

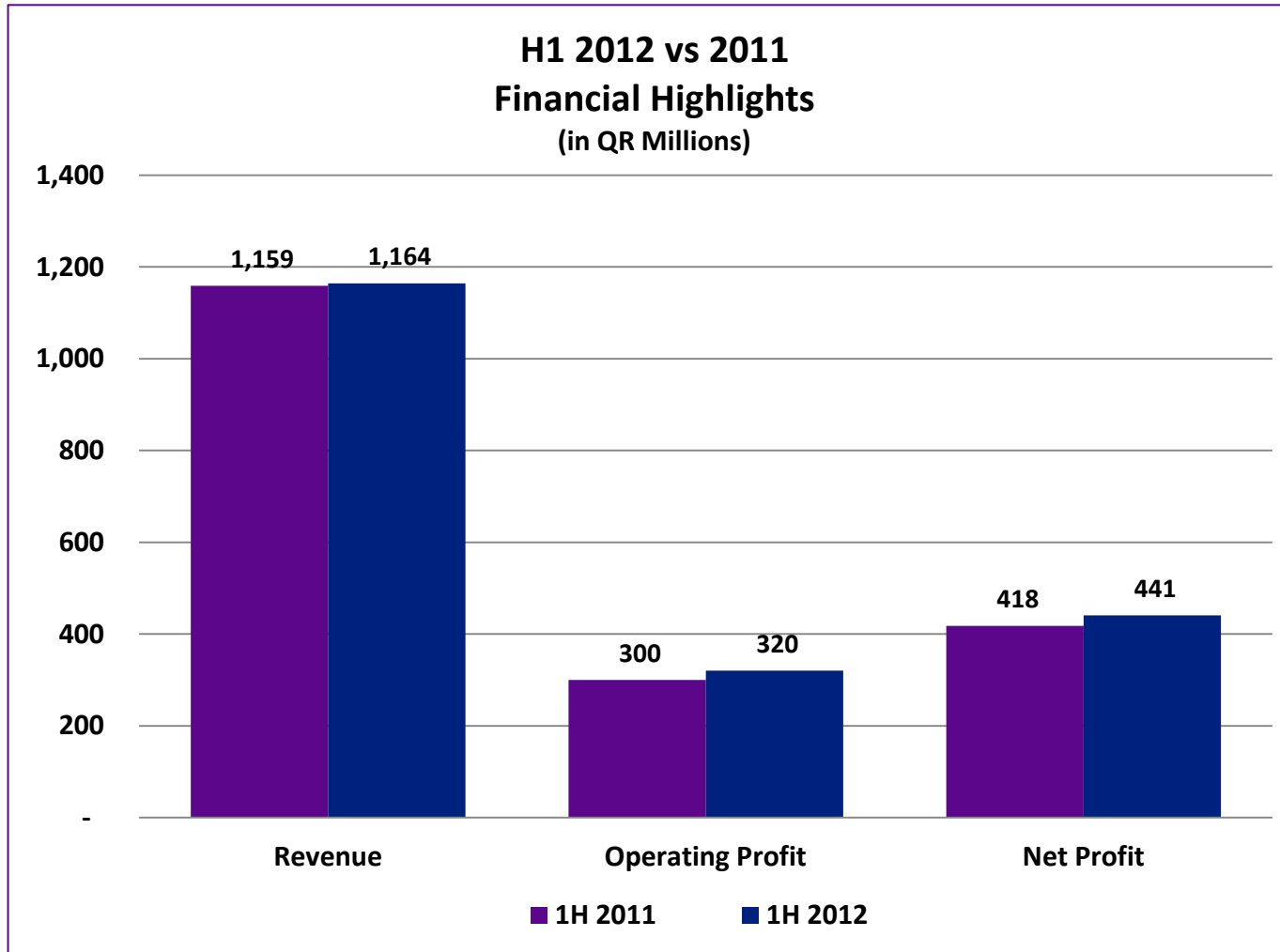
# H1 2012 Financials Conference Call

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August 8th, 2012

Doha, Qatar

# H1 2012 vs. 2011 – Financial Highlights



Revenue up **+0.4%**

Operating Profit up **+6.6%**

Net Profit up **+5.5%**

# H1 2012 vs. 2011 Comparison

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

	2012	2011	Variance
<b>OPERATING REVENUE</b>	<b>1,163,992</b>	<b>1,159,002</b>	<b>4,989</b>
Salaries, Wages & Benefits	(257,650)	(234,954)	(22,696)
Operating Supplies & Expenses	(355,745)	(393,299)	37,555
Rent Expense	(27,237)	(26,831)	(405)
Depreciation & Amortization	(138,045)	(144,847)	6,802
Other Operating Expenses	(65,382)	(59,003)	(6,379)
<b>OPERATING EXPENSES</b>	<b>(844,058)</b>	<b>(858,934)</b>	<b>14,876</b>
<b>OPERATING PROFIT</b>	<b>319,934</b>	<b>300,068</b>	<b>19,865</b>
Finance Costs	(23,403)	(23,786)	383
Finance Income	23,261	26,319	(3,058)
Profit on disposal of Property, Vessels & Equip	4,503	353	4,151
Share Results of Associates	115,931	114,053	1,878
Misc Income	5,242	3,341	1,901
Impairment of AFS Investments	(4,596)	-	(4,596)
<b>NON-OPERATING INCOME/(EXPENSE)</b>	<b>120,939</b>	<b>120,280</b>	<b>659</b>
<b>NET INCOME</b>	<b>440,872</b>	<b>420,348</b>	<b>20,524</b>
Non-Controlling Interest	54	(2,333)	2,387
<b>PROFIT FOR THE PERIOD</b>	<b>440,927</b>	<b>418,016</b>	<b>22,911</b>

# 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 Naqilat
- 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)

## Consolidated Statement of Income, by Pillar 6 Months Ended, Jun 30, 2012

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
