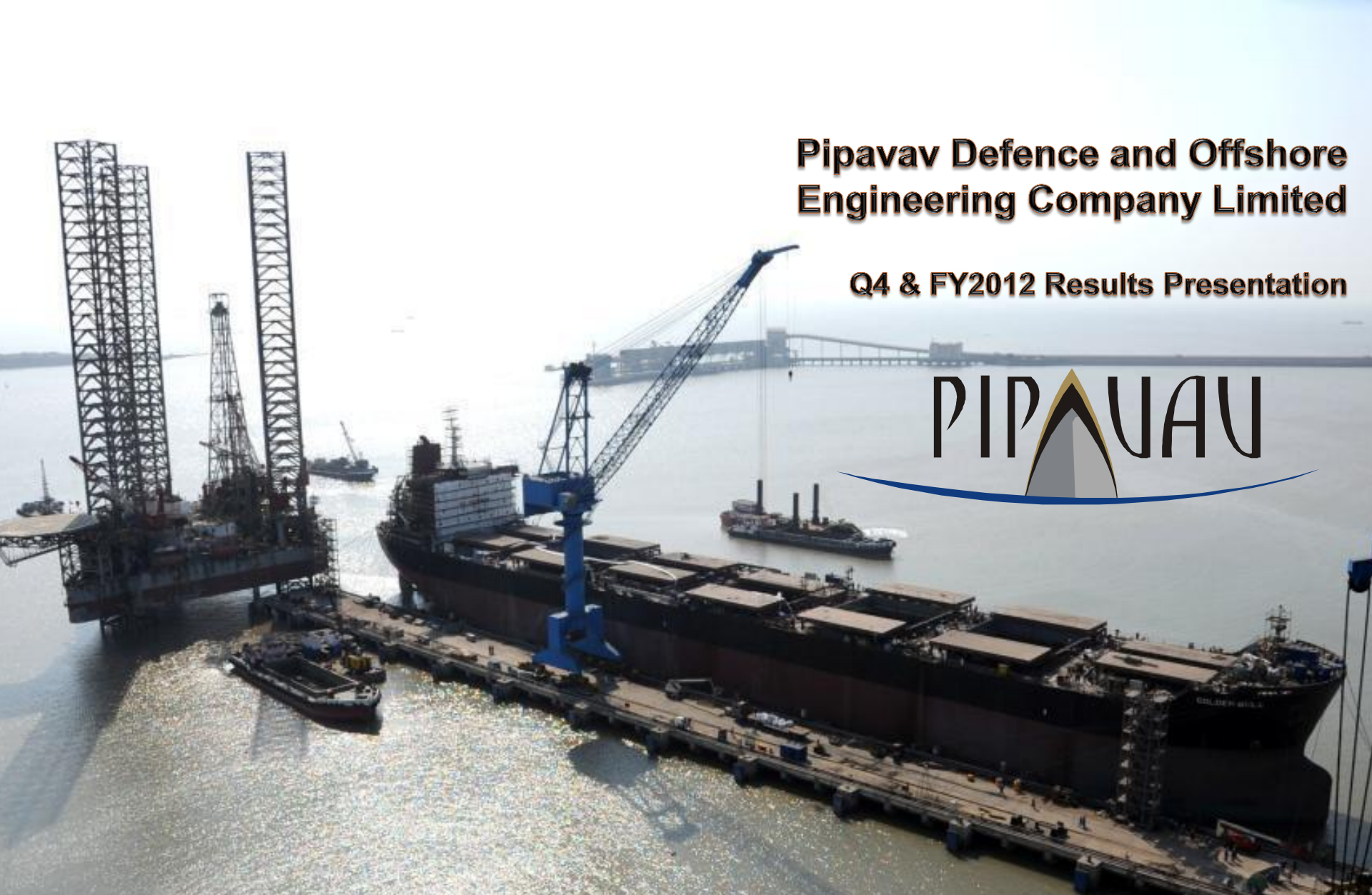


Pipavav Defence and Offshore Engineering Company Limited

Q4 & FY2012 Results Presentation

PIPAVAV



Disclaimer



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Some of the statements in this presentation that are not historical facts are forward looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate.

