

## **Leading Private Equity Firm – HBG – Acquires Stake in Muscat Finance Company**

**Dubai 4th September 2008** – HBG Holdings (“HBG”), a leading Jeddah and Dubai based investment firm specializing in private equity and real estate investments, has today announced its acquisition of a strategic stake in Muscat Finance Company (“MFC”), a public joint stock company listed on the Muscat Stock Market.

HBG, whose stakeholders include NCB Capital, a subsidiary of the National Commercial Bank of Saudi Arabia, has acquired 9 million shares or 10% of MFC, worth approximately 9.7 million. The shares were acquired in strategic blocks from existing shareholders.

This acquisition makes HBG one of the largest shareholders in MFC.

Commenting on the deal, Abdallah Y. Al-Mouallimi, Chairman of the Board of Directors of HBG Holdings said, “We are very pleased to have acquired a strategic stake in this leading financial institution that has historically dominated the non banking finance sector. With the Oman non banking finance sector having grown to USD 1.3 billion and continuing to grow at more than 50% per year, we look forward to working with all stakeholders to realize the company’s immense market potential. We view this transaction as a long term investment for HBG which demonstrates our confidence in Oman and Middle East economy.”

Mr. Al-Mouallimi added, “We have identified the financial sector as a key area of focus for our investment activities and intend to increase our allocation in this sector across the region and particularly in Saudi Arabia.

The Board of Directors of MFC has already met and approved the nomination of Zulfi Hydari, Managing Director of HBG Holdings, to the Board of Directors and the Executive Committee.

Mr. Hydari said, “I thank the Board for showing confidence in HBG as a strategic shareholder and giving me the opportunity to actively participate as Board Director and Executive Committee Member. The non-banking finance segment is set for significant growth across the region and MFC is undeniably one of the strongest platforms around having served more than 80,000 customers and made cumulative disbursements of approximately \$1 billion.”

Mr. Hydari added, “Oman is a growing investment destination which is home to a diverse business community with domestic and regional ambitions.” Likewise, there will be a strong drive towards future consolidation as the regulatory authorities have recently announced a major increase in the minimum capital requirement of Non-Banking Finance Companies. In time, we hope to partner with leading local business groups as they expand beyond the domestic market.”

HBG intends to invest over \$2 billion in its current investment cycle and is evaluating a number of transactions in the region. HBG will also increase its exposure to the financial services sector.

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**Notes to Editors:**

HBG Holdings (HBG) is a leading investment firm specializing in private equity and real estate investment in the Middle East, North Africa and South Asia. The shareholder base of the firm includes the region's leading private and institutional investors.

The firm pursues a proactive investment strategy focused on acquiring controlling interests in companies that provide significant opportunity for operational enhancement, financial restructuring and regional expansion. Its value creation is unique in that it requires significant post acquisition operational involvement from the firm's management.

The firm has specialist expertise in a range of fields including consumer goods, finance, logistics, petrochemicals, energy and real estate and boasts a team with significant and private equity in the region.