

PRESS RELEASE

GE Shipping Q3FY12 consolidated Net Profit at Rs. 87.46 cr **GE Shipping 9M FY12 consolidated Net Profit at Rs. 277.36 cr** *Declares Interim Dividend of Rs. 3.00 per share*

The Board of Directors of The Great Eastern Shipping Company Ltd. (G E Shipping) today approved the Unaudited Financial Results (Provisional) for the third quarter of FY2011-12, ended 31st Dec 2011.

KEY HIGHLIGHTS:

Standalone			Consolidated			
Q3 FY'12	Q3 FY'11	9M FY'12	(Amount in Rs. crs)	Q3 FY'12	Q3 FY'11	9M FY'12
Income Statement						
478.07	391.50	1500.17	Revenue (including other income)	827.05	644.30	2344.74
179.60	193.39	622.29	EBITDA (including other income)	336.15	291.79	1043.99
28.71	79.50	133.17	Net Profit	87.46	117.47	277.36
Balance Sheet						
10269.9	9308.11	10269.9	Total Assets	14007.55	11775.31	14007.55
5038.88	5673.77	5038.88	Equity	5942.79	6164.76	5942.79
4091.25	3275.59	4091.25	Long Term Debt (Gross)	6585.36	5034.17	6585.36
1459.64	345.09	1459.64	Long Term Debt (Net of Cash)	3293.23	1573.30	3293.23
Cash Flow						
124.62	54.78	320.93	From operating activities	263.40	132.96	854.84
(9.60)	(113.74)	(204.78)	From investing activities	(41.79)	(243.70)	(327.74)
(107.17)	(161.52)	(94.94)	From financing activities	(251.25)	(147.26)	(483.59)
7.85	(220.48)	21.21	Net cash inflow/(outflow)	(29.64)	(258.00)	43.51
Key financial figures						
37.57%	49.40%	41.48%	EBITDA Margin (%)	40.64%	45.29%	44.52%
2.20%	5.68%	3.37%	Return on Equity (ROE) (%)	5.81%	7.74%	6.18%
4.43%	4.76%	5.01%	Return on Capital Employed (ROCE) (%)	6.44%	5.94%	6.53%
0.81	0.58	0.81	Gross Debt/Equity Ratio (x)	1.11	0.82	1.11
0.29	0.06	0.29	Net Debt/Equity Ratio (x)	0.55	0.26	0.55
50.09	44.99	46.51	Exchange rate USD/INR, average (Rs)	50.09	44.99	46.51
53.11	44.76	53.11	Exchange rate USD/INR, end of period (Rs)	53.11	44.76	53.11
Share related figures						
1.89	5.22	8.74	Earnings per share, EPS (Rs)	5.74	7.71	18.21
1.88	5.21	8.73	Diluted earnings per share (Rs)	5.73	7.70	18.17
6.94	10.16	25.65	Cash Profit per share (Rs)	13.78	14.67	43.46
3.00	-	-	Dividend per share (Rs)	3.00	-	-

Performance Review of Q3 FY 2011-12:

Break up of Revenue days (Shipping):

Revenue Days	Q3 FY12	Q3 FY11
Owned Tonnage	2,947	2,886
Inchartered Tonnage	-	88
Total Revenue Days	2,947	2,974
Total Owned Tonnage (mn.dwt)	2.62	2.49

Average TCY's earned in various categories:

Average (TCY \$ per day)	Q3'FY12	Q3'FY11	% Chg
Crude Carriers	18,664	18,000	4%
Product Carriers (Incl. Gas)	14,885	15,351	(3)%
Dry Bulk	16,114	20,141	(20)%

FLEET DEVELOPMENT:

Sale & Purchase Activities during Q3 FY2011-12:

During the quarter:

- The Company sold & delivered its 1982 built General Purpose Product carrier "Jag Pari" to the buyers.
- The Company sold & delivered its 1995 built MR Purpose Product carrier "Jag Pratap" to the buyers.

