

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

**Business & Financial Review**

**May 2012**

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## 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.

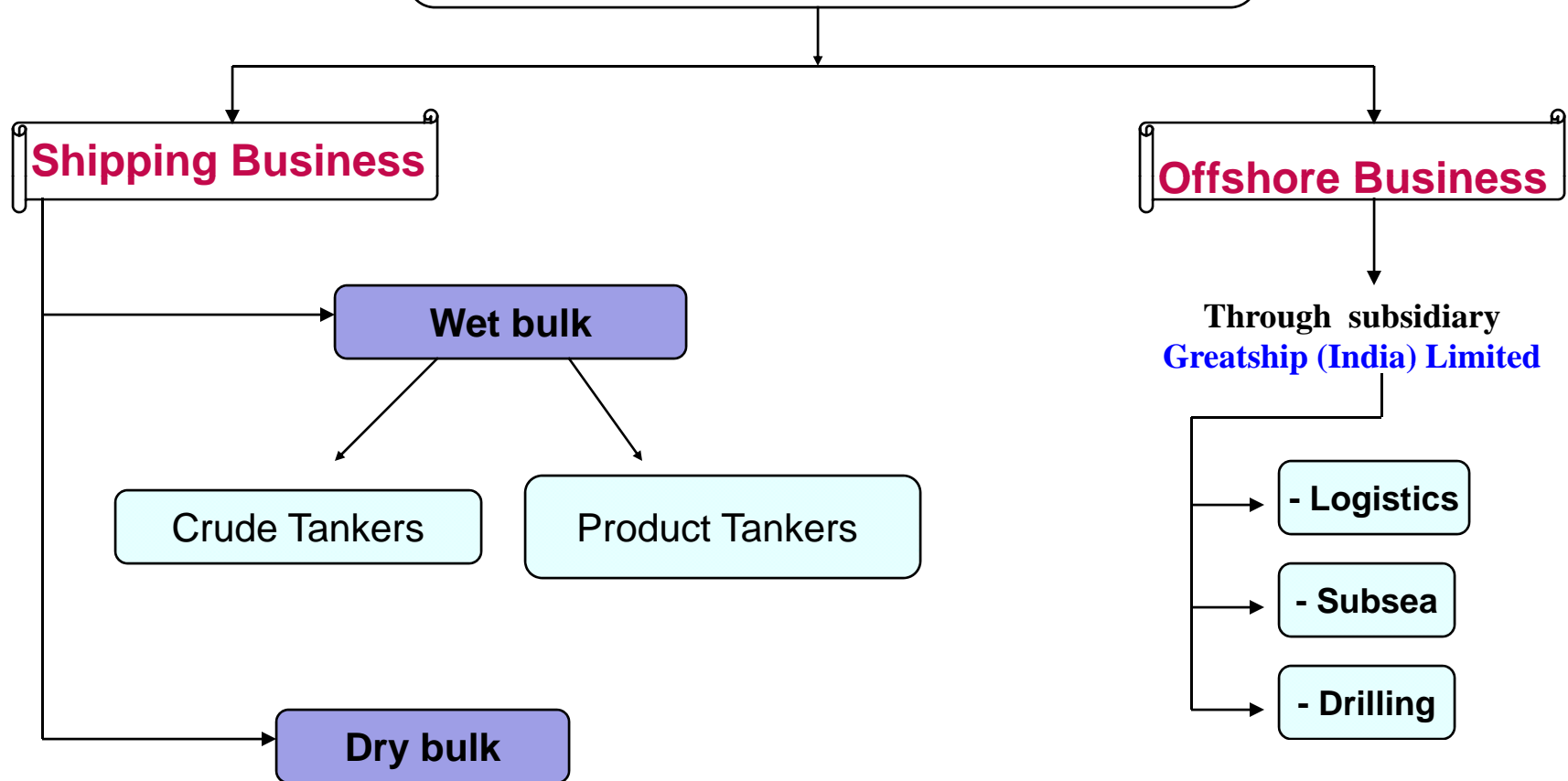
Certain factors may cause actual results to differ materially from those contained in the forward looking statements; including changes in freight rates; global economic and business conditions; effects of competition and technological developments; changes in laws and regulations; difficulties in achieving 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.

