

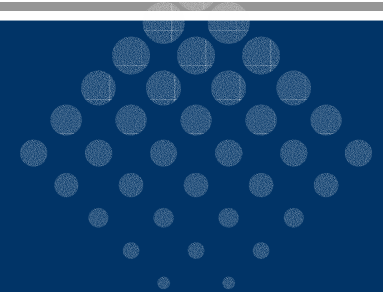


Haissam Arabi
Managing Director

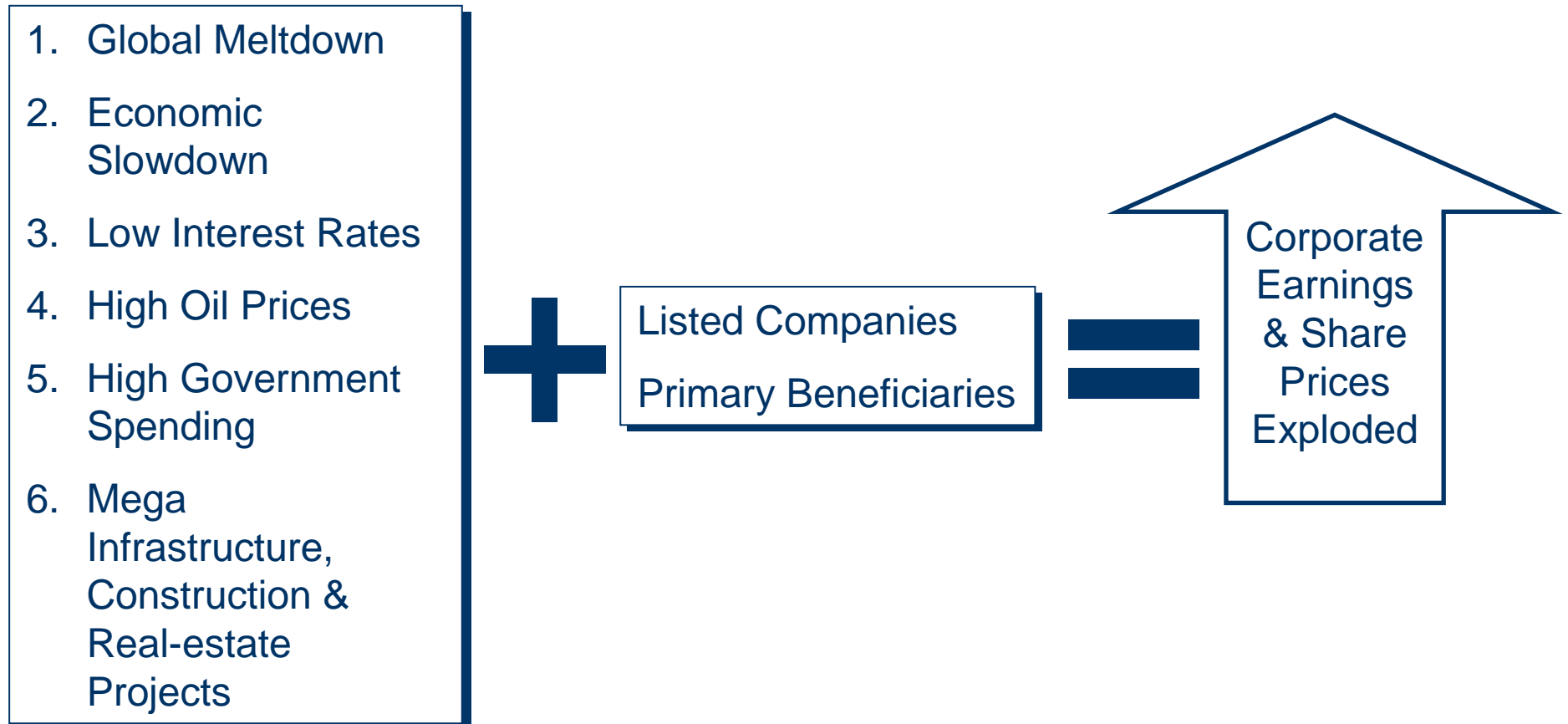


Failaka Awards 2008

