

The Great Eastern Shipping Co. Ltd.



kotak
kotaksecurities.com

Investors Meet

17th November, 2006

Forward Looking Statements

Except for historical information, the statements made in this presentation constitute forward looking statements. These include statements regarding the intent, belief or current expectations of GE Shipping and its management regarding the Company's operations, strategic directions, prospects and future results which in turn involve certain risks and uncertainties.

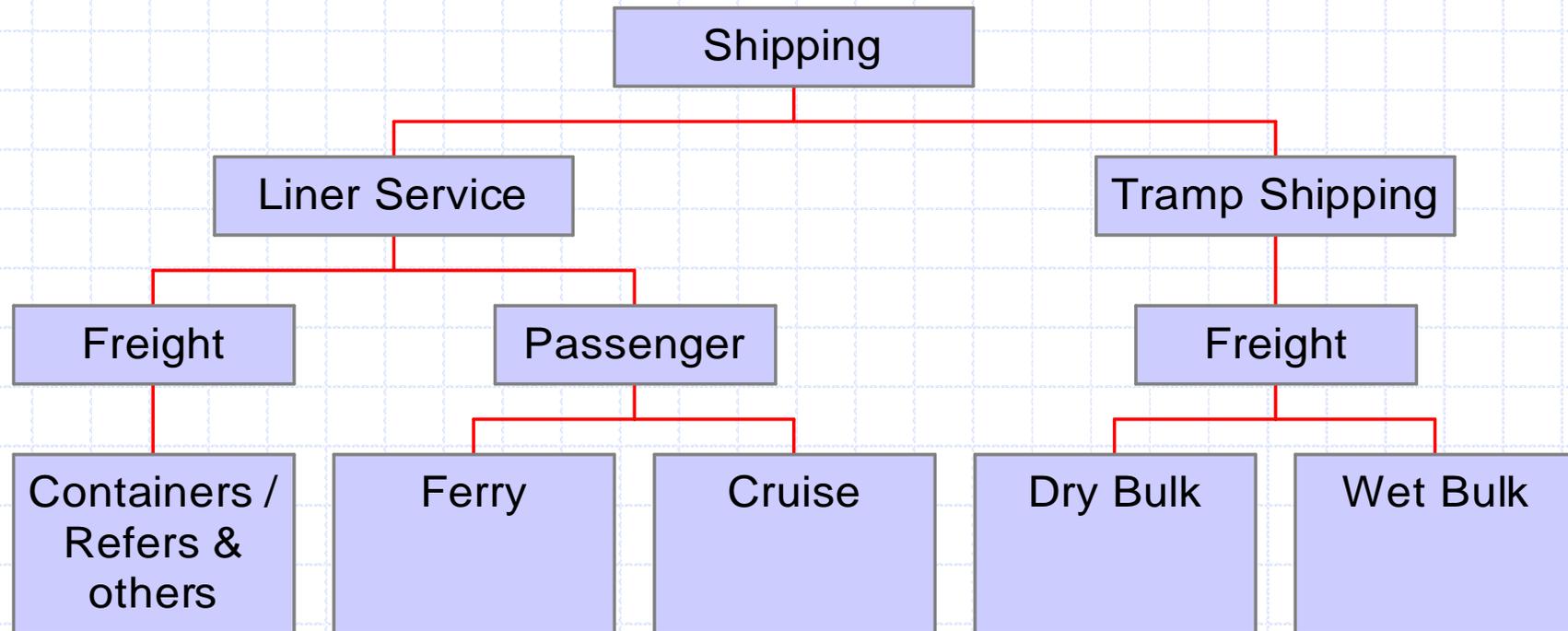
Certain factors may cause actual results to differ materially from those contained in the forward looking statements; including changes in freight rates; global economic and business conditions; effects of competition and technological developments; changes in laws and regulations; difficulties in achieving cost savings; currency, fuel price and interest rate fluctuations etc.

The Company assumes no responsibility with regard to publicly amending, modifying or revising the statements based on any subsequent developments, information or events that may occur.

