

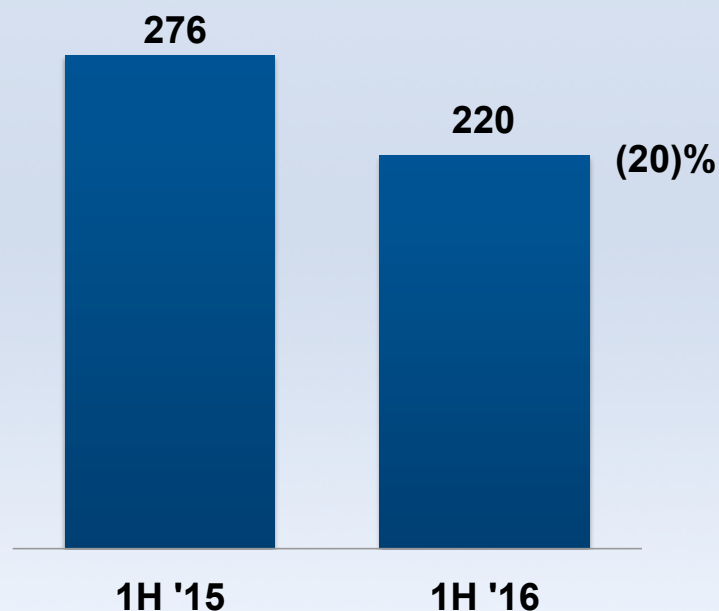
Mannai Corporation QSC

1H'16 Financial Summary

1H'16 Profits Impacted by Damas Softness & Slowdown in Qatar

QAR m

Net Profit



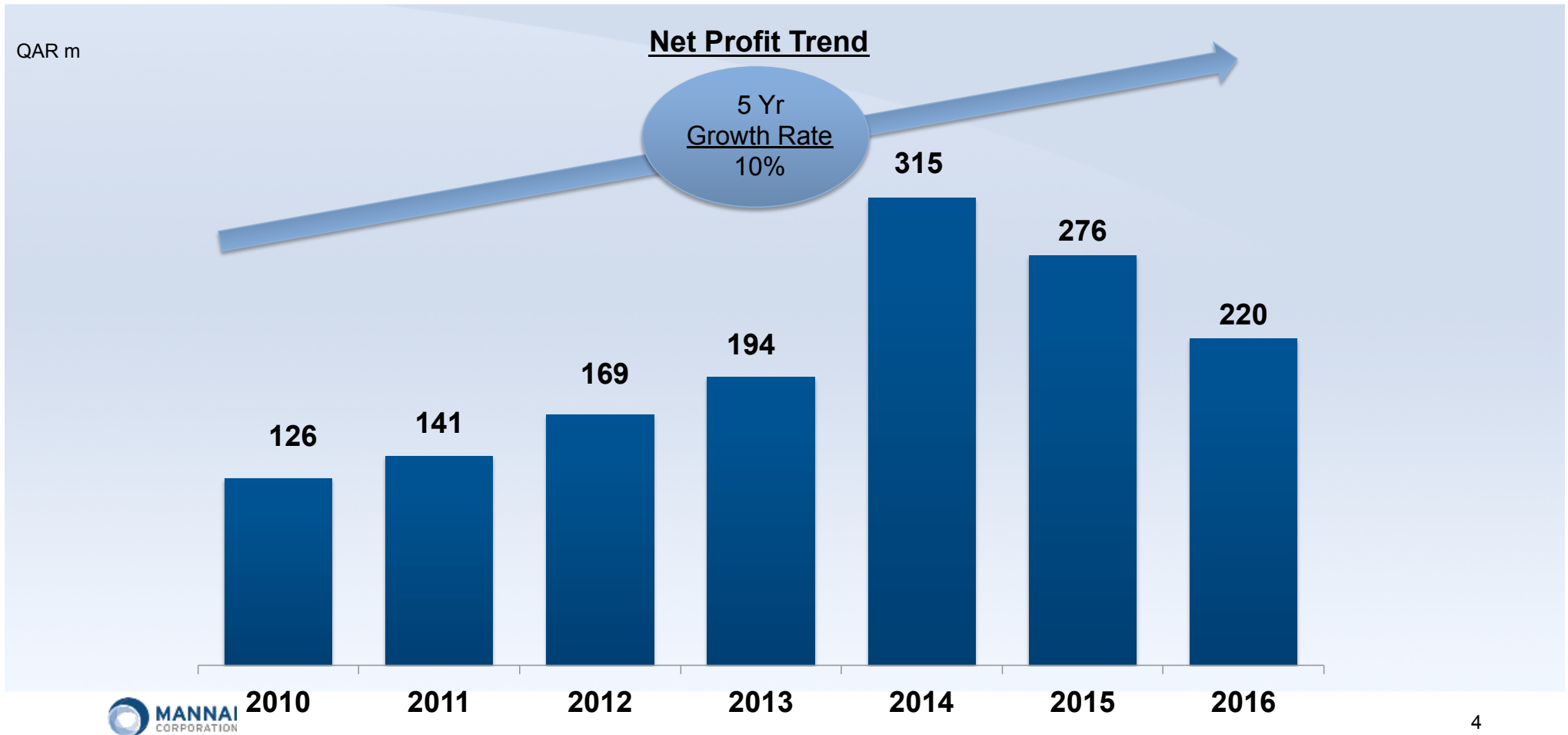
- First Half Profits Down 20% to 220m
- Down 26% excluding Gfi Informatique acquisition which closed during Q2'16; contributed 15m net profit
- Damas net profit down 39m or 35% driven by 21% reduction in sales across first half
- Qatar down 17% as growth in Auto and ICT offset by headwinds in Qatar economy driven by lower oil price and cancellation and suspension of infrastructure projects

