

DUBAI FINANCIAL MARKET (DFM) - (PJSC)
DUBAI - UNITED ARAB EMIRATES

INTERIM CONDENSED FINANCIAL INFORMATION
AND REVIEW REPORT
FOR THE PERIOD FROM JANUARY 1, 2009
TO MARCH 31, 2009

Dubai Financial Market (DFM) - (PJSC)
Dubai - United Arab Emirates

Interim Condensed Financial Information and Review Report
For the Period from January 1, 2009 to March 31, 2009

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Report on Review of Interim Condensed Financial Information

The Board of Directors
Dubai Financial Market (DFM) – (PJSC)
Dubai
United Arab Emirates

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **Dubai Financial Market (DFM) – (PJSC)** (the “Company”), **Dubai, United Arab Emirates** as at March 31, 2009 and the related interim condensed statements of comprehensive income, changes in shareholders’ equity and cash flows for the three month period then ended and accompanying notes. Management of the Company is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with International Accounting Standard No. 34 - Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

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 of 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

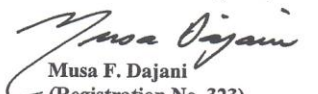
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. 34.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 5, “Due from financial institutions” where, Islamic investment deposits totaling AED 810 million, held with financial institutions under restructuring, which matured during the quarter period ended March 31, 2009 but were neither withdrawn nor reinvested with the said financial institutions as at the end of the quarter ended March 31, 2009.

Dubai
April 29, 2009

Deloitte & Touche (M.E.)


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Interim Condensed Statement of Financial Position
As at March 31, 2009
(In Thousand Arab Emirates Dirhams)

	Note	March 31, 2009 (Un-audited)	December 31, 2008 (Audited)
ASSETS			
Current assets			
Cash and bank balances	3	65,910	95,547
Islamic investment deposits	4	865,999	1,572,049
Prepaid expenses and other receivables		40,788	33,644
Due from financial institutions	5	810,000	-
Due from a related party	7	4,153	4,551
Total current assets		1,786,850	1,705,791
Non-current assets			
Other financial assets	6	954,101	944,366
Property and equipment		307,264	308,377
Intangible assets	8	2,779,981	2,798,946
Goodwill		2,878,874	2,878,874
Total non-current assets		6,920,220	6,930,563
Total Assets		8,707,070	8,636,354
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Payables and accrued expenses		56,593	54,284
Due to a related party	7	48,500	48,500
Total current liabilities		105,093	102,784
Non-current liabilities			
Provision for employees' end of service indemnity		2,751	2,578
Deferred income - Government grant	7	280,000	280,000
Total non-current liabilities		282,751	282,578
Total Liabilities		387,844	385,362
Shareholders' Equity			
Share capital	10 (a)	8,000,000	8,000,000
Treasury shares	10 (b)	(55,864)	(55,864)
		7,944,136	7,944,136
Net initial public offering surplus		31,608	31,608
Investments revaluation reserve	11	(964,999)	(974,754)
Statutory and other reserves	11	613,374	613,374
Retained earnings		695,107	636,628
Total Shareholders' Equity		8,319,226	8,250,992
Total Liabilities and Shareholders' Equity		8,707,070	8,636,354

The accompanying notes form an integral part of these interim condensed financial information.

The interim condensed financial information on pages 2 to 14 were approved and signed by the Chairman, on behalf of the Board of Directors, on April 29, 2009.



Interim Condensed Statement of Comprehensive Income (Un-audited)
For the period from January 1, 2009 to March 31, 2009
(In Thousand Arab Emirates Dirhams)

	Note	For the three-months period ended March 31,	
		2009 (Un-audited)	2008 (Un-audited)
Trading commission fees		61,701	258,955
Brokerage fees		5,162	5,200
Ownership transfer and mortgage fees		872	6,092
Other fees		<u>828</u>	<u>2,686</u>
Operating income		68,563	272,933
Investment revenue		21,209	94,266
Other income		5,541	-
Loss from revaluation of investments in marketable securities held for trading		-	(15,736)
General and administrative expenses		(17,869)	(18,122)
Amortization of intangible assets	8	<u>(18,965)</u>	<u>(18,965)</u>
Net profit for the period		<u>58,479</u>	<u>314,376</u>
Other comprehensive income			
Gain/(loss) from revaluation of available for sale investment		<u>9,755</u>	<u>(80,064)</u>
Total comprehensive income for the period		<u>68,234</u>	<u>234,312</u>
Earning per share - AED	12	<u>0.0074</u>	<u>0.0396</u>

The accompanying notes form an integral part of these interim condensed financial information.

