



BUILDING SUSTAINABLE BUSINESSES, BUILDING SUSTAINABLE COMMUNITIES



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ABOUT THE ABRAAJ GROUP

The Abraaj Group is a leading private equity investor operating in the global growth markets of Asia, Africa, Latin America and the Middle East. In 2012, it completed the integration and merger of Aureos Capital, thereby creating the deepest bench of private equity experience across global growth markets.

Employing over 300 people, the Group has 33 country offices spread across 7 regional hubs in Bogota, Dubai, Istanbul, London, Mumbai, Nairobi and Singapore. Local presence across these markets provides the Group with unmatched expertise, know-how, proprietary transactional access and the ability to grow partner businesses across borders.

The Abraaj Group currently manages US\$ 7.5 billion across 25 sector and country-specific Funds, encompassing private equity (majority and significant minority investments with ticket sizes of between US\$ 10 million to US\$ 100 million invested across a global mandate) and real estate (primarily yield-generating) investments.

Funds managed by the Group have holdings in over 150 partner companies that create sustainable value in sectors including manufacturing, education, retail, aviation, oil and gas, financial payments infrastructure, healthcare and agribusiness. The Group's current partner companies include industry leaders such as Network International, the largest independent payment solutions provider in the Middle East and Africa, NEP Holding, with its Diamond brand and a market leader in the residential filtration market of Malaysia with a growing presence in Singapore, Hong Kong, Taiwan and Southern China, Brookside Dairy, the leading dairy in East Africa, and Iasacorp, a long established family run women's retail business in Peru.

The Group has set the standard for private equity investing in growth markets, having returned approximately US\$ 3.8 billion to investors from 65 full and partial exits, providing industry leading returns across a range of companies that have emerged as today's regional champions and tomorrow's global challengers.

The Abraaj Group has an investor base of 300, including corporates, development finance institutions, financial institutions, pension funds, sovereign wealth funds, family offices, high net worth individuals and other institutional investors from Asia, Africa, the Americas, Europe and the Middle East.

The Abraaj Group is committed to the highest environmental, stakeholder engagement and corporate governance standards. The Group is a signatory to the United Nations-backed Principles for Responsible Investment and the United Nations Global Compact. The Group's founder, Arif Naqvi, was appointed to the Global Compact Board by UN Secretary-General Ban Ki-moon in 2012.

Through its social investing program, The Abraaj Group has supported best in class organizations focused on entrepreneurship and job creation, healthcare, education and community engagement and thereby enabled a deep-rooted and sustainable impact on the economic landscape of the markets in which it operates.

150+ partner companies	US\$ 3.8 billion in capital returned	33 offices
65 full and partial exits	US\$ 7.5 billion in assets under management	300+ employees



OUR APPROACH TO RESPONSIBLE BUSINESS

"Private equity has the opportunity to have impact across many industries, sectors and countries. The impact is not just in wealth creation - indeed the role of the shareholder has been replaced by the multi-dimensional role of the stakeholder - and only by insisting on and living the reality that business is not just about economic gain, but about social and environmental gain as well - can we create truly sustainable value."

Arif Naqvi, Founder and Group Chief Executive, The Abraaj Group

The relationship between the global business community, and the societies within which it operates, is changing. From Wall Street to Greece through to Tahrir Square and Myanmar, we are reminded that an economic reform agenda without political and social reform is not sustainable. As these new paradigms are being shaped, business has a critical role to play. Transparency, governance, respect for human dignity and equal opportunity are going to be the new currents that will sculpt the confines of our economies.

These tumultuous times are full of opportunity but also illustrate starkly that the private sector cannot act independently of the wider community - there exists a greater ecosystem which must be recognized and engaged with. Since 2002, we at The Abraaj Group have consistently strived to evolve a new private equity model, one that recognizes the centrality of the stakeholder rather than just the shareholder. Being a responsible business lies at the core of our values and part of our group's culture that is shared and lived by our employees every day, every week.

THE NEW NORMAL

Businesses have powerful roles to play as agents of sustained economic and social change, principally through their ability to be at the center of diverse networks and communities, their connections to innovators and change-makers, and to core stakeholders in society in general. Ours is a new private equity model, one where economic returns are primary, but where the ability to foster deep-rooted, sustainable change within the growth markets in which we operate, is as critical a benchmark of success as pure financial returns.

Today's world is a much smaller and more fragile place shaped as it is by technology and interconnectedness. Different cultures exist in close proximity to one another and societies can peer over each others' walls, disclosing the inequalities which define our world. Increased awareness of these challenges has led to the

realization that we don't have the systems or business models in place to eradicate poverty, prevent wars, or act efficiently after natural disasters. Systems of regional and global governance are not wholly adequate and need to be remodeled to address the challenges of the 21st century and the competing demands of its many stakeholders.

No system, no institution, no government is immune to the new realities we find ourselves in today. The balance of economic power is shifting to new continents and markets, the uncertainty pervading our systems is such that high-impact events or occurrences are increasingly hard to predict and new networks of influence carrying names such as Facebook, LinkedIn, Wamda or Twitter, have emerged as prevalent forces.

Technology and globalization have also given us economic opportunities like never before. Yet social inequalities have been exacerbated, fueling growing discontent particularly amongst the next generation which aspires to economic opportunity, dignity and the chance to shape the future of their community, city or nation. All of us whether individual citizens or large corporations, must evolve and grow within this new environment. Either we embrace these changing realities - or we do not. The latter is not an option for any forward-looking business, as we have proved since our inception by embracing the former approach.

This has required extensive stakeholder engagement, strong values and evolving business models. It is a model that has been embedded through the group by a dedicated function known as the Abraaj Strategic Stakeholder Engagement Track (ASSET). ASSET is responsible for driving through, in spirit and letter, our broader engagement philosophy in the group and in our partner companies. We believe it is incumbent upon each management team and each staff member to embrace the opportunities which the ASSET vision presents to us as a group and as individuals to make a positive difference to the communities and markets in which we operate.



5+5+5

5% of Abraaj's top-line fee income revenue to the program

Employees are encouraged to donate 5% of their annual bonus

A minimum of 5 days of employees' time a year to provide leadership and involvement to the program

ASSET is the repository of the group's culture and stakeholder engagement philosophy

We have executed on this vision by deploying our efforts in two major streams. Firstly, by building sustainable businesses through the application of Environmental, Social and Governance (ESG) principles in our group and our partner companies and secondly, by building sustainable communities in the markets in which we operate. Our ability to build sustainable communities is underpinned by our 5+5+5 program. This represents 5% of net management fee revenue that helps finance our community based initiatives, 5 days per year that each employee sets aside for volunteering in the community and 5% of the annual bonus we encourage each employee to donate to the stakeholder initiatives we undertake. In the last 5 years, over US\$ 60 million has been allocated to specific initiatives alongside 7,000 volunteering hours by our employees to a range of social and environmental causes.

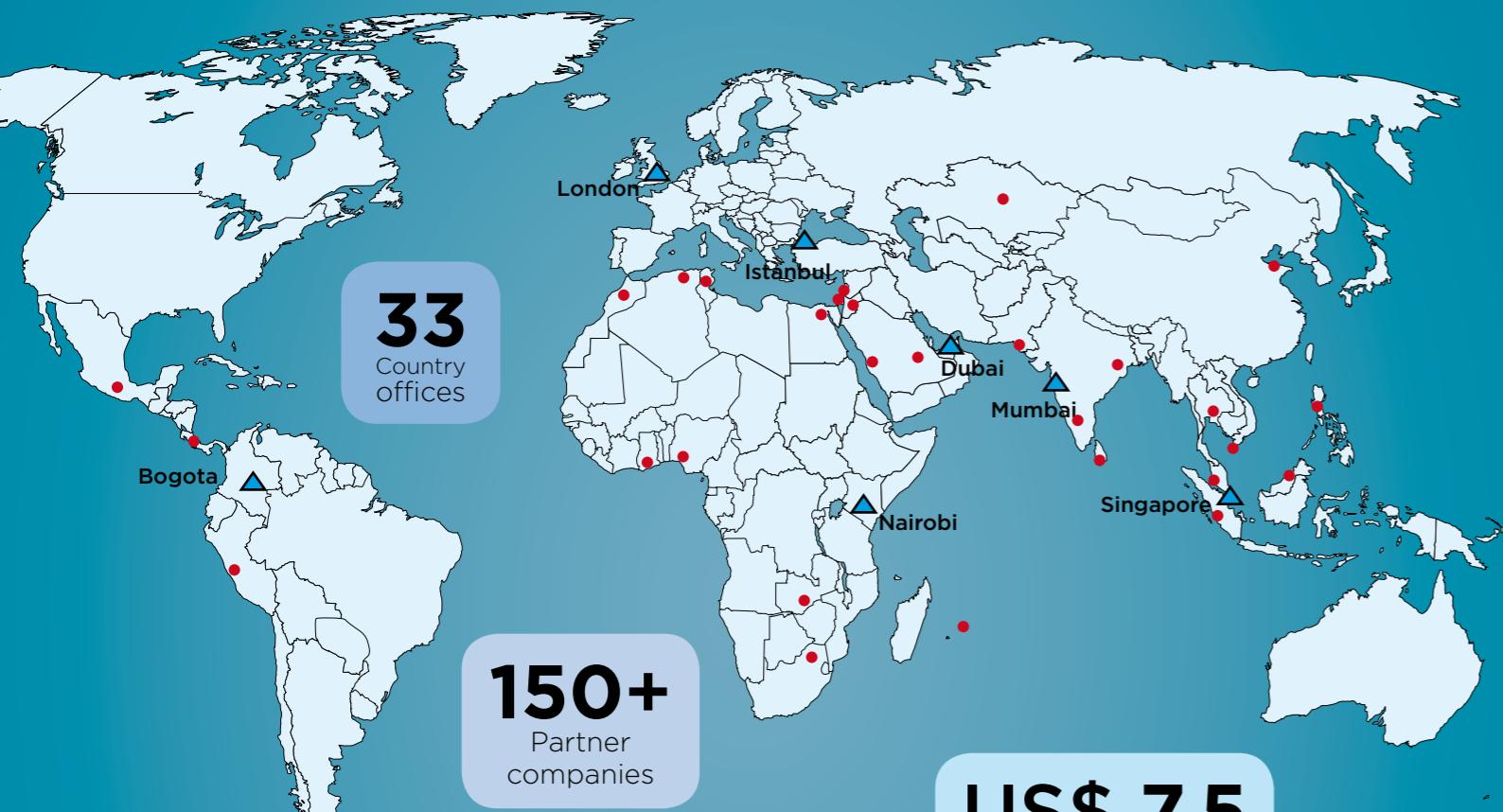
This document is not about our pioneering nature in the transactions we did or the returns we generated, since those are available in our Annual Reviews that are widely disseminated and available on our website (www.abraaj.com). Our track record in both our Large Cap

and Small and Mid-Cap (SMC) investment platforms has won The Abraaj Group a hard-earned reputation, loyal and committed investment partners, supportive shareholders and numerous industry accolades and prizes. Rather, this document articulates our fundamental belief that private equity can be a force for development and growth in a manner that transcends existing business models and traditional perceptions of private equity behavior, thereby providing the global PE industry with a pioneering 21st century case for "a new PE order".

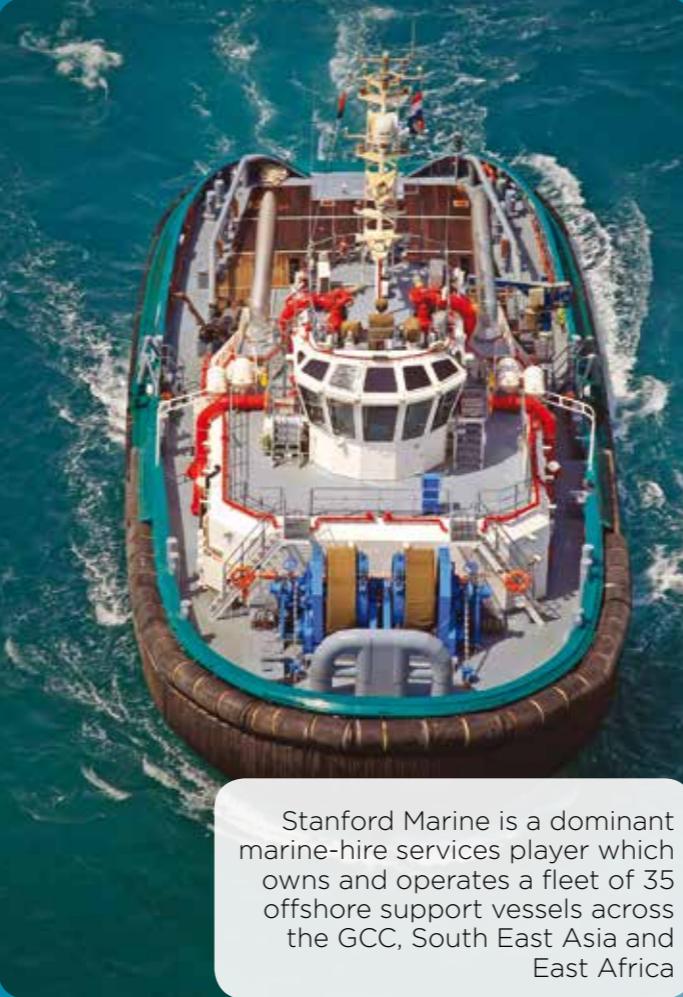
Building Sustainable Businesses and Communities provides a framework that has allowed us to create and evolve a private equity group that has a formidable multiplier effect deep into communities of all sorts through our holdings and partnerships. Starting with our immediate employees and moving to those employed by companies in which our group invests, leads us to the conclusion that we are not just a group of over 300 employees, but rather, our actions at any given point in time may affect the welfare of over 100,000 employees, their families and importantly their communities. This document is an attempt to share the context in which we have evolved and the scenery that we see day in and day out as we run the core of our business.

This is our approach to being a responsible business as it pertains to The Abraaj Group of entities, the businesses we own and the stakeholders they touch within the global growth markets in which we operate.

OUR GLOBAL FOOTPRINT



● The Abraaj Group offices
△ The Abraaj Group regional hubs



Stanford Marine is a dominant marine-hire services player which owns and operates a fleet of 35 offshore support vessels across the GCC, South East Asia and East Africa



Lasacorp is one of the leading family run women's retail business in Peru with over 100 points of sale established throughout the country

BUILDING SUSTAINABLE BUSINESSES



Spinneys is a premium supermarket retailer operating 14 hyper markets, supermarkets and convenience stores across the MENA region



Hind High Vacuum is a pioneer in high vacuum technology in India supplying turnkey solutions to domestic and international clients



Bank of Africa began operations in Mali in 1982. It now has 250 dedicated operating and service support offices in 13 countries in Africa and services 700,000+ bank accounts

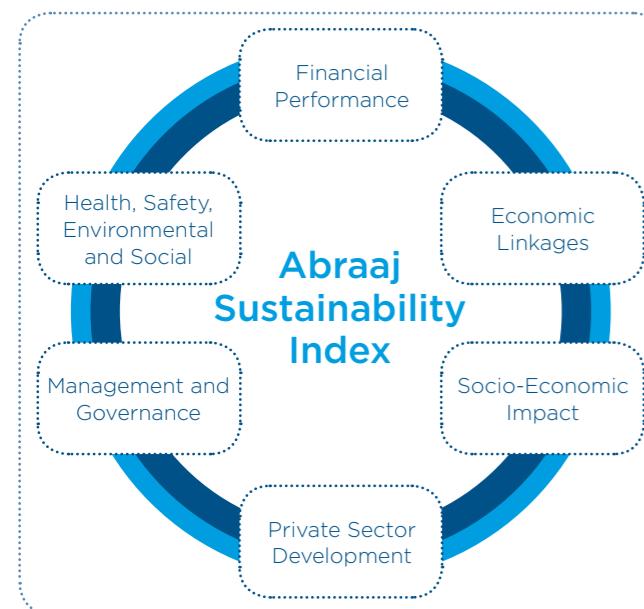


Mercado General Hospital is a multi-accredited hospital in the Philippines offering 17 specializations and 35 sub-specialties to patients

VALUE CREATION IN OUR PARTNER COMPANIES

We have long been a pioneer in application of sustainability and the integration of Environmental, Social and Governance (ESG) principles in our business. Our focus on sustainability is at the very core of our investing process and ensures, through the application of a thorough ESG approach from due diligence, that potential investments are screened on the basis of their current (and future) sustainability performance. The ESG approach is applied across our small and mid-cap investments and will soon cover the group's large-cap investments. Further, in order to support the integration of sustainability within the group, we provide ongoing training to our investment professionals and the group's Executive Committee.

Abraaj's commitment to sustainability means a responsibility to drive business principles adopted at a group level through to our partner companies. We see this as a crucial issue of effective management and maintenance of our position as pioneers within the industry. In light of this commitment, we launched an Ethical Framework for Investment for our partner companies in 2009. Based in part on the United Nations Global Compact, the framework was created to guide companies towards implementing ethical principles throughout their activities. In 2009, our partner companies endorsed these principles and several of them have adopted leading edge sustainability practices in their business.



We believe that adopting a rigorous approach to sustainability is not only the responsible thing to do, but that it also helps accelerate business performance and valuation

In addition, the Abraaj Sustainability Index (ASI), a bespoke and proprietary index, was launched in 2008 which measures the development impact of our global investments. The ASI enables a number of our small and mid-cap partner companies to chart and monitor their own performance. Our aim is to improve the index score for each of the partner companies year-on-year. In developing this index, we have incorporated global best practice standards.

