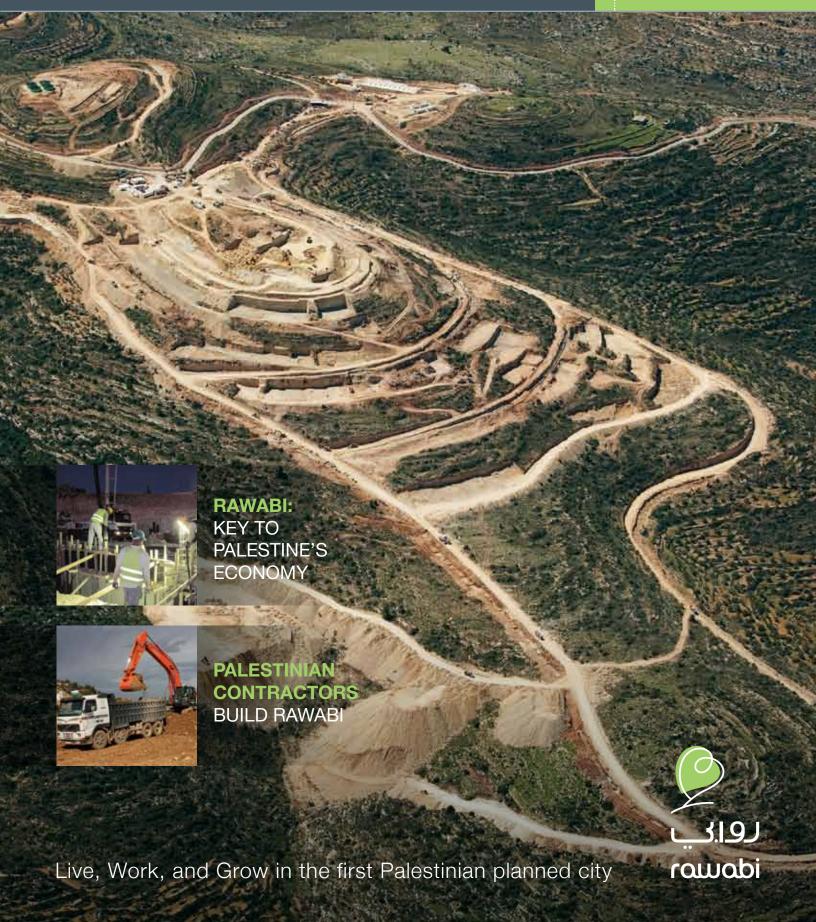
rawabihome

Spring Edition 2011





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Rawabi is being developed by Bayti Real Estate Company, jointly owned by Qatari Government-owned Qatari Diar and Ramallah-based Massar International – two companies with unsurpassed real estate development experience and extensive knowledge of regional and international markets.

Rawabi will provide more than 5,000 affordable housing units with nine different floor plans to choose from, spread across 23 neighbourhoods. The city will also include a commercial center, a business district, a hotel and convention center, public and private schools, medical facilities, mosques, and a church, as well as extensive green recreation space. Rawabi will initially be home to 25,000 residents, with additional residential and commercial units slated for subsequent construction phases that will ultimately serve a city with a population of 40,000.

BAYTI REAL ESTATE INVESTMENT COMPANY

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RAWABI ONLINE







Rawabi's Facebook Page (Rawabi: Live, Work, Grow) has grown exponentially as more people learn about Rawabi and express support for its success. Join over 5,000 fans to discuss the city and stay up to date on the latest announcements by visiting us at facebook.com/RawabiCity

Watch videos about Rawabi, interviews with company directors, and listen to Ilham Al Madfai's song about Rawabi at youtube.com/RawabiCity

You can also follow Rawabi's latest updates on Twitter at twitter.com/RawabiCity



RAWABI: KEY TO PALESTINE'S ECONOMY

WELL ON OUR WAY

Spring showers produced a wonderful blanket of purple, red, and yellow wildflowers on the Rawabi landscape, as the site was being prepped for fullscale building construction. stone and concrete factories were assembled, and made ready for Rawabi's hundreds of buildings, while raw material supply contracts were finalized.

