The Global Corporate Advisor

February 2016

The Corporate Finance newsletter of Crowe Horwath International

Welcome to the February 2016 issue of Global Corporate Advisor.

We continue to review 2015 in M&A updates from Benelux, Brazil, Central and Eastern Europe, Italy, Switzerland and UAE. Cross-border transactions are being increasingly seen across geographies and may set the tone for 2016, affected positively or negatively by currency fluctuations.

Major transactions have continued the increased activity in both Benelux and Italy region in 2015, where the picture for 2016 looks encouraging. With several large deals crossing the €1 billion threshold, growth in both transactions and values can be expected.

In case of Brazil, although the country continues to lead M&A activity in Latin America and deal values have increased, it has seen decline in deal volumes. The currency and economy are under stress and may have an implication on pricing and risk appetite for deals, although lower valuations may be attractive to foreign investors.

In Switzerland, on the other hand, the decision to remove the CHF/EUR exchange rate floor resulted in the strengthening of the Swiss Franc since early 2015, leading to a decline in M&A activity. Domestic deal activity is expected to strengthen in 2016.

In Central and Eastern Europe, while deal activity hasn't reached the pre-crisis peak, transactions are stable with Austria, the Czech Republic, Slovakia, Poland and Romania taking the lead.

With 2020 on its horizon, the UAE, our local office says, is attractive to investors, particularly as it builds on its reputation as a regional safe haven.

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Contact Us

The GCA team is here to respond to your needs relating to M&A transaction support, valuations and advisory services. If there is a topic you would like us to cover in future issues of the GCA newsletter, don't hesitate to contact Peter Varley, Chairman of GCA, at peter.varley@crowecw.co.uk. Alternatively, please contact your local GCA team member to discuss your ideas.

Inside This Issue:

M&A update

Benelux

By Philip Callens, Brussels and Guus van Houts, Eindhoven

There has been a sharp upswing in M&A activity in the Benelux region in 2015. Taking off from a positive trend in 2014, 2015 surpassed the deal activity witnessed in 2014 driven by an active M&A market and some major deals during the year.

Compared to previous years, the Benelux region in 2014 was marked by higher number of transactions and by growth in the value of deals. With 544 deals valued at €60 billion, the Benelux market grew +37.9% relative to 2013. Most of this growth can be attributed to the growth in the real estate sector and the telecom, media and technology sectors (TMT), but a majority of other sectors also captured growth in levels of investment during 2014.

Within the Benelux region, the Netherlands and Luxembourg especially showed positive growth figures. The Belgian M&A market seemed to be lagging behind.

Companies were also showing more interest in M&A deals outside of the Benelux, mainly targeting neighboring European nations. Moreover, foreign countries closed the highest number of transactions in the Benelux since 2007. The vast majority of these inbound deals came from other European countries.

The Benelux countries were all forecast to see GDP growth of more than 1% in 2015, indicating a healthy business climate. All main sectors such as TMT, industrials and chemicals, consumer, business services and real estate saw strong business activity.

In the first half of 2015, we observed that the Benelux M&A area is definitely on an upward swing. The Benelux deal market was valued at $146.25 billion (€131bn at the average H1 2015 exchange rate) during the first half of 2015, with a total of 586 deals.

Some of the factors that can explain this rising trend are the low interest rate levels, the rebounding economy, and large financial reserves in firms. There were several high value deals during H1 2015, including the merger between Royal Dutch Shell and BG Group with a deal value of € 74.5bn. This was one of the largest ever transactions in the oil and gas sector.

In addition, deal value in H1 2015 was dominated by the acquisition of Delhaize by Royal Ahold for a value of €10.6bn. Both the companies have significant activities in the US. The consolidated operations will make it one of the five biggest grocery chains in the US. This acquisition dominated the M&A activities in Belgium in H1 2015. This deal was followed by the acquisition of Base by Telenet in the telecom sector for a deal value of €1.3bn.

