

The Great Eastern Shipping Co. Ltd.

Business & Financial Review

July 2016

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.

Corporate Profile

The Great Eastern Shipping Company

Shipping (Bulk)

Offshore

(Through wholly-owned subsidiary
Greatship (India) Limited)

Tankers

- Crude
- Products

Bulk

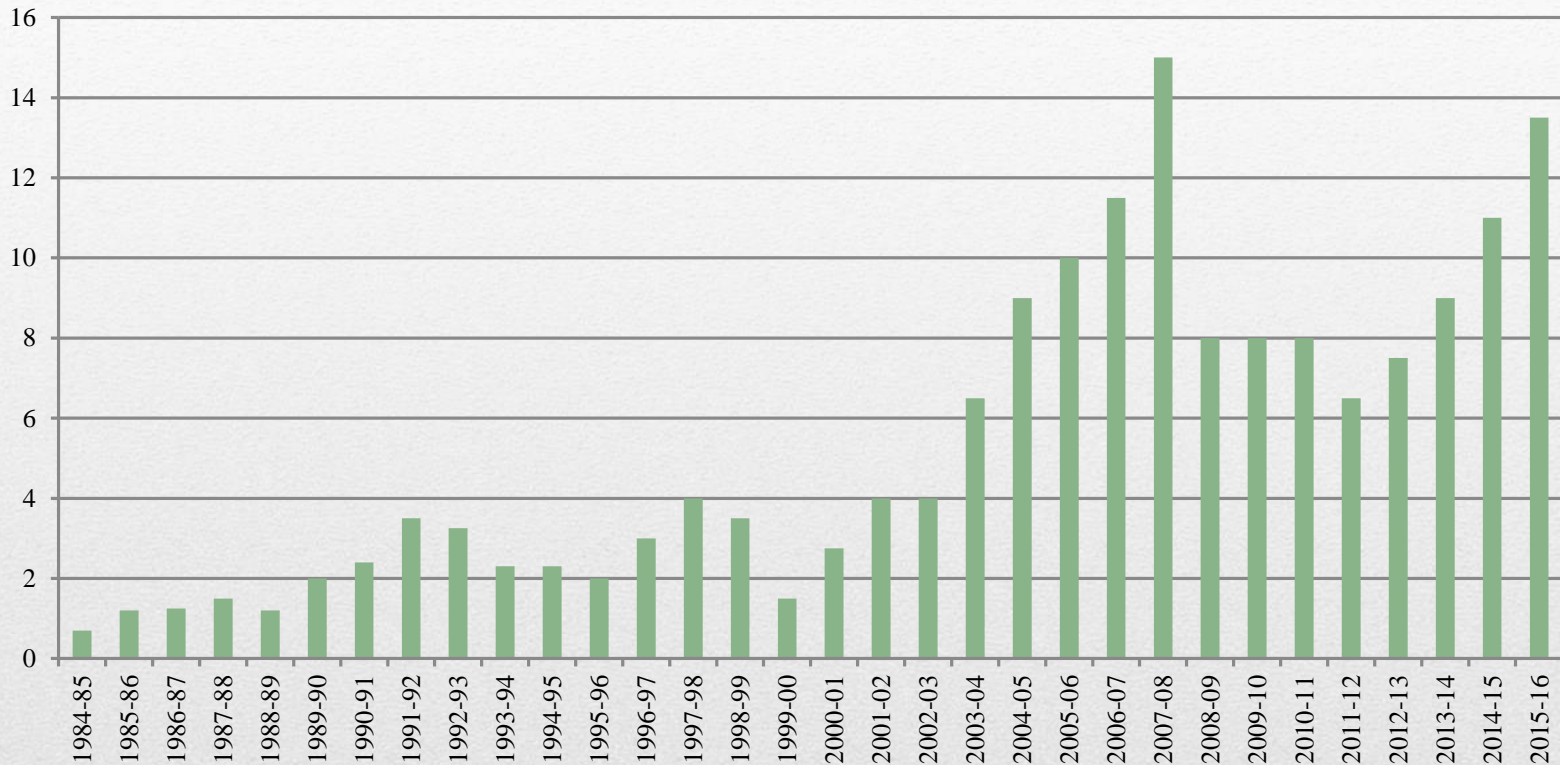
Logistics

Drilling

**India's largest private sector shipping company.
Over 67 years of experience**

Uninterrupted dividend for 30 years

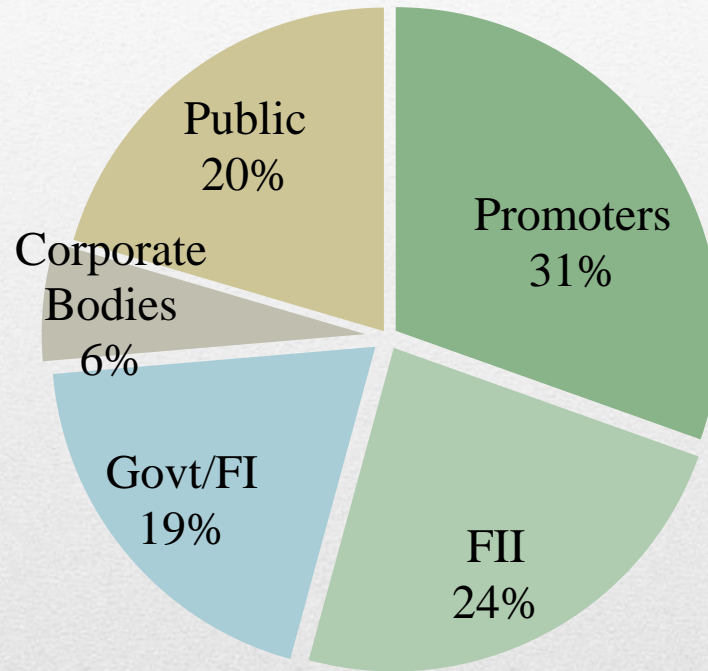
Dividend per share (Rs)