Through the winter, Rawabi's developers were busy checking safety compliance, reviewing environmental standards, and ensuring that every detail is ready for the construction of Rawabi's first phase, including thousands of residential units, infrastructure, and a large portion of the cities commercial center.

PROGRESS IN THE FACE OF PESSIMISM

Rawabi is a visionary project, with a sincere commitment to its environmental, economic, social, and political goals of creating a sustainable planned city while addressing the growing housing shortage in Palestine. Despite this, fanatics have attacked Rawabi from several angles, stemming from charges that Rawabi is environmentally irresponsible or working too closely with foreign contractors. None of these critics have professional knowledge of construction or large-scale housing developments in Palestine or in any other country. Many tend to forget the fact that Palestine remains under military occupation that makes even an ordinary projects extraordinary and highly risky.

Despite that, we remain determined not to be deterred from nation building. What is reassuring is the fact that every time the project is criticized by radicals, Palestinians from all over the world register for homes through Rawabi's website.

CAPACITY-BUILDING & SUSTAINABILITY

Rawabi's environmentally sustainable urban growth is a crucial component of its master plan. Even more important, Rawabi's fundamental mission is to build the capacity of Palestine's economy. Over the long term, Rawabi will create 8,000-10,000 jobs during construction, and 4,000-5,000 new jobs, most notably in the high-growth tech sector.

Rawabi's initial construction will require 10,000 doors, 35,000 windows, and 61,000 tons of steel. Rawabi is contracting companies from around the world to provide these materials, and has profiled hundreds of companies in Palestine and has already signed contracts with tens.

Rawabi's developers are ensuring that companies are able to increase their abilities to meet quality and quantity specifications. As such, Rawabi is building its own designated construction camp to produce concrete, finish stone, and bend steel, staffed by local companies. The developer has recruited a consortium of Palestinian construction companies to build and support Rawabi. The thousands of jobs that Rawabi has been generating during construction will not only create opportunities for workers from Palestine and reintegrate workers from illegal Israeli settlements. Rawabi is expected to create a catalytic effect on local construction, gas and electricity, ICT, and a variety of other sectors.

In addition, the \$80 million Siraj Palestine Fund, the first private equity fund to close in Palestine, will be instrumental in improving these sectors' capacity. Siraj invests in companies and leverages its investment to improve its portfolio companies' management, sales, marketing, and production ability. Siraj will diversify its investments in companies across the utility provision, engineering, and

technology and communications, among other industries. One of the main deal sources will be Rawabi, which will be a testing ground from which successful companies will export their business models to other cities.

A PIONEERING UNDERTAKING

Rawabi serves as a new urban model, introducing new strategies for master planning in Palestine. Rawabi is expected to make a significant impact on the economy while also raising standards of living, industrial and commercial capacity, and long-term growth. The over \$850 million investment in construction alone is unprecedented in Palestine, and is expected to enhance the construction sector's value and scale.

The developers of Rawabi are not alone in backing Rawabi and supporting its vision. Rawabi's mission as a ground-breaking, visionary project that builds the Palestinian nation is recognized by thousands. The resounding endorsements received in the public sphere, support on Facebook, and the 7,000 registered Rawabi housing applicants serves as evidence of Rawabi's popularity.

Rawabi is a key step in improving Palestine's economy and laying the groundwork for an independent, sustainable, socially and physically healthy country. We are only beginning to imagine the city's social and economic contributions, and look forward to seeing it thrive.

SCALING UP CONSTRUCTION FOR PALESTINE'S LARGEST PRIVATE-SECTOR PROJECT



The site, which is equipped with high-quality production machinery from around the world, serves as environment for knowledge transfer extended from international experts to Palestinian engineers and workers.

On-site production will centralize and economize Rawabi's massive building effort, lowering costs for buyers, speed construction, and bring manufacturing capacity to Palestine.

