

Regulatory Announcement

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

Interim Results

The Board of Shariah Capital is pleased to announce Shariah Capital's interim results for the period ending 30 June 2008.

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.

Chairman's Statement

In the first half of 2008, Shariah Capital's management team made significant strides towards its goal of market leadership in product creation and advisory services in the Islamic Finance market.

- The Company secured a strategic joint venture with an agency of the Dubai Government to build a government-sponsored Shariah asset management company.
- As part of this transaction, the Company successfully negotiated a strategic direct investment in the shares of the Company by the Government of Dubai.
- The Dubai Government and the World Gold Council announced that the Company will serve as the Shariah advisor to the first Shariah compliant ETF listed on a Dubai Exchange.

- The Company announced that it was able to secure the participation and collaboration of some of the world's most recognized asset managers for the first of its Shariah compliant alternative investment products with the Dubai Government.

With the Al Safi platform we've built with Barclays Capital (announced in the previous reporting period), we know of no other Shariah advisory organization that is able to identify similar accomplishments in the Islamic alternative investment arena.

Management intends to leverage the achievements of the first half of 2008 to secure meaningful assets for the Al Safi platform, its joint venture asset management company and the ETF product. We remain committed to creating new Islamic products and solutions in order to expand the Company's reach throughout the alternative investment world.

First Half 2008 Highlights and Achievements

Terms for Shariah Capital's joint venture with the Dubai Government's Dubai Multi Commodities Centre Authority (DMCC) were finalized during the first half of 2008. The joint venture, Dubai Shariah Asset Management (or "DSAM"), is owned 51% by Dubai Commodity Asset Management ("DCAM"), a wholly-owned division of DMCC, and 49% by Shariah Capital.

DMCC also completed its purchase of a 4.99% equity stake in Shariah Capital and Dr. David Rutledge, DMCC's Chief Executive, joined our Board of Directors. Dr. Rutledge was voted formally to the Board at our annual shareholder meeting in May, 2008.

In June, DMCC, Barclays Capital and Shariah Capital issued a joint press release regarding DMCC's intention to fund five world-class long/short U.S. equity hedge fund managers on the Al Safi Trust platform, the "one-stop" Shariah compliant alternative investment platform we have built with Barclays. Each manager will pursue an investment strategy focused on a specific commodity sector. These sectors are gold, oil & gas, natural resources, agriculture and global resources and mining. Through DCAM, DMCC will seed each of these managers with \$50 million, a total investment of \$250 million.

Al Safi's contractual investment management relationships with these managers, representing some of the most established hedge funds in the industry, confirm the achievement of one of Shariah Capital's primary objectives: to develop Shariah compliant screens and methodologies that enable established, high-quality hedge fund managers to manage Shariah compliant portfolios for Islamic investors consistent with their current strategies. Our efforts during the first half of 2008 achieved this objective.

DSAM will brand and distribute five new funds based on the above commodity strategies. They will act as "feeder funds" that will invest exclusively in the five commodity fund

counterparts on the Al Safi platform. DSAM will manage a fund-of-funds comprised of all five funds as well. Investors will be able to invest in either the fund-of-funds or the underlying individual subfunds. These Shariah compliant funds represent the first of a number of asset management initiatives where investment products will be developed and distributed by DSAM.

In April, the World Gold Council (WGC) and DMCC announced their partnership to launch Dubai Gold Shares (DGS), a Shariah compliant gold ETF product that DMCC intends to list on the Dubai International Financial Exchange (DIFX). Shariah Capital has been appointed as the Shariah advisor to DGS and hopes to play an active role in this product's development and distribution.

Also in April, Global Finance magazine named Shariah Capital "Best US Islamic Financial Services Firm 2008." We have worked especially hard to define our leadership position, both in the U.S. and throughout the world. This award is particularly gratifying because so often a firm is judged by the company it keeps. The recognition by Global Finance distinguishes the Company as "best in class" -- along with some of the most prominent and successful Islamic financial institutions in our industry.

