

## **French Group To Invest In Kingdom Holding**

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A group of French companies led by a state-backed investment fund has agreed to invest \$150 million in Kingdom Holding, the Saudi Arabian investment firm chaired by billionaire Prince Alwaleed bin Talal, Kingdom said. Aeroports de Paris, insurer AXA and construction group Eiffage are among the companies in the consortium led by France's Caisse des Depots (CDC), the French state holding company said in a separate statement. The move will enable the companies to "increase their economic presence in Saudi Arabia", CDC added. The deal follows signs of strengthening economic ties between Saudi Arabia and France, which agreed on Wednesday to press ahead with feasibility studies to build two nuclear reactors designed by French group Areva. Last month they set up a joint committee to finalise some 20 projects across sectors ranging from defence to transport infrastructure. The pricing of the share sale has yet to be decided, Kingdom said. Other companies in the French consortium include telecoms operator Orange, defence electronics group Safran and environmental services group Suez Environnement . Kingdom and CDC said separately they had signed a memorandum of understanding to discuss the creation of a jointly managed fund to invest in smaller Saudi Arabian firms. Each party would initially contribute \$50 million, increasing to \$100 million with the later arrival of third-party investors to reach an overall target of \$400 million, CDC said. Kingdom did not say when the share purchase by Caisse des Depots might go through or if the shares would be newly issued or bought from an existing investor. Prince Alwaleed, who owns 95 percent of Kingdom, according to exchange data, will keep his full stake in the company, the statement said. Kingdom has a stock market value of about \$22.5 billion, implying the French will buy a stake of at least 0.7 percent. Foreign investors currently hold 1.1 percent of the firm via indirect investment channels. The Saudi company holds shares in a vast range of international interests, from luxury hotel management companies to the Euro Disney theme park, Citigroup, Twitter , and education and commercial aviation operations.