

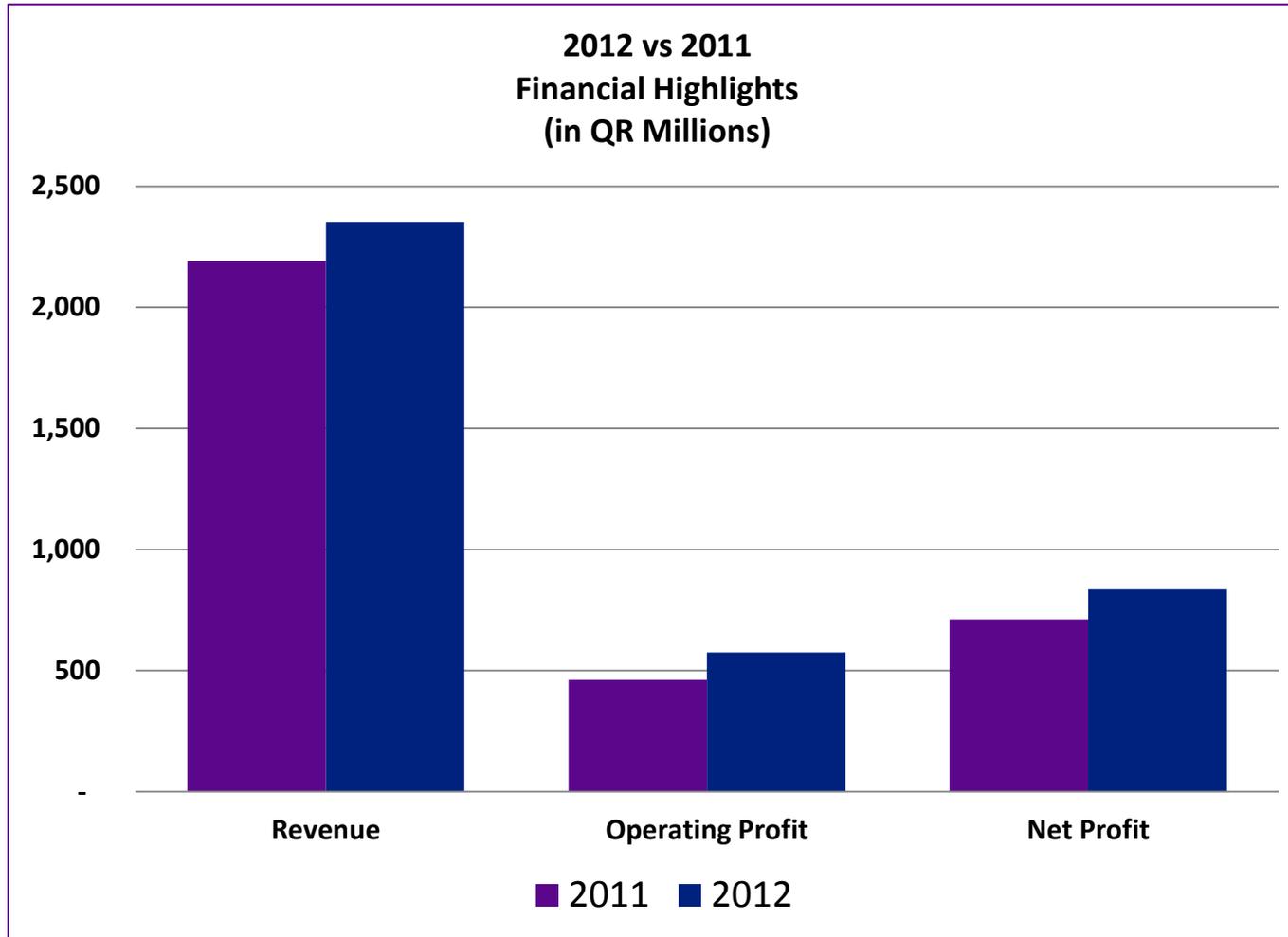
# Milaha 2012 Performance Conference Call

