Gulf Navigation Holding PJSC

Condensed consolidated interim financial information for the nine month period ended 30 September 2011



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Report on review of condensed consolidated interim financial information to the shareholders of Gulf Navigation Holding PJSC

Introduction

We have reviewed the accompanying condensed consolidated interim balance sheet of Gulf Navigation Holding PJSC ("the company") and its subsidiaries (collectively referred to as 'the Group') as of 30 September 2011 and the related condensed consolidated interim income statement and condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the nine month period then ended. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard ("IAS") 34: 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34: 'Interim Financial Reporting'.

PricewaterhouseCoopers
1 November 2011

Amin Nasser
Registered Auditor Number 307
Dubai, United Arab Emirates

Gulf Navigation Holding PJSC

Condensed consolidated interim balance sheet

	Note	At 30 Sep 11 (Unaudited) AED'000	At 31 Dec 10 (Audited) AED'000
Assets			
Non-current assets			
Vessels and equipment	4	1,574,706	1,169,804
Goodwill		518,550	518,550
Investment in jointly controlled entities		136,681	139,027
Due from a related party	7	20,496	-
Long term trade receivable	5	29,907	29,907
		2,280,340	1,857,288
Current assets			
Inventories		10,324	18,419
Trade and other receivables	5	81,270	80,075
Term deposits		116,900	160,000
Cash and cash equivalents		36,227	118,555
		244,721	377,049
Assets of a disposal group classified as held for sale		-	175,681
		244,721	552,730
Total assets		2,525,061	2,410,018
Equity and liabilities			
Equity attributable to equity holders of the Group			
Share capital		1,655,000	1,655,000
Statutory reserve		31,546	31,546
Reserve for own shares		(46,706)	(46,706)
Accumulated losses		(284,479)	(230,807)
		1,355,361	1,409,033
Hedging reserve for interest rate swaps		(55,354)	(59,062)
Total equity		1,300,007	1,349,971
Non-current liabilities			
Borrowings	6	965,614	804,418
Provision for employees' end of service benefits		1,158	1,092
Interest rate swap liabilities		55,354	59,062
		1,022,126	864,572
Current liabilities			
Trade and other payables		65,289	54,223
Due to related parties	7	19,207	16,109
Bank overdraft	17	46,120	-
Borrowings	6	72,312	52,400
		202,928	122,732
Borrowings of a disposal group classified as held for sale		-	72,743
		202,928	195,475
Total liabilities		1,225,054	1,060,047
Total equity and liabilities		2,525,061	2,410,018

The condensed consolidated interim financial information was approved by the Board of Directors on 1 November 2011 and signed on its behalf by:

Abdullah Al-Shuraim

The notes on pages 7 to 17 are an integral part of these condensed consolidated interim financial information.

Gulf Navigation Holding PJSC

Condensed consolidated interim income statement for the nine month period ended 30 September 2011

	Note	Nine months ended		Three months ended	
		30 Sep 11 (Unaudited) AED'000	30 Sep 10 (Unaudited) AED'000	30 Sep 11 (Unaudited) AED'000	30 Sep 10 (Unaudited) AED'000
Operating revenue	8	199,401	245,807	52,159	84,002
Voyage related direct costs	9	(44,717)	(26,206)	(14,943)	(18,736)
Other operating costs	10	(126,111)	(198,419)	(39,024)	(69,224)
Gross profit / (loss)		28,573	21,182	(1,808)	(3,958)
Other income		1,468	1,353	337	326
General and administrative expenses	11	(20,169)	(13,040)	(9,363)	(4,338)
Expenses relating to assets classified as held for sale / disposed of	12	(24,720)	-	(2,861)	-
Operating (loss) / profit for the period		(14,848)	9,495	(13,695)	(7,970)
Finance income		2,667	31,574	487	2,598
Finance costs		(39,145)	(33,052)	(14,678)	(11,121)
Finance costs – net		(36,478)	(1,478)	(14,191)	(8,523)
Share of (loss) / profit in jointly controlled entities - net		(2,346)	269	(1,180)	1,183
(Loss) / profit for the period		(53,672)	8,286	(29,066)	(15,310)
(Loss) / earnings per share - Basic and diluted	13	(0.0341)	0.0052	(0.0185)	(0.0098)

Gulf Navigation Holding PJSC

Condensed consolidated interim statement of comprehensive income for the nine month period ended 30 September 2011

