

FY 2016 Financial Summary Conference Call

Mar 2nd, 2017

Doha, Qatar

Interim Consolidated Income Statement – Full Year

(All amounts in QR Millions)

Operating Revenue

2014	2015	2016
2,633	2,984	2,551

Salaries, Wages and Other Benefits

(634)	(682)	(636)
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Operating Supplies and Expenses

(845)	(969)	(851)
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Rent Expenses

(61)	(18)	(16)
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Depreciation and Amortisation

(264)	(308)	(331)
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Other Operating Expenses

(136)	(151)	(163)
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Operating Expenses

(1,941)	(2,129)	(1,996)
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Operating Profit

692	855	555
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Finance Costs

(42)	(106)	(175)
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Finance Income

60	114	161
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Share of Results of Associates

281	300	296
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Share of Results of Joint Arrangements

61	57	19
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Impairment of Vessels and Contract Work in Progress

(36)	(97)	(161)
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All Other

36	(14)	8
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Non-Operating Income/(Expenses)

359	254	148
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Profit for the Year

1,051	1,109	704
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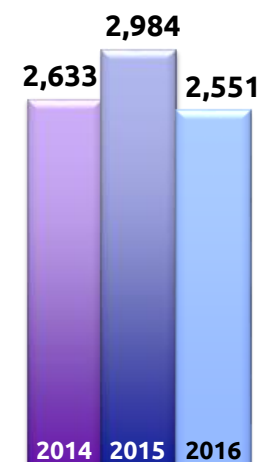
Non-controlling interest

(2)	(15)	8
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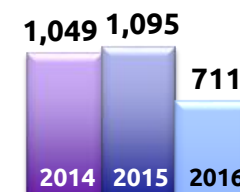
Net Profit Attributable To Equity Holders Of The Parent

1,049	1,095	711
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- Revenue Down (14)%
- Operating Profit Down (35)%
- Net Profit Down (35)%



