

# Q1 2016 Financials Conference Call

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Apr 27th, 2016

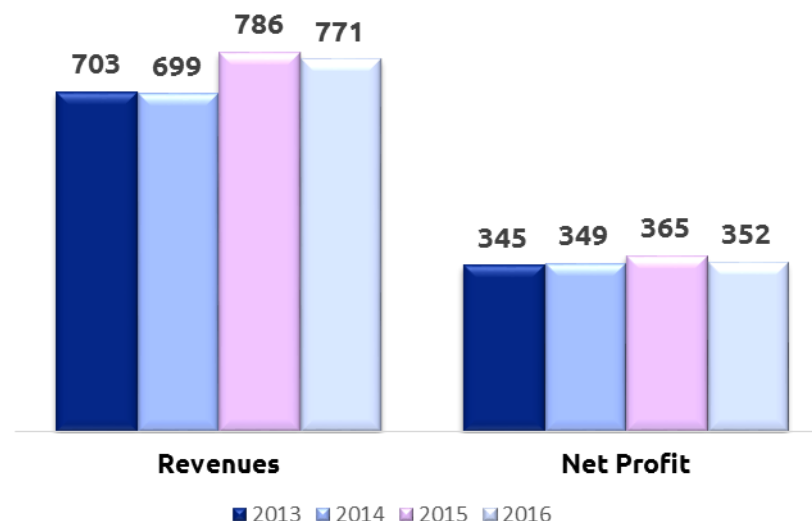
Doha, Qatar

# Interim Consolidated Income Statement – Q1 2016

(All amounts in QR Millions)

	2013	2014	2015	2016
<b>OPERATING REVENUE</b>	<b>703</b>	<b>699</b>	<b>786</b>	<b>771</b>
Salaries, Wages and Benefits	(150)	(155)	(167)	(159)
Operating Supplies and Expenses	(170)	(169)	(233)	(233)
Rent Expenses	(15)	(15)	(5)	(4)
Depreciation and Amortisation	(59)	(60)	(73)	(80)
Other Operating Expenses	(27)	(27)	(29)	(36)
<b>OPERATING EXPENSES</b>	<b>(420)</b>	<b>(426)</b>	<b>(506)</b>	<b>(512)</b>
<b>OPERATING PROFIT</b>	<b>283</b>	<b>273</b>	<b>279</b>	<b>259</b>
Finance Costs	(8)	(7)	(16)	(38)
Finance Income	13	14	21	39
Share of Results of Associates	50	64	72	77
Share of Results of Joint Ventures	1	4	8	12
All Other Non-Operating Expenses	5	2	1	4
<b>NON OPERATING PROFIT</b>	<b>61</b>	<b>77</b>	<b>86</b>	<b>95</b>
<b>PROFIT FOR THE PERIOD</b>	<b>344</b>	<b>350</b>	<b>365</b>	<b>354</b>
Non-controlling interest	1	(0)	(0)	(2)
<b>NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>345</b>	<b>349</b>	<b>365</b>	<b>352</b>

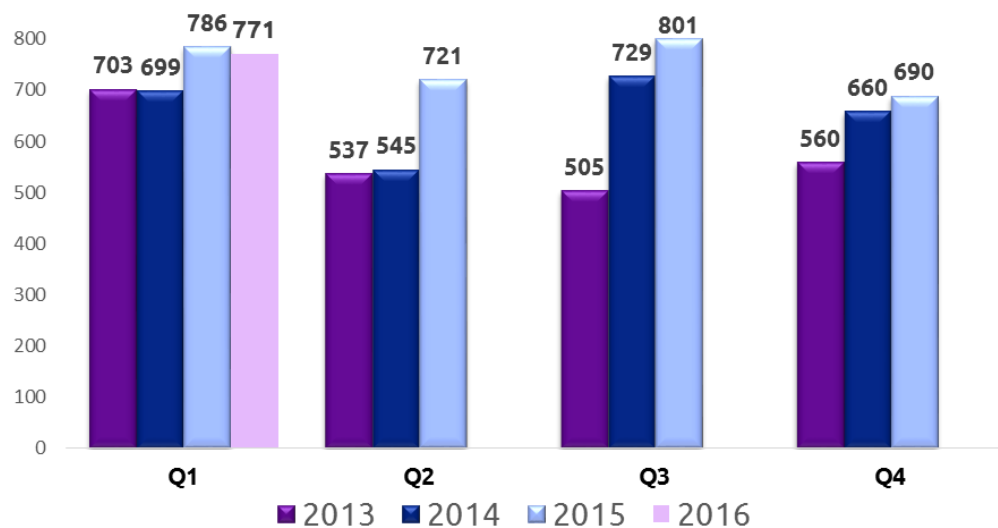
- Revenue Down (1.9)%
- Operating Profit down (7.2)%
- Net Profit Down (3.5)%