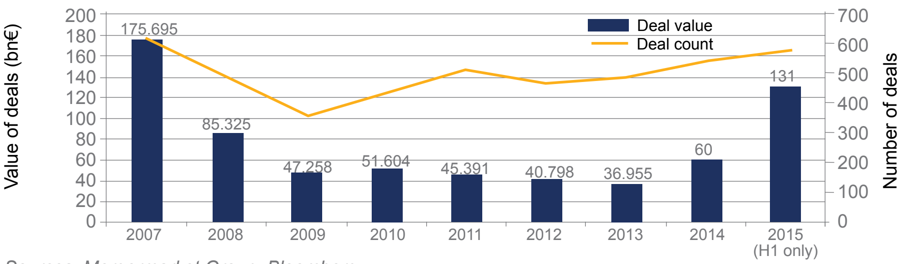
The strength in the M&A activity was recently shown by the deal whereby AB Inbev, the Belgian/Brazilian company, announced its offer for the London listed brewer SABMiller in September. In October the world's two biggest brewers agreed to create a company making almost a third of the world's beer and representing almost half of profit generated in the beer sector world-wide for a record amount of $104bn. In addition, the fertilizer maker CF has taken over its Dutch counterpart OCI in a €8bn deal.

We can see that the highest number of deals is generated by the large investments banks. Number one in the ranking over the first half of 2015 was Goldman Sachs with total deal value over $100 billion, when looking at any involvement in announced deals. Goldman Sachs was followed by JPMorgan Chase with 11 deals, and by Morgan Stanley and Bank of America Merrill Lynch with nine and five deals, respectively.

Considering the near future, the Benelux has a huge potential to boost M&A volumes. High corporate liquidity levels, cheap private debt, and active private equity investors are good precedents for M&A market growth. In addition, the Benelux' infrastructure and its central geographic location within Europe remain attractive to foreign investors who wish to gain a foothold in the European market. Therefore, this market could function as a gateway into Europe for foreign companies. The region also offers a highly stable legal, fiscal and political environment in which to do business.

In general, it is important to highlight that both the number and the value of deals are in an ascending flow. This rising trend offers optimistic signs for the future of the Benelux M&A market. The underlying fundamentals in combination with the increased international M&A activity provide an encouraging picture for the upcoming years.

Figure 1. Benelux M&A trends



Sources: Mergermarket Group, Bloomberg

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Brazil

By Francisco D'Orto and Taylor Wallis, São Paulo, Brazil

Brazil continues to lead M&A activity in Latin America; however, once regarded as a premier developing global economy, Brazil's M&A activity has seen a 44% decrease in the first three quarters of 2015 compared to the same period last year. Through the first seven months of 2015, Latin American M&A totaled 606 deals worth $41.3 billion. Although deal volume has decreased this year, deal values have increased.

The recent slowdown in activity has been driven primarily by Brazil, as a result of political and economic instability, and the devaluation of the Brazilian real compared to the USD, which has rattled the confidence of consumers, entrepreneurs and investors.

Political uncertainty

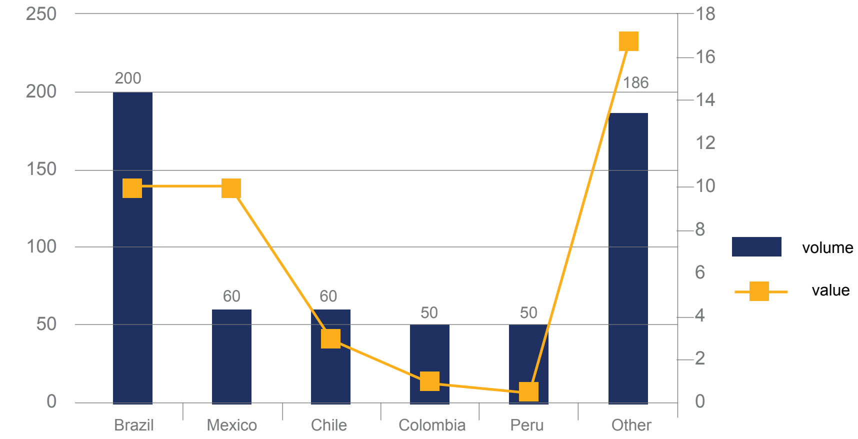
Since her re-election in 2014, President Dilma Rousseff has faced strong oppostion for her economic policies and potential involvement in the political corruption scandal of the state-owned oil company, Petrobras. A number of businessmen and policiticans have already been jailed in the scandal, and more have been implicated as additional information is uncovered regarding the scheme. In addition, the President is facing impeachment charges for manipulating Brazil's budget during her re-election. These scandals have fostered a sense of distrust of the government among the people who are, for the first time in the country's history, demanding repercussions for corruption. The instablitity within the government has made investors anxious as they wait and see the fallout from Petrobras and whether or not the current political party remains in office.

