

Q1 2018 Financial Summary Conference Call

May 3, 2018

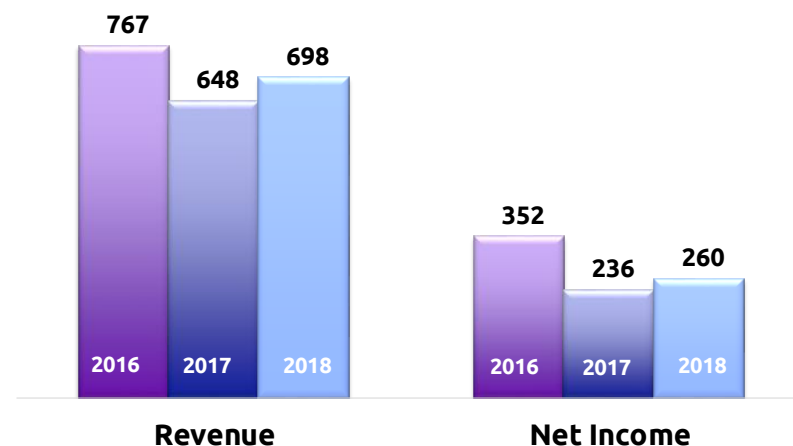
Doha, Qatar

Interim Consolidated Income Statement – Q1

(All amounts in QR Millions)

	2016	2017	2018
Operating Revenue	767	648	698
Salaries, Wages and Other Benefits	(159)	(129)	(137)
Operating Supplies and Expenses	(233)	(206)	(226)
Rent Expenses	(4)	(4)	(5)
Depreciation and Amortisation	(80)	(88)	(80)
Other Operating Expenses	(36)	(36)	(47)
Operating Expenses	(512)	(463)	(495)
Operating Profit	256	185	203
Finance Costs	(38)	(50)	(42)
Finance Income	39	43	20
Net Gain on Disposal of Property, Vessels & Equipment	(0)	(0)	1
Share of Results of Associates	77	60	67
Share of Results of Joint Arrangements	16	24	47
Impairment of Available-for-Sale Investments	-	(21)	-
Net Gain on Foreign Exchange	3	(1)	3
Impairment of Vessels & Contract Work in Progress	-	(22)	(41)
Miscellaneous Income	2	20	1
Non-Operating Profit	98	54	57
Profit for the Period	354	239	260
Non-controlling interest	(2)	(3)	0
Net Profit Attributable To Equity Holders Of The Parent	352	236	260

