



KHAZANAH  
NASIONAL

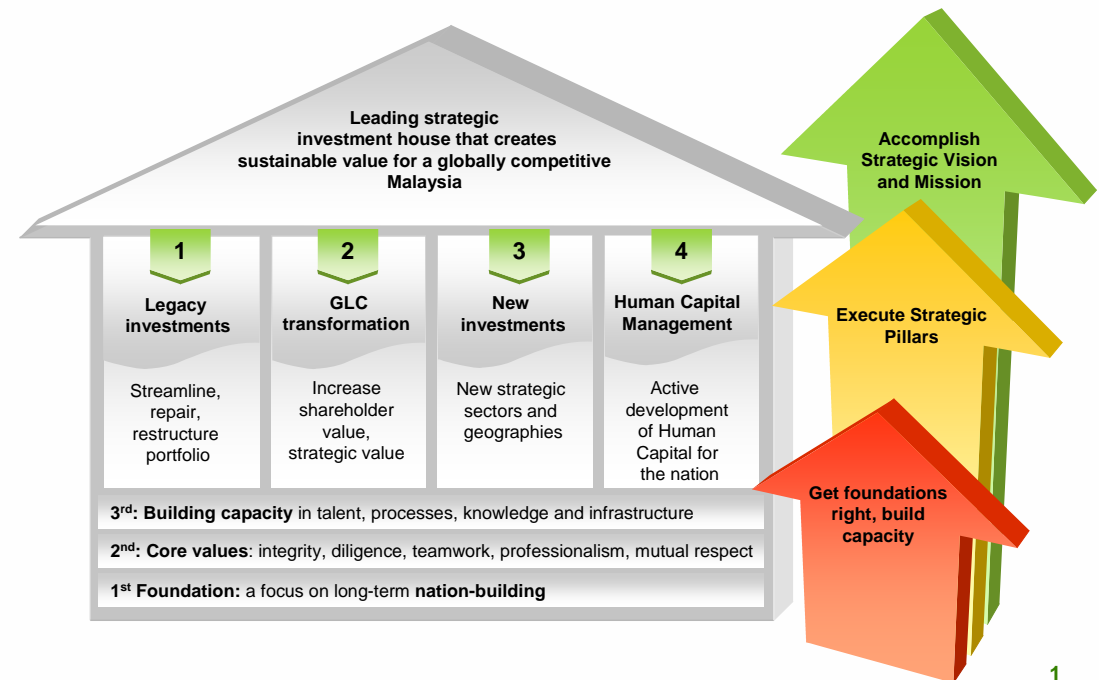
# EIGHTH KHAZANAH ANNUAL REVIEW

18 JANUARY 2012

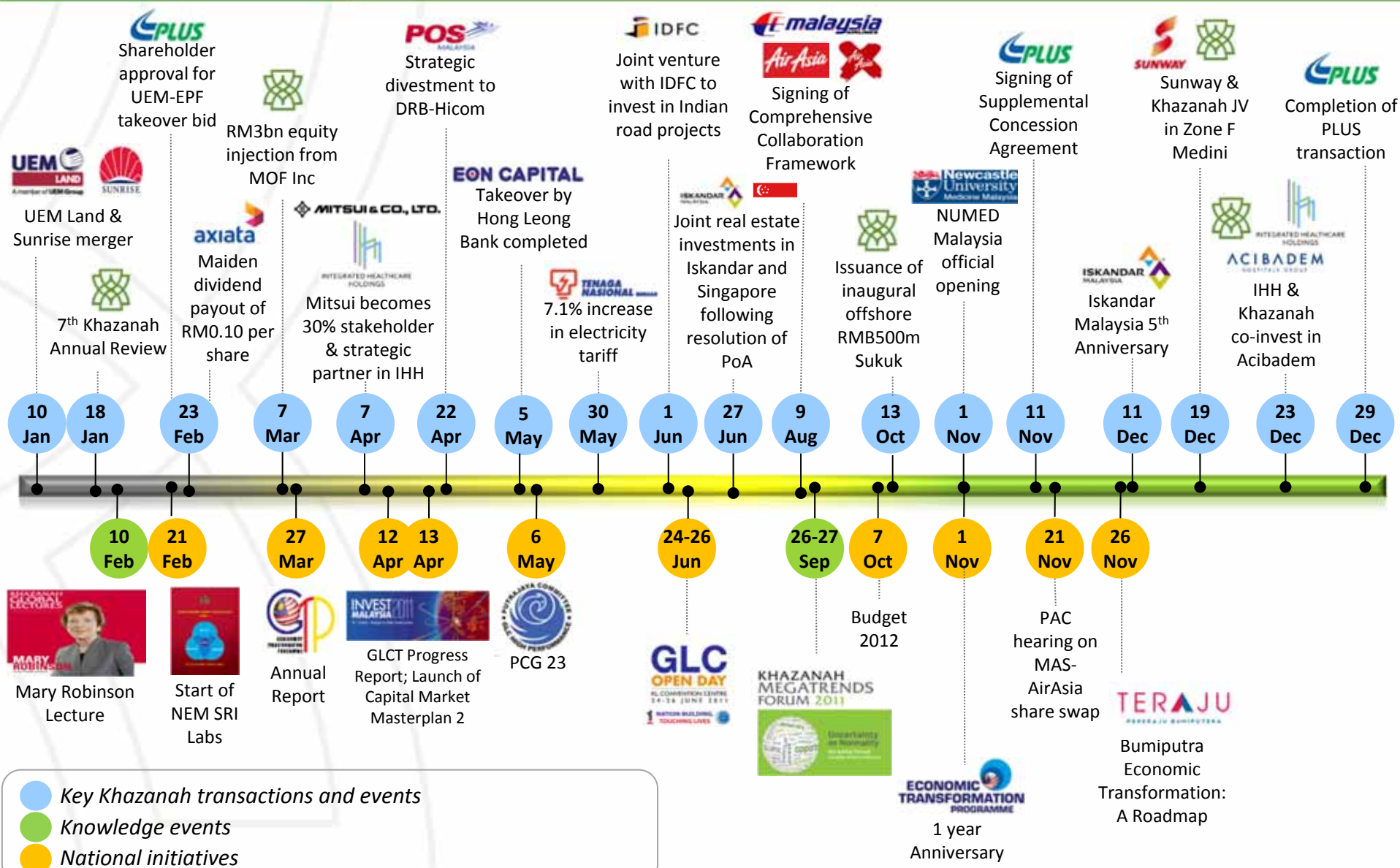




- 2011 in Review
- Outlook and Focus for 2012
- Q&A



## 2011: An intense but fulfilling year



Source: Khazanah compilation

## 2011 Financial and Portfolio Performance: Record profits of RM5.3bn, with