

## PRESS RELEASE

### **GE Shipping Q3FY13 consolidated Net Profit at Rs.191.84 crs, up by 119%** **GE Shipping 9mFY13 consolidated Net Profit at Rs.454.03 crs, up by 64%** *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 FY2012-13, ended 31<sup>st</sup> Dec 2012.

#### KEY HIGHLIGHTS:

##### Standalone

##### Consolidated

Q3 FY'13	Q3 FY'12	9M FY'13	(Amount in Rs. crs)	Q3 FY'13	Q3 FY'12	9M FY'13
<b>Income Statement</b>						
547.55	488.56	1545.79	Revenue	880.95	836.44	2550.92
224.90	179.60	578.65	EBITDA	441.51	336.15	1194.88
75.13	28.71	136.56	Net Profit	191.84	87.46	454.03
<b>Balance Sheet</b>						
9950.80	10269.90	9950.80	Total Assets	14407.43	14007.55	14407.43
5113.50	5038.88	5113.50	Equity	6417.59	5942.79	6417.59
3768.75	4091.25	3768.75	Long Term Debt (Gross)	6620.81	6585.36	6620.81
507.46	1459.64	507.46	Long Term Debt (Net of Cash)	2481.52	3293.23	2481.52
<b>Cash Flow</b>						
160.81	124.62	364.95	From operating activities	188.36	263.40	973.31
192.16	(9.60)	421.45	From investing activities	63.53	(41.79)	103.62
(143.08)	(107.17)	(523.17)	From financing activities	120.26	(251.25)	(521.88)
209.89	7.85	263.23	Net cash inflow/(outflow)	372.15	(29.64)	555.05
<b>Key financial figures</b>						
41.07%	36.76%	37.43%	EBITDA Margin (%)	50.12%	40.19%	46.84%
5.85%	2.20%	3.55%	Return on Equity (ROE) (%)	12.10%	5.81%	9.75%
5.76%	4.43%	4.44%	Return on Capital Employed (ROCE) (%)	8.66%	6.44%	7.49%
0.74	0.81	0.74	Gross Debt/Equity Ratio (x)	1.03	1.11	1.03
0.10	0.29	0.10	Net Debt/Equity Ratio (x)	0.39	0.55	0.39
53.69	50.09	54.11	Exchange rate USD/INR, average (Rs)	53.69	50.09	54.11
55.00	53.11	55.00	Exchange rate USD/INR, end of period (Rs)	55.00	53.11	55.00
<b>Share related figures</b>						
4.93	1.89	8.97	Earnings per share, EPS (Rs)	12.60	5.74	29.81
4.92	1.88	8.95	Diluted earnings per share (Rs)	12.57	5.73	29.75
11.21	6.94	27.16	Cash Profit per share (Rs)	22.51	13.78	58.87
3.00	3.00	3.00	Dividend per share (Rs)	3.00	3.00	3.00

## Performance Review of Q3 FY 2012-13:

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

Revenue Days	Q3'FY13	Q3'FY12
Owned Tonnage	3,144	2,947
Inchartered Tonnage	128	166
<b>Total Revenue Days</b>	<b>3,272</b>	<b>3,113</b>
Total Owned Tonnage (mn.dwt)	<b>2.60</b>	<b>2.62</b>

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

Average (TCY \$ per day)	Q3'FY13	Q3'FY12	% Chg
Crude Carriers	15,888	18,664	(15)%
Product Carriers (Incl. Gas)	16,111	14,885	8%
Dry Bulk	8,996	16,114	(44)%

## FLEET DEVELOPMENT:

### Sale & Purchase Activities during Q3 FY2012-13:

During the quarter:

- The Company placed an order for 1 new building Medium Range Product Tanker (about 50,000dwt) to be built at STX (Dalian) Shipbuilding Co. Ltd., China. The contract also includes the option to add more ships at a later date. The tanker is expected to join the Company's fleet in Q4FY2015.

## MARKET COMMENTARY:

The tanker freight rates improved from mid November on back of strong seasonal winter demand and disruption in oil supply chain due to hurricane 'Sandy'. Apart from this, strong demand from South America, West Africa and EU helped the product tankers to register relatively higher charter rates. China's crude oil imports also showed steady growth, which reflected increased infrastructure and industrial spending.

