

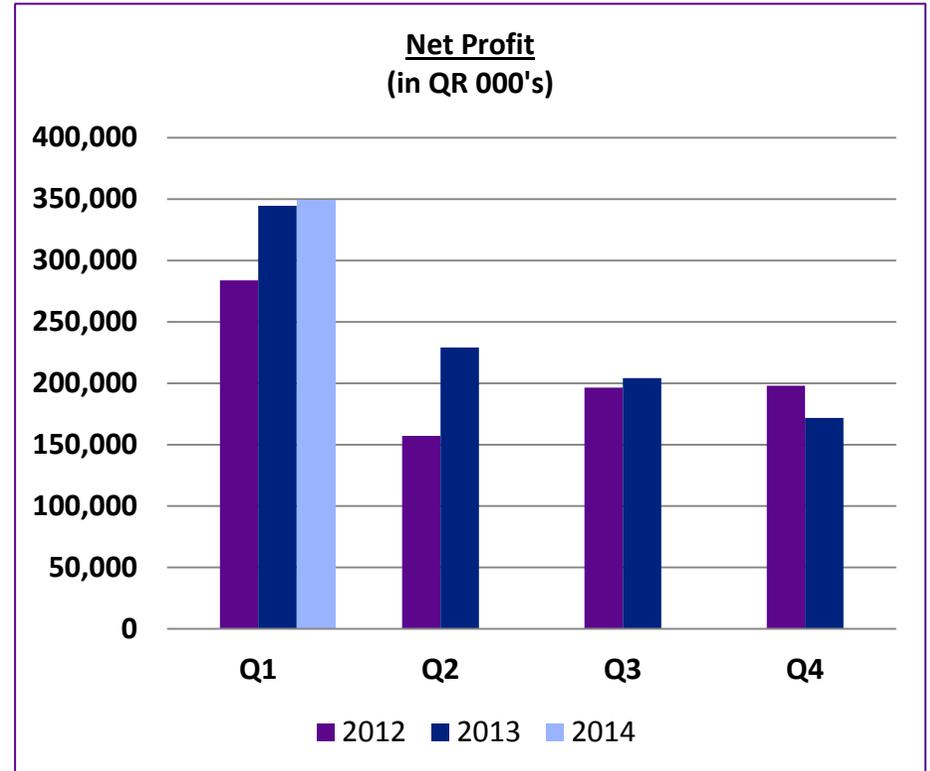
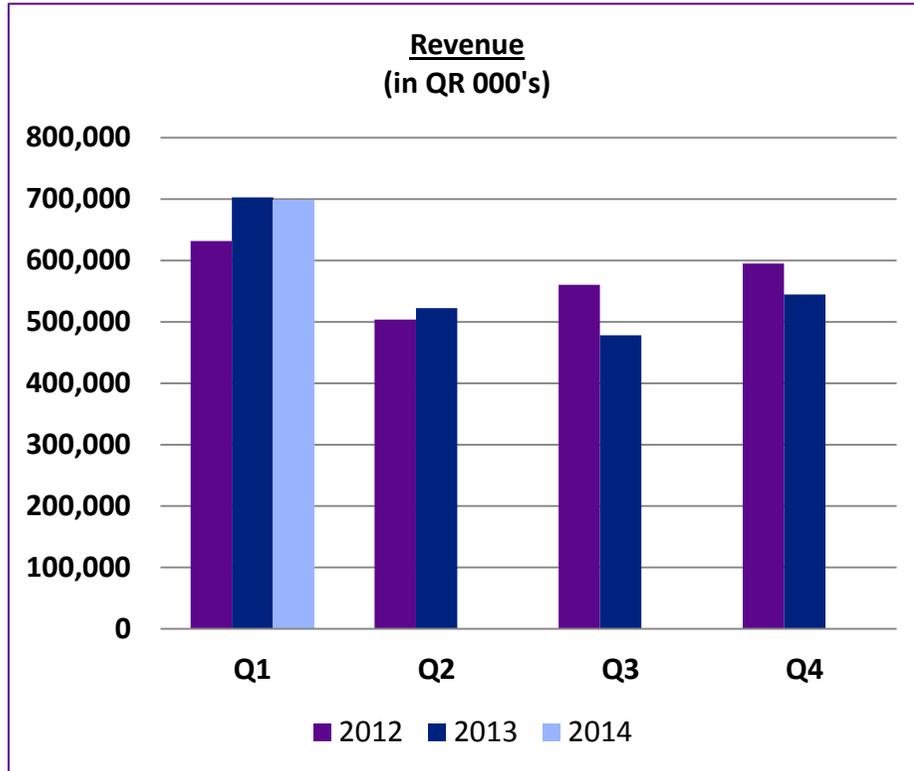
# 1<sup>st</sup> Quarter 2014 Financials Conference Call

