

SHUAA Capital PSC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2010

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS TO THE SHAREHOLDERS 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 2010, comprising of the interim consolidated statement of financial position as at 31 March 2010 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. The Directors are 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.

Ernst & Young

A handwritten signature in blue ink, appearing to read 'Ernst & Young' followed by a stylized signature.

Signed by
Ali Issa
Partner
Registration No. 488

2 May 2010

Dubai

SHUAA Capital psc**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 31 March 2010

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

		31 March 2010	31 December 2009	31 March 2009
	<i>Notes 20</i>	<i>Unaudited</i>	<i>Audited Reclassified</i>	<i>Unaudited Reclassified</i>
Assets				
Cash and deposits with banks	3	384,901	543,459	401,201
Receivables and other debit balances		121,355	109,186	239,866
Installment credits, loans and advances		797,142	810,698	1,067,836
Investments in SHUAA managed funds	4	173,002	175,310	256,798
Investments in third party associates	5	461,266	461,266	769,235
Other investments	6	514,890	559,951	926,992
Fixed assets		44,085	46,793	32,263
Goodwill		143,039	143,039	103,794
Total Assets		2,639,680	2,849,702	3,797,985
Liabilities				
Due to banks	7	310,310	423,697	850,735
Payables and other credit balances		584,774	668,480	755,477
Medium-term debt	8	29,750	59,566	160,559
Total Liabilities		924,834	1,151,743	1,766,771
Equity				
Share capital		1,065,000	1,065,000	550,000
Treasury shares	9	(14,458)	(14,458)	(13,475)
Employee stock option plan shares	10	(95,329)	(78,196)	(127,298)
Statutory reserve	11	728,295	1,714,140	553,140
Retained earnings/(accumulated losses)	11	23,575	(985,845)	(615,382)
Investment revaluation reserve	12	1,518	(8,982)	(15,399)
Translation reserve		5,808	5,851	(11,228)
Convertible bond		-	-	1,676,000
Equity attributable to the shareholders of the parent		1,714,409	1,697,510	1,996,358
Minority interest		437	449	34,856
Total Equity		1,714,846	1,697,959	2,031,214
Total Liabilities and Equity		2,639,680	2,849,702	3,797,985



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

For the period ended 31 March 2010

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

	<i>Notes</i> 20	<i>1 January 2010 to 31 March 2010 (3 months) Unaudited</i>	<i>1 January 2009 to 31 March 2009 (3 Months) Unaudited Reclassified</i>
Interest income		23,001	41,058
Net fees and commissions		27,938	28,050
Trading income		1,505	2,861
Gains/(losses) from investments in SHUAA managed funds	13	8,415	(9,430)
Total revenues		60,859	62,539
General and administrative expenses		(63,688)	(73,140)
Interest expense		(10,783)	(26,122)
Depreciation and amortisation		(3,080)	(2,869)
Provisions		(1,580)	(4,619)
Total expenses		(79,131)	(106,750)
Net (loss) before gains/(losses) from other investments		(18,272)	(44,211)
Gains/(losses) from other investments, including investments in third party associates	14	37,749	(158,027)
Profit/(loss) for the period		19,477	(202,238)
Attributable to:			
Minority interest		(9)	(4,324)
Equity holders of the parent		19,486	(197,914)
Gain/(loss) per share (equity holders of the parent) for the period			
Basic earnings/(loss) per share (in AED)	15	0.018	(0.408)
Diluted earnings/(loss) per share (in AED)	15	0.018	(0.186)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 March 2010

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

	<i>1 January 2010 to 31 March 2010 (3 months) Unaudited</i>	<i>1 January 2009 to 31 March 2009 (3 Months) Unaudited</i>
Profit/(loss) for the period	19,477	(202,238)
Other comprehensive profit/(loss)		
Net revaluation reserve movement on investments in SHUAA managed funds	5,923	6,293
Net revaluation reserve movement on other investments	4,577	(5,835)
Share of other comprehensive income of associates	-	12,831
Exchange differences on translation of foreign operations	(46)	(25,915)
Other comprehensive profit/(loss) for the period	10,454	(12,626)
Total comprehensive profit/(loss) for the period	29,931	(214,864)
Attributable to:		
Minority interest	(12)	(4,357)
Equity holders of the parent	29,943	(210,507)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March 2010

