

Full Year 2017 Financial Summary Conference Call

March 5, 2018

Doha, Qatar

Interim Consolidated Income Statement – Full Year

(All amounts in QR Millions)

	2015	2016	2017
Operating Revenue	2,984	2,551	2,491
Salaries, Wages and Other Benefits	(682)	(636)	(576)
Operating Supplies and Expenses	(969)	(851)	(978)
Rent Expenses	(18)	(16)	(14)
Depreciation and Amortisation	(308)	(331)	(323)
Other Operating Expenses	(151)	(163)	(153)
Operating Expenses	(2,129)	(1,996)	(2,043)
Operating Profit	855	555	448
Finance Costs	(106)	(175)	(195)
Finance Income	114	161	143
Net Gain on Disposal of Property, Vessels & Equipment	2	1	(7)
Share of Results of Associates	300	296	262
Share of Results of Joint Arrangements	57	19	126
Impairment of Available-for-Sale Investments	(4)	(0)	(21)
Net Gain on Foreign Exchange	1	2	(12)
Impairment of Vessels & Contract Work in Progress	(97)	(161)	(283)
Miscellaneous Income	15	6	23
All Other Non-Operating Expenses	(27)	-	-
Non-Operating Profit	254	148	36
Profit for the Period	1,109	704	484
Non-controlling interest	(15)	8	(14)
Net Profit Attributable To Equity Holders Of The Parent	1,095	711	470