	Nine months ended		Three months ended	
	30 Sep 11 (Unaudited) AED'000	30 Sep 10 (Unaudited) AED'000	30 Sep 11 (Unaudited) AED'000	30 Sep 10 (Unaudited) AED'000
(Loss) / profit for the period	(53,672)	8,286	(29,066)	(15,310)
Other comprehensive income:				
Effective portion of change in fair value of interest rate swap hedges	25,661	10,318	9,284	2,208
Interest rate swap hedge reserve recycled to the income statement	(21,953)	(24,302)	(7,730)	(9,214)
Other comprehensive income / (loss) for the period	3,708	(13,984)	1,554	(7,006)
Total comprehensive (loss) / income for the period	(49,964)	(5,698)	(27,512)	(22,316)

The notes on pages 7 to 17 are an integral part of these condensed consolidated interim financial information.

Gulf Navigation Holding PJSC

Condensed consolidated interim statement of changes in equity for the nine month period ended 30 September 2011

	Share capital AED'000	Statutory reserve AED'000	Hedging reserve for interest rate swaps AED'000	Reserve for own shares AED'000	Retained earnings/ (accumulated losses) AED'000	Total AED'000
Balance at 1 January 2010	1,655,000	31,546	(57,591)	-	54,349	1,683,304
Profit for the period	-	-	-	-	8,286	8,286
Other comprehensive loss for the period	-	-	(13,984)	-	-	(13,984)
Total comprehensive (loss) / income for the period	-	-	(13,984)	-	8,286	(5,698)
Transactions with owners						
Own shares purchased	-	-	-	(46,628)	-	(46,628)
Dividend	-	-	-	-	(48,384)	(48,384)
Balance at 30 September 2010 (unaudited)	1,655,000	31,546	(71,575)	(46,628)	14,251	1,582,594
Balance at 1 January 2011	1,655,000	31,546	(59,062)	(46,706)	(230,807)	1,349,971
Loss for the period	-	-	-	-	(53,672)	(53,672)
Other comprehensive income for the period	-	-	3,708	-	-	3,708
Total comprehensive income / (loss) for the period	-	-	3,708	-	(53,672)	(49,964)
At 30 September 2011 (unaudited)	1,655,000	31,546	(55,354)	(46,706)	(284,479)	1,300,007

The notes on pages 7 to 17 are an integral part of these condensed consolidated interim financial information.

Gulf Navigation Holding PJSC

Condensed consolidated interim statement of cash flows for the nine month period ended 30 September 2011

	Note	Nine months ended 30 Sep 11 (Unaudited) AED'000	30 Sep10 (Unaudited) AED'000
Operating activities			
(Loss) / profit for the period		(53,672)	8,286
Adjustments for:			
Depreciation		47,019	83,331
Share of loss / (profit) in jointly controlled entities		2,346	(269)
Provision for employees' end of service benefits		402	397
Profit on sale of vessels and equipment		-	(10)
Finance income		(2,667)	(31,574)
Finance costs		39,145	33,052
Provision for impairment of trade receivables	11	5,187	-
Expenses relating to assets classified as held for sale / disposed of except bunkering and brokerage expenses	12	16,091	-
Operating profit before working capital changes and payment of employees' end of service benefits		53,851	93,213
Payment for employees' end of service benefits		(336)	(128)
Changes in working capital:			
Inventories before write off		(2,004)	(611)
Trade and other receivables before movement in provision for impairment		(6,382)	(46,213)
Trade and other payables		11,066	20,464
Due to related parties		3,098	-
Net cash generated from operating activities		59,293	66,725
Investing activities			
Purchase of vessels and equipment	4	(451,925)	(17,875)
Refund received on cancellation of vessels		-	232,363
Proceeds from disposal of vessels and equipment		4	-
Proceeds from sale of assets classified as held for sale		169,689	-
Interest received		2,667	31,574
Loan provided to a related party		(20,496)	(134,159)
Proceeds from term deposit		43,100	-
Net cash (used in) / provided by investing activities		(256,961)	111,903
Financing activities			
Borrowings availed		234,817	-
Repayment of borrowings		(126,452)	(178,115)
Repurchase of own shares		-	(46,628)
Dividends paid		-	(45,580)
Interest paid		(39,145)	(33,052)
Net cash provided by / (used in) financing activities		69,220	(303,375)
Decrease in cash and cash equivalents		(128,448)	(124,747)
Cash and cash equivalents at beginning of period		118,555	406,792
Cash and cash equivalents at end of period	17	(9,893)	282,045

The notes on pages 7 to 17 are an integral part of these condensed consolidated interim financial information.