Subsequent to the quarter:

- The Company took delivery of its Very Large Crude Carrier (VLCC) "Maneklal Ujamshi Sheth" from Hyundai Heavy Industries Ltd, (HHI) South Korea and subsequently delivered it to the new buyers.

FLEET PROFILE: as on date

Categories	No. of ships	Avg age (years)
Crude Carriers	9	9.6
Product Carriers	14	8.8
Gas Carrier	1	21.0
TANKERS TOTAL	24	9.4
Capesize	1	16.0
Kamsarmax	3	1.0
Panamax	1	17.0
Supramax	4	5.3
Handymax	1	15.0
DRY BULK TOTAL	10	8.0
TOTAL FLEET (2.62 mn dwt)	34	8.9

MARKET COMMENTARY:➤ *Supply pressure persists*

Reasonable improvement in tanker deployment and earnings were witnessed in the Q3FY12 as compared to the immediately preceding quarter i.e, Q2FY12. Severe winters and seasonal delays in the Turkish Straits resulted in some firmness in the market. Libya's oil supply returning back to its normal levels helped in increased movement of oil. Asian countries especially China & India also showed some resilience as compared to the western economies, which supported in absorbing incremental volumes. But all these positive factors were offset by a steady supply of new ships, which kept a lid on freight rates.

Throughout the quarter, China continued its iron ore & coal import activities which resulted in some strengthening in the dry bulk charter rates. But at the same time, due to uncertain economic conditions, exports to the EU contracted sharply. Increased Chinese coastal trade, prolonged port congestions and large scrapping activities augured well for some positive direction in the freight rates, but the relentless fleet addition overshadowed any improvement in freight rates.

OUTLOOK:

Tanker Market:

OPEC expects global oil demand in 2012 to grow by 1.1 mb/d to average 88.9 mb/d, which is a downward revision of 0.1 mb/d from the previous estimates. This downward change is on the back of anticipated slowing growth in the OECD, which is expected to have spillover effects on other non OECD countries like China and India. This subdued level of demand growth can put pressure on the existing weak tanker freight market. If the Iran dispute aggravates from here, then it can have a significant impact on the movement of tonnage, which can change the trade dynamics going forward. While the slippages and scrapping activities are expected to increase going forward, the steady fleet growth coupled with higher bunker costs is likely to suppress any improvement in earnings.

Dry Bulk Market:

The demand for dry bulk commodities has remained strong over the last couple of months, especially due to steady imports from China. However, excessive supply of tonnage is expected to worsen the demand-supply gap, which will add pressure on the freight rates. It is therefore expected that dry bulk earnings may be lower than in recent years.

REVENUE VISIBILITY:

The revenue visibility for the balance part of FY 2011-12 is around Rs.202 crores. Crude tankers and product carriers (incl Gas carrier) are covered to the extent of around 79% and 81% of their operating days respectively. In case of dry bulk carriers, they are covered to the extent of around 72% of the fleet's operating days.

DEVELOPMENTS IN THE SUBSIDIARIES:

Greatship (India) Limited (GIL):

GIL and its subsidiaries currently own and operate assets in the following categories.

Categories	No. of assets
<u>Offshore Logistics</u>	
-Platform Supply Vessels (PSV)	4
- Anchor Handling Tug cum Supply Vessels (AHTSV)	9
- Multipurpose Platform Supply and Support Vessels (MPSSV)	3
- Platform/ ROV Support Vessels (ROVSV)	3
<u>Drilling Services</u>	
-350 ft Jackup Rigs	2
Total	21

GIL and its subsidiaries have a total capex commitment of around US\$ 261 mn for an order book of three Platform/ ROV Support Vessels (ROVSV) in Sri Lanka and one 350 feet jack up rig in Dubai.

Sale & Purchase activities during Q3 FY2011-12:

- Greatship Global Offshore Services Pte. Ltd, a Singapore subsidiary of GIL cancelled the shipbuilding contract for one of the Multipurpose Support Vessels with Mazagon Dock Limited, Mumbai.

Subsequent to the quarter:

- GIL took delivery of a new building 150T Anchor Handling Tug cum Supply Vessel (AHTSV) "Greatship Vidya" from Drydocks World, Singapore.

