



Dubai Financial Market

Investor Interim Presentation 2016



www.dfm.ae

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DFM at a Glance

Leading Exchange in the MENA Region

<ul style="list-style-type: none"> Established in 2000 as a government owned exchange Provides investors and market participants with the best in class international platform that provides investors with innovative products and services in conducting trading, clearing and settlement in an efficient, transparent and liquid environment First regional exchange to be publicly listed in 2007 Currently c. 80% owned by Borse Dubai and remaining is public float 	Listings (30-June-2016)	AED 328bn Market Capitalization	60 Companies Listed on the DFM	88 Bonds/Sukuks Listed on the DFM / Nasdaq Dubai
	Volumes (H1 2016)	AED 538m Average Daily Traded Value	AED 69bn Value of Share Trading	21.2% Market Velocity
	Volume by Investor Type (H1 2016)	46.6% Foreign Investors' Trading Share	22.7% Foreign Ownership (% of Market Cap)	26.1% Institutional Investors' Trading Share
	Consolidated Financials (H1 2016)	AED 238m Revenue	AED 176m EBITDA	AED 139.6m Net Income

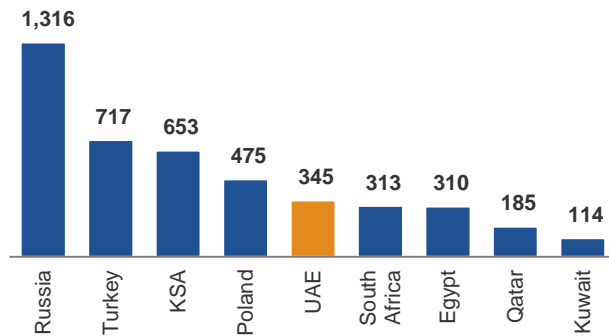
Source: Bloomberg, Zawya

Note: Foreign investors defined as non-UAE investors. Financial information and trading statistics for DFM (excluding Nasdaq Dubai) for the year 2015

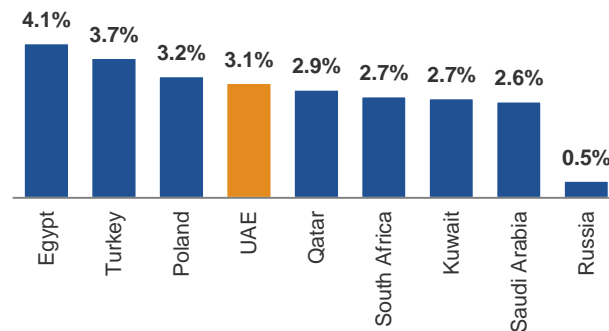


The UAE Benefits from Strong Demographic and Macroeconomic Fundamentals

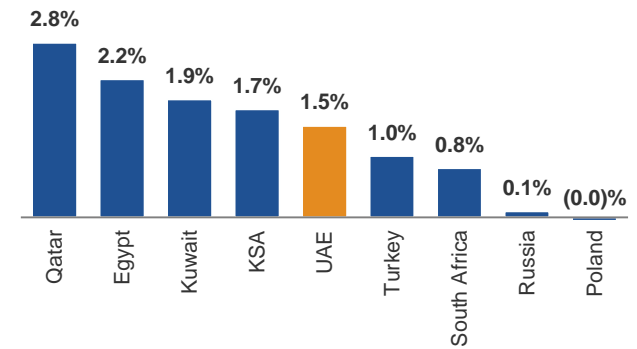
1 Second Largest Economy in the MENA Region... 2015 Nominal GDP (\$bn)¹



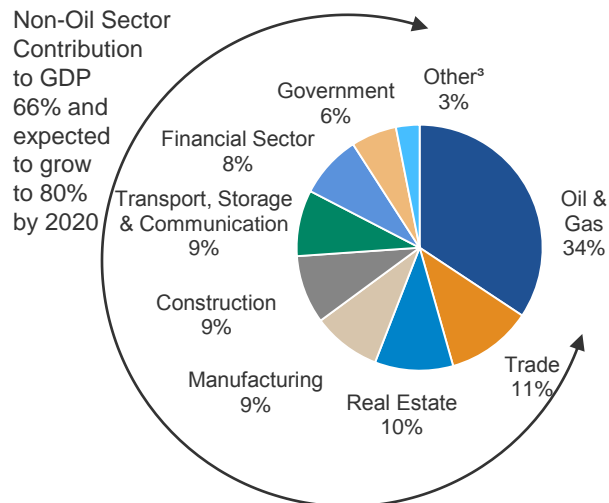
2 ...With High GDP Growth... 2015E-2020E Real GDP Growth (%)



