

PRESS RELEASE

For immediate release

SHUAA Capital and Dubai Banking Group agree new bond conversion terms

Dubai – 25 June 2009: SHUAA Capital (ticker symbol: SHUA.DU), the GCC's leading financial services institution and Dubai Banking Group, a Dubai Group company, today announce that they have agreed new terms for the convertible bond, originally entered into in October 2007.

Building on the invitation extended by the Securities and Commodities Authority, SHUAA Capital psc and Dubai Banking Group have reached agreement regarding the convertible bonds issued by SHUAA to Dubai Banking Group, whereby Dubai Banking Group will convert the AED 1,500 million convertible bonds into 515 million shares, representing a 48.4 per cent stake of SHUAA Capital's share capital post-conversion. Conversion will be effected in accordance with UAE legal procedures and subject to final approval by the concerned authorities.

As a result, SHUAA's issued and paid up capital will be increased by AED 515 million to AED 1,065 million, while the balance of AED 985 million will be credited to the premium account within equity. Total shareholder equity will remain unchanged at AED 2 billion.

The new agreement represents a conversion price of AED 2.91 per share equal to a premium of 127% to the closing share price of SHUAA of AED 1.28 yesterday. The foregoing terms are within the authority that the company's Board received from SHUAA's shareholders in their extraordinary general meeting held in Dubai on 15 April 2009.

Mr. Majid Al Ghurair, Chairman of SHUAA Capital commented:

"We believe that this agreement was the best course of action under the circumstances and we worked swiftly to remove the uncertainty that followed the marked escalation over the past week. This was especially important in view of the nature of our business. Despite our differences, we both recognized the need to resolve them amicably for the sake of all our shareholders and our standing as a leading UAE company. We would like to take this opportunity to start a new page and welcome Dubai Banking Group as SHUAA's largest shareholder".

He added: “Both parties also wish to thank the Emirates Securities and Commodities Authority and its senior management for facilitating the dialogue that lead to the agreement today”.

Mr. Fadel Al Ali, Chairman of Dubai Banking Group said:

“We see our investment in SHUAA as a long term and strategic one. SHUAA has a unique market position and an enviable track record coupled with credible management and strong brand recognition. We believe that today’s resolution of our differences is a significant milestone toward cementing its position as one of the leaders in financial services in the UAE”.

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About SHUAA Capital psc:

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. www.shuaacapital.com

SHUAA Capital psc maintains a leadership position in Investment Banking, Asset Management, Brokerage, Private Equity, Finance, 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.

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