

MENA PE Deal space – February 2015

Private equity (PE) deals in MENA picked up pace in February, as reflected by the inking of two deals in the month compared with one in January. The deals were in Saudi Arabia and values were not disclosed. Sector wise, one of the deals was in food & agriculture and the other was in health-care.

For Saudi Arabia, the year seems to have started on a prolific note as far as PE activity is concerned. The kingdom bagged all three deals this year. Saudi Arabia had a strong 2014, where it closed five deals worth US\$300 million (based on disclosed deal values). The rise in PE deal activity seems well timed, as some time back, the country's cabinet approved a law to allow foreign investors to directly access Saudi Arabia's stock market by the first half of 2015.

On a separate note, foreign PE firms and companies are showing great interest in MENA's potential. In February, TPG Capital, along with Abraaj, announced an investment in a popular Saudi fast food chain. A few months back, Kellogg had locked horns with Abraaj to buy Bisco Misr, an Egyptian snack manufacturer.

Exhibit 1: PE Deal Value (US\$ M) & Volume—2014

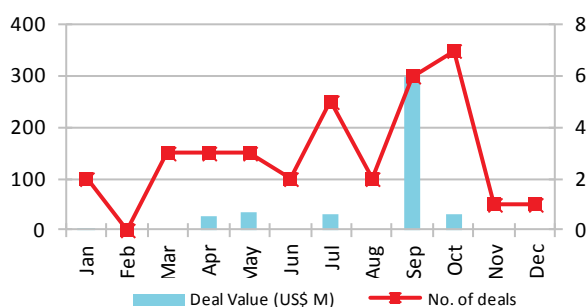
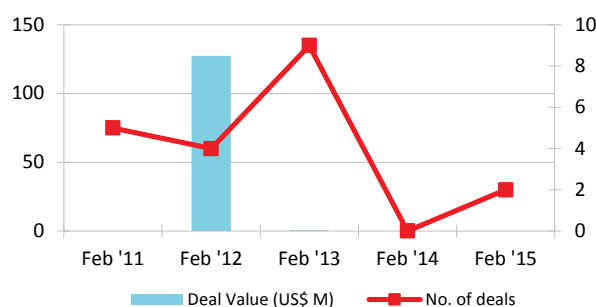


Exhibit 2: PE Deal Value (US\$ M) & Volume



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

MENA PE Deal space – February 2015

On February 15, AlKhabeer Capital announced the acquisition of a majority stake in Eed Group through AlKhabeer Healthcare Private Equity Fund I. Established in 2001, Eed Group is a vertically integrated healthcare provider in Saudi Arabia. The Group initially operated as an independent healthcare provider focusing on aesthetics and outpatient specialty primary care services and has recently started offering additional services such as a pharmacy business, medical equipment supply, and third-party management and operations. The financial terms of the deal were not disclosed. Founded in 2004, Saudi Arabia-based AlKhabeer Capital manages over US\$600 million of Assets under Management (AuM).

On February 3, Abraaj Group, in partnership with TPG Capital, acquired a majority stake in Kudu for an undisclosed sum. Established in 1988, Saudi Arabia-based Kudu is fast food chain with more than 200 restaurants across the country. It mainly serves hamburgers, heavy sandwiches, and western-style breakfast. Founded in 2002, Dubai-based Abraaj Group manages over US\$7.5 billion of AuM. US-based TPG Capital invests in a broad range of industries including consumer and retail, media and telecommunications, industrials, technology, travel and leisure, and health-care. It has more than US\$60 billion of AuM. The deal has not been confirmed by either Abraaj or TPG.

Exhibit 3: Deals in MENA PE space – February 2015

Company Name	Date	Company Nation	Deal Value (US\$ Million)	Sector	Firm/Fund
Eed Group	February 15, 2015	Saudi Arabia	-	Healthcare	AlKhabeer Capital
Kudu	February 3, 2015	Saudi Arabia	-	Food & Agriculture	Abraaj Capital

Source: Zawya, Al Masah Capital Research

MENA PE exit deals – February 2015

There were no exit deals reported in MENA in February.

MENA PE News Wrap-up

Abraaj Group announced the acquisition of a minority stake in Hepsiburada.com. Established in 1998, Turkey-based Hepsiburada is the market leader in the Turkish online retail sector. It records more than 14 million unique monthly visitors. Over the last decade, its revenue grew more than 25 times. Hepsiburada plans to use the money to accelerate the expansion of its e-commerce operations in Turkey, including a custom-built, state-of-the-art fulfillment center. (February 22, 2015)

RiverCrossing Capital Partners announced that it was named the Best New Institution for 2014 by Dubai-based CPI Financial at the Islamic Business & Finance awards. Established in 2014, UK-based RiverCrossing Capital Partners is an alternative investment management firm dedicated to provide Islamically-compliant opportunities in European markets to investors in GCC and Southeast Asia. (February 17, 2015)

Wamda Capital announced that it has raised US\$55.7 million via Wamda MENA Ventures I to invest in MENA. Founded in 2012, Wamda Capital invests in early-stage tech and non-tech-focused start-ups. It invests in the range US\$50,000–250,000. (February 17, 2015)

Qalaa Holdings announced that it seeks to raise US\$300 million in the medium term through divestments. Established in 2004, Qalaa Holdings is an Egypt-based company involved in PE investment activities. The company manages an investment portfolio distributed across 12 countries in MENA and spans 14 industrial sectors such as energy, cement manufacturing, solid waste management, real estate, mining, agricultural, glass manufacturing, transportation, and metallurgy. Qalaa Holdings has over US\$9 billion of AuM. (February 16, 2015)

