



G E Shipping breaks all previous performance records

April 30, 2004 - Mumbai

Fourth quarter Net Profits at Rs.185 crores, up by 98%

Full year Net Profits at Rs.471 crores, up by 107%

The Board of Directors of The Great Eastern Shipping Company Ltd. (GE Shipping) today approved the audited Financial Results for the fourth quarter and for the fiscal year ended on March 31, 2004.

Financial performance

Q4 FY 2003-04 compared to Q4 FY 2002-03

- total income of around Rs.479 crores increased by 71%
- net profits of Rs.185 crores rose by 98%

FY 2003-04 versus FY 2002-03

- total income of Rs.1426 crores up by 42%
- net profits of Rs.471 crores swelled by 107%

For the financial year 2003-04, shipping division contributed around 71% to the total revenue and 68% to the profit before tax and interest whereas the offshore division contributed around 23% to the total revenue and 23% to the profit before tax and interest.

The Board of Directors has proposed a Final Equity Dividend of Rs.4.00 per share, which would result in an outflow of Rs.85.88 crores (including tax). In January 2004, the Board had declared an Interim Equity Dividend of Rs.2.50 per share which resulted in an outflow of Rs.53.68 crores (including tax).

Company's Performance

The main driver of this quarter's performance was an increase in shipping tonnage by 87% especially in the high earnings crude tankers. This resulted in a 40% increase in revenue days to 3427 days as against 2441 days in Q4 FY 2002-03. A higher deployment of ships in the "spot markets", both in tankers and dry bulk carriers, coupled with very strong freight rates contributed significantly to the surge in profits. In the offshore business, increased utilisation of drilling assets improved profits for the quarter. This has resulted in an 85% increase in EBIDTA from around Rs. 145 crores in Q4 FY 2002-03 to Rs.269 crores in Q4 FY 2003-04.

Shipping Division

Crude carriers recorded an average TCY of around USD 31,400/day as against around USD 23,300/ day in Q4 FY 2002-03.

Product carriers recorded an average TCY of around USD 14,100 /day for the year, as against around USD 12,300 /day in FY 2002-03.

The sole gas carrier earned a TCY of around USD 16,800 /day (corresponding quarter USD 17,400/day)

The average TCY of dry bulk carriers in Q4 FY 2003-04 at around USD 19,300/day recorded a significant increase of 120% as compared to around USD 8,700/day in the Q4 FY 2002-03.

Offshore Division

During the quarter both the rigs were fully utilised at higher day rates as against 50% utilisation in the corresponding quarter, which contributed considerably to the earnings. A recurrence of projects' income to the tune of Rs.10 crores was another contributor to the earnings.

Sale & Purchase activities (including agreements executed) during the quarter

G E Shipping took delivery of a new building Platform Supply Vessel " Malaviya Nineteen" and an Aframax crude carrier "Jag Lavanya". The Company placed orders for two new building Medium Range (MR) Product carriers (to be delivered in March and May 2007), contracted two second hand Handymax dry bulk carriers (both to be delivered in May 2004) and sold a Mini Bulk Carrier "GE 4".

In the month of April 2004, the Company contracted a new building MR product carrier to be delivered in September 2007. Hence the newbuilding order book now stands at 11 vessels - 6 tankers and 5 OSVs, with a committed capex of around Rs.1300 crores.