

PRESS RELEASE

GE Shipping Q4FY08 standalone Net Profit at Rs.299.41 cr, up 24% **GE Shipping FY08 consolidated Net Profit at Rs.1453.35 cr, up 59%**

- Declares a 3rd interim dividend of Rs. 5.00 per share &
- **A Special Jubilee interim dividend of Rs.2.50 per share**

The Board of Directors of The Great Eastern Shipping Company Ltd. (G E Shipping) today approved the Audited Financial Results for the fourth quarter of FY 2007-08 and the full year ended March 31,2008.

The Board has declared a 3rd interim dividend of Rs. 5.00 per equity share. The Company has also declared a one-time special diamond jubilee interim dividend of Rs. 2.50 per share to commemorate its 60th year. Reminiscing on this eventful occasion, Mr.K.M.Sheth, Executive Chairman, said “From its humble beginnings as the owner of a single dry bulk ship in 1948, Great Eastern has emerged as one of the most respected shipping companies in the world. This year is very special for us not only for being our Diamond Jubilee year, but also for generating the highest profits ever. On a personal note, I have completed 57 years in Great Eastern and am truly thankful for the tremendous support I have received from all employees of the company and other stakeholders over this long period. I can confidently state that our team will strive to sustain and enhance this legacy into the future.”

FINANCIAL PERFORMANCE* (stand alone basis):

(All figures in Rs.cr.)

Q4 FY08	Q4 FY07	% change		FY08	FY07	% change
783.38	592.67	32.2%	Total Income	3203.51	2251.11	42.3%
434.94	348.06	25.0%	PBDIT	1893.17	1282.33	47.6%
389.26	329.88	18.0%	PBDIT (excl gain on sale of ships)	1603.75	1146.02	39.9%
299.41	240.92	24.3%	Net Profit	1356.81	883.31	53.6%
19.66	15.82		EPS -Basic	89.11	58.01	
19.44	15.82		EPS -Diluted	88.37	58.01	
			(in Rs. not annualised)			

*** NOTE 1 :**

The Company has adopted Accounting Standard AS11 (revised 2003) as issued by the Ministry of Company Affairs vide Notification dated December 7, 2006. Pursuant to this, the effects of changes in foreign exchange rates in respect of loan repayments and revaluation of outstanding foreign currency loans including currency swaps that forms an integral part of the Company's loans relating to ships acquired from a country outside India amounting to Rs. 40.96 cr for the quarter have been debited to the profit & loss account and Rs. 145.53 cr for the year have been credited to the profit and loss account and included under Income-others, as against the earlier practice of adjusting against the carrying cost of ships. But for this revision, the depreciation charge for the current quarter would have been higher by Rs 1.35 cr and for the year lower by Rs.12.94cr.

FINANCIAL PERFORMANCE (consolidated):

(all fig Rs.cr)

	FY08	FY07	% change
Total Income	3762.82	2417.73	56%
PBDIT	2017.58	1319.26	53%
PBDIT (excl gain on sale of ships)	1728.16	1182.95	46%
PAT	1453.35	912.43	59%
EPS -Basic	95.45	59.92	
EPS -Diluted	94.66	59.92	
(in Rs.)			

PERFORMANCE REVIEW OF Q4 & FY 2007-08 : (standalone)

During the year, an average of 62% of total revenue days were on fixed term employment and the balance 38% on spot employment. The operating profit (PBIDT) for the company was up by 25% on a q-o-q basis and by 48% on a y-o-y basis. This was due to a combination of both higher revenue days, higher TCY's in the dry bulk segment and increased profit on sale of ships.

In FY08, the number of ships under drydock were 12 as against only 8 ships in FY07. Consequently, the number of lay up days too were higher at 590 days in FY08 as against 248 days in FY07.

Break up of Revenue days :

Q4 FY08	Q4FY07	% change	Revenue Days	FY08	FY07	% change
4,052	3,604	12%	Owned Tonnage	16,034	14,025	14%
171	321	-47%	Inchartered Tonnage	983	897	10%
4,223	3,925	8%	Total Revenue Days	17,017	14,922	14%
3.07	3.26		Total Owned Tonnage (mn.dwt)	3.07	3.26	

Average TCY's earned in various categories :

Q4 FY08	Q4FY07	% Change	Average (TCY \$ per day)	FY08	FY07	% Change
35,139	30,551	15%	Crude Carriers	30,021	29,759	1%
19,909	21,261	-6%	Product Carriers	20,236	20,302	0%
18,776	13,878	35%	Gas Carriers	17,053	15,787	8%
49,152	21,629	127%	Dry Bulk	38,418	17,517	119%

FLEET DEVELOPMENT:**Sale & Purchase Activities during FY 2007-08 :**

During FY 2007-08, the Company took delivery of 4 double hull tankers (2 MR product tankers, 2 Suezmaxes) and 2 dry bulk carriers (1 Handymax, 1 Supramax). The Company entered into new building purchase contracts to buy 8 dry bulk carriers (4 Supramax and 4 Kamsarmax).

