

Mannai Corporation QPSC

FY'16 Financial Summary

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- Future sales growth
- Market acceptance of our product and service offerings
- Our ability to secure adequate financing or equity capital to fund our operations
- Our ability to enter into strategic alliances or transactions
- Regulatory approval processes
- Changes in technology
- Price competition
- Other market conditions and associated risks

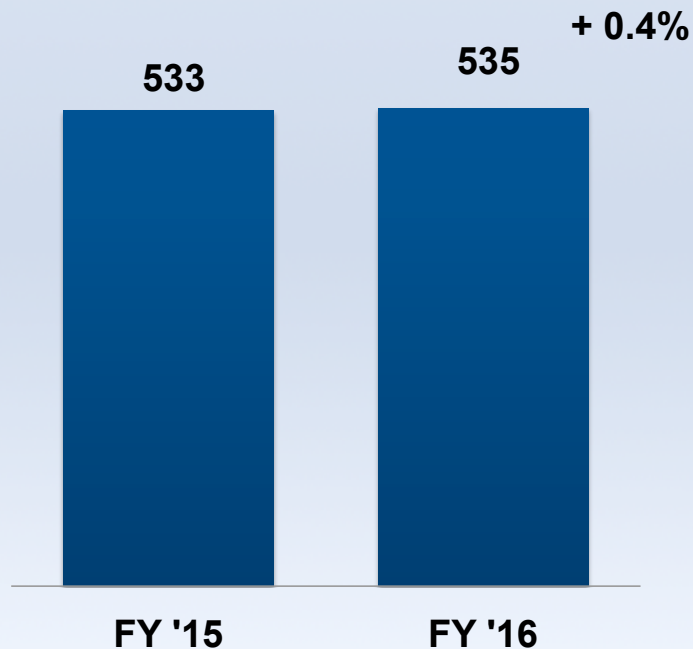
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Profit Growth of 0.4% Under Challenging Conditions

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Net Profit



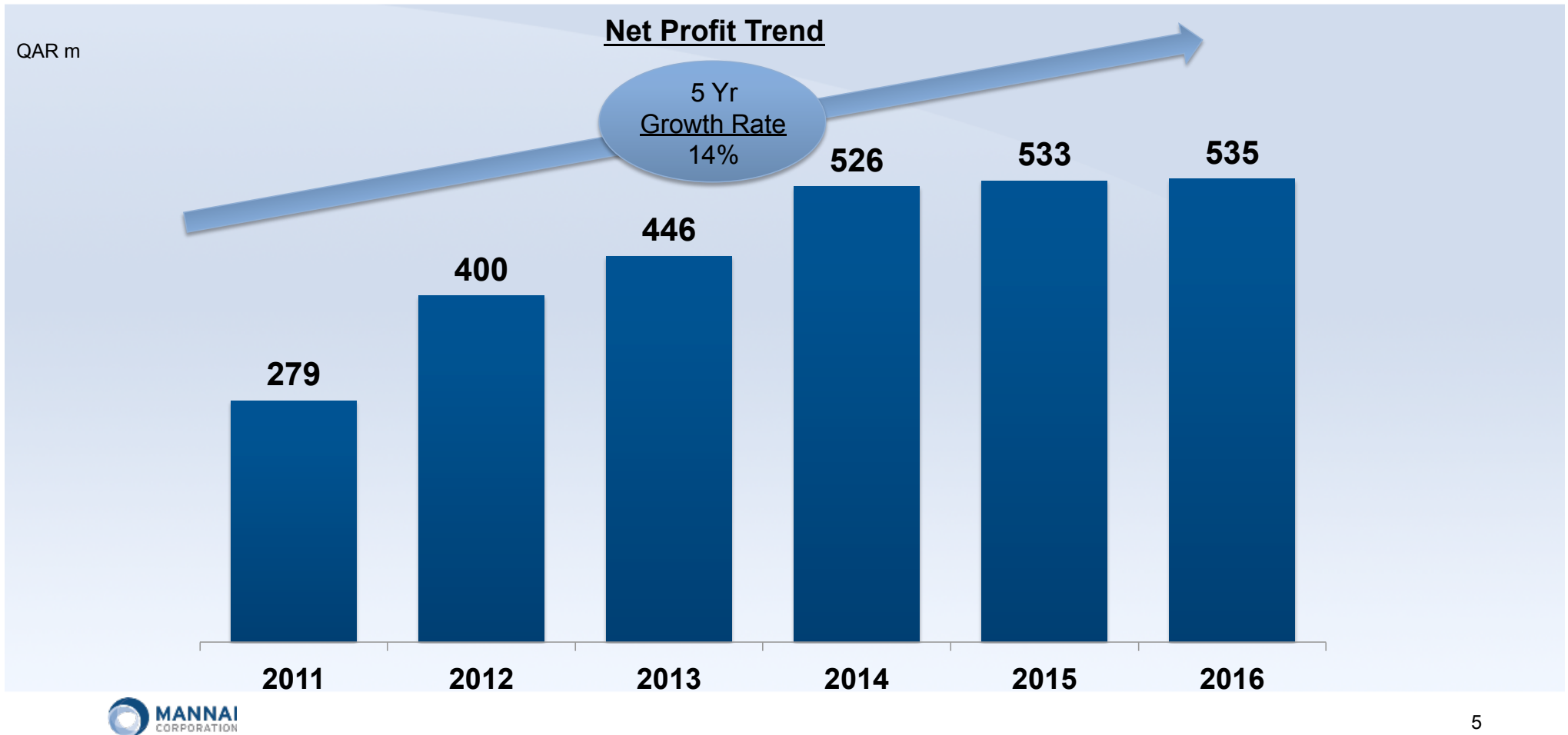
- GFI Informatique Acquisition In France And Reduced In Operating Expenses Offsets Fall In Profits From Damas And Qatar
- GFI Contributes EBITDA Of 64m And Net Profit Of 37m
- Operating Expense Reduction Of 10% Contributes 80m Offsets Gross Profit Decline
- ICT Qatar Continues To Grow, Up 2%; Other Qatar Businesses Impacted By Slowdown Infrastructure Projects
- Outlook For 2017 Challenging Due To Ongoing Softness In UAE Retail And Qatar Projects

