



Alkhabeer Capital reports 17% rise in net income for 2015, AUMs surpass SAR 4 billion

Jeddah, Saudi Arabia – 05 April 2016: Alkhabeer Capital, the asset management and investment firm headquartered in Jeddah, Saudi Arabia, announced today its financial results for the fiscal year ended 31 December 2015.

Alkhabeer Capital's earnings growth trajectory continued, with net income for the period at SAR 67.15 million, up 17 percent (FY14: SAR 57.3 million) and earnings per share climbing 18 percent to SAR 0.83. At the close of the year, total assets under management had grown by 21 percent to over SAR 4 billion, and the Company's own investments jumped in value by 70 percent, to nearly SAR 1.21 billion.

Commenting on these results, **Musaad Aldrees, Chairman of Alkhabeer Capital's board of directors**, said: "With the substantial decrease in oil prices and continuing geopolitical tensions, the year 2015 brought with it a number of significant challenges to the local and regional economy. Market volatility weighed heavily on investor sentiment, and new regulatory restrictions significantly limited our ability to launch new investment funds. Nevertheless, due to its past prudent policies, Alkhabeer Capital succeeded in delivering growing returns to its shareholders even during this challenging year.

"Therefore, the board of directors recommended a dividend distribution of five percent per share, subject to the approval of the Annual General Meeting scheduled for 12 May 2016. The board will be granted authorization to determine how the dividends are distributed," Mr. Aldrees added.

Alkhabeer Capital began the year 2015 with the launch of its private placement closed-end fund "Alkhabeer Healthcare Private Equity Fund I" announcing a majority stake acquisition in Eed Group, a Saudi-based healthcare provider offering aesthetics and specialty primary care, pharmacies, medical equipment and third-party management and operations.



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In November 2015, Alkhabeer exited the “Alkhabeer Real Estate Fund I,” which aimed to generate investor returns through the acquisition of income-generating real estate assets. The fund delivered a 40.5 percent net cumulative return to investors and an annual cash-on-cash return of 8.1 percent. Earlier in the year, the Company launched its fifth private equity fund since its inception. The “Alkhabeer Education Private Equity Fund I” is a closed-end private placement fund that aims to generate returns by acquiring a controlling stake in Adwa’a Al Riyadh National School, a privately owned provider of primary, secondary, and high school education in the Saudi capital.

In addition, the Company launched its WAQF program earlier in the year. This new product offers holistic consultancy services for establishing Islamic endowments (“Awqaf”) by introducing innovative solutions that comply with international standards of independent governance, Sharia supervision and financial audit. The program also offers an open-platform wealth management approach in managing the endowment wealth by screening and selecting independent asset managers to manage the endowment portfolio and achieve its targeted returns. Alkhabeer Capital continued to attract recognition in 2015 for its products and its corporate culture, winning awards for a number of its funds and being named one of the Best Places to Work in Saudi Arabia for the sixth time.

“Over the past 12 months, we have reaped the benefits of our teams’ diligent work and the strategies that our business divisions formulated to deliver solid growth for Alkhabeer Capital,” said **Ammar Shata, Executive Director and CEO** of Alkhabeer Capital. “In the face of an increasingly challenging environment, we have continued the upward trend in our key performance indicators and maintained growth in Alkhabeer’s profitability. This, in turn, is reflected in the continued confidence of our clients and the growth of our client base. In spite of a cautious outlook for the year, there are pockets of opportunity that we continue to target in a prudent manner, and our strategy for the future will increasingly focus on these areas.

“As an investment partner and employer of choice in Saudi Arabia, our primary focus during 2016 will be to continue building and monetizing our alternative assets platform, particularly private equity – through investments across defensive sectors including healthcare, education, and industrial segments – and



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income-generating real estate. We will also target a number of strategic exits from our current portfolio, in addition to developing our wealth management offering. We will continue to invest selectively in GCC markets, in line with the region's economic diversification aspirations, proactively adapting and customizing our products to move with investor sentiment," Mr. Shata added.

Mr. Aldrees noted that, "Looking forward, we are aware that geopolitical tensions and market volatility are weighing on investors' minds, but we have an upbeat long-term outlook for Alkhabeer Capital's prospects, as we continue to maintain a conservative and sensible approach towards investments that enhance shareholder value."

He concluded, "On behalf of the board of directors, we want to express our appreciation to our shareholders, clients and business partners for their steadfast confidence in Alkhabeer Capital. Their best interest is our guiding ambition. We are also grateful to Alkhabeer Capital's management team and people for their continued diligence and commitment to delivering our Company's vision."

Alkhabeer Capital is authorized by the Capital Market Authority (license number 07074-37).

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About Alkhabeer Capital

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