

## Regulatory Announcement

<b>Company</b>	Shariah Capital, Inc
<b>TIDM</b>	SCAP
<b>Headline</b>	Interim Results
<b>Released</b>	07:01 28-Sep-07
<b>Number</b>	6588E

RNS Number:6588E

Shariah Capital, Inc

28 September 2007

Shariah Capital Inc. ("Shariah Capital" or "the Company")

### Interim Results

Shariah Capital announces interim results for the period ending 30 June 2007.

Shariah Capital is a U.S.-based company that creates and customizes Shariah compliant financial products and platforms and provides Shariah consulting and advisory services primarily to financial institutions and investment firms with product initiatives directed to Islamic investors.

### Highlights

Shariah Capital made significant progress in the first half of 2007, meeting the following corporate objectives.

On 18 March 2007, the Company was granted a license to operate from the Dubai International Financial Centre (DIFC) in the United Arab Emirates. Subsequently, the company opened an office in Dubai. The DIFC license and the Dubai office will enable the company to access revenue-generating business opportunities through the DIFC and its member companies and increase its visibility in the Gulf.

On 27 March 2007, the Company announced a Shariah compliant separate account using Shariah Capital's screening software and short-sale solutions within a customized prime brokerage structure. The separately managed-account, at Barclays Prime Services in New York, is managed under a 130/30 strategy by GRT Capital Partners (GRT), a hedge fund manager in Boston with \$1 billion assets under management. This account is unique because it is operated Shariah compliant, with a major prime broker, in the U.S. The Company believes the success of this account's operation will encourage more hedge fund managers to adopt its screens and methodologies and thereby drive revenue for the Company. For this account, GRT and Shariah Capital have been nominated for a Terrapinn Islamic Funds World award in Dubai as the Most Innovative Islamic Fund for 2007.

These developments led to two new advisory agreements for the Company:

On 10 September 2007, the Company issued a joint press release with Barclays Capital, the investment banking division of Barclays Bank PLC, announcing the signing of a memorandum of understanding to launch a Shariah compliant investment platform entitled the Al Safi Trust. Comprised initially of hedge fund strategies utilizing Shariah Capital's screening and short-sale methodologies, the Al Safi Trust is designed to accommodate products covering a range of investment classes, including hedge funds, real estate and commodities. Shariah Capital is the exclusive Shariah advisor to Al Safi. Barclays is the prime broker and global marketer. Al Safi Trust intends to be opened for investment in fourth quarter 2007. Shariah Capital will be compensated as Shariah advisor based on the size of assets on the Al Safi Trust platform.

Shariah Capital also in September signed an agreement with an agency of the Dubai government to develop a range of Shariah compliant investment products. With Shariah Capital as Shariah advisor, there is an opportunity to generate revenue for the Company and establish a long-term relationship with an important client.

Enquiries:

Eric Meyer  
Chairman and Chief Executive Officer  
Shariah Capital, Inc.  
Telephone: +1 (203) 972-0331  
emeyer@shariahcap.com

Bill Redman  
Managing Director and Treasurer  
Telephone: +1 (203) 972-0331  
bredman@shariahcap.com

Investec Investment Banking  
James Wheatcroft  
+44 207 597 5308

Chairman's statement

Key First Half Achievements and Announcements

Shariah Capital is a multi-dimensional company that creates Shariah-compliant financial products and provides Shariah compliant consulting and related services. It delivers these products and services under its own brand name, under co-branding arrangements with joint venture partners or on a private label basis. Its targeted clients are financial institutions and investment management firms that are building product platforms primarily directed to the Middle East, Asia and the Far East and, specifically, to Islamic institutional and high net worth investors.

The Company continues to selectively undertake Shariah mandates that can lead to more extensive, longer-term product development relationships. Its efforts include assembling teams of knowledgeable and experienced Islamic jurists to

coordinate research followed by product certification and ongoing Shariah supervision. The Company also typically works with institutional clients and their legal counsel to explain the Shariah process and to facilitate compliance-related issues, including management of Shariah compliance risk and the challenges to specific product solutions.

The Board of Shariah Capital is pleased with the Company's performance in the first half of 2007 and subsequent developments.

