



Investor Presentation | June 2020

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Key Investment Highlights

Our business, strategy and team



Our

Business

- ▶ Holding company with total assets of USD34.0bn¹
- ▶ Operating across the GCC and wider MENA region; presence in 24 countries
- ▶ Multi-sector operator: commercial banking, insurance, asset management and investment banking, media, real estate and industrial
- ▶ Proven track record; 28 consecutive years of profits, 18 years of dividend payment and 11% book value per share growth in last 15 years²
- ▶ Listed on the Boursa Kuwait with a market capitalisation of USD1.1bn³



Our

Strategy

- ▶ Controlling stakes in operating businesses in growth markets
- ▶ Seek to generate sustainable and predictable operating cash flows
- ▶ Partner with global or local businesses with a proven track record
- ▶ Maximize value from businesses with a medium-to long-term horizon
- ▶ Target 15% ROE over the business cycle
- ▶ Selective disposal where targeted growth criteria is not met



Our

Team

- ▶ Average tenure of management is 17 years
- ▶ Vice Chairman, COO & Group CFO have been with the Group for about 30 years

KIPCO is a multi-sector operating holding company with a diversified portfolio spanning the GCC and wider MENA region

¹ As of 31 December 2019

² Assuming no dividend was paid between 31 December 2004 and 31 December 2019

³ As of 31 May 2020

Note: : Exchange rate of USD/KD of 0.30305 has been used in the presentation for financial numbers

Key investment highlights



Proven Track Record

- ▶ Sustained profitability for the last 28 years
- ▶ 18 years of continuous dividends



Ruling Family Shareholders

- ▶ Al Futtooh Holding Co. owned by members of Kuwaiti ruling family has direct holding of 44.7%
- ▶ Shareholders since 1988; has supported KIPCO in all capital raising exercises



Market Leadership¹

- ▶ Burgan Bank is #2 conventional bank in Kuwait²; OSN is leading pay-TV platform in MENA³; Gulf Insurance Group is #1 insurer in Kuwait⁴, Bahrain⁵, Jordan⁵ & Egypt⁶; United Real Estate Company is #3 real estate player on KSE²



Strong Liquidity¹

- ▶ Strong cash balance covering all debt repayments due till December 2022
- ▶ ~54% of the portfolio⁷ is listed, and can be liquidated at short notice



Credit Rating

- ▶ Baa3/Negative (Moody's), BB+/Negative (S&P)
- ▶ Burgan Bank and Gulf Insurance Group have strong investment grade ratings



Diversified Portfolio

- ▶ Benefit from growth and economic diversification in Kuwait and the broader MENA region
- ▶ Portfolio spans multiple industries at different stages in the business life-cycle



Financial Discipline

- ▶ Maintained between three to four dollars of assets for every dollar of net debt for 13 consecutive years
- ▶ Average debt maturity of 4.4 years¹



"Best in Class" Transparency

- ▶ First company in the GCC to host annual investor forum with earnings guidance since 2004
- ▶ "Best in Class" investor relations with up-to-date disclosure

¹As of 31 December 2019
premiums

⁵ By GPW

²By assets

³By revenue and countries of operations

⁶ By technical profit among private sector players (all rankings as of 31 December 2019)

⁴ By Gross premium written (GPW) and Direct

⁷Comprises listed principal companies and listed investments as of 31 December 2019



Business Overview

Our strategy

Building Businesses

MENA

Regional outlook

**Being first in the
region**

Thought leadership



Target ROE: 15%+

*Investing in engines of
growth*

Balanced Portfolio













Diversified revenue streams

Team Approach

*Strong managerial
expertise*

Invest in companies with sustainable and predictable cashflows

Our presence by geographies & sectors

Geography	Major sectors							Revenue (2019) ¹
	Commercial banking	Media	Insurance	Real Estate	AMIB ⁴	Industrial	Others	
Kuwait 	●	●	●	●	●	●	●	47%
KSA 		●	●			●		3%
UAE 	●	●	●	●	●			4%
Bahrain 		●	●		●			5%
Qatar 		●		●				1%
Turkey 	●		●					13%
Jordan 	●	●	●	●				11%
Egypt 		●	●	●			●	6%
Algeria 	●	●	●					5%
Iraq 	●	●	●		●			1%
Malta 	●				●			2%
Tunisia 	●	●			●			1%
Others	●	●	●	●	●		●	1%
Revenue (2019) ²	47%	11%	18%	11%	5%	4%	4%	
Assets (2019) ³	70%	4%	6%	8%	7%	3%	2%	

Attractive presence in high growth economies and promising sectors

Note: The business of OSN represented the entirety of the Group's media operating segment. In accordance with IFRS 5, the investment in OSN is classified as a discontinued operation and accordingly, the media segment is no longer presented in the segment note since Q3'2018

¹ Assuming consolidation of GIG & OSN

^{2, 3} Total revenue of USD3.8bn and total assets of USD40.7bn respectively, based on reported segmental revenue (before inter group eliminations) post consolidation of 100% revenue of GIG & OSN ; ⁴AMIB = Asset Management & Investment Banking

Core holdings

All core holdings are market leaders in their space



Investing in companies which have potential to be market leaders

¹ In terms of assets (based on latest financials)
premiums







⁴ By GPW

² In terms of revenue and countries of operations

⁵ By technical profit among private sector players (all rankings as of 31 December 2019)

³ By Gross premium written (GPW) and Direct premiums

Controlling or majority stakes

Main Entities	 بنك بروٲان BURGAN BANK	 osn	 UGH	 KAMCO INVEST	 gig شركة التأمين البحرينية	 شركة العقارات المتحدة United Real Estate Co
KIPCO Effective Stakes ¹	62.8%	87.6% ⁶	93.1%	57.8% ³	45.6%	73.8%
Board Representation	6 of 9	2 of 7 ⁵	4 of 7 (UGB)	4 of 5	4 of 10 ⁴	5 of 7
Market Cap (USDmn) ²	1,712	Unlisted	1,339	80	380	178
Credit Ratings	S&P: BBB+/A2 Moody's: A3/ P2 Fitch: A+	Unrated	CI: BBB (UGB)	CI: BBB	S&P: A- Moody's: A3 AM Best: A	CI: BBB
	Commercial Banking	Media	Asset Management & Investment Banking (AMIB)		Insurance	Real Estate

Solid & well managed portfolio of fast growing and attractive industries

Notes:

¹ Effective stakes given are as of 31 December 2019

² Market capitalisation as of 31 May 2020 (Source: Bloomberg for market price)

³ Stake in KAMCO Invest is held through UGH

⁴ GIG has 10 board members – 4 from KIPCO, 3 from Fairfax and 3 independent directors

⁵ OSN has 7 board members – 2 each from KIPCO and Mawarid and 3 independent directors

⁶ As on 31 March 2020. Refer Note 31 in KIPCO's consolidated financial statements as on 31-Dec-19 for details

CI = Capital Intelligence

Supportive shareholder with ruling family links

Kuwaiti ruling family support

KIPCO's principal shareholder is Al Futtooh Holding Company K.S.C. (Closed) ("AFH"), a Kuwaiti company owned by members of the Kuwaiti ruling family

