SHUAA CAPITAL PSC
Making the region work for you

PRESS RELEASE

Report of the year ending 31 March 2008

SHUAA Capital reports strong growth and momentum with net profit up 53% for fiscal 2007

Dubai, 15 May 2008 – SHUAA Capital (ticker symbol: SHUA.DU), the region's leading financial services institution, today announces record results for the financial year ended 31 March 2008. The excellent outcome to the year with record results was driven by all business lines performing well in upbeat markets. The Board of Directors of SHUAA Capital has proposed a cash dividend of 45 per cent of the nominal value of shares (AED0.45 per share) which is subject to approval at the upcoming Annual General Meeting.

Year end operating income increased by 83.3% to AED710.8 million (2006/7: AED387.7 million), an increase of AED323.0 million and net profit rose by 53% to AED400.5 million (2006/7: AED261.8 million), an increase of AED138.7 million year on year.

Mr. Majid Saif Al Ghurair, Chairman of SHUAA Capital said: "Our year end results clearly demonstrate that we are delivering on our promise to shareholders. More importantly, we have achieved both scale and momentum across our regional business. We are especially proud that in IPOs our investment banking division ranked number 1 in the UAE, number 2 in the GCC, and number 18 globally during fiscal 2007."

Mr. Iyad Duwaji, Chief Executive Officer of SHUAA Capital commented: "The excellent outcome to this year was driven by marked progress over all the markets and client segments we serve. Each of our six business divisions maintains leadership positions in their field and we have built greater presence across the region. We have further strengthened our financial resources during the year with the issuance of $456 million of convertible bonds, and are extremely well placed to further capitalize on the tremendous opportunities that GCC markets offer. We are increasingly attracting the attention of both regional and global institutional investors."

SHUAA's results were driven by a solid performance during all four quarters. During the first quarter, SHUAA produced operating income of AED144.9 million and net profit of AED74.5 million. In the second quarter, operating income was AED89.7 million and net profit was AED54.0 million. The third quarter was exceptional and we generated operating income of AED368.5 million and net profit of AED213.0 million. The third quarter was driven primarily by contributions of asset management performance fees, equity capital market activity, record brokerage trading volumes as well as a divestment in our private equity division and healthy returns on our principal investments portfolio, seeing the highest quarterly return in the company's near thirty year history. The fourth quarter resulted in operating income of AED107.7 million and net profit of AED58.9 million while markets were more challenging.

During the year, client's funds under management increased 117.3% to AED14.23 billion (2006/7: AED6.55 billion) helped by the strong international investor appetite for our regional products and services, primarily asset management, brokerage and private equity.

"SHUAA's stated aim is to be the premier financial services institution in the GCC region that specializes in managing the growing inflow of capital to our markets. We have pioneered the idea of the GCC as an asset class and as a destination of capital since 1998, and we remain passionate about it. Our vision has been endorsed already and we are closer than ever to being recognized as an integral part of the BRIC growth story." Mr. Duwaji concluded:" We will also remain at the vanguard of regional integration of the GCC into the global capital universe and SHUAA's share is in fact a great proxy on this growth story."

Segmental information

During fiscal 2007, we have seen excellent momentum across our well diversified financial services portfolio and our business model has proved resilient in recent months.

In line with our international best practice investor relations strategy which aims to enhance the transparency and disclosure of SHUAA's Group accounts and offers our shareholders additional insight into the progress of the Company, this is the first time we disseminate segmental financial information for our seven main business divisions: Principal Investments, Investment Banking, Asset Management, Securities, Private Equity, Finance and Corporate.

- **Principal Investments**

  The Principal Investments Division is the proprietary, multi-strategy, investment arm of SHUAA. It builds on our competency in asset allocation and the identification of good money managers and special opportunities. The Division's objective is to enhance SHUAA's shareholder value by actively investing its excess cash in a diversified portfolio across selected markets and across asset classes, with a strong bias towards emerging Asian and regional markets.

  Operating income increased significantly to AED157.6 million (2006: AED14.3 million) and net profit was AED146.2 million (2006: AED4.3 million). The division represented 22.2% of group operating income. In addition, Principal Investments achieved unrealized gains of AED101.5 million ($27.7 million). This includes AED82.5 million (US$22.5 million) from the IPO of Edelweiss in the third quarter 2007, which is locked up for one year for founding shareholders.

- **Investment Banking**

  The Investment Banking Group provides corporate finance advisory as well as equity and debt capital markets, structured investments and other services. Operating income increased by 196.3% to AED98.7 million, a year on year change of AED65.4 million (2006: AED33.3 million) while net profit grew by 395.3% to AED72.1 million (2006: AED14.5 million). The division represented 13.9% of group operating income.

  SHUAA was a leader in opening up the region as a destination for capital and was pleased to play a major role in that development last year. SHUAA maintained it leadership in regional initial public offerings. In the year under review the division managed over AED10.4 billion (US$2.8 billion) in IPOs and facilitated access to capital from high net worth individuals and institutional investors at home and abroad.

Consequently, SHUAA was ranked first in the UAE, with a 100% market share and second across the GCC with a 25% market share. At a global level SHUAA was ranked 18th in initial public offerings (sources: Bloomberg and Zawya Dow Jones).