Financial Highlights

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	FY 2015	FY 2016		
Net Profit	533m	535m	0.4%	▲
Revenues	5,935m	4,886 m	(18)%	▼
Gross Profit %	22.6%	24.2%	1.6pts	▲
Net Profit %	9.0%	11.0%	2pts	▲
Capital Employed	5,043m	6,403	27%	▲
Earnings Per Share	11.68	11.73	0.4%	▲
Return on Equity	24%	22%	(2)pts	▼

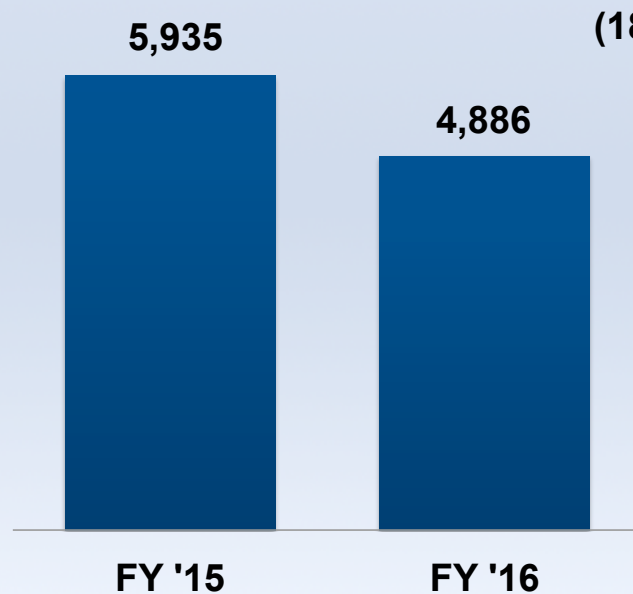
Track Record Of Double Digit Growth Over Five Years



Revenue Pressures Impacting All Business Units

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Revenue

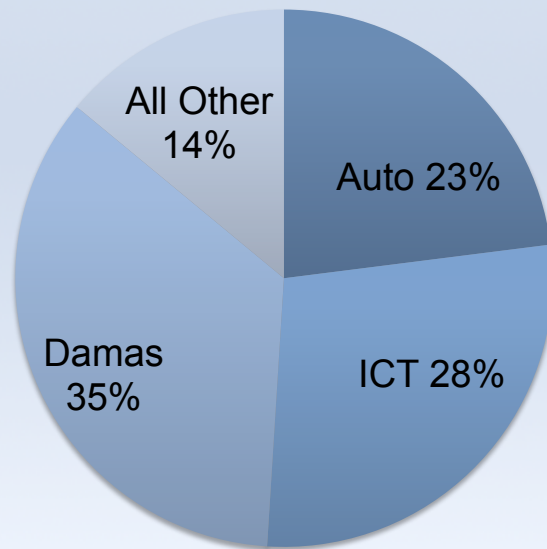


- Damas Largest Contributor Down 18% or 395m In Sales Driven By Softness In UAE Luxury Segment
- Qatar Sales Impacted by Slowdown in Qatar Projects Momentum; Heavy Equipment And Energy And Industrial Markets Falling 33%
- ICT Down 9% As Strong 2014 Period of Originations Runs-Off

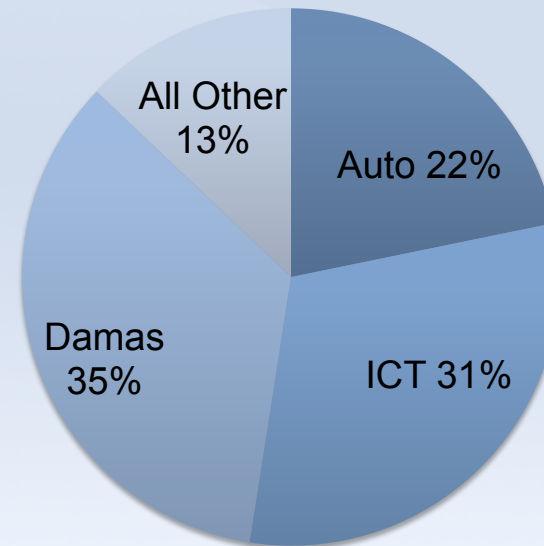
Revenue Pressure Across Group Results In Minor Shift To ICT

