ANNUAL REPORT 2010

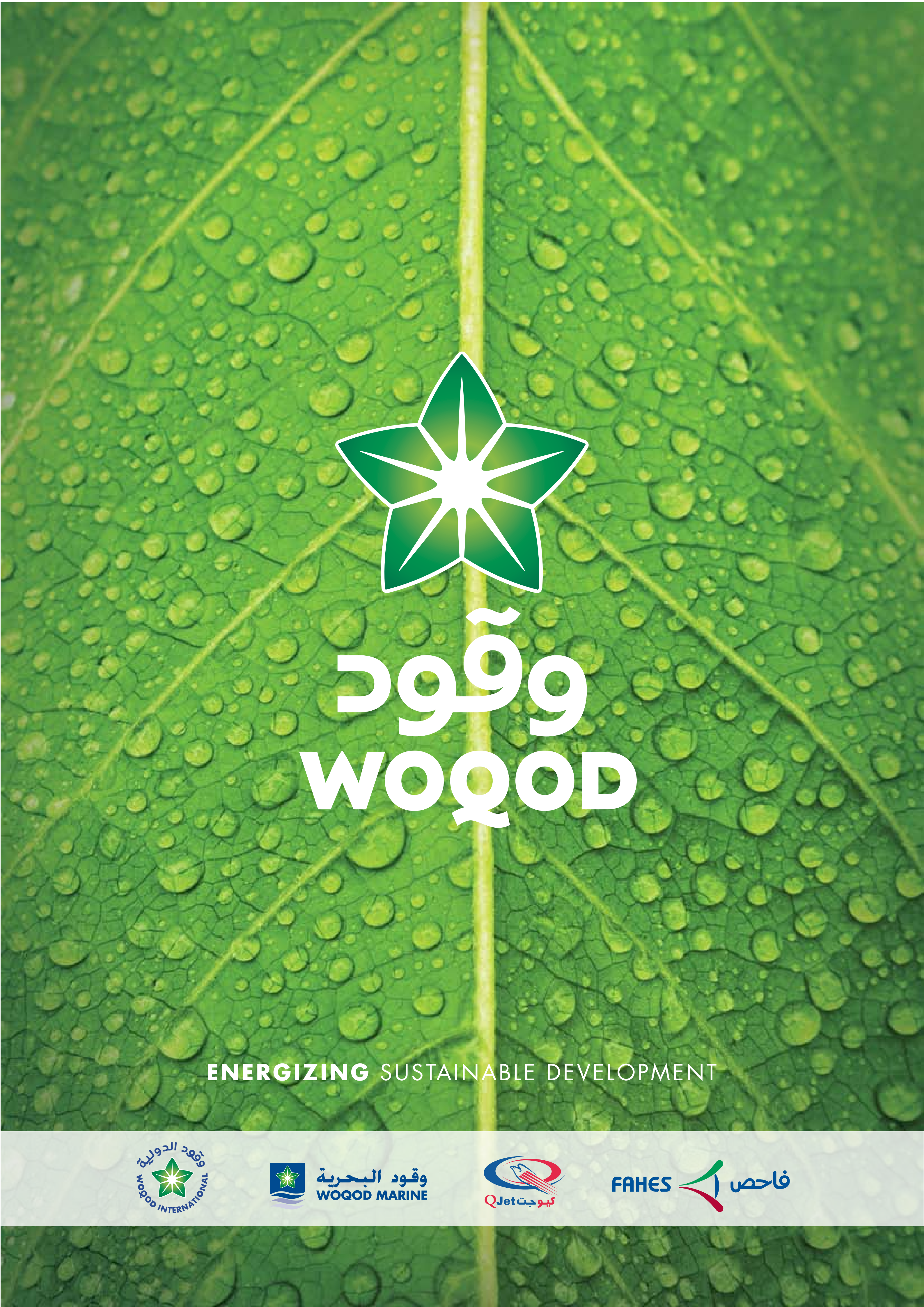
Committed to Year-Round Achievements

Driving energy

www.woqod.com.qa

وقود

WOQOD



وقود
WOQOD

ENERGIZING SUSTAINABLE DEVELOPMENT

وقود الدولية WOQOD INTERNATIONAL
وقود البحرية WOQOD MARINE
QJet كيوجت
FAHES فاحص

CONTENTS

In The Name Of Allah
The Most Gracious
The Most Merciful

His Highness
Sheikh Tamim Bin Hamad Al Thani
The Heir Apparent

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

Board of Directors

H.E. Mr. Abdullah Bin Hamad Al-Attiyah

Deputy Prime Minister, Chief of the Amiri Diwan and Chairman of WOQOD

1 **H.E. Mr. Abdulla Bin Hamad Al-Attiyah**
Chairman of WOQOD

2 **Mr. Mohammed Khalifa Turki Al-Sobai**
Vice-Chairman & Managing Director

3 **Mr. Hussain Mohammed Al-Ishaq**
Member – Board of Directors

4 **Mr. A-Rahman Z Saad Al-Shathri**
Member – Board of Directors

5 **Mr. Nasser Sultan N Al-Hemaidi**
Member – Board of Directors

6 **Mr. Mohammed A. Aziz S R Al-Saad**
Member – Board of Directors

7 **Sheikh Saoud Khalid H A Al-Thani**
Member – Board of Directors

Our Profile

Introduction

Under the auspices of His Highness the Emir of Qatar, Sheikh Hamad Bin Khalifa Al Thani and the direction of our Chairman, His Excellency, Abdullah bin Hamad Al-Attiyah, Deputy Prime Minister, Chief of the Amiri Diwan, Qatar Fuel (WOQOD) has made a great start and has a great future to come.

Qatar Fuel (WOQOD) is a downstream oil storage, distribution and marketing company, formed in 2002 as a joint stock company listed in Qatar Exchange. The company was formed from the fuel storage and distribution assets owned at that time by Qatar Petroleum under the name of NODCO (National Oil Distribution Company). NODCO-owned Qatar's fuel distribution depot located in Abu Hamour supplies diesel, gasoline and aviation fuels to the entire State of Qatar through a fleet of dedicated road tankers. All these fuels are supplied to the Doha Depot by a multi-product pipeline from Qatar Petroleum's refinery at Mesaieed.

Qatar Fuel (WOQOD) is exclusively responsible for the distribution of fuel needs within Qatar. This includes diesel and gasoline for vehicles, boats and industry and aviation fuel for Doha International Airport; all being served through a fleet of more than 200 road-tankers. The company also trades in bunker fuels, ship-to- ship bunkering within Qatari waters, bitumen importation and distribution for building new roads, LPG for cooking and own-branded-lubricants. In addition, it owns modern branded service stations across Qatar.

WOQOD owns the subsidiaries: Qatar Jet Fuel Company (Q-JET), WOQOD Vehicle Inspection (FAHES), WOQOD Marine Services and WOQOD International for Foreign Investments.

WOQOD's share growth has been progressive and impressive since establishment, being profitable and the first Qatari company to pay a dividend in its first financial year. Our performance is shared by a strong Qatari shareholder base and positively influenced by our largest shareholder, Qatar Petroleum. In 2008, Qatar Fuel (WOQOD) ranked no.1 among all listed companies in Doha Exchange in terms of higher (EPS).

WOQOD's strategy is to be the best downstream energy company in the region as measured in terms of customer and employee satisfaction and shareholder earnings.

Delivering Opportunities

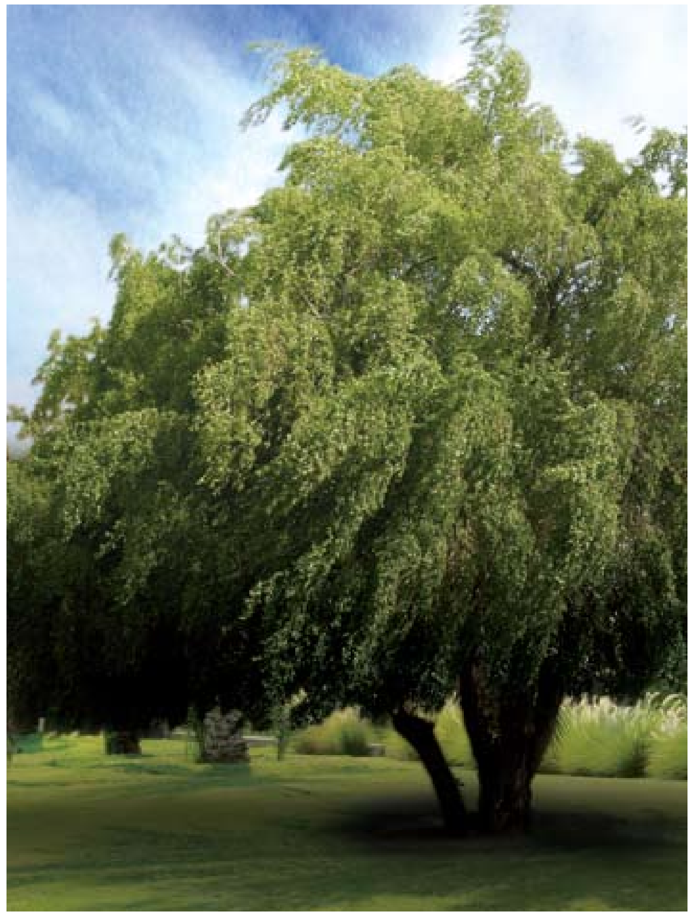
Our Vision

"To be the leading petroleum products and related services marketing company in the region."

Our Mission

- Provide all customers with reliable, professional and innovative solutions through friendly, excellent and convenient services.
- To demonstrate accountability for all our activities.
- To achieve our Vision and Mission, we will train and develop competencies across the organization to enable us to demonstrate that we are the best in what we do in the region.
- We will continually strive towards our goal of exceeding 50% Qatarization.
- Minimizing our impact on the environment will be achieved through the introduction of new technologies not yet seen in the region.

COMMITTED TO YEAR-ROUND ACHIEVEMENTS



Our Brand Values

Our brand is inspired by a strong Qatari heritage - the Sidra tree, the environment and the energy from the Sun. The Sidra is endemic to Qatar, it is a tough tree, able to thrive in Qatar's desert environment with minimum maintenance.

Many families have lived with the Sidra tree in their gardens. It provides shade from the sun and beautifies the desert landscape. Our new modern brand will enable us to compete globally but will always remind us of our roots.

Our Brand

Professional
Everything WOQOD does internally and externally will be seen as a truly professional approach. We aspire to be the most professionally managed company in Qatar.

Solid
WOQOD as a company is built on a solid foundation financially through its shareholders.

Friendly
WOQOD is a friendly company to deal with and always approaches its customers in a friendly manner.

Innovation
WOQOD leads the market in innovative products, services and processes.

