PRESS RELEASE

GE Shipping Q3 FY 08 Net Profit at Rs.293.57 crores, up 77%

(inclusive of Rs.22.42crores due to foreign exchange gains as per AS-11)*

- Declares a 2nd interim dividend of Rs. 3.50 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 FY 2007-08, ended December 31,2007.

The Board has declared a 2nd interim dividend of Rs. 3.50 per equity share which would result in an outflow of Rs. 62.35 crores (including tax on dividend).

FINANCIAL PERFORMANCE:

(All figures in Rs.cr.)

Q3 FY08	Q3 FY07	% change		9 mth FY08	9 mth FY07	% change
744.28	519.85	43.2%	**Total Income**	**2420.13**	1658.44	45.9%
430.27	252.95	70.1%	**PBDIT**	**1458.23**	934.27	56.1%
381.24	252.95	50.7%	**PBDIT (excl gain on sale of ships)**	**1214.49**	816.14	48.8%
293.57	165.85	77.0%	**Net Profit**	**1057.4**	642.39	64.6%
19.1	10.89		**Diluted EPS (in Rs.) not annualised**	**69.04**	42.19	

*** NOTE :**

The Company has adopted revised Accounting Standard AS11 as issued by the Ministry of Company Affairs vide Notification dated December 7, 2006. Pursuant to this, the effects of changes in foreign exchange rates in respect of loan repayments and revaluation of outstanding foreign currency loans relating to ships acquired from a country outside India amounting to Rs. 22.42 cr for the quarter and Rs. 186.49 cr for the nine months have been credited to the profit and loss account and included under Income-others, as against the earlier practice of adjusting against the carrying cost of ships. But for this revision, the depreciation charge for the current quarter would have been lower by Rs 0.90 cr and for the nine months by Rs.14.29cr. The net impact of this revised accounting standard is therefore Rs. 21.52 cr for the quarter and Rs. 172.2 cr for the nine months.

PERFORMANCE REVIEW OF Q3 FY 2007-08 :

REVENUE DAYS	Q3 FY08	Q3 FY07	% change
Owned tonnage	3980	3407	16.8%
Inchartered tonnage	184	276	-33.3%
Total Revenue days	4164	3683	13.1%
Total owned tonnage (in dwt)	**3.14 mn**	2.92 mn	

The company has posted a 50% higher operating profit (excluding gain on sale of ships). The improvement in earnings can be largely attributed to the much higher TCY's averaged in the dry bulk segment and a higher tonnage. The expenses on account of drydocking were also lower at Rs.23 cr as compared to Rs.30 cr in Q3 FY07 and Rs.42 cr in Q2 FY08.

The Average TCY's earned in various categories are as follows :

AVERAGE TCY ($ per day)	Q3 FY08	Q3 FY07	% change
Crude Carriers	23,564	29,768	-21%
Product Carrier	19,512	19,611	-1%
Gas Carriers	17,886	16,492	8%
Dry Bulk	45,148	17,735	155%

FLEET DEVELOPMENT:

Sale & Purchase Activities during Q3 FY 2007-08 :

The Company took delivery of:

- a new MR Product tanker "Jag Prerna"
- a 2001 built Supramax dry bulk carrier "Jag Ratan"

The Company delivered to buyers :

- Its 1986 built non double hull Aframax crude carrier "Jag Leher"
- Its 1988 built non double hull Aframax crude carrier "Jag Labh"

New building purchase contracts entered into during the quarter:

During the quarter, the Company placed the following new building orders :

- 4 Kamsarmax dry bulk carriers for delivery between Q4 FY11 & Q1 FY12
- 4 Supramax dry bulk carrier for delivery between Q4 FY10 & Q2 FY11

Contracts entered subsequent to the end of the quarter (Sale & Purchases):

After the end of Q3 FY 08, the Company has contracted to sell the following:

- a 1994 built Panamax Dry bulk carrier "Jag Akshay"-likely delivery Q1 FY09
- a 1986 built non double hull product tanker "Jag Anjali"- likely delivery Q4FY08
- a 1986 built non double hull product tanker "Jag Arpan"- likely delivery Q1FY09

With this, the Company has a total capex commitment of around USD 589 Mn which translates to approx. Rs.2300 crores at current exchange rates. This will result in addition to the tonnage of about 0.85 mn dwt.