- Revenue Up 8%
- Operating Profit Up 10%
- Net Profit Up 10%



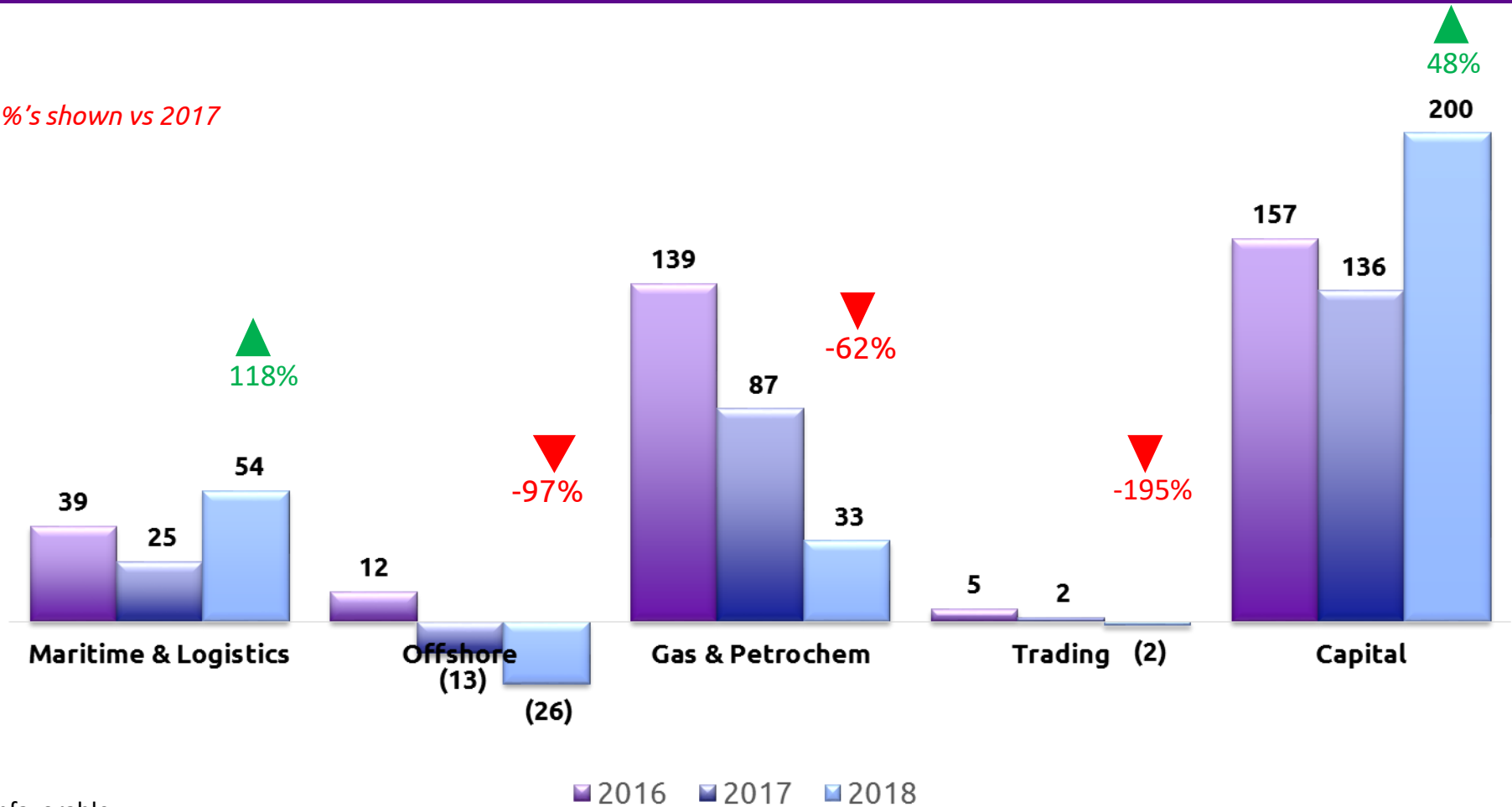
Activities by Segment

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 – Q1

(All amounts in QR Millions)

%s shown vs 2017



▼ Unfavorable

▲ Favorable

■ 2016 ■ 2017 ■ 2018

Statement of Income, by Segment – Q1 2018

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
Operating Revenue	256	106	96	79	255	-	(94)	698
Salaries, Wages and Other Benefits	(33)	(39)	(26)	(4)	(2)	(32)	-	(137)
Operating Supplies and Expenses	(156)	(27)	(13)	(71)	(39)	(1)	80	(226)
Rent Expenses	(12)	(2)	(0)	(1)	(2)	(2)	14	(5)
Depreciation and Amortisation	(7)	(27)	(31)	(0)	(14)	(1)	-	(80)
Other Operating Expenses	(11)	(18)	(7)	(2)	(2)	(8)	0	(47)
Fleet & Technical Expense Allocation	(8)	-	8	-	-	-	-	-
Expense Allocation from Milaha Corporate	(20)	(8)	(9)	(4)	(4)	45	-	-
Operating Profit	8	(15)	20	(2)	192	0	0	203
Finance Costs	(8)	(14)	(12)	-	(10)	-	3	(42)
Finance Income	0	4	3	0	15	-	(3)	20
Net Gain on Disposal of Property, Vessels & Equipment	0	0	1	0	-	-	-	1
Share of Results of Associates	1	-	67	-	0	-	-	67
Share of Results of Joint Arrangements	52	-	(6)	-	-	-	-	47
Impairment of Available-for-Sale Investments	-	-	-	-	-	-	-	-
Net Gain on Foreign Exchange	(0)	(0)	(0)	0	3	(0)	-	3
Impairment of Vessels and Contract Work in Progress	-	-	(41)	-	-	-	-	(41)
Miscellaneous Income	0	-	1	-	0	-	-	1
All Other Non-Operating Expenses	-	-	-	-	-	-	-	-
Profit for the Period	54	(26)	33	(2)	200	(0)	0	260
Non-controlling interest	-	-	-	-	0	-	-	0
Net Profit Attributable To Equity Holders Of The Parent	54	(26)	33	(2)	200	(0)	0	260

