

FY 2018 Financial Summary Conference Call

February 28, 2018

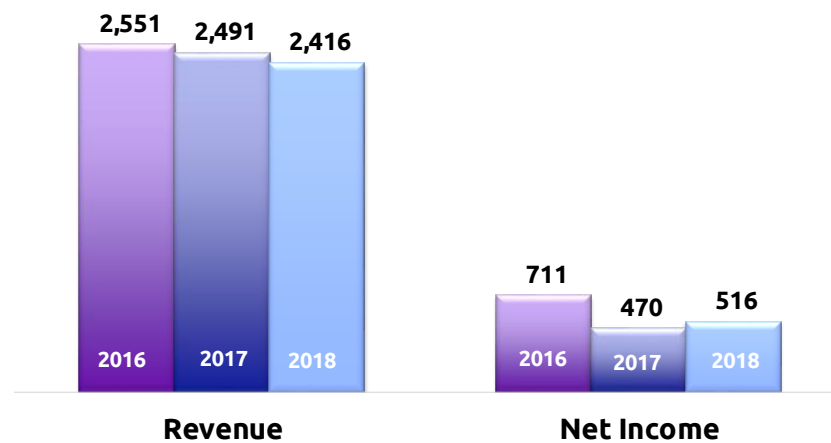
Doha, Qatar

Consolidated Income Statement – Full Year

(All amounts in QR Millions)

	2016	2017	2018
Operating Revenue	2,551	2,491	2,416
Salaries, Wages and Other Benefits	(636)	(576)	(563)
Operating Supplies and Expenses	(851)	(978)	(941)
Rent Expenses	(16)	(14)	(15)
Depreciation and Amortisation	(331)	(323)	(334)
Provision of Impairment of Trade Receivables	(5)	(7)	(7)
Other Operating Expenses	(157)	(145)	(159)
Operating Expenses	(1,996)	(2,043)	(2,019)
Operating Profit	555	448	397
Finance Costs	(175)	(195)	(148)
Finance Income	161	143	62
Net Gain on Disposal of Property, Vessels & Equipment	1	(7)	1
Share of Results of Associates	296	262	273
Share of Results of Joint Arrangements	19	126	165
Impairment of Available-for-Sale Investments	(0)	(21)	-
Net Gain on Foreign Exchange	2	(12)	0
Impairment of Vessels & Contract Work in Progress	(161)	(283)	(243)
Miscellaneous Income	6	23	4
Non-Operating Profit	148	36	115
Profit for the Period	704	484	512
Non-controlling interest	8	(14)	5
Net Profit Attributable To Equity Holders Of The Parent	711	470	516

