CAPITAL STANDARDS
AN INDEPENDENT RATING AGENCY

Kuwait Retail Industry

Report Contents

Summary

The retail sector in Kuwait has experienced a significant growth, mainly during FY 2007-2008, as a result of the strong demand by youth and the rich population. In addition, the development and expansions of shopping malls along with the entrance of 29 international retailers during FY 2008 supported the growth in this sector. According to Kuwait business intelligence report issued in June 2010, around 60% of Kuwait's population is under the age of 25, and is rising at 3% annually. As per Meed, it is predicted that by the end of FY 2029, the population will increase to 5.40 mn. Hence, the demand is more likely to be affected by the local population

The financial crisis has negatively affected the economies of the GCC region. Despite that, in FY 2008 the retail sector maintained a healthy average revenue growth of 17.90% on an annual basis (source: Alpen Capital). The financial crisis has more severe effect on the luxury goods retailers as consumers became more conscious in term of expenses. The performance of non-discretionary goods retailers continued to remain resilient.

The retail sector in Kuwait is expected to be positively influenced by the overall demographical trend which is set to favor the retail sector in the region. It has to be noted that this report covers the retail sector with a focus on the Food, Pharmaceutical and Consumer goods segments.

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Industry Overview

GCC Retail Industry

The retail sector is considered as the second largest sector, in term of size, after the oil sector in the GCC region. Currently, the region has about 6 mn sqm development activities as well as projects in the pipeline. The GCC retail industry was negatively influenced by the economic downturn during FY 2009; however the impact was less rigorous as compared to the global retail industry. The GCC's gross domestic product (GDP) growth rate has been higher than the population growth rate in the last few years and thereby enhancing the consumers' disposable income. In FY 2009, the GCC combined GDP was set at USD 868.50 bn as compared to USD 342.00 bn in FY 2000. Hence, a higher disposable income has raised the consumer expenditure, resulting in an overall growth in the retail sector.

Given the high disposable income, the desire to purchase western branded products has increased. Hence, shopping has become a part of the population's activity and consumers are likely to buy branded products. This has led the global retailers to increase their focus on the GCC retail sector.

According to A.T. Kearney's Global Retail Development Index (GRDI), UAE and Saudi Arabia ranked 4th and 5th respectively from the global retail attractiveness perspective. A survey by CB Richard Ellis during FY 2008 shows that 37 new global retailers entered Saudi Arabia, larger than any other country in the world, followed by Kuwait with entrance of 29 new global retailers and then UAE which ranked 3rd and 4th respectively on the referred survey.

The GCC is a developing economy, and therefore there is a high potential in this region for growth. Lately, a considerable number of global retailers have introduced their brands in the region. Examples would be Carrefour, Debenhams and Marks & Spencer that have already build their reputation in the GCC. The expansion of the global retailers is most likely going to increase the competition. However, during and after the financial crisis, the demand for luxurious' goods has declined. As per the survey by Datamonitor, most of the consumers during FY 2009 reduced their expenditure on luxurious goods to meet their debt obligations.

Kuwait Retail Industry

The retail companies in Kuwait are listed within the KSE's service sector. From 59 companies in the service sector, there are 7 listed retail companies with different size and activities. According to BMI's 2010 report, Kuwait retail sales are expected to rise from USD 42.64 bn in FY 2009 to USD 59.27 bn by the end of FY 2014. This positive forecast is mainly due to the favorable economic outlook, high disposable income and varied consumer base. The Kuwait's retail sector has expanded significantly given the development of shopping malls.

Retail Industry Sub-Sectors

Food Retail Sector

The Kuwait's food retail sector is mainly controlled by the government's Union of Cooperative Societies (UCCS). This union comprises grocery stores, supermarkets, convenience stores and hypermarkets. As for private retailers, they are limited to operate mainly within commercial areas. In order to overcome this limitation, some of the local private retailers such as Sultan Center (TSC) have started to expand abroad. During FY 2008, TSC developed 15 new retail outlets in Jordan, Egypt, Kuwait, Oman, Bahrain, Syria and UAE. Through its subsidiary in Lebanon, TSC acquired food retailers (Monoprix and Geant Casino) from the Lebanon-based company Admic, under a contract worth of USD 97.00 mn. As an agreement of this contract, TSC is going to take over five Monoprix and Géant supermarket.