- Revenue Down (2)%
- Operating Profit Down (19)%
- Net Profit Down (34)%

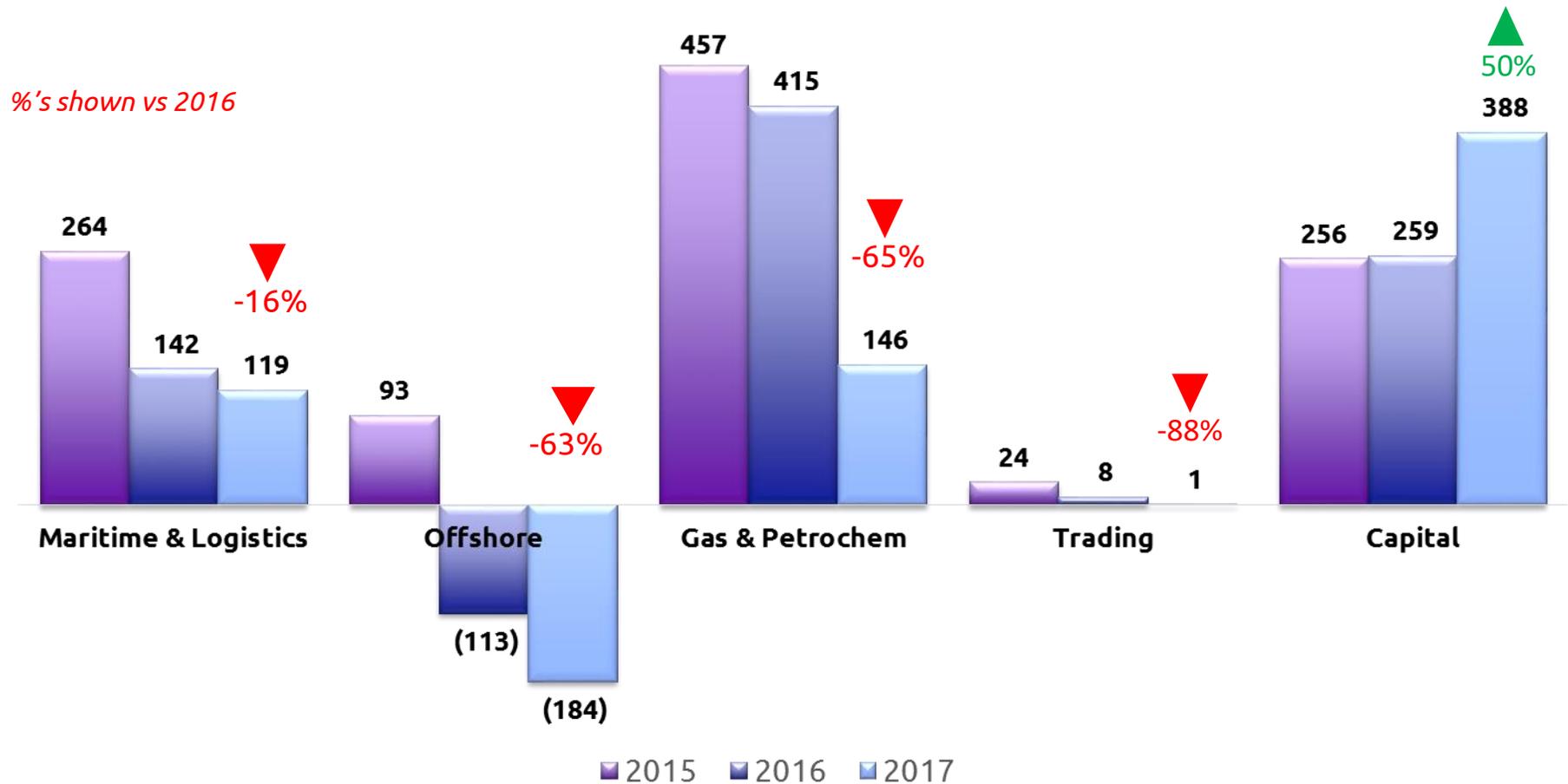


Activities by Segment

Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital
<ul style="list-style-type: none">• Port Services• Container Shipping• Warehousing & Logistics• Bulk Shipping• Shipyard• Shipping Line Agencies	<ul style="list-style-type: none">• Vessel Charter & Operations• Diving & Subsea Services• Construction and Maintenance Services• Well Services	<ul style="list-style-type: none">• LNG Transport• LPG Transport• Crude , Chemicals & CPP Transport• Wholly Owned Product/Gas Carriers• Harbor Marine Operations	<ul style="list-style-type: none">• Heavy Equipment and Truck Agency• Bunker Distribution• Marine Engine and Lubricants Agency• Travel & Tourism Agency	<ul style="list-style-type: none">• Real Estate Development and Management• Strategic and Financial Investments

Net Profit, by Segment – Full Year

(All amounts in QR Millions)



▼ Unfavorable

▲ Favorable

Statement of Income, by Segment – Full Year 2017

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
Operating Revenue	945	451	387	304	672	-	(269)	2,491
Salaries, Wages and Other Benefits	(140)	(161)	(101)	(18)	(9)	(147)	-	(576)
Operating Supplies and Expenses	(578)	(114)	(65)	(263)	(194)	(9)	245	(978)
Rent Expenses	(9)	(9)	(1)	(2)	(4)	(13)	23	(14)
Depreciation and Amortisation	(30)	(113)	(135)	(1)	(40)	(4)	-	(323)
Other Operating Expenses	(37)	(49)	(33)	(5)	(9)	(21)	1	(153)
Fleet & Technical Expense Allocation	(43)	-	43	-	-	-	-	-
Expense Allocation from Milaha Corporate	(88)	(38)	(35)	(18)	(17)	196	-	-
Operating Profit	20	(32)	60	(2)	400	3	(0)	448
Finance Costs	(19)	(41)	(51)	-	(90)	-	7	(195)
Finance Income	1	9	16	3	121	-	(7)	143
Net Gain on Disposal of Property, Vessels & Equipment	(3)	(3)	-	(0)	0	0	-	(7)
Share of Results of Associates	2	-	260	-	0	-	-	262
Share of Results of Joint Arrangements	151	-	(25)	-	-	-	-	126
Impairment of Available-for-Sale Investments	-	-	-	-	(21)	-	-	(21)
Net Gain on Foreign Exchange	(0)	(3)	(1)	0	(9)	(0)	-	(12)
Impairment of Vessels and Contract Work in Progress	(33)	(113)	(135)	-	-	(3)	-	(283)
Miscellaneous Income	0	-	23	-	0	-	-	23
All Other Non-Operating Expenses	-	-	-	-	-	-	-	-
Profit for the Period	119	(184)	146	1	402	(0)	(0)	484
Non-controlling interest	-	-	-	-	(14)	-	-	(14)
Net Profit Attributable To Equity Holders Of The Parent	119	(184)	146	1	388	(0)	(0)	470