Direct holding of 44.7% in KIPCO; Shareholder of KIPCO since 1988

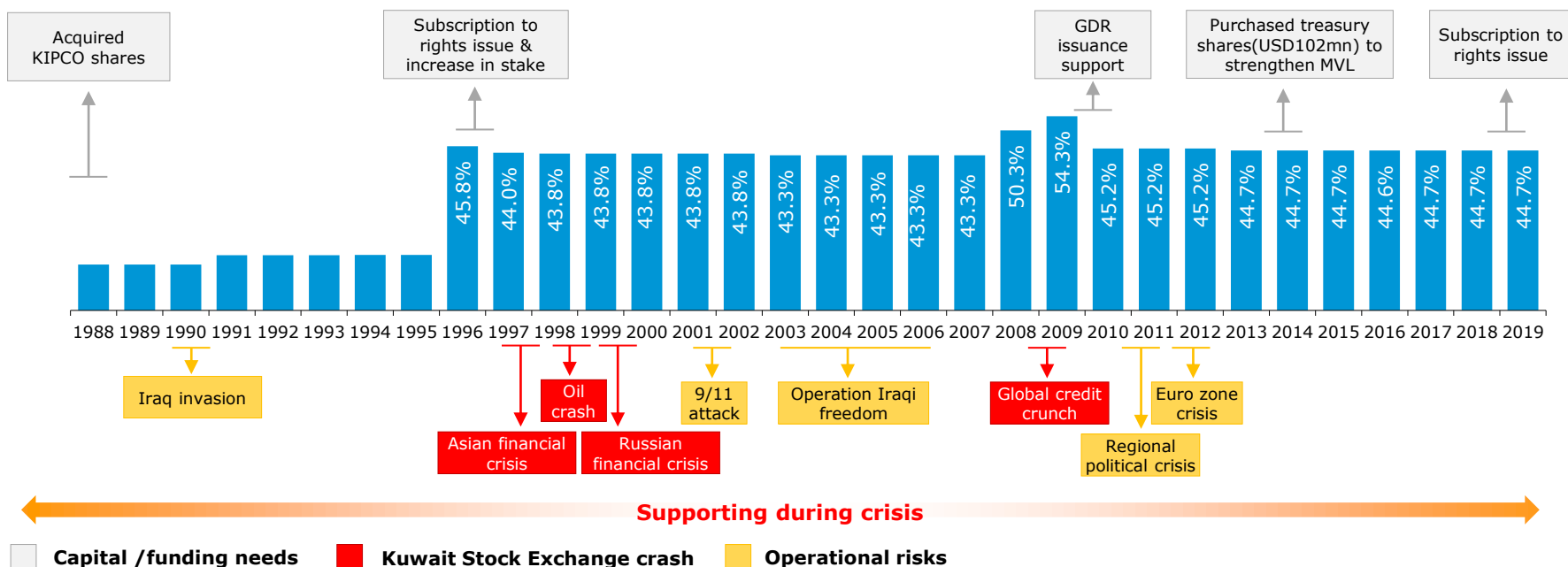
Has supported KIPCO in all its endeavors including capital raising, reduced dividends and treasury shares repurchases

Focused on promoting KIPCO as a role model for the private sector in the region

Successful completion of rights issue in July 2019

17% oversubscription shows confidence of shareholders in the company

AFH's continuing support to KIPCO









Key developments & performance update

Burgan Bank Group (BBG)

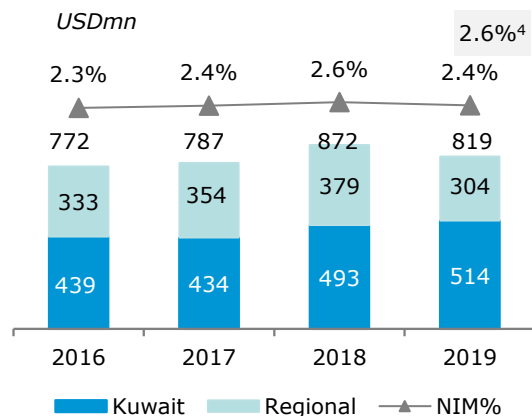
Business highlights

- ▶ Kuwait based commercial bank with a regional presence in seven countries
- ▶ 2nd largest conventional bank in Kuwait in terms of assets (USD23bn¹)
- ▶ BBB+ rating from S&P and A3 from Moody's, A+ from Capital Intelligence and A+ from Fitch
- ▶ Basel III capital adequacy ratio of 16.8%¹
- ▶ Listed on Bursa Kuwait with a market cap of USD1.7bn³

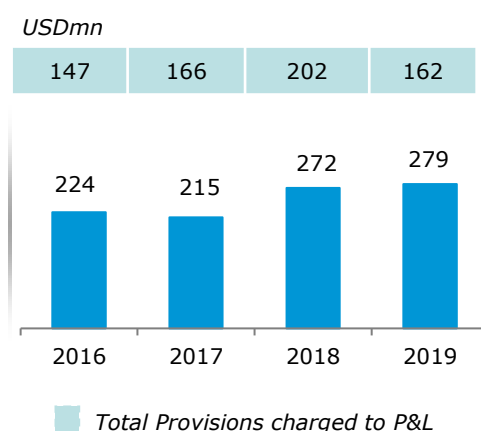
Key Franchises

Name	Market Position	Effective Stake ¹	Assets ¹ USDmn	Revenue ² USDmn
 BURGAN BANK Kuwait	#2 conventional bank	100%	18,241	514
 BURGAN BANK Turkey	Niche player in corporate banking	100%	3,701	147
 بنك الخليج الجزائر Gulf Bank Algeria	#3 private sector bank in Algeria	86%	1,946	136
 بنك تونس العالمي Tunis International Bank	Leading offshore bank in Tunisia	87%	541	21

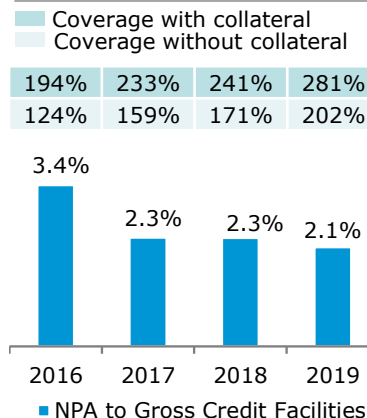
Operating Income



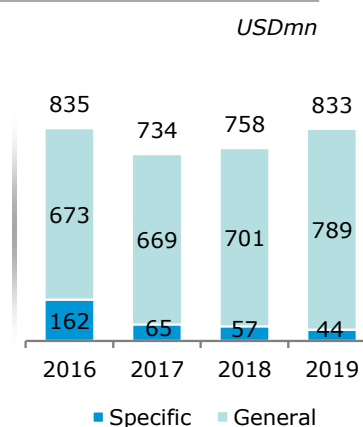
Net Profit & Provision



Loan Quality



Total Provisions



BB, the commercial banking arm of KIPCO group, is a regional player with market leadership position

¹As on 31 December 2019

²Operating income defined as revenue

³As of 31 May 2020

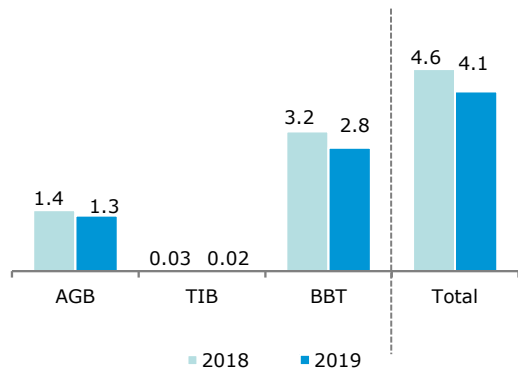
⁴On 12 months run rate basis

Note: Financial results of 2019 include only 11 months (i.e. January to November 2019) performance of subsidiaries instead of 12 months as included in the prior period

