

**DUBAI FINANCIAL MARKET (DFM) - (PJSC)
AND ITS SUBSIDIARIES
DUBAI - UNITED ARAB EMIRATES**

**REVIEW REPORT AND CONSOLIDATED FINANCIAL
INFORMATION FOR THE PERIOD FROM JANUARY 1, 2010
TO JUNE 30, 2010**

Dubai Financial Market (DFM) - (PJSC) and its Subsidiaries
Dubai - United Arab Emirates

Review Report and Consolidated Financial Information
For the Period from January 1, 2010 to June 30, 2010

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Ref.:10343FS10-June

Report on Review of Interim Consolidated Financial Information

**The Board of Directors
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** (collectively the "Group"), **Dubai, United Arab Emirates** as at June 30, 2010 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six month period then ended. Management of the Company is responsible for the preparation and presentation of this condensed consolidated 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 consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche (M.E.)



**Saba Y. Sindaha
(Registration No. 410)**

**Dubai
July 24, 2010**

Condensed Consolidated Statement of Financial Position
As at June 30, 2010
(In Thousand Arab Emirates Dirhams)

	Note	June 30, 2010 (Un-audited)	December 31, 2009 (Audited)
ASSETS			
Cash and bank balances	4	47,873	33,462
Deposits	5	1,773,835	1,482,292
Members' margin deposits and other assets	6	82,355	26,680
Due from a related party	9	3,334	3,914
Total current assets		1,907,397	1,546,348
Non-current assets			
Deposits	5	-	38,527
Other financial assets measured at fair value through other comprehensive income (FVTOCI)	7	600,654	1,003,793
Property and equipment		43,486	29,932
Intangible assets	8	2,685,165	2,723,092
Goodwill		2,878,874	2,878,874
Total non-current assets		6,208,179	6,674,218
Total Assets		8,115,576	8,220,566
LIABILITIES AND EQUITY			
Current liabilities			
Payables and accrued expenses		89,014	22,415
Dividends payable	9	362,184	123,140
Due to a related party	9	48,500	48,500
Total current liabilities		499,698	194,055
Non-current liabilities			
Provision for employees' end of service indemnity		5,555	3,279
Subordinated loan	9	57,131	-
Total current liabilities		62,686	3,279
Total Liabilities		562,384	197,334
Equity			
Share capital	11	8,000,000	8,000,000
Treasury shares	11	(4,364)	(55,864)
Initial public offering		7,995,636	7,944,136
Investments revaluation reserve - FVTOCI	12	31,608	31,608
Acquisition reserve	14	(1,222,136)	(1,163,469)
Statutory reserve	14	(181,950)	-
Statutory reserve	12	239,120	239,120
Retained earnings		655,349	971,837
Equity attributable to owners of the Company		7,517,627	8,023,232
Non-controlling interests		35,865	-
Total Equity		7,553,492	8,023,232
Total Liabilities and Equity		8,115,576	8,220,566

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

The condensed consolidated financial statements on pages 2 to 19 were approved and signed on behalf of the Board of Directors, on July 24, 2010 by:

Chairman

Managing Director and CEO

Condensed Consolidated Statement of Income (Un-audited)
For the period from January 1, 2010 to June 30, 2010
(In Thousand Arab Emirates Dirhams)

		For the three-months period ended June 30,		For the six-months period ended June 30,	
	<u>Note</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenue					
Trading commission fees		43,482	126,686	105,695	188,387
Brokerage fees		5,097	5,369	10,292	10,531
Ownership transfer and mortgage fees		2,266	2,071	4,139	2,943
Other fees		<u>686</u>	<u>2,599</u>	<u>1,278</u>	<u>3,427</u>
Operating income		51,531	136,725	121,404	205,288
Investment revenue		18,219	29,722	38,728	56,472
General and administrative expenses	(24,854)	(19,180)	(42,692)	(37,049)
Amortization of intangible assets	8	(<u>18,964</u>)	(<u>18,964</u>)	(<u>37,927</u>)	(<u>37,927</u>)
Net profit for the period		<u>25,932</u>	<u>128,303</u>	<u>79,513</u>	<u>186,784</u>
Attributable to:					
Owners of the Company		27,219	128,303	80,800	186,784
Non-controlling interest		(<u>1,287</u>)	-	(<u>1,287</u>)	-
		<u>25,932</u>	<u>128,303</u>	<u>79,513</u>	<u>186,784</u>
 Earning per share - AED	13	 <u>0.003</u>	 <u>0.016</u>	 <u>0.010</u>	 <u>0.024</u>

