

Press Release

Date: 3/10/2012

SHUAA unveils strategic, operational and financial roadmap

- SHUAA completed successful restructuring programme
- SHUAA to deploy balance sheet to drive revenues
- Incorporating credit into a fully integrated investment banking platform

Dubai, 3 October 2012: SHUAA Capital ('SHUAA') today announces its new strategic, operational and financial roadmap.

SHUAA will transform into a client-centric, fully integrated investment bank, adding an expanded Credit offering to its existing Asset Management, Investment Banking and Capital Markets platform. This integrated approach will service high net worth individuals, SME businesses, family offices and conglomerates as well as institutional clients.

Central to the new strategy will be the deployment of SHUAA's balance sheet to capture growth opportunities in the credit space. This will be done on a risk-adjusted basis. The introduction of SHUAA Credit is a direct response to client needs and enables SHUAA to offer a full suite of services and solutions to a broader client base. A greater weighting of SHUAA's corporate balance sheet towards credit will also generate more earnings visibility, lower earnings volatility and higher gross margins.

SHUAA's Credit division will provide access to capital and liquidity solutions to the private sector and offer investors access to credit investment strategies. SHUAA will do this by providing commercial finance, credit asset management products and corporate debt advisory services. SHUAA already has a very successful asset finance business, Gulf Finance Corporation, and this new strategy widens the credit offering and builds on its strong SME franchise.

SHUAA will continue to maintain a diversified equities platform underpinned by its Capital Markets, Investment Banking and Asset Management divisions. SHUAA has a solid track record in these areas and the economic downturn has forced many competitors to close or retrench, leaving SHUAA well positioned for the next equity cycle. Asset Management will continue to attract clients through its strong fund platform and superior performance, as well as launch new products in collaboration with SHUAA Credit. Investment Banking will broaden its capability to include debt advisory services.

Commenting HH Sheikh Maktoum bin Hasher Al Maktoum, Executive Chairman of SHUAA Capital, said:

"We believe there is a major opportunity for a local, fully integrated investment bank. SHUAA is a unique brand with deep roots in the UAE. The development of a full credit offering complements our core areas of expertise off of which we can build long term client relationships across all business divisions. Access to capital remains a serious challenge for regional private companies and the SME sector in particular. SHUAA's strong balance sheet position allows the Company to respond to the markets needs for credit products, solutions and advice."

This phase of the turnaround strategy follows the three targets that the Board leadership set in mid-2011:

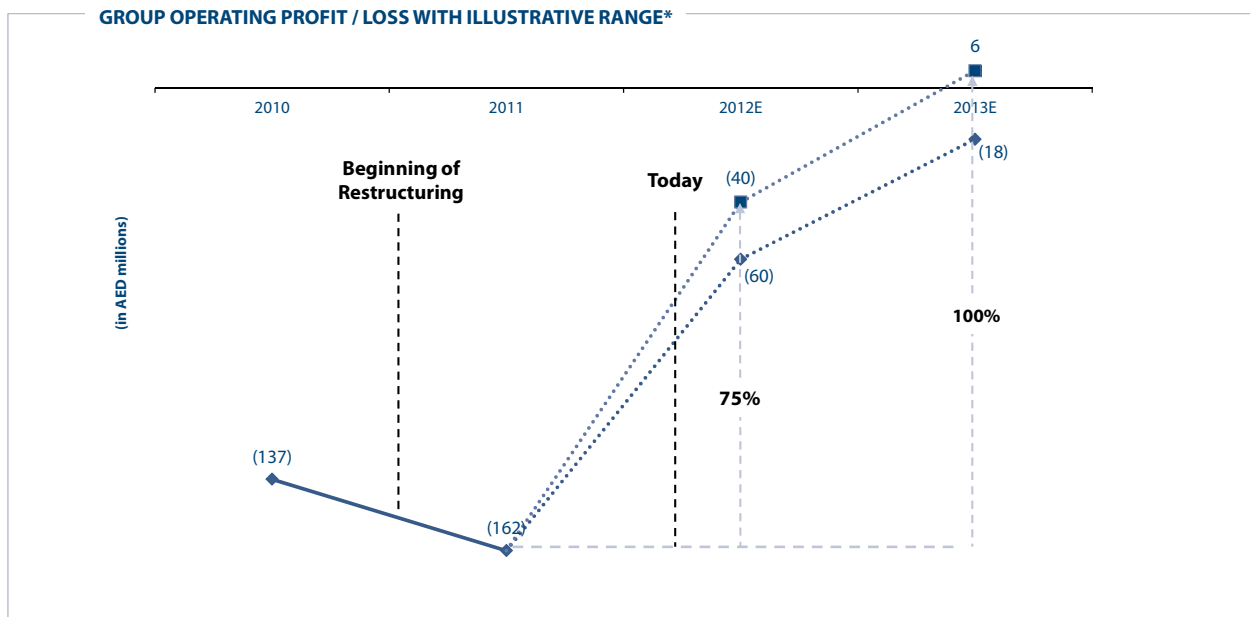
- Stabilize SHUAA’s business
- Set a clear and achievable corporate strategy
- Relentless focus on effective execution

