

**Dubai Financial Market P.J.S.C (DFM)**

**Review report and condensed consolidated  
interim financial information for the nine month  
period ended 30 September 2012**

## **Dubai Financial Market P.J.S.C. (DFM)**

### **Review report and condensed consolidated interim financial information for the nine month period ended 30 September 2012**

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## **Review report on condensed consolidated interim financial information**

To the Board of Directors of  
Dubai Financial Market P.J.S.C. (DFM)  
Dubai, U.A.E.

### ***Introduction***

We have reviewed the accompanying condensed consolidated interim statement of financial position of Dubai Financial Market (DFM) P.J.S.C. (the 'Company') and its subsidiaries (together referred to as "the Group") as of 30 September 2012 and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the nine month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting ("IAS 34")". Our responsibility is to express a conclusion on this interim financial information based on our review.

The interim financial information and annual financial statements for the period ended 30 September 2011 and the year ended 31 December 2011 were reviewed and audited respectively by another auditor who expressed unqualified review and audit opinions in their reports dated 26 October 2011 and 26 February 2012, respectively.

### ***Scope of review***

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting.

PricewaterhouseCoopers  
3 November 2012

A handwritten signature in blue ink, reading 'Paul Suddaby'.

Paul Suddaby  
Registered Auditor Number 309  
Dubai, United Arab Emirates

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**Dubai Financial Market P.J.S.C. (DFM)**  
**Condensed consolidated interim statement of financial position**  
**as at 30 September 2012**

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		As at	
	Note	30 September 2012 AED'000 (Un-audited)	31 December 2011 AED'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill		2,878,874	2,878,874
Intangible assets	6	2,524,611	2,571,384
Property and equipment		16,113	21,889
Due from financial institution	9	257,260	257,260
Other financial assets measured at fair value through other comprehensive income (FVTOCI)	7	454,163	456,400
Investment deposits	8	810,000	810,000
<b>Total non-current assets</b>		<b>6,941,021</b>	<b>6,995,807</b>
<b>Current assets</b>			
Due from related party	9	-	917
Prepaid expenses and other receivables	10	29,221	19,164
Investment deposits	8	776,227	631,426
Cash and bank balances	11	61,227	50,980
<b>Total current assets</b>		<b>866,675</b>	<b>702,487</b>
<b>Total assets</b>		<b>7,807,696</b>	<b>7,698,294</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12	8,000,000	8,000,000
Treasury shares		(4,364)	(4,364)
		7,995,636	7,995,636
Investments revaluation reserve - FVTOCI	13	(931,163)	(981,821)
Statutory and other reserves	13	247,016	247,016
Retained earnings		221,759	218,190
<b>Equity attributable to owners of the company</b>		<b>7,533,248</b>	<b>7,479,021</b>
Non controlling interest		21,589	23,511
<b>Total equity</b>		<b>7,554,837</b>	<b>7,502,532</b>
<b>Non-current liabilities</b>			
Subordinated loan	9	21,059	20,366
Provision for employees' end of service indemnity		7,917	6,717
<b>Total non-current liabilities</b>		<b>28,976</b>	<b>27,083</b>
<b>Current liabilities</b>			
Payables and accrued expenses	14	154,975	100,108
Dividends payable		19,389	20,071
Due to related parties	9	49,519	48,500
<b>Total current liabilities</b>		<b>223,883</b>	<b>168,679</b>
<b>Total liabilities</b>		<b>252,859</b>	<b>195,762</b>
<b>Total equity and liabilities</b>		<b>7,807,696</b>	<b>7,698,294</b>

Chairman

Managing Director and CEO

The accompanying notes on pages 7 to 16 form an integral part of this condensed consolidated interim financial information.