Statement of Income, by Segment – Full Year 2016

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
Operating Revenue	1,004	573	456	312	409	-	(202)	2,551
Salaries, Wages and Other Benefits	(200)	(178)	(103)	(19)	(8)	(128)	0	(636)
Operating Supplies and Expenses	(444)	(114)	(74)	(263)	(132)	(8)	183	(851)
Rent Expenses	(8)	(6)	(4)	(2)	(4)	(11)	19	(16)
Depreciation and Amortisation	(42)	(115)	(132)	(1)	(36)	(5)	-	(331)
Other Operating Expenses	(36)	(55)	(34)	(6)	(11)	(20)	(0)	(163)
Fleet & Technical Expense Allocation	(53)	-	53	-	-	-	-	-
Expense Allocation from Milaha Corporate	(74)	(34)	(30)	(16)	(18)	171	-	-
Operating Profit	147	71	132	5	201	(0)	(0)	555
Finance Costs	(10)	(25)	(53)	-	(88)	-	-	(175)
Finance Income	0	0	20	4	137	-	-	161
Net Gain on Disposal of Property, Vessels & Equipment	(3)	1	-	-	2	0	-	1
Share of Results of Associates	1	-	295	-	0	-	-	296
Share of Results of Joint Arrangements	8	-	11	-	-	-	-	19
Impairment of Available-for-Sale Investments	-	-	-	-	(0)	-	-	(0)
Net Gain on Foreign Exchange	(1)	(0)	4	(0)	(1)	0	-	2
Impairment of Vessels and Contract Work in Progress	-	(161)	-	-	-	-	-	(161)
Miscellaneous Income	-	-	5	-	0	-	-	6
All Other Non-Operating Expenses	-	-	-	-	-	-	-	-
Profit for the Period	142	(113)	415	8	251	0	(0)	704
Non-controlling interest	-	-	-	-	8	-	-	8
Net Profit Attributable To Equity Holders Of The Parent	142	(113)	415	8	259	0	(0)	711

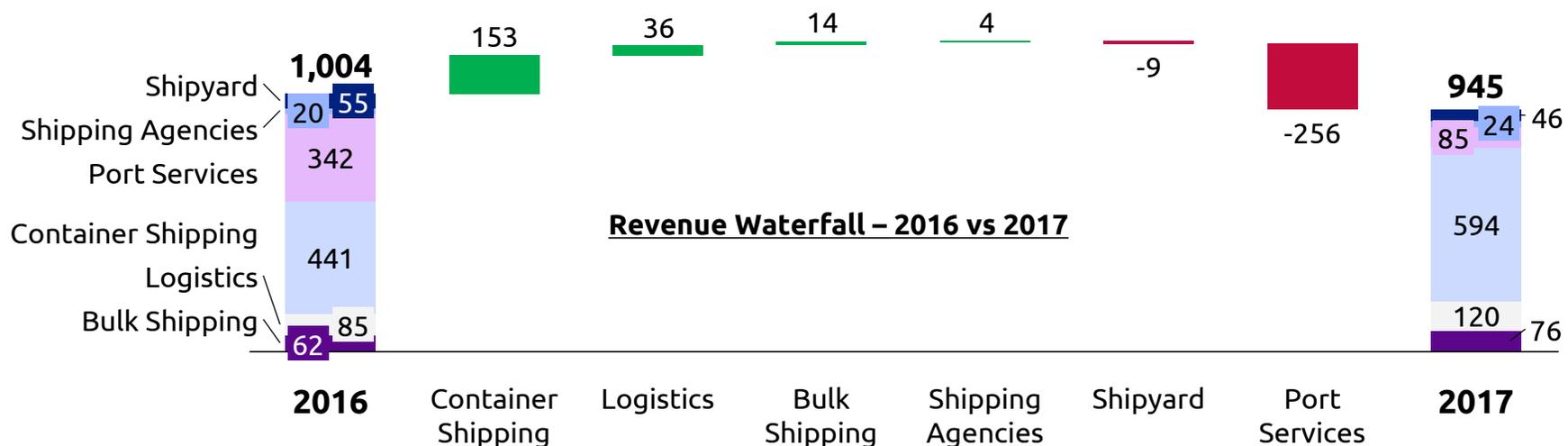
Segment Performance – Full Year

(All amounts in QR Millions)