NBK Capital announced the sale of an undisclosed stake in Dem Pharmaceuticals. Established in 1970, Turkey-based Dem Pharmaceuticals' product portfolio consists of blood products, anesthetic agents, plasma expanders, antibiotics, biotechnology, and bio-similar products procured from leading manufacturers of the world and licensed medicines for human consumption. It currently holds about 100 license files for drugs for human consumption, blood products, and oncology medicines. NBK Capital had invested US\$13 million in Dem Pharmaceuticals through NBK Capital Mezzanine Fund I in December 2011. Founded in 2005, Kuwait-based NBK Capital is an alternative asset management and investment banking firm with over US\$10 billion of AuM. (February 15, 2015)

NBK Capital announced that its NBK Egypt Balanced Fund (Al Mizan) was recognized by the MENA Fund Manager magazine as 'The Best Performing Fund' in its balanced class. (February 8, 2015)

Sarah Alexander, the founding president and former chief executive of the Emerging Markets Private Equity Association (EMPEA), announced her departure from Abraaj Group. Sarah was brought onboard as Managing Director in 2013, to strengthen relationships in North America. (February 6, 2015)

Gulf Capital announced the successful closing of an AED850 million syndicated revolving credit facility arranged by Abu Dhabi Commercial Bank and First Gulf Bank. The new six-year facility is expected to help fund Gulf Capital's growing pipeline of investments across various business units, including private equity, credit and mezzanine, and real estate. Established in 2006, Gulf Capital is an Abu Dhabi-based alternative investment firm with over US\$3 billion of AuM. (February 4, 2015)

Qalaa Holdings announced the sale of 80% stake in Pharos Holding for EGP40 million to a group of investors led by Dr. Mohamed Taymour, Pharos Holding's Chairman and Founder. The exit is part of Qalaa's strategy to divest non-core businesses. Founded in 2005, Egypt-based Pharos Holding is a financial services firm with activities including investment banking, asset management, and securities brokerage. (February 4, 2015)

TVM Capital Healthcare Partners announced the opening of new offices in the US and Lebanon to strengthen partnerships with world-class healthcare providers and increase its research capabilities. Dubai-based TVM Capital Healthcare is a part of TVM Capital, which has over US\$1.2 billion of AuM. (February 3, 2015)

MENA PE News Wrap-up (cont.)

Abraaj Group announced the acquisition of a stake in BRN Yatak Baza Ev Tekstili İşat Sanayi Ticaret Anonim Şirketi (BRN Sleep Products), in partnership with European Bank for Reconstruction and Development (EBRD), for an undisclosed sum. Abraaj acted through its Anatolia Growth Capital Fund. Established in 2006, BRN Sleep Products is a Turkey-based mattress and sleep products manufacturer, exporter, and retailer. It has 11 company-owned retail stores in Turkey and exports products to over 50 countries. (February 3, 2015)

Healthcare MENA Limited (HML) was named the Private Equity Fund of the Year 2014 at the sixth annual MENA Fund Manager performance awards in Dubai. Established in 2011, HML is Al Masah's PE initiative in MENA's healthcare sector. HML's portfolio includes more than 20 hospitals, clinics, pharmacies, diagnostic centers, home healthcare and services, and aesthetic medical care centers across the UAE and Kuwait. Founded in 2010, Al Masah Capital is a Dubai-based alternative investment firm with over US\$500 million of AuM. It primarily invests in the healthcare, education, food and beverages, and logistics sectors. (February 1, 2015)

Source: Zawya, Others

MENA IPO news

No IPOs were announced in MENA in February.

Source: Zawya, Others



Al Masah Capital Management Limited

Level 9, Suite 906 & 907
ETA Star - Liberty House
Dubai International Financial Centre
Dubai-UAE
P.O.Box 506838
Tel: +971 4 4531500
Fax: +971 4 4534145
Email: Research@almasahcapital.com
Website : www.almasahcapital.com

Disclaimer:

This report is prepared by Al Masah Capital Management Limited ("AMCML"). AMCML is a company incorporated under the DIFC Companies Law and is regulated by the Dubai Financial Services Authority ("DFSA"). The information contained in this report does not constitute an offer to sell securities or the solicitation of an offer to buy, or recommendation for investment in, any securities in any jurisdiction. The information in this report is not intended as financial advice and is only intended for professionals with appropriate investment knowledge and ones that AMCML is satisfied meet the regulatory criteria to be classified as a 'Professional Client' as defined under the Rules & Regulations of the appropriate financial authority. Moreover, none of the report is intended as a prospectus within the meaning of the applicable laws of any jurisdiction and none of the report is directed to any person in any country in which the distribution of such report is unlawful. This report provides general information only. The information and opinions in the report constitute a judgment as at the date indicated and are subject to change without notice. The information may therefore not be accurate or current. The information and opinions contained in this report have been compiled or arrived at from sources believed to be reliable in good faith, but no representation or warranty, express, or implied, is made by AMCML, as to their accuracy, completeness or correctness and AMCML does also not warrant that the information is up to date. Moreover, you should be aware of the fact that investments in undertakings, securities or other financial instruments involve risks. Past results do not guarantee future performance. We accept no liability for any loss arising from the use of material presented in this report. This document has not been reviewed by, approved by or filed with the DFSA. This report or any portion hereof may not be reprinted, sold or redistributed without our prior written consent.