ANIMA Invest in the Mediterranean

ANIMA Investment Network

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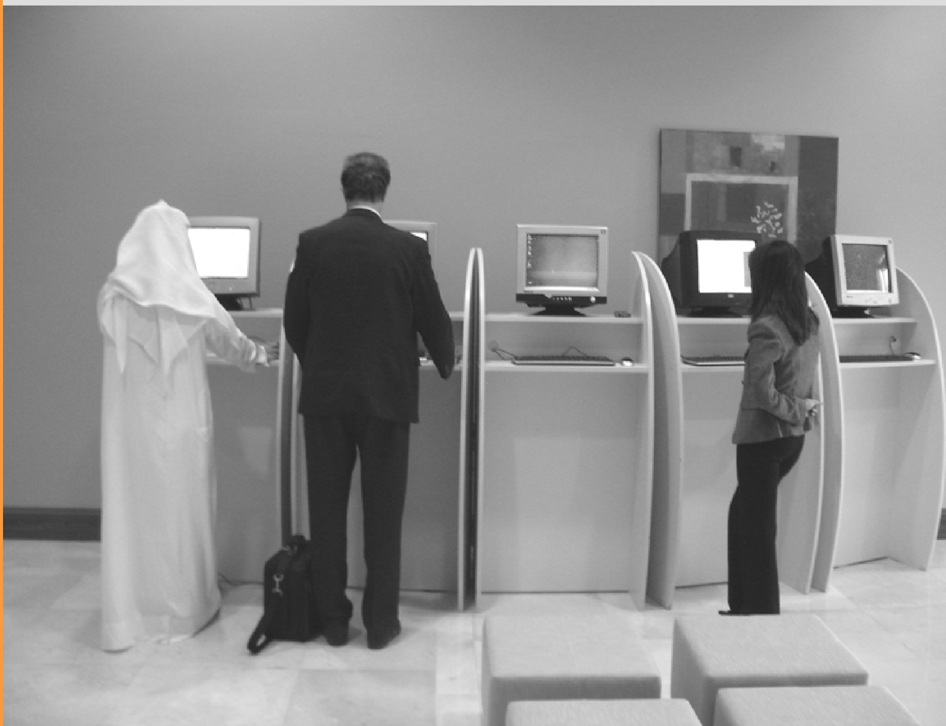

Med Funds Survey: an Overview of Private Equity in the MEDA region

EUROMED CAPITAL FORUM

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References

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ANIMA Investment Network is a multi-country platform supporting the economic development of the Mediterranean. The network gathers around 40 governmental agencies and international networks. The objective of ANIMA is to contribute to a better investment and business climate and to the growth of capital flows into the Mediterranean region. www.anima.coop

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▪ Report written by Raphaël Botiveau (all chapters) and Bénédict de Saint-Laurent (summary).

▪ This study is part of a co-operation scheme about *Private Equity in the Mediterranean* with Euromed Marseille School of Management (contribution to questionnaire).

▪ ANIMA is very grateful to all the fund managers who accepted to answer the survey and looks forward to continuing this fruitful collaboration. You can download the Med Funds Questionnaire at: http://www.animaweb.org/uploads/bases/document/AIN_MedFunds_Questionnaire_Eng_16-1-08.doc Special thanks to Proparco and EIB for their assistance.

▪ Most of the data concerning Israel PE activity comes from the Israel Venture Capital Research Center's IVC 2007 Yearbook.

Acronyms

- ANIMA: Euro-Mediterranean Network of Investment Promotion Agencies (IPAs)
- ECF: Euromed Capital Forum. Euro-Mediterranean PE forum initiated by the Siparex Group and first held in Lyon (2005). Its second edition will be held in Tunis on April 24-25, 2008
- EU: European Union (EU-27, but frequent differentiation between EU-15 –"old" members- and EU-12 – "new" members-)
- EqR: equity raised by a given fund to date
- Euromed: countries from Southern Europe, the Maghreb and Mashreq
- Euro-MENA: MEDA-11 + Euromed + MENA
- FDI: Foreign Direct Investment
- ICT: Information and Communication Technologies
- IRR: Internal Rate of Return
- IPO: Initial Public Offering
- LBO: Leverage Buyout (acquisition of a company financed predominantly by debt)
- MEDA-11: Mediterranean partner countries of the EU (from Morocco to Turkey), plus Libya. Turkey is included for the purpose of this report even though as an official candidate to the EU it no longer falls under the European Neighbourhood Policy
- MENA: Middle East - North Africa = generally conceived as embracing a broader Middle East that includes Gulf countries and beyond
- MIPO: Mediterranean Investment Project Observatory
- PE: Private Equity: in general terms, PE can be considered as a provider of equity capital for companies raising funds outside the stock market in order to expand their activity
- R&D: Research and Development
- TgC: Targeted commitments (the amount a given PE fund targets when launching its subscription)
- VC: Venture Capital (equity capital generally targetting startups)

Contents

Summary

A new attractiveness for the Mediterranean

Neglected or deserted by investors -according to the stereotypes circulated by many economists-, the MEDA region (11 Southern and Eastern Mediterranean countries from Morocco to Turkey) is in fact highly attractive for many. It experiences a strong recovery both in terms of foreign direct investment (FDI)[1] and private equity (PE). While the PE industry is crippled by doubts elsewhere around the world, it is currently booming in the MEDA region!

While FDI measures the attractiveness of the region for international capital (markets, resources, cost effectiveness), PE assesses its *appeal for entrepreneurship and business profitability*. Both indicators are of course highly correlated, but FDI into MEDA is by nature *exogenous* (a belief by foreign operators that the region may be properly *exploited*), when PE is more *endogenous* (entrepreneurs and financiers convinced that operating domestic ventures may yield high returns).

Interested in any initiative contributing to reinforcing the economic development of the Mediterranean, which is often hindered by the lack of financing for companies, the ANIMA Investment Network has decided in 2007 to launch an in-depth survey of private equity in the region.[2] All over the world, PE is not only a privileged way to provide strategic capital to enterprises, but also an excellent driver for improving corporate management, developing transparent accounting or reporting and providing methods and advices for balanced company growth[3].

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[1] FDI into MEDA increased to US$59bn in 2006 (and approximately to the same level in 2007), up from US$6.2bn in 2002 (source: UNCTAD, *World Investment Report*, 2007).

[2] ANIMA relied on public data (gathered through its economic intelligence means), as well as on a questionnaire that you can download at: http://www.animaweb.org/uploads/bases/document/AIN_MedFunds_Questionnaire_Eng_16-1-08.doc It was sent to 139 funds, out of Israel, and answered by 57 (41%). Personal contacts were established with most of PE firms and will be helpful to update the survey.

[3] In this respect, the parallel with FDI –a good lever for country reforms, improvement of business environment and transfer of international experience- may also be evoked.

Key findings: the boom of PE in the MEDA region

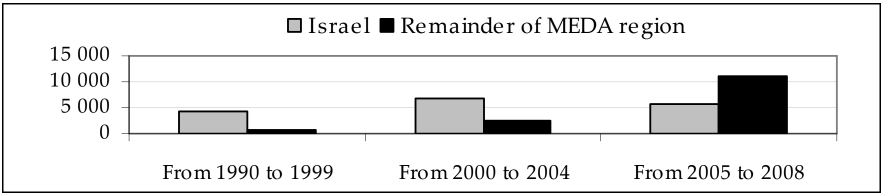
The results of this survey are striking:

- This report shows that 139 funds, most of them very recent, are operating in the region (43% out of a total of 320 PE funds), plus 181 funds in Israel (57%), compared to around 30 MEDA-destined funds (out of Israel) were identified three years ago on the occasion of an ANIMA study on innovation[4];
- The amount of capital committed is much over expectations: US$40bn in terms of targeted commitments and US$31bn in terms of equity raised.

The pattern of PE in the region is also dramatically changing:

- Indeed, if Israel still represents around half of the stock (55% of equity raised and 38% of targeted commitments), the share of the other MEDA countries is rapidly increasing (Figure 1);

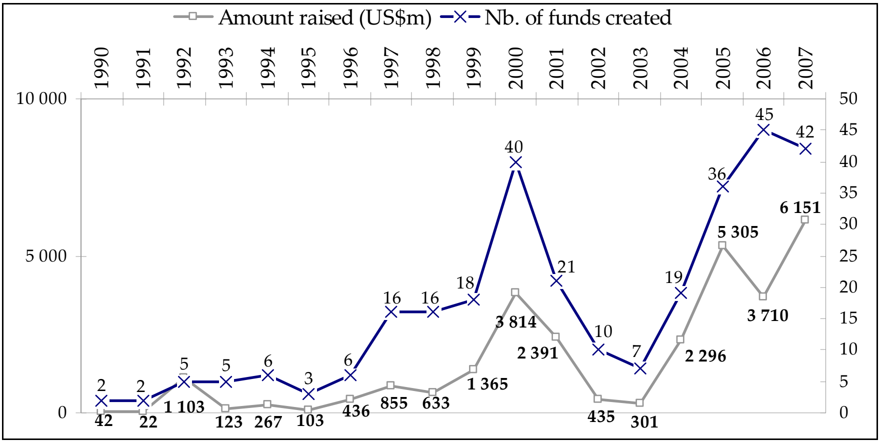
Figure 1. Equity raised per time period (in US$m, ANIMA survey)



- After a peak in year 2000, mostly related to Israel technology funds and a decrease following the e-crisis (Figure 2), the number of funds and capital raised increased after 2003, mostly thanks to MEDA late stage funds;

[4] *MedIntelligence,* a survey of innovation poles in the Mediterranean, ANIMA 2005.

Figure 2. Funds created and capital raised per year, 1990-2007 (in US$m, ANIMA survey)



- In the last 3 years (2005 to 2007), the equity raised (US$15.2bn) in 141 newly incorporated funds is exceeding the total equity stock funded from 1990 to 2004 (US$14.3bn).

The geography of MEDA funds is also moving fast:

- Half of the equity raised (Figure 3) is of *domestic* origin (MEDA, of which two-thirds from Israel), while USA/Canada and the Gulf both counts for over 20% with Europe trailing (only 3%!);

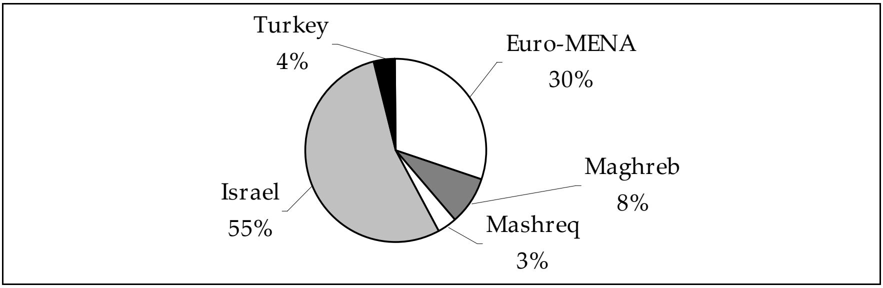
Figure 3. Equity raised per region of origin (in US$m, ANIMA survey)

Region of origin	**Equity raised in US$m**	**%**
MEDA-11	15 723	51%
of which Israel	*11 162*	*36%*
USA/Canada	7 164	23%
Gulf countries	6 765	22%
Europe	914	3%
Euromed region	392	1%
Other countries	39	0%
Total	**30 997**	**100%**

- The main recipients (Figure 4) are of course Israel (US$16.7bn raised), the Euro-MENA region in general (US$9.4bn), followed by the Maghreb (US$2.5bn). Turkey (US$1.2bn) and Mashreq (US$1.1bn) come next.

