

August 2020

GCC M&A Report – Q2 2020

Transactions decreased by 26% compared to Q2 2019

Research Highlights:

Provides a review of M&A transactions in the GCC region.

Markaz Research is available on:

Bloomberg - Type "MRKZ" <Go>
Thomson Research,
Reuters Knowledge
Nooz
Zawya Investor
ISI Emerging markets
Capital IQ
FactSet Research Connect
TheMarkets.com

Mohammad Al Fahad

Manager – Investment Banking
+965 2224 8000 Ext: 1107
mfahad@markaz.com

Fay Al Bader

Assistant Analyst – Investment Banking
+965 2224 8000 Ext: 1160
fbader@markaz.com

Kuwait Financial Centre K.P.S.C. "Markaz"

P.O. Box 23444, Safat 13095,
Kuwait
Tel: +965 2224 8000
Fax: +965 2242 5828
markaz.com

Throughout Q2 2020, the GCC market observed a total of 23 closed M&A transactions, a substantial decrease relative to the same period in the previous year. Overall, the total number of closed transactions decreased by 4% relative to the previous quarter, and 26% relative to the previous year. The UAE dominated the market yet again as it accounted for 35% of the total transactions closed, followed by Saudi Arabia and Bahrain, who accounted for 26% and 17%, respectively. In addition, Bahrain, Oman and Saudi Arabia each witnessed a slight growth in the total number of transactions closed, relative to the previous quarter. On the other hand, Qatar and UAE recorded a slight decline in the total number of transactions closed while Kuwait recorded no growth.

Moreover, the market attracted a significantly higher level of interest from foreign buyers when compared to the previous quarter, successfully closing a total of five transactions throughout the quarter. Foreign acquirers accounted for a greater number of the transactions closed relative to the previous quarter, beginning with 4% in Q1 2020 and rising to 22% in Q2 2020. In addition, these transactions spanned across multiple sectors which was also observed in Q1 2020. With that being said, the sectors that witnessed the greatest level of activity throughout the quarter were the Financials, Industrials, Insurance and Utilities sectors. Collectively, these sectors accounted for 67% of the total number of closed transactions. It is worth noting that the Financials and Industrials sectors were also among the sectors that witnessed the greatest level of activity in Q1 2020 as well.

Furthermore, GCC acquirers actively acquired both regional and international companies, whereas in the past quarter, they primarily invested in the regional market. Throughout Q2 2020, GCC acquirers closed a total of 13 transactions that involved international companies, which is 30% greater in comparison to Q1 2020, which recorded a total of 10 closed transactions that involved international companies. Saudi and UAE buyers each accounted for 46% of these transactions, followed by Bahraini buyers who accounted for the remaining 8%. Kuwaiti acquirers purely invested in local companies while Oman closed a total of two transactions, one involving a local company while the other involved a regional firm. Lastly, Qatari acquirers did not close any transaction throughout the quarter.

Figure: Number of Closed GCC M&A Transactions

Country	Q2 2020	Q1 2020	Q2 2019	% Change (Q1 2020)	% Change (Q2 2019)
Bahrain	4	2	3	100%	33%
Kuwait	3	3	3	0%	0%
Oman	2	1	3	100%	-33%
Qatar	0	1	0	-100%	0%
Saudi Arabia	6	5	11	20%	-45%
United Arab Emirates	8	12	11	-25%	-27%
Total	23	24	31	-4%	-26%

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis
Kindly note that % changes are in comparison to Q2 2020.