These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.

Further, this presentation may make references to reports and publications available in the public domain. Pipavav Defence and Offshore Engineering Company Ltd. (PIPAVAVDOC) makes no representation as to their accuracy or that the company subscribes to those views / findings.

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Section I

COMPANY OVERVIEW

Key Highlights: FY2012



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MoU with UK based Babcock Group improving expertise in construction of next generation aircraft carriers

Entered into an MoU with Airbus Industry, France to develop state of the art Maintenance, Repair, and Overhaul (MRO) facilities and associated infrastructure in India. The joint venture will be set up in partnership with EADS, the parent company for Airbus.



AIRBUS
AN EADS COMPANY

Board approval for the issuance of preferential equity shares to international strategic investors facilitating access to technology for manufacturing complex equipment required by armed forces

Approval of JV with Mazagon Dock Ltd., the Premier Defence Shipyard, Government of India

Financial Performance:

Total Income: ₹ 18914.6 million, EBITDA: ₹ 4362.7 million,
PBT: ₹ 727.0 million



Key Highlights: FY2012

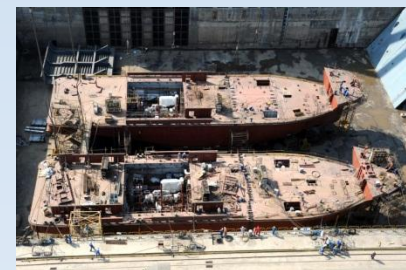


6

Started work on wet dock for conversion to second dry dock which could be the largest in the world on completion



Build the largest vessels of same class ever build in the country



Warship order from Ministry of Defence, Government of India

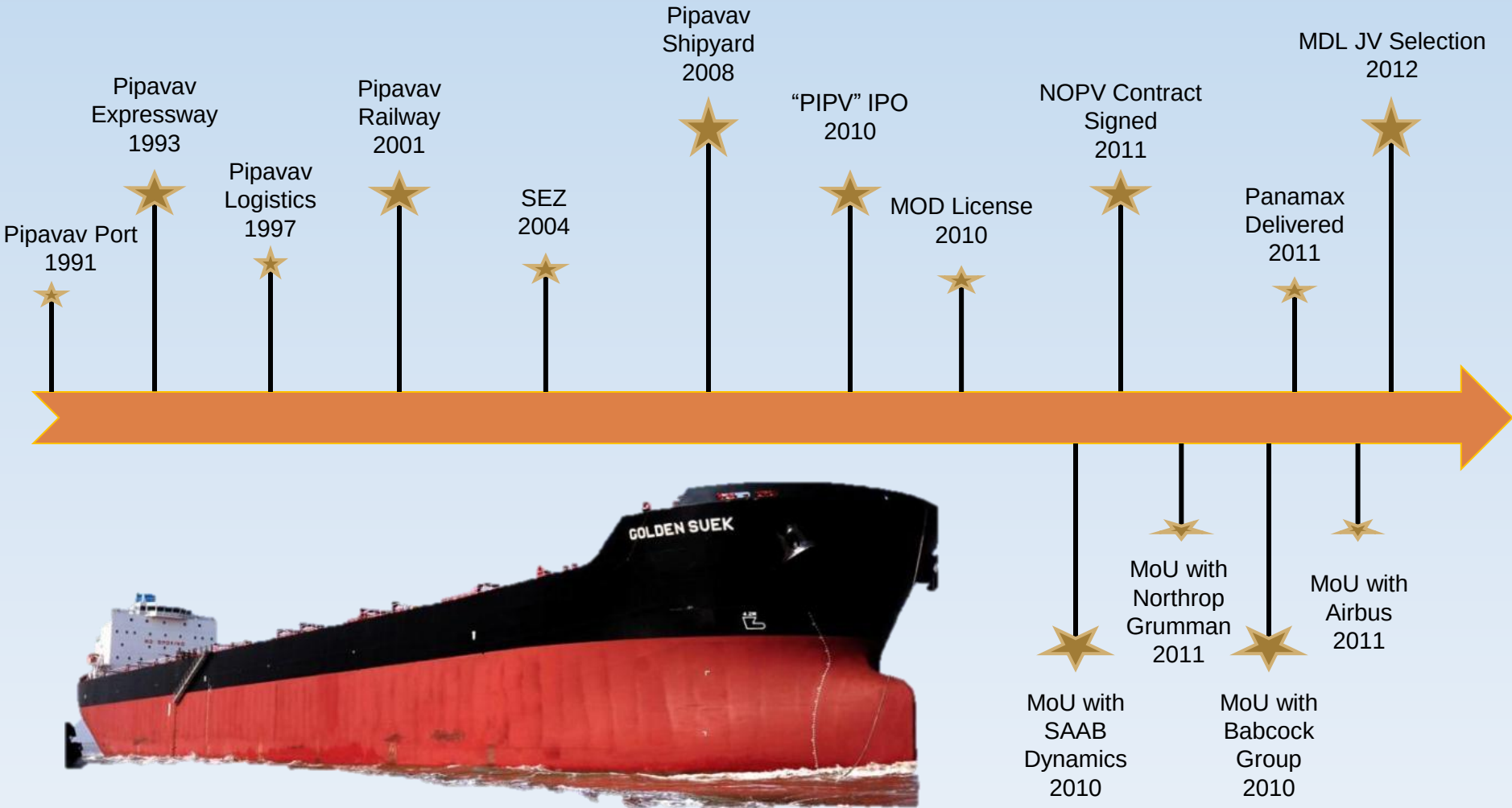
Initiated the process of working with six friendly nations to build warships at the Company's facilities. The Company will work with one such friendly nation for working towards developing strategic maritime assets in accordance with the policy framework of the Government of India.