Revenue Mix

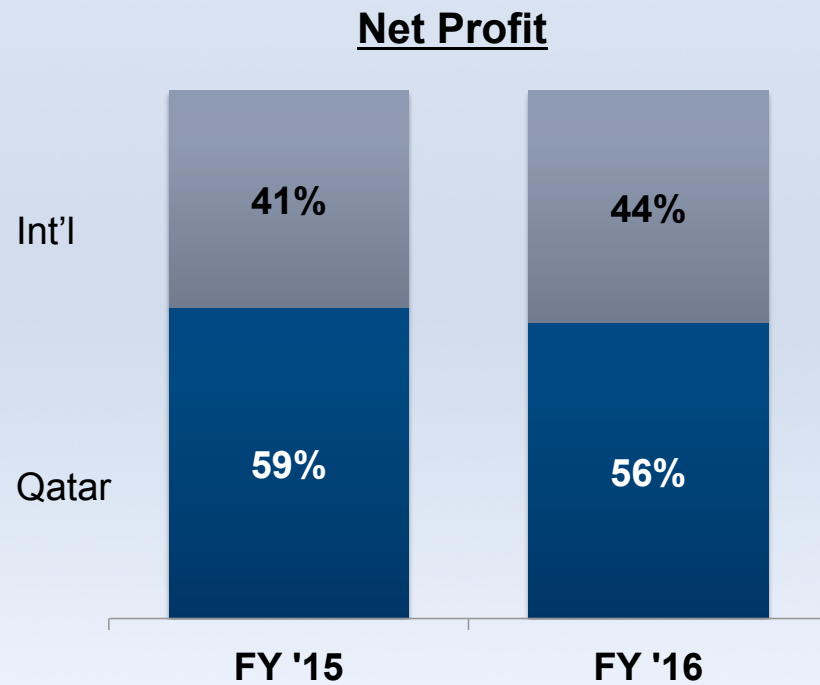
FY '15



FY '16



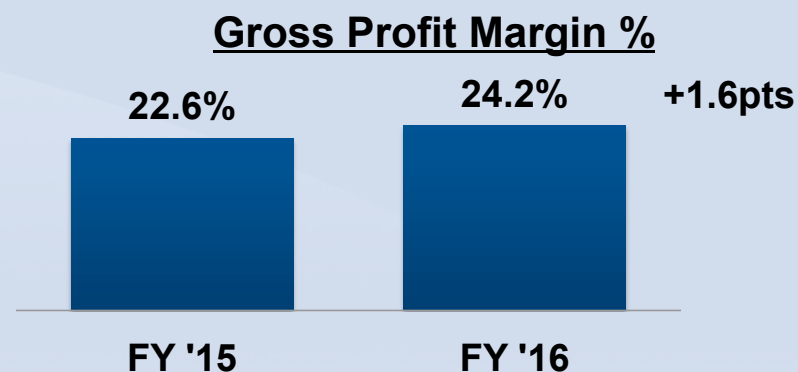
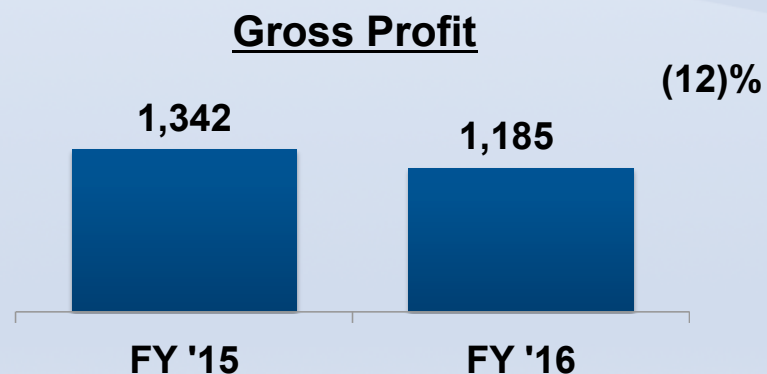
Growth In International Profits Driven By GFI Informatique



- Shift To International As GFI Informatique Contribution Offsets Damas Shortfall

Solid Margin Performance Across the Group

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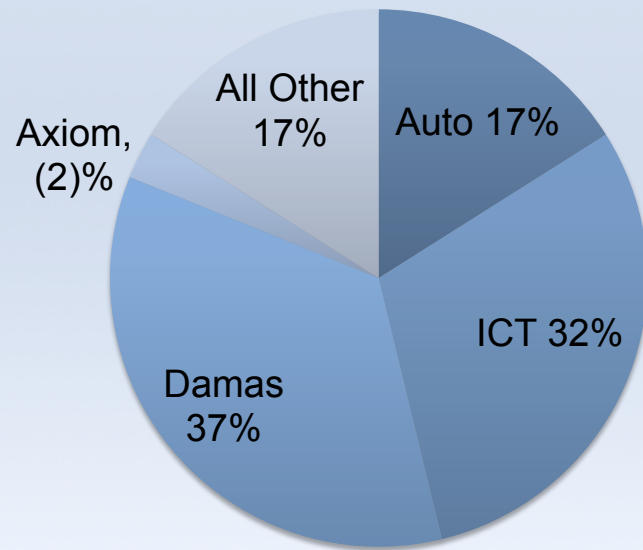
- Auto Group Growth Driven By Mix Shift To After Sales
- ICT Upside From Improved Productivity And Strong Project Closure
- Damas Margins Stable With Stable Gold Mix
- All Other Margins Driven By Sales Drop In Lower Margin Business Eg. Heavy Equipment

	<u>2016%</u>	<u>V pts</u>
Auto Group	20.6%	3.2 pts
ICT	18.6%	2.1 pts
Damas	29.3%	0.3 pts
All Other	30.3%	3.0 pts

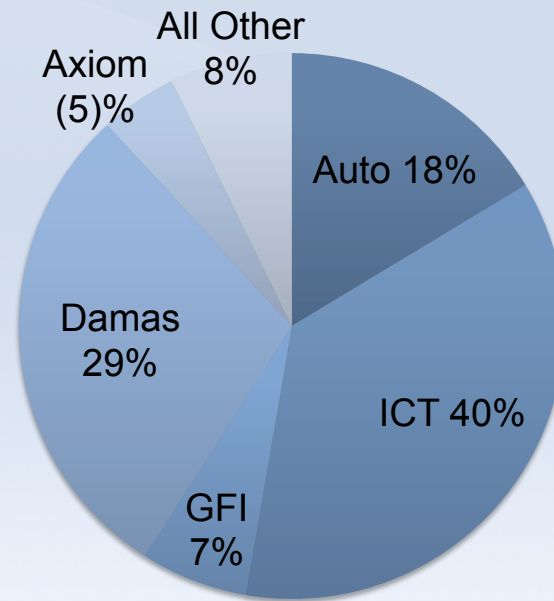
GFI Acquisition Moves ICT To Over 40% Of Group Profits

