Prince Abdulaziz Bin Mousaed
Economic City

New economic city in Saudi Arabia set to become the largest transportation and logistics hub in the Middle East

- *Prince AbdulAziz Bin Mousaed Economic City at Hail will exploit the region's core strengths of location, agriculture, mineral deposits, moderate climate and wild beauty*
- *Lead developer Rakisa Holdings in close cooperation with core investors including Gulf Finance House, Abu Dhabi Investment House and Tanmiyat Group*
- *Specialised clusters offer unique investment opportunities*
- *Total of SR 30 billion (approx. US$ 8 billion) private sector investment over next ten years*

Manama, Bahrain, 27 June 2006: Lead developer – Rakisa Holdings, and three members of the initial core group of regional investors – Gulf Finance House, Abu Dhabi Investment House and Tanmiyat Group, today highlighted the unique business opportunities offered to regional and international investors by the Prince AbdulAziz Bin Mousaed Economic City.

The second in a series of new economic cities in the Kingdom of Saudi Arabia being planned by the Saudi Arabian General Investment Authority (SAGIA), the Prince AbdulAziz Bin Mousaed Economic City is a key element in Saudi Arabia's recent initiative to further develop its economy, generate regional growth, and create employment opportunities for its youthful population. The new city will be developed at Hail in the Northern region of the Kingdom under the supervision of SAGIA.

Introducing the project, Engineer Abdullah Ibrahim Al-Rakhis, Chairman of Rakisa Holdings, said: "Rakisa is honoured to be developing this economically significant project in cooperation with a prestigious group of core investors – local, regional and international. Hail is one of the Kingdom's most attractive regions in terms of economic growth potential and investment opportunities. The region offers a strategic location, moderate climate, well-established agricultural sector, and the potential of large mineral resources waiting to be exploited."

Hail's sound base in agriculture accounts for 70 per cent of the region's employment in this sector, and 90 per cent of corn, 33 per cent of potato, and 31 per cent of barley produced in the Kingdom.

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Total annual production is in excess of 800,000 tons. There is enormous potential in pre-packaged foods, agricultural-related industries, and new technologies for more efficient use of water.

Speaking on behalf of Gulf Finance House, Chief Executive Officer and Board Member Mr. Esam Janahi, said: "The value proposition of the Prince AbdulAziz Bin Mousaed Economic City centres around the development of a comprehensive transportation and logistics hub to take advantage of the region's unique core strengths. Projects such as this create a rare niche for a diverse range of private sector investment opportunities."

Mr. Rashad Janahi, Chief Executive Officer of Abu Dhabi Investment House, said: "We are delighted to be working with Rakisa Holdings, and to be part of a prestigious core group of regional investors. This includes Gulf Finance House, with whom we are collaborating on similar groundbreaking economic projects such as Energy City Qatar."

Covering an area of over 150 million square meters, the Prince AbdulAziz Bin Mousaed Economic City will incorporate a cluster-based development comprising: transportation, logistics and supply chain centers; educational services; agricultural and food processing services; mining and commerce services; housing; and infrastructure.

In the area of transportation, logistics and supply chain, an international airport is expected to capture 3 million passengers per year, while a railway station will cater for some 2 million passengers annually. Dry ports and operation centers will be capable of handling over 1.5 million tons of cargo annually.

The region will also benefit from a new international airport and a major expansion of the Kingdom's railway system, which will connect the main regions. In addition, major new highways are being constructed to link the Kingdom through Hail with Jordan, Iraq and also Madinah.

Furthermore, Hail's rich heritage, together with its wild beauty and moderate climate, make it a potential destination of choice for tourism. With over 260 historical and ancient sites, it is expected to attract over 700,000 visitors annually.

Emphasizing the strategic advantage of the location of Hail for the Prince AbdulAziz Bin Mousaed Economic City, Sheikh Sleiman Bin Abdul Aziz Al-Majed, Chairman of Tanmiyat Group, said:

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"Located in the heart of the Kingdom, Hail is equidistant from Jeddah, Riyadh and the Eastern province, and provides the perfect 'northern gateway' to the Kingdom, linking a number of key trade routes. It can be accessed by 12 Arab capitals in only one hour by plane and this we are sure would immensely add to the attractiveness of the project and enhance both shareholder value and returns."

As well as Gulf Finance House, Abu Dhabi Investment House and Tanmiyat Group, the initial core group of regional investors includes Al Abdulatif Group, Al-Rashid Group, Al-Qusaibi Group, BWC, Kanoo Group, Kuwait Investment Company, National Investment Company, Obeikon Investment Group, PWC Logistics and Saudi Agricultural Group.