Milestones



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Technical Tie-Ups

8

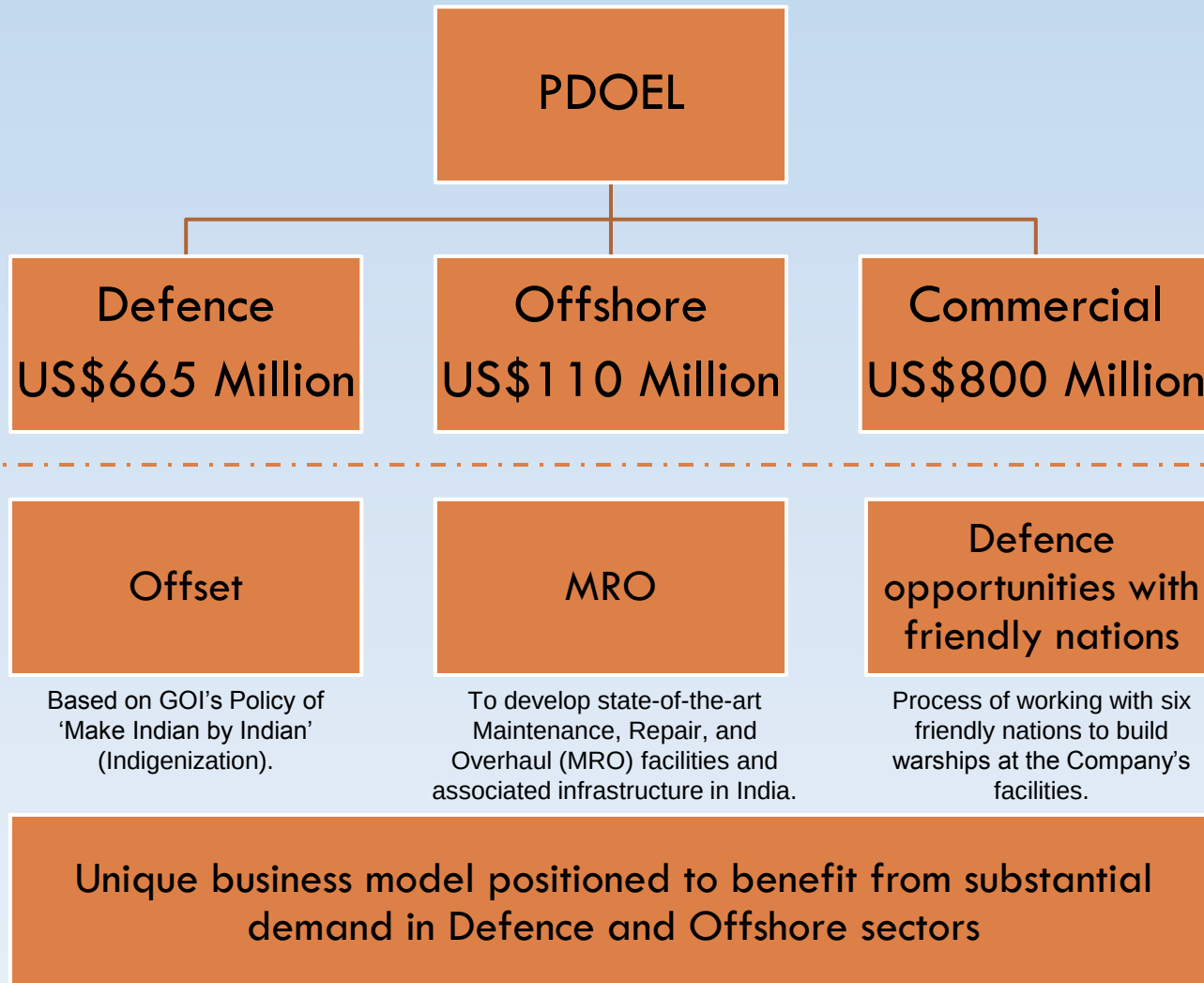


Strategic Partnerships. Global Reach. – Access to technical expertise from some of the best international defence and engineering majors on three continents

Business Segments



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Section II

FINANCIAL OVERVIEW

Chairman's Message



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Commenting on the Q4 & FY2012 results, Mr. Nikhil Gandhi, Chairman, said:

"This has been a year of significant achievement for Pipavav. We successfully delivered the largest commercial ship to ever have been built in India. We are also very happy to announce that our JV with Mazagon Dock has been approved. This vindicates our supreme infrastructure facilities and capability and now gives us the platform to scale greater heights by leveraging our world class infrastructure to participate in the substantial opportunities in the Indian defence sector.

During the year, we have structured some key alliances with global majors, including an MoU with Babcock Group to jointly build next generation aircraft carriers for the Indian Navy, and an MoU with Airbus Industry to develop state-of-the-art MRO facilities in India. These partnerships bear testimony to the rising confidence in the quality of our facilities and execution skills.