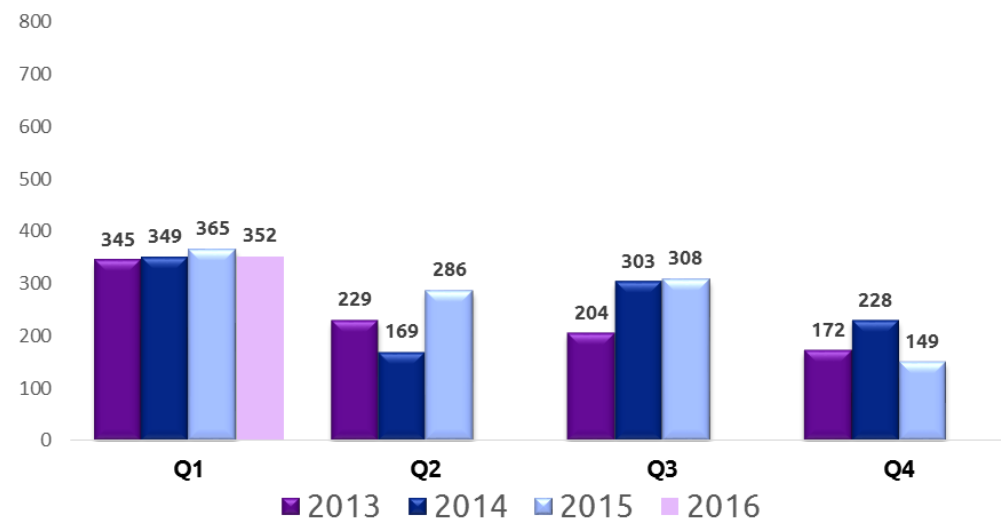
# Quarterly Financial Highlights

(All amounts in QR Millions)

