

# YTD Sep 2015 Financials Conference Call

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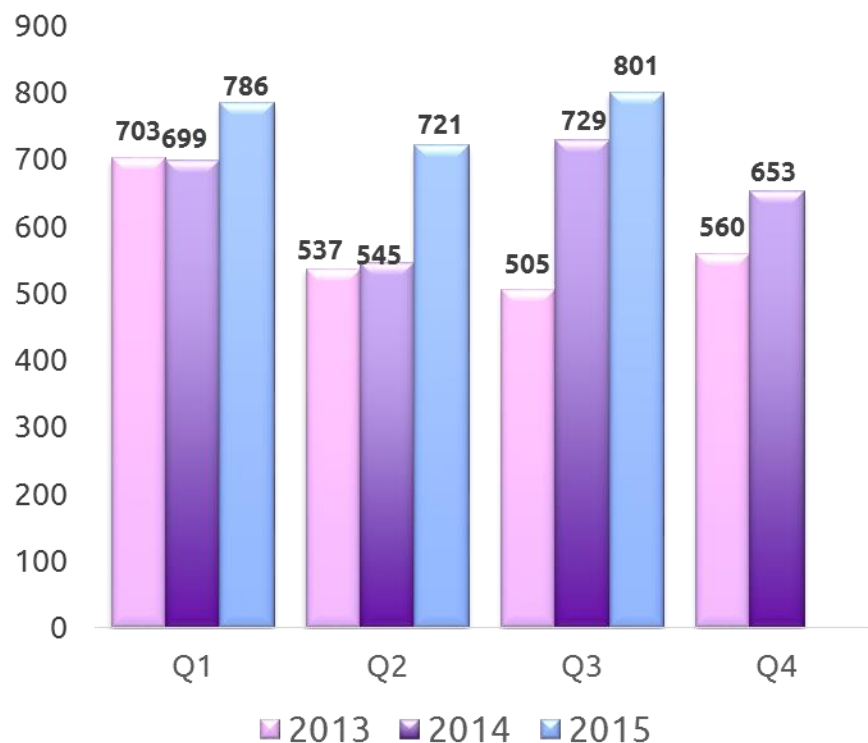
Nov 3rd, 2015

Doha, Qatar

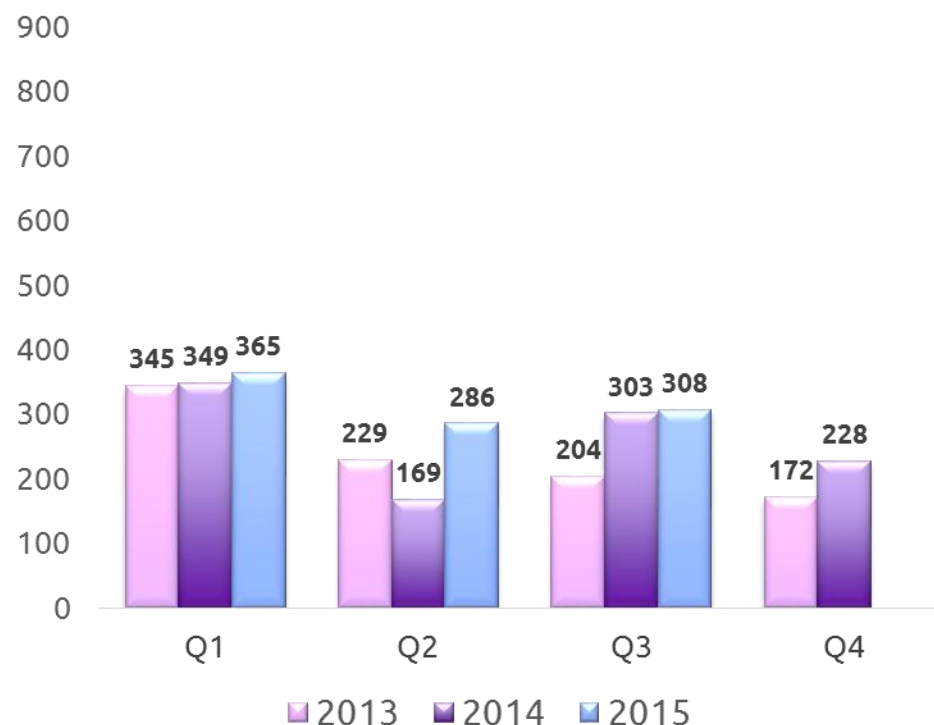
# Quarterly Financial Highlights

(All amounts in QR Millions)