We have delivered a strong financial performance. We have made a significant turnaround to deliver the first profit to our shareholders. Revenues have touched a new high with growing operating margin. We are confident of being able to maintain our growth momentum in the current year as well, as the orders at hand allow to improve capacity utilization. While the overall operating environment has raised some concerns, with the weakening global situation, expanding deficits and depreciating rupee, we maintain a healthy balance sheet, backed by a committed work force and robust operations and are confident of leveraging our strengths to create long term value."

Performance Review – Q4 FY2012



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Rs. Million

	Q4 FY2012			Q3 FY2012	Q4 FY2011
		QoQ	YoY		
Total Income	6,242.50	33.8%	136.4%	4,663.90	2,641.00
Expenditures	4,876.40	40.2%	217.8%	3,477.00	1,534.40
Operating Income	1,366.10	15.1%	23.5%	1,186.90	1,106.60
<i>Operating Income Margin</i>	22%	-	-	25%	42%
Depreciation	292.20	-1.0%	134.7%	295.10	124.50
Profit Before Interest and Tax	1,073.90	20.4%	9.3%	891.80	982.10
Interest Cost	828.30	19.9%	102.6%	690.70	408.80
Profit Before Tax	245.60	22.1%	-57.2%	201.10	573.30

Performance Review – Q4 FY2012



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REVENUES



136%

YoY

At

₹6,242.5 Mn

- Improvement in production and utilization of facilities.

EBITDA



23%

YoY

At

₹1,366.1 Mn

- Significant efficiencies have been achieved over the last one year and the same has led to decrease in the overall production cost and improvement in EBITDA.

