Gulfood

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Regional Expansion - Where Next?
Beyond The Obvious Middle Eastern Markets

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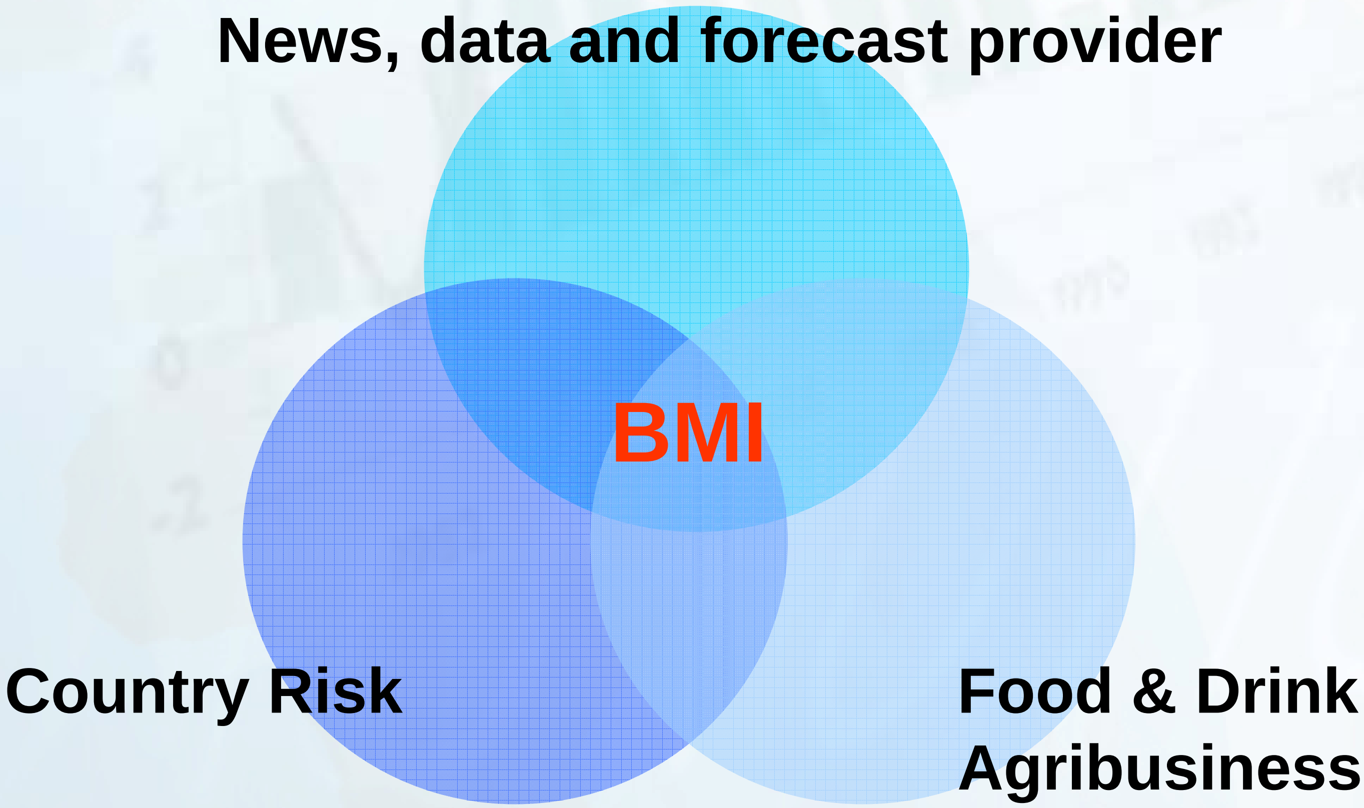
Our Positioning



What do we cover?

22 Industry Verticals including:

Agribusiness
Infrastructure
Oil & Gas
Petrochemicals
Food & Drink
Power
Telecoms
Tourism

Country Risk

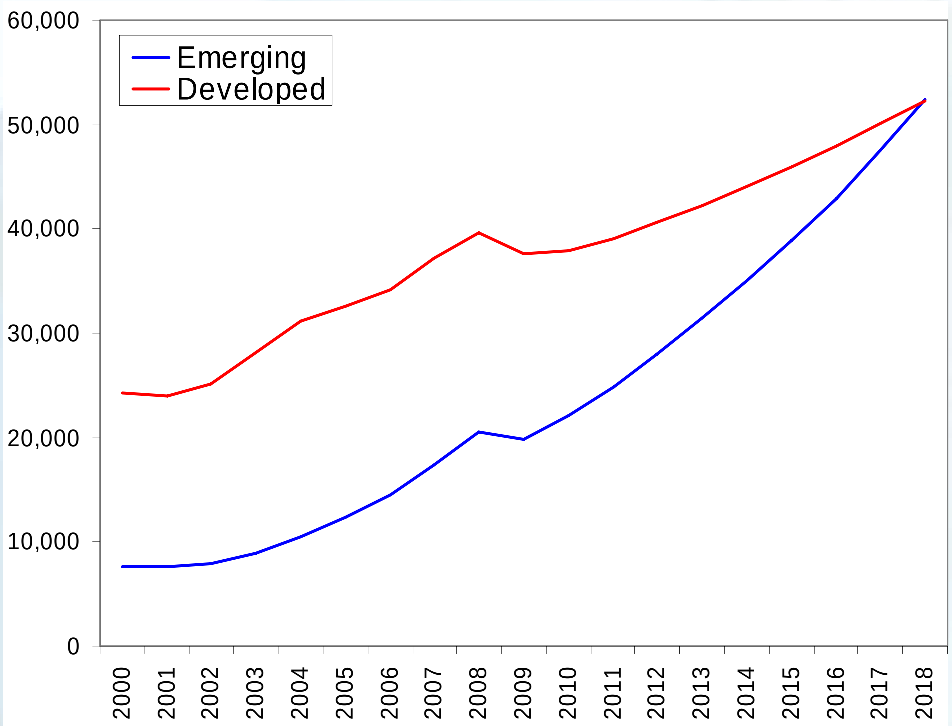
Economic risk
Political risk
Business Environment risk
Financial market risk

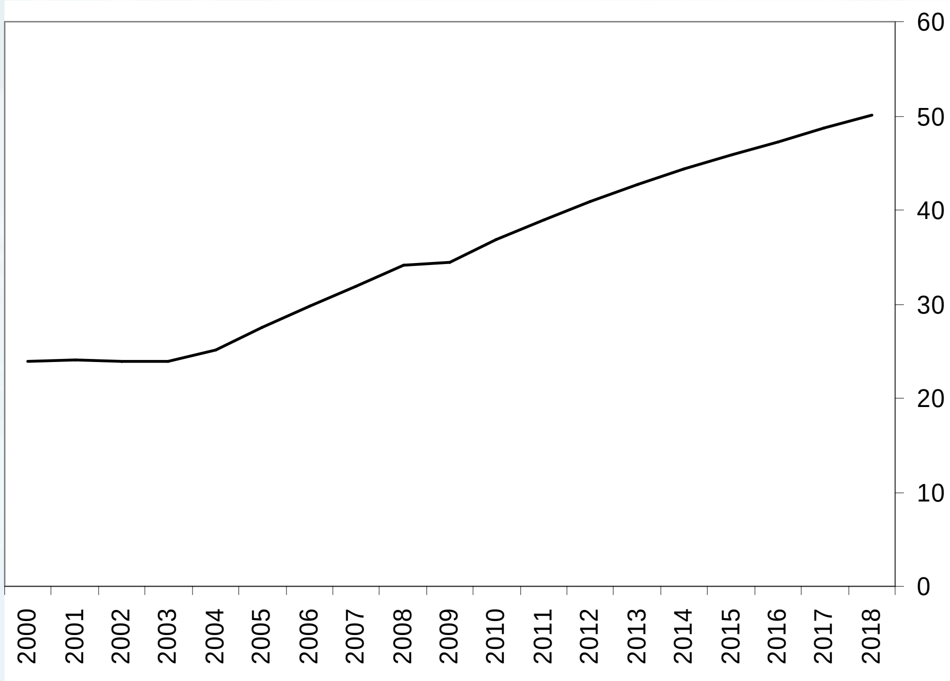
Commodities

Softs
Grains
Aluminium
Copper
Gold
Oil
Base metals
Precious metals

The 'EM Story' In 2 Charts

EM and Developed World GDP, US$bn





EM GDP, % of World Total

EM Leads The Way…

	2008	2009e	2010f	2011f	To 2019
World	2.1	-1.8	2.9	3.2	3.4
Developed States	0.4	-3.4	1.6	1.9	2.3
Emerging Markets	5.3	1.0	4.9	5.1	5.3
Emerging Europe	4.3	-5.6	2.9	4.2	4.8
Emerging Asia	6.6	5.1	7.0	6.4	6.4
Latin America	4.1	-2.3	2.1	3.3	3.4
Middle East & North Africa	**5.6**	**1.3**	**3.5**	**4.1**	**4.1**
Sub-Saharan Africa	5.8	1.5	4.5	5.5	5.8

Source: Business Monitor International

BMI's Emerging Markets Checklist

1. Less leveraged and well-capitalised banking system
2. Strong demographics with growing middle class consumer potential
3. Resource rich
4. Market friendly policy commitment with healthy fiscal position

