

**Qatar Navigation Q.S.C.**

**UNAUDITED INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**31 MARCH 2015**

Qatar Navigation Q.S.C.

INTERIM CONSOLIDATED INCOME STATEMENT

For the three months ended 31 March 2015

	<i>For the three months ended</i>	
	<i>31 March</i>	
	<i>2015</i>	<i>2014</i>
	<i>(Unaudited)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Operating revenues	<b>785,655</b>	698,676
Salaries, wages and other benefits	<b>(166,829)</b>	(154,933)
Operating supplies and expenses	<b>(233,029)</b>	(168,978)
Rent expenses	<b>(4,841)</b>	(14,555)
Depreciation and amortisation	<b>(72,902)</b>	(60,081)
Other operating expenses	<b>(28,894)</b>	(27,415)
<b>OPERATING PROFIT</b>	<b>279,160</b>	272,714
Finance costs	<b>(16,156)</b>	(6,683)
Finance income	<b>20,977</b>	13,984
Net (loss) gain on disposal of property, vessels and equipment	<b>(8)</b>	685
Share of results of joint ventures	<b>8,035</b>	3,739
Share of results of associates	<b>71,531</b>	63,826
Net gain on foreign exchange	<b>1,297</b>	736
Miscellaneous income	<b>43</b>	639
<b>PROFIT FOR THE PERIOD</b>	<b>364,879</b>	349,640
<i>Attributable to:</i>		
Shareholders of the parent	<b>364,510</b>	349,403
Non-controlling interest	<b>369</b>	237
	<b>364,879</b>	349,640
<b>BASIC AND DILUTED EARNINGS PER SHARE</b>		
<i>(attributable to shareholders of the parent)</i>		
<i>expressed in QR per share)</i>	<b>3.21</b>	3.08

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

Qatar Navigation Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2015

	<i>For the three months ended</i>	
	<i>31 March</i>	
	<i>2015</i>	<i>2014</i>
	<i>(Unaudited)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Profit for the period	<u>364,879</u>	<u>349,640</u>
<b>Items to be reclassified to profit or loss in subsequent periods</b>		
Net movement in hedging reserve	(128,734)	(114,373)
Net (loss) gain on available-for-sale investments	<u>(187,996)</u>	<u>272,339</u>
Other comprehensive (loss) income for the period	<u>(316,730)</u>	<u>157,966</u>
<b>Total comprehensive income for the period</b>	<u><b>48,149</b></u>	<u><b>507,606</b></u>
<i>Attributable to:</i>		
Equity holders of the parent	48,224	507,228
Non-controlling interest	<u>(75)</u>	<u>378</u>
	<u><b>48,149</b></u>	<u><b>507,606</b></u>

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 2015

	<i>31 March 2015 (Unaudited) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, vessels and equipment	3,984,537	3,896,996
Investment properties	802,379	791,062
Intangible assets	82,978	87,073
Investment in joint ventures	213,283	205,248
Investment in associates	4,129,604	4,396,173
Available-for-sale investments	4,017,506	4,197,562
Loans to LNG and LPG companies	387,970	425,317
Notes receivable	<u>23,390</u>	<u>17,562</u>
	<u>13,641,647</u>	<u>14,016,993</u>
<b>Current assets</b>		
Inventories	200,426	205,401
Accounts receivable and prepayments	711,196	710,852
Financial assets at fair value through profit or loss	585,046	624,081
Bank balances and cash	<u>4,204,414</u>	<u>3,129,219</u>
	<u>5,701,082</u>	<u>4,669,553</u>
<b>TOTAL ASSETS</b>	<u><u>19,342,729</u></u>	<u><u>18,686,546</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Attributable to equity holders of the parent</b>		
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	4,043,308	4,230,860
Hedging reserve	(551,903)	(423,169)
Retained earnings	<u>3,027,184</u>	<u>3,287,565</u>
<b>Equity attributable to equity holders of the parent</b>	<u>12,907,853</u>	<u>13,484,520</u>
Non-controlling interest	<u>57,900</u>	<u>57,975</u>
<b>Total equity</b>	<u><u>12,965,753</u></u>	<u><u>13,542,495</u></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 2015

