

# Mubadala Development Company PJSC

2010 Full Year Results

24-March-2010

# Speakers Today



- ▶ Waleed Al Mokarrab Al Muhairi
- ▶ Chief Operating Officer



- ▶ Carlos Obeid
- ▶ Chief Financial Officer



- ▶ Matthew Hurn
- ▶ Executive Director, Group Treasurer

There will be a Q&A session at the end of today's presentation. Please email any questions to Mr. Mitchell Prather:

[mprather@mubadala.ae](mailto:mprather@mubadala.ae)

# Table of Contents

- I. Key Achievements and Topline Results
- II. Financial Statements
- III. Key Operating Milestones and Developments
- IV. Post Year End Events
- V. Concluding Remarks
- VI. Q&A



# I. Key Achievements and Topline Results

# Mubadala Overview



- Government agency established to implement Abu Dhabi's economic and social development strategy
  - ▶ Business development and investment company
  - ▶ Implement Government's economic plan
  - ▶ Diversify the Abu Dhabi economy in a commercial and profitable manner
- Established in 2002 by Emiri decree, the Government of Abu Dhabi is the sole shareholder
- In executing its mandate, Mubadala focuses on:
  - ▶ Long term, capital intensive investments in areas of comparative advantage
  - ▶ Partnerships with world-leading companies to build new businesses
  - ▶ Taking strategic equity stakes in world-class companies

## Select Financial Information – 31 Dec 2010

Credit Ratings	Aa3/P-1 (Moody's)/ AA/A-1+ (S&P)/ AA/F1+ (Fitch)
Total assets	AED 101.5bn (US\$ 27.6bn)
Total debt	AED 39.3bn (US\$ 10.7bn)
Total equity	AED 62.1bn (US\$ 16.9bn)
Revenue	AED 16bn (US\$ 4.4bn)
Profit for the year	AED 1.1bn (US\$ 307mm)
Total comprehensive income	AED -315mm (US\$ -85.7mm)

Note: US\$/AED Exchange rate: US\$1.0 = AED 3.6735.