Accountable
WOQOD is truly accountable for all its business activities and their impact.

WOQOD Quality Policy

We, at Qatar Fuel (WOQOD), are engaged in marketing, distribution and storage of fuel and related products within Qatar. The company plans to diversify its products and services and to expand its operations in the GCC and other countries.

In fulfilling our corporate vision and to earn the trust and confidence of our shareholders, we commit to provide consistently quality products and superior services through the use of best management concepts and state-of-the-art technologies.
We shall integrate highest professionalism through our WOQOD Brand values and quality considerations in every aspect of our operations by implementing and maintaining internationally recognized Quality Management System (QMS).

To continually improve the quality of our products and services and the effectiveness of our management system, we shall:

- Seek to know, understand and always meet the requirements of our partners through effective feedback mechanism.

- Comply with applicable laws and regulations and the requirements of the industry to which we belong.

- Establish strategic objectives and targets aimed at continually improving the efficiency of our operations and in meeting the stated and implied needs of our customers.

- Empower our employees in resolving problems and in maintaining customer focus and competence by providing them with appropriate training and support.

- Promote quality awareness in all functions and levels within the company and among our stakeholders.

- Review regularly our Quality Management System to ensure its continuing suitability.

COMMITTED TO YEAR-ROUND ACHIEVEMENTS

WOQOD Environmental Policy

We, Qatar Fuel (WOQOD) and affiliate companies, are committed to a role of environmental leadership in all aspects of our business.

We are committed to:

- Continually improve our environmental performance through our environmental objectives, targets and programmes
- Prevent Pollution and conserve our natural resources
- Comply with all environmental laws and regulations applicable to our operations
- Contribute and participate in our community's environmental activities.

We make this policy known to all to promote environmental awareness among our stakeholders in creating a better environment.

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Delivering Ingenuity

His Excellency Mr. Abdullah Bin Hamad Al-Attiyah

Deputy Prime Minister, Chief of the Amiri Diwan
and Chairman of WOQOD

Dear Shareholders
Distinguished Guests,

Peace be upon you and God's mercy and blessings.

On behalf of my fellow board members and myself, I am honored to welcome you at this year's General Assembly Meeting and to present to you the Eighth Annual Report of the Board of Directors with a brief overview of the main achievements of Qatar Fuel (WOQOD) for the fiscal year 2010.

At the global level, the global economic crisis continues to cast a shadow over most world countries, including our region. Furthermore, the global economic situation is still undergoing a period of instability and is reluctant in launching a process of genuine recovery. There is also fear of another setback that might have a greater impact than its predecessor, despite all the efforts deployed by major countries and emerging economies alike.

As for the GCC countries in general and in Qatar in particular, as you know, we were not isolated from the repercussions of that crisis, but with the help of God and the wise visions and directives of our leaders, headed by HH the Amir, Sheikh Hamad Bin Khalifa Al Thani, and the Heir Apparent, we were able to overcome the negative effects of such global crisis. Our national economy continued to achieve unprecedented growth rates that has placed him among the fastest growing economies in the world, and has raised its competitive abilities on the international level. We also persevered in our tireless efforts to develop the economic infrastructure and diversify our sources of national income in order to ensure continued sustainable development, as well protecting the local environment and laying stress on the importance of human development, considering that humans are the main target of development and the most effective means to achieve it.

Dear Shareholders,
Honorable Guests,

Among the other important milestones achieved during 2010 is the successful increase of our annual LNG exporting capacity and reaching our target of 77 million metric tons a year. This has placed the State of Qatar at the forefront of natural gas exporters in the world. In addition to that, we have received the privilege of organizing the 2022 FIFA World Cup, which the State of Qatar has aptly won.

As for the activities of our company and its financial performance for 2010, I am pleased to present a brief overview of our main achievement and our financial results for this year. These results are detailed in the report of WOQOD.

Regarding the new petrol stations, we have opened three stations in the past year in Al-Gharrafa, Al-Markhiya, and West Bay areas. We have also signed new contracts for building other stations and technical inspection centers (FAHES), which will be opened during 2011, that in addition to other numerous projects.

On the financial front, during the financial year ending on 31/12/2010, the company has managed to maintain high net profit rates that exceeded QR 1.074 million compared to QR 870 million in 2009, i.e. with an increase of 23.4%. as compared to the past years. If we take into account the increase in the paid-up capital of the company during 2009, which was 10%, then the earning per share (EPS) for this year would have increased by 21.2% to reach QR 31/share.

Based on the achieved results for this period, and on our expectations for developments in the global economy and their impact on the local, regional and international level during the upcoming period, the Board of Directors is pleased to include within the agenda of your esteemed Assembly a recommendation to distribute cash dividends of QR 346.5 million according to a rate of 100% of the value of the paid-up nominal capital, i.e. 10 QR per share, in addition to 20% bonus shares, i.e. 2 shares per 10 outstanding shares. This recommendation takes into account the status of the current financial liquidity of the company, and the future funding needs for capital projects that were adopted for the year 2011, which exceeded 945 million Qatari Riyals.

Acknowledgment and Appreciation

In conclusion, I would like to take this opportunity to express our deepest thanks and appreciation to His Highness Sheikh Hamad Bin Khalifa Al Thani, the Emir of the State of Qatar, for his continued support and wise guidance of the comprehensive development that we are witnessing in the country today.

I also would like to extend my sincere thanks and appreciation to His Highness Sheikh Tamim Bin Hamad Al Thani, the Heir Apparent, for his continued support for WOQOD, which had the greatest impact on the company's success and prosperity.

Our thanks go as well to our esteemed shareholders for their trust in and their loyalty to the company. We also would like to lay emphasis on our commitment to hard work and our perseverance to achieve further success in the service of their interests, and the development of their investments.

Finally, we appreciate the efforts of all the employees in the company and commend their dedication, loyalty and cooperation, which culminated in excellent financial results. We hope they will exert further efforts to face all challenges and to achieve the objectives of the company for the benefit of all. I also would like thank on your behalf the members of the Board of Directors for their efforts and the sacrifices they have made for the benefit of the company and its shareholders, and I would like to wish them continued success.

Peace be upon you and God's mercy and blessings.

Abdullah Bin Hamad Al-Attiyah
Chairman of WOQOD

Delivering Convenience

BOARD OF DIRECTORS' REPORT

Company's Activities and Performance in the Fiscal Year 2010 and Future Plans

Mr. Mohamed Khalifa Turki Al-Sobai

Vice-Chairman
Managing Director

Dear Shareholders:

The Executive Management of Qatar Fuel has the pleasure of presenting to its esteemed shareholders the most important achievements of the company and its financial results achieved during the fiscal year 2010, in addition to the company's current and future projects.

As everyone knows, 2010 has witnessed a slowdown in global economic growth, and there were no signs in the horizon indicating that the financial crisis that world has witnessed over the past years has vanished or is in the process of disappearing and that the stage of economic recovery will prevail in the near future. Despite these circumstances, Qatar Fuel carried on with the implementation of its set goals and the achievement of the projects stated in its strategic plans.

I am proud to outline the achievements of the company for the year 2010 as follows:

First: Progress of WOQOD's Main Projects:

Petrol Stations Network:

A. Operational Stations:

The opening of Al-Gharrafa Petrol Station

During 2010, WOQOD was able to open and operate three new petrol stations in Al-Gharrafa, Al-Markhiya, and the West Bay.

Al-Gharrafa station opened in April 2010 and includes most major services requested by clients, in addition to postal services and the possibility of leasing postal boxes that have been installed inside the station in cooperation with the General Postal Corporation (Q-Post). The station also has the advantage of having a large area allocated for car washing services, with four lanes equipped for this purpose.
Al-Markhiya Petrol Station opened in October 2010 and offers all basic services including the sale of SHAFAF's 6kg and 12 kg cylinders.

Offering postal services at Al-Gharrafa Petrol Station

On the other hand, the West Bay station opened in November 2010 and is located in the towers district. Despite its small size, it supplies all petroleum products and other services, such as the convenience store. The station serves the West Bay area, which has a large number of administrative towers. It also serves residents and employees of the area.

BOARD OF DIRECTORS' REPORT

Company's Activities and Performance in the Fiscal Year 2010 and Future Plans

Opening of the West Bay Station

B. Petrol Stations Under Construction:

The final touches are being placed on four petrol stations in Al-Daayen, Al-Duhail, Al-Shihaniya, and Rawdat Al-Rashed. They are expected to open during the first quarter of 2011.

There are other stations that are also in the construction and the planning stages. Contracts have been signed with local companies to begin work on these stations during 2011. Among these stations:

Opening of the Al-Markhiya Station

- Lekhdera and Umm Thughaib in Al-Zubara area.
- Abu Samra and Al-Karaana at the borders with Saudi Arabia.
- Two stations in Mesaieed at the entrances of the city.

C. Plans for Other Stations:

Coordination is underway with the Ministry of Municipal Affairs and Urban Planning to study the possibility of building other stations with comprehensive services

Food court in the new stations currently under construction

that include spacious resting areas with children playgrounds and family areas. Currently, the company is working closely with Urban Planning to choose the appropriate sites and allocate the necessary land plots to build these stations.

Signing contracts with local companies to build new stations

Second: Projects Executed by Qatar Petroleum for WOQOD

1. 18-Inch Pipeline to Transport Petroleum Products from Petroleum Refinery in Mesaieed to Doha Depot:

The pipeline is about 42 km in length and pumps all petroleum products to the Doha Depot. The project is nearing completing and is partially operational. It is expected to become fully operational during the second half of 2011.

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Company's Activities and Performance in the Fiscal Year 2010 and Future Plans

2.Pipeline Project to Transport JET-A1 Fuel from the Petroleum Refinery in Mesaieed to the New Doha International Airport.

The project is progressing as planned and has reached the final stages. Trial operation is expected to begin during the second half of 2011.

18-inch petroleum products pipeline

3. Supplying Ships with Water and Diesel at Ras Laffan:

A project is currently being implemented to supply ships docking at Ras Laffan with diesel and water. These services will be offered at the seven docks within the port. The project is advancing and is expected to be completed during the third quarter of 2011.

Berth expansion project
(Diesel & Water Dispensing) - Ras Laffan

4. Facilitating the Supply of Diesel for Trucks at Ras Laffan:

A center is currently being built to supply truck with diesel at Ras Laffan and to extend a pipeline to the Ras Laffan Port to supply ships with diesel. WOQOD will be operating and managing the project which will be completed during 2011.

Third: Marketing Activities

1. Retail Activities

In addition to marketing various kinds of petroleum products, WOQOD implements a set of other relevant marketing activities that offer products or services related to its basic activities, such as the convenience stores inside and outside the petrol stations. WOQOD also signed an agreement with the management of the Cultural Village to offer these services within their premises, in addition to car wash services, lubricant and oil change, mechanical repair workshops and tire change. Furthermore, the automated mail service has been recently introduced in the new petrol stations.

