

Qatar Navigation Q.S.C.

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

31 MARCH 2012

Qatar Navigation Q.S.C.

INTERIM CONSOLIDATED INCOME STATEMENT

For the three months ended 31 March 2012

		<i>For the three months ended</i>	
		<i>31 March</i>	
		<i>2012</i>	<i>2011</i>
		<i>(Unaudited)</i>	
		<i>QR'000</i>	<i>QR'000</i>
	Notes		
Operating revenues	2 (ii)	639,610	625,868
Salaries, wages and other benefits	2 (i)	(127,092)	(105,151)
Operating supplies and expenses	2 (i)	(173,698)	(204,443)
Rent expenses	2 (i)	(14,280)	(19,602)
Depreciation and amortisation	2 (i)	(67,712)	(64,043)
Other operating expenses	2 (i)	(29,297)	(23,851)
OPERATING PROFIT		227,531	208,778
Finance costs		(9,209)	(11,544)
Finance income	2 (iii)	11,547	14,582
Gain on disposal of property, vessels and equipment		10	77
Share of results of associates		54,029	50,675
Miscellaneous income	2 (iv)	3,211	672
Impairment of available-for-sale investments	2 (v)	(4,073)	(206)
PROFIT FOR THE PERIOD		283,046	263,034
<i>Attributable to:</i>			
Shareholders of the parent		283,748	261,594
Non-controlling interest		(702)	1,440
		283,046	263,034
BASIC AND DILUTED EARNINGS PER SHARE			
<i>(attributable to shareholders of the parent)</i>			
<i>expressed in QR per share</i>		2.47	2.28

The attached notes 1 and 2 form part of these interim condensed consolidated financial statements.

Qatar Navigation Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2012

	<i>31 March 2012 (Unaudited) QR'000</i>	<i>31 December 2011 (Audited) QR'000</i>
ASSETS		
Non-current assets		
Property, vessels and equipment	3,425,342	3,465,514
Investment properties	676,972	684,220
Intangible assets	48,437	71,020
Investment in associates	3,763,654	3,617,194
Available-for-sale investments	3,011,809	3,282,885
Loans to LNG and LPG companies	343,027	338,340
Notes receivable	1,332	1,821
	<u>11,270,573</u>	<u>11,460,994</u>
Current assets		
Inventories	109,601	114,851
Accounts receivable and prepayments	1,067,146	611,251
Financial investments at fair value through profit or loss	426,431	202,457
Bank balances and cash	1,191,783	923,348
	<u>2,794,961</u>	<u>1,851,907</u>
TOTAL ASSETS	<u><u>14,065,534</u></u>	<u><u>13,312,901</u></u>
EQUITY AND LIABILITIES		
Attributable to shareholders of the parent		
Share capital	1,145,252	1,145,252
Legal reserve	4,693,986	4,693,986
General reserve	623,542	623,542
Fair value reserve	3,077,221	3,143,749
Hedging reserve	(877,752)	(963,281)
Retained earnings	1,805,319	1,521,573
Proposed cash dividends	-	400,838
	<u>10,467,568</u>	<u>10,565,659</u>
Non-controlling interest	55,520	56,222
Total equity	<u><u>10,523,088</u></u>	<u><u>10,621,881</u></u>

Continued

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INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

At 31 March 2012

	<i>31 March 2012 (Unaudited) QR'000</i>	<i>31 December 2011 (Audited) QR'000</i>
Non-current liabilities		
Interest bearing loans and borrowings	734,327	513,722
Advance from a customer	187,512	187,497
Employees' end of service benefits	68,226	66,018
Obligation under finance leases	<u>2,097</u>	<u>3,451</u>
	<u>992,162</u>	<u>770,688</u>
Current liabilities		
Accounts payable and accruals	878,815	459,742
Interest bearing loans and borrowings	1,596,082	1,446,311
Obligation under finance leases	6,084	6,257
Bank overdrafts	<u>69,303</u>	<u>8,022</u>
	<u>2,550,284</u>	<u>1,920,332</u>
Total liabilities	<u>3,542,446</u>	<u>2,691,020</u>
TOTAL EQUITY AND LIABILITIES	<u>14,065,534</u>	<u>13,312,901</u>

.....
H.E. Sheikh Ali bin Jassim bin Mohammed Al-Thani
Chairman and Managing Director

.....
Mr. Khalifa bin Ali Al-Hetmi
Chief Executive Officer

The attached notes 1 to 2 form part of these consolidated financial statements

1. BASIS OF PREPERATION

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2011.

