

## PRESS RELEASE

### GE Shipping Q1FY13 consolidated Net Profit at Rs.180.99 crs

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 FY2012-13, ended 30 June 2012.

#### KEY HIGHLIGHTS:

Standalone			Consolidated	
Q1 FY'13	Q1 FY'12	(Amount in Rs. crs)	Q1 FY'13	Q1 FY'12
<b>Income Statement</b>				
640.57	524.60	Revenue (including other income)	979.81	792.86
276.73	244.68	EBITDA (including other income)	460.72	384.12
99.56	101.90	Net Profit	180.99	162.59
<b>Balance Sheet</b>				
10174.87	9805.06	Total Assets	14367.25	12893.87
5001.43	5687.32	Equity	6195.00	6259.72
3980.31	3647.93	Long Term Debt (Gross)	6523.72	5921.42
557.41	1043.36	Long Term Debt (Net of Cash)	2492.36	2683.96
<b>Cash Flow</b>				
73.79	125.61	From operating activities	222.27	270.47
384.20	(56.47)	From investing activities	358.28	(93.15)
(130.47)	2.63	From financing activities	(198.63)	(95.26)
327.52	71.77	Net cash inflow/(outflow)	381.92	82.06
<b>Key financial figures</b>				
43.20%	46.64%	EBITDA Margin (%)	47.02%	48.95%
7.86%	7.28%	Return on Equity (ROE) (%)	11.88%	11.62%
7.72%	6.31%	Return on Capital Employed (ROCE) (%)	9.54%	7.79%
0.80	0.64	Gross Debt/Equity Ratio (x)	1.05	0.95
0.11	0.18	Net Debt/Equity Ratio (x)	0.40	0.43
53.11	44.58	Exchange rate USD/INR, average (Rs)	53.11	44.58
55.62	44.70	Exchange rate USD/INR, end of period (Rs)	55.62	44.70
<b>Share related figures</b>				
6.54	6.69	Earnings per share, EPS (Rs)	11.88	10.68
6.52	6.68	Diluted earnings per share (Rs)	11.86	10.65
13.12	12.15	Cash Profit per share (Rs)	21.97	18.77

## Performance Review of Q1 FY 2012-13:

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

Revenue Days	Q1'FY13	Q1'FY12
Owned Tonnage	2,918	3,178
Inchartered Tonnage	232	213
<b>Total Revenue Days</b>	<b>3,150</b>	<b>3,391</b>
Total Owned Tonnage (mn.dwt)	<b>2.55</b>	<b>2.55</b>

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

Average (TCY \$ per day)	Q1'FY13	Q1'FY12	% Chg
Crude Carriers	19,302	20,097	(4)%
Product Carriers (Incl. Gas)	13,770	16,326	(16)%
Dry Bulk	11,076	16,569	(33)%

## FLEET DEVELOPMENT:

### Sale & Purchase Activities during Q1 FY2012-13:

During the quarter:

- The Company sold & delivered its 1996 built Medium Range product carrier "Jag Pradip" to the buyers.
- The Company took delivery of "Vasant J Sheth", a Very Large Crude Carrier (VLCC) from Hyundai Heavy Industries Ltd, South Korea and subsequently delivered the vessel to the new buyers.
- The Company sold & delivered its 1991 built LPG carrier "Jag Viraj" to the buyers.

Subsequent to the quarter:

- The Company contracted to buy a 1990 built Very Large Gas Carrier (VLGC). The vessel is expected to join the fleet in Q2FY13.

## MARKET COMMENTARY:

Increase in crude oil production by Saudi Arabia and escalating Iran tension supported the crude tanker market in the first half of the quarter. But sluggish demand growth coupled with steady new fleet addition of 6% yoy resulted in weakening of charter rates in the second half of the quarter. The product tanker market remained depressed throughout the quarter, as the fleet grew 3% yoy and met subdued demand for petroleum products from western economies. Scrapping activities saw acceleration as younger tonnage continued to get scrapped reflecting difficult operating environment.

