



MERCATOR LINES
L I M I T E D

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July 31, 2010

To,
National Stock Exchange of India Limited
Exchange Plaza, Bandra- Kurla Complex,
Bandra (E), Mumbai- 400051.

Re: MLL-EQ

Sub: Press Release

Dear Sir,

We enclose herewith copy of Press Release being released into newspapers, for your information and records purpose, receipt of which may please be acknowledged.

Thanking you,

Yours faithfully,

For Mercator Lines Limited

**Suchita Shirambekar
Company Secretary &
Compliance Officer**



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PRESS RELEASE

Mercator Reports Higher Income and Net Profit for Q1 FY11 Ended June 2010

- ✓ Income up by 36% to Rs. 602.88 Cr.
- ✓ Net Profit up by 39% to Rs. 61.70 Cr.
- ✓ EPS (non-annualized) for Q1 ended June 10 is Rs. 2.61 on face value of Re 1/- per share up by 39%

Mr. V.S. Mani, Chief Financial Officer, of Mercator Lines Limited said, "We are happy to announce a good set of Q1 FY 2011 results with increase in revenues and profits. Our business model is now well rounded and diversified and that our strategy of sustainable and scalable business model has borne the fruit."

Mumbai, July 31, 2010 – Mercator Lines Limited, India's 2nd largest private sector shipping company (in terms of tonnage), announced its results for the quarter ended June 2010 (Q1 FY11). The total consolidated income was Rs. 602.88 Cr. against Rs. 442.47 Cr. in Q1 FY10 recording increase of 36% on YOY basis. Correspondingly, the Net Profit after Minority Interest and Tax was Rs. 61.70 Cr. against Rs. 44.48 Cr. in the Q1 FY10 recording growth of 39%.

TCY (Time Charter Yield) for dry bulk segment which contributed about 33% of the total revenue for Q1 FY 2011 showed an impressive improvement by about 21% to USD 30,217/day against USD 24,953/day in Q1 FY 2010. Also, number of operating days grew 11% to 1,342 from 1,209 in Q1 FY 2010.

TCY for the Tanker segment which accounted for 18% of the total revenue for Q1 FY 2011, showed improvement by about 12% to USD 20,636/day against USD 19,733/day in Q1 FY 2010. The number of operating days were decreased by 35% to 631 from 976 in Q1 FY 2010, primarily due to phase out of single hull vessels.

TCY for Dredging division which contributed to about 4% of the total revenue for Q1 FY 2011 was USD 18,289/day against USD 23,825 of Q1 FY 2010 with about 23% decline.

The Offshore segment contributed about 7% of the total revenue for Q1 FY 2011. This was on firm bareboat charter contract of USD 92,700/day.

Coal mining and trading activities scaled up contribution to revenue by 24% at Rs. 234.6 cr. for Q1 FY 2011 with substantial increase of 270% over Rs. 63.19 cr. of Q1 FY 2010.



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The company has achieved financial closure for the project of acquisition / conversion and charter out of MOPU and FSO for a period of 7 years, and likely commencement of commercial activities will be in Q3 FY 2011.

While expressing satisfaction over the performance of the company, the Chief Financial Officer of the company Mr. V.S. Mani said, "We realise the importance of strategic diversification and while we have a dedicated team looking at such opportunities, our core businesses of shipping will continue to get the attention it deserves."

The company will continue to exercise tight control over its operating expenses. Helmed by an experienced management team with a complete focus on customer satisfaction accompanied by diligent risk management practices, Mercator shall continue its sailing towards growth.

About the Company:

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 in Tankers, Bulk Carriers, Dredgers, Coal Mines, Logistics and Offshore. The Group owns or operates a fleet of 1 Rig; 16 dry carriers; 8 tankers and 4 dredgers with an aggregate capacity of about 2.25 million DWT of an average age of about eight years. The Group is in the process of getting constructed a Mobile Offshore Production Unit (MOPU) and Floating Storage & Offloading Unit (FSO). The Group has recently taken delivery of an Aframax vessel of 90,607 DWT.

The Group services primarily Indian / International Oil Majors, large thermal-based power plants and steel companies, and has established strong relationships with its reputed end user customers such as Indian Oil Corporation, BG Exploration & Production, Major Ports in India, Vale, Tata Power, Arcelor Mittal Group, COSCO Group, Afren PLC, to name a few. Mercator's strategy is to employ a large part of its fleet on long-term contracts, specifically time charters and contracts of affreightment ("COAs")/ consecutive voyage ("CV") contracts. Its long term fixed rate contracts, ranging from 11 months to 5 years and above, ensures revenue stability and cash flow visibility.

Helmed by an experienced management team with in-depth understanding of the industry, a wide network of customer contacts and diligent risk management practices, Mercator has been able to make proactive business decisions for well-timed expansion and diversifications.

For Mercator Lines Ltd.

Suchita Shirambekar
Company Secretary
Mumbai, July 31, 2010