

SHUAA Capital PSC

INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS

31 MARCH 2009

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of SHUAA Capital PSC and its subsidiaries ("the Group") as at 31 March 2009, comprising of the interim consolidated statement of financial position as at 31 March 2009 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting* ('IAS 34'). Our responsibility is to express a conclusion 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, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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 IAS 34.



Signed by:
Ali H Issa
Partner
Registration No. 488

Dubai, United Arab Emirates
11 May 2009

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2009

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

		31 March 2009 Unaudited	31 December 2008 Audited	31 March 2008 Audited
	<i>Notes</i>			
<u>Assets</u>				
Cash and deposits with banks		401,201	390,089	611,347
Receivables and other debit balances		239,866	272,030	607,705
Investment securities	3	745,484	988,600	1,909,091
Installment credits, loans and advances		1,067,836	1,218,876	990,511
Investments available for sale	4	286,929	325,598	416,312
Investments held to maturity	5	151,377	151,278	-
Investments in associates	6	769,235	900,689	1,132,755
Fixed assets		32,263	34,243	23,649
Goodwill	7	103,794	95,200	95,200
Total Assets		3,797,985	4,376,603	5,786,570
<u>Liabilities</u>				
Due to banks	8	850,735	1,190,254	729,239
Payables and other credit balances		755,477	728,952	944,677
Medium-term debt	9	160,559	189,440	418,103
Total Liabilities		1,766,771	2,108,646	2,092,019
Equity Attributable to Equity Holders of the Parent				
Share capital		550,000	550,000	550,000
Treasury shares	10	(13,475)	(13,475)	(13,475)
Employee stock option plan shares	11	(127,298)	(129,424)	(164,601)
Statutory reserve		553,140	553,140	553,140
Retained earnings		(615,382)	(398,551)	634,429
Proposed dividends		-	-	247,500
Investment revaluation reserve	12	(15,399)	(28,688)	113,810
Translation reserve		(11,228)	14,654	37,794
Convertible bond	13	1,676,000	1,676,000	1,676,000
		1,996,358	2,223,656	3,634,597
Minority interest		34,856	44,301	59,954
Total Equity		2,031,214	2,267,957	3,694,551
Total Liabilities and Equity		3,797,985	4,376,603	5,786,570
<u>Contra accounts</u>				
Client's funds under management	19	4,511,815	4,734,766	14,226,853



Majid Saif Al Ghurair – Chairman

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF INCOME

31 March 2009

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

		<i>1 January 2009 to 31 March 2009 (3 Months) Unaudited</i>	<i>1 January 2008 to 31 March 2008 (3 Months) Unaudited</i>
	<i>Notes</i>		
Interest income		44,757	38,126
Interest expense		(26,122)	(21,832)
Net interest income		18,635	16,294
Net income from investment securities		(68,537)	(33,450)
Income from investments		2,190	(4,187)
Net fees and commissions		28,050	116,667
Investment banking income		(38,297)	79,030
Share of (loss)/profit of associates		(42,776)	12,352
Net operating (loss)/income		(62,438)	107,676
General and administrative expenses		(73,140)	(91,089)
Depreciation and amortisation		(2,869)	(2,011)
Provisions	6	(63,791)	38,527
Operating expenses		(139,800)	(54,573)
(Loss) / Profit for the period		(202,238)	53,103
Attributable to:			
Minority interest		(4,324)	(5,788)
Equity holders of the parent		(197,914)	58,891
(Loss)/earnings per share (equity holders of the parent) for the period			
Basic (loss)/earnings per share (in AED)	14	(0.408)	0.066
Diluted (loss)/earnings per share (in AED)	14	(0.248)	0.090

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

31 March 2009

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

	<i>1 January 2009 to 31 March 2009 (3 Months) Unaudited</i>	<i>1 January 2008 to 31 March 2008 (3 Months) Unaudited</i>
(Loss)/profit for the period	(202,238)	53,103
Other comprehensive income/(loss)		
Net unrealised gains/(losses) on available for sale investments	458	(122,759)
Share of other comprehensive income of associates	12,831	436
Exchange differences on translation of foreign operations	(25,915)	12,282
Other comprehensive loss for the period	(12,626)	(110,041)
Total comprehensive loss for the period	(214,864)	(56,938)
Attributable to:		
Minority interest	(4,357)	(6,000)
Equity holders of the parent	(210,507)	(50,938)

