

MENA PE Deal Space – September 2015

Private Equity (PE) deal activity in MENA remained subdued in September due to uncertainty over fed rate hike and slowdown in Chinese economy coupled with low oil prices. Only one deal in the financial services and technology sector, worth USD 3 million was struck during the month as compared to 5 deals worth USD 52 million during the same period last year. Going forward, the PE activity in the region will remain lackluster for the rest of the year as PE managers will be cautiously monitoring developments related to domestic reforms, economic growth in China and the movement of oil prices.

A total of 24 PE deals worth USD 2.7 billion were reported as of September 2015 compared to a total of 58 deals worth USD 285.3 million during the same period in 2014. On the other hand, there were just 5 PE exit deals reported until September 2015 worth USD 36.21 million, compared to 16 PE exits during the same period in 2014 worth USD 167.43 million. There were no exit deals reported in the MENA region during the month.

Given the recent turmoil in equity markets, IPO activity in the region have also dried up and is expected to remain subdued for the rest of the year. Consequently, many companies have either decided to push back the date of listing or shelf the decision to go public.

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

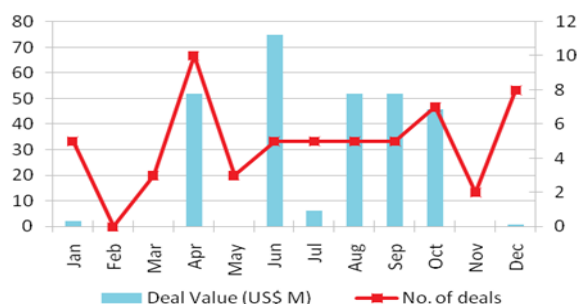
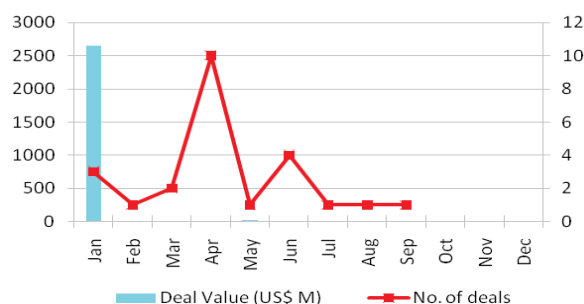


Exhibit 2: PE Deal Value (US\$ M) & Volume



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

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On September 13, Dubai based startup compareit4me.com, which provides financial instruments comparison across the Middle East, raised USD 3 million in VC funding. The websites help users find and compare financial products including personal loans, credit cards and bank accounts. The funding was led by STC Ventures, the VC arm of Saudi Telecom, with backing from Wamda Capital, which is headed up by Aramex founder Fadi Ghandour, and Dubai Silicon Oasis Authority. Notably, compareit4me raised an initial round of angel funding from Mulverhill Associates, run by former Abraaj Capital director Jonathan Hall, in March 2014. Compareit4me is currently present in seven countries, (as compareit4me.com in the UAE, Qatar, Bahrain and Kuwait and under the name of amwalak.com in Saudi Arabia, Egypt and Lebanon) and plans to use the funding for expansion in at least three more countries by the end of 2015.

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

MENA PE Deal Space (cont.)

Exhibit 3: Deals in MENA PE Space – September 2015

Company Name	Date	Company Nation	Deal Value (US\$ Million)	Sector	Firm/Fund
Compareit4me.com	September 13, 2015	UAE	3	Financial Services	STC Ventures

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

MENA PE Exit Deals – September 2015

No exit deals were reported in MENA in September 2015.

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

MENA PE News Wrap-up

Dubai International Capital (DIC), the private equity arm of Dubai Holding, announced completion the sale of Almatiss, the world's leading supplier of premium alumina for the refractory, ceramic and polishing industries to OYAK, Turkey's largest private pension fund. The completion of sale was after receiving all relevant regulatory approvals. Dubai International Capital is a Dubai-based, leading international investment company with a primary focus on private equity in the Middle East, Western Europe and the USA. Almatiss is the world leader in the development, manufacture and supply of premium alumina and alumina-based products with more than 100 years of alumina expertise. (September 1, 2015)

Daman Investments PSC has teamed up with a consortium of partners to bring as many as 15 food and beverage (F&B) industry brands and invest over AED 150 million (USD 40 million) in the GCC market over the coming three years. The signature restaurants will be operated by ICON Arabia, a joint venture between Daman Investments and prominent regional and international partners including ICON Legacy Hospitality, a principal Canadian hospitality and entertainment player with F&B concepts in North America. The three restaurants to be opened under the joint venture in early 2016 are Weslodge, a rugged yet refined contemporary American Saloon, Canadian-based Byblos, an Eastern Mediterranean restaurant rooted in coastal cuisine and the molecular gastronomy bistro, Farzi Café. Daman Investments is a diversified, non-banking financial services company licensed and regulated by the Central Bank of the UAE and the Emirates Securities and Commodities Authority. ICON Legacy is a full-service international hospitality company with a focus on the design and operation of hotels and restaurants. (September 7, 2015)

Qatar Development Bank (QDB) announced a new line of direct (equity) investment offering, designed to support Qatari SMEs "Istithmar". Worth QAR 365 million (USD 100 million), the fund is designed to provide investment to innovative start-up companies and Small & Medium Enterprises, that will contribute to the country's economic diversification directive. The life term of the SME Equity fund reaches up to 10 years, five years for deployment and 3-5 years holding period. Qatar Development Bank (QDB) was established in 1997 as the Qatar Industrial Development Bank, a 100% government-owned developmental organization. Its primary aim is to develop investments within local industries, thereby accelerating growth and economic diversification in Qatar through support for private sector. (September 13, 2015)