## Revenue



## Net Profit

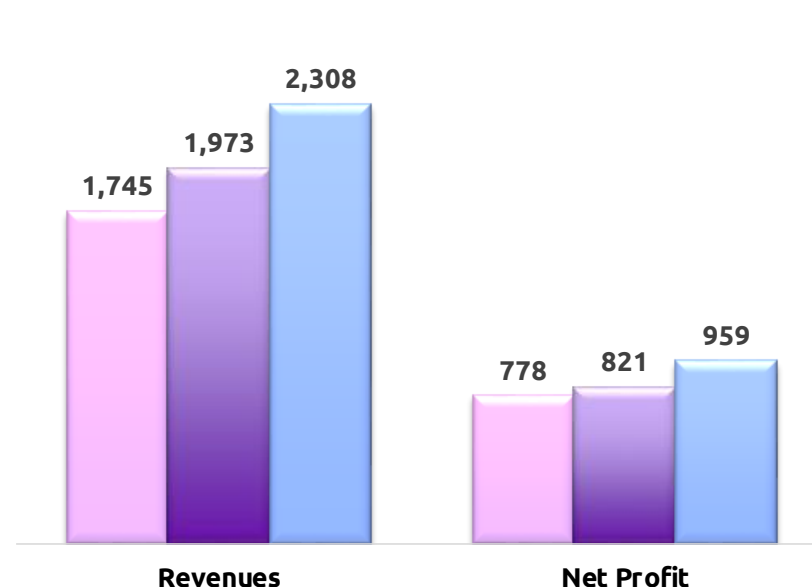


# Statement of Income, Consolidated – YTD Sep

(All amounts in QR Millions)

	2013	2014	2015
<b>OPERATING REVENUE</b>	<b>1,745</b>	<b>1,973</b>	<b>2,308</b>
Salaries, Wages and Benefits	(453)	(479)	(506)
Operating Supplies and Expenses	(435)	(622)	(727)
Rent Expenses	(42)	(45)	(13)
Depreciation and Amortisation	(169)	(193)	(224)
Other Operating Expenses	(76)	(93)	(139)
<b>OPERATING EXPENSES</b>	<b>(1,176)</b>	<b>(1,433)</b>	<b>(1,609)</b>
<b>OPERATING PROFIT</b>	<b>569</b>	<b>540</b>	<b>699</b>
Finance Costs	(37)	(27)	(71)
Finance Income	50	40	80
(Loss) gain on disposal of property, vessels and equipment	11	2	2
Share of Results of Associates	177	222	243
Share of Results of Joint Ventures	5	41	32
Loss on cash flow hedges recycled to income statement on deemed disposals of associates	0	0	(14)
Loss on deemed disposal of investment in associates	0	0	(10)
Net Gain on Foreign Exchange	0	2	1
Miscellaneous Income	0	3	9
<b>NON OPERATING PROFIT</b>	<b>206</b>	<b>283</b>	<b>270</b>
<b>PROFIT FOR THE PERIOD</b>	<b>776</b>	<b>823</b>	<b>969</b>
Non-controlling interest	2	(2)	(10)
<b>NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>778</b>	<b>821</b>	<b>959</b>

