

## **EFG Hermes Acquires 49% of French Wind Energy Company in USD 208 million Leveraged Buyout, Deploying MENA Capital in Cash-Yielding European Renewable Assets**

*Landmark investment is both EFG Hermes' first European investment and the first transaction under its private equity division's new direct investment strategy*

1 October 2014

**Dubai, UAE** —EFG Hermes, the leading investment bank in the Arab world, announced today that its private equity arm has signed a USD 208 million transaction to acquire a 49% equity shareholding and outstanding shareholders loans in EDPR France. The transaction comes as part of the firm's strategy of broadening its traditional role as a catalyst for institutional capital into MENA markets by helping its partners and investors tap compelling global opportunities.

EDPR France has a portfolio of 33 operational wind farms with a combined gross capacity of 334 MW. The company is a subsidiary of EDP Renewables (EDPR), one of the top four global renewable energy companies that develops, constructs and operates renewable energy assets with over 8.6 GW of installed capacity across three continents.

“Our first investment beyond the borders of the Middle East and Africa is a natural outgrowth of our emphasis on infrastructure private equity and, moreover, marks the launch of our direct investment strategy,” said EFG Hermes Co-Chief Executive Officer Karim Awad. “Our interest in infrastructure investing generally — and in renewable energy in particular — reflects our aim of being catalysts for sustainable development while simultaneously generating attractive returns for our shareholders and co-investors alike.”

The transaction underscores EFG Hermes' ability to originate, raise equity and debt and execute deals on an international scale in a highly competitive industry. It is also the firm's second investment in the generation of green energy in under 12 months, coming after an earlier commitment via the InfraMed fund to the establishment of the Arab world's first utility-scale wind farm in Jordan.

João Manso Neto, CEO of EDP Renewables, stated, “I am pleased to announce this new partnership and the breakthrough agreement with EFG Hermes, which is part of the asset rotation plan that the company has been implementing in order to deliver its growth strategy.”

“We are delighted to enter into a partnership with such a reputable global player in renewables. EDPR has an outstanding track record and is widely known in the industry for its operational excellence,” said Karim Moussa, Head of Private Equity at EFG Hermes. “We've recently seen a strong surge in investor appetite for cash-yielding renewable assets, mainly driven by the prevailing low interest rate environment. This deal underlines our capability to transact swiftly and allocate capital from MENA to an attractive global asset class.”

Approximately half of the USD 208 million buyout will be funded via an acquisition finance facility secured from leading European banks. EFG Hermes will provide seed capital of approximately USD 5 million for the equity component of the transaction, with the remainder raised from the GCC. Completion of the transaction is subject to regulatory approval and other customary closing conditions.

Under the terms of the agreement, EFG Hermes's private equity arm will manage the investment vehicle, while EDPR France will retain operational control over the acquired assets.

"EDPR France's asset portfolio offers a strong dividend stream and healthy risk-adjusted returns for the investors," Moussa added.

EDPR France has a 15-year feed-in-tariff arrangement with the French government's majority-owned Électricité Réseau Distribution France, securing the investment's future cash flows by an A+ rated off-taker.

"This investment demonstrates our ability to identify, structure and execute attractive infrastructure transactions and gives us exposure to a sizeable portfolio of high-quality French wind assets, in terms of their average age, operational track record and commercial arrangements," said Bakr Abdel Wahab, Director of Infrastructure Private Equity at EFG Hermes.

The deal also complements recent infrastructure investments undertaken by InfraMed, a c. USD 500 million private equity fund co-founded by EFG Hermes that invests in infrastructure in the Southern and Eastern Mediterranean region with primary focus on greenfield projects. Among InfraMed's investments are a USD 100 million commitment to the Egyptian Refining Company, which is building a USD 3.7 billion greenfield petroleum refinery in Egypt, and a c. USD 40 million investment in building the 117 MW Tafila Wind Farm, Jordan's first utility-scale wind farm.

"Seeding investments and raising substantial third-party funding is a key pillar of our model going forward in private equity," concluded Moussa. "We will also continue building our outbound investment practice and actively screen for opportunities to match deep pools of capital in the MENA region with attractive yielding opportunities in Europe and beyond, particularly in the infrastructure and renewable energy verticals."

EFG Hermes was advised on the EDPR France buyout by Global Capital Finance (corporate finance), Shearman & Sterling and Watson, Farley & Williams (legal), Garrad Hassan and SGS (technical), Grant Thornton (tax and accounting) and Pöyry (energy market).

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#### **Notes for Editors:**

##### **About EDP Renewables (EDPR)**

EDP Renewables (Euronext: EDPR), Headquartered in Madrid, is a global leader in the renewable energy sector and the world's fourth-largest wind energy producer. With a sound development pipeline, first class assets and market-leading operating capacity, EDPR has undergone exceptional development in recent years and is currently present in 12 markets (Belgium, Brazil, Canada, Spain, the US, France, Italy, Mexico, Poland, Portugal, the UK and Romania). Energias de Portugal, S.A. ("EDP"), the majority shareholder of EDPR, is a global energy company and a leader in value creation, innovation and sustainability. EDP is Portugal's largest industrial group and the only Portuguese company to form part of the Dow Jones Sustainability Indexes (World and STOXX).

##### **About EFG Hermes**




Established in 1984, EFG Hermes is the leading investment bank in the Arab world, draws on 30 years of experience to serve as the preeminent investment bank in the region to provide a comprehensive spectrum of financial services including Investment Banking, Asset Management,

Securities Brokerage, Research and Private Equity. Additionally, EFG Hermes owns a 63.7% majority stake in the Lebanese commercial bank Crédit Libanais.

Through its operations in Egypt, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia and the UAE, with more than 800 employees of 25 nationalities, EFG Hermes serves a considerable and diversified client base from the Middle East and North Africa to Europe, Africa and the United States. Our clients include governments, corporations, financial institutions, high net worth clients and individual customers.

#### **About EFG Hermes Private Equity Division**

Private Equity at EFG Hermes has for more than a decade of invested in a diversified set of sectors, including tourism and real estate, financial services, industrials, building materials, oil and gas, food and agribusiness, FMCG and retail. From offices in Cairo and Dubai — and by leveraging EFG Hermes' on-the-ground presence in the Levant and the GCC — the Division's reach spans the Arab world. EFG Hermes Private Equity advises InfraMed, the largest investment vehicle dedicated to infrastructure investments in the Southern and Eastern Mediterranean. The firm is also one five global and regional founding sponsors that together contributed EUR 385 million to establish InfraMed. The Division manages currently a portfolio of 12 companies and a total AUM of c. USD 0.9 billion.

For further information about EFG Hermes, please visit [www.efghermes.com](http://www.efghermes.com) and stay connected with us:   

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#### ***Note on Forward-Looking Statements***

*In this press release, EFG Hermes may make forward looking statements, including, for example, statements about management's expectations, strategic objectives, growth opportunities and business prospects. These forward-looking statements are not historical facts but instead represent only EFG Hermes' belief regarding future events, many of which, by their nature are inherently uncertain and are beyond management's control and include among others, financial market volatility; actions and initiatives taken by current and potential competitors; general economic conditions and the effect of current, pending and future legislation, regulations and regulatory actions. Accordingly, the readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made.*