**Dubai Financial Market P.J.S.C. (DFM)**

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**Condensed consolidated interim statement of income (Un-audited)  
for the nine month period ended 30 September 2012**

	<b>3 month period ended</b>		<b>9 month period ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	2012	2011	2012	2011
	AED'000	AED'000	AED'000	AED'000
<b>Revenues</b>				
Trading commission fees	<b>19,082</b>	12,985	<b>95,440</b>	65,397
Brokerage fees	<b>3,508</b>	4,387	<b>10,986</b>	13,975
Ownership transfer and mortgage fees	<b>1,976</b>	1,195	<b>6,697</b>	18,119
Other fees	<b>2,311</b>	1,383	<b>10,067</b>	7,425
<b>Operating income</b>	<b>26,877</b>	19,950	<b>123,190</b>	104,916
Investment income	<b>10,357</b>	13,025	<b>35,199</b>	43,237
Other income	<b>893</b>	-	<b>2,073</b>	1,526
Changes in fair value of other financial assets (FVTPL)	-	-	-	(405)
<b>Total income</b>	<b>38,127</b>	32,975	<b>160,462</b>	149,274
<b>Expenses</b>				
General and administrative expenses	<b>(24,884)</b>	(24,446)	<b>(76,010)</b>	(84,162)
Write-off of property and equipment	-	-	-	(6,172)
Amortisation of intangible assets	<b>(15,591)</b>	(18,964)	<b>(46,773)</b>	(56,891)
Interest expense	<b>(236)</b>	(225)	<b>(693)</b>	(1,487)
<b>Net profit / (loss) for the period</b>	<b>(2,584)</b>	(10,660)	<b>36,986</b>	562
<b>Attributable to:</b>				
Owners of the Company	<b>(1,712)</b>	(9,285)	<b>38,908</b>	7,612
Non-controlling interest	<b>(872)</b>	(1,375)	<b>(1,922)</b>	(7,050)
	<b>(2,584)</b>	(10,660)	<b>36,986</b>	562
<b>Earnings per share - AED</b>	15	<b>(0.0003)</b>	0.005	0.001

The accompanying notes on pages 7 to 16 form an integral part of this condensed consolidated interim financial information.



**Dubai Financial Market P.J.S.C. (DFM)**

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**Condensed consolidated interim statement of comprehensive income (Un-audited)  
for the nine month period ended 30 September 2012**

	<u>3 month period ended</u> <u>30 September</u>		<u>9 month period ended</u> <u>30 September</u>	
	2012	2011	2012	2011
	AED'000	AED'000	AED'000	AED'000
<b>Net profit/ (loss) for the period</b>	<b>(2,584)</b>	<b>(10,660)</b>	<b>36,986</b>	<b>562</b>
Fair value changes on financial assets measured at fair value through other comprehensive income (FVTOCI)	<u>17,939</u>	<u>(10,260)</u>	<u>24,806</u>	<u>(29,045)</u>
<b>Total comprehensive income / (loss) for the period</b>	<u><b>15,355</b></u>	<u><b>(20,920)</b></u>	<u><b>61,792</b></u>	<u><b>(28,483)</b></u>
<b>Attributable to:</b>				
Owners of the Company	<u>16,227</u>	<u>(19,545)</u>	<u>63,714</u>	<u>(21,433)</u>
Non-controlling interest	<u>(872)</u>	<u>(1,375)</u>	<u>(1,922)</u>	<u>(7,050)</u>
<b>Total comprehensive income / (loss) for the period</b>	<u><b>15,355</b></u>	<u><b>(20,920)</b></u>	<u><b>61,792</b></u>	<u><b>(28,483)</b></u>



# Dubai Financial Market P.J.S.C. (DFM)

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## Condensed consolidated interim statement of changes in equity (Un-audited) for the nine month period ended 30 September 2012