GCC | The Safest Haven For Investors In 2008



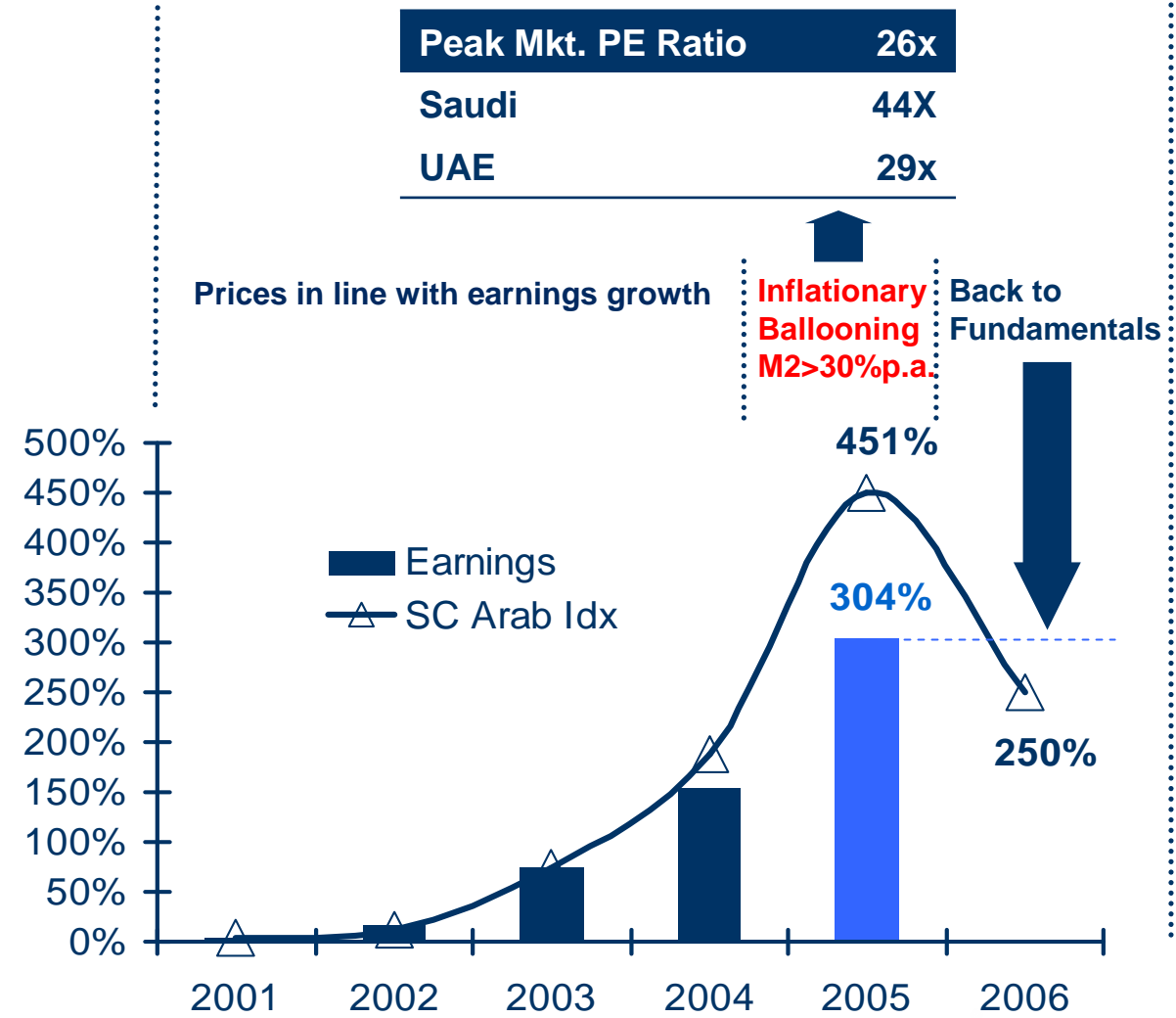
Simple Recap 2001-2006



The Last Market Cycle – “A Great Run But What Happened?”

