

Qatar Navigation Q.P.S.C.
CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS

30 SEPTEMBER 2018

Qatar Navigation Q.P.S.C.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As at and for the nine month period ended 30 September 2018

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Qatar Navigation Q.P.S.C.
CONDENSED CONSOLIDATED INCOME STATEMENT
For the nine month period ended 30 September 2018

	Notes	<i>For the nine-month period ended</i>	
		<i>30 September</i>	
		<i>2018</i>	<i>2017</i>
		<i>(Unaudited)</i>	
		<i>QR'000</i>	<i>QR'000</i>
Operating revenues	5	1,810,212	1,655,768
Salaries, wages and other benefits		(421,223)	(401,270)
Operating supplies and expenses		(689,414)	(672,929)
Rent expenses		(11,781)	(10,291)
Depreciation and amortisation		(246,374)	(262,053)
Other operating expenses		(127,869)	(109,065)
OPERATING PROFIT		313,551	200,160
Finance cost		(116,440)	(153,732)
Finance income		48,244	121,630
Loss on disposal of property, vessels and equipment		(758)	(6,766)
Share of results of associates		207,077	192,429
Share of results of joint arrangements		124,371	82,958
Net gain (loss) on foreign exchange		2,490	(2,230)
Impairment of available-for-sale financial assets		-	(20,898)
Impairment of vessels and capital work-in-progress		(183,206)	(60,162)
Miscellaneous income	6	2,857	20,472
PROFIT FOR THE PERIOD		398,186	373,861
<i>Attributable to:</i>			
Equity holders of the parent		399,523	362,754
Non-controlling interest		(1,337)	11,107
		398,186	373,861
BASIC AND DILUTED EARNINGS PER SHARE (<i>attributable to equity holders of the parent</i>) (<i>expressed in QR per share</i>)	16	3.52	3.19

The attached notes 1 to 18 form part of these condensed consolidated interim financial statements.

Qatar Navigation Q.P.S.C.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the nine month period ended 30 September 2018

		<i>For the nine-month period ended</i>	
		<i>30 September</i>	
		<i>2018</i>	<i>2017</i>
		<i>(Unaudited)</i>	
<i>Notes</i>		<i>QR'000</i>	<i>QR'000</i>
	Profit for the period	<u>398,186</u>	<u>373,861</u>
	Other comprehensive income		
	<i>Items that may be reclassified subsequently to profit or loss</i>		
	Net gain resulting from cash flow hedges	7 <u>308,477</u>	39,674
	<i>Items that will not be reclassified to profit or loss</i>		
	Net gain (loss) on financial assets at fair value through other comprehensive income	7 <u>602,547</u>	<u>(700,563)</u>
	Other comprehensive income (loss) for the period	<u>911,024</u>	<u>(660,889)</u>
	Total comprehensive income (loss) for the period	<u>1,309,210</u>	<u>(287,028)</u>
	<i>Attributable to:</i>		
	Equity holders of the Parent	<u>1,310,250</u>	(297,843)
	Non-controlling interest	<u>(1,040)</u>	<u>10,815</u>
		<u>1,309,210</u>	<u>(287,028)</u>

The attached notes 1 to 18 form part of these condensed consolidated interim financial statements.

Qatar Navigation Q.P.S.C.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 At 30 September 2018

		<i>30 September 2018 (Unaudited) QR'000</i>	<i>31 December 2017 (Audited) QR'000</i>
ASSETS			
Non-current assets			
Property, vessels and equipment	8	4,117,878	4,196,429
Investment property	9	1,278,661	1,277,575
Intangible assets		160,782	168,315
Investments in joint ventures		1,007,465	883,124
Investments in associates		5,344,530	5,041,236
Non-current financial investments		4,016,416	3,423,915
Loans granted to LNG companies		171,885	183,604
Other assets		26,160	28,706
		16,123,777	15,202,904
Current assets			
Inventories		148,017	106,777
Trade and other receivables		767,145	917,845
Financial assets at fair value through profit or loss		280,426	523,208
Investments in term deposits	10	440,389	1,680,694
Cash and cash equivalents		463,529	373,943
		2,099,506	3,602,467
TOTAL ASSETS		18,223,283	18,805,371
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		3,734,297	3,190,158
Hedging reserve		355,909	47,432
Retained earnings		3,945,479	3,915,860
		14,424,949	13,542,714
Equity attributable to equity holders of the Parent		14,424,949	13,542,714
Non-controlling interest		60,972	69,100
		14,485,921	13,611,814
Total equity		14,485,921	13,611,814

The condensed consolidated statement of financial position continues on the next page.

Qatar Navigation Q.P.S.C.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)
At 30 September 2018

EQUITY AND LIABILITIES (CONTINUED)	<i>Notes</i>	<i>30 September 2018 (Unaudited) QR'000</i>	<i>31 December 2017 (Audited) QR'000</i>
Liabilities			
Non-current liabilities			
Loans and borrowings	13	1,976,491	3,039,548
Advance from a customer		116,824	123,672
Provision for employees' end of service benefits		124,390	101,104
		<u>2,217,705</u>	<u>3,264,324</u>
Current liabilities			
Trade and other payables		499,431	558,210
Loans and borrowings	13	1,020,226	1,371,023
		<u>1,519,657</u>	<u>1,929,233</u>
Total liabilities		<u>3,737,362</u>	<u>5,193,557</u>
TOTAL EQUITY AND LIABILITIES		<u>18,223,283</u>	<u>18,805,371</u>

