

**DUBAI FINANCIAL MARKET (DFM) - PJSC**

**REVIEW REPORT AND INTERIM FINANCIAL  
INFORMATION FOR THE PERIOD FROM  
1 JANUARY 2011 TO 31 MARCH 2011**

## **Dubai Financial Market (DFM) - PJSC**

### **Review Report and Interim Financial Information For the Period from 1 January 2011 to 31 March 2011**

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## Report on Review of Interim Financial Information

**The Shareholders**  
**Dubai Financial Market (DFM) - PJSC**  
**Dubai**  
**United Arab Emirates**

### *Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of **Dubai Financial Market (DFM) - PJSC** (the “Company”) and its **Subsidiaries** (together the “Group”), **Dubai, United Arab Emirates** as at 31 March 2011 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended. Management of the Group is responsible for the preparation and presentation of this interim 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 consolidated 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 financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche (M.E.)




Anis F. Sadek  
(Registration No. 521)  
Dubai  
8 May 2011

**Condensed Consolidated Statement of Financial Position  
As at 31 March 2011**

	Notes	31 March 2011 AED'000 (Un-audited)	31 December 2010 AED'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment deposits	5	350,000	416,391
Other financial assets measured at fair value through other comprehensive income	6	502,286	515,407
Property and equipment		35,357	40,006
Intangible assets	7	2,628,274	2,647,238
Goodwill		2,878,874	2,878,874
<b>Total non-current assets</b>		<b>6,394,791</b>	<b>6,497,916</b>
<b>Current assets</b>			
Cash and bank balances	4	245,620	247,980
Other financial assets measured at fair value through profit and loss	8	10,144	9,777
Investment deposits	5	1,181,955	1,133,019
Prepaid expenses and other receivables	9	34,745	23,674
Due from a related party	11	2,655	2,618
<b>Total current assets</b>		<b>1,475,119</b>	<b>1,417,068</b>
<b>Total Assets</b>		<b>7,869,910</b>	<b>7,914,984</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12 (a)	8,000,000	8,000,000
Treasury shares	12 (b)	(4,364)	(4,364)
		7,995,636	7,995,636
Net initial public offering surplus		31,608	31,608
Investments revaluation reserve - FVTOCI	13	(957,862)	(944,741)
Statutory reserves	13	247,016	247,016
Retained earnings		377,821	375,634
Capital reserve		(181,950)	(181,950)
<b>Equity attributable to owners of the company</b>		<b>7,512,269</b>	<b>7,523,203</b>
Non-controlling interest		29,524	31,370
<b>Total equity</b>		<b>7,541,793</b>	<b>7,554,573</b>
<b>Non-current liabilities</b>			
Provision for employees' end of service indemnity	11	6,138	6,065
Subordinated loan		59,079	58,414
<b>Total non-current liabilities</b>		<b>65,217</b>	<b>64,479</b>
<b>Current liabilities</b>			
Payables and accrued expenses	10	43,189	41,022
Dividends payable		171,211	206,410
Due to a related party	11	48,500	48,500
<b>Total current liabilities</b>		<b>262,900</b>	<b>295,932</b>
<b>Total Liabilities</b>		<b>328,117</b>	<b>360,411</b>
<b>Total Equity and Liabilities</b>		<b>7,869,910</b>	<b>7,914,984</b>

  
Chairman

  
Managing Director and CEO

The accompanying notes form an integral part of these condensed consolidated financial statements.

