

Saudi Ground Services Company

Sale of 56,400,000 (fifty six million four hundred thousand) Shares representing 30% (thirty per cent) of Saudi Ground Services Company through an Initial Public Offering at an Offer Price of SAR 50 per Share A Saudi Joint Stock Company converted pursuant to the Resolution of the Minister of Commerce and Industry Number 171/K dated 7/7/1435H (corresponding to 6 May 2014G))

Offering Period: from Wednesday 16/08/1436H (corresponding to 03/06/2015G) to Tuesday 22/08/1436H (corresponding to 09/06/2015G)

Saudi Ground Services Company ("SGS" or the "Company") was founded as a limited liability company in Saudi Arabia with commercial registration number 4030181005 on 11/7/1429H (corresponding to 14 July 2008G) with a share capital of SAR 500,000 (five hundred thousand Saudi Riyals) divided into 5,000 (five thousand) ordinary shares each (the "Shares") of SAR 100 (one hundred Saudi Riyals) each. On 20/02/1432H (corresponding to 24 January 2011G) the share capital of the Company was increased from SAR 500,000 (five hundred thousand Saudi Riyals) to SAR 886,869,100 (eight hundred eighty six million eight hundred sixty nine thousand one hundred Saudi Riyals) divided into 8,868,691 (eight million eight hundred sixty eight thousand six hundred ninety one) Shares of SAR 100 (one hundred Saudi Riyals) each and the new Shares resulting from such increase were issued in favour of the Saudi Arabian Airlines Corporation ("Saudia"), National Aviation Ground Support Company ("NAGS") and Attar Ground Handling Company ("Attar") in consideration for the acquisition by the Company of (i) Attar's and Attar Travel Company's ("Attar Travel") respective ground handling business and (ii) the entire issued shareholding of National Handling Service Company ("NHS"). The Company was converted into a joint stock company pursuant to the Resolution of the Minister of Commerce and Industry Number 171/K dated 7/7/1435H (corresponding to 6 May 2014G) and simultaneously the share capital of the Company was increased from SAR 886,869,100 (eight hundred eighty six million eight hundred sixty nine thousand one hundred Saudi Riyals) to SAR 1,880,000,000 (one billion eight hundred eighty million Saudi Riyals) divided into 188,000,000 (one hundred eighty eight million) Shares through the capitalisation of (i) SAR 405,894,468 (four hundred five million eight hundred ninety four thousand four hundred sixty eight Saudi Riyals) from the Company's retained earnings; and (ii) SAR 587,236,432 (five hundred eighty seven million two hundred thirty six thousand four hundred thirty two Saudi Riyals) representing the Company's net imputed equity (please see section 7 ("Management Discussion and Analysis") for more information regarding the Acquisition, the accounting policies used and the valuation mechanics used to value the acquired entities). Given that closed joint stock companies must have a minimum of five shareholders, Saudi Arabian Airlines Private Aviation Company Limited ("SPAC") and Saudi Arabian Airlines Real Estate & Development Company ("SARED") (both wholly-owned subsidiaries of Saudia) were also issued Shares.

The Initial Public Offering (the "Offering") of 56,400,000 (fifty six million four hundred thousand) Shares (the "Offer Shares") at an Offer Price of SAR 50 per Share, which represents a nominal value of SAR 10 (ten Saudi Riyals) each and a premium of SAR 40 per Share, represents 30% (thirty per cent) of the issued share capital of the Company and is directed at and may only be accepted by:

Tranche (A): Institutional investors consisting of a number of institutions and companies including investment funds (the "Institutional Investors") (see section 1 ("Definitions and Abbreviations")). The number of Offer Shares to be allocated to Institutional Investors is 56,400,000 (fifty six million four hundred thousand) Shares, representing all the Offer Shares. In the event Individual Investors (as defined in Tranche (B) below) subscribe to all the Offer Shares allocated to them, the Bookrunner has the right, subject to the Capital Market Authority's ("CMA") consent, to reduce the number of Offer Shares allocated to Institutional Investors to 33,840,000 (thirty three million eight hundred forty thousand) Shares, representing up to 60% (sixty per cent) of the Offer Shares. 90% (ninety per cent) of the Tranche (A) Offered Shares are to be allocated to investment funds, which percentage shall be subject to adjustment, in the event that other institutions, excluding investment funds, do not fully subscribe to the remaining 10% (ten per cent) of the Offer Shares allocated to them, or in the event that the mutual funds do not subscribe to the full portion allocated to them (90%); and Tranche (B): Individual investors including Saudi Arabian natural persons, including Saudi women who are divorced or widowed and who have children by a non-Saudi husband (provided they produce evidence that they are divorced, widowed and are the mother of their minor children) who may subscribe for Offer Shares in the name(s) of any of those children who are minors for her benefit provided that any such woman provides evidence that she is the child's mother and that she is widowed or divorced (collectively "Individual Investors" and severally an "Individual Investor"). The subscription by a person in the name of his divorced wife shall be deemed invalid and in such cases, the relevant regulations shall be enforced against that person. A maximum of 22,560,000 (twenty two million five hundred sixty thousand) Shares representing up to 40% (forty per cent) of the Offer Shares shall be allocated to Individual Investors.