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

31 March 2009

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

	<i>1 Jan 2009 to 31 Mar 2009 (3 Months) Unaudited</i>	<i>1 Jan 2008 to 31 Mar 2008 (3 Months) Unaudited</i>
Operating activities		
(Loss)/profit for the period	(202,238)	53,103
Adjustments:		
Depreciation	2,869	2,011
Unrealised losses/(gains) on investment securities	10,646	(77,729)
Unrealised losses/(gains) from investments in associates	42,776	(12,352)
Income from investments available for sale	1,569	(14,682)
Income from investments held to maturity	(99)	-
Share based payments charge	8,349	11,897
Provisions	63,791	(38,527)
Operating loss before changes in operating assets and liabilities	(72,337)	(76,279)
Changes in operating assets and liabilities:		
Receivables and other debit balances	45,452	(195,019)
Installment credits, loans and advances	149,273	(152,816)
Payables and other credit balances	29,845	125,689
Net purchase/sale of investment securities	234,667	131,582
Net cash from / (used in) operating activities	386,900	(166,843)
Investing activities		
Purchase of investments available for sale	(205)	(55,103)
Sale/redemption of investments available for sale	1,266	9,878
Additions to investments in associates	-	(94,139)
Addition to investment in subsidiaries/minority interest	(6,841)	58,745
Purchase of fixed assets	(889)	(6,456)
Net cash used in investing activities	(6,669)	(87,075)
Financing activities		
Interest on convertible bond	-	(23,250)
Decrease in medium term debt	(28,881)	(89,634)
Decrease in amounts due to banks	(339,519)	(382,746)
Movement in employee stock option plan shares	20	-
Net cash used in financing activities	(368,380)	(495,630)
Increase / (decrease) in cash and cash equivalents	11,851	(749,548)
Foreign currency translation	(739)	918
Cash and cash equivalents at beginning of the period	390,089	1,359,977
Cash and cash equivalents at end of the period	401,201	611,347

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

SHUAA Capital PSC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 31 March 2009

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

Equity attributable to shareholders of the Parent

	Share capital	Treasury shares	Employee stock option plan shares	Statutory reserve	Retained earnings	Investment revaluation reserve	Translation reserve	Convertible bond	Total	Minority interest	Total
Balance as of 1 January 2008 (Unaudited)	550,000	(13,475)	(139,934)	553,140	929,676	235,921	25,512	1,676,000	3,816,840	7,209	3,824,049
Total comprehensive income for the period	-	-	-	-	58,891	(122,111)	12,282	-	(50,938)	(6,000)	(56,938)
Interest on convertible bond	-	-	-	-	(22,750)	-	-	-	(22,750)	-	(22,750)
Minority interest arising from acquisition of subsidiary	-	-	-	-	-	-	-	-	-	58,745	58,745
Net movement in employee stock option plan shares	-	-	(24,667)	-	(17,000)	-	-	-	(41,667)	-	(41,667)
Share based payments charge	-	-	-	-	(66,888)	-	-	-	(66,888)	-	(66,888)
Balance as of 31 March 2008 (Audited)	550,000	(13,475)	(164,601)	553,140	881,929	113,810	37,794	1,676,000	3,634,597	59,954	3,694,551

Equity attributable to shareholders of the Parent

	Share capital	Treasury shares	Employee stock option plan shares	Statutory reserve	Retained earnings	Investment revaluation reserve	Translation reserve	Convertible bond	Total	Minority interest	Total
Balance as of 1 January 2009 (Audited)	550,000	(13,475)	(129,424)	553,140	(398,551)	(28,688)	14,654	1,676,000	2,223,656	44,301	2,267,957
Total comprehensive income for the period	-	-	-	-	(197,914)	13,289	(25,882)	-	(210,507)	(4,357)	(214,864)
Interest on convertible bond	-	-	-	-	(25,140)	-	-	-	(25,140)	-	(25,140)
Acquisition of minority interest	-	-	-	-	-	-	-	-	-	(5,088)	(5,088)
Net movement in employee stock option plan shares	-	-	2,126	-	(2,126)	-	-	-	-	-	-
Share based payments charge	-	-	-	-	8,349	-	-	-	8,349	-	8,349
Balance as of 31 March 2009 (Unaudited)	550,000	(13,475)	(127,298)	553,140	(615,382)	(15,399)	(11,228)	1,676,000	1,996,358	34,856	2,031,214

