

Earnings Release

For immediate release

SHUAA Capital reports Q1 2012 Results

- Q1 2012 revenues increased by 103% to AED 55.0 million over Q1 2011 and net loss for the period narrowed to AED 8.5 million as the business makes progress
- Overall expenses down 7.4% to AED 62.1 million vs Q1 2011 as our rightsizing program starts to show results
- Major reduction in monthly operational expenditure primarily due to decrease in headcount and reduction in rent related expenses
- Balance sheet remains strong at AED 1.57 billion underpinning business recovery. Cash position strengthened to AED 345.1 million and total liabilities reduced to AED 405.8 million from AED 437.2 million
- Assets under management in Asset Management remained stable at AED 1.5 billion
- HH Sheikh Maktoum Hasher Al Maktoum has become Executive Chairman and Colin Macdonald appointed Group CEO

Dubai – 7 May 2012: SHUAA Capital ('SHUAA') today reported results for the first quarter 2012. Revenues were AED 55.0 million (Q1 2011: AED 27.1 million) underpinned by continued strong returns from SHUAA's Lending business and from investments in SHUAA managed funds. The loss for the period narrowed considerably to AED 8.5 million (Q1 2011: loss AED 26.3 million).

SHUAA has continued to focus on cost cutting measures during the first quarter of 2012 and has seen a dramatic improvement in its monthly operating cash expenditure from AED 11 million to AED 4.5 million per month. This is a result of continued cost cutting measures including a reduction in the number of employees, primarily from brokerage, following the exit from the Company's retail brokerage business, and a significant reduction in annualised rent related expenditure. SHUAA Capital plans to further improve this operating cash expenditure to below AED 3.0 million per month by the end of the first half of 2012.

SHUAA's balance sheet remained strong with total assets marginally down at AED 1.57 billion compared to AED 1.60 billion at the year end. The cash position strengthened slightly to AED 345.1 million from AED 340.2 million and this has been helped by the continued drop in operating costs and the consequential drop in monthly operating expenditures. Total liabilities fell to AED 405.8 million from AED 437.2 million due to a further reduction in medium term debt levels.

Just after the period end, SHUAA announced that HH Sheikh Maktoum bin Hasher Al Maktoum assumed the position of Executive Chairman and Colin Macdonald was appointed Group Chief Executive Officer. Colin, who

started at SHUAA on 12 April 2012 has had over 25 years banking experience in Europe, the Middle East and Africa.

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

“Our business turnaround strategy continues to make good progress and positions us well for 2012 and beyond. I have personally led our relentless focus on reducing costs and am pleased to say that it has yielded strong results. We are pleased with the progress made on improving our monthly operating cash expenditure, which is 57% lower than a year ago. The cost cutting measures that we have taken during the first quarter of 2012, will be recognized by the end of the second quarter. This will lead to a total reduction of operating expenditure of 71% since the launch of our systematic rightsizing program in 2011.”

“Whilst we have made strong progress on cost cutting we are turning our attention to generating revenues. This shift in focus will gather momentum as we build out our core capabilities in the areas of Credit, Asset Management and Advisory. Recognizing the fundamental strengths of our balance sheet, market position and heritage, there are many exciting initiatives in train. Even though we are in a challenging banking environment, we believe that we are now equipped to exploit the market situation to our advantage.”

Segmental Information

Lending

Gulf Finance, SHUAA’s lending business, recorded revenues of AED 17.9 million (Q1 2011: AED 12.3 million) and a profit of AED 2.7 million (Q1 2011: AED 3.2 million).

The loan book consisted of diversified exposure to the following sectors; Power, Oil & Gas 11%, logistics 21%, printing & media 15%, manufacturing 17% and healthcare 8%. Non-performing loans were stable at AED 7.7 million, representing 1.6% of the total loan book.

Gulf Finance has continued to perform in line with expectations and continues to be a consistent revenue driver for the business and has slightly decreased the size of its loan book in the first quarter of 2012. Gulf Finance is in the process of establishing a Sharia compliant credit and leasing business in Saudi Arabia and has increased its number of employees to staff this operation.

Asset Management

The Asset Management business, which manages SHUAA’s private equity funds, conventional equity and debt as well as Shariah compliant portfolios and investment funds recorded revenues of AED 4.5 million in the first quarter 2012 (Q1 2011: AED 6.2 million). Revenues were affected by SHUAA’s earlier decision in 2011 to stop charging management fees on two private equity funds while the managers look for exit opportunities for the remaining investments. Overall the business booked a loss of AED 2.6 million (Q1 2011: loss AED 2.0 million).

Asset management fund performance continued to be strong in the first quarter with the Arab Gateway Fund and the Emirates Gateway Fund outperforming their respective benchmarks and the Qatar Gateway Fund and Saudi Gateway Fund also performing well. Assets under management remained stable at AED 1.5 billion during the first quarter.

Investment Banking

The Investment Banking business recorded revenues of AED 2.4 million in the first quarter (Q1 2011: AED 4.1 million) and a loss of AED 2.0 million (Q1 2011: loss AED 0.2 million).

Whilst the division has a significant number of IPO and other project mandates in its pipeline on which it continues to work, the challenging economic conditions meant few were launched in the period.

During the period, however, SHUAA was pleased to be appointed joint-lead manager for the initial public offering and admission of NMC Health plc, a leading integrated UAE healthcare provider, to trading on the London Stock Exchange. The company raised gross proceeds of approximately £117 million and achieved a market capitalisation at listing of £390 million, making it among the largest IPOs on the LSE in 2012. Fees from this project will be recognised in the second quarter.

Brokerage

The business recorded revenues of AED 5.0 million in the first quarter (Q1 2011: AED 7.4 million) and a profit of AED 6.8 million (Q1 2011: loss AED 2.7 million). The significant increase in profit stems from an AED 8.9 million reversal of provisions mainly related to margin clients.

The Company has repositioned the brokerage business to focus on providing sales and trading services to institutions, family offices and high-net-worth individuals and has maintained a market share of DFM and ADX trading of approximately 4% in the first quarter.

Corporate

The corporate division recorded revenues of AED 25.1 million (Q1 2011: AED 2.8 million) following a significant turnaround from investments in SHUAA managed funds which delivered gains of AED 21.6 million. Overall the division recorded a loss of AED 12.6 million (Q1 2011: loss AED 24.6 million). Whilst G&A expenses fell by 13%, the Company took a provision of AED 8.4 million.

The Company is in the final phases of consolidating its head office space in the Jumeirah Emirates Towers, Dubai, from two floors to one floor, and this will help reduce annualised real-estate related expenses by over AED 4 million a year.

Cautionary Statement Regarding Forward-Looking Information

The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

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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. SHUAA Capital maintains a leadership position in Investment Banking, Asset Management, Brokerage, Private Equity and SME Finance. Headquartered in Dubai, in the United Arab Emirates, SHUAA Capital has a regional presence with offices in Abu Dhabi, Riyadh, and Jeddah. Embedded in the dynamic economic environment of the Gulf Cooperation Council, SHUAA Capital provides a broad range of financial services to corporations, governments, institutional clients, and high net worth individuals. www.shuaacapital.com

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