Two Interim dividends amounting to Rs. 13.5 per share declared and paid in FY16

Shareholding Pattern

Shareholding Pattern as on March 31, 2016



Shipping business - owned fleet

Sr. No.	Vessel Name	Type	Sr. No.	Vessel Name	Type
1	Jag Lalit	Suezmax	22	Jag Vishnu	VLGC
2	Jag Lok	Suezmax	23	Jag Vidhi	VLGC
3	Jag Lateef	Suezmax	2 Gas Carriers; Age - 21 years		
4	Jag Lakshita	Suezmax	24	Jag Aarati	Kamsarmax
5	Jag Lyall	Aframax	25	Jag Aditi	Kamsarmax
6	Jag Lata	Aframax	26	Jag Arya	Kamsarmax
7	Jag Lavanya	Aframax	27	Jag Arnav	Kamsarmax
7 Crude Carriers ; Average Age – 12.8 years			28	Jag Ajay	Kamsarmax
8	Jag Aabha	LR1	29	Jag Ratan	Supramax
9	Jag Aanchal	LR1	30	Jag Rahul	Supramax
10	Jag Amisha	LR1	31	Jag Rishi	Supramax
11	Jag Aparna	LR1	32	Jag Rani	Supramax
12	Jag Pahel	MR	33	Jag Roopa	Supramax
13	Jag Pankhi	MR	10 Bulk Carriers; Average Age – 5.7 years		
14	Jag Prabha	MR	<p style="text-align: center;">33 Vessels Average Age – 9.97 years Total dwt - 2.5 mn</p>		
15	Jag Prakash	MR			
16	Jag Pushpa	MR			
17	Jag Prerana	MR			
18	Jag Pranav	MR			
19	Jag Pranam	MR			
20	Jag Padma	MR			
21	Jag Punit	MR			
14 Product Carriers; Average Age – 8.9 years					