- Funds exist in all the countries in the region, including Syria and Libya (with the notable exception of Palestine).

Figure 4. Equity raised per region of destination (ANIMA survey)



Weaknesses and expectations...

MEDA funds' activity seems **quite sound** and **not excessively speculative:**

- The average amount raised per fund, now US$105m, is *increasing*[5];
- The ticket per investment ranges from US$1.9m (average minimum) to US$12.6m (average maximum) – *relatively high figures* that illustrate the existing equity gap in the US$0.1m to 2m average ticket category (lack of early stage);
- The average portfolio contains 5.9 deals, with *only 28% of funds having made more than 8 deals*;
- 35% of funds are *generalists* (multi-sector). Then ICT & Innovation comes as the highest focus (31%) –mainly due to Israel Venture Capital (VC) funds, followed by "other industries" (16%), consumer goods (7%), public works (6%), energy and services (2% each)[6];
- These investments are engaged on the *medium/long run:* the average maturity per fund is 8.9 years, the maturity per project 4.8 years;

[5] Despite the fact that the ANIMA survey excluded many huge real estate/tourism funds, as well as other types of equity vehicles such as the sovereign wealth funds.
[6] For the purpose of this survey, ANIMA has relied on a broad and inclusive definition of sectors (See Appendix 2: Rationale, methodology and definitions).

- Funds are also and obviously expected to be *profitable:* the average IRR targeted is 21.1%.

However, **the situation is not perfect either:**

- The recent trend is towards *mega-funds*, more designed for project finance or real estate/tourism than for the financing of SMEs –a priority in the region;
- The average ticket, US$7.4m, is often *too high for domestic SMEs;*
- In terms of stages, there is a clear *dichotomy between Israel and the other MEDA countries:* over US$31bn raised, US$4.2bn has the potential to be invested in R&D (all in Israel), US$5.1bn in seed capital (91% in Israel) and US$5.5bn in venture capital (87% in Israel). On the contrary, US$11bn are destined for growth (37% in Israel, 63% in the remainder of MEDA), and US$5bn for LBOs, almost all (97%) for the rest of MEDA;
- Though not scarce, exits (7.1 per fund for the whole period 1990-2008 - mainly in Israel, but only 2 per fund for the funds created from 2000 onwards) are sometimes difficult. In the ANIMA sample, 42% of funds are favouring a private exit strategy, 39% a public exit (IPO) and 12% redemption (put option). In short: it is still early to gauge the quality and profitability of MEDA exits (excluding Israel) as most funds are yet to exit.

Even though the Mediterranean PE market still has to mature, it is giving birth to a new reality where more and more operators tend to reason on a regional basis (see further sections on Euromed funds and Gulf funds).

The outcomes for private equity development in MEDA will strongly depend on the countries' business climate, the grassroots measures encouraging SME activity and the regional integration. Markets and opportunities are there. If not too speculative (stressed LBOs, short term investments), *PE can prove a remarkable instrument to streamline companies, develop efficiency, transfer tools and methods, accompany start-ups, transform the industrial fabric, create wealth and jobs – a must for MEDA*.

In this perspective, Euromed Capital Forum, an organisation in which ANIMA is proud to have been involved from the very start, may play a key role in building a proactive MEDA PE community.

A recent take-off

ANIMA's Med Funds observatory: main figures

Given the difficulty to collect information on an issue that remains a relatively sensitive one (mainly because of confidentiality concerns on the part of PE firms, but also because PE is a world where informal and personal contact play an important part), the data introduced in this survey should be approached with caution (see Appendix 2: Rationale, methodology and definitions). Not all the funds are willing to disclose what they consider as strategic information. Errors and misinterpretations are also possible. Yet the figures presented by ANIMA represent the most important effort undertaken so far to embrace PE activities in the MEDA region, both in geography and time frame (from 1990 to 2008).

If one puts Israel[7] aside, there were virtually no PE funds in MEDA until the 2000s. There were of course a few exceptions, located mainly in the Maghreb, but they remained isolated. Less than a decade later, ANIMA has identified 320 funds. They are currently operating or in the process of being launched, within the MEDA region itself or directed towards it. There are 139 funds out of Israel, representing 46% and operating throughout the region from Morocco to Turkey.

2005-2008: a turning point for MEDA PE

When excluding Israel, figure 6 shows that 94 MEDA funds were launched since 2005 (out of 139, a 67% increase in comparison with the prior period). Among the remaining 45 funds, 31 were launched between 2000 and 2004, and 14 prior to 2000.

[7] Due its specific economic situation (especially its integration to the US economy), which deeply impacts on its PE and VC landscape, Israel will be considered apart in some sections of the present survey. For this country, most of the data come from the Israel Venture Capital Research Center's *IVC 2007 Yearbook*.

Figure 5. PE funds by welcoming country and region (ANIMA survey)

Host region	Host countries	Total funds (number and %)		Raised equity (amounts, US$m, and %)	
Euro-MENA	Euromed countries	4	1%	463	1%
	MEDA-11	14	4%	1 781	6%
	MENA	44	14%	6 983	23%
	MENA + emerging[8]	4	1%	190	1%
Total Euro-MENA		**66**	**21%**	**9 417**	**30%**
Maghreb	Algeria	1	0.3%	2	0.01%
	Alg./ Mor./ Tun.	16	5%	1 579	5%
	Libya	2	1%	52	0,2%
	Morocco	18	6%	846	3%
	Tunisia	9	3%	64	0.2%
Total Maghreb		**46**	**14%**	**2 543**	**8%**
Mashreq	Egypt	10	3%	611	2%
	Jordan	5	2%	432	1%
	Lebanon	2	1%	36	0.1%
	Syria	1	0.3%		
Total Mashreq		**18**	**6%**	**1 079**	**3%**
Other MEDA	Israel	181	57%	16 740	54%
	Turkey	9	3%	1 218	4%
Total Other MEDA		**190**	**59%**	**17 958**	**58%**
Grand total		**320**	**100%**	**30 997**	**100%**

In terms of the equity raised (see Figure 7), this increase is as impressive: while approximately US$14.2bn was raised by PE firms between 1990 and 2004, the equity raised between 2005 and 2008 reaches US$16.8bn (including US$11.2bn for all MEDA countries excluding Israel), a 54% increase over the past three years.

For the period 2005-2007, ANIMA's Mediterranean Investment Project Observatory (MIPO) has inventoried US$172.2 billion in Foreign Direct Investment projects targeting the MEDA region (excluding Malta and Cyprus). The equity raised by Med Funds during the same period (US$15.2bn) therefore accounts for 9% of the total FDI into MEDA. Translated into targeted commitments, this amount reaches US$22.3bn, or 13% of total FDI projects for the same period.

[8] PE funds dedicated to emerging countries in general, with a focus on MEDA in particular.

Figure 6. Number and % of funds created by region, country and date (Israel excluded)

Host region	Host countries	From 1990 to 1999		From 2000 to 2004		From 2005 to 2008		Total	
Euro-MENA	Euromed countries			1	1%	3	2%	4	3%
	MEDA-11	4	3%	2	1%	8	6%	14	10%
	MENA			4	3%	40	29%	44	32%
	MENA + emerging					4	3%	4	3%
Total Euro-MENA		**4**	**3%**	**7**	**5%**	**55**	**40%**	**66**	**47%**
Maghreb	Algeria	1	1%					1	1%
	Alg./ Mor./ Tun.	1	1%	8	6%	7	5%	16	12%
	Libya					2	1%	2	1%
	Morocco	1	1%	4	3%	13	9%	18	13%
	Tunisia	5	4%	1	1%	3	2%	9	6%
Total Maghreb		**8**	**6%**	**13**	**9%**	**25**	**18%**	**46**	**33%**
Mashreq	Egypt	1	1%	4	3%	5	4%	10	7%
	Jordan			2	1%	3	2%	5	4%
	Lebanon			1	1%	1	1%	2	1%
	Syria					1	1%	1	1%
Total Mashreq		**1**	**1%**	**7**	**5%**	**10**	**7%**	**18**	**13%**
Other MEDA	Turkey	1	1%	4	3%	4	3%	9	6%
Total		14	10%	31	22%	94	68%	139	100%

Figure 7. Raised amounts by launch date and host region (in US$m, ANIMA survey)

Host region	1990 to 2000	2000 to 2005	2005 to 2008	Total
Maghreb	67	598	1 878	2 543
Mashreq	174	113	793	1 079
Other MEDA	4 347	7 085	6 526	17 958
Euro-MENA region	360	1 442	7 615	9 417
Total	4 948	9 237	16 811	30 997

Despite the differences in the origin of capital (fund subscriptions can be domestic), such a comparison is an interesting indicator of the impact of PE on the regional investment landscape. Hence if the amounts mentioned cannot be automatically assimilated to actual investments in the region (being raised amounts, they still have to be actually invested in companies), they are potential equity for MEDA enterprises.

Attracting more PE, still more needed

There is now a clear and new interest for the Mediterranean on the part of the PE firms concerned. The Emerging Markets Private Equity Association (EMPEA) described 2007 as a *milestone for Private Equity in emerging markets.* According to this organisation, 204 funds focused on emerging markets raised US$59bn in 2007, a 78% increase over the US$33bn raised in 2006. In this figure, MENA funds amount for US$5.03bn[9]. The regions covered are different but EMPEA's figures tend to confirm ANIMA's findings for MEDA, that is a US$6.2bn in equity raised for funds launched in 2007. This amount is reduced to US$4.3bn excluding Israel.

According to some of the main PE players involved in MEDA, this trend is not ready to change. For Arif Naqvi, CEO of Dubai-based Abraaj Capital, a major regional PE firm launched in 2002 with nearly US$3bn dedicated to the MENA region, PE actors will have to invest about US$50bn in the Middle East during the next few years in order to meet new investment opportunities. These opportunities originate in privatisations but also, according to Naqvi, in the US$500bn to US$ 1 trillion that Middle East and North African nations would need in infrastructure investments.[10]

This new trend raises the issue of *what is private equity* and *what is it for*. In the region, funds are not only launched in the 'traditional' domain of PE –financing of enterprises-, but also in the area of public or social needs –delegated management, concessions, licenses etc.- normally covered by project finance instruments. As shown in figure 8 the gap between targeted commitments and raised amounts is big and it has increased in the past few years (almost US$10bn, vs. less than US$2bn between 2000 and 2004). This illustrates the current tendency of *mega funds* inspired mainly by Gulf countries.

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[9] "Emerging Markets Private Equity Funds Raise US$ 59 billion in 2007," EMPEA, February 29th, 2008. As understood by EMPEA, emerging markets cover Emerging Asia, CEE/ Russia, Latin America & the Carribean, Sub-Saharan Africa, MENA and Pan-Emerging Markets. MENA is inclusive of Gulf countries.

[10] "Mideast private equity firms to raise $50 bn: Abraaj," *Reuters*, December 10, 2007.

