



الوطنية للإجارة القابضة  
NATIONAL LEASING HOLDING

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Interim Condensed Consolidated Financial Statements  
30 June 2010

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الوطنية للإجارة  
NATIONAL LEASING



الوطنية للمعدات  
NATIONAL EQUIPMENT



الوطنية للتطوير العقاري  
NATIONAL PROPERTY DEVELOPMENT



الوطنية لليموزين  
NATIONAL LIMOUSINE



**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2010**

	Notes	30 June 2010	31 Dec 2009
		QR (Reviewed)	QR (Audited)
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents		471,081,286	592,930,529
Installments and Dues from Customers	3	782,477,342	605,786,597
Investments in financial assets	4	107,470,957	55,451,600
Inventory properties		514,925,345	469,251,808
Prepayments and other Debit Balances		19,600,373	13,879,080
Property and equipment		99,539,662	51,437,571
<b>Total Assets</b>		<b>1,995,094,965</b>	<b>1,788,737,185</b>
<b><u>LIABILITIES</u></b>			
Accounts Payables, Accruals and Other Credit Balances		106,698,169	19,601,550
Islamic Financing under Wakalah Arrangements		185,685,676	178,117,468
Notes Payable	5	1,151,055,756	1,052,440,792
<b>Total Liabilities</b>		<b>1,443,439,601</b>	<b>1,250,159,810</b>
<b><u>Shareholder's Equity</u></b>			
Share Capital		329,868,000	329,868,000
Legal Reserve		125,079,787	125,079,787
Proposed Dividend		--	65,973,600
Fair value reserve		(16,474,155)	(5,330,485)
Retained earnings		113,181,732	22,986,473
<b>Total Shareholder's Equity</b>		<b>551,655,364</b>	<b>538,577,375</b>
<b>Total liabilities and shareholder's equity</b>		<b>1,995,094,965</b>	<b>1,788,737,185</b>

*These interim condensed consolidated financial statements were approved by the Board of Directors on 6th July 2010 and signed on its behalf by:*

\_\_\_\_\_  
Falah Bin Jassim Bin Jabr Al-Thani  
Chairman

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Dr. Mohammed Asad Al-Emadi  
Chief Executive Officer

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.



**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME  
FOR THE PERIOD ENDED 30 JUNE 2010**

	For the three months ended 30 June 2010	For the three months ended 30 June 2009	For the six months ended 30 June 2010	For the six months ended 30 June 2009
	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)
<b>Income</b>				
Income from Core Business	114,820,956	39,162,272	193,870,027	74,047,611
Income from Investments and Deposits	8,227,656	3,301,524	21,166,727	5,697,223
Other income	32,790	--	32,790	1,413,249
<b>TOTAL INCOME</b>	<b>123,081,402</b>	<b>42,463,796</b>	<b>215,069,544</b>	<b>81,158,083</b>
<b>Expenses</b>				
Operating Expenses	(58,812,972)	(25,080,005)	(100,763,190)	(39,210,787)
General and Administration Expenses	(8,713,220)	(9,711,671)	(16,717,401)	(16,254,976)
Depreciation	(271,163)	(281,282)	(516,656)	(448,882)
Impairment of Available-for-sale Investment	--	--	--	(1,244,599)
Impairment allowance on dues from customers	(2,200,000)	--	(2,200,000)	--
<b>TOTAL EXPENSES</b>	<b>(69,997,355)</b>	<b>(35,072,958)</b>	<b>(120,197,247)</b>	<b>(57,159,244)</b>
<b>PROFIT FOR THE PERIOD</b>	<b>53,084,047</b>	<b>7,390,838</b>	<b>94,872,297</b>	<b>23,998,839</b>
Basic and diluted Earnings per share ( Note 10)	1.61	0.22	2.88	0.73

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 JUNE 2010**

	For the three months ended 30 June 2010	For the three months ended 30 June 2009	For the six months ended 30 June 2010	For the six months ended 30 June 2009
	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)
<b>Income</b>				
<b>Profit for the period</b>	<b>53,084,047</b>	<b>7,390,838</b>	<b>94,872,297</b>	<b>23,998,839</b>
<b>Other comprehensive income:</b>				
Changes in fair value reserve of available for sale investments	<b>(14,199,101)</b>	<b>8,870,403</b>	<b>(11,143,670)</b>	<b>4,141,298</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>38,884,946</b>	<b>16,261,241</b>	<b>83,728,627</b>	<b>28,140,137</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.



