

SHUAA Capital PSC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2007

TOGETHER WITH ACCOUNTANTS' REVIEW REPORT

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS TO THE DIRECTORS OF
SHUAA CAPITAL PSC**

Introduction

We have reviewed the accompanying interim consolidated balance sheet of **SHUAA Capital PSC** (a public shareholding company registered in the Emirate of Dubai – United Arab Emirates) and its **Subsidiaries** as of 30 September 2007 and the related interim consolidated statements of income, changes in shareholders' equity and cash flows for the six month period then ended. These interim condensed consolidated financial statements are the responsibility of the Group's management. Our responsibility is to issue a report on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim condensed consolidated financial statements are free of material misstatement. A review is limited to inquiries of Group personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34.



Signed by: Ali Issa
Partner
Registration No. 488

Ernst & Young

Dubai, United Arab Emirates
30 October 2007

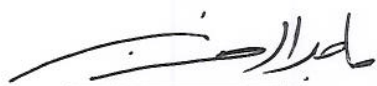
SHUAA Capital psc**CONSOLIDATED BALANCE SHEET**

At 30 September 2007

(Currency - Thousands of U.A.E. Dirhams)

	<i>Notes</i>	<i>30 September 2007 Unaudited</i>	<i>31 March 2007 Audited</i>	<i>30 September 2006 Unaudited</i>
<u>Assets</u>				
Cash and deposits with banks		178,471	135,983	44,189
Other deposits		-	-	17,200
Receivables and other debit balances		303,951	789,853	215,650
Investment securities	3	893,905	849,626	761,674
Installment credits, loans and advances		790,558	650,156	529,418
Investments available for sale		230,554	176,494	109,505
Investments in associates	4	789,551	774,008	894,515
Fixed assets		20,369	11,457	9,713
Goodwill		95,200	95,200	34,111
Total Assets		3,302,559	3,482,777	2,615,975
<u>Liabilities</u>				
Due to banks	5	821,967	690,254	852,440
Payables and other credit balances		346,703	740,148	168,710
Medium term debt	6	516,685	505,134	137,470
Total Liabilities		1,685,355	1,935,536	1,158,620
<u>Equity</u>				
Paid-up share capital		550,000	550,000	550,000
Treasury shares		(13,475)	(13,475)	-
Employee stock option plan shares		(163,565)	(174,659)	(118,088)
Statutory reserve		553,140	553,140	553,140
Retained earnings		637,286	513,123	466,451
Proposed dividend	7	-	110,000	-
Investment revaluation reserve	8	32,071	2,189	3,666
Translation reserve		16,092	2,330	2,186
Equity attributable to equity holders of parent		1,611,549	1,542,648	1,457,355
Minority Interest		5,655	4,593	-
Total Equity		1,617,204	1,547,241	1,457,355
Total Liabilities and Equity		3,302,559	3,482,777	2,615,975
<u>Contra accounts</u>				
Clients' funds under management	13	9,941,917	6,546,112	5,863,426

These interim condensed consolidated financial statements were approved by the Board of Directors on 30 October 2007 and signed on its behalf by:



Chairman

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

SHUAA Capital psc**CONSOLIDATED INCOME STATEMENT**

For the period ended 30 September 2007

(Currency - Thousands of U.A.E. Dirhams)

	<i>Notes</i>	<i>1 Jul 2007 to 30 Sep 2007 (3 Months) Unaudited</i>	<i>1 Apr 2007 to 30 Sep 2007 (6 Months) Unaudited</i>	<i>1 Jul 2006 to 30 Sep 2006 (3 Months) Unaudited</i>	<i>1 Apr 2006 to 30 Sep 2006 (6 Months) Unaudited</i>
Interest income		28,002	53,290	21,535	42,195
Investment banking income:					
Income from investment securities		34,205	86,529	13,220	(28,606)
Income from investments		1,359	13,822	68,070	86,209
Fees and commissions income		38,086	106,373	31,570	56,519
Income from associates		10,840	17,220	9,028	15,107
Total income		112,492	277,234	143,423	171,424
Interest expense		(22,757)	(42,625)	(17,087)	(27,214)
Provisions		1,979	(26,149)	(497)	(985)
Net operating income		91,714	208,460	125,839	143,225
General and administrative expenses		(35,905)	(76,313)	(21,870)	(36,378)
Depreciation and amortization		(1,399)	(2,634)	(822)	(1,732)
Operating expenses		(37,304)	(78,947)	(22,692)	(38,110)
Net profit for the period before minority interest		54,410	129,513	103,147	105,115
Profit attributable to equity holders of the parent		54,010	128,550	103,147	105,115
Profit attributable to minority interest		400	963	-	-
Earnings per share	9	AED 0.090	AED 0.226	AED 0.188	AED 0.179