GCC Merger & Acquisition Deals

Q2 2020



M&A Transactions within GCC



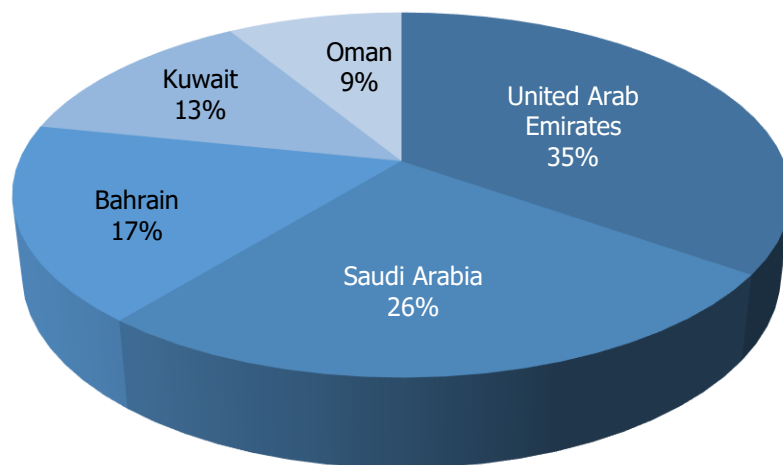
GCC Mergers & Acquisitions - Transaction History (Closed)

GCC M&A Transactions – Number of Transactions

Country	Q2 2020	Q1 2020	Q2 2019	% Change (Q1 2020)	% Change (Q2 2019)
Bahrain	4	2	3	100%	33%
Kuwait	3	3	3	0%	0%
Oman	2	1	3	100%	-33%
Qatar	0	1	0	-100%	0%
Saudi Arabia	6	5	11	20%	-45%
United Arab Emirates	8	12	11	-25%	-27%
Total	23	24	31	-4%	-26%

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis
Kindly note that % changes are in comparison to Q2 2020.

GCC M&A Transactions – Geographical Distribution by Number of Transactions (Q2 2020)



Key Takeaways

- ✧ The global economy slowly regained its momentum within Q2 2020 as fears related to the global pandemic started to settle and uncertainties eased. With that being said, the GCC economy has taken a little longer to recover as it was heavily impacted due to the aftermath of the pandemic and the resulting oil crisis, leaving investors hesitant to engage in M&A transactions. This is evident by the lower overall level of M&A activity in the GCC when compared to previous quarters.
- ✧ Throughout Q2 2020, the GCC market recorded a total of 23 closed transactions which is 4% lower in comparison to Q1 2020, and 26% lower in comparison to Q2 2019.
- ✧ As witnessed in previous quarters, the UAE has recorded the greatest level of M&A activity relative to its GCC counterparts. This can be demonstrated through the fact that UAE targets had accounted for 35% of the total transactions closed throughout the quarter, followed by Saudi Arabia, Bahrain, Kuwait, and Oman who accounted for 26%, 17%, 13% and 9% of the total level of activity, respectively.
- ✧ There were no closed transactions during Q2 2020 that involved Qatari targets.

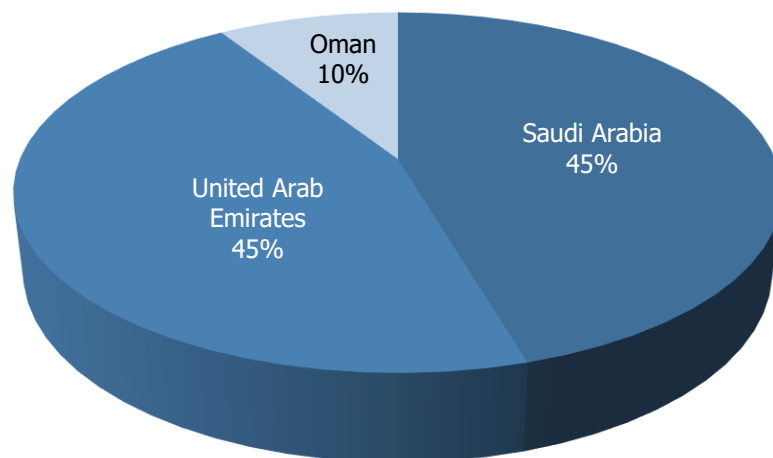
GCC Mergers & Acquisitions - Announced Transactions in the Pipeline

GCC M&A Transactions – Announced Pipeline Transactions

Country	Q2 2020	Q1 2020
Bahrain	0	0
Kuwait	0	3
Oman	1	0
Qatar	0	0
Saudi Arabia	5	3
United Arab Emirates	5	8
Total	11	14

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis
Kindly note that % changes are in comparison to Q2 2020.