	<i>31 March 2015 (Unaudited)</i>	<i>31 December 2014 (Audited)</i>
<b>Non-current liabilities</b>		
Interest bearing loans and borrowings	3,777,307	3,027,527
Advance from a customer	176,164	177,128
Employees' end of service benefits	<u>88,280</u>	<u>87,647</u>
	<u>4,041,751</u>	<u>3,292,302</u>
<b>Current liabilities</b>		
Accounts payable and accruals	485,050	414,566
Interest bearing loans and borrowings	1,689,660	1,437,168
Bank overdrafts	<u>160,515</u>	<u>15</u>
	<u>2,335,225</u>	<u>1,851,749</u>
<b>Total liabilities</b>	<u>6,376,976</u>	<u>5,144,051</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>19,342,729</u>	<u>18,686,546</u>

.....  
Khaled bin Khalifa Al-Thani  
Vice Chairman

.....  
Khalifa bin Ali Al-Hetmi  
President and Chief Executive officer

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

**Qatar Navigation Q.S.C.**

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

For the three months ended 31 March 2015

	<i>For the three months ended 31</i>	
	<i>March</i>	
	<i>2015</i>	<i>2014</i>
	<i>(Unaudited)</i>	
	<i>QR'000</i>	<i>QR'000</i>
<b>OPERATING ACTIVITIES</b>		
Profit for the period	364,879	349,640
Adjustment for:		
Depreciation and amortisation	72,902	60,081
Finance costs	16,156	6,683
Loss (Gain) on disposal of property, vessels and equipment	8	(685)
Share of results of associates	(71,531)	(63,826)
Share of results of joint ventures	(8,035)	(3,739)
Provision for employees' end of service benefits	3,206	10,067
Finance income	(20,977)	(13,984)
Dividend income	(147,115)	(154,109)
Net fair value loss (gain) on financial assets at fair value through profit or loss	22,448	(50,267)
Loss (Profit) on disposal of investments	1,497	(6,527)
Operating profit before working capital changes:	233,438	133,334
Working capital changes:		
Inventories	4,975	(17,130)
Accounts receivables and prepayments	(6,172)	(1,778)
Accounts payables and accruals	69,520	468,929
Cash flows from operating activities	301,761	583,355
Finance costs paid	(16,156)	(6,683)
Employees' end of service benefits paid	(2,573)	(5,307)
Net cash flows from operating activities	283,032	571,365
<b>INVESTING ACTIVITIES</b>		
Purchase of property, vessels and equipment	(135,754)	(103,300)
Dividend income	147,115	154,109
Finance income	20,977	13,984
Proceeds from disposal of property, vessels and equipment	7	1,761
Purchases of investment properties	(23,566)	(34,917)
Additions to dry docking costs	(8,360)	(12,730)
Net movement in loans to LNG and LPG companies	37,347	52,679
Purchase of investment securities	(756)	(8,664)
Proceeds from disposal of available-for-sale investments	138	1,820
Proceeds from disposal of financial assets at fair value through profit or loss	15,534	65,766
Dividends received from an associate	201,600	184,800
Net movement in joint ventures	-	1,053
Net cash flows from investing activities	254,282	316,361

*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 CASH FLOWS (CONTINUED)

For the three months ended 31 March 2015

	<i>For the three months ended 31</i>	
	<i>March</i>	
	<i>2015</i>	<i>2014</i>
	<i>(Unaudited)</i>	
	<i>QR'000</i>	<i>QR'000</i>
<b>FINANCING ACTIVITIES</b>		
Dividends paid	<b>(624,891)</b>	(568,082)
Net movement in interest bearing loans and borrowings	<b>1,002,272</b>	703,129
Obligation under finance lease	-	(185)
Net movement in term deposits maturing after 90 days	<b>(476,360)</b>	(603,130)
Net cash flows used in financing activities	<b>(98,979)</b>	(468,268)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>438,335</b>	419,458
Cash and cash equivalents at 1 January	<b>748,756</b>	672,930
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>1,187,091</b>	1,092,388

