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PRESS RELEASE

GE Shipping Q3FY12 consolidated Net Profit at Rs. 87.46 cr
GE Shipping 9M FY12 consolidated Net Profit at Rs. 277.36 cr

Declares Interim Dividend of Rs. 3.00 per share

The Board of Directors of The Great Eastern Shipping Company Ltd. (G E Shipping) today approved the Unaudited Financial Results (Provisional) for the third quarter of FY2011-12, ended 31st Dec 2011.

KEY HIGHLIGHTS:

Standalone				Consolidated		
Q3 FY'12	**Q3 FY'11**	**9M FY'12**	**(Amount in Rs. crs)**	**Q3 FY'12**	**Q3 FY'11**	**9M FY'12**
			Income Statement			
478.07	391.50	1500.17	Revenue (including other income)	827.05	644.30	2344.74
179.60	193.39	622.29	EBITDA (including other income)	336.15	291.79	1043.99
28.71	79.50	133.17	Net Profit	87.46	117.47	277.36
			Balance Sheet			
10269.9	9308.11	10269.9	Total Assets	14007.55	11775.31	14007.55
5038.88	5673.77	5038.88	Equity	5942.79	6164.76	5942.79
4091.25	3275.59	4091.25	Long Term Debt (Gross)	6585.36	5034.17	6585.36
1459.64	345.09	1459.64	Long Term Debt (Net of Cash)	3293.23	1573.30	3293.23
			Cash Flow			
124.62	54.78	320.93	From operating activities	263.40	132.96	854.84
(9.60)	(113.74)	(204.78)	From investing activities	(41.79)	(243.70)	(327.74)
(107.17)	(161.52)	(94.94)	From financing activities	(251.25)	(147.26)	(483.59)
7.85	(220.48)	21.21	Net cash inflow/(outflow)	(29.64)	(258.00)	43.51
			Key financial figures			
37.57%	49.40%	41.48%	EBITDA Margin (%)	40.64%	45.29%	44.52%
2.20%	5.68%	3.37%	Return on Equity (ROE) (%)	5.81%	7.74%	6.18%
4.43%	4.76%	5.01%	Return on Capital Employed (ROCE) (%)	6.44%	5.94%	6.53%
0.81	0.58	0.81	Gross Debt/Equity Ratio (x)	1.11	0.82	1.11
0.29	0.06	0.29	Net Debt/Equity Ratio (x)	0.55	0.26	0.55
50.09	44.99	46.51	Exchange rate USD/INR, average (Rs)	50.09	44.99	46.51
53.11	44.76	53.11	Exchange rate USD/INR, end of period (Rs)	53.11	44.76	53.11
			Share related figures			
1.89	5.22	8.74	Earnings per share, EPS (Rs)	5.74	7.71	18.21
1.88	5.21	8.73	Diluted earnings per share (Rs)	5.73	7.70	18.17
6.94	10.16	25.65	Cash Profit per share (Rs)	13.78	14.67	43.46
3.00	-	-	Dividend per share (Rs)	3.00	-	-

Performance Review of Q3 FY 2011-12:

Break up of Revenue days (Shipping):

Revenue Days	Q3 FY12	Q3 FY11
Owned Tonnage	2,947	2,886
Inchartered Tonnage	-	88
Total Revenue Days	**2,947**	**2,974**
Total Owned Tonnage (mn.dwt)	**2.62**	**2.49**

Average TCY's earned in various categories:

Average (TCY $ per day)	Q3'FY12	Q3'FY11	% Chg
Crude Carriers	18,664	18,000	4%
Product Carriers (Incl. Gas)	14,885	15,351	(3)%
Dry Bulk	16,114	20,141	(20)%

FLEET DEVELOPMENT:

Sale & Purchase Activities during Q3 FY2011-12:

During the quarter:

- The Company sold & delivered its 1982 built General Purpose Product carrier "Jag Pari" to the buyers.

- The Company sold & delivered its 1995 built MR Purpose Product carrier "Jag Pratap" to the buyers.

Subsequent to the quarter:

- The Company took delivery of its Very Large Crude Carrier (VLCC) "Maneklal Ujamshi Sheth" from Hyundai Heavy Industries Ltd, (HHI) South Korea and subsequently delivered it to the new buyers.

FLEET PROFILE: as on date

Categories	No. of ships	Avg age (years)
Crude Carriers	9	9.6
Product Carriers	14	8.8
Gas Carrier	1	21.0
TANKERS TOTAL	**24**	**9.4**
Capesize	1	16.0
Kamsarmax	3	1.0
Panamax	1	17.0
Supramax	4	5.3
Handymax	1	15.0
DRY BULK TOTAL	**10**	**8.0**
TOTAL FLEET (2.62 mn dwt)	**34**	**8.9**

MARKET COMMENTARY:

- ***Supply pressure persists***

Reasonable improvement in tanker deployment and earnings were witnessed in the Q3FY12 as compared to the immediately preceding quarter i.e, Q2FY12. Severe winters and seasonal delays in the Turkish Straits resulted in some firmness in the market. Libya's oil supply returning back to its normal levels helped in increased movement of oil. Asian countries especially China & India also showed some resilience as compared to the western economies, which supported in absorbing incremental volumes. But all these positive factors were offset by a steady supply of new ships, which kept a lid on freight rates.

