

YTD Q3 2014 Financials Conference Call

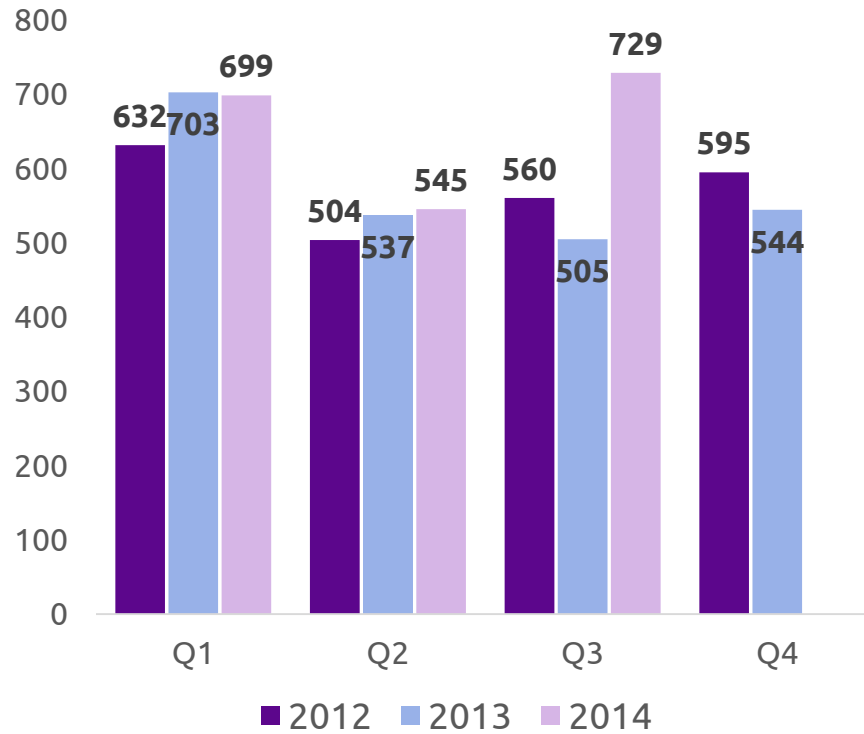
Nov 4th, 2014

Doha, Qatar

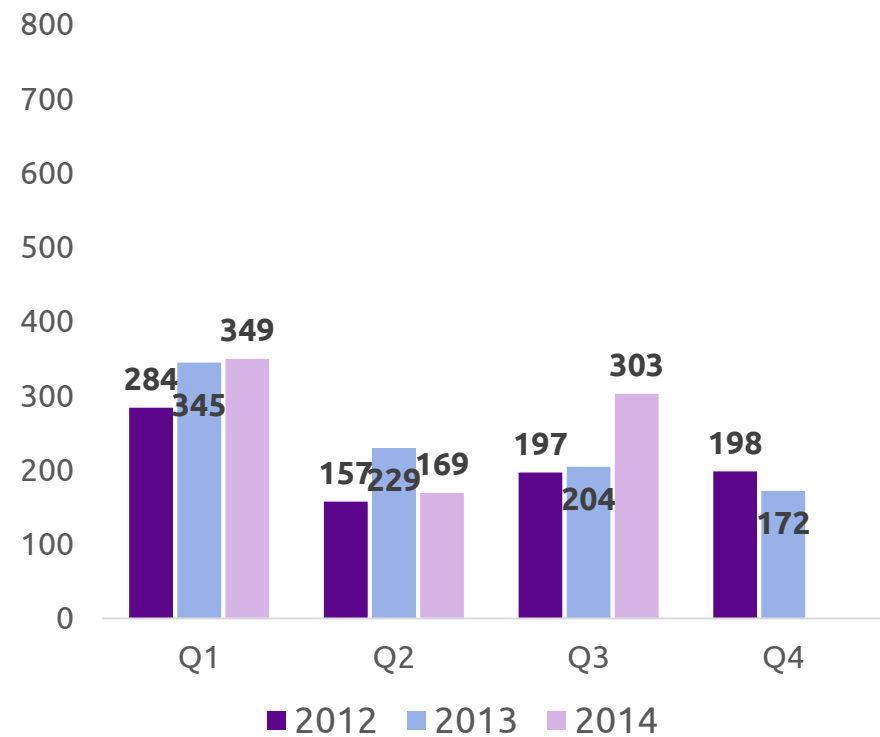
Key Financial Highlights

(All amounts in QR Millions)

