

Qatar Navigation Q.S.C.

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

31 MARCH 2014

Qatar Navigation Q.S.C.

INTERIM CONSOLIDATED INCOME STATEMENT

For the three months ended 31 March 2014

	<i>For the three months ended 31 March</i>	
	<i>2014</i>	<i>2013</i>
	<i>(Unaudited)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Operating revenues	698,676	702,821
Salaries, wages and other benefits	(154,933)	(149,536)
Operating supplies and expenses	(168,978)	(169,507)
Rent expenses	(14,555)	(15,186)
Depreciation and amortisation	(60,081)	(58,706)
Other operating expenses	(26,679)	(27,314)
OPERATING PROFIT	273,450	282,572
Finance costs	(6,683)	(8,497)
Finance income	13,984	13,443
Gain on disposal of property, vessels and equipment	685	4,544
Share of results of joint ventures	3,739	1,248
Share of results of associates	63,826	50,181
Miscellaneous income	639	318
PROFIT FOR THE PERIOD	349,640	343,809
<i>Attributable to:</i>		
Shareholders of the parent	349,403	344,585
Non-controlling interest	237	(776)
	349,640	343,809
BASIC AND DILUTED EARNINGS PER SHARE <i>(attributable to shareholders of the parent)</i> <i>expressed in QR per share)</i>	3.08	3.03

The attached notes 1 to 3 form part of these interim condensed consolidated financial statements

Qatar Navigation Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2014

	<i>31 March 2014 (Unaudited) QR'000</i>	<i>31 December 2013 (Audited) QR'000</i>
ASSETS		
Non-current assets		
Property, vessels and equipment	3,339,544	3,281,643
Investment properties	793,251	765,372
Intangible assets	59,308	55,298
Investment in joint ventures	145,799	143,113
Investment in associates	4,311,450	4,540,060
Available-for-sale investments	3,801,340	3,538,850
Loans to LNG and LPG companies	482,253	534,932
Notes receivable	5,723	2,847
	<u>12,938,668</u>	<u>12,862,115</u>
Current assets		
Inventories	177,274	160,144
Accounts receivable and prepayments	588,445	589,543
Financial investments at fair value through profit or loss	581,349	580,222
Bank balances and cash	2,480,593	1,458,020
	<u>3,827,661</u>	<u>2,787,929</u>
TOTAL ASSETS	<u>16,766,329</u>	<u>15,650,044</u>
EQUITY AND LIABILITIES		
Attributable to equity holders of the parent		
Share capital	1,145,252	1,145,252
Treasury shares	(73,516)	(73,516)
Legal reserve	4,693,986	4,693,986
General reserve	623,542	623,542
Fair value reserve	3,847,375	3,575,036
Hedging reserve	(325,132)	(210,759)
Retained earnings	2,614,007	2,832,684
	<u>12,525,514</u>	<u>12,586,225</u>
Equity attributable to equity holders of the parent	<u>12,525,514</u>	<u>12,586,225</u>
Non-controlling interest	56,352	55,974
Total equity	<u>12,581,866</u>	<u>12,642,199</u>

Continued

The attached notes 1 to 3 form part of these interim condensed consolidated financial statements

Qatar Navigation Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

At 31 March 2014

	<i>31 March 2014 (Unaudited) QR'000</i>	<i>31 December 2013 (Audited) QR'000</i>
Non-current liabilities		
Interest bearing loans and borrowings	1,360,106	1,408,491
Advance from a customer	176,744	187,497
Employees' end of service benefits	<u>88,625</u>	<u>83,865</u>
	<u>1,625,475</u>	<u>1,679,853</u>
Current liabilities		
Accounts payable and accruals	949,050	469,368
Interest bearing loans and borrowings	1,518,837	767,323
Obligation under finance leases	106	291
Bank overdrafts	<u>90,995</u>	<u>91,010</u>
	<u>2,558,988</u>	<u>1,327,992</u>
Total liabilities	<u>4,184,463</u>	<u>3,007,845</u>
TOTAL EQUITY AND LIABILITIES	<u>16,766,329</u>	<u>15,650,044</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 3 form part of these interim condensed consolidated financial statements

1 BASIS OF PREPARATION

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 2013.

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 2013 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 or audited by the external auditors.

The interim condensed consolidated financial statements of the Group were authorised for issue by the Board of Directors on 28 April 2014.

2 COMPARATIVE INFORMATION

Certain of the comparative information s have been re-classified to conform to the current year classification. These re-classifications did not have any impact on the previously reported profits, equity, total assets or liabilities. The objective of these reclassifications was to improve the quality of information presented.