The ASI spans financial performance, economic linkages, socio-economic impact, private sector development, management and governance, and health, safety and environmental factors. We believe that these indicators are crucial to ensuring the sustainability of our investments in the global growth markets in which we operate. The application of the index across our partner companies has enabled us to identify specific areas for improvement and additionally, allowed us to benchmark businesses that operate in similar sectors and thereby allow for cross sharing of best practices.

Our belief is that this rigorous approach to sustainability is not only the responsible thing to do, but that it also helps accelerate business performance and strengthens valuations. We believe that true profitability cannot be achieved without a sustainable approach: in the absence of superior returns to our shareholders, the business would struggle to deliver the social, economic and environmental impact that is so integral to the value creation process we have embedded in our partner companies. Sustainability is one of the levers of value creation but a critically important one, as it communicates to our investors, partner companies, employees, management and stakeholder community that we are as committed to achieving a strong development impact as we are to delivering high economic returns.

Our commitment to sustainability was reflected and reaffirmed in our membership of the United Nations-backed Principles for Responsible Investment (UNPRI) in 2009 when we were the only private sector group in the MENA region to join as an industry member. We have worked very closely with UNPRI since, integrated ESG practices into our investment decisions across the majority of our partner companies and are active members on the UNPRI's emerging markets private equity working group.

Our commitment to transparency with respect to our sustainability initiatives was further strengthened through the issuance of an integrated sustainability report for our group performance in 2010 and 2011. The data in the report was subject to a third party limited assurance by KPMG and subsequently reviewed by the Global Reporting Initiative (GRI) who awarded us with a B+ rating in both years. We understand that we are one of the very few private equity groups globally to submit an integrated sustainability report and we will continue with this practice in the years to come.

In 2012, a decade after our group was established, Abraaj became a signatory to the United Nations Global Compact and in doing so, formally committed itself to the 10 Principles of the Compact. In May 2012, the UN Secretary General Ban Ki-moon appointed our Founder and Group Chief Executive, Arif Naqvi, to the Board of the Global Compact, the UN's highest level advisory body involving business, civil society, labor and employers' organizations. The Abraaj Group is the sole representative of the private equity industry on the Board. We believe the appointment to the Global Compact is a reflection of our track record in embedding a stakeholder approach in the markets and communities in which we operate and one we are privileged to participate in.

Iasacorp, an Abraaj Group partner company in Peru, has a 10 year pedigree in the retail business and is one of the leading retailers of women's accessories. Given its consumer footprint, it has a strong focus on sustainability and runs programs aimed at minimizing environmental waste, including through the launch of 100% biodegradable shopping bags



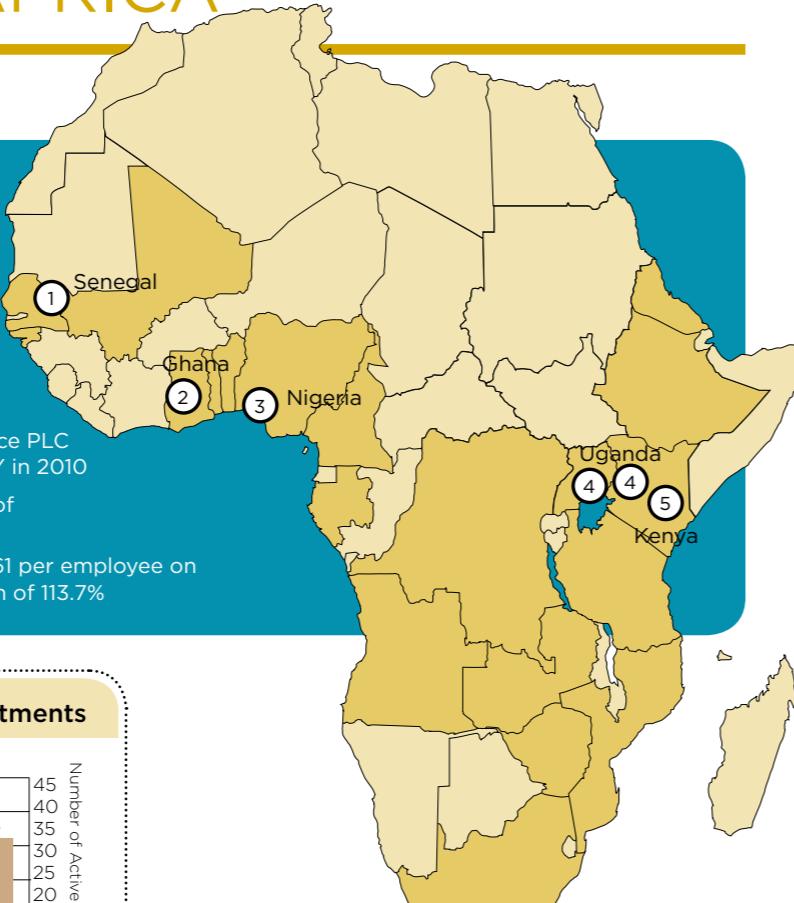
Unimed, an Abraaj Group partner company, is a leading generics pharmaceutical company in North Africa. Unimed generics are manufactured in compliance with best in class European quality certification standards. The company employs more than 350 people, 190 of whom are women



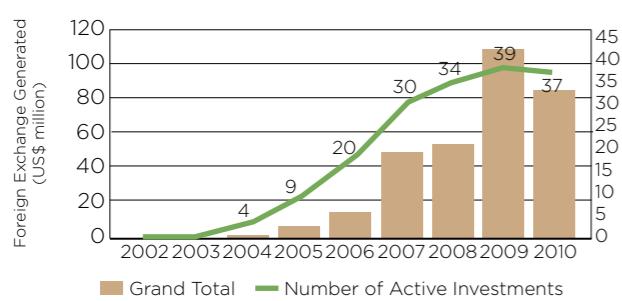
SUB-SAHARAN AFRICA

CREATING VALUE IN OUR PARTNER COMPANIES

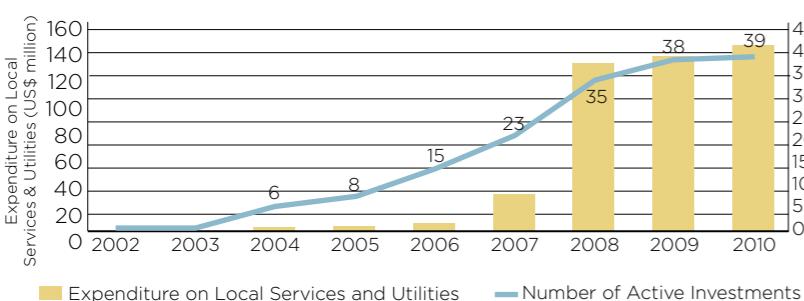
- 1 Les Ciments du Sahel S.A spent US\$ 41.4 million on local services and utilities
- 2 HFC Bank (Ghana) Limited spent US\$ 15.5 million on local services and utilities in 2010
- 3 Revenue growth for Custodian & Allied Insurance PLC increased by 19% YOY in 2009 and by 26% YOY in 2010
- 4 Equity Bank Ltd experienced turnover growth of 38% for 2010, up from 11% from 2009
- 5 Seven Seas Technologies Ltd spent US\$ 2064.61 per employee on training in 2010 and experienced a sales growth of 113.7%



Foreign Exchange Generated in Active Investments



Expenditure on Local Services and Utilities



The BoP (Base of Pyramid) impact of investments made by the Africa Health Fund is expected to reach more than 54% of its target end consumers

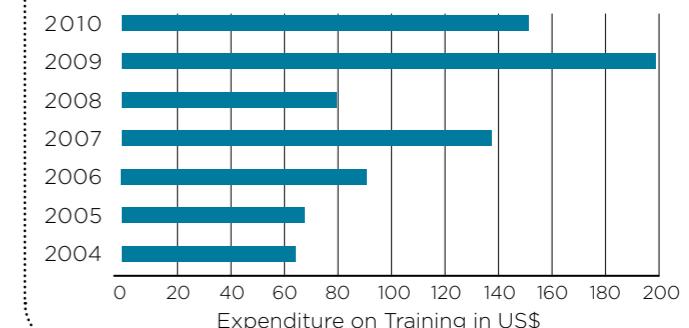
For every dollar invested by us in Africa, a (cumulative) total of **US\$ 4.31** was injected into the investments as additional financing from 2004 to 2010

OUR SUSTAINABILITY FOOTPRINT

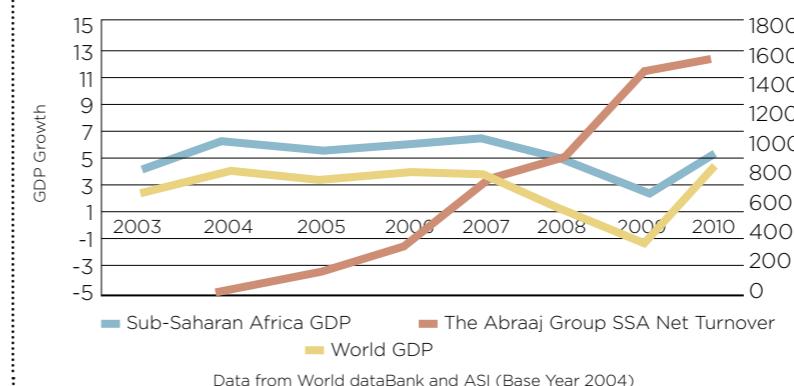
Total Investment by Sector - 2010



Annual Training Expenditure per Employee



GDP and Net Turnover Growth Rate Sub-Saharan Africa (Annual %)



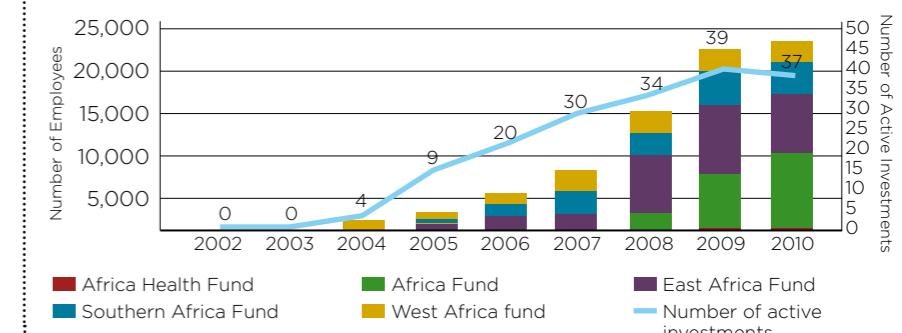
In 2010, our partner companies in Africa spent a total of **US\$ 105 million** on new technologies, up from the **US\$ 90 million** spend in 2007

37 partner companies in Africa in 2010

Women in the Workforce

By 2010,
19.32%
of the workforce were women as compared to 13.71% in 2005

Total Employees in Active Investments



98% of our partner companies in Africa pay wages well above minimum statutory levels

Based on data available at the time of this report



BROOKSIDE DAIRY LIMITED

THE COMPANY

Brookside is a Kenyan dairy, producing fresh milk and other dairy products, and is the largest dairy operation in East Africa. The company currently has operations in Kenya, Uganda and Tanzania. It also exports products to Rwanda, Burundi, Egypt and the Middle East, as well as to the Indian Ocean islands.

We invested US\$ 18.7 million in 2009 from the Africa Fund. Brookside was originally an investment by Acacia Fund where it achieved a successful exit.

Operational performance since our investment has been strong at 17% CAGR. Over this time the

2010 ASI DATA AND CAGR SINCE INVESTMENT

Indicator	Metric	2010	CAGR
Operational Performance	Milk Intake (liters)	156,943,798	17%*
Economic Linkages	Number of small holder suppliers	120,000	22%*
Socio-Economic Impact	Number of Employees	2673	11%
Private Sector Development	Investment Mobilized (US\$ million)	\$5.84	0.3x cost
Management & Governance	Governance Rating		Risk: Med
HSE&S	HSE&S Rating		Risk: Low

* CAGR based on period between 2007 and 2011

number of employees has also grown to over 2600 employees as at December 2010 (a CAGR of 11% since investment).

DEVELOPMENT IMPACT

ECONOMIC LINKAGES

Due to its position as the largest dairy in East Africa, Brookside sources milk from a large number of subsistence farmers from across the region on a daily basis. The commercial dairy industry in East Africa is still developing, with the result that the majority of Brookside's milk comes from smallholders. The company estimates that it sources 95% of its milk from 120,000 local subsistence farmers, cooperatives and farmers' groups across Kenya daily. A typical subsistence farmer has 5 or less cows.

LIVELIHOODS AND COMMUNITY IMPACT

With its focus on sourcing milk from smallholders nationwide, Brookside provides livelihoods for over 200,000 Kenyans. A further 10,000

people in Tanzania and Uganda also work for the company's regional distribution network.

Brookside was the first dairy in the region to introduce guaranteed pricing contracts, giving farmers clear price transparency and a guaranteed market for their milk.

INFRASTRUCTURE DEVELOPMENT

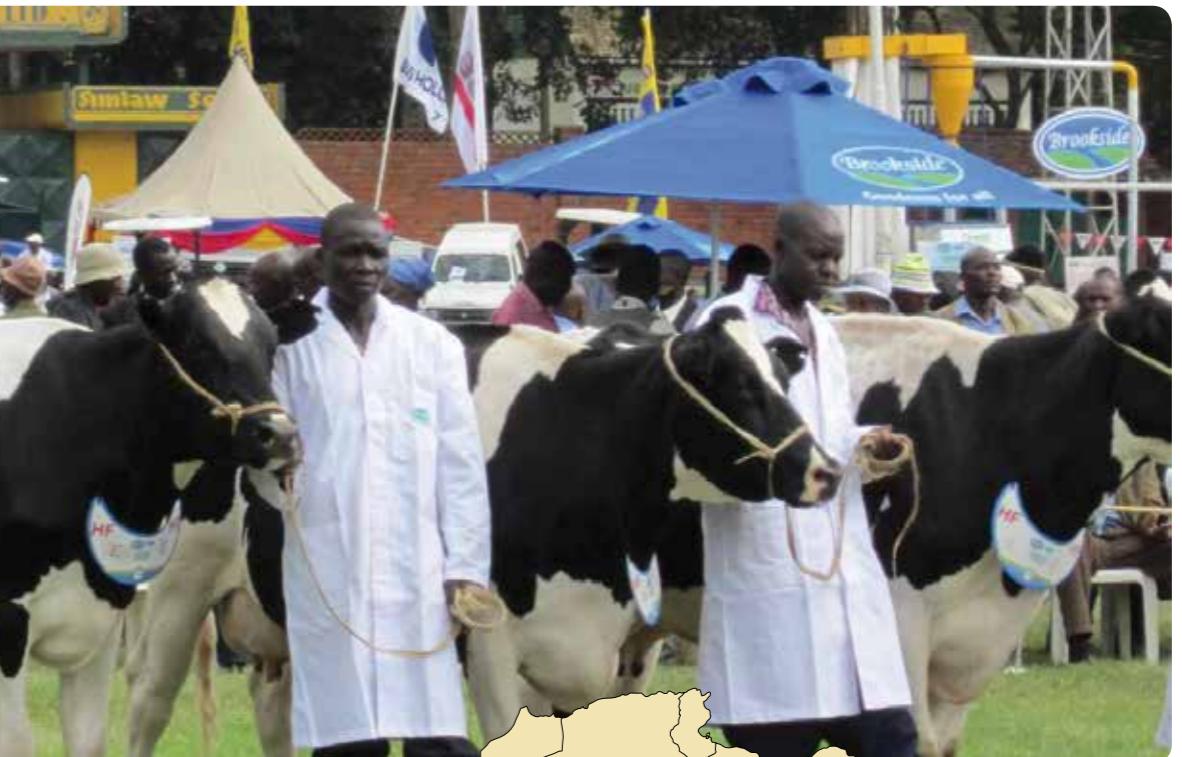
In response to the need to collect fresh milk from across a large region with limited refrigeration facilities, Brookside has worked to develop an extensive collection infrastructure including the use of local "bicycle boys". The "bicycle boys" travel between farmers collecting the milk and delivering it to collection points across the country. As a result, the company is able to source fresh milk efficiently from a large and diverse base of suppliers.

In addition, through its Corporate Social Responsibility program, the company has worked to improve many roads and bridges

in local areas, improving access to its suppliers and the ability to manage its supply chain, as well as improving the local infrastructure for communities where Brookside works.

TECHNOLOGY

As Brookside's markets have expanded the company has introduced new technologies to Kenya. For example, Brookside has been instrumental, through marketing and the introduction of new machinery, to expanding the availability and sales of UHT milk in Kenya.

