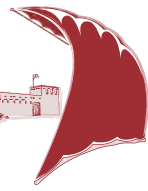
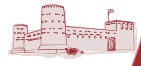


TATWEER INFRASTRUCTURE COMPANY



شركة تطوير البنية التحتية



Emir of the State of Qatar
His Highness
Sheikh Hamad Bin Khalifa Al-Thani



Crown Prince
His Highness
Sheikh Tamim Bin Hamad Al-Thani

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Names Of The Board Of Directors

Mr. Hamad Ahmed Al Haroun	Chairman* & Managing Director
Mr. Loay Jassim Al Kharafi	Vice Chairman
Mr. Jassim Abdullah Al Misnad	Director
Mr. Mohamed Abdul Rahman Al Melhem	Director
Mr. Faisal Mishari Al Anjari	Director
Mr. Yousef Shamlan Al Essa	Director
Mr. Fozan Mohamed Al Fares	Director
Mr. Waleed Abdul Raheem Al Asfour	Director
Mr. Fawzi Abdul Rahman Al Jouder	Director

* Mr. Abdullah Bin Nasser Al-Misnad - Chairman (1/1/2007 - 16/9/2007)

Board of Directors Statement 2007

Dear Shareholders,

On behalf of the Board Directors of Tatweer Infrastructure Company Q.S.C, I am pleased to present to you the 2007 Annual Report and Financial Statement and our 2008 plans and ambitions. Moreover, I am delighted to mention that the company has achieved an outstanding year, due to the hard work and efforts in all its activities and investments, and has managed to diversify and upgrade its services and scope of work to obtain a firm and well diverse businesses.

Achievements:

During 2007, the company has achieved a net profit of QR154,618 million; increase of QR95 Million from 2006, its total assets rose by 27% to QR1,1 billion compared to QR 870 million in 2006. This positive performance puts Tatweer and its shareholders in a very strong financial position.

Tatweer has a unique approach to business practice and development in the Gulf Business world. Tatweer's objective is to drive the transformation and growth of Qatar, as well as other countries in the Gulf and MENA region, through infrastructure development based on the Build Operate Transfer/Private Public Partnership (BOT/PPP) concept.

As one of the few BOT/PPP focused infrastructure companies based in the region, Tatweer holds a strong vision for the future of the Gulf as it concentrates on core infrastructure projects in four main sectors. These sectors include Power & Energy, Industrial Infrastructure, Transportation Infrastructure and Real Estate.

In the recent past, companies learned they could create better products more efficiently with the full mental participation of management and employees. Today, investors are learning that participation by shareowners also adds value. Venture capitalists that are willing to invest ideas, as well as money, are outperforming the market. Nevertheless, establishing manuals, guidelines and procedures gives standard, in order to reduce bureaucracy, and enhance productivity and performance, we aimed for ISO 9001:2000 and we got certified!

We were able to prove that the productivity and quality of work, is not related to the quantity of workers; but related to the quality of the people. With a small team that is effective you can achieve miracles. Ownership based governance is likely to reduce the corrupting influence of unaccountable power on corporate governance. At the same time, by transforming corporations into more dynamic institutions, institutional investors can unleash the wealth-generating capacity of «Human Capital» which is based in the skills and knowledge of corporate employees. In a nutshell that's why we are successful.

With its diversified board of directors, Tatweer brings together key leaders from Financial Institutions, Construction Companies, Banks and Government Agencies which provide leveraged experience over other companies in terms of financial capabilities and construction ability. Supported by business professionals in Qatar, the Gulf, and the World; Tatweer's strength lies within the leadership of the organization; combining innovative, calculated ideas with experienced engineers and necessary outsourcing.

Corporate Governance:

Tatweer has aligned its business model and corporate governance goals with the economic philosophy espoused by the government of Qatar, which seeks to build the country's infrastructure at a rapid rate while applying a hand-in-hand approach with the private sector to ensure long-term development, technological prowess and sustainability.

As a result, Tatweer knowledge has surpassed expectations and the stored value of money itself, as the driving force behind our momentum towards making a difference in our small economy.

Industrial Sector:

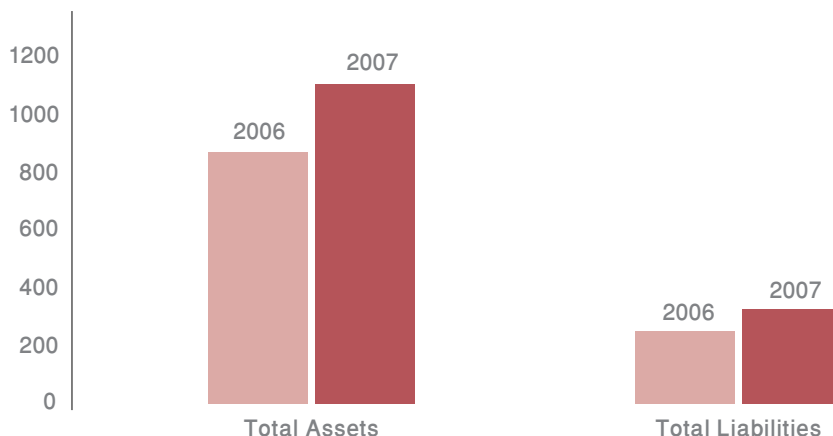
As a part of the adopted Specialized Purposed Vehicle (SPV) concept, Tatweer with investors have formed

an industrial company called Tassnee; which will begin construction of two major projects, the (POM) Plastic Project with LG Chemical of Korea and the LABS detergent project with Ballestra of Italy in the second quarter of 2008. In addition Tatweer is lined up for other medium and heavy industries including glass fabrication, and other petrochemical related industries.

Property:

Property is considered as one of the core sectors of Tatweer, both in the development and reality side. As a result Tatweer has formed a reality company under the name of Marina, which has focused in investment in the new Doha developments such as Al Lusail and Energy City. Such huge investment which is considered at NPV of over one billion Qatari Riyals, is allowing Tatweer and its subsidiaries to align with Qatar’s Master and Strategic Planning.

Assets - Liabilities 2006 - 2007 (QR Million)



Education:

Tatweer have participated heavily in education; our faith in “Human Capital Investment” have urged Tatweer and its partners to distinguish themselves from other education focused investors and operators by the type of investments it undertakes; education investors’ generally only focus on the greenfield developments rather than acquisitions, which leave a large untapped element of the market for acquisitions. The investments highlighted education to focus on the importance of high-quality, private sector education throughout the MENA region. Following the model that privatization of educational institutions is the key to ensuring graduates are on par with the rest of the world and investing in education infrastructure to achieve world class standards in education.

Transportation Infrastructure:

As part of Tatweer’s strategy to enter the transportation infrastructure, Tatweer required some prerequisites in airport operations; the only viable solution is to acquire an existing project through an acquisition in order to fulfill the transportation infrastructure in a timely fashion.

The scope of this opportunity is two-fold; first the acquisition of United Aviation Company and the second is Royal Aviation Kuwait, owners of the new private terminal at Kuwait International Airport.

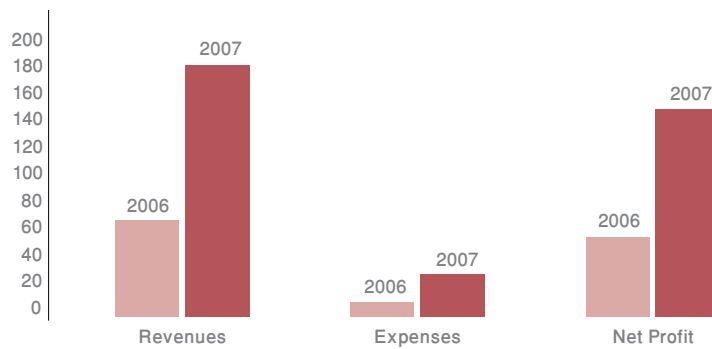
Power and Energy

We are able to build a technical and financial consortium to lead and build the first privatized power plant in Qatar. The scope of this QR 360 million project is to Build, Operate, and Maintain two power plants run by turbine generators capable of generating a total un-interrupted power supply.

