

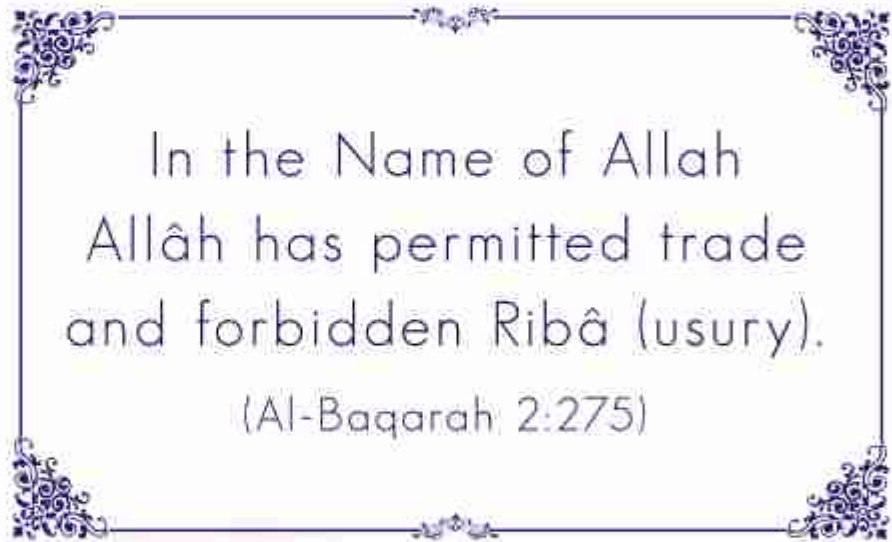
الإجارة
ALIJARAH
HOLDING



ANNUAL
REPORT
2010



In The Name Of Allah
The Most Gracious, The Most Merciful



In the Name of Allah
Allâh has permitted trade
and forbidden Ribâ (usury).

(Al-Baqarah 2:275)



We are indebted to:



His Highness
Sheikh Tamim Bin Hamad Bin Khalifa Al-Thani
Heir Apparent



His Highness
Sheikh Hamad Bin Khalifa Al-Thani
Emir of the State of Qatar

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► We Gratefully Acknowledge:

► Our Bankers

Qatar National Bank - Al Islami
Qatar International Islamic Bank
Qatar Islamic Bank
Doha Islamic Bank
Al Hilal Islamic Banking (Ahl) Bank)
Masraf Al Rayan

► Our External Auditors

Ernst & Young

► Our Sponsored Organisations

Al Wakra Sports Club
Social Development Center
Ministry of Interior - Traffic Department
Qatar Scientific Club

► and

Our Customers, Suppliers, Contractors,
Business Partners and Shareholders.

Presenting - The Art Of Innocence

In this Annual Report we present the art work of Qatari children on their impressions of our new corporate logo. We are grateful to the OMAR BIN KHATAB SCHOOL's Management and the children of ages 7-10 who combined their creative knowledge and innocence in presenting a child's view of Al-Ijarah's business identity.

▶ Board Of Directors



National Leasing Holding (Q.S.C) (Known as ALJARAH HOLDING) was established in 22nd March 2003 as a Qatari Shareholding Company in accordance with Law No. (5) for 2002 of the Commercial Companies Law and the decision of the Minister of Economy and Commerce No.(35) for 2003, issued on 21st April 2003. The Company's issued and fully paid up share capital as at 2009 was QR.329,868,000 comprising of fully paid 32,986,800 shares at QR.10 per share.

► **Our Vision**

We will be the most admired company in the country and the most respected Islamic leasing Services brand in the region. We will establish ourselves as leaders in the material transportation, property development and limousine services.

To realize this vision, we will in terms of:

► **Financial performance**

Be ranked amongst the top 10 listed companies for return on equity and annual growth in terms of turnover and profits.

► **Customer Perception**

Be the preferred choice of business partner, a customer centric organization with a passion for service excellence.

► **Social Responsibility**

be the employer of choice, a good corporate citizen with recognized integrity, contributing effectively to enhance our community and partner in nation building.

► **Competitive Advantage**

be recognized as an organization that anticipates changes in customer and market preferences and develops a competitive edge on a sustained basis in the manner of doing its business.

► Our Guiding Values and Principles

In conducting our business we will be guided by our values and definitive principles as:

► **Commitment to customers**

We will develop relationships that are long-term which will make a positive difference to our customer's business, assets and growth.

► **Quality**

Outstanding products and Service Excellence will ensure that our customers get the best business value from our service delivery

► **Integrity**

Honesty, reliability and fairness in our business dealings enable stakeholders have confidence in our representations. We steadfastly hold to our commitments, intentions, promises, trust and expectations adapting to our moral and ethical code of conduct.

► **Team-work**

Each of our customers has access to our experts with full grasp of customer's business requirements. We build and deliver our services around teams of experts focusing around a customer's needs, partnering with them to deliver a total solution.

► **Respect for People**

We value our staff and employees providing them every encouragement for development and amply reward for their performance.

► **Good Citizenship**

We take pride in contributing significantly to communities we live in and partner in nation building initiatives.

► **Enhancing Shareholder Value**

Our businesses must be profitable and we must generate superior returns on the investments made by our shareholders. We shall steadfastly strive to enhance our stakeholder's values at all times.

► **Accountability**

We are personally accountable for our statements of mission, vision, and our guiding principles and values.

To the extent we act according to our values, we believe we will inspire loyalty to our customers, earn a sustainable leadership position in business, attract and retain top talent and engaged workforce, will enable to us to achieve our vision of becoming the region's most respected brand in the coming years.

► Our Code of Business Conduct

Aljjarah Holding and its subsidiaries will conduct its business fairly, impartially, in an ethical and proper manner in accordance with the Aljjarah Holding's values and and in full compliance with all Qatari Laws and Regulations.

The Code of Business Conduct, approved by the Board of Directors, outlines expected behaviors for all employees. We shall conduct our business fairly, impartially, in an ethical and proper manner, and in full compliance with all applicable Qatari laws and regulations. In conducting our business, integrity must underlie all Aljjarah Holding relationships, including those with customers, suppliers, communities and among employees. The highest standards of ethical business conduct are required of our employees in the performance of their Aljjarah Holding responsibilities. Employees shall not engage in conduct or activity that may raise questions as to the Aljjarah Holding's honesty, impartiality and reputation.

► Our Code of Ethics

- Employees of Aljjarah Holding are expected to know and comply with company policies and procedures.
- Management and Employees of the company shall foster a culture that only legal, proper and ethical behavior takes place. Employees are required to conduct the highest standards of ethical business in their performance of their duties.
- Employees are encouraged to address questions or concerns with ethics with their superiors or management. Retaliation against any employee who reports unethical behavior or conduct by other employees shall not be tolerated and may result in termination of employment.
- New employees recruited in the company shall receive an ethics orientation. Ethics and business conduct guidelines shall be available to all employees and the general public.
- Senior Management shall review and investigations in a timely manner. Where necessary they shall communicate investigation results and corrective action to all employees and to the employee who reported concerns.
- Managers and Supervisors shall create a work environment that encourages open communication and disclosure regarding ethics, business conduct, and other concerns. They shall take timely corrective action for any violation of this policy.
- Internal Audit shall provide appropriate auditing and evaluation of business systems and processes that monitor compliance with company policies and procedures. They shall report any non-compliance or occurrence of violation of business ethics in their audit reports to Management. Where necessary, Senior Management may request Internal Audit to perform an independent investigations on non-compliance or violations.

► Our Conflict of Interest Policy

Our conflict of interest policy was established to enhance outsider's confidence on the integrity of Aljjarah Holding and its subsidiaries by establishing clear rules of conduct with respect to Conflict of Interest applicable to all Employees and minimizing the possibility of Conflict of Interest arising between the private interests and official duties of Employees and providing for the objective and fair resolution of such conflicts should they arise.

A conflict of interest may exist when an employee is involved in an activity or has a personal interest that might interfere with the employee's objectivity in performing Aljjarah Holding duties and responsibilities. Any such personal interests or activities are prohibited unless formally approved. Personal interests may include working relationships and or financial interests with immediate family members or relatives. This policy applies to all employees and they shall comply.

► Implementing our Social Responsibility Policy

► Sponsoring Al-Wakra Sports Club

Aljarah signed a sponsorship agreement with the first football team of Al-Wakra Sports club based on the policy to support the various sectors of Qatar's society and contribute effectively in the development of human resources. Aljarah will sponsor activities that cover providing care to the club at all levels, including training, qualifying youth and logistical services. Al-Wakra club was the choice because of their size of the sports, cultural and social development activities where they extended beyond football, including handball, volleyball, athletics, table-tennis, bowling and chess. Above all, the remarkable attention the club administration provides to the promotion of cultural and social activities through the formation of cultural, acting and musical bands.

► Social Development Center

The Social Development Center aims at the support, development and investment of human resources through a set of programs and services that enhance family ability in Qatar for self-reliance. Aljarah as a part of its Corporate Social Responsibility established "Al-Ijarah Social Development Fund" with Social Development Centre, Qatar. The fund shall be utilized over a 4-year period for social development projects, training and placement of Qatari nationals in accordance with the policies of the Social Development Centre. Al-Ijarah Social Development Fund shall be utilized in accordance with the following guidelines:

- 50% of the funds to be utilized for direct beneficiaries complying with Social Development Center policies.
- 40% of the funds to be utilized for Social Development Center approved research and development programs and projects.
- 10% of the funds to be utilized for management of the fund. Aljarah Social Development Fund shall be utilized for Qatari Nationals.

