

SHUAA Capital PSC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 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 30 June 2010, comprising the interim consolidated statement of financial position as at 30 June 2010 and the related interim consolidated statements of income and comprehensive income for the three-month and six-month periods and related interim consolidated statements of changes in equity and cash flows for the six-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.

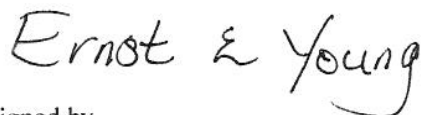
Scope of Review

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



Signed by
Joseph A. Murphy
Partner
Registration No. 492

10th August 2010

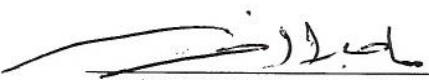
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SHUAA Capital psc**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 30 June 2010

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

		30 June 2010	31 December 2009	30 June 2009
	<i>Notes</i> 20	<i>Unaudited</i>	<i>Audited Reclassified</i>	<i>Unaudited Reclassified</i>
Assets				
Cash and deposits with banks	3	473,993	543,459	309,467
Receivables and other debit balances		88,830	109,186	256,967
Installment credits, loans and advances		701,253	810,698	952,112
Investments in SHUAA managed funds	4	161,746	175,310	226,169
Investments in third party associates	5	225,159	461,266	799,829
Other investments	6	532,728	559,951	897,788
Fixed assets		41,214	46,793	32,183
Goodwill		143,039	143,039	103,794
Total Assets		2,367,962	2,849,702	3,578,309
Liabilities				
Due to banks	7	150,291	423,697	614,803
Payables and other credit balances		339,723	668,480	738,647
Medium-term debt	8	211,875	59,566	58,332
Total Liabilities		701,889	1,151,743	1,411,782
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	(95,341)	(78,196)	(122,875)
Statutory reserve	11	728,295	1,714,140	553,140
Accumulated losses	11	(34,671)	(985,845)	(519,423)
Investment revaluation reserve	12	16,833	(8,982)	16,740
Translation reserve		15	5,851	(5,307)
Convertible bond		-	-	1,676,000
Equity attributable to the shareholders of the parent		1,665,673	1,697,510	2,134,800
Minority interest		400	449	31,727
Total Equity		1,666,073	1,697,959	2,166,527
Total Liabilities and Equity		2,367,962	2,849,702	3,578,309



Majid Saif Al Ghurair – Chairman

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

SHUAA Capital psc**INTERIM CONSOLIDATED STATEMENT OF INCOME**

For the period ended 30 June 2010

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

		<i>1 April 2010 to 30 June 2010 (3 months) Unaudited</i>	<i>1 January 2010 to 30 June 2010 (6 months) Unaudited</i>	<i>1 April 2009 to 30 June 2009 (3 months) Unaudited Reclassified</i>	<i>1 January 2009 to 30 June 2009 (6 months) Unaudited Reclassified</i>
	<i>Notes 20</i>				
Interest income		21,364	44,364	31,580	72,638
Net fees and commissions		20,467	48,405	38,374	66,424
Trading income / (losses)		(1,254)	251	2,442	5,303
(Losses) / gains from investments in SHUAA managed funds	13	(7,598)	817	20,242	10,812
Total revenues		32,979	93,837	92,638	155,177
General and administrative expenses		(53,536)	(117,224)	(63,399)	(136,539)
Interest expense		(8,907)	(19,690)	(20,693)	(46,815)
Depreciation and amortisation		(3,029)	(6,109)	(2,748)	(5,617)
Provisions		(1,856)	(3,436)	(14,439)	(19,059)
Total expenses		(67,328)	(146,459)	(101,279)	(208,030)
Net loss before (losses) / gains from other investments		(34,349)	(52,622)	(8,641)	(52,853)
(Losses) / gains from other investments, including investments in third party associates	14	(22,308)	15,441	97,156	(60,870)
(Loss)/profit for the period		(56,657)	(37,181)	88,515	(113,723)
Attributable to:					
Minority interest		(35)	(44)	(3,181)	(7,505)
Equity holders of the parent		(56,622)	(37,137)	91,696	(106,218)
(Loss)/gain per share (equity holders of the parent) for the period					
Basic (loss) / earnings per share (in AED)	15	(0.053)	(0.035)	0.162	(0.246)
Diluted (loss) / earnings per share (in AED)	15	(0.053)	(0.035)	0.086	(0.100)