Financial Results

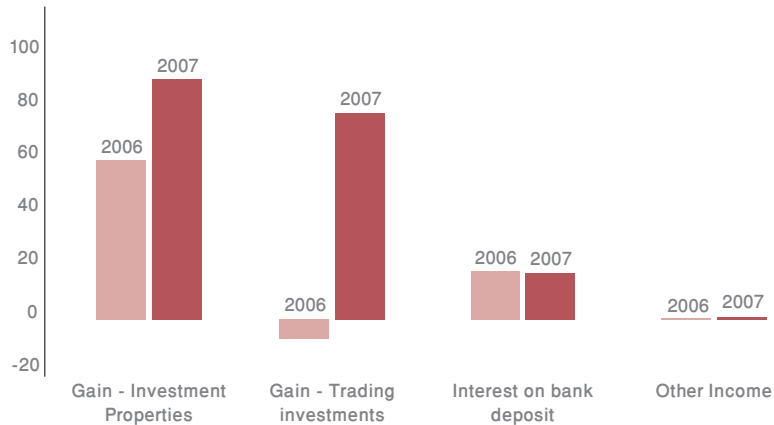
During 2007 the company achieved a net profit of One Hundred and Fifty Four Million Qatari Riyals, after deducting the 10% legal reserves; by this result we have achieved around QR95 million increase in net profit than 2006, resulting in (2.57) riyals earning per share (EPS) Compared to (1.07) in 2006.

Revenue - Expense - Net Profit 2006 - 2007 (QR Million)



This performance witnessed a striking increase on profits than 2006. The achievement of these positive results is attributed to the ongoing effort exerted and genuine endeavor to improve governance, performance, develop and modernize operational efficiency, appointing highly qualified personal and delivering distinguished projects.

Revenue Breakdown 2006 - 2007 (QR Millions)



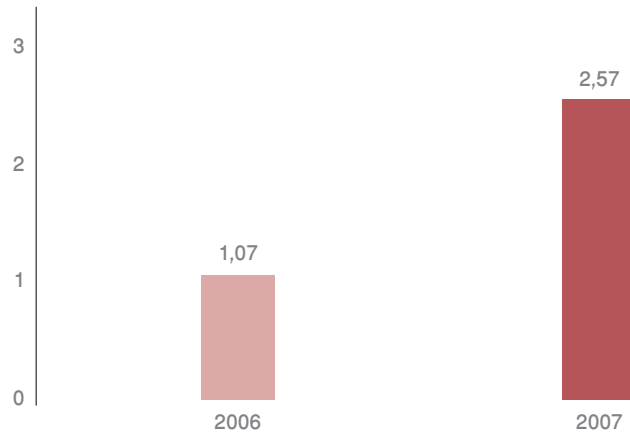
Increase in Capital and Listing:

In light of the excellent results achieved this financial year 2007; The Board of Directors would like to recommend approvals of divided distribution as follows:

10% Bonus Shares; i.e. one share for every ten shares.

Once approved by the General Assembly, this will increase the capital of the company from QR 558,232,950 to QR 614,056,245.

Earning Per Share 2006 - 2007 (QR)



- Net profit up by QR95 Million to QR154 million for QR59 million in 2006
- Total assets up QR240 million (27%) to QR 1.1 billion
- Earning per share up to QR 2.57 from QR1.07

Finally, on behalf of the shareholders, board, and management of Tatweer; I would like to have the honor to extend our sincere gratitude and thanks to His Highness The Emir, Sheikh Hamad Bin Khaleefa Al-Thani, and His Highness Sheikh Tamim Bin Hamad Al- Thani, The Heir Apparent, for their support and their wise leadership and policies that resulted in this economical development that puts Qatar successfully where it is today.

For the Board of Directors

Hamad Ahmed Al-Haroun

Names of the Executive and Audit Committee

Executive Committee:

Faisal M. Al-Anjari

Jassim A. Al-Misnad

Yousef S. Al-Essa

Hamad A. Al-Haroun

Audit Committee:

Mohamad A. Al Melhim

Louay J. Al Khorafi

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Names and Titles of Executives and Seniors of Tatweer

Hamad Ahmed Al Haroun	Chairman	Managing Director
Essa Abdulla Al Kubassi	Executive Vice President	Business Development
Rozan Al Amri	Vice President	Marketing & PR
Nicole Dieso	Vice President	Business Compliance
Christopher kane	Vice President	Business Development
Ezzat Mohammed Abdul Rahman	Vice President	Legal Department
Graham Macdoland	Vice President	Business Development
Ali Abdul Khader Al Salahi	Assistant Vice President	Government Relations

Qatar in 2007

Qatar's economy continued to demonstrate very strong performance in 2007, as resources struggled to keep up with growth. Reinforced by very constructive energy prices, the government's diversification strategy continued to tolerate the dividends in the gas-rich country. Gross domestic product (GDP) growth further accelerated in 2007, after averaging an impressive 20% since 2005. Per capita income is expected to have topped \$40,000, boosting Qatar higher up the rankings of the richest countries in the world.

Qatar was the second largest user of project financing in the world in 2005-2006, and project activity has actually surpassed capacity. A number of mega projects are being implemented, including the New Doha International Airport, Education City, Pearl of Qatar and the Hamad Medical Complex, while others such as the multibillion dollar Energy City, Lusail housing development, and Al-Khor City are in the pipeline as part of nearly 140 billion dollars' worth of projects planned over the next 8 years. Private and foreign investors are investing heavily in real estate and industrial projects. Foreign Direct Investment (FDI) inflows have averaged \$1 Billion in the last three years, and total FDI stock reached nearly \$5 billion, which puts Qatar in the lead of countries prompting FDI.

Moreover, due to increased spending on facilities and infrastructure upgrades for the 2006 Asian Games, government expenditures continued to increase, with capital expenditures doubling in size and share of total spending.

Against this setting, domestic liquidity flowed heavily. Some liquidity was directed into the primary sectors of the market and urged strong performances in telecommunication, tourism, manufacturing, construction, and real estate. Oil and gas, however, attracted the lion share with a \$70 billion investment package that will help Qatar become the world's biggest LNG exporter and the undisputed leader in gas-to-liquids (GTL) production by 2010.

The Fastest Growing Economy

The country's financial system has benefited as well from economic buoyancy, the Qatari economy grew by an estimated 27% last year driven by strong oil and gas prices. GDP is by far the highest in the Middle East and one of the highest in the world if not the highest. This continued growth of the domestic economy is also allowing the government to proceed with a string of capital-intensive projects that will further invigorate the local economy. The construction sector is booming because of infrastructure spending including major roads, drainage and schools and should remain optimistic in accordance to Qatar's bid to host the Olympic Games in 2016.

The country's financial system has benefited as well from economic resilience. This accelerating growth has put resources under pressure, and has resulted in prices inflation. However, the government is trying to adjust inflation rates and concentrating on its energies on easing supply pressures, particularly in the residential and real estate markets. The government has also lifted visa restrictions on foreign labor, set up a number of industrial zones, and established a host of independent bodies to overcome restrictions and increase private and foreign investments. In addition, officials have recently announced plans to set up a free investment area by 2008, allowing 100% foreign ownership.

Simply Qatar Has A Plan! With new levels of energy prices and relieving the bureaucratic complexity the economic boom is not expected to end soon and according to official forecasts, Qatar's economy is expected to double by 2012.

Private Sector Role

The private sector plays a significant role in the success of the overall economic development strategy. The mission of the private sector is to work with the State and other public and private organizations to retain and expand basic industry and other businesses within the country. The private sector has played an increasingly important role and contributed to employment, GDP, economic growth and the cultivation of the market system. The number of private enterprises increased heavily in the past five years.

A meaningful diversification and support strategy for small and medium sized enterprises is also being implemented to maintain and generate sustained employment. The government has already implemented a relatively ambitious privatization program (notably in the telecom, real estate and electricity sectors).

The aim here is not so much to pursue higher levels of economic efficiency (most companies operate with foreign partners and are already quite efficient), but rather the creation of new opportunities in the private sectors. Qatar has even now implemented a new law allowing foreign ownership in some sectors including real- estate and stock market shares; this should increase FDI's activities positively.

