Gulf Navigation Holding PJSC

Condensed consolidated interim financial information for the six month period ended 30 June 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 June 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 six month period then ended, prepared for legal filing purposes. 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
11 August 2011

Amin Nasser
Registered Auditor Number 307
Dubai, United Arab Emirates

Gulf Navigation Holding PJSC

Condensed consolidated interim balance sheet

	Note	At 30 June 11 (Unaudited) AED'000	At 31 Dec 10 (Audited) AED'000
Assets			
Non-current assets			
Vessels and equipment	4	1,479,591	1,169,804
Goodwill		518,550	518,550
Investment in jointly controlled entities		137,861	139,027
Long term trade receivable	5	29,907	29,907
		2,165,909	1,857,288
Current assets			
Inventories		20,064	18,419
Trade and other receivables	5	89,317	80,075
Term deposit		75,000	75,000
Cash and cash equivalents		117,667	203,555
		302,048	377,049
Assets of a disposal group classified as held for sale		109,434	175,681
		411,482	552,730
Total assets		2,577,391	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		(255,413)	(230,807)
		1,384,427	1,409,033
Hedging reserve for interest rate swaps		(56,908)	(59,062)
Total equity		1,327,519	1,349,971
Non-current liabilities			
Borrowings	6	988,231	804,418
Provision for employees' end of service benefits		1,286	1,092
Interest rate swap liabilities		56,908	59,062
		1,046,425	864,572
Current liabilities			
Trade and other payables		89,023	54,223
Due to related parties	7	12,693	16,109
Borrowings	6	71,948	52,400
		173,664	122,732
Borrowing of a disposal group classified as held for sale		29,783	72,743
		203,447	195,475
Total liabilities		1,249,872	1,060,047
Total equity and liabilities		2,577,391	2,410,018

The condensed consolidated interim financial information was approved by the Board of Directors on 11 August 2011 and signed on its behalf by:

Abdullah Al-Shuraim

Gulf Navigation Holding PJSC

Condensed consolidated interim income statement for the six month period ended 30 June 2011

	Note	Six months ended 30 June 11 (Unaudited) AED'000	Six months ended 30 June 10 (Unaudited) AED'000	Three months ended 30 June 11 (Unaudited) AED'000	Three months ended 30 June 10 (Unaudited) AED'000
Operating revenue	8	147,242	161,805	78,556	81,626
Voyage related direct costs	9	(29,774)	(7,470)	(20,204)	(3,670)
Other operating costs	10	(87,087)	(129,195)	(43,129)	(67,408)
Gross profit		30,381	25,140	15,223	10,548
Other income		1,131	1,027	360	354
Administrative expenses	11	(17,852)	(8,702)	(12,625)	(3,870)
Write-off of inventory aboard vessels classified as held for sale / disposed of		(10,099)	-	(10,099)	-
Impairment in the value of assets of a disposal group classified as held for sale		(4,714)	-	(4,714)	-
Operating (loss) / profit for the period		(1,153)	17,465	(11,855)	7,032
Finance income		2,180	28,976	909	25,344
Finance costs		(24,467)	(21,931)	(12,588)	(11,019)
Finance (costs) / income – net		(22,287)	7,045	(11,679)	14,325
Share of loss in jointly controlled entities		(1,166)	(914)	(1,293)	(833)
(Loss) / profit for the period		(24,606)	23,596	(24,827)	20,524
(Loss) / earnings per share - Basic and diluted	12	(0.0156)	0.0146	(0.0158)	0.0129

Gulf Navigation Holding PJSC

Condensed consolidated interim statement of comprehensive income for the six month period ended 30 June 2011

	Six months ended		Three months ended	
	30 June 11 (Unaudited) AED'000	30 June 10 (Unaudited) AED'000	30 June 11 (Unaudited) AED'000	30 June 10 (Unaudited) AED'000
(Loss) / profit for the period	(24,606)	23,596	(24,827)	20,524
Other comprehensive income:				
Effective portion of change in fair value of interest rate swap hedges	16,377	8,110	2,615	1,092
Interest rate swap hedge reserve recycled to the income statement	(14,223)	(15,088)	(7,636)	(7,866)
Other comprehensive income / (loss) for the period	2,154	(6,978)	(5,021)	(6,774)
Total comprehensive (loss) / income for the period	(22,452)	16,618	(29,848)	13,750

Gulf Navigation Holding PJSC

Condensed consolidated interim statement of changes in equity for the six month period ended 30 June 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
Comprehensive income:						
Total comprehensive income for the period	-	-	(6,978)	-	23,596	16,618
Transactions with owners						
Own shares purchased	-	-	-	(39,708)	-	(39,708)
Dividend	-	-	-	-	(48,384)	(48,384)
Balance at 30 June 2010 (unaudited)	1,655,000	31,546	(64,569)	(39,708)	29,561	1,611,830
Balance at 1 January 2011	1,655,000	31,546	(59,062)	(46,706)	(230,807)	1,349,971
Comprehensive income:						
Total comprehensive loss for the period	-	-	2,154	-	(24,606)	(22,452)
At 30 June 2011 (unaudited)	1,655,000	31,546	(56,908)	(46,706)	(255,413)	1,327,519

The notes on pages 7 to 16 are an integral part of these condensed consolidated interim financial information.

