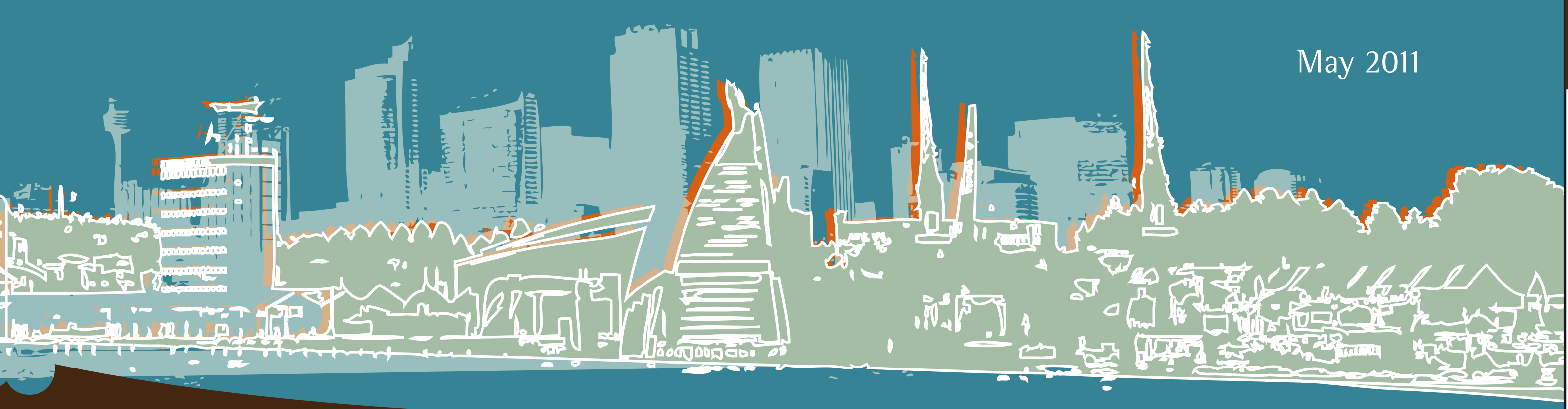

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Rajhi announces groundbreaking sukuk issuance

AMMAN –– Al Rajhi Cement Company on Tuesday became the first company in Jordan to tap Islamic sukuk to finance its operations in the Kingdom.

Last year, the Cabinet approved the issuance of Islamic bonds (sukuk) for Al Rajhi group at its request for financing an expansion of its investment base in Jordan.

However, the Cabinet demanded that Al Rajhi coordinate with legal bodies in the Kingdom, including the iftaa department, and should buy the sukuk from Jordanian banks.

Sukuk (plural of sakk) are Islamic financial certificates, similar to bonds used in conventional finance, that comply with Sharia, or Islamic law.

As the traditional interest paying bond structure is not permissible in Sharia, the issuer of sukuk sells an investor group the certificate, who then rent them back to the issuer for a predetermined rental fee. The issuer also makes a contractual promise to buy back the bonds at a future date at par value, according to web-based finance sites.

The JD85 million, seven-year sukuk was issued by a consortium of seven local banks led by the Capital Bank and included Cairo Amman Bank, Jordan Bank, Islamic International Arab Bank, Union Bank, Jordan Kuwait Bank and the Arab Islamic Bank.

The announcement of the sukuk issuance, the first in the Kingdom's history, was made during the signing ceremony that was attended by heads and directors of the participating financial institutions in the issuance.

The issuance was managed by Capital Investments, the investment arm of Capital Bank.

Bassem Salem, chairman of Capital Bank, said the move shows confidence in Jordan's economy and will attract investors to the country, adding that Islamic sukuk are associated with less risk than financing tools in conventional banking.

Omar Rajhi, chairman of Al Rajhi Cement Company, which started production in 2010, highlighted the government's support to facilitate the issuance of the Islamic bonds, remarking that Islamic finance proved its soundness during difficult economic conditions, particularly during the global financial crisis.

"It is worth considering carrying out investments in Jordan not only in the cement sector but in several various fields due to the attractive investment environment and incentives," he added.

Sukuk have emerged over the past eight years as an increasingly important asset class in a bid to enable organisations to raise capital in a Sharia-compliant fashion, whilst at the same time expanding the investor base and offering investment opportunities to new groups, according to Islamic websites.