Located between the road access point and construction, the construction camp contains assembly facilities and a command base for the city's construction. A "green shield" of trees and greenery encloses the area, beautifying it and offsetting construction carbon costs. The camp is surrounded by fencing and monitoring equipment to deter repeated intimidation visits.

The concrete mixing batch plant is complete, and is complemented by a fleet of Rawabi cement trucks. An Italian-made stone cutting factory is in place, and trainers from Italy

have arrived to teach the team of professional Palestinian stone-cutters the specifics of running and maintaining the machines. The factory will refine stone from Rawabi's own site, which is of the highest visual and structural quality, and cut it into cladding and structure for residential and commercial buildings.

Storage space is crucial to ensuring the steady supply of building materials for the duration of Rawabi's construction. Rawabi's storage will protect materials and heavy equipment. The storage space will also warehouse every component necessary in the buildings, from light bulbs to insulation, to ensure that no shortages or mismatched supply delays affect construction.

The site includes a maintenance yard for repair and upkeep of Rawabi's heavy machinery. Employees will be trained on the best practices for maintaining equipment to ensure that workers always operate the safest trucks and construction machinery.



Rawabi's on-site concrete batch plant can produce 100 cubio meters of concrete per hour



Stone cutting equipment from Italy refines stone from Rawabi's own quarry

PALESTINIAN CONTRACTORS BUILD RAWABI

Rawabi's rapidly-growing Procurement Team is in the process of evaluating hundreds of Palestinian contractors and suppliers to produce materials, build, and finish the first phase of buildings at Rawabi. Tens of companies have already signed official contracts including steel producers, stone cutters and finishers, mechanica and electrical engineering firms, and builders. As construction continues, the developers will continue to announce Palestinian companies that are coming together to build Rawabi.



Bedia, Nablus-based

Al Amour Contracting and
Investment of Bethlehem.

Owner Yousef Al Amour says, "This is a huge national project. Whoever participates in it acquires an added value experience personally and to his national aspirations. We are proud to participate in building our country and utilize our considerable past experience in the field."





Nablus-based
Ma'lim Global Group
for Engineering and
Consulting

Ma'lim prepared drawings and plans for Rawabi's infrastructure. Dr. Sameer Abu Eisha praised the consultative and continuous coordination between Ma'lim and Rawabi for the duration of the preparation of designs, drawing, which generated a product that meets the highest standards.





Bethlehem-based Haimour Company for Construction and Commerce

Haimour is constructing the steel structure that will house Rawabi's stone finishing factory. Owner Khaild Hashim Ahmed Haimour says, "It is such a pleasure to be part of such a pioneering and patriotic project. I sincerely hope that other entrepreneurs to imitate similar initiatives. I commend the developers for stimulating the Palestinian economy."



Owner Azmi Shaltaf says, "We will definitely benefit from Rawabi. We are already employing more laborers and investing in new machinery. Cooperation from all engineers and staff is excellent and satisfying."





Beit Jala-based **ELEMCO Electromechanical Engineering Company**

Elias Abu Alzulof, General Manager, says, "It is our pleasure and pride to participate in such a massive project, building Palestine. Rawabi presents a valuable opportunity for us to grow and accommodate new labor and increase productivity."

WIRED RAWABI: ICT NETWORK ANALYSIS COMPLETE

American-based consulting company decision/analysis partners has completed the Feasibility Study for Rawabi's Information and Communications Technology (ICT) network. Rawabi's ICT network will provide comprehensive services for Rawabi's residents. It will also be a major contributor to Rawabi's and Palestine's economy: the advanced network will enable Palestine's technology and communications companies to use industry-standard connectivity that makes Rawabi an international competitor.

Rawabi's ICT network will be managed from an ICT Operations Center to ensure organized, efficient, and reliable information service to all users. The full plans for the network include specialized services for residents and small and large businesses. Rawabi's companies will have redundant and reliable internet service that accounts for shortages in network power and provides the necessary capacity for complex operations.