Year	%
2005	58.6
2004	46.3
2003	49.8
2002	11.2
2001	4.5
<hr/>	
5-Yr CAGR	32.2

Peak Mkt. PE Ratio	26x
Saudi	44X
UAE	29x



Source: SHUAA Capital, Mar '07

The New Market Cycle & Its Catalysts

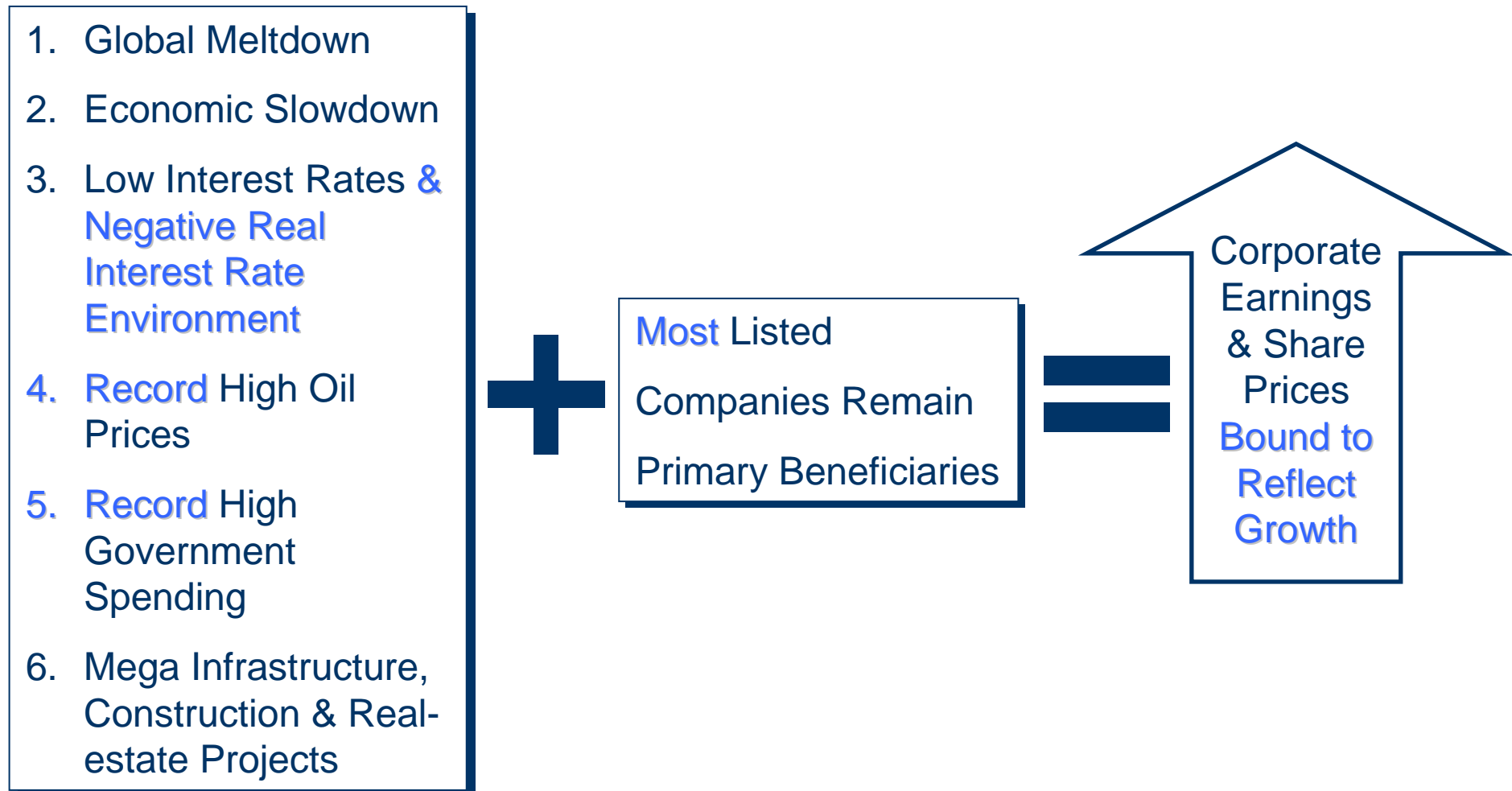
1. The Macroeconomic Catalyst

2. The Earnings Catalyst

3. The Diversification & Low Correlation
Catalyst



Investment Outlook 2008



GCC Project Pipeline 5-7 Years

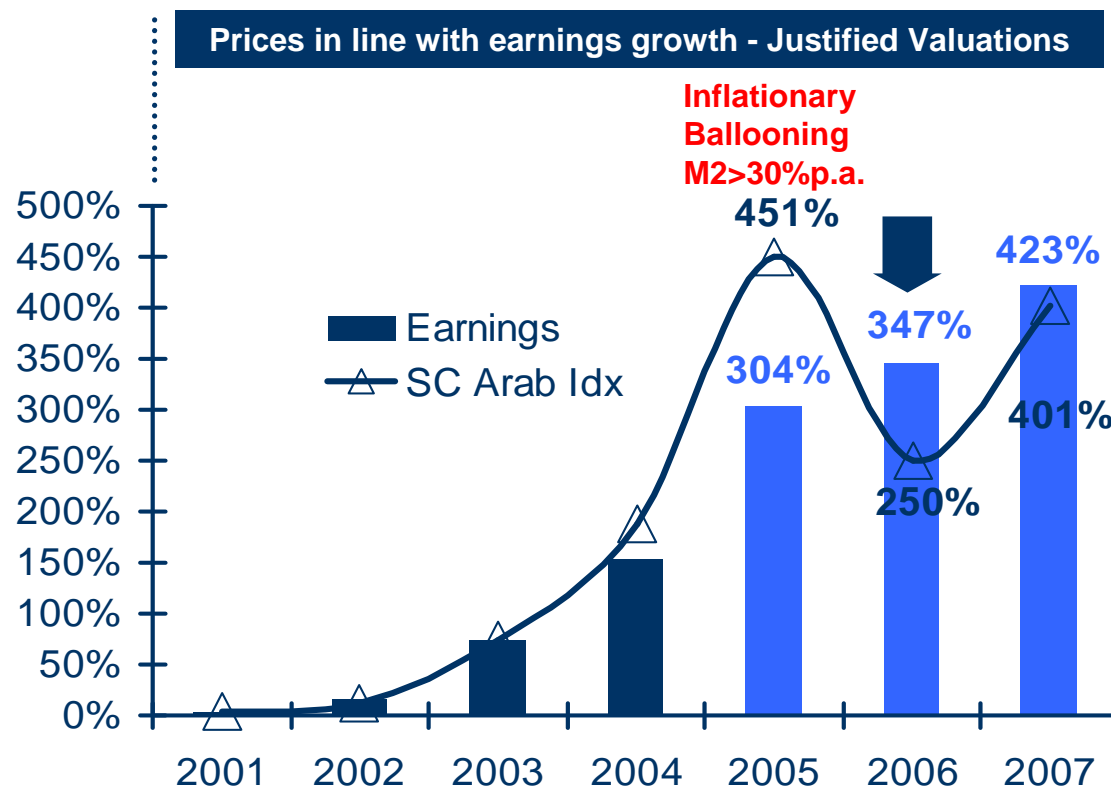
- Construction 66.3% of Spending
- Oil & Gas 11.3% of Spending

