



*Committed to Performance*



**SHAFAFIYAH  
FORUM 2010**

# United Industries Company

- ◀ United Industries Company is part of the KIPCO Group and considered as it's investment arm in the industrial sector.
- ◀ United Industries Company (UIC) established in 1979 ass a closed shareholding company, based in the State of Kuwait. It was listed on Kuwait Stock Exchange (KSE) in 1997.
- ◀ UIC invests in the downstream industries sector in Kuwait and the GCC states.
- ◀ The Company's authorized and paid up capital is KD 24,773,437.500 (USD 85,469,855)\*.
- ◀ UIC's Major Investments include:
  - Saudi Dairy and Foodstuff Company (SADAFCO)
  - Al Qurain Petrochemical Industries Company
  - United Oil Projects Company (UOP)
  - Al Atoun Steel Industries Company- Saudi Arabia
  - Amaken United Real Estate Company

\*As on 31 December, 2009

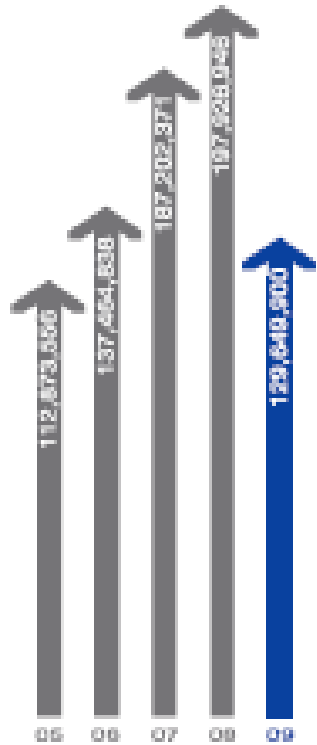
## 2009 Working Pillars

- ◀ The Management initiated implementation of a flexible plan to boost the financial performance of the company through four major pillars:
- ◀ **1st Pillar:** Rescheduling the Company's debts and reduce their burden by converting them from short-term into medium-term debts.
- ◀ **2nd Pillar:** Divesting certain non-strategic Private Equities.
- ◀ **3rd Pillar:** Cost-cutting and Functions Consolidation.
- ◀ **4th Pillar:** Developing Performance of operating activities (Components)

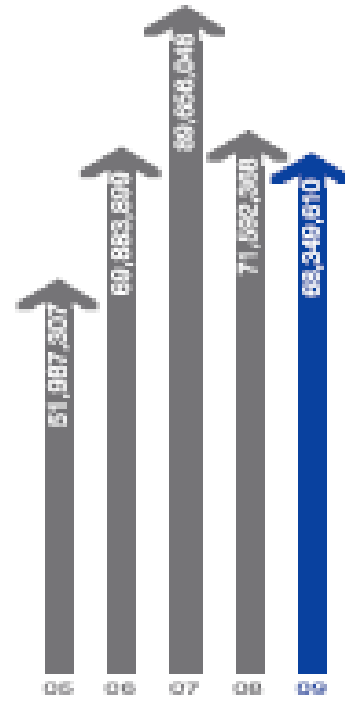
## 2009 Challenges and Achievements

- ◀ **The previous steps taken have impacted the company's financial statements as follow;**
- ◀ The total liabilities reduced by 49.8% to KD 59.1 million compared to KD 117.7 million during the last year.
- ◀ The gap between the current liabilities and the current assets was significantly reduced by 89% (KD 95.2 million) to KD 11.8 million compared to KD 107 million during the last year.
- ◀ The major operating components of the Company have remarkably improved, thanks to the hike in their operating capacity and recorded positive results.
- ◀ Dropping of all observations raised by the Auditors on the Company's Consolidated Financial Statements during the last year.

