PIPAVAV SHIPYARD a SKOL initiative

INVESTOR/ANALYST PRESENTATION

FY2011

May 28, 2011

PIPAVAV SHIPYARD a SKOL initiative

Contents

1 Key Highlights

2 Pipavav Shipyard Limited (PSL) – At a Glance

3 Business Overview

4 Key Strengths

5 Chairman's Message

6 Order Book & Operating Highlights

7 Financial Snapshot & Outlook

8 Key Award & Achievement

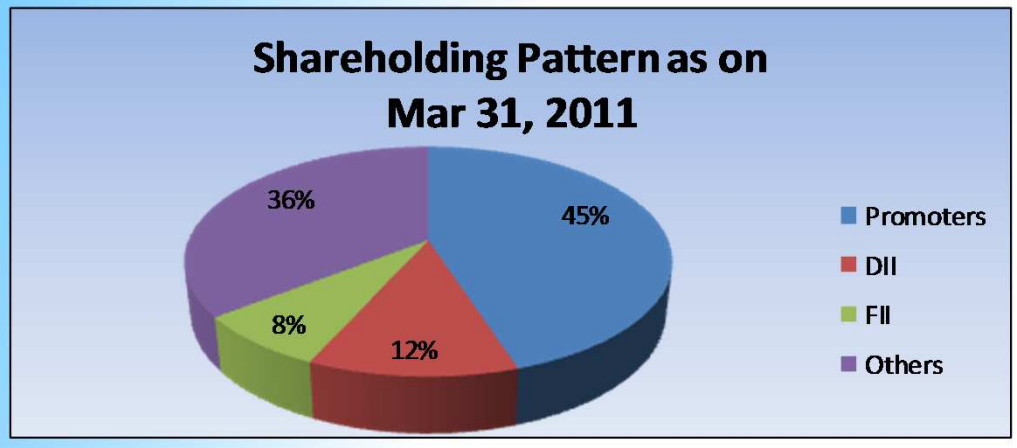
Key Highlights

- Pipavav Shipyard Ltd. will be officially changing its name to Pipavav Defence and Offshore Engineering Company Ltd.
- Tie-ups with various foreign strategic partners including SAAB Dynamics, Northrop Grumman, and Babcock Group UK augment the Company's position as leader in the defence segment
- The Company proposes to convert existing wet dock into a second dry dock to enhance the capabilities further to build warships for Indian Navy and export market.
- The Company is building largest vessels ever constructed by an Indian shipyard.
- The Company has received an order for design and construction of 5 NOPVs amounting to Rs. 2,975 crore.
- PSL – Stand-Alone financial performance for FY2011
  Revenues: ` 9,232 million EBITDA: ` 2,159 million PBT: ` 481 million PAT: ` 398 million
- Poised to be an integrated defence Company given its strategic advantages in size, location, tecchnology and its partnerships with global defence majors.

Pipavav Shipyard Limited (PSL) – At a Glance

Promoter Snapshot

- ✓ SKIL Group, a pioneer in the Indian infrastructure space, specializes in Greenfield development and has promoted infrastructure projects that are the first and best of their kind
- ✓ SKIL Group sponsored and promoted Pipavav port, which was declared the best port in Gujarat and one of the best ports in Asia.



Company Snapshot

✓Largest dry dock in India, 662 meters long and 65 meters wide and capable of accommodating ships of up to 400,000 DWT.

✓Engaged in Defence, Offshore, Marine and Engineering sectors.

✓Aims to achieve India's aspirations to meet global challenges through the development of indigenous capabilities.

✓The Company enjoys strategic locational advantages among other benefits.