The following table shows the growth rates achieved by these activities during 2010 compared to 2009.

Revenues of Retail Activities

Service & Product	Total sales in 2010 (Million QR)	Total sales in 2009 (Million QR)	Growth Rate%
Convenience Stores (Sidra)	44.0	24.6	79%
Car Wash Service (Automatic)	4.8	3.0	60%
Car Wash Service (Manual)	8.2	3.8	116%
Oil and Lubricant Change	12.4	6.3	97%
Repair Workshops & Tire Change	5.7	2.5	128%

2. Bitumen

Despite the ongoing global economic crisis and the slowdown in regional growth rates, Bitumen sales in Qatari markets have increased by more than 158% in 2010 compared to 2009. Sold quantities have reached 61.6 thousand metric tons during the aforementioned year. In addition to that, WOQOD participated in a number of local events related to Bitumen, such as the exhibition organized by the Public Works Authority.

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Company's Activities and Performance in the Fiscal Year 2010 and Future Plans

WOQOD participating with official authorities in the enhanced Bitumen event

It also participated in the conference organized on this occasion and which featured a review of Bitumen activities and the latest development in the field of using other forms of enhanced Bitumen and future plans for using on the level road construction and local projects.

Furthermore, two new enhanced Bitumen products were introduced in the local market and were used in some road intersections and main streets by the Public Works Authority. These products are characterized by their strong resilience and resistance to weather conditions, much more than the normal 60/70 Bitumen.

Using enhanced Bitumen

Due to an anticipated increase in the demand for enhanced Bitumen in the coming period, and in line with the future projects of the State of Qatar, WOQOD has set up a plan to increase the storage capacities of its warehouses by adding new reservoirs and increasing its storage capacity to 6000 metric tons instead of the current 1600 metric tons.

The new project will ensure that the local market is supplied with its needs of this product. It will also enhance marine supply operations by reducing the waiting period of ships at Qatari ports for unloading purposes. Moreover, it will allow a reduction in cost and an increase in operational and distribution efficiency.

3. Lubricants

After the huge success that followed the launch of WOQOD's new products of high quality motor oil in the Qatari market, the company was able to access neighboring regional markets by signing contracts with authorized distributors in Iraq and he United Arab Emirates.

WOQOD produces a series of lubricants with international standards

These agreements will allow the distribution of WOQOD's high quality synthetic, semi-synthetic and mineral oil products in the markets of the above countries. These lubricants will be used in diesel and gasoline engine and WOQOD will keep on searching for new markets in some Asian and African countries and others.

Signing a contract for lubricants marketing in Iraq

BOARD OF DIRECTORS' REPORT

Company's Activities and Performance in the Fiscal Year 2010 and Future Plans

In view of the expected increase of local and regional demand for WOQOD's high quality motor oil, the company has completed a series of studies and plans to establish an oil mixing plant in cooperation with international company specialized in this field.

4. LPG Gas

2010 witnessed the launch of the marketing campaign for the new SHAFAF product, which was introduced on the market by the end of 2009. The product includes 12kg and 6kg SHAFAF LPG cylinders with special technical characteristics in terms of safety, security, and usage flexibility.

SHAFAF cylinders filling station using the latest technology

Also in 2010, the remaining 48kg LPG cylinders were withdrawn from the local market and the product was discontinued within the State of Qatar. LPG activities during 2010 could be summed up as follows:

A. LPG Bulk

2010 saw a significant growth in the volume of total LPG Bulk sales whereby sold quantities exceeded 25,195 metric tons compared to 19,986 metric tons in the previous year, i.e. an increase of more than 26%. The breakdown of these sales was distributed according to the following categories:

LPG Bulk Sales (in metric tons)

Category	2010	2009	% of Change
Residential sector	626	332	98%
Commercial sector	14,660	7,484	96%
Industrial sector	9,909	12,169	-19%
Total	25,195	19,985	26%

The decline in the sales of the industrial sector us attributed to a decline in the amount of demand by key companies in the local market.

In this regard, it important to note the large increase in the number of customers who switched to fixed tanks of different sizes instead of cylinders, due to marketing campaigns and the conviction in the advantage of fixed tanks over cylinders.

B. LPG Cylinders

As stated earlier, the large 48kg metal cylinders were withdrawn from the market as of the beginning of 2010 and a campaign was launched to promote the use of SHAFAF cylinders due to their unique characteristics. This product that was launched in early 2010 was positively received by all consumers whereby the number of 12 kg cylinders that were filled during that period exceeded 80 thousand cylinders and that of small-sized cylinders (6 kg) exceeded 2560 cylinders.

SHAFAF delivery truck

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Company's Activities and Performance in the Fiscal Year 2010 and Future Plans

SHAFAF cylinders available in grocery stores & supermarkets

In the upcoming months, we will witness a significant development in the distribution of these cylinders due to the increase in the number of distributors and supermarkets that signed contracts to act as points of sale for SHAFAF. The number of distributors exceeded 105 distributor by the end of 2010.

5. Natural Gas

WOQOD has established a comprehensive plan to market natural gas through a private pipeline whereby the Industrial Area Authority for Small and Medium-Scale Industries is putting the final touches on a 76-km natural gas pipeline inside the Industrial Area. Furthermore, all required trials have been completed and the project is expected to become operational in the third quarter of 2011. Qatar Petroleum will supply the project with the required quantities of natural gas according to the best international standards.

WOQOD will manage and operate the project on behalf of Qatar Petroleum by using its infrastructure and technical and administrative expertise; and will cover the Industrial Area in the first phase.

Fourth: Assets and Real Estate:

A. WOQOD Tower

The project has reached the final finishing stages. The tower is made up of 30 storeys, in addition to a 4-storey parking lot and a mezzanine floor. Currently, the building is being equipped with a telephone network, internet, and other electronic equipments. It is expected to be completed in the first half of 2011.

WOQOD Tower

B. Investments

WOQOD has founding shares in both Qatar Gas Transportation Company (Nakilat) and Vodafone. Nakilat's share closed on the last trading day of 31/12/2010 at (20.00) Qatari Riyals per share compared to (24.00) Qatari Riyals in 2009. While Vodafone's share closed at (8.30) QR for the same period compared to (8.40) QR for 2009.

In addition to the above, WOQOD has an investment portfolio that is managed locally and according to a well thought out strategy; and the net profit of the portfolio increased by more than 12% in 2010.

Fifth: WOQOD's Subsidiaries

1. Q-Jet

Q-Jet is considered the only company providing Jet-A1

BOARD OF DIRECTORS' REPORT

Company's Activities and Performance in the Fiscal Year 2010 and Future Plans

jet fuel at the national level. The company provides its services for more than 35 international airlines landing at Doha International Airport headed by Qatar Airways that witnessed an increase in its fleet from 80 airplanes in 2009 to 92 airplanes in 2010 and most of them are giant aircrafts that carry large quantities of fuel.

Supplying Q-JET Fuel without tanks

Regarding future plans, the company is getting ready to move to the new international airport upon its opening. It has completed all necessary mechanical preparations and equipment, developed its operations and introduced a supply management system by using GPRS. The system will be used in the new international airport. Also, in the upcoming stage the use of tanks in the transport of jet fuels from the Doha Depot to the new international airport will be discontinued. A new 16-inch supply pipeline will be installed at present by Qatar Petroleum in cooperation with WOQOD. The pipeline will be supplying jet fuel from the refinery in Mesaieed to the New Doha International Airport through an underground network.

2. WOQOD MARINE SERVICES

WOQOD Marine Services includes (6) ships with a total operational capacity exceeding 50,000 tons. It plays an important role in carrying out the logistic and commercial functions of WOQOD. In addition to its important role in supplying Bitumen and Diesel from outside the state of Qatar, some of these ships have a number of commercial activities that have reached India, and the GCC countries. The company's 2010 achievements could be summed up as follows:

One of WOQOD Marine Services ships supplying bitumen & diesel

• WOQOD Marine Services received a Documentation of Compliance from Lloyd's, the world most renowned company in this field, which allows it to manage maritime companies and have direct management control over most of its ships that were

The cockpit in one of the ships

previously managed by the Maritime Management Company in Dubai. WOQOD Marine Services will be taking control of the last two ships during the first quarter of 2011. By that all ships belonging to the company will be directly managed by it from Doha and not from Dubai as was previously the case.

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Company's Activities and Performance in the Fiscal Year 2010 and Future Plans

• During 2011, the company was awarded the Safety Management Certificate for maritime shipping which enables it to operate as an independent shipping company and to manage the risks related to this type of activity.

WOQOD Marine Services receives a Maritime Qualification Certificate

• The company has developed a new periodic maintenance system for ships, which contributed in reducing the rate of sudden breakdowns, as well as the cost of maintenance.

• The final touches are being placed on the company's website, which was established in 2010. It is expected to be officially launched during the first quarter of 2011.

3. WOQOD Vehicles Inspection (FAHES)

During 2010, FAHES introduced several tangible administrative and technical changes on the mechanisms of the technical inspection for vehicles. It has further opened two new lanes for the inspection of light-weight cars in the industrial city. This helped in

FAHES فاحص

ISO Award

reducing the waiting period required to make an appointment for the inspection of large trucks from two weeks to one day only. Another fourth mobile station for technical inspection has also been added to the ones established in Abu Hamour and Al Khor petrol stations in the aim of increasing the operational efficiency of the company.

It is worth mentioning that FAHES has completed the requirements for the ISO 9001:2000 and has been awarded the certificate in the second half of 2010.

In the same year, WOQOD also signed two contracts with a local company to build two new inspection centers for FAHES: the first in Mesaimeer and the second near Qatar University. Both projects are expected to be complete and operational towards the end of 2011. There other projects to build new centers for FAHES, but they are still in the design and study phase.

As for the net income of FAHES for the year 2010, it has increased by 27% compared to 2009. The number of inspected cars has reached 342,487 cars in 2010, i.e. with a 13% increase from the previous year. This figure is expected to rise significantly upon the completion of the company's current projects.

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4. WOQOD International
In the framework of WOQOD's new strategy to expand on the regional and international levels and to explore investment opportunities outside the State of Qatar, WOQOD International has been established as a limited liability company responsible for foreign investments wherever they are found. The company will act as platform for possible and economically viable foreign investments.

WOQOD Saudi Arabia has been recently registered as a subsidiary of WOQOD International and has set up office in the Kingdom of Saudi Arabia as a first step toward implementing projects related to the establishment of petrol stations and other related services.

Sixth: Information Technology Department

In 2010, the Information Technology Department implemented several projects aiming at raising the level of performance in the various departments at the company. These achievements could be summed up as follows:

• Completion of the distribution system at the new LPG station, which includes the sales and inventory management systems.