# Key Achievements and Topline Performance

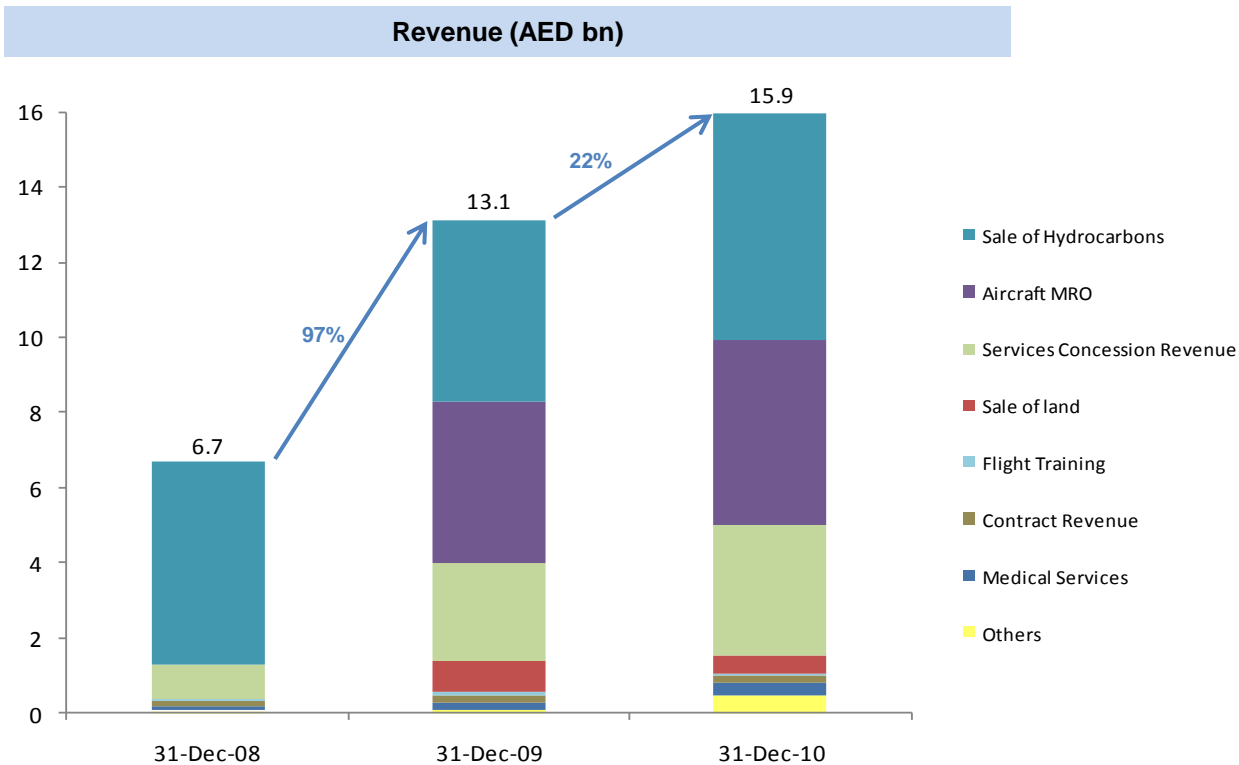
- 2010 saw delivery across the organization reflected in financial and operating performance:
  - ▶ Assets reached the AED 100bn mark for the first time
  - ▶ Healthcare Unit turned a profit for the first time
  - ▶ Revenues continued to grow reaching AED 16bn compared to AED 13bn in 2009
  - ▶ Conservative Debt/Capitalization ratio of 30%, down from 37% in 2009
- Economic diversification continues through development of key industry sectors including Aerospace, Infrastructure and Healthcare services
- Aspects of financial performance were negatively impacted by some of our publicly-held securities, impacting our total comprehensive income
- As our asset portfolio matures and develops, the volatility of our profit and total comprehensive income is expected to reduce as the relative impact of publicly-held securities diminishes



## II. Financial Statements

# Revenue

- Oil & Gas, Aerospace and Infrastructure - 3 biggest Revenue contributors
- In 2010 Oil & Gas contributed 38% to Revenue, compared to 81% in 2008 as portfolio diversification continues