Economic contraction and inflation

As a result of the corruption scandal, Petrobras' stock has fallen from approximately $20 per share in September 2014 to approximately $5 per share in November 2015. Once viewed as a symbol of Brazil's rise to international prominence, the fall of Petrobras has sent shockwaves throughout the Brazilian economy, particularly in the construction industry, which has halted or abandoned many infrastructure projects in the wake of the scandal. Also fueling the economic decline is the global decrease in commodities prices and weakened demand from countries, such as China, which are facing their own economic slowdowns. Brazil's GDP grew just 0.1% in 2014 and is expected to contract 3% in 2015. Inflation has increased to almost 10% and unemployment has increased to 7.5%, making for the worst recession in Brazil in the last 25 years.

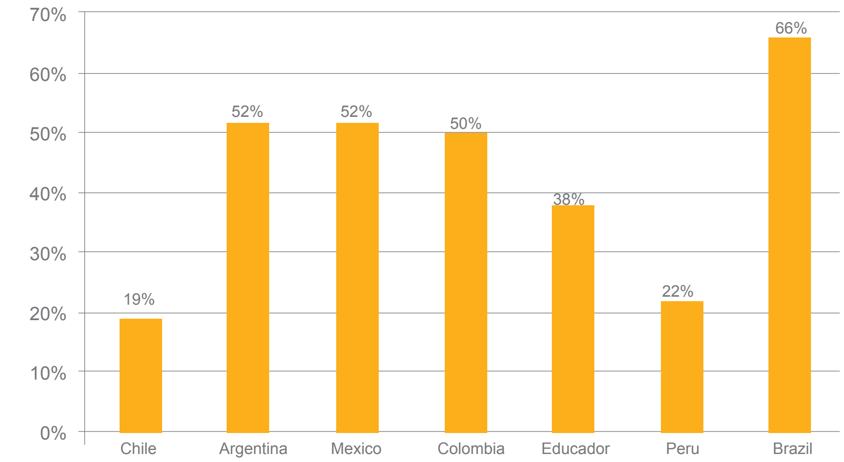
Further, in September 2015, Standard and Poor's downgraded Brazil's credit status to junk, resulting in the sale of many Brazilian assets held in institutional funds. Brazil's gross debt, as a percentage of GDP, has skyrocketed, especially relative to other countries in Latin America.

Figure 1. Approximate deal volume and value from January through July 2015



Source: adapted from Thomson M&A

Figure 2. Approximate gross debt as a percentage of GDP



Source: adapted from Bloomberg.com

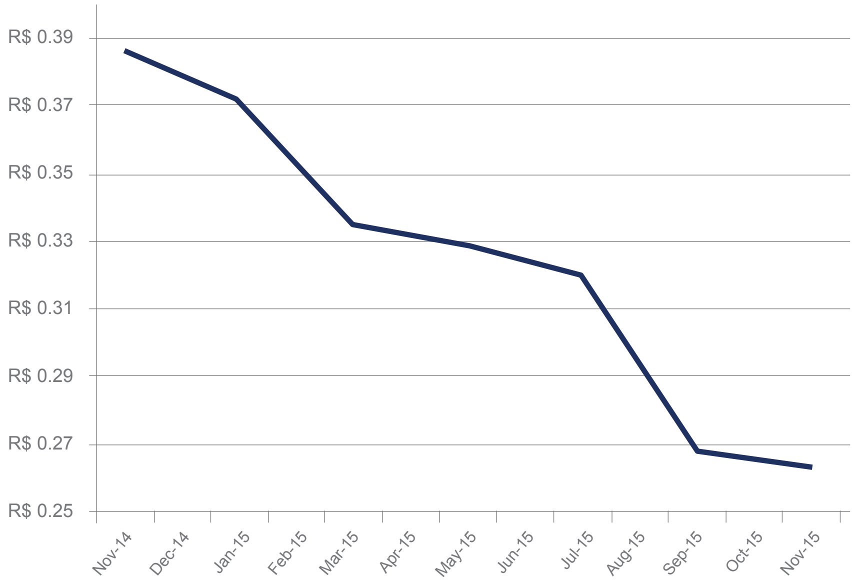
Currency

As a result of the factors mentioned above, Brazil's currency has declined to its lowest value since it was established 20 years ago compared to the USD. The currency has stabilized slightly since September 2015; however, an increase in interest rates in the United States could put further pressure on the value of the Brazilian Real.

