

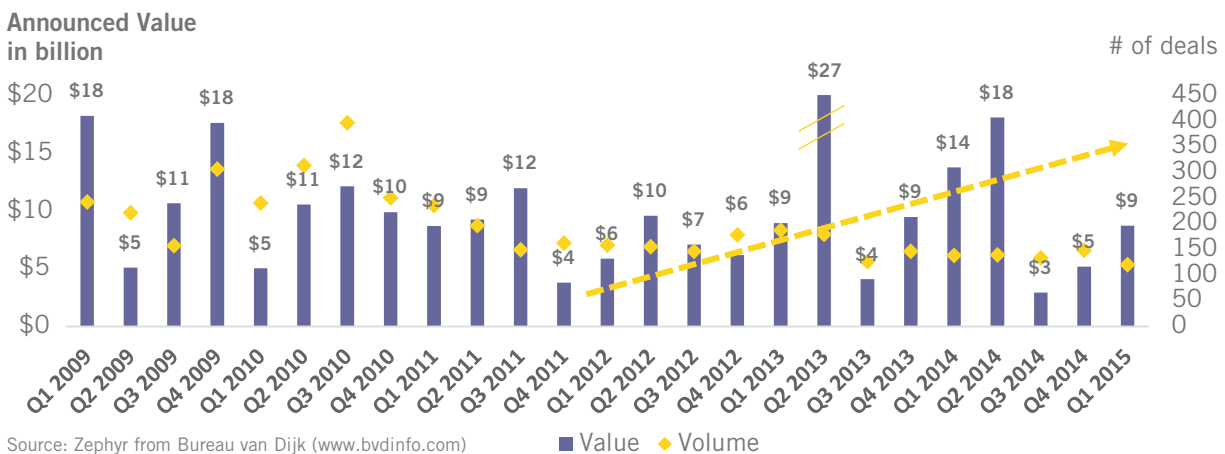
MENA M&A Market Started The Year 2015 On A Positive Note

Bureau van Dijk and MENA Research Partners report on regional M&A activity for the 1st Quarter 2015

Dubai, April 7th, 2015. The MENA M&A market depicted a **steady activity during 1Q2015**, prolonging its 9-month positive performance. Despite depressed oil prices and the regional political turmoil which have resulted in a slower transaction market during last months, recent strength reflects the investor confidence in the MENA region's **long-term compelling economic growth story**.

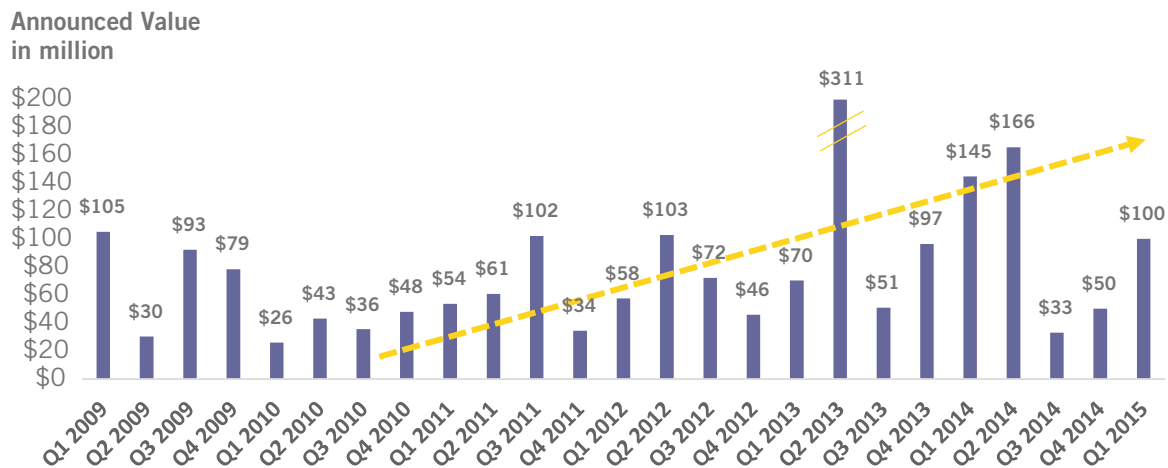
While the **total number of completed deals** has been on a general declining trend since 2009, the **announced value of M&As** reached \$9 billion during 1Q15, reaching its median level of the last 6 years. Such trend is reinstating the **large deal sizes** witnessed during the pre-2008 years, although the gap remains large to bridge. The below graphs 1 & 2 depict the rising trend of the growing value of deals **against the backdrop of declining number of deals**.