In FY 2008, the government of Kuwait agreed upon permitting the UCCS retail chain to import goods directly from the suppliers. This attempt will reduce the cost on retailers and will allow them to obtain better price deals. Furthermore, this will increase the UCCS's competitive advantage and reduce the opportunities for new entrances. As a result, the prices of consumer goods may also decline. Yet, recently a number of international retailers (such as Carrefour, City Center and Géant) have expanded their presence in Kuwait. The presence of these global retailers in the region would further boost competition.

Financial Profile

Major food retailers in the GCC

Savola Group - Is a publicly listed company in Saudi Arabia, and its business includes retailing of sugar, noodles/pasta, edible oils and packaging. Its line of business also focuses on real estate, franchise and food sectors. Furthermore, the company also has major investments in Al Marai Dairy Company (28%), Herfy Food Company (70%) and Jordanian

Tameer Company (5%). Savola has a strong geographical presence within the MENA region and Central Asia. The company is intending to invest in Pakistan's large oil market in FY 2010 which reflects positive sentiment towards the food retail sector.

Abdullah Al Othaim Market - Al Othaim is a publicly listed company in Saudi Arabia. The company is engaged in the wholesale and retail of food supplies, fish and meat in the Middle East. Furthermore, the company is also involved in managing and operating supermarkets and shopping centers. In term of sale, the company is considered the second largest in Saudi Arabia's retail chain, followed by Panda Azizia, which is affiliated with Savola Group. The company is expanding in Egypt to further diversify its business operations.

The major food retailers in term of size (Market Cap) in the GCC region are Salova Group (market cap of USD 4,798.8 mn), followed by Abullah Al Othaim Markets (USD 434.90 mn) and Sultan Center (USD 392.40 mn).

Major food retialers in the GCC

	Revenue Growth (%)	Net Income (USD mn)	Return on Assets(%)
Savola Group-Saudi Arabia	29.40	253.70	6.00
Abdulla Al Othaim Markets-Saudi Arabia	7.30	20.70	6.70
The Sultan Center-Kuwait	15.20	13.10	1.10

Source: Alpen capital, GCC retail sector 2010

In term of revenue Savola Group grew by 29.40% as of FY 2009, while the other food retailers witnessed relatively lower revenue growth, partly affected by economic environment. In terms of profitability, Salova Group, Abdullah Al Othaim recorded relatively higher ROA as compared to TSC.

The following financial analysis covers only Sultan Center as the major public food retailer listed on the KSE.

Major food Retail Company listed in KSE

Sultan Center - Sultan Center or TSC was established in September 1980 and specializes in consumer goods, food and beverages, real estate, services and telecommunication. The company holds a portfolio of companies mainly involved in wholesale and retail, and represents 40 international franchises in the Middle East. TSC's capital structure in the last 4 years reflects the company's reliance on external funds. This can be attributed to the company's business model and its steady expansion strategy.

Capital Structure-Sultan Center

Capital Structure of Sultan Center

(KWD mn)	2009	2008	2007	2006
Total Assets	348.07	333.55	301.49	258.71
Total Liabilities	225.64	223.79	163.86	128.67
Total Equities	116.03	103.74	132.15	125.30
Total Debt/Total Assets (%)	40.76	44.90	38.20	34.23
Total Debt/Total Equity (%)	122.26	144.39	87.15	70.67

