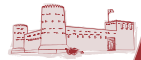


TATWEER INFRASTRUCTURE COMPANY



شركة تطوير البنية التحتية



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



Heir Apparent
His Highness
Sheikh Tamim Bin Hamad Al-Thani

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The Board of Directors

Sheikh Mohammed Bin Suhaim Al Thani	Chairman *
Mr. Loay Jassim Al Kharafi	Vice Chairman
Mr. Hamad Ahmed Al Haroun	Managing Director & CEO **
Mr. Mohamed Abdul Rahman Al Melhem	Director
Mr. Faisal Mishari Al Anjari	Director
Mr. Yousef Shamlan Al Essa	Director
Mr. Waleed Abdul Raheem Al Asfour	Director
Mr. Fozan Mohamed Al Fares	Director
Mr. Fowzi Abdul Rahman Al Jouder	Director ***

Notes:

* Sheikh Mohammed Bin Suhaim-Chairman from 24/7/2008

** Mr. Hamad Ahmed Al Haroun-Chairman from 23/7/2007 to 24/7/2008

*** Mr. Fouzi Al Jouder-Board Director-Resigned on 20/11/2008.

Board of Directors Statement 2008

Dear Shareholders,

On behalf of the Board Directors of Tatweer Infrastructure Company Q.S.P.C, We are proud to present the 2008 Annual Report along with the Financial Statement and our 2009 strategy.

We have successfully maintained a steady growth in 2008. However, our board and management have agreed to adopt a very conservative approach; and adopted a strict financial discipline, taking into consideration a firm credit risk approach in all decision making. As a result, Tatweer had no exposure to direct losses from the 2008 international markets crises; with the exception of some unrealized evaluation losses which we have experienced in Qatar and the region.

There is no doubt that in the second half of 2008 we started to feel the slow business cycle that was felt throughout the world, and we have also witnessed a free fall of the stock markets world wide, although the GCC was the last to be effected by this cycle, the impact has heavily effected these economies which resulted in a major slowdown in nearly all major sectors.

Our aim is to continue such a strategy; we are determined to have the method to win in this tough environment. We are uniquely positioned to grow marginally but surely in this sturdy era. We have built strong long term core businesses that would prevail in their markets. Together, our businesses deliver consistent long term earnings through steady cycles. Tatweer's conservative approach was translated in taking extra general and investment provisions of fifty million Qatari riyals, in order to withstand 2009 hazy forecasts. Although by doing so, we are disposing most of our 2008 operational profits to next year's financials; but our aim is to stay financially conservative yet strong, in order to face next year's financial turmoil. We believe that we can harness growth strategies from across our investments to drive more quality and organic growth margins.

Our thesis was that each of these themes was essential in the development of the GCC, and that Tatweer could create a profitable future for its shareholders.

Please view our updated progress brief in order to have a closer look to our 2008 activities.

Achievements:

During 2008, the company has achieved a conservative net profit of QR 8,536,003 million; with an optional QR 50,000,000 impairment of investment provision. This voluntarily choice of conservative financial accounting puts Tatweer and its shareholders in a safe financial position based on the economic 2008 crises.

Tatweer has made sure to come out of 2008 with zero debts to banks, our liabilities and contingent liabilities have dropped significantly giving us a debt to equity ratio of three percent (Excluding Optional investment provisions).

The current liabilities are related to non interest payment due to lands purchased in 2006-2007.

In addition Tatweer reflected a liquidity of QR 230,000,000 (30% of capital). This combination of cash on hand and highly liquid investment products including fixed income and low liability is expected to give tatweer an upper hand in the next phase.

Industrial Sector:

As a part of the adopted Specialized Purposed Vehicle (SPV) concept, Tassnee, the earlier formed company in 2007 began to construct two major projects, the (POM) Plastic Project with LG Chemical of Korea and the LABS detergent project with Ballestra of Italy in 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:

The management is mindful of the low levels to which commercial property yields have fallen in the GCC. It has therefore decided to reduce the directly held portfolio. Substantial reductions have been made to the property exposure.

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. These 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 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.

Transportation:

By acquiring United Aviation and Royal Aviation in March 2007 Tatweer Infrastructure Company has achieved its initial objective by investing in the transportation sector. This investment gave us two major exposures in the transportation and specialized real estate management.

