Press release
7 August 2006

Gulf Finance House to participate in major transportation infrastructure development projects in Egypt

- *Initial phase estimated at US$ 30 billion*
- *First public-private sector partnership in Egypt*
- *Underlines GFH strategy of regional diversification*

Cairo, Egypt / Manama, Bahrain: 7 August 2006: Gulf Finance House announced its participation in agreements signed today between representatives of the Government of the Arab Republic of Egypt and a partnership of GCC-based financial institutions, involving a major investment to support the development of Egypt's transportation infrastructure.

Representing the Egyptian Government were three Ministry of Transportation (MoT) Authorities – General Authority for Roads, Bridges and Land Transportation (GARBL); Egyptian National Railway Authority (ENR); and Port Said Port Authority (PSPA).

The partnership of GCC-based financial institutions comprises Bahrain-based Gulf Finance House (GFH), and UAE-based National Holding (NH), Abu Dhabi Investment House (ADIH) and Global Developments and Investments (GDI).

In the first-of-its-kind partnership between the public and private sector in Egypt, these seven institutions signed an agreement to establish a holding company, with an authorised capital of US$ 1 billion, to spearhead investments in the development of Egypt's transportation infrastructure. This landmark agreement was signed in the presence of the Prime Minister of Egypt, Dr. Ahmed Nazif and the Minister of Transportation, Eng. Mohammed Lutfi Mansour.

Groundwork on the initial phase – involving road and rail networks, and ports – is expected to commence within six months of the holding company being formally established. Projects comprising the initial phase, which include those on a Build-Own-Operate-Transfer (BOOT) basis – have an estimated total value of US$ 30 billion.

The agreement covers a wide portfolio of infrastructure projects that are expected to include a maritime passenger line between Egyptian and Saudi Arabian ports, and a tourist rail line linking Hurghada, Safaga, Kena and Luxor.

Commenting on the signing, Minister of Transportation Eng. Mansour, said: "This is a major milestone in the growing partnership between the public and private sector in Egypt's economy. Logistics and transportation represent a vibrant growth sector – both in Egypt and the Middle East region – and has generated considerable interest among national and foreign investors alike.

"We are confident that these major projects will generate job opportunities in accordance with the vision of the President of Egypt, Mr. Hosni Mubarak, and in turn help the social and economic development of new cities in Upper Egypt."

GFH Chief Executive and Board Member, Mr. Esam Janahi, said: "We are honoured to be a member of this historic partnership, which heralds the entry of Gulf Finance House into Egypt for the first time. Not only does it illustrate the successful implementation of our strategy of regional diversification, but it also reinforces our confidence in the region's transportation and logistics sectors, following our recent investment in Prince Abdul Aziz Bin Mousaed Economic City in the Kingdom of Saudi Arabia.

Egypt is experiencing strong growth, which is underlined by IMF forecasts of economic growth exceeding 5 per cent for 2006.

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This latest investment in Egypt adds to GFH's existing portfolio of infrastructure development projects. These include Bahrain Financial Harbour and Al Areen in the Kingdom of Bahrain; Prince Abdul Aziz Bin Mousaed Economic City in the Kingdom of Saudi Arabia; Legends Dubailand in the United Arab Emirates; Energy City Qatar in the State of Qatar; Jordan Gate, Royal Village and Royal Resort & Spa in the Hashemite Kingdom of Jordan; and Marrakech Equestrian City and Cap Malabata Resort Tangiers in the Kingdom of Morocco.

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