Finally, in February, our Chief Shariah Officer, Shaykh Yusuf Talal DeLorenzo was appointed to the Shariah Board of the Accounting and Auditing Organization of Islamic Financial Institutions (AAOIFI). AAOIFI has become the authority for determining Shariah standards for the Islamic finance industry. Shariah Capital is honored by this appointment and congratulates Shaykh Yusuf for his recognition as one of the preeminent Shariah scholars in the industry.

The Board is pleased with the Company's execution of its strategy thus far in 2008 and the momentum it has established for securing revenue in the 2nd half.

Personnel

Since our last interim results, the Company has had no changes in personnel.

Mohammad Jamjoum, our non-Executive Board Member, became a consultant to the company during the early months of 2008 and moved to Dubai to supervise our office there and follow up our above initiatives with DMCC. With the addition of Dr. Rutledge to our Board as a non-Executive Director, it is anticipated that Mr. Jamjoum will become a full-time senior manager of Shariah Capital based permanently in Dubai. With the commencement of revenues from Al Safi, and given the needs of the DSAM joint venture with the DMCC, the company plans to expand its professional capabilities through the addition of qualified and experienced professionals. We therefore anticipate adding to our capabilities later in 2008 with new personnel in New Canaan and Dubai.

Bios of our senior management, including Dr. Rutledge, are available on our website (www.shariahcap.com).

Financial Review

During the six months ended 30 June 2008, Shariah Capital realized a net loss of \$1,793,410 compared to a loss of \$1,431,480 for the same period in 2007. Cash charges were attributable primarily to management salaries, office rents in Connecticut and Dubai and travel expenses. Non-cash charges for the six months were \$396,120. The majority of these charges relates to restricted stock.

The Company made a strategic decision in 2007 to focus on larger recurring revenue opportunities and strategic relationships rather than short-term advisory engagements. Consequently, first half 2008 revenues totaled \$87,469, principally the result of consulting and advisory mandates. With the launch of the Al Safi Trust and DSAM investment products, we expect an immediate and positive impact on revenues and earnings.

Liquidity and Capital Resources

The Company's cash equivalent and securities position is now over \$6.7 million, the result of new shares issued to DMCC for approximately \$5.5 million. Management believes that the Company's assets are adequate to fulfill existing commitments and pursue additional new business opportunities for the foreseeable future.

Outlook

After months of groundwork on the legal documentation for the Al Safi platform, we now are entering the execution phase of this important product for Shariah Capital. Our near-term emphasis will be on fulfilling our Shariah advisory responsibilities on Al Safi and streamlining this process to expand the platform beyond its initial five managers.

At the same time, we will commit significant time and resources to DSAM and our product partnership with DMCC, including an active marketing campaign in the Gulf to attract new assets to the DSAM funds. We are excited by early investor inquiries about these strategies and the strong institutional interest expressed both in and beyond the Gulf.

Fortunately, our reputation precedes us and we recently have been contacted by financial institutions looking to utilize our skill sets beyond the hedge fund platform of Al Safi. Although we will consider these and all opportunities selectively, we will remain focused on Al Safi and DSAM and the strong longer-term revenue stream projected from these products.

Summary

With the Dubai government as a strategic partner, we are confident that the Shariah compliant investment products we develop will find a ready acceptance in the market and lead to numerous other opportunities for our business. The first half of 2008 has affirmed

our conviction that we remain well-positioned to benefit from the increasing demand for Islamic investment products.

As always, we are sincerely grateful to our shareholders for their continued confidence and support.

