

The Great Eastern Shipping Co. Ltd.

Business & Financial Review

January 2012

Forward Looking Statements

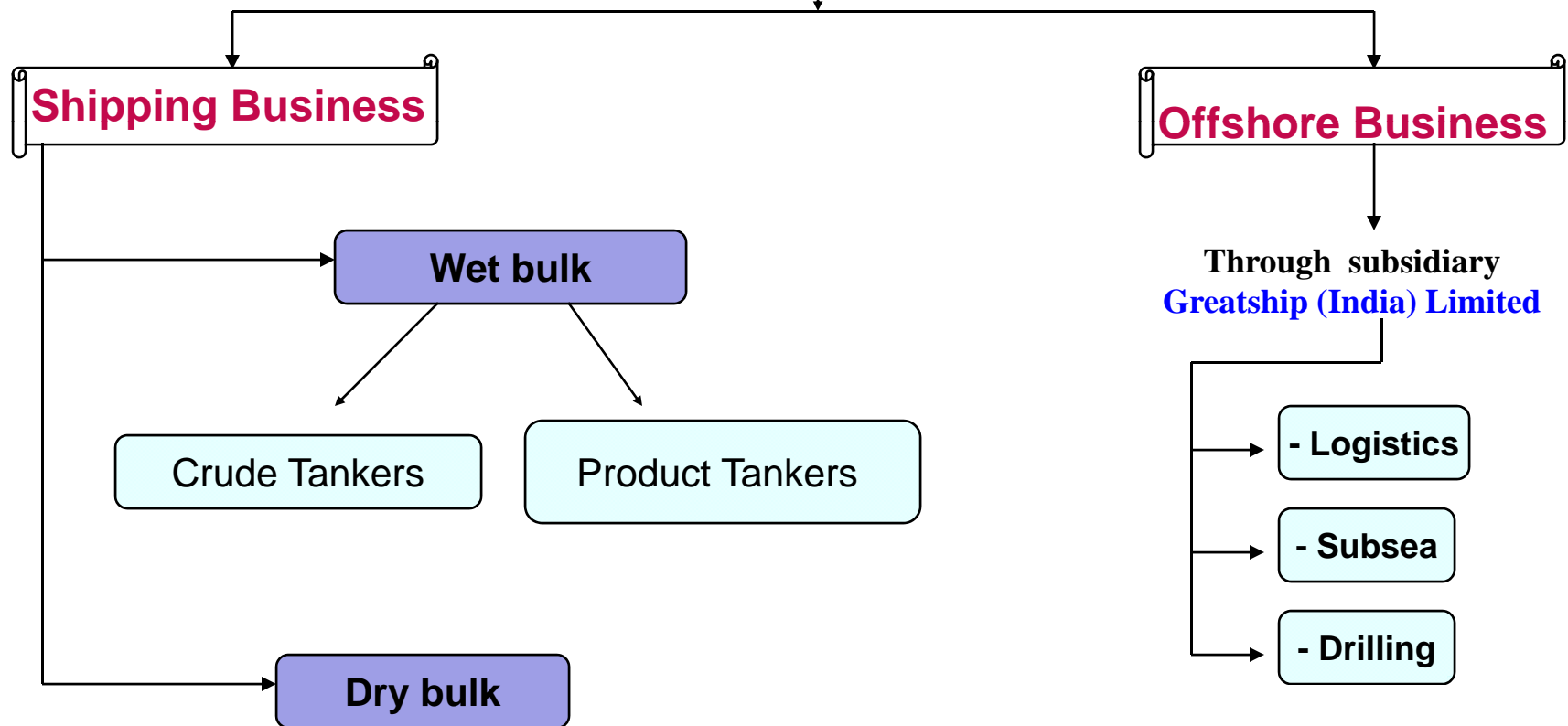
Except for historical information, the statements made in this presentation constitute forward looking statements. These include statements regarding the intent, belief or current expectations of GE Shipping and its management regarding the Company's operations, strategic directions, prospects and future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