6% Decline in Revenue and 16% Decline in Net Profit

- **Revenue drop in Port unit due to change in P&L reporting**
 - QTerminals share of results shown on 1 line as part of Non-Operating Income, as opposed to full P&L as shown in prior years
 - Related expenses similarly down vs 2016
- **Container Shipping volumes are down 0.5%, but revenue is up**
 - Vessels moving longer distances, so Revenue and related Operating Supplies & Expenses per TEU increased
- **Non-Operating Income is up QR 104M**
 - Milaha's QTerminals share contributed QR 143M vs 2016
 - Impairments on container vessels negatively impacted QR (33)M

	2015	2016	2017
Operating Revenue	1,166	1,004	945
Salaries, Wages and Other Benefits	(199)	(200)	(140)
Operating Supplies and Expenses	(431)	(444)	(578)
Rent Expenses	(10)	(8)	(9)
Depreciation and Amortisation	(51)	(42)	(30)
Other Operating Expenses	(36)	(36)	(37)
Fleet & Technical Expense Allocation	(62)	(53)	(43)
Expense Allocation from Milaha Corporate	(68)	(74)	(88)
Operating Expenses	(856)	(857)	(925)
Operating Profit	310	147	20
Non-Operating Income/(Expense)	(46)	(5)	99
Profit for the Period	264	142	119



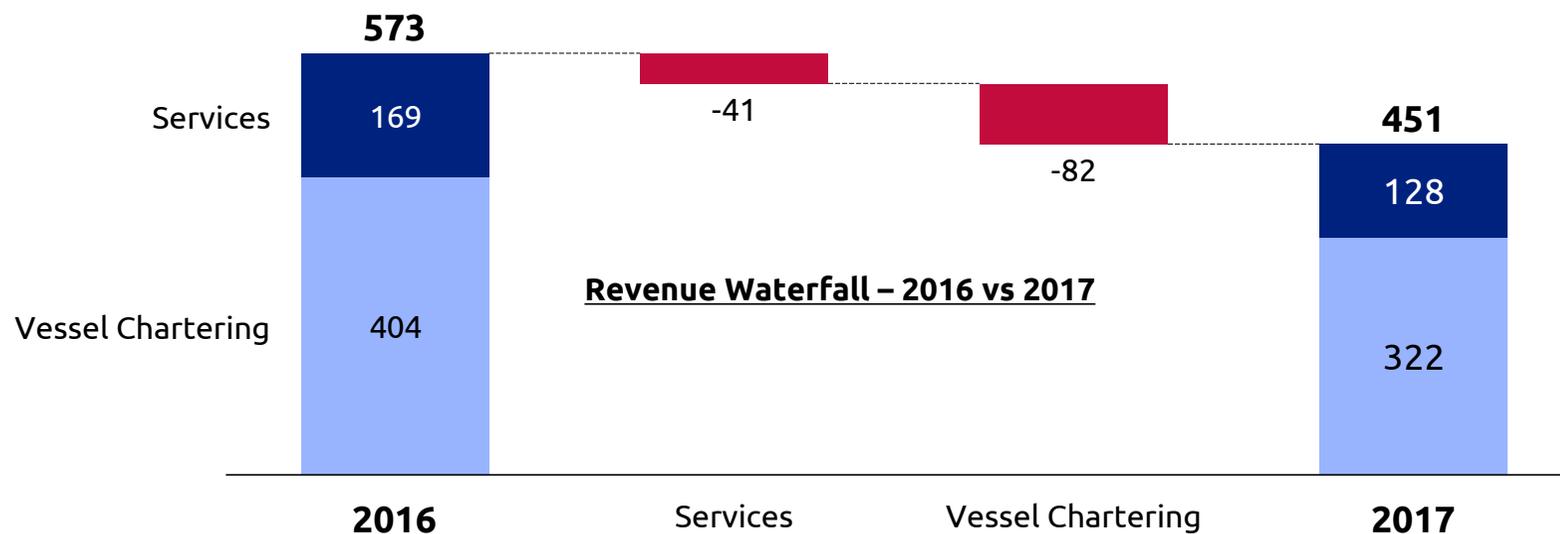
Segment Performance – Full Year

(All amounts in QR Millions)

