

## PRESS RELEASE

**GE Shipping Q4FY09 standalone Net Profit at Rs.250.05 cr**  
**GE Shipping FY09 consolidated Net Profit at Rs.1417.83 cr**  
*Declares a 3<sup>rd</sup> interim dividend of Rs.3.00 per share*

### FINANCIAL PERFORMANCE (stand alone basis):

*(All figures in Rs.cr.)*

Q4 FY09	Q4FY08	% change		FY09	FY08	% change
<b>534.25</b>	783.66	-31.8%	<b>Total Income</b>	<b>3083.47</b>	2870.13	7.4%
<b>238.5</b>	435.29	-45.2%	<b>PBDIT</b>	<b>1725.39</b>	1559.86	10.6%
<b>265</b>	389.61	-32.0%	<b>PBDIT (excl gain on sale of ships)</b>	<b>1470.92</b>	1270.44	15.8%
<b>250.05</b>	299.41	-16.5%	<b>Net Profit</b>	<b>1384.82</b>	1356.81	2.1%
<b>16.39</b>	19.55		<b>Diluted EPS (in Rs.)** not annualised</b>	<b>90.75</b>	88.37	

### FINANCIAL PERFORMANCE (consolidated):

*(all fig Rs.cr)*

	FY09	FY08	% change
<b>Total Income</b>	<b>4046.03</b>	3397.81	19.1%
<b>PBDIT</b>	<b>1809.72</b>	1652.41	9.5%
<b>PBDIT (excl gain on sale of ships)</b>	<b>1555.25</b>	1362.99	14.1%
<b>Net Profit</b>	<b>1417.83</b>	1453.35	-2.4%
<b>Diluted EPS (in Rs.)** not annualized</b>	<b>92.92</b>	94.66	

**\*\*Diluted EPS calculated including exceptional item**

## PERFORMANCE REVIEW OF Q4 & FY 2008-09: (standalone)

The operating profit (PBDIT) of the company was down 32% for the quarter. This was largely on account of a smaller fleet and hence lower revenue days q-on-q and also substantially lower TCY rates on the dry bulk. However, on a full year basis, the operating profits were marginally better than that of FY08 despite the 15% lower revenue days.

### Break up of Revenue days :

Q4 FY09	Q4FY08	% change	Revenue Days	FY09	FY08	% change
3,401	4,052	- 16%	Owned Tonnage	14,014	16,034	- 13%
64	171	- 63%	Inchartered Tonnage	531	983	- 46%
<b>3,465</b>	<b>4,223</b>	<b>- 18%</b>	<b>Total Revenue Days</b>	<b>14,545</b>	<b>17,017</b>	<b>- 15%</b>
<b>2.85</b>	<b>3.07</b>		Total Owned Tonnage (mn.dwt)	<b>2.85</b>	<b>3.07</b>	

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

Q4 FY09	Q4FY08	% Change	Average (TCY \$ per day)	FY09	FY08	% Change
34,450	35,139	- 2%	Crude Carriers	41,231	30,021	37%
21,495	19,800	9%	Product Carriers (Incl. Gas)	23,729	19,921	19%
23,264	49,152	- 53%	Dry Bulk	39,798	38,418	4%

## FLEET DEVELOPMENT:

### Sale & Purchase Activities during FY 2008-09:

During FY 2008-09, the Company took delivery of 2 double hull Long Range LR1 product tankers. The Company entered into new building purchase contracts to buy 2 double hull Suezmax crude carriers.

During the year, the Company sold nine vessels, 5 dry bulk carriers (2 Handymax, 2 Handysize, 1Panamax) & 4 tankers (2 General Purpose product tankers, 1 Panamax Product tanker, 1 Gas carrier). The Company has further contracted to sell 2 more

Handymax dry bulk carriers. These are to be delivered in H1 FY2010. In Q4FY2008, the Company had contracted to sell 2 modern MR tankers, which are to be delivered to the buyers in Q1 FY2010. Out of these, one of them has already been delivered in the 1<sup>st</sup> week of May 2009.

The Company currently has a total capex commitment of around USD 543 mn, which translates to approx. Rs. 2715 crores at current exchange rates. This will result in addition to the tonnage of about 0.83 mn dwt (3 tankers & 6 dry bulk carriers).