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Apr 30<sup>th</sup>, 2014

Doha, Qatar

# Key Financial Highlights



# Q1 2014 vs Q1 2013

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

	2014	2013	Variance
<b>OPERATING REVENUE</b>	<b>698,676</b>	<b>702,821</b>	<b>(4,145)</b>
Salaries, Wages & Benefits	(154,934)	(149,536)	(5,398)
Operating Supplies & Expenses	(168,978)	(169,507)	529
Rent Expense	(14,555)	(15,186)	631
Depreciation & Amortization	(60,081)	(58,706)	(1,375)
Other Operating Expenses	(26,679)	(27,314)	635
<b>OPERATING EXPENSES</b>	<b>(425,227)</b>	<b>(420,249)</b>	<b>(4,978)</b>
<b>OPERATING PROFIT</b>	<b>273,450</b>	<b>282,572</b>	<b>(9,123)</b>
Finance Costs	(6,683)	(8,497)	1,814
Finance Income	13,984	13,443	541
Profit on disposal of Property, Vessels & Equip	685	4,544	(3,859)
Share Results of Associates	63,826	50,181	13,645
Share Results of JV's	3,739	1,248	2,491
Misc Income	639	318	321
Impairment of AFS Investments	-	-	-
<b>NON-OPERATING INCOME/(EXPENSE)</b>	<b>76,190</b>	<b>61,237</b>	<b>14,953</b>
<b>NET INCOME</b>	<b>349,640</b>	<b>343,809</b>	<b>5,831</b>
Non-Controlling Interest	(237)	776	(1,013)
<b>PROFIT FOR THE PERIOD</b>	<b>349,403</b>	<b>344,585</b>	<b>4,818</b>

■ Revenue Down **-1%**

■ Operating Profit Down **-3%**

■ Net Profit Up **+1%**

# Pillar Overview

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- **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 – Q1 2014

(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>205,464</b>	<b>119,690</b>	<b>55,033</b>	<b>79,906</b>	<b>290,579</b>	-	<b>(51,996)</b>	<b>698,676</b>
Salaries, Wages and Benefits	(48,939)	(42,699)	(22,234)	(4,102)	(3,036)	(35,955)	2,032	<b>(154,934)</b>
Operating Supplies and Expenses	(83,154)	(23,625)	(11,464)	(66,469)	(26,320)	(2,043)	44,098	<b>(168,977)</b>
Rent Expenses	(1,468)	(1,683)	(900)	(453)	(12,377)	(2,756)	5,081	<b>(14,556)</b>
Depreciation and Amortisation	(14,273)	(19,582)	(15,683)	(309)	(8,804)	(1,430)	-	<b>(60,081)</b>
Other Operating Expenses	(6,550)	(9,214)	(5,672)	(689)	(2,232)	(3,108)	785	<b>(26,680)</b>
Fleet & Technical Expense Allocation	(12,815)	-	12,815	-	-	-	-	-
Expense Allocation from Milaha Corporate	(19,010)	(7,756)	(6,912)	(5,504)	(6,109)	45,291	-	<b>0</b>
<b>OPERATING PROFIT</b>	<b>19,255</b>	<b>15,131</b>	<b>4,983</b>	<b>2,380</b>	<b>231,701</b>	<b>(1)</b>	-	<b>273,448</b>
Finance Costs	(2,164)	(1,586)	(785)	-	(2,148)			<b>(6,683)</b>
Finance Income	-	8	6,413	81	7,482			<b>13,984</b>
Gain on Disposal of Property, Vessels and Equipment	685		-					<b>685</b>
Share of Results of Associates & JV's	226		66,955		384			<b>67,565</b>
Miscellaneous Income			376		263			<b>639</b>
Impairment of Available-for-Sale Investments								-
<b>PROFIT FOR THE PERIOD</b>	<b>18,002</b>	<b>13,553</b>	<b>77,942</b>	<b>2,461</b>	<b>237,682</b>	<b>(1)</b>	-	<b>349,638</b>
Non-controlling interest					(237)			<b>(237)</b>
<b>NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>18,002</b>	<b>13,553</b>	<b>77,942</b>	<b>2,461</b>	<b>237,445</b>	<b>(1)</b>	-	<b>349,401</b>