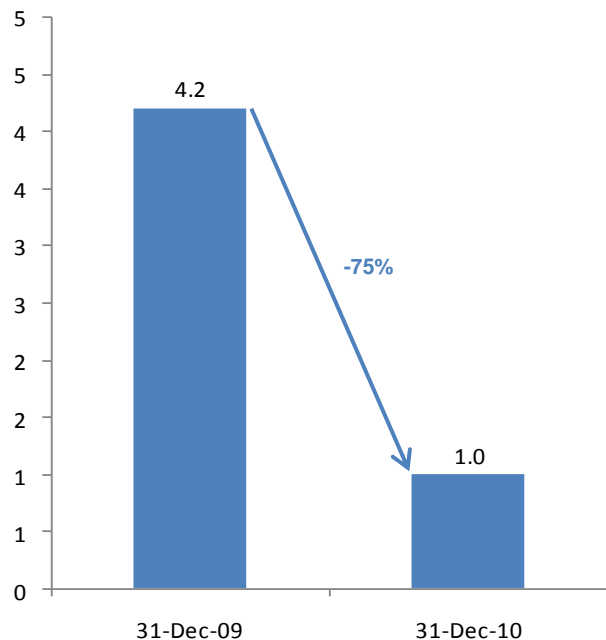




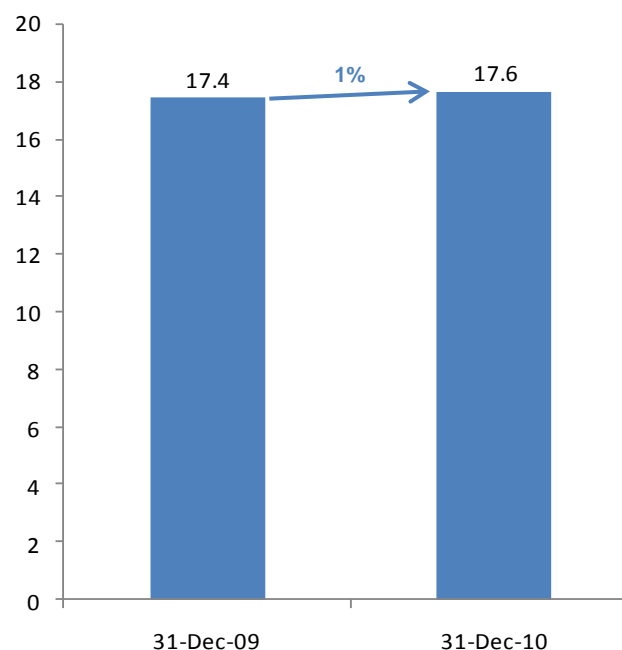
# Income from Other Investments and Operating Income

- Decrease in Income from other investments driven by positive performance of Carlyle and GE holdings, offset by negative performance in Aldar and AMD holdings
- Increase in Revenues was offset by decrease in Income from other investments, resulting in relatively unchanged Operating income

Income from other investments (AED bn)



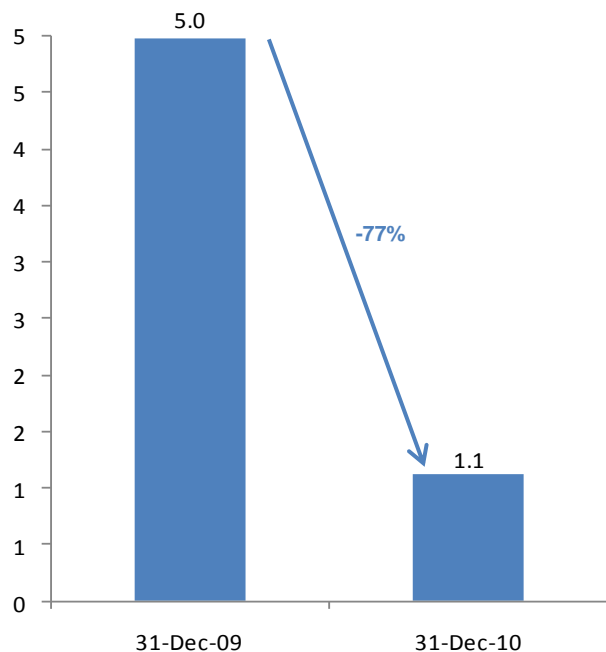
Operating income (AED bn)



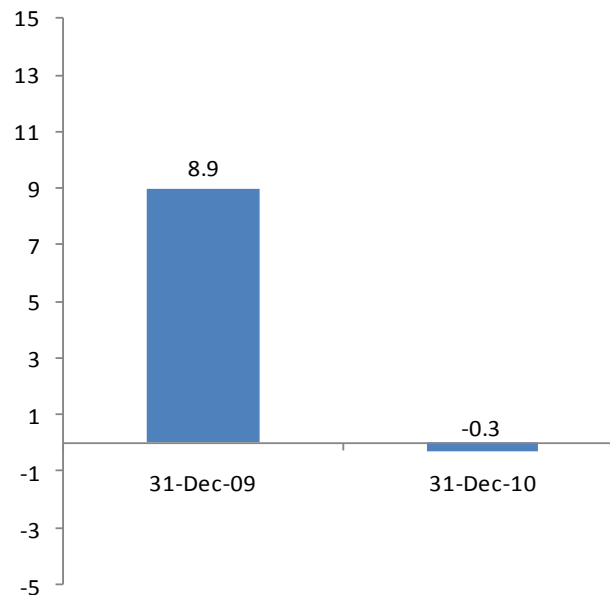
# Profit for the Year and Total Comprehensive Income