On 27 March 2007, Shariah Capital announced a Shariah-compliant separate account which utilizes the Company's Shariah screening software and Shariah-compliant shorting structure. This structure provides Shariah compliant solutions for short-sales, options and balance sheet leverage within a customized prime brokerage arrangement. We believe this account represents a major step in bridging Islamic finance with the alternative investment world. The account is the first to utilize Shariah Capital's proprietary screening software and compliance criteria.

On 18 March 2007, Shariah Capital was granted a license to operate in the Dubai International Financial Centre (DIFC). In conjunction with the license, the Company opened an office in Dubai. Shariah Capital intends to use its DIFC registration to pursue business opportunities originating from DIFC member institutions and from the Gulf.

In June 2007, Shariah Capital and William D. Witter, Inc. announced a strategic alliance focusing on Witter's plans to offer Shariah compliant investment funds to select investors. Witter plans to launch a Shariah compliant version of its Penfield Partners Fund, a long-short equity hedge fund. Witter also expects to launch a Shariah compliant real estate fund focused on residential and commercial properties located in high growth cities in the Western U.S.

On 10 September 2007, the Company issued a joint press release with Barclays Capital, the investment banking division of Barclays Bank PLC regarding a memorandum of understanding between the two firms to launch a Shariah-compliant investment platform. The Al Safi Trust initially will offer equity long-short and market neutral hedge fund strategies. The Al Safi Trust is expected to open for investment in the 4th quarter of 2007.

Also in September 2007, Shariah Capital signed an agreement with an agency of the Dubai government to develop Shariah compliant investment products. As part of this agreement, the Company will collaborate on a suite of Shariah compliant products privately-labeled under the agency's brand name.

The Company continues to receive interest from the global press for its longstanding efforts in Islamic finance. Coverage during the first half of 2007 included articles and interviews in Forbes, The Wall Street Journal, U.S. News and World Report, Islamic Finance News and a live interview on CNBC. All of these are accessible on the Company's website, [www.shariahcap.com](http://www.shariahcap.com)

Our personnel

With the rise in demand for Shariah compliant products,

internationally-recognized Shariah scholars are in short supply and high demand. Shariah Capital has always enjoyed close working relationships with some of the most reputable scholars in Islamic finance. As part of its original and on-going business strategy and to address the problems caused by scholar shortages, Shariah Capital consolidated and enhanced its capacity with Shariah scholars in October 2006 by hiring Shaykh Yusuf Talal DeLorenzo of Washington, D.C. Shaykh Yusuf is the Company's full-time Chief Shariah Officer and a member of its Board of Directors. In this role, Shaykh Yusuf draws upon key relationships with Shariah scholars around the world to assemble committed critical thinkers best suited for Shariah Capital's advisory mandates. Under his leadership, Shariah Capital has formulated a process for identifying and sourcing appropriately-qualified Shariah scholars to projects best suited to their particular capabilities. This access to leading Shariah scholars gives the Company a decided advantage over competing firms and enables it to commit to product timelines and workflows.

#### Financial review

During the first six months of 2007, the Company realized a net loss of US\$1,431,480, US\$655,459 of which was for non-cash charges. This loss compares to a loss of US\$285,451 for the same period in 2006. Cash charges were attributable primarily to management salaries, ongoing nominating advisor fees, office rents and travel expenses. The cash charges reflect the addition of two senior executives to the firm and the increase in compensation to market-competitive levels for all employees, including restricted stock awards.

In the first six months of 2007, the Company made a strategic decision to focus on securing larger recurring revenue opportunities at the expense of near-term consulting engagements. Consequently, revenues from the first half of the fiscal year reflected the Company's efforts to obtain its DIFC license and finalize negotiations relating to its new business relationship with Barclays Capital. The Company's revenues totaled US\$180,630 during the first six months of 2007 comprised of consulting revenue and income generated from its cash position. As investment products from existing agreements are launched, the Company looks forward to realizing the revenue opportunities presented by these agreements during the remainder of the fiscal year and into 2008.

#### Liquidity and Capital Resources

The Company's cash position of \$3.3 million at 30 June 2007 is more than sufficient to allow the Company to meet existing contract commitments and pursue additional new business.

