

The Egypt ICT Entrepreneurship Project (EIEP) ICT Investor Forum

CAIRO 30 July 2007—On July 30 and 31 the ICT Business Development Center (I-BDC) and the US Agency for International Development (USAID) hosted Egypt's first Investor Forum for the ICT sector. The forum was attended by 27 Egyptian firms and 11 investors from the US, Europe, Middle East North Africa (MENA) Region and Egypt. The forum proved to be a highly successful event which confirmed the promising investment opportunities for Egyptian ICT entrepreneurs. At the forum, 72 one-on-one pitch sessions were arranged based on demand from investors in order ensure the highest probability of future investment between investors and entrepreneurs. Many government officials attended the forum from the Ministry of Communications and Information Technology (MCIT), the Information Technology Industry Development Agency (ITIDA) as well as USAID representatives. US-based firm J.E. Austin Associates (JAA) in close coordination with the I-BDC staff was responsible for the Investor Forum's design and preparation, the mobilization of international investors as well as its overall management. This was undertaken in close partnership with the MCIT, ITIDA and USAID.

"I believe that your initiative to organize this forum was an excellent one. Its successful realization should encourage you, and all sponsoring organizations, to contemplate making this an annual event, and setting up similar ICT-targeted fora in other MENA markets as well."

Jack Roepers, Investor

The Investor Forum

Along with the creation of the I-BDC, the ICT Investor Forum marked another significant step towards increasing international awareness for Egypt's flourishing ICT sector. The event's speakers included Dr. Hazem Abdel Azziz, Senior Advisor to the MCIT and Hossam Megahed, Member of the Board of the Information Technology Industry Development Agency (ITIDA) as well as industry leaders from the ICT community. The Forum also featured some of Egypt's most innovative and promising ICT sectors such as the industry-leading mobility sector, the fast-growing Business Process Outsourcing (BPO) sector, and the innovative Research & Development (R&D) sector.

"I would like to really thank you all for the effort you put into preparing this event and preparing EME for it. This event was very important and useful...I also think that actual investments (whether it's equity or partnerships) will come out of this..."

Nader Iskander, Egyptian ICT Entrepreneur

In preparation of the Investment Forum, the IBDC provided expert consultation to each of its client firms in regards to formulating their investment pitch. I-BDC employees also helped each firm craft their investment prospectus and consolidate their business opportunities. The I-BDC also brought in an entrepreneur coach (who has worked with start-up firms in the China, the US, India, and Israel) to assist the firms focus their business opportunity pitch sessions.

Prior to the Forum, investors were provided with "Investor Snapshots" detailing each participating firm's history, market outlook, competitive advantage, financials, use of proceeds, and executive leadership. These "Snapshots" provided an opportunity for investors to select those firms they wished to meet with prior to arrival. Correspondingly, the firms were also given biographies of each investor detailing the focus of their investment fund, minimum deal requirements, and past experience. This process was deemed necessary given the highly competitive local market and the limited time-period for the Forum. Previously, firms had been reluctant to participate in "open" investor pitch sessions for fear of divulging competitive advantages to their competitors.

The Investor Forum was judged a complete success by nearly all of its participants from the investor-side as well as the firm-side. In the end, the Forum provided international investors the opportunity to meet with 27 I-BDC client ICT firms in one-on-one investor pitch sessions. Out of a total of 72 one-on-one meetings between investors and firms, 44 percent (32 requests) resulted in requests for follow-up from investors. David West Smith, an investor representing a fund out of Bahrain had this to say: "I appreciate all that you and your colleagues

"On the behalf of all Global Beam Members we would like to express our deep appreciation and thankful for all the efforts you and your team have done in the last ICT Investor Forum. It was really Interesting meeting all this Investors from the West and the East."

Mohamed bd'Alrahman, Entrepreneur

have done and look forward to working with both you and some of the companies you have introduced me to. I am in the midst of following up as well as closing on fund business with LPs and attorneys but will keep all posted... Thank you also for your invitation to use your offices in Cairo as that may come in handy."

Upon completion of the Investor Forum the I-BDC asked investors to complete an exit survey. The results of the survey showed that 91% of the investors saw value with the I-BDC and were willing to pay for its services. The types of payment included everything from a retainer-type fee system to a success rate percentage on the deals made. Investors also indicated that they would be interested in retaining the services of the I-BDC for numerous functions including: new firm identification & preparation; market analysis; due-diligence services; local office infrastructure; co-management of Fund; and assistance in exit strategies.

The I-BDC

The I-BDC is a full-service financial intermediation firm focusing on the ICT sector, providing ICT clients with support in developing a funding strategy, identifying equity investors and lenders and negotiating with the investors and lenders. In addition to more standard debt and equity products, the IBDC assists ICT firms in obtaining and entering into leases, contract based loans, accounts receivable factoring and letters of credit and guarantee services. Founded in 2006, the I-BDC has already assisted its clients attain 6 debt/leasing deals and 2 equity deals valued at over LE 27 million (USD 4.8m).

The IBDC has been operating for the last year under the USAID funded and Ministry of Communications and Information Technology sponsored Egyptian ICT Entrepreneurship Program. The IBDC is currently registering with GAFI and the Capital Markets Authority as a joint stock company to operate as a certified consultancy services firm. As a firm it will continue to provide advisory services for debt and equity financing, mergers and acquisition, and firm valuation. The IBDC is also seeking status as a qualifying sponsor for ICT firms applying for listing on the new Egyptian small caps stock exchange.

Approved for Public Release
30 July 2007

Contact:
Media Relations
J.E. Austin Associates, Inc.
2101 Wilson Blvd, Suite 1100
Arlington, Virginia 22201 USA
Tel. +1.703.841.9841 ext. 19
Fax. +1.703.841.9847
Web. www.jeaustin.com