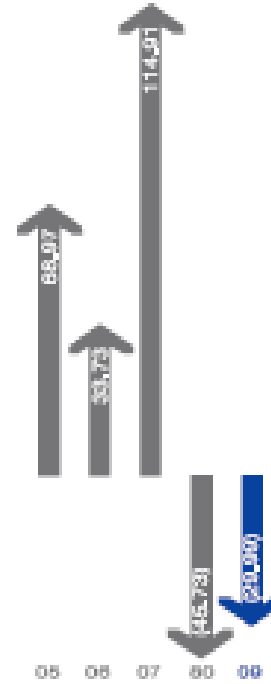
# Financial Performance



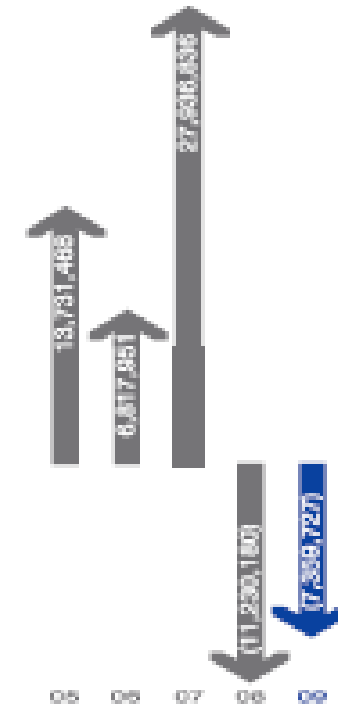
**Assets (2005 – 2009)**  
Kuwaiti Dinar



**Shareholders' Equity (2005 – 2009)**  
Kuwaiti Dinar



**Earnings Per Share (2005 – 2009)**  
Kuwaiti Dinar



**Net Profit (2005 – 2009)**  
Kuwaiti Dinar

	2005	2006	2007	2008	2009
<b>Income Statement Highlights (KD Million)</b>					
Operating Income	5.22	1.84	13.07	3.98	<b>1.19</b>
Income from divestment of long term Investments	3.39	3.31	3.15	0.08	<b>(2.59)</b>
Operating expenses	(5.85)	(4.90)	(8.06)	(8.21)	<b>(6.20)</b>
Relating to discontinued operations (net of related expense)	18.57	11.28	19.37	(11.68)	<b>(0.60)</b>
Net profit (loss) for the year	21.34	11.52	27.53	(15.83)	<b>(8.21)</b>
Minority Interest	7.60	4.70	(0.40)	(4.60)	<b>(0.85)</b>
Net profit (loss) attributable to equity holders of parent company	13.73	6.82	27.94	(11.23)	<b>(7.36)</b>
Dividend	25% stock	30% cash	35% cash 5% stock	-	-

#### Financial Statement Highlights (KD Million)

Total assets	113	137	187	198	<b>130</b>
Investments	68	91	173	189	<b>95</b>
Term loans	34	35	74	108	<b>55</b>
Group equity	73	95	103	80	<b>71</b>

#### Profitability

Earnings per share (fils)-Restated	69	34	115	(46)	<b>(30)</b>
Return on average assets	19.8%	9.2%	17.0%	-8.2%	<b>-5.0%</b>
Return on average equity	33.5%	13.8%	27.9%	-17.3%	<b>-10.9%</b>

#### Capital

Group equity / Total assets	64.3%	69.1%	54.8%	40.4%	<b>54.3%</b>
Debt / Group equity	46.8%	37.4%	72.0%	134.6%	<b>78.0%</b>