The Group's condensed consolidated interim financial statements were authorized for issue by the Company's Board of Directors on 30 October 2018 and signed on its behalf by the following:

.....
Jassim bin Hamad bin Jassim Al-Thani
Chairman

.....
Abdulrahman Essa A.E. Al-Mannai
President and Chief Executive Officer

Qatar Navigation Q.P.S.C.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine month period ended 30 September 2018

	<i>For the nine-month period ended 30 September</i>	
	<i>2018</i>	<i>2017</i>
	<i>(Unaudited)</i>	
	<i>QR'000</i>	<i>QR'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	398,186	373,861
Adjustment for:		
Depreciation of property, vessels and equipment	203,184	212,140
Depreciation of investment property	35,593	19,424
Amortisation of intangible assets	7,597	30,489
Loss on disposal of property, vessels and equipment	758	6,766
Share of results of associates	(207,077)	(192,429)
Share of results of joint arrangements	(124,371)	(82,958)
Provision for employees' end of service benefits	16,535	9,157
Dividend income	(173,703)	(135,255)
Net fair value (gain) loss on financial assets at fair value through profit or loss	(27,698)	94,198
Impairment of available-for-sale financial assets	-	20,898
Impairment of vessels and capital work-in-progress	183,206	60,162
Profit on disposal of investment securities	(11,785)	(3,311)
Finance costs	116,440	153,732
Finance income	(48,244)	(121,630)
Operating profit before working capital changes:	368,621	445,244
<i>Changes in:</i>		
Inventories	(41,240)	12,765
Trade and other receivables	220,047	(154,212)
Trade and other payables	(26,508)	11,955
Cash flows from operating activities	520,920	315,752
Employees' end of service benefits paid	(16,116)	(5,933)
Net cash from operating activities	504,804	309,819
CASHFLOWS FROM INVESTING ACTIVITIES		
Purchase of property, vessels and equipment	(322,805)	(40,705)
Dividend income	173,703	135,255
Finance income	48,244	121,630
Amount received from settlement of arbitration	-	196,924
Proceeds from disposal of property, vessels and equipment	4,314	19,394
Purchases of investment property	(26,785)	(160,377)
Addition to intangible assets	(65)	(167)
Net movement in loans granted to LNG companies	11,719	18,969
Purchase of investment securities	(18,192)	(152,886)
Proceeds from disposal of financial assets at fair value through other comprehensive income	986	7,301
Proceeds from disposal of financial assets at fair value through profit or loss	300,522	27,323
Investment in joint venture	-	(4,900)
Net movement in investments in term deposits	1,240,305	1,722,067
Contribution towards an associate	(1,020)	-
Dividends received from associates	168,896	171,012
Net cash flows from investing activities	1,579,822	2,060,840

The condensed consolidated statement of cashflows continues on the next page.

The attached notes 1 to 18 form part of these condensed consolidated interim financial statements

Qatar Navigation Q.P.S.C.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
For the nine month period ended 30 September 2018

	<i>Notes</i>	<i>For the nine-month period ended</i>	
		<i>30 September</i>	
		<i>2018</i>	<i>2017</i>
		<i>(Unaudited)</i>	
		<i>QR'000</i>	<i>QR'000</i>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to Company's shareholders	12	(397,658)	(397,658)
Dividends paid to non controlling interests		(7,088)	-
Finance costs paid		(116,440)	(153,732)
Net movement in loans and borrowings		(1,413,854)	(2,027,473)
Net cash flows used in financing activities		(1,935,040)	(2,578,863)
Net increase (decrease) in cash and cash equivalents		149,586	(208,204)
Cash and cash equivalents at beginning of period		313,943	1,102,860
Cash and cash equivalents at end of period	11	463,529	894,656

The attached notes 1 to 18 form part of these condensed consolidated interim financial statements.

Qatar Navigation Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine month period ended 30 September 2018