Revenue

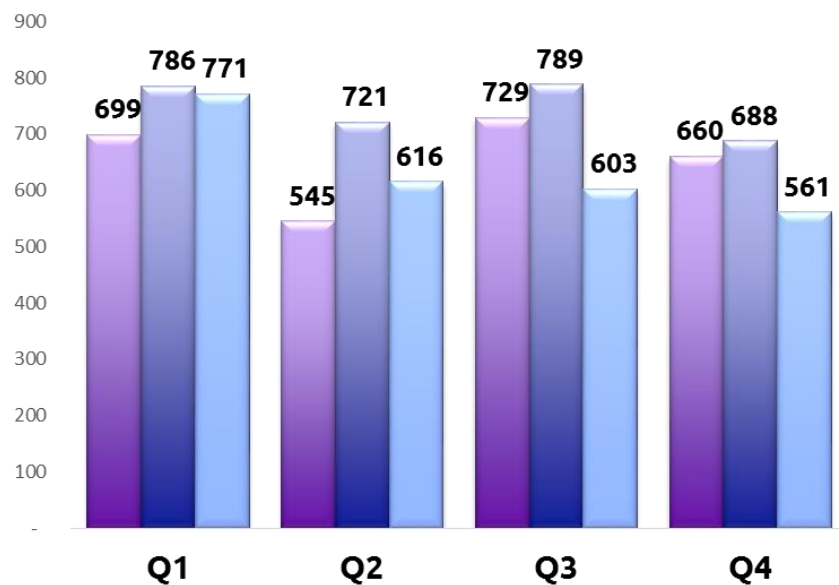


Net Income

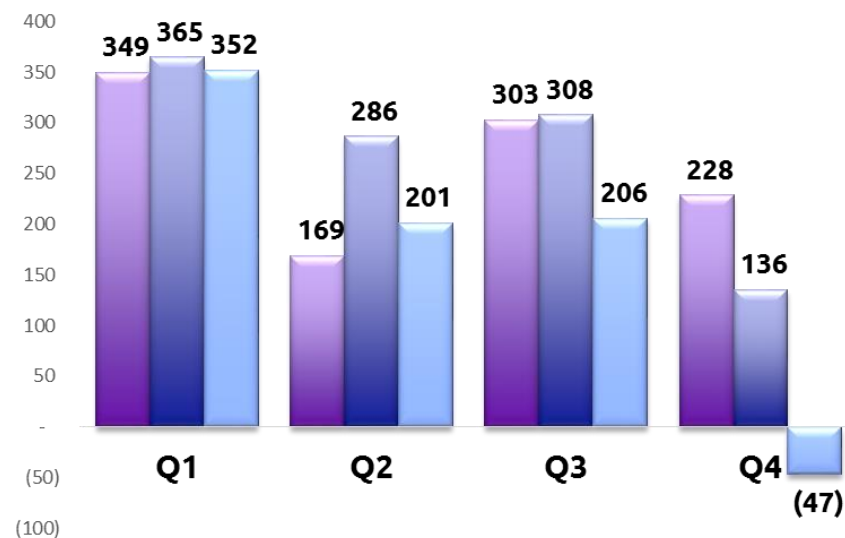
Quarterly Financial Highlights

(All amounts in QR Millions)

Revenue



Net Profit



■ 2014 ■ 2015 ■ 2016

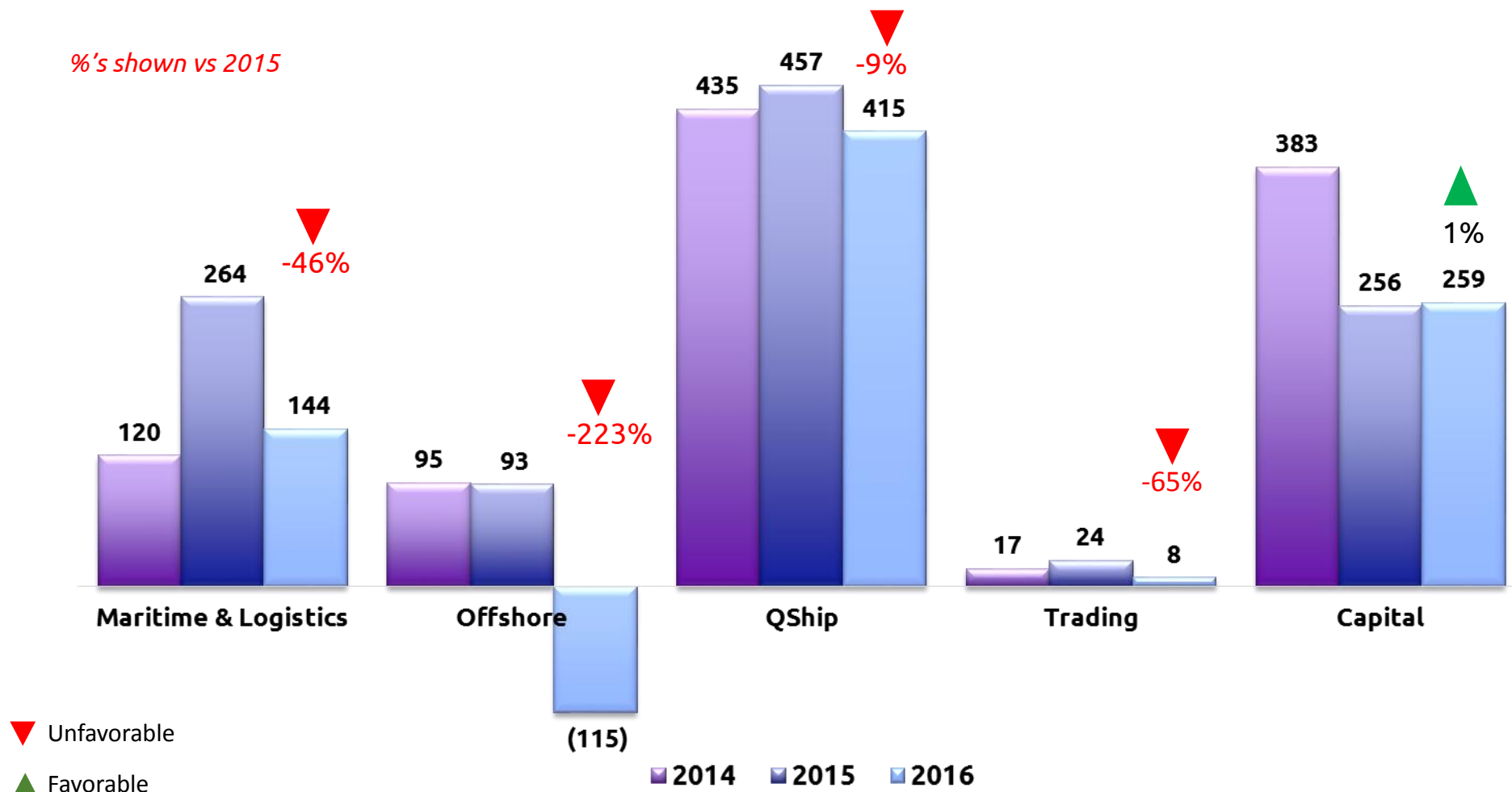
Activities by Segment

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 – Full Year

(All amounts in QR Millions)

