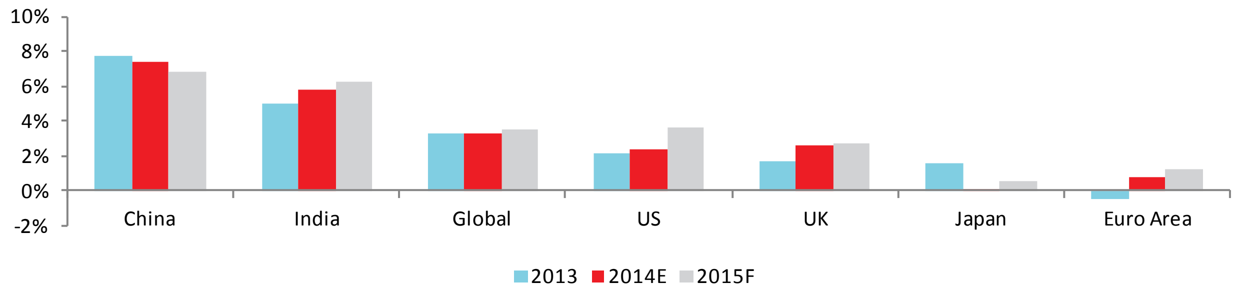
MENA PE Newsletter – Year 2014 (Annual Edition)

February 2015

Global economy in 2014

The global economy put up a mixed performance in 2014. Divergent growth trends were witnessed among the other developed and emerging economies. While the US and Indian economies witnessed an improved performance, the Eurozone reported mixed performance. During the year, China and Japan saw a slowdown in economic activity. Several uncertainties including the Ukraine crisis, imposition of western sanctions on Russia, the Fed's future monetary policies and the European Central Bank's (ECB) bond purchase program weighed on global economic performance.

Exhibit 1: Global economic growth



Source: The International Monetary Fund

The US economy put up a strong performance in 2014 and is estimated to have grown 2.4% by the IMF for the year, up from 2.2% in 2013. The economy grew 5% in Q3, after recording 4.6% growth in the Q2 and -2.9% in Q1. The strong momentum in the US was driven by a rise in personal consumption, residential fixed income investments, net exports and government spending. The Fed's accommodative monetary policy gave a further boost to the US economy.

The Eurozone as a whole is estimated to have expanded 0.8% in 2014 after contracting 0.5% in 2013. The region reported flattish growth of 0.2% in the Q3, marginally higher than the 0.1% growth seen in Q2, yet underpinning the poor growth witnessed by the Eurozone. While Germany and Spain showed signs of improvement in economic activity, growth continues to remain subdued in France and Greece. Continued austerity measures and high levels of debt impacted economic performance in the region. In addition, the imposition of western sanctions on Russia and counter -sanctions by Russia also hurt many European countries. Nevertheless, the UK economy is estimated to have expanded 2.6% in 2014, up from 1.7% in 2013, driven by consumer spending and investment.

The Japanese economy is estimated to have grown 0.1% in 2014 after growing 1.6% in 2013. Japan's GDP contracted 1.9% in Q3, after slipping 1.7% in Q2, indicating economic headwinds in the world's third largest economy. The sales tax hike to 8% from 5% in April impacted the economy more than the estimates, forcing policymakers to postpone another tax hike to 2017.

Within emerging markets, China is expected to have grown 7.4% in 2014, down from 7.8% in 2013. The country's GDP slowed to 7.3% in Q3 after growing 7.5% in Q2. Thanks to the lackluster performance of the manufacturing sector, the official Purchasing Manager's Index figure fell to 50.1 in December 2014, the lowest in the year. The People's Bank of China provided US$294 billion to support the slowing economy. Compared to China, the Indian economy looks promising. After expanding 5% in 2013, the IMF estimated India's economic growth for 2014 at 5.8%. The country saw a major change in the political scenario with the election of Narendra Modi as the Prime Minister. The economic reforms unleashed by the new government have revived investor confidence, resulting in an improvement in the manufacturing sector and foreign investments.

The global economy is expected to expand at 3.5% in 2015 compared with 3.3% in 2014. Although the geopolitical tensions that prevailed through 2014 are expected to recede by the first half of 2015, downside risks are likely to persist for some more time. We believe growth in major economies would largely remain a function of accommodative monetary policies. At 3.6%, the US is expected to witness the strongest growth among developed economies, while the brakes on recovery in the Eurozone would ease slowly. The Eurozone is expected to expand at 1.2% in 2015, while Japan's economy would experience modest growth. For emerging markets, the pace of recovery is likely to be more country specific. Economic growth in China would be around 6.8%, lower than growth in previous years. India is set for its Goldilocks year amid renewed confidence backed by a series of economic reforms pursued by the new government. The Indian economy is expected to grow at 6.3% in 2015.

Global PE activity witnessed growth albeit mixed performance by world economy

Global private equity (PE) activity continued to be strong in 2014. According to data compiled by research and consultancy firm Preqin, 3,423 PE buyout deals worth US$332 billion were signed in 2014 vis-a-vis 3,260 deals worth US$302 billion in 2013. The number of PE buyout deals increased at a compound annual growth rate (CAGR) of 10% during 2009–14.

Preqin also mentioned that funds raised by global PE players declined 8.5% to US$486 billion from US$531 billion in 2013. However, it stated that the average time taken for PE funds to achieve closure reduced to 16.5 months in 2014 from 18.3 months in 2013, indicating the ease in attracting institutional capital by fund managers.

Furthermore, the exit environment improved remarkably with 1,604 exits worth US$428 billion in 2014, the highest since 2006. Trade sale continued to be the most preferred mode of exit for PE funds across the world.

Exhibit 2: Global PE investments (US$ billion)

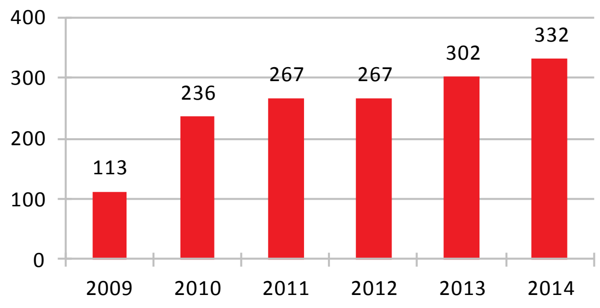
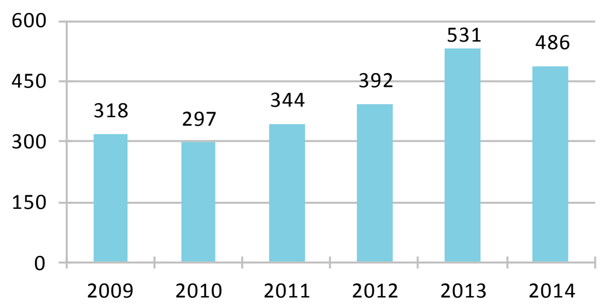


Exhibit 3: Global PE fundraising (US$ billion)



Source: Preqin

Global PE firms invested across diversified sectors in 2014

PE investments across the globe were carried out across sectors like consumer & retail, industrials, business services and healthcare. 3G Capital, Albertsons, Cerberus Capital Management, BC Partners, Blackstone Group, Carlyle Group and Vista Equity Partners were amongst the ones to carry out some of the largest PE-backed buyout deals last year.

