



MEDIA RELEASE

Arcapita sells US real estate portfolios for \$800 million delivering strong returns to GCC investors

FOR IMMEDIATE RELEASE

(Manama, 26 November 2005) - **Arcapita Bank** – a leading international investment firm, headquartered in Bahrain, announced today the execution of definitive agreements to sell three real estate portfolios in the United States to ProLogis for an aggregate transaction value of approximately \$800 million. The financial closing is expected to take place in January 2006.

Arcapita and its co-investors acquired the 71 properties comprising the three portfolios in three different transactions in April, June and September 2001. The properties consist of recently built, fully leased industrial distribution facilities, located in key distribution markets across the United States.

Atif Abdulmalik, CEO of Arcapita, said: "The three ProLogis portfolios have generated excellent returns for Arcapita and our investors. With this transaction, we have completed five real estate exits during 2005, with an aggregate transaction value of \$1.1 billion. As a result of these exits, we have been able to return approximately \$420 million to our clients across the GCC region, demonstrating the continued strength of our real estate line of business.

Asim Zafar, global head of Arcapita's real estate investments, said: "The strong US real estate market has resulted in increased valuation in most real estate asset classes. This attractive pricing presents a good opportunity to exit from our industrial distribution facilities portfolios in the United States, which have delivered an average IRR to investors of over 16%, or an average total return of over 75%." He added: "One of our real estate investment strategies is to build long-term strategic partnerships with leading real estate developers and operators. Our excellent relationship with ProLogis during the last five years demonstrates the benefits of this strategy for Arcapita and our investors."

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