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Corporate Profile

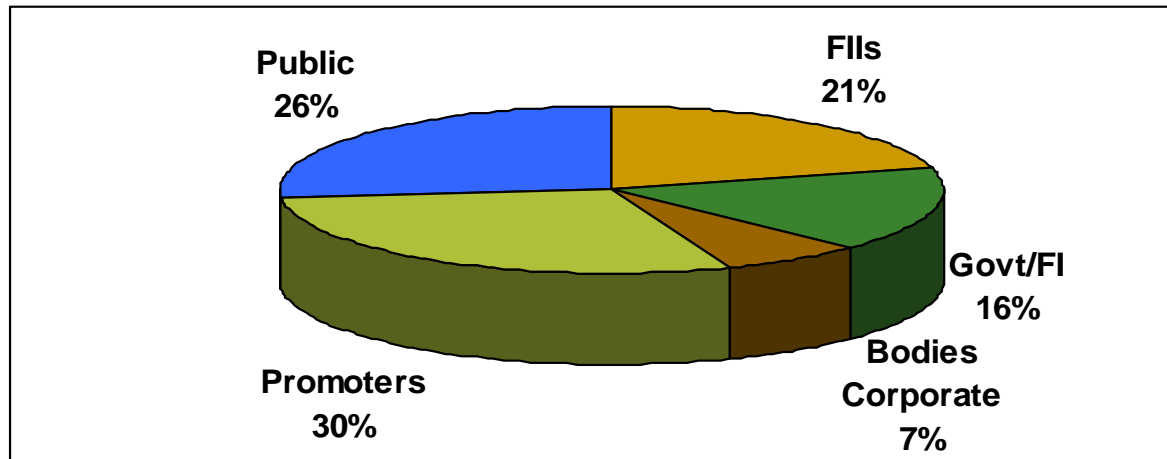
The Great Eastern Shipping Co. Ltd.
Incorporated in 1948



Company at a glance

- 👉 *India's largest private sector Shipping Company*
- 👉 *Diverse asset base with global operations*
- 👉 *Completed 63 years of operations*
- 👉 *More than 27 years of uninterrupted dividend track record*

Shareholding Pattern as on December 31, 2011



Shipping business-owned fleet

- ❑ **34 ships aggregating 2.62 Mn dwt, avg.age 8.9 years**
 - ❑ **24 Tankers** avg.age 9.3 years (72% in tonnage terms)
 - **9 Crude carriers (4 Suezmax, 5 Aframax)** avg.age 9.6 years
 - **14 Product tankers (4 LR1, 7 MR, 3 GP)** avg.age 8.8 years (1 single hull – double sided)
 - **1 LPG carrier** – avg.age 21 years
 - ❑ **10 Dry bulk carriers** avg.age 7.9 years
 - **1 Capesize** - avg.age 16.0 years
 - **3 Kamsarmax** - avg.age 0.6 years
 - **1 Panamax** - avg.age 17.0 years
 - **4 Supramax**- avg.age 5.3 years
 - **1 Handymax** - avg.age 15.0 years

Offshore business- Fleet Profile

➤ **Current Owned Fleet**

- ✓ **2 350ft Jack Up Rigs**
- ✓ **4 Platform Supply Vessels (PSV)**
- ✓ **8 Anchor Handling Tug cum Supply Vessels (AHTSV)**
- ✓ **3 Multipurpose Platform Supply and Support Vessels (MPSSV)**
- ✓ **3 Platform / ROV Support Vessels (ROVSV)**

Committed CAPEX – Offshore Business

➤ Committed Capex of around USD 355 Mn

To be delivered in:

✓ FY 2012

- 1 NB MSVs (Mazagon Dock)
- 1 NB 150T AHTSV (Drydock World, Singapore)
- 1 NB Platform / ROV Support Vessel (CDL)

✓ FY 2013

- 2 NB Platform / ROV Support Vessels (CDL)
- 1 Jackup Rig (350 feet) (Lamprell Energy, Dubai)

Stage payments already made : around US\$66 mn of the total CAPEX

Fleet Growth	FY2008	FY2009	FY2010	FY2011E	FY2012E	FY2013E
Fleet (in nos)	4	9	15	19	23	26