Graph1: Quarterly Performance of Completed M&A Deals In MENA



Source: Zephyr from Bureau van Dijk (www.bvdinfo.com)

Graph2: Average Size of the Completed M&A Deals In MENA

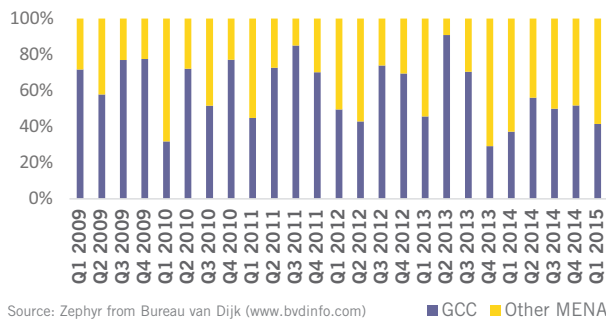


Source: Zephyr from Bureau van Dijk (www.bvdinfo.com)

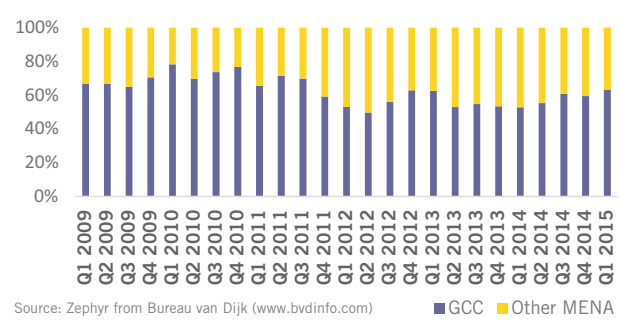
From a **geographic** perspective, deal activity remains driven by a **strong performance in GCC** coupled with an ongoing pick-up in selected Arab Spring countries like **Egypt and Morocco**. In fact, the GCC region continues to account for the bulk of the regional deal flow, with 42% and 63% respectively of the announced value and the volume of completed deals during 1Q2015. This is in line with the general trend witnessed during the years 2013 and 2014, in an indication of larger deals being closed outside the Arabian Gulf countries. All in all, **larger ticket sizes are more common in the GCC, as opposed to a larger number of smaller deals in other MENA countries.**

Lisa Wright, Zephyr director said: “After a disappointing performance in Q3 2014, the last three months of the year represent a marked improvement for the MENA region as aggregate deal value climbed significantly. In all there were 137 deals worth an aggregate USD 8,977 million closed in the MENA region in Q4 2014. However, around 45 per cent of this is attributable to a single high value deal, namely Fonds National d’Investissement’s USD 4,000 million acquisition of Orascom Telecom Algerie, which completed in December. As is often the case, a large value transaction can transform a good quarter to an excellent one.”

Graph3: Geographic Breakdown of the Announced Value of Completed M&A Deals in MENA

