

Business

# KIPCO completes its rights issue, raises KD 95.08 million in equity

## Oversubscription reflects our shareholder's confidence in KIPCO: Al-Ayyar

KUWAIT: KIPCO - the Kuwait Projects Company (Holding) - announced the successful completion of the company's share capital increase and the allocation of the shares to the subscribed shareholders. The Board of Directors had approved the capital increase in January, with the aim of supporting the positive growth of KIPCO's businesses through continuing to invest in its core portfolio companies.

The rights issue saw a 17 percent oversubscription in the 452,748,662 new ordinary shares that were on offer, raising around KD 95.08 million in equity and representing an

approximate 29.3 percent raise on KIPCO's former issued share capital. KIPCO's issued share capital now stands at KD 200 million.

The rights issue saw the participation of a wide range of KIPCO's shareholders, including corporates, funds, portfolios and individuals. The offer price was set at 210 fils per issue share. The offering period closed on July 17.

KAMCO Investment Company acted as the issuance advisor and subscription agent. KIPCO's last capital increase was in 1996, and over the last 22 years the company's businesses have been growing strongly. To support this growth, KIPCO has been investing capital

in its core portfolio companies. The exercise is timely given the company's forward-looking approach to managing its capital structure, and the cash will be used to continue to selectively invest in KIPCO's businesses, while increasing the company's overall financial flexibility.

Faisal Al-Ayyar, KIPCO's Vice Chairman (Executive), said: "The oversubscription in the rights issue reflects the confidence that our shareholders have in KIPCO's performance and its long-term business strategy, and we are grateful for this trust. We would like to thank the Central Markets Authority and the

regulatory agencies for facilitating this exercise, and we also appreciate greatly the value of the efforts of the agencies that have been rating KIPCO over the last decade."

He added: "Over the last two decades, we supported the growth of businesses through investing capital in our core portfolio companies, while maintaining a prudent capital structure. The cash raised through this rights issue will allow us to continue to invest in our banking, media, insurance and industrial businesses. It will also provide us with the financial flexibility to invest in emerging sectors like education in a thoughtful and disciplined way."



Faisal Al-Ayyar

## 007 carmaker sees shares crash on profit warning

LONDON: James Bond's favorite carmaker Aston Martin sent its share price crashing by a fifth on Tuesday after issuing a profit warning on the back of weak global demand and Brexit. The company - whose cars play a starring role in the fictional British spy's blockbuster films - warned in a statement that it faced a "worsening" economic environment, particularly in Britain and Europe, and cut its 2019 earnings and sales guidance.

As a result, the car giant slashed its 2019 wholesale target to between 6,300-6,500 vehicles. That was sharply down from prior guidance of 7,100-7,300. And the group also lowered its 2019 adjusted operating earnings margin to eight percent, down from 13 percent.

Aston Martin, which floated on the London Stock Exchange in October, saw its stock slump 22.18 percent to 805.40 pence in morning deals yesterday. "Our wholesale performance is adversely impacted by macro-economic uncertainty and enduring weakness in UK and European markets," said Chief Executive Andy Palmer in the gloomy trading update.

"We are disappointed that short-term wholesales have fallen short of our original expectations, but we are committed to maintaining quality of sales and protecting our brand position first and foremost," he added. "We remain focused ... on delivering sustainable long-term growth."

The company is nevertheless counting the cost of weak economic growth in Europe and home market Britain - which will leave the European Union at the end of October. In February, Aston Martin set aside £30 million in contingency funds to help it weather any potential disruption arising from Brexit. —AFP

## Nissan confirms profit plunge as job cuts reported

TOKYO: Japanese car giant Nissan confirmed yesterday it will report a plunge in first quarter operating profit as media reported the struggling automaker plans to cut more than 10,000 jobs worldwide.

The firm is working to turn around its fortunes after being plunged into crisis by the arrest of its former chief Carlos Ghosn, and is fighting falling sales in the United States and Europe. Yesterday, a day before it announces first-quarter results, Nissan confirmed that it would report a plunge in operating profit, but declined comment on news it plans to cut thousands of jobs. The Nikkei business daily said earlier yesterday that Nissan would announce a 90 percent drop in operating profit for the first quarter because of declining US sales, with the cost of developing electric vehicles and autonomous driving technologies weighing on profits.

