



## **INVESTOR/ANALYST PRESENTATION**

**Q3 & 9M FY2011**

11 February 2011

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## Key Highlights

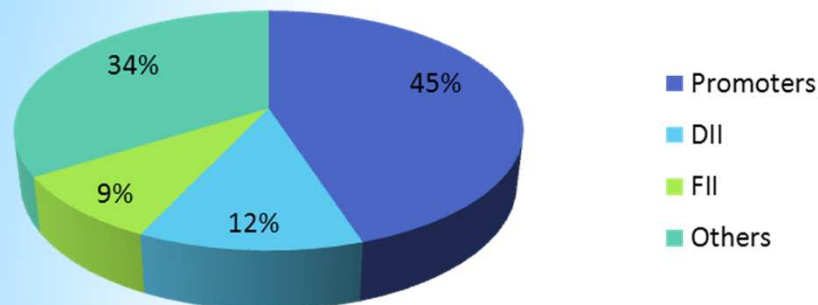
- Largest dockyard in India, measuring 662 meters long and 65 meters wide
- One of the foremost modern facilities in India with state-of-the art infrastructure amenities coupled with a heavy fabrication
- Diversified Product Mix: Naval / Defence, Offshore and Ship Building, Repair & Refit
- Workforce with technical expertise and has the size and capability to construct all – defence, offshore and commercial vessels
- PSL – Stand-Alone financial performance for Q3 FY2011  
Revenues: ₹ 2,769.7 million EBITDA: ₹ 440.0 million PAT: ₹ 26.0 million
- Strong and committed Management team with sound technical knowledge and rich experience
- Possesses all the pre-requisites for high growth: size, capability, technology

## Pipavav Shipyard Limited (PSL) – At a Glance

### Promoter Snapshot

- ✓ SKIL Group, a pioneer in the Indian infrastructure space, specialises 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.

**Shareholding Pattern as on  
Dec 31, 2010**



### 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.
- ✓ Recently won Infrastructure Excellence Award 2010 – organized by CNBC TV 18
- ✓ Market capitalization of ₹ 57, 691 million as on Dec 31, 2010

# Business Overview

Segments	Business Drivers	Key developments of PSL
<p>Naval / Defence</p>	<ul style="list-style-type: none"> <li>✓ Increasing focus of Government of India (GOI) on indigenization of defence production will propel private participation in this segment</li> <li>✓ Capacity constraints faced by Government owned shipyards to create immense scope for private players</li> <li>✓ New Defence Procurement Policy states “Buy Indian Make Indian”</li> </ul>	<ul style="list-style-type: none"> <li>✓ Awarded the Warship Production License by government of India (PSL is the first Company in the country to have this production license.)</li> <li>✓ Received several RFPs and RFIs from Indian Navy. Declared L1 for 5 Naval Offshore Patrol Vehicles worth approx. US\$ 600 mn</li> </ul>
<p>Offshore</p>	<ul style="list-style-type: none"> <li>✓ Rising E&amp;P expenditures positively indicating a revival in the global offshore industry</li> <li>✓ Revamping &amp; redevelopment of ONGC facilities to enhance the domestic demand</li> <li>✓ Opportunities to tap into the international offshore business over the next 5 years</li> </ul>	<ul style="list-style-type: none"> <li>✓ Signed contracts for 12 OSV (US\$110 mn) from ONGC</li> <li>✓ Dedicated facilities for fabrication / construction of offshore platforms, rigs, jackets and vessels for the offshore sector</li> </ul>
<p>Ship Building, Repair &amp; Refit</p>	<ul style="list-style-type: none"> <li>✓ The global repair market based on new ships ordered will continue to increase substantially.</li> <li>✓ The segment will capture the demand from Indian ships that currently depend on global shipyards</li> </ul>	<ul style="list-style-type: none"> <li>✓ Bagged orders from 3 international ship-owners for 21 Panamax bulk carriers of 74,500 DWT each</li> <li>✓ Capacity to repair VLCCs and OSVs, as well as naval, and other specialty vessels such as LNG carriers</li> <li>✓ MOU with Transocean for repair of Indian offshore assets</li> </ul>

