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ALKHABEER CAPITAL'S NET PROFIT INCREASES BY 32% IN 2014

Assets under management grow by 34%

Plans 5% dividend distribution

Jeddah, Saudi Arabia – March 15, 2015: Alkhabeer Capital, a leading asset management and investment firm based in Saudi Arabia, announced today its financial results for the fiscal year ended December 31, 2014.

Net income for 2014 increased by 32.3% over 2013, to SAR 57.3 million, with total revenues growing by 26% to SAR 158.2 million, and earnings per share rising by 32% to SAR 0.70. At the end of December 2014, total assets under management had grown by 34% to SAR 3.3 billion, while the market value of Alkhabeer's investment portfolio increased by 5.7% to SAR 709 million.

Commenting on these results, the Chairman of Alkhabeer Capital, Mr. Saleh Mohammed Bin Laden, said: "As a result of the excellent financial performance which underscores the validity of our business model, the Board of Directors is recommending a dividend distribution of 5% per share before the deduction of any dues, subject to the approval of the General Assembly Meeting planned to be held on May 7, 2015. This constitutes the second consecutive year of dividends to be paid by Alkhabeer Capital, and recognizes the unwavering loyalty and support of our shareholders."

During 2014, Alkhabeer Capital continued the successful diversification of its business portfolio and product offerings:

- A notable achievement was the launch of five funds in one calendar year with underlying assets across different geographies and asset classes. These are closed-ended funds which were offered by way of private placement, pursuant to the Investment Funds Regulations of the CMA. These include the company's first U.S. income-yielding real estate fund, a residential development fund in Northern Jeddah, and a land development fund in Makkah. Alkhabeer also closed its first two private equity funds in Saudi Arabia, with substantial investment in the health care sector.

- During the year, Alkhabeer Ventures was launched as a complementary line of business, aimed at investing in the growth of the start-up community in Saudi Arabia.
- Simultaneously, and on the heels of a successful track record across Alkhabeer's capital market funds, discretionary portfolio management service witnessed an encouraging take-up by clients.
- Alkhabeer Capital made a successful exit from its first Land Development Fund.

"These achievements illustrate once again the hard work and commitment of our high-caliber business teams," commented Executive Director and CEO, Mr. Ammar A. Shata. "As a result of their concerted efforts, the Company achieved a 64 percent increase in client participation in our investment funds, while the client base grew by 54 percent. This illustrates the continued confidence of our clients in the Company's products and services, for which we are highly appreciative; *and* the growing strength of Alkhabeer's business development and placement capability. Encouragingly, our efforts were recognized by the receipt of an additional prestigious financial industry award in 2014 for being awarded "Best GCC Equity Fund" by Banker Middle East.

Throughout the year, Alkhabeer Capital continued institutionalizing its processes. This included strengthening its compliance and risk frameworks, and further investing in the development of its human capital. "People constitute our most valuable asset," Mr. Shata pointed out, "which is why we place the highest priority on attracting, developing and retaining the best professionals in the industry.". Our commitment to human capital best practice was acknowledged by additional prestigious HR awards during the year, including recognition as one of the top 13 employers in Saudi Arabia."

Looking ahead, Mr. Bin Laden noted: "Based on our stellar performance in 2014, our outlook for Alkhabeer's prospects is optimistic. We view 2015 as being a year of both challenges and opportunities. The challenges of maintaining the rate of growth in our key business indicators such as assets under management, profitability and return on equity, include greater regulatory scrutiny and intensified competition; increased market volatility and uncertainty about oil prices; and ongoing regional geo-political tensions.

“On the other hand, the IMF has forecast strong GDP growth of 4.5 percent for Saudi Arabia in 2015, while the planned opening up of Tadawul to qualified foreign investors will provide our Company with attractive new business opportunities. We will maintain our prudent approach to investment, continue to preserve capital, and actively pursue further growth across all business lines to enhance shareholder value.

“On behalf of the Board of Directors, I would like to express my sincere appreciation to the Company’s shareholders, clients and business partners for their continued loyalty, support and encouragement; to the Kingdom’s Capital Market Authority for its constructive advice; and to the management and people of Alkhabeer Capital for their dedication, commitment and professionalism in yet another challenging year,” concluded Mr. Bin Laden.

Alkhabeer Capital is an asset management and investment firm authorized by the Capital Market Authority (license number 07074-37).

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About Alkhabeer Capital

Alkhabeer Capital is a leading asset management & investment firm providing world-class investment products and services that endeavors to help institutions, family groups and qualified investors access to and/or allocate capital in ways that deliver real and enduring economic value.

It is licensed by Saudi Arabia’s Capital Market Authority (CMA) license # 07074-37. The asset management area provides investment opportunities through a large and growing portfolio of public and private funds in the areas of real estate, private equity and capital markets, while the investment banking area offers specialized Sharia compliant capital raising and M&A advisory services to businesses, private investors and families.

Alkhabeer Capital has offices in Jeddah and Riyadh.

For more details on Alkhabeer Capital, please visit www.alkhabeer.com

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