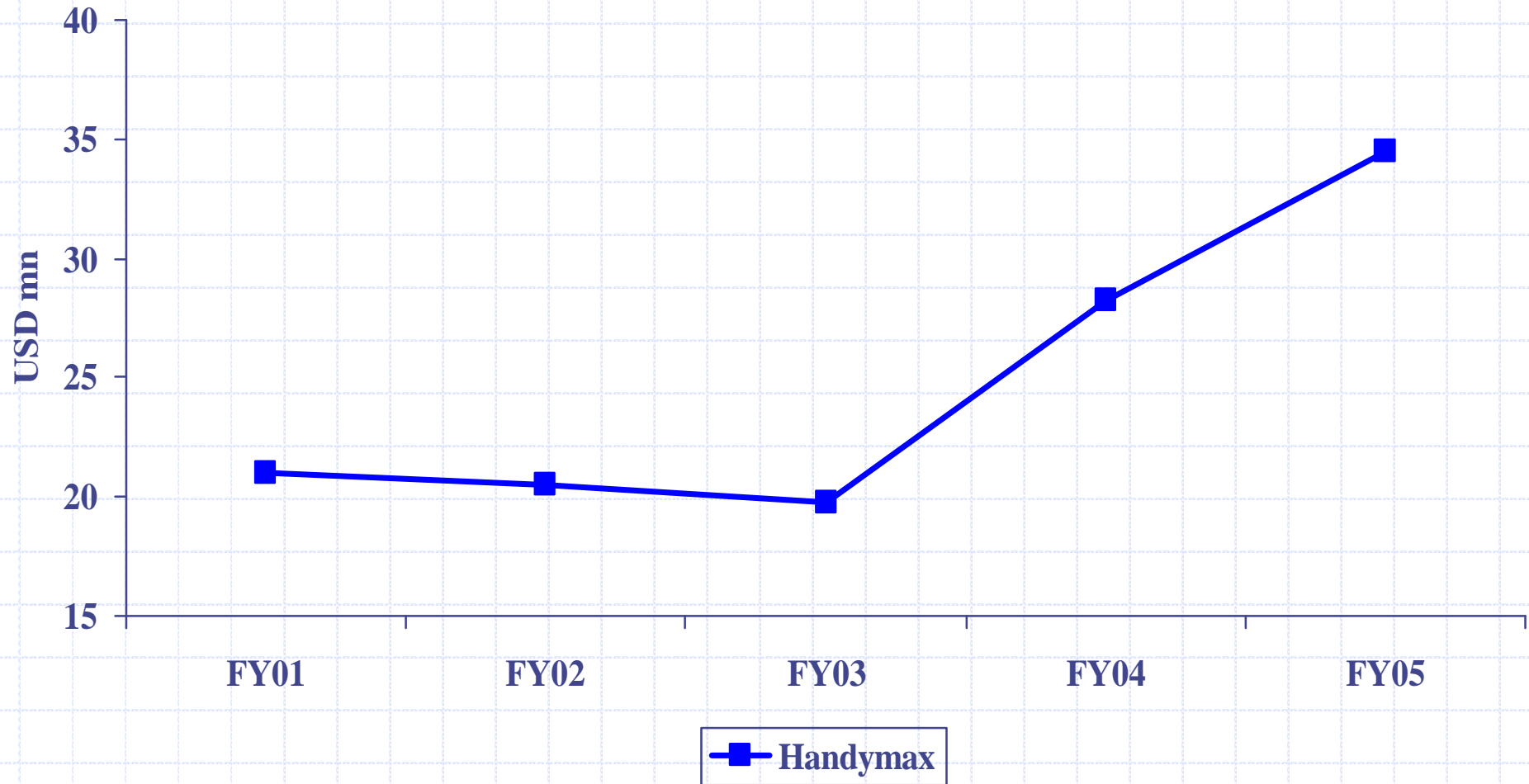
Average Dry bulk earnings (Handymax)



Record Second Hand Values (5 year old 45K Handymax)



