



“Return to Growth” Shareholder Presentation

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1

Business model refocused on Islamic financial institutions to generate recurring profits

2

Adequately restructured balance sheet

3

Potentially improved capital and liquidity positions post
(but subject to) capital raising

4

Upside potential

Business model refocused on Islamic financial institutions and reinforced committed management team

Old business model

- ◆ GFH's original strategy was built around a syndicated equity model which focused on securing and charging fees and premiums for large scale infrastructure projects - this model is not sustainable in the current financial climate
- ◆ GFH was also involved in securing licenses for new financial institutions - and this strategy has been successful - and retains strong placement capabilities, a committed management and a useful network of Government and cross-industry connections in strategic countries and sectors which can be leveraged to sustain a new business model

New business model

- ◆ Create a leader in Islamic finance using the listed GFH entity as a holding company for two divisions
 - ◆ IFH (Islamic Finance House): creates, develops controls and owns Islamic financial institutions
 - ◆ GFH Developments: holding company for all assets and initiatives not related to financial institutions
- ◆ More stable business model
 - ◆ Stronger focus on financial institutions and less on real estate (GFH has created several FIs with a total paid up capital of c. US\$5bn)
 - ◆ High number of initiatives identified, of smaller size compared to the past, to be originated, incubated and initially owned by GFH
 - ◆ Recurrent revenues in the form of management and success fees, with lower upfront fees
 - ◆ Lean and efficient operating model with lower costs and higher returns to shareholders
 - ◆ Strong appetite of our investors for initiatives in the new countries / regions and sectors

GFH business focus and targets

Leveraging on expertise, network and growth opportunities

Initial sector focus: Islamic financial institutions

- Islamic corporate and retail banks
- Takaful and retail bancassurance
- Retakaful
- Sharia compliant commodities, derivatives and equity trading
- Infrastructure financing

GFH new business lines

- GFH new lines of business are
 - Growth capital (private equity)
 - Corporate finance / advisory
 - Investment management
- GFH revenues will be based on
 - Recurring income from management fees
 - Transactional income from advisory services
 - Dividends / Capital growth on any seed investments and performance fees

GFH targets

- Returning to growth and profitability in 2011
- Maintaining low operating cost base
- Aggressively reducing debt through asset sales
- Improving GFH reporting and transparency
- Target recurrent revenues contributions:
 - 2/3 from Financial Institutions, Corporate Finance / Advisory and Asset Management (IFH)
 - 1/3 from Private Equity (GFH Capital)
- Portfolio optimisation

Geographic focus

- KSA and opportunistic in the rest of the GCC
- Turkey and Levant region
- Growth markets of Africa, Central Asia and India
- Malta
- Other markets on a tactical / opportunistic base

Sector and geographic opportunities

Sector opportunities

5 strategic sectors in which GFH will invest

- **Islamic Finance (Initial Focus)**
 - Strong appetite for Islamic Finance and Sharia compliant financial solutions in the selected markets
- **Telecommunications**
 - Worldwide telecommunication market expected to grow to US\$5tr in the next 2 years
 - GCC, Africa and Asia are key to this growth
- **Infrastructure projects in key markets** (eg KSA)
 - US\$1tr demand for energy and infrastructure projects in the MENA region only
- **Transport**
 - Transport is key to support trade, energy supply, economic and R&D development
- **Natural resources**
 - The core strength of the selected markets and paramount to sustain economic recovery
 - Unique expertise



Geographic opportunities

Attractive markets with high growth potential


- **KSA & other selected GCC countries**
 - KSA is the most attractive GCC market for all 5 sectors in terms of expected investments and growth
- **Africa and Central Asia**
 - Rich in natural resources
 - High demand and attractive opportunities in all sectors
 - High GDP growth expectations
- **Turkey and Levant (selected countries)**
 - One of the most attractive and fast growing economies with strong appetite for Islamic financial solutions
 - Geographical and cultural bridge of three continents
- **Malta**
 - Off-shore centre within EU
 - Transport, logistic and financial hub
- **Opportunistic deal approach in the rest of the GCC, Levant and worldwide**