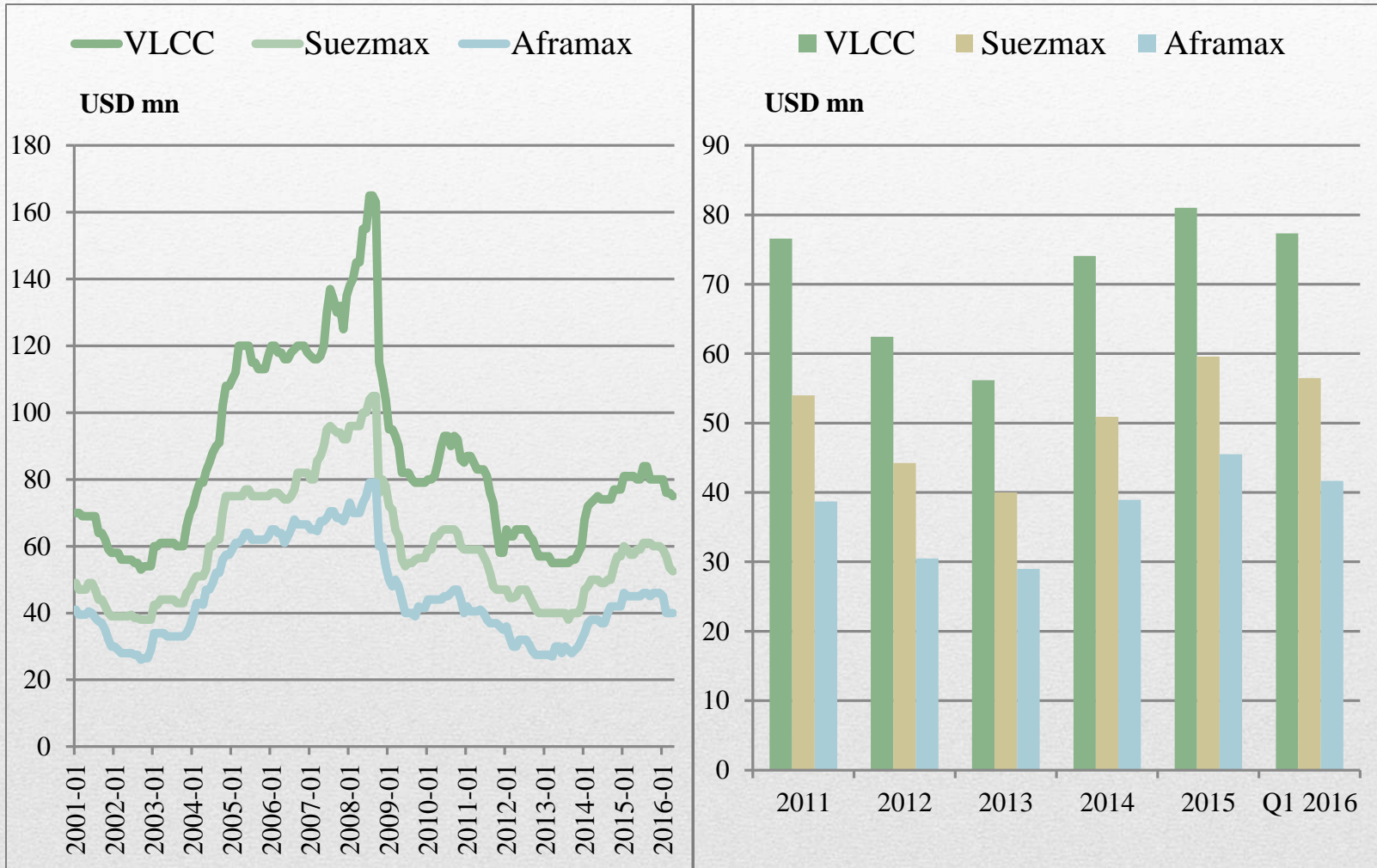
Vessels on Order & Capital Expenditure

Committed Capex - \$90-100 mn

Vessels on Order & Expected Delivery

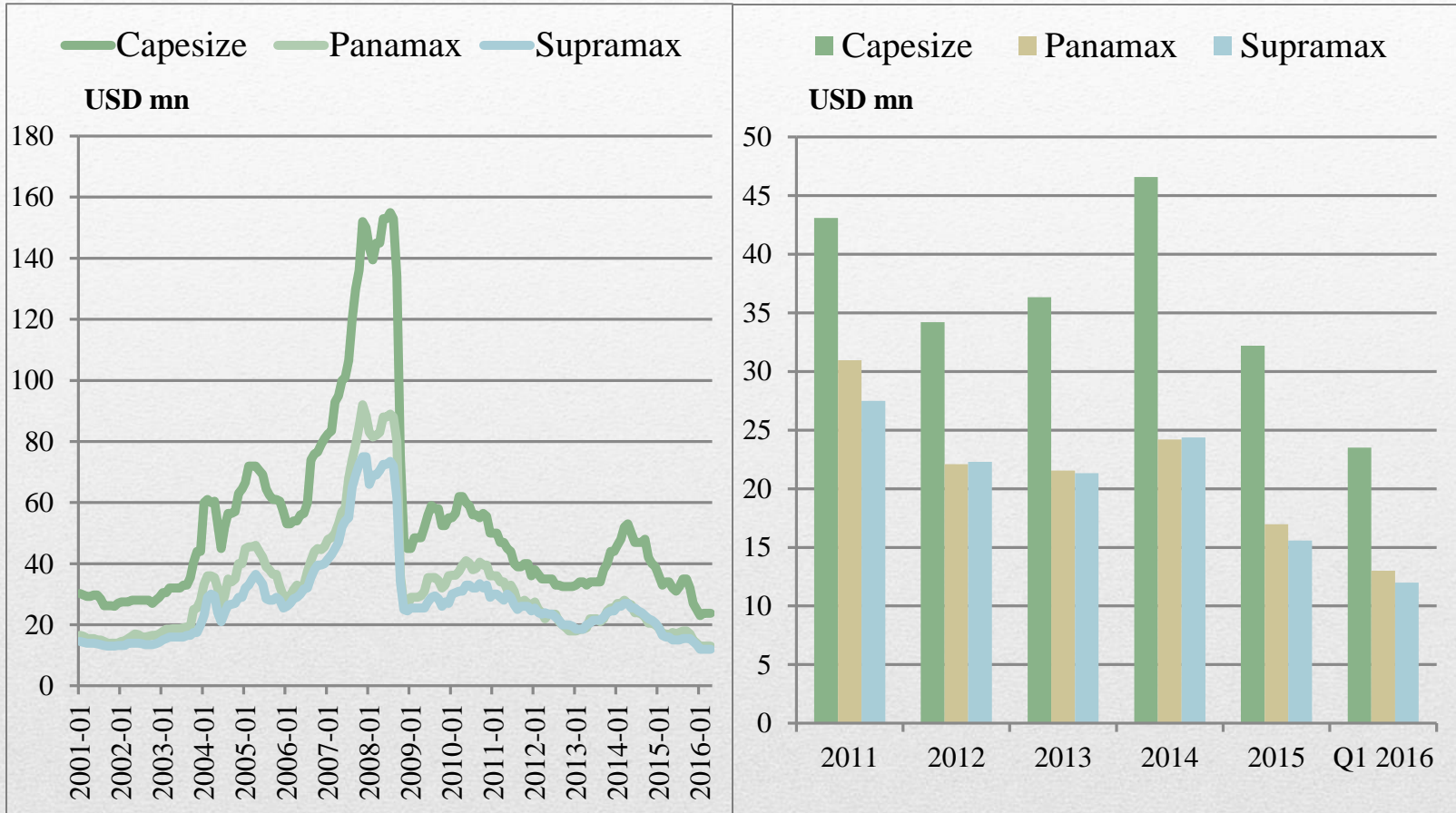
Vessel	Yard	Expected Delivery
3 Kamsarmax Dry Bulk Carriers	Jiangsu New Yangzi Shipbuilding Co. Ltd, China	Q2 FY17 & Q4 FY17
1 Secondhand Capesize Dry Bulk Carrier	Hyundai Heavy Industries, S Korea	Q2 FY17

Tankers – Asset Prices (5-year old)



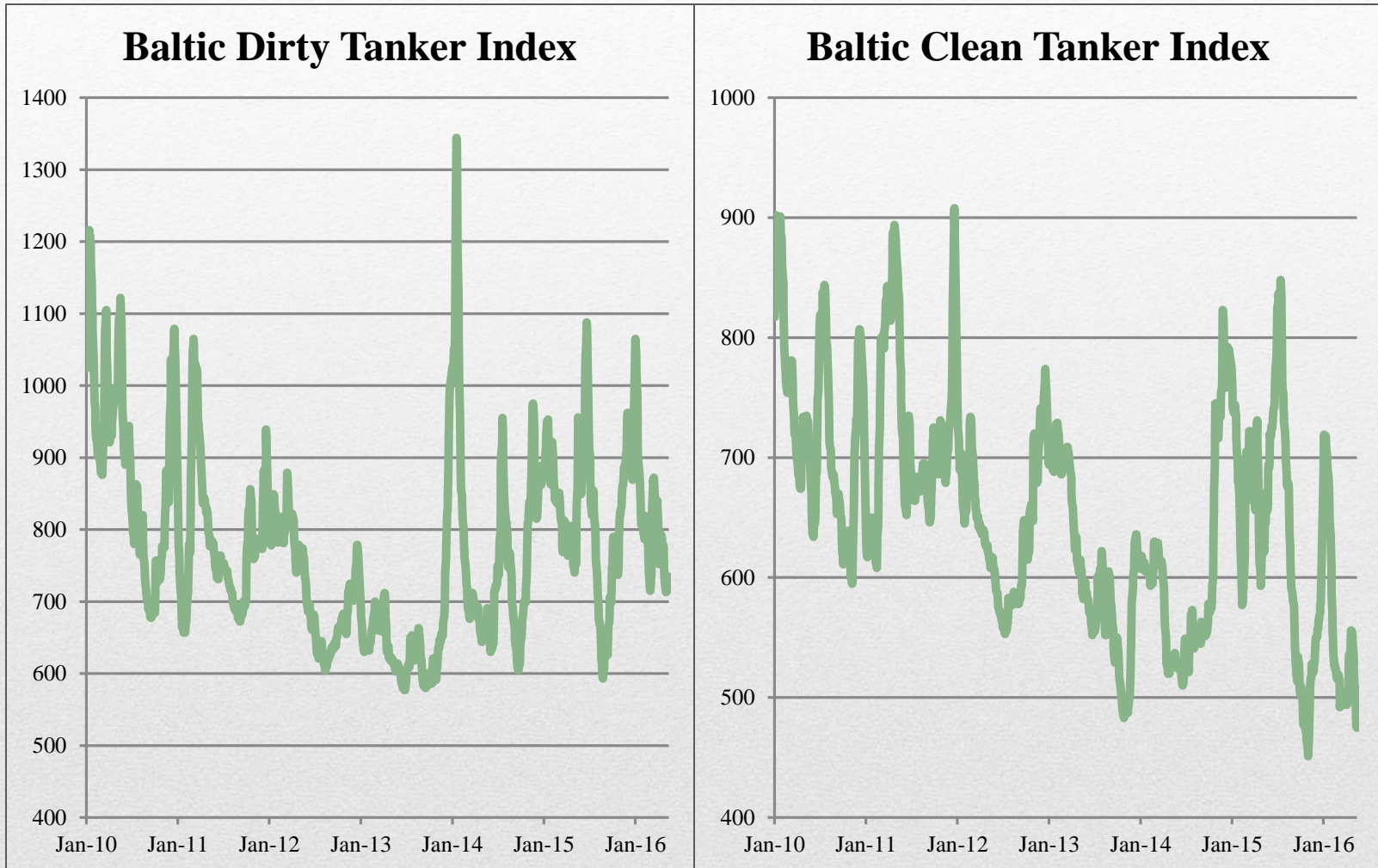
Source – Industry Reports

Bulkers – Asset Prices (5-year old)



