THE AREC LETTER

Quarterly Newsletter issued by Action Real Estate Company (kscc)

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Bloomberg

HIGHLY COMMENDED

BEST RETAIL **DEVELOPMENT** KUWAIT

Sahari Mall by Action Real Estate Company

2010



GM Message

This is the 6th issuance of AREC Newsletter since 2009; and proudly I can call this one "The Star Edition", due to its fabulous components and topics.

Last quarter of 2010 was a successful one and full of great and pleasing news on so many levels and that news are shared and highlighted inside "The Star Edition" pages.

I wish you all enjoy it as much I did.

Thank you & best regards,

Inside...

- Arabian Commercial **Property Award**
- -5th Anniversary of AREC **Establishment**
- IBIS Sharq Opening
- Staff News
- -And more

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Action Real Estate Company has won an award by The Arabian Property Awards in the category of: Retail Development with Sahari Mall for Kuwait, recognizing it's distinguished development concept, design and execution.

AREC and other winners had been invited to attend a high profile gala dinner at the Madinat Jumeirah in Dubai on October 26th where they had been presented with their awards.

The Arabian Property Awards are part of the International Property Awards which are dedicated to finding both the best residential and commercial real estate professionals across the globe. Many new countries submitted entries for the first time this year, including Libya, Tunisia, Sudan and Algeria.

President of the International Property Awards Stuart Shield comments, "It really is gratifying to see new countries submitting entries again this year. The competition is as fierce as ever with the standards being set for quality and innovation as well as ecological and technological elements of design rising ever higher. It is always a pleasure to study the Arabian entries because of the scale of their endeavours. There will be a long lasting legacy of world-class buildings across the Middle East which will be there for future generations to enjoy."







* Highly Commended *



Best Retail Development Kuwait

Sahari Mall by Action Real Estate Company

IN ASSOCIATION WITH

The New Hork Eimes Franffurter Allgemeine International Herald Eribune











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Presented by the International Property Awards www.propertyawards.net



Action Real Estate Co. had celebrated the 5th anniversary of its establishment on Wednesday 22nd of December 2010 in IBIS Sharq Hotel.

With the presence of *H. E. Sheikh Mubarak A. M. Al Sabah*; founder of Action Real Estate Company (AREC) and Vice Chairman of Action Group Holdings, the Management had celebrated with the staff the anniversary occasion along with AGH management and staff.

During the event, H.E. Sheikh Mubarak offered a wise speech thanking all key members and staff in general, for the successful performance of AREC and emphasizing on the team work spirit of all members as a whole.

And those who pioneered AREC's first steps were not forgotten, as special trophies were reserved for the dedicated work of both *Mr. Nuhad Al Saadi and Mr. Salim Hallawy.*



AREC Management are delivering an appreciation trophy for Mr. Salim Halawy for his dedication and long years of working in AREC.

Mr. Halawi, is working as real estate consultant at AREC and had joined the company since 2005



Eng. Rawaf Bourisli is delivering a trophy to H.E. Sheikh Mubarak Al Sabah as an expression of appreciation for his support during the 5 years of AREC life time.

H.E. Sheikh Mubarak Al Sabah is congratulating AREC' Chairman of the 5th years anniversary of establishment



From left: Binu, Anil, George, Loyd, Cleavin, Sophia & Nafees

From left: Ana, Desiree, Nimfa, Gerico, Nazir, Romeo & Manzour



AGH & AREC ladies AGH & AREC gentlemen

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Ibis Sharq opens in Kuwait;

Action Hotels strengthen its foothold in economy hotels

cently opened its second property in the city, the ibis Sharq. The 160-room hotel is the fifth ibis hotel in the company's operating portfolio which focuses on the mideconomy segment,

More than 50 senior executives representing Kuwait's choice of recipes for tailor-made menus where guests can business sector attended a reception hosted by His Excellency, Sheikh Mubarak Al Abdullah Al Mubarak Al Sabah, Chairman of Action Hotels. The event was also attended by Charlie Langlais, Chief Operating Officer Accor Hospitality Middle East, Africa, Indian Ocean and Caribbean Islands and Christophe Landais, Managing Director, Accor Hospitality ME

Sheikh Mubarak thanked the parties involved in the successful completion of the project and advised that by 2012 a further nine, mid-scale properties will come on stream joining Sharq, Salmiya, Kuwait (2008), Muscat, Oman (2009) and Amman, Jordan (2009).