Figure 8. Targeted commitments (TgC) and equity raised (EqR), 2005-2008 (in US$m)

Host countries	2005		2006		2007		2008		Announced Fund		Total	
	TgC	EqR	TgC	EqR	TgC	EqR	TgC	EqR	TgC	EqR	TgC	EqR
Alg./ Mor./ Tun	198	573	416	294	30	3	331	159			974	1 028
Egypt	300	116	121	266							421	382
Israel	1 823	1 798	1 527	1 217	2 000	1 815	785	725			6 135	5 555
Jordan	300	328			200	66			45		545	394
Lebanon					20	16					20	16
Libya					175	52					175	52
Morocco	106	35	53	43	741	384	500	313	7		1 405	774
Syria									100		100	0
Tunisia			96	22	8	2					105	24
Turkey	30	30	50	17	775	925					855	971
Euromed countries	75	75			410	284					485	358
MEDA-11	100	227			298	772	149	94	230		778	1 093
MENA	1 850	2 124	6 659	1 852	3 992	1 833	200	0	1 600	165	14 301	5 974
MENA + emerging			426							190	426	190
Total	4 781	5 305	9 347	3 710	8 650	6 151	1 964	1 290	1 982	355	26 724	16 811

Geography of Med Funds

Country disparities

High, medium and low level PE activity

Figure 5, introduced earlier, allows the following grouping of MEDA countries regarding the current state of their PE activity:

- Israel proves a specific case, as PE activity in this country started in the mid-90s. It was supported by strong State-led initiatives and took place in a context that renders comparisons difficult (brain drain from the former USSR, integration to Silicon Valley venture capital etc.).
- Excluding Israel, a first group of countries has experienced an important PE activity and/ or a growth of this activity in the 2000s. Morocco has 18 PE funds in activity with US$846m in equity raised (EqR). It is followed by three countries that are especially dynamic and/or pioneers in regional PE: Egypt (10 funds and US$611m in EqR), Tunisia (9 funds and US$64m in EqR) and Turkey (9 funds with US$1.2bn in EqR).
- A second group is composed by countries where PE activities remain limited but show promising perspectives of expansion. Jordan has 5 funds in activity and US$432m in EqR. It is followed by Lebanon, with only 2 active funds so far and approximately US$36m in EqR, but where the dynamic of PE grows fast.[11]
- Last but not least, one finds Algeria, Libya, Syria and the Palestinian Authority, where there is little or virtually no PE activity to date. In the first three countries, the advancement of privatisations seems to be the main horizon for PE investors, while the current state of conflict prevents Palestine from significant economic activity.

[11] The Carlyle MENA Buyout fund, headed by Walid Musallam, is for instance headquartered in Beirut since 2006, and a growing number of funds operate in the country.

The rising hegemony of Gulf funds in MEDA PE

When it comes to the country of origin, the MEDA and Gulf regions amount for a majority of PE fundraising. With US$15.8bn in equity raised and 205 funds, MEDA is a leader, with Israel accounting for more than 2/3 of this amount. The USA, as it can be expected, represent a significant share of total PE investments towards the MEDA region (21%), mainly explained by their commitment in Israel.

Figure 9. PE funds by country and region of origin, 1990-2008 (ANIMA survey)

Region of origin	**Country of origin**	**Total funds** (number and %)		**Raised equity** (amounts, US$m, & %)	
Euromed	Euromed countries	6	2%	257	1%
	France	1	0.3%	60	0.2%
	Italy	1	0.3%	75	0.2%
Total Euromed		**8**	**3%**	**392**	**1%**
Europe	Belgium	1	0.3%	40	0.1%
	France	4	1%	374	1%
	Spain	1	0.3%	0	0.0%
	UK	7	2%	501	2%
Total Europe		**13**	**4%**	**914**	**3%**
Gulf countries	Bahrain	6	2%	1 178	4%
	Kuwait	6	2%	1 535	5%
	Saudi Arabia	8	3%	1 252	4%
	UAE	25	8%	2 800	9%
Total Gulf countries		**45**	**14%**	**6 765**	**22%**
MEDA-11	Algeria	1	0.3%	2	0.0%
	Egypt	17	5%	1 955	6%
	Israel	141	44%	11 162	36%
	Jordan	4	1%	432	1%
	Lebanon	4	1%	58	0.2%
	Libya	1	0.3%	20	0.1%
	Morocco	21	7%	1 187	4%
	Tunisia	9	3%	84	0.3%
	Turkey	7	2%	823	3%
Total MEDA-11		**205**	**64%**	**15 723**	**51%**
Other countries	Australia	2	1%	23	0.1%
	South Africa	1	0.3%	17	0.1%
USA/Canada	Canada	4	1%	538	2%
	USA	**42**	**13%**	**6 626**	**21%**
Total		**320**	**100%**	**30 997**	**100%**

The most recent and worth noting trend here is the massive involvement of Gulf funds in the MEDA region. While there are "only" 45 funds from the Gulf investing in MEDA (14% of total MEDA funds), they raised US$6.8bn (22% of total MEDA equity raised).

Figure 10. Gulf funds by size (ANIMA survey)

Out of 45 funds	Country of origin	< $50m	$50 to 100m	$100 to 500m	> $500m	Announced funds	Total
Gulf countries	Bahrain	2%	4%	4%	2%		13%
	Kuwait		2%	7%	2%	2%	13%
	Saudi Arabia	2%		9%	2%	4%	18%
	UAE	11%	7%	22%	4%	11%	56%
Total		**16%**	**13%**	**42%**	**11%**	**18%**	**100%**

As shown in figure 10 and as opposed to what figure 11 points, Gulf funds tend to be much larger in size than their counterparts in MEDA. In comparison, while US and European funds tend to be more balanced in size, MEDA funds are much smaller than Gulf funds and 69% have raised equity under US$100m, with 49% under US$50m. The UAE, and especially Dubai, are leaders in both size and number of funds, with major PE firms such as Abraaj Capital (5 funds), Al Mal Capital (3 funds), Shuaa Partners (2 funds), Injazat Capital (2 funds), or Millennium Private Equity (2 funds). Among the Top 10 of MEDA/ MENA funds, ranging from US$500m to US$2bn in equity raised, 6 come from the Gulf.

Figure 11. MEDA-11 funds by size (ANIMA survey)

Region of origin	Country of origin	<$50m	$50 to 100m	$100 to 500m	>$500m	Announced funds	Total
MEDA-11	Algeria	0.5%					0.5%
	Egypt	2.9%	2.4%	2.4%	0.5%		8.3%
	Israel	30.2%	16.1%	17.6%	1.0%	3.9%	68.8%
	Jordan	1.0%	0.5%	0.5%			2.0%
	Lebanon	1.5%				0.5%	2.0%
	Libya	0.5%					0.5%
	Morocco	6.3%	1.0%	2.4%	0.0%	0.5%	10.2%
	Tunisia	4.4%					4.4%
	Turkey	2.0%	0.5%	1.0%			3.4%
Total MEDA-11		**49.3%**	**20.5%**	**23.9%**	**1.5%**	**4.9%**	**100%**

Figure 12. Quantity vs. quality?

It is difficult to assess whether the size of a fund is an indicator of the "quality" of its investments[12]. In the Maghreb, Tunisia and Morocco have a well structured PE landscape with experienced and locally based management teams, such as Tuninvest Finance Group, Alternative Capital Partners, Accès Capital Atlantique, Capital Invest, Actif Invest or Upline Investment. They manage relatively small amounts of money, which they allocate in companies they know.

On the other hand, Gulf funds invest in big projects, including in the real estate and infrastructure sectors. Yet some are smaller and more focused such as the MENA SMEs fund (2006; US$250m), the MENA Telecom Fund (2007; US$75m), or the MENA Transformation Fund (2007; US$100m).

MEDA as a regional market

One of the main features of PE in the MEDA region is precisely the progressive birth of a regional market for PE actors and beyond, for investors from within and outside the region. In the Maghreb, this connection is already a reality, as shown for instance by MarocInvest (a Morocco dedicated PE firm and a subsidiary of Tuninvest Finance Group), which exemplifies the nascent conception of this sub-region as a market opening new joint ventures opportunities.

Proparco, EIB, IFC, OPIC, FMO and Co

For Amaury Mulliez from Proparco (Agence française de développement, AFD), "it is still difficult to consider MEDA as an integrated market." Yet he explains that "PE contributes to create relationships between players from different backgrounds and geographies, such as fund managers, entrepreneurs, managers and investors from both banks of the Mediterranean sea." Proparco insists on relying on local teams to manage its investments. It has invested in around 12 PE funds in the region, either directly or through the fund of fund Averroès Finance.

The European Investment Bank (EIB) has embarked on PE in order to develop the private sector in target countries of the Facility for Euro-Mediterranean Investment and Partnership (FEMIP). The team headed by Jean-Christophe Laloux in Luxemburg has already invested in around 20 funds around the

[12] "Quality" being understood in terms of social responsibility, sustainable development (impact on employment and the economy).

Mediterranean. Between 1995 and 2004, the EIB invested almost US$450m in various regional PE projects. The latter would have helped develop some 1 000 companies, as well as create 25 000 jobs and mobilise more than Euro 1bn in new investments. [13]

This dynamic is shared by other counterparts such as the US' Overseas Private Investment Corporation (OPIC), which invests in Mediterranean funds (Jordan being a major recipient). So does the International Finance Corporation (IFC, a subsidiary of the World Bank) or the Netherlands Development Finance Company (FMO). The IFC has recently decided to join a strategic partnership of the EIB and the European Commission and the World Bank –looking for synergies in the Mediterranean, including in PE.[14]

Beyond national markets: the rise of a Euro Mediterranean PE market?

As far as a Euro-Mediterranean market *per se* is concerned, there are still few, though promising, initiatives. Among them is the Marseille-based Altermed fund, managed by Viveris Management and launched in 2007 with a target commitment of approximately US$110m.

Based in Italy, the Euromed Fund (2005), managed by Finlombarda, raised US$75m dedicated to investments in MEDA (including partnership with Italian ventures). In Spain, the Barcelona-based Mediterrània Fund (2008), managed by Riva y Garcia Gestion, is targeting US$150m in commitments.

Last but not least, other funds based in the Maghreb, such as the Maghreb Private Equity Funds II (launched in 2006) have a mandate to take participations in Europe.

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[13] "Capital-investissement dans les pays partenaires méditerranéens", EIB, 2005.

[14] "Four multilateral Institutions coordinate efforts in the Mediterranean," EIB Press release, September 4th, 2007, http://www.eib.org/about/press/2007/2007-083-four--multilateral-institutions-coordinate-efforts-in-the-mediterranean.htm

Investment strategy of Med funds

Investment stages: more "surprises" than expected

Figures 13 and 14 provide an indication of the stages at which funds are operating. Each time a fund dedicates part of its capital to one of the investment stages listed, it is counted as a single unit (the total therefore exceeds 320 funds).

Figure 13. PE funds by investment stage and country/region (ANIMA survey)

Host region	Host countries	R&D	Seed	VC	Growth	LBO
Euro-MENA	MENA		4	8	33	28
	Euromed countries				3	1
	MEDA-11		1	2	7	5
	MENA + emerging				3	4
Total Euro-MENA			**5**	**10**	**46**	**38**
Maghreb	Algeria			1	1	
	Libya		1	1	2	1
	Morocco		3	7	14	9
	Tunisia		1	7	7	5
	Alg./ Mor./ Tun.			3	7	9
Total Maghreb			**5**	**19**	**31**	**24**
Mashreq	Egypt		3	3	7	2
	Jordan				3	1
	Lebanon			1	1	
Total Mashreq			**3**	**4**	**11**	**3**
Other MEDA	Israel	110	120	82	63	4
	Turkey		1	4	8	3
Total Other MEDA		**110**	**121**	**86**	**71**	**7**
Total funds per stage/ Total funds		110/ 320	134/320	119/320	159/320	72/320

If Israel is usually considered as the only country where funds are active in the early stages of a company's life (R&D, Seed and VC), figure 13 shows that this is an oversimplification. Moreover, if it is not surprising that PE funds focus mainly on late stages, which is a rule rather than an exception, figure 14 shows that the dynamic of early stages has been reinforced since 2000 and figure 15 illustrates some encouraging in-roads of non-Israeli funds.