Financial Highlights

QAR m

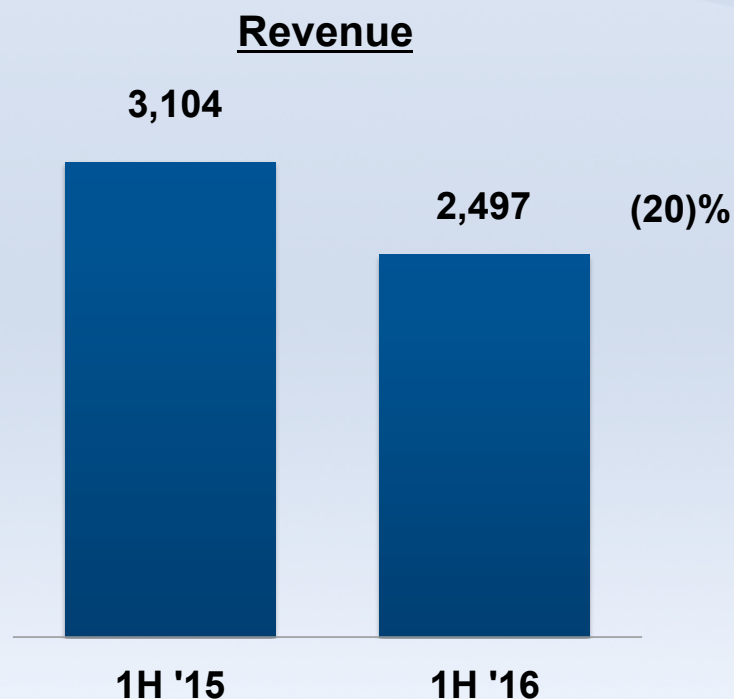
	1H 2015	1H 2016		
Net Profit	276m	220m	(20)%	▼
Revenues	3,104m	2,497m	(20)%	▼
Gross Profit %	22.6%	24.3%	1.7 pts	▲
Net Profit %	8.9%	8.8%	(0.1) pts	▼
Capital Employed	5,076m	6,585m	30%	▲
Earnings Per Share	6.06	4.81	(20)%	▼
Return on Equity	26%	19%	(7) pts	▼

Net Profits Normalising to Healthy Double Digit Growth Rates Following 2014-2015 Surge Mainly Driven by One-Offs



Top-Line Erosion Across All Business Due to Economic Conditions

QAR m

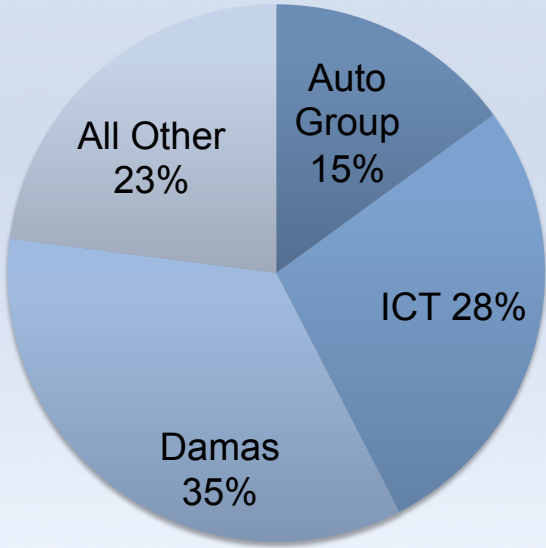


- Damas sales down 21% driven by weak gold sales due to increasing prices
- Heavy Equipment Group down 28% as new infrastructure projects slow
- Energy and Industrial Markets down 24% compared to strong prior year driven by mega-reservoir deliveries
- ICT best performer with revenues down 11%

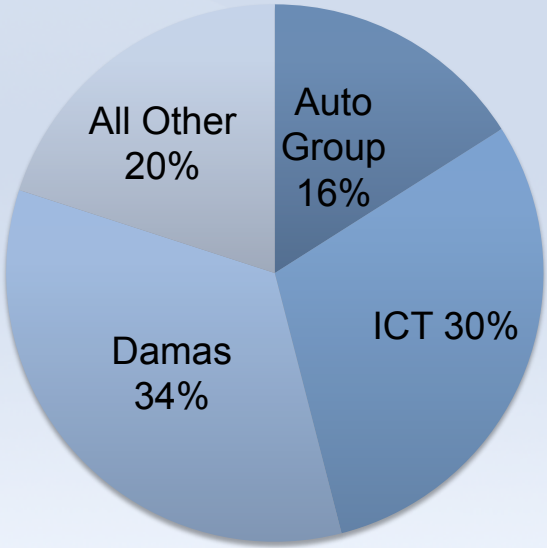
Small Shift Towards ICT Driven by Performance Relative to Others

Revenue Mix

1H '15



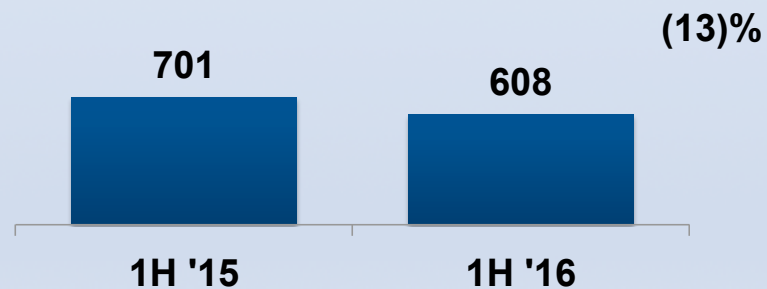
1H '16



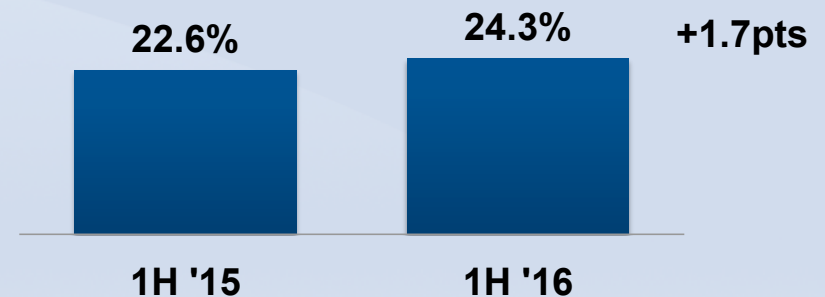
Margin Improvement Helping to Offset Revenue Pressures