%s shown vs 2015



Statement of Income, by Segment – FY 2016

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
Operating Revenue	1,004	573	456	312	409	-	(202)	2,551
Salaries, Wages and Benefits	(200)	(179)	(103)	(19)	(8)	(127)	0	(636)
Operating Supplies and Expenses	(444)	(114)	(74)	(263)	(132)	(8)	183	(851)
Rent Expenses	(8)	(7)	(4)	(2)	(4)	(10)	19	(16)
Depreciation and Amortisation	(42)	(115)	(132)	(1)	(36)	(4)	-	(331)
Other Operating Expenses	(34)	(55)	(34)	(6)	(11)	(22)	(0)	(163)
Fleet & Technical Expense Allocation	(53)	-	53	-	-	-	-	-
Expense Allocation from Milaha Corporate	(74)	(34)	(30)	(16)	(18)	171	-	-
OPERATING PROFIT	148	69	132	5	201	(0)	(0)	555
Finance Costs	(10)	(25)	(60)	-	(88)	-	8	(175)
Finance Income	0	0	28	4	137	-	(8)	161
Treasury Interest Income	-	-	-	-	-	-	-	-
(Loss) Gain on Disposal of Property, Vessels and Equipment	(3)	1	-	-	2	0	-	1
Share of Results of Joint Ventures	8	-	11	-	-	-	-	19
Share of Results of Associates	1	-	295	-	0	-	-	296
Net (Loss) Gain on Foreign Exchange	(1)	(0)	4	(0)	(1)	0	-	2
Amounts relating to step-up acquisition of associates	-	-	-	-	-	-	-	-
Impairment of Available-for-Sale Investments	-	-	-	-	(0)	-	-	(0)
Impairment of Vessels and Contract Work in Progress	-	(161)	-	-	-	-	-	(161)
Miscellaneous Income	-	-	5	-	0	-	-	6
PROFIT FOR THE YEAR	144	(115)	415	8	251	(0)	(0)	704
Non-controlling interest	-	-	-	-	8	-	-	8
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS	144	(115)	415	8	259	(0)	(0)	711

Statement of Income, by Segment – FY 2015

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
Operating Revenue	1,166	711	401	421	491	-	(206)	2,984
	-	-	-	-	-	-	-	-
Salaries, Wages and Benefits	(199)	(229)	(95)	(19)	(12)	(129)	1	(682)
Operating Supplies and Expenses	(431)	(138)	(54)	(357)	(171)	(6)	188	(969)
Rent Expenses	(10)	(7)	(4)	(2)	(6)	(8)	18	(18)
Depreciation and Amortisation	(51)	(110)	(106)	(1)	(36)	(4)	-	(308)
Other Operating Expenses	(36)	(50)	(38)	(4)	(11)	(12)	(0)	(151)
Fleet & Technical Expense Allocation	(62)	-	62	-	-	-	-	-
Expense Allocation from Milaha Corporate	(68)	(31)	(26)	(17)	(17)	158	-	(0)
OPERATING PROFIT	310	145	140	21	238	0	(0)	855
Finance Costs	(8)	(13)	(36)	-	(50)	-	-	(106)
Finance Income	0	0	25	3	87	(0)	-	114
Treasury Interest Income	-	-	-	-	-	-	-	-
(Loss) Gain on Disposal of Property, Vessels and Equipment	(2)	4	(0)	-	-	0	-	2
Share of Results of Joint Ventures	-	-	57	-	-	-	-	57
Share of Results of Associates	2	-	297	-	1	-	-	300
Net (Loss) Gain on Foreign Exchange	0	1	1	0	(1)	0	-	1
Amounts relating to step-up acquisition of associates	-	-	(27)	-	-	-	-	(27)
Impairment of Available-for-Sale Investments	-	-	-	-	(4)	-	-	(4)
Impairment of Vessels and Contract Work in Progress	(38)	(49)	(10)	-	-	-	-	(97)
Miscellaneous Income	0	5	10	-	0	-	-	15
PROFIT FOR THE YEAR	264	93	457	24	271	(0)	(0)	1,109
Non-controlling interest	-	-	-	-	(15)	-	-	(15)
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS	264	93	457	24	256	(0)	(0)	1,095