Record New Building Handymax Prices

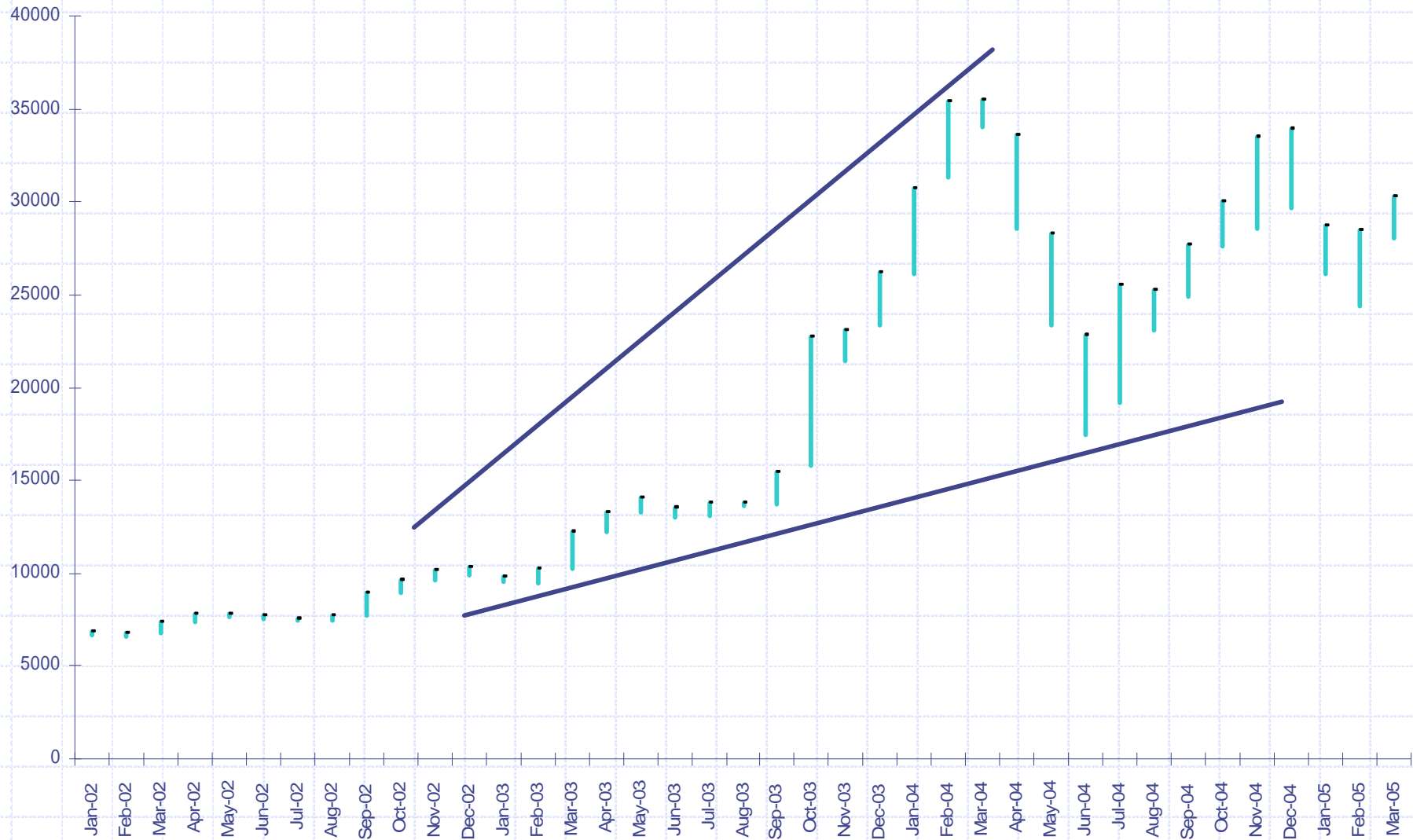


VLCC AG_Japan WS rates Jan2002 onwards (Monthly High Lows)



BHMI Jan 2002 onwards

(Monthly High Lows)