Strategy

Our strategy is based on a key transformation, in this case, enhancing the Qatari infrastructural capabilities and gaining the governmental investment support and enjoying the excellent return on our investments. Also it is as vital to tie up with the semi-government and private sector organizations in order to grasp a wider range of projects and in order to diversify the project flow. While the private sector remain to have the lead in instinctive projects; often the private sector is sub-contracted to carry out construction work on infrastructure projects, the government has borne virtually all project costs and risks which heavily increased the market capital more than the previous year. As a premature market, subsidy has been a major element for the witnessed successes. Although Qatar is sensitive when it comes to short term investors, the young state insisted to lead the economic growth.

- **Our aim to provide better access to modern infrastructure in Qatar.**
- **We plan to provide the necessary finance and management for core infrastructure projects, by introducing and implementing modern financial and engineering methods based on the BOT concept.**
- **We aim to take a leading role in contributing to the affairs of the community in which we operate and to include indigenous participation in projects initiated by the Group.**
- **We aim to continuously inline our strategy with the government in order to focus on the main goals of regional administration, while shifting infrastructure projects' finance to the private sector.**

Financials with Auditors Report and Notes

INDEPENDENT AUDITORS, REPORT 2007

TO THE SHAREHOLDERS

TATWEER INFRASTRUCTURE COMPANY - Q.S.P.C

DOHA – QATAR

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of **TATWEER INFRASTRUCTURE COMPANY - Q.S.P.C (The “Company”)**, Doha - Qatar, and its subsidiaries (The “ Group “), which comprise of the consolidated balance sheet as of December 31, 2007, and the related consolidated statements of income, changes in equity and cash flows for year then ended, and a summary of significant accounting policies and other explanatory notes.

Management responsibility for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with **International Financial Reporting Standards**. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free of material misstatement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with **International Standards on Auditing**. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatements of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of **The Company and the Group**, as of December 31, 2007, and of its financial performance and its cash flows for year then ended, in accordance with International Financial Reporting Standards.

Report on Legal and Other Requirements

Furthermore, in our opinion, proper books of account have been kept by the Company and the consolidated financial statements comply with the Qatar Commercial companies' law No 5 of 2002 and the Company's Articles of Association. We have obtained all the information and explanations which we requested for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Company's Articles of Association having occurred during the period which might have had a material effect on the business of the Company or its financial position.

For Rödl & Partners

Middle East



Saoud Abdulla

(License No. 204)



Doha – Qatar

April 6, 2008

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2007

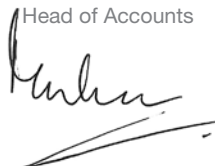
	Note	December 31 2007	December 31, 2006
		QR.	QR.
ASSETS			
Non-Current Assets :			
Property and equipment, Net	3	1,282,286	990,842
Investment property	4	419,869,850	328,511,300
Managed investment portfolios	5	317,344,444	0
Investments in associates	6	3,620,000	0
Total Non-Current Assets		742,116,580	329,502,142
Current Assets :			
Investments held-for-trading	7	22,709,451	47,196,643
Financial support on projects	8	65,692,129	11,119,780
Trade Receivable and other debit balances	9	7,766,041	6,995,527
Due from shareholders of the related company	10	9,000,000	0
Due from related party	11	1,094,335	0
Cash on Hand and at Banks	12	261,701,724	475,355,376
Total Current Assets		367,963,680	540,667,326
Total Assets		1,110,080,260	870,169,468
EQUITY AND LIABILITIES			
Equity :			
Share Capital	13	558,232,950	558,232,950
Legal Reserve	14	20,319,256	5,961,686
Retained Earnings		182,873,306	53,655,171
Equity attributable to Equity holders of the parents		761,425,512	617,849,807
Minority interest	15	20,076,160	0
Total Equity		781,501,672	617,849,807
Non-Current Liabilities :			
Employees end of service benefits		766,166	329,783
Payables on acquisition of investment property		69,196,008	103,356,670
Total Non-Current Liabilities		69,962,174	103,686,453
Current Liabilities :			
Trade Payables and other credit balances	16	13,442,279	552,153
Payables on acquisition of investment property		34,160,662	142,598,029
Commercial loan	17	211,012,714	0
Due to Bank	12	759	5,483,026
Total Current Liabilities		258,616,414	148,633,208
Total Equity and Liabilities		1,110,080,260	870,169,468

These financial statements are approved for issue by the following

Managing Director



Head of Accounts



CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2007

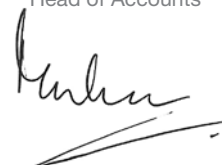
	Note	Year ended December 31, 2007	Nine month period ended December 31, 2006
		QR.	QR.
Revenue :			
Non-Current Assets :			
Interest on bank deposits		17,564,453	18,064,278
Dividend income		558,690	0
Other income		315,119	94,847
Net profit of fair value from investment property	4	90,908,550	60,526,524
Increase in fair value of managed investment portfolios	5	73,122,000	0
Increase in fair value of investments held-for-trading	7	4,621,222	(7,206,484)
Total Revenue		187,090,034	71,479,165
Expenses :			
Depreciation of property and equipment	3	(573,976)	(153,545)
General and administrative expenses	18	(18,030,462)	(8,699,724)
Business promotion expenses	19	(5,472,250)	(3,009,039)
Finance cost		(8,394,681)	0
Total Expenses		(32,471,369)	(11,862,308)
Net Profit for the year / period		154,618,665	59,616,857
Attributable to :			
Equity holders of the parent		143,575,705	59,616,857
Minority interest		11,042,960	0
Total		154,618,665	59,616,857
Basic earning per share		QR. 2.57	QR. 1.07
Number of shares		55,823,295	55,823,295

These financial statements are approved for issue by the following

Managing Director



Head of Accounts



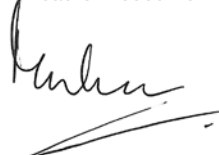
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2007			
	Note	Year ended December 31, 2007	Nine month period ended December 31, 2006
		QR.	QR.
Cash Flows from Operating Activities :			
Net profit for the year / period		154,618,665	59,616,857
Adjustments for :			
Depreciation of property and equipment	3	573,976	153,545
Loss on disposal of property and equipment	18	57,111	0
Provision for employees' end of service benefits	15	436,383	329,783
Increase in fair value of investments held-for-trading	7	(4,621,222)	7,206,484
Net profit of fair value from investment property	4	(90,908,550)	(60,526,524)
Increase in fair value of managed investment portfolios	5	(73,122,000)	0
Interest on bank deposits		(17,564,453)	(18,064,278)
Dividend income		(558,690)	0
Net Cash used in operating activities before changes in working capital		(31,088,780)	(11,284,133)
Trade Receivables and other debit balances	9	(770,514)	(6,995,527)
Due from shareholders of the related company	10	(9,000,000)	0
Due from related party	11	(1,094,335)	0
Trade Payables and other credit balances	16	12,890,126	552,153
Net Cash used in Operating Activities		(29,063,503)	(17,727,507)
Cash Flows from Investing Activities :			
Purchase of property and equipment	3	(1,077,531)	(1,144,387)
Proceeds from disposal of property and equipment		155,000	0
Capital contributed by minority shareholders		9,033,200	0
Investment property	4	(450,000)	(267,984,776)
Managed investment portfolios	5	(244,222,444)	0
Financial support on projects	8	(54,572,349)	(11,119,780)
Interest received		17,564,453	18,064,278
Dividend income received		558,690	0
Investments in associates	6	(3,620,000)	0
Investments held-for-trading	7	29,108,414	(54,403,127)
Net Cash used in Investing Activities		(247,522,567)	(316,587,792)
Cash Flows from Financing Activities :			
Commercial loan	17t	211,012,714	0
Payables on acquisition of investment property		(142,598,029)	245,954,699
Capital issued		0	558,232,950
Net Cash from Financing Activities		68,414,685	804,187,649
Net (Decrease) Increase in Cash and Cash Equivalents		(208,171,385)	469,872,350
Cash and Cash Equivalents at the beginning of the year		469,872,350	0
Cash and Cash Equivalents at the end of the year / period	12	261,700,965	469,872,350

