



## Gulf Navigation Holding reports its 2011 Financial Results

### **Gulf Nav well placed to move forward as the shipping cycle turns**

- 2011 continued to be a challenging year within the shipping industry
- Operation of PROBO ships until disposal in mid-2011 and further impairment of vessel values led to a loss of AED42.21 Million in the year
- The Company expects the shipping cycle to turn upwards in 2012
- VLCC newbuild programme continues with delivery of vessels expected in 2013

**Friday, 30<sup>th</sup> March 2012:** Gulf Navigation Holding PJSC (DFM: GULFNAV), one of the leading Maritime and Shipping companies in the region, announces today its financial results for 2011.

Due to the general difficult trading conditions within the shipping industry and the effects of the continuing ownership of the PROBOS vessels until mid 2011 the Company realized a Net Loss of AED 72.695 million in 2011. This compares to a Net Loss of AED 236.77 million in 2010.

Gulf Navigation's cash flow remained strong in 2011 with Operating Profits before depreciation and interest of AED 67.34 million, compared to AED 103.1 million in 2010.

Revenue stood at AED 256.36 million in 2011, compared to AED 312.98 million in 2010 with the reduction due to the removal of PROBOS revenue stream and low VLCC freight rates during the year.

Out of the total Net Loss of AED72.695 million, an amount of AED42.21 million was directly attributable to the PROBOS vessels with AED24.72 million due to direct expenses related to the disposal of the vessels and AED17.49 million relates to losses from the PROBOS operating segment



Despite the difficult trading environment in 2011 Gulf Navigation Holding has continued to focus on its long-term strategy, positioning itself for the inevitable upturn in a cyclical industry. The following milestone achievements in 2011 will help us to achieve our strategy:

- Purchasing and chartering out the “Gulf Eyadah”, a 300,000 dwt Very Large Crude Carrier,
- Building 2 new 320,000 dwt VLCC carriers in China which will join the fleet in 2013 and will be immediately delivered for 10-year charter agreements worth approximately AED 1.05 Billion (US\$ 284.7 million)
- Progressing discussions with potential equity partners to invest in a VLCC joint venture to be incorporated in Kingdom of Saudi Arabia and taking significant steps in incorporating this new entity
- Disposing of the PROBOS fleet

Gulf Navigation’s long-term strategic plan calls for further expansion of the VLCC fleet (to 9 vessels - 18 million barrels) and the chemical tanker fleet (to 12 ships) as these are the sectors where we have an established presence and several, clearly identified avenues for profitable growth.

Commenting on the results, Engineer Abdullah Al Shuraim, Chairman of Gulf Navigation described 2011 as “a very difficult and challenging year for all sectors of the shipping industry. The year witnessed major difficulties for many large and small ship owners worldwide. The Board of Directors of Gulf Navigation Holding, however, continues to focus on the strategic, long-term well being of the company. The disposal of the PROBO fleet, although a very difficult decision that caused losses for 2 consecutive years, exemplifies our ability to maneuver through difficult times with an eye on future profitability, beginning the year 2012 with God’s will” he said. He continued “The Company remains focused on the key strategic targets that we have set ourselves; in particular the continued expansion of the VLCC fleet as part of a new Saudi VLCC company, and re-alignment of the organization. On behalf of the Board of Directors, I can commit again that Gulf Navigation will continue to make decisions that position the company in the right path for attractive returns for our shareholders.”



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**About Gulf Navigation Holding PJSC:** Gulf Navigation Holding PJSC and its group companies own and operate crude and chemical tankers. It is an ISO 9001:2000 certified, Dubai-based and United Arab Emirates Holding Entity with operations worldwide. It leads the shipping and marine services industry in the region. It has 11 specialized subsidiaries and owns 12 tankers including new buildings, with 4 VLCC's and 8 Chemical Tankers in addition to 4 crew boats. A total carrying capacity of approximately 1.6 million dwt. It is also the sole agency for a number of global marine manufacturers and the only maritime and shipping company listed on the Dubai Financial Market.

**For more information**

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