Press release

Gulf Finance House B.S.C.
Investment Bank

Gulf Finance House sells UK commercial real estate portfolio to Deutsche Bank for £170 million (c.US$ 315 million)

- *Exit generates 37% return to clients over 3.5 years*
- *Four exits, all profitable, completed so far by GFH in 2006*
- *Further exits expected from GFH during second half of year*

Manama, Bahrain 25 July 2006: Gulf Finance House (GFH) announced today the successful exit of the UK income-producing fund, Gulf Atlantic Real Estate (GARE-UK) to Deutsche Bank for £170 million (c.US$ 315 million). This realised an average return to clients of 37% over a holding period of just under 3.5 years.

Commenting on this exit, Mr. Esam Janahi, GFH Chief Executive Officer and Board Member, said: "The profitable sale of this income-producing commercial property portfolio to Deutsche Bank is testimony to the skill and experience of our real estate investment team. Once again, the team has delivered substantial market-leading returns for our clients from this particular type of real estate asset and investment opportunity."

According to Peter Panayiotou, GFH Deputy Chief Executive and Head of Investments: "The UK commercial real estate market has been very buoyant, and we took the decision to dispose of the portfolio after a direct approach from Deutsche Bank. We believe generally that the UK real estate market still provides opportunities for long-term investors."

GARE was established in late 2002 with the intention of offering GFH clients the opportunity to invest in a strategic mix of income-producing properties in the major central business districts across the UK. It was closed to new investments after acquiring seven properties in strategically located business parks in the South East and Midlands areas of the country. The portfolio comprises four prestigious headquarters office developments and three state-of-the art warehousing and distribution centres.

So far in 2006, GFH has successfully completed four exits, generating excellent short to medium term returns for its clients, ranging from 20% to 155% over periods of between 1 and 4 years.

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These follow the successful completion of three exits by GFH in 2005, including the listing of Al-Khaleej Development Company (Tameer) on the Bahrain and Kuwait stock exchanges, which yielded a return of 170% to clients holding the investment over a period of 3.5 years. The Bank is working on a number of additional exits that are planned for the second half of 2006.

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