✓Won Infrastructure Excellence Award 2010 – organized by CNBC TV 18

✓Market capitalization of ₹ 54,262 million as on May 27, 2011

PIPAVAV SHIPYARD a SKOL initiative

Business Overview

Segments	Business Drivers	Key developments of PSL
Naval / Defence	✓ Increasing focus of Government of India (GOI) on indigenization of defence production will propel private participation in this segment ✓ New Defence Procurement Procedure states "Buy Indian Make Indian" ✓ As per recent news, Indian Government expected to spend USD 50 billion to construct naval defence vessels	✓ Awarded the Warship Production License by government of India (PSL is the first Company in the country to have this production license.) ✓ Signed contracts for 5 NOPV (US$ 650 mn) with Ministry of Defence, Govt of India. ✓ Currently evaluating various enquiries.
Offshore	✓ Rising E&P expenditures positively indicating a revival in the global offshore industry ✓ Revamping & redevelopment of offshore oil rigs that are nearing expiration period ✓ Opportunities to tap into the international offshore business over the next 5 years	✓ Signed contracts for 12 OSV (US$110 mn) from ONGC ✓ Dedicated facilities for fabrication / construction of offshore platforms, rigs, jackets and vessels for the offshore sector
Ship Building, Repair & Refit	✓ The global repair market based on new ships ordered will continue to increase substantially. ✓ The segment will capture the demand from Indian ships that currently depend on global shipyards ✓ The Government vision for ship repair as mentioned by a report issued by the Ministry of Shipping states India to be a major hub for ship repair by 2020.	✓ Bagged orders from international ship-owners for 21 Panamax bulk carriers of 74,500 DWT each ✓ Capacity to repair VLCCs and OSVs, as well as naval, and other specialty vessels such as LNG carriers ✓ Ship Repair activity commenced.

Key Strengths

World Class Infrastructure

- Capable of handling a diversified portfolio mix
- One of the largest dry docks in the world
- Can accommodate vessels of up to 400,000 DWT

Reputed Strategic Partner

- Advanced shipbuilding technology aided by international expertise coupled with a competitive cost structure
- Associated with reputed strategic partners across the globe, including SAAB in Europe, KOMAC in S. Korea, and SembCorp in Singapore

- **World class marine engineering infrastructure with modern infrastructure capacity**
- **Competitive advantage due to size of facility and its strategic location**
- **Strategic partnerships across the globe allow the Company to enjoy the benefits of technological advancement and global presence**

Chairman's Message

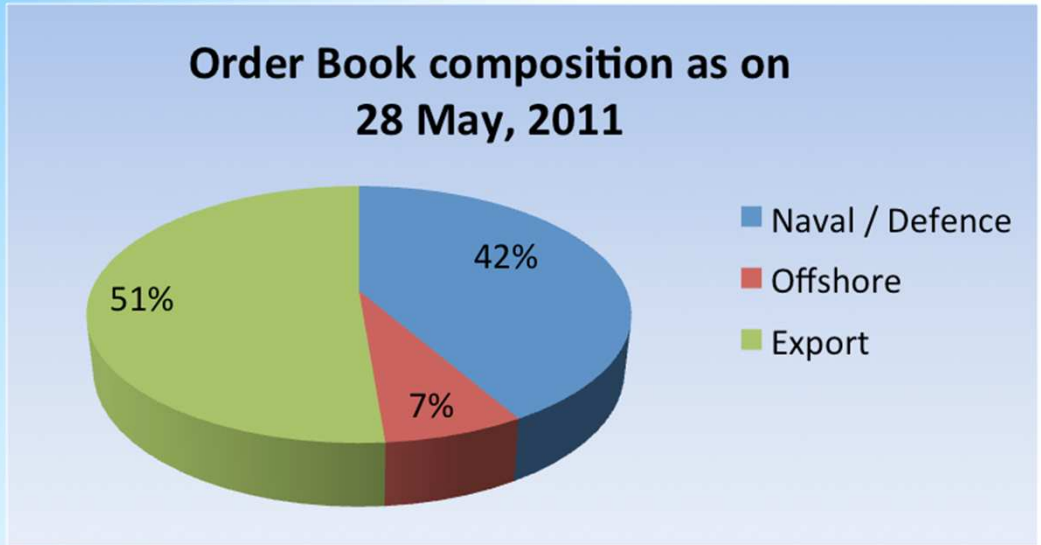
Commenting on these results, Mr. Nikhil Gandhi, Chairman, Pipavav Shipyard Limited, said:

"I am pleased to share that this quarter, PSL continued to establish itself as a foremost player in the Shipyard. Our financial performance has improved significantly during the year as we see overall growth in top-line and bottom-line numbers. Operating margins and net profits have seen substantial growth during the fiscal year and turned to positive this year. With the signing of contract for Naval Gunboats (NoPV) with Ministry of Defence, the Company has entered into warship building. Correspondingly, our order book is likely to grow on the back of expanding demand in the defence segment.

Having signed an MoU with Northrop Grumman, PSL will be able to utilize Northrop's technical expertise to indigenously produce military hardware. This coupled with the recently signed agreement with Babcock Group to produce next generation aircraft carrier, positions the Company as a leader in naval defence production. The Company is now poised to emerge as an integrated defence company.