#### Outlook

We look forward to the future with continued confidence. Our key accomplishments demonstrate our first mover advantage and strong position in Islamic Finance. With our DIFC license and the Barclays advisory relationship, in addition to the Dubai government contract and formal recognition for an innovative Islamic product, we believe that we now are a recognized competitor in this market. We are well positioned to benefit from the rising demand for Islamic investment products.

Financial Information Shariah Capital Inc.

Balance Sheets

Shariah Capital, Inc.  
(formerly Meyer Fund Management, LLC)

Balance Sheet (unaudited as of 30 June 2007; audited as of 30 June 2006)

	30 June 2007	30 June 2006
	US\$	US\$
-----		
Assets		
Cash	113,185	96,317
Certificates of deposit	2,703,926	-
Securities purchased, at fair value	785,220	-
Due from related parties	1,038	11,097
Prepaid expenses and other current assets	63,874	855
Property and equipment-net	7,435	4,596
-----		
Total assets	3,674,678	112,865
=====		
Liabilities and Stockholders' Equity		
Accounts payable	-	\$14,821
Accrued expenses and other current liabilities	33,228	104,651
Securities sold, not yet purchased, at fair value	248,477	-
Deferred revenue	-	25,000
-----		
Total liabilities	281,705	144,472
-----		
Stockholders' equity		
Common stock, \$.01 par value; 70,000,000 shares authorized; 58,540,600 shares issued and outstanding	585,406	-
Additional paid-in capital	4,827,509	-
Retained deficit	(2,019,942)	-
Total stockholders' equity	3,392,973	-
(31,607)		
-----		
Total liabilities and stockholders' equity	3,674,678	112,865
=====		

Statements of Operations

Shariah Capital, Inc.  
(formerly Meyer Fund Management, LLC)

Statements of Operations (unaudited as of 30 June 2007; audited as of 30 June 2006)

	Six months ended 30 June 2007 US\$	Six months ended 30 June 2006 US\$
-----		
Revenues		
Interest income	88,713	-
Consulting	39,980	172,500
Investment income		
Net realized gain	34,886	-
Net change in unrealized (depreciation)	(875)	-
Dividend income	1,426	-
	-----	-----
Total investment income	35,437	-
Rental income	16,500	6,750
Conference attendee and sponsorship	-	18,868
	-----	-----
Total revenues	180,630	198,118
Expenses		
General and administrative expenses	1,604,651	\$239,331
Consultant expenses	7,459	29,431
Conference hosting expenses	-	15,107
Interest expense	-	1,582
	-----	-----
Total expenses	1,612,110	285,451
	-----	-----
Net loss	(1,431,480)	(87,333)
	=====	=====
Earnings (loss) per share, basic & diluted	\$(.02)	\$(.002)
	=====	=====
Weighted average shares outstanding, basic & diluted	58,480,932	50,000,000
	=====	=====

## Statements of Cash Flows

Shariah Capital, Inc.  
(formerly Meyer Fund Management, LLC)

Statements of Cash Flows (unaudited as of 30 June 2007; audited as of 30 June 2006)

	Six months ended 30 June 2007 US\$	Six months ended 30 June 2006 US\$
-----		
Cash flows from operating activities:		
Net loss	(1,431,480)	(87,333)
Adjustments to reconcile net loss to net cash used in operating activities:		
Restricted stock issued	665,479	
Net change in unrealized depreciation	875	
Depreciation and amortization	898	619

Changes in operating assets and liabilities:

Prepaid expenses and other current assets	27,715	7,812
Accounts payable	(9,446)	8,028
Accrued expenses and other current liabilities	(534,943)	51,462

---

Net cash used in operating activities (1,280,902) (19,412)

---

Cash flows from investing activities:

Sale of certificate of deposit	813,891	-
Cost of securities purchased	(782,374)	-
Proceeds from securities sold, not yet purchased	244,756	-
Purchases of property and equipment	(2,110)	-

---

Net cash provided by investing activities 274,163 -

---

Cash flows from financing activities:

Proceeds from sale of common stock, net of AIM expenses	(1,869)	-
Due from related parties	28,059	-