► Ministry of Interior Traffic Department

Aljarah Holding Company established the Aljarah Fund for Traffic Safety with the Traffic and Patrols Department, Ministry of Interior. Aljarah Fund promotes all traffic safety awareness campaigns and related activities of the Traffic Department for the safety and welfare of the citizens in Qatar. This fund aims to help people and society through awareness campaigns conducted by the Traffic and Patrols Department, that will facilitate people to drive safely and benefit from long term traffic programs and initiatives for promoting safe driving in Qatar.

► Qatar Scientific Club

Aljarah Holding continues its contributions to the Qatar Scientific Club through provision of computers, peripherals and other accessories for the club's activities.

► Support for Charity

The Social contribution policies of the company strives to support progress in all development efforts of the State of Qatar. In line with this policy, Aljarah donated to RAF as a participation in purchasing a bus for Quetta School and Imam Bukhari Institute located in Baluchistan. Aljarah donated to Sheik Eid Charitable Association to contribute in the building of the second floor of Imam Bukhari Institute in Baluchistan, Pakistan.



Aljarah Leasing

Leasing Company is committed to be a profitable and client-oriented organization that continues to meet the financial objectives of its customers, provides an encouraging environment for its employees. Aljarah Leasing maintains to be a provider of high quality professional services to its customers.

► Our Vision

Aljarah Leasing shall be leading and unique in the finance industry, offering the best choice of leasing options under Islamic principles for customers acquiring assets to grow their business. Aljarah shall provide the most flexible leasing options for customers to finance their capital acquisitions - automobiles, equipment, merchandize, real-estate and technology development - and providing customers complete financing solutions.



Aljarah Property

Aljarah Property commenced its business in late 2008. It was in the worst of times that it saw opportunities for the future. Aljarah Property successfully launched in early 2009, the sale of Lusail Plots in the North and West Waterfront Areas to the citizens of Qatar. The public lottery in allotting plots in March 2009 was a success. Aljarah Property pursued our aggressive sales of Lusail plots through the entire year of 2010 and all plots have been sold out. Subsequently Aljarah Property embarked in one of the largest infrastructure development project for developing the LUSAIL plot areas.

► Our Vision

Aljarah Property shall excel in the development of infrastructure and property development projects through execution of its project before planned time, under cost and in good quality. Aljarah Property shall continue to build a strong asset base through a bank of projects that shall be completed for generating consistent revenues for the company.



Aljarah Equipment

Aljarah Equipment was incorporated in the year 2007. Aljarah Equipment is currently engaged in the business of equipment, fleet management, materials transportation and logistics. Aljarah Equipment is a growing company that has built capability to effectively perform fleet and equipment, transportation services to the satisfaction of its customers while complying to Qatar Government procedures on legality and safe transportation.

► Our Vision

Aljarah Equipment shall be an established and competitive company which will contribute to the business of Aljarah Holding with a diversity of services opening new horizons for operations in different sectors of the economy.



Aljarah Limousine

Aljarah Limousine is engaged in hospitality Industry providing quality personal transportation needs of individuals, corporate houses and government through an effective and efficient car fleet.

► Our Vision

Aljarah Limousine shall be strive to be a leader in the country's limousine services by focusing on customers, people, growth, innovation and efficiency. Aljarah Limousine shall use these elements in a manner that will drive bottom line success at the same time achieving ultimate customer satisfaction and acceptance.

► Our Qatarisation Efforts

It is the objective of Aljarah Holding to be one of the leading employers that attract Qatari talent. In our path to build an effective pool of qualified and experienced Qataris, Aljarah Holding participated in the 2010 Qatar Career Fair which provided the right opportunity to induct a number of young Qataris into the workforce and build their professional capabilities through on-the-job training and career development.

A few of our Qatari trainees speak about the AL-JARAH EXPERIENCE.

► Our Trainees Speak



Bakhita Mohammed K H Abureshaid - Officer, Corporate Guarantee

I have adapted well with this new working environment, and I have learnt to manage guarantees and the importance of preserving the collateral documents. Over the last 9 months I have also realized the importance of documentation and compliance in implementing company policies & procedures. I like the spirit of cooperation among co-workers and the distinct leadership qualities that are present for managing this company.

Jameela Jaber OM AlaAbdulla - HR Trainee

I don't know how to describe my feelings but, I can say that I'm very proud that a prestigious company has selected me to work for them, taking me under their wings, made me a part of the members and helped me in the development of my abilities and skills. In my work in this company I have basically come out of my fear complex as a trainee who is undergoing development. This was possible due the excellent work environment and the ethical way in which business is conducted through strict policies and procedures. In every sense I'm proud that I worked for Aljarah.



Fahad Mohammed Al Shabani - Marketing Trainee

I joined Aljarah Holding only 3 months ago & I have been put into rigorous training regime in the marketing functions. As a trainee I have been actually performing the role of a marketing officer understanding the different aspects of the job in a short period. In this, I must state the excellence support of my colleagues & the directions given by the executive management, which has enabled me to play an active role in the company. I'm really glad that I work for this company & I hope that I'll perform my best in the future.

Noura Manahi S Al-Qahtani - Accountant - General Ledger

I joined the company through Qatar career fair as a trainee in the finance department. I admire the special attention the company has given for Qatari manpower to assume positions of responsibility in the organization. As a finance trainee I attended a lot of workshops in Islamic leasing, financing & accounting. I have been given adequate training and orientation has enabled me to take a position in the finance department. My colleagues have been a big influence in shaping my career & making me a good team player.



► Our Quality Initiatives 2010



In 2009, our company established its Corporate management and governance framework and approved by the Board. In 2010 as an integral part of our management framework, the ISO certification initiatives were taken up across the holding and subsidiary companies. An internal quality team launched the quality processes in our organization covering all our core businesses and support business functions as human resources, procurement, contracting, finance, administration and support services. After the necessary certification audit by the world renowned BVQI,

Aljjarah Leasing Holding and its subsidiaries - Aljjarah Leasing, Aljjarah Equipment and Aljjarah Property achieved its ISO 9001 certified status in 2010.

The certification of Aljjarah Limousine is expected to complete by the first quarter of 2011.

▶ Board of Directors Report



Dear Shareholders,

It gives us great pleasure to meet with you at the ordinary general assembly meeting to discuss the company's activities for the financial year ending 31st December 2010. In presenting the Board of Director's report, we will discuss three main areas:

- ▶ Our overall Financial Performance;
- ▶ Our business and administrative achievements in holding and our subsidiaries;
- ▶ Our goals and objectives for the year 2011.

In 2010 the global and regional instability continued in financial markets. The world wasn't fully recovered of the crisis that has befallen it and had many impacts on all economies. Nevertheless, for Aljarah Holding the year 2010 was a special year full of many businesses flourishing and significant achievements at both financial and administrative sides. The positive developments the company has achieved reflect the strength of our financial and operational situation. Not to mention the company's progress in achieving its strategic goals.

Our objectives for 2010 were to consolidate Aljarah Holding to a position of strength, seizing business opportunities with a long-term perspective that will sustain fluctuations in different economic scenarios. We are pleased that this strategic agenda is being achieved by the company as reflected in our performance. Our achievements are entirely attributed to the great efforts made by the executive management guided by the endless support of the board of directors and the conservative and careful economic policies followed by the country wise leadership of H.H. Sheikh Hamad Bin Kalifa Al Thani, the Emir and Sheikh Tamim Bin Hamad Al Thani, the Heir Apparent and HE the Prime Manistr Sheikh Hamad bin Jassim Bin Jabar Al-Thani for their vision to make the country amongst the best countries to attract global investments. Indeed, this had a prominent role in the company's achievements in all fields. The real challenge is to continue this excellence and success, which can be achieved only through striving to do more.

▶ Financial Performance

The efforts of the Board of Directors and executive management have resulted in for outstanding financial results, which prove once again that Aljarah continues to achieve its vision and strategic objectives through access to new heights in the annual growth on all financial indicators despite the instable economical conditions, and we are pleased to keep you informed on the most important financial indicators, which are as follows:

- ▶ The net profit has exceeded QR 179 Million, with an increase of 99% compared to 2009 profits of QR. 90 Million.
- ▶ The total assets grew by 13% from QR.17 Billion in 2009 to QR. 2 billion in 2010.
- ▶ The total revenues of the company increased by 113% , from QR. 214 Million in 2009 to QR.458 Million in 2010.
- ▶ Income from core business of leasing, transportation, limousine and property development increased by 132 %, from QR.184 Million in 2009 to QR.428 Million in 2010.
- ▶ The total equity increased by 20% from QR. 539 Million in 2009 to QR. 649 Million in 2010.
- ▶ The Earnings Per Share (EPS) increased by 99% from QR. 2.74 to QR. 5.45 in 2010.

We attribute these results to our focussed execution of business strategies that have seized opportunities, without prejudice to the principles of our religion in times of constraints, our conservative policies, internal efficiencies and more importantly emphasising the need to build our organization for tomorrow. All had a major role in achieving these impressive financial results.