Source: Zawya, Company reports, CSR analysis

Liquidity-Sultan Center

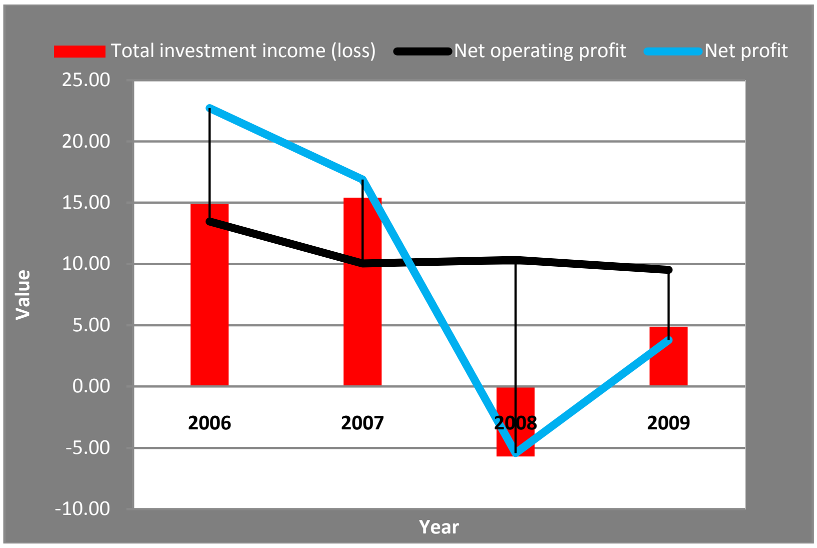
Liquidity ratios of Sultan Center

(KWD mn)	2009	2008	2007	2006
Total current assets	62.53	69.89	66.99	71.81
Total current liabilities	194.10	200.60	141.86	122.74
Current ratio (x)	0.32	0.35	0.47	0.59

Source: Zawya, Company reports, CSR analysis

TSC's level of liquidity, measured by current ratio, has been declining consistently in the past four years. The drastic decline in liquidity in FY 2008 was mainly due to the fall in the value of quoted securities affected by the global financial crisis.

Performance-Sultan Center



Source: CSR analysis

TSC's operating income remained relatively stable throughout FY 2006-2009. However, the company's net profit shows a volatile trend which is mainly attributed to its investment activities. The company's ROA and ROE continuously declined and turned negative in FY 2008. The high investment losses and increase in the cost of goods sold, driven by high inflation rates, had a negative influence on earnings. In FY 2009, the disposal of short term securities & investments resulted in a moderate improvement of financial performance.

Financial performance indicators of Sultan Center

	2009	2008	2007	2006
Return on Assets (%)	1.09	(1.63)	5.60	8.78
Return on Equity (%)	3.27	(5.23)	12.78	18.14

Source: Zawya, Company reports, CSR analysis

Pharmaceutical Retail Sector

The GCC nation's life style has resulted in increased health risks. Today, UAE ranks the second in the world for diabetes (20%), followed by Saudi Arabia (14.40%), Bahrain (15.20%) and Kuwait (14.40%) as per the International Diabetes Federation. These factors provide evidence and example on the increase of demand for medical products.

As for Kuwait health care sector, the country is still bounded by limited domestic manufacturing industry and few technological facilities. This has benefited the health care retailers importing medicine. Currently, Kuwait's health care is freely offered to each Kuwaiti citizen; however the aggravation on public finances may eventually end up taking some of the financial supports away from the government.

List of players in Kuwait pharmaceutical retail sector

Safwan - A pharmaceutical retailer was incorporated in 1963 and is a publicly listed company on the KSE. It operates as a wholesaler & retailer in pharmaceutical, hospital & medical equipment. The major shareholders of the company are Al Mal Investment Company (47.36%) and the Investment Dar company (19.72%).

YIACO – YIACO Medical Company (formerly known as Yousef Ibrahim Alghanim and Company until March 2002), was established in 1953. With an asset size of KWD 58.19 mn, YIACO is considered among one of the largest health care retailers operating in Kuwait. YIACO's principal activities cover marketing, distributing and trading of pharmaceutical products, cosmetics, hospital and medical equipments. The company also provides health care services and medical diagnostic consulting.

Financial Profile

Capital Structure

Capital Structure of Safwan & YIACO

	Safwan				YIACO			
(KWD mn)	2009	2008	2007	2006	2009	2008	2007	2006
Total Assets	20.46	19.57	18.06	13.86	58.19	49.82	45.31	44.84
Total Liabilities	11.00	10.86	10.14	6.46	34.01	26.04	22.37	22.65
Total Equities	8.86	8.19	7.49	7.03	22.92	22.65	21.90	21.16
Total Debt/Total Assets (%)	5.20	5.11	8.08	1.82	23.82	22.03	17.98	17.40
Total Debt/Total Equity (%)	12.00	12.20	19.48	3.59	60.46	48.45	37.20	36.87

Source: Zawya, Company reports, CSR analysis

The capital structure of the health care retail companies has been adequately divided between debt and equity in the past four years. Regardless of the financial crisis, the structure of the companies remained almost stable, in fact both Safwan and YIACO attained an asset growth of 8.31% and 9.95%, respectively, during FY 2008. This can be explained by the nature of the sector which is a necessity as compared to luxury goods.