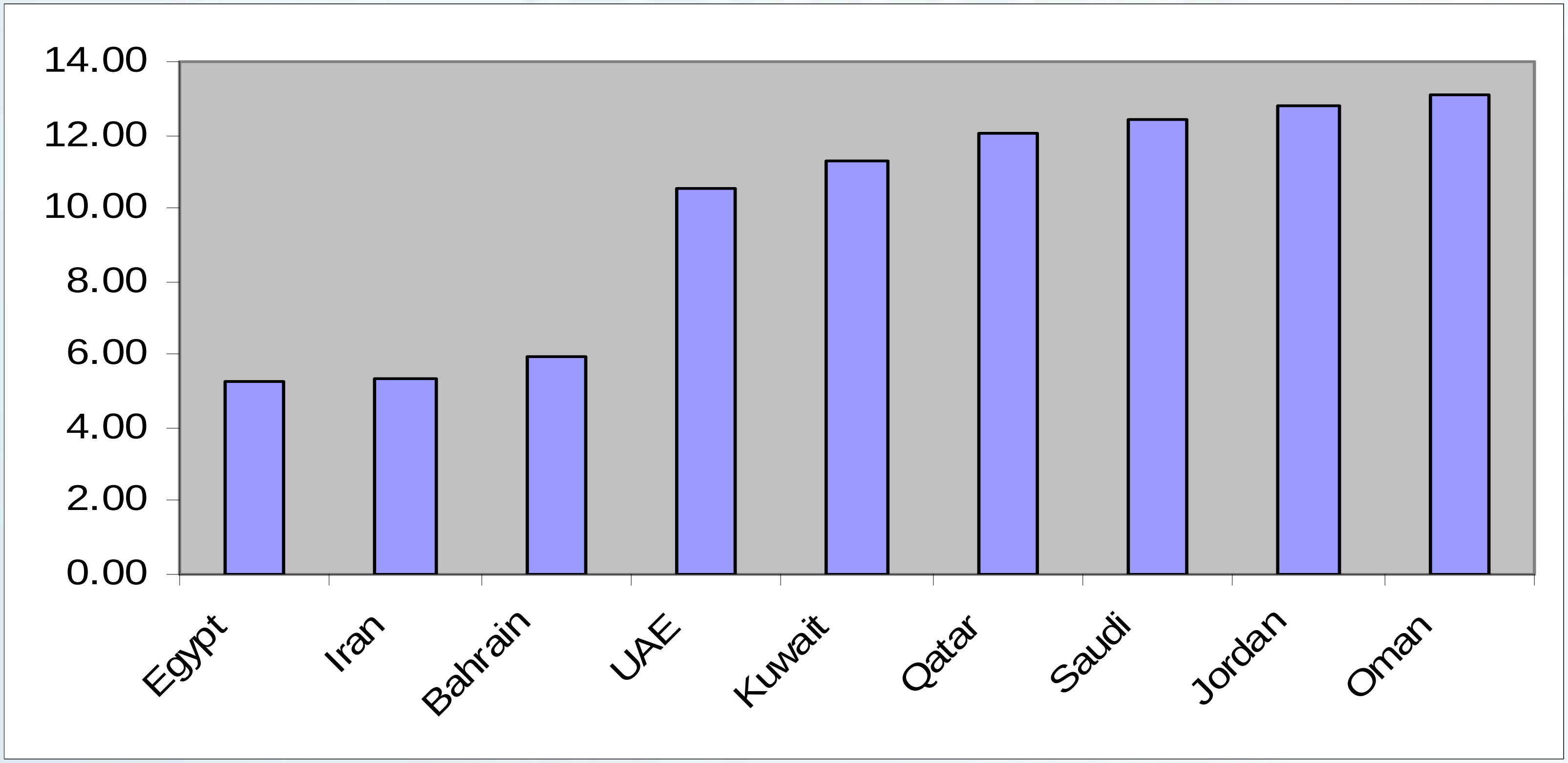
BMI's Emerging Markets Checklist

1. Less leveraged and well-capitalised banking system

	Loan deposit ratio %	Loan / Asset ratio %	Loan / GDP ratio %
Bahrain	92.7	24.6	98.4
Egypt	**57.5**	**41.4**	**43**
Iran	102.1	46.7	55.3
Israel	81.1	62.3	89.1
Jordan	**70.5**	**42.6**	**85.4**
Kuwait	92.7	67.5	81.2
Oman	105.5	69.7	41.4
Qatar	102	55.9	75.7
Saudi Arabia	**84.8**	**57.7**	**49.9**
UAE	104.7	67.6	122.5

Source: Central banks, regulators, BMI

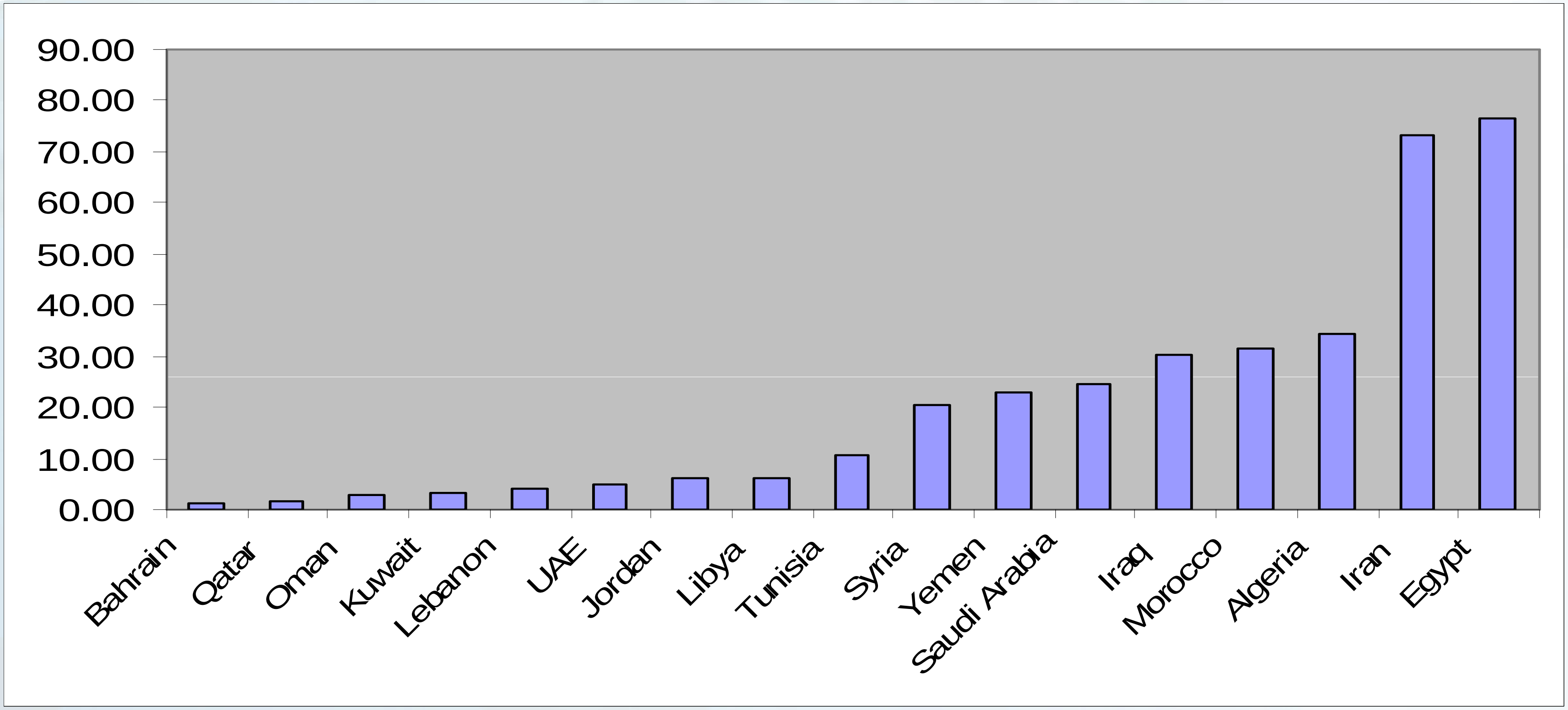
Commercial Banks' Capital-To-Liabilities Ratio (%)



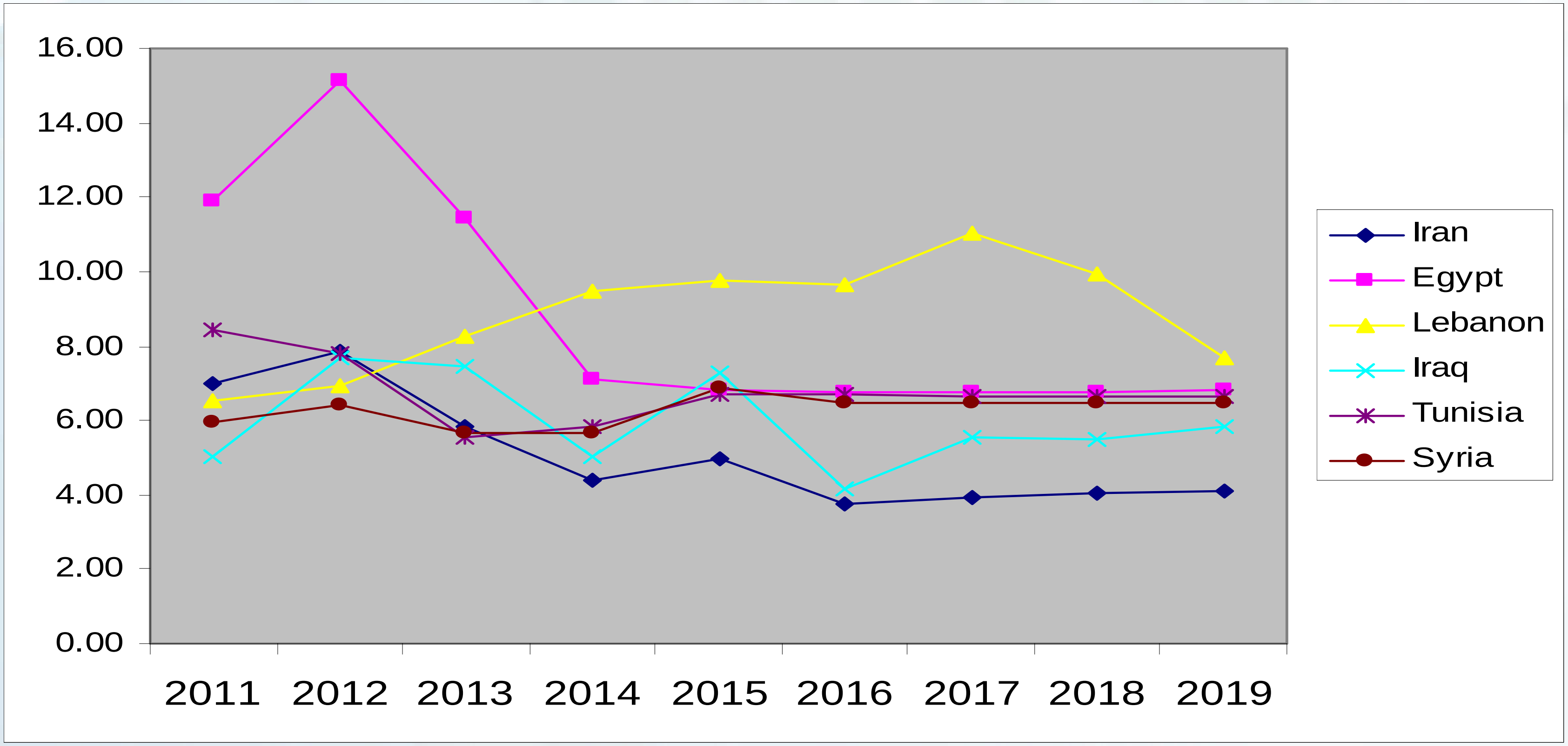
BMI's Emerging Markets Checklist

2. Strong demographics with growing middle class consumer potential

MENA – 2008 Population (mn)