GCC M&A Transactions – Geographical Distribution by Number of Announced Pipeline Transactions (Q2 2020)



Key Takeaways

- By the end of Q2 2020, there was a total of 11 announced transactions within the pipeline. The majority of these transactions involved Saudi and UAE targets, each of whom accounted for 45% of the total announced deals. Meanwhile, the remaining 10% of the transactions involved Omani targets.
- Overall, Saudi Arabia and Oman were the only two countries that witnessed a growth in the level of activity announced relative to the previous quarter. On the other hand, the UAE recorded a significant decrease in the level of announced activity throughout the quarter. In comparison to Q1 2020, the number of announced transactions involving UAE targets decreased by approximately 38%.
- By the end of the quarter, neither Bahrain, Kuwait nor Qatar had any announced transactions in the pipeline.

GCC Mergers & Acquisitions - Top 5 Deals by Reported Value

Targets & Buyers – Q2 2020

Target Company	Target Country	Buyer	Buyer Country	Percent Deal Value Sought (USDmn)		Status
Emaar Properties District Cooling Business	United Arab Emirates	National Central Cooling Company	United Arab Emirates	80	675	Closed
Alizz Islamic Bank	Oman	Oman Arab Bank	Oman	100	100	Closed
Care Shield Holding Company	Saudi Arabia	Dallah Healthcare Company	Saudi Arabia	59	86	Closed
Abu Dhabi National Energy Company	United Arab Emirates	Abu Dhabi Power Corporation	United Arab Emirates	99	N/A	Announced
Samba Financial Group	Saudi Arabia	National Commercial Bank	Saudi Arabia	100	N/A	Announced

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Reuters, Markaz Analysis. These companies were selected based on available information.

*Note: RT is an abbreviation for a refrigeration ton, a unit of power that measures the heat-extraction capacity of a refrigeration and/or air conditioning equipment.

** The transaction value was calculated based on the following assumptions: 1) Alizz Total Shares Issued = 1.0 billion shares and 2) Alizz Share Price (Closing) = USD 0.1, as of June 15, 2020.

*** The transaction value was calculated based on the following assumptions: 1) Total Shares to be Issued = 106.4 billion shares and 2) TAQA Share Price (Closing) = USD 0.2, as of July 2, 2020.

**** The transaction value was calculated based on the following assumptions: 1) Total Shares to be Issued = 1.4 – 1.5 billion shares and 2) NCB Share Price (Closing) = USD 9.9, as of June 24, 2020.

Key Takeaways

- ✧ The National Central Cooling Company acquired an 80% stake in Emaar Properties' district cooling business for USD 675.2 million. This business is based in Downtown Dubai and has a capacity of 150,000 RT* that will subsequently be distributed through three cooling plants.
- ✧ Oman Arab Bank ("OAB") has fully acquired Alizz Islamic Bank for an estimated value of USD 100.0 million.**
- ✧ Dallah Healthcare Company acquired a 59% stake in Care Shield Holding Company, a local healthcare firm, for a total consideration of USD 85.8 million.
- ✧ Abu Dhabi Power Corporation ("AD Power") acquired 99% of Abu Dhabi National Energy Company ("TAQA") through a share swap deal which saw AD Power transfer the majority of its power and water generation, transmission and distribution assets to TAQA in exchange for 106.4 billion shares in the firm. The estimated transaction value is USD 21.3 billion***.
- ✧ Samba Financial Group ("Samba") has signed an agreement with National Commercial Bank ("NCB") regarding a merger whereby NCB would fully acquire Samba for an estimated value of USD 14.9 billion****.

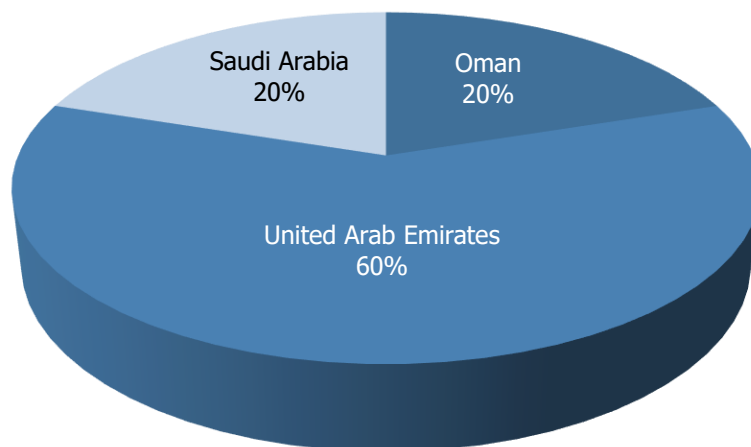
GCC Mergers & Acquisitions - Foreign (Non-GCC) Buyers (Closed)