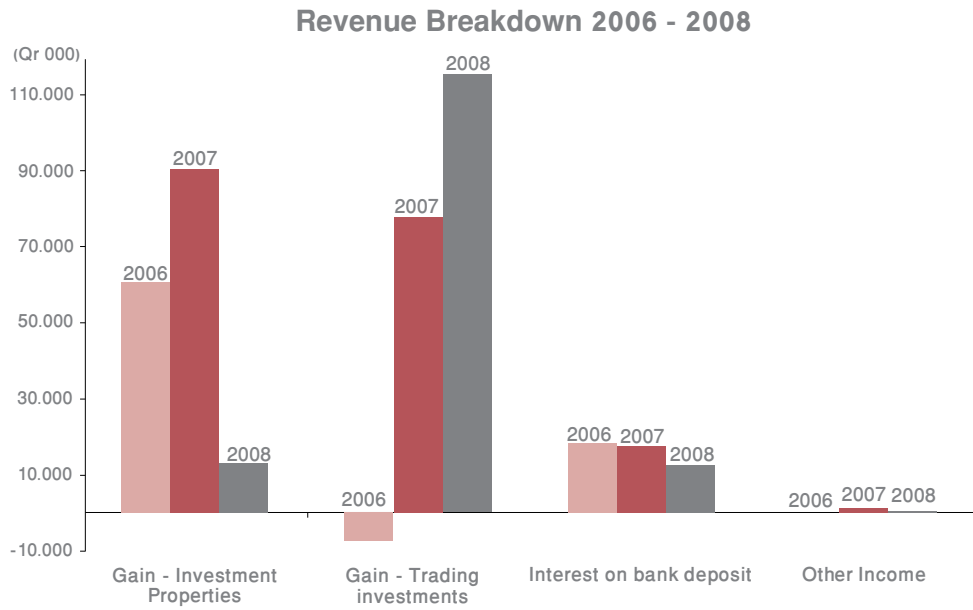
Tatweer’s new challenge would be to continue to create new source of income, enhance the profitability in order to better compete in the market and also take advantage of the acquired know how by either looking for new countries to invest in or simply expand its current fleet to meet with the market demand.

United Aviation was able to compile an increase of approximately 48% of flying hour in 2008 compared to 2007. The focus of United Aviation has been concentrated in corporate clients such as (banks, industrial, investment and family companies). Such diversified cliental have managed us to distinguish our selves from all operators and maximize our revenues.

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 producing a total un-interrupted power supply.

Tatweer Revenue Distribution



- Net profit down to QR 8,536,003 Million (booking optional investment provisions) from QR 154,618,665 million in 2007
- Total assets down to QR 875,045,164 million for QR 1.110.080.260 million in 2007
- Earning per share down to QR 0.31 from QR 2.34

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.

Executive & Audit Committee

Executive Committee:

Hamad A. Al-Haroun

Faisal M. Al-Anjari

Yousef S. Al-Essa

Audit Committee:

Mohammad A. Al Melhim

Loay J. Al Khorafi

Waleed A. Al Asfour

Executives & Seniors of Tatweer

Hamad Ahmed Al Haroun	Managing Director	CEO
Essa Abdulla Al Kubaisi	Executive Vice president	Business Development
Nawaf Al Shamali	Senior Vice President	Finance & Investments
Rozan M. Al Amri	Vice President	Marketing & PR
Ezzat Mohammed Abdul Rahman	Vice President	Legal Department
Graham D. R. Macdonald, FRICS	Vice President	Business Development
Mohammed Abdulaziz Khalil	Vice President	Business Development
Christopher Kane	Vice President	Business Development
Glenn Allen	Vice President	Business Development
Ali Abdul Khader Al Salahi	Assistant Vice President	Government Relations

Qatar 2008

Qatar's economy has exhibited strong growth metrics in the recent times on the back of surging energy demand and commodity prices. The country not only holds the largest non-associated gas reserves in the world, but also is the biggest exporter of liquefied natural gas. According to Qatar Central Bank, nominal GDP for 2008 reached QAR 289.18 billion, an increase of 59.4% compared to QAR 181.39 billion in 2007, highlighting the country's robust performance. Going forward, on a positive note, IMF has projected the country's real GDP growth rate at 21.4% for 2009 aided by increase in gas exports.

The government remains focused on diversifying from a hydrocarbon-dependent economy and has accordingly planned investments to the tune of USD 221 billion in different projects over the next 5-6 year. However, the ongoing liquidity crunch, which has taken a hit on the real estate and construction sectors lead to increase the development period for the ongoing projects and delaying the new upcoming one's in different sectors.

Qatar's strong economic performance is being fueled mainly by growth in the country's LNG exports, and an expansionist fiscal policy aimed at supporting large scale investment in improving the country's infrastructure.

The IMF has projected that as gas exports begin to surge in the coming years, the country's real GDP growth is estimated to reach 21.4% in 2009 from 16.8% in 2008.

As a further note, though the current financial turmoil forced the government to make cautious investment decisions, it does not hamper the enormous investment opportunities available in the country due to the major growth factors; Increased hydrocarbon spending and growing exports of liquefied natural gas (LNG), High influx of expatriate population, Increased mega projects on the development plan, and growing infrastructure spending.

Financials with Auditors Notes and Comments

INDEPENDENT AUDITORS, REPORT

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, 2008, 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 management is 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 entity'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 entity'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 **TATWEER INFRASTRUCTURE COMPANY - Q.S.P.C**, as of December 31, 2008, 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 contents of the directors' report are in agreement with the Company's consolidated financial statements, 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 year which would materially affect and the Company's activities or its financial position.