Net Profit Mix

FY '15

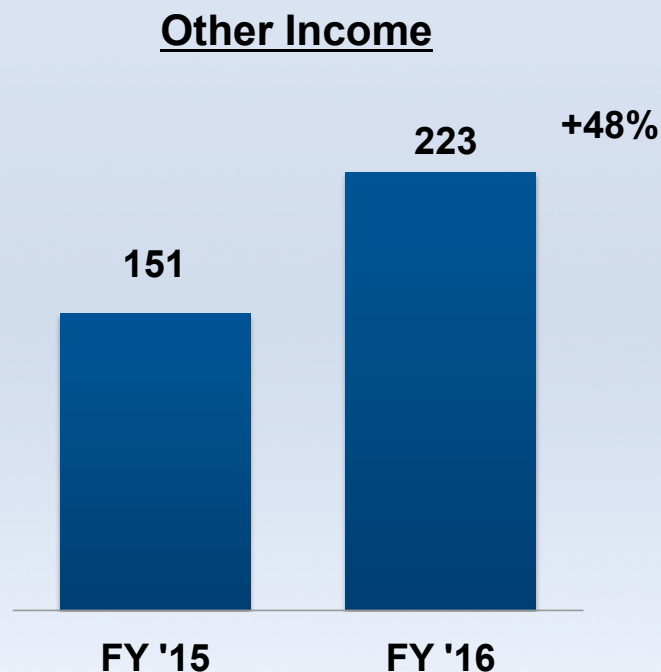


FY '16



Other Income Growth Due to Continued Recoveries in Damas

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- Other Income driven by significant items in Damas; recoveries of previously provisioned receivables in Damas of 80m, up from 59m in prior year.
- Investment properties contributed 35m in FY'16, down from 40m FY'14
- One-off Foreign Exchange Gain Resulting from Funding of GFI Acquisition of 71m; Unrealised Treasury Gain of 18m in 2015

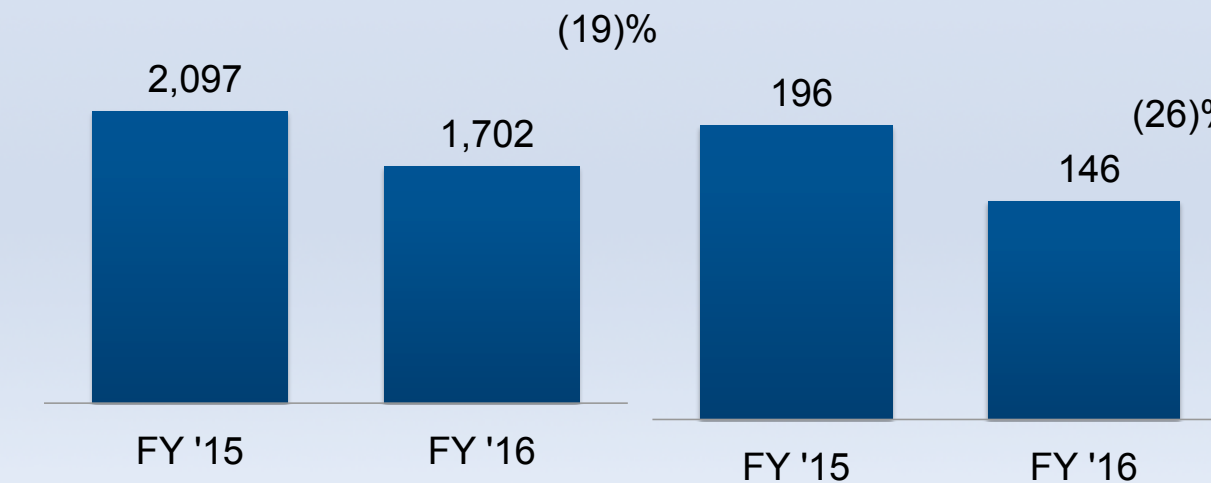
Damas Jewellery

damas

QAR m

Revenue

Net Profit*



GP	608m	499m	NP%	9.3%	8.6%
GP%	29.0%	29.3%	Net Inv.	1,987m	2,356m

- Reduction in net profit driven by 395m reduction in sales resulting in 109m fall in gross profit
- Restructuring actions lead to 70m of operating expense reduction over 2 years
- Gold mix falls 2pts to 52% resulting in 0.3 pts growth in gross profit margin rate
- Recoveries and other significant items grew from 99m to 112m; outlook reduced for 2017
- 246 existing stores with 14 new planned in FY'16 in UAE and KSA