• Implementation of the distribution fleet management system specialized in enhancing the distribution efficiency of the petroleum products and managing the distribution fleet.


WOQOD ensures to keep up with the latest technological developments

• Completion of the IT plans for the new WOQOD tower that will open during the first half of 2011. The plans are based on the latest IT systems.

• Implementation of the new central monitoring system and setting up smart cameras in the different petrol stations.

• This in addition to the implementation of other projects related to information systems, networks, central e-fax, and quality control programs.

Seventh: Administrative Affairs

During 2010, WOQOD continued to review and develop its organizational structures. It has introduced the e-government system, and has implemented fundamental changes to the policies and procedures related to administrative affairs, in order to cater to the current and expected growth of the company.

BOARD OF DIRECTORS' REPORT
Company's Activities and Performance in the Fiscal Year 2010 and Future Plans

WOQOD also continued in its relentless efforts to attract qualified and competent Qatari talents that would fit with the requirements of the company. A large number of Qataris have been appointed in upper administrative and technical positions, which contributed in a significant increase in the rate of Qatarization.

Training
Training and career development are amongst the main concerns of the company and is of high priority for the Human Resource Department. During 2010, a number of local and international training sessions have been organized in the areas related to crisis and emergency management, first aid, risk management, customer service and preservation of the local environment.


Workshop for Managers

In addition to local training programs, which exceeded 131 sessions related to retail activities and attended by 2340 employees from different fields, a number of employees have been nominated to attend a series of specialized training sessions in accounting, auditing and financial control within the State of Qatar and abroad. More importance will be given to the issue of training in the upcoming period upon transfer to the new tower where a modern, specialized and fully equipped training center will be established for this purpose.

Social Responsibility
Social responsibility is of great importance for the management of WOQOD, whereby the company is keen on participating and contributing in social, cultural, and sporting events throughout the year. For instance,


WOQOD contributing in the forestation campaign

WOQOD has participated in the forestation campaign organized by Qatar Petroleum in cooperation with the Ministry of Municipal Affairs and Urban Planning, which was an extension of the previous Green Qatar campaign, and contributed by distributing about 10,000 sidra tree implants.

National Career Fair
WOQOD participated in the National Career Fair, which is an annual event during which university and college graduates are introduced to job vacancies available for qualified Qataris. The event is considered an efficient means that allows companies to interact up close and personal with the job seekers and to talk to them directly.


WOQOD participating in the National Career Fair

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In addition to the above, WOQOD participated in the National Day of the State of Qatar as a platinum sponsor, as well as other social and entertaining activities and events.

WOQOD Employees Family Day

Eighth: Quality Management System (QMS)

WOQOD is preparing to receive the ISO 14001-2004 certificate for the environment protection system. A team was established to work on fulfilling the requirements of the certificate and is currently studying the laws, regulations and practices of local environment protection in order to fill the gap in this field and pave the way to receiving the above certificate by the end of 2011.

QMS training

WOQOD وقود
QMS
QUALITY MANAGEMENT SYSTEM

In 2010, WOQOD has prepared field studies to measure customer satisfaction with its services and to ask for their opinions and suggestions. It also organized training sessions related to quality and safety in the field.

Ninth: Operations

2010 witnessed a significant development in the main activities of the Operations Department, whereby the company's fleet has been enhanced with additional tanks and trucks; a new periodic maintenance program has been implemented in the aim of reducing sudden breakdowns; and new logistic monitoring systems have been set up as well. The main activities of the Operations Department for 2010 could be summed up as follows:

Petroleum Products

Super gasoline sales increased to 924 million liters in 2010, i.e. an increase of 8.7% compared to last year. The sales of regular gasoline increased by 4,5% and exceeded 558 million liters. While diesel sales decreased by 1.6% compared to 2009. This decline in diesel sale is a result of the slow-paced projects that were implemented during that period and their impact on the quantities of sold diesel.

BOARD OF DIRECTORS' REPORT

Company's Activities and Performance in the Fiscal Year 2010 and Future Plans

The following table illustrates the sales figures of WOQOD's petroleum products:

Product Type	Quantity of Sales in 2010 (million liter)	Quantity of Sales in 2009 (million liter)	% change
Regular Gasoline	558	534	+4.5%
Super Gasoline	924	857	+7.8%
Diesel	2,115	2,150	-1.6%
Total	3,597	3,505	2.6%

As for the other services provided by the Operations Department, such as transportation and rental of tanks, they have also witnessed a significant growth in 2010. Whereby the number of rented tanks of various sizes (ranging between 2,500 to 50,000 liters) increased to 1,161 tanks compared to 935 tanks in 2009, i.e. an increase of more than 24% .

Tenth: Financial Results

In 2010, Qatar Fuel achieved excellent net profits that exceeded 1074 million Qatari Riyals (after excluding minority rights), that is an increase of 204 million Qatari Riyals or 23.4%.

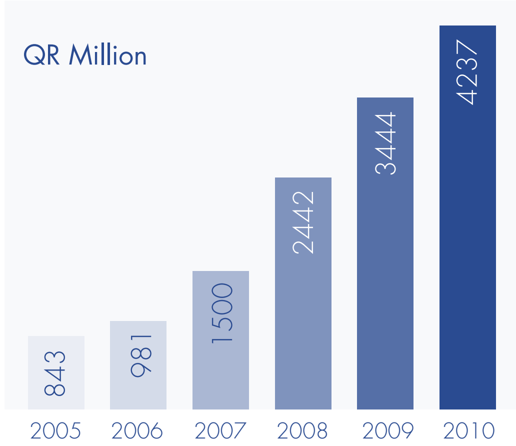
Furthermore, the company's assets rose by 24.4% exceeding 6154 million Qatari Riyals, while equity reached 4019 million Riyals, up 22.9% from last year despite the increase in the paid-up capital by offering 10% of the company's capital as free shares during 2009. Earnings per share increased to 31 Riyals per share compared to 25.57 Riyals last year, an increase of 21.2%.

In conclusion, WOQOD would like to extend its deepest thanks and gratitude to His Highness Sheikh Hamad Bin Khalifa Al Thani, the Emir of the State of Qatar, and the Heir Apparent, Sheikh Tamim Bin Hamad Al Thani, for their continued support for WOQOD. We also would like to thank His Excellency Mr. Abdullah Bin Hamad Al Attiyah, Deputy Prime Minister, Chief of Amiri Diwan and Chairman WOQOD for his wise guidance and governance. Our thanks also go to all governmental and official bodies, and public and private institutions and all the employees and staff working in the company for their concerted efforts to serve the company and contribute in its development. We promise you all, especially our shareholders, to achieve more positive results despite the present economic and financial situation.

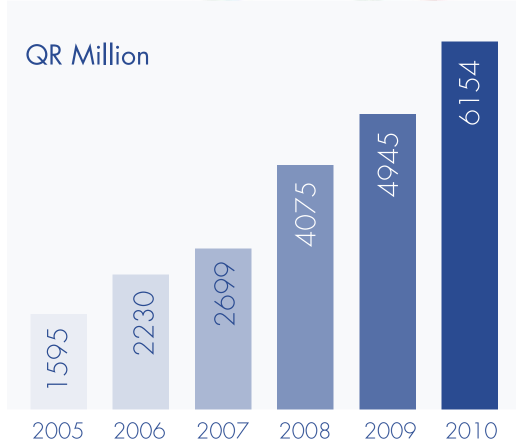
Mohammad Turki Al-Sobai
Vice Chairman & Managing Director

Delivering Performance

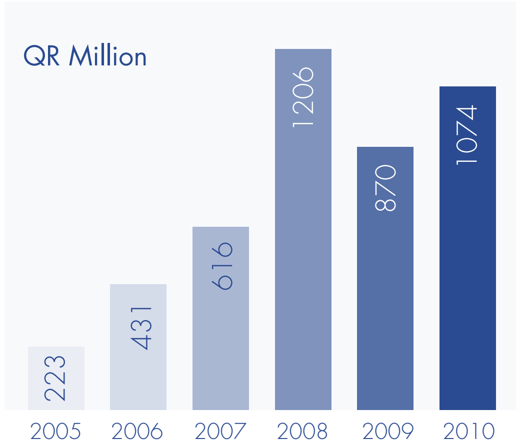
Financial Highlights *



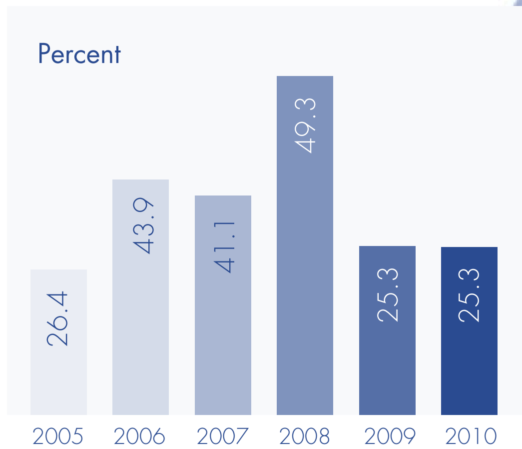
Shareholder's Equity



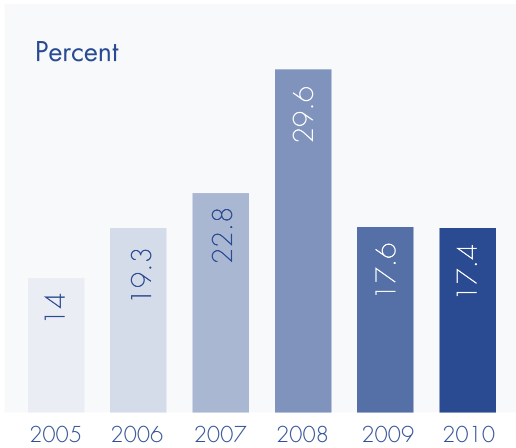
Total Assets



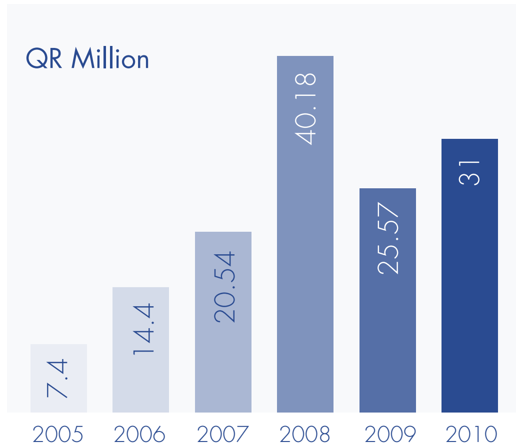
Net Profit



Return on Equity %



Return on Assets %



Earning Per Share

* Stand Alone only

COMMITTED TO YEAR-ROUND ACHIEVEMENTS

Independent Auditor's Report

To the shareholders of Qatar Fuel (WOQOD) Q.S.C.