For the dry bulk, the quarter started on a positive note, with freight rates for the smaller asset segments recovered on back of improved steel & other minor bulk trades. But for the larger segments, freight rates were under pressure due to continued low iron exports from Brazil to Asia combined with relentless new fleet growth of 15% yoy. Even though there was an improvement in the scrapping activities (8.4 million dwt in the quarter), the fundamental issue of insufficient demand resulted in weakness in the dry bulk freight rates.

## FLEET PROFILE: as on date

Categories	No. of ships	Avg age (years)
Crude Carriers	9	9.6
Product Carriers	13	8.3
<b>TANKERS TOTAL</b>	<b>22</b>	<b>9.1</b>
Capesize	1	16.0
Kamsarmax	3	0.7
Panamax	1	17.0
Supramax	4	5.3
Handymax	1	15.0
<b>DRY BULK TOTAL</b>	<b>10</b>	<b>7.9</b>
<b>TOTAL FLEET</b> (2.55 mn dwt)	<b>32</b>	<b>8.7</b>

## **OUTLOOK:**

### **Tanker Market:**

For 2013, OPEC expects oil demand to grow by 0.82 mb/d to 89.5 mb/d, whereas for 2012, it's unchanged from the previous growth forecast of 0.9 mb/d. Going forward, global economic challenges, especially the uncertain macro environment in OECD countries and geopolitical tensions will be the key areas to look out for the tanker markets. Any disruption in the Strait of Hormuz by Iran can have a significant impact on the tanker movement in the region. Even though some positive signals like lowering of bunker fuel prices & increasing in scrapping activities are seen, excessive supply coupled with uncertain oil demand will keep the tanker markets volatile.

### **Dry Bulk Market:**

For H1CY12, scrapping in the dry bulk segment has crossed 16mn dwt mark as compared to 23mn dwt in CY2011. Even though scrapping has witnessed significant improvement, the prospect for any meaningful rise in the freight rates looks uncertain because of the massive new fleet growth. Adding to this are various factors like sluggish Chinese demand, rising inventories etc, which are further putting pressure on the existing weak market.

## **REVENUE VISIBILITY:**

The revenue visibility for the balance part of FY 2012-13 is around Rs.332 crores. Crude tankers and product carriers are covered to the extent of around 65% and 55% of their operating days respectively. In case of dry bulk carriers, they are covered to the extent of around 21% of the fleet's operating days.

## **DEVELOPMENTS IN THE SUBSIDIARIES:**

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

#### **Sale & Purchase Activities during Q1 FY2012-13:**

During the quarter:

- Greatship Global Offshore Services Pte. Ltd., a subsidiary of GIL contracted to sell its 2010 built Multipurpose Platform Supply & Support Vessel "Greatship Mamta", with expected delivery in Q2FY13.

Subsequent to the quarter:

- Greatship Global Offshore Services Pte. Ltd., a subsidiary of GIL took delivery of a Platform/ROV Support Vessel, "Greatship Roopa" from Colombo Dockyard Plc, Sri Lanka.
- Greatship Global Offshore Services Pte. Ltd., a subsidiary of GIL delivered its 2010 built Multipurpose Platform Supply & Support Vessel "Greatship Mamta" to the buyers.

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

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

GIL and its subsidiaries have a total capex commitment of around US\$ 236 mn for an order book of two Platform/ ROV Support Vessels (ROVSV) in Sri Lanka and one 350 feet jack up rig in Dubai.

## **OUTLOOK:**

Emerging markets led by China and India have taken up the slack in demand from developed markets and have provided some support to the oil price, and therefore to E&P activities. However, recent signs of moderation in growth in emerging economies make the medium term outlook slightly uncertain. A sustained drop in oil price can impact activity in the offshore sector significantly.