"Kuwait represents an important step in our commitment to the burgeoning economy tier. We are confident that the ibis Sharq will do well, following the success of the ibis Salmiya," Sheikh Mubarak said.

Sheikh Mubarak confirmed his vision to develop mideconomy segment in the Middle East region and emphasised on the strong partnership that with Accor Hospitality. "I believed that there was an opportunity to develop the mid-tier segment of hotels in the Middle East and our strategy is proving to be the right one. Our focus is on providing quality accommodation at exceptional value in central and convenient locations. Ibis is about simplicity, consistency and great value. It is really about everything you want at a reasonable cost."

Meanwhile, Mr Langlais said: "The opening our second hotel in Kuwait further strengthens the long-standing partnership of Accor Hospitality Middle East and Action Hotels. Together, both companies are well-positioned to expand the ibis network in emerging destinations in the region"

Guests were given a familiarisation tour to see and experience the modern rooms and its facilities The hotel features The hotel features 160 perfectly equipped en-suite rooms with large double-beds, free high speed wireless

Kuwait, November 2010: Kuwait-based Action Hotels re- internet connection (WIFI), LCD flat-screen TVs and directdial phones. It also has 64 interconnecting rooms and two special needs rooms. The hotel's facilities include 24-hour snack service and buffet breakfast which is served from 4am to 12noon. The Open Restaurant offers an unlimited create pasta and grilled dishes. A designated web corner and free WIFI access in the public areas have been thoughtfully designed for business travellers. Health enthusiasts can also use the gym for their work-outs which is equipped with modern fitness machines. The newly opened ibis Sharq hotel is located in the heart of this vibrant district, adjacent to Al Hamra.

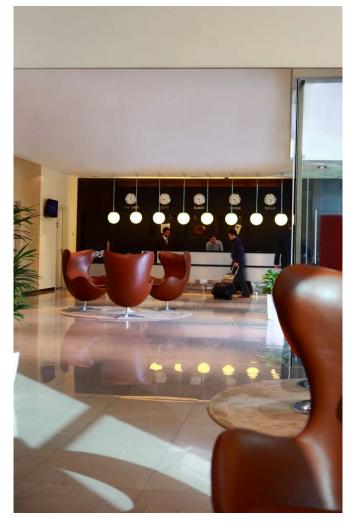




Pictured from left: His Excellency, Sheikh Mubarak Al Abdullah Al Mubarak Al Sabah, Chairman, Action Hotels; Her Excellency, the French Ambassador to Kuwait, Nada Yafi; Charlie Langlais, Chief Executive Officer, Accor Hospitality and Issam Al Sager, Vice Chairman, National Bank of Kuwait.



Pictured, from left: Hakam Jarrar, Managing Partner & Chairman of Option One International W.L.L., His Excellency, Sheikh Mubarak Al Abdullah Al Mubarak Al Sabah, Chairman, Action Hotels and Charlie Langlais, Chief Executive Officer, Accor Hospitality.



IBIS Sharq-Lobby



Leading members of Kuwait's business community joined Action Hotel's Chairman, His Excellency, Sheikh Mubarak Al Abdullah Al Mubarak Al Sabah, Chairman and Charlie Langlais, Chief Executive Officer, Accor Hospitality to mark the opening of the ibis Sharq, recently



Interior view for the hotel room



MEED's Top 100 GCC projects: The full list from 1 - 100

The GCC's 100 biggest projects account for more than half the total value of all projects under way in the region. They are changing the face of the Middle East and laying foundations for sustainable growth.

Kuwait Projects from the 1-100 list:

2. Madinat al-Hareer (City of Silk)

Client: Government of Kuwait

Sector: Real estate Stage: Design Budget: \$77bn

Completion date: Q4 2030 Location: Subiya, Kuwait

The mixed-use City of Silk development have yet to be taken, including the precise will cover an area of 250 sq km. It was originally planned to provide homes for up to 700,000 people, although this figure is expected to be revised as a result of the economic slowdown. The project is located in Subiya, in northern Kuwait. Among the major elements of the project is a 200-plusstorey, 1,001-metre-high Mubarak al-Kabir tower, which will be the world's tallest . when built. The city will be divided into four zones: The City of Commerce; the City of Leisure & Recreation; the City of Ecology; and the City of Diplomacy & Education. The project's main local sponsors, Tamdeen Real Estate and Ajial Real Estate, have proposed a wholly owned state company be set up to develop the project.

