



**SHAFAFIYAH  
FORUM 2012**

**كيبكو  
KIPCO**

شركة مشاريع الكويت (القبضة)  
Kuwait Projects Company (Holding)

A photograph of a stack of smooth, rounded stones in various shades of grey, tan, and black, balanced on a bed of similar stones. The background is a soft, out-of-focus blue sky.

# Year of **Building Order**

**Investor Presentation | April 2012**

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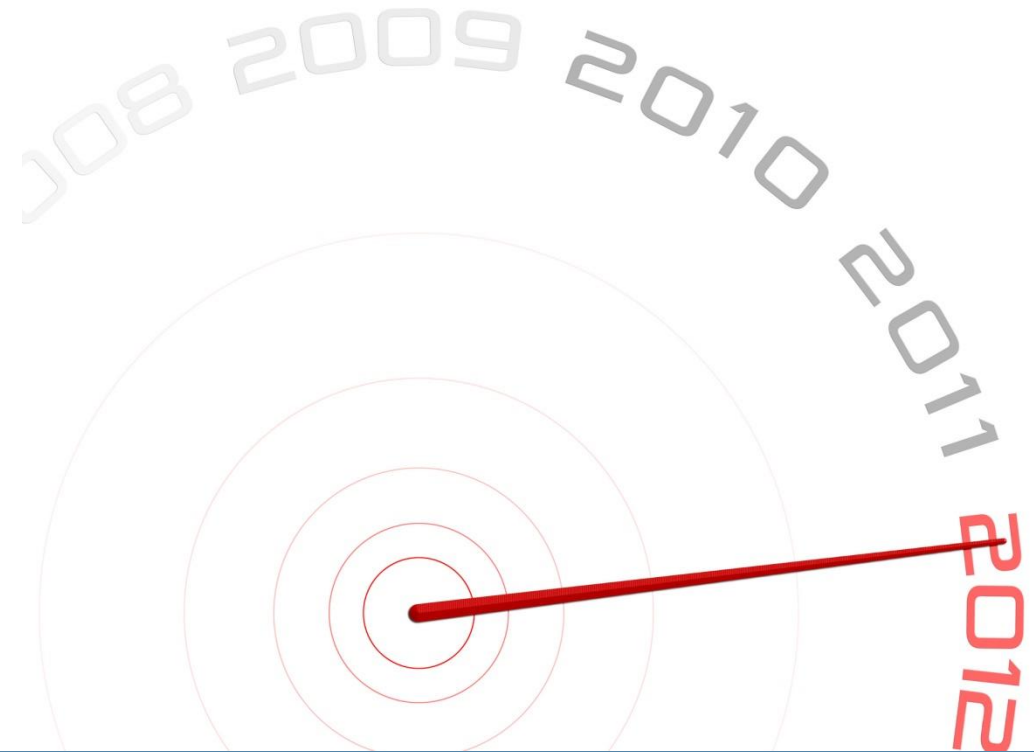
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## ◆ KIPCO: Delivering for last 20 years



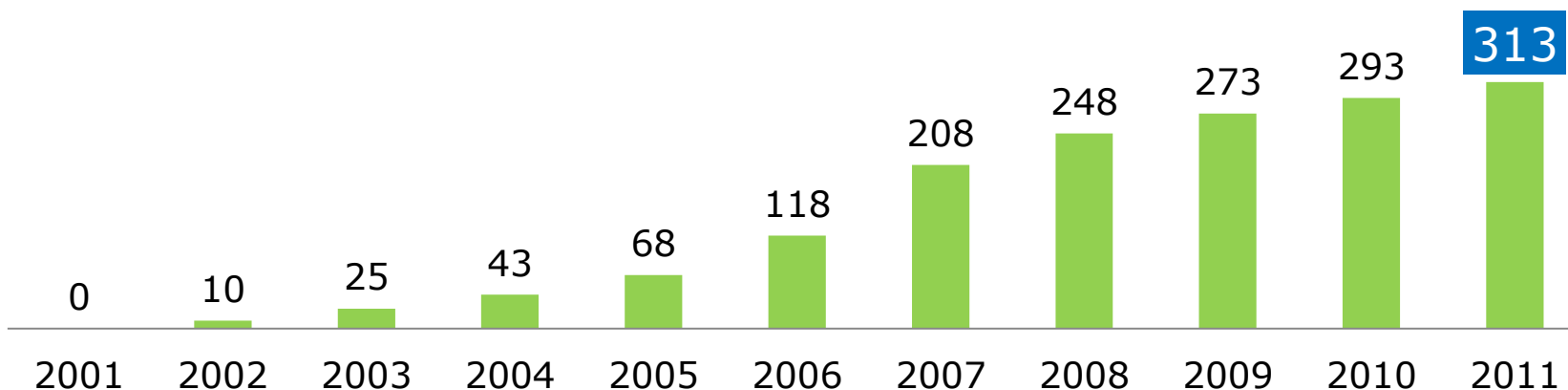
# A 20 year success story...