Exhibit 4: Top PE-backed buyout deals announced globally in 2014

Company Name	Date	Company Nation	Deal Value (US$ billion)	Sector	Fund/Company Name
Tim Hortons Inc.	August, 2014	Canada	11.5	Food & agriculture	3G Capital, Burger King
Safeway, Inc.	March, 2014	US	9.4	Consumer & retail	Albertsons, Cerberus Capital Management, Others
PetSmart.com	December, 2014	US	8.7	Consumer & retail	BC Partners, Longview Asset Management
Gates Global Inc.	April, 2014	US	5.4	Industrials	Blackstone Group
Acosta Sales & Marketing	July, 2014	US	4.8	Business services	Carlyle Group
SIG Combibloc	November, 2014	Switzerland	4.4	Industrials	Onex Corporation
MultiPlan, Inc.	February, 2014	US	4.4	Healthcare	Partners Grp, Starr Investment Holdings
TIBCO Software	September, 2014	US	4.2	Information technology	Vista Equity Partners
Ortho-Clinical Diagnostics, Inc	January, 2014	US	4.2	Healthcare	Carlyle Group
Advantage Sales & Marketing LLC	June, 2014	US	4.0	Business services	CVC Capital Partners, Leonard Green & Partners

Source: Preqin

MENA continues to remain an attractive destination for PE activity – 2014

The MENA PE market witnessed 40 deals in 2014, compared with 39 deals in 2013. There were 13 exit deals in 2014 against only six deals in 2013. PE deal activity was stronger in the second half of the year, with 26 deals, compared with only 14 in the first half of 2014. Deal values witnessed a huge increase in 2014. Based on disclosed deal values, deals worth US$423.6 million were struck in 2014.

Country-wise, the UAE witnessed the highest number of deals (16) in the region, followed by Egypt (six) and Saudi Arabia (five). Countries like Jordan (4), Lebanon (3) and Morocco (3) also witnessed high PE interest.

Exhibit 5: MENA PE deal value (US$ million) - 2014

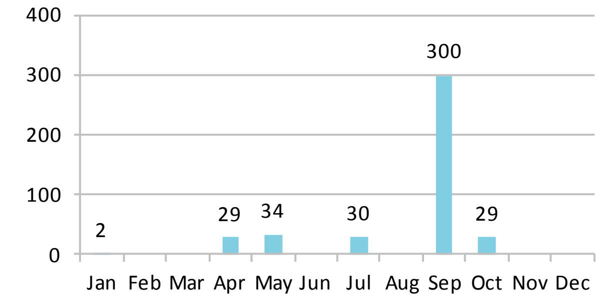
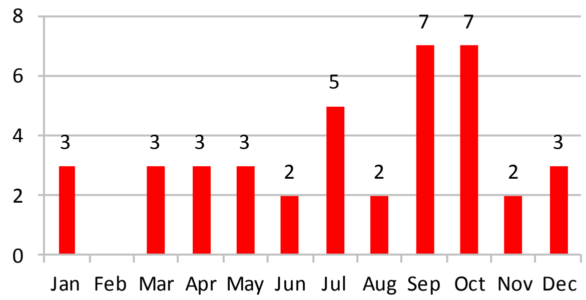


Exhibit 6: MENA PE deal count (no's) - 2014



Source: Zawya, Al Masah Capital Research

Top sectors in MENA PE deal activity – 2014

The food and agriculture sector witnessed the highest number of PE deals in 2014 (six). It was followed by business services, education and healthcare (five each); transportation & logistics, industrials, and consumer & retail (four each); energy & utilities, and information technology (three) and telecoms & media (one).

In terms of disclosed deal values, the business services sector witnessed deals worth US$302 million, the highest in the region for the year, followed by education (US$64 million), food & agriculture (US$28.6 million), energy & utilities (US$25 million), and information technology (US$4 million). This conclusion, however, is not reflective of the PE interest in activity in these sectors due to inadequate disclosure of the financial terms of the deals.

Exhibit 7: Top sector by deal value (US$ million)

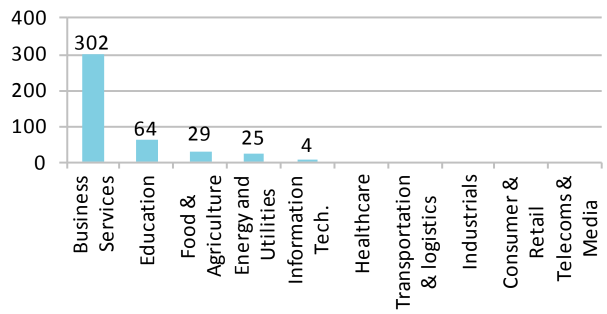
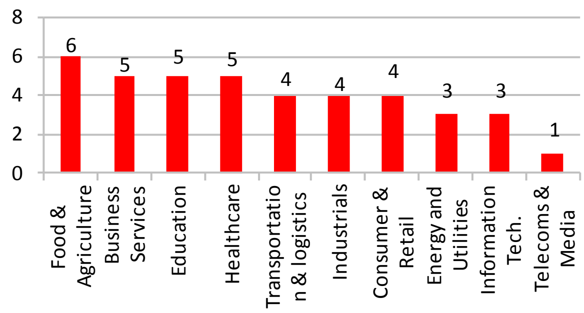


Exhibit 8: Top sector by number of deals



Source: Zawya, Al Masah Capital Research

Top countries in MENA PE deal activity – 2014

In 2014, PE deal activity was concentrated in the UAE, Egypt and Saudi Arabia. UAE witnessed 16 deals, followed by Egypt (six), Saudi Arabia (five), Jordan (four), Lebanon and Morocco (three each), Tunisia (two) and Kuwait (one). In terms of disclosed deal value, Saudi Arabia led the PE activity in MENA. The country witnessed deals worth US$300 million, followed by the UAE (US$65 million), Morocco (US$27.4 million), Egypt (US$26.2 million) and Lebanon (US$5 million). However, as the value of just nine of the 40 deals has been disclosed, it is inappropriate to determine the most active nation for PE deals in MENA based on deal value. It would be best to use data related to deal value in conjunction with the number of deals to draw an inference.

Exhibit 9: Top countries by deal value (US$ million)

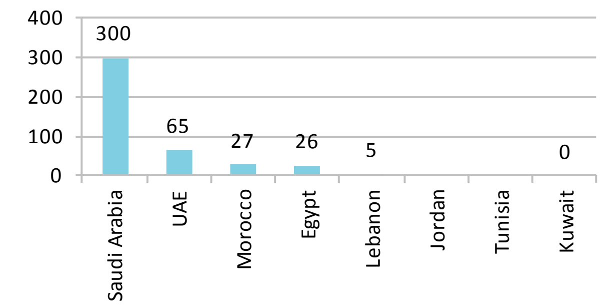
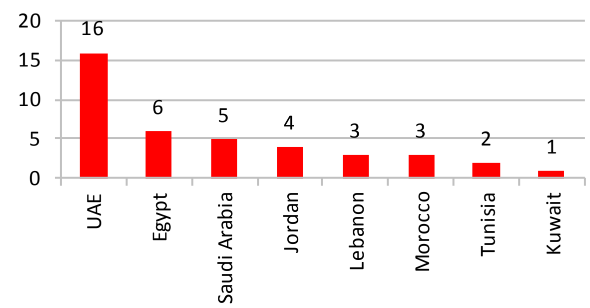


Exhibit 10: Top countries by number of deals



Source: Zawya, Al Masah Capital Research

Al Masah Capital was the most active fund manager, striking six deals followed by Gulf Capital with four deals. AWJ Investments, Badia Fund and Middle East Venture Partners announced three deals each while Abraaj Capital, Foursan Capital Partners and Mobily Ventures reported two deals each.

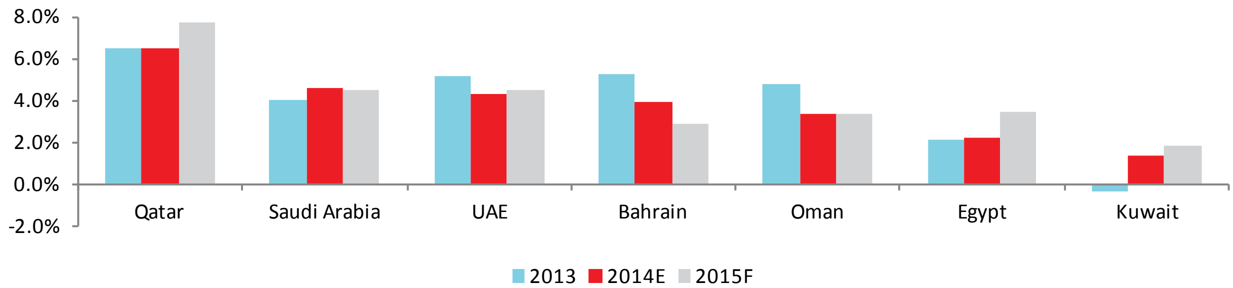
The largest deal in 2014 was struck by Jadwa Investment. In September, Jadwa acquired a majority stake in Global Environmental Management Services (GEMS) for US$300 million. Jeddah-based GEMS collects, handles and disposes of petroleum and chemical waste, and is also involved in wastewater treatment in the kingdom. Jadwa Investment, with Assets under Management (AuM) worth around US$5 billion, closed the deal through the Jadwa Waste Management Opportunities Fund.

