

SHUAA Capital PSC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2007

TOGETHER WITH ACCOUNTANTS' REVIEW REPORT

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS TO THE SHAREHOLDERS 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 31 December 2007 and the related interim consolidated statements of income, changes in shareholders' equity and cash flows for the nine 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
5 February 2008

SHUAA Capital PSC**CONSOLIDATED BALANCE SHEET**

At 31 December 2007

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

		31 December 2007	31 March 2007	31 December 2006
	Notes	Unaudited	Audited	Unaudited
<u>Assets</u>				
Cash and deposits with banks		1,359,977	135,983	46,472
Other deposits		-	-	17,200
Receivables & other debit balances		526,660	789,853	275,940
Investment securities	3	1,962,945	849,626	763,572
Installment credits, loans and advances		839,295	650,156	553,982
Investments available for sale		477,058	176,494	159,961
Investments in associates	4	829,871	774,008	929,306
Fixed assets		29,322	11,457	9,351
Goodwill		95,200	95,200	34,111
Total Assets		6,120,328	3,482,777	2,789,895
<u>Liabilities</u>				
Due to banks	5	1,111,985	690,254	1,012,128
Payables and other credit balances		676,556	740,148	195,773
Medium term debt	6	507,738	505,134	132,152
Total Liabilities		2,296,279	1,935,536	1,340,053
<u>Equity</u>				
Paid-up share capital		550,000	550,000	550,000
Treasury shares		(13,475)	(13,475)	-
Employee stock option plan shares		(139,934)	(174,659)	(175,386)
Statutory reserve		553,140	553,140	553,140
Retained earnings		929,676	513,123	515,949
Proposed dividend	7	-	110,000	-
Investment revaluation reserve	8	235,921	2,189	3,641
Translation reserve		25,512	2,330	2,498
Convertible bond	9	1,676,000	-	-
Equity attributable to equity holders of parent		3,816,840	1,542,648	1,449,842
Minority Interest		7,209	4,593	-
Total Equity		3,824,049	1,547,241	1,449,842
Total Liabilities and Equity		6,120,328	3,482,777	2,789,895
<u>Contra accounts</u>				
Clients' funds under management	14	15,578, 853	6,546,112	5,970,930

These interim condensed consolidated financial statements were approved by the Board of Directors on 5th February 2008 and signed on its behalf by:



Chairman

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

SHUAA Capital psc**CONSOLIDATED INCOME STATEMENT**

For the period ended 31 December 2007

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

	<i>Notes</i>	<i>1 Oct 2007 to 31 Dec 2007 (3 Months) Unaudited</i>	<i>1 Apr 2007 to 31 Dec 2007 (9 Months) Unaudited</i>	<i>1 Oct 2006 to 31 Dec 2006 (3 Months) Unaudited</i>	<i>1 Apr 2006 to 31 Dec 2006 (9 Months) Unaudited</i>
Interest income		38,970	92,260	24,254	66,449
Investment banking income:					
Income from investment securities		117,798	204,327	(2,566)	(31,172)
Income from investments		18,149	31,971	(635)	85,574
Fees and commissions income		206,615	312,988	24,717	81,236
Income from associates		12,468	29,688	50,171	65,278
Total income		394,000	671,234	95,941	267,365
Interest expense		(25,512)	(68,138)	(22,169)	(49,383)
Provisions		(112,621)	(138,770)	(3,168)	(4,153)
Net operating income		255,867	464,326	70,604	213,829
General and administrative expenses		(40,061)	(116,373)	(20,136)	(56,514)
Depreciation and amortization		(1,482)	(4,116)	(970)	(2,702)
Operating expenses		(41,543)	(120,489)	(21,106)	(59,216)
Net profit for the period before minority interest		214,324	343,837	49,498	154,613
Profit attributable to equity holders of the parent:		213,024	341,574	49,498	154,613
Profit attributable to minority interest		1,300	2,263	-	-
Basic earnings per share	10	AED 0.389	AED 0.615	AED 0.090	AED 0.269
Diluted earnings per share	10	AED 0.298	AED 0.559	AED 0.090	AED 0.269