Report on the consolidated financial statements

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

Responsibility of the directors for the consolidated financial statements

The directors of the Group are 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 the directors determine is necessary to ensure the preparation and fair presentation of the consolidated financial statements that are free from material misstatements, 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 relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free of 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 our 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, we consider internal controls relevant to the Group'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 Group's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by 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 consolidated financial position of the Group as at 31 December 2010, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

In addition, in our opinion, the Group has maintained proper accounting records and the consolidated financial statements are in agreement therewith. We have reviewed the accompanying report of the Board of Directors and confirm that the financial information contained therein is in agreement with the books and records of the Group.We are not aware of any violations of the provisions of Qatar Companies Commercial Law or the terms of Articles of Association having occurred during the year which might have had a material effect on the business of the Group or its consolidated financial position as at 31 December 2010. Satisfactory explanations and information have been provided to us by the management in response to all our requests.

The consolidated financial statements of the Group as at and for the year ended 31 December 2009 were audited by another auditor whose report dated 7 March 2010 expressed an unqualified audit opinion.

8 February 2011
Doha
State of Qatar

Ahmed Hussain
KPMG
Qatar Auditor's Registry No. 197

ANNUAL REPORT 2010

Delivering Growth

Consolidated Statement Of Financial Position

As of 31 December 2010

	Notes	31 December 2010	In Qatari Riyals 31 December 2009 Restated
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,388,591,418	1,268,906,622
Available-for-sale financial assets	7	225,004,874	148,602,720
Goodwill	8	132,935,132	132,935,132
Other intangible assets	9	-	2,214,996
		1,746,531,424	**1,552,659,470**
CURRENT ASSETS			
Inventories	10	197,991,082	188,153,947
Trade receivables	11	1,238,050,441	1,280,344,625
Prepayments and other receivables	12	67,601,023	59,089,170
Cash and bank balances	13	2,903,458,119	1,864,340,100
		4,407,100,665	**3,391,927,842**
TOTAL ASSETS		**6,153,632,089**	**4,944,587,312**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14	346,500,000	315,000,000
Legal reserve	15	382,831,792	382,831,792
General reserve		30,078,234	30,078,234
Fair value reserve		63,881,291	75,414,720
Retained earnings		3,195,651,398	2,467,991,516
Total equity attributable to shareholders of the Parent		4,018,942,715	3,271,316,262
Non-controlling interest		218,101,278	172,291,950
		4,237,043,993	**3,443,608,212**
NON CURRENT LIABILTIES			
Due to a related party	16.a	33,818,533	-
Provisions	17	100,000,000	-
Employees' end of service benefits		33,361,611	23,455,881
		167,180,144	**23,455,881**
CURRENT LIABILTIES			
Payables and accruals	18	173,993,911	272,147,748
Due to a related party	16.a	**1,575,414,041**	1,205,375,471
		1,749,407,952	**1,477,523,219**
TOTAL EQUITY AND LIABILITIES		**6,153,632,089**	**4,944,587,312**

These consolidated financial statements were approved and signed on behalf of the Board of Directors by the following on 8 February 2011:

H.E Abdulla Bin Hamad Al Attiyah Deputy Premier and Chairman of the Emiri Diwan - Chairman	**Mr. Mohamed Turki Al-Sobai** Vice Chairman and Managing Director	**Mr. Khalil Hassan Makki** Finance Manager

Consolidated Statement Of Income

For the year ended 31 December 2010

	Notes	31 December 2010	31 December 2009
			In Qatari Riyals
Revenue	19	7,662,813,981	6,176,494,446
Cost of sales		(6,042,511,358)	(4,899,552,405)
Gross profit		**1,620,302,623**	**1,276,942,041**
Add / (Less):			
Other income	20	196,188,574	212,858,327
General and administrative expenses	21	(544,698,524)	(540,639,760)
Provision for litigation	17	(100,000,000)	-
Impairment losses	22	(2,826,143)	-
Net profit for the year		**1,168,966,530**	**949,160,608**
Attributable to			
Equity holders of the Parent		1,074,159,882	869,962,795
Non-controlling interest		94,806,648	79,197,813
		1,168,966,530	**949,160,608**
Basic and diluted earnings per share	23	**31**	**25.57**

Consolidated Statement Of Comprehensive Income

For the year ended 31 December 2010

	Notes	31 December 2010	31 December 2009
			In Qatari Riyals
Net profit for the year		**1,168,966,530**	949,160,608
Other comprehensive income			
Net change in fair value of available for sale financial assets		(11,533,429)	10,734,720
Comprehensive income for the year		**1,157,433,101**	**959,895,328**
Attributable to			
Equity holders of the Parent		1,062,626,453	880,697,515
Non-controlling interest		94,806,648	79,197,813
		1,157,433,101	**959,895,328**

Consolidated Statement Of Changes In Equity

As of 31 December 2010

	Equity Attributable to Parent Shareholders							
31 December 2009 Restated	Share capital	Legal reserve	General reserve	Fair value reserve	Retained earnings	Total	Non-controlling interest	Total equity
As at 1 January 2009	300,000,000	150,000,000	30,078,234	64,680,000	1,898,028,721	2,442,786,955	131,198,528	2,573,985,483
Comprehensive income for the year								
Net profit for the year	-	-	-	-	869,962,795	869,962,795	79,197,813	949,160,608
Other comprehensive income	-	-	-	10,734,720	-	10,734,720	-	10,734,720
Total comprehensive income for the year	-	-	-	**10,734,720**	**869,962,795**	**880,697,515**	**79,197,813**	**959,895,328**
Transactions with owners of the Group recognized directly in equity								
Cash dividends paid for 2008	-	-	-	-	(300,000,000)	(300,000,000)	-	(300,000,000)
Additional shares issued (Restated - Note 31)	15,000,000	232,831,792	-	-	-	247,831,792	-	247,831,792
Dividend paid to non-controlling interest by a subsidiary	-	-	-	-	-	-	(38,104,391)	(38,104,391)
As at 31 December 2009	**315,000,000**	**382,831,792**	**30,078,234**	**75,414,720**	**2,467,991,516**	**3,271,316,262**	**172,291,950**	**3,443,608,212**

Consolidated Statement Of Changes In Equity

(Continued)

	Equity Attributable to Parent Shareholders							
31 December 2010	Share capital	Legal reserve	General reserve	Fair value reserve	Retained earnings	Total	Non-controlling interest	Total equity
As at 1 January 2010 as previously stated	**315,000,000**	**307,596,682**	**30,078,234**	**75,414,720**	**2,467,991,516**	**3,196,081,152**	**172,291,950**	**3,368,373,102**
Prior year's adjustment (Note 31)	-	75,235,110	-	-	-	75,235,110	-	75,235,110
As at 1 January 2010 as restated	315,000,000	382,831,792	30,078,234	75,414,720	2,467,991,516	3,271,316,262	172,291,950	3,443,608,212
Comprehensive income for the year								
Net profit for the year	-	-	-	-	1,074,159,882	1,074,159,882	94,806,648	1,168,966,530
Other comprehensive income	-	-	-	(11,533,429)	-	(11,533,429)	-	(11,533,429)
Total comprehensive income for the year	-	-	-	**(11,533,429)**	**1,074,159,882**	**1,062,626,453**	**94,806,648**	**1,157,433,101**
Transactions with owners of the Group recognized directly in equity								
Bonus shares issue (Note 14)	31,500,000	-	-	-	(31,500,000)	-	-	-
Cash dividend paid for 2009 (Note 24)	-	-	-	-	(315,000,000)	(315,000,000)	-	(315,000,000)
Dilution of non-controlling interest (Note 25)	-	-	-	-	-	-	1,002,680	1,002,680
Dividend paid to non-controlling interest by a subsidiary	-	-	-	-	-	-	(50,000,000)	(50,000,000)
As at 31 December 2010	**346,500,000**	**382,831,792**	**30,078,234**	**63,881,291**	**3,195,651,398**	**4,018,942,715**	**218,101,278**	**4,237,043,993**

Consolidated Statement of Cash Flows

For the year ended 31 December 2010

	31 December 2010	In Qatari Riyals 31 December 2009
OPERATING ACTIVITIES		Restated
Net profit for the year	1,168,966,530	949,160,608
Adjustments		
Depreciation for property, plant and equipment	89,370,198	65,047,874
Amortization charges	553,749	553,749
Impairment loss on other intangible assets	1,661,247	-
Provided provision for impairment of receivables	41,713,613	112,144,880
Provided provision for litigations	100,000,000	-
Reversed provision for impairment of receivables	(112,144,880)	-
Loss from dilution of non-controlling interest	1,002,680	-
Loss / (Gain) on sale of property, plant and equipment	1,051,053	(362,874)
Provided end of service benefits	9,905,730	7,396,128
Operating profit before working capital changes	**1,302,079,920**	**1,133,940,365**
Changes in working capital		
Change in trade receivable and prepayments	104,213,597	(31,588,171)
Change in inventory	(9,837,135)	(51,086,275)
Change in due to a related party	403,857,103	76,505,836
Change in payable and accruals	(98,153,836)	86,179,229
NET CASH FROM OPERATING ACTIVITIES	**1,702,159,649**	**1,213,950,984**
INVESTING ACTIVITIES		
Payments for purchase of property, plant and equipment	(210,106,047)	(280,155,968)
Proceeds from sale of equipment and furniture	-	1,169,292
Payments for purchase of available for sale investments	(87,935,583)	(16,908,000)
NET CASH USED IN INVESTING ACTIVITIES	**(298,041,630)**	**(295,894,676)**
FINANCING ACTIVITIES		
Dividends paid	(315,000,000)	(300,000,000)
Dividends paid to non-controlling interest	(50,000,000)	(38,104,391)
CASH USED IN FINANCING ACTIVITIES	**(365,000,000)**	**(338,104,391)**
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	**1,039,118,019**	**579,951,917**
Cash and cash equivalents at the beginning of the year	1,864,340,100	1,284,388,183
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 13)	**2,903,458,119**	**1,864,340,100**

Notes to the Consolidated Financial Statements

For the year ended December 31, 2010

QATAR FUEL Q.S.C. (WOQOD)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2010

1. LEGAL STATUS AND GENERAL INFORMATION

Qatar Fuel Q.S.C (WOQOD) ("the Company" or "the Parent") is a Qatari Shareholding Company formed in accordance with the Emiri Decree No 5 of 2002 on 10 February 2002 under the commercial registration No. 24872.