Growth markets of West Africa and South America continue to absorb capacity from other regions. But steady new building capacity is expected over next 2-3 years, which can put pressure on the charter rates. Since the current world fleet's age profile remains skewed towards older tonnage, any safety-led phase out and replacement of the older fleet will have a positive impact on the charter rates and utilization.

**REVENUE VISIBILITY:**

The revenue visibility for the balance part of FY 2012-13 is around Rs.732 crores. PSVs and AHTSVs are covered to the extent of around 53% and 69% of their operating days respectively. ROVSVs and MPSSVs have coverage of around 65% and 34% for the balance part of FY2013. In case of Jackup rigs, they are covered to the extent of 100% of the operating days.

Place: Mumbai

Date: 9<sup>th</sup> August, 2012

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

**Q1 FY13 Earnings Call scheduled at 4:30 pm (IST) on Friday, 10<sup>th</sup> August 2012.**  
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.

## STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER ENDED JUNE 30, 2012.

PART I	CONSOLIDATED				STANDALONE				(Rs. In Crores)
	Quarter ended on		Year Ended on		Quarter ended on		Year Ended on		
	30.06.2012 (UNAUDITED)	31.03.2012 (UNAUDITED)	30.06.2011 (UNAUDITED)	31.03.2012 (AUDITED)	30.06.2012 (UNAUDITED)	31.03.2012 (UNAUDITED)	30.06.2011 (UNAUDITED)	31.03.2012 (AUDITED)	
	802.42	822.28	680.53	2934.25	481.75	446.10	420.93	1688.38	
	4.60	4.02	4.56	21.24	3.92	4.02	4.56	21.24	
	807.02	826.30	685.09	2955.49	485.67	450.12	425.49	1709.62	
1									
Income from operations -									
(a) Income from Operations - Freight & Charter hire	117.32	125.02	104.57	464.56	47.88	45.33	50.23	197.47	
(b) Fuel, Oil & Water	123.65	115.80	92.43	415.99	112.02	105.14	83.26	379.78	
(c) Hire of chartered ships/equipments	122.62	106.91	79.44	367.76	101.77	74.23	62.30	263.76	
(d) Other expenses -									
- Consumption of spares and stores	36.06	47.26	34.16	164.98	24.76	28.03	22.30	106.09	
- Repairs and maintenance	29.51	26.77	20.24	112.89	25.86	22.46	14.25	91.58	
- Others	89.93	85.05	77.91	349.88	51.55	42.30	47.58	189.27	
<b>Total income from operations (net)</b>	<b>519.09</b>	<b>506.81</b>	<b>408.75</b>	<b>1876.06</b>	<b>363.84</b>	<b>317.49</b>	<b>279.92</b>	<b>1227.95</b>	
2.									
Expenses -									
(a) Employees benefits expense	287.93	319.49	276.34	1079.43	121.83	132.63	145.57	481.67	
(b) Fuel, Oil & Water	153.53	142.89	123.27	548.32	100.21	78.67	83.20	357.12	
(c) Impairment/(reversal of impairment) on certain assets	-	19.98	-	(1.00)	-	-	-	(20.98)	
<b>Operating Profit (PBIDT) [ 1 - 2 ]</b>	<b>134.40</b>	<b>156.62</b>	<b>153.07</b>	<b>532.11</b>	<b>21.62</b>	<b>53.96</b>	<b>62.37</b>	<b>145.53</b>	
3									
Depreciation	45.60	11.87	46.13	71.11	45.60	18.00	46.15	77.24	
(a) Profit on Sale of Ships and Other Assets	77.14	(57.69)	9.03	6.75	56.58	(35.72)	5.52	(7.02)	
(b) Gain/(Loss) on Foreign Currency Transactions/Translation (net) (see note 1)	50.05	46.12	52.61	206.49	52.72	44.06	47.44	229.37	
(c) Other Income	172.79	0.30	107.77	284.35	154.90	26.34	99.11	299.59	
<b>Total other Income</b>	<b>307.19</b>	<b>156.92</b>	<b>260.84</b>	<b>816.46</b>	<b>176.52</b>	<b>80.30</b>	<b>161.48</b>	<b>445.12</b>	
8.									
Profit before Finance costs [ 6 + 7 ]	119.03	112.07	73.48	437.31	73.96	70.13	43.58	279.78	
9.									
Finance costs (see note 2)	188.16	44.85	187.36	379.15	102.56	10.17	117.90	165.34	
10.									
Profit from Ordinary Activities before tax [ 8 - 9 ]	6.59	5.29	23.11	58.72	3.00	-	16.00	22.00	
11.									
Tax expense -	0.58	(0.22)	0.50	(0.43)	-	-	-	-	
- current tax	7.17	5.07	23.61	58.29	3.00	-	16.00	22.00	
- deferred tax					3.00	-	16.00	22.00	
12.									
Net Profit(Loss) from ordinary activities after tax [ 10 - 11 ]	180.99	39.78	163.75	320.86	99.56	10.17	101.90	143.34	
13.									
Minority Interest	-	0.59	1.16	4.31	-	-	-	-	
14.									
Net Profit(Loss) after taxes and minority interest [ 12 - 13 ]	180.99	39.19	162.59	316.55	99.56	10.17	101.90	143.34	

