

MENA PE Deal space – November 2014

MENA private equity (PE) activity remained modest in November. A single deal was announced during the month compared with six struck in October. However, overall PE activity in MENA is emerging stronger in H2 2014; thus far, 19 deals have been recorded in H2 2014 compared with 13 in H1 2014. The total disclosed value of the deals stands at US\$359 million in H2 2014 vis-à-vis US\$37.2 million recorded during the first half of the year.

The single deal announced during the month was in the UAE services sector; its value remained undisclosed. In H2 2014, thus far, the healthcare sector is leading with four deals, followed by services (three). With five deals each, Saudi Arabia and the UAE are emerging as the most preferred destinations for PE deal activity in MENA, followed by Egypt (four).

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

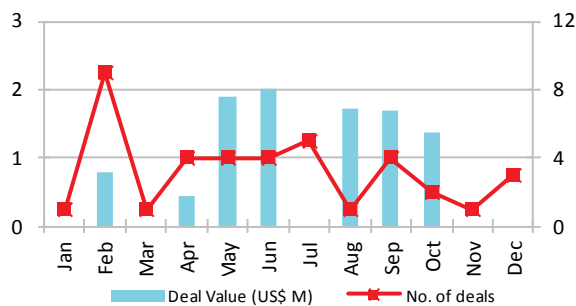
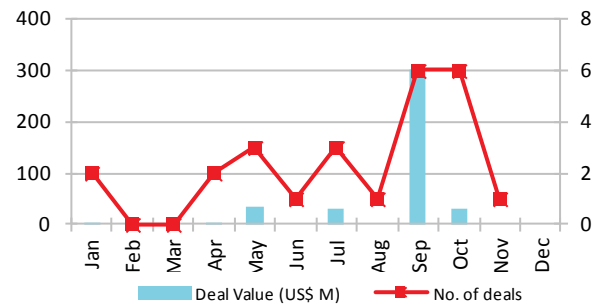


Exhibit 2: PE Deal Value (US\$ M) & Volume—2014



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

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On November 14, Gulf Capital, an Abu Dhabi-based PE firm, announced that it acquired a 57.5% stake in Destinations of the World (DOTW), a Dubai-based wholesale travel agent. Gulf Capital carried out the deal through its US\$533 million Gulf Capital Equity Partners Fund II. According to the terms of the deal, DOTW's management team will continue to own the remaining 42.5%. DOTW secures bulk discounts on blocks of hotel rooms across the world and, thereafter, sells the bookings to travel agents, airlines, and tour operators. The financials of the deal remained undisclosed.

Exhibit 3: Deals in MENA PE space – November 2014

Company Name	Date	Company Nation	Deal Value (US\$ Million)	Sector	Firm/Fund
Destinations of the World Travel & Tourism L.L.C.	November 14, 2014	UAE	-	Services	Gulf Capital

Source: Zawya, Others

MENA PE exit deals – November 2014

On November 14, Middle East Venture Partners Fund and the Building Block Equity Fund announced their exit from Shahiya.com, a Lebanon-based leading recipe website, to Japan's Cookpad. Cookpad would pay US\$13.5 million for Shahiya and is expecting to complete the acquisition by the first quarter of 2015. Shahiya is a food portal offering unique recipes across cuisines, information about restaurants in the region, and nutritional advice from a registered dietitian. Currently, Shahiya has more than 3 million monthly users. The exit from Shahiya will be the first exit for Middle East Venture Partners, which had invested in Shahiya in May 2013 and October 2012.

Exhibit 4: MENA PE exit deals – November 2014

Company Name	Date	Company Nation	Deal Value (US\$ Million)	Sector	Firm/Fund
Shahiya.com	November 14, 2014	Lebanon	-	Food & Beverages	Middle East Venture Partners Fund, The Building Block Equity Fund

Source: Zawya, Others

MENA PE News Wrap-up

Kellogg Co, the world's leading breakfast cereal maker, offered US\$127 million to the shareholders of Bisco Misr, the Egyptian cake and biscuit maker. Kellogg's bid came soon after UAE-based Abraaj Capital increased its offer price for Bisco Misr to US\$118.5 million. Kellogg and Abraaj have placed their bids for 100% of Bisco Misr and are expecting a minimum of 51% controlling stake. Bisco Misr commands a market capitalization of around EGP900 million. (November 23, 2014)

The EuroMena Fund Management Team and Capital Trust Group announced that they have got approval from the Malta Financial Services Authority to be regulated under the de-minimis Alternative Investment Fund Managers Directive¹. The approval was for EuroMena III, their fourth PE fund in MENA. With this approval, EuroMena III would be the one of the region's first funds to be regulated by a European governing body. (November 20, 2014)

The International Forum of Sovereign Wealth Funds (IFSWF), a group founded with the International Monetary Fund, announced that it will not invite central banks to join its ranks as they do not fit the group's definition of such a fund. IFSWF, in September, said that it would explore whether to take in a wider pool of state-backed investors, including central banks. (November 20, 2014)

Delta Partners Capital announced that the company signed a definitive agreement for an investment of US\$10 million by Delta Partners Emerging Markets TMT Growth Fund II L.P. into CipherCloud Inc, an India-based global leader in cloud information protection. CipherCloud provides cloud risk assessment, data protection, and user activity and anomaly monitoring services. The company currently has over 3 million users across 11 industries, including financial services, healthcare, and telecommunication. (November 19, 2014)