FLEET PROFILE: as on date

Categories	No. of ships	Avg age (years)
Crude Carriers	12	7.5
Product Carriers	20	13.3
Gas Carriers	2	24
TANKERS TOTAL (77% double hull)	**34**	**9.8**
Capesize	1	11
Panamax	2	12
Supramax	1	6
Handymax	6	12
Handysize	3	29
DRY BULK TOTAL	**13**	**13.5**
TOTAL FLEET	**47**	**10.7**

MARKET COMMENTARY:

The dry bulk market maintained its upward spiral for much of the quarter. However, it started to see a correction by the beginning of December. In fact, post December the correction has been quite sharp. The weakness seen in the dry bulk rates seem to be more as a fall out of the power play between iron ore miners and steel producers as the negotiations for the iron ore prices are underway. To add to this, there was a series of logistical exigencies at various ports worldwide, which led to freeing of significant amount of tonnage.

The tanker market on the other hand was quite the reverse. The softness in tanker rates seen in the last quarter continued well into October and early November. It then showed a sudden and very sharp spike towards the end of November and December. This was largely aided by lower than average inventory levels in the US and the onset of a strong winter. The product freight markets though remained somewhat flat. It may be noted that this segment had not witnessed a drop in rates as sharp as the one we saw in the crude segments.

The movement of the freight indices in the last 7 months is highlighted below.

	30-Mar-07	29-Jun-07	28-Sep-07	24-Dec-07	28-Jan-08
Baltic Clean Tanker Index	**1096**	**949**	**771**	**1086**	**957**
Baltic Dirty Tanker Index	**1398**	**1029**	**920**	**2143**	**1197**
Baltic Dry Index	**5388**	**6278**	**9474**	**9143**	**5692**

OUTLOOK

TANKER MARKET

The key drivers for tanker rates in the short term will be the inventory levels and seasonal winter demand. In the medium term, the quantum of contraction in tonnage due to conversions is likely to be the key factor to watch out for. With the demand and supply being so finely balanced at the current juncture, volatility is likely to be significant at the slightest change in any of the key factors.

DRY BULK MARKET

Though there has been a sharp correction in the dry bulk segment, rates are still more than 50% higher than the average of FY07. In the short run, activity in this segment is likely to gather pace once the iron ore negotiations are done. The volatility in this market is likely to continue as the impact of a slowdown in the major economies is yet to be ascertained. However, if the outlook on the overall growth and infrastructure spend of China and India are unchanged, the dry bulk market is likely to remain fairly robust on a more longer term basis.

REVENUE VISIBILTY

As on January 29, 2008 the revenue visibility is around Rs.320 crores for the balance part of FY2007-08. Crude tankers and product carriers are covered to the extent of around 85% and 77% of their operating days respectively. In case of dry bulk carriers they are covered to the extent of around 60% of the fleet's operating days. Gas Carriers are covered to the extent of 100% of their operating days for the balance part of FY 08.

DEVELOPMENTS IN THE SUBSIDIARIES :

The wholly owned subsidiary Greatship (India) Limited along with its subsidiaries currently has a fleet of 3 Platform Supply Vessels (PSV) and 1 Anchor Handling Tug cum Supply Vessel (AHTSV).

In addition, it has a committed capital expenditure of **USD 667 Mn** (approx Rs.2650 cr) for 18 more assets. These include the following in order of delivery :

FY 2008

- 1 NB 80T AHTSV (CDL) (Q4)

FY 2009

- 2 NB PSVs (Aker) delivery (Q2 & Q3)
- 3 NB 80T AHTSVs (2 Labroy & 1 CDL)

FY 2010

- 3 NB 80T AHTSV (1CDL, 2 Labroy) (Q1, Q2))
- 4 NB MPSVs (Keppel Singmarine) [(2 in Q2 & remaining in H2FY10)]
- 2 NB MSVs (Mazagon Dock) (Q3 & Q4)
- A New Building 350 ft Jack Up Rig (Keppel) (Q2)
- 1 NB Construction Support Vessel/ROV Support Vessel (CDL) (Q4)

FY 2011

- 1 NB Construction Support Vessel (CDL) (Q1)

Place: MUMBAI
Date: January 29, 2008