

EURONAV

**Financial statements
for the year ended 31 December 2012**

EURONAV

Consolidated financial statements for the year ended 31 December 2012

Statement of financial position

in thousands of USD

	note	2012	2011
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,062,063	2,158,816
Vessels	-	2,061,397	2,020,999
Assets under construction	-		136,911
Other tangible assets	-	666	906
Intangible assets	-	78	241
Financial assets	-	2,344	180
Investments in equity accounted investees	-	-	-
Investments	-	2	1
Non-current receivables	-	2,342	179
Deferred tax assets	7	963	205
CURRENT ASSETS			
Trade and other receivables	8	98,644	105,878
Current tax assets	-	27	582
Cash and cash equivalents	9	145,840	185,414
Non-current assets held for sale	2	52,920	-
TOTAL ASSETS		2,362,879	2,451,316

EURONAV

	note	2012	2011
EQUITY and LIABILITIES			
EQUITY		867,020	980,988
Equity attributable to owners of the Company	10	867,020	980,988
Share capital	-	56,248	56,248
Share premium account	-	353,063	353,063
Translation reserves	-	730	652
Fair value reserve	-	-	-
Hedging reserve	4-10	-15,221	-20,107
Treasury shares	10	-46,062	-46,062
Retained earnings	-	518,262	637,194
Non-controlling interest	-	-	-
NON-CURRENT LIABILITIES		1,186,089	1,221,349
Loans and borrowings	12	1,119,741	1,189,176
Finance leases	-	-	8,616
Bank loans	-	987,047	1,046,104
Convertible notes	-	132,694	134,456
Other loans	-	-	-
Non-current other payables	13	64,233	30,341
Deferred tax liabilities	7	-	-
Employee benefits	14	2,115	1,832
Provisions	-	-	-
CURRENT LIABILITIES		309,770	248,979
Trade and other payables	15	141,434	78,817
Current tax liabilities	-	-	-
Loans and borrowings	12	168,336	170,162
Provisions	-	-	-
TOTAL EQUITY and LIABILITIES		2,362,879	2,451,316
		-	-

EURONAV

Consolidated financial statements for the year ended 31 December 2012

Income statement

in thousands of USD

	note	2012	2011
Turnover	-	410,701	394,457
Gains on disposal of vessels	6	10,067	22,153
Other operating income	-	10,501	6,090
Expenses for shipping activities	3	-247,173	-232,189
Losses on disposal of vessels	6	-32,080	-25,501
Depreciation and amortisation expenses	6	-177,513	-168,523
Impairment losses (-) / reversals (+)	-	-	-
Staff costs	3	-16,070	-15,581
Other operating expenses	3	-19,386	-21,062
Result from operating activities		-60,953	-40,156
Finance income	-	5,395	5,695
Finance expenses	-	-64,099	-61,408
Net finance expense	4	-58,704	-55,713
Share of result of equity accounted investees	-	-	-
Result before income tax		-119,657	-95,869
Income tax expense	5	726	-118
Result for the period		-118,931	-95,987
Attributable to:			
Owners of the Company	-	-118,931	-95,987
Non-controlling interest	-	-	-
Basic earnings per share (in USD)	11	-2.38	-1.92
Diluted earnings per share (in USD)	11	-2.38	-1.92

EURONAV

Consolidated financial statements for the year ended 31 December 2012

Statement of comprehensive income

in thousands of USD

	note	2012	2011
Result for the period		-118,931	-95,987
Other comprehensive income			
Foreign currency translation differences	4	76	-170
Net change in fair value of available-for-sale financial assets	-	-	-
Net change in fair value of available-for-sale financial assets transferred to profit or loss	-	-	-
Net change in fair value of cash flow hedges	4	4,886	-1,364
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-
Income tax on other comprehensive income	-	-	-
Other comprehensive income for the period, net of income tax		4,962	-1,534
Total comprehensive income for the period		-113,969	-97,521
Attributable to:			
Owners of the Company	-	-113,969	-97,521
Non-controlling interest	-	-	-

EURONAV

Consolidated financial statements for the year ended 31 December 2012

Statement of changes in equity in thousands of USD

	Capital	Share premium account	Translation reserve	Fair value reserve	Hedging reserve	Treasury shares	Retained earnings	Capital and reserves	Non-controlling interest	Total equity
Balance at 1 January 2011	56,248	353,063	822	-	-18,743	-46,062	733,180	1,078,508	-	1,078,508
Total comprehensive income for the period										
Result for the period	-	-	-	-	-	-	-95,986	-95,986	-	-95,986
Other comprehensive income										
Foreign currency translation differences	-	-	-170	-	-	-	-	-170	-	-170
Net change in fair value of available-for-sale financial assets, net of tax	-	-	-	-	-	-	-	-	-	-
Net change in fair value of available-for-sale financial assets transferred to profit or loss, net of tax	-	-	-	-	-	-	-	-	-	-
Net change in fair value of cash flow hedges, net of tax ..	-	-	-	-	-1,364	-	-	-1,364	-	-1,364
Net change in fair value of cash flow hedges transferred to profit or loss, net of tax	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-170	-	-1,364	-	-	-1,534	-	-1,534
Total comprehensive income for the period	-	-	-170	-	-1,364	-	-95,986	-97,520	-	-97,520
Transactions with owners of the company										
Issue of convertible notes	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	-
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2011	56,248	353,063	652	-	-20,107	-46,062	637,194	980,988	-	980,988
Balance at 1 January 2012	56,248	353,063	652	-	-20,107	-46,062	637,194	980,988	-	980,988
Total comprehensive income for the period										
Result for the period	-	-	-	-	-	-	-118,931	-118,931	-	-118,931
Other comprehensive income										
Foreign currency translation differences	-	-	76	-	-	-	-	76	-	76
Net change in fair value of available-for-sale financial assets, net of tax	-	-	-	-	-	-	-	-	-	-
Net change in fair value of available-for-sale financial assets transferred to profit or loss, net of tax	-	-	-	-	-	-	-	-	-	-
Net change in fair value of cash flow hedges, net of tax ..	-	-	-	-	4,886	-	-	4,886	-	4,886
Net change in fair value of cash flow hedges transferred to profit or loss, net of tax	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	76	-	4,886	-	-	4,962	-	4,962
Total comprehensive income for the period	-	-	76	-	4,886	-	-118,931	-113,969	-	-113,969
Transactions with owners of the company										
Issue of convertible notes	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	-
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2012	56,248	353,063	728	-	-15,221	-46,062	518,263	867,019	-	867,019

EURONAV

Consolidated financial statements for the year ended 31 December 2012

Statement of cash flows

in thousands of USD

	note	2012	2011
Net cash and cash equivalents at the beginning of the period		185,414	166,893
Result before income tax	-	-119,657	-95,868
Adjustments for non-cash transactions	-	191,137	141,539
Adjustments for items disclosed under investing or financing activities	-	54,329	75,078
Changes in working capital requirements	-	19,435	3,338
Income taxes paid during the period	-	543	334
Interest paid	-	-68,159	-68,284
Interest received	-	224	313
Dividends received	-	-	-
Cash flows from operating activities		77,852	56,450
Purchase of vessels	6	-148,700	-16,253
Proceeds from the sale of vessels	6	47,593	52,020
Purchase of other (in)tangible assets	-	-145	-354
Proceeds from the sale of other (in)tangible assets	-	39	1
Investment in securities	-	-	-
Proceeds from the sale of securities	-	-	-
Loans to related parties	-	171	171
Repayment of loans to related parties	-	-	-
Proceeds of disposals of subsidiaries & joint ventures net of cash disposed and of associates	-	-	-
Purchase of subsidiaries, joint ventures & associates net of cash acquired	-	-	-
Cash flows from investing activities		-101,042	35,585
Proceeds from issue of share capital	-	-	-
Purchase / sale of treasury shares	-	-	-
Proceeds from New long-term borrowings	12	759,524	95,500
Repayment of long-term borrowings	12	-776,064	-167,817
Proceeds from loans from related parties	-	-	-
Repayment of loans from related parties	-	-	-
Dividends paid	-	-47	-63
Cash flows from financing activities		-16,587	-72,380
Effect of changes in exchange rates		203	-1,134
Net cash and cash equivalents at the end of the period	9	145,840	185,414