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

	<i>1 January 2010 to 31 March 2010 (3 months) Unaudited</i>	<i>1 January 2009 to 31 March 2009 (3 months) Unaudited</i>
Operating activities		
Profit/(loss) for the period	19,477	(202,238)
Adjustments:		
Depreciation	3,080	2,869
Unrealised gains on investments in SHUAA managed funds	(341)	(11,542)
Income from other investments	(548)	44,246
Share based payments charge	3,951	8,349
Provisions	(6,420)	63,791
Operating profit/(loss) before changes in operating assets and liabilities	19,199	(94,525)
Changes in operating assets and liabilities:		
Receivables and other debit balances	(12,032)	45,451
Installment credits, loans and advances	13,601	149,273
Payables and other credit balances	7,576	29,845
Net sale of SHUAA managed funds	8,572	72,547
Net cash from operating activities	36,916	202,591
Investing activities		
Net proceeds from other investments	50,188	185,369
Addition to investment in subsidiaries/minority interest	(34,907)	(6,841)
Purchase of fixed assets	(372)	(889)
Net cash from investing activities	14,909	177,639
Financing activities		
Decrease in medium term debt	(29,816)	(28,881)
Decrease in amounts due to banks	(113,387)	(339,519)
Decrease in amounts due to others	(50,000)	-
Movement in employee stock option plan shares	(17,133)	20
Net cash used in financing activities	(210,336)	(368,380)
(Decrease)/Increase in cash and cash equivalents	(158,511)	11,850
Foreign currency translation	(47)	(738)
Cash and cash equivalents at beginning of the period	543,459	390,089
Cash and cash equivalents at end of the period	384,901	401,201

SHUAA Capital psc

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2010

(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	Accumulated losses	Investment revaluation reserve	Translation reserve	Convertible bond	Total	Minority interest
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
Total comprehensive loss for the period	-	-	-	-	(197,914)	13,289	(25,882)	-	(210,507)	(4,357)
Interest on convertible bond	-	-	-	-	(25,140)	-	-	-	(25,140)	-
Minority interest arising from acquisition of subsidiary	-	-	-	-	-	-	-	-	-	(5,088)
Net movement in employee stock option plan shares	-	-	2,126	-	(2,126)	-	-	-	-	-
Share based payments charge	-	-	-	-	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

Equity attributable to shareholders of the Parent										
	Share capital	Treasury shares	Employee stock option plan shares	Statutory reserve	Accumulated losses / Retained earnings	Investment revaluation reserve	Translation reserve	Convertible bond	Total	Minority interest
Balance as of 1 January 2010 (Audited)	1,065,000	(14,458)	(78,196)	1,714,140	(985,845)	(8,982)	5,851	-	1,697,510	449
Total comprehensive profit for the period	-	-	-	-	19,486	10,500	(43)	-	29,943	(12)
Directors' remuneration	-	-	-	-	138	-	-	-	138	-
Accumulated losses offset	-	-	-	(985,845)	985,845	-	-	-	-	-
Net movement in employee stock option plan shares	-	-	(17,133)	-	-	-	-	-	(17,133)	-
Share based payments charge	-	-	-	-	3,951	-	-	-	3,951	-
Balance as of 31 March 2010 (Unaudited)	1,065,000	(14,458)	(95,329)	728,295	23,575	1,518	5,808	-	1,714,409	437

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

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 2010 were authorised for issue in accordance with a resolution of the Directors on 2nd May 2010.