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 January 1, 2010 to June 30, 2010
(In Thousand Arab Emirates Dirhams)

	<u>For the three-months</u> <u>period ended June 30,</u>		<u>For the six-months</u> <u>period ended June 30,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Net profit for the period	25,932	128,303	79,513	186,784
Other comprehensive income				
(Loss)/gain on revaluation of investment measured at FVTOCI	(43,408)	32,650	(58,683)	42,405
Total comprehensive (loss)/income for the period	(17,476)	160,953	20,830	229,189
Attributable to:				
Owners of the Company	(16,173)	160,953	22,133	229,189
Non-controlling interest	(1,303)	-	(1,303)	-
Total	(17,476)	160,953	20,830	229,189

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

Dubai Financial Market (DFM) - (PJSC) and its Subsidiaries
Dubai -United Arab Emirates

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Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the period from January 1, 2010 to June 30, 2010

(In Thousand Arab Emirates Dirhams)

	Share capital	Treasury shares	Net initial public offering surplus	Investments revaluation reserve AFS	Investments revaluation reserve FVTOCI	Acquisition reserve	Statutory reserves	Retained earnings	Attributable to owners of the Company	Non-controlling interest	Total
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 June 30, 2009 (Un-audited)	-	-	-	-	-	-	-	186,784	-	-	186,784
Other comprehensive income (Un-audited)	-	-	-	-	42,405	-	-	-	-	-	42,405
Total comprehensive income for the period (Un-audited)	-	-	-	-	42,405	-	-	186,784	-	-	229,189
Dividends declared during the period	-	-	-	-	-	-	-	(635,661)	-	-	(635,661)
Balance as at June 30, 2009 (Un-audited)	8,000,000	(55,864)	31,608	-	(1,182,349)	-	613,374	437,751	-	-	7,844,520
Balance as at January 1, 2010 (Audited)	8,000,000	(55,864)	31,608	-	(1,163,469)	-	239,120	971,837	8,023,232	-	8,023,232
Arising on acquisition of a subsidiary (Note 14)	-	-	-	-	-	(181,950)	-	-	(181,950)	36,868	(145,082)
Dividend declared during the period	-	-	-	-	-	-	-	(397,288)	(397,288)	-	(397,288)
Transfer of treasury shares on acquisition of a subsidiary [Note 11 (b)]	-	51,500	-	-	-	-	-	-	51,500	-	51,500
Net profit for the period from January 1, 2010 to June 30, 2010 (Unaudited)	-	-	-	-	-	-	-	80,800	80,800	(1,287)	79,513
Other comprehensive loss from January 1, 2010 to June 30, 2010 (Un-audited)	-	-	-	-	(58,667)	-	-	-	(58,667)	(16)	(58,683)
Total comprehensive income for the period (Un-audited)	-	-	-	-	(58,667)	-	-	80,800	22,133	(1,303)	20,830
Balance as at June 30, 2010 (Un-audited)	8,000,000	(4,364)	31,608	-	(1,222,136)	(181,950)	239,120	655,349	7,517,627	35,565	7,553,192

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 January 1, 2010 to June 30, 2010
(In Thousand Arab Emirates Dirhams)