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# Corporate Profile

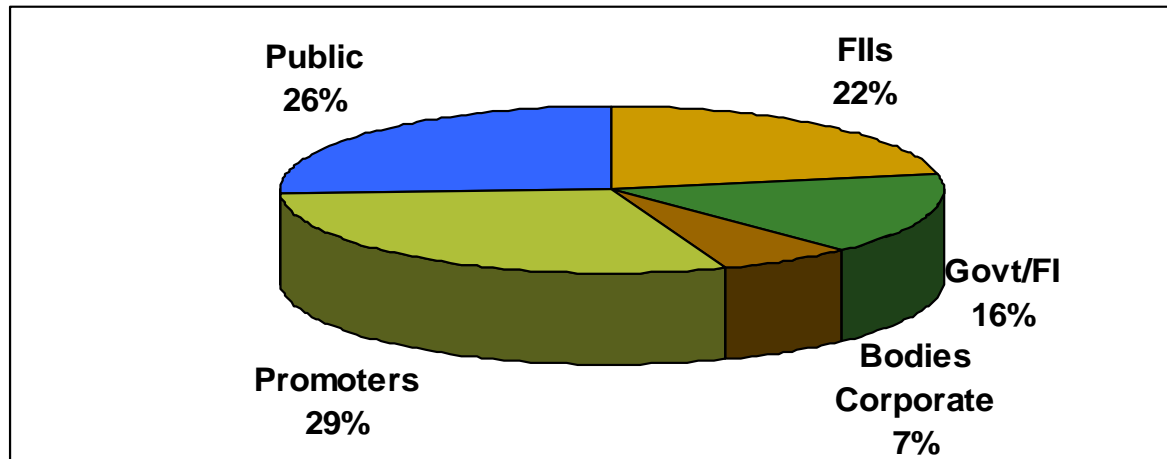
**The Great Eastern Shipping Co. Ltd.**  
Incorporated in 1948



# Company at a glance

- India's largest private sector Shipping Company*
- Diverse asset base with global operations*
- Completed 64 years of operations*
- 28 years of uninterrupted dividend track record*

## Shareholding Pattern as on March 31, 2012



# Shipping business-owned fleet

- ❑ **34 ships aggregating 2.62 Mn dwt, avg.age 8.9 years**
  - ❑ **24 Tankers** avg.age 9.3 years (72% in tonnage terms)
    - **9 Crude carriers (4 Suezmax, 5 Aframax)** avg.age 9.6 years
    - **14 Product tankers (4 LR1, 7 MR, 3 GP)** avg.age 8.8 years (1 single hull – double sided)
    - **1 LPG carrier** – avg.age 21 years
  - ❑ **10 Dry bulk carriers** avg.age 7.9 years
    - **1 Capesize** - avg.age 16.0 years
    - **3 Kamsarmax** - avg.age 0.6 years
    - **1 Panamax** - avg.age 17.0 years
    - **4 Supramax**- avg.age 5.3 years
    - **1 Handymax** - avg.age 15.0 years

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# Offshore business- Fleet Profile

➤ **Current Owned Fleet**

- ✓ **2 350ft Jack Up Rigs**
- ✓ **4 Platform Supply Vessels (PSV)**
- ✓ **9 Anchor Handling Tug cum Supply Vessels (AHTSV)**
- ✓ **3 Multipurpose Platform Supply and Support Vessels (MPSSV)**
- ✓ **3 Platform / ROV Support Vessels (ROVSV)**

## Committed CAPEX – Offshore Business

➤ Committed Capex of around USD 260 Mn

To be delivered in:

✓ FY 2013

- 3 NB Platform / ROV Support Vessels (CDL)

- 1 Jackup Rig (350 feet) (Lamprell Energy, Dubai)

Stage payments already made : around US\$83 mn of the total CAPEX

Fleet Growth	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013E
Fleet ( in nos)	4	9	15	19	21	25

# Modern & Technologically Advanced Offshore Fleet

## Young Fleet

- Young fleet with an average age of approx. 3 years by FY 2012
- Demand shifting to modern vessels, especially as safety becomes a major concern for oil companies

## Technologically Advanced

- Specialized/technologically advanced vessels equipped with DP I/DP II (Dynamic Positioning) and FiFi I (Fire Fighting) technologies
  - Subsea vessels are SPS 2008 compliant
- Equipped to operate in challenging environments
- Efficient and versatile vessels