Shipping an eternal industry

- In existence from early civilisation
- Evolved as supporting industry to the industrial revolution
- Used as a second line of defence
- 80% of cargo traded today is seaborne and almost 100% of hydrocarbon is transported through ocean
- As cargo volume increased larger size ships provided economies of scale

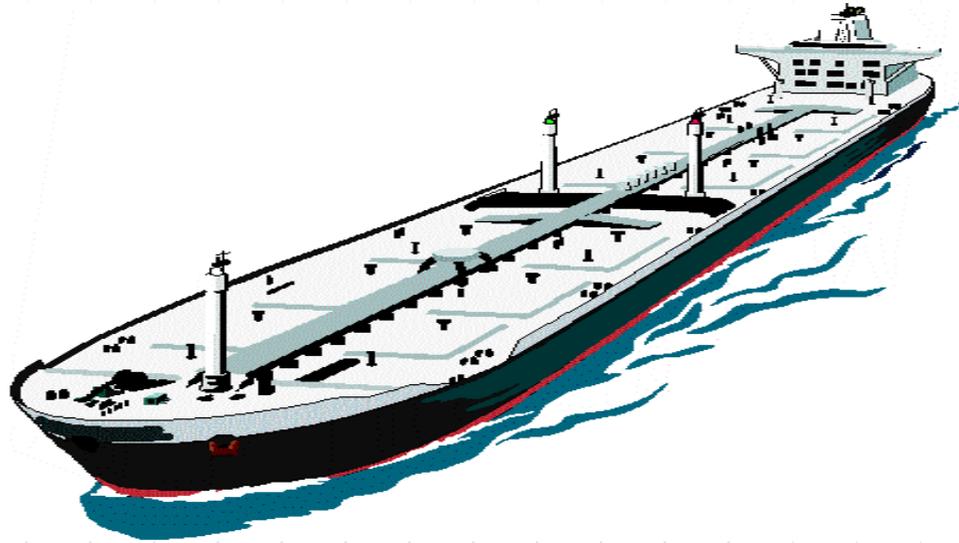
Shipping Services



..truly a global industry

Ports state

BANK



CHARTERER

Shipyard

Type of ships

TANKERS:

Crude

ULCC/VLCC	(200,000 +) dwt
Suezmax	(120,000-199,999) dwt
Aframax	(80,000-119,999) dwt

Product

Panamax	(60,000-79,999) dwt
Medium Range	(40,000-60,000) dwt
General Purpose	(< 40,000) dwt