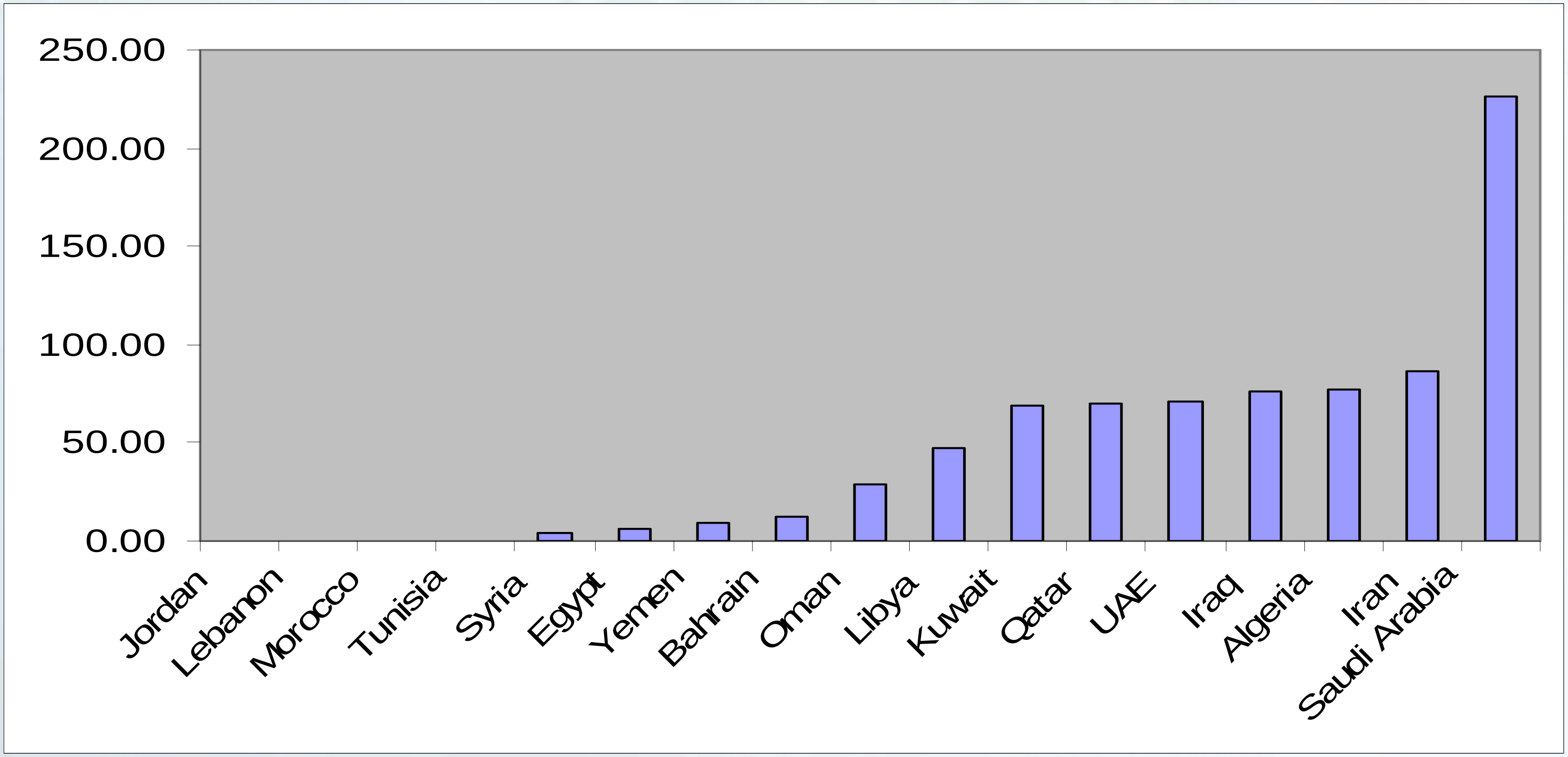
GDP Per Capita (% change)



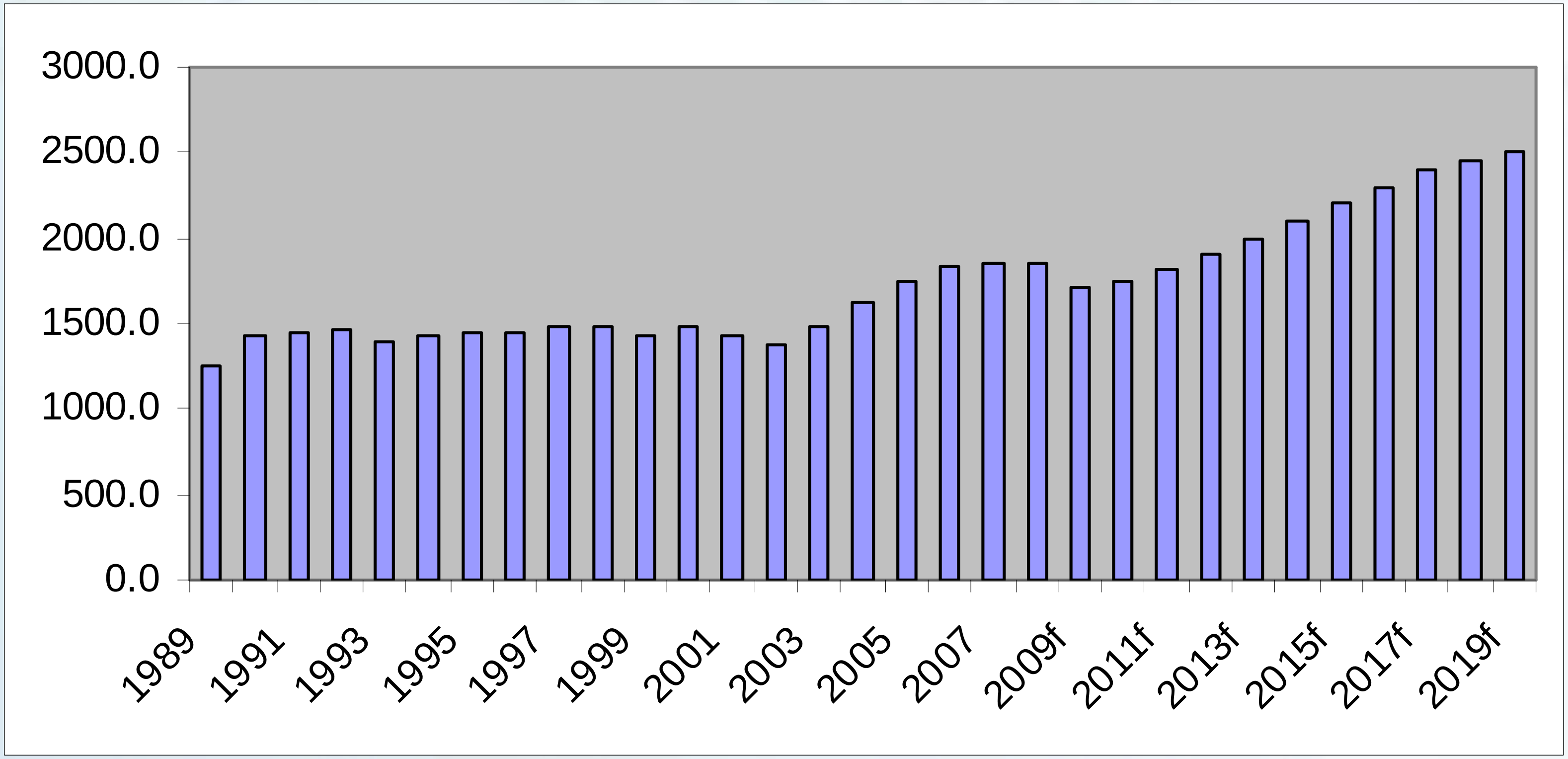
BMI's Emerging Markets Checklist

3. Resource Rich

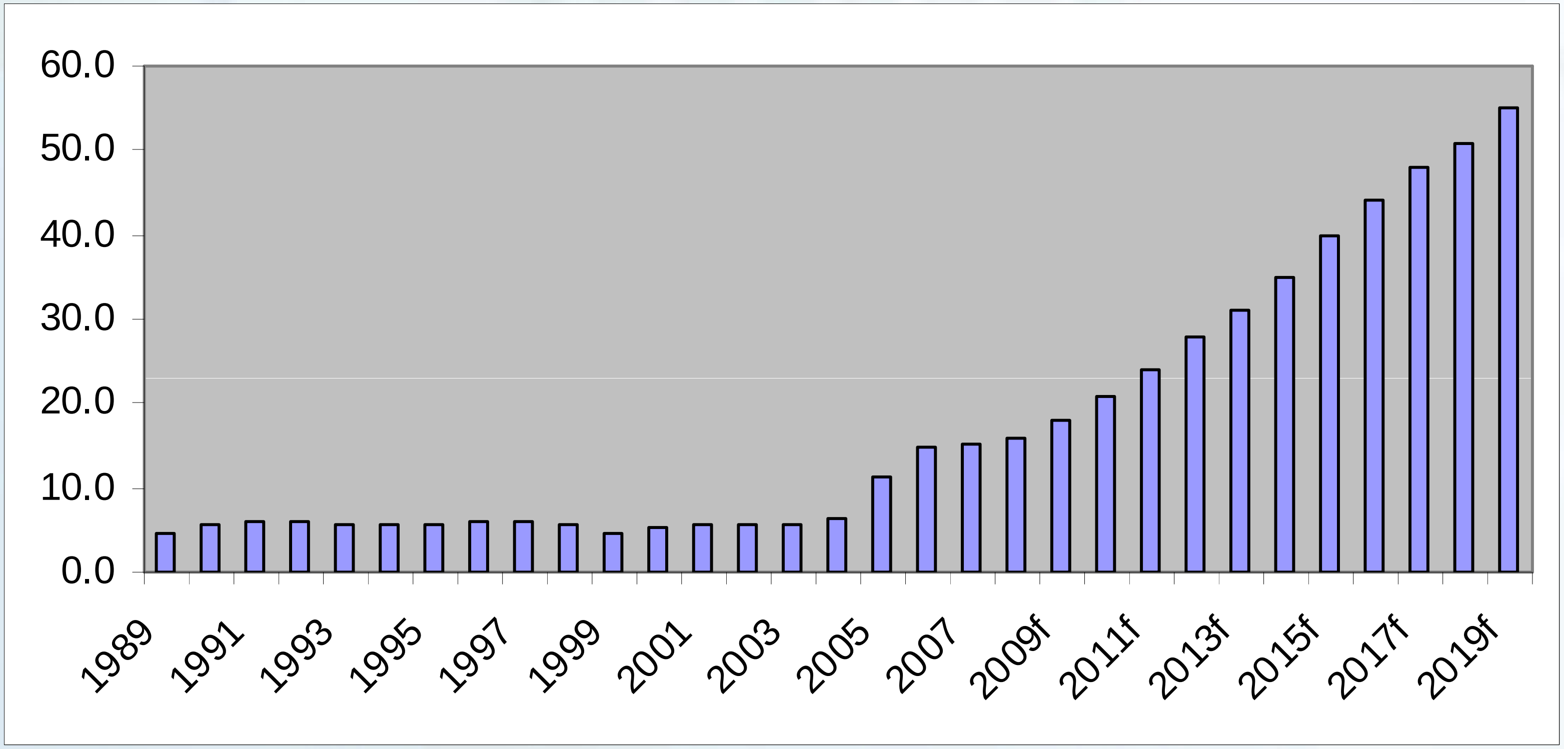
Projected Energy Export Revenues For 2010 (US$bn)