## Revenue Efficiencies

- Higher utilization rates
- Minimum down time

## Cost Efficiencies

- Lower Operating costs
- Reduced maintenance capex & opex



# Offshore Service Value Chain

	Exploration	Development	Production
Length of Typical Cycle	- 3 to 5 years	- 2 to 4 years	- 5 to 55 years
Description	<ul style="list-style-type: none"> <li>- Collection of survey data</li> <li>- Analysis &amp; interpretation</li> <li>- Identification of oil &amp; gas reserves</li> </ul>	<ul style="list-style-type: none"> <li>- Construction &amp; installation of production platforms, pipelines &amp; equipment</li> <li>- Preparation for production</li> </ul>	<ul style="list-style-type: none"> <li>- Management of oil &amp; gas production</li> <li>- Operations &amp; Maintenance</li> <li>- Retrofit work</li> </ul>
Vessels	<ul style="list-style-type: none"> <li>- AHTV, <b>AHTSV</b>, <b>MPSSV</b>, Tugs</li> <li>- <b>PSV</b>/ Supply, Crewboats</li> <li>- <b>ROV Support Vessels</b></li> <li>- Seismic survey &amp; support hydrographic survey (for pipeline routes)</li> <li>- Chase boats</li> </ul>	<ul style="list-style-type: none"> <li>- AHTV, <b>AHTSV</b>, <b>MPSSV</b>, Tugs</li> <li>- <b>PSV</b>/ Supply, Crewboats</li> <li>- Derrick/ Crane Vessels</li> <li>- Cable &amp; pipe-lay vessels</li> <li>- Heavy Lift Transport</li> <li>- Offshore Dredgers</li> <li>- Accommodation units</li> </ul>	<ul style="list-style-type: none"> <li>- <b>AHTSV</b>,</li> <li>- <b>PSV</b>/ Supply</li> <li>- <b>MPSSV</b>/ Production Support Vessels</li> <li>- Emergency Rescue &amp; Response Vessels</li> <li>- Crewboats</li> <li>- Accommodation units</li> </ul>

## FY 2012 Financial Highlights

Standalone		<i>Key Figures</i>	Consolidated	
FY'12	FY'11	(Amount in Rs. crs)	FY'12	FY'11
<b>Income Statement</b>				
2016.23	1662.06	Revenue (including other income)	3239.84	2762.80
781.26	829.20	EBITDA (including other income)	1363.78	1274.95
143.34	266.46	Net Profit	316.55	468.70
<b>Balance Sheet</b>				
9927.51	9608.28	Total Assets	13685.14	12660.14
5130.51	5504.06	Equity	5997.19	6030.66
3874.42	3615.82	Total Debt (Gross)	6407.15	5957.43
874.75	1111.78	Total Debt (Net of Cash)	2858.13	2832.46
<b>2999.67</b>	<b>2504.04</b>	<b>Cash Balance</b>	<b>3549.02</b>	<b>3124.97</b>
4849.62	-	Market Value of Fleet (Incl. WIP)	9546.23	-

## FY 2012 Financial Highlights

Standalone		<i>Key Ratios</i>	Consolidated	
FY'12	FY'11	(Amount in Rs. crs)	FY'12	FY'11
<b>Key financial figures</b>				
38.75%	49.89%	EBITDA Margin (%)	42.09%	46.15%
2.70%	4.90%	Return on Equity (ROE) (%)	5.34%	8.62%
4.67%	4.53%	Return on Capital Employed (ROCE) (%)	6.16%	6.13%
0.76	0.66	Gross Debt/Equity Ratio (x)	1.07	0.99
0.17	0.20	Net Debt/Equity Ratio (x)	0.48	0.47
<b>Share related figures</b>				
9.41	17.50	Earnings per share, EPS (Rs)	20.79	30.78
9.39	17.46	Diluted earnings per share (Rs)	20.74	30.71
31.48	43.02	Cash Profit per share (Rs)	56.73	64.01
6.50	8.00	Dividend per share (Rs)	6.50	8.00
267.07	-	Net Asset Value per share (Rs)	416.14	-