QAR m

Gross Profit



Gross Margin %



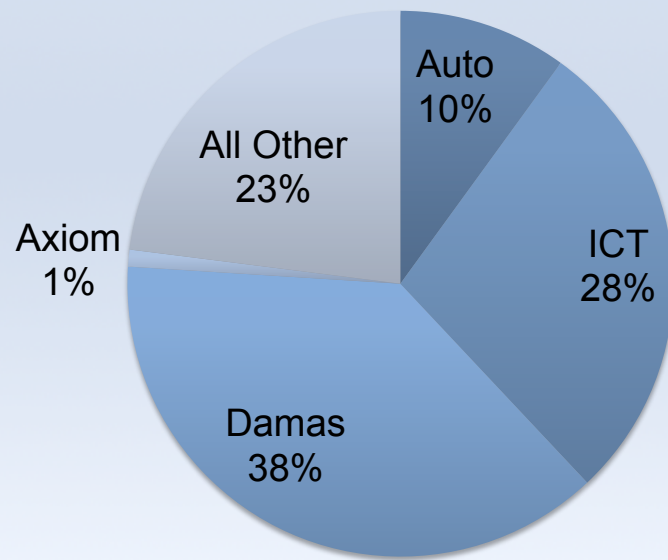
- Auto Group margin improvement driven by mix shift to higher margin after-sales
- Improving margins on ICT drives gross profit growth despite lower sales
- Damas margins improve to 31%
- All Other margins up despite pressure on top-line

	<u>2016 %</u>	<u>V pts</u>
Auto	20.2%	2.4 pts
ICT	18.4%	2.7 pts
Damas	30.9%	0.9 pts
All Other	25.3%	2.5 pts

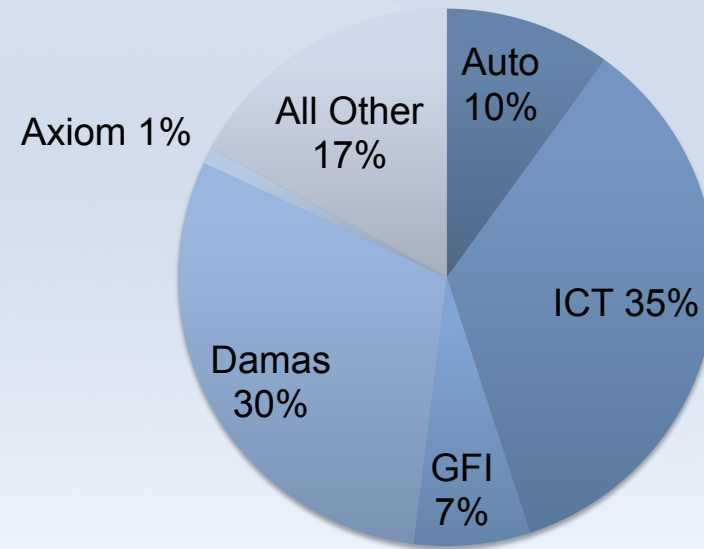
Net Profit Mix Shift to ICT & Gfi Acquisition

Net Profit Mix

1H '15

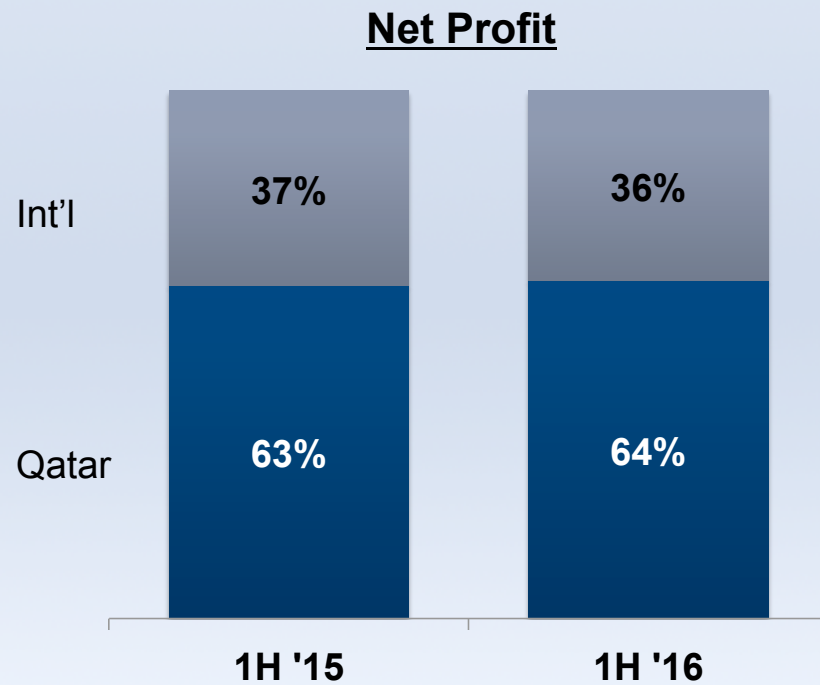


1H '16



Profit before corporate expenses

International Profit Shares Steady Due to Gfi Acquisition

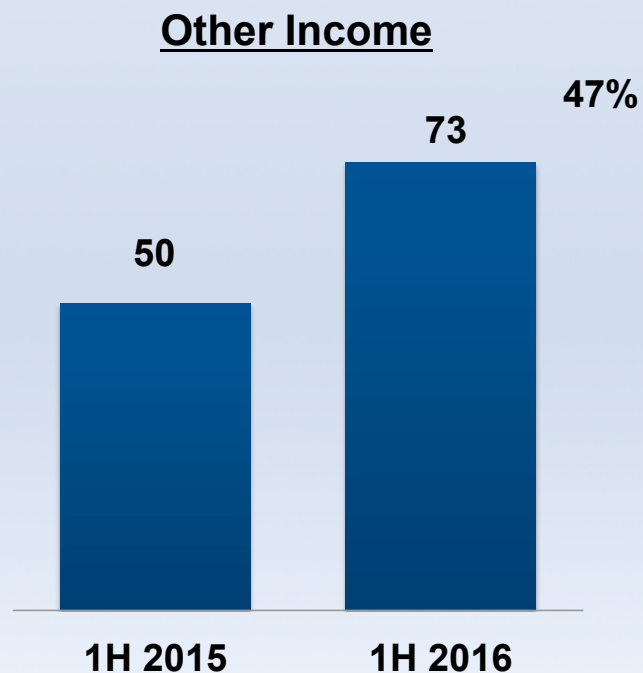


- Gfi Informatique acquisition offsets Softness in Damas

Profit before corporate expenses

Other Income Increases Driven by Property Gain

QAR m



- Other Income increase driven by gain on sale of property in Damas for 34.5m
- Settlement of remaining receivables continues, flat with 1H'16 at 26m

