

YTD Sep 2016 Financials Conference Call

Oct 25th, 2016

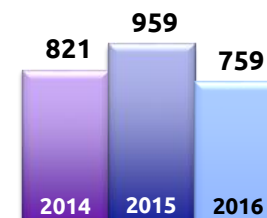
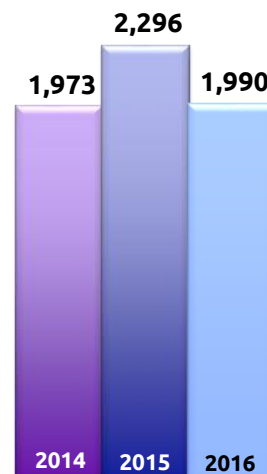
Doha, Qatar

Consolidated Income Statement – YTD Sep

(All amounts in QR Millions)

	2014	2015	2016
OPERATING REVENUE	1,973	2,296	1,990
Salaries, Wages and Benefits	(479)	(506)	(487)
Operating Supplies and Expenses	(622)	(727)	(616)
Rent Expenses	(45)	(13)	(12)
Depreciation and Amortisation	(193)	(224)	(245)
Impairment of vessels and an equipment	0	(38)	0
Other Operating Expenses	(93)	(101)	(118)
OPERATING EXPENSES	(1,433)	(1,609)	(1,477)
OPERATING PROFIT	540	686	513
Finance Costs	(27)	(71)	(131)
Finance Income	40	80	126
Share of Results of Associates	222	243	236
Share of Results of Joint Arrangements	41	45	19
All Other Non-Operating Expenses	7	(14)	(0)
NON OPERATING PROFIT	283	283	249
PROFIT FOR THE PERIOD	823	969	761
Non-controlling interest	(2)	(10)	(3)
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	821	959	759

