MERCATOR LINES
L I M I T E D

3rd Floor, Mittal Tower,
B - wing, Nariman Point,
Mumbai - 400021, India.
Tel : +91 22 40373333
Tel : +91 22 66373333
Fax : +91 22 66373344
Website : www.mercator.in
E-mail : mercator@mercator.in

**12th February, 2011**

To,
**National Stock Exchange of India Ltd.**
Exchange Plaza,
Bandra - Kurla Complex,
Bandra (E) Mumbai-400 051.

**Company Code: MLL - EQ**

**Re: Financial Results**

Dear Sir,

Pursuant to Clause 41 of the Listing Agreement, we enclose herewith 3 copies of unaudited financial results for the quarter/period ended on 31st December, 2010, duly approved and taken on record by the Board of Directors of the Company in its meeting held on 12th February, 2011.

The consolidated results are being published into newspapers.

Please acknowledge.

Thanking you,

Yours faithfully,
For **Mercator Lines Limited**

**Suchita Shirambekar**
**Company Secretary &**
**Compliance Officer**

MERCATOR LINES LIMITED (MLL)

Regd. Office: 3rd Floor, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/PERIOD ENDED DECEMBER 31, 2010

(Rs. In lakhs)

| Sr. No. | Particulars | CONSOLIDATED | | | | | STANDALONE | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | THREE MONTHS ENDED | | NINE MONTHS ENDED | | YEAR ENDED | THREE MONTHS ENDED | | NINE MONTHS ENDED | | YEAR ENDED |
| | | 31-Dec-10 | 31-Dec-09 | 31-Dec-10 | 31-Dec-09 | 31-Mar-10 | 31-Dec-10 | 31-Dec-09 | 31-Dec-10 | 31-Dec-09 | 31-Mar-10 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Audited | Reviewed | Reviewed | Reviewed | Reviewed | Audited |
| 1(a) | Income from Operations | 37,345.51 | 32,354.19 | 114,067.11 | 107,299.24 | 143,130.36 | 15,117.92 | 13,314.40 | 47,276.46 | 44,811.99 | 57,628.70 |
| 1(b) | Sale of Coal | 40,427.01 | 14,929.69 | 90,800.18 | 25,372.95 | 37,742.33 | 0.00 | 0.00 | | 0.00 | 0.00 |
| | Exchange fluctation (loss)/gain | (222.45) | (519.61) | (448.96) | (608.14) | (1,783.22) | (220.65) | (568.09) | (430.61) | (1,373.01) | (1,600.83) |
| | Profit/(loss) on sale of Assets | (6.70) | (1.63) | (7.06) | 551.17 | 3,482.76 | (6.70) | 3,992.78 | (3.24) | 8,750.07 | 11,914.07 |
| | **Total Income** | 77,543.37 | 46,762.64 | 204,411.27 | 132,615.22 | 182,572.23 | 14,890.57 | 16,739.09 | 46,842.61 | 52,189.05 | 67,941.94 |
| 2 | Expenditure | | | | | | | | | | |
| | a) Operating expenses | 9,914.95 | 7,501.85 | 25,478.85 | 25,705.94 | 33,599.88 | 5,077.69 | 4,995.20 | 13,527.05 | 16,335.79 | 20,662.51 |
| | b) Bunker cost | 4,949.66 | 4,971.12 | 13,559.11 | 14,572.00 | 20,132.04 | 3,810.37 | 3,517.69 | 10,562.85 | 9,574.98 | 13,912.23 |
| | c) Vessel Hire charges | 10,820.45 | 4,707.92 | 24,113.15 | 12,526.16 | 18,484.30 | 5,349.43 | 1,323.47 | 10,906.41 | 3,518.73 | 5,715.46 |
| | d) Coal Operating expenses | 36,979.89 | 14,053.81 | 84,039.18 | 24,499.52 | 36,713.87 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | e) Employees cost | 696.11 | 593.82 | 1,992.11 | 1,566.81 | 2,477.83 | 338.65 | 280.25 | 936.51 | 934.85 | 1,072.51 |
| | f) Other Expenditure | 545.38 | 770.15 | 2,063.39 | 1,654.89 | 2,547.16 | 282.54 | 360.42 | 810.33 | 897.05 | 1,203.36 |
| | g) Dry-docking expenses | 68.99 | 44.54 | 1,154.60 | 1,118.62 | 2,424.13 | 0.00 | 44.54 | 0.00 | 1,118.62 | 1,533.47 |
| | Total Expenditure | 63,975.43 | 32,643.21 | 152,400.39 | 81,643.94 | 116,379.21 | 14,858.68 | 10,521.57 | 36,743.15 | 32,380.00 | 44,099.54 |
| | **Profit before Depreciation; Interest ; Tax & other Income & exceptional items (EBIDATA)** | **13,567.94** | **14,119.43** | **52,010.88** | **50,971.28** | **66,193.02** | **31.89** | **6,217.52** | **10,099.46** | **19,809.05** | **23,842.40** |
| | Depreciation | 7,274.50 | 8,498.97 | 22,199.47 | 26,579.17 | 34,090.65 | 2,927.89 | 3,530.39 | 8,706.82 | 10,806.47 | 13,711.63 |
| 3 | **Profit from Operations before Other Income, Interest & Exceptional Items** | 6,293.44 | 5,620.46 | 29,811.41 | 24,392.11 | 32,102.37 | (2,896.00) | 2,687.13 | 1,392.64 | 9,002.58 | 10,130.77 |
| 4 | Other Income | | | | | | | | | | |
| | - Profit on sale of investments | 0.00 | 0.00 | 14.65 | 0.00 | (3.00) | 0.00 | 0.00 | 14.65 | 0.00 | (3.00) |