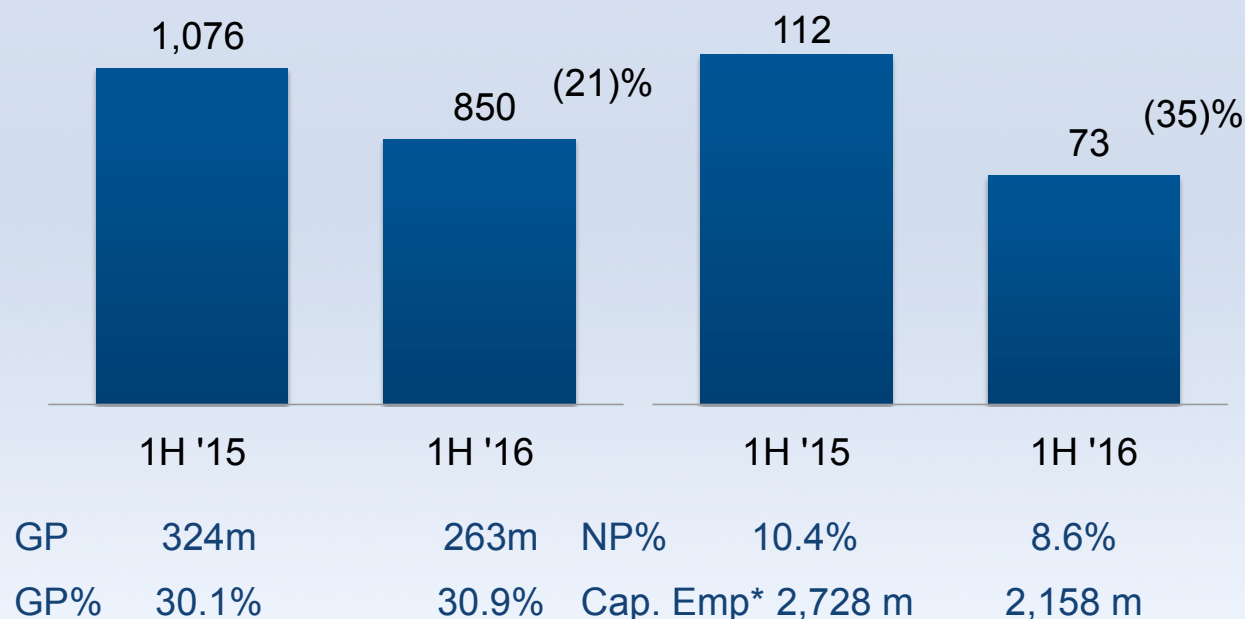
Damas Jewellery

damas

QAR m

Revenue

Net Profit



- Revenues down as a result of pressure on UAE luxury retail due to lower Russian & Chinese tourists, exchange rate pressure & increasing Gold Price
- Deterioration slowing as 2Q'16 Revenues down 11%, compared to 1Q'16, down 29%
- Gross Profit margins improved to 31% as mix shift to higher margin non-gold sales
- Gain on sale of property of 31m booked in 2Q'16
- Normalised profits down 85% after adjusting for all significant items; actions underway to reduce costs to improve net returns

*after adjusting for parent level goodwill and Debt Liabilities held in UAE

Information & Communication Technology Group

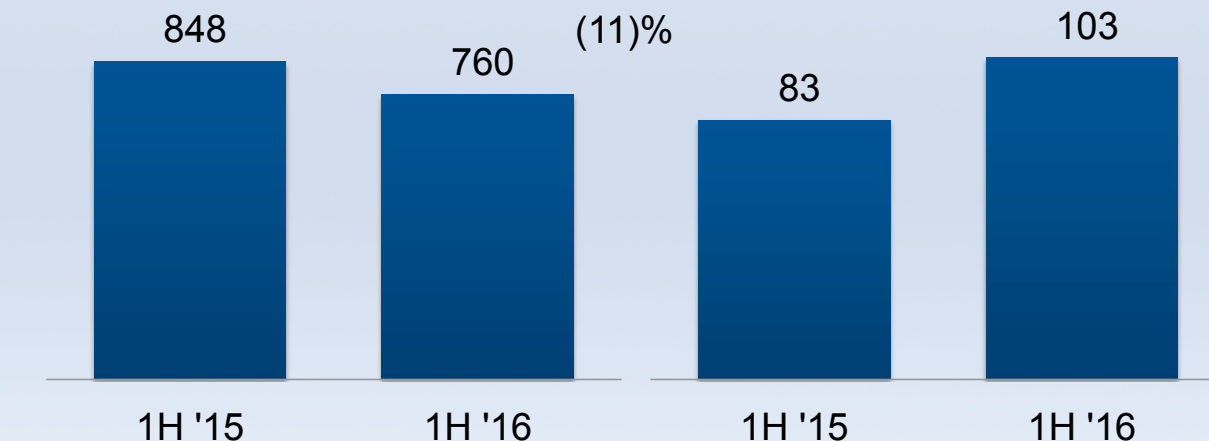


QAR m

Revenue

Net Profit

24%



GP	132m	140m	NP%	9.7%	13.5%
GP%	16.0%	18.4%	Cap. Emp.	446 m	1,718m

- Revenues down 11% as a result of reducing order book following 2015 peak in orders.
- Backlog still healthy at 1.1B with YTD Orders up 15% vs. 1H'15
- Margin improvement driven by run-off of order book; tendency to deliver improved margin towards end of projects
- 15m contribution in ICT Segment from acquisition of Gfi Informatique in France during 2Q'16; Net Profit up 6% excluding acquisition
- Increase in capital employed as a result of acquisition in Gfi Informatique of 1,267m

Gfi Informatique (France)

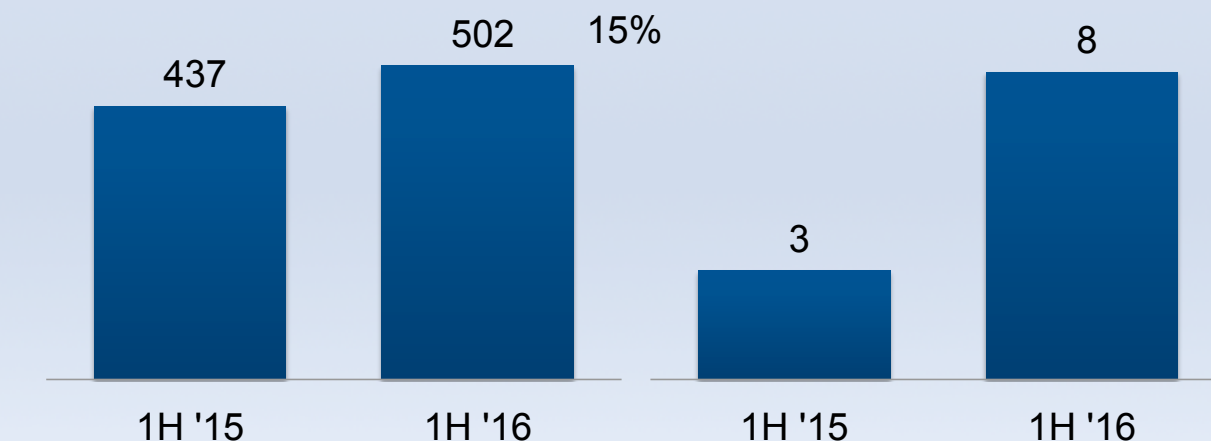


(Euro €m)