Revenue



Net Profit



Statement of Income, Consolidated - YTD Q3 2014 vs 2013

(All amounts in QR Millions)

	2014	2013	Variance
OPERATING REVENUE	1,973	1,745	228
Salaries, Wages and Benefits	(479)	(453)	(26)
Operating Supplies and Expenses	(622)	(435)	(187)
Rent Expenses	(45)	(42)	(3)
Depreciation and Amortisation	(193)	(169)	(24)
Other Operating Expenses	(91)	(76)	(15)
OPERATING EXPENSES	(1,431)	(1,176)	(255)
OPERATING PROFIT	542	569	(27)
Finance Costs	(27)	(37)	9
Finance Income	40	50	(9)
Gain on Disposal of Property, Vessels and Equipment	2	11	(9)
Share of Results of Associates	222	177	45
Share of Results of JV's	41	5	36
Miscellaneous Income	3	0	3
NON OPERATING PROFIT	281	206	75
NET INCOME	823	776	47
Non-controlling interest	(2)	2	(4)
PROFIT FOR THE PERIOD	821	778	43

- Revenue Up **+13.1%**
- Operating Profit Down **-4.8%**
- Net Profit Up **+5.5%**

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 Agencies	<ul style="list-style-type: none">• Vessel Charter & Operations• Diving & Subsea Services• Construction and Maintenance 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

Statement of Income, by Segment – YTD Q3 2014

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
Operating Revenue	677	411	193	295	543	-	(146)	1,973
Salaries, Wages and Benefits	(148)	(145)	(65)	(13)	(7)	(108)	6	(479)
Operating Supplies and Expenses	(275)	(85)	(36)	(249)	(94)	(4)	122	(622)
Rent Expenses	(5)	(6)	(2)	(2)	(38)	(8)	15	(45)
Depreciation and Amortisation	(45)	(70)	(50)	(1)	(24)	(4)	-	(193)
Other Operating Expenses	(20)	(29)	(22)	(2)	(8)	(13)	2	(91)
Fleet & Technical Expense Allocation	(43)	-	43	-	-	-	-	-
Expense Allocation from Milaha Corporate	(58)	(23)	(21)	(17)	(18)	137	-	0
OPERATING PROFIT	83	54	40	11	353	0	-	542
Finance Costs	(6)	(6)	(4)	-	(11)	-	-	(27)
Finance Income	-	0	18	0	22	-	-	40
Gain on Disposal of Property, Vessels and Equipment	1	0	-	-	2	-	-	2
Share of Results of Associates & JV's	0	-	262	-	1	-	-	263
Miscellaneous Income	-	-	3	-	0	-	-	3
Impairment of Available-for-Sale Investments	-	-	-	-	-	-	-	-
PROFIT FOR THE PERIOD	78	48	319	12	366	0	-	823
Non-controlling interest	-	-	-	-	(2)	-	-	(2)
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS	78	48	319	12	364	0	-	821

Statement of Income, by Segment – YTD Q3 2013

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
Operating Revenue	634	449	126	206	506	-	(177)	1,745
Salaries, Wages and Benefits	(135)	(142)	(60)	(11)	(11)	(100)	6	(453)
Operating Supplies and Expenses	(236)	(66)	(27)	(168)	(87)	(5)	153	(435)
Rent Expenses	(4)	(4)	(1)	(1)	(37)	(9)	15	(42)
Depreciation and Amortisation	(47)	(56)	(40)	(1)	(24)	(2)	-	(169)
Other Operating Expenses	(18)	(24)	(14)	(1)	(10)	(11)	2	(76)
Fleet & Technical Expense Allocation	(41)	-	41	-	-	-	-	(0)
Expense Allocation from Milaha Corporate	(54)	(22)	(20)	(16)	(17)	129	-	-
OPERATING PROFIT	99	135	6	7	319	3	(0)	569
Finance Costs	(7)	(10)	(3)	-	(17)	-	-	(37)
Finance Income	-	2	19	0	28	0	-	50
Gain on Disposal of Property, Vessels and Equipment	11	3	-	-	-	(3)	-	11
Share of Results of Associates & JV's	(0)	-	181	-	1	-	-	182
Miscellaneous Income	-	-	0	-	0	-	-	0
Impairment of Available-for-Sale Investments	-	-	-	-	-	-	-	-
PROFIT FOR THE PERIOD	103	131	203	7	332	0	(0)	776
Non-controlling interest	-	-	-	-	2	-	-	2
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS	103	131	203	7	334	0	(0)	778