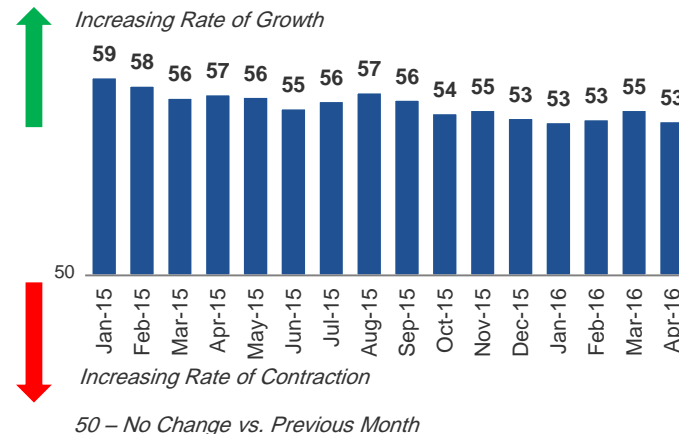
3 ...And a Growing Population... 2015E-2020E Population Growth (%)²



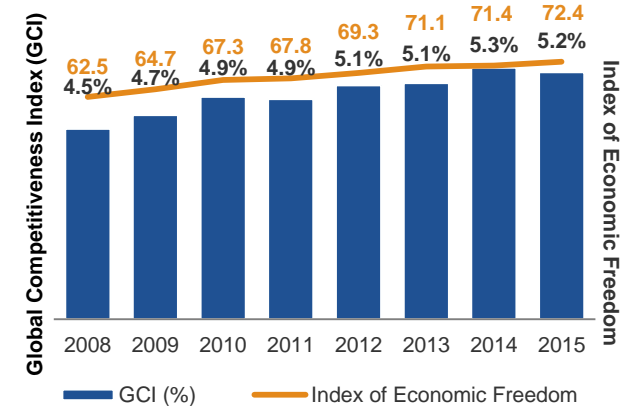
4 ...With Low Dependency on Oil... 2014 UAE Nominal GDP Composition (%)



5 ...And Sustained Growth in Non-Oil Economy... UAE Non-Oil Private Sector PMI



6 ...Resulting in Stable Business Environment UAE Competitiveness Index & Index of Economic Freedom



Source: The UAE National Bureau of Statistics, Euromonitor, Bloomberg, World Economic Forum, Emirates NBD, The Heritage Foundation, IMF

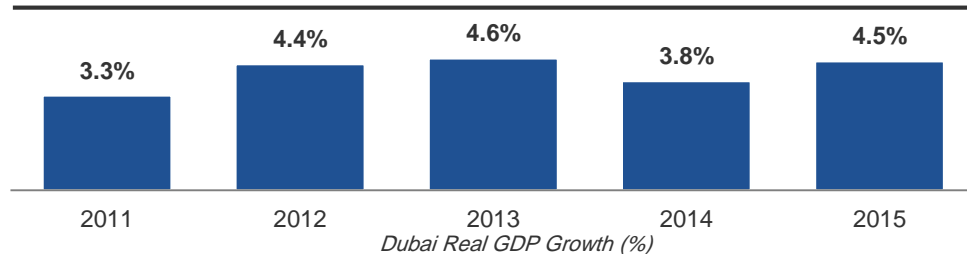
¹ At current prices.

² Annual growth over 2015-2020.