The residential ICT network includes fiber-to-home internet, VoIP, and on-demand entertainment. Satellite dishes will be unnecessary, dramatically reducing visual pollution. Families will also have greater control and monitoring over the content they receive, including parental control, GSM billing, and prompt customer service.

The ICT Network Feasibility Study, conducted over six months, was funded by the United States Trade and Development Agency (USTDA). The network will be constructed as part of the underground utility network and will be easily accessible through dry utility pipelines for repairs, expansions, and renovations as technology changes.

THE RAWABI FOUNDATION CREATES STUDENT ENCOUNTERS WITH THE NEW CITY

500 students from public and private schools came to Rawabi in 2010 to learn about Rawabi's contribution to the Palestinian economy, and career opportunities in urban planning and technology. Over 2,000 will visit in 2011. Look for an update about the Rawabi Foundation in our next newsletter!





OBJECTIVES

Financial Objective:

To provide financing to Palestinian private sector companies that, otherwise, have limited access to capital.

Developmental Objective:

- To facilitate technical transfer of sales and marketing expertise, managerial skills, and other technical know-how to the Fund's portfolio companies in order to improve their operations and enhance their prospects for growth.
- To unleash the latent potential of Palestinian SMEs by promoting technological advancement and job creation in the country.

PORTFOLIO

Current investments:

- · 4 current investments in portfolio.
- · Several investee companies are in advanced stages of negotiations.
- Sectors include manufacturing, agriculture, ICT, healthcare, transportation and logistics, among others.

Deal Pipeline:

- Robust deal flow of prospective portfolio companies across a broad range of sectors.
- Portfolio is expected to consist of approximately 20-34 portfolio companies.

\$80 MILLION SIRAJ FUND LAUNCHES, WILL SUPPORT BUSINESSES TO BUILD RAWABI

The Siraj Palestine Fund I, an \$80 million private equity fund launched by Massar International to invest in Palestinian businesses, announced its first closing in February. Siraj is investing predominately in small- and medium-sized enterprises (SMEs) operating in Palestine with the objective of building strong and sustainable businesses in the country. As such, the Fund is expected to catalyze increased private sector investment and as a result to play a significant role in Palestinian economic growth.

The Siraj Palestine Fund I provides much needed capital to companies, then leverages its ownership to help these businesses increase capacity, improve business management, expand into new markets, and improve their profitability, all which will help serve Rawabi's unprecedented needs.

"Rawabi is the catalyst, the flint, that is creating new markets," explains Huda El Jack, one of Siraj's senior managers. "We need to invest in creating knowledge, building capacity, and scope to realize a project of Rawabi's scale." The companies that work at Rawabi will use their increased efficiency and productivity to expand into other cities across Palestine, creating a cycle of skill and quality improvement that raises standards across the country.

Siraj is investing in a diverse range of sectors and businesses, many of which will work in Rawabi, including gas companies to provide Rawabi with inhome energy, as well as construction, architecture, and engineering firms. Hospitality, entertainment, and other service-oriented companies will also be important sectors for Rawabi's growth.

SOPHISTICATED ICT TECHNOLOGY

Siraj will be crucial in implementing Rawabi's information and communications technology strategy. Rawabi's ICT services are comparable to those in advanced countries. The entire residential district will be wired for Triple-Play (voice, Internet, and video) delivered

over fiber directly to residents and businesses at a price point affordable to Rawabi's demographic. City services will include free city-wide Wi-Fi, digital signage, community CCTV and video surveillance monitoring, remote monitoring of elevators, air conditioning, generators and other mechanical systems, and remote electronic metering (gas, electric, and water). Life safety systems including emergency telephones in elevators and parking garages will be supported.

A consortium of companies to execute Rawabi's ICT networks will be necessary, and Siraj will provide the capital and business know-how to cultivate existing and new Palestinian businesses to grow to levels where they can serve Rawabi's residents' and commercial needs. The ICT companies will then be able to expand their market reach across Palestine, improving the level of services nationally.