PBT

At

₹245.6 Mn

- Profit of Rs. 245.6Mn in FY12 compared to Rs. 573.30 Mn in FY11.

Performance Review – FY2012



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Rs. Million			
	FY2012		FY2011
		YoY	
Total Income	18,914.60	104.8%	9,234.90
Expenditures	14,551.90	105.7%	7,074.70
Operating Income	4,362.70	102.0%	2,160.20
Operating Income Margin	23%	-	23%
Depreciation	1,058.90	117.3%	487.30
Profit Before Interest and Tax	3,303.80	97.5%	1,672.90
Interest Cost	2,576.80	115.9%	1,193.40
Profit Before Tax	727.00	52%	479.50

Performance Review – FY2012



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REVENUES



104%

YoY

At

₹18,914.6 Mn

- Improvement in production and utilization of facilities.

EBITDA



102%

YoY

At

₹ 4,362.7Mn

- EBITDA margins stand at 23% for the year ended March 31, 2012 continued with FY11 despite negative sentiments in the market.

PBT



52%

YoY

At

₹ 727 Mn

- Improvements in efficiency have led to a profit of Rs. 727.0 Mn in FY12 compared to Rs. 479.5 Mn in FY11.

Balance Sheet



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Rs. Million

Balance Sheet Items	As on March 31, 2012	As on September 30, 2011
Total Liabilities	30,431.5	30,821.0
Shareholders' Equity	19,789.2	19,377.1
Loan Funds	10,017.7	11,254.7
Deferred Tax Liability	624.6	189.2
Total Assets	30,431.5	30,821.0
Fixed Assets	27,694.8	27,526.6
Investments	205.0	205.0
Current Assets, Loans and Advances	28,907.1	20,365.1
*Cash and Cash Equivalents	2,782.5	3,802.5
(Less) Current Liabilities and Provisions	(29,158.0)	(21,078.2)
Profit and Loss Account	-	-
Book Value Per Share	28.05	27.13
Debt-Equity	0.51	0.58

Section III

OUTLOOK

Media Highlights



18

INS Viraat completes 25 yrs with Indian Navy

Last Updated: Friday, May 11, 2012, 21:40

Source: Zee News

Indian army to get modern artillery guns after waiting for 27 years

May 12, 2012 at 16:37 Sahil

Source: IndianDefence.com

Urgent Need to Build Defence Capabilities: Panel

PTI | NEW DELHI | APR 30, 2012

Source: Outlook India

India buys new artillery guns, 27 years after Bofors

Indo-Asian News Service | Updated: May 11, 2012 17:59 IST

Source: NDTV

India | Posted on Apr 23, 2012 at 02:51am IST

Navy to induct over 90 fighting platforms in a decade

Source: IBN Live

Source: Deccan Herald

Defence budget hiked by 17.6 pc

: Sat Mar 17 2012, 00:18 hrs

Source: The Indian Express

Antony to seek hike in defence outlay to counter twin threats from Pakistan, China

Rajat Pandit, TNN May 9, 2012, 06:40AM IST

Source: Times of India

India to get aircraft carrier Admiral Gorshkov next year

PTI May 8, 2012, 09:35PM IST

Source: Times of India

Indian Navy inducts new frigate

May 3, 2012 at 06:12 Sahil

Source: IndianDefence.com

Defence offsets set to zoom past \$4bn mark

TNN May 15, 2012, 04:30AM IST

Source: Times of India

Defence procurement policy being reviewed: Govt

Press Trust of India / New Delhi May 02, 2012, 21:05

'India must replace its large-scale equipment import'