BBG: Regional operations

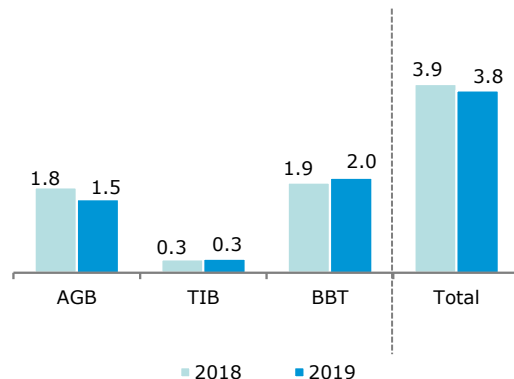
Loans[^]

USDbn



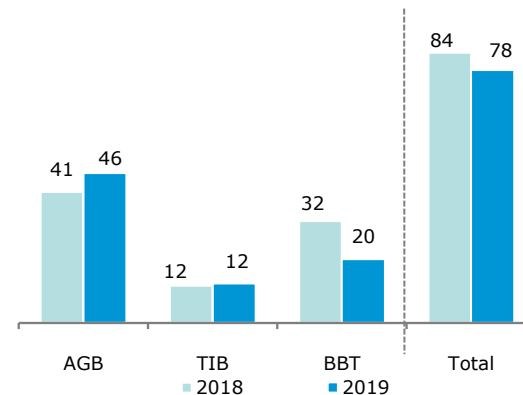
Deposits[^]

USDbn



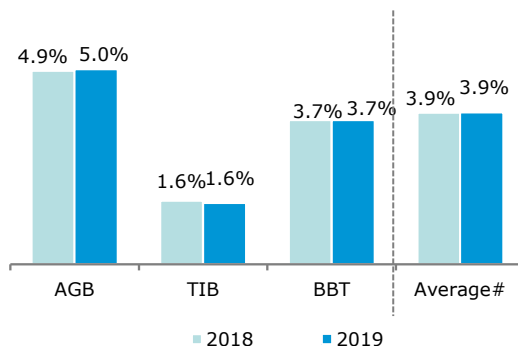
Net Profit

USDmn



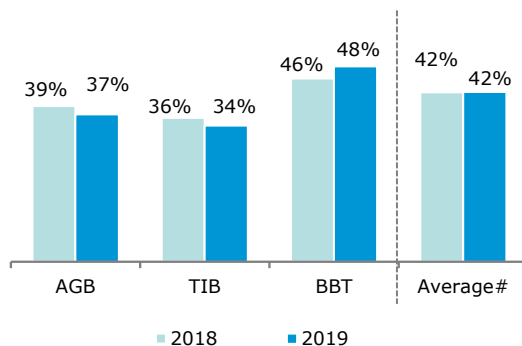
Net Interest Margin*

Percentage



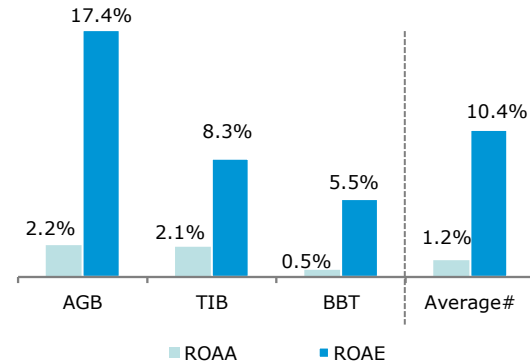
Cost to Income*

Percentage



Return on Assets & Equity*

Percentage



* For calculation of 2019 ratios for AGB, TIB, BBT net profit and net interest income of eleven month is used due to one-month lag in reporting

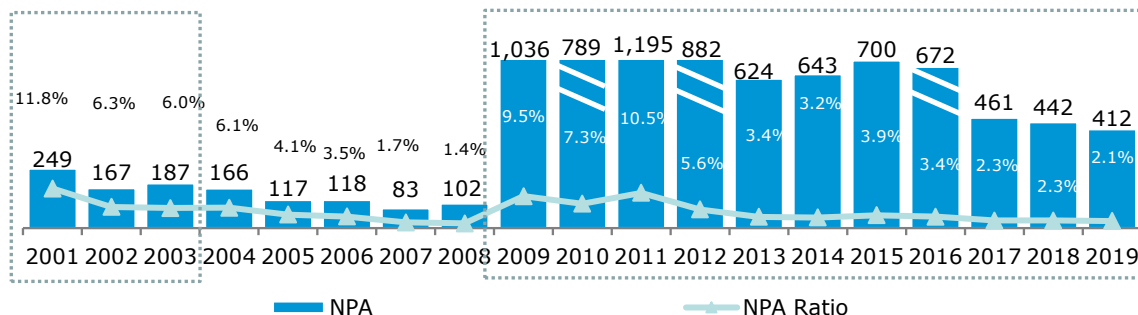
Represents weighted average figures using the denominator of respective ratio as weights

^ For 2019 BoB is classified as asset for sale thus for like to like comparison 2018 financials are adjusted

BBG: NPA¹ & provisioning trend

NPA Trend

NPA (USDmn)
NPA Ratio (Percentage)



Provisions Trend

■ NPA Coverage with collateral
■ NPA Coverage without collateral

50%	80%	87%	81%	116%	119%	165%	321%	90%	111%	108%	144%	175%	184%	184%	194%	233%	241%	281%
50%	80%	87%	81%	116%	119%	165%	321%	57%	72%	49%	76%	123%	131%	120%	124%	159%	171%	202%



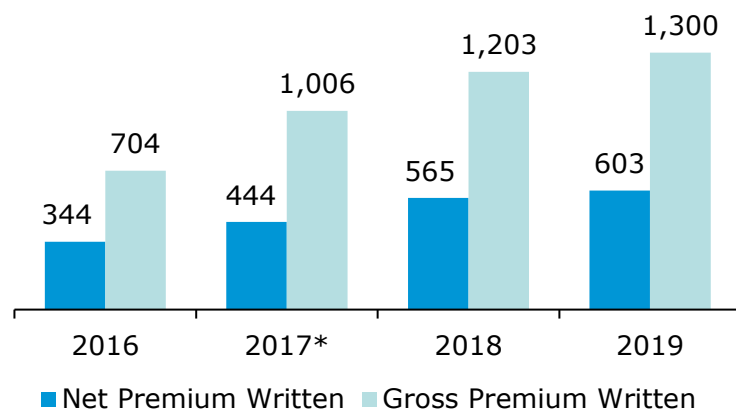
- ▶ At end of 31 December 2019, NPA coverage with provisions and collaterals was **281%**
- ▶ NPA Ratio was 2.1% as on 31 December 2019
- ▶ ~95% provisions in general category as on 31 December 2019
- ▶ Prudent approach to credit cycle
 - Loan Loss Reserves (against Loans and Advances to Customers) created during 2008-09 **higher than those created during 2000-01 cycle**

¹NPA includes on balance sheet and off balance sheet exposure

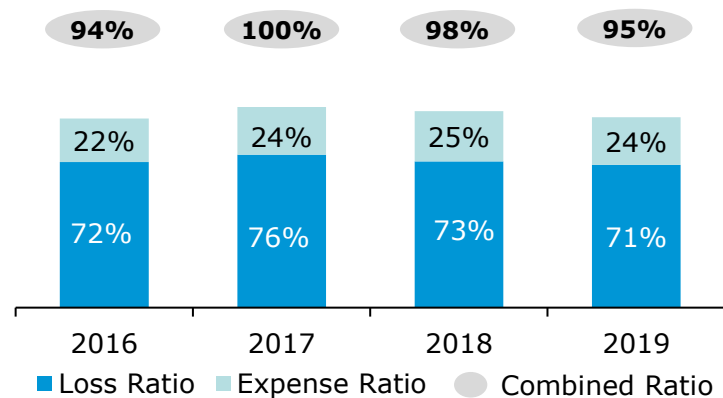
Gulf Insurance Group (GIG)