| | - Miscelleneous income | 44.26 | 28.85 | 296.72 | (700.29) | (596.89) | 33.08 | 188.36 | 220.45 | 311.44 | 450.77 |
| 5 | Profit before Interest & Exceptional Item | 6,337.70 | 5,649.31 | 30,122.78 | 23,691.82 | 31,502.48 | (2,862.92) | 2,875.49 | 1,627.74 | 9,314.02 | 10,578.54 |
| 6 | Interest (Net) | 5,289.89 | 4,866.82 | 14,887.73 | 15,332.20 | 20,577.15 | 2,360.56 | 2,306.96 | 6,326.63 | 6,860.12 | 9,493.97 |
| 7 | Profit after Interest but before exceptional Item | 1,047.81 | 782.49 | 15,235.07 | 8,359.62 | 10,925.33 | (5,223.48) | 568.53 | (4,698.89) | 2,453.90 | 1,084.57 |
| 8 | Exceptional Items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9 | Profit from ordinary activities before tax | 1,047.81 | 782.49 | 15,235.07 | 8,359.62 | 10,925.33 | (5,223.48) | 568.53 | (4,698.89) | 2,453.90 | 1,084.57 |
| | Minority Interest | 842.38 | 690.94 | 3,641.46 | 3,794.97 | 5,096.78 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10 | Tax Expenses | | | | | | | | | | |
| | - Current | 49.87 | 670.50 | 123.13 | 1,693.32 | 2,254.64 | 47.20 | 682.00 | 110.00 | 1,693.00 | 2,195.00 |
| | MAT Credit | 0.00 | (679.28) | | (1,487.28) | (1,750.00) | 0.00 | (679.28) | 0.00 | (1,487.28) | (1,750.00) |
| | Excess provision written back | 0.00 | 0.00 | (7.53) | 0.00 | 0.00 | 0.00 | 0.00 | (7.53) | 0.00 | 0.00 |
| 11 | Net Profit from ordinary activities After Tax | 155.56 | 100.33 | 11,478.01 | 4,358.61 | 5,323.91 | (5,270.68) | 565.81 | (4,801.36) | 2,248.18 | 639.57 |
| 12 | Extra ordinary items/Prior period items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 13 | **Net profit for the period** | **155.56** | **100.33** | **11,478.01** | **4,358.61** | **5,323.91** | **(5,270.68)** | **565.81** | **(4,801.36)** | **2,248.18** | **639.57** |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 14 | Paid-up Equity Share Capital (Face Value-Re. 1/- each ) | 2,359.92 | 2,359.92 | 2,359.92 | 2,359.92 | 2,359.92 | 2,359.92 | 2,359.92 | 2,359.92 | 2,359.92 | 2,359.92 |
| 15 | Reserves excluding Revaluation Reserve | N.A. | N.A. | N.A. | N.A. | 212,448.67 | N.A. | N.A. | N.A. | N.A. | 103,584.39 |
| 16 | EPS for the period (not annualised) | | | | | | | | | | |
| | -Basic (Rs.) | 0.07 | 0.05 | 4.86 | 1.85 | 2.26 | (2.23) | 0.24 | (2.03) | 0.95 | 0.27 |
| | -Diluted (Rs.) | 0.06 | 0.04 | 4.86 | 1.82 | 2.26 | (2.23) | 0.24 | (2.03) | 0.95 | 0.27 |
| | After extra-ordinary items: | | | | | | | | | | |
| | -Basic (Rs.) | 0.07 | 0.05 | 4.86 | 1.30 | 2.26 | (2.23) | 0.24 | (2.03) | 0.95 | 0.27 |
| | -Diluted (Rs.) | 0.06 | 0.04 | 4.86 | 1.29 | 2.26 | (2.23) | 0.24 | (2.03) | 0.95 | 0.27 |
| 17 | Public Shareholding | | | | | | | | | | |
| | -Number of Shares | 146,408,007.00 | 146,408,007.00 | 146,408,007.00 | 146,408,007.00 | 146,408,007.00 | 146,408,007.00 | 146,408,007.00 | 146,408,007.00 | 146,408,007.00 | 146,408,007.00 |
| | -Percentage of Shareholding | 62.04 | 62.04 | 62.04 | 62.04 | 62.04 | 62.04 | 62.04 | 62.04 | 62.04 | 62.04 |
| 18 | Promoters and Promoter group shareholding | | | | | | | | | | |
| a) | Pledged/Encumbered | | | | | | | | | | |
| | - Number of shares | 14,346,500.00 | 0.00 | 14,346,500.00 | 0.00 | 0.00 | 14,346,500.00 | 0.00 | 14,346,500.00 | 0.00 | 0.00 |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group | 16.01 | 0.00 | 16.01 | 0.00 | 0.00 | 16.01 | 0.00 | 16.01 | 0.00 | 0.00 |
| | - Percentage of shares (as a % of the total share capital of the Company | 6.08 | 0.00 | 6.08 | 0.00 | 0.00 | 6.08 | 0.00 | 6.08 | 0.00 | 0.00 |
| b) | Non-encumbered | | | | | | | | | | |
| | - Number of shares | 75,237,566.00 | 89,584,066.00 | 75,237,566.00 | 89,584,066.00 | 89,584,066.00 | 75,237,566.00 | 89,584,066.00 | 75,237,566.00 | 89,584,066.00 | 89,584,066.00 |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group | 83.99 | 100.00 | 83.99 | 100.00 | 100.00 | 83.99 | 100.00 | 83.99 | 100.00 | 100.00 |
| | - Percentage of shares (as a % of the total share capital of the Company | 31.88 | 37.96 | 31.88 | 37.96 | 37.96 | 31.88 | 37.96 | 31.88 | 37.96 | 37.96 |