A K Antony / May 13, 2012, 00:07 IST

17 defence offset contracts worth USD 4.27 bn signed

Press Trust of India / New Delhi May 14, 2012, 16:25

Defence PSUs exported products worth Rs 1,815 cr since 2009-10

Press Trust of India / New Delhi May 16, 2012, 17:05

Source: Business Standard

Largest Maritime Facility in India



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Infrastructure

Spread across
782 acres of
land on the
Gujarat coast

India's largest
and World's one
of the largest dry
dock

Existing wet dock
being converted
into large dry
dock

Dock can
accommodate
400,000 DWT
vessel

Modular shipping
facility
significantly
reduces
production time
to build ships

Connectivity

286 km long private rail

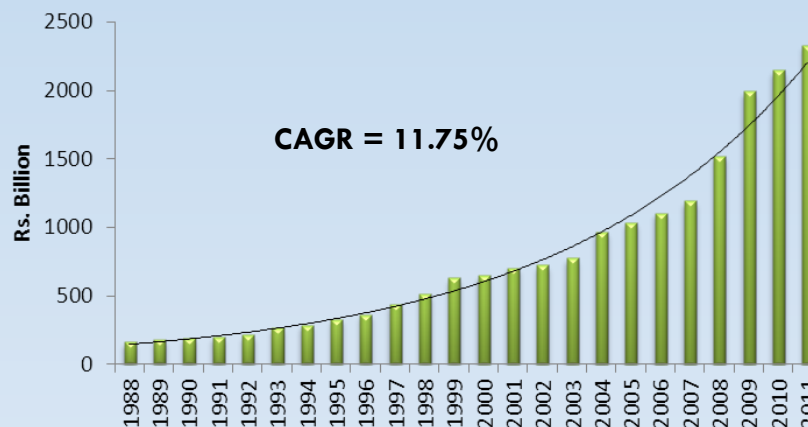
First double stacker trains
introduced on Pipavav -
Jaipur Route

20 km 4 Lane expressway
from State Highway to
Pipavav

Defence

- **Expenditure** - Government spending in defence has increased year on year
- **DPP** – Encouraging Indigenization and self dependency

Indian Military Expenditure



Source: SIPRI

Defence expenditure expected to increase further. Union Budget (2012-13) allocates Rs. 1,93,407 crore to the defence segment.

- Growth of 17.6% in y-o-y budget.

Defence PSUs are overbooked. Significantly higher participation is required from private sector shipyards to meet defense acquisition targets of the Government.

Defence Outlook for PIPAVAVDOC

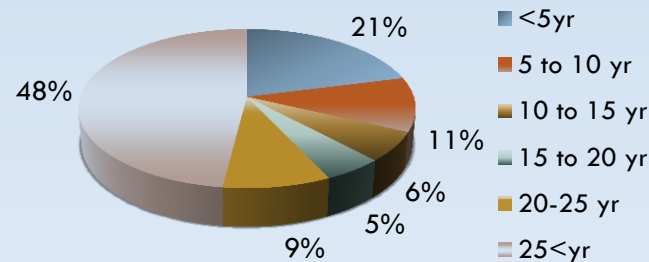
- The Company is aiming to augment suitable infrastructure to tap a significant opportunity in catering to the requirements of the Indian Armed Forces
- Strategic partnership signed with Airbus Industry, France will allow the Company to cater to the Aerospace segment as well, both for civilian and military applications

Offshore

- Demand for petroleum and liquid fuels to reach 95 million barrels per day by 2015 and 118 million barrels a day by 2030
- Investment in the development of O&G assets expected to reach USD 45 billion in 2011



Age Profiles of OSVs



Source: Mantarana Maritime Advisory

- Energy demand expected to grow fourfold in the next two decades
- More than 75% of existing rigs were constructed before 1985, suggesting that within the next few years, many rigs will need either replacement or refurbishing and revamping.
- Significant increase in demand for OSVs since the currently aging fleet (almost 50% of ships are older than 25 years) cannot adequately service deep water rigs and platforms.

The Company stands to gain from specialized and sophisticated orders that require world class infrastructure and modern fabrication. The demand scenario in Offshore and Defence is bright. Demand for high value added vessels in the Offshore and Defence segment, such as drill ships, floating production storage platform, and LPDs will provide significant sources of revenue going forward.