**Condensed Consolidated Statement of Income (Un-audited)**  
**For the period from 1 January 2011 to 31 March 2011**

	Notes	For the three-months period ended 31 March	
		2011 AED'000	2010 AED'000
Trading commission fees		25,472	62,213
Brokerage fees		4,971	5,195
Ownership transfer and mortgage fees		606	1,873
Other fees		2,859	592
		<hr/>	<hr/>
<b>Operating income</b>		<b>33,908</b>	<b>69,873</b>
Net investment revenue		15,064	20,509
Change in fair value of financial assets measured at fair value through profit and loss		367	-
Other income		1,102	-
General and administrative expenses		(30,471)	(17,837)
Amortization of intangible assets	7	(18,964)	(18,964)
Interest expense		(665)	-
		<hr/>	<hr/>
<b>Net profit for the period</b>		<b>341</b>	<b>53,581</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>Attributable to:</b>			
Owners of the Company		2,187	53,581
Non-controlling interest		(1,846)	-
		<hr/>	<hr/>
		<b>341</b>	<b>53,581</b>
		<hr/> <hr/>	<hr/> <hr/>
Earnings per share - AED	14	<b>0.0003</b>	0.0067
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral part of these condensed consolidated financial statements.

**Condensed Consolidated Statement of Comprehensive Income (Un-audited)**  
**For the period from 1 January 2011 to 31 March 2011**

	Note	For the three-months period ended 31 March	
		2011 AED'000	2010 AED'000
<b>Net profit for the period</b>		<b>341</b>	53,581
<b>Other comprehensive loss</b>			
Revaluation of other financial assets measured at fair value through other comprehensive income		(13,121)	(15,275)
<b>Total comprehensive (loss)/ income for the period</b>		<b>(12,780)</b>	38,306
<b>Attributable to:</b>			
Owners of the Company		(10,934)	38,306
Non-controlling interest		(1,846)	-
		<b>(12,780)</b>	38,306

The accompanying notes form an integral part of these condensed consolidated financial statements.

**Condensed Consolidated Statement of Changes in Equity (Un-audited)  
For the period from 1 January 2011 to 31 March 2011**

	Share capital AED'000	Treasury shares AED'000	Net initial public offering surplus AED'000	Investments revaluation reserve FYTOCI AED'000	Capital reserve AED'000	Statutory reserves AED'000	Retained earnings AED'000	Attributable to owners of the company AED'000	Non-controlling interest AED'000	Total AED'000
<b>Balance at 1 January 2010 (Audited)</b>	8,000,000	(55,864)	31,608	(1,163,469)	-	239,120	971,837	8,023,232	-	8,023,232
Net profit for the period from 1 January 2010 to 31 March 2010 (Un-audited)	-	-	-	-	-	-	53,581	53,581	-	53,581
Other comprehensive loss for the period (Un-audited)	-	-	-	(15,275)	-	-	-	(15,275)	-	(15,275)
Total comprehensive income for the period (Un-audited)	-	-	-	(15,275)	-	-	53,581	38,306	-	38,306
<b>Balance as at 31 March 2010 (Un-audited)</b>	<b>8,000,000</b>	<b>(55,864)</b>	<b>31,608</b>	<b>(1,178,744)</b>	<b>-</b>	<b>239,120</b>	<b>1,025,418</b>	<b>8,061,538</b>	<b>-</b>	<b>8,061,538</b>
<b>Balance at 1 January 2011 (Audited)</b>	<b>8,000,000</b>	<b>(4,364)</b>	<b>31,608</b>	<b>(944,741)</b>	<b>(181,950)</b>	<b>247,016</b>	<b>375,634</b>	<b>7,523,203</b>	<b>31,370</b>	<b>7,554,573</b>
Net profit for the period from 1 January 2011 to 31 March 2011 (Un-audited)	-	-	-	-	-	-	2,187	2,187	(1,846)	341
Other comprehensive loss for the period (Un-audited)	-	-	-	(13,121)	-	-	-	(13,121)	-	(13,121)
Total comprehensive loss for the period (Un-audited)	-	-	-	(13,121)	-	-	2,187	(10,934)	(1,846)	(12,780)
<b>Balance as at 31 March 2011 (Un-audited)</b>	<b>8,000,000</b>	<b>(4,364)</b>	<b>31,608</b>	<b>(957,862)</b>	<b>(181,950)</b>	<b>247,016</b>	<b>377,821</b>	<b>7,512,269</b>	<b>29,524</b>	<b>7,541,793</b>

The accompanying notes form an integral part of these condensed consolidated financial statements.

