



# Mubadala

## 2016 Half Year Results



مبادلة  
MUBADALA



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## Presented By

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## I. Mubadala Overview

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MUBADALA

“We must not rely on oil alone as the main source of our national income. We have to diversify the sources of our revenue and construct economic projects that will ensure a free, stable, and dignified life for the people of this country.”

**Sheikh Zayed bin Sultan Al Nahyan,  
Founder of the UAE**



# Mubadala Overview

## Established in 2002 by Emiri Decree to

- Generate financial returns for its shareholder
- Create socioeconomic benefits for Abu Dhabi
- Government of Abu Dhabi is the sole shareholder

## Investment and development company

- Key component of Abu Dhabi's diversification and economic development strategy
- Created more than 18,000 jobs in the UAE
- 39,000 employees across the Group worldwide

## Four global business platforms

- Technology & Industry
- Aerospace & Engineering Services
- Energy
- Emerging Sectors (includes Healthcare, Real Estate & Infrastructure, and Mubadala Capital)

## Strong emphasis on disclosure and transparency

- Proactive Investor Relations strategy
- 10/10 on the Linaburg-Maduell Transparency Index
- One of the top ranked regional organizations on Peterson Institute for International Economics (PIIE) Sovereign Wealth Fund scoreboard

## Selected information as of 30 June 2016

Credit ratings	LT: ST:	Moody's Aa2 P-1	S&P AA A-1+	Fitch AA F1+
Total assets	AED 233bn (USD 63.5bn)			
Total equity	AED 169bn (USD 46.0bn)			
Gearing ratio*	11.9%			
Revenue	AED 14.3bn (USD 3.9bn)			

\*Gearing = Net Debt / (Total Equity + Net Debt)

\*\*Attributable to the Owner of the Group

# Global Footprint

Headquartered in  
**Abu Dhabi**

Active in  
**11**  
sectors

Operations in  
**20+**  
countries

## Aerospace & Engineering Services



Aerospace



Information & Communications Technology



Defense Services

## Technology & Industry



Metals & Mining



Semiconductors



Utilities

## Energy



Oil & Gas



Renewables

## Emerging Sectors



Healthcare



Real Estate & Infrastructure



Capital

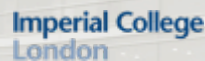
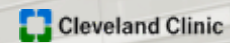
# Investment Approach

Mubadala's strategy is built on the creation of partnerships and on long-term, capital-intensive investments that deliver strong financial returns, contribute to the growth and diversification of Abu Dhabi's economy, and create opportunities for current and future generations in the United Arab Emirates.

Mubadala brings together and manages a multi-billion dollar portfolio of local, regional and international investments and partners with leading global organizations to operate businesses across a wide range of industry sectors.

Partnership-driven

Collaborating with top-tier  
local and international  
partners for mutual benefit



Investing at all stages of the  
business cycle

Establishing, transforming and managing  
businesses across diverse sectors

Globally integrated

Gaining access to IP, supply chain  
synergies and high-growth markets

Focused on human capital  
development

Developing exciting new career paths  
and employment opportunities through  
the creation of new industries