Segment Performance – Full Year

(All amounts in QR Millions)



- **14% Decline in Revenue and 46 % Decline in Net Profit vs 2015**
 - **Revenue** decreased by QR (162)M mainly driven by:
 - Port Services unit: lower storage, general cargo and RORO revenue, partially offset by higher container volumes revenue
 - **Operating Expenses** stable vs. 2015
 - **Non Operating Income/expense** increased by QR 41M driven by:
 - QR 38M Bulk Shipping impairment in 2015 not recurring in 2016

	2014	2015	2016
OPERATING REVENUE	925	1,166	1,004
Salaries, Wages and Benefits	(195)	(199)	(200)
Operating Supplies and Expenses	(370)	(431)	(444)
Rent Expenses	(7)	(10)	(8)
Depreciation and Amortisation	(59)	(51)	(42)
Other Operating Expenses	(32)	(36)	(34)
Fleet & Technical Expense Allocation	(58)	(62)	(53)
Expense Allocation from Milaha Corporate	(69)	(68)	(74)
OPERATING EXPENSES	(790)	(856)	(856)
OPERATING PROFIT	135	310	148
Impairments	(16)	(38)	-
All Other Non Operating Inc/Expense	1	(8)	(5)
NON - OPERATING INCOME/EXPENSE	(16)	(46)	(5)
PROFIT FOR THE PERIOD	120	264	144



Segment Performance – Full Year

(All amounts in QR Millions)



➤ **19% Decline in Revenue and 223% Decline in Net Profit vs 2015**

- **Revenue** decreased by QR (138)M driven by:
 - Lower utilization & rate pressure
- **Operating Expenses** decreased by QR 62M driven by:
 - Lower Salaries for crew & personnel, due to lower utilizations and negotiated salary reductions
- **Non Operating Income / Expenses** unfavorable by QR (132)M driven by:
 - QR (12)M Increased Vessel Financing costs
 - QR (112)M in impairments

	2014	2015	2016
OPERATING REVENUE	587	711	573
Salaries, Wages and Benefits	(199)	(229)	(179)
Operating Supplies and Expenses	(116)	(138)	(114)
Rent Expenses	(7)	(7)	(7)
Depreciation and Amortisation	(98)	(110)	(115)
Other Operating Expenses	(42)	(50)	(55)
Expense Allocation from Milaha Corporate	(29)	(31)	(34)
OPERATING EXPENSES	(491)	(566)	(504)
OPERATING PROFIT	96	145	69
Impairments	(20)	(49)	(161)
All Other Non Operating Inc/Expense	18	(3)	(23)
NON - OPERATING INCOME/EXPENSE	(2)	(52)	(184)
PROFIT FOR THE PERIOD	95	93	(115)

Segment Performance – Full Year

(All amounts in QR Millions)



➤ **+14% Revenue Growth and 9% Net Profit Decline vs 2015**

- **Revenue** increase of QR 54M driven by:
 - Additional revenue 89M from 2 LNG vessels fully acquired (from 40% to 100%) in Q3 2015
 - Additional revenue of +12M from higher utilization in Port Marine Operations
 - Lower revenue of (46)M from Tankers
- **Operating Expenses** up QR (62)M
 - Mainly attributable to fully acquired 2 LNG vessels
- **Non-Operating Income** decrease of QR (34)M
 - QR (17)M increased Finance costs related to 2 LNGs
 - QR (46)M in reduction of joint partnership income
 - +27M in acquisition costs from 2015 related to the 2 LNG's that did not recur in 2016
 - +10M in lower impairments