Number of Foreign Buyers' Deals in GCC

Country	Q2 2020	Q1 2020	Q2 2019
Bahrain	0	0	1
Kuwait	0	0	0
Oman	1	0	0
Qatar	0	0	0
Saudi Arabia	1	1	1
United Arab Emirates	3	0	5
Total	5	1	7

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

GCC M&A Transactions – Geographical Distribution by Number of Transactions Involving Foreign Buyers (Q2 2020)



Key Takeaways

- ✧ The GCC market attracted a significantly higher level of interest from foreign buyers when compared to the previous quarter, successfully closing a total of five transactions throughout the quarter. This represents a 400% increase relative to Q1 2020 and approximately a 29% decrease relative to Q2 2019.
- ✧ In a continuous trend, UAE targets received the greatest level of foreign interest relative to the remaining GCC countries. Overall, UAE targets accounted for 60% of the total transactions taken on by foreign buyers, followed by Oman and Saudi Arabia, who each accounted for 20% of total closed transactions.
- ✧ On the other hand, neither Bahrain, Kuwait nor Qatar received any foreign interest. It is worth noting that a similar trend is witnessed back in Q1 2020.

GCC Mergers & Acquisitions - Top Deals by Reported Value (Foreign)

Targets & Foreign (Non-GCC) Buyers – Q2 2020

Target Company	Target Country	Buyer	Buyer Country	Percent Sought	Deal Value (USDmn)	Status
Oman Arab Bank	Oman	Arab Bank PLC	Jordan	12	119	Closed
Advanced Fabrics Factory Company	Saudi Arabia	JOFO Nonwovens Company Limited	China	70	57	Announced
Joody Al Sharqiya Food Production Factory	Saudi Arabia	BRF S.A.	Brazil	100	8	Closed
MKG Group	United Arab Emirates	De Raj Group AG	Germany	100	N/A	Closed
Jindal Shadeed Iron & Steel Company LLC	Oman	Templar Investments Limited	Mauritius	100	N/A	Announced

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

Key Takeaways

- ✧ Arab Bank PLC acquired a 12% stake in Oman Arab Bank for a total consideration of USD 119.4 million, raising its total shareholding ownership to 51%. This stake was acquired from Oman International Development and Investment Company.
- ✧ JOFO Nonwoven Company Limited has signed a non-binding memorandum of understanding to acquire a 70.0% stake in Advanced Fabrics ("Takween") for USD 57.4 million. Takween is a public Saudi Arabian firm that manufactures various plastic packaging products and nonwoven fabrics.
- ✧ Through its subsidiary Badi Limited, BRF S.A. fully acquired Joody Al Sharqiya Food Production Factory for a total consideration of USD 8.0 million.
- ✧ Germany's De Raj Group AG acquired 100% of MKG Group, a UAE-based holding company, for an undisclosed amount.
- ✧ Templar Investments Limited acquired 100% of Jindal Shadeed Iron and Steel Company LLC, an Oman-based metal manufacturer, for an undisclosed amount.

GCC Mergers & Acquisitions - By Sector (Closed)

Sector-wise Classification of Deals – Q2 2020

Sector	GCC Acquirers	Foreign Acquirers	Other*	Grand Total	%**
Financials	3	1	0	4	18
Industrials	2	1	1	4	18
Utilities	2	0	2	4	18
Insurance	3	0	0	3	13
Logistics	0	2	0	2	9
Consumer Discretionary	1	0	0	1	4
Energy	1	0	0	1	4
Real Estate	1	0	0	1	4
Education	1	0	0	1	4
Consumer Staples	0	1	0	1	4
Marketing	1	0	0	1	4
Grand Total	15	5	3	23	100

