



## **PRESS RELEASE**

# **Abraaj Capital Announces Acquisition of Aureos Capital**

- *Abraaj Capital acquires 100% of Aureos Capital*
- *Aureos and Abraaj's Riyadh Enterprise Development will create the world's largest emerging markets SME focused private equity platform*
- *Transaction is subject to regulatory approvals*

**Dubai, UAE, 20 February, 2012:** Abraaj Capital, a leading private equity manager investing in the rapidly growing economies of the Middle East, Turkey, Asia and Africa, today announced the acquisition of Aureos Capital ("Aureos"), a global private equity fund management group investing in small and medium-sized enterprises ("SMEs") across Asia, Africa and Latin America.

The acquisition of Aureos strengthens Abraaj Capital's position in the emerging markets private equity landscape and enhances its global scale. The combined entity will have approximately US\$ 7.5 billion in assets under management, a presence in over 30 countries across all global emerging markets, and 153 investments managed by a seasoned team of over 150 investment professionals with unmatched local expertise.

With an operational presence in over 20 countries, US\$ 1.3 billion in funds under management and over 250 deals completed in the SME segment in the last two decades, Aureos has built a reputation as the leading emerging markets private equity manager focused on SME investing, combining local insight, extensive proprietary networks and on the ground presence. Through a hands-on engagement model, Aureos has successfully enabled its portfolio companies to scale up their businesses locally and regionally, and deliver value to shareholders and community stakeholders.

The acquisition also brings Aureos together with Abraaj's existing US\$ 650 million SME platform, Riyadh Enterprise Development ("RED"), which is focused on the MENA region. The transaction will create the world's largest SME focused private equity group targeting SME investment opportunities across the high growth markets of Asia, Africa, Middle East and Latin America. While Aureos and RED will benefit from the synergies of being part of a common platform, and operate under the single brand 'Aureos', all Aureos and RED funds will continue according to their existing fund mandates and investment guidelines. The expanded Aureos platform will retain its inherent structure and team within the Abraaj Group.

**Making the announcement, Arif Naqvi, Founder and Group Chief Executive, Abraaj Capital said,** "This is a very exciting opportunity for Abraaj Capital and enables us to further extend our leadership position in emerging markets. Aureos is a globally respected private equity firm with a dedicated team of investment professionals who have extensive experience and knowledge of the markets they invest in, with a geographical footprint totally complementary to Abraaj with no overlap. Both Abraaj Capital and Aureos are 'home grown' emerging markets private equity firms with a similar philosophy and shared values. This acquisition is an important step in our expansion into Latin America, South East Asia and Sub-Saharan Africa and a new chapter in the Abraaj Capital story".

**Commenting on the transaction, Sev Vettivetpillai, Chief Executive Officer, Aureos said,** "The integration with the Abraaj Group is a testament to Aureos' success

and investment proposition in the high-growth economies of Asia, Africa and Latin America. It further validates and strengthens our business model and will provide us with access to greater resources, tremendous synergies in the back office, new markets, and compelling investment opportunities. I look forward to working within the Abraaj Group to further expand the Aureos focus on the SME segment across all emerging markets and integrating our business platforms to further enhance investor returns and long-term value for all stakeholders”

The proposed transaction has been strongly supported by Aureos’ core investors, including CDC.

**Rod Evison, Managing Director at CDC, the UK’s Development Finance Institution, commented,** “Aureos has been able to build its investment business on a track record of careful and market-orientated investment in SMEs, so today’s announcement is good news for entrepreneurs in emerging markets. It will mean increased access to capital and local expertise for businesses to help them grow and reach their potential”.

The acquisition, which is subject to necessary approvals from the relevant authorities and one group of fund investors, is expected to be completed in the first quarter of 2012.

ENDS.

#### **About Abraaj Capital**

The Abraaj Capital group is a leading private equity manager investing in the rapidly growing economies of the Middle East, Turkey, Asia and Africa. Since inception in 2002, it has raised over US\$ 7 billion and distributed around US\$ 3 billion to investors. Headquartered in Dubai, the Abraaj Capital group employs over 170 people and has a presence in Riyadh, Istanbul, Cairo, Singapore, Mumbai, London, Karachi, Beirut, Ramallah, Amman, Casablanca, Algiers and Tunis. The group has helped accelerate and facilitate the growth of over 50 companies in 15 countries in the region, in attractive and fundamental sectors such as healthcare, education, energy, aviation and logistics.

The Abraaj Capital group manages eight Funds: four Private Equity Funds, Riyada Enterprise Development (a Fund dedicated to small and medium enterprises in the Middle East), Kantara (a Fund dedicated to small and midcap enterprises in North Africa), ASAS (an income-generating, real estate

Fund) and a 2004 vintage real estate Fund. The Abraaj Capital group currently has over US\$ 6 billion of assets under management. Funds managed by the Abraaj Capital group have holdings in over 35 companies in the region, which collectively employ in excess of 30,000 people, including Air Arabia, the region's leading low-cost carrier, Network International, the largest independent payment solutions provider in the Middle East and Africa, Integrated Healthcare Holdings, one of the largest private healthcare groups in emerging markets, and Al Borg Laboratories, the Middle East's largest privately owned medical testing laboratory business.

In 2011, Abraaj Capital was ranked the largest private equity firm in emerging markets worldwide by Private Equity International. In addition, Abraaj Capital has won many regional and international awards, including the 'Middle Eastern Private Equity Firm of the Year' for six consecutive years, awarded by Private Equity International.

Abraaj Capital Limited, a member of the Abraaj Capital group is licensed by the Dubai Financial Services Authority (DFSA).

### **About Aureos Capital**

Aureos Capital is a private equity fund management company which specialises in providing expansion and buy-out capital to small and medium sized businesses across Asia, Africa and Latin America.

Since its establishment in 2001, Aureos has increased its funds under management to US\$ 1.3 billion and extended its geographical footprint to over 50 emerging markets covering Asia, Africa and Latin America, by establishing 17 regional private equity funds.

Aureos' funds are managed through its network of more than 25 offices worldwide, by a team of over 90 investment professionals who combine world-class financial and operational expertise with unrivalled local knowledge and experience.

Investors in Aureos funds include institutional investors, bilateral and multilateral development finance institutions, pension funds, sovereign wealth funds, fund of funds, family offices and foundations and high net worth individuals.