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

Qatar Navigation Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2015

	<i>Attributable to the equity holders of the Parent</i>							<i>Non-controlling interest</i>	<i>Total</i>	
	<i>Share capital</i>	<i>Treasury shares</i>	<i>Legal reserve</i>	<i>General reserve</i>	<i>Fair value reserve</i>	<i>Hedging reserve</i>	<i>Retained earnings</i>			
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>			
Balance at 1 January 2015 (Audited)	1,145,252	(73,516)	4,693,986	623,542	4,230,860	(423,169)	3,287,565	13,484,520	57,975	13,542,495
Profit for the period	-	-	-	-	-	-	364,510	364,510	369	364,879
Other comprehensive loss for the period	-	-	-	-	(187,552)	(128,734)	-	(316,286)	(444)	(316,730)
Total comprehensive income (loss) for the period	-	-	-	-	(187,552)	(128,734)	364,510	48,224	(75)	48,149
Dividends paid	-	-	-	-	-	-	(624,891)	(624,891)	-	(624,891)
<b>Balance at 31 March 2015 (Unaudited)</b>	<b><u>1,145,252</u></b>	<b><u>(73,516)</u></b>	<b><u>4,693,986</u></b>	<b><u>623,542</u></b>	<b><u>4,043,308</u></b>	<b><u>(551,903)</u></b>	<b><u>3,027,184</u></b>	<b><u>12,907,853</u></b>	<b><u>57,900</u></b>	<b><u>12,965,753</u></b>

	<i>Attributable to the equity holders of the Parent</i>							<i>Non-controlling interest</i>	<i>Total</i>	
	<i>Share capital</i>	<i>Treasury shares</i>	<i>Legal reserve</i>	<i>General reserve</i>	<i>Fair value reserve</i>	<i>Hedging reserve</i>	<i>Retained earnings</i>			
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>			
Balance at 1 January 2014 (Audited)	1,145,252	(73,516)	4,693,986	623,542	3,575,036	(210,759)	2,832,684	12,586,225	55,974	12,642,199
Profit for the period	-	-	-	-	-	-	349,403	349,403	237	349,640
Other comprehensive income (loss) for the period	-	-	-	-	272,198	(114,373)	-	157,825	141	157,966
Total comprehensive income (loss) for the period	-	-	-	-	272,198	(114,373)	349,403	507,228	378	507,606
Dividends paid	-	-	-	-	-	-	(568,082)	(568,082)	-	(568,082)
Balance at 31 March 2014 (Unaudited)	<u>1,145,252</u>	<u>(73,516)</u>	<u>4,693,986</u>	<u>623,542</u>	<u>3,847,234</u>	<u>(325,132)</u>	<u>2,614,005</u>	<u>12,525,371</u>	<u>56,352</u>	<u>12,581,723</u>

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 2014.

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 2014 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.

**2 COMPARATIVE INFORMATION**

Certain of the comparative information have been re-classified to conform to the current year’s 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 2015