Sector-wise Classification of Deals – Q1 2020

Sector	GCC Acquirers	Foreign Acquirers	Other*	Grand Total	%**
Financials	3	0	1	4	17
Information Technology	4	0	0	4	17
Industrials	3	0	0	3	13
Consumer Staples	2	0	0	2	8
Healthcare	2	0	0	2	8
Media	2	0	0	2	8
Real Estate	2	0	0	2	8
Aviation	1	0	0	1	4
Construction	1	0	0	1	4
Education	1	0	0	1	4
Telecommunication Services	1	0	0	1	4
Utilities	0	1	0	1	4
Grand Total	22	1	1	24	100

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

* Other refers to deals where buyer information is not available.

8 ** Totals may exceed 100% due to rounding

Key Takeaways

- ✧ The majority of the closed transactions during Q2 and Q1 2020 were carried out by GCC acquirers. During Q2 2020, GCC acquirers accounted for 65% of the total number of transactions while foreign acquirers accounted for 22%. The remaining 13% is comprised of closed transactions for which the buyer information is not available.
- ✧ During Q1 2020, GCC acquirers accounted for 92% of the total number of transactions while foreign acquirers accounted for 4%. The remaining 4% is comprised of closed transactions for which the buyer information is not available.
- ✧ Moreover, the closed transactions during the most recent quarter spanned across multiple sectors which was also observed in Q1 2020.
- ✧ The sectors witnessing the greatest activity levels throughout Q2 2020 were the Financials, Industrials, Utilities and Insurance sectors. Collectively, these four sectors accounted for 67% of the transactions that closed during the quarter.

M&A Transactions by GCC Acquirers



Note: No slide was provided for Qatari acquirers as they did not engage in any transactions within or outside the GCC during Q2 2020.

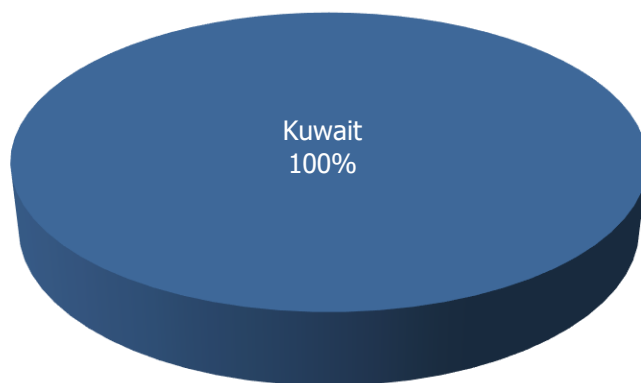
Merger & Acquisition Watch - By Kuwaiti Acquirers

Targets & Buyers – Q2 2020

Target Company	Target Country	Buyer	Percent Sought	Deal Value (USDmn)	Status
Gulf Cable & Electrical Industries Company	Kuwait	Mirage Holding Limited Company	5	19	Closed
Arkan Al-Kuwait Real Estate Company	Kuwait	Al Khair Global for Buying & Selling Shares	10	7	Closed
Kuwait Finance & Investment Company	Kuwait	Abdulla Hamad Al Sagar & Brothers Company	7	4	Closed

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

Target Companies – Geographical Distribution by Number of Transactions (Closed) (Q2 2020)



Key Takeaways

- ✦ Mirage Holding Limited acquired a 5% stake, or 10.5 million shares, in Gulf Cable and Electrical Industries Company for a total consideration of USD 19.1 million. The firm acquired this stake from Al Khair Global for Buying & Selling Shares ("Al Khair Global").
- ✦ Following the completion of its mandatory tender offer, Al Khair Global announced that it acquired a 10% stake, or 25.9 million shares, in Arkan Al-Kuwait Real Estate Company. This subsequently raised Al Khair Global's total ownership share from 36% to 46%.
- ✦ Lastly, Abdulla Hamad Al Sagar and Brothers Company acquired a 7% stake in Kuwait Finance and Investment Company for a total consideration of USD 3.6 million.