- We anticipate that earnings in the short and medium term may continue to be impacted by volatility in equity markets
  - ▶ Many of these equity stakes are part of our long term investment strategy and we manage our equity stakes for the long term while recognizing there may be short term volatility

Profit for the year (AED bn)

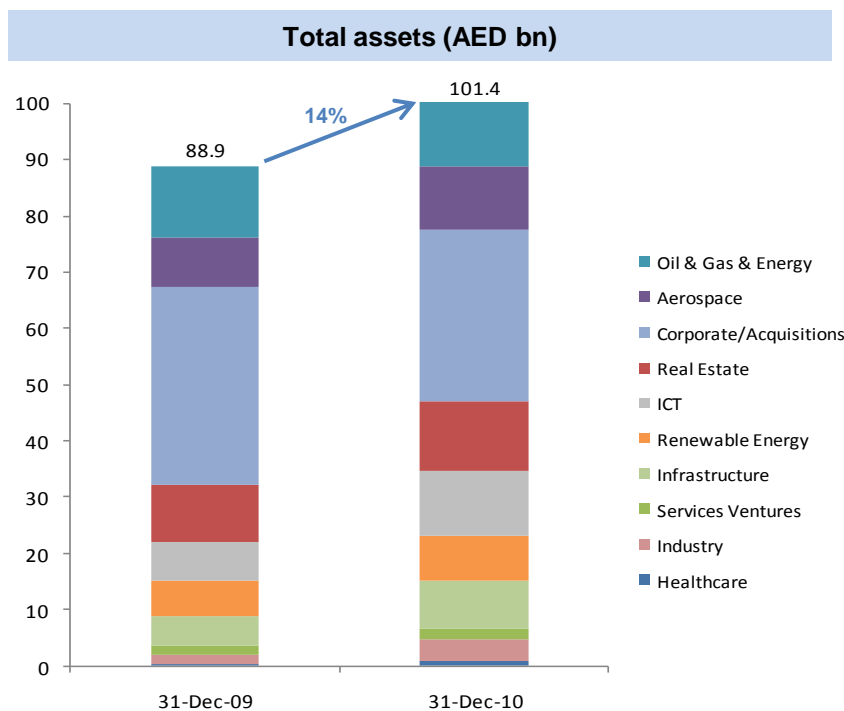


Total comprehensive income (AED bn)