Overview of the year - 2004-05

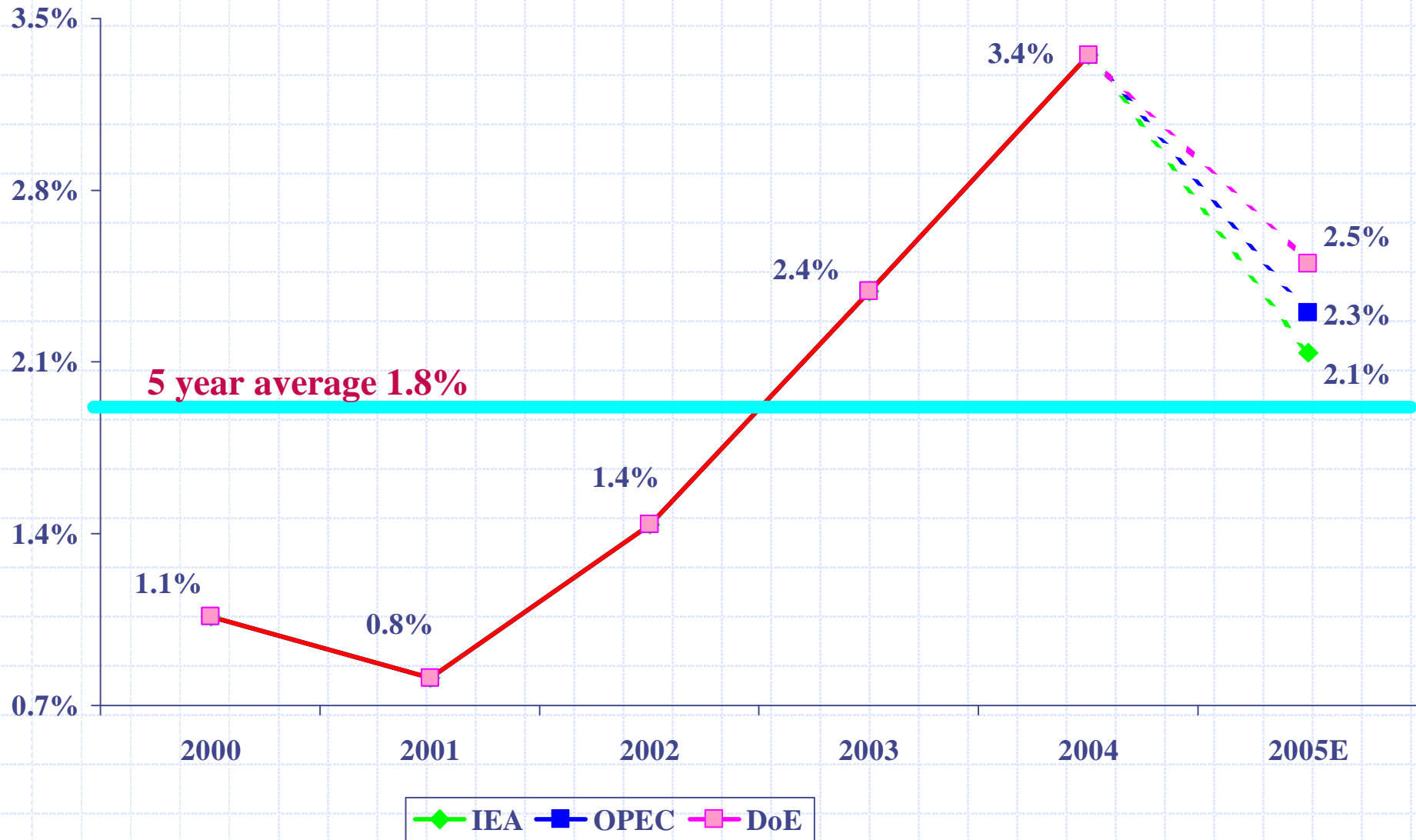
- ◆ Tonnage crossed 3 Mn dwt mark (growth of 22%)
- ◆ Capex committed / spent USD 291 mn
- ◆ Contracted 3 NB - MR Product tankers and acquired 3 second hand tankers
- ◆ Contracted 3 modern Handymax dry bulk carriers
- ◆ Enhanced inchartering exposure
- ◆ Time Charters renewed at higher rates commencing FY2005-06 onwards

Market Outlook CY 2005

Tankers:

- ✍ Oil demand growth above 5 year averages but below last year
- ✍ 4% growth in tonne mile demand expected
- ✍ Expected deliveries - 30 mn dwt; Net fleet growth of 6 -7%
- ✍ Quantum of scrapping important
- ✍ Healthy spot rates expected
- ✍ Asset values to remain firm

