



PIPAVAV

**PIPAVAV DEFENCE AND OFFSHORE
ENGINEERING COMPANY LIMITED**

(FORMERLY PIPAVAV SHIPYARD LTD.)

Q1 FY2012

INVESTOR/ANALYST PRESENTATION

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Key Highlights



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Pipavav Shipyard Ltd. has changed its name to **Pipavav Defence and Offshore Engineering Company Ltd.**

Tie-ups with various foreign strategic partners including Northrop Grumman, and Babcock Group UK augment the Company's position as leader in the defence segment

The Company will **convert the wet dock into a second dry dock** to accommodate tremendous demand

The Company **launched its first two Panamax vessels** on June 12th. The vessels are the largest ever constructed by an Indian shipyard.

The Company **received an order for design and construction of 5 NOPVs** amounting to Rs. 2,975 crore from the Indian Navy/Government of India.

PDOECL – Stand-Alone financial performance for Q1 FY2012

Revenues: ₹ 3,449.0 million **EBITDA:** ₹ 732.0 million **PAT:** ₹ 79.4 million

Existing order book stands at USD 1.5 billion

Pipavav Defence & Offshore Engineering Company Limited (PDOECL) – At a Glance



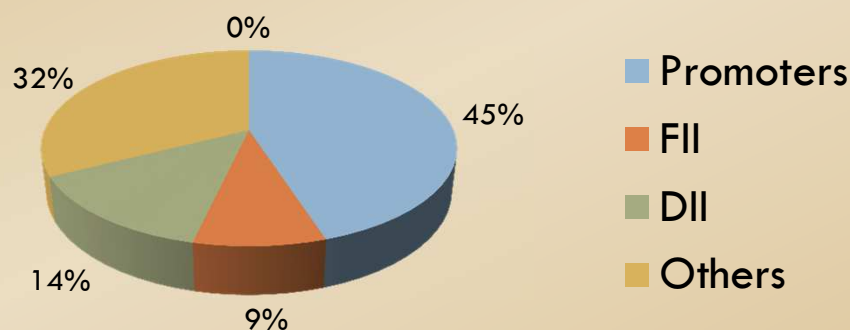
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Promoter Snapshot