# Assets

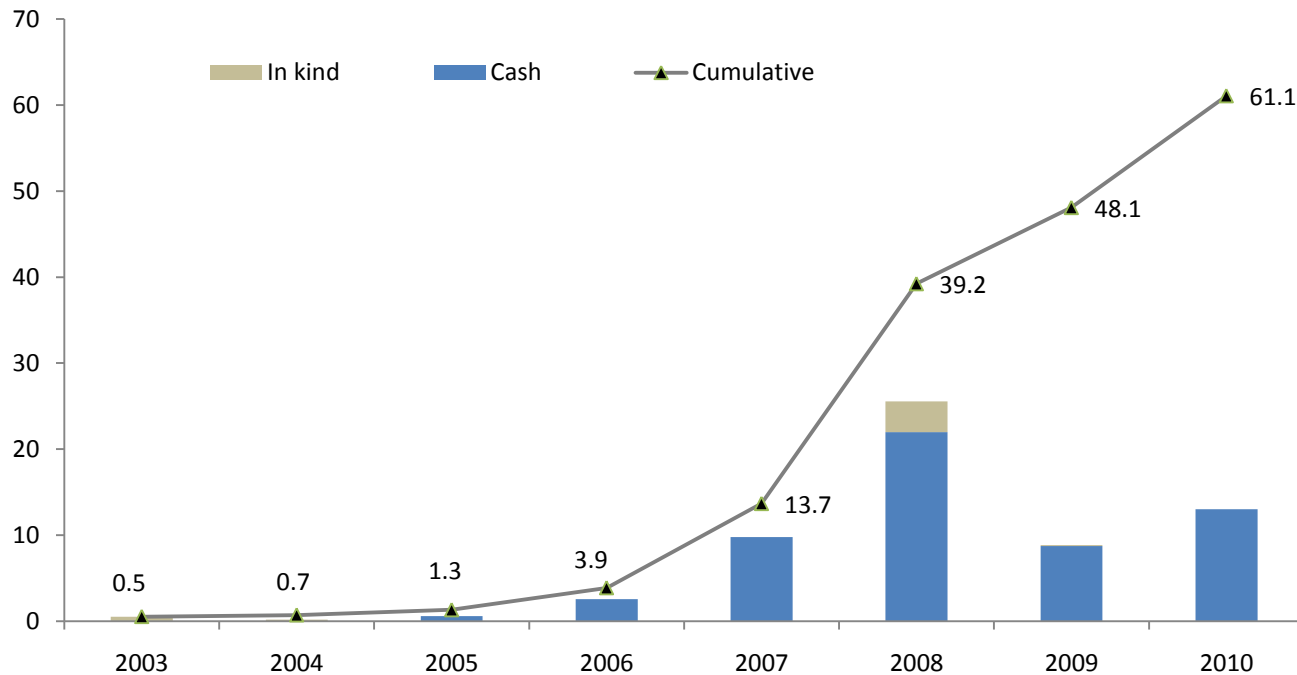
- Assets crossed the AED 100bn milestone for the first time driven by:
  - PP&E in Sowwah Island, Yahsat, Masdar City and SR Technics
  - Loans to Mubadala-GE Capital, Emirates Aluminium, Tabreed and Etisalat Nigeria
  - Receivables and prepayments from Zayed University and Paris-Sorbonne University Abu Dhabi



# Government Contributions

- Equity growth driven by AED13bn of new government equity, compared to AED 8.9bn in 2009

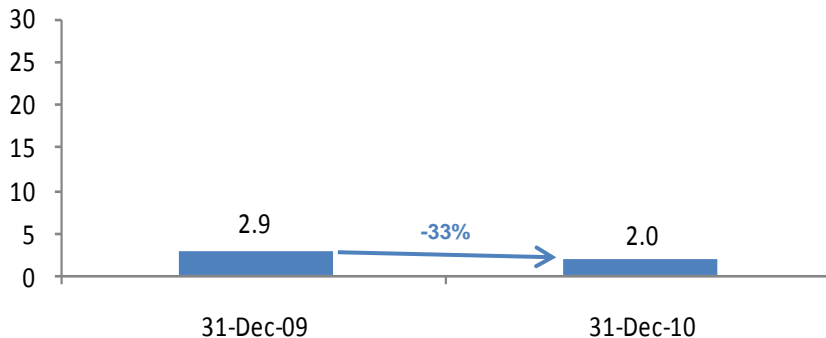
Government contributions (AED bn)



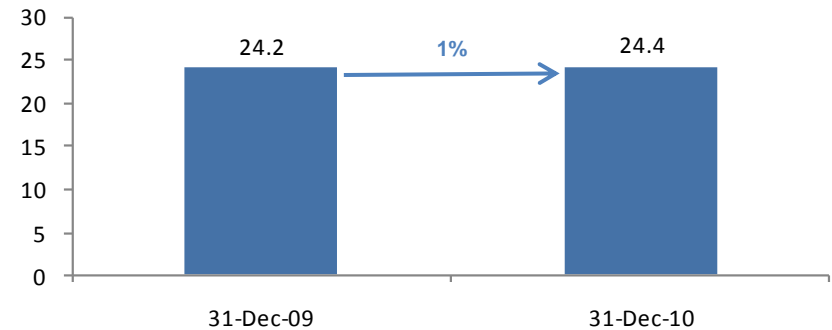
# Debt and Credit Ratios

- Conservative credit ratios as we continue to focus on achieving optimal leverage as opposed to maximum leverage