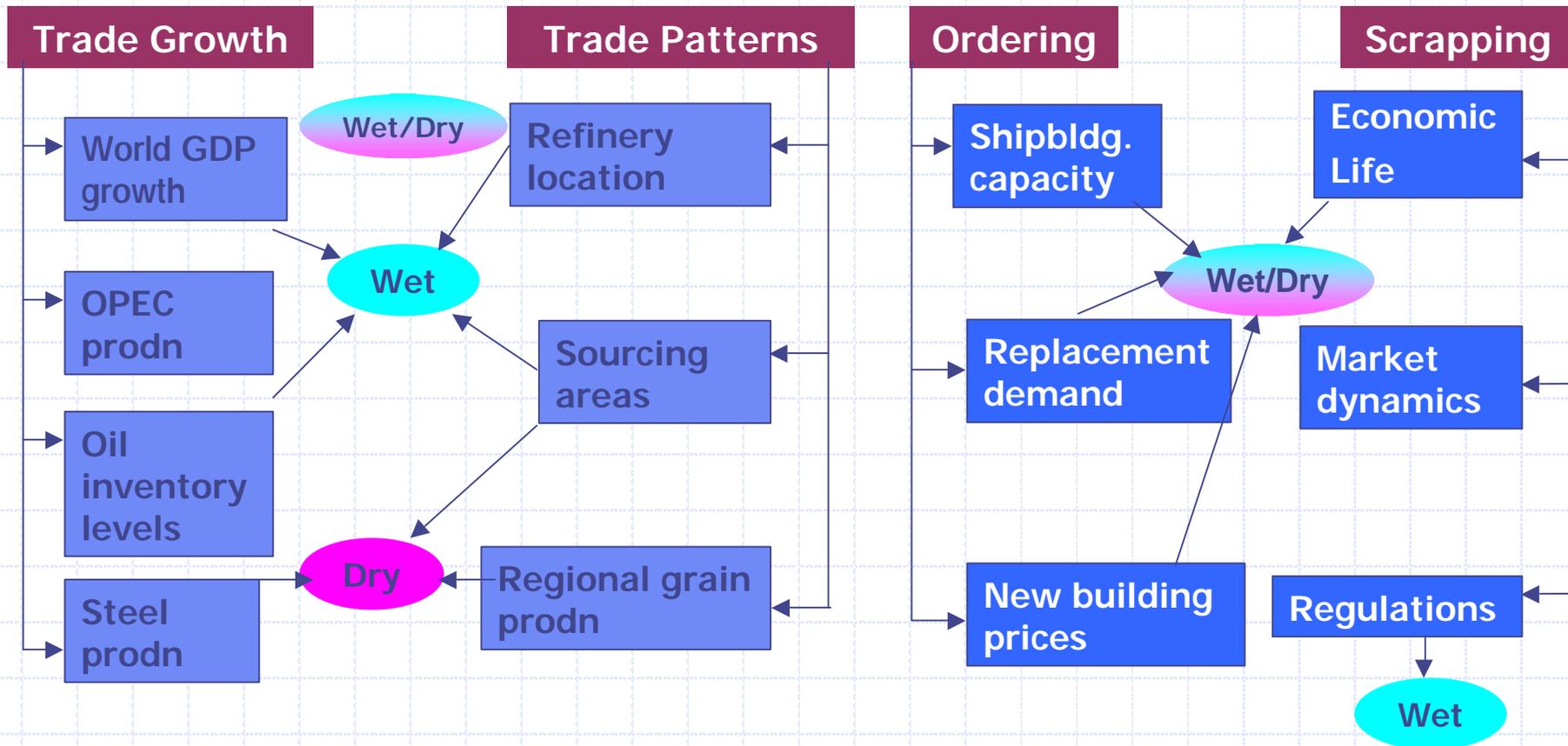
DRY BULK CARRIERS:

Capesize	(100,000+) dwt
Panamax	(60,000-100,000) dwt
Handymax	(40,000-60,000) dwt
Handysize	(10,000-40,000) dwt

Earnings' Drivers

Demand Drivers

Supply Drivers



Industry Fundamentals

Tanker

- Oil single largest denominator of growth, no easy way to slow down the growth momentum in “energy”
- China playing a key role in demand growth; predominance of long haul
- Asia Pacific region expected to be a global refinery hub; US “outsourcing” refining

Dry Bulk

- Major Iron Ore suppliers have expanded their production capacity
- Shift in trade patterns towards BRIC countries (Brazil, Russia, India, China) increases ton-mile demand
- Minor bulk trade continues to grow in volume

Tanker Market Outlook

- OPEC production cut and comfortable inventories to put downward pressure on charter rates
- Global Oil demand expected to grow at a slower pace 1.9% annually
- US slowdown to impact US imports curbing cargo movements
- Projected fleet growth in 2007 could surpass incremental tanker demand

Dry bulk Carrier Market Outlook

- Chinese demand for Iron Ore expected to be strong
- Slower tonnage growth will support demand resulting in strong rates
- Drought in Australia to trigger longhaul grain movement from US & UK
- 2008 Beijing Olympics could continue as a catalyst

Oil field services spectrum

Seismic Studies

Drilling:
Exploratory &
Development

Production

- Largely domesticated business
- Tender driven

Industry Fundamentals – Offshore

- Energy security tops sovereign agenda
- Reserve to accretion ratio depleting
- Oil companies with huge cash surplus; E&P investments planned and committed
- Buoyant demand and trickling tonnage growth resulting in surge in day rates