## Revenue



## Net Profit



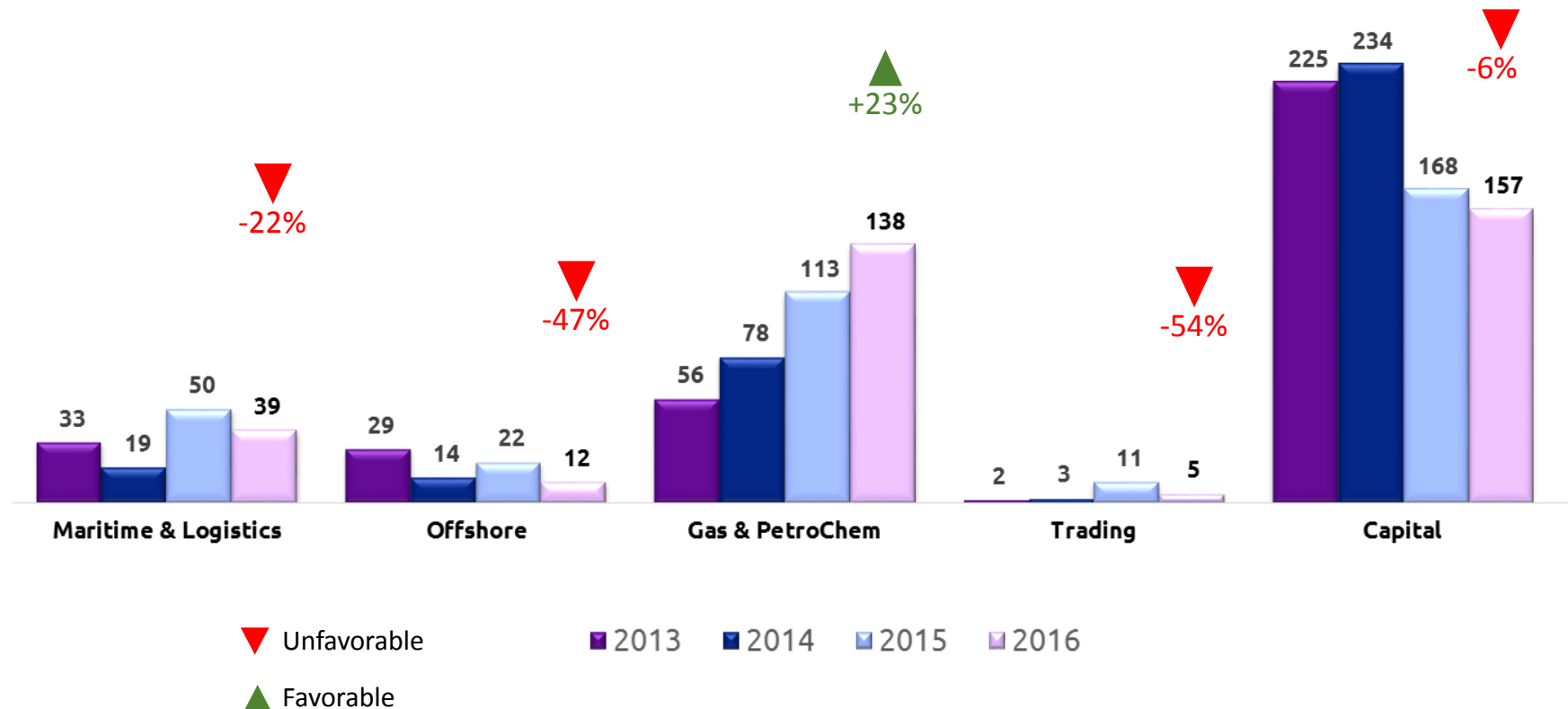
# Activities by Segment

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 2015



# Statement of Income, by Segment – Q1 2015

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
<b>Operating Revenue</b>	<b>257</b>	<b>162</b>	<b>77</b>	<b>127</b>	<b>218</b>	<b>-</b>	<b>(54)</b>	<b>786</b>
Salaries, Wages and Benefits	(49)	(59)	(21)	(5)	(3)	(32)	1	<b>(167)</b>
Operating Supplies and Expenses	(99)	(32)	(8)	(106)	(35)	(1)	48	<b>(233)</b>
Rent Expenses	(2)	(1)	(1)	(1)	(1)	(2)	4	<b>(5)</b>
Depreciation and Amortisation	(15)	(28)	(20)	(0)	(9)	(1)	-	<b>(73)</b>
Impairment of vessels and an equipment	-	-	-	-	-	-	-	<b>-</b>
Other Operating Expenses	(6)	(10)	(6)	(1)	(3)	(3)	1	<b>(29)</b>
Fleet & Technical Expense Allocation	(16)	-	16	-	-	-	-	<b>-</b>
Expense Allocation from Milaha Corporate	(17)	(7)	(6)	(4)	(4)	38	-	<b>0</b>
<b>OPERATING PROFIT</b>	<b>52</b>	<b>24</b>	<b>30</b>	<b>11</b>	<b>162</b>	<b>(0)</b>	<b>0</b>	<b>279</b>
Finance Costs	(2)	(3)	(2)	-	(9)	-	-	<b>(16)</b>
Finance Income	0	0	5	1	16	-	-	<b>21</b>
Treasury Interest Income	-	-	-	-	-	-	-	<b>-</b>
(Loss ) Gain on Disposal of Property, Vessels and Equipment	(0)	-	-	-	(0)	-	-	<b>(0)</b>
Share of Results of Joint Ventures	-	-	8	-	-	-	-	<b>8</b>
Share of Results of Associates	0	-	71	-	0	-	-	<b>72</b>
Net (Loss) Gain on Foreign Exchange	0	0	1	0	(0)	0	-	<b>1</b>
Amounts relating to step-up acquisition of associates	-	-	-	-	-	-	-	<b>-</b>
Impairment of Available-for-Sale Investments	-	-	-	-	-	-	-	<b>-</b>
Miscellaneous Income	-	-	0	-	-	-	-	<b>0</b>
<b>PROFIT FOR THE PERIOD</b>	<b>51</b>	<b>22</b>	<b>113</b>	<b>11</b>	<b>168</b>	<b>(0)</b>	<b>0</b>	<b>365</b>
Non-controlling interest	-	-	-	-	(0)	-	-	<b>(0)</b>
<b>NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>51</b>	<b>22</b>	<b>113</b>	<b>11</b>	<b>168</b>	<b>(0)</b>	<b>0</b>	<b>365</b>