Modern & Technologically Advanced Fleet

Young Fleet

- Young fleet with an average age of approx. 3 years by FY 2012
- Demand shifting to modern vessels, especially as safety becomes a major concern for oil companies

Technologically Advanced

- Specialized/technologically advanced vessels equipped with DP I/DP II (Dynamic Positioning) and FiFi I (Fire Fighting) technologies
 - Subsea vessels are SPS 2008 compliant
- Equipped to operate in challenging environments
- Efficient and versatile vessels

Revenue Efficiencies

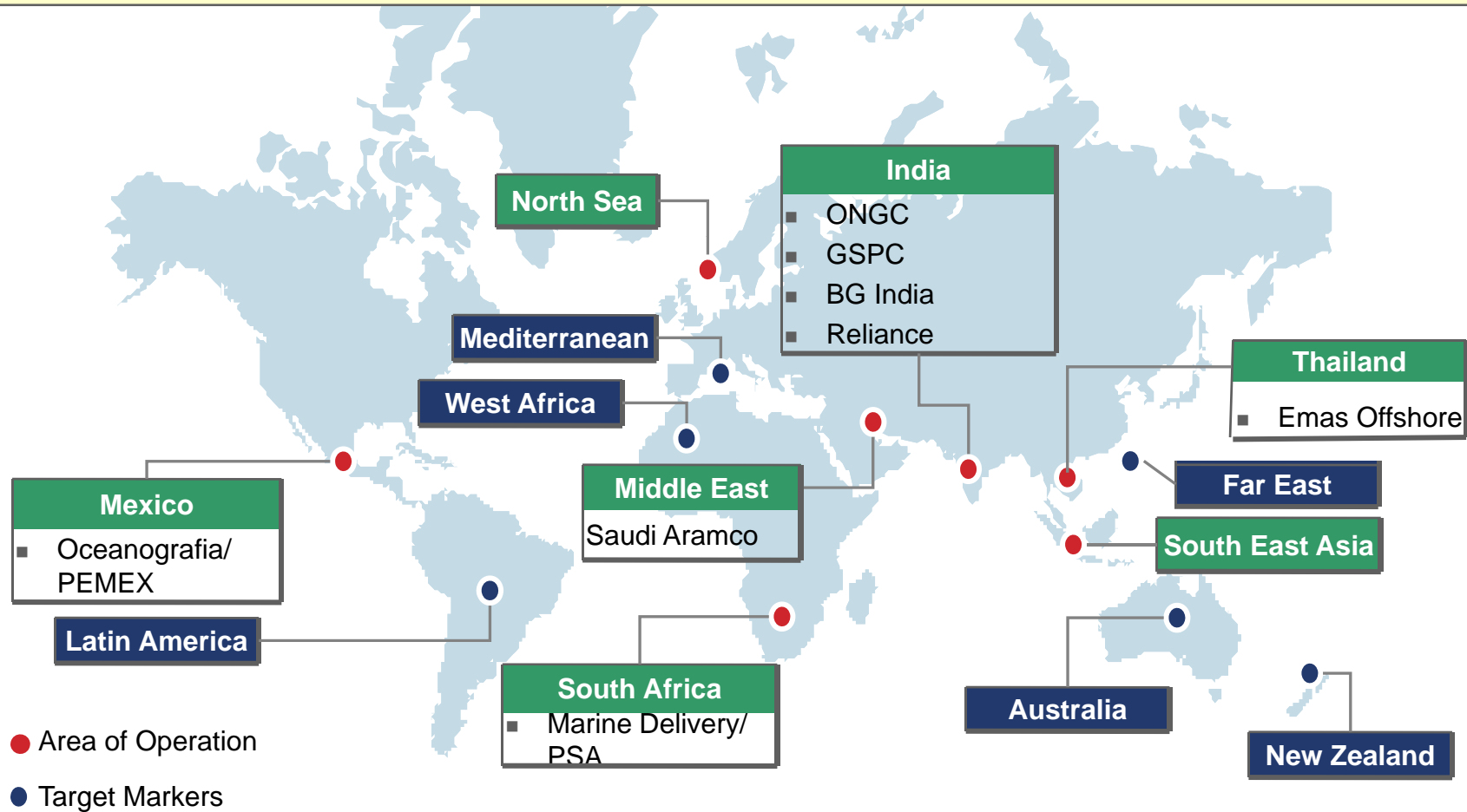
- Higher utilization rates
- Minimum down time