Liquidity

Liquidity of Safwan & YIACO

	Safwan				YIACO			
(KWD mn)	2009	2008	2007	2006	2009	2008	2007	2006
Total current assets	18.46	17.36	15.93	11.23	42.17	33.79	28.71	26.96
Total current liabilities	10.41	10.66	10.05	6.30	33.66	25.53	21.35	19.95
Current ratio (x)	1.77	1.63	1.59	1.78	1.25	1.32	1.35	1.35

Source: Zawya, Company reports, CSR analysis

The liquidity ratio of Safwan and YIACO has almost remained stable for the past four years. This can be attributed to an adequate increase in the proportion of both current assets and current liabilities. Both YIACO and Safwan enjoy healthy liquidity ratios which indicate their ability to meet short-term debt obligations.

Performance

Financial performance indicators of Safwan and YIACO

	Safwan				YIACO			
(KWD mn)	2009	2008	2007	2006	2009	2008	2007	2006
Revenue	27.63	24.23	21.66	17.10	69.74	54.08	48.25	46.07
Cost of goods sold	(22.08)	(18.77)	(17.21)	(13.49)	(52.06)	(39.35)	(36.22)	(34.49)
Net Profit	1.65	1.89	1.64	1.42	1.39	0.78	2.27	2.43
Return on Assets (%)	8.10	9.68	9.06	10.24	2.39	1.56	5.03	5.42
Return on Equity (%)	18.70	23.12	21.84	20.19	6.07	3.44	10.40	11.49

Source: Zawya, Company reports, CSR analysis

The performance of both Safwan and YIACO, measured by ROA and ROE, vary significantly. As for Safwan, the company's financial performance has been stable till the end of FY 2008. However, in FY 2009 the company's input cost has increased, which resulted in the deterioration of its profits. As for YIACO, the company in FY 2009 attained a revenue growth of 28.96%, whereas its peer (Safwan) recorded a decline in the revenue by 6.60%. YIACO's revenue has been continuously growing in the last four years; however the company's costs also increased. Overall, the company has been able to overcome the impacts of the crisis as both net profit and profitability showed a healthy growth.

Consumer Goods Retail Sector

The rise in the population and the expansion of foreign retailers in the local markets, have positively impacted the consumer goods[1] retail sector of the GCC. The recent economic downturn increased the job losses in the region, leading to consumers' tightening their budgets. On the other side, these factors benefited the non-discretionary consumer goods retailers as consumers became more conscious toward their expenditures. Hence, the demand for non-discretionary goods remained stable. The development of projects and shopping malls are expected to augment demand toward importing international goods.

There are five players/companies listed on the KSE that are considered as consumer goods retailers. These are Sultan center, Gulf Franchising Company, Villa Moda life style, Hayat Communication and Future Communication Company. Furthermore, there are a number of private retailers such as Abdulaziz Saud Al Babtain and sons company, Al Ghanim industries, Al Shaya Group, Morad Yousef Behbahani Group and Musaed Bader Al Sayer Group that have long years of experience in this segment. However, these companies are not public which puts limitation on the analysis in this report. Names of private retail companies along with their business description are included in the Appendix.

Major consumer goods retailers in the GCC

Luxury Goods - Fitahi Holding Company - Fitahi holding is a Saudi company established in 1992 to manufacture gold, silver and other related accessories. The company is also involved in the development of the health center along with trading medical equipments. Fitahi is the only public shareholding company that operates as a jeweler and luxury goods retailer in Saudi Arabia. The company provides variety of brands such as Mont Blanc, Fratelli Rosetti, Lanvin, Zimmerli, Christain Dior and Rebecca. During FY 2008, Fitahi developed two new companies in Saudi Arabia, a real estate company and financial investment company with a capital budget of USD 26.70 mn each. In FY 2009, Fitahi's financial performance was affected by the reduction in its sales. This reduction reflects the consumers' lack of interest toward luxury goods during the economic downturn.

Non-discretionary Goods - Al Meera Consumer Goods Company - Al Meera is a Qatari based company established in 2005. The company engages in both wholesale and retail business by providing different types of consumer goods such

[1] Consumer goods: Any substantial commodity purchased by consumer to meet their needs. Consumer goods include clothing, food, fashion, furniture, accessories, electronics, telecommunication equipments, beauty products…etc.

as electronic equipment, clothes, cleaning products, food and beverage products. In FY 2009, the government of Qatar issued directives for merger of Al Meera with Mawashi, a Qatari company that trades in meat and livestock. Despite the financial crisis, the income generated via its operating activity noticeably grew as a result of significant growth in the revenue. However, the volatility of the investment income as well as provisions set over inventory, negatively affected company's net profit.