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

SHUAA Capital psc

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the period ended 31 December 2007

	Attributable to equity holders of the Parent								Minority interest	Total	Total equity
	Paid-up share capital	Treasury shares	Employee stock option plan shares	Statutory reserve	Retained earnings	Investment revaluation reserve	Translation reserve	Convertible bond			
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	-	-	-	-	-	(7,832)	-	-	-	(7,832)	(7,832)
Currency translation differences	-	-	-	-	-	-	464	-	-	464	464
Total income and expense recognized directly in equity	-	-	-	-	-	(7,832)	-	-	-	(7,368)	(7,368)
Net profit for the period	-	-	-	-	154,613	-	-	-	-	154,613	154,613
Total income and expense for the period	-	-	-	-	154,613	(7,832)	-	-	-	146,781	146,781
Directors' remuneration	-	-	-	-	(6,690)	-	-	-	-	(6,690)	(6,690)
Dividend	-	-	-	-	(165,000)	-	-	-	-	(165,000)	(165,000)
Net movement in employee stock option plan shares	-	-	(85,462)	-	-	-	-	-	-	(85,462)	(85,462)
Balance as of 31 December 2006 (Unaudited)	550,000	-	(175,386)	553,140	515,949	3,641	2,498	-	-	1,449,842	1,449,842
Balance as of 1 April 2007 (Audited)	550,000	(13,475)	(174,659)	553,140	623,123	2,189	2,330	-	-	1,542,648	1,542,648
Net movement in cumulative changes in fair value	-	-	-	-	-	233,732	-	-	-	233,732	233,732
Accrued interest on convertible bond	-	-	-	-	(15,500)	-	-	-	-	(15,500)	(15,500)
Currency translation differences	-	-	-	-	-	-	23,182	-	-	23,182	23,182
Total income and expense recognized directly in equity	-	-	-	-	(15,500)	233,732	-	-	-	218,232	218,232
Net profit for the period	-	-	-	-	341,574	-	-	-	-	341,574	341,574
Total income and expense for the period	-	-	-	-	326,074	233,732	-	-	-	562,806	562,806
Directors' remuneration	-	-	-	-	(4,987)	-	-	-	-	(4,987)	(4,987)
Dividend	-	-	-	-	(110,000)	-	-	-	-	(110,000)	(110,000)
Dividend entitlement on treasury shares held	-	-	-	-	600	-	-	-	-	600	600
Issue of convertible bond	-	-	-	-	-	-	-	1,676,000	-	1,676,000	1,676,000
Net movement in employee stock option plan shares	-	-	34,725	-	-	-	-	-	-	34,725	34,725
Net movement in employee stock option plan	-	-	-	-	94,866	-	-	-	-	94,866	94,866
Balance as of 31 December 2007 (Unaudited)	550,000	(13,475)	(139,934)	553,140	929,676	235,921	25,512	1,676,000	7,209	3,816,840	3,824,049