---

Net cash provided by financing activities 26,190 -

---

Net (decrease) in cash (980,549) (19,412)

Cash, beginning of period 1,093,734 115,729

---

Cash, end of period 113,185 96,317

---

## Summary of Significant Accounting Policies

### The Company and Nature of Operations

Shariah Capital, Inc. ("the Company") was formed on September 6, 2006 as a Delaware Corporation. The Company creates and customizes Shariah compliant financial products and platforms and provides Shariah consulting and advisory services primarily to financial institutions and investment firms with product initiatives directed to Islamic investors. The Company's targeted clients are financial institutions and investment management firms that are building product platforms directed to the Middle East and Far East and, specifically to, Islamic institutional and high net worth investors. The firm also is exploring and expects to pursue a number of business opportunities with financial and investment firms in Europe, Asia and the United States.

On September 26, 2006, the Company increased the authorized shares of common stock that it may issue to 70,000,000 shares.

On November 8, 2006, the Company acquired the assets and liabilities of Meyer Fund Management, LLC ("Meyer"), the predecessor Company. The current members of Meyer were given 50,000,000 shares of common stock in the Company, based on their existing percentage holdings in Meyer. The merger was accounted for as entities under common control, whereby the Company recognized the assets and liabilities of Meyer at their carryover basis as of the date of the merger.

Accordingly, the accompanying financial statements present the operations of Shariah Capital, Inc. as of June 30, 2007 and for the six months ended June 30, 2007 and the operations of Meyer Fund Management, LLC as of June 30, 2006 and for the six months ended June 30, 2006. Post merger, Meyer has since been dissolved.

#### Revenue Recognition

The Company recognizes revenue in the month when the services are provided.

#### Property, Equipment and Depreciation

Property and equipment are stated at cost. Depreciation and amortization are provided principally on the straight-line method over the estimated useful lives. Fully depreciated assets are written off in the year following its last depreciation charge. The estimated useful life of the computer equipment is 5 years.

#### Cash and Cash Equivalents

Cash and cash equivalents consist of short term highly liquid investments purchased with original maturities of three months or less and are readily convertible into cash.

#### Concentration of Credit Risk

The Company maintains cash balances with a major money center bank. The balance in this account at this institution at times maybe in excess of the FDIC insured limit. The Company has not expensed any losses on such accounts.

Additionally, the Company maintains a brokerage account with a financial institution that carried an AA rating as of 30 June 2007. The balance in this account at this institution at times may be in excess of the SIPC insured limit. The Company has not expensed any losses on such accounts.

#### Advertising

The Company expenses advertising costs as they are incurred.

#### Income Taxes

On September 6, 2006, Shariah Capital, Inc. was incorporated in Delaware as a C Corp. under the provisions of the Internal Revenue Code. The Company is responsible for minimum taxes to the States of Delaware and Connecticut. Due to the current period loss, no income tax provision has been made in the accompanying financial statements and only the required minimum and capital taxes have been provided for.

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." Under this method, deferred income taxes are recognized for the tax consequences of "temporary differences" by applying statutory tax rates expected to be applicable in future

years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities.

A valuation allowance reduces deferred tax assets when it is more than likely than not that some or all of the deferred tax assets will not be realized.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted average common shares outstanding. Diluted earnings (loss) per share is computed by dividing net income (loss) by the weighted average common shares outstanding adjusted for incremental dilution of potentially dilutive securities. There were no potentially dilutive securities in 2006 or for the six months ended June 30, 2007.

Notes to Financial Statements (unaudited) as of June 30, 2007; audited as of June 30, 2006)

#### Private Placement and Recapitalization

On September 1, 2006, the Company entered into a "Master Participation Agreement" with numerous individuals and entities. These participants funded the Company in the aggregate of US\$1.2 million. The funding provided working capital to the Company and to fund costs and expenses related to having its common stock admitted for trading on the London Alternative Investment Market (the "AIM") on terms and conditions as defined in the Agreement.

On September 27, 2006 the Company entered into a Private Placement Memorandum with numerous individuals and entities. These participants funded the Company in the aggregate of US\$3.0 million. The funding finalized the capitalization of the company prior to having its common stock admitted for trading on the London Alternative Investment Market (the "AIM") on terms and conditions as defined in the Agreement.