Statement of Income, by Segment – Q1 2017

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
Operating Revenue	191	135	101	67	210	-	(56)	648
Salaries, Wages and Other Benefits	(30)	(42)	(24)	(4)	(2)	(27)	-	(129)
Operating Supplies and Expenses	(115)	(25)	(15)	(57)	(44)	(1)	49	(206)
Rent Expenses	(2)	(3)	(1)	(1)	(1)	(3)	6	(4)
Depreciation and Amortisation	(16)	(28)	(34)	(0)	(9)	(1)	-	(88)
Other Operating Expenses	(4)	(13)	(8)	(1)	(3)	(7)	0	(36)
Fleet & Technical Expense Allocation	(10)	-	10	-	-	-	-	-
Expense Allocation from Milaha Corporate	(17)	(8)	(7)	(4)	(4)	39	-	(0)
Operating Profit	(3)	17	22	1	149	0	0	185
Finance Costs	(3)	(8)	(13)	-	(28)	(0)	1	(50)
Finance Income	0	0	5	1	39	(0)	(1)	43
Net Gain on Disposal of Property, Vessels & Equipment	-	-	-	(0)	-	-	-	(0)
Share of Results of Associates	0	-	60	-	(0)	-	-	60
Share of Results of Joint Arrangements	30	-	(6)	-	-	-	-	24
Impairment of Available-for-Sale Investments	-	-	-	-	(21)	-	-	(21)
Net Gain on Foreign Exchange	(0)	(0)	(0)	0	(0)	(0)	-	(1)
Impairment of Vessels and Contract Work in Progress	-	(22)	-	-	-	-	-	(22)
Miscellaneous Income	0	-	20	-	0	-	-	20
All Other Non-Operating Expenses	-	-	-	-	-	-	-	-
Profit for the Period	25	(13)	87	2	139	(0)	0	239
Non-controlling interest					(3)			(3)
Net Profit Attributable To Equity Holders Of The Parent	25	(13)	87	2	136	(0)	0	236

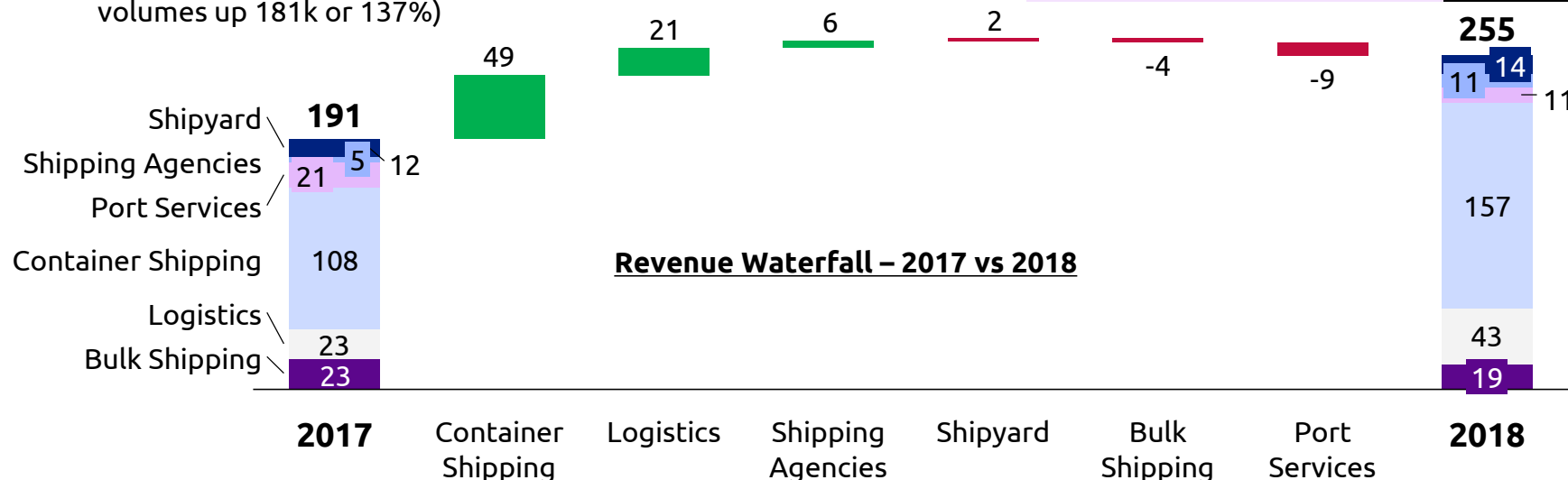
Segment Performance – Q1

(All amounts in QR Millions)