SHUAA Capital psc (the ‘Company’) is a public shareholding company established in Dubai, United Arab Emirates, pursuant to 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’s shares are traded on the Dubai Financial Market in the United Arab Emirates.

The Company is licensed by the Central Bank of the United Arab Emirates to conduct services as a financial investment company and a banking, finance and investment advisor pursuant to Central Bank Board of Directors Resolution 164/8/94 and as a financial and monetary intermediary pursuant to Central Bank Board of Directors Resolution 126/5/95.

The Company conducts a diversified range of investment and financial service activities 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.

2. 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 year ended 31 December 2009.

There is no significant seasonality in the operations of the Group.

3. CASH AND DEPOSITS WITH BANKS

Cash and deposits with banks include a fixed deposit of 43,097 with a local bank, which is held as collateral for a Central Bank guarantee provided.

4. INVESTMENTS IN SHUAA MANAGED FUNDS

Investments in SHUAA managed funds consist of the following:

	<i>31 March 2010 Unaudited</i>	<i>31 December 2009 Audited</i>
Held at fair value through profit and loss	78,335	96,799
Available-for-sale	67,809	62,128
Associate	26,858	16,383
	173,002	175,310

Associate

The Group owns 23.7% of SHUAA Hospitality Fund I L.P., a closed ended private equity investment Fund registered as an exempted limited partnership in the Cayman Islands. The principal purpose of the Fund is to undertake direct or indirect investments in hospitality development projects and existing hospitality properties to be managed by Rotana Hotel Management Corporation LLC in the MENA region.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2010

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

5. INVESTMENTS IN THIRD PARTY ASSOCIATES

The Group has the following investments in third party associates:

	31 March 2010 Unaudited	31 December 2009 Audited
U.A.E.	131,537	131,537
Other G.C.C.	329,729	329,729
	461,266	461,266

Amwal

The Group owns 46.7% of Amwal, a Qatari closed shareholding company licensed by the Central Bank of Qatar to conduct investment banking and asset management activities in Qatar. The sale of the Group's stake in Amwal did not complete as scheduled in the first quarter of 2010. The Group continues to explore all options to realise its investment in Amwal in the near future.

Al-Kout

Al-Kout Industrial Projects Company is a joint stock company listed on the Kuwait stock exchange. The Group owns 48.7% of Al-Kout, which is engaged in the production of chemicals used in the water and oil industries. The Group determined the recoverable amount of the Al Kout investment based on ongoing negotiations to sell this investment.

City Engineering LLC

The Group owns 40.0% of City Engineering LLC, a limited liability company based in Sharjah and engaged in construction contracting.

Septeck Holding Limited

Septeck Holding Limited is a limited liability company, incorporated in Cayman Islands and based in Sharjah, engaged in wastewater, water, marina and related infrastructure products and services. The Group owns 49.0% of Septeck Holding Limited.

6. OTHER INVESTMENTS

Other investments comprise the following:

	31 March 2010 Unaudited	31 December 2009 Audited
Investment securities held at fair value through profit and loss	276,221	318,764
Investments available-for-sale	156,913	159,979
Investments held to maturity	81,756	81,208
	514,890	559,951

a) Investment securities held at fair value through profit and loss

Investment securities held at fair value through profit and loss comprise the following:

	31 March 2010 Unaudited	31 December 2009 Audited
Fund investments		
Quoted	23,128	44,442
Unquoted	147,951	148,643
Equity securities		
Quoted	58,352	59,074
Unquoted	800	21,596
Fixed income securities	45,990	45,009
	276,221	318,764

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2010

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

6. OTHER INVESTMENTS - continued**b) Investments available-for-sale**

Investments available for sale comprise the following:

	<i>31 March 2010 Unaudited</i>	<i>31 December 2009 Audited</i>
Quoted direct equity investments	1,479	1,463
Unquoted direct equity investments	48,286	57,283
Unquoted fund investments	107,148	101,233
	156,913	159,979

c) Investments held to maturity

Investments held to maturity comprise the following:

	<i>31 March 2010 Unaudited</i>	<i>31 December 2009 Audited</i>
Fixed income securities	81,756	81,208
	81,756	81,208

The quoted market value of fixed income securities held to maturity as of 31 March 2010 is 84,695 (31 December 2009 - 52,891).