Interim Condensed Statement of Changes in Shareholders' Equity
For the period from January 1, 2009 to March 31, 2009
(In Thousand Arab Emirates Dirhams)

	Share capital	Treasury shares	Net initial public offering surplus	Investments revaluation reserve	Statutory and other reserves	Retained earnings	Total
Balance as at January 1, 2008	8,000,000	(55,864)	31,608	188,553	431,883	1,007,724	9,603,904
Net profit for the period from January 1, 2008 to March 31, 2008	-	-	-	-	-	314,376	314,376
Loss from revaluation of available for sale investments	-	-	-	(80,064)	-	-	(80,064)
Total comprehensive income for the period	-	-	-	(80,064)	-	314,376	234,312
Dividends during the period	-	-	-	-	-	(794,576)	(794,576)
Balance as at March 31, 2008	8,000,000	(55,864)	31,608	108,489	431,883	527,524	9,043,640
Balance as at January 1, 2009	8,000,000	(55,864)	31,608	(974,754)	613,374	636,628	8,250,992
Net profit for the period from January 1, 2009 to March 31, 2009	-	-	-	-	-	58,479	58,479
Gain from revaluation of available for sale investments	-	-	-	9,755	-	-	9,755
Total comprehensive income for the period	-	-	-	9,755	-	58,479	68,234
Balance as at March 31, 2009	8,000,000	(55,864)	31,608	(964,999)	613,374	695,107	8,319,226

The accompanying notes form an integral part of these interim condensed financial information.

Interim Condensed Cash Flows Statement (Un-audited)
For the period from January 1, 2009 to March 31, 2009
(In Thousand Arab Emirates Dirhams)

	For the three-months period ended March 31,	
	2009 (Un-audited)	2008 (Un-audited)
Cash flows from operating activities		
Net profit for the period	58,479	314,376
Adjustments for:		
Depreciation of property and equipment	2,951	3,292
Provision for employees' end of service indemnity	173	134
Amortization of intangible assets	18,965	18,965
Gain on sales available for sales investment	-	(37,567)
Loss from foreign exchange	20	-
Loss from revaluation of investment in marketable securities held for trading	-	15,736
Islamic investment deposit profit	(21,209)	(56,699)
Operating profit before changes in operating assets and liabilities	59,379	258,237
Increase in prepaid expenses and other receivables	(3,582)	(12,456)
Decrease/(increase) in due from a related party	398	(165)
Increase in due from financial institutions	(810,000)	-
Increase/(decrease) in payables and accrued expenses	12,665	(147,101)
Cash (used in)/generated from operations	(741,140)	98,515
Employees' end of service indemnity paid	-	(10)
Net cash (used in)/generated from operating activities	(741,140)	98,505
Cash flows from investing activities		
Proceeds from sale of other financial assets	-	280,757
Purchase of other financial assets	-	(535,724)
Purchase of property and equipment	(1,838)	(6,365)
Islamic investment deposits	300,000	36,260
Islamic investment profit received	17,647	56,699
Net cash from/(used in) investing activities	315,809	(168,373)
Cash flows from financing activities		
Dividends paid to shareholders	(10,356)	-
Net cash used in financing activities	(10,356)	-
Net decrease in cash and cash equivalents	(435,687)	(69,868)
Cash and cash equivalents at the beginning of the period	1,105,547	1,313,374
Cash and cash equivalents at the end of the period (Note 13)	669,860	1,243,506

The accompanying notes form an integral part of these interim condensed financial information.

Notes to the Interim Condensed Financial Information
For the period from January 1, 2009 to March 31, 2009

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 Company listed its shares on the Dubai Financial Market (DFM) on March 7, 2007.

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 local and foreign shares and bonds brokerage. In accordance with its Articles of Association, the Company complies in all its activities, operations and formalities with the provisions of Islamic Sharia'a and shall invest its entire fund in accordance with these provisions.

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, Bur Dubai, Sheikh Zayed Road, P.O. Box 9700, Dubai.

The shares owned by the Government of Dubai the ultimate controlling party are registered in the name of Borse Dubai Limited.

2. Significant accounting policies

Basis of preparation

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

Significant accounting policies

The interim condensed financial information has been prepared on the historical cost basis, except for the revaluation of certain financial instruments which are stated at their fair value.

This interim condensed financial information is presented in United Arab Emirates Dirhams (AED) since that is the currency of the country in which the Company is domiciled.

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2009 to March 31, 2009

2. Significant accounting policies (continued)

Significant accounting policies - continued

The same accounting policies, presentation and methods of computation have been followed in these condensed financial information as were applied in the preparation of the Company's financial statements for the year ended December 31, 2008 except for the impact of the adoption of the standards and interpretations described below:

IAS 1 (revised 2007) *Presentation of Financial Statements* (effective for annual periods beginning on or after January 1, 2009).

The revised standard has introduced a number of terminology (including revised titles for the condensed financial information) and has resulted in a number of changes in presentation and disclosure. However, the revised standard has had no impact on the reported results or financial position of the Company.