*after non-controlling interest

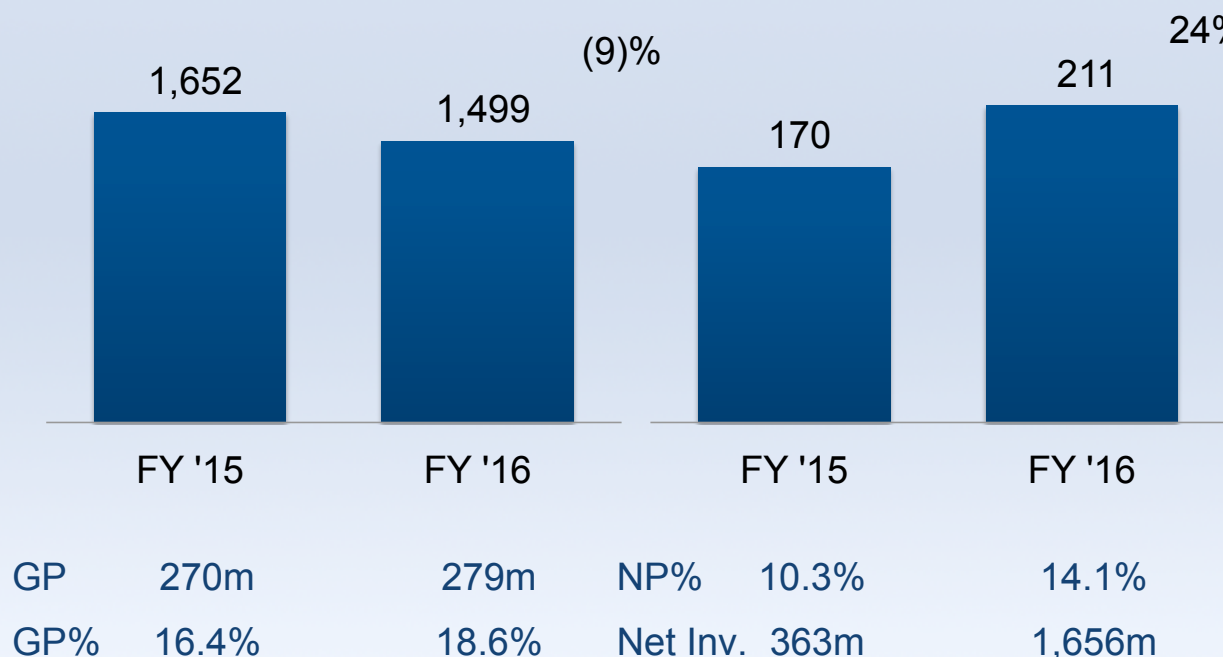
Information & Communication Technology Group



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Revenue

Net Profit

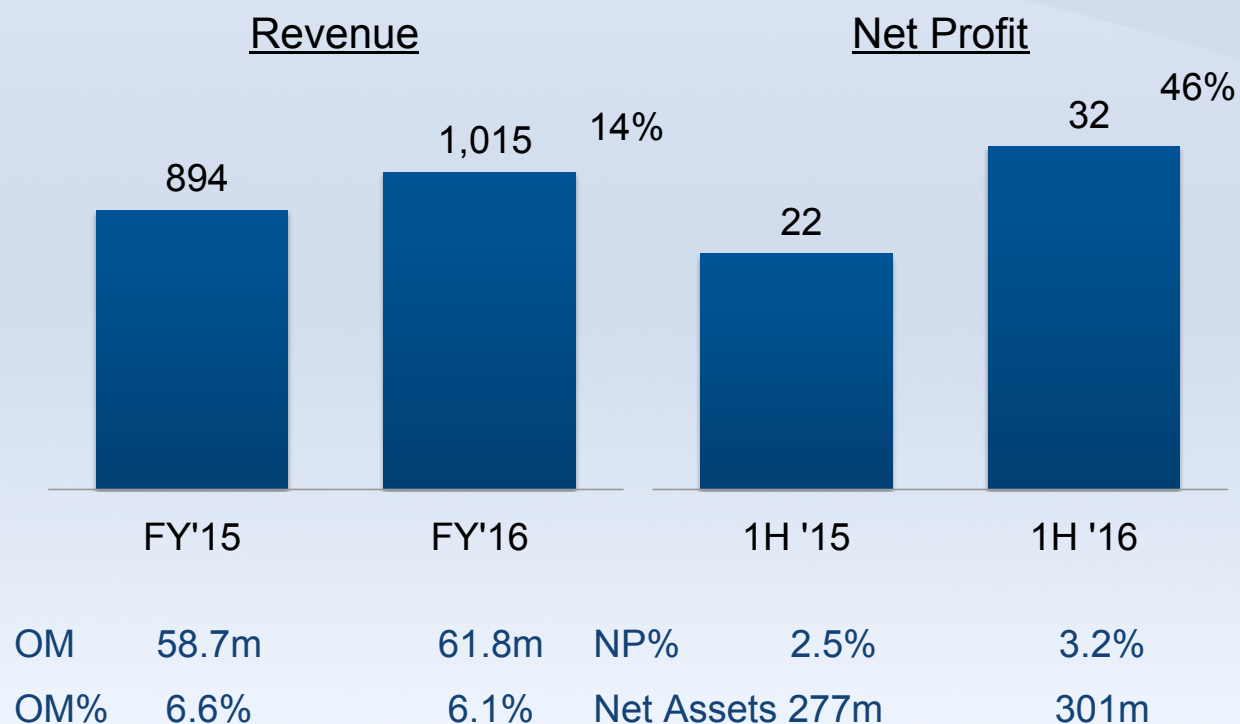


- GFI acquisition contributed 37m share of profit from associate
- Qatar organic net profit growth of 2% reflects slowdown in local market
- 1.3B of Orders in FY'16 up 4% from prior year; 1.0B backlog carried into 2017; Continue to hold strong market share in key relationships and win key projects in Qatar
- Gross profit margins continue to improve, up 2.2 pts. due to strong project closure and improved productivity

Gfi Informatique (France)



(Euro €m)



- Acquired 51.24% stake during Q2'16
- Revenue growth of 14% driven by organic growth of 8%, strongest since 2009, leading to 46% growth in net profit
- Acquisitions of Impaq in Eastern Europe, Efron in Spain and South America and Roff in Portugal, South America and Angola. International business now accounts for 25% of Sales
- Will continue to invest in innovation and new solutions and expand through both organic growth and acquisitions to become a EMEA leader in ICT



Auto Group

QAR m

Revenue

1,351

1,071

(21)%

FY '15

FY '16

Net Profit

88.1

81.1

(8)%

FY'15

FY'16

GP	235m	221m	NP%	6.5%	7.6%
GP%	17.4%	20.6%	Net Inv.	362m	448m

- Revenue pressure across group following Heavy Equipment boom during 2014-2015; Revenues fall of 33%
- Auto Units sold down 23% driven by Yukon/Escalade launch boosting 1H'15 and softness in local market experienced since 2H'15
- Margins improved due to sales mix shift from new vehicles to higher margin after-sales