Jordantimes.com

Prada Said to File for IPO Aiming for $10.7 Billion Valuation

Prada SpA, the Italian maker of Miu Miu bags and Church's shoes, submitted an application to the Hong Kong exchange to hold an initial public offering in the city by July, said two people familiar with the company.

The planned sale may give the company a valuation of about $10.7 billion excluding debt, said one of the people, who declined to be identified because the matter is private. Prada made the IPO filing yesterday, the people said.

Prada, based in Milan, follows European brand-name companies including L'Occitane International SA (973) in selling shares in Hong Kong, where IPOs reached a record last year. The city is a popular luxury-shopping destination for tourists from China, which allowed individual travel to Hong Kong in 2003.

Intesa Sanpaolo SpA (ISP), Credit Agricole SA's CLSA Asia-Pacific Markets, Goldman Sachs Group Inc. (GS) and UniCredit SpA (UCG) are managing the IPO. Sally Kwong, a Prada spokeswoman in Hong Kong, declined to comment.
This is the fifth time in the past decade that Prada has attempted to sell shares. The company's profit more than doubled last year on growth in the Asia-Pacific region.

Net income rose to 250.8 million euros ($355 million) from 100.2 million euros in 2009, Prada said in a statement on March 28. Revenue increased 31 percent to 2.05 billion euros, with growth of 63 percent in Asia, almost 30 percent in the U.S. and 20 percent in Europe, the company said.

L'Occitane raised HK$6.1 billion ($783 million) from its Hong Kong IPO in May last year. That included proceeds from the sale of overallotment shares. Samsonite LLC, the U.S. luggage maker owned by London-based CVC Capital Partners Ltd., plans to raise about $1 billion in a Hong Kong IPO in the second or third quarter, people with knowledge of the matter said in February.

Prada, which was founded by head designer Miuccia Prada's grandfather Mario Prada in 1913, still operates its first outlet in Milan's 19th-century Galleria shopping arcade.

Source : Bloomberg.com

Google's Page presages bolder era; some uneasy

Google Inc's (GOOG.O) Larry Page is back in charge of the company he founded a decade ago and, while some investors are uneasy about his credentials, they hope he will breathe new life into the Internet search giant.

Page takes over on Monday after a decade of "adult supervision" for Google under Eric Schmidt, as the outgoing CEO called it. The switch comes as mobile gadgets redefine the way people use the Internet and Google's main ad business is under threat from rapidly growing upstarts such as Facebook and Groupon.

Page, who as a graduate student paired up with Sergey Brin to create the algorithm that launched Google's search engine to Web stardom, has yet to make his battle plan public. But industry insiders and analysts expect he will try to shore up Google's strength in search and mobile, while breaking into a hot social networking market that has eluded his company.

In the three months since the announcement that Schmidt would step down to become executive chairman, Page has wasted little time taking greater control of the company and hacking away at some of the bureaucracy, according to a Google executive who requested anonymity because he was not authorized to speak about internal matters.

Page's first official day on the job was also marked by the resignation of Google's Senior Vice President of Product Management, Jonathan Rosenberg.

A Google spokesperson told Reuters Rosenberg had planned to leave the company in the next year or two as his children reached college age, but decided it was appropriate to do so now since he could not commit to being part of the team for any significant amount of time going forward. Rosenberg plans on writing a book and is not joining another company, the spokesperson said.

To some industry observers, the jury is still out as to whether Page can win back investors and shareholders to re-energize the company's stock and stem an exodus of talent to smaller start-ups dangling pre-IPO stock options. Google shares have slid more than 6 percent since his CEO appointment was announced in January.

Page and Brin were the top managers under Schmidt.

Ironfire Capital Managing Partner Eric Jackson says Page, whose reported disdain for marketing and public relations was detailed in the Ken Auletta book "Googled," could make investors uneasy.

"The first couple of big public events he does, whether it's an earnings call or an investment banker conference, there is going to be a huge immediate interest in how he performs and I think he's bound to disappoint," said Jackson, who does not have a position in Google.

Like Yahoo Inc (YHOO.O) founder Jerry Yang's, whose tenure there as CEO in 2007 and 2008 drew an extraordinary investor backlash, Page may not be comfortable as the face of Google, Jackson said.

