

PRESS RELEASE

For immediate release

SHUAA Capital shareholders express their unanimous support at EGM

Dubai – 15 April 2009: SHUAA Capital, the region's leading financial services institution, today confirms that all resolutions put forward to shareholders at the Extraordinary General Assembly held today were passed. The quorum at the EGM being 59.22 per cent.

Mr. Majid Al Ghurair, Chairman of SHUAA Capital commented: "As expected, shareholders today expressed their unwavering support for the continuation of SHUAA Capital as a company. We would like to thank shareholders for their continued confidence in us. Our shareholders recognize that the firm remains well capitalized with AED 2.3 billion in shareholders equity and well positioned to overcome the current difficult market cycle due to its strong franchise and market leading position."

Mr. Iyad Duwaji, Chief Executive Officer and Board member commented: "It was unfortunate that the story about our EGM was misunderstood and confusing in the way that it was reported. Our predicament seems to stem from being part of the financial industry combined with the obsession to report any Dubai linked story, irrespective of the different nature of our challenges." He concluded: "We remain proud of our past achievements and being a UAE company based in Dubai".

Shareholders passed a resolution in accordance with Article 285 of the Commercial Companies Law. This resolution invited shareholders of the Company to consider the matter of the continuation or dissolution of the Company due to the loss of more than half of SHUAA's *legal* capital. The UAE Law came into force as a result of the Company being unable to increase its legal capital from its reserves due to negative covenants on issuing new shares before the mandatory convertible note issued to Dubai Banking Group ("DBG") back in November 2007 is converted.

DBG retracted its commitment in November 2008 citing that only DBG has the right to convert, and challenged SHUAA's contractual right to issue the shares as unenforceable under UAE Law.

SHUAA's shareholders in March 2009 authorized its Board to negotiate an extension for the maturity of the bond for one year, while the two parties remain deadlocked on the right of SHUAA to convert upon extended maturity.



A new shareholder meeting was called to seek broader authorization for the Board to negotiate alternative solutions to the dispute with DBG, and the new EGM held today authorised the Board of Directors of the Company to renegotiate and amend the terms of the Company's outstanding AED 1,500 million mandatory convertible notes, including possible amendment of the maturity date and the conversion rate, and including the approval for a capital increase in the amount necessary to accommodate conversion of the Notes at an amended conversion rate.

SHUAA Capital's shareholders also approved the amendment of the Articles of Association of the Company in accordance with corporate governance regulations promulgated by the Securities and Commodities Authority.

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About SHUAA Capital psc:

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.
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