



Press Release

Spinneys successfully completes first phase of US\$180 million fundraising programme

- *Leading Middle East retail chain signs US\$80 million four-year loan agreement with National Bank of Dubai*
- *Spinneys to shortly launch US\$100 million preference share issue*
- *Capital injection to fund aggressive expansion across MENASA region*
- *Expansion strategy led by Abraaj Capital, managing shareholder in Spinneys*
- *NBD Investment Bank to serve as sole placement agent for preference share issue*

Dubai, July 2, 2007: Spinneys Group Limited, the premier supermarket retailer in the Middle East, announced today that it has successfully completed the first phase of a US\$180 million fundraising programme, which will serve primarily to fund Spinneys' aggressive expansion across the Middle East, North Africa and South Asia (MENASA) region.

Spinneys has signed an US\$80 million four-year loan agreement with National Bank of Dubai (NBD). This will be followed shortly by the launch of a US\$100 million preference share issue, for which NBD Investment Bank will serve as the sole placement agent.

The retail chain, which owns the worldwide Spinneys brand, operates stores in Egypt and Lebanon and has granted a franchise agreement in the UAE only to an independent company. Spinneys has an enviable record of entering new markets and securing its target segment. It has achieved its success due to the qualitative values maintained across all its outlets, combined with its flexibility to meet the needs of its varied consumer base with a range of store formats.

Spinneys is progressing expansion opportunities in 11 countries in the MENASA region, and has already signed agreements to open stores in Jordan, Pakistan and Qatar. The retailer is currently in the advanced stages to launch operations with joint venture partners in Algeria, India, Iraq, Kazakhstan, Kuwait, Libya, Saudi Arabia and Syria. Spinneys is also in negotiations to expand its presence in its existing markets.

Abraaj Capital, the premier investment firm specialising in private equity and infrastructure investment across the MENASA region, is leading the retail company's current expansion strategy. Dubai-headquartered Abraaj Capital is the managing shareholder in Spinneys Group Limited.

Waqar Siddique, Board Member of Spinneys Group and Executive Director of Abraaj Capital, said: "The opportunities in the retail segment across the MENASA region have never been greater, and this injection of funds will allow us to increase our presence significantly and rapidly, taking advantage of the many opportunities that are out there within the wider region. By utilising the management expertise of Abraaj Capital and the financial placement strength of NBD Investment Bank, we are confident that the upcoming share issue will be completed in record time and Spinneys will soon become the leading company in the sector across the wider region."

Michael Wright, Senior Vice President of Abraaj Capital, spearheading the strategy drive within the Spinneys business and its international expansion, said: "This is an extremely exciting moment in the history of Spinneys and for all those involved with the brand. The company and the brand have been preparing for this aggressive expansion opportunity for the last 18 months. The expansion will capitalise on this comprehensive planning exercise, the leadership and foresight of Abraaj Capital and the backing of NBD to meet the needs of consumers across this fast-growing region."

Shahzad Shahbaz, Chief Executive Officer of NBD Investment Bank, said: “We are very pleased to partner with Spinneys Group to assist them in their landmark expansion project. Backed by expert management and with a sound business plan, Spinneys is poised to increase its share in existing markets and make its presence strongly felt in a range of new ones.”

--ends--

About Spinneys: Spinneys was founded in 1924 in Alexandria, Egypt, by Arthur Rawdon Spinney. One of the leading independent retailers of consumer goods in the Middle East, Spinneys currently operates fully-owned stores in Egypt and Lebanon and through a franchise agreement in the UAE.

About National Bank of Dubai Investment Bank: NBD Investment Bank (NBD – IB) is a full service regional investment bank offering a comprehensive range of financing, advisory, investment, and risk management capabilities. It is a 100% subsidiary of the National Bank of Dubai, one of the largest banking groups in the Middle East, and is licensed for operation in the Dubai International Financial Centre (DIFC).

NBD – IB combines world class product capabilities with regional expertise to create a unique platform providing integrated and innovative solutions across investment banking, wealth and asset management, and private equity. With its team of experienced professionals, NBD – IB meets the needs of governments, corporates, institutional and high net worth clients in markets across the GCC and wider MENATSA region. Established in July 2006, NBD – IB is headquartered in Dubai. Additional information is available at www.nbd.com

About Abraaj Capital: Abraaj Capital is the premier investment firm specializing in private equity investment in the Middle East, North Africa and South Asia (MENASA) region. The management team has brought together some of the most compelling and successful transactions in the history of leveraged acquisitions across the region.

With over US\$4 billion of assets currently under management, Abraaj has pioneered institutionalizing private equity practice in the region and is setting trends and benchmarks for others to follow.

Winner of industry awards including ‘Middle East Private Equity Firm of the Year’ from Private Equity International (2006 & 2007), the Banker Middle East Award for ‘Best Private Equities Institution’ in 2006 and for ‘Outstanding Contribution to Financial Services in the Middle East’ in 2007. Arabian Business recently recognized Abraaj among the 50 Most Admired Companies in the GCC. Abraaj is also the first pure private equity firm to be registered by DFSA to operate out of Dubai International Financial Centre (DIFC).

Apart from managing its’ seven private equity funds, Abraaj Capital Holdings Limited is also the single largest shareholder in the leading regional investment bank EFG-Hermes. ACHL itself is extremely well capitalized, with issued share capital of US\$1 billion. Its 110 professionals come

from 27 nationalities and achieve a coverage that spans the MENASA region. *For more information please visit www.abraaj.com*

For further information, please contact:

Tarek Fleihan
ASDA'A Public Relations
Exclusive Affiliate of Edelman, Middle East & North Africa
Dubai, UAE
Tel: 971-50-5198511
Fax: 971-4-3356080
E-mail: t.fleihan@asdaa.com