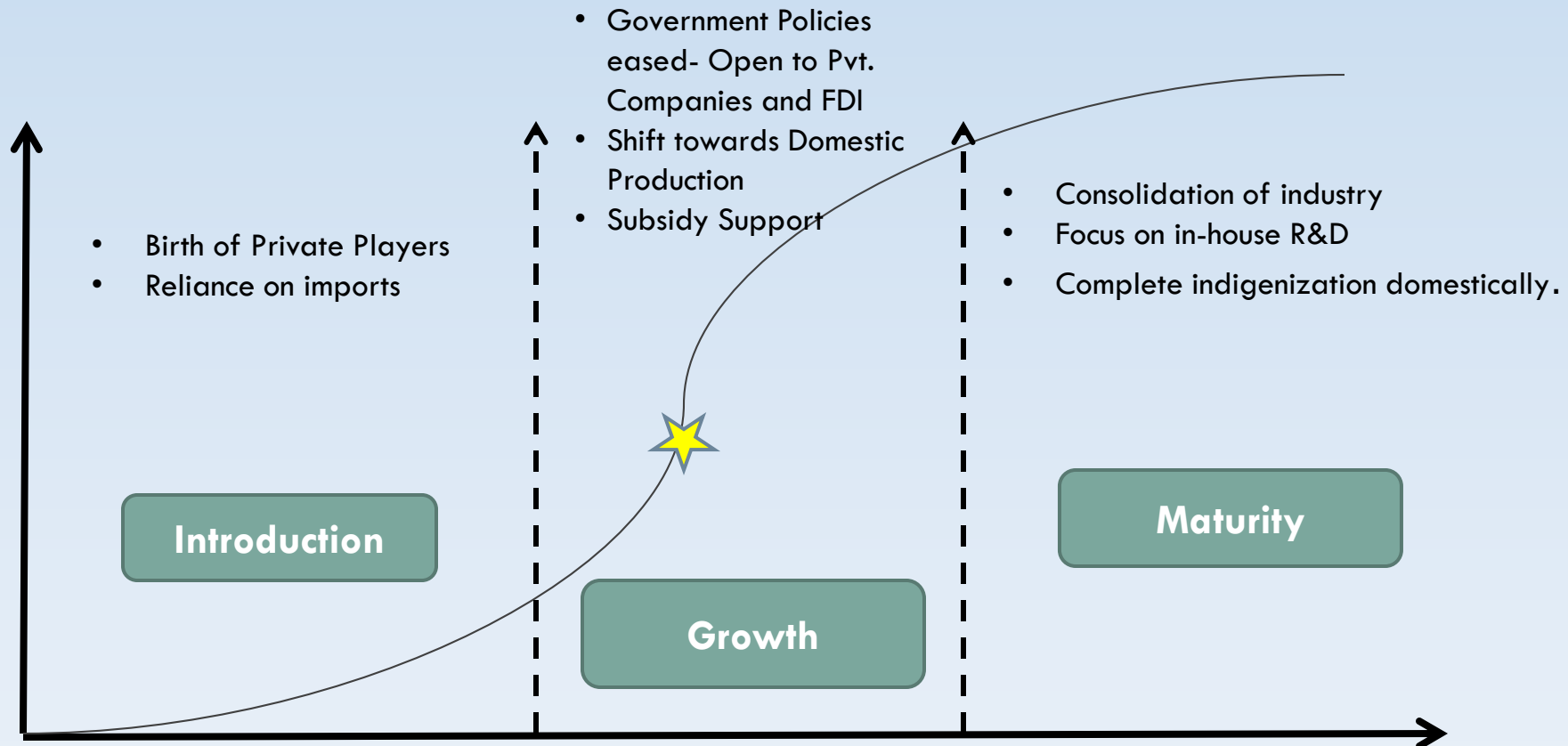


Outlook – Industry Growth Cycle



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PIPAVAVDOC is currently growing at a healthy and robust pace. With an increasing thrust towards creating public-private partnerships, the Government of India is fully supportive of the indigenization of defence technology and infrastructure in India.



PIPAVAVDOC – A winning Combination



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As a defence industry mover (first to secure the license, first to receive an order) and JV with Mazagon Dock, the PIPAVAVDOC is positioned to reap large gain in defence.

Combined with the most modern of technology and the best in-class infrastructure, equipped with its own R&D outfit, and supported by the top global defence majors, PIPAVAVDOC aims to provide indigenous technology and defence infrastructure of the best caliber.

For further information, please visit www.pipavavdoc.com

Thank You

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