ALDAR PRIVATE EQUITY FUND

(A sub-fund of Aldar Private Equity Fund Company B.S.C.(c))

Annual Review of the Investment Manager for the Year ended 31 December 2010

Introduction

We are pleased to present the Aldar Private Equity Fund ("Aldar" or the "Fund") annual review for the period ended 31 December, 2010.

The Fund, a closed-ended investment fund, was established under the laws of the Kingdom of Bahrain and is operated in compliance with Sharia Principles. The Units were issued by Aldar Private Equity Fund Company B.S.C.(c) (the "Company"), a Company incorporated under the laws of the Kingdom of Bahrain pursuant to an instrument dated 16 July 2007 (the "Instrument").

The Fund was launched in July 2007 and achieved its first closing on 25 July 2007 at US$200 million. The Fund had its final closing on 25 April 2008 at the same commitment amount. The Fund committed the full US$200 million to the Infrastructure and Growth Capital Fund L.P. ("IGCF"), a US$2 billion Cayman Islands-domiciled fund managed by Abraaj Capital and established to provide investors with the opportunity to access private equity infrastructure investment opportunities across the high growth regions of the Middle East, North Africa and South Asia ("MENASA"). IGCF was sponsored by Abraaj Capital, Ithmaar Bank and Deutsche Bank. Ithmaar is represented on IGCF's investment committee, with the right to veto any investment proposal. IGCF is currently fully invested/committed. The Fund holds a 10% stake in IGCF.

The Fund was fully drawn down in May 2008. During the second half of 2008, US$22.4 million (11.2%) of the Fund's committed capital had been returned to investors, following a successful realisation by IGCF of the Egyptian Fertilizer Company investment and return of drawn capital to its limited partners of part of their respective Capital Commitments (and after making provisions for the Fund's expenses for up to year end 2009).

Investment Update

At 31 December 2010, the Fund's net asset value ("NAV") stood at US$214,284,913, compared to US$197,661,784 (an increase of 8%) at 31 December 2009. The par value is US$177,613,600.

As of reporting date 31 December 2010, IGCF was fully drawn-down and over 90% invested and/or Committed. IGCF's investee companies continue to perform well, in line with the previous three quarters of 2010. IGCF continues to benefit from its investments in leading businesses operating in naturally defensive industries such as healthcare, education and energy. Furthermore, limited use of acquisition finance and generally low leverage ratios mean that investee companies are largely not experiencing excessive pressure on their cash flows. In addition, these investments continue benefiting from significant structural undersupply and pent-up demand in their respective industries and Abraaj Capital reported that the majority of the investee companies are showing solid growth and those that are in development phase, are demonstrating satisfactory execution against plan.

The valuation for IGCF at this reporting date saw four of the investments marked up, namely Al Borg laboratories, Acibadem, GEMS and the Karachi Electricity Supply Company ("KESC"). The four listed and actively traded investments, Air Arabia, Orascom Construction Industries ("OCI"), Man Infraconstruction ("MIL") and Ramky Infrastructure Limited ("RIL"), being marked to market, also contributed to this period's variation in NAV. Although Air Arabia, MIL and Ramky's share price declined when compared to the end-2009 reporting period, OCI recorded gains during the last quarter of 2010 thereby pushing IGCF further into positive NAV territory. The share prices of these listed companies remain in Abraaj Capital's view, significantly below their respective intrinsic valuations.

Al Borg continued to report solid results, generating revenue of US$33.8 million and earnings before interest, taxes, depreciation and amortization ("EBITDA") of US$15.8 million as at the end of December 2010 versus revenue of US$30.7 million and EBITDA of US$14.5 million, when compared to the same period last year. In view of the company's significant growth since the time of IGCF's acquisition, the investment has been marked up from US$200.2 million to US$220.0 million as at the end of December 2010. It is especially noteworthy that in spite of the events which have developed in Egypt over the first few weeks of 2011, Al Borg's operations remained unaffected and continued to operate in relative normality, with virtually all of its branches remaining open across the country in order to service the community.

Acibadem, the healthcare business in Turkey, achieved exceptional growth, generating revenue and EBITDA of US$348.5 million and US$67.7 million respectively, up 32.7% and 63.6% year-over-year. The investment has been marked up from US$371.0 million to US$460.0 million as at the end of December 2010. GEMS, the education business, continues to report strong operational performance with revenue and EBITDA on target to reach US$344.4 million and US$73.1 million, respectively implying 10% annual revenue growth and approximately 11% annual EBITDA growth, resulting in the investment being marked up from US$205.0 million to US$225.0 million as at the end of December 2010. KESC, the Pakistan-based power utility, has also performed exceptionally well and has been marked up from US$417.6 million to US$450.0 million as at the end of December 2010.

Tadawi, the pharmaceutical business in Saudi Arabia, invested in a restructuring, an introduction of a new Oracle-based system and operational improvements, resulting in an impact on revenue which declined by 16.1%. EBITDA meanwhile remained in line with 2009 levels, driven primarily by higher gross margins and lower operating costs.

Exit Plans

As a 2007 vintage fund, the harvesting period for early investments in IGCF is being reached and Abraaj anticipates steady annual exits to begin towards the end of 2011.

IGCF Portfolio

1. Acibadem Healthcare Group

Acibadem is the leading integrated healthcare group in Turkey

Acquisition Date	December 2007
IGCF Stake	31.61%*
Invested Amount	US$300.0 million
Acquisition Debt (including Bridge)	US$63.0 million
Fair Value of Investment	US$460.0 million

*** 63.22% stake in the Abraaj vehicle which owns 46% in the Healthcare business and 50% in Acibadem Insurance, APlus and APM**

1.1 Investment Rationale

- High growth sector driven by rising incomes, growing population and healthcare spending
- Integrated healthcare group (hospitals, health insurance, lab, facilities & project management)
- Leading hospital operator with 6 hospitals and 728 beds at the time of investment (Acıbadem currently operates 11 hospitals with 1,343 beds)
- Strong leadership and brand equity in Turkey, quality assets with strong affiliations
- Proven ability to expand and scale operations
- Ideal healthcare platform for MENA and European expansion

1.2 Post Acquisition Strategy

- Healthcare – ensure timely roll out and ramp up of hospitals under construction
- Implement expansion strategy in Turkey and broader MENASA region
- Improve efficiency, cost control and occupancy at existing hospitals
- Insurance – improve pricing and loss/persistency ratios, enhance client mix, grow market share in Health, and develop PA & Life segments

1.3 2010 Highlights

Healthcare – 9M2010

- Number of inpatients and outpatients also up by 38% and 27% over 9M2009

- Two new hospitals (Fulya and Eskisehir) became operational in the second half of 2010, increasing the number from 9 to 11 and inpatient beds from 1,166 to 1,343
- EBITDA margins improved to 19% from 16% in 9M2009

Insurance 12 months 2010

- 10% growth in Gross Written Premiums in 2010 on a USD basis (U$8.4 million of GWP has been booked in 2010 but will be accounted for in 2011. If included into 2010 financials, 2010 GWP growth would have been 20% on a USD basis)
- Strengthened management team with the addition of a new CEO and CFO

Financial Highlights

Acibadem Healthcare

Amounts in US$ Million except Inpatient Numbers

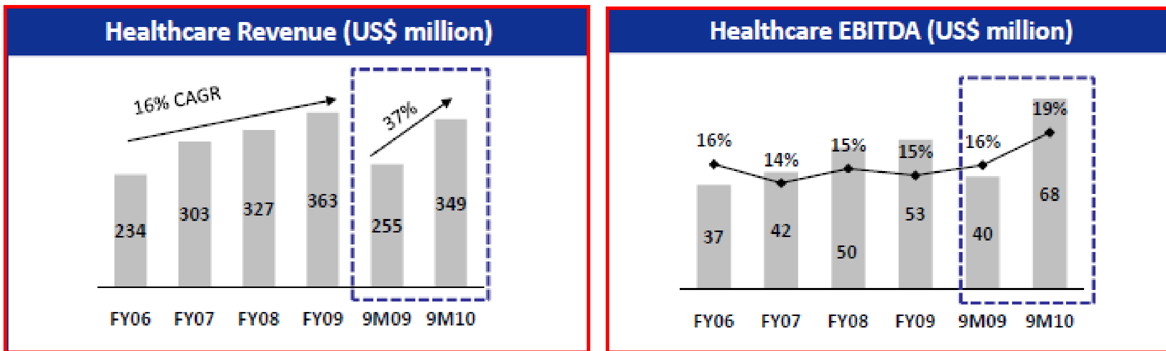
	9M 2010 (Unaudited)	FY 2009 (Audited)	FY 2008 (Audited)
Inpatient Numbers *	68,930	70,547	52,362
Revenues	348.5	362.9	326.7
EBITDA	67.7	53.2	50.4
Net Income	22.4	10.3	(28.3)