The principal activities of the Company along with its subsidiaries (together referred to as the "Group") are the sale and distribution of refined petroleum products produced by and transferred from Qatar Petroleum, vehicle inspection services and marine transport. The Group operates only in the State of Qatar through its lines of business.
The Group's major subsidiaries included in these consolidated financial statements are:

Name of the company and country of incorporation	Shareholding Percentage
Qatar Jet Fuel Company - Qatar	60%
WOQOD Vehicle Inspection Company (FAHES) - Qatar	100%
WOQOD Marine Services Company - Qatar	100%
WOQOD International Company - Qatar	100%
WOQOD Kingdom Company - Saudi Arabia	100%

2. BASIS OF PREPARATION

a) Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB)and applicable requirements of Qatar Commercial Companies Law No. 5 of 2002.

b) Basis of measurement
The consolidated financial statements have been prepared on the historical cost basis except for available-for-sale financial assets which are measured at fair value.

c) Functional and presentation currency
These consolidated financial statements are presented in Qatari Riyals, which is the Group's functional currency. All financial information presented in Qatari Riyals has been rounded to the nearest Qatari Riyal except otherwise indicated.

d) Use of estimates and judgments
The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in Note 30.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

3.1) Basis of consolidation
a) Subsidiaries
Subsidiaries are those entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The existence

Notes to the Consolidated Financial Statements

For the year ended December 31, 2010

and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing whether an entity is controlled. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting year as the Parent using the same accounting policies.

b) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

c) Non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity. Losses applicable to the non-controlling interest in excess of the non-controlling interests are allocated to the non-controlling interest even if results in a deficit balance to the non-controlling interest.

3.2) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity investments, or qualifying cash flow hedges, if any, which are recognised in other comprehensive income.

3.3) Financial instruments

a) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The Group classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

Loans and receivables

Notes to the Consolidated Financial Statements

For the year ended December 31, 2010

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.
Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are charged to the statement of income.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss. Available-for-sale financial assets at the reporting date comprise quoted equity securities.

b) Non-derivative financial Liabilities

The Group initially recognizes financial liabilities on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise trade and other payables.

c) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.4) Property, plant and equipment

a) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of selfconstructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use. When parts of an item of property and equipment have different useful lives, they are

Notes to the Consolidated Financial Statements

For the year ended December 31, 2010

accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property and equipment, and is recognised net within other income/other expenses in profit or loss.

b) Subsequent costs
The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

c) Depreciation
Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment. Land, if any, is not depreciated.

The estimated useful lives of the depreciable assets are as follows:

Buildings and infrastructure	10-20 years
Plant and equipment	10-20 years
Vehicles, office equipment and furniture	5-10 years
Petrol stations	5-20 years
Vessels	20 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date, and adjusted if appropriate.

3.5) Other intangible assets
Research and development
Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

3.6) Inventories
Inventories comprise refined petroleum products, maintenance materials and parts. Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.7) Impairment
Non-derivative financial assets
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event

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has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

In assessing collective impairment the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Receivables
The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment.

All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available for sale assets
Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity, to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Non-financial assets
The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets

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that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8) Employees' benefits

The Group provides end of service benefits to its expatriate employees in accordance with Qatar labour law.
The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its national employees, the Group makes contributions to the General Pension Fund Authority calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

3.9) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the
liability.

3.10) Revenue Recognition

a) Sale of refined oil and gas products and other goods

Revenue from the sale of refined oil and gas products and other goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Transfer of risks and rewards for refined oil and gas products is based on the contractual delivery terms with the customers, as either FOB shipping point or FOB destination.

b) Rendering of services

Revenue from services rendered is recognised in profit or loss when the service is provided to the customers. The Group provides the services of vehicles inspection and other vehicles petrol stations services.

c) Dividend income

Dividend income from investments is recognized when the right to receive he dividend is established.

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d) Finance income

Finance income is recognised on a time-proportion basis using the effective interest method.

e) Rental income

Rental income from vessels is recognised in profit or loss on a straight-line basis over the term of the lease.

Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

3.11) Lease payments

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the contingency no longer exists and the lease adjustment is known.

3.12) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

3.13) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Group's business and geographical segments in Note 26. The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the Group's management and internal reporting structure.

3.14) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognized at their fair values at the acquisition date, except for non-current assets (or disposal groups), if any, that are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", which are recognized and measured at fair value less costs to sell.
Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities recognized. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Group's primary or the Group's secondary reporting format determined in accordance with IAS 14 Segment Reporting.

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Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cashgenerating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill at year-end.

Where goodwill forms part of a cash-generating unit (group of cash generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

If subsidiaries are sold, the difference between the selling price and the net assets plus cumulative translation differences and carrying amount of goodwill is recognized in the consolidated statement of income.

The interest of non-controlling shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

3.15) New standards and interpretations

a) The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted

IFRS 9, 'Financial instruments', issued in December 2009
This addresses the classification and measurement of financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Group is yet to assess IFRS 9's full impact. However, initial indications are that it may affect the Group's accounting for its available-for-sale financial assets, as IFRS 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. The Group has not yet decided when to adopt IFRS 9.

Revised IAS 24, 'Related party disclosures', issued in November 2009 It supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised IAS 24 is required to be applied from 1 January 2011. Earlier application, in whole or in part, is permitted.

IFRIC 19, 'Extinguishing financial liabilities with equity instruments' This clarifies the requirements of IFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. The interpretation is effective for annual periods beginning on or after 1 July 2010. Earlier application is permitted.

Improvements to International Financial Reporting Standards 2010 were issued in May 2010. The effective dates vary standard by standard but most are effective 1 January 2010.

b) Standards, amendments and interpretations to existing standards effective in 2010 and relevant to the Group

IFRS 3 Business Combinations and IAS 27 Separate and Consolidated Financial Statements -
Amendments
Effective 1 January 2010, the Group adopted the amendments on IFRS 3 Business Combinations (2008) in accounting for business combinations.

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The revised IFRS 3 introduced a number of changes in the accounting for business combinations on or after 1 January 2010 that have an impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results.

For acquisitions on or after 1 January 2010, the Group measures goodwill at the fair value of consideration transferred (including the fair value of any previously held equity interest in the acquiree) and the recognized amount of any non-controlling interests in the acquiree, less the net recognized amount (generally proportionate share of the acquiree's identifiable net assets) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

The Group elects on a transaction by transaction basis whether to measure non-controlling interests at fair value, or at their proportionate share of the recognized amount of the identifiable net assets of the acquiree, at the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expenses as incurred.

The revised IAS 27 requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction.

Therefore, such transactions no longer give rise to goodwill, nor give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to IAS 7 'Statement of Cash Flows', IAS 12 'Income Taxes', IAS 21 'The Effects of Changes in Foreign Exchange Rates', IAS 28 'Investment in Associates' and IAS 31 'Interests in Joint Ventures'.

4. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4.1) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably. Depreciated replacement cost estimates reflect adjustments for physical deterioration as well as functional and economic obsolescence.

4.2) Equity securities

The fair value of equity securities is determined by reference to their quoted closing bid price at the reporting date.

4.3) Intangible assets

The fair value of intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

5. FINANCIAL RISK MANAGEMENT

Overview
The Group has exposure to the following risks from its use of financial instruments:
(i) credit risk (ii) liquidity risk (iii) market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

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The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the trade receivables, advances to suppliers and contractors, and advances for purchase of investments.

Trade receivables and advances

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each contractor/customer. The demographics of the Group's project/customer base, including the default risk of the industry, in which customers operate, has less of an influence on credit risk. Material amounts of the Group's advances/collections are attributable to contractors/customers originating from the State of Qatar.

The Group's policy is that trade receivables and advances, are stated at original paid advance / invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery, if any. All risk in receivables is concentrated in aviation industry, petrol stations and contracting companies. Most of receivables balances are secured against bank guarantee or are outstanding from government agencies.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses project-based costing to cost its properties and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations, mainly represented in the balance due to Qatar Petroleum. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

(a) Currency risk

The Group operates locally and is also exposed to currency risk arising from its procurement. These transactions, however, represent only small portion of the Group's overall transactions.

(b) Interest rate risk

The Interest rate risk arises when there is a mismatch between positions which are subject to interest rate adjustment within a period. In the Group's funding and investment activities, fluctuations in interest rates are reflected in profit margins and earnings. Interest rate risk reflects the risk of a change in interest rates, which might affect future earnings.

(c) Equity price risk

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Equity price risk is the risk that the fair values of equity decreases as a result of changes in price indices of investments in other entities' equity instruments as part of the Group's investment portfolio.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The details of the financial instruments risk management tools are described in Note 29.

6. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Plant and equipment	Vehicles office, equipment & furniture	Vessels	Projects in progress	Total 2010
COST						
At 1 January	**130,949,043**	**230,900,592**	**246,791,512**	**260,385,576**	**624,622,763**	**1,493,649,486**
Additions	1,527,089	13,659,853	47,584,863	185,472	147,148,771	210,106,048
Transferred from projects in progress	122,758,908	106,726,808	6,902,495	-	(236,388,211)	-
Disposals	-	(5,956)	(1,388,584)	-	-	(1,394,540)
At 31 December	255,235,040	351,281,297	299,890,286	260,571,048	535,383,323	1,702,360,994
Accumulated depreciation						
At 1 January	**28,245,136**	**74,043,000**	**93,036,739**	**29,417,989**	**-**	**224,742,864**
Depreciation charges for the year	12,256,330	30,372,087	33,718,353	13,023,428	-	89,370,198
Disposals	-	(1,617)	(341,869)	-	-	(343,486)
At 31 December	40,501,466	104,413,470	126,413,223	42,441,417	-	313,769,576
Net carrying amount						
31 December 2010	**214,733,574**	**246,867,827**	**173,477,063**	**218,129,631**	**535,383,323**	**1,388,591,418**
31 December 2009	102,703,907	156,857,592	153,754,773	230,967,587	624,622,763	1,268,906,622

7. AVAILABLE FOR SALE FINANCIAL ASSETS

Available for sale financial assets represents investments in shares of listed entities in Qatar Exchange. At the date of financial position, the details of the upstanding balance were as follows:

	2010	2009
Qatar Gas Transport Company Q.S.C.	111,776,000	134,400,000
Vodafone Qatar Company Q.S.C.	14,067,456	14,202,720
Industries Qatar Q.S.C.	99,161,418	-
	225,004,874	**148,602,720**

The movement on available for sale financial assets during the year are illustrated as follows:

	2010	2009
At 1 January	148,602,720	120,960,000
Acquired during the year	87,935,583	16,908,000
Net movement in fair value reserve	(11,533,429)	10,734,720
	225,004,874	**148,602,720**

8. GOODWILL

	2010	2009 (Restated)
Relating to Qatar Jet Fuel Company	57,700,022	57,700,022
Relating to FAHES	75,235,110	75,235,110
	132,935,132	**132,935,132**

An impairment review of the goodwill was undertaken by the Directors on 31 December 2010. This compared the carrying value of goodwill with the anticipated recoverable amounts of the subsidiaries Qatar Jet Fuel Company and FAHES, which are the cash-generating units to which the goodwill was allocated.