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

SHUAA Capital psc

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the period ended 30 September 2007

Attributable to equity holders of the Parent

	<i>Paid-up share capital</i>	<i>Treasury shares</i>	<i>Employee stock option plan shares</i>	<i>Statutory reserve</i>	<i>Retained earnings</i>	<i>Proposed dividend</i>	<i>Investment revaluation reserve</i>	<i>Translation reserve</i>	<i>Total</i>	<i>Minority interest</i>	Total equity
Balance as of 1 April 2006 (Audited)	550,000	-	(89,924)	553,140	533,026	-	11,473	2,034	1,559,749	-	1,559,749
Net movement in cumulative changes in fair value	-	-	-	-	-	-	(7,807)	-	(7,807)	-	(7,807)
Currency translation differences	-	-	-	-	-	-	-	152	152	-	152
Total income and expense recognized directly in equity	-	-	-	-	-	-	(7,807)	152	(7,655)	-	(7,655)
Net profit for the period	-	-	-	-	105,115	-	-	-	105,115	-	105,115
Total income and expense for the period	-	-	-	-	105,115	-	(7,807)	152	97,460	-	97,460
Directors' remuneration	-	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	(6,690)	-	-	-	(6,690)	-	(6,690)
Net movement in employee stock option plan shares	-	-	(28,164)	-	-	-	-	-	(28,164)	-	(28,164)
Balance as of 30 September 2006 (Unaudited)	550,000	-	(118,088)	553,140	466,451	-	3,666	2,186	1,457,355	-	1,457,355
Balance as of 1 April 2007 (Audited)	550,000	(13,475)	(174,659)	553,140	513,123	110,000	2,189	2,330	1,542,648	4,593	1,547,241
Net movement in cumulative changes in fair value	-	-	-	-	-	-	29,882	-	29,882	99	29,981
Currency translation differences	-	-	-	-	-	-	-	13,762	13,762	-	13,762
Total income and expense recognized directly in equity	-	-	-	-	-	-	29,882	13,762	43,644	99	43,743
Net profit for the period	-	-	-	-	128,550	-	-	-	128,550	963	129,513
Total income and expense for the period	-	-	-	-	128,550	-	29,882	13,762	172,194	1,062	173,256
Dividend paid	-	-	-	-	-	(110,000)	-	-	(110,000)	-	(110,000)
Dividend entitlement on treasury shares held	-	-	-	-	600	-	-	-	600	-	600
Directors' fees	-	-	-	-	(4,987)	-	-	-	(4,987)	-	(4,987)
Net movement in employee stock option plan shares	-	-	11,094	-	-	-	-	-	11,094	-	11,094
Balance as of 30 September 2007 (Unaudited)	550,000	(13,475)	(163,565)	553,140	637,286	-	32,071	16,092	1,611,549	5,655	1,617,204

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

SHUAA Capital psc**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the period ended 30 September 2007

(Currency - Thousands of U.A.E. Dirhams)

	<i>1 Apr 2007 to 30 Sep 2007 (6 Months) (Unaudited)</i>	<i>1 Apr 2006 to 30 Sep 2006 (6 Months) (Unaudited)</i>
Cash flows from operating activities:		
Profit for the period	129,513	105,115
Adjustments for:		
Depreciation and amortization	2,634	1,732
Income from investments in associates	(17,220)	(15,107)
Gain on sale of investments available for sale	(10,836)	(86,082)
Provisions	26,149	985
Other non operating item	479	-
Net cash provided by operating activities before changes in assets and liabilities	130,719	6,643
Changes in assets and liabilities:		
Receivables and other debit balances	486,003	94,473
Investment securities	(44,279)	(186,697)
Installment credits, loans and advances	(144,371)	23,872
Payables and other credit balances	(413,336)	(36,431)
Additions to associates	-	(503,625)
Dividend received from investment in associate	21,650	51,399
Proceeds from sale of associate	-	283,505
Additions to investments available for sale	(55,097)	(28,612)
Proceeds from sale of investments available for sale	32,774	68,727
Purchase of fixed assets	(11,546)	(2,554)
Net cash provided / (used) by operating activities	2,517	(229,300)
Cash flows from financing activities:		
Increase in amounts due to banks	131,713	402,639
Settlement of corporate bond	(88,152)	-
Increase in medium term debt	99,703	855
Director's fees paid	(4,987)	(6,690)
Dividend paid	(109,400)	(165,000)
Movement in employee stock option plan shares	11,094	(28,164)
Net cash provided by financing activities	39,971	203,640
Net increase / (decrease) in cash and cash equivalents	42,488	(25,660)
Cash and cash equivalents at beginning of the period	135,983	69,849
Cash and cash equivalents at end of the period	178,471	44,189