*...generated outstanding results...*

<i>Cumulative performance over last 20 years</i>	<i>KD million</i>	<i>US\$ million</i>
Net Profits generated	866	3,108
Cash Dividends distributed	360	1,293
Shareholders' annual total return <sup>#</sup>	17%	17%

*...shared with investors in good and bad times*

*Cumulative cash dividends in last 10 years (Fils/share)*



<sup>#</sup> Shareholders Annual total return is the internal rate of return after considering a) initial investment as per share price as of June 19, 1993 b) dividends received since that date and c) share price as of December 31, 2011



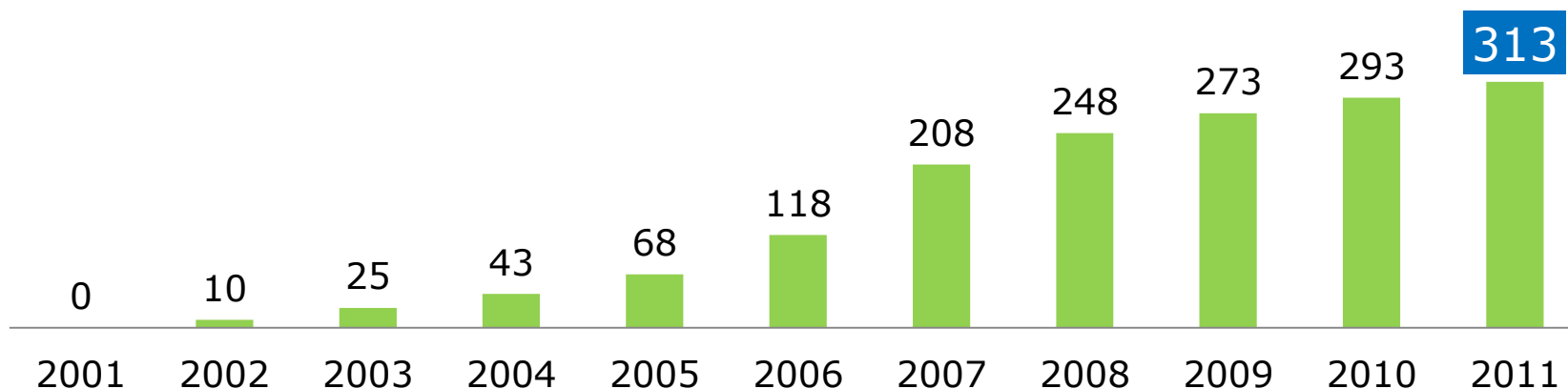
# A 10 year success story...

*...generated outstanding results...*

<i>Cumulative performance over last 10 years</i>	<i>KD million</i>	<i>US\$ million</i>
Net Profits generated	796	2,856
Cash Dividends distributed	331	1,188
Shareholders' annual total return <sup>#</sup>	30%	30%

*...shared with investors in good and bad times*

*Cumulative cash dividends in last 10 years (Fils/share)*



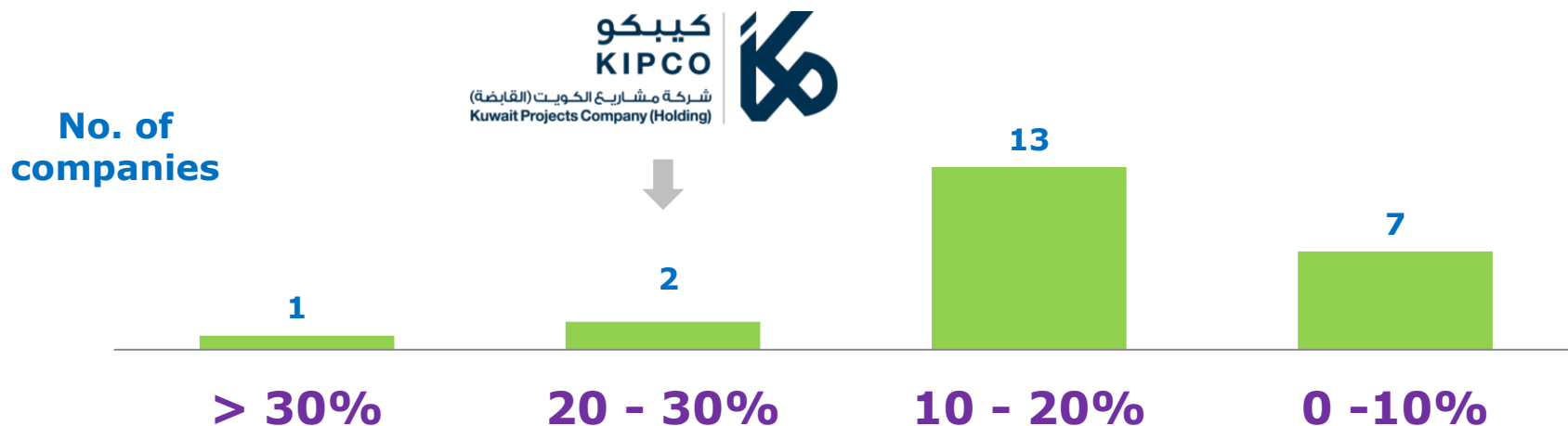
<sup>#</sup> Shareholders Annual total return is the internal rate of return after considering a) initial investment as per share price as of Dec 31, 2001 b) dividends received since that date and c) share price as of December 31, 2011



