



About Citadel Capital

Citadel Capital is the leading private equity firm in the Middle East and Africa. The Firm makes control private equity investments and has more than US\$ 8.7 billion in investments under control, spanning 19 Platform Companies in 15 industries across 14 countries. Citadel Capital is listed on the Egyptian Stock Exchange (EGX) and trades under the stock symbol CCAP.CA.

Citadel Capital is the largest private equity firm in Africa by PE assets under management (2006-2011, as ranked by Private Equity International). In addition to its Cairo headquarters, the Firm has offices in Algiers and Nairobi.

As a private equity firm, Citadel Capital does not directly manage the companies in which it invests, nor does it guarantee debt at the platform or portfolio levels. Rather, the Firm prefers to acquire companies with strong management teams; in cases where it is appropriate to bring in new talent, Citadel Capital actively seeks out globally experienced regional and international professionals. The Firm may also contract leading global consultants to add new layers of expertise.

Citadel Capital has raised and invested equity of US\$ 4.7 billion in the seven years since it began operations, and has generated more than US\$ 2.2 billion in cash returns for its shareholders and limited partners on investments of US\$ 650 million, more than any other private equity company in the MENA region.

To date, Citadel Capital has raised 19 Opportunity Specific Funds (OSFs) that control platform investments in industries including energy, cement, specialty real estate, mining, agribusiness, glass manufacturing, transportation and logistics, metallurgy and solid waste management. The Firm has completed 54 acquisitions and new company formations. Citadel Capital pursues control investments across the deal-type spectrum, including turnarounds, buyouts, consolidations / industry roll-ups and greenfields.

Citadel Capital is a control investor and is a principal investor, typically covering 10-20% of the equity component in each of its own

Citadel Capital's Executive Team

Ahmed Heikal (Chairman and Founder)
Hisham El-Khazindar (Managing Director and Co-Founder)
Karim Sadek (Managing Director)
Ahmed El Houssieny (Managing Director)
Marwan Elaraby (Managing Director)
Ahmed El Shamy (Managing Director)

Industry Profile

- The Firm considers investment opportunities in any industry in which it sees an opportunity to create value.
- The Firm offers exposure to 15 industries, including: agriculture and consumer foods, cement, energy distribution, engineering and construction, financial services, glass manufacturing, media, metallurgy, mining, petroleum refining, specialty real estate, transportation and logistics, upstream oil and gas, multi-sector holdings and solid waste management.

Revenue Generation Model

- Citadel Capital employs a hybrid revenue-generation model.
- As a significant principal investor (committing 10-20% of the equity in each of its funds), it records capital gains upon exiting its investments.
- The Firm also records revenues from advisory fees on the total invested assets under management (drawn equity) it has under control as well as from a carried interest over a hard hurdle on capital gains it makes for the limited partners in its OSFs.

transactions, with equity of more than US\$ 897 million committed to its own deals.

The Firm accounted for c.27.5% of all private equity funds raised in MENA in 2010, according to figures from the Emerging Markets Private Equity Association (EMPEA).

While Citadel Capital continues to raise funds primarily via OSFs, it announced a US\$ 140 million joint first close in 3Q10 for the MENA and Africa Joint Investment Funds. The sister funds are Citadel Capital's first "standing" funds and target a combined final close of US\$ 500 million.

Anchor LPs in the JIFs include the International Finance Corporation (IFC), the African Development Bank (AfDB), the Netherlands Development Finance Company (FMO), Société de Promotion et de Participation Pour la Coopération Economique (Proparco), Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG), and the European Investment Bank (EIB). The funds will invest US\$ 2 for every US\$ 1 Citadel Capital invests in its own transactions.

Citadel Capital's leadership team and employees are strongly motivated by the desire to leave the communities in which they do business better places than they found them. Citadel Capital's formal funding for community development initiatives — as distinct from the personal philanthropy of the managing partners and staff — has totaled more than US\$ 60 million since 2004.

Investment Strategy

Citadel Capital's strategy is to acquire or create national companies that can serve as platforms for regional expansion in specific industries.

The Firm takes a flexible approach to the structures it uses to pursue investments in the Middle East and Africa, giving it more latitude to invest throughout the business cycle relative to traditional buyout firms.

Citadel Capital's willingness to pursue an incremental approach to building its platform investments (and its continued ability to raise funds) has allowed it to capitalize on opportunities in a variety of market conditions.

Investment Approach

Citadel Capital creates value by pursuing opportunities through:

- **Distressed Investments** in companies that often have attractive underlying assets that permit the application of financial and management re-engineering to unlock significant value in turnaround scenarios. (Example: ASEC Holding, El-Misriyeen)
- **Consolidation Plays / Industry Roll-Ups** that group smaller companies into a regional player that creates economies of scale and premium valuations. (Example: TAQA Arabia, ASEC Cement)
- **Greenfield Investments** that create a completely new sector play, the expense of which is justified by an unusually strong opportunity to create value. (Example: Nile Logistics, Egyptian Refining Company)
- **Leveraged Buyouts** of companies with the capacity to support prudent debt levels and that also have good growth potential at the local or regional levels. (Example: Egyptian Fertilizers Company)

Investment Footprint

- Citadel Capital offers exposure to 14 regional markets, including: Egypt, Algeria, Sudan, Libya, Ethiopia, Jordan, Syria, Iraq, Saudi Arabia, United Arab Emirates, Qatar, Pakistan, Kenya and Uganda
- Future investments will target opportunities in Saudi Arabia, Iraq, Algeria and East Africa, as well as Egypt

Citadel Capital Platform Companies (as of end-March 2011)

- **ASEC Holding** (Cement, Engineering and Construction)
- **ASCOM Geology & Mining** (Mining)
- **Nile Logistics** (Transportation and Logistics)
- **Africa Railways** (Transportation and Logistics)
- **Gozour** (Agriculture and Consumer Foods)
- **Wafra** (Agriculture and Consumer Foods)
- **National Petroleum Company** (Upstream Oil and Gas)
- **NOPC / Rally Energy Group** (Heavy Oil)
- **Nile Valley Petroleum Ltd** (Upstream Oil and Gas)
- **Egyptian Refining Company** (Petroleum Refining)
- **TAQA Arabia** (Energy Distribution)
- **Mashreq Petroleum** (Energy Distribution)
- **GlassWorks** (Glass Manufacturing)
- **Finance Unlimited** (Financial Services)
- **Bonyan** (Specialty Real Estate)
- **Tawazon** (Solid Waste Management)
- **United Foundries** (Metallurgy)
- **Tanweer** (Media)
- **Grandview** (Multi-sector)

Exited Platform Investments to Date

- **Egyptian Fertilizers Company (EFC)**, sold to the UAE's Abraaj Capital in a deal valued at US\$ 1.4 billion (June 2007)
- **Helwan Portland Cement Co.**, sold to Italy's Italcementi at a value of US\$ 612 million (August 2005)
- **ASCOM Geology & Mining**. The Firm made a partial exit from ASCOM in February 2007, achieving a Gross IRR of 972% and a gross multiple of investment of 10.9x. Through a series of on-market sales, Citadel Capital has reduced its shareholding in ASCOM in the first half of 2008 to 49.9% from 61.5% for total proceeds of US\$ 45 million.

For more information, please contact:

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