- Revenue Up **+17%**
- Operating Profit up **+29%**
- Net Profit Up **+17%**



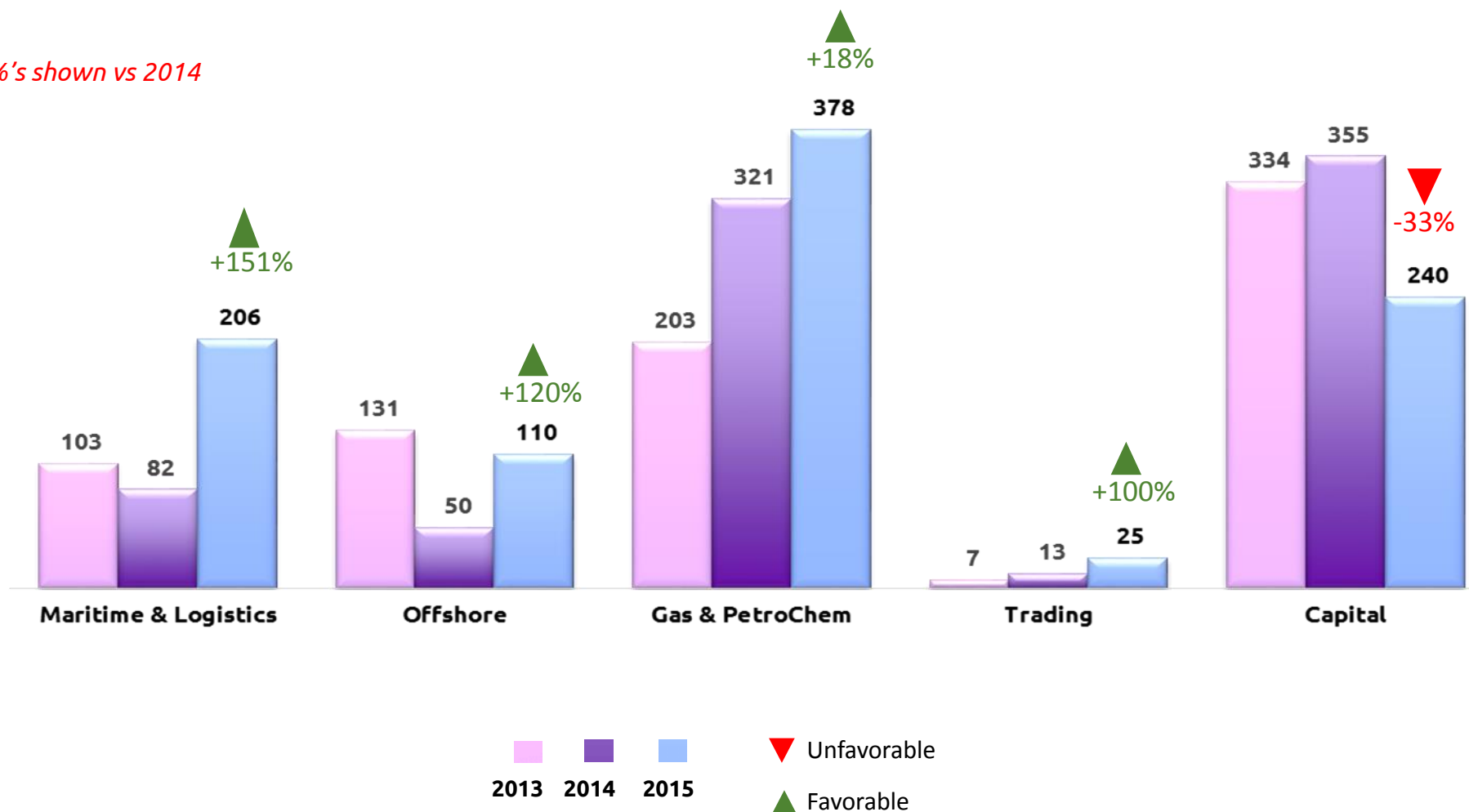
# Activities by Segment

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 Income, by Segment – YTD Sep

(All amounts in QR Millions)

%s shown vs 2014



# Statement of Income, by Segment – YTD Sep 2015

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
<b>Operating Revenue</b>	<b>878</b>	<b>529</b>	<b>294</b>	<b>330</b>	<b>437</b>	<b>-</b>	<b>(160)</b>	<b>2,308</b>
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)
Other Operating Expenses	(58)	(35)	(28)	(2)	(8)	(8)	(0)	(139)
Fleet & Technical Expense Allocation	(46)	-	46	-	-	-	-	-
Expense Allocation from Milaha Corporate	(50)	(23)	(19)	(13)	(13)	118	-	(0)
<b>OPERATING PROFIT</b>	<b>202</b>	<b>111</b>	<b>118</b>	<b>21</b>	<b>247</b>	<b>1</b>	<b>(0)</b>	<b>699</b>
Finance Costs	(6)	(9)	(20)	-	(2)	(33)	-	(71)
Finance Income	0	0	18	2	3	57	-	80
Treasury Interest Income	10	4	4	2	3	(24)	-	-
Gain on Disposal of Property, Vessels and Equipment	(3)	4	(0)	-	(0)	0	-	2
Share of Results of Joint Ventures	-	-	32	-	-	-	-	32
Share of Results of Associates	2	-	241	-	0	-	-	243
Net Gain on Foreign Exchange	0	0	1	0	(1)	0	-	1
Miscellaneous Income	0	-	9	-	0	0	-	9
Impairment of Available-for-Sale Investments	-	-	-	-	-	-	-	-
Gain on bargain purchase	-	-	(14)	-	-	-	-	(14)
Loss on deemed disposal of investment in associate	-	-	(10)	-	-	-	-	(10)
<b>PROFIT FOR THE PERIOD</b>	<b>206</b>	<b>110</b>	<b>378</b>	<b>25</b>	<b>250</b>	<b>0</b>	<b>(0)</b>	<b>969</b>
Non-controlling interest	-	-	-	-	(10)	-	-	(10)
<b>NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>206</b>	<b>110</b>	<b>378</b>	<b>25</b>	<b>240</b>	<b>0</b>	<b>(0)</b>	<b>959</b>