- Revenue Down -3%
- Operating Profit Down -11%
- Net Profit Up 10%

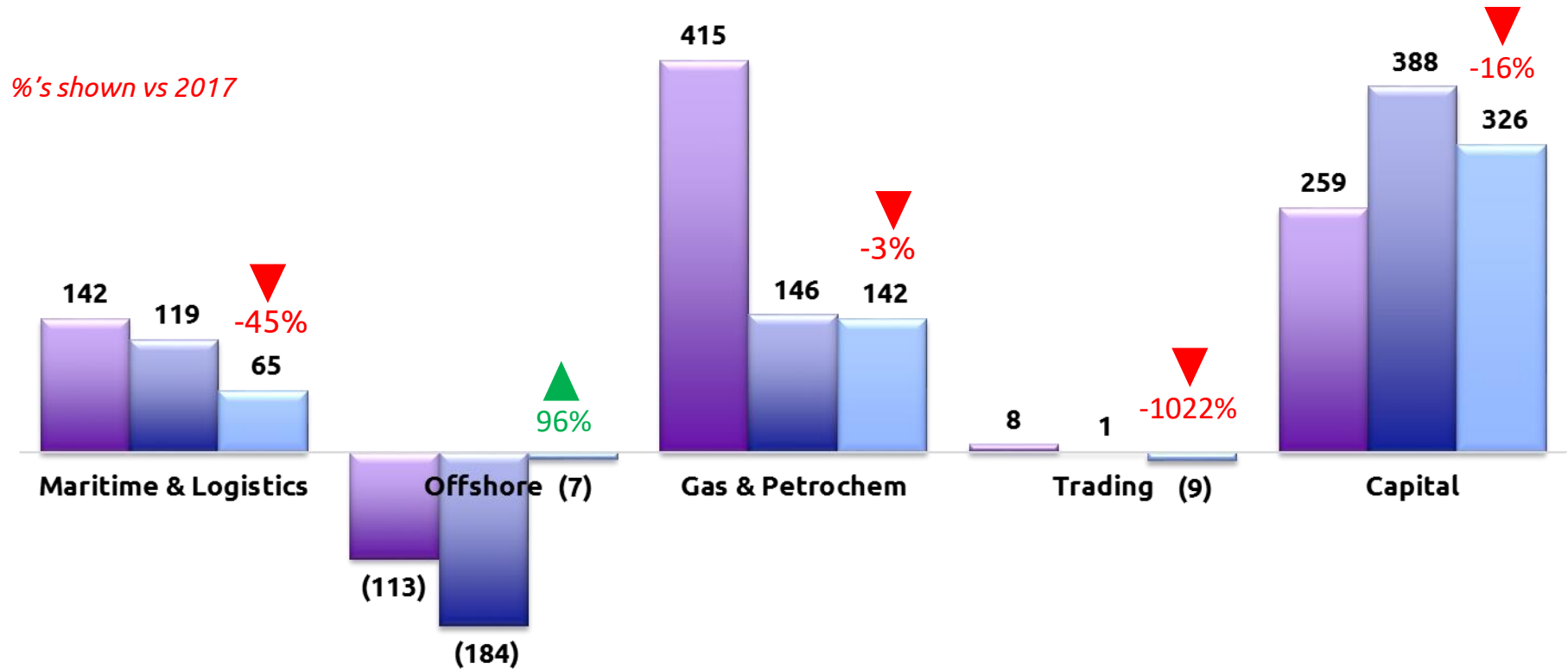


Activities by Segment

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 • Well 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)



▼ Unfavorable

▲ Favorable

■ 2016 ■ 2017 ■ 2018

Statement of Income, by Segment – FY 2018

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
Operating Revenue	904	572	389	297	517	-	(264)	2,416
Salaries, Wages & Benefits	(134)	(182)	(106)	(15)	(8)	(118)	-	(563)
Operating Supplies & Expenses	(568)	(135)	(63)	(266)	(115)	(8)	213	(941)
Rent	(42)	(7)	(1)	(2)	(4)	(9)	50	(15)
Depreciation & Amortization	(32)	(120)	(119)	(1)	(60)	(3)	-	(334)
Provision of Impairment of Trade Receivables	(3)	(3)	-	1	(2)	1	-	(7)
Other Operating Expenses	(39)	(48)	(27)	(11)	(12)	(23)	0	(159)
Fleet & Technical Expense Allocation	(41)	-	41	-	-	-	-	-
Expense Allocation from Milaha Corporate	(73)	(28)	(30)	(14)	(15)	160	-	-
Operating Profit	(26)	50	84	(11)	300	0	0	397
Finance Costs	(29)	(50)	(51)	-	(29)	-	11	(148)
Finance Income	0	10	14	1	48	0	(11)	62
Net Gain on Disposal of Property, Vessels & Equipment	2	(2)	1	0	(0)	(0)	-	1
Share of Results of Associates	2	-	271	-	1	-	-	273
Share of Results of Joint Arrangements	193	-	(28)	-	-	-	-	165
Impairment of Available-for-Sale Investments	-	-	-	-	-	-	-	-
Net Gain on Foreign Exchange	(1)	0	(0)	0	1	(0)	-	0
Impairment of Vessels and Contract Work in Progress	(75)	(15)	(153)	-	-	-	-	(243)
Miscellaneous Income	-	-	3	-	0	-	-	4
All Other Non-Operating Expenses	-	-	-	-	-	-	-	-
Profit for the Period	65	(7)	142	(9)	321	(0)	0	512
Non-controlling interest	-	-	-	-	5	-	-	5
Net Profit Attributable To Equity Holders Of The Parent	65	(7)	142	(9)	326	(0)	0	516