For Rödl & Partners

Middle East



Saoud Abdulla

(License No. 204)



Doha – Qatar

January 22, 2009

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2008

	Note	December 31 2008	December 31, 2007
		QR.	QR.
ASSETS			
Non-Current Assets :			
Property and equipment, Net	3	2,070,592	1,282,286
Investment property	4	134,252,300	419,869,850
Managed investment portfolios	5	467,520,044	317,344,444
Investments in associates	6	38,019,948	3,620,000
Total Non-Current Assets		641,862,884	733,616,580
Current Assets :			
Investments held-for-trading	7	67,171,324	22,709,451
Leasehold improvements in progress	8	21,551,085	65,692,129
Trade receivable and other debit balances	9	8,618,575	7,766,041
Due from shareholders of the related company		9,000,000	9,000,000
Due from related parties	10	31,187,403	1,094,335
Cash and cash equivalents	11	95,653,893	261,701,724
Total Current Assets		233,182,280	376,463,680
Total Assets		875,045,164	1,110,080,260
EQUITY AND LIABILITIES			
Equity :			
Share Capital	12	614,056,245	558,232,950
Legal Reserve	13	22,245,089	20,319,256
Retained Earnings		144,382,506	182,873,306
Equity attributable to Equity holders of the parents		780,683,840	761,425,512
Minority interest		9,353,835	20,076,160
Total Equity		790,037,675	781,501,672
Non-Current Liabilities :			
Employees end of service benefits	14	1,384,949	766,166
Payables on acquisition of investment property		-	69,196,008
Total Non-Current Liabilities		1,384,949	69,962,174
Current Liabilities :			
Trade Payables and other credit balances	15	8,271,473	13,442,279
Provision for expected impairment loss	20	50,000,000	-
Due to related parties	10	8,688,245	-
Payables on acquisition of investment property		16,647,077	34,160,662
Commercial loan	16	-	211,012,714
Due to Bank	11	15,745	759
Total Current Liabilities		83,622,540	258,616,414
Total Equity and Liabilities		875,045,164	1,110,080,260

These financial statements are approved for issue by the following:

Mr. Hamad Ahmed Al Haroun

Managing Director and CEO



Sheikh Mohammed Bin Suhaim Al Thani

Chairman



The Accompanying Notes form an Integral Part of these Consolidated Financial Statements.


CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2008

	Note	Year ended December 31, 2008	Nine month period ended December 31, 2007
		QR.	QR.
Revenue :			
Non-Current Assets :			
Interest on bank deposits		12,663,632	17,564,453
Dividend income		334,870	558,690
Income on financial services granted	17	47,024,233	-
Other income		128,669	315,119
Net profit of fair value from investment property	4	13,055,700	90,908,550
Increase in fair value of managed investment portfolios	5	115,412,500	73,122,000
Increase in fair value of investments held-for-trading	7	-	4,621,222
Total Revenue		188,619,604	187,090,034
Expenses :			
Decrease in fair value of investments held-for-trading	7	(32,197,283)	-
Loss on disposal of investment property		(58,355,050)	-
Depreciation of property and equipment	3	(1,342,721)	(573,976)
General and administrative expenses	18	(16,193,073)	(18,030,462)
Business promotion expenses	19	(6,400,860)	(5,472,250)
Finance cost		(15,594,614)	(8,394,681)
Total Expenses		(130,083,601)	(32,471,369)
Profit for the year		58,536,003	154,618,665
Provision for expected impairment loss	20	(50,000,000)	-
Net Profit for the year		8,536,003	154,618,665
Attributable to :			
Equity holders of the parent		19,258,328	143,575,705
Minority interest		(10,722,325)	11,042,960
Total		8,536,003	154,618,665
Basic earning per share		QR. 0.31	QR. 2.34
Number of shares	12	61,405,625	61,405,625

These financial statements are approved for issue by the following:

Mr. Hamad Ahmed Al Haroun
Managing Director and CEO

Sheikh Mohammed Bin Suhaim Al Thani
Chairman




The Accompanying Notes form an Integral Part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2008			
	Note	Year ended December 31, 2008	Nine month period ended December 31, 2007
		QR.	QR.
Cash Flows from Operating Activities :			
Net profit for the year / period		8,536,003	154,618,665
Adjustments for :			
Depreciation of property and equipment	3	1,342,721	573,976
Loss on disposal of property and equipment	18	-	57,111
Provision for employees' end of service benefits	14	724,322	436,383
Provision for expected impairment loss	20	50,000,000	-
Decrease (Increase) in fair value of investments held-for-trading	7	32,197,283	(4,621,222)
Net profit of fair value from investment property	4	(13,055,700)	(90,908,550)
Loss on disposal of investment property	4	58,355,050	-
Increase in fair value of managed investment portfolios	5	(115,412,500)	(73,122,000)
Interest on bank deposits		(12,663,632)	(17,564,453)
Dividend income		(334,870)	(558,690)
Net Cash from (used in) operating activities before changes in working capital		9,688,677	(31,088,780)
Trade Receivables and other debit balances	9	(852,534)	(770,514)
Due from shareholders of the related company		-	(9,000,000)
Due from related parties	10	(30,093,068)	(1,094,335)
Due to related party	10	8,688,245	-
Trade Payables and other credit balances	15	(5,170,806)	12,890,126
Cash used in Operating Activities		(17,739,486)	(29,063,503)
Payments towards employees' end of service benefits	14	(105,539)	-
Net Cash used in Operating Activities		(17,845,025)	(29,063,503)
Cash Flows from Investing Activities :			
Purchase of property and equipment	3	(2,131,027)	(1,077,531)
Proceeds from disposal of property and equipment		-	155,000
Proceeds from disposal of investments held -for- trading	7	13,433,516	-
Proceeds from disposal of investment property		240,318,200	-
Capital contributed by minority shareholders		-	9,033,200
Investment property	4	-	(450,000)
Contribution on managed investment portfolios	5	(43,263,100)	(235,722,444)
Leasehold improvements in progress	8	52,641,044	(63,072,349)
Interest received		12,663,632	17,564,453
Dividend income received		334,870	558,690
Investments in associates	6	(34,399,948)	(3,620,000)
Investments held-for-trading	7	(90,092,672)	29,108,414
Net Cash used in Investing Activities		149,504,515	(247,522,567)
Cash Flows from Financing Activities :			
Commercial loan	16	(211,012,714)	211,012,714
Payables on acquisition of investment property		(86,709,593)	(142,598,029)
Net Cash (used in) from Financing Activities		(297,722,307)	68,414,685
Net Decrease in Cash and Cash Equivalents		(166,062,817)	(208,171,385)
Net (Decrease) Increase in Cash and Cash Equivalents		(208,171,385)	469,872,350
Cash and Cash Equivalents at the beginning of the year		261,700,965	469,872,350
Cash and Cash Equivalents at the end of the year / period	11	95,638,148	261,700,965