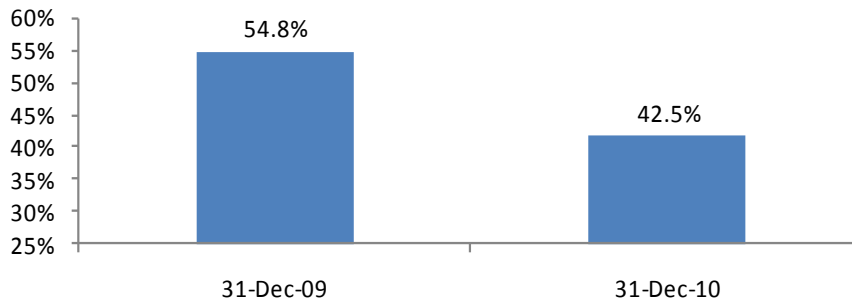
**Short term debt (AED bn)**



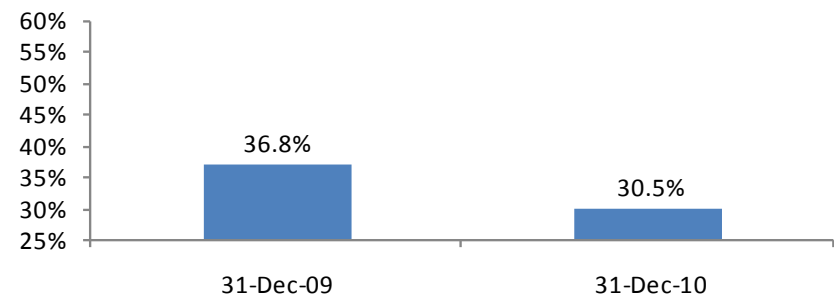
**Long term debt (AED bn)**



**Debt / Equity**



**Debt / Capitalisation**



## Ratings and Financings

- Mubadala's strong financial position and close relationship to our Shareholder, the Government of Abu Dhabi, positions our credit ratings among the highest in the Middle East by Moody's, Standard & Poor's and Fitch
  - ▶ Long term ratings: Aa3/AA/AA, stable by all agencies
  - ▶ Short term ratings: P-1/A-1+/F1+, stable by all agencies
- Funding base diversification continued in 2010 through establishment of Commercial Paper program and activity in the institutional private placement market
- Successful renegotiation of corporate revolving credit facility with 21 international financial institutions, increasing the size from US\$ 2bn to US\$ 2.5bn
- Post year end, despite challenging market conditions, favorable financings for:
  - ▶ US\$ 600mm 22yr non-recourse facility for Shams, largest solar project financing to date in GCC
  - ▶ US\$ 650mm non-recourse syndicated loan facility for Etisalat Nigeria
  - ▶ US\$ 180mm 20yr fixed rate Yen bond
  - ▶ Expansion of Commercial Paper program



### III. Key Operating Milestones and Developments

## Key Operational Highlights

- Development of a diverse portfolio across a broad range of industry sectors
- Important milestones realized against long term plans of some Mubadala assets
- Continued to deliver against our mandate of diversifying Abu Dhabi's economy

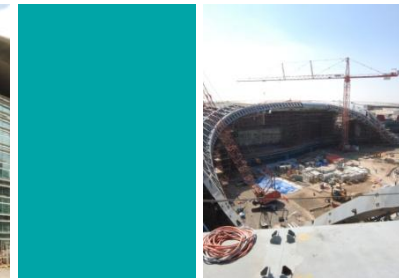




- Emirates Aluminium (EMAL) reached its full Phase 1 production capacity of 742,500 tons, only one year after producing its first ton of metal
- EMAL represents one of the largest industrial investments in the Gulf (outside oil and gas)
- Phase II will bring aggregated annual production capacity to 1.3mm tons, making EMAL the largest single-site smelter in the world