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

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

For the period ended 31 December 2007

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

	<i>1 Apr 2007 to 31 Dec 2007 (9 Months) Unaudited</i>	<i>1 Apr 2006 to 31 Dec 2006 (9 Months) (Unaudited)</i>
Cash flows from operating activities:		
Profit for the period	343,837	154,613
Adjustments for:		
Depreciation and amortization	4,116	2,702
Income from investments in associates	(29,688)	(65,278)
Gain on sale of investments available for sale	(3,384)	(85,200)
Provisions	138,770	4,135
Other non operating item	478	-
Net cash provided by operating activities before changes in assets and liabilities	454,129	10,972
Changes in assets and liabilities:		
Receivables and other debit balances	358,159	34,183
Investment securities	(1,113,319)	(188,595)
Installment credits, loans and advances	(195,707)	(3,842)
Payables and other credit balances	(209,005)	(9,368)
Additions to associates	(16,508)	(490,924)
Dividend received from investment in associate	21,650	51,399
Proceeds from sale of associate	-	215,683
Additions to investments available for sale	(114,744)	(80,611)
Proceeds from sale of investments available for sale	40,647	140,176
Purchase of fixed assets	(21,981)	(3,162)
Net cash used by operating activities	(796,679)	(324,089)
Cash flows from financing activities:		
Increase in amounts due to banks	421,731	562,327
Issue of convertible bond	1,676,000	-
Settlement of corporate bond	(88,152)	-
Increase / (Decrease) in medium term debt	90,756	(4,463)
Director's remuneration paid	(4,987)	(6,690)
Dividend paid	(109,400)	(165,000)
Movement in employee stock option plan shares	34,725	(85,462)
Net cash provided by financing activities	2,020,673	300,712
Net increase / (decrease) in cash and cash equivalents	1,223,994	(23,377)
Cash and cash equivalents at beginning of the period	135,983	69,849
Cash and cash equivalents at end of the period	1,359,977	46,472

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

SHUAA Capital psc

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 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 5th February 2008.

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:

	31 December 2007 Unaudited	31 March 2007 Audited
Quoted fund investments	886,930	383,271
Equity securities		
Quoted	342,245	320,838
Unquoted	570,210	42,818
Fixed income securities	163,560	102,699
	<u>1,962,945</u>	<u>849,626</u>

SHUAA Capital psc

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 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 %			
		31 December 2007		31 March 2007	
		<i>Unaudited</i>		<i>Audited</i>	
Porta Egypt for Packaging Materials	Egypt	46,877	49.1%	44,920	49.1%
Amwal	Qatar	243,836	46.7%	239,056	46.7%
Al-Kout Industrial Projects Company	Kuwait	401,581	48.7%	370,960	48.7%
Taghleef Industries L.L.C.	U.A.E.	137,577	23.4%	119,072	23.4%
		<u>829,871</u>		<u>774,008</u>	

5. DUE TO BANKS

Due to banks comprise unsecured 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 31 December 2007, the Group secured new credit facilities of 483,247 (31 March 2007 – 734,030).

6. MEDIUM TERM DEBT

Medium term debt comprises the following:

	31 December 2007	31 March 2007
	<i>Unaudited</i>	<i>Audited</i>
Term loans	507,738	417,019
Corporate bond	-	88,115
	<u>507,738</u>	<u>505,134</u>

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 20 million 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.

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

For the period ended 31 December 2007

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

8. INVESTMENT REVALUATION RESERVE

	<i>31 December 2007</i> <i>Unaudited</i>	<i>31 December 2006</i> <i>Unaudited</i>
Available for sale investments		
Balance, beginning of the period	5,241	5,263
Realised during the period	(7,498)	(17,379)
Net movement in fair values during the period	232,588	15,764
Balance, end of the period	<u>230,331</u>	<u>3,648</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	8,642	(6,217)
Balance, end of the period	<u>5,590</u>	<u>(7)</u>
Total	<u><u>235,921</u></u>	<u><u>3,641</u></u>

9. CONVERTIBLE BOND

On 31 October 2007 the Group issued for 1,676,000 a convertible bond with a nominal value of 1,500,000, to Dubai Banking Group PJSC. This convertible bond carries an interest rate of 6% on the nominal bond holding, representing an effective interest rate of 5.4% on the subscription amount. Interest is payable quarterly and the bond matures on 31 October 2008. On maturity, both the holder and the issuer have the option to convert the bond to 250 million shares at a conversion rate of AED 6 per share.

10. EARNINGS PER SHARE

The basic earnings per share for the period have been computed using the net income for the period attributable to the ordinary equity holders of the parent 341,574 (31 December 2006 – 154,613) reduced by the Director's fees 4,987 (31 December 2006 – 6,690) and divided by the weighted average number of ordinary shares outstanding of 547,000,000 (31 December 2006 – 550,000,000).

