



الوطنية للإجارة القابضة
NATIONAL LEASING HOLDING

Interim Condensed Consolidated Financial Statements
30 September 2010



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 SEPTEMBER 2010

	Notes	30 September 2010	31 December 2009
		QR (Reviewed)	QR (Audited)
ASSETS			
Cash and Cash Equivalents		419,176,615	592,930,529
Installments and Dues from Customers	3	849,908,684	605,786,597
Investments in financial assets	4	94,630,000	55,451,600
Inventory properties		431,902,006	469,251,808
Prepayments and other Debit Balances		109,371,294	13,879,080
Property and Equipment		93,028,034	51,437,571
Total Assets		1,998,016,633	1,788,737,185
LIABILITIES			
Accounts Payables, Accruals and Other Credit Balances		152,215,071	19,601,550
Islamic Financing under Wakalah Arrangements		180,291,724	178,117,468
Notes Payable	5	1,051,888,269	1,052,440,792
Total Liabilities		1,384,395,064	1,250,159,810
Shareholder's Equity			
Share Capital		329,868,000	329,868,000
Legal Reserve		125,079,787	125,079,787
Proposed Dividend		--	65,973,600
Fair value reserve		(8,755,117)	(5,330,485)
Retained earnings		167,428,899	22,986,473
Total Shareholder's Equity		613,621,569	538,577,375
Total liabilities and shareholder's equity		1,998,016,633	1,788,737,185

These interim condensed consolidated financial statements were approved by the Board of Directors on 5th October 2010 and signed on its behalf by:

Sh.Falah Bin Jassim Bin Jabr Al-Thani
Chairman

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 SEPTEMBER 2010**

	For the three months ended 30 September 2010	For the three months ended 30 September 2009	For the nine months ended 30 September 2010	For the nine months ended 30 September 2009
	QR (Reviewed)	QR (Unreviewed)	QR (Reviewed)	QR (Unreviewed)
Income				
Income from Core Business	131,691,647	49,712,570	325,561,674	123,760,181
Income from Investments and Deposits	796,571	9,374,255	21,963,298	15,071,478
Other income	2,560	156,000	35,350	1,569,249
TOTAL INCOME	132,490,778	59,242,825	347,560,322	140,400,908
Expenses				
Operating Expenses	(67,986,498)	(15,787,109)	(168,749,688)	(48,829,405)
General and Administration Expenses	(7,558,584)	(11,567,781)	(24,275,985)	(27,822,757)
Depreciation	(198,530)	(3,555,157)	(715,185)	(10,172,530)
Impairment of Available-for- sale Investment		--		(1,244,599)
Impairment allowance on dues from customers	(2,500,000)	--	(4,700,000)	--
TOTAL EXPENSES	(78,243,612)	(30,910,047)	(198,440,858)	(88,069,291)
PROFIT FOR THE PERIOD	54,247,166	28,332,778	149,119,464	52,331,617
Basic and diluted Earnings per share (Note 10)	1.64	0.86	4.52	1.59

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



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

	For the three months ended 30 September 2010	For the three months ended 30 September 2009	For the nine months ended 30 September 2010	For the nine months ended 30 September 2009
	QR (Reviewed)	QR (Unreviewed)	QR (Reviewed)	QR (Unreviewed)
<u>Income</u>				
Profit for the period	54,247,166	28,332,778	149,119,464	52,331,617
Other comprehensive income:				
Changes in fair value reserve of available for sale investments	7,719,038	2,327,987	(3,424,632)	6,469,285
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	61,966,204	30,660,765	145,694,832	58,800,902

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

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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 SEPTEMBER 2010

AMOUNTS IN QR	Share Capital	Legal Reserve	Proposed bonus shares	Proposed Dividend	Fair Value Reserve	Retained Earnings	Total
Balance at January 1, 2009	299,880,000	116,058,881	29,988,000	14,994,000	(8,425,077)	7,771,923	460,267,727
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	--	--	--	--	6,469,285	52,331,617	58,800,902
Balance at September 30, 2009	329,868,000	116,058,881	--	--	(1,955,792)	60,103,540	504,074,629
AMOUNTS IN QR	Share Capital	Legal Reserve	Proposed bonus shares	Proposed Dividend	Fair Value Reserve	Retained Earnings	Total
Balance at January 1, 2010	329,868,000	125,079,787	--	65,973,600	(5,330,485)	22,986,473	538,577,375
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	--	--	--	--	(3,424,632)	149,119,464	145,694,832
Balance at September 30, 2010	329,868,000	125,079,787	--	--	(8,755,117)	167,428,899	613,621,569

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 SEPTEMBER 2010**

	Nine months ended 30 September 2010	Nine months ended 30 September 2009
	QR (Reviewed)	QR (Unreviewed)
Cash flows from Operating Activities		
Profit for the period	149,119,464	52,331,617
Adjustments for:		
Depreciation	10,353,194	10,172,530
Impairment allowance on dues from customers	4,700,000	--
Impairment of available for sale investments	--	1,244,599
(Gain)Loss on sale of available for sale investments	1,141,120	(300,461)
Finance charges	12,920,542	
Loss on sale of property and equipment	--	461,933
Net finance income on Lusail Land Transaction	--	(2,282,568)
Changes in operating assets and liabilities		
Installments and dues from customers	(268,864,657)	270,730,215
Prepayments and other debit balances & Inventories	(58,142,414)	(10,936,310)
Notes Payable	(5,252,523)	--
Accounts payables, accruals and other payables	152,679,566	11,490,492
Net cash (used in) from operating activities	(1,345,708)	332,912,047
Cash flows from Investing Activities		
Purchase of Property and Equipment	(51,943,656)	(9,032,784)
Purchase of available-for-sale investments	(181,790,702)	(29,740,138)
Proceeds from sale of available for sale investments	138,046,548	15,042,657
Proceeds from the sale of investment properties	--	183,153,348
Proceeds from the sale of properties and Equipment	--	29,187,012
Net cash (used in) from investing activities	(95,687,810)	188,610,095

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

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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.....