March 20, 2013

Doha, Qatar



# 2012 vs 2011 – Financial Highlights

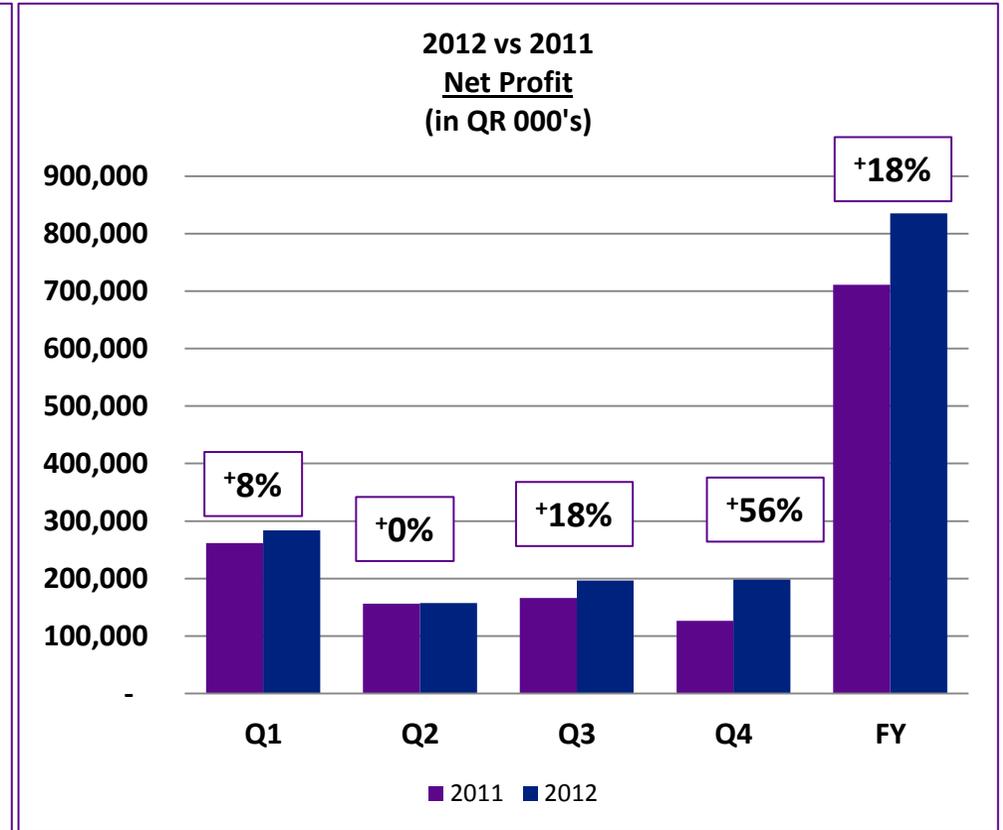
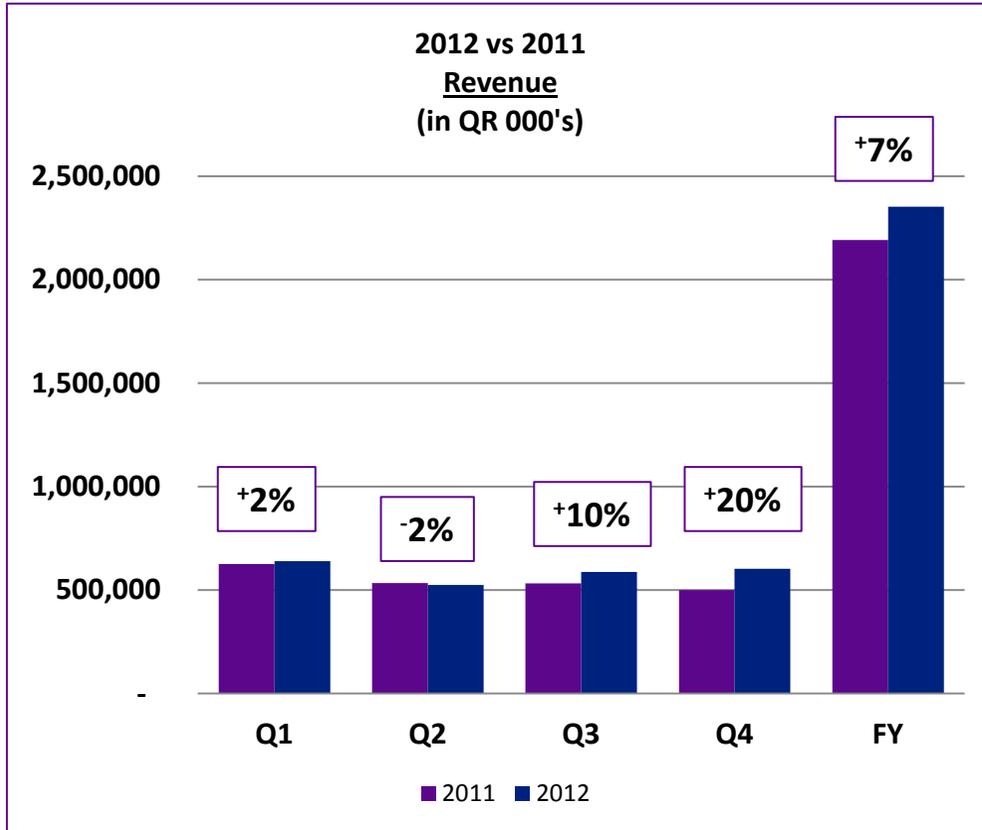