**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER ENDED JUNE 30, 2012.**

PART I	CONSOLIDATED				Particulars (Refer Notes Below)	STANDALONE			
	Quarter ended on		Year Ended on			Quarter ended on		Year Ended on	
	30.06.2012 (UNAUDITED)	31.03.2012 (UNAUDITED)	30.06.2011 (UNAUDITED)	31.03.2012 (AUDITED)		30.06.2012 (UNAUDITED)	31.03.2012 (UNAUDITED)	30.06.2011 (UNAUDITED)	31.03.2012 (AUDITED)
152.29	152.29	152.29	152.29	152.29	152.29	152.29	152.29	152.29	
11.88	2.57	10.68	20.79	16 Reserves excluding revaluation reserves	6.54	0.67	6.69	9.41	
11.86	2.57	10.65	20.74	17. Earnings per share (of Rs.10 each) (not annualised)	6.52	0.67	6.68	9.39	
				See accompanying notes to the financial results					

PART II	CONSOLIDATED				A. PARTICULARS OF SHAREHOLDING	STANDALONE			
	Quarter ended on		Year Ended on			Quarter ended on		Year Ended on	
	30.06.2012 (UNAUDITED)	31.03.2012 (UNAUDITED)	30.06.2011 (UNAUDITED)	31.03.2012 (AUDITED)		30.06.2012 (UNAUDITED)	31.03.2012 (UNAUDITED)	30.06.2011 (UNAUDITED)	31.03.2012 (AUDITED)
106810516 70.14	106810516 70.14	106698796 70.06	106810516 70.14	106810516 70.14	106810516 70.14	106810516 70.14	106698796 70.06	106810516 70.14	
7000 0.02	7000 0.02	7000 0.02	7000 0.02	1. Public Shareholding - - Number of Shares - Percentage of shareholding	7000 0.02	7000 0.02	7000 0.02	7000 0.02	
-	-	-	-	2. Promoters and promoter group shareholding (a) Pledged/Encumbered - Number of shares - Percentage of shares(as a % of the total shareholding of promoter and promoter group) - Percentage of shares(as a % of the total share capital of the Company) (Less than 0.01%) (b) Non-encumbered - Number of shares - Percentage of shares(as a % of the total shareholding of promoter and promoter group) - Percentage of shares(as a % of the total share capital of the Company)	-	-	-	-	
45472168 99.98	45472168 99.98	45563888 99.98	45472168 99.98		45472168 99.98	45472168 99.98	45563888 99.98	45472168 99.98	
29.86	29.86	29.94	29.86		29.86	29.86	29.94	29.86	