Segment Performance

(All amounts in QR Millions)



➤ 7% Growth in Revenues and 25% Decline in Net Profit vs 2013

- **Revenue** increase of QR 42M driven by:
 - 16% increased TEU volumes at Doha Port
 - Increased Import volumes in Container Shipping
 - Increase in Bulk Shipping Chartering-Out activities

OFFSET BY

- Lower Container Shipping export volumes due to plant shutdown of major client
 - Decrease in Logistics & Shipyard activities
- **Operating Expenses** increased by QR (58)M driven by:
 - Volume-related expenses (manpower at Port, Port Charges at Container Shipping)
 - Chartering-In of vessels in Bulk Shipping Unit
- **Non-Operating Income** showing QR (10)M less in Gains on Sale of Assets

	YTD 2014	YTD 2013
OPERATING REVENUE	677	634
Salaries, Wages and Benefits	(148)	(135)
Operating Supplies and Expenses	(275)	(236)
Rent Expenses	(5)	(4)
Depreciation and Amortisation	(45)	(47)
Other Operating Expenses	(20)	(18)
Fleet & Technical Expense Allocation	(43)	(41)
Expense Allocation from Milaha Corporate	(58)	(54)
OPERATING EXPENSES	(593)	(535)
OPERATING PROFIT	83	99
NON - OPERATING INCOME/EXPENSE	(6)	4
PROFIT FOR THE PERIOD	78	103

Segment Performance

(All amounts in QR Millions)



➤ 9% Decline in Revenues and 63% Decline in Net Profit vs 2013

- **Revenue** decrease of QR (38)M driven by:
 - Large drop in our key Diving unit due to lower utilization of vessels related to:
 - Unexpected extended drydocking in Q1
 - Q1 Unplanned maintenance breakdowns
 - Off contract vessels
- **Operating Expenses** increase of QR (43)M from:
 - Higher depreciation from new vessels and increased supplies & expenses

	YTD 2014	YTD 2013
OPERATING REVENUE	411	449
Salaries, Wages and Benefits	(145)	(142)
Operating Supplies and Expenses	(85)	(66)
Rent Expenses	(6)	(4)
Depreciation and Amortisation	(70)	(56)
Other Operating Expenses	(29)	(24)
Fleet & Technical Expense Allocation	-	-
Expense Allocation from Milaha Corporate	(23)	(22)
OPERATING EXPENSES	(357)	(314)
OPERATING PROFIT	54	135
NON - OPERATING INCOME/EXPENSE	(5)	(4)
PROFIT FOR THE PERIOD	48	131

Segment Performance

(All amounts in QR Millions)



➤ 53% Growth in Revenues and 57% Growth in Net Profit vs 2013

- **Revenue** increase of QR 67M driven by:
 - Additional revenue from Harbor vessels that we have been taking possession of throughout 2013/2014
 - Uptick in Product Tanker rates compared to 2013
- **Operating Expenses** increase of QR (32)M from:
 - Additional Harbor vessel expenses
- **Non-Operating Income** increase of QR 82M from our share of JV's and associates, including:
 - QR 44M from Nakilat
 - QR 36M from Gulf LPG

	YTD 2014	YTD 2013
OPERATING REVENUE	193	126
Salaries, Wages and Benefits	(65)	(60)
Operating Supplies and Expenses	(36)	(27)
Rent Expenses	(2)	(1)
Depreciation and Amortisation	(50)	(40)
Other Operating Expenses	(22)	(14)
Fleet & Technical Expense Allocation	43	41
Expense Allocation from Milaha Corporate	(21)	(20)
OPERATING EXPENSES	(153)	(121)
OPERATING PROFIT	40	6
NON - OPERATING INCOME/EXPENSE	279	197
PROFIT FOR THE PERIOD	319	203