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

31 March 2009

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

1. LEGAL STATUS AND ACTIVITIES

The interim condensed consolidated financial statements of SHUAA Capital psc and its subsidiaries ("the Group") for the period ended 31 March 2009 were authorised for issue in accordance with a resolution of the Directors on 11 May 2009.

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 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 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.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial statements of the Group have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the period ended 31 December 2008, except as noted below.

During the period, the Group has adopted the following standard effective for the annual periods beginning on or after 1 January 2009.

IAS 1 'Presentation of Financial Statements' (Revised):

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income; it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present two statements.

3. INVESTMENT SECURITIES

Investment securities comprise the following:

	<i>31 March 2009 Unaudited</i>	<i>31 December 2008 Audited</i>
Fund investments		
Quoted	195,065	294,443
Unquoted	295,112	340,352
Equity securities		
Quoted	88,398	137,862
Unquoted *	33,018	38,829
Fixed income securities	133,891	177,114
	745,484	988,600

* Unquoted equities are designated as fair value investments through profit and loss. All other investment securities are held for trading.

31 March 2009

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

4. INVESTMENTS AVAILABLE FOR SALE

Investments available for sale comprise the following:

	<i>31 March 2009 Unaudited</i>	<i>31 December 2008 Audited</i>
Quoted direct equity investments	39,714	46,330
Unquoted direct equity investments	69,323	96,317
Unquoted fund investments	177,892	182,951
	<u>286,929</u>	<u>325,598</u>

5. INVESTMENTS HELD TO MATURITY

Investments held to maturity comprise the following:

	<i>31 March 2009 Unaudited</i>	<i>31 December 2008 Audited</i>
Fixed income securities	151,377	151,278
	<u>151,377</u>	<u>151,278</u>

The quoted market value of fixed income securities held to maturity as of 31 March 2009 is 109,639 (31 December 2008 95,245).

6. INVESTMENTS IN ASSOCIATES

The Group has the following investments in associates:

	Country of Incorporation	<i>Book value/Ownership %</i>			
		<i>31 March 2009 Unaudited</i>		<i>31 December 2008 Audited</i>	
Amwal	Qatar	179,607	46.7%	201,466	46.7%
Al-Kout Industrial Projects Company	Kuwait	314,452	48.7%	330,751	48.7%
Taghleef Industries L.L.C.	U.A.E.	126,559	23.4%	158,742	23.4%
Orion Holdings Overseas	U.A.E.	22,956	20.0%	92,189	20.0%
City Engineering LLC	U.A.E.	32,335	40.0%	29,600	40.0%
Septech Holding Limited	U.A.E.	93,326	49.0%	87,941	49.0%
		<u>769,235</u>		<u>900,689</u>	

31 March 2009

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

6. INVESTMENTS IN ASSOCIATES - continued**Orion Holdings Overseas**

Orion Holdings Overseas is a company registered in the Dubai International Financial Center, engaged in prime brokerage, clearing and financial IT solutions. During the period, Orion Holdings Overseas reported trading losses, which based on the requirements of IAS 28, investments in associates, were equity accounted for by the Group. Trading losses may be an indication of impairment and as such the Group reviewed the carrying value of its investment. The review concluded that the investment was impaired, based on an assessment of the fair value less cost to sell of the investment, and a provision of 59,172 was recognised in the current period.