"While the financial results are still being reviewed, the operating profit reported in the Nikkei Shimbun article was broadly accurate," Nissan said in a press release, declining to offer details before the official earnings announcement. Motoo Nagai, a member of the board and chair of the firm's audit committee, said the company would address the job cut reports today.

"It's not a simple restructuring. It's about revitalization to make Nissan grow again," he said at an informal briefing. Nissan had already said it planned to trim 4,800 posts from its global workforce of around 139,000, but the further cuts reflect the firm's ongoing struggles.

In May, it reported net profit fell to a near-decade low and warned of "a difficult business environment" for the next 12 months. The job cuts are likely to hit some factories in South America and other regions where Nissan has low profitability. Kyodo news agency reported.

### Governance overhaul

The company has seen weak sales in the US and Europe, and has also faced tensions with its French partner Renault, which owns 43 percent of the



FRANKFURT MAIN: In this file photo, a Nissan Leaf car has its sheet metal half cut to show its engine at a press day of the 66th IAA auto show in Frankfurt am Main, western Germany. —AFP

Japanese manufacturer. Nissan is currently undergoing an overhaul intended to strengthen governance after the Ghosn scandal. In May, it reported net profits for the fiscal year to March of 319 billion yen (\$2.9 billion) — the lowest amount since 2009/10 when the company was struggling in the wake of the global financial crisis.

It was a decline of 57 percent from the previous fiscal year and the profit outlook for the current fiscal year was forecast to be even worse, at 170 billion yen. Ghosn, who has been sacked from auto industry leadership roles, is awaiting trial in Japan on charges of under-reporting millions of dollars in salary and of using company funds for personal expenses.

Last month, Nissan shareholders voted in favor of a series of reforms, including the establishment of

three new oversight committees responsible for the appointment of senior officials, pay issues and auditing. They also approved the election of 11 directors as the firm restructures, among them two Renault executives as well as current Nissan CEO Hiroto Saikawa.

The reforms are designed to put Nissan on a more stable footing after the shock caused by the arrest of Ghosn, considered one of the auto industry's most powerful executives. Ghosn forged a three-way alliance between Nissan, Renault and Japan's Mitsubishi Motors that is the world's biggest-selling auto group.

But relations in the alliance have been seriously strained by Ghosn's arrest, which has exacerbated long-standing tensions over how closely the automakers should be integrated. —AFP

## Daimler books first quarterly loss in 10 years in Q2

FRANKFURT: Mercedes-Benz maker Daimler yesterday reported its first quarterly loss in almost 10 years, saying cash it had to set aside over emissions cheating and vehicle recalls drove it into the red.

The Stuttgart-based car maker said in a statement it lost 1.2 billion euros (\$1.3 billion) in April-June due to one-off effects totalling 4.2 billion euros. The last time Daimler reported a quarterly loss was in the fourth quarter of 2009. "Our second-quarter results were mainly impacted by exceptional items," newly-installed chief executive Ola Kallenius told reporters.

By contrast, revenues rose by five percent to a higher-than-expected 42.7 billion euros, despite a one percent fall in unit sales. Daimler also tumbled into the red on the operating level, losing 1.5 billion euros - compared with underlying profit of 2.6 billion euros a year ago.

### 'Anything but satisfactory'

The figures are "anything but satisfactory", admitted Kallenius, a Swede who has been at the helm since May when predecessor Dieter Zetsche stepped down. "Expect a noticeable improvement in the second half of the year based on our strong product portfolio."

In response to the poor figures, Kallenius promised to "intensify" savings measures launched by Zetsche and "focus in the second half of the year on improving our operating performance and cash-flow generation." The operational loss is a "remarkably bad" result and shows there is a "lot of work for Mr.

Kallenius" to do, said analyst Jurgen Pieper at Metzler Bank. "I think Daimler hasn't been managed so well in the last two years," added Pieper in a dig at Zetsche.

After cutting its annual outlook twice in recent months, Daimler left the forecast unchanged this time around, predicting operating profit "significantly below" the 11.1 billion euros booked in 2018.