1 Reporting entity

Gulf Navigation Holding PJSC ("the Company" or "the Parent Company") was incorporated on 30 October 2006 as a Public Joint Stock Company in accordance with UAE Federal Law No. 8 of 1984 (as amended). The Company is primarily engaged in marine transportation of commodities, chartering vessels, ship agency, marine transport under special passenger and merchant contracts, clearing and forwarding services and container loading, unloading, discharging and packaging services through its subsidiaries as listed below. The Company is operated from 32nd Floor, Suite number 3201, Saba Tower-1, Jumeirah Lake Towers, Dubai, United Arab Emirates.

The Company and its following directly or indirectly wholly owned subsidiaries are referred to as "the Group" in the condensed consolidated interim financial information:

Subsidiaries	*Country of incorporation*
Gulf Navigation Group FZCO	United Arab Emirates
Gulf Navigation Ship Management FZE	United Arab Emirates
Gulf Ship FZE	United Arab Emirates
Gulf Crude Carriers LLC	United Arab Emirates
Gulf Chemical Carriers LLC	United Arab Emirates
Lam Gulf Maritime Co LLC	United Arab Emirates
Gulf Navigation and Brokerage LLC	Oman
Gulf Eyada Corporation	Panama
Gulf Sieb Shipping Inc	Panama
Gulf Jash Shipping Inc	Panama
Gulf Huwaylat Corporation	Panama
Gulf Deffi Corporation	Panama
Gulf Jalmuda Corporation	Panama
Gulf Fanatir Corporation	Panama
Gulf Ahmadi Shipping Inc	Marshal Islands
Gulf Mishref Shipping Inc	Marshal Islands
Gulf Mizwar Shipping Inc	Marshal Islands
Gulf Shagra Shipping Inc	Marshal Islands
Gulf Riyad Shipping Inc	Marshal Islands
Gulf Safwa Shipping Inc	Marshal Islands
Gulf Sheba Shipping Limited	Hong Kong
Gulf Navigation Holding PJSC(Br)	Kingdom of Saudi Arabia

The Group also has interest in the following jointly controlled entities:

Jointly controlled entities	*Country of incorporation*	*Percentage of shareholding*
Gulf Stolt Ship Management JLT	United Arab Emirates	50%
Gulf Stolt Tankers DMCCO	United Arab Emirates	50%

2 Basis of preparation and accounting policies

Basis of preparation

The condensed consolidated interim financial information for the nine month period ended 30 September 2011 has been prepared in accordance with IAS 34 'Interim Financial Reporting'. These condensed consolidated interim financial information do not include all the information required for annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group at and for the year ended 31 December 2010, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The condensed consolidated interim financial information have been prepared under the historical cost convention, except for derivative financial instruments which are stated at fair value.

a) Standards, interpretations and amendments effective in 2011

- IAS 24 (amendment), 'Related party disclosures' (effective 1 January 2011)

Management has assessed the impact of the above new standard on the Group's condensed consolidated interim financial information and has concluded that the effect on the Group's condensed consolidated interim financial information is not likely to be material.

b) Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted

- IFRS 9, 'Financial instruments' (effective 1 January 2013)

While adoption of IFRS 9 is mandatory from 1 January 2013, earlier adoption is permitted. The Group is considering the implications of the standard, the impact on the condensed consolidated interim financial information of the Group and the timing of its adoption.

Functional and presentation currency

Items included in the condensed consolidated interim financial information of each of the Group's subsidiaries and jointly controlled entities (together, "entities") are measured using the currency of primary economic environment in which the entities operate ("the functional currency"). Since most of the transactions of the entities are denominated in US Dollar ("USD") or currency pegged to USD, the functional currency of the entities is US Dollars. However, the condensed consolidated interim financial information of the Group is presented in United Arab Emirates Dirhams ("AED") being the presentation currency of the Group. Amounts in US Dollars have been translated into United Arab Emirates Dirhams at the rate of USD 1 = AED 3.66 as there is a constant peg between USD and United Arab Emirates Dirham.

Basis of consolidation

The condensed consolidated interim financial information at and for the nine month period ended 30 September 2011 comprises the results of the Group. The condensed interim financial information of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All inter-company transactions, profits and balances are eliminated on consolidation. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

2 Basis of preparation and accounting policies (continued)

Significant accounting policies

The Group has consistently applied the accounting policies and methods of computation used in the preparation of the last published annual consolidated financial statements for the year ended 31 December 2010.