Revenue

Net Profit

183%



OM	20.8m	23.9m	NP%	0.6%	1.6%
OM%	4.8%	4.8%	Cap. Emp.	344m	299m

- Acquired 51.24% stake during Q2'16
- Revenue growth of 15% driven by organic growth of 12%; 2Q'16 increased by 19%
- Initiated presence in Eastern Europe with takeover of IMPAQ
- Grew profitability with a very significant increase in net profit of 183%
- Will continue to pursue its strategic plan to become a leader in IT services and solutions in the EMEA

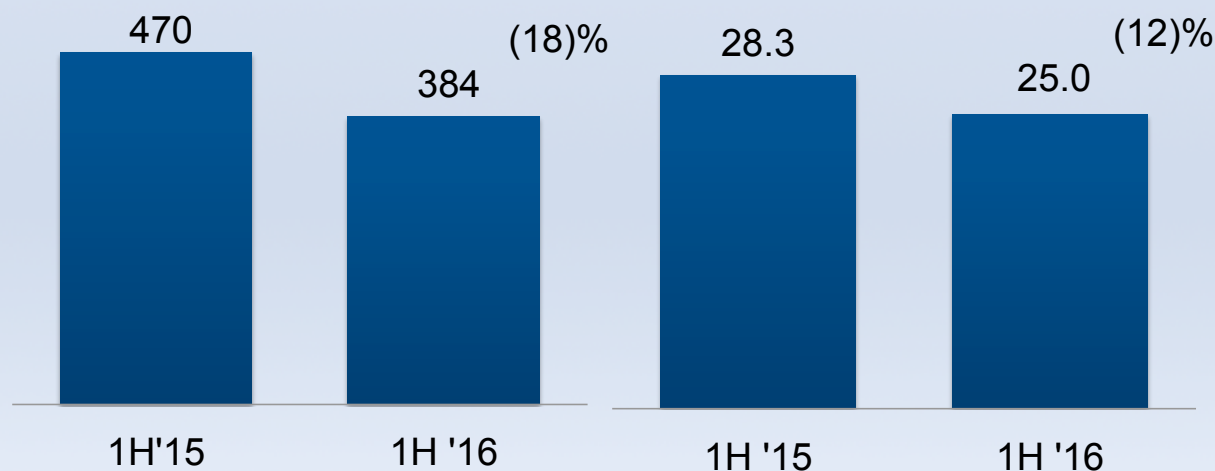
Auto Division



QAR m

Revenue

Net Profit



- Reduction in sales compared to 1H'15 which was driven by launch of new Escalade and Yukon in 4Q'14.
- Shift in revenue to higher margin after-sales driving up GP% to offset top-line pressure
- Further reduction in overheads to limit net profit reduction to 3m

GP	83m	78m	NP%	6.0%	6.5%
GP%	17.7%	20.2%	Cap. Emp.	324m	342m

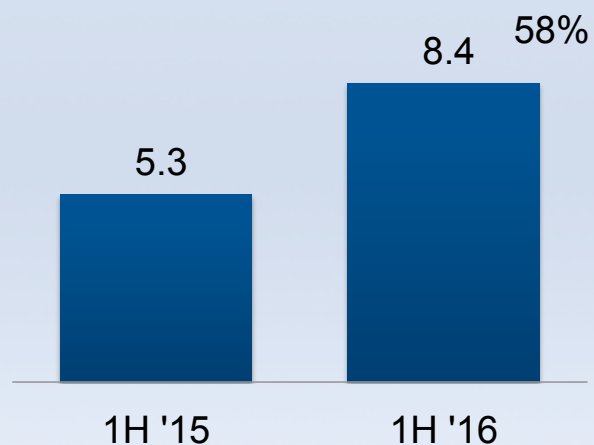
2014 results restated for movement of HED-related parts and accessories product lines to Heavy Equipment Division

Axiom Telecom

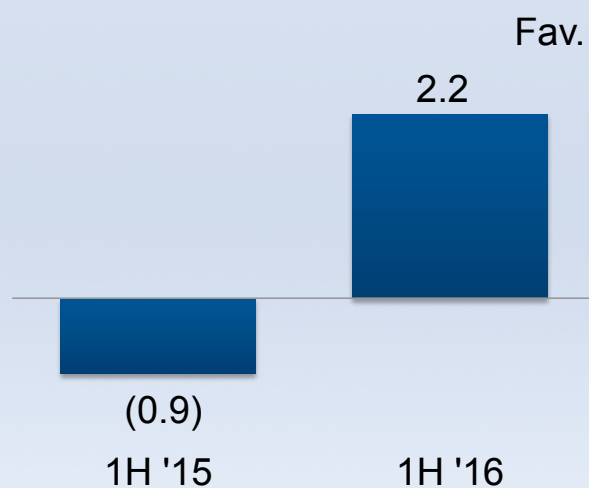


QAR m

Share of Associate Net Profit*



Net Profit Contribution



- Improved contribution in first half as management continue to re-align business to existing market conditions
- Close to partial sale of South African associate

