PRESS RELEASE

For immediate Publication

SHUAA Saudi Hospitality Fund I Signs Memorandum of Understanding with Land Owner for the Development of a Budget Business Hotel in Jeddah

Riyadh - 22 November 2010: SHUAA Capital Saudi Arabia cjsc announced today that it has signed on behalf of the SHUAA Saudi Hospitality Fund I a Memorandum of Understanding (MoU) with Mr. Youssef Ismail Youssef, representing the land owner, for the development of a budget business hotel in Jeddah. The SHUAA Saudi Hospitality Fund's MoU marks the second investment of its kind undertaken by the Fund in the Kingdom of Saudi Arabia. Earlier this year, the Fund had acquired a prime sea-facing land on the Jeddah Northern Corniche for the development of a 5-star hotel, to be managed by Rotana Hotel Management Corporation, the leading hotel management company in the Middle East and Africa. The SHUAA Saudi Hospitality Fund and the Project Funds, in which it will be invested, have an aggregate target size of SR 2 billion. The SHUAA Saudi Hospitality Fund is managed by SHUAA Capital Saudi Arabia.

The acquired property is situated in a prime location in the heart of Jeddah central district, on Madinah road, one of Jeddah's main arteries and in proximity to the Ruwais area, which will be undergoing a complete urban regeneration. It boasts convenient road access to all Jeddah landmarks, and is less than 20 minutes away from Jeddah's King Abdulaziz International Airport. The land will be developed into 254-room business hotel. The hotel will have a total built-up area of approximately 13,000 sqm, and will be managed by Rotana Hotel Management Corporation, the leading hotel management company in the in the Middle East and Africa. The total cost of the project is estimated at SR 160 million.

Jeddah is a strategic business and leisure destination. It has a growing population of over 3.4 million people and is considered the second commercial capital of Saudi Arabia. Average hotel occupancy rates in Jeddah stood at 77% in 2009, and the number of travelers to Jeddah International Airport increased by 5.1% per annum between 2003 and 2009, from 13.1 million in 2003 to 17.8 million visitors in 2009. King Abdulaziz International Airport, which serves as the entry point for pilgrims visiting the Holy Cities of Makkah and Madinah, will be renovated with the aim of handling 30 million passengers by the year 2012.

Mr. Sameer Al Ansari, Chief Executive Officer of SHUAA Capital psc, said: "We are very proud of the achievements made by the SHUAA Saudi Hospitality Fund I and are excited about closing our second transaction in the Kingdom of Saudi Arabia. We are hopeful to deploy the Fund's commitments entirely by the end of 2011, given the success of the product and the strong fundamentals of the Saudi economy, the consistent growth rates in travel and tourism, and the fast growing need for new hotel developments."

Mr. Omar Al Jaroudi, Chief Executive Officer of SHUAA Capital Saudi Arabia, commented: "The SHUAA Saudi Hospitality Fund is at the core of our private equity and real estate platform. The Fund provides a unique opportunity to diversify into a Shari'a compliant hospitality and hotel investments - a sector that is otherwise not represented in Islamic investment portfolios. The Kingdom of Saudi Arabia is experiencing a sustained boom in business and leisure travel and the SHUAA Saudi Hospitality Fund is in an excellent position to benefit from that. Jeddah is at the forefront of this boom, and SHUAA Capital has demonstrated its commitment to the city through the development of two hospitality projects and the recent opening of the Jeddah branch of the company."

He added: "We are in advanced discussions with potential strategic partners envisioning to join forces with the SHUAA Saudi Hospitality Fund, and anticipate to announce strategic alliances over the coming months. These alliances will allow us to meet an accelerated rollout plan, while delivering superior-quality products for our investors and ultimately a superior experience for the hotel guests. The land acquisition is good news for the existing investors of the Fund, SHUAA Capital Saudi Arabia and the city of Jeddah. We are staunch believers in the Kingdom of Saudi Arabia and in the prosperous future of the hospitality sector in the Kingdom. Our goal is to start developing the property at the fastest pace possible and to the highest quality standards. We are also committed to contributing to the Saudi society by creating job opportunities for Saudi Nationals."

Mr. Selim El Zyr, President and Chief Executive Officer of Rotana, commented: "As the leading regional hotel operator, we have great confidence that the second hotel to be managed by Rotana in Jeddah will be a success. We have been firm supporters of the SHUAA hospitality funds from inception, and the management team is now closing transactions at an accelerated pace. The Kingdom of Saudi Arabia is a key strategic market for Rotana. There is a shortage of modern hotels in the Kingdom. Demand for available hotel rooms significantly outstrips supply to the background of a booming travel and tourism industry. Our objective is to develop and manage hotel properties to the best international standards which will cater to the needs of the local, regional, and international traveler while keeping in mind the specificities of Saudi society."

Mr. Youssef Ismail Youssef, a prominent businessman in Jeddah representing the land owner, said: "I have been a believer in SHUAA Capital Saudi Arabia strategy in the Kingdom, and its unique pool of managerial expertise. The Fund management team has been through a world-class due diligence process, which has added value to the land by creating a unique, stylish and affordable destination concept in the heart of Jeddah. I hope this will be the beginning of a sustained cooperation with SHUAA in different business initiatives."

Mr. Diab Chidiac, Director of Real Estate at SHUAA Capital Saudi Arabia summarized: "This is an excellent investment. We have identified modern business budget hotels as a niche market in the Kingdom, and this hotel will be a prototype for several follow-up transactions which we expect to conclude over the coming months. In particular, now that we have concluded two properties in Jeddah, we are scrutinizing potential hotel locations in Riyadh, Khobar and Dammam. We believe that our investors will benefit immensely from our prudent and systematic fund management strategy."

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About SHUAA Capital Saudi Arabia

SHUAA Capital Saudi Arabia, cjsc ("SCSA"), a subsidiary of SHUAA Capital psc in Dubai, is a closed joint stock company with a paid-up capital of SR 150 million. SCSA was established to promote investment opportunities within the Kingdom of Saudi Arabia and the broader Middle East and North Africa region. Through its headquarters in Riyadh, SCSA is licensed to conduct all investment banking activities including asset management, advisory, raising of capital, corporate finance, private equity, underwriting and custody services. These services are available to corporations, governments, institutional clients and high net worth individuals. SCSA is also authorized to offer domestic, regional and international clients access to companies listed on the Saudi stock exchange (Tadawul). Through its range of services, SCSA is committed to offering its clients unconventional and innovative products, as well as superior customer relationship management. SCSA has a dedicated team of twelve professionals based in Riyadh and specializing solely in real estate advisory. The Jeddah branch of the company was set up in 2010, after the opening of the Riyadh headquarters in 2008.

About Rotana

Rotana currently manages 70 properties throughout the Middle East and Africa with an aggressive expansion plan in place. At Rotana, we have chosen to acknowledge how precious time is to you by making all time spent with us, Treasured Time. This means that we pledge to understand and meet the individual needs of all our guests. In so doing, we have evolved our product brands to include, Rotana Hotels & Resorts, Centro Hotels by Rotana, Rayhaan Hotels & Resorts by Rotana and Arjaan Hotel Apartments by Rotana. Further information on any Rotana property, its brands or reservations can be obtained by visiting rotana.com or by contacting one of our regional sales offices.

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