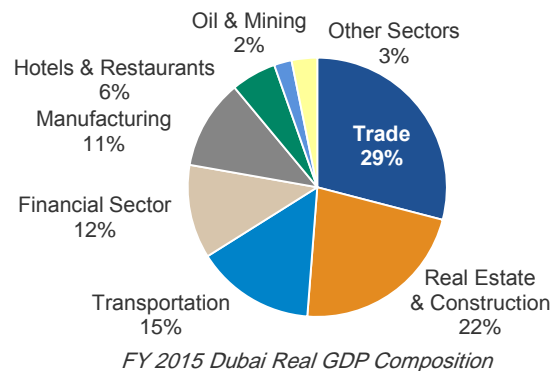
³ Includes quarrying, electricity, gas and water, restaurants and hotels, social and personal services.

Dubai Growth Driven by a Well-Diversified Economy

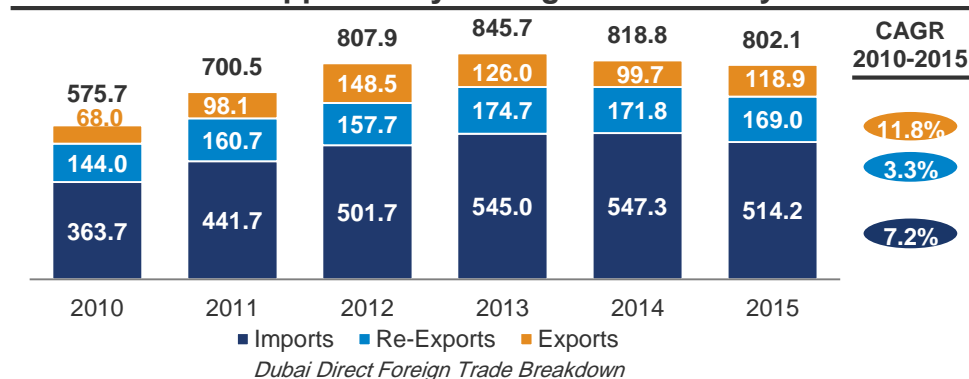
Strong Dubai GDP Growth...



...Driven by a Diversified Economy...



...Supported by Strong Trade Activity



Source: Dubai Statistics Centre

¹ Ranking based on Financial Times.

Commentary

- Well diversified economy based on international trade, banking and finance, tourism, information technology and infrastructure
- Strong growth in the non-hydrocarbon sector
- Regional wealth and liquidity backed by oil and fiscal reserves
- Fiscal discipline with an increase in investment spending
 - The Emirate of Dubai has increased its budget by 12% for 2016 to AED46.1bn and projects no fiscal deficit
- Dubai's service driven economy benefitting from increasing global trade, rising tourism and stabilizing real estate
- Dubai serves as the main hub in the Arab world, with the UAE ranking 17th in the Global Competitiveness Index
- Dubai Ranks 4th among top global destinations for travellers
- Dubai International airport kept its place as the world's busiest airport for international passengers for the second year after traffic exceeded 78 million passengers in 2015
- Dubai recorded c.AED29bn of foreign direct investment in 2015 (4th globally in terms of the number of new investment projects and 6th place in terms of attracting foreign money¹)
- AED25bn in total investment expected in infrastructure-related projects due to EXPO 2020
- HH Sheikh Mohammed established the Dubai Security Centre which seeks to ensure the proper implementation of international best practices in Dubai's financial markets
- Dubai is placed at the forefront of the global Islamic economy, where the total number of Sukuk listed amount to AED156bn



DFM Diversified Product Offering

Diversified product offering including trading of equity and debt instruments, and financial services to investors and market participants

Listing

- Equities
- REITs
- Sukuks / Bonds
- Right Issues
- ETFs
- “Second Market”
- Mutual Funds

Trading

- Membership (Access and use of DFM trading platform)
- Equity Instruments (Primary, Dual and Foreign entity listing)
- Debt Instruments (Sukuks and Bonds)
- Equity Derivatives (Traded through Nasdaq Dubai only)