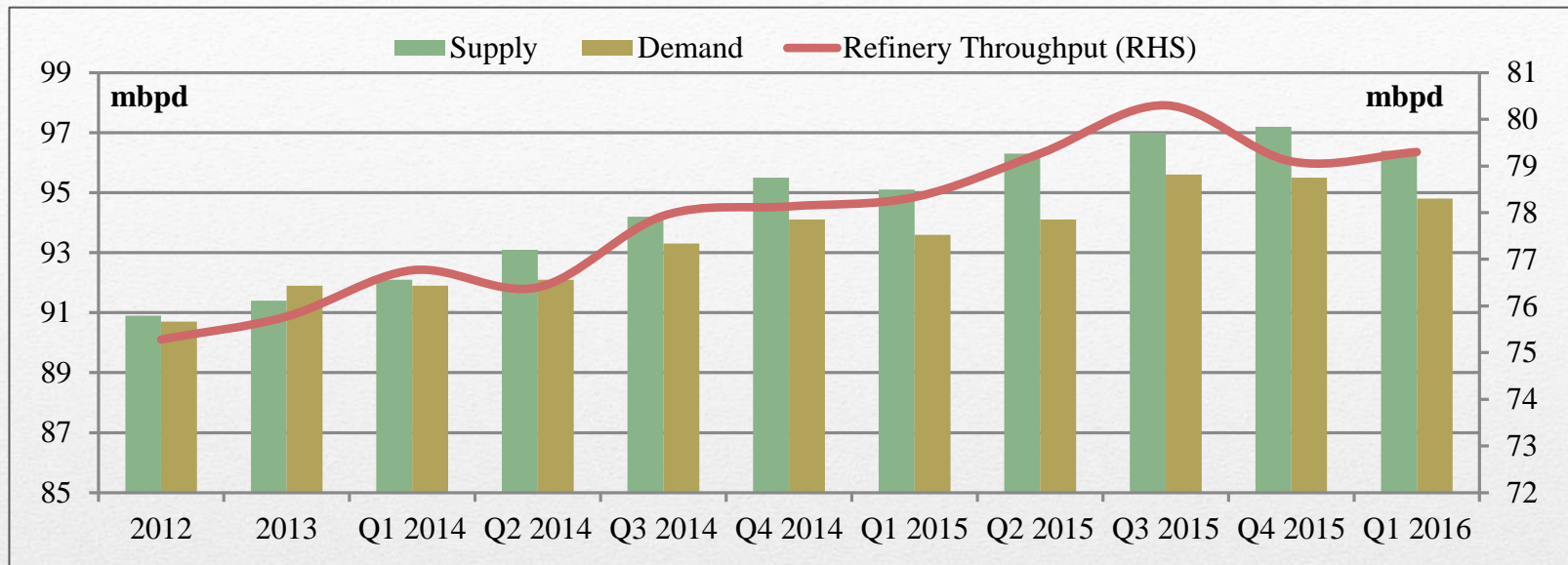
Dry Bulk asset prices at 20-year low

Low oil prices positively impacted tanker rates



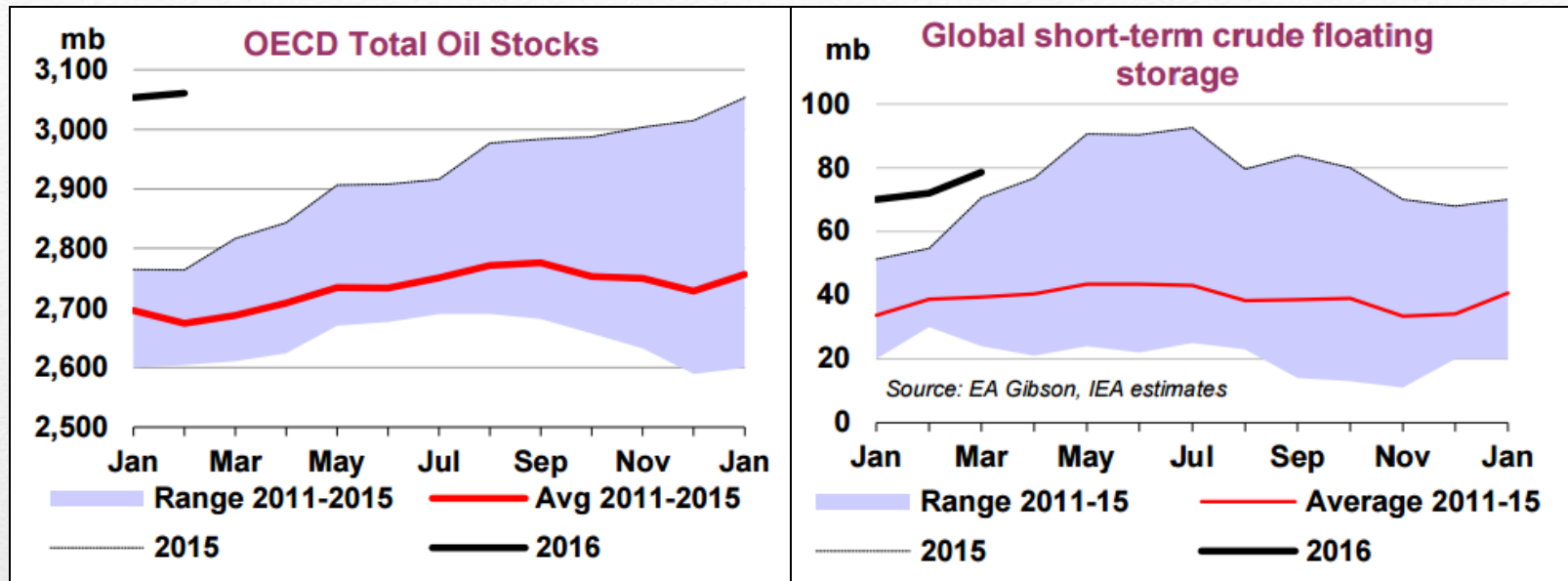
Source – Industry Reports

Lower oil prices, leading to increased demand & refinery runs



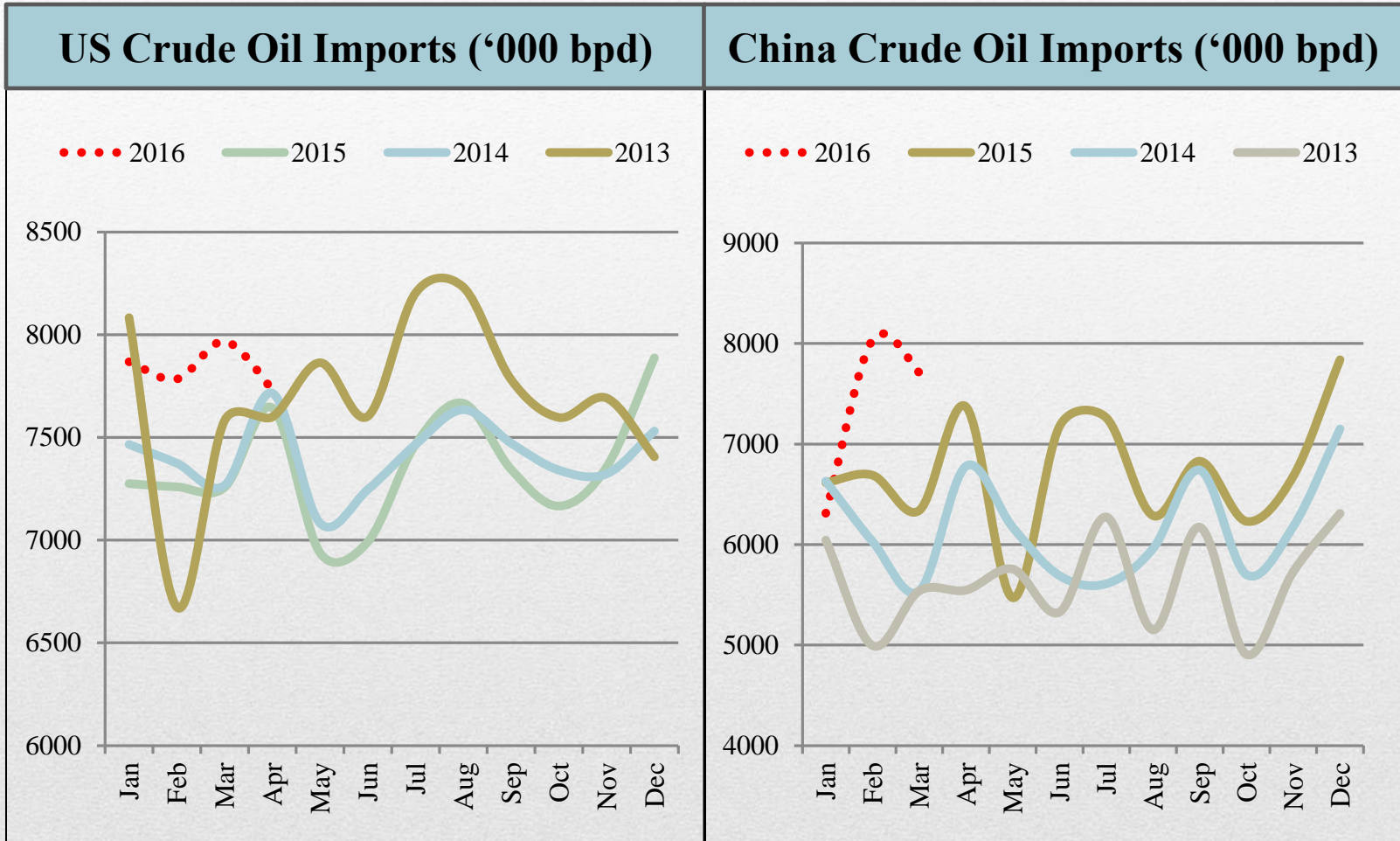
- Crude tanker rates, although lower than Q4 2015 levels, remained healthy led by an increase of close to 1 mbpd in refinery throughput & port congestions
