

# **FY 2015 Financials Conference Call**

---

March 2nd, 2016

Doha, Qatar

# Consolidated Income Statement – FY 2015

(All amounts in QR Millions)

## OPERATING REVENUE

Salaries, Wages and Benefits  
Operating Supplies and Expenses  
Rent Expenses  
Depreciation and Amortisation  
Impairment of vessels and an equipment  
Other Operating Expenses

## OPERATING EXPENSES

## OPERATING PROFIT

Finance Costs  
Finance Income  
Share of Results of Associates  
Share of Results of Joint Ventures  
Amounts relating to step-up acquisition of associates  
Miscellaneous Income  
All Other Non-Operating Expenses

## NON OPERATING PROFIT

## PROFIT FOR THE PERIOD

Non-controlling interest

## NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

2013	2014	2015
2,305	2,633	2,998

(615)	(634)	(682)
(626)	(845)	(969)
(57)	(61)	(18)
(229)	(264)	(308)
(8)	(36)	(97)
(126)	(136)	(151)
<b>(1,661)</b>	<b>(1,978)</b>	<b>(2,225)</b>
<b>644</b>	<b>656</b>	<b>772</b>

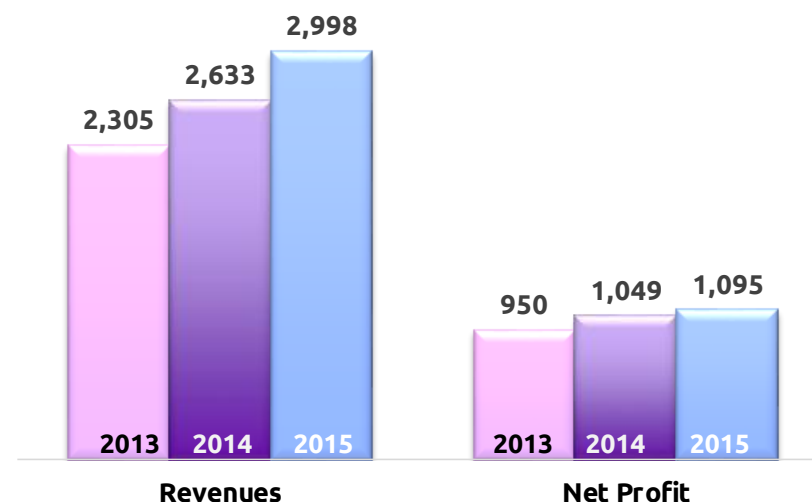
(42)	(42)	(106)
68	60	114
242	281	300
8	61	43
0	0	(27)
15	33	15
13	3	(1)
<b>304</b>	<b>396</b>	<b>337</b>