Outlook

Despite the political and economic uncertainty, investors remain optimistic for mergers and acquisitions in Brazil in 2016. The erosion in value of the Brazilian Real has made for affordable and attractive valuations. Foreign investors, especially those in the US, see this as a prime opportunity to buy low in Brazil. There have been very few IPOs this year in Brazil, and many investors see consolidation as the only way to grow during the difficult economy. Sellers are eager to find private equity partners, and are willing to accept to downsize projections in order to protect the buyer from Brazil's uncertain climate. And finally, the relatively stability of other countries in Latin America, including Chile, Peru, and Colombia has instilled a sense of optimism in the Latin American capital markets.

Figure 3. The fall of the Brazilian Real



Source: adapted from Oanda.com

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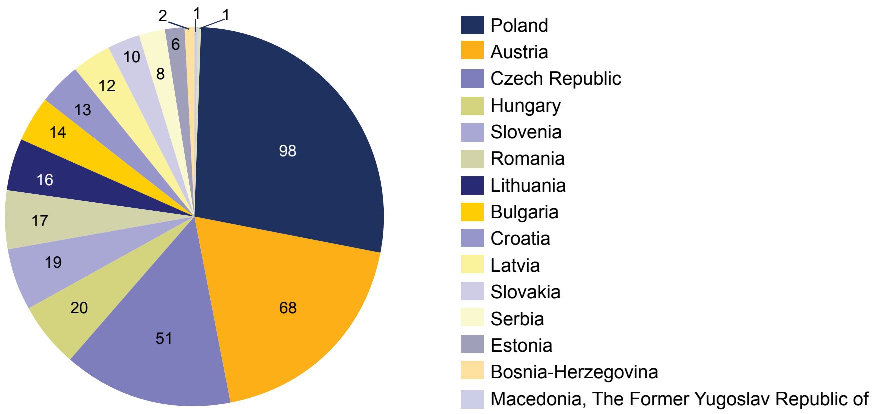
M&A update

Central and Eastern Europe

By Igor Mesenský, Prague

Measured in number of deals, Austria, the Czech Republic, Slovakia, Poland and Romania represent approximately 70% of the total M&A deal activity within the Central and Eastern European (CEE) region. The number of transactions has been relatively stable over the last three years, consistently generating 320+ transactions between Q1-Q3. Still, deal activity lags by approximately 30% compared to the peak before the economic crisis in 2007-08.

Figure 2. Count of deals in 1Q-3Q 2015 in CEE

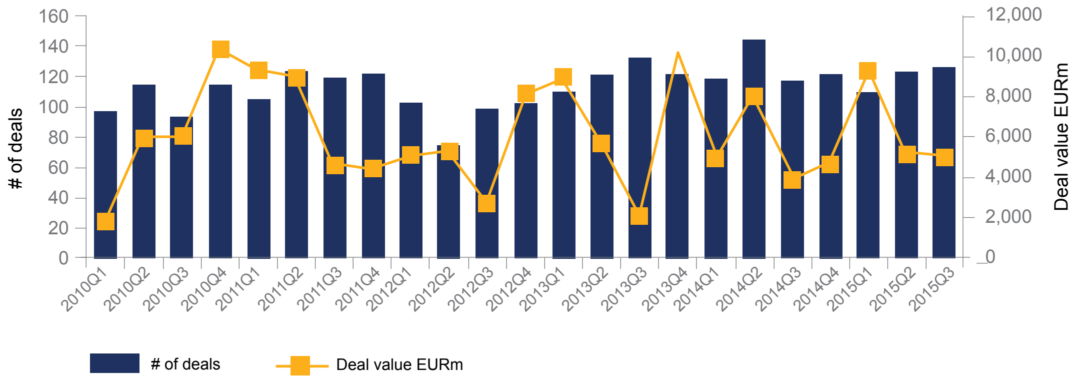


Austria

Following a general trend of increasing M&A activity within the region, the Austrian M&A market has also been very active in 2015, continuing its good track record of Q42014. Industries with the highest activity have been mainly real estate, industrial and technological small and medium enterprises (SME).

