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## KIPCO completes US\$ 500m bond issue

Press Release

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First international private sector corporate transaction from the MENA region in 2009 six times oversubscribed

First US Dollar bond issue by a Kuwaiti institution since August 2007

'Deal reflects our leadership position in region' says company Vice Chairman

Kuwait City, October 6<sup>th</sup>, 2009: **KIPCO - the Kuwait Projects Company** - has announced that it has successfully completed the issue of a US\$ 500 million (KD 143 million) bond under its US\$ 2 billion Euro Medium Term Note (EMTN) Programme.

This transaction marks the first international bond issue by a private sector corporate from the MENA region in 2009, as well as the first US Dollar bond issue by a Kuwaiti institution since August 2007.

The seven year fixed rate note is listed on the London Stock Exchange. The bonds carry a fixed rate coupon of 8.875%, and priced at a spread of 608bps over the US Dollar Mid-Swap curve. The issue was 6.6 times oversubscribed.

The proceeds of the issue will be used to fund the company's strategic business plans and the transaction extends the maturity profile of **KIPCO's** debt liabilities.

The bond issue also continues **KIPCO's** strategy of regularly raising money in the debt market to diversify its investor base, to reduce its overall cost of funds and match its debt maturities to the long term nature of its investments. Both **KIPCO** and the notes issued under its EMTN Programme have a BBB+ rating by Standard & Poors and a Baa1 rating by Moody's.

Commenting on the issue, **KIPCO's** Vice Chairman, Mr Faisal Al Ayyar, said it reflected the global financial community's confidence in **KIPCO** as a reliable investment partner and underlined the company's position as the region's premier holding company:

"This is a landmark deal because we are the first private sector corporate in the region to tap the international US Dollar bond market in 2009, and the first Kuwaiti institution to do so since the credit crunch began two years ago. The issue will open the door for other institutions from Kuwait and the region. The funds raised will allow us to stagger our maturities, further diversify our investor base and provide the resources to progress our business strategy."

"This latest successful issue off our EMTN Programme is also part of our track record as a regular, tried and trusted issuer of bonds. **KIPCO** is renowned for its proactive approach to funding and this is reflected in our reputation within the global banking community as a company that delivers on its promises. As the region's premier holding company we have a responsibility to lead by example and this is a sign that investors place great value on the way we conduct our business. Above all, the bond's pricing is a great deal for the company and our debt investors."

The bond order book closed at US\$ 3.3 billion. The allocation was widespread across the globe with UK 28%, Europe 29%, Asia 22%, the Middle East at 12% and Offshore accounts at 9% of the total order book. The issue attracted a wide range of investors including leading fixed income global institutions.

The joint lead managers on the transaction were **BNP Paribas**, Goldman Sachs and **J.P. Morgan**.

-Ends-

### About the bond issue:

The Base Prospectus for the EMTN programme is available for viewing at [http://www.msdf.londonstockexchange.com/rms/1139U\\_1-2009-6-18.pdf](http://www.msdf.londonstockexchange.com/rms/1139U_1-2009-6-18.pdf).

This replaces the previous Base Prospectus and supplemental Base Prospecti previously issued under the programme.

### About KIPCO:

The **KIPCO Group** is one of the largest diversified holding companies in the Middle East and North Africa, with consolidated assets of US\$ 19 billion. The Group has significant ownership interests in a portfolio of 50 companies operating across 21 countries. The company's main business sectors are financial services and media. Through the subsidiaries and affiliates of its core companies, **KIPCO** also has interests in real estate, manufacturing and the management advisory sector.

### Further information:

Robert Hipkins  
Group Communications Director  
+965 2245 4286  
+965 6635 6969

Saad Al Ali  
Group Marketing and PR Director  
+965 2244 0853  
+965 9958 0440

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from Kuwait Projects Company (Holding)

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