

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

**INTERIM CONDENSED FINANCIAL INFORMATION
AND REVIEW REPORT
FOR THE PERIOD FROM JANUARY 1, 2010
TO MARCH 31, 2010**

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

Interim Condensed Financial Information and Review Report
For the Period from January 1, 2010 to March 31, 2010

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Ref.:10343FS10-March

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, 2010 and the related interim condensed income statement, 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.

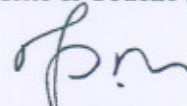
Scope of review

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.

Deloitte & Touche (M.E.)



Anis F. Sadek
(Reg. No. 521)

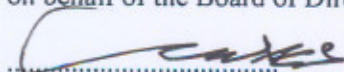
Dubai
May 1, 2010

Interim Condensed Statement of Financial Position
As at March 31, 2010
(In Thousand Arab Emirates Dirhams)

	Note	March 31, 2010 (Un-audited)	December 31, 2009 (Audited)
ASSETS			
Current assets			
Cash and bank balances	3	108,489	33,462
Islamic investment deposits	4	1,540,853	1,482,292
Prepaid expenses and other receivables	5	32,633	26,680
Due from a related party	8	3,475	3,914
Total current assets		1,685,450	1,546,348
Non-current assets			
Islamic investment deposits	4	-	38,527
Other financial assets measured at fair value through other comprehensive income (FVTOCI)	6	988,518	1,003,793
Property and equipment		29,517	29,932
Intangible assets	7	2,704,127	2,723,092
Goodwill		2,878,874	2,878,874
Total non-current assets		6,601,036	6,674,218
Total Assets		8,286,486	8,220,566
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Payables and accrued expenses		50,011	22,415
Dividends payable		122,961	123,140
Due to a related party	8	48,500	48,500
Total current liabilities		221,472	194,055
Non-current liabilities			
Provision for employees' end of service indemnity		3,476	3,279
Total Liabilities		224,948	197,334
Shareholders' Equity			
Share capital	10	8,000,000	8,000,000
Treasury shares		(55,864)	(55,864)
		7,944,136	7,944,136
Net initial public offering surplus		31,608	31,608
Investments revaluation reserve - FVTOCI	11	(1,178,744)	(1,163,469)
Statutory reserves	11	239,120	239,120
Retained earnings		1,025,418	971,837
Total Shareholders' Equity		8,061,538	8,023,232
Total Liabilities and Shareholders' Equity		8,286,486	8,220,566

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

The interim condensed financial information on pages 2 to 16 was approved and signed by the Chairman, on behalf of the Board of Directors, on May 1, 2010.



Abdul Jalil Yousuf

Interim Condensed Income Statement
For the period from January 1, 2010 to March 31, 2010
(In Thousand Arab Emirates Dirhams)

	<u>Note</u>	For the three-months period ended March 31,	
		<u>2010</u>	<u>2009</u>
		(Un-audited)	(Un-audited)
Trading commission fees		62,213	61,701
Brokerage fees		5,195	5,162
Ownership transfer and mortgage fees		1,873	872
Other fees		<u>592</u>	<u>828</u>
Operating income		69,873	68,563
Investment revenue		20,509	21,209
Other income		-	5,541
General and administrative expenses		(17,836)	(17,869)
Amortization of intangible assets	7	(<u>18,965</u>)	(<u>18,965</u>)
Net profit for the period		<u>53,581</u>	<u>58,479</u>
Earnings per share - AED	12	<u>0.0067</u>	<u>0.0074</u>

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

Interim Condensed Statement of Comprehensive Income
For the period from January 1, 2010 to March 31, 2010
(In Thousand Arab Emirates Dirhams)

	For the three-months period ended March 31,	
	2010	2009
	(Un-audited)	(Un-audited)
Net profit for the period	<u>53,581</u>	<u>58,479</u>
<i>Other comprehensive (loss)/income</i>		
(Loss)/gain on revaluation of investments measured at FVTOCI	<u>(15,275)</u>	<u>9,755</u>
Other comprehensive (loss)/income for the period	<u>(15,275)</u>	<u>9,755</u>
Total comprehensive income for the period	<u><u>38,306</u></u>	<u><u>68,234</u></u>

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

Interim Condensed Statement of Changes in Shareholders' Equity
For the period from January 1, 2010 to March 31, 2010
(In Thousand Arab Emirates Dirhams)