<b>Operating Revenue</b>	<b>395,540</b>	<b>258,623</b>	<b>112,023</b>	<b>209,304</b>	<b>351,095</b>	-	<b>(162,594)</b>	<b>1,163,992</b>
Salaries, Wages and Benefits	(94,370)	(83,565)	(35,928)	(6,287)	(8,173)	(29,326)	-	<b>(257,650)</b>
Operating Supplies and Expenses	(142,199)	(70,112)	(28,107)	(184,985)	(80,332)	(1,682)	151,672	<b>(355,745)</b>
Rent Expenses	(2,921)	(3,642)	(440)	(701)	(24,230)	(6,224)	10,922	<b>(27,237)</b>
Depreciation and Amortisation	(33,422)	(34,531)	(49,303)	(579)	(18,086)	(2,124)	-	<b>(138,045)</b>
Other Operating Expenses	(35,518)	(6)	(3,550)	(1,239)	(6,632)	(18,438)	-	<b>(65,382)</b>
<b>OPERATING PROFIT</b>	<b>87,110</b>	<b>66,767</b>	<b>(5,306)</b>	<b>15,513</b>	<b>213,643</b>	<b>(57,794)</b>	<b>(0)</b>	<b>319,934</b>
Finance Costs	(5,300)	(3,501)	(7,614)	(46)	(6,940)	(1)	-	<b>(23,403)</b>
Finance Income	-	1,027	9,355	-	12,879	-	-	<b>23,261</b>
Gain on Disposal of Property, Vessels and Equipment	223	4,287	-	-	(7)	-	-	<b>4,503</b>
Share of Results of Associates	192	0	115,739	-	(0)	-	-	<b>115,931</b>
Miscellaneous Income	-	342	2,782	-	2,118	-	-	<b>5,242</b>
Impairment of Available-for-Sale Investments	-	-	-	-	(4,596)	-	-	<b>(4,596)</b>
Expense Allocation from Milaha Corporate	(36,135)	(6,686)	(5,943)	(4,459)	(4,572)	57,795	-	<b>(0)</b>
<b>PROFIT FOR THE PERIOD</b>	<b>46,091</b>	<b>62,236</b>	<b>109,014</b>	<b>11,008</b>	<b>212,525</b>	-	<b>(0)</b>	<b>440,872</b>
Non-controlling interest	-	-	-	-	54	-	-	<b>54</b>
<b>NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>46,091</b>	<b>62,236</b>	<b>109,014</b>	<b>11,008</b>	<b>212,579</b>	-	<b>(0)</b>	<b>440,927</b>