34% Increase in Revenue and 118% Increase in Net Profit

- **Revenue increase driven by Container Shipping & Logistics units**
 - Container Shipping volumes are down 11%, but rates are higher due to longer distance routes (UAE replaced with Oman/India/etc)
 - Logistics is higher due to increase in freight forwarding activities
- **Operating Expenses are up QR (54)M**
 - Operating Supplies & Expenses increase driven by associated costs related to revenue increase in Container Shipping & Logistics
 - Rent expense increase tied to opening of Logistics' warehouses
- **Non-Operating Income is up QR 19M**
 - Milaha's QTerminals share contributed QR 22M vs 2017 (TEU volumes up 181k or 137%)

	2016	2017	2018
Operating Revenue	251	191	256
Salaries, Wages and Other Benefits	(54)	(30)	(33)
Operating Supplies and Expenses	(106)	(115)	(156)
Rent Expenses	(2)	(2)	(12)
Depreciation and Amortisation	(11)	(16)	(7)
Other Operating Expenses	(8)	(4)	(11)
Fleet & Technical Expense Allocation	(13)	(10)	(8)
Expense Allocation from Milaha Corporate	(17)	(17)	(20)
Operating Expenses	(211)	(194)	(248)
Operating Profit	41	(3)	8
Non-Operating Income/(Expense)	(2)	27	46
Profit for the Period	39	25	54



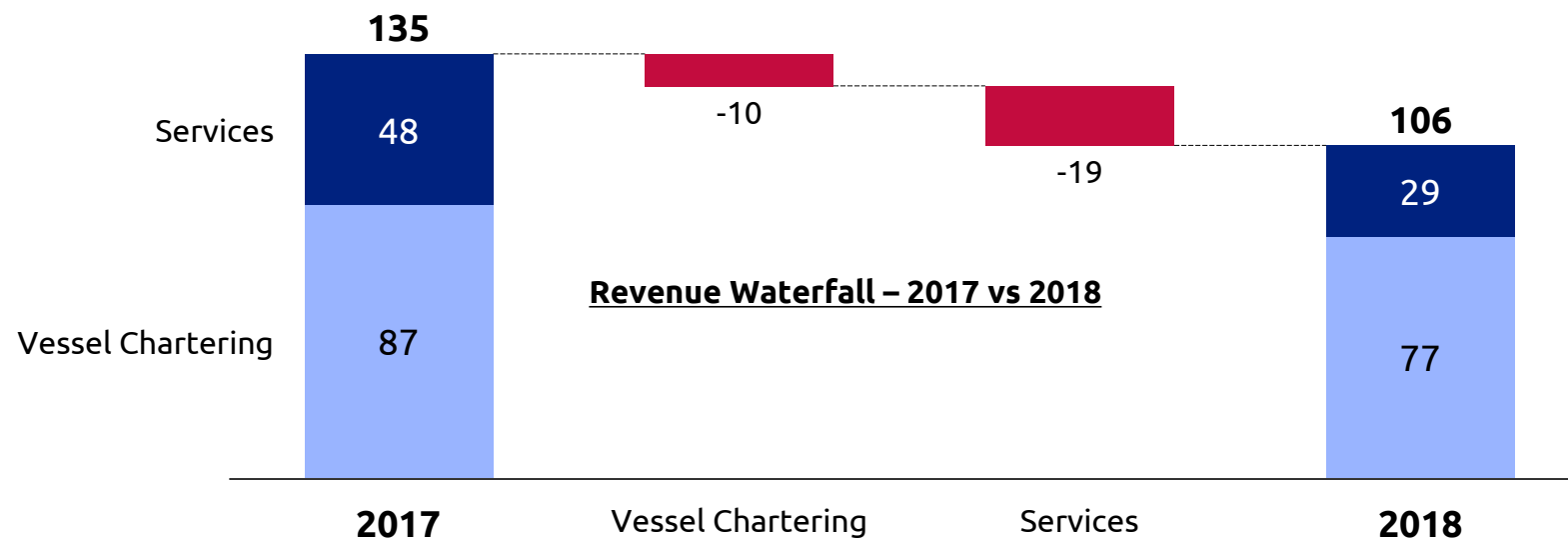
Segment Performance – Q1

(All amounts in QR Millions)