	<u>Share capital</u>	<u>Treasury shares</u>	<u>Net initial public offering surplus</u>	<u>Investments revaluation reserve AFS</u>	<u>Investments revaluation reserve FVTOCI</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>Total</u>
Balance at December 31, 2008 (Audited)	8,000,000	(55,864)	31,608	(974,754)	-	613,374	636,628	8,250,992
Effect of the change in accounting policy for classification and measurement of financial assets - IFRS 9 (Note 2)	-	-	-	974,754	(1,224,754)	-	250,000	-
Balance at January 1, 2009 (Audited) - restated	8,000,000	(55,864)	31,608	-	(1,224,754)	613,374	886,628	8,250,992
Net profit for the period from January 1, 2009 to March 31, 2009 (Un-audited)	-	-	-	-	-	-	58,479	58,479
Other comprehensive income (Un-audited)	-	-	-	-	9,755	-	-	9,755
Total comprehensive income (Un-audited)	-	-	-	-	9,755	-	58,479	68,234
Balance as at March 31, 2009 (Un-audited)	8,000,000	(55,864)	31,608	-	(1,214,999)	613,374	945,107	8,319,226
Balance as at January 1, 2010 (Audited)	8,000,000	(55,864)	31,608	-	(1,163,469)	239,120	971,837	8,023,232
Net profit for the period from January 1, 2010 to March 31, 2010 (Un-audited)	-	-	-	-	-	-	53,581	53,581
Other comprehensive loss (Un-audited)	-	-	-	-	(15,275)	-	-	(15,275)
Total comprehensive income (Un-audited)	-	-	-	-	(15,275)	-	53,581	38,306
Balance as at March 31, 2010 (Un-audited)	8,000,000	(55,864)	31,608	-	(1,178,744)	239,120	1,025,418	8,061,538

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

Interim Condensed Statement of Cash Flows
For the period from January 1, 2010 to March 31, 2010
(In Thousand Arab Emirates Dirhams)

	For the three-months period ended March 31,	
	2010	2009
	(Un-audited)	(Un-audited)
Cash flows from operating activities		
Net profit for the period	53,581	58,479
Adjustments for:		
Depreciation of property and equipment	2,636	2,951
Provision for employees' end of service indemnity	204	173
Amortization of intangible assets	18,965	18,965
Loss from foreign exchange	-	20
Investment revenue	(20,509)	(21,209)
Operating profit before changes in operating assets and liabilities	54,877	59,379
Increase in prepaid expenses and other receivables	(5,702)	(3,582)
Decrease in due from a related party	439	398
Increase in due from financial institutions	-	(810,000)
Increase in payables and accrued expenses	27,596	12,665
Cash generated from/(used in) operations	77,210	(741,140)
Employees' end of service indemnity paid	(7)	-
Net cash generated from/(used in) operating activities	77,203	(741,140)
Cash flows from investing activities		
Purchase of property and equipment	(2,219)	(1,838)
Islamic investment deposits	(53,966)	300,000
Islamic investment profit received	19,705	17,647
Dividend received	551	-
Net cash (used in)/from investing activities	(35,929)	315,809
Cash flows from financing activities		
Dividends paid to shareholders	(179)	(10,356)
Net cash used in financing activities	(179)	(10,356)
Net increase/(decrease) in cash and cash equivalents	41,095	(435,687)
Cash and cash equivalents at the beginning of the period	339,244	1,105,547
Cash and cash equivalents at the end of the period (Note 13)	380,339	669,860

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

Notes to the Interim Condensed Financial Information
For the period from January 1, 2010 to March 31, 2010

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 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 Shari'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, Sheikh Zayed Road, P.O. Box 9700, Dubai.

The ultimate parent and controlling party is the Government of Dubai.

The shares owned by the Government of Dubai are registered in the name of Borse Dubai Limited, the parent company.

2. Significant accounting policies

Basis of preparation

This 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.

2. Significant accounting policies (continued)

Significant accounting policies - continued

The same accounting policies, presentation and methods of computation have been followed in this condensed financial information as were applied in the preparation of the Company's financial statements for the year ended December 31, 2009.

The Company adopted IFRS 9 *Financial Instruments* (IFRS 9) in 2009 in advance of its effective date. The Standard was applied retrospectively and the Company chose the limited exemption not to restate comparative information in the year of initial application. As a result, the difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period that includes the date of initial application were recognised in the opening retained earnings (or other component of equity, as appropriate).