- Product tanker rates fell marginally on account of warm winter in the west, a blip down in refinery margins and increase in fleet during the quarter.

Rising supply, contango led to commercial stocking, SPR filling and forced storage



- Lower crude oil prices - SPR filling and increase in commercial inventory
- Forced storage of oil products due to product-specific oversupply and logistical constraints

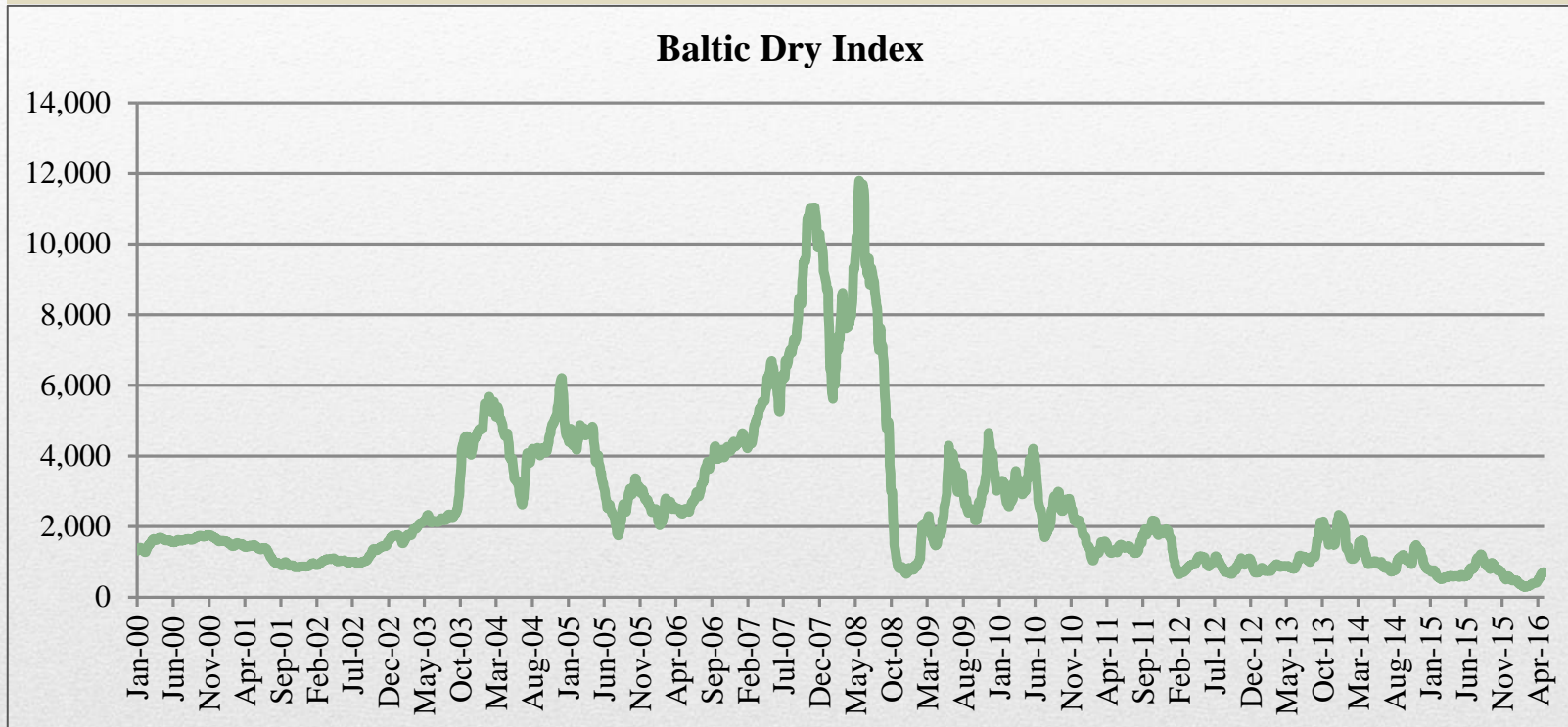
US and China Crude Oil Imports



Source – Industry Reports

Baltic Dry Index (Jan 2000 – Apr 2016)

