

## **The First Investor and Project Management & Development Co. (PMDC), establish a Joint Venture focused on investing in expatriate residential compounds in the Kingdom of Saudi Arabia**

**Doha – June 08, 2013** - The First Investor (TFI), the investment banking division of Barwa Bank Group (BBG) is pleased to announce the signing of a joint venture agreement with Project Management & Development Co. (PMDC), the first major initiative in the region that will invest in income-generating expatriate residential compounds in the Kingdom of Saudi Arabia.

Mr. Saleh Bin Ladin, President of PMDC said, “TFI is a professional and experienced investment manager and we are extremely pleased to work with them and offer our know-how of the KSA real estate market, especially in the residential compounds sector which is currently one of the most lucrative investment opportunities in KSA.”

The Saudi market is today experiencing a supply-demand crunch in the expatriate residential compound sector - with demand exceeding supply by more than two times in Riyadh, Jeddah and Dammam. Most compounds currently have long waiting lists and this is an opportune time to focus on this market segment. Further, TFI has structured a Fund around the residential compound strategy to enable expansion of this platform. The Fund will, through this joint venture, have access to a specialist asset class in the KSA offering very attractive risk adjusted yields. As the joint venture initiators, TFI, Barwa Bank and PMDC have invested a total of US\$ 30 million in the proposition.

Mr. Khalid Yousef Al Subeai, CEO of TFI commented on the venture, “TFI is proud to partner with PMDC for what will be TFI and Barwa Bank Group’s first income generating real estate initiative in the KSA. We expect that the Joint Venture will make its first acquisition in the second half of 2013. I am confident that with TFI’s investment expertise and PMDC’s specialized knowledge of the KSA real estate market, that the joint venture will achieve the expected results.”

The Joint venture partners are aiming to put together a portfolio of assets that will yield attractive levels of rental income. PMDC and its affiliate companies have considerable expertise as principal investors and property managers in the KSA expatriate residential compounds market.

Mr. Subeai concluded, “With the current market dynamics, expatriate residential compounds are becoming an increasingly attractive sector. There is a good momentum for the Fund to benefit from this lucrative investment opportunity. Expatriate residential compounds in the KSA are generating particularly strong returns, so the timing of this partnership could not be more compelling.”