	For the six-months period ended June 30,	
	2010	2009
	(Un-audited)	(Un-audited)
Cash flows from operating activities		
Net profit for the period	79,513	186,784
Adjustments for:		
Depreciation of property and equipment	6,712	5,865
Provision for employees' end of service indemnity	672	343
Amortization of intangible assets	37,927	37,927
Dividend income	(3,459)	(6,005)
Loss from foreign exchange	-	19
Islamic investment deposit profit	(38,527)	(44,926)
Operating profit before changes in operating assets and liabilities	82,838	180,007
Increase in members' margin deposits and other assets	(5,752)	(13,954)
Decrease in due from a related party	580	413
Increase in due to a related party	254	-
Increase in payables and accrued expenses	5,553	31,715
Cash generated from operations	83,473	198,181
Employees' end of service indemnity paid	(7)	-
Net cash generated from operating activities	83,466	198,181
Cash flows from investing activities		
Maturity of investment	353,248	-
Purchase of property and equipment	(4,368)	(5,046)
Dividend received	3,459	6,113
Investment deposits	(59,499)	(649,950)
Islamic investment profit received	38,527	29,655
Acquisition of a subsidiary, net of cash acquired (Note 14)	(140,410)	-
Net cash from/(used in) investing activities	190,957	(619,228)
Cash flows from financing activities		
Dividends paid to shareholders	(158,244)	(324,840)
Net cash used in financing activities	(158,244)	(324,840)
Net increase/(decrease) in cash and cash equivalents	116,179	(745,887)
Cash and cash equivalents at the beginning of the period	339,244	1,105,548
Cash and cash equivalents at the end of the period (Note 15)	455,423	359,661

Non-cash transactions:

The transfer of 50 million treasury shares to NASDAQ OMX (Refer Note 14).

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

Notes to the Condensed Consolidated Financial Statements
For the period from January 1, 2010 to June 30, 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.

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

Notes to the Condensed Consolidated Financial Statements - continued
For the period from January 1, 2010 to June 30, 2010

1. Establishment and operations (continued)

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%

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 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).

Notes to the Condensed Consolidated Financial Statements - continued
For the period from January 1, 2010 to June 30, 2010

2. Significant accounting policies (continued)

Significant accounting policies - continued

These condensed consolidated financial statements 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 six months ended June 30, 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 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 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.

3. Basis of consolidation

The condensed consolidated financial information incorporates the interim financial information of the Company and the entities controlled by the Company (its Subsidiaries) (the "Group"). Control is achieved where the Company 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.

Notes to the Condensed Consolidated Financial Statements - continued
For the period from January 1, 2010 to June 30, 2010

4. Cash and bank balances

	June 30, 2010	December 31, 2009
	AED'000	AED'000
	(Un-audited)	(Audited)
Cash on hand	369	42
Bank balances:		
Current accounts	2,245	1,075
Saving accounts	511	2,505
Mudarabah accounts	44,748	29,840
	47,873	33,462

The expected rate of return on the saving and the mudarabah accounts varies between 1.00% to 2.00% per annum (for the period from January 1, 2009 to June 30, 2009: between 1.00% to 1.75% per annum).

5. Deposits

	June 30, 2010	December 31, 2009
	AED'000	AED'000
	(Un-audited)	(Audited)
Current:		
Islamic investment deposits maturing in less than 3 months from the date of deposit (Note 15)	407,550	305,782
Fixed deposits	91,750	-
Islamic investment deposits maturing in more than 3 months from the date of deposit but before June 30, 2011	1,274,535	1,176,510
	1,773,835	1,482,292
Non-current:		
Islamic investment deposits	-	38,527
	1,773,835	1,520,819

Notes to the Condensed Consolidated Financial Statements - continued
For the period from January 1, 2010 to June 30, 2010

5. Deposits (continued)

As per the investment deposit agreements, expected returns on these investments range from 3.25% to 6.50% per annum (for the period from January 1, 2009 to June 30, 2009: 4.5% to 7.5% per annum).

The subsidiary has an AED 183 million overdraft facility from its clearing bank in order to facilitate daily settlements in the event that there is a shortfall and a AED 92 million overdraft line for working capital purposes. These facility are required to be fully collateralized by a fixed deposit of AED 91 million, carrying an effective interest rate of 3.5% per annum.