الوطنية للإجارة القابضة (ش.م.ق)  
NATIONAL LEASING HOLDING (Q.S.C)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2010

AMOUNTS IN QR	Share Capital	Legal Reserve	Proposed bonus shares	Proposed Dividend	Fair Value Reserve	Retained Earnings	Total
<b>Balance at January 1, 2009</b>	<b>299,880,000</b>	<b>116,058,881</b>	<b>29,988,000</b>	<b>14,994,000</b>	<b>(8,425,077)</b>	<b>7,771,923</b>	<b>460,267,727</b>
Dividends Paid (Note 6)	--	--	--	(14,994,000)	--	--	(14,994,000)
Bonus shares issued	29,988,000	--	(29,988,000)	--	--	--	--
Total Comprehensive Income for the period	--	--	--	--	4,141,298	23,998,839	28,140,137
<b>Balance at June 30, 2009</b>	<b>329,868,000</b>	<b>116,058,881</b>	<b>--</b>	<b>--</b>	<b>(4,283,779)</b>	<b>31,770,762</b>	<b>473,413,864</b>
	Share Capital	Legal Reserve	Proposed bonus shares	Proposed Dividend	Fair Value Reserve	Retained Earnings	Total
<b>Balance at January 1, 2010</b>	<b>329,868,000</b>	<b>125,079,787</b>	<b>--</b>	<b>65,973,600</b>	<b>(5,330,485)</b>	<b>22,986,473</b>	<b>538,577,375</b>
Dividends Paid (Note 6)	--	--	--	(65,973,600)	--	--	(65,973,600)
Provision for social contribution(Note 9)	--	--	--	--	--	(4,677,038)	(4,677,038)
Total comprehensive income for the period	--	--	--	--	(11,143,670)	94,872,297	83,728,627
<b>Balance at June 30, 2010</b>	<b>329,868,000</b>	<b>125,079,787</b>	<b>--</b>	<b>--</b>	<b>(16,474,155)</b>	<b>113,181,732</b>	<b>551,655,364</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2010**

	Six months ended 30 June 2010	Six months ended 30 June 2009
	QR (Reviewed)	QR (Reviewed)
<b>Cash flows from Operating Activities</b>		
Profit for the period	94,872,297	23,998,839
Adjustments for:		
Depreciation	7,087,726	6,617,373
Impairment of available for sale investments	--	1,244,599
Loss on sale of available for sale investments	1,586,532	--
Finance charges	6,064,758	--
<b>Operating Cash flows before changes in working capital</b>	<b>109,611,313</b>	<b>31,860,811</b>
<b>Changes in operating assets and liabilities</b>		
Installments and dues from customers	(176,690,745)	55,694,321
Prepayments and other debit balances & Inventories	(51,394,832)	(3,501,824)
Advances Received	--	168,342,055
Notes Payable	98,614,964	--
Accounts payables, accruals and other payables	82,419,586	10,654,829
<b>Net cash (used in) from operating activities</b>	<b>62,560,286</b>	<b>263,050,192</b>
<b>Cash flows from Investing Activities</b>		
Purchase of Property and Equipment	(55,189,821)	(8,896,969)
Purchase of available-for-sale investments	(164,577,433)	(4,744,284)
Proceeds from sale of available for sale investments	99,827,875	--
Acquisition of investment properties	--	(200,000)
<b>Net cash (used in) from investing activities</b>	<b>(119,939,379)</b>	<b>(13,841,253)</b>

.....(continued)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.



الوطنية للإجارة القابضة (ش.م.ق.)  
NATIONAL LEASING HOLDING (Q.S.C)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2010**

Continued.....

	Six months ended 30 June 2010	Six months ended 30 June 2009
	QR	QR
<b>Cash flow from financing activities</b>	<b>(Reviewed)</b>	<b>(Reviewed)</b>
Dividends paid	(65,973,600)	(14,994,000)
Proceeds from financing under Loan Arrangements	29,232,935	--
Repayment of financing under Loan Arrangements	(812,060)	--
Proceeds from financing under Wakalah Arrangements	7,500,000	--
Repayment of financing under Wakalah arrangements	(28,352,667)	(21,905,380)
Finance charges paid	(6,064,758)	--
<b>Net cash used in financing activities</b>	<b>(64,470,150)</b>	<b>(36,899,380)</b>
Net (Decrease) increase in cash and cash equivalents	(121,849,243)	212,309,559
<b>Cash and cash equivalents at the beginning of the period</b>	<b>592,930,529</b>	<b>110,713,519</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>471,081,286</b>	<b>323,023,078</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED  
30 JUNE 2010**

**1. INCORPORATION AND ACTIVITIES**

National Leasing Holding Company Q.S.C. ("the Company") is a public shareholding company incorporated in the State of Qatar in accordance with resolution No.35 issued on April 21, 2003 by the Ministry of Business and Trade. The Company is registered under commercial registration No. 26487 and is governed by the provisions of the Qatari Commercial Companies' Law No. 5 of 2002, and is listed at the Qatar Exchange.