7. 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 those banks. Amounts due to banks are repayable within twelve months.

	<i>31 March 2010 Unaudited</i>	<i>31 December 2009 Audited</i>
Bank overdrafts	111,269	153,176
Term loans repayable within twelve months	199,041	270,521
	310,310	423,697

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

At 31 March 2010, letters of guarantee on behalf of the Group amounting to 232,877 (31 December 2009 - 232,881) had been provided by the Group's bankers. These guarantees are a standard mechanism used within the region's banking structures and financial exchanges to facilitate activities. It is anticipated that no material liabilities will arise from these guarantees.

8. MEDIUM-TERM DEBT

Medium-term debt comprises the following:

	<i>31 March 2010 Unaudited</i>	<i>31 December 2009 Audited</i>
Term loans	29,750	59,566
	29,750	59,566

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2010

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

9. TREASURY SHARES

The Group held the following treasury shares at 31 March 2010:

	31 March 2010 Unaudited	31 December 2009 Audited
Number of treasury shares	3,500,000	3,500,000
Treasury share as percentage of total shares in issue	0.3%	0.3%
Cost of treasury shares	14,458	14,458
Market value of treasury shares	5,075	5,215

10. EMPLOYEE STOCK OPTION PLAN SHARES

The following employee stock option plan shares were held in trust at 31 March 2010:

	31 March 2010 Unaudited	31 December 2009 Audited
Number of shares	33,875,093	19,561,391
Shares as percentage of total shares in issue	3.2%	1.8%
Cost of shares	95,329	78,196
Market value of shares	49,119	29,146

Movement in employee stock option plan shares was as follows:

	<i>Number of shares</i>	
	<i>1 January 2010 to 31 March 2010 (3 months) Unaudited</i>	<i>1 January 2009 to 31 March 2009 (3 months) Unaudited</i>
Balance at the beginning of the period	19,561,391	32,262,570
Executed options	-	(530,000)
Acquired shares	14,313,702	-
Balance at the end of the period	33,875,093	31,732,570

During the period the Group issued 5,200,000 options for shares at an average price of AED 2.00. No options vested during the period.

11. STATUTORY RESERVE

The Company obtained the approval of the Securities and Commodities Authority to set off its excess statutory reserves against accumulated losses as of 31 December 2009. The excess of statutory reserve, which has been used to set off accumulated losses, being 985,845.

This transaction was ratified by the shareholders at the Group's Annual General Meeting held on 18 April 2010.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2010

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

12. INVESTMENT REVALUATION RESERVE

	<i>1 January 2010 to 31 March 2010 (3 months) Unaudited</i>	<i>1 January 2009 to 31 March 2009 (3 months) Unaudited</i>
Available for sale investments		
Balance, beginning of the period	(7,586)	(14,194)
Net movement in fair values during the period	<u>10,500</u>	<u>458</u>
Balance, end of the period	2,914	(13,736)
Group's share of investment revaluation reserves in associates		
Balance, beginning of the period	(1,396)	(14,494)
Net movement in fair values during the period	<u>-</u>	<u>12,831</u>
Balance, end of the period	(1,396)	(1,663)
Total investment revaluation reserve	<u>1,518</u>	<u>(15,399)</u>

13. GAINS/(LOSSES) FROM INVESTMENTS IN SHUAA MANAGED FUNDS

Gains and losses from SHUAA managed funds comprise the following:

	<i>1 January 2010 to 31 March 2010 (3 months) Unaudited</i>	<i>1 January 2009 to 31 March 2009 (3 months) Unaudited</i>
Funds	8,959	(9,430)
Associates	<u>(544)</u>	<u>-</u>
	<u>8,415</u>	<u>(9,430)</u>