The Company also has adopted the revised and amended Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the IFRIC that are relevant to its operations for the period beginning January 1, 2009. The adoption of these new and revised Standards and Interpretations did not have any effect on the financial position or performance of the Company.

(a) Estimates

The preparation of interim condensed 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 these interim condensed 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 December 31, 2008.

(b) Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2008.

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2009 to March 31, 2009

3. Cash and bank balances

	March 31, 2009 AED'000 (Un-audited)	December 31, 2008 AED'000 (Audited)
Cash on hand	31	28
Bank balances:		
Current accounts	761	661
Savings accounts	2,671	1,401
Mudarabah accounts	62,447	93,457
	<u>65,910</u>	<u>95,547</u>

The expected rate of return on the saving and the mudarabah accounts varies between 1% to 1.75% per annum (for the period from January 1, 2008 to March 31, 2008: between 2% to 2.20% per annum).

4. Islamic investment deposits

	March 31, 2009 AED'000 (Un-audited)	December 31, 2008 AED'000 (Audited)
Islamic investment deposits (Mudarabah) maturing in less than 3 months from the date of deposit (Note 13)	603,950	1,010,000
Islamic investment deposits maturing in more than 3 months from the date of deposit but before March 31, 2010	262,049	562,049
	<u>865,999</u>	<u>1,572,049</u>

As per the investment agreements, expected returns on these investments range from 6.00% to 7.75% per annum (for the period from January 1, 2008 to March 31, 2008: 4.00% to 6.15% per annum).

5. Due from financial institutions

The balance represents Islamic investment deposits held with financial institutions under restructuring that matured during the period and were neither withdrawn or reinvested with the said financial institutions.

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2009 to March 31, 2009

6. Other financial assets

	March 31, 2009 AED'000 (Un-audited)	December 31, 2008 AED'000 (Audited)
Non-current financial assets		
<i>Available for sale investments</i>		
Investments in marketable securities	343,415	339,197
Managed funds	<u>610,686</u>	<u>605,169</u>
	<u>954,101</u>	<u>944,366</u>

As a result of the global financial credit crisis that arose from the subprime loans and the subsequent sharp decline in the quoted share prices, the management of the Company has reconsidered its investment strategy. Accordingly the Company adopted the amendments to IAS 39 issued by the International Accounting Standards Board (effective July 1, 2008) and which permits an entity to reclassify, in particular circumstances, (effective July 1, 2008) investments held for trading for which the change in fair value is recognized in the profit and loss to investment available for sales for which the change in the fair value is recognized under shareholders' equity as investment revaluation reserve. As a result of the reclassification net profit for the period ended March 31, 2009 has decreased by AED 955,000.

Details of the reclassified investments are as follows:

	AED'000
Carrying amount of the investment reclassified as at July 1, 2008	<u>509,438</u>
Fair value of investment reclassified as at March 31, 2009	<u>70,332</u>

7. Related party transactions

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard 24: *Related Party Disclosures*. Related parties comprise companies under common ownership and/or common management and control and key management personnel.

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2009 to March 31, 2009

7. Related party transactions (continued))

As March 31, 2009, due from/to a related party were as follows:

	March 31, 2009 AED'000 (Un-audited)	December 31, 2008 AED'000 (Audited)
Due from a related party		
<i>Parent company</i>		
Borse Dubai Limited	4,153	4,551
Due to a related party		
<i>Ultimate parent</i>		
Dubai Government	48,500	48,500
Deferred income - Government grant	280,000	280,000

During the year 2007, Government of Dubai (ultimate controlling party) granted the Company a plot of land to construct new premises. The land is still not yet registered in the name of the Company. An independent valuation of the land was performed by Dubai Properties L.L.C. to determine the fair market value.

As per the initial public offering prospectus, 20% of the share capital amounting to AED 1,600,000,000 was offered for public subscription for the credit of Dubai Government. This amount was deposited in the Company's bank accounts and partly paid to the Government, while the remaining balance of AED 48,500,000 appears as due to Dubai Government.

The nature of significant related party transactions and amounts involved were as follows:

	For the three-months period ended March 31,	
	2009 AED'000 (Un-audited)	2008 AED'000 (Un-audited)
Rent and service expense - Dubai World Trade Center	1,380	1,411

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2009 to March 31, 2009

7. Related party transactions (continued)

Compensation of key management personnel

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

	For the three-months period ended March 31,	
	2009	2008
	AED'000	AED'000
	(Un-audited)	(Un-audited)
Short-term benefits	1,100	1,016
General pension and social security	142	130

8. Intangible assets

The Company acquired Dubai Financial Market - a wholly owned entity of the Government of Dubai - effective on January 1, 2007 (the "Acquisition Date"). The consideration, amounting to AED 8 billion, was paid in shares of the Company's stock.