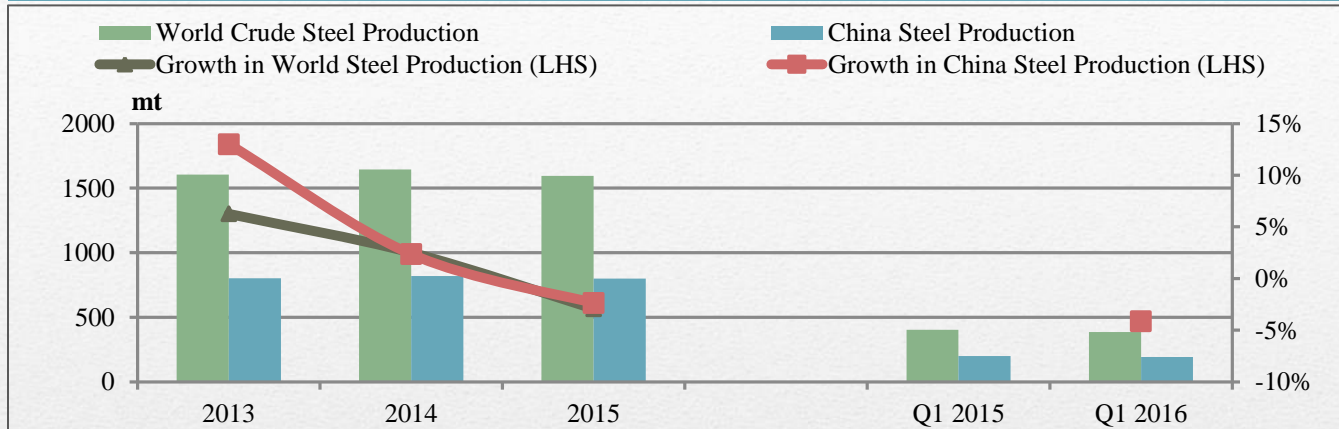
Dry Bulk freight rates improved during the quarter



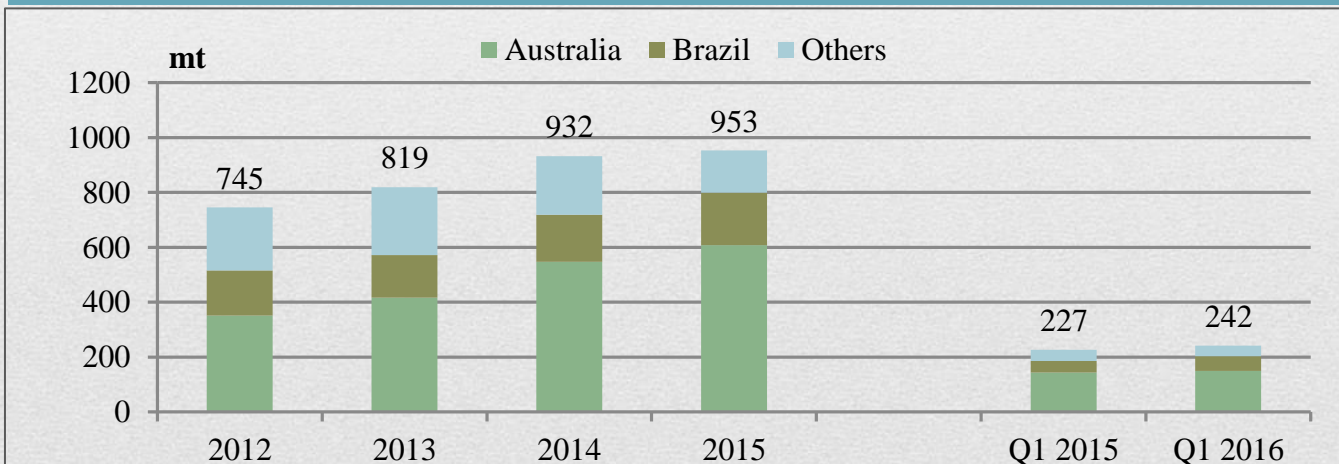
Despite improvement during the quarter, dry bulk rates remain close to historic lows