21% Decline in Revenue and 97% Decline in bottom line

- Revenue decline in both Vessel Chartering and Services mainly due to rate discounts applied in Q2 2017
 - Average utilization increased from 64% in 2017 to 71% in 2018
- Non-Operating Expenses decreased by 19M
 - No vessel impairments recorded in 2018, whereas in 2017 QR (22)M of impairments booked

	2016	2017	2018
Operating Revenue	145	135	106
Salaries, Wages and Other Benefits	(46)	(42)	(39)
Operating Supplies and Expenses	(32)	(25)	(27)
Rent Expenses	(1)	(3)	(2)
Depreciation and Amortisation	(28)	(28)	(27)
Other Operating Expenses	(14)	(13)	(18)
Expense Allocation from Milaha Corporate	(7)	(8)	(8)
Operating Expenses	(129)	(118)	(121)
Operating Profit	16	17	(15)
Non-Operating Income/(Expense)	(4)	(30)	(11)
Profit for the Period	12	(13)	(26)



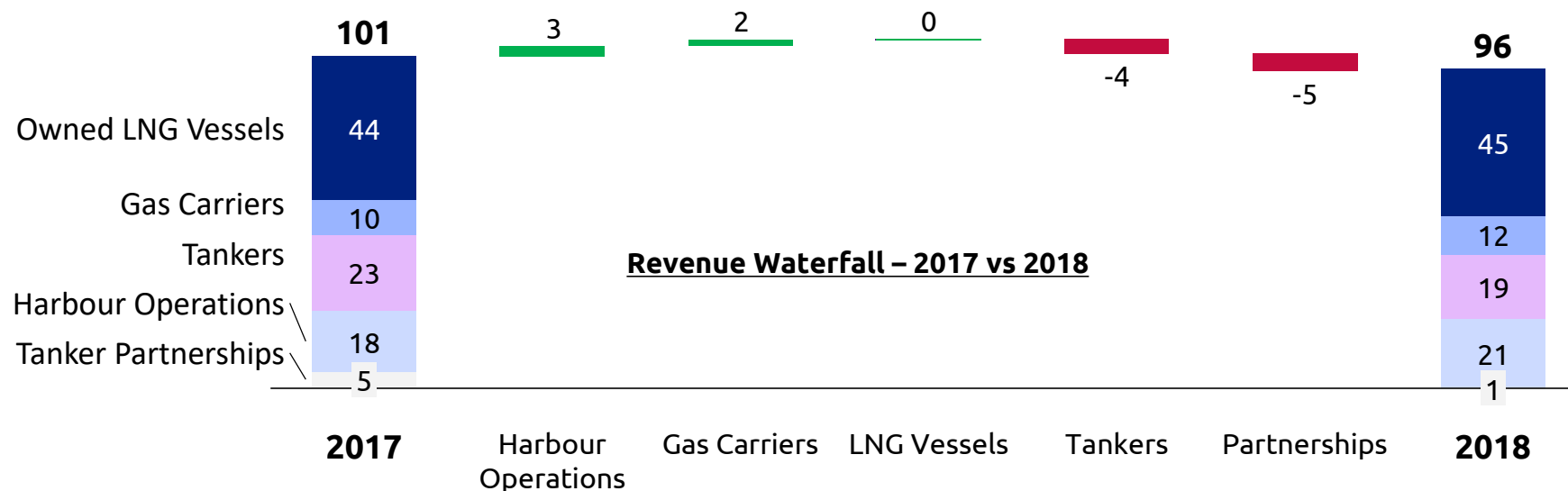
Segment Performance – Q1

(All amounts in QR Millions)

