



Press release

Tharawat Family Business Forum, Borsa Italiana and Rothschild to share knowledge of external funding and IPO with Arab family businesses

Introducing an Initial Public Offering (IPO) Simulation Workshop with the support of Dubai Financial Market (DFM) and NASDAQ Dubai

Dubai, UAE; November 07, 2010: For any company, going public is one of the ways of raising external capital that will either assist the company's funds, its growth plans or allow existing shareholders to monetize the value of the business. However, as attractive and sometimes necessary as it might be, the IPO leads to a whole new set of challenges, especially in ensuring that transparent, financially prudent and corporate governance compliant systems and procedures are in place. To help family businesses understand the methods and consequences of seeking public funding, Tharawat Family Business Forum, the first family businesses network in the Arab world, in collaboration with Borsa Italiana and Academy – the training centre of the London Stock Exchange Group, are introducing an IPO Simulation workshop that aims at educating family businesses on how to sustain the business through the pre and post funding process.

The workshop is sponsored by Rothschild, a leading independent global investment bank, and supported by Dubai Financial Market (DFM) and NASDAQ Dubai. The two-day programme on November 21-22, is intended for Arab family business members, who are interested in understanding the overall role of fundraising for family businesses, the exact mechanisms of IPO, and the rules and regulations of the regional stock markets. It will also include case studies of two privately owned companies who went public - Drake and Scull International and Depa Ltd.

Dr. Hischam El Agamy, Executive Director and Founder of Tharawat Family Business Forum, says: "For family businesses, the decision to go public is not one to be taken lightly and involves a great deal of consideration for the family, the management team, and also needs in-depth consultation with key advisers such as auditors, banks, law firms and authorities. Our workshop with Borsa Italiana will give families a set of tools to better evaluate, whether IPO is suitable for them or one of their subsidiaries, and to understand what the consequences are for the family and the business."

The Borsa Italiana is one of the most prestigious European stock exchanges and has a long standing experience in helping family businesses planning to take the IPO route. It is part of the London Stock Exchange Group.

According to **Luca Peyrano, Head of Continental Europe, Primary Markets of London Stock Exchange Group,** "Limited resources can hinder a company's further growth, especially in certain critical phases of its life cycle. In such phases, the decision to go public could be of crucial importance, impacting not only the company's financial structure, but also such areas as organisational design, managerial capabilities and the overall corporate profile. As a consequence, the listing process involves many areas of

investigation: from strategy to competitive analysis, from business planning to management information system, and from valuation to relationship management with key stakeholders.”

One of the most critical aspects of an IPO is that it involves many participants with complementary skills, different spans of responsibilities and sometimes diverging interests. Among others, the company, the bank and investors are the key participants that are needed to ensure an IPO runs smoothly.

“Whether you are the entrepreneur, the investor or the sponsoring bank, you need to clearly understand all the related issues that go beyond just the listing process itself, in order to be able to negotiate the deal and maximise results. The negotiation surrounding demand for the offer is the final phase in the process, and once completed concludes the IPO process, “he adds.

Talking about the consequences for family businesses, **Paul Reynolds, Managing Director and Head of Debt and Equity Advisory, Rothschild Middle East** says: “Family businesses should thoroughly understand and deliberate why and how to raise money from external sources of funding. Obtaining external funds through the sale of securities, requires an appreciation of public market expectations relating to governance and control, disclosure and confidentiality, periodic financial reporting and directors responsibilities, as well as that, at some level, the decision- making processes must become more formal and less flexible as there are other shareholders involved and management. Of course, family shareholders should recognize the inherent conflict of interest that arises in the selection of investment bank book-runners and the share pricing and distribution processes.”

Rothschild has been in continuous family ownership for over 250 years and is a financial advisor to many family owned companies.

The IPO course takes the form of an interactive game and will also feature an introduction on the different types of fundraising for family businesses, and the factors that can help a family determine the best option. Regional specificities will be addressed by the Dubai Financial Market and by NASDAQ Dubai.

Fahima Al Bastaki, Senior Vice President, Market Development Division, DFM says: “Our participation in the Tharawat IPO Workshop stems from DFM’s ongoing commitment to play a proactive role in developing the UAE and regional capital markets. It’s important that family businesses are fully aware of key processes when going public such as the rules and regulations on corporate governance, disclosure and transparency”.