Bahrain-based Arcapita disclosed that it raised US\$100 million in equity capital from new and existing GCC shareholders to fund growth. Arcapita has completed more than 70 investments amounting to US\$30 billion globally. The company has plans to pursue new investment opportunities in the GCC region as well as the US, Asia and Europe. Arcapita has four offices and recorded net income of around US\$10.1 million during fiscal year ended June 2014. (November 19, 2014)

Qatar Investment Authority (QIA) and Italian state-backed PE fund Fondo Strategico Italiano (FSI) are planning to buy a 28.4% stake in Inalca, an Italian meat producer, for US\$205 million. Inalca is wholly owned by Italian food producer and caterer Cremonini. In March 2014, FSI and QIA set up a joint venture to invest in Italian companies in the food, fashion & luxury, and tourism sectors. The company would use the funding to support the overseas distribution of 'made in Italy' food. (November 14, 2014)

Oman-based Ahli Bank announced that MB Holding LLC and Al Marjan Financial Services LLC have divested their entire stake of 197 million shares (15.2% of Bank's capital) to a group of investors which include Oman Investment Fund (9.4% stake), Oman International Development and Investment Company SAOG (4.6%) and others (1.2%). (November 14, 2014)

Aabar Investments, a subsidiary of UAE's SWF, announced that the firm has purchased a 5.1% stake in Palm Hills Development, Egypt's second-largest listed real estate developer. The total deal value is estimated to be nearly US\$39.8 million. With the acquisition, Aabar aims to aid Palm Hills by leveraging and building upon Aabar's sizable global portfolio of companies and relationships. (November 9, 2014)

UAE-based TVM Capital Healthcare Partners announced that it has launched a mandatory tender offer to buy the majority stake in Egypt-based Ameco Medical Industries. The move comes as part of a deal with the National Bank of Egypt and Al Ahly Funds and Portfolio Management to purchase 100% of their joint shareholding. With this agreement, TVM Capital would register its premier investment in Egypt as well as its first in the medical device sector in MENA. Ameco Medical Industries commands a market capitalization of around EGP55 million. (November 9, 2014)

QIA and Bermuda-based Brookfield Property Partners announced that they are considering increasing their US\$3.5 billion takeover offer for Songbird Estates, the majority owner of London's Canary Wharf. Songbird had rejected the 295 pence a share offer by the firms, citing that the offer significantly undervalued the company. QIA already owns 28.6% of Songbird, while Brookfield has a 22% stake in Canary Wharf Group. QIA is advised by Barclays and Citigroup, while Brookfield is advised by HSBC. (November 9, 2014)

MENA-based PE firm Abraaj Group announced that it has acquired Wine Connection – a Thailand-based, wine-themed food and beverage chain – for an undisclosed amount. With this, Abraaj marked its fourth acquisition in the region. The firm carried out the investment through its second

MENA PE News Wrap-up (Contd.)

Southeast Asia fund, which has a size of US\$250 million. Abraaj plans to launch its third fund dedicated to Southeast Asia next year. With this acquisition, Abraaj aims to draw on its expertise to drive growth by increasing Wine Connection's footprint in existing markets. (November 9, 2014)

QIA announced that it has signed an agreement with China's CITIC Group to launch a US\$10 billion fund that will invest in Asia. QIA and CITIC Group signed a memorandum of understanding to launch the 50-50 investment fund. QIA is set to expand its Beijing office amid plans to invest US\$15–20 billion in Asia, particularly in the property, infrastructure, and healthcare sectors, over the next five years. The fund is estimated to have assets under management (AuM) worth US\$170 billion and is known for European investments. (November 4, 2014)

The Overseas Private Investment Corporation (OPIC) stated that there is a growing need for partnering with the private sector in Jordan to lay a strong foundation for economic growth and promote the country as an important financial power in the Middle East. OPIC also announced that the corporation has been helping finance the fourth electricity generating project with US\$125 million. Moreover, the corporation focuses on the development sector such as education, power, renewable energy, and health services. (November 1, 2014)

Source: *Zawya, Others*

MENA IPO news

Dubai Parks and Resorts closed its IPO in the UAE. The themed leisure venture raised AED2.5 billion (US\$695.3 million) through the sale of 2.5 billion shares (40% stake) at an issue price of AED1.01 per share. Emirates Financial Services and National Bank of Abu Dhabi were the lead managers. (November 30, 2014)

Amanat Holdings listed on the Dubai Financial Market (DFM) at a discount of 2% to its issue price. The healthcare and education integrated major raised AED1.4 billion (US\$381.8 million) through the sale of 1.38 billion shares (45% stake) at an issue price of AED1.02 per share. Emirates Financial Services and National Bank of Abu Dhabi were the lead managers. (November 29, 2014)

Electrical Industries Co closed its IPO in Saudi Arabia. The provider of electrical products and services raised SAR729 million (US\$194.3 million) through the sale of 13.5 million shares (30% stake) at an issue price of SAR54.0 per share. Samba Capital and Investment Management Company were the lead managers. (November 17, 2014)

National Commercial Bank successfully listed on the Saudi Stock Exchange at a premium of 10% to its issue price. The bank raised SAR22.5 billion (US\$6 billion) through the sale of 500 million shares (25% stake) at an issue price of SAR45.0 per share. The IPO was oversubscribed 23 times. GIB Capital LLC and HSBC Saudi Arabia Ltd were the lead managers. (November 12, 2014)

Al Maha Ceramics successfully listed on the Muscat Securities Market at a premium of 68% to its issue price. The ceramics major raised OMR7.9 million (US\$20.6 million) through the sale of 20 million shares (40% stake) at an issue price of OMR0.40 per share. The IPO was oversubscribed 19.5 times. Oman Arab Bank was the lead manager. (November 3, 2014)

Source: *Zawya, Others*



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