5% Decline in Revenue and 62% Decline in Net Profit

- Revenue decline coming mainly from owned/partnered Tankers due to reduced shipping rates
- Non-Operating Income down QR (52)M
 - QR (41)M in vessel impairments booked in 2018
 - QR (19)M related to Harbour Operations one-time Penalty Income recorded in Q1 2017
 - QR 8M in higher Nakilat income

	2016	2017	2018
Operating Revenue	121	101	96
Salaries, Wages and Other Benefits	(26)	(24)	(26)
Operating Supplies and Expenses	(13)	(15)	(13)
Rent Expenses	(1)	(1)	(0)
Depreciation and Amortisation	(31)	(34)	(31)
Other Operating Expenses	(8)	(8)	(7)
Fleet & Technical Expense Allocation	13	10	8
Expense Allocation from Milaha Corporate	(6)	(7)	(9)
Operating Expenses	(72)	(79)	(76)
Operating Profit	49	22	20
Non-Operating Income/(Expense)	89	65	13
Profit for the Period	139	87	33



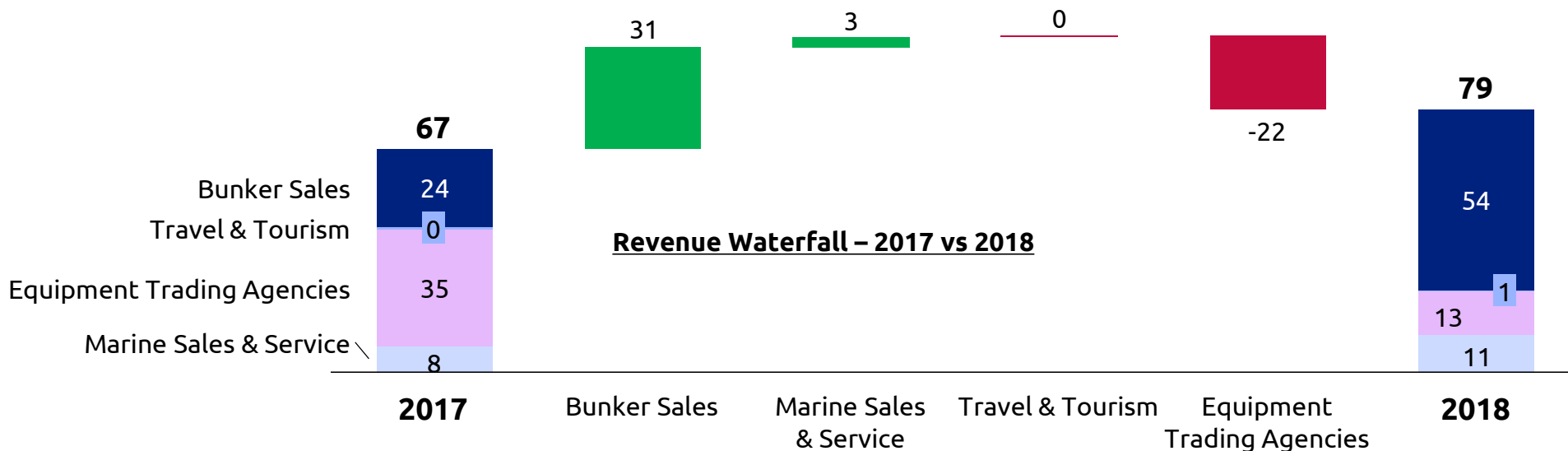
Segment Performance – Q1

(All amounts in QR Millions)

17% Increase in Revenue and QR 2M Decline in Net Profit

- Revenue increase from higher bunker sales, which more than offset drop in sales of heavy equipment
- Increase in expenses related to associated bunker Cost-of-Goods-Sold tied to revenue increase
 - Bunker margins are generally lower than Equipment sales margins, hence drop in Operating Profit

	2016	2017	2018
Operating Revenue	100	67	79
Salaries, Wages and Other Benefits	(5)	(4)	(4)
Operating Supplies and Expenses	(85)	(57)	(71)
Rent Expenses	(1)	(1)	(1)
Depreciation and Amortisation	(0)	(0)	(0)
Other Operating Expenses	(1)	(1)	(2)
Expense Allocation from Milaha Corporate	(4)	(4)	(4)
Operating Expenses	(95)	(66)	(81)
Operating Profit	4	1	(2)
Non-Operating Income/(Expense)	1	1	0
Profit for the Period	5	2	(2)