"He probably underestimates the importance of that public role aspect and being a liaison with the public and shareholders," Jackson added.

BGC Partners analyst Colin Gillis wrote in a note to investors on Monday that one of the key questions of the Page era is whether meeting analysts' earnings expectations will become less of a priority.

"The company may be moving back to a mindset where investments take priority over profits," wrote Gillis.

Google and Page declined to comment for this article.

PAGE'S STAMP

According to those who know Google's 38-year-old co-founder, the era of Page is not likely to be measured in half-steps.

"I always say to my team, you can never outflank Larry," Dave Girouard, head of Google's enterprise business, told Reuters shortly after the announcement of the CEO change.

"As much as you think you're going to go in and blow him away with something cool, he's going to say: 'Well, why are you just doing it for three-quarters of the world?'"

In recent months, Page's stamp has already become clear within the company.

Among the first items he has reworked are the way internal meetings are run and decisions are made, said the Google source.

"It's part of the larger thesis of let's make this plan run faster, move more quickly and take bigger bets."

The executive now expects Page to take a hard look at the many projects underway at Google, placing bigger bets on those that seem to show promise and pulling the plug on others.

With more than 24,000 employees, Google has used its vast resources to expand into various markets beyond Web search, including telephone and television products, online productivity software and even electronic books.

Google's Android software has become the No. 1 smartphone operating system after barely three years on the market, but many other projects remain works in progress.

Some, like the infamous self-driving car and a plan to join a $5 billion offshore wind grid venture, have drawn fire as extravagant excesses or pipe dreams. [ID:nN12164531]

But the company's dominance in search is inviting heightened regulatory scrutiny, which is one reason Google shares underperformed in 2010. Investors also fretted about increased competition from social networking sites and the company's decision to partially pull out of China.

While Page is widely respected for his technology prowess and vision, it remains to be seen how he will adapt to the day-to-day duties of running a giant, advertising-supported business.

"His focus tends to be on the end-user experience," said Paul Buchheit, a former Google engineer who created Gmail and is now a partner at early-stage venture capital firm Y Combinator.

Buchheit praised Page's penchant for betting on big ideas that can yield hit products, but said some parts of the business might get less attention from the new CEO.

Source: reuters.com

Kosmos Energy Boosts IPO Size To Up To $621M

Kosmos Energy Ltd, an oil and gas company backed by Blackstone Group and Warburg Pincus, increased the size of its planned initial public offering to up to $621 million from $500 million.

The IPO will include 30 million shares, all sold by the company itself rather than its shareholders. Kosmos said in an amended S-1 filing that the midpoint of the estimated price range is $17. Kosmos executives weren't immediately available to comment. After the IPO, Kosmos expects to have 371.2 million issued and outstanding shares.

The company's operations are focused on Africa, including the Jubilee Field located offshore Ghana. Kosmos, incorporated in Bermuda, has a U.S. subsidiary based in Dallas.

When Kosmos filed for the IPO in January, analysts said it could be testing the waters for a larger debut that could possibly give the company a market capitalization between $6 billion to $10 billion.

Last year, Exxon Mobil Corp. pulled out of a deal to buy Kosmos's 23% stake in the Jubilee field for $4 billion. In November, Kosmos rejected a $5 billion offer from Chinese and Ghanaian oil companies to buy the stake.

The company was formed in 2003. Investors including Warburg, Blackstone and management committed $300 million of equity in 2004, making additional commitments of $500 million in 2008 and $250 million in 2009. Kosmos expects Warburg and Blackstone will own about a 76% stake after the IPO. In March, the company entered a $2 billion commercial debt facility, which may be increased to $3 billion.

The Jubilee Field, which first produced oil in November, provided the company's first oil revenue in early 2011.

Citi, Barclays Capital and Credit Suisse are joint bookrunning managers for the IPO.

Source: online.wsj.com

Lower price for sale sign hangs over Kuwait's Zain

Kuwait's Zain (ZAIN.KW) should remain for sale following Etisalat's failed $12 billion takeover, but buyers will be wary, with nearby Bahrain under martial law and borrowing costs and risk both rising.