Throughout the year, we have continued to improve our performance and are set to deliver growth as we capture the opportunities that are available in the segments in which we operate. We continue to pursue the strategies and partnerships that will add value to the Company and our stakeholders going forward."

Order Book Highlights



Key Developments of PSL's Order Book:

- The Company has an order book to the tune of approx USD 1.5 billion
  - ✓ Exports - USD 800 million
  - ✓ Defence - USD 650 million
  - ✓ Offshore - USD 110 million

Operating Highlights

Major Developments in FY2011:

✓Prime Minister, Dr. Manmohan Singh dedicated Pipavav Shipyard to the nation in June 2010

✓The Company signed Protocol with M/s. Rosoboron Export, a Russian Government arm for Defence co-operation with foreign Governments in December 2010 to develop state-of-art technology to build frontline warships on a cost effective time bound basis.

✓PSL signed MOU with SAAB Dynamics AB (SAAB), a part of Swedish multinational giant – Wallenberg Group in December 2010 to provide access to Wallenberg Group's cutting edge technology for products in the defence and aerospace segments

✓PSL signed MoU with Northrop Grumann during the quarter. The MoU will allow PSL to utilize Northrop's technical expertise in the construction of vessels such as aircraft carriers and submarines and will also assist the Company in the indigenous production of military hardware.

✓PSL received FIPB approval from Government of India. The clearance will help the Company to bid for future warship projects such as frigates, destroyers, aircraft carriers, LPDs, submarines, corvettes etc.

✓PSL signed MoU with Babcock Group (UK) which will help the Company utilize Babcock's technical expertise in the development of next generation aircraft carriers.

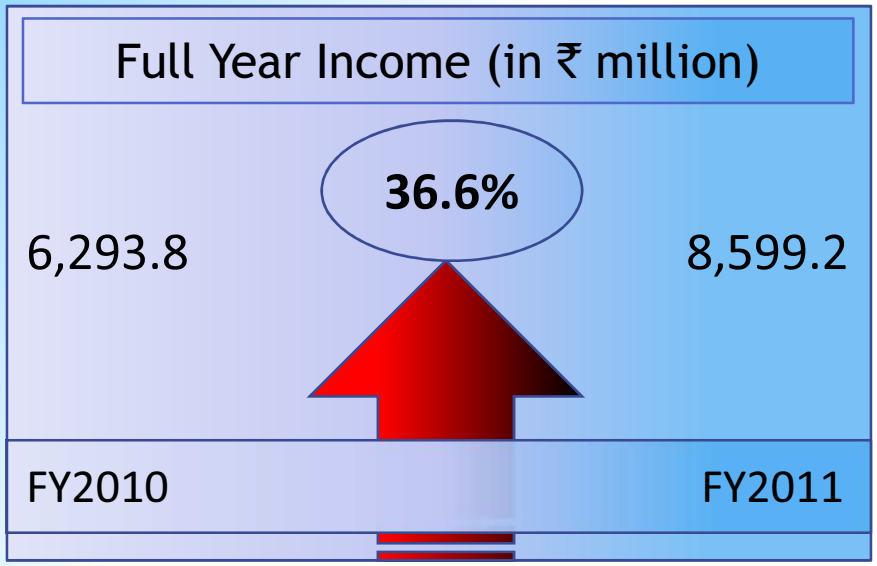
✓PSL signed contract with Ministry of Defence, Government of India for design & construction of 5 Naval Gunboats (NoPV) in May'11.

✓PSL currently engaged in ship building and ship repair activities.