The auto giant pointed to weaker-than-expected growth on global car markets, fallout from the diesel emissions cheating scandal and a mass recall over faulty Takata airbags. The defect, discovered in 2014 by the authorities in America and affecting around 100 million vehicles worldwide across a variety of manufacturers, has resulted in around 20 deaths. German transport authority KBA also ordered the recall of 60,000 Mercedes-Benz vehicles in June on suspicion they were fitted with software to cheat emissions tests - allegations Daimler contests. —AFP



BERLIN: This file photo shows then outgoing Daimler CEO Dieter Zetsche (left) and his Swedish successor Ola Kallenius before the start of the German carmaker's annual general meeting in Berlin. —AFP

## EXCHANGE RATES

Al-Muzaini Exchange Co.		Dollarco Exchange Co. Ltd		BAHRAIN EXCHANGE COMPANY WLL		
<b>EUROPEAN &amp; AMERICAN COUNTRIES</b>		<b>Rate for Transfer</b>		<b>CURRENCY</b>	<b>BUY SELL</b>	
US Dollar Transfer	304.750	US Dollar	304.240	British Pound	0.371465	0.385365
Euro	341.780	US Dollar	304.240	Czech Koruna	0.005281	0.014581
Sterling Pound	381.090	Canadian Dollar	232.290	Danish Krone	0.041433	0.048433
Canadian dollar	233.260	Sterling Pound	380.530	Euro	0.331894	0.345594
Turkish lira	54.180	Euro	342.105	Georgian Lari	0.132195	0.132196
Swiss Franc	310.970	Swiss Frank	301.030	Hungarian 0.001149	0.001339	
US Dollar Buying	297.400	Bahrain Dinar	809.085	Norwegian Krone	0.031062	0.036262
<b>ASIAN COUNTRIES</b>		UAE Dirhams	83.235	Romanian Leu	0.065328	0.082176
Japanese Yen	2.818	Qatari Riyals	84.475	Russian ruble	0.004838	0.004838
Indian Rupees	4.420	Saudi Riyals	82.025	Slovakia	0.009116	0.019116
Pakistani Rupees	1.931	Jordanian Dinar	430.395	Swedish Krona	0.033145	0.033145
Sri Lankan Rupees	1.729	Egyptian Pound	18.335	Swiss Franc	0.302117	0.313117
Nepali Rupees	2.757	Sri Lankan Rupees	1.728	<b>Australasia</b>		
Singapore Dollar	224.250	Indian Rupees	4.412	Australian Dollar	0.204288	0.216288
Hongkong Dollar	39.008	Pakistani Rupees	1.894	New Zealand Dollar	0.197683	0.207183
Bangladesh Taka	3.592	Bangladesh Taka	3.603	America		
Philippine Peso	5.951	Philippines Peso	5.948	Canadian Dollar	0.226516	0.235516
Thai Baht	9.906	Cyprus pound	18.100	US Dollars	0.300650	0.305950
Malaysian ringgit	77.941	Japanese Yen	3.810	US Dollars Mint	0.301150	
<b>GCC COUNTRIES</b>		Nepalese Rupees	2.763	<b>Asia</b>		
Saudi Riyal	81.321	Malaysian Ringgit	74.750	Bangladesh Taka	0.003004	0.003805
Qatari Riyal	83.757	Chinese Yuan Renminbi	44.665	Chinese Yuan	0.042758	0.046258
Omani Riyal	792.073	Thai Bhat	10.825	<b>Arab</b>		
Bahraini Dinar	809.750			Bahraini Dinar	0.802205	0.810263
UAE Dirham	83.027			Egyptian Pound	0.018659	0.022019
<b>ARAB COUNTRIES</b>				Iranian Riyal	0.000084	0.000086
Egyptian Pound - Cash	21.650			Iraqi Dinar	0.000210	0.000270
Egyptian Pound - Transfer	18.364			Jordanian Dinar	0.424927	0.433927
				Kuwaiti Dinar	1.000000	1.000000
				Lebanese Pound	0.000157	0.000257
				Moroccan Dirhams	0.021412	0.045412
				Omani Riyal	0.786428	0.794327
				Qatar Riyal	0.083051	0.083885
				Saudi Riyal	0.080150	0.081480
				Syrian Pound	0.001292	0.001512
				Tunisian Dinar	0.102066	0.110060
				Turkish Lira	0.046156	0.056001
				UAE Dirhams	0.082339	0.083166
				Yemeni Riyal	0.000991	0.001071