- ✓ 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 - At a Glance

As on August 10, 2011



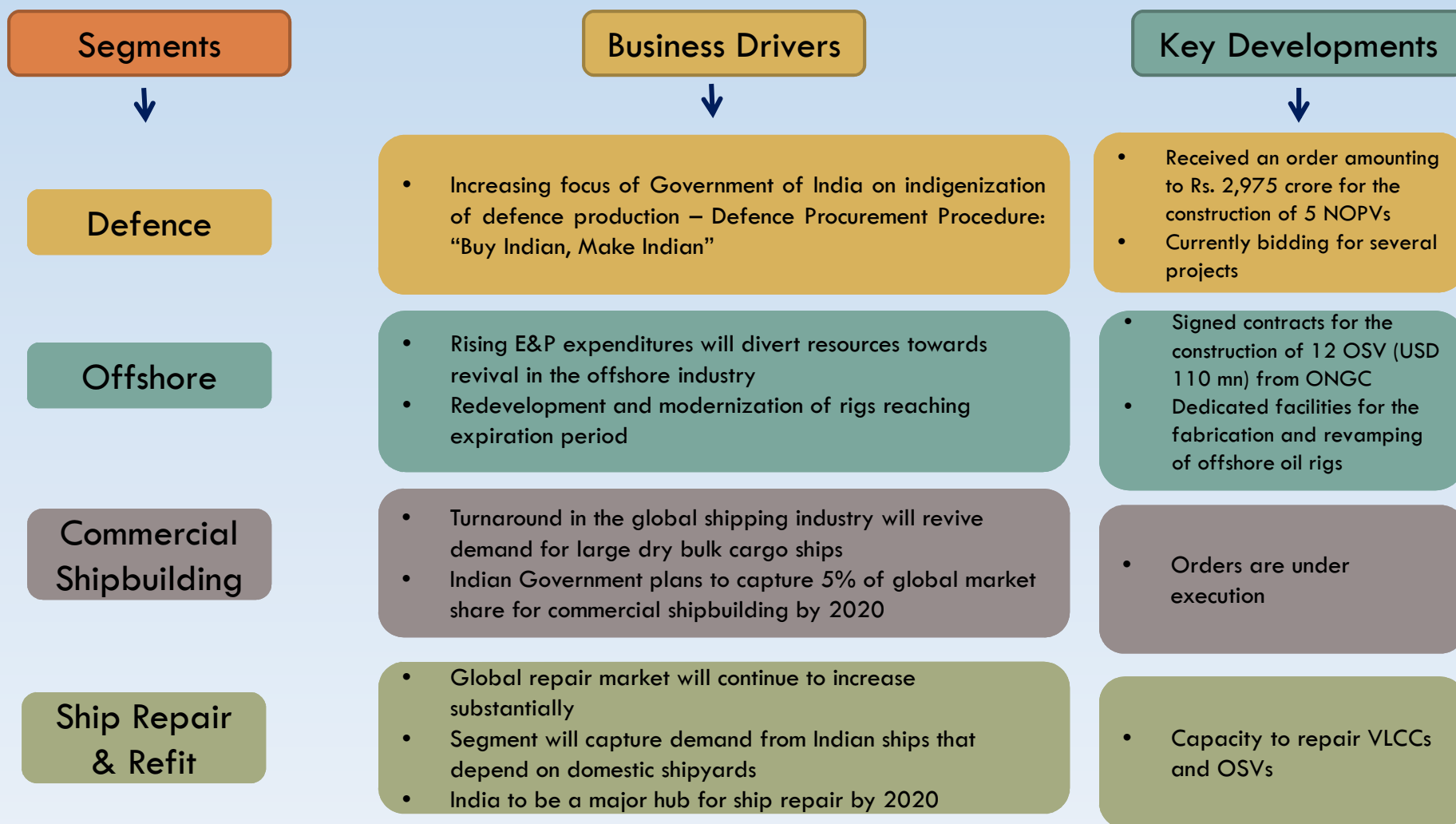
Company Snapshot

- ✓ 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 ₹ 44,436 million as on August 12, 2011

PDOECL's Business Overview



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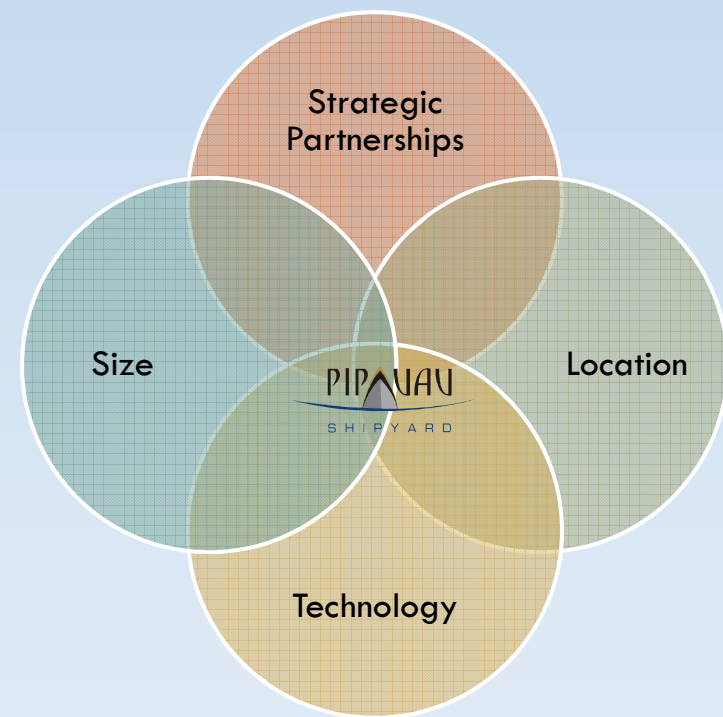


Key Strengths



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- PDOECL has several **key advantages** that set it apart as India's solution for naval and offshore shipbuilding:
- The **size** of the facility places it at the largest maritime infrastructure in the country
- **Advanced modular technology** allows PDOECL to efficiently build vessels at a faster pace. The engineering and fabrication facility is one of the largest in the world.
- PSL enjoys a **locational advantage** on the western coastline, spread over 782 acres of land.
- **Technological tie-ups** with various blue chip global defence giants boosts PDOECL's ability to deliver high quality ships with superior technology



Key Strengths



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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



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

"I am pleased to share that during the quarter, PSL launched two Panamax vessels, some of the largest to have ever been constructed in India. Also, this quarter marked PSL's official foray into the defence segment on the back of the contract signed with the Indian Navy for the construction of 5 Naval Offshore Patrol Vessels. In addition, we have signed a major protocol with a company under the Russian Ministry of Defence for a potential contract worth approximately USD 2 billion. With another Company under the aegis of the Russian MoD, PDOECL has signed a design engineering contract. Moreover, we are in talks with six governments of friendly nations to build warships at the Company's facilities.

