

MENA PE Deal space – July 2014

PE deal activity in the MENA region picked pace in July. Three deals were struck during the month compared with one in June. Two of the three deals in July were in the healthcare sector, while one was in the education sector. The regional healthcare sector has been an important avenue for investments due to inadequate healthcare infrastructure, rising population, and growing healthcare needs. During January–July 2014, 11 deals were signed as against 28 in corresponding prior-year period. However, in terms of value, the deals announced in 2014, so far, have been much higher than those concluded in the same period in 2013.

On a separate note, some of the regional PE firms appear to have adopted the Western way (similar to that of Blackstone, KKR, and Carlyle) of seeking floatation in the public market to raise cash for new investments.

Exhibit 1: PE Deal Value (US\$ M) & Volume—2013

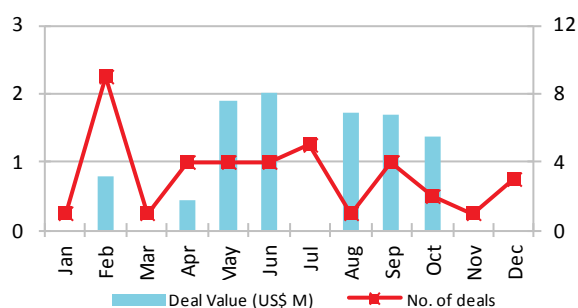
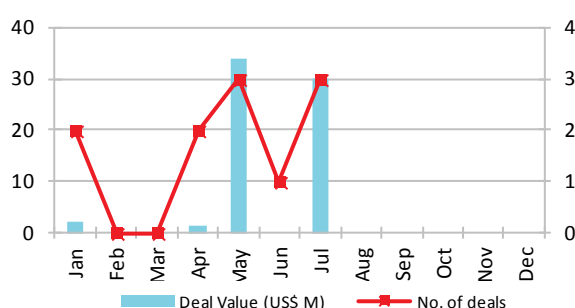


Exhibit 2: PE Deal Value (US\$ M) & Volume—2014



Source: Zawya, Thomson ONE Banker, Al Masah Capital Research

MENA PE Deal space – July 2014

On July 14, Abraaj Capital announced the acquisition of a majority stake in Polyclinique Taoufik SA, a leading private hospital in Tunisia. Established in 1979, the 164-bed hospital is the second largest in the country. The hospital treats nearly 75,000 inpatients and outpatients a year, offering services such as general surgery, heart surgery, neurosurgery, and obstetrics.

On July 13, Gulf Capital announced an investment of US\$30 million in Evolve Knowledge Investments Limited (EKI), the education platform of UAE-based Evolve Group, which was founded in 2001. EKI establishes and operates private schools and nurseries in the GCC region in partnership with Repton School (UK). EKI operates three schools in the UAE: Repton School (Dubai), Foremarke Hall (Dubai), and Repton School (Abu Dhabi). EKI also has a stake in Humpty Dumpty, a renowned preschool in Dubai. Gulf Capital made the investment through Gulf Credit Opportunities Fund I.

In July, TVM Capital announced the signing of an agreement to acquire a 47.8% stake in Ameco Medical Industries from National Bank of Egypt (39.4%) and National Fund Management (8.4%). Established in 2000, Egypt-based Ameco Medical Industries is one of the largest single-use syringe manufacturers in the Middle East. Ameco Medical Industries also manufactures other medical equipment, including catheters. The company has been listed on the Egyptian Exchange since December 2009. TVM Capital acted through TVM Healthcare MENA Fund I, which usually seeks investments of up to US\$10 million.

Exhibit 3: Deals in MENA PE space – July 2014

Company Name	Date	Company Nation	Deal Value (US\$ Million)	Sector	Firm/Fund
Polyclinique Taoufik	July 14, 2014	Tunisia	-	Health Care	Abraaj Capital
Evolve Knowledge Investments	July 13, 2014	UAE	30.0	Education	Gulf Capital
Ameco Medical Industries	July 2014	Egypt	-	Health Care	TVM Capital

Source: Zawya, Al Masah Capital Research

MENA PE Deal exits – July 2014

There was just one exit deal in the MENA region in July.

On July 13, Jadwa Investment announced that it had sold its 30% stake in Gulf Union Foods Company to Olayan Financing Company (OFC), an Olayan Group company. OFC manages the Middle Eastern investments of Olayan Group, which is one of the major family-owned conglomerates in Saudi Arabia and among the largest shareholders in Credit Suisse. Jadwa had initially bought into Gulf Union Foods Company in December 2009 through Jadwa Food and Beverages Fund. Established in 1996, Gulf Union Foods Company is a juice and beverage company offering juice, nectar, still drinks, and floats in the GCC region. The company has 12 production lines and over 1,000 employees.