Strong revenue generation expected to start from 2011

New business model milestones

2009 – 2010 “Restructure”	Short term 2011 “Transition”	Medium term 2012 – 2013 “New Growth”	Long term 2013 – 2015 “Performance”
<ul style="list-style-type: none"> ▪ Redefine business model – lean operating model ▪ Restructure balance sheet ▪ Immediate action taken to recapitalise bank ▪ New strategic vision to ensure prosperity for GFH ▪ Aggressive asset sales and cost control program 	<ul style="list-style-type: none"> ▪ Action new business lines ▪ Target growth markets and sectors ▪ Generate new revenues ▪ Make required acquisitions ▪ Continue asset sales and cost control 	<ul style="list-style-type: none"> ▪ Further increase revenues (new deals, monitor existing deals) combined with asset sales and recurrent revenues from 2011 – 2012 initiatives ▪ Expand outside home market: <ul style="list-style-type: none"> - KSA, GCC and Levant - Growth markets of Africa and India - Malta - Opportunistic in the rest of the world 	<ul style="list-style-type: none"> ▪ Stable flow or recurring revenues combined with revenues coming from new deals and with asset sales ▪ Expand business model where appropriate ▪ Continue international expansion ▪ Initiatives launched in previous years reaching maturity level and ready to be exited from 2016 onwards
<p>Financial restructuring / new strategy</p>	<p>Return to profitability</p>	<p>2012-2014: growth / development phase 2015: full capacity</p>	



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2 **Adequately restructured balance sheet**

3 Potentially improved capital and liquidity positions post (but subject to) capital raising

4 Upside potential

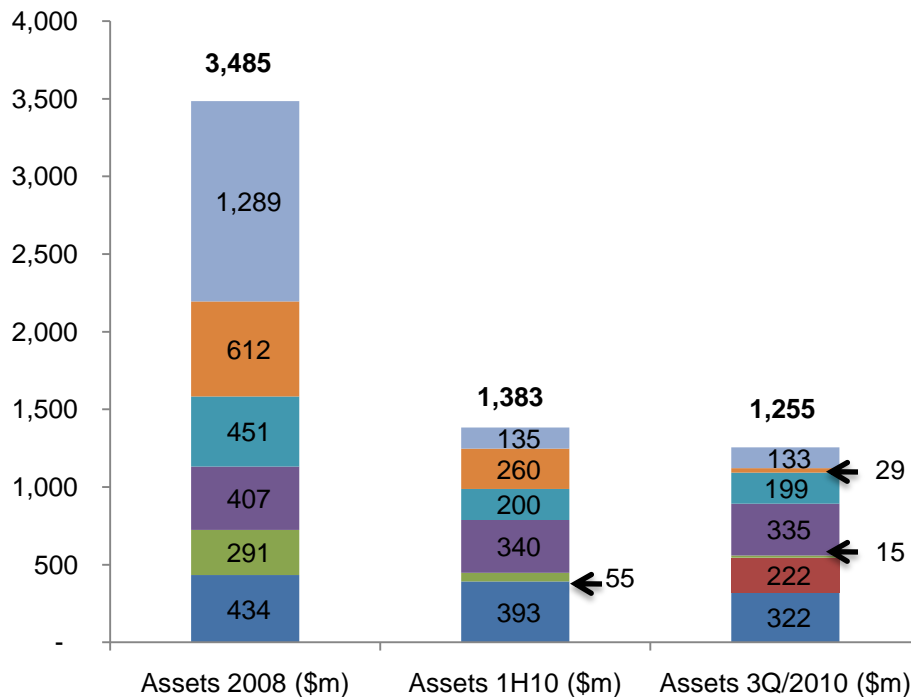
Consolidated Condensed Q3/2010 Financials – prudent and transparent rightsizing approved before General Meetings

Assets and Liabilities	30 September 2010 (reviewed - \$m)	31 December 2009 (audited - \$m)	30 September 2009 (reviewed - \$m)
Assets			
Cash and placement with banks	133.1	465.1	403.9
Receivables and other assets	588.1	450.6	1,224.9
Investments	534.1	725.8	828.2
Total Assets	1,255.3	1,641.6	2,457.0
Liabilities			
Investors' funds	185.7	246.2	245.2
Placements from financial and other institutions	152.1	210.8	438.2
Financing liabilities	403.2	651.8	608.6
Other liabilities	211.3	96.6	361.7
Total Liabilities	952.3	1,208.3	1,657.6
Total Equity	303.0	433.3	799.4
Total Equity and Liabilities	1,255.3	1,641.6	2,457.0

Income Statement	Nine months ended		Three months ended	
	30/09/10 (reviewed - \$m)	30/09/09 (reviewed - \$m)	30/09/10 (reviewed - \$m)	30/09/09 (reviewed - \$m)
Total Income	16.0	69.4	0.5	3.2
Total Expenses	76.8	106.1	34.7	32.8
Loss before impairment allowances	(60.7)	(36.7)	(34.2)	(29.6)
Impairment allowances	(101.5)	(80.9)	(81.5)	-
Loss from continuing operations	(162.3)	(117.6)	(115.8)	(29.6)
(Loss) / Profit from discontinued operations	(0.5)	(3.8)	0.6	0.4
Loss for the period	(162.8)	(121.4)	(115.1)	(29.3)

