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Preliminary Earnings Release

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SHUAA reports AED14.4m net profit in H1 2014

SHUAA Capital today reported preliminary unaudited H1 2014 financial results for the period ended 30 June 2014. Revenues were 46.1% higher at AED116.2 million in the first half 2014, compared to AED79.5 million in the same period in 2013.

Net profit was AED14.4 million during H1, an AED19.0 million improvement versus a net loss of AED4.6 million reported in the first half of 2013. All core fee and interest generating business divisions posted a net profit with significant progress coming through in Asset Management, Investment Banking and Lending.

Sheikh Maktoum Hasher Al Maktoum, Executive Chairman of SHUAA Capital said: "SHUAA has had a strong first half with continued improvement in both top and bottom line results, further supporting our return to sustained profitability. This is a result of our earlier decision to keep investing balance sheet resources into SME Lending and to position the business to capture improved capital market activity."

In Q2 revenues were AED52.0 million (Q2 2013: AED43.4 million) and net profit was AED 6.2 million (Q2 2013: AED 1.3 million). Q2 saw further sequential improvement over preceding quarters across the core business lines. This reflects SHUAA's enhanced operational efficiency and ability to grow its fee and interest income.

Asset Management reported a Q2 2014 net profit of AED 4.2 million a sequential improvement over Q1 2014 and Q2 2013. During the quarter, SHUAA Asset Management was awarded, for the second consecutive year, "Best UAE Equity Fund" by Zawya Thomson Reuters.

Investment Banking continued to post solid results in Q2 2014 with a net profit of AED4.5 million from a number of Advisory and IPO mandates. During the period SHUAA was sponsor and joint book runner for the successful Emirates REIT IPO. The team has also strengthened the execution pipeline and has been mandated by a number of clients for prospective IPOs.

Capital Markets reported improved net profit in Q2 2014 of AED 1.8 million underpinned by improvements in both interest income and net fees and commissions.

Lending reported strong results with a net profit of AED7.0 million in Q2 2014 as the growing SME market in the UAE and Saudi Arabia continues to offer significant opportunity to grow market share.

Corporate, the centralized corporate cost-centre, generated a loss of AED 11.2 million in Q2 2014, similar to Q1 despite lower gains on investments in SHUAA managed funds as seen in the first quarter.

Sheikh Maktoum added: "The economic outlook for the UAE remains strong and gives us confidence that we can continue to build out our market positions as we look ahead to the second half of 2014. To the backdrop of increased client activity, we have expanded our core businesses and hired new talent. We believe that we are in a strong competitive position to increase our market share as institutional investors look to access our markets and local businesses continue to execute on their growth plans."

SHUAA expects to publish its interim condensed consolidated financial statements for H1 2014 on 6 August 2014.

Cautionary Statement Regarding Forward-Looking Information:

This document contains forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Forward-looking statements can be identified by words such as: "anticipate," "aspire," "intend," "plan," "goal," "objective," "seek," "believe," "project," "estimate," "expect," "forecast," "strategy," "target," "trend," "future," "likely," "may," "should," "will" and similar references to future periods.

Examples of forward-looking statements include, among others, statements we make regarding:
- *Expected operating results, such as revenue growth and earnings.*
- *Anticipated levels of expenditures and uses of capital*
- *Current or future volatility in the capital and credit markets and future market conditions.*

Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: Our ability to maintain adequate revenue levels and cost control; economic and financial conditions in the global markets and regional markets in which we operate, including volatility in interest rates, commodity and equity prices and the value of assets; the implementation of our strategic initiatives, including our ability to effectively manage the redeployment of our balance sheet and the expansion of our strategic businesses; the reliability of our risk management policies, procedures and methods; continued volatility in the capital or credit markets; geopolitical events; developments and changes in laws and regulations, including increased regulation of the financial services industry through legislative action and revised rules and standards applied by our regulators.

Any forward-looking statement made by us in this document is based only on information currently available to us and speaks only as of the date on which it is made. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. We undertake no obligation to publicly update any forward-looking statement whether as a result of new information, future developments or otherwise.

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SHUAA Capital psc ('SHUAA') offers client-centric, fully integrated financial services. SHUAA, headquartered in Dubai, United Arab Emirates, services corporate and institutional clients as well as family businesses and high-net-worth-individuals with expertise in the areas of asset management, investment banking advisory services, capital markets and credit. SHUAA was established in 1979 by Emiri decree No. 6. SHUAA is a public shareholding company, regulated as a financial investment company by the UAE Central Bank, and its stocks are listed on the Dubai Financial Market. www.shuaa.com

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