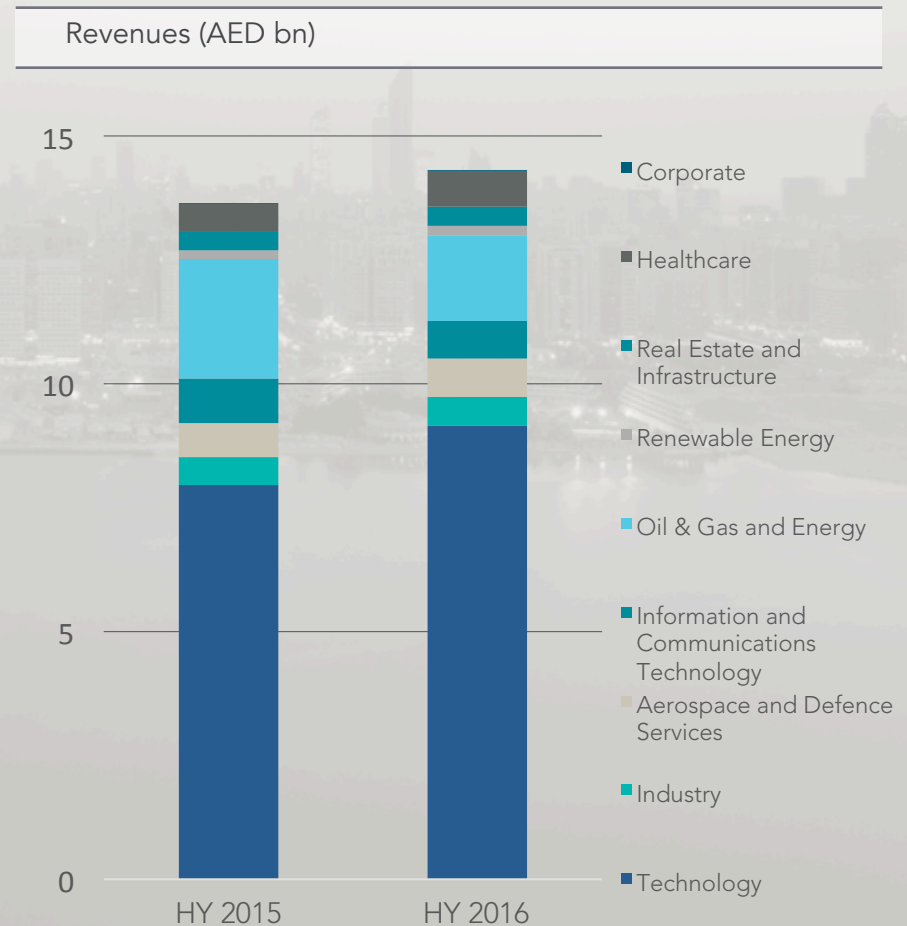


## II. Financial Statements

# Revenues

Revenues increased by 5.1% to AED 14.3bn for HY 2016 from AED 13.6bn in HY 2015

- The year-on-year increase in revenues was primarily due to higher semiconductor and healthcare related revenues
- Main contributors to revenue mix: semiconductors accounted for 64%, Mubadala Petroleum accounted for 12.2% and the aerospace and engineering services platform accounted for 10.6%



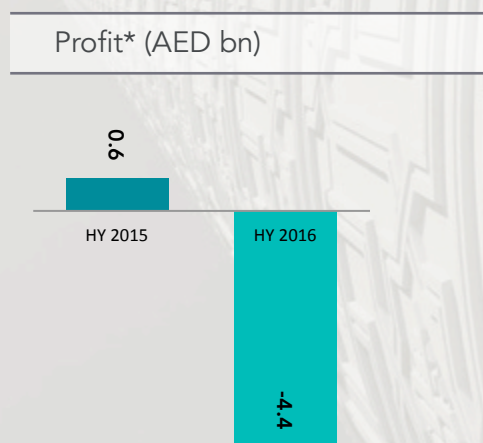
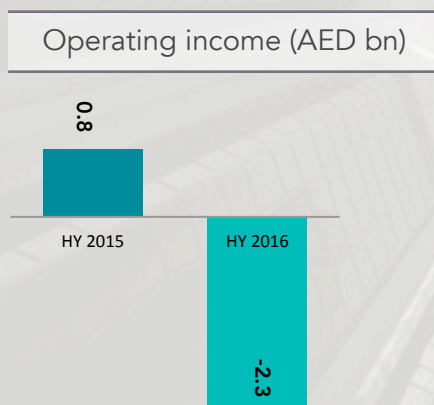
# Operating Income and Profit\*

**Operating income decreased to a loss of AED 2.3bn compared to a gain of AED 803m in HY 2015**

- Primarily due to a combination of the higher cost of sales of goods and services, and lower commodity prices

**Profit\* decreased to a loss of AED 4.4bn from AED 625m in HY 2015**

- Primarily due to due to higher cost of sales of goods and services , lower commodity prices, decreased gains from financial investments and impairments