Cost Efficiencies

- Lower Operating costs
- Reduced maintenance capex & opex

Global Presence-Risk Diversification and Profit Maximization

One of the few Indian companies to operate in diverse markets across the world with prestigious counterparties; helps to hedge against fluctuations in charter rates



Offshore Service Value Chain

	Exploration	Development	Production
Length of Typical Cycle	- 3 to 5 years	- 2 to 4 years	- 5 to 55 years
Description	<ul style="list-style-type: none"> - Collection of survey data - Analysis & interpretation - Identification of oil & gas reserves 	<ul style="list-style-type: none"> - Construction & installation of production platforms, pipelines & equipment - Preparation for production 	<ul style="list-style-type: none"> - Management of oil & gas production - Operations & Maintenance - Retrofit work
Vessels	<ul style="list-style-type: none"> - AHTV, AHTSV, MPSSV, Tugs - PSV/ Supply, Crewboats - ROV Support Vessels - Seismic survey & support hydrographic survey (for pipeline routes) - Chase boats 	<ul style="list-style-type: none"> - AHTV, AHTSV, MPSSV, Tugs - PSV/ Supply, Crewboats - Derrick/ Crane Vessels - Cable & pipe-lay vessels - Heavy Lift Transport - Offshore Dredgers - Accommodation units 	<ul style="list-style-type: none"> - AHTSV, - PSV/ Supply - MPSSV/ Production Support Vessels - Emergency Rescue & Response Vessels - Crewboats - Accommodation units

Q2FY'12 Financial Highlights

Standalone

Consolidated

Q2FY'12	Q2FY'11	H1FY'12	(Amount in Rs. crs)	Q2FY'12	Q2FY'11	H1FY'12
Income Statement						
503.27	423.99	1022.1	Revenue (including other income)	732.94	716.41	1517.69
198.01	199.10	442.69	EBITDA (including other income)	323.72	312.41	707.84
2.56	112.98	104.46	Net Profit	27.31	168.65	189.90
Balance Sheet						
10098.52	9358.16	10098.52	Total Assets	13455.33	11747.25	13455.33
5418.13	5546.99	5418.13	Equity	6106.87	5973.75	6106.87
3990.00	3367.39	3990.00	Long Term Debt (Gross)	6376.03	5096.15	6376.03
1402.95	236.20	1402.95	Long Term Debt (Net of Cash)	3098.84	1397.07	3098.84
Key financial figures						
39.34%	46.96%	43.31%	EBITDA Margin (%)	44.17%	43.61%	46.64%
0.18%	7.98%	3.83%	Return on Equity (ROE) (%)	1.77%	11.19%	6.26%
4.04%	5.49%	5.19%	Return on Capital Employed (ROCE) (%)	5.32%	7.27%	6.53%
0.74	0.61	0.74	Gross Debt/Equity Ratio (x)	1.04	0.85	1.04
0.26	0.04	0.26	Net Debt/Equity Ratio (x)	0.51	0.23	0.51
Share related figures						
0.17	7.42	6.86	Earnings per share, EPS (Rs)	1.79	11.07	12.47
0.17	7.40	6.84	Diluted earnings per share (Rs)	1.79	11.05	12.44
6.56	12.18	18.71	Cash Profit per share (Rs)	10.91	17.63	29.68

NAV as on 30 Sept'11 Rs. 448

Q2FY'12 Performance Highlights

Breakup of revenue days

Revenue Days	Q2 FY12	Q2 FY11
Owned Tonnage	3,026	3,069
Inchartered Tonnage	-	-
Total Revenue Days	3,026	3,069
Total Owned Tonnage (mn.dwt)	2.69	2.61