- Revenue Down (13.3)%
- Operating Profit Down (25.3)%
- Net Profit Down (20.9)%



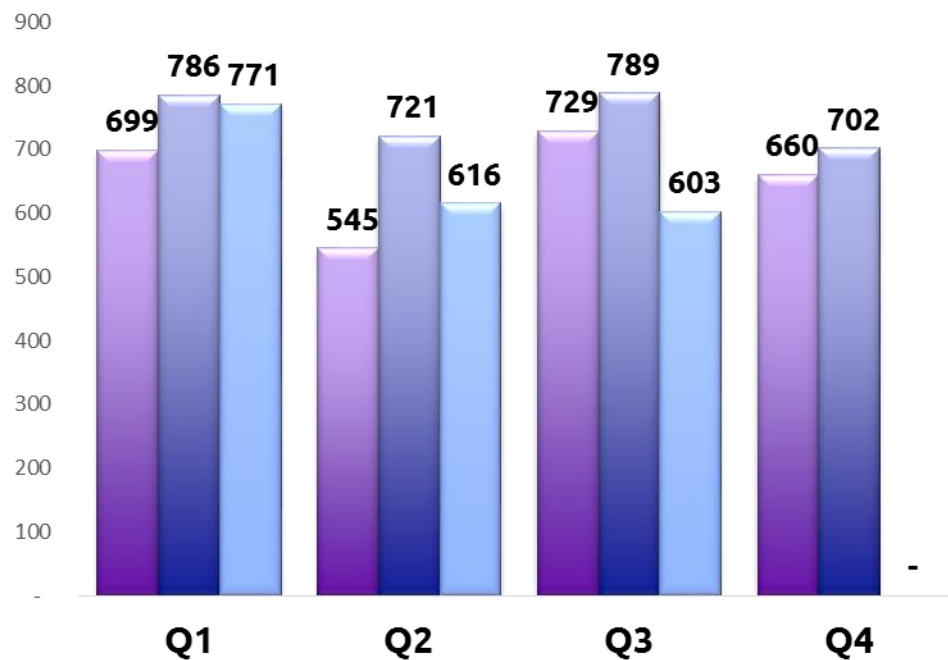
Revenue

Net Income

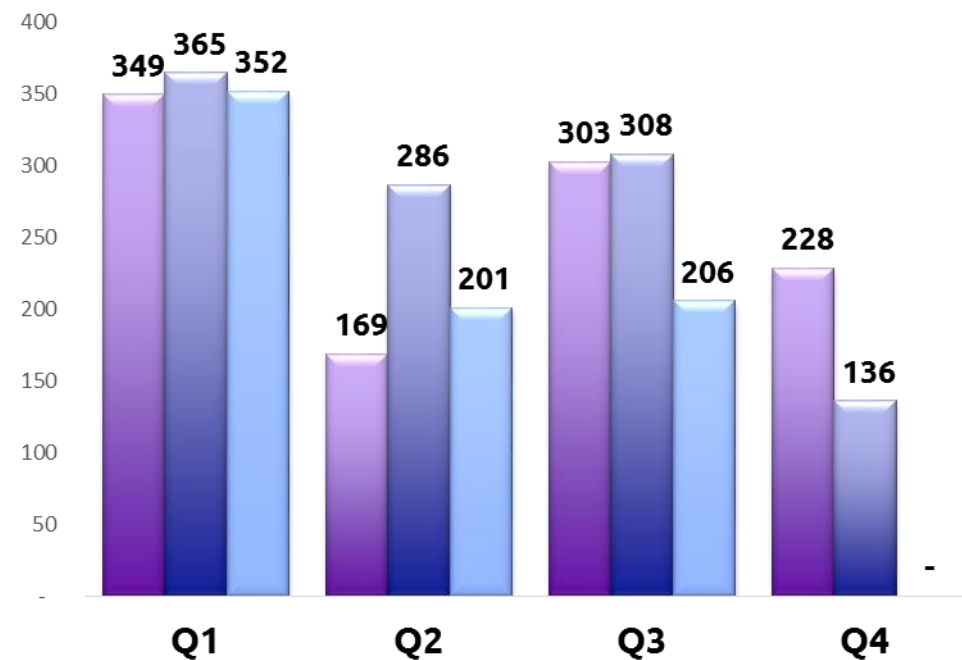
Quarterly Financial Highlights

(All amounts in QR Millions)