POLTICS HINDERS PROGRESS ON ACCESS, WATER

Though construction at Rawabi is progressing, access and construction are still impeded by two major obstacles: permission for the Rawabi Access Road, which crosses 2.8km of Israeli-controlled Area C, and the lack of connection to the Palestinian water network.

The Rawabi Access Road has been planned and approved at all technical levels by both Palestinian and Israeli authorities. However, permission for the road is being blocked at the political level. The current road, which takes a circuitous route through the adjoining villages of Atara and Ajjoul, cannot accommodate the hundreds of trucks per day that Rawabi's construction requires.

Villagers have been welcoming and have helped Rawabi's vehicles reach the site. However, given that two trucks cannot pass each other simultaneous on the current road, it is unrealistic to expect all of Rawabi's delivery trucks to use the narrow village road.

In addition, permission for Rawabi's water network access is still before the Joint Water Committee and has yet to be granted. Full plans and proposals for environmental water usage have been submitted to the proper authorities, and all technical plans are laid out, including proposals for a Regional Waste Water Treatment Plant for Rawabi and the surrounding villages. Water is needed

during construction for a variety of tasks, including cement mixing, but will be even more necessary when Rawabi residents move in. Currently, the developer transports water to the site in trucks and stores the water in large tanks.

Solutions are necessary for both road access and water permission, and Rawabi's planners are pursuing answers at the highest levels. However, until permission from the controlling power is granted, construction is impeded and cannot proceed at its full pace.





\$85 MILLION FOR PUBLIC INFRUSTRUCTURE AND FACILITIES REMAINS OUTSTANDING:

ONLY \$5 MILLION RECEIVED

Rawabi's 5,000 affordable homes, built around a city that offers full facilities and new job opportunities, is possible in part because of the Public-Private Partnership between the Palestinian Authority and the city's developers. The Public-Private Partnership was signed over 2 years ago in which the Palestinian Authority committed to facilitate the necessary financing for the construction of critical infrastructure and public facilities, including water, electricity, and waste water treatment, as well as health care, education, security, and municipal

support. However, the funding is still forthcoming.

It is estimated that between \$90 to \$100 million is necessary to construct Rawabi's public facilities and infrastructure. Despite strong interest expressed by a range of donors during the feasibility studies for Rawabi, few of the most enthusiastic supporters of Palestinian development have come forward to support the investments necessary to make Rawabi a livable city for Palestine's young middleclass families. Funding

infrastructure and facilities during planned phases of construction is critical to making Rawabi affordable.

As many expressed during meetings with the developer before groundbreaking, Rawabi will provide livable housing and employment for thousands. Rawabi is an important piece towards economic independence and an enabled Palestinian state. However, major support is necessary to realize Rawabi to its full potential. Rawabi's developers hope that support increases as the city is built.

USAID

FUNDS RETAINING WALLS FOR RAWABI'S RING ROAD

Hundreds of 5-ton stones, large enough to fill a truck bed, are being laid around Rawabi to form the retaining walls for Rawabi's main road ring. The United States Agency for International Development (USAID), working with local contractor MWH, has taken initiative to be the first foreign donor contributing to Rawabi's realization as an affordable city for middle-income Palestinians.

MWH is constructing retaining walls to ensure that the road network is safe for Rawabi's building contractors, enabling them to move quickly around the site. When the full consortium of building contractors are deployed on-site, their ease of access will be crucial to construction speed. The retaining walls provide the foundation to lay Rawabi's complex underground utilities network, which will lie underneath the city's main streets.