Exhibit 4: MENA PE exit deals – July 2014

Company Name	Date	Company Nation	Deal Value (US\$ Million)	Sector	Firm/Fund
Gulf Union Foods Company	July 13, 2014	Saudi Arabia	-	Food & Beverages	Jadwa Investment

Source: Zawya, Others

MENA PE News Wrap-up

Saudi Arabia's Public Investment Fund (PIF) announced plans to establish companies in the petrochemical, housing, housing finance, and technology sectors. The decision is part of a strategy to increase investments in the country to support economic reforms and development. Established in 1971, PIF has assets under management of about US\$5.3 billion. (July 23, 2014)

TVM Capital Healthcare Partners announced the promotion of Mr. Youssef Haidar to Managing Director. Mr. Haidar has been a partner with TVM Capital since 2009. During his tenure as partner, Mr. Haidar made substantial contributions to building the firm's presence in the MENA region and growing its portfolio companies in Abu Dhabi, Dubai, and India. (July 22, 2014)

Mr. Fadi Ghandour, the founder of logistics firm Aramex, announced a VC fund in partnership with the International Financial Corporation. The fund will be a part of Mr. Ghandour's firm Wamda Capital and offer tech start-ups around US\$1–3 million in financing. (July 20, 2014)

Qatar Business Incubation Center (QBIC) announced the launch of a seed fund and an angel investment fund to help entrepreneurs. QBIC also plans to set up an angel investor club for local, regional, and international investors and venture capitalists. (July 20, 2014)

In a first for the MENA region, PE firms Ithmar Capital and Gulf Capital are believed to be looking at selling shares to the public in order to generate cash for new investments. (July 17, 2014)

The UAE Ministry of Economy published new rules that permit companies to use existing shares when listing on local exchanges or raising fresh equity capital. PE firms are expected to be among the main beneficiaries of the new law, as they can now use the capital markets to exit existing investments instead of relying on trade sales to other investors to offload holdings. (July 17, 2014)

UAE-based Unique Maritime Group, one of the world's leading integrated turnkey subsea and offshore solutions provider, announced that it received a strategic equity investment from London-based PE firm Blue Water Energy. The partnership would allow UMG to accelerate its growth plans through additions to its rental fleet as well as expand its product and service offering and geographic distribution through further acquisitions. (July 16, 2014)

MENA Private Equity Association launched its 2013 annual report in July. The report stated that the PE industry in the MENA region demonstrated flat performance during 2013. Based on disclosed information, the number and total value of deals fell slightly over 2012. The region's fundraising environment remained challenging with a decrease in total funds raised during 2013 over the prior year. The outlook for 2014 is positive. (July 15, 2014)

Source: Zawya, Others

MENA PE News Wrap-up (cont.)

Abraaj Capital announced that it approached Egypt's snack maker BiscoMisr to buy at least a 51% stake in the latter. Abraaj would soon be conducting both technical and financial studies on the company. BiscoMisr, which is listed on the Egyptian Exchange, operates within the food, beverage, and tobacco sector, focusing on packaged foods and meat. (July 14, 2014)

Jadwa Investment announced the appointment of Mr. Abdulaziz Al Arifi as Chief Financial Officer. Mr. Abdulaziz joins Jadwa from Bahri (formerly known as the National Shipping Company of Saudi Arabia), where he was serving as the treasurer, supervising the company's investments and managing liquidity and financing. Mr. Abdulaziz has extensive capital market experience and was a founding member of the Corporate Finance Department at the Capital Markets Authority. Mr. Abdulaziz holds a BS in business management from Babson College in Massachusetts and an MBA from Stanford Graduate School of Business. (July 12, 2014)

Investcorp announced the acquisition of the Netherlands-based SPGPrints Group BV from funds managed by Bencis Capital Partners for an enterprise value of €240 million. Established in 1947, SPGPrints is the leading global provider of integrated solutions for rotary screen and digital printing for textiles and graphic applications as well as the leading manufacturer of precision metal components for a broad range of applications. (July 10, 2014)

The sovereign wealth fund of Libya announced that Mr. Abdulrahman Benyezza, its former Oil Minister, has taken over as acting head of the fund. Mr. Abdulrahman will oversee the country's total foreign assets and reserves worth US\$109 billion. (July 9, 2014)

Abu Dhabi Investment Authority (ADIA), one of the world's biggest sovereign wealth funds, sold US\$70.2 million worth of shares in India's Kotak Mahindra Bank through the secondary market. (July 7, 2014)

Arzan Wealth (DIFC) Limited announced that it advised a consortium of investors on the sale of a warehouse in the UK to a major investment fund. The warehouse was leased to global cosmetics company L'Oreal (UK) Ltd. Constructed in 2006 within the Sherwood Park development near Nottingham, the property provides 112,806 sq ft warehouse space, 13,254 sq ft offices, 78 parking spaces, and an extensive service yard area on a 6.1 acre site. Arzan Wealth helped generate an IRR of 16.6% for the investors, net of all taxes, fees, and expenses. (July 6, 2014)

Italian state-backed PE fund Fondo Strategico Italiano (FSI) and Kuwait Investment Authority (KIA) have created an investment company with assets and commitments worth €2.19 billion. The new company, FSI Investimenti, will be 77% owned by FSI and 23% owned by KIA. Both FSI and KIA have committed to inject up to €500 million into the new company. (July 1, 2014)

ADIA announced that its 20-year and 30-year annualized rates of return for its portfolio was 7.2% and 8.3%, respectively, as of December 31, 2013. ADIA said there are growing opportunities in asset classes such as real estate, infrastructure, private equity, and alternatives investments in 2014. ADIA manages assets worth approximately US\$773 billion. (July 1, 2014)

Source: Zawya, Others

MENA IPO news

Saudi Arabia-based Al Hammadi Company for Development and Investment successfully listed on the Saudi Stock Exchange at a premium of 10% to its issue price. The healthcare company raised SAR630 million through the sale of 22.5 million shares (30% stake) at an issue price of SAR28 per share. The IPO was subscribed nearly two times. Samba Capital was the issue manager. (July 15, 2014)

Source: Zawya, Others



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