Figure 14. PE funds by investment stage and launch date (ANIMA survey)

Period	Launch date	R&D	Seed	VC	Growth	LBO
1990 to 1999	1990	1	1	1	1	1
	1991	1	1	1	1	
	1992	5	4	3	3	
	1993	4	4	2	1	
	1994	4	4	2	3	2
	1995	2	3	2	2	
	1996	6	6	1	1	
	1997	12	12	5	3	1
	1998	7	8	7	8	3
	1999	12	14	8	4	1
Total From 1990 to 1999		**54**	**57**	**32**	**27**	**8**
2000 to 2004	2000	24	28	21	18	3
	2001	12	12	11	8	3
	2002	2	4	2	5	
	2003	2	2	1	2	1
	2004	3	5	8	11	5
	Announced Fund		1	1	1	
Total From 2000 to 2004		**43**	**52**	**44**	**45**	**12**
2005 to 2008	2005	8	10	11	23	11
	2006	4	7	12	29	18
	2007	1	6	16	26	15
	2008		1	4	6	5
	Announced Fund		1		3	3
Total From 2005 to 2008		**13**	**25**	**43**	**87**	**52**
Total		110/320	134/320	119/320	159/320	72/320

Figure 15. Towards more innovation and early stages in MEDA

A fund such as the AIG African Infrastructure Fund (2000, with US$280m in equity raised), managed by EMP Africa Management and funded among others by the IFC, EIB, and African Development Bank, although focused on the mine industry and the infrastructures, can also invest in ICTs. This example provides an interesting illustration of a non-exclusive opportunistic strategy, which is no exception among MEDA funds.

Other non-Israeli funds are dedicated to VC and technology. The Dubai-based Injazat Technology Fund (2001, with US$50m in equity raised) describes itself as the *first Shari'a Compliant technology, media and telecommunication venture capital fund in the MENA region*. It is invested in 8 companies such as Ejada or the Specialized Technical Services Group (Jordan). In the Maghreb, Morocco and Tunisia have several technology dedicated funds, including seed funds, while Turkish funds such as iLab Ventures, Golden Horn Ventures or Isgirisim invest in early stages. Egypt's EFG Hermes and IT Ventures also manage early stages funds.

Figure 16 allocates equity raised by funds to the various stages in which they are involved. Though insufficient, the amounts collected for early stages are not meaningless.

Figure 16. Raised amounts by region and investment stage (in US$m, ANIMA survey)

Host region	Host countries	R&D	Seed	VC	Growth	LBO	Total
Euro-MENA	MENA		305	515	3 322	2 865	7 007
	Euromed countries				234	30	264
	MEDA-11		25	80	376	279	760
	MENA + emerging				105	105	210
Total Euro-MENA			**330**	**595**	**4 036**	**3 278**	**8 240**
Maghreb	Algeria			1	1		2
	Libya		2	6	36	12	57
	Morocco		86	48	534	266	934
	Tunisia		1	12	46	7	66
	Alg./ Mor./ Tun.			18	627	733	1 379
Total Maghreb			**90**	**85**	**1 244**	**1 018**	**2 437**
Mashreq	Egypt		9	9	453	54	525
	Jordan				290	181	471
	Lebanon			4	14		18
Total Mashreq			**9**	**13**	**757**	**235**	**1 015**
Other MEDA	Israel	4 238	4 680	4 804	4 082	157	17 961
	Turkey		9	53	939	342	1 344
Total Other MEDA		**4 238**	**4 689**	**4 857**	**5 021**	**499**	**19 304**
Total		4 238	5 119	5 551	11 059	5 030	30 997

Figure 17 shows that the smaller the fund is the more it is designed for early stage and conversely. Yet funds over US$500m do not fully neglect early stages, while funds located between US$100 and 500m are relatively balanced in stages.

Figure 17. Equity raised per time period (in US$m, ANIMA survey)

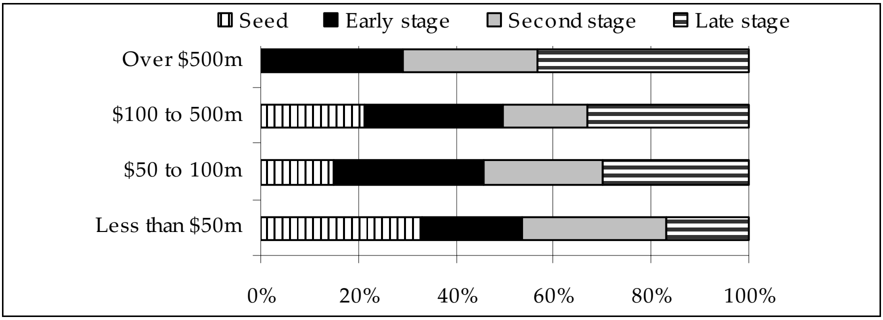


Figure 18 confirms that the later the stage, the bigger the investment. The average ticket is US$7.4m. Due to the impact of Israel long VC history and early stage involvement, small funds also make more deals - or have a wider portfolio (Figure 19). More recent, the biggest funds have a smaller portfolio.

Figure 18. Average ticket by investment stage (out of 152 funds, ANIMA survey)

Average ticket	Seed	Early stage	Second stage	Late stage	Total
Under $1m	13%	16%	17%	3%	12%
Under $5m	79%	69%	65%	43%	64%
$5 to 15m	8%	12%	9%	18%	12%
Around $15-20m		4%		20%	7%
Around $30m				10%	3%
Over $50m			9%	8%	3%
Total	100%	100%	100%	100%	100%

Figure 19. Fund size and number of deals (out of 193 funds ANIMA survey)

Nb. of deals	Less than $50m	$50 to 100m	$100 to 500m	Over $500m	Total
Under 3 deals	22%	21%	33%	56%	28%
3 to 7 deals	37%	54%	49%	11%	44%
8 to 12 deals	14%	15%	9%	11%	12%
Over 12 deals	27%	10%	10%	22%	16%
Total	100%	100%	100%	100%	100%

Focusing on opportunities rather than sectors

Sectors can often be deduced from the investment stages. Early stages generally attract funds with an interest in ICT & innovation and conversely.

Most of the funds under investigation are multi-sectoral, and not only concentrated on booming sectors such as the public works industry or energy. A significant share relies on other sectors, which shall not to be neglected.

Figure 20. Fund raised by sector and welcoming destination (in US$m, ANIMA survey)

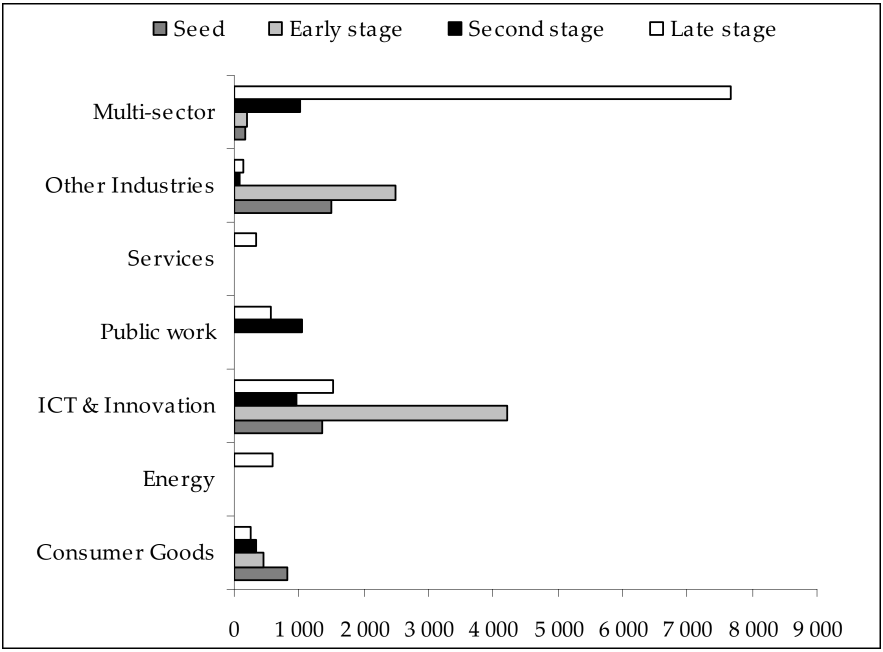
Host region Host countries	**Consumer Goods**	**Energy**	**ICT & Innovation**	**Multi-sector**	**Other Industries**	**Public work**	**Services**	**Unknown**	**Total**
Euro-MENA									
Euromed countries				239				224	463
MEDA-11			144	1 428				209	1 781
MENA		600	226	3 380		1 161	150	1 465	6 983
MENA + emerging						190			190
Total Euro-MENA		600	370	5 048		1 351	150	1 898	9 417
Maghreb									
Algeria				2					2
Algeria/ Moroc./ Tunisia				1 378	23		178		1 579
Libya				52					52
Morocco	101		10	299		251	185		846
Tunisia				46			18		64
Total Maghreb	101		10	1 776	23	251	381		2 543
Mashreq									
Egypt	138		21	375		77			611
Jordan				427		0		5	432
Lebanon				16		20			36
Total Mashreq	138		21	819		97		5	1 079
Other MEDA									
Israel	1 686	10	7 944	1 394	4 276		35	1 395	16 740
Turkey			31	1 187					1 218
Total Other MEDA	1 686	10	7 975	2 581	4 276		35	1 395	17 958
Total	1 926	610	8 376	10 224	4 299	1 699	566	3 297	30 997

Figure 21 provides a few examples of sector-focused funds, while figure 22 confirms that ICT funds are early stage and generalist funds late stage.

Figure 21. Some sector- focused funds

- Agro-business (consumer goods): Agram Invest (Morocco, 2006, US$26m EqR), OLEA Capital (Morocco, 2008, US$75m EqR), Horus Food and Agri Business (Egypt, 2006, US$46m EqR);
- Telecom & Internet operators (ICT & Innovation): Technology Development Fund (Egypt, 2004, US$9m EqR), Mena Telecom Fund (MENA, 2007, US$76m EqR);
- IT, Hi Tech (ICT & Innovation): Sindibad (Morocco, 2002, US$4m EqR), Upline Technologies (Morocco, 2000, US$7m EqR), Ascent Medical Technology Fund II (MENA, 2007, US$100m EqR).

Figure 22. Equity raised by sector and investment stage (out of 268 funds, in US$m)



Exits and Returns

Most of the funds currently active in MEDA have been launched after 2000. In other words and as their average maturity is 9 years, with a 5-year average maturity by projects, it is still too early to gauge the success or failure of these funds in terms of returns. The IRR targeted and advertised by fund managers are nonetheless a good indication of their high level of ambition and expectations. With 72% of the funds targeting an IRR in excess of 20%, it is clear that the opportunities are considered as potentially highly profitable. The overall average IRR targeted by the funds surveyed in the ANIMA sample is 21.1%.

*Figure 23. Targeted IRR and exit strategy**

Out of 68 funds (excl. Israel)	**<15%**	**15- 20%**	**20- 25%**	**25- 30%**	**>30%**	**Total**
All exits	15%	1%	12%	10%	1%	40%
IPO		1%	1%			3%
IPO/Private exit		3%	6%	15%	1%	25%
IPO/Put option			4%	3%		7%
Private exit/Put option				1%		1%
Put option		1%		1%		3%
Non defined strategy		6%	7%	1%	6%	21%
Total	15%	13%	31%	32%	9%	100%

** IRR is generally considered as confidential data and not disclosed by most of the funds*

Concerning the actual exits achieved, only 17 funds, mostly located in the Maghreb, disclosed this information in the ANIMA survey (Figure 24). The IRR they generated (after liquidation or on a yearly basis), lead to a similar conclusion: expectations and actual achievements seem to be matching. This should be confirmed by further investigations –of course, some funds are happy to publicise their good results while they are stuck into less profitable ventures. One can indeed speculate that funds are or will be faced with a lack of exit opportunities in some countries (especially IPOs).