<b>948</b>	<b>1,051</b>	<b>1,109</b>
------------	--------------	--------------

<b>2</b>	<b>(2)</b>	<b>(15)</b>
----------	------------	-------------

<b>950</b>	<b>1,049</b>	<b>1,095</b>
------------	--------------	--------------

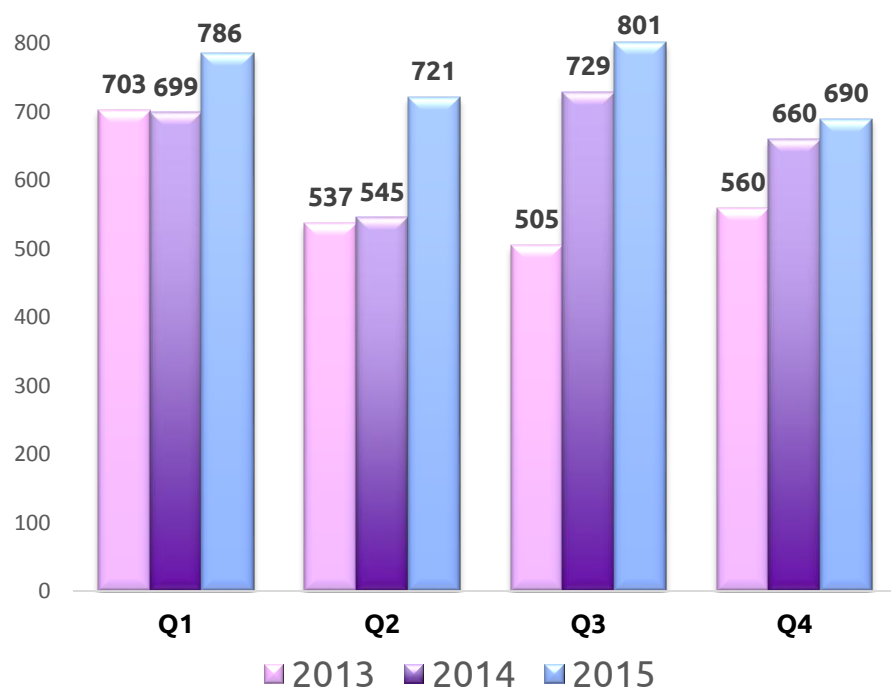
- Revenue Up **+14%**
- Operating Profit up **+18%**
- Net Profit Up **+4%**



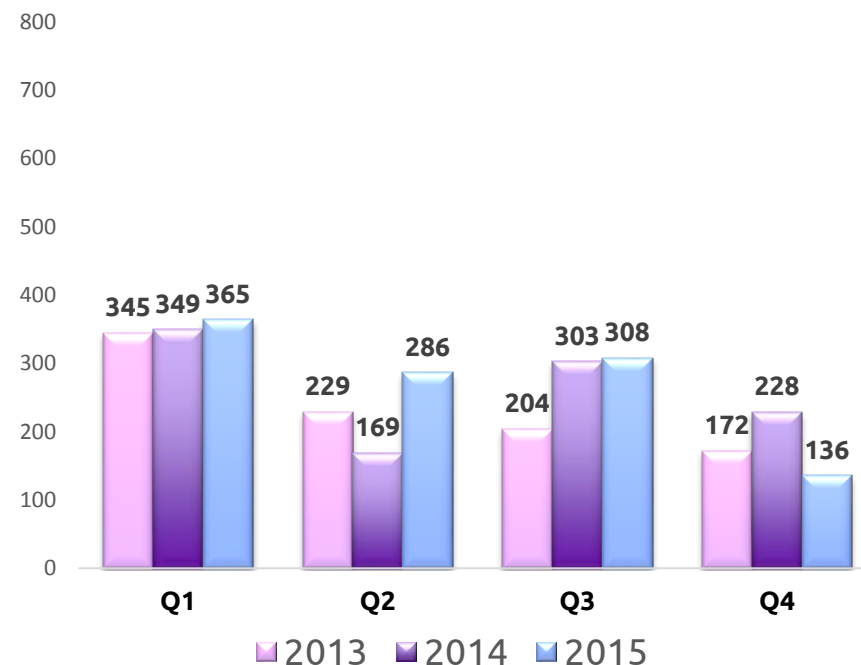
# Quarterly Financial Highlights

(All amounts in QR Millions)