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

SHUAA Capital psc**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the period ended 30 June 2010

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

	<i>1 April 2010 to 30 June 2010 (3 months) Unaudited</i>	<i>1 January 2010 to 30 June 2010 (6 months) Unaudited</i>	<i>1 April 2009 to 30 June 2009 (3 months) Unaudited</i>	<i>1 January 2009 to 30 June 2009 (6 months) Unaudited</i>
(Loss)/profit for the period	(56,657)	(37,181)	88,515	(113,723)
Other comprehensive profit/(loss)				
Net revaluation reserve movement on:				
- Investments in SHUAA managed funds	(3,551)	2,372	(2,393)	3,900
- Other investments	18,162	22,739	35,484	29,649
Share of other comprehensive income of associates	704	704	(952)	11,879
Exchange differences on translation of foreign operations	(5,797)	(5,841)	5,974	(19,942)
Other comprehensive profit for the period	9,518	19,974	38,113	25,486
Total comprehensive (loss)/profit for the period	(47,139)	(17,207)	126,628	(88,237)
Attributable to:				
Minority interest	(37)	(49)	(3,129)	(7,486)
Equity holders of the parent	(47,102)	(17,158)	129,757	(80,751)

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

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

For the period ended 30 June 2010

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

	<i>1 January 2010 to 30 June 2010 (6 months) Unaudited</i>	<i>1 January 2009 to 30 June 2009 (6 months) Unaudited</i>
Operating activities		
Loss for the period	(37,181)	(113,723)
Adjustments:		
Depreciation	6,109	5,617
Unrealised gains on investments in SHUAA managed funds	(1,635)	(6,779)
Income from other investments	15,617	86,246
Share based payments charge	3,268	20,135
Provisions	(4,564)	19,059
Operating (loss)/profit before changes in operating assets and liabilities	(18,386)	10,555
Changes in operating assets and liabilities:		
Receivables and other debit balances	(2,604)	16,137
Installment credits, loans and advances	106,691	262,719
Payables and other credit balances	(47,940)	16,993
Net sale of SHUAA managed funds	17,572	98,413
Net cash from operating activities	55,333	404,817
Investing activities		
Net proceeds from other investments/associates	318,255	238,322
Dividends received	28,275	-
Addition to investment in subsidiaries/minority interest	(34,907)	(13,682)
Net purchase of fixed assets	(2,054)	(3,557)
Net cash from investing activities	309,569	221,083
Financing activities		
Interest on convertible bond	(45,000)	-
Decrease in medium term debt	(34,357)	(57,648)
Decrease in amounts due to banks	(286,739)	(648,910)
Decrease in amounts due to others	(50,000)	-
Movement in employee stock option plan shares	(18,085)	20
Net cash used in financing activities	(434,181)	(706,538)
(Decrease) in cash and cash equivalents	(69,279)	(80,638)
Foreign currency translation	(187)	16
Cash and cash equivalents at beginning of the period	543,459	390,089
Cash and cash equivalents at end of the period	473,993	309,467

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

SHUAA Capital rsc

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 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	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 loss for the period	-	-	-	-	(106,218)	45,428	(19,961)	-	(80,751)	(7,486)	(88,237)
Interest on convertible bond	-	-	-	-	(28,240)	-	-	-	(28,240)	-	(28,240)
Minority interest arising from acquisition of subsidiary	-	-	-	-	-	-	-	-	-	(5,088)	(5,088)
Net movement in employee stock option plan shares	-	-	6,549	-	(6,549)	-	-	-	-	-	-
Share based payments charge	-	-	-	-	20,135	-	-	-	20,135	-	20,135
Balance as of 30 June 2009 (Unaudited)	550,000	(13,475)	(122,875)	553,140	(519,423)	16,740	(5,307)	1,676,000	2,134,800	31,727	2,166,527

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	Total
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	1,697,959
Total comprehensive loss for the period	-	-	-	-	(37,137)	25,815	(5,836)	-	(17,158)	(49)	(17,207)
Directors' remuneration	-	-	-	-	138	-	-	-	138	-	138
Accumulated losses offset	-	-	-	(985,845)	985,845	-	-	-	-	-	-
Net movement in employee stock option plan shares	-	-	(17,145)	-	(940)	-	-	-	(18,085)	-	(18,085)
Share based payments charge	-	-	-	-	3,268	-	-	-	3,268	-	3,268
Balance as of 30 June 2010 (Unaudited)	1,065,000	(14,458)	(95,341)	728,295	(34,671)	16,833	15	-	1,665,673	400	1,666,073

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2010

(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 30 June 2010 were authorised for issue in accordance with a resolution of the Directors on 10th August 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

These 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.