Figure 24. Exit strategy and IRR to date

Out of 17 funds	**<15%**	**15-20%**	**20-25%**	**25-30%**	**>30%**	**Total**
All exits	2	3	1	1	3	10
IPO/Private exit					2	2
IPO/Put option	1	2	1			4
Put option			1			1
Total	3	5	3	1	5	17

Perspective & recommendations

The impact of PE investments on SME development

Figure 25. How does PE affect a given socio-economic environment?

According to a survey conducted jointly by the French Private Equity Association (AFIC) and Ernst & Young, French investment funds would now create more jobs than the top 40 companies listed at the Paris Stock Exchange.[15] AFIC argues that companies funded by PE funds have witnessed a 6.6% growth of their staff between 2005 and 2006, while their annual result increased by 11.1%.[16]

Presented at the World Economic Forum in January 2008, a recent report analyses the potential impact of PE investments.[17] Dealing with 21.397 buyout transactions (1970-2007), in the US, Europe, as well as India and China, it argues that companies invested by PE funds generally increase their innovation and R&D investments in the post-buyout period. On the controversial issue of jobs, it concludes that *"(…) the evidence supports neither the apocalyptic claims of extensive job destruction nor arguments that private equity funds create huge amounts of domestic employment."*[18]

SMEs represent the majority of domestic companies in MEDA countries, both in number and workforce. Yet they usually don't access formal financing (banks) or non-bank financial institutions. Obtaining of loans is most of the time conditioned by the production of collaterals by the demanding company, which narrows the potential of SMEs in capacity to get financed. On average, only 13% of new investments and working capital in the MENA region are financed via the banking sector, whereas this figure is in average 18% worldwide, and 60 to 70% in OECD countries. In average, MENA companies have to finance 73% of their investments on their own assets.[19]This will have a direct consequence in slowing the development of MEDA companies

[15] "Les fonds créent plus d'emplois que le CAC", *Le Figaro*, November 19, 2006.
[16] AFIC, Ernst & Young, La Croissance des entreprises accompagnées par le Capital Investissement en France, 2007.
[17] World Economic Forum, *Globalization of Alternative Investments, Working Papers Volume 1*, "The Global Economic Impact of Private Equity Report 2008", January 2008.
[18] Ibid., page 17.
[19] Sahar Nasr, *Access to Finance and Economic Growth in Egypt*, World Bank (Middle East and North African Region), 2008.

compared to the rest of the world. Again, private equity appears to be a necessary mean to accelerate companies' growth, and produce wealth and jobs.

ANIMA's main recommendations

In order to enhance and improve the dynamism of the private equity industry, ANIMA formulates the following recommendations[20]:

Pursue ANIMA and ECF's effort for a better knowledge of MEDA PE

- *Consolidate the Med Funds observatory* based on the fund managers recommendations, in the view of reaching an accurate understanding of the real economic impact of PE in the MEDA countries, and develop an operational tool for companies seeking for funding. *Maintain an up to date data base and a directory of PE funds*;
- *Promote and reinforce the regional PE community.* All MEDA PE firms should be encouraged to become members of ECF;
- *Perpetuate and deepen the dynamic impulsed by ECF* towards the creation of a *Euro-Mediterranean PE Association*, which would gather national PE associations and can become a productive lobby for improving the business climate in PE.

Promote quality PE and SMEs' access to financing

- *Encourage the dynamic of Euromed funds* investing on the two banks of the Mediterranean in order to favour synergies between companies and boost the internationalisation of MEDA SMEs (PE is more than just a source of funding, it includes experience and network);
- *Increase SMEs' endowment* (e.g. by means of tax reduction for retained profits) and *ensure that they are well protected* (e.g. through a regional arbitration pattern aiming at settling commercial disputes);
- *Deepen the dynamic of early stages.*[21] In Israel, only 23% of PE targets late stage investments, while it is over 90% in average in the rest of MEDA. The creation of international funds focused on early stage that may be

[20] They will be enriched during the 2nd Euromed Capital Forum (April 24-25, 2008)
[21] This is one of the main concerns of the European Commission funded Medibtikar Programme, in which ANIMA is a leader.

involving public and private stakeholders might help to produce dynamic companies. Other actions might also support investment in early stage:

- *Make the adequate legal adjustments* to secure and expand PE in general and Venture Capital in particular. Other improvements such as the rating of SMEs could be considered;
- *Widen the spectrum of exits*, especially IPOs (e.g. via a cooperation between MEDA stock markets and their counterparts in other regions);
- *Promote good practices among PE firms*: encourage investors who commit to the "spirit" of venture capital (taking risks along with the entrepreneur rather than focusing only on opportunities such as LBOs and privatisations)[22]. PE firms should publicise their annual reports.

[22]An interesting intiative: *The Funded* web site (www.thefunded.com), launched by a Silicon Valley entrepreneur, which functions as a forum where entrepreneurs can rate and monitor PE and VC firms. Some MEDA funds are already being evaluated online.

Appendix

Appendix 1. List of funds surveyed by ANIMA

Stage	Launch	Origin	Name	Manager	Target	Focus	Raised,$m
Late	Prep.	Euromed	Euromena II	Capital Trust Group	MEDA 11	Multi-sector	0
Late	Prep.	UAE	NBD Sana Capital	NBD Sana Capital	MENA	Multi-sector	n.a
Late	Prep.	USA	Great Circle Fund	Great Circle Capital	MENA +	Public works	190
Late	2008	Morocco	H Partners	H. Partners Gestion	Morocco	Services	185
Late	2008	Euromed	Mediterrània Fund	Riva y Garcia Gestion SGIIC	MEDA 11	Multi-sector	94
Late	2008	Morocco	Moussahama II	Chaâbi Moussahama	Morocco	Multi-sector	26
Late	2008	UAE	Al Mal Capital Partners Fund	Al Mal Capital	MENA	Multi-sector	n.a
Late	2008	UAE	Al Fares Private Equity Fund	Al Mal Capital	MENA	Multi-sector	n.a
Late	2008	Morocco	Upline Investments Fund	Upline Investments	Morocco	Multi-sector	26
Late	2007	Morocco	Moroccan Infrastr. Fund	Morocco Infrastructure Managt.	Morocco	Multi-sector	106
Late	2007	Jordan	Foursan Capital Partners I	Foursan Group	Jordan	Multi-sector	*66*
Late	2007	France	Altermed	Viveris Managt.	Euromed	Multi-sector	60
Late	2007	Morocco	Ardim	Ardim SA	Morocco	Public works	145
Late	2007	UAE	MENA Telecom Fund	Delta Partners	MENA	ICT & Innov.	76
Late	2007	Canada	Actera Partners	Ontario Teacher's Pension Plan	Turkey	Multi-sector	475
Late	2007	France	SGAM AI Kantara	SGAM Alternative Investments	MEDA 11	Multi-sector	217
Late	2007	Libya	Libu Capital	Phoenicia Group Libya	Libya	Multi-sector	*20*
Late	2007	Bahrain	Libya Fund	Tuareg Capital	Libya	Multi-sector	32
Late	2007	Morocco	Mdaëf	CDG Développement	Morocco	Public works	93
Late	2007	Turkey	Turkven Private Equity Fund II	Turkven Private Equity	Turkey	Multi-sector	*450*
Late	2007	UAE	HBG Investment Holdings	HBG Holdings	MENA	Multi-sector	45
Late	2007	UAE	Frontier Opportunities Fund I	Shuaa Partners	MENA	Multi-sector	100
Late	2007	Morocco	CapMezzanine SA	Accès Capital Atlantique	Morocco	Multi-sector	40
Late	2007	UAE	CORECAP Islamic Private Equity Fund I	CORECAP	MENA	Multi-sector	*50*
Late	2007	Kuwait	Global Buyout Fund	Global Capital Partners	MENA	Multi-sector	615

Stage	Launch	Origin	Name	Manager	Target	Focus	Raised,$m
Late	2007	UAE	MENA Trans-formation Fund I	Levant Capital	MENA	Multi-sector	80
Late	2007	Saudi Ar.	Amwal Fund II	Amwal Al Khaleej	MENA	Multi-sector	267
Late	2007	Israel	FIMI Funds	FIMI Opportunity Fund	Israel	ICT & Innov.	700
Late	2007	Israel	Shavit Fund	n.a	Israel	Unknown	30
Late	2007	Israel	Vintage III	Vintage Venture Managt.	Israel	Unknown	125
Late	2007	Israel	Apex Tefen	Apex Tefen Capital	Israel	Unknown	20
Late	2007	USA	Providence Equity Partners VI	Providence Equity	MENA +	Services	n.a
Late	2006	UAE	Infrastructure and Growth Capital Fund	Abraaj Capital	MENA	Multi-sector	500
Late	2006	Bahrain	Saraya Real Estate MENA Fund	Al Arabi Investment Group	MENA	Services	50
Late	2006	Euromed	EuroMena	Capital Trust Group	MENA	Multi-sector	64
Late	2006	Morocco	Capital North Africa Venture Fund	Capital Invest	Maghreb	Multi-sector	55
Late	2006	Morocco	Agram Invest	Agram Gestion	Morocco	Consumer g.	26
Late	2006	Morocco	Maghreb Private Equity Fund II	Tuninvest Limited	Maghreb	Multi-sector	179
Late	2006	Bahrain	MENA SMEs Fund	VC Bank & Global Emerging Market	MENA	Multi-sector	100
Late	2006	Saudi Ar.	MBI Tunisia Fund	International Maghreb Merchant Bank	Tunisia	Services	*18*
Late	2006	Spain	Meridia Capital	Meridia Capital Partners	MENA +	Services	n.a
Late	2006	UAE	Alf Yad Fund I	Daman Investments	MENA	Multi-sector	9
Late	2006	Egypt	Horus Food and Agri Business	EFG Hermes Private Equity	Egypt	Consumer g.	46
Late	2006	UAE	Al Mal Real Estate Fund	Al Mal Capital	MENA	Public works	18
Late	2006	USA	EI Fund III	Equity International	MENA +	Multi-sector	n.a
Late	2006	Egypt	Beltone Capital Holding	Beltone Private Equity	Egypt	Multi-sector	85
Late	2006	UAE	Shefa Healthcare Fund	Injazat Capital	MENA	Services	100
Late	2006	UAE	Dubai Global Energy Fund	Millenium Private Equity	MENA	Energy	100
Late	2006	UAE	Dubai TMT Fund	Millenium Private Equity	MENA	ICT & Innov.	100
Late	2006	Kuwait	Global Opportunistic Fund II	Global Investment House	MENA	Multi-sector	*330*
Late	2006	UAE	TNI Growth Capital Fund	The National Investor	MENA	Multi-sector	*50*
Late	2006	Saudi Ar.	Amwal Fund I	Amwal Al Khaleej	MENA	Multi-sector	267
Late	2006	Israel	ART PE Fund	Shrem, Fudim, Kelner	Israel	ICT & Innov.	26