	<i>Attributable to the equity holders of the Parent</i>							<i>Total</i> <i>QR'000</i>	<i>Non-</i> <i>controlling</i> <i>interest</i> <i>QR'000</i>	<i>Total</i> <i>QR'000</i>
	<i>Share</i> <i>capital</i> <i>QR'000</i>	<i>Treasury</i> <i>shares</i> <i>QR'000</i>	<i>Legal</i> <i>reserve</i> <i>QR'000</i>	<i>General</i> <i>reserve</i> <i>QR'000</i>	<i>Fair value</i> <i>reserve</i> <i>QR'000</i>	<i>Hedging</i> <i>reserve</i> <i>QR'000</i>	<i>Retained</i> <i>earnings</i> <i>QR'000</i>			
Balance at 31 December 2017 (Audited)	1,145,252	(73,516)	4,693,986	623,542	3,190,158	47,432	3,915,860	13,542,714	69,100	13,611,814
Adjustment on initial application of IFRS 9 (Note 4)	-	-	-	-	(57,312)	-	26,955	(30,357)	-	(30,357)
Restated balance at 1 January 2018	1,145,252	(73,516)	4,693,986	623,542	3,132,846	47,432	3,942,815	13,512,357	69,100	13,581,457
Profit for the period	-	-	-	-	-	-	399,523	399,523	(1,337)	398,186
Other comprehensive income	-	-	-	-	602,250	308,477	-	910,727	297	911,024
Total comprehensive (loss) income	-	-	-	-	602,250	308,477	399,523	1,310,250	(1,040)	1,309,210
<i>Transactions with owners of the Group:</i>										
Dividends paid (Note 12)	-	-	-	-	-	-	(397,658)	(397,658)	(7,088)	(404,746)
Transfer of reserves on disposal of financial assets at fair value through other comprehensive income	-	-	-	-	(799)	-	799	-	-	-
At 30 September 2018 (Unaudited)	1,145,252	(73,516)	4,693,986	623,542	3,734,297	355,909	3,945,479	14,424,949	60,972	14,485,921
	<i>Attributable to the equity holders of the Parent</i>									
	<i>Share</i> <i>capital</i> <i>QR'000</i>	<i>Treasury</i> <i>shares</i> <i>QR'000</i>	<i>Legal</i> <i>reserve</i> <i>QR'000</i>	<i>General</i> <i>reserve</i> <i>QR'000</i>	<i>Fair value</i> <i>reserve</i> <i>QR'000</i>	<i>Hedging</i> <i>reserve</i> <i>QR'000</i>	<i>Retained</i> <i>Earnings</i> <i>QR'000</i>	<i>Total</i> <i>QR'000</i>	<i>Non-</i> <i>controlling</i> <i>interest</i> <i>QR'000</i>	<i>Total</i> <i>QR'000</i>
Balance at 1 January 2017 (Audited)	1,145,252	(73,516)	4,693,986	623,542	4,064,661	(122,720)	3,855,436	14,186,641	55,322	14,241,963
Profit for the period	-	-	-	-	-	-	362,754	362,754	11,107	373,861
Other comprehensive (loss) income	-	-	-	-	(700,271)	39,674	-	(660,597)	(292)	(660,889)
Total comprehensive (loss) income	-	-	-	-	(700,271)	39,674	362,754	(297,843)	10,815	(287,028)
<i>Transactions with owners of the Group:</i>										
Dividends paid (Note 12)	-	-	-	-	-	-	(397,658)	(397,658)	-	(397,658)
At 30 September 2017 (Unaudited)	1,145,252	(73,516)	4,693,986	623,542	3,364,390	(83,046)	3,820,532	13,491,140	66,137	13,557,277

The attached notes 1 to 18 form part of these condensed consolidated interim financial statements.

Qatar Navigation Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the nine month period ended 30 September 2018

1. REPORTING ENTITY

Qatar Navigation Q.P.S.C. (the “Company”) or (the “Parent”) was incorporated on 5 July 1957 as a Qatari Public Shareholding Company, with the Commercial Registration number 1 issued by the Ministry of Economy and Commerce. The registered office of the Company is located in East Industrial Street, Zone 56, Doha, State of Qatar. The shares of the Company are publicly traded on the Qatar Exchange since 26 May 1997.

These condensed consolidated interim financial statements comprise the Company and its subsidiaries (collectively referred as the “Group”).

The principal activities of the Group, which remain unchanged from the previous period, include the provision of marine transport, acting as agent to foreign shipping lines, offshore services, sale of heavy vehicles, ship repair, fabrication and installation of offshore structures, land transport, chartering of vessels, real estate, investments in listed and unlisted securities, trading of aggregates, building materials and the operation of a travel agency. During the current year, the group commenced warehousing operations.

The Group had the following active subsidiaries as at the current and the comparative reporting dates:

<i>Name of the subsidiary</i>	<i>Country of incorporation</i>	<i>Principal activities</i>	<i>Group effective shareholding</i>	
			<i>30 September 2018</i>	<i>31 December 2017</i>
Qatar Shipping Company W.L.L.	Qatar	Chartering of vessels and maritime services	100%	100%
Halul Offshore Services W.L.L.	Qatar	Chartering of vessels offshore services	100%	100%
Qatar Quarries and Building Materials Company Q.P.S.C. (i)	Qatar	Trading in building materials	50%	50%
Gulf Shipping Investment Company W.L.L.	Qatar	Cargo handling	100%	100%
Qatar Shipping Company (India) Private Limited	India	Own, Hire, Purchase, Sale, Operate and manage all types of ships	100%	100%
Ocean Marine Services W.L.L.	Qatar	Cargo handling, offshore support services	100%	100%
Halul United Business Services L.L.C.	Saudi	Offshore services	100%	100%
Milaha Trading Company W.L.L.	Qatar	Trading in industrial materials	100%	100%
Navigation Travel & Tourism W.L.L.	Qatar	Travel agency	100%	100%
Navigation Trading Agencies W.L.L.	Qatar	Trading in heavy equipment	100%	100%

Qatar Navigation Q.P.S.C.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As at and for the nine month period ended 30 September 2018

1 REPORTING ENTITY (CONTINUED)

The Group had the following active subsidiaries as at the current and the comparative reporting dates:
(continued):

<i>Name of the subsidiary</i>	<i>Country of incorporation</i>	<i>Principal activities</i>	<i>Group effective shareholding</i>	
			<i>30 September 2018</i>	<i>31 December 2017</i>
Navigation Marine Service Center W.L.L.	Qatar	Marine services	100%	100%
Milaha Capital W.L.L.	Qatar	Investments	100%	100%
Milaha Real Estate Services W.L.L.	Qatar	Real estate maintenance	100%	100%
Milaha Integrated Maritime and Logistics W.L.L.	Qatar	Maritime and logistic services	100%	100%
Milaha Ras Laffan Verwaltungs GMBH	Germany	Managing the business activities of KG companies	100%	100%
Milaha Qatar Verwaltungs GMBH	Germany	Managing the business activities of KG companies	100%	100%
Milaha Real Estate Investment W.L.L.	Qatar	Real estate services	100%	100%
Milaha for Petroleum and Chemical Product W.L.L.	Qatar	Shipping services	100%	100%
Milaha Ras Laffan Gmbh & Co. KG (KG1)	Germany	LNG transportation	100%	100%
Milaha Qatar Gmbh & Co. KG (KG2)	Germany	LNG transportation	100%	100%
Qatar Shipping Company (France)	France	Investments	100%	100%
Milaha Offshore Holding Co. PTE LTD	Singapore	Offshore support services	100%	100%
Milaha Explorer PTE LTD	Singapore	Offshore support services	100%	100%
Milaha Offshore Services Co PTE LTD	Singapore	Offshore support services	100%	100%
Milaha (FZC) L.L.C.	Oman	Logistic services	100%	100%