This interim condensed financial information does not include all the information required for full annual financial statements and should be read in conjunction with the Company's financial statements as at and for the year ended December 31, 2009. In addition, results for the three months ended March 31, 2010 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2010.

(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 this 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, 2009.

(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, 2009.

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2010 to March 31, 2010

3. Cash and bank balances

	March 31, 2010	December 31, 2009
	AED'000	AED'000
	(Un-audited)	(Audited)
Cash on hand	38	42
Bank balances:		
Current accounts	5	1,075
Saving accounts	-	2,505
Mudarabah accounts	<u>108,446</u>	<u>29,840</u>
	<u>108,489</u>	<u>33,462</u>

The expected rate of return on the saving and the mudarabah accounts varies between 1.50% to 1.74% per annum (for the period from January 1, 2009 to March 31, 2009: between 1.00% to 1.75% per annum).

4. Islamic investment deposits

	March 31, 2010	December 31, 2009
	AED'000	AED'000
	(Un-audited)	(Audited)
Current:		
Islamic investment deposits (Mudarabah) maturing in less than 3 months from the date of deposit (Note 13)	271,850	305,782
Islamic investment deposits maturing in more than 3 months from the date of deposit but before March 31, 2011	<u>1,269,003</u>	<u>1,176,510</u>
	1,540,853	1,482,292
Non-current:		
Islamic investment deposits maturing after March 31, 2011	<u>-</u>	<u>38,527</u>
	<u>1,540,853</u>	<u>1,520,819</u>

As per the investment agreements, expected returns on these investments range from 3.25% to 7.00% per annum (for the period from January 1, 2009 to March 31, 2009: 6.00% to 7.75% per annum).

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2010 to March 31, 2010

5. Prepaid expenses and other receivables

	March 31, 2010 AED'000 (Un-audited)	December 31, 2009 AED'000 (Audited)
Accrued revenue on Islamic investment deposits	12,689	14,827
Accrued trading commission fees	3,754	2,129
Due from brokers	8,442	5,467
Prepaid expenses	4,497	2,957
Other receivables	5,510	3,559
	34,892	28,939
Less: Allowance for doubtful debts	(2,259)	(2,259)
	32,633	26,680

Accrued trading commission fees are collected within two working days from the trading date. Accrued revenue on Islamic investments deposits is collected on the due date of the profit as set in the contractual agreements with the financial institution.

6. Other financial assets

	March 31, 2010 AED'000 (Un-audited)	December 31, 2009 AED'000 (Audited)
Financial assets - FVTOCI		
Investment in equity securities	265,081	265,726
Managed funds	723,437	738,067
	988,518	1,003,793

Investments by geographic concentration are as follows:

	March 31, 2010 AED'000 (Un-audited)	December 31, 2009 AED'000 (Audited)
- Within U.A.E.	900,108	889,764
- Outside U.A.E.	88,410	114,029
	988,518	1,003,793

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2010 to March 31, 2010

7. Intangible assets

	License to operate as a Stock Exchange AED'000	Relationships with market participants (Brokers) AED'000	Historical trading database AED'000	Total AED'000
Cost				
As at December 31, 2009 (Audited)	<u>2,824,455</u>	<u>58,743</u>	<u>67,456</u>	<u>2,950,654</u>
As at March 31, 2010 (Un-audited)	<u>2,824,455</u>	<u>58,743</u>	<u>67,456</u>	<u>2,950,654</u>
Amortization				
As at December 31, 2008 (Audited)	112,978	11,748	26,982	151,708
Charge for the year	<u>56,489</u>	<u>5,874</u>	<u>13,491</u>	<u>75,854</u>
As at December 31, 2009 (Audited)	169,467	17,622	40,473	227,562
Charge for the period	<u>14,123</u>	<u>1,469</u>	<u>3,373</u>	<u>18,965</u>
As at March 31, 2010 (Un-audited)	<u>183,590</u>	<u>19,091</u>	<u>43,846</u>	<u>246,527</u>
Carrying amount				
As at March 31, 2010 (Un-audited)	<u>2,640,865</u>	<u>39,652</u>	<u>23,610</u>	<u>2,704,127</u>
At December 31, 2009 (Audited)	<u>2,654,988</u>	<u>41,121</u>	<u>26,983</u>	<u>2,723,092</u>

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2010 to March 31, 2010

8. 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.

