

SHUAA Capital Rejects Claim by DBG

June 23, 2009 9:19 AM ET

Dubai – 23 June 2009: SHUAA Capital (ticker symbol: SHUA.DU), the GCC's leading financial services institution, today notes the statement from Dubai Banking Group ('DBG') announcing that it is taking steps towards legal action to recover the principal amount of the disputed AED 1.5bn convertible bonds.

SHUAA Capital rejects the claim that any amounts are due to DBG because SHUAA has already exercised its contractual option to redeem the bonds by issuing 250 million new shares.

SHUAA had earlier given notice to DBG, prior to the maturity date of the notes in October 2008, of its intention to convert the notes and issue shares at maturity, as it had the right to do under the terms of the notes. DBG has refused to accept the new shares and the market authorities have so far declined to register the new shares, pending further consideration.

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

"This is not an unexpected development as DBG had earlier indicated its willingness to file such a claim. This is their right as in the case of any commercial dispute. We believe in the rule of law. However, it is worth noting that the parties have exercised considerable efforts since October 2008 to reach a reasonable and amicable solution and the matter is currently under active review by the concerned authorities."