7. GOODWILL

The movement in goodwill is presented below:

	<i>1 Jan 2009 to 31 Mar 2009 (3 Months) Unaudited</i>	<i>1 Jan 2008 to 31 Mar 2008 (3 Months) Unaudited</i>
Balance, beginning of period	95,200	95,200
Acquisitions during the period	8,594	-
Balance, end of period	<u>103,794</u>	<u>95,200</u>

On 1 January 2009, the Group acquired an additional 5% of the voting shares of SHUAA Securities LLC, taking its effective ownership to 93%. Cash consideration of 13,682 was paid. The book value of the net assets of SHUAA Securities LLC at this date was 101,766 and the book value of the additional interest acquired was 5,088. The difference of 8,594, between the consideration and the book value of the interest acquired, has been recognised as goodwill

8. 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.

	<i>31 March 2009 Unaudited</i>	<i>31 December 2008 Audited</i>
Bank overdrafts	216,177	487,204
Term loans repayable within twelve months	634,558	703,050
	<u>850,735</u>	<u>1,190,254</u>

The Group's banking facilities are renewable every six months and carry EBOR based floating interest rates plus a spread ranging between 2.5% and 5%.

At 31 March 2009, letters of guarantee on behalf of the Group amounting to 196,140 had been provided by the Group's bankers. These guarantees are a standard mechanism used within the regions banking structures and financial exchanges to facilitate activities. It is anticipated that no material liabilities will arise from these guarantees.

31 March 2009

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

9. MEDIUM-TERM DEBT

Medium-term debt comprises the following:

	<i>31 March 2009 Unaudited</i>	<i>31 December 2008 Audited</i>
Term loans	160,559	189,440
	<u>160,559</u>	<u>189,440</u>

10. TREASURY SHARES

The Group held the following treasury shares at 31 March 2009.

	<i>1 Jan 2009 to 31 Mar 2009 (3 Months) Unaudited</i>	<i>1 Jan 2008 to 31 Mar 2008 (3 Months) Unaudited</i>
Number of treasury shares	3,000,000	3,000,000
Treasury share as percentage of total shares in issue	0.5%	0.5%
Cost of treasury shares	13,475	13,475
Market value of treasury shares	2,730	21,510

No treasury shares movement was recorded during these periods.

11. EMPLOYEE STOCK OPTION PLAN SHARES

The following employee stock option plan shares were held in trust at 31 March 2009:

	<i>1 Jan 2009 to 31 Mar 2009 (3 Months) Unaudited</i>	<i>1 Jan 2008 to 31 Mar 2008 (3 Months) Unaudited</i>
Number of shares	31,732,570	40,265,411
Share as percentage of total shares in issue	5.8%	7.3%
Cost of shares	127,298	164,601
Market value of shares	28,877	288,703

Movement in employee stock option plan shares was as follows:

	<i>Number of shares</i>	
	<i>31 Mar 2009 (3 Months) Unaudited</i>	<i>31 Mar 2008 (3 Months) Unaudited</i>
Balance at the beginning of the period	32,262,570	40,363,411
Executed options	(530,000)	(98,000)
Balance at the end of the period	<u>31,732,570</u>	<u>40,265,411</u>

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

12. INVESTMENT REVALUATION RESERVE

	<i>1 Jan 2009 to 31 Mar 2009 (3 Months) Unaudited</i>	<i>1 Jan 2008 to 31 Mar 2008 (3 Months) Unaudited</i>
Available for sale investments		
Balance, beginning of the period	(14,194)	230,331
Realised during the period	-	8,561
Net movement in fair values during the period	458	(131,108)
Balance, end of the period	<u>(13,736)</u>	<u>107,784</u>
Group's share of investment revaluation reserves in associates		
Balance, beginning of the period	(14,494)	5,590
Net movement in fair values during the period	12,831	436
Balance, end of the period	<u>(1,663)</u>	<u>6,026</u>
Total investment revaluation reserve	<u>(15,399)</u>	<u>113,810</u>

13. CONVERTIBLE BOND

On 31 October 2007 SHUAA Capital psc issued for AED 1,676,000 convertible notes ("the Notes") with a nominal value of AED 1,500,000 and a one-year maturity, to Dubai Banking Group pjsc. The Notes bear interest at the rate of 6% on the nominal amount, representing an effective interest rate of 5.4% on the subscription amount. Interest is payable quarterly. The Note Certificate provides that on maturity the Notes shall be converted at the option of either the holder or the issuer into 250 million shares of SHUAA Capital, representing an effective conversion rate of AED 6.0 per share.