** Unaudited*

Acibadem Insurance

Amounts in US$ Millions

	9M 2010 (Unaudited)	FY 2009 (Audited)	FY 2008 (Audited)
Gross Written Premiums	69.6	82.5	82.4
Technical Profit	5.7	6.0	1.9
Net Income	(0.9)	(3.2)	(5.8)



Realization Summary

Amounts in US$ million

	Book Cost	Carrying Value as on 31 Dec 2009	Fair Value as at reporting date	Outstanding Commitments	Liquidity restrictions	Fund's Holding	Investment IRR	Currency of Investment	Exch. Rate
Unrealized	300.0	371.0	460.0	-	Healthcare Publicly traded	#	15.4%	YTL	1.537
Realized									
Total realized and unrealized	**300.0**	**371.0**	**460.0**	**-**	**Healthcare Publicly traded**	**#**	**15.4%**	**YTL**	**1.537**

 # Healthcare business: 45.98%; Insurance business: 50%; Healthcare facility mgt: 50%; Healthcare Project mgt: 50% . Includes Co-Investors share as well

1.4 Future Outlook

Healthcare

- Two new hospitals (both outside of Istanbul including one in Ankara, Turkey's capital) are expected to become operational by the end of 2011 Construction of Bodrum hospital underway and construction at the Ankara hospital building is already completed
- Following the opening of the 2 new hospitals in 2011, Acibadem will have established a presence across eight cities in Turkey, increasing the number of hospitals from 11 to 13 and a total bed capacity of over 1,550
- With Abraaj's support, Acibadem will continue to pursue acquisition, greenfield investment and management contract opportunities in the MENA region and Eastern Europe
- Increasing demand for high quality healthcare and a lack of supply of existing resources to meet that demand not only in Turkey but also in the rest of the MENA region

Insurance

- Main focus for the management team will continue to be the reduction of the Combined Ratio, especially in the Healthcare segment. The 2011 Combined Ratio target for the Healthcare business is forecasted at c. 102%, down from 125% in 2009, which will further improve profitability
- Additionally, Acibadem Insurance will continue to focus on growing its top-line in the Health segment as well as the Personal Accident and Life branches
- Healthcare insuran"ce remains an attractive market in Turkey as it is has high-growth dynamics due to low insurance penetration levels of around 2%

2. ORASCOM Construction Industries ("OCI"):

Based in Egypt, OCI undertakes commercial, industrial and infrastructure projects and is also involved in the production of nitrogen based fertilisers.

Acquisition Date	December 2007
IGCF Stake	6.00%
Invested Amount	US$68.7 million
Acquisition Debt	US$359.1 million
Fair Value of Investment	US$294.9 million

2.1 Investment Rationale

- Major shareholder in OCI with 6.00% stake and one board seat
- En route to becoming one of the world's largest producers of nitrogen-based fertilizers
- OCI, through their cement subsidiary transaction have proved to be one of the best incubators and execution vehicles for industrial and infrastructure investments in the region

2.2 Post Acquisition Strategy

- Pursue consolidation of the fertilizer industry through platform
- Identify synergies resulting from acquisitions
- Acquisition of companies specializing in the distribution distribution, merchandising and trading of fertilizer products
- Selectively exploit capital markets to de-risk and enhance returns on investment

2.3 2010 Highlights

Fertilizer

- Sold 3.7 million tons of nitrogen-based fertilizers in 2010
- Prices have improved due to more robust agriculture fundamentals, a recent surge in grain and food prices and rising cash costs for marginal producers in Ukraine and China

Construction

- OCI's Construction Group backlog totaled US$6.0 billion at the end of September 2010, which constitutes a 4.2% decline over the backlog reported at the end of June 2010 and a 16.5% decline over the same period last year.
- Backlog by geography: Egypt (27.1%), Qatar (18.3%), Abu Dhabi (15.2%), Algeria (15%)

Achievements in 2010

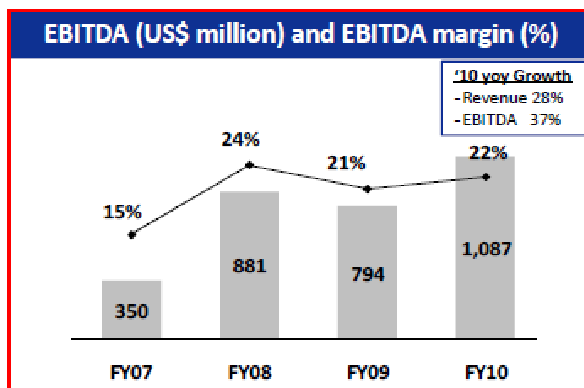
- 96.0% completion of Sorfert Algeria which is expected to become fully operational during the last quarter of 2011
- Acquisition of Royal DSM's agro and melamine businesses
- Acquisition of Micro Chemie, which owns and operates ammonia storage tanks in Rotterdam
- 50/50 JV with Morgan Stanley to invest in infrastructure across the Middle East and Africa

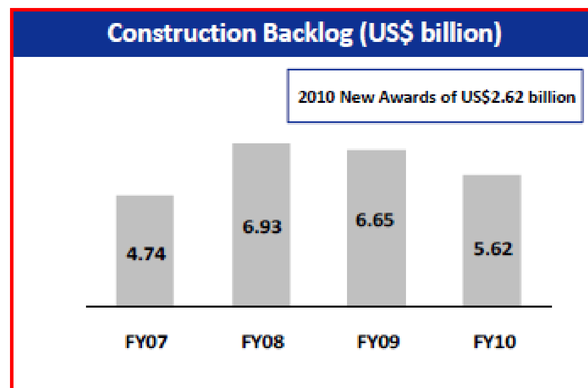
Financial Highlights

Amounts in US$ Millions unless otherwise stated

	9M 2010 (Unaudited)	FY 2009 (Audited)	FY 2008 (Audited)
Construction Backlog (US$b)*	6.0	6.7	6.9
Revenues	3,576.8	3,818.7	3,717.1
EBITDA	768.8	791.9	881.2
Net Income	408.4	434.2	985.0

** Unaudited*





Realization Summary

Amounts in US$ million

	Book Cost	Carrying Value as on 31 Dec 2009	Fair Value as at reporting date	Outstanding Commitments	Liquidity restrictions	Fund's Holding	Investment IRR	Currency of Investment	Exch. Rate
Unrealized	150.5	200.2	220.0	-	Privately held	89.8%*	15.8%	EGP	5.804
Realized									
Total realized and unrealized	**150.5**	**200.2**	**220.0**	**-**	**Privately held**	**89.8%***	**15.8%**	**EGP**	**5.804**

** Fund initially acquired 76.9% stake. The company completed share buy backs in tranches over the holding period, thereby increasing fund's stake at 89.8%.*
During 2010, the Company delisted from the Egyptian Stock Exchange and cancelled a portion of acquired treasury shares.

2.4 Future Outlook

Construction

- Impact of the recent events in Egypt on operations
  - Current situation has resulted in a loss of 6 working days
  - Award process for new construction projects has been affected due to the recent developments in Egypt; however no major alterations are expected given that most of these projects are funded by multi-lateral institutions
  - Public-Private Partnerships are expected to face delays, however management believes that the government will step into some of these projects which will expedite the process

Long-Term Outlook

- Bid evaluations and new award negotiations in the region are expected to pick-up, specifically in the infrastructure sector which represents 61.2% of the group's total backlog.
- Moreover, the group is well positioned in the upcoming quarters to gain from:
  - Saudi Arabia's US$385 billion 5-year development plan
  - Abu Dhabi's government plan to execute projects worth approximately US$272 billion
  - Qatar's nomination to host the 2022 FIFA World Cup

Fertilizer

- Impact of the recent events in Egypt on operations
- The Fertilizer Business has not been affected by the recent developments in the region

- Both EFC and EBIC continued to operate at full capacity. There has been no interruptions in multi-operations and in exports

Long-Term Outlook

- Demand is expected to exceed trend growth (around 5% instead of 3%) in 2011 due to attractive fertilizer prices relative to grain prices, an improving global economy, easing credit conditions and the need to replenish depleted inventory levels in the global supply

3. Byco Group

Byco's core refining project is 85% complete despite slow availability of debt financing. There has recently been significant progress in debt draw-downs and the project, which is a year behind schedule, is expected to be completed this year.