# Consolidated Statement of Income, by Pillar – Q1 2013

(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>216,619</b>	<b>132,187</b>	<b>42,085</b>	<b>74,656</b>	<b>282,168</b>	-	<b>(44,895)</b>	<b>702,821</b>
Salaries, Wages and Benefits	(42,532)	(45,240)	(19,180)	(4,056)	(3,880)	(35,745)	1,097	<b>(149,536)</b>
Operating Supplies and Expenses	(86,833)	(20,348)	(6,867)	(62,220)	(28,007)	(1,183)	35,952	<b>(169,507)</b>
Rent Expenses	(251)	(1,667)	(270)	(300)	(12,010)	(2,985)	2,297	<b>(15,186)</b>
Depreciation and Amortisation	(15,892)	(18,842)	(15,299)	(249)	(7,883)	(542)	-	<b>(58,706)</b>
Other Operating Expenses	(11,676)	(8,676)	(5,591)	(819)	(4,535)	(1,567)	5,549	<b>(27,314)</b>
Fleet & Technical Expense Allocation	(11,738)	-	11,738	-	-	-	-	<b>0</b>
Expense Allocation from Milaha Corporate	(17,663)	(7,189)	(6,406)	(5,102)	(5,662)	42,022	-	-
<b>OPERATING PROFIT</b>	<b>30,035</b>	<b>30,225</b>	<b>210</b>	<b>1,911</b>	<b>220,191</b>	<b>0</b>	<b>(0)</b>	<b>282,572</b>
Finance Costs	(1,722)	(1,462)	(1,013)	-	(4,300)			<b>(8,497)</b>
Finance Income	3	10	5,619	2	7,809			<b>13,443</b>
Gain on Disposal of Property, Vessels and Equipment	4,518	26						<b>4,544</b>
Share of Results of Associates & JV's			51,022		407			<b>51,429</b>
Miscellaneous Income		50			268			<b>318</b>
Impairment of Available-for-Sale Investments								-
<b>PROFIT FOR THE PERIOD</b>	<b>32,834</b>	<b>28,849</b>	<b>55,838</b>	<b>1,913</b>	<b>224,375</b>	<b>0</b>	<b>(0)</b>	<b>343,809</b>
Non-controlling interest	-	-	-	-	776	-	-	<b>776</b>
<b>NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>32,834</b>	<b>28,849</b>	<b>55,838</b>	<b>1,913</b>	<b>225,151</b>	<b>0</b>	<b>(0)</b>	<b>344,585</b>

# Pillar Performance

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## ➤ **-5% Revenue Decline and -45% Net Profit Decline vs 2013**

- Revenue decline of QR (11)M driven by:
  - 6% increased TEU volumes at the Doha Port that boosted revenue
  - Decrease in export volumes in Container Feeder unit, due to plant shutdown of major client, lowered revenue
  - Decline in Logistics & Shipyard revenues and profits
- Flat overall Operating expenses
- QR (3.8)M less in Gains on Sale of Assets

# Pillar Performance

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## ➤ **-9% Decline in Revenues and -53% Decline in Net Profit vs 2013**

- Mostly attributable to Diving Operations due to perfect storm of events:
  - Unexpected extended drydocking
  - Delay in receipt of new vessel
  - Unplanned maintenance breakdowns, resulting in off contract & lower utilization



## ➤ **31% Growth in Revenues and 40% Growth in Net Profit vs 2013**

- Operating Revenue up from harbor vessels that we have been taking possession throughout 2013, as well as uptick in handy tanker rates
- Year-on-year gain of QR 16M in our share of JV's and associates, including:
  - +10M from Nakilat
  - +6M in other JV's (improved VLGC rates)



# Pillar Performance

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- **7% Growth in Revenues and 29% Growth in Net Profit vs 2013**
  - Revenue growth driven by Bunker Sales Unit



- **3% Growth in Revenues and 5% Growth in Net Profit vs 2013**
  - QR (30)M – in Q1 2013, we recorded gain on sale of AFS investments which did not recur in 2014
  - QR (4)M - Qatar Quarries Revenue drop
  - +QR 3M in additional Real Estate Income
  - +QR 40M Dividend growth & Profit from market trades & unrealized capital gains

# Outlook

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- Infrastructure ramp up continues in Qatar in lead up to 2022 World Cup
  - Increased project support requirements and import volumes expected, however cautious regarding sustained ramp up of seaborne imports
- Plants shut down in Mesaieed Industrial City in Q1 back in operation
  - Expect exports to return to normal trajectory in May and beyond
- Targeting recovery of market share in feeder business as competition once again exits market
- Renewed focus on driving operational process efficiencies throughout the pillar

# Outlook

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- Expect to take delivery of 8 new vessels between May and November
  - 2 AHT, 2 PSV, 2 CSV, 1 DSV and 1 AHTS
  - Revenue impact for 2014 likely lower than initially expected due to delays in vessel delivery and contract start dates
- Strong focus on improving utilisation through spot charters and new tenders
- Diving Operations expected to recover in H2 2014
- Continuing to actively pursue expansion opportunities outside core GCC markets including:
  - Increased geographic footprint
  - Adjacent / complementary service capabilities
  - New market segments

# Outlook

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- Limited fluctuation expected in returns from 9 jointly-owned LNG tankers due to long term charters
- Healthy, improved year overall expected for 4 jointly-owned VLGCs (strong uptick recently)
- Fully-owned product tankers (MR and LR) expected to stay steady in the near term
- Similarly, ammonia carriers to sustain in the short term
- Expect crude tanker to trade at lower rates later in the year (relative to Q1)
- 20-year QP contract for harbour marine operations in Mesaieed Port comes into effect
  - All new vessels to be delivered and deployed in 2014 with expected boost in revenues
  - Existing vessels likely to be redeployed as well

# Outlook

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- Strong sales backlog for trucks and heavy equipment
  - Expect even stronger Q2/Q3 results
- Signing of new corporate client for travel agency expected to boost revenues
- Supply issues for marine lubricants getting resolved slowly; some improvement expected



- Continued investment in new real estate projects as planned
- Expect delivery of one commercial real estate project by year end
- Listed equity portfolio performance largely bound by Qatar Exchange blue chips' performance and volatility