Post Trading

- Settlement
- Custody
- Clearing

Market Data

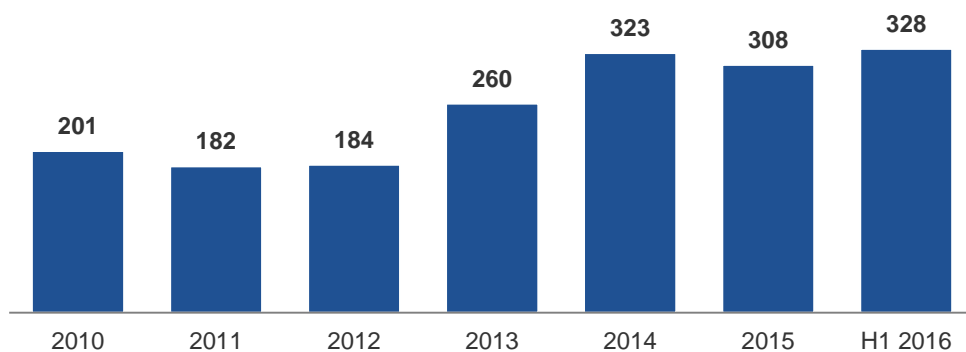
- Real-time data
- Delayed data
- Historical data
- Indices

Investor and Issuers Services

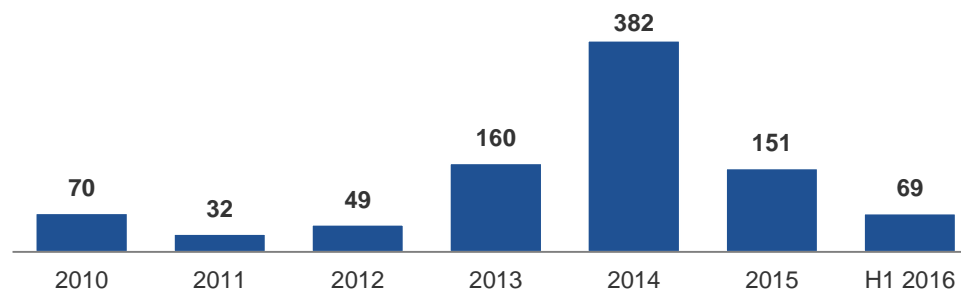
- Securities Lending and Borrowing
- iVESTOR
- Dividend Payment Services
- IPO / rights issue service through electronic subscription platform
- AGM / EGM Services
- Voting Services

Operational Highlights

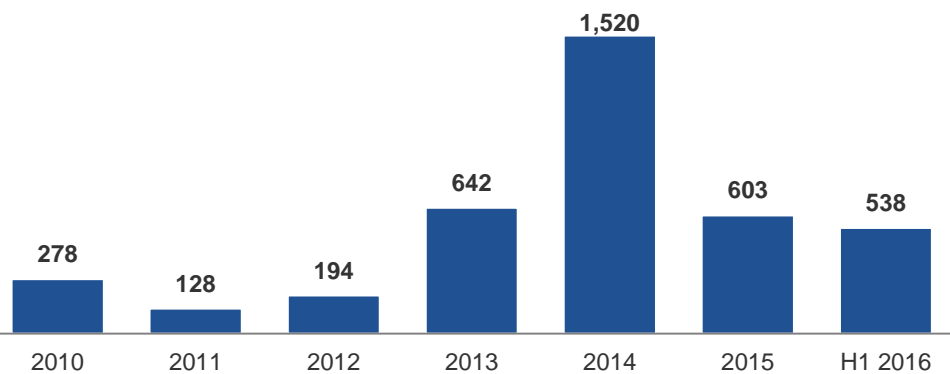
Market Capitalization (AEDbn)



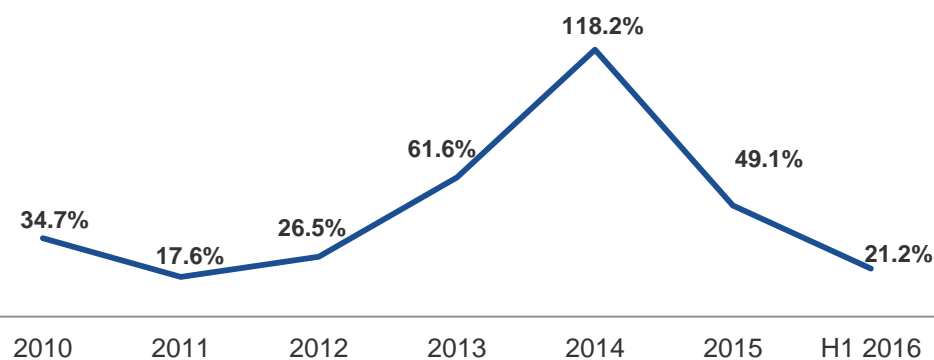
Total Traded Value (AEDbn)