4. INVESTMENTS IN SHUAA MANAGED FUNDS

Investments in SHUAA managed funds consist of the following:

	<i>30 June 2010 Unaudited</i>	<i>31 December 2009 Audited</i>
Held at fair value through profit and loss	71,218	96,799
Available for sale	64,251	62,128
Associate	<u>26,277</u>	<u>16,383</u>
	<u>161,746</u>	<u>175,310</u>

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 30 June 2010

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

5. INVESTMENTS IN THIRD PARTY ASSOCIATES

The Group has the following investments in third party associates:

	<i>30 June 2010 Unaudited</i>	<i>31 December 2009 Audited</i>
U.A.E.	131,537	131,537
Other G.C.C.	93,622	329,729
	<u>225,159</u>	<u>461,266</u>

Al-Kout

Al-Kout Industrial Projects Company is a joint stock company listed on the Kuwait stock exchange. During the period, the Group sold its entire 48.7% stake in Al-Kout for 194,996 realising a loss of 1,218.

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 planned sale of the Group's stake in Amwal did not complete as scheduled. The Group continues to explore all options to realise its investment in Amwal in the near future. During the period, the Group received 28,246 in dividends from 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:

	<i>30 June 2010 Unaudited</i>	<i>31 December 2009 Audited</i>
Investment securities held at fair value through profit and loss	270,722	318,764
Investments available for sale	179,916	159,979
Investments held to maturity	82,090	81,208
	<u>532,728</u>	<u>559,951</u>

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

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

	<i>30 June 2010 Unaudited</i>	<i>31 December 2009 Audited</i>
Fund investments		
Quoted	23,614	44,442
Unquoted	147,856	148,643
Equity securities		
Quoted	52,103	59,074
Unquoted	800	21,596
Fixed income securities	46,349	45,009
	<u>270,722</u>	<u>318,764</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 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>30 June 2010 Unaudited</i>	<i>31 December 2009 Audited</i>
Quoted direct equity investments	59,125	1,463
Unquoted direct equity investments	4,598	57,283
Unquoted fund investments	<u>116,193</u>	<u>101,233</u>
	<u>179,916</u>	<u>159,979</u>

c) Investments held to maturity

Investments held to maturity comprise the following:

	<i>30 June 2010 Unaudited</i>	<i>31 December 2009 Audited</i>
Fixed income securities	<u>82,090</u>	<u>81,208</u>
	<u>82,090</u>	<u>81,208</u>

The quoted market value of fixed income securities held to maturity as of 30 June 2010 is 88,368 (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>30 June 2010 Unaudited</i>	<i>31 December 2009 Audited</i>
Bank overdrafts	16,651	153,176
Term loans repayable within twelve months	<u>133,640</u>	<u>270,521</u>
	<u>150,291</u>	<u>423,697</u>

The Group's banking facilities are renewable every twelve months and carry EBOR based floating interest rates plus a spread ranging between 3% and 4.5%.

At 30 June 2010, letters of guarantee on behalf of the Group amounting to 205,722 (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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2010

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

8. MEDIUM-TERM DEBT

Medium-term debt comprises the following:

	<i>30 June 2010 Unaudited</i>	<i>31 December 2009 Audited</i>
Term loans	<u>211,875</u>	<u>59,566</u>
	<u>211,875</u>	<u>59,566</u>

Included within medium term debt is 186,667, being the medium term component of a term loan from Abu Dhabi Commercial Bank P.J.S.C secured by a charge over certain of the Group's assets with a combined net asset value of 300,000. This term loan totals 240,000 and is repayable in quarterly installments commencing December 2010 until March 2013.