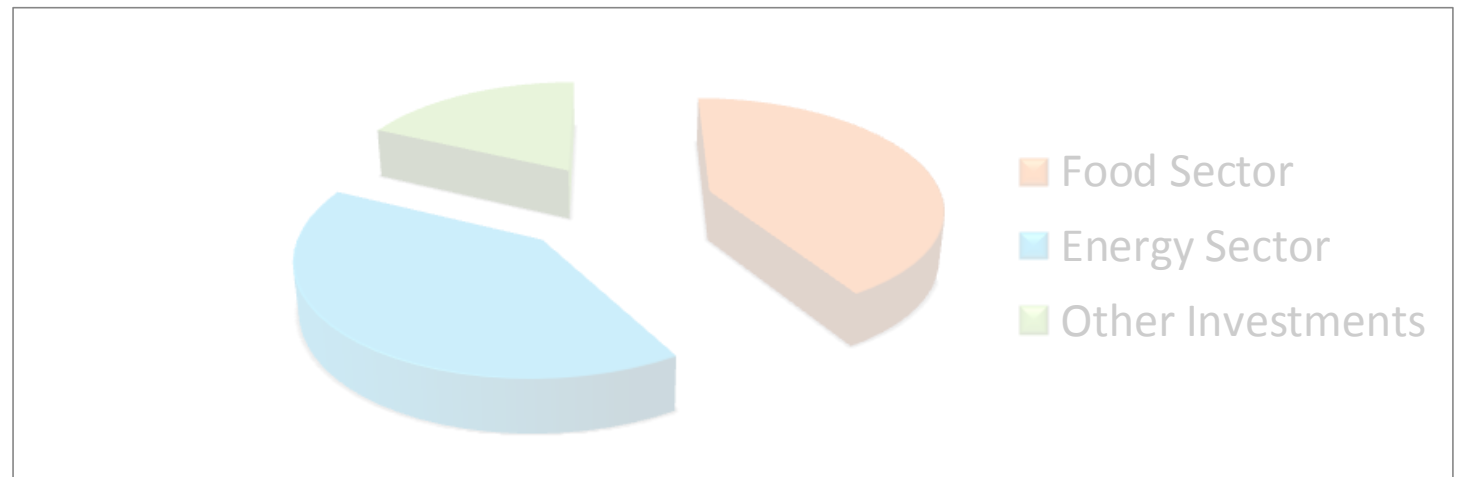
#### Liquidity & Business Indicators

Investments / Total assets	60.0%	66.7%	92.4%	95.3%	<b>73.0%</b>
Liquid assets / Total assets	33.7%	24.3%	13.5%	4.4%	<b>4.5%</b>

## UIC's Investments

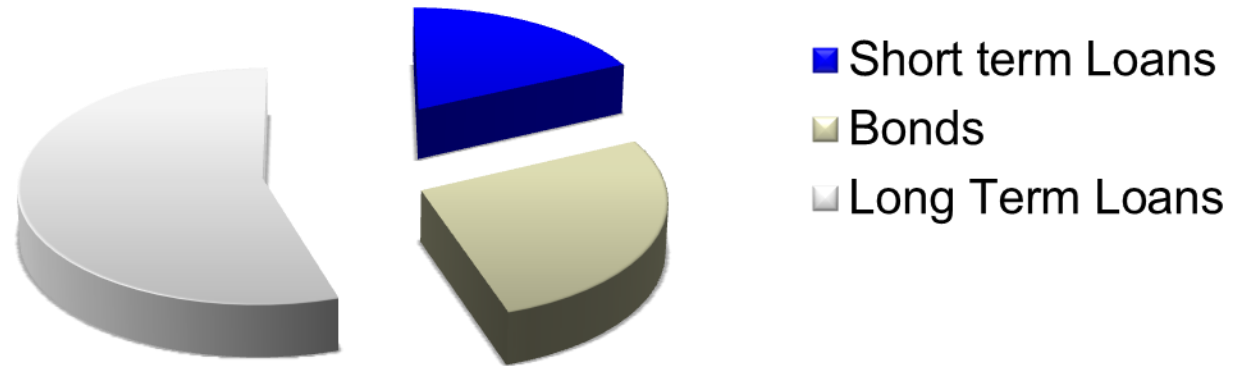
◀ UIC's investments are distributed as follow;

<b>Energy Sector</b>	<b>53 M</b>	<b>%42</b>
<b>Food Sector</b>	<b>52 M</b>	<b>%40</b>
<b>Other Investments</b>	<b>23 M</b>	<b>%18</b>
<b>Total</b>	<b>128 M</b>	<b>%100</b>



## UIC's Loans

<b>Short term Loans</b>	<b>10 M</b>	<b>%18</b>
<b>Bonds</b>	<b>15 M</b>	<b>%27</b>
<b>Long Term Loans</b>	<b>30 M</b>	<b>%55</b>
<b>Total</b>	<b>55 M</b>	<b>%100</b>



## Future Outlook

- ◀ Company's Management shall keep a close watch on the continued developments at both internal and external levels with the aim to reevaluate the conditions, whenever appropriate, take the proper measures that favor the shareholders' interests and promote higher levels of performance, while being conservative in its decisions and policies to be adopted in line with the prevailing events and conditions.
- ◀ We hope that next year would be a year of recovery, improvement and better profitability, specially because most of our investments are in Greenfield projects that are expected to yield on the medium and long term.