3 SEGMENT INFORMATION

Three months period ended 31 March 2015 (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	217,603	256,863	161,855	126,808	76,574	-	839,703	(54,048)	785,655
Salaries, wages and other benefits	(2,907)	(49,352)	(58,505)	(4,775)	(21,205)	(31,518)	(168,262)	1,433	(166,829)
Operating supplies and expenses	(35,408)	(99,343)	(31,793)	(105,690)	(8,232)	(873)	(281,339)	48,310	(233,029)
Rent expenses	(1,237)	(2,418)	(1,428)	(596)	(1,002)	(1,925)	(8,606)	3,765	(4,841)
Depreciation and amortization	(8,976)	(14,762)	(28,325)	(223)	(19,791)	(825)	(72,902)	-	(72,902)
Other operating expenses	(3,104)	(6,060)	(10,453)	(603)	(6,210)	(3,004)	(29,434)	540	(28,894)
Fleet & technical allocation	-	(15,838)	-	-	15,838	-	-	-	-
Allocation relating to Milaha Corporate	(4,054)	(16,846)	(7,008)	(4,148)	(5,929)	37,985	-	-	-
<b>OPERATING PROFIT</b>	<b>161,917</b>	<b>52,244</b>	<b>24,343</b>	<b>10,773</b>	<b>30,043</b>	<b>(160)</b>	<b>279,160</b>	<b>-</b>	<b>279,160</b>
Finance costs	(803)	(2,075)	(2,768)	-	(2,009)	(8,501)	(16,156)	-	(16,156)
Finance income	866	2	19	508	4,786	14,796	20,977	-	20,977
Interest income/expense allocation from corporate	766	2,700	1,160	636	1,033	(6,295)	-	-	-
Loss on disposal of property, vessels and equipment	(4)	(4)	-	-	-	-	(8)	-	(8)
Share of results of joint venture	-	-	-	-	8,035	-	8,035	-	8,035
Share of results of associate	113	87	-	-	71,331	-	71,531	-	71,531
Net (loss) gain on foreign exchange	(99)	273	259	106	598	160	1,297	-	1,297
Miscellaneous income	-	-	-	-	43	-	43	-	43
<b>PROFIT FOR THE PERIOD</b>	<b>162,756</b>	<b>53,227</b>	<b>23,013</b>	<b>12,023</b>	<b>113,860</b>	<b>-</b>	<b>364,879</b>	<b>-</b>	<b>364,879</b>

Qatar Navigation Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2015

3 SEGMENT INFORMATION (continued)

Three months period ended 31 March 2014 (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	290,579	205,464	119,690	79,906	55,033	-	750,672	(51,996) (i)	698,676
Salaries, wages and other benefits	(3,036)	(48,686)	(42,699)	(4,102)	(22,234)	(36,208)	(156,965)	2,032 (i)	(154,933)
Operating supplies and expenses	(26,320)	(83,067)	(23,626)	(66,469)	(11,464)	(2,130)	(213,076)	44,098 (i)	(168,978)
Rent expenses	(12,377)	(1,460)	(1,682)	(453)	(900)	(2,764)	(19,636)	5,081 (i)	(14,555)
Depreciation and amortisation	(8,804)	(14,263)	(19,582)	(309)	(15,683)	(1,440)	(60,081)	-	(60,081)
Other operating expenses	(2,235)	(6,638)	(9,268)	(486)	(6,335)	(3,238)	(28,200)	785 (i)	(27,415)
Fleet & technical allocation	-	(12,815)	-	-	12,815	-	-	-	-
Allocation relating to Milaha Corporate	(6,109)	(19,434)	(7,756)	(5,504)	(6,912)	45,715	-	-	-
<b>OPERATING PROFIT</b>	<b>231,698</b>	<b>19,101</b>	<b>15,077</b>	<b>2,583</b>	<b>4,320</b>	<b>(65)</b>	<b>272,714</b>	<b>-</b>	<b>272,714</b>
Finance costs	(834)	(2,164)	(1,586)	-	(785)	(1,314)	(6,683)	-	(6,683)
Finance income	2,994	-	8	81	6,413	4,488	13,984	-	13,984
Interest income/expense allocation from corporate	386	1,361	585	321	521	(3,174)	-	-	-
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
Net gain (loss) on foreign exchange	3	154	54	(203)	663	65	736	-	736
Miscellaneous income	263	-	-	-	376	-	639	-	639
<b>PROFIT FOR THE PERIOD</b>	<b>234,894</b>	<b>19,363</b>	<b>14,138</b>	<b>2,782</b>	<b>78,463</b>	<b>-</b>	<b>349,640</b>	<b>-</b>	<b>349,640</b>

Note:

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