## Revenue



## Net Profit



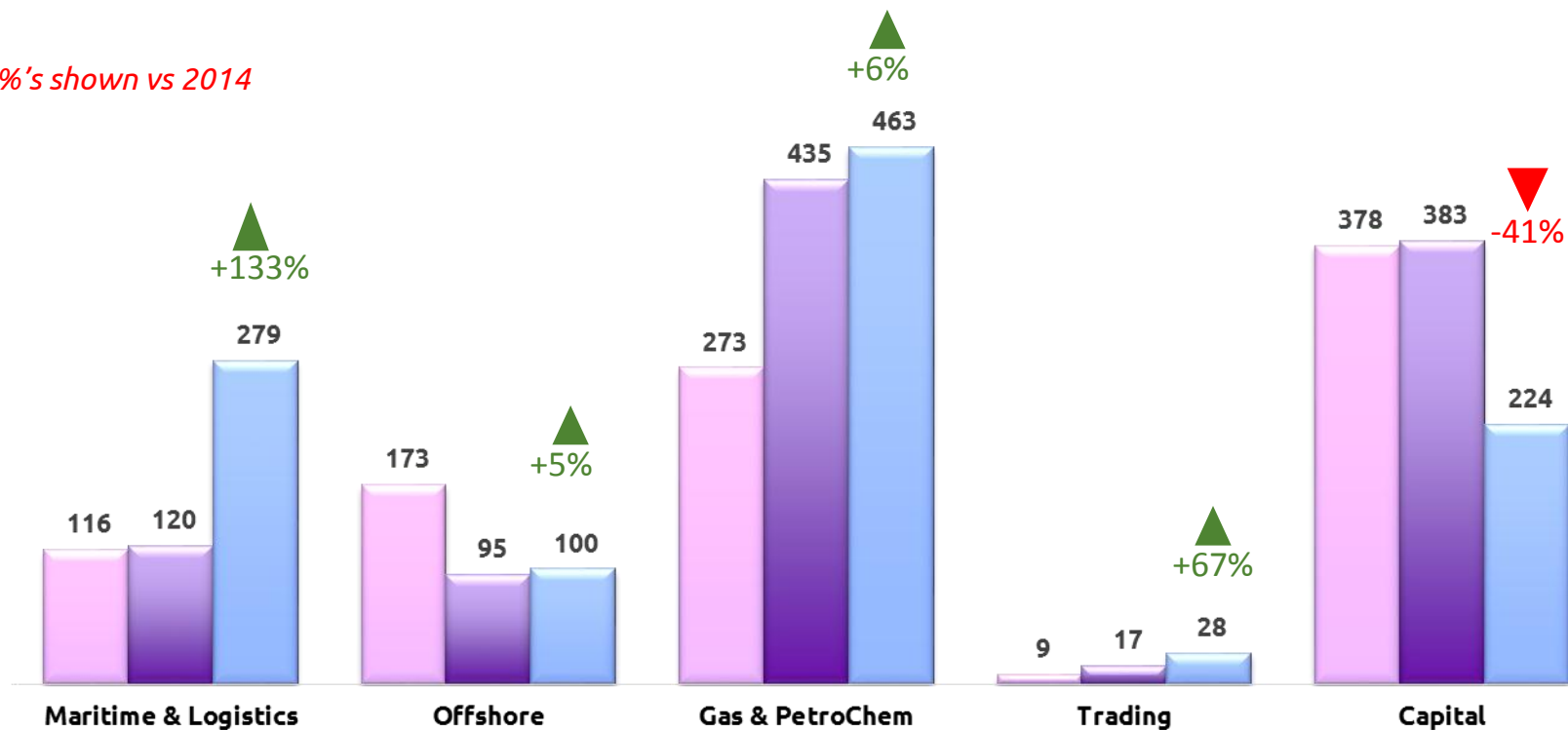
# Activities by Segment

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

# Net Profit for the Period

(All amounts in QR Millions)