The Company and its subsidiaries (together the 'Group') are engaged in leasing, real estate, property development, transportation and limousine services.

**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

The interim condensed consolidated financial statements for the six months ended 30 June 2010 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2009. The results for the six months ended 30 June 2010 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2010.

**Significant Accounting Policies**

The Account policies adopted is the preparation of the interim condensed consolidated financial statements are same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2009, except as noted below:

New Accounting Policy adopted during the period

The Group has adopted IAS 11 – Accounting for Construction Contracts for preparation of the Interim condensed consolidated financial statements for the six months ended 30 June 2010.

*IFRS 1 and IAS 27, Cost of an investment in a subsidiary, jointly-controlled entity or associate*

The amended standard allows first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removes the definition of the cost method from IAS 27 and requires an entity to present dividends from investments in subsidiaries, jointly controlled entities and associates as income in the separate financial statements of the investor.



*IFRS 3, 'Business combinations'*

The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of income. There is a choice, on an acquisition-by-acquisition basis, to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquirer's net assets. All acquisition-related costs should be expensed. The Group will apply IFRS 3 (revised) prospectively to all business combinations from 1 January 2010.

*IAS 27, 'Consolidated and separate financial statements'*

The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost; any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group will apply IAS 27 (revised) prospectively to transactions with non-controlling interests from 1 January 2010. In the future, this guidance will also tend to produce higher volatility in equity and/or earnings in connection with the acquisition of interests by the Group.

*IAS 39, 'Financial instruments: Recognition and measurement – Eligible hedged items'*

The amendment 'Eligible hedged items' was issued in July 2008. It provides guidance for two situations. On the designation of a one-sided risk in a hedged item, IAS 39 concludes that a purchased option designated in its entirety as the hedging instrument of a one-sided risk will not be perfectly effective. The designation of inflation as a hedged risk or portion is not permitted unless in particular situations. This will not give rise to any changes to the Group's financial statements.

*Improvements to IFRS*

'Improvements to IFRS' comprise amendments that result in accounting changes for presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. Most of the amendments are effective for annual periods beginning on or after 1 January 2009 and 1 January 2010 respectively, with earlier application permitted. No material changes to accounting policies are expected as a result of these amendments.

The following interpretations became effective in 2010, but were not relevant for the Group's operations:

IFRIC 17	Distribution of non cash assets to owners
IFRIC 18	Transfers of assets from customers



**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED  
30 JUNE 2010**

**3. INSTALLMENTS AND DUES FROM CUSTOMER**

	<b>30 June 2010</b>	<b>31 Dec 2009</b>
	<b>QR</b>	<b>QR</b>
	<b>(Reviewed)</b>	<b>(Audited)</b>
Gross Installments due from Leasing	<b>170,650,061</b>	194,497,622
Less: Deferred Profits of future Installments	<b>(26,134,943)</b>	(36,040,701)
Provision for Impairment	<b>(2,934,024)</b>	(734,024)
Net Installments due from Leasing	<b>141,581,094</b>	157,722,897
Gross Installments due from Property Sales	<b>750,225,637</b>	686,198,172
Less: Deferred Finance Income	<b>(110,853,434)</b>	(242,102,553)
Net Installments due from Property Sales	<b>639,372,203</b>	444,095,619
Transportation Services Dues	<b>1,119,200</b>	3,882,081
Limousine Services Dues	<b>404,845</b>	86,000
<b>Total Installments and Dues from Customers</b>	<b>782,477,342</b>	605,786,597

**4. INVESTMENTS IN FINANCIAL ASSETS**

**4.1 Available for Sale Investments**

	<b>30 June 2010</b>	<b>31 Dec 2009</b>
<u>At Fair Value</u>	<b>QR</b>	<b>QR</b>
	<b>(Reviewed)</b>	<b>(Audited)</b>
Opening Balance	<b>55,451,600</b>	30,473,089
Additions during the period	<b>164,577,434</b>	86,608,034
Disposals during the period	<b>(101,414,407)</b>	(63,479,517)
Net movement in fair value	<b>(11,143,670)</b>	1,849,994
Closing Balance	<b>107,470,957</b>	55,451,600