## 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**

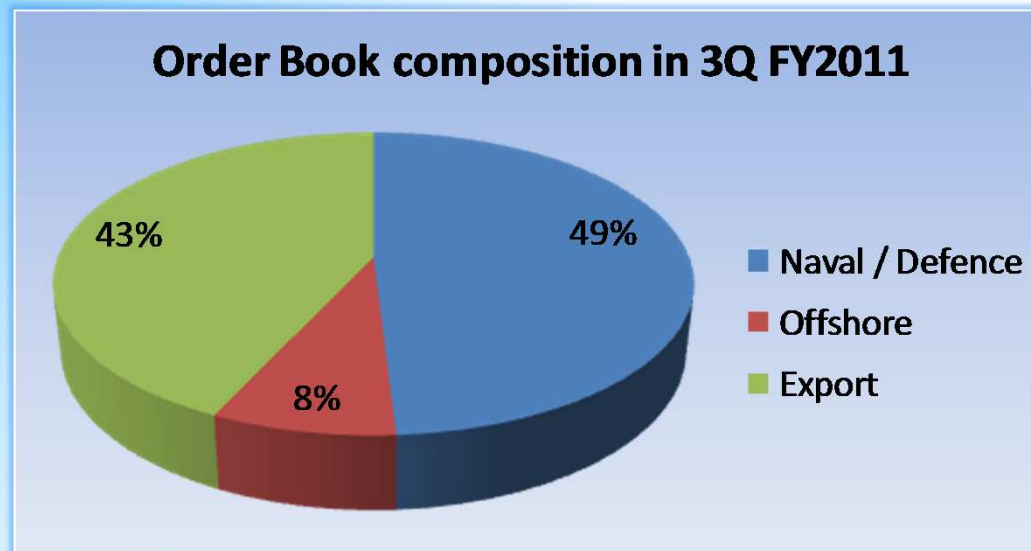
## Chairman's Message

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

*“For the quarter and year to date, we have continued to build up our existing platform, developing our size, capability, and technology while developing a workforce with technical expertise and consolidating our diverse product mix. We also enjoy a strategic advantage as one of the largest dry docks in the world, and our healthy financial position as a low-leverage company gives us a comfortable platform on which to move forward.*”

*Looking ahead, the Company continues to push towards its vision of becoming a major shipbuilding player in the global arena on the back of our world-class infrastructure and strong order book. We at Pipavav continue to implement policies and strategies that deliver sustained growth and add value to our stakeholders.”*

## Order Book Highlights



### Key Developments of PSL's Order Book:

- ❑ The Company has an order book to the tune of USD 1.4 billion
  - ✓ Exports - USD 690 million
  - ✓ Offshore - USD 110 million
  - ✓ Defence - USD 600 million

## Operating Highlights

### Major Developments:

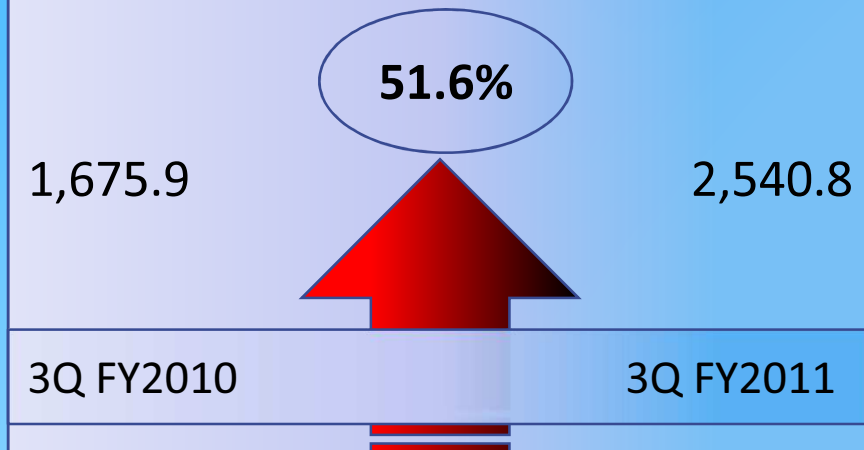
- ✓ Prime Minister, Dr. Manmohan Singh dedicated Pipavav Shipyard to the nation in June 2010
- ✓ PSL signed a MOU with Transocean Offshore International Ventures in August 2010 for repairs of its fleet of offshore drilling units on the west coast of India
- ✓ PSL is the only domestic private shipyard to have been awarded the Warship Production License by the Government of India in November 2010
- ✓ The Company signed Protocol with M/s. Rosoboron Export, a Russian Government arm for Defence co-operation with foreign Governments in December 2010. This Protocol will aid the Company to develop state-of-art technology to build frontline warships on a cost effective time bound basis. Moreover this Protocol will be a great boon to the Indian Navy as it would deliver benefits in terms of cost and forex savings
- ✓ PSL signed MOU with SAAB Dynamics AB (SAAB), a part of Swedish multinational giant – Wallenberg Group in December 2010. This MOU will enable the Company to tap the Army, Naval and Airforce segments. Moreover this partnership will provide access to Wallenberg Group's cutting edge technology for products in the defence and aerospace segments