The Accompanying Notes form an Integral Part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2008

	Retained Earnings	Legal Reserve	Capital	Equity Holders of the parent	Minority Interest	Total
	QR.	QR.	QR.	QR.	QR.	QR.
Capital Contributed	53,655,171	5,961,686	558,232,950	617,849,807	-	617,849,807
Capital contributed by Minority share holders	-	-	-	-	9,033,200	9,033,200
Net Profit for the year	143,575,705	14,357,570	-	-	-	-
Transferred to legal reserve	(14,357,570)	5,961,686	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
Bonus shares issued	(55,823,295)	-	55,823,295	-	-	-
Net Profit for the year	19,258,328	-	-	19,258,328	(10,722,325)	8,536,003
Transferred to legal reserve	(1,925,833)	1,925,833	-	-	-	-
Balance - December 31, 2008	144,382,506	22,245,089	614,056,245	780,683,840	9,353,835	790,037,675

These financial statements are approved for issue by the following:

Mr. Hamad Ahmed Al Haroun

Managing Director and CEO



Sheikh Mohammed Bin Suhaim Al Thani

Chairman



The Accompanying Notes form an Integral Part of these Consolidated Financial Statements.

Tatweer Infrastructure Company - Q.S.P.C

Doha – Qatar

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2008

1) FORMATION AND ACTIVITIES

Tatweer Infrastructure Company was incorporated on March 20, 2006 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 24 employees according to the accounting records as of December 31, 2008.

2) SIGNIFICANT ACCOUNTING POLICIES

2/1/)

a- 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 2008.

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.

b- Standards and interpretations in issue not yet adopted

At the date of authorization of these financial statements, the following standards and interpretations were in issue but not yet effective:

IAS 1 (Amendments) - Presentation of financial statements – Comprehensive revision including requiring a statement of comprehensive income (Effective on or after January 1, 2009).

IAS 23 (Revised) - Borrowing costs (Effective on or after January 1, 2009)

IAS 27 (Amendments) - Consolidated Financial Statements and Accounting for investments in subsidiaries. (Effective on or after July 1, 2009)

IAS 32 (Amendments) - Financial Instruments (Effective on or after January 1, 2009)

IFRS 3 (Amendments) - Business Combination (Effective on or after January 1, 2009)

IFRS 8 (Amendments) - Operating Segments (Effective on or after January 1, 2009)

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

2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and in conformity with previous year.

The functional as well as the presentation currency of the consolidated 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, a Company registered in Qatar. The Company owns 83.8 % and 82 % respectively of these 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 changes in equity since the date of the combination.

2/4) Accounting convention

The consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments which are stated at fair value.

2/5) Property and Equipment

Property and equipment are recorded at the historical cost less accumulated depreciation and provision for impairment if any.

Depreciation is charged to write off the cost of the assets over their estimated useful lives using the straight line method. The rates of depreciation based upon the following estimated useful lives :

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 consolidated 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 consolidated 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) SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Group is the Qatari Riyals and accordingly, the consolidated 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.

The Group'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 Group'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.

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, 2008	387,000	617,967	605,116	375,335	1,985,418
Purchases during the year	197,000	1,894,531	39,496	-	2,131,027
Balance - December 31, 2008	584,000	2,512,498	644,612	375,335	4,116,445
Accumulated depreciation :					
Balance - January 1, 2008	144,684	158,998	219,602	179,848	703,132
Charge for the year	180,675	763,628	202,931	195,487	1,342,721
Balance - December 31, 2008	325,359	922,626	422,533	375,335	2,045,853
Net Book Value :					
December 31, 2008	<u>258,641</u>	<u>1,589,872</u>	<u>222,079</u>	<u>-</u>	<u>2,070,592</u>
December 31, 2007	<u>242,316</u>	<u>458,969</u>	<u>385,514</u>	<u>195,487</u>	<u>1,282,286</u>