Statement of Income, by Segment – FY 2017

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
Operating Revenue	945	451	387	304	672	-	(269)	2,491
Salaries, Wages & Benefits	(140)	(161)	(101)	(18)	(9)	(147)	-	(576)
Operating Supplies & Expenses	(578)	(114)	(65)	(263)	(194)	(9)	245	(978)
Rent	(9)	(9)	(1)	(2)	(4)	(13)	23	(14)
Depreciation & Amortization	(30)	(113)	(135)	(1)	(40)	(4)	-	(323)
Provision of Impairment of Trade Receivables	(4)	(3)	-	(1)	0	-	-	(7)
Other Operating Expenses	(33)	(46)	(33)	(4)	(9)	(21)	1	(145)
Fleet & Technical Expense Allocation	(43)	-	43	-	-	-	-	-
Expense Allocation from Milaha Corporate	(88)	(38)	(35)	(18)	(17)	196	-	-
Operating Profit	20	(32)	60	(2)	400	3	(0)	448
Finance Costs	(19)	(41)	(51)	-	(90)	-	7	(195)
Finance Income	1	9	16	3	121	-	(7)	143
Net Gain on Disposal of Property, Vessels & Equipment	(3)	(3)	-	(0)	0	0	-	(7)
Share of Results of Associates	2	-	260	-	0	-	-	262
Share of Results of Joint Arrangements	151	-	(25)	-	-	-	-	126
Impairment of Available-for-Sale Investments	-	-	-	-	(21)	-	-	(21)
Net Gain on Foreign Exchange	(0)	(3)	(1)	0	(9)	(0)	-	(12)
Impairment of Vessels and Contract Work in Progress	(33)	(113)	(135)	-	-	(3)	-	(283)
Miscellaneous Income	0	-	23	-	0	-	-	23
All Other Non-Operating Expenses	-	-	-	-	-	-	-	-
Profit for the Period	119	(184)	146	1	402	(0)	(0)	484
Non-controlling interest	-	-	-	-	(14)	-	-	(14)
Net Profit Attributable To Equity Holders Of The Parent	119	(184)	146	1	388	(0)	(0)	470

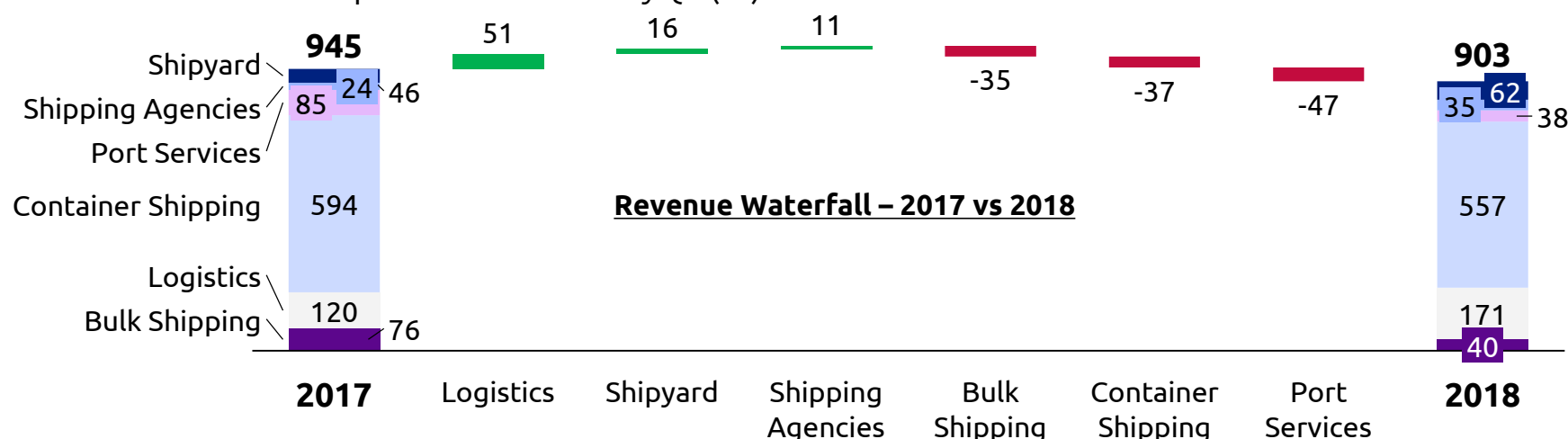
Segment Performance – Full Year

(All amounts in QR Millions)