Mix of Spot & Time

Average TCY Details

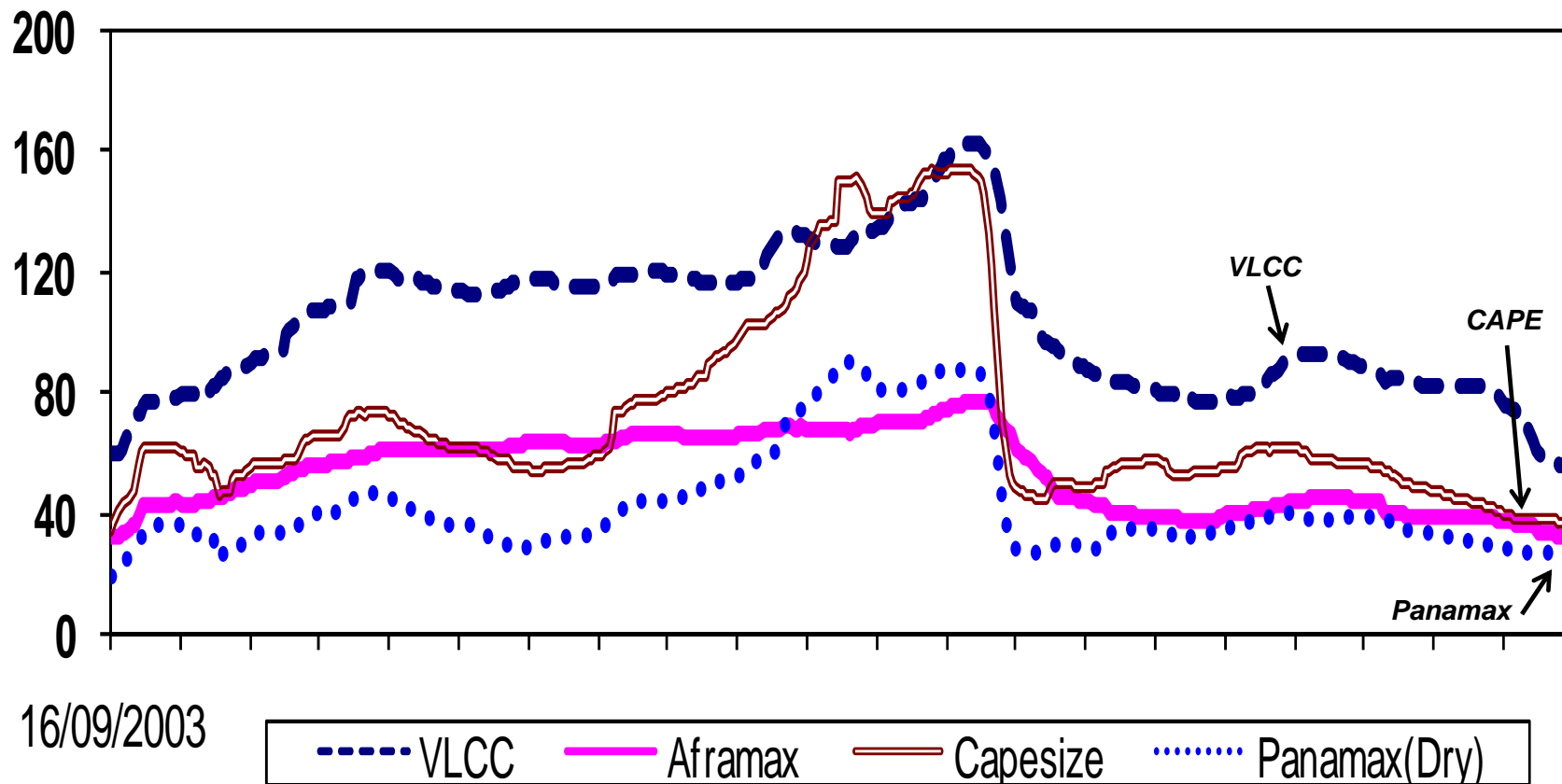
Average (TCY \$ per day)	Q2'FY12	Q2'FY11	% Chg
Crude Carriers	17,254	20,156	(14)%
Product Carriers (Incl. Gas)	16,323	16,953	(4)%
Dry Bulk	14,223	19,833	(28)%