NOTE - 04 INVESTMENT PROPERTY

	December 31, 2008	December 31, 2007
	QR.	QR.
At fair value :		
Land at Energy City	60,354,000	52,393,000
Land at Lusail	60,842,600	46,815,800
Land at Marina Mix	298,673,250	229,402,500
Cost incurred on Marina Mix Land	-	450,000
	<u>419,869,850</u>	<u>328,961,300</u>
Disposal of Marina Mix Land	(298,673,600)	-
Net profit from adjustments in fair value	13,055,700	90,908,550
Balance at December 31	134,252,300	419,869,850

The fair value of the Company's investment property as of June 30, 2008 and December 31, 2008 were ascertained by a valuation carried out by an independent external valuers based in Doha - Qatar not connected with the Company. On July 17, 2008 and January 11, 2009 respectively. 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, 2008	December 31, 2007
	QR.	QR.
At cost :		
Gulf aviation of services Co. - January 1,	223,400,220	173,525,220
Jet aviation Co. January 1,	72,324,000	49,077,000
Specialized glass industries Co. January 1,	13,120,224	13,120,224
	308,844,444	235,722,444
Additional investments made during the year:		
Abyar real estate development Co.	20,647,500	-
Contribution towards right issue of Royal (Jet) aviation Co.	22,615,600	-
	352,107,544	235,722,444
Increase in fair value of portfolio	115,412,500	73,122,000
Balance as of December 31	467,520,044	308,844,444

Increase in fair value of managed investment portfolios has been resulted against an offer to purchase 40% of the investment by Emirates Pioneers General Trading, Abu Dhabi, United Arab Emirates on December 25, 2008 at price for 550 Fils KD per share. The Company management considered the offered price as market price for investment.

NOTE - 06 INVESTMENT IN ASSOCIATES

The Company has the following investments in associates as of December 31, 2008 :

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
Glassco Qatar Company - W.L.L	State of Qatar	40%	400,000
Barwa Al Baraha Company - W.L.L	State of Qatar	17%	8,500,000
First Education Holding Company - B.S.C	Bahrain	20%	25,499,948
			38,019,948

These figures are based on unaudited financial statements of the investees.

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,	
	2008	2007
	QR.	QR.
Investment at fair value through profit or loss:		
Investments in quoted shares	22,709,451	18,088,229
Additional investments during the year	90,092,672	-
	112,802,123	18,088,229
Disposal during the year	(13,433,516)	-
Increase (Decrease) in fair value	(32,197,283)	4,621,222
Balance at end of year	67,171,324	22,709,451

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 LEASEHOLD IMPROVEMENTS IN PROGRESS

	December 31,	
	2008	
	QR.	
Al Reem Towers	21,551,085	
Total	21,551,085	

NOTE - 09 TRADE RECEIVABLES AND OTHER DEBIT BALANCES

	December 31,	
	2008	2007
	QR.	QR.
Trade receivables	977,832	731,370
Interest receivables	299,176	2,381,186
Due from employees	128,600	23,088
Refundable deposit and Prepayments	222,187	95,027
Prepayments on rent	6,800,000	-
Other receivables	190,780	4,535,370
Total	8,618,575	7,766,041

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NOTE - 10 RELATED PARTY BALANCES AND TRANSACTIONS

	December 31,	
	2008	2007
	QR.	QR.
(a) Due from related parties		
Gulf aviation services	11,889,860	1,094,335
Tassnee Company	19,026,238	-
Glassco Qatar Company	271,305	-
Total	31,187,403	1,094,335
(b) Due to related parties		
Qatar International Technology (Powertech) Co.	8,688,245	-
Total	8,688,245	-

(c) Due from related parties

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 - 11 CASH AND CASH EQUIVALENTS

	December 31,	
	2008	2007
	QR.	QR.
Cash in Hand	680	4,434
Cash at Bank - current accounts	604,701	7,230,844
Cash at Bank - call accounts	94,946,148	5,583,709
Cash at Bank - fixed deposits	102,364	248,882,737
	95,653,893	261,701,724
Due to Banks	(15,745)	(759)
Net	95,638,148	261,700,965

NOTE - 12 SHARE CAPITAL

	December 31,	
	2008	2007
	QR.	QR.
Balance as of January 1,	558,232,950	558,232,950
Bonus shares issued	55,823,295	-
Balance as of December 31,	614,056,245	558,232,950

The Company's issued and paid up capital is QR. 614,056,245 divided into 61,405,625 shares at a nominal value of QR. 10 each.
For the purpose of calculating basic earning per share, bonus share issue should be adjusted retrospectively.

NOTE - 13 LEGAL RESERVE

	December 31,	
	2008	2007
	QR.	QR.
Statutory Reserve		
Balance as of January 1,	20,319,256	5,961,686
Transferred from Profit for the year / period	1,925,833	14,357,570
Balance as of December 31,	22,245,089	20,319,256

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.