Qatar Navigation Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the nine month period ended 30 September 2018

1 REPORTING ENTITY (CONTINUED)

The Company's shareholding in the above subsidiaries are the same as the Group effective shareholding except for the following material subsidiaries:

<i>Name of subsidiary</i>	<i>Company's ownership percentage</i>	
	<i>30 September 2018</i>	<i>31 December 2017</i>
Halul Offshore Services Company W.L.L.	50%	50%
Qatar Quarries and Building Materials Company Q.P.S.C.	25%	25%
Milaha Trading Company W.L.L.	99.5%	99.5%
Milaha Capital W.L.L.	99.5%	99.5%
Milaha Integrated Maritime and Logistics W.L.L.	99.5%	99.5%

The Group also had the following inactive subsidiaries as at the current and the comparative reporting dates:

<i>Name of subsidiary</i>	<i>Company's ownership percentage</i>	
	<i>30 September 2018</i>	<i>31 December 2017</i>
Milaha Technical & Logistics Services W.L.L.	100%	100%
Milaha Offshore Support Services Company L.L.C.	99.5%	99.5%
Milaha for Petroleum and Chemical Product W.L.L.	99.5%	99.5%
Milaha Warehousing W.L.L.	100%	100%
Milaha Capital Real Estate Complex W.L.L.	100%	100%
Milaha for Ships and Boats W.L.L.	100%	100%
Milaha Ship Management & Operation Company W.L.L.	100%	100%
Halul Ship Management & Operation W.L.L.	100%	100%
Halul 49 L.L.C.	100%	100%
Halul 68 L.L.C.	100%	100%
Halul 69 L.L.C.	100%	100%
Halul 70 L.L.C.	100%	100%
Halul 71 L.L.C.	100%	100%
Halul 80 L.L.C.	100%	100%
Halul 81 L.L.C.	100%	100%
Halul 82 L.L.C.	100%	100%
Halul 83 L.L.C.	100%	100%
Halul 90 L.L.C.	100%	100%
Halul 100 L.L.C.	100%	100%
Halul 101 L.L.C.	100%	100%
Aliago W.L.L. (ii)	100%	-

All subsidiaries are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the Parent do not differ from the proportion of the ordinary shares held.

The Group has the following investments in joint ventures as at the current and the comparative reporting dates:

	<i>Country of incorporation</i>	<i>Group effective ownership</i>	
		<i>30 September 2018</i>	<i>31 December 2017</i>
Qatar Ship Management Company W.L.L.	Qatar	51%	51%
Gulf LPG Transport Company W.L.L.	Qatar	50%	50%
Aliago W.L.L. (ii)	Qatar	-	50%
QTerminals W.L.L.	Qatar	49%	49%

Qatar Navigation Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the nine month period ended 30 September 2018

1 REPORTING ENTITY (CONTINUED)

The Group has the following investments in associates as at the current and the comparative reporting dates:

	Country of incorporation	Ownership %		Profit Sharing %	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
Cargotec Qatar W.L.L.	Qatar	51.0%	51.0%	40.0%	40.0%
Iraq-Qatar Transport and Shipping Services Com. L.T.D.	Iraq	51.0%	51.0%	51.0%	51.0%
United Arab Shipping Agency Company W.L.L.	Qatar	40.0%	40.0%	40.0%	40.0%
Qatar Gas Transport Company Limited (NAKILAT) (Q.P.S.C.)	Qatar	30.3%	30.3%	30.3%	30.3%
Camartina Shipping INC.	Liberia	29.4%	29.4%	29.4%	29.4%
Peninsula LNG Transport No. 1 Ltd.	Liberia	29.4%	29.4%	29.4%	29.4%
Peninsula LNG Transport No. 2 Ltd.	Liberia	29.4%	29.4%	29.4%	29.4%
Peninsula LNG Transport No. 3 Ltd.	Liberia	29.4%	29.4%	29.4%	29.4%
Qatar LNG Transport Ltd.	Liberia	20.0%	20.0%	20.0%	20.0%
Man Diesel & Turbo Qatar Navigation W.L.L.	Qatar	51.0%	51.0%	35.0%	35.0%

- (i) The Group controls Qatar Quarries Building Materials Company Q.P.S.C. through its power to control that company's Board of Directors.
- (ii) During the current period, the remaining shares of Aliago W.L.L were acquired by the group, increasing the ownership from 50% to 100%.

The Group also had the following registered branch in Dubai as at the current and the comparative reporting dates:

Name of branch	Principal activity
Qatar Navigation (Dubai Branch)	Marine services

The results and the assets and liabilities of the above branch have been combined in the condensed consolidated interim financial statements of the Group.

2 BASIS OF ACCOUNTING

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2017 ("latest annual financial statements"). They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 4.

The condensed consolidated interim financial statements of the Company were authorised for issue by the Board of Directors on 30 October 2018.

3. USE OF JUDGMENTS AND ESTIMATES

In preparing these condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the latest annual financial statements as at and for the year ended 31 December 2017.