**Condensed Consolidated Statement of Cash Flows (Un-audited)**  
**For the period from 1 January 2011 to 31 March 2011**

	<b>For the three-months period ended 31 March</b>	
	<b>2011</b>	<b>2010</b>
	<b>AED'000</b>	<b>AED'000</b>
<b>Cash flows from operating activities</b>		
Net profit for the period	341	53,581
Adjustments for:		
Depreciation of property and equipment	6,409	2,636
Provision for employees' end of service indemnity	317	205
Amortization of intangible assets	18,964	18,964
Change in fair value of investments measured at FVTPL	(367)	-
Interest expense	665	-
Islamic investment deposits profit	(12,015)	(17,567)
Dividend income	(3,049)	(2,942)
	<hr/>	<hr/>
<b>Operating profit before changes in operating assets and liabilities</b>	<b>11,265</b>	<b>54,877</b>
Increase in prepaid expenses and other receivables	(2,749)	(5,702)
(Increase) /decrease in due from a related party	(37)	439
Increase in payables and accrued expenses	2,167	27,596
	<hr/>	<hr/>
<b>Cash generated from operations</b>	<b>10,646</b>	<b>77,210</b>
Employees' end of service indemnity paid	(244)	(7)
	<hr/>	<hr/>
<b>Net cash generated from operating activities</b>	<b>10,402</b>	<b>77,203</b>
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(1,760)	(2,219)
Net investment deposits	(59,974)	(53,966)
Net investment profit received	6,742	19,705
Dividend received	-	551
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(54,992)</b>	<b>(35,929)</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders	(35,199)	(179)
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	<b>(35,199)</b>	<b>(179)</b>
	<hr/>	<hr/>
<b>Net (decrease) /increase in cash and cash equivalents</b>	<b>(79,789)</b>	<b>41,095</b>
Cash and cash equivalents at the beginning of the period	476,827	339,244
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period (Note 15)</b>	<b>397,038</b>	<b>380,339</b>
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral part of these condensed consolidated financial statements.



**Notes to the Condensed Consolidated Financial Statements  
For the period from 1 January 2011 to 31 March 2011**

**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 surplus funds in accordance with these provisions.

The Company’s shares are listed on the Dubai stock exchange.

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”.

On 24 May 2010, the Company acquired 67% of NASDAQ Dubai share capital for an amount of AED 204 million as cash consideration and 50 million treasury shares valued at AED 92 million whereby 33% of the residual share capital of NASDAQ Dubai is in the name of the Parent Company.

The condensed consolidated financial statements incorporate the financial statements of Dubai Financial Market (DFM) - (PJSC) (the “Company”) 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	Electronic Financial Market	U.A.E.	67%

NASDAQ Dubai 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%

**Notes to the Condensed Consolidated Financial Statements - continued**  
**For the period from 1 January 2011 to 31 March 2011**

**2. Significant accounting policies**

**Basis of preparation**

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) No. 34: *Interim Financial Reporting*.

**Significant accounting policies**

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

These condensed consolidated financial statements are presented in United Arab Emirates Dirhams (AED) since that is the currency of the country in which the Group is domiciled.

The same accounting policies, presentation and methods of computation have been followed in these condensed consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2010.

These condensed consolidated financial statements do 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 2010. In addition, results for the three months ended 31 March 2011 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2011.

*(a) Estimates*

The preparation of condensed consolidated financial statements 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 condensed consolidated financial statements, 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 consolidated financial statements as at and for the year ended 31 December 2010.

*(b) Financial risk management*

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2010.

**Notes to the Condensed Consolidated Financial Statements - continued**  
**For the period from 1 January 2011 to 31 March 2011**

**3. Basis of consolidation**

The condensed consolidated financial statements incorporates the condensed consolidated financial statements 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 statement of income from the effective date of acquisition.