Financial Snapshot

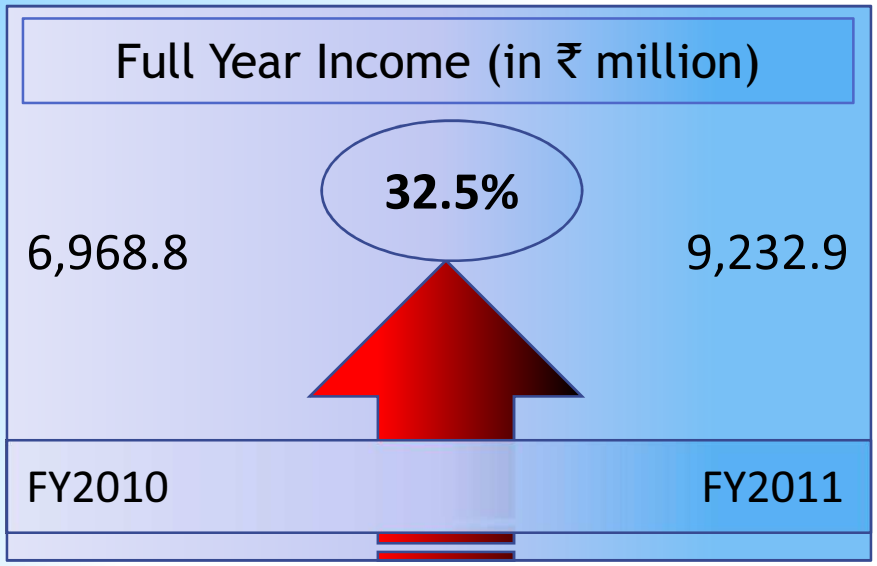
Particulars (₹ in million)	FY2011	FY2010
Total Income	9,232.9	6,968.8
Expenditure	7,073.9	6,360.0
EBITDA	2,159.0	608.8
PBT	481.6	(486.6)
PAT	397.7	(488.2)
Basic EPS	0.6	(0.82)
Diluted EPS	0.6	(0.82)

Operational Income Highlights



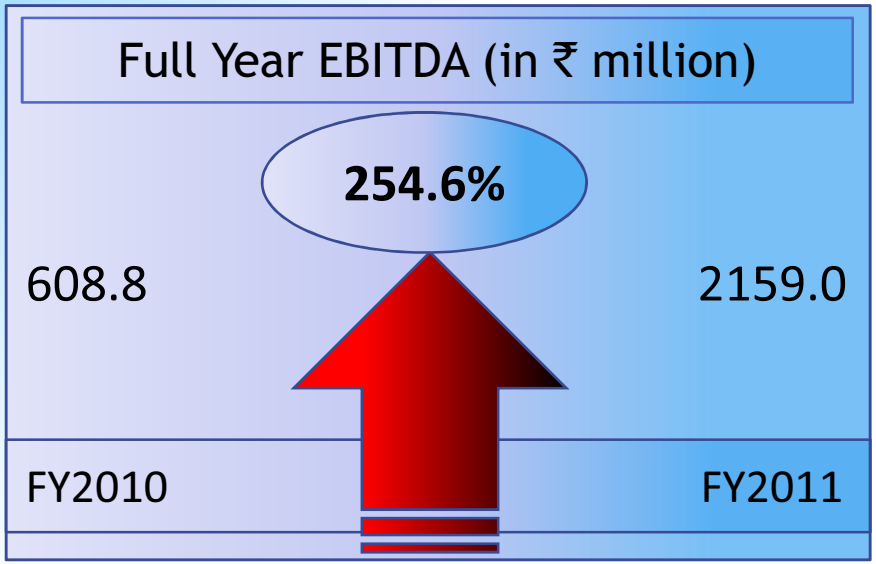
- ✓ Increase in operations and efficiency

Total Income Highlights



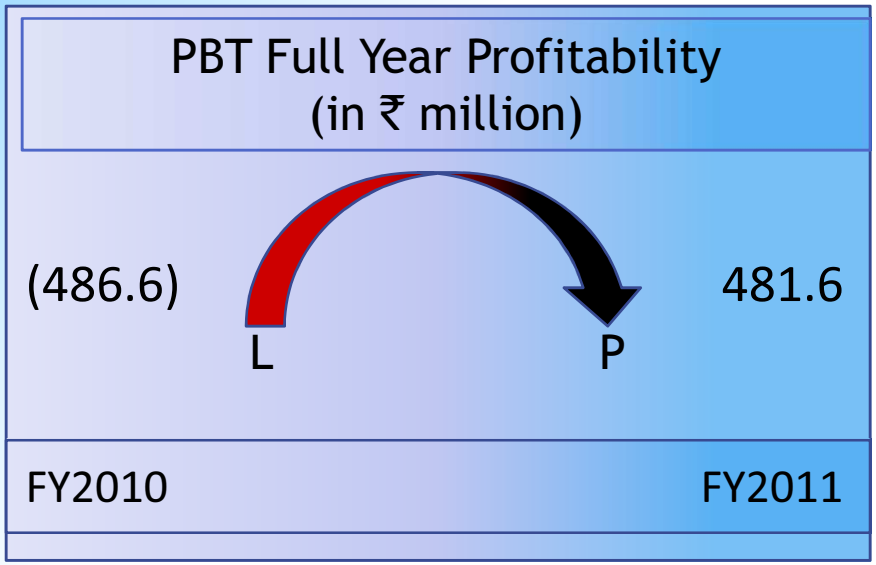
- ✓ Increase in operations and efficiency