6. Member margin deposits and other assets

	June 30, 2010	December 31, 2009
	AED'000	AED'000
	(Un-audited)	(Audited)
Accrued revenue on Islamic investment deposits	5,840	14,827
Accrued trading commission fees	1,362	2,129
Due from brokers	9,259	5,467
Prepaid expenses	11,402	2,957
Members' margin deposits	50,327	-
Other receivables	<u>6,499</u>	<u>3,559</u>
	84,689	28,939
Less: Allowance for doubtful debts	<u>(2,334)</u>	<u>(2,259)</u>
	<u>82,355</u>	<u>26,680</u>

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.

Clearing members are required to provide margins in respect of their clearing and settlement obligations to NASDAQ Dubai. Margins are held in a segregated account in the name of NASDAQ Dubai at the clearing bank.

Notes to the Condensed Consolidated Financial Statements - continued
For the period from January 1, 2010 to June 30, 2010

7. Other financial assets

	June 30, 2010	December 31, 2009
	AED'000	AED'000
	(Un-audited)	(Audited)
Financial assets - FVTOCI		
Investment in equity securities	228,000	265,726
Managed funds	<u>372,654</u>	<u>738,067</u>
	<u>600,654</u>	<u>1,003,793</u>

Investments by geographic concentration are as follows:

	June 30, 2010	December 31, 2009
	AED'000	AED'000
	(Un-audited)	(Audited)
- Within U.A.E.	523,394	889,764
- Outside U.A.E.	<u>77,260</u>	<u>114,029</u>
	<u>600,654</u>	<u>1,003,793</u>

Notes to the Condensed Consolidated Financial Statements - continued
For the period from January 1, 2010 to June 30, 2010

8. 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 June 30, 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>28,244</u>	<u>2,937</u>	<u>6,746</u>	<u>37,927</u>
As at June 30, 2010 (Un-audited)	<u>197,711</u>	<u>20,559</u>	<u>47,219</u>	<u>265,489</u>
Carrying amount				
As at June 30, 2010 (Un-audited)	<u>2,626,744</u>	<u>38,184</u>	<u>20,237</u>	<u>2,685,165</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 Condensed Consolidated Financial Statements - continued
For the period from January 1, 2010 to June 30, 2010

9. 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.

As June 30, 2010, due from/to a related party were as follows:

	June 30, 2010	December 31, 2009
	AED'000	AED'000
	(Un-audited)	(Audited)
Due from a related party		
<i>Parent company</i>		
Borse Dubai Limited - included with deposits	149,882	140,000
Borse Dubai Limited	3,334	3,914
	=====	=====
Due to a related party		
<i>Ultimate parent</i>		
Dubai Government	48,500	48,500
	=====	=====
<i>Parent company</i>		
Borse Dubai Limited - included with dividends payable	313,000	99,000
	=====	=====
Subordinated loan		
<i>Parent company</i>		
Borse Dubai Limited	57,131	-
	=====	=====

The subordinated loan has been provided by the parent company Borse Dubai to the Subsidiaries. The subordinate loan is unsecured, has no fixed repayment date and bears interest rate of 12 month LIBOR as at May 21, 2010 plus 325 basis points on the outstanding balance from the effective date.

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 financial position date.

Notes to the Condensed Consolidated Financial Statements - continued
For the period from January 1, 2010 to June 30, 2010

9. Related party transactions (continued)

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

	For the six-months period ended June 30,	
	2010	2009
	AED'000	AED'000
	(Un-audited)	(Un-audited)
Profit on investment deposits - Borse Dubai	4,898	5,949
Rent and service expense - Dubai World Trade Center	2,994	2,843

Compensation of key management personnel

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

	For the six-months period ended June 30,	
	2010	2009
	AED'000	AED'000
	(Un-audited)	(Un-audited)
Short-term benefits	2,200	2,207
General pension and social security	284	284

10. Commitments

	June 30, 2010	December 31, 2009
	AED'000	AED'000
	(Un-audited)	(Audited)
Commitments for the purchase of property and equipment	2,464	3,656

The commitment to acquire the remaining 33% of NASDAQ Dubai is required to be settled on or before December 31, 2010 for AED 148 million. The carrying value of the 33% non-controlling interest of NASDAQ Dubai at June 30, 2010 is AED 35 million.