These financial statements are approved for issue by the following

Managing Director



Head of Accounts




CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2007

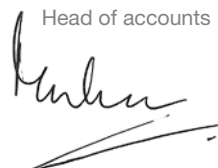
	Retained Earnings	Legal Reserve	Capital	Equity Holders of the parent	Minority Interest	Total
	QR.	QR.	QR.	QR.	QR.	QR.
Capital Contributed	0	0	558,232,950	558,232,950	0	558,232,950
Net Profit for the period	59,616,857	0	0	59,616,857	0	59,616,857
Transferred to legal reserve	(5,961,686)	5,961,686	0	0	0	0
Balance - December 31, 2006	53,655,171	5,961,686	558,232,950	617,849,807	0	617,849,807
Capital contributed by Minority share holders	0	0	0	0	9,033,200	9,033,200
Net Profit for the year	143,575,705	0	0	143,575,705	11,042,960	154,618,665
Transferred to legal reserve	(14,357,570)	14,357,570	0	0	0	0
Balance - December 31, 2007	182,873,306	20,319,256	558,232,950	761,425,512	20,076,160	781,501,672

These financial statements are approved for issue by the following

Managing Director



Head of accounts



Tatweer Infrastructure Company - Q.S.P.C

Doha – Qatar

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2007

1) FORMATION AND ACTIVITIES

Tatweer Infrastructure Company was incorporated on March 20, 2007 and was registered in the Qatari Commercial Register under registration number 32462 as a Qatari Shareholding Private Company.

The Company is mainly engaged in development of infrastructure projects on Build, Operate and Transfer (BOT) basis, General construction, Building maintenance, Decoration works, in addition to various kinds of trading, tendering, investment in shares, representing international companies and management of airports, ports, lands and tourism areas.

The Company started its operations during first week of April, 2006.

The company had 22 employees according to the accounting records as of December 31, 2007.

2) SIGNIFICANT ACCOUNTING POLICIES

2/1) Adoption of new revised standards

In the current period, the Company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (the IFRIC) of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2007.

The impact of the adoption of IFRS 7 “Financial Instruments: Disclosures” is to expand the disclosures provided in the consolidated financial statements regarding the Company’s financial instruments.

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the consolidated financial statements of the Company.

2/2) Basis of preparation

The consolidated financial statements have been prepared in accordance with Standards issued and adopted by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). And applicable requirements of Qatar Commercial Companies’ Law No. 5 of 2002.

The accounting policies used have been consistently applied during the year.

The functional as well as the presentation currency of the financial statements are expressed in Qatari Riyals

2/3) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiary companies, international Real Estate Development Co.- W.L.L, a company registered in Qatar and Marina Company- Q.S.P.C, Company registered in Qatar. The company owns 83.8 % and 82% respectively of the subsidiary companies. A subsidiary is an entity where the parent company can exercise control. Control is achieved where the parent company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of the subsidiary company to bring its

accounting policies into line with those used by the Group. All inter company transactions, balances, income and expenses between the subsidiaries and the parent company are eliminated.

Minority interest in the net assets of consolidated subsidiary is identified separately from the parent company's equity therein. Minority interest consists of the amount of the interest at the date of the original business combination and the minority's share of the changes in equity since the date of the combination.

2/4) Accounting convention

The financial statements are prepared under the historical cost convention.

2/5) Property and Equipment

Property and equipment are stated at the historical cost less accumulated depreciation and any impairment in value.

Depreciation is charged to write off the cost of the assets over their estimated useful lives using the straight line method as follows:

Motor Vehicles	25 %
Furniture and Equipment	20 %
Computer and Software	20 – 33.3 %
Leasehold Improvements	50 %

2/6) Impairment of assets

At each balance sheet date, the Company reviews the carrying amounts of its financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), and an allowance is recognized in the statement of income.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses, recognized for the asset no longer exist or has decreased. The reversal is recorded in income.

2/7) Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation is stated at its fair value at the balance sheet date. Gains or losses arising from changes in the fair value of investment property are included in the statement of income for the period in which they arise.

2/8) Investments held for trading

Investments at fair value through profit or loss :

Investments classified as trading securities in these financial statements are included in the category of trading securities; movements are classified as trading securities if they are acquired for the purpose of selling in the near term. These investments are subsequently re-measured at fair value. All related unrealized gains or losses are included in the income statement.

Interest earned and dividends received are included in interest and dividend income respectively.

For investments traded in organized financial markets, fair value is determined by reference to Stock

Exchange quoted market bid prices at the close of business on the balance sheet date, adjusted for transaction costs necessary to realize the asset.

2/9) Accounts Receivables and other receivables

Accounts receivable and other debit balances are stated at their nominal value, less an allowance for any doubtful debts. Management determines the adequacy of the allowance based upon reviews of individual customers, current economic conditions, past experience and other pertinent factors.

2/10) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks and short term bank deposits with a maturity date not exceeding three months from the date of deposit. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of the cash and cash equivalents for the purpose of the financial statements of the cash flows.

2/11) Provisions

Provision is recognized when the Branch has an obligation either legal or constructive arising from a past event and costs to settle the obligation are both probable and can be reliably measured.

2/12) Employees' end of service benefits

Employees' end of service benefits represent terminal gratuity and are provided for services ended based on entitlements stipulated in the employees' contract of employment and their length of service subject to the completion of a minimum service period.

2/13) Accounts payable and other credit balances

Liabilities are recognized for amounts to be paid in the future for good and services received, whether billed by the supplier or not.

2/14) Revenue recognition

Revenue is recognized for sales when the significant risks and rewards are transferred to the buyer, and significant uncertainties remain regarding the derivation of consideration, associated or the possible return of goods.

Interest income is recognized on an accrued basis, taking into account the interest rate applicable and principal outstanding.

Dividend income is recognized on cash basis

Other categories of income are recognized when earned, at the time the related services are rendered and/or on the basis of the terms of the contractual agreement of each activity.

2/15) Foreign currencies

The functional currency of the Company is the Qatari Riyals and accordingly, the financial statements are presented in Qatari Riyals. Transactions denominated in foreign currencies are translated into Qatari Riyals at the average rates of exchange prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated into Qatari Riyals at rates of exchange prevailing at the balance sheet date. The resultant exchange differences are taken to the statement of income.

NOTE - 03 PROPERTY AND EQUIPMENT, NET

	Motor Vehicles	Furniture and Equipment	Computer and Software	Leasehold Improvements	Total
	QR.	QR.	QR.	QR.	QR.
Cost :					
Balance - January 1, 2007	387,000	280,388	476,999	-	1,144,387
Purchases during the year	236,500	337,579	128,117	375,335	1,077,531
Disposal during the year	(236,500)	-	-	-	(236,500)
Balance - December 31, 2007	387,000	617,967	605,116	375,335	1,985,418
Accumulated depreciation :					
Balance - January 1, 2007	48,902	38,198	66,445	-	153,545
Charge for the year	120,171	120,800	153,157	179,848	573,976
Related to disposal	(24,389)	-	-	-	(24,389)
Balance - December 31, 2007	144,684	158,998	219,602	179,848	703,132
Net Book Value :					
December 31, 2007	<u>242,316</u>	<u>458,969</u>	<u>385,514</u>	<u>195,487</u>	<u>1,282,286</u>
December 31, 2007	<u>338,098</u>	<u>242,190</u>	<u>410,554</u>	<u>-</u>	<u>990,842</u>

NOTE - 04 INVESTMENT PROPERTY

	December 31, 2007	December 31, 2006
	QR.	QR.
At fair value :		
Land at Energy City	52,293,000	28,971,126
Land at Lusail	46,815,800	24,904,650
Land at Marina Mix	229,402,500	214,109,000
Expenses paid on Land at Marina Mix	450,000	-
	<u>328,961,300</u>	<u>267,984,776</u>
Net profit from adjustments in fair value	<u>90,908,550</u>	<u>60,526,524</u>
Balance at December 31	<u>419,869,850</u>	<u>328,511,300</u>

The fair value of the Company's investment property as of December 31, 2007 were ascertained by a valuation carried out by an independent external valuers based in Doha - Qatar not connected with the Company. On January 22, 2008, The valuation which was carried out conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties.