**4.2 Fair Value Reserve**

	<b>30 June 2010</b>	<b>31 Dec 2009</b>
	<b>QR</b>	<b>QR</b>
	<b>(Reviewed)</b>	<b>(Audited)</b>
Opening Balance	<b>(5,330,485)</b>	(8,425,077)
Net realized loss / (profit) on disposal of available for sale investments	<b>3,055,431</b>	2,551,327
Mark to market of available for sale investments	<b>(14,199,101)</b>	(701,334)
Impairment transferred to statement of income	--	1,244,599
Ending balance	<b>(16,474,155)</b>	(5,330,485)



**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010 (CONTINUED)**

**5. NOTES PAYABLE**

During the period ended 30 June 2010, the Group entered into an agreement with Qatari Diar for completing the Infrastructure development in the North Residential Villa and West Water Front of the Lusail land.

**6. DIVIDENDS PAID**

On 17 March 2010, the shareholders approved the cash dividend payment of QR.65,973,600 (QR.2 per share) (31 December 2008: cash dividend amounting to QR 14,994,000(QR 0.50 per share)).

**7. SEGMENT REPORTING**

Based on the nature of core activities of the business, the Group is segmented into major four operating segments. The major operating segments are given below with their respective revenue and analysis of Assets and Liabilities:

- Financial Leasing
- Real Estate Property Development
- Transportation
- Limousine services

The Group operates geographically in only one segment, being Doha-Qatar.

Segment revenue and segment result:

Details	Revenue		Result	
	6 months ended 30 June 2010	6 months ended 30 June 2009	6 months ended 30 June 2010	6 months ended 30 June 2009
	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)
Financial leasing	30,758,929	32,663,015	20,880,149	21,044,187
Transportation	21,888,343	46,458,138	1,611,838	3,774,471
Property Development	161,944,153	1,826,068	72,284,153	175,915
Limousine and Un-allocated	478,119	210,862	96,157	(995,734)
<b>Total</b>	<b>215,069,544</b>	<b>81,158,083</b>	<b>94,872,297</b>	<b>23,998,839</b>

Segment assets and liabilities:

Details	Assets		Liabilities	
	30 June 2010	31 Dec 2009	30 June 2010	31 Dec 2009
	QR (Reviewed)	QR (Audited)	QR (Reviewed)	QR (Audited)
Financial leasing	613,683,687	714,718,981	162,209,362	283,806,621
Transportation	100,966,689	84,269,828	3,096,071	4,600,498
Property Development	1,274,647,787	983,507,210	1,245,697,561	958,294,860
Limousine and Un-allocated	5,796,802	6,241,166	32,436,607	3,457,201
<b>Total</b>	<b>1,995,094,965</b>	<b>1,788,737,185</b>	<b>1,443,439,601</b>	<b>1,250,159,810</b>



## 8. CONTINGENT LIABILITY

	30 June 2010	31 Dec 2009
	QR (Reviewed)	QR (Audited)
Letter of guarantee for contract performance	8,640,000	8,640,000
Unutilised Wakalah arrangement from QNB	192,500,000	200,000,000

## 9. SOCIAL CONTRIBUTION

In accordance with Law no. 13 issued in the year 2008, the Group provided provision for Social Contributions equal to 2.5% of the net profit for the period. The Group remitted the social contribution for the year ended 31 December 2009 to the Director of Public revenue and Tax Department.

## 10. EARNINGS PER SHARE

	Three months Ended		Six months Ended	
	30-June-10 (Reviewed)	30-June-09 (Reviewed)	30-June-10 (Reviewed)	30-June-09 (Reviewed)
Net profit for the period in QR	53,084,047	7,390,838	94,872,297	23,998,839
Weighted average number of shares	32,986,800	32,986,800	32,986,800	32,986,800
<b>Earnings per share (QR)</b>	<b>1.61</b>	<b>0.22</b>	<b>2.88</b>	<b>0.73</b>

The weighted average numbers of shares have been calculated as follows:

	Three months Ended		Six Months Ended	
	30-June-10 (Reviewed)	30-June-09 (Reviewed)	30-June-10 (Reviewed)	30-June-09 (Reviewed)
Qualifying shares at the beginning of the period	32,986,800	29,988,000	32,986,800	29,988,000
Issue of bonus shares	---	2,998,800	---	2,998,800
<b>Balance at end of the period</b>	<b>32,986,800</b>	<b>32,986,800</b>	<b>32,986,800</b>	<b>32,986,800</b>