	Share capital AED'000	Treasury shares AED'000	Net initial public offering surplus AED'000	Investments revaluation reserve FV/TOCI AED'000	Capital reserve AED'000	Statutory and other reserves AED'000	Retained earnings AED'000	Attributable to owners of the company AED'000	Non-controlling interest AED'000	Total AED'000
<b>As at 1 January 2011</b>	8,000,000	(4,364)	31,608	(944,741)	(181,950)	247,016	375,634	7,523,203	31,370	7,554,573
Net profit for the period	-	-	-	-	-	-	7,612	7,612	(7,050)	562
Other comprehensive loss for the period	-	-	-	(29,045)	-	-	-	(29,045)	-	(29,045)
Total comprehensive loss for the period	-	-	-	(29,045)	-	-	7,612	(21,433)	(7,050)	(28,483)
Transferred to retained earnings	-	-	(31,608)	-	181,950	-	(150,342)	-	-	-
<b>As at 30 September 2011</b>	8,000,000	(4,364)	-	(973,786)	-	247,016	232,904	7,501,770	24,320	7,526,090
<b>As at 1 January 2012</b>	8,000,000	(4,364)	-	(981,821)	-	247,016	218,190	7,479,021	23,511	7,502,532
Net profit for the period	-	-	-	-	-	-	38,908	38,908	(1,922)	36,986
Other comprehensive income for the period	-	-	-	24,806	-	-	-	24,806	-	24,806
Total comprehensive income for the period	-	-	-	24,806	-	-	-	-	-	-
Transfer on disposal and write of investment	-	-	-	25,852	-	-	38,908	63,714	(1,922)	61,792
Transfer of non sharia compliant income (Note 18)	-	-	-	-	-	-	(9,487)	(9,487)	-	(9,487)
<b>As at 30 September 2012</b>	8,000,000	(4,364)	-	(931,163)	-	247,016	221,759	7,533,248	21,589	7,554,837

The accompanying notes on pages 7 to 16 form an integral part of this condensed consolidated interim financial information.



**Dubai Financial Market P.J.S.C. (DFM)**

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**Condensed consolidated interim statement of cash flows (Un-audited)  
for the nine month period ended 30 September 2012**

		<b>9 month ended 30 September</b>	
	Note	2012 AED'000	2011 AED'000
<b>Cash flows from operating activities</b>			
Net profit for the period		<b>36,986</b>	562
<b>Adjustments for:</b>			
Depreciation of property and equipment		<b>8,038</b>	13,955
Write-off property and equipments		-	6,172
Provision for employees' end of service indemnity		<b>1,478</b>	859
Amortisation of intangible assets		<b>46,773</b>	56,891
Dividend income		<b>(4,012)</b>	(3,509)
Change in fair value of investments measured at FVTPL		-	405
Interest expenses		<b>693</b>	1,487
Income on investment deposits		<b>(31,187)</b>	(39,728)
<b>Operating cash flow before changes in operating assets and liabilities</b>		<b>58,769</b>	37,094
Increase in prepaid expenses and other receivables		<b>(3,959)</b>	(727)
Net decrease in dues from / to a related party	9	<b>1,936</b>	199
Increase in payables and accrued expenses		<b>45,382</b>	180,517
<b>Cash generated from operations</b>		<b>102,128</b>	217,083
Employees' end of service indemnity paid		<b>(278)</b>	(446)
<b>Net cash generated from operating activities</b>		<b>101,850</b>	216,637
<b>Cash flows from investing activities</b>			
Proceeds from sale and redemption of investments		<b>27,042</b>	24,431
Purchase of property and equipment		<b>(2,262)</b>	(4,598)
Proceeds from sale of property and equipment		-	81
Dividend received		<b>4,012</b>	3,509
Additional investment deposits placed	8	<b>(359,167)</b>	(296,013)
Investment deposit income received		<b>25,088</b>	35,424
<b>Net cash used in investing activities</b>		<b>(305,287)</b>	(237,166)
<b>Cash flows from financing activities</b>			
Dividends paid to shareholders		<b>(682)</b>	(186,268)
<b>Net increase / decrease in cash and cash equivalents</b>		<b>(204,119)</b>	(206,797)
Cash and cash equivalents at the beginning of the period		<b>434,396</b>	476,827
<b>Cash and cash equivalents at the end of the period</b>	11	<b>230,277</b>	270,030

The accompanying notes on pages 7 to 16 form an integral part of this condensed consolidated interim financial information.



## Dubai Financial Market P.J.S.C. (DFM)

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### Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2012

#### 1 Establishment and operations

Dubai Financial Market (DFM) - PJSC (the "Company") is a public joint stock company incorporated in the Emirate of Dubai – United Arab Emirates, pursuant to decree No. 62 for the year 2007 issued by the Ministry of Economy on February 6, 2007, and is subject to the provisions of the U.A.E. Federal law No. 8 for the year 1984 and its amendments.

The licensed activities of the Company are trading in financial instruments, acting as commercial, industrial and agricultural holding and trust company, financial investment consultancy, and brokerage local and foreign shares and bonds. In accordance with its Articles of Association, the Company complies with the provisions of Islamic Shari'a in all its activities and operations and invests its funds in accordance with these provisions.

