GFH ANNOUNCES A PROFIT OF USD 0.38 MILLION FOR 2011

Manama, Bahrain 29 February, 2012: Gulf Finance House ("GFH" or "the bank") today announced its financial results for the year ending 31 December 2011, during which the bank returned to profitability despite a challenging year underscored by shortfalls in market liquidity and rising political tension throughout the region.

The Bank's return to profitability in 2011 was the result of strong shareholder support, investor loyalty and a dedicated management team committed to seeing through the significant restructuring and recapitalization plan that was set in motion in 2010, and which has seen the Bank return to a net profit of US$381 thousand in 2011 as compared to a net loss of US$349 million in 2010. Operating profit before provisions were US$ 9 million in 2011 as compared to a loss of US$ 93 million in 2010, signaling a restart in GFH income. Additionally, the Bank saw a 37% reduction in operating costs during 2011. During the fourth quarter of 2011 GFH had a net loss of US$ 4 million as compared to a net loss of US$ 187 million in 2010, primarily because of US$ 8 million of impairment provisions.

The Bank focused its efforts since 2009 on cleaning up its balance sheet by clearing most of its outstanding debts. GFH was among the first investment banks in Bahrain and the region to take this move, which was seen as being very controversial in the beginning with negative effects on the Bank's financial standing in the short term. As part of its restructuring plan, GFH also reduced its liabilities by 33% in 2011.

Additionally, GFH continued to pursue its recapitalization plan, targeting GCC sovereign funds and investors. These efforts have born fruitful results to date.

Moreover, GFH managed to build significant forward momentum on its major projects during 2011. The first of these projects was the signing with the Wadhwa Group in Mumbai, India for the development of the Mumbai Economic Development Zone project to the next phase. On another front, Tunis Financial Harbour (TFH) project has began the prequalification process for prospective contractors following the announcement made by the Government of Tunisia in support of the project external infrastructure work. This forward movement on these projects confirms GFH's commitment to moving existing infrastructure projects forward towards completion and achieving successful investors' exits.

GFH also followed through on its commitment to focus on its strong track record in developing the financial institutions, undertaking a deal through its subsidiary G Capital (formely known as Injazat Capital) in partnership with the Turkish Gürmen Group, the company has successfully tendered to acquire Adabank, representing a foothold in the growing Turkish banking sector and platform for further cooperation between the GCC and Turkey.

Mr. Esam Janahi, Executive Chairman of GFH commented on the 2011 Results saying: "Global, regional and national economies were all subjected to significant stress factors during 2011, which impacted several sectors significantly, not least of which was the financial sector. We met these challenges with a solid strategy, which was put in place in 2010 to correct GFH's trajectory, and which we felt was capable of dealing with the

additional stressors we saw last year. Our strategy was put in place to realize long term benefits for our shareholders, our investors and our employees. While this meant that we had to take some difficult decisions in the short term, and indeed experience a string of negative results, we have now returned to profitability as an institution, which was the target we were aiming for.

We have refocused our efforts on extracting value from our investment portfolios besides identifying unique opportunities in the market to secure, durable and consistent sources of income. We are also committed to ensuring that we prioritize to exit our investors from our existing managed investments, and indeed we made significant headway on a number of key infrastructure projects in 2011. I am confident that GFH will continue to see positive results during 2012 as investor confidence in GFH, and indeed in the financial sector as a whole, returns. We aim to continue delivering long-term value to both shareholders and clients alike, and I, the Board and the management are singularly focused on achieving this goal."

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About Gulf Finance House

Since its establishment in 1999, Bahrain based Gulf Finance House (GFH) has been a driving force in the development of regional Islamic financial institutions and infrastructure projects across the Middle East. Its shares are listed on the Kuwait Stock Exchange, the Bahraini Stock Exchange, the Dubai Financial Market and the London Stock Exchange in the form of a GDR. It has been responsible for the creation of leading Middle Eastern financial institutions such as First Energy Bank, QInvest, Inovest, Khaleeji Commercial Bank and Arab Finance House. In addition, GFH has created a wide range of significant economic infrastructure projects across the MENA region and beyond.

GFH is currently transitioning to a new business model which will see the business focus on becoming a global leader in the creation and development of Islamic financial institutions.

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