Acquisition Date	February 2008
IGCF Stake	40%*
Invested Amount	US$153 million
Acquisition Debt	-
Value of Investment	US$153 million

*** Ownership in Byco Inc, the holding company of the Group**

3.1 Investment Rationale

- Cost effective entry point into the refining and petrochemicals sector unlikely to be replicable elsewhere in the MENASA region
- Once complete, Byco will be the largest refining group and the only integrated petrochemical complex in the country
- Scalable projects with high growth potential
- Strategic location with direct access to the Arabian Sea

3.2 Post Acquisition Strategy

- Proactive project management
- Arrangement of debt required for project completion
- Expansion through organic growth
- Developing downstream business and exploring M&A opportunities in these markets
- Strengthening of the management team
- Evaluation/execution of various add-on acquisitions to increase market share and product lines
- Acquisition of a jet fuel terminal to be used for import of product and onward export to Afghanistan
- Evaluating the 100% acquisition of a significant oil marketing company with over 400 retail outlets

3.3 2010 Highlights

- The core refining project is about 85% complete

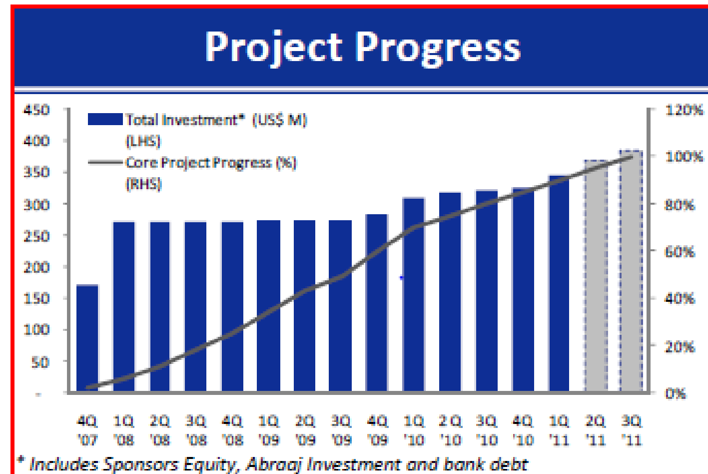
- Most long lead items have already been ordered and are not expected to cause any bottlenecks
- A portion of the project cost was to be financed through debt, which has been significantly slower than expected causing the project to be delayed by one year
- Byco raised US$33.0 million (PKR2.8B) in 2010 and US$20.0 million (PKR1.75B) thus far in 2011 from local banks
- In 2010, Byco sites achieved the milestone of 9 million safe man hours without Lost Time Injury (LTI)
- Abraaj acquired a 12.3% stake in the existing refinery, BPPL, through a mandatory tender offer for US$5.7 million. A loan of US$11.3 million was provided by Abraaj which will be converted into equity increasing Abraaj's stake in BPPL to 35%
- Byco now has over 187 branded fuel stations in operation with a target of 250+ sites by the end of June 2011
- In 2010, BPPL acquired and refurbished Universal Terminal Limited ("UTL"). UTL is a jet fuel storage terminal at Karachi Port. The storage facility will be used to import jet fuel for onward export to Afghanistan
- In late 2010, Byco completed the revamp of the existing refinery to increase its capacity from 30,000 barrels per day ("bpd") to 35,000 bpd
- All equipment for the Single Point Mooring ("SPM"), offshore floating port, has been delivered to Pakistan including sub sea pipelines and the buoy

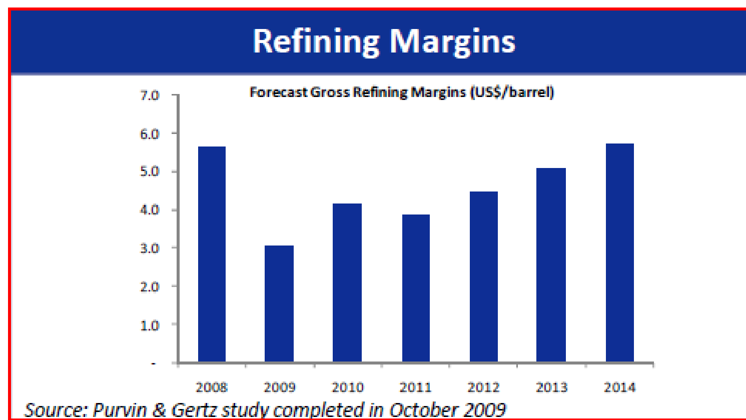
Financial Highlights

Amounts in US$ Millions except number of stores

	FY 2010 (Unaudited)*	FY 2009 (Audited)	FY 2008 (Audited)
Number of stores**	409	478	422
Revenues	248.7	296.3	288.7
EBITDA	14.2	14.6	1.2
Net Income	4.2	3.5	(11.4)

** Based on management accounts.*
*** Unaudited*





Realization Summary

Amounts in US$ million

	Book Cost*	Carrying Value as on 31 Dec 2009	Fair Value as at reporting date	Outstanding Commitments	Liquidity restrictions	Fund's Holding	Investment IRR	Currency of Investment	Exch. Rate
Unrealized	153.0	131.1	153.0	0.0	Privately held	40.0%	0.0%	PKR	85.60
Realized									
Total realized and unrealized	**153.0**	**131.1**	**153.0**	**0.0**	**Privately held**	**40.0%**	**0.0%**	**PKR**	**85.60**

** Additional investment of US$ 21.9 million has been made during H1 2010.*

3.4 Future Outlook

- Final phase project management of the greenfield plant, and arranging the remaining debt will continue to be the top priority to ensure expedited commissioning, and successful implementation of the business plan
- Reconstruction of the aromatics plant to commence upon commissioning of the refinery
- The SPM project is underway and is expected to be completed around mid 2011. This will result in significant transportation and inventory cost savings
- The refinery will be commissioned on rental power while various options for a more economical permanent solution are being evaluated including new furnace oil based engines with 85% Export Credit Agency financing
- Evaluation of a number of acquisitions aimed at broadening the geographical scope and depth of petroleum marketing business
- Fuel supply agreements for furnace oil will be negotiated with various Independent Power Providers
- PMB expects to continue to off-take significant portion of Byco products, reducing its working capital cycle
- A working capital facility for UTL has now been finalized and operations are expected to commence shortly. This project is expected to improve profitability of Byco's existing business
- Restructuring plan to be completed in 2011, which would result in a 40:60 shareholding level for Abraaj vis-à-vis the Sponsors in all Byco group companies

4. KESC

KESC is an integrated power utility with exclusive licensing rights for Karachi - the largest city in Pakistan.

Acquisition Date	May 2009
Abraaj Stake	36.2%*
Transaction Size	US$411.0 million
Equity Size	US$300.0 million
Acquisition Debt	-
Value of Investment	US$450.0 million

*** Represents 50% stake in the holding company which holds 72.45% in KESC. Transaction closed during May 2009. Fair value based on IGCF's commitment of $300 million**

4.1 Investment Rationale

- KESC enjoys an attractive commercial position being a monopoly in Karachi
- Karachi's power demand is expected to grow at an average of 7% per annum up to 2015
- Exciting opportunity to invest in a distressed asset with significant "low hanging fruit". Operational weaknesses can be strengthened with the implementation of a cohesive turnaround strategy
- Acquisition of a 35.75% stake in KESC with full management control at an attractive valuation of US$505 million

4.2 Post Acquisition Strategy

- Transform KESC from a loss-making and inefficient organization into an un-bundled utility with best-in-class operational and technical KPI performance. Strategy revolves around:
    - Enhancing generation capacity
    - Reduction of T&D losses
    - Resolution of Sovereign Issues
    - Human Resources / Organizational Redesign
    - Stakeholder Alignment / Re-branding
- The strategy is well underway and being implemented by a strong and experienced senior management team

