

MENA PRIVATE EQUITY ASSOCIATION LAUNCHES 9TH REPORT

- UAE and Saudi lead investments by value in the MENA region and investment values in Egypt increased during 2014
- UAE, Lebanon, Jordan and Morocco continue to be active in venture capital investments

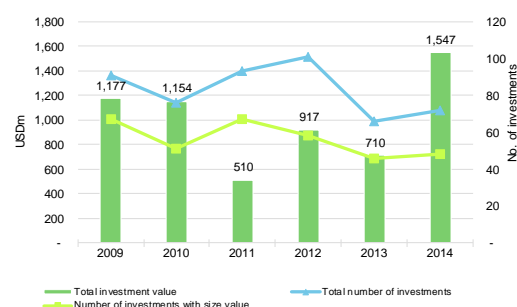
Dubai, 29 July 2015 - The MENA Private Equity Association, a non-profit organisation supporting the development of the private equity and venture capital industry in the Middle East and North Africa, launched today its ninth "MENA Private Equity & Venture Capital" Annual Report. According to the Report, which was compiled in collaboration with Deloitte and Zawya - Thomson Reuters, 2014 was a significant year for the industry and has demonstrated the highest levels since 2008 in investment values and fund raisings. 2014 has also seen growth in investment and divestment volumes compared to 2013.

The year was characterised by some of the largest private equity deals seen in the region. Fund managers had demonstrable success in assembling and working with consortium partners, including international private equity investors, to close major transactions. Overall, there was a sense of returning confidence and increased opportunities as the region continued to emerge from the impact of the Arab Spring.

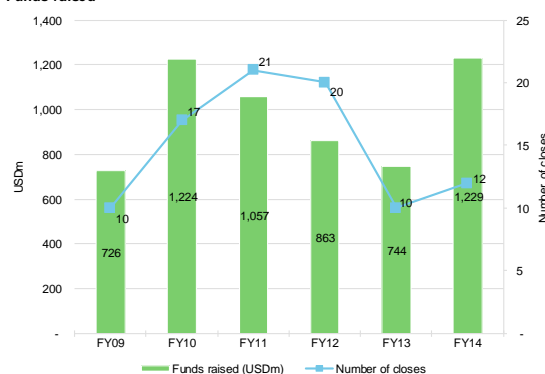
KEY HIGHLIGHTS: 2014 Private Equity and Venture Capital in the Middle East Annual Report

- Total number of known investment volumes increased in 2014 to 72 compared to 66 in 2013. Values of disclosed investments has also seen an increase by 118 per cent to USD 1.5 billion. Notable transactions included Fajr Capital, Mumtalakat and Blackstone joining forces to invest in GEMS Education and a consortium including Fajr Capital investing in National Petroleum Services.
- Total funds raised in 2014 reached the highest level since 2008 at USD 1,229 million compared to USD 744 million in 2013. The average close size also increased to USD 103 million. There was a marginal increase in the number of closes in the year (three funds closed twice in the year) as fund raising in the region continues to be challenging for many market participants due to the limited number of GPs and concerns over geopolitical instability.

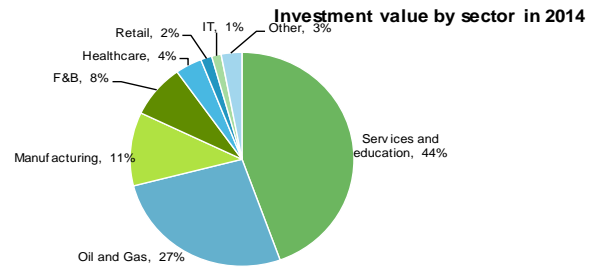
Investment value and volume by year



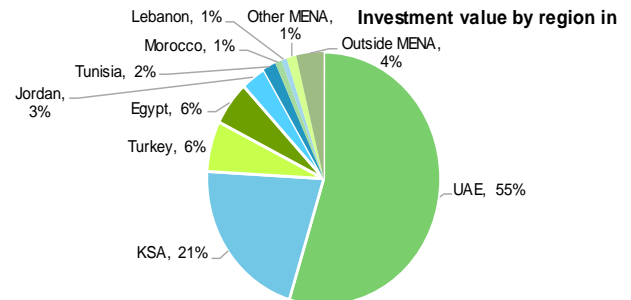
Funds raised



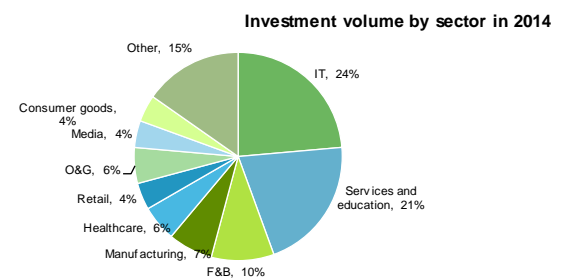
- In 2014, the greatest investment values were in oil and gas and demographic driven sectors such as education, services and food and beverage. Retail, healthcare and consumer goods were also core focus areas for GPs as defensive and consumer driven sectors continue to dominate investment focus.