ADTV (AEDm)



Market Velocity¹ (%)

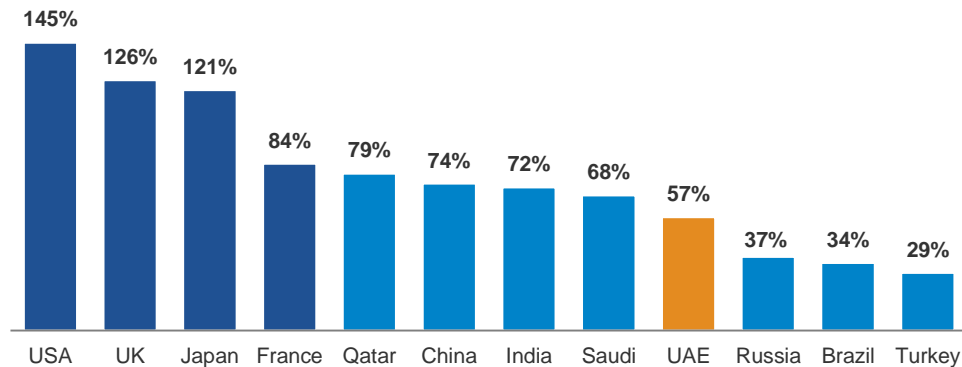


Note: Figures exclude Nasdaq Dubai

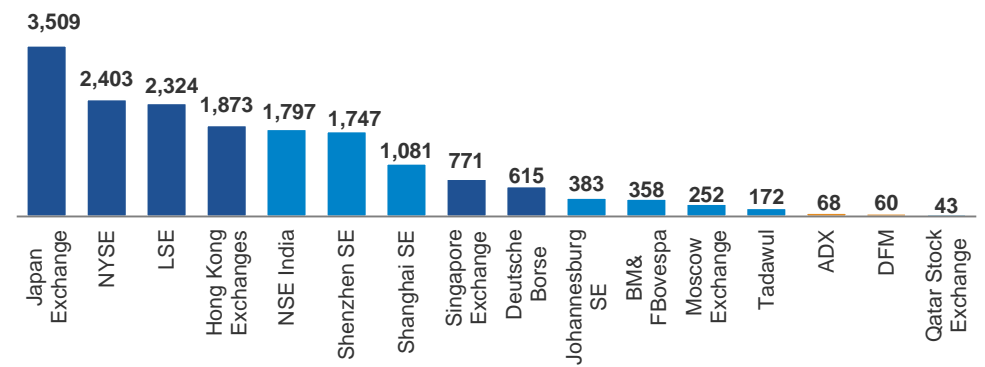
¹ Defined as annual traded value / market capitalization.