US\$bn	Bahrain	Kuwait	Oman	Qatar	Saudi	UAE	Total
Construction	21	182	20	59	168	580	1,030
Industry	3	2	4	4	16	22	50
Oil & Gas	1	48	8	55	35	29	177
Petrochemicals	0	4	11	15	79	54	164
Power	2	8	3	11	11	6	42
Water	1	4	1	6	72	7	91
Country Total	29	249	48	149	381	698	1,554

Source: MEED Estimates

2. The Earnings Catalyst

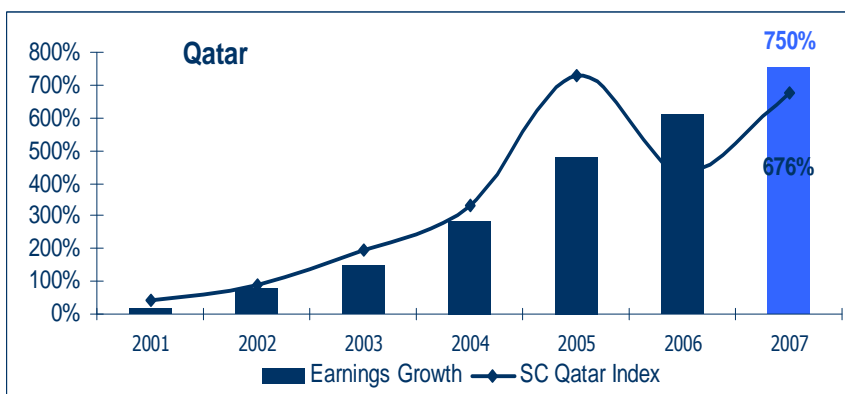
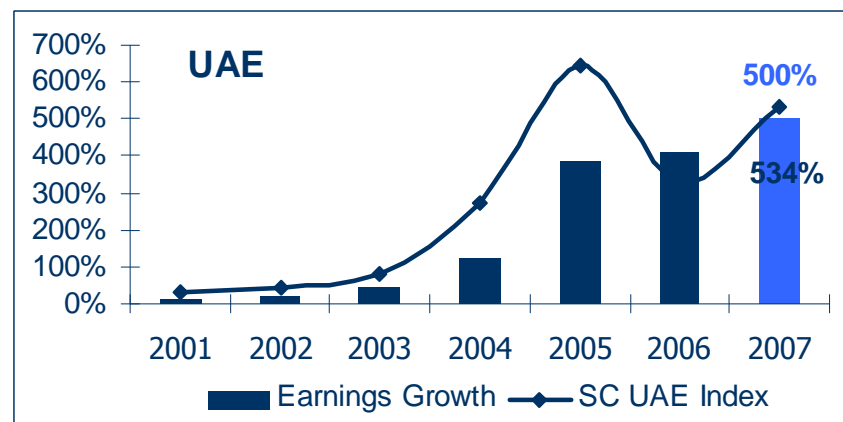
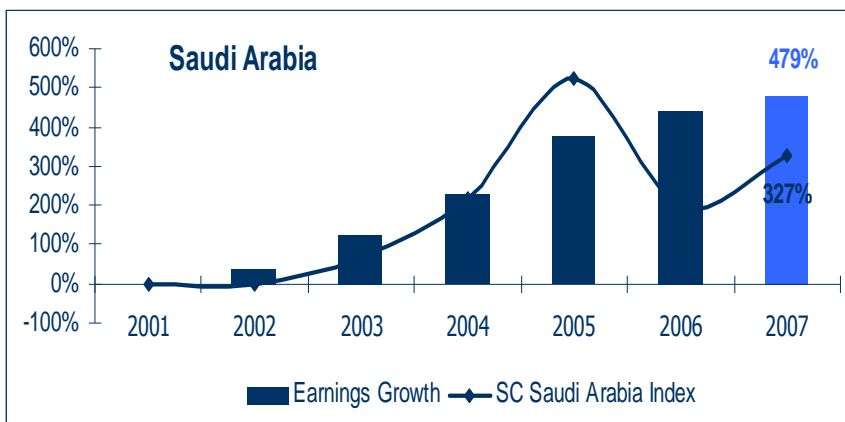
Year	%
2007	23.0
2006	14.8
2005	58.6
2004	46.3
2003	49.8
2002	11.2
2001	4.5
7-Yr CAGR	27.5