21% Decline in Revenue and 63% Decline in Net Profit

- **Diving and Construction & Maintenance Services revenue declined due to rate & utilization pressure**
- **Vessel Chartering continued to be impacted by lower rates, lower utilization, and impairments**
 - QR (113)M of impairments booked in 2017, compared to QR (161)M booked in 2016

	2015	2016	2017
Operating Revenue	711	573	451
Salaries, Wages and Other Benefits	(229)	(178)	(161)
Operating Supplies and Expenses	(138)	(114)	(114)
Rent Expenses	(7)	(6)	(9)
Depreciation and Amortisation	(110)	(115)	(113)
Other Operating Expenses	(50)	(55)	(49)
Expense Allocation from Milaha Corporate	(31)	(34)	(38)
Operating Expenses	(566)	(502)	(483)
Operating Profit	145	71	(32)
Non-Operating Income/(Expense)	(52)	(184)	(152)
Profit for the Period	93	(113)	(184)



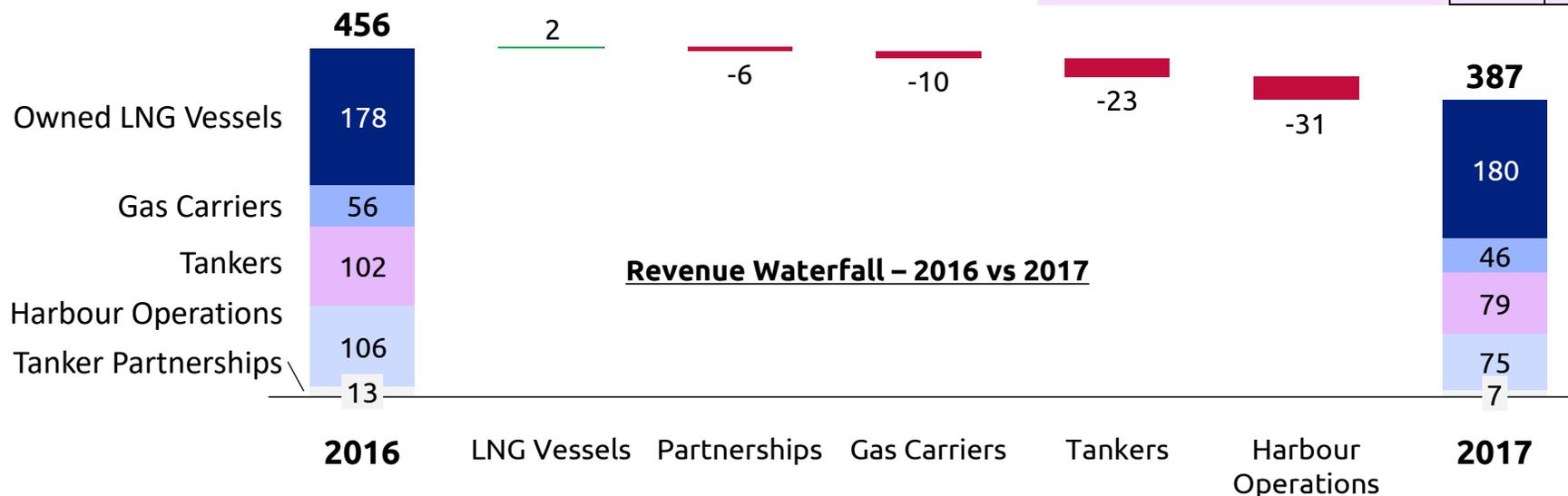
Segment Performance – Full Year

(All amounts in QR Millions)

15% Decline in Revenue and 65% Decline in Net Profit

- Harbour Operations impacted by lower utilization of older vessels, and lower re-negotiated terms/scope on 20 year contract with QP
- 5 Tankers are operating in Spot market and exposed to lower rates
- Nakilat results down QR (33)M; Gulf LPG results down QR (31)M
- QR (135)M in impairments booked in 2017