Measurement of fair values

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted market price (unadjusted) in active markets for an identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the last annual financial statements.

Changes in accounting policies

4.1 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2017, except for the adoption of the new standards and interpretations effective as of 1 January 2018. The Group has not early adopted any of the standards issued, which are yet to be effective.

The group applies, for the first time IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments*. The nature and effect of these changes are disclosed below.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

The details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Group's various services are set out below.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**4.1 New standards, interpretations and amendments adopted by the Group (Continued)****IFRS 15 Revenue from Contracts with Customers (Continued)**

Type of services	Nature, timing of satisfaction of performance obligations, significant payment terms	Nature of change in accounting policy.
Chartering of vessels	Revenue from chartering of vessels, equipment and others are recognised on an accrual basis in accordance with the terms of the contract entered into with customers.	IFRS 15 did not have a significant impact on the Group's accounting policies
Sales of goods and services:	Revenue from sales of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably. Revenue from rendering of services are recognised when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the transaction at the reporting date.	IFRS 15 did not have a significant impact on the Group's accounting policies. Services contract, revenues are now recognised based on milestones delivered and not on a completion basis.
Cargo transport and container barge income:	The value of all work invoiced during the year as adjusted for uncompleted trips. Attributable profit on uncompleted trips is accounted for on a percentage of completion basis after making due allowance for future estimated losses.	IFRS 15 did not have a significant impact on the Group's accounting policies
Shipping agency income:	Shipping agency income is recognised on the completion of all supply requirements for vessels.	IFRS 15 did not have a significant impact on the Group's accounting policies
Loading, clearance and land transport income:	Loading, clearance and land transport income is recognised only after completion of these services.	IFRS 15 did not have a significant impact on the Group's accounting policies

IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets and financial liabilities. This standard replaces IAS 39 "*Financial Instruments: Recognition and Measurement*".

The following table summarises the impact of transition to IFRS 9 on the opening balance of retained earnings (for a description of the transition method, see Note (i) below).

Line item impacted in the financial statements	As reported at 31 December 2017 <i>QR'000</i>	Adjustment due to adoption of IFRS 9 <i>QR'000</i>	Adjusted opening balances as at 1 January 2018 <i>QR'000</i>
Trade and other receivables	441,966	(25,742)	416,224
Fair value reserve	3,190,158	(57,312)	3,132,846
Financial assets at fair value through other comprehensive income	3,423,915	(2,763)	3,421,152
Investment in associates	5,041,236	(1,854)	5,039,382
Retained earnings	3,915,860	26,955	3,942,815

(i) Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 New standards, interpretations and amendments adopted by the Group (Continued)

IFRS 9 Financial Instruments (Continued)

(i) *Classification and measurement of financial assets and financial liabilities (Continued)*

Under IFRS 9, on initial recognition, a financial asset is classified as :

- Amortised cost;
- Fair Value Through Other Comprehensive Income (“FVOCI”) debt investment;
- Fair Value Through Other Comprehensive Income (“FVOCI”) equity investment; or
- Fair Value Through Profit or Loss (“FVTPL”).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The following accounting policies apply to the subsequent measurement of financial assets.

The Group has financial assets at amortised cost which are amortized using the effective interest method. The amortised costs is reduced by the impairment losses. The group also has financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirements, as described further below.

Unquoted equity securities that were classified as available for sale financial assets under IAS 39 are now classified under financial assets at fair value through other comprehensive income as per IFRS 9. These equity securities represent investments that the Group intends to hold for the long term strategic purposes. As permitted by IFRS 9, the Group has designated these investments at the date of initial application as measured at FVOCI. Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

(ii) *Impairment of financial assets*

IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with an ‘expected credit loss’ (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The financial assets at amortised cost comprise of trade receivables and cash at bank under IFRS 9 and loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date.
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group has elected to measure loss allowances its financial assets at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment including forward-looking information.

Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost as per IFRS 9. An increase of QR 25,742 thousand in the allowance for impairment over these receivables was recognised in opening retained earnings at 1 January 2018 on transition to IFRS 9.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 New standards, interpretations and amendments adopted by the Group (Continued)

IFRS 9 Financial Instruments (Continued)

(ii) *Impairment of financial assets (Continued)*

Measurement of ECLs:

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets:

At each reporting date, the Group assesses the financial assets carried at amortised cost. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment:

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Impairment losses related to trade and other receivables are presented under other operating expenses in the condensed consolidated statement of profit or loss.

Impact of the new impairment model:

For trade and other receivables in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group has determined that the application of IFRS 9's impairment requirements at 1 January 2018 results in an additional impairment allowance of QR 25,742 thousand.

The Following table provides information about exposure to credit risk and ECL for trade and other receivables as at 1 January 2018.

Particular	Weighted average loss rate	Gross carrying amount QR'000	Loss allowance QR'000	Credit impaired QR'000
Current (not past due)	3.06%	186,452	5,713	-
90 days past due	8.35%	64,875	5,415	-
90 - 180 days past due	27.57%	21,104	5,818	-
180-270 days past due	40.83%	6,241	2,548	-
270-360 days past due	69.55%	4,224	2,938	-
More than 360 days	100%	37,188	-	37,188

(iii) *Transition*

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied using the cumulative effect method. The Group has adopted the exemption not to restate comparative information of prior periods.

Differences in the carrying amounts of the financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings as at 1 January 2018. Accordingly, the information presented for 2017 does not reflect the requirements of IFRS 9 but those of IAS 39.

The assessment has been made on the basis of the facts and circumstances that existed at the date of initial application.