Estimates and judgements

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgements 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 consolidated financial statements at and for the year ended 31 December 2010.

Financial risk management

The Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial statements at and for the year ended 31 December 2010.

3 Operating segments

Business segments

The Group comprises the following main business segments:

- *Vessel owning & chartering:* Chartering of the vessels to customers;
- *Commercial:* Trading of goods such as supplies, chemicals, gases required for ships;
- *Agency:* Providing agency services to ships calling at ports; and
- *Other:* Includes management of all divisions and administrative activities.

Geographical segments

The chief operating decision maker of the Group ("Group's Executive Committee") does not consider the geographical distribution of the Group's operations to be relevant for their internal management analysis and therefore no geographical segment information has been disclosed.

All operating segments' results are reviewed regularly by the Group's Executive Committee to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3 Operating segments (continued)

Information about reportable segments
All figures in AED '000

	Vessel owning and chartering	Commercial	Agency	Other	Inter segment elimination	Total	Vessel owning and chartering	Commercial	Agency	Other	Inter segment elimination	Total
	For the nine month period ended 30 September 2011 (Unaudited)						For the nine month period ended 30 September 2010 (Unaudited)					
Operating revenue	184,630	1,480	13,291	-	-	199,401	233,487	2,001	10,319	-	-	245,807
Finance income	10	-	-	2,657	-	2,667	24	-	-	31,550	-	31,574
Other income	89	376	17	986		1,468	5	490	23	835	-	1,353
Operating costs	(161,874)	(1,165)	(7,830)	-	41	(170,828)	(216,665)	(1,701)	(6,298)	-	39	(224,625)
Finance costs	(37,819)	(2)	(19)	(1,305)	-	(39,145)	(32,195)	(16)	(16)	(825)	-	(33,052)
Administrative expenses	(5,226)	(762)	(2,489)	(11,692)	-	(20,169)	(9)	(734)	(2,825)	(9,472)	-	(13,040)
Expenses relating to assets classified as held for sale / disposed of	(24,720)	-	-	-	-	(24,720)	-	-	-	-	-	-
Share of (loss) / profit in jointly controlled entities – net	-	-	-	(2,346)	-	(2,346)	-	-	-	269	-	269
Reportable segment (loss) / profit	(44,910)	(73)	2,970	(11,700)	41	(53,672)	(15,353)	40	1,203	22,357	39	8,286
	At 30 September 2011 (Unaudited)						At 31 December 2010 (Audited)					
Reportable segment assets	4,242,244	10,148	45,794	3,584,337	(5,357,462)	2,525,061	3,702,212	9,333	39,926	3,376,697	(4,718,150)	2,410,018
Reportable segment liabilities	4,280,399	11,000	28,865	2,212,262	(5,307,472)	1,225,054	3,917,056	10,053	23,599	1,684,808	(4,575,469)	1,060,047

3 Operating segments (continued)

Information about reportable segments
All figures in AED '000

	Vessel owning and chartering	Commercial	Agency	Other	Inter segment elimination	Total	Vessel owning and chartering	Commercial	Agency	Other	Inter segment elimination	Total
	For the three month period ended 30 September 2011 (Unaudited)						For the three month period ended 30 September 2010 (Unaudited)					
Operating revenue	46,503	565	5,091	-	-	52,159	78,818	705	4,479	-	-	84,002
Finance income	3	-	-	484	-	487	7	-	-	2,591	-	2,598
Other income	-	110	7	220	-	337	-	156	6	164	-	326
Operating costs	(50,498)	(459)	(3,023)	-	13	(53,967)	(84,503)	(627)	(2,844)	-	14	(87,960)
Finance costs	(14,338)	(1)	(8)	(331)	-	(14,678)	(10,781)	(7)	(5)	(328)	-	(11,121)
General & administrative expenses	(4,545)	(274)	(865)	(3,679)	-	(9,363)	(3)	(227)	(953)	(3,155)	-	(4,338)
Expenses relating to assets classified as held for sale / disposed of	(2,861)	-	-	-	-	(2,861)	-	-	-	-	-	-
Share of (loss) / profit in jointly controlled entities – net	-	-	-	(1,180)	-	(1,180)	-	-	-	1,183	-	1,183
Reportable segment (loss) / profit	(25,736)	(59)	1,202	(4,486)	13	(29,066)	(16,462)	-	683	455	14	(15,310)

4 Vessels and equipment

During the nine month period ended 30 September 2011, the Group acquired assets with a cost of AED 451,925 thousand (nine month period ended 30 September 2010: AED 17,875 thousand). The acquired assets include payments made for capital work in progress of AED 106,628 thousand (nine month period ended 30 September 2010: AED Nil). The amount of borrowing costs included in the additions during the period is AED Nil (nine month period ended 30 September 2010: AED 290 thousand).