EURONAV

Notes to the consolidated financial statements for the year ended 31 December 2012

Note 1 - Segment Reporting

Note 2 - Assets and liabilities held for sale and discontinued operations

Note 3 - Expenses for shipping activities and other expenses from operating activities

Note 4 - Net finance expense

Note 5 - Tax expense

Note 6 - Property, plant and equipment

Note 7 - Deferred tax assets and liabilities

Note 8 - Trade and other receivables

Note 9 - Cash and cash equivalent

Note 10 - Equity

Note 11 - Earnings per share

Note 12 - Interest-bearing loans and borrowings

Note 13 - Non-current other payables

Note 14 - Employee benefits

Note 15 - Trade and other payables - Current

Note 16 - Financial instruments - Market and other risks

Note 17 - Operating leases

Note 18- Provisions & Contingencies

Note 19 - Related parties

Note 20 - Group entities

Note 21 - Interest in joint ventures

Note 22 - Subsidiaries

Note 23 - Major exchange rates

Note 24 - Subsequent events

Note 25 - Auditors fees

EURONAV

Consolidated financial statements for the year ended 31 December 2012

Note 1 - Segment Reporting

At present, the company distinguishes two operating segments: the operation of crude oil tankers on the international markets (tankers) and the floating production, storage and offloading operations (FSO/FpSO)

The Group has two clients in tanker segment that represents respectively 18% and 13% of the Group's total turnover. All the other clients represent less than 10%. The company's internal organisational and management structure does not distinguish any geographical segments.

Statement of financial position

in thousands of USD

ASSETS	2012				2011			
	Tankers	FSO	Eliminations	Total	Tankers	FSO	Eliminations	Total
NON-CURRENT ASSETS	2,100,055	260,784	295,391	2,065,448	2,178,256	276,578	295,392	2,159,442
Property, plant and equipment	1,803,610	258,453	-	2,062,063	1,882,238	276,578	-	2,158,816
Intangible assets	78	-	-	78	241	-	-	241
Financial assets	295,404	2,331	295,391	2,344	295,572	-	295,392	180
Deferred tax assets	963	-	-	963	205	-	-	205
CURRENT ASSETS	263,034	35,214	817	297,431	264,068	28,206	400	291,874
TOTAL ASSETS	2,363,089	295,998	296,208	2,362,879	2,442,324	304,784	295,792	2,451,316
EQUITY and LIABILITIES								
EQUITY	1,010,823	-143,804	-1	867,020	1,142,276	-161,288	-	980,988
Equity attributable to equity holders of the Company	1,010,823	-143,804	-1	867,020	1,142,276	-161,288	-	980,988
Non-controlling interest	-	-	-	-	-	-	-	-
NON-CURRENT LIABILITIES	1,089,857	391,625	295,393	1,186,089	1,078,864	437,877	295,392	1,221,349
Loans and borrowings	1,040,867	374,267	295,393	1,119,741	1,066,013	418,555	295,392	1,189,176
Non-current other payables	46,875	17,358	-	64,233	11,019	19,322	-	30,341
Deferred tax liabilities	-	-	-	-	-	-	-	-
Employee benefits	2,115	-	-	2,115	1,832	-	-	1,832
Provisions	-	-	-	-	-	-	-	-
CURRENT LIABILITIES	262,409	48,177	816	309,770	221,184	28,195	400	248,979
TOTAL EQUITY and LIABILITIES	2,363,089	295,998	296,208	2,362,879	2,442,324	304,784	295,792	2,451,316

Income statement

in thousands of USD

	2012				2011			
	Tankers	FSO	Eliminations	Total	Tankers	FSO	Eliminations	Total
Turnover	357,197	53,684	180	410,701	344,711	49,926	180	394,457
Capital gains on disposal of vessels	10,067	-	-	10,067	22,153	-	-	22,153
Other operating income	10,260	241	-	10,501	5,990	100	-	6,090
Expenses for shipping activities	-236,504	-10,849	-180	-247,173	-221,259	-11,110	-180	-232,189
Capital losses on disposal of vessels	-32,080	-	-	-32,080	-25,501	-	-	-25,501
Depreciation and amortisation expenses	-159,438	-18,075	-	-177,513	-150,448	-18,075	-	-168,523
Impairment losses (-) / reversals (+)	-	-	-	-	-	-	-	-
Staff costs	-16,070	-	-	-16,070	-15,581	-	-	-15,581
Other operating expenses	-18,907	-479	-	-19,386	-20,404	-658	-	-21,062
Result from operating activities	-85,475	24,522	-	-60,953	-60,339	20,183	-	-40,156
Finance income	5,340	55	-	5,395	5,676	19	-	5,695
Finance expenses	-55,992	-8,107	-	-64,099	-48,525	-12,883	-	-61,408
Net finance expense	-50,652	-8,052	-	-58,704	-41,868	-12,863	-	-55,713
Share of result of equity accounted investees	-	-	-	-	-	-	-	-
Result before income tax	-136,127	16,470	-	-119,657	-103,188	7,320	-	-95,869
Income tax expense	726	-	-	726	-118	-	-	-118
Result for the period	-135,401	16,470	-	-118,931	-103,306	7,320	-	-95,987
Attributable to:								
Owners of the Company	-135,401	16,470	-	-118,931	-103,306	7,320	-	-85,882
Non-controlling interest	-	-	-	-	-	-	-	-

Note 1 - Segment reporting (continued)

Statement of cash flows

in thousands of USD

	2012				2011			
	Tankers	FSO	Eliminations	Total	Tankers	FSO	Eliminations	Total
Cash flows from operating activities	44,598	33,254	-	77,852	30,271	26,179	-	56,450
Cash flows from investing activities	-101,093	51	-	-101,042	35,996	-1,064	-653	35,585
Cash flows from financing activities	7,719	-24,306	-	-16,587	-48,651	-23,076	653	-72,380
Capital expenditure	-204,128	51	-	-204,077	-15,543	-1,064	-	-16,607
Impairment losses	-	-	-	-	-	-	-	-
Impairment losses reversed	-	-	-	-	-	-	-	-

EURONAV

Notes to the consolidated financial statements for the year ended 31 December 2012

Note 2 - Assets and liabilities held for sale and discontinued operations

Assets held for sale

The Assets held for sale can be detailed as follows:
in thousands of EUR

	2012	2011
Vessels	52,920	-

Discontinued operations

As per 31 December 2012 the Group has no operations that meet the qualifications of a discontinued operation.

Note 3 - Expenses for shipping activities and other expenses from operating activities

Expenses for shipping activities
in thousands of USD

	2012	2011
Operating expenses	-129,787	-140,643
Charter hire	-24,545	-36,195
Bare boat hire	-	-
Voyage expenses	-92,840	-55,348
Total	-247,172	-232,186

Staff costs

in thousands of USD

	2012	2011
Wages and salaries	-11,440	-11,328
Social security costs	-2,323	-2,313
Provision for employee benefits	-241	100
Other staff costs	-2,066	-2,041
Total	-16,070	-15,582

Average number of full time equivalents	102	101.66
---	-----	--------

The provision for employee benefits is affected by a rate of exchange difference of USD39,236 which is taken into account in the Income Statement under Net Finance Expense.