RM3.0bn in dividends to be paid to Government

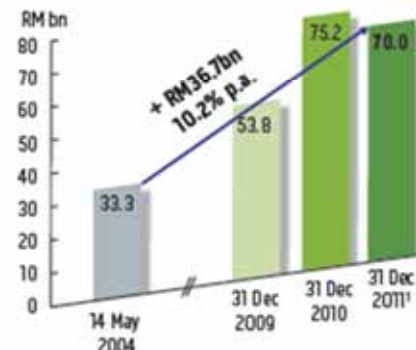
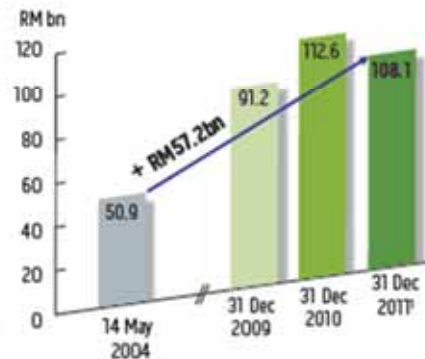
Portfolio Value as at	14 May 04	31 Dec 09	31 Dec 10	31 Dec 11 <sup>1</sup>
RAV (RM bn)	50.9	91.2	112.6	108.1
NWA <sup>2</sup> (RM bn)	33.3	53.8	75.2	70.0
RAV/Liability Cover (x)	2.9	2.1	2.6	2.9
Shareholders' Funds (RM bn)	7.7	17.6	21.4	24.6