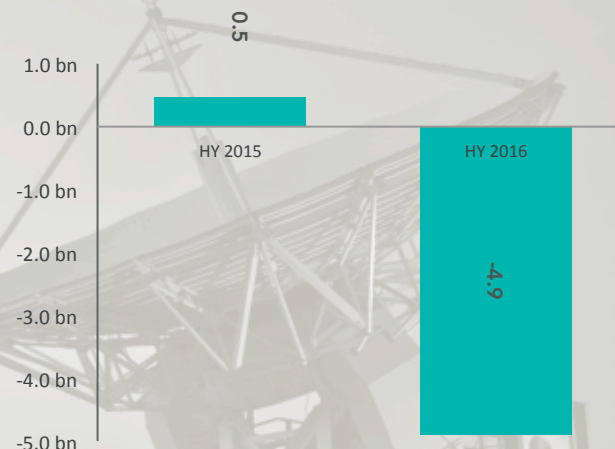
\*Attributable to Owner of the Group

# Overall Performance

Total comprehensive income\* decreased to a loss of AED 4.9bn from a gain of AED 477m in HY 2015

- Primarily due to higher cost of sales and services, lower commodity prices, decreased gains from financial investments and impairments

Total comprehensive income\* (AED bn)

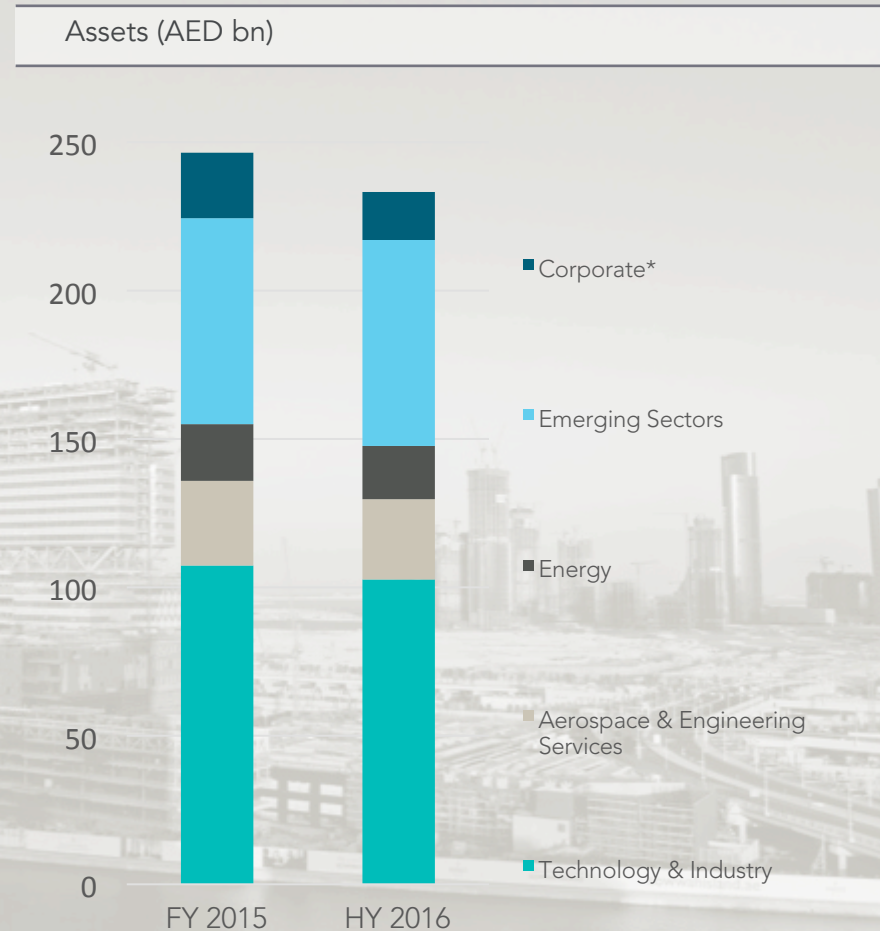


\*Attributable to Owner of the Group

# Assets

Assets decreased to AED 233bn as of 30 June 2016 compared to AED 246bn as of 31 December of 2015