Merger & Acquisition Watch - By KSA Acquirers

Targets & Buyers – Q2 2020

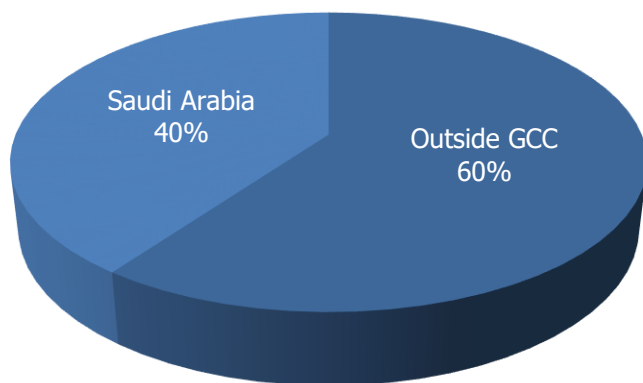
Target Company	Target Country	Buyer	Percent Sought	Deal Value (USDmn)	Status
Live Nation Entertainment Inc.	United States	Public Investment Fund	6	500	Closed
Carnival Corporation & Plc	United States	Public Investment Fund	8	369	Closed
Care Shield Holding Company	Saudi Arabia	Dallah Healthcare Company	59	86	Closed
Barloworld Limited	South Africa	Zahid Tractor & Heavy Machinery Company Limited	5	38	Closed
Samba Financial Group	Saudi Arabia	National Commercial Bank	100	N/A	Announced

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis.

*Note: The transaction value was calculated based on the following assumptions: 1) Total Shares Issued = 201.0 million shares and 2) Barloworld Limited Share Price (Closing) = USD 3.8, as of April 17, 2020.

**The transaction value was calculated based on the following assumptions: 1) Total Shares to be Issued = 1.4 – 1.5 billion shares and 2) NCB Share Price (Closing) = USD 9.9, as of June 24, 2020.

Target Companies – Geographical Distribution by Number of Transactions (Closed) (Q2 2020)



Key Takeaways

- ✧ The Saudi Arabian Public Investment Fund ("PIF") took on two of the largest Saudi-led transactions throughout the quarter. The larger transaction involved acquiring a 6% stake in Live Nation Entertainment Inc, a US-based entertainment giant, for a total consideration of USD 500.0 million.
- ✧ Shortly before this transaction closed, PIF acquired a 8% stake in Carnival Corporation & Plc for USD 369.3 million. The target is a US-based company that operates one of the largest cruise lines in the world.
- ✧ Dallah Healthcare Company acquired a 59% stake in Care Shield Holding Company, a local healthcare firm, for a total consideration of USD 85.8 million.
- ✧ Zahid Tractor and Heavy Machinery Company Limited acquired a 5% stake in Barloworld Limited for a total consideration of USD 38.2 million. Barloworld Limited is a South African firm that provides automotive & equipment leasing services and logistics solutions.*
- ✧ Samba Financial Group ("Samba") has signed an agreement with National Commercial Bank ("NCB") regarding a merger whereby NCB would fully acquire Samba for an estimated value of USD 14.9 billion**.

Merger & Acquisition Watch - By UAE Acquirers

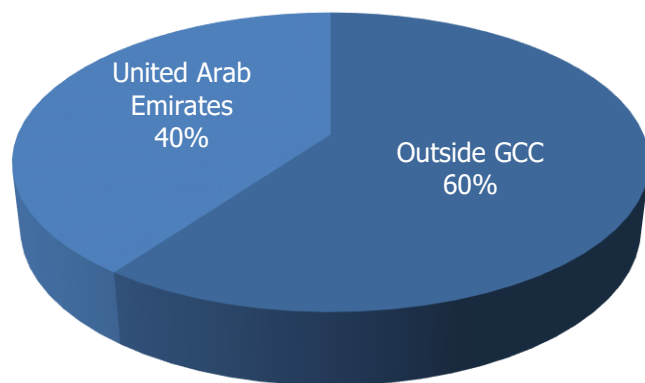
Targets & Buyers – Q2 2020

Target Company	Target Country	Buyer	Percent Sought	Deal Value (USDmn)	Status
Emaar Properties – District Cooling Business	United Arab Emirates	National Central Cooling Company	80	675	Closed
Noor Takaful General; Noor Takaful Family	United Arab Emirates	Dar Al Takaful	100	59	Closed
Abu Dhabi National Energy Company	United Arab Emirates	Abu Dhabi Power Corporation	99	N/A	Announced
Arlo Wealth	United Arab Emirates	Harrison Rowe Private Wealth	100	N/A	Announced
Canden Marine Fuel Services Limited	Canada	Glander International Bunkering	100	N/A	Closed