Streamlined balance sheet and provisioned assets

Balance sheet downsizing (US\$m)



- Cash + Placement at banks
- Investment in associates
- Receivables
- Other assets
- Assets held-for-sale
- Investment in securities
- Investment in property


Comments

- Sale of non strategic assets and replacement of illiquid assets by liquid assets via asset swaps
- Additional asset swap (KHCB) to be approved by shareholders
- On-going asset sale program
- Cumulative impairments of US\$728m in 2009, most of which are non-cash and related to Legends (Dubailand)
- Additional non-cash impairment allowances of US\$102m in Q3/2010 are consistent with our prudent and transparent approach (*)
- GFH well positioned for growth and expected to return to profitability in 2011

(*) Certain additional provisions in 2010 likely, subject to market conditions and corporate approvals

Restructuring making good progress

	Already implemented	Additional expected
Asset sales (excluding treasury shares)	<ul style="list-style-type: none"> ▪ US\$80m net cash proceeds from asset sale in 2010 ▪ Aggressive asset swap program implemented to increase the number of liquid asset 	<ul style="list-style-type: none"> ▪ Additional C. US\$450m proceeds expected in the next 4 years ▪ Additional asset swap to be approved by Shareholders (forthcoming EGM)
Term debt	<ul style="list-style-type: none"> ▪ US\$232m repaid in 2010 ▪ US\$100m restructured and extended 	<ul style="list-style-type: none"> ▪ US\$90m of term debt due in 2011 to be serviced from asset sales or restructured
Operating expenses	<ul style="list-style-type: none"> ▪ Costs reduced from US\$15m to US\$7m per month ▪ Staff costs decrease by 66% in 3Q/10 vs 3Q/09 	<ul style="list-style-type: none"> ▪ Additional c. 40% savings in operating expenses will come from further reduction in costs of staff and funding



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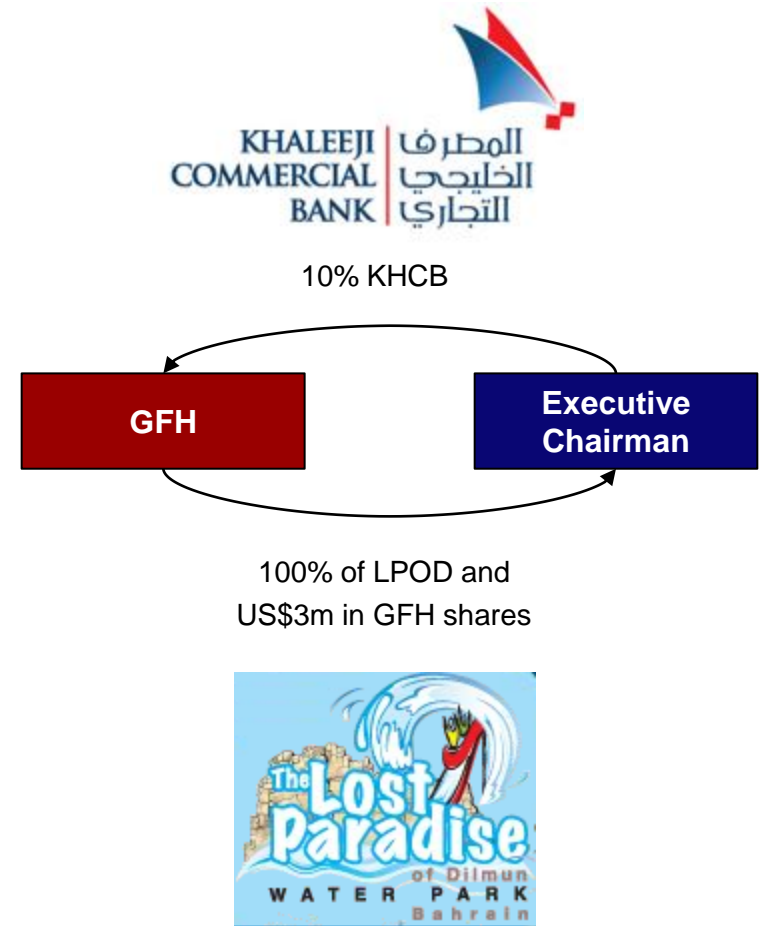
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Asset Swap and Recapitalisation as cornerstones of the implementation of the new Business Model