**REALISABLE ASSET VALUE ("RAV")**  
(RM bn)

**108.1**

**NET WORTH ADJUSTED<sup>2</sup> ("NWA")**  
(RM bn)

**70.0**



**Track record of profitability and dividend to shareholders**

FY	'04	'05	'06	'07	'08	'09	'10	'11
Profit Before Tax (RM m)	282	(831)	1,014	5,110	128	791	2,081	5,334
Dividends Declared (RM m)	30	30	100	1,000	100	100	500	3,000

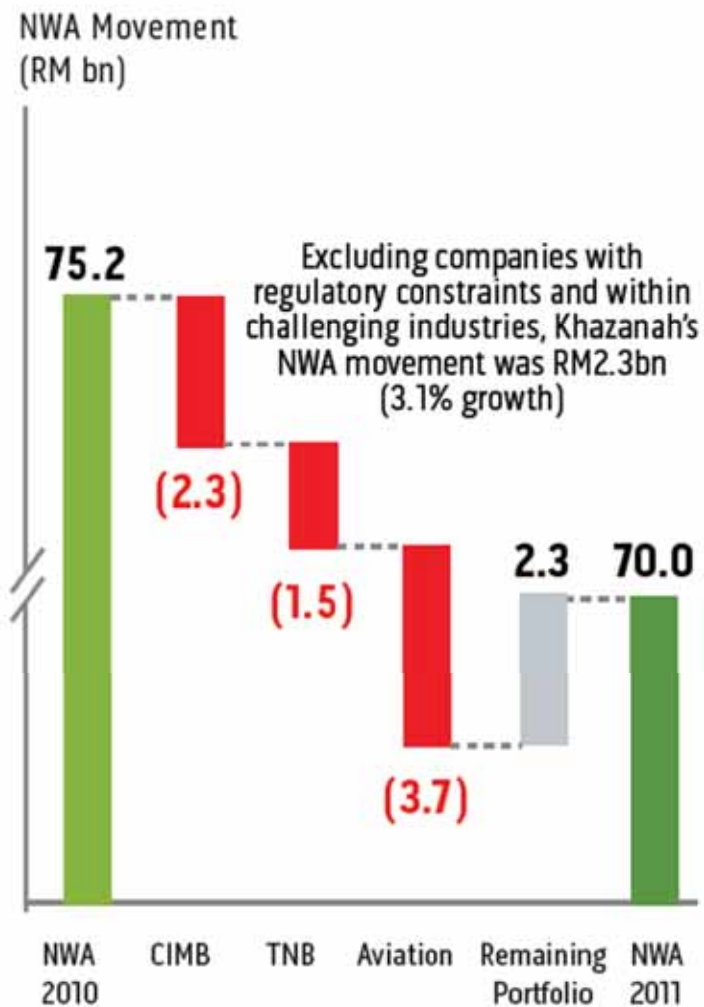
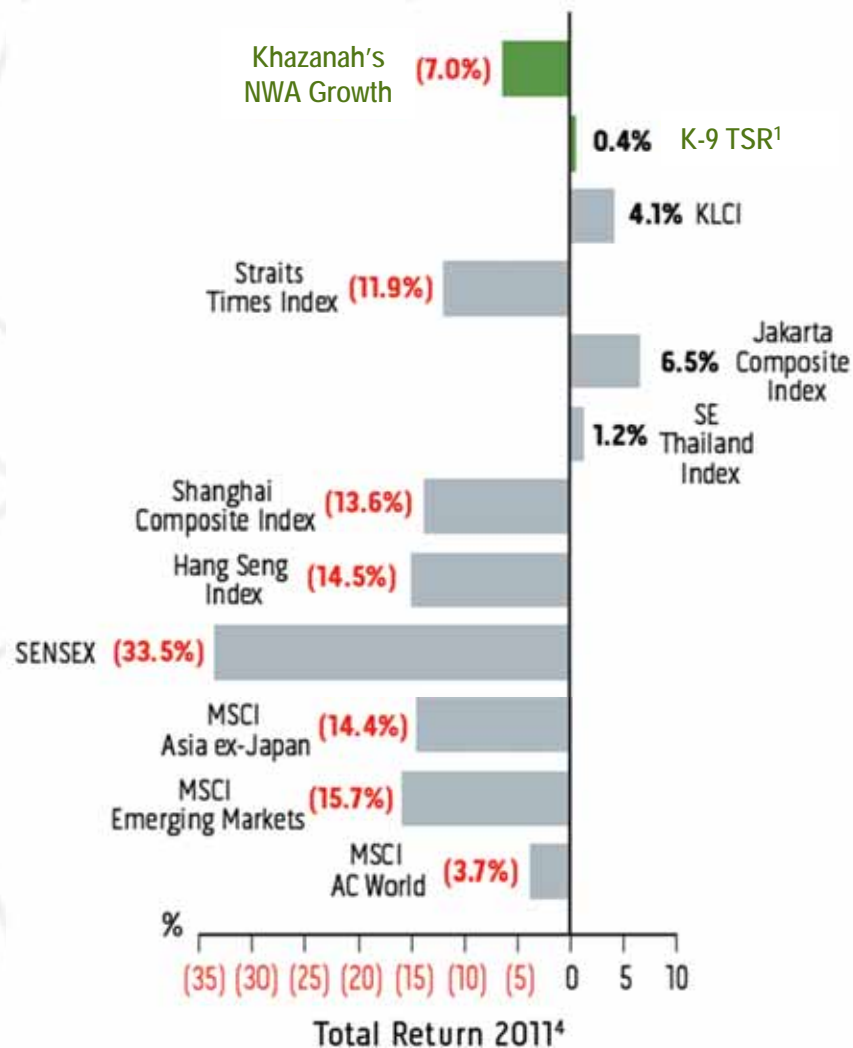
Note: <sup>1</sup> Based on unaudited accounts