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NOTE - 14 EMPLOYEES' END OF SERVICE BENEFITS

	December 31,	
	2008	2007
	QR.	QR.
Balance as of January 1,	766,166	329,783
Provision for the year	724,322	436,383
	1,490,488	766,166
Payments made during the year	(105,539)	-
Balance as of December 31,	1,384,949	766,166

NOTE - 15 TRADE PAYABLES AND OTHER CREDIT BALANCES

	December 31,	
	2008	2007
	QR.	QR.
Interest payables	-	8,329,360
Advances received on Al Reem Tower	1,737,375	-
Provision for leave pay and air tickets	272,960	162,785
Accrued expenses	2,630,351	547,964
Provision for Staff bonus	2,300,000	4,400,000
Due to employees	1,308,471	-
Others	22,316	2,170
Total	8,271,473	13,442,279

NOTE - 16 COMMERCIAL LOAN

	December 31,	
	2008	2007
	QR.	QR.
Balance as of December 31,	-	211,012,714

Loan amount - The Company had applied for a loan amounting to QR. 213,553,006 which was duly approved by bank.

The Company had 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 favour of the bank.

Repayment -The amount of the loan has been settled by one full payment instalment along with accrued interest during the year ended December 31, 2008.

NOTE - 17 INCOME ON FINANCIAL SERVICES GRANTED

	December 31,	
	2008	2007
	QR.	QR.
Management fees	16,536,311	-
Commission charged	16,536,311	-
Facilitating fees	5,460,000	-
Legal and administrative fees	2,756,052	-
Interest, bank charges and default charges recovered	5,735,559	-
	47,024,233	13,442,279

Above income includes the amount of QR 45,024,692 recorded as income on financial services granted to Qatar International Technology (Powertech) Co.

NOTE - 18 GENERAL AND ADMINISTRATIVE EXPENSES

	December 31,	
	2008	2007
	QR.	QR.
Staff salaries, accommodation and other benefits	9,133,774	7,238,993
Provision for Staff bonus	2,500,000	4,400,000
Staff residence permit, recruitments and trainings	226,856	535,271
Leave pay, air tickets and employees' end of service benefits	1,373,543	902,376
Professional fees(Annexure 01)	668,315	2,758,504
Office rent	943,000	936,000
Board meeting expenses	356,104	12,340
Communication	298,816	346,149
Loss on disposal of property and equipment	-	57,111
Government fees	57,668	124,918
Printings and stationery	32,799	59,425
Data processing charges	28,134	15,003
Membership and subscription	181,663	66,702
Exchange loss on foreign currency	1,690	127,330
Office suppliers and office maintenance	146,515	129,344
Vehicle running maintenance expenses	42,281	36,806
Miscellaneous(insurance, cleaning, entertainment and others)	201,915	284,190
Total	16,193,073	18,030,462

Annexure 01 - Professional fees include ISO audit fees, legal fees, consultancy fees and other fees paid on feasibility studies.

NOTE - 19 BUSINESS PROMOTION EXPENSES

	December 31,	
	2008	2007
	QR.	QR.
Advertising	1,086,554	1,735,128
Marketing, business promotion and entertainment	1,495,497	1,626,061
Business travelling	3,818,809	2,111,061
Total	6,400,860	5,472,250

NOTE - 20 PROVISION FOR EXPECTED IMPAIRMENT LOSS

Description	Fair value December 31, 2008	% of expected impairment	Expected impairment loss
	QR.		QR.
Investment property (Note 04)	134,252,300	25 %	33,563,075
Investments held-for-trading (Note 07)	67,171,324	20 %	13,434,265
Leasehold improvements in progress (Note 08)	21,551,085	14 %	3,002,660
Total			50,000,000

Due to present down term of the market, Management has decided to make provision based on fair value of above investments as of December 31, 2008

NOTE - 21 COMMITMENTS

	December 31,
	2008
	QR.
As of December 31, 2008 the Company had the following capital commitments :	
Equity capital payable on call	26,750,000

NOTE - 22 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

The Group'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 Group'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 Group manages this risk by investing surplus funds with professional portfolio managers and by diversifying its investments.

Credit risk

The Group 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 Group'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 Group's financial condition to future movements in interest rates.

The Group 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 consolidated 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 Group manages liquidity risk by monitoring on a regular basis its maturing commitments and by diversifying funding sources.

Foreign exchange risk

The Group 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.

Tatweer's Role and Strategy

Tatweer has aligned its business model 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.

Private sector plays a significant role in the success of the overall economic development strategy. Hence, the mission of Tatweer is to work with the State and other public and private organizations to retain and expand basic industry and other businesses within the country.

In the recent past, companies learned they could create better products more efficiently with the full mental participation of their 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, and in order to reduce bureaucracy, and enhance productivity and performance, we aimed for the ISO 9001:2000 and we got certified in 2007 and maintained it.

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.

Our strategy is based on enhancing the Qatari infrastructural capabilities and gaining the governmental investment support. We are focusing more on the current projects that were initiated earlier, with the main objective of finalizing these ventures, primarily in the industrial sector. Hence, we aim to continue to have low exposure in lending and maximize our cash in few investment opportunities in order to finalize them by the year end. These opportunities are a mixture between small and medium investments in different forms of joint ventures.

Company Projects and Investments:

The strategy adopted by Tatweer for the last two years has been to focus on diversifying our portfolio in different projects and investment opportunities has been successful and the same strategy will be adopted this year. While the focus this year will be more on finalizing the current projects, we will be working to further diversify our portfolio by looking at new ventures mainly in industrial sector which may materialize in 2010.

