

Sunday 26<sup>th</sup> February 2012

## **Dubai Financial Market (PJSC) Records Net Profit of AED 8 Million In 2011**

**Abdul Jalil Yousef Darwish: Encouraging indications on the success of the company's efforts to limit dependency on trading commissions**

**The new revenue streams constituted 2.8% of the total revenue through:**

- **Signing data selling agreements with 20 companies**
- **Managing cash dividend distribution for 6 listed companies**
- **Applying listing fees and offering online advertising opportunities**

**Dubai, February 26<sup>th</sup> 2012:** Dubai Financial Market (PJSC) today announced its results for the financial year ending 31<sup>st</sup> December 2011. The company recorded a net profit of AED 8 million for the year 2011, compared to a net profit of AED 89.9 million in 2010, whilst, DFM group (including its subsidiary NASDAQ Dubai) recorded a net loss of AED 6.9 million in 2011 compared to a net profit of AED 78.9 million in 2010. Total revenues reached to AED 176.5 million at the end of 2011, compared to AED 260.5 million in 2010.

The total revenue comprised of AED 119.6 million operational revenues and AED 56.9 million of investment revenues and others.

DFM trade value has considerably overshadowed the revenues, with a 54% decline in 2011. However, the financial results for 2011 indicate that new revenue streams have initially started to contribute to the total revenue in an encouraging way. These revenue streams include real time data selling, listing fees, online advertising and cash dividend distribution on behalf of listed companies. This drive is expected to further materialize in the future.

During its meeting on Sunday February 26th 2012, the Board of Directors reviewed and approved the annual results, which will be ratified during the annual general meeting of the company that will be announced later on after coordinating with The UAE Securities and Commodities Authority (SCA).

Abdul Jalil Yousef Darwish, Chairman, Dubai Financial Market (PJSC) said: “In 2011, DFM (PJSC) has made great strides in implementing the strategy adopted by the Board of Directors upon its election in 2010, through several initiatives aimed at improving DFM’s performance, efficiency and trading activity. The ultimate goal of this strategy is to maximize the shareholders’ value by diversifying revenue streams through optimally monetizing the company’s services and resources. Consequently, we have signed agreements with 20 companies in 2011 to sell market data. Additionally, we expanded our cash dividend distribution services to manage this process on behalf of 6 public companies through iVESTOR

cards, cheques and bank transfer. Other sources of income included listing fees and online advertising opportunities on DFM website. Accordingly, the company's total revenues from these new sources amounted to AED 4.7 million in 2011, which is 2.8% of the total revenue. Although the abovementioned contribution has yet to fully reach the desired level, what has been accomplished in 2011 is nonetheless an encouraging starting point. We believe that over the next few years, new sources of income will play an increasingly larger part in achieving the goals of the diversification and development strategy adopted by the Board of Directors."

Essa Kazim, Managing Director and CEO, Dubai Financial Market (PJSC) said: "During 2011, DFM was not isolated from international markets which were negatively affected by unfavorable global developments, particularly the aggravating European Sovereign Debt Crisis, the low confidence in the global economic recovery and the concerns about another global crisis more severe than its predecessor. Despite this situation, our development efforts have progressed at an increasingly fast pace over the last couple of years, with the aim of aligning DFM's regulatory structure with international best practices and meeting the growing needs of market participants. DFM undertook 18 different development initiatives; most of which have been already implemented. The successful

adoption of the “Delivery Versus Payment” mechanism is undeniably the most significant of DFM’s development efforts in 2011. These initiatives are just a small part of the ongoing improvement and development plans to be implemented in coordination with the Securities and Commodities Authority (SCA). The plans include short selling, market maker, trading covered warrants, trading rights issues, stock swap agreements, Direct Market Access Mechanism, and the implementation of XBRL, the data preparation analysis and publishing system. We believe that these enhancements lay the foundation for a new era of sustainable growth.”

“DFM’s management team has maximized their efforts during 2011 to encourage companies to go public and list on DFM. For this purpose, DFM has intensified its activities and contact with potential IPO candidates, through direct one-on-one dialogues as well as various events which proved to be very successful, including the seminar targeting Jebel Ali Free Zone (JAFZA) companies and DFM’s forum “Going Public - Achieving Sustainable Growth”. In light of this, we believe that dozens of companies from various economic sectors, most of which are not represented on DFM, such as Retail, Tourism, Health and Education, have expressed an interest in going public and becoming listed on DFM or NASDAQ Dubai. We expect these plans to come to fruition once the market gains momentum and the realization of family-run businesses and private companies

that the time has come to benefit from IPOs and listings. Additionally, DFM has also improved the services it offers to market participants by launching various advanced services including the “Stock Portfolio Inquiry Service”, a free of charge 24 hour comprehensive voice portal service which allows market participants to instantly track their investments on DFM and NASDAQ Dubai by telephone. In 2011, the company also launched a new range of comprehensive e-Services enabling investors to access instant data from both DFM and NASDAQ Dubai, in addition to the online application system from which they can quickly and efficiently complete and submit to DFM. Over 12,000 investors have subscribed to these services in 2011.” Kazim added.

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**About Dubai Financial Market:** Dubai Financial Market (DFM) was established as a public institution with its own independent corporate body. DFM operates as a secondary market for the trading of securities issued by public shareholding companies, bonds issued by the Federal Government or any of the local Governments and public institutions in the country, units of investment funds and any other financial instruments, local or foreign, which are accepted by the market. The DFM commenced operations on March 26, 2000. Following its initial public offering in November 2006, when DFM offered 1.6 billion shares, representing 20 per cent of its paid-up capital of AED 8 billion, DFM became a public joint stock company. Following the IPO, the Government of Dubai retained the remaining 80 per cent of DFM Company through Borse Dubai Limited. [www.dfm.ae](http://www.dfm.ae)

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