

PRESS RELEASE

GE Shipping FY12 consolidated Net Profit at Rs.316.55 crs *Proposes final dividend of Rs.3.50 per share*

The Board of Directors of The Great Eastern Shipping Company Ltd. (G E Shipping) today approved the Audited Results for the financial year ended 31 March 2012.

KEY HIGHLIGHTS:

Standalone			Consolidated	
FY'12	FY'11	(Amount in Rs. crs)	FY'12	FY'11
Income Statement				
2016.23	1662.06	Revenue (including other income)	3239.84	2762.80
781.26	829.20	EBITDA (including other income)	1363.78	1274.95
143.34	266.46	Net Profit	316.55	468.70
Balance Sheet				
9927.51	9608.28	Total Assets	13685.14	12660.14
5130.51	5504.06	Equity	5997.19	6030.66
3874.42	3615.82	Total Debt (Gross)	6407.15	5957.43
874.75	1111.78	Long Term Debt (Net of Cash)	2858.13	2832.46
Cash Flow				
204.25	662.24	From operating activities	871.36	979.03
420.07	(1,210.13)	From investing activities	(99.01)	(1,936.09)
(254.32)	(419.11)	From financing activities	(482.71)	141.44
370.00	(967.00)	Net cash inflow/(outflow)	289.64	(815.62)
Key financial figures				
38.75%	49.89%	EBITDA Margin (%)	42.09%	46.15%
2.70%	4.90%	Return on Equity (ROE) (%)	5.34%	8.62%
4.67%	4.53%	Return on Capital Employed (ROCE) (%)	6.16%	6.13%
0.76	0.66	Gross Debt/Equity Ratio (x)	1.07	0.99
0.17	0.20	Net Debt/Equity Ratio (x)	0.48	0.47
47.56	45.54	Exchange rate USD/INR, average (Rs)	47.56	45.54
50.88	44.59	Exchange rate USD/INR, end of period (Rs)	50.88	44.59
Share related figures				
9.41	17.50	Earnings per share, EPS (Rs)	20.79	30.78
9.39	17.46	Diluted earnings per share (Rs)	20.74	30.71
31.48	43.02	Cash Profit per share (Rs)	56.73	64.01
6.50	8.00	Dividend per share (Rs)	6.50	8.00

Performance Review of Q4 FY 2011-12:

Break up of Revenue days (Shipping):

Q4'FY12	Q4'FY11	Revenue Days	FY12	FY11
3,022	2,827	Owned Tonnage	12,155	12,097
183	23	Inchartered Tonnage	786	148
3,205	2,850	Total Revenue Days	12,941	12,245
2.62	2.63	Total Owned Tonnage (mn.dwt)	2.62	2.63

Average TCY's earned in various categories:

Average (TCY \$ per day)	Q4'FY12	Q4'FY11	% Chg
Crude Carriers	19,829	23,072	(14)%
Product Carriers (Incl. Gas)	13,353	15,556	(14)%
Dry Bulk	15,130	18,153	(17)%

FLEET DEVELOPMENT:

Sale & Purchase Activities during Q4 FY2011-12:

During the quarter:

- The Company took delivery of two Very Large Crude Carriers (VLCCs) namely "Maneklal Ujamshi Sheth" and "Ardeshir Bhiwandiwalla" from Hyundai Heavy Industries Ltd, South Korea and subsequently delivered both the vessels to the new buyer.

MARKET COMMENTARY:

On the back of increased production from OPEC, inventory built up due to potential Iran supply disruption and seasonal demand strength, freight rates especially for crude tankers remained firm throughout the quarter. This was also supported by slow steaming of vessels and increase in long haul shipments. But steady fleet growth capped any significant spurt in the freight rates. Scrapping of younger tonnage (< 20 years) is on the rise as a result of the difficult commercial environment. Net fleet growth during the quarter in crude and product tanker segment was about 1%. Due to the tough commercial and financial

environment, asset values (for modern 5year old) has declined by roughly 5% to 14% across the tanker segment.

For the Dry Bulk market, the quarter started with Baltic Dry Index (BDI) falling to its lowest level in decades on the back of Chinese New Year holidays, weather related issues in key exporting ports of Brazil & Australia and increase in newbuilding deliveries. The Chinese iron ore & coal inventories also remained at high levels resulting in lower import of these commodities, which further depressed the freight rates. Even though some improvement in freight rates was seen in the smaller asset segments, the net fleet growth of around 3% coupled with lower cargo movement kept the charter rates under pressure. During the quarter, asset prices (for modern 5 yr old) softened by 6% to 14% across the dry bulk segment.