Financial performance indicators of Meera Consumer Goods Company

KWD mn)	2009	2008	2007	2006
Revenue	863.55	748.65	577.16	507.94
Net operating profit	44.65	45.89	26.46	8.58
Total investment income/loss	7.10	13.18	9.13	(8.46)
Provisions	(7.44)	(4.84)	(5.45)	0.00
Net profit	54.01	63.75	35.65	26.06
Return on Assets (%)	13.31	15.49	9.39	7.41
Return on Equity (%)	23.54	28.92	15.60	11.74

Source: Zawya, Company reports, CSR analysis

Luxury Goods - Villa Moda Lifestyle - Villa Moda is a Kuwaiti company established in 1992 and listed on the KSE since FY 2007. The company is a retailer of 300 international luxury brands such as Fendi, Gucci, DKNY and others. In FY 2007, the company expanded its geographical presence within the GCC region along with Syria. During the same period, the company entered the real estate sector through its partnership with Barwa Real Estate Company to develop the Doha-Based Barwa Al Rayyan for real estate, with a capital of USD 5.50 mn. Furthermore, during the same period the company set up new business plans with Qatar Foundation to develop indoor shopping street. These reflect the company's strategy of regional expansion. However, after FY 2007, Villa Moda has not declared its financial information publicly which raises a question towards the company's financial performance after the crisis.

Non-discretionary Goods - Gulf Franchising Company - Gulf Franchising Company, also known as GFC, is a Kuwaiti company listed in KSE. The company was established in 2001 with the main objective to own and operate commercial franchises in services, food, and fashion along with providing business consulting and training services. The company through its branches is geographically diversified in Saudi Arabia, Oman, Qatar, Bahrain and Iran, which almost have similar economic environment except for Iran.

Financial Profile

Capital Structure-GFC

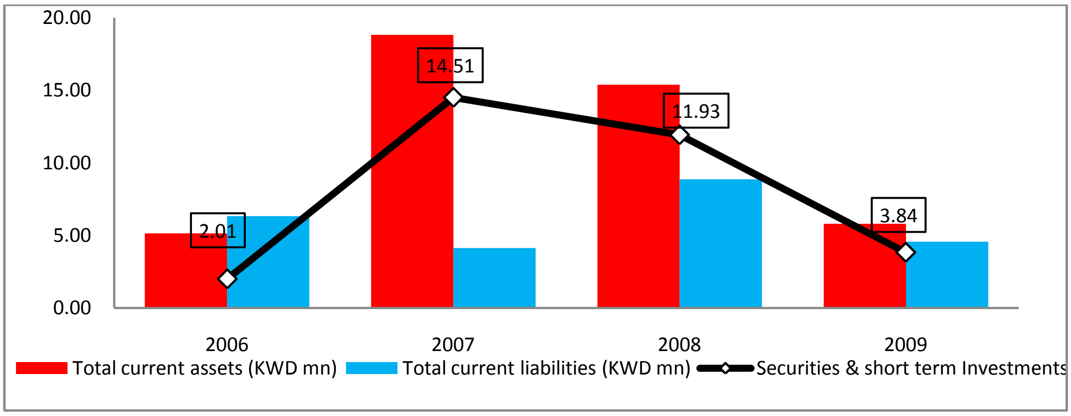
Capital structure of Gulf Franchise Company

(KWD mn)	2009	2008	2007	2006
Total Assets	11.82	20.98	22.31	24.58
Total Liabilities	4.71	8.88	4.14	6.42
Total Equities	6.91	11.92	18.03	18.06
Total Debt/Total Assets (%)	31.33	37.57	13.37	20.85
Total Debt/Total Equity (%)	53.62	66.12	16.54	28.38

Source: Zawya, Company reports, CSR analysis

The capital structure of GFC has been mainly reliant on equity. However, during FY 2008, the company's liabilities increased by 112.15% from KWD 4.14 mn to KWD 8.88 mn, which was mainly on account of entering 3 months' Wakala payable agreement amounting to KWD 7.76 mn with a related party. In FY 2009, as the Wakala payable matured, GFC's liabilities declined and returned to its original range of KWD 4.00 mn. As for equity, the notable reduction in the value during FY 2008 and FY 2009 is mainly due to accumulated losses amounting to KWD 2.60 mn and KWD 7.64 mn, respectively. Despite the decline in the value of equity, GFC's leverage ratio is still considered adequate as compared to its peers.