Power and Energy:

The capacity of the Power Plant Project has been reviewed based on revised demand loads expected by the Client and consumers, and hence such capacity has been downsized. The Project is now structured in three separable portions: IPP-1, APS & an individual diesel generators' unit - instead of the original plan of building IPP-1, IPP-2 and a Fuel Unloading Facility.

The duration of the concession remains at an initial 10 year period with an option of renewing the contract for an additional 10 years (renewable after every 5 years from the initial period). Tatweer Infrastructure Company continues to finance this project and retains a 10% equity share.

The scope of IPP-1 covers the Design, Engineering, Procurement and Construction of ONE open cycle Power Plant with dual fuel capability. Initial operation will be on diesel fuel with a nominal capacity of 43.8MW at 35 degrees C being provided by 4 x T130 Turbomach Gas turbines plus associated switchgear, transformers, control systems, fuel storage tanks, etc. Upon availability of Natural Gas, this will then be the main fuel with diesel as a backup.

IPP-1 is currently in its final stage of construction and completion is expected in April 2009.

The APS System was proposed and gradually expanded upon the urgent demand by the consumers to supply power to three important areas. The expansion was implemented to maintain the requirement as per our agreement with the Client which states that we are the exclusive power provider to the Client.

The current capacity of APS is 11.2MW at extreme ambient temperatures being provided by 4 x 2.8MW diesel generators, associated switchgear, fuel storage tanks, etc. The APS System commenced operations and generating revenue in November 2007.

In order to accommodate urgent requirement and to capture any power demand (based on our exclusivity), we have provided a number of 415V diesel generators providing temporary power to a number of small buildings through our individual diesel generators unit.

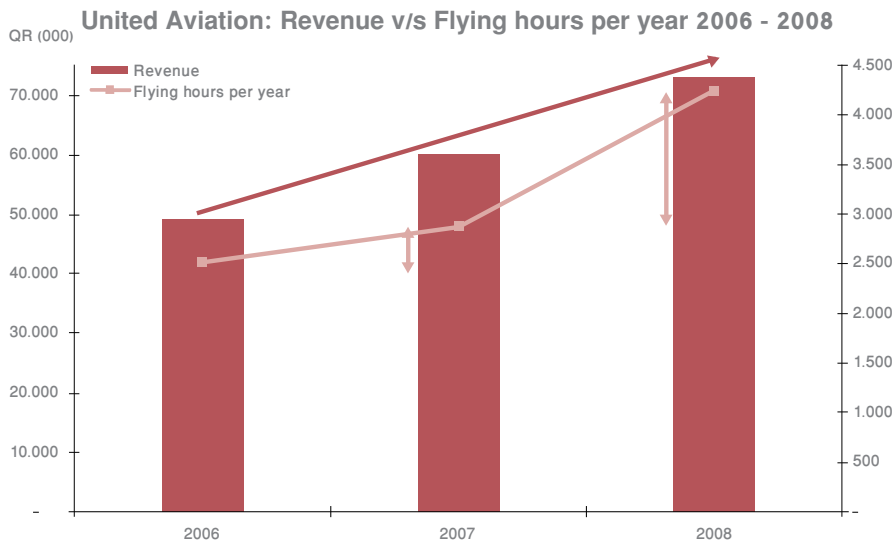
We are actively pursuing the option of selling the two GE Turbines (LM2500+), originally intended for IPP-2, to an interested third party, taking advantage of the quick delivery of a proven and highly efficient engine. These two turbine packages were completed in late 2008 and are in storage in the USA awaiting shipment to the successful purchaser in the very near future.

Transportation:

After the acquisition of United Aviation two years ago the company was the first to be awarded AOC by the DGCA since Kuwait Airways was certified. It is currently operating a fleet of three Embraer business jets, with two to be delivered in April and May resulting in five aircrafts all together by second half of 2009.

United Aviation have adopted a unique approach in the region by maintaining the same type of aircraft in order to minimize cost on maintenance, crew, training and maximize profit margins.

As result of a well maintained cost and risk management approach, United Aviation has achieved an affordable yet exclusive business travel that is known for its safety / convenience and luxury. United Aviation have exceeded all expectations, with more than 60 destinations the aircrafts have flown over 4200 hours in 2008 taking more than 300 corporate clients compared to 2867 hours in 2007 with 37 clients.



United Aviation has also introduced a Rotary division in June 2008 and should be operational by the second half of 2009 for which UA is the only licensed company for helicopters in Kuwait.

By acquiring one to two helicopters United Aviation would start offering services that are missing in this area of the world such as:

- Oil and gas exploration
- GIS (Geographical Information System Services)
- GU (General Utility)
- EMS (Emergency Medical Service)
- SAR (Search & Rescue)
- USL (Under Sling Load)
- AA (Aerial Advertising)
- FF (Fire Fighting)
- CCT (Cross Country Transport)
- Pilot Training
- High Power Electric Lines Inspection
- Civilian Patrolling

Some initial agreements have already been made with the Kuwaiti government. Other sources of income should also be generated by the other services mentioned such as, GIS, Search and rescue, oil and gas exploration, USL.

As part of the Transportation Infrastructure, Royal Aviation which is a unique private air terminal is currently operational and provides a wide range of services as aircraft Line services, extensive concierge services, passenger and crew services. The idea and the objective of this terminal is to provide an effective , fast and luxurious service for all private jets and selected airlines that land in Kuwait avoiding any delay that could be caused in the commercial terminal.

