

press release

To raise awareness and discuss the advantages of this instrument to companies:

Standard Chartered Private Equity hosts a workshop on Mezzanine financing opportunities in MENA

SCPE is the biggest Mezzanine investor in the region with largest investment tickets

UAE- October 30, 2011 - Standard Chartered Private Equity (SCPE) hosted today a client workshop on Mezzanine financing under the title, “**Mezzanine Financing Opportunities in MENA**”. The workshop was held in the DIFC Conference Centre and was attended by around 100 participants representing clients, investment banks and private equity firms. SCPE is considered the biggest mezzanine investor in the region and considers investments between USD 25 and USD 100 million per transaction.

The workshop included sessions on the opportunities available for mezzanine financing in the region by Taimoor Labib, Regional Head of Private Equity for Standard Chartered, Middle East and North Africa and Nesreen Srouji, Director, Private Equity, Standard Chartered. Linklaters held a session to discuss the legal considerations associated with this sort of financing.

To set the mezzanine market into context, Marios Maratheftis, Regional Head of Research at Standard Chartered and Hassan Jarrar, Co-Head of Wholesale Banking for Standard Chartered UAE discussed the macro economic landscape in the UAE and the region and the view of mezzanine from the perspective of companies.

Commenting on the opportunities for mezzanine in the region, Taimoor Labib, Regional Head of Private Equity, Standard Chartered MENA said:

“It makes a lot of sense for companies in the region to consider mezzanine financing as an alternative and innovative financing option: it is ideal for family businesses that need

capital but want to avoid equity investments and the dilution of their shareholding. It also makes sense for companies that are relatively highly leveraged and/or that want to restructure their balance sheet. Companies that have good cash flows are ideal candidates for mezzanine financing, even if they do not have a big asset base. As mezzanine investors, we focus more on cash flows and less on collateral”

Mezzanine financing is a capital investment that bridges the gap in a company’s capital structure between debt and equity. It is a hybrid instrument with both a debt component and an equity component. It is flexible, and can be structured to suit the Company’s situation and needs.

“Mezzanine Financing is still new to the region and there are very few players in the market who offer it to their clients,” Labib said. “With international expertise, strong client relationships and deep market understanding, we are ideally positioned to invest mezzanine and equity in our clients.”

“We believe there is a huge opportunity for mezzanine in the region; however, the market still lacks the awareness and understanding of this instrument. Today’s workshop was an ideal networking platform to share expertise and further deepen our client relationships,” Labib added.

Standard Chartered Private Equity (SCPE) is the biggest mezzanine player in the MENA market. In January, SCPE invested USD 75 million of mezzanine capital in Jawad Group, one of the largest and most diversified mid-market fashion and food retailers in the GCC with over 600 stores. Jawad’s franchises include Burger King, Chilli’s, Costa Coffee, Papa John’s, Mango, Monsoon, Accessorize and The White Company, among others. Jawad Group has been a client of Standard Chartered Bank for almost 25 years. SCPE’s investment in Jawad was the largest ever corporate mezzanine transaction in the MENA region.

SCPE most recently invested USD 75 million of equity capital into Construction Products Holding Company (CPC), a subsidiary of the Saudi Bin Laden Group and the leading provider of integrated customized construction products and services to construction and real estate companies in Saudi Arabia. That was SCPE’s first deal in Saudi Arabia and the first major private equity investment of any kind into a large and prestigious Saudi family business.

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