- **SHUAA Asset Management**

  SHUAA Asset Management division runs 18 investment portfolios and funds. Covering 15 organized stock exchanges, SHUAA Asset Management continues to be one of the best gateways for foreign investors to invest in the GCC and Arab stock markets.

  The division experienced a substantial increase in operating income in the period driven principally by growth in net new assets under management and the benefit of strong underlying markets. Operating income increased by 636.0% to AED167.2 million (2006: AED22.7 million) representing 23.5% of group operating income while net profit soared by 1297.5% to AED130.6 million (2006: AED9.3 million). Assets under management increased by 118.7% to AED4.9 billion ($1.3 billion).

  SHUAA Asset Management's core proprietary products are the single strategy Gateway Funds first introduced in 2000. The flagship product Arab Gateway fund, which is predominantly invested in GCC markets due to their size relative to the total, has returned an average 24.5% per annum net of all fees over the past eight years making it the one and only fund of its kind in the world.

  Today we have seven funds in the range with the latest addition being the Saudi Gateway Fund, launched in June 2007. This outperformed expectations in terms of investor's interest and its initial performance.

- **Brokerage**

  SHUAA Securities is the prime brokerage and advisory division of SHUAA Capital with total clients' assets under management at AED7.34 billion (US$2 billion). SHUAA Securities offers clients access to 14 exchanges in 12 GCC and MENA markets through one single platform. We provide services to over 600 high net worth individuals and institutions across 13 regional capital markets, and have executed close to AED37.4billion (US$10.2 billion) in transaction value as at 31 March 2008.

  Brokerage saw solid growth in line with the strong market recovery, developing regional equity culture and increased international investor interest in the UAE markets. SHUAA Securities operating income increased by 94.8% to AED130.6 million (2006: AED67.0 million) and net profit rose 125.5% to AED86.2 million (2006: AED38.2 million). This represented 18.4% of group operating income.

- **SHUAA Partners**

  SHUAA Partners is the Private Equity division of SHUAA Capital and is 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. The Division currently manages two private equity funds, as well as the Principal Investments Division's three heritage investments. Operating income increased by 183.8% to AED47.5 million (2006: AED16.7 million) and net profit grew by 504.0% to AED36.3million (2006: AED6.0 million). The division represented 6.7% of group operating income.

  SHUAA Partners has had a very successful year in the period under review. In October we closed the new 'Frontier Opportunities Fund I', having raised the target AED367 million ($100 million). The fund made one investment in the GSM operator in Syria.

SHUAA CAPITAL psc
Making the region work for you

SHUAA Partners exited one investment in SPFI realizing an IRR of 44% and 2.4x initial amount invested, and made one new investment in a Dubai based company in the construction sector during 2007.

Taghleef Industries, a portfolio company based in Dubai and held in the Heritage portfolio made an acquisition for Euro 194 million to become the second largest manufacturer of BOPP films in the world.

- **Finance**

  Gulf Finance Corporation ('GFC') is engaged in asset backed finance. The Company's main focus is on auto and construction equipment finance. GFC's clients tend to be small to medium sized commercial businesses based in the UAE. GFC is wholly owned by SHUAA Capital and has become a SHUAA business line in 2007.

  Asset backed finance is growing fast in the UAE thanks largely to the construction and tourism boom and the growing expatriate population moving to the Emirates.

  For the year ended 31 March 2008, GFC reported a 62.8% rise in operating income to AED 53.9 million (2006: AED33.1 million) and a net profit increase of 82.9% to AED33.9 million (2006: AED18.5 million). Assets grew to AED687.7million (2006: 502.6 million).

- **Corporate**

  The Corporate division manages the future corporate development and controls expenses related to the corporate body. This comprises shared business and support services which provide our six core business divisions with centralized assistance in the fields of strategy and business development, legal and compliance, finance, operations, risk management, investor relations, marketing communications, and human resources, including employee compensation and benefits as well as bonus provisions.

  The operating income of the Corporate division declined 72.5% to AED55.1 million (2006: AED200.5 million), representing 7.8% of group operating income. Due to the significant increase in bonus provisions based on the excellent performance for the year, the division recorded a net loss of AED104.8 million compared to a net profit of AED18.5 million last year when the division sold two of its corporate investments.

- Ends -

For further information contact:

Oliver C. Schutzmann
Head of Investor Relations

SHUAA CAPITAL psc
Level 2, West Wing, The Gate Building
Dubai International Financial Center
P.O. Box 31045, Dubai - UAE
Tel: +971 4 3651 872
Fax: +971 4 3303 550
Mob: +971 505442078
oschutzmann@shuaacapital.com

About SHUAA Capital psc:
www.shuaacapital.com

SHUAA Capital psc maintains a leadership position in Investment Banking, Asset Management, Brokerage, Private Equity, Finance, Principal Investments and Research. Headquartered in Dubai, in the United Arab Emirates, SHUAA Capital has a regional presence with offices in Abu Dhabi, Riyadh, Doha, Cairo, Beirut and Istanbul.

Embedded in the dynamic economic environment of the Gulf Cooperation Council (GCC), SHUAA Capital provides a broad range of financial services to corporations, governments, institutional clients, and high net worth individuals.

Since 1979, SHUAA Capital has played a prominent role in shaping the financial services landscape of the GCC and will continue to be at the vanguard of regional integration into global financial markets.