

Saturday, 3rd November 2012

DFM Company Net Profit soars 411% to AED 38.9 million during the first three quarters of 2012

- **Trading value in the first nine months surpass 2011 levels by 26%**
- **Abdul Jalil Yousef Darwish:** The expansion of “Margin Trading” creates a new liquidity stream to further improve market activity
- **Essa Abdul Fattah Kazim:** DFM is actively implementing various measures in preparation for the introduction of “Market Making”, “Securities Lending & Borrowing” and “Liquidity Providing”

Dubai, November 3rd 2012: Dubai Financial Market Company (PJSC) today announced its financial results for the first nine months of the year ending September 30th 2012, recording a net profit of AED 38.9 million, a 411% increase compared to the corresponding period in 2011. The Company’s performance improved during the third quarter of 2012 with the quarterly net loss declining to AED 1.7 million compared to AED 9.3 Million in Q3 - 2011.

The Company recorded a total revenue of AED 155.5 million at the end of Q3-2012 compared to AED 145.1 million during the corresponding period in 2011. The revenue comprised of AED 121 million of operating income and AED 34.5



million of investment returns. The Company expenses reached AED 116.6 million compared to AED 137.5 million recorded during the first three quarters of 2011. During the third quarter of 2012, the Company's revenue reached AED 36.8 million compared to AED 31.7 million, whilst expenses amounted to AED 38.5 million in the same period compared to AED 41 million in Q3- 2011.

It is noteworthy that the DFM trading value significantly increased by 46.6% to reach AED 40.4 billion during the first nine months of this year compared to AED 27.6 billion in the corresponding period of last year. Furthermore, the trading value at the end of Q3-2012 surpassed levels achieved during the entire year of 2011 by 26%. Meanwhile, trading value decreased 9.9% to AED 8.1 billion in the third quarter of 2012 compared to AED 9.03 billion in the same period of 2011.

Abdul Jalil Yousef Darwish, Chairman of Dubai Financial Market (PJSC) said: "Since the beginning of this year, the DFM Company has relentlessly endeavored to create a thriving and supportive environment with the aim to restore normal market activity. For this purpose, we have accredited 3 new brokerage firms for Margin Trading in 2012, compared to one company to the previous year, raising the total number of DFM-licensed brokerages which offer this service to their clients, to 4. This is expected to leave a positive mark on the exchange's

performance, and ultimately on the Company's revenue in the future. The total value of Margin Trading reached AED 337.5 million since the introduction of this mechanism and we believe that Margin Trading will gain momentum with the accreditation of more brokerage firms who have already applied. We are confident that DFM is well positioned for a new beginning given the various market infrastructure enhancements implemented over the last two years. Evidently, the best indication of this is the significant improvement in trading value and witnessing DFM as the best performing regional exchange with its general index increasing 20% year to date."

Essa Abdul Fattah Kazim, Managing Director and CEO of Dubai Financial Market (PJSC) said: "DFM is currently carrying out a series of measures to prepare its systems and procedures for the introduction of "Market Making" and three other supportive mechanisms including; "Securities Lending & Borrowing (SLB)", "Short Selling" and "Liquidity Providing". These measures include the introduction of an SLB system whereby OTC SLB transactions will be settled by DFM. We are also creating new trade types for Short Selling, Market Making and Liquidity Providing to facilitate the monitoring, reporting and settlement of such trades. Our plans also include developing relevant new business rules, obtaining regulatory approvals, and communicating with the DFM market participants to explain the



new business model, to ultimately ensure the effective introduction of the new trading mechanisms.”

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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

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