Stage	Launch	Origin	Name	Manager	Target	Focus	Raised,$m
Late	2006	Israel	Valley Venture Capital	Valley Venture Capital	Israel	ICT & Innov.	n.a
Late	2006	Israel	Catalyst II	Catalyst Investments	Israel	ICT & Innov.	50
Late	2006	Israel	Vintage II	Vintage Venture Managt.	Israel	Unknown	75
Late	2006	USA	KCS PE	KCPS Israel Private Equity Partners	Israel	Multi-sector	75
Late	2006	Israel	Tene Investment Capital Growth	Tene Investment Funds	Israel	Consumer g.	90
Late	2006	USA	Carlyle MENA Buyout	Carlyle Group	MENA	Multi-sector	165
Late	2005	USA	EMP Africa Fund II	EMP Africa Managt.	Maghreb	Multi-sector	523
Late	2005	UAE	Abraaj Buyout Fund II	Abraaj Capital	MENA	Multi-sector	500
Late	2005	UAE	Abraaj Special Opportunities Fund II	Abraaj Capital	MENA	Multi-sector	128
Late	2005	Saudi Ar.	Swicorp Joussour	Swicorp	MENA	Energy	500
Late	2005	Saudi Ar.	Intaj Capital	Swicorp	MENA	Multi-sector	100
Late	2005	Saudi Ar.	Emerge Invest	Swicorp	MENA	Multi-sector	100
Late	2005	Italy	Euromed Fund	Finlombarda Sgr	Euromed	Multi-sector	75
Late	2005	Morocco	Actif Capital I	Actif Invest	Morocco	Public works	*13*
Late	2005	Morocco	AM Invest Morocco	Atlamed	Morocco	Multi-sector	*22*
Late	2005	Jordan	Jordan Dubai Capital	Dubai International Capital	Jordan	Multi-sector	328
Late	2005	Egypt	Coral Growth Investments Limited	Concord International Investments	Egypt	Multi-sector	116
Late	2005	UAE	SHUAA Partners Fund I	Shuaa Partners	MENA	Multi-sector	200
Late	2005	Kuwait	Global Opportunistic Fund I	Global Investment House	MENA	Multi-sector	*330*
Late	2005	Lebanon	MENA Capital Private Equity Fund I	MENA Capital	MEDA 11	Multi-sector	22
Late	2005	Turkey	AccessTurkey Private Equity	Access Turkey Capital Group	Turkey	Multi-sector	*30*
Late	2005	Israel	CIVC - China Israel Value Capital	Neurone Funds Managt.	Israel	ICT & Innov.	200
Late	2005	Israel	SKY Private Equity Fund	SKY Private Equity	Israel	ICT & Innov.	120
Late	2005	Israel	Israel Growth Investor Fund	Israel Growth Investors	Israel	Multi-sector	40
Late	2005	Israel	Katzir Fund	Katzir Private Equity	Israel	Consumer g.	50
Late	2004	UAE	Abraaj Real Estate Fund	Abraaj Capital	MENA	Public works	114
Late	2004	UK	PAIP-PCAP	Kingdom Zephyr Africa Managt.	Maghreb	Multi-sector	n.a
Late	2004	Australia	African Lion II	African Lion Limited	Maghreb	Other Indust.	11

Stage	Launch	Origin	Name	Manager	Target	Focus	Raised,$m
Late	2004	Israel	First Israel Turnaround Enterpr.	First Israel Turnaround Enterprise	Israel	ICT & Innov.	130
Late	2004	Israel	Fortissimo	Fortissimo Capital	Israel	ICT & Innov.	80
Late	2004	Israel	Galil Capita Fund	Galil Capital Finance	Israel	ICT & Innov.	n.a
Late	2004	Israel	Tene I Fund	Tene Investment Funds	Israel	ICT & Innov.	60
Late	2003	UAE	Abraaj Buyout Fund	Abraaj Capital	MENA	Multi-sector	116
Late	2003	Jordan	Jordan Fund	Jordan Fund Managt. Co.	Jordan	Multi-sector	*33*
Late	2002	USA	Turkven Private Equity Fund I	Turkven Private Equity	Turkey	Multi-sector	*44*
Late	2002	Israel	Platinium Neurone Ventures	Neurone Funds Managt.	Israel	Other Indust.	110
Late	2002	UK	Bancroft II	Bancroft Group	Euromed	Multi-sector	105
Late	2001	Morocco	Accès Capital Atlantique Maroc SA	Accès Capital Atlantique	Morocco	Multi-sector	18
Late	2001	Turkey	Isgirisim	İş Private Equity Investment Trust	Turkey	Multi-sector	68
Late	2000	USA	AIG African Infrastructure Fund	EMP Africa Managt.	Maghreb	Multi-sector	407
Late	2000	Egypt	Egyptian Direct Investment Fund	Concord International Investments	Egypt	Consumer g.	34
Late	2000	Israel	Neurone Ventures II	Neurone Funds Managt.	Israel	ICT & Innov.	55
Late	2000	Israel	Catalyst I	Catalyst Investments	Israel	ICT & Innov.	34
Late	2000	USA	AIG Blue Voyage Fund	AIG Capital Partners	Turkey	Multi-sector	100
Late	1999	Australia	African Lion I	African Lion Limited	Maghreb	Other Indust.	11
Late	1998	Euromed	Menavest	Capital Trust Group	MEDA 11	Multi-sector	54
Late	1997	Egypt	Ek Holding	Ek Holding	Egypt	Multi-sector	174
Late	1997	Tunisia	Tunisie Sicar	Tuninvest Finance Group	Tunisia	Multi-sector	4
Late	1994	Egypt	Commercial Int'al Investment Co.	EFG Hermes Private Equity	MEDA 11	Multi-sector	184
Late	1994	Tunisia	Tuninvest Sicar	Tuninvest Finance Group	Tunisia	Multi-sector	8
Second	Prep.	Saudi Ar.	Malaz	Malaz Group	MENA	Multi-sector	n.a
Second	2008	Israel	Carmel III	Carmel Ventures	Israel	Unknown	235
Second	2008	Israel	Infinity Israel China	Israel Infinity Venture Capital Managt.	Israel	Unknown	350
Second	2008	USA	Gemini V	Gemini Israel Venture Funds	Israel	Unknown	140
Second	2007	Lebanon	Building Block Equity Fund	The Building Block Co. sarl	Lebanon	Multi-sector	16
Second	2007	UAE	MENA Infrastructure Fund	Dubai International Capital	MENA	Public works	300

Stage	Launch	Origin	Name	Manager	Target	Focus	Raised,$m
Second	2007	USA	Ascent Medical Technology Fund II	Ascent Group	MENA	ICT & Innov.	100
Second	2007	Israel	7Health	7Health Ventures	Israel	Consumer g.	70
Second	2007	USA	Pitango V	Pitango Venture Capital	Israel	Unknown	330
Second	2007	Israel	Pontifax II	Pontifax	Israel	ICT & Innov.	85
Second	2007	Israel	Agate Fund	Agate RM Investments and Medical Technologies	Israel	Consumer g.	60
Second	2007	Israel	Aqua Agro Fund	Aqua Agro Fund	Israel	Consumer g.	25
Second	2007	Israel	DFJ Tamir Fishman	Tamir Fishman Ventures	Israel	Unknown	80
Second	2007	Israel	Israel Cleantech Ventures	Israel Cleantech Managt.	Israel	Multi-sector	50
Second	2007	Israel	Wanaka Capital	Wanaka Capital Partners	Israel	ICT & Innov.	40
Second	2007	Tunisia	AfricInvest Financial Sector	AfricInvest Capital Partners	Maghreb	Services	3
Second	2006	Morocco	Igrane	Régional Gestion	Morocco	Multi-sector	17
Second	2006	Israel	Evolution Fund	Evolution Fund I Managt. Co	Israel	ICT & Innov.	10
Second	2006	Israel	Poalim Medica III	Poalim Ventures	Israel	ICT & Innov.	125
Second	2006	USA	Bridge Investment Fund	Bridge Investment Fund	Israel	Consumer g.	8
Second	2006	Israel	H2Tech	Spark Enterprise	Israel	ICT & Innov.	10
Second	2006	Israel	SCP Vitalife	Vitalife Managt. Co.	Israel	Consumer g.	150
Second	2005	USA	Intel Capital Middle East and Turkey Fund	Intel Capital	MEDA 11	ICT & Innov.	50
Second	2005	Israel	Portalium Ventures Fund	Portalium Ventures	Israel	Consumer g.	11
Second	2005	USA	Shamrock Israel Growth Fund	Shamrock Holdings	Israel	ICT & Innov.	125
Second	2004	Tunisia	AfricInvest	AfricInvest Capital Partners	Maghreb	Multi-sector	38
Second	2004	USA	Infinity-CSVC Venture Capital Enterprises	Israel Infinity Venture Capital Managt.	Israel	Other Indust.	75
Second	2004	USA	L Capital Fund	L Capital Partners	Israel	ICT & Innov.	165
Second	2004	USA	Markstone Capital Investment Management	Markstone Capital Group	Israel	Multi-sector	780
Second	2004	Turkey	Kobi Venture Capital Investment Trust	Kobi Girisim Sermayesi Yatirim Ortakligi	Turkey	Multi-sector	20
Second	2003	Lebanon	Lebanon Real Estate Development Fund	Middle East Capital Group	Lebanon	Public works	20

Stage	Launch	Origin	Name	Manager	Target	Focus	Raised,$m
Second	2003	France	B&E de Rotschild Israel Opportunity Fund	Edmond de Rothschild PE Managt.	Israel	ICT & Innov.	47
Second	2002	Israel	Momentum Fund	Momentum Managt.	Israel	Multi-sector	10
Second	2002	Tunisia	Tuninvest Innovation Sicar	Tuninvest Finance Group	Tunisia	Multi-sector	4
Second	2001	Bahrain	IDB Infrastructure Fund	EMP Middle East	MENA	Public works	730
Second	2001	UAE	Injazat Technology Fund	Injazat Capital	MENA	ICT & Innov.	50
Second	2001	Israel	Aviv Venture I	Aviv Venture Capital	Israel	Consumer g.	25
Second	2000	Morocco	Capital Morocco	Capital Invest	Morocco	Multi-sector	25
Second	2000	Morocco	Maghreb Private Equity Fund	Maghreb Managt. Limited	Maghreb	Multi-sector	23
Second	2000	Egypt	Misr Direct Investments Funds	IT Ventures Co.	Egypt	ICT & Innov.	6
Second	2000	Egypt	IT-Concord-Misr Technology Venture Capital Fund	IT Ventures Co.	Egypt	ICT & Innov.	5
Second	2000	Morocco	Upline Technologies	Upline Investments	Morocco	ICT & Innov.	7
Second	2000	Belgium	DOR Ventures Fund	DOR Ventures	Israel	ICT & Innov.	40
Second	1999	Egypt	IT Investments Company	IT Ventures Co.	MEDA 11	ICT & Innov.	69
Second	1999	Turkey	iLab Ventures	Access Turkey Capital Group	Turkey	ICT & Innov.	*15*
Second	1998	Tunisia	Tuninvest International Sicar	Tuninvest Finance Group	Tunisia	Multi-sector	8
Second	1998	Tunisia	Tuninvest International Ltd	Tuninvest Finance Group	Tunisia	Multi-sector	14
Second	1993	Morocco	Moussahama I	Chaâbi Moussahama	Morocco	Multi-sector	19
Second	1991	Algeria	Finalep	Finalep	Algeria	Multi-sector	2
Second	1990	Tunisia	SPPI	Société de Participations et Promotion des Invest.	Tunisia	Multi-sector	2
Early	Prep.	Morocco	Dayam	Saham Group	Morocco	Multi-sector	n.a
Early	2008	France	OLEA Capital	SGAM Alternative Investments	Morocco	Consumer g.	75
Early	2007	Euromed	Phenicia Seed Fund	Alternative Capital Partners	Tunisia	Multi-sector	2
Early	2007	Israel	Evergreen V	Evergreen Venture Partners	Israel	ICT & Innov.	200
Early	2007	Kuwait	Markaz Real Estate Opportunities Fund	Markaz	MENA	Public works	n.a
Early	2006	Israel	Greylock Israel	Greylock Partners	Israel	Other Indust.	155
Early	2006	Israel	Magma Venture Partners II	Magma Venture Partners	Israel	Other Indust.	105
Early	2006	Israel	Peregrine Ventures II	Peregrine Ventures	Israel	ICT & Innov.	30