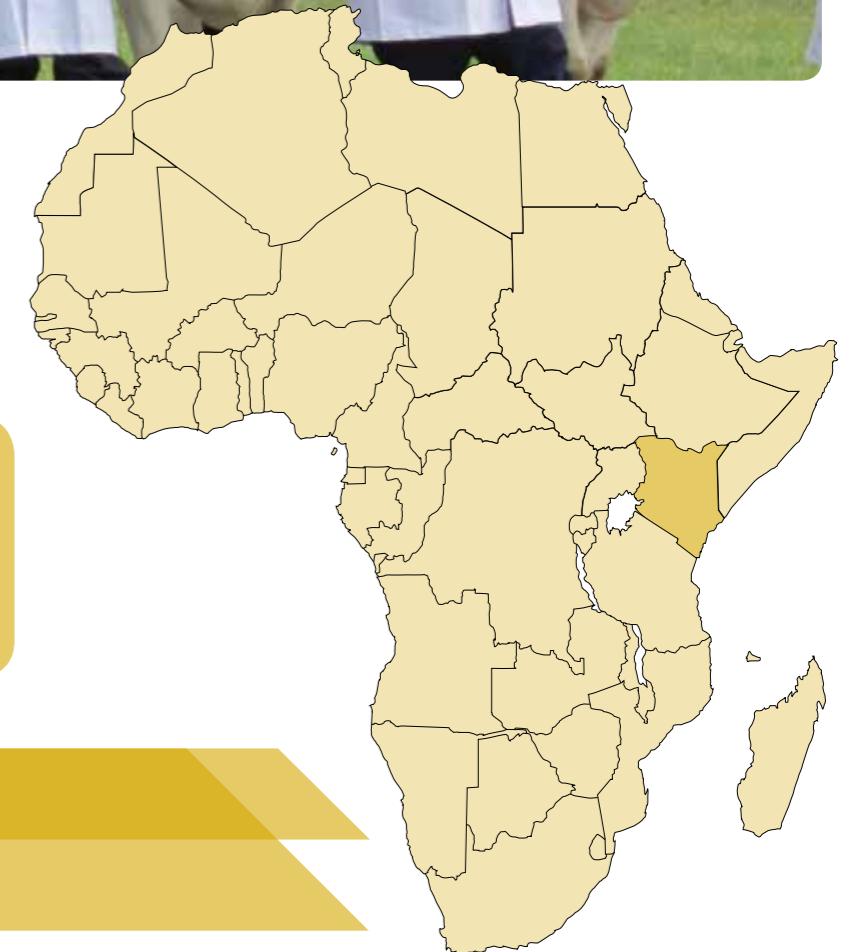


Brookside provides livelihoods for over
200,000
Kenyans

Country | Kenya

Transaction type | Growth Capital

Acquisition date | January 2009



PORINI LIMITED

THE COMPANY

Porini is a hospitality company operating in Kenya. It operates two companies: a tour operator (Gamewatchers Safaris) and a destination provider (Porini Safari Camps). Gamewatchers is a local tour operator that sells packages focused on the high-end camping safari market. Porini is differentiated from most other operators in that it operates up-market tented camps in exclusive conservancies within eco-systems around key national parks.

We invested US\$ 0.625 million in 2006 from the East Africa Fund.

Since investment, the company

2010 ASI DATA AND CAGR SINCE INVESTMENT

Indicator	Metric	2010	CAGR
Financial Performance	Turnover (US\$ million)	\$6.42	30%
Economic Linkages	Taxes Paid (US\$ million)	\$0.27	39%
Economic Linkages	FOREX Generated (US\$ million)	\$6.42	30%
Socio-Economic Impact	Number of Employees	177	6%
Management & Governance	Governance Rating		Risk: Low
HSE&S	HSE&S Rating		Risk: Med

has grown strongly with revenues growing at 30% CAGR. As a result of the company billing exclusively in US dollars, foreign exchange generated has also grown at 30%.

DEVELOPMENT IMPACT

ECONOMIC LINKAGES

Porini leases land from local Maasai tribes for the purpose of establishing community-based conservancies. The local residents then share revenues generated from tourists through a bed rate levy. In addition, camp staff members are drawn exclusively from the local areas, thereby providing an additional source of income to the community.

PROMOTING BIODIVERSITY

The Porini conservancy model, developed in consultation and collaboration with the Maasai landowners, has been transformative in increasing the Maasai's opportunities to thrive whilst allowing them to peacefully coexist with the wildlife. This changes land use from grazing and large scale farming to wildlife habitat. In

addition, the local population sees the animals as a source of income rather than as threats and are therefore incentivized to protect them. In this way, Porini helps to maintain biodiversity.

LIVELIHOODS AND COMMUNITY IMPACT

Approximately 95% of Porini's staff are recruited from the local community. Up to 10 people depend on a single salary in the areas in which Porini operates. The company liaises with the elders of each group ranch to make sure they employ at least one person from each family, helping to spread income throughout the community. The revenue stream for the local communities from leases and concession fees helps reduce their dependency on agriculture and livestock income.

In addition, Porini makes a conscious effort to support the

local community through a variety of initiatives including plans to provide drinking water by installing boreholes for the Maasai, as is the case at the Amboseli camp.

TRAINING

As a tourism operator, customer service is a key differentiator for Porini. By providing training to staff members in the local community, the company builds capacity and potentially opens up opportunities within the hospitality industry beyond Porini. The Koiyaki Guiding School was established to increase the involvement of the Maasai community as stakeholders in tourism. Porini annually sponsors students to attend the school, hires graduates and provides placements for interns.



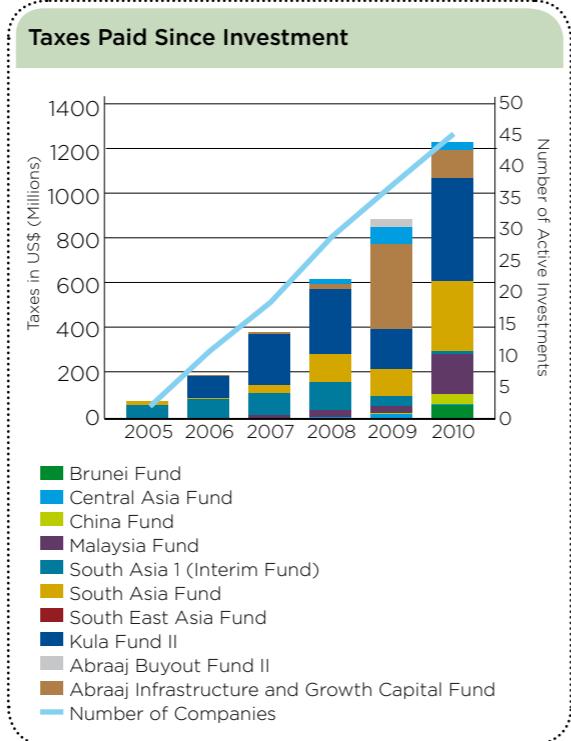
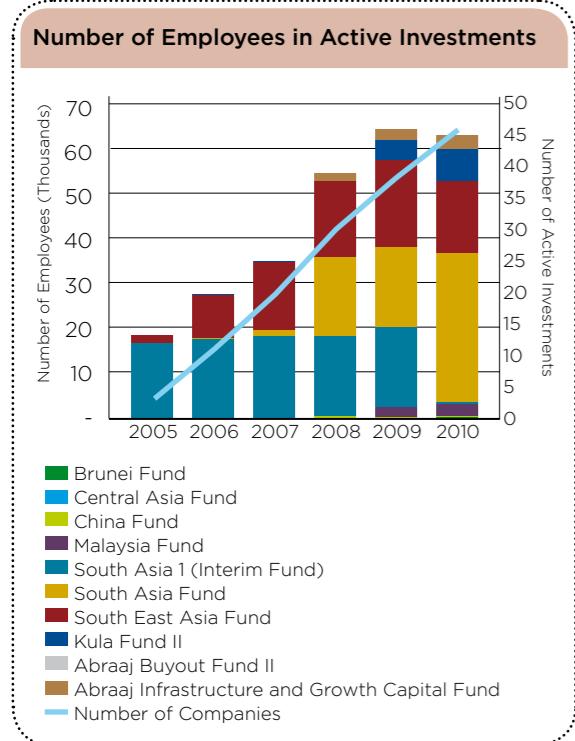
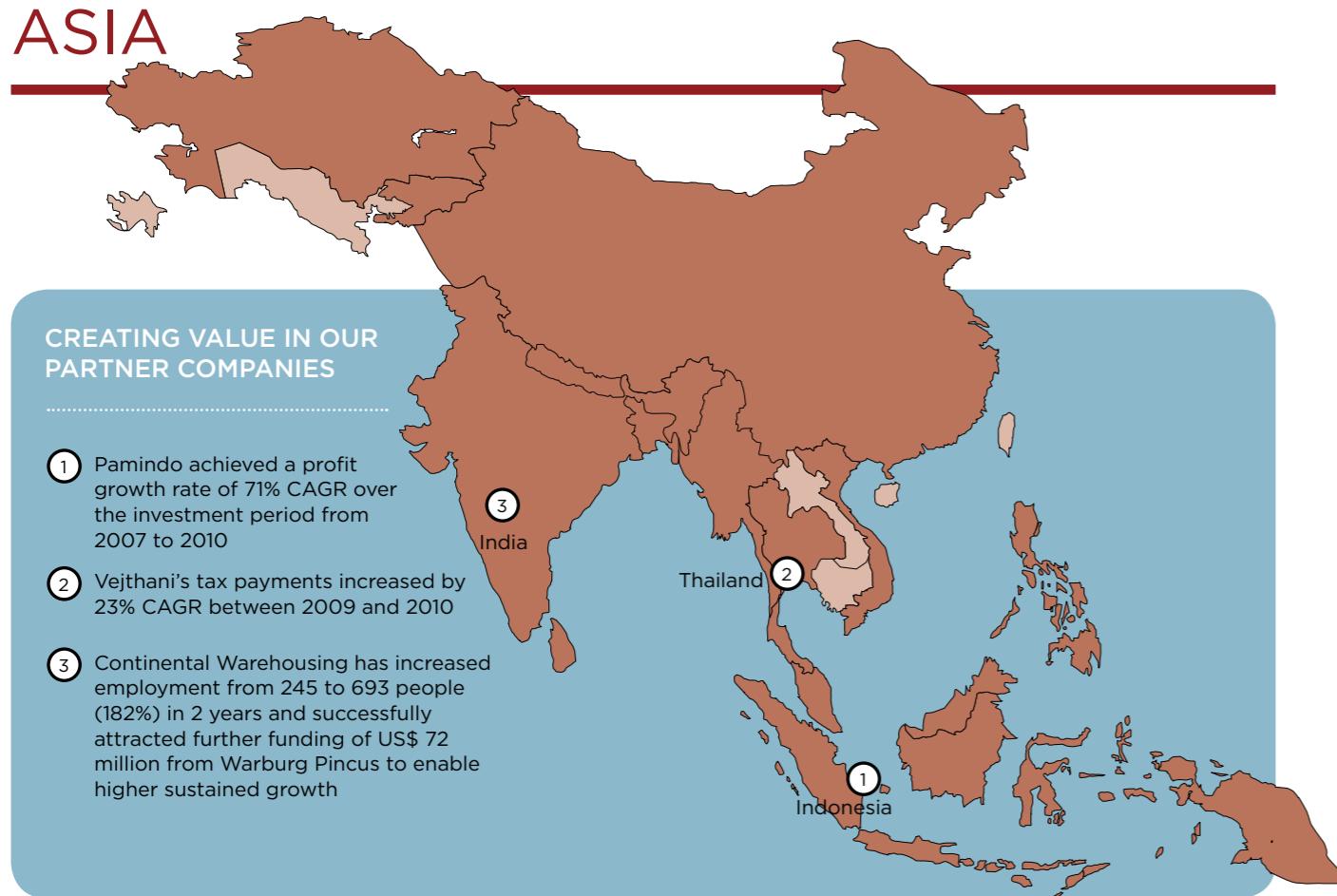
95%
of Porini's
staff are
recruited
locally

30%
CAGR
growth in
revenue

Country | Kenya
Transaction type | Growth Capital
Acquisition date | April 2006

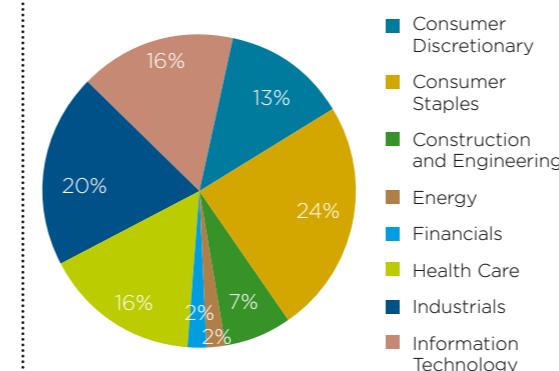


ASIA

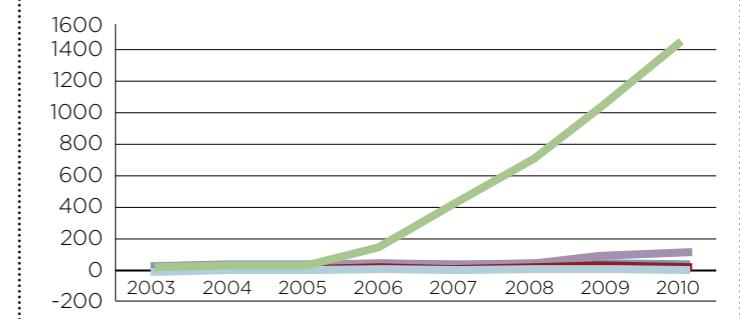


OUR SUSTAINABILITY FOOTPRINT

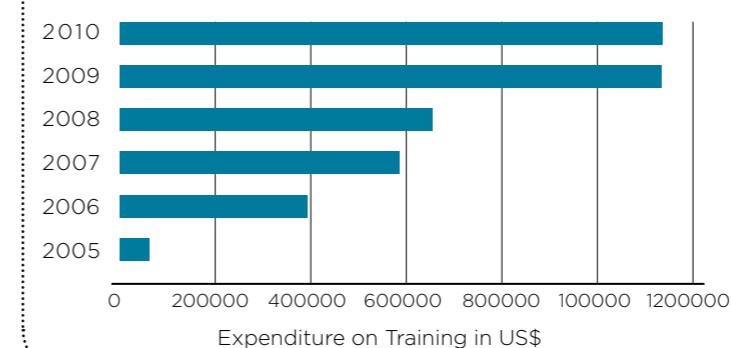
Total Investment by Sector - 2010



GDP and Net Turnover Growth Rate Asia (Annual %)



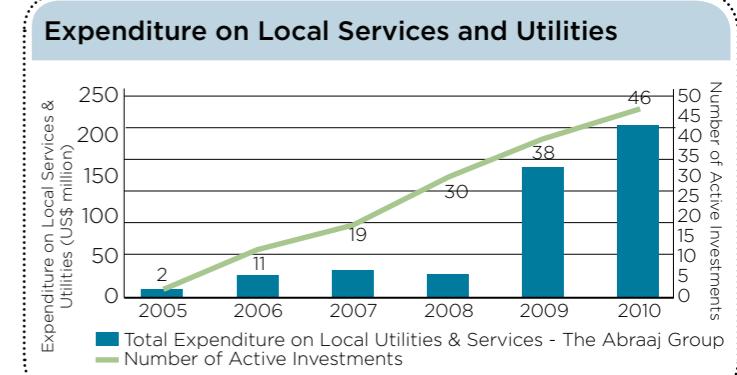
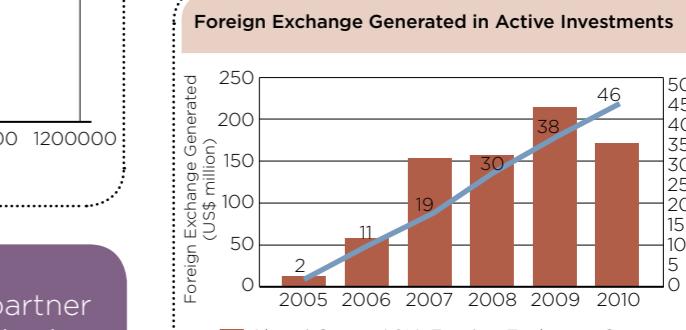
Annual Expenditure on Training



73% of our partner companies in Asia pay wages well above minimum statutory levels prescribed by their respective governments



By 2010,
43.66%
of the workforce in active investments comprised women



Based on data available at the time of this report



CONTINENTAL WAREHOUSING CORPORATION (NHAVA SEVA) LTD

THE COMPANY

Continental Warehousing (Continental) is one of India's leading port infrastructure led integrated logistics providers.

The company offers a wide range of logistics services including container freight stations, container handling, third party logistics, warehouse management, stevedoring and air/rail cargo handling.

Continental operates in over 16 locations across India including Mumbai, Chennai, Tuticorin and Indore. The company has expanded significantly since our initial investment.

We invested US\$ 10.4 million in 2009 from the South Asia Fund. Warburg Pincus recently invested

2010 ASI DATA AND CAGR SINCE INVESTMENT

Indicator	Metric	2010	CAGR
Financial Performance	Turnover (US\$ million)	\$46.60	27%
Economic Linkages	Taxes Paid (US\$ million)	\$4.83	137%
Socio-Economic Impact	Number of Employees	543	122%
Private Sector Development	Investment Mobilized (US\$ million)	\$10.41	1.0x cost
Management & Governance	Governance Rating	Risk: Low	
HSE&S	HSE&S Rating	Risk: Low	

US\$ 72 million in follow on capital at 2x to our original cost.

Since investment, Continental's revenues have grown strongly, increasing at 27% CAGR. At the same time the company has invested significantly in its operations, driving employment growth of

122% CAGR. The company has mobilized a further US\$ 10.4 million in investment (this does not take into account the Warburg Pincus investment as the current ASI data is available till 2010). The company has also increased taxes paid at 137% CAGR to US\$ 4.8 million as of 2010.

