

Capital Trust Launches EuroMena II, a new 200-250 million dollar fund

Following the success of EuroMena I, a 63 million dollar Beirut managed fund that has closed 7 investments throughout the MENA region in its first 19 months of operation, Capital Trust announces plans to launch a 200 to 250 million dollars fund, Euro Mena II, as of June 2008. This fund will be the third generation fund for Capital Trust after Menavest and EuroMena I.

EuroMena II will continue EuroMena I's strategy to invest in high growth companies in the MENA region. The fund will operate with the same management team led by Mr. Romen Mathieu and Gilles De Clerck. As in EuroMena I, the fund will help its portfolio companies expand to become large regional groups and market leaders in their sectors and will assist them in setting solid strategies and expansion plans through its active participation on the board of directors and in establishing loyalty programs to retain their key employees. The fund will also assist them to obtain financing when needed, and will utilize its network relations to the benefit of its portfolio companies. The fund will actively contribute in developing the managerial, financial, governance, and legal structure of the investments to conform to International Standards for potential listing on regional markets.

Through its investments covering various sectors and geographies, EuroMena I succeeded in its diversification strategy; EuroMena I invested in Egypt, Lebanon, Jordan, The Palestinian Territories, Morocco, and Algeria in industries extending to banking (*IBL - Intercontinental Bank of Lebanon*), financial services (*Palestine Securities Exchange*), food production (*Siniora*), packaging and printing (*Wataniya*), construction materials (*Sodamco*), pharmaceuticals (*AMPC - Arab Manufacturing Pharmaceutical Company*), and technology (*ITWorx*). All EuroMena I investments are meeting the expected growth potential, with most exceeding it.

EuroMena I's current portfolio companies

1. National Printing Company ("Wataniya"):

EuroMena participated in the capital increase of Wataniya/ Shorouk for Printing and Packaging (Egypt) owned by Citadel Capital/ Grandview Investment Holding for the acquisition of Baddar, another complementary company in Egypt. The capital increase aimed at expanding the Company's activities in the MENA and for further acquisition purposes. The Company will capitalize on synergies with its new acquired targets in terms of cross selling, savings on production costs in addition to improved efficiency and geographical diversification.

Gilles De Clerck, Senior manger of EuroMena declared: "This company will be soon a preferred target for an international player as we succeeded in creating a leader in Egypt and soon in the MENA region".

Through its acquisitions, EuroMena I fruitfully partnered with exceptional investors, both financial and strategic, including Materis (*the painting and construction materials European Leader*), Proparco (French government investment arm), VC Bank (*Bahrain based Islamic investment bank*), Jordinvest and Amwal (*Jordan based private equity funds*), and Egypt's Grandview Investment Holding (*a subsidiary of Citadel Capital*), that in addition to co-investment with some of its limited partners. Similar partnerships will also be sought in EuroMena II.

The General Partner of the Fund will be Capital Trust Group represented by Mr. Bassam Aburdene and John Oswald who have also been GPs for the first two funds. Mr. Bassam Abudene, CEO of the Capital Trust Group says EuroMena II will continue the previous funds' strategy in developing and consolidating promising sectors and industries in the MENA region. He continues: "We are among the first private equity houses that have tapped this important and growing part of the world and have the necessary local, regional and international experience to succeed".

Mr. Romen Mathieu, Managing Director of the Fund, emphasizes that "the current economic environment within the MENA region is supportive, and the growing sophistication of investors and investment opportunities is creating a demand for professional well-managed and highly experienced funds within this large region. The EuroMena I's model is the best example, and EuroMena II will give us the means to reach larger companies in the mid-market segment".

The primary investors and sponsors of the EuroMena Fund besides Capital Trust Group are European and Arab institutions and high net worth individuals, including the European Investment Bank - EIB.

2. SODAMCO:

In July 2007, EuroMena arranged and sponsored the acquisition of 30% of Sodamco Holding shares by ER Holding S.A.L (51% owned by EuroMena). ER Holding is contributing actively along side Sodamco's main shareholders to the regional expansion of the company in the MENA region.

Sodamco is specialized in construction chemical materials (mortars and admixtures) and owns several manufacturing entities in Lebanon, Qatar, UAE, Kuwait, Saudi Arabia, Jordan, and soon in Algeria.

EuroMena's investment officer Mr. Karim Burhani said: "Sodamco's management and owners have created a success story by increasing the company's turnover five folds in few years and making it one of the most profitable ones in this specialized sector".