Stage	Launch	Origin	Name	Manager	Target	Focus	Raised,$m
Early	2006	Israel	StarVest	StarVest Venture Capital	Israel	Consumer g.	3
Early	2006	Israel	Israel Healthcare Ventures II	Israel Healthcare Ventures	Israel	Consumer g.	130
Early	2006	Israel	Liav Fund	Liav Fund	Israel	ICT & Innov.	175
Early	2006	Turkey	Golden Horn Ventures	Golden Horn Ventures	Turkey	ICT & Innov.	17
Early	2005	Israel	Carmel Ventures II	Carmel Ventures	Israel	ICT & Innov.	202
Early	2005	Israel	Medica III	Medica Venture Partners	Israel	Consumer g.	125
Early	2005	UK	Vertex III Fund	Vertex Venture Capital	Israel	ICT & Innov.	150
Early	2005	Israel	Jerusalem Capital	Jerusalem Capital	Israel	ICT & Innov.	10
Early	2005	Israel	Sequoia Capital Israel III	Sequoia Capital Israel	Israel	Other Indust.	200
Early	2005	Israel	Gallatea Ventures Fund	Gallatea Venture Capital	Israel	Unknown	n.a
Early	2005	Israel	Giza IV	Giza Venture Capital	Israel	Other Indust.	150
Early	2004	Egypt	Technology Development Fund	Ideavelopers/ EFG Hermes	Egypt	ICT & Innov.	9
Early	2000	Egypt	Jordan IT Fund	EFG Hermes Private Equity	Jordan	ICT & Innov.	5
Early	2000	Egypt	Middle East Technology Fund	EFG Hermes Private Equity	MEDA 11	ICT & Innov.	25
Early	2004	Israel	Trendlines Israel Fund	Trendlines Group	Israel	ICT & Innov.	2
Early	2004	Israel	Prideway II	Arba Finance Co.	Israel	Services	10
Early	2002	Morocco	Sindibad	Accès Capital Atlantique	Morocco	ICT & Innov.	4
Early	2002	Israel	StarVest I	StarVest Venture Capital	Israel	ICT & Innov.	10
Early	2001	Israel	Formula Ventures II	Formula Ventures	Israel	Other Indust.	83
Early	2001	Israel	Greylock XI	Greylock Partners	Israel	Other Indust.	500
Early	2001	Israel	Peregrine Ventures I	Peregrine Ventures	Israel	ICT & Innov.	15
Early	2001	UK	Vertex Israel II Fund	Vertex Venture Capital	Israel	ICT & Innov.	160
Early	2001	Israel	Israel Healthcare Ventures I	Israel Healthcare Ventures	Israel	Consumer g.	n.a
Early	2001	Israel	Sequoia Capital Israel II	Sequoia Capital Israel	Israel	Other Indust.	150
Early	2001	Israel	Yozma III	Yozma Group	Israel	ICT & Innov.	50
Early	2000	Israel	Carmel Software Fund	Carmel Ventures	Israel	ICT & Innov.	171
Early	2000	Israel	Hyperion Israel Fund	Hyperion Israel Venture Partners	Israel	Other Indust.	73
Early	2000	Israel	Medica II	Medica Venture Partners	Israel	Consumer g.	55
Early	2000	USA	Pitango Fund III	Pitango Venture Capital	Israel	ICT & Innov.	500

Stage	Launch	Origin	Name	Manager	Target	Focus	Raised,$m
Early	2000	Israel	Poalim Ventures I	Poalim Ventures	Israel	ICT & Innov.	20
Early	2000	Israel	Poalim Ventures II	Poalim Ventures	Israel	ICT & Innov.	43
Early	2000	Israel	BRM Capital Fund	BRM Capital Advisors	Israel	Other Indust.	150
Early	2000	Israel	Delta Fund I	Delta Ventures	Israel	Other Indust.	63
Early	2000	Israel	Tamir Fishman Ventures	Tamir Fishman Ventures	Israel	ICT & Innov.	150
Early	2000	Israel	Proseed Venture Capital Fund	Proseed Venture Capital Fund	Israel	ICT & Innov.	16
Early	2000	USA	Cedar II	Cedar Financial Advisors	Israel	ICT & Innov.	175
Early	2000	Israel	Columbine Ventures	Columbine Ventures	Israel	ICT & Innov.	8
Early	2000	Israel	Concord II	Concord Venture Managt.	Israel	Other Indust.	185
Early	2000	Israel	Giza III	Giza Venture Capital	Israel	Other Indust.	211
Early	2000	Israel	Jupiter Alon Technology Ventures	Jupiter Asset Managt.	Israel	ICT & Innov.	25
Early	2000	Israel	Walden Israel Ventures III	Walden Israel Venture Capital	Israel	ICT & Innov.	90
Early	1999	Israel	Magma Venture Partners I	Magma Venture Partners	Israel	Other Indust.	75
Early	1999	Israel	Genesis Partners II	Genesis Partners	Israel	ICT & Innov.	263
Early	1999	Israel	Sequoia Capital Israel I	Sequoia Capital Israel	Israel	ICT & Innov.	30
Early	1999	Israel	Challenge Fund - Etgar II	Challenge Funds - Etgar	Israel	Multi-sector	120
Early	1999	Israel	Prideway Holdings	Arba Finance Co.	Israel	Services	25
Early	1999	Israel	Ascend I	Ascend Technology Ventures	Israel	Other Indust.	100
Early	1999	USA	AIG Orion Fund	AIG Orion Venture Partners	Israel	ICT & Innov.	75
Early	1998	Israel	Shrem Fudim Kelner Technologies	Shrem, Fudim, Kelner	Israel	ICT & Innov.	25
Early	1998	Israel	Formula Ventures I	Formula Ventures	Israel	Other Indust.	87
Early	1998	Israel	Poalim Ventures	Poalim Ventures	Israel	ICT & Innov.	20
Early	1998	Israel	Giza II	Giza Venture Capital	Israel	Other Indust.	60
Early	1998	Israel	Tamar Technology Partners	Tamar Technology Ventures	Israel	ICT & Innov.	37
Early	1998	Israel	Walden Israel Ventures II	Walden Israel Venture Capital	Israel	ICT & Innov.	61
Early	1998	Israel	Yozma II	Yozma Group	Israel	ICT & Innov.	80
Early	1997	Israel	Periscope I Fund	Evergreen Venture Partners	Israel	Other Indust.	38
Early	1997	Israel	Eucalyptus Ventures	Tamir Fishman Ventures	Israel	ICT & Innov.	55
Early	1997	Israel	Genesis Partners I	Genesis Partners	Israel	ICT & Innov.	100
Early	1997	Israel	Concord I	Concord Venture Managt.	Israel	Other Indust.	75

Stage	Launch	Origin	Name	Manager	Target	Focus	Raised,$m
Early	1996	USA	Intel Capital Israel	Intel Capital	Israel	ICT & Innov.	200
Early	1995	Israel	Israel Seed	Israel Seed Partners	Israel	Consumer g.	7
Early	1995	Israel	Medica I	Medica Venture Partners	Israel	Consumer g.	15
Early	1995	Israel	Challenge Fund - Etgar	Challenge Funds - Etgar	Israel	Multi-sector	81
Early	1994	USA	Apax - Leumi Partners	Apax Partners	Israel	ICT & Innov.	40
Early	1993	USA	Gemini Israel I	Gemini Israel Venture Funds	Israel	Other Indust.	36
Early	1992	Israel	Teuza - A Fairchild Technology Venture	Teuza Managt. and Development	Israel	Consumer g.	45
Early	1992	USA	Star Venture Enterprise Israel	Star Venture Capital Managt.	Israel	ICT & Innov.	981
Early	1992	Israel	Yozma Venture Capital	Yozma Group	Israel	ICT & Innov.	20
Early.	2006	Tunisia	Essaimage	SAGES Capital	Tunisia	Multi-sector	4
Early.	2007	Turkey	Istanbul Venture Capital Initiative	n.a	Euromed	ICT & Innov.	224
Seed	2005	Israel	Benchmark Israel II	Benchmark Israel Venture Capital	Israel	Consumer g.	250
Seed	2005	Israel	Genesis Partners III	Genesis Partners	Israel	ICT & Innov.	155
Seed	2005	Israel	Terra Venture Partners	Terra Venture Partners	Israel	Energy	10
Seed	2004	USA	Pitango Fund IV	Pitango Venture Capital	Israel	ICT & Innov.	300
Seed	2004	USA	Gemini Israel IV	Gemini Israel Venture Funds	Israel	Other Indust.	200
Seed	2003	Israel	Pontifax Fund	Pontifax	Israel	ICT & Innov.	35
Seed	2003	USA	Star Ventures X	Star Venture Capital Managt.	Israel	ICT & Innov.	6
Seed	2002	USA	Equip Ventures I	Equip Ventures	Israel	ICT & Innov.	5
Seed	2002	Israel	Evergreen IV	Evergreen Venture Partners	Israel	Other Indust.	143
Seed	2001	Israel	Platinum Venture Capital	Shrem, Fudim, Kelner	Israel	ICT & Innov.	n.a
Seed	2001	Israel	StageOne Ventures	StageOne Ventures	Israel	Other Indust.	46
Seed	2001	Israel	Benchmark Capital Partners Israel	Benchmark Israel Venture Capital	Israel	Consumer g.	240
Seed	2001	Israel	Vitalife Life Sciences Venture Fund	Vitalife Managt. Co.	Israel	ICT & Innov.	50
Seed	2001	USA	Veritas Venture Partners Fund II	Veritas Venture Partners	Israel	ICT & Innov.	41
Seed	2000	Canada	Canada Israel Opportunity Fund III	Shrem, Fudim, Kelner	Israel	ICT & Innov.	9
Seed	2000	Israel	Spark Fund	Spark Enterprise	Israel	ICT & Innov.	35