During the year, the Company sold several of its old non double hull tankers, (1 VLCC, 2 Aframax & 1 Panamax). The Company has further contracted to sell one more non double hull Panamax product tanker, 2 modern MR tankers and 2 old dry bulk carriers (1 Panamax and 1 Handysize). These are to be delivered between FY09 and FY10.

The Company currently has a total capex commitment of around USD 589 Mn which translates to approx. Rs.2385 crores at current exchange rates. This will result in addition to the tonnage of about 0.85 mn dwt.

FLEET PROFILE: as on date

Categories	No. of ships	Avg age (years)
Crude Carriers	12	8.5
Product Carriers	17	12.3
Gas Carriers	2	25.0
TANKERS TOTAL (76% double hull)	31	9.9
Capesize	1	12.0
Panamax	1	13.0
Supramax	2	6.0
Handymax	5	15.2
Handysize	3	30.0
DRY BULK TOTAL	12	14.5
TOTAL FLEET	43	11.0

MARKET COMMENTARY:

The dry bulk market saw a correction in rates as there was some curtailment in iron ore production and cancellation/postponement of stems for shipment. The prolonged price negotiations had a negative impact on the movement for iron ore. Coal shipments too suffered due to floods in Australia and power disruptions in South Africa.

The tanker rates corrected to more normal levels during the quarter, after the extremely sharp spike seen in December. Crude tanker rates remained at healthy levels and the average of the quarter was higher than that of Q4FY07. Product tankers on the other hand softened on the back of the strong build up in US inventories.

The movement of the freight indices in the last 12 months is highlighted below.

	30-Mar-07	29-Jun-07	28-Sep-07	24-Dec-07	31-Mar-08	01-May-08
Baltic Clean Tanker Index	1096	949	771	1086	883	1197
Baltic Dirty Tanker Index	1398	1029	920	2143	1510	1678
Baltic Dry Index	5388	6278	9474	9143	8081	9439

OUTLOOK

Tanker Market :

With the IEA moderately tweaking down their global demand forecast to 87.5 mn bpd, the demand growth for crude oil transportation is likely to remain sluggish in the next few months. However, an acceleration in the conversions to dry bulk is likely to keep supply increases of crude tankers in check leading to a favourable scenario for rates for the crude segment. The outlook for the product tanker segment is a bit weaker due mainly to the large deliveries in 2008.

Dry Bulk Market :

Demand for dry bulk tonnage is likely to remain strong through 2008 aided mainly by growth in the iron ore and coal trades. There is likely to be a major ramp up in production of iron ore in 2008 to keep pace with the Asian demand. Coal trade too remains favourable on the back of new power plant capacities. A majority of this is likely to be on longer voyages adding to the positive sentiment for the dry bulk vessels.

REVENUE VISIBILITY :

As on May 1, 2008, the revenue visibility is around Rs 890 crores for FY09. Crude and product tankers are covered to the extent of around 43% and 54% of their operating days respectively. In case of dry bulk carriers they are covered to the extent of around 36% of the fleet's operating days. Gas Carriers are covered to the extent of 100% of their operating days for the balance part of FY09.

DEVELOPMENTS IN THE SUBSIDIARIES :

Greatship (India) Limited :

The wholly owned subsidiary Greatship (India) Limited along with its subsidiaries currently has a fleet of 3 Platform Supply Vessels (PSV) and 2 Anchor Handling Tug cum Supply Vessels (AHTSV).

In addition, it has a committed capital expenditure of USD 706 mn (approx Rs.2860 crores at current exchange rates) for 19 more assets. These include 2 PSV's, 8 Multipurpose Platform Supply & Support Vessels, 2 MSVs, 6 AHTSV's and a 350 ft Jack up Rig. These assets are likely to be delivered between FY09 and FY11.

The Great Eastern Chartering LLC (Sharjah) :

This wholly owned subsidiary was set up in November 2004 with the objective of inchartering tankers as well as dry bulk vessels and the commercial operation of such inchartered tonnage. This company currently operates 3 tankers and 4 dry bulk carriers with varying durations.

Place: MUMBAI

Date: May 02, 2008

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