DEVELOPMENT IMPACT

MULTIPLIER EFFECT

As one of the leading integrated logistics providers in India, Continental has enabled companies across India to grow by providing access to reliable domestic and international logistics services. Continental has made significant investments in infrastructure services both near the ports as well as in the hinterland, resulting in faster and reliable access to new markets in a country where growth is often constrained by the lack of reliable logistics and infrastructure.

EXPORT DEVELOPMENT

Continental operates from over 16 locations across India, including container freight stations, inland warehousing facilities and one private freight terminal (rail

logistics). The company plans to invest in three more private freight terminals which will enable inland companies far from India's established business hubs to access export markets through faster access to ports.

INFRASTRUCTURE DEVELOPMENT

As a result of our investment, Continental has invested significantly in its container handling, rail and road transportation and stevedoring business, thereby enhancing local infrastructure. The recent investment by Warburg Pincus also marks a step change in the company's development, as it is now investing significantly in capital intensive rail logistics facilities.

SOCIO-ECONOMIC

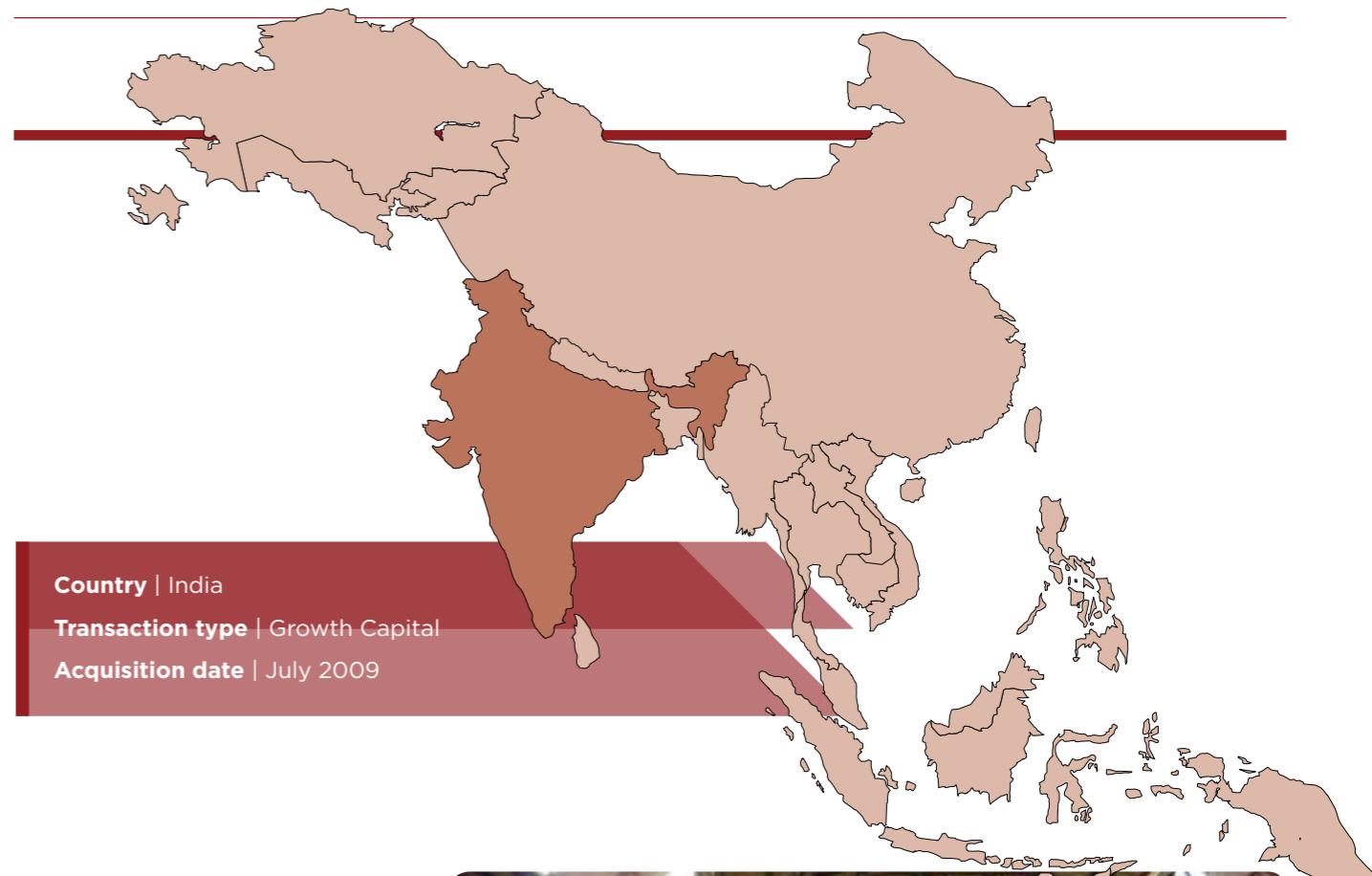
Aside from being a significant local employer in its own right, Continental provides employment opportunities to a large number

of local micro businesses. For example, Continental outsources the movement of goods to and from its container handling facilities and the local port to a wide range of local haulage companies. These companies are typically sole proprietor businesses with between one and five vehicles. In this way, Continental provides a direct link to the local economy.

CORPORATE STRUCTURE

Prior to investing in Continental, we worked with the founder to re-structure the company from a series of separate logistics businesses into a leading integrated logistics provider in India.

Since investment, we have improved the company's governance and reporting processes, implemented a formalized expenditure approvals process and established regular review meetings with the management team.



27%
CAGR growth in revenue

122%
CAGR growth in employment





HOT POT COMPANY LIMITED

THE COMPANY

Thailand based Hot Pot is a Suki Shabu restaurant chain currently operating 96 outlets in Bangkok and in major provinces outside the capital. At present, Hot Pot has four brands: Hot Pot Suki Shabu, Hot Pot Buffet, Hot Pot Buffet Value and Hot Pot Prestige. The company has a regular customer base of over 550,000 customers per month.

We invested US\$ 2.96 million in 2006 from the South-East Asia Fund. Hot Pot is currently preparing for an IPO listing on the local Thai stock exchange.

Since investment, the company has grown strongly with revenues

2010 ASI DATA AND CAGR SINCE INVESTMENT

Indicator	Metric	2010	CAGR
Financial Performance	Turnover (US\$ million)	\$37.72	28%
Economic Linkages	Taxes Paid (US\$ million)	\$2.52	221%
Socio-Economic Impact	Number of Employees	2407	14%
Private Sector Development	Investment Mobilized (US\$ million)	\$2.13	0.5x cost
Management & Governance	Governance Rating	Risk: Low	
HSE&S	HSE&S Rating	Risk: Med	

growing at 28% CAGR. As a result of Hot Pot's robust growth, it has significantly increased its taxes paid to US\$ 2.5 million in 2010, a 221% CAGR since investment.

DEVELOPMENT IMPACT

ECONOMIC LINKAGES

As a fast casual restaurant chain operator, Hot Pot orders large volumes of supplies on an ongoing basis, much of which is perishable. The company has had to develop a supply chain that can provide the fresh ingredients it needs in an efficient and cost effective way. To meet this challenge the company sources 100% of its ingredients from local suppliers, both large and small, ensuring fresh produce for its customers, and in turn generating significant linkages with the local economy.

INVESTMENT MOBILIZATION

Our investment into Hot Pot enabled the company to raise finance from local banks who were previously reluctant to lend to an asset-light business such as Hot Pot. Typically banks in Thailand engage in asset based lending. Hot Pot does not own significant assets (for example the company rents its restaurant locations) meaning the company has a high return on equity, but is not perceived as an attractive traditional lending target. However due to our presence as a shareholder, local banks were more willing to lend to Hot Pot, and the company was able to raise over US\$ 5 million in debt financing.

TRAINING

Customer service is a key competitive advantage for Hot Pot, and as a result the company invests significantly in its staff training.

As the company's profitability has increased it has been able to invest in upgrading the quality of its customer service.

HEALTH AND SAFETY

Our investment has enabled the company to significantly upgrade its food preparation facilities by building a new central kitchen and cold storage area.

As a result of the investment, Hot Pot has improved its health and safety standards and received the HACCP internationally recognized accreditation for food safety. At the same time, the new facilities have significantly improved the company's productivity, leading to increased profitability and the development of a strong base to support its recent expansion.



28%

CAGR
growth in
revenue

100%

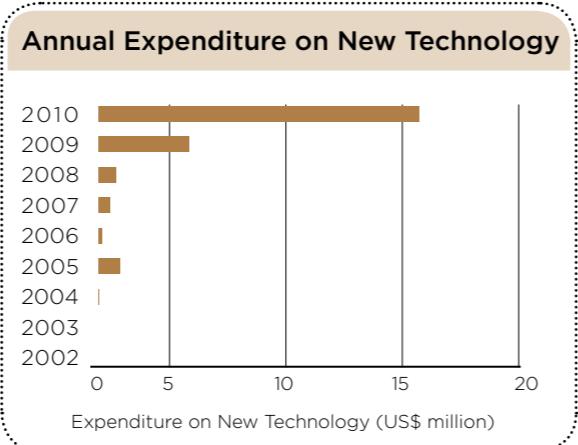
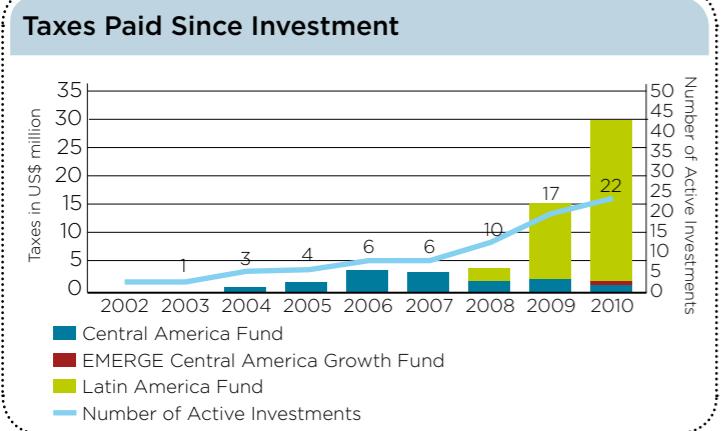
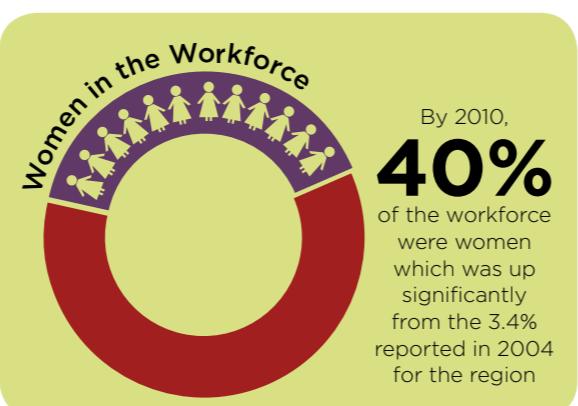
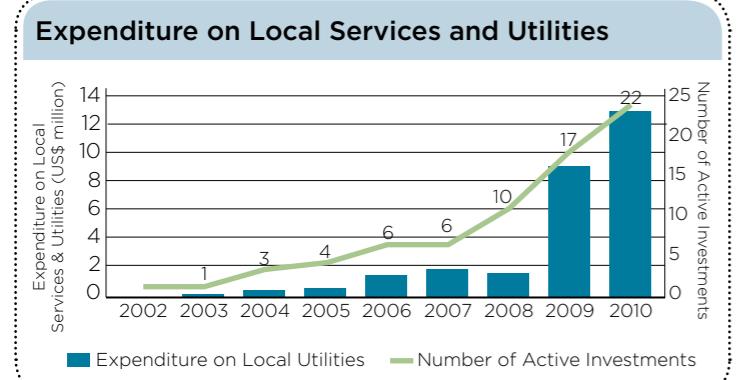
sourcing from
local suppliers

Country | Thailand

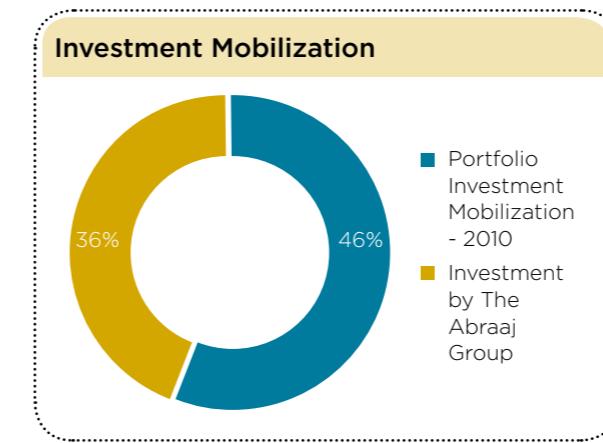
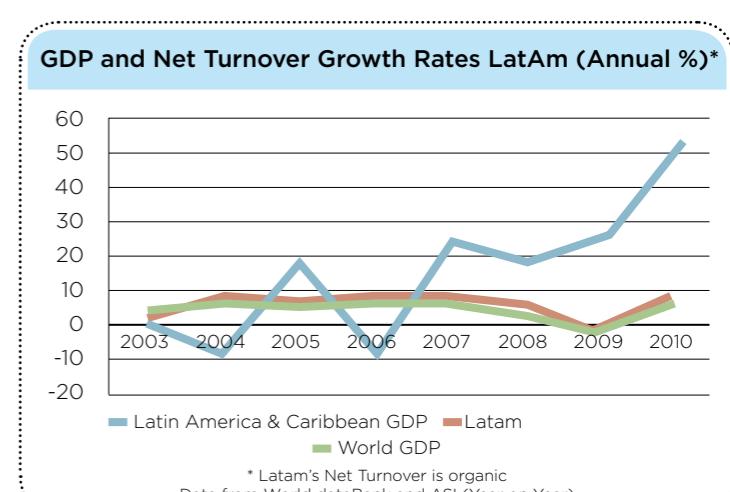
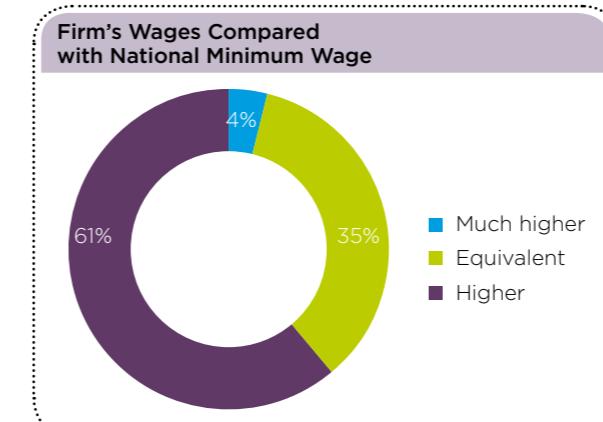
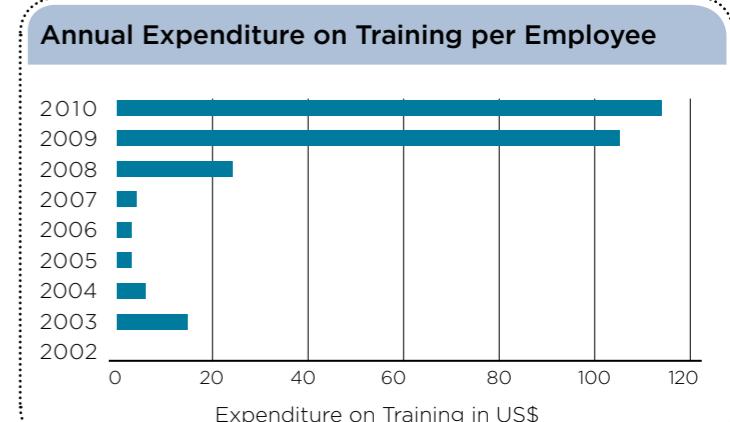
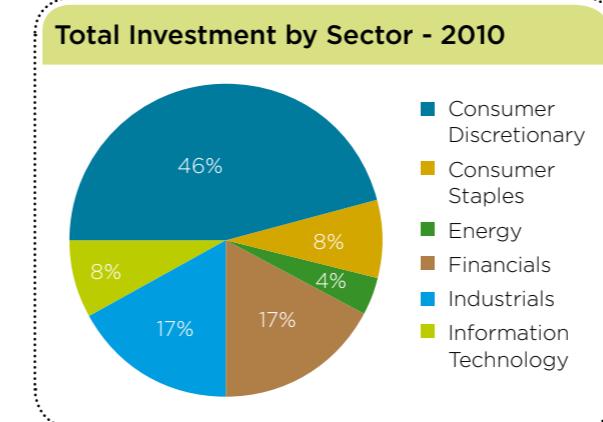
Transaction type | Growth Capital

Acquisition date | December 2006

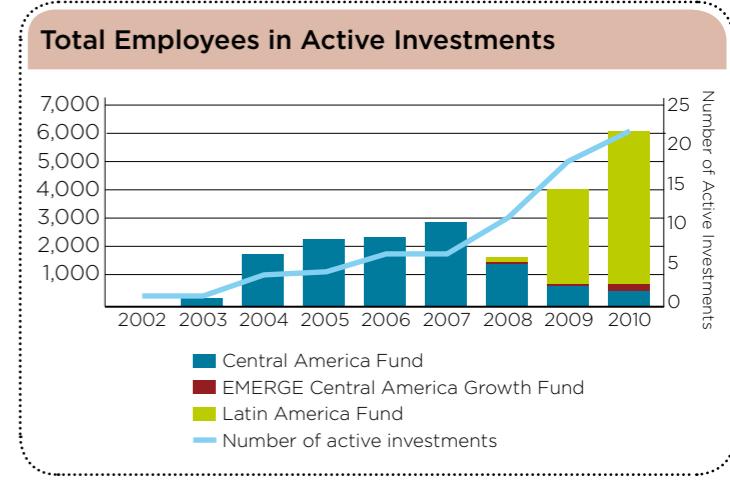
LATIN AMERICA



OUR SUSTAINABILITY FOOTPRINT



For every dollar invested by us in Latin America, a (cumulative) total of **US\$ 1.95** was injected into the investment as additional financing from 2004 to 2010



22 partner companies in Latin America in 2010

Based on data available at the time of this report

CONDOR TRAVEL S.A.