| SEGMENTWISE CONSOLIDATED REVENUE RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER ENDED DEC 31, 2010 | | | | | |
|---|---|---|---|---|---|
| | | | | | (Rs in Lakhs) |
| Particulars | THREE MONTHS ENDED | | NINE MONTHS ENDED | | YEAR ENDED |
| | 31-Dec-10 | 31-Dec-09 | 31-Dec-10 | 31-Dec-09 | 31-Mar-10 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| **1. Segment Revenue** | | | | | |
| (net sale/income from each segment should be disclosed under this head) | | | | | |
| (a) Shipping | 31,852.32 | 27,056.74 | 100,091.42 | 90,483.11 | 121,666.50 |
| (b) Offshore | 3,802.92 | 3,751.93 | 11,423.19 | 11,845.27 | 15,970.06 |
| (c ) Coal (Mining, Trading and Logistics) | 42,117.28 | 16,475.21 | 93,352.68 | 30,343.81 | 43,832.25 |
| (d) Other | (184.89) | 0.00 | (144.64) | 0.00 | 503.53 |
| **Total** | | | | | |
| **Net sales/Income From Operations** | 77,587.63 | 47,283.88 | 204,722.65 | 132,672.19 | 181,972.34 |
| 2. Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment) | | | | | |
| (a) Shipping | (28.46) | 3,183.43 | 15,518.27 | 15,950.95 | 18,720.00 |
| (b) Offshore | 2,824.34 | 2,918.56 | 8,486.02 | 8,435.29 | 11,676.96 |
| (c ) Coal (Mining, Trading and Logistics) | 3,726.71 | 746.10 | 6,263.16 | 1,729.67 | 601.99 |
| (d) Other | (184.89) | 0.00 | (144.64) | 0.00 | 503.53 |
| Less: (i) Interest | 5,289.89 | 4,866.82 | 14,887.73 | 15,332.20 | 20,577.15 |
| (ii) Other Un-allocable Expenditure net off Un-allocable income | 0.00 | 1,198.78 | 0.00 | 2,424.09 | 0.00 |
| **Total Profit Before Tax** | 1,047.81 | 782.49 | 15,235.08 | 8,359.62 | 10,925.33 |
| **3. Capital Employed** | | | | | |
| (Segment assets – Segment Liabilities) | | | | | |
| (a) Shipping | | | 513,119.29 | 555,390.94 | 529,286.06 |
| (b) Offshore | | | 153,892.49 | 97,836.86 | 95,668.69 |
| (c ) Coal (Mining, Trading and Logistics) | | | 19,485.85 | 13,523.05 | 10,864.63 |
| (d) Other | | | | | (389,509.94) |
| **Total** | | | 686,497.63 | 666,750.85 | 246,309.44 |