Vessels with a net book amount of AED 1,424,138 thousand (31 December 2010: AED 1,306,043 thousand) are mortgaged as security for borrowings (note 6).

5 Trade and other receivables

	30 September 2011 AED'000 (Unaudited)	31 December 2010 AED'000 (Audited)
Non-current		
Trade receivable (i)	29,907	29,907
Current		
Trade receivables	49,493	37,258
Awards receivable (Note 7)	5,914	5,914
Advances to suppliers	5,596	1,036
Prepaid expenses	10,861	14,818
Other receivables	9,406	21,049
	81,270	80,075

(i) During 2009, the Group submitted a claim of AED 192,306 thousand for the recovery of outstanding dues against a customer (Atlas Shipping A/S) which had filed for bankruptcy in December 2008. Based on the discussion between management and the lawyers representing the Group, management believes that, although the recovery of the total claim is contingent on the conclusion of the liquidation of the customer, an amount of AED 32,652 thousand which represents approximately 17% of the total claim, is highly probable and virtually certain. Accordingly, management accounted for a receivable of 32,652 thousand in the prior year. This receivable is stated at its net present value, net of a fair value discount amounting to AED 2,745 thousand and is classified as a long term trade receivable as it is expected to be received by 31 December 2012.

6 Borrowings

The Group has outstanding loans amounting to AED 1,037,926 thousand (31 December 2010: AED 929,561 thousand) from three commercial banks to acquire ships. These loans are secured against the vessels and the pledge of shares of the subsidiaries owning these vessels.

7 Related party transactions and balances

Related parties include the major shareholders, directors, key management personnel of the Group, and their related entities. Pricing policies and terms of these transactions are approved by the Group's management.

Significant related party transactions primarily include management fees charged by the jointly controlled entity amounting to AED 5,996 thousand (2010: AED 5,929 thousand) for managing the Group's vessels.

Balances with related parties

	30 September 2011 AED'000 (Unaudited)	31 December 2010 AED'000 (Audited)
Due to related parties		
Shareholders of Gulf Navigation LLC (i)	5,914	5,914
Gulf Stolt Ship Management JLT	13,160	10,068
Due to Directors	133	127
	19,207	16,109

(i) Amounts due to the shareholders of Gulf Navigation LLC represent a payable in respect of an amount of AED 5,914 thousand (2010: 5,914 thousand) retained to cover the extent of awards receivables guaranteed by them. Awards receivables of AED 5,914 thousand included in trade receivables represent amounts awarded by the arbitrators for claims filed by Gulf Navigation Holding LLC against certain third parties. In accordance with an undertaking given by certain shareholders of Gulf Navigation Holding LLC, any un-recovered amount will be set-off against amounts payable to them.

	30 September 2011 AED'000 (Unaudited)	31 December 2010 AED'000 (Audited)
Due from a related party		
Gulf Stolt Tankers DMCCO (i)	20,496	-

(i) During the nine month period ended 30 September 2011, the Group has provided a loan to Gulf Stolt Tankers DMCCO (GST). It carries interest at a rate of 6.6% per annum and is not to be recovered within the next twelve months.

7 Related party transactions and balances (continued)

Compensation of key management personnel

The remuneration of directors and other members of key management during the period were as follows:

	Nine months ended		Three months ended	
	30 Sep 11 (Unaudited) AED'000	30 Sep 10 (Unaudited) AED'000	30 Sep 11 (Unaudited) AED'000	30 Sep 10 (Unaudited) AED'000
Short-term benefits	1,718	1,578	410	482
Employees' end of service benefits	62	50	20	17
	1,780	1,628	430	499

8 Operating revenue

Vessel chartering	184,630	233,487	46,503	78,818
Ship agency	13,291	10,319	5,091	4,479
Commercial agency	1,480	2,001	565	705
	199,401	245,807	52,159	84,002

9 Voyage related direct costs

Commission on freight	3,647	6,594	747	2,116
Bunkering	32,310	14,898	11,024	13,620
Port disbursement expenses	5,155	2,403	1,634	2,403
Cargo related survey, hold cleaning charges, etc.	3,605	2,311	1,538	597
	44,717	26,206	14,943	18,736