14. GAINS/(LOSSES) FROM OTHER INVESTMENTS

Gains and losses from other investments are detailed as follows:

	<i>1 January 2010 to 31 March 2010 (3 months) Unaudited</i>	<i>1 January 2009 to 31 March 2009 (3 months) Unaudited</i>
Third party associates	-	(42,777)
Other investments	<u>37,749</u>	<u>(115,250)</u>
	<u>37,749</u>	<u>(158,027)</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2010

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

15. EARNINGS PER SHARE

Basic earnings per share have been computed using the net income attributable to the ordinary equity holders of the parent 19,486 (31 March 2009 – (197,914) adjusted by interest due on convertible bonds 25,140). The adjusted earnings figure is divided by the weighted average number of ordinary shares outstanding 1,061,500,000 (31 March 2009 – 547,000,000).

Diluted earnings per share as of 31 March 2010 are equivalent to basic earnings per share as the company did not issue any new instrument that would impact earnings per share when executed.

Diluted earnings per share as of 31 March 2009 was computed using the net income attributable to the ordinary equity holders of the parent (197,914) divided by the sum of the weighted average number of ordinary shares outstanding and the number of ordinary shares issued on conversion of the convertible bond 1,062,000,000.

16. RELATED PARTY TRANSACTIONS

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

Assets and liabilities with related parties are as follows:

	31 March 2010 Unaudited	31 December 2009 Audited
Cash and deposits with banks		
Other related parties	43,097	50,000
Receivables and other debit balances		
Associates	100	93
Other related parties	28,093	28,226
Loans and advances		
Other related parties	83,557	86,354
Key management personnel	1,896	-
	156,743	164,673

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.

	31 March 2010 Unaudited	31 December 2009 Audited
Payables and other credit balances		
Other related parties	56,000	80,520
	56,000	80,520

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2010

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

16. RELATED PARTY TRANSACTIONS - continued

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

	<i>1 January 2010 to 31 March 2010 (3 months) Unaudited</i>	<i>1 January 2009 to 31 March 2009 (3 months) Unaudited</i>
Interest income		
Other related parties	197	122
Income from investments		
Other related parties	1,422	3,528
Fees and commission income		
Other related parties	1,845	4,159
General & administrative expenses		
Other related parties	(186)	-
	<u>3,278</u>	<u>7,809</u>

17. 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 20 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, private placements, public offerings of equity and debt securities, trade sales, mergers, acquisitions, divestitures, spin-offs, syndications and structured products.

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 activities are conducted by Gulf Finance, which 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 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2010

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

17. SEGMENTAL INFORMATION - continued

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

1 January 2010 to 31 March 2010 (3 months) Unaudited							
	Private Equity	Asset Management	Investment Banking	Brokerage	Finance	Corporate	Total
Interest income	-	-	-	212	14,739	8,050	23,001
Net fees and commissions	6,202	3,138	5,392	11,335	2,268	(397)	27,938
Trading income	-	-	678	827	-	-	1,505
Gains/(losses) from investments in SHUAA managed funds	(545)	8,960	-	-	-	-	8,415
Total revenues	5,657	12,098	6,070	12,374	17,007	7,653	60,859
General & administrative expenses	(3,248)	(3,804)	(5,618)	(9,873)	(6,005)	(35,140)	(63,688)
Interest expenses	(1)	-	-	(409)	(3,185)	(7,188)	(10,783)
Depreciation & amortisation	(60)	-	-	(588)	(419)	(2,013)	(3,080)
Provisions	-	-	-	-	(289)	(1,291)	(1,580)
Total expenses	(3,309)	(3,804)	(5,618)	(10,870)	(9,898)	(45,632)	(79,131)
Net gain/(loss) before gains/(losses) from other investments	2,348	8,294	452	1,504	7,109	(37,979)	(18,272)
Gains/(losses) from other investments	-	-	-	43	-	37,706	37,749
Profit/(loss) for the period	2,348	8,294	452	1,547	7,109	(273)	19,477
Attributable to:							
Minority interests	3	2	(1)	(3)	-	(10)	(9)
Equity holders of the parent	2,345	8,292	453	1,550	7,109	(263)	19,486