%s shown vs 2014



2013 2014 2015

▼ Unfavorable

▲ Favorable

# Statement of Income, by Segment – FY 2015

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
<b>Operating Revenue</b>	<b>1,166</b>	<b>711</b>	<b>415</b>	<b>421</b>	<b>491</b>	<b>-</b>	<b>(206)</b>	<b>2,998</b>
Salaries, Wages and Benefits	(199)	(229)	(95)	(19)	(12)	(129)	1	<b>(682)</b>
Operating Supplies and Expenses	(431)	(138)	(54)	(357)	(171)	(6)	188	<b>(969)</b>
Rent Expenses	(10)	(7)	(4)	(2)	(6)	(8)	18	<b>(18)</b>
Depreciation and Amortisation	(51)	(110)	(106)	(1)	(36)	(4)	-	<b>(308)</b>
Impairment of vessels and an equipment	(38)	(49)	(10)	-	-	-	-	<b>(97)</b>
Other Operating Expenses	(36)	(50)	(38)	(4)	(11)	(11)	(0)	<b>(151)</b>
Fleet & Technical Expense Allocation	(62)	-	62	-	-	-	-	<b>-</b>
Expense Allocation from Milaha Corporate	(68)	(31)	(26)	(17)	(17)	158	-	<b>(0)</b>
<b>OPERATING PROFIT</b>	<b>272</b>	<b>96</b>	<b>145</b>	<b>21</b>	<b>238</b>	<b>1</b>	<b>(0)</b>	<b>772</b>
Finance Costs	(8)	(13)	(36)	-	(3)	(47)	-	<b>(107)</b>
Finance Income	0	0	25	3	3	83	-	<b>115</b>
Treasury Interest Income	16	7	6	4	4	(36)	-	<b>0</b>
(Loss ) Gain on Disposal of Property, Vessels and Equipment	(2)	4	(0)	-	-	0	-	<b>2</b>
Share of Results of Joint Ventures	-	-	43	-	-	-	-	<b>43</b>
Share of Results of Associates	2	-	297	-	1	-	-	<b>300</b>
Net (Loss) Gain on Foreign Exchange	0	1	1	0	(1)	0	-	<b>1</b>
Amounts relating to step-up acquisition of associates	-	-	(27)	-	-	-	-	<b>(27)</b>
Impairment of Available-for-Sale Investments	-	-	-	-	(4)	-	-	<b>(4)</b>
Miscellaneous Income	0	5	10	-	0	-	-	<b>15</b>
<b>PROFIT FOR THE PERIOD</b>	<b>279</b>	<b>100</b>	<b>463</b>	<b>28</b>	<b>239</b>	<b>0</b>	<b>(0)</b>	<b>1,110</b>
Non-controlling interest	-	-	-	-	(15)	-	-	<b>(15)</b>
<b>NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>279</b>	<b>100</b>	<b>463</b>	<b>28</b>	<b>224</b>	<b>0</b>	<b>(0)</b>	<b>1,095</b>

# Statement of Income, by Segment – FY 2014

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
<b>Operating Revenue</b>	<b>925</b>	<b>587</b>	<b>275</b>	<b>396</b>	<b>631</b>	<b>-</b>	<b>(181)</b>	<b>2,633</b>
Salaries, Wages and Benefits	(195)	(199)	(87)	(17)	(10)	(127)	1	<b>(634)</b>
Operating Supplies and Expenses	(370)	(116)	(50)	(336)	(127)	(5)	158	<b>(845)</b>
Rent Expenses	(7)	(7)	(3)	(2)	(51)	(11)	21	<b>(61)</b>
Depreciation and Amortisation	(59)	(98)	(70)	(1)	(31)	(5)	-	<b>(264)</b>
Impairment of vessels and an equipment	(16)	(20)	-	-	-	-	-	<b>(36)</b>
Other Operating Expenses	(32)	(42)	(36)	(3)	(12)	(13)	2	<b>(136)</b>
Fleet & Technical Expense Allocation	(58)	-	58	-	-	-	-	<b>-</b>
Expense Allocation from Milaha Corporate	(69)	(29)	(23)	(22)	(20)	163	-	<b>0</b>
<b>OPERATING PROFIT</b>	<b>119</b>	<b>77</b>	<b>65</b>	<b>14</b>	<b>380</b>	<b>1</b>	<b>(0)</b>	<b>656</b>
Finance Costs	(9)	(8)	(7)	-	(3)	(16)	-	<b>(42)</b>
Finance Income	-	0	24	1	4	31	-	<b>60</b>
Treasury Interest Income	7	3	3	2	2	(16)	-	<b>0</b>
(Loss ) Gain on Disposal of Property, Vessels and Equipment	1	(2)	-	0	1	-	-	<b>0</b>
Share of Results of Joint Ventures	-	-	61	-	-	-	-	<b>61</b>
Share of Results of Associates	1	-	279	-	1	-	-	<b>281</b>
Net (Loss) Gain on Foreign Exchange	0	2	2	0	-	(1)	-	<b>3</b>
Amounts relating to step-up acquisition of associates	-	-	-	-	-	-	-	<b>-</b>
Impairment of Available-for-Sale Investments	-	-	-	-	-	-	-	<b>-</b>
Miscellaneous Income	-	24	9	-	0	-	-	<b>33</b>
<b>PROFIT FOR THE PERIOD</b>	<b>120</b>	<b>95</b>	<b>435</b>	<b>17</b>	<b>385</b>	<b>(0)</b>	<b>(0)</b>	<b>1,051</b>
Non-controlling interest	-	-	-	-	(2)	-	-	<b>(2)</b>
<b>NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>120</b>	<b>95</b>	<b>435</b>	<b>17</b>	<b>383</b>	<b>(0)</b>	<b>(0)</b>	<b>1,049</b>