Cap. Emp. 1,101

1,109

*35% of Axiom net profits

Heavy Equipment Division

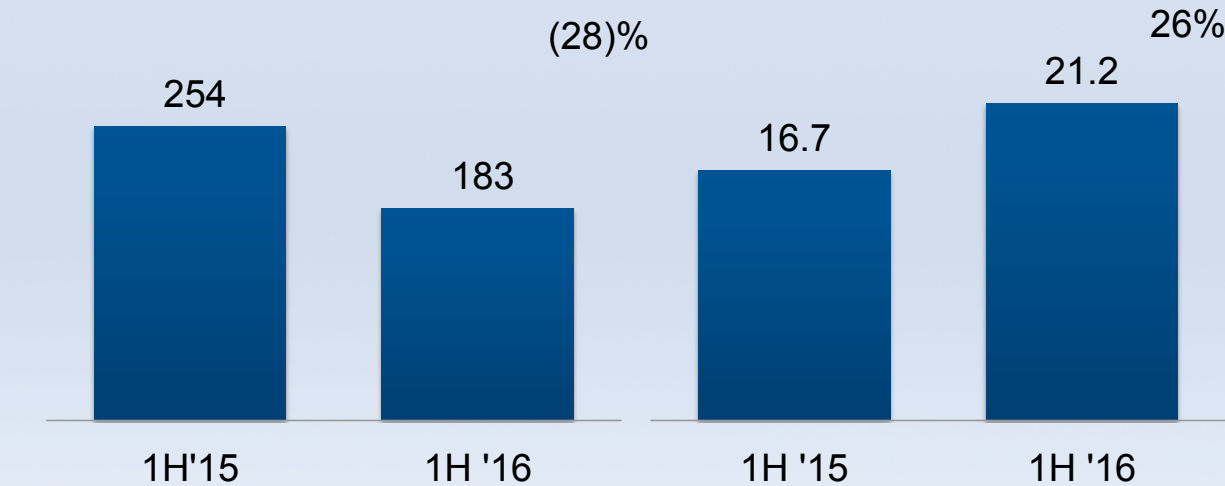
GROVE



QAR m

Revenue

Net Profit



- Revenue fall of 28% as market normalises following a 2014/2015 ramp up as a result of major infrastructure project requirements
- Margins and returns improving due to mix-shift from lower margin new unit sales to higher margin after-sales and services

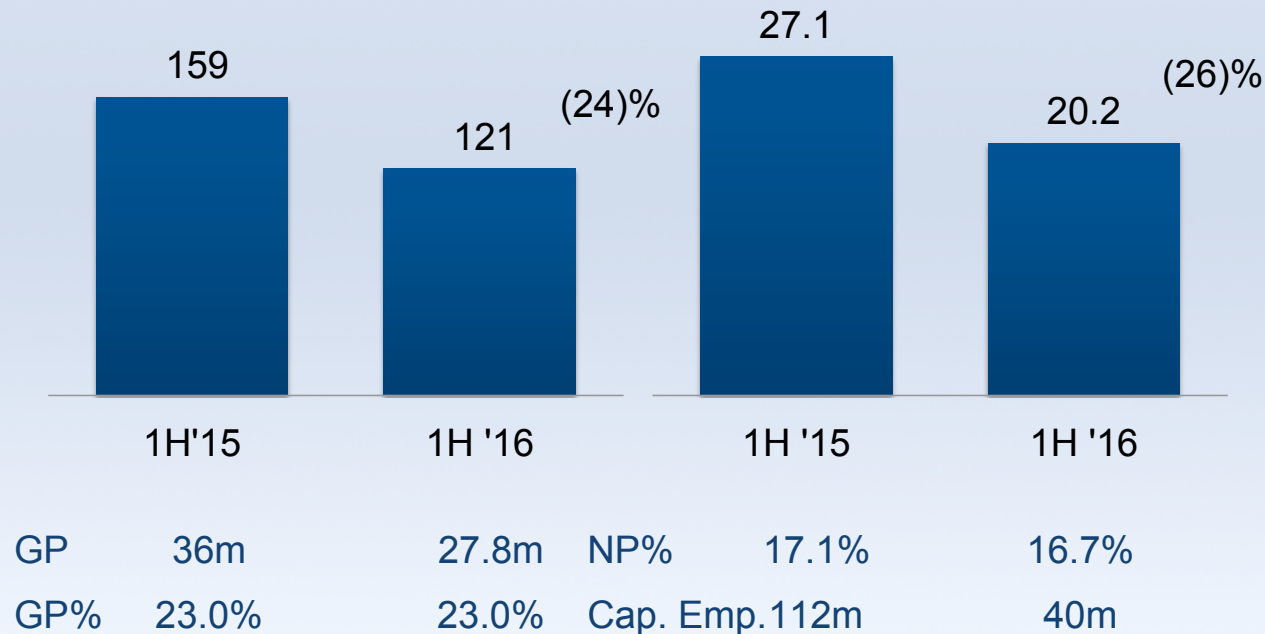
GP	35m	37m	NP%	6.6%	11.6%
GP%	13.7%	20.4%	Cap. Emp.	162m	209m