THE COMPANY

Condor Travel is the leading inbound tour operator company in Peru. The company has two major divisions: i) inbound tourism (tour operator) and ii) outbound tourism. The inbound tourism division involves complex coordination at the operational level, where Condor Travel plays a key role in coordinating and putting together the appropriate suppliers of different services involved in a visitor's trip to create an integrated experience.

2010 ASI DATA AND CAGR SINCE INVESTMENT

Indicator	Metric	2010	CAGR
Financial Performance	Turnover (US\$ million)	\$26.5	N/A*
Economic Linkages	Taxes Paid (US\$ million)	\$0.45	N/A*
Socio-Economic Impact	Number of Employees	230	N/A*
Management & Governance	Governance Rating		Risk: Low
HSE&S	HSE&S Rating		Risk: Low

* As the investment was made in late 2010, CAGR data is not reflected in this summary

We invested US\$ 8.06 million in 2010 through the Latin America Fund.

DEVELOPMENT IMPACT

LIVELIHOODS AND COMMUNITY IMPACTS

Condor Travel provides market opportunities for a large number of local micro businesses that lack the resources to reach customers and promote their services individually. Condor Travel works with Wings (its non-profit arm) and other organizations to identify and develop new destinations where the company can make a community impact, while simultaneously enhancing the customer's experience.

As part of these initiatives, Condor Travel implemented a project to develop more inclusive businesses in Mullak'as-Misminay, a small Andean community in Cusco. Through this project, Condor Travel teaches hospitality management to families who wish to receive visitors in their home and offers passengers the opportunity to enjoy an authentic experience in this Andean community. Reservations in Mullak'as-Misminay have increased

by 70% since 2010 and revenues for participating families have increased by approximately 50%.

Condor Travel also promotes the participation of the communities by contracting local guides, drivers, and executives.

MULTIPLIER EFFECTS

As the leading inbound tour operator in Peru, Condor Travel has enabled companies throughout the country to actively participate and benefit from the industry's growth. As part of the service offering, Condor Travel coordinates services from 681 suppliers (most of them local SMCS) into an integrated package for visitors. These services include hotels, restaurants, transportation (air, sea and land), tour guides, equipment, etc. As a result, the company's growth since our investment has had a significant impact on the local supply chain, with socio-economic benefits related to employment and business development.

SUSTAINABILITY COMMITMENT

In 2011, Condor Travel obtained the Rainforest Alliance Verified™

mark, after a rigorous independent verification process where the company's sustainability practices were evaluated. In preparation for this process, we facilitated communication with our partner company in Costa Rica that had already been verified by Rainforest Alliance (RA), which reinforced Condor Travel's decision to undertake this challenge. As part of the improvement process driven by the RA verification, Condor Travel upgraded its corporate policy, making explicit its commitment to sustainable tourism in its mission and vision statements. A newly developed Sustainability Policy was also approved. This policy expresses the commitment of the company to promoting economic and social development of tourist destinations, and generating fair and equitable employment opportunities for all groups of society. Other commitments addressed by the Sustainability Policy include: respecting cultural heritage, promoting social responsibility within the company and its stakeholders, and supporting the conservation and efficient use of natural resources.



INTERNATIONAL GROWTH

Through our investment, Condor Travel is expanding its international footprint. Consideration is being given to the prospect of changing its current franchise scheme to an owned operations model. Going forward, our network will be key in supporting Condor Travel's international growth and contacts have already been established. As the expansion plan advances, Condor Travel's sustainability practices will be deployed in new markets.

CORPORATE GOVERNANCE

Although Condor Travel had strong corporate governance practices in place, we have worked to further improve them. A Management Committee, which also acts as an Audit and Remuneration committee, has been established and meets regularly.

Condor Travel has been verified by the **Rainforest Alliance**

Country | Peru

Transaction type | Buyout

Acquisition date | December 2010



RENTANDES

THE COMPANY

Colombia-based Rentandes specializes in renting transportation and construction equipment to local SMCs. Key customer segments include the local construction industry and logistics providers. In addition, Rentandes provides fleet management services for local businesses.

We invested US\$ 5 million in 2008 through the Latin America Fund. A follow-on investment of US\$ 1.16 million was made in 2009.

Revenue growth since our investment has been strong, with a CAGR of 35%. At the same time, the company has increased taxes paid (37% CAGR) and its employee base significantly (17% employment

2010 ASI DATA AND CAGR SINCE INVESTMENT

Indicator	Metric	2010	CAGR
Financial Performance	Turnover (US\$ million)	\$11.84	35%
Economic Linkages	Taxes Paid (US\$ million)	\$0.75	37%
Socio-Economic Impact	Number of Employees	22	17%
Private Sector Development	Investment Mobilized (US\$ million)	\$7.1	1.15x cost
Management & Governance	Governance Rating		Risk: Low
HSE&S	HSE&S Rating		Risk: Low

CAGR). Since our investment, Rentandes has been able to raise US\$ 7.1 million in new debt, allowing for an increase in assets necessary for business growth and development.

DEVELOPMENT IMPACT

MULTIPLIER EFFECT

As an equipment renting company, Rentandes helps its clients expand their businesses by giving them access to new equipment without requiring up-front capital expenditure. This results in significant multiplier effects as the company acts a catalyst for business investment, particularly as many of its clients are local SMCs.

The company's ability to take on greater renting businesses is directly influenced by the size of its balance sheet. Before our investment, Rentandes debt/equity structure was close to 6x, which is considered very high. The new shareholders committed to grow the business at no more than 3x leverage ratio. At the time of the

INFRASTRUCTURE DEVELOPMENT

Approximately one third of the company's sales come from infrastructure related work such as civil infrastructure projects, housing construction and local energy projects. Much of this work is carried out by smaller firms acting as sub-contractors to government and municipal projects. As a result, Rentandes' business has expanded and it has enabled local businesses to contribute increasingly to the ongoing development of Colombia's infrastructure.

From left to right:
Alejandro Trujillo,
CEO of Rentandes
with Erik Peterson,
Senior Partner -
Latin America and
Daniel Wasserman,
Partner - Colombia,
The Abraaj Group,
at the Rentandes
10 year anniversary
event



17%
CAGR
growth in
employment

MANAGEMENT CAPACITY

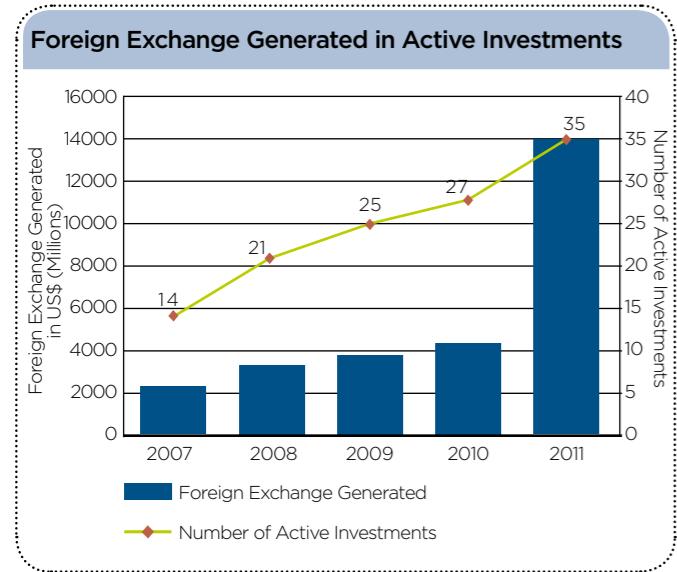
We have worked closely with the company founder to improve the capacity and accountability of the management team. As a result, the founder has implemented a number of changes including replacing underperforming team members, developing a succession plan for key staff, recruiting a head of planning and developing an employee incentive structure. These governance improvements have served to enhance the value of the company and improve the effectiveness of its operations.

35%
CAGR
growth in
revenue

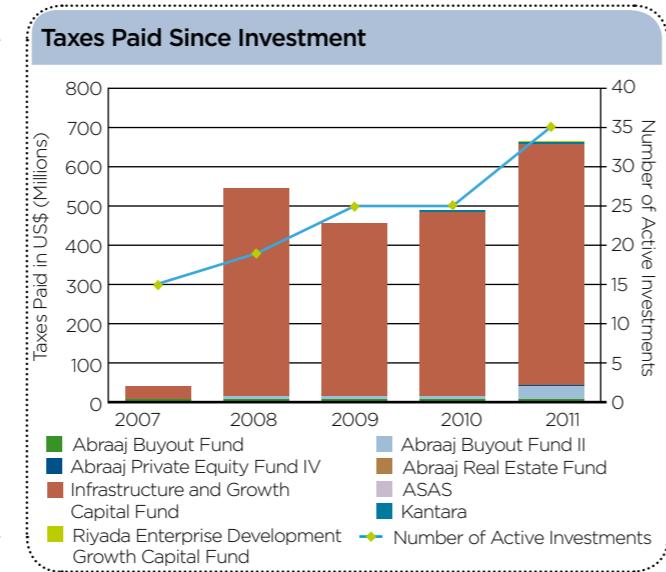
Country | Colombia
Transaction type | Growth Capital
Acquisition date | November 2008



MIDDLE EAST AND NORTH AFRICA

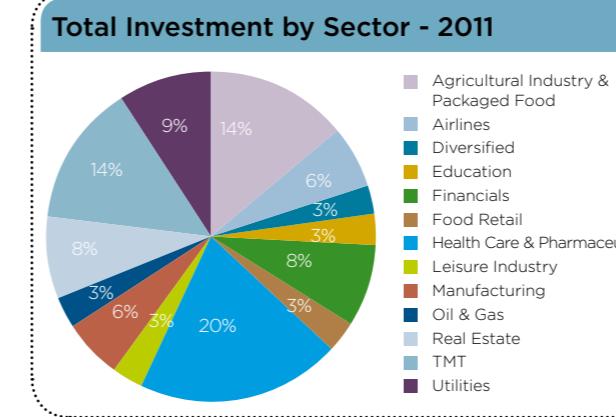


Demand for products continued to be strong in 2011 with our MENA partner companies experiencing a **24.50%** increase in their exports to **US\$ 5.08 billion** from US\$ 4.1 billion in 2010

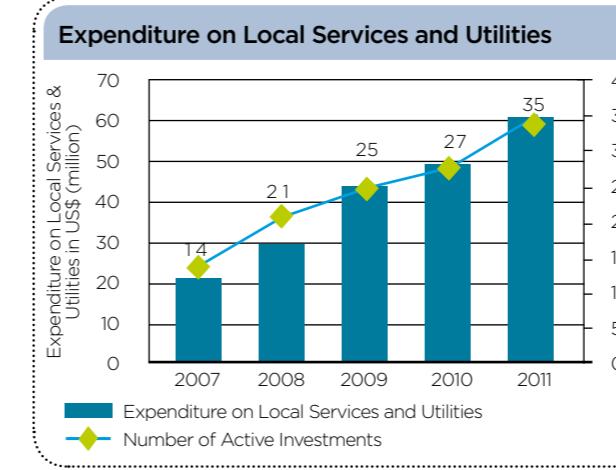


In 2011, our partner companies in the MENA spent a total of **US\$ 320 million** on new technologies, up from the US\$ 695,789 spent in 2007

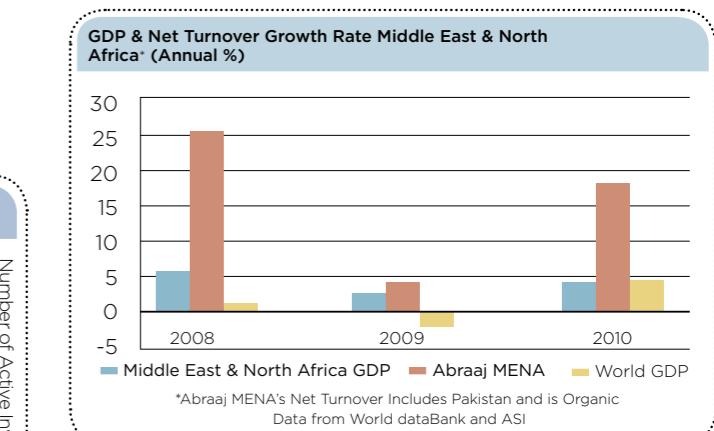
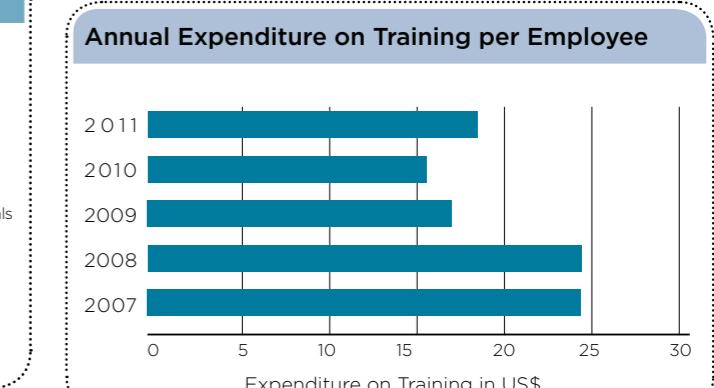
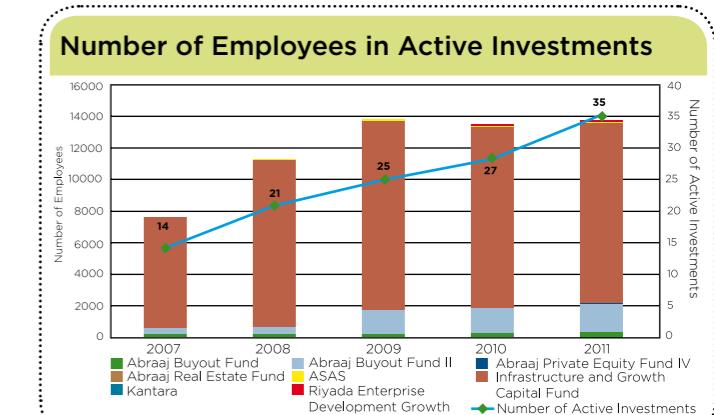
OUR SUSTAINABILITY FOOTPRINT



35 partner companies in MENA in 2011



Based on data available at the time of this report



KARACHI ELECTRIC SUPPLY COMPANY

THE COMPANY

Karachi Electric Supply Company (KESC) is the only vertically integrated power utility in Pakistan, responsible by license for managing the generation, transmission and distribution of electricity to Karachi, the 11th largest metropolitan city in the world. In September 2008, we acquired management control alongside an equity commitment of US\$ 361 million, deployed over a 3 year period.

2011 ASI DATA AND CAGR SINCE INVESTMENT

Indicator	Metric	2011	CAGR
Financial Performance	Turnover (US\$ million)	1,005	17%
Economic Linkages	Taxes Paid (US\$ million)	221.7	19%
Socio-Economic Impact	Number of Employees	14,491	-8%
Private Sector Development	Investment Mobilized (US\$ million)	720	
Management & Governance	Governance Rating		Risk: Med
HSE&S	HSE&S Rating		Risk: Med

DEVELOPMENT IMPACT

ENVIRONMENT

Since our investment, KESC has moved from being a moderate environmental performer to one of the top performers in its field in Pakistan. The company has begun a number of initiatives which are now embedded in the business and reflects the "Go Green" vision in its environmental policy statement.

KESC has taken a lead role in redefining the future fuel strategy of the energy sector of Pakistan. From Biogas to coal, it is exploring and investing in fuel options that are reliable and affordable with low carbon impact.

KESC is in the final phase of establishing the world's largest Bio Waste-to-Energy plant in the vicinity of Landhi Cattle Colony (LCC) in Karachi.

The aim of the Bio Waste-to-Energy project is to collect biodegradable waste from cattle farms, poultry farms, as well as organic industrial

waste from the large food outlets, hotels, restaurants and large scale residential complexes throughout the city; treat the waste, capture waste gas emissions and generate electricity from the resulting biogas. The project also expects production of approximately 300 tons of organic fertilizer that can be used as a soil conditioner to enrich nutrient deficient soil.

KESC has also introduced an Energy Efficiency Awareness initiative to encourage the adoption of smart consumption habits and conversion to energy efficient appliances.

The E-Force school program conducts sessions on energy conservation in numerous schools. So far, approximately 100 schools and 25,000 students have been sensitized to this issue. The 'Roshan Karachi-Roshan Pakistan' Youth Initiative involved awareness as well as dissemination of information and distribution of energy saver bulbs in the neighborhood. Approximately 5,000 households were reached and converted to efficient households during this activity.

HEALTH AND SAFETY

Considering that KESC has a workforce of thousands of employees, health, safety and well-being is a major priority. KESC introduced the "We Care" program aimed at providing preventive vaccination and medication against leading causes of disease in Pakistan. These vaccination campaigns are run throughout the year to provide employees and their families with immunization against Hepatitis B and other highly infectious diseases.