On back of improved iron ore shipments from Brazil & Australia to China, freight rates, especially for the large asset classes in the dry bulk segment, rose in the first half of Q3FY13. Also, strong minor bulk commodity demand from China supported the freight rates of smaller segments. But in the second half, a significant contraction in the iron ore movement from Brazil to Asia resulted in a sharp drop in tonne-mile demand. Overall, the relentless addition of new vessels to the existing fleet had the effect of dampening any improvement in freight rates.

**FLEET PROFILE: as on date**

Categories	No. of ships	Avg age (years)
Crude Carriers	9	10.6
Product Carriers	13	9.3
Gas Carriers	1	23.0
<b>TANKERS TOTAL</b>	<b>23</b>	<b>10.4</b>
Capesize	1	17.0
Kamsarmax	3	1.3
Panamax	1	18.0
Supramax	4	6.3
Handymax	1	16.0
<b>DRY BULK TOTAL</b>	<b>10</b>	<b>7.9</b>
<b>TOTAL FLEET</b> (2.60 mn dwt)	<b>33</b>	<b>10.0</b>

**OUTLOOK:**

**Tanker Market:**

According to OPEC, world oil demand is expected to grow by 0.8 mb/d to average 89.6 mb/d in 2013. Pessimistic outlook on US, Europe as well as China's oil demand are the key factors for this subdued growth. On the back of US turning into a net exporter of oil products and new super refineries starting production in the Asian continent, trading patterns are expected to change considerably. But any meaningful improvement in the tanker charter rates is negated in the medium term on the back of steady new fleet addition.

## **Dry Bulk Market:**

For CY2013, the dry bulk fleet is expected to grow by 15%. Even though world dry bulk commodity demand is anticipated to continue its steady growth, excessive supply of tonnage will worsen the demand-supply mismatch gap, which will add pressure to freight rates. Difficult financing and operating environment is likely to force accelerated scrapping. This has already started, with CY2012 witnessing about 33 mn dwt scrapping, a new high. Due to severe crunch of funds, ship financing too has suffered and has resulted in significant slowdown in new building orders, providing one of the few positives for the industry.

## **REVENUE VISIBILITY:**

The revenue visibility for the balance part of FY 2012-13 is around Rs.178 crores. Crude tankers and product carriers (incl. Gas) are covered to the extent of around 84% and 76% of their operating days respectively. In case of dry bulk carriers, they are covered to the extent of around 57% 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.

<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)	6
<b><u>Drilling Services</u></b>	
-350 ft Jackup Rigs	3
<b>Total</b>	<b>24</b>

## **Sale & Purchase Activities during Q3 FY2012-13:**

During the quarter:

- GIL took delivery of a Platform/ROV Support Vessel, "Greatship Rachna" built at Colombo Dockyard Plc, Sri Lanka.
- Greatship Global Offshore Services Pte. Ltd, a subsidiary of GIL had cancelled the shipbuilding contract for a newbuilding Multipurpose Support Vessel in January 2012, and the said cancellation was disputed by the yard. This matter is now amicably resolved.

Subsequent to the quarter:

- Greatship Global Offshore Services Pte. Ltd., a subsidiary of GIL took delivery of a Platform/ROV Support Vessel, "Greatship Ragini" from Colombo Dockyard Plc, Sri Lanka.
- Greatship Global Energy Services Pte. Ltd., a subsidiary of GIL took delivery of a mobile offshore self elevating drilling rig, Le Tourneau 116(E) – 'Greatdrill Chaaya' from Lamprell Energy Ltd, UAE.

## **OUTLOOK:**

While the overall E&P activity is expected to remain strong, expensive projects in some key markets like Brazil and Australia have shown signs of slowdown with questions raised on economic viability. In the offshore logistics market, the next 2 years are likely to see significant new building deliveries. Along with demand growth, a swift phasing-out of the older fleet will be key to maintaining high utilization. The jack-up drilling market has strengthened in recent times with both modern and older units enjoying strong utilization. With age profile of rigs still skewed towards older fleet, replacement demand is expected to remain strong in the near future. With many shipyards turning their focus to this sector in the absence of orders for bulk carriers and tankers, the build up in the new building capacity and order-book remains the key concern for the sector.

