

MEDIA RELEASE

BAHRAIN BAY OFFICIALLY LAUNCHED WITH UNVEILING OF MASTERPLAN & SUPPORT OF MAJOR GLOBAL DEVELOPERS

FOR IMMEDIATE RELEASE

Manama, December 12, 2006 - **Bahrain Bay Development B.S.C.(c)**, a joint venture between Arcapita Bank B.S.C.(c) (Arcapita) and a Bahrain-based investment group, today marks the official launch of the iconic \$2.5 billion project. A VIP event under the patronage of His Majesty King Hamad bin Isa Al-Khalifa will be held on the Corniche in Manama to commemorate this milestone. The event's guest of honor will be His Highness Shaikh Salman bin Hamad Al-Khalifa, Crown Prince of the Kingdom of Bahrain. He will be joined by some 300 prominent senior government and business figures from the GCC and around the world, reflecting the project's strategic importance in the Kingdom as well as the strong international interest it has already generated.

As well as publicizing the highly developed masterplan, which has attracted the Four Seasons hotel to Bahrain, the launch will also announce the signing of final agreements with CapitaLand, one of Asia's largest real estate companies, which is investing \$630 million into the development under their premium "Raffles City" brand. It will also highlight the involvement of European energy services giant Dalkia, which is investing \$150 million into a joint venture whose first investment will be into building a world class waste and energy services facility for Bahrain Bay.

Designed by Skidmore, Owings & Merrill, a leading architecture and urban design firm, the masterplan for Bahrain Bay has been painstakingly defined to create the Kingdom's premier waterfront residential, commercial and retail district. It has been planned as a world-class, ultra-modern urban environment located off the north-east shore of Manama.

"Bahrain Bay is the culmination of intense strategic planning and a unique vision, which has combined to create a new standard for real estate development in Bahrain. The project's ability to draw commitment from world-class partners is testament to the meticulous masterplanning and the resulting investment opportunity offered by Bahrain Bay," said Mr. Atif A. Abdulmalik, Chairman of Bahrain Bay Development and Chief Executive Officer of Arcapita Bank. "In creating Bahrain Bay, we envisioned establishing a project that could further distinguish the Kingdom and support its position as a leading financial and business hub in the region. Bahrain Bay is already making a significant contribution in this direction."

Bob Vincent, Chief Executive Officer of Bahrain Bay Development B.S.C.(c), added. "We are very pleased to have attracted participation from industry leading international partners such as Four Seasons, CapitaLand and Dalkia. That the signed commitments of almost \$800 million dollars by CapitaLand and Dalkia also represent their maiden investments into the GCC is especially encouraging."

CapitaLand's commitment represents an extension of its existing investment relationship with Arcapita, with whom they already have a real estate joint venture within Japan. "We have operated alongside Arcapita previously and are excited about deepening this business relationship with the latest investment under our premium Raffles City brand. We foresee important growth opportunities for our business in the Middle East, and Raffles City Bahrain is precisely the high quality of project we were targeting as our first investment into the region" said Martin Tan, Chief Executive of Capitaland Commercial and Integrated Development. "With its high GDP growth, stable government and history as the regional centre for banking and other financial services, we consider that Bahrain offers a good investment environment for our investors. We will assemble the best team for the conceptualization, design and construction of Raffles City Bahrain, which will offer a prime residential product, 'must-visit' retail experiences provided by international brand names, and world-class hospitality services from an international serviced residence operator. We are confident that Raffles City Bahrain will be a magnet for tourists from all over the Gulf region." Raffles City Bahrain represents approximately 20% of the total available land within Bahrain Bay.

To date, reclamation and piling is completed for the Four Seasons hotel, and for the Arcapita headquarters. Overall, reclamation for the entire project is 75% complete and at completion, the project will encompass a total of 423,000m². The Arcapita headquarters will be completed by 2008, the Four Seasons hotel will open in 2009 and Raffles City Bahrain is expected to open in 2010. The remainder of Bahrain Bay is scheduled for phased completion by 2011.

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