Gross & Net Premium Written

USDmn

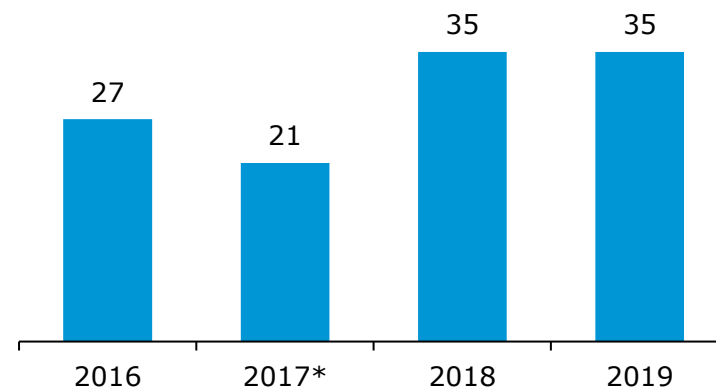


Combined Ratio



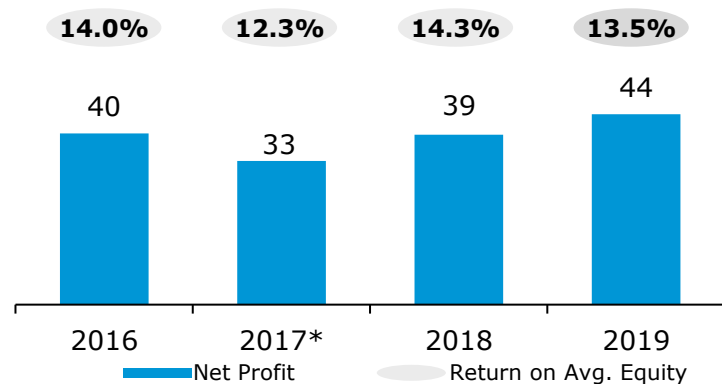
Net Investment Income

USDmn



Net Profit & ROE

USDmn



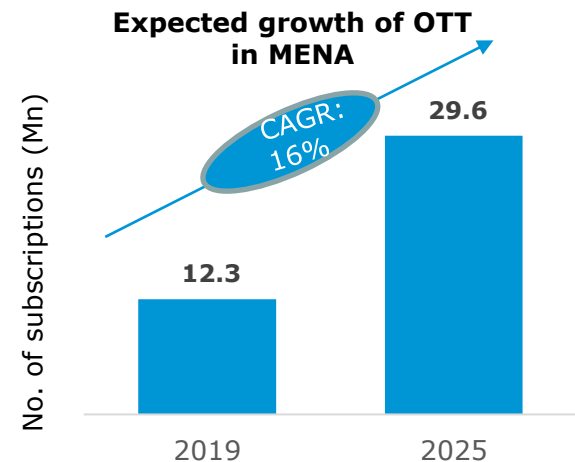
*Restated

OSN Background

- Operates an increasingly platform-agnostic pay-TV network across multiple platforms:
 - Direct-to-home (DTH), Cable fibre & Internet Protocol television (IPTV), Commercial and Over-the-top (OTT)
- Offers premium content with 85 channels and largest numbers of HD channels in the region
 - Exclusive contracts with major Hollywood studios
 - Biggest blockbuster movies and latest series
 - First window OTT rights from major studios
- Has rights across 25 countries in the MENA including majority of Western programs paired with an extensive tailored local offering
- Employs ~700 people in 13 offices, 26 retail locations across MENA and a network of 148 partners

MENA Pay Tv Potential

	Population (Mn)	TV Households (Mn)	Pay TV/ TV Households (%)
MENA Region¹	367	72	~10%
Latin America	621	56	44%
UK	67	27	56%
India	1,352	197	66%
US	329	120	79%



Source: Digital TV Research (Jan'20)

¹MENA region represents data of: Bahrain, Egypt, Jordan, Kuwait, KSA, Qatar, UAE, Algeria, Lebanon, Libya, Morocco, Oman,, Sudan, Syria, Tunisia and Yemen (OSN's core and target markets)

Source: IMF WEO Database October 2019, Euromonitor, Statista, Nielsen, Broadband TV News, Economic times

OSN Update







Operational turnaround complete; financial turnaround expected in 2020
Increased stake to 87.6%

United Gulf Holding Company (UGH)

Business highlights

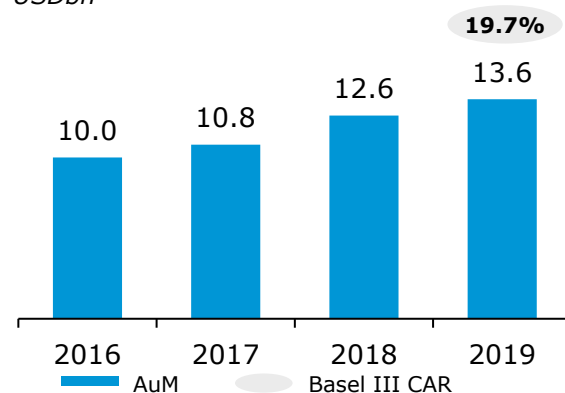
- ▶ Bahrain-based financial services group listed on the Bahrain Stock Exchange
- ▶ Activities include asset management, corporate finance advisory and brokerage services
- ▶ Merged KAMCO operations with Global Investment House to enhance business proposition and presence
- ▶ Focusing on digital products and initiatives
- ▶ Asset base of USD3.5bn¹

Key Franchises

Name	Market Position	Effective stake ¹	Assets ¹ USDmn	Revenue ² USDmn
 KAMCO INVEST	#1 asset management company in Kuwait by AuM	58%	427	89
 BURGAN BANK	#2 conventional bank in Kuwait by assets	15%	23,366	819
 URC شركة العقارات المتحدة United Real Estate Co	#3 real estate company in Kuwait by assets	10%	2,055	375
 FIMBANK	Niche trade finance player in Malta	61%	1,893 ³	44 ³

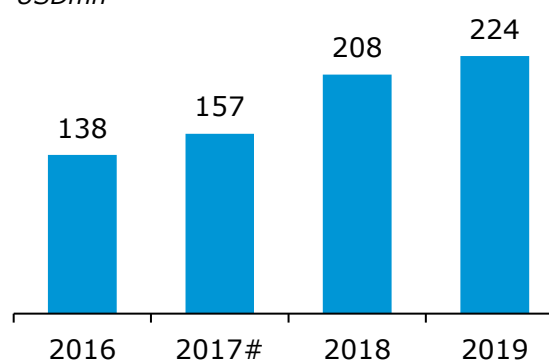
AuM & Capitalisation

USDbn



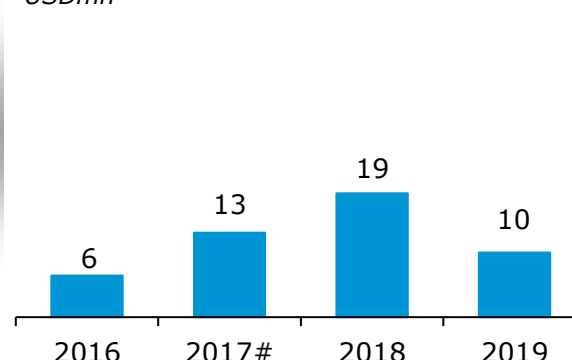
Revenue

USDmn



Net Profit

USDmn



UGH, the AMIB arm of KIPCO Group, is focused on financial services sector in the MENA region