Other operating expenses
in thousands of USD

	2012	2011
Administrative expenses	-19,338	-20,863
Claims	-49	-200
Provisions	-	-
Capital losses on disposal of other (in) tangible assets	-	-
Capital losses on disposal of subsidiaries & associates	-	-
Total	-19,387	-21,063

EURONAV

Notes to the consolidated financial statements for the year ended 31 December 2012

Note 4 - Net finance expense

Recognised in profit or loss

in thousands of USD

	2012	2011
Interest income on available-for-sale investments	-	-
Interest income on bank deposits	998	252
Fair value adjustment on forward exchange contracts	-	-
Foreign exchange gains	4,396	5,443
Finance income	5,394	5,695
Interest expense on financial liabilities measured at amortised cost	-61,033	-70,347
Fair value adjustment on interest rate swaps	1,221	15,365
Fair value adjustment on forward exchange contracts	-	-
Foreign exchange losses	-4,287	-6,425
Finance expenses	-64,099	-61,407
Net finance expense recognised in profit or loss	-58,705	-55,712

The above finance income and expenses include the following in respect of assets

Total interest income on financial assets	998	252
Total interest expense on financial liabilities	-61,033	-70,347

Recognised directly in equity

in thousands of USD

	2012	2011
Foreign currency translation differences for foreign operations	76	-170
Net change in fair value of available-for-sale financial assets	-	-
Net change in fair value of available-for-sale financial assets transferred to profit or loss	-	-
Net change in fair value of cash flow hedges	4,886	-1,364
Net change in fair value of cash flow hedges transferred to profit or loss	-	-
Net finance expense recognised directly in equity	4,962	-1,534
Attributable to:		
Equity holders of the Company	4,962	-1,534
Minority interest	-	-
Net finance expense recognised directly in equity	4,962	-1,534
Recognised in:		
Translation reserve	76	-170
Fair value reserve	-	-
Hedging reserve	4,886	-1,364
	4,962	-1,534

EURONAV

Notes to the consolidated financial statements for the year ended 31 December 2012

Note 5 - Tax expense

in thousands of USD

	2012	2011
Current tax		
Current period	-12	-33
Adjustments for prior years	-	-
Total	-12	-33
Deferred tax		
Origination and reversal of temporary differences	738	-85
Recognition of previously unrecognised tax losses recognised	-	-
Total	738	-85
Total tax expense	726	-118

	2012		2011	
Reconciliation of effective tax				
Result before tax		-119,657		-95,868
Tax at domestic rate	-33.99%	40,671	33.99%	32,585
Effects on tax of :				
Current year losses for which no deferred tax asset is recogniz		-		-
Tax exempt profit / loss		-845		-1,571
Non-deductible expenses		-270		-7,544
Benefit of tax losses recognised		-		-
Unrecognised tax losses, tax credits and tax allowances		-42,452		-25,306
Adjustment for tax of previous years		-		-
Effects of tax regimes in foreign jurisdictions		3,622		1,718
Total taxes	-0.61%	726	0.12%	-118

In application of an IFRIC agenda decision on IAS 12 Income taxes, tonnage tax is no longer accounted for as income taxes in accordance with IAS 12 and is not presented as part of income tax expense in the income statement but has been shown as an administrative expense under the heading Other operating expenses (see Note 3) .

EURONAV

Notes to the consolidated financial statements for the year ended 31 December 2012

Note 6 - Property, plant and equipment

in thousands of USD

	Tankers	FSO	Vessels under construction	Other assets under construction	Other equipment & vehicles	Total
At 1 January 2011						
Cost	2,602,956	346,194	193,087	-	2,440	3,144,677
Depreciation & impairment losses	-754,567	-52,606	-	-	-1,467	-808,640
Net carrying amount	1,848,389	293,588	193,087	-	973	2,336,037
Acquisitions	-	-	16,253	-	347	16,600
Disposals and cancellations	-	-	-25,500	-	-1	-25,501
Depreciation charge	-149,832	-18,074	-	-	-403	-168,309
Impairment losses	-	-	-	-	-	-
Reversal of impairment losses	-	-	-	-	-	-
Acquisitions through business combinations	-	-	-	-	-	-
Transfer to assets held for sale	-	-	-	-	-	-
Transfers	45,864	1,064	-46,929	-	-	-1
Translation differences	-	-	-	-	-11	-11
Other changes	-	-	-	-	-	-
Balance at 31 December 2011	1,744,421	276,578	136,911	-	905	2,158,815
At 1 January 2012						
Cost	2,648,820	347,258	136,911	-	2,775	3,135,764
Depreciation & impairment losses	-904,399	-70,680	-	-	-1,870	-976,949
Net carrying amount	1,744,421	276,578	136,911	-	905	2,158,815
Acquisitions	-	-	203,950	-	127	204,077
Disposals and cancellations	-37,458	-	-	-	-10	-37,468
Depreciation charge	-158,896	-18,074	-	-	-362	-177,332
Impairment losses	-	-	-	-	-	-
Reversal of impairment losses	-	-	-	-	-	-
Acquisitions through business combinations	-	-	-	-	-	-
Transfer to assets held for sale	-	-	-86,035	-	-	-86,035
Transfers	254,877	-51	-254,826	-	-	-
Translation differences	-	-	-	-	4	4
Other changes	-	-	-	-	-	-
Balance at 31 December 2012	1,802,944	258,453	-	-	664	2,062,061
At 31 December 2012						
Cost	2,759,053	347,207	-	-	2,896	3,109,156
Depreciation & impairment losses	-956,109	-88,754	-	-	-2,232	-1,047,095
Net carrying amount	1,802,944	258,453	-	-	664	2,062,061

Impairment

As a result of the decline in charter rates and vessels value during 2012, the Company has performed an impairment test using the "value in use" method. The assumptions taken were as follows:

- 10 year historical average spot freight rates for the CGU Tankers. For the FSO segment, current rates received on fixed contract were used as a basis for the calculations
- WACC of 7.41%
- 20 year useful life with residual value equal to zero for tankers
- 25 year useful life with residual value equal to zero for FSO

Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions are subjective to judgement.

The impairment test did not result in any need to record an impairment loss in 2012.

An increase of the WACC with 1% shows no need for impairment loss in 2012

Leased vessel

In the course of 2006 the Group entered into a sale and lease-back transaction on the *TI Guardian*.

This transaction has been classified as a finance lease. The excess of the sales proceeds over the carrying value at the moment of sale amounting to USD 11.678.000, is amortised over the period of the lease term, i.e. 7 years. Furthermore, the Group had options to acquire the vessel as from the third year (2009). On November 7th 2012, the time charter contract which was running until October 2013 was terminated. As a result, the company booked a capital gain of 2.8 million in 2012. (see note 12).

Security

All tankers and FSOs financed are subject to a mortgage to secure bank loans. (see note 12)

EURONAV

Vessels on order or under construction in thousands of USD

	2012	2011
VLCC	-	89,619
Suezmax tankers	-	47,292
FSO	-	-
Total	-	136,911

Other assets under construction in thousands of USD

	2012	2011
Software	-	-
Total	-	-

As at 31 December 2012 the Group's total capital commitment amounts to USD 55.250.000 (2011: USD 201.393.000). These can be detailed as follows:

in thousands of USD	payments scheduled for			
	total	2013	2014	2015
Commitments in respect of VLCCs	-	-	-	-
Commitments in respect of Suezmaxes	55,250	55,250	-	-
Commitments in respect of FSOs	-	-	-	-
Total	55,250	55,250	-	-
of which related to joint ventures	-	-	-	-

The amount relates to the delivery of the Cap Isabella, which was sold in March 2013. (See note 24)

EURONAV

Notes to the consolidated financial statements for the year ended 31 December 2012

Note 7 - Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

in thousands of USD

	2012			2011		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property, plant and equipment	-	-	-	-	-	-
Financial instruments	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Employee benefits	41	-	41	61	-	61
Exchange differences	-	-	-	-	-	-
Investments in subsidiaries, joint ventures & associates	-	-	-	-	-	-
Unused tax losses & tax credits	922	-	922	144	-	144
Offset	963	-	963	205	-	205
Total	963	-	-	205	-	-

Unrecognised deferred tax assets and liabilities

Deferred tax assets have not been recognised in respect of the following items:

in thousands of USD

	2012		2011	
	Assets	Liabilities	Assets	Liabilities
Deductible temporary differences	420	-	411	-
Taxable temporary differences	-	-16,601	-	-16,608
Unused tax losses & tax credits	31,167	-	29,292	-
Offset	31,587	-16,601	29,703	-16,608
Total	14,986	-	13,095	-

The unrecognised tax assets in respect of unused tax losses & tax credits are entirely related to tax losses carried forward, investment deduction allowances and excess DRD. These unrecognised tax losses and credits have no expiration date.

Deferred tax assets have not been recognised because future taxable profits cannot be measured on a reliable basis.

The unrecognised tax liabilities in respect of taxable temporary differences relate to tax liabilities in respect of non distributed reserves of the Group that will be taxed when distributed. No deferred tax liability has been recognised because there is no intention to distribute these reserves.