The "Nobody Gets Hurt" philosophy was adopted to provide a safe and injury-free work environment to employees, as well as a safe distribution network to consumers. A Safety Management System, based on the principles of ISO 9000, ISO 14000 and OHSAS, was implemented, comprising consolidated existing reactive techniques while introducing proactive risk management techniques of Hazard Management. It is worth noting that KESC has been awarded an Occupational Health and Safety Management certificate for its 220 MW combined cycle power plant at Korangi. These initiatives, among others, have

resulted in bringing down the overall accident rate.

COMMUNITY IMPACT AND SOCIAL DEVELOPMENT

KESC's social investment program focuses on working with the community on projects that address issues directly linked to the business, like legal access to electricity. KESC seeks to give local people control of the project, and wherever possible, to involve development experts from NGOs.

KESC has undertaken various initiatives to provide uninterrupted power supply to 16 vital hospitals of Karachi, serving almost 80% of the population, by assigning dedicated feeders and pole mounted transformers in order to ensure reliable power supply. KESC also ensures generators are made available to main hospitals in cases where uninterrupted power is technically impossible.

After the monsoon floods in Pakistan in 2010, KESC launched a massive flood relief campaign, providing humanitarian aid to over 30,000 internally displaced individuals (IDPs). KESC Care Camps were set up to provide medical treatment, preventive medical care, emergency medical evacuation, food, shelter, safe drinking water and other basic necessities to the victims.

The IDPs residing in these care camps were provided with over 10,000 ration bags. KESC went a step further by organizing a football and cricket camp for IDPs. This entire program was managed and operated by 240 KESC employees on a rotation basis, while more than 1,000 employees were involved in the overall operation. Since then, a volunteer program called "Powered Up" has been initiated, which will provide regular volunteering opportunities for the employees to serve the community.

KESC HAS ACHIEVED TANGIBLE OUTCOMES THAT MAKE A DIFFERENCE

- Subsidized and legalized connections have been established in 1,200 homes and impacted more than 10,000 people
- Four water purification plants have been installed providing clean drinking water and ensuring a healthier and safer lifestyle for the residents
- Women from the community are employed through a local NGO as KESC representatives, giving them a voice and allowing them to be active participants in the community empowerment programs. Through this group, KESC has attained a more intimate understanding of the community issues and a stronger commitment to make the program a success



Country | Pakistan

Transaction type | Turnaround

Acquisition date | May 2009



OMS

KESC believes in building strong sustainable partnerships with the community and one way to do this is through sports. Sport, in this case football, the second most popular sport in the country, is a good way to channel the energy of youth in a positive manner by creating powerful platforms to enable young and upcoming players to showcase and harness their talents. Surrounded by crime and poverty, Lyari is one of the more unstable places in Karachi. However, KESC found that these areas were rife with talented players, passionate about football. By organizing football

leagues in Lyari, KESC succeeded in steering youngsters into a positive direction and away from crime. The KESC Lyari league (KLL) for under 14 is one such example. KLL included 16 teams and all expenses for the 350 underprivileged participants were covered by KESC. Out of the 350 participants, 11 children were selected for the under 13 team, out of which 9 got an opportunity to represent the national side. Another example is the KESC District League Talent Hunt for under 15 comprising players from all 5 districts in Pakistan from a pool of 550 clubs. Five youth football camps were

held in all 5 districts consisting of 50 children per camp. Both these events were aired live on GEO Super TV. Such initiatives are a first of a kind for the electricity utility sector. Approximately 800 youngsters have been empowered through these sporting events.

Community empowerment through sport - an inspiring example from KESC



KESC is committed to safeguarding Karachi's heritage and to accomplish this, partnered with the Heritage Foundation and City District Government Karachi to restore Denso Hall, a historic district comprising some of the oldest buildings in Karachi. Employees were encouraged to assist in the cleanup and restoration process. Architecture students from various schools were requested to participate in the restoration drive. KESC aims to convert Denso Hall into a museum, which will showcase Karachi's cultural past and present.



THE COMPANY

OMS for Technology Solutions (OMS) is a medium-sized Information and Communication Technology (ICT) solutions provider. OMS began its operations in 2000 in Egypt, with a base in the UAE. The company has built a network of 19 partners and resellers in the UAE, Qatar, Bahrain, Saudi Arabia, Kuwait, Lebanon, Morocco, Tunisia and also outside the region in Nigeria.

OMS offers a range of services including assessments, infrastructure design and implementation, business productivity solutions, training services and IT operations and management services. OMS offers these services largely in

2011 ASI DATA AND CAGR SINCE INVESTMENT

Indicator	Metric	2011	CAGR
Socio-Economic Impact	Number of Employees	180	N/A*
Private Sector Development	Investment Mobilized (US\$ million)	Nil	N/A*
Management & Governance	Governance Rating		Risk: Med
HSE&S	HSE&S Rating		Risk: Low

* As the investment was made in 2011, CAGR data is not reflected in this summary

partnership with leading worldwide technology vendors such as Microsoft, HP, Symantec and Citrix.

We invested US\$ 3.7 million in OMS in May 2011 through the Riyada Enterprise Development Fund.

DEVELOPMENT IMPACT

ENVIRONMENT

OMS uses and distributes cloud technology, thereby creating a positive impact on the environment. As a result of our investment, OMS can further build on this and strengthen its credentials as a business with green and sustainable practices. Using cloud technology not only cuts costs and minimizes the use of hardware but it saves power, avoids the need to replace the old facilities, hence decreasing electronic waste and avoiding the high cost of hardware renewal.

GOVERNANCE

OMS is currently seeking to enhance and improve its corporate governance. With our support, OMS will transition from an owner-led scenario to a more institutionalized system by creating a robust governance framework and establishing decentralized financial and operational systems. OMS has initiated this process by hiring a Chief Financial Officer and a Director of Human Resources. OMS has also successfully identified its Board of Directors, with a view to conducting Board meetings quarterly.

COMMUNITY IMPACT

OMS offers graduate training opportunities as well as internships to students in their last year at university. Job shadowing programs give students the chance to shadow an OMS employee and learn

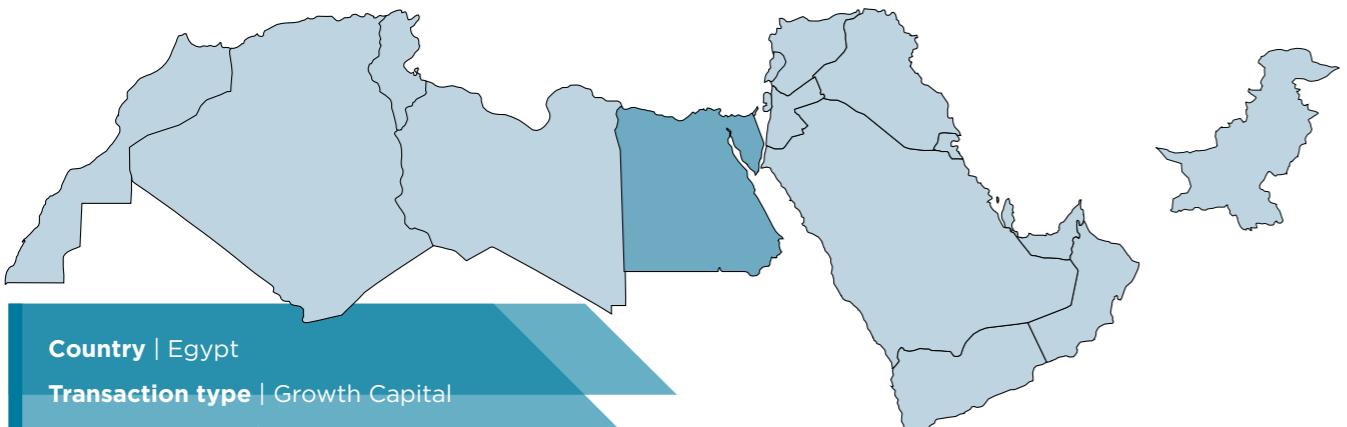
firsthand about the industry. OMS is also involved in the sponsorship of graduation projects that enable students to formulate and execute projects for their University degree.

Since our investment, OMS has introduced the OMS Social Investment Program called Sa3id (which means 'to provide assistance' in Arabic). This is a philanthropic initiative where employees dedicate four days a year to community building activities. The first such event, took place last December.

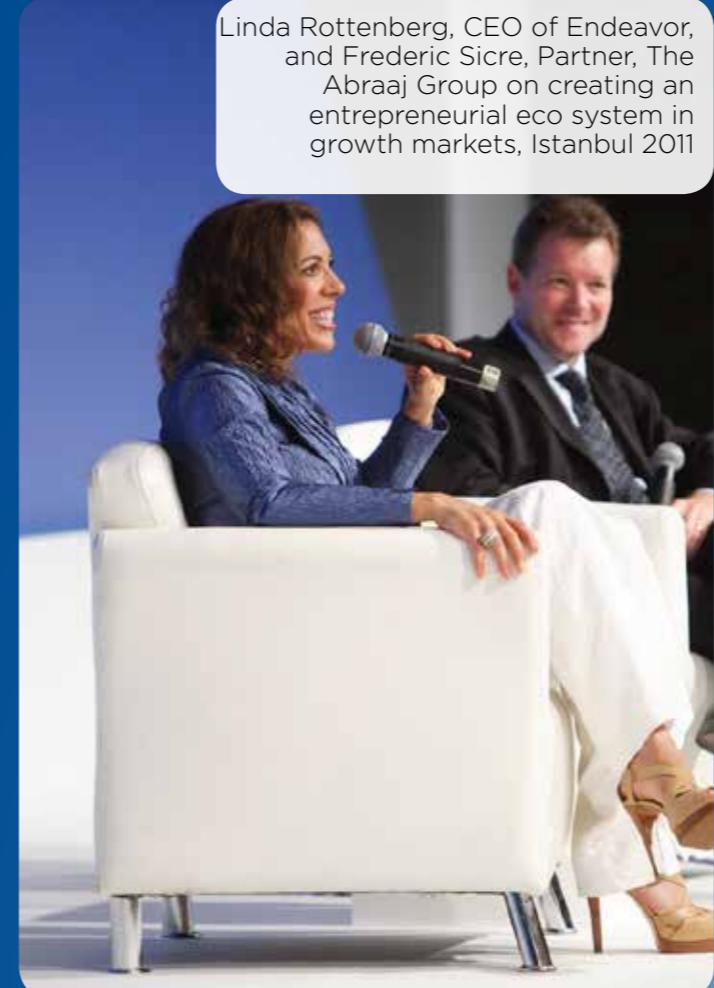
To ensure that sustainability is embedded into the business, OMS will appoint a sustainability champion among current staff and establish a 3 member Sustainability Task Force.



OMS management and staff volunteer time at community events in Cairo as part of the 'OMS Social Investment Program'



Linda Rottenberg, CEO of Endeavor, and Frederic Sicre, Partner, The Abraaj Group on creating an entrepreneurial eco system in growth markets, Istanbul 2011



Dubai Cares works to improve access to quality primary education for children in developing countries. The Abraaj Group is on the Board of Directors of this important initiative



BUILDING SUSTAINABLE COMMUNITIES



VALUE CREATION IN THE COMMUNITY

The Abraaj Group builds its stakeholder engagement efforts within an innovative framework known as ASSET (Abraaj Strategic Stakeholder Engagement Track) that encourages leadership, teamwork and community outreach through our proprietary private equity model. The resources needed come from the 5+5+5 program representing 5% of net management fees, 5 days of volunteering time per year from our employees and 5% of the annual bonus we encourage each employee to donate to our community projects. Over the last years, these resources represent millions of dollars injected into the various communities where we are active as well as 7,000 volunteer hours over the last three years.

In 2011 and 2012, these resources were channeled through the Abraaj Community Partner Organizations (ACPO), trusted organizations with a proven track record for efficient engagement and high levels of accountability. We work alongside organizations such as Junior Achievement (Injaz al Arab), Ruwwad, Endeavor, Education for Employment, Welfare Association and many others. Close to 70 NGOs have had or continue to have working relationships with us. Our commitment is to extrapolate their efforts by bringing the entire Abraaj network to support them in their work and assist

in their exponential development. In addition, a number of our own projects and thought leadership initiatives described in the following pages received support in terms of our capital and areas of expertise.

Our community approach is underpinned by the belief that by investing time and resources into unleashing the vast potential that exists in growth markets, private equity groups such as ourselves can have an impact on the social and economic landscape of the markets in which we invest. We have increasingly focused on tackling the scourge of unemployment, both current and future, within our community programs. As such we focus on nurturing and supporting the entrepreneurial eco-system in the markets in which we are present. This has been an increasingly important activity for the group since it lies at the core of our skill set. As we invest across global growth markets we encounter populations that are characterized by their large numbers of youth, all aspiring to employment and economic opportunity. We feel the challenge of generating employment can best be met through the development of entrepreneurship and relevant education models - as such this will remain a key focus for us and one we feel we have a duty to lead on.

The Celebration of Entrepreneurship, a proprietary event conceived and developed by Abraaj, attracted more than 2,500 entrepreneurs, innovators, business leaders, investors, students and academics. At a time when creating a more enabling environment for job creation is at the forefront of political and economic agendas, the CoE unleashed an entrepreneurial momentum that has since gone viral



The screenshot shows the Wamda website's main page. At the top, there's a navigation bar with links for HOME, HOW TO, WAMDA TV, RESOURCES, COMMUNITY, EVENTS, and ABOUT. Below the navigation is a map of the Arab world with various numbers representing user counts for different countries. To the right of the map, there's a section for 'FLAT6 LABS' and the 'global accelerator NETWORK'. Below these are two news articles: 'Growth of Active Twitter Users in the Arab World...' and 'Flat6Labs Joins Global Accelerator Network'. The right sidebar contains a diagram titled 'How Wamda Enables MENA Entrepreneurship in the...' and a small text snippet about the evolution of Wamda.

ENGAGING FOR ENTREPRENEURSHIP, JOB CREATION AND EDUCATION

In 2010, we launched two multi million dollar programs to support innovators and creators in both commercial and social enterprises. Wamda.com was conceived and launched by us in 2010 as the undisputed online platform dedicated to inspire, empower and connect entrepreneurs throughout the Arab world. Innovative programs such as Wamda Webinars and Wamda Angels have been developed which invest and support those just beginning their entrepreneurial journeys. As part of its evolution, Wamda is now taking a 360-degree approach to filling the gaps in the entrepreneurship eco-system, through three primary platforms, including a revamped media site, a Wamda Fund investing in early stage start-ups in the MENA region and compelling programs and products that help firms to set up and run their business.

Wamda was launched at the inaugural Celebration of Entrepreneurship (CoE) that we convened in November 2010 in Dubai. The CoE was conceived as one of the largest gatherings of the entrepreneurial community and youth in the Arab world. At a time when creating a more enabling environment for job creation is at the forefront of political and economic agendas, the CoE unleashed an entrepreneurial momentum that has since gone viral. Social-media networks are thriving with postings and blogs from CoE participants, who have kept up the momentum by migrating online to the likes of Twitter and Wamda.com.

All told, the CoE featured more than 220 role models from the entrepreneurial world; 'sparks', where entrepreneurs pitched their ideas live; 'passion corners', where entrepreneurs shared their life learnings with their younger counterparts; and '1-800' mentoring sessions, where CEOs of business success stories spent one-on-one time with budding entrepreneurs. Since then the CoE has become a platform for entrepreneurs in the Arab world and acts as a convenor for those who wish to start their own businesses. CoEs have been convened to nurture entrepreneurs according to specific sectors such as E-Commerce or Animation. We see the Wamda.com and CoE initiatives eventually working hand in hand throughout all the high growth markets we are now operating in from Latin America, through Africa to South East Asia.

ENDEAVOR GLOBAL

Endeavor Global is a pioneering organization that identifies, mentors and accelerates high impact entrepreneurs. These entrepreneurs lead successful businesses that generate millions in revenues, create thousands of jobs and transform their host communities. To date, Endeavor Global has selected 604 Endeavor entrepreneurs who have generated US\$ 4.5 billion in revenues and created more than 156,000 high quality jobs.

Our strategic partnership with Endeavor was launched in 2010 and lies at the core of our objective of fostering entrepreneurship. High impact entrepreneurs can generate thousands of jobs and by becoming success



604

high impact entrepreneurs selected from 385 companies

US\$ 4.5 billion

revenue generated by Endeavor entrepreneurs

288

people employed on average by Endeavor companies in 2012

30%

growth in Endeavor following Abraaj support

stories can become role models to aspiring entrepreneurs. In global growth markets entrepreneurs are central to making communities sustainable. Together, Endeavor and Abraaj are helping entrepreneurs overcome barriers to growth by providing the key ingredients to success - mentorship, networks, strategic advice, access to smart capital and inspiration.

We have played an active role in the expansion of Endeavor offices and its affiliates in Egypt through financial support, networks and the involvement of colleagues who sit on the national Endeavor Boards. The Abraaj Group has leveraged its networks to provide Endeavor with Board members and mentors in Egypt, Jordan, UAE and Turkey. Our support has further enabled Endeavor's expansion into Lebanon, Saudi Arabia, Morocco and Indonesia.