The maturity date of the Notes was 31 October 2008. In advance of the maturity date, Dubai Banking Group declined to exercise its right to convert the Notes within the time provided, whereupon SHUAA Capital gave notice of its intention to exercise its parallel right to convert the Notes into shares, instead of redeeming them in cash. Dubai Banking Group then served notice disputing the enforceability of SHUAA Capital's contractual right to convert the Notes.

On 2 November 2008 it was mutually agreed in a Memorandum of Understanding ("the MOU") to attempt to resolve the dispute by, *inter alia*, seeking the support of SHUAA Capital's shareholders to extend the maturity date of the Notes for a further year, until 31 October 2009, with the possibility by mutual consent to extend the maturity date for a further year, to 31 October 2010. In the MOU it was agreed that if the matter was not resolved by the Final Date specified therein (25 January 2009), the parties would revert to their positions as of 31 October 2008. The Final Date has been extended in writing four times, currently until 25 May 2009.

A general meeting of shareholders was called and convened on 1 March 2009 and the resolution to authorize the proposed extension of the maturity date was passed, but Dubai Banking Group has subsequently declined to execute documentation for an extension that confirms the original contractual terms providing for conversion at the option of either the holder or the issuer.

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

13. CONVERTIBLE BOND - continued

It is the current understanding of the Group that Dubai Banking Group does not wish to extend the maturity date of the Notes on the terms originally agreed. Therefore other alternatives have been considered to resolve the pending dispute and at an extraordinary general meeting of shareholders held on 15 April 2009 SHUAA Capital's board of directors was granted additional authority, including the authority to re-negotiate and amend the terms of the Notes, if necessary, in order to agree upon a resolution.

It is possible that, as a component of a mutually acceptable alternative, a limited extension of the Notes might be agreed, until implementation of a final settlement. If so, it would follow that interest would be payable for some or all of such extended period. Accordingly, interest on the Notes has been accrued at a rate of 6% on the AED 1,676,000 received and recorded within Payables and other credit balances, through 31 March 2009. If the maturity of the Notes is not extended and interest is not paid as part of any settlement of the pending dispute, the provision will be reversed to Retained Earnings in a future period.

In the event that no mutually acceptable resolution can be negotiated, the Group will strictly insist on its contractual rights and will convert the Notes by issuing shares in the agreed amount, with effect from 31 October 2008. The Group believes it has a strong legal argument in support of the enforceability of its option to convert the Notes, based on the opinions of internal and external legal counsel.

14. EARNINGS PER SHARE

Basic earnings per share have been computed using the net income attributable to the ordinary equity holders of the parent (197,914) (31 March 2008 58,891) adjusted by interest due on convertible bonds 25,140 (31 March 2008 22,750). The adjusted earnings figure is divided by the weighted average number of ordinary shares outstanding 547,000,000 (31 March 2008 547,000,000).

Diluted earnings per share have been computed using the net income attributable to the ordinary equity holders of the parent (197,914) (31 March 2008 58,891) divided by 797,000,000 (31 March 2008 651,166,667), corresponding to the sum of the weighted average number of ordinary shares outstanding and the number of ordinary shares to be issued on conversion of the convertible bond.

15. RELATED PARTY TRANSACTIONS

A number of transactions are entered into with related parties in the normal course of business. Related parties represent associated companies, investment funds managed by the Group, directors and key management personnel of the Group. Pricing policies and terms of these transactions are approved by Group management.

Assets and liabilities with related parties are as follows:

	<i>31 March 2009 Unaudited</i>	<i>31 December 2008 Audited</i>
Receivables and other debit balances		
Associates	146	1,300
Other related parties	7,516	31,586
Loans and advances		
Other related parties	74,347	74,347
Key management personnel	3,323	1,668
	<u>85,332</u>	<u>108,901</u>

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.

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

15. RELATED PARTY TRANSACTIONS - continued

	<i>31 March 2009 Unaudited</i>	<i>31 December 2008 Audited</i>
Payables and other credit balances		
Associates	-	22,956
Other related parties	-	34,300
	<u>-</u>	<u>57,256</u>

On 1 January 2009, the Group acquired an additional 5% of the voting shares of SHUAA Securities LLC (note 7). These shares were held previously by a related party.