Growth Rate in Oil demand

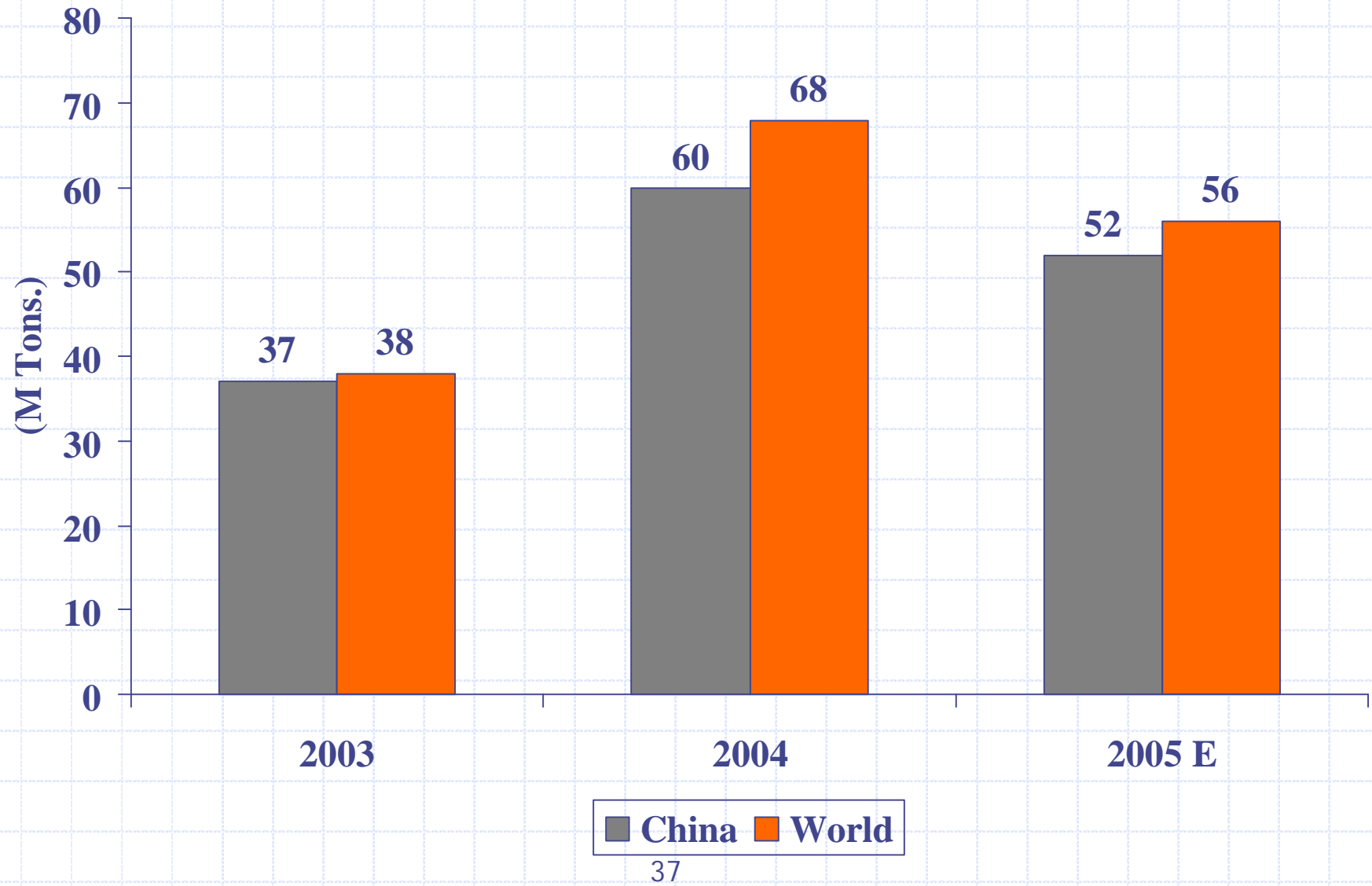


Market Outlook CY 2005

Dry Bulk:

- ✍ China to drive trade
- ✍ 6 % growth in tonne-mile demand expected
- ✍ Expected deliveries - 20 mn dwt; Net fleet growth of 7%
- ✍ Scrapping to remain minimal
- ✍ Healthy spot rates envisaged
- ✍ Asset values to remain firm

China's share in incremental Iron ore trade



Potential Risks & Upsides

TANKERS

◆ RISKS

- ✍ Slower than anticipated growth in oil demand
- ✍ Low scrapping

◆ UPSIDES

- ✍ Disruption in supply
- ✍ Harsh winter
- ✍ Decline in production in consuming areas