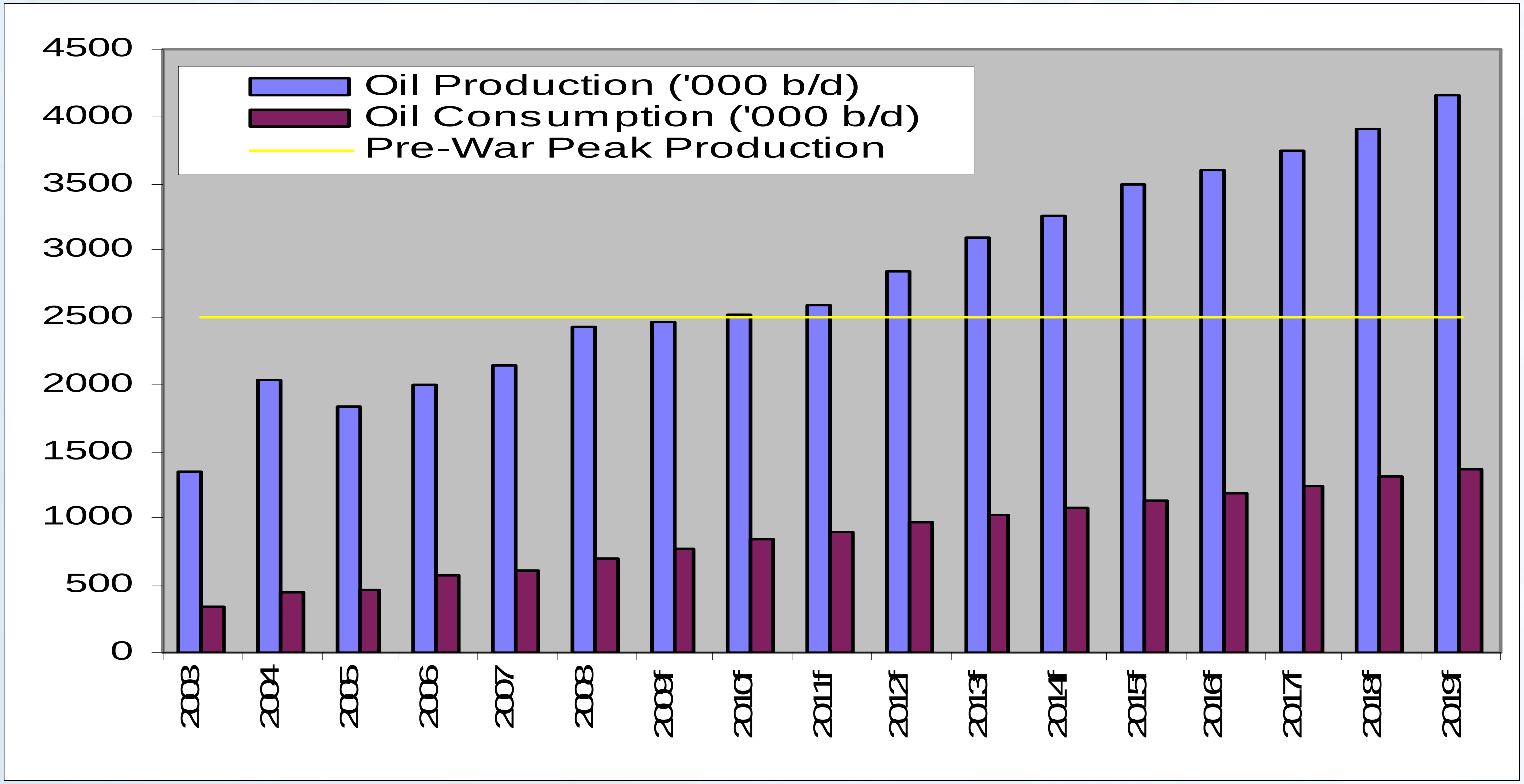
Libya – Oil Output ('000 b/d)



Libya – Natural Gas Output (bcm)



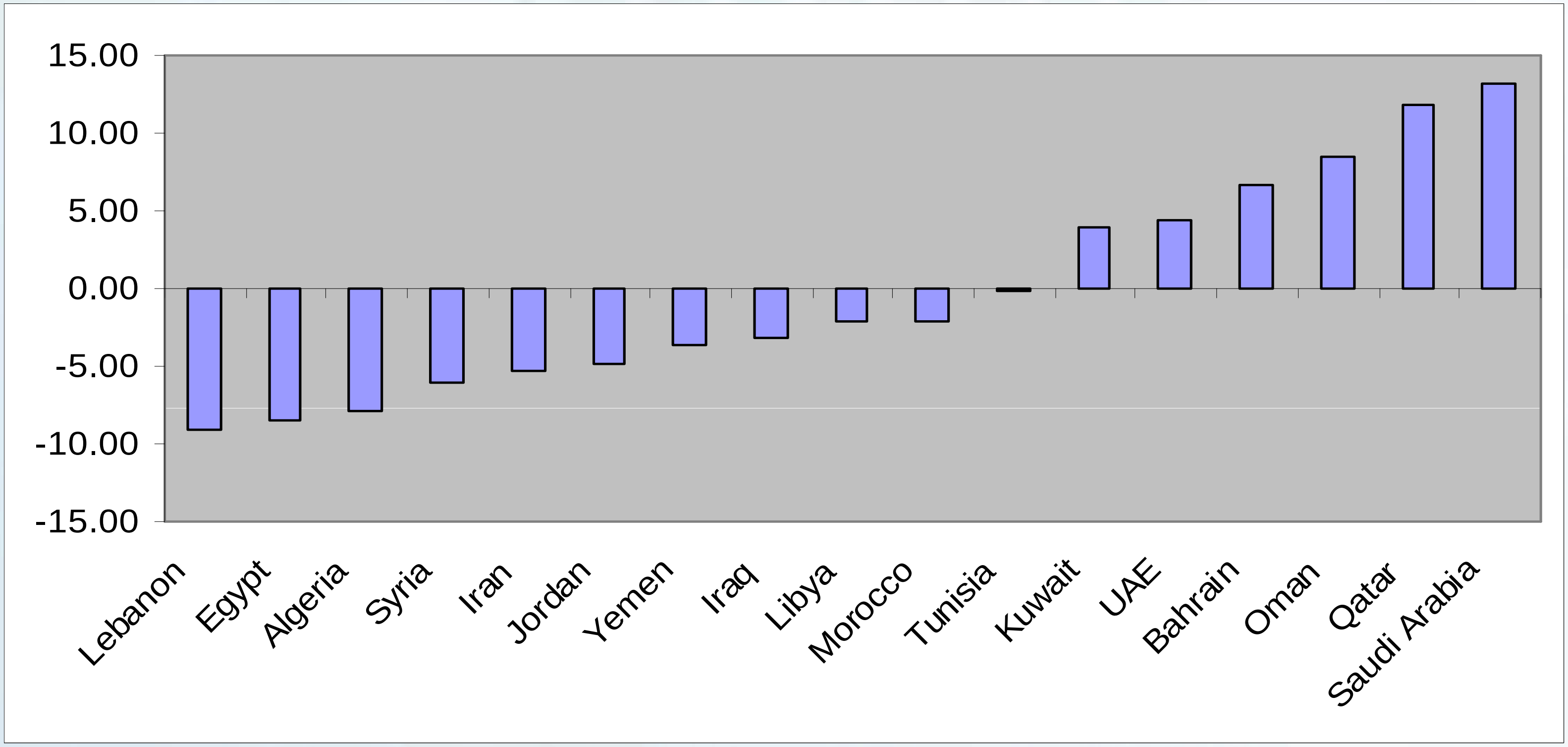
Iraq – Oil Production ('000 b/d)



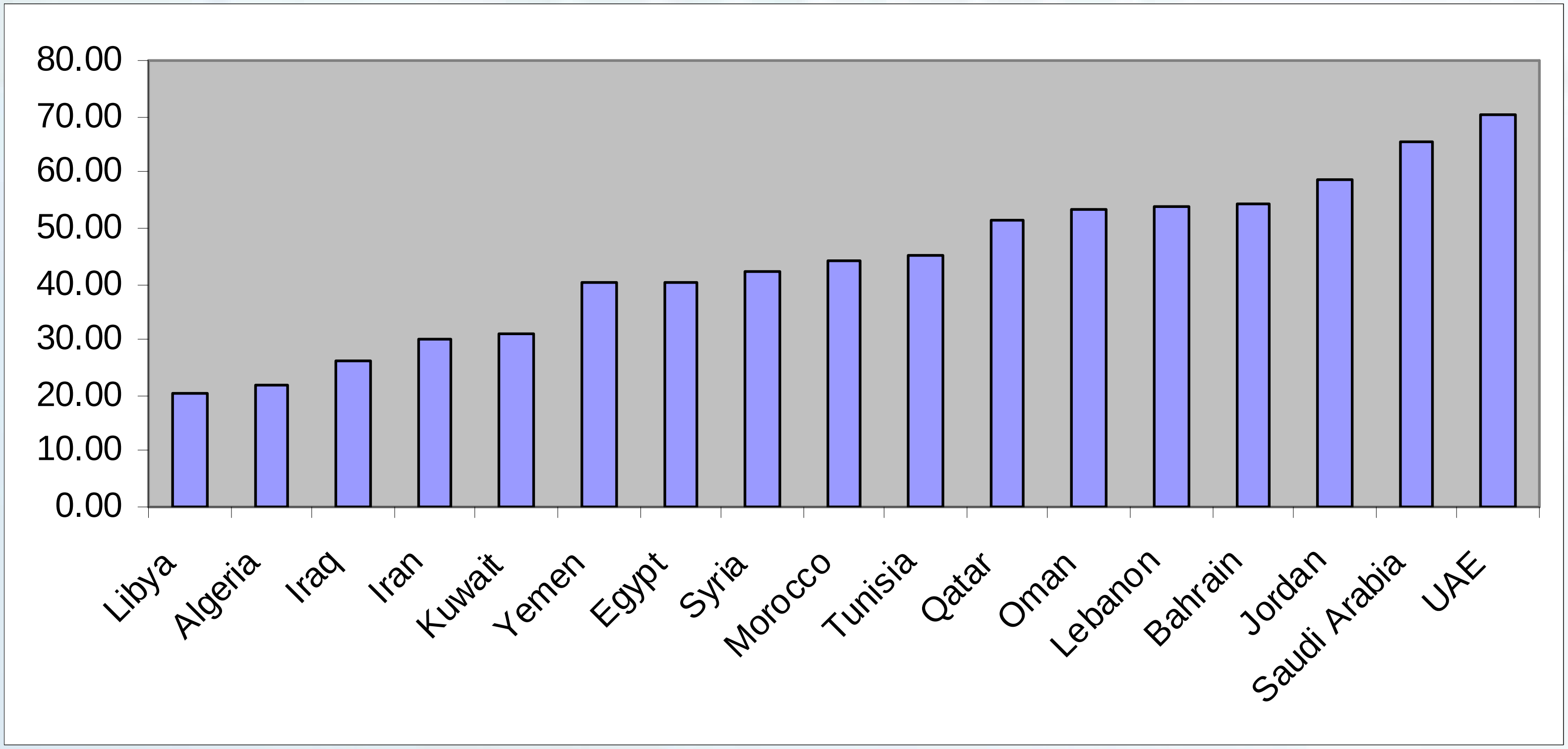
BMI's Emerging Markets Checklist

4. Market friendly policy commitment with healthy fiscal position

Projected Budget Balance, 2010 (% of GDP)



