

PRESS RELEASE

GE Shipping H1FY12 consolidated Net Profit at Rs.189.9 cr GE Shipping H1FY12 standalone Net Profit at Rs.104.46 cr

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

KEY HIGHLIGHTS:

Standalone			Consolidated			
Q2FY'12	Q2FY'11	H1FY'12	(Amount in Rs. crs)	Q2FY'12	Q2FY'11	H1FY'12
Income Statement						
503.27	423.99	1022.1	Revenue (including other income)	732.94	716.41	1517.69
198.01	199.10	442.69	EBITDA (including other income)	323.72	312.41	707.84
2.56	112.98	104.46	Net Profit	27.31	168.65	189.90
Balance Sheet						
10098.52	9358.16	10098.52	Total Assets	13455.33	11747.25	13455.33
5418.13	5546.99	5418.13	Equity	6106.87	5973.75	6106.87
3990.00	3367.39	3990.00	Long Term Debt (Gross)	6376.03	5096.15	6376.03
1402.95	236.20	1402.95	Long Term Debt (Net of Cash)	3098.84	1397.07	3098.84
Cash Flow						
70.70	114.66	196.31	From operating activities	320.97	185.06	591.44
(138.71)	31.11	(195.18)	From investing activities	(192.80)	(78.07)	(285.95)
9.60	(331.37)	12.23	From financing activities	(137.08)	(280.05)	(232.34)
(58.41)	(185.60)	13.36	Net cash inflow/(outflow)	(8.91)	(173.06)	73.15
Key financial figures						
39.34%	46.96%	43.31%	EBITDA Margin (%)	44.17%	43.61%	46.64%
0.18%	7.98%	3.83%	Return on Equity (ROE) (%)	1.77%	11.19%	6.26%
4.04%	5.49%	5.19%	Return on Capital Employed (ROCE) (%)	5.32%	7.27%	6.53%
0.74	0.61	0.74	Gross Debt/Equity Ratio (x)	1.04	0.85	1.04
0.26	0.04	0.26	Net Debt/Equity Ratio (x)	0.51	0.23	0.51
44.86	46.61	44.72	Exchange rate USD/INR, average (Rs)	44.86	46.61	44.72
48.97	44.93	48.97	Exchange rate USD/INR, end of period (Rs)	48.97	44.93	48.97
Share related figures						
0.17	7.42	6.86	Earnings per share, EPS (Rs)	1.79	11.07	12.47
0.17	7.40	6.84	Diluted earnings per share (Rs)	1.79	11.05	12.44
6.56	12.18	18.71	Cash Profit per share (Rs)	10.91	17.63	29.68
-	3.50	-	Dividend per share (Rs)	-	3.50	-

Performance Review of Q2 FY 2011-12:

The net profit for the company was significantly affected by the Rupee depreciation during the quarter. The impact of the exchange difference for the quarter ended 30th Sep, 2011 was a negative Rs. 35.88 cr. on a stand-alone basis, and Rs. 20.42 cr on a consolidated basis.

Break up of Revenue days (Shipping):

Revenue Days	Q2 FY12	Q2 FY11
Owned Tonnage	3,026	3,069
Inchartered Tonnage	-	-
Total Revenue Days	3,026	3,069
Total Owned Tonnage (mn.dwt)	2.69	2.61

Average TCY's earned in various categories:

Average (TCY \$ per day)	Q2'FY12	Q2'FY11	% Chg
Crude Carriers	17,254	20,156	(14)%
Product Carriers (Incl. Gas)	16,323	16,953	(4)%
Dry Bulk	14,223	19,833	(28)%

FLEET DEVELOPMENT:

Sale & Purchase Activities during Q2 FY2011-12:

During the quarter:

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

Subsequent to the quarter:

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

FLEET PROFILE: as on date

Categories	No. of ships	Avg age (years)
Crude Carriers	9	8.6
Product Carriers	15	8.2
Gas Carrier	1	20.0
TANKERS TOTAL	25	8.6
Capesize	1	15.0
Kamsarmax	3	0.0
Panamax	1	16.0
Supramax	4	4.3
Handymax	1	14.0
DRY BULK TOTAL	10	7.0
TOTAL FLEET (2.66 mn dwt)	35	8.1

MARKET COMMENTARY:

➤ *Supply pressure continues to haunt*

As anticipated, the tanker freight market remained under pressure throughout the quarter with most of the asset classes struggling to cover operating expenses. The key factors behind this weakness were subdued driving season in US, uncertain macroeconomic environment in the OECD countries, refinery shutdowns and reduction in manufacturing activities worldwide. Adding to this pressure was the steady fleet supply which caused the freight rates to decline even further. Even though some strength in the rates was witnessed due to hurricane Irene and increased crude exports from Latin America, this was soon offset by higher supply.

