

Board of Directors' Report
Annual General Meeting – February 24, 2010

Dear Shareholders,

On behalf of the Board of Directors of Salam International Investment Limited (SIIL), it gives me great pleasure to welcome you to this meeting; I also welcome the representatives of the Ministry of Business and Trade/Department of Companies Control and KPMG, the company's financial auditors.

The Board of Directors is pleased to present, hereunder, its eleventh Annual Report on the company's activities, performance, financial results for the financial year 2009 and future business plans. In addition to, its policy for tiding over what market analysts believes to be the tail end of the global economic crisis.

1- Investment activities:

The company has continued its prudent risk management policy and investment strategy during 2009, which aims to identify potential investment opportunities that complement the activities of the company and its subsidiaries, and seize growth opportunities in new activities and fields which open new horizons for the company and enhance diversified operations, geographic distribution and balance the investment portfolio. Furthermore, the company has initiated a restructuring of its investments portfolio by exiting from those investments that attained their objectives and also from some investments that got weakened by the global economical crisis.

2- Company's policy toward Global Economic Crisis

The year 2009 was full of challenges, which witnessed the direct consequences of the global economic crisis. But due to the company's conservative financial policy and investment strategy and thanks to its risk management initiatives, the company was able to protect its operational activities and limited the effects of the crisis on some of the company's direct investments and financial investment, and some of the company's operations outside the State of Qatar.

The global turbulence resulted in a drop of revenue from investments and operations outside the State of Qatar, and the decline in market value of the portfolio of local shares, which have been taken into account by the appropriate provisions in the financial statements for the period ending 31/12/2009, in accordance with international accounting standards.

The general sentiments of businessmen, analysts and economists suggest that the global economy will continue to undergo a couple of difficult and challenging years, in particular 2010, but there are hopes of recovery and return to positive growth sooner than later. Cognizant of the possibility of some residual effects of the global economic crisis during the years 2010 and 2011, the company will be proactive in dealing with those effects, and avoid falling into the clutches of the crisis. And we will seek to develop solutions to tackle any adverse effects on our operational activities, by adopting a proactive and continuous system of evaluation and follow-up The company will also continue pursuing its conservative financial and investment strategy: adopt sound cash management practices that ensure a healthy cash

flow; keep exploiting available resources, enhancing performance & minimizing expansion in the region. SILL will continue to seize strategic investment opportunities resulting from the financial crisis and maintain expenditure rationalization for the year 2010, to enable the company to face any future possible changes in the market. SILL plans to retain technical & specialized workforce and will continue enhancing & empowering its human capital to ensure optimal performance standards.

3- Future plans

SILL will continue during 2010, the implementation of its corporate strategy that aims to achieve optimal profits and avoid risks to reach highest shareholder value and maximize return from the company's activities.

As we implement the directives adopted by the Assembly in laying the foundations for cooperation and entering into joint ventures with sister company Salam Bounian, SILL has shown preliminary interest to acquire Salam Bounian through the acquisition of its entire shares. A working group is currently studying the available alternatives for the Acquisition and its various stages, and to develop an integrated plan and schedule to comply with the requirements of the competent authorities in this process. Meanwhile, SILL has supported Salam Bounian and made some financial agreements to enable the company to meet the needs of cash flow in preparation for the acquisitions. Upon completion and readiness of the ongoing studies, we will call for the Assembly to inform you of the potential effects of the takeover of Salam Bounian on the performance of Salam International, and its expected benefits, and to request the Assembly's approval on the acquisition.

In keeping with SILL's legacy of institutional performance, the company will continue implementing its long term corporate governance and institutional discipline processes by voluntarily taking the initiative in the application of the corporate governance code issued by the Qatar Financial Markets Authority. The application of the governance code is being done voluntarily and gradually, according to what the company considers as appropriate and practical.

In accordance with the distinguished social & economic interaction of the company and its continued contribution to the social development, SILL will continue the implementation of its Corporate Social Responsibility program, by spending on charitable activities and social services during the financial year 2010. These have been considered as part of the General and Administrative expenses for 2010. Furthermore, 2.5 per cent of 2009 net profits are being allocated to support social, educational and charitable activities, in accordance with the law enacted in 2008.

Financial Results 2009:

The consolidated financial statements for the year ended on 31/12/2009, showed a net profit around QR 131 million, of which QR 128.9 million are rights of SILL shareholders. These profits are net, after taking approximately QR 15 million as provision to cover part of the decrease in value of some investments during 2009. Accordingly, earnings per share reached 1.3 QR. Based on the conservative financial policy of the company, all the company's real estate investments are recorded at book value,

and the company did not register the achieved growth in the market value of those assets on their books and accounts; however it is disclosed in the foot notes of the financial statements where some clarifications have been included. This would spare the company of registering capital losses that would reflect negatively on the profits, if the values of those assets fell.

Based on the achieved financial results, the Board of Directors recommends your esteemed Assembly to approve cash dividend for the year 2009, of 7% of paid up capital, to shareholders registered as of the date of the General Assembly and retain the rest of the profits for the next fiscal year, to be invested in the company's activities, and to the benefit of the company and its shareholders.

I would like to avail myself of this opportunity on behalf of the Board of Directors to express my deep gratitude to H.H. the Emir, Sheikh Hamad Bin Khalifa Al Thani, H.H. the Heir Apparent, Sheikh Tamim Bin Hamad Al Thani, and H.H. the Prime Minister, Sheikh Hamad bin Jassim Al Thani for their continuous support in the development of our beloved country, Qatar. Also I would like to take this opportunity to extend my thanks to H.E. Minister of Business and Trade, Assistant Undersecretary and all the staff in the Ministry of Business and Trade for their continuous efforts in supporting the private sector to improve its institutions and economic development of our beloved country, Qatar.

In conclusion, I would like to extend my thanks to the members of the Board of Directors and all the company's staff for their sincere efforts in exerting their utmost for the best interests of the company & its shareholders.

Note:

This text has been translated from its original Arabic equivalent,
which remains the official version.