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The recoverable amounts of the cash-generating units are based on value in use, which is calculated from cash flow projections for 5 years ending 31 December 2015 using data from Board approved budgets. The key assumptions for the value in use calculations were discount rate represented in the Group's weighted average cost of capital of 8%. The Directors estimate discount rates that reflect the current market assessments of the time value of money and risks specific to the cash-generating units, and they consider the appropriate risk adjusted discount rate is 8%. Changes in revenue and direct costs are based on an assumed compound growth rate of 4%, as well as past experience and expectations of future changes in the market. The Directors concluded from this review that there had been no impairment to the goodwill during the year ended 31 December 2010.

At the end of the year, there was no impairment of goodwill as a result of the impairment tests performed by the Group. Refer to Note 31for the restatement on the comparative balance of goodwill.

9. OTHER INTANGIBLE ASSETS

	2010	2009
At 1 January	2,214,996	2,768,745
Amortization charges for the year	(553,749)	(553,749)
Impairment losses (Note i)	(1,661,247)	-
At 31 December	**-**	**2,214,996**

Note i:
The Group assessed the intangible assets, relating to development costs, on 31 December 2010 for impairment, and concluded that there are no future economic benefits are expected to be derived from these assets, hence the outstanding balance of other intangible assets was fully impaired as of that date, and QR 1,661,247 was charged to the profit or loss for the year.

10. INVENTORIES

	2010	2009
Refined fuel oil - premium grade	7,699,162	13,043,556
Refined fuel oil - super grade	11,973,421	11,136,940
Light gas fuel oil	25,576,197	24,166,059
Heavy fuel oil	53,822,730	56,195,511
Jet fuel oil	48,228,152	51,030,700
Materials and spareparts	42,062,678	17,537,072
Retail stores inventory	6,066,670	4,001,961
Other inventory items	2,562,072	11,042,148
	197,991,082	**188,153,947**

11. TRADE RECEIVABLES

	2010	2009
Trade receivables	1,226,681,170	1,392,489,505
Notes receivable	53,082,884	-
	1,279,764,054	1,392,489,505
Less: impairment provision for trade receivables (Note i)	(41,713,613)	(112,144,880)
	1,238,050,441	**1,280,344,625**

All of the above receivables are either secured against bank guarantee or are outstanding from governmental entities.
Note i
The movement on provision for impairment of receivables during the year was as follows:

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	2010	2009
Balance at 1 January	112,144,880	-
Provided provisions during the year (Note 21)	41,713,613	112,144,880
Reversed provisions for the year (note ii) - Note 20	(112,144,880)	-
Balance at 31 December	**41,713,613**	**112,144,880**

Note ii:
The Group reversed the provision for impairment of receivables that was established in the prior year, after full collection of the doubtful customers balances during the current year.

12. PREPAYMENTS AND OTHER RECEIVABLES

	2010	2009
Advances to suppliers and contractors	13,925,699	12,641,988
Advances for purchase of investments	3,822,533	-
Prepaid expenses	4,446,229	3,559,506
Staff advances and loans	20,312,613	12,492,875
Accrued income	12,705,763	82,061
Refundable deposits	8,689,082	25,086,443
Interest receivable	1,016,051	2,160,286
Other receivables	2,683,053	3,066,011
	67,601,023	**59,089,170**

13. CASH AND CASH EQUIVALENTS

	2010	2009
Cash on hand	491,119	480,948
Balances with banks		
Current accounts	37,934,864	-
Call accounts	1,463,027,124	1,311,731,084
Fixed deposits	1,402,005,012	552,128,068
	2,903,458,119	**1,864,340,100**

14. SHARE CAPITAL

	2010	2009
Authorised: 100,000,000 ordinary shares of QR 10 each	**1,000,000,000**	**1,000,000,000**
Issued:		
34,650,000 ordinary shares of QR 10 each (2009: 31,500,000 shares)	**346,500,000**	**315,000,000**

During the current year, the Parent has issued bonus shares equivalent to 10% of the paid up capital amounting to QR 31,500,000 (3,150,000 shares), as approved by the Annual General Assembly held on 4 April 2010.

15. LEGAL RESERVE

As required by Qatar Commercial Companies' Law No. 5 of 2002, and the Group's Articles of Association, a minimum of 10% of the net profit for the year should be transferred to legal reserve each year until this reserve equals 50% of the paid up share capital. The reserve is not available for distribution except in the circumstances stipulated in the above mentioned Law.

As the reserve has already exceeded 50% of the share capital, there are no transfers from net profit for the year to legal reserve. Refer to Note 31 for the restatement on the comparative balance of the legal reserve.

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16. RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Group, and companies of which they are principal owners. Pricing policies and terms of these transactions are approved by the Group's Directors.

a) Due to a related party

	2010	2009
Qatar Petroleum	**1,609,232,574**	**1,205,375,471**

The above amount represents the balance of the current account with Qatar Petroleum which consists of normal purchases and service transactions. The outstanding balance is interest free.

The balance due to Qatar Petroleum is segregated between current and non-current liabilities as follows:

	2010	2009
Current liabilities	1,575,414,041	1,205,375,471
Non-current liabilities	33,818,533	-
	1,609,232,574	**1,205,375,471**

b) Transactions with related parties

Transactions with related parties included in the consolidated statement of income are as follows:

Name of related party and nature of transactions	2010	2009
Qatar Petroleum.- Sales	128,405,175	74,973,223
Qatar Petroleum - Purchases	5,321,483,451	4,357,763,759

Sales transactions to Qatar Petroleum are at arm's length, and purchases from Qatar Petroleum are in accordance with contractual terms approved by the Directors.

c) Compensation of key management personnel

	2010	2009
Board of directors remuneration	10,792,751	10,792,751
Salaries and other short term benefits	5,872,857	5,701,920
Post-employment benefits	336,830	327,026
	17,002,438	**16,821,697**

17. PROVISIONS

During the current year, the Directors of the Group decided to provide for QR 100 million as provision for certain litigations raised on the Group by counter parties to the Group. The provision amount was estimated based on the best estimate of the probable unfavourable outcome on the Group as a result of these litigations, as assessed by the Group's legal advisor at the reporting date. The provided amount for the litigation provision was charged to the profit or loss for the year.

18. PAYABLES AND ACCRUALS

	2010	2009
Suppliers and contractors payable	43,216,861	44,306,915
Retention payable	31,220,629	18,876,108
Dividends payable	44,317,104	33,811,232
Deposits from others	11,115,900	12,901,945
Accrued expenses	12,673,868	133,587,000
Other payables	31,449,549	28,664,548
	173,993,911	**272,147,748**

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19. REVENUE

	2010	2009
Sales of refined petroleum products	7,097,200,161	5,745,238,846
Sales of petrol stations	336,779,808	235,845,471
Transportation and storage revenues	182,809,342	171,066,117
Revenues from inspection services	41,479,295	23,326,917
Sales of lubricants and supplies	4,545,375	1,017,095
	7,662,813,981	**6,176,494,446**

20. OTHER INCOME

	2010	2009
Interest income	58,189,673	57,687,952
Reversed provision for impairment of receivables (Note 11.ii)	112,144,880	-
Dividend income	2,800,000	-
Miscellaneous income	23,054,021	155,170,375
	196,188,574	**212,858,327**

21. GENERAL AND ADMINISTRATIVE EXPENSES

	2010	2009
Staff benefits	298,900,980	261,066,726
Immigration expenses	3,536,134	2,447,032
Advertising and subscriptions	12,074,211	9,793,961
Rent expenses	9,818,056	6,922,463
Insurance charges	10,200,356	5,018,836
Utilities charges	3,448,509	2,174,056
Communication expenses	2,596,012	1,788,746
Board of Directors remuneration	10,792,753	10,792,753
Other committees allowances	548,000	409,200
Travel expenses	2,970,025	2,151,456
Prior years expenses	14,707,438	6,205,294
Customs clearing	1,945,623	2,492,128
Social and sports fund provision	27,542,561	22,306,738
Provision for impairment of receivables (Note 11.i)	41,713,613	112,144,880
Depreciation	89,370,198	65,047,874
Other general and administrative expenses	14,534,055	29,877,617
	544,698,524	**540,639,760**

Note i:
The Group does not restate the comparative figures of retained earnings with prior years' expenses for immaterial items.

22. IMPAIREMENT LOSSES

	2010	2009
Impairment of other intangible assets (Note 9)	1,661,247	-
Impairment losses for advances to suppliers	188,900	-
Impairment of other debit balances	975,996	-
	2,826,143	**-**

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23. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributed to the Parent shareholders for the year by the weighted average number of shares outstanding during the year.

	2010	2009 Restated
Net profit attributable to the Parent's shareholders for the year	1,074,159,882	869,962,795
Weighted average number of shares outstanding during the year	34,650,000	34,021,644
Basic and diluted earnings per share (QR)	**31**	**25.57**

There were no potentially dilutive shares outstanding at any time during the year. Therefore, the diluted earnings per share are equal to the basic earnings per share.

Note i: Basic earnings per share for the comparative year ended 31 December 2009 was restated due to the effect of bonus shares issued during the current year.

24. DIVIDENDS

In its General Assembly Meeting dated 4 April 2010, the shareholders of the Group approved declaring QR 10 per share totalling to QR 315,000,000 as cash dividends to be distributed from 2009 net profit, in addition to 10% bonus shares issue totalling to 3,150,000 shares to its existing shareholders as of that date.

Further the Board of Directors has proposed total cash dividend of QR 346,500,000 (QR 10 per share) for the year ended 31 December 2010, in addition to 20% bonus shares from issued share capital, its meeting held on 8 February 2011.

25. DILUTION OF NON-CONTROLLING INTEREST

During the current year, the Board of Directors of the subsidiary FAHES approved the transfer of its wholly owned subsidiary, Raha Auto Assistance Company W.L.L. ("the Subsidiary") to the Parent. As of the date of the transfer, the non-controlling interest in the subsidiary had an outstanding debit balance (deficit) amounting to 1,002,680, which was transferred to the Group on a consolidated basis, being that no consideration was paid to / from the non-controlling parties of the Subsidiary to / from the Parent.

26. SEGMENT INFORMATION

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Managing Director to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Group's headquarters) and head office expenses.

The Group mainly operates in the areas of sale and distribution of refined petroleum products, technical inspection of vehicles and marine transportation. More than 95% of the Group's revenue is generated through sale and distribution of refined petroleum products.