Notes to the Condensed Consolidated Financial Statements - continued
For the period from January 1, 2010 to June 30, 2010

11. 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 which includes incorporation expenses shares.

As part of the acquisition of NASDAQ Dubai (Refer Note 14), the Company 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.

12. 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.

13. Earning per share

	For the six-months period ended June 30,	
	2010	2009
	(Un-audited)	(Un-audited)
Net profit for the period attributable to owners of the Company - (AED'000)	80,800	186,784
Authorized share capital - ('000)	8,000,000	8,000,000
Less: Treasury shares - ('000) - Note 14	(4,237)	(54,237)
	7,995,763	7,945,763
Earning per share - AED	0.010	0.024

Notes to the Condensed Consolidated Financial Statements - continued
For the period from January 1, 2010 to June 30, 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 AED 445 million and comprises of 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. On March 2, 2010 the parties signed the share sale and purchase agreement, which is conditional upon satisfaction of certain conditions.

On completion of the transaction NASDAQ OMX will become a shareholder of DFM through a minority stake of 1%. 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 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 (67% and 33% shareholding respectively). The total consideration for the transaction due from DFM will amount to AED 445 million and be paid as follows:

1. First completion, which was executed on May 24, 2010 by transferring 50 million DFM treasury shares to NASDAQ OMX and paying a cash consideration of AED 56 million to Borse Dubai to transfer 30 million of DFM shares to NASDAQ OMX to acquire 5 million shares of NASDAQ Dubai.
2. Second completion, which was executed on May 24, 2010 by paying cash consideration of AED 148 million to Borse Dubai to acquire 5 million shares of NASDAQ Dubai.
3. Third completion, related to the transfer of the last 5 million shares of NASDAQ Dubai to DFM for a cash consideration of AED 148 million from Borse Dubai. Execution is expected on or before December 31, 2010.

After completing the first and second completion, NASDAQ Dubai is currently 66.67% owned by DFM and 33% by Borse Dubai the parent company. After completing the third completion, NASDAQ Dubai will be 100% owned by DFM.

Notes to the Condensed Consolidated Financial Statements - continued
For the period from January 1, 2010 to June 30, 2010

14. Acquisition of NASDAQ Dubai (continued)

The interim consolidated financial information for the period ended June 30, 2010 includes total assets of AED 235 million total liabilities of AED 129 million and net loss of AED 3.8 million as a result of the consolidation of the Subsidiaries, NASDAQ Dubai. The book value of assets and liabilities acquired at May 24, 2010 were follows:

	May 24, 2010 AED'000
Net assets acquired at book value	
Property and equipment	15,898
Investments	8,791
Clearing guarantee fund	91,750
Cash and cash equivalents	63,782
Other assets	5,872
Due from members	44,051
Payables and accrued expenses	(17,022)
Due to members	(44,021)
Subordinated loan	(56,878)
Provision for employees' end of service indemnity	(1,609)
	110,614
Less: Non-controlling interest	(36,868)
Net assets acquired	73,746
Purchase consideration	(296,779)
Excess of purchased consideration over net assets acquired	(223,033)
Acquisition reserve:	
Excess of purchased consideration over net assets acquired	(223,033)
Premium arising on transfer of 50 million treasury share to NASDAQ OMX	41,083
	(181,950)
Net cash outflow arising on acquisition	
Cash consideration paid	(204,192)
Cash and cash equivalent acquired	63,782
	(140,410)

Notes to the Condensed Consolidated Financial Statements - continued
For the period from January 1, 2010 to June 30, 2010

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:

	June 30,	
	2010	2009
	AED'000	AED'000
	(Un-audited)	(Un-audited)
Cash on hand	369	29
Bank balances:		
Current accounts	2,245	2,657
Mudarabah accounts	44,748	206,665
Saving accounts	511	595
Deposits maturing in less than 3 months from the date of deposit	<u>407,550</u>	<u>149,715</u>
	<u>455,423</u>	<u>359,661</u>

16. Seasonality of results

No income of seasonal nature was recorded in the condensed consolidated statement of income for the six month period ended June 30, 2010 and 2009.