- Greatship Global Offshore Services Pte. Ltd, a Singapore subsidiary of GIL cancelled the shipbuilding contract for one of the Multipurpose Support Vessels with Mazagon Dock Limited, Mumbai. The said cancellation is disputed by the yard.

- Greatship Global Offshore Services Pte. Ltd, a Singapore subsidiary of GIL took delivery of a new building 150T Anchor Handling Tug cum Supply Vessel (AHTSV) “Greatship Vimla” from Drydocks World, Singapore.

OUTLOOK

With oil close to US\$100 per barrel, E&P activity worldwide has picked up significantly. The E&P budgets are expected to grow by 10-12% in 2012 taking spending back to near all time high. With charterers preferring advanced assets, the commercial viability of older assets is expected to decrease further reducing the supply pressure in the market.

However, in the future, escalating concerns about the global GDP growth outlook on the back of sovereign debt issues and financial markets uncertainty could have a significant impact on the oil demand as well as oil prices.

REVENUE VISIBILITY:

The revenue visibility for the balance part of FY 2011-12 is around Rs.247 crores. PSVs and AHTSVs are covered to the extent of around 100% and 70% of their operating days respectively. ROVSVs and MPSSVs have coverage of around 100% and 74% for the balance part of FY2012. In case of Jackup rigs, they are covered to the extent of around 84% of the operating days.

The Great Eastern Chartering LLC (Sharjah):

This wholly owned subsidiary was set up with the objective of inchartering tankers as well as dry bulk vessels and the commercial operation of such inchartered tonnage. This company currently operates 1 dry bulk carrier with remaining inchartered duration of around 2 months.

Place: Mumbai

Date: 10th February, 2012

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For further details, please email us at corp_comm@greatship.com

Q3 FY12 Earnings Call scheduled at 4:30 pm (IST) on Monday, 13th February 2012.

To participate, kindly dial (+91) - 22 – 67934400

THE GREAT EASTERN SHIPPING CO. LTD.

Regd. Office: Ocean House, 134-A, Dr. Annie Besant Road, Mumbai-400 018.

CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2011.