MENA poised for growth

The MENA region seems to have returned to growth track after period of slower growth in the wake of global economic crisis of 2008–09 followed by the unrest of Arab Spring. The MENA is expected to have registered a growth of 2.6% in 2014, vis-à-vis a 2.3% growth in 2013. The regional growth is expected to further accelerate to 3.8% in 2015 backed by improving economic fundamentals, continuing high government investments, growing domestic consumption, improving business confidence and abating political tensions. Moreover, years of diversification efforts have helped higher contribution from non-hydrocarbon sectors to the regional growth. Qatar is expected to clock the highest growth rate of 6.5% in the region in 2014; followed by Saudi Arabia (4.6%) and the UAE (4.3%), Bahrain (3.9%) and Oman (3.4%).

Further, despite the steep decline in oil prices in the second half of 2014, major oil producers, such as Saudi Arabia, the UAE and Kuwait, are well placed due to strong domestic financial systems and large sovereign wealth funds. Most of these GCC economies have sizeable buffers to finance deficits for several years. Economic reforms in Egypt have given more room for productive government spending, thereby boosting investor confidence. The geopolitical tensions that threatened to disrupt economic growth in the region have abated, ensuring improving investor confidence, especially in the GCC.

Exhibit 11: MENA country-wise GDP growth



Source: The International Monetary Fund

Factors that make MENA an attractive destination for PE firms

Favorable demographic mix and high per capita income: The rapid growth in population and a favorable demographic dividend, especially in the GCC region, are supporting the overall domestic demand. During 2008–13, the region's population expanded at a compounded annual growth rate (CAGR) of 3.0% compared with the world average growth of 1.1%. Nearly 70% of GCC's population is in the working-age group (aged 15–59), as against 60% in the UK and the US. Also, the fact that the GCC region has a per capita income of about US$33,000 compared with the world average of US$10,000, augurs well for the strong growth in the region, driven by consumer spending and investment.

Improving political and economic stability: The robust performance of the MENA region has also been aided by the economic reforms in Egypt. While the growth has improved marginally from 2.1% in 2013 to 2.2% in 2014, the reforms unleashed by the new government augur well for the future. Apart from ensuring political stability, the government has also raised taxes and slashed energy subsidies which would give more room for productive spending, especially in the infrastructure sector. IMF has, in fact, forecast an expansion of 3.5% in 2015 and 3.8% in 2016 for the Egyptian economy.

Higher infrastructure investments: The two events, Dubai 2020 Expo and Qatar 2022 Football World Cup would spur growth in the non-oil growth sector. The Expo 2020 is expected to boost economic activity additionally by around US$24 billion in the UAE and also create more than 270,000 new jobs over the next five years. Qatar is expected to witness investments of around US$200 billion on infrastructure projects till 2020. The two mega events are expected to result in a massive surge in business activity in the region and also offer huge opportunities for creation of new employment. In the non-GCC countries, investments are made for better infrastructure, improving political security and safeguarding business environment. In the GCC, diversification also involves efforts taken to boost the development of small and medium enterprises (SMEs) which would

Various factors make MENA an attractive destination PE firms (Contd.)

create local jobs and the creation of better financial infrastructure by developing local debt markets.

Rapidly growing non-oil sector: The regional governments have realized the benefits of a well-diversified economy. They are making efforts to reduce reliance on oil, currently forms nearly 80-90% of export revenues, to raise overall productivity and reduce volatility of output. The non-oil sector, contributing to about 50% of GCC's GDP, has grown from about 3.3% in 2010 to 5.7% in 2014. Construction, tourism, trade and financial services have contributed in a big way to the robust performance of the region in the last few years. Dubai, UAE's most successful emirate, witnessed a double-digit growth in the last three consecutive years amid influx of tourists. Dubai lured ~11 million tourists last year, contributing to a 4.9% in GDP expansion, the fastest pace in six years. Tourism accounts for about 20% of its GDP.

Up gradation of UAE and Qatar: The up gradation of the UAE and Qatar to the status of emerging markets by MSCI in May 2014 has helped boost investor confidence manifold. The weights of UAE and Qatar have been increased to 0.72% and 0.92%, from 0.54% and 0.63%, respectively. This step would help raise the reputation of the GCC region in the business world and improve investor confidence in the region. It is expected to result in fund inflows of aroundUS$1.1 billion in to UAE and US$1.9 billion in to Qatar.

Alternative sources of revenue: MENA countries are exploring alternative sources of tax revenues, such as corporate income or value-added taxes to reduce dependence on oil. The additional revenues from taxes will also add to the existing fiscal surpluses of the government and provide additional cushion against loss in revenues resulting from weak oil prices.

GCC COUNTRIES STAY FOCUSED ON DEVELOPMENT OF SOCIAL SECTORS

The social sector, comprising education, healthcare, infrastructure and housing has been instrumental in the development of MENA in recent years, especially the GCC region. Historically, the GCC countries have used their massive revenues from the hydrocarbon sector to fund the development of the social sector. According to the Institute of International Finance, budgeted expenditures for 2014-15 grew at 4% compared with 15% annual growth in the budget for 2010-13. However, the budgeted spending for 2014-15 was a record high, reflective of the government's intention to crank up spending in the non-oil/social sector despite the signs of plateauing oil revenues.

Realizing the favorable demographic dividend, governments across the GCC region are investing heavily in the development of human capital. Saudi Arabia, in its 2014 budget, allocated 25% of the total expenditure towards education and human resource development, while UAE allocated 21% of its budget towards education alone. Qatar has also doubled its spending on education over the last five years to incorporate innovative techniques in its education system. In view of this, realizing the strong growth opportunities that exist in the education sector, private equity (PE) firms are showing a strong interest in the education sector of the region.

International oil prices have declined by more than 50% since June 2014. This decline is a major cause of concern for the GCC countries, since oil revenues continue to account for more than 50% of the total revenue for most GCC governments. In fact, hydrocarbon revenues contribute to nearly 90% of the government revenues for countries like Saudi Arabia and Kuwait. Despite the oil price decline, most GCC countries have come out with strong budgets for 2015-16 to ensure strong development of non-oil sector. The fact that most of these countries enjoy fiscal surpluses and sizeable cash buffers has given them the leverage to come up with such strong budgets.

Favorable reforms to aid growth

The MENA region witnessed some major reforms in 2014. They include reforms in real estate, labor laws, financial markets and macro-economic reforms.

Real estate reforms in UAE: Most of these reforms are aimed at simplifying procedures, enhancing transparency and tightening the regulatory framework with appropriate checks and balances. These reforms are also expected to reduce risks associated with investment in the real estate sector and hence offer an attractive investment opportunity for PE firms.

- In Dubai, the time required for property certification and registration has been reduced and the process no longer needs to be done at the site, as was the case earlier. Steps have also been taken towards standardizing property contracts in Dubai. To ensure increased accountability of the property developers, a new regulation takes away a developer's right to manage a project if complaints of negligence or mismanagement are received from clients in the first year of the project.

- In the emirate of Abu Dhabi, a new residential property index has been proposed to set a guide for rents in each zone. This is expected to improve transparency by enabling potential tenants to have a clear idea of the rentals for different zones.

- Investor protection norms have been strengthened in the UAE to protect rights of minority investors by enforcing higher disclosure requirements for companies in their annual reports and filings to the stock exchanges.

Labor reforms in Qatar: Qatar has promised to improve its labor laws in view of the expected increase in employment opportunities that arise from the country hosting the football world cup in 2022. The reforms include provision of adequate amenities for workers during workers to improve working conditions and also stricter penalties for contractors who violate the welfare of construction workers.