For dry bulk, the quarter started off on a weak note as production on both iron ore and coal was hampered by weather conditions in the main exporting areas, thereby resulting in lesser cargoes. To add to this, the logistical disruptions post the Tsunami in Japan resulted in reduction in imports. However, by end August production mainly in Australia, Brazil and Indonesia stabilized thereby increasing long haul trades once again. The sudden revival also caused congestion both in Brazilian ports as well as in China further fuelling up rates. Steady upturn in the grain trade and demand for minor bulk commodities in China supported the smaller segments. Scrapping numbers from Jan to Oct 2011 were encouraging as they crossed the 20 mn

dwt mark. Ship owners as well as charterers are increasingly resorting to slow steaming which in turn is creating both reduced fuel consumption as also higher capacity utilization.

OUTLOOK:

Tanker Market:

OPEC recently lowered its world oil demand forecast for 2011 by 0.18 mb/d to show growth 0.90 mb/d. This was on back of lower demand anticipated from the western economies and ongoing global financial crisis. On account of poor refining margins, some US & European refinery operators are planning to either idle or close down the facilities over the coming year resulting in lesser movement of oil, which will add pressure on the existing weak crude tanker freight rate, though possibly help product tanker demand. Even though some signs of easing on the oil supply are seen with Libya slowly returning to normal, the steady fleet growth and higher fuel costs will keep a lid on any improvement in the margins of the tanker operators. The next trigger to watch out will be the stocking up of heating oil in the winter seasons, which can possibly drive up the tanker freight rates.

Dry Bulk Market:

The continuation of the recent uptick in the movement of dry bulk commodities will largely depend on China's sustained imports. The key to the dry bulk outlook will be the sustained activity on the longer haul trades along with slippages in deliveries, port congestions and scrapping activities. Though there seems to be no letting in demand for commodities, availability is key as it depends on production facilities and various other infrastructure and supply chain related issues.

REVENUE VISIBILITY:

The revenue visibility for the balance part of FY 2011-12 is around Rs.309 crores. Crude tankers and product carriers (incl Gas carrier) are covered to the extent of around 70% and 66% of their operating days respectively. In case of dry bulk carriers, they are covered to the extent of around 51% 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 Ft jack up rigs. GIL and its subsidiaries have a total capex commitment of around US\$ 395 mn for an order book of six vessels - one Multi Support Vessel (MSV) in India, three Platform/ ROV Support Vessels (ROVSV) in Sri Lanka, two 150 TBP Anchor Handling Tug cum Supply Vessels (AHTSV) in Singapore and one 350 feet jack up rig in Dubai.

Sale & Purchase activities subsequent to Q2 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.

REVENUE VISIBILITY:

The revenue visibility for the balance part of FY 2011-12 is around Rs.467 crores. PSVs and AHTSVs are covered to the extent of around 100% and 56% of their operating days respectively. ROVSVs and MPSSVs have coverage of around 100% and 42% for the balance part of FY2012. In case of Jackup rigs, they are covered to the extent of around 91% 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 6 months.

Place: Mumbai

Date: 11th November, 2011

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

Q2 FY12 Earnings Call scheduled at 11:30 am (IST) on Monday, 14th November 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 SEPTEMBER 30, 2011.