4% Decline in Revenue and 45% decline in Net Profit

- **Revenue drop driven by Port Ops, Container & Bulk Shipping units**
 - Port (excluding QTerminals) down due to one-off work in 2017
 - Reduction in volumes (-13%) and rates in Container Feederling
 - Drop in Bulk Shipping voyages and chartering activities
 - Logistics increase driven by freight forwarding unit & warehousing
- **Operating Expenses are up QR (5)M**
 - Rent expense increase tied to opening of Logistics' warehouses, partially offset by reductions in Bulk Shipping chartering expenses
- **Non-Operating Income is down QR (8)M**
 - Milaha's QTerminals share increased by QR 42M, and related financing expense increased by QR (9)M vs 2017
 - Container vessel impairments increased by QR (43)M

	2016	2017	2018
Operating Revenue	1,004	945	904
Salaries, Wages and Other Benefits	(200)	(140)	(134)
Operating Supplies and Expenses	(444)	(578)	(568)
Rent Expenses	(8)	(9)	(42)
Depreciation and Amortisation	(42)	(30)	(32)
Provision of Impairment of Trade Receivables	(5)	(4)	(3)
Other Operating Expenses	(31)	(33)	(39)
Fleet & Technical Expense Allocation	(53)	(43)	(41)
Expense Allocation from Milaha Corporate	(74)	(88)	(73)
Operating Expenses	(857)	(925)	(930)
Operating Profit	147	20	(26)
Non-Operating Income/(Expense)	(5)	99	91
Profit for the Period	142	119	65



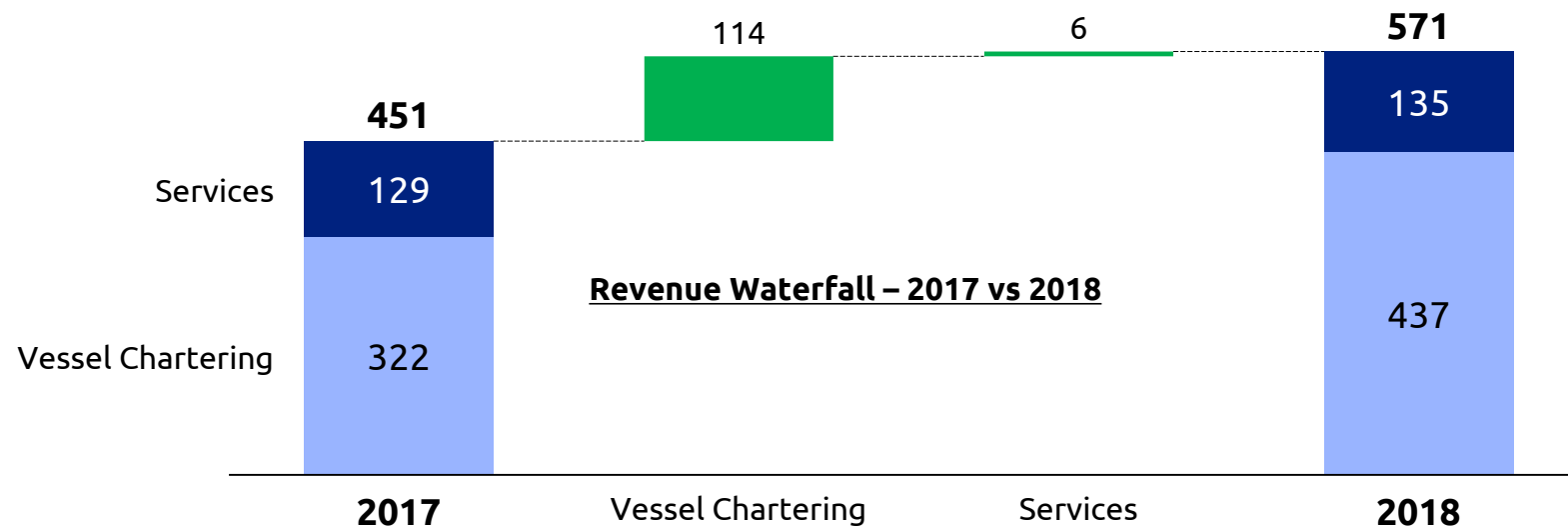
Segment Performance – Full Year

(All amounts in QR Millions)

27% Increase in Revenue and 96% Increase in bottom line

- **Revenue increase mainly from Vessel Chartering**
 - Average utilization increased from 63% in 2017 to 78% in 2018
 - Liftboat operational in Africa mid 2018, whereas idle in 2017
 - New vessel additions added to top-line growth
- **Operating Expenses increased by (39)M**
 - Additional crewing expenses, depreciation, and other operating expenses tied to increases in Revenue
- **Non-Operating Expenses decreased by QR 95M**
 - QR 98M in lower vessel impairments recorded in 2018 vs 2017