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

*Note: The transaction value was calculated based on the following assumptions: 1) Total Shares to be Issued = 106.4 billion shares and 2) TAQA Share Price (Closing) = USD 0.2, as of July 2, 2020.

Target Companies – Geographical Distribution by Number of Transactions (Closed) (Q2 2020)



Key Takeaways

- ✦ The National Central Cooling Company acquired a 80% stake in Emaar Properties' district cooling business for USD 675.2 million. This business is based in Downtown Dubai and has a capacity of 150,000 RT that will subsequently be distributed through three cooling plants.
- ✦ Dar Al Takaful successfully acquired the entire share capital of both Noor Takaful General and Noor Takaful Family for a total consideration of USD 58.5 million.
- ✦ Abu Dhabi Power Corporation ("AD Power") announced an acquisition of 99% of Abu Dhabi National Energy Company ("TAQA") through a share swap deal which saw AD Power transfer the majority of its power and water generation, transmission and distribution assets to TAQA in exchange for 106.4 billion shares in the firm. The estimated transaction value is USD 21.3 billion*.
- ✦ Harrison Rowe Private Wealth has announced its intent to merge with Arlo Wealth, a local wealth management firm, with the hopes of launching AHR Private Wealth, a new venture with USD 1.0 billion in assets under management.
- ✦ Glander International Bunkering has fully acquired Canden Marine Fuel Services Limited, a Canadian based fuel service provider. for an undisclosed amount.

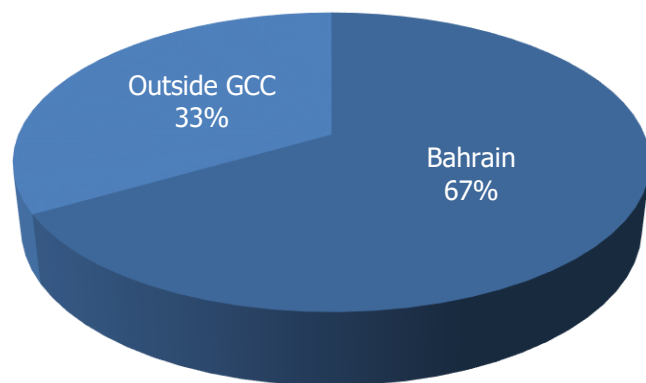
Merger & Acquisition Watch - By Bahraini Acquirers

Targets & Buyers – Q2 2020

Target Company	Target Country	Buyer	Percent Sought	Deal Value (USDmn)	Status
Avira Holding GmbH & Co. KG	Germany	Investcorp Holdings	100	180	Closed
Bahrain National Life Assurance Company	Bahrain	Bahrain National Holding Company	25	N/A	Closed
HOMIEZ.ME	Bahrain	Al-Salam Gas & Electronics	100	N/A	Closed
Muscat Capital LLC	Saudi Arabia	SICO BSC	N/A	N/A	Announced

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

Target Companies – Geographical Distribution by Number of Transactions (Closed) (Q2 2020)



Key Takeaways

- Investcorp Holdings ("Investcorp") announced that it has fully acquired Avira Holding GmbH & Co. KG, a multinational cybersecurity software solutions firm, for USD 180.0 million. Investcorp acquired the German firm through its tech-focused private equity arm.
- Bahrain National Holding Company acquired a 25% stake in Bahrain National Life Assurance Company, a local insurance provider, for an undisclosed amount.
- In an effort to expand their digital portfolio, Al-Salam Gas and Electronics acquired a 25% stake in HOMIEZ.ME, a Bahraini-based digital consumer discretionary (i.e. electronics, furniture, flowers) platform. No further details have been provided.
- SICO BSC acquired a majority stake in Muscat Capital, a Saudi-based subsidiary of Bank Muscat. Although no party has disclosed the size of investment, the transaction will be carried out through a share swap deal.