The consolidated financial statements include the financial statements of the Company and that of its subsidiaries as defined in the annual financial statements for the year ended 31 December 2011 and is referred to as the "Group".

The interim condensed consolidated financial statements have been published as per the instructions of the Qatar Exchange and have not been reviewed by the external auditors.

2. COMPARATIVE INFORMATION

- (i) During the three months ended 31 March 2011, the Group changed the format of presentation of the interim consolidated income statement from the functional method of presentation to the nature of expense method of presentation which resulted in the following reclassifications:

	<i>Three months ended 31 March 2011</i>				
	<i>As previously reported</i>			<i>Impairment of available-for-sale investments</i>	<i>As reclassified</i>
	<i>Operating expenses</i>	<i>General and Administrative expenses</i>	<i>Amortisation of intangible assets</i>	<i>QR'000</i>	<i>QR'000</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>(Note v)</i>	<i>QR'000</i>
Salaries, wages and other benefits	85,839	19,312	-	-	105,151
Operating supplies and expenses	201,658	2,785	-	-	204,443
Rent expenses	14,688	4,914	-	-	19,602
Depreciation and amortisation	55,033	1,647	7,363	-	64,043
Other operating expenses	18,124	5,933	-	(206)	23,851
<i>As previously reported</i>	<u>375,342</u>	<u>34,591</u>	<u>7,363</u>		

- (ii) Operating revenues

	<i>QR'000</i>
<i>As previously reported</i>	529,093
Investment income transferred from investment and interest income (<i>Note iii</i>)	93,187
Transfer from miscellaneous income (<i>Note iv</i>)	3,588
<i>As reclassified</i>	<u>625,868</u>

- (iii) Finance income

	<i>QR'000</i>
<i>Investment and interest revenues as previously reported</i>	107,769
Investment income transferred to operating revenues (<i>Note ii</i>)	(93,187)
<i>As reclassified</i>	<u>14,582</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
At 31 March 2012

2. COMPARATIVE INFORMATION (continued)

(iv) Miscellaneous income

	<i>QR'000</i>
<i>Other income as previously reported</i>	4,260
Transfer to operating revenues (<i>Note ii</i>)	<u>(3,588)</u>
<i>As reclassified</i>	<u>672</u>

(v) Impairment of available-for-sale investments

	<i>QR'000</i>
<i>As reclassified (Note i)</i>	<u>206</u>

Qatar Navigation Q.S.C.
Consolidated Statement of Income, by Pillars
3 Months Ended Mar 31, 2012.

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
Operating Revenues	180,547	122,968	51,794	86,162	280,518	-	(82,379)	639,610
Salaries, wages and other benefits	(46,491)	(41,287)	(18,862)	(2,970)	(3,897)	(13,586)	-	(127,092)
Operating supplies and expenses	(63,308)	(33,227)	(28,535)	(77,492)	(47,180)	(857)	76,901	(173,698)
Rent expenses	(1,535)	(1,820)	(863)	(350)	(12,078)	(3,112)	5,478	(14,280)
Depreciation and amortisation	(17,708)	(18,328)	(19,254)	(290)	(11,515)	(617)	-	(67,712)
Other operating expenses	(16,702)	(3)	(1,831)	(559)	(2,415)	(7,787)	-	(29,297)
OPERATING PROFIT	34,803	28,303	(17,551)	4,502	203,433	(25,959)	0	227,531
Finance costs	(2,746)	(1,027)	(2,472)	(27)	(2,937)	(0)	-	(9,209)
Finance Income	-	760	6,992	-	3,795	-	-	11,547
Gain on disposal of property, vessels and equipment	-	-	-	-	10	-	-	10
Share of results of associates	(58)	(0)	54,088	-	(0)	-	-	54,029
Miscellaneous income	872	204	(35)	1,395	775	-	-	3,211
Impairment of available-for-sale investments	-	-	-	-	(4,073)	-	-	(4,073)
Expense allocation from Milaha Corporate	(16,275)	(2,909)	(2,640)	(1,996)	(2,139)	25,959	-	0
PROFIT FOR THE PERIOD	16,596	25,332	38,381	3,873	198,864	0	0	283,046
<i>Attributable to:</i>								
Shareholders of the parent	16,596	25,332	38,381	3,873	199,565	0	-	283,748
Non-controlling interest	-	-	-	-	(702)	-	-	(702)
	16,596	25,332	38,381	3,873	198,864	0	0	283,046