

## MEDIA STATEMENT

Kuala Lumpur, 1 June 2007

### **Khazanah Third Year Performance Review – *Significant Progress and Achievements Recorded.* *Net Worth increased by RM28.9 billion or 87% over the three year period***

Khazanah Nasional Berhad (“Khazanah”) held today a media briefing on the progress made in the last three years since the revamp of its mandate. Significant progress has been achieved over the three year period, with Khazanah’s Net Worth<sup>1</sup> increasing by **RM28.9 billion or 86.8%** from RM33.3 billion to RM62.2 billion, or a compounded annual growth rate of 22.8%, while its investment portfolio (“RNAV”) has grown 74.3% from RM50.9 billion to RM88.8 billion.

**Twenty eight (“28”) major investments were made during the period amounting to RM21.1 billion, on which returns of RM8.9 billion or 42.4% have been achieved** during the holding period to date. Of this, 16 major domestic investments of RM15.2 billion and 12 foreign investments of RM5.8 billion were made. Significant progress on funding and liability management was also made during the period with RNAV/liability cover rising to 3.3x from 2.9x previously.

**Significant progress in restructuring legacy investments has been achieved with eight out of 11 identified companies having been successfully restructured** while three are pending resolution expected to be completed before the end of this year. The restructured companies include MAS, RHB Bank, Silterra, MTDC, UDA Holdings, Northern Utility, CCT and Tradewinds. Work to restructure Proton, Time Engineering/Time dotCom and MAHB are currently ongoing.

The Putrajaya Committee for **GLC Transformation** (“PCG”), with Khazanah as its secretariat, has successfully launched all ten initiatives under the GLC Transformation programme. It has now moved into the Third Phase which would see tangible and sustained benefits across all GLCs. Financial and operational progress on GLCs have been very encouraging with, among other indicators, the market capitalization of the **47 listed GLCs increasing RM143 billion** over the last three years and outperforming the broader KLCI.

Khazanah has also selectively made several overseas investments in line with its updated mandate, to build linkages into **sectors and geographies** that are important to Malaysia’s long-term competitiveness, with new investments in new sectors such as healthcare, agriculture and insurance. Regionally Khazanah has also made new direct investments in Indonesia, Singapore, China, India and Saudi Arabia.

On the domestic front, Khazanah has delivered in its role as master planner for the **Iskandar Development Region (“IDR”)** with the launch of the IDR and the Comprehensive Development Plan (“CDP”) on 4 November 2006. With the establishment of the Iskandar Regional Development Authority (“IRDA”) on 17 February 2007, and the creation of the Khazanah-led South Johor Investment Corporation (“SJIC”), IDR is now set on its path towards the vision of becoming a sustainable metropolis of international standing in South Johor.

---

<sup>1</sup> Net Worth = Total Assets less Total Liabilities

Khazanah's **Capacity Building Programme** has also seen significant activity, especially in terms of human capital development, knowledge management, systems and processes and risk management. As at 1 June 2007, Khazanah's headcount stands at 228 employees, a rapid increase from only 33 employees in May 2004.

For the **next three years** Khazanah is expected to focus on enhancing sustainability and institutionalization of the organisation; building and broadening on the base created thus far for greater value creation; and tapping cross-synergies amongst its investee companies and assets.

**END**

For further information, please contact Ahmad Shahizam Shariff at +603 2034 0000 or via e-mail at [ahmad@khazanah.com.my](mailto:ahmad@khazanah.com.my)