Financial market reforms in Saudi Arabia: The country decided to open its stock market to direct investment by foreign institutions. The move will not only bring in the capital to broaden its sector-base and support growth but will also enhance its reputation in the business world.

Macro-economic reforms in Oman, Kuwait and Egypt:

- Oman has planned a new privatization program over the next three years to reduce the burden of the public sector. Reforms also include tweaking the subsidy program to ensure that subsidies reach only the needy.

- Kuwait has taken steps towards cutting some of its energy subsidies to curb waste and overuse of its oil resources. In fact, the government accepted a report by a committee on hiking the prices of diesel and kerosene more than three-fold.

- The economy of Egypt has witnessed major reforms ever since Al-Sisi was voted to power in May 2014. The reforms, including a cut in energy subsidies and raise in taxes are expected to boost the Egyptian economy in the years to come. Egypt's high fiscal deficit has been a major obstacle in bringing about the much required investments to revive the economy. The new government's decision to slash energy subsides (which accounted for nearly 30% of the state budget) by one-third, will provide the much needed fiscal room for more productive spending, especially in the infrastructure sector.

MENA gaining traction among global PE firms

MENA is emerging as one of the key investment destination for global PE firms as they focus on tapping in the robust investment opportunities in the region. This is in contrast to scenario during the global economic crisis of 2008 when PE activity in the Middle East nearly came to a halt as the equity and real estate markets collapsed. Thereafter, the growth was further impacted by the chilling effect of the 2011 Arab Spring uprisings. However, with economies in the region looking up, global investors are regaining their appetite for risk leading to increased PE investments in the region.

PE firms across the world were seen making huge investments in the MENA region during 2014. A total of 29 inbound deals were witnessed in the MENA region last year. With 14 deals, US led the inbound PE activity followed by the UK (9 deals). France and Singapore recorded two deals each. Sweden and Malta were the others which invested in the MENA region last year.

Exhibit 12: Major Inbound PE deals in MENA during 2014

Company Name	Date	Company Nation	Deal Value (US$ million)	Sector	Fund/Company Name
ACWA Power International	July 07, 2014	Saudi Arabia	99.9	Energy & utilities	International Finance Corporation
Atlas Bottling Corporation	March 12, 2014	Algeria	80.0	Industrials	Emerging Capital Partners
Topaz Energy and Marine Limited	August 20, 2014	UAE	75.0	Industrials	Standard Chartered Private Equity
DM Healthcare	May 05, 2014	UAE	66.4	Healthcare	Olympus Capital Hldgs Asia, India Value Fund Advisors
Chaabi International Bank Offshore	June 03, 2014	Morocco	36.9	Financials	Proparco SA
Al Jazeera Agricultural Co	September 01, 2014	Jordan	35.0	Food & agriculture	Standard Chartered Private Equity
GEMS Education	August 28, 2014	UAE	-	Education	The Blackstone Group
Universite Centrale Group	December 05, 2014	Tunisia	-	Education	Actis Capital
Mercator Group	April 08, 2014	UAE	-	Energy & utilities	Warburg Pincus
Integrated Diagnostics Holdings	December 16, 2014	Egypt	-	Healthcare	Actis Capital

Source: Bloomberg, S&P Capital IQ, Thomson Banker, Al Masah Capital Research

Alongside witnessing investors from across the globe, MENA also bagged deals from some of the leading global PE firms such as the Blackstone Group, Warburg Pincus, Actis and Standard Chartered Private Equity. In August 2014, the Blackstone Group joined hands with Fajr Capital and Mumtalakat to invest in Dubai-based GEMS Education. Similarly, in April 2014, Warburg Pincus marked its debut deal in MENA, agreeing to acquire a controlling stake in Mercator, a Dubai-based aviation software company, for an undisclosed sum. In December 2014, London-based PE firm Actis announced the acquisition of a 21 % stake in Egypt's healthcare firm Integrated Diagnostics Holdings. In fact, the interest of global PE firms in MENA is so high that at the time of authoring this report it was learnt that, L Capital Asia, a Singapore-based PE firm, did a large investment in Saudi Arabia-based premium dates supplier Bateel. Moreover, TPG Capital, which has an AuM of US$65 billion, is also believed to have signed papers to buy a majority stake in Kudu, a Saudi Arabia-based fast food chain with more than 200 restaurants.

The year also witnessed the battle between a regional PE firm and a US corporate. Egypt-based snack company, Bisco Misr, was much in the news in Nov/Dec 2014 due to the bidding war between Abraaj and Kellogg Co, to acquire the biscuits company. Abraaj, which made the initial offer to acquire Bisco Misr for EGP73.91 per share, faced stiff competition from Kellogg. The month long battle ended in favor of Kellogg, which finally bought Bisco Misr for an offer price of EGP89.86 per share (valuation of US$144 million), 21% higher than Abraaj's opening bid.

In 2014, some of the global PE firms also made profitable exits on their investments in MENA. For instance, Actis sold its entire 9.1% stake in Egypt-based Commercial International Bank (CIB) in two tranches. In March 2014, Actis sold 2.6% stake in CIB to a group of international investors. In May 2014, the PE firm sold the remaining 6.5% stake in CIB to Fairfax Financial Holdings. The financial terms of the exit deal was not disclosed. Actis had acquired 9.1% stake in CIB for US$244 million in July 2009.

Global PEs favor companies in Industrial sector and UAE for investment in MENA

Foreign PE firms were largely seen investing in Industrials, five deals in 2014. Information technology followed with four deals. Consumer & retail, education and financials reported three deals each. Business services, energy & utilities, and healthcare witnessed two deals each. Food & agriculture and transportation & logistics were the other sectors to witness PE interest in 2014.

Amongst all MENA countries, UAE surpassed other countries and registered 10 deals in 2014. Other countries to follow were Egypt (six deals), Jordan (six), Morocco (three), Saudi Arabia (two), and Algeria and Tunisia with one deal each.

Exhibit 13: Top sectors for Inbound PE deals

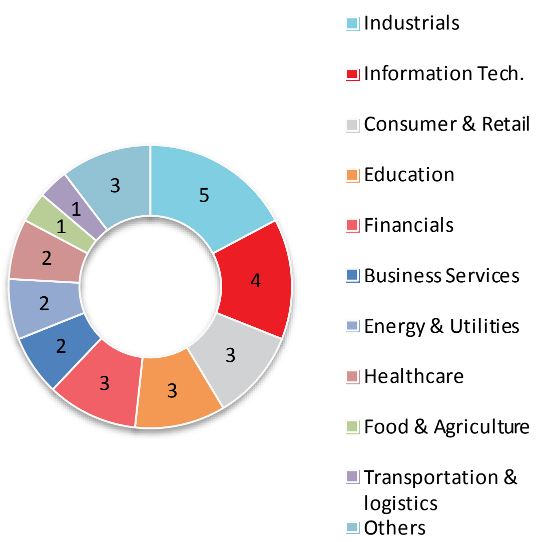
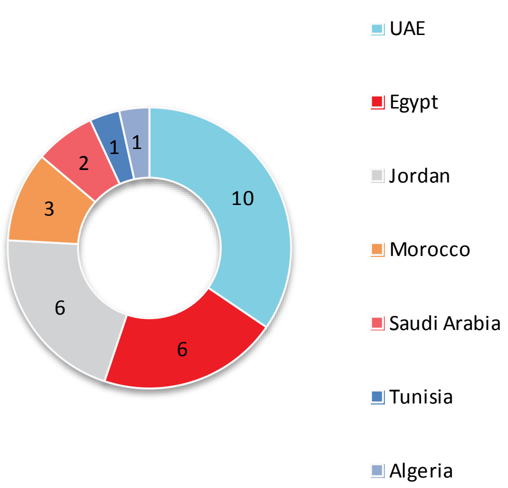


Exhibit 14: Top destination for Inbound PE deals



Source: Bloomberg, S&P Capital IQ, Thomson Banker, Al Masah Capital Research

Survey indicates that global PE firms are upbeat on MENA

MENA is gaining rapidly popularity among LPs. According to the Global Limited Partners Survey 2014, nearly 41% of LPs* (excluding development finance institutions and EM-focused funds-of-funds) are planning to increase the percentage of their total PE allocation focusing on emerging markets over the next two years, higher from the 32% reporting similar intentions in the previous survey. The surveyed LPs anticipate an 2.4% increase in PE allocation to emerging markets. Emerging markets comprise of nearly 19% of the total current capital commitments, of which MENA accounts for 2%.