Revenue



Net Profit



■ 2014 ■ 2015 ■ 2016

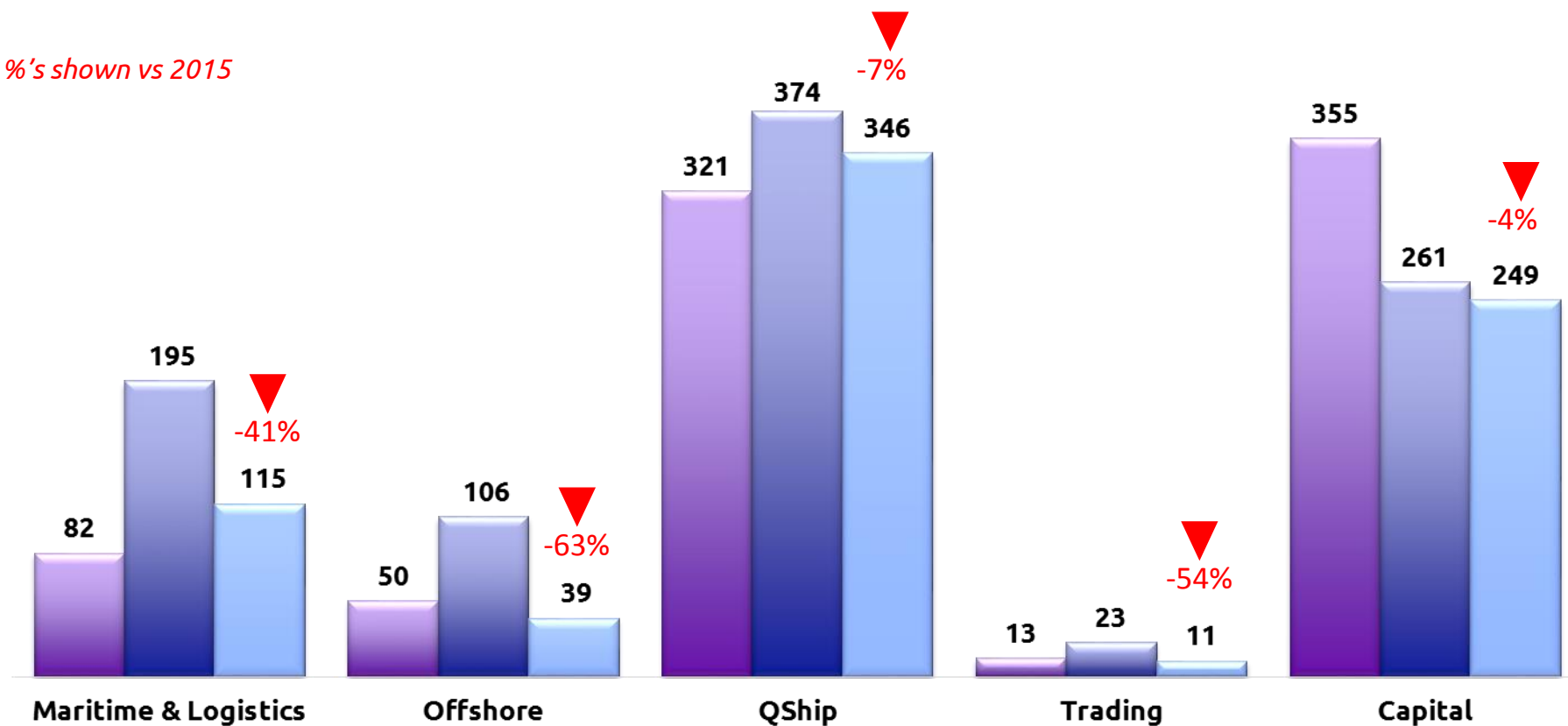
Activities by Segment

Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital
<ul style="list-style-type: none"> • Port Services • Container Shipping • Warehousing & Logistics • Bulk Shipping • Shipyard • Shipping Line 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

Net Profit, by Segment – YTD Sep

(All amounts in QR Millions)

%s shown vs 2015



▼ Unfavorable

▲ Favorable

■ 2014 ■ 2015 ■ 2016

Statement of Income, by Segment – YTD Sep 2016

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
Operating Revenue	761	438	350	244	346	-	(149)	1,990
Salaries, Wages and Benefits	(156)	(140)	(78)	(15)	(6)	(93)	0	(487)
Operating Supplies and Expenses	(329)	(83)	(50)	(205)	(79)	(7)	137	(616)
Rent Expenses	(6)	(5)	(3)	(2)	(3)	(7)	14	(12)
Depreciation and Amortisation	(31)	(86)	(98)	(1)	(27)	(3)	-	(245)
Impairment of an Equipment	-	-	-	-	-	-	-	-
Other Operating Expenses	(21)	(42)	(28)	(2)	(8)	(14)	(3)	(118)
Fleet & Technical Expense Allocation	(40)	-	40	-	-	-	-	-
Expense Allocation from Milaha Corporate	(54)	(25)	(22)	(12)	(12)	124	-	0
OPERATING PROFIT	125	57	111	8	212	(0)	0	513
Finance Costs	(7)	(18)	(45)	-	(61)	-	-	(131)
Finance Income	0	0	21	3	102	-	-	126
(Loss) Gain on Disposal of Property, Vessels and Equipment	(3)	(0)	-	-	-	0	-	(4)
Share of Results of Joint Arrangements	-	-	19	-	-	-	-	19
Share of Results of Associates	1	-	235	-	0	-	-	236
Net (Loss) Gain on Foreign Exchange	(1)	(0)	3	(0)	(1)	0	-	1
Amounts relating to step-up acquisition of associates	-	-	-	-	-	-	-	-
Impairment of Available-for-Sale Investments	-	-	-	-	-	-	-	-
Miscellaneous Income	0	-	2	-	-	-	-	2
PROFIT FOR THE PERIOD	115	39	346	11	252	0	0	761
Non-controlling interest	-	-	-	-	(3)	-	-	(3)
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS	115	39	346	11	249	0	0	759