Energy and Industrial Markets

QAR m

Revenue

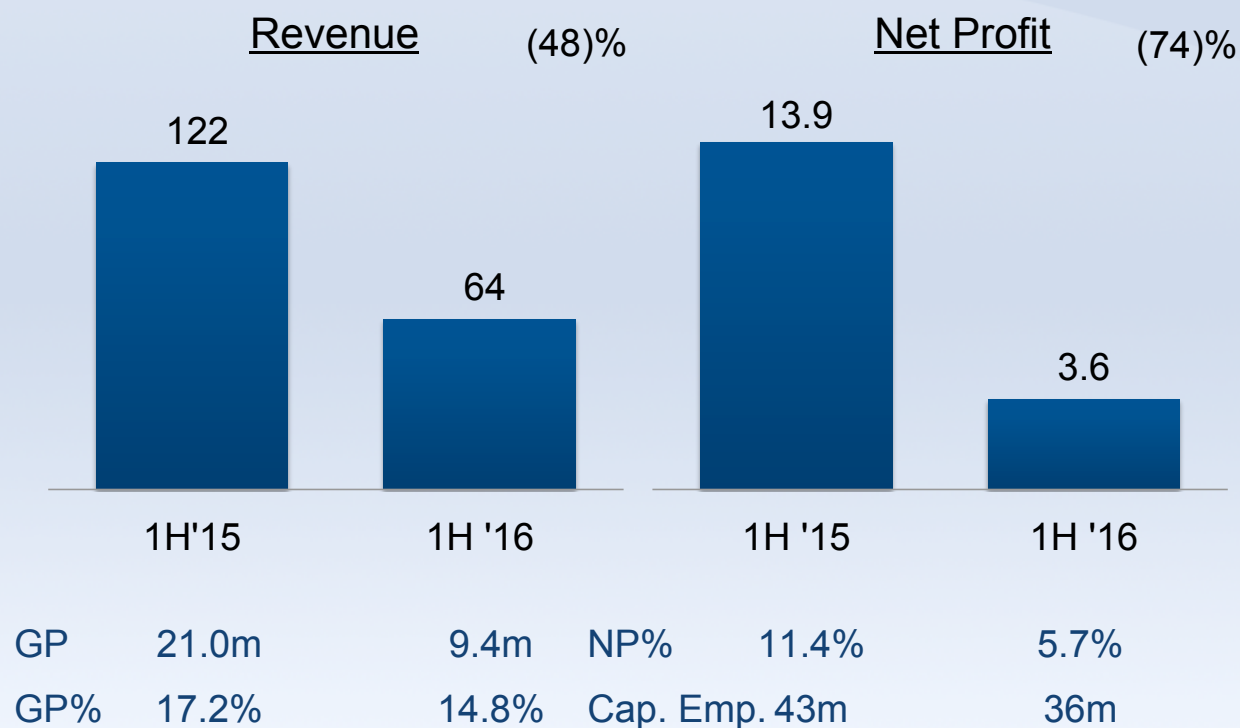
Net Profit



- Reduction in revenue and net profit driven by run-off of mega-reservoir project for Saint-Gobain, with majority of deliveries in 1H'15
- HVAC continues to deliver growth within the segment
- Maintaining margin and returns despite revenue pressure
- Reduction in working capital as a result of project run-off

Industrial Supplies and Building Materials

QAR m



- Revenues and profits impacted by reduction in turbine repair services for O&G sector
- Cost pressures leading to reduced and delayed servicing and disintermediation as sector seeks to reduce operating costs.
- Offset by growth in building materials and industrial tools business lines

Travel Division



MANNAI AIR TRAVEL
MANNAI CORPORATION QSC

flydubai

QAR m

Revenue

Net Profit

(15)%

(58)%

- Revenue continues to fall as lower average ticket prices, driven by airline competition and lower fuel prices, leads to lower ticket sale commissions and airline incentives

19

16

5.9

2.5

1H'15

1H '16

1H '15

1H '16

GP 18.0m

14.7m

NP% 31%

15.1%

GP% 93%

89.5%

Cap. Emp. 41m

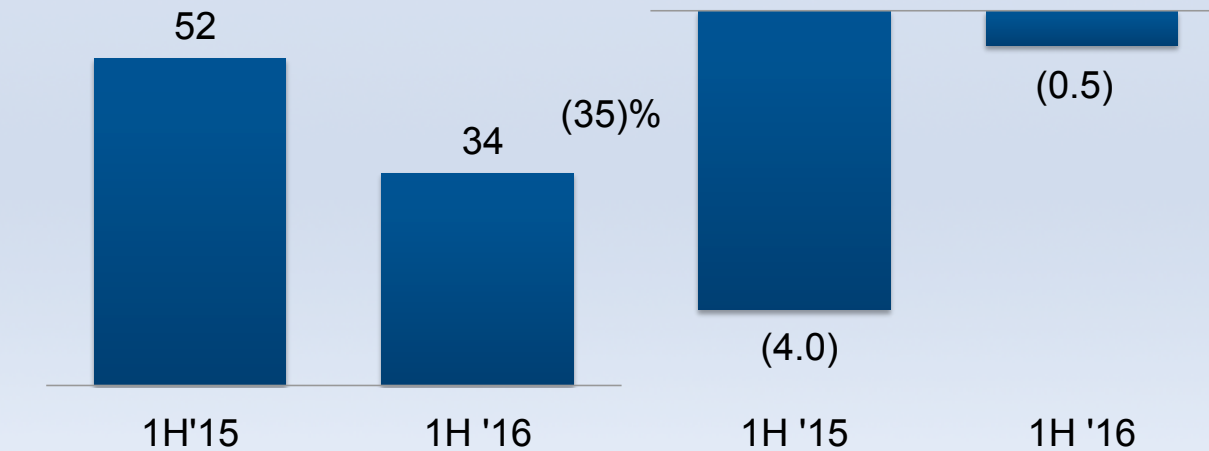
35m

Engineering

QAR m

Revenue

Net Profit



GP	9.6m	0.5m	NP%	(8)%	(1.2)%
GP%	18.3%	1.4%	Cap. Emp.	0.7m	4m

- Revenues continue to be impacted by reducing expenditures in O&G sector
- Continuing to reduce costs and merging of workshops underway

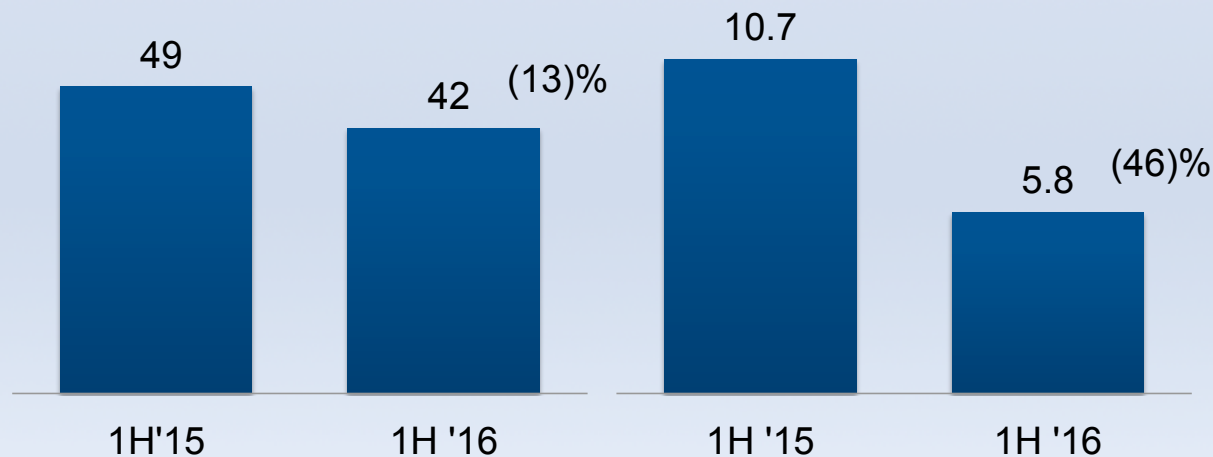
Geotechnical Services



QAR m

Revenue

Net Profit



- Drop in Revenue driven by lack of new geotechnical drilling projects initiated in last 12-18 months
- Laboratory Services continues to perform to hold-up revenues and profits.

