More than one year has passed since we took possession of the site on October 31st, 2006. The upgrade of the Eastern Runway and of the associated Taxiway was launched. Whilst we had planned to start on the East Runway on the 1st of April, 2007, the Royal Saudi Airforce (RSAF) conditions to upgrade both Taxiway L and Rabigh Airport delayed the closure of the East Runway for four months. The Airport Operations Department requested equally to repair the cracks at the northern side of the Central Runway prior to closing the East Runway. We successfully carried out the above additional works to help pave the way for a smooth start of the upgrading activities, subject of our original scope.

Furthermore, the Master Plan prepared by the Netherlands Airport Consultants (NACO) and the requirements of the stakeholders necessitated some additional works such as the extension of the East Runway to become 4,000 Meters in length, the construction of two additional Rapid Exits to cater for small Saudia aircraft fleet and the construction of additional Taxiway SIERRA (S) linking the East Runway and Taxiway KILO (K). In addition, the Satellite Fire Stations needed some expansion and the Instrument Landing Systems (ILS) needed a new power supply.

The above mentioned Additional Works have increased the Original Contract Value by almost 134 Million SR.

In parallel, the works were launched at Apron 7 where major activities such as backfilling, placing Cement Treated Base course (CTB) and Plain Cement Concrete Pavement (PCC) are on-going. Most orders for major long lead items are placed.

No doubt this is one of the most prestigious and most challenging projects that Almabani is currently executing. In spite of the considerable problems that had arisen and had hindered the upgrading works to commence as per the agreed schedule, Almabani once again demonstrated its flexibility in dealing with such situations. We mobilized quickly to execute the upgrade of Rabigh Airport and the other pre-requisite works on site requested by RSAF and thus supported our Client in solving operational matters that could have further delayed the project.

This first phase is expected to be completed in May 2008. The second phase will be the upgrade of the Central Runway where in accordance with the Master Plan, a utility tunnel has to be constructed under the footprint of the Central Runway and its associated Taxiways to link the new Passenger Terminal complex with the Cargo Village. This tunnel will be the subject of a limited tender or a variation order to our scope. At present we have been asked by the Client to prepare the design for this tunnel and we have assigned this task to NACO.
The Original Scope of the project includes the following:

- Pavement Rehabilitation of three Runways (East, Central and West) in addition to all the Taxiways with all the associated Electrical and Special Systems Works.
- Additions of New Pavement Sections (Extension of Central Runway, TWY HOTEL and TWY ALPHA, Others).
- Construction of a New Apron (Apron 7) with parking space for 15 CAT E Aircraft and 5 CAT F Aircraft with its associated Apron Control Tower (ACT).
- Construction of 6 Satellite Fire Stations (SFR) and 6 Vault Rooms (VR).
- Construction of a Project Management Building.
- Infrastructure Works including Fuel Network and IT Network.

The initial overall project duration was 36 months starting from site handover date. The original sequence of work was as follows:

- Central Runway: 2007, 14 Months
- West Runway: 2007, 12 Months
- East Runway: 2007, 36 Months

The remaining scope that is required to be completed within this time frame includes Apron 7 (with its Apron Control Tower) and the Project Management Building.

Construction works on site were scheduled to be launched on April 1st, 2007. However due to some additional requirements from the Royal Saudi Air Force (RSAF), this date was pushed to August 1st, 2007.

The Additional Scope

- Conversion of TWY LMA to Temp. RW - 8,608,916 - 07/05/2007 - Completed
- Central RW Cracks Repair - 4,301,075 - 13/05/2007 - Completed
- Rabigh Airport (1) (Chernin, ARL, VARS) - 8,812,151 - 13/05/2007 - Completed
- Rabigh Airport (2) (ILS) - 4,451,882 - 14/07/2007 - Completed
- Rabigh Airport (3) (Assault Strip) - 12,119,139 - 04/09/2007 - Design Stage

The total approved Variation Orders at the end of November 2007 reached 134,036,591 Saudi Riyals.
The impact of these Additional Works on Phase-I of the project i.e. East Runway Rehabilitation is as follows:

Based on the above, the time needed to complete the rehabilitation of the East Runway will be extended from 5 months as originally scheduled to 9 months (i.e. completion of works on May 04, 2007). However the General Authority of Civil Aviation (GACA) has requested Almabani to complete the Phase-I in 8 months (i.e. completion of works on April 04, 2007). The Final Revised Schedule for the project will be as follows:

Potential Additional Works:

Almabani was officially invited to submit a techno-commercial proposal for each of the below listed items:

- Design & Build of Utility Corridors/Box Culverts for Fuel Network.
- Upgrade of Central Runway Airfield Lighting from CAT II to CAT IIIA.
- Upgrade of Advanced Surface Movement and Guidance Control System (ASMGCS).
- Additional Fiber Optic Backbone Infrastructure.
- First phase of the Security Complex.
- Taxiway Connection to East Runway (34R).
- New DVORTAC.
- ILS/DME System for Runway 34 C.
- I/O Fiber Optic Cables and Active Devices for 53 Additional Buildings.
Design Brief

The design scope of The Airfield Upgrade Facilities Project comprises the disciplines of Civil, Electrical and Mechanical Engineering as well as some Special Systems, I/O Fiber Optic Backbone Infrastructure and a new Fuel Hydrant Network. Since KAIA will remain operational during the complete project duration, the main challenge is the upgrading of the existing facilities while maintaining KAIA operation.

