

APICORP invests in Bahrain's Falcon Cement Company



- 30% equity acquisition underlines APICORP's commitment to boosting economic growth in the region

Dammam, KSA - 12 December, 2016: The Arab Petroleum Investments Corporation (APICORP), a multilateral development bank established in 1975 by the 10 member states of the Organization of Arab Petroleum Exporting Countries (OAPEC), announced the acquisition of a 30% stake in Bahrain's Falcon Cement Company (FCC).

FCC is the largest and only integrated cement producer in Bahrain. The closed joint stock company provides cement used in large scale projects for public and private customers primarily in the Kingdom. FCC has a current capacity of 1000 tons per day ("tpd") and is in the advanced stages to double the production to 2400 tpd by 2017.

The FCC deal capitalizes on a raft of major industrial and infrastructure projects that are spurring activity and investment in Bahrain's construction industry. The Kingdom's total project pipeline, including long-term builds like the \$3bn King Hamad Causeway set to be completed around 2025, amounts to \$72.7bn, up 4.7% year-on-year, according to the latest economic quarterly update from the Bahrain Economic Development Board.



This pipeline includes the \$5bn Bahrain Petroleum Company (Bapco) upgrade and expansion of the Sitra refinery; the \$3bn Aluminium Bahrain (Alba) Line 6 smelting project; Bahrain Airport Company's \$1.1bn airport expansion project; and the \$655m offshore liquefied natural gas (LNG) terminal being commissioned by the National Oil and Gas Authority (NOGA).

Dr. Raed Al Rayes, Deputy CEO and General Manager of APICORP, commented: "We are delighted to acquire a 30% stake in FCC, Bahrain's largest cement producer. We believe this is a high growth sector for Bahrain and the investment assists us in diversifying our investment portfolio. The investment is also a strong signal of APICORP's commitment to driving economic growth throughout the region"

The deal was completed with regional partner, GFH Financial Group.

Mr. Hisham Alrayes, Group CEO, GFH commented: "We very much appreciate the support of APICORP. In the first transaction between the firms, GFH and APICORP have agreed to work together as strategic shareholders of FCC to enhance, expand and improve the business of the Company, its valuation, and financial returns. We are confident that this collaboration will help support the continuous growth of not only Bahrain's economy, but the region as a whole."

Another regional firm, Integrated Capital PJSC, part of the Abu Dhabi Financial Group, bought a 10% stake in FCC in 2016

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About APICORP:

The Arab Petroleum Investments Corporation (APICORP) is a multilateral development bank established to foster the development of the Arab world's oil and gas industries. The organization was created under the terms of an agreement signed by the 10 Member States of the Organization of Arab Petroleum Exporting Countries (OAPEC) in September 1974. APICORP's vision is to transform the Arab energy industry into a powerful force for the region's economic progress. Driven by this vision, APICORP seeks to make equity investments and provide project loans, trade finance, advisory and research to the energy industry.

APICORP is one of the five organizations established by OAPEC to promote cooperation and economic integration in the Arab hydrocarbon and petrochemical industry. Since its founding, APICORP has made significant contributions to the evolution of the region's energy industry. It has made equity investments in 22 oil and gas joint venture projects worth over \$13 billion and participated in direct and syndicated energy finance transactions worth over US\$126 billion. APICORP's aggregate commitments in these transactions, including both in equity and debt, are valued in excess of US\$11 billion. Apart from this, it has provided advisory and treasury services related to financing and project development; and published highly regarded macro-economic research. These areas continue to define APICORP in today's marketplace.



APICORP is independent in its functioning and carries out its operations on a commercial basis. The Corporation's headquarters are located in Dammam, in the Eastern Province of Saudi Arabia. APICORP also operates a Banking Branch in Manama, Bahrain.

For more information about APICORP visit www.apicorp-arabia.com

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About GFH Financial Group:

GFH is one of the most recognized financial groups in the gulf region that includes: Asset Management, Wealth Management, Commercial Banking and Real Estate Development. The group operations are focused in the GCC, North Africa and India. GFH is listed in Bahrain Bourse, Kuwait Stock Exchange and Dubai Financial Market.

For further information about GFH, please visit: www.gfh.com

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