Axiom Telecom



QAR m

Share of Associate Net Profit*

(2.9)

FY ' 15

(10.8)

FY ' 16

Net Profit Contribution

(15.2)

FY '15

(23.1)

FY '16

Net Inv. 1,101

1,090

- Major restructuring actions taken in 2016 to reduce losses from underperforming UAE Retail
- Market normalising through consolidation and reduction of number of distributors in market
- 2017 break-even on normalised basis after adjusting for one-off restructuring costs, with positive net income trend in the fourth quarter

*35% of Axiom profits

Energy & Industrial Markets



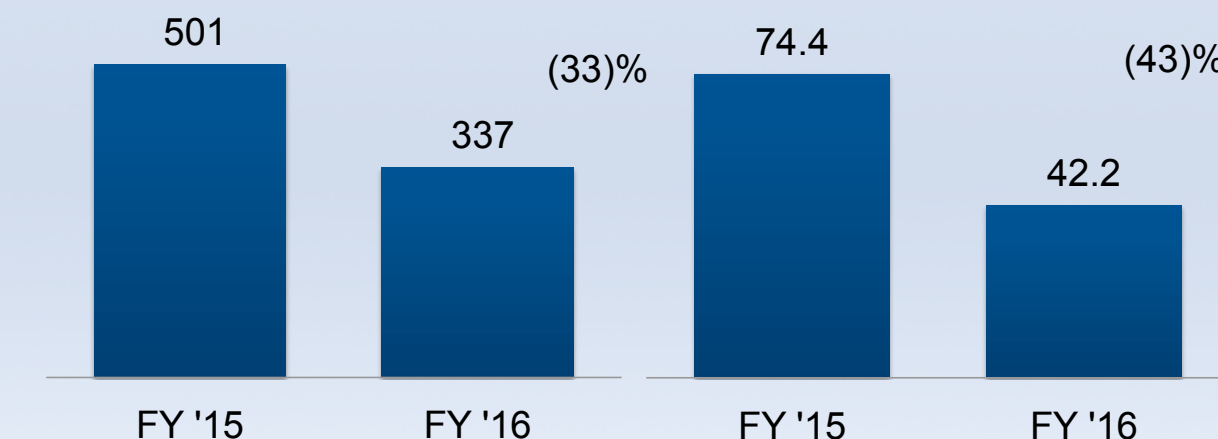
TOSHIBA



QAR m

Revenue

Net Profit

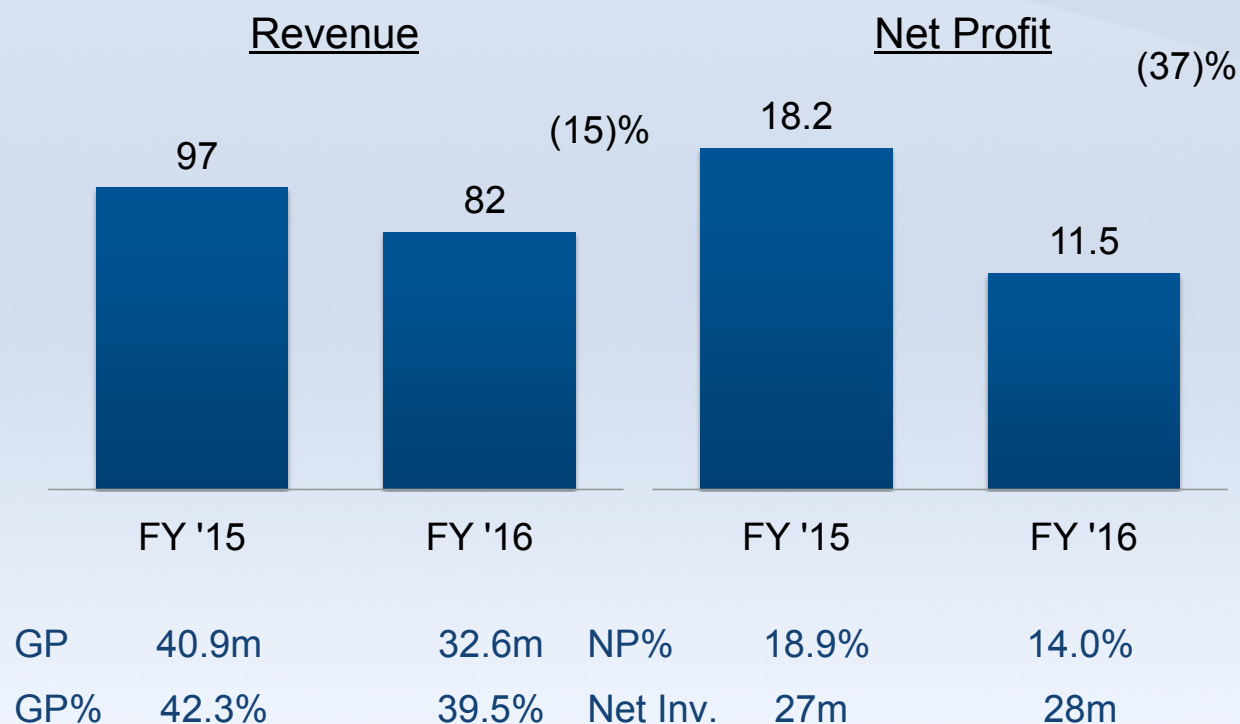


GP	105.3m	69.1m	NP%	14.9%	12.5%
GP%	21.0%	20.5%	Net Inv.	104m	56m

- Revenue fall driven by run-off of infrastructure projects, in particular mega-reservoir deliveries executed in 2015
- Sharp decline in Gas Turbine Services revenues from O&G
- HVAC division delivered 4% revenue growth from Toshiba and SKM
- FY'16 orders of 196m across business unit down 39% on 2016 reflects softness in market

