

الخليج للاستثمار الإسلامي

Gulf Islamic Investments

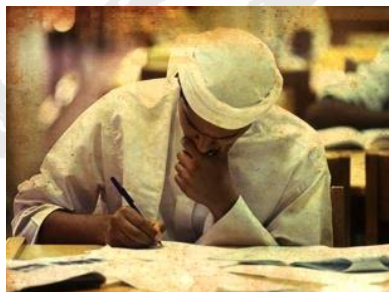
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Topic of the Month

GII Takes on the Education Industry

Education in the GCC, MENA and Africa represents a major societal and economic challenge for the decades to come. Governments across these regions are facing significant challenges to implement serious social and economic infrastructure reforms. Most of them recognize that education and training are the key to such reforms and a necessity to the well-being of their citizens. In the GCC in particular, the significant rate of unemployment



particularly among a young and growing population is challenging the social compact. With the perspective of millions of new job-seekers to flood the market over the middle term, governments identified the need to allocate significant investments to the education sector, to boost English proficiency, teacher training, vocational training, and performance management at the student, school and school district levels; in most cases by leveraging modern information and communication technology. GII anticipates a secular market opportunity for those companies which are able to cater to the needs of local government reform programs. In the GCC, all countries have engaged into an overhaul of their state schools and universities, as part of a raft of reforms designed to build modern states, create jobs for locals and diversify the economy from oil. On May 19, 2014, King Abdullah of Saudi Arabia approved a five-year

plan worth more than \$21.33 billion (SR80 billion) to develop Saudi Arabia's education sector, in addition to the annual budget dedicated to education. Other MENA and African countries are following suit, though usually relying on external sources of financing like development finance institutions, bank funding, etc. That trend is creating opportunity to pick-up large government contracts (oftentimes in excess of \$100 million) for companies with a proven track record of providing services to government education systems.

Recently, we have entered into an agreement with **CORE Education and Technologies**, a leading global end-to-end, technology-enabled education solutions provider, operating across the education spectrum covering primary, secondary, higher education and



vocational training. The agreement covers multiple cooperation fields, including general financial advisory, as well as the promotion of CORE's business and corporate development in the MENA and Africa regions.

As Mohammed Alhassan, Founding Partner and Chief Executive Officer of GII, puts it: "Education is a strategic priority for GII. Our investors like the sector fundamentals, the return potential and the social impact on local societies. We are convinced that the UAE is poised to become a regional hub of the development of world-class education systems."

Corporate News

GII Closes First Transaction! Less than a month after its first kick-off shareholder meeting (see below) GII closes the financing of a staff accommodation building sale and leaseback arrangement in Dubai Investment Park.

The first GII shareholder meeting took place on Monday 26 May followed by a kick-off lunch at Atmosphere, the restaurant located on 123rd Floor of the Burj Khalifah, in the presence of the company's founders and board members, as well as the management and employees.

The GII Board of Directors was appointed by the general body on May 26. Board members will include H.E. Mohammed Ali Rashid Al-Abbaar (Chairman), H.E. Mohammed Rasheed Ahmed Al-Naseri (Vice Chairman), H.E. Sheikh Mohammed Assad Ameen Said, Mr. Fawaz Tamimi, Mr. Ali Abdulla Taha Al-



Khawari, Mr. Terry Daniel Allen and Mr. Mohammed Al-Hassan.

New GII Team on Board. In addition to the GII founders Mohammed Al-Hassan (CEO/GCC), Pankaj Gupta (CEO/UAE), the following individuals will be joining the company over the coming weeks: Mr. Samson Samarajian (CFO), Mr. Jayesh Veerkumar Soneji (Head, Infrastructure and Real Estate), Mr. Jean-Noel Odier (Head, Private Equity), Mr. Mohammed Al-Sayyar (Senior VP, Placement), Mr. Mohammed Al-Muwadda (Senior VP, Placement), Mr. Prashant Kumar Bothra (AVP, Investments), Mrs. Nesrine Nkhaled (Executive Assistant).

New Office Lease Signed.

The company will be headquartered at Boulevard Plaza 2, prime property office at the foot of the Khalifa Tower in Dubai, upon completion of the office fitting scheduled in August.



Ear on the Ground

Global Shortage of Natural Gas Cylinders

Natural Gas Vehicle worldwide fleet is poised to raise to 65 million worldwide in 2020 from 17 million today. This is creating a rapid demand for composite gas cylinders, which will require further



build-up of production capacity. Beyond the NGV market, we expect the other market drivers to boost demand for gas cylinders: fuel cell-powered vehicles will require gas storage capacity as the technology matures and more vehicles become commercially available. Also, we see the emergence of “virtual pipelines” as a low-capex alternative to traditional pipelines: where gas is being transported to plants via road or rail, in storage containers. GII believes that

the GCC is very well positioned to host new gas cylinder manufacturing capacity, due to its low energy cost, proximity to aluminum suppliers, strategic location to distribute products to the growing Asian markets, in addition to Europe.

Turning UAE Landfills into Energy. In 2014, Enerkem the leading Canadian waste to fuel company will be commissioning its first commercial scale plant in Alberta, to produce up to 38 million liters of methanol and ethanol from urban municipal waste. We believe such opportunity exists to develop similar projects in the GCC, which has both feedstock available in large quantities, low energy costs, strong government backing and all the logistics in place to store and export the various types of fuels to be produced.

General News

26 May. Emaar to List Mall Unit on Main Dubai Market After Exemption.

Emaar plans to list its retail division as the operator of the world’s largest mall cashes in on a shopping surge that’s helping drive the emirate’s economic rebound. <http://www.businessweek.com/news/2014-05-26/emaar-to-list-malls-unit-on-main-dubai-market-after-exemption>

29 May. Chief of Dubai’s Arabtec ups stake in company to 21.46% in an investment worth about \$1b which it described as a vote of confidence in the group’s prospects.

<http://gulfnnews.com/business/construction/chief-of-dubai-s-arabtec-ups-stake-in-company-to-21-46-1.1340828>

1 June. Sukuk pipeline for this year looks promising. This is an opportune time for issuers to take advantage of low yields as dovish comments from the US Fed keep yields on US Treasuries low.

<http://gulfnnews.com/business/banking/sukuk-pipeline-for-this-year-looks-promising-1.1341630>

21 May. UAE’s real estate recovery is supported by solid fundamentals: S&P. Oversupply, loss of confidence and a sudden sharp tightening in US monetary policy remains key risks.

<http://gulfnnews.com/business/economy/uae-s-real-estate-recovery-is-supported-by-solid-fundamentals-s-p-1.1336336>