Revenue up **+7%**

Operating Profit up **+25%**

Net Profit up **+18%**

# 2012 vs 2011 – Financial Highlights



## 2012 vs 2011 - Comparison

(All amounts in QR 000's, unless otherwise noted)

	2012	2011	Variance
<b>OPERATING REVENUE</b>	<b>2,353,051</b>	<b>2,191,427</b>	<b>161,624</b>
Salaries, Wages & Benefits	(579,872)	(518,717)	(61,155)
Operating Supplies & Expenses	(785,789)	(784,850)	(939)
Rent Expense	(54,616)	(55,972)	1,356
Depreciation & Amortization	(269,259)	(299,501)	30,242
Other Operating Expenses	(88,291)	(71,383)	(16,908)
<b>OPERATING EXPENSES</b>	<b>(1,777,827)</b>	<b>(1,730,423)</b>	<b>(47,404)</b>
<b>OPERATING PROFIT</b>	<b>575,224</b>	<b>461,004</b>	<b>114,220</b>
Finance Costs	(52,066)	(44,219)	(7,847)
Finance Income	59,380	58,639	741
Profit on disposal of Property, Vessels & Equip	4,549	8,220	(3,671)
Share Results of Associates	227,807	244,714	(16,907)
Misc Income	52,187	16,440	35,747
Impairment of AFS Investments	(30,426)	(31,795)	1,369
<b>NON-OPERATING INCOME/(EXPENSE)</b>	<b>261,431</b>	<b>251,999</b>	<b>9,432</b>
<b>NET INCOME</b>	<b>836,655</b>	<b>713,003</b>	<b>123,652</b>
Non-Controlling Interest	(1,238)	(2,013)	775
<b>PROFIT FOR THE PERIOD</b>	<b>835,417</b>	<b>710,990</b>	<b>124,427</b>

# Pillar Overview

---

- **Milaha Maritime & Logistics**

- Port Services
- Container Shipping
- Logistics
- Bulk Shipping
- Asset Management
- Shipyard
- Shipping Agencies

- **Milaha Offshore**

- Halul Offshore Services

- **Milaha Gas & Petrochem**

- 30% Share of Nakilat
- Qatar Shipping (maritime activities only)

- **Milaha Trading**

- Travel & Tourism
- Equipment Trading Agency
- Marine Equipment Sales & Service
- Bunker Sales
- Service/Repair Center