The Company's shares are listed on the Dubai Financial Market ("DFM").

The Company currently operates the Dubai stock exchange, related clearing house and carries out investment activities on its own behalf.

The registered address of the Company is Dubai World Trade Center, Sheikh Zayed Road, P.O. Box 9700, Dubai.

The ultimate parent and controlling party is the Government of Dubai which owns 80 % of DFM through Borse Dubai Limited (the "parent"), a Government of Dubai entity.

The condensed consolidated interim financial information incorporate the financial information of Dubai Financial Market (DFM) - (PJSC) and its subsidiaries (together the "Group"). Details of the subsidiaries are as follows:

<u>Company name</u>	<u>Activity</u>	<u>Country of incorporation</u>	<u>Ownership held</u>
NASDAQ Dubai Limited*	Electronic Financial Market	U.A.E.	67%

NASDAQ Dubai Limited has the following subsidiary:

<u>Company name</u>	<u>Activity</u>	<u>Country of incorporation</u>	<u>Ownership held</u>
NASDAQ Dubai Guardian Limited	Bare nominee solely on behalf of NASDAQ Dubai Limited	U.A.E.	100%

\* The remaining 33 % is held by Borse Dubai Limited (Note 16).



## **2 Summary of significant accounting policies**

### **2.1 Basis of preparation**

This condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard (IAS) No. 34: Interim Financial Reporting.

This condensed consolidated financial information, therefore does not include all the information required for full annual financial statements and should be read in conjunction with the Group's consolidated financial statements as at and for the year ended 31 December 2011. In addition, results for the nine month period ended 30 September 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012.

The same accounting policies, presentation and methods of computation have been followed in the condensed consolidated financial information as were applied in the preparation of the Group's financial statements for the year ended 31 December 2011.

This condensed consolidated financial information has been prepared on the historical cost basis, except for the revaluation of certain financial instruments.

The condensed consolidated financial information is prepared and presented in United Arab Emirates Dirham (AED) which is the Group's functional and presentation currency and are rounded off to the nearest thousands ("000") unless otherwise indicated.

### **2.2.1 New and revised IFRSs effective for accounting periods beginning 1 January 2012**

#### **(a) New and amended standards adopted by the Group**

There are no IFRSs or IFRIC interpretations that were effective for the first time for the financial year beginning 1 January 2012 that have had a material impact on Group's condensed consolidated interim financial information.

#### **(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2012 and not early adopted**

The Group has not early adopted the following new and revised IFRSs that have been issued but are not yet effective:

New Standards and amendments to Standards:	Effective for annual periods beginning on or after
IAS 27, Separate Financial Statements (revised 2011) and IAS 28, Investments in Associates and Joint Ventures (revised 2011) – Revision as required by IFRS 10, IFRS 11 and IFRS 12.	1 January 2013
The amendments to IAS 32, Financial Instruments: Presentation – The amendments clarify the offsetting criteria in IAS 32 to address inconsistencies in their application. An entity will have a legally enforceable right to set off only if it is non-contingent in nature and is enforceable in the normal course of business and in the event of default, insolvency or bankruptcy	1 January 2014
IFRS 10, Consolidated Financial Statements - Replaces the part of IAS 27 Consolidated and Separate Financial Statements related to consolidated financial statements and replaces SIC 12 Consolidation — Special Purpose Entities. Under IFRS 10 there is only one basis of consolidation that is control, for which a new definition has been included.	1 January 2013



## **2 Summary of significant accounting policies (continued)**

### **2.2.2 Standards and Interpretations in issue not yet effective**

**(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2012 and not early adopted (continued)**

<b>New Standards and amendments to Standards:</b>	<b>Effective for annual periods beginning on or after</b>
IFRS 11, 'Joint arrangements' IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.	1 January 2013
IFRS 12, Disclosure of Interests in Other Entities - Replaces the requirements previously included in IAS 27 – Consolidated and Separate Financial Statements, IAS 31 – Interests in Joint Ventures and IAS 28 - Investments in Associates. In general, the disclosure requirements are more extensive than the current standards.	1 January 2013
IFRS 13, Fair Value measurement - represents the completion of the joint project to establish a single source for the requirements on how to measure fair value under IFRS. The Standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and improving disclosure requirements for use across IFRSs.	1 January 2013

Management anticipates that these IFRSs and amendments will be adopted in the initial period when they become mandatorily effective. An initial assessment of the potential impact indicates that application of these standards are not expected to have significant impact on amounts reported in the financial statements, but it is expected that additional disclosures will be required.