Q2 FY12	Q2 FY11	Days (in %)	FY11	FY10
69%	74%	<u>Dry Bulk</u>		
31%	26%	Spot %	52%	63%
		Time %	48%	37%
50%	42%	<u>Tankers</u>		
50%	58%	Spot %	46%	47%
		Time %	54%	53%
55%	48%	<u>Total</u>		
45%	52%	Spot %	47%	49%
		Time %	53%	51%

Asset Price Movement (5 yr old)

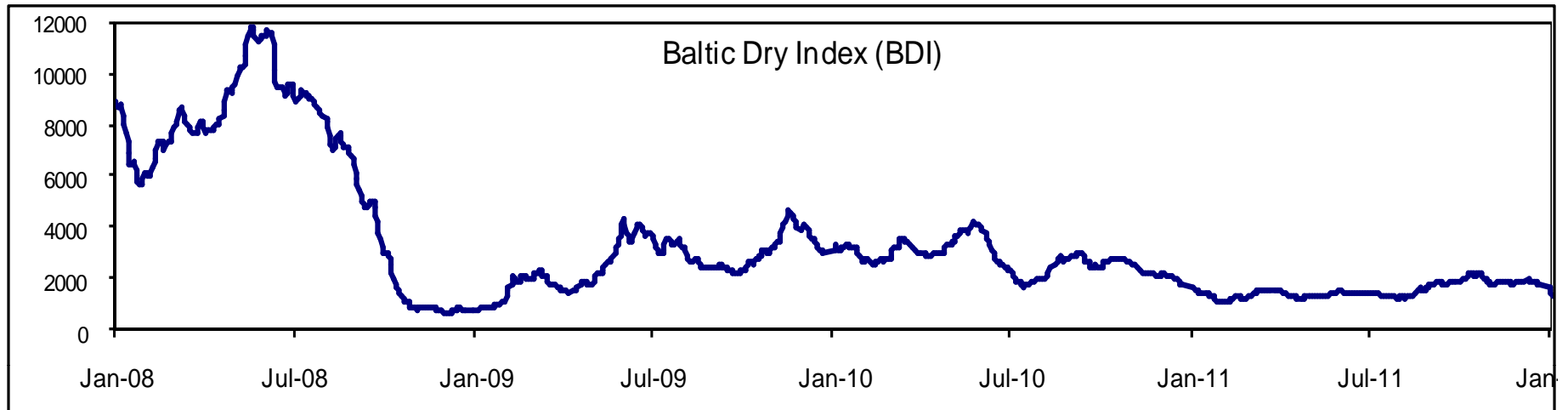
Timeline- Sep2003 till January 03, 2012

Amt in US\$ mn

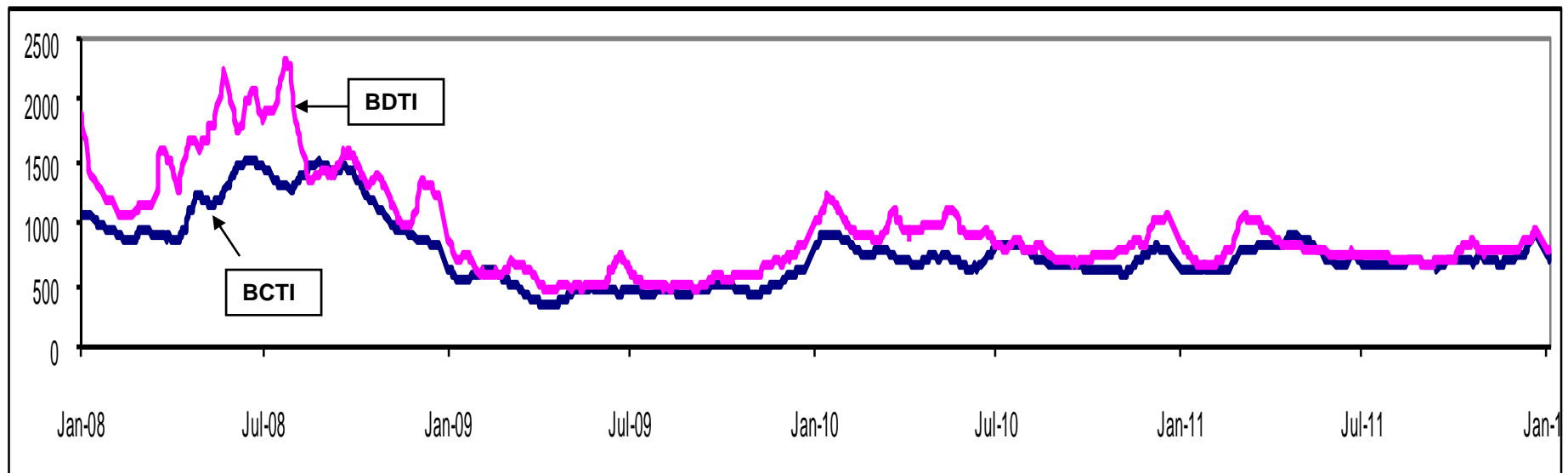


Source: Baltic Sale & Purchase Assessment

Indices Movement - Timeline Jan'08 to 06 Jan'12



Baltic Dirty Tanker Index (BDTI) & Baltic Clean Tanker Index (BCTI)



Total Seaborne trade at a glance... Dry Bulk

Seaborne Bulk trade

(in mn. tonnes)	2008	2009	2010	2011	2012(F)	% chg (CY12 over CY11)
Iron ore	843	900	995	1053	1079	3%
Steam Coal (Thermal)	579	599	669	705	734	4%
Coking Coal	199	188	235	222	227	2%
Grains	323	317	341	349	358	3%
Bauxite	125	92	107	124	129	4%
Sugar	49	48	53	49	47	(4)%
Agri. Bulks	114	116	119	126	129	2%
Fertilizers	80	73	82	85	87	2%
Other minor bulks	889	796	889	935	971	4%
Total	3201	3129	3490	3648	3761	3%

Source: Clarksons

Global Oil Demand

mn.bpd	2008	2009	2010	2011	% chg (CY11 over CY10)
N.America	24.2	23.3	23.8	23.5	(1.3)%
OECD Europe	15.4	14.7	14.6	14.4	(1.4)%
OECD Pacific (Japan& Korea)	8.0	7.7	7.8	7.9	1.3%
Asia (Non OECD)	17.4	18.2	19.5	20.3	4.1%
Other Non OECD	21.5	21.7	22.7	23.2	2.2%
Total	86.5	85.6	88.4	89.3	1.02%