- Deal activity remains limited by the number of available targets and not by available investment capital and positive sentiment in the market.
- Low interest rates and high cash balances stimulate the investors.
- National startup scene is picking up momentum and offers a broad portfolio of early and second stage investments.
- Concurrently, private equity (PE) activity in Austria is picking up, mainly due to the closed financing round of second Speedinvest funds with a volume of €90 million. (Speedinvest is a early stage venture fund with focus on tech startups.)
- Large Austria-based industrial groups are seeking international investment opportunities that fit their long-term corporate growth strategy.
- The main areas of interest are expected to be technological SMEs displaying high levels of know-how in certain industrial segments. These groups are mainly being targeted by international investors.

Figure 1. Deals in the CEE region



Czech Republic and Slovakia

The official statistics on M&A show a subtle decrease in activity. However, this contrasts with the real trend and sentiment we see in the market. There are more transactions being negotiated between buyers and sellers. However, these are getting smaller in value and do not often meet the thresholds of media agencies. The success rate of closing a deal is getting lower.

- There are more complex and cumbersome transactions ongoing on the market.

  We reckon that this trend might be partly attributable to ease in drawing acquisition financing since banks are willing to fund up to 80% of the whole deal value, thus allowing less sophisticated investors to enter the M&A space.

  Investors often underestimate the complexity of the process and act without experienced advisors. This results in the probability of failure of transaction completion being higher and prolonging the time taken for the whole process.

  There is a greater number of investors, comprising newly established PE funds and family offices present in the Czech Republic and Slovakia. Valuations are increasing in most sectors as tenders are becoming challenging and the behavior of investors tends to be less rational.

  Some strategic investors tend to invest on their own to diversify their current business and try to adapt to new trends and innovations.

- Czech currency is being artificially kept devaluated by the Czech National Bank for easing the monetary conditions. This may lead to foreign investors speculating on loosening of the monetary policy to earn extra returns on their investments in the mid-term.

Poland

2015 has been a year of increased M&A activity in Poland, which is in line with a trend initiated in late 2014. The value of deals in H1 2015 almost doubled compared to last year, while the number of deals increased by approximately 7%.

- Expected considerable GDP growth and continuing optimism of financial directors in Poland will keep M&A growing in 2016.

- The main drivers of M&A market in 2016 are expected to be regulatory changes proposed by the new government, especially new taxes imposed on banks and supermarkets.

  The introduction of new taxes and regulations may lead to further consolidation in the market. The tax imposed on supermarkets may lead to increased pressure on margins generated by manufacturers, which can cause some consolidation within industries as bigger companies will have greater bargaining power.

- Low valuations attained on the Warsaw Stock Exchange (WSE) could also be an important determinant of future developments.

Figure 3. Selected important deals in the market in FY 2015

Target Country	Target Company	Target Description	Bidder Company	Bidder Description	Bidder Country	Deal Value EUR(m)	Announced date
Poland	TVN SA (52.7% Stake + 47.3% Stake)	TV broadcast	Scripps Networks Interactive Inc.	Advertising,Publishing,TV broadcast	USA	2209.00	16/3/2015 and 06/07/2015
Poland	PKP Energetyka Sp. z o.o.	Electrical power transmission and integrated energy utility	CVC Capital Partners Limited	Private equity	United Kingdom	477.00	23/07/2015
Poland	Lubelski Wegiel Bogdanka S.A (64.57% Stake)	Coal mining company	Grupa Energetyczna Enea SA	Production and distribution of electricity	Poland	464.00	14/09/2015
Austria	Duropack Group	Recycled corrugated board packaging producer	DS Smith Plc	Manufacturer of corrugated cardboard and plastic packaging	United Kingdom	300.00	23/02/2015
Austria	runtastic GmbH	Sport tracking application	adidas AG	Manufacturer of sports shoes and sportswear	Germany	220.00	05/08/2015
Austria	bauMax AG (70 Stores)	Insolvent DIY store chain	OBI	DYI store chain operator	Germany	200.00	28/08/2015
Czech Republic	Ceska telekomunikacni infrastruktura a.s.	spin-off entity of O2 Czech Republic Infrastructure and wholesale division, listed	O2 Czech Republic (Shareholders)	Fixed line telecoms and mobile carriers	Czech Republic	1699.00	27/02/2015
Czech Republic	Generali PPF Holding B.V. (24% Stake)	Insurance company	Assicurazioni Generali S.p.A.	Insurance company	Italy	1246.00	16/01/2015
Czech Republic	CGS Holding a.s.	Manufacturer of rubber products (brands incl. MITAS and Rubena)	Trelleborg AB	World leader in engineered polymer solutions	Sweden	1161.00	09/11/2015

If these persist, investors tend to delist companies from the market. On the contrary, low valuations makes the exits of PE funds through stock exchange less likely as they would incur low return on investments doing so.