If the Individual Investors do not subscribe to the full amount of Offered Shares allocated to them, the Lead Manager may, subject to the CMA's consent, reduce the number of Offered Shares to match the number actually subscribed to by the Individual Investors.

The Offer Shares are being sold by the shareholders whose names appear on page xii (collectively, the "Selling Shareholders"), and who collectively own 100% (one hundred per cent) of the Shares. Upon completion of the Offering, Saudia, NAGS and Attar, being three of the Selling Shareholders, will collectively own 70% (seventy per cent) of the Shares and will consequently retain a controlling interest in the Company. The proceeds from the Offering, after deducting the Offering expenses (the "Net Proceeds"), will be distributed to the Selling Shareholders on a pro-rata basis based on each Selling Shareholder's percentage ownership in the Offer Shares being sold in the Offering and the Company will not receive any part of the Net Proceeds (see section 12 ("Use of Proceeds")). The Underwriters have committed to fully underwrite the Offering (see section 14 ("Underwriting")). Saudia, NAGS and Attar will be restricted from disposing of their Shares for three years starting from the date on which trading of the Offer Shares commences on Tadawul. Following the end of their respective Lock-in Periods, Saudia, NAGS and Attar may only dispose of their respective Shares after obtaining the approval of the CMA.

The Offering will commence on Wednesday 16/08/1436H (corresponding to 03/06/2015G) and will remain open for a period of 7 (seven) days up to and including Tuesday 22/08/1436H (corresponding to 09/06/2015G) (the "Offering Period"). Subscription to the Offer Shares can be made through branches of the selling agents (the "Selling Agents") listed on pages viii to ix during the Offering Period (see the "How to Apply" section on page xiv).

Each Individual Investor who subscribes to the Offer Shares (each a "Subscriber" and collectively the "Subscribers") must apply for a minimum of 10 (ten) Offer Shares. The maximum number of Offer Shares for which a Subscriber may apply is 250,000 (two hundred fifty thousand). The minimum allocation per Subscriber is 10 (ten) Offer Shares, and the balance of the Offer Shares (if any) will be allocated to subscribers on a pro-rata basis based on the number of Offer Shares subscribed for. In the event that the number of Subscribers exceeds 2,256,000 (two million two hundred fifty six thousand), the Company will not guarantee the minimum allocation of 10 (ten) Offer Shares per Subscriber, and the Offer Shares will be allocated equally between all Subscribers. If the number of Subscribers exceeds 22,560,000 (twenty two million five hundred and sixty thousand), the allocation will be determined in accordance with the recommendation of the Company and the Lead Manager. Excess subscription monies, if any, will be refunded to the Subscribers without any charge or withholding by the Selling Agents. Notification of the final allotment and refund of subscription monies, if any, will be made by Tuesday 29/08/1436H (corresponding to 16/06/2015G) (see section 17 ("Subscription Terms and Conditions")).

The Company has one class of shares. Each Share entitles the holder to one vote, and each shareholder (a "Shareholder") with at least 20 Shares has the right to attend and vote at a General Assembly. No Shareholder benefits from any preferential voting rights. The Offer Shares shall be entitled to receive dividends declared by the Company from the date of this Prospectus and during subsequent fiscal years (see section 7 ("Dividend Policy")).

Prior to the Offering, there has been no public market for the Shares in Saudi Arabia or elsewhere. An application has been made to the CMA for the admission of the Shares to listing, all supporting documents required by the CMA have been supplied, and all relevant approvals pertaining to this prospectus (the "Prospectus") and the Offering have been granted. Trading in the Offer Shares is expected to commence on the Saudi Stock Exchange (the "Exchange" or the "Tadawul") shortly after the final allocation of the Offer Shares and the satisfaction of necessary conditions and procedures (see the "Key Dates for Investors" section on page xiv). Following admission of the Shares to listing, Saudi nationals and nationals of other GCC countries, companies, banks and funds, as well as non-Saudi individuals who are residents in the Kingdom, will be permitted to trade in the Shares. Moreover, Qualified Foreign Investors and Approved QFI Clients will be permitted to trade in the Shares in accordance with Rules for Qualified Foreign Financial Institutions Investment in Listed Shares. Furthermore, non-Saudi natural persons who are not residents in the Kingdom and institutions incorporated outside the Kingdom are permitted to acquire an economic interest in the Shares by entering into a swap agreement with a person authorised by the CMA to acquire, hold and trade in shares on Tadawul on behalf of a Foreign Investor (the "Authorised Person"). Under such swap agreements, the Authorised Person will be the registered legal owner of such Shares.

The "Important Notice" and section 2 ("Risk Factors") of this Prospectus should be considered carefully prior to making a decision to invest in the Offer Shares.

Financial Advisor, Lead Manager and Bookrunner



Lead Underwriter



Co-Underwriter



Selling Agents



This Prospectus includes information given in compliance with the Listing Rules of the Authority. The Directors, whose names appear on page (iv), collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The Authority and the Saudi Stock Exchange do not take any responsibility for the contents of this Prospectus, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus.

This Prospectus is dated 17/07/1436H (corresponding to 06/05/2015G)

This Prospectus is an English translation of the official Arabic Prospectus. In case of any differences between the two, the Arabic version shall prevail.