- PE07 16x – PE08 13.5x
- Seven Year **PE/Growth Ratio = 0.58** based on PE07

Source: SHUAA Capital, Jan 08

The New Market Cycle Favorites Picks

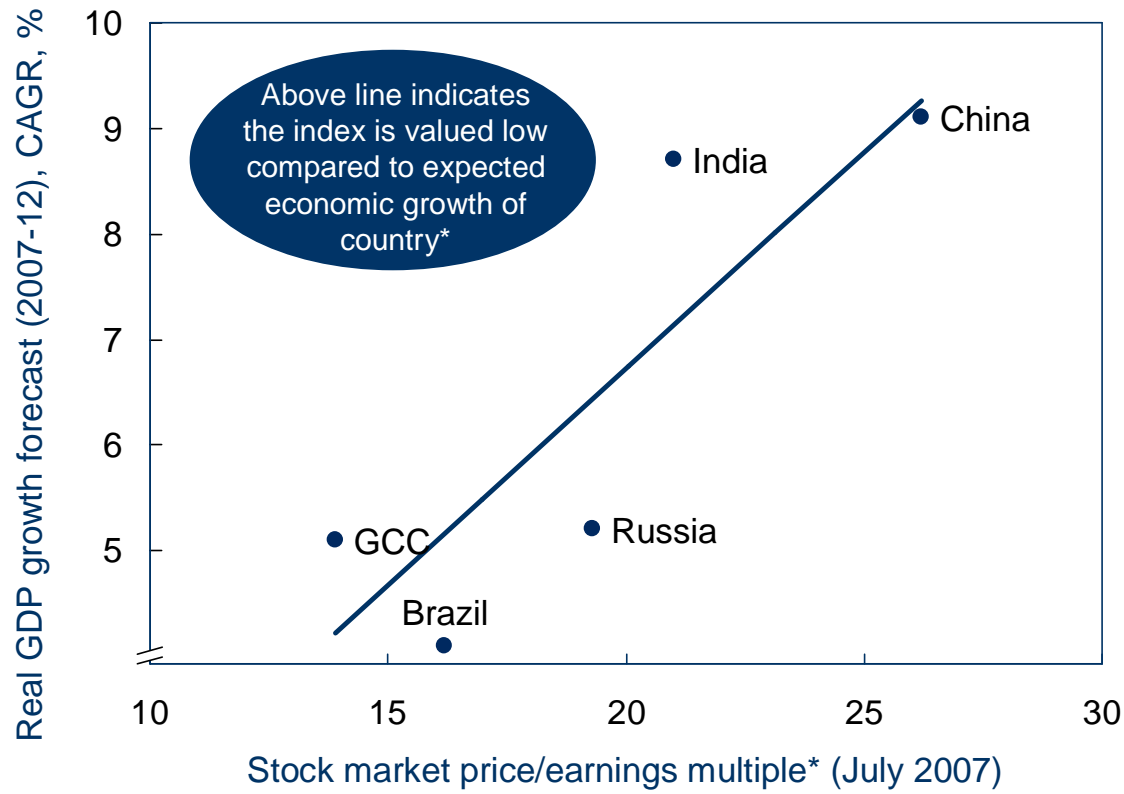


	Saudi	UAE	Qatar	Total GCC	Total Arab
PE08	17.5	12.5	12.6	13.0	13.5
Growth 08e	20%	25%	30%	24%	23%