The diluted earnings per share for the period have been computed using the net income for the period attributable to the ordinary equity holders of the parent 341,574 reduced by the Director's fees 4,987 and divided by the sum of the weighted average number of ordinary shares outstanding of 547,000,000 and the weighted average number of ordinary shares that would be issued on the conversion of bond 55,555,556.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2007

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

11. RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Group carries out transactions with related parties. IAS 24 "Related Party Disclosures" defines related parties, which for the Group includes associates, key management personnel and other related parties. Included within the category other related parties are managed funds and entities over which Directors have significant influence.

Assets and liabilities with related parties are as follows:

	31 December 2007 Unaudited	31 March 2007 Audited
Receivables and other debit balances		
Associates	4,934	5,046
Other related parties	43,901	107,095
Loans and advances		
Associates	9,693	10,837
Other related parties	61,790	32,606
Key management personnel	10,786	9,756
	131,104	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	239,383	628
	239,383	628

Income resulting from transactions with related parties comprises the following:

	1 Oct 2007 to 31 Dec 2007 (3 Months) Unaudited	1 Apr 2007 to 31 Dec 2007 (9 Months) Unaudited	1 Oct 2006 to 31 Dec 2006 (3 Months) Unaudited	1 Apr 2006 to 31 Dec 2006 (9 Months) Unaudited
Interest income				
Associates	155	493	138	589
Other related parties	450	1,367	782	2,830
Fees and commission income				
Other related parties	78,989	85,068	13	71
	79,594	86,928	933	3,490

12. 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:

31 December 2007 (Unaudited)						
	Up to 3 months	3-12 months	1-5 years	Non-interest bearing	Total	Effective interest rate
Assets						
Cash and deposits with banks	1,005,852	-	-	354,125	1,359,977	4.1%
Receivables and other debit balances	-	-	-	526,660	526,660	-
Investment securities	235,563	-	-	1,727,382	1,962,945	7.4%
Installment credits, loans and advances	378,337	244,267	216,691	-	839,295	11.4%
Investments available-for-sale	-	-	-	477,058	477,058	-
Investments in subsidiary & associates	-	-	-	829,871	829,871	-
Fixed assets	-	-	-	29,322	29,322	-
Goodwill	-	-	-	95,200	95,200	-
Total Assets	1,619,752	244,267	216,691	4,039,618	6,120,328	
Liabilities						
Due to banks	721,791	185,745	-	204,449	1,111,985	6.5%
Payables and accrued expenses	-	25,515	-	651,041	676,556	4.4%
Medium term debt	-	-	507,738	-	507,738	6.3%
Shareholders' equity	-	-	-	3,824,049	3,824,049	-
Total Liabilities & Equity	721,791	211,260	507,738	4,679,539	6,120,328	
Interest rate sensitivity gap	897,961	33,007	(291,047)	(639,921)	-	
Cummulative interest rate sensitivity gap	897,961	930,968	639,921	-	-	

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

For the period ended 31 December 2007

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

12. INTEREST RATE RISK MANAGEMENT- continued*31 March 2007 (Audited)*

	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)	-	-	

13. 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:

31 December 2007 (Unaudited)

	Investment securities	Investments available for sale	Advisory services and asset management	Financing activities	Associates	Unallocated	Total
GCC Countries	168,006	31,017	288,337	91,218	29,049	-	607,627
Middle East & North Africa	15,024	-	23,969	1,643	639	-	41,275
North America	5,607	-	-	-	-	-	5,607
Europe	15,690	954	682	(601)	-	-	16,725
Total Revenue	204,327	31,971	312,988	92,260	29,688	-	671,234
Net Income	204,327	31,971	312,988	24,122	29,688	(261,522)	341,574
Assets	1,962,945	477,058	272,440	2,165,942	829,871	412,072	6,120,328
Liabilities	-	-	155,233	1,659,014	-	482,032	2,296,279

