

## Press Release

### **Mumtalakat contributes to the National Budget**

- *Mumtalakat to pay its shareholder BD20 million over two years*
- *Over 1000 new local job opportunities to be provided by Mumtalakat investments by 2020*

**Manama, Kingdom of Bahrain, 3<sup>rd</sup> October 2017:** Following a meeting held on Thursday 28<sup>th</sup> September 2017, the Board of Directors of Bahrain Mumtalakat Holding Company (Mumtalakat), the sovereign wealth fund of the Kingdom of Bahrain, announced its approval to distribute profits of BD 20 million to the National Budget for two consecutive years, distributed equally for the years 2017 and 2018, in addition to the pursuit of a number of investments, both in and outside the Kingdom.

Commenting on these economic growth measures, HE Shaikh Khalid bin Abdulla Al Khalifa, the Deputy Prime Minister and Chairman of Mumtalakat, said, “Although we continued to finance ourselves independently and meet our debt obligations, which resulted from borrowings to cover the losses of some of our subsidiaries, our investment model remained resilient, leading to a net profit of BD 68.9 million in 2016. We are pleased to be in a strong position to make a significant contribution to the national budget while also continuing to pursue our investment strategy.”

“Since its inception in 2006, Mumtalakat has played an essential role in supporting the local economy by safeguarding and growing the Kingdom’s strategic assets, a source of wealth and employment for generations to come.”

“In addition to stabilising and driving growth of its important national assets through financing of over BD 600 million, Mumtalakat aggressively pursued new commercially sound and sustainable investment opportunities while minimising risk exposure across various industries and asset classes,” he added.

To that end, Mahmood Hashem Alkooheji, Mumtalakat CEO, thanked HE Shaikh Khalid bin Abdulla Al Khalifa and Mumtalakat’s Board members for their support and guidance in overseeing the company. As a product of Bahrain’s long-established diversification efforts, Mumtalakat was created with a mandate to manage and grow a portfolio of strategic and commercial state-owned companies. As such, it has played a central role over the years driving growth at its local assets while diligently building and diversifying its portfolio both locally and globally.

The decision has been made in accordance to Article 39 of Mumtalakat’s Article of Association which states that a percentage of the company’s net profits shall be transferred to the National Budget.

In line with Mumtalakat’s role as an asset manager with a vested interest in Bahrain’s economic growth, Mumtalakat has played a pivotal role stabilising the financial position of some of the

country's key assets over the years. Between 2006 and 2012, Mumtalakat financed the national airline, Gulf Air, with over BD 475 million and implemented restructuring initiatives to improve its operational efficiencies. This resulted in a reduction in Gulf Air's net losses by 86%.

Other success stories include the enhancement of Alba's production capacity through an efficiency programme implemented in 2014 and the launch of its line 6 expansion plan due to operate in 2019, making it the largest single site aluminium smelter in the world. Once complete, the expansion will generate 600 new jobs in the industry.

Similarly, Mumtalakat has formed a number of important joint ventures with leading international players that will collectively create over 1000 new jobs in the Kingdom within the next three years. As part of its downstream expansion plan, Mumtalakat partnered with Mueller Industries and Cayan Ventures to establish the first regional copper tube manufacturing facility in Bahrain, Mueller Middle East. Scheduled for operation in 2018, Mueller Middle East will further enhance Bahrain's manufacturing exports, which currently accounts for 20% of the Kingdom's GDP.

Since its inception, Mumtalakat has continued to play a prominent role in the Kingdom's wealth generation through its local investments. To date, the sovereign wealth fund has investments in approximately 30 companies in Bahrain, providing over 14,600 direct employment opportunities within its local portfolio.

- **Ends** -

### **About Mumtalakat**

Mumtalakat, the Bahrain Mumtalakat Holding Company, is the sovereign wealth fund of the Kingdom of Bahrain. With a mandate to grow the wealth of Bahrain through long-term investments based on sound financial, strategic and governance principles, Mumtalakat holds stakes in over 50 commercial enterprises with a portfolio spanning a variety of sectors, including industrial manufacturing, financial services, telecommunications, real estate, logistics, consumer products, healthcare and education.

Further details on Mumtalakat can be found at [www.bmhc.bh](http://www.bmhc.bh)

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