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

SHUAA Capital psc

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 September 2007

(Currency - Thousands of U.A.E. Dirhams)

1. LEGAL STATUS AND ACTIVITIES

SHUAA Capital PSC (the ‘Company’) is a public shareholding company established in Dubai, United Arab Emirates, pursuant to the Emiri Decree No. 6 of 25 April 1979 and in accordance with the Federal Law No. (8) of 1984 (as amended). The registered address of the Company is P.O. Box 31045, Dubai, United Arab Emirates.

The Company pursues a broad investment strategy with special emphasis on the Arab region in general, the U.A.E. and G.C.C. markets in particular and is actively involved in public and private capital markets in the region. The Company’s shares are traded on the Dubai Financial Market in the United Arab Emirates and the Kuwait Stock Exchange.

The Company is licensed by the Central Bank of the United Arab Emirates to conduct financial investment business services including underwriting of securities and other corporate finance activities, investment advisory services, asset and portfolio management and brokerage in local and international securities. The Company is required to comply with the relevant UAE laws and the regulations promulgated by the Central Bank of the United Arab Emirates.

These interim condensed consolidated financial statements of the company and its subsidiaries (“the Group”) were authorized for issue by the Board of Directors on 30 October 2007.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial information contained in these interim condensed consolidated financial statements has been prepared in accordance with International Financial Reporting Standards and the interpretations adopted by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee.

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Group’s annual financial statements for the year ended 31 March 2007.

Amendments to IAS 1 Presentation of Financial Statements–Capital Disclosures

These amendments require disclosure of information enabling evaluation of the Group’s objectives, policies and processes for managing capital. These new disclosures will be included for the first time within the Group’s annual financial statements for the year ending 31 March 2008.

IFRS 7 Financial Instruments-Disclosures

This standard requires additional disclosure of the significance of financial instruments for the Group’s financial position and performance and information about exposure to risk arising from financial instruments. These new disclosures will be included for the first time in the Group’s annual financial statements for the year ending 31 March 2008.

These interim condensed consolidated financial statements do not include all the information and footnotes required for full financial statements, prepared in accordance with International Financial Reporting Standards.

3. INVESTMENT SECURITIES

Investment securities comprise the following:

	<i>30 September 2007</i>	<i>31 March 2007</i>
	<i>Unaudited</i>	<i>Audited</i>
Quoted fund investments	423,087	383,271
Equity securities		
Quoted	189,755	320,838
Unquoted	106,847	42,818
Fixed income securities	174,216	102,699
	893,905	849,626

SHUAA Capital psc**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the period ended 30 September 2007

(Currency - Thousands of U.A.E. Dirhams)

4. INVESTMENTS IN ASSOCIATES

The Group has the following investments in associates:

	Country of Incorporation	Book value/Ownership %			
		30 September 2007 Unaudited		31 March 2007 Audited	
Porta Egypt for Packaging Materials	Egypt	45,836	49.1%	44,920	49.1%
Amwal	Qatar	236,648	46.7%	239,056	46.7%
Al-Kout Industrial Projects Company	Kuwait	387,608	48.7%	370,960	48.7%
Taghleef Industries L.L.C.	U.A.E.	119,459	23.4%	119,072	23.4%
		789,551		774,008	

5. DUE TO BANKS

Due to banks comprise borrowings obtained from commercial banks in the ordinary course of business against the Group's established credit lines with these banks. Amounts due to banks are repayable within twelve months.

The Group's banking facilities are renewable every six months and carry US Dollar LIBOR based floating interest rates plus a spread ranging between 1% and 3%. During the period ended 30 September 2007, the Group secured new credit facilities of 433,247 (31 March 2007 – 734,030).