## **REVENUE VISIBILITY:**

The revenue visibility for the balance part of FY 2012-13 is around Rs.325 crores. PSVs and AHTSVs are covered to the extent of around 87% and 94% of their operating days respectively. ROVSVs and MPSSVs have coverage of around 100% and 62% 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: 7<sup>th</sup> February, 2013

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

Q3 FY13 Earnings Call scheduled at **10:30 am (IST) on Friday, 8<sup>th</sup> February 2013.**

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 DECEMBER 31, 2012.

PART I	CONSOLIDATED				STANDALONE				(Rs. in Crores)				
	Quarter ended on		Nine Months Ended on		Quarter Ended on		Nine Months Ended on		Year Ended on				
	31.12.2012 (UNAUDITED)	30.09.2012 (UNAUDITED)	31.12.2011 (UNAUDITED)	31.12.2011 (UNAUDITED)	31.12.2012 (UNAUDITED)	30.09.2012 (UNAUDITED)	31.12.2011 (UNAUDITED)	31.12.2011 (UNAUDITED)	31.12.2011 (UNAUDITED)	31.03.2012 (AUDITED)			
	751.81 7.24	657.79 7.55	751.39 4.78	2111.97 17.22	2212.02 19.39	2111.97 17.22	2894.25 21.24	459.06 6.46	348.48 7.53	412.98 4.77	1289.29 17.91	1242.28 17.22	1688.38 21.24
	759.05	665.34	756.17	2129.19	2231.41	2129.19	2955.49	465.52	356.01	417.75	1307.20	1259.50	1709.62
	104.95	107.75	118.86	339.70	330.02	339.70	464.56	50.20	47.63	50.04	145.71	151.49	197.47
	125.35	99.31	104.34	300.22	348.31	415.99	415.99	120.04	92.30	93.28	324.36	274.64	379.78
	66.19	49.73	95.09	262.49	240.54	367.76	367.76	57.61	42.35	55.55	201.73	189.53	263.76
	41.18	41.15	41.40	117.73	118.39	117.73	164.98	26.83	26.70	25.98	78.29	78.06	106.09
	23.45	37.41	45.54	114.07	90.37	90.96	114.07	15.47	33.74	37.65	75.07	73.02	91.56
	76.32	64.36	95.06	255.03	228.41	255.03	344.32	52.50	39.76	46.46	141.98	141.80	187.00
	439.44	399.71	500.29	1356.13	1356.04	1356.13	1871.68	322.65	282.48	308.96	967.14	908.54	1225.68
	319.61	265.63	265.88	763.06	875.37	763.06	1083.81	142.87	73.53	108.79	340.06	350.96	483.94
	151.03	136.19	143.36	405.43	442.75	405.43	546.32	95.63	81.23	97.95	277.07	278.45	357.12
	-	-	(20.98)	(20.98)	-	(20.98)	(1.00)	-	-	(20.98)	-	(20.98)	(20.98)
	168.58	127.44	133.50	378.61	432.82	378.61	536.49	47.24	(7.70)	31.82	62.99	93.49	147.80
	0.33	63.59	13.04	59.24	109.52	59.24	70.75	0.05	-	13.03	45.65	59.24	77.24
	55.75	(80.83)	9.17	64.44	52.06	64.44	6.76	34.50	(73.75)	9.11	17.33	28.70	(7.02)
	65.82	44.26	59.06	157.25	157.93	157.25	202.47	47.48	77.24	48.67	175.61	183.39	227.10
	121.90	27.02	80.27	280.93	319.51	280.93	279.98	82.03	3.49	70.81	238.59	271.33	297.32
	290.48	154.46	213.77	659.54	752.13	659.54	816.47	129.27	(4.21)	102.63	301.58	364.82	445.12
	85.58	57.08	114.42	325.24	261.69	325.24	437.32	53.14	33.92	73.92	161.02	209.65	279.76
	204.90	97.38	99.35	334.30	490.44	334.30	379.15	76.13	(88.19)	28.71	140.56	155.17	165.34
	13.50	16.00	11.14	53.43	36.09	53.43	58.72	1.00	-	-	4.00	22.00	22.00
	(0.44)	0.18	(0.41)	(0.21)	0.32	(0.21)	(0.43)	-	-	-	-	-	-
	13.06	16.18	10.73	53.22	36.41	53.22	58.29	1.00	-	-	4.00	22.00	22.00
	191.84	81.20	88.62	281.08	454.03	281.08	320.86	75.13	(88.13)	28.71	136.56	133.17	143.34
	-	-	1.16	3.72	-	3.72	4.31	-	-	-	-	-	-
	191.84	81.20	87.46	277.36	454.03	277.36	316.55	75.13	(88.13)	28.71	136.56	133.17	143.34