BMI Market Orientation Rating (%)



Risks To Outlook

- Global Double Dip Recession
- Populist/ Nationalist Shift in Local Politics
- Regime change

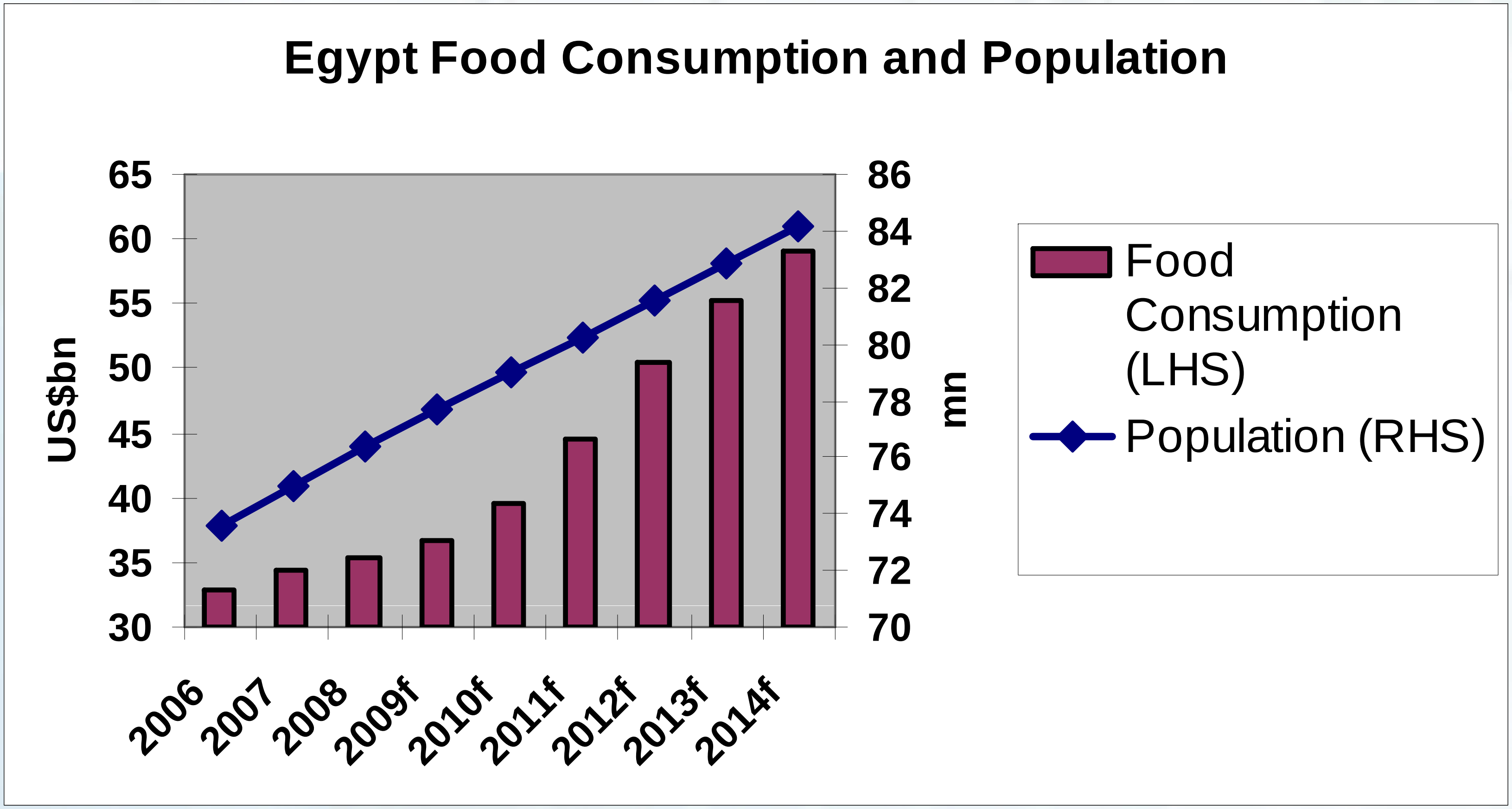
Delving Deeper: Specific Opportunities

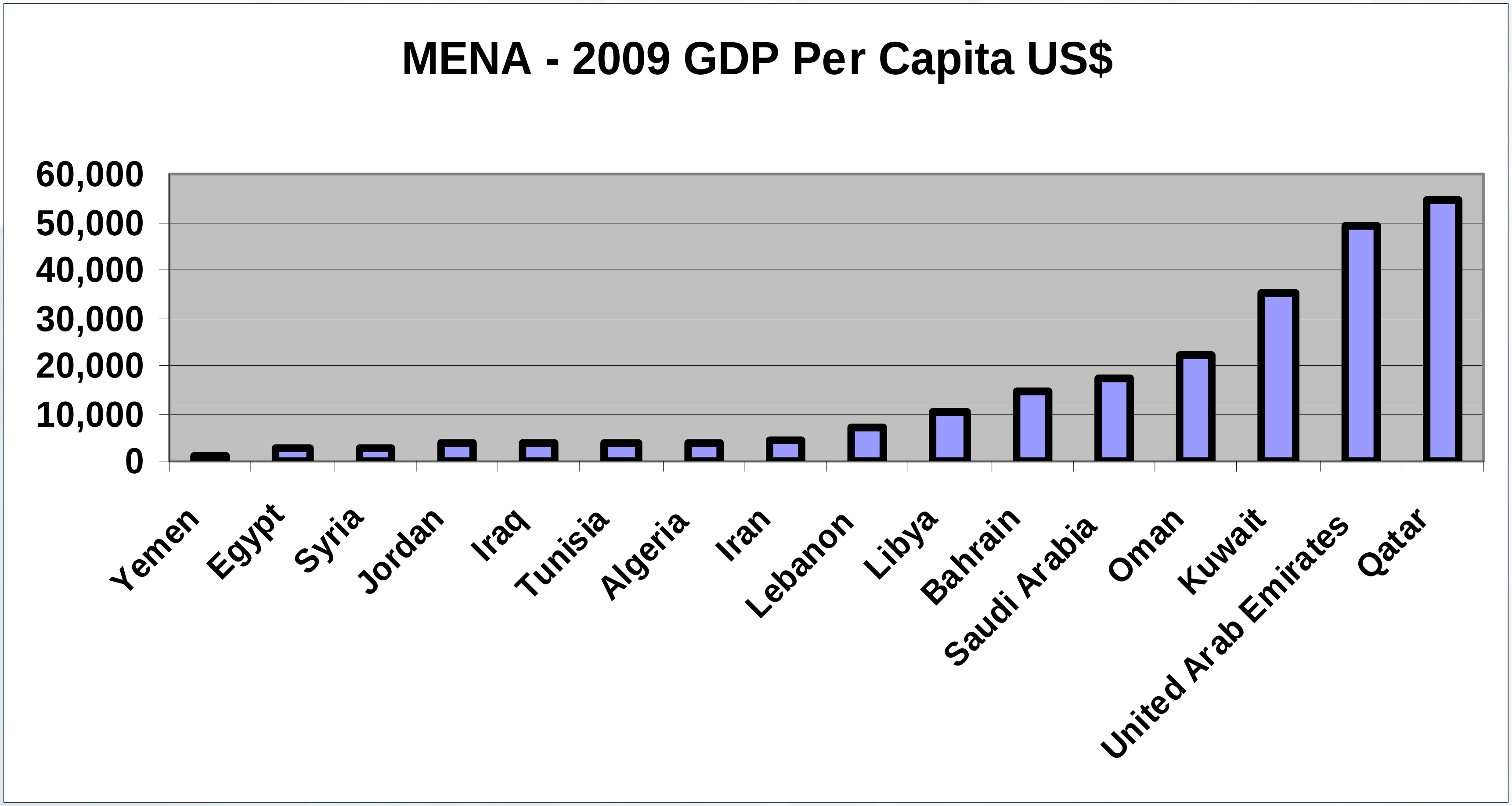
BMI ME Food & Drink Ratings

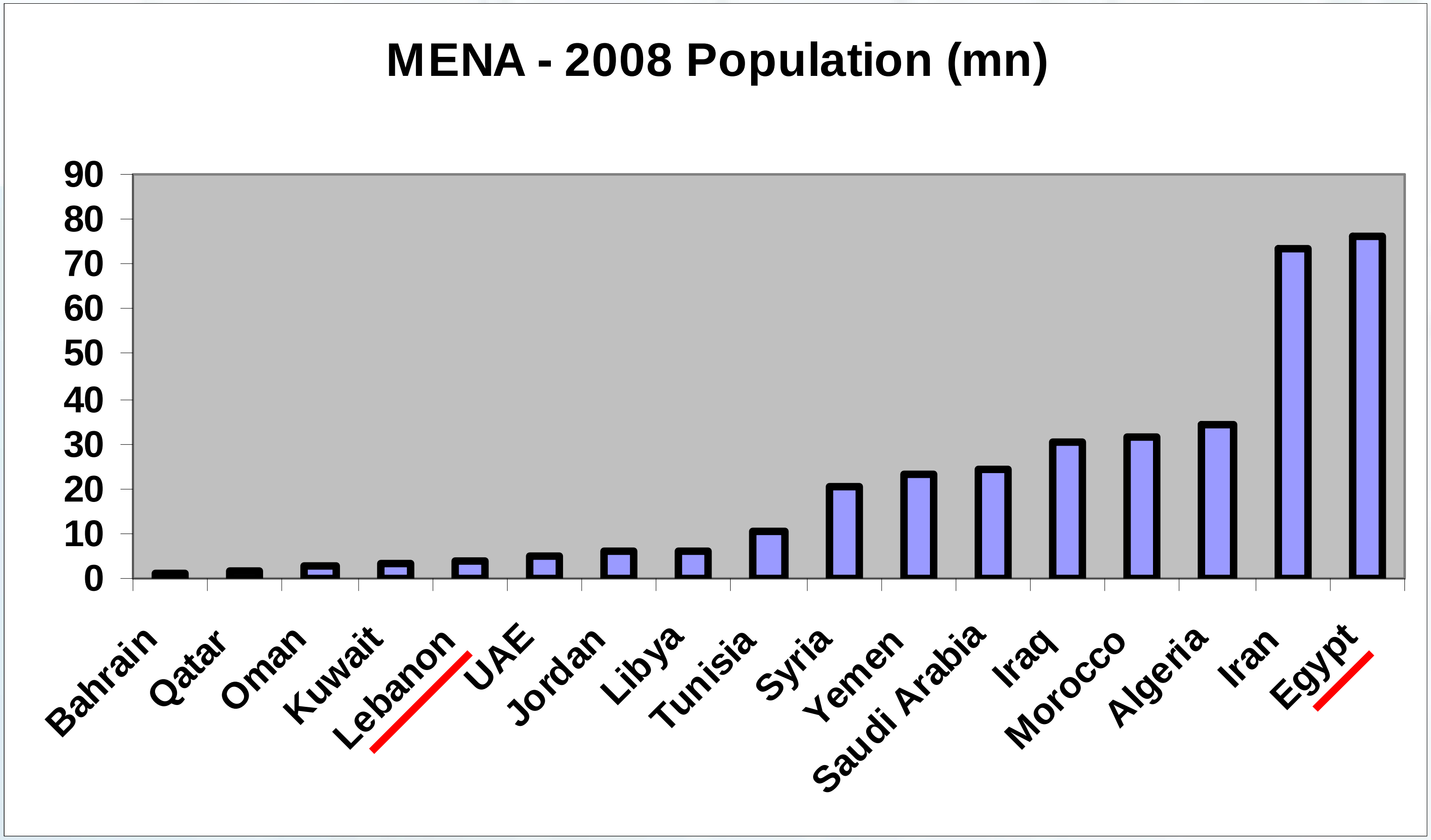
Middle East Q210 Food & Drink Business Environment Ratings