## **3 Basis of consolidation**

The condensed consolidated interim financial information incorporates the interim financial information of the Company and the entities controlled by the Group (its subsidiaries) (together the "Group"). Control is achieved where the Group has the power to govern the financial and operating policies of entities so as to obtain benefits from its activities.

The results of subsidiaries acquired during the period are included in the condensed consolidated interim statement of income from the effective date of acquisition.

Where necessary, adjustments are made to the condensed consolidated interim financial information of the subsidiaries to bring the accounting policies in line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.



**Dubai Financial Market P.J.S.C. (DFM)**  
**Notes to the condensed consolidated interim financial information**  
**for Nine month period ended 30 September 2012 (continued)**

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#### **4 Estimates**

The preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements as at and for the year ended 31 December 2011.

#### **5 Financial risk management**

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2011.

#### **6 Intangible assets**

	<b>License to operate as a Stock Exchange AED'000</b>	<b>Relationships with market participants (Brokers) AED'000</b>	<b>Historical trading database AED'000</b>	<b>Total AED'000</b>
<b>Cost</b>				
At 1 January 2011 and 2012	2,824,455	58,744	67,455	2,950,654
At 30 September 2011 and 2012	2,824,455	58,744	67,455	2,950,654
<b>Amortisation</b>				
At 1 January 2012	282,445	29,370	67,455	379,270
Charge for the period	42,367	4,406	-	46,773
At 30 September 2012	324,812	33,776	67,455	426,043
At 1 January 2011	225,956	23,496	53,964	303,416
Charge for the period	42,367	4,406	10,118	56,891
At 30 September 2011	268,323	27,902	64,082	360,307
<b>Carrying amount</b>				
<b>As at 30 September 2012</b>	<b>2,499,643</b>	<b>24,968</b>	<b>-</b>	<b>2,524,611</b>
As at 30 September 2011	2,556,132	30,842	3,373	2,590,347
As at 31 December 2011	2,542,010	29,374	-	2,571,384



Notes to the condensed consolidated interim financial information  
for nine month period ended 30 September 2012 (continued)**7 Other financial assets measured at fair value through other comprehensive income (FVTOCI)**

	30 September 2012 AED'000 (Un-audited)	31 December 2011 AED'000 (Audited)
Investment in equity securities	133,374	118,707
Managed funds – Note (a)	320,789	337,693
	<u>454,163</u>	<u>456,400</u>
Investments by geographic concentration are as follows:		
- Within U.A.E.	387,680	384,971
- Outside U.A.E.	66,483	71,429
	<u>454,163</u>	<u>456,400</u>

(a) Managed funds include funds of AED 256.31 million (31 December 2011: AED 268.49 million) (Note 9) managed by a shareholder of the parent.

**8 Investment deposits**

	30 September 2012 AED'000 (Un-audited)	31 December 2011 AED'000 (Audited)
<b>Current:</b>		
Investment deposits maturing in less than three months (Note 11)	169,050	383,416
Investment deposits maturing up to 1 year but more than 3 months - Note (a)	607,177	248,010
	<u>776,227</u>	<u>631,426</u>
<b>Non-current:</b>		
Investment deposits maturing above 1 year	810,000	810,000
	<u>1,586,227</u>	<u>1,441,426</u>

Investment deposits are placed with financial institutions in the UAE, and carry profit rates ranging from 1.2% to 4% (31 December 2011: 0.6% to 4.2%) per annum.

An investment deposit of AED 86.73 million (31 December 2011: AED 36.73 million) has been pledged as collateral against unutilised bank overdraft facilities provided to the Group.

(a) Investment deposits, include an amount of AED 140.48 million (31 December 2011: AED 134.73 million) placed with the parent and carry profit rate of 3.72 % (31 December 2011: 4.19 %) per annum (Note 9).