- It is expected that there will be more private transactions out of the WSE which ultimately ends up in more favorable environment for the PE funds. The IPO process is becoming less and less attractive.
- Financial market could generate extensive deals in the foreseeable future.

It is rumored that at least two large banks in Poland are for sale. Furthermore, the trend of credit union bankruptcies and their acquisition by banks is expected to continue.

Romania

The Romanian M&A market has been very dynamic in 2015, with an increase of 250% in the total estimated value of transactions, from €550 million in H1 2014 to €1.9 billion in H1 2015.

- The number of transactions increased from 68 H1 2014 to 81 in H1 2015.
- Romania recorded the most significant transaction in the Central and South Eastern European (CSEE) region this year – the acquisition of UniCredit Tiriac Bank for €703 million.
- In H1 2015, the majority of transactions were concluded by strategic investors, totaling 80% of all transactions carried out in Romania.
- The Romanian market was again dominated by inbound transactions, 62% of them consisting of foreign companies purchasing local companies.
- Romania was confirmed as a very attractive market in the region through both, macroeconomic performance, as well as by its geostrategic position.
- In 2016, transactions are expected in the financial sector, agriculture and energy.

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M&A update

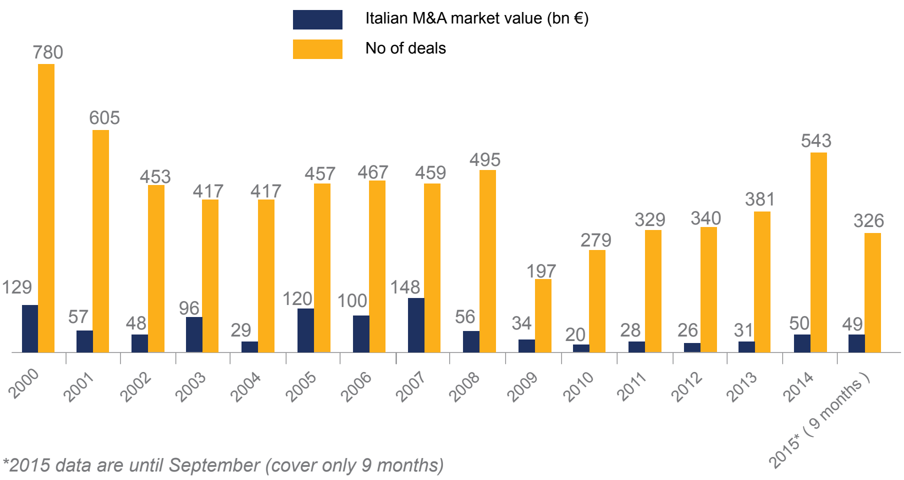
Italy

By Paolo Ragazzi, Milan

The Italian M&A market continued its rise in 2015. In the first nine months of the year, the total value of transactions reached €49 billion; the value of the deals closed reached €25 bn (against only €20 billion for the first nine months of 2014), with more than €24 bn worth deals yet in the pipeline or already announced.

An important point to highlight is the increase in the number of transactions with deal value greater than €1 billion – including both announced (seven deals worth €22 bn) and closed deals (nine operations worth €15.7 bn). Thus, a total of 16 deals exceed the €1 billion threshold, compared to just five in 2014. On the other hand, the volume of the deals is decreasing, with only 326 transactions closed in the first nine months of the year, compared to 433 transactions in the first nine months of 2014.

Figure 1. The trend of the M&A market in Italy from 2000 onwards



**2015 data are until September (cover only 9 months)*

Italian companies remain very attractive for foreign investors, with 124 cross-border buyers closing on Italian targets, for a value of about €12 bn. It's no coincidence that the most important transactions of the year were the purchase by foreign investors in leading Italian companies – the three biggest of which were the acquisition of Pirelli by China National Chemical Corporation (for a deal value of about €7.4 bn, through Marco Polo Industrial Holding), the purchase of International Game Technology by GTECH (for a deal value of €3.4 bn) and the entry of Vivendi in Telecom Italia (for a deal value of €2.2 bn).