- Primarily due to repayment of corporate debt and depreciation of assets



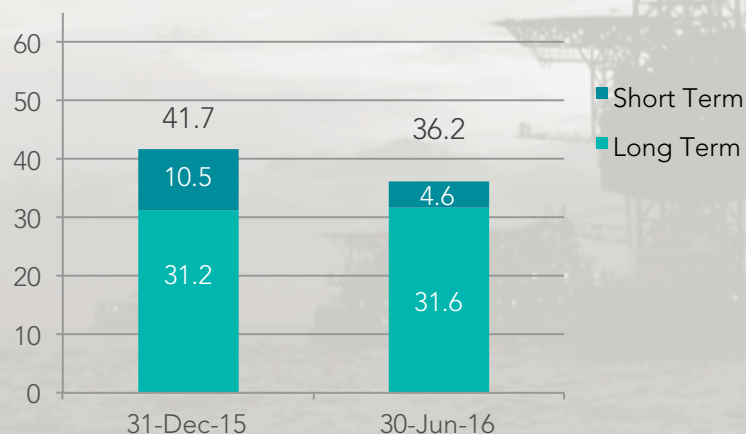
\*Includes cash & cash equivalents

# Conservative Leverage

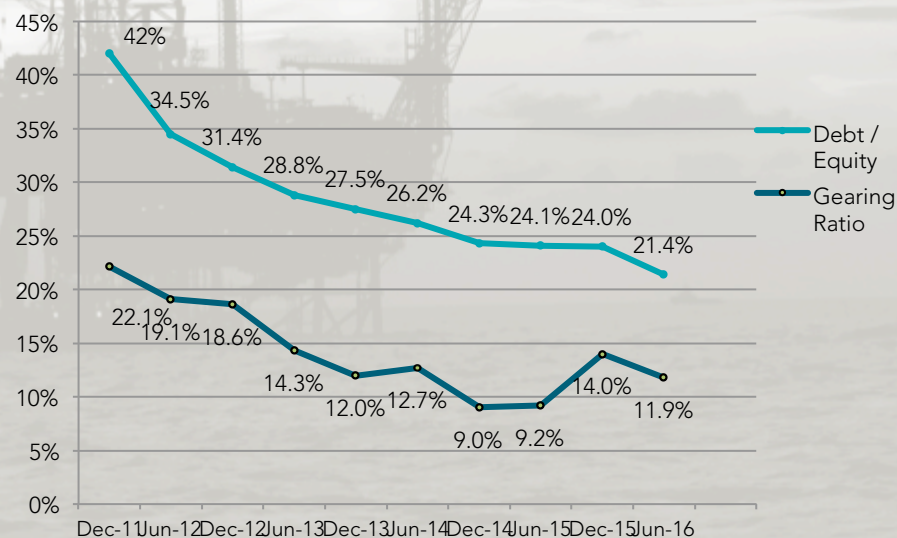
Mubadala focuses on maintaining a conservative net gearing ratio relative to our portfolio. This decreased from 14% as at the end of December 2015 to 11.9% at the end of this reporting period

- Total equity of AED 169bn as of 30<sup>th</sup> of June 2016 compared to AED 174bn as at 31 December 2015
- Total liabilities fell to AED 64bn compared to AED 72bn as at 31 December 2015

Total debt (AED bn)



Key leverage ratios



# Credit Ratings

Mubadala has one of the strongest credit ratings globally, reflecting the strength of the Group's portfolio and the continuing support of its shareholder

Credit Ratings – Short term		Credit Ratings – Long term		Transparency
Moody's	Prime-1	Moody's	Aa2	<b>Linaburg-Maduell Transparency Index</b>  <b>10/10</b>
Standard & Poor's	A-1+	Standard & Poor's	AA	
Fitch	F1+	Fitch	AA	

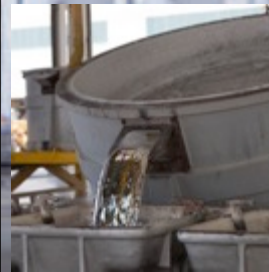


### III. Key Operating Milestones

# Technology & Industry



- GLOBALFOUNDRIES signed a memorandum of understanding for a new USD 500 million Dollar Research & Development program with New York State's SUNY Polytechnic Institute to accelerate next generation chip technology development. GLOBALFOUNDRIES is also expanding its presence in China with plans for a new 300mm Fab using technologies from its Singapore site.
- Emirates Global Aluminium established a technology licensing agreement with Aluminium Bahrain, the first international sale of UAE developed state-of-the-art technology. EGA also announced the development of a major bauxite mine in the Republic of Guinea which is scheduled to begin production in 2018, as part of plans to grow the business along the aluminum value chain.