	2014	2015	2016
OPERATING REVENUE	275	401	456
Salaries, Wages and Benefits	(87)	(95)	(103)
Operating Supplies and Expenses	(50)	(54)	(74)
Rent Expenses	(3)	(4)	(4)
Depreciation and Amortisation	(70)	(106)	(132)
Other Operating Expenses	(36)	(38)	(34)
Fleet & Technical Expense Allocation	58	62	53
Expense Allocation from Milaha Corporate	(23)	(26)	(30)
OPERATING EXPENSES	(210)	(261)	(323)
OPERATING PROFIT	65	140	132
Impairments	-	(10)	-
All Other Non Operating Inc/Expense	370	327	283
NON - OPERATING INCOME/EXPENSE	370	317	283
PROFIT FOR THE PERIOD	435	457	415



Segment Performance – Full Year

(All amounts in QR Millions)



- **26% Decline in Revenue and 65% Decline in Net Profit vs 2015**
 - **Revenue** decrease of QR (109)M driven by:
 - Lower heavy equipment sales due to slowdown in project activity
 - **Operating Expenses** decrease of QR 93M driven by:
 - Lower heavy equipment cost of goods sold

	2014	2015	2016
OPERATING REVENUE	396	421	312
Salaries, Wages and Benefits	(17)	(19)	(19)
Operating Supplies and Expenses	(336)	(357)	(263)
Rent Expenses	(2)	(2)	(2)
Depreciation and Amortisation	(1)	(1)	(1)
Other Operating Expenses	(3)	(4)	(6)
Expense Allocation from Milaha Corporate	(22)	(17)	(16)
OPERATING EXPENSES	(382)	(400)	(307)
OPERATING PROFIT	14	21	5
NON - OPERATING INCOME/EXPENSE	3	3	4
PROFIT FOR THE PERIOD	17	24	8



Segment Performance – Full Year

(All amounts in QR Millions)



- **17% Decline in Revenue and +1% Increase in Net Profit vs 2015**
 - **Revenue** decreased QR (82)M, with:
 - QR (91)M in lower Qatar Quarries Revenue
 - QR (43)M in lower dividend income
 Partially Offset by
 - QR +52M from Held-for-Trading portfolio returns
 - **Operating Expenses** decrease of QR 45M, driven by:
 - Lower Qatar Quarries Cost of Goods Sold
 - **Non-Operating Income** increase of QR 17M, driven by:
 - Increase in the net of Finance Income/Expense

	2014	2015	2016
OPERATING REVENUE	631	491	409
Salaries, Wages and Benefits	(10)	(12)	(8)
Operating Supplies and Expenses	(127)	(171)	(132)
Rent Expenses	(51)	(6)	(4)
Depreciation and Amortisation	(31)	(36)	(36)
Other Operating Expenses	(12)	(11)	(11)
Expense Allocation from Milaha Corporate	(20)	(17)	(18)
OPERATING EXPENSES	(251)	(253)	(208)
OPERATING PROFIT	380	238	201
NON - OPERATING INCOME/EXPENSE	5	33	50
PROFIT FOR THE PERIOD	385	271	251
Non-controlling interest	(2)	(15)	8
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	383	256	259



Outlook



Business Update:

- Commenced full operations at Hamad Port Dec 1st, following award ceremony
 - Main terms of agreement will be forthcoming; final details still in progress

Macro:

- TEU volumes difficult to predict, but expected to increase versus 2016
- Container Feeder unit margins still under pressure, but have picked up market share

Outlook



Macro: Global offshore marine market remains depressed. Despite upward improvement in price of oil, offshore rates not expected to improve in short term.

- Focus remains on maximizing utilization and improving efficiency

Outlook



- VLGCs: charter rates remain depressed; 1 vessel came off long term charter end of 2016; 2 come off charter mid/end of 2017; 1 comes off charter 2018
- Jointly & Fully owned LNG carriers: limited fluctuation versus 2016 due to long term fixed nature of contracts
- Fully-owned product tankers + 1 crude carrier: all trading in spot market, and rates remain depressed
- Fully-owned gas / ammonia carriers: one vessel is on time charter ending mid 2018; we are working to put other vessel on new time charter. Rates are depressed, so not expecting same earnings as 2016.
- Harbor marine vessels: older vessels that found work in 2016 may not find work in 2017, but impact is not major

Outlook



- Expect an uptick in sales in 2017, as projects related to 2022 FIFA and major infrastructure works move ahead

Outlook



- Listed portfolio performance strongly correlated to Qatar Exchange performance and volatility
- Expect an uptick in Real Estate unit in H2 2017 as Al Thumama warehouses go-live