# Q4FY'12 Performance Highlights

## Breakup of revenue days

Q4'FY12	Q4'FY11	Revenue Days	FY12	FY11
3,022	2,827	Owned Tonnage	12,155	12,097
183	23	Inchartered Tonnage	786	148
<b>3,205</b>	<b>2,850</b>	<b>Total Revenue Days</b>	<b>12,941</b>	<b>12,245</b>
<b>2.62</b>	<b>2.63</b>	Total Owned Tonnage (mn.dwt)	<b>2.62</b>	<b>2.63</b>

## Average TCY Details

Average (TCY \$ per day)	Q4'FY12	Q4'FY11	% Chg
Crude Carriers	19,829	23,072	(14)%
Product Carriers (Incl. Gas)	13,353	15,556	(14)%
Dry Bulk	15,130	18,153	(17)%

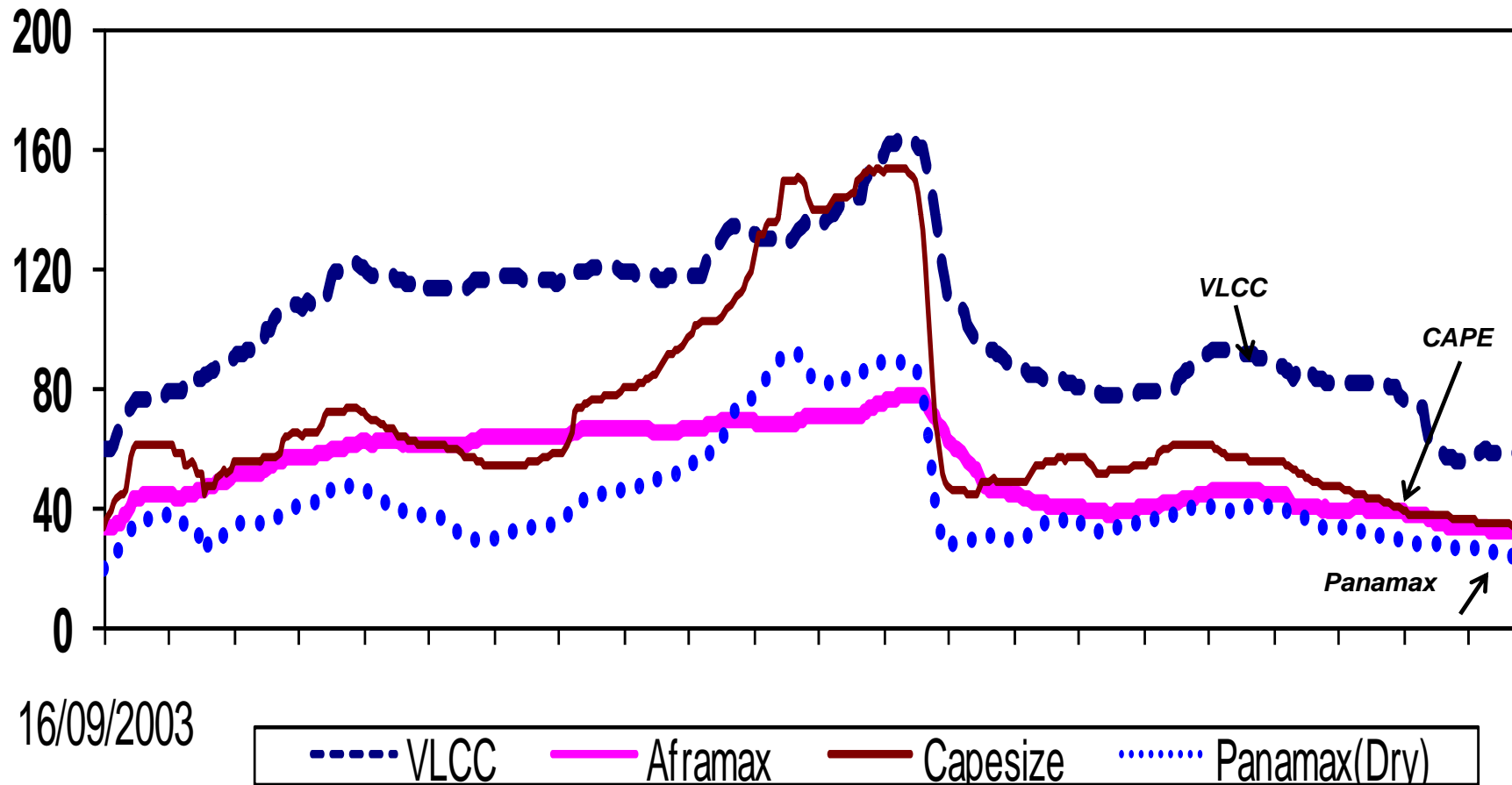
## Mix of Spot & Time

Days (in %)	Q4'FY12	Q4'FY11
<b><u>Dry Bulk</u></b>		
Spot %	80%	59%
Time %	20%	41%
<b><u>Tankers</u></b>		
Spot %	45%	52%
Time %	55%	48%
<b><u>Total</u></b>		
Spot %	56%	53%
Time %	44%	47%