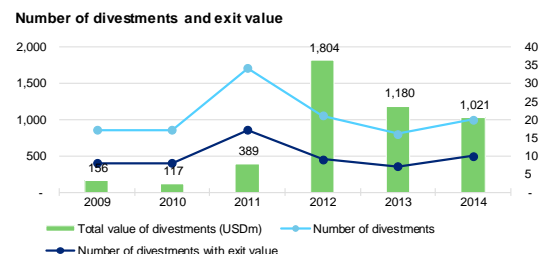
- UAE and Saudi Arabia attracted over 75 per cent of MENA investment activity by value reflecting their scale and stability and increased availability of larger target assets. The two countries accounted for a lower proportion of transaction volumes at 31%
- The value of investments in Egypt doubled over those seen in 2013 as a growing middle class and movement towards increased political stability remain key factors in attracting private equity investment.



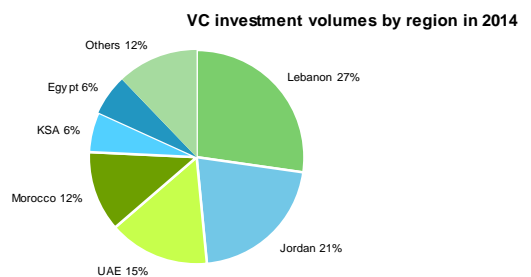
- Information technology businesses saw the largest number of transactions as venture capital investors continued to target the sector. The manufacturing sector has become more attractive post the downturn and investments in that sector increased significantly over 2013.



- Disclosed divestment volumes increased in 2014 to 20 compared to 16 in 2014.



- The venture capital industry in 2014 remained broadly consistent with 2013. Investment activity in 2014 was led by Lebanon. The country is characterised by small and medium size companies. Support from the Lebanese Central Bank has further stimulated interest in investing in start-up companies and SMEs. Jordan, the UAE and Morocco were also notably active in 2014.



Source: Thomson Reuters - Zawya and Deloitte

Imad Ghandour, Managing Director at CedarBridge Partners and a member of the Association's Steering Committee, commented: "Private Equity has permanently established itself over the past decade as a mainstay in the regional financial market as it successfully overcame several economic and political crises. It has now several well established players focused on funding and nurturing tens of young companies of all sizes and in all sectors. Its impact on the development of the

regional private sector is increasingly being felt as such company blossom into strong regional and global operators, each in their respective field. This year report reconfirms again the Association's strong belief of the increasing role in the regional economies."

The long-term outlook for the region remain strong with the demographic profile, relative economic stability, increasingly developed entrepreneurial outlook and underlying liquidity all supporting the view that the private equity and venture capital industries are poised to continue developing positively across the region.

According to Declan Hayes, Managing Director at Deloitte Corporate Finance Limited, "The survey is evidence of a significant development in the industry over the last year with the successful conclusion of a number of large and complex transactions. Our confidence survey demonstrates that while the industry inevitably faces challenges the outlook is certainly positive."

Click here for the [Ninth MENA Private Equity & Venture Capital Annual Report](#)

Or visit:

<http://www.menapea.com/research-association.php>

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About the MENA Private Equity Association

The MENA Private Equity Association is a non-profit entity dedicated to supporting the private equity (PE) and venture capital (VC) industries in the Middle East and North Africa and acts as an ecosystem enabler.

The association was established in 2010 to support the development of a nascent private equity and venture capital industry in the MENA region. It represents the largest MENA private equity and VC firms with more than US\$ 30 billion in assets under management.

In order to encourage the overall PE & VC industry growth, the MENA Private Equity Association issues research and industry reports that highlight the PE and VC successes to local and international stakeholders, and hosts a number of events that bring together PE and VC fund managers, Family businesses, Limited partners, Industry practitioners, Investment Bankers, Advisors and Lawyers.

To further advance the interests of its members and wider industry players, the MENA Private Equity Association thrives to build trust with regulators and its legal task force develops solutions to pressing industry challenges and observes the regulatory regimes across the MENA region in order to petition regulators where necessary to bring about some key regulatory changes across the MENA region.

About the 9th edition of the "Private Equity & Venture Capital in the MENA Region"

This report has been produced by Deloitte in collaboration with Zawya Thomson Reuters as the primary source for data.

Special thanks go to the report sponsors:

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