As UGH was incorporated in September 2017, financials of UGH for 2017 comprise of first nine months results for UGB and Q4'17 results for UGH

¹ As of 31 December 2019

² Operating income is defined as revenue for the period ending 31 December 2019

³ As of 31 December 2019

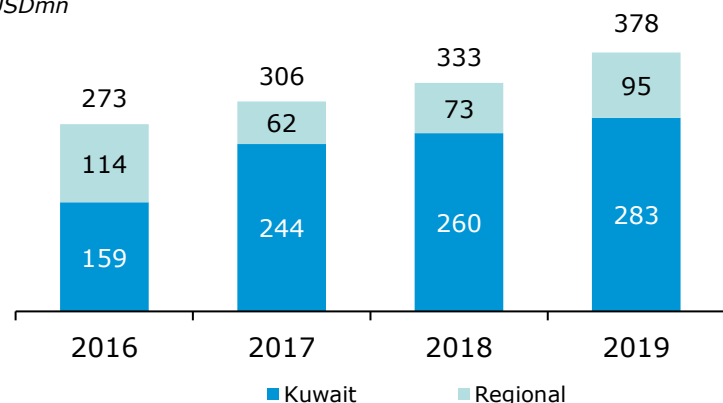
United Real Estate Company (URC)

Business highlights

- ▶ Operations across the Middle East region through a mix of fully-owned properties, subsidiaries and investment arms
- ▶ Presence across retail, hospitality, residential and office sector
- ▶ Engaged in developing Kuwaiti's first-ever comprehensive mixed-use district - Hessa Al Mubarak District, an urban cluster consisting of retail, office, and residential components
- ▶ Major real estate player in Kuwait, ranked third in real estate sector on KSE in terms of asset size of USD2.1bn¹

Total Revenue²

USDmn

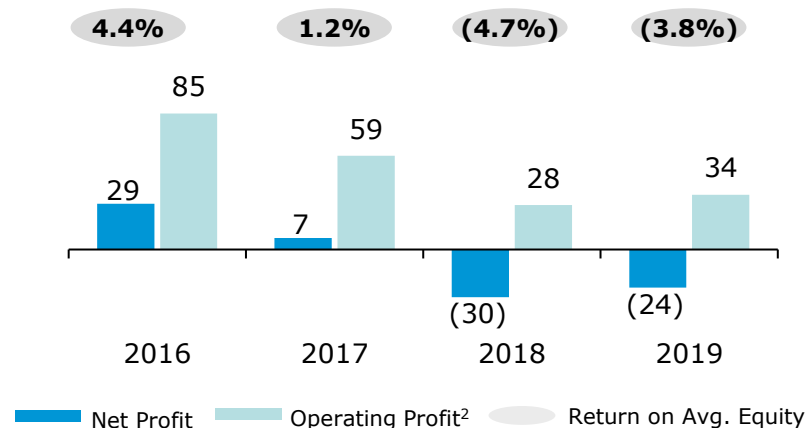


Key Franchises

Country	Name of properties
Kuwait	KIPCO Tower, Al Shaheed Tower, City Tower, Marina World, Marina Hotel, Saleh Shehab
Jordan	Abdali Mall
Oman	Salalah Mall
UAE	Fujairah Residential Buildings
Egypt	Aswar Villas, Hilton Hotel, Waldorf Astoria Tower, Sharm Al Sheikh
Lebanon	Bhamdoun, Raouche 1090

Profit & ROE

USDmn



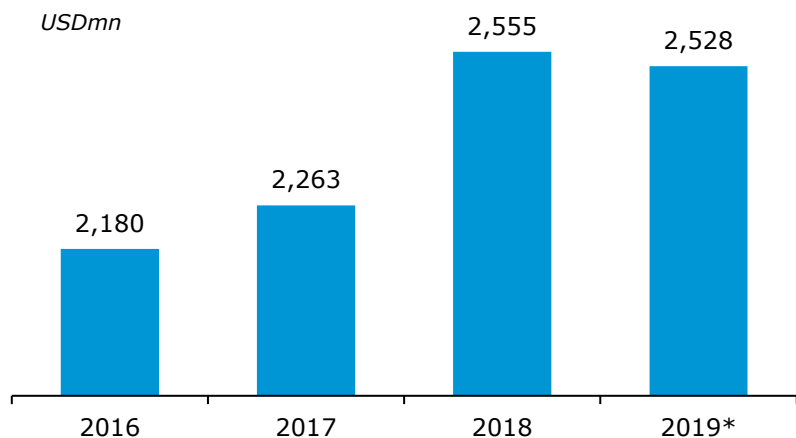
URC is a major real estate player in Kuwait

¹As of 31 December 2019

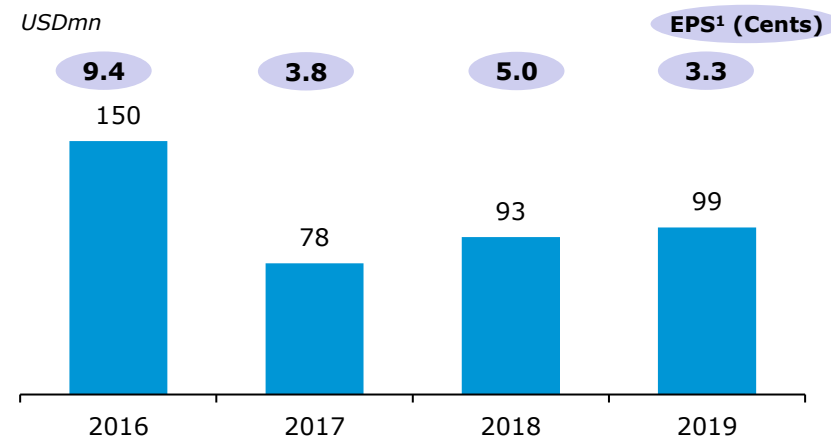
²Total revenue includes income from operational properties, gain on sale of properties, fixed assets & associates, valuation gain on properties, investment income, share in income from associates, interest income & forex gains