Offshore Services Market Outlook

- Exploration activity to remain buoyant
- Strong rig demand with increasing activity volume
- Deliveries for new offshore support vessels' insufficient to meet demand
- Demand for larger vessels to increase over the next 3 years as drilling moves deeper

India's Energy Fact File

**6th largest oil consumer
(112 mt per annum)**

**2nd fastest growing market
(10 year CAGR at 6.1%)**

**7th largest oil importer
(77% of domestic consumption)**

**Oil imports (US\$38.7 bn in FY06)
contribute 47.20% of total imports**

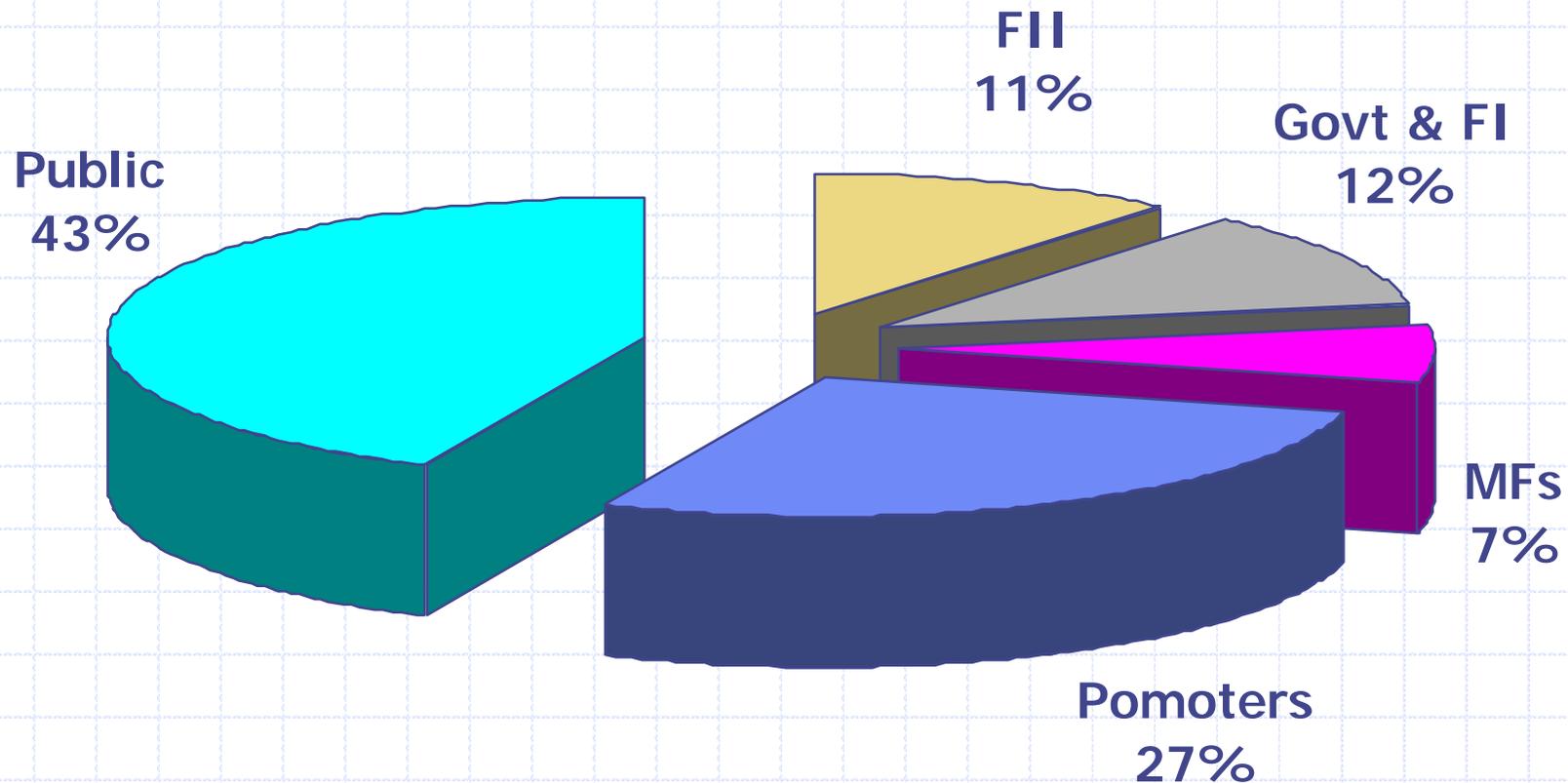
- India houses around 15% of World's population & 0.5% of the world's hydrocarbon reserves
- India's oil intensity (2.9 times OECD average) is second only to China