Geotechnical Services

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- Revenue down 15% due to fall in Geotechnical and Drilling projects as infrastructure projects slow in Qatar
- Laboratory Services maintaining revenue and profit growth; expanded premises to fit increased demand
- Exited Oman and Gulf Land Surveys businesses due to lack of projects

Travel Division



MANNAI AIR TRAVEL
MANNAI CORPORATION QSC



flydubai

QAR m

Revenue

Net Profit

(18)%

(54)%

43

36

14.7

6.7

FY '15

FY '16

FY '15

FY '16

GP 38m

31.9m

NP% 34.1%

18.9%

GP% 88%

89.7%

Net Inv. 41m

18m

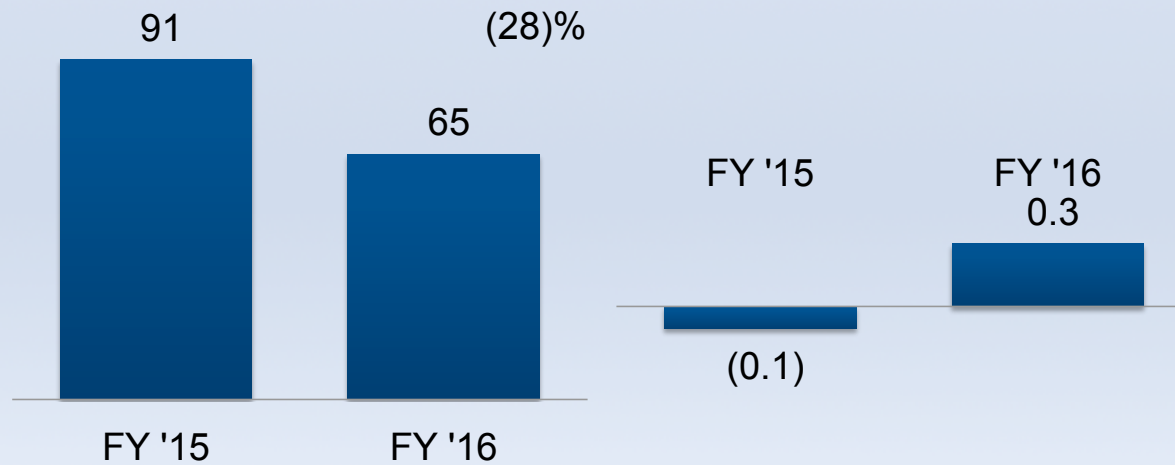
- Drop in revenue driven by lower ticket sales coupled with reduction in average ticket price
- Lower revenues reduce capacity to reach airline incentive targets
- Continued pressure on ticket service fees driving deterioration
- Reduction in receivables due to shedding of loss-making customers to improve returns
- Visa Processing Services continues to perform well; added Netherlands to Schengen visa centre

Engineering

QAR m

Revenue

Net Profit



GP	9.6m	3.3m	NP%	(0.1)%	0.4%
GP%	10.6%	5.0%	Net Inv.	5m	5m

- Continued revenues pressure stemming from challenging Oil & Gas sector and overcapacity in market
- Continue to restructuring business; in process of consolidating Salwa workshop into Ras Laffan site to reduce overcapacity and overheads

Logistics



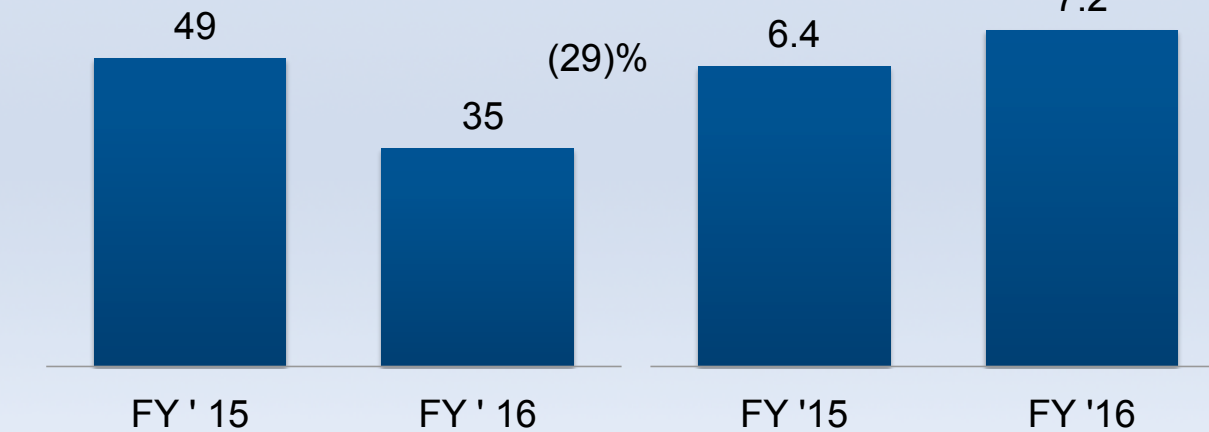
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Revenue

Net Profit

12%

- Fall in revenues due to reduction of low returning freight-forwarding business
- Focus of business on more profitable warehousing segment; New Warehouse to open in 1H'17