According to the survey, LPs see MENA as the sixth most attractive markets, up from 10th position in 2013, amongst all emerging markets for general partners (GP) investment over the next 12 months. LPs accounted for nearly one-third of the total inbound deals witnessed in the MENA region in 2014.

Amongst all LPs surveyed, 63% of banks, asset managers and insurance companies have plans to raise their commitments to emerging markets PE funds. The suggest of these investments are clearly reflected in the fact that over 78% of LPs claim that their emerging PE portfolios have met or exceeded their expectations for the asset class in emerging markets. Institutional investors expect PE in emerging markets are capable of delivering higher net returns than in developed markets. Nearly 57% of investors anticipate net returns of at least 16% from their PE portfolios in emerging markets.

Fund raising activity by MENA PE firms

The fund raising activity in MENA region improved by leaps & bounds in 2014. While the total number of funds raised remained unchanged from previous years, the total value of the fund raised improved substantially. In 2014, nine PE funds were announced in the MENA region with a target of raising US$2.6 billion.

GC Equity Partners Fund III and Islamic Development Bank (IDB) Infrastructure Fund II became the largest PE funds launched in 2014, each raising US$750 million. GC Equity Partners Fund III, launched by Gulf Capital, is a control-oriented growth buyout fund, focused primarily on the GCC region. It is also the largest fund raised by Gulf Capital to date and the largest PE fund raising effort in the Middle East over the last three years. IDB Infrastructure Fund II is an infrastructure fund launched by IDB to invest in infrastructure projects across the MENA region. IDB and the founding investors have established ASMA Capital Partners, based in Bahrain, as a multi-fund asset management platform to manage IDB Infrastructure Fund II.

Preqin's data suggests that global PE funds raised US$486 billion in 2014 compared with US$531 raised during 2013. At the height of the buyout boom, PE funds received around US$600 billion a year.

Exhibit 15: Fund raising in MENA during 2014

Fund Name	Status	Announced Date	Fund Manager	Target Size (US$ million)
GC Equity Partners Fund III	Investing	October 2014	Gulf Capital	750.0
Islamic Development Bank Infrastructure Fund II	Fund Raising	July 2014	ASMA Capital Partners	750.0
NBK Capital Equity Partners Fund II	Investing	October 2014	NBK Capital	310.0
Duet-CIC Egypt Opportunities Fund	Announced	June 11, 2014	CI Capital Holding	300.0
Riyadh Capital Venture Capital Fund	Fund Raising	June 2, 2014	Riyadh Capital	266.6
Al Ahli SEDCO Residential Development Fund	Investing	May 2014	NCB Capital	93.3
Impact Fund	Investing	October 2014	Middle East Venture Partners	56.0
Al-Dhawahi Real Estate Development Fund	Investing	October 2014	Swicorp	38.9
FCPR Tuninvest Croissance	Fund Raising	February 2014	Tuninvest Finance Group	11.6

Source: Zawya, Al Masah Capital Research

Below are the AuM details of the four funds managed by Al Masah Capital Limited in MENA.

Exhibit 16: Al Masah Capital Limited (AuM)

Fund Name	Status	Year	Fund Manager	AuM (US$ million)
Healthcare MENA Limited	Investing	2011	Al Masah Capital Limited	135.0
Al Najah Education Limited	Investing	2012	Al Masah Capital Limited	102.0
Diamond Lifestyle Limited	Investing	2013	Al Masah Capital Limited	32.0
Gulf Pinnacle Logistics	Fund Raising	2014	Al Masah Capital Limited	15.0

Source: Al Masah Capital Research

MENA PE firms are shifting from traditional means of fund raising

Fund raising remains one of the most challenging tasks for PE investors across the globe. Availability of cheap credit and stable global economic growth in the past aided PE firms in their fund raising process. However, the current volatility in the global economy as well as tightened credit conditions have thereby prompted PE firms to look for alternate sources of funds. In the recent past some of the leading PE firms have resorted to various methodologies for raising funds such as listing their shares on stock markets and attracting investments from passive investors like Sovereign Wealth Funds (SWFs).

Capital raisings via IPOs from PE firms/funds seems to have finally made an entry into MENA. In 2014, the MENA region witnessed two major Greenfield IPOs, particularly in UAE, such as Marka, followed by Amanat, a healthcare and education start-up run by Dubai-based private equity group Ithmar Capital. The US-based Fortress Investment Group was the first hedge fund and PE firm to go public. The firm debuted on the NYSE with nearly double the offer price of US$18.5 and raised US$634 million. Other PE funds to get listed include: Blackstone Group (raised US$4.1 billion), KKR & Co (US$2.2 billion), Apollo Global Management (US$565 million) and The Carlyle Group (US$671 million).

Exhibit 17 : IPOs by MENA based PE firms in 2014

Company Name	Date	Company Nation	Deal Value (US$ million)	Sector	Fund/Company Name
Amanat Holdings	October 20, 2014	UAE	382	Healthcare	Emirates Financial Services , NBAD
Marka PJSC	April 24, 2014	UAE	77.1	Consumer & retail	CAPM Investment

Source: Zawya, Al Masah Capital Research

In September 2014, Ithmar Capital, a UAE-based PE firm, announced it plans to bring to market a Greenfield IPO, 'Amanat' to exploit the region's booming healthcare market. The IPO size for Amanat was around US$382 million IPO with a flotation of 55% of the company's equity. As per the prospectus, the company aims to use the proceeds from the IPO to take over existing medical facilities or build new ones in the country. Amanat would utilize 70% of the funds raised from the IPO to invest in healthcare and education sector. The company plans to buy majority or full stakes in three to six companies over the next two years. The company is targeting an initial rate of return (IRR) on its investments of around 15%, which will be distributed to shareholders through dividends. Ithmar Capital has a 1.6% stake in Amanat.

Earlier in 2014, UAE-based Marka PJSC, a Dubai– based retailing and restaurants start-up company announced it plans to get listed. The company raised US$75 million, 55% of its capital, in its initial offering that was 36 times subscribed. The capital raised by Marka will be invested for opening more than 100 fashion stores, restaurants and cafes across the region over the next five years. The company also obtained regulatory approval to list in DFM as a Greenfield company wherein it did not have to file financial records for past years as existing companies would have to do. Marka shares closed at AED1.32 on the DFM, up from their initial public offer (IPO) price of AED1.03.

Following the above is Gulf Capital, an Abu Dhabi-based alternative asset management firm, which is seeking to list shares on the Abu Dhabi Securities Exchange. Gulf Capital manages US$3.3 billion worth of assets in seven funds and special purpose vehicles. The firm is highly focused on real estate sector but also has investments in oil and gas services, health and education, and sectors with high government involvement. In 2014, Gulf Capital was the most active fund in MENA, striking four deals during the year.

MENA PE exit deals – 2014

The MENA region witnessed 13 exit deals worth around US$2.2 billion in 2014. Jadwa Investment reported as many as three exits: Abdul Mohsen Al Hokair Group, Al Hammadi Co for Development and Investment and Gulf Union Foods Company. Some of the notable exit deals include:

In August 2014, Dubai International Capital (DIC) sold Mauser Group to PE investor Clayton, Dubilier & Rice for US$1.7 billion. Mauser is a worldwide producer of rigid industrial packaging and was acquired by DIC in 2007 in a deal valued at US$1.1 billion.

In September 2014, Ithmar Capital sold 7.3% of its 27.3% stake in Al Noor Hospitals Group for US$142 million. Established in 1985, Al Noor Hospitals is an Abu Dhabi-based hospital, which provides modern medical surgical facilities with over 200 operational beds. Itmar acted through Ithmar Fund II. Ithmar Capital, a Dubai-based PE firm, had bought the stake in Al Noor Hospitals in June 2010 for US$272 million.