9. GCC Railway Network

Client: GCC Technical Committee

Sector: Transport Stage: Study Budget: \$25bn

Completion date: Q4 2017

Location: GCC

The 2,177km-long GCC rail network will link all six Gulf states by rail for the first time, potentially boosting intra-regional trade and providing a welcome alternative . to air or sea travel for both goods and passengers in the region. The network will run down the Gulf coast from Kuwait, through . Saudi Arabia, to the UAE and Oman, with branches linking Bahrain and Qatar. GCC transport ministers approved the feasibility . study for the railway in October 2008, although a number of other key decisions •



route of the line.

19. Fourth Refinery

Client: Kuwait National Petroleum Company

Sector: Oil & Gas

Stage: Front-end engineering & design retender

Budget: \$15bn

Completion date: Q4 2016

Location: Kuwait

The scheme to build a new refinery at Al Zour, in the south of Kuwait, has been planned for years but has repeatedly suffered delays. Kuwait National Petroleum • Company awarded the five main contracts in 2008 to South Korean, US and Japanese contractors. However, before building work could begin, the deals were cancelled on instructions of Kuwait's Supreme Petroleum Council after questions in parliament • over the way the contracts were awarded. If it goes ahead, the project for a 615,000barrel-a-day refinery will be the largest facility of its kind built in a single phase.

49. Al-Zour North Power Plant

Client: Electricity & Water Ministry

Sector: Power & Water

Stage: EPC bid Budget: \$8.4bn

Completion date: Q4 2014

Location: Kuwait

This project covers four power and water desalination plants at Al-Zour North in Kuwait. The first two plants are due to each have a production capacity of 1.5GW of power and 102 million gallons a day (g/d) of desalinated water. The third will produce up to 800MW of power and 51 million g/d of water, while a fourth plant will produce 1GW of power and 25 million g/d of desalinated water. The first plant will be an independent water and power project, while the second will be an engineering, procurement and construction project.

61. Kuwait City Rapid Transit

Client: Kuwait City Metropolitan Rapid Transit

Sector: Transport Stage: Study

Budget: \$7bn

Completion date: Q4 2016

Location: Kuwait

The scheme involves the construction of a 171km-long metro network with more than 60 stations along four lines running across Kuwait City. Some 65 per cent of the network will be above ground on an elevated track. The project also includes an interchange station, electricity substations and maintenance workshops.

75= Bubiyan Island

Client: Public Works Ministry

Sector: Real EstateStage: PlannedBudget: \$6bn

Completion date: Q4 2015

Location: Kuwait

The Kuwaiti government is planning to develop Bubiyan island into a major tourist resort. The island lies to the northeast of Kuwait Bay and covers an area of roughly 530 sq km. It will be developed on a build-operate basis. The scheme will include hotels, chalets, camping sites, jetties and recreational facilities. This university campus at Shadidiyah is being developed to bring all the university's faculties spread across the capital on to one site. The campus will be co-educational and able to accommodate up to 30,000 students. It will have more than 25 faculty buildings, as

well as a 600-bed hospital for the medical faculty

84= Sabah al-Salem New University

Client: Kuwait University
Sector: Education
Stage: EPC bid
Budget: \$5.2bn

Completion date: Q1 2014

Location: Kuwait

This university campus at Shadidiyah is being developed to bring all the university's faculties spread across the capital on to one site. The campus will be coeducational and able to accommodate up to 30,000 students. It will have more than 25 faculty buildings, as well as a 600-bed hospital for the medical faculty.

87= Sabah al-Ahmed Township

• Client: Public Authority for Housing Welfare

Sector: Real EstateBudget: \$5bn

Stage: Under Construction

Completion date: Q4 2020

Location: Kuwait

The Sabah al-Ahmed Township is one of a series of township projects planned for Kuwait by the Public Authority for Housing Welfare. The project, located 50km south of Kuwait City, will house 110,000 people. About 20 per cent of the township will be high-rise towers, with the rest being villas for Kuwaiti families.

