



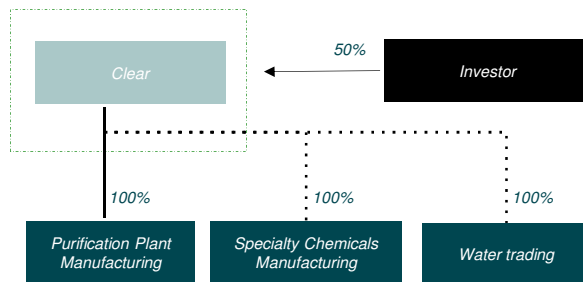
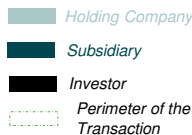
Investment Opportunity

Industrial Complex Manufacturing Water Treatment Plants & Chemicals

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Activity Description:

- The industrial complex (the "Company"), consists of three subsidiaries dealing in Water Treatment; 1) Water purification plants, 2) specialty chemicals manufacturing and 3) trading of purified and ground water.
- The Company is part of a Group that was formed in the UAE early 90s and is wholly-owned by the family. The Company was setup to focus on a niche segment of water treatment utilizing German technology, to produce high-quality products at low cost for the UAE and regional export markets.
- The facility is located on a prime plot of land with direct access to the main road, in Hamriyah Freezone (HFZA) in Sharjah, a highly developed industrial zone situated on a deep water seaport. The plot covers 20,000 sq.m and has a 20 year lease from HFZA.
- The Company is organized as a holding company and owns the 3 companies and is looking to divest a significant stake as well as raise growth capital to increase capacity and working capital to roll-out additional sales offices across the UAE and GCC. The shareholding structure is as follows;



Business Operations - 3 Subsidiaries:

The Operations of the Company's 3 subsidiaries are explained below;

▪ Water Purification Plant Manufacturing –

- Designing, supplying, constructing, commissioning, operating and maintaining water treatment plants for industries, government utility companies and commercial applications in factories, hotels and construction sites.
- Brackish, High Brackish Water, Sea Water Desalination Plants in size from small, medium and large scale projects by Skid Mounted or containerized;
- For quality drinking water applications, Recycling Plants for Process Water, Gray Water Treatment Plants & Sewage Treatment Plants in irrigation use, Water Treatment Plants for River Water, Filtration & Softening Systems.
- Factories, Power Stations and other numerous site institutions use their water treatment systems to enhance their process needs and to treat their effluent waste water in complying with the strict environmental regulations in the UAE and elsewhere.
- All manufacturing is done using German Technology and the Company also operates plants on behalf of clients on BOT (Build, Own & Transfer) and BOO (Build, Own and Operate) basis.

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Sea Water Reverse Osmosis Plant
In container



Brackish water recycling plant outdoor



Self-cleaning filtration units



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■ Chemical Manufacturing

- The Company owns the first and only factory (technology wise) in UAE for manufacturing Sodium Hypochlorite 10-12%. Certified with ISO 9001:2008, the Company is focused to design, engineer, fabricate, manufacture, install and commission a continuous production system for sodium hypochlorite.
- The physical plant is constructed with the highest quality components available to insure long service life with a minimum of maintenance. The plant is equipped with numerous safety devices and is completely automatic and requires minimum supervision during operations.
- The sodium hypochlorite line was setup for chlorine and liquid sodium hydroxide that is widely used in Middle East. Accordingly, the Company build up the liquid bleach production plant over a total area of 5,000 sq.m, with an average production capacity reaching up to 100 MT/Day, with available space to add another line to double production.
- Another major item that is eliminated is the mechanical refrigeration which is required when high strong bleach is normally produced by other methods. Since the continuous system cools the bleach by using water from a cooling tower, a considerable savings in energy, equipment and maintenance cost is realized.
- Another advantage of the continuous process is that it utilizes liquid caustic in high concentration, eliminating the need for costly dilution tanks and production space. Since this continuous plant is completely automatic, considerable man-hours are saved in comparison to other bleach operations.

Chlorine (Liquid sodium hypochlorite) transported in tanker



Chlorine (liquid sodium hypochlorite) in storage



Sodium hypochlorite packed in small tanks



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■ Water Trading

- The Company also has a license for trading of water for industrial use, the majority of which is through water wells drilled on site.
- The well water is drawn by a pump, under a structure created in the ground by boring or drilling to access groundwater in underground aquifers. Well water typically contains more minerals in solution than surface water and may require treatment to soften the water.

Investment Highlights

- The Company is part of a Group with a good track record and expertise in the business. The business segments are positioned to provide synergies and complement the product and service offering for clients.
- Rising population, growing industrial activity and trade potential in the region, is leading to rising demand for the Company's products and services.
- In addition, being located in a freezone provides an opportunity for an industrial player from developed markets to use the complex for low-cost manufacturing and export into the regional market as well as Europe in a tax-advantageous way.
- The Company provides the unique opportunity to produce high-quality products using German technology while at the same time utilizing the low-cost of production from energy and labor costs in the UAE.

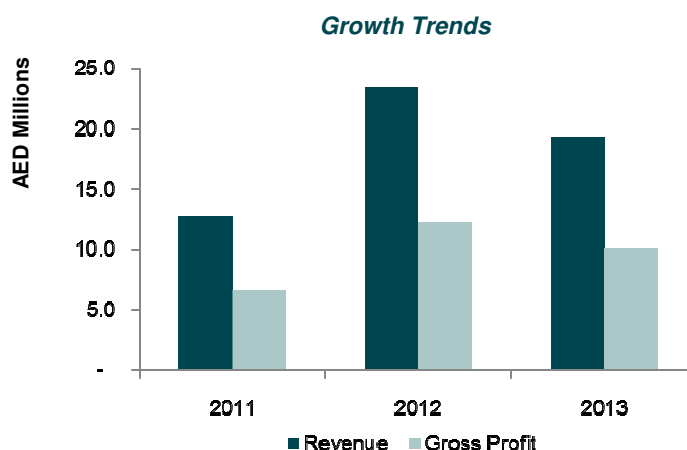
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Key Financial Highlights

AED (Mn)	2011	2012	2013
Revenue	12.7	23.4	19.4
COS	(6.1)	(11.3)	(9.3)
Gross Profit	6.6	12.2	10.1
Net Profit	6.1	11.3	9.3
Total Assets	13.9	16.0	14.7
Revenue Growth		84%	-17%
GP Margin	52%	52%	52%
Net Margin	48%	48%	48%



- The operations are cash-generative with strong profit margins. The total assets includes the plant machinery, construction, inventory and working capital. The Company is totally debt-free.
- Some investment into increasing the scale of operations can provide operational efficiency and tap potential in regional markets. The Sponsors are looking for AED 10-15 million in partial cash-out and growth capital.
- Use of proceeds: 1) provide growth capital for the expansion of the chemicals division in terms of doubling capacity and adding more specialty chemicals to the portfolio, 2) increase production of water treatment plants and have ready inventory to meet urgent orders and big tenders and 3) opening of representative offices in the region and additional working capital to scale the operations.

Next Steps:

- Arkios is mandated on the sell-side by the sponsors.
- Interested parties who sign a NDA can have access to the info pack.
- The intention on timing is to close the transaction in the first quarter of 2015.

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