## Financial Snapshot

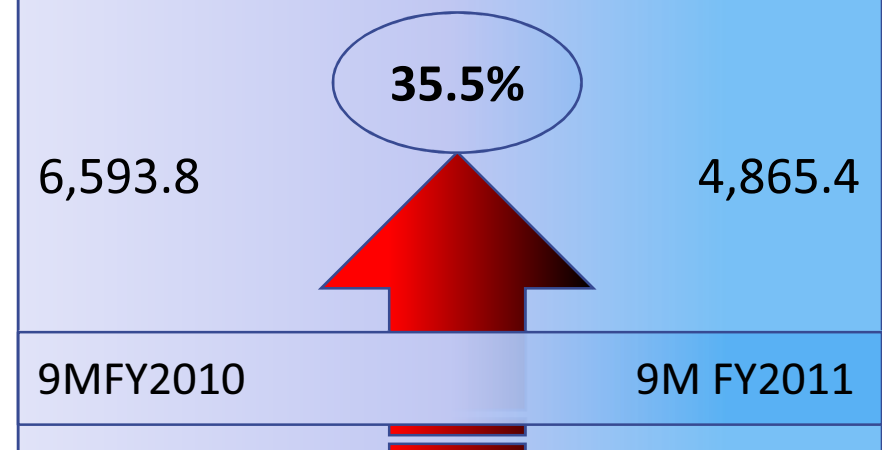
Particulars (₹ in million)	Q3 FY2011	Q3 FY2010	Shift %	9M FY2011	9M FY2010	Shift %
Total Income	2,769.7	1,785.4	55.1	6,593.8	4,865.4	35.5
Expenditure	2,329.7	1,927.4	20.9	5,540.3	4,335.0	27.8
EBITDA	440.0	(142.0)	N/A	1,053.5	530.4	98.6
PAT	26.0	(398.2)	N/A	(93.8)	(191.4)	N/A
Basic EPS	0.04	(0.63)	N/A	(0.14)	(0.35)	N/A
Diluted EPS	0.04	(0.63)	N/A	(0.14)	(0.35)	N/A

## Total Income Highlights

### Quarterly Income (in ₹ million)



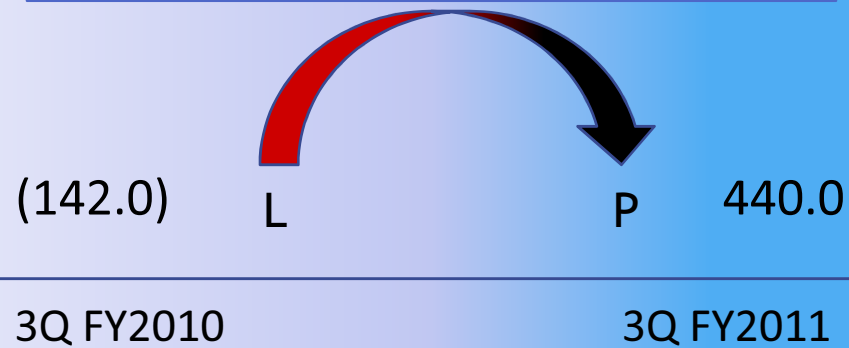
### Nine Months Income (in ₹ million)