Eric Meyer
Chairman and CEO

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

Balance Sheets
(Unaudited)

June 30,	2008	2007
Assets		
Cash	\$1,510,643	\$113,185
Certificates of deposit	1,756,100	2,703,926
Securities purchased, at fair value	3,508,131	785,220
Due from related parties (Note 2)	6,336	1,038
Prepaid expenses and other current assets	96,287	63,874
Total current assets	6,877,497	3,677,243
Property and equipment-net (Note 3)	6,670	7,435
Total assets	\$6,884,167	\$3,674,678

Liabilities and Stockholders' Equity

Accrued expenses and other current liabilities	204,042	33,228
Securities sold, not yet purchased, at fair value	-	248,477
Total liabilities	204,042	281,705
Commitments (Note 4)		
Stockholders' equity		
Common stock, \$.01 par value; 70,000,000 shares authorized; 61,744,132 and 58,540,600 shares issued and outstanding for June 30, 2008 and June 30, 2007, respectively	617,441	585,406
Additional paid-in capital	11,896,410	4,827,509
Retained deficit	(5,833,726)	(2,019,942)
Total stockholders' equity	6,680,125	3,392,973
Total liabilities and stockholders' equity	\$6,884,167	\$3,674,678

See accompanying significant accounting policies and notes to financial statements.
Shariah Capital, Inc.

**Statements of Operations
(Unaudited)**

	Six months ended June 30, 2008	Six months ended June 30, 2007
Revenues		
Interest income	\$74,483	\$88,713
Consulting	9,980	39,980
Investment income		
Net realized gain	-	34,886
Net change in unrealized (depreciation)	-	(875)
Dividend income	6	1,426
Total investment income	6	35,437
Rental income (Note 4)	3,000	16,500

Total revenues	\$87,469	\$180,630
Expenses		
General and administrative expenses (Notes 3, 4 & 6)	\$1,753,485	\$1,604,651
R&D expenses	43,945	-
Consulting expenses	83,449	7,459
Total expenses	\$1,880,879	\$1,612,110
Net loss	\$(1,793,410)	\$(1,431,480)
Earnings (loss) per share, basic & diluted	\$(.03)	\$(.02)
Weighted average shares outstanding, basic & diluted	58,707,679	58,480,932

See accompanying significant accounting policies and notes to financial statements.
Shariah Capital, Inc.

Statements of Cash Flows (Note 5)
(Unaudited)

	Six months ended June 30, 2008	Six months ended June 30, 2007
Cash flows from operating activities:		
Net loss	\$(1,793,410)	\$(1,431,480)
Adjustments to reconcile net loss to net cash used in operating activities:		
Common stock issued in lieu of payment for services	-	125,000
Stock compensation and consulting expense	396,120	540,479
Net charge in unrealized depreciation	-	875
Depreciation and amortization	1,152	898
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(3,212)	27,715
Accounts payable	(956)	(9,446)
Accrued expenses and other current	105,126	(534,943)

liabilities		
Net cash used in operating activities	(1,295,180)	(1,280,902)
Cash flows from investing activities:		
Redemptions of certificate of deposit	458,277	813,891
Cost of securities purchased	(3,508,131)	(782,374)
Proceeds from securities sold, not yet purchased	-	244,756
Purchases of property and equipment	(1,443)	(2,110)
Net cash (used in)/provided by investing activities	(3,051,297)	274,163
Cash flows from financing activities:		
Proceeds from sale of common stock, net of AIM expenses	5,643,377	(1,869)
Due from related parties	58,839	28,059
Net cash provided by financing activities	5,702,216	26,190
Net increase (decrease) in cash	1,355,739	(980,549)
Cash, beginning of period	154,904	1,093,734
Cash, end of period	\$1,510,643	\$113,185

See accompanying significant accounting policies and notes to financial statements.

Shariah Capital, Inc.

Summary of Significant Accounting Policies
(Unaudited)

The Company and Nature of Operations

Shariah Capital, Inc. ("the Company") was formed on September 6, 2006 as a Delaware Corporation. The Company is a multi-dimensional company that creates Shariah-compliant financial products and services under its own brand name, under co-branding arrangements with joint venture partners or on a private label basis. The Company's targeted clients are financial institutions and investment management firms that are building product platforms primarily 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.