For the full article, please visit the link http://l.wbx.me/l/?p=1&instld=190325c4-5 a 3 e - 4 6 4 a - 8 6 5 6 - 5da36c7caec4&token=bf36e599c0e19172 d47e5ecd8c13ae70499d40770000012dd4 3 3 4 4 8 3 & u = h t t p % 3 A % 2 F % 2Fwww.meed.com%2Fevents%2Fmeedquality-awards-for-projects% 2F3078216.article%3Freferrer%3DRSS



Special Report: Kuwait - Infrastructure projects boost economy

MEED, Issue 48 26 November - 2 December 2010



The country's \$104bn five-year infrastructure development programme is the focus of this renewed hope. Private sector expertise will help deliver \$28bn in new projects.

A \$7bn metro system, the country's first independent water and power plant, a \$3bn tourist development and the expansion of Kuwait airport are all planned.

In the past megaprojects such as these have failed to get off the ground. Although this has done little to damage Kuwait's macro-economic stability as the world's fourth-largest oil exporter, its weakness lies in its political system. Multibillion-dollar projects have been hampered by open debates and confrontations in parliament.

This time, there is more of a political consensus surrounding the plans.

Kuwait's parliament must now work to remove its reputation for being an obstacle to the implementation of the country's development and apply a structured approach to realize its ambitions.

There is cautious optimism that Kuwait, while far from overcoming its bureaucratic shortcomings, is finally moving in the right direction.

Invasions, conflicts and the global financial downturn have meant that Kuwait's project developments have fallen far short of the country's potential in the past 20 years.



For every issue of the newsletter, one of the most interesting profiles will be presented

For this quarter; the profile of this issue is for Mr. Joe Weberhofer, Operations & Marketing Manager

Mr. Joe Weberhofer joined AREC in May 2006 as Operations and Marketing Manager.

During his career as a real estate professional, Mr. Joe has developed a vast experience in the real estate markets of the U.S., U.K., Spain, France, UAE and Kuwait in the fields of property management, letting services, leasing and contracting, appraisals, investment vehicles up to fiscal and legal advisory.

Having worked closely with the portfolio of internationally reputable real estate organizations, including Century 21, CB Richard Ellis, FPD Savills, Cluttons, Colliers, Knight Frank, Jones Lang Lassalle, Ocean Estates, and other prime real estate agents in the U.S., U.K., Spain, France, UAE and Kuwait.

Professional Experience AREC-Action Real Estate Co. (2006 until present) Industry: Real Estate

Positions: Operations & Marketing Manager

- Property Management
- Leasing & Contracting
- Marketing

PIP-Prime International Properties (2000 to 2006)

Industry: Real Estate

Position: Operations Manager

- Property Consultancy Services
- Property Management
- Letting Services
- Brokerage
- Real Estate Investment vehicles
- Legal and fiscal advice

BBW Brokerage & Trading Co. (1995 to 1999)

Industry: General Trading

Position: Deputy General Manager

□ International brokerage & trading co.

Inmobiliaria Gold (1991 to 1995)

Industry: Real Estate

Position: Operations Manager

- Property Management
- Letting Services
- Brokerage
- Real Estate Investment vehicles

Century 21 (1985) Industry: Real Estate

Position: Property Consultant/Broker

- Brokerage Services
- Property Management



Academic Qualifications

Bentley University, Undergraduate Program- Economics (1986) Waltham, Massachusetts, USA.