Emerging Investment Partners (EIP) have announced its first investment in the Lebanese market, through the acquisition of a majority stake (51%) in the Backyard Hazmieh, an exclusive hospitality and lifestyle destination located within the growing area of Hazmieh. The initiative that was sealed in partnership with Venture Group, a renowned hospitality company. Emerging Investment Partners is an investment management structure established in 2014 by the Obegi group and Generation Alfa, together with Wassim Heneine and Karim Burhani. EIP's objective is to invest in high growth, medium enterprises with regional expansion prospects in diverse sectors in the Levant, North Africa and selected African countries. (September 14, 2015)

UAE based Bayut.com have wrapped up an investment round with USD 9 million in new capital from three global investment funds to fuel growth into newer Middle Eastern markets, particularly Saudi Arabia. The investment has been made into Bayut's holding company, Zamzama Property Group, which also controls Zameen.com, Pakistan's leading property portal. Vostok was one of the three renowned funds that participated in the USD 9 million venture round. Over the last year, the Bayut's portal returned over 100% year-on-year growth in all metrics, including paying agencies and traffic, while its competition remained largely stagnant. Founded in 2007, Bayut is a real estate classified portal in the UAE. (September 29, 2015)

MENA PE News Wrap-up (cont.)

Bahrain-based Investcorp sold a 9.9% stake to a new Gulf-based institutional shareholder for USD 137.8 million. The name of the new shareholder in the bourse filing was not disclosed. Investcorp is a global provider and manager of alternative investment products, serving high-net worth private and institutional clients. The fund company has offices in New York, London, Bahrain, Abu Dhabi and Riyadh with more than USD 10 billion assets under management. (September 30, 2015)

Greenstone Equity Partners, one of the largest independent fund placement firms in the Middle East, announced its collaboration with South Africa based Harith to raise capital from GCC region and for the development of infrastructure projects in Africa. The new partnership will focus on attracting funds for Harith's latest offering, Pan African Infrastructure Development Fund II (PAIDF II), which requires around USD 1 billion in capital to invest in energy, telecommunications, transport and water projects, across the African continent. The Fund has already raised USD 439 million, with a strong infrastructure deal flow of more than 28 projects valuing USD 11 billion in the key focus sectors. (September 30, 2015)

The Abraaj Group, a leading investor operating in global growth markets, announced a partnership, through its second generation North Africa Fund ('ANAF II'), with Tiba Group, a leading education service provider in Egypt. Tiba operates across three verticals and through seven educational institutions in Egypt, serving approximately 20,000 students. Abraaj and Tiba's management team will focus on enhancing its curricula and brand to increase enrolment, upgrading its facilities, and expanding partnerships with potential employers to increase job placements for its University and Academy students. (September 30, 2015)

Carpool Arabia, a carpool startup based in Dubai announced that it has raised USD 350,000 to fund its business activities following an investment by French venture capital company, Kima Ventures and Mediaquest, the region's largest privately owned media company. Carpool Arabia showcased impressive growth figures with 21% month-on-month growth in number of since its inception and the number of transacted seats witnessed a concomitant 20% growth. Kima Ventures, which was started in 2010, with the goal to support and finance innovative companies around the world, has to date made over 300 investments in 24 different countries. (September 30, 2015)

Source: *Zawya*

MENA IPO News

Al Shafar General Contracting (ASGC), a Dubai-based contractor, has hired Goldman Sachs and two other investment banks to arrange a potential initial share sale on the Dubai Financial Market. Founded in 1989, ASGC's major projects includes building of Waldorf Astoria hotel on the emirate's manmade palm-shaped island. (September 7, 2015)

Misr Italia, a real estate developer, plans to launch a 20% share sale on Cairo bourse in the first quarter of 2016. The value of Misr Italia's planned initial public offering (IPO) is expected to reach EGP 7 billion (USD 894 million). Established in 1981, Misr Italia operates in Egyptian real estate, touristic development and interior decoration market, with total investments estimated at EGP 25 billion (USD 3 billion). (September 17, 2015)

Abu Dhabi Islamic Bank (ADIB) raised AED 504 million (USD 137 million) after rights issue were oversubscribed by nearly 3 times. The bank issued 168 million new shares at an issue price of AED 3 (USD 0.82) in order to support its growth that include beefing up its business in Egypt and other emerging markets. During the rights issue, ADIB mobilized 40 of its branches to receive subscriptions. Further, the issue could also be subscribed through ADIB internet banking portal and ADIB mobile banking applications, the first of such cases in UAE equity offerings. (September 21, 2015)

Network International, a developer of payment processing solutions, is considering strategic options, including an initial public offer. The shareholding firms Emirates NBD PJSC and The Abraaj Group, have not taken a decision yet to proceed with any transaction, and further announcements will be made in due course. Abraaj bought 49% of Network International from Emirates NBD for about AED 2 billion (USD 545 million) in late 2010. Network International serves more than 70 banks and financial institutions in the Middle East and Africa and more than 17,000 individual merchants and also manages one of the region's most extensive ATM networks. (September 22, 2015)

Saudi Arabia based power and water project developer, Acwa Power, is aiming for a stock market floatation on the Saudi bourse next year. The company, which has USD 27 billion worth of assets, with another USD 17 billion under construction, is involved in renewable energy projects across Africa and bullish on its growth. With another USD 15 billion worth of projects set for construction in the future, the firm would use regional hubs based in Rabat, Cairo and Johannesburg to expand across the continent. (September 29, 2015)

Source: *Zawya*

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