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

For the period ended 31 December 2007

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

13. SEGMENTAL INFORMATION - continued

	31 December 2006 (Unaudited)						
	Investment securities	Investments available for sale	Advisory services and asset management	Financing activities	Associates	Unallocated	Total
GCC Countries	25,399	(16,809)	5,027	102,571	(3,481)	-	112,707
Middle East & North Africa	(70,153)	102,136	75,676	(36,122)	68,760	-	140,297
North America	7,499	-	259	-	-	-	7,758
Europe	6,083	247	273	-	-	-	6,603
Total Revenue	(31,172)	85,574	81,235	66,449	65,279	-	267,365
Net Income	(31,172)	85,574	81,235	17,066	65,279	(63,369)	154,613
Assets	763,572	159,961	20,370	638,049	929,306	278,637	2,789,895
Liabilities	76,612	-	4,013	1,191,846	-	67,582	1,340,053

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

	31 December 2007(Unaudited)						
	GCC countries	Middle East & North Africa	North America	South America	Europe	Asia	Total
Cash and deposits with banks	1,296,054	513	63,405	-	5	-	1,359,977
Receivables & other debit balances	493,977	25,600	-	-	2,414	4,669	526,660
Investment securities	887,024	126,723	440,533	18,365	229,491	260,809	1,962,945
Installment credits, loans & advances	829,582	9,713	-	-	-	-	839,295
Investments available for sale	104,258	75,533	184	-	-	297,083	477,058
Investments in associates	782,994	46,877	-	-	-	-	829,871
Fixed Assets	29,322	-	-	-	-	-	29,322
Goodwill	95,200	-	-	-	-	-	95,200
Total Assets	4,518,411	284,959	504,122	18,365	231,910	562,561	6,120,328
Due to banks	1,080,356	-	-	-	31,629	-	1,111,985
Payables & other credit balances	676,550	-	6	-	-	-	676,556
Medium term debt	507,738	-	-	-	-	-	507,738
Equity	3,824,049	-	-	-	-	-	3,824,049
Total Liabilities and Equity	6,088,693	-	6	-	31,629	-	6,120,328

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

For the period ended 31 December 2007

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

13. SEGMENTAL INFORMATION - continued

	31 March 2007 (Audited)					
	GCC countries	Middle East & North Africa	North America	Europe	Asia	Total
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

14. 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 31 December 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.

15. COMMITMENTS AND CONTINGENT LIABILITIES

The Group had the following outstanding commitments and contingent liabilities:

	<i>31 December 2007 Unaudited</i>	<i>31 March 2007 Audited</i>
Corporate guarantee	206,000	207,000
Letters of guarantee	245,865	146,000
Commitments to acquire financial assets	151,386	119,148

16. SHUAA SAUDI ARABIA UNDER FORMATION

The Group continues to progress in the establishment of its planned subsidiary in Saudi Arabia. At this time, this entity remains under formation, pending completion of license formalities. The Group together with minority interest shareholders have placed SAR 150 million into Saudi British Bank representing the total capital of this entity, as required by licensing formalities.

As at 31 December 2007, the Group's share in this bank account represents 88,152 (SAR 90 million), being 60% of the total capital. This balance is included within receivables and other debit balances on the consolidated balance sheet.

Further, the Group has recognized pre-establishment expense of 2,224 and an unrealized loss of 679, representing our 60% share in the activities of this entity.

17. STOCK OPTION PLAN

The stock option plan is administered by a trustee and gives the Board the authority to determine which employees of the Company will be granted options. The trust holds shares on behalf of the plan. These shares are recorded in the balance sheet as employee stock option plan shares within equity. Options granted under the plan have a vesting period of between one and four years from the date of grant and expire seven years after the date of the grant.

The convertible bond subscription agreement includes an additional amount, paid by the subscriber, to be applied by the Group to Restructure the plan. This modification to the plan became effective on 27 November 2007 and included, revising the existing vesting schedule to a period of 4 years on the majority of share options in issue at 31 October 2007 and reducing the exercise price to nil on all share options in issue.

For the purpose of calculating the expense to be recognized in the consolidated income statement, the fair value of options granted has been determined taking into account the terms and conditions upon which the instruments were issued.