- ◆ Khaleeji Commercial Bank (KHCB) is a flagship commercial bank and a strategic liquid asset, listed in the Bahrain Stock Exchange. Based on October 27th, 2010 market price (BD 0.075) the value of a 10% stake of KHCB would be of US\$ 22.9m, however this does not include the relevant control premium. According to a recent independent valuation(*) the full value of the 10% stake owned by our Executive Chairman in KHCB is in the range of US\$ 28.5m – US\$ 31.0m
- ◆ The water park Lost Paradise of Dilmun (LPOD) is not listed and it is not considered a strategic asset for GFH. According to an independent valuation(**), the value of our 100% stake in LPOD is in the range of US\$23.3m – US\$ 25.9m, based on a Discounted Cash Flow valuation model
- ◆ The Asset Swap - which would allow our participation in KHCB to grow from Asset Swap 10% KHCB 36.99% to 46.99%, commanding a higher control premium on the participation – is consistent with the new strategy and business model of GFH, described before, which focuses on Islamic Financial Institutions. Besides, KHCB is a more liquid and valuable assets than LPOD. We believe that this would benefit both GFH and its shareholders
- ◆ The US\$3m difference between the agreed values of LPOD and KHCB will be paid to our Executive Chairman in equivalent GFH shares, based on the market value of US\$0.125. Because of that, the ownership of our Executive Chairman in the GFH is expected to grow by c.1.27% (before capital raising). These shares will also be impacted by the proposed share consolidation and capital reduction
- ◆ The Recapitalisation via the proposed Convertible Murabaha will give the bank the level of liquidity needed to implement the new Business Model and ensure sustainable growth and value creation
- ◆ After the conversion of the Murabaha into shares, our Capital Adequacy Ratio (CAR) will improve considerably, to the benefit of our Equity, Leverage and strategic flexibility

Asset Swap

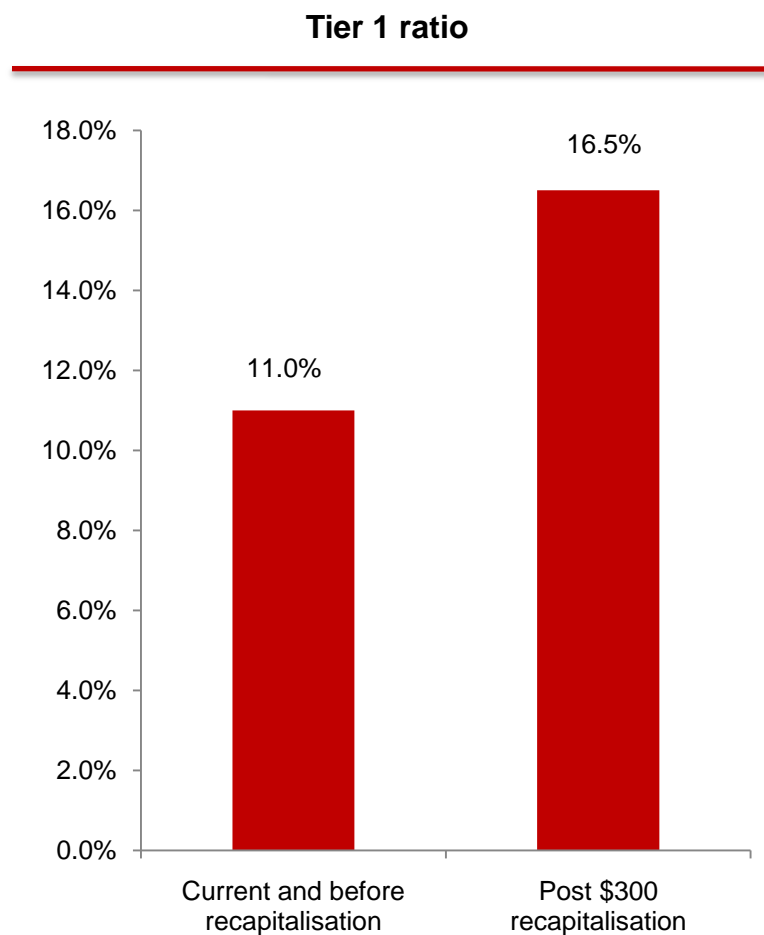


(*) performed by Ernst & Young on November 4th, 2010

(**) performed by Ernst & Young on July 19th, 2010

Recapitalisation plan to be used to fund new initiatives

- ◆ Large portion of the capital raising to be used to fund new investment projects
- ◆ Part of the capital raising to be used to fund investment project to extract maximum value from them
- ◆ New revenues expected from 2011 and to grow significantly thereafter
- ◆ Sale of assets as an additional source of cash
- ◆ Expected further reduction in operating expenses
- ◆ Tier 1 ratio expected to be well above 18% from 2011 onwards (*)