Gulf Navigation Holding PJSC

Condensed consolidated interim statement of cash flows for the six month period ended 30 June 2011

	Note	Six months ended 30 June 11 (Unaudited) AED'000	Six months ended 30 June 10 (Unaudited) AED'000
Operating activities			
(Loss) / profit for the period		(24,606)	23,596
Adjustments for:			
Depreciation		30,652	53,725
Share of loss in jointly controlled entities		1,166	914
Provision for employees' end of service benefits		281	242
Profit on sale of vessels and equipment		-	(10)
Finance income		(2,180)	(28,976)
Finance costs		24,467	21,931
Brokerage expense netted off with assets of a disposal group classified as held for sale		2,972	-
Loss on sale of assets of a disposal group classified as held for sale		1,278	-
Impairment in the value of assets of a disposal group classified as held for sale		4,714	-
Write-off of inventory aboard vessels classified as held for sale / disposed of		10,099	-
Operating profit before working capital changes and payment of employees' end of service benefits		48,843	71,422
Payment for employees' end of service benefits		(87)	(128)
Changes in working capital:			
Inventories		(11,744)	4,836
Trade and other receivables		(9,242)	(20,419)
Trade and other payables		34,800	6,334
Due to related parties		(3,416)	-
Net cash generated from operating activities		59,154	62,045
Investing activities			
Purchase of vessels and equipment	4	(340,439)	(9,899)
Refund received on cancellation of vessels		-	232,363
Proceeds from sale of assets classified as held for sale		57,283	-
Interest received		2,180	28,976
Investment in jointly controlled entities		-	(70,173)
Net cash (used in) / provided by investing activities		(280,976)	181,267
Financing activities			
Term loans availed		234,471	-
Repayment of borrowings		(74,070)	(144,269)
Repurchase of own shares		-	(39,708)
Dividends paid		-	(43,960)
Interest paid		(24,467)	(21,931)
Net cash provided by / (used in) financing activities		135,934	(249,868)
Decrease in cash and cash equivalents		(85,888)	(6,556)
Cash and cash equivalents at beginning of period		203,555	406,792
Cash and cash equivalents at end of period		117,667	400,236

The notes on pages 7 to 16 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 six month period ended 30 June 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 six month period ended 30 June 2011 comprises 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 six month period ended 30 June 2011 (Unaudited)						For the six month period ended 30 June 2010 (Unaudited)					
Operating revenue	138,127	915	8,200	-	-	147,242	154,669	1,296	5,840	-	-	161,805
Interest income	7	-	-	2,173	-	2,180	17	-	-	28,959	-	28,976
Other income	89	266	10	766		1,131	274	334	17	402		1,027
Operating costs	(111,376)	(706)	(4,807)	-	28	(116,861)	(132,162)	(1,074)	(3,454)	-	25	(136,665)
Finance costs	(23,481)	(1)	(11)	(974)	-	(24,467)	(21,414)	(9)	(11)	(497)	-	(21,931)
Administrative expenses	(22,543)	(488)	(1,624)	(9,176)	-	(33,831)	(6)	(507)	(1,872)	(7,231)	-	(9,616)
Reportable segment (loss) / profit	(19,177)	(14)	1,768	(7,211)	28	(24,606)	1,378	40	520	21,633	25	23,596
	At 30 June 2011 (Unaudited)						At 31 December 2010 (Audited)					
Reportable segment assets	4,291,913	10,222	43,973	3,432,240	(5,200,957)	2,577,391	3,702,212	9,333	39,926	3,376,697	(4,718,150)	2,410,018
Reportable segment liabilities	4,300,675	11,015	28,246	2,070,233	(5,160,297)	1,249,872	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 June 2011 (Unaudited)						For the three month period ended 30 June 2010 (Unaudited)					
Operating revenue	73,446	427	4,683	-	-	78,556	77,479	879	3,268	-	-	81,626
Interest income	4	-	-	905	-	909	12	-	-	25,332	-	25,344
Other income	-	132	9	219		360	1	138	13	202		354
Operating costs	(60,319)	(321)	(2,707)	-	14	(63,333)	(68,598)	(729)	(1,764)	-	13	(71,078)
Finance costs	(12,285)	(1)	(4)	(298)	-	(12,588)	(10,615)	(7)	(6)	(391)	-	(11,019)
Administrative expenses	(22,540)	(238)	(767)	(5,186)	-	(28,731)	(3)	(248)	(950)	(3,502)	-	(4,703)
Reportable segment (loss) / profit	(21,694)	(1)	1,214	(4,360)	14	(24,827)	(1,724)	33	561	21,641	13	20,524

4 Vessels and equipment

During the six month period ended 30 June 2011, the Group acquired assets with a cost of AED 340,439 thousand (six month period ended 30 June 2010: AED 9,899 thousand). The amount of borrowing costs included in the additions during the period is AED Nil (six month period ended 30 June 2010: AED 290 thousand).