PART I

CONSOLIDATED

PARTICULARS

(Rs. in Crores)

**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2012.**

PART I		CONSOLIDATED				STANDALONE			
		Quarter ended on		Nine Months Ended on		Quarter Ended on		Nine Months Ended on	
31.12.2012 (UNAUDITED)	30.09.2012 (UNAUDITED)	31.12.2011 (UNAUDITED)	31.12.2012 (UNAUDITED)	31.12.2011 (UNAUDITED)	31.12.2012 (UNAUDITED)	30.09.2012 (UNAUDITED)	31.12.2011 (UNAUDITED)	31.12.2012 (UNAUDITED)	31.03.2012 (AUDITED)
152.32	152.29	152.29	152.32	152.29	152.32	152.29	152.29	152.29	152.29
12.60 12.57	5.33 5.32	5.74 5.73	29.81 29.75	18.21 18.17	5843.64			8.97 8.95	9.41 9.39
15. Paid-up Equity Share Capital (Face Value Rs.10/-) 16 Reserves excluding revaluation reserves 17. Earnings per share (of Rs. 10 each) (not annualised) (in Rupees) (a) Basic (b) Diluted See accompanying notes to the financial results									

PART II		CONSOLIDATED				STANDALONE			
A. PARTICULARS OF SHAREHOLDING		Quarter ended on		Nine Months Ended on		Quarter Ended on		Nine Months Ended on	
106842916 70.14	106810516 70.14	106810516 70.14	106842916 70.14	106810516 70.14	106810516 70.14	106810516 70.14	106810516 70.14	106810516 70.14	106810516 70.14
7000 0.02	7000 0.02	7000 0.02	7000 0.02	7000 0.02	7000 0.02	7000 0.02	7000 0.02	7000 0.02	7000 0.02
45472168 99.98	45472168 99.98	45472168 99.98	45472168 99.98	45472168 99.98	45472168 99.98	45472168 99.98	45472168 99.98	45472168 99.98	45472168 99.98
29.86	29.86	29.86	29.86	29.86	29.86	29.86	29.86	29.86	29.86

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

# THE GREAT EASTERN SHIPPING CO. LTD.

Regd. Office: Ocean House, 134-A, Dr. Annie Besant Road, Mumbai 400018.

## 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			Nine Months Ended		Year Ended
	31.12.2012 (UNAUDITED)	30.09.2012 (UNAUDITED)	31.12.2011 (UNAUDITED)	31.12.2012 (UNAUDITED)	31.12.2011 (UNAUDITED)	31.03.2012 (AUDITED)
<b>a) Segment Revenue :</b>						
Shipping	549.31	360.83	498.46	1550.88	1544.02	2029.35
Offshore	331.69	368.34	338.02	1043.54	886.99	1227.04
Sub-total	881.00	729.17	836.48	2594.42	2431.01	3256.39
Less : Inter Segment Revenue	0.05	36.81	0.04	43.50	20.89	20.92
<b>Total</b>	<b>880.95</b>	<b>692.36</b>	<b>836.44</b>	<b>2550.92</b>	<b>2410.12</b>	<b>3235.47</b>
<b>b) Segment Results :</b>						
Profit before tax and interest Shipping	130.22	(40.37)	102.37	261.30	323.61	402.42
Offshore	160.26	194.83	111.40	490.83	335.93	414.05
Sub-total	290.48	154.46	213.77	752.13	659.54	816.47
Less : Interest	85.58	57.08	114.42	261.69	325.24	437.32
<b>Total Profit before tax</b>	<b>204.90</b>	<b>97.38</b>	<b>99.35</b>	<b>490.44</b>	<b>334.30</b>	<b>379.15</b>
<b>c) Capital employed :</b>						
Shipping	7264.08	7314.82	7503.89	7264.08	7503.89	7406.90
Offshore	5788.83	5305.58	5028.11	5788.83	5028.11	4993.75
<b>Total</b>	<b>13052.91</b>	<b>12620.40</b>	<b>12532.00</b>	<b>13052.91</b>	<b>12532.00</b>	<b>12400.65</b>