Movement in temporary differences during the year

in thousands of USD

	Balance at 1 Jan 2011	Recognised in income	Recognised in equity	Other movements	Translation differences	Balance at 31 Dec 2011
Property, plant and equipment	-	-	-	-	-	-
Financial instruments	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Employee benefits	104	-44	-	-	-	60
Exchange differences	-	-	-	-	-	-
Investments in subsidiaries, joint ventures & associates	-	-	-	-	-	-
Unused tax losses & tax credits	190	-42	-	-	-3	145
Total	294	-86	-	-	-3	205

	Balance at 1 Jan 2012	Recognised in income	Recognised in equity	Other movements	Translation differences	Balance at 31 Dec 2012
Property, plant and equipment	-	-	-	-	-	-
Financial instruments	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Employee benefits	60	-21	-	-	2	41
Exchange differences	-	-	-	-	-	-
Investments in subsidiaries, joint ventures & associates	-	-	-	-	-	-
Unused tax losses & tax credits	145	758	-	-	19	922
Total	205	737	-	-	21	963

EURONAV

Notes to the consolidated financial statements for the year ended 31 December 2012

Note 8 - Trade and other receivables

<i>in thousands of USD</i>	2012	2011
Trade receivables	28,720	21,525
Loans to related parties	-	-
Derivatives	-	-
Accrued income	12,441	9,336
Deferred charges	25,300	21,466
Other receivables	32,183	53,551
Total	98,644	105,878

The *other receivables* relate to income to be received by the Group from Tankers International. For currency and credit risk, we refer to note 16.

Note 9 - Cash and cash equivalent

<i>in thousands of USD</i>	2012	2011
Bank deposits	92,383	136,936
Cash at bank and in hand	53,457	48,478
Total	145,840	185,414
Of which USD 15.122.799 is restricted cash		
Less:		
Bank overdrafts used for cashmanagement purposes.....	-	-
Net cash and cash equivalent in the cash flow statement ...	145,840	185,414

EURONAV

Notes to the consolidated financial statements for the year ended 31 December 2012

Note 10 - Equity

Share capital and share premium

<i>in shares</i>	2012	2011
On issue at 1 January.....	51,750,000	51,750,000
Share split	-	-
Withdrawal	-	-
Capital increase	-	-
On issue at 31 December- fully paid	51,750,000	51,750,000

At 31 December 2012 the share capital is represented by 51.750.000 shares. The shares have no par value.

There are no preference shares.

At 31 December 2012, the authorised share capital amounts to USD 10.000.000 (2011: USD 10.000.000) or the equivalent of 9.200.376 shares (2011: 9.200.376 shares).

The holders of ordinary shares are entitled to receive dividends when declared and are entitled to one vote per share at the meetings of the Company.

Convertible Notes

There are no share options outstanding except the options granted to the convertible notes holders (see note 12 and note 24)

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Fair value reserve

The fair value reserve includes the cumulative net change in the fair value of available-for-sale financial assets until the asset is derecognised or impaired.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred (see also Note 16).

Treasury shares

At 31 December 2012 the Group holds 1.750.000 treasury shares (31 December 2011: 1.750.000 shares).

The group has purchased the shares at an average price of EUR 18,1605 or USD 26,321

Dividends

In the course of the year 2012 the Board of Directors approved the payment of the following interim dividends. Interim dividends are shown as paid and are deducted from equity.

<i>in thousands of EUR</i>	2012	2011
EUR 0,00 per ordinary share (2011: EUR 0,00)	-	-
in thousands of USD	-	-

After the balance sheet date the following dividends were proposed by the directors. The dividends have not been provided for and there are no income tax consequences.

<i>in thousands of EUR</i>	2012	2011
EUR 0,00 per ordinary share (2011: EUR 0,00)	-	-
in thousands of USD	-	-

Dividend limitations

The Group is subject to a dividend covenant in relation to one (or more) of its senior secured credit facilities: the dividend shall not exceed 50% of the net income earned in a book year or part thereof to which that dividend relates to unless the majority of the lenders of that (those) particular facility(ies) agree to a dividend in excess of the said 50%.

There will be a downward adjustment of the Conversion Price of the Convertible Notes in the event of a distribution of a Dividend exceeding the Threshold Amounts for a particular year as set out in the offering circular dated 21 September 2009 (available on Euronav website)

EURONAV

Notes to the consolidated financial statements for the year ended 31 December 2012

Note 11 - Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 31 December 2012 was based on a result attributable to ordinary shares of USD -118.931.000 (2011: USD -95.986.000) and a weighted average number of ordinary shares outstanding during the period ended 31 December 2012 of 50.000.000 (2011: 50.000.000), calculated as follows:

Result attributable to ordinary shares in thousands of USD

	2012	2011
Result for the period	-118,931	-95,987
Weighted average	50,000,000	50,000,000
Basic earnings per share (in USD)	-2.38	-1.92

Weighted average number of ordinary shares in shares

	shares issued	treasury shares	shares outstanding	weighted number of shares
On issue at 31 December 2010.....	51,750,000	1,750,000	50,000,000	50,000,000
purchases of treasury shares	-	-	50,000,000	
withdrawal of treasury shares	-	-	50,000,000	
sales of treasury shares	-	-	50,000,000	
On issue at 31 December 2011	51,750,000	1,750,000	50,000,000	50,000,000
purchases of treasury shares	-	-	50,000,000	
withdrawal of treasury shares	-	-	50,000,000	
sales of treasury shares	-	-	50,000,000	
On issue at 31 December 2012	51,750,000	1,750,000	50,000,000	50,000,000

Diluted earnings per share

The potential ordinary shares relating to the issuance of the convertible notes could potentially dilute basic earnings per share in the future, but were not included in the calculation of the diluted earnings per share because they were anti-dilutive (2012 earnings per share would increase).

Weighted average number of ordinary shares (diluted)

The table below shows the potential number of shares that could be created if all the convertible notes were to be converted into ordinary shares.

	2012	2011
Weighted average number of ordinary shares (basic)	50,000,000	50,000,000
Effect of potential conversion of convertible notes	6,474,307	6,474,307
Weighted average number of ordinary shares (diluted) ..	56,474,307	56,474,307

The number of shares related to a potential conversion of convertible notes may vary according to any adjustment of the Conversion Price in some events such as a change of control or a distribution of a dividend exceeding certain threshold amounts. The details of such adjustments as well as the list of events that may trigger those adjustments can be found in the offering circular of 21 September 2009. (available on Euronav

In the beginning of 2012, the group performed a buyback of 68 convertible bonds, which results in a diminution of the effect of potential conversion of the convertible notes for a total of 293,502 shares

EURONAV

Notes to the consolidated financial statements for the year ended 31 December 2012

Note 12 - Interest-bearing loans and borrowings

in thousands of USD

	Finance lease	Bank loans	Convertible notes	Loans from related parties	Total
More than 5 years	-	128,367	-	-	128,367
Between 1 and 5 years	18,509	990,739	130,396	-	1,139,644
More than 1 year	18,509	1,119,107	130,396	-	1,268,012
Less than 1 year	8,986	159,582	-	-	168,568
At 1 January 2011	27,495	1,278,689	130,396	-	1,436,580
New loans	-	95,500	-	-	95,500
Scheduled repayments	-8,986	-144,426	-	-	-153,412
Early repayments	-	-17,227	-	-	-17,227
Refinancing	-	-	-	-	-
Business combinations	-	-	-	-	-
Disposals of subsidiaries	-	-	-	-	-
Transfers	-	-	-	-	-
Translation differences	-	-	-	-	-
Other changes	-	-6,164	4,060	-	-2,104
Balance at 31 December 2011	18,509	1,206,372	134,456	-	1,359,337
More than 5 years	-	97,150	-	-	97,150
Between 1 and 5 years	8,616	948,954	134,456	-	1,092,026
More than 1 year	8,616	1,046,104	134,456	-	1,189,176
Less than 1 year	9,893	160,268	-	-	170,161
Balance at 31 December 2011	18,509	1,206,372	134,456	-	1,359,337