- Continued to deliver infrastructure for the education sector, ensuring educational opportunities for over 27,000 university-level students in Abu Dhabi
- Key projects include Paris-Sorbonne University Abu Dhabi, Zayed University, UAE University and New York University Campus
- 2010 milestones include the completion of the second phase of Paris-Sorbonne University Abu Dhabi, comprising about 93,000m<sup>2</sup> of teaching and recreational facilities and places for 2,000 students – ahead of schedule and on budget
- Long term positive impact on the Abu Dhabi economy through the education and development of the next generation of Emiratis



## Aerospace (1/2)

- Portfolio of assets made strong progress in 2010, further positioning Abu Dhabi as a global aerospace hub
- Strata's Al Ain aerostructure manufacturing plant was completed in August 2010, just 10 months after commencing construction
- Strata delivered its first assembled aerostructure products to FACC in Austria, marking its debut as a supplier to the global aerospace manufacturing industry for customers such as Airbus
- Strata began working with Al Ain International Aviation Academy to equip UAE nationals with the skills to be part of Abu Dhabi's growing Aerospace industry



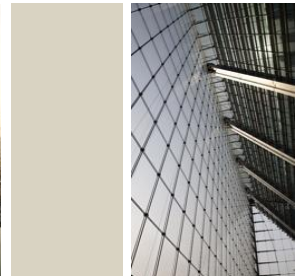
## Aerospace (2/2)

- In December, Lockheed Martin acquired an equity stake in the Advanced Military Maintenance Repair and Overhaul Center (AMMROC), joining Sikorsky Aerospace Services, which owns an equivalent share, and Mubadala's 100% owned subsidiary, Abu Dhabi Aircraft Technologies (ADAT), which is the principal shareholder
- Lockheed Martin brings significant aerospace sustainment and service capabilities enabling AMMROC to expand its business in the fixed-wing market segment
- Combined with AMMROC's capabilities in the rotary-wing segment, the company will become a leading provider of military aviation maintenance, repair and overhaul (MRO) services to the UAE Armed Forces and other militaries in the region



# Real Estate and Hospitality

- Sowwah Island will become the core of Abu Dhabi's new Central Business District, incorporating the Sowwah Square development, home to the new Abu Dhabi Stock Exchange headquarters
- Mubadala continues to make progress on Sowwah Island:
- Building completion certificate for all four towers in the landmark Sowwah Square development signed
- Taiwan's Farglory Group confirmed as project's first international investor





## IV. Post Year End Events

# Post Year End Update (1/2)

## Aldar and Tabreed



- Mubadala's business and portfolio is developing rapidly and 2011 has, to date, seen a number of significant developments that reflect the company's increasingly integral role in the development of the Abu Dhabi economy
- Mubadala committed to take a more prominent role in these two existing investments
- While these organizations play an important role in the development of Abu Dhabi, their ability to execute their business plans had been negatively impacted by market conditions
- The decision to increase our investment in these businesses was partly driven by our ability to act as a long term investor, which enables us to support both companies as they adapt their strategies in the short to medium term and look to return to sustainable growth

# Post Year End Update (2/2)

## Advanced Technology and Investment Company (ATIC)



- In February, ATIC became a wholly owned business of Mubadala
- ATIC is a critical element of Abu Dhabi's plans to develop an advanced-technology ecosystem anchored in the semiconductor sector
- In less than three years, ATIC has made great progress in the semiconductor manufacturing industry through the creation of GLOBALFOUNDRIES, which has emerged as one of the top semiconductor manufacturers in the world
- ATIC's continued growth will be supported by Mubadala's relevant experience and expertise





## V. Concluding remarks

## In Conclusion

- Mubadala's underlying business is strong, with operational revenues increasing and diversifying
- Mubadala is building a diverse investment portfolio for the future while delivering tangible social returns for Abu Dhabi
- Mubadala continues to monitor its performance in meeting these dual objectives
- Mubadala is looking forward to the remainder of 2011 and the opportunities the year will bring



## VI. Q&A