	2015	2016	2017
Operating Revenue	401	456	387
Salaries, Wages and Other Benefits	(95)	(103)	(101)
Operating Supplies and Expenses	(54)	(74)	(65)
Rent Expenses	(4)	(4)	(1)
Depreciation and Amortisation	(106)	(132)	(135)
Other Operating Expenses	(38)	(34)	(33)
Fleet & Technical Expense Allocation	62	53	43
Expense Allocation from Milaha Corporate	(26)	(30)	(35)
Operating Expenses	(261)	(323)	(327)
Operating Profit	140	132	60
Non-Operating Income/(Expense)	317	283	86
Profit for the Period	457	415	146



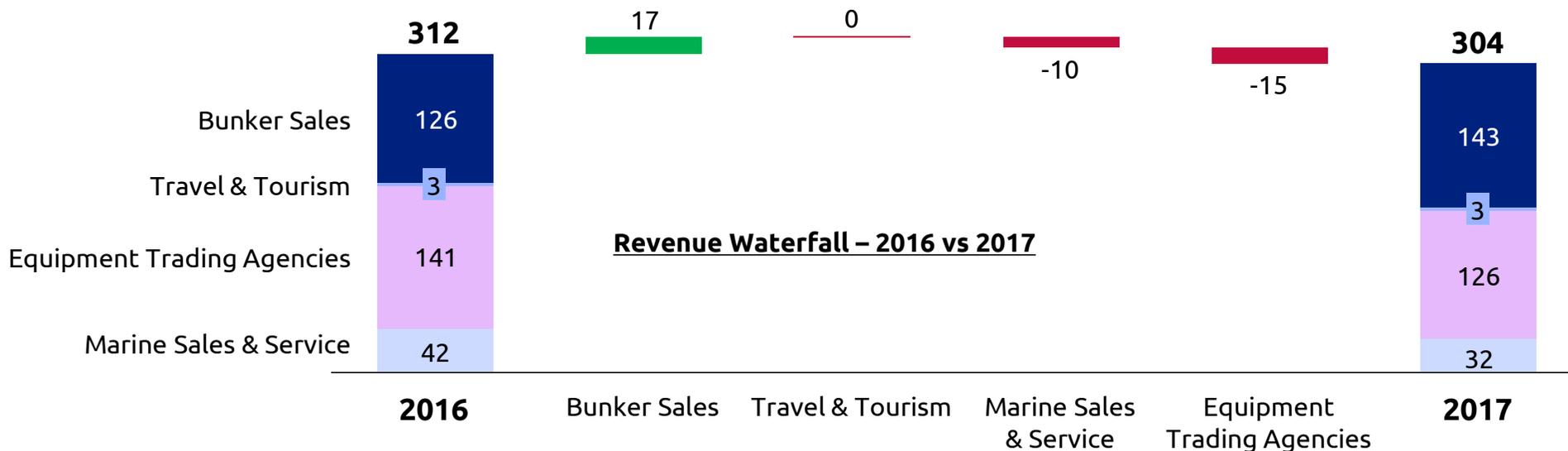
Segment Performance – Full Year

(All amounts in QR Millions)

3% Decline in Revenue and 88% Decline in Net Profit

- Drop in sales of heavy equipment and marine engine/lubricant sales, offset by higher bunker revenue, albeit at lower margins

	2015	2016	2017
Operating Revenue	421	312	304
Salaries, Wages and Other Benefits	(19)	(19)	(18)
Operating Supplies and Expenses	(357)	(263)	(263)
Rent Expenses	(2)	(2)	(2)
Depreciation and Amortisation	(1)	(1)	(1)
Other Operating Expenses	(4)	(6)	(5)
Expense Allocation from Milaha Corporate	(17)	(16)	(18)
Operating Expenses	(400)	(307)	(306)
Operating Profit	21	5	(2)
Non-Operating Income/(Expense)	3	4	3
Profit for the Period	24	8	1