	Refined petroleum products	Technical inspection of vehicles	Others	Total 2010
External revenue	7,616,789,311	41,479,295	4,545,375	**7,662,813,981**
Inter-segment revenue	3,119,979,264	-	-	**3,119,979,264**
Reportable segment profit	1,153,188,589	15,777,941	-	**1,168,966,530**
Reportable segment assets	6,061,313,556	92,318,533	-	**6,153,632,089**

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27. CONTINGENT LIABILITIES

	2010	2009
Bank guarantees	210,000	-
Letters of credit	11,853,479	-

The Group anticipates that no material liabilities will arise from the above guarantees and letters of credits, which are issued in the ordinary course of business.

28. CONTRACTUAL COMMITMENTS

	2010	2009
Heavy fuel oil project	325,000,000	325,000,000
Construction of petrol stations	53,565,310	119,329,247
	378,565,310	**444,329,247**

29. FINANCIAL RISK MANAGEMENT

Governance framework

The primary objective of the Group's risk and financial management framework is to protect the Parent's shareholders from events that hinder the sustainable achievement of the set financial performance objectives. Key management recognizes the critical importance of having efficient and effective risk management systems in place.

The Group has not yet established a risk management function with clear terms of reference from the board of directors, its committees and the associated executive management committees. This is to be supplemented with a clear organizational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers. A Group's risk management policy framework which sets out the risk profiles for the Group, risk management, control and business conduct standards for the Group's operations will be put in place in the near future.

Capital management framework

The Group is in the process of establishing an internal risk management framework for identifying risks to which each of its business units and the Group as a whole are exposed, quantifying their impact on economic capital. The internal framework estimates will indicate how much capital is needed to mitigate the risk of insolvency to a selected remote level of risk applied to a number of tests (both financial and non-financial) on the capital position of the business.

Regulatory framework

The operations of the Group are subject to regulatory requirements within the State of Qatar.

(a) Credit risk

Exposure to credit risk

The carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amounts	
	2010	2009
Bank balances and cash equivalents	2,903,458,119	1,864,340,100
Available-for-sale financial assets	225,004,874	148,602,720
Financial receivables	1,251,772,255	1,282,586,972
	4,380,235,248	**3,295,529,792**

Cash and cash equivalents

Credit risk on bank balances is limited as they are placed with local and foreign banks having good credit ratings assigned by international credit rating agencies.

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Available for sale financial assets

The Group significantly limits its exposure to credit risk by investing in securities, which are quoted in Qatar Exchange securities market.

There is a regular monitoring by the Group's management of the prices of the shares listed in Qatar Exchange and classified as available for sale, and if there is a permanent decline in the value of investments, impairment provisions are considered.

Financial receivables

Financial receivables are represented in trade receivables, accrued revenues and interest receivable. Credit risk on trade receivables is minimal as the Group implements proper credit rating policies and procedures before granting credits to its clients. While the Group Management follows a conservative approach regarding assessment of recoverability of trade receivables, and provides for impairment losses against any noted doubtful balances in full.

(b) Liquidity risk

The Group has strong liquidity position, being at the statement position date, the Group's current ratio was 2.52 times (2009: 2.3 times on 31 December 2009).

The following are the contractual maturities of financial assets and liabilities (all are non-derivative), including interest payments, if any, and excluding the impact of netting agreements:

2010	Carrying Amounts	Contractual cash in / out flow	Less than 1 year	2 - 5 years	More than 5 years
Cash and bank balances	2,903,458,119	2,903,458,119	2,903,458,119	-	-
Available for sale financial assets	225,004,874	-	-	225,004,874	-
Financial receivables	1,251,772,255	1,251,772,255	1,251,772,255	-	-
Financial payables and accruals	(173,993,911)	(173,993,911)	(173,993,911)	-	-
Due to related parties	(1,609,232,574)	(1,609,232,574)	(1,575,414,041)	(33,818,533)	-
Excess liquidity	**2,597,008,763**	**2,372,003,889**	**2,405,822,422**	**191,186,341**	-

2009	Carrying Amounts	Contractual cash in / out flow	Less than 1 year	2 - 5 years	More than 5 years
Cash and bank balances	1,864,340,100	1,864,340,100	1,864,340,100	-	-
Available for sale financial assets	148,602,720	-	-	148,602,720	-
Financial receivables	1,282,586,972	1,282,586,972	1,282,586,972	-	-
Financial payables and accruals	(272,147,748)	(272,147,748)	(272,147,748)	-	-
Due to related parties	(1,205,375,471)	(1,205,375,471)	-	-	-
Excess liquidity	**1,818,006,573**	**1,669,403,853**	**2,874,779,324**	**148,602,720**	-

(c) Market risk

(i) Currency risk

A sensitivity analysis was not disclosed as the Group has no significant exposure to currency risk. At the reporting date the outstanding payable and receivable balances denominated in foreign currencies were minimal.

(ii) Equity price risk

Equity price risk is the risk that the fair values of equity decreases as a result of changes in price indices of investments in other entities' equity instruments as part of the Group's investment portfolio.

The effect on equity as a result of changes by 10% in fair values of the investment in equity instruments designated as available for sale financial assets on the consolidated shareholders' is assessed as follows:

	10% increase	10% decrease
2010	22,500,487	(22,500,487)
2009	14,860,272	(14,860,272)

(iii) Interest rate risk

The majority of the Group's financial assets are non-interest bearing. While the entire Group's financial liabilities are non-

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interest bearing. As a result, the Group is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. In the meanwhile, any excess cash and cash equivalents is invested in fixed deposits at short-term market interest rates. Hence the Group's only interest bearing financial statement element is fixed deposits with banks.

2010	Interest bearing	Non-interest bearing	Total
Assets			
Financial assets	-	1,251,772,255	1,251,772,255
Cash at Bank	2,865,032,136	38,425,983	2,903,458,119
	2,865,032,136	**1,290,198,238**	**4,155,230,374**
Liabilities			
Financial liabilities	-	173,993,911	173,993,911
Due to related party	-	1,609,232,574	1,609,232,574
	-	**1,783,226,485**	**1,783,226,485**

2009	Interest bearing	Non-interest bearing	Total
Assets			
Trade and other receivables	-	1,282,586,972	1,282,586,972
Cash at Bank	1,863,859,152	480,948	1,864,340,100
	1,863,859,152	**1,283,067,920**	**3,146,927,072**
Liabilities			
Trade and other payables	-	272,147,748	272,147,748
Due to related party	-	1,205,375,471	1,205,375,471
	-	**1,477,523,219**	**1,477,523,219**

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Capital risk management

The Group's objectives when managing capital are, to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group's overall strategy remains unchanged from 2010. The capital structure of the Group consists of debt, which includes due to Qatar Petroleum disclosed in note 11.c, cash and cash equivalents and equity, comprising issued capital, reserves and retained earnings. Management reviews the capital structure on a regular basis. As part of this review, management considers the cost of capital and associated risks.

Capital is monitored on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total due to Qatar Petroleum less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

	2010	2009
Due to Qatar Petroleum	1,609,232,574	1,205,375,471
Less: cash and cash equivalents	(2,903,458,119)	(1,864,340,100)
Excess of cash and cash equivalents than debts	**(1,294,225,545)**	**(658,964,629)**

The Group does not use gearing in financing its operating and investing activities, as there is excess of cash and cash equivalents than debt as illustrated above.

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30. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

a) Critical accounting judgments

Impairment of receivables

An estimate of the collectible amount of trade receivable and advances is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. As trade receivables are either guaranteed by bank guarantees covering the outstanding balances, or are due from Governmental entities, the risk for impairment of receivables is low, however the group applies a conservative policy regarding providing for any amounts assessed as doubtful in full balance.

Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

Classification of investment securities

On acquisition of an investment security, the Group decides whether it should be classified as "investments at fair value through profit or loss" or "available-for-sale". The Group follows the guidance of IAS 39 on classifying its investments. The Group classifies investments as "at fair value through profit or loss" if they are acquired primarily for the purpose of short term profit making and cash generation. All other investments are classified as "available-for-sale". The Group accounts for investments in equity securities as investment in associate only when significant influence over the investee's operations can be proved to exercise, else and regardless of the ownership share, the investment is classified as available for sale.

Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives of its property, plant 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.

Valuation of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

• Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

• Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

• Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Group determines fair values using valuation techniques.

Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized:

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2010	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value:				
Available for sale financial assets	**225,004,874**	-	-	**225,004,874**

2009	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value:				
Available for sale financial assets	**148,602,720**	-	-	**148,602,720**

b) Estimation uncertainty

Impairment of available-for-sale equity investments

The Group treats available-for-sale equity investments as impaired when there has been a significant or prolonged decline in fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires considerable judgment. The Group treats "significant" generally as 20% or more and 'prolonged' greater than six (6) months. In addition, the Group evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities, if any.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill embedded in the cost of acquisition of subsidiaries and other indefinite life intangibles, if any, are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

31. PRIOR PERIOD ADJUSTMENT

Effective 20 May 2009, the Parent acquired Qatar Technical Inspection Company Q.S.C. (FAHES, or "the Subsidiary") through issue of 754,717 shares of the Parent's shares to the shareholders of the Subsidiary as of that date. Based on evaluation of the effective date of acquisition and fair values for the issued shares as of that date, the Group during the year 2010 has revised the measurement and treatment of the transferred consideration and goodwill resulting from the acquisition as recognized in the 2009 financial statements. Accordingly the legal reserve as at 31 December 2009, being the earliest reporting period, has been restated by an amount of QR 75,235,110 and the goodwill included in the consolidated financial statements for the year ended 31 December 2009 has been restated by an amount of QR 75,235,110 to give effect to this adjustment. The basis for calculation of this adjustment is illustrated in the following schedule:

Number of WOQOD's shares issued to acquire the Subsidiary	754,717
Fair value per share on the effective date of acquisition (20 May 2009) (QR/share)	166.20
Consideration effectively transferred (in QR)	125,433,965
Less: Fair value of acquired net assets of the Subsidiary (in QR)	(50,198,855)
Restatement amount on legal reserve and goodwill (in QR)	**75,235,110**

Summary of the effects of the restatement from the prior period adjustment on the previously issued comparative figures as at 31 December 2009 is as follows:

	Legal reserve In QR	Goodwill In QR
Balances as at 31 December 2009 as previously stated	307,596,682	57,700,022
Effect of the restatement above	75,235,110	75,235,110
Balances as at 31 December 2009 as restated	**382,831,792**	**132,935,132**

32. COMPARATIVE FIGURES

The corresponding figures presented for 2009 have been reclassified where necessary to preserve consistency with the 2010 figures. However, such reclassifications did not have any effect on the comprehensive income or the total equity for the comparative period. While the effect on the comparative figures as a result of the restatement due to prior period adjustment is disclosed in Note 31 above.