



VARUN SHIPPING COMPANY LIMITED

PRESS RELEASE

**VARUN SHIPPING'S Q3 PROFIT BEFORE TAX IS Rs.56.69 CRORES
DECLARES THIRD INTERIM DIVIDEND OF 15 PER CENT**

Varun Shippings profit from ordinary activities before tax [excluding exchange gain/(loss)] for the quarter ended 31st December 2008 was Rs.56.69 crores as compared to Rs.58.24 crores for the corresponding quarter in the previous year. Profit from ordinary activities before tax [excluding exchange gain/(loss)] for the nine months ended 31st December 2008 was Rs.123.16 crores as compared to Rs.104.26 crores for the corresponding period in the previous year.

Company has declared third interim dividend of 15 per cent for the current financial year ending on 31st March, 2009. Total of first, second and third interim dividends declared in the current financial year works out to 35 per cent.

Company's freight and charter hire income for the quarter ended 31st December 2008 increased by 16 per cent to Rs.266.77 crores as compared to Rs.229.95 crores for the corresponding quarter in the previous year. Company's freight and charter hire income for nine months ended 31st December 2008 increased to Rs.729.12 crores as compared to Rs.624.88 crores for the corresponding nine months in the previous year.

Earnings Per Share (EPS) (diluted) excluding exchange gain/(loss) for nine months ended 31st December 2008 was Rs.8.11 as compared to Rs.6.94 for the corresponding period in the previous year.

Company is not involved in the bulk carrier sector and fluctuations in Baltic dry index do not have any relevance to the company's business

Company recently acquired a modern 2008 built 16,100 BHP Anchor Handling Towing and Supply Vessel (AHTS). Acquisition of this new vessel forms a part of the Company's capital expansion program during the current financial year. With this acquisition the company owns a well diversified fleet of 20 vessels comprising of 11 LPG carriers, 3 double hull Aframax crude tankers and 6 AHTS vessels

In October, 2008, Company was awarded the prestigious "The Marine and Offshore Services Award" at the Seatrade Middle East and Indian Subcontinent Awards, 2008 ceremony held in Dubai, UAE. Further, in December, 2008, Company was selected for the "Best Managed Company, India – Small Cap" award in the Corporate Governance Poll, 2008 conducted by ASIAMONEY

27th January, 2009

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