China's iron ore import growth picked up

Steel Production fell during the quarter

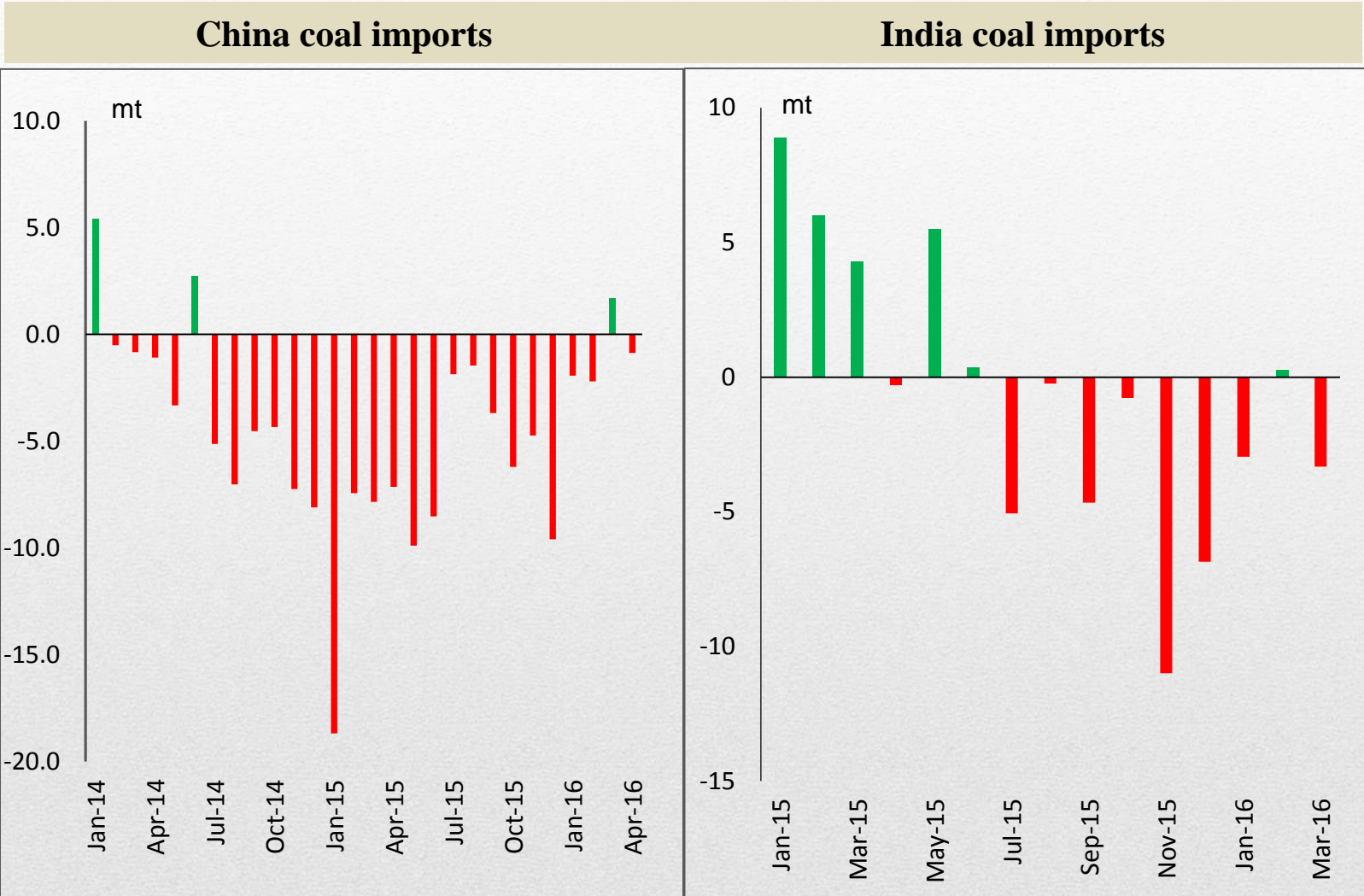


China's iron ore import grew 6% in Q1 2016



Source – Industry Reports

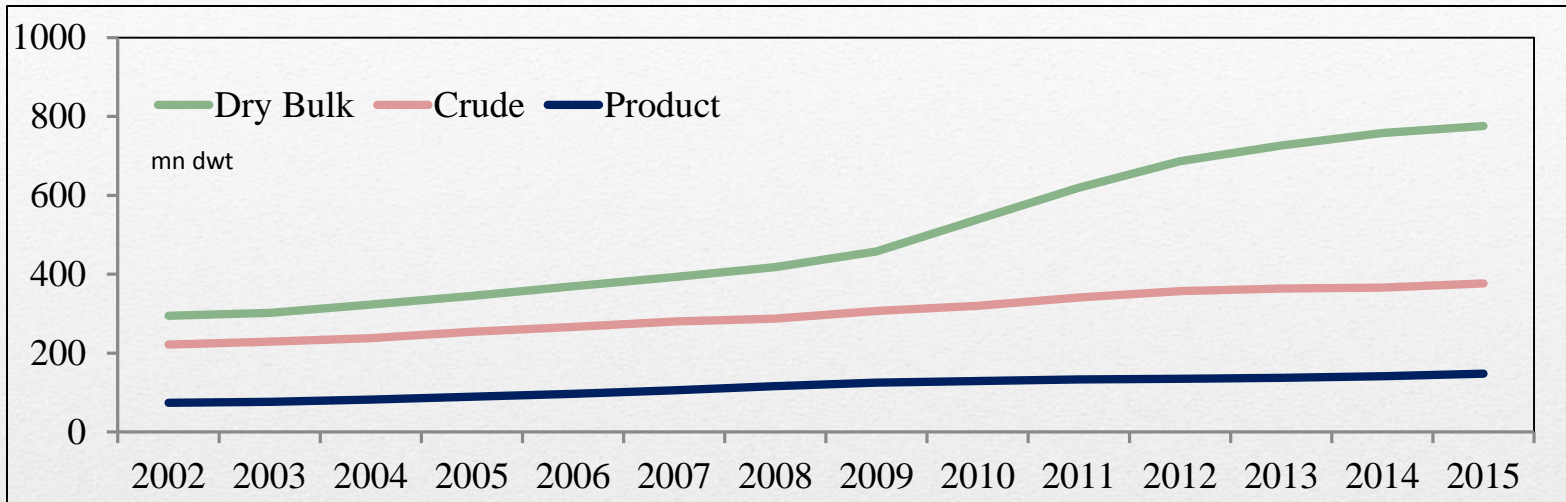
Coal imports by top importers on a declining trend



Source – Industry Reports

World Fleet Growth

Fleet



Gross Fleet Addition (on current fleet)	Fleet			
	May 16	CY2016	CY2017	CY2018+

	(in mn dwt)			
Crude tankers	341	7%	8%	4%
Product tankers	144	7%	6%	2%
Dry bulk carriers	779	9%	4%	3%

Source – Industry Reports

Accelerated scrapping in Dry Bulk

Scrapping as % of world fleet (year-wise)

Vessel Category	Fleet as on		Scrapping		
	May 16 (in mn dwt)	2016 YTD	2015 (% of beginning fleet)	2014	2013
Crude	341	0.1%	0.2%	1%	2%
Product	144	0.3%	0.2%	1%	2%
Dry Bulk	779	2%	4%	2%	3%



Greatship (India) Limited
(a 100% subsidiary)

Business Review

July 2016

Offshore business- Fleet Profile

The Greatship Group

➤ Current Owned Fleet

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

High Fleet Utilization

Category	Extent of coverage of fleet's operating days (per cent) (FY17)
PSV	25
ROVSV	31
AHTSV	88
MPSSV	44
Jackup Rigs	95

* Includes Greatship Ragini (ROVSV) which has been contracted for sale with expected delivery in H2FY17

Greatship's Modern & Technologically Advanced Fleet & High Utilization

Young Fleet

- Young jack-up fleet with an average age of approx. **4.5 years**
- 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
- Equipped to operate in challenging environments
- Efficient and versatile vessels