10 Other operating costs

	Nine months ended		Three months ended	
	30 Sep 11 (Unaudited) AED'000	30 Sep 10 (Unaudited) AED'000	30 Sep 11 (Unaudited) AED'000	30 Sep 10 (Unaudited) AED'000
Vessel chartering:				
Ship running	68,761	86,146	18,857	28,590
Vessel depreciation	43,519	58,707	15,005	19,784
Bareboat hire	-	17,311	-	5,834
Dry docking write-off	181	15,462	181	6,408
Ship repair	4,666	12,803	1,502	5,141
Ship agency:				
Operating costs	7,285	5,787	2,840	2,660
Vessel depreciation	534	502	180	180
Commercial agency	1,165	1,701	459	627
	126,111	198,419	39,024	69,224

11 General and administrative expenses

	Nine months ended		Three months ended	
	30 Sep 11 (Unaudited) AED'000	30 Sep 10 (Unaudited) AED'000	30 Sep 11 (Unaudited) AED'000	30 Sep 10 (Unaudited) AED'000
Staff salaries and benefits	10,056	7,843	3,200	2,606
Provision for impairment of trade receivables	5,187	-	5,187	-
Other administrative expenses	4,926	5,197	976	1,732
	20,169	13,040	9,363	4,338

12 Expenses relating to assets classified as held for sale / disposed of

	Nine months ended		Three months ended	
	30 Sep 11 (Unaudited) AED'000	30 Sep 10 (Unaudited) AED'000	30 Sep 11 (Unaudited) AED'000	30 Sep 10 (Unaudited) AED'000
Write-off of inventory aboard vessels	10,099	-	-	-
Impairment in the value of assets	4,714	-	-	-
Brokerage expenses	4,794	-	-	-
Loss on sale of assets	1,278	-	-	-
Bunkering expenses	3,835	-	2,861	-
	24,720	-	2,861	-

13 (Loss) / earnings per share

(Loss) / profit for the period (in thousands)	(53,672)	8,286	(29,066)	(15,310)
Weighted average number of shares	1,572,575,917	1,601,279,266	1,572,575,917	1,563,318,979
Basic and diluted (loss) / earnings per share	(AED 0.0341)	AED 0.0052	(AED 0.0185)	(AED 0.0098)

14 Operating leases as a lessor

The Group leases its marine vessels under operating leases (time charters). Time charters run for periods ranging from one month to fifteen years. The lease rental is usually negotiated to reflect market rentals upon entering into/renewal of the charter. Future minimum lease rentals receivables under the non-cancellable operating leases are as follows:

	30 September 2011 AED'000 (Unaudited)	31 December 2010 AED'000 (Audited)
Not later than one year	148,285	110,371
Between one year and five years	421,101	406,112
Beyond five years	719,739	795,677
	1,289,125	1,312,160

15 Commitments

Capital expenditure contracted for at the period end date but not provided for:

	30 September 2011 AED'000	31 December 2010 AED'000
Acquisition of vessels	603,534	337,295

16 Contingencies

An arbitrator awarded an amount of AED 13,960 thousand on 9 May 2006 in respect of a claim filed by Gulf Navigation Holding LLC (the LLC) against a third party. Management considers that the arbitration award is a positive step towards recovering the amount through a court of law. Accordingly, the lawyers representing the Group have started proceedings to locate the assets of the third party. Although management believes that the amount will eventually be collected, in order to comply with International Financial Reporting Standards, management has decided not to record the award as an asset until the collection is virtually certain.

17 Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the condensed consolidated interim statement of cash flows:

	Nine months ended	
	30 Sep 11 (Unaudited) AED'000	30 Sep10 (Unaudited) AED'000
Cash and cash equivalents	36,227	282,045
Bank overdraft (i)	(46,120)	-
	(9,893)	282,045

(i) Bank overdraft carries effective interest rate of 4.63% annually.

18 Comparatives

Comparative figures have been re-classified, where necessary, to conform to the current period's classification, as follows:

Term deposit of AED 75,000 thousand has been reclassified from 'Cash and cash equivalents' to 'Term deposit' as it relates to Murabaha deposit held with the bank in relation to the Group's overdraft facility. The overdraft facility expires on 31 January 2012 and the lien on the deposit will continue to be maintained until the time that the facility is in existence. As at 30 September 2011, AED 46,120 thousand has been availed by the Group.

Term deposit of AED 85,000 thousand has been reclassified from 'Cash and cash equivalents' to 'Term deposit' as it relates to fixed deposit held with the bank in relation to the guarantee provided by the bank.