NOTE - 05 MANAGED INVESTMENT PORTFOLIOS

	December 31, 2007	December 31, 2006
	QR.	QR.
At cost :		
Gulf aviation of services Co.	173,525,220	-
Jet aviation Co.	49,077,000	-
Specialized glass industries Co.	21,620,224	-
	<u>244,222,444</u>	<u>-</u>
Increase in fair value of portfolio	<u>73,122,000</u>	<u>-</u>
Balance as of December 31, 2007	<u>317,344,444</u>	<u>-</u>

NOTE - 06 INVESTMENT IN ASSOCIATES

The Company has the following investments in associates as of December 31, 2007 :

Name of Entity	Country of incorporation	Percentage of Interest	Amount QR.
Tassnee Company - Q.S.P.C	State of Qatar	36%	3,600,000
Qatar International Technology (Powertech)	State of Qatar	10%	20,000
			<u>3,620,000</u>

The following table illustrates summarized financial information of the Company's investment in the associates :

Share of associate' balance sheet:	Tassnee Company	Powertach Company
	QR.	QR.
Current Assets	<u>3,600,000</u>	<u>20,000</u>
Net assets	<u>3,600,000</u>	<u>20,000</u>

These figures are based on unaudited financial of the investee.

There are no major variances of the net equity of the associates due to non-commencement of commercial operations compared with costs related to acquisition. Therefore investments in associates are stated at cost.

NOTE - 07 INVESTMENTS HELD-FOR-TRADING

	December 31, 2007	December 31, 2006
Investment at fair value through profit or loss :	QR.	QR.
Investments in quoted shares	<u>18,088,229</u>	<u>54,403,127</u>
	18,088,229	54,403,127
Increase / Decrease in fair value	<u>4,621,222</u>	<u>(7,206,484)</u>
Balance at end of year	<u>22,709,451</u>	<u>47,196,643</u>

The investments held for trading included above represents trading securities acquired for the purpose of selling in the near term, and comprise the quoted and non quoted securities that present the Company with opportunity for return through dividend income and trading gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on market price. unrealized gains and losses (changing in fair value) are included in the income statement. Interest and dividend received are presented as interest and dividend income respectively.

NOTE - 08 FINANCIAL SUPPORT ON THE PROJECTS

	December 31, 2007	December 31, 2006
	QR.	QR.
Balance as of December 31	<u>65,692,129</u>	<u>11,119,780</u>

Company has incurred this amount mainly to starts some projects in the group of Tatweer Infrastructure. This amount represents investing in Addax educational capital project, MENA capital holding company, financial supports to Ettizan company(IFH, Al Shaia Co.) and amount given to QIT for the financial projects Collaterals for those amounts are the mortgage of equipment and equity portfolio of those companies.

NOTE - 09 TRADE RECEIVABLES AND OTHER DEBIT BALANCES

	<u>December 31,</u> <u>2007</u>	<u>December 31,</u> <u>2006</u>
	QR.	QR.
Trade receivables	731,370	26,375
Interest receivables	2,381,186	5,552,402
Due from employees	23,088	144,485
Refundable deposit and Prepayments	95,027	184,077
Other receivables	4,535,370	1,088,188
Total	<u>7,766,041</u>	<u>6,995,527</u>

NOTE - 10 DUE FROM SHARE HOLDERS OF THE RELATED COMPANIES

	<u>December 31,</u> <u>2007</u>	<u>December 31,</u> <u>2006</u>
	QR.	QR.
Qatar International Trading Co.	1,000,000	-
Ettizan Qatar	1,000,000	-
Al Mobadul Al Qatari	2,000,000	-
Qatari Investors Group	1,000,000	-
Warba Investment Co.	4,000,000	-
	<u>9,000,000</u>	<u>-</u>

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NOTE - 11 RELATED PARTY BALANCES AND TRANSACTIONS

	<u>December 31,</u> <u>2007</u>	<u>December 31,</u> <u>2006</u>
	QR.	QR.
(a) Due from related party		
Gulf aviation services	1,094,335	-
Total	<u>1,094,335</u>	<u>-</u>

(b) Related parties transactions

These represent transactions with related parties, i.e. Partners, Directors, and Senior management of the Company, and companies of which they are principle owners. Pricing policies and terms of these transactions are approved by the Company's management.

NOTE - 12 CASH AND CASH EQUIVALENTS

	<u>December 31,</u> <u>2007</u>	<u>December 31,</u> <u>2006</u>
	QR.	QR.
Cash on Hand	4,434	1,904
Cash at Bank - current accounts	7,230,844	245,340
Cash at Bank - call accounts	5,583,709	9,724,498
Cash at Bank - fixed deposits	248,882,737	465,383,634
	261,701,724	475,355,376
Due to Bank	<u>(759)</u>	<u>(5,483,026)</u>
Net	<u>261,700,965</u>	<u>469,872,350</u>

Included in the bank fixed deposits an amount of QR. 223,882,737 represents security held by bank against a loan granted to the Company of QR. 211,012,714.

NOTE - 13 SHARE CAPITAL

	<u>December 31,</u> 2007	<u>December 31,</u> 2006
	QR.	QR.
Balance as of December 31,	<u>558,232,950</u>	<u>558,232,950</u>

The Company's issued and paid up capital is QR. 558,232,950 divided into 55,823,295 shares at a nominal value of QR. 10 each.

NOTE - 14 LEGAL RESERVE

	<u>December 31,</u> 2007	<u>December 31,</u> 2006
	QR.	QR.
Statutory Reserve		
Balance as of January 1,	5,961,686	-
Transferred from Profit for the year / period	14,357,570	5,961,686
Balance as of December 31,	<u>20,319,256</u>	<u>5,961,686</u>

As required by Qatari Company law and the Company's articles of association, 10% of the net profit for the year has been transferred to statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve totals 50% of the issued share capital.

Distribution of the statutory reserve is limited to the amount required to enable the payment of a dividend paid up share capital to be made in years when retained earnings are not sufficient for the payment of a dividend of that amount.

NOTE - 15 EMPLOYEES' END OF SERVICE BENEFITS

	<u>December 31,</u> 2007	<u>December 31,</u> 2006
	QR.	QR.
Balance as of January 1,	329,783	-
Provision for the year / period	436,383	329,783
Balance as of December 31,	<u>766,166</u>	<u>329,783</u>

NOTE - 16 TRADE PAYABLES AND OTHER CREDIT BALANCES

	<u>December 31,</u> 2007	<u>December 31,</u> 2006
	QR.	QR.
Interest payables	8,329,360	-
Provision for leave pay and air tickets	162,785	205,375
Accrued expenses	547,964	207,391
Provision for Staff bonus and Directors' remuneration	4,400,000	-
Others	2,170	139,387
Total	<u>13,442,279</u>	<u>552,153</u>

NOTE - 17 COMMERCIAL LOAN

	December 31, 2007	December 31, 2006
	QR.	QR.
Balance as of December 31, 2007	211,012,714	-
Loan amount - The Company applied for a loan amounting to QR. 213,553,006 which was duly approved by bank. The Company utilized an amount of QR. 211,012,714 from the approved loans as of December 31, 2007.		
Purpose - for the purpose of financing the acquisition of stake in subsidiaries and associates companies		
Interest Rate - Interest shall be calculated at QCB rate, as published from the time to time in addition to a margin of 0.06%		
Security - pledge of a fixed deposit of QR. 223,882,737 in the Company's fixed deposit account in favor of the bank.		
Repayment -The amount of the loan shall be paid by one full payment installment along with accrued interest during 2008.		