The design work is being carried out by an international designer Aeroport de Paris ingenieure (ADPI) and assisted in house by Almabani staff especially in the pavement field.

Despite changes by the Client in reversing our sequence of project phasing, our design schedule was revised accordingly to accommodate the new target dates.

Procurement Brief

The Procurement and Logistics Department in KAIA project aims toward serving and extending solid support for all the ongoing Airport projects in the Kingdom of Saudi Arabia. The management strategy is to establish in a short to medium run a central procurement department that caters for all projects needs.

The Procurement & Logistics Department prime objectives are:

• Maintain a continuous improvement in supplier’s performance through constant and timely evaluation and communication.
• Enhance data and knowledge awareness about supplier’s portfolios using primary and secondary networking.
• Secure cost effective advantages through bulk purchases for similar products in various ongoing projects.
• Serve efficiently and promptly satellite Airport projects in the Kingdom of Saudi Arabia.
• Enhance procurement staff awareness and knowledge at all time.
• Maintain proper data and create an integrated systematic easy flow system depending on good practices, models, templates and not only persons input.
• Adhere to a strict compliance with the quality management system and set objectives to keep up at all time with ISO requirements.
• Maintain a friendly operational working system and create a healthy environment for communication between procurement staff by enhancing the work quality and maintaining a human resources competency through continuous staff rotation, training and development.

KAIA is serving as the right platform for the establishment of a company-wide procurement department with objectives as set above. So far, a great deal of work has successfully been accomplished. Presently, the central procurement department counts more than 15 personnel.
Labour Camp

The Labour Camp is located North of the Airport and includes the following:

* Labour Accommodation Area:
This area can cater for 850 personnel ranging from senior office staff to normal labours, and includes different facilities such as dormitories, mess halls, laundries and recreation areas for each of the different nationalities that are accommodated.

* Supporting Facilities Area:
These facilities include a Warehouse with its corresponding Storage Yard, a Workshop which can handle the maintenance of all deployed construction equipment, a Carpentry Zone and a Steel Yard.

* Asphalt and Concrete Batching Plants Area:
This Area accommodates two concrete batching plants having a combined production capacity of 150 cubic meters of concrete per hour and an asphalt batching plant with a production capacity of 320 tons of asphalt per hour. Over half a million cubic meters of aggregates of different sizes are also stockpiled in this area.

Site Office

The Site Office is located South of the Airport and can accommodate up to 100 of almabani’s Staff, as well as various other Sub-Contractors, Designers and Suppliers working in the project. The Office is divided into five main sections; Management Section, Design Section, Construction Section, Consultants Sub-Contractors & Suppliers Section and Personnel & Procurement Section, as illustrated on the right.
The Management team of this project is formed by:

1- Key Staff / Managers who have been employed by the company for several years and most of them were involved in the execution of a previous mega-project called “Dir’h Al Jazira” in the Northern Area of the Kingdom.

2- Newly recruited Staff / Engineers who have joined almabani specifically for KAIA project.

So far, the two groups integrated successfully, geared up a harmonious and efficient operation and are endeavoring to ensure a high quality work and timely completion of the project.

As of to date, construction activities on site are focused on three major areas; Apron 7, East Runway & the Client’s Project Management Building.

In the area of Apron 7, works started during the month of April 2007. These works include Earthworks (Backfilling and Compaction), laying of Cement Treated Base Course (CTB), and laying of Plain Cement Concrete Pavement (PCC). A Vault Room and a Satellite Fire Station are also under construction.

As for the area of the East Runway (Phase-I), Milling Works for the existing Asphalt Pavement on the Runway and its Parallel Taxiway (TWY KILO) have been completed and Asphalt Laying Activity have started in early December. Earthworks for the 310 Meters extension of both the Runway and its parallel Taxiway have reached an advanced stage. Construction Works for the two Vault Rooms and two Satellite Fire Stations are also being undertaken in this area.

As for the Client’s Project Management Building (P.M. Building), substructure works have reached their final stage and the construction works for the building’s superstructure have been initiated during the Month of November 2007.
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#### Cumulative Invoiced Amount
VIP Visits

almabani Top Management Visit

GACA / Top Management Visit

Syndication Signature Ceremony