In March 2014, Gulf Capital sold its stake in Gulf Marine Services for an undisclosed amount. Gulf Capital acted through its fund, Gulf Capital Equity Partners II, in the transaction. Abu Dhabi-based Gulf Marine Services operates a fleet of marine vessels, which are mainly used by the oil and gas industry. Gulf Capital is an alternative investment company based in Abu Dhabi with over US$3 billion worth of assets under management.

Exhibit 18 : MENA PE exit deals during 2014

Company Name	Date	Company Nation	Deal Value (US$ million)	Sector	Fund/Company Name
El Sewedy Electric	January 2014	Egypt	12.6	Industrials	Samena Special Situation Fund I
Damas	March 5, 2014	UAE	150.0	Consumer & retail	EFG Capital Partners Fund III
Gulf Marine Services	March 14, 2014	UAE	-	Others	Gulf Capital Equity Partners II
Byrne Equipment Rental	March 25, 2014	UAE	163.0	Industrials	Havenvest Private Equity Middle East
Sotipapier	March 28, 2014	Tunisia	-	Industrials	Intaj Capital II
Abdul Mohsen Al Hokair Group	June 14, 2014	Saudi Arabia	-	Others	Jadwa Tourism & Hospitality Opportunity Fund
Nayifat Installment Co	June 15, 2014	Saudi Arabia	-	Business services	NBK Capital Equity Partners Fund I
Al Hammadi Co for Dev & Inv	July 16, 2014	Saudi Arabia	-	Healthcare	Jadwa Healthcare Opportunities Fund
Gulf Union Foods Company	July 13, 2014	Saudi Arabia	-	Food & agriculture	Jadwa Food and Beverage Opportunity Fund
Mauser	August 4, 2014	UAE	1,700.0	Industrials	Dubai International Capital
Al Noor Hospitals Group	September 11, 2014	UAE	141.9	Healthcare	Ithmar Fund II
Shahiya.com	November 14, 2014	Lebanon	-	Food & agriculture	The Building Block Equity Fund
Able Logistics group	December 2014	UAE	32.0	Transportation & logistics	Growthgate

Source: Zawya, Al Masah Capital Research

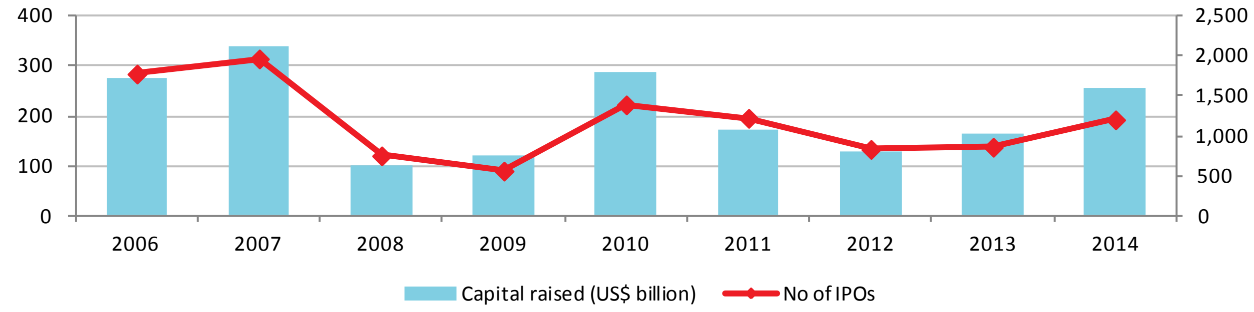
Global IPO activity – 2014

Global IPO activity strengthened in 2014 as the year saw 1,206 IPOs though which US$257 billion was raised compared with 864 IPOs in 2013 which raised US$163 billion. The IPO activity was stronger in H2 2014 which witnessed 618 IPOs raising USUS139 billion compared with 588 IPOs in H1 that raised US$118 billion.

A number of factors led to strong IPO activity in 2014. Low levels of inflation and interest rates encouraged business and consumers in many markets to begin spending and borrowing again, stimulating demand and boosting employment levels. In many geographies, stock markets rallied on rebounding investor confidence and the supportive actions taken by central banks. The combination of low volatility, good corporate earnings growth and a lack of alternative investment options meant risk appetite was focused on equities.

The US led IPO activity in terms of capital raised in 2014, where a total of 288 IPO listings raised US$95 billion. This is the highest number of US deals since 2004 and the highest level of capital raised in the last 15 years. The NASDAQ was the world's busiest exchange by number of IPOs, accounting for 14% of the global total, while New York Stock Exchange (NYSE) led by capital raised (with 29% of global capital). Asia-Pacific led on deal volume, with 546 IPOs raising US$81 billion in 2014, due to a rejuvenated market in Japan, record levels of activity in Australia and New Zealand, and a steady.

Exhibit 19: Global IPO activity by Value & Volume



Source: Ernst & Young, Al Masah Capital Research

MENA IPO activity – 2014

The MENA region witnessed a surge in IPO activity in 2014. During the year, 26 IPOs worth around US$11.1 billion were launched, compared with 17 IPOs worth US$836.6 million in 2013.

Saudi Arabia and Tunisia witnessed the largest number of IPOs for 2014 (six each), followed by UAE and Oman (four each). In terms of value, Saudi Arabia led with IPOs worth US$6.7 billion, followed by the UAE (US$2.7 billion). Sector-wise, industrials witnessed seven IPOS, followed by food & agriculture, telecoms & media, and business services (three each).

In 2014, the largest IPO in the MENA region was that of National Commercial Bank in Saudi Arabia. The IPO raised around US$6 billion and was oversubscribed 23 times. This was followed by the IPO of Emaar Malls in the UAE, which raised around US$1.6 billion and was oversubscribed 25 times.

The highest investor appetite was seen for the IPOs of Dubai Parks and Resorts, and Marka PJSC, whose IPOs were oversubscribed 37.5 times and 36 times, respectively. The most active lead managers for the IPOs in the region were EFG-Hermes, Emirates Financial Services GIB Capital, HSBC and National Bank of Abu Dhabi.

Exhibit 20: IPO Value & Volume, by country

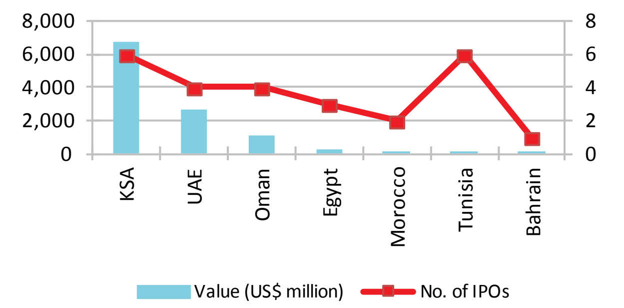
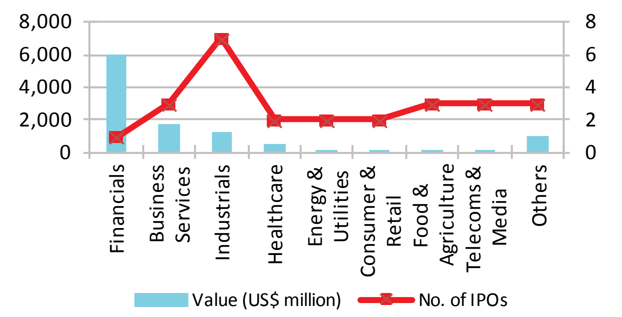


Exhibit 21: IPO Value & Volume, by sector



Source: Zawya, Al Masah Capital Research

Exhibit 22: Major IPOs closed in MENA during 2014

Company Name	IPO Close	Company Nation	Size (US$ million)	Sector	% Return #
National Commercial Bank	October 19, 2014	Saudi Arabia	5,998.1	Financials	22.2%
Emaar Malls Group	October 2, 2014	UAE	1,579.1	Business services	12.1%
Mesaieed Petrochemical Holding	January 21, 2014	Oman	878.0	Industrials	195.0%
Dubai Parks and Resorts	November 30, 2014	UAE	695.3	Others	-27.7%
Amanat Holdings	October 20, 2014	UAE	381.8	Healthcare	-19.9%
Marka	April 24, 2014	UAE	77.1	Consumer & retail	28.2%

Source: Zawya, Al Masah Capital Research; Note: # represents stock performance from the date of listing till Dec 31, 2014

Looking forward

PE outlook for 2015:

MENA PE performed well in 2014. Though the firms hold a positive view for 2015, they are cautious of high market valuations, potential interest rate hike in the US and ongoing competition from strategic buyers.