Company Profile

- Incorporated on August 3, 1948
- More than five decades in shipping
- 39 vessels all owned, transporting bulk commodities
- 9 New building vessels on order
- Rated “AAA” (Domestic Currency Debt) since 1996
- Demerged the offshore division on 16th October, 2006 with the objective to unlock shareholder value



Share holding pattern as on 7th November, 2006



High liquidity; adequate floating stock

Business Profile

The Great Eastern Shipping Co. Ltd

Shipping Business

Tanker

Dry Bulk

Offshore Business

Through wholly owned subsidiary
Greatship (India) Ltd.

Offshore oil field Support &
Logistics Services

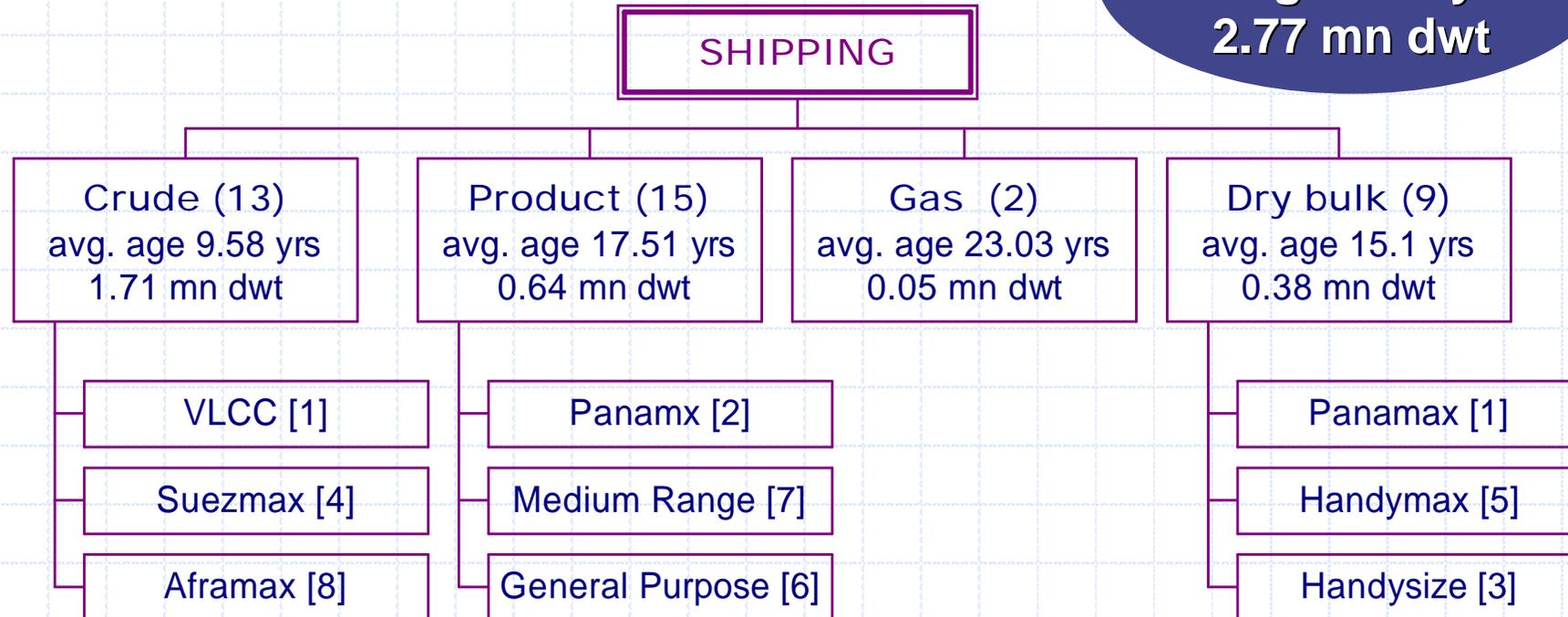
India's largest private
sector shipping co