4.3 <u>2010 Highlights</u>

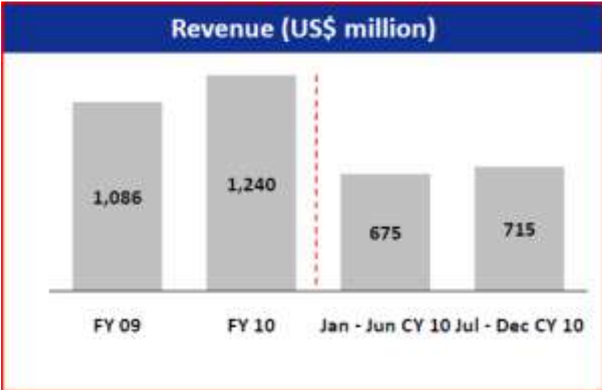
- Added 450 MW of gross generation capacity
- 220 MW Combined Cycle Power Plant, 180 MW GE Jenbacher and 50 MW Rental Power from Aggreko
- Average plant efficiency increased from 29.8% in Sept 2008 to 33.5% in 2010
- Construction of new 560 MW Combined Cycle Power Plant more than 50% complete. US$280 million project financing closed.
- Seven new grid stations completed, total 730 MVA. Transmission losses, down 1.9% in 2010
- Power Purchase Agreement signed with National Utility, up to 650 MW Fuel Supply Agreement signed with Pakistan State Oil
- Integrated Business Centre ("IBC") project successful; Low Tension ("LT") losses cut by over 50%
- Three IBCs launched in 2009, four more IBCs made operational during 2010
- T&D losses on sustained downward trend; 33.3% for the calendar year 2010 versus 36.8% in 2009; July-Dec 2010 at 30.7% vs. 34% in 2009
- 549 new employees hired and 1,162 separations. Performance based appraisal system initiated

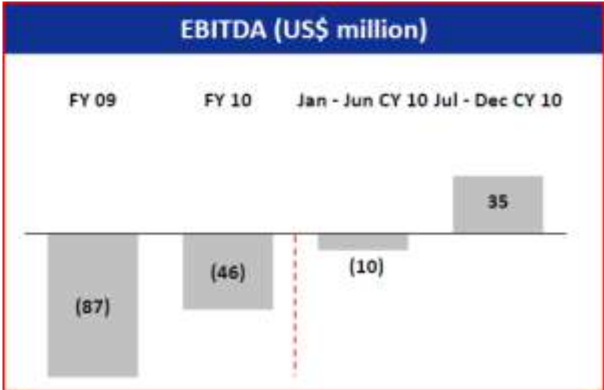
Financial Highlights

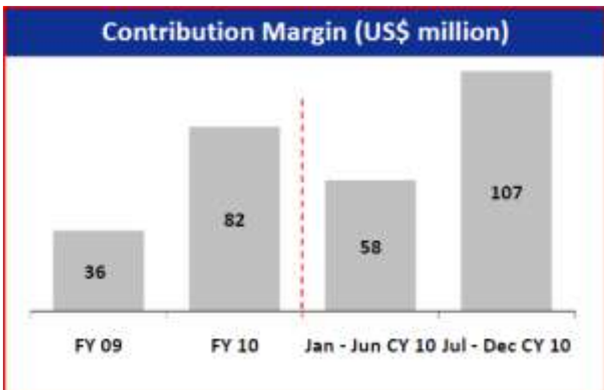
Amounts in US$ Millions except operational statistics

	H1 FY 2011 (Unaudited)	FY 2010 (Audited)	FY 2009 (Audited)
Operational statistics			
KESC Generation (gWh)*	3,791	7,373	7,643
Power Purchases (gWh)*	3,867	7,842	7,005
Units Billed (gWh)*	5,229	9,905	9,396
Revenues	714.8	1,240.3	1,085.7
EBITDA	35.5	(45.8)	(87.4)
Net Income	(36.4)	(174.7)	(197.3)

Note: Fiscal year ends on 30 June.
** Unaudited*







Realization Summary

Amounts in US$ million

	Book Cost	Carrying Value as on 31 Dec 2009	Fair Value as at reporting date (***)	Outstanding Commitments	Liquidity restrictions	Fund's Holding (**)	Investment IRR	Currency of Investment	Exch. Rate
Unrealized	299.0	375.0	450.0	1.0	Publicly traded	50% of HoldCo*	31.2%	PKR	85.60
Realized									
Total realized and unrealized	**299.0**	**375.0**	**450.0**	**1.0**	**Publicly traded**	**50% of HoldCo***	**31.2%**	**PKR**	**85.60**

** HoldCo owns 72.45% stake of KESC*

*** Including Co-Investors*

**** Fair value based on the fund's commitment of US$ 300 million.*

Future Outlook

- Generation: First phase of 560 MW plant available by the summer of 2011 (c. 345 MW). Combined cycle operation by May 2012.
    - Projects underway to asses feasibility of Alternative Fuels (c. 1,000+ MW):
    - LNG: MOU signed with Engro. Vopak
    - Coal: MOUs signed with contractors in China and Canada
    - Evaluating g p, conversion of two units at an existing plant to coal firing
    - Biogas: MOUs signed for joint project development
    - Increased reliance on self-generation
- Transmission & Distribution: Long term target to reduce losses by 50%. Key steps include:
- Launch 11 more IBCs in 2011 eventual goal of 25 across Karachi
    - T&D Loss Reduction Projects: Automatic Meter Reader; Aerial Bundled Cable; Check Meter installation; electrostatic meters; and prepaid metering solution
    - Construction of 4 more grid stations
- Human Resources: Develop performance-based culture; selective hiring to strengthen workforce
- Regulatory Issues: Tariff Petition - Remain engaged with the regulatory authorities, continue to seek necessary changes to the tariff
- Funding: Close new term financings of US$100 million, including a listed retail bond.

5. Al Borg Laboratories

Largest private laboratory business in the MENA region

Acquisition Date	May 2008
IGCF Stake	89.8%
Invested Amount	US$150.5 million
Acquisition Debt	-
Value of Investment	US$ 220.0 million

5.1 Investment Rationale

- Market leader with around 25% share of the private laboratory testing market in Egypt
- Unique “hub, spoke and spike” business model
- Test menu >1,700 tests
- Debt free balance sheet that can be leveraged to fund future expansion and acquisition

- Underpenetrated local market - 2.8 tests per capita per annum versus 6 in Saudi, 16 in Europe and 22 in USA
- Potential to capitalize on rising regional healthcare needs

5.2 Post Acquisition Strategy

- Fast track branch roll out strategy in Egypt to reach 100 branches by 2011
- Achieve full accreditation and exploit platform's low cost and high skill base to geographically expand into the rapidly growing MENA markets
- Execute on value accretive acquisitions of diagnostics businesses across the Middle East expand service offering and geographical footprint
- Further institutionalization of the business, development and up-scaling of management team and corporate governance

5.3 2010 Highlights

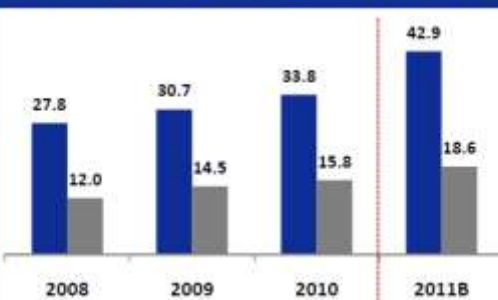
- Al Borg reported solid results for 2010 with revenues growing by 10% vs. 2009 as accelerated branch opening drove a 6.8% increase in number of tests, combined with an increase in average revenue per test following price rebalancing implemented at the beginning of 2010
- Executed branch roll-out strategy with 20 additional branches opened taking Al Borg's total number of branches to 90 branches
- After two years of preparation and focus on quality control measures to ensure highest standards of quality and industry best practice, Al Borg received the ISO15189 accreditation from SWEDAC to become the first internationally accredited Egyptian laboratory
- Al Borg successfully closed and integrated the acquisition of the Medical Genetics Centre, the leading cytogenetics lab in Egypt, further complimenting Al Borg's fully fledged service offering and giving Al Borg over 70% market share in the fast growing genetics space in Egypt
- Al Borg also signed definitive agreements for the acquisition of a 5-branch laboratory based in Cairo with strength in human leukocyte antigen ("HLA") testing which is expected to add around 4% to proforma revenues and EBITDA and is earnings accretive
- Al Borg completed the delisting of its shares from the Egyptian Stock Exchange, increasing IGCF's effective stake in the company to 89.8%