	2016	2017	2018
Operating Revenue	573	451	572
Salaries, Wages and Other Benefits	(178)	(161)	(182)
Operating Supplies and Expenses	(114)	(114)	(135)
Rent Expenses	(6)	(9)	(7)
Depreciation and Amortisation	(115)	(113)	(120)
Provision of Impairment of Trade Receivables	(0)	(3)	(3)
Other Operating Expenses	(54)	(46)	(48)
Expense Allocation from Milaha Corporate	(34)	(38)	(28)
Operating Expenses	(502)	(483)	(522)
Operating Profit	71	(32)	50
Non-Operating Income/(Expense)	(184)	(152)	(57)
Profit for the Period	(113)	(184)	(7)



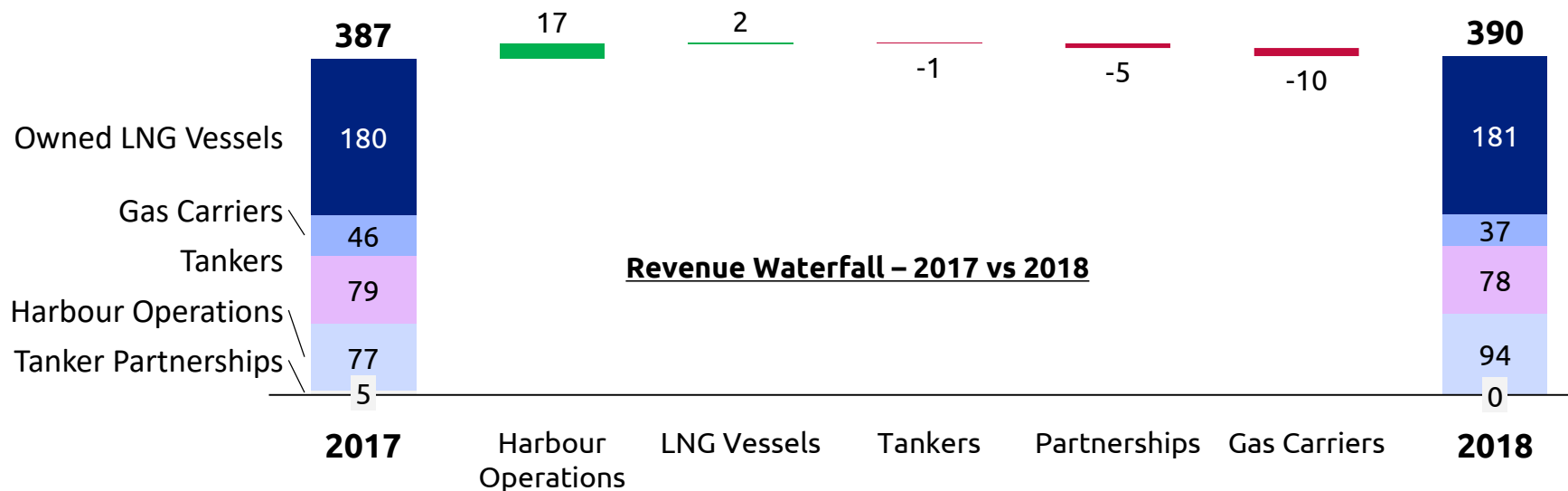
Segment Performance – Full Year

(All amounts in QR Millions)

1% Increase in Revenue and 3% Decline in Net Profit

- **Depreciation & Amortization down QR 16M due to impact of past impairments**
- **Non-Operating Income down QR (28)M**
 - QR (18)M in higher vessel impairments
 - QR (19)M related to Harbour Operations one-time Penalty Income recorded in Q1 2017
 - QR 14M in higher Nakilat income

	2016	2017	2018
Operating Revenue	456	387	389
Salaries, Wages and Other Benefits	(103)	(101)	(106)
Operating Supplies and Expenses	(74)	(65)	(63)
Rent Expenses	(4)	(1)	(1)
Depreciation and Amortisation	(132)	(135)	(119)
Provision of Impairment of Trade Receivables	-	-	-
Other Operating Expenses	(34)	(33)	(27)
Fleet & Technical Expense Allocation	53	43	41
Expense Allocation from Milaha Corporate	(30)	(35)	(30)
Operating Expenses	(323)	(327)	(306)
Operating Profit	132	60	84
Non-Operating Income/(Expense)	283	86	58
Profit for the Period	415	146	142