		CONSOLIDATED			STANDALONE			(Rs. in Crores)	
		Quarter Ended on 31.12.2011 (UNAUDITED)	31.12.2010 (UNAUDITED)	Year Ended on 31.03.2011 (AUDITED)	Quarter Ended on 30.09.2011 (UNAUDITED)	31.12.2010 (UNAUDITED)	Year Ended on 31.12.2010 (UNAUDITED)	Year Ended on 31.03.2011 (AUDITED)	
1. Income -									
(a) Income from Operations - Freight & Charter hire	751.39	678.76	556.03	2111.97	1831.30	2432.90	412.98	408.37	1363.09
(b) Other Operating Income - Gain on sale of ships	12.92	-	55.08	59.05	125.07	125.07	12.92	-	105.53
Total	764.31	678.76	611.11	2171.02	1956.37	2557.97	425.90	408.37	1468.62
2. Expenditure -									
(a) Employees Cost (ashore and floating)	140.10	130.17	94.21	387.27	270.35	372.34	54.77	55.24	222.43
(b) Repairs & Maintenance-Fleet & Rigs	109.33	69.41	49.89	236.35	148.39	212.96	61.72	49.06	164.33
(c) Direct operating expenses	145.17	135.63	100.21	402.39	329.52	430.66	119.59	126.67	357.68
(d) Other operating expenses	18.97	17.84	15.04	52.15	49.62	65.68	7.93	7.67	34.92
(e) Hire of chartered ships/rigs	69.50	81.66	78.91	226.38	253.03	318.66	55.55	71.68	15.76
(f) Loss/(gain) on foreign currency transaction (net)	(9.17)	(46.24)	(1.18)	(64.44)	(9.50)	(11.73)	(9.11)	(14.07)	(10.67)
(g) Administration and general expenses	19.00	20.75	15.43	60.65	57.12	77.44	8.02	9.01	34.96
Total	490.90	409.22	352.51	1300.75	1098.53	1466.01	298.47	305.26	819.41
3. (a) Operating Profit (PBIDT)	273.41	269.54	258.60	870.27	857.84	1091.96	127.43	103.11	649.21
(b) Operating Profit (PBIDT) (excluding gain on sale of ships)	260.49	269.54	203.52	811.22	732.77	966.99	114.51	103.11	543.68
4. Depreciation	143.36	138.80	105.99	405.43	310.57	420.44	97.95	97.30	303.03
5. Impairment/(reversal of impairment) on ships under construction (see note 1)	(20.98)	-	-	(20.98)	-	85.70	(20.98)	-	85.70
6. Profit from Operations before Other Income, Interest and Exceptional Items [3(a) - 4 - 5]	151.03	130.74	152.81	485.82	547.27	585.82	50.46	5.81	260.48
7. Other Income	62.74	54.18	33.19	173.72	131.57	182.99	52.17	94.90	179.99
8. Profit before Interest and Exceptional Items [6 + 7]	213.77	184.92	185.80	659.54	678.84	768.81	102.63	100.71	440.47
9. Interest (see note 2)	114.42	137.33	48.56	325.24	174.69	239.66	73.92	92.15	145.26
10. Profit after interest but before Exceptional Items [8 - 9]	99.35	47.59	137.24	334.30	504.15	529.15	28.71	8.56	295.21
11. Exceptional Items	-	-	-	-	-	-	-	-	-
12. Profit from Ordinary Activities before tax [10 + 11]	99.35	47.59	137.24	334.30	504.15	529.15	28.71	8.56	295.21
13. Tax expense -									
- current tax	11.14	19.18	18.75	53.43	46.27	55.39	-	6.00	28.00
- deferred tax	(0.41)	(0.30)	-	(0.21)	(3.52)	(0.18)	-	-	-
- for prior years	-	-	-	0.75	(3.52)	0.75	-	-	0.75
	10.73	18.88	18.75	53.22	42.75	55.96	-	6.00	28.75
14. Net Profit after tax [12 - 13]	88.62	28.71	118.49	281.08	461.40	473.19	28.71	2.56	266.46
15. Minority Interest	1.16	1.40	1.02	3.72	3.48	4.49	-	-	-
16. Net Profit [14 - 15]	87.46	27.31	117.47	277.36	457.92	468.70	28.71	2.56	266.46

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CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2011.

(Rs. in Crores)											
CONSOLIDATED						STANDALONE					
Quarter Ended on		Nine Months Ended on		Year Ended on		Quarter Ended on		Nine Months Ended on		Year Ended on	
31.12.2011 (UNAUDITED)	30.09.2011 (UNAUDITED)	31.12.2010 (UNAUDITED)	31.12.2011 (UNAUDITED)	31.12.2010 (UNAUDITED)	31.03.2011 (AUDITED)	31.12.2011 (UNAUDITED)	30.09.2011 (UNAUDITED)	31.12.2010 (UNAUDITED)	31.12.2011 (UNAUDITED)	31.12.2010 (UNAUDITED)	31.03.2011 (AUDITED)
152.29	152.29	152.29	152.29	152.29	152.29	152.29	152.29	152.29	152.29	152.29	152.29
5.74	1.79	7.71	18.21	30.07	5876.00	1.89	0.17	5.22	8.74	19.60	17.50
5.73	1.79	7.70	18.17	30.00	30.71	1.88	0.17	5.21	8.73	19.55	17.46
106810516	106698796	106576587	106810516	106576587	106650796	106810516	106698796	106576587	106810516	106576587	106650796
70.14	70.06	69.98	70.14	69.98	70.03	70.14	70.06	69.98	70.14	69.98	70.03
7000	7000	7000	7000	7000	7000	7000	7000	7000	7000	7000	7000
0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
-	-	-	-	-	-	-	-	-	-	-	-
45472168	45583888	45706097	45472168	45706097	45631888	45472168	45583888	45706097	45472168	45706097	45631888
99.98	99.98	99.98	99.98	99.98	99.98	99.98	99.98	99.98	99.98	99.98	99.98
29.86	29.94	30.02	29.86	30.02	29.97	29.86	29.94	30.02	29.86	30.02	29.97
<p>17. Paid-up Equity Share Capital (Face Value Rs.10/-)</p> <p>18. Reserves excluding revaluation reserves</p> <p>19. Earnings per share (in Rs.) - Basic - Diluted</p> <p>20. Public Shareholding - - Number of Shares - Percentage of shareholding</p> <p>21. Promoters and promoter group shareholding (a) Pledged/Encumbered - Number of shares - Percentage of shares(as a % of the total shareholding of promoter and promoter group) - Percentage of shares(as a % of the total share capital of the Company) (Less than 0.01%) (b) Non-encumbered - Number of shares - Percentage of shares(as a % of the total shareholding of promoter and promoter group) - Percentage of shares(as a % of the total share capital of the Company)</p>											