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	0.7
Panamax	1	17.0
Supramax	4	5.3
Handymax	1	15.0
DRY BULK TOTAL	10	7.9
TOTAL FLEET (2.62 mn dwt)	34	8.9

OUTLOOK:

Tanker Market:

For 2012, IEA has forecast a modest 0.9% growth in world oil demand to 89.9 mn bpd. This is on back of uncertain economic recovery, high crude oil prices and structural changes in trade. On the supply side, newbuilding cancellations and delays are expected to become more prevalent as the financing environment gets even tougher. Any further escalation of the Iran dispute can have a significant impact on the tanker trade economics going forward. On the demand side, the key positive factors to watch out for

will be a stronger than expected US economic recovery and increase in long haul voyages which can result in stronger fleet utilization and freight rates.

Dry Bulk Market:

With broader market fundamentals expected to remain under stress due to demand supply mismatch, increase in scrapping activities is required to offset the newbuilding pressure. On back of tough financing environment, order cancellations and slippages in deliveries are also likely to remain high easing some pressure on the supply side. On the demand side, global seaborne commodity movement is expected to improve as a result of increased imports into Asia. But a slowdown in China or prolonged recession in Europe could possibly result in downward revision of this demand, which can have a large negative impact on freight rates.

REVENUE VISIBILITY:

The revenue visibility for the balance part of FY 2012-13 is around Rs.274 crores. Crude tankers and product carriers (incl Gas carrier) are covered to the extent of around 46% and 29% of their operating days respectively. In case of dry bulk carriers, they are covered to the extent of around 20% 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 Q4 FY2011-12:

During the quarter:

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

OUTLOOK:

Firm oil prices, the resultant higher E&P spending, and strong demand especially from West Africa & South American region are creating a much better demand-supply scenario. Utilisation levels picked up during the quarter across all the asset classes, and this trend is expected to continue going forward. Improved utilization resulted in higher day rates for modern drilling units.

However, economic uncertainties, recent focus on austerity measures from Europe and US along with subdued growth in emerging markets can lead to lower oil demand growth. If this scenario pans out, it may have a negative impact on oil prices and E&P spending, which could, in turn result in lower asset utilizations.

REVENUE VISIBILITY:

The revenue visibility for the balance part of FY 2012-13 is around Rs.889 crores. PSVs and AHTSVs are covered to the extent of around 49% and 60% of their operating days respectively. ROVSVs and MPSSVs have coverage of around 74% and 23% for the balance part of FY2013. In case of Jackup rigs, they are covered to the extent of 100% of the operating days.

Place: Mumbai

Date: 3rd May, 2012

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STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE YEAR ENDED MARCH 31, 2012.

PART I		CONSOLIDATED				STANDALONE			
		3 months ended on		Year ended on		3 months ended on		Year ended on	
31.03.2012 (UNAUDITED)	31.12.2011 (UNAUDITED)	31.03.2011 (UNAUDITED)	31.03.2011 (AUDITED)	31.03.2012 (AUDITED)	31.03.2011 (UNAUDITED)	31.12.2011 (UNAUDITED)	31.03.2011 (UNAUDITED)	31.03.2012 (AUDITED)	31.03.2011 (AUDITED)
152.29	152.29	152.29	152.29	152.29	152.29	152.29	152.29	152.29	152.29
2.57	5.74	0.71	30.78	5,844.90	0.67	1.89	(2.10)	9.41	17.50
2.57	5.73	0.71	30.71	5,878.37	0.67	1.88	(2.09)	9.39	17.46

PART II		CONSOLIDATED				STANDALONE			
PART I		3 months ended on		Year ended on		3 months ended on		Year ended on	
		31.03.2012 (UNAUDITED)	31.12.2011 (UNAUDITED)	31.03.2011 (UNAUDITED)	31.03.2011 (AUDITED)	31.03.2012 (AUDITED)	31.03.2011 (UNAUDITED)	31.12.2011 (UNAUDITED)	31.03.2011 (UNAUDITED)
106810516	106810516	106810516	106810516	106810516	106810516	106810516	106810516	106810516	106810516
70.14	70.14	70.03	70.03	70.14	70.03	70.14	70.03	70.14	70.03
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
-	-	-	-	-	-	-	-	-	-
45472168	45472168	45631888	45631888	45472168	45631888	45472168	45631888	45472168	45631888
99.98	99.98	99.98	99.98	99.98	99.98	99.98	99.98	99.98	99.98
29.86	29.86	29.97	29.97	29.86	29.97	29.86	29.97	29.86	29.97

B. INVESTOR COMPLAINTS

- Pending at the beginning of the quarter	-
- Received during the quarter	5
- Disposed of during the quarter	5
- Remaining unresolved at the end of the quarter	-

THE GREAT EASTERN SHIPPING CO. LTD.