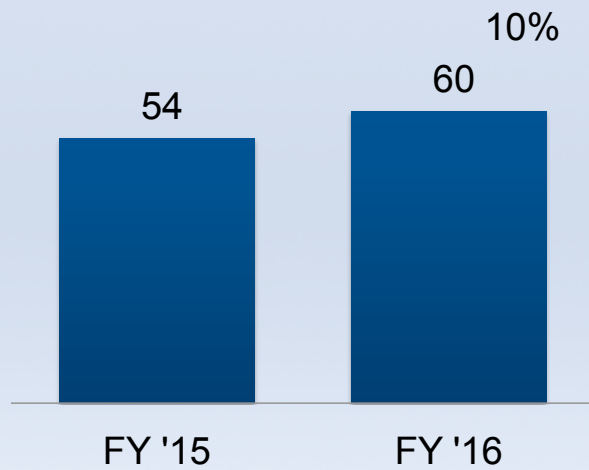


GP	12.0m	12.7m	NP%	13.0%	20.6%
GP%	24.3%	36.3%	Net Inv.	9m	11m

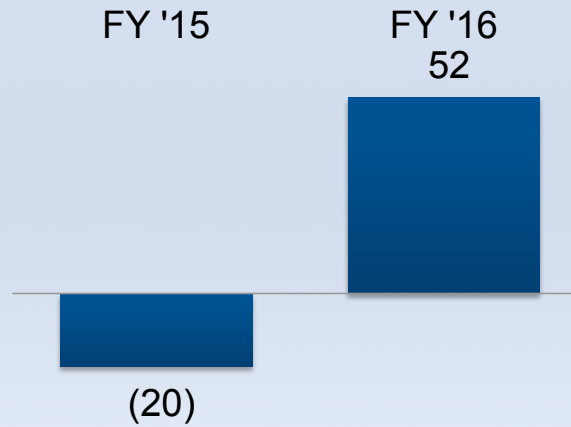
Others

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Revenue



Net Profit



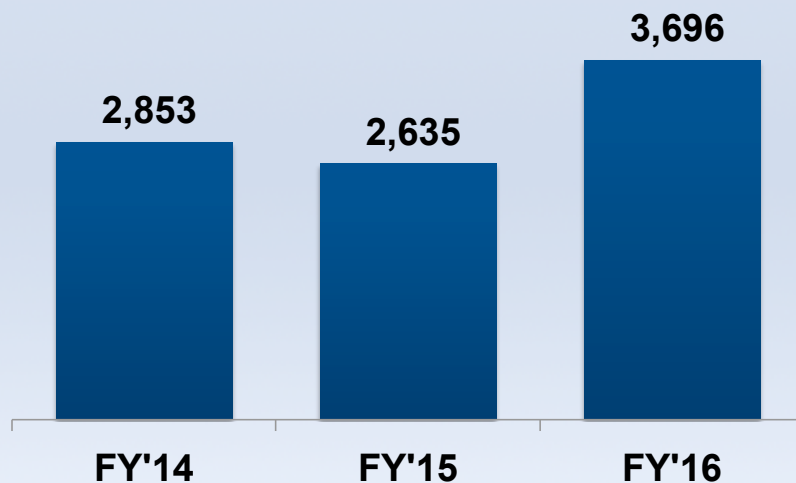
- Contains Consumer Product Division, CBMFM JV and corporate activity
- Significant foreign exchange-related gains due to the settlement of GFI Acquisition; 18m in 2015 and 71m in 2016

GP	23.2m	36.8m
GP%	42.9%	61.9%

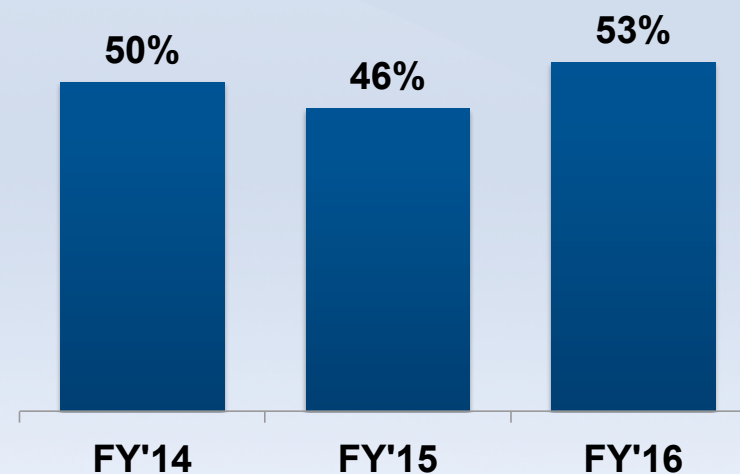
GFI Acquisition of 1.3B Offset by Operating Cash Flows of 519m Maintains Leverage in 50/50 Range

QAR m

Net Debt



Net Debt to Total Capital*



*Total Capital adjusted for Acquisition Reserves

Normalisation of key lines for significant items

	1H'16	1H'15	VLY%	2H'16	2H'15	VLY%	FY'16	FY'15	VLY%
Other Income	72.8	49.7	47%	150.1	100.9	49%	222.9	150.5	48%
Damas Recoveries	(25.7)	(26.0)		(54.7)	(33.4)		(80.4)	(59.4)	
Foreign Exchange Gains				(70.9)	(18.0)		(70.9)	(18.0)	
Gain on Sale of Properties	(31.5)	(11.5)		(28.2)			(31.5)	(39.7)	
Norm. Other Income	15.6	12.2	28%	24.5	21.3	15%	40.1	33.4	20%
Share of Profit from Assoc.	55.9	31.8	76%	53.4	23.7	126%	109.3	55.4	97%
Restatement of prior year		6.5						6.5	
Norm. Share of Profit	55.9	38.3	46%	53.4	23.7	126%	109.3	61.9	76%
Net profit	219.6	276.4	(21%)	315.5	256.4	23%	535.1	532.8	0%
Adj. for Significant Items	(57.2)	(31.0)		(125.6)	(79.6)		(182.8)	(110.6)	
Norm. Net Profit	162.4	245.4	(34%)	189.9	176.8	7%	352.3	422.2	(17%)

- Continued recoveries of previously provisions receivables in Damas
- One-off foreign exchange gains related to acquisition in France
- Gain on Damas property in KSA
- Normalised profits up 7% in 2H'16, following fall in first half due to strong 2015

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