				(Rs. in Crores)			
CONSOLIDATED				STANDALONE			
Quarter Ended on	Half Year Ended on	Year Ended on	Quarter Ended on	Half Year Ended on	Year Ended on	Quarter Ended on	Year Ended on
30.09.2011 (UNAUDITED)	30.09.2011 (UNAUDITED)	31.03.2011 (AUDITED)	30.09.2010 (UNAUDITED)	30.09.2010 (UNAUDITED)	31.03.2011 (AUDITED)	30.09.2010 (UNAUDITED)	31.03.2011 (AUDITED)
678.76	1360.58	2432.90	408.37	829.30	1363.09	408.37	1363.09
-	46.13	125.07	-	46.13	105.53	-	105.53
678.76	1406.71	2557.97	408.37	875.43	1468.62	408.37	1468.62
130.17	247.17	372.34	55.24	110.50	222.43	55.24	222.43
69.41	127.02	212.96	49.06	84.03	164.33	49.06	164.33
135.63	257.22	430.66	126.67	234.45	357.68	126.67	357.68
17.84	35.18	65.68	7.67	16.53	34.92	7.67	34.92
(46.24)	(55.27)	(11.73)	(14.07)	(19.59)	(10.67)	(14.07)	(10.67)
20.75	41.65	77.44	9.01	19.51	34.96	9.01	34.96
409.22	809.85	1466.01	305.26	579.41	819.41	305.26	819.41
269.54	596.86	1091.96	103.11	296.02	649.21	103.11	649.21
269.54	550.73	966.89	103.11	249.89	543.68	103.11	543.68
138.80	262.07	420.44	97.30	180.50	303.03	97.30	303.03
-	-	85.70	-	-	85.70	-	85.70
130.74	334.79	585.82	5.81	115.52	260.48	5.81	260.48
54.18	110.98	182.99	94.90	146.67	179.99	94.90	179.99
184.92	445.77	768.81	100.71	262.19	440.47	100.71	440.47
137.33	210.82	239.66	92.15	135.73	145.26	92.15	145.26
47.59	234.95	529.15	8.56	126.46	295.21	8.56	295.21
-	-	-	-	-	-	-	-
47.59	234.95	529.15	8.56	126.46	295.21	8.56	295.21
19.18	42.29	55.39	6.00	22.00	28.00	6.00	28.00
(0.30)	0.20	(0.18)	-	-	-	-	-
-	-	0.75	-	-	0.75	-	0.75
18.88	42.49	55.96	6.00	22.00	28.75	6.00	28.75
28.71	192.46	473.19	2.56	104.46	266.46	2.56	266.46
1.40	2.56	4.49	-	-	-	-	-
27.31	189.90	468.70	2.56	104.46	266.46	2.56	266.46

CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2011.

		(Rs. in Crores)				STANDALONE			
						Quarter Ended on		Half Year Ended on	
		30.09.2011 (UNAUDITED)	30.09.2010 (UNAUDITED)	30.09.2011 (UNAUDITED)	30.09.2010 (UNAUDITED)	30.09.2011 (UNAUDITED)	30.09.2010 (UNAUDITED)	31.03.2011 (AUDITED)	
		152.29	152.29	152.29	152.29	152.29	152.29	5351.77	
17. Paid-up Equity Share Capital (Face Value Rs.10/-)									
18. Reserves excluding revaluation reserves									
19. Earnings per share (in Rs.)									
- Basic		1.79	11.07	12.47	22.36	30.78	17.50	14.38	
- Diluted		1.79	11.05	12.44	22.31	30.71	17.46	14.34	
20. Public Shareholding -									
- Number of Shares		106698796	106562228	106698796	106562228	106650796	106650796	106562228	
- Percentage of shareholding		70.06	69.97	70.06	69.97	70.03	70.03	69.97	
21. Promoters and promoter group shareholding									
(a) Pledged/Encumbered									
- Number of shares		7000	7000	7000	7000	7000	7000	7000	
- Percentage of shares(as a % of the total shareholding of promoter and promoter group)		0.02	0.02	0.02	0.02	0.02	0.02	0.02	
- Percentage of shares(as a % of the total share capital of the Company) (Less than 0.01%)		-	-	-	-	-	-	-	
(b) Non-encumbered									
- Number of shares		45583888	45720456	45583888	45720456	45631888	45631888	45720456	
- Percentage of shares(as a % of the total shareholding of promoter and promoter group)		99.98	99.98	99.98	99.98	99.98	99.98	99.98	
- Percentage of shares(as a % of the total share capital of the Company)		29.94	30.03	29.94	30.03	29.97	29.97	30.03	

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)

	Consolidated				
	Quarter Ended		Half Year Ended		Year Ended
	30.09.2011 (UNAUDITED)	30.09.2010 (UNAUDITED)	30.09.2011 (UNAUDITED)	30.09.2010 (UNAUDITED)	31.03.2011 (AUDITED)
a) Segment Revenue :					
Shipping	487.06	478.10	1025.14	974.42	1834.52
Offshore	266.68	238.31	513.40	469.59	913.60
Sub-total	753.74	716.41	1538.54	1444.01	2748.12
Less : Inter Segment Revenue	20.80	-	20.85	0.37	7.16
Total	732.94	716.41	1517.69	1443.64	2740.96
b) Segment Results :					
Profit before tax and interest					
Shipping	56.36	130.39	221.24	303.45	431.12
Offshore	128.56	82.18	224.53	189.59	337.69
Sub-total	184.92	212.57	445.77	493.04	768.81
Less : Interest	137.33	33.08	210.82	126.13	239.66
Total Profit before tax	47.59	179.49	234.95	366.91	529.15
c) Capital employed :					
Shipping	7913.01	7926.85	7913.01	7926.85	7631.78
Offshore	4611.36	3179.29	4611.36	3179.29	4393.93
Total	12524.37	11106.14	12524.37	11106.14	12025.71