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				
	3 months ended on			Year ended on	
	31.03.2012 (UNAUDITED)	31.12.2011 (UNAUDITED)	31.03.2011 (UNAUDITED)	31.03.2012 (AUDITED)	31.03.2011 (AUDITED)
a) Segment Revenue :					
Shipping	486.22	499.89	437.02	2033.36	1855.39
Offshore	340.41	337.91	232.38	1227.40	914.56
Sub-total	826.63	837.80	669.40	3260.76	2769.95
Add/(Less): Inter Segment Revenue	(0.03)	(0.04)	(6.65)	(20.92)	(7.16)
Total	826.60	837.76	662.75	3239.84	2762.79
b) Segment Results :					
Profit before tax and interest					
Shipping	78.81	102.37	13.26	402.42	431.49
Offshore	78.11	111.40	76.71	414.04	337.32
Sub-total	156.92	213.77	89.97	816.46	768.81
Less : Interest	112.07	114.42	64.97	437.31	239.66
Total Profit before tax	44.85	99.35	25.00	379.15	529.15
c) Capital employed :					
Shipping	7404.60	7501.59	7611.56	7404.60	7611.56
Offshore	4995.01	5028.11	4374.98	4995.01	4374.98
Total	12399.61	12529.70	11986.54	12399.61	11986.54

THE GREAT EASTERN SHIPPING CO. LTD.

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

NOTES TO CONSOLIDATED RESULTS:

1. STATEMENT OF ASSETS & LIABILITIES :

(Rs. in Crores)

CONSOLIDATED As at year ended			STANDALONE As at year ended	
31.03.2012 (AUDITED)	31.03.2011 (AUDITED)		31.03.2012 (AUDITED)	31.03.2011 (AUDITED)
		A EQUITIES AND LIABILITIES:		
		1 Shareholders' fund		
152.29	152.29	(a) Capital	152.29	152.29
5844.90	5878.37	(b) Reserves and Surplus	4978.22	5351.77
5997.19	6030.66	Sub-total - Shareholders' fund	5130.51	5504.06
43.77	37.62	2 Minority interest	-	-
		3 Non-current liabilities		
5672.46	5166.27	(a) Long-term borrowings	3504.74	3169.59
35.78	33.20	(b) Other Long term liabilities	35.78	33.20
601.28	168.01	(c) Long-term provisions	552.00	167.45
6309.52	5367.48	Sub-total - Non-current liabilities	4092.52	3370.24
		4 Current liabilities		
234.44	161.08	(a) Trade payables	104.94	92.33
936.82	911.01	(b) Other current liabilities	481.85	524.00
163.40	152.29	(c) Short-term provisions	117.69	117.65
1334.66	1224.38	Sub-total - Current liabilities	704.48	733.98
13685.14	12660.14	TOTAL - EQUITIES AND LIABILITIES	9927.51	9608.28
		B ASSETS :		
		1 Non-current assets		
9477.05	9084.31	(a) Fixed assets	4967.56	5318.17
-	-	(b) Non-current investments	1716.02	1617.74
1.31	0.88	(c) Deferred Tax Assets (net)	-	-
59.45	9.59	(d) Long-term loans and advances	15.38	8.80
42.66	43.05	(e) Other non-current assets	13.01	16.51
9580.47	9137.83	Sub-total - Non-current assets	6711.97	6961.22
		2 Current assets		
113.32	103.38	(a) Inventories	70.50	57.06
330.64	228.58	(b) Trade receivables	84.57	53.33
3446.01	3108.46	(c) Cash and cash equivalents	2896.66	2487.53
181.32	65.21	(d) Short-term loans and advances	144.09	42.74
33.38	16.68	(e) Other current assets	19.72	6.40
4104.67	3522.31	Sub-total - Current assets	3215.54	2647.06
13685.14	12660.14	TOTAL - ASSETS	9927.51	9608.28

- 2 Finance 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. 34.10 crores for the quarter and Rs. 129.01 crores for the year ended March 31, 2012 [corresponding quarter ended March 31, 2011 : Rs. (0.15) crores, and for the year ended March 31, 2011 : Rs. 1.89 crores].
- 3 (a) The Board of Directors has declared and paid an interim dividend of Rs. 3.00 per equity share during the year. The outgo on this account was Rs. 53.10 crores including dividend distribution tax.

(b) The Board of Directors has proposed a final dividend of Rs. 3.50 per equity share. The outgo on this account will be Rs. 60.88 crores including dividend distribution tax.
- 4 During 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. (Already informed in the previous quarter).
 - the Company took delivery of newly built Very Large Crude Carrier named "Ardeshir H Bhiwandiwalla" 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). (Already informed in the previous quarter).
 - 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. (Already informed in the previous quarter).
 - took delivery of newly built 150T Anchor Handling Tug cum Supply Vessel named "Greatship Vimla" (12064 BHP). (Already informed in the previous quarter).
- 5 Previous period figures have been re-grouped/restated wherever necessary. The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.

- 6 The above results which have been subjected to an audit 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 May 03, 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 : May 03, 2012