## 9 Related party transactions and balances

Related parties comprise companies under common ownership or management, key management, businesses controlled by shareholders and directors as well as businesses over which they exercise significant influence. During the period, the Group entered into transactions with related parties in the ordinary course of business. The transactions with related parties and balances arising from these transactions are as follows:

Transactions during the period	9 month period ended 30 September	
	2012 AED'000 (Un-audited)	2011 AED'000 (Un-audited)
Ownership transfer and mortgage fees	-	15,543
Income on investment deposits	4,181	5,796
Interest expense	693	1,487

The remuneration of directors and other members of key management during the period were as follows:

	9 month period ended 30 September	
	2012 AED'000 (Un-audited)	2011 AED'000 (Un-audited)
<b>Compensation of key management personnel</b>		
Short-term benefits	5,233	5,956
General pension and social security	457	430
Board of Directors		
- Remuneration to the NASDAQ Board	695	936
- Meeting allowance for the Group	1515	559

Balances	30 September 2012 AED'000 (Un-audited)	31 December 2011 AED'000 (Audited)

### Due from related parties

#### Parent

Investment deposits (Note 8)	140,477	134,728
Due from related party	-	917
Accrued income on investment deposits	1,526	3,094

#### Other related parties

Due from financial institution	257,260	257,260
Managed funds (Note 7)	256,315	268,493

### Due to related parties

#### Parent

Due to related party	1,019	-
Subordinated loan	21,059	20,366

#### Ultimate controlling party

Dubai Government	48,500	48,500
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In the initial public offering in 2006, 20% of the share capital amounting to AED 1,600,000,000 was offered for public subscription for the credit of Dubai Government, of which AED 48.5 million remains due to the Dubai Government. The balance does not bear any profit.



**Notes to the condensed consolidated interim financial information  
for nine month period ended 30 September 2012 (continued)**

**9 Related party transactions and balances (continued)**

The subordinated loan has been provided by the parent, Borse Dubai Ltd., to NASDAQ Dubai Limited (Note 1). The subordinated loan is unsecured and bears interest at 12 month LIBOR plus 3.25% per annum and is subordinated to the rights of all other creditors of the subsidiary.

**10 Prepaid expenses and other receivables**

	<b>30 September 2012 AED'000 (Un-audited)</b>	<b>31 December 2011 AED'000 (Audited)</b>
Accrued income on investment deposits	14,590	8,491
Accrued trading commission fees	584	471
Due from brokers	2,819	2,894
Prepaid expenses	9,038	5,371
Other receivables	4,346	4,427
	<u>31,377</u>	<u>21,654</u>
Less: allowance for doubtful debts	<u>(2,156)</u>	<u>(2,490)</u>
	<u><u>29,221</u></u>	<u><u>19,164</u></u>

**Net movement in allowance for doubtful debts:**

	<b>30 September 2012 AED'000 (Un-audited)</b>	<b>31 December 2011 AED'000 (Audited)</b>
Opening balance	2,490	2,819
Charge for the period / year	134	-
Write back in the period / year	(468)	(329)
	<u>2,156</u>	<u>2,490</u>



**Dubai Financial Market P.J.S.C. (DFM)**  
**Notes to the condensed consolidated interim financial information**  
**for nine month period ended 30 September 2012 (continued)**

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**11 Cash and bank balances**

	30 September 2012 AED'000 (Un-audited)	31 December 2011 AED'000 (Audited)
Cash on hand	263	267
Bank balances:		
Current accounts – Note (a)	17,231	30,409
Savings accounts – Note (b)	30,308	11,954
Mudarabah accounts - Note (c)	13,425	8,350
	<u>61,227</u>	<u>50,980</u>
Add : deposits maturing in less than three months (Note 8)	169,050	383,416
Cash and cash equivalents	<u>230,277</u>	<u>434,396</u>

a) Current accounts include margin deposits (Note 14) from members in respect of their clearing and settlement obligations. Margins are held in segregated accounts in the name of the Group at the clearing bank and are used towards discharging the members' clearing obligations in case of any default.

b) Savings accounts mainly include amounts received from certain companies listed on the Dubai Financial Market on account of dividends declared by these listed companies, the distribution of which is undertaken by the Company. The rate of return on the saving accounts is 0.5 % (31 December 2011: 1%) per annum (Note 14).

c) Mudarabah accounts carry profit rate ranging from 0.5 % to 0.6 % (31 December 2011: 0.5% to 1%) per annum.