9. TREASURY SHARES

The Group held the following treasury shares at 30 June 2010:

	<i>30 June 2010 Unaudited</i>	<i>31 December 2009 Audited</i>
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	3,640	5,215

10. EMPLOYEE STOCK OPTION PLAN SHARES

The following employee stock option plan shares were held in trust at 30 June 2010:

	<i>30 June 2010 Unaudited</i>	<i>31 December 2009 Audited</i>
Number of shares	34,138,058	19,561,391
Shares as percentage of total shares in issue	3.2%	1.8%
Cost of shares	95,341	78,196
Market value of shares	35,504	29,146

Movement in employee stock option plan shares was as follows:

	<i>Number of shares</i>	
	<i>1 January 2010 to 30 June 2010 (6 months) Unaudited</i>	<i>1 January 2009 to 30 June 2009 (6 months) Unaudited</i>
Balance at the beginning of the period	19,561,391	32,262,570
Executed options	(423,333)	(1,632,500)
Acquired shares	15,000,000	-
Balance at the end of the period	<u>34,138,058</u>	<u>30,630,070</u>

During the period the Group issued 5,900,000 options for shares at an average price of AED 2.00. As a result of terminations 423,333 options vested during the period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2010

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

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.

12. INVESTMENT REVALUATION RESERVE

	<i>1 January 2010 to 30 June 2010 (6 months) Unaudited</i>	<i>1 January 2009 to 30 June 2009 (6 months) Unaudited</i>
Available for sale investments		
Balance, beginning of the period	(7,586)	(14,194)
Realised during the period	9,615	(216)
Net movement in fair values during the period	15,496	33,765
Balance, end of the period	17,525	19,355
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	704	11,879
Balance, end of the period	(692)	(2,615)
Total investment revaluation reserve	16,833	16,740

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

Gains and losses from SHUAA managed funds comprise the following:

	<i>1 January 2010 to 30 June 2010 (6 months) Unaudited</i>	<i>1 January 2009 to 30 June 2009 (6 months) Unaudited</i>
Funds	1,943	10,812
Associates	(1,126)	-
	817	10,812

14. GAINS/(LOSSES) FROM OTHER INVESTMENTS

Gains and losses from other investments are detailed as follows:

	<i>1 January 2010 to 30 June 2010 (6 months) Unaudited</i>	<i>1 January 2009 to 30 June 2009 (6 months) Unaudited</i>
Third party associates	(7,887)	(16,264)
Other investments	23,328	(44,606)
	15,441	(60,870)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2010

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

15. EARNINGS PER SHARE

Basic earnings per share have been computed using the net loss attributable to the ordinary equity holders of the parent (37,137) adjusted by Directors' remuneration 138 (30 June 2009 – (106,218) adjusted by interest due on convertible bonds 28,240). The adjusted earnings figure is divided by the weighted average number of ordinary shares outstanding 1,061,500,000 (30 June 2009 – 547,000,000).

Diluted earnings per share as of 30 June 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 30 June 2009 was computed using the net income attributable to the ordinary equity holders of the parent (106,218) 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:

	<i>30 June 2010 Unaudited</i>	<i>31 December 2009 Audited</i>
Cash and deposits with banks		
Other related parties	43,097	50,000
Receivables and other debit balances		
Associates	27	93
Other related parties	279	28,226
Loans and advances		
Other related parties	64,998	86,354
Key management personnel	1,563	-
	<u>109,964</u>	<u>164,673</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.

	<i>30 June 2010 Unaudited</i>	<i>31 December 2009 Audited</i>
Payables and other credit balances		
Other related parties	-	80,520
	<u>-</u>	<u>80,520</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 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 30 June 2010 (6 months) Unaudited</i>	<i>1 January 2009 to 30 June 2009 (6 months) Unaudited</i>
Interest income		
Other related parties	3,046	3,436
Income from investments in SHUAA managed funds		
Other related parties	1,916	10,812
Income from other investments		
Other related parties	(1,218)	-
Fees and commission income		
Associates	-	19
Other related parties	2,439	9,228
General & administrative expenses		
Other related parties	(186)	-
	<u>5,997</u>	<u>23,495</u>

Income from other investments represents a loss on the sale of Al Kout to a consortium of investors which includes a parent of a board member of SHUAA Capital psc.