5. OPERATING REVENUES

The Group revenues consist of activities under the following operating segments:

	<i>Nine-month period ended 30 September</i>	
	<i>2018</i>	<i>2017</i>
	<i>(Unaudited)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Milaha Capital	400,773	323,003
Milaha Maritime and Logistics	626,119	564,205
Milaha Offshore	381,839	349,730
Milaha Trading	115,743	134,025
Milaha Gas and Petrochem	285,738	284,805
	<u>1,810,212</u>	<u>1,655,768</u>

6. MISCELLANEOUS INCOME

Year 2017:

This represents compensation for the early termination of four vessels based on the contractual terms. The compensation was related to the Gas and Petrochemical segment for the period ended 30 September 2017.

7. COMPONENTS OF OTHER COMPREHENSIVE INCOME

	<i>Nine-month period ended 30 September</i>	
	<i>2018</i>	<i>2017</i>
	<i>(Unaudited)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Movements of other comprehensive income		
Cash flow hedges		
Net movement during the period	50,550	(583)
Group share of net movement in cash flow hedges of associates	257,927	40,257
Total effect on other comprehensive income resulting from cash flow hedges	<u>308,477</u>	<u>39,674</u>
Financial assets at fair value through other comprehensive income		
Net gain (loss) arising during the period	593,490	(709,564)
Group share of net movement in fair value reserves of equity accounted investees	9,057	9,001
Total effect on other comprehensive income resulting from financial assets at fair value through other comprehensive income	<u>602,547</u>	<u>(700,563)</u>

8. PROPERTY, VESSELS AND EQUIPMENT

	<i>30 September</i>	<i>31 December</i>
	<i>2018</i>	<i>2017</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>QR'000</i>	<i>QR'000</i>
Opening balance	4,196,429	4,861,611
Additions	322,805	205,256
Disposals and write off	(5,008)	(302,585)
Other transfers and reclassifications	(9,958)	(496)
Impairment of vessels and capital work-in-progress	(183,206)	(283,339)
Depreciation charge for the period/ year	(203,184)	(284,018)
Closing balance	<u>4,117,878</u>	<u>4,196,429</u>

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9. INVESTMENT PROPERTY

	<i>30 September 2018 (Unaudited) QR'000</i>	<i>31 December 2017 (Audited) QR'000</i>
Opening balance	1,277,575	1,140,646
Additions	26,785	164,642
Depreciation charge for the period/ year	(35,593)	(27,783)
Disposals and write off	(64)	-
Transfers and reclassifications	9,958	70
Closing balance	<u>1,278,661</u>	<u>1,277,575</u>

10. INVESTMENTS IN TERM DEPOSITS

	<i>30 September 2018 (Unaudited) QR'000</i>	<i>31 December 2017 (Audited) QR'000</i>
Term deposits with banks	730,503	1,680,694
<i>Less:</i> Term deposits maturing before 90 days	<u>290,114</u>	<u>-</u>
Term deposits maturing after 90 days	<u>440,389</u>	<u>1,680,694</u>

Notes:

- (i) Short-term deposits earn interests at market rates and these are with an original maturity of over 90 days.
- (ii) Short term deposits have been predominantly financed using loans and borrowings.

11. CASH AND CASH EQUIVALENTS

For the purpose of the condensed consolidated statement of cash flows, cash and cash equivalents comprise the following items:

	<i>30 September 2018 (Unaudited) QR'000</i>	<i>30 September 2017 (Unaudited) QR'000</i>
Cash in hand	5,130	13,490
Bank balance – term deposits (i)	290,114	500,407
Bank balance – current accounts	<u>168,285</u>	<u>480,759</u>
Bank overdraft	463,529	994,656
	<u>-</u>	<u>(100,000)</u>
Cash and cash equivalents in the condensed consolidated statement of cash flows	<u>463,529</u>	<u>894,656</u>

- (i) Deposits with an original maturity of less than 90 days are made for varying periods depending on the immediate cash requirements of the Group at commercial market rates.

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12. DIVIDENDS

Dividend proposed and paid for the year 2017

The Board of Directors proposed a 35% cash dividend of QR 3.5 per share totaling QR 398 million for the year 2017 which was approved by the equity holders at the Annual General Assembly held on 18 March 2018.

Dividend declared and paid:

	<i>2018</i> <i>QR'000</i>	<i>2017</i> <i>QR'000</i>
Final dividend	<u>397,658</u>	<u>397,658</u>

13. LOANS AND BORROWINGS

The following significant transactions occurred during the period ended 30 September 2018 relating to loans and borrowings:

Parent Company:

- The Company fully settled a dollar denominated facility of 100 million which carried interest at the rate of 1.5% + LIBOR.
- The Company settled an outstanding loan amount of USD 100 million which was due to be settled in March 2019. This facility carried an interest of 2.75% + LIBOR.
- The Company has fully settled the outstanding overdraft of QR 60 million from the total granted facility of QR 100 million which carried an interest of 4%.
- The company has fully settled the outstanding loan amount of USD 40 million which was due to be settled in November 2018 and carried interest of 1.6% + LIBOR.
- The company settled partly an amount of USD 80 million towards the outstanding loan amount of USD 150 million which carried interest of 1.5% + LIBOR. The current outstanding balance of this loan facility is USD 70 million

14. CONTINGENT LIABILITIES

At 30 September 2018 and 31 December 2017, the Group had letters of guarantees and letters of credit from which it anticipates that no material liabilities will arise as follows:

	<i>30 September</i> <i>2018</i> <i>(Unaudited)</i> <i>QR'000</i>	<i>31 December</i> <i>2017</i> <i>(Audited)</i> <i>QR'000</i>
Letters of guarantees	798,276	787,632
Letters of credits	<u>4,750</u>	<u>9,455</u>
	<u>803,026</u>	<u>797,087</u>

15. RELATED PARTY DISCLOSURES

The following table provides the total amount of transactions that have been entered into with related parties during the nine months ended 30 September 2018 and 2017, as well as balances with related parties as at 30 September 2018 and 31 December 2017:

Related party transactions

	<i>Nine-month period ended 30 September</i>			
	<i>2018</i>		<i>2017</i>	
	<i>Sales</i>	<i>Purchases</i>	<i>Sales</i>	<i>Purchases</i>
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Associates	<u>3,433</u>	<u>63</u>	<u>1,290</u>	<u>43</u>

15. RELATED PARTY DISCLOSURES (CONTINUED)**Related party balances**

Balances with related parties included in the condensed consolidated statement of financial position are as follows:

	<i>30 September 2018</i>		<i>31 December 2017</i>	
	<i>Trade receivables</i>	<i>Trade payables</i>	<i>Trade receivables</i>	<i>Trade payables</i>
	<i>(Unaudited)</i>		<i>(Audited)</i>	
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Joint ventures	33,930	8,950	135,657	-
Associates	1,238	26	9,969	-
Directors	2,090	68	821	71
	<u>37,258</u>	<u>9,044</u>	<u>146,447</u>	<u>71</u>

Compensation of directors and other key management personnel

The remuneration of directors and other members of key management provided for / paid during the period was as follows:

	<i>Nine-month period ended 30 September</i>	
	<i>2018</i>	<i>2017</i>
	<i>(Unaudited)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Salaries and allowances	8,443	8,690
Provision for employees' end of service benefits	573	498
Board of directors remuneration – cash	10,463	10,462
	<u>19,479</u>	<u>19,650</u>

16. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity holders of the Parent by the weighted average number of shares outstanding during the period.

There were no potentially dilutive shares outstanding at any time during the period and, therefore, the diluted earnings per share is equal to the basic earnings per share.

	<i>Nine-month period ended 30 September</i>	
	<i>2018</i>	<i>2017</i>
	<i>(Unaudited)</i>	
Net profit for the year attributable to equity holders of the Parent (QR'000)	<u>399,523</u>	<u>362,754</u>
Weighted average number of shares (000's)	<u>113,616</u>	<u>113,616</u>
Basic and diluted earnings per share (QR)	<u>3.52</u>	<u>3.19</u>

16. BASIC AND DILUTED EARNINGS PER SHARE (CONTINUED)

The weighted average numbers of shares have been calculated as follows:

	<i>Nine months ended 30 September</i>	
	2018	2017
	<i>(Unaudited)</i>	
Total number of shares outstanding (000's)	114,525	114,525
Adjustment for weighted average shares with respect to treasury shares purchased during year 2013 (000's) (i)	(909)	(909)
Weighted average numbers of shares during the period (000's)	113,616	113,616

(i) This represents an investment of 908,725 shares in the Company by one of its subsidiaries, during the year ended 31 December 2013.

17. SEGMENT INFORMATION

Group is organised into six pillars as follows, which constitute five reportable segments (strategic divisions):

- Milaha Capital provides corporate finance advisory services to the Parent and its subsidiaries, in addition to managing its proprietary portfolio of financial and real estate investments and holding the investment of Qatar Quarries and Building Material Company W.L.L.
- Milaha Maritime & Logistics delivers a comprehensive range of services to major importers, exporters and shipping companies in the region, including oil & gas majors. The activities include logistics services, warehousing, container feeder shipping, non-vessel operating common carriers (NVOCC) operations, bulk shipping, shipping agencies, port management and operations, shipyard and steel fabrication.
- Milaha Offshore provides comprehensive offshore support services to the oil and gas industry across the region. The group currently operates a fleet of 43 offshore service vessels, which include safety standby vessels, anchor handling tugs, crew boats, workboats and dynamic positioning (DP) vessels. It provides a complete range of diving services including saturation diving.
- Milaha Trading is engaged in trading trucks, heavy equipment, machinery and lubrication brands in Qatar. The segment markets its products and provides critical after sales service. Milaha Trading also owns and operates an IATA-approved travel agency, one of the oldest in the State of Qatar.
- Milaha Gas and Petrochem owns, manages and operates a fleet of LPG and LNG carriers and provides ocean transportation services to international energy and industrial companies. It further owns and manages a young fleet of product tankers and one crude carrier. The segment also operates a number of product tankers in partnership with international trading and shipping companies.
- Milaha Corporate provides necessary services to all the pillars to run their respective business. These services are costs of management, corporate development and communications, internal audit, legal affairs, shared services, information technology, procurement, human resources and administration and finance. The costs are subsequently allocated. Adjustments with respect to Milaha Corporate represent costs captured and subsequently allocated to various business pillars by way of a laid down methodology.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the condensed consolidated interim financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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17. SEGMENT INFORMATION (CONTINUED)

Nine month period ended 30 September 2018 (Unaudited)

