CMP/MAR/2016/0015
21ST March 2016

Mr. Hassan Al Serkal
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Dubai Financial Market
P.O Box 9700
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**Subject: GFH Group and Abu Dhabi Financial Group Extend Partnership**

GFH Financial Group ("GFH") would like to inform its shareholders and the markets that it has signed a sale agreement with Integrated Capital (IC), the capital markets arm of the multi-billion dollar alternative investment firm Abu Dhabi Financial Group (ADFG). Under the agreement, IC will acquire a 10% stake in Falcon Cement Company (FCC) from GFH. The signing ceremony took place between Hisham Alrayes, CEO of GFH and Vice Chairman of FCC, and Jassim Alseddiqi, Managing Director and CEO of ADFG and Chairman of Integrated Capital.

IC has also expressed an interest in underwriting FCC's proposed initial public offering (IPO) planned on the Bahrain Bourse later in 2016 which is subject to receipt of various internal and regulatory approvals.

Established in 2008, FCC is a highly recognized integrated cement plant in Bahrain, manufacturing Ordinary Portland Cement (OPC) and Sulfate Resistant Cement (SRC). Currently, FCC has a production capacity of 350,000 tons per annum, which is expected to go up to 850,000 tons with the upcoming launch of a second production line by end of 2016. FCC is valued at US$120 million.

This transaction is expected to have a positive impact on GFH cash-flow position.

Yours Sincerely,

**Nabeel Mirza**
Compliance Director & MLRO