(*) Based on US\$300m issue size and on certain assumptions and subject to applicable corporate and regulatory approvals

Share Consolidation and Capital Reduction

No change in underlying value

- ◆ In accordance to the Bahraini Law, new shares can't be issued at a value lower than par value. However, our existing par value is too high (US\$0.33) compared to current market value of our shares (C. US\$0.12) to be considered attractive. The consolidation and reverse share split of the issued shares and the reduction of the paid up capital are aimed to reduce the par value and allow the placement of the convertible murabaha to be performed at a competitive conversion price, maximising probabilities of success of raising the liquidity needed to implement our strategy. The tables below summarise the effects of the proposed share consolidation and capital reduction

Procedure for Change in Capital	Current as at 30/09/2010 - \$m	After consolidation (4 for 1) - \$m	After Capital reduction - \$m
Share capital	625.8	625.8	145.8
Share premium	206.2	206.2	206.2
Treasury shares	(18.3)	(18.3)	(18.3)
Statutory reserve	82.0	82.0	82.0
Other reserves	1.8	1.8	1.8
Investments fair value reserve	1.0	1.0	1.0
(Accumulate losses) / Retained earning	(595.5)	(595.5)	(115.5)
Total Equity	303.0	303.0	303.0

Procedure for Change in Capital	Current as at 30/09/2010 - \$m	After consolidation (4 for 1) - \$m	After Capital reduction - \$m
Number of shares	1,896,332,565	474,083,141	474,083,141
Par value per share (US\$)	0.33	1.32	0.3075
Book value per share (US\$)	0.1598	0.6392	0.6392
Market value of GFH share (US\$)	0.12	0.48	0.48

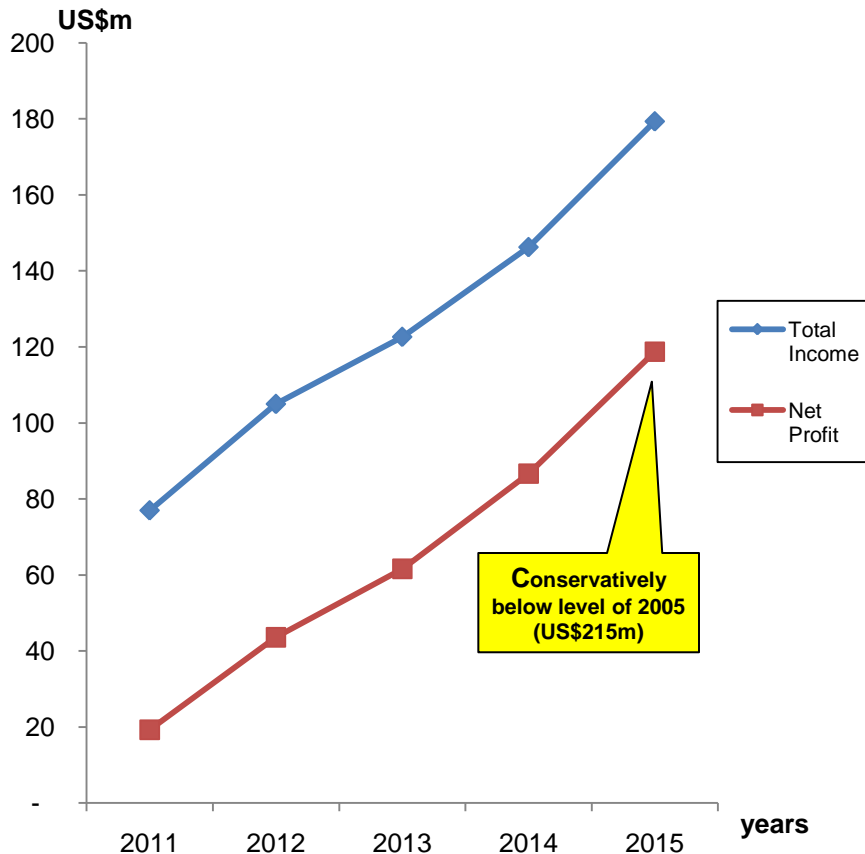
- ◆ The Total Equity and the market capitalisation won't be affected by the share consolidation, capital reduction and change in the par value
- ◆ Shareholders will have the same level of ownership
- ◆ Existing shareholders are allowed and invited to subscribe the new convertible murabaha. Depending on the amount of subscriptions and conversions into GFH shares over time, the murabaha could be highly dilutive for the existing shareholders who decide not to subscribe

