

> Capital Trust Group:

Private Equity Driving Development

CAPITAL
TRUST
GROUP

Established in 1985, Capital Trust Group (CTG) is a private equity, real estate, and corporate finance advisory firm operating in Europe, the Middle East and North Africa (MENA), and the US. The primary business of the group in the MENA is private equity fund management. In October 2014, CTG held a first close on EuroMena III LP – the group's fourth generation MENA private equity fund and tenth fund overall. A final closing is scheduled during the second half of 2015, targeting total capital commitments of around \$200 million.

MENA TRACK RECORD

Between 1986 and 1998, the group's activities in the MENA were centred on acting as a financial sponsor/promoter and a corporate finance and mergers and acquisitions (M&A) advisor:

- Promoter and/or founding shareholder of pioneering entities in their respective markets: Rana Investment Company (1986), Arab Palestinian Investment Company (1994) and Lebanon Invest (1995).
- M&A: In 1997, CTG advised on the public market acquisition of a majority stake in the SAMIR refinery in Morocco following its privatisation.

PRIVATE EQUITY FUNDS

- MENAVEST LP (1998 vintage) – With total commitments of \$54 million, MENAVEST made and successfully exited eleven investments in Egypt, Lebanon, Jordan, Palestinian Territories, and Morocco. This fund's core strategy was devised to take advantage of the improvement in the MENA capital markets at that time. MENAVEST targeted minority investments in companies which were expected to be listed on local stock markets as the primary exit route.
- EuroMena LP (2006 vintage) – With total commitments of \$63 million, EuroMena is

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fully invested in nine companies in the Levant and North Africa (as illustrated in the pie chart below). This fund is currently in its exit phase with five exits to date realising a 2x return on capital, with similar levels of returns expected for the remaining portfolio investments.

- EuroMena II LP (2009 vintage) – With total commitments of \$90 million, EuroMena II is fully invested in six companies in the Levant and North Africa (as illustrated in the pie chart below). EuroMena II is executing the same strategy and targeting similar returns to EuroMena LP. This fund is currently in its monitoring/exit phase.
- EuroMena III LP (2014 vintage) – The first close of EuroMena III took place in October 2014 at \$100 million. The final close is

scheduled to take place in H2 2015 targeting total commitments of \$200 million. EuroMena III will continue to execute the same strategy as its predecessors with the target geography being enlarged to include Sub-Saharan Africa in addition to the Levant and North Africa.

EUROMENA FUNDS - EUROMENA III

EuroMena III shares the same strategy as EuroMena I and EuroMena II with larger investment tickets and a widened regional coverage to include investments and countries of Sub-Saharan Africa where the MENA diaspora is heavily represented. The fund will invest in private companies operating in pre-identified growth sectors and industries that have the potential to expand from a country level onto a regional one within MENA.

In each sector, it is anticipated that each company will be grown to form a Regional Leading Group (RLG) with clear brand recognition; enhanced profitability achieved through greater efficiencies; efficient management according to international standards and corporate and social policies; and an optimised legal and tax profile.

The fund aims to achieve an emerging market level of return on a medium to long-term basis, from a combination of capital appreciation and current income from direct equity and equity-related investments.

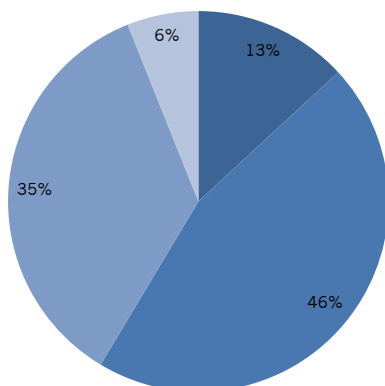
Targeted investment countries are Algeria, Egypt, Iraq (including Kurdistan), Jordan, Lebanon, Libya, Morocco, Palestinian Territories, Tunisia, and countries in Sub-Saharan Africa.

VISION

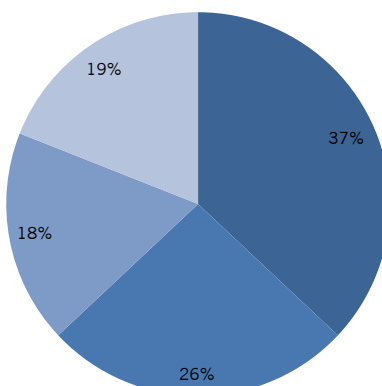
The fund aims to set up a strong link between the GCC (Gulf Cooperation Council) and MENA as well as help bring the MENA region closer together economically, and thus politically. The Gulf has a host of investors looking for investment opportunities and diversification and the MENA region is in need of funding.

EuroMena I Country Allocation

■ Jordan ■ Lebanon ■ Egypt ■ Palestinian Territories

**EuroMena II Country Allocation**

■ Lebanon ■ Egypt ■ Algeria ■ Regional



EXIT STRATEGY

The fund will prepare the RLGs to become ideal targets for Arab, European, and international groups looking to have - through a single acquisition - a strong foothold in the MENA region. Alternatively, the RLGs will be ideal candidates for IPOs or secondary buyouts by regional or international private equity funds.

THE TEAM

The Fund Management Team, based in Beirut, is the same as that of EuroMena and EuroMena II, led by Mr. Romen Mathieu and seconded by Mr. Gilles de Clerck along with the senior members of the team, Ali Mahmoudy and Frederic Dib with Maya Mansour as internal legal counsel. The Team has proven its ability to source attractive regional deal flow, execute investments across MENA, manage its portfolio companies and transform them into RLGs and to exit them successfully achieving high returns.

The team is considered to be amongst the most active and efficient in the region. It advises and assists its portfolio companies on important issues including growth strategies, financing, establishing partnerships with regional and international groups, implementing loyalty and incentive programs for managers, and corporate governance. Team members sit on the boards of its portfolio companies as well as on key executive committees.

The team is supported and complimented by its colleagues in London: Olga Aburdene, Guy Hodgson, and Raney Aburdene with regards to investor relations, deal sourcing, and fund administration.

THE GENERAL PARTNER

Bassam Aburdene and John Oswald have held the role of general partner / investment committee members on all ten CTG funds as well as on five non-CTG investment committees. Having driven the success of the group and nurtured strong investor relations, they are able to lend their expertise and add value to all elements of deal sourcing, monitoring, and exiting.

THE FOUNDATIONS FOR THE DEVELOPMENT OF THE MENA REGION

The success of Capital Trust Group and the EuroMena strategy has attracted leading institutional emerging market investors. The European Investment Bank (EIB) is one of the largest limited partners in EuroMena, EuroMena II, and EuroMena III, demonstrating its ongoing confidence in the group.

The International Finance Corporation (IFC), having provided financing to the group and EuroMena's portfolio companies in the past, has now also committed to EuroMena III. Other institutional investors include the German Investment and Development Corporation (DEG) and Electricité de France (EDF). The group's historic investor base - families from the GCC and MENA region - continue to be significant investors in EuroMena III. ❖