Merger & Acquisition Watch - By Omani Acquirers

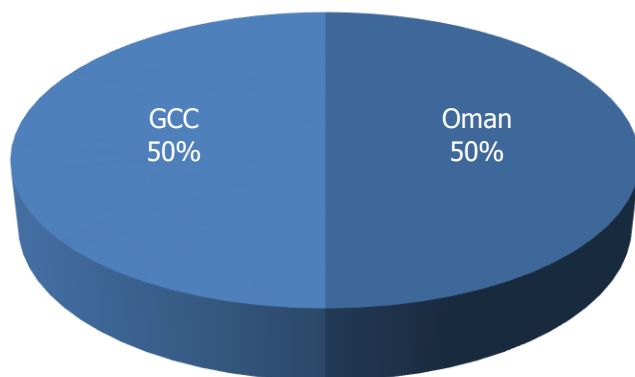
Targets & Buyers – Q2 2020

Target Company	Target Country	Buyer	Percent Sought	Deal Value (USDmn)	Status
Alizz Islamic Bank	Oman	Oman Arab Bank	100	100	Closed
Al Hilal Takaful	United Arab Emirates	Siraj Holding LLC	100	N/A	Closed

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

*Note: The transaction value was calculated based on the following assumptions: 1) Alizz Total Shares Issued = 1.0 billion shares and 2) Alizz Share Price (Closing) =USD 0.1, as of June 15, 2020.

Target Companies – Geographical Distribution by Number of Transactions (Closed) (Q2 2020)



Key Takeaways

- ◊ Oman Arab Bank has fully acquired Alizz Islamic Bank for an estimated value of USD 100.0 million. *
- ◊ Abu Dhabi Commercial Bank ("ADCB") has completed the sale of Al Hilal Takaful, its Islamic insurance subsidiary, for an undisclosed amount. ADCB sold its subsidiary to Siraj Holdings LLC as they are currently looking to focus on digital banking. As such, ADCB has decided to purely allocate resources into digital channels in an aim to deliver a higher quality of retail banking services.

Kuwait Financial Centre K.P.S.C. "Markaz"

P.O. Box 23444, Safat 13095
State of Kuwait

Tel: +965 2224 8000
Fax: +965 2241 4499
Email: advisory@markaz.com
www.markaz.com



Disclaimer

This report has been prepared and issued by Kuwait Financial Centre K.P.S.C (Markaz), which is regulated by the Capital Markets Authority and the Central Bank of Kuwait. The report is owned by Markaz and is privileged and proprietary and is subject to copyrights. Sale of any copies of this report is strictly prohibited. This report cannot be quoted without the prior written consent of Markaz. . Any user after obtaining Markaz permission to use this report must clearly mention the source as "Markaz ". The report is intended to be circulated for general information only and should not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy in any jurisdiction.

The information and statistical data herein have been obtained from sources we believe to be reliable but no representation or warranty, expressed or implied, is made that such information and data is accurate or complete, and therefore should not be relied upon as such. Opinions, estimates and projections in this report constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinion of Markaz and are subject to change without notice. Markaz has no obligation to update, modify or amend this report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate, or if research on the subject company is withdrawn.

This report may not consider the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investors are urged to seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this report and to understand that statements regarding future prospects may not be realized. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Investors should be able and willing to accept a total or partial loss of their investment. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily indicative of future performance.

Kuwait Financial Centre K.P.S.C (Markaz) may seek to do business, including investment banking deals, with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. This report may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the report refers to website material of Markaz, Markaz has not reviewed the linked site and takes no responsibility for the content contained therein. Such address or hyperlink (including addresses or hyperlinks to Markaz's own website material) is provided solely for your convenience and information and the content of the linked site does not in any way form part of this document. Accessing such website or following such link through this report or Markaz's website shall be at your own risk.

For further information, please contact 'Markaz' at P.O. Box 23444, Safat 13095, Kuwait; Email: ; Tel: 00965 1804800; Fax: 00965 22450647.