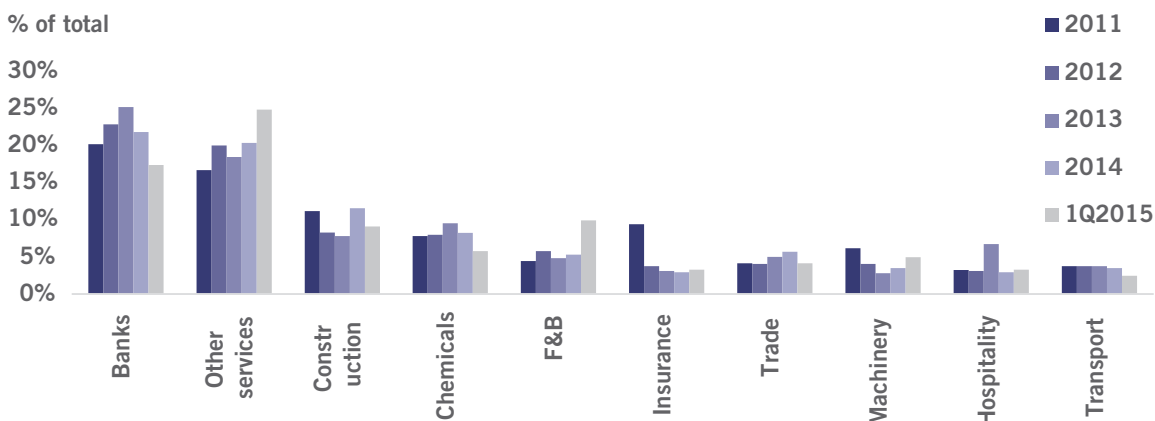


Graph 4: Geographic Breakdown of the Number of Completed M&A Deals in MENA



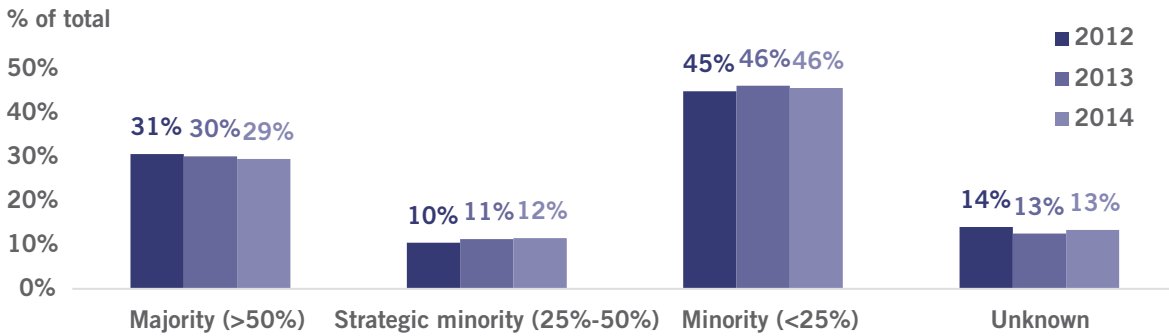
Cyclical sectors continued to be a major focus for the acquirers. During 1Q2015, sectors like banks, construction and service companies continued to account for a substantial share of the regional completed M&As, prolonging the previous years’ trend.

Graph 5: Breakdown of the Number of Completed Deals by Target Sector in MENA



In terms of **deal attitude**, minority acquisitions accounted for most of the number of the regional deals during 1Q2015, sustaining their lead over the past years relative to majority deals. This is in line with the general perception that regional investors are less reluctant to give up control of their business.

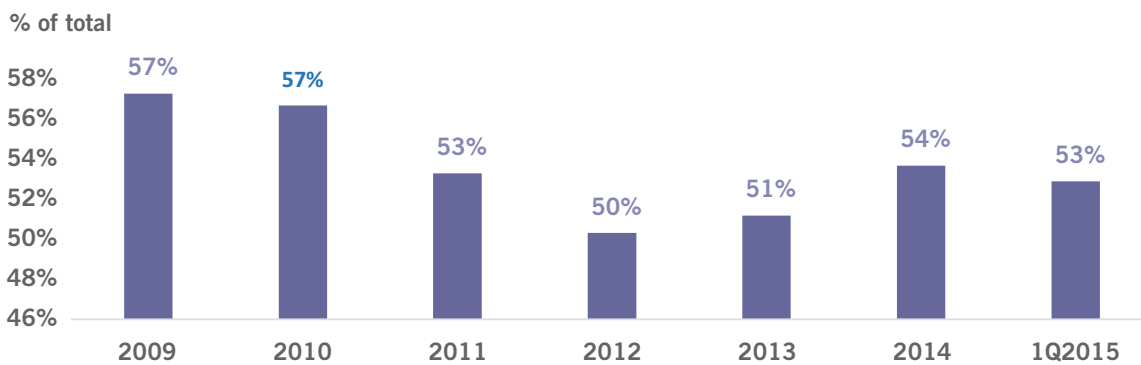
Graph 6: Breakdown of the Number of Completed Deals by % Stake Acquired in MENA



Source: Zephyr from Bureau van Dijk (www.bvdinfo.com)

Foreign acquirers have remained one major component in the MENA M&A market. During 1Q2015, they have accounted for 53% of the number of completed deals, in line with the number witnessed during the past 5 years. These numbers reflect a confidence of global players in a large number of regional economies and their long-term fundamentals. In return, it offers some interesting exit options for local investors.

Graph 7: % Share of Foreign Acquirors in MENA



Source: Zephyr from Bureau van Dijk (www.bvdinfo.com)

About MENA Research Partners

MRP is a research outsourcing company offering customized business intelligence to corporations in the Middle East & North Africa (MENA). MRP services focus on economics, sectors, equities, fixed income, foreign exchange, commodities, companies, M&A and documentation services. MRP products include feasibility studies, primary and secondary market research, company valuation, white label publications, conference presentations, roadshow & pitchbook preparation, database building. MRP client base is made up of commercial banks, brokerage companies, advisory houses, private equity firms, asset managers, consulting firms, governments and private corporations. For more information, please contact Mr. Anthony Hobeika, Managing Director, at ahobeika@mena-rp.com or visit our website www.mena-rp.com.

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