# Statement of Income, by Segment – Q1 2016

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
<b>Operating Revenue</b>	<b>251</b>	<b>145</b>	<b>125</b>	<b>100</b>	<b>191</b>	<b>-</b>	<b>(40)</b>	<b>771</b>
Salaries, Wages and Benefits	(54)	(46)	(26)	(5)	(1)	(27)	0	<b>(159)</b>
Operating Supplies and Expenses	(106)	(32)	(13)	(85)	(29)	(3)	35	<b>(233)</b>
Rent Expenses	(2)	(2)	(1)	(1)	(1)	(2)	5	<b>(4)</b>
Depreciation and Amortisation	(11)	(28)	(31)	(0)	(9)	(1)	-	<b>(80)</b>
Impairment of vessels and an equipment	-	-	-	-	-	-	-	-
Other Operating Expenses	(7)	(14)	(9)	(1)	(3)	(3)	(0)	<b>(36)</b>
Fleet & Technical Expense Allocation	(13)	-	13	-	-	-	-	-
Expense Allocation from Milaha Corporate	(17)	(7)	(6)	(4)	(3)	37	-	-
<b>OPERATING PROFIT</b>	<b>41</b>	<b>16</b>	<b>52.6</b>	<b>4</b>	<b>145</b>	<b>0</b>	<b>(0)</b>	<b>259</b>
Finance Costs	(2)	(5)	(15)	-	(16)	-	-	<b>(38)</b>
Finance Income	0	0	7	1	30	-	-	<b>39</b>
Treasury Interest Income	-	-	-	-	-	-	-	-
(Loss ) Gain on Disposal of Property, Vessels and Equipment	0	(0)	-	-	-	-	-	<b>(0)</b>
Share of Results of Joint Ventures	-	-	12	-	-	-	-	<b>12</b>
Share of Results of Associates	0	-	77	-	0	-	-	<b>77</b>
Net (Loss) Gain on Foreign Exchange	(0)	(0)	3	(0)	(0)	(0)	-	<b>3</b>
Amounts relating to step-up acquisition of associates	-	-	-	-	-	-	-	-
Impairment of Available-for-Sale Investments	-	-	-	-	-	-	-	-
Miscellaneous Income	0	-	1	-	0	-	-	<b>2</b>
<b>PROFIT FOR THE PERIOD</b>	<b>39</b>	<b>12</b>	<b>138</b>	<b>5</b>	<b>159</b>	<b>0</b>	<b>(0)</b>	<b>354</b>
Non-controlling interest	-	-	-	-	(2)	-	-	<b>(2)</b>
<b>NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>39</b>	<b>12</b>	<b>138</b>	<b>5</b>	<b>157</b>	<b>0</b>	<b>(0)</b>	<b>352</b>

# Segment Performance – Q1 2016

(All amounts in QR Millions)



## ➤ **(2)% Decline in Revenue and (22)% Decline in Net Profit vs Q1 2015**

- **Revenue** decreased by QR (6)M driven by:
  - Large decrease in Bulk Shipping Chartering-Out activities
  - Partially Offset by
  - Increased volumes in Container Shipping, albeit at lower rates
- **Operating Expenses** increased by QR (5)M driven by:
  - Volume-related expenses (Terminal/Port-related Charges at Container Shipping), including additional chartering-in of vessels in Container Shipping unit
  - Large decrease in Bulk Shipping chartering-in of vessels

	2013	2014	2015	2016
<b>OPERATING REVENUE</b>	<b>217</b>	<b>205</b>	<b>257</b>	<b>251</b>
Salaries, Wages and Benefits	(43)	(49)	(49)	(54)
Operating Supplies and Expenses	(87)	(83)	(99)	(106)
Rent Expenses	(0)	(1)	(2)	(2)
Depreciation and Amortisation	(16)	(14)	(15)	(11)
Other Operating Expenses	(12)	(7)	(6)	(7)
Fleet & Technical Expense Allocation	(12)	(13)	(16)	(13)
Expense Allocation from Milaha Corporate	(18)	(19)	(17)	(17)
<b>OPERATING EXPENSES</b>	<b>(187)</b>	<b>(186)</b>	<b>(205)</b>	<b>(210)</b>
<b>OPERATING PROFIT</b>	<b>30</b>	<b>19</b>	<b>52</b>	<b>41</b>
<b>NON - OPERATING INCOME/EXPENSE</b>	<b>3</b>	<b>0</b>	<b>(2)</b>	<b>(2)</b>
<b>PROFIT FOR THE PERIOD</b>	<b>33</b>	<b>19</b>	<b>51</b>	<b>39</b>
Operating Profit Margin %	14%	9%	20%	16%