	<i>Milaha Capital QR'000</i>	<i>Milaha Maritime and Logistics QR'000</i>	<i>Milaha Offshore QR'000</i>	<i>Milaha Trading QR'000</i>	<i>Milaha Gas and Petrochem QR'000</i>	<i>Adjustments relating to Milaha Corporate QR'000</i>	<i>Total segments QR'000</i>	<i>Adjustments and eliminations QR'000</i>	<i>Consolidated QR'000</i>
Operating revenues	438,246	677,844	381,839	228,781	285,738	-	2,012,448	(202,236)	1,810,212
Salaries, wages and other benefits	(5,824)	(100,761)	(131,998)	(11,916)	(79,165)	(91,559)	(421,223)	-	(421,223)
Operating supplies and expenses	(84,822)	(432,878)	(80,830)	(204,745)	(46,321)	(3,822)	(853,418)	164,004	(689,414)
Rent expenses	(3,456)	(31,379)	(5,511)	(1,499)	(926)	(6,842)	(49,613)	37,832	(11,781)
Depreciation and amortisation	(43,202)	(23,416)	(86,796)	(720)	(90,026)	(2,214)	(246,374)	-	(246,374)
Other operating expenses	(7,847)	(40,694)	(40,468)	(2,714)	(19,100)	(17,446)	(128,269)	400	(127,869)
Allocations relating to fleet and technical services	-	(29,061)	-	-	29,061	-	-	-	-
Allocations relating to Milaha Corporate	(11,551)	(55,115)	(21,428)	(10,426)	(23,400)	121,920	-	-	-
OPERATING PROFIT	281,544	(35,460)	14,808	(3,239)	55,861	37	313,551	-	313,551
Finance costs	(25,661)	(23,544)	(38,370)	-	(38,082)	-	(125,657)	9,217	(116,440)
Finance income	39,180	1	7,078	801	10,401	-	57,461	(9,217)	48,244
(Loss) gain on disposal of property, vessels and equipment	(64)	272	(2,133)	236	968	(37)	(758)	-	(758)
Share of results of associates	1,309	965	-	-	204,803	-	207,077	-	207,077
Share of results of joint arrangements	-	145,638	-	-	(21,267)	-	124,371	-	124,371
Net gain (loss) on foreign exchange	2,884	(391)	(37)	109	(75)	-	2,490	-	2,490
Impairment of vessels and capital work-in-progress	-	(43,017)	-	-	(140,189)	-	(183,206)	-	(183,206)
Miscellaneous income	428	1	-	-	2,428	-	2,857	-	2,857
PROFIT FOR THE PERIOD	299,620	44,465	(18,654)	(2,093)	74,848	-	398,186	-	398,186

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17. SEGMENT INFORMATION (CONTINUED)

Nine-month period ended 30 September 2017 (Unaudited)

	<i>Milaha Capital QR'000</i>	<i>Milaha Maritime and Logistics QR'000</i>	<i>Milaha Offshore QR'000</i>	<i>Milaha Trading QR'000</i>	<i>Milaha Gas and Petrochem QR'000</i>	<i>Adjustments relating to Milaha Corporate QR'000</i>	<i>Total segments QR'000</i>	<i>Adjustments and eliminations QR'000</i>		<i>Consolidated QR'000</i>
Operating revenues	340,393	656,857	349,730	220,607	284,737	-	1,852,324	(196,556)	(i)	1,655,768
Salaries, wages and other benefits	(6,164)	(95,240)	(119,455)	(12,231)	(74,503)	(93,677)	(401,270)	-		(401,270)
Operating supplies and expenses	(144,811)	(390,827)	(79,547)	(187,169)	(44,656)	(4,257)	(851,267)	178,338	(i)	(672,929)
Rent expenses	(2,728)	(6,812)	(6,670)	(1,624)	(586)	(9,669)	(28,089)	17,798	(i)	(10,291)
Depreciation and amortisation	(27,164)	(45,208)	(85,211)	(695)	(100,930)	(2,845)	(262,053)	-		(262,053)
Other operating expenses	(7,838)	(23,145)	(36,566)	(3,524)	(24,930)	(13,482)	(109,485)	420	(i)	(109,065)
Allocations relating to fleet and technical services	-	(30,218)	-	-	30,218	-	-	-		-
Allocations relating to Milaha Corporate	(10,818)	(55,633)	(23,741)	(11,774)	(21,954)	123,920	-	-		-
OPERATING PROFIT	140,870	9,774	(1,460)	3,590	47,396	(10)	200,160	-		200,160
Finance costs	(81,736)	(8,900)	(27,825)	-	(41,132)	-	(159,593)	5,861	(i)	(153,732)
Finance income	106,210	1	4,192	2,285	14,803	-	127,491	(5,861)	(i)	121,630
Loss on disposal of property, vessels and equipment	-	(3,473)	(3,287)	(6)	-	-	(6,766)	-		(6,766)
Share of results of associates	454	1,491	-	-	190,484	-	192,429	-		192,429
Share of results of joint arrangements	-	104,139	-	-	(21,181)	-	82,958	-		82,958
Net (loss) gain on foreign exchange	(447)	(258)	(363)	(44)	(1,128)	10	(2,230)	-		(2,230)
Impairment of available-for-sale financial assets	(20,898)	-	-	-	-	-	(20,898)	-		(20,898)
Impairment of vessels and capital work-in-progress	-	(3,053)	(57,109)	-	-	-	(60,162)	-		(60,162)
Miscellaneous income	102	1	-	-	20,369	-	20,472	-		20,472
PROFIT FOR THE PERIOD	144,555	99,722	(85,852)	5,825	209,611	-	373,861	-		373,861

Note : Inter-segment revenues are eliminated on consolidation.

18. COMPARATIVE FIGURES

The comparative figures for the previous period have been reclassified, where necessary, in order to conform to the current year's presentation. Such reclassifications do not affect the previously reported net profits, net assets or equity.