Transactions with related parties included in the interim consolidated income statement are as follows:

	<i>1 Jan 2009 to 31 Mar 2009 (3 Months) Unaudited</i>	<i>1 Jan 2008 to 31 Mar 2008 (3 Months) Unaudited</i>
Interest income		
Associates	-	143
Other related parties	122	350
Fees and commission income		
Other related parties	4,159	5,145
Income from investments		
Other related parties	3,528	13,477
	<u>7,809</u>	<u>19,115</u>

16. SEGMENTAL INFORMATION

For management purposes the Group is organised into six operating segments, all of which are based on business units.

Private Equity currently manages four private equity funds as well as the Group's heritage investments. SHUAA Partners Ltd, is the Group's private equity brand and is a DIFC category three licensed company staffed by a team of investment experts with a proven track record and a deep understanding of public and private investments in the GCC and wider MENA region.

Asset Management manages 18 investment portfolios and funds spanning fifteen regional stock exchanges. SHUAA Asset Management offers regional and foreign investors gateways for investment in the GCC and Arab stock markets. SHUAA Asset Management manages conventional equity and debt as well as Shariah compliant portfolios and investment funds using both active and passive management styles.

Investment Banking provides corporate finance advisory as well as equity and debt capital markets structured investments and other services. Other services include private placements, public offerings of equity and debt securities, trade sales, mergers, acquisitions, divestitures, spin-offs, syndications and structured products.

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

16. SEGMENTAL INFORMATION - continued

Brokerage operates under the brand of SHUAA Securities and acts as principal and agent, providing custody and clearing services to clients providing access to regional exchanges.

Finance operates under the brand of Gulf Finance Corporation and is primarily engaged in asset backed lending with a primary focus on construction equipment finance.

Corporate manages future corporate development and controls all cash and shared service expenses related to the Group. All proprietary investments are incubated within this business segment which also comprises, strategy and business development, legal and compliance, finance, operations, risk management, investor relations, marketing communications and human resources, including Group wide bonus and employee compensation and benefits.

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

The following tables present consolidated financial information regarding the Group's business segments.

1 January 2009 to 31 March 2009 (3 months) Unaudited							
	Private Equity	Asset Management	Investment Banking	Brokerage	Finance	Corporate	Total
Interest income	38	-	-	120	24,072	20,527	44,757
Interest expense	(3)	-	-	(421)	(9,368)	(16,330)	(26,122)
	35	-	-	(301)	14,704	4,197	18,635
Loss from investment securities	-	-	-	-	-	(68,537)	(68,537)
Income from investments	-	-	-	-	-	2,190	2,190
Fees and commissions income	8,703	5,199	72	6,816	1,590	5,670	28,050
	8,703	5,199	72	6,816	1,590	(60,677)	(38,297)
Loss from associates	-	-	-	-	-	(42,776)	(42,776)
Net operating income/(loss)	8,738	5,199	72	6,515	16,294	(99,256)	(62,438)
Operating expenses	(4,507)	(3,428)	(5,510)	(7,845)	(7,152)	(111,358)	(139,800)
(Loss)/profit for the period	4,231	1,771	(5,438)	(1,330)	9,142	(210,614)	(202,238)
Attributable to:							
Minority interests	734	-	(295)	-	-	(4,763)	(4,324)
Equity holders of the parent	3,497	1,771	(5,143)	(1,330)	9,142	(205,851)	(197,914)

31 March 2009 (Unaudited)							
	Private Equity	Asset Management	Investment Banking	Brokerage	Finance	Corporate	Total
Assets	94,045	672	3,121	246,890	793,591	2,659,666	3,797,985
Liabilities	2,577	-	-	86,742	503,909	1,173,543	1,766,771

