



Essar Shipping registers quarterly consolidated revenue of Rs. 516.08 Crore and EBITDA of Rs. 212.98 Crore. EBITDA Margin increases to 41% from 27%

Mumbai October 24, 2013: Essar Shipping Limited (ESL) announced its financial results for the quarter ended September 30, 2013. The results were taken on record at the meeting of the Board of Directors of the Company held on October 24, 2013.

During Q2 FY2014, the Company registered consolidated revenue of Rs.516.08 Crore, EBITDA of Rs. 212.98 Crore and net loss of Rs. 11.20 Crore. For the corresponding quarter last year, the company had registered revenue of Rs.797.95 Crore, EBITDA of Rs.218.18 Crore and net loss of Rs.35.99 Crore. During H1FY2014 consolidated revenue stood at Rs. 1039.26 crore, EBITDA at Rs. 442.05 crore and Net profit at Rs. 8.21 crore as against revenue of Rs. 1723.13 crore, EBITDA of Rs. 470.24 crore and Net profit of Rs. 17.91 crore in H1FY2013.

The reduction in revenue was mainly due to scale down of logistics services done through Essar Logistics Limited (ELL). This has been done as part of plan of Essar Shipping Limited to focus on its core high EBITDA margin business activities viz. Sea Transportation and Oilfields Services. The EBITDA margins have increased to 41% during the current quarter as compared to 27% in the corresponding quarter of previous year.

The shipping business in the current quarter registered a turnover of Rs. 255 crore, EBITDA of Rs. 62 and net loss of Rs. 29 crore as against turnover of Rs. 370 crore, EBITDA of Rs. 90 crore and net loss of Rs. 62 crore in the corresponding quarter of the previous year. Commenting on the results of the shipping business, **Capt. Anoop Sharma Director & CEO Sea Transportation Business** said – *“Shipping industry is still facing pressure on freight rates, though there is some increase in the Capesize dry bulk sector. The tanker segment continues to be under pressure.”*

During Q2 FY14, the oilfields services business registered a turnover of Rs. 191 crore, EBITDA of Rs. 128 crore and net profit of Rs. 8 crore as against turnover of Rs. 165 crore, EBITDA of Rs. 107 crore and net profit of Rs. 19 crore in the corresponding quarter of the previous year.

Essar’s semi-submersible rig, Essar Wildcat, continues its drilling contract with ConocoPhillips, Indonesia, operating at very high efficiency levels. Commenting on the results, **Mr. Ankur Gupta, CEO of Essar’s Oilfield Services Business**, said: *“The Oilfields Services business has been consistently enhancing its performance by operating its rig assets at very high efficiency levels. We are also implementing cost containment measures and streamlining operating processes, which has led to a reduction of about 4% in operating expenses in this quarter as against the corresponding quarter of FY13. We are also actively pursuing opportunities for deployment of various assets in international geographies to increase our asset utilisation”.*



About Essar Shipping

Essar Shipping Limited operates a diversified fleet of 26 vessels, including VLCCs, Capesize, Mini-capesize, Supramaxes, mini-bulk carriers & tugs. A sizeable part of the capacity is deployed on long-term contracts and COAs, insulating the company from the volatility of spot markets.

The Oilfields Services business provides contract drilling services to oil & gas companies across the globe. This business owns one semi-submersible rig and 15 land rigs. The company has two new jack-up rigs on order.

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