WATER AND WASTEWATER ASSESSMENT STUDY LAUNCHED

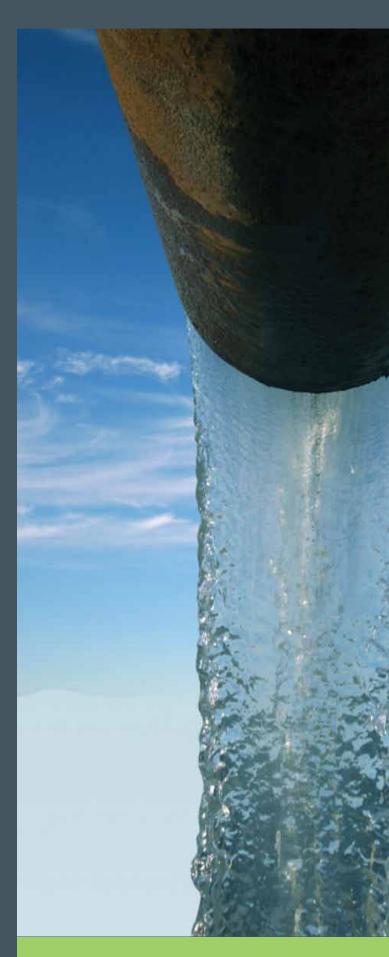
Rawabi's Regional Waste Water Treatment Plant Feasibility Study is scheduled to commence in the spring, funded by a grant from the US Trade and Development Agency (USTDA). The study will be conducted by AECOM Technology Corporation (NYSE: ACM), who won the tender to perform the study in 2010. AECOM, headquartered in the US, has overseen dozens of such studies worldwide, particularly in regions where water is scarce and groundwater supplies are vulnerable.

The treatment plant will serve Rawabi's future residents as well as residents of surrounding towns and villages currently lacking wastewater treatment facilities. Reclaimed water will be used in local industry and for agricultural irrigation. Farmers in the surrounding area will enjoy significantly improved water access, which is critical to Palestinian agriculture and ultimately, to the country's food security.

The plant's operational functionalities and capacity are consistent with the Palestinian Water Authority's (PWA) current water resource conservation policies and longer-term strategic plan. Water, one of Palestine's scarcest resources, is integral to Rawabi's success. Minister Shaddad Attili, Head of the PWA, confirmed that the feasibility study will be instrumental in identifying permanent solutions for the treatment of wastewater in a regional context, not only for Rawabi and surrounding towns.

The Minister further added that the PWA will take a high-level role throughout the study's life-cycle to ensure that its recommendations are in line with the PWA's overall developmental strategy for water and wastewater management. He also expected that the study will contribute to the body of knowledge with regard to effective use of treated water for irrigation and local agriculture in Palestine.

The Waste Water Treatment Plant will benefit Rawabi by ensuring that its waste does not contaminate Palestine's fragile environment, and will be a boon to local farmers who currently rely on the scarce local fresh water supply. During construction, the developers are installing a small-scale waste water treatment center that will also be used for agriculture and to irrigate Rawabi's extensive greenery.





RAWABI STRENGTHENS PARTNERSHIPS WITH LOCAL AND INTERNATIONAL UNIVERSITIES

A delegation from Palestine including Dr. Khalid Fahid Qawasmi, Minister of Local Government, representatives from Rawabi, and An-Najah University visited Rennes, France to learn about French urban planning and strengthen existing relationships between the organizations, and forge new partnerships.

The delegation from Palestine also included Dr. Tawfic Boudari, Deputy of Urban Planning in the Ministry of Local Government, Shireen Nazer, Rawabi Chief Architect, Nisreen Shahin, Executive Director of the Rawabi Foundation, Professor Maher Natshe, Vice President of An-Najah University, and Professor Ali Abdelhamid, Director of the Regional Urban Planning Center at An-Najah University. The trip followed the visit of Dr. Armel Huet, professor at Rennes 2 University to Palestine.

Rawabi, An-Najah University, and Rennes 2 University have already partnered to sign a Memorandum of Understanding regarding capacity building for urban planners in Palestine. The existing MoU focuses on educational exchange, e-learning, and addressing Palestine's development and environmental challenges. During the trip, the participants agreed to create an MoU deepening the commitment of all to sustainable, proven urban planning in Palestine and a strong relationship between Palestine and Rennes.

