

## Leading Private Equity Firm HBG Holdings to pioneer Islamic investing on the AIM market



*Gulf investment firm to channel capital into the AIM market in London*

**Dubai, London 14th July 2009** – HBG Holdings (“HBG”), a leading private equity investor and fund management business operating in the Middle East region, has today announced it will acquire strategic positions in companies listed on the Alternative Investment Market (“AIM”) of the London Stock Exchange.

HBG, whose shareholders include some of the leading private and institutional investors from the Gulf, will invest from its Cayman based HBG Special Opportunities Fund I (“HSOF”). HSOF, which is the first Shariah compliant private equity fund formed to target growth capital opportunities on AIM, will be opportunistic and focus on listed companies with experienced management and strong growth potential in the MENASA region.

Commenting on the new fund, Zulfi Hydari, Group Managing Director of HBG Holdings said, “We have decided on the AIM market as a key area of focus for our investment activities after concluding that the current environment is not conducive for small companies to prosper on a public exchange. Although the AIM market has been one of the most successful growth markets in the world, a confluence of factors will force many listed companies into private hands. We are in the fortunate position of being well capitalized and therefore intend to be active investors on AIM over the next few years.”

Mr. Hydari added, "London is the world's leading global financial centre with a deep pool of talent to support Islamic financial transactions. Given our strategy of creating specialist investment corridors between the Gulf and Britain, the HSOF platform will be pivotal to our plans in the years ahead."

HBG has teamed up with former CEO and Deputy Chairman of AIM listed Neutrahealth Plc, Michael Toxvaerd, to launch the HSOF fund.

Mr. Toxvaerd said, "The London team will compliment the wider HBG team consisting of highly regarded business leaders and private equity experts. Now that we have received FSA approval, we are actively setting up our local presence and building the team. As we know the market well and have the expertise to help companies struggling on AIM our deal pipeline is growing quickly."

Since its launch in 1995, AIM has become known as the world's leading market for growth companies. AIM has provided a simplified regulatory environment for over 2,000 companies who have chosen to join AIM over the last 14 years. However the current global financial crisis has created a challenging operating environment for AIM listed companies.

Mr. Toxvaerd added, "Many AIM listed companies are suffering from a falling share price, lack of liquidity, limited access to debt, management share options under water and an institutional shareholder base looking for an early exit. In such circumstances many AIM companies would do better to navigate through this crisis in partnership with a private equity investor."

"Since our fund is Shariah compliant, we will need to target strategic positions and limit the amount and type of debt we use, but as the era of careless leverage has ended we are confident that this structure will allow sufficient flexibility to invest and generate alpha returns", Mr. Toxvaerd said.

HBG is evaluating a number of transactions on the AIM market and will be seeking to close transactions as the year progresses.

- **Ends** -

**Notes to Editors:**

**HBG Holdings**

HBG Holdings (“HBG”) is a leading private equity investor and fund management business specialized in facilitating the flow of investment capital from Saudi Arabia and the Gulf into private companies with growth potential in the MENASA region.

The firm successfully generates superior returns by leveraging its expertise in acquiring businesses and expanding them regionally through organic growth and “bolt-on” acquisitions, often in close partnership with leading regional partners. Its value creation model is unique in that it assumes direct operational involvement from the firm’s management in the post acquisition phase.

The HBG team is impressive in its heritage, having managed some of the region’s largest businesses and played a leading role in its landmark M&A transactions. The team has vast knowledge of the region accumulated over many decades of operating profitable businesses and executing private equity transactions.

Since its establishment in 2004, the firm has rapidly built a client base of leading private and institutional investors from across the six Gulf Co-operation Council countries and has held stakes in various assets across the region.

HBG Holdings is licensed by the UK Financial Services Authority and is a member of the Emerging Markets Private Equity Association.

**HBG Special Opportunities Fund I**

HBG Special Opportunities Fund I LP (“HSOF”) is the first Shariah compliant private equity fund targeting undervalued companies on the Alternative Investment Market (“AIM”).of the London Stock Exchange.

The investment strategy of the fund focuses on deploying growth capital to expand small/ mid caps both organically and through acquisition with a view to turning portfolio companies into targets for larger trade buyers and private equity firms.

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