Business And Administrative Achievements



Aljjarah Holding

The Holding Company offers all the centralized management and support services to the business operations of the company. In 2010, our efforts focussed on internal efficiencies and quality of our business processes through implementation of our Corporate Management Framework approved by the Board in December 2009. Significant milestones include:

- ▶ **Aljjarah Holding obtained the quality certification (ISO 9001) in May 2010.** The accreditation for International Quality Certificate (ISO) 9001 is another success in the record of achievements of the company underlying its strategic objectives to achieve excellence through continuous improvement of all services provided to customers and stakeholders. In achieving this certificate the company has entered yet another phase towards progress and development and improvement in the work activities, the level of services and performance. We successfully launched our quality initiatives with the ISO certification process through the appointment of an independent evaluator.
- ▶ **Effective 1st of July 2010, Aljjarah Holding successfully implemented the Oracle - ERP system for the holding and subsidiary business activities.** The Implementation of Oracle ERP is a strategic move to help the company to manage its latest technologies which will contribute to business development, increase productivity and efficiency, reduce costs and improve the standards of service.
- ▶ **The company embarked on its Qatarization program & active participation in Qatar Career Fair 2010.** In order to meet the requirements of strategic growth in all fields, the company has introduced 21 new jobs for Qataris. The company has employed a number of citizens in line with its belief of attracting national manpower forces. 25% of jobs within the company were Qatarized.
- ▶ **A new website of the company was launched as a strategic step for placing the company in the digital cloud without geographical limits to connect its customers, suppliers and investors.** The Website hosts information on the various activities of the company and services provided by the company. The website has been designed in Arabic and English and is the mouth piece of the company highlighting the activities, achievements, services and the responsibility towards the country and society. It also provides rich information to support the vision and mission of the company in terms of focusing on financial performance and to provide outstanding service, rapid perception and response to customer requirements.
- ▶ **A new corporate logo to establish the Brand Image of "Aljjarah" was launched to reflect our corporate personality.** The new logo indicates that the company has entered a new era of growth and development carrying with it the confidence of shareholders, customers and investors that have gained over the past years. It also symbolizes the origin of the company's activity and strategy in expanding business, activities and services under concept of leasing in both its financing and operating that is compatible with the principles and provisions of Sharia. The new logo establishes a unique identity for the company and helps to build its brand, contributing at the same time in extending bridges to connect with customers, suppliers and strengthen the confidence of shareholders in the company's performance. This makes Aljjarah at the top of the growth and successes in the light of the entire development taking place in our beloved country of Qatar under the patronage of His H.H. Hamad Bin Khalifa Al Thani, the Emir and H.H. the Heir Apparent, Sheikh Tamim Bin Hamad Al Thani.
- ▶ **Effective reporting systems (using Balance Score-cards, Information Dashboards for KPIs) were implemented** throughout the year to monitor compliance and effectiveness of our management framework, business goals and objectives.



Aljjarah Leasing

(Profits 2010 - QR 22Million)

Aljjarah Leasing achieved its ISO 9001 Certification in 2010. A subsidiary owned 100% by Aljjarah Holding it has continued in 2010 to develop all areas of business, activities and services. It provides financial services including hire-purchase and Murabaha to individuals, medium & small-sized companies. Aljjarah Leasing grow continuously and is considered as a major motivator to non-oil economic sector. The company has adopted new policies and procedures to attract wide range of customers, as it has diversified investments and created new system and high quality services commensurate with the needs of the local market. Aljjarah Leasing is committed in all of its principles and provisions of the Islamic law, as the company has made excellent profits in 2010 with reached to 22 million Riyals and through the main activities and the effective management of liquidity, which had a positive capitulate in achieving the greatest return on bank deposits.

► Board of Directors Report on Corporate Governance

The Qatar Financial Markets Authority (QFMA) issued a formal code of corporate governance (hereinafter "the Code") for companies listed in Qatar Exchange. The Code lays down several corporate governance practices which listed companies are required to adopt. The Code ensures the adoption of best corporate governance practices by the corporates. This report sets out the compliance status of the Company, with the requirements of corporate governance code, as set out in Article 30, for the financial year 2010.

Company's Philosophy on Corporate Governance

► Introduction

The Company believes that the Code prescribes only a minimum framework for governance of a business in corporate framework. The Company has developed and adopted its Corporate Management Framework incorporating the provisions of the code along with the Best Practices for Corporate Governance. The Company recognises that transparency, disclosure, financial controls and accountability are the pillars of any good system of corporate governance. It is the Company's endeavour to attain highest level of governance to enhance the stakeholder's value.

► Board of Directors

The Board of Directors is at the core of our corporate governance practices, directs and oversees how the Management serves and protects the interests of the Shareholders.

The Board comprises of 7 directors of which, excluding the chairman, 6 are Independent Directors (85% of the Board strength).

► Board Meetings

The Board of Directors of the Company met six times during the year 2010. The Board members are fully informed of the agenda and made available all supporting information 7 days prior to the Board meeting. All minutes of the Board meeting are circulated and adopted within 7 days after the Board meeting. There are no related party transactions by any of the Board member for the year 2010.

► Audit committee of the Board

The Members of the Audit committee are independent directors. Four meetings were held by the Audit Committee during the year 2010. The main roles and responsibilities of the Audit Committee are:

- Appoint the External Auditors, and to report to the Board of Directors any matters that, in the opinion of the Committee, necessitate action, and to provide recommendations on the necessary procedures or required action.
- Oversee and follow up the independence and objectivity of the external auditor and to discuss with the external auditor the nature, scope and efficiency of the audit in accordance with International Standards on Auditing and International Financial Reporting Standards.
- Appoint the Internal Auditor, Direct, monitor and follow up independence and objectivity of the internal auditor, approve internal audit plans, review internal audit reports and conclusions reached as a result of internal audit reviews, determine follow-up action on the recommendations made by Internal Audit and form opinion on the state of internal controls in the company.
- Oversee the accuracy and validity of the financial statements and the yearly, half-yearly and quarterly reports, and to review such statements and reports. In this regard, it shall particularly focus on:
 - i. Any changes to the accounting policies and practices;
 - ii. Matters subject to the discretion of Senior Executive Management;
 - iii. The major amendments resulting from the audit;
 - iv. Continuation of the Aljarah Holding as a viable going concern;
 - v. Compliance with the accounting standards;
 - vi. Compliance with the listing regulations;
 - vii. Compliance with disclosure rules and any other requirements relating to the preparation of financial reports.



Aljarah Property (Profits 2010 - QR.154 Million)

A subsidiary owned 100% by Aljarah Holding, the company obtained its ISO 9001 certification in 2010. During 2010 all our Lusail Plots have been booked for sale. This was achieved by sincere marketing efforts that enabled Qatari citizen's plan for their investments in real-estate opportunities unfolding in Lusail.

A significant milestone in 2010 is the award of the Lusail Infrastructure Development Project through a public tender in which 34 local and international companies participated. The tender include the implementation of infrastructure works for residential plots in the city of Lusail for an area of 1.8 million square meters according to the specifications and standards developed by Qatari Diar. The infrastructure works includes: the development of approach roads, water / sewerage network, electrical works including the construction of substations, gas network, landscaping / street lighting and other works to be implemented by the contractor during the period of almost three years. We are now in the execution phase of the project and expect to complete this project to time, cost and quality standards established. Aljarah Property is continuing to pursue business opportunities that will establish a bank of projects generating income for the company in the coming years.



Aljarah Equipment (Profits 2010 - QR. 3 Million)

A subsidiary owned 100% by Aljarah Holding, the company obtained its ISO 9001 certification reflecting its efforts in providing quality services through efficient processes across the company. Despite the best efforts of the company, Aljarah Equipment suffered in revenues due to less than contracted off-take quantities in our main contract.



Aljarah Limousine

Our limousine business continues in the 3 year contract entered in 2009 and a continuous inspection and management program is also in place to monitor our fleet efficiency.

Proposed Dividends

Continuing our commitment to our investors, the Board of Directors recommend to the General Assembly to approve a cash dividend of 30% (QR.3 per share) amounting to QR. 98.96 Million.

2011 Look Ahead

The company looks forward in establish Aljarah for the future through a number of initiatives and projects that will provide sustainability and stability. As we embark into higher levels of expectations our human capital becomes our most valued asset and managing an efficient and motivated workforce shall be the key for all executive actions.

We are gratefully indebted of our achievements to the vision and goals of the State of Qatar under H.H. the Emir Sheikh Hamad bin Khalifa Al-Thani, the Heir Apparent Sheik Tamim bin Hamad Al-Thani and H.E. the Prime Minister Sheikh Hamad bin Jassim bin Jabor Al-Thani and their continuous support.

Sheikh Falah Bin Jassim Bin Jabr Al-Thani
Chairman

viii. to consider any significant and unusual matters contained or to be contained in such financial reports and accounts. And to give due consideration to any issues raised by the Aljarah Holding's chief financial officer or the person undertaking the latter's tasks or the Aljarah Holding's compliance officer or external auditors:

- to review the financial and Internal Control and risk management status with the Internal Auditors;
- to discuss the Internal Control systems with the management to ensure management's performance of its duties towards the development of efficient Internal Control systems;
- to consider the findings of principal investigations in Internal Control matters requested by the Board of Directors or carried out by the Committee on its own initiative with the Board's approval or by Internal Audit;
- to ensure coordination between the Internal Auditors and the External Auditor, the availability of necessary resources, and the effectiveness of the Internal Controls;
- to review the Aljarah Holding's financial and accounting policies and procedures;
- to review the letter of appointment of the External Auditor, his audit plan and any significant clarifications he requests from senior management as regards the accounting records, the financial accounts or control systems as well as the Senior Executive management's reply;
- to ensure the timely reply by the Board of Directors to the queries and matters contained in the External Auditors' letters or reports;
- to develop rules, through which employees of the Aljarah Holding can confidentially report any concerns about matters in the financial reports or Internal Controls or any other matters that raise suspicions. And to ensure that proper arrangements are available to allow independent and fair investigation of such matters whilst ensuring that the aforementioned employee is afforded confidentiality and protected from reprisal. Such rules should be submitted to the Board of Directors for adoption;
- to oversee the Aljarah Holding's adherence to professional conduct rules;
- to ensure that the rules of procedure related to the powers assigned to the Board of Directors are properly applied;
- to submit a report to the Board of Directors on the matters contained in this Article;
- to consider other issues as determined by the Board of Directors.