In particular, one of the flagships of "made in Italy" products remains the food sector; as reported by Il Sole 24 Ore, Italian food exports for 2015 should grow by at least 5.5% to €28.5 bn, €7.5 bn more than 2010. However, the vast majority of Italian food companies consist of small and medium enterprises, which don't have enough financial power to expand by acquiring companies in other countries, but find themselves targets of cross-border deals. In the past four years (until the first half of 2015) there were 44 M&A of Italian food companies by foreign buyers (with an equivalent deal value, according to estimates by KPMG, of approximately €7 bn), against only 20 M&A by Italian companies targeting foreign companies.

Following is a brief overview on cross-border deals involving Italian companies as targets in the food sector during the first half of 2015.

- In January 2015, the listed Netherlands-based food company Royal Wessanen NV acquired total control of Abafoods S.r.l. for €52 mn. The multiples of the deal are 1.3x for EV/Sales, and 8.7 for EV/Ebitda.
- In January 2015, the Belgian frozen bakery player Vandemoortele AG announced the acquisition of LAG S.p.A. from private equity firms Yarpa and LBO France. Details of multiples are not available.
- In February 2015, the US listed global leader in food flavors McCormick & Co., Inc. signed an agreement to purchase 100% of the shares of Drogheria & Alimentari (D&A) from the Carapelli and Barbagli families, Sviluppo Imprese Centro Italia SGR (24%) and HAT Holding S.p.A. (16%). McCormick has agreed to acquire the business for approximately €85 million, with a 9x EV/Ebitda multiple.
- In May 2015, the Irish food group Valeo Foods Group Ltd, wholly owned by PE firm CapVest Ltd, won the auction to purchase 100% stake of Balconi S.p.A. for approximately €200 mn from Clessidra SGR S.p.A. (80%) and the Balconi family (20%). The deal has an implied EV/EBITDA multiple of 8.5-9.0x, based on Balconi's figures.

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Switzerland

By Raphaël Leveau, Geneva

Transaction-wise, 2015 has not been a dynamic year as opposed to 2014, which was a record year in Switzerland.

M&A activities trended down, in line with the overall decline of the Swiss economy, mainly explained by the decision to remove the CHF/EUR exchange rate floor, which resulted in the strengthening of the Swiss Franc in early 2015.

The decision of the Swiss National Bank had a negative effect on revenues and operating margin of both small and medium enterprises (SMEs) and large Swiss-based companies. Top management put potential M&A operations on hold, or sometimes even stopped ongoing projects as a result of uncertain domestic market conditions. According to analysts, the number of M&A transactions declined by over 5% as of September 2015 (nine months), while the size of deals dropped by an even more significant two-figure percentage.

Valuation and transaction prices of Swiss companies also suffered from the strength of the Swiss Franc, where earnings-based values virtually decreased as a consequence of companies' shrinking profit margins over the year. Furthermore, value for money of acquisitions projects became much less attractive for cross-border acquirers (for example, European-based) looking for potential acquisitions in Switzerland.

To some extent, M&A activities shifted on different forms of transactions, such as management buy-outs or management buy-ins, with moderate expected deal values coupled with low interest rates facilitating the structuring of such transactions.

On a positive note, 2014 was an all time high for M&A, and 2015 volumes turned out to stabilize at the level of the last three years, excluding 2014. Switzerland still remains a good country to invest in for foreign companies or investors contemplating some specific skills and expertise, and a certain quality of life.

Looking at the strong percentage drop over 2015, M&A activities in Switzerland are not expected to persist in this declining trend going forward. Some factors may even contribute to promote the domestic M&A market. Analysts' consensus shows that today Swiss companies have strong non-operating cash balances that could support potential acquisitions or some forms of restructuring or transformation in the near future, depending on the development of the domestic market in months to come.

In summary, the strong Swiss Franc proved to have an unfavorable effect on 2015 deal activities in Switzerland, and drove both the number and volume of transactions down. Further negative developments are not anticipated going forward, as 2015 reached historical average lows in the M&A landscape. Some companies predict a more positive outlook for 2016.

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United Arab Emirates

By Saad Maniar, Dubai

UAE's safe-haven status makes it most preferred country in GCC. With all signs in the deal market pointing upward, we expect that the United Arab Emirates (UAE) will rank among the world's top countries for the fastest M&A and IPO growth in the years leading to the country hosting the World Expo in 2020.