We are confident that PDOECL's reputation as India's largest shipyard and the Government's vision to attain self-reliance and self-dependency in defence production will garner further contracts going forward. The Company has seen overall growth and operating margins and net profit have also seen positive growth during the quarter.

During the quarter, PDOECL signed an MoU with Babcock Group (UK) which will assist the Company in the creation, construction and development of next generation aircraft carriers. Another significant development was the name change of Pipavav Shipyard Ltd. to Pipavav Defence & Offshore Engineering Company Ltd. The name change marks the vision of the Company to enter into other defence segments including the Indian Army and aerospace technology as well as capture greater opportunities in defence and offshore heavy engineering."

Operating Highlights



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Major Developments in Q1 FY2012:

- ❖ PDOECL signed MoU with Babcock Group (UK) which will help the Company utilize Babcock's technical expertise in the development of next generation aircraft carriers
- ❖ PDOECL signed a formal contract with the Indian Navy for the construction of 5 NOPVs amounting to Rs. 2,975 crore (USD 650 mn)
- ❖ The Company has initiated the process of working with 6 friendly nations to build warships for them at PDOECL's facilities, besides working towards developing strategic maritime assets for one such friendly nation in accordance with the guidance and policies of the Government of India
- ❖ PDOECL signed a major protocol with a Company controlled by Russian Ministry of Defence for a potential contract of approximately USD 2 billion
- ❖ The Company signed a design engineering contract with a Company under the aegis of Ministry of Defence, Russia
- ❖ The Company proposes to own 51% equity stake in Bengaluru-based Conceptia Software Technologies Pvt. Ltd., a Ship Design, engineering and consulting firm. The acquisition will bring synergy and integration which will enhance the growth of both the companies in the defence and offshore oil & gas sector.

Financial Highlights



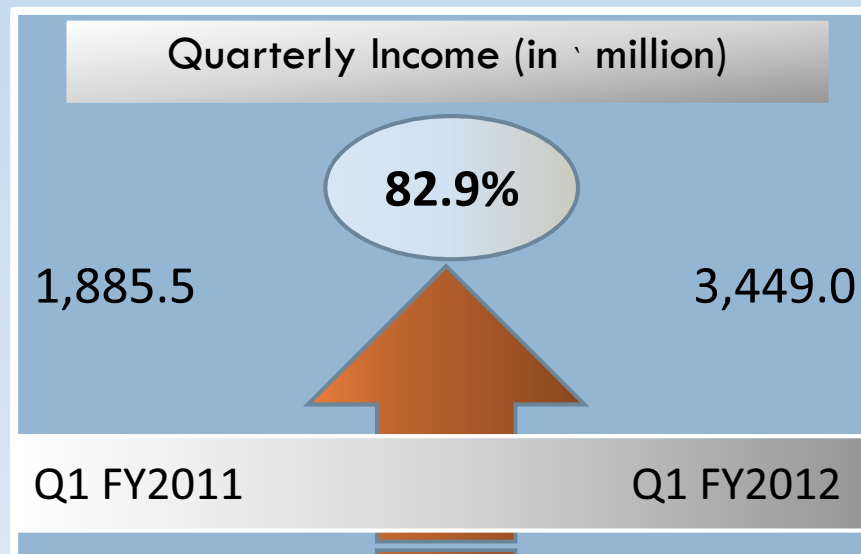
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Particulars (` in million)	Q1 FY2012	Q1 FY2011	Shift %
Total Income	3,449.0	1,885.5	82.9
Expenditure	2,717.0	1,636.4	66.0
EBITDA	732.0	249.1	193.8
PAT	79.4	(97.9)	-
EPS	0.12	(0.15)	-