On December 13, 2006, the Company started publicly trading on the AIM under the ticker symbol ("SCAP"). In total, the Company was capitalized with US\$5,740,600, of which US\$1,200,000 was raised from the Master Participation Agreement, US\$3,000,000 as part of the private placement, and the remaining US\$1,540,600 raised from an Investec (AIM representative). Included in the funds raised are shares issued in lieu of payment for professional services that amounted to US\$190,600. Total costs incurred amounted to approximately US\$1,064,000 for 2006 and US\$1,900 for six months ended June 30, 2007.

## Property and Equipment - net

Property and equipment - net, held and used at June 30, 2007 and June 30, 2006 consists of the following:

	2007 US\$	2006 US\$
----- Computer equipment -----	10,559	6,190
Less: Accumulated depreciation and amortization	3,124	1,594
----- =====	7,435	4,596

Depreciation expense amounted to \$898 and \$619 for the period ended June 30, 2007 and June 30, 2006, respectively. Depreciation expense is included in general and administrative expenses.

## Commitments

The Company is a party to an operating lease agreement relating to the rental of its corporate office that expires on August 31, 2007, with an annual base rent of approximately US\$72,000. The lease also includes a provision to pay additional rent for its proportionate share of utilities of approximately US\$1,600 per month over the lease term. The Company is also a party to a month-to-month operating lease agreement relating to the rental of corporate office space in Dubai that commenced in April 2007. Total rent expense amounted to approximately US\$69,615 and US\$43,898 for the six months ended June 30, 2007 and June 30, 2006, respectively. Rent expense is included in general and administrative expenses. The Company sublets a portion of this corporate office on a month-to-month basis to two tenants. Since April 2007, only one tenant subleased space. Rental income amounted to approximately US\$19,500 and US\$6,750 for the six months ended June 30, 2007, and June 30, 2006, respectively. Subsequently, the Company is a party to a lease with annual base rent of approximately US\$73,160 that expires on 31 August 2008 with a proportionate share of utilities of US\$1,745 per month.

## Employment Agreements

The Company entered into employment agreements with its management employees effective December 7, 2006, whereby annual cash salaries aggregate US\$1,050,000. The agreements provide for 6 to 12 months notice of termination and provide for the annual salaries to be paid through the termination date. In addition, the agreement with the Chairman and Chief Executive Officer of the Company provides for a US\$650,000 termination fee.

## Non Executive Director Service Agreement

Effective December 6, 2006, the Company entered into a Non Executive Director Service Agreement whereby the individual will serve as the Chairman of the audit, nomination and compensation committees of the board of directors for an

annual fee of US\$32,500. The term of the agreement shall be for a period of not less than six months unless notice is given in writing by either party to terminate the agreement.

#### Supplemental Disclosures of Cash Flow Information

Supplemental disclosures of cash flow information are as follows:

	Six months ended 30 June 2007 US\$	Six months ended 30 June 2006 US\$
----- Cash paid during the period =====	-0-	1,582

#### Share Based Compensation

In December 2004, the Financial Accounting Standards Board ("FASB") issues SFAS 123R, "Share-based Payment," a revision of SFAS 123 which supersedes APB 25 "Accounting for Stock Issued to Employees". The Company adopted SFAS 123R using the modified prospective application. Under this method, compensation cost is recognized for all share-based payments granted, modified, or settled after the date of adoption as well as for any unvested awards that were granted prior to the date of the adoption.

The Company granted 2,700,000 shares of restricted stock on December 7, 2006 to several of its employees. These 2006 restricted stock grants vest over a period of three years. Under the provisions of SFAS 123R, share-based compensation cost is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense over the employee's requisite service period, which is the vesting period of the grant. Accordingly, compensation expense of US\$545,479 was recorded for the six months ended June 30, 2007 in connection with the restricted stock grants and is included in general and administrative expenses. Additional compensation expense costs amounting to US\$528,220, US\$713,151 and US\$840,822 will be recognized over the next three years.

This information is provided by RNS  
The company news service from the London Stock Exchange

END

**London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.**