Numerous factors are likely to drive PE activity in 2015. First, regulatory reforms in various geographies favor PE due to ease of investments. The year 2014 saw various reforms, such as major real estate reforms in the UAE and macro-economic reforms in Egypt. These reforms, which are intended to make it easier for companies to carry out businesses, are likely to boost investor confidence. Second, with the expected rise in US interest rates, financing new projects through debt is likely to become more expensive and therein lies the opportunity for PE investors to provide the necessary capital for businesses.

In the MENA region, continued government spending and increased focus on the non-oil sector are expected to drive PE growth. Ahead of the Dubai Expo 2020 and the FIFA World Cup in Qatar, the non-oil sector comprising infrastructure, tourism, trade and financial services is expected to get a major boost over the next six years or so. An opportunity beckons for PE firms to provide the much needed capital to further expand these sectors.

At the same time, PE funds are likely to be confronted with intense competition, not only with fundraising, but also in scouting attractive deals.

On the whole, we expect PE activity to put up a strong show in 2015, driven by improved economic activity, lucrative opportunities and more favorable regulations.

IPO outlook for 2015:

After witnessing a strong comeback of IPOs in 2014, we anticipate a healthy pipeline of similar offerings in 2015. The improving market fundamentals and valuations alongside government's regulatory reforms are likely to boost the primary market.

In 2014, the regional indexes saw strong performances, especially until mid-September. During 2014, Qatar's bourse was up by 18.4%, while Bahrain bourse gained 14.2% and UAE's benchmark DFM index surged by 12.0%. The capital markets authority in MENA was also seen easing listing restrictions in an attempt to promote domestic companies to consider the IPO route for expansion and fund raising. Many state owned firms like the Muscat Electricity Distribution Company are believed to have announced plans of listing on the local bourse soon.

According to data available from Zawya, MENA may witness over 70 IPO's worth over US$2.7 billion in 2015. Saudi Arabia is likely to lead with nearly 25 new listings, followed by the UAE (15) and Egypt (12). Sector wise, financial services sector dominates the pipeline with 30 IPO's, followed by real estate (seven) and industrial manufacturing (six). In terms of issue size, UAE is likely to lead with ~45% of total offerings, followed by Saudi Arabia (15%) and Egypt (15%). Similar calculations for the sector suggest that companies from financial services, real estate and telecommunications would raise the maximum capital in 2015.

UAE-based Emaar Hospitality is expected to host the largest IPO. Other major IPOs in the pipeline include Société Tunisienne de Banque (Tunisia), Commercial Bank International (UAE), Axiom Telecom (UAE), DM Healthcare (UAE), and Abdullah Abdul Mohsin Al-Khodari Sons Company (Saudi Arabia).

With a steady IPO pipeline in place across range of sectors and businesses and from different geographic markets coupled with MENA region's strong fundamentals, valuations at attractive levels, the IPO activity in 2015 is expected to remain upbeat.

Appendix 1: MENA PE deals during 2014

Company Name	Date	Company Nation	Deal Value (US$ million)	Sector	Fund/Company Name
Fadel Partners	January 2014	Lebanon	1.0	Business services	Middle East Venture Partners
Potential	January 2014	UAE	1.0	Business services	Middle East Venture Partners
Jigsaw Nurseries	January 2014	UAE	-	Education	Al Najah Education
Awani	March 2014	UAE	-	Food & agriculture	Awj Investments Ltd
Bahria	March 2014	UAE	-	Food & agriculture	Awj Investments Ltd
Operation Falafel	March 2014	UAE	-	Food & agriculture	Awj Investments Ltd
Dislog	April 2014	Morocco	27.40	Food & agriculture	Capital North Africa Venture Fund II
Modern Family Foods	April 2014	Egypt	1.21	Food & agriculture	Bedaya Fund
Kool Food	April 16, 2014	Morocco	-	Food & agriculture	Abraaj Capital
Nafith Logistics	May 1, 2014	Jordan	-	Transportation & logistics	Foursan Capital Partners I
Shamsuna Power	May 1, 2014	Jordan	-	Energy and utilities	Foursan Capital Partners I
American Curriculum School	May 17, 2014	UAE	34.00	Education	GFH Capital
Ras Al Khaimah Ceramics	June 2014	UAE	-	Industrials	Samena Special Situation Fund II
One Tech Holding	June 11, 2014	Tunisia	-	Industrials	Maghreb Private Equity Fund III
Wysada	July 2014	Jordan	-	Consumer & retail	Badia Fund
Ameco Medical Industries	July 2014	Egypt	-	Healthcare	TVM Capital
Evolvence Knowledge Investments	July 13, 2014	UAE	30.00	Education	Gulf Capital
Polyclinique Taoufik	July 14, 2014	Tunisia	-	Healthcare	Abraaj Capital
UPC North Africa Renewables	July 15, 2014	Morocco	-	Energy and utilities	Argan Infrastructure Fund
Arabiaweather	August 2014	Jordan	-	Business services	Badia Fund
Anghami	August 31, 2014	Lebanon	-	Telecoms & media	Mobily Ventures VC Fund
Alia Medical Centre	September 2014	Kuwait	-	Healthcare	Healthcare MENA Limited
BRC Industrial (Saudia) Limited	September 7, 2014	Saudi Arabia	-	Industrials	Sadeed Investmnent Limited
Umark	September 8, 2014	Saudi Arabia	-	Consumer & retail	Amwal AlKhaleej
Kngine	September 9, 2014	Egypt	-	Information tech.	The Vodafone Egypt Fund
Omar Suliman Al-Ajaji Medical Co	September 28, 2014	Saudi Arabia	-	Healthcare	Al Khabeer Capital
Global Environmental Mgmt. Services	September 24, 2014	Saudi Arabia	300.00	Business services	Jadwa Capital
Middle East Glass Mfg. Co	September 24, 2014	Egypt	-	Industrials	Gulf Capital
DrBridge Company	October 2014	Egypt	-	Information tech.	Badia Fund
Flemingo International	October 1, 2014	UAE	-	Consumer & retail	Samena Special Situation Fund
Amak	October 8, 2014	Egypt	25.00	Energy and utilities	Gulf Credit Opportunities Fund
German Medical Center	October 11, 2014	UAE	-	Healthcare	Healthcare MENA Limited

Source: Zawya, Al Masah Capital Research

Appendix 1: MENA PE deals during 2014 (Contd.)

Company Name	Date	Company Nation	Deal Value (US$ million)	Sector	Fund/Company Name
GEMS Education	October 15, 2014	UAE	-	Education	Fajr Capital
Hellofood	October 25, 2014	Saudi Arabia	-	Consumer & retail	Mobily Ventures VC Fund
Bookwitty	October 26, 2014	Lebanon	4.00	Information tech.	Middle East Venture Partners
Drama Scene	November 2014	UAE	-	Education	Al Najah Education
Destinations of the World Travel & Tourism	November 14, 2014	UAE	-	Business services	Gulf Capital
Abdul Mohsen Shipping Establishment	December 2014	UAE	-	Transportation & logistics	Gulf Pinnacle Logistics
So Safe Logistics	December 2014	UAE	-	Transportation & logistics	Gulf Pinnacle Logistics
Careem	December 2014	UAE	-	Transportation & logistics	STC Ventures