# Energy



- Dubai Electricity & Water Authority appointed a Masdar-led consortium as the selected bidder to develop the 800 megawatt third phase of the Mohammed bin Rashid Al Maktoum Solar Park in Dubai.



# Aerospace & Engineering Services



- Mubadala and Boeing agreed to expand their Research and Development activities in the UAE. Boeing joins Mubadala's existing R&D ecosystem in Abu Dhabi, including the Aerospace Research and Innovation Center at Khalifa University and the Masdar Institute of Science and Technology. Initial projects will link existing local R&D platforms and include research in robotics and aircraft assembly.
- Yahsat, the UAE-based satellite operator, was awarded a license to operate its upcoming Ka-band satellite, Al Yah 3, by the National Telecommunications Agency in Brazil. Al Yah 3 will cover over 95% of Brazil's population offering a range of telecommunications services.



# Emerging Sectors



- Mubadala successfully completed the restructuring of its investments in the EBX Group, gaining a portfolio of assets that hold long-term value in sectors aligned with core Mubadala businesses, including metals and mining, infrastructure, and real estate.
- Mubadala and GE also successfully completed the sale of 98% of the Mubadala GE Capital portfolio after GE's decision to exit from its global Capital business.
- Healthpoint Hospital recorded 146,000 appointments, while Imperial College London Diabetes Centers recorded 122,000 appointments in the first half of the year. Healthpoint also opened a fully-integrated medical center for the treatment of obesity and metabolic disorders.
- Cleveland Clinic Abu Dhabi completed 96,000 appointments and more than 4,513 surgeries and procedures since in the first half of the year, reducing the requirements for patients to travel abroad for critical care.
- As the master developer of Al Maryah Island, Mubadala announced the successful opening of two new bridges on the island. Additionally, Four Seasons Abu Dhabi opened its doors to the public, bringing another 200 five-star hotel rooms to the capital's business district.



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# Corporate Updates

- Mubadala's Global Medium Term Note Program successfully partially refinanced its maturing USD 750 million 2016 bond by raising USD 500 million of seven year bonds priced competitively at 2.75% on a USD 5 billion order book received from investors. The issue was ten times oversubscribed.
- On 29 June 2016, the Abu Dhabi government issued a resolution to initiate the merger of Mubadala and the International Petroleum Investment Company.
  - The scale, portfolio and expertise of the combined entity will bring new synergies and commercial opportunities across more strategic sectors all over the world, including the energy and utilities sector, technology, aerospace, industry, healthcare, real estate and financial investments.
  - Mubadala and IPIC will continue to operate independently until the joint committee overseeing the merger concludes its assignment.
  - The merger process is progressing to plan.

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# Significant Events post 30 June 2016

- In July, Mubadala agreed to acquire a 20% interest in Bahrain's Investcorp.
  - Investment will help broaden and institutionalize the shareholder base of one of the most respected global providers and managers of alternative investment products.
  - Logical addition to Mubadala's diverse financial investment portfolio.
- Also in July, Mubadala signed an agreement to sell an 80% stake in the Switzerland-based SR Technics to China's HNA Aviation Group.
  - Inclusion of a partner to continue the development of one of the world's leading MRO service providers.

## IV. Concluding Remarks

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# Concluding Remarks

- Macroeconomic conditions, including low oil and commodity prices and global market volatility, continue to pose a number of challenges.
- Strengthened financial standing and long-term growth prospects as a result of active portfolio management as well as reduction of borrowings and optimization of debt structure.
- Increase in Group revenues despite the challenging environment.
- Focus on our long-term mandate to grow and diversify the UAE economy
- Market conditions expected to remain challenging this year.

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Thank you