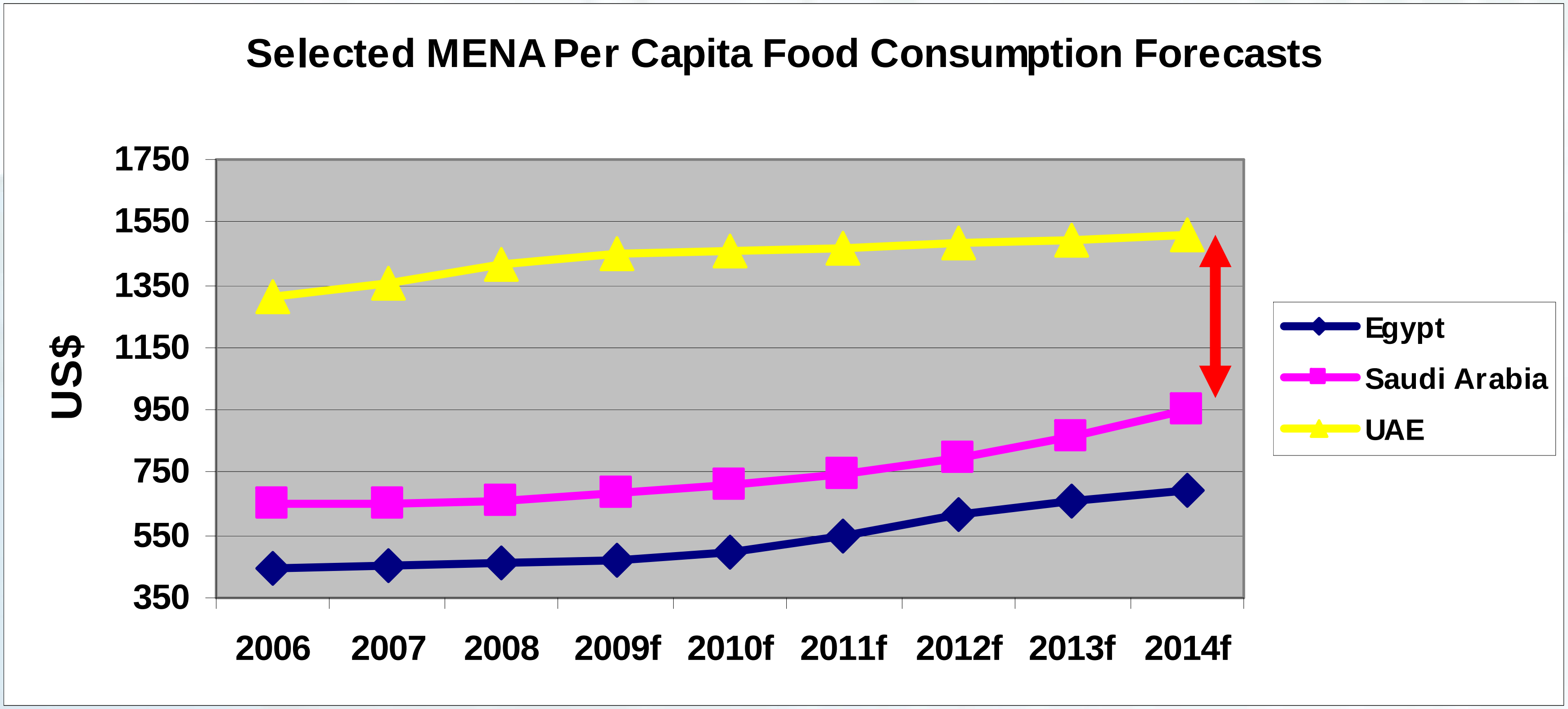
	Limits Of Potential Returns			Risks To Realisation of returns				
	Food & Drink Market	Country Structure	Limits	Market Risks	Country Risk	Risks	Food & Drink BE Rating	Regional Ranking
UAE	50	61	**55**	70	68	**69**	**59.4**	1
Qatar	40	53	**46**	65	69	**67**	**52.6**	2
Bahrain	36	47	**41**	80	68	**73**	**50.9**	3
Saudi Arabia	31	57	**44**	60	64	**63**	**49.7**	4
Kuwait	32	51	**41**	65	64	**64**	**48.2**	5
Egypt	34	54	**44**	50	61	**57**	**47.9**	6
Oman	29	48	**38**	60	67	**64**	**46.0**	7
Lebanon	32	43	**38**	45	48	**47**	**40.3**	8

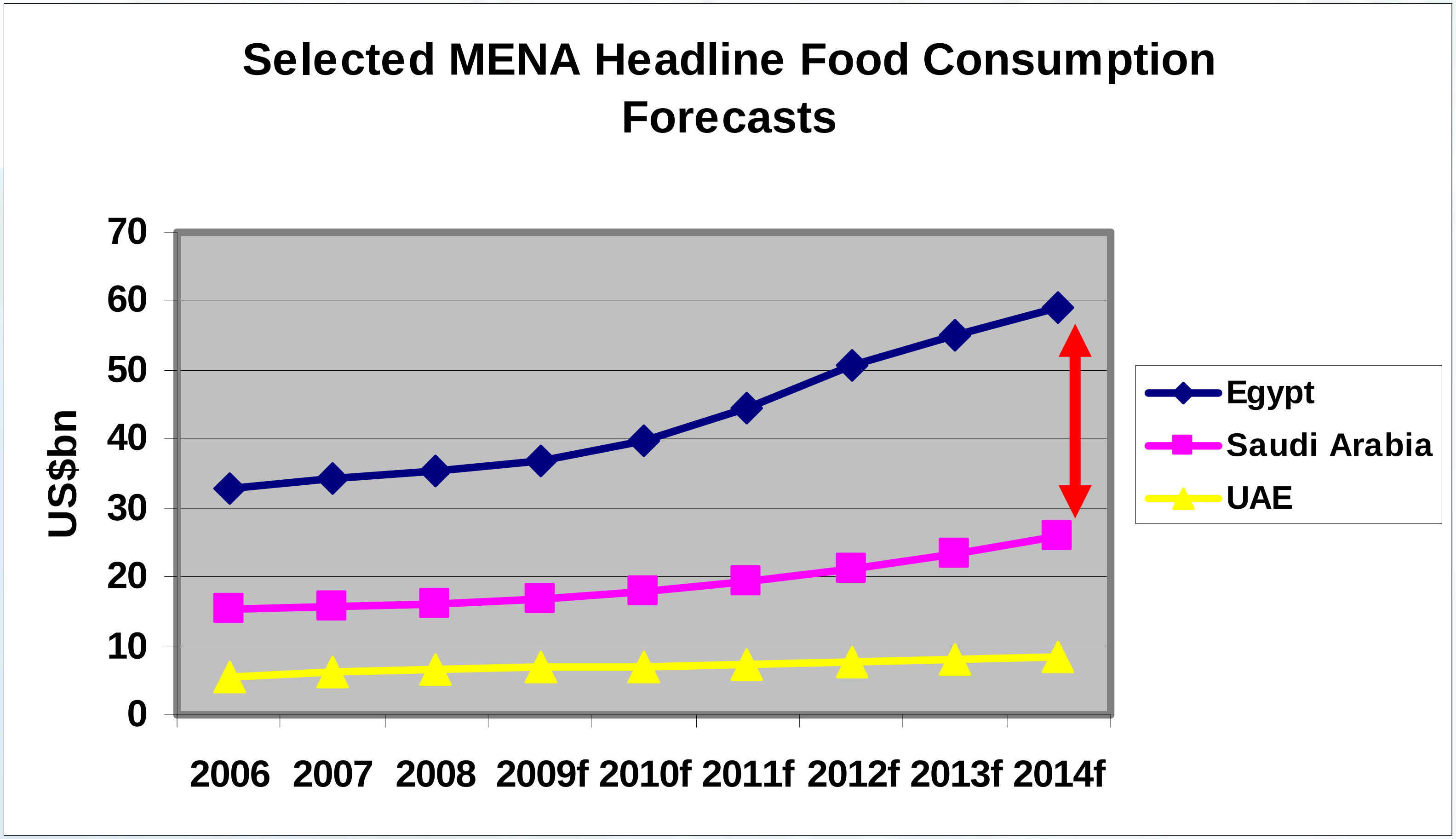
- Outperformers/strugglers?
- Likely future movements?
- Okay where else?