31 March 2009

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

16. SEGMENTAL INFORMATION - continued

1 January 2008 to 31 March 2008 (3 months) Unaudited							
	Private Equity	Asset Management	Investment Banking	Brokerage	Finance	Corporate	Total
Interest income	193	-	-	-	20,351	17,582	38,126
Interest expense	(6)	-	-	(288)	(6,065)	(15,473)	(21,832)
	187	-	-	(288)	14,286	2,109	16,294
Loss from investment securities	-	-	-	-	-	(33,450)	(33,450)
Loss from investments	-	-	-	-	-	(4,187)	(4,187)
Fees and commissions income	6,385	51,428	21,845	36,063	946	-	116,667
	6,385	51,428	21,845	36,063	946	(37,637)	79,030
Income from associates	-	-	-	-	-	12,352	12,352
Net operating income/(loss)	6,572	51,428	21,845	35,775	15,232	(23,176)	107,676
Operating expenses	(2,670)	(4,873)	(3,693)	(6,376)	(5,617)	(31,344)	(54,573)
(Loss)/profit for the period	3,902	46,555	18,152	29,399	9,615	(54,520)	53,103
Attributable to:							
Minority interests	-	-	-	1,099	-	(6,887)	(5,788)
Equity holders of the parent	3,902	46,555	18,152	28,300	9,615	(47,633)	58,891

31 March 2008 (Audited)							
	Private Equity	Asset Management	Investment Banking	Brokerage	Finance	Corporate	Total
Assets	58,220	17,507	4,062	464,204	687,667	4,554,910	5,786,570
Liabilities	402	-	-	272,621	438,628	1,380,368	2,092,019

31 December 2008 (Audited)							
	Private Equity	Asset Management	Investment Banking	Brokerage	Finance	Corporate	Total
Assets	123,243	2,046	3,832	258,001	839,412	3,150,069	4,376,603
Liabilities	10,924	-	-	88,779	558,881	1,450,062	2,108,646

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

17. GEOGRAPHICAL SEGMENTATION

The Group's assets, before considering collateral held or other credit enhancements can be analysed by the following geographical regions:

	UAE	GCC Other	MENA Other	North America	Europe	Asia Other	Total
Cash and deposits with banks	251,494	19,068	9,675	104,461	16,248	255	401,201
Receivables and other debit balances	206,594	783	27,531	-	4,958	-	239,866
Investment securities	159,510	314,403	13,720	19,074	89,323	149,454	745,484
Installment credits, loans and advances	859,300	168,277	38,519	-	1,740	-	1,067,836
Investments available for sale	89,384	15,529	76,452	-	732	104,832	286,929
Investments held to maturity	127,306	24,071	-	-	-	-	151,377
Investments in associates	148,616	494,059	126,560	-	-	-	769,235
Fixed assets	17,363	4,746	8,999	-	1,155	-	32,263
Goodwill	103,794	-	-	-	-	-	103,794
Total Assets - 31 March 2009	1,963,361	1,040,936	301,456	123,535	114,156	254,541	3,797,985
Total Assets - 31 March 2008	2,647,382	987,310	980,856	153,944	330,926	686,152	5,786,570
Total Assets - 31 December 2008	2,097,934	1,444,579	374,310	65,107	118,854	275,819	4,376,603

18. MATURITY PROFILE

The maturity profile of the assets and liabilities as of 31 March 2009 is determined on the basis of the remaining contractual maturity. Where assets have no contractual maturity date (*), management have made an estimate of the maturity date based on the liquidity of the asset.

31 March 2009					
	Less than 3 Months	3-12 Months	1-5 Years	Over 5 years	Total
Cash and deposits with banks	401,201	-	-	-	401,201
Receivables and other debit balances	206,869	-	32,997	-	239,866
Investment securities *	725,815	6,176	13,493	-	745,484
Installment credits, loans and advances	535,025	305,941	226,870	-	1,067,836
Investments available for sale *	-	-	286,929	-	286,929
Investments held to maturity	-	56,276	95,101	-	151,377
Investments in associates *	-	-	769,235	-	769,235
Fixed assets *	-	-	32,263	-	32,263
Goodwill *	-	-	-	103,794	103,794
Total Assets	1,868,910	368,393	1,456,888	103,794	3,797,985
Due to banks	676,892	173,843	-	-	850,735
Payables and other credit balances	228,785	488,600	38,092	-	755,477
Medium-term debt	-	-	160,559	-	160,559
Equity	-	-	-	2,031,214	2,031,214
Total Liabilities and Equity	905,677	662,443	198,651	2,031,214	3,797,985
Net liquidity gap	963,233	(294,050)	1,258,237	(1,927,420)	-
Cumulative liquidity gap	963,233	669,183	1,927,420	-	-