**12 Share capital**

	30 September 2012 AED'000 (Un-audited)	31 December 2011 AED'000 (Audited)
Authorised, issued and paid up share capital: 8,000,000,000 (31 December 2011: 8,000,000,000 shares) of AED 1 each (31 December 2011: AED 1 each)	<u>8,000,000</u>	<u>8,000,000</u>

**13 Reserves**

*Statutory reserve*

In accordance with the U.A.E. Federal Commercial Companies Law Number 8 of 1984, as amended, the Group has established a statutory reserve by appropriation of 10% of the Company's net profit for each year which will be increased until the reserve equals 50% of the share capital. This reserve is not available for distribution, except as stipulated by the Law. No allocation to the statutory reserve has been made for the nine month period ended 30 September 2012, as this will be affected at year end based on the Company's results for the year ending 31 December 2012.

*Investments revaluation reserve - FVTOCI*

The investment revaluation reserve represents accumulated gains and losses arising on the revaluation of financial assets at fair value through other comprehensive income.



**Dubai Financial Market P.J.S.C. (DFM)**

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**Notes to the condensed consolidated interim financial information (continued)  
for nine month period ended 30 September 2012****14 Payables and accrued expenses**

	30 September 2012 AED'000 (Un-audited)	31 December 2011 AED'000 (Audited)
Dividends payable on behalf of companies listed on the DFM (Note 11)	56,879	26,636
Ivestor cards	37,098	19,424
Members' margin deposits (Note 11)	11,347	21,192
Accrued expenses and other payables	12,375	16,584
Unearned revenue	7,114	6,790
Brokers' retention	19,048	8,030
Due to U.A.E Securities and Commodities Authority	1,627	1,452
Non-sharia compliant income (Note 18)	9,487	-
	<u>154,975</u>	<u>100,108</u>

**15 Earnings per share**

	Nine months ended 30 September 2012 (Un-audited)	2011 (Un-audited)
Net profit for the period attributable to owners of the Company (AED '000)	38,908	7,612
Number of shares in issue - ('000)	8,000,000	8,000,000
Less: treasury shares - ('000)	(4,237)	(4,237)
	<u>7,995,763</u>	<u>7,995,763</u>
Earnings per share – AED	<u>0.005</u>	<u>0.001</u>

**16 Commitments**

	30 September 2012 AED'000 (Un-audited)	31 December 2011 AED'000 (Audited)
Commitments for the purchase of property and equipment	<u>1,015</u>	<u>465</u>

The Company also has a commitment of AED 148 million to acquire the remaining 33% of NASDAQ Dubai Limited which is required to be settled on the completion of the acquisition on a date to be mutually agreed with Borse Dubai Limited.



## **17 Segment reporting**

Following the management approach to IFRS 8, operating segments are reported in accordance with the internal reporting provided to the Board of Directors (the chief operating decision-maker), which is responsible for allocating resources to the reportable segments and assesses its performance. The Group is managed as one unit and therefore the Board of Directors are of the opinion that the Group is engaged in a single segment of operating a stock exchange and related clearing house.

## **18 Non Sharia compliant income**

Non Sharia compliant earnings of AED 9.4 million relating to the prior year (nine month period ended 30 September 2011: AED Nil), as endorsed by the Sharia Supervisory Board of DFM at its meeting held on 21 March 2012 and ratified by the shareholders at the Annual General Meeting held on 15 April 2012, has been appropriated from retained earnings towards disbursement by the Company for charitable purposes on behalf of its shareholders. Based on the ruling of the Sharia Supervisory Board, it is the sole responsibility of the individual shareholders to donate their respective shares of this amount for charitable purposes under the supervision and control of the Company. Accordingly, the amount has been dealt with as an appropriation from retained earnings in this condensed consolidated interim financial information.

## **19 Approval of the interim condensed consolidated financial information**

The interim condensed consolidated financial information for the nine month period ended 30 September 2012 as approved by the Board of Directors and authorized for issue on 3 November 2012.