Universidad Catolica Nuestra Senora de la Asuncion – Licenciatura en Matematicas (1991)

Universidad Del Norte- B.S.B.A (Bachelor of Science in Business Administration) (1995)



Articles & Publications

Why Invest in International Real Estate? (http://www.my-pip.com/research publications why invest intl real estate.htm)

French Real Estate Properties (http://www.my-pip.com/ research_publications_french_real_estate_properties.htm)

The Leaseback Solution (http://www.my-pip.com/Leaseback.doc)

Impact of Exchange Rates & Interest Rates Variations on Mortgages http://www.mypip.com/
research_publications_impact_exchRate_Interest_.htm)

Where to Park Your Cash (http://www.my-pip.com/research_publications_where_to_park.htm)

Buy Your Train Ticket Now (http://www.my-pip.com/research publications train ticket.htm)

Cash Versus Credit (http://www.my-pip.com/research publications cash vs credit.htm)

IRR and Probability Distribution of Expected Returns (http://www.my-pip.com/IRR-ER.doc)

Plots of Land Without Planning Permission as an Investment (http://www.my-pip.com/IRR-ER-PLOTS-UK.doc)

Buying Smart-Impact of Leverage in IRR and ER (http://www.my-pip.com/IMPACTLEVERAGE.doc)

All above publications are also available at my blog at http://joeweberhofer.wordpress.com/
Blog access can be granted upon request.

Other Interests/Activities:

Mr. Joe has developed a stock market investment software, purely based on mathematical formulas.

The software is a combination of multiple technical parameters including oscillators, price channels, relative strength indexes and many more and are all merged into grading system to indicate possible entry and exit points of a target security.

The novel approach is based on the fact that although technical parameters are used in a defined combination, the used of graphs are ignored and only numerical outputs are taken into account.

The system can be used in any world market, as long as sufficient historical data is available to look after defined patterns.

The system is still to be patented.

* * * * * * * * *



AREC Operational News

By: Joe Weberhofer—Operations & Marketing Manager

Perhaps the most relevant move in registered during the previous quarter was the integration of Hyundai Engineering & Construction Co. as a tenant for Mangaf Buildings A & B.

Due to its international presence and prestige, we believe our portfolio of tenants was enhanced with their presence.

The complete list of new tenants is as follows:

Property Name	Tenant
Maha Centre	Amshah Awwad Fahad Al Motairy
Mangaf Bldg. A & B	Hyundai Engineering & Construction Co
Naseem Complex	Fatma Shefaqa Mejwal Al Enizi
Naseem Complex	Noora Badi Athshan Al Enizi
Omniya Centre	Licanse D'boute Co.
Omniya Centre	Latifah Hani Saeed Esbaitah
Omniya Centre	Sheikha Bandar Al Shoray-an
Omniya Centre	MZ Co. for Readymade Clothes, Shoes, Bags, Gifts & Accessories
Sahari Mall	Wajed Ayesh Shlash Alenizi
Shayma Tower	Freyssinet Contracting Co.
Shayma Tower	Leaders Group for Consulting & Training
Star Mall 12	Muzna Mohammad Al Harbi
Waha Mall	Falcon Cargo Co.
Waha Mall	Caesars Air Cargo
Waha Mall	K 3 Gen. Trading & Contracting Co.
Waha Mall	Gusto Group Co.
Waha Mall	Al Rai Logistica Co.
Waha Mall	The Sultan Center
WBC - KFTZ	Omar E. Z. Beidoun
WBC - KFTZ	GDN Media & Advertising Co.
WBC - KFTZ	Ali Khalil Ibrahim Khalil
WBC - KFTZ	Sabri Asairi Abdullah Al Shimmiri
WBC - KFTZ	Real Estate Construction & Fabrication Co.



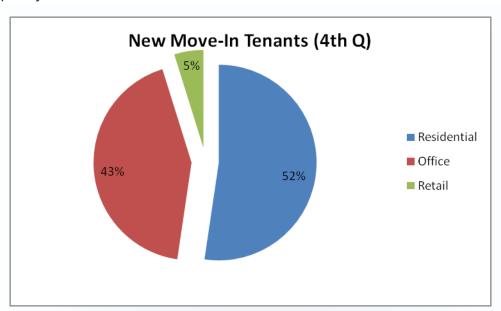


Waha Mall, Waves Business Centre and Omniya Centre were the properties that recorded the highest traffic of new tenants, with Waha Mall achieving an Occupancy Ratio of 98%, Waves Business Centre 97% and Omniya Centre 79% calculated on an area basis.

Out of a total of 23 move in recorded in this period, 12 units were office space tenants, 10 units were retail and 2 buildings were residential tenants. From an area basis, the new move in represented 3,289 m2 of new residential space tenants, 2,691 m2 of new office space tenants, and 303.3 m2 of new retail space tenants.