KIPCO consolidated: Financial performance

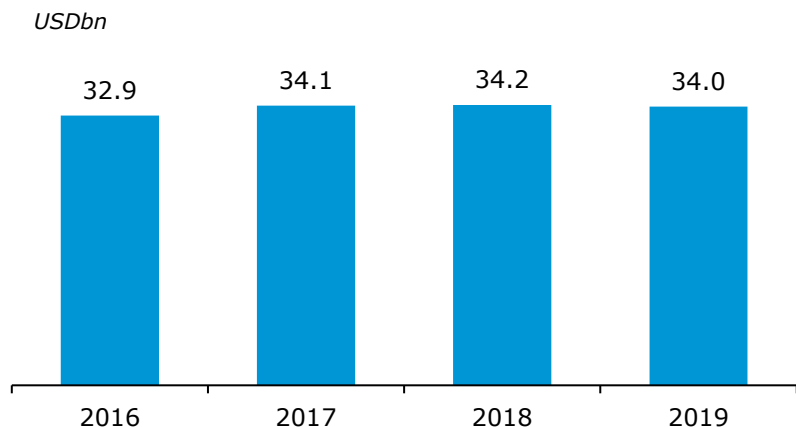
Revenue



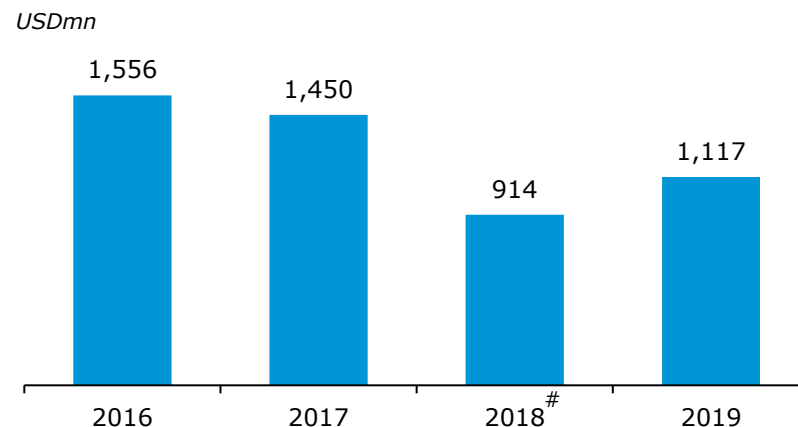
Net Income



Consolidated Assets



Shareholder's Equity



*2019 includes only 11 months (i.e. January to November 2019) performance of banking subsidiaries (BBT, AGB, TIB) instead of twelve months as included in the prior period

Primarily due to implementation of IFRS 9

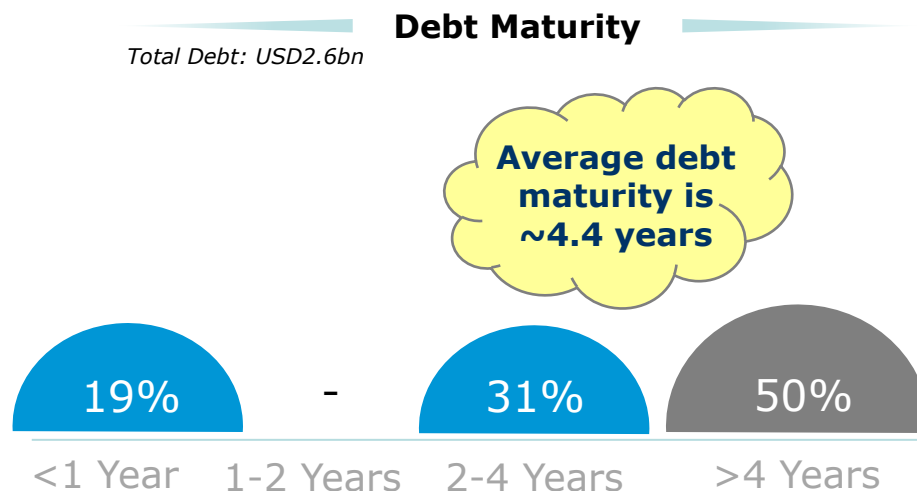
Note: Exchange rate of USD/KD of 0.30305 has been used in the presentation for financial numbers

¹Basic Earning per share (reported)



Debt Metrics

KIPCO parent debt profile: As at 31 December 2019



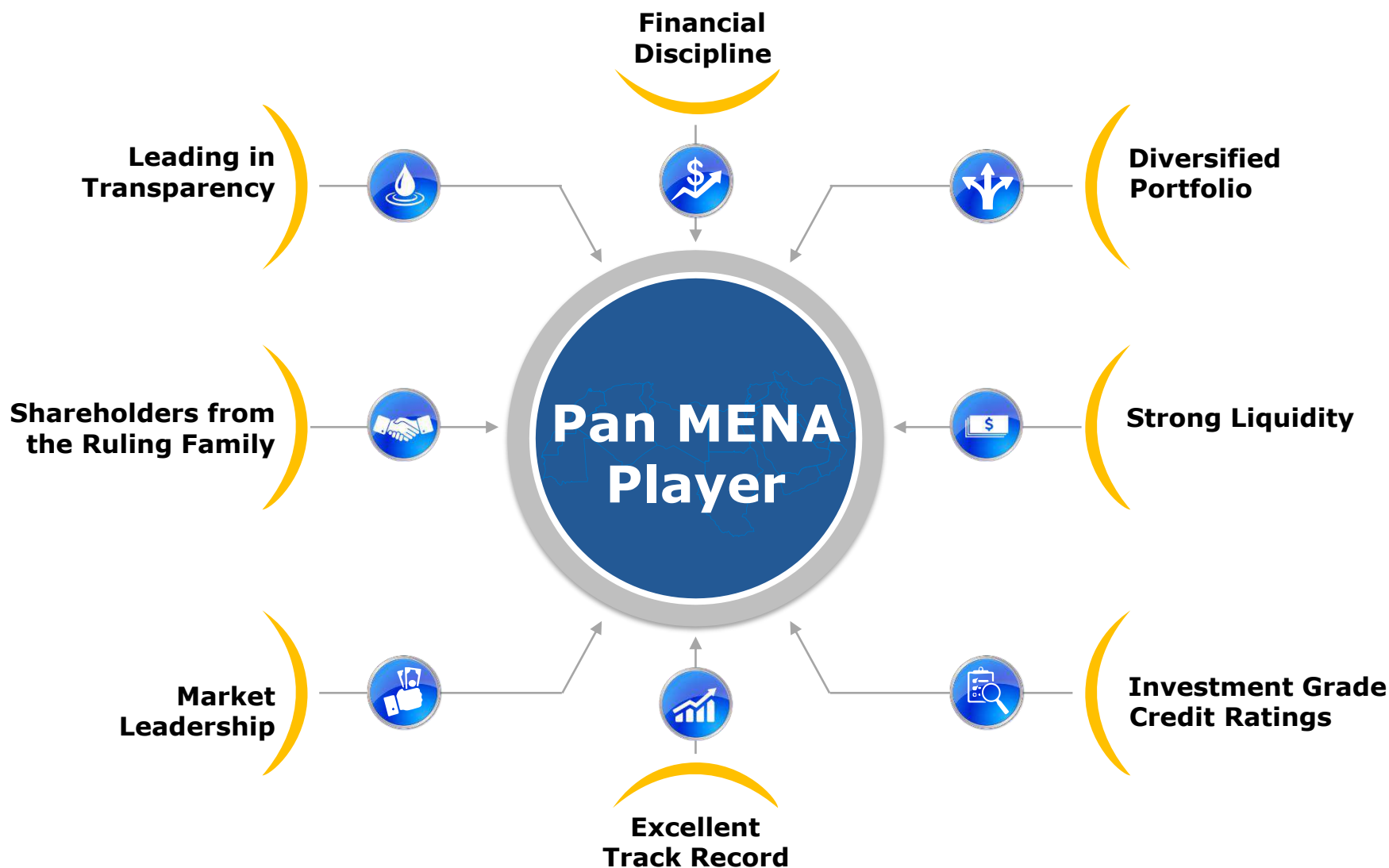
- Cash & bank balance of USD1,299mn
 - The current cash balance covers all debt obligations due till 2022 (2.6x coverage for 2020)
- Placements are with investment grade rated domestic institutions; having short duration and are typically rolled over on a monthly basis

KIPCO has a comfortable cash balance covering all debt obligations till 2022



Why KIPCO

Key credit highlights





Thank you





Annexure

United Industries Company (UIC)