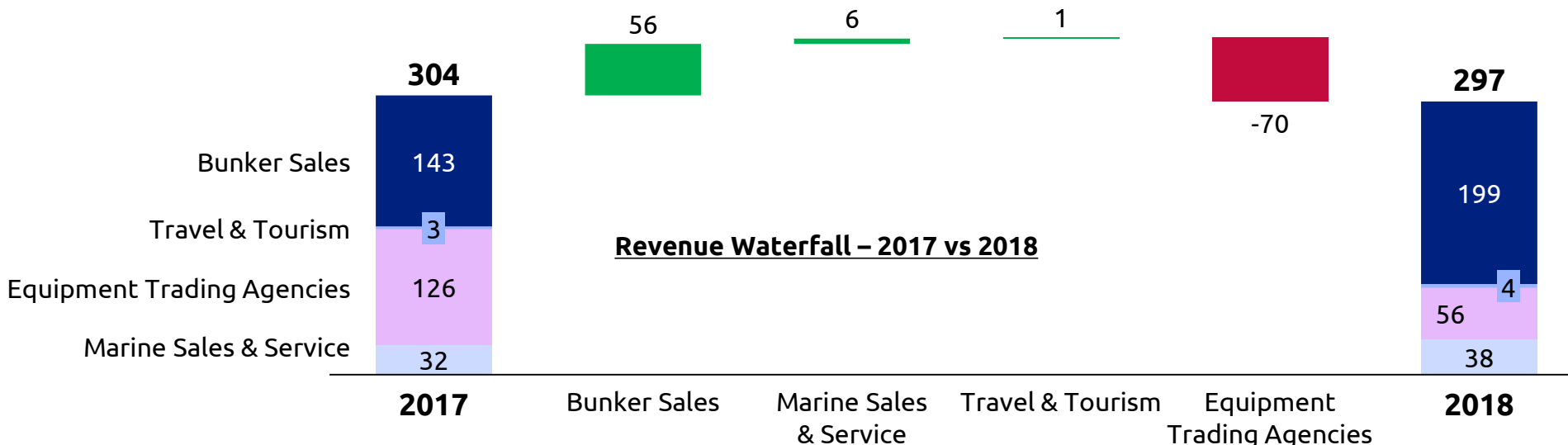
Segment Performance – Full Year

(All amounts in QR Millions)

2% Decline in Revenue and QR 10M Decline in Net Profit

- Large drop in sales of heavy equipment partially offset by increase in bunker sales
- Increase in revenue had a knock-on effect increase in associated Cost-of-Goods-Sold shown in the Operating Supplies & Expenses line

	2016	2017	2018
Operating Revenue	312	304	297
Salaries, Wages and Other Benefits	(19)	(18)	(15)
Operating Supplies and Expenses	(263)	(263)	(266)
Rent Expenses	(2)	(2)	(2)
Depreciation and Amortisation	(1)	(1)	(1)
Provision of Impairment of Trade Receivables	(1)	(1)	1
Other Operating Expenses	(5)	(4)	(11)
Expense Allocation from Milaha Corporate	(16)	(18)	(14)
Operating Expenses	(307)	(306)	(308)
Operating Profit	5	(2)	(11)
Non-Operating Income/(Expense)	4	3	1
Profit for the Period	8	1	(9)