Liquidity-GFC



Source: CSR analysis

The liquidity ratio of the company declined significantly after the FY 2008 financial crisis. This is attributed to the significant fall in the value of marketable securities, as referred to the above graph. This is also consistent with the capital structure profile of the company as liabilities increased during the same period, adding more burden on the company's liquidity position.

Liquidity ratios of Gulf Franchise Company

	2009	2008	2007	2006
Current ratio (x)	1.27	1.73	4.54	0.81
Inventory turnover (x)	2.31	2.17	2.17	1.74
Cash ratio (x)	0.15	0.11	0.56	0.34

Source: Zawya, Company reports, CSR analysis

Performance-GFC

GFC's net income is mainly driven by its investments activities. The EBITDA margin has been continuously negative. Furthermore, the impairment in the value of the equities resulted in a significant fluctuation in the company's earnings. As for profitability, measured by ROA and ROE, the ratios have continuously declined throughout the last four years. This is mainly driven by the volatility in the investment income as well as the reduction in the value of marketable securities. This reflects GFC's reliant on investment income to generate profit, which is unstable.

Financial performance indicators of Gulf Franchise Company

(KWD mn)	2009	2008	2007	2006
Revenue	2.49	2.33	1.85	1.36
Net operating profit	(1.55)	(1.08)	(1.21)	(1.31)
Total investment income/loss	(3.06)	(3.54)	2.72	5.72
Net profit	(5.04)	(5.01)	1.22	3.92
EBITDA Margin (%)	(41.99)	(32.71)	(50.57)	(82.06)
Return on Assets (%)	(42.62)	(23.85)	5.47	15.94
Return on Equity (%)	(72.95)	(41.98)	6.77	21.69

Source: Zawya, Company reports, CSR analysis

Other Consumer Goods Retailers in Kuwait

Electronic (Telecommunication) retail sector

As per the BMI data, it is predicted that Kuwaiti consumers' electronic expenses per capital will increase from USD 196.00 in FY 2010 to USD 240.00 by the end of FY 2014. This is mainly due to the positive economic sentiments along with the increase in the population, the consumer style and the high level of disposable income. The handsets market is predicted to grow at a CAGR of 14% to USD 230.00 mn by the end of FY 2014. The sale of mobile handsets accounted for about 19% of the Kuwaiti consumer electronic expenses.

Major players of Telecommunication retailers listed in KSE

Two of the listed telecommunication retailers in KSE are Future Communication and Hayat Communication companies.

Future Communication Company Global - FCCG is a publicly listed company on the KSE and was established in 1998. The company is the formal wholesale and retail distributor of NOKIA mobile phone and accessories. With a portfolio of five Kuwaiti telecom and Information Technology (IT) subsidiaries, FCCG's business is geographically diversified through the Arab region.

Hayat Communication Company - Is a publicly listed company on the KSE and was established in 1999. The main business activities encompasses telecommunication infrastructure, trading & contracting in electrical and communication tools. During FY 2009, the company announced its expansion plan in Malaysia, Iran, Nigeria and Kenya. This expansion will reduce the asset concentration in similar economic environment and will diversify revenue sources.

Financial Profile

Both companies enjoy healthy revenue growth rates. Moreover, their profits throughout the last two years were not significantly influenced by the financial crisis. This is mainly due to the fact that none of the two companies have exposure to equity market.

Financial performance indicators of Future Communication Company Global & Hayat Communication Company

	Future				Hayat			
(KWD mn)	2009	2008	2007	2006	2009	2008	2007	2006
Revenue	52.88	53.53	46.28	39.11	22.72	22.73	13.50	13.85
Net operating profit	2.61	2.64	2.08	1.44	1.67	2.38	0.85	2.50
Net Profit	3.39	3.28	2.94	2.21	1.24	2.47	0.68	2.75
EBITDA Margin (%)	2.87	2.99	2.55	1.93	8.57	11.44	7.57	18.73
Return on Assets (%)	15.17	18.24	18.72	15.72	6.45	12.45	4.57	23.62
Return on Equity (%)	23.44	25.37	25.02	20.96	12.65	27.45	8.47	32.04

Source: Zawya, Company reports, CSR analysis

Capital Structure

The capital structure of both companies has been mainly reliant on equity (Refer to the total debt to total equity ratio in the below table). During FY 2008 Hayat's debt increased as the company acquired a loan amounting to KWD 3.71 mn, which increased the leverage level to 58.25%. By the end of FY 2009, KWD 1.97 mn of the loan was repaid resulting in a decline in the leverage to 33.45%. The leverage level compared to the telecommunication industry of listed KSE firms is 16.59%; and 43.54% for listed Middle East firms. As for Future, the company's leverage position throughout the last four years remained relatively low.