Deal Pipeline - Opportunities to drive Income

		Projects:	Description
		GFH Deal Pipeline	Growth Capital
Turkey Bank	The opportunity to acquire a majority stake in an established Islamic commercial bank in Turkey benefiting from the attractive economic conditions and political stability.		
Tunis Finance House	Following the Tunis Financial Harbour initiative (TFH), GFH aims to create a banking institution to benefit from the favorable reforms and incentives being developed as part of the creation of a financial hub in Tunisia.		
Libya Finance House	GFH will develop an Islamic bank in Libya which will benefit from the government encouraging private investments. GFH is expected to hold a controlling stake in conjunction with a partner.		
India Finance House	GFH will leverage on the buoyant market in India and target the development of an investment banking institution in India.		
Malta Offshore Bank	Alongside the support of the Government of Malta, GFH will target the development of an Offshore banking hub in Malta replicating GFH's successful Tunis Financial Harbour (TFH) and Bahrain Financial Harbour (BFH) concepts.		
GFH Deal Pipeline	Inv. Manag.	Gulf Energy Fund	Establishment of an unlisted investment fund through a Joint Venture arrangement. The fund will aim to participate as a non-operating joint venture partner alongside oil and gas companies.
		Transal	A holding company established with the primary objective of focusing on asset based acquisitions / investments in shipping, air, logistics.
		Re-Takaful	Creation of a ReTakaful company that will be able to operate a syndicate at a leading insurance and re-insurance market based in London, in order to exploit the growth of this segment.
GFH Deal Pipeline	Corp. Fin.	IPO and Listing for Investment Portfolio	As part of the new business model GFH will target the structuring and arrangement of listing its investment portfolio through an initial public offering or through listing the project companies on relevant primary stock exchanges.
		Debt and Equity Syndication	Debt and Equity Syndication solutions will be offered as effective and timely alternative to public offerings to companies at an early stage in their development or as interim financing until a public offering can be completed. GFH has extensive experience in raising capital through private placements which can be easily leveraged and offered to third parties.
		Investment Structuring	GFH is renowned for its unique knowledge and track-record in structuring tailored innovative Islamic and tax efficient financial solutions (e.g.: convertible murabihat). This core strength is a strong plus, taking into consideration the growth of Islamic finance worldwide and the appetite for Sharia compliant financial solutions and services.

GFH is expected to be profitable from 2011 onwards and to achieve full capacity by 2015(*) - (Subject to market conditions)

GFH management is confident on achieving a sustainable profitability level from 2011 onwards, even in a conservative scenario(**), with a more stable and differentiated business model based on recurrent revenues



A more differentiated business model, less reliant on placement

Revenue source	2011	2012	2013	2014	2015
Revenues from investment advisory services	65%	63%	66%	58%	47%
Placement, arrangement and management fees	14%	12%	14%	17%	24%
Investment in associates	21%	25%	20%	25%	29%

Higher number of initiatives per annum, of smaller size and a higher level of GFH ownership (up to 51%) compared to the past

		2011	2012	2013	2014	2015
Number of new projects / Initiatives	#	4	5	5	5	5
Total Capital, of which	US\$m	365	460	475	460	500
- av. committed by GFH	US\$m	115	140	120	95	115
- av. raised from placement and IPOs	US\$m	250	320	355	365	385