31 March 2009

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

18. MATURITY PROFILE - continued

31 March 2008					
	<i>Less than 3 Months</i>	<i>3-12 Months</i>	<i>1-5 Years</i>	<i>Over 5 years</i>	<i>Total</i>
Cash and deposits with banks	611,347	-	-	-	611,347
Receivables and other debit balances	512,364	94,196	1,145	-	607,705
Investment securities *	1,909,091	-	-	-	1,909,091
Installment credits, loans and advances	475,505	268,500	246,506	-	990,511
Investments available for sale *	-	-	416,312	-	416,312
Investments in associates *	-	-	1,132,755	-	1,132,755
Fixed assets *	-	-	23,649	-	23,649
Goodwill *	-	-	-	95,200	95,200
Total Assets	3,508,307	362,696	1,820,367	95,200	5,786,570
Due to banks	456,651	272,588	-	-	729,239
Payables and other credit balances	641,930	285,035	17,712	-	944,677
Medium-term debt	-	-	418,103	-	418,103
Equity	-	-	-	3,694,551	3,694,551
Total Liabilities and Equity	1,098,581	557,623	435,815	3,694,551	5,786,570
Net liquidity gap	2,409,726	(194,927)	1,384,552	(3,599,351)	-
Cumulative liquidity gap	2,409,726	2,214,799	3,599,351	-	-

31 December 2008					
	<i>Less than 3 Months</i>	<i>3-12 Months</i>	<i>1-5 Years</i>	<i>Over 5 years</i>	<i>Total</i>
Cash and deposits with banks	390,089	-	-	-	390,089
Receivables and other debit balances	239,033	-	32,997	-	272,030
Investment securities *	958,943	15,958	13,699	-	988,600
Installment credits, loans and advances	585,418	349,707	283,751	-	1,218,876
Investments available for sale *	-	-	325,598	-	325,598
Investments held to maturity	-	56,689	94,589	-	151,278
Investments in associates *	-	-	900,689	-	900,689
Fixed assets *	-	-	34,243	-	34,243
Goodwill *	-	-	-	95,200	95,200
Total Assets	2,173,483	422,354	1,685,566	95,200	4,376,603
Due to banks	824,536	365,718	-	-	1,190,254
Payables and other credit balances	283,292	404,967	40,693	-	728,952
Medium-term debt	-	-	189,440	-	189,440
Equity	-	-	-	2,267,957	2,267,957
Total Liabilities and Equity	1,107,828	770,685	230,133	2,267,957	4,376,603
Net liquidity gap	1,065,655	(348,331)	1,455,433	(2,172,757)	-
Cumulative liquidity gap	1,065,655	717,324	2,172,757	-	-

19. CLIENTS' FUNDS UNDER MANAGEMENT

The Company is licensed as a financial services company regulated by the U.A.E. Central Bank (Note 1). At 31 March 2009, client's funds were managed in a fiduciary capacity, without risk or recourse to the Company. These assets are considered as off-balance sheet items and do not constitute part of the Company's assets.

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

20. COMMITMENTS AND CONTINGENT LIABILITIES

The Group had the following outstanding commitments and contingent liabilities:

	<i>31 March 2009 Unaudited</i>	<i>31 December 2008 Audited</i>
Contingent liabilities	211,400	211,400
Commitments	382,871	383,054

The Group has been granted by Orion Holdings Overseas the option to purchase a further 10% of Orion Holdings Overseas at an agreed price multiple based on the 2008 profit of this entity. This option expires following the finalisation of the December 2008 accounts of Orion Holding Overseas.

The Group has granted to Orion Holdings Overseas the option to purchase a further 10% of SHUAA Securities Holdings Ltd at an agreed price multiple based on the 2008 profit of this new entity. This option expires if not exercised by June 2009.

21. COMPARATIVE INFORMATION

The amount disclosed on the statement of financial position as client's funds under management for 31 December 2008 has been restated in order to provide a consistent and fair comparative with the 31 March 2009 figure.