	Finance lease	Bank loans	Convertible notes	Loans from related parties	Total
More than 5 years	-	97,150	-	-	97,150
Between 1 and 5 years	8,616	948,954	134,456	-	1,092,026
More than 1 year	8,616	1,046,105	134,456	-	1,189,177
Less than 1 year	9,894	160,268	-	-	170,162
At 1 January 2012	18,510	1,206,373	134,456	-	1,359,339
New loans	-	763,313	-	-	763,313
Scheduled repayments	-18,510	-103,516	-	-	-122,026
Early repayments	-	-712,351	-6,800	-	-719,151
Refinancing	-	-	-	-	-
Business combinations	-	-	-	-	-
Disposals of subsidiaries	-	-	-	-	-
Transfers	-	-	-	-	-
Translation differences	-	-	-	-	-
Other changes	-	1,566	5,038	-	6,604
Balance at 31 December 2012	-	1,155,385	132,694	-	1,288,079
More than 5 years	-	59,053	-	-	59,053
Between 1 and 5 years	-	927,995	132,694	-	1,060,689
More than 1 year	-	987,048	132,694	-	1,119,742
Less than 1 year	-	168,336	-	-	168,336
Balance at 31 December 2012	-	1,155,384	132,694	-	1,288,078

Bank Loans

In October 2008, a joint venture formed between Euronav and its partner concluded a **USD 500 million senior secured credit facility**. The facility consists of a term loan of USD 180 million which was used to finance the acquisition of the TI Asia and the TI Africa respectively from Euronav and OSG and a project finance loan of USD 320 million which has been used to finance the conversion of the above mentioned vessels into FSO. Following the termination of the original service contract related to the FSO Africa and the signature of a new contract for the FSO Africa with the same client the Tranche of the facility related to FSO Africa was restructured. The tranche related to FSO Asia matures in 2017 and has a rate of Libor + a margin of 1.15%. The tranche related to FSO Africa matures in 2013 and has a rate of Libor + a margin of 2.25%. The total amount drawn under this facility (Euronav share) on 31 December 2012 was USD 123,162,750.

In the course of 2008, several joint venture companies formed between Euronav and a partner to build a total of 4 Suezmax Vessels have concluded pre and post-delivery senior secured credit facilities.

In April 2009, Euronav concluded a **USD 300 million senior secured credit facility**. The facility consists of a term loan of USD 300 million for the purpose of financing 2 VLCC and 4 Suezmax. The facility has a maturity of 5 years at a rate equal to Libor increased with a margin of 2.50%. The total amount drawn under this facility on 31 December 2012 was 231,433,333.

EURONAV

Notes to the consolidated financial statements for the year ended 31 December 2012

Note 12 - Interest-bearing loans and borrowings (continued)

In June 2011, Euronav concluded a USD 750 million forward start senior secured credit facility. The main purpose of this facility was to repay and retire the USD 1,600 million facility signed in April 2005. The credit facility comprises of (i) a \$250 million non-amortising revolving credit facility and (ii) a \$500 million term loan facility. The credit facilities have 6 years maturity as from the date of signing at a rate of LIBOR +225 bps and have the same financial covenants as the existing facilities. On the closing date the facilities were secured by 22 of the wholly-owned vessels of the company's fleet, comprising of 1 ULCC, 7 VLCCs, 14 Suezmaxes. On 19 March 2012, Euronav drew down part of the revolving credit facility (RCF) and the full term loan under these facilities. Following the sale of the Algarve in October 2012, the term loan facility was prepaid with an amount of USD 18.6 million and the non-amortising revolving loan facility was reduced by 10.2 million.

Convertible Notes

On 24 September 2009, Euronav issued USD 150 million fixed rate senior unsecured convertible notes, due 2015. The Notes were issued at 100 per cent of their principal amount and bear interest at a rate of 6.5 per cent per annum, payable semi-annually in arrears. The initial conversion price is EUR 16,28375 (or USD 23,16852 at EUR/USD exchange rate of 1,4228) per share and was set at a premium of 25 per cent to the volume weighted average price of Euronav's ordinary shares on Euronext Brussels on 3 September 2009. If all of the Notes were to be converted into new ordinary shares at the initial conversion price, 6,474,307 new ordinary shares would be issued, representing 11,12% of Euronav's share capital on a fully diluted basis.

The Notes are convertible between 4 November 2009 and 24 January 2015 into ordinary shares of Euronav at the conversion price applicable at such conversion date and in accordance with the conditions set out in a trust deed in relation to the Notes. Unless previously redeemed, converted or purchased and cancelled, the Notes will be redeemed in cash on 31 January 2015 at 100 per cent of their principal amount.

The Notes were added to the official list of the Luxembourg Stock Exchange and are traded on the Luxembourg Stock Exchange's Euro MTF Market.

In the course of the first quarter 2012, the company bought back 68 notes of its USD 150 million fixed rate senior unsecured convertible notes, due 2015. The face value of each bond is USD 100,000 and the company paid an average of USD 78,441.

(see also note 24)

in thousands of USD

Carrying amount of liability at 31 December 2011	134,456
Interest	4,035
Amortisation of transaction costs	315
Buyback of Convertible Note	-6,112
Carrying amount of liability at 31 December 2012	132,694

Short-term loans

in thousands of USD

	2012	2011
Current portion of long-term loans	168,336	170,162
Bank overdrafts and credit lines	-	-
Short-term loans from related parties	-	-
Total	168,336	170,162

Finance lease liabilities

Finance lease liabilities are payable as follows:

in thousands of USD

	2012			2011		
	Minimum lease payments	Interest	Principal	Minimum lease payments	Interest	Principal
Less than one year	-	-	-	11,172	1,279	9,893
Between one and five years	-	-	-	8,944	328	8,616
More than five years	-	-	-	-	-	-
Total	-	-	-	20,116	1,607	18,509

Undrawn borrowing facilities

At 31 December 2012, the Group has undrawn borrowing facilities amounting to EUR 55,000,000 (2011: EUR 55,000,000). At the same date, an amount of USD 54,780,237 (2011: USD 57,793,897) was undrawn on the non-amortising revolving loan facility.

Terms and debt repayment schedule

The terms and conditions of outstanding loans were as follows:

in thousands of USD

	Currency	Nominal interest rate	Year of maturity	31 December 2012			31 December 2011		
				Face value	Fair value	Carrying value	Face value	Fair value	Carrying value
Secured vessels loan*	USD	libor +0.80%	2013*	-	-	-	137,886	137,886	137,886
Secured vessels loan*	USD	libor +0.80%	2013*	-	-	-	125,865	125,865	125,865
Secured vessels loan	USD	libor +2.25%	2017	436,400	436,400	432,505	500,000	500,000	-
Secured vessels Revolving loan*	USD	libor +0.80%	2013*	-	-	-	487,794	487,794	423,808
Secured vessels Revolving loan**	USD	libor +2.25%	2017	239,780	239,780	185,000	250,000	250,000	-
Secured vessels loan	USD	libor +2.50%	2014	231,433	231,433	231,433	251,433	251,433	251,433
Secured vessels loan	USD	libor +2.95%	2017	62,850	62,850	62,540	65,000	65,000	-
Secured FSO loan	USD	libor +1.15%	2017	91,287	91,287	91,287	103,093	103,093	103,093
Secured FSO loan	USD	libor +2.25%	2013	31,875	31,875	31,875	44,375	44,375	44,375
Secured Vessel loan in JV	USD	libor +2.70%	2018	13,125	13,125	12,969	16,625	16,625	16,442
Secured Vessel loan in JV	USD	libor +0.80%	2017	9,749	9,749	9,749	11,916	11,916	11,916
Secured Vessel loan in JV	USD	libor +1.6%	2020	29,875	29,875	29,875	31,850	31,850	31,850
Secured Vessel loan in JV	USD	libor +1.1%	2020	23,235	23,235	23,235	25,016	25,016	25,016
Secured Vessel loan in JV	USD	libor+1,15%	2019	22,511	22,511	22,511	24,000	24,000	16,875
Secured Vessel loan in JV	USD	libor+1,225%	2016	22,406	22,406	22,406	24,000	24,000	17,813
Unsecured convertible notes	USD	6.50%	2015	150,000	124,328	132,694	150,000	114,345	134,456
Unsecured bank facility	EUR	euribor +1,00%	2013	55,000	55,000	-	55,000	55,000	-
Finance lease liabilities	USD	9.79%	2013	-	-	-	18,509	15,779	18,509
Total interest-bearing liabilities				1,419,526	1,393,854	1,288,079	2,322,362	2,283,977	1,359,337

The face value is the maximum amount that can be drawn down on a particular loan if certain conditions are met. The carrying value is the current amount drawn down on 31 December 2012, except for the convertible notes (see note table above). Amounts available under loan facilities are related to the market value of the securing vessels.