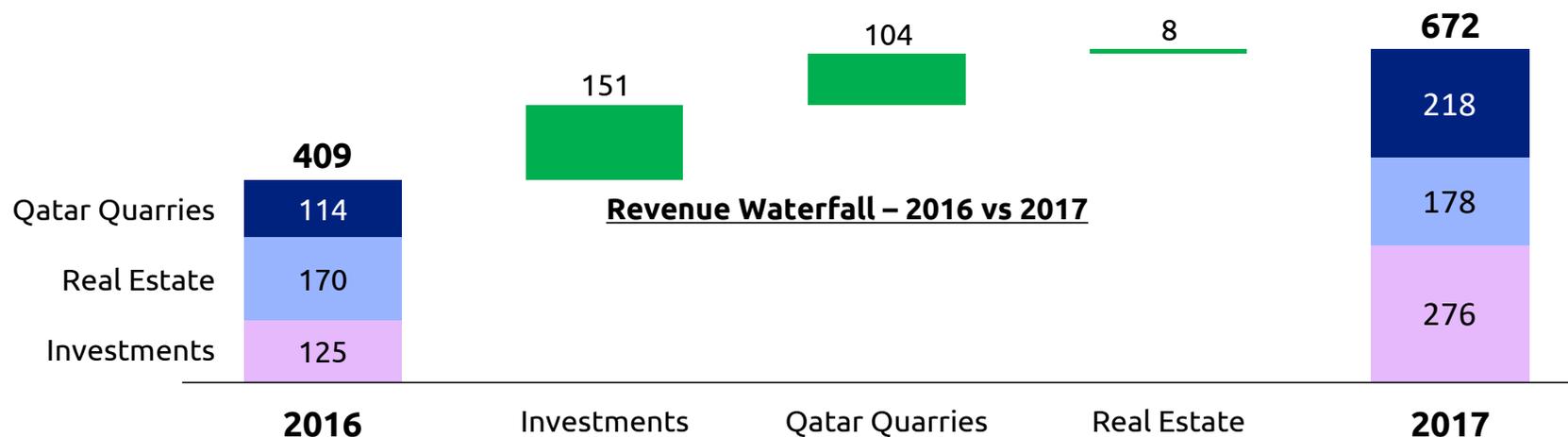
Segment Performance – Full Year

(All amounts in QR Millions)

64% Increase in Revenue and 50% Increase in Net Profit

- Large increase in sales from Qatar Quarries associate; related Cost of Goods Sold increased expenses
- Real Estate Income up slightly vs 2016
- Held-for-Trading investment portfolio income down QR (78)M; Dividend Income up QR 4M; Profit from Available-for-Sale Investments up QR 225M
 - QR (21)M impairment on Available-for-Sale Investments booked as Non-Operating Expense

	2015	2016	2017
Operating Revenue	491	409	672
Salaries, Wages and Other Benefits	(12)	(8)	(9)
Operating Supplies and Expenses	(171)	(132)	(194)
Rent Expenses	(6)	(4)	(4)
Depreciation and Amortisation	(36)	(36)	(40)
Other Operating Expenses	(11)	(11)	(9)
Expense Allocation from Milaha Corporate	(17)	(18)	(17)
Operating Expenses	(253)	(208)	(272)
Operating Profit	238	201	400
Non-Operating Income/(Expense)	33	50	1
Profit for the Period	271	251	402
Non-controlling interest	(15)	8	(14)
Net Profit Attributable To Equity Holders Of The Parent	256	259	388



Outlook



Macro:

- Expect to see the full year impact of higher volumes seen at Hamad port in H2 2017
- Expect container feedering margins to be under pressure due to increases in the cost of bunker and competitive rate pressure
- Ramp-up of utilization at Al Thumama warehouses will contribute positively to the logistics segment

Outlook



Macro: Expect the fundamentals in the offshore market to gradually improve on the back of higher oil prices, declining OSV fleet supply and supply-demand imbalances.

Outlook



- VLGCs: charter rates remain depressed; expect 2018 to be challenging
- Jointly & Fully owned LNG carriers: limited fluctuation versus 2017 due to long term fixed nature of contracts
- Fully-owned product tankers + 1 crude carrier: all trading in spot market. Market is very volatile but expect a slight improvement in day rates.
- Fully-owned gas / ammonia carriers: one vessel is on time charter ending mid 2018 and the other is on spot. We expect some improvements on the back of expected strong LPG demand between 2018-2021.
- Harbor marine vessels: penalty income realized in 2017 related to renegotiated rates & scope with client will not recur; otherwise, expect limited fluctuation versus 2017

Outlook



- Expect a challenging year for this segment in 2018

Outlook



- Listed portfolio performance strongly correlated to Qatar Exchange performance and volatility