► Remuneration committee of the Board

The Members of the Remuneration committee are independent directors. Regular meetings were held by the Remuneration Committee during the year 2010.

► Disclosures as required by Article 30 of the QFMA Corporate Governance Code

- The Corporate Management Framework adopted by the Board, which contains all the provisions of the corporate Governance Code issued by QFMA, is the basis for making the corporate governance report.
- Detailed Delegation of Authority (DOA) manual incorporating the levels of authority for managing the financial affairs and investments has been prepared and adopted by the Board. The function of the company is based on the DOA.
- During 2010, Aljarah Holding had appointed an outside audit firm to conduct the internal audit of the Holding company and its Subsidiaries. The audit report was presented to the Audit Committee, reviewed and the recommended plans for improvement in the procedures were implemented.
- Detailed Risk assessment and Risk Mitigation strategies have been identified and incorporated in the Corporate Management Framework adopted by the Board.
- The Senior management of the company holds periodic meetings to review the risks and the action plan to mitigate the risk, if any.
- The action plan of the Senior Management had been presented to the Board.

- ▶ The Board debated the risk and the action plan

Based on the Board's advice, guidance the action plan was implemented by the Senior Management.

- ▶ Aljarah Holding has a robust internal control mechanism taking into account the nature and size of its business

During the year 2010, no major internal control failure or weaknesses was observed.

The Senior Management of the company, in its periodic meetings, discusses the ways to improve the internal control mechanism.

- ▶ During 2010, National Leasing Holding has complied with the regulations of the Qatar Exchange with regard to the disclosure rules and requirements.
- ▶ During 2010, the risk assessments and the risk mitigation strategies as identified and incorporated in the Corporate Management Framework and the new risks that have arisen due to the current business scenario, have been reviewed by the Senior Management in their periodic meetings. The Control systems and procedures implemented have been found to be sufficient in managing the risks and the same has been communicated to the Audit committee by the internal auditors.
- ▶ The various internal committees like Manpower Committee, Investment committee, Tender Committee, etc., formed by the Company during 2010 have been the backbone in assessing the risk management of the company. These committees have the senior management as the members.

The committee reports its observations to the Chief Executive Officer who reviews and presents the same to the Board for Guidance. Based on the Board's guidance, the risk mitigation strategies are implemented as a part of the internal control procedure.

▶ Shari'a Panel

Aljarah Holding has an independent Shari'a panel comprising of 4 independent members.

The Shari'a Panel oversees and reviews compliance of the organization to Shari'a standards. 3 meetings of the Shari'a panel were held in 2010. The independent report of the Shari'a panel is separately included in this Annual report.



Sheikh Falah Bin Jassim Bin Jabr Al-Thani
Chairman

► Message from the CEO

The last two years of economic downturn, sliding stock markets, and cash-crunches have made us realize that organizations have to continuously strive to focus their efforts on one single objective - to build bright future in the world of business. The organization's future state of business has to withstand the test of rapid changes in the market scenarios. And the only way is to continue management attention on the opportunities that are futuristic in its business perspectives. The focus of our business today is to create a sustainable organization for the future.

With our spread of business in Leasing, Infrastructure Development, Equipment & Logistics we have pursued every opportunity that will contribute to the business with a longer-term perspective. It is our firm belief that certain key achievements in 2010 will establish a strong basis for Alijarah's future. These include:

- Achieving Quality Certifications across all our companies covering Holding, Leasing, Equipment and business.
- Implementing a ERP system across all functions to integrate our business processes, data integrity and reporting
- Successful completion of sale of Lusail Plots to the Qatari Citizens
- The launch of the Lusail Infrastructure Development projects and continuing to achieve rapid execution progress.
- Launching a new web-site to provide an insight of Alijarah to the outside world.
- Creating a new corporate identity and logo for branding the image of the company
- Achieving success in our Qatarization programs and induction of human capital
- Sustaining our compliance and improvements to our Corporate Governance and Management Framework through implementation of business specific policies and processes.
- Our continued support to Social Contributions to reflect Alijarah as a good corporate citizen of Qatar

Our financial results for this year vindicate our actions. We firmly believe that every step we will undertake will be driven towards creating Alijarah, for the future. Our objectives for 2011 shall revolve around building a sustainable organization for the future through:

- Improved customer acquisition and relationships
- Launching of new leasing products
- Developing a bank of property development projects
- Diversifying our equipment business
- Continuance improvement of our corporate management and governance framework.

The Executive Management of Alijarah will have the onerous responsibility of creating an institution that stands on solid foundation of corporate governance, systems and organizations to ensure that we sustain the achieved levels of growth. Our most valuable asset - our human capital - shall be the driving force in achieving our strategic plans.



Dr. Mohammed Asad Al-Ernadi
CEO

محمد أسد العرندي

Dr. Mohammed Asad Al-Ernadi
Chief Executive Officer



CEO With Key Staff

► Shari'a Panel



► Report of the Sharia Panel

We all thank Allah for His Blessings and pray upon the Messenger, the Prophet Mohammed
Alijarah Holding Company (Q.S.C)
Doha, Qatar

Dear Shareholders,

Peace and mercy of God be upon you. In accordance with article 180) of Leasing Holding Company's Statute, The Shari'a Panel is pleased to announce its report on the of the company's business during the financial year ending as on 31.12.2010.

The Panel monitored the operations, activities, contracts, mechanisms in place and applications used by the company in the performance of its functions during the financial period above and the extent of compliance to the provisions and principles of Shari'a rules and principles, as well as the fatwas and guidelines that were issued.

The responsibility to ensure that the company had complied with the provisions and principles of Islamic Shari'a laws, rules and regulations lie with the management. Our role is restricted to provide an independent assessment and a written report on the company's operations vis-à-vis Shari'a Law.

In order to obtain all the information and explanation which was considered necessary by the Shari'a panel, to provide sufficient evidence that will provide a reasonable assurance that the company did not contravene the provision of Islamic Shari'a laws and rules, the panel implemented the following:

- Review of all operations and activities of the company on a daily basis by the Executive Controller of the Panel.
 - Holding several meetings periodically to discuss periodic reports referred from the Panel Executive Controller.
 - Discussing issues emerging in the company, and issue decisions and advisory opinions and guidance.
 - Responding to questions from the company's management and reviewing complaints by some of the company's customers.
 - Preparation of contracts, explaining the steps for its implementation and ensure its implementation in accordance with the provisions of Islamic Shari'a law.
 - Reviewing the company's budget for the fiscal year and the financial published results for the year ended 31.12.2010 to ensure its conformance in accordance with Islamic Shari'a law.
 - To identify the rate of Zakat imposed to shareholders.
- In our opinion:
- The contracts and activities concluded by the company during the fiscal year ended 31.12.2009, and the
 - Mechanisms and principles used in the implementation of its plans, which we reviewed, did not contravene with the provisions and principles of Islamic Shari'a law.
 - All gains in Islamic law have been allocated to charitable purposes.
 - The distribution of profits to the shareholders has been in accordance with the provisions of Islamic Shari'a law
 - The Zakat imposed to shareholders is (44) dirhams pershare

We recommend that the company management should distribute the amount of (62,424) Sixty-two thousand four hundred and twenty-four on behalf of the shareholders as Zakat. In conclusion, the Review Panel takes this opportunity to thank the company's management generally and to Dr. Mohammad Asad Emadi, Chief Executive especially for good cooperation and support for the role of the Shari'a Panel. The Panel prays to Almighty Allah to guide all to what he loves and gratifies him. Peace and blessing be upon the Prophet Mohammed, his kin and companions.



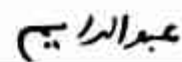
Abdulaziz Bin Saleh Al-Khulafi
Chairman



Anzallah Abu Salman
Executive Controller



Dr. Sultan Al-Hashimi
Executive Member



Abd-Allah Ahmad Abu Al-Misrah
Member

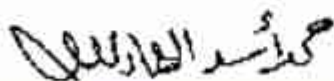
► Management Certification of Financials

To
The Board of Directors
Alijarah Holding
Doha, Qatar

We the CEO and Director Finance of the company, to the best of our knowledge and belief certify that:

1. The Management of Alijarah Holding have reviewed the Consolidated Statement of Financial Position and Consolidated statement of income and all the schedules and notes on accounts, as well as the Cash Flow Statements and the Directors Report.
2. Based on our knowledge and information, the financial statements and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company, as of and for the periods present in this report, and are in compliance with the existing accounting standards and or applicable laws and regulations.
3. To the best of our knowledge and belief, no business transactions entered into by the company during the year are illegal, violative of the Company's code of business conduct and fraudulent.
4. We are responsible for establishing and maintaining internal controls and financial disclosure control for the company.
5. We have disclosed based on our most recent evaluation, wherever applicable, the Company's external auditors and the Audit Committee of the Board of Directors that :
 - a. There were no deficiencies in our internal control systems that could adversely affect the Company's ability to account and report financial information and there are no material weaknesses in our internal control over financial reporting.
 - b. All internal control deficiencies have been addressed through corrective mechanisms that are already actioned or in progress as reported to the Audit Committee of the Board.
 - c. Any significant change in the accounting policies during the year if any, have been disclosed in the notes to the financial statements.
 - d. There were no instances of fraud of which we are aware, that involve the Management or other employees who have a significant role and responsibility in the Company's operations.
6. We affirm and declare to the Board of Directors that all personnel employed in National Leasing Holding are aware and have assured compliance with the code of business conduct, ethics and conflict of interest policies defined in our Corporate Management Framework for the current year.