Segment Performance

(All amounts in QR Millions)



➤ 43% Growth in Revenues and 66% Growth in Net Profit vs 2013

- **Revenue** increase of QR 89M driven by:
 - Higher heavy equipment sales
 - Higher Bunker Sales

- **Operating Expenses** increase of QR 85M driven by:
 - Higher heavy equipment cost of goods sold
 - Higher Bunker cost of goods sold

	YTD 2014	YTD 2013
OPERATING REVENUE	295	206
Salaries, Wages and Benefits	(13)	(11)
Operating Supplies and Expenses	(249)	(168)
Rent Expenses	(2)	(1)
Depreciation and Amortisation	(1)	(1)
Other Operating Expenses	(2)	(1)
Fleet & Technical Expense Allocation	-	-
Expense Allocation from Milaha Corporate	(17)	(16)
OPERATING EXPENSES	(284)	(199)
OPERATING PROFIT	11	7
NON - OPERATING INCOME/EXPENSE	0	0
PROFIT FOR THE PERIOD	12	7

Segment Performance

(All amounts in QR Millions)



➤ 7% Growth in Revenues and 9% Growth in Net Profit vs 2013

- **Revenue** increased 37M , driven by
 - QR 41M Realized/Unrealized profit in Held-for-Trading portfolio
 - QR 18M Dividend growth
 - QR 6M from our Qatar Quarries subsidiary
 - QR 1M in increased Real Estate Income

Partially offset by

- QR (29)M in lower Available for Sale investments

	YTD 2014	YTD 2013
OPERATING REVENUE	543	506
Salaries, Wages and Benefits	(7)	(11)
Operating Supplies and Expenses	(94)	(87)
Rent Expenses	(38)	(37)
Depreciation and Amortisation	(24)	(24)
Other Operating Expenses	(8)	(10)
Fleet & Technical Expense Allocation	-	-
Expense Allocation from Milaha Corporate	(18)	(17)
OPERATING EXPENSES	(190)	(186)
OPERATING PROFIT	353	319
NON - OPERATING INCOME/EXPENSE	13	13
PROFIT FOR THE PERIOD	366	332
Non-controlling interest	(2)	2
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS	364	334

Outlook



- Expect a more sustained ramp up in volumes due to increased project activity and a steadily growing population;
 - positive impact on revenues for the largest units – Port Services and Container Shipping
- Expect a stronger upcoming year for the Shipyard with renewed focus on core shiprepair business
- Other units expected to grow in line with the market

Outlook



- Deployment of new vessel DSV Shaddad in Q3 to provide a boost to both top and bottom line in **diving services** rest of the year and in 2015
- Expect to take delivery of ~8 **new vessels** in Q4 and throughout 2015, subject to delivery delays (largely PSVs and AHTSs)
- Continuing to target improved utilisation and careful rationalization of existing fleet (older vessels)
- Continuing to explore opportunities for expansion outside core markets through partnerships and acquisitions

Outlook



- Expect rest of 2014 to continue to be strong overall with positive outlook for early 2015
- **VLGC** rates expected to remain buoyant rest of the year, with some weakness expected from newbuilds next year
- **Jointly owned LNG carriers:** limited fluctuation due to long term nature of contracts
- **Fully-owned product tanker** earnings expected to finish strongly the rest of the year, as rates have firmed up
- **Fully-owned gas / ammonia carriers** expected to continue relatively strongly as before, except for the impact of one drydocking in December
- All **harbor craft** in 19-vessel order have been delivered and in service, therefore full impact of these going forward

Outlook



- Expect to maintain the strong momentum for the rest of 2014 and into 2015 as sales of trucks and heavy equipment continue to grow
- Strong pipeline of infrastructure projects being targeted that require heavy equipment

Outlook



- Listed equity portfolio performance bound by Qatar Exchange performance and volatility
 - Energy prices will naturally have impact on equity markets, however Qatar budget pegged to lower oil price than current levels