# Asset Price Movement (5 yr old)

Timeline- Sep2003 till 10 May , 2012

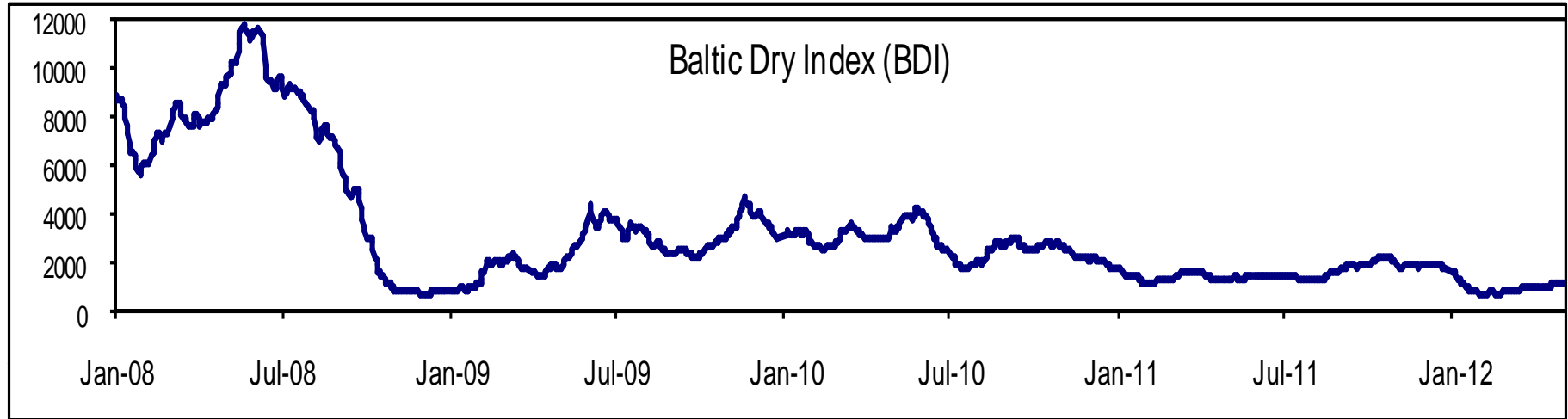
Amt in US\$ mn



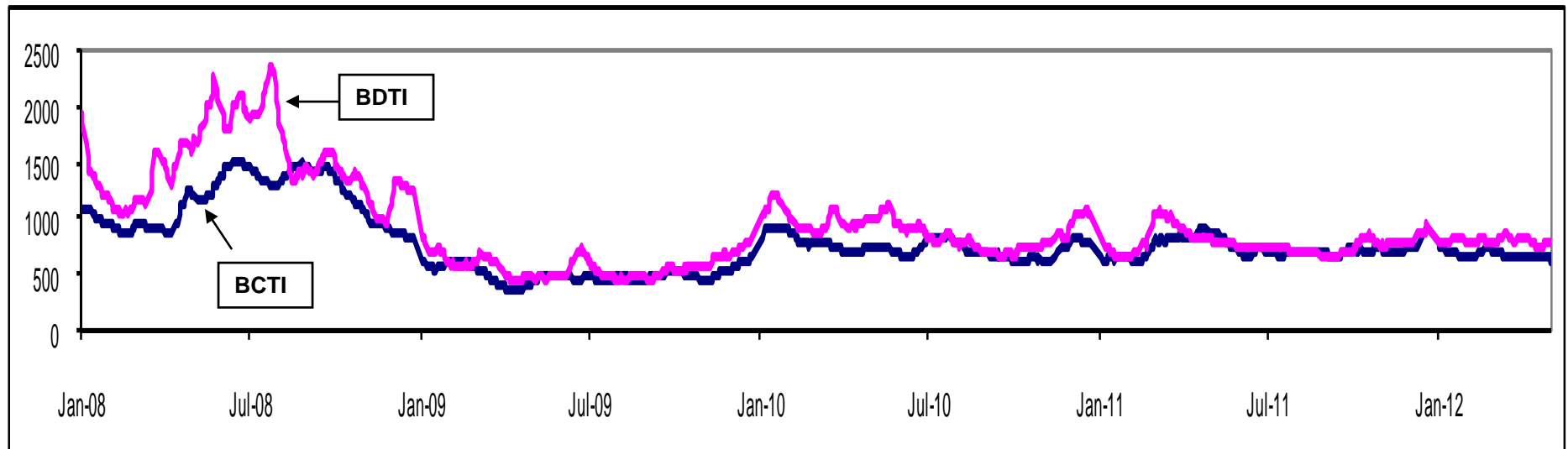
16/09/2003

Source: Baltic Sale & Purchase Assessment

# Indices Movement - Timeline Jan'08 to 10 May'12



**Baltic Dirty Tanker Index (BDTI) & Baltic Clean Tanker Index (BCTI)**



## Total Seaborne trade at a glance... Dry Bulk

### Seaborne Bulk trade

(in mn. tonnes)	2008	2009	2010	2011	2012(F)	% chg (CY12 over CY11)
Iron ore	843	900	995	1053	1079	3%
Steam Coal (Thermal)	579	599	669	705	734	4%
Coking Coal	199	188	235	222	227	2%
Grains	323	317	341	349	358	3%
Bauxite	125	92	107	124	129	4%
Sugar	49	48	53	49	47	(4)%
Agri. Bulks	114	116	119	126	129	2%
Fertilizers	80	73	82	85	87	2%
Other minor bulks	889	796	889	935	971	4%
<b>Total</b>	<b>3201</b>	<b>3129</b>	<b>3490</b>	<b>3648</b>	<b>3761</b>	<b>3%</b>

Source: Clarksons

# Global Oil Demand

mn.bpd	2008	2009	2010	2011	% chg (CY11 over CY10)
N.America	24.2	23.3	23.8	23.5	(1.3)%
OECD Europe	15.4	14.7	14.6	14.4	(1.4)%
OECD Pacific (Japan& Korea)	8.0	7.7	7.8	7.9	1.3%
Asia (Non OECD)	17.4	18.2	19.5	20.3	4.1%
Other Non OECD	21.5	21.7	22.7	23.2	2.2%
<b>Total</b>	<b>86.5</b>	<b>85.6</b>	<b>88.4</b>	<b>89.3</b>	<b>1.02%</b>