Global customer
base

Strong
financials

Asset Profile

39 vessels
av. age 12.4 yrs.
2.77 mn dwt



Committed Capex of around USD 506 Mn

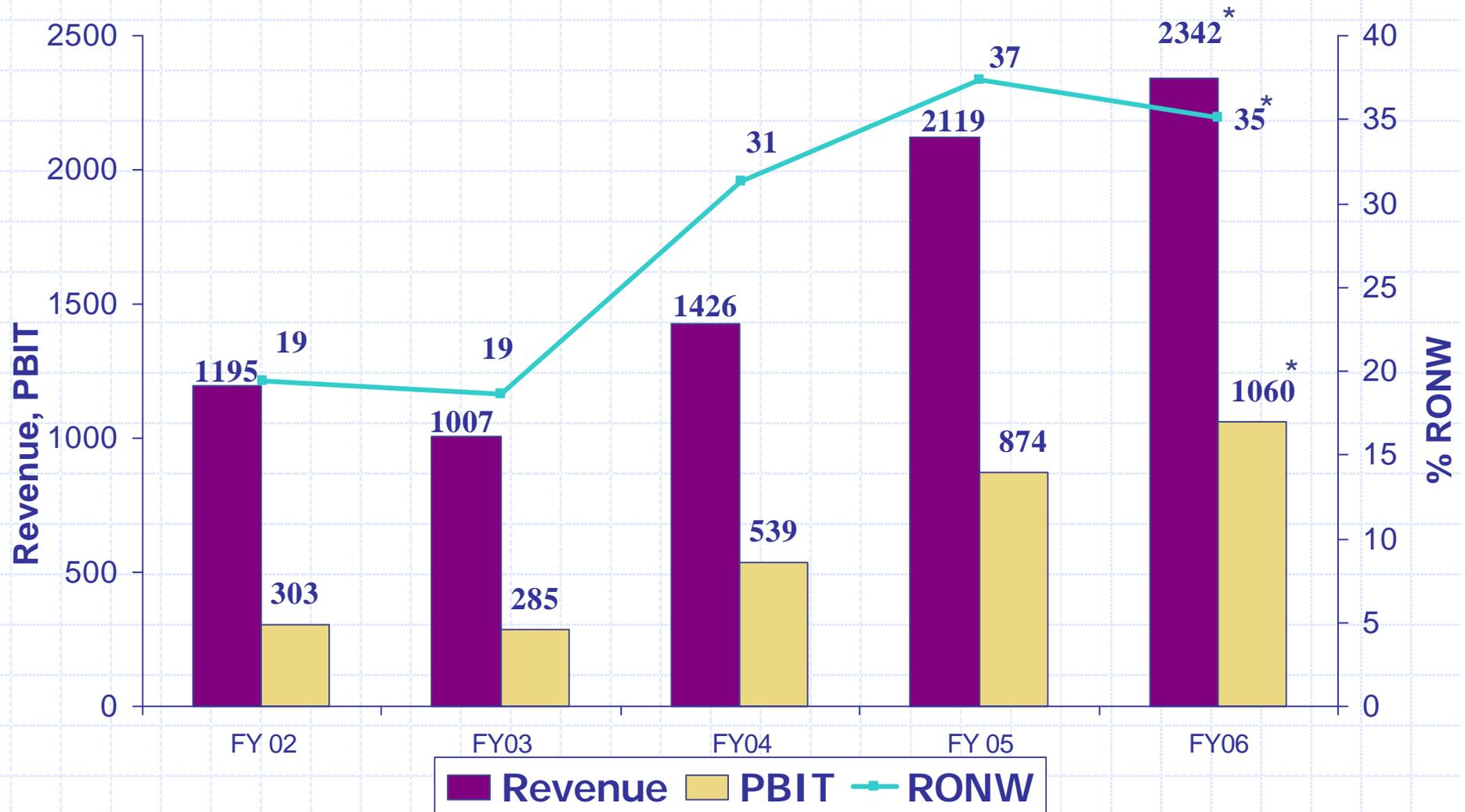
- 1 secondhand Suezmax and 1 secondhand Capesize (both 1996 built) to be delivered in Q3 and Q4 of FY2006-07 resp.
- 9 Tankers – 4 LR1 & 5 MRs Product tanker aggregating 0.51 mn. dwt, 3 MRs to be delivered in Q4 FY 2006-07 1 MR each in Q1 & Q2 FY 2007-08, 2 LR1 each in Q3 FY 2008-09 & Q1 in FY 2009-10