Dean Noble, Head of Market Operations at NASDAQ Dubai, says: “We are delighted to have this opportunity to discuss capital raising strategies with leading companies, including the circumstances in which an IPO can be an appropriate way forward. These include achieving adequate valuation and providing transparency to investors.”

Only family businesses from the Arab world and their executive employees are invited to attend the event. Registration information can be obtained by contacting conference@tharawat.org.

For further editorial information and media interview requests, please contact Lisa George, Iris Public Relations, Dubai, UAE. Mobile: 00971508718561. E-mail: lisa@irispr.net

About Tharawat Family Business Forum

Tharawat Family Business Forum is a non-profit organization representing the first Arabian network for family businesses. Tharawat bases its activities around the four main pillars networking, research, education, and advocacy, thereby catering to the heart of family business needs. The forum, founded in 2006, has the clear vision of becoming the prime knowledge resource, research hub and networking forum for family-owned and -controlled firms in the Middle East and North Africa. The Tharawat members are some of the largest and oldest family businesses in the region and the network accepts members upon application. While hosting activities across the entire Arab world, Tharawat has its headquarters situated in Dubai, UAE.

For more information, please visit www.tharawat.org

About Rothschild

Rothschild is a leading independent Investment Bank providing corporate finance advice globally on strategy, mergers and acquisitions, equity, debt and restructuring. Rothschild's objectivity, global network and commitment to a relationship-driven approach combine to create value for its clients through stability, integrity and creativity. Rothschild consistently tops league tables both regionally and around the world, by value and by number of deals executed.

Rothschild has been in continuous family ownership for over 250 years and continues to be the adviser of choice to governments, financial institutions, corporates, family groups and individuals worldwide through its c.1000 advisory bankers in 34 countries.

Rothschild was formally established in the Middle East in 2006, and has one of the largest and most experienced investment banking teams in the region comprising some 20 bankers, including senior local hires, based in three offices across the UAE and now Qatar.

About Borsa Italiana

Borsa Italiana S.p.A. is responsible for the organisation and management of the Italian stock exchange. The Company, founded in 1997 following the privatisation of the exchange, has been operational since January 2nd, 1998. Borsa Italiana's primary objective is to ensure the development of its markets, maximising their liquidity, transparency and competitiveness while pursuing high levels of efficiency.

In October 2007 Borsa Italiana merged with the London Stock Exchange, creating Europe's leading diversified exchange business. With more than 3,000 companies from over 70 countries admitted to trading on its markets, the London Stock Exchange Group is at the heart of the global financial market and is home to some of the largest, most successful and dynamic companies in the world.

The Academy of the London Stock Exchange Group serves the international financial communities as a training centre of excellence. With campuses based in London and Milan, Academy currently delivers tailor made programmes for corporations and Exchanges throughout the UK, Italy, Continental Europe and the MENA region.

About Dubai Financial Market

Dubai Financial Market (DFM) was established as a public institution having its own independent corporate body. DFM operates as a secondary market for the trading of securities issued by public shareholding companies, bonds issued by the federal Government or any of the local Governments and public institutions in the country, units of investment funds and any other financial instruments, local or foreign, which are accepted by the market. The DFM commenced operations on March 26, 2000. Following its initial public offering in November 2006, when DFM offered 1.6 billion shares, representing 20 per cent of its paid-up capital of AED 8 billion, DFM became a public joint stock company. Following the IPO, the Government of Dubai retained the remaining 80 per cent of DFM Company through Borse Dubai Limited. For more information, visit www.dfm.ae

About NASDAQ Dubai:

NASDAQ Dubai is the international financial exchange serving the region between Western Europe and East Asia. It welcomes regional as well as global issuers that seek regional and international investment. The exchange currently lists shares, derivatives, exchange-traded commodities, structured products, Sukuk (Islamic bonds) and conventional bonds.

The majority shareholder of NASDAQ Dubai is Dubai Financial Market with a two-thirds stake. Borse Dubai owns one third of the shares. The regulator of NASDAQ Dubai is the Dubai Financial Services Authority (DFSA). NASDAQ Dubai is located in the Dubai International Financial Centre (DIFC).

For more information, visit www.nasdaqdubai.com.