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NOTES TO CONSOLIDATED RESULTS:

1. STATEMENT OF ASSETS & LIABILITIES :

(Rs. in Crores)

CONSOLIDATED Half Year Ended on			STANDALONE Half Year Ended on	
30.09.2011 (UNAUDITED)	30.09.2010 (UNAUDITED)		30.09.2011 (UNAUDITED)	30.09.2010 (UNAUDITED)
		SOURCES OF FUNDS :		
		1 Shareholders Fund		
152.29	152.29	(a) Capital	152.29	152.29
2.43	2.25	(b) Employee stock options outstanding	-	-
5952.15	5819.21	(c) Reserves and Surplus	5265.84	5394.70
6106.87	5973.75		5418.13	5546.99
41.47	36.24	2 Minority Interest	-	-
		3 Loan Funds		
4926.03	4146.15	(a) Secured	2540.00	2417.39
1450.00	950.00	(b) Unsecured	1450.00	950.00
6376.03	5096.15		3990.00	3367.39
12524.37	11106.14	Total	9408.13	8914.38
		APPLICATION OF FUNDS :		
9657.53	7597.06	1 Fixed Assets including CWIP and Capital Advances	5622.30	4936.38
1628.92	2080.20	2 Investments	3090.54	3103.09
0.68	0.70	3 Deferred Tax Assets	-	-
		4 Current Assets, Loans and Advances		
110.72	75.13	(a) Inventories	68.20	32.44
279.09	242.55	(b) Sundry Debtors	112.10	67.41
1483.27	1618.89	(c) Cash and Bank balances	949.25	1145.70
12.91	22.72	(d) Other Current Assets	12.91	22.13
278.39	105.19	(e) Loans and Advances	239.40	47.33
3.82	4.81	(f) Incomplete Voyages (net)	3.82	3.68
2168.20	2069.29		1385.68	1318.69
898.65	616.70	Less : Current Liabilities and Provision		
32.31	24.41	(a) Current Liabilities	666.76	420.33
930.96	641.11	(b) Provisions	23.63	23.45
1237.24	1428.18	Net Current Assets	690.39	443.78
12524.37	11106.14	Total	695.29	874.91
			9408.13	8914.38

2. Interest cost includes an adjustment, in accordance with Accounting Standard AS 16 "Borrowing Cost", on account of exchange difference on the amount of principal of the foreign currency borrowings to the extent of the difference between interest on local currency borrowings and interest on foreign currency borrowings, resulting in an increase of Rs. 57.24 crores for the quarter and Rs. 64.09 crores for the six months ended September 30, 2011 [corresponding quarter ended September 30, 2010 : Rs. 24.49 crores (reduction in cost), and six months ended September 30, 2010 : Rs. 7.50 crores].
3. During the quarter, the Company –

- took delivery of newly built Supramax dry bulk carrier named "Jag Rani" of DWT 56719 MT. (Already informed in the previous quarter).
- took delivery of newly built Kamsarmax dry bulk carrier named "Jag Arya" of DWT 80480 MT.

Subsequent to the end of the quarter:

- the Company sold and delivered a Double Hull General Purpose Product Carrier named "Jag Pari" (Year Built : 1982) of DWT 29139 MT.
 - the Subsidiary Company has cancelled a shipbuilding contract for one Multipurpose Support Vessel which was ordered during the financial year 2007-08.
4. Subsequent to the end of the quarter, the Company has made further investments in its subsidiary "Greatship (India) Ltd." by subscribing to 5,460,000 Equity Shares of Rs. 10/- each at a premium of Rs. 170/- per share aggregating to Rs. 98.28 crores.

The total investment in "Greatship (India) Ltd." till date in equity shares amounts to Rs. 1268.56 crores and Cumulative Redeemable Preference Shares Rs. 445.87 crores, aggregating to Rs. 1714.43 crores.

5. Previous period figures have been re-grouped wherever necessary.
6. Number of Investor Complaints at the beginning of the quarter were "Nil", received during the quarter were "6", disposed off during the quarter were "6" and lying unresolved at the end of the quarter were "Nil".
7. 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 November 11, 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 : November 11, 2011