We manage our business through:

- **broad based research**
- **continuous evaluation of fleet through judicious sale/purchase activities**
- **benchmarking with global standards**
- **derisking**
 - **through diverse asset base**
 - **long term employment**

Performance over past five years

(in Rs. Cr)



* Residual Company

Financial Comparison for FY 05-06

Year on Year

(in Rs. Cr.)

	FY 2004-05	FY 2005-06	% Change
Total Income	2119	2342	10% ↑
EBIDTA	1159	1343	16% ↑
Interest	83	97	
Depreciation	285	283	
PBT	791	876	11% ↑
PAT*	809	839	4% ↑

* includes prior period adjustments

Financial Comparison

Quarter on Quarter

(in Rs Cr)

	Q2 FY 2005-06 (Unaudited)	Q2 FY 2006-07 (Reviewed)	% Change
Total Income	471	593	26% ↑
EBIDTA	256	335	31% ↑
Interest	24	27	
Depreciation	70	64	
PBT	162	244	50% ↑
PAT*	156	235	51% ↑

* includes prior period adjustments

Historical NAV per share of GES

	Shipping Business
30-September-2006	Rs 400
30-June-2006	Rs 350
31-March-2006	Rs 335
31-December-2005	Rs 320
31-March-2005	Rs 300

Creating shareholder wealth

23 years of uninterrupted dividend track record



Investment of **Rs 100** in GES on 1st March 2001
is **Rs 992** as on 7th November 2006
as compared to **Rs 321** if invested in SENSEX