31 March 2010 Unaudited							
	Private Equity	Asset Management	Investment Banking	Brokerage	Finance	Corporate	Total
Assets	157,486	78,925	8,071	284,640	480,524	1,630,034	2,639,680
Liabilities	3,124	-	-	93,430	168,264	660,016	924,834

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2010

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

17. SEGMENTAL INFORMATION - continued

1 January 2009 to 31 March 2009

(3 months) Unaudited

	Private Equity	Asset Management	Investment Banking	Brokerage	Finance	Corporate	Total
Interest income	38	-	-	144	24,261	16,615	41,058
Net fees and commissions	8,703	5,199	72	8,714	1,590	3,772	28,050
Trading income	-	-	284	2,577	-	-	2,861
Gains/(losses) from investments in SHUAA managed funds	3,528	(12,958)	-	-	-	-	(9,430)
Total revenues	12,269	(7,759)	356	11,435	25,851	20,387	62,539
General & administrative expenses	(4,384)	(3,428)	(5,510)	(9,000)	(5,241)	(45,577)	(73,140)
Interest expenses	(3)	-	-	(421)	(9,557)	(16,141)	(26,122)
Depreciation & amortisation	(123)	-	-	(585)	(142)	(2,019)	(2,869)
Provisions	-	-	-	(282)	(1,767)	(2,570)	(4,619)
Total expenses	(4,510)	(3,428)	(5,510)	(10,288)	(16,707)	(66,307)	(106,750)
Net gain/(loss) before gains/(losses) from other investments	7,759	(11,187)	(5,154)	1,147	9,144	(45,920)	(44,211)
Gains/(losses) from other investments	-	-	-	25	-	(158,052)	(158,027)
Profit/(loss) for the period	7,759	(11,187)	(5,154)	1,172	9,144	(203,972)	(202,238)
Attributable to:							
Minority interests	734	-	(295)	(708)	-	(4,055)	(4,324)
Equity holders of the parent	7,025	(11,187)	(4,859)	1,880	9,144	(199,917)	(197,914)

31 December 2009 Audited

	Private Equity	Asset Management	Investment Banking	Brokerage	Finance	Corporate	Total
Assets	155,130	97,431	2,896	266,905	551,094	1,776,246	2,849,702
Liabilities	9,411	-	-	82,086	245,943	814,303	1,151,743

18. 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	313,305	9,345	7,658	54,171	153	269	384,901
Receivables and other debit balances	103,103	10,988	7,202	58	4	-	121,355
Installment credits, loans and advances	634,795	106,347	54,294	1,706	-	-	797,142
Investments in SHUAA managed funds	91,587	61,418	19,997	-	-	-	173,002
Investments in third party associates	131,537	329,729	-	-	-	-	461,266
Other investments	123,061	219,084	43,095	13,209	10,986	105,455	514,890
Fixed assets	33,575	3,584	6,926	-	-	-	44,085
Goodwill	103,794	39,245	-	-	-	-	143,039
Total Assets - 31 March 2010	1,534,757	779,739	139,172	69,144	11,144	105,724	2,639,680
Total Assets - 31 December 2009	1,627,756	810,663	155,527	70,437	74,937	110,382	2,849,702
Total Assets - 31 March 2009	1,963,361	1,040,936	301,456	123,535	114,156	254,541	3,797,985

19. MATURITY PROFILE

The maturity profile of assets and liabilities as of 31 March 2010, 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 and their intention.