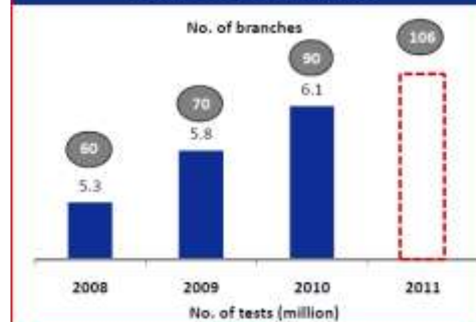
Financial Highlights

Amounts in US$ millions except number of branches and tests

	FY 2010 (Unaudited)	FY 2009 (Audited)
Number of branches*	90	70
Number of Tests (000's)*	6,142	5,753
Revenues	33.8	30.7
EBITDA	15.8	14.5
Net Income (Pre-Exceptionals)	13.0	11.8
Net Income (As reported)	12.3	13.0

** Unaudited*





Realization Summary

Amounts in US$ million

	Book Cost	Carrying Value as on 31 Dec 2009	Fair Value as at reporting date (***)	Outstanding Commitments	Liquidity restrictions	Fund's Holding (**)	Investment IRR	Currency of Investment	Exch. Rate
Unrealized	299.0	375.0	450.0	1.0	Publicly traded	50% of HoldCo*	31.2%	PKR	85.60
Realized									
Total realized and unrealized	**299.0**	**375.0**	**450.0**	**1.0**	**Publicly traded**	**50% of HoldCo***	**31.2%**	**PKR**	**85.60**

** HoldCo owns 72.45% stake of KESC*

*** Including Co-Investors*

**** Fair value based on the fund's commitment of US$ 300 million.*

5.4 Future Outlook

- Move headquarters and central laboratory to a new facility, hosting more technologically advanced equipment and securing enough spare capacity for future growth
- Upgrade the Group's IT infrastructure, viewing it as an enabler to enhance customer service and differentiate from competition, and providing for a platform for quicker integration of acquired businesses
- Continue branchizing into underserved areas and aggressively rolling out the revamped home-delivery service to expand consumer base
- Begin a stakeholder-experience enhancement program to improve customer experience and relationships with key stakeholders
- Act as sector consolidator in the region given sector growth profile and fragmented nature; having identified and in due diligence phase for a number of opportunities in the region
- Raise financing facilities from international and domestic banks to finance acquisitions
- Further institutionalize the company through the appointment of non-executives with industry knowledge to the Board of Directors and further enhance its management team

6. Air Arabia

Air Arabia is the first and leading low cost carrier in the MENA region and one of the most profitable airlines in world

Acquisition Date	December 2007
IGCF Stake	6.97%*
Invested Amount	US$70.6 million
Acquisition Debt	US$43.3 million
Value of Investment	US$27.9 million

*** Post IPO stake in the company**

6.1 Investment Rationale

- First-mover advantage in an under-served market (5% current LCC penetration in MENA versus 30% in US and Europe)
- Significant cost advantage driven by uncompromised lowest-cost business model
- Region offers substantial growth opportunities for Air Arabia with the ability to fund growth from internal cash flow and limited need for further external funding
- Highly experienced entrepreneurial and incentivized experienced, management team

6.2 Post Acquisition Strategy

- Launch Initial Public Offereing ("IPO") to fund expansion plans, capital raise of around US$700 million
- Increase frequency of existing routes while expanding into new routes
- Open new hubs
- Acquire additional aircraft (A320s)
- Invest in projects to improve Sharjah airport infrastructure; e.g., new MRO JV, investment in catering and ground handling services

6.3 2010 Highlights

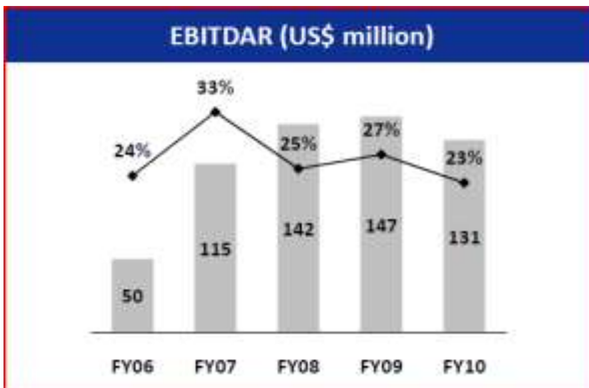
- Generated 2010 revenue, EBITDAR and net income of US$567.0 million, US$131.0 million and US$84.0 million, respectively. Compared to the prior year, revenue grew by 5.5% whilst EBITDAR declined by 10.9% mainly due to increased fuel costs
- Fleet of 25 aircrafts serving a network of 67 destinations in MENA, Asia and Europe

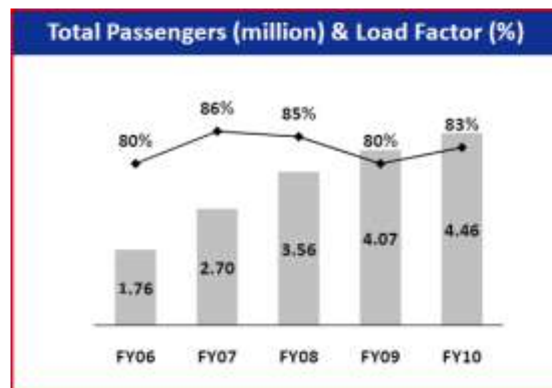
- During the year, Air Arabia served 4.46 million passengers (9.6% YOY growth) while average seat load factor stood at an impressive 82.7%, one of the highest in the industry globally
- Commenced operations from its third hub in Alexandria, Egypt in Q2 2010
- Received operational efficiency recognition from Airbus in September, after one of its A320 aircraft achieved 30,000 flight hours in six years, a new world record
- Recognised as "Best Managed Company in the Middle East Airlines and Aviation," by Euromoney
- Named "Low Cost Airline of the Year" at the Aviation Business Awards

Financial Highlights

Amounts in US$ millions except passengers carried

	2010 (Audited)	2009 (Audited)	2008 (Audited)
Passengers carried	4,455,000	4,066,000	3,560,000
Revenues	566.8	537.3	562.9
EBITDAR	130.9	146.8	142.2
Net Income	84.4	123.2	138.9





Realization Summary

Amounts in US$ million

	Book Cost	Carrying Value as on 31 Dec 2009	Fair Value as at reporting date	Outstanding Commitments	Liquidity restrictions	Fund's Holding	Investment IRR	Currency of Investment	Exch. Rate
Unrealized	70.6	30.0	27.9	-	Publicly traded	6.97%	N/A	AED	3.67
Realized									
Total realized and unrealized	**70.6**	**30.0**	**27.9**	**-**	**Publicly traded**	**6.97%**	**N/A**	**AED**	**3.67**

6.4 Future Outlook

- To continue delivering sustained growth, Air Arabia intends to:
    - Add 6 aircraft in 2011 and double the size of its fleet to 50 aircraft by 2016
    - Expand its network of destinations
    - Increase penetration of high-growth routes
    - Capitalize on select consolidation opportunities
    - Manage its cost base and continue to offer the best value-for-money service
- In 2011, Air Arabia plans to launch its fourth hub in Amman, Jordan
    - Air Arabia Jordan is a joint venture with Tantash Group, an Amman-based diversified investment company active in the travel sector
    - The first LCC to be based in the Hashemite Kingdom will provide direct services to a range of destinations across Europe, the Middle East and North Africa from Queen Alia International Airport
- Air Arabia "Centro Rotana" budget hotel (100% Air Arabia owned) expected to be completed by the first half of 2011
    - The hotel, which will be offering affordable but superior-class accommodation and hospitality, consists of 306 rooms and is located in Sharjah International Airport

7. GEMS

Pioneer and market leader in the K-12 education sector in the MENASA region

Acquisition Date	December 2007
IGCF Stake	25%
Invested Amount	US$116.6 million
Acquisition Debt	-
Value of Investment	US$225.0 million

7.1 Investment Rationale

- Market leader with unprecedented scale, size and diversity
- Unparalleled growth opportunity in the MENASA education market
- High quality education with a unique business model offering a wide range of curricula at various price points
- Highly resilient industry
- Attractive returns based on existing schools and further upside through new schools