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 24 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 30 June 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 30 June 2010 (6 months) Unaudited							
	Private Equity	Asset Management	Investment Banking	Brokerage	Finance	Corporate	Total
Interest income	-	-	-	383	28,011	15,970	44,364
Net fees and commissions	9,697	5,337	8,475	17,545	4,863	2,488	48,405
Trading income	-	-	(976)	1,227	-	-	251
Gains/(losses) from investments in SHUAA managed funds	(1,126)	1,943	-	-	-	-	817
Total revenues	8,571	7,280	7,499	19,155	32,874	18,458	93,837
General & administrative expenses	(7,648)	(7,771)	(9,820)	(16,701)	(12,109)	(63,175)	(117,224)
Interest expenses	(3)	-	-	(809)	(4,982)	(13,896)	(19,690)
Depreciation & amortisation	(109)	-	-	(1,160)	(844)	(3,996)	(6,109)
Provisions	-	-	-	-	(487)	(2,949)	(3,436)
Total expenses	(7,760)	(7,771)	(9,820)	(18,670)	(18,422)	(84,016)	(146,459)
Net gain/(loss) before gains/(losses) from other investments	811	(491)	(2,321)	485	14,452	(65,558)	(52,622)
Gains/(losses) from other investments	-	-	-	1,553	1,619	12,269	15,441
Profit/(loss) for the period	811	(491)	(2,321)	2,038	16,071	(53,289)	(37,181)
Attributable to:							
Minority interests	3	(3)	(1)	(1)	-	(42)	(44)
Equity holders of the parent	808	(488)	(2,320)	2,039	16,071	(53,247)	(37,137)

30 June 2010 Unaudited							
	Private Equity	Asset Management	Investment Banking	Brokerage	Finance	Corporate	Total
Assets	172,071	71,581	8,298	269,972	442,770	1,403,270	2,367,962
Liabilities	3,385	-	-	61,945	121,907	514,652	701,889

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

For the period ended 30 June 2010

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

17. SEGMENTAL INFORMATION - continued

1 January 2009 to 30 June 2009 (6 months) Unaudited							
	Private Equity	Asset Management	Investment Banking	Brokerage	Finance	Corporate	Total
Interest income	85	-	-	252	45,329	26,972	72,638
Net fees and commissions	17,766	10,057	923	26,288	3,700	7,690	66,424
Trading income	-	-	1,316	3,987	-	-	5,303
Gains/(losses) from investments in SHUAA managed funds	4,034	6,778	-	-	-	-	10,812
Total revenues	21,885	16,835	2,239	30,527	49,029	34,662	155,177
General & administrative expenses	(8,495)	(5,650)	(8,775)	(17,904)	(13,352)	(82,363)	(136,539)
Interest expenses	(8)	-	-	(846)	(16,963)	(28,998)	(46,815)
Depreciation & amortisation	(245)	-	-	(1,175)	(338)	(3,859)	(5,617)
Provisions	-	-	-	(222)	(4,044)	(14,793)	(19,059)
Total expenses	(8,748)	(5,650)	(8,775)	(20,147)	(34,697)	(130,013)	(208,030)
Net gain/(loss) before gains/(losses) from other investments	13,137	11,185	(6,536)	10,380	14,332	(95,351)	(52,853)
Gains/(losses) from other investments	-	-	-	1,998	-	(62,868)	(60,870)
Profit/(loss) for the period	13,137	11,185	(6,536)	12,378	14,332	(158,219)	(113,723)
Attributable to:							
Minority interests	836	-	(356)	(699)	-	(7,286)	(7,505)
Equity holders of the parent	12,301	11,185	(6,180)	13,077	14,332	(150,933)	(106,218)
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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2010

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

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	425,972	2,975	14,222	25,419	5,404	1	473,993
Receivables and other debit balances	74,439	11,698	2,685	8	-	-	88,830
Installment credits, loans and advances	560,852	99,767	40,634	-	-	-	701,253
Investments in SHUAA managed funds	70,049	74,360	17,337	-	-	-	161,746
Investments in third party associates	131,537	93,622	-	-	-	-	225,159
Other investments	119,299	266,493	7,796	13,268	11,346	114,526	532,728
Fixed assets	32,988	3,547	4,679	-	-	-	41,214
Goodwill	103,794	39,245	-	-	-	-	143,039
Total Assets - 30 June 2010	1,518,930	591,707	87,353	38,695	16,750	114,527	2,367,962
Total Assets - 31 December 2009	1,627,756	810,663	155,527	70,437	74,937	110,382	2,849,702
Total Assets - 30 June 2009	1,827,805	1,076,299	301,400	36,028	118,965	217,812	3,578,309