# Statement of Income, by Segment – YTD Sep 2014

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
<b>Operating Revenue</b>	<b>677</b>	<b>411</b>	<b>193</b>	<b>295</b>	<b>543</b>	<b>-</b>	<b>(146)</b>	<b>1,973</b>
Salaries, Wages and Benefits	(147)	(145)	(65)	(13)	(7)	(109)	6	(479)
Operating Supplies and Expenses	(275)	(85)	(36)	(249)	(94)	(4)	122	(622)
Rent Expenses	(5)	(6)	(2)	(2)	(38)	(8)	15	(45)
Depreciation and Amortisation	(45)	(70)	(50)	(1)	(24)	(4)	-	(193)
Other Operating Expenses	(20)	(29)	(23)	(2)	(8)	(13)	2	(93)
Fleet & Technical Expense Allocation	(43)	-	43	-	-	-	-	-
Expense Allocation from Milaha Corporate	(59)	(23)	(21)	(17)	(18)	139	-	0
<b>OPERATING PROFIT</b>	<b>83</b>	<b>53</b>	<b>39</b>	<b>11</b>	<b>353</b>	<b>0</b>	<b>0</b>	<b>540</b>
Finance Costs	(6)	(6)	(4)	-	(3)	(9)	-	(27)
Finance Income	-	0	18	0	3	18	-	40
Treasury Interest Income	4	2	2	1	1	(10)	-	0
Gain on Disposal of Property, Vessels and Equipment	1	0	-	-	2	-	-	2
Share of Results of Joint Ventures	-	-	41	-	-	-	-	41
Share of Results of Associates	0	-	221	-	1	-	-	222
Net Gain on Foreign Exchange	0	0	2	0	-	(0)	-	2
Miscellaneous Income	-	-	3	-	0	-	-	3
Impairment of Available-for-Sale Investments	-	-	-	-	-	-	-	-
Gain on bargain purchase	-	-	-	-	-	-	-	-
Loss on deemed disposal of investment in associate	-	-	-	-	-	-	-	-
<b>PROFIT FOR THE PERIOD</b>	<b>82</b>	<b>50</b>	<b>321</b>	<b>13</b>	<b>358</b>	<b>0</b>	<b>0</b>	<b>823</b>
Non-controlling interest	-	-	-	-	(2)	-	-	(2)
<b>NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>82</b>	<b>50</b>	<b>321</b>	<b>13</b>	<b>355</b>	<b>0</b>	<b>0</b>	<b>821</b>

# Segment Performance – YTD Sep

(All amounts in QR Millions)



## ➤ **+30% Revenue Growth and +151% Net Profit Growth vs 2014**

- **Revenue** increase of QR 202M driven by:
  - Reduced free waiting time at Doha Port (from 10 days to 3) that drove increased Revenues
  - 13% increase in TEU volume at Doha Port
  - 19% increased volumes in Container Shipping
  - Increases across the board in Logistics and Shipping Line Agencies units
  - Increase in Bulk Shipping Chartering-Out activities
- **Operating Expenses** increased by QR (83)M driven by:
  - QR (37)M Bulk vessel impairment
  - Volume-related expenses (manpower at Port, 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>634</b>	<b>677</b>	<b>878</b>
Salaries, Wages and Benefits	(135)	(147)	(151)
Operating Supplies and Expenses	(236)	(275)	(325)
Rent Expenses	(4)	(5)	(7)
Depreciation and Amortisation	(47)	(45)	(40)
Other Operating Expenses	(18)	(20)	(58)
Fleet & Technical Expense Allocation	(41)	(43)	(46)
Expense Allocation from Milaha Corporate	(54)	(59)	(50)
<b>OPERATING EXPENSES</b>	<b>(535)</b>	<b>(593)</b>	<b>(677)</b>
<b>OPERATING PROFIT</b>	<b>99</b>	<b>83</b>	<b>202</b>
<b>NON - OPERATING INCOME/EXPENSE</b>	<b>4</b>	<b>(1)</b>	<b>4</b>
<b>PROFIT FOR THE PERIOD</b>	<b>103</b>	<b>82</b>	<b>206</b>
<b>Operating Profit Margin %</b>	<b>16%</b>	<b>12%</b>	<b>23%</b>