Source: SHUAA Capital based on companies with NI annualized using 9M 2007 figures

3. The Diversification & Low Correlation Catalyst

Compared to expected GDP growth, P/E multiple for GCC is attractive relative to BRIC countries



- Global investment banks initiated wide research coverage on GCC for the first time
- Market liberalization & opening up to foreign investors will lead to listing on MSCI and other global investable indices

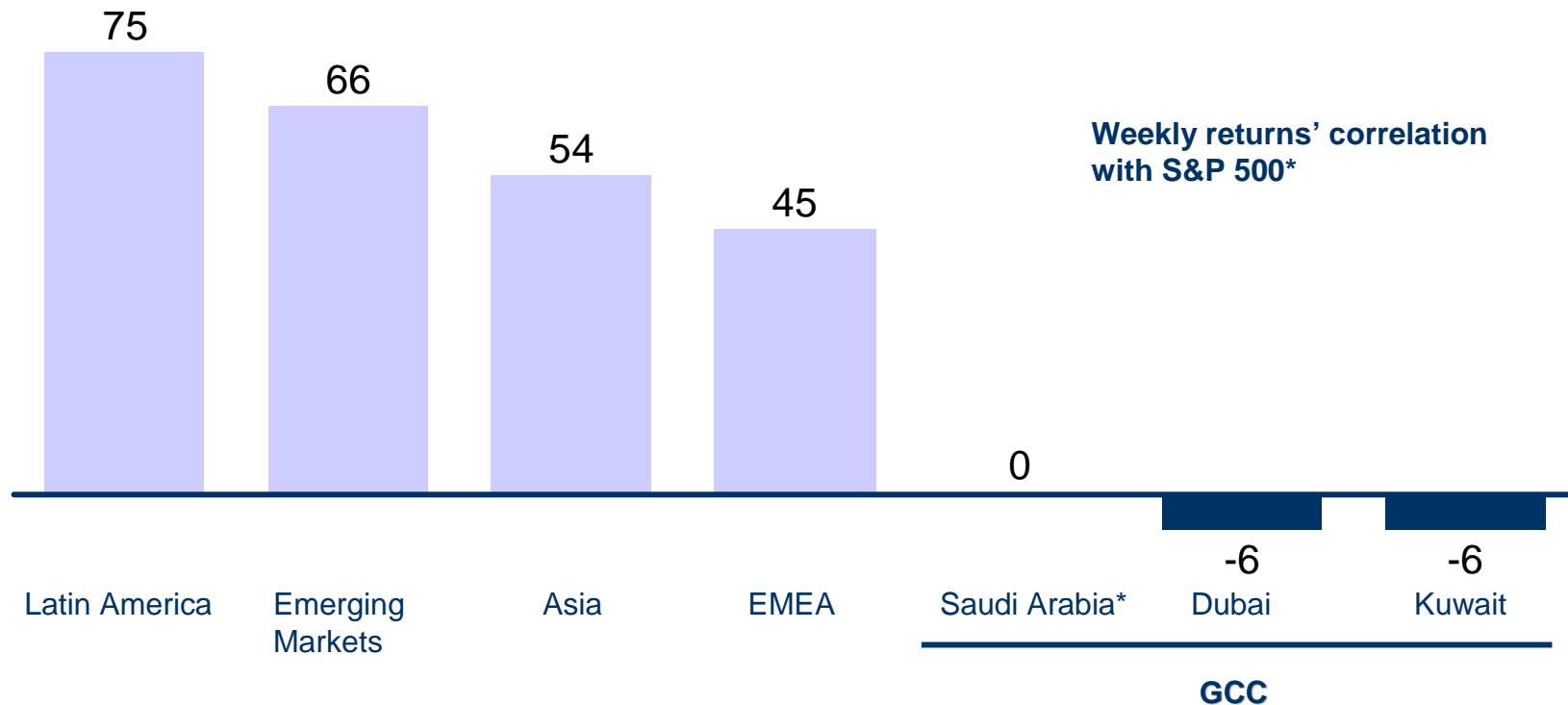
* Relative to peer group

Source: Bloomberg; Global Insight, DataStream, Zawya



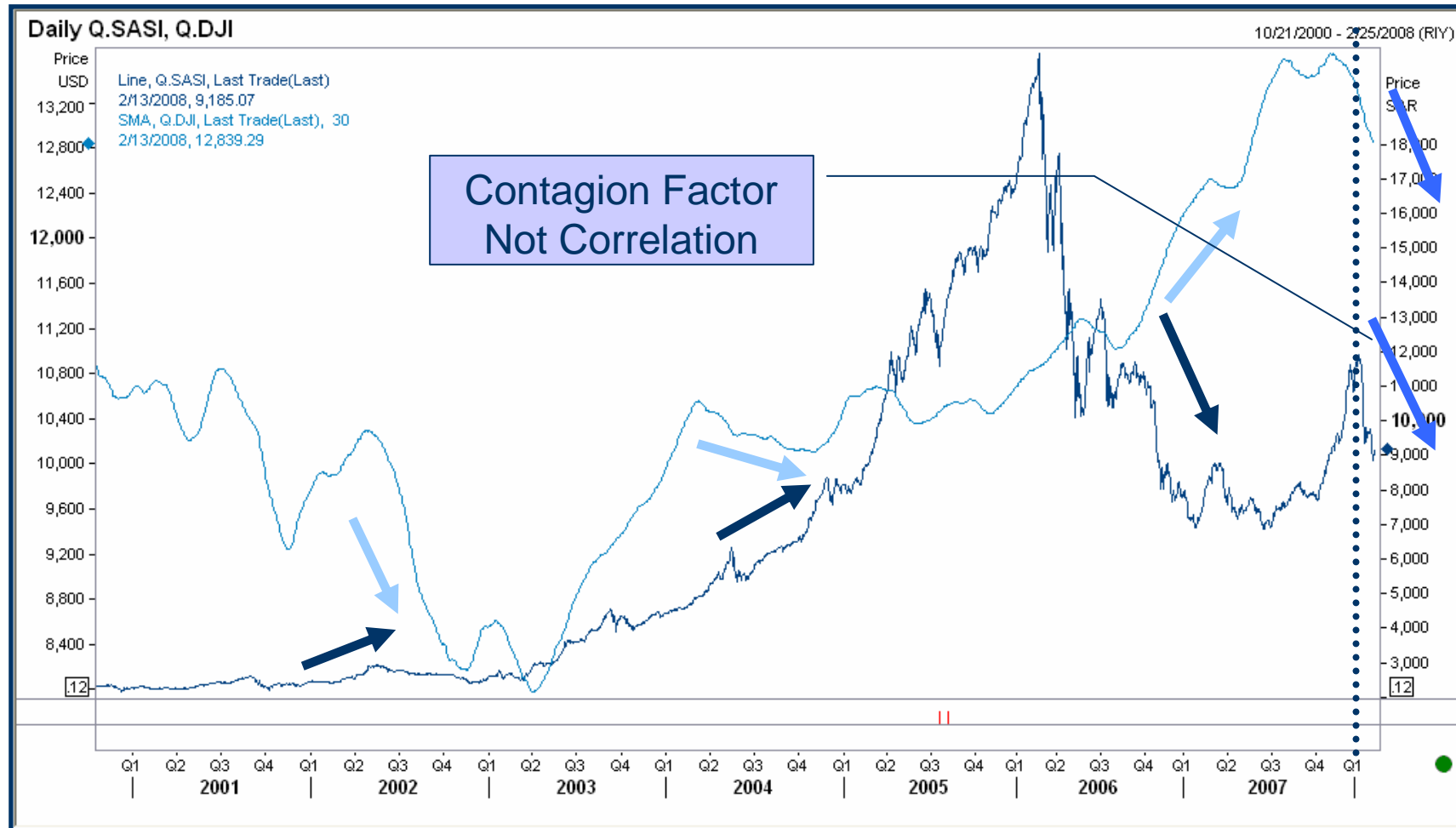
3. The Diversification & Low Correlation Catalyst

❖ GCC equity market is uncorrelated with S&P 500, therefore providing investors with unique diversification benefits.