- **Milaha Capital**

- Equities Portfolio
- Real Estate Investments
- 50% Share of Qatar Quarries

# Consolidated Statement of Income, by Pillar – 2012

(All amounts in QR 000's, unless otherwise noted)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
<b>Operating Revenue</b>	<b>849,626</b>	<b>551,178</b>	<b>232,023</b>	<b>433,578</b>	<b>596,715</b>	-	<b>(310,069)</b>	<b>2,353,051</b>
Salaries, Wages and Benefits	(197,103)	(184,380)	(71,457)	(13,029)	(17,039)	(96,864)	-	<b>(579,872)</b>
Operating Supplies and Expenses	(346,468)	(128,210)	(60,444)	(385,411)	(150,711)	(2,771)	288,225	<b>(785,789)</b>
Rent Expenses	(5,931)	(7,257)	(799)	(1,413)	(48,611)	(12,448)	21,844	<b>(54,616)</b>
Depreciation and Amortisation	(66,753)	(72,737)	(93,011)	(1,044)	(33,145)	(2,568)	-	<b>(269,259)</b>
Other Operating Expenses	(36,710)	(13)	(10,430)	(3,531)	(27,309)	(10,298)	-	<b>(88,291)</b>
<b>OPERATING PROFIT</b>	<b>196,661</b>	<b>158,581</b>	<b>37,153</b>	<b>29,149</b>	<b>319,900</b>	<b>(124,950)</b>	-	<b>575,224</b>
Finance Costs	(11,613)	(7,459)	(14,972)	(122)	(17,900)	(1)	-	<b>(52,066)</b>
Finance Income	-	1,187	27,936	-	30,257	-	-	<b>59,380</b>
Gain on Disposal of Property, Vessels and Equipment	874	4,505	15	-	(845)	-	-	<b>4,549</b>
Share of Results of Associates	574	-	227,232	-	(0)	-	-	<b>227,806</b>
Miscellaneous Income	-	630	46,922	-	4,634	-	-	<b>52,187</b>
Impairment of Available-for-Sale Investments	-	-	-	-	(30,426)	-	-	<b>(30,426)</b>
Expense Allocation from Milaha Corporate	(76,473)	(15,198)	(13,488)	(9,758)	(10,033)	124,951	-	<b>(0)</b>
<b>PROFIT FOR THE PERIOD</b>	<b>110,023</b>	<b>142,246</b>	<b>269,528</b>	<b>19,269</b>	<b>295,587</b>	<b>(0)</b>	-	<b>836,653</b>
Non-controlling interest	-	-	-	-	(1,238)	-	-	<b>(1,238)</b>
<b>NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>110,023</b>	<b>142,246</b>	<b>269,528</b>	<b>19,269</b>	<b>294,350</b>	<b>(0)</b>	-	<b>835,415</b>

# Consolidated Statement of Income, by Pillar – 2011

(All amounts in QR 000's, unless otherwise noted)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
<b>Operating Revenue</b>	<b>703,549</b>	<b>563,065</b>	<b>279,198</b>	<b>451,877</b>	<b>434,226</b>	-	<b>(240,488)</b>	<b>2,191,427</b>
Salaries, Wages and Benefits	(181,810)	(172,948)	(70,735)	(11,246)	(15,647)	(66,500)	169	<b>(518,717)</b>
Operating Supplies and Expenses	(283,238)	(115,797)	(57,365)	(409,988)	(128,526)	(2,697)	212,761	<b>(784,850)</b>
Rent Expenses	(6,540)	(7,689)	(1,952)	(1,554)	(48,564)	(14,220)	24,547	<b>(55,972)</b>
Depreciation and Amortisation	(77,809)	(67,427)	(111,518)	(868)	(39,048)	(3,002)	170	<b>(299,501)</b>
Other Operating Expenses	(33,987)	(7)	(6,960)	(7,079)	(14,022)	(19,283)	9,955	<b>(71,383)</b>
<b>OPERATING PROFIT</b>	<b>120,166</b>	<b>199,197</b>	<b>30,667</b>	<b>21,142</b>	<b>188,420</b>	<b>(105,701)</b>	<b>7,114</b>	<b>461,004</b>
Finance Costs	(9,479)	(2,585)	(20,021)	(135)	(11,998)	(1)	-	<b>(44,219)</b>
Finance Income	-	2,860	32,365	-	22,254	-	1,160	<b>58,639</b>
Gain on Disposal of Property, Vessels and Equipment	-	3,631	1,816	-	2,773	-	-	<b>8,220</b>
Share of Results of Associates	(171)	-	244,885	-	(0)	-	-	<b>244,714</b>
Miscellaneous Income	217	1,890	5,567	-	15,879	-	(7,114)	<b>16,440</b>
Impairment of Available-for-Sale Investments	-	-	(28,295)	-	(2,340)	-	(1,160)	<b>(31,795)</b>
Expense Allocation from Milaha Corporate	(63,553)	(13,187)	(11,808)	(8,488)	(8,666)	105,702	-	<b>0</b>
<b>PROFIT FOR THE PERIOD</b>	<b>47,180</b>	<b>191,806</b>	<b>255,176</b>	<b>12,519</b>	<b>206,322</b>	-	-	<b>713,003</b>
Non-controlling interest	-	-	-	-	(2,013)	-	-	<b>(2,013)</b>
<b>NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>47,180</b>	<b>191,806</b>	<b>255,176</b>	<b>12,519</b>	<b>204,308</b>	-	-	<b>710,990</b>