In the face of plunging oil prices, economic optimism remains steadfast, and companies are pursuing bolder, more innovative growth strategies, including in the oil sector. In the first quarter of 2015, Mergermarket intelligence announced that Emirates National Oil Company (ENOC), a 54% shareholder in Dragon Oil, are in talks to purchase the remaining shares at a premium to the US$ 7.60 closing share price. Similarly, GS Energy, a privately held energy unit of Korean conglomerate GS Group, is planning to partner with private equity firms for a planned 5% stake acquisition in ADCO Onshore Concession for 15 Abu Dhabi-based oilfields.

Also, in Q1 2015, the UAE undertook seven outbound deals worth US$ 526 million, the report stated. We expect M&A situations for the second half of 2015, which are yet to be officially announced, to remain bullish and boost deal values in the early stages of 2016, before peaking in 2018. This is largely being driven by the country's prudent economic policies, progress in economic diversification, and the safe-haven status of the UAE – factors that have helped build large fiscal and external buffers and strengthen the resilience of the economy.

Deal activity to peak in 2018

A report from Oxford Economics released in June 2015 titled, Global Transaction Forecast: The Impact of Macro Trends on Future M&A and IPO Activity undertakes quantitative assessments and predicts activity across completed M&A and IPOs in 37 countries until the end of 2020.

Top 10 countries by forecast M&A activity growth, 2015-2020	
China	153%
Hong Kong	118%
The Netherlands	110%
Mexico	89%
India	72%
United Kingdom	70%
Germany	65%
Indonesia	56%
Saudi Arabia	53%
United Arab Emirates	**50%**

Source: Oxford Economics

As per the findings, domestic IPO issuance is projected to grow in the UAE, from $581.7 million in 2015 to $1.2 billion in 2018. The report indicates that M&A activity in the UAE will rise from $2.2 billion in 2014 to $6.8 billion in 2015. The forecast also shows that deal activity will stabilize from 2016 to 2020, albeit with a peak of around $5.7 billion in 2018.

The UAE government is diversifying the country's economy and facilitating job creation to reduce the impact of oil price volatility and grow its non-oil sectors. Ultimately, this will allow the GDP in the country to grow with an annual rate of 3.2%, compared to the global average of 3%. Data released by the UAE's National Bureau of Statistics show that the country's GDP expanded 4.60% in 2014. GDP growth rate averaged 4.82 per cent from 2000 until 2014, reaching an all-time high of 9.80 per cent in 2006 and a record low of -5.20 per cent in 2009.

M&A momentum building

The implementation of megaprojects and private investment in the run-up to Expo 2020 are also expected to support M&A activity over the medium term. Several new regional private equity funds are also being raised and this will fuel the mid-market buyout pipeline. We have increasingly seen M&A appetite and momentum building over the last couple of years, especially from institutional investors seeking to create a significant presence in the Middle East. For obvious reasons, the UAE, in particular Dubai, has largely been their first port of call.

Our experience is that interest into the UAE is sector-agnostic, whether it's in hotels and tourism, real estate, utilities or infrastructure. However, in 2016 we expect interest to be strongest in IPO and M&A deals, with investors betting on the country's safe-haven status. The outlook for IPO transactions follows a similar pattern to M&A deals, reflecting their shared fundamental drivers but with some key differences.

We are expecting a number of deal announcements in the healthcare, financial services, hotel, tourism and leisure, retail, construction, infrastructure, education and information and communications technology (ICT) sectors. As such, we forecast a continued rise of emerging markets-based companies pursuing cross-border deals as they seek to consolidate or raise capital in a deeper, better capitalized market such as the UAE.

UAE's economic outlook

Statistics from the International Monetary Fund (IMF) show that UAE's economic outlook is expected to moderate amid lower oil prices. Non-oil growth is projected to slow to 3.4% in 2015, before increasing to 4.6% by 2020, supported by the implementation of megaprojects and private investment in the run-up to Expo 2020. The overall fiscal balance for 2015 is expected to turn negative for the first time since 2009 to record a deficit of 2.9% of GDP, but is expected to return to surpluses from 2016.

As the M&A market shows that companies are pursuing deals at a rate not seen before, we expect long-term growth considerations to outweigh short-term concerns about market volatility.

While UAE continues its efforts to grow its non-oil economy and works towards hosting the World Expo in 2020, we expect the increased interest from global PE investors to continue, notwithstanding the lower oil prices and regional political instability.

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