Signed by :



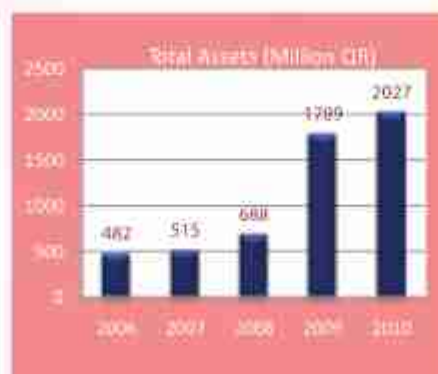
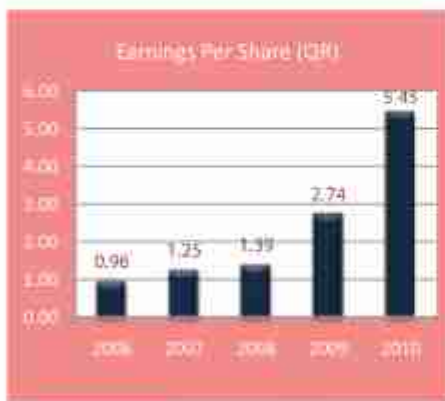
Dr. Mohammed Asad Al-Emadi
Chief Executive Officer



Sridhar Ramamurthy
Director-Finance

► Financials Highlights

Key Financial Indicators (12 Months Period)				
Figures in QAR Millions				
No.	Indicator	31 Dec 09	31 Dec 10	Growth Rate
1	Net Operating Income	184.4	428.3	132%
2	Net Profit	90.2	179.8	99%
3	Earnings Per Share	2.74	5.45	99%
4	Total Equity	460	649	20%
5	Total Assets	1789	2027	13%



► Independent Auditors' Report To The Shareholders Of National Leasing Holding Company (Q.S.C.)

► Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Aljarah Holding Company (Q.S.C.) ("the Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of 31 December 2010, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

► Board of Directors' responsibility for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

► Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

► Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects the financial position of the Group as of 31 December 2010 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

► Other matter

The financial statements of the Group for the year ended 31 December 2009 were audited by another auditor who expressed an unmodified opinion on those statements on 31 January 2010.

► Report on other legal and regulatory requirements

Furthermore, in our opinion, proper books of account have been kept by the Group, an inventory count has been conducted in accordance with established principles, and the consolidated financial statements comply with the Qatar Commercial Companies Law No. 5 of 2002 and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year which might have had a material effect on the business of the Group or on its financial position. We further confirm that the financial information included in the Annual Report of the Board of Directors is in agreement with the books and records of the Group.



Firas Gousseus
of Ernst & Young
Auditor's Registration No. 236
Date: 5 January 2011 - Doha

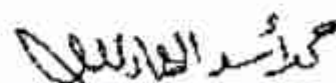
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	Notes	31 Dec 2010 QR	31 Dec 2009 QR
ASSETS			
Cash and Cash Equivalents	3	529,591,925	592,930,529
Loans and Advances to Customers	4	916,874,423	605,786,597
Available for Sale Financial Investments	5	47,505,122	55,451,600
Inventory Properties	6	360,107,846	469,251,808
Prepayments and Other receivables	7	80,900,730	13,879,080
Property and Equipment	8	91,858,555	51,437,571
Total Assets		2,026,838,601	1,788,737,185
LIABILITIES			
Accounts Payables, Accruals and Other Payables	9	262,840,117	19,601,550
Islamic Financing under Wakalah Arrangements	10	141,723,377	178,117,468
Amounts Due on Construction Contracts	11	973,313,595	1,052,440,792
Total Liabilities		1,377,877,089	1,250,159,810
EQUITY			
Share Capital	12	329,868,000	329,868,000
Legal Reserve	13	143,062,409	125,079,787
Proposed Dividend	14	98,960,400	65,973,600
Fair Value Reserve		(2,048,075)	(5,330,485)
Retained Earnings		79,118,778	22,986,473
Total Equity		648,961,512	538,577,375
Total Liabilities and Equity		2,026,838,601	1,788,737,185

These consolidated financial statements were approved by the Board of Directors on 5 January 2011 and signed on its behalf by:



Sh. Falah Bin Jassim Bin Jabr Al-Thani
Chairman



Dr. Mohammed Asad Al-Emadi
Chief Executive Officer

**CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	31 Dec 2010 QR	31 Dec 2009 QR
Income from Core Business	15	428,279,486	184,420,896
Profit from Investments and Deposits	16	27,221,182	29,613,996
Other income		3,317,024	906,811
TOTAL INCOME		458,817,692	214,941,703
Operating Expenses	17	(220,178,449)	(79,855,982)
General and Administration Expenses	18	(45,113,036)	(43,332,066)
TOTAL EXPENSES		(265,291,485)	(123,188,048)
NET OPERATING INCOME		193,526,207	91,753,655
Allowance for impairment on installments and dues from customers	4	(13,700,000)	(300,000)
Impairment of Available for Sale Financial Investments		-	(1,244,599)
PROFIT FOR THE YEAR		179,826,207	90,209,056
Basic and diluted Earnings per share	20	5.45	2.74

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 December 2010**

	31 Dec 2010 QR	31 Dec 2009 QR
PROFIT FOR THE YEAR	179,826,207	90,209,056
Other comprehensive income:		
Gain (loss) on revaluation AFS investments	3,282,410	3,094,592
total other comprehensive income	3,282,410	3,094,592
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	183,108,617	93,303,648

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

Consolidated Statement of Changes In Equity For The Year Ended 31 December 2010

Figures in Otor Riyals

	Share Capital	Legal Reserve	Proposed Bonus shares	Proposed Dividend	Fair Value Reserve	Retained Earnings	Total
Balance at 1 January 2009	299,880,000	116,058,881	29,988,000	14,994,000	(8,425,077)	7,771,923	460,267,727
Dividends paid	--	--	(14,994,000)	--	--	--	(14,994,000)
Total comprehensive income for the year	--	--	--	--	3,094,592	90,209,056	93,303,648
Issuance of bonus shares	29,988,000	--	(29,988,000)	--	--	--	--
Proposed dividends (Note 14)	--	--	--	65,973,600	--	165,973,600	--
Transfer to legal reserve	--	900,0906	--	--	--	(9,020,906)	--
Balance at 31 December 2009	329,868,000	125,079,787	--	65,973,600	(5,330,485)	22,986,473	538,577,375
Dividends paid	--	--	--	(65,973,600)	--	--	(65,973,600)
Total comprehensive income for the year	--	--	--	--	3,282,410	179,826,207	183,108,617
Social and sports fund appropriation (Note 9B)	--	--	--	--	--	(6,750,880)	(6,750,880)
Proposed dividends (Note 14)	--	--	--	98,960,400	--	198,960,400	--
Transfer to legal reserve	--	17,982,622	--	--	--	(17,982,622)	--
Balance at 31 December 2010	329,868,000	143,062,409	--	98,960,400	(2,048,075)	79,118,778	648,961,512

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 December 2010**

	31 Dec 2010 QR	31 Dec 2009 QR
Cash flows from Operating Activities		
Profit for the year	179,826,207	90,209,056
Adjustments for:		
Depreciation	13,962,014	13,690,400
Gain/loss on sale/disposal of property and equipment	124,054	424,373
Allowance for impairment on installments and dues from customers	13,700,000	300,000
Impairment of available for sale investments	-	1,244,599
(Gain)/Loss on sale of available for sale investments	6,638,373	(1,447,734)
(Gain)/Loss on sale of inventory property	-	(29,577,507)
Finance income	-	(19,696,652)
Finance charges	11,480,510	30,223,309
	225,731,158	65,109,544
Changes in operating assets and liabilities		
Loans and advances to customers	(324,787,826)	444,273,108
Prepayments and other receivables	(67,021,650)	(798,114)
Inventory Properties	109,143,962	(212,004)
Amounts due on Construction Contracts	(79,127,197)	-
Accounts payables, accruals and other payables	236,487,733	14,151,433
Net cash from operating activities	100,426,180	535,401,267
Cash flows from Investing Activities		
Purchase of Property and Equipment	(54,791,803)	(9,109,799)
Proceeds from the sale of Property and Equipment	284,750	29,519,713
Purchase of available-for-sale investments	(238,644,673)	(86,608,034)
Proceeds from sale of available for sale investments	243,235,143	64,927,250
Proceeds from sale of investment property	-	20,551,265
Investments made in Bank Term Deposits	(395,000,000)	-
Net cash from (used in) investing activities	(444,916,583)	(19,280,395)



**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 December 2010**

	31 Dec 2010 QR	31 Dec 2009 QR
Cash flow from financing activities		
Dividends paid	(65,973,600)	(1,996,000)
Proceeds from financing under Wakalah arrangements	10,835,000	10,935,300
Repayment of financing under Wakalah arrangements	(70,777,816)	35,432,696
Proceeds from financing under loan arrangements	29,232,935	
Repayment of financing under loan arrangements	(5,684,210)	
Finance charges paid	(11,480,510)	(1,003,358)
Net cash (used in) from financing activities	(113,848,201)	(7,740,662)
Net increase (decrease) in cash and cash equivalents	(458,338,604)	482,317,000
Cash and cash equivalents at the beginning of the year	592,930,529	10,773,519
Cash and cash equivalents at the end of the year **	134,591,925	592,930,529

* Cash and Cash equivalents as at 31 December 2010, shown above is exclusive of the Bank term deposits having maturity period of more than 90 days amounting to QR 395 Million (2009: Nil)

Profit on Term deposits received during the year 2010 amounted to QR 29076,323 (2009: QR 15,649,679)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2010**

1. CORPORATE INFORMATION

Aljarah 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 21 April 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 Qatar Commercial Companies Law No. 5 of 2002. The registered office of the Company is located at Level 10, Al Abdulghani Tower, Al port road, Doha, State of Qatar. The Company's shares are publicly traded at the Qatar Exchange.