The visit included a variety of presentations, discussions, and site visits. A welcome delegation, including the President of Rennes 2 University and Roselyne Lefrançois, Deputy Mayor of Rennes, met the group at the airport to launch a three-day program that also included meeting with the Mayor of Rennes. The Palestinian Ministry of Local Government explored opportunities for partnership and capacity building in urban planning with both Rennes municipality and Rennes 2 University.

A meeting with the President of Rennes 2 University focused on their partnership and support for the French-funded Al Maqdasi Study grant for environmental urban planning projects, which currently supports Rawabi Chief Architect Shireen Nazer's PhD in Urban Planning at Rennes 2.

The delegation toured several planned neighborhoods in Rennes, as well as the solid waste treatment plant. The tours were an opportunity to understand how planned cities function after completion, and which elements to focus on to improve already-developed cities as well as neighborhoods under construction.

The trip resulted in a stronger bond between Rawabi, An-Najah University, Rennes 2 University, and the city of Rennes. Future cooperation around urban planning, urban studies, environmental development, and clean cities will create a variety of partnership projects and knowledge transfer opportunities for Palestine.



"My visit to Rawabi was absolutely inspiring.
The grandeur and magnificence of what I saw took my breath away - the beauty of the coastal view, the hardworking Palestinian contractors, the amazing machinery and equipment...

"...Most of all, though, I love the fact that this city is springing up from the stone and the soil of our beloved Palestine. It was thrilling for me to perform my song for Rawabi, and to plant an olive tree on its hills with my own hands. I promise to return to eat the fruit and the oil of the tree I planted, and to rejoice with you in your success."



To listen to the song "RAWABI," visit: www.rawabi.ps



RAWABI NTHE MEDIA

TIME

A Shining City on a Hill, TIME Magazine, 22/3/2011

"If successful, Rawabi offers a broader template for other cities in the West Bank and Gaza and eventually the rest of the Arab world."

HAARETZ

Palestinians: "Israeli companies are giving up on the settlers to work with us," Ha'aretz, 29/12/10

"We demand that all companies involved in building the city sign an agreement which includes a section that prohibits use of products from the illegal settlements. We're not ready to do so, and will never ever allow purchasing products or services from these settlements. We're not ashamed of this, but rather proud of it." – Bashar Masri

الغدي

Businessman Bashar Masri battles settlements, occupation in Palestine," Al Ghad Newspaper (Jordan), 9/3/2011

"Bashar Masri is determined to see Rawabi come to light, despite obstacles imposed by Israel. He battles in the spirit of a revolutionary, his weapon is investment in Palestine."



Palestinian dream city hits snag from Israel, Associated Press, 12/10/10

"There are many West Bank projects such as job-creating industrial zones and improved water supply... But perhaps none has the symbolic value of Rawabi."

ON TELEVISION:

Including Wattan TV, AFP, BBC, CNN, Media Line, Fox News, BBC Arabic, Wall Street Journal, NOS, Palestine TV...

RAWABI VISITORS



- 1. USAID Mission Director Michael Harvey
- 2. Representative of Japan to Palestine Naofumi Hashimoto
- 3. Dr. Laila Ghannam, Governor of Ramallah and Al Bireh
- 4. Head of Germany Representative Office Götz Lingenthal and Head of Development Cooperation Annika Wandscher
- 5. Representative of Korea to Palestine Chungnam Park
- 6. Al Quds Bard Partnership in Urban Studies Program
- 7. Norwegian Minister of Foreign Affairs Jonas Gahr Støre and the Consul General of Norway
- 8. Consul General of the United Kingdom Sir Vincent Fean
- 9. Democratic Front for the Liberation of Palestine Political Bureau Member Qais Abu Laila
- 10. Singer Ilham Al Madfi
- 11. Volunteers from Birzeit University
- 12. Fatah Central Committee Member Jibril Rjoub
- 13. Swedish Consul General Alex Wernhoff, Ambassador Bo Jerlstrom, and delegation from Symbiocity