# Segment Performance – FY 2015

(All amounts in QR Millions)



## ➤ **+26% Revenue Growth and +133% Net Profit Growth vs 2014**

- **Revenue** increase of QR 241M driven by:
  - 15% increase in TEU volumes & storage revenues at Doha Port
  - 21% increased volumes in Container Shipping
  - Increases across the board in Logistics and Shipping Line Agencies
  - Increase in Bulk Shipping Chartering-Out activities
- **Operating Expenses** increased by QR (88)M driven by:
  - QR (22)M YoY additional Bulk vessel impairment
  - Volume-related expenses (Terminal/Port-related Charges at Container Shipping)
  - Chartering-In of vessels in Container Shipping unit
  - Chartering-In of vessels in Bulk Shipping Unit

	2013	2014	2015
<b>OPERATING REVENUE</b>	<b>834</b>	<b>925</b>	<b>1,166</b>
Salaries, Wages and Benefits	(178)	(195)	(199)
Operating Supplies and Expenses	(311)	(370)	(431)
Rent Expenses	(5)	(7)	(10)
Depreciation and Amortisation	(62)	(59)	(51)
Impairment of vessels and an equipment	(8)	(16)	(38)
Other Operating Expenses	(24)	(32)	(36)
Fleet & Technical Expense Allocation	(57)	(58)	(62)
Expense Allocation from Milaha Corporate	(74)	(69)	(68)
<b>OPERATING EXPENSES</b>	<b>(719)</b>	<b>(806)</b>	<b>(894)</b>
<b>OPERATING PROFIT</b>	<b>115</b>	<b>119</b>	<b>272</b>
<b>NON - OPERATING INCOME/EXPENSE</b>	<b>1</b>	<b>1</b>	<b>8</b>
<b>PROFIT FOR THE PERIOD</b>	<b>116</b>	<b>120</b>	<b>279</b>
<b>Operating Profit Margin %</b>	<b>14%</b>	<b>13%</b>	<b>23%</b>





# Segment Performance – FY 2015

(All amounts in QR Millions)



## ➤ **+21% Revenue Growth and +5% Net Profit Growth vs 2014**

- **Revenue** increase of QR 124 M driven by:
  - Increases in our Diving unit, including vessel, manpower, and equipment revenues from new vessel (Shaddad)
  - Increases in our Commercial unit, from new vessels added to the fleet mid 2014
- **Operating Expenses** increase of QR (104)M mainly from:
  - New vessel-related costs – crewing, depreciation, maintenance expenses
  - QR (29)M in increased impairment charges
    - (15)M on a diving saturation system acquired but not installed (intended for a new diving vessel)
    - (15)M impairment on vessels