The carrying amount of the vessel loans can be reduced if the value of the collateralized vessels falls under a certain percentage of the outstanding amount under that loan

* The facility with maturity 2013 was entirely repaid upon the drawdown of the USD 750 million Term loan facility and Revolving credit facility

** The total amount available under the Revolving Credit Facility depends on the total value of the fleet of tankers securing the facility.

Note 13 - Non-current other payables

in thousands of USD

	Other payables
More than 5 years	19,322
Between 1 and 5 years	11,019
Balance at 31 December 2011	30,341

	Other payables
More than 5 years	-
Between 1 and 5 years	64,233
Balance at 31 December 2012	64,233

The amount of Other payables represents the long-term portion of amounts payable in relation to Interest Rate Swaps (see also Note 16) and sellers credit obtained by the Company.

EURONAV

Notes to the consolidated financial statements for the year ended 31 December 2012

Note 14 - Employee benefits

The amounts recognised in the balance sheet are as follows:

in thousands of USD

	2012	2011
Present value of funded obligations	-1,294	-1,276
Fair value of plan assets	911	988
	-383	-288
Present value of unfunded obligations	-1,732	-1,545
Unrecognised actuarial gains/(losses)	-	-
Unrecognised past service cost	-	-
Net liability	-2,115	-1,833
Amounts in the balance sheet:		
Liabilities	-2,115	-1,832
Assets	-	-
Net liability	-2,115	-1,832

Liability for defined benefit obligations

The group makes contributions to three defined benefit plans that provide pension benefits for employees upon retirement.

One plan - the Belgian plan - is fully insured through an insurance company. The second and third - French and Greek plan - is uninsured and unfunded

The group expects to contribute the following amount to its defined benefit pension plan in 2013: 162,554

EURONAV

Notes to the consolidated financial statements for the year ended 31 December 2012

Note 15 - Trade and other payables - Current

in thousands of USD

	2012	2011
Trade payables	14,756	18,216
Staff costs	2,324	1,392
Dividends payable	14	60
Derivatives	-	-
Accrued expenses	33,704	37,910
Deferred income	13,329	15,066
Other payables	77,307	6,173
Total	141,434	78,817

The amount under other payables relates to the reclassification of the Cap Isabella from assets under construction to asset held for sale and the corresponding outstanding capital expenditure, combined with the option fee received in cash to sell both the Antarctica (2000 - 315,981 dwt) and the Olympia (2008 - 315,981 dwt) for delivery latest first half 2015.

EURONAV

Notes to the consolidated financial statements for the year ended 31 December 2012

Note 16 - Financial instruments - Market and other risks

In the course of its normal business, the Group is exposed to market, credit, interest rate and currency risks. The Group uses various derivative financial instruments to hedge its exposure to fluctuations in market rates, exchange rates and interest rates. We also refer to the risk section of the annual report where we have defined the risk associated to our business.

Market risk

The Spot Tanker freight market is one of the most volatile markets in the world and the company cannot predict what the market will be. In order to manage the risk associated to this volatility, the company has adopted a balanced strategy of operating part of its fleet on the spot market and the other part under fixed time charter contract. The proportion of vessels operated on the spot will vary according to the many factors affecting both the spot and fixed time charter contract markets. For more details on this policy and the risks associated with our business, we refer to Section 5 of the Corporate Governance Statement chapter of the Annual Report.

A Spot tanker freight market (VLCC and Suezmax) increase (decrease) of 1.000 USD per day would have increased (decreased) 2012 profit or loss

	Profit or loss	
	1000 usd increase	1000 usd decrease
<i>effect in thousands of USD</i>	7,149	-7,149

Credit risk

The Group has no formal credit policy. Credit evaluations - when necessary - are performed on an ongoing basis. At the balance sheet date there were no significant concentrations of credit risk. In particular, the clients representing 18% and 13% of turnover (see Note 1) only represents 1.46% of the total trade and other receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet.

The ageing of trade and other receivables is as follows:

<i>in thousands of USD</i>	2012	2011
Not past due	89,436	96,649
Past due 0-30 days	181	561
Past due 31-365 days	8,287	8,288
More than one year	740	380
Total	98,644	105,878

Past due amounts are not impaired when collection is still considered to be likely, for instance if management is confident the outstanding amounts can be recovered. It is worth noting that 31.72% of the total relates to TI Pool which is paid after completion of the voyages but which only deals with oil majors, national oil companies and other actors of the oil industry whose credit worthiness is very high.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Despite the crisis on the financial markets since the summer of 2008, the liquidity risk of the Group remains under control. The sources of finance have been diversified with the first issuance of a convertible bond in September 2009 and the bulk of the loans are irrevocable, long-term and maturities are spread over different years.

The following are the contractual maturities of financial liabilities:

Non derivative financial liabilities

<i>in thousands of USD</i>	Finance lease	Bank loans	Convertible notes	Bank overdraft
More than 5 years	-	107,070	-	-
Between 1 and 5 years	8,944	1,022,931	170,328	-
Less than 1 year	11,172	188,552	9,750	-
At 31 December 2011	20,116	1,318,553	180,078	-

	Finance lease	Bank loans	Convertible notes	Bank overdraft
More than 5 years	-	61,330	-	-
Between 1 and 5 years	-	983,705	160,578	-
Less than 1 year	-	197,199	9,750	-
At 31 December 2012	-	1,242,234	170,328	-

EURONAV

Notes to the consolidated financial statements for the year ended 31 December 2012

Note 16 - Financial instruments - Market and other risks (continued)

Derivative financial liabilities

<i>in thousands of USD</i>	Interest rate swaps	Forward exchange contracts	Forward freight agreements
More than 5 years	-20,097	-	-
Between 1 and 5 years	-10,749	-	-
Less than 1 year	-4,673	-46	-
At 31 December 2011	-35,519	-46	-

	Interest rate swaps	Forward exchange contracts	Forward freight agreements
More than 5 years	-	-	-
Between 1 and 5 years	-24,933	-	-
Less than 1 year	-	-154	-
At 31 December 2012	-24,933	-154	-

Interest rate risk

The Group hedges part of its exposure to changes in interest rates on borrowings. All borrowings contracted for the financing of vessels are on the basis of a floating interest rate, increased by a margin. The Group uses various interest rate related derivatives (IRS, caps and floors) to achieve an appropriate mix of fixed and floating rate exposure as defined by the Group.

The Group, through several of its JV companies in connection to the FSO conversion project of the *TI Asia* and *TI Africa* has also entered in two Interest Rate Swap instruments for a combined notional value of USD 480 million (Euronav's share amounts to 50%). These IRSs are used to hedge the risk related to any fluctuation of the Libor rate. Following the termination of the original service contract related to the FSO Africa and the consecutive reduction of financing, the hedge related to that tranche lost its qualification as hedging instruments in a cash flow hedge relationship under IAS 39. However the hedge related to the financing of *FSO Asia* still qualifies fully as hedging instruments in a cash flow hedge relationship under IAS 39. These instruments are measured at their fair value; effective changes in fair value are recognised in equity for the instrument that qualifies as hedging instrument and in profit or loss accounts for the portion that does not qualify as hedging instrument. The two IRS have a duration of 8 years starting respectively in July 2009 and September 2009 for FSO Asia and FSO Africa. As such the cash flows from these IRSs are expected to occur and affect profit or loss as from 2009 throughout 2017. Fair value at year end USD -17.358.095 (2011: USD -19.322.000)

The Group, in connection to the USD 300 million facility raised in April 2009 has also entered in several Interest Rate Swap instruments for a combined notional value of USD 300 million. These IRSs are used to hedge the risk related to any fluctuation of the Libor rate and qualify for hedging instruments in a cash flow hedge relationship under IAS 39. These instruments are measured at their fair value; effective changes in fair value are recognised in equity and the ineffective changes in fair value are recognised in profit or loss. These IRS have a duration of 5 years matching the repayment profile of that facility. As such the cash flows from these IRSs are expected to occur and affect profit or loss as from 2009 throughout 2014. Fair value at year end USD -6.721.015 (2011: USD -10.591.000)

The senior unsecured convertible bond loan of USD 150 million, was issued at a fixed rate of 6.5% per annum.