# Segment Performance – Q1 2016

(All amounts in QR Millions)



## ➤ (10)% Decline in Revenue and (47)% Decline in Net Profit vs Q1 2015

- **Revenue** decreased by QR (17)M driven by:
  - Late mobilization of diving vessel (Halul 41)
  - Lower utilization & rate pressure in our Commercial unit
- **Operating Expenses** decreased by QR 9 M driven by:
  - Lower Salaries for crew & personnel, due to lower utilizations
  - Slight uptick in vessel & equipment certification expenses

	2013	2014	2015	2016
<b>OPERATING REVENUE</b>	<b>132</b>	<b>120</b>	<b>162</b>	<b>145</b>
Salaries, Wages and Benefits	(45)	(43)	(59)	(46)
Operating Supplies and Expenses	(20)	(24)	(32)	(32)
Rent Expenses	(2)	(2)	(1)	(2)
Depreciation and Amortisation	(19)	(20)	(28)	(28)
Other Operating Expenses	(9)	(9)	(10)	(14)
Expense Allocation from Milaha Corporate	(7)	(8)	(7)	(7)
<b>OPERATING EXPENSES</b>	<b>(102)</b>	<b>(105)</b>	<b>(138)</b>	<b>(129)</b>
<b>OPERATING PROFIT</b>	<b>30</b>	<b>15</b>	<b>24</b>	<b>16</b>
<b>NON - OPERATING INCOME/EXPENSE</b>	<b>(1)</b>	<b>(1)</b>	<b>(2)</b>	<b>(4)</b>
<b>PROFIT FOR THE PERIOD</b>	<b>29</b>	<b>14</b>	<b>22</b>	<b>12</b>
<b>Operating Profit Margin %</b>	<b>23%</b>	<b>13%</b>	<b>15%</b>	<b>11%</b>



# Segment Performance – Q1 2016

(All amounts in QR Millions)



## ➤ **+63% Revenue Growth and +23% Net Profit Growth vs Q1 2015**

- **Revenue** increase of QR 48 M driven by:
  - Additional revenue from 2 LNG vessels we fully acquired (from 40% to 100%) in Q3 2015
- **Operating Expenses** up QR (26)M
  - QR (23)M increased expenses related to 2 LNG vessels we full acquired
- **Non-Operating Income** increase of QR 3M
  - QR (13)M in increased Finance Expense for 2 LNG's
  - +QR 5M increase from Nakilat results
  - +QR 4M in higher Gulf LPG results
  - +QR 5M in higher FX Gains and Finance Income

	2013	2014	2015	2016
<b>OPERATING REVENUE</b>	<b>42</b>	<b>55</b>	<b>77</b>	<b>125</b>
Salaries, Wages and Benefits	(19)	(22)	(21)	(26)
Operating Supplies and Expenses	(7)	(11)	(8)	(13)
Rent Expenses	(0)	(1)	(1)	(1)
Depreciation and Amortisation	(15)	(16)	(20)	(31)
Other Operating Expenses	(6)	(6)	(6)	(9)
Fleet & Technical Expense Allocation	12	13	16	13
Expense Allocation from Milaha Corporate	(6)	(7)	(6)	(6)
<b>OPERATING EXPENSES</b>	<b>(42)</b>	<b>(51)</b>	<b>(47)</b>	<b>(72)</b>
<b>OPERATING PROFIT</b>	<b>0</b>	<b>4</b>	<b>30</b>	<b>53</b>
<b>NON - OPERATING INCOME/EXPENSE</b>	<b>56</b>	<b>74</b>	<b>83</b>	<b>86</b>
<b>PROFIT FOR THE PERIOD</b>	<b>56</b>	<b>78</b>	<b>113</b>	<b>138</b>
<b>Operating Profit Margin %</b>	<b>0%</b>	<b>8%</b>	<b>39%</b>	<b>42%</b>



# Segment Performance – Q1 2016

(All amounts in QR Millions)