DFM Presents Significant Growth Opportunities

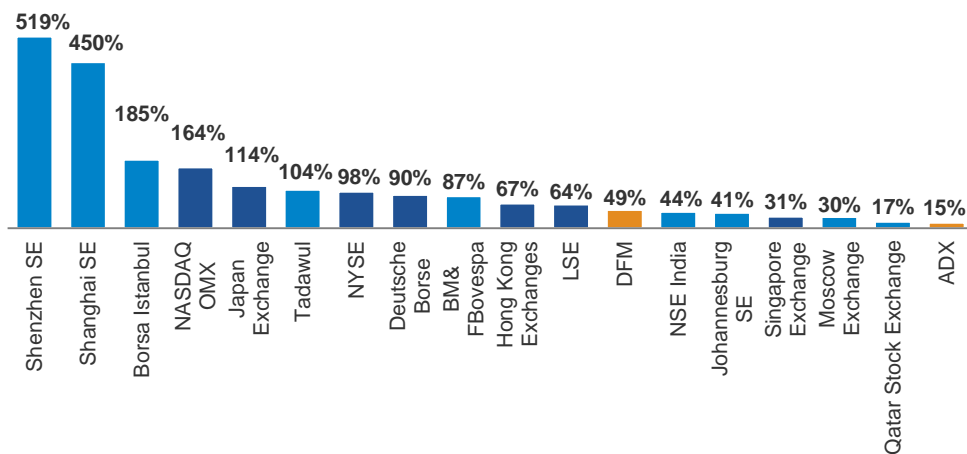
Equity Market Capitalisation to GDP¹



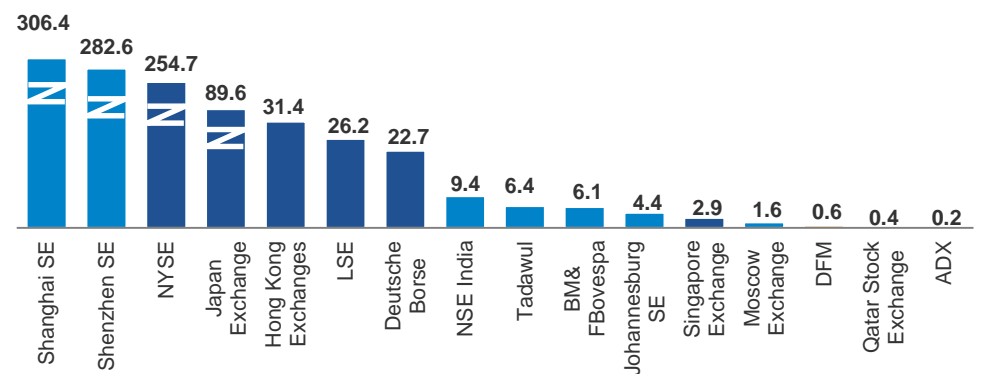
Number of Listed Companies



Equity Market Velocity²



ADTV (AEDbn)



■ Developed Markets

■ Developing Market

Source: Euromonitor, World Bank, World Federation of Exchanges

Note: Statistics as of Dec-2015; Number of listed companies as of 31-Jan-2016

¹ Based on market capitalization over nominal GDP.

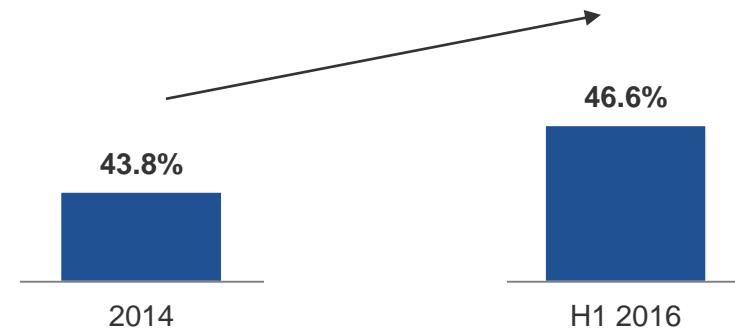
² Calculated as annualized trade value / end of period market capitalization.

Strong and Growing Foreign Investor Base

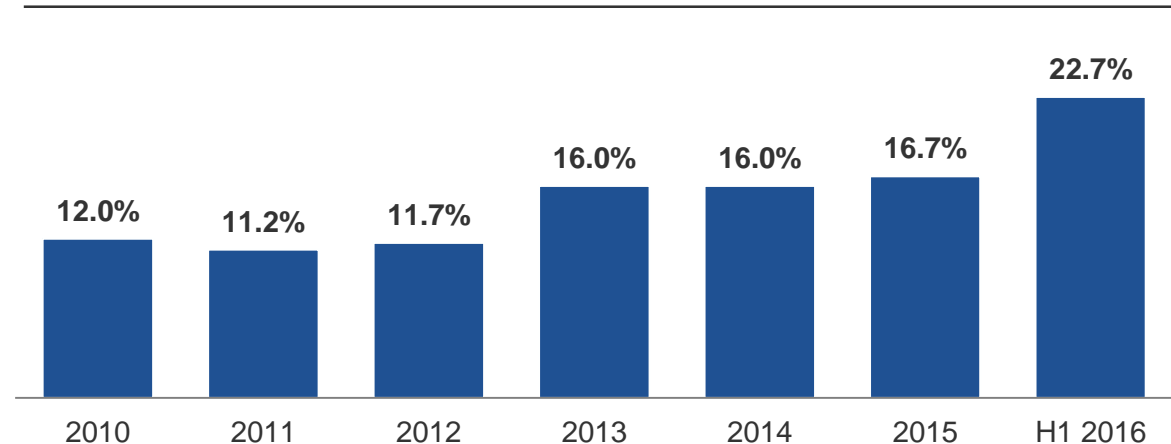
- DFM continues its efforts, in co-operation with issuers and investment banks, to attract foreign investors' interest in DFM listed companies
- UAE was classified as a global emerging market in 2014 by MSCI and S&P Dow Jones
- Net foreign investment flowing to the DFM market during 2014 was AED 4 billion (excluding Arab and GCC nationals)
- Foreign investors showed 900 million of net buyers in 2015 interest continued in 2016 as they were net buyers of AED 1,413 billion (excluding Arab and GCC nationals)
- Foreign investors *continue* to show confidence in the quality and diversity of investment opportunities that the DFM offers