As March 31, 2010, due from/to a related party were as follows:

	March 31, 2010	December 31,
	AED'000	2009
	(Un-audited)	(Audited)
Due from a related party		
<i>Parent company</i>		
Borse Dubai Limited – Islamic investment deposits	140,000	140,000
Borse Dubai Limited - current account	3,475	3,914
	<u> </u>	<u> </u>
Due to a related party		
<i>Ultimate parent</i>		
Dubai Government	48,500	48,500
<i>Parent company</i>		
Borse Dubai Limited - dividends payable	99,000	99,000
	<u> </u>	<u> </u>

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 subsequently transferred to Dubai Government, with the exception of the balance of AED 48,500,000 which remains as due to the Dubai Government.

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2010 to March 31, 2010

8. Related party transactions (continued)

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

	For the three-months period ended March 31,	
	2010	2009
	AED'000	AED'000
	(Un-audited)	(Un-audited)
Profit on investment deposits - Borse Dubai	2,476	2,913
Rent and service expense - Dubai World Trade Center	1,590	1,380

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,	
	2010	2009
	AED'000	AED'000
	(Un-audited)	(Un-audited)
Short-term benefits	1,094	1,094
General pension and social security	142	142

9. Capital commitments

	March 31, 2010	December 31, 2009
	AED'000	AED'000
	(Un-audited)	(Audited)
Commitments for the purchase of property and equipment	3,405	3,656

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2010 to March 31, 2010

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).

The Dubai Government sold 20% of the Company's share capital through a public offering of 1.6 billion shares.

- b) The Company subscribed for 54,236,831 shares of its own shares for a total cost of AED 1.03 per share which includes incorporation expenses.

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 Commercial 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.

Investments revaluation reserve

- Other comprehensive income

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

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2010 to March 31, 2010

12. Earnings per share

	For the three-months period ended March 31,	
	2010 (Un-audited)	2009 (Un-audited)
Net profit for the period - (AED'000)	53,581	58,479
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
Earnings per share - AED	0.0067	0.0074

13. Cash and cash equivalents

For the purpose of the interim condensed statement of cash flows, 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 statement of cash flows, consist of the following:

	March 31,	
	2010 AED'000 (Un-audited)	2009 AED'000 (Un-audited)
Cash on hand	38	31
Bank balances:		
Current accounts	5	761
Mudarabah accounts	108,446	62,447
Saving accounts	-	2,671
Islamic investment deposits maturing in less than 3 months from the date of deposit	271,850	603,950
	380,339	669,860

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2010 to March 31, 2010

14. Acquisition of NASDAQ Dubai

On December 22, 2009, Dubai Financial Market, PJSC ("DFM") announced that it has made an offer to Borse Dubai Ltd. ("Borse Dubai") and The NASDAQ OMX Group Inc. ("NASDAQ OMX") to acquire 100% of NASDAQ Dubai.

The offer, which has been approved by Borse Dubai and NASDAQ OMX, is valued at USD 121 million (AED 445 million) and comprises of USD 96 million (AED 353 million) in cash and 50 million DFM treasury shares. The transaction was endorsed by DFM's Board of Directors on Monday December 21, 2009 and is subject to certain closing conditions, including the receipt of regulatory approvals. On March 2, 2010 the parties signed the share sale and purchase agreement, which is conditional upon satisfaction of certain conditions, including the receipt of regulatory approvals. As of March 31, 2010, not all of these conditions have been met yet.

On completion of the transaction NASDAQ OMX will become a shareholder of DFM through a minority stake of 1% (equating to 80 million shares). Meanwhile, NASDAQ OMX will continue to allow NASDAQ Dubai to use its brand and technology. The NASDAQ OMX stake in DFM will not require issuance of new shares as 50 million shares will be transferred from DFM's existing treasury shares and an additional 30 million shares will be purchased from Borse Dubai.

As per the transaction term sheet, the parties agreed that DFM will acquire 100% of the share capital of NASDAQ Dubai from Borse Dubai and NASDAQ OMX (66.7% and 33.3% shareholding respectively). The total consideration for the transaction due from DFM will amount to USD 121,304,348 and be paid as follows:

- USD 80.8 million to be paid in cash to Borse Dubai;
- 50 million treasury shares of DFM Company to be transferred to NASDAQ OMX; and
- USD 15.2 million in cash to Borse Dubai against the transfer of 30 million shares of DFM Company from Borse Dubai to NASDAQ OMX.

15. Approval of the interim financial information

The interim condensed financial information on pages 2 to 16 was approved and signed by the Chairman, on behalf of the Board of Directors, on May 1, 2010.