



PRESS RELEASE

MERCATOR LINES NET RISES FOR Q1 ENDED JUNE 2007

**INCOME FROM OPERATIONS: Rs. 267.34 crores;
OPERATING PROFIT : Rs. 127.27 crores**

Mercator Lines Limited has performed well during the first quarter ended June 07 of the FY 2007-08.

On consolidated basis; the Company has achieved higher income from operations at Rs.267.34 crores during the first quarter ended June 07 (Q1 07-08) as against Rs.262.98 crores in the previous corresponding quarter (Q1 06-07). The total turnover was Rs. 301.45 crores during the said period as against Rs. 276.16 crores in the previous year registering growth of 9%. Operating Profit (PBIDTA) has grown by 72% at Rs 127.27 crores against Rs. 74.09 crores in Q1 06-07). In spite of 27% increase in interest at Rs. 25.35 cr (Rs. 19.95 cr) and 16% higher depreciation of Rs. 30.63 cr (Rs. 26.32 cr); the Net Profit (PAT) has registered impressive growth of 162% at Rs. 70.27 crores from Rs. 26.80 crores Q1 06-07.

On Stand alone basis, there has been decrease in Income from operations for the first quarter ended June 07 (Q 1 07-08) by 19% at Rs. 140.15 crores from Rs. 173.93 crores in the previous corresponding quarter (Q1 06-07) primarily because of loss of revenue on account of sale of 3 vessels of aggregate tonnage of 233,801 DWT during last year subsequent to quarter ended June 2006. Net foreign exchange gain of Rs. 18.33 crores and lower dry docking expenses of Rs. 2.99 crores (Rs. 21.56 crores in Q1 2006-07) have boosted Operating Profit (PBIDTA) by 42% at Rs 86.19 crores as against Rs. 60.73 crores in Q1 06-07. After charging of interest of Rs. 18.16 crores (increase of 21% against Rs. 15.06 cr in Q1 06-07) and depreciation of Rs. 24.87 cr (Rs. 26.32 crores in Q 1 06-07), the Net Profit (PAT) has registered an excellent growth of 130% at Rs 42.13 crores as against Rs 18.33 crores in Q1-06-07.

For **MERCATOR LINES LTD**

Supriya Joshi
Dy. Company Secretary
July 30, 2007