The Company and its subsidiaries (together the "Group") are engaged in leasing, Real Estate, Property Development, Transportation and Limousine Services and operate through its fully owned subsidiaries established in the State of Qatar. The Group is committed to conduct all its activities in accordance with Islamic Sharia'a.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements have been prepared on historical cost basis, except for available-for-sale financial investments that have been measured at fair value. The consolidated financial statements are presented in Qatar Riyals (QR).

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the applicable requirements of Qatar Commercial Companies Law # 5 of 2002.

The Group presents its statement of financial position broadly in the order of liquidity. An analysis regarding recovery or settlement within 12 months after the end of the reporting period ("current") and more than 12 months of the end of the reporting period ("non-current") is presented in Note 23.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as at and for the year ended 31 December each year. The financial statements of the subsidiaries are prepared for the same reporting year at the Company using consistent accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2010 (continued)

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of income from the date of acquisition or, up to the date of disposal, as appropriate.

The consolidated financial statements of the Group include the financial statements of the Company and its subsidiaries listed below, fully owned by the Group:

Name of subsidiaries	Country of incorporation	Principal activity
National Leasing Company (NLC)	Qatar	Islamic leasing
National Equipment Company (NEC)	Qatar	Transportation
National Limousine Company (NLCW)	Qatar	Limousine services
National Property Development (NPD)	Qatar	Property Development

2.2 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the new and amended IFRS and IFRIC interpretations effective as of 1 January 2010. The following amendments and interpretations became effective in 2010, but were not relevant for the Group's operations:

Standard/ Interpretation	Content
IFRS 1 and IAS 27	Cost of an investment in a subsidiary, jointly controlled entity or associate
IFRS 3	Business combinations
IAS 27	Consolidated and separate financial statements
IAS 39	Financial Instruments: Recognition and measurement - eligible hedged items
IFRIC 17	Distribution of non-cash assets to owners
IFRIC 18	Transfers of assets from customers

Improvements to IFRSs

In May 2008 and April 2009, the IASB issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the group.

Issued in April 2009

- IFRS 8 Operating Segments clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker. As the Group's chief operating decision maker does review segment assets and liabilities, the Group has continued to disclose this information.

Other amendments resulting from improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Group.

Issued in April 2009

- IFRS 2 Share-based Payment
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- IAS 1 Presentation of Financial Statements
- IAS 7 Statement of Cash Flows
- IAS 17 Leases
- IAS 34 Interim Financial Reporting
- IAS 36 Impairment of Assets
- IAS 38 Intangible Assets
- IAS 39 Financial Instruments: Recognition and Measurement
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 16 Hedge of a Net Investment in a Foreign Operation

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2010 (continued)**

Standards, amendments and interpretations issued but not adopted

The following standards, amendments and interpretations have been issued but are mandatory for accounting periods beginning on or after 1 January 2011 or later periods and are not expected to be relevant to the Group:

Standard/ Interpretation	Comment	Effective date
IFRIC 14	Prepayments of a Minimum Funding Requirement (Amendment)	1 January 2011
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2011
IAS 24	Related Party Disclosures (Revised)	1 January 2011
IAS 32	Financial Instruments: Presentation – Classification of Rights Issues (Amendment)	1 January 2011
IFRS 9	Financial Instruments (part 1): Classification and measurement	1 January 2013

2.3 Summary of significant accounting policies

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity.

The Group has determined the Chief Executive Officer of the Company as its chief operating decision maker. All transactions between operating segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated in Company income and expenses directly associated with each segment are included in determining operating segment performance.

Foreign currency translation

(a) Functional and presentation currency

The consolidated financial statements are presented in Qatar Riyals, which is Group's functional and presentation currency. Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the end of the reporting period. All differences are taken to the consolidated statement of income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains and losses on revaluation of foreign currency non-monetary available-for-sale investments are recognized in the consolidated statement of changes in equity.

Cash and Cash Equivalents

Cash and cash equivalents represent cash, bank balances and other short-term highly liquid investments with original maturities of three months or less.

Financial Instruments - Initial Recognition and Subsequent Measurement

The Group classifies its financial instruments in the following categories. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. Management determines the classification of its financial instruments at initial recognition.

(a) Loans and Advances to Customers ("LoR")

Loans and advances to customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Islamic financing such as Ijarah are stated at their gross principal amount less any amount received, allowance for impairment and unearned profit. Subsequent to initial measurement, loans and advances are carried at amortized cost less allowance for impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2010 (continued)

(b) Available-for-sale Financial Investments ("AFS")

Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in equity prices. Available for sale investments include equity securities.

The Group uses trade date accounting for regular way contracts when recording financial assets and liabilities. Financial assets are initially recognized at fair value plus transaction costs.

Available-for-sale financial investments are carried at fair value subsequent to initial recognition. Gains and losses arising from changes in the fair value of available-for-sale financial investments are recognized directly in equity, until the financial asset is derecognized or impaired. At this time, the cumulative gain or loss previously recognized in equity is recognized in consolidated statement of income.

(c) Islamic Financing under Wakalah Arrangements

Financial instruments or their components issued by the Group, are classified as financial liabilities under "Islamic financing under Wakalah Arrangements", where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset. After initial measurement, Islamic Financing and Wakalah Arrangements are subsequently measured at amortized cost.

Derecognition of Financial Assets and Financial Liabilities

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when they are extinguished, that is, when the obligation is discharged, cancelled or expires.

Inventory Property

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value.

Cost includes:

- Freehold and leasehold rights for land
- Amounts paid to contractors for construction
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Nonrefundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

Net realizable value is the estimated selling price in the ordinary course of the business based on market prices at the end of the reporting period and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of inventory recognized in consolidated statement of income on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Leasing

The determination of whether an arrangement is a lease or if contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2010 (continued)

(b) Financial assets classified as Available for Sale

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the investment below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in consolidated statement of income is removed from equity and recognized in the consolidated statement of income. Impairment losses recognized in the consolidated statement of income on equity instruments are not reversed through the consolidated statement of income.

Property and Equipment

Property and equipment are stated at historical cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of items. Subsequent costs are included in the asset carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is calculated using the straight-line method to write off the cost of property and equipment to their estimated residual values over their expected useful lives as follows:

	Years
Office equipment	4-5
Furniture and fixtures	5
Heavy Equipment, trucks and motor vehicles	5
Leasehold improvements	5

Land is not depreciated. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Repairs and maintenance are charged to the consolidated statement of income when the expenditure is incurred.

Capital work-in-progress represents renovation work and construction work which are carried at cost less any recognized impairment loss. Cost includes professional fees and related construction costs. Upon the completion of the work, the balance of work-in-progress will be transferred to the relevant caption under property and equipment.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Contract Work in Progress and Amounts Due on Construction Contracts

Contract work in progress is valued at cost plus attributable profit less foreseeable losses. Attributable profit is recognized on a percentage completion basis when the outcome of a contract can be assessed with reasonable certainty.

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

Employee benefits

Defined benefit plan

The Group makes provision for end of service benefits payable to its expatriate employees on the basis of the employees' length of service in accordance with the employment policy of the Group and the applicable provisions of Labor law. The expected costs of these benefits are accrued over the period of employment.

Defined contribution plans

Also the Group provides for its contribution to the State-administered retirement fund for Qatari employees in accordance with the retirement law, and the resulting charge is included within the personnel cost under the general administration expenses in the consolidated statement of income. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized when they are due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2010 (continued)

Group as a lessee

Leases which do not transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items are operating leases.

Operating lease payments are recognized as an expense in the statement of income on a straight line basis over the lease term.

Group as a lessor

Leases where the Group does not transfer substantially all the risk and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Fair values

The fair values of quoted investments in active markets are based on current bid prices. If there is no active market for a financial asset, the Group establishes fair value using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Impairment of financial assets

(a) Financial assets carried at amortized cost

The Group assesses at the end of each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are significant and individually or collectively for financial assets that are not significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

The amount of loan loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (including future credit losses that have not been incurred) discounted at the financial asset's original effective profit rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the consolidated statement of income. If a loan has a variable rate, the discount rate for measuring any impairment loss is the current effective profit rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable. For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the Group and historical loss experience for assets with credit risk characteristics similar to those in the Group.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the consolidated statement of income in impairment charge for loans and advances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2010 (continued)

Revenue Recognition

Construction contracts

When the outcome of individual contracts can be foreseen with reasonable certainty and can be measured reliably, margin is recognized by reference to the stage of completion, based on the percentage margin forecast at completion. The stage of completion is measured by the proportion of contracts costs incurred for work performed to date to the estimated total contract costs or the proportion of the value of work done to the total value of work under contract. Full provision is made for all known expected losses on individual contracts immediately once such losses are foreseen. Margin in respect of variations in contract work and claims is recognized if it is probable they will result in revenue.