Source: Clarksons

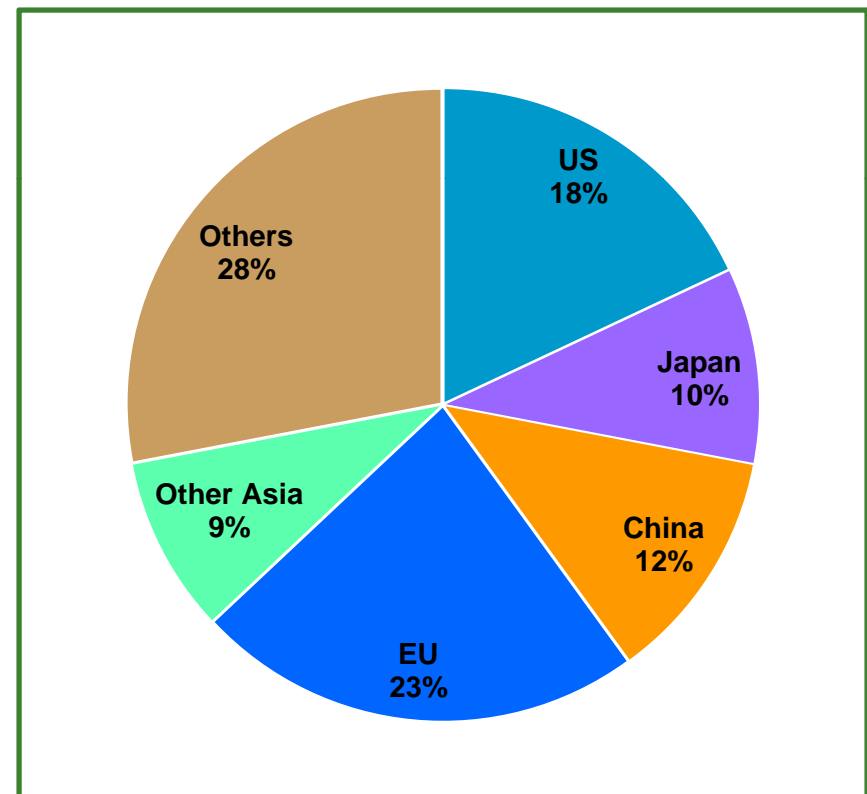


# Total Seaborne crude trade

## Seaborne Crude Imports

mn bpd	2008	2009	2010	2011
Asia	15.9	16.1	17.6	18.3
EU	10.9	10.3	10.0	8.9
N. America (incl. Canada)	7.0	6.9	6.8	7.5
ROW	5.7	5.0	4.8	3.5
<b>Total</b>	<b>39.5</b>	<b>38.3</b>	<b>39.2</b>	<b>38.2</b>
of which				
<b>Long Haul Trades</b>	<b>15.0</b>	<b>13.8</b>	<b>14.2</b>	<b>15.0</b>
	38%	36%	36%	39%

## Global Crude Imports by Region -2011



Source: Clarksons

## Gross World fleet addition-Shipping

World Fleet addition*	Fleet (as on 1 May'12)	CY2012	CY2013	CY2014 +
	(in mn dwt)			
Crude tankers	347.3	8%	6%	2%
Product tankers	135.4	5%	4%	2%
Dry bulk carriers	640.8	16%	7%	2%

Source: Clarksons

\*includes only new building from yards

- 3% of world tanker fleet is single hull

## Global Fleet – Scrapping Details

Fleet as on 1 <sup>st</sup> May'12		Scrapping (in mn dwt)	CY2008	CY2009	CY2010	CY2011	CY12 YTD*
(in mn dwt)							
347.3		Crude	2.2	5.0	7.1	6.9	4.8
135.4		Product	2.2	3.8	5.8	3.0	0.8
640.8		Bulk	5.5	10.4	5.7	22.2	13.5

\* As of May'12

Source: Clarksons

## Shrinkage in Global Shipbuilding Capacity..

*Capacity to contract due to combination of:*

- yard closures
- return to pre-boom business models such as ship repairs
- use of shipbuilding berths and workforces for non-shipbuilding activity
- reduction in berth productivity

(in mn gt)	CY2010	CY2011	CY2012	CY2013
Yard output	45	48	35	32

***Global shipbuilding capacity to shrink from 160m gt annually to 100m gt by 2015***

~ 46% of Chinese yards having not taken any new orders since 2008

# Slippages... to be a decisive factor

Slippages/ cancellations as % of expected deliveries

## Tankers Segment

	VLCC	Suezmax	Aframax	Panamax	MR	GP	Total	Slippages (in mn.dwt)
CY 2011	32%	34%	26%	47%	57%	47%	36%	22.2
CY 2010	34%	38%	26%	12%	50%	57%	36%	22.4
CY 2009	20%	35%	11%	30%	32%	34%	24%	14.6

## Dry Bulk Segment

	Capesize	Panamax	H'max	H'size	Total	Slippages (in mn.dwt)
CY 2011	28%	34%	20%	46%	32%	44.0
CY 2010	40%	37%	32%	39%	38%	46.8
CY 2009	33%	41%	46%	51%	40%	27.7

# Global Fleet Supply -Offshore

(Nos)	Jackup Rigs	AHTSVs	PSVs
Current Fleet	555	2,977	2,371
Orderbook	72	269	334
% of O/B to current fleet	13%	9%	14%
Average age	23.0	20.0	21.0

Source: Clarksons, Rigzone

As of May'12

**Around half of the total offshore fleet above 25 years of age**



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