NOTES:

1 These results reviewed by the Audit committee; were taken on record by the Board of Directors at its meeting held on February 12, 2010.

2 Pursuant to the requirements of the listing agreement, the Statutory Auditors have performed a Limited Review of standalone financial results for the quarter/period ended on December 31, 2010.

3 During the quarter; Company issued and allotted 2,77,80,000 warrants carrying option/entitlement of conversion into equivalent no. of equity shares of Re. 1/- each at a price of Rs. 55/- per share to the Promoters/Directors/Entities in which Directors are interested on preferential basis in accordance with SEBI Regulations.
Subsequent to quarter end; the Company issued and allotted 89,00,000 equity shares of Re. 1/- each at a price of Rs. 55/- per share (inclusive of premium of Rs. 54/-) in lieu of exercise of options attached to the warrants allotted to them in accordance with SEBI Regulations as approved by the shareholders on October 28, 2010. Consequently; promoter's holding has increased from 37.96% to 40.22% post enhanced capital.

4 A Subsidiary of the Company acquired a panamax and post panamax vessels. Another Subsidiary contracted to sell Jack-Up Rig for scheduled delivery in March 11.

5 No. of complaints of investors: Pending at the beginning of quarter: Nil; Received during the quarter:12; resolved during the quarter 12; pending at the end of the quarter: Nil

6 The Company has divided segments into Shipping ( includes tanker , bulker and dredger), Offshore, and Coal (includes mining, trading & logistics).

7 Figures of the previous period/ year have been rearranged / regrouped wherever necessary.

**For Mercator Lines Limited**

**H. K. Mittal**
**Executive Chairman**
12.02.2011
Mumbai