Statement of Income, by Segment – YTD Sep 2015

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
Operating Revenue	878	529	282	330	437	-	(160)	2,296
Salaries, Wages and Benefits	(151)	(174)	(63)	(14)	(8)	(96)	0	(506)
Operating Supplies and Expenses	(325)	(98)	(38)	(278)	(130)	(5)	146	(727)
Rent Expenses	(7)	(5)	(3)	(2)	(4)	(6)	14	(13)
Depreciation and Amortisation	(40)	(83)	(71)	(1)	(27)	(3)	-	(224)
Impairment of an Equipment	(38)	-	-	-	-	-	-	(38)
Other Operating Expenses	(20)	(35)	(28)	(2)	(8)	(8)	(0)	(101)
Fleet & Technical Expense Allocation	(46)	-	46	-	-	-	-	-
Expense Allocation from Milaha Corporate	(50)	(23)	(19)	(13)	(13)	118	-	(0)
OPERATING PROFIT	202	111	106	21	247	0	(0)	686
Finance Costs	(6)	(9)	(20)	-	(35)	-	-	(71)
Finance Income	0	0	18	2	60	(0)	-	80
(Loss) Gain on Disposal of Property, Vessels and Equipment	(3)	4	(0)	-	(0)	0	-	2
Share of Results of Joint Arrangements	-	-	45	-	-	-	-	45
Share of Results of Associates	2	-	241	-	0	-	-	243
Net (Loss) Gain on Foreign Exchange	0	0	1	0	(1)	0	-	1
Amounts relating to step-up acquisition of associates	-	-	(25)	-	-	-	-	(25)
Impairment of Available-for-Sale Investments	-	-	-	-	-	-	-	-
Miscellaneous Income	(0)	-	9	-	0	0	-	9
PROFIT FOR THE PERIOD	195	106	374	23	271	0	(0)	969
Non-controlling interest	-	-	-	-	(10)	-	-	(10)
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS	195	106	374	23	261	0	(0)	959

Segment Performance – YTD Sep

(All amounts in QR Millions)



- **13% Decline in Revenue and 41% Decline in Net Profit vs 2015**
 - **Revenue** decreased by QR (117)M mainly driven by:
 - Port Services unit: lower storage, general cargo and RORO revenue, partially offset by higher container volumes revenue
 - **Operating Expenses** decreased by QR 40M driven by:
 - QR 38M Bulk Shipping impairment in 2015 not recurring in 2016

	2014	2015	2016
OPERATING REVENUE	677	878	761
Salaries, Wages and Benefits	(147)	(151)	(156)
Operating Supplies and Expenses	(275)	(325)	(329)
Rent Expenses	(5)	(7)	(6)
Depreciation and Amortisation	(45)	(40)	(31)
Impairment of vessels and an equipment	-	(38)	-
Other Operating Expenses	(20)	(20)	(21)
Fleet & Technical Expense Allocation	(43)	(46)	(40)
Expense Allocation from Milaha Corporate	(59)	(50)	(54)
OPERATING EXPENSES	(593)	(676)	(636)
OPERATING PROFIT	83	202	125
NON - OPERATING INCOME/EXPENSE	(1)	(7)	(10)
PROFIT FOR THE PERIOD	82	195	115

Segment Performance – YTD Sep

(All amounts in QR Millions)



- **17% Decline in Revenue and 63% Decline in Net Profit vs 2015**
- **Revenue** decreased by QR (91)M driven by:
 - Late mobilization of diving vessel (Halul 41)
 - Lower utilization & rate pressure in our Commercial unit
 - **Operating Expenses** decreased by QR 38M driven by:
 - Lower Salaries for crew & personnel, due to lower utilizations and negotiated salary reductions

	2014	2015	2016
OPERATING REVENUE	411	529	438
Salaries, Wages and Benefits	(145)	(174)	(140)
Operating Supplies and Expenses	(85)	(98)	(83)
Rent Expenses	(6)	(5)	(5)
Depreciation and Amortisation	(70)	(83)	(86)
Other Operating Expenses	(29)	(35)	(42)
Expense Allocation from Milaha Corporate	(23)	(23)	(25)
OPERATING EXPENSES	(357)	(418)	(381)
OPERATING PROFIT	53	111	57
NON - OPERATING INCOME/EXPENSE	(3)	(5)	(18)
PROFIT FOR THE PERIOD	50	106	39

Segment Performance – YTD Sep

(All amounts in QR Millions)



➤ **+24% Revenue Growth and 7% Net Profit Decline vs 2015**

- **Revenue** increase of QR 68M driven by:
 - Additional revenue +87M from 2 LNG vessels we fully acquired (from 40% to 100%) in Q3 2015
 - Additional revenue of +9M from higher utilization in Port Marine Operations
 - Lower revenue of (30)M from Product Tankers
- **Operating Expenses** up QR (63)M
 - Mainly attributable to increased expenses from 2 LNG vessels we full acquired
- **Non-Operating Income** decrease of QR (33)M
 - QR (25)M in increased Finance Expense for 2 LNG's
 - QR (26)M in reduction of joint partnership income
 - +25M related to acquisition costs from 2015 that did not recur