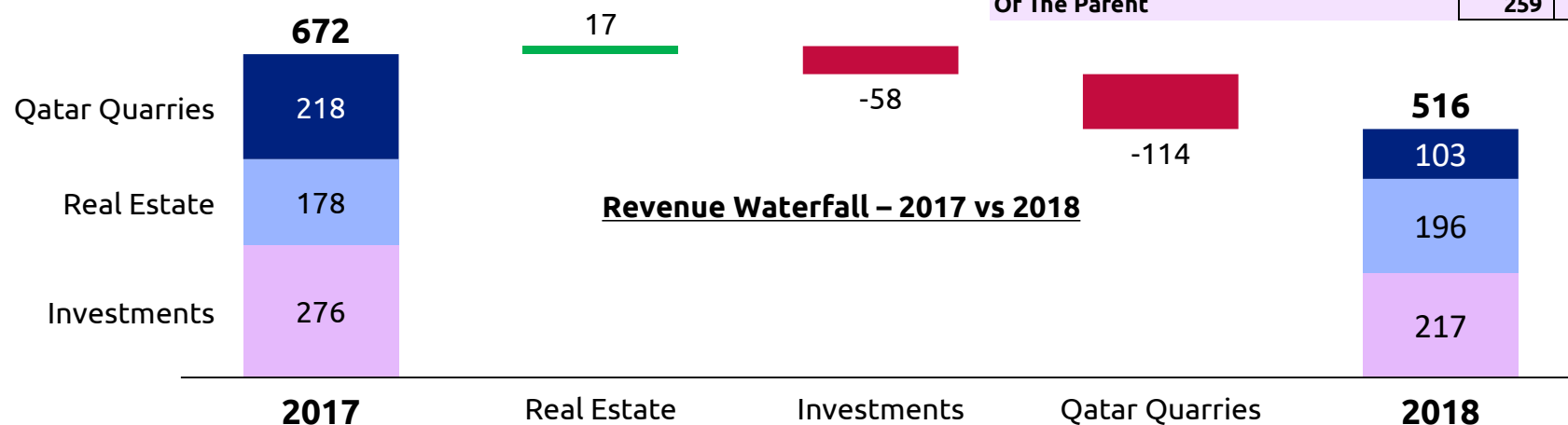
Segment Performance – Full Year

(All amounts in QR Millions)

23% Decline in Revenue and 16% Decline in Net Profit

- **QR (155)M decrease in Revenue broken out as follows:**
 - QR (114)M decrease in sales from Qatar Quarries associate
 - Investments down QR (58)M broken as follows:
 - QR (97)M decrease in Investment Income
 - QR 38M increase in Dividend Income
 - QR 17M increase in Real Estate income
- **Operating Expenses down QR 56M**
 - Lower Cost-of-Goods-Sold associated with Qatar Quarries offsetting higher depreciation on new Logistics' warehouses
- **Non-Operating Income up QR 20M, mainly attributable to QR (21)M impairment on Available-for-Sale Investments booked in 2017**

	2016	2017	2018
Operating Revenue	409	672	517
Salaries, Wages and Other Benefits	(8)	(9)	(8)
Operating Supplies and Expenses	(132)	(194)	(115)
Rent Expenses	(4)	(4)	(4)
Depreciation and Amortisation	(36)	(40)	(60)
Provision of Impairment of Trade Receivables	-	0	(2)
Other Operating Expenses	(11)	(9)	(12)
Expense Allocation from Milaha Corporate	(18)	(17)	(15)
Operating Expenses	(208)	(272)	(216)
Operating Profit	201	400	300
Non-Operating Income/(Expense)	50	1	21
Profit for the Period	251	402	321
Non-controlling interest	8	(14)	5
Net Profit Attributable To Equity Holders Of The Parent	259	388	326



Outlook



Macro:

- Expect little to no volume volatility at Hamad port, keeping QTerminals income steady
- Expect container feeder margins to remain under pressure as geographic network footprint expands; realized benefits will lag costs incurred
- Ramp-up of utilization in Milaha Logistics City warehouses will continue to contribute positively to the logistics unit

Outlook



Macro: offshore market stabilization appears to be gaining traction, but remains on edge due to continued oil price volatility

- We expect to see year-over-year revenue growth as a result of:
 - Full year impact from Liftboat which is employed in W Africa (began end of June 2018)
 - Commencement of new projects that began in H2 2018

Outlook



- VLGCs: charter rates remain depressed at multi-year lows; outlook is negative
- Jointly & Fully owned LNG carriers: fairly stable earnings due to long term fixed nature of contracts
- Fully-owned product tankers + 1 crude carrier: all trading on spot and exposed to market volatility; current outlook is positive vs 2018, but difficult to predict
- Fully-owned gas / ammonia carriers: one vessel on time charter, one is on spot.
- Harbor marine vessels: expect stable revenue throughout the year
- Results from Associates: expect growth from additional 6% stake in Nakilat

Outlook



- Expect another challenging year for this segment with limited growth potential

Outlook



- Held for Trading investment portfolio income to come down due to liquidation of holdings (used to acquire additional 6% stake in Nakilat)
- Given diverse nature of Real Estate holdings, expect limited volatility
 - Villa compound in Ein Khaled on track to open Q3 2019