Capital Structure of Future Communication Company Global & Hayat Communication Company

	Future				Hayat			
(KWD mn)	2009	2008	2007	2006	2009	2008	2007	2006
Total current assets	21.65	17.36	14.91	13.19	17.79	18.11	13.03	10.02
Total Assets	22.35	17.96	15.68	14.06	19.19	19.85	15.01	11.64
Total current liabilities	7.16	4.48	3.48	3.15	7.62	7.26	5.79	2.86
Total Liabilities	7.16	4.48	3.48	3.15	8.62	10.41	6.61	2.86
Total Equities	14.46	12.91	11.74	10.55	9.78	9.01	8.09	8.57
Total Debt/Total Assets (%)	3.35	2.36	0.00	0.00	17.05	26.42	6.53	0.27
Total Debt/Total Equity (%)	5.18	3.28	0.00	0.00	33.45	58.25	12.11	0.36
Current ratio (x)	3.02	3.87	4.28	4.19	2.33	2.49	2.25	3.50

Source: Zawya, Company reports, CSR analysis

Conclusion

The overall retail sector in the region is experiencing challenges mainly attributed to consumer's purchasing behavior, followed by the restriction in consumer finance. This is mainly due to the global economic downturn. Furthermore, it is expected that the Value Added Tax (VAT) will be introduced by FY 2012 in the GCC. This action will diminish the idea of 'Tax-free' especially from the consumption costs' perspective. However, it has to be noted that during FY 2009, the retail market in the GCC started to show some signs of recovery as demand for luxury goods began to rise and the revenue presented a healthy growth rate. From the domestic perspective, Kuwait has favorable demographics with high disposable income, and hence, presents the potential for new retailers to enter the market.

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Appendix

Key Financial Information of GCC Retail Players

Revenue & Profitability Indicators									
	Food			Pharmaceutical		Consumer Goods			
						Non-discretionary goods		Telecommunications	
As of 30 December 2009	Savola Group-(Saudi Arabia[2])	Abdulla Al Othaim Markets-(Saudi Arabia)	The Sultan Center-(Kuwait)	Safwan-(Kuwait)	YIACO-(Kuwait)	Al Meera Consumer Goods Company-(Qatar[3])	Gulf Franchising Company-(Kuwait)	Future Communication Company Global-(Kuwait)	Hayat Communication Company-(Kuwait)
Market Cap (KWD mn) *As of 28 June 2010*	1,382.74	135.89	85.14	10.08	35.31	43.97	3.38	27.96	13.74
Total Revenue (KWD mn)	1,391.89	243.24	304.96	27.63	69.74	69.05	2.49	52.88	22.72
Revenue Growth (%)	29.63	(11.06)	15.18	14.01	28.96	15.35	6.95	(1.20)	(0.04)
EBITDA (KWD mn)	0.13	10.497	16.61	2.24	3.84	4.42	(1.05)	2.87	1.95
EBITDA Margin (%)	9.21	4.30	5.45	8.12	5.51	6.40	(41.99)	5.42	8.57
Net Profit (KWD mn)	73.92	6.02	3.79	1.65	1.39	4.32	(5.04)	3.39	1.24
ROA (%)	5.51	6.26	1.09	8.10	2.39	13.31	(42.62)	15.17	6.45
ROE (%)	13.67	22.61	3.27	18.7	6.07	23.54	(72.95)	23.44	12.65

Source: Zawya, Gulf Base, Company reports, CSR analysis

[2] The financial data has been converted to a local currency. (Exchange Rate: 1 SAR = 0.00776846 KWD)
[3] The financial data has been converted to a local currency. (Exchange Rate: 1 QAR = 0.0799528 KWD)