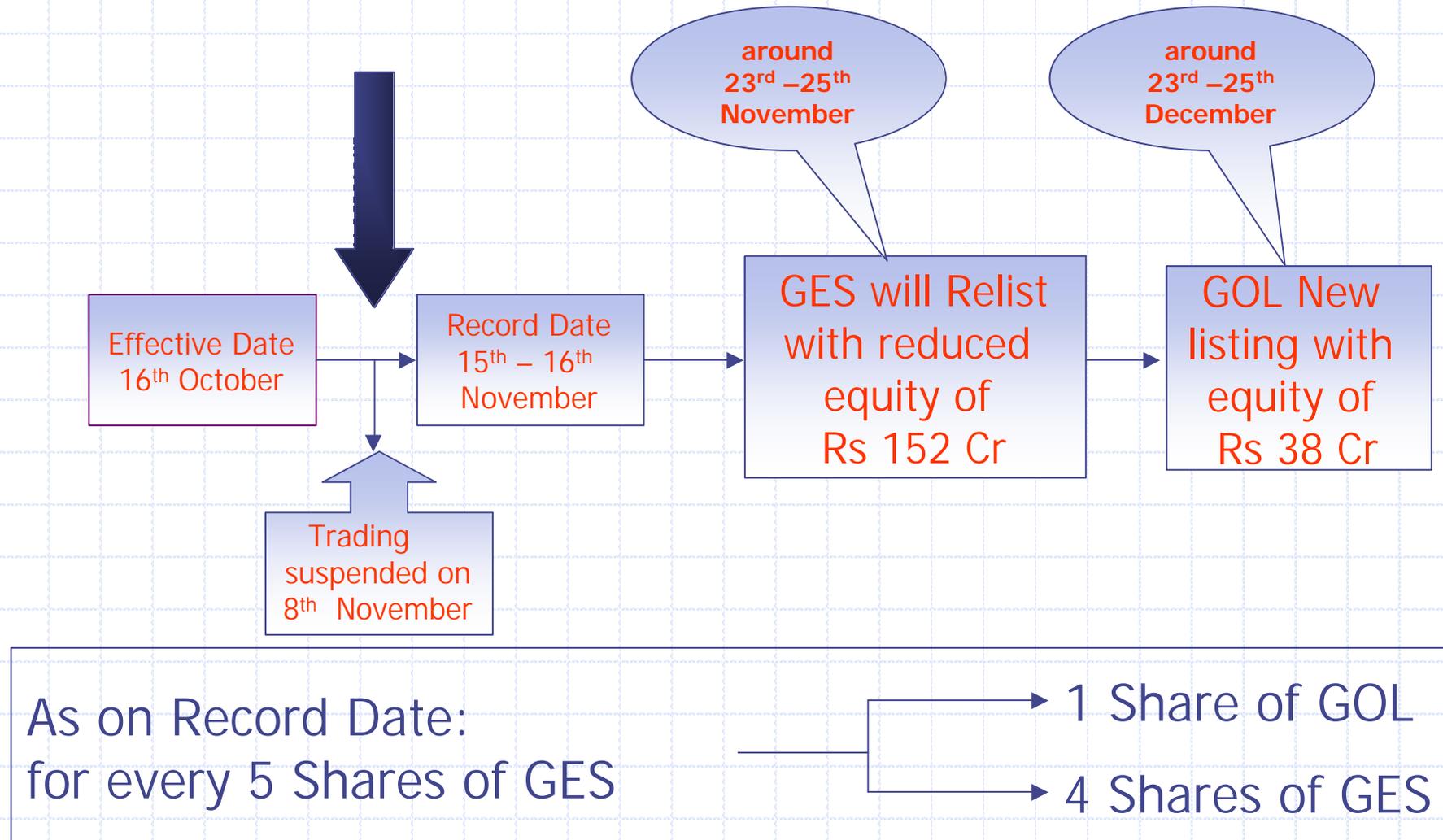
* at reduced equity

Enhanced Customer Base



Corporate Action - Demerger

Demerger Process (tentative) timeline



Expanding through Subsidiary

Offshore Business– Greatship (I) Ltd

- **1 Platform Supply Vessel (PSV) currently operating in North Sea**

Committed Capex of around USD 380 Mn

- 2 Secondhand PSVs to be delivered in Q2 FY 2006-07 and H2 FY 2007-08 resp.
- 2 New Building PSVs delivery during Q2 and Q3 FY 2008-09
- 6 New Building 80T AHTSVs to be delivered one each in Q3 and Q4 FY 2007-08, two in Q4 FY 2008-09 and one each in Q1 and Q2 FY 2009-10
- A New Building 350 ft Jack Up Rig to be delivered in Q3 FY 2009-10

GIL's road map

- GES committed to invest USD 110 mn in equity over the next three years; already infused Rs 250 crores
- Targeting 20% return on invested equity; strive to achieve target by FY 2009-10
- EPS accretive FY 2007-08 onwards
- Growth envisaged through alliance with international players

Investment Positives

Diverse asset base with
global operations

Profitable through
the cycle

23 yrs uninterrupted
dividend track record

Robust Balance Sheet



**Asia's 3rd most Profitable
Company**





Thank You

**Visit us at:
www.greatship.com**