Where necessary, adjustments are made to the condensed consolidated financial statements of the Subsidiaries to bring the accounting policies in line with those used by the parent company.

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

**4. Cash and bank balances**

	<b>31 March 2011 AED'000 (Un-audited)</b>	31 December 2010 AED'000 (Audited)
Cash on hand	297	304
Bank balances:		
Current accounts	17,753	17,901
Saving accounts	198,090	231
Mudarabah accounts	29,480	229,544
	<u>245,620</u>	<u>247,980</u>

The rate of return on the Mudarabah accounts are between 1.00% and 1.50% (31 March 2010: 1.50% to 1.74%) per annum.

Included in current accounts, are members margin deposits amounting to AED 10 million (31 December 2010: AED 11 million) which clearing members are required to provide in respect of their clearing and settlement obligations to NASDAQ Dubai. Margins are held in a segregated bank account in the name of NASDAQ Dubai. Margins provided by a clearing member are used by the NASDAQ Dubai towards discharging the clearing members' obligations to NASDAQ Dubai (if any) following a declared default by that clearing member.

**Notes to the Condensed Consolidated Financial Statements - continued**  
**For the period from 1 January 2011 to 31 March 2011**

**5. Investment deposits**

	<b>31 March 2011 AED'000 (Un-audited)</b>	31 December 2010 AED'000 (Audited)
Current:		
Investment deposits maturing in less than 3 months from the date of deposit (Note 15)	151,418	228,847
Investment deposits with banks maturing in more than 3 months from the date of deposit	1,030,537	904,172
	<u>1,181,955</u>	<u>1,133,019</u>
Non-current:		
Investment deposits maturing after 12 months	350,000	416,391
	<u>1,531,955</u>	<u>1,549,410</u>

As per the investment deposit agreements, returns on these investments range from 2.85% to 6.50% (31 March 2010: 3.25% to 7.00% per annum).

**6. Other financial assets measured at fair value through other comprehensive income (FVTOCI)**

	<b>31 March 2011 AED'000 (Un-audited)</b>	31 December 2010 AED'000 (Audited)
Investment in equity securities	172,716	181,704
Managed funds	329,570	333,703
	<u>502,286</u>	<u>515,407</u>

Investments by geographic concentration are as follows:

	<b>31 March 2011 AED'000 (Un-audited)</b>	31 December 2010 AED'000 (Audited)
- Within U.A.E.	425,217	435,181
- Outside U.A.E.	77,069	80,226
	<u>502,286</u>	<u>515,407</u>

**Notes to the Condensed Consolidated Financial Statements - continued**  
**For the period from 1 January 2011 to 31 March 2011**

**7. 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>Fair value</b>				
As at 31 December 2009 (Audited)	2,824,455	58,743	67,456	2,950,654
As at 31 December 2010 (Audited)	2,824,455	58,743	67,456	2,950,654
<b>As at 31 March 2011 (Un-audited)</b>	<b>2,824,455</b>	<b>58,743</b>	<b>67,456</b>	<b>2,950,654</b>
<b>Amortization</b>				
As at 31 December 2009 (Audited)	169,467	17,622	40,473	227,562
Charge for the year	56,489	5,874	13,491	75,854
As at 31 December 2010 (Audited)	225,956	23,496	53,964	303,416
Charge for the period	14,122	1,469	3,373	18,964
<b>As at 31 March 2011 (Un-audited)</b>	<b>240,078</b>	<b>24,965</b>	<b>57,337</b>	<b>322,380</b>
<b>Carrying amount</b>				
<b>As at 31 March 2011 (Un-audited)</b>	<b>2,584,377</b>	<b>33,778</b>	<b>10,119</b>	<b>2,628,274</b>
As at 31 December 2010 (Audited)	2,598,499	35,247	13,492	2,647,238

**8. Other financial assets measured at fair value through profit and loss (FVTPL)**

	<b>31 March 2011 AED'000 (Un-audited)</b>	<b>31 December 2010 AED'000 (Audited)</b>
Al Islamic Capital Protected CROCI	<b>10,144</b>	9,777

The Al Islamic Capital Protected CROCI note is a capital guaranteed investment product that provides exposure to international stock markets. The product has 5 years of capital protection till July 2011 and has a fortnightly redemption facility.