“ With our support, Endeavor has been able to identify 25 high impact entrepreneurs in the MENA region who have generated a combined revenue of US\$ 80 million and employed 2,500 people across innovative businesses that are expected to generate a top line growth of 25% per year **”**

JUNIOR ACHIEVEMENT - INJAZ AL ARAB

Our partnership with Junior Achievement (Injaz Al Arab) was further strengthened in 2011 and 2012 through supporting and closely working with the organization in Egypt, Tunisia, Lebanon, UAE and Turkey.

- ▶ In Egypt, our support enabled 300 students in Masm El Gedida school to participate in an environmental program where they were taught about sustainability and encouraged to create products out of reused and recycled materials. Abraaj also participated in the Injaz Young Entrepreneur Competition where university students competed for seed-funding for their business ideas. RecycloBekia, an e-waste recycling start up, won the Abraaj award and is currently receiving support from the Abraaj team in Cairo on every aspect of executing their business plan
- ▶ In Tunisia, our support enabled Injaz Tunisia to relaunch successfully post revolution resulting in 1,320 students participating in Injaz programs
- ▶ In Pakistan, where Injaz established its offices in early 2012 through our direct facilitation and support, 110 young female achievers from the Government of Technology were trained and mentored in an Innovation Camp. The feedback from the students was incredibly positive and Injaz plans to extend this program further

MUSTAQBALI FOUNDATION

One of our largest initiatives to date was to create and endow a US\$ 10 million Foundation in Palestine in 2009. Mustaqbali, which means "My Future" in Arabic, is a 22 year program that focuses on the education of 1804 children and youth orphaned as a direct consequence of the war in Gaza which occurred between December 2008 and January 2009. Abraaj's partner in this initiative is the Welfare Association, a reputable, non-governmental organization with proven political neutrality.

Together, with the Welfare Association, our Foundation has achieved substantial impact in a relatively short time. The children of the program and their families have been able to better cope with the financial and psychological hardships brought on by the war on Gaza. The Foundation's educational initiatives have allowed children to return to school, with 675 of them benefiting from remedial education sessions and 57% showing a remarkable improvement in academic performance. Health services and psychosocial counselling have helped to alleviate the suffering of many and career development schemes have enabled youth members of the program to gain career guidance for their future.

A Management Information System (MIS) has also been developed and customized in order to track, collect and store specific details of the status of each child's health, education, living circumstances and other related data. This system has enabled the Mustaqbali Foundation to strategically plan and implement the program with greater efficiency and effectiveness, allowing for cohesive execution and better decision making for current and future interventions.

1741

children and 482 foster families are benefiting from the program

675

children participated in over 6700 remedial education sessions

1969

fosters and children successfully completed medical checkups

66

disabled children benefit from rehabilitation services



Faisal, 8, has benefited enormously from the Mustaqbali Foundation's remedial classes. Today he is making good progress in school and socializing with other children, like any other happy 8 year old

RUWWAD

2011 saw our partnership with Ruwwad (an organization that has been doing exemplary work in Amman focused on community upliftment and youth empowerment) move beyond Jordan and into Egypt through the expansion of Ruwwad into Izzbet Khairallah. This exciting step of taking Ruwwad's unique model of community empowerment and volunteerism and implementing it in one of Cairo's most marginalized and underprivileged communities will empower young people and equip them with the tools for a better future leading to greater chances for employment.

ENGAGING WITH THE COMMUNITY

In addition to focusing on the challenges of unemployment and job creation, we have been present to lend a compassionate shoulder for fledgling organizations seeking to alleviate suffering. Victims of natural disasters and conflicts have benefited from the group's rapid responses through our community program. We have provided substantial financial assistance to important health organizations such as the King Hussein Cancer Foundation and the Prince Salman Centre for Disability Research, contributed to



Room to Read, India, Nepal, Sri Lanka, Bangladesh: Room to Read partners with local communities to provide quality educational opportunities by constructing schools, establishing libraries and creating local language children's literature. The Abraaj Group's support has enabled the establishment of schools, libraries, computer labs and the publication of local language books in India, Nepal and Sri Lanka

building schools and libraries for the physically impaired in Pakistan and India, supported individual scholarships and funded students in some of the most prestigious universities in the world, allowing them to excel in their areas of expertise.

We will continue to focus on developing and implementing multi-stakeholder engagement strategies, giving our employees and partner companies the opportunity to contribute meaningfully to the creation of vibrant and more equitable environments. And we will continue to define long-term value not just by wealth creation, but by enabling change across all spheres from the boardroom to the classroom. Stakeholder engagement and responsible business is in our DNA, and our ambition is that our approach becomes the new global norm, rather than the exception, in the private equity industry in the years to come.



Manzil, UAE: Meaning "destination" in Urdu or "home" in Arabic, Manzil caters to special needs students from 4 to 30 years of age, providing them with social, educational and vocational skills. Abraaj's long-term collaboration with Manzil began in 2007 and has since expanded to include support for a micro-enterprise project created and run by the students

IMPACT INVESTING THROUGH THE AFRICA HEALTH FUND

In addition to engaging with community organizations that are focused on achieving positive social outcomes, The Abraaj Group has also focused on impact investing. One example is the Africa Health Fund, a US\$ 105.4 million fund.

The Africa Health Fund is focused on commercially viable business models that increase access, affordability and quality of health products and services to consumers, particularly to those at the Base of the Pyramid (BoP). The BoP segment represents individuals who earn an average household income of less than US\$ 3,000 in purchasing power parity terms. Collectively, the BoP constitutes a US\$ 5 trillion global consumer market with the African market contributing US\$ 429 billion and a client base of 486 million people. This is the region's dominant consumer market with 71% of purchasing power.

At Nairobi Women's Hospital (NWH), an Abraaj Group partner company, a price differentiation strategy was introduced in one of the three hospital branches in line with the population dynamics. This was aimed at ensuring that the services were affordable and accessible to both the middle to low income residents.

Within the past twelve months, the total client base of NWH has increased from 59% BoP to 63% BoP. Further to this, the company has continued to record

substantial revenues. This demonstrates that BoP business models not only create social value, but also contribute to the overall efforts of improving the financial performance of a company.

Revital Healthcare, another partner company of The Abraaj Group, manufactures and sells single-use Auto Disable syringes for fixed dose immunization to both government and non-governmental organizations whose key beneficiaries are the BoP.

The Africa Health Fund has been a learning process. For example, customers are not always willing to disclose income data to their product or service providers. However, the trust levels tend to be higher when third parties are used to request for income data. Perhaps the comfort that the data will not be used to redefine the pricing of goods or services could be one of the drivers in the trust equation. 90% of clients willingly disclosed their income data during interviews with an independent consultant contracted by the Africa Health Fund.

Demonstrating the value of impact investing is a continuous engagement process that requires an understanding of the markets of the partner companies and endorsement from the company's management. Positive results have been achieved in the Africa Health Fund and we hope to build on these further.



The Nairobi Women's Hospital introduced a price differentiation strategy to insure their services are affordable to BoP patients

ENGAGING CULTURAL ENTREPRENEURS



The Abraaj Group Art Prize presents a unique platform for aspiring artists in the region to showcase their work to the global arts community. This prize embodies The Abraaj Group's unwavering commitment to the promotion of the arts throughout the region and has become a powerful tool to empower individual potential and nurture exceptional artistic talent. It is now firmly rooted as the award for the region.

Announced in 2008, The Abraaj Group Art Prize is unique in being the only prize that rewards proposals rather than completed works of art or previous exhibitions, and gives artists the opportunity of working with an internationally renowned curator, also selected by committee annually. This collaboration allows them to tap the latest trends, while the prize gives them a global platform to showcase their works and their region. The prize reflects The Abraaj Group's own investment philosophy, which is to take viable businesses with great potential, and create regional and global champions.

In its first five years The Abraaj Group Art Prize became acknowledged globally as the prize which rewards artistic excellence through commissioning new, ambitious work each year, while building an important collection of contemporary art. By engaging with the artistic community, Abraaj leverages cultural capital by empowering rising talents with the economic resources to produce projects taking their practice to a new level of recognition. In their cultural investing Abraaj has made three commitments: firstly to aesthetic excellence and integrity; secondly to accessibility and audience development and thirdly to accountability and financial recognition of the creative producer.



Marwan Sahmarani, The Abraaj Group Art Prize prize winner at work in his studio

Each winner goes on to become an important ambassador for the prize, giving emerging, newer talent successful role-models to aspire to. The wider network of The Abraaj Group Art Prize includes our Selection Committee and nominators, groups of curators, patrons, critics and art experts who reach out to a broad range of artistic communities encouraging artists to apply.

The works of art form a base from which we can organize international outreach initiatives. To date, The Abraaj Group Art Prize artworks have travelled to Saudi Arabia, Tunisia, USA, UK, Italy, France and Australia. Such exhibitions generate remarkable critical attention, a testament to the growing global reach of our prize.

As the collection grows, so do opportunities for our winning artists. We have seen a surge in interest from leading institutions and biennials to borrow works from our collection, and new artworks by our winning artists have subsequently been acquired by important collections such as Centre Pompidou, Paris, the Museum of Modern Art, New York and Tate, London.

The Abraaj Group Art Prize winning artwork by Timo Nasser, Art Dubai 2011



We have an outstanding group of winners who come from incredibly diverse backgrounds and are actively engaged in developing dynamic cultural experiences within the arts sector in their respective home countries. There is also a noticeable rise in the recognition of these artists on the wider international stage as well

Savita Apte, Chair of The Abraaj Group Art Prize and Director, Art Dubai

1816 applications from
25 countries

5 years

21 artworks



ART DUBAI



The buzz at the fair was palpable and the mood among gallery owners, museum directors, curators, collectors and art lovers was overwhelmingly upbeat
Business Times, Singapore

An essential element of our stakeholder engagement is instigating and generating cultural entrepreneurship in the field of the visual arts, which extends beyond the prize with its partnership of Art Dubai, the leading contemporary art fair in the region.

At the core of Art Dubai is its role as a crucial meeting point linking the arts scenes of Europe and the Americas with the Arab world, South Asia, Iran and – increasingly – Africa and East Asia. It places outreach, partnership and collaboration at its heart. It has the strongest non-commercial program of any art fair worldwide, including the critically acclaimed Global Art Forum, artists' projects, residencies and internships which all come together to nurture the local arts scene and give it a global platform, whilst developing a culture of debate and innovation.

Art Dubai is the most globalized, yet the most intimate, of art fairs. Renowned as a center of discovery, the fair features the world's best-known and most established of galleries, plus upcoming art spaces from across Asia, Africa and the Middle East.



A visitor standing in front of The Abraaj Group Art Prize winner Kader Attia's 'Harragas' at Austria's Galerie Krinzingen, participating gallery at Art Dubai 2012

ART DUBAI, MARCH 2012

Over 400 press from 27 countries

22,500 visitors

500 artists

75 galleries from 32 countries

75 international museum groups

EDGE OF ARABIA

In 2011, we became the principal patron of Edge of Arabia. Artists from the Kingdom of Saudi Arabia find a support network and education provider in Edge of Arabia which gives the opportunity to Saudi artists, curators and art enthusiasts to share ideas and discuss possibilities with the international art world as well as the local arts community.

By supporting this initiative, we are looking to integrate the Saudi contemporary art scene into the global community and to build bridges between the Kingdom of Saudi Arabia and the rest of the world through art networks.

The biggest splash of all is a Pan-Arab initiative that includes artists from most parts of North Africa and the Middle East, excluding Libya. This collateral event, known as The Future of a Promise brings together for the first time three organisations that turn up regularly in any discussion of contemporary art of the Islamic world: Edge of Arabia, Abdul Latif Jameel Community Initiatives and The Abraaj Group Asian Art Newspaper

Our partnership with Edge of Arabia took us to the Venice Biennale where for the first time in its 100 year history a Pan Arab pavilion displayed works of art from numerous Arab artists including The Abraaj Group Art Prize winners. In 2012, we supported a major art exhibition in Jeddah and an ambitious publication on the initiative.

Through its patronage of the arts, The Abraaj Group has aligned itself with key sustainable collaborative cultural initiatives which empower regional potential whilst broadening an international discourse.



Edge of Arabia, Jeddah 2012: Image from the opening of 'We Need to Talk', the first contemporary exhibition of Saudi artists held in the Kingdom of Saudi Arabia



Nadia Kaabi-Linke, The Abraaj Group Art Prize winner 2011, displays Flying Carpets at the 54th Venice Biennale, as part of the exhibition 'Future of a Promise', 2011

ENGAGING ACADEMIC INSTITUTIONS

Over time and as part of our stakeholder engagement strategy, we have developed partnerships with globally eminent academic institutions to stimulate research and developmental activities that in turn can nurture our thought leadership requirements and contributions.

LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE (LSE)

We have a close and long standing association with the London School of Economics and Political Science (LSE) where we established an endowment to create the Masters program in Finance and Private Equity. The first Abraaj Group Reader for Private Equity is Dr Ulf Axelson who is tasked with evolving the program into research on private equity. Since inception, the program has provided us with access to content and intellectual value-add and equally benefited from the time and engagement provided by the group's senior management who have acted as guest lecturers on topics ranging from the opportunities of investing in small and mid-cap businesses in growth markets to real life case studies on Karachi Electric Supply Company, one of the partner companies in our group.

The private equity program at LSE provides places for 20 students every year. The program has been designed to give students a comprehensive foundation in finance, with subsequent depth in the field of private equity. The program follows the core structure of the MSc Finance (full-time) program, with an additional core course in private equity. The course explores the structure of private equity funds and how private equity can be used in start-ups, in scaling-up cash flow businesses, and in restructuring firms facing financial distress. It explores the link between private equity and venture capital on the one hand and public securities markets on the other.

Further to the endowment described above, The Abraaj Group also offered generous support of £250,000 per academic year, with a goal to support at least ten MSc scholarships at the LSE. The PJD Wiles Scholars received tuition and maintenance support, ensuring that students were able to accept the places that they had gained at the LSE through intellectual merit, against a highly competitive global field of prospective candidates, without financial worry. A total of 52 students have been supported through the program which was named after the late Professor Peter J D Wiles, a specialist in Soviet Economics, who held the Chair in Russian Social and Economic Studies at LSE from 1965 to 1985.

One clear thread running through the feedback provided by scholars, from the last cohort right back to the very first, is that the opportunity to study at the LSE has been transformative in both their individual lives and their careers.

Nadeen Kumarasinghe

Originally from Sri Lanka, Nadeen Kumarasinghe completed the MSc in Management, Organisation and Governance at the LSE.

Nadeen is now back in Sri Lanka where he is currently employed as a General Manager in Aspirations International Academy, a Sri Lankan based start up education company. He is involved in this as an investor and a manager which he describes as a "truly entrepreneurial experience".

Reflecting on his time at the LSE, Nadeen said, "The education I received at LSE has helped me immensely in dealing with strategic issues in business. The fact that I'm a graduate from LSE has given me confidence and a level of acceptance which is very important in operating a start up business venture. I'm grateful to the PJD Wiles Scholarship which made me get all the good things that LSE has to offer."



52
students have been supported through the Abraaj funded PJD Wiles Scholarship. These young men and women have used this opportunity as a springboard to greater academic and professional achievement.

As this vignette demonstrates, the impact of the PJD Wiles Scholarships on the lives and careers of these five cohorts of talented young men and women has been exponential. The work that they have gone on to do resonates on a global stage throughout many different sectors, be that academia, the civil service, finance, development, human resources or health systems, and is representative of what we set out to achieve through this scholarship.

EXECUTIVE EDUCATION PROGRAMS FOR OUR PARTNER COMPANIES

ADMINISTRATIVE STAFF COLLEGE OF INDIA AND THE COMMONWEALTH SECRETARIAT

With a view to focusing on executive management education, we joined forces with the Administrative Staff College of India (ASCI) and the Commonwealth Secretariat around a management capacity building program for our partner companies across Africa and the Pacific Islands.

While the companies we invest in, especially in the small and mid-cap space are high growth and income generating businesses, they often lack the capacity to realize their full potential in such areas as exposure to best practice, marketing skills and smarter use of technology. The partnership with ASCI and ComSec has been instrumental in the development of the management teams at many of our partner companies around these very skills which have been of enormous value to them on a personal and professional level.



The program was designed with the following objectives:

- To provide participants with an overview of issues in the current business environment that impact managerial decision making in small and mid-cap businesses
- To develop problem solving and team building skills of middle management
- To introduce participants to budgeting and performance management tools, ethical business practices and management information systems

The feedback we received from the management of our partner companies indicates a very high level of satisfaction with the program and its ability to deliver quality, customized and practical training that is relevant to their core functions. Participants from our partner companies have been able to take these skills and put them into practice which have yielded valuable results for employees, the business and by extension our investors.

IMD

With the view of orchestrating change management and innovation in another group of our partner companies, we ran programs with IMD, one of the leading schools in executive education in Europe. The Abraaj Group is a learning partner of IMD and our Founder and Group Chief Executive, Arif Naqvi, sits on the Foundation Board of IMD along with 50 CEOs of the world's best known companies.

Over the last two years, we have run tailored programs with IMD for the management teams of our partner companies under the following topics.



Ahmed Kabeel,
Founder of OMS and
a partner company
CEO, attended IMD's
flagship executive
education program,
'Orchestrating
Winning
Performance'

Benchmarking Best Practices and Risk Thinking

The Art of Strategic Shifts in Changing Times

Leading Change

Developing a High Performance Culture

Innovation Aspirations

Professor Didier Cossin

Professor Cossin is the Director of IMD Global Board Center. He works with senior leaders, executive committees and boards to provide the latest thinking on best-in-class governance, risk and opportunity optimization, investment selection and strategy design. He favors an adaptive and interactive approach to finding distinctive solutions for organizations on a wide range of management topics.



