

# Gulf Finance House concludes its GARE Islamic property fund - with £26 million deal in the UK

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The Bahrain based Islamic investment bank Gulf Finance House (GFH), has completed the seventh Real Estate transaction in its innovative Islamically structured UK property fund, Gulf Atlantic Real Estate (GARE).

The £26m deal for an office development in the prestigious Thames Valley Park in Reading, was concluded by GFH in collaboration with Hermes Assets Management Ltd, acting on behalf of BriTel Fund Trustees Ltd.

This acquisition marks the conclusion of the GARE fund, which GFH, in conjunction with advisors Knight Frank, have executed in the last 8 months. The GARE fund has a total capital value of £150m and is an income-driven investment vehicle with a broad Middle Eastern investor base. Aaereal Bank, one of Europe's leading banks specialising in property finance, participated in the financing of the Thames Valley Park deal.

Esam Janahi, CEO of GFH commented:

"GFH is delighted to conclude the seventh and final deal in our Gulf Atlantic Real Estate fund. This property, with its prime location and sound property fundamentals, compliments the assets already acquired for the GARE fund,"

"Building on the success of the GARE fund, the experience GFH has gained in the UK property market and Middle Eastern investor demand for innovative real estate opportunities in the UK, GFH is set to launch a second UK commercial property fund - Gulf Atlantic Real Estate II. GARE II will again seek to target office and industrial/logistics assets across the UK, with a total of fund size of £200m."

GFH has developed an innovative Islamic finance structure for the GARE fund, which remains within the edicts of Islamic law guidelines and also offers investors a tax efficient means of investment, underlining a commitment to opening up prime real estate investment opportunities in the UK to Middle Eastern investors.

GFH believe that the experience gained in the UK market over the last year with the first GARE fund will underpin the bank's plans for a second fund later this year to consolidate its position as a leading Islamic investor in the UK commercial real estate sector.

The acquisition of office building 420 in the Thames Valley Park development constitutes a strong concluding investment for GFH and the investors in the GARE fund:

- Freehold office HQ built in 1998, providing exceptionally high quality office accommodation situated in Thames Valley Park.
- Local tenants include Oracle, JD Edwards, Microsoft, ComputaCenter and British Gas Group.
- 73,171 sq ft of office accommodation arranged over ground and 3 upper floors with a car-parking ratio of 1,230 sq ft.
- Let in its entirety to Xansa UK Ltd on a new 20-year lease from September 1998.

Trowers & Hamblins are the legal advisors to the GARE fund.

- Ends -

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#### Notes to Editors

1. The Gulf Atlantic Real Estate fund, which has a holding period of five-seven years has acquired the following properties:

Property/location	Seller	Tenant
1 City Place, Gatwick	BA Lynton PLC	British Telecom
Distribution warehouse, Hatfield	Arlington Securities PLC	NBC Apparel
Office development, Swindon	Arlington Securities PLC	Arval PHH
Four storey office development, Farnborough	Arlington Securities PLC	BAE Systems
Distribution warehouse, Coventry	Arlington Securities PLC	Palmer and Harvey
Distribution warehouse, Grange Park, Northampton	ProLogis and Frogmore Estates	New Wave Logistics

2. Gulf Finance House E.C (GFH) was established in the Kingdom of Bahrain on 16th October 1999 as an Islamic Investment Bank with paid-up capital of US\$65 million and an authorized capital of US\$150 million. GFH plays an active role in providing Shariah-compliant investment products and services.

3. Integral to GFH's strategy is the enhancement and globalisation of Islamic banking through partnership with Islamic financial institutions that have inherent interest in the Gulf Cooperation Council (GCC) and Middle East and North African (MENA) countries with recent diversification strategy by offering investment into European assets. This partnership broadens the investment horizons available to GFH and allows it to offer more attractive investment opportunities to potential investors.

4. The ability to develop innovative products and solutions by an integrated team of practitioners drawn from top tier financial services institutions is GFH's key strength. GFH is achieving a strong market position and able to operate with Islamic and conventional players to provide competitive products and services to their private and institutional clients.

5. GFH has its own Shariah Supervisory Board and comprises three prominent international Islamic Shariah scholars:

- Shaikh Abdullah Bin Sulaiman Al Meneea (Chairman - Saudi Arabia)
- Shaikh Nizam Bin Mohammed Saleh Yaquby (Executive Member - Bahrain)
- Shaikh Mohamed Abdul Gaffar Al Sharif (Member - Kuwait)

6. GFH Shareholders include:

- Gulf Investment House
- Saudi Economic & Development Co. (SEDCO)
- Bahrain Islamic Bank
- Qatar Islamic Bank
- Dubai Islamic Bank
- Islamic Development Bank
- Kuwait Finance House
- Arif Investment Group

Web site: [www.gfhouse.com](http://www.gfhouse.com)