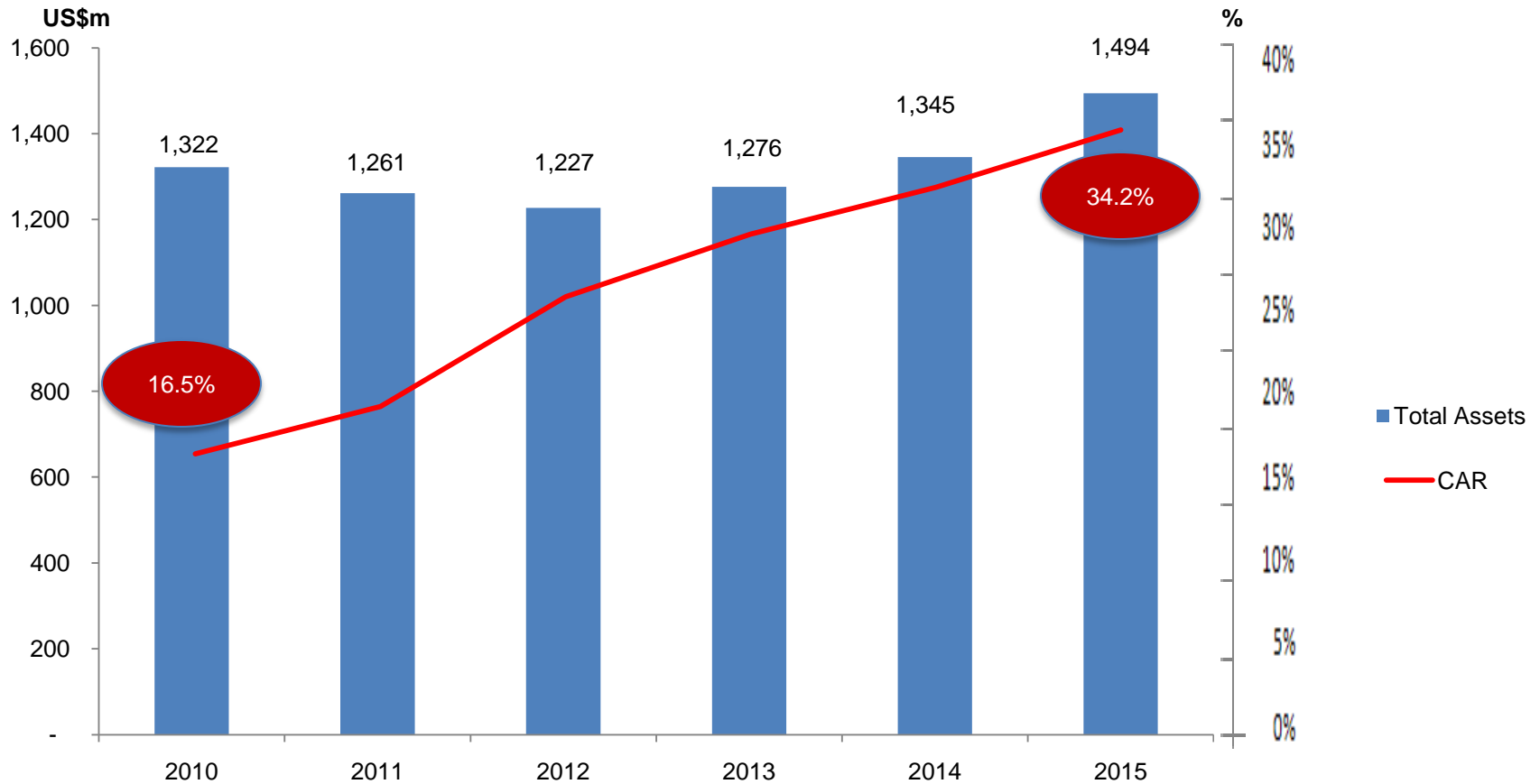
Higher focus on financial institutions

Revenue source	2011	2012	2013	2014	2015
Financial institutions	82%	59%	49%	43%	57%
Non Financial Institutions	18%	41%	51%	57%	43%

(*) Based on US\$300m issue size and on certain assumptions and subject to applicable corporate and regulatory approvals (**) Break-even in 2011 even if the fee based revenues were 40% lower than envisaged

Stable Asset Base and Raising CAR (*)