**Notes to the Condensed Consolidated Financial Statements - continued**  
**For the period from 1 January 2011 to 31 March 2011**

**9. Prepaid expenses and other receivables**

	<b>31 March</b>	31 December
	<b>2011</b>	2010
	<b>AED'000</b>	AED'000
	<b>(Un-audited)</b>	(Audited)
Accrued profit on Islamic investment deposits	<b>18,824</b>	9,941
Accrued trading commission fees	<b>1,137</b>	751
Due from brokers	<b>5,397</b>	5,461
Prepaid expenses	<b>5,591</b>	5,601
Other receivables	<b>6,561</b>	4,739
	<u><b>37,510</b></u>	<u>26,493</u>
Less: Allowance for doubtful debts	<b>(2,765)</b>	(2,819)
	<u><b>34,745</b></u>	<u>23,674</u>

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

Net movement in allowance for doubtful debts:

	<b>31 March</b>	31 December
	<b>2011</b>	2010
	<b>AED'000</b>	AED'000
	<b>(Un-audited)</b>	(Audited)
Opening balance	<b>2,819</b>	2,259
Charges during the period /year	<b>-</b>	560
Reverse during the period/year	<b>(54)</b>	-
	<u><b>2,765</b></u>	<u>2,819</u>

**10. Payables and accrued expenses**

Payables and accrued expenses include an amount of AED 10 million (31 December 2010: AED 11 million) being margin deposits received from the clearing members in respect of their clearing and settlement obligations to NASDAQ Dubai. Margins are held in a segregated bank account in the name of NASDAQ Dubai.

**Notes to the Condensed Consolidated Financial Statements - continued**  
**For the period from 1 January 2011 to 31 March 2011**

**11. Related party transactions**

The Group 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.

At the reporting date, Due from/to a related party were as follows:

	<b>31 March</b>	31 December
	<b>2011</b>	2010
	<b>AED'000</b>	AED'000
	<b>(Un-audited)</b>	(Audited)
<b>Due from a related party</b>		
<i>Parent company</i>		
Borse Dubai Limited - Islamic investment deposits	<b>149,882</b>	149,882
Borse Dubai Limited - current account	<b>2,655</b>	2,618
	<u><u>          </u></u>	<u><u>          </u></u>
<b>Due to related parties</b>		
<i>Ultimate controlling party</i>		
Dubai Government	<b>48,500</b>	48,500
<i>Parent company</i>		
Borse Dubai Limited - dividends payable	<b>130,000</b>	164,000
Borse Dubai loan - subordinated loan	<b>59,079</b>	58,414
	<u><u>          </u></u>	<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 of which AED 48.5 million remains as due to the Dubai Government.

The subordinated loan has been provided by the Parent Company, Borse Dubai Ltd. to the Group. The subordinated loan is unsecured, has no fixed repayment date and bears interest rate of 12 month LIBOR plus 3.25% on the outstanding balance.

The subordinated loan is classified as non-current because the Parent Company has confirmed that it will not seek repayment within twelve months of the condensed consolidated financial position date.