Source: Zawya, Al Masah Capital Research

Appendix 2: MENA PE exit deals during 2014

Company Name	Date	Company Nation	Size (US$ million)	Sector	Fund/Company Name
El Sewedy Electric	January 2014	Egypt	13	Industrials	Samena Special Situation Fund I
Damas	March 5, 2014	UAE	150	Consumer & retail	EFG Capital Partners Fund III
Gulf Marine Services	March 14, 2014	UAE	NA	Others	Gulf Capital Equity Partners II
Byrne Equipment Rental	March 25, 2014	UAE	163	Industrials	Havenvest PE Middle East
Sotipapier	March 28, 2014	Tunisia	NA	Industrials	Intaj Capital II
Abdul Mohsen Al Hokair Group	June 14, 2014	Saudi Arabia	NA	Others	Jadwa Tourism & Hospitality Opportunity Fund
Nayifat Installment Co	June 15, 2014	Saudi Arabia	NA	Business services	NBK Capital Equity Partners Fund I
Al Hammadi Co for Development & Inv	July 16, 2014	Saudi Arabia	NA	Healthcare	Jadwa Healthcare Opportunities Fund
Gulf Union Foods Company	July 13, 2014	Saudi Arabia	NA	Food & agriculture	Jadwa Food and Beverage Opportunity Fund
Mauser	August 4, 2014	UAE	1,700	Industrials	Dubai International Capital
Al Noor Hospitals Group	September 11, 2014	UAE	142	Healthcare	Ithmar Fund II
Shahiya.com	November 14, 2014	Lebanon	NA	Food & agriculture	The Building Block Equity Fund
Able Logistics group	December 2014	UAE	32	Transportation & logistics	Growthgate

Source: Zawya, Al Masah Capital Research

Appendix 3: MENA Inbound PE deals during 2014

Company Name	Date	Company Nation	Deal Value (US$ million)	Sector	Fund/Company Name
I3zif for Music	February 3, 2014	Jordan	NA	Others	500 Startups
Wuzzuf	February 3, 2014	Egypt	NA	Business services	500 Startups
Ras Al Khaimah Ceramics	March 4, 2014	UAE	NA	Industrials	Samena Capital Management
Atlas Bottling Corporation Sarl	March 12, 2014	Algeria	80.0	Industrials	Emerging Capital Partners
Mercator Group	April 8, 2014	UAE	NA	Energy & utilities	Warburg Pincus
Mixed Dimensions Inc.	April 15, 2014	Jordan	1.0	Information tech.	Ecosystem Ventures, Silicon Badia, Alchemist Accelerator
Nafith Logistics	May 1, 2014	Jordan	NA	Transportation & logistics	International Finance Corporation
DM Healthcare	May 5, 2014	UAE	66.4	Healthcare	Olympus Capital Hldgs Asia, India Value Fund Advisors
Palm Hills Developments Co	May 7, 2014	Egypt	NA	Others	Ripplewood Advisors
Sixth of October for Dvlp & Projects	May 8, 2014	Egypt	30.8	Others	Ripplewood Holdings
Gaming Live Inc.	May 20, 2014	UAE	0.1	Information tech.	Seedcamp
Université Privée de Marrakech	May 28, 2014	Morocco	20.0	Education	Development Partners International
Chaabi International Bank Offshore	June 3, 2014	Morocco	36.9	Financials	Proparco SA
ACWA Power International	July 7, 2014	Saudi Arabia	99.9	Energy & utilities	International Finance Corporation
Unique Maritime Group	July 16, 2014	UAE	NA	Business services	Blue Water Energy Fund I
Gallery AlSharq	August 6, 2014	Jordan	0.1	Consumer & retail	500 Startups
Feesheh.com	August 6, 2014	Jordan	0.1	Consumer & retail	500 Startups
Topaz Energy and Marine Limited	August 20, 2014	UAE	75.0	Industrials	Standard Chartered PE
GEMS Education	August 28, 2014	UAE	NA	Education	The Blackstone Group, Bahrain Mumtalakat, Fajr Capital
Al Jazeera Agricultural Co	September 1, 2014	Jordan	35.0	Food & agriculture	Standard Chartered PE
Eagle Polymers Co	September 2, 2014	Egypt	NA	Industrials	8 Miles
HIAB Middle East	September 24, 2014	UAE	NA	Industrials	Profura AB
Flemingo International	October 1, 2014	UAE	NA	Consumer & retail	Samena Capital Management
Feelit	October 10, 2014	Saudi Arabia	0.1	Information tech.	BootstrapLabs
Cash Plus SA	November 11, 2014	Morocco	NA	Financials	Mediterrània Capital Partners
Rasmala Egypt Asset Management	November 17, 2014	Egypt	NA	Financials	European Islamic Investment Bank
Careem Networks	December 3, 2014	UAE	10.0	Information tech.	Iris Capital
Universite Centrale Group	December 5, 2014	Tunisia	NA	Education	Actis Capital
Integrated Diagnostics Holdings	December 16, 2014	Egypt	NA	Healthcare	Actis Capital

Source: Bloomberg, S&P Capital IQ, Thomson Banker, Al Masah Capital Research

Appendix 4: IPOs in MENA during 2014

Company Name	IPO Close	Company Nation	Size (US$ million)	Sector	Advisors	% Return #
Misr National Steel	January 9, 2014	Egypt	8.4	Industrials	HC Securities	-28.6%
Cellcom	January 17, 2014	Tunisia	6.0	Telecoms & media	Compagnie Gestion	16.9%
Mesaieed Petrochemical Holding Co	January 21, 2014	Oman	878.0	Industrials	Ahli Bank	195.0%
Saudi Marketing Co	January 28, 2014	Saudi Arabia	72.0	Consumer & retail	FALCOM Fin Serv	128.5%
Sotipapier	March 11, 2014	Tunisia	25.6	Industrials	Attijari Intermédiation	-2.0%
Marka	April 24, 2014	UAE	77.1	Consumer & retail	CAPM Investment	28.2%
Umm Al-Qura Cement Co	May 5, 2014	Saudi Arabia	73.3	Industrials	Riyad Capital	265.7%
Arabian Cement Co	May 13, 2014	Egypt	109.4	Industrials	CI Capital Holding	88.3%
Tawasol Group Holding	May 16, 2014	Tunisia	12.4	Telecoms & media	Arab Fin Consult	-33.6%
Lesieur Cristal	May 30, 2014	Morocco	70.6	Food & agriculture	Attijari Intermédiation	7.5%
Abdul Mohsen Al Hokair Group	June 3, 2014	Saudi Arabia	220.0	Others	Saudi Fransi Capital	18.8%
Maghreb International Publicité	June 5, 2014	Tunisia	4.1	Business services	Mac SA	-49.8%
Al Suwadi Power Co	June 9, 2014	Oman	99.4	Energy & utilities	Bank Muscat	31.5%
Al Batinah Power Co	June 9, 2014	Oman	95.1	Energy & utilities	Bank Muscat	31.5%
Al Hammadi Company for Development	June 17, 2014	Saudi Arabia	168.0	Healthcare	Samba Capital	200.3%
Egypt Kuwait Holding Co	June 22, 2014	Egypt	109.1	Business services	EFG-Hermes	-6.3%
Zain Bahrain	September 16, 2014	Bahrain	24.2	Telecoms & media	Gulf International Bank	5.3%
Emaar Malls Group	October 2, 2014	UAE	1,579.1	Business services	EFG-Hermes	12.1%
Al Maha Ceramics Co	October 15, 2014	Oman	20.6	Industrials	Oman Arab Bank	32.5%
Delice Holding	October 16, 2014	Tunisia	65.8	Food & agriculture	Mac SA	3.8%
National Commercial Bank	October 19, 2014	Saudi Arabia	5,998.1	Financials	GIB Capital	22.2%
Amanat Holdings	October 20, 2014	UAE	381.8	Healthcare	Emirates Fin Serv	-19.9%
Electrical Industries Co	November 17, 2014	Saudi Arabia	194.3	Industrials	Samba Capital	3.0%
Dubai Parks and Resorts	November 30, 2014	UAE	695.3	Others	Emirates Fin Serv	-27.7%
Résidences Dar Saada	December 3, 2014	Morocco	127.8	Others	BMCE Capital	-8.1%
Cerealis	December 12, 2014	Tunisia	5.3	Food & agriculture	Axis Gestion	0.3%

Source: Zawya, Al Masah Capital Research; Note: # represents stock performance from the date of listing till Dec 31, 2014

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