



Barwa and Alaqaria agree initial terms of their proposed merger

Proposed merger to further enhance Barwa's position as a leading regional real estate company with a combined market capitalisation of approximately QR11.1 billion / US\$3.0 billion¹

- **Proposed merger is to be effected through an offer for shares of Alaqaria by Barwa; Each Alaqaria share is to be exchanged for 1.100 shares in Barwa, which implies a 30.6% premium to Alaqaria's closing share price on 7 January 2010²**
- **The Boards of Directors of both companies have approved the exchange ratio**
- **Subject to detailed offer terms, QATARI DIAR Real Estate Company agrees to approve the merger and accept the offer in respect of its holdings of 45% and 27% of the share capital of Barwa and Alaqaria respectively and agrees to maintain a 45% equity shareholding in the enlarged Barwa group**
- **Implementation of the proposed merger is subject to further Boards of Directors, regulatory and shareholder approvals; Further details to follow in due course**

Doha, 10 January 2010 - Barwa Real Estate Company ("Barwa") and Qatar Real Estate Investment Company ("Alaqaria") today announced the initial terms of their proposed merger. The enlarged Barwa group will be the ninth largest company on the Qatar Exchange with a market capitalisation of QR11.1 billion. The proposed merger has the support of the Government of Qatar and QATARI DIAR Real Estate Investment Company ("QATARI DIAR"), which currently holds 45% and 27% of the share capital of Barwa and Alaqaria respectively. QATARI DIAR has confirmed its intention to approve the proposed merger and also to maintain at least a 45% equity shareholding in the enlarged Barwa group through a contribution of assets.

Under the terms of the proposed merger, which are still subject to final agreement and approval of the relevant regulatory bodies and the Boards of Directors of Barwa and Alaqaria, Alaqaria will become a subsidiary of Barwa. The transaction is to be effected through an offer by Barwa to acquire the share capital of Alaqaria in exchange for shares in Barwa. Following Barwa's share acquisition, it is contemplated that Alaqaria will be delisted from the Qatar Exchange.

Under this proposal, each Alaqaria share will be exchanged for 1.100 shares in Barwa, which based on the closing share prices on 7 January 2010, values the Alaqaria shares at QR36.30 per share and implies a 30.6% premium.

The proposed merger will further enhance Barwa's position as a leading regional real estate company by bringing together two highly complementary businesses. The two companies have non-competing portfolios with Barwa focusing on retail, office, hospitality and residential real estate and Alaqaria on industrial housing. Furthermore, there is limited geographical overlap within Qatar with Barwa focusing on Doha, whereas Alaqaria's portfolio is spread around Doha, its suburbs and Qatar's industrial cities. The managements of Barwa and Alaqaria expect that the increased scale will support future growth of the enlarged Barwa group.

¹ Based on a share price of QR33.00 for Barwa and QR27.80 for Alaqaria as at 7 January 2010, and an exchange rate of USD 1 = QR 3.64 as at 7 January 2010

² Based on a share price of QR33.00 for Barwa and QR27.80 for Alaqaria as at 7 January 2010



Commenting on this announcement, Mr. Ghanim Bin Saad Al Saad, Chairman and Managing Director of Barwa and CEO and Managing Director of QATARI DIAR, said:

“This transaction will create a company with significant scale and depth across all real estate segments and which will continue to play a critical role in supporting the economic development of Qatar, in line with the vision of His Highness the Emir, Sheikh Hamad bin Khalifa Al-Thani. We are delighted that AlaQaria’s management team have agreed to join us and look forward to closely working together to deliver on our combined objectives.”

Sheikh Khalid Bin Khalifa Bin Jassim Al-Thani, Chairman and Managing Director of AlaQaria, said:

“We believe that this transaction is good news for AlaQaria’s shareholders, employees, customers and other stakeholders. By joining forces with Barwa we are creating a world class real estate business. Our combined scale will increase our exposure to Qatar’s growing commercial, residential and industrial markets and allows us to compete with the best in the world on new projects, both domestically and internationally. Together, we look forward to continuing to pursue AlaQaria’s proven successful strategy to grow and manage our substantial portfolio of assets under the Barwa umbrella.”

Full details of the terms and conditions of the offer and proposed merger will be made available in due course in an offer document which will be distributed to Barwa and AlaQaria shareholders following regulatory and further Boards of Directors approvals.

Goldman Sachs International and The First Investor Q.S.C.C. are acting as financial advisers to Barwa, and J.P. Morgan is acting as financial adviser to AlaQaria. Linklaters LLP and Hassan Al Khater are acting as legal advisers to Barwa, and White & Case LLP and Badri and Salim El Meouchi are acting as legal advisers to AlaQaria.

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Note to Editors

About Barwa

Barwa is one of the premier organizations in the State of Qatar. As the name "Barwa" or "Contractual Commitment" suggests, we are inspired by our vision of a glowing future for Qatar.

With business interests in real estate & project development, property & facility management, construction material production, environmental activities & health, banking & finance, hotels & resorts, technology & utility, knowledge & communications and agriculture. Barwa is driven by the conviction that people deserve a comfortable living and working environment.

With extensive operations in Qatar and around the world, we believe that every Barwa project is the seed for an incredible journey, where our greatest achievement is realizing the dreams of our stakeholders.

Barwa was established in 2005 and listed on the Doha Securities Exchange (DSM) in 2006. Barwa's total shareholders' equity was QR 5.3 billion and total assets were QR29.6 billion as of 30 September 2009.

About Alaqaria

Qatar Real Estate Investment Company, also known as Alaqaria, is a Qatari public shareholding company, with diversified activities in the real estate sector in the State of Qatar, and the largest real estate developer in the Industrial cities of Qatar.

Alaqaria was established in 1995. The Company was one of the first to be listed on the Doha Securities Exchange (DSM) and is rated A2 by Moody's and BBB+ by Fitch. Alaqaria's total shareholders' equity was QR2.0 billion and total assets were QR6.6 billion as of 30 September 2009. Alaqaria owns 50% of ASAS Real Estate Co., 33% of Freej Real Estate Co., 8% of Mazaya Qatar Co. and 17% of Barwa Albaraha Co.