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THE GREAT EASTERN SHIPPING CO. LTD.

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Regd. Office: Ocean House, 134-A, Dr. Annie Besant Road, Mumbai 400018.

REPORTING OF SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED :

The Company is mainly engaged in shipping business and there are no separate reportable segments as per Accounting Standard (AS) 17 for standalone results. Hence Segment information is given below for consolidated results only.

(Rs. in crores)

	Consolidated					
	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2011 (UNAUDITED)	30.09.2011 (UNAUDITED)	31.12.2010 (UNAUDITED)	31.12.2011 (UNAUDITED)	31.12.2010 (UNAUDITED)	31.03.2011 (AUDITED)
a) Segment Revenue :						
Shipping	489.46	487.06	434.41	1514.60	1408.92	1834.52
Offshore	337.63	266.68	209.94	851.03	679.53	913.60
Sub-total	827.09	753.74	644.35	2365.63	2088.45	2748.12
Less : Inter Segment Revenue	0.04	20.80	0.05	20.89	0.51	7.16
Total	827.05	732.94	644.30	2344.74	2087.94	2740.96
b) Segment Results :						
Profit before tax and interest						
Shipping	102.37	56.36	114.41	323.61	417.86	431.12
Offshore	111.40	128.56	71.39	335.93	260.98	337.69
Sub-total	213.77	184.92	185.80	659.54	678.84	768.81
Less : Interest	114.42	137.33	48.56	325.24	174.69	239.66
Total Profit before tax	99.35	47.59	137.24	334.30	504.15	529.15
c) Capital employed :						
Shipping	7547.78	7913.01	7957.73	7547.78	7957.73	7631.78
Offshore	5025.53	4611.36	3279.12	5025.53	3279.12	4393.93
Total	12573.31	12524.37	11236.85	12573.31	11236.85	12025.71

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THE GREAT EASTERN SHIPPING CO. LTD.

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NOTES TO CONSOLIDATED RESULTS:

1. In the absence of uncertainty on the future cashflows on account of purchase and sale transactions of one Very Large Crude Carrier delivered in January 2012, the impairment in the value of the said ship under construction accounted in the previous year was reversed to the extent of Rs. 20.98 crores during the quarter.
2. Interest cost includes an adjustment in accordance with Accounting Standard AS 16 "Borrowing Cost" on account of exchange difference on the foreign currency borrowings to the extent of the difference between interest on local currency borrowings and interest on foreign currency borrowings amounting to Rs. 30.82 crores for the quarter and Rs. 94.91 crores for the nine months ended December 31, 2011 [corresponding quarter ended December 31, 2010 : Rs. (5.46) crores, and nine months ended December 31, 2010 : Rs. 2.04 crores].
3. The Board of Directors has declared an interim dividend of Rs. 3.00 per equity share. The outgo on this account is Rs. 53.10 crores including tax on dividend.
4. During the quarter –
 - the Company –
 - sold and delivered a Double Hull General Purpose Product Carrier named "Jag Pari" (Year Built : 1982) of DWT 29139 MT. (Already informed in the previous quarter).
 - sold and delivered a Double Hull Medium Range Product Carrier named "Jag Pratap" (Year Built : 1995) of DWT 45693 MT.
 - the Subsidiary Company cancelled a shipbuilding contract for one Multipurpose Support Vessel which was ordered during the financial year 2007-08. (Already informed in the previous quarter).

