



PRESS RELEASE

Mercator Reports Higher Income and Net Profit for Half Year Ended Sep 2010 (i.e. H1 FY '11)

- ✓ Income up by 48% to Rs. 1271 Cr.
- ✓ Net Profit up by 167% to Rs. 113 Cr.
- ✓ EPS (non-annualized) for H1 ended Sep 10 at Rs. 4.80 on face value of Re 1/- per share up by 167%

Mr. V.S. Mani, Chief Financial Officer, of Mercator Lines Limited said,
"We are happy to announce the financial results for the half year ended 30th Sept., 2010 with an impressive increase in revenues and profits."

Mumbai, Thursday, October 28, 2010 - Mercator Lines Limited, India's 2nd largest private sector shipping company (in terms of tonnage), announced its results for the 1st Half of FY '11 ended Sept. 30, 2010. The total consolidated income was Rs. 1,271 Cr. in H1 FY '11 against Rs. 854 Cr. in H1 FY '10 thus recording an increase of 48 % on YoY basis. The Net Profit was Rs. 113 Cr. in the H1 FY '11 against Rs. 43 Cr. in the same period of previous year, thus achieving an impressive growth of 167 %. During the period, Mercator group added 1 Aframax tanker, 1 Panamax dry bulk carrier and has contracted to acquire one more Panamax for acquisition.

Foreseeing growing importance of coal to meet the increasing global energy requirements, Mercator is increasing its focus in the Coal mining and trading domain. This segment has significantly increased its share in the total revenues at 40 % to Rs. 504 cr. for H1 FY '11 with substantial increase of 382 % over Rs. 104 cr. of H1 FY '10.

The Dry Bulk segment and Tankers segment contributed about 31 % and 19% respectively to the total revenues for H1 FY '11. Dredging division supplemented the H1 FY' 11 revenues by about 4%.

Share of Offshore segment in total revenues was at about 6% for H1 FY '11. This was on firm bareboat charter contract of USD 92,700/day for its Jack Up Rig. Mercator intends to increase its presence in the offshore sector primarily in E&P activities, Drilling and FSO segments where generally contract periods are longer.

About the Company:

Mercator Lines Limited is the second largest private sector shipping company in India (by aggregate fleet tonnage capacity) with global presence through its subsidiaries. The group has diversified interests in Tankers, Bulk Carriers, Dredgers, and Offshore, Coal Mines and Logistics. The Group owns or operates a fleet of 1 Jack Up Rig; 16 dry bulk carriers; 9 tankers and 4 dredgers with an aggregate capacity of about 2.4 million DWT. The Group is in the process of getting constructed a Mobile Offshore Production Unit (MOPU) and Floating Storage & Offloading Unit (FSO).

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, October 28, 2010