Revenue Efficiencies

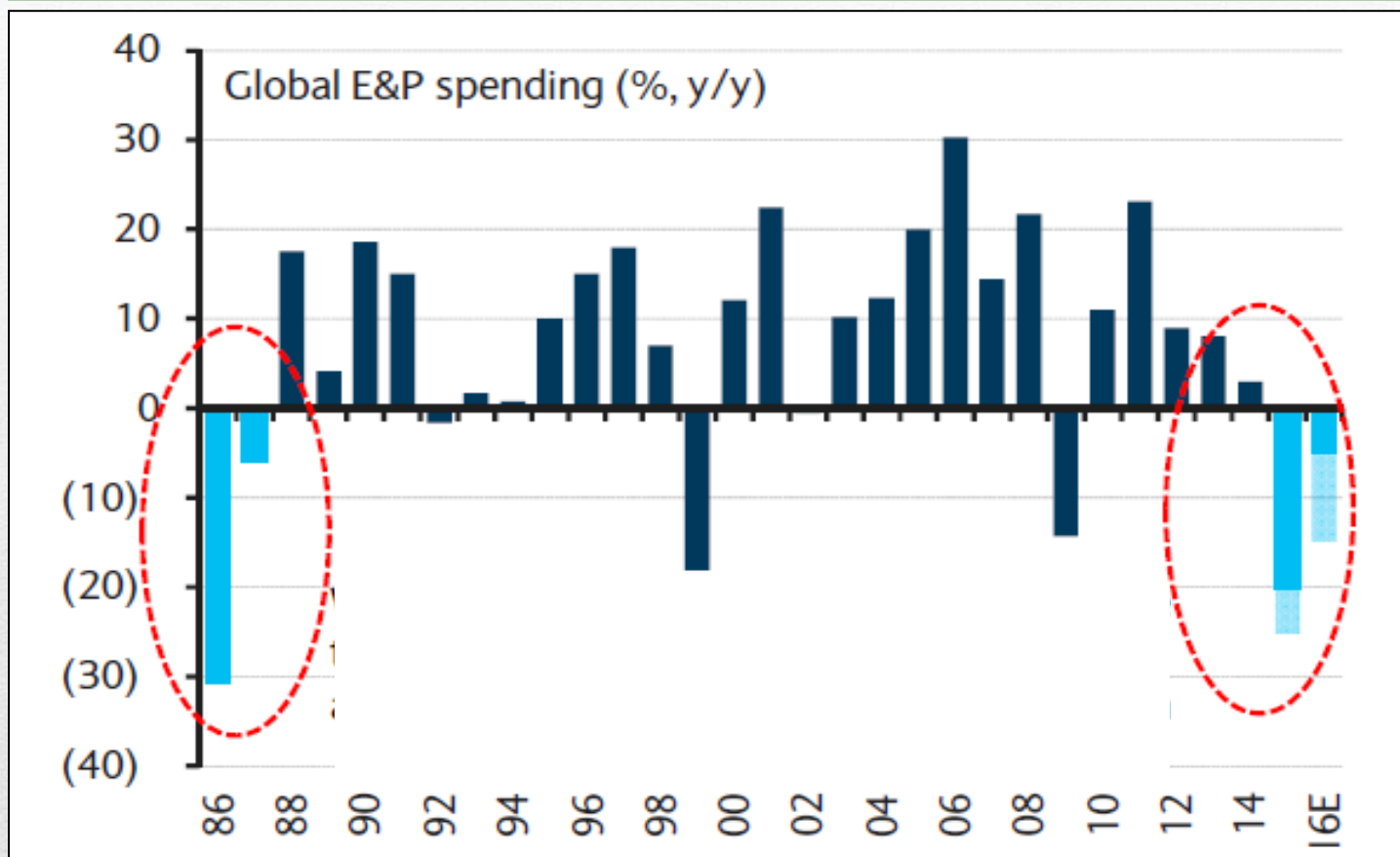
- **Higher utilization rates**
- **Minimum down time**

Cost Efficiencies

- **Lower Operating costs**
- **Reduced maintenance capex & opex**

Double-digit decline in capex spending in 2016

2 years of continuous decline in capex spending



Outlook likely to have worsened since the last survey

Global Fleet Supply – Offshore

Fleet & Orderbook

(Nos)	Jackup Rigs	AHTSVs	PSV
Current Fleet	464	1942	1439
Orderbook	120	191	234
<i>% of O/B to current fleet</i>	<i>26%</i>	<i>10%</i>	<i>16%</i>

- **YTD actual deliveries have been far lower than scheduled. Due to bleak employment scenario owners have refrained from taking delivery. A lot of deliveries due in 2016 have now been pushed back to 2017.**
 - **Going forward slippage is expected remain high.**
- **Asset utilisation levels continue to come off. For premium Jack ups, lack of contract renewals has resulted in utilisation levels coming down from around 90% at the start of 2014 to around 65% as on date.**
- **In case of PSVs and AHTSVs more than half the fleet is either idle/stacked or working in spot market at a very low utilisation.**



FINANCIAL HIGHLIGHTS

Q4 FY 2015-16

Q4 FY 2015-16 Financial Highlights

Standalone		Key Figures	Consolidated	
FY'16	FY'15	(Amount in Rs. crs)	FY'16	FY'15
Income Statement				
2279.53	2010.51	Revenue (including other income)	4078.51	3713.53
1153.13	840.93	EBITDA (including other income)	2269.57	1708.74
609.90	317.30	Net Profit	1039.40	748.24
Balance Sheet				
9412.71	9335.93	Total Assets	15631.55	15535.15
5203.64	4930.76	Equity	8283.90	7430.62
2884.10	3069.33	Total Debt (Gross)	5794.11	6539.61
22.37	202.79	Long Term Debt (Net of Cash)	1894.42	2806.28
Cash Flow				
969.71	530.12	From operating activities	2051.22	1448.58
(600.38)	489.68	From investing activities	(917.52)	(776.05)
(809.43)	(649.88)	From financing activities	(1694.55)	(228.28)
(440.10)	369.92	Net cash inflow/(outflow)	(560.85)	444.25

Q4 FY 2015-16 Financial Highlights

Standalone		Key Figures	Consolidated	
FY'16	FY'15	(Amount in Rs. crs)	FY'16	FY'15
		Key financial figures		
50.59%	41.83%	EBITDA Margin (%)	55.65%	46.01%
12.04%	6.52%	Return on Equity (ROE) (%)	13.23%	10.54%
9.83%	6.28%	Return on Capital Employed (ROCE) (%)	9.44%	7.81%
0.55	0.62	Gross Debt/Equity Ratio (x)	0.70	0.88
0.00	0.04	Net Debt/Equity Ratio (x)	0.23	0.38
65.30	61.13	Exchange rate USD/INR, average (Rs)	65.30	61.13
66.25	62.50	Exchange rate USD/INR, end of period (Rs)	66.25	62.50
		Share related figures		
40.45	21.04	Earnings per share, EPS (Rs)	68.94	49.63
40.37	21.00	Diluted earnings per share (Rs)	68.80	49.53
63.25	42.50	Cash Profit per share (Rs)	124.34	90.38
13.50	11.00	Dividend per share (Rs)	13.50	11.00

Q4 FY 2015-16 Performance Highlights

Breakup of revenue days

Revenue Days	Q4'FY16	Q4'FY15
Owned Tonnage	2,574	2,603
Inchartered Tonnage	85	0
Total Revenue Days	2,659	2,603
Total Owned Tonnage (mn.dwt)*	2.4	2.3

* As on 31st March

Average TCY Details

Average (TCY \$ per day)	Q4'FY16	Q4'FY15	% Chg
Crude Carriers	33,838	30,324	12%
Product Carriers (Incl. Gas)	21,613	23,034	(6)%
Dry Bulk	4,418	7,717	(43)%

Mix of Spot & Time

Days (in %)	Q4'FY16	Q4'FY15
<u>Dry Bulk</u>		
Spot %	63%	95%
Time %	37%	5%
<u>Tankers</u>		
Spot %	66%	63%
Time %	34%	37%
<u>Total</u>		
Spot %	65%	73%
Time %	35%	27%

THANK YOU

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