As a result, the Firm implemented a systematic rightsizing program which has significantly reduced overall business running costs. SHUAA scaled down loss leading activities. This included exiting retail brokerage operations in Saudi Arabia, Egypt, Jordan and Turkey. SHUAA scaled down Equity Research, streamlined Asset Management and reduced headcount in Corporate, as well as its overall operations in Saudi Arabia.

Consequently, SHUAA has improved operating efficiency reducing cash outflow from AED 10.2 million per month in 2011 to AED 4.3 million per month by the end of 1H 2012. This is expected to be reduced further to AED 3.5 million per month by the end of the current financial year; overall a targeted 67% reduction. Group operating expenses are expected to run at AED 42.5 million a quarter, including Gulf Finance, for the remainder of 2012 and 2013. Group operating expenses were AED 44.7 million in 2Q 2012, a major reduction on previous years.

Continuing HH Sheikh Maktoum bin Hasher Al Maktoum said: “We are starting to see the results from our restructuring programme fall through to the bottom line. We are confident that the work we have done and the new revenue generating strategy will continue to improve the profitability trend, with the aim of generating consistent returns for shareholders in the coming years. We are starting to issue market estimates to act as milestones in our further recovery and to show the market our clear intention.”

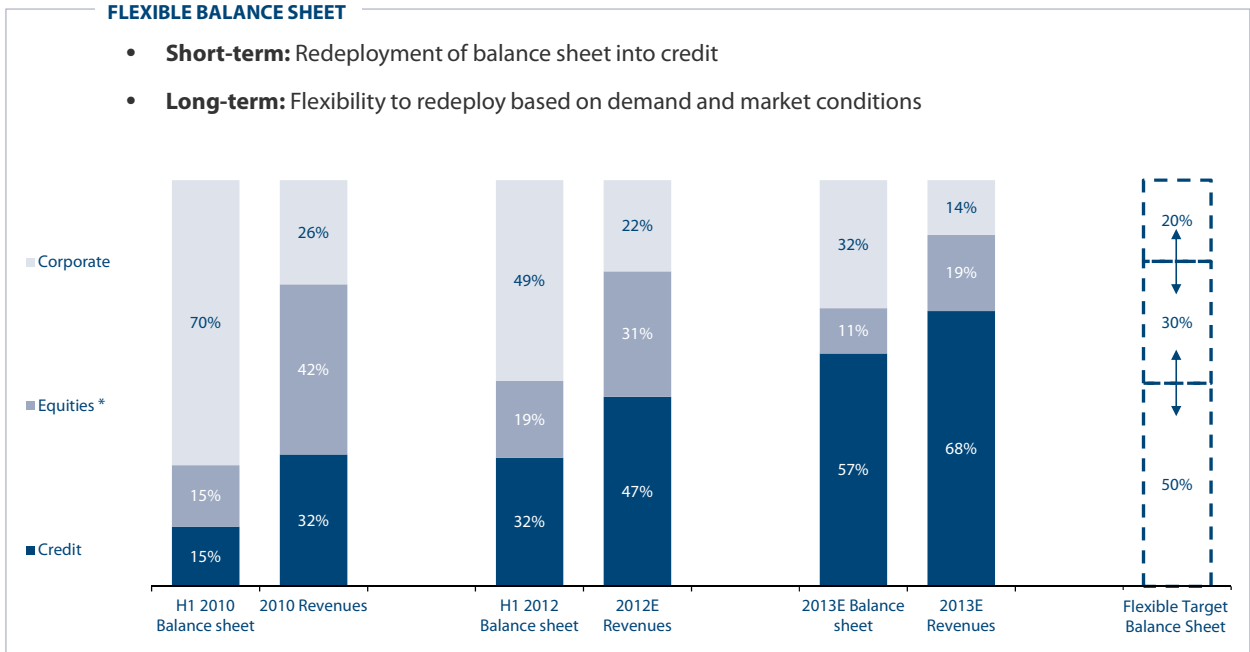
Turnaround timeline – summary overview:



E = Estimate * Probable range based upon current information subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control

SHUAA has also derisked the balance sheet by reducing the risk exposure to non-core assets. Non-core assets have been reduced to AED 264.1 million from AED 564.5 million at the end of December 2010, helping to ease earnings volatility. Today, SHUAA has a strong balance sheet and liquidity position which remains a significant competitive advantage. Total assets as at 1H 2012 were AED 1.47 billion and liabilities were AED 329 million, down from AED 447.6 million in 2010. SHUAA’s balance sheet will be deployed with a view to enhancing revenues and long term sustainable profitability.

Balance Sheet redeployment

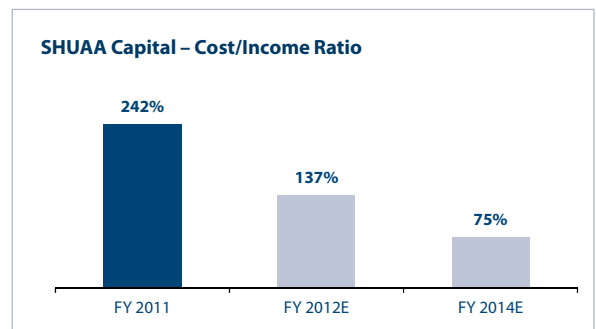
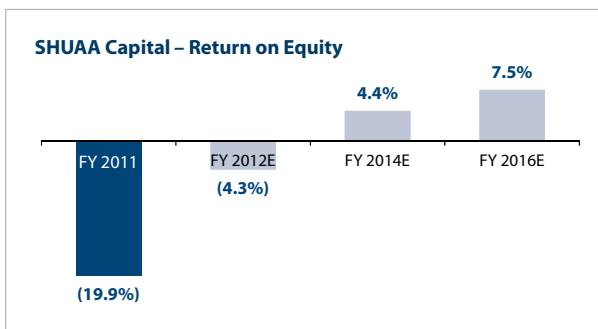


E = Estimate

* Includes Asset Management, Investment Banking, Capital Markets

Outlook

SHUAA also announces today that it is issuing market guidance. In the absence of unforeseen circumstances, the company is aiming to reach positive territory in 2013 and attain consistent profitability thereafter. We will continue to drive down operating expenses where possible and bring our target cost/income ratio to 75% by the end of 2014 and into line with the international peer group. Finally, our aspiration is to achieve a return on equity of 7.5% by the end of 2016, again in line with our international peer group.



E=Estimate

Cautionary Statement Regarding Forward-Looking Information

This document contains forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Forward-looking statements can be identified by words such as: "anticipate," "aspire," "intend," "plan," "goal," "objective," "seek," "believe," "project," "estimate," "expect," "forecast," "strategy," "target," "trend," "future," "likely," "may," "should," "will" and similar

references to future periods. Examples of forward-looking statements include, among others, statements we make regarding:

Expected operating results, such as revenue growth and earnings.

Anticipated levels of expenditures and uses of capital for fiscal years 2012 through 2016.

Current or future volatility in the capital and credit markets and future market conditions.

Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: Our ability to maintain adequate revenue levels and cost control; economic and financial conditions in the global markets and regional markets in which we operate, including volatility in interest rates, commodity and equity prices and the value of assets; the implementation of our strategic initiatives, including our ability to effectively manage the redeployment of our balance sheet and the expansion of our strategic businesses; the reliability of our risk management policies, procedures and methods; continued volatility in the capital or credit markets; developments and changes in laws and regulations, including increased regulation of the financial services industry through legislative action and revised rules and standards applied by the our regulators.

Any forward-looking statement made by us in this document and presentation is based only on information currently available to us and speaks only as of the date on which it is made. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. We undertake no obligation to publicly update any forward-looking statement whether as a result of new information, future developments or otherwise.

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