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. Specifically, the Company has built proprietary solutions endorsed by prominent Shariah scholars that enable hedge fund and other alternative investment managers to manage their portfolios consistent with their existing strategies and processes while complying with Shariah. Typically, the Company charges its clients a percentage of assets under management for these solutions.

The Company also provides consulting and advisory services delivered separately under professional service contracts. These projects generally earn an up-front non-refundable retainer upon engagement; a progress fee upon completion of certain project deliverables; and a final payment upon completion of the mandate.

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, Meyer Fund Management, LLC ("Meyer") merged into and with the Company, with the Company being the surviving entity. The existing 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.

On March 18, 2008, the Company announced a proposed joint venture with the Dubai Multi Commodities Centre Authority (DMCC). The joint venture entity, Dubai Shariah Asset Management, Ltd. (DSAM), will be owned 51 per cent by Dubai Commodity Asset Management, a wholly-owned division of DMCC, and 49 per cent by the Company. The entity intends to develop and manage a range of Shariah-compliant investment products focused on commodities. On March 24, 2008, DMCC purchased a 4.99% equity share of the Company. Coincident with this purchase, Dr. David Rutledge, Chief Executive of DMCC, has joined the Company's Board as a non-executive director.

**Revenue
Recognition**

Professional services arrangements are billed on a time and materials basis and, accordingly, revenue is recognized as the services are performed.

Property,

Property and equipment are stated at cost. Depreciation and

Equipment and Depreciation	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 lives 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.
Investments	As part of its cash management program, the Company has invested \$3,500,000 in three taxable, variable rate bonds. Interest payable on the bonds is reset weekly based on a Dutch auction. Each bond provides daily liquidity (which settles in five trading days), and each bond carries an investment grade rating by both Standard & Poors and Moody's.
Concentration of Credit Risk	<p>The Company maintains cash balances with a financial institution. 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.</p> <p>Additionally, the Company maintains a brokerage account with a financial institution. 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.</p>
Advertising	The Company expenses advertising costs as they are incurred.
Income Taxes	<p>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.</p> <p>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.</p> <p>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. (See Note 7.)</p>
Use of Estimates	The preparation of financial statements in conformity with generally accepted accounting principles 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 and diluted net loss per share allocable to common stockholders is presented in conformity with SFAS No. 128, "Earnings per Share". In accordance with SFAS No. 128, basic and diluted net loss per share has been computed using the weighted-average number of shares of common stock outstanding during the period, less any shares subject to restriction.

The number of weighted average shares of common stock outstanding excluded from the calculation of basic and diluted net loss per share (because they were subject to restriction) was 1,720,577 and 2,700,000 for the periods ended June 30, 2008 and June 30, 2007, respectively. Had they been dilutive, such shares would have been included in the computation of diluted net loss per share.

Shariah Capital, Inc

Notes to Financial Statements

(Unaudited as of June 30, 2008 and June 30, 2007)

- 1. Costs Related to Listing on the London Alternative Investment Market**

The Company incurred costs of approximately \$1,064,000 in connection with having its common stock admitted for trading on the London Alternative Investment Market (the "AIM") in December, 2006. The Company publicly trades on the AIM under the ticker symbol ("SCAP"). For the six month period ended June 30, 2007, the Company incurred and paid additional costs related to the listing of its common stock on AIM of \$1,869.
- 2. Related Party Transactions**

As of June 30, 2008, the Company had a receivable from an employee in the amount of \$6,336. The amount was repaid by the employee during the 3rd quarter of 2008. As of June 30, 2007, the Company had a receivable from one of the Directors in the amount of \$1,038. The amount was repaid by the Director during 2007.
- 3. Property and Equipment - net**

Property and equipment - net, held and used at June 30, 2008 and June 30, 2007 consist of the following:

	2008	2007
Computer equipment	\$12,002	\$10,559
Less: Accumulated depreciation and amortization	5,332	3,124
	\$6,670	\$7,435

Depreciation expense amounted to \$1,152 and \$898 for the periods ended June 30, 2008 and June 30, 2007, respectively, and is included in general and administrative expenses.