Leasing Income

Income from Islamic financing and investment contracts under Islamic Sharia'a principles are recognized in the consolidated statement of income using a method that is analogous to the effective yield rate. Fees and Commissions are generally recognized when the related service has been provided.

Transportation Income

Transportation income represents revenue generated from services provided to local customers in respect of transportation of raw materials under a contract with customers. Transportation Income is recognized on accrual basis when the services are provided.

Rental Income

Rental income is recognized when earned based on actual occupancy of the property.

Income from Deposits

Profit from Deposits is recognized on a time proportion basis using the effective profit rate method.

Dividend Income

Dividend income is recognized when the right to receive payment is established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2010 (continued)

3. CASH AND CASH EQUIVALENTS

	31 Dec 2010	31 Dec 2009
	QR	QR
Cash on hand	34,464	30,033
Current Accounts with Islamic Banks	13,057,461	38,985,764
Fixed Deposits with Islamic Banks	516,500,000	553,914,732
	529,591,925	592,930,529

4. LOANS AND ADVANCES TO CUSTOMERS

	31 Dec 2010	31 Dec 2009
	QR	QR
Gross Installments due from Leasing	164,977,231	191,497,622
Marabaha	161,765,101	191,616,661
Ijarah	3,212,130	2,880,961
Less: Deferred Profits of future Installments	(22,780,356)	(36,040,701)
Marabaha	(22,410,931)	(35,612,206)
Ijarah	(369,425)	(428,495)
Allowance for Impairment	(14,434,024)	(734,024)
Net Installments due from Leasing	127,762,851	157,722,897
Gross Installments due from Property Sales	902,452,166	686,798,172
Less: Deferred Finance Income	(117,694,066)	(242,102,553)
Net Installments due from Property Sales	784,758,100	444,695,619
Other trade-related receivables	4,353,472	3,968,081
Total loans and advances to customers	916,874,423	605,786,597
Maturity profile of the loans and advances		
Less than one year	201,442,098	66,555,626
> 1 year and < 5 years	715,426,325	539,172,569
> 5 years	6,000	58,402
Total	916,874,423	605,786,597

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2010 (continued)

	31 Dec 2010 QR	31 Dec 2009 QR
Analysis of past dues but not impaired		
1-30 days	5,233,498	3,034,506
30-90 days	8,212,769	4,659,442
90-180 days	6,851,761	4,818,090
Over 180 days	20,533,062	5,513,063
Total	40,831,090	18,025,101

	31 Dec 2010 QR	31 Dec 2009 QR
Total amount of impaired receivables	14,434,024	734,024
Movement in Allowance for Impairment		
Balance at 1 January	734,024	434,024
Charge for the year	13,700,000	300,000
Balance at 31 December	14,434,024	734,024

5. AVAILABLE FOR SALE FINANCIAL INVESTMENTS

	31 Dec 2010 QR	31 Dec 2009 QR
Quoted Equity Investments	47,505,122	55,451,600

6. INVENTORY PROPERTIES

	31 Dec 2010 QR	31 Dec 2009 QR
Property Inventory	359,536,172	469,039,804
Spares and consumables	571,674	212,004
Total	360,107,846	469,251,808

The Group entered into an agreement with Qatari Diar Real Estate Co on 28 July 2008 to purchase and then re-sell 10,816,151.58 sq feet of land in the Northern and West Water Front of Lusail area.

During April 2009, the Group allotted plots with a total area of 5,915,501 sq feet to the citizens of Qatar based on a public lottery scheme. Thereafter, the remaining plots are being sold on a first-come-first-serve basis. Contracts for the sale of plots until the end of the reporting period are in accordance with the terms and conditions of sale as set out in the original purchase agreement.

Accordingly, the sale of the plots are made under a deferred payment plan over a period of five years, with the non-refundable first instalment and one time administrative charges being paid on the date of sale. The amounts receivable under this deferred payment plan have been disclosed under Note 4 as "Amounts due from Property Sales".

7. PREPAYMENTS AND OTHER RECEIVABLES

	31 Dec 2010 QR	31 Dec 2009 QR
Security Deposit	1,693,480	1,690,500
Advance Payments to Suppliers	70,696,996	1,409,142
Pre-payments	2,449,875	1,892,079
Other Receivables	1,338,695	2,310,534
Profits Accrued on Bank Deposits	4,721,684	6,576,825
Total	80,900,730	13,879,080

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2010

8. PROPERTY AND EQUIPMENT

	Office equipment Ck	Land QR	Furniture and fixtures Ck	Leasehold improvements Ck	Heavy equipment, trucks and motor vehicles Ck	Work in progress Ck	Total QR
Cost:							
At 1 January 2009	585,788	28,872,015	1,324,231	471,943	60,677,648	88,205	92,019,790
Additions	246,012	--	155,411	--	8,708,377	--	9,109,800
Disposal	--	(28,872,015)	(192,742)	--	(755,100)	--	(30,554,857)
At 31 December 2009	831,760	--	551,900	471,943	68,630,925	88,205	70,544,733
Additions	1,021,233	--	--	--	--	53,770,570	54,791,803
Disposal	--	--	--	--	(320,600)	(88,205)	(408,805)
At 31 December 2010	1,852,993		551,900	471,943	68,310,325	53,770,570	124,957,731
Depreciation:							
At 1 January 2009	295,213	--	426,153	206,137	5,190,059	--	6,057,532
Change for the year	113,944	--	198,479	68,986	13,308,591	--	13,690,400
Disposal	--	--	(386,559)	--	(234,211)	--	(610,770)
At 31 December 2009	409,157	--	238,473	275,123	18,214,409	--	19,137,162
Change for the year	268,765	--	83,565	54,687	13,555,197	--	13,962,014
At 31 December 2010	677,922		322,038	329,610	31,769,606		33,099,176

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2010 (continued)**

9. ACCOUNTS PAYABLE, ACCRUALS AND OTHER PAYABLES

	31 Dec 2010 QR	31 Dec 2009 QR
Accounts Payable and advance from customers	63,198,892	4,621,953
Unclaimed dividends	4,007,805	5,789,112
Provision for Employee Benefits (a)	1,076,795	760,746
Provision for social contribution (b)	4,495,655	
Accrued Expenses	190,060,970	9,029,739
Total	262,840,117	19,201,550

Notes:

(a) Provision for employees' end of service benefits

At 1 January
Charge for the year
Payments during the year
At 31 December

	31 Dec 2010 QR	31 Dec 2009 QR
	760,746	579,061
	503,341	524,562
	(187,292)	(342,877)
	1,076,795	760,746

(b) Contribution to Social and Sports Development Fund

Pursuant to Law No. 13 of 2008 and further clarification of the law issued in 2010, the Group made an appropriation of QR 4.49 million for the year 2010 and QR 2.26 million to the Social and Sports Development Fund of Qatar. This amount represents 2.5% of the net profit for the years ended 31 December 2009 and 2010.

10. ISLAMIC FINANCING UNDER WAKALAH ARRANGEMENTS

	31 Dec 2010 QR	31 Dec 2009 QR
Islamic Financing under Wakalah Arrangements (a)	120,780,754	178,117,468
Other Borrowings	20,942,623	
Total	141,723,377	178,117,468

Notes:

a. The Group has obtained various Islamic financing facilities under Wakala arrangements with various local banks to fund business operations and working capital requirements. These facilities are unsecured and are repayable at various dates (please refer Note 23 for liquidity risk associated with these liabilities) and carry financing charges at commercial rates. Certain of the post dated cheques received from the customers have been given as security for these facilities.

b. Other Borrowings represent loan obtained from a Bank to finance acquisition of a building. The underlying building has been offered as security for this facility.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2010 (CONTINUED)

8. PROPERTY AND EQUIPMENT (CONTINUED)

	Office equipment		Land	Furniture and fixtures		Leasehold improvements		Heavy equipment, trucks and motor vehicles		Work in progress		Total
	GR	CU		GR	CU	GR	CU	GR	CU	GR	CU	
Net Carrying Amounts												
31 December 2010	1,175,071	--	--	229,862	142,333	36,540,719	53,770,570	91,858,555				
31 December 2009	422,603	--	--	313,427	196,820	50,416,516	88,205	51,437,571				

Depreciation charge for the year is allocated in the consolidated statement of income on the following basis:

	2010	2009
	GR	GR
Depreciation attributable to General and Administration	988,209	633,960
Direct costs forming part of Operating expenses - Transportation segment	12,973,805	13,056,440
	13,962,014	13,690,400

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2010 (continued)**

11. AMOUNTS DUE ON CONSTRUCTION CONTRACTS

During 2010, the Group entered into an arrangement with Qatari Diar Real Estate Co for undertaking the infrastructure development of the plot areas in the Northern and West Water Front of Lusail area. In accordance with the terms and conditions of the agreement, the Group will utilize the proceeds payable to Qatari Diar against the infrastructure development of the said areas.

12. SHARE CAPITAL

	31 Dec 2010 QR	31 Dec 2009 QR
Authorized, issued and fully paid-up		
32,986,800 ordinary shares of QR 10 each	329,868,000	329,868,000

13. LEGAL RESERVE

In accordance with the Qatar Commercial Law No.5 of 2002, 10% of the net profit for the year should be transferred to legal reserve. The legal reserve is not available for distribution except in circumstances specified in the said law.

14. PROPOSED DIVIDEND

The Board of Directors resolved in its meeting to propose to the forthcoming General Assembly Meeting of the shareholders the payment of 30% cash dividend (QR 3 per share) amounting to QR 98,960,400 (2009: 20% cash dividend amounting to QR 65,973,600).