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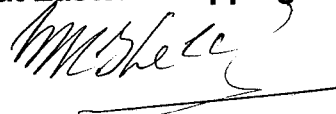
## NOTES TO CONSOLIDATED RESULTS:

1. Loss/(Gain) on Foreign Currency Transactions/Translation (net) for the quarter ended December 31, 2012, includes a non-cash gain of Rs. 73.01 crores [Corresponding quarter ended December 31, 2011 : gain of Rs. 29.22 crores] on revaluation of the outstanding foreign currency bank balances and debtors/creditors. The corresponding figure for the nine months ended December 31, 2012, was a gain of Rs. 22.74 crores [Corresponding nine months ended December 31, 2011 : gain of Rs. 120.42 crores]
2. The Board of Directors has declared an interim dividend of Rs. 3.00 per equity share. The outgo on this account is Rs. 53.11 crores including tax on dividend.
3. During the quarter, the Company has allotted 32400 equity shares out of the shares kept in abeyance pursuant to the order of the Special Court (Trial of Offences Relating to Transaction in Securities).
4. During the quarter –
  - the Company has contracted to construct a Medium Range Product Tanker of DWT 50000 MT for delivery in fourth quarter of financial year 2014-15.
  - the Subsidiary Company took delivery of a Platform / Remotely Operated Vehicle Support Vessel named "Greatship Rachna" (Year Built: 2012) of DWT 3629 MT. (Already informed in the previous quarter).

Subsequent to the end of the quarter, the Subsidiary Company –

- took delivery of a Platform / Remotely Operated Vehicle Support Vessel named "Greatship Ragini" (Year Built: 2013) of DWT 3626 MT.
  - took delivery of a Mobile Offshore Self Elevating 350 feet Drilling Rig named "Greatdrill Chaaya" (Year Built: 2013).
5. The Subsidiary Company had cancelled the shipbuilding contract for a newbuilding Multipurpose Support Vessel in January 2012. The said cancellation was disputed by the yard and the matter was referred to arbitration. This matter now stands amicably resolved with all outstanding monies received.
  6. Previous period figures have been re-grouped wherever necessary.
  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 February 07, 2013 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 : 07.02.2013

# KALYANIWALLA & MISTRY ( Regd. )

CHARTERED ACCOUNTANTS

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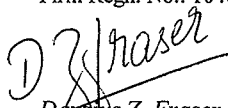
The Board of Directors,  
The Great Eastern Shipping Company Limited,  
Ocean House,  
134/A, Dr. Annie Besant Road,  
Mumbai 400 018.

Dear Sirs,

## LIMITED REVIEW REPORT

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial Results of **THE GREAT EASTERN SHIPPING COMPANY LIMITED** for the quarter and nine months ended December 31, 2012, prepared by the Company pursuant to clause 41 of the Listing Agreement with stock exchanges in India, except for disclosures regarding Public Shareholding and Promoter and Promoter Group Shareholding which have been traced from disclosures made by the Management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors at its meeting held on February 07, 2013. Our responsibility is to issue a report on these financial statements based on our review. The Statement has been initialed by us for identification purposes.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatements. A review of interim financial statements is limited primarily to inquiries of persons responsible for financial and accounting matters and analytical procedures applied to financial data. It is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards, the objective of which is expression of an opinion regarding the financial statements taken as a whole. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We did not review the financial statements of certain subsidiaries, whose financial statements reflect the Group's share of total assets of Rs. 4,127.63 crores as at December 31, 2012 and the Group's share of total revenue of Rs. 76.85 crores and Rs. 340.10 crores for the quarter and for the nine months ended on that date respectively, as considered in consolidated financial statements. These financial statements have been reviewed by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of such subsidiaries is based solely on the report of the other auditors.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the listing agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For and on behalf of  
**KALYANIWALLA & MISTRY**  
**CHARTERED ACCOUNTANTS**  
Firm Regn. No.: 104607W

  
Daravus Z. Fraser  
**PARTNER**  
M. No.: 42454

Mumbai: February 07, 2013.