6. MEDIUM TERM DEBT

Medium term debt comprises the following:

	30 September 2007 Unaudited	31 March 2007 Audited
Term loans	516,685	417,019
Corporate bonds	-	88,115
	516,685	505,134

Term loans

	Facility	Interest Rate	Maturity Date	30 September 2007	31 March 2007
Abu Dhabi Commercial Bank	USD 100,000	6.8%	June 2010	367,300	367,300
Mashreq Bank	AED 100,000	6.5%	March 2009	100,000	-
United Arab Bank	AED 30,000	6.9%	October 2010	20,000	-
Abu Dhabi Commercial Bank	AED 25,000	7.1%	October 2010	8,650	9,294
Bank Muscat	AED 19,000	7.0%	September 2010	5,625	7,753
Invest Bank	AED 22,000	7.7%	June 2010	5,431	8,339
Commercial Bank of Dubai	AED 15,000	7.0%	April 2009	5,000	-
Sharjah Islamic Bank	AED 25,000	7.0%	April 2009	3,014	9,583
Emirates Bank International	AED 10,000	7.0%	March 2009	1,665	6,750
United Arab Bank	AED 11,000	7.3%	January 2010	-	8,000
				516,685	417,019

6. MEDIUM TERM DEBT - continued

Repayment on the loan of USD 100 million from Abu Dhabi Commercial Bank will commence from June 2008 when the first of five equal installments of USD\$ 20M will be due. Further installments of USD 20 million are due every six months thereafter.

The Group's banking facilities carry US Dollar LIBOR based floating interest rates plus a spread ranging between 1% and 3%.

7. DIVIDEND

At the Group's Annual General Meeting held on 24 June 2007, a cash dividend of 20% of the paid-up share capital of 550,000,000 shares was approved. This dividend was paid on 22 July 2007.

8. INVESTMENT REVALUATION RESERVE

	<i>30 September 2007</i> <i>Unaudited</i>	<i>30 September 2006</i> <i>Unaudited</i>
Available for sale investments		
Balance, beginning of the period	5,241	5,263
Realised during the period	(12,153)	(18,012)
Net movement in fair values during the period	35,315	15,795
Balance, end of the period	<u>28,403</u>	<u>3,046</u>
Group's share of investment revaluation reserves in associates		
Balance, beginning of the period	(3,052)	6,210
Net movement in fair values during the period	6,720	(5,590)
Balance, end of the period	<u>3,668</u>	<u>620</u>
Total	<u><u>32,071</u></u>	<u><u>3,666</u></u>

9. EARNINGS PER SHARE

The basic earnings per share for the period has been computed using net income for the period 128,550 (30 September 2006 – 105,115) reduced by the Director's fees 4,987 (30 September 2006 – 6,690) and divided by the adjusted weighted average number of shares outstanding of 547,000,000 (30 September 2006 – 550,000,000).

No figure for diluted earnings per share has been presented as the Group has not issued any instruments which would have an impact on earnings per share when exercised.

10. RELATED PARTY TRANSACTIONS

A number of transactions are entered into with related parties in the normal course of business. The related parties with which the Group has transacted are entities in which it has made an equity investment. Pricing policies and terms of these transactions are approved by Group management.

Assets and liabilities with related parties are as follows:

	30 September 2007 Unaudited	31 March 2007 Audited
Receivables and other debit balances		
Associates	4,642	5,046
Other related parties	96,213	107,095
Loans and advances		
Associates	10,653	10,837
Other related parties	74,789	32,606
Key management personnel	7,826	9,756
	194,123	165,340

Advances to key management personnel reflects trading margin, secured against investments held and sums advanced under the staff assistance program available to all employees, for which no interest is charged.

Payables and other credit balances		
Other related parties	691	628
	691	628

Income resulting from transactions with related parties comprises the following:

	1 Jul 2007 to 30 Sep 2007 (3 Months) Unaudited	1 Apr 2007 to 30 Sep 2007 (6 Months) Unaudited	1 Jul 2006 to 30 Sep 2006 (3 Months) Unaudited	1 Apr 2006 to 30 Sep 2006 (6 Months) Unaudited
Interest income				
Associates	165	338	810	1,620
Other related parties	310	917	442	879
Fees and commission income				
Other related parties	2,105	6,079	37	58
	2,580	7,334	1,289	2,557

11. INTEREST RATE RISK MANAGEMENT

The Group is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Group seeks to limit its exposure to such movements by managing the interest rate and maturity structure of assets and liabilities. The Group's interest rate sensitivity position at the end of the period, determined by the earlier of contractual re-pricing or maturity dates, was as follows:

	<i>30 September 2007 (Unaudited)</i>					
	Up to 3 months	3-12 months	1-5 years	Non-interest bearing	Total	Effective interest rate
Cash and deposits with banks	115,525	-	-	62,946	178,471	3.1%
Receivables and other debit balances	-	-	-	303,952	303,952	-
Investment securities	246,445	-	-	647,460	893,905	7.9%
Installment credits, loans and advances	359,284	228,687	202,587	-	790,558	11.5%
Investments available for sale	-	-	-	230,554	230,554	-
Investments in associates	-	-	-	789,550	789,550	-
Fixed assets	-	-	-	20,369	20,369	-
Goodwill	-	-	-	95,200	95,200	-
Total Assets	721,254	228,687	202,587	2,150,031	3,302,559	
Due to banks	708,476	64,157	-	49,334	821,967	6.9%
Payables & other credit balances	34,285	48,824	-	263,594	346,703	5.6%
Medium term debt	-	-	516,685	-	516,685	6.4%
Shareholders' equity	-	-	-	1,617,204	1,617,204	-
Total Liabilities and Equity	742,761	112,981	516,685	1,930,132	3,302,559	
Interest rate sensitivity gap	(21,507)	115,706	(314,098)	219,899	-	
Cummulative interest rate sensitivity gap	(21,507)	94,199	(219,899)	-	-	

SHUAA Capital psc**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the period ended 30 September 2007

(Currency - Thousands of U.A.E. Dirhams)

11. INTEREST RATE RISK MANAGEMENT- continued

	<i>31 March 2007 (Audited)</i>					
	0 – 3 Months	3-12 Months	1-5 Years	Non- interest bearing	Total	Effective interest rate
Cash and deposits with banks	72,290	-	-	63,693	135,983	4.0%
Receivables and other debit balances	-	-	-	789,853	789,853	-
Investment securities	79,349	-	82,482	687,795	849,626	7.3%
Installment credits, loans and advances	280,010	207,264	162,882	-	650,156	11.6%
Investments available-for-sale	-	-	-	176,494	176,494	-
Investments in associates	-	-	-	774,008	774,008	-
Fixed assets	-	-	-	11,457	11,457	-
Goodwill	-	-	-	95,200	95,200	-
Total Assets	431,649	207,264	245,364	2,598,500	3,482,777	
Due to banks	581,653	98,510	-	10,091	690,254	7.6%
Payables and other credit balances	-	26,241	-	713,907	740,148	4.5%
Medium term debt	88,115	-	417,019	-	505,134	6.9%
Equity	-	-	-	1,547,241	1,547,241	
Total Liabilities and Equity	669,768	124,751	417,019	2,271,239	3,482,777	
Interest rate sensitivity gap	(238,119)	82,513	(171,655)	327,261	-	
Cumulative interest rate sensitivity gap	(238,119)	(155,606)	(327,261)	-	-	

12. SEGMENTAL INFORMATION

The Group accounts for its activities on the basis of four main business segments; investment securities, investments available for sale, advisory services & asset management and financing activities.

Net income contributed by the Group's business segments, presented by geographical region, is as follows:

	<i>30 September 2007 (Unaudited)</i>						
	<i>Investment securities</i>	<i>Investments available for sale</i>	<i>Advisory services and asset management</i>	<i>Financing activities</i>	<i>Associates</i>	<i>Unallocated</i>	<i>Total</i>
GCC Countries	65,936	13,822	103,429	52,696	17,178	-	253,061
Middle East & North Africa	4,495	-	2,486	594	42	-	7,617
North America	10,273	-	-	-	-	-	10,273
Europe	5,825	-	458	-	-	-	6,283
Total Revenue	86,529	13,822	106,373	53,290	17,220	-	277,234
Net Income	86,529	13,822	106,373	10,665	17,220	(105,096)	129,513
Assets	893,905	230,554	310,359	901,323	789,551	176,867	3,302,559
Liabilities	57,381	-	138,184	1,374,432	-	115,358	1,685,355

SHUAA Capital psc

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 September 2007

(Currency - Thousands of U.A.E. Dirhams)