	Less than 3 Months	3-12 Months	Sub total Less than a year	1-5 Years	Over 5 years	Grand total
Cash and deposits with banks	341,804	-	341,804	43,097	-	384,901
Receivables and other debit balances	28,869	57,320	86,189	35,167	-	121,356
Installment credits, loans and advances	386,190	340,348	726,538	70,604	-	797,142
Investments in SHUAA managed funds*	-	54,047	54,047	118,955	-	173,002
Investments in third party associates*	127,714	202,015	329,729	131,536	-	461,265
Other investments*	214,318	43,393	257,711	257,179	-	514,890
Fixed assets	-	-	-	44,085	-	44,085
Goodwill	-	-	-	-	143,039	143,039
Total Assets	1,098,895	697,123	1,796,018	700,623	143,039	2,639,680
Due to banks	129,426	180,884	310,310	-	-	310,310
Payables and other credit balances	199,593	364,311	563,904	20,870	-	584,774
Medium-term debt	-	-	-	29,750	-	29,750
Equity	-	-	-	-	1,714,846	1,714,846
Total Liabilities and Equity	329,019	545,195	874,214	50,620	1,714,846	2,639,680
Net liquidity gap	769,876	151,928	921,804	650,003	(1,571,807)	-
Cumulative liquidity gap	769,876	921,804	921,804	1,571,807	-	-

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

19. MATURITY PROFILE - continued

The maturity profile of assets and liabilities as of 31 December 2009 was as follows:

	<i>Less than 3 Months</i>	<i>3-12 Months</i>	<i>Sub total Less than a year</i>	<i>1-5 Years</i>	<i>Over 5 years</i>	<i>Grand total</i>
Cash and deposits with banks	543,459	-	543,459	-	-	543,459
Receivables and other debit balances	24,402	49,708	74,110	35,076	-	109,186
Installment credits, loans and advances	338,779	384,807	723,586	87,112	-	810,698
Investments in SHUAA managed funds*	40,824	103,389	144,213	31,097	-	175,310
Investments in third party associates*	127,714	202,015	329,729	131,537	-	461,266
Other investments*	81,572	179,329	260,901	299,050	-	559,951
Fixed assets	-	-	-	46,793	-	46,793
Goodwill	-	-	-	-	143,039	143,039
Total Assets	1,156,750	919,248	2,075,998	630,665	143,039	2,849,702
Due to banks	140,419	283,278	423,697	-	-	423,697
Payables and other credit balances	227,573	432,578	660,151	8,329	-	668,480
Medium-term debt	-	-	-	59,566	-	59,566
Equity	-	-	-	-	1,697,959	1,697,959
Total Liabilities and Equity	367,992	715,856	1,083,848	67,895	1,697,959	2,849,702
Net liquidity gap	788,758	203,392	992,150	562,770	(1,554,920)	-
Cumulative liquidity gap	788,758	992,150	992,150	1,554,920	-	-

The maturity profile of assets and liabilities as of 31 March 2009 was as follows:

	<i>Less than 3 Months</i>	<i>3-12 Months</i>	<i>Sub total Less than a year</i>	<i>1-5 Years</i>	<i>Over 5 years</i>	<i>Grand total</i>
Cash and deposits with banks	401,201	-	401,201	-	-	401,201
Receivables and other debit balances	206,869	-	206,869	32,997	-	239,866
Installment credits, loans and advances	535,025	305,941	840,966	226,870	-	1,067,836
Investments in SHUAA managed funds*	172,945	-	172,945	83,853	-	256,798
Investments in third party associates*	-	-	-	769,235	-	769,235
Other investments*	552,870	62,452	615,322	311,670	-	926,992
Fixed assets	-	-	-	32,263	-	32,263
Goodwill	-	-	-	-	103,794	103,794
Total Assets	1,868,910	368,393	2,237,303	1,456,888	103,794	3,797,985
Due to banks	676,892	173,843	850,735	-	-	850,735
Payables and other credit balances	228,785	488,600	717,385	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	1,568,120	198,651	2,031,214	3,797,985
Net liquidity gap	963,233	(294,050)	669,183	1,258,237	(1,927,420)	-
Cumulative liquidity gap	963,233	669,183	669,183	1,927,420	-	-

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2010

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

20. RECLASSIFICATION OF COMPARATIVE INFORMATION

Following approval by the Board the presentation of the Group's financial information has been revised to better reflect the Group's activities. A consequence of this change is that certain prior year amounts have been reclassified in order to conform to the new presentation, as adopted in the current period.