Any buyer will also miss telecoms operator Zain's $3.1 billion dividend payout, so would likely bid below Etisalat's ETEL.AD 1.7 dinars-per-share offer for a 46 percent controlling stake, which the UAE firm withdrew on Saturday.

Zain shareholder, the Kharafi group, was the architect of the Etisalat deal, but rival shareholders were unhappy Kharafi would net all brokerage fees and exclude them from the sale.

"Unlike a lot of telecoms companies, Zain has financial investors at the helm and they are likely to remain sellers," said a telecoms analyst who spoke on condition of anonymity.

In January, a Zain board member said Turkey's Cukurova Holding [CUKRO.UL] was in talks to buy a 29.9 percent stake in Zain, but no formal offer was made. Vivendi (VIV.PA) in 2009earlier eyed Zain's African assets and France Telecom (FTE.PA) is chasing growth in the Middle East and Africa.

"Once regional markets stabilise, Kharafi could be a seller again and there are potential buyers - Zain has good assets and is the number one or two player in almost all markets in which it operates," said Irfan Ellam, Al Mal Capital telecoms analyst.

WINDFALL MISSED

Zain, which operates in seven countries, will sign a preliminary contract to sell its quarter-stake in affiliate to Zain Saudi to joint bidders Kingdom Holding and Kingdom Holding, a Zain source said on Sunday.

This had been a prerequisite for the Etisalat deal, but Zain said it would continue.

Zain and Etisalat had agreed terms in September, with Etisalat expecting to qualify for a record Zain 200-fils-per-share dividend, netting it $1.4 billion, according to Reuters calculations.

This windfall will follow Zain's $9 billion African asset sale to India's Bharti Airtel last year.

However, Etisalat missed a January due diligence deadline and the chances of it completing a transaction before Zain's expected May payout were increasingly remote.

Without the dividend, Etisalat would be reluctant to pay 1.7 dinars per share -- Zain fell 4.4 percent to 1.3 dinars on Sunday -- and a revised bid would probably fall foul of new Kuwait market rules announced in March.

These require buyers of more than 30 percent of a listed company to extend offer terms to all shareholders. It is not retrospective.

"Any new bid to take control of Zain would have to involve minority shareholders, whereas the Etisalat deal was essentially a private placement," said Kunal Bajaj, HSBC telecoms analyst.

The new rules could spur Kharafi to sell only its own holdings, estimated to be around 20 percent of Zain, although at a lower valuation because this would not be a controlling stake.

Transparency problems, which are widespread in the Gulf Arab region, but particularly acute in Kuwait, means predicting Zain's next move is tough, analysts said.

"Zain's problem is that it has a shareholder not committed to the business and I don't see any other buyers paying what Kharafi was asking," said a Dubai-based telecoms analyst who asked not to be identified. "Zain is an interesting collection of assets, but if I was an Etisalat shareholder I wouldn't see the bid failing as a bad outcome - it was an expensive deal."

Buyers will face higher borrowing costs in the wake of deadly unrest in the Middle East, including nearby Bahrain, which remains under martial law, bank sources said.

Source: reuters.com

MGM closer to Hong Kong IPO

MGM Macau is targeting to launch its Hong Kong initial public offering next month, the Wall Street Journal reported, quoting a person familiar with the situation.

MGM Macau is a joint venture between MGM International Resorts and businesswoman Pansy Ho Chiu King. (MGM Photo)

The new schedule comes after the March settlement of the family brawl for the control of Stanley Ho Hung Sun's gaming and Business Empire.

One of the people involved in the feud was Ms Pansy Ho, who even saw a lawsuit filed against her by her father, Stanley Ho. The lawsuit was eventually dropped.

According to several analysts, MGM Macau's IPO could have been negatively impacted if done without the Ho family brawl being solved first.

MGM Macau's IPO will be conducted through a vehicle company registered in the Cayman Islands, MGM China Holdings Limited. The company is hoping to raise around US$1 billion (MOP8 billion).

Source: macaubusiness.com

American Capital Mortgage Investment files for $500 million IPO

American Capital Mortgage Investment Corp filed with U.S. regulators to raise up to $500 million in an initial public offering of common stock.

The Maryland-based company told the U.S. Securities and Exchange Commission in a preliminary prospectus that Citigroup will be the lead underwriter for the IPO.