<sup>2</sup> NWA is defined as RAV less Total Liabilities and adjusted for equity injections less dividends paid, and is a measure of value created

Source: Khazanah analysis



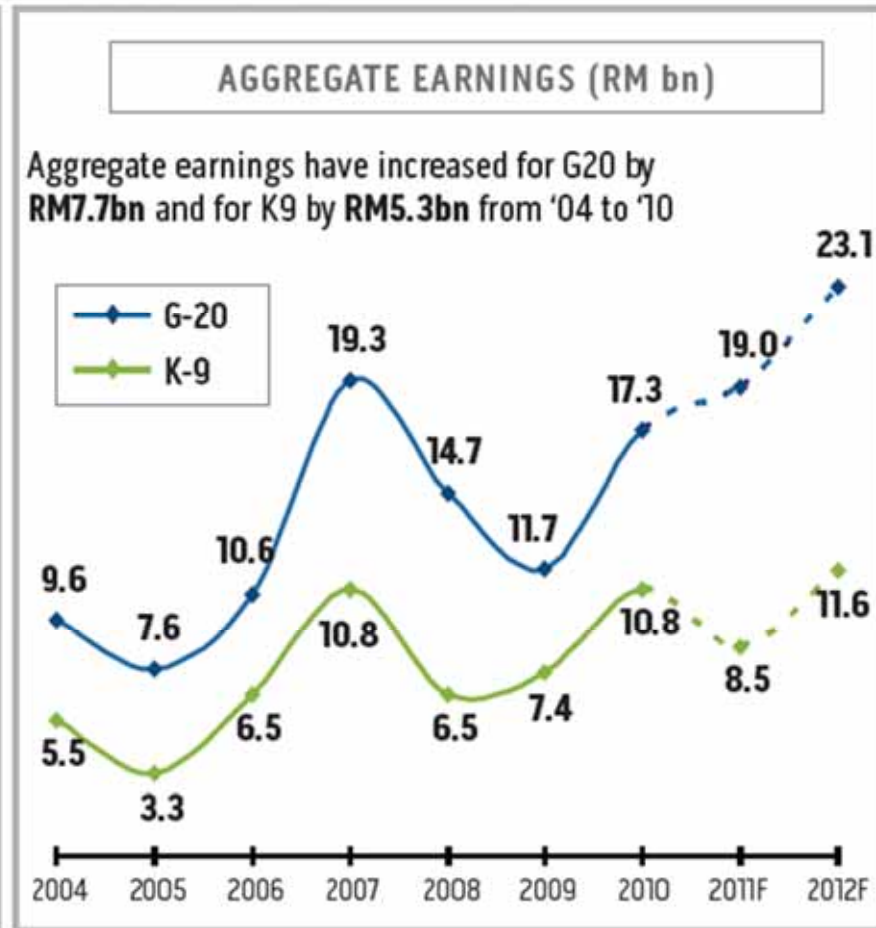
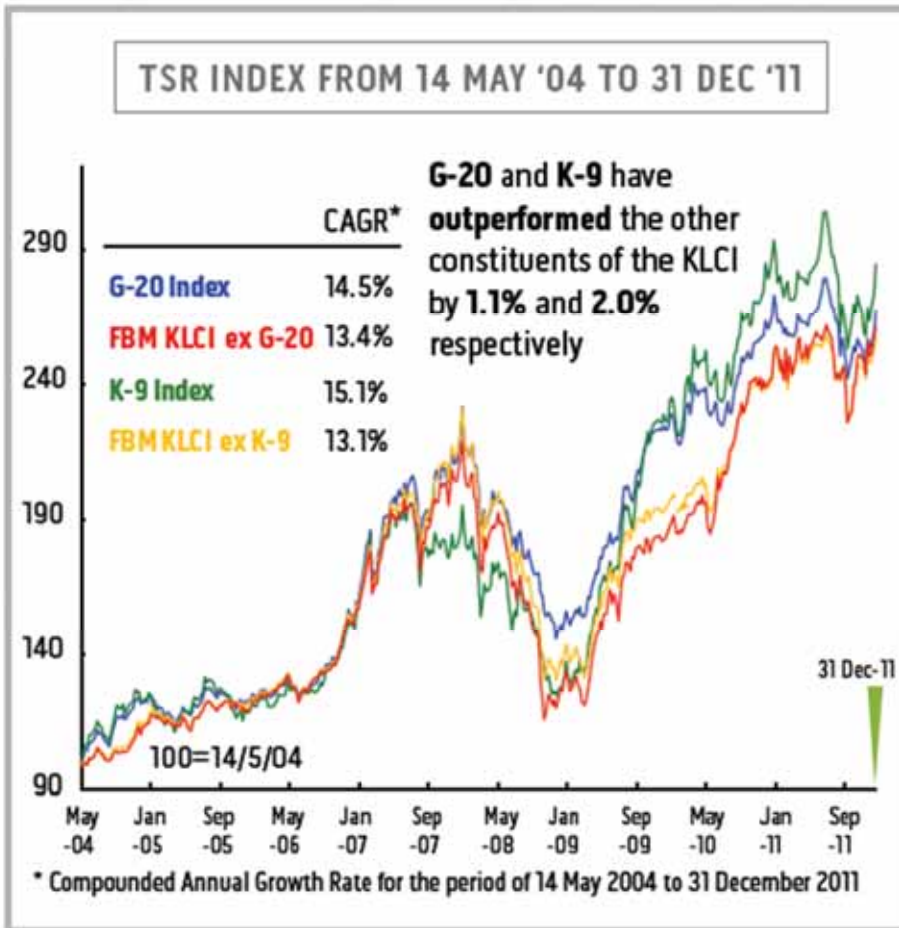
## 2011 Financial and Portfolio Performance: Portfolio NWA underperformed for the year, dragged by regulated companies and soft markets