# Consolidated Statement of Income, by Pillar - 2011

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

Consolidated Statement of Income, by Pillar  
6 Months Ended, Jun 30, 2011

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
<b>Operating Revenue</b>	<b>328,859</b>	<b>281,175</b>	<b>125,440</b>	<b>248,673</b>	<b>266,893</b>	-	<b>(92,038)</b>	<b>1,159,002</b>
Salaries, Wages and Benefits	(84,372)	(78,813)	(38,392)	(5,612)	(6,928)	(20,837)	-	<b>(234,954)</b>
Operating Supplies and Expenses	(113,823)	(51,897)	(17,033)	(225,479)	(64,187)	(1,358)	80,477	<b>(393,299)</b>
Rent Expenses	(3,282)	(3,155)	(853)	(791)	(24,582)	(5,728)	11,560	<b>(26,831)</b>
Depreciation and Amortisation	(37,273)	(33,669)	(52,390)	(367)	(19,944)	(1,203)	-	<b>(144,847)</b>
Other Operating Expenses	(30,769)	(1)	(3,464)	(1,537)	(6,256)	(16,976)	-	<b>(59,003)</b>
<b>OPERATING PROFIT</b>	<b>59,339</b>	<b>113,641</b>	<b>13,308</b>	<b>14,887</b>	<b>144,996</b>	<b>(46,103)</b>	-	<b>300,068</b>
Finance Costs	(4,742)	(1,399)	(12,366)	(60)	(5,219)	-	-	<b>(23,786)</b>
Finance Income	-	1,564	15,964	-	8,792	-	-	<b>26,319</b>
Gain on Disposal of Property, Vessels and Equipment	-	-	-	-	353	-	-	<b>353</b>
Share of Results of Associates	(125)	-	114,178	-	(0)	-	-	<b>114,053</b>
Miscellaneous Income	72	652	2,169	(1)	449	-	-	<b>3,341</b>
Impairment of Available-for-Sale Investments	-	-	-	-	-	-	-	-
Expense Allocation from Milaha Corporate	(27,406)	(6,131)	(5,305)	(3,710)	(3,552)	46,103	-	-
<b>PROFIT FOR THE PERIOD</b>	<b>27,139</b>	<b>108,327</b>	<b>127,948</b>	<b>11,116</b>	<b>145,819</b>	<b>0</b>	-	<b>420,349</b>
Non-controlling interest	-	-	-	-	(2,333)	-	-	<b>(2,333)</b>
<b>NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>27,139</b>	<b>108,327</b>	<b>127,948</b>	<b>11,116</b>	<b>143,486</b>	<b>0</b>	-	<b>418,016</b>

# Pillar Performance YTD

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## ➤ **20% Revenue Growth and 70% Net Profit Growth vs. H1 2011**

- Driven by strong revenue growth in Port Services, mainly attributable to additional revenue streams from the Qatar Port Management Co (QPMC) contract to manage Doha Port
- Increase in Container Shipping revenues, driven by increased volume and recovery through fuel surcharges
- Logistics and Bulk Shipping performed considerably worse, however are smaller scale units
  - Land Transport revenues in Logistics hurt by market oversupply and low rates
  - Bulk Shipping revenues lower due to a one-time revenue item last year; lower market prices seen this year

# Pillar Performance YTD



## ➤ **8% Decline in Revenues and 43% Decline in Net Profit vs. H1 2011**

- H1 2011 had non-recurring mobilization revenues for a new contract
- Additional expenses incurred in setting up Saudi Arabia operations
- Delays in delivery and deployment of new vessels leading to lower revenues and penalties incurred from charter parties
- Higher than expected offhire time resulting in lower Q1 revenues
- Unexpected repair costs



## ➤ **11% Decline in Revenues and 15% Decline in Net Profit vs. H1 2011**

- LPG market rates declined in Q1, but rebounded in Q2
- 2 product tankers completed time charters in mid 2011 at older higher rates, renewed on the spot market at much lower rates
- Prior period adjustments related to dry docking increased non-cash expenditure





# Pillar Performance YTD

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- **16% Decline in Revenues and 1% Decline in Net Profit vs. H1 2011**
  - Equipment Sales margins improved vastly, as in H1 2011 we sold aged inventory at reduced prices
  - Bunker revenues declined significantly year-on-year, reducing profits



- **32% Growth in Revenues and 48% Growth in Net Profit vs. H1 2011**
  - Liquidated one fund managed by third party, realizing significant gains
  - Real Estate achieved higher revenues through higher occupancy rates

## Outlook for rest of 2012

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- Macro outlook for the pillar is dependent on the timing and speed of infrastructure development in Qatar and the expansion of the industrial exports base in Mesaieed.
  - Delayed project awards will drive increased volumes but perhaps not till 2013
- Port volumes showing upward trend + increased operational efficiency being targeted at Doha Port
- Cautiously optimistic outlook for Shipping Agencies activities, depending on volume recovery

## Outlook for rest of 2012

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- Expected to perform better in H2 2012 and beyond as one-time issues have been resolved
- Macro outlook is improving slightly quarter-to-quarter however not expected to reach 2007 levels for a while
- However, competition is increasing



- Supply-demand imbalances still acute and recovery will be relatively slow
- Tanker and product carrier rate trends are not encouraging in the short term
- LPG and Ammonia carrier rates are starting to balance