

Insider Story



SME Awards

On the 19th of October 2008, entrepreneurs and their likes arrived at the Park Hyatt for what was to be an inspiring morning. The occasion was the Your Business 1st SME Awards. Organized by Your Business magazine, it was staged to recognize the successful contribution that Small to Medium Sized Enterprises (SMEs) make towards the region's economy and future; SMEs are the engine room that generate

employment opportunities and new business ideas. Categories ranged from Best Young Entrepreneur to the Fastest growing SME; the awards showcased 33 outstanding finalists that demonstrated formidable professional achievement and innovation in their industry.

When the prospect to sponsor the award for Best Female Entrepreneur was presented; FORSA immediately recognized it as an opportunity to raise awareness among the female entrepreneurial community, and reward those exceptional women in the region who have chosen to balance family with ambition, risk with reward, concept with implementation and early initiative with staying power. In addition, FORSA's private equity and venture capital teams focus on building a niche portfolio of similar female businesses, supporting them with capital and strategic partnerships through their next phase of growth. Therefore FORSA was excited to participate in the judging panel and the subsequent award ceremony.

Facing tough competition from the likes of

Strawberry PR & Events, Horseworld and Expat WebServices, to name a few, FORSA was honored to present the award for Best Female Entrepreneur to Badria Mustafa Mohammed Rashid Al Ali of Geelato Trading in the UAE, a small business that tailors and sells high quality Abayas and Shailas.

As the winner of this category, we believe that Badria will serve to be an excellent example to other women in this region with creative and feasible business ideas who are considering putting their dreams to life. In the future, FORSA is confident that there will no longer be a need for a separate award category to bring female entrepreneurs to the surface, as the volume of compelling submissions from female entrepreneurs in other categories will speak for themselves.

On behalf of the FORSA team, we would like to thank Your Business magazine for staging such a valuable event and we would also like to congratulate Badria on her win. We wish her and the other competitors all the best and are confident of their success in the future.

Investment Corner

Private Equity and the World Financial Crisis

by Mafalda Guimaraes, AVP Investments

When asked to write an article on investments for this second edition of FORSA TIMES, I couldn't stop thinking about my honeymoon back in September. Sounds strange? Well, while I was having a fabulous time in Vietnam, a new chapter in history was being created with the USD700bn bailout announced by the US government for vote by the Congress. As an investments' professional, my immediate thoughts were how would this financial crisis affect me, both personally and professionally.

Although I would have liked to think that being in this region would protect me from the global turmoil, this is not entirely true. We see domestic banks starting to cut down on mortgage loan facilities, listed equity securities fluctuating highly in price, government guaranteeing bank deposits and injections of state capital into the economy. These measures speak for themselves.

Having said that, I don't believe a potential slowdown in growth is necessarily a bad thing, especially when economic fundamentals like population and demand growth are strong, like in the case of the UAE. I am particularly optimistic when it comes to the impact of this financial crisis on the regional Private Equity industry and in FORSA's business in particular.

Today, when reading Jack Perkowski's blog about the Super Return Middle East 2008 Conference held this month in Dubai, I had the opportunity to find out the latest thinking on the future of private equity from the best in the business professionals. Although different views were presented, there was a general consensus around a number of points:

- The recovery from the current financial crisis will take at least 3 years

- The days of using financial engineering (high leverage, "covenant light" debt and arbitraging higher exit multiples) to generate returns are over. Instead deals will rely on growth to generate acceptable private equity returns in the future.

- Traditionally, private equity firms have taken controlling positions in companies and have generally shunned minority investments. In the new debt-unfriendly world, minority interests and "buy and hold" strategies might become more prevalent.

- Countries within the emerging world will outperform Europe and North America

Although, for some industry players, the outlook will force changes in their business model in order to ensure survival, for FORSA it is actually turning out to be an opportunity rather than a threat;

At FORSA we target growing small to medium sized UAE companies with regional expansion plans. We are especially keen on home grown consumer services-oriented companies with very low leverage, which operate in sectors with low market volatility and therefore represent good adjusted risk returns. Our investment strategy is to identify excellent companies and help them to grow, not only by contributing capital but also business to business relationships and resources needed to mature into leading global companies.

With the financial events of the past months, it seems that FORSA's investment focus, unlevered "growth capital", driven by business fundamentals rather than financial engineering will be the trend of the future.

FORSA News

The Safe and Sound Pink Walkathon

On 17th October 2008, FORSA team participated in the Pink Walkathon organized in Dubai to fund the breast cancer awareness. The walk path of 3.6km ran through the Bur Dubai area.

Congratulations to all the FORSA team members for finishing the walk, and especially Bianca Vanin, FORSA Analyst, for winning the AED 1,000 prize in a raffle organized for Walkathon participants.



Upcoming events:

FORSA will be present at the following conferences:

Private Equity World MENA 2008

17-20 November 2008
Al Muroj Rotana Hotel, Dubai
<http://www.terrapinn.com/2008/pemena/index.stm>

Wealth Management Summit

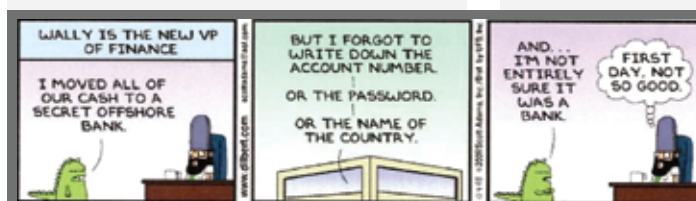
25-26 January 2009
Movenpick Hotel, Dubai
<http://www.icpc.com/ShowEvent.aspx?id=139560>

Middle East Alternative Investments Summit

16-18 February 2009
Jumeirah Emirates Towers, Dubai
<http://www.meai-summit.com/>

"The power to question is the basis of all human progress."

Indira Gandhi



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