# KIPCO amongst top performers on KSE

Last 10 years Total Shareholder Returns...

...of 23 companies having KD 100 million plus market capitalization



Source: Bloomberg; As per the available Total Shareholder Return data for companies with more than KD 100 mn of market capitalization and listed for over 10 years representing the period of 31 Dec 2001 to 31 Dec 2011

## ◆ **What we achieved in crisis?**

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**...from 2008 to 2011, against the odds**



# KIPCO: What we achieved in crisis (2008-11)

<i><b>Active management..</b></i>	<i><b>..building future strength</b></i>	<i><b>..across the group</b></i>	<i><b>KD mn</b></i>
Strengthened Capital /Increased ownership	<ul style="list-style-type: none"> <li>• Right sized capital structure</li> <li>• Averaged down cost of core holdings</li> <li>• Increased productivity of efforts</li> </ul>	<ul style="list-style-type: none"> <li>• Burgan Bank</li> <li>• URC</li> <li>• UIC</li> <li>• GIC</li> </ul>	169
Sold Investment	<ul style="list-style-type: none"> <li>• Demonstrated quality of core assets</li> <li>• Sold in difficult market conditions</li> <li>• Generated liquidity &amp; profitability</li> </ul>	<ul style="list-style-type: none"> <li>• KIPCO</li> <li>• URC</li> <li>• UIC</li> <li>• SADAFCO</li> <li>• UGB</li> </ul>	145
Acquired Companies	<ul style="list-style-type: none"> <li>• Build regional platform and depth</li> <li>• Increased customer reach</li> <li>• Demonstrated consistent execution of strategy</li> </ul>	<ul style="list-style-type: none"> <li>• GIC</li> <li>• URC</li> <li>• North Africa Holding</li> <li>• KAMCO</li> </ul>	48
Merged/Partnered	<ul style="list-style-type: none"> <li>• Increased scale of operation</li> <li>• Rationalized competition</li> <li>• Added expertise</li> </ul>	<ul style="list-style-type: none"> <li>• GIC</li> <li>• OSN</li> </ul>	
Attracted Talent	<ul style="list-style-type: none"> <li>• Adjusted to growth potential &amp; complexity</li> <li>• Increased quality &amp; speed of execution</li> </ul>	<ul style="list-style-type: none"> <li>• Burgan Bank</li> <li>• OSN</li> <li>• URC</li> </ul>	
Took New Initiatives	<ul style="list-style-type: none"> <li>• Filled a customer demand in the region</li> <li>• Demonstrated clarity of strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Taka'Ud - Savings &amp; Pension</li> <li>• OSN Play</li> <li>• URC</li> </ul>	

***Expanded portfolio, achieved regionalization, diversified operations and partnered with market leaders***





# KIPCO: Excelled in liability management in crisis

## **Setting new benchmarks resulting in...**

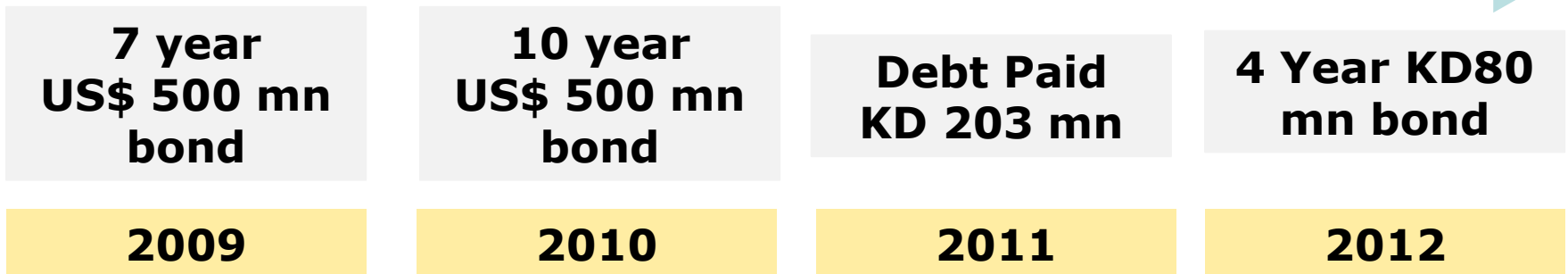
Enhanced debt maturity profile (5.7 years vs 2.8 years)^