Stage	Launch	Origin	Name	Manager	Target	Focus	Raised,$m
Seed	2000	Israel	Evergreen III	Evergreen Venture Partners	Israel	Multi-sector	170
Seed	2000	Israel	Israel Seed IV	Israel Seed Partners	Israel	Consumer g.	200
Seed	2000	Israel	Millenium Materials Technologies Fund II	MMC Millenium Materials Fund Managt.	Israel	ICT & Innov.	41
Seed	2000	Israel	BCS Growth Fund	BCS Investment Co.	Israel	ICT & Innov.	n.a
Seed	2000	USA	Gemini Israel III	Gemini Israel Venture Funds	Israel	Other Indust.	200
Seed	2000	Israel	Jerusalem Venture Partners IV	Jerusalem Venture Partners	Israel	Other Indust.	405
Seed	2000	France	B&E de Rotschild Israel Seed Fund I	Edmond de Rothschild PE Managt.	Israel	ICT & Innov.	35
Seed	2000	Israel	Apropos IT Ventures	Apropos IT Ventures Managt.	Israel	ICT & Innov.	10
Seed	1999	Israel	Peace Technology Management	Evergreen Venture Partners	Israel	ICT & Innov.	63
Seed	1999	Israel	Eurofund 2000	Eurofund	Israel	Consumer g.	52
Seed	1999	Israel	Netlaunch Ventures	Jerusalem Global Ventures	Israel	ICT & Innov.	42
Seed	1999	Israel	CommLaunch Ventures	Jerusalem Global Ventures	Israel	ICT & Innov.	38
Seed	1999	Israel	Innomed Ventures	Jerusalem Global Ventures	Israel	ICT & Innov.	36
Seed	1999	Israel	Jerusalem Venture Partners III	Jerusalem Venture Partners	Israel	Other Indust.	183
Seed	1998	Israel	Israel Seed III	Israel Seed Partners	Israel	Consumer g.	44
Seed	1998	Israel	Millenium Materials Technologies Fund	MMC Millenium Materials Fund Managt.	Israel	ICT & Innov.	11
Seed	1997	Israel	Neurone Ventures I	Neurone Funds Managt.	Israel	ICT & Innov.	12
Seed	1997	Israel	First IsraTech Fund	IsraTech Managt. Co.	Israel	ICT & Innov.	14
Seed	1997	UK	Vertex Israel I Fund	Vertex Venture Capital	Israel	ICT & Innov.	39
Seed	1997	Israel	GF Fund	Denali Ventures	Israel	ICT & Innov.	n.a
Seed	1997	USA	TechnoPlus Ventures	TechnoPlus Ventures	Israel	ICT & Innov.	50
Seed	1997	USA	Gemini Israel II	Gemini Israel Venture Funds	Israel	Other Indust.	110
Seed	1997	USA	Millenium Capital	Veritas Venture Partners	Israel	ICT & Innov.	5
Seed	1997	USA	Cedar I	Cedar Financial Advisors	Israel	ICT & Innov.	50
Seed	1997	Israel	Jerusalem Venture Partners II	Jerusalem Venture Partners	Israel	Other Indust.	75
Seed	1996	Israel	IJT Technologies	Evergreen Venture Partners	Israel	Other Indust.	23
Seed	1996	Israel	Israel Seed II	Israel Seed Partners	Israel	Consumer g.	11

Stage	Launch	Origin	Name	Manager	Target	Focus	Raised,$m
Seed	1996	USA	Pitango Fund II	Pitango Venture Capital	Israel	ICT & Innov.	125
Seed	1996	UK	Vertex IIF Fund	Vertex Venture Capital	Israel	ICT & Innov.	47
Seed	1996	Israel	Denali Ventures Fund	Denali Ventures	Israel	ICT & Innov.	30
Seed	1994	Israel	Atid	Evergreen Venture Partners	Israel	ICT & Innov.	8
Seed	1994	Israel	Yarok Az	Evergreen Venture Partners	Israel	Other Indust.	7
Seed	1994	Israel	Eurofund	Eurofund	Israel	Consumer g.	20
Seed	1993	Israel	Evergreen International Investments	Evergreen Venture Partners	Israel	Other Indust.	28
Seed	1993	USA	Polaris Fund I	Pitango Venture Capital	Israel	ICT & Innov.	20
Seed	1993	Israel	Jerusalem Pacific Ventures	Jerusalem Venture Partners	Israel	Other Indust.	20
Seed	1992	Israel	Yarok Ad Partnership	Evergreen Venture Partners	Israel	Other Indust.	12
Seed	1992	Israel	Giza I	Giza Venture Capital	Israel	Other Indust.	45
Seed	1991	Israel	Medmax Ventures	Denali Ventures	Israel	ICT & Innov.	20
Seed	1990	USA	Anglo American Veritas	Veritas Venture Partners	Israel	ICT & Innov.	40
N. a.	Prep.	Saudi Ar.	Barada Capital One	BMG Financial Advisors	Syria	Multi-sector	n.a
N. a.	Prep.	Lebanon	Byblos Private Equity Fund	Byblos Ventures S.A.L.	MEDA 11	Multi-sector	n.a
N. a.	Prep.	USA	Emerging Markets Housing Fund	Emerging Markets Housing Fund Managt.	Jordan	Public works	n.a
N. a.	Prep.	UAE	ADIC-UBS Infrastructure Fund I	Abu Dhabi Investment Co. / UBS	MENA	Public works	n.a
N. a.	Prep.	UAE	Global DIB Millennium Islamic Buyout Fund	Global Investment House / Dubai Islamic Bank	MENA	Multi-sector	165
N. a.	2008	Morocco	Maghreb Siyaha Fund	Actif Invest	Maghreb	Services	159
N. a.	2007	Egypt	Horus Private Equity Fund III	EFG Hermes Private Equity	MEDA 11	Multi-sector	555
N. a.	2007	Bahrain	Aldar Private Equity Fund	Ithmaar Bank	MENA	Multi-sector	200
N. a.	2007	UAE	Al-Futtaim MENA Real Estate Development Fund	Al-Futtaim Investment Managt.	MENA	Public works	n.a
N. a.	2006	Kuwait	North Africa Holdings	KAMCO	Maghreb	Multi-sector	*60*
N. a.	2006	Egypt	Beltone Investment Group	Beltone Private Equity	Egypt	Public works	77

Stage	Launch	Origin	Name	Manager	Target	Focus	Raised,$m
N. a.	2006	Egypt	Beltone Retail Holding	Beltone Private Equity	Egypt	Consumer g.	58
N. a.	2006	Israel	Israel Infrastructure Fund	Israel Infrastructure Managt.	Israel	Unknown	n.a
N. a.	2005	Bahrain	Arab Bank MENA Fund	Atlas Investment Group	MENA	Multi-sector	*66*
N. a.	2005	Egypt	Horus Private Equity Fund II	EFG Hermes Private Equity	MEDA 11	Multi-sector	155
N. a.	2005	Canada	Canada Investment Fund for Africa	Actis/ Cordiant	Maghreb	Multi-sector	50
N. a.	2005	Kuwait	NBK Capital Private Equity	NBK Capital	MENA	Multi-sector	200
N. a.	2004	Egypt	Citadel Capital	Citadel Capital	MEDA 11	Multi-sector	303
N. a.	2004	UK	Actis Africa Fund 2	Actis	Maghreb	Multi-sector	n.a
N. a.	2003	Euromed	Averroes Finance	CDC Entreprises/ Proparco	Maghreb	Multi-sector	44
N. a.	2002	USA	Infinity Management Services	Israel Infinity Venture Capital Managt.	Israel	Other Indust.	n.a
N. a.	2001	S. Africa	AfriCap Microfinance Fund	AfriCap Microfinance Investment Co	Maghreb	Services	*17*
N. a.	2001	Canada	Canada Israel Opportunity Fund IV	Shrem, Fudim, Kelner	Israel	ICT & Innov.	4
N. a.	2001	Israel	Harvest Fund II	Evergreen Venture Partners	Israel	ICT & Innov.	80
N. a.	2001	Israel	Vintage I	Vintage Venture Managt.	Israel	ICT & Innov.	64
N. a.	2000	Israel	Shrem, Fudim, Kelner (SFK) Founders Group II	Shrem, Fudim, Kelner	Israel	ICT & Innov.	8
N. a.	1999	Israel	Evergreen Partners Partnership Fund	Evergreen Venture Partners	Israel	Multi-sector	68
N. a.	1999	USA	Apax Israel II	Apax Partners	Israel	ICT & Innov.	100
N. a.	1998	Israel	DS Founders Group	Shrem, Fudim, Kelner	Israel	Unknown	10
N. a.	1998	Israel	HarbourVest Evergreen	Evergreen Venture Partners	Israel	Other Indust.	8
N. a.	1998	Israel	Harvest Fund I	Evergreen Venture Partners	Israel	ICT & Innov.	25
N. a.	1998	USA	Infinity I Fund	Israel Infinity Venture Capital Managt.	Israel	Other Indust.	90
N. a.	1997	Egypt	Horus Private Equity Fund I	EFG Hermes Private Equity	MEDA 11	Multi-sector	54

Appendix 2. Rationale, methodology and definitions

Approach: why the Med Funds initiative?

The Med Funds observatory follows on to the creation and exploitation of the Mediterranean Investment Project Observatory (MIPO, 2003). In the past few years, the impact of PE firms' investments on the global amount of FDIs has experienced a constant growth. It thus became necessary to set up a specific tool in order to identify, quantify and analyse this source of investments.

Beyond its usefulness for economic analysis, the Med Funds observatory is based on the assumption that Mediterranean SMEs are crucial to boost the regional economy. PE can therefore contribute to socio economic success.

The idea is thus to give an overview as accurate as possible of the MEDA PE environment. It is also an unprecedented initiative[23], which will make this source of financing better known to both investors (showing that the region is already an attractive spot for business), and entrepreneurs (presenting an alternative source of financing for their existing or projected companies).

Fund selection and data collection

- Med Funds mainly aims at: i) identifying and listing investment funds that operate in the MEDA region; ii) observing the evolution of PE funds creation and their operations; iii) analysing the specificities of MEDA PE, based on geography, sectors, strategy, amounts etc.
- The funds listed were selected as soon as they operate or are planning to operate in MEDA countries. For funds with a broader geographic reach, such as the African continent, a proportional allocation of the equity raised was sometimes applied (yet this happened only in few cases).
- With regards to Gulf funds, some of the PE firms included may not only or mainly invest in the Mediterranean region. They were included when this

[23] The few analysis available, such as the reports and surveys published by the EMPEA, do not consider the Mediterranean region as a relevant entity. In doing so, they tend to aggregate data on North Africa, the Middle East (sometimes called Levant) and the Gulf region (understood as the Gulf Cooperation Council -GCC). In the analysis it provides, ANIMA intends to show that, although GCC countries are prominent actors in PE, a new tendency lies in this conception of Mediterranean countries from both North Africa and the Middle East as a regional market.

area is clearly included in their zone of operation. The amounts they collect are indeed potential investments for the MEDA region.

- With regards to fund size, *mega funds* (with commitments over US$500m) were only considered when clearly investing into MEDA (this excludes for instance global funds focused on emerging markets). Huge infrastructure or oil related projects like the recently announced commitment of London-based PE firm Klesch, which advertised a US$8bn projected investment in Libya (February 2008), were not taken into account.
- Three main features are approached for each fund: i) management company details; ii) investment strategy; iii) actual investments.

What Private Equity?

It often proves difficult to say whether a given firm or investment can be deemed a PE actor or deal. Investors themselves get confused and some explain that their activities are "like PE." The present survey has therefore adopted a both precise (investment strategy of a given vehicle and management team) and loose definition (country variations and fund structure).

- The firms and their funds were included as soon as they mainly or only invest in unlisted companies at the various stages of their development: Venture Capital (from seed up to subsequent early stages); Growth Capital (second stage, when an already reliable company is in need of financing in order to expand), or Buy-Out (late stage, when an investor takes stakes in a grown up company).
- Sectors: funds active in real estate or in the field of energy were retained when they could be assimilated to PE according to what has been said in the above. ANIMA has relied on a broad definition of sectors:
    - Consumer goods (products targeting private consumption, from the agro-business to electronic devices);
    - Energy (as usually understood);
    - ICT & Innovation (Telecommunication, software, electronic components, biotechnologies);
    - Other industries (chemicals, metallurgy, machinery, transports, minerals);
    - Public work (Public work per se, real estate, utilities);
    - Services (Bank, tourism, retailing).