Egypt Food Consumption and Population
65
60
55
50
45
40
35
30
US$bn
86
84
82
80
78
76
74
72
70
mn
2006
2007
2008
2009f
2010f
2011f
2012f
2013f
2014f
Food Consumption (LHS)
Population (RHS)


MENA - 2009 GDP Per Capita US$
60,000
50,000
40,000
30,000
20,000
10,000
0
Yemen
Egypt
Syria
Jordan
Iraq
Tunisia
Algeria
Iran
Lebanon
Libya
Bahrain
Saudi Arabia
Oman
Kuwait
United Arab Emirates
Qatar


MENA - 2008 Population (mn)
90
80
70
60
50
40
30
20
10
0
Bahrain
Qatar
Oman
Kuwait
Lebanon
UAE
Jordan
Libya
Tunisia
Syria
Yemen
Saudi Arabia
Iraq
Morocco
Algeria
Iran
Egypt


Selected MENA Per Capita Food Consumption Forecasts
US$
1750
1550
1350
1150
950
750
550
350
2006
2007
2008
2009f
2010f
2011f
2012f
2013f
2014f
Egypt
Saudi Arabia
UAE


Selected MENA Headline Food Consumption Forecasts
US$bn
70
60
50
40
30
20
10
0
2006 2007 2008 2009f 2010f 2011f 2012f 2013f 2014f
Egypt
Saudi Arabia
UAE

Beyond GCC: Egypt, Iraq, Jordan and Syria

Main Growth Drivers?

- Macroeconomic
- Demographic
- Underdeveloped F&D industries

Which industries?

- **Food**
  - Dairy, sugar, edible oil
- **Soft drinks**
  - Bottled water and fruit juice
- **Mass grocery retail**
  - Hypermarkets and Supermarkets

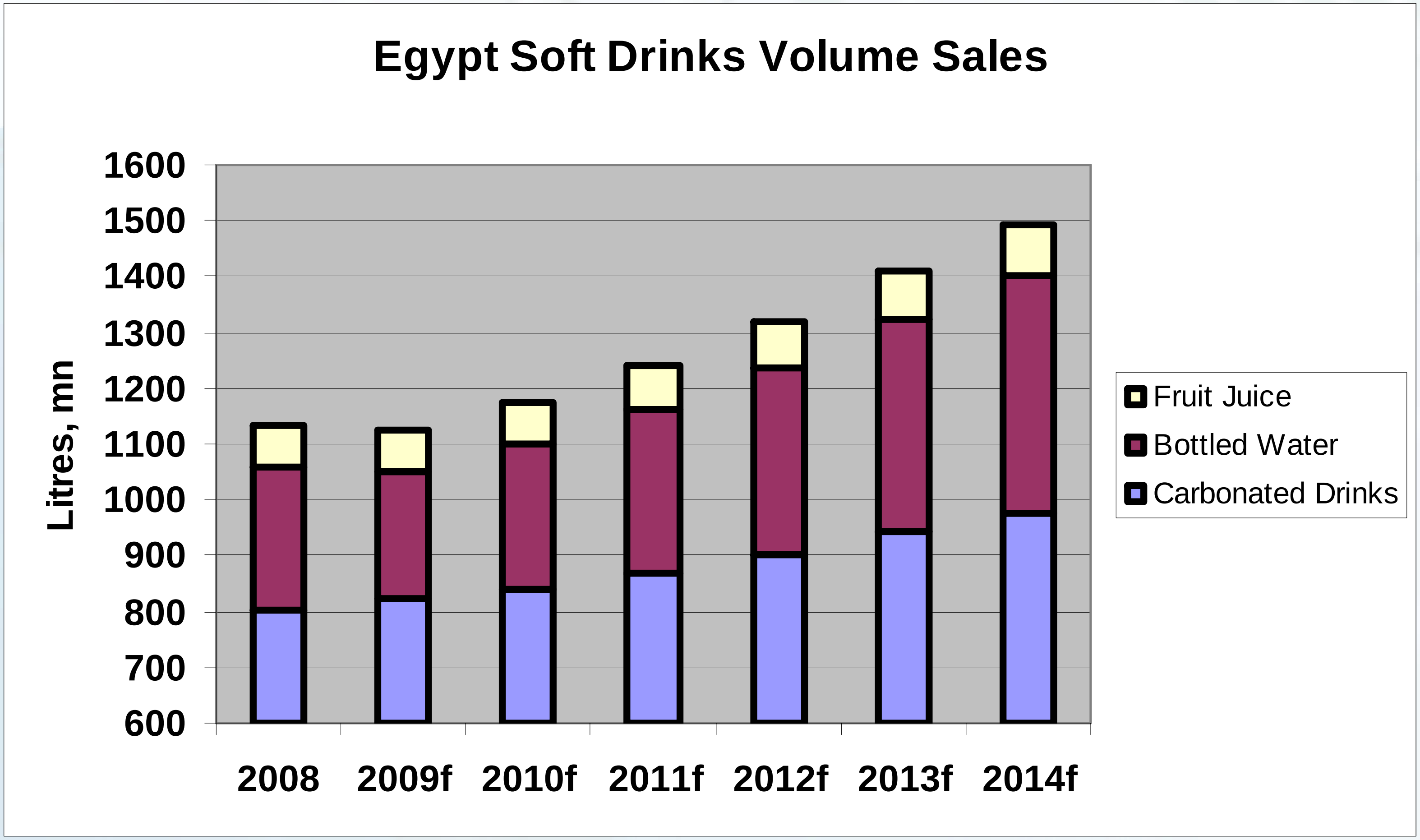
BMI Core F&D Views

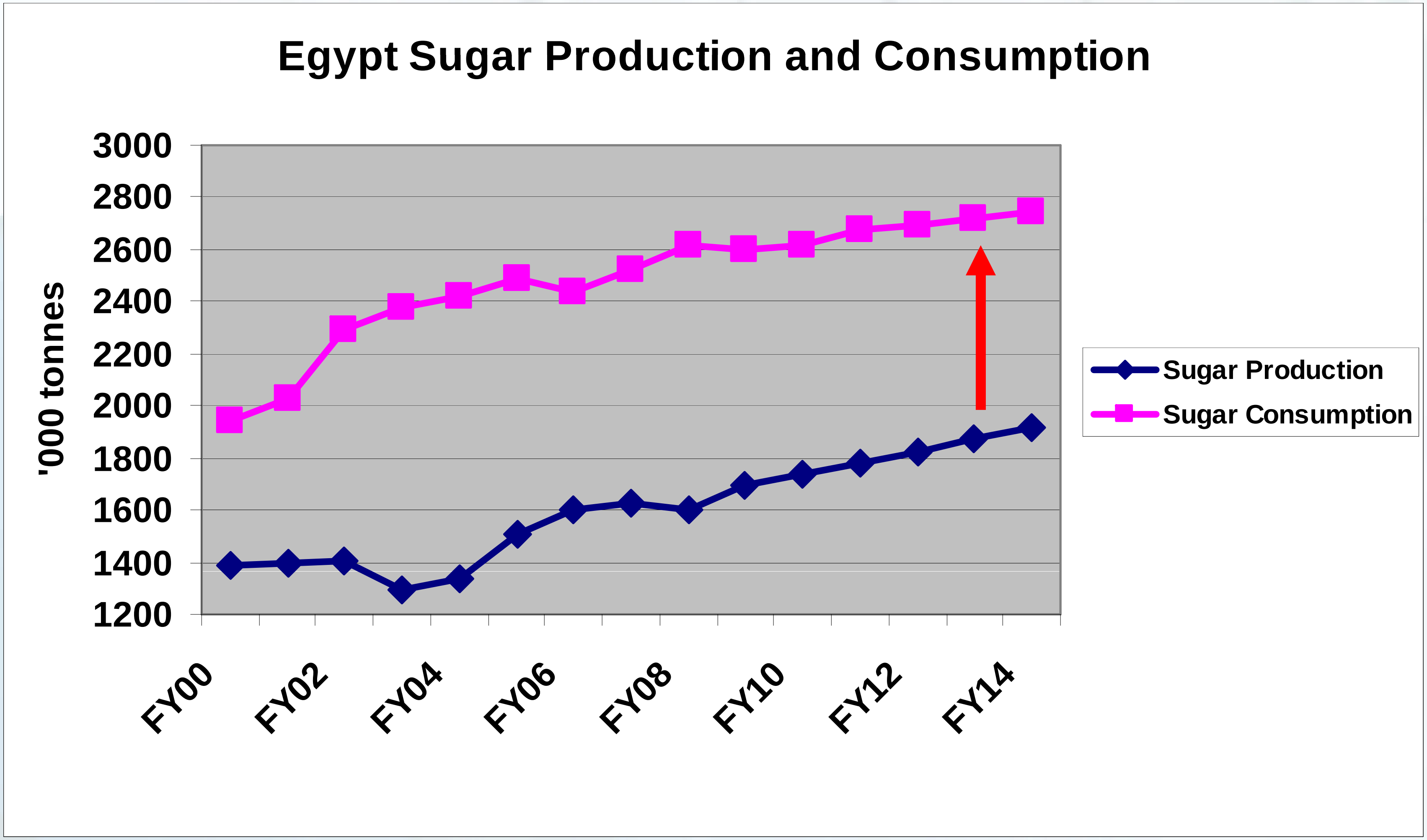
BMI's Core Views For The Food & Drink Industry
Long Term
Raw ingredient prices will continue to rise as demand-side pressures increase and supply shocks persist
Emerging markets will drive sector growth
Multinationals will seek to globalise their brands
Demand for convenience in retail and food will continue to grow
Government legislation will play an increasing role in marginalising unhealthy food and drink
Consolidation will accelerate as producers seek greater efficiencies
Functional foods will be the highest growth sector in developed markets
Brand builders will continue to leave sectors under threat from private labels
Investment in innovation will increase as producers seek competitive differentiation