No debt maturing in next 3 years

Strong capital & liquidity base for future growth

<i>Liability Management</i>	<i>KD million</i>
Debt Raised	420
Debt Repaid/Prepaid	275
Cash and Bank deposit*	164

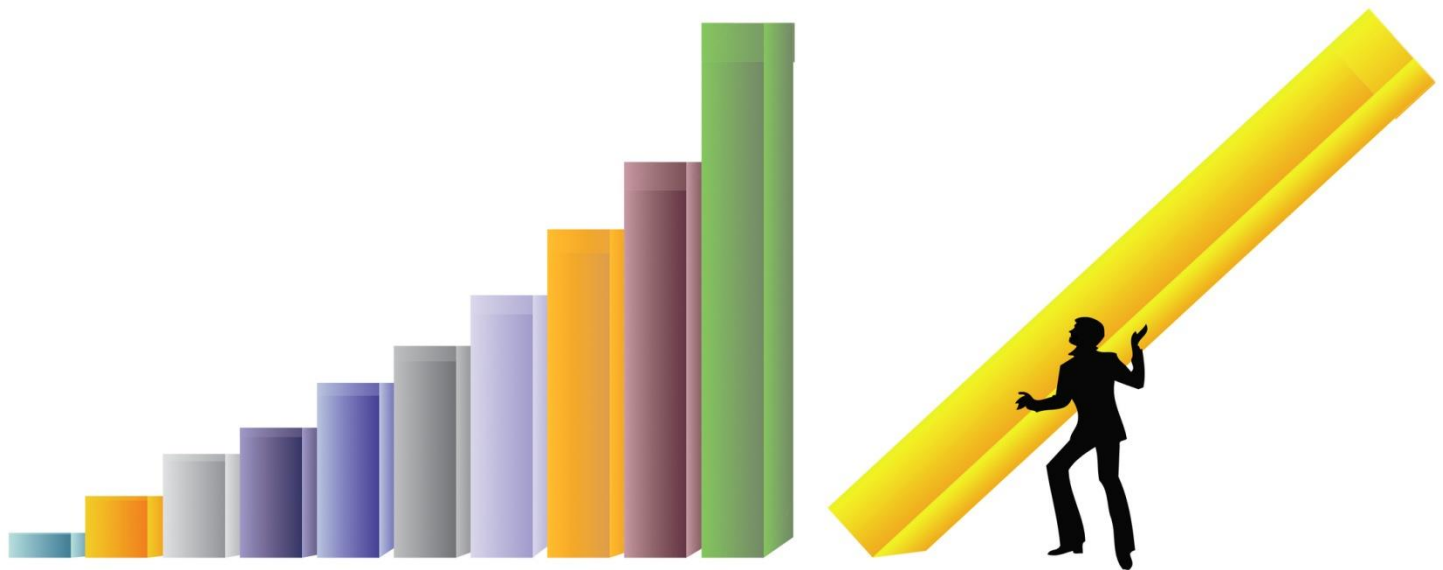
## **Debt Journey.....**



\* Post KD bond issuance in 2012 ^ 5.7 years post KD bond issuance in 2012, 2.8 years in 2008

## ◆ **KIPCO: 2012 Major Initiatives**

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# Inorganic growth, deleveraging & cost reduction



**More regional expansion through acquisitions**



**Paying down KD174M of group debt in 2012**



**Reducing group wide G&A cost by 15%**

# Core Companies: 2012 Outlook



- ▶ Improve loan book quality and manage NPLs
- ▶ Increase market share with tight control on risk
- ▶ Increase operating profits
  - ▶ Enhance contribution from regional entities



- ▶ Increase market share through subscriber growth
- ▶ Enhance Arabic content
- ▶ Maintain technology leadership



- ▶ Increase market share
- ▶ Continue products & distribution development
- ▶ Implement ERM program



- ▶ Divest non-core assets
- ▶ Optimize capital structure
- ▶ Strengthen profitability



- ▶ Continue development of ongoing projects
- ▶ Enhance revenues and profitability



- ▶ Continue growth of underlying entities
- ▶ Reduce debt



***Thank You***