B. INVESTOR COMPLAINTS	
- Pending at the beginning of the quarter	-
- Received during the quarter	5
- Disposed of during the quarter	5
- Remaining unresolved at the end of the quarter	-



# THE GREAT EASTERN SHIPPING CO. LTD.

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## 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)

	Quarter Ended			Year Ended
	30.06.2012 (UNAUDITED)	31.03.2012 (UNAUDITED)	30.06.2011 (UNAUDITED)	31.03.2012 (AUDITED)
	<b>a) Segment Revenue :</b>			
Shipping	642.94	486.22	538.08	2033.36
Offshore	343.51	340.41	246.72	1227.40
Sub-total	986.45	826.63	784.80	3260.76
Less : Inter Segment Revenue	6.64	0.03	0.05	20.92
<b>Total</b>	<b>979.81</b>	<b>826.60</b>	<b>784.75</b>	<b>3239.84</b>
<b>b) Segment Results :</b>				
Profit before tax and interest				
Shipping	171.45	78.81	164.88	402.42
Offshore	135.74	78.11	95.97	414.04
Sub-total	307.19	156.92	260.85	816.46
Less : Interest	119.03	112.07	73.49	437.31
<b>Total Profit before tax</b>	<b>188.16</b>	<b>44.85</b>	<b>187.36</b>	<b>379.15</b>
<b>c) Capital employed :</b>				
Shipping	7408.30	7404.60	7871.78	7404.60
Offshore	5321.61	4995.01	4347.83	4995.01
<b>Total</b>	<b>12729.91</b>	<b>12399.61</b>	<b>12219.61</b>	<b>12399.61</b>

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## NOTES TO CONSOLIDATED RESULTS:

1. Gain/(Loss) on Foreign Currency Transactions/Translation (net) for the quarter ended June 30, 2012, includes a non-cash gain of Rs. 78.79 crores on revaluation of the outstanding foreign currency bank balances and debtors/creditors. The corresponding figure for the quarter ended June 30, 2011, was a loss of Rs. 7.88 crores.
2. Finance cost includes an adjustment in accordance with Accounting Standard AS 16 "Borrowing Cost" on account of exchange difference on the foreign currency borrowings to the extent of the difference between interest on local currency borrowings and interest on foreign currency borrowings amounting to Rs. 29.46 crores for the quarter ended June 30, 2012 [corresponding quarter ended June 30, 2011 : Rs. 6.85 crores].
3. During the quarter, the Company acquired the balance 1.89% equity share capital of Greatship (India) Limited (GIL), a subsidiary of the Company. Consequently, GIL has become a wholly owned subsidiary of the Company.
4. During the quarter, the Company –
  - took delivery of newly built Very Large Crude Carrier named "Vasant J Sheth" of DWT 318000 MT and delivered the same to its new buyers.
  - Sold and delivered a Medium Range Product Carrier named "Jag Pradip" (Year Built: 1996) of DWT 45684 MT.
  - Sold and delivered a Liquefied Petroleum Gas Carrier named "Jag Viraj" (Year Built: 1991) of DWT 17577 MT.

Subsequent to the end of the quarter –

- the Company has contracted to buy a Very Large Gas Carrier (Year Built: 1990) of DWT 49701 MT for delivery in the second quarter of financial year 2012-13
  - the Subsidiary Company –
    - took delivery of a Platform / Remotely Operated Vehicle Support Vessel named "Greatship Roopa" (Year Built: 2012) of DWT 3656 MT.
    - sold and delivered a Multipurpose Platform Supply and Support Vessel named "Greatship Mamta" (Year Built: 2010) of DWT 4068 MT.
5. Previous period figures have been re-grouped wherever necessary. The figures of quarter ended March 31, 2012, are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.

6. 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 09, 2012 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 : 09.08.2012