EuroMena is currently negotiating a refinancing operation for ER Holding with Lebanese Banks, the first transaction of its type in Lebanon.

3. IT WORX:

In Egypt, EuroMena arranged a majority stake (79%) acquisition in ITWorx through partnership with Proparco, an affiliate of the French Development Agency (governmental) and Venture Capital Bank, an Islamic investment bank headquartered in Bahrain.

ITWorx, is one of the largest Arab software development companies. It has around 700 employees specialized in developing electronic gates and software, education application, financial services, communication and e-government. Its clients include governments, education sectors, banks and communication committees.

IT WORX has offices in Egypt, the United States, Saudi Arabia, Qatar and Dubai. It is seeking to expand its activities in the Middle East within a plan for the coming five years in order to enter the oil and gas sectors. Mr. Rachid Hanna, investment officer at EuroMena declared, "With the participation of high profile and very active investors and excellent management, we expect to achieve above average growth in ITWorx for the coming five years".

4. IBL (Intercontinental Bank of Lebanon):

In January 2008, EuroMena invested USD 6 million in the fast growing banking sector in Lebanon by taking a stake in IBL (Intercontinental Bank of Lebanon) through its participation in the bank's USD 20 million capital increase operation. This investment was announced on Monday in Beirut.

This capital increase operation aims at supporting the bank's strategy to develop its activity in the region. Following its significant growth in the past couple of years, IBL ranked 11th among Lebanese Banks, and is currently one of the most profitable ones. It is worth noting that the Bank has 13 branches in Lebanon in addition to its presence in Iraq and Cyprus and a representation office in Brazil. The bank plans to launch soon its activities in the very promising market of Syria.

5. Siniora Food Industries:

In March 2007, EuroMena participated in Siniora Food Industries' capital increase for a total participation of 16.34% in Siniora Food Industries. The transaction aimed to increase the Company's production capacity, introduction of new business lines, in addition to expanding to new markets.

Siniora's main activities are the production, distribution, and sale of meat and meat products (Beef, Turkey, Chicken, Roast Products, Salami and Sausages, cold cuts). The Company has production facilities in Jordan and Palestine and exports its products to Lebanon, Syria, Saudi Arabia and other GCC countries and soon in Algeria.

6. Palestine Securities Exchange:

In June 2007, EuroMena invested for a minority stake in the Palestine Securities Exchange (PSE). EuroMena considers this investment as a "strategic one", betting on large possibilities of growth upon achieving political and security stability in the Palestinian territories.

7. APMC (Arab Pharmaceuticals Manufacturing Company):

In December 2006, EuroMena joined a consortium of prominent financial players in the acquisition of a major stake in the Arab Pharmaceutical Manufacturing Company (APMC), the first pharmaceutical company in Jordan established in 1962. EuroMena exited its investment in December 2007 to Hikma Pharmaceuticals, a London stock exchange listed Company, following its take over bid that was approved by APMC's shareholders.

8. ENAP (Entreprise Nationale des Peintures) – Acquisition under process :

In partnership with the European leader in the construction materials and paint production, Materis, EuroMena has got the exclusivity on the privatization process of ENAP (Entreprise Nationale des Peintures), the Algerian leader in production of paints. EuroMena and Materis are currently finalizing the legal structuring with the Algerian government that will keep 34% of the fund. It is to be noted that EuroMena is the first private equity fund to succeed in participation in a privatization in Algeria.

Hereafter is an outline related to the general partner and fund management team of EuroMena:

General Partner representatives:

Bassam F. Aburdene. Bassam F. Aburdene is a director of Capital Trust S.A., and CEO and a director of Capital Trust Limited. Mr. Aburdene has around 30 years experience of investing in and managing companies in MENA. Prior to CT's formation, Mr. Aburdene was General Manager of the Aggad Investment Company in Riyadh. He was responsible for managing the company's investments, which included mergers and acquisitions, corporate finance, and principal investment activities. From 1974-1979, Mr. Aburdene was an investment manager with the Industrial Bank of Kuwait. He has served on board of directors of companies in Jordan, Syria, Lebanon, Morocco and Saudi Arabia, as well as the USA and Europe, including Foreign & Colonial's Middle East Emerging Market Fund Inc., which is listed on the New York Stock Exchange (ticker symbol « EME »). He received an M.A. from Johns Hopkins University and a B.A. from the University of Connecticut.