NOTE - 18 GENERAL AND ADMINISTRATIVE EXPENSES

	year ended December 31 2007	Nine month period ended December 31 2006
	QR.	QR.
Staff Salaries, accommodation and other benefits	7,238,993	4,676,135
Provision for Staff bonus and Directors' remuneration(Annexure 01)	4,400,000	-
Staff residence permit, recruitments and trainings	535,271	229,051
Leave pay, air tickets and employees' end of service benefits	902,376	646,339
Professional fees(Annexure 02)	2,758,504	1,827,926
Office rent	936,000	616,000
Board meeting expenses	12,340	72,143
Communication	346,149	164,204
Loss on disposal of property and equipment	57,111	-
Government fees	124,918	6,925
Printings and stationery	59,425	66,871
Data processing charges	15,003	-
Membership and subscription	66,702	60,020
Exchange loss on foreign currency	127,330	-
Office suppliers and office maintenance	129,344	113,479
Vehicle running maintenance expenses	36,806	69,139
Miscellaneous(insurance, cleaning, entertainment and others)	284,190	151,492
Total	18,030,462	8,699,724

Annexure 01 - Provision for Staff bonus and Directors remuneration includes the amount of 2.2 Million related to the Directors' remuneration and Executive committee fees which is subject to the approval of the shareholders in the assembly meeting.

Annexure 02 - Professional fees include ISO audit fees, legal fees, consultancy fees and

NOTE - 19 BUSINESS PROMOTION EXPENSES

	year ended December 31 2007	Nine month period ended December 31 2007
	QR.	QR.
Advertising	1,735,128	1,396,272
Marketing and entertainment expenses	1,626,061	946,357
Business traveling	2,111,061	666,410
Total	5,472,250	3,009,039

NOTE - 20 COMMITMENTS

	December 31, 2007
	QR.
As of December 31, 2007 the Company had the following contingent liabilities :	
Unutilized Commercial Loan	2,540,297

Note - 21 Financial Instruments - Fair Value and Risk Management

The Company's financial instruments comprise cash and bank balances, short-term deposits and due to banks. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has various other financial assets and liabilities such as trade receivables and trade payables which arise directly from its operations, in addition to investments.

Those on the asset side are recognized at nominal value less any allowances for impairment. Financial instruments constituting liabilities are carried at nominal or redemption value, whichever is higher.

The main risks arising from the Company's financial instruments are market risk, credit risk, interest rate risk, liquidity risk and foreign exchange risk. Management reviews and agrees policies for managing each of these risks and they are summarized below

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The Company manages this risk by investing surplus funds with professional portfolio managers and by diversifying its investments

Credit risk

The Company is exposed to credit risk if counter parties fail to perform as contracted. In respect of the recognized financial assets, the maximum exposure to credit risk is equal to the carrying amount of assets in the balance sheet. The Company's credit risk is considered to be low as it does not have significant exposure to any individual customer or counterparty. Cash is placed with banks with high credit ratings.

Policies and procedures are in place to perform ongoing credit evaluations of the financial condition of counterparties and customers.

Interest rate risk

Interest rate risk is the sensitivity of the Company's financial condition to future movements in interest rates.

The Company would be exposed to interest rate risk as a result of mismatches or 'gaps' in the amounts of interest sensitive assets and liabilities that mature or reprice in a given period. Additional information regarding interest sensitive assets and liabilities is disclosed in the related notes to the financial statements.

Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk can be caused by market disruptions or credit downgrades which may cause certain sources of funding to dry up immediately. The Company manages liquidity risk by monitoring on a regular basis its maturing commitments and by diversifying funding sources.

Foreign exchange risk

The Company is exposed to the following foreign exchange risks:

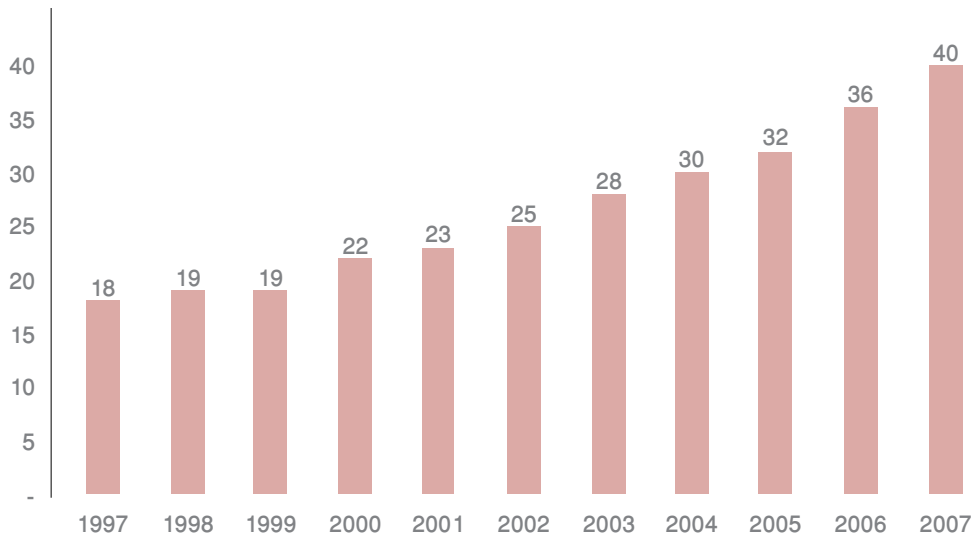
Transaction risk - the risk of the Company's commercial cash flows being adversely affected by a change in exchange rates for foreign currencies against QR.

Market Analysis

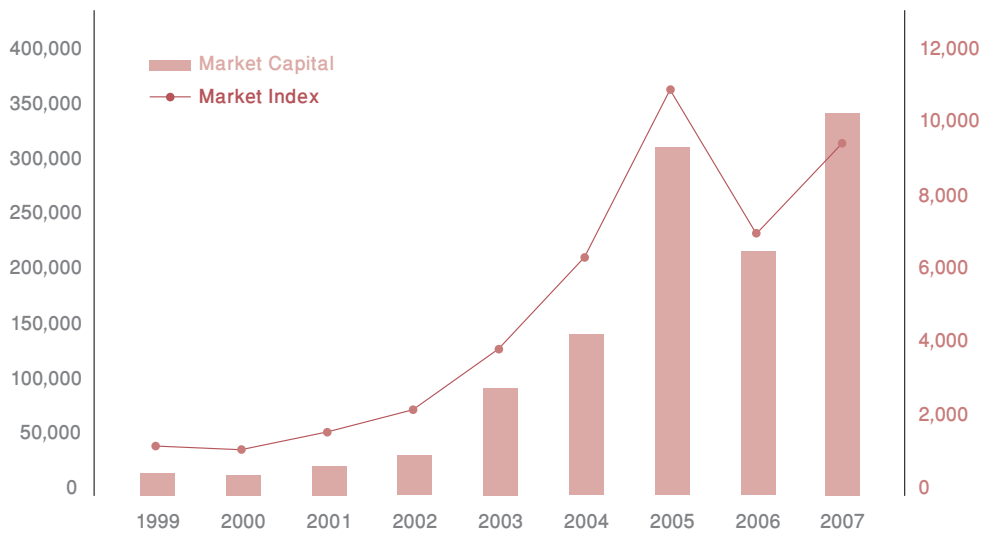
Financial losses that may arise from adverse changes in the value of financial instruments or portfolios due to the volatility of interest rates, foreign exchange, commodities and equity market prices, have caused concerns in the total economy. Given the companies conservative strategy in terms of investment and trading, aggregate market risks level are considered low.

Growth in domestic liquidity also affected the performance of the Doha Stock Market (DSM), which overshot in 2006 to unsustainable levels. A correction phase began in the last quarter of the year and extended into the first quarter of 2008. Nonetheless, DSM is slated for better prospects, as corporate earnings appear solid and the economic outlook positive.