15. INCOME FROM CORE BUSINESS

			31 Dec 2010 QR	31 Dec 2009 QR
Income from Leasing Operations	2010	2009	21,845,413	40,607,071
Morabaha	21,190,704	40,301,645		
Ijarah	654,709	305,426		
Income from Transportation			39,377,085	77,184,647
Profit on sale of Inventory Property			9,353,944	29,577,571
Income from Real Estate Property Development			357,703,044	37,051,607
			<u>428,279,486</u>	<u>184,420,896</u>

16. PROFITS FROM INVESTMENTS AND DEPOSITS

	31 Dec 2010 QR	31 Dec 2009 QR
Profit (loss) from AFS investments	(794,385)	4,081,240
Profit from Bank Deposits	28,015,567	21,935,756
Income from Operating Lease	-	3,597,000
	<u>27,221,182</u>	<u>29,613,996</u>

17. OPERATING EXPENSES

	31 Dec 2010 QR	31 Dec 2009 QR
Cost of Financing - Islamic leasing	11,481,136	12,993,258
Cost of Financing - Real estate	-	17,205,004
Property development costs	185,735,475	-
Cost of Transportation	9,988,033	34,351,280
Cost of Operating lease	-	2,250,000
Directly attributable depreciation	12,973,805	13,056,440
	<u>220,178,449</u>	<u>79,855,982</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2010 (continued)

18. GENERAL AND ADMINISTRATION EXPENSES

	31 Dec 2010	31 Dec 2009
	QR	QR
Staff Costs	25,275,745	21,338,177
Depreciation	988,209	633,960
Rents, Licensing and Listing	1,248,152	1,619,234
Professional and legal Fees	760,429	972,366
Bank charges & Commissions	482,772	385,701
Advertising Expenses	3,121,094	2,033,851
Postage Printing and Stationery	84,569	188,425
Travel Expenses	392,234	679,555
Donation and Charity	151,764	171,930
General Meeting, telephone, Recruitment Expenses	790,877	771,002
Business Promotion	2,884,300	247,450
Insurance	1,667,669	2,191,357
Bad Debts Written Off		2,073,306
Repairs & Maintenance Expenses	1,182,759	5,442,691
Consumable Expenses	467,500	70,312
Miscellaneous and site Expenses	1,384,963	2,324,359
Board of Directors & Share Committee Fees	4,230,000	3,000,000
	45,113,036	43,332,066

19. RELATED PARTY DISCLOSURES

Related parties represent major shareholders, directors and key management personnel of the company and companies in which they are major owners. During the year, there were no such transactions in the nature of related parties.

Senior Management remuneration

	2010	2009
	QR	QR
Directors' remuneration	4,000,000	2,800,000
Key management personnel remuneration	10,208,539	3,841,647
	14,208,539	6,641,647

20. EARNINGS PER SHARE

Earnings per share is calculated by dividing the net income for the year by the weighted average number of ordinary shares outstanding during the year:

	2010	2009
Net profit for the year (QR)	179,826,207	90,209,056
Weighted average number of shares outstanding	32,986,800	32,986,800
Basic and diluted earnings per share	5.45	2.74

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2010 (continued)**

21. 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 segment assets and liabilities:

- Islamic Leasing
- Property Development
- Transportation
- Limousine services

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

Segment revenue and segment result:

Details	Revenue		Result	
	2010 QR	2009 QR	2010 QR	2009 QR
Financial leasing	51,289,728	63,218,466	21,914,874	33,287,682
Transportation	41,214,331	77,270,452	2,846,158	5,875,463
Property Development	371,604,136	73,761,655	153,517,172	51,993,339
Un-allocated	2,338,867	691,130	1,548,003	(947,428)
Inter Company	(7,629,370)			
Total	458,817,692	214,941,703	179,826,207	90,209,056

Segment assets and liabilities:

Details	Assets		Liabilities	
	2010 QR	2009 QR	2010 QR	2009 QR
Financial leasing	531,300,868	714,718,981	146,741,507	283,806,621
Transportation	35,635,935	84,269,828	1,388,464	4,600,498
Property Development	1,563,418,282	983,507,210	1,316,015,976	958,294,860
Limousine and Un-allocated Inter Company	(5,516,190) (98,000,294)	6,241,366	11,731,436 (98,000,294)	3,457,831
Total	2,026,838,601	1,788,737,185	1,377,877,089	1,250,159,810

22. CONTINGENT LIABILITY

Letter of guarantees

31 Dec 2010 QR	31 Dec 2009 QR
8,200,000	6,640,000

23. RISK MANAGEMENT

The activities of the Group expose it to various financial risks, including the effects of defaults by customers, profit rates and liquidity. The Group seeks to minimize potential adverse effects on the financial performance of the Company by taking appropriate steps to address specific risk management areas, such as profit rate risk, credit risk and liquidity management.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group's exposure to credit risk is limited to the carrying amount of its financial assets which consist primarily of bank balances, loans and advances to customers. Credit risk on bank balance is limited to as deposits are placed with banks having good credit rating.

Bank balances
Loans and advances to customers
Other receivables
Total

31 Dec 2010 QR	31 Dec 2009 QR
529,557,461	592,900,496
916,874,423	605,786,597
80,900,731	13,879,080
1,527,332,615	1,212,566,173

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2010 (continued)**

Equity price risk

Equity price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Group limits market risk by maintaining a diversified portfolio and by continuous monitoring of the developments in the local markets. The Group is subject to equity price risk in relation to its available for sale investments. The Group evaluates the current market and other factors including normal volatility in share price for quoted equities in order to manage its risk.

	Change in equity price	31 Dec 2010	31 Dec 2009
	(+) / (-)	QR	QR
Qatar Exchange	+	4,750,512	5,545,160

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity requirements are monitored on a periodic basis and the management ensures that sufficient funds are available to meet any future commitments. The Group also ensures liquidity by diversifying the Group's funding sources and entering into financial arrangements with reputable banks and financial institutions.

The following table details the Group's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Group can be required to pay or expect to receive.

Financial Assets At 31 Dec 2010	< 1 Year QR	1-5 Years QR	5+ Years QR	Without Maturity	Total (QR)
Bank balances	529,557,461	--	--	--	529,557,461
Loans and advances to customers	272,882,308	798,894,561	6,000	--	1,071,782,869
Other receivables	80,900,730	--	--	--	80,900,730

Financial Liabilities At 31 Dec 2010	< 1 Year QR	1-5 Years QR	5+ Years QR	Without maturity QR	Total QR
Accounts payable and accruals	262,840,117	--	--	--	262,840,117
Islamic financing under Wakalah arrangements	69,336,158	85,877,926	--	--	155,214,084
Amounts due on Construction Contracts	--	--	--	973,313,595	973,313,595

Financial Assets At 31 Dec 2009	< 1 Year QR	1-5 Years QR	5+ Years QR	Total QR
Bank balances	592,930,529	--	--	592,930,529
Loans and advances to customers	85,835,616	798,767,559	60,700	884,663,875

Financial Liabilities At 31 Dec 2009	< 1 Year QR	1-5 Years QR	5+ Years QR	Without maturity QR	Total QR
Accounts payable and accruals	19,601,550	--	--	--	19,601,550
Islamic financing under Wakalah arrangements	77,777,081	119,859,744	--	--	197,636,825
Amounts due on Construction Contracts	--	--	--	1,052,440,792	1,052,440,792

Profit Rate Risk

The Group's financing arrangements are solely through Islamic arrangements. Management of the Group believes that these financing arrangements are not sensitive to a change in market profit rates as they are fixed based on the rate applicable at the date of lending.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2010 (continued)

Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year end 31 December 2010 and 31 December 2009. Capital comprises share capital of QR 329 Million (2009: QR 329 Million).

24. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash and cash equivalent, loans and advances to customers and available for sale financial investments and certain other receivables. Financial liabilities consist of Islamic financing under Wakalah Arrangements, accounts payable, amounts due on construction contracts and certain other accruals.

Management believes that the fair values of financial assets and liabilities are not materially different from their carrying values.

25. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting estimates and assumptions

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management uses estimates based on historical loss experience for assets with similar credit risks and characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Impairment losses on loans and advances to customers

The Group reviews its financing portfolio to assess impairment at least on a semi-annual basis. In determining whether an impairment loss should be recorded in the Statement of Income, the Group makes judgment as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of instalments due from financing activities before the decrease can be identified with an individual financing in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a Group, or national or local economic conditions that correlate with defaults on assets in the Group.

Impairment losses on loans and advances to customers

The Group reviews its financing portfolio to assess impairment at least on a semi-annual basis. In determining whether an impairment loss should be recorded in the Statement of Income, the Group makes judgment as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of instalments due from financing activities before the decrease can be identified with an individual financing in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a Group, or national or local economic conditions that correlate with defaults on assets in the Group.

Impairment of available-for-sale investments

The Group considers that available-for-sale investments are impaired when there is objective evidence of impairment. Objective evidence for an investment includes information about significant changes with an adverse effect that have taken place in the economic market in which the Company operates and indicates that the investment may have suffered a significant or prolonged decline in the fair value below its cost. The determination of what is significant or prolonged requires judgment. In making this judgment, the Group evaluates amongst other factors, the volatility in share prices, the financial strength of related companies and the environment in which the Company operates and the industry.

Useful lives of property and equipment

The Group determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear, technical or commercial obsolescence.

Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of liquidity and model inputs such as correlation and volatility for similar instruments.

26. COMPARATIVE FIGURES

Certain of prior year amounts have been reclassified to conform to current year's presentation. Such reclassification has not resulted in any changes in previously reported net profit or equity.