Business highlights

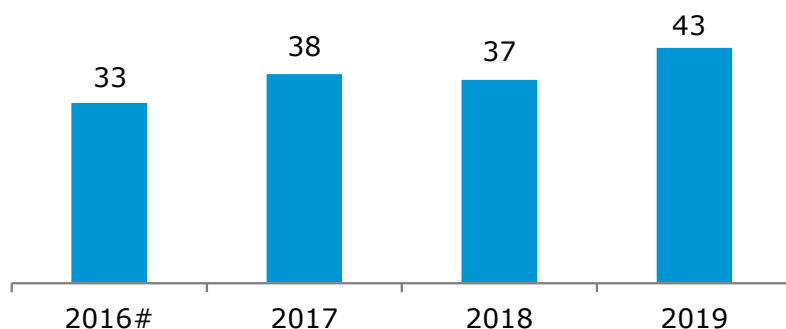
- ▶ Established in 1979, UIC operates as a holding company for the group's industrial investments
- ▶ UIC's mission is to manage a diversified portfolio of investments in the energy, food & basic industries sector

Key Franchises

Name	Market Position	Effective Stake	Assets ¹ USDmn	Revenue ² USDmn
 Kuwait	Leading private company in petrochemical	31%	2,605	539
 Kuwait	Leading distributor of healthcare equipments	19%	925	469

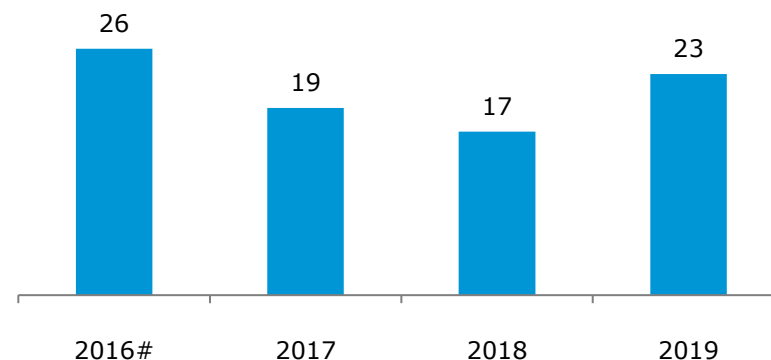
Income from Associates

USDmn



Net Profit

USDmn



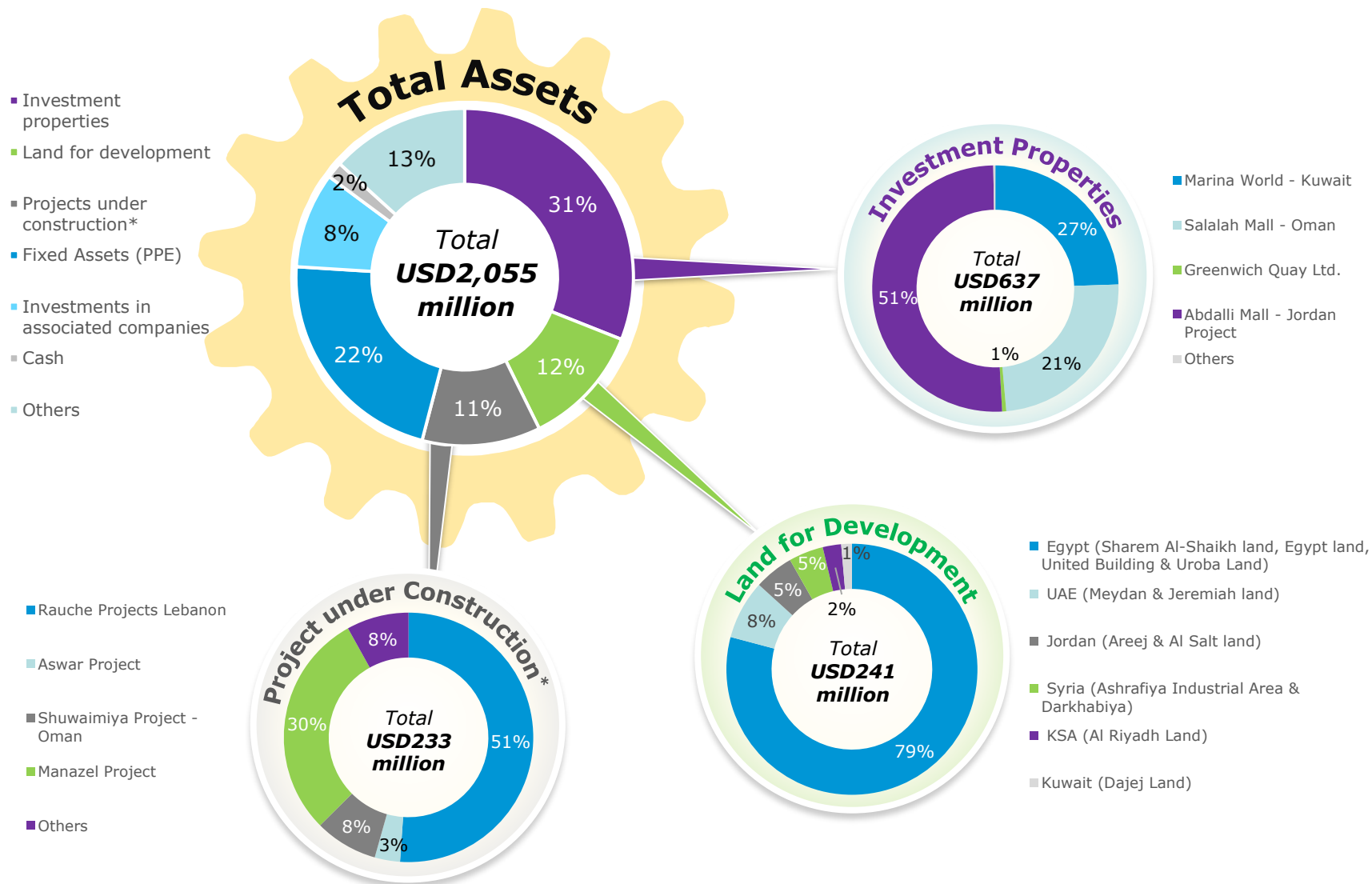
UIC seeks to be a leading regional investment house with activities in the industrial sector

¹ As of 31 December 2019

² For the period ended 31 December 2019 (nine months in case of QPIC and full year for ATC)

Includes USD13mn as of one-off income on reclassification of investment from AFS to associate

URC: Balance sheet (Break-up)¹



* Includes Raouche, Aswar & Manazel which are reported under inventory in the financials

¹ As on 31 December 2019

Jordan Kuwait Bank (JKB)

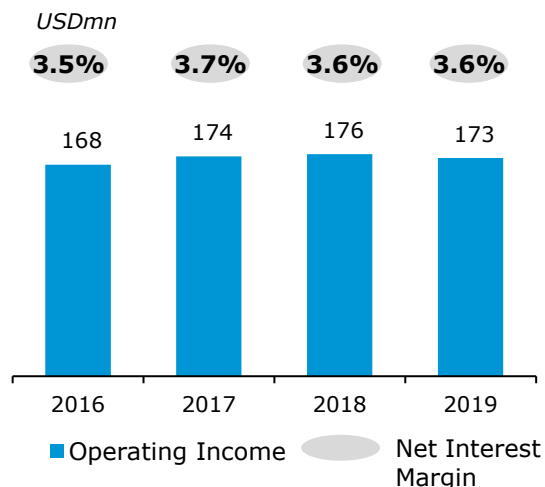
Business highlights

- ▶ Jordan based commercial bank with operations in Jordan, Palestine and Cyprus
- ▶ Listed on Amman Stock Exchange with a market capitalization of USD354mn¹
- ▶ 5th largest conventional bank in Jordan in terms of asset size of USD3.9bn²
- ▶ Focus on stable and essential sectors like Energy, Industry and Trade and retail and SME segment through expanded distribution network
- ▶ Capital adequacy ratio of 19.5%²