Financial Strength Indicators									
	Food			Pharmaceutical		Consumer Goods			
						Non-discretionary goods		Telecommunications	
As of 30 December 2009	Savola Group-Saudi Arabia	Abdulla Al Othaim Markets-Saudi Arabia	The Sultan Center-Kuwait	Safwan	YIACO	Al Meera Consumer Goods Company	Gulf Franchising Company	Future Communication Company Global	Hayat Communication Company
Short term debt (KWD mn)	173.07	7.35	110.31	0.56	13.51	0.00	3.59	0.75	2.27
Short-term debt/ Total debt (%)	52.74	28.08	77.76	52.68	97.50	0.00	97.03	100.00	69.41
Total debt (KWD mn)	328.15	26.17	141.86	1.06	13.86	0.00	3.70	0.75	3.27
Current ratio	0.89	0.68	0.32	1.77	1.25	1.47	1.27	3.02	2.33
Total Debt/Total Assets (%)	29.08	27.22	40.76	5.20	23.82	0.00	31.33	3.35	17.05
Total Debt/Total Equity (%)	72.10	98.26	122.26	12.00	60.46	0.00	53.62	5.18	33.45

Source: Zawya, Company reports, CSR analysis

Private (unlisted) consumer goods retailers in Kuwait

Company Name	Consumer Goods retailers
Abbas Ali Al Hazeem Industrial and Trading Group	Furniture and Accessories Home Furniture and Accessories Furniture
Abdulaziz Saud Babtain and Sons Company	Electronics and Appliances Electronics and Appliances Distributors
Ahmed Yousuf Behbahani Group	Jewelry and Watches Distributors
Al Baghli Sponge Manufacturing Company	Furniture and Accessories Mattresses
Al Habib Metal Furniture Factory	Furniture and Accessories Office Furniture
Al Hasawi Industiral Group	Electronics and Appliances Home Appliances
Al Jazira International Group for Electronices	Electronics and Appliances Consumer Electronics
Al Rashdan Group	Furniture and Accessories Home Furniture and Accessories Furniture
Al Sharhan Industries	Household Chemicals Makers
Al Ghanim Industries	Electronics and Appliances Electronics and Appliances Distributors
Ali Abdulwahab Sons and Company	Consumer Goods Distributors
Al Shaya Group	Consumer Goods Distributors
Andalus Trading Company - Kuwait	Electronics and Appliances Electronics and Appliances Distributors
Ashraf and Company	Electronics and Appliances Electronics and Appliances Distributors
Blue Lagoon Trading Group	Furniture and Accessories Distributors
Carrier Kuwait Air Conditioning	Electronics and Appliances Home Appliances
Easa Hussain Al Yousifi and Sons Company	Consumer Goods Distributors
Ghanem Hamad Dabbous General Trading and Contracting	Clothing and Accessories Clothing
Gulf Fashion General Trading Company	Clothing and Accessories Clothing
Hassan Al Khawaja Establishment	Furniture and Accessories Distributors
Hygiene Products Industries Company	Personal Care Products Hygienic Paper Products
Jihaz Holding Company	Electronics and Appliances Electronics and Appliances Distributors
Habchi and Chalhoub Trading Company	Jewelry and Watches Distributors
Khateeb Trading Company	Furniture and Accessories Home Furniture and Accessories Furniture
Kuwait Sponge Industries Comapny	Furniture and Accessories Mattresses
Kuwait Furniture Manufacturing and Trading Company	Furniture and Accessories Home Furniture and Accessories Furniture
Kuwait Mattress Company	Furniture and Accessories Mattresses
Kuwait Wood Industries Company	Furniture and Accessories Home Furniture and Accessories Accessories
Kuwait and Dubai Electronic Company	Electronics and Appliances Electronics and Appliances Distributors
Kuwait Mawarid Trading Company	Personal Care Products Distributors
Mahdi Habib Commercial Establishment	Furniture and Accessories Distributors
Morad Yousuf Behbahani Group	Consumer Goods Distributors
National Tannery Company	Clothing and Accessories Luggage and Leather
Musaed Bader Al Sayer Group	Furniture and Accessories Distributors

National Textiles Company	Furniture and Accessories Home Furniture and Accessories Accessories
The Technical Company for Kitchen and Laundry Equipment	Furniture and Accessories Home Furniture and Accessories Accessories
Oasis Trading Company	Furniture and Accessories Distributors
Trafalgar General Trading Company	Jewelry and Watches Distributors
Union Trading Company	Clothing and Accessories Distributors
Wael Al Nusif Trading Company	Household Chemicals Distributors

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