John P. Oswald. John P. Oswald is a Director of Capital Trust S.A. and a Managing Director of C.T. Capital International, Inc. Mr. Oswald manages CT's U.S. operations and provides advisory services for cross-border transactions. He is currently managing the \$100 million U.S. private equity fund, Bridge East Capital. Mr. Oswald has also acted as the CEO of several of the portfolio companies held by CT. Furthermore, Mr. Oswald was a partner at the international law firm Lord, Day & Lord. His practice was involved in mergers and acquisition transactions, cross-border financing, tax and real estate matters. Mr. Oswald began his career as a Certified Public Accountant with Arthur Andersen & Co., where he specialized in real estate matters. He is a graduate of the New York University School of Law (L.L.M.) and Brooklyn Law School (J.D.).

Georges Mallat: Georges Mallat is a board member and legal advisor for EuroMena. He is a Director of Capital Trust S.A.. He is a partner of Hyam G. Mallat Law Firm since 1997, where he has acted, in his capacity as attorney at law and member of the Beirut Bar Association for the clients of the firm, and has increased its franchise. He has a work experience at the legal department of the Central Bank of Lebanon. Mr Mallat holds a J.D. in Law from Saint Joseph University in Beirut - Lebanon, a B.S. in Business Management from the Lebanese American University - Lebanon, a Degree in Law and Computers from Montpellier I University - France, a Degree in International Environmental Law from Limoges University - France and a Degree in US Laws and International Business from George Washington University / ILI.

EuroMena Fund Management team:

Romen Mathieu is the Managing Director of EuroMena since 2004. He has more than 15 years experience in corporate transactions and advising family owned businesses, covering Europe and the MENA region. He headed Ernst & Young's MENA desk in France and was a Partner of Ernst & Young Corporate Finance (EYCF) and M&A in France. Prior to EYCF's formation, Mr Mathieu worked with Lazard frères, in the M&A and financial affairs team. From 1996 to 1998, he headed the credit department of Banque Saradar in Lebanon and was a member of the bank's credit committee. He began his career with Arthur Andersen, in its corporate restructuring and corporate finance division in France. Mr. Mathieu holds two post-graduate degrees in Finance

(DESS and Magistère) and a Master's degree in Management from the Sorbonne University.

Gilles de Clerck is a Senior Manager of EuroMena. He has more than 15 years experience in strategy and finance, of which more than 6 years were spent in the MENA region with Booz Allen & Hamilton in the restructuring and privatisation programs. He worked in France as a Senior Manager with Vertone, a strategy & management consulting firm. Prior to joining Booz Allen, he worked with L’Oreal in the UAE as an Area Manager and with Price Waterhouse as an auditor. Mr de Clerck holds a graduate degree from the ESSEC School of Management (Paris) and a Bachelor degree in Commerce from the McGill University (Canada).

Olga Aburdene is a Director of Capital Trust Limited. Ms Aburdene is co-Fund Manager of the Group's European private equity and mezzanine debt funds and a member of the EuroMena fund management team. She also assists in the execution and follow up of the Group's US investments. Her role includes deal sourcing, analysis and execution. Prior to joining the Group in 2002, Ms Aburdene worked at Barclays Capital as a corporate finance analyst on the “Balance Sheet Advisory” team, providing corporate finance and strategic advice to European banks and insurance companies. Previously, she had worked at Linnco Europe, a financial brokerage firm. Ms Aburdene holds a B.Sc. in Management from King’s College London.

Karim Burhani is an Investment Officer at EuroMena. Prior to joining the fund, he worked in the Kingdom of Saudi Arabia as a Financial Analyst at Horwath International. Mr. Burhani holds a B.Sc in Banking and Finance and he is a CFA Charter holder.

Rachid Hanna is an Investment Officer at EuroMena. Prior to joining the Group in 2007, Mr. Hanna was a strategy and management consultant within the Deloitte Middle East practice. Previously, he held the position of financial analyst at ECE Consultants. Mr. Hanna holds a Master’s degree in economics from Concordia University (Canada) and a Bachelor’s degree in economics from the American University of Beirut.

Rita Mahfouz is an investment officer at EuroMena. She is a graduate from the American University of Beirut (Bachelor of Business Administration, with certificate for outstanding achievement for graduating class of 2006 in recognition of academic merit and excellence of character, leadership and dedication to service). She is currently in the process of finishing her master’s degree in financial economics.

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