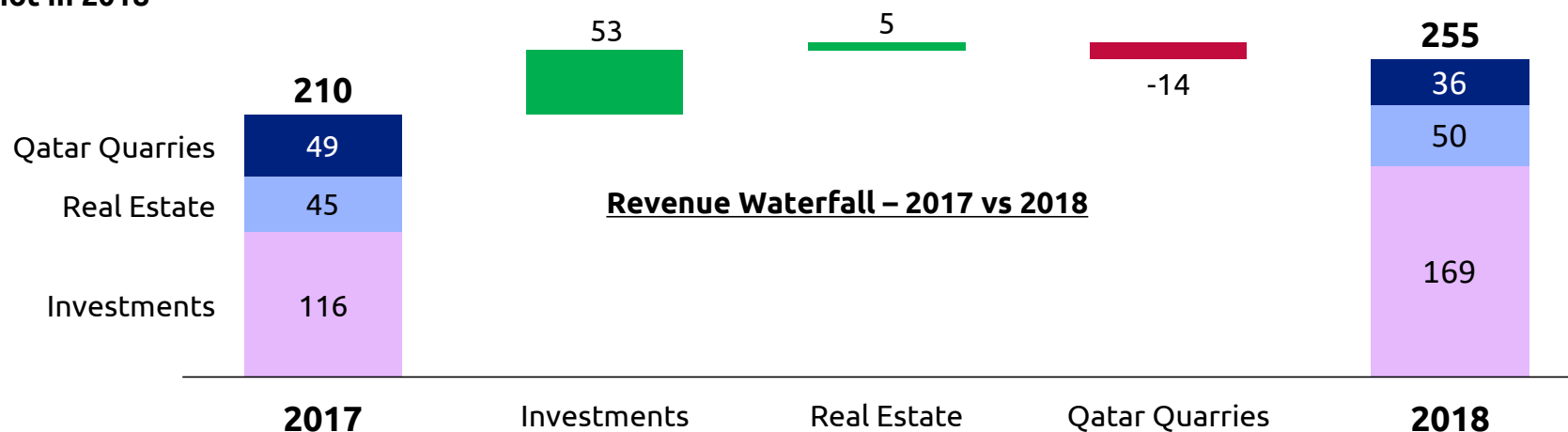


Segment Performance – Q1

(All amounts in QR Millions)

21% Increase in Revenue and 48% Increase in Net Profit

- **QR 45M increase in Revenue mainly driven by:**
 - QR (14)M decrease in sales from Qatar Quarries associate
 - QR 15M increase in Held-for-Trading investment portfolio income
 - QR 40M increase in Dividend Income
- **Operating Expenses overall essentially flat**
 - Lower Cost-of-Goods-Sold associated with Qatar Quarries offsetting higher depreciation on new Logistics warehouses
- **Non-Operating Income up QR 18M, mainly attributable to QR (21)M impairment on Available-for-Sale Investments booked in 2017 and not in 2018**



	2016	2017	2018
Operating Revenue	191	210	255
Salaries, Wages and Other Benefits	(1)	(2)	(2)
Operating Supplies and Expenses	(29)	(44)	(39)
Rent Expenses	(1)	(1)	(2)
Depreciation and Amortisation	(9)	(9)	(14)
Other Operating Expenses	(3)	(3)	(2)
Expense Allocation from Milaha Corporate	(3)	(4)	(4)
Operating Expenses	(46)	(61)	(63)
Operating Profit	145	149	192
Non-Operating Income/(Expense)	15	(10)	8
Profit for the Period	159	139	200
Non-controlling interest	(2)	(3)	0
Net Profit Attributable To Equity Holders Of The Parent	157	136	200

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 rising oil production.

Outlook



- VLGCs: charter rates remain depressed; expect remainder of 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 and exposed to multi-year low rates. Cautiously optimistic that rates have bottomed out.
- Fully-owned gas / ammonia carriers: one vessel renewed (albeit at lower rate) and will be on time charter rest of year; other is on spot.
- Harbor marine vessels: expect moderate upside rest of year

Outlook



- Expect a challenging year for this segment rest of year 2018

Outlook



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