The new facility also includes offices, lounges, conference / meeting facility and also provides a shaded parking for aircraft and a maintenance section as well.

Industrial:

As a part of the special purpose vehicle (SPV) concept, alongside investors, Tatweer has formed a Petrochemical Industrial company called Tassnee. Tassnee is a newly established company with Tatweer as the major shareholder with a 36% shareholding stake. Tassnee has begun construction on a Sulphonation plant to produce LABS detergent with technology from Desmet Ballestra of Italy and has begun work on transportation of the POM facility from LG Chemicals of Korea.

Overview of POM (Poly Oxy Methanol) Project:

The POM project will produce a highly specific plastic polymer. Polyoxymethylene (POM), also known as Acetal Resin, Polytrioxane, Polyformaldehyde, and Paraformaldehyde, is an engineering plastic used to make gears, bushings and other mechanical parts. POM is a thermoplastic with good physical and processing properties. It is attractive to industry due to its rigidity, dimensional stability, good stress relaxation resistance, good wear and electrical properties and resistance to creep and organic solvents. Some of the widely used components made in Polyacetal for Automotive and Domestic Appliance industrial applications are Valves, Impellers, Gears, Cams, Chain Links, Spray Nozzles, Seatings and Guides.

Key Players:

LG Chem – Korea – Technology Provider and Off-take
 eTEC – Korea – Design, Engineering and Supervisory services
 Neilsoft – India – Civil and Offsite Facility Engineers
 Al Sadd – Civil Consultants
 Location: 60,000m² in Mesaieed Industrial City
 Capacity:
 12,000 ton per annum plant to be relocated from Korea to Qatar
 20,000 ton per annum plant to be constructed onsite in Qatar
 Total capacity: 32,000 tons per annum
 Estimated project cost: USD \$180 MN

Overview of LABS (Linear Alkyl Benzene Sulphonate) Project:

The LABS project is a green field sulphonation facility utilizing Italian technology and local downstream Petrochemical by-product to produce raw material for the production of the following detergents:

Linear Alkyl Benzene Sulphonate (LABS)
 Alpha Olefin Sulphonates (AOS)

LABS is the most widely used surfactant agent in the world, it is a primary ingredient in laundry detergents and cleaning agents. Because of LABS environmental safety, cleaning effectiveness and cost competitiveness, LABS has experienced more than 30 years of ever-increasing use around the world.

Key Players:

Desmet Ballestra – Italy – Technology Provider
 Pangeaneering Services – India – Project Manager and Offsite Facility Engineers
 Neilsoft – India – Civil Engineers
 Al Sadd – Civil Consultants
 Location: 13,000 m² in Mesaieed Industrial City
 Capacity: 12,800 ton per annum
 Estimated project cost: USD \$10 MN

Property:

Marina Real Estate Company where Tatweer is the major shareholder currently owns two prestigious lands in prime location in Doha, The Fox Hills in the Lusail area and in the Energy City. Given the current market conditions, there will be no development or commitments for these properties or any other real-estate investment.

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).

2009 Strategy and Business Plan.

Tatweer's conservative and diversified investment strategy has paid off during the current global financial turmoil. This strategy will remain in 2009 and will be more emphasized as the financial market situation continues. Tatweer will focus on completing the current projects, mainly the industrial portfolio.

Tatweer will also work on strengthen its portfolio by initiation talks with international players in the Facility and Waste Management, these are mainly Joint Ventures, with small investments, however, other areas and investment opportunities will be explored as the market condition improves. Having made the most out of good consumer confidence and a strong economy, the biggest question surrounding Tatweer is over the sustainability of its strong bottom line. While Tatweer has been quick to adapt to this trend, already securing major projects with high profile companies such as LG Chemicals and other major players as well. Fortunately, the company is not only relying solely on organic growth, and has confirmed it's intentions to consider several acquisition opportunities Tatweer is still carefully hunting for opportunities that will enhance it's operational income in short, medium and long term. This approach should sustain Tatweer's bottom line and enhance its growth.

Special Thanks

2008 was a challenging yet successful year for Tatweer, with a small team we have managed a multi billion company to succeed.

We would like to thank our team for their professionalism and helping us achieve our goals:

Hazim Murad	AVP- Business Compliance & HR
Julien Hojaili	AVP- Business Development
Muhara Aarif	AVP Accounts
Khalil Sallam	AVP- Legal
Lalit Sharma	Sr. Officer- Human Resources
Mohammed Maher Al Jaser	Sr. Officer- Marketing & PR
Sobha George	Sr. Officer Accounts
AbdulNaser Kunju	Sr. Officer Business Development
Tuan Ha Minh	IT Support officer
Rebecca Brown	Executive Secretary & PA to CEO
Sara Salem	Executive & Receptionist
Mirna Fazah	PA to Executive VP Business Development
Mohammed Rehman	Government Relation Officer
Mohammed Mostafa	Government Relation Officer
Abdul Azeez Mohammed	Grounds keeper

Special thanks as well to all our associated corporations and the individuals behind them for giving us the support and assistance whenever we needed it.