Finally we just want to stress that despite the over-supply of vacant office spaces in the market, we were still able to record an impressive 2,691 m2 of new office space tenants during the last quarter of 2010.

If the office space trend continues, Shayma Tower should soon join the list of properties that enjoys an occupancy ratio of 100%.



ARABIAN PROPERTY AWARDS

An expert panel of independent judges decided to grant Sahari Mall with the Arabian Property Award for the best retail property in Kuwait in 2010.

Sahari Mall, is not only an architectural milestones for Jahra, reflecting in its elegant and innovative shapes some of the most representative natural components of the beduin culture, but it also symbolizes one of the most viable shopping destinations in the region with the presence of retail heavyweights such as Xcite's Alghanim Electronic Showroom and Landmark's MAX and many other desirable retail concepts.

Sahari Mall is exquisitely shaped, prestigiously populated and strategically located.

Being the recipient of such a prestigious international body, gives Sahari Mall in particular, and AREC in a broader sense, the recognition and market position it rightfully deserves.





As devotion for their distinguishing and hard work; happily AREC announce the following promotions as follow:

Ms. Suha Al Jurf who joined AREC in August, 2008 as Executive Assistant of the General Manager; has been promoted to the post of "Assistant Human Resources Manager" starting of January 1st, 2011.

Suha is holding a Bachelor degree in Business Administration & Finance from Yarmook University, Jordan.





Ms. Reem Hussein who joined AREC in December 2007 as accountant, has been promoted to the post of "Senior Accountant" starting of January 1st.

Reem is holding a Bachelor degree in Accounting from Petra University, Jordan.



Employee of the Quarter

The EOQ award for the 4th quarter of 2010 goes to Mrs. Ana Lhea Zuniga.

Ana is working in the Finance & Admin Department, and had joined AREC since September 2009.

Ana's supervisor and manager had justified their nomination to her as follow:

"Ana had proven at the last quarter of the year 2010; insistence to learn more, to produce more and to cooperate more.

Under the last circumstances and the increase of work pressure; Ana had revealed the high team work spirit she has and dedication to perform all required tasks in several areas. "





On their way . . .



IBIS Amman Hotel shared their way of celebrating Christmas and new year events of 2010,

Pictured: Mr. Yasser Bahaa, GM of IBIS Amman and the hotel Staff.

IBIS Amman, the first internationally branded economy hotel in Jordan, is confident of a stellar 2010, buoyed by higher than projected occupancy figures since it opened its doors in November 2009.

Conveniently located at the heart of the city, the three-star hotel shares the city's liveliness while being strategically located in close proximity to several important service areas, including Queen Alia International Airport, the City Center, as well as a number of shopping centers and dining outlets.

Comprising 158 well-designed and perfectly equipped bedrooms with initial rates starting from JD 71, ibis Amman offers consistent quality accommodation and features facilities for individuals with special needs in addition to non-smoking rooms.







Shoot for the moon. Even if you miss, you'll land among the stars.

Les Brown

Make your life a mission-not an intermission.

Arnold H. Glasgow

With confidence, you have won before you have started.

Marcus Garvey

The secret to creativity is knowing how to hide your sources.

Imagination is more important than knowledge. Knowledge is limited.

Albert Einstein

Defeat is not the worst of failures. Not to have tried is the true failure.

George Edward Woodberry

SMILE

Of all the things you wear, your SMILE is the most important. SMILE. That's how you gain without pain. The key to being popular is to keep a smile on your face.

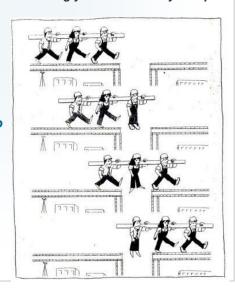
To conquer difficulties, there is more power in a smile than in a sigh.

A smile is not a bad beginning for a friendship, and it is the best ending as well.

64 muscles are used to frown and only 18 to smile.

Keep smiling, It makes you darling, SMILE. Its increases your face value, SMILE. This is second best thing you can do with your lips.

"Teamwork is the key to cross hurdles without problems"





Managing Editor

Suha Al Jurf

For contributions:

Contact us

via email:

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