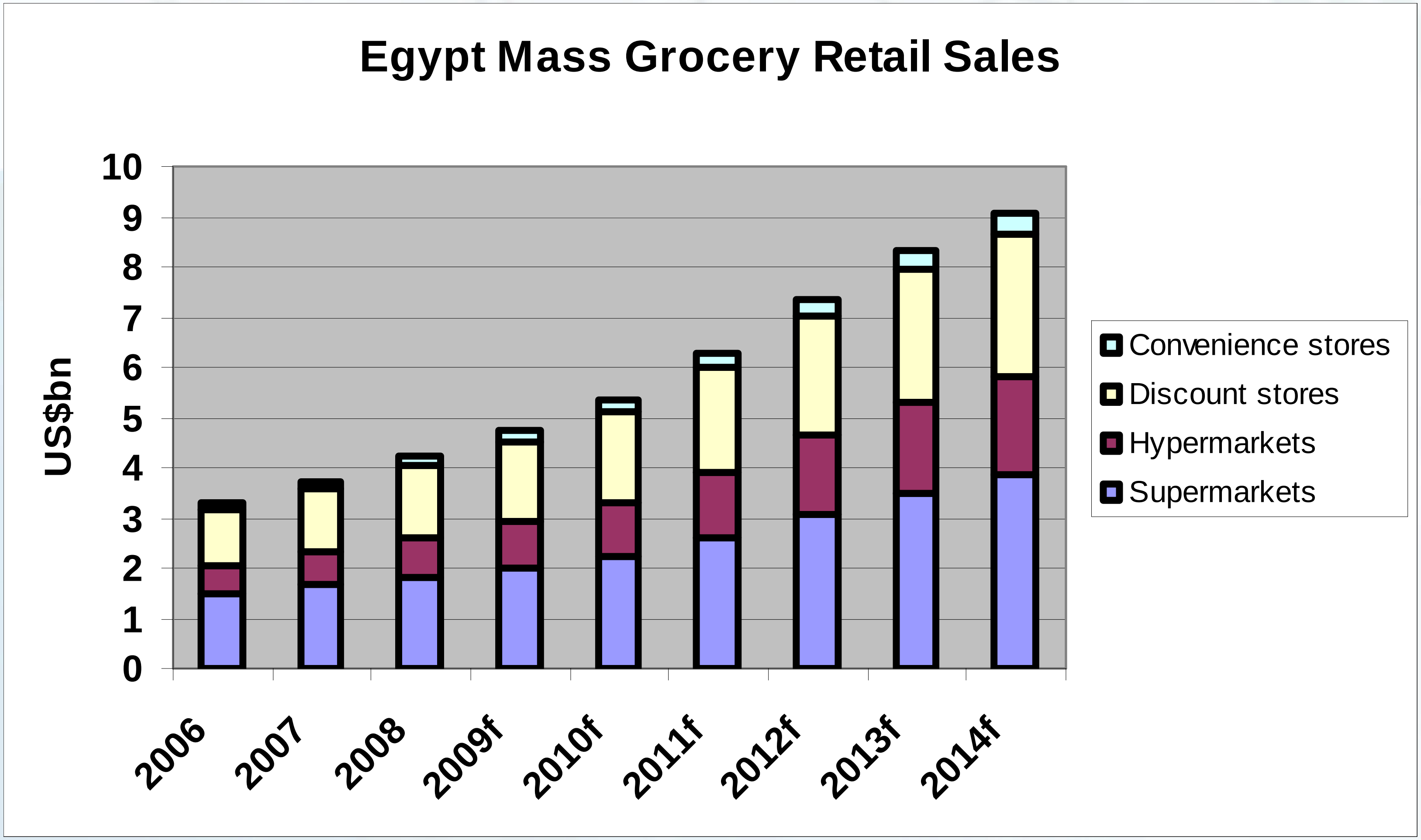
Egypt - The Main MENA Play

- Who?
  - Agthia, Almarai, Cargill, Heinz, PepsiCo, Savola
    - Non-regional MNCs
- Why?
  - Size, trade, underdeveloped F&D
  - Establish brands

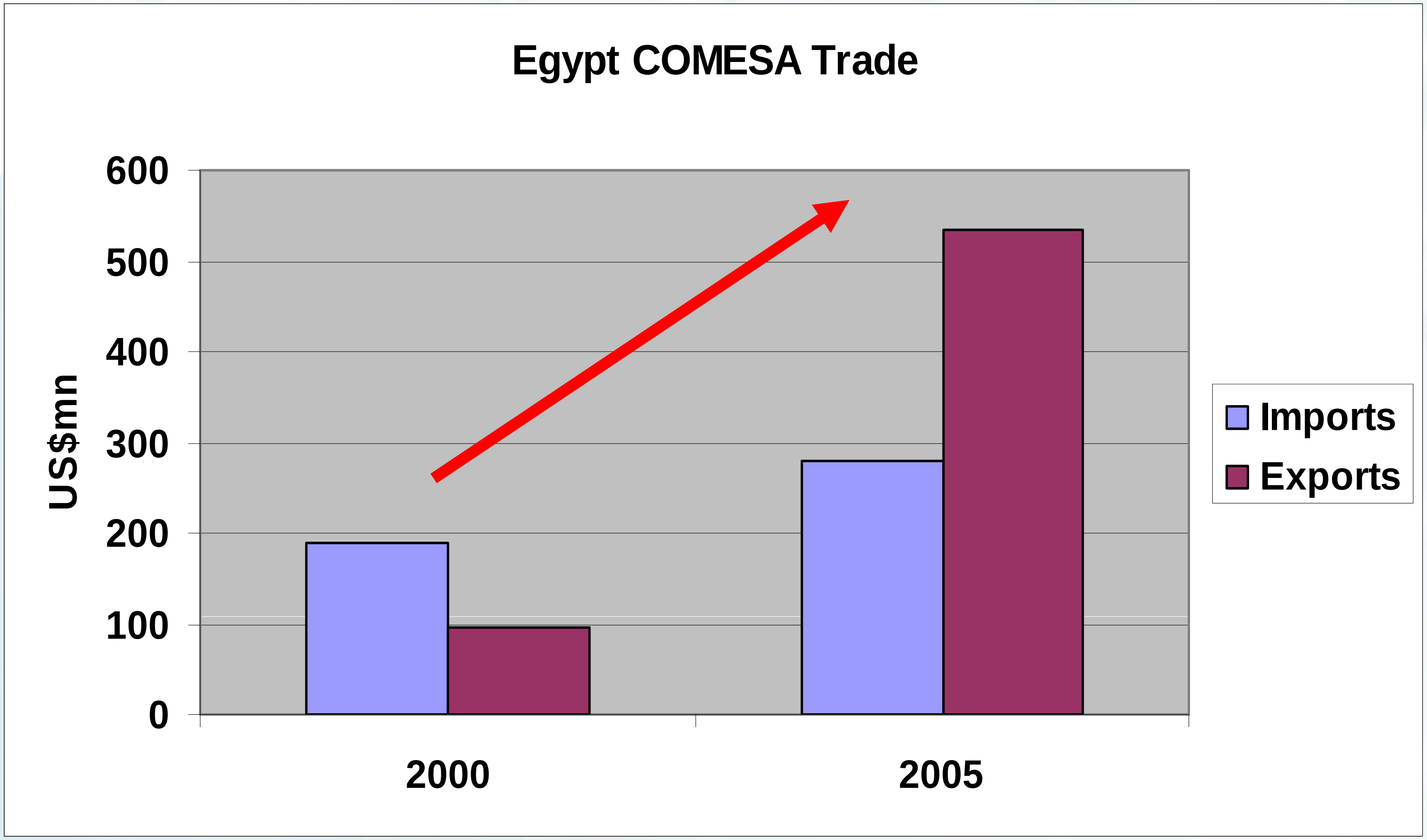
Areas Of Interest…




Egypt Sugar Production and Consumption
3000
2800
2600
2400
2200
2000
1800
1600
1400
1200
'000 tonnes
FY00
FY02
FY04
FY06
FY08
FY10
FY12
FY14
Sugar Production
Sugar Consumption

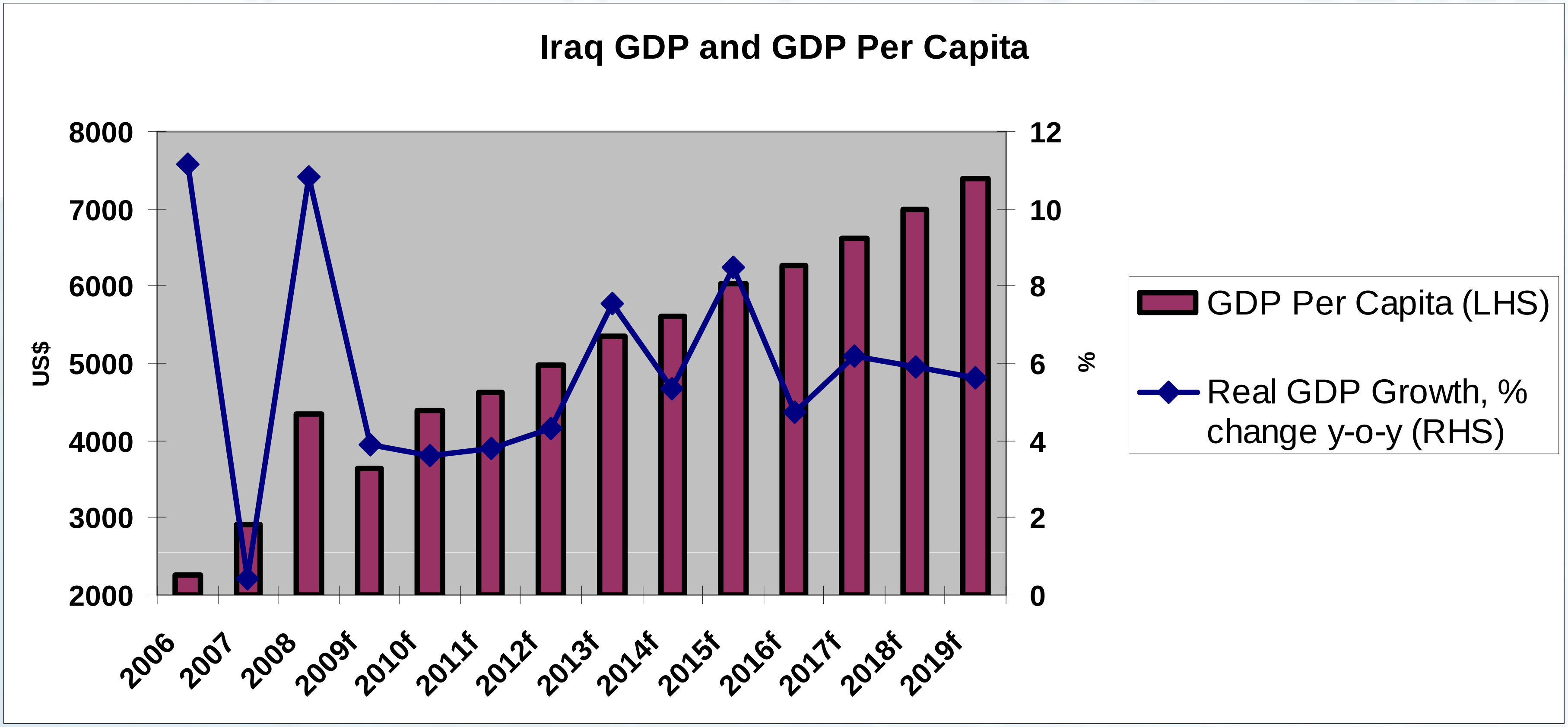


Egypt Mass Grocery Retail Sales
US$bn
10
9
8
7
6
5
4
3
2
1
0
2006
2007
2008
2009f
2010f
2011f
2012f
2013f
2014f
Convenience stores
Discount stores
Hypermarkets
Supermarkets


Egypt COMESA Trade
US$mn
600
500
400
300
200
100
0
2000
2005
Imports
Exports

The Rest?

- Iraq
    - Aujan
- Jordan
    - IDJ (Almarai/PepsiCo)
- Syria


Iraq GDP and GDP Per Capita
US$
8000
7000
6000
5000
4000
3000
2000
12
10
8
6
4
2
0
%
2006
2007
2008
2009f
2010f
2011f
2012f
2013f
2014f
2015f
2016f
2017f
2018f
2019f
GDP Per Capita (LHS)
Real GDP Growth, % change y-o-y (RHS)

Key Conclusions

- GCC Maturing
- Frontier markets in Business Env. Ratings
- Frontier Markets To Drive Growth

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Thank You