7.2 Post Acquisition Strategy

- Expand and achieve geographical footprint across MENASA region through Greenfields and strategic acquisitions
- Revamp organizational structure and establish corporate governance
- Attractive returns based on existing schools and further upside through new schools
- Recruit new senior management positions
- Target government and private school management contracts

7.3 2010 Highlights

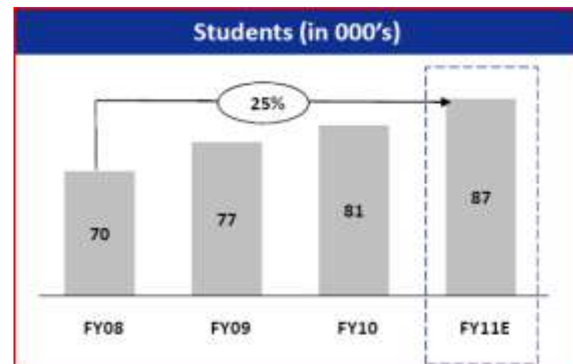
- Student enrolments reached 87,366 as at December 31, 2010 (8% YoY increase) based on strong enrolments across GEMS' existing schools and new management contracts
- Positive outlook with revenues expected to reach US$344.4 million in FY 2011, implying 10% annual revenue growth and 22% CAGR since FY 2008
- EBITDA is expected to reach US$73.1 million in FY 2011, implying a 11% annual EBITDA growth. EBITDA margins have increased from 17% in FY 2008 to 21% in FY 2011
- GEMS opened 2 new greenfield schools including its first owned school in India in April 2010 and a new school in the Emirate of Sharjah in May 2010
- GEMS has made significant headway in Saudi Arabia by partnering with Kingdom Holding to manage Kingdom School in Riyadh. The school currently offers the national curriculum and has over 2,625 students enrolled

Financial Highlights

Amounts in US$ Millions except for number of students

	Q3 FY 2011 (Unaudited)	FY 2010 (Audited)	FY 2009 (Audited)
Student Numbers*	87,366	80,964	76,920
Revenues	234.7	312.7	262.7
EBITDA	49.4	66.0	43.2
Net Income	14.6	28.7	13.7

Note: Fiscal Year ends on March 31. Q3 FY2011 figures are as of 31 December 2010.
** Unaudited*



Realization Summary

Amounts in US$ million

	Book Cost	Carrying Value as on 31 Dec 2009	Fair Value as at reporting date	Outstanding Commitments*	Liquidity restrictions	Fund's Holding	Investment IRR	Currency of Investment	Exch. Rate
Unrealized	116.6	205.0	225.0	7.7	Privately held	25.0%	26.0%	AED	3.67
Realized									
Total realized and unrealized	**116.6**	**205.0**	**225.0**	**7.7**	**Privately held**	**25.0%**	**26.0%**	**AED**	**3.67**

** Outstanding ratchet payments to be made subject to company complying with certain conditions.*

7.4 Future Outlook

- GEMS will continue to pursue its expansion strategy and is currently in discussions to acquire school groups based in South Africa, Kuwait and India. The acquisitions will help GEMS diversify its operations as well as increase its presence in high growth markets such as India
- GEMS managed to secure long-term financing in 2010 which will help the company to complete the development of new Greenfield projects and school extensions/relocations over the next 2 to 3 years. The company is targeting to open new greenfield schools in the UAE, Qatar and India
- GEMS is looking to aggressively expand its managed school portfolio in 2011 by securing additional contracts with regional governments. The company is in discussions with governments in South Africa and India to capitalize on the managed school opportunity
- GEMS' financial performance across its existing school portfolio is expected to be sustained next year through strong student enrolment growth achieved across international schools for academic year 2010/2011. The company will focus to ramp-up enrolments further across new schools which opened in 2010 and achieve enrolment targets for schools which are expected to commence operations in 2011

8. **Tadawi**

A leading integrated retailer and wholesaler of pharmaceutical products in Saudi Arabia

Acquisition Date	May 2008
IGCF Stake	49%
Invested Amount	US$136.6 million
Acquisition Debt	-
Value of Investment	US$109.3 million

8.1 Investment Rationale

- Growth in Saudi healthcare industry driven by positive regulatory changes, growing population, increased government spending and increasing private sector involvement
- Platform for growth in the region
- Company had built a market leading position within a short span of time. By end 2007, it was projected to be the number one in pharmacy sales in Saudi Arabia
- Incremental earnings potential by deriving full synergy of acquisitions and shifting product mix to higher margin consumer goods
- Potential to expand distribution capability in pharmaceuticals to include other consumer products

8.2 Post Acquisition Strategy

- Recruitment of a senior management team to drive the execution of the business plan
- Integration of acquisitions to drive efficiencies across the business
- Expand retail division through M&A, consolidating leadership position in Saudi Arabia
- Pursue an organic growth strategy in underserved regions of Saudi Arabia
- Wholesale division to further expand network of distribution centers to establish a nationwide footprint and expand product portfolio
- Implement an ERP system
- Further market penetration via private label

8.3 2010 Highlights

- Sales declined as a result of closing around 80 unprofitable stores, suboptimal inventory management, and liquidity constraints
- Daily sales per store slightly decreased in 2010 vs. 2009 (i.e. US$1,085 vs. US$1,186)

- Despite lower sales, gross profit margins increased from 27.5% to 29.5% driven primarily by supplier incentives
- Despite facing liquidity challenges due to a drop in sales, inefficient debt maturities and suboptimal working capital management, the company has successfully managed its relationships with its group of lenders and creditors and in some cases obtained additional funding limits from new lenders to aid in its restructuring efforts
- Business remains fundamentally strong and the focus on key issues has continued throughout the year

8.4 Action taken

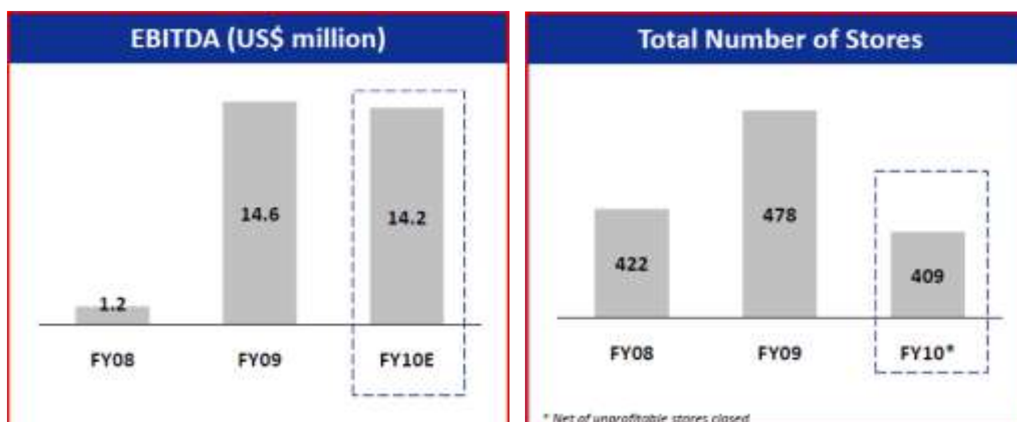
- 80 unprofitable pharmacies shut down (all licenses retained)
- Set up new Steering Committees to govern and run the day to day business during the continued search for an experienced CEO
- All retail acquisitions were integrated under one standardized POS
- Optimized retail space by downsizing larger stores and reduced rent by subletting unutilized space
- Reduced headcount by an additional 18%
- Started implementing a company-wide ERP (Oracle)
- Acquired the rights to distribute new products from local manufacturers on an exclusive and semi-exclusive basis which is expected to enhance revenues in 2011
- Initiated rebranding exercise to enhance the company's identity

Financial Highlights

Amounts in US$ Millions except number of stores

	FY 2010 (Unaudited)*	FY 2009 (Audited)	FY 2008 (Audited)
Number of stores**	409	478	422
Revenues	248.7	296.3	288.7
EBITDA	14.2	14.6	1.2
Net Income	4.2	3.5	(11.4)

