

Qatar Navigation Q.S.C.

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

30 SEPTEMBER 2011

Qatar Navigation Q.S.C.

INTERIM CONSOLIDATED INCOME STATEMENT

For the nine months ended 30 September 2011

		<i>For the nine months ended 30 September</i>	
		<i>2011</i>	<i>2010</i>
		<i>(Unaudited)</i>	
	<i>Notes</i>	<i>QR'000</i>	<i>QR'000 (Restated)</i>
Operating revenues	2 (a)	1,668,929	1,535,310
Salaries, wages and other benefits	2 (b)	(347,143)	(296,097)
Operating supplies and expenses	2 (b)	(597,324)	(510,468)
Rent expenses	2 (b)	(45,079)	(26,059)
Depreciation and amortisation	2 (b)	(209,635)	(196,045)
Other operating expenses	2 (b)	(89,197)	(87,393)
OPERATING PROFIT		380,551	419,248
Finance costs	2 (b)	(29,807)	(43,733)
Finance income	2 (a)	33,682	55,025
Profit on disposal of property, vessels and equipment		4,028	2,932
Gain from acquisition of Qatar Shipping Company Q.S.C.		-	298,450
Realised fair value gain from deemed disposal of available-for-sale investments		-	236,048
Miscellaneous income		11,376	15,024
Share of results of associate		187,427	151,768
PROFIT FOR THE PERIOD		587,257	1,134,762
<i>Attributable to:</i>			
Shareholders of the parent		584,357	1,133,032
Non-controlling interest		2,900	1,730
		587,257	1,134,762
BASIC AND DILUTED EARNINGS PER SHARE			
<i>(attributable to shareholders of the parent)</i>			
<i>expressed in QR per share)</i>		5.10	9.89

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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2011

	<i>30 September 2011 (Unaudited) QR'000</i>	<i>31 December 2010 (Audited) QR'000</i>
ASSETS		
Non-current assets		
Property, vessels and equipment	3,211,402	3,213,958
Investment properties	690,841	708,460
Intangible assets	23,217	48,042
Deferred dry docking costs	36,820	29,633
Investment in associates	3,551,474	4,197,811
Available-for-sale investments	3,145,595	2,915,640
Loans to LNG and LPG companies	334,668	382,244
Notes receivable	2,355	159
	<u>10,996,372</u>	<u>11,495,947</u>
Current assets		
Inventories	112,408	144,631
Accounts receivable and prepayments	809,376	557,638
Financial investments at fair value through profit or loss	221,975	200,321
Bank balances and cash	592,166	909,602
	<u>1,735,925</u>	<u>1,812,192</u>
TOTAL ASSETS	<u>12,732,297</u>	<u>13,308,139</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	2,971,768	2,900,217
Hedging reserve	(972,835)	(261,990)
Retained earnings	1,813,552	1,229,195
Proposed cash dividends	-	458,100
	<u>10,275,265</u>	<u>10,788,302</u>
Non-controlling interest	57,222	54,322
Total equity	<u>10,332,487</u>	<u>10,842,624</u>

Continued


INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

At 30 September 2011

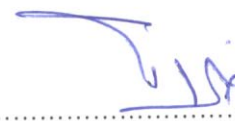
	30 September 2011 (Unaudited) QR'000	31 December 2010 (Audited) QR'000
Non-current liabilities		
Interest bearing loans and borrowings	554,037	1,528,603
Employees' end of service benefits	62,940	57,011
Obligation under finance lease	5,036	9,553
	<u>622,013</u>	<u>1,595,167</u>
Current liabilities		
Accounts payable and accruals	455,312	438,055
Interest bearing loans and borrowings	1,316,296	424,171
Obligation under finance lease	6,189	6,021
Bank overdrafts	-	2,101
	<u>1,777,797</u>	<u>870,348</u>
Total liabilities	<u>2,399,810</u>	<u>2,465,515</u>
TOTAL EQUITY AND LIABILITIES	<u>12,732,297</u>	<u>13,308,139</u>



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



Mr. Salem bin Butti Al-
Naimi
Vice Chairman



Mr. Khalifa bin Ali Al-Hetmi
Chief Executive Officer

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 2010.

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 2010 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

- (a) Previously reported operating revenues of the Group were being restated to include the following adjustments:

	<i>QR'000</i>
<i>Operating revenues</i>	
<i>As previously reported</i>	1,363,338
Rental income	70,166
Intercompany adjustments	(29,641)
Investment and interest revenues	186,472
Finance income disclosed on the face of the income statement	(55,025)
<i>As restated</i>	<u>1,535,310</u>

- (b) During the nine months ended 30 September 2011, the Group changed the format of presentation of the income statement from the functional method of presentation to the nature of expense method of presentation which resulted in the following reclassifications:

	<i>Nine months ended September 2010</i>				
	<i>As previously reported</i>				
	<i>Operating expenses QR'000</i>	<i>General and Administrative expenses QR'000</i>	<i>Adjustment relating to PPA (Note (i)) QR'000</i>	<i>Reclass to finance costs QR'000</i>	<i>Intercompany adjustments (Note (ii)) QR'000</i>
					<i>As restated QR'000</i>
Salaries, wages and other benefits	233,079	63,018	-	-	296,097
Operating supplies and expenses	553,044	5,850	-	(19,078)	510,468
Rent expenses	5,383	20,969	-	-	26,059
Depreciation and amortisation	165,588	20,779	9,678	-	196,045
Other operating expenses	53,657	33,117	619	-	87,393
<i>As previously reported</i>	<u>1,010,751</u>	<u>143,733</u>			

2 COMPARATIVE INFORMATION (continued)*Notes:*

- (i) The purchase price allocation for Qatar Shipping Q.S.C. resulted in the restatement of the previous results for the nine months period ended 30 September 2010 as follows:

*Impact on
profit
QR'000*

Performance for the nine months period ended 30 September 2010:

Depreciation and amortisation	(9,678)
Impairment of available-for-sale investments	(619)
Share of results of associates	(10,486)
Gain on bargain purchase	(98,813)

- (ii) Intercompany adjustments represent amounts eliminated on account of intercompany transactions with respect to subsidiary companies.
- (iii) Reclassifications have been made by the Group to improve the quality of information presented.