Subsequent to the end of the quarter –

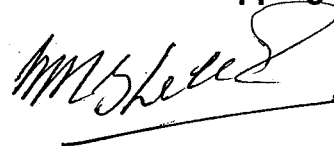
- the Company took delivery of newly built Very Large Crude Carrier named "Maneklal Ujamshi Sheth" of DWT 318000 MT and delivered the same to its new buyers.
- the Subsidiary Company –
 - took delivery of newly built 150T Anchor Handling Tug cum Supply Vessel named "Greatship Vidya" (12064 BHP).
 - has cancelled a shipbuilding contract for one more Multipurpose Support Vessel which was ordered during the financial year 2007-08. The said cancellation is disputed by the yard.
 - took delivery of newly built 150T Anchor Handling Tug cum Supply Vessel named "Greatship Vimla" (12064 BHP).

5. During the quarter, the Company has made further investments in its subsidiary "Greatship (India) Ltd." by subscribing to 5,460,000 Equity Shares of Rs. 10/- each at a premium of Rs. 170/- per share aggregating to Rs. 98.28 crores.

The total investment in "Greatship (India) Ltd." till date in equity shares amounts to Rs. 1268.56 crores and Cumulative Redeemable Preference Shares Rs. 445.87 crores, aggregating to Rs. 1714.43 crores. (Already informed in the previous quarter).

6. Previous period figures have been re-grouped wherever necessary.
7. Number of Investor Complaints at the beginning of the quarter were "Nil", received during the quarter were "8", disposed off during the quarter were "8" and lying unresolved at the end of the quarter were "Nil".
8. The above results which have been subjected to a limited review by the Statutory Auditors of the Company were reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at their meetings held on February 10, 2012 and have been prepared in accordance with Clause 41 of the Listing Agreement.

For The Great Eastern Shipping Co. Ltd.



**(K. M. Sheth)
Executive Chairman**

Place: Mumbai.

Date : February 10, 2012

KALYANIWALLA & MISTRY (Regd.)

CHARTERED ACCOUNTANTS

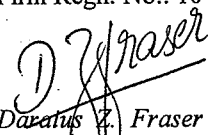
The Board of Directors,
The Great Eastern Shipping Company Limited,
Ocean House,
134/A, Dr. Annie Besant Road,
Mumbai 400 018.

Dear Sirs,

LIMITED REVIEW REPORT

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial Results of **THE GREAT EASTERN SHIPPING COMPANY LIMITED** for the quarter and nine months ended December 31, 2011, prepared by the Company pursuant to clause 41 of the Listing Agreement with stock exchanges in India, except for disclosures regarding Public Shareholding and Promoter and Promoter Group Shareholding which have been traced from disclosures made by the Management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors at its meeting held on February 10, 2012. Our responsibility is to issue a report on these financial statements based on our review. The Statement has been initialed by us for identification purposes.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatements. A review of interim financial statements is limited primarily to inquiries of persons responsible for financial and accounting matters and analytical procedures applied to financial data. It is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards, the objective of which is expression of an opinion regarding the financial statements taken as a whole. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *We did not review the financial statements of certain subsidiaries, whose financial statements reflect the Group's share of total assets of Rs. 3,909.66 crores as at December 31, 2011, and the Group's share of total revenue of Rs. 344.58 crores, for the nine months ended on that date as considered in consolidated financial statements. These financial statements have been reviewed by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of such subsidiaries is based solely on the report of the other auditors.*
4. *Subject to our comments referred to in paragraph 3 above, and based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the listing agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.*

For and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
Firm Regn. No.: 104607W


Daratus Z. Fraser
PARTNER
M. No.: 42454

Mumbai: February 10, 2012.