** Based on management accounts.*
*** Unaudited*



Realization Summary

Amounts in US$ million

	Book Cost	Carrying Value as on 31 Dec 2009	Fair Value as at reporting date	Outstanding Commitments	Liquidity restrictions	Fund's Holding	Investment IRR	Currency of Investment	Exch. Rate
Unrealized	136.6	109.3	109.3	-	Privately held	49%*	N/A	SAR	3.75
Realized									
Total realized and unrealized	**136.6**	**109.3**	**109.3**	**-**	**Privately held**	**49%***	**N/A**	**SAR**	**3.75**

** Including co-investors*

8.5 Future Outlook

- Tadawi has developed into a unique and powerful platform in the most attractive domestic market in the region
- Given the major restructuring initiatives successfully completed throughout 2010, Tadawi will continue to focus on three key areas going into 2011: Operational Financial Restructuring 2011, Operational, and Corporate Governance

9. Man Infraconstruction Limited ("MIL")

MIL is a strong player in the rapidly growing infrastructure construction and development industry, supported by a robust order backlog and strong management team

Acquisition Date	December 2008
IGCF Stake	8.18 %
Invested Amount	US$14.4 million
Acquisition Debt	-
Value of Investment	US$13.6 million

9.1 Investment Rationale

- Attractive long-term growth trends in Indian infrastructure spending
- Strong management team focused on driving value
- Strong balance sheet and growth profile
- Successful diversification into urban infrastructure projects
- Well respected Board of Directors and corporate governance processes

9.2 Post Acquisition Strategy

- Increased diversification of revenues from segments outside of ports, including roads, hospitals, and schools
- Improvements in financial reporting, budgeting and planning processes
- Potential acquisitions / JV's in India and abroad
- Expansion outside of India

9.3 2010 Highlights

- During the first nine months of FY2010, MIL's revenue grew by 19.4%, while EBITDA and net income decreased by 21.7% and 14.5%, respectively, in comparison to the same period last year
- The decline in profitability was mainly driven by rising cost of raw materials and fixed-price nature of MIL contracts, due to which it was unable to pass on the increase in material costs to its clients
- As of Q3 FY 2011, MIL had a healthy order book size of US$439.3 million, c. 3.1x of FY2011 budgeted revenue
- MIL successfully completed its IPO in March 2010 (oversubscribed by over 60 times)

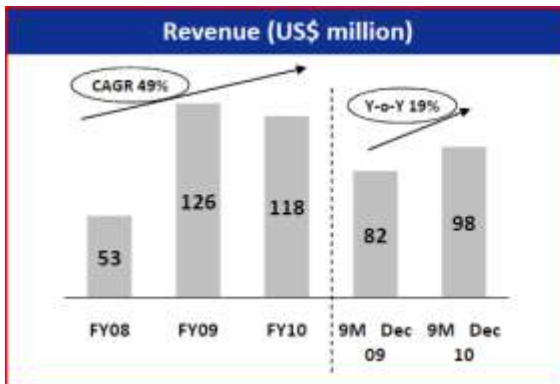
- During Q3 FY 2011, MIL's share price declined c.42% as apart of a general sector decline driven largely by the recent Indian housing sector loan syndication scandal
- Whilst MIL does not have any direct exposure to the loan scandal, one of its clients, DB Realty, which makes up almost 45% of its order book, is being investigated for securing finance through irregular channels

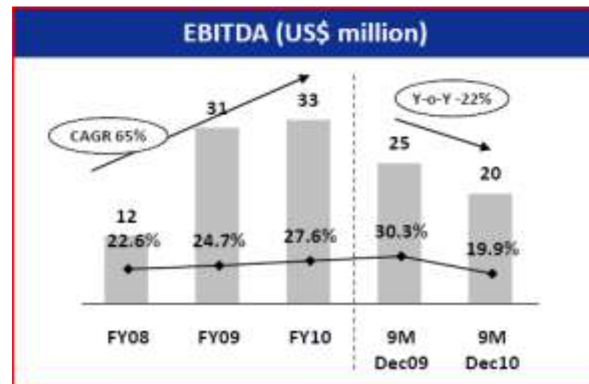
Financial Highlights

Amounts in US$ Millions

	Q3 FY 2011 (Unaudited)	Q3 FY 2010 (Unaudited)	FY 2010 (Audited)
Revenues	98.0	82.1	118.0
EBITDA	19.5	24.9	32.6
Net Income	12.3	14.4	19.0

Note: Fiscal Year ends on March 31. Based on exchange rate of INR / USD = 45.32





Realization Summary

Amounts in US$ million

	Book Cost	Carrying Value as on 31 Dec 2009	Fair Value as at reporting date	Outstanding Commitments	Liquidity restrictions	Fund's Holding (*)	Investment IRR	Currency of Investment	Exch. Rate
Unrealized	14.4	21.7	13.6	-	Publicly traded	8.18%	N/A	INR	44.70
Realized									
Total realized and unrealized	14.4	21.7	13.6	-	Publicly traded	8.18%	N/A	INR	44.70

* Including Co-Investors

9.4 Future Outlook

- MIL benefits from attractive industry growth dynamics with infrastructure remaining a key area in India where the government remains committed to aid public and private investments in this sector
- The Indian government plans to increase the share of infrastructure investment from 6.5% of total GDP in 2010 to 9.0% of total GDP in 2014
- These efforts will help in strengthening the company's order book given its expertise in executing projects across sectors such as ports, residential, industrial, commercial, and road infrastructure
- MIL is increasing its focus on diversifying its customer base and widening its scope of services by increasing its revenue base from infrastructure segments such as ports, airports and roads, as well as civil projects such as schools and hospitals
- MIL recently signed a memorandum of understanding with STFA, a Turkish Marine construction company, to jointly work on port and marine-based infrastructure projects in India
- The fundamental growth story of MIL which is driven by its strong order book and related revenue visibility as well as its debt free balance sheet remains intact
- Furthermore, the strong macro environment in India and additional clarity on the situation related to LIC Housing Finance Company and other real estate contractors will gradually improve investors' confidence and the respective trading multiples in the real estate construction segment

10. Ramky Infrastructure Limited

RIL is a growing player in the rapidly expanding Indian infrastructure construction and development industry, expanding its national presence and diversifying its project pipeline

Acquisition Date	December 2008
IGCF Stake	7.28%
Invested Amount	US$13.4 million
Acquisition Debt	-
Value of Investment	US$20.8 million

10.1 Investment Rationale

- Attractive long-term growth trends in Indian infrastructure spending driven by rapidly increasing demand, political consensus on the need for improving infrastructure, and regulatory changes
- Strong management team focused on driving value
- Leadership position in construction and development of environmental and waste management facilities
- Healthy order book consisting of high quality BOT projects and proven track record of project execution

10.2 Post Acquisition Strategy

- Increased diversification of revenues from segments outside of water/drainage and irrigation, including roads, highways and bridges
- Evaluate expansion opportunities throughout India and the Middle East via JVs and acquisitions, particularly in environmental / waste management business
- Improvements in financial reporting, budgeting and planning processes
- Investment in back office IT support systems

10.3 2010 Highlights

- During the first nine months of FY 2010, RIL's revenue, EBITDA, and net income, grew by 54%, 58%, and 65%, in comparison to the same period last year
- Significant growth and improvement in operating margins were driven by the company's execution of larger and high-value projects with relatively higher margins, and increased operating efficiency

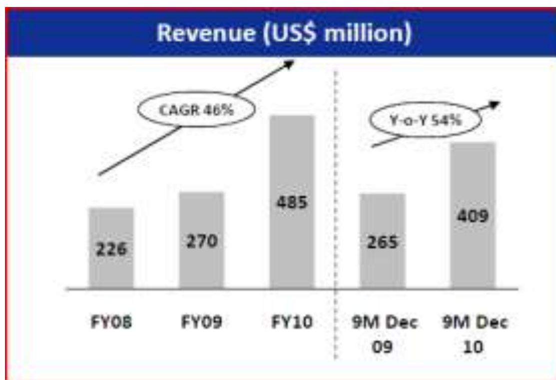
- As of Q3 FY 2011, RIL had a healthy order book size of US$2.4 billion, representing 4.2x FY11 budgeted revenue, providing strong visibility for projected growth
- RIL successfully completed its IPO, in October 2010 (oversubscribed by 2.9 times)
- In Abraaj's view, the current share price does not reflect the intrinsic valuation of the company, given the strong financial performance and robust order book of RIL

