SHUAA

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Preliminary Earnings Release

13 October 2014

SHUAA reports AED 26.2 million net profit in Q3 2014, AED 40.7 million for the first nine months of 2014

SHUAA Capital today reported preliminary unaudited financial results for the third quarter 2014 and the nine-month period ended 30 September 2014.

SHUAA generated revenues of AED 71.8 million and AED 188.0 million in the third quarter and first nine months of 2014, respectively. This represents a 31.1% and 40.0% increase on the AED 54.8 million and AED 134.3 million reported in the same periods in 2013.

The net profit attributable to shareholders for the third quarter was up six-fold and stood at AED 26.2 million compared to AED 3.6 million in Q3 2013. Net profit for the first nine months of the year amounted to AED 40.7 million compared to a loss of AED 1.0 million for the same period in 2013.

Asset Management, Investment Banking, Capital Markets, and Lending posted solid performance as a result of increased client activity and significant profit growth in the first nine months of the year.

Sheikh Maktoum Hasher Al Maktoum, Executive Chairman of SHUAA Capital, commented:

"SHUAA's financial results represent the best quarter and the strongest nine month performance since 2009. Our third quarter performance was driven largely by net gains generated from investments in SHUAA managed funds which actively avoided temporary market volatility. Our clients also benefited from the strong performance of our Asset Management division. Overall, these record results are the product of our management team's successful strategy implementation and our ability to generate profitability from both recurring and non-recurring sources."

SHUAA Asset Management's net profits for the first nine months of 2014 stood at AED 16.3 million, a 78.7% increase from AED 9.1 million reported for the same period in 2013. Q3 2014 profits grew by 92.0% to AED 9.0 million from AED 4.7 million in Q3 2013 while total revenues increased to AED 10.4 million from AED 6.3 million. The team's robust investment strategy contributed to significant gains recorded in fund performance.

Investment Banking posted a profit of AED 13.9 million for the first nine months of 2014 versus a profit of AED 0.02 million during the first three quarters of 2013. Profits recorded for the third quarter 2014 were AED 1.3 million compared to AED 0.6 million in Q3 2013.

Capital Markets reported a 21.0% increase in profits for the first nine months of 2014 to AED 5.9 million compared to AED 4.9 million during the same period in 2013. The

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division also posted an improved net profit of AED 2.6 million for Q3 2014 representing an increase of 97.2% from AED 1.3 million in Q3 2013.

Lending continued to report strong results as profits for the first three quarters of 2014 reached AED 24.1 million compared to AED 7.5 million during the same period in 2013. Net profits for the third quarter 2014 increased by 150.5% to AED 9.7 million compared to AED 3.9 million in Q3 2013. This growth is underpinned by increasing demand for funding of small and medium-sized businesses in the UAE and Saudi Arabia.

Corporate, the centralized corporate cost centre, was within budget reporting a loss for the first nine months of AED 19.5 million compared to a loss of AED 22.5 million in the corresponding period in 2013. In the third quarter of 2014 Corporate generated a net profit of AED 3.6 million, a significant increase from a loss of AED 6.9 million in Q3 2013. This is due to substantial gains made from investments in SHUAA managed funds.

SHUAA expects to publish its reviewed interim condensed consolidated financial statements for Q3 2014 and the nine-month period ended 30 September 2014 on 13 November 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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