12. SEGMENTAL INFORMATION - continued

	<i>30 September 2006 (Unaudited)</i>					
	<i>Investment securities</i>	<i>Investments available for sale</i>	<i>Advisory services and asset management</i>	<i>Financing activities</i>	<i>Associates</i>	<i>Unallocated</i>
GCC Countries	(8,894)	127	53,347	41,546	81,990	-
Middle East & North Africa	(23,071)	18,013	3,051	649	939	-
North America	233	-	54	-	-	-
Europe	3,126	247	67	-	-	-
Total Revenue	(28,606)	18,387	56,519	42,195	82,929	-
Net Income	(28,606)	18,387	56,519	14,981	82,929	(39,095)
Assets	761,674	109,505	19,348	600,521	894,515	230,412
Liabilities	62,992	-	-	1,047,345	-	48,283

The geographical segmentation of the balance sheet asset and liabilities is as follows:

	<i>30 September 2007 (Unaudited)</i>					
	<i>GCC countries</i>	<i>Middle East & North Africa</i>	<i>North America</i>	<i>South America</i>	<i>Europe</i>	<i>Asia</i>
Cash and deposits with banks	175,764	49	2,653	-	5	-
Receivables & other debit balances	286,630	12,820	-	2,319	1,279	904
Investment securities	320,149	115,190	235,253	-	168,862	54,451
Installment credits, loans & advances	779,905	10,653	-	-	-	-
Investments available for sale	83,111	51,076	184	-	-	96,183
Investments in associates	743,714	45,836	-	-	-	-
Fixed Assets	20,369	-	-	-	-	-
Goodwill	95,200	-	-	-	-	-
Total Assets	2,504,842	235,624	238,090	2,319	170,146	151,538
Due to banks	773,071	-	-	-	48,896	-
Payables & other credit balances	332,728	9,446	-	475	2,218	1,836
Medium term debt	516,685	-	-	-	-	-
Equity	1,617,204	-	-	-	-	-
Total Liabilities and Equity	3,239,688	9,446	-	475	51,114	1,836

SHUAA Capital psc**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the period ended 30 September 2007

(Currency - Thousands of U.A.E. Dirhams)

12. SEGMENTAL INFORMATION - continued

	<i>31 March 2007(Audited)</i>					
	<i>GCC countries</i>	<i>Middle East & North Africa</i>	<i>North America</i>	<i>Europe</i>	<i>Asia</i>	<i>Total</i>
Cash and deposits with banks	115,327	49	20,602	5		135,983
Receivables & other debit balances	697,129	90,512	-	786	1,426	789,853
Investment securities	383,700	239,952	30,056	165,991	29,927	849,626
Installment credits, loans & advances	639,303	10,853	-	-	-	650,156
Investments available for sale	70,276	41,072	198	2,154	62,794	176,494
Investments in associates	729,088	44,920	-	-	-	774,008
Fixed Assets	11,457	-	-	-	-	11,457
Goodwill	95,200	-	-	-	-	95,200
Total Assets	2,741,480	427,358	50,856	168,936	94,147	3,482,777
Due to banks	690,254	-	-	-	-	690,254
Payables & other credit balances	663,060	-	14,682	62,406	-	740,148
Medium term debt	505,134	-	-	-	-	505,134
Equity	1,547,241	-	-	-	-	1,547,241
Total Liabilities and Equity	3,405,689	-	14,682	62,406	-	3,482,777

13. CLIENTS' FUNDS UNDER MANAGEMENT

The Group is licensed as a financial services company regulated by the Central Bank of the United Arab Emirates (Note 1). At 30 September 2007, client funds were managed in a fiduciary capacity, without risk or recourse to the Group. These assets are off balance sheet items and do not constitute part of the Group's assets.

14. COMMITMENTS AND CONTINGENT LIABILITIES

The Group had the following outstanding commitments and contingent liabilities:

	<i>30 September 2007 Unaudited</i>	<i>31 March 2007 Audited</i>
Corporate guarantee	206,000	207,000
Letters of guarantee	164,365	146,000
Commitments to acquire financial assets	202,008	119,148

15. PENDING ISSUE OF CONVERTIBLE DEBT SECURITIES

On 24 June 2007, the Group announced that it would call an Extraordinary General Meeting to seek approval to obtain financing by issuance of convertible debt securities totaling AED 1,500 million.

Dubai Banking Group has been chosen by the Group and an agreement in principle has been signed, whereby they will provide the desired financing on a convertible basis in support of the Group's expansion in the UAE and regional markets.

The conversion price agreed in principle is AED 6 per share, which will translate into 250 million shares of the Group, representing a stake of 32% post conversion. The proposed transaction encompasses the funding of all outstanding liabilities of the Group Stock Option Plan.

This proposal was approved by the shareholders of the Group at an Extra Ordinary General Meeting on 2nd September 2007 and is pending finalization.