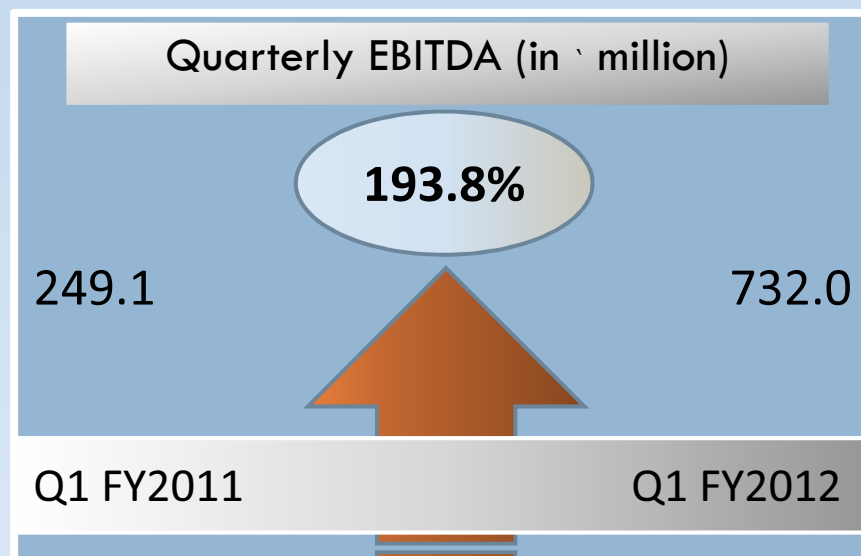
Total Income



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- ✓ Completion of orders of Panamax vessels led to booking of additional revenue

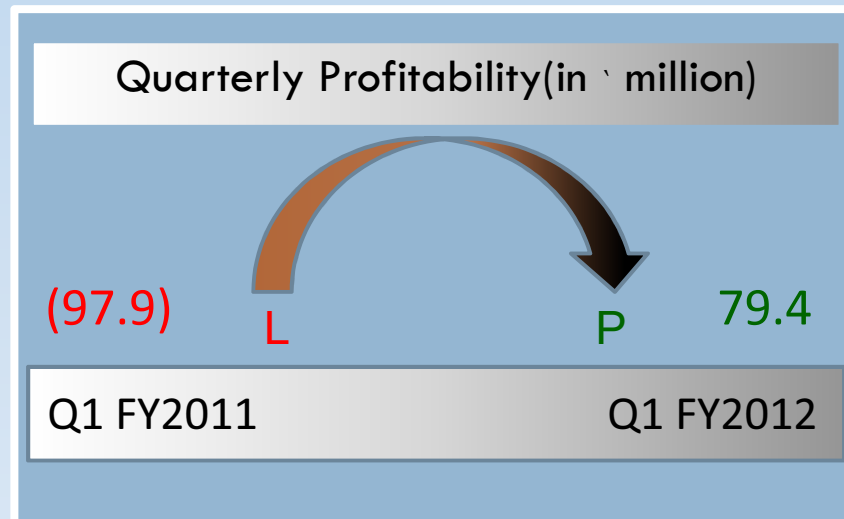


- ✓ Operational productivity maintained through efficient steel cutting
- ✓ EBITDA margins stand at 21.2% for the quarter ended June 30, 2011, compared to 13.2% in Q1FY11

Profitability



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- ✓ Improved capacity utilizations and developing efficient processes led to an increase in profitability during the quarter ended June 30, 2011

- PSL's global standards in size, capabilities, technologies, strategic partners, amongst others, are poised to play a significant role in:
 - Naval Defence segment
 - Offshore segment
 - Ship Building, Repair & Refit
- The Company is aiming to augment suitable infrastructure to tap a significant opportunity in catering to the requirements of the Indian Army
- 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

Awards and Commendations



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- **On June 1, 2010, PDOECL was dedicated to the nation by the Honorable PM, Dr. Manmohan Singh**
 - **Commenting on Indian Shipbuilding, he stated, ““I have often said India is destined to be a major trading nation of the world and if it is to be a major trading nation, I think shipping, shipbuilding and management of our ports assume great importance in our scheme of development planning.”**
 - **Commenting on PDOECL, he said “... 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.”**

- **PDOECL won the Infrastructure Excellence Award 2010 – organized by CNBC TV 18**

Certain statements in this document may be forward looking statements. Such forward looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant statements. Pipavav Shipyard Limited (PSL) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

For further information, please visit www.pipavavshipyard.com

Thank You

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