4. Commitments

Operating Leases

The Company is a party to an operating lease agreement relating to the rental of its corporate office that expires on August 31, 2008, with an annual base rent of approximately \$72,000. The lease also includes a provision to pay additional rent for its proportionate share of utilities of approximately \$1,600 per month over the lease term. Rent expense amounted to \$80,701 and \$69,615 for the six months ended June 30, 2008 and June 30, 2007, respectively, and 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. Rental income amounted to \$3,000 and \$16,500 for the six months ended June 30, 2008, and June 30, 2007, respectively. One sublet agreement was terminated during 2008 and the other was terminated during 2007.

The Company is also a party to a month-to-month operating lease agreement relating to the rental of corporate office space in Dubai, which commenced in April 2007.

The minimum rental commitments required under these operating leases after June 30, 2008 are as follows:

<u>Year ended December 31,</u>	
2008	\$15,683

Employment Agreements

The Company entered into employment agreements with its management employees effective December 7, 2006, whereby annual salaries aggregate \$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 \$650,000 termination fee.

Non Executive Director Service Agreement

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

5. Supplemental Disclosures of Cash Flow Information

Supplemental disclosures of cash flow information are as follows:

	Six months ended June 30, 2008	Six months ended June 30, 2007
Non cash financing transaction: Contribution of services in exchange for common stock	-	125,000

6. Share Based Compensation

In December 2004, the Financial Accounting Standards Board ("FASB") issued 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.

On April 19, 2007, the Company granted 100,000 shares of restricted stock to a member of the Company's Shariah Supervisory Board. This grant was fully vested on the date of issuance and amounted to \$125,000 at fair value of the stock at the date of grant and was recorded in professional fees with a

corresponding charge to paid-in capital.

In December 2007, the Company amended the December 7, 2006, restricted stock grants for two of its employees. The amendment increased the December 7, 2006 tranche of shares by 5%, or 47,500 shares, and moved the vesting date from December 7, 2007 to March 31, 2008, subject to earlier acceleration at the option of the Company.

Accordingly, compensation expenses of \$396,120 and \$545,479 were recorded for the six months ended June 30, 2008 and June 30, 2007, respectively, in connection with the restricted stock grants and are included in general and administrative expenses. Additional compensation expense costs amounting to \$364,109 and \$840,823 will be recognized over the next two years.

- 7. Income Taxes** The Company has net operating loss carry forwards of approximately \$2,900,000 available to reduce any future income taxes, expiring at various times from 2026 to 2027. The tax benefit of these losses and other temporary differences amount to approximately \$1,559,000 as of December 31, 2007, and has been fully offset by a valuation allowance due to the uncertainty of its realization.

Shariah Capital, Inc.

Schedule of General and Administrative Expenses
(Unaudited as of June 30, 2008 and June 30, 2007)

	Six months ended June 30, 2008	Six months ended June 30, 2007
General and administrative expenses:		
AIM Representation	56,500	52,278
Bank service charges	377	415
Board advisory fees	-	10,000
Charitable Donation	500	500
Depreciation	1,152	898
Director's Fees	16,250	17,585
Insurance	95,353	63,060
Investment	-	200
Information technology	5,696	40,173
Marketing	10,190	3,354
Miscellaneous	356	2,107
Office supplies	2,867	3,393
Payroll	525,000	525,000
Payroll taxes	52,559	32,762
Payroll processing	799	731

Postage and delivery	2,432	2,343
Accounting and Tax Service Fees	40,585	24,975
Legal	266,013	30,785
Registrar Fees	7,853	7,238
Rent	80,701	69,615
Securities Filings	225	-
State and Labor Taxes	17,350	737
Stock compensation expense	396,120	665,479
Telephone	9,007	5,651
Travel and entertainment	165,213	45,086
Web services	387	286
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Total general and administrative expenses	\$1,753,485	\$1,604,651
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