	2013	2014	2015
<b>OPERATING REVENUE</b>	<b>595</b>	<b>587</b>	<b>711</b>
Salaries, Wages and Benefits	(191)	(199)	(229)
Operating Supplies and Expenses	(80)	(116)	(138)
Rent Expenses	(6)	(7)	(7)
Depreciation and Amortisation	(76)	(98)	(110)
Impairment of vessels and an equipment	-	(20)	(49)
Other Operating Expenses	(42)	(42)	(50)
Fleet & Technical Expense Allocation	-	-	-
Expense Allocation from Milaha Corporate	(29)	(29)	(31)
<b>OPERATING EXPENSES</b>	<b>(424)</b>	<b>(511)</b>	<b>(615)</b>
<b>OPERATING PROFIT</b>	<b>171</b>	<b>77</b>	<b>96</b>
<b>NON - OPERATING INCOME/EXPENSE</b>	<b>1</b>	<b>18</b>	<b>4</b>
<b>PROFIT FOR THE PERIOD</b>	<b>173</b>	<b>95</b>	<b>100</b>
<b>Operating Profit Margin %</b>	<b>29%</b>	<b>13%</b>	<b>14%</b>



# Segment Performance – FY 2015

(All amounts in QR Millions)



## ➤ **+51% Revenue Growth and +6% Net Profit Growth vs 2014**

- **Revenue** increase of QR 140 M driven by:
  - Increase in Product Tanker & Gas carrier rates
  - +QR 89M related to 2 LNG vessels we fully acquired (from 40% to 100%) in Q3 2015
- **Operating Expenses** up QR (61)M
  - QR (45)M increased expenses related to 2 LNG vessels we full acquired
  - QR (10)M in vessel impairments
- **Non-Operating Income** decrease of QR (52)M
  - QR (27)M accounting-related transaction costs tied to acquisition of 2 LNG vessels
  - QR (27)M in increased Finance Expense for 2 LNG's
  - +QR 26M increase from Nakilat results
- QR (20)M in lower Gulf LPG results

	2013	2014	2015
<b>OPERATING REVENUE</b>	<b>179</b>	<b>275</b>	<b>415</b>
Salaries, Wages and Benefits	(82)	(87)	(95)
Operating Supplies and Expenses	(56)	(50)	(54)
Rent Expenses	(2)	(3)	(4)
Depreciation and Amortisation	(56)	(70)	(106)
Impairment of vessels and an equipment	-	-	(10)
Other Operating Expenses	(23)	(36)	(38)
Fleet & Technical Expense Allocation	57	58	62
Expense Allocation from Milaha Corporate	(27)	(23)	(26)
<b>OPERATING EXPENSES</b>	<b>(190)</b>	<b>(210)</b>	<b>(271)</b>
<b>OPERATING PROFIT</b>	<b>(10)</b>	<b>65</b>	<b>145</b>
<b>NON - OPERATING INCOME/EXPENSE</b>	<b>284</b>	<b>370</b>	<b>318</b>
<b>PROFIT FOR THE PERIOD</b>	<b>273</b>	<b>435</b>	<b>463</b>
<b>Operating Profit Margin %</b>	<b>-6%</b>	<b>24%</b>	<b>35%</b>



# Segment Performance – FY 2015

(All amounts in QR Millions)



## ➤ **+6% Revenue Growth and +67% Net Profit Growth vs 2014**

- **Revenue** increase of QR 25M driven by:
  - Higher heavy equipment sales tied to infrastructure projects
  - Partially Offset by lower Bunker Revenue
- **Operating Expenses** increase of QR (18)M driven by:
  - Higher heavy equipment cost of goods sold
  - Partially Offset by lower Bunker cost of sales

	2013	2014	2015
<b>OPERATING REVENUE</b>	<b>281</b>	<b>396</b>	<b>421</b>
Salaries, Wages and Benefits	(15)	(17)	(19)
Operating Supplies and Expenses	(230)	(336)	(357)
Rent Expenses	(1)	(2)	(2)
Depreciation and Amortisation	(1)	(1)	(1)
Other Operating Expenses	(3)	(3)	(4)
Expense Allocation from Milaha Corporate	(22)	(22)	(17)
<b>OPERATING EXPENSES</b>	<b>(273)</b>	<b>(382)</b>	<b>(400)</b>
<b>OPERATING PROFIT</b>	<b>9</b>	<b>14</b>	<b>21</b>
<b>NON - OPERATING INCOME/EXPENSE</b>	<b>0</b>	<b>3</b>	<b>7</b>
<b>PROFIT FOR THE PERIOD</b>	<b>9</b>	<b>17</b>	<b>28</b>
<b>Operating Profit Margin %</b>	<b>3%</b>	<b>4%</b>	<b>5%</b>