The specific line items to which the reclassification adjustments have been made are as follows:

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>As of 31 December 2009</i>			<i>As of 31 March 2009</i>		
	<i>Reclassified</i>	<i>Original</i>	<i>Variance</i>	<i>Reclassified</i>	<i>Original</i>	<i>Variance</i>
Assets						
Investments in SHUAA managed funds	175,310	-	175,310	256,798	-	256,798
Investments in third party associates	461,266	-	461,266	769,235	-	769,235
Other investments	559,951	-	559,951	926,992	-	926,992
Investment securities	-	415,563	(415,563)	-	745,484	(745,484)
Investments available for sale	-	222,107	(222,107)	-	286,929	(286,929)
Investments held to maturity	-	81,208	(81,208)	-	151,377	(151,377)
Investments in associates	-	477,649	(477,649)	-	769,235	(769,235)
	1,196,527	1,196,527	-	1,953,025	1,953,025	-

INTERIM CONSOLIDATED STATEMENT OF INCOME

	<i>As of 31 March 2009</i>		
	<i>Reclassified</i>	<i>Original</i>	<i>Variance</i>
Interest income	41,058	44,757	(3,699)
Trading income	2,861	-	2,861
Gains/(losses) from investments in SHUAA managed funds	(9,430)	-	(9,430)
Provisions	(4,619)	(63,791)	59,172
Gains/(losses) from other investments, including investments in third party associates	(158,027)	-	(158,027)
Net income from investment securities	-	(68,537)	68,537
Income from investments	-	2,190	(2,190)
Share of (loss)/profit of associates	-	(42,776)	42,776
	(128,157)	(128,157)	-

If the Interim Consolidated Statement of Income for the period ending 31 March 2010 had been presented using the same presentation format as used in the annual financial statements of 31 December 2009, the sub totals on the face of the statement of income would have been:

	31 March
	2010
	Unaudited
Net interest income	15,390
Investment banking income	64,978
Operating income	79,824
Operating expense	(60,347)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2010

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

21. COMMITMENTS AND CONTINGENT LIABILITIES

The Group had the following outstanding commitments and contingent liabilities:

	<i>31 March 2010 Unaudited</i>	<i>31 December 2009 Audited</i>
Contingent liabilities	255,872	255,872
Commitments		
SHUAA managed funds	135,725	251,057
Other investments	65,061	106,823

Included within contingent liabilities is 200,000 payable to Abu Dhabi Commercial Bank P.J.S.C. under the terms of a guarantee provided by the Group in relation to the purchase by Gulfinvest International K.S.C. in the first quarter of 2007 of shares in Al Ahlia Holdings Company K.S.C.

Gulfinvest International K.S.C. defaulted under the terms of its loan agreement with Abu Dhabi Commercial Bank P.J.S.C. in January 2010. This default had been anticipated by the Group and was provided for in the Group's 31 December 2009 financial statements to the extent of the estimated loss.

The Group has been in ongoing discussion with all relevant parties and has subsequent to the reporting date taken possession of 158,994,281 shares in Al Ahlia Holdings Company K.S.C. These shares had a market value of 58,000 as at 31 March 2010. In addition, the Group has agreed a secured loan facility with Abu Dhabi Commercial Bank P.J.S.C. in part to repay the 200,000 obligation. This facility is repayable in quarterly installments commencing December 2010 until March 2013.

The Group continues to pursue all available opportunities to recover from Gulfinvest International K.S.C. the difference between the Group's commitment under the guarantee and the valuation of the assets received from Gulfinvest International K.S.C. following their default.