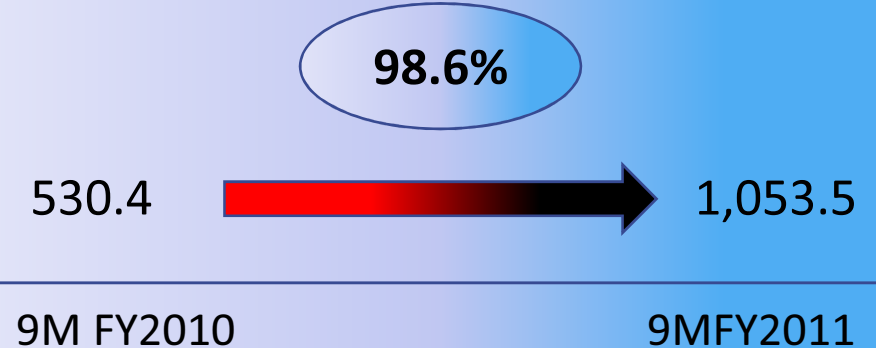
✓ Increase in production efficiency has resulted in reduction in costs and contributed to healthy revenue growth

## EBITDA Highlights

### Quarterly EBITDA (in ₹ million)



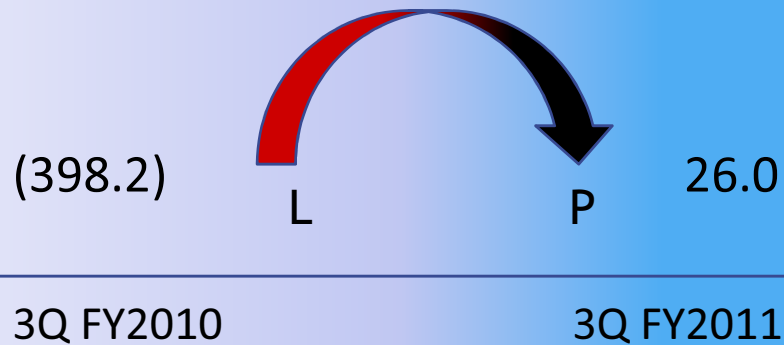
### Nine Months EBITDA (in ₹ million)



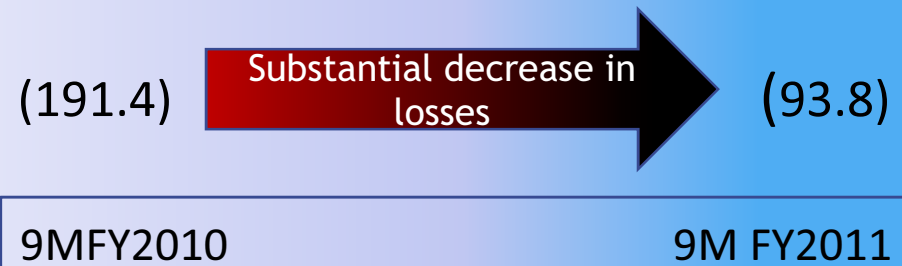
- ✓ Implementation of effective cost control mechanisms has led to an increase from loss to profit during the quarter
- ✓ EBITDA margins have increased by 510 basis points during the nine months ended December 31, 2010

## Profitability Highlights

### Quarterly Profitability (in ₹ million)



### Nine Months Profitability (in ₹ million)



- ✓ Improvements in capacity utilizations and developing efficient processes has led to an increase in profitability during the quarter as well as a substantial decrease in loss during the nine months period under review

## 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
  - Submitted various RFI/RFP for Defence
  - Submitted bids to ONGC for Offshore
  - Reached the advanced stage of discussions with parties for Ship Repair
  
- ✓ PSL aims to convert the existing wet dock into another dry dock and to expand the engineering facility to meet the demand of other sectors such as engineering for the aero-space sector amongst others

## Key Award & Achievement

- ✓ PSL recently 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](http://www.pipavavshipyard.com):**

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**Disclaimer:**

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# Thank You