Foreign Investors' Trading Share

AED 1413m
*Net buying by
foreign investors
(excluding Arab and
GCC nationals)*



Foreign Ownership (% of Market Cap)



Source: DFM Analytics

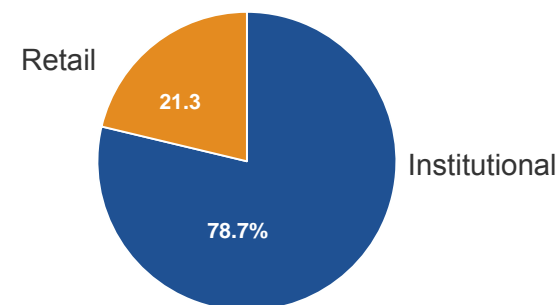
Note: Foreign investors defined as non-UAE investors. Figures excluding Nasdaq Dubai

Increasing Institutional Investor Base

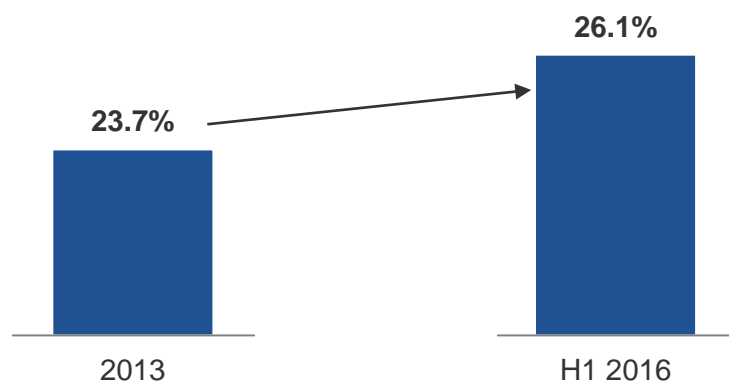
Commentary

- The DFM has attracted increasing institutions investor base, in light of the sound national economy and the continuous improvement of listed companies' performance
- Institutional investors own 78.7% of the stock listed on the DFM as of end of H1 2016 compared to 69.9% in 2013
- Active institutional investor participation in trading with stocks bought accounting for 26.9% of the total traded value in 2015 and 26.1% in H1 2016

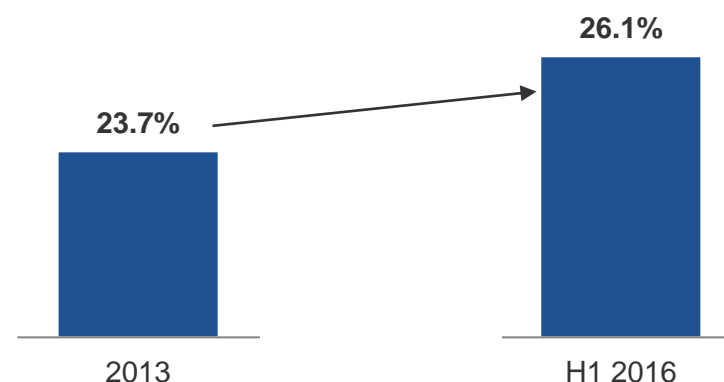
Share Ownership Split



Institutional Trading Share (%)