# Segment Performance – YTD Sep

(All amounts in QR Millions)



## ➤ **+29% Revenue Growth and +120% Net Profit Growth vs 2014**

- **Revenue** increase of QR 118 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 in 2014
- **Operating Expenses** increase of QR (61)M mainly from:
  - New vessel-related costs – crewing, depreciation, maintenance expenses

	2013	2014	2015
<b>OPERATING REVENUE</b>	<b>449</b>	<b>411</b>	<b>529</b>
Salaries, Wages and Benefits	(142)	(145)	(174)
Operating Supplies and Expenses	(66)	(85)	(98)
Rent Expenses	(4)	(6)	(5)
Depreciation and Amortisation	(56)	(70)	(83)
Other Operating Expenses	(24)	(29)	(35)
Fleet & Technical Expense Allocation	-	-	-
Expense Allocation from Milaha Corporate	(22)	(23)	(23)
<b>OPERATING EXPENSES</b>	<b>(314)</b>	<b>(357)</b>	<b>(418)</b>
<b>OPERATING PROFIT</b>	<b>135</b>	<b>53</b>	<b>111</b>
<b>NON - OPERATING INCOME/EXPENSE</b>	<b>(4)</b>	<b>(3)</b>	<b>(0)</b>
<b>PROFIT FOR THE PERIOD</b>	<b>131</b>	<b>50</b>	<b>110</b>
<b>Operating Profit Margin %</b>	<b>30%</b>	<b>13%</b>	<b>21%</b>



# Segment Performance – YTD Sep

(All amounts in QR Millions)



## ➤ **+52% Revenue Growth and +18% Net Profit Growth vs 2014**

- **Revenue** increase of QR 101M driven by:
  - Full year effect of Harbor vessels that we took possession of during 2014
  - Increase in Product Tanker & Gas carrier rates
  - +QR 52M related to 2 LNG vessels we fully acquired (from 40% to 100%) in Q3 2015
- **Operating Expenses** up QR (21)M, with QR (23)M related to 2 LNG vessels we full acquired, slightly offset by lower vessel repairs, maintenance and operating expenses tied to harbor vessels/product tankers/gas carriers
- **Non-Operating Income** decrease of QR 23M ,mainly due to non-cash accounting-related charges related to the acquisition of the 2 LNG vessels

	2013	2014	2015
<b>OPERATING REVENUE</b>	<b>126</b>	<b>193</b>	<b>294</b>
Salaries, Wages and Benefits	(60)	(65)	(63)
Operating Supplies and Expenses	(27)	(36)	(38)
Rent Expenses	(1)	(2)	(3)
Depreciation and Amortisation	(40)	(50)	(71)
Other Operating Expenses	(14)	(23)	(28)
Fleet & Technical Expense Allocation	41	43	46
Expense Allocation from Milaha Corporate	(20)	(21)	(19)
<b>OPERATING EXPENSES</b>	<b>(121)</b>	<b>(155)</b>	<b>(176)</b>
<b>OPERATING PROFIT</b>	<b>6</b>	<b>39</b>	<b>118</b>
<b>NON - OPERATING INCOME/EXPENSE</b>	<b>197</b>	<b>282</b>	<b>259</b>
<b>PROFIT FOR THE PERIOD</b>	<b>203</b>	<b>321</b>	<b>378</b>
<b>Operating Profit Margin %</b>	<b>4%</b>	<b>20%</b>	<b>40%</b>



# Segment Performance – YTD Sep

(All amounts in QR Millions)