American Capital Mortgage was formed to invest in and manage a leveraged portfolio of mortgage related investments and will be managed by an indirect subsidiary of American Capital LLC.

The company said in its filing that it intends to use the net proceeds within 90 days of the closing of this offering, primarily in agency mortgage investments.

Source: reuters.com

Where we operate?

Abu Dhabi, UAE
Contact Person: Mr. Hani Hannoun
E-mail: abudhabi@tag-capital.com

Algeria, Algeria
Contact Person: Mr. Nabeel Abu Atiyeh
E-mail: algeria@tag-capital.com

Amman, Jordan
Contact Person: Mr. Samer Yamin
E-mail: amman@tag-capital.com

Ankara, Turkey
Contact Person: Ms. Ozlem Arslan
E-mail: turkey@tag-capital.com

Baghdad, Iraq
Contact Person: Mr. Mohammad Al-Jabouri
E-mail: iraq@tag-capital.com

Beirut, Lebanon
Contact Person: Mr. Akram Al-Rayess
E-mail: lebanon@tag-capital.com

Cairo, Egypt
Contact Person: Ms. Silvana Salama
E-mail: egypt@tag-capital.com

Canada
Contact Person: Mr. Nabil Salame
E-mail: canada@tag-capital.com

Casablanca, Morocco
Contact Person: Mr. Ahmad Hussein
E-mail: morocco@tag-capital.com

Damascus, Syria
Contact Person: Mr. Abdul Rahman Shrinah
E-mail: syria@tag-capital.com

Doha, Qatar
Contact Person: Mr. Mohammad Abu Jwaied
E-mail: qatar@tag-capital.com

Dubai, UAE
Contact Person: Ms. Nibal Abu-Ghazaleh
E-mail: dubai@tag-capital.com

Erbil, Iraq
Contact Person: Mr. Mohammad Al-Jabouri
E-mail: erbil@tag-capital.com

Gaza, Palestine
Contact Person: Mr. Tony Massad
E-mail: gaza@tag-capital.com

Jeddah, KSA
Contact Person: Mr. Mohammad Taha
E-mail: jeddah@tag-capital.com

Karachi, Pakistan
Contact Person: Mr. Aamir Khan
E-mail: pakistan@tag-capital.com

Khartoum, Sudan
Contact Person: Mr. Mohammad Younis
E-mail: sudan@tag-capital.com

Khobar, KSA
Contact Person: Mr. Nidal Radi
E-mail: khobar@tag-capital.com

Kuwait, Kuwait
Contact Person: Mr. Fawzi Shaheen
E-mail: kuwait@tag-capital.com

Libya
Contact Person: Mr. Ali Hijazi
E-mail: libya@tag-capital.com

Manama, Bahrain
Contact Person: Mr. Mohammad Abu Jwaied
E-mail: bahrain@tag-capital.com

Muscat, Oman
Contact Person: Mr. Majdi Al-Abiad
E-mail: oman@tag-capital.com

New Delhi, India
Contact Person: Mr. Khaled Al-Khalidi
E-mail: india@tag-capital.com

Nicosia, Cyprus
Contact Person: Ms. Tamara Abu-Ghazaleh
E-mail: cyprus@tag-capital.com

RAK, UAE
Contact Person: Mr. Shahzad Zafar
E-mail: rak@tag-capital.com

Ramallah, Palestine
Contact Person: Mr. Amjad Khaled
E-mail: ramallah@tag-capital.com

Riyadh, KSA
Contact Person: Mr. Habis Yousef
E-mail: riyadh@tag-capital.com

Sharjah, UAE
Contact Person: Mr. Jamal Mattar
E-mail: sharja@tag-capital.com

Shanghai, China
Contact Person: Ms. Ridab Abu Taleb
E-mail: china@tag-capital.com

Sana'a, Yemen
Contact Person: Mr. Nabil Al-Zawqary
E-mail: yemen@tag-capital.com

Tunis, Tunisia
Contact Person: Mr. Fathi Abu Nimeh
E-mail: tunisia@tag-capital.com

This Newsletter is published by the Editorial Department of Talal Abu-Ghazaleh Capital (TAG-Capital)

For inquiries: Mr. Wael Al-Natour / tagcapital.ga@tag-capital.com