

**CAPITAL MANAGEMENT HOUSE INCREASES PROFITS BY 255% TO US\$14.4m
Recommends stock dividend of 16.6%**

Manama, Kingdom of Bahrain - 12 February 2009 – The Bahrain based Capital Management House ("CMH") , today announced its full year results for 2008.

Despite the negative impact of world financial markets during the period, CMH delivered a strong set of financial results, with net income increasing by 255.7% to US\$14.4m from US\$5.6m a year ago.

The robust performance of the business in the face of extremely challenging financial markets saw CMH return on average capital for the year improved to 27.7% and its earnings per share increased to US\$0.277cents compared to US\$0.118 cents in 2007.

Mr. Khalid A. Al Bassam, CMH said "Despite the significant challenges that we faced during 2008, Capital Management House has delivered an excellent set of results. These results, and the returns to our shareholders, are based on the investment insight and prudent approach of the investment strategies and timely exits. 2009 will undoubtedly be an even more challenging year, but, we believe we are well placed to continue deliver value to our shareholders over the course of the year."

2008 saw some key developments for Capital Management House as it pursued its strategy of delivering innovative Islamic investment services to its clients. CMH also become a founding shareholder of First Energy Bank.

CMH also commenced investing in its pioneer Libya Fund with Tuareg Capital, a private equity group focused on Libya, acquiring a majority interest in Etelaf Oil Services, a Libyan based oil services company. CMH acted as the lead sponsor and was responsible for structuring both the Fund and the acquisition in accordance with Shariah financing principles. The Fund purchased a new on-shore drilling rig which is being operated by Etelaf, enabling it to offer world leading drilling technology to concession holders in Libya. The Fund has also signed contracts with the internationally leading companies in this sector, IOC and Woodside.

A rights issue was conducted by CMH in November 2008 to increase its capital based was significantly oversubscribed and the issue of new shares was fully subscribed. Kuwait Finance House-Bahrain ("KFH") has now become a strategic shareholder as well as other prominent and leading regional private investors.

Reflecting on the year, Mr. Khalid Mohamed Najibi, Vice Chairman and Managing Director of CMH, said, "2008 was a significant year of progress for Capital Management House, not only in terms of our financial performance but also in terms of the execution of our strategy.

"Our successful capital increase during the turbulence late last year is a testament to our innovative strategy and a reflection of the depth of talent and expertise of CMH's management and staff. We have seen tremendous growth in our asset under management which has grown by 89.7% this year to reach US\$ 105.9 million as well as our equity base to US\$128.8 million. The additional capital will enable us to invest in delivering market-leading products and services to our clients and drive our growth strategy. The business has also been strengthened with the addition of new shareholders through the rights issue. Our strong financial performance allows us to propose a significant dividend this year for our shareholders, reinforcing our strategy of rewarding our shareholders. We are proposing a US\$0.01658 cents per share dividend for existing shareholders. In comparison, our dividend in 2007 was US\$0.05 cents per share.

Mr Najibi added, “2009 will be a challenging year, but, we believe the market conditions will also provide opportunity for profitable investments. Given our talent, our proven performance in tough market conditions and our prudent yet innovative investment strategies, we are cautiously optimistic for the year ahead.”

Ends

About Capital Management House

Capital Management House is Islamic investment firm which was incorporated in Bahrain in May 2006. Regulated by the Central Bank of Bahrain, Capital Management House was the first company granted a Category I license to operate as an Islamic Investment business. The firm, which has an authorized share capital of US\$ 200 million was established by reputable regional institutions and prominent investors from Bahrain and across the region. Its recent capital increase enabled CMH to upgrade its current license to a wholesale Islamic investment Bank and to expand its products and services.

Providing unique and creative solutions to clients’ financial and investment requirements CMH continues to focus on its vision to be the clients’ investment banker of choice by maintaining a high level of integrity, diversity and product quality.

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