## ➤ (22)% Decline in Revenue and (54)% Decline in Net Profit vs Q1 2015

- **Revenue** decrease of QR (27)M driven by:
  - Lower heavy equipment sales due to slowdown in project activity
  - Lower Bunker Sales due to oil price drop vs 2015
- **Operating Expenses** decrease of QR 21M driven by:
  - Lower heavy equipment cost of goods sold
  - Lower Bunker cost of sales

	2013	2014	2015	2016
<b>OPERATING REVENUE</b>	<b>75</b>	<b>80</b>	<b>127</b>	<b>100</b>
Salaries, Wages and Benefits	(4)	(4)	(5)	(5)
Operating Supplies and Expenses	(62)	(66)	(106)	(85)
Rent Expenses	(0)	(0)	(1)	(1)
Depreciation and Amortisation	(0)	(0)	(0)	(0)
Other Operating Expenses	(1)	(0)	(1)	(1)
Expense Allocation from Milaha Corporate	(5)	(6)	(4)	(4)
<b>OPERATING EXPENSES</b>	<b>(73)</b>	<b>(77)</b>	<b>(116)</b>	<b>(95)</b>
<b>OPERATING PROFIT</b>	<b>2</b>	<b>3</b>	<b>11</b>	<b>4</b>
<b>NON - OPERATING INCOME/EXPENSE</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>PROFIT FOR THE PERIOD</b>	<b>2</b>	<b>3</b>	<b>11</b>	<b>5</b>
<b>Operating Profit Margin %</b>	<b>3%</b>	<b>3%</b>	<b>8%</b>	<b>4%</b>



# Segment Performance – Q1 2016

(All amounts in QR Millions)



## ➤ (12)% Decline in Revenue and (7)% Decline in Net Profit vs Q1 2015

- **Revenue** decreased QR (27)M, with:
  - +QR 12M from Held-for-Trading portfolio returns
  - QR (41)M in lower dividends
  - +QR 1M increase from our 50% stake in Qatar Quarries
  - +QR 2M in higher Rental Income
- **Operating Expenses** decrease of QR 10M, driven by:
  - +QR 5M in lower Qatar Quarries Cost of Goods Sold
  - +QR 7M in higher net of Finance Income/Expense

	2013	2014	2015	2016
<b>OPERATING REVENUE</b>	<b>282</b>	<b>291</b>	<b>218</b>	<b>191</b>
Salaries, Wages and Benefits	(4)	(3)	(3)	(1)
Operating Supplies and Expenses	(28)	(26)	(35)	(29)
Rent Expenses	(12)	(12)	(1)	(1)
Depreciation and Amortisation	(8)	(9)	(9)	(9)
Other Operating Expenses	(5)	(2)	(3)	(3)
Expense Allocation from Milaha Corporate	(6)	(6)	(4)	(3)
<b>OPERATING EXPENSES</b>	<b>(62)</b>	<b>(59)</b>	<b>(56)</b>	<b>(46)</b>
<b>OPERATING PROFIT</b>	<b>220</b>	<b>232</b>	<b>162</b>	<b>145</b>
<b>NON - OPERATING INCOME/EXPENSE</b>	<b>4</b>	<b>3</b>	<b>6</b>	<b>14</b>
<b>PROFIT FOR THE PERIOD</b>	<b>224</b>	<b>235</b>	<b>168</b>	<b>159</b>
Non-controlling interest	1	(0)	(0)	(2)
<b>NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>225</b>	<b>234</b>	<b>168</b>	<b>157</b>
<b>Operating Profit Margin %</b>	<b>78%</b>	<b>80%</b>	<b>74%</b>	<b>76%</b>



# Outlook

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## Macro:

- Expect trade volumes at Port to remain relatively strong, however starting to see drop in ancillary services revenue
- Despite increasing volumes, pricing pressure in Container Feeder unit to negatively impact margins
- Decision on Hamad Port concession still expected any day

# Outlook

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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

# Outlook



- VLGCs: were put on long term charter in late 2014/early 2015; minimal volatility for 2016
- 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: all trading in spot market; seeing rates soften and expect a decrease relative to 2015
- Fully-owned gas / ammonia carriers: both vessels on time charter ending mid 2016; one renewed for 2 years; expect other one to be renewed at slightly lower rates
- Harbor marine vessels: 19-vessel QP harbor marine operations on 20 year contract, which commenced end 2014.

# Outlook

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- Project slowdown has negatively impacted the unit; expect a weaker year ahead.



# Outlook

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- 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