## ➤ **+12% Revenue Growth and +100% Net Profit Growth vs 2014**

- **Revenue** increase of QR 35M driven by:
  - Higher heavy equipment sales tied to infrastructure projects
  - Partially Offset by lower Bunker Revenue
- **Operating Expenses** increase of QR (25)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>206</b>	<b>295</b>	<b>330</b>
Salaries, Wages and Benefits	(11)	(13)	(14)
Operating Supplies and Expenses	(168)	(249)	(278)
Rent Expenses	(1)	(2)	(2)
Depreciation and Amortisation	(1)	(1)	(1)
Other Operating Expenses	(1)	(2)	(2)
Fleet & Technical Expense Allocation	-	-	-
Expense Allocation from Milaha Corporate	(16)	(17)	(13)
<b>OPERATING EXPENSES</b>	<b>(199)</b>	<b>(284)</b>	<b>(309)</b>
<b>OPERATING PROFIT</b>	<b>7</b>	<b>11</b>	<b>21</b>
<b>NON - OPERATING INCOME/EXPENSE</b>	<b>0</b>	<b>1</b>	<b>4</b>
<b>PROFIT FOR THE PERIOD</b>	<b>7</b>	<b>13</b>	<b>25</b>
<b>Operating Profit Margin %</b>	<b>3%</b>	<b>4%</b>	<b>6%</b>



# Segment Performance – YTD Sep

(All amounts in QR Millions)



## ➤ 20% Decline in Revenues and 33% Decline in Net Profit vs 2014

- **Revenue** decreased QR (106)M , driven by
  - +QR (154)M lower from Held-for-Trading portfolio returns impacted by equities market drop
  - +QR 12M in increased dividends
  - +QR 51M increase from our 50% stake in Qatar Quarries
  - (15)M in lost revenue from subleasing part of the old Milaha HQ during H1 2014
- **Operating Expenses** flat overall, driven by:
  - +QR 34M in lower rent expense after moving Milaha's HQ to owned location, Offset by
  - Increase of QR(33)M in Qatar Quarries additional Cost of Goods Sold

	2013	2014	2015
<b>OPERATING REVENUE</b>	<b>506</b>	<b>543</b>	<b>437</b>
Salaries, Wages and Benefits	(11)	(7)	(8)
Operating Supplies and Expenses	(87)	(94)	(130)
Rent Expenses	(37)	(38)	(4)
Depreciation and Amortisation	(24)	(24)	(27)
Other Operating Expenses	(10)	(8)	(8)
Fleet & Technical Expense Allocation	-	-	-
Expense Allocation from Milaha Corporate	(17)	(18)	(13)
<b>OPERATING EXPENSES</b>	<b>(186)</b>	<b>(190)</b>	<b>(190)</b>
<b>OPERATING PROFIT</b>	<b>319</b>	<b>353</b>	<b>247</b>
<b>NON - OPERATING INCOME/EXPENSE</b>	<b>13</b>	<b>4</b>	<b>4</b>
<b>PROFIT FOR THE PERIOD</b>	<b>332</b>	<b>358</b>	<b>250</b>
Non-controlling interest	2	(2)	(10)
<b>NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>334</b>	<b>355</b>	<b>240</b>
<b>Operating Profit Margin %</b>	<b>63%</b>	<b>65%</b>	<b>56%</b>



# Outlook

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- Macro: Expect trade volumes to remain strong with positive impact on revenues across most business units in the segment
- Ports: Expect that additional revenue realized thus far in 2015 from change in free yard storage tariff from 10 days to 3, will continue throughout the year and expect container volumes to remain strong, which will also have a positive impact on port revenues
  - Decision on Hamad Port concession expected any day
- Container Shipping: continued strong volumes expected, but with that comes increased competition.

# Outlook

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- Macro: Global offshore marine market downturn continues as E&P capex is slashed in response to lower oil prices; downward pressure on day rates and utilization likely
- At this stage, still expect a much stronger year overall relative to 2014 despite downturn
  - Full year revenues on DSV Shaddad to boost diving services unit
  - Deployment of new vessels received in 2014
- Management remains focused on maximizing utilization and improving efficiency
- Took delivery of 1 PSV in Q3; expect to take possession of 2 Liftboats in Q1 2016

# Outlook



- VLGCs: Have been put on long term charter in strong market; 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
- Fully-owned product tankers + 1 crude carrier: Earnings on average expected to remain strong through 2015 as rates remain above 2014 average levels across the fleet.
- Fully-owned gas / ammonia carriers: 1 vessel on time charter till 2018; 1 on charter till mid 2016
- Harbor marine vessels: 19-vessel QP harbor marine operations 20 year contract started, therefore full impact for 2015

# Outlook

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- Expect a strong year overall driven by sales of trucks and heavy equipment tied to infrastructure projects, but quarterly results could be patchy due to nature of sales cycles.
- Seeing signs of slowdown in project growth, that could impact 2016



# Outlook

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- Listed portfolio performance strongly correlated to Qatar Exchange performance and volatility
- Real estate to continue to realize savings to bottom line from moving HQ to owned facility vs leased (occurred early Q4 2014)