Professor Jean-François Manzoni

Jean-François Manzoni recently (re)joined INSEAD as Professor of Management Practice, Chaired Professor of Leadership and Organizational Development and Director of the Global Leadership Center. Professor Manzoni's research, teaching and consulting activities are focused on leadership and the management of change at the individual and organizational levels.



Professor Bill Fischer

Bill Fischer is Professor of Innovation Management at IMD. Professor Fischer has been actively involved in technology-related activities his entire professional career. He was a development engineer in the American steel industry, an officer in the US Army Corps of Engineers and has also consulted on R&D and technology issues in industries such as: pharmaceuticals, telecommunications, textiles and apparel, and packaging.



Campus of The American University in Cairo

THE AMERICAN UNIVERSITY IN CAIRO

In May 2012, The Abraaj Group announced the launch of The Abraaj Group Professorship in Private Equity at The American University in Cairo's School of Business, one of the leading universities and business schools in the Arab world.

The Abraaj Group Professorship will be a cornerstone of the newly introduced Master of Science in Finance program that will be launched in Fall 2012. As part of the professorship, an endowment fund will be created to further strengthen academic research activities in the field of private equity, venture capital and investment management. Professorships honor the best teacher scholars and make it possible for the University to recruit and retain outstanding teachers and researchers.

We believe that the academic excellence of The American University in Cairo will create an unrivalled learning experience for students and make a major contribution towards the development of the private equity industry in Egypt. The program will be further enriched by the regular engagement of The Abraaj Group's management team who will remain actively involved with the program by participating in guest lectures throughout the academic year.

We have engaged extensively with leading business schools and universities such as Harvard Business School, London Business School, Stanford University and the Massachusetts Institute of Technology in the development of case studies relating to our partner companies. In 2011, we worked with Harvard Business School to develop a case study on the Karachi Electric Supply Company, a partner company of The Abraaj Group. The case study highlights the operational turnaround and extensive stakeholder engagement strategies that were adopted in the company resulting in a fundamental transformation of the business.



ENGAGING OUR EMPLOYEES

We operate across a diverse region and are present in over 30 countries in Asia, Africa, Latin America and the Middle East. The heritage of diversity from cultural, regulatory and business standpoints which our employees have to deal with are as deep as they are wide. To succeed in this environment our teams need to be at the peak of their performance capabilities on a constant basis – this is especially important to us in that our employees are central to everything we do or stand for. As such being at the cutting-edge of management thinking is a must which is why we created the Abraaj Academy. A number of executives from our investor base as well as from our partner companies were invited to participate in the first round of classes. We expect to open admission to a wider constituency moving forward in order to touch a greater number of stakeholders and avail this opportunity to close members of the Abraaj community.

THE ABRAAJ ACADEMY HAS 5 MAJOR GOALS:

- To develop specific, tailor made learning sessions thanks to case studies based on real investments made by us
- To build a broad awareness of and common approach to the major challenges that private equity groups face as they evolve and grow
- To provide feedback to senior management about its staff
- To serve as a valuable benefit that will help the group retain its professionals and attract future employees
- To build an awareness of The Abraaj Group and its accomplishments by drawing on the expertise of top business schools such as Harvard, INSEAD, London School of Economics and MIT



THE ACADEMY IS HEADED BY PROFESSOR JOSH LERNER

Josh Lerner is the Jacob H. Schiff Professor of Investment Banking at Harvard Business School with a joint appointment in the Finance and the Entrepreneurial Management Units. He graduated from Yale College with a Special Divisional Major which combined physics with the history of technology. He worked for several years on issues concerning technological innovation and public policy, at the Brookings Institution, for a public-private task force in Chicago, and on Capitol Hill. He then earned a PhD from Harvard's Economics Department.

The course headings held and respective Professors are listed below giving a sense of the breadth and quality of the Academy in the cycle of its operation.

The Ethical Organization

Corporate Social Responsibility

Rohit Deshpandé

Rohit Deshpandé is the Sebastian S. Kresge Professor of Marketing at Harvard Business School where he currently teaches in the Owner/President Management Program and in other executive education offerings. He has also taught global branding, international marketing, and first year marketing in the MBA program as well as a doctoral seminar in marketing management.



Introduction to Negotiations

George Wu

George Wu is the Professor of Behavioural Science at the Booth School of Business, University of Chicago. He previously held positions at Harvard Business School in Business Administration and Managerial Economics. Professor Wu completed his PhD in Decision Sciences from Harvard University.



Strategic Marketing

Marketing the Private Equity Firm

Joe Lassiter

Joe Lassiter teaches Entrepreneurial Finance and Innovation in Business, Energy and Environment in the MBA Program as well as courses in the Executive Education Program. He is Co-Faculty Chair of the University-wide Harvard Innovation Lab. His academic and professional work focuses on high-potential ventures, including both those formed as new companies and those formed within existing organizations.



Developing and Leading Talent

Leadership for Senior Executives

Herminia Ibarra

Herminia Ibarra is the Cora Chaired Professor of Leadership and Learning, Professor of Organizational Behavior, and Faculty Director of the INSEAD Leadership Initiative. She received her M.A. and PhD from Yale University, where she was a National Science Fellow. Prior to joining INSEAD she served on the Harvard Business School faculty for thirteen years. She is a member of the World Economic Forum Global Agenda Councils and the Visiting Committee of the Harvard Business School.



Operations

Alan MacCormack

Alan MacCormack is Professor of Business Administration at Harvard Business School. His research examines the management of innovation and new product development in high-technology industries, with a particular focus on the software sector.



Capstone

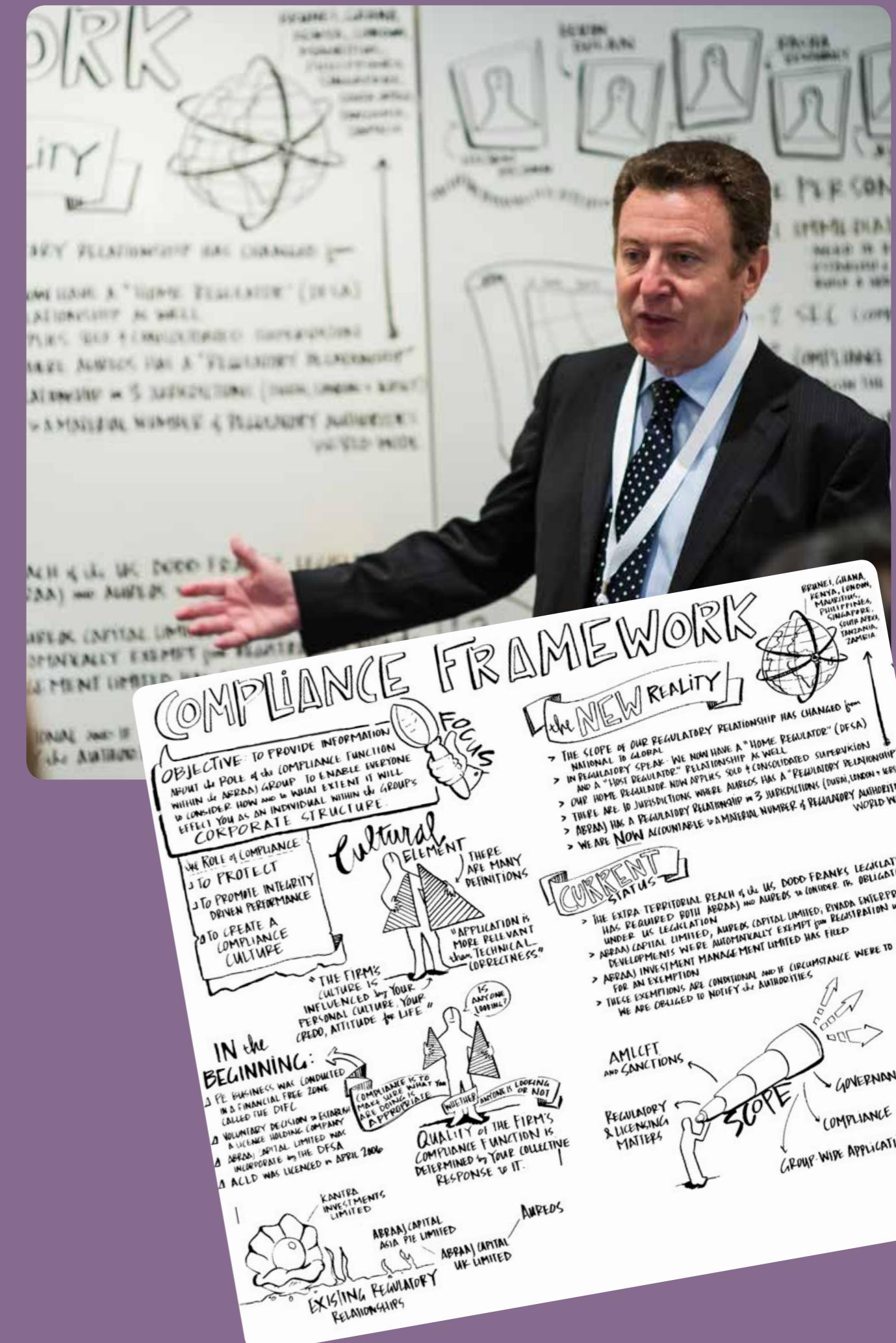
Felda Hardymon

Felda Hardymon is MBA Class of 1975 Professor of Management Practice at Harvard Business School, where he has taught Venture Capital and Private Equity as well as The Entrepreneurial Manager.



Josh Lerner

Josh Lerner is the Jacob H. Schiff Professor of Investment Banking at Harvard Business School with a joint appointment in the Finance and the Entrepreneurial Management Units. He graduated from Yale College with a Special Divisional Major which combined physics with the history of technology. He worked for several years on issues concerning technological innovation and public policy, at the Brookings Institution, for a public-private task force in Chicago, and on Capitol Hill. He then earned a PhD from Harvard's Economics Department.



CORPORATE GOVERNANCE

The Abraaj Group believes that good corporate governance makes good corporate sense and this is why for Abraaj, governance is seen as a critical success factor in our business. At Abraaj, we recognize that our long-term corporate success depends not only upon the business and activities that we pursue but critically upon the manner in which we conduct ourselves as we implement our strategic objectives.

One of the tenets of our corporate philosophy is our often expressed creed that high moral and ethical principles in the conduct of our business make us who we are. We aspire to the highest standards of probity and candor not only in all that we say – but more importantly – in all that we do.

Meanwhile, we appreciate that as a group engaged in financial services, asymmetry of information might infer that very few people would be privy to information that otherwise would not be widely disclosed. However, Abraaj has always sought to demonstrate transparency in all its activity. Accordingly, in 2006, we chose to establish our Head Office within the Dubai International Financial Centre (DIFC) and to seek a license from the Dubai Financial Services Authority (DFSA) to carry out licensable activity from the DIFC. Abraaj was the first private equity firm to do so. Thereby, Abraaj took upon itself an obligation to conduct its affairs within the parameters of a robust regulatory regime. Abraaj is subject to quarterly and annual reporting, to inspection visits and to theme reviews – together with ongoing obligations to meet prudential and operational regulatory requirements.

This important strategic decision means that our investors and shareholders know with certainty that our entire business activity and personnel are subject not only to regular internal and external audit – but also to the rigors of world standard regulatory scrutiny. Our governance standards and risk management practices thereby underpin our regulatory responsibilities.

These matters are strategic in nature and led to the creation of our Holistic Compliance and Governance Framework – one of the purposes of which is to inform our stakeholders about our governance practice and standards. We consider this to be important for a number of reasons:

- Firstly, we want to make all stakeholders aware of our Principles of Governance (The Principles are founded on internationally accepted standards)

Secondly, we want to inform all members of staff – wherever located – about the group's approach to its business. We aim to achieve this through the "Compliance Compendium". The Compendium comprises 20 "Procedural Documents" – which deal with important regulatory and conduct of business matters such as advertising, anti-money laundering, complaints, gifts, personal account transactions, the prevention of insider dealing – and so on

Thirdly, we want to ensure that our employees are aware of their obligations and responsibilities. The Declaration part of the Framework focuses on declarations that we require every member of staff to make every month. Members of staff declare they have read and understood the Compendium and agree to adhere. Staff also declare that they remain "fit and proper" – a regulatory obligation

To supplement the Framework, we have created a series of Handbooks – which include the Board of Directors' Handbook. This describes the role of the Board of The Abraaj Group within the Framework. The Handbook complements "The Principles of Governance" – on which it is based. The Board is ultimately responsible for every aspect of the group's performance and activity. Accordingly, the Board promotes corporate responsibility and ensures that the group's business is conducted efficiently and in adherence with the highest professional and ethical standards.

As their respective title suggests, the Induction Handbook and the HR Handbook are both staff related. The former is designed to be read by people on their first day at Abraaj. We attempt to encourage new staff to adopt a "compliance culture" from their first day working for the group. The information included in the Handbook includes matters that have to do with confidentiality, buying and selling shares for your own account, anti-money laundering procedures – including making suspicious transaction reports. It also includes information on the group's approach to Ethics. In order to satisfy our regulatory obligations – new employees are asked to complete certain forms and to provide certain information – promptly on joining.

DEVELOPING A TRULY RELEVANT APPROACH TO SMC CORPORATE GOVERNANCE IN GROWTH MARKETS

The first Corporate Governance program providing suitable guidance on Corporate Governance for a GP investing into Growth Markets SMCs

While our Funds aim to uphold the OECD Principles on corporate governance, these principles assume a shareholder perspective governing businesses. We believe our growth markets partner companies are more sustainably positioned to grow and prosper with a fundamental stakeholder perspective.

KING III: THE SOUTH-SOUTH EXTENSION OF CORPORATE GOVERNANCE

Corporate governance standards continue to evolve, however, one of the leading codes today is the South African King Code of Corporate Governance. The King principles developed by the Institute of Directors in South Africa go beyond the OECD principles to consider the role of the business as a part of the community. This approach is far more relevant and suitable in the growth markets context, SMC context and for The Abraaj Group.

The King standards were developed for South Africa and as we roll this out to Latin America and Asia as well as greater Africa, it will be the first time for the spread of King III across such diverse territories and an example of good practices travelling South-South.

A PRACTICAL IMPACT

We developed a corporate governance program broadly covering Ethics, Boards and Directors, Audit Committees, Risk Management, Information Technology, Compliance, Internal Audit, Stakeholder Management and Integrated Reporting. The program merged the team's practical experiences of sitting on Boards with hypothetical cases based on market differences with mutually agreed principles. What emerged is that regardless of market differences, it is possible to have a hands-on approach to Corporate Governance which is at a similar aspiration level. However, the program is customizable to account for sector and market distinctions.

FUTURE PLANS

The program is designed to retain a feedback loop, iteratively incorporating feedback from teams to build an increasingly relevant approach for our markets. A manual and training is the beginning of a bigger project. This was effectively a step of building the infrastructure upon which we can launch training and guidance for the Boards of our partner companies.

The project was undertaken with PwC and with funding assistance from FMO, the Dutch development bank



Southey Holdings, South Africa, an Abraaj Group partner company that is in compliance with the King III Corporate Governance Code

A DECADE OF INVESTING IN THE COMMUNITY



2002

- Abraaj is one of the first private equity groups globally to create a public affairs department

2005

- Provides large scale assistance for the disaster relief efforts following the Muzaffarabad earthquake in Northern Pakistan
- Supports the King Hussein Cancer Foundation in Jordan, a non-profit institution dedicated to combating cancer

2006

- First private equity group to register with the Dubai Financial Services Authority
- Establishes the PJD Wiles scholarship at the London School of Economics and Political Science
- Supports Ruwwad in its community engagement and youth empowerment program

2007

- The group's 2007 Annual Review was awarded with the UK's Communicators in Business Award
- Supports a range of non-governmental organizations focused on education and healthcare in Pakistan, Palestine, Egypt and the UAE
- Invited to become a Strategic Partner of the World Economic Forum

2008

- Pioneered promotion of the arts by creating The Abraaj Group Art Prize as a sustainable initiative for cultural entrepreneurs
- Establishes the US\$ 10 million Mustaqbali Foundation to provide education to 1804 orphans in Gaza

2009

- Abraaj Group partner companies endorse the Ethical Framework for Investment (EFI) and underscore their commitment to work towards multi-stakeholder practices and best governance standards
- Establishes the US\$ 10 million Mustaqbali Foundation to provide education to 1804 orphans in Gaza

2010

- First results of Abraaj Sustainability Index demonstrated to investors
- China Fund recognized for its active environmental investments
- Celebration of Entrepreneurship (CoE) launched bringing together an eco-system of more than 2500+ participants

2011

- Injaz Al Arab, Ruwwad, Endeavor and Welfare Association named as Abraaj Community Partner Organizations
- Endeavor establishes operations in the Middle East with the support of The Abraaj Group
- CoE Animate convenes digital and social media industry experts as a follow on to Celebration of Entrepreneurship

2012

- Abraaj employees collectively volunteer 7,000 hours to community initiatives
- CoE momentum continues to build with the launch of CoE e-commerce in Jordan

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THE ABRAAJ GROUP

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UN Secretary General Ban Ki-moon appoints Arif Naqvi to the Board of the UN Global Compact





The Abraaj Group issues its second integrated report that is awarded an application level check of B+ from the Global Reporting Initiative





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