During July 2007, the Company engaged an independent valuer to "conduct and report on valuation analysis of identified material tangible assets of the Company for the purpose of determining the purchase price allocation of the identified intangible assets for compilation of IFRS compliant accounts". The following table sets forth the components of intangible assets associated with the acquisition at January 1, 2007 as reported by the evaluators in their report dated February 3, 2008 with useful life estimated by management:

<u>Intangible asset</u>	<u>Fair value</u> AED'000	<u>Useful life</u>
License (Trade name)	2,824,455	50 years
Relationship with market participants (Brokers)	58,743	10 years
Historical Trading Database	67,456	5 years

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2009 to March 31, 2009

9. Capital commitments

	March 31, 2009	December 31, 2008
	AED'000 (Un-audited)	AED'000 (Audited)
Commitments for the purchase of property and equipment	2,934	2,966

10. Share capital

- a) The Company's share capital comprise of AED 8 billion divided into 8 billion shares of AED 1 per share. The founder - shareholders subscribed in kind to the 8 billion shares through transferring the ownership of the assets, liabilities and the operation of Dubai Financial Market (an existing and wholly owned entity by Dubai Government).

20% of the Company's share capital was sold by Dubai Government through a public offering of 1.6 billion shares previously registered in the name of Dubai Government.

- b) The Company subscribed to 54,236,831 shares for the purpose of the future employees' performance share programme for a total cost of AED 1.03 per share which includes incorporation expenses. The shares will be re-issued and distributed to employees subject to shareholders approval in due course.

The Company has one class of ordinary share which carries no right for fixed income.

11. Reserves

Statutory reserve

In accordance with U.A.E. Federal Companies Law Number 8 of 1984, as amended, the Company has established a statutory reserve by appropriation of 10% of its net profit for each year until the reserve equals 50% of the share capital. This reserve is not available for distribution, except as stipulated by the Law.

Special reserve

As per the Company's Articles of Association, 10% of the Company's annual net profit is to be allocated to special reserve until this reserve reaches 50% of the paid up capital.

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2009 to March 31, 2009

11. Reserves (continued)

General reserve

As per the Company's Articles of Association, 10% of the Company's annual net profit is to be allocated to general reserve until this reserve reaches 20% of the paid up capital.

This appropriation may be stopped by a Resolution of an Ordinary General Meeting in pursuance of the suggestion of the Board of Directors, or if it reaches the amount of 20% of the paid up capital of the Company. The reserve shall be utilized for purposes determined by the Ordinary General Meeting in pursuance of recommendations of Board of Directors.

Investments revaluation reserve

The investments revaluation reserve arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold, the portion of the reserve that relates to that financial asset, and is effectively realized, is recognized in profit or loss. Where a revalued financial asset is impaired, the portion of the reserve that relates to that financial asset is recognized in profit or loss.

12. Earning per share

	For the three-months period ended March 31,	
	2009 (Un-audited)	2008 (Un-audited)
Net profit for the period - (AED'000)	58,479	314,376
Authorized share capital - ('000)	8,000,000	8,000,000
Less: Treasury shares - ('000)	(54,237)	(54,237)
Weighted average number of shares - (000's)	7,945,763	7,945,763
Earning per share - AED	0.0074	0.0396

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2009 to March 31, 2009

13. Cash and cash equivalents

For the purpose of the interim condensed cash flows statement, cash and cash equivalents include cash on hand and in banks, and investments in Islamic deposits maturing within three months from the date of the deposits. Cash and cash equivalents at the end of the financial period as shown in the interim condensed cash flows statement, consists of the following:

	March 31,	
	2009	2008
	AED'000	AED'000
	(Un-audited)	(Un-audited)
Cash on hand	31	118
Bank balances:		
Current accounts	761	462
Mudarabah accounts	62,447	480,261
Savings accounts	2,671	6,405
Islamic investment deposits maturing in less than 3 months from the date of deposit	603,950	756,260
	669,860	1,243,506

14. Comparative figures

Certain amounts for the prior period were reclassified to conform to current period presentation.

15. Events after the end of the reporting period

Based on the results of the financial year ended December 31, 2008, the board of directors proposed cash dividend of 8% of issued share capital, and also proposed to stop the allocation of the 10% of the Company's annual net profit to the general reserve and to transfer the general reserve to the retained earnings. These proposals were ratified by a resolution of the shareholders during the Ordinary General Assembly Meeting held on April 5, 2009.

In addition to the above, the board proposed to stop the allocation of the 10% of the Company annual net profit to the special reserve and to transfer the reserve to retained earnings. The proposal was ratified by a resolution of the shareholders during the extraordinary annual assembly meeting held on April 5, 2009.

16. Approval of the interim financial information

The interim condensed financial information on pages 2 to 14 were approved and signed by the Chairman, on behalf of the Board of Directors, on 29/4, 2009.