**FLEET PROFILE: as on date**

<b>Categories</b>	<b>No. of ships</b>	<b>Avg age (years)</b>
Crude Carriers	12	9.5
Product Carriers	18	9.9
Gas Carriers	1	18.0
<b>TANKERS TOTAL (81% double hull)</b>	<b>31</b>	<b>9.7</b>
Capesize	1	13.0
Panamax	1	14.0
Supramax	2	7.0
Handymax	3	15.0
Handysize	1	29.0
<b>DRY BULK TOTAL</b>	<b>8</b>	<b>13.3</b>
<b>TOTAL FLEET</b>	<b>39</b>	<b>10.3</b>

## MARKET COMMENTARY:

The movement of the freight indices in the last 12 months is highlighted below.

	31-Mar-08	30-Jun-08	30-Sep-08	24-Dec-08	31-Mar-09	07-May-09
<b>Baltic Clean Tanker Index</b>	<b>883</b>	<b>1465</b>	<b>1399</b>	<b>838</b>	<b>372</b>	<b>450</b>
<b>Baltic Dirty Tanker Index</b>	<b>1510</b>	<b>1902</b>	<b>1538</b>	<b>1243</b>	<b>540</b>	<b>475</b>
<b>Baltic Dry Index</b>	<b>8081</b>	<b>9589</b>	<b>3217</b>	<b>774</b>	<b>1615</b>	<b>2194</b>

## OUTLOOK

### Tanker Market :

Crude tankers : The demand outlook for oil in 2009 is forecast to be weaker than 2008. Contraction in world output is likely to depress energy consumption more so in the energy intensive OECD countries. To add to this, high fleet growth will continue to cast its dark shadows. Both these factors, put together are likely to keep a pressure on the rates and utilisation levels for this segment.

Product tankers : Low refining margins and depressed demand for products is keeping the lid on product tanker rates. Fleet supply overhang continues to remain a concern. Increase in global refinery capacity in late 2009 & 2010 is expected to give some support to the seaborne movement. A large part of the new refining capacity is coming from locations that are export oriented and this is likely to aid in stimulating tonne mile demand. However, the key factor still remains a pickup in demand for Products in the US and China.

### Dry Bulk Market :

World steel demand is estimated to face a drop of around 15%. This will result in lower movement of coking coal, iron ore and steel. Excessive fleet addition is the highest in the dry bulk segment which has the largest orderbook of 72% of existing world fleet. However, the positive fact of it is that construction on more than two thirds of it has not yet begun. There has been an increase in the level of scrapping of older tonnage. There is also an increased focus on infrastructure spending and low commodity prices is encouraging countries to import instead of resorting to domestic production. These factors combined are likely to prevent a further fall in rates from current levels.

**REVENUE VISIBILITY:**

As on May 7<sup>th</sup> 2009, the revenue visibility is around Rs.870 crores for the balance part of FY2009-10. Crude tankers and product carriers are covered to the extent of around 39% and 66% of their operating days respectively. In case of dry bulk carriers they are covered to the extent of around 42% 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 09.

**DEVELOPMENTS IN THE SUBSIDIARIES:**

**Greatship (India) Limited:**

The wholly owned subsidiary Greatship (India) Limited along with its subsidiaries currently owns 5 Platform Supply Vessels (PSV) and 5 Anchor Handling Tug Supply Vessels (AHTSV). It has currently on incharter one Jack up Rig and one PSV.

It has a committed capital expenditure of USD 719 mn (approx Rs.3595 crores at current exchange rates) for 16 more assets. These include 8 Multipurpose Platform Supply & Support Vessels, 2 MSVs, 5 AHTSV's and a 350 ft Jack up Rig. These assets are likely to be delivered in FY10 and FY11.

**The Great Eastern Chartering LLC (Sharjah):**

This wholly owned subsidiary was set up in November 2004 with the objective of inchartering tankers as well as dry bulk vessels and the commercial operation of such inchartered tonnage. This company currently operates 3 tankers and 2 dry bulk carriers with varying durations.

Place: MUMBAI

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