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

	<b>For the three-months period</b>	
	<b>ended 31 March</b>	
	<b>2011</b>	2010
	<b>AED'000</b>	AED'000
	<b>(Un-audited)</b>	(Un-audited)
Profit on investment deposits	<b>2,236</b>	2,476
Rent and service expense	<b>2,561</b>	1,590
Interest expense	<b>665</b>	-
	<u><u>          </u></u>	<u><u>          </u></u>

**Notes to the Condensed Consolidated Financial Statements - continued**  
**For the period from 1 January 2011 to 31 March 2011**

**11. 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:

	<b>For the three-months period ended 31 March</b>	
	<b>2011</b>	<b>2010</b>
	<b>AED'000</b>	<b>AED'000</b>
	<b>(Un-audited)</b>	<b>(Un-audited)</b>
Short-term benefits	<b>1,952</b>	1,164
General pension and social security	<b>142</b>	142
	<u><u>          </u></u>	<u><u>          </u></u>

**12. Share capital**

a) The Company's share capital comprise of AED 8 billion divided into 8 billion shares of AED 1 per share.

b) The Company subscribed to 54,236,831 of its own shares for a total cost of AED 1.03 per share.

On 24 May 2010 and part of the acquisition of NASDAQ Dubai, the Group transferred 50 million of its treasury shares to NASDAQ OMX.

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

**13. Reserves**

*Statutory reserve*

In accordance with 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 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*

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 Condensed Consolidated Financial Statements - continued**  
**For the period from 1 January 2011 to 31 March 2011**

**14. Earning per share**

	<b>For the three-months period ended 31 March</b>	
	<b>2011 (Un-audited)</b>	<b>2010 (Un-audited)</b>
Net profit for the period attributable to owners of the Company - (AED'000)	<u>2,187</u>	<u>53,581</u>
Authorized share capital - ('000)	<b>8,000,000</b>	8,000,000
Less: Treasury shares - ('000) (Note 12)	<u>(4,237)</u>	<u>(54,237)</u>
	<u><b>7,995,763</b></u>	<u>7,945,763</u>
Earnings per share - AED	<u><b>0.0003</b></u>	<u>0.0067</u>

**15. Cash and cash equivalents**

For the purpose of the condensed consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, and in 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 condensed consolidated statement of cash flows consists of the following:

	<b>31 March 2011 AED'000 (Un-audited)</b>	<b>31 March 2010 AED'000 (Un-audited)</b>
Cash on hand	297	38
Bank balances:		
Current accounts	17,753	5
Mudarabah accounts	29,480	108,446
Saving accounts	198,090	-
Investment deposits maturing in less than 3 months from the date of deposit (Note 5)	<u>151,418</u>	<u>271,850</u>
	<u><b>397,038</b></u>	<u>380,339</u>

**Notes to the Condensed Consolidated Financial Statements - continued**  
**For the period from 1 January 2011 to 31 March 2011**

**16. Commitments**

	<b>31 March</b>	31 December
	<b>2011</b>	2010
	<b>AED'000</b>	AED'000
	<b>(Un-audited)</b>	(Audited)
Commitments for the purchase of property and equipment	<u><b>1,359</b></u>	<u>5,177</u>

The commitment to acquire the remaining 33% of NASDAQ Dubai is required to be settled on the completion of the acquisition for AED 148 million. The carrying value of the 33% non-controlling interest of NASDAQ Dubai at 31 March 2011 is AED 30 million (31 December 2010: AED 31 million).

**17. Seasonality of results**

No income of seasonal nature was recorded in the condensed consolidated statement of income for the three month period ended 31 March 2011 and 2010.

**18. Comparatives**

The figures in condensed consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows are not comparable as the previous period figures do not include the assets, liabilities and operational results of the subsidiary acquired during May 2010.

**19. Events after the end of the reporting period**

The Board of Directors on their meeting held on 14 March 2011 proposed to transfer the capital reserve and the net initial public offering surplus to retained earnings. This proposal was ratified by the shareholders during the Ordinary General Assembly Meeting held on 24 April 2011.

**20. Approval of the condensed consolidated financial statements**

The condensed consolidated financial statements for the three month period ended 31 March 2011 were approved by the Board of Directors and authorized for issue on 8 May 2011.