# Segment Performance – FY 2015

(All amounts in QR Millions)



## ➤ **22% Decline in Revenue and 41% Decline in Net Profit vs 2014**

- **Revenue** decreased QR (140)M , driven by
  - +QR (208)M lower from Held-for-Trading portfolio returns impacted by equities market drop
  - +QR 12M in increased dividends
  - +QR 72M increase from our 50% stake in Qatar Quarries
  - (15)M in lost revenue from subleasing part of the old Milaha HQ during 2014
- **Operating Expenses** increase of (2)M, driven by:
  - +QR 45 M in lower rent expense after moving Milaha's HQ to owned location, Offset by
  - Increase of QR(42)M in Qatar Quarries additional Cost of Goods Sold

	2013	2014	2015
<b>OPERATING REVENUE</b>	<b>611</b>	<b>631</b>	<b>491</b>
Salaries, Wages and Benefits	(15)	(10)	(12)
Operating Supplies and Expenses	(116)	(127)	(171)
Rent Expenses	(50)	(51)	(6)
Depreciation and Amortisation	(32)	(31)	(36)
Other Operating Expenses	(20)	(12)	(11)
Expense Allocation from Milaha Corporate	(24)	(20)	(17)
<b>OPERATING EXPENSES</b>	<b>(256)</b>	<b>(251)</b>	<b>(253)</b>
<b>OPERATING PROFIT</b>	<b>355</b>	<b>380</b>	<b>238</b>
<b>NON - OPERATING INCOME/EXPENSE</b>	<b>22</b>	<b>5</b>	<b>1</b>
<b>PROFIT FOR THE PERIOD</b>	<b>377</b>	<b>385</b>	<b>239</b>
Non-controlling interest	2	(2)	(15)
<b>NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>378</b>	<b>383</b>	<b>224</b>
<b>Operating Profit Margin %</b>	<b>58%</b>	<b>60%</b>	<b>48%</b>



# Outlook

---



- Macro: Expect trade volumes to remain relatively strong with positive impact on revenues across most business units in the segment, however do not anticipate same growth rates as seen from 2014-2015
- Ports:
  - Decision on Hamad Port concession expected any day

# Outlook

---



- Macro: Global offshore marine market downturn continues as E&P capex is slashed in response to lower oil prices which will continue to negatively impact offshore activities; downward pressure on day rates and utilization is a reality
  - In general, contract renewals are at lower rates; focus remains on maximizing utilization and improving efficiency
- 2016 will include dry docking of Shaddad (5 yr Diving contract vessel) towards end of 2016

# Outlook



- VLGCs: were put on long term charter in late 2014/early 2015; limited volatility
- Jointly owned LNG carriers: limited fluctuation due to long term fixed nature of contracts
- Fully-owned LNG carriers: 2 that were fully acquired in Q3 2015 have long term contracts in place; limited fluctuation. Will not have “one-off” transaction-related expenses in 2016
- Fully-owned product tankers + 1 crude carrier: seeing some signs of rate softening and expecting a slight decrease relative to 2015
- Fully-owned gas / ammonia carriers: both vessels on time charter ending Q3 2016, one with option to renew for 2 years, but optimistic we will be able to renew or redeploy at comparable rates
- Harbor marine vessels: 19-vessel QP harbor marine operations on 20 year contract, which commenced end 2014.

# Outlook

---



- Despite recent signs of slowdown in projects, Qatar has reaffirmed its commitment to continue investing in infrastructure & other major projects, which is likely to continue to have a positive impact on this unit



# Outlook

---



- Listed portfolio performance strongly correlated to Qatar Exchange performance and volatility
- Expect a slight uptick in Real Estate unit, coming from leasing additional showrooms at Ein Khaled Commercial project