Companies listed in DSM 1997 - 2007

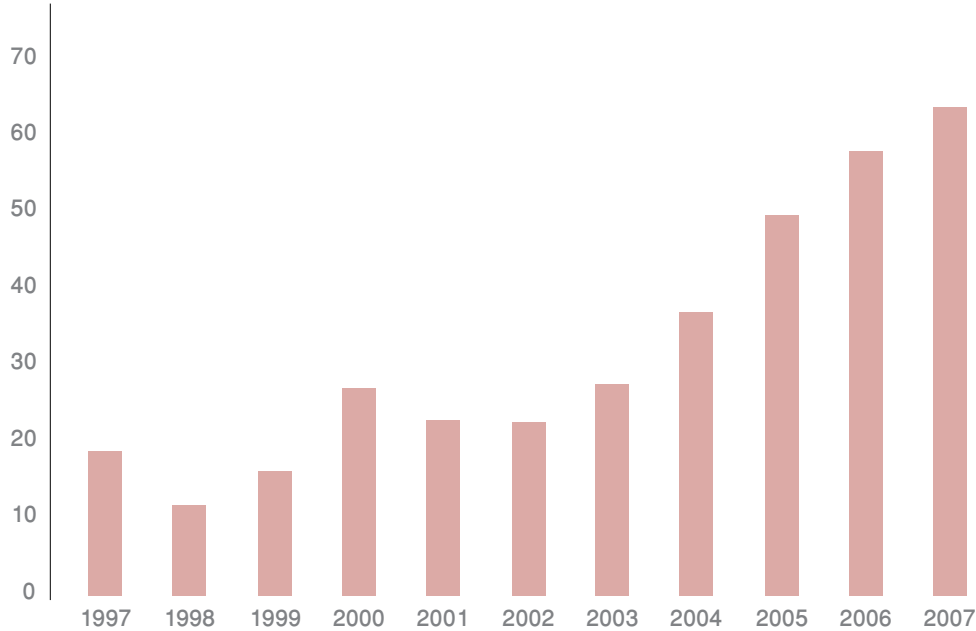


Market Capital (QR Million) - Market Index 1999 - 2007



Current oil prices are supporting the boom. Supply concerns and strong global demand have pushed oil prices past twenty year highs. The Gulf is now close to producing oil at full capacity.

Average Oil Barel Price 1997 - 2007 (US\$)



Company Projects and Investments

In the beginning of the establishment Tatweer Executive Committee have suggested to the board to have a wide range of direct and non direct investment activities in order to be able to maximize profits during the first year to preplan and satisfy the listing requirements. Stemming from our fundamental belief that a diversified investment portfolio reduces risk and may enhance returns, Tatweer has devoted great resources since its inception to identify and invest in wide range of investment products and services maximize returns and minimize risk factors. Our international investments strategy was with the objective of providing local and international focus in a wide long-and short term investment opportunities. As a result Tatweer was a leader in maximizing its profits with such global outlook. Such investment in accordance to other operational factors were able to make Tatweer exceed performance expectations.

Power and Energy:

The scope of this project is to Build, Operate, and Maintain two power plants run by turbine generators capable of generating a total un-interrupted power supply. The power supply must be sufficient to meet the requirements of the Qatar Government and/or any other consumers in the area for an initial period of 10 years with an option of renewing the contract for an additional 10 years (renewable after every 5 years from the initial period). Tatweer Infrastructure Company will finance this project and take a 10% equity share. We have worked with a local partner which was identified by the government to be the Exclusive Prime Power Provider for the client.

Our local partner, along with global experts from the engineering consulting firm, assessed the power demand of the client and then went out to find a subcontractor to provide the Turbine Generators. After meeting with numerous contractors, they determined that a combination of Turbo mach SA, a Swiss company, and General Electric (GE) was the best fit for this project.

We worked with Turbo mach and GE to determine the optimal number of turbines to be provided on a fixed schedule that will keep up with the client's growing demand for power over the next three years.

Thereafter, we calculated the total costs associated with building, operating, maintaining, and transferring the two power plants over a period of ten to twenty years. From those figures, we calculated the selling price

that the electricity could be provided to the client based on a range of demand levels.

Tatweer Infrastructure Company agreed to finance this project according to the following specifications:

- Tatweer will receive a 10% equity share in the project.
- Tatweer will mortgage the equipments and lead financing the remaining amount to the local partner.
- This project is expected generating revenue in 1st Quarter 2008.
- The Cost of the Project is QR346 million, with an expectation of 17% IRR.

Transportation Infrastructure:

As part of Tatweer's strategy to enter the transportation infrastructure, Tatweer required some prerequisites in Airport Operations; the only viable solution is to acquire an existing project or an acquisition in order to fulfill the transportation infrastructure.

The scope of this opportunity is two-fold; first the acquisition of United Aviation Company then Royal Aviation Kuwait, owners of the new private terminal at Kuwait International Airport.

First, Tatweer Infrastructure Company acquired United Aviation which has an exclusive Aircraft Operations Center (AOC) license barring competition in Kuwait for the next 10 years with another option of 10 years. United Aviation has a fleet of three Embraer Legacy 600 executive jets and has plans to add additional aircraft to the fleet soon. Our forecasted NPV is QR 83 million and IRR of 27%.

Second, Royal Aviation owns the new General Aviation Terminal in Kuwait International Airport. The new terminal will begin utilizing its parking spaces soon and is scheduled for a soft opening in the 1st. Quarter of 2008. This terminal will increase the capacity of Kuwait International Airport into more than double which leaves a great room for completion and orienting services. NPV estimated is QR 117 million and IRR of 18%.

By acquiring these two companies we were able to compete in Airport projects around the region in Jordan, Sultanate of Oman and the State of Qatar.

Industrial:

As a part of the Specialized Purposed Vehicle (SPV) concept Tatweer with Investors have formed an Industrial Company called Tassnee. Tassnee is a newly established company where Tatweer is the major shareholder with 36%. Tassnee will begin construction on 2 major projects, the POM (Poly-Oxy-Methylene) Plastic Project with LG of Korea and the LABS detergent project with Ballestra of Italy in the second quarter of 2008.

Projects Overview of Poly-Acetyl Plant (POM Project):

The proposed poly-acetyl plant is intended to manufacture a particular polymer, Poly-oxy-methylene (POM), also known as acetal resin, polytrioxane, polyformaldehyde, and paraformaldehyde. Its chemical formula is $-(O-CH_2)_n-$.

Applications for POM include: industrial products, plumbing products, mechanical components that require dimensional stability, food and drug applications, components requiring high load-bearing stability at elevated temperatures, automotive applications, and consumer items.

Key Players and Elements

LG Chem – Korea – Technology Provider and Off-take

E-TEC – Korea – Design, Engineering, Supervisory Services

AI SADD – Civil Consultant

Location: 60,000 m² in Messaid Industrial City

Capacity:

- 10,000 ton plant to be dismantled in Korea and reassembled in Qatar
- 20,000 ton plant to be reconstructed onsite in Qatar

Total Capacity: 30,000 tons

Estimated Total Cost: \$180 MN USD.

Project Overview of Detergent plant (LABS Project):

Tassnee plans to enter into a green field operation to produce the following raw materials for the manufacture of the following detergents:

- Linear Alkyl Benzene Sulphonate (LABS)
- Alfa Olefin Sulphonate (AOS).

Key Players and Elements

Ballestra – Italy – Technology Provider

Al SADD – Civil Consultant

Location: 13,000 m² in Messaid Industrial City

Capacity: 12,800 ton plant to be built in Qatar

Total Capacity: 12,800 tons

Estimated Total Cost: \$9 MN USD

Financial Data for Tassnee:

- NPV – QR 500 MN (US\$ 137 MN)
- IRR – 17%

Glassco Company - Glass Factory

Project Overview

The scope of this project is to build and operate a Glass Coating facility in Qatar with 22 chambers (Profit Center 1 – or PC1). This is the first facility of its kind in Qatar and will face limited competition in the GCC region. The aim of this facility is to service the GCC countries as the structure is Sharia compliant.

To open a Glass Processing (Tempered) facility in Qatar (Profit Center 2 – or PC 2). This aims to process the finished glass into different types of glass needed for the construction industry.

Over time, the glass industry has evolved and in order to enhance the thermal performance of glass, scientists have developed a process where a very thin layer of metals and metal oxides are applied to the glass surface known as coated glass. The finished glass has a different color and reflectivity level and also provides thermal insulation. This coated (reflective) glass is required for all new projects in order to fulfill the requirements of local Qatari and international building laws. These regulations create a very high demand for the use of the PC1 and PC2 products.

Presently more than 80% of the glass that is used in the buildings and homes is imported from various countries in Europe, the United States and the Far East. (These major companies have no production facilities in the Middle East).