At the reporting date the interest rate profile of the Group's interest-bearing financial liabilities was:

<i>in thousands of USD</i>	Carrying amount	
	2012	2011
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	132,694	152,966
	132,694	152,966
Variable rate instruments		
Financial liabilities	1,155,384	1,206,373

EURONAV

Notes to the consolidated financial statements for the year ended 31 December 2012

Note 16 - Financial instruments - Market and other risks (continued)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss nor equity.

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2012.

<i>effect in thousands of USD</i>	Profit or loss		Equity	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
31 December 2011				
Variable rate instruments	-5,987	5,987	-	-
Interest rate swaps	1,765	-1,816	4,266	-4,355
Cash flow sensitivity (net)	-4,222	4,171	4,266	-4,355
31 December 2012				
Variable rate instruments	-6,102	6,102	-	-
Interest rate swaps	1,335	-1,353	2,629	-2,260
Cash flow sensitivity (net)	-4,767	4,749	2,629	-2,260

Currency risk

The Group's exposure to currency risk is related to its operational expenses (excluding depreciations) expressed in Euros. In 2012 about 51% (2011: 61%) of the Group's total operational expenses were incurred in Euros.

Sensitivity analysis

A 10 percent strengthening of the EUR against the USD at 31 December would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

<i>in thousands of USD</i>	2012	2011
Equity	442	545
Profit or loss	-7,794	-8,995

A 10 percent weakening of the EUR against the USD at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Capital management

Euronav is continuously optimising its capital structure (mix between debt and equity). The main objective is to maximise shareholder value while keeping the desired financial flexibility to execute the strategic projects. Some of the company's other key drivers when making capital structure decisions are pay-out restrictions and the maintenance of the strong financial health of the Company. Besides the statutory minimum equity funding requirements that apply to the Group's subsidiaries in the various countries, the Company is also subject to covenants in relation to some of its senior secured credit facilities: the ratio of stockholders' Equity to total assets should be no less than 30% and has been met at year end. When analysing the Company's capital structure, the same debt/equity classification as applied in the IFRS reporting is used. Within this context, the company concluded a convertible notes offering in September 2009 (see note 12).

Fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial assets and liabilities used throughout this note.

All fair values used are Level 2 fair values.

Investments in equity and debt securities

The fair value of financial assets is mainly determined by reference to their quoted close price at the reporting date.

Derivatives

The fair value of FFAs, forward exchange contracts and interest rate swaps is based on information as prepared by the financial institution with whom the derivatives in question have been contracted.

Non-derivative financial liabilities

Fair value is equal to the carrying amounts.

Trade and other receivables

Fair value is equal to the carrying amount.

EURONAV

Notes to the consolidated financial statements for the year ended 31 December 2012

Note 17 - Operating leases

Leases as lessee

The Group leases in some of its vessels under time charter and bare boat agreements (operating leases). The future minimum lease payments with an average duration of 8 months under non-cancellable leases are as follows:

<i>in thousands of USD</i>	2012	2011
Less than 1 year	-19,301	-23,319
Between 1 and 5 years	-7,889	-19,649
More than 5 years	-	-
Total	-27,190	-42,968

On some of the abovementioned vessels the Group has the option to extend the charter period. These option periods have not been taken into account when calculating the future minimum lease payments.

Non-cancellable operating lease rentals for office space with an average duration of 7 year and 5 months are payable as follows:

<i>in thousands of USD</i>	2012	2011
Less than 1 year	-1,145	-642
Between 1 and 5 years	-3,814	-983
More than 5 years	-783	-12
Total	-5,742	-1,637

Lease contracts of London, Antwerp and Hellas office renewed during 2012

Leases as lessor

The Group leases out some of its vessels under time charter agreements (operating leases). The future minimum lease receivables with an average duration of 1 years and 1 months under non-cancellable leases are as follows:

<i>in thousands of USD</i>	2012	2011
Less than 1 year	179,284	177,529
Between 1 and 5 years	314,074	270,992
More than 5 years	-	17,833
Total	493,358	466,354

On some of the abovementioned vessels the Group has granted the option to extend the charter period. These option periods have not been taken into account when calculating the future minimum lease receivables.

Non-cancellable operating lease rentals for office space with an average duration of 1 month are receivable as follows:

<i>in thousands of USD</i>	2012	2011
Less than 1 year	32	-
Between 1 and 5 years	-	-
More than 5 years	-	-
Total	32	-

EURONAV

Notes to the consolidated financial statements for the year ended 31 December 2012

Note 18- Provisions & Contingencies

The Group is involved in a number of disputes in connection with its day-to-day activities, both as claimant and defendant. Such disputes and the associated expenses of legal representation are covered by insurance. Moreover, they are not of a magnitude that lies outside the ordinary, and their scope is not of such a nature that they could jeopardise the Group's financial position.

Note 19 - Related parties

Identity of related parties

The Group has a related party relationship with its subsidiaries (see note 20) and joint ventures (see note 21) and with its directors and executive officers.

Transactions with key management personnel

The total amount of the remuneration paid to all non-executive directors for their services as members of the board and committees (if applicable) is as follows:

<i>in thousands of EUR</i>	2012	2011
Total remuneration	1,040	1,049

The nominating and remuneration committee annually reviews the remuneration of the members of the executive committee. The remuneration (excluding the CEO) consists of a fixed and a variable component and can be summarised as follows:

<i>in thousands of EUR</i>	2012	2011
Total fixed remuneration	938	1,277
of which		
Cost of pension	32	98
Other benefits	52	23
Total variable remuneration	225	268

All amounts mentioned refer to the executive committee in its official composition throughout 2012.

The remuneration of the CEO can be summarised as follows:

<i>in thousands of GBP</i>	2012	2011
Total fixed remuneration	336	358
of which		
Cost of pension	50	50
Other benefits	10	10
Total variable remuneration	61	41

In the course of 2012 no stock options on Euronav shares, loans or advances were granted to any of the directors or officers

Relationship with CMB

Although there are no direct links between the Group and CMB the latter renders some administrative and general services on an at arms' length basis. In 2012 CMB invoiced a total amount of USD 265.000 (2011: USD 362.000).

Relationship with Saverco

Saverco has rendered some services on an at arms' length basis to Euronav. In 2012, Saverco invoiced a total amount of USD 27.000 (2011 : USD 0)

Transactions with subsidiaries and joint ventures

The Group is 50% owner of the VLCC Ardenne Venture and until September 2012 time chartered-in the ship for 100% and traded her on the spot market via the Tankers International (TI) pool. The ship continues to be traded in the TI pool but directly from its joint-ownership company and Euronav does no longer time-charter her in.

The Group has supplied funds in the form of shareholder's advances to some of its Joint Venture subsidiaries at pre-agreed conditions which are always similar for the other party involved in the Joint Venture in question. (see note 21)

Guarantees

The Group has provided guarantees to financial institutions that have provided bank debts to most of its subsidiaries and/or Joint Ventures

EURONAV

Notes to the consolidated financial statements for the year ended 31 December 2012

Note 20 - Group entities

	Country of incorporation	Consolidation method	Ownership interest	
			2012	2011
Africa Conversion Corp.	Marshall Islands	proportional	50.00%	50.00%
Asia Conversion Corp.	Marshall Islands	proportional	50.00%	50.00%
Euronav (UK) Agencies Limited	UK	full	100.00%	100.00%
Euronav Luxembourg SA	Luxembourg	full	100.00%	100.00%
Euronav nv	Belgium	full	100.00%	100.00%
<i>Euronav Hellas (branch office)</i>				
Euronav sas	France	full	100.00%	100.00%
Euronav Ship Management sas	France	full	100.00%	100.00%
Euronav Ship Management Ltd	Liberia	full	100.00%	100.00%
<i>Euronav Ship Management Hellas (branch office)</i>				
Euronav Hong Kong	Hong Kong	full	100.00%	100.00%
Euro-Ocean Shipmanagement (Cyprus) Ltd	Cyprus	full	100.00%	100.00%
Fiorano Shipholding Ltd	Hong Kong	proportional	50.00%	50.00%
Front Tobago Inc	Liberia	proportional	30.00%	30.00%
Fontvieille Shipholding Ltd	Hong Kong	proportional	50.00%	50.00%
Great Hope Enterprises Ltd	Hong Kong	proportional	50.00%	50.00%
Kingswood Co. Ltd	Marshall Islands	proportional	50.00%	50.00%
Larvotto Shipholding Ltd	Hong Kong	proportional	50.00%	50.00%
Moneghetti Shipholding Ltd	Hong Kong	proportional	50.00%	50.00%
Seven Seas Shipping Ltd	Marshall Islands	proportional	50.00%	50.00%
TI Africa Ltd	Hong Kong	proportional	50.00%	50.00%
TI Asia Ltd	Hong Kong	proportional	50.00%	50.00%