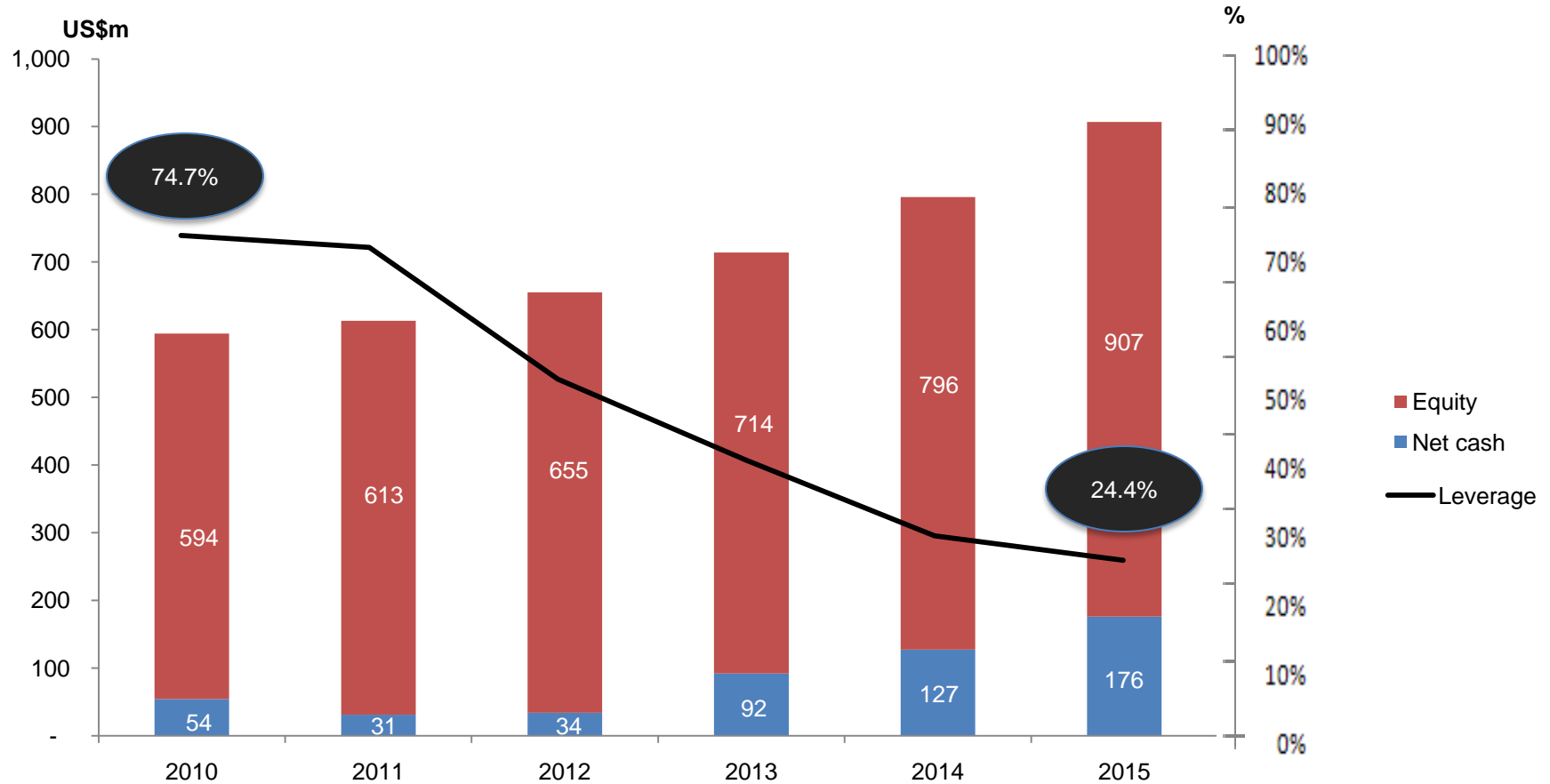
CAR will be well above regulatory requirements even in the case of a gross placement of US\$300m and increase constantly over time



(*) Based on US\$300m issue size and on certain assumptions and subject to applicable corporate and regulatory approvals

Increasing Equity and Net Cash, Reducing Leverage (*)

Constant and sustainable increase in equity and net cash will reduce leveraging and resilience over time



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- ◆ Supportive market outlook: strong forecasted return to growth in GCC economies with controlled inflation, oil prices expected to grow, the market for Sharia compliant investments and financial solutions is still growing and far from being saturated. This should benefit GFH and the market and investment confidence of our GCC / MENA investor base (as shown by the level of interests toward the new convertible murabaha)

- ◆ GFH ready to growth and return to profitability in 2011(*), with lower cost base, leaner operating model, robust deal pipeline, unique Sharia compliant structuring capability and committed management

- ◆ Limited risk / downside potential
 - ◆ Major asset provisions taken in previous years
 - ◆ Improved liquidity position post recapitalisation
 - ◆ Significant part of recapitalisation proceeds to be allocated to new business

- ◆ GFH stock price at record low - current share price is at a 43% discount to NAV (86% share price decrease since September 2008) - affected by lack of visibility for investors on restructuring plan / new strategy
 - ◆ Potential stock re-rating as a result of recapitalisation and increased disclosure
 - ◆ Recapitalisation exercise provides an opportunity to explain restructuring plan / new strategy to investors and could result in stock re-rating and attracting murabaha subscriptions
 - ◆ Oversubscriptions (more than US\$300m and up to US\$500m) would increase exponentially the strategic and return opportunities for GFH and its stakeholders