There are only three recognized glass coating companies located in the Middle East, two in the UAE and one in Saudi Arabia. These three companies only have 6, 9 and 18 chambers respectively, while the plan for the PC1 of the SGIG Glass Factory is to have twenty two chambers. Additionally, these three companies are not a serious threat to SGIG because they have old technology and can not match the production levels of SGIG.

PC2 is expected to generate a reasonably large market share in Qatar and regional market because there are no real local competitors. The expected competition in the Qatari market is from the UAE and Saudi, which are expected to be less competitive due to higher labor and transportation costs. Moreover, PC2 is expected to be at an advantage over competition because of the direct support that it will get from PC1.

Demand for fabricated glass depends on the growth of the construction sector. In the GCC, especially in Qatar, Kuwait, Oman and Dubai (UAE), the construction sector is booming and consequently, there is no doubt for the high demand of fabricated glass.

Specialized Glass Industries Group (SGIG) intends to become a major glass supplier in Qatar and in the GCC. In order to quickly establish a competitive brand in the international market, SGIG intends to partner with a technologically strong foreign (European) glass company.

The factory will have two divisions or profit centers, PC1 and PC2. PC1 will act as a supplier to PC2 as well as to other fabricators and PC2 will serve as a glass fabricator.

PC1 will supply the coated glass to the fabricators as an intermediate product to the fabrication process and at the same time act as a supplier for PC2. i.e., PC1 will buy glasses in sheets from different manufacturers, apply the coating layer to these glass sheets and supply it to the fabricators.

PC2 will receive the coated glass from both PC1 and other suppliers go through the different processes listed below and sell the finished product to Aluminum fabricators to install on buildings.

PC2 will conduct the following functions:the following functions:

- Cutting
- Edging, Drilling and Polishing
- Heat Treatment – Tempering
- Laminating
- Double Glazing

Property:

Marina Real Estate Company is a newly established company where Tatweer is the major shareholder with an 82% stake. The total capital for Marina Real Estate Company is 50,000,000 (50 MN Qatari Riyals).

Background

The company is expected to invest in a number of diversified properties over time, commencing with a site in the Marina District of the Lusail project.

The core project for the company is the Marina/Mix-11 plot of land in Marina District of the future city of Lusail. The plot has an approximate area of 14,208 square meters (152,935 square feet). The land was originally approved for mix use, meaning the developer could build a tower consisting of residential apartments, offices, a commercial center, or a combination of all three. Now, Qatari Diar has sent a letter approving the land to also be used as a hotel, making it one of only four plots in the Marina District to be approved for use as a hotel.

Tatweer engaged Qatar National Bank (QNB) Corporate Advisory to review the proposed business and complete a full feasibility study. QNB conducted the following:

- A comprehensive review of the possible activities of the proposed business;
- An analysis of the market, including both supply and demand side factors;

A review of the preliminary development plans involving the existing Lusail site in the Marina District:

- Preparation of a cash flow model;
- An analysis of the risks attributable to the proposed business; and a sensitivity analysis.

QNB prepared a valuation assuming the core property (Marina/Mix-11 tower) is comprised of commercial office space with the plinth area containing dining and entertaining areas to maximize the potential of the property's location on the waterfront. QNB's evaluation assumed over the longer term that the Marina business should maintain a diversified portfolio based around residential, commercial office space and retail developments, but concentrating upon those areas with the brightest outlook, namely commercial office space followed by residential.

QNB's valuation indicates a net present value of between QR 1,150 million and QR 1,280 million on a net present value basis.

- NPV – QR 1.2 BN QR (US\$ 329 MN)
- IRR – 28%

Education:

The EdCap fund differentiates itself from other education focused investors and operators by the type of investments it undertakes; education investors' generally only focus on the Greenfield developments rather than acquisitions, which leave a large untapped element of the market for acquisitions.

This fund highlights education to focus on the importance of high-quality, private sector education throughout the MENA region. Following the model that privatization of educational institutions are the key to ensuring graduates are on par with the rest of the world and investing in education infrastructure to achieve world class standards in education.

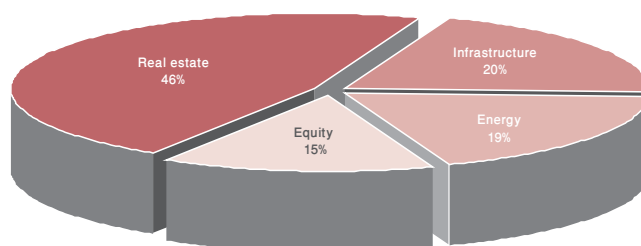
The expected life of the fund is 5 years, with a possible extension of 3 additional years.

Project Value – QR 364 MN (US\$ 100 MN)

Tatweer's Investment* – QR 21.8 MN (US\$ 6 MN) – 10% owner

*(Tatweer paid US\$ 6 MN upfront with US\$ 5 MN still to be called forward).

TIC's Investments 2007



2008 Strategy and Business Plan

Based on our market analysis we found that companies in our field that provide a complete turnkey solution are rare in the region, with a few companies specializing in long term investment. Although, there has been some BOT-BOO-BT project's that were granted to international companies; such concessions were given in coordination with a local partner. The projected outlook for Tatweer is to continue to over perform expectations; takes into consideration a conservative financial calculation and calculated risks.

The objective of Tatweer is to continue to concentrate on creating a company that will be focusing on BOT projects in different areas. The main strength of Tatweer is taken from the expertise of the management and the board which allowed Tatweer to outperform expectation. Nevertheless, Tatweer is a considered a new establishment which cannot buy out time. Therefore the strategy of acquisitions to obtain growth and know how is a strategy that is necessary at this time. Also Tatweer, seeks strengths from its sister companies, which are a part of this large consortium. Such Alliance gives Tatweer the immediate know how and experience.

In accordance with the Qatari Government forecasting Tatweer has been attracting various investors, in order to invest in public infrastructure such as airport, bridges, ports, power plants, public utilities etc.

Such projects are conventionally considered to be a necessary prerequisite for industrialization and economic growth, and have traditionally been the responsibility of the governments in most of the GCC economies. Today the Qatari Government is committed to the private companies to subsidize such infrastructural project by insuring foreign investors which are often unable to secure financing for large infrastructure projects in developing countries unless there is a significant level of "governmental concession" to ensure political commitment to the project.

Tatweer is aiming to expand in projects within the following sectors:

- **Expanding in Energy power stations**
- **Water Purifying and Reverse Osmosis Projects.**
- **Airports and Transportation Investments**
- **Residential, commercial and hospitality real estates**
- **Educational projects such as schools and universities**
- **Telecommunication Solutions**
- **Tourism facilities**
- **Entertainment and amusement attractions**
- **Sporting facilities and locations**
- **Central Cooling Systems.**
- **Petrochemical Industries.**
- **Investment in Equity and Private Equity Market**
- **Continue Diversifying into Sectors**
- **Continue Diversifying into Geographical Regions.**
- **Diversify Cash flow derivative based on Short-Medium – and Long term.**

Special Thanks

2007 was an exciting and successful year for Tatweer, with a small team we have managed a multi billion company to succeed, despite the efforts of Management Tatweer was eulogized with help from all over the world; Special thanks to the following corporations; and the individuals behind them for giving us the support and assistance whenever we needed it.

Thank you for professionalism and thank you for helping us achieve our goals:

Gulf Investment Corporation

Qatar National Bank

Qatar National Bank (Corporate Finance and Advisory)

Ministry of Defense (Qatar)

Embassy of the State of Kuwait (Qatar)

Embassy of the State of Qatar (Kuwait)

Ministry of Municipality (Qatar)

Qatar Chamber of Commerce

STS

Warba Investment Company

Addax Bank

Qatar International Group

Warba Holding

International Council Bureau

National Investment Company

Barwa

Rodel and Partners

Fasken Martineau

Qatari Diar

Al Khorafi Group

International Bank of Qatar

Doha Bank

Ettizan Financial and Real Estate Management

Bridger's Venture Capital

Qatar International Trading

Moffat and Nichol Advisory

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