Note: <sup>1</sup> TSR: Total Shareholders' Return  
Source: Khazanah analysis



# 2011 Financial and Portfolio Performance: Nevertheless, GLCs continue to show steady outperformance

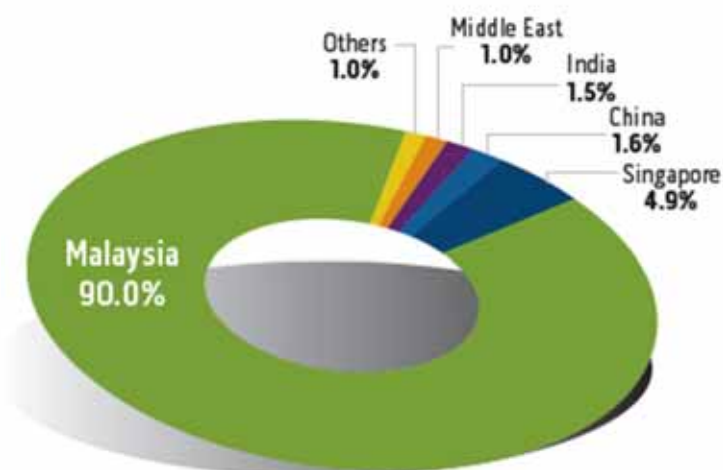
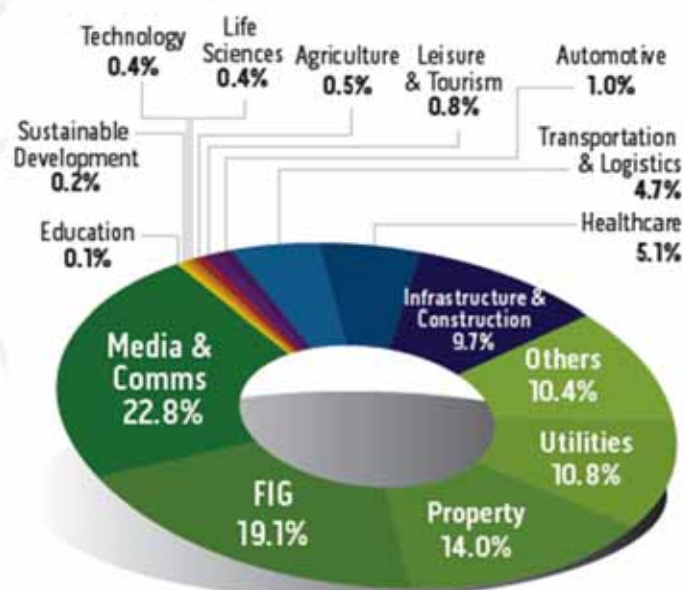


Source: G-20 Financial Reports; Bloomberg; consensus estimates (as at 31 Dec 2011); PCG analysis

## 2011 Financial and Portfolio Performance: Busy year on the I&D front

Investments	No. of transactions	Investment Amount (RM bn)
2004-2010	76	39.7
2011	13	5.8
<b>TOTAL</b>	<b>89</b>	<b>45.5</b>

Divestments	No. of transactions	Divestment Proceeds (RM bn)	Gains on Divestments (RM bn)
2004-2010	37	24.0	11.6
2011	8	7.7 <sup>1</sup>	2.0
<b>TOTAL</b>	<b>45</b>	<b>31.7</b>	<b>13.6</b>



Note: <sup>1</sup> Total divestment proceeds of RM16.6bn including PLUS shares held indirectly via UEM Group Berhad  
Source: Khazanah analysis

# 2011 Strategic and Operational Performance: Significant progress on the GLCT front, in line with the 5++ roles of the NEM





## 2011 Strategic and Operational Performance: Key transactions in 2011 were focused on the collaborative theme



Strategic divestment of Khazanah's 32% stake in POS Malaysia for RM623m. The two-stage divestment process sets a template for future transactions



Mitsui acquires a 30% stake in IHH for RM3.3bn. Subsequently, IHH and Khazanah co-invest USD1.0bn for 75% of Acibadem Hospitals in Turkey, resulting in one of the world's largest healthcare companies