EBITDA Highlights



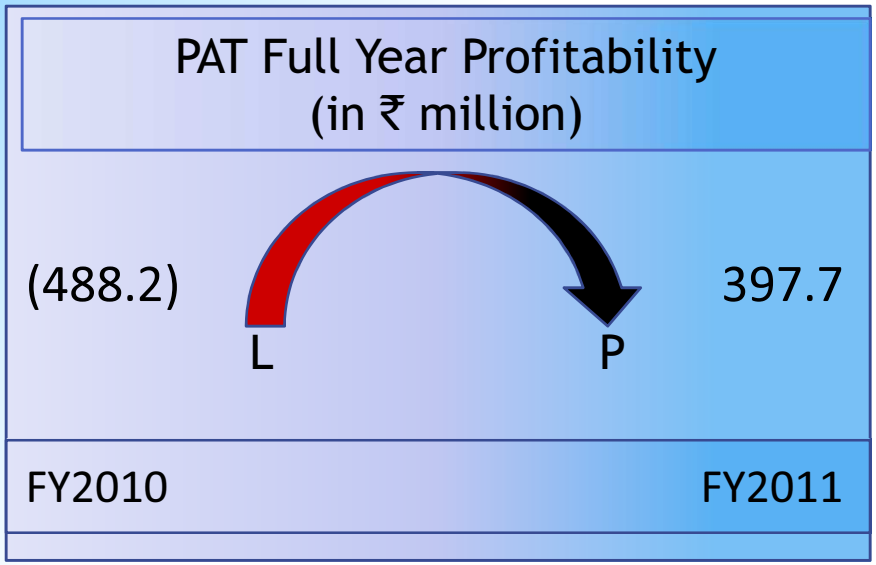
- ✓ EBITDA margins stand at 23% for the full year ended March 31, 2011
- ✓ EBITDA improved due to operational efficiency and cost control

Profitability Highlights



- ✓ Improvement in operations, efficiency and cost control.

Profitability Highlights



- ✓ Improvement in operations, efficiency and cost control.

Outlook

- ✓ PSL's sheer size, capabilities, technologies, strategic partners, amongst other, poised to play significant role in:
  - Naval / Defence segment
  - Offshore segment
  - Ship Building, Repair & Refit

- ✓ Order Book to grow multi-fold and consequently EBITDA to improve significantly, as PSL has:
  - World-class engineering facilities
  - Evaluating enquiries including RFI/RFP for Defence
  - Submitted bids for Offshore projects
  - Commenced ship repair activities

- ✓ PSL proposes to convert the existing wet dock into another dry dock and to expand the engineering facility to meet the demand of other sectors.

- ✓ Due to association with several Global defence giants, PSL is poised to be an integrated defence company.

Key Award & Achievement

- ✓ PSL won Infrastructure Excellence Award 2010 – organized by CNBC TV 18
- ✓ PSL was dedicated to the Nation by Hon'ble Prime Minister of India in June

Extracts from speech of the Hon'ble Prime Minister:

- ***"I am truly impressed by the commitment to innovation, farsighted vision, commitment to do things the best possible way, commitment to get away from the chalta hai tradition which has often I think held our country back."***

- ***"… Pipavav Shipyard … is one of the most modern shipyards in India and I note the commitment of the management to provide our country with the best available shipyards anywhere in the world and I compliment you for this commitment."***

For further information, please visit www.pipavavshipyard.com:

Contact Details:

Jigar Shah
Pipavav Shipyard Limited
Tel: +91 22 66199000
Fax: + 91 22 22696022
E-mail: jigar.shah@pipavavshipyard.com

Rishab Barar/ Advait Praturi
Citigate Dewe Rogerson
Tel.: +91 22 66451238/1243
Fax: +91 22 66451213/1200
E-mail: rishab@cdr-india.com/
advait@cdr-india.com

Disclaimer:

Certain statements in this document may be forward-looking statements. These statements entail risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. Pipavav Shipyard Limited (PSL) is under no obligation to (and expressly disclaims any such obligation to update or alter its forward-looking statements whether as a result of new information, future events or otherwise. The Company may, from time to time, make additional written and oral forward looking statements, including statements contained in its filings with the regulatory bodies and reports to shareholders.

Thank You