Note 21 - Interest in joint ventures

The Group has several interests in joint ventures. Included in the consolidated financial statements are the following items that represent the Group's interest in assets and liabilities, revenues and expenses of the joint ventures:

Statement of financial position

in thousands of USD

	2012				2011			
	Subsidiaries & associates	Joint ventures	Eliminations	Total	Subsidiaries & associates	Joint ventures	Eliminations	Total
ASSETS								
NON-CURRENT ASSETS	1,976,001	470,893	381,446	2,065,448	2,055,933	452,113	348,604	2,159,442
Property, plant and equipment	1,593,503	468,560	-	2,062,063	1,706,703	452,113	-	2,158,816
Intangible assets	78	-	-	78	241	-	-	241
Financial assets	381,457	2,333	381,446	2,344	348,784	-	348,604	180
Deferred tax assets	963	-	-	963	205	-	-	205
CURRENT ASSETS	247,425	51,918	1,912	297,431	257,318	42,218	7,662	291,874
TOTAL ASSETS	2,223,426	522,811	383,358	2,362,879	2,313,251	494,331	356,266	2,451,316
EQUITY & LIABILITIES								
EQUITY	1,007,121	-140,102	-1	867,020	1,132,057	-151,069	-	980,988
Equity attributable to equity holders of the Company	1,007,121	-140,102	-1	867,020	1,132,057	-151,069	-	980,988
Non-controlling interest	-	-	-	-	-	-	-	-
NON-CURRENT LIABILITIES	972,537	595,000	381,448	1,186,089	983,597	598,788	361,036	1,221,349
Loans and borrowings	933,547	567,642	381,448	1,119,741	970,746	579,466	361,036	1,189,176
Non-current other payables	36,875	27,358	-	64,233	11,019	19,322	-	30,341
Deferred tax liabilities	-	-	-	-	-	-	-	-
Employee benefits	2,115	-	-	2,115	1,832	-	-	1,832
Provisions	-	-	-	-	-	-	-	-
CURRENT LIABILITIES	243,768	67,913	1,911	309,770	197,597	46,612	-4,770	248,979
TOTAL EQUITY & LIABILITIES	2,223,426	522,811	383,358	2,362,879	2,313,251	494,331	356,266	2,451,316

EURONAV

Notes to the consolidated financial statements for the year ended 31 December 2012

Note 21 - Interest in joint ventures (continued)

Income statement

in thousands of USD

	2012				2011			
	Subsidiaries & associates	Joint ventures	Eliminations	Total	Subsidiaries & associates	Joint ventures	Eliminations	Total
Turnover	320,836	95,342	5,477	410,701	326,315	75,046	6,904	394,457
Capital gains on disposal of vessels	10,067	-	-	10,067	22,153	-	-	22,153
Other operating income	10,478	243	220	10,501	5,773	490	173	6,090
Expenses for shipping activities	-210,558	-42,308	-5,693	-247,173	-212,459	-26,807	-7,077	-232,189
Capital losses on disposal of vessels	-32,080	-	-	-32,080	-25,501	-	-	-25,501
Depreciation and amortisation expense	-147,061	-30,452	-	-177,513	-142,571	-25,952	-	-168,523
Impairment losses (-) / reversals (+)	-	-	-	-	-	-	-	-
Staff costs	-16,070	-	-	-16,070	-15,581	-	-	-15,581
Other operating expenses	-18,616	-774	-4	-19,386	-19,885	-1,177	-	-21,062
Result from operating activities	-83,004	22,051	-	-60,953	-61,756	21,600	-	-40,156
Finance income	5,325	70	-	5,395	227	25	-5,443	5,695
Finance expenses	-51,931	-12,168	-	-64,099	-39,257	-15,726	6,425	-61,408
Net finance expense	-46,606	-12,098	-	-58,704	-39,030	-15,701	982	-55,713
Share of result of equity accounted investees	-	-	-	-	-	-	-	-
Result before income tax	-129,610	9,953	-	-119,657	-100,786	5,899	982	-95,869
Income tax expense	726	-	-	726	-118	-	-	-118
Result for the period	-128,884	9,953	-	-118,931	-100,904	5,899	982	-95,987
Attributable to:								
Owners of the Company	-128,884	9,953	-	-118,931	-100,904	5,899	982	-95,987
Non-controlling interest	-	-	-	-	-	-	-	-

EURONAV

Notes to the consolidated financial statements for the year ended 31 December 2012

Note 22 - Subsidiaries

In 2012 no new subsidiaries were established, nor were there any sales of subsidiaries.

Note 23 - Major exchange rates

The following major exchange rates have been used in preparing the consolidated financial statements:

1 XXX = x,xxxx USD	closing rates		average rates	
	2012	2011	2012	2011
EUR	1.3194	1.2939	1.2909	1.4031
GBP	1.6167	1.5490	1.5873	1.6066

Note 24 - Subsequent events

On 31 January, Euronav offered to its current notes holders to exchange their existing notes against a newly issued notes which have 3 additional years to maturity (until 31 January 2018), a lower conversion price and the same annual coupon of 6.5%. The Exchange Offer expired on 5 February 2013 and the principal amount of **Existing Convertible notes** that have been tendered for exchange was USD 125 million, representing a total of 1,250 **New Convertible notes** to be issued or more than 82% of the outstanding nominal amount of the Existing Convertible notes. This exchange enables Euronav to successfully push forward the maturity of USD 125 million of convertible debt by 3 years to 31 January 2018. Details of the transaction can be consulted on the website of the company. If all of the New Convertible Bonds were to be converted at maturity, 16,573,447 new ordinary shares would be issued. In case of a conversion before the fourth anniversary of the New Convertible note, an additional number of shares would be made available to compensate the unpaid coupons for the first four years. (details can be found on the website of the company).

In March, the company sold the Newbuilding Suezmax Cap Isabella (2013 – 157,648 dwt) for a selling price of USD 54,000,000. The vessel will be delivered to its new owner upon delivery from Samsung Heavy Industries due to happen by the end of March. The vessel will be taken back under bareboat charter for a fixed period of 2 years at a rate of \$10,750/day and with 3 options to extend the charter by a further year. In the event of a sale of the Vessel by the Owner during the currency of the Bareboat charter, the company will also share in the profit if the vessel value exceeds a certain threshold. As this transaction was signed before the announcement of the 2012 final figures and is the result of negotiations with various parties which started in the financial year 2012, the company will record the capital loss of USD -32 million still in 2012, in accordance with IFRS rules. More importantly, however, this transaction enables the company to eliminate its only remaining capital expenditure whilst using very limited cash to take delivery of the vessel.

Note 25 - Auditors fees

The worldwide audit and other fees in respect of services provided by statutory auditor KPMG can be summarised as follows:
in thousands of USD

	2012	2011
Audit services for the annual financial statements ..	-364	-410
Audit related services	-	-
Tax services	-40	-53
Other non-audit assignments	-20	-
Total	<u>-424</u>	<u>-463</u>

Note 26 - Statement on the true and fair view of the consolidated financial statements and the fair overview of the management report

The board of directors, represented by Marc Saverys, its Chairman, and the executive committee, represented by Patrick Rodgers, the CEO and Hugo De Stoop, the CFO hereby confirm that, to the best of their knowledge, the consolidated financial statements for the year ended 31 December 2012, which have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the entities included in the consolidation as a whole, and that the management report includes a fair overview of the important events that have occurred during the financial year and of the major transactions with the related parties, and their impact on the consolidated financial statements, together with a description of the principal risks and uncertainties they are exposed to.