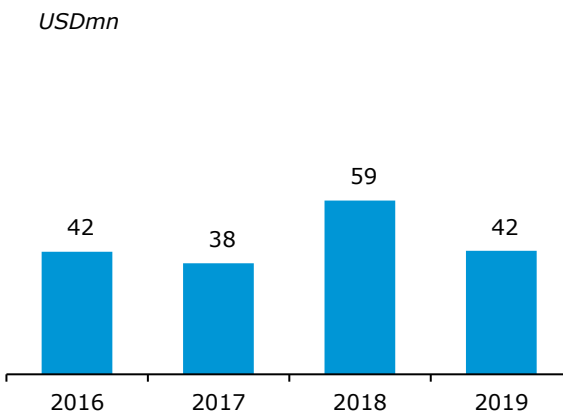
Operational highlights



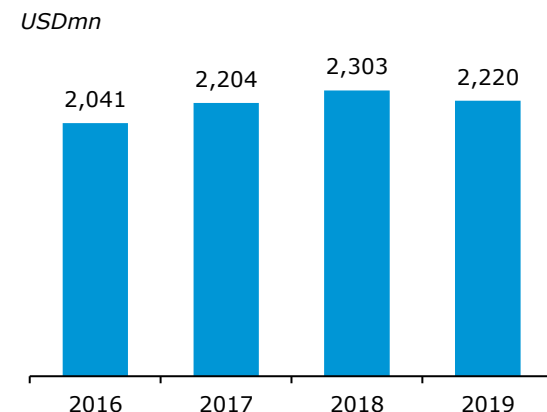
Operating Income & NIM



Net Profit



Loans and Advances



Notes: Exchange rate of USD/JOD of 0.7090 as of 31 December 2019 has been used for conversion

¹ As of 31 December 2019

² As of 31 December 2019

³ As of 31 December 2019

⁴ Source: Central Bank of Jordan

KIPCO: Executive management



Faisal Hamad Al Ayyar | Vice Chairman - Executive

- ▶ Joined KIPCO Board in 1990
- ▶ Recipient of Arab Bankers Association of North America Achievement Award (2005)



Tariq Abdulsalam | CEO – Investment

- ▶ Joined KIPCO in 1992 and became in charge of KIPCO's Investment Division from 1996 to 1999
- ▶ BSc in Accounting from Kuwait University



Mazen Hawwa | Deputy Group COO And Group Executive VP - Finance

- ▶ Joined KIPCO in 2001, previously worked at Anderson & Co.
- ▶ Graduate of Lebanese American University, Holds CPA and CMA



Eric Schumacher | Group Treasurer

- ▶ Joined KIPCO in 2019, previously held leading positions in Citi and HSBC
- ▶ Holds an MBA from Concordia University in Canada and is a Chartered Financial Analyst



Joe Kawkabani | Group Chief Strategic Initiatives Officer

- ▶ Joined KIPCO in 2018, previously set up and served as CEO of CPC Africa
- ▶ Holds a Bachelor's Degree in Business Administration from Saint Joseph University



Osama Al Ghousein | SVP - Banking

- ▶ Joined KIPCO Group in 2013, previously Senior Vice President in Pictet & Cie.
- ▶ Over 30 years of experience in global and regional banking



Eman Al Awadhi | Group Communications Director

- ▶ Joined KIPCO in 2010
- ▶ Over 10 years of experience in communications, media relations and journalism



Samer Subhi Khanachet | Group COO

- ▶ Joined KIPCO in 1990; Board and committee member of American University of Kuwait, MIT
- ▶ BSc from MIT and MBA from Harvard University



Pinak Maitra | Group CFO

- ▶ Joined KIPCO in 1988
- ▶ Recipient of the MENA Private Sector CFO of the Year Award (2008)



Khaled Al Sharrad | Group Chief HR & Admin. Officer, Board Secretary

- ▶ Joined KIPCO in 2012, previously Head of Human Resources at the Kuwait Foreign Trading Contracting Investment Company (KFTCIC). He is on the Board of the American Management Association International in New York



Mohsen Ali Husain | Group Chief Audit Executive

- ▶ Joined KIPCO in 2006, previously worked at KPMG
- ▶ Holds a CPA, CISA, CIA and B.Sc. in Accounting



Adel Al Waqayan | Treasurer

- ▶ Joined KIPCO in 1995, previously with Burgan Bank Treasury
- ▶ MBA in 1986 from USI University



Tawfiq Al Jarrah | ED – Hessa Al Mubarak District

- ▶ Joined KIPCO in 2016, previously with Kuwait Commercial Markets Complex Company
- ▶ Holds a CPA and BA in business



Robert Drolet | Consultant

- ▶ Joined KIPCO in 2006, previously held leadership positions for Cable & Wireless and Bell Canada
- ▶ B.LL from Laval, LL.M Osgoode, M.Litt. Oxford

Board of Directors is actively involved in overseeing the management and strategy of the company under the Chairmanship of Sheikh Hamad Sabah Al Ahmad Al Sabah

KIPCO consolidated: Balance Sheet

Consolidated Balance Sheet (USDmn)	2016	2017	2018	2019
Cash in hand and at banks	4,811	5,179	6,991	5,220
Treasury bills, bonds & other debt securities	2,228	2,134	2,397	1,803
Investment in associates	1,460	1,238	1,087	1,162
Investment in a media joint venture	494	587	-	-
Non-current assets held for sale	-	-	618	696
Investment properties	1,415	1,726	2,064	2,080
Other investments	1,876	2,069	1,712	2,016
Other assets (inc. goodwill & intangibles)	20,654	21,204	19,350	21,063
Total assets	32,939	34,137	34,220	34,040
Due to Banks & Other FI's	7,620	6,646	6,794	4,703
Deposits from Customers	15,904	16,925	16,128	17,608
Debt	4,229	4,899	6,049	6,378
Other liabilities	1,172	1,667	1,914	1,729
Equity attributable to equity holders of the Parent Company	1,556	1,450	914	1,117
Perpetual capital securities	483	483	483	506
Non-controlling interest	1,975	2,067	1,937	1,999
Total liabilities and shareholders equity	32,939	34,137	34,220	34,040

KIPCO consolidated: Income Statement

Consolidated Income Statement (USDmn)	2016	2017	2018	2019
Interest income	1,229	1,275	1,469	1,348
Investment income	92	234	121	113
Fees and commission income	185	175	201	215
Share of results of associates	119	42	61	76
Share of results of a media joint venture	(21)	-	-	-
Hospitality and real estate income	255	309	361	398
Other revenues	322	227	343	378
Total revenues	2,180	2,263	2,555	2,528
Interest Expenses	794	819	983	948
General and administrative expenses	566	610	635	617
Other expenses and provisions	469	477	551	637
Taxation	60	51	34	54
Loss from discontinued operations	-	100	76	-
Non-controlling interest	140	128	183	173
Net profit attributable to Equity Holders of the Parent Company	150	78	93	99
Basic Earnings Per Share, Cents (Reported)	9.4	3.8	4.9	3.3
Basic Earnings Per Share for continuing operations, Cents (Reported)	-	10.9	10.2	3.3