Qatar Navigation Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
At 31 March 2014

3 SEGMENT INFORMATION

Three months period ended 31 March 2014 (Unaudited)

	Milaha Capital QR'000	Milaha Maritime and Logistics QR'000	Milaha Offshore QR'000	Milaha Trading QR'000	Milaha Gas and Petrochem QR'000	Adjustments relating to Milaha Corporate QR'000	Total segments QR'000	Adjustments and eliminations QR'000	Consolidated QR'000
Operating revenues	290,579	205,464	119,690	79,906	55,033	-	750,672	(51,996) (i)	698,676
Salaries, wages and other benefits	(3,036)	(48,939)	(42,699)	(4,102)	(22,234)	(35,955)	(156,965)	2,032 (i)	(154,933)
Operating supplies and expenses	(26,320)	(83,154)	(23,626)	(66,469)	(11,464)	(2,043)	(213,076)	44,098 (i)	(168,978)
Rent expenses	(12,377)	(1,468)	(1,682)	(453)	(900)	(2,756)	(19,636)	5,081 (i)	(14,555)
Depreciation and amortisation	(8,804)	(14,273)	(19,582)	(309)	(15,683)	(1,430)	(60,081)	-	(60,081)
Other operating expenses	(2,232)	(6,550)	(9,214)	(689)	(5,672)	(3,107)	(27,464)	785 (i)	(26,679)
Fleet & technical allocation	-	(12,815)	-	-	12,815	-	-	-	-
Allocation relating to Milaha Corporate	(6,109)	(19,010)	(7,756)	(5,504)	(6,912)	45,291	-	-	-
OPERATING PROFIT	231,701	19,255	15,131	2,380	4,983	-	273,450	-	273,450
Finance costs	(2,148)	(2,164)	(1,586)	-	(785)	-	(6,683)	-	(6,683)
Finance income	7,482	-	8	81	6,413	-	13,984	-	13,984
Gain on disposal of property, vessels and equipment	-	685	-	-	-	-	685	-	685
Share of results of joint venture	-	-	-	-	3,739	-	3,739	-	3,739
Share of results of associate	384	226	-	-	63,216	-	63,826	-	63,826
Miscellaneous income	263	-	-	-	376	-	639	-	639
PROFIT FOR THE PERIOD	237,682	18,002	13,553	2,461	77,942	-	349,640	-	349,640

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 31 March 2014

3 SEGMENT INFORMATION (continued)

Three months period ended 31 March 2013 (Unaudited)

	Milaha Capital QR '000	Milaha Maritime and Logistics QR '000	Milaha Offshore QR '000	Milaha Trading QR '000	Milaha Gas and Petrochem QR '000	Adjustments relating to Milaha Corporate QR '000	Total Segments QR '000	Adjustments and eliminations QR '000	Consolidated QR '000
Operating revenues	282,168	216,619	132,187	74,656	42,086	-	747,716	(44,895) (i)	702,821
Salaries, wages and other benefits	(3,880)	(42,532)	(45,240)	(4,056)	(19,180)	(35,745)	(154,817)	1,097 (i)	(149,536)
Operating supplies and expenses	(28,007)	(86,833)	(20,348)	(62,220)	(6,868)	(1,183)	(201,275)	35,952 (i)	(169,507)
Rent expenses	(12,010)	(251)	(1,667)	(300)	(270)	(2,985)	(17,483)	2,297 (i)	(15,186)
Depreciation and amortization	(7,883)	(15,892)	(18,842)	(249)	(15,298)	(542)	(58,706)	-	(58,706)
Other operating expenses	(4,535)	(11,676)	(8,676)	(819)	(5,590)	(1,567)	(32,863)	5,549 (i)	(27,314)
Fleet & technical allocation	-	(11,738)	-	-	11,738	-	-	-	-
Allocation relating to Milaha Corporate	(5,662)	(17,663)	(7,189)	(5,102)	(6,406)	42,022	-	-	-
OPERATING PROFIT	220,191	30,034	30,225	1,910	212	-	282,572	-	282,572
Finance costs	(4,300)	(1,722)	(1,462)	-	(1,013)	-	(8,497)	-	(8,497)
Finance income	7,809	3	10	2	5,619	-	13,443	-	13,443
Gain on disposal of property, vessels and equipment	-	4,518	26	-	-	-	4,544	-	4,544
Share of results of joint venture	-	-	-	-	1,248	-	1,248	-	1,248
Share of results of associate	407	-	-	-	49,774	-	50,181	-	50,181
Miscellaneous income	268	-	50	-	-	-	318	-	318
PROFIT FOR THE PERIOD	224,375	32,833	28,849	1,912	55,840	-	343,809	-	343,809

Note:

- (i) Inter-segment revenues are eliminated on consolidation.