DRY BULK

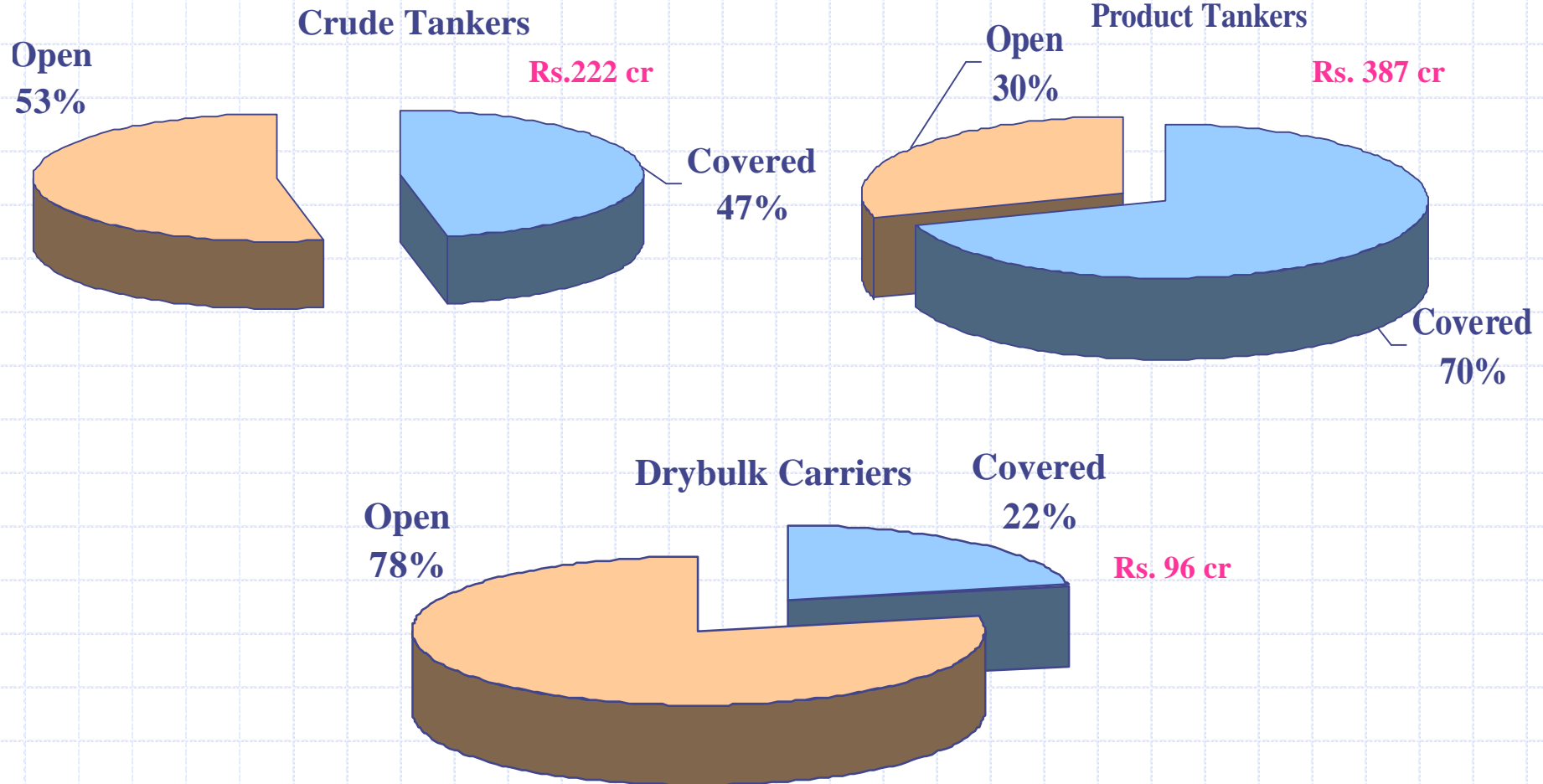
◆ RISKS

- ✍ Slowdown in steel sector particularly China

◆ UPSIDES

- ✍ China surprises yet again
- ✍ Port congestion builds

Revenue Visibility: FY 2005-06



Revenue of Rs.705 cr covers OPEX by 1.4x

Business Philosophy

◆ Growth at the “right” price