GP	22.0m	16.4m	NP%	21.8%	13.7%
GP%	45%	39%	Cap. Emp.	29m	32m

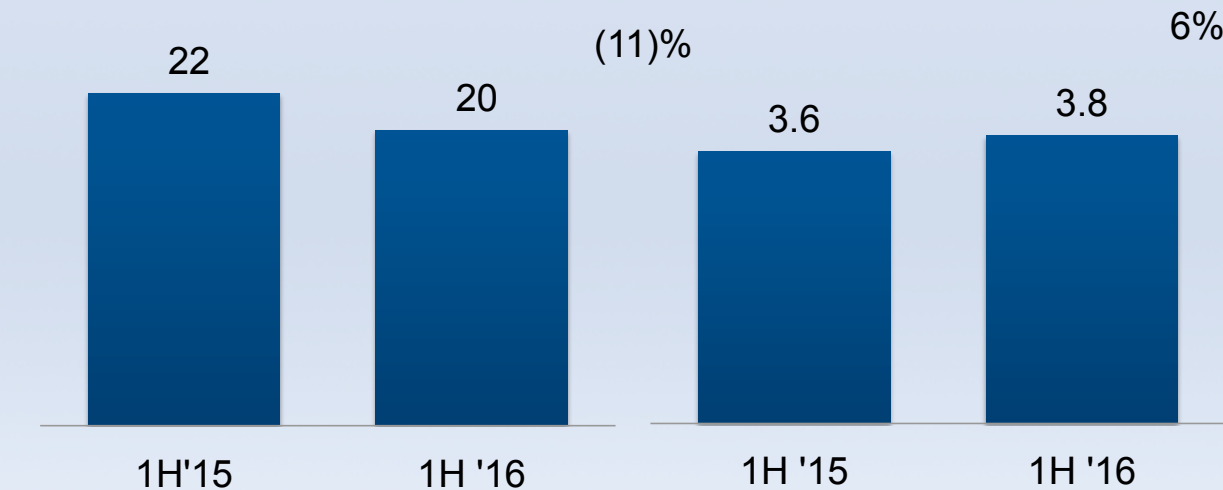
Logistics



QAR m

Revenue

Net Profit



- Primarily focused on internal logistics of Mannai Corporation while warehouse is rebuilt
- Reduced revenue as a result of efforts to reduce Mannai inventory levels.
- Margins improved due to operating efficiencies

GP	6.6m	6.7m	NP%	16.4%	19.5%
GP%	29.6%	34.2%	Cap. Emp.	10m	13m

Normalisation of key lines for significant items

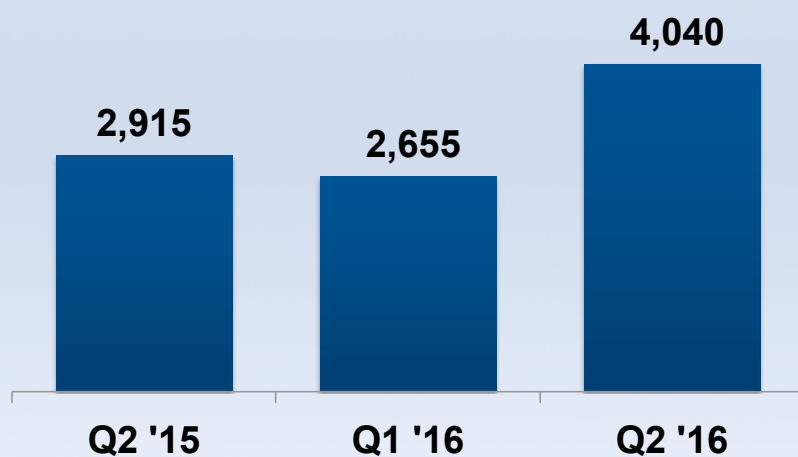
	1Q'16	1Q'15	VLY%	2Q'16	2Q'15	VLY%	1H YTD'16	1H YTD'15	VLY%
Other Income	26.4	20.3	30%	46.4	29.4	58%	72.8	49.7	47%
Damas Recoveries	(23.4)	(14.3)		(2.3)	(11.7)		(25.7)	(26.0)	
Gain on Sale/Revaluation of Properties				(31.5)	(11.5)		(31.5)	(11.5)	
Norm. Other Income	3.0	6.0	(50%)	12.6	6.2	105%	15.6	12.2	28%
Share of Profit from Assoc. & JVs	17.5	18.9	(7%)	38.4	12.9	198%	55.9	31.8	76%
Adj. for 2014 late closing items/impairment		6.5						6.5	
Norm. Share of Profit	17.5	25.4	(31%)	38.4	12.9	198%	55.9	38.3	46%
Net profit	125.1	165.2	(24%)	94.5	111.2	(15%)	219.6	276.4	(21%)
Adj. for Significant Items	(23.4)	(7.8)		(33.8)	(23.2)		(57.2)	(31.0)	
Norm. Net Profit	101.7	157.4	(35%)	60.8	88.0	(31%)	162.5	245.4	(34%)

- Gain on sale of property in Damas driving majority of significant items in Q2'16
- Continued tail of recoveries of previously provisioned receivables in Damas
- Core down 34% during 1H'16 mainly driven by Damas

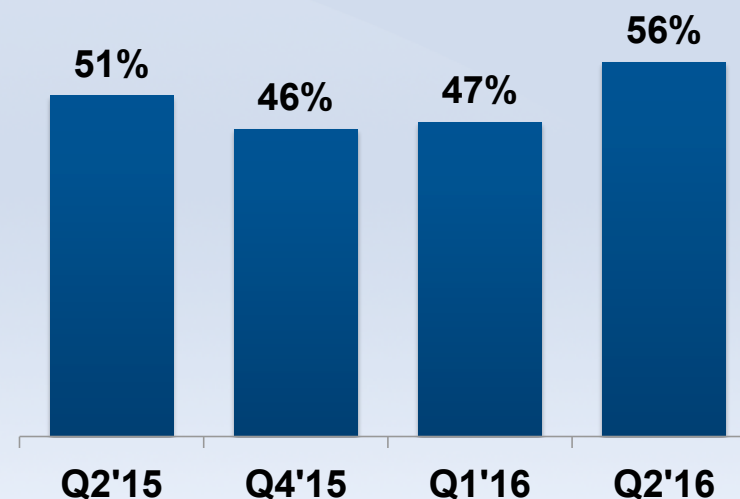
Maintaining Leverage ~ 50% Despite Finance of Gfi Acquisition

QAR m

Net Debt



Net Debt to Total Capital*



*Total Capital adjusted for Acquisition Reserves

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