# Pillar Performance

---



## ➤ **21% Revenue Growth and 133% Net Profit Growth vs. 2011**

- Strong year for Ports driven by:
  - Full year revenue stream from Doha Port management contract, including storage revenues
  - Strong volume growth in both Doha and Mesaieed ports
  - Increase in Doha Port tariff in Q4 2011 – full year impact in 2012
  - Significant focus on efficiency and process improvement initiatives (hand-in-hand with Mwani) in Doha Port
- Increase in Container Shipping revenues, driven by:
  - 19% growth in import volumes carried
  - Commissioning of QAPCO 3 plant, increasing exports from Mesaieed
  - Revenue recovery through fuel surcharges
- Significantly higher utilization of shipyard assets
- Other units showed small to moderate improvement over 2011

# Pillar Performance

---



## ➤ **2% Decline in Revenues and 26% Decline in Net Profit vs. 2011**

- 2011 had mobilization revenues for new contracts which did not recur in 2012
- Delays in delivery and deployment of new vessels leading to lower revenues and penalties incurred from charter parties
- Higher than expected off-hire time & increased repair costs



## ➤ **17% Decline in Revenues and 6% Growth in Net Profit vs. 2011**

- Continued weakness in crude tanker market
- Weak but more resilient clean products and gas sector
- 2 product tanker charters renewed on spot market in mid 2011 at much lower rates
- Marginally lower net from Nakilat share
- One-time gain related to increased stake in 2 LNG carriers boosted bottom line by QR 41M



# Pillar Performance

---



## ➤ **4% Decline in Revenues and 6% Increase in Net Profit vs. 2011**

- Equipment Sales margins improved vastly, as in 2011 we sold aged inventory at reduced prices; revenue dropped, but net income rose
- Bunker revenues declined year-on-year, reducing profits



## ➤ **37% Growth in Revenues and 44% Growth in Net Profit vs. 2011**

- Liquidated one fund managed by third party, realizing significant gains
- Increased dividends & profit from the sale of investments
- Real Estate achieved higher revenues through higher occupancy rates

# Outlook for 2013

---



- Macro outlook for the pillar is positive as infrastructure projects take off
- Port volumes showing upward trend
- Increased operational efficiency being targeted at Doha Port
- Increased trade volumes expected to have trickle-down effect on other activities such as shipping agency, logistics and shipyard

# Outlook for 2013

---



- Expected to perform better in 2013 as operational issues from 2012 have mostly been rectified
- Will assume delivery of 2 Anchor Handling Tug Supply Vessels (DP2) in Q2/3 timeframe; actively pursuing tenders
- Will continue to invest in strategic fleet expansion and/or study M&A opportunities



- Tanker markets still volatile, but we are cautiously optimistic
- New ship building prices are enticing; management closely monitoring for opportunities
- First of 19 harbour vessels at Mesaieed Port to be delivered in 2013



# Outlook for 2013

---



- Expected moderate growth, particularly in trucks and heavy equipment sales, which is tied to infrastructure growth



- Expect investment portfolio to benefit from robust economy
- We will continue real estate development projects in pipeline in a carefully phased manner