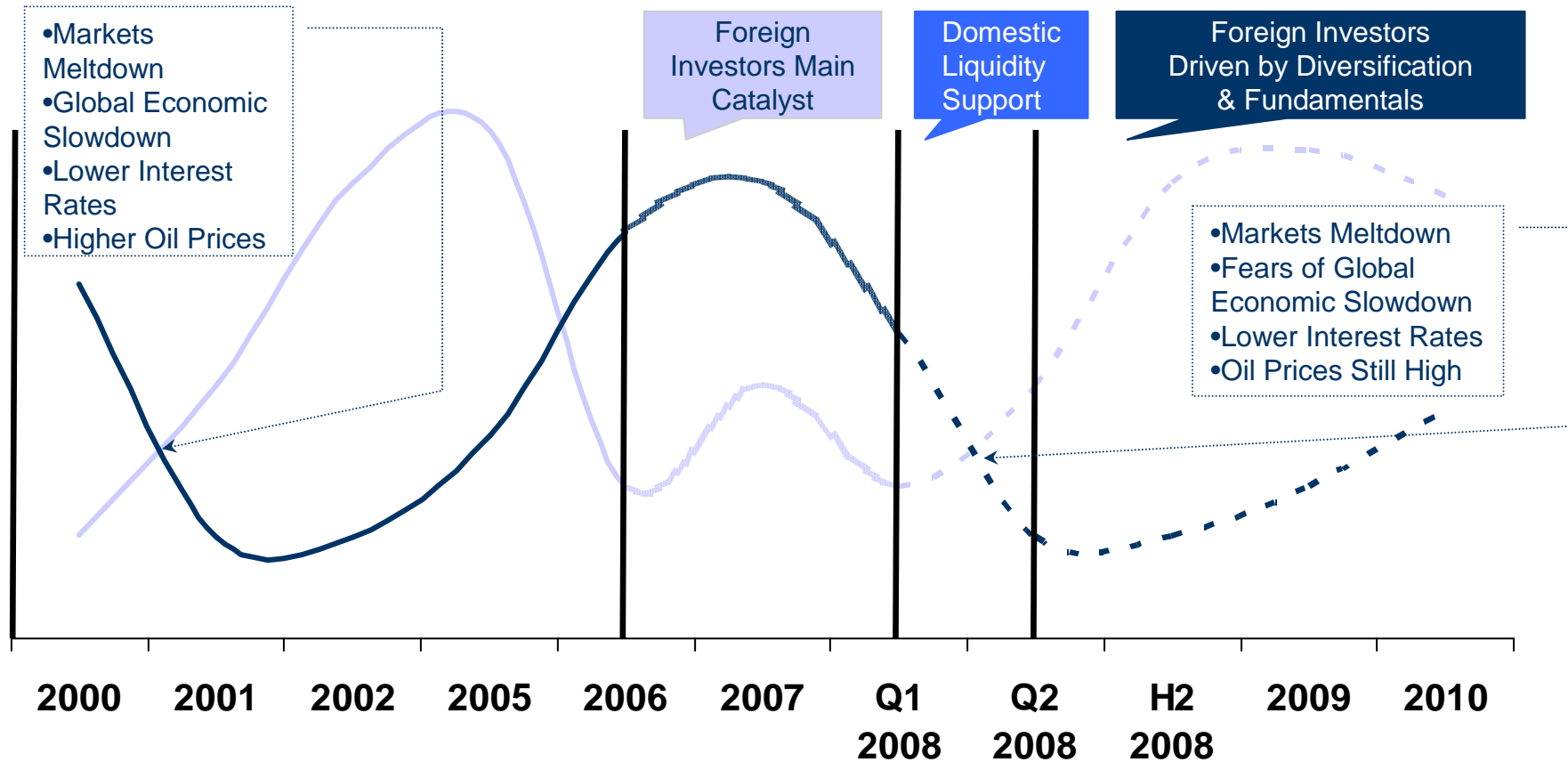
* Over the past four years as of March 7, 2007, regional indices are MSCI, country indices are local stock exchanges
Source: Merrill Lynch; Bloomberg

GCC Markets Low to Negative Correlation Historically vs. Global Markets



Source: Reuters

GCC Markets & Expectations Following Emerging Markets Sell Off



- Markets Meltdown
- Global Economic Slowdown
- Lower Interest Rates
- Higher Oil Prices

Foreign Investors Main Catalyst

Domestic Liquidity Support

Foreign Investors Driven by Diversification & Fundamentals

- Markets Meltdown
- Fears of Global Economic Slowdown
- Lower Interest Rates
- Oil Prices Still High

**The above is chart illustrating the events that have taken place and the anticipated trend – the chart is not based on actual numbers*



Conclusion

CREDIT SUISSE

GCC countries—ripe economic conditions

“Our core scenario for a plateau in oil prices, with WTI averaging US\$62.5/bbl to 2010E, and continuing fiscal discipline should fuel economic growth in the region, combined with multiplier effects in sectors such as downstream petrochemicals and real estate.”

Source: Credit Suisse (17 July 2007)





Thank You