Vessels with a net book amount of AED 1,569,120 thousand (31 December 2010: AED 1,306,043 thousand) are mortgaged as security for borrowings (note 6).

5 Trade and other receivables

	30 June 2011 AED'000 (Unaudited)	31 December 2010 AED'000 (Audited)
Non-current		
Trade receivable (i)	29,907	29,907
Current		
Trade receivables	43,937	37,258
Awards receivable	5,914	5,914
Advances to suppliers	1,039	1,036
Prepaid expenses	11,550	14,818
Other receivables	26,877	21,049
	89,317	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 obtained loans amounting to AED 1,089,962 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 and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. 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 4,073 thousand (2010: AED 1,976 thousand) for managing the Group's vessels.

The outstanding balances of amounts due to related parties are given below:

	30 June 2011 AED'000 (Unaudited)	31 December 2010 AED'000 (Audited)
Shareholders of Gulf Navigation LLC (i)	5,914	5,914
Gulf Stolt Ship Management JLT	6,767	10,068
Due to Directors	12	127
	12,693	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.

Compensation of key management personnel

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

	Six months ended		Three months ended	
	30 June 11 (Unaudited) AED'000	30 June 10 (Unaudited) AED'000	30 June 11 (Unaudited) AED'000	30 June 10 (Unaudited) AED'000
Short-term benefits	1,308	1,096	808	476
Employees' end of service benefits	42	33	26	17
	1,350	1,129	834	493

	Six months ended		Three months ended	
	30 June 11 (Unaudited) AED'000	30 June 10 (Unaudited) AED'000	30 June 11 (Unaudited) AED'000	30 June 10 (Unaudited) AED'000
8 Operating revenue				
Vessel chartering	138,127	154,669	73,446	77,479
Ship agency	8,200	5,840	4,683	3,268
Commercial agency	915	1,296	427	879
	147,242	161,805	78,556	81,626
9 Voyage related direct costs				
Vessel chartering:				
Commission on freight	2,900	4,478	1,566	2,253
Bunkering	21,286	1,278	15,518	626
Port disbursement expenses	3,521	-	1,865	-
Cargo related survey, hold cleaning charges etc	2,067	1,714	1,255	791
	29,774	7,470	20,204	3,670
10 Other operating costs				
Vessel chartering:				
Ship running	49,904	57,556	23,825	29,652
Vessel depreciation	28,514	38,923	14,842	19,569
Bareboat hire	-	11,477	-	5,770
Dry docking write-off	-	9,054	-	5,871
Ship repair	3,164	7,662	1,439	4,057
Ship agency:				
Operating cost	4,445	3,127	2,525	1,583
Vessel depreciation	354	322	178	177
Commercial agency	706	1,074	320	729
	87,087	129,195	43,129	67,408

	Six months ended		Three months ended	
	30 June 11 (Unaudited) AED'000	30 June 10 (Unaudited) AED'000	30 June 11 (Unaudited) AED'000	30 June 10 (Unaudited) AED'000
11 Administrative expenses				
Staff salaries and benefits	6,856	5,237	3,672	2,377
Brokerage expense in relation to assets of a disposal group classified as held for sale / disposed of	4,824	-	4,824	-
Loss on sale of assets of a disposal group classified as held for sale	1,278	-	1,278	-
Other administrative expenses	4,894	3,465	2,851	1,493
	17,852	8,702	12,625	3,870
12 (Loss) / earnings per share				
(Loss) / profit for the period (in thousands)	(24,606)	23,596	(24,827)	20,524
Weighted average number of shares	1,572,575,917	1,611,810,639	1,572,575,917	1,586,199,137
Basic and diluted earnings per share	(AED 0.0156)	AED 0.0146	(AED 0.0158)	AED 0.0129

13 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 June 2011 AED'000 (Unaudited)	31 December 2010 AED'000 (Audited)
Not later than one year	149,321	110,371
Between one year and five years	432,887	406,112
Beyond five years	745,330	795,677
	1,327,538	1,312,160

14 Commitments

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

	30 June 2011 AED'000	31 December 2010 AED'000
Acquisition of vessels	710,040	337,295

15 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.

16 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 June 2011, no overdraft facility has been availed by the Group.