

**QATAR NAVIGATION (Q.S.C.)
DOHA – QATAR**

**UNAUDITED PROFORMA INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD
ENDED MARCH 31, 2010**

QATAR NAVIGATION (Q.S.C.)

UNAUDITED PROFORMA INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three month ended March 31, 2010

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QATAR NAVIGATION (Q.S.C.)

UNAUDITED PROFORMA INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2010

	Qatar Navigation as of March 31, 2010	Qatar Shipping as of March 31, 2010	Net Adjustments	Note	Consolidation as of March 31, 2010	December 31, 2009
	QR'000 (Unaudited)	QR'000 (Unaudited)	QR'000 (Unaudited)		QR'000 (Unaudited)	QR'000 (Audited)
ASSETS						
Non-Current Assets						
Property, vessels and equipment	1,271,934	1,760,786	28,105	5	3,060,825	1,267,612
Investment properties	583,738	16,445	--		600,183	578,980
Deferred dry docking costs	12,311	--	--		12,311	11,901
Investment in associates	25,946	63,015	1,688,038	6	1,776,999	26,882
Available-for-sale investments	4,634,052	2,386,963	(4,543,858)	6	2,477,157	4,473,710
Loans to LNG and LPG companies	--	473,065	--		473,065	--
Notes receivable	358	--	--		--	622
Total Non-Current Assets	6,528,339	4,700,274	(2,827,715)		8,400,898	6,359,707
Current Assets						
Inventories	103,219	5,314	40,474	5	149,007	104,614
Trade receivables	336,311	142,832	23,917	5	503,060	275,509
Prepayments and other debit balances	144,113	--	3,883	5	147,996	113,664
Trading investments	55,154	74,677	2,071	5	131,902	61,578
Bank balances and cash	172,095	646,418	9,188	5	827,701	283,214
Total Current Assets	810,892	869,241	79,533		1,759,666	838,579
Total Assets	7,339,231	5,569,515	(2,748,182)		10,160,564	7,198,286

QATAR NAVIGATION (Q.S.C.)

UNAUDITED PROFORMA INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2010

	Qatar Navigation as of March 31, 2010	Qatar Shipping as of March 31, 2010	Net Adjustments	Note	Consolidation as of March 31, 2010	December 31, 2009
	QR'000 (Unaudited)	QR'000 (Unaudited)	QR'000 (Unaudited)		QR'000 (Unaudited)	QR'000 (Audited)
EQUITY AND LIABILITIES						
Equity						
Share capital	720,252	1,100,000	(675,000)	8	1,145,252	720,252
Legal reserve	1,198,586	1,220,755	1,767,157	8	4,186,498	1,198,586
General reserve	623,542	--	--		623,542	623,542
Fair value reserve	2,591,481	1,358,749	(3,713,913)	6	236,317	2,465,465
Retained earnings	824,533	470,617	(124,495)		1,170,655	616,057
Proposed cash dividends	--	--	--		--	288,101
Equity attributable to equity holders of the parent	5,958,394	4,150,121	(2,746,251)		7,362,264	5,912,003
Non-controlling interest	--	--	49,511		49,511	--
Total Equity	5,958,394	4,150,121	(2,696,740)		7,411,775	5,912,003
Non-Current Liabilities						
Loans and borrowings	442,531	449,193	599	5	892,323	686,769
Employees' end of service benefits	42,325	7,538	1,123	5	50,986	41,388
Obligation under finance lease	14,154	--	--		14,154	15,574
Total Non-Current Liabilities	499,010	456,731	1,722		957,463	743,731
Current liabilities						
Trade payables	196,603	102,552	2,534	5	301,689	51,510
Accruals and other credit balances	143,077	--	323	5	143,400	184,641
Bank overdrafts	114,490	--	--		114,490	127,741
Loans and borrowings	421,862	420,111	9,979	5	851,952	172,700
Obligation under finance lease	5,795	--	--		5,795	5,960
Dividend payable	--	440,000	(66,000)	9	374,000	--
Total Current Liabilities	881,827	962,663	(53,164)		1,791,326	542,552
Total Liabilities	1,380,837	1,419,394	(51,442)		2,748,789	1,286,283
Total Equity and Liabilities	7,339,231	5,569,515	(2,748,182)		10,160,564	7,198,286

**H.E. Sh. Ali Bin Jassim Bin
Mohammad Al Thani
Chairman and Managing Director**

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

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

QATAR NAVIGATION (Q.S.C.)
UNAUDITED PROFORMA INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the three month period ended March 31, 2010

	For the three months period ended March 31, 2010			Note	For the three months period ended March 31,	
	Qatar Navigation	Qatar Shipping	Net Adjustments		Consolidation 2010	2009
	QR'000 (Unaudited)	QR'000 (Unaudited)	QR'000 (Unaudited)		QR'000 (Unaudited)	QR'000 (Unaudited)
Operating revenues	233,220	126,308	59,879	5	419,407	294,619
Operating expenses	<u>(175,437)</u>	<u>(67,096)</u>	<u>(62,445)</u>	5	<u>(304,978)</u>	<u>(195,827)</u>
Gross Profit	57,783	59,212	(2,566)	5	114,429	98,792
Investments and interest revenues	165,597	21,897	624	5	188,118	90,631
Rental revenues	8,275	--	--		8,275	3,436
Other revenues	1,582	2,510	41	5	4,133	309
Profit from disposal and write off of property, vessels and equipment	2,931	--	--		2,931	--
General and administration expenses	(25,905)	(19,076)	(1,224)	5	(46,205)	(16,235)
Finance costs	(748)	(6,150)	(961)	5	(7,859)	(5,533)
Share of results of associates	(1,040)	2,636	51,089	6	52,685	(8,241)
Realized fair value gain from acquisition of Qatar Shipping	--	--	236,048	7	236,048	--
Profit attributable to equity holder of the parent	208,475	61,029	283,051		552,555	163,159
Non-controlling interest	--	--	2,043	5	2,043	--
Profit for the period	<u>208,475</u>	<u>61,029</u>	<u>285,094</u>		<u>554,598</u>	<u>163,159</u>
Earnings Per Share						
Basic EPS					4.83	2.27
Weighted average number of shares (in thousands)					114,525	72,052

QATAR NAVIGATION (Q.S.C.)

NOTES TO THE UNAUDITED PROFORMA INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2010

Basis of Preparation

1. The accounting policies used in the preparation of the proforma 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.
2. The proforma 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 after March 31, 2010. For the purposes of these proforma Financial Statements, the Share Capital is assumed to have been issued as of March 31, 2010.
4. The proforma financial statements are based on provisional amounts. These amounts will be revisited as a result of the purchase price allocation that the Company is undertaking as allowed by International Financial Reporting Standards.
5. Qatar Quarries and Building Materials Co. financial results as of March 31, 2010 were consolidated in these proporma financial statements as the Company owns 50% of the share capital of Qatar Quarries and exercises control over the company. As such the remaining 50% were recorded as non controlling interests.
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 three months ended March 31, 2010. The accumulated fair value adjustment of Nakilat included under the fair value reserve were netted off against the investment to bring the investment in associate at cost as required by International Financial Reporting Standards.
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 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 shares issue. 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.
9. The QR. 440 million dividend declared by Qatar Shipping were removed as the dividends are the right of the shareholders of Qatar Shipping before acquisition. The Company recorded its shares from the dividends amounting to QR. 66 million.