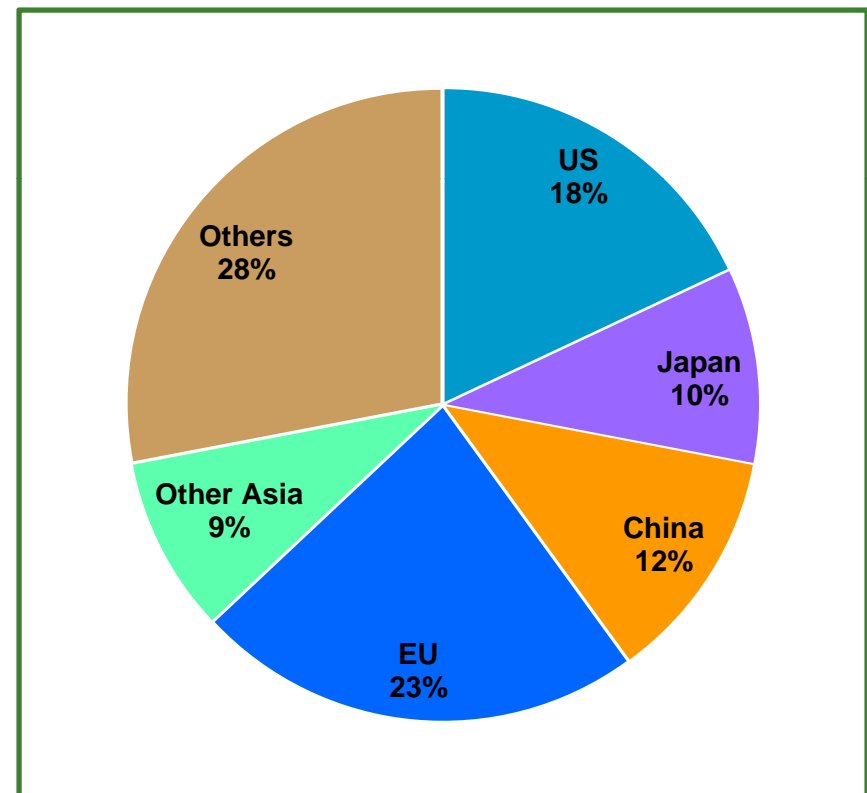
Source: Clarksons

Total Seaborne crude trade

Seaborne Crude Imports

mn bpd	2008	2009	2010	2011
Asia	15.9	16.1	17.6	18.3
EU	10.9	10.3	10.0	8.9
N. America (incl. Canada)	7.0	6.9	6.8	7.5
ROW	5.7	5.0	4.8	3.5
Total	39.5	38.3	39.2	38.2
of which				
Long Haul Trades	15.0	13.8	14.2	15.0
	38%	36%	36%	39%

Global Crude Imports by Region -2011



Source: Clarksons

Gross World fleet addition-Shipping

World Fleet addition*	Fleet (as on 1 Jan'12)	CY2012	CY2013	CY2014 +
	(in mn dwt)			
Crude tankers	341.6	12%	6%	2%
Product tankers	134.4	7%	4%	1%
Dry bulk carriers	611.1	23%	7%	2%

Source: Clarksons

*includes only new building from yards

- 3% of world tanker fleet is single hull

Global Fleet – Scrapping Details

Fleet as on 1 st Jan'12		Scrapping (in mn dwt)	CY2008	CY2009	CY2010	CY2011
(in mn dwt)						
341.6		Crude	2.2	5.0	7.1	6.9
134.4		Product	2.2	3.8	5.8	3.0
611.1		Bulk	5.5	10.4	5.7	22.2

Source: Clarksons

Shrinkage in Global Shipbuilding Capacity..

Capacity to contract due to combination of:

- yard closures
- return to pre-boom business models such as ship repairs
- use of shipbuilding berths and workforces for non-shipbuilding activity
- reduction in berth productivity

(in mn gt)	CY2010	CY2011	CY2012	CY2013
Yard output	45	48	35	32

Global shipbuilding capacity to shrink from 160m gt annually to 100m gt by 2015

~ 46% of Chinese yards having not taken any new orders since 2008

Slippages... to be a decisive factor

CY 2011 (in mn dwt)	VLCC	Suezmax	Aframax	Panamax	MR	GP	Total
Expected orders to be delivered in CY'11	27.6	9.8	8.9	3.8	8.2	2.1	60.4
Actual deliveries	18.7	6.4	6.5	2.0	3.5	1.1	38.2
Slippages	8.9	3.4	2.4	1.8	4.7	1.0	22.2
Slippages/ cancellations as % of expected deliveries	32%	34%	26%	47%	57%	47%	36%

CY 2011 (in mn dwt)	Capesize	Panamax	H'max	H'size	Total
Expected orders to be delivered in CY'11	62.4	33.9	24.0	15.9	136.2
Actual deliveries	44.9	22.5	19.2	8.6	92.2
Slippages	17.5	11.4	4.8	7.3	44.0
Slippages/ cancellations as % of expected deliveries	28%	34%	20%	46%	32%

CY'10 Slippages (in mn dwt): Tankers ~ 36%, Dry Bulk ~ 38%

Global Fleet Supply -Offshore

(Nos)	Jackup Rigs	AHTSVs	PSVs
Current Fleet	484	2,917	2,290
Orderbook	68	340	352
% of O/B to current fleet	14%	12%	15%
Average age	23.0	20.0	19.9

Source: Clarksons, Rigzone

Around half of the total offshore fleet above 25 years of age



THANK YOU

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