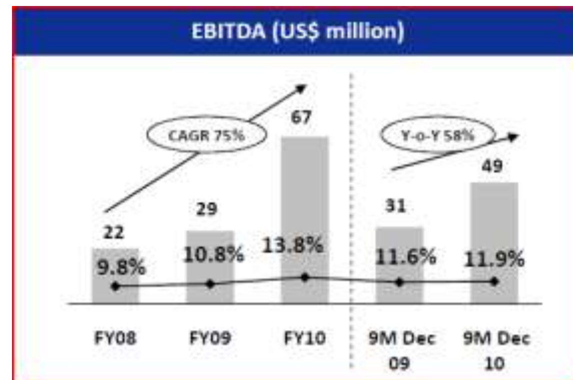
Financial Highlights

Amounts in US$ Millions

	Q3 FY 2011 (Unaudited)	Q3 FY 2010 (Unaudited)	FY 2010 (Audited)
Revenues	408.8	265.4	484.5
EBITDA	48.6	30.7	66.8
Net Income	25.3	15.3	31.9

Note: Fiscal Year ends on March 31. Based on exchange rate of INR / USD = 45.32





Realization Summary

Amounts in US$ million

	Book Cost	Carrying Value as on 31 Dec 2009	Fair Value as at reporting date	Outstanding Commitments	Liquidity restrictions	Fund's Holding (*)	Investment IRR	Currency of Investment	Exch. Rate
Unrealized	13.4	24.6	20.8	-	Publicly traded	7.28%	24.6%	INR	44.70
Realized									
Total realized and unrealized	**13.4**	**24.6**	**20.8**	**-**	**Publicly traded**	**7.28%**	**24.6%**	**INR**	**44.70**

** Including Co-Investors. Stake post IPO launched in October 2010*

10.4 Future Outlook

- RIL is well positioned to benefit from strong growth in the Indian infrastructure space as the Public Private Partnership ("PPP") format gains momentum and the government continues to increase capital requirements to participate in larger contracting and Build Operate Transfer ("BOT") projects
- Indian infrastructure construction and development sector is experiencing tremendous growth due to increased spending from both the government and the private sector under the PPP format
- The Indian government plans to increase the share of infrastructure investment from 6.5% of total GDP in 2010 to 9.0% of total GDP in 2014
- RIL is shifting its focus to larger, high-value projects and is diversifying its revenue base by increasing exposure to roads and highway, schools and industrial park development projects to improve operating margins
- Diversifying construction business into more complex and multi-disciplinary projects such as water and waste-water projects, which is likely to enhance operating margins of the company
- RIL has also planned other margin expansion initiatives such as backward integration by producing some materials such as mixed concrete and asphalt
- Working to enhance labor force and execution capabilities by replacing low productivity elements with new and improved talent
- With the help of Abraaj, RIL will be actively pursuing joint venture opportunities in the growing MENA infrastructure and construction development market as well

11. ECI

ECI is a mid-sized infrastructure development company operating as an Engineering Procurement & Construction ("EPC") company, with deep experience in undertaking major civil projects ECI Engineering & Construction including power T&D, roads and highways

Acquisition Date	December 2008
IGCF Stake	16.7%
Invested Amount	US$20.2 million
Acquisition Debt	-
Value of Investment	US$20.2 million

11.1 Investment Rationale

- Attractive long-term growth trends in Indian infrastructure spending particularly in the power segment, which is ECI's core competency
- Strong experienced management team with demonstrate industry track record and a focus on driving value
- Strength of order book relative to peers

11.2 Post Acquisition Strategy

- Increased diversification of revenues from segments outside of construction services in power transmission and distribution, including irrigation, roads, highways, and hydroelectric generation
- Improvements in financial reporting, budgeting and planning processes
- Potential acquisitions and JV's in India and MENA to increase capability offering
- Investment in underdeveloped back office IT and support functions

11.3 2008 Highlights

- During the first three quarters of FY2011, ECI's revenue, EBITDA and net income grew by 95.9%, 99.2%, and 148.5%, respectively, in comparison to the same period last year
- The Maharashtra state grid transmission project (around US$400 million project) continued to support the robust financial performance. Work orders for more than half of the total project size have been issued

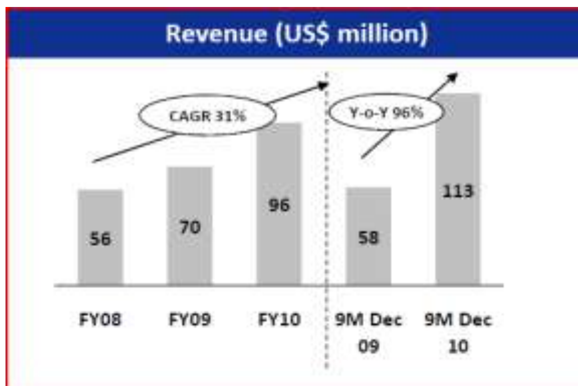
- During 2010, ECI also successfully executed the first Public-Private Partnership project in the state of Assam by commissioning a 4.05MW hydro power plant and the company expects to gain 11,000 carbon credits (Certified Emission Reductions) for this project
- In an effort to diversify and expand outside its core Indian market, ECI won its first contract in Saudi Arabia in 2010 to construct three check dams with a total contract value of US$42.0 million
- Building on its success in KSA, ECI also established its local 10 office in Kuwait and hired a country manager to better seek attractive projects in the domestic civil infrastructure and power segments in the Kuwait and neighboring markets
- As of Q3 FY 2011, ECI maintained a healthy order book of US$778.7 million, representing 3.9x of fiscal year 2011 budgeted revenue

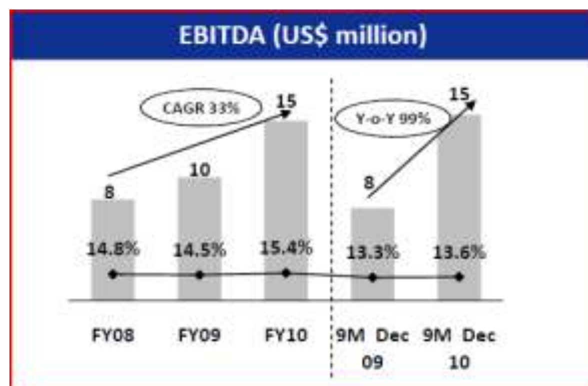
Financial Highlights

Amounts in US$ Millions

	Q3 FY 2011 (Unaudited)	Q3 FY 2010 (Unaudited)	FY 2010 (Audited)
Revenues	112.6	57.5	95.5
EBITDA	15.2	7.6	14.7
Net Income	4.7	1.9	5.6

Note: Fiscal Year ends on March 31. Based on exchange rate of INR / USD = 45.32





Realization Summary

Amounts in US$ million

	Book Cost	Carrying Value as on 31 Dec 2009	Fair Value as at reporting date	Outstanding Commitments	Liquidity restrictions	Fund's Holding (*)	Investment IRR	Currency of Investment	Exch. Rate
Unrealized	20.2	20.2	20.2	-	Privately held	16.7%*	0.0%	INR	44.70
Realized									
Total realized and unrealized	**20.2**	**20.2**	**20.2**	**-**	**Privately held**	**16.7%***	**0.0%**	**INR**	**44.70**

** Including Co-Investors. Ratchet adjustment in fiscal year 2012 would increase the stake to 20.0%*

11.4 Future Outlook

- Given the scale, diversity and quality of the company's order book, ECI's outlook for fiscal year 2012 is projected to witness strong and profitable growth
- ECI is aggressively focused on expanding its geographic footprint throughout India and the Middle East, and increasing its exposure to higher-value projects
- The company is expected to further grow its order-book volume and diversity by aggressively bidding for new infrastructure projects in Saudi Arabia, Kuwait, and Iraq
- ECI is also focused on securing higher margin, lower risk power Transmission and Distribution projects, and increase civil project exposure in areas such as railways, dams, and reservoirs
- Currently evaluating partners for upcoming sizeable projects
- ECI is also seeking to diversify its revenue model from pure Engineering, Procurement and Construction ("EPC") cash contracts to Build Own Operate and Transfer ("BOOT") and Build Own Operate Maintain ("BOOM") models, in order to increase its attractiveness for a prospective IPO
- Continued improvement of financial reporting, budgeting and planning processes
- With the help of Abraaj, ECI will be actively pursuing further joint venture opportunities in the growing MENA infrastructure and construction development market