19. MATURITY PROFILE

The maturity profile of assets and liabilities as of 30 June 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	430,896	-	430,896	43,097	-	473,993
Receivables and other debit balances	18,705	35,106	53,811	35,019	-	88,830
Installment credits, loans and advances	317,304	316,843	634,147	67,106	-	701,253
Investments in SHUAA managed funds*	13,228	37,685	50,913	110,833	-	161,746
Investments in third party associates*	-	-	-	225,159	-	225,159
Other investments*	124,225	110,478	234,703	298,025	-	532,728
Fixed assets	-	-	-	41,214	-	41,214
Goodwill	-	-	-	-	143,039	143,039
Total Assets	904,358	500,112	1,404,470	820,453	143,039	2,367,962
Due to banks	68,315	81,976	150,291	-	-	150,291
Payables and other credit balances	291,198	27,111	318,309	21,414	-	339,723
Medium-term debt	-	-	-	211,875	-	211,875
Equity	-	-	-	-	1,666,073	1,666,073
Total Liabilities and Equity	359,513	109,087	468,600	233,289	1,666,073	2,367,962
Net liquidity gap	544,845	391,025	935,870	587,164	(1,523,034)	-
Cumulative liquidity gap	544,845	935,870	935,870	1,523,034	-	-

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

For the period ended 30 June 2010

(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 30 June 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	309,467	-	309,467	-	-	309,467
Receivables and other debit balances	208,200	15,770	223,970	32,997	-	256,967
Installment credits, loans and advances	461,213	319,368	780,581	171,531	-	952,112
Investments in SHUAA managed funds*	145,909	-	145,909	80,260	-	226,169
Investments in third party associates*	-	125,615	125,615	674,214	-	799,829
Other investments*	235,432	369,272	604,704	293,084	-	897,788
Fixed assets	-	-	-	32,183	-	32,183
Goodwill	-	-	-	-	103,794	103,794
Total Assets	1,360,221	830,025	2,190,246	1,284,269	103,794	3,578,309
Due to banks	382,866	231,937	614,803	-	-	614,803
Payables and other credit balances	270,224	451,354	721,578	17,069	-	738,647
Medium-term debt	-	-	-	58,332	-	58,332
Equity	-	-	-	-	2,166,527	2,166,527
Total Liabilities and Equity	653,090	683,291	1,336,381	75,401	2,166,527	3,578,309
Net liquidity gap	707,131	146,734	853,865	1,208,868	(2,062,733)	-
Cumulative liquidity gap	707,131	853,865	853,865	2,062,733	-	-

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 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.

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 30 June 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	226,169	-	226,169
Investments in third party associates	461,266	-	461,266	799,829	-	799,829
Other investments	559,951	-	559,951	897,788	-	897,788
Investment securities	-	415,563	(415,563)	-	659,644	(659,644)
Investments available for sale	-	222,107	(222,107)	-	318,137	(318,137)
Investments held to maturity	-	81,208	(81,208)	-	146,176	(146,176)
Investments in associates	-	477,649	(477,649)	-	799,829	(799,829)
	1,196,527	1,196,527	-	1,923,786	1,923,786	-

INTERIM CONSOLIDATED STATEMENT OF INCOME

	<i>As of 30 June 2009</i>		
	<i>Reclassified</i>	<i>Original</i>	<i>Variance</i>
Interest income	72,638	80,158	(7,520)
Trading income	5,303	-	5,303
Gains/(losses) from investments in SHUAA managed funds	10,812	-	10,812
Provisions	(19,059)	(78,230)	59,171
Gains/(losses) from other investments, including investments in third party associates	(60,870)	-	(60,870)
Net income from investment securities	-	27,279	(27,279)
Income from investments	-	(4,119)	4,119
Share of (loss)/profit of associates	-	(16,264)	16,264
	8,824	8,824	-

If the Interim Consolidated Statement of Income for the period ending 30 June 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:

	30 June
	2010
	Unaudited
Net interest income	28,795
Investment banking income	61,806
Operating income	81,587
Operating expense	(118,768)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2010

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

21. COMMITMENTS AND CONTINGENT LIABILITIES

The Group had the following outstanding commitments and contingent liabilities:

	30 June 2010 <i>Unaudited</i>	31 December 2009 <i>Audited</i>
Contingent liabilities	65,857	255,872
Commitments		
SHUAA managed funds	100,638	251,057
Other investments	64,918	106,823