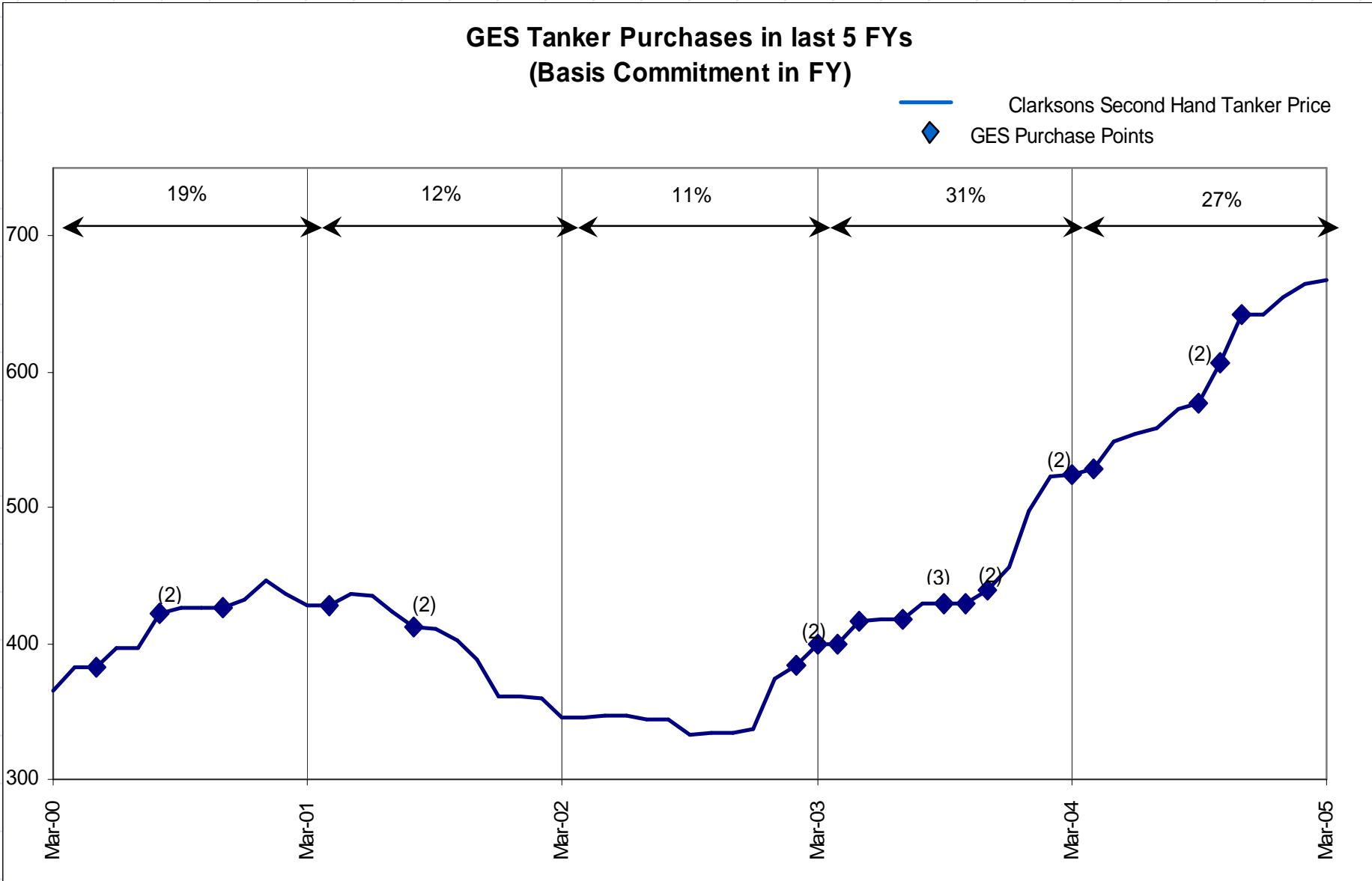
- ✍ Lower break evens enabling sustenance through downturns with strong upside potential

◆ Managing risks

- ✍ Blend of Spot & Period covers

◆ Build capacity through operating leverage

Timing acquisitions and orders





Thank You

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