Three Malaysian airlines enter into a Comprehensive Collaboration Framework, which will result in increased choice and improved service quality for consumers



Resolution of PoA leads to joint developments in Iskandar Malaysia and Singapore, with total Gross Development Value ("GDV") estimated at RM30bn



Collaboration with a private sector company in a joint development in Zone F Medini, with total GDV estimated at RM12bn



RM23bn privatisation of PLUS by UEM Group and EPF, concurrent with revised toll concessions to reduce burden on users

## 2011 Strategic and Operational Performance: Our companies also continued to make significant inroads on the regionalization front



INTEGRATED HEALTHCARE HOLDINGS



# 2011 Strategic and Operational Performance: Major progress recorded at Iskandar Malaysia's five-year anniversary milestone; traction gained on other catalytic NEIs



Total committed investments of RM84.8bn from 2006 to Dec 2011, of which 45% has been actualised



Price ↑ by ~400% since listing in Nov 2008

## FLAGSHIP A

### JOHOR BAHRU CITY CENTRE

- Central Business District
- Danga Bay Integrated Waterfront City
- Upgrading of Central Business District
- Tebrau-Pleintong Mixed Development
- Customs, Immigration and Quarantine Complex (CIQ)
- Johor-Singapore Causeway
- Lido Boulevard
- Conservation and Heritage Zones

## FLAGSHIP C

### WESTERN GATE DEVELOPMENT

- Port of Tanjung Pelepas
- Tanjung Bin Power Plant
- Malaysia - Singapore Second Link
- RAMSAR World Heritage
- Tanjung Piai - Southernmost Tip of Mainland Asia
- Free Trade Zone

## FLAGSHIP E

### SENAI-SKUDAI

- Senai International Airport
- Senai Cargo Hub
- Senai High-Tech Park
- Sedenak Industrial Park
- MSC Cyberport City
- Johor Technology Park
- Johor Premium Outlets®

## FLAGSHIP B

### NUSAJAYA

- Kota Iskandar
- Puteri Harbour
- Medini
- EduCity
- Southern Industrial Logistic Clusters (SILC)
- Aflak Health Park
- International Destination Resort
- Housing and Residential Projects

## FLAGSHIP D

### EASTERN GATE DEVELOPMENT

- Tanjung Langsat Industrial Complex
- Tanjung Langsat Port
- Johor Port
- Pasir Gudang Industrial Park
- APTEC (Lakehill Resort City)



Source: Iskandar Regional Development Authority ("IRDA"); Bloomberg

## Selected NEIs

### Iskandar Malaysia



### Leisure & Tourism



### Khazanah-Temasek Joint Investments

M+S Pte. Ltd.  
Urban Wellness and Resort  
Wellness developments in  
Iskandar Malaysia

### Healthcare



### High Speed Broadband



## 2011 Strategic and Operational Performance: Khazanah also expended much efforts into supporting the various initiatives under the National Transformation Policy

Implementation of high-impact Corporate Responsibility and knowledge development programmes, as well as participation by providing inputs into national initiatives, including Government Transformation Programme, Economic Transformation Programme, Bumiputera Economic Transformation Roadmap, New Economic Model and Talent Corporation.

### Corporate Responsibility



### Knowledge Development



### Support of National Transformation Initiatives





### Summary for 2011

- ▶ **Steady financial performance:** Net sellers, Marked-to-Market portfolio dragged by regulated companies and soft markets, contrasted with record Profit Before Tax and dividend payout and stronger balance sheet covers
- ▶ **Significant on-going strategic progress:** Defining year from various strategic and key transactions



### Outlook for 2012: Building True Value

- ▶ Cautious investment outlook
- ▶ On-going 5++ transformation strategy (GLCT, Regionalisation, NEIs, Collaboration and Co-investment, Core focus and strategic divestment)
- ▶ Continuing support of National Transformation Policy
- ▶ Institutionalisation



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# Thank You

Visit our website at : [www.khazanah.com.my](http://www.khazanah.com.my)

# Investment Holding Structure as at 31 December 2011