Throughout the quarter, China continued its iron ore & coal import activities which resulted in some strengthening in the dry bulk charter rates. But at the same time, due to uncertain economic conditions, exports to the EU contracted sharply. Increased Chinese coastal trade, prolonged port congestions and large scrapping activities augured well for some positive direction in the freight rates, but the relentless fleet addition overshadowed any improvement in freight rates.

OUTLOOK:

Tanker Market:

OPEC expects global oil demand in 2012 to grow by 1.1 mb/d to average 88.9 mb/d, which is a downward revision of 0.1 mb/d from the previous estimates. This downward change is on the back of anticipated slowing growth in the OECD, which is expected to have spillover effects on other non OECD countries like China and India. This subdued level of demand growth can put pressure on the existing weak tanker freight market. If the Iran dispute aggravates from here, then it can have a significant impact on the movement of tonnage, which can change the trade dynamics going forward. While the slippages and scrapping activities are expected to increase going forward, the steady fleet growth coupled with higher bunker costs is likely to suppress any improvement in earnings.

Dry Bulk Market:

The demand for dry bulk commodities has remained strong over the last couple of months, especially due to steady imports from China. However, excessive supply of tonnage is expected to worsen the demand-supply gap, which will add pressure on the freight rates. It is therefore expected that dry bulk earnings may be lower than in recent years.

REVENUE VISIBILITY:

The revenue visibility for the balance part of FY 2011-12 is around Rs.202 crores. Crude tankers and product carriers (incl Gas carrier) are covered to the extent of around 79% and 81% of their operating days respectively. In case of dry bulk carriers, they are covered to the extent of around 72% of the fleet's operating days.

DEVELOPMENTS IN THE SUBSIDIARIES:

Greatship (India) Limited (GIL):

GIL and its subsidiaries currently own and operate assets in the following categories.

Categories	No. of assets
Offshore Logistics	
-Platform Supply Vessels (PSV)	4
- Anchor Handling Tug cum Supply Vessels (AHTSV)	9
- Multipurpose Platform Supply and Support Vessels (MPSSV)	3
- Platform/ ROV Support Vessels (ROVSV)	3
Drilling Services	
-350 ft Jackup Rigs	2
Total	**21**

GIL and its subsidiaries have a total capex commitment of around US$ 261 mn for an order book of three Platform/ ROV Support Vessels (ROVSV) in Sri Lanka and one 350 feet jack up rig in Dubai.

Sale & Purchase activities during Q3 FY2011-12:

- Greatship Global Offshore Services Pte. Ltd, a Singapore subsidiary of GIL cancelled the shipbuilding contract for one of the Multipurpose Support Vessels with Mazagon Dock Limited, Mumbai.

Subsequent to the quarter:

- GIL took delivery of a new building 150T Anchor Handling Tug cum Supply Vessel (AHTSV) "Greatship Vidya" from Drydocks World, Singapore.

- Greatship Global Offshore Services Pte. Ltd, a Singapore subsidiary of GIL cancelled the shipbuilding contract for one of the Multipurpose Support Vessels with Mazagon Dock Limited, Mumbai. The said cancellation is disputed by the yard.

- Greatship Global Offshore Services Pte. Ltd, a Singapore subsidiary of GIL took delivery of a new building 150T Anchor Handling Tug cum Supply Vessel (AHTSV) "Greatship Vimla" from Drydocks World, Singapore.

OUTLOOK

With oil close to US$100 per barrel, E&P activity worldwide has picked up significantly. The E&P budgets are expected to grow by 10-12% in 2012 taking spending back to near all time high. With charterers preferring advanced assets, the commercial viability of older assets is expected to decrease further reducing the supply pressure in the market.

However, in the future, escalating concerns about the global GDP growth outlook on the back of sovereign debt issues and financial markets uncertainty could have a significant impact on the oil demand as well as oil prices.

REVENUE VISIBILITY:

The revenue visibility for the balance part of FY 2011-12 is around Rs.247 crores. PSVs and AHTSVs are covered to the extent of around 100% and 70% of their operating days respectively. ROVSVs and MPSSVs have coverage of around 100% and 74% for the balance part of FY2012. In case of Jackup rigs, they are covered to the extent of around 84% 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 inchartered duration of around 2 months.

Place: Mumbai
Date: 10th February, 2012

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For further details, please email us at corp_comm@greatship.com

Q3 FY12 Earnings Call scheduled at **4:30 pm (IST) on Monday, 13th February 2012**.
To participate, kindly dial **(+91) - 22 – 67934400**