	Nine months ended 30 September 2010	Nine months ended 30 September 2009
	QR	QR
Cash flow from financing activities	(Reviewed)	(Un reviewed)
Dividends paid	(65,973,600)	(14,994,000)
Proceeds from financing under Loan Arrangements	29,232,934	--
Repayment of financing under Loan Arrangements	(2,436,180)	--
Proceeds from financing under Wakalah Arrangements	7,500,000	--
Repayment of financing under Wakalah arrangements	(32,123,008)	(29,023,006)
Finance charges paid	(12,920,542)	--
Net cash used in financing activities	(76,720,396)	(44,017,006)
Net (Decrease) increase in cash and cash equivalents	(173,753,914)	477,505,136
Cash and cash equivalents at the beginning of the period	592,930,529	110,713,519
Cash and cash equivalents at the end of the period	419,176,615	588,218,655

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

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
30 SEPTEMBER 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 nine months ended 30 September 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 nine months ended 30 September 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 nine months ended 30 September 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.

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

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 SEPTEMBER 2010**

3. INSTALLMENTS AND DUES FROM CUSTOMER

	30 September 2010	31 Dec 2009
	QR (Reviewed)	QR (Audited)
Gross Installments due from Leasing	154,804,128	194,497,622
Less: Deferred Profits of future Installments	(19,976,261)	(36,040,701)
Provision for Impairment	(5,434,024)	(734,024)
Net Installments due from Leasing	129,393,843	157,722,897
Gross Installments due from Property Sales	833,245,003	686,198,172
Less: Deferred Finance Income	(116,556,237)	(242,102,553)
Net Installments due from Property Sales	716,688,766	444,095,619
Transportation Services Dues	3,421,032	3,882,081
Limousine Services Dues	405,043	86,000
Total Installments and Dues from Customers	849,908,684	605,786,597

4. INVESTMENTS IN FINANCIAL ASSETS

4.1 Available for Sale Investments

	30 September 2010	31 Dec 2009
<u>At Fair Value</u>	QR (Reviewed)	QR (Audited)
Opening Balance	55,451,600	30,473,089
Additions during the period	181,790,702	86,608,034
Disposals during the period	(139,187,670)	(63,479,517)
Net movement in fair value	(3,424,632)	1,849,994
Closing Balance	94,630,000	55,451,600

4.2 Fair Value Reserve

	30 September 2010	31 Dec 2009
	QR (Reviewed)	QR (Audited)
Opening Balance	(5,330,485)	(8,425,077)
Net realized loss / (profit) on disposal of available for sale investments	3,055,431	2,551,327
Mark to market of available for sale investments	(6,480,063)	(701,334)
Impairment transferred to statement of income	--	1,244,599
Ending balance	(8,755,117)	(5,330,485)



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

5. NOTES PAYABLE

During the period ended 30 September 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	
	9 months ended 30 September 2010	9 months ended 30 September 2009	9 months ended 30 September 2010	9 months ended 30 September 2009
	QR (Reviewed)	QR (Un reviewed)	QR (Reviewed)	QR (Un reviewed)
Financial leasing	38,684,962	31,679,121	23,991,585	29,603,298
Transportation	30,939,495	64,249,570	2,995,278	3,703,122
Property Development	276,791,612	18,484,335	125,643,317	20,024,852
Limousine and Un-allocated	1,144,253	25,987,882	(3,510,716)	(999,655)
Total	347,560,322	140,400,908	149,119,464	52,331,617

Segment assets and liabilities:

Details	Assets		Liabilities	
	30 September 2010	31 Dec 2009	30 September 2010	31 Dec 2009
	QR (Reviewed)	QR (Audited)	QR (Reviewed)	QR (Audited)
Financial leasing	604,945,691	714,718,981	143,068,455	283,806,621
Transportation	101,481,958	84,269,828	3,300,363	4,600,498
Property Development	1,363,263,492	983,507,210	1,291,347,646	958,294,860
Limousine and Un-allocated	(71,674,508)	6,241,166	(53,321,400)	3,457,201
Total	1,998,016,633	1,788,737,185	1,384,395,064	1,250,159,810



8. CONTINGENT LIABILITY

	30 September 2010	31 Dec 2009
	QR (Reviewed)	QR (Audited)
Letter of guarantee for contract Performance	8,640,000	8,640,000
Unutilised Wakalah arrangement	Nil	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		Nine months Ended	
	30 Sep 2010 (Reviewed)	30 Sep 2009 (Un reviewed)	30 Sep 2010 (Reviewed)	30 Sep 2009 (Un reviewed)
Net profit for the period in QR	54,247,166	28,332,778	149,119,464	52,331,617
Weighted average number of shares	32,986,800	32,986,800	32,986,800	32,986,800
Earnings per share (QR)	1.64	0.86	4.52	1.59

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

	30 Sep 2010 (Reviewed)	30 Sep 2009 (Un reviewed)	30 Sep 2010 (Reviewed)	30 Sep 2009 (Un 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
Balance at end of the period	32,986,800	32,986,800	32,986,800	32,986,800