	2014	2015	2016
OPERATING REVENUE	193	282	350
Salaries, Wages and Benefits	(65)	(63)	(78)
Operating Supplies and Expenses	(36)	(38)	(50)
Rent Expenses	(2)	(3)	(3)
Depreciation and Amortisation	(50)	(71)	(98)
Other Operating Expenses	(23)	(28)	(28)
Fleet & Technical Expense Allocation	43	46	40
Expense Allocation from Milaha Corporate	(21)	(19)	(22)
OPERATING EXPENSES	(155)	(176)	(238)
OPERATING PROFIT	39	106	111
NON - OPERATING INCOME/EXPENSE	282	268	234
PROFIT FOR THE PERIOD	321	374	346



Segment Performance – YTD Sep

(All amounts in QR Millions)



- **26% Decline in Revenue and 54% Decline in Net Profit vs 2015**
 - **Revenue** decrease of QR (86)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 73 M driven by:
 - Lower heavy equipment cost of goods sold
 - Lower Bunker cost of sales

	2014	2015	2016
OPERATING REVENUE	295	330	244
Salaries, Wages and Benefits	(13)	(14)	(15)
Operating Supplies and Expenses	(249)	(278)	(205)
Rent Expenses	(2)	(2)	(2)
Depreciation and Amortisation	(1)	(1)	(1)
Other Operating Expenses	(2)	(2)	(2)
Expense Allocation from Milaha Corporate	(17)	(13)	(12)
OPERATING EXPENSES	(284)	(309)	(236)
OPERATING PROFIT	11	21	8
NON - OPERATING INCOME/EXPENSE	1	2	3
PROFIT FOR THE PERIOD	13	23	11

Segment Performance – YTD Sep

(All amounts in QR Millions)



➤ **21% Decline in Revenue and 4% Decline in Net Profit vs 2015**

- **Revenue** decreased QR (90)M, with:
 - QR (68)M in lower Qatar Quarries Revenue
 - QR (43)M in lower dividend income
 Partially Offset by
 - QR +18M from Held-for-Trading portfolio returns
 - QR +4M from Real Estate higher Occupancy levels.
- **Operating Expenses** decrease of QR 55M, driven by:
 - +QR 53M in lower Qatar Quarries Cost of Goods Sold
- **Non-Operating Income** increase of QR 16M, driven by:
 - Increase in the net of Finance Income/Expense

	2014	2015	2016
OPERATING REVENUE	543	437	346
Salaries, Wages and Benefits	(7)	(8)	(6)
Operating Supplies and Expenses	(94)	(130)	(79)
Rent Expenses	(38)	(4)	(3)
Depreciation and Amortisation	(24)	(27)	(27)
Other Operating Expenses	(8)	(8)	(8)
Expense Allocation from Milaha Corporate	(18)	(13)	(12)
OPERATING EXPENSES	(190)	(190)	(135)
OPERATING PROFIT	353	247	212
NON - OPERATING INCOME/EXPENSE	4	24	40
PROFIT FOR THE PERIOD	358	271	252
Non-controlling interest	(2)	(10)	(3)
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	355	261	249



Outlook



Macro:

- TEU volume growth still positive, but growth will slow down relative to historical double digit rates. Project/Bulk/RORO/Storage volumes & revenue down significantly – difficult to predict going forward, but expect weakness when compared with H2 2015.
- Despite increasing volumes, pricing pressure in Container Feeder unit to negatively impact margins
- Decision on Hamad Port concession still expected any day

Outlook



Macro: Global offshore marine market remains depressed 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, and rates have been downward trending
- Fully-owned gas / ammonia carriers: One Vessel is on time charter ending mid 2018; other one came off time charter end of August and working to put on new time charter. Rates have come down past few months, so not expecting same level of earnings.
- Harbor marine vessels: expect little to no variance from prior year

Outlook



- Project slowdown has negatively impacted the unit; expect continued weakness ahead.

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