



## NEWS RELEASE

### MERCATOR REPORTS IMPRESSIVE GROWTH IN REVENUE & PROFITS FOR THE FINANCIAL YEAR 2008-09.

- Shipping Revenue increases 50% to Rs. 2211 cr.
- EBIDATA up by 44% to Rs. 985 Cr.
- Net profit up by 17% to Rs. 467 Cr.
- Vessel Operating Days rose by 13% to 9970 in FY 2009
- Proposes dividend of Re 0.50 per share

*Mr H K Mittal, Executive Chairman, of Mercator Lines Limited said, "We are happy to announce financial results for FY2009. Despite a weak economic environment and depressed freight rates, Mercator has delivered a good set of results, reaffirming that our strategy of having long term contracts for a large part of our capacity".*

*"Over the last one year, Mercator has diversified its business with Offshore oil & gas drilling and Coal ventures which we view as sectors with long terms growth promise. Company with its healthy balance sheet would continue to explore interesting opportunities"*

**Mumbai, May 19, 2009** - Mercator Lines Limited, India's 2<sup>nd</sup> largest private sector shipping company, has posted impressive results for the year ended March 2009 (FY 2009).

The summarized consolidated financial performance is as under:

|                        | Current Year<br>2008-09<br>(Rs. In crores) | Previous Year<br>2007-08<br>(Rs. In crores) | % change |
|------------------------|--|---|----------|
| Income from operations | 2210.51                                    | 1476.85                                     | +50      |
| EBIDATA                | 984.78                                     | 682.23                                      | +44      |
| Interest               | 166.32                                     | 144.64                                      | +15      |
| Depreciation           | 268.71                                     | 167.49                                      | +60      |
| Profit before Tax      | 475.21                                     | 409.35                                      | +16      |
| Taxation               | 8.18                                       | 9.02  | -9       |
| Profit after Tax       | 467.03                                     | 400.33                                      | +17      |
| Cash Profit            | 735.74                                     | 567.82                                      | +30      |

TCE (Time Charter Equivalent) rate per vessel per day increased by 4% to US\$ 39,966/- and total no. of vessel operating days increased by 18% to 4499 days in respect of dry carriers, for the year ended 31<sup>st</sup> March, '09.

TCE (Time Charter Equivalent) rate per vessel per day increased by 19% to US\$ 27,976/- though total no. of vessel operating days reduced by 12% to 4196 days in respect of tankers, for the year ended 31<sup>st</sup> March, '09.



Our owned fleet grew from 20 to 24 during the year ended 31<sup>st</sup> March 2009 with 26% increase in DWT. During the year, we also commenced offshore drilling operations of our maiden Jack-up Rig. Our own fleet now comprises of 12 tankers with a combined capacity of 1373,508 dwt, 12 dry bulkers with a combined capacity of 898,343 DWT; 4 dredgers with a combined capacity of 31,854 CBM and a 350 ft. Jack-up Rig.

As at March 31, 2009, the Group maintained a strong balance sheet and working capital position with approximately Rs. 878 Crores cash and cash equivalents. In line with its good results, MLL Board of Directors have proposed a dividend of 50%.

During the year, the Company has commenced offshore drilling operations by taking delivery of its new built 350 ft. Jack-up Rig from the date of its delivery i.e. mid of March 2009 running on a three year contract. The coal mining activities in Indonesia also commenced and generated revenue of Rs. 77 Cr.

At Mercator, evaluation and assessment of market condition is a continuous process. After analyzing huge potential in very large sized dry bulk, the Company converted its Very Large Crude Carrier (VLCC) into a Very Large Ore Carrier (VLOC), which is the largest in India. The said VLOC has been deployed on 14 years consecutive voyage contract with an international Iron Ore Major. This is in line with the Company's policy of deploying vessels on long term charter.

During the year, one of the Indian subsidiaries of the Company, Mercator Petroleum Pvt. Ltd. signed an agreement for 2 oil blocks in Cambay basin in Western India with Government of India under NELP-VII programme.

#### About Mercator Lines Limited

Mercator Lines Limited, the second largest private sector shipping company in India (by aggregate fleet tonnage capacity), has global presence through its subsidiaries. The group has diversified interests and has a presence in Tankers, Bulk Carriers, Dredging, Coal Mining; Logistics and Offshore and presently owns or operates a fleet of 1 Rig; 12 dry carriers; 12 tankers and 4 dredgers.

Mercator Lines has an uninterrupted dividend record since its listing on the Stock Exchange Mumbai in 1993.

For Mercator Lines Ltd.

Atul J. Agarwal  
Managing Director

Mumbai, May 19, 2009