



Libyan Investment Authority

Overview of 2012 valuation

Overview of 2012 valuation project

In 2013, the LIA Board of Directors launched a strategic valuation project in collaboration with Deloitte that resulted in the first valuation of LIA, at USD 67 billion as at 31 December 2012



4 Key Workstreams



LIA valuation project in numbers



Outcomes

**First valuation of the LIA as at 31 December 2012:
USD 67 Bn.**



LIA Overview

LIA Overview

Understanding LIA's market value composition

The market value of the LIA Portfolio is compartmentalized into 6 main categories:

Principal Subsidiaries

The five principal subsidiaries held by the LIA include: LTP, LAFICO, LIDF, LAP, and Oilinvest. These operate in a variety of industries and geographies. LIA and the Principal Subsidiaries each have investments in Business Assets, Real Estate Assets, Fund Investments, Cash, and Other balance sheet items.

Business Assets

Business assets include investments in corporations, partnerships, and sole proprietorships.

For Business assets held directly at LIA level, they are referred to as Direct Business Assets.

Fund investments

Investment in capital market investments including equity, bonds and other alternative debt/equity instruments.

Real Estate Assets

This includes real estate assets covering a variety of use classes such as vacant land, hospitality, retail, commercial, office and residential.

For Real Estate assets held directly at LIA level, they are referred to as Direct Real Estate Assets.

Cash

Includes all liquid cash and cash equivalents.

Other balance sheet items

Other balance sheet items include loans, provisions, other liabilities and balance sheet adjustments.

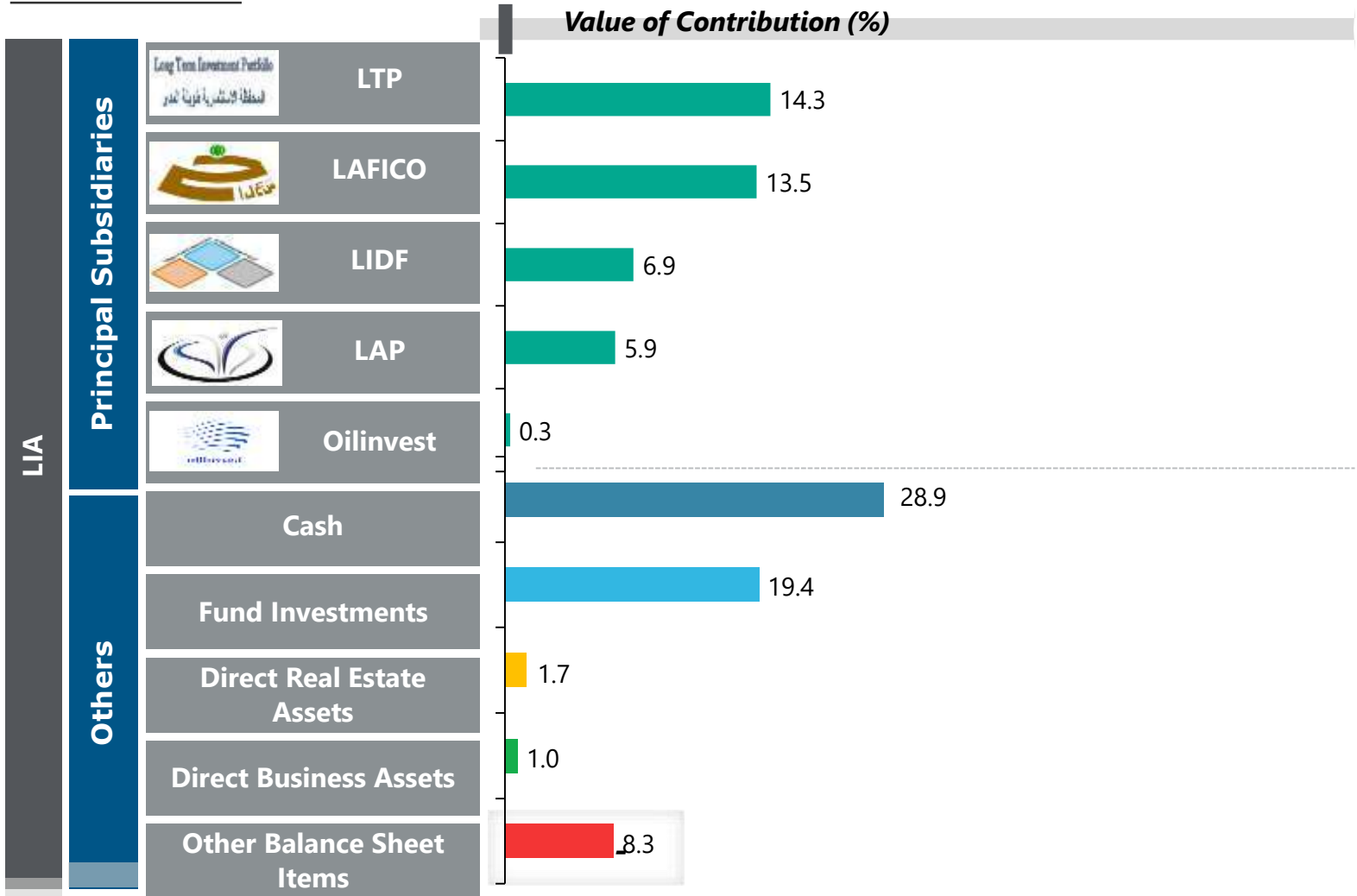
Sources of information:

- We note that all valuation figures quoted in this document represent the mid-point of the stated ranges of Fair Market Values presented in the 'Project Omega' valuation report (6 volumes) prepared by Deloitte Professional Services (DIFC) Limited (previously Deloitte Corporate Finance Limited). We further highlight that these reports assumed a valuation assessment date of 31 December 2012 with the work undertaken in 2013 and 2014.
- We understand that the portfolio composition has changed since the last valuation exercise, however, this is not reflected in this report.

LIA Overview

LIA oversees a total of 579 assets directly held and across 5 different subsidiaries making up its diversified investment portfolio

LIA Portfolio:



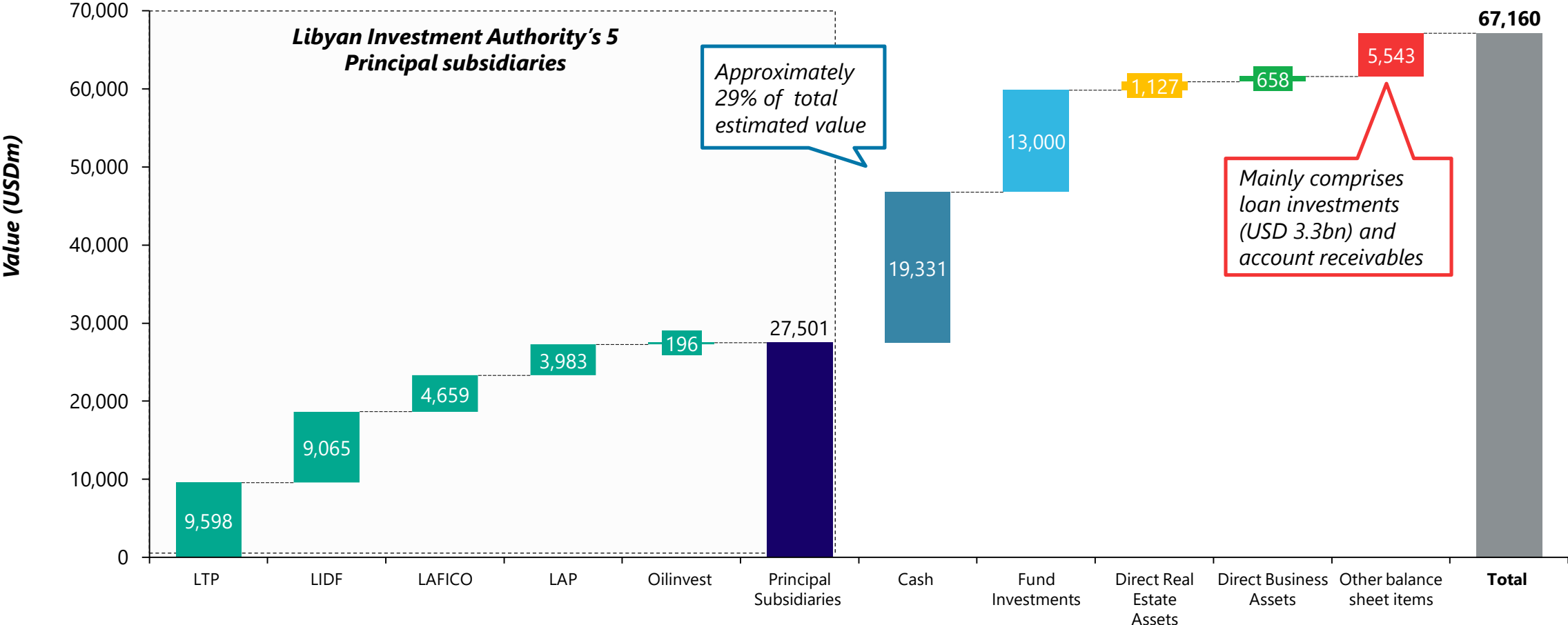
Key Takeaways

- LIA comprises **579** assets including 360 business entities, 184 real estate assets and 36 capital market investments.
- The market value of LIA's investment portfolio is estimated at **USD 67 billion** as at 31 December 2012.
- Key value contributors include:
 - 41%** The 5 principal subsidiaries contributed 41%;
 - 29%** Cash balances at LIA level contributed 29%; and
 - 19%** Fund investments accounted for 19%.

LIA Overview: Principal Subsidiaries

Approximately 59% of the market value of the LIA is directly held at LIA level as Cash, Fund Investments, Direct Real Estate Investments and Direct Business Assets

LIA Valuation Analysis (USDm)

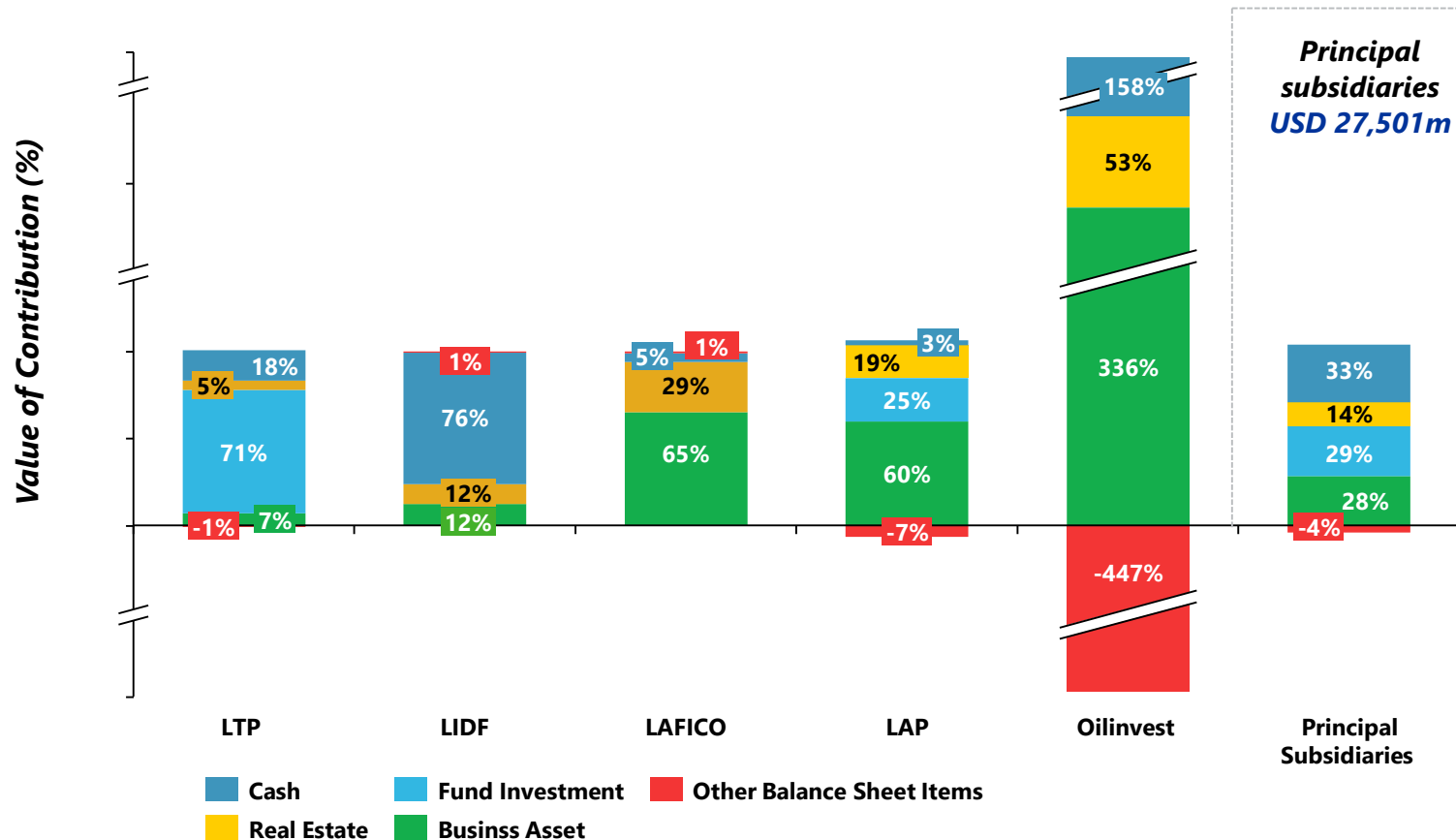


LIA Overview: Principal Subsidiaries

What?

On an aggregate basis, the five Principal Subsidiaries have approximately 61% of their value held in liquid assets (33% in Cash and 28% in Fund Investments)

Investment distribution by component (%)



Key Takeaways

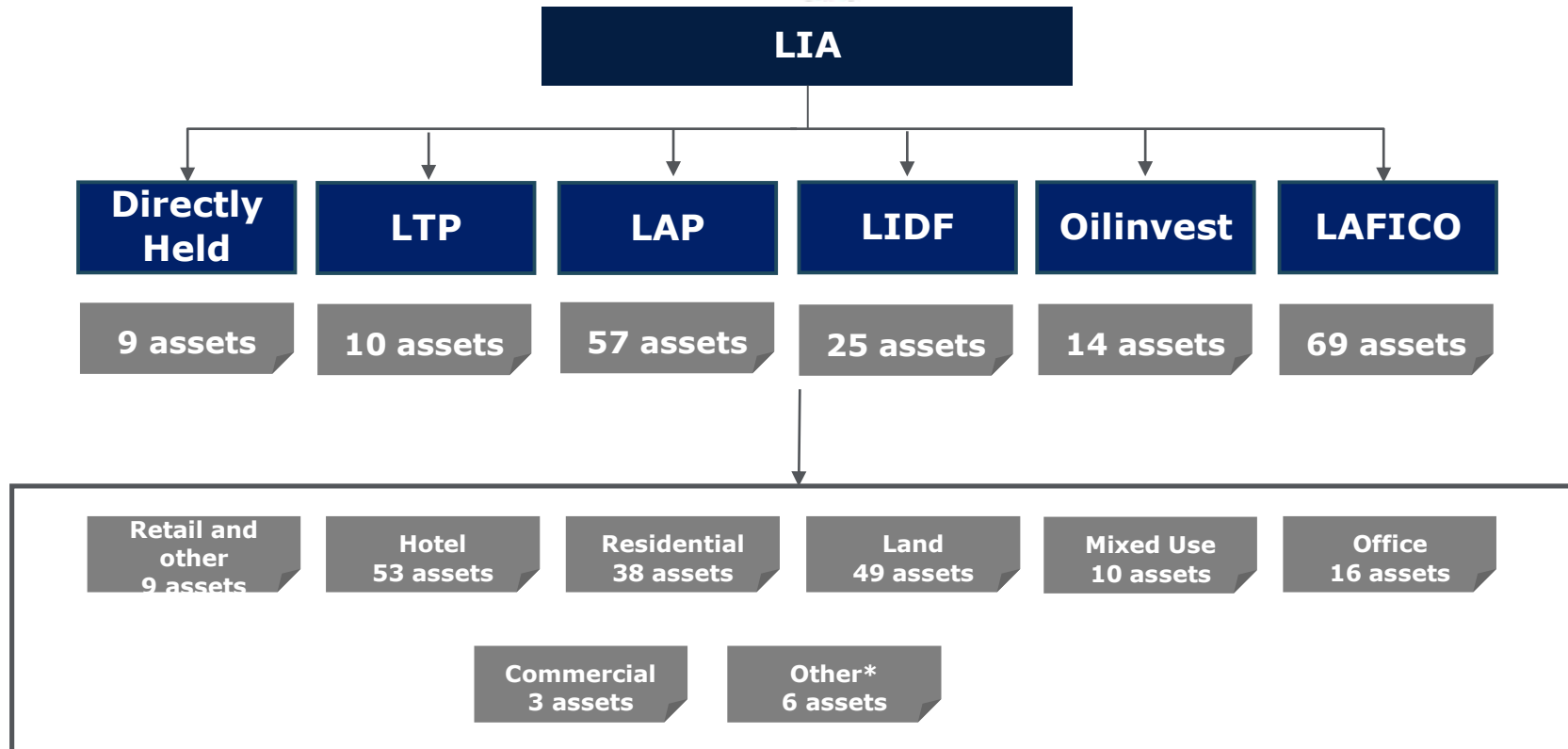
- 33% of the total combined value of the five key subsidiaries is held in cash, with Oilinvest possessing the highest percentage amounting to approx. 158% of its portfolio. Followed by LIDF with approx. 76% of its value in cash.
- Fund investments aggregated to 28% of the total principal subsidiaries value; with highest contribution observed for LTP being 76% derived from fund investments. LIDF, LAFICO and Oilinvest do not hold any fund investments.

Note: The chart above only includes Business Assets and Real Estate assets held by the Principal Subsidiaries (LTP, LIDF, LAFICO, LAP and Oilinvest). It excludes Direct Business Assets and Direct RE Assets held under LIA which are covered separately on pages 10-11 and 12-14 respectively.

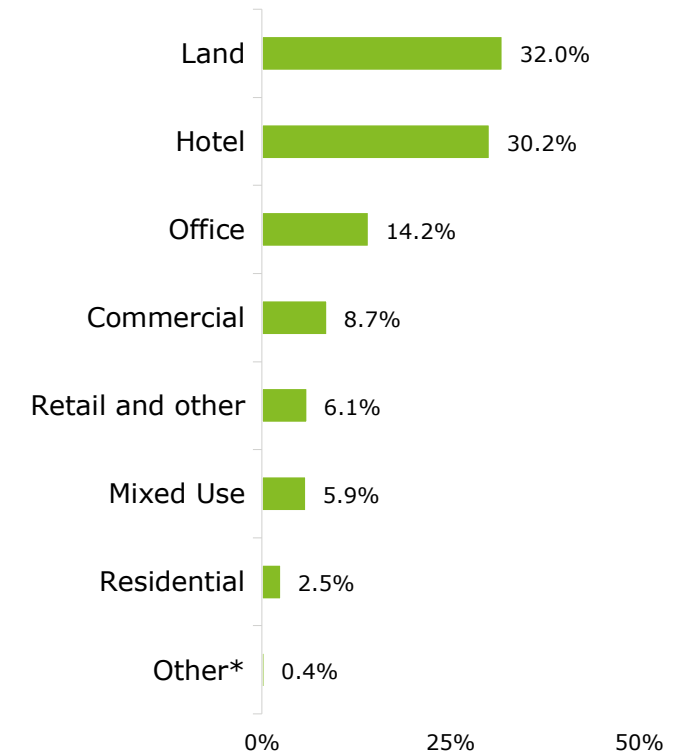
LIA Overview: Real Estate Assets (Directly held and through Principal Subsidiaries)

LIA and its subsidiaries collectively own a portfolio of 184 Real Estate Assets

LIA Real Estate Portfolio:



Value contribution per use class (%)






*Other includes industrial accommodation and a nature reserve.



Basis of the 2012 valuation project

2012 valuation methodology

	Approach	Methodology	Other considerations
Business Entities and Funds	 <p>Valuation approach was driven primarily by the IAS and the various guidance notes. Specific guidance as per IAS 39 was used.</p>	<ul style="list-style-type: none"> • Quoted market prices • If not available then: <ul style="list-style-type: none"> - Discounted Cash Flows - Market multiples - Earnings capitalisation approach - Other generally accepted techniques 	<p>If there was no active market or estimates could not be made reliably using other techniques then book value less potential impairment was considered</p>
Real Estate	 <p>Material real estate and hospitality investments were valued in accordance with the RICS Valuation - Professional Standards 2012 which is commonly known as The "Red Book".</p>	<p>Valuation of real estate assets as per the RICS Red Book and IVS valuation standards</p>	<p>Real estate assets considered not material were assessed based on their net book value</p>
Loss making	 <p>Companies which were loss making in the most recent historical period as at the Valuation Date, with no or limited management information.</p>	<p>If no details on turnaround plans or justification of improved performance, considered the net book value as a proxy to FV.</p>	<p>We did not consider any capital gain taxes which may be payable on a potential exit of the investments</p>



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