

**QATAR NAVIGATION (Q.S.C.)
DOHA - QATAR
UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
REPORT FOR THE NINE MONTH
PERIOD ENDED SEPTEMBER 30, 2010**

QATAR NAVIGATION (Q.S.C.)

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at September 30, 2010

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QATAR NAVIGATION (Q.S.C.)**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at September 30, 2010

	September 30, 2010	December 31, 2009
	QR'000	QR'000
	(Unaudited)	(Audited)
ASSETS		
Non-Current Assets		
Property, vessels and equipment	3,511,668	1,267,612
Investment properties	711,937	578,980
Deferred dry docking costs	20,169	11,901
Investment in associates	3,652,438	26,882
Available-for-sale investments	2,568,792	4,473,710
Loans to LNG and LPG companies	370,378	--
Notes receivable	248	622
Intangible assets	55,342	--
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Total Non-Current Assets	10,890,972	6,359,707
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Current Assets		
Inventories	134,334	104,614
Trade receivables	338,949	275,509
Prepayments and other debit balances	171,280	113,664
Trading investments	154,638	61,578
Bank balances and cash	989,693	283,214
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Total Current Assets	1,788,894	838,579
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Total Assets	12,679,866	7,198,286
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QATAR NAVIGATION (Q.S.C.)

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2010

	September 30, 2010	December 31, 2009
	QR'000	QR'000
	(Unaudited)	(Audited)
EQUITY AND LIABILITIES		
Equity		
Share capital	1,145,252	720,252
Legal reserve	4,693,986	1,198,586
General reserve	623,542	623,542
Fair value reserve	2,557,857	2,465,465
Hedging reserve	(785,390)	--
Retained earnings	1,868,685	616,057
Proposed cash dividends	--	288,101
Equity attributable to equity holders of the parent	10,103,932	5,912,003
Non-controlling interest	53,114	--
Total Equity	10,157,046	5,912,003
Non-Current Liabilities		
Term loans	1,682,959	686,769
Employees' end of service benefits	55,002	41,388
Obligation under finance lease	11,231	15,574
Total Non-Current Liabilities	1,749,192	743,731
Current liabilities		
Trade payables	90,972	51,510
Accruals and other credit balances	277,435	184,641
Bank overdrafts	20,243	127,741
Term loans	379,242	172,700
Obligation under finance lease	5,736	5,960
Total Current Liabilities	773,628	542,552
Total Liabilities	2,522, 820	1,286,283
Total Equity and Liabilities	12,679,866	7,198,286

.....
H.E. Sh. Ali Bin Jassem Bin.
Mohammed AL Thani
Chairman and Managing Director

.....
Mr. Salem Bin Butti Al-Naimi
Vice Chairman

.....
Mr. Khalifa Bin Ali Al-Hitmi
Chief Executive

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the Nine Month Period Ended September 30, 2010

	Nine month period ended	
	September 30,	
	2010	2009
	QR'000	QR'000
	(Unaudited)	(Unaudited)
Operating revenue	1,363,338	878.834
Operating expenses	(1,010,751)	(610.482)
Gross Profit	352,587	268.352
Investments and interest revenues	186,472	185.406
Rental revenues	70,166	17.116
Other revenues	15,024	823
Profit from disposal / write off of property, vessels and equipment	2,932	34.588
Share of results of associates	162,254	(7.108)
General and administrative expenses	(143,733)	(60.981)
Impairment of available-for-sale investments	--	(1.903)
Finance costs	(24,655)	(6.523)
Realized fair value gain from acquisition of Qatar Shipping Company	236,048	--
Gain from bargain purchase of Qatar Shipping Company	397,263	--
Profit attributable to equity holder of the parent	1,254,358	429.770
Non-controlling interest	(1,730)	--
Net profit for the period	1,252,628	429.770
Earnings Per Share		
Basic EPS	10.94	5.97
Weighted average number of shares (thousand)	114,525	72,025

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Month Period Ended September 30, 2010

Basis of Preparation

1. The accounting policies used in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2009 except for any interpretation and standards effect for the current period.
2. The unaudited interim condensed consolidated financial statements have been published as per the instructions of the Qatar Exchange and have not been reviewed by the external auditors.
3. The additional Share Capital was actually issued on April 8, 2010. For the purpose of these interim condensed consolidated financial statements, the share capital is assumed to have been issued as of January 1, 2010.
4. The unaudited interim condensed consolidated financial statements include the results of the Purchase Price Allocation that the Company conducted as per International Financial Reporting Standards. As a result the Company recorded QR. 397 million as gain from bargain purchase of Qatar Shipping in the unaudited interim condensed consolidated statement of income and QR. 77 million as intangible assets in the unaudited interim condensed consolidated statement of financial position.
5. Qatar Quarries and Building Materials Co. financial results as of September 30, 2010 were consolidated in these unaudited interim condensed consolidated financial statements as the Company owns 50% of the share capital of Qatar Quarries and Building Materials Co. and exercises control over the company. As such the remaining 50% were recorded as non controlling interests (minority interest).
6. The Company changed its treatment of the investment in Nakilat from available for sale investment to investment in associates as a result of the acquisition. Equity accounting is used to book the share of profit for the nine months ended September 30, 2010.
7. The accumulated fair value reserve of 15% of Qatar Shipping shares in the books of the Company as of January 1, 2010 amounting to QR. 236 million were transferred to the unaudited interim condensed consolidated statement of income as a result of the acquisition.
8. The remaining 85% of the share capital of Qatar Shipping was acquired by the Company through issuance of shares. The acquisition date is assumed to be January 1, 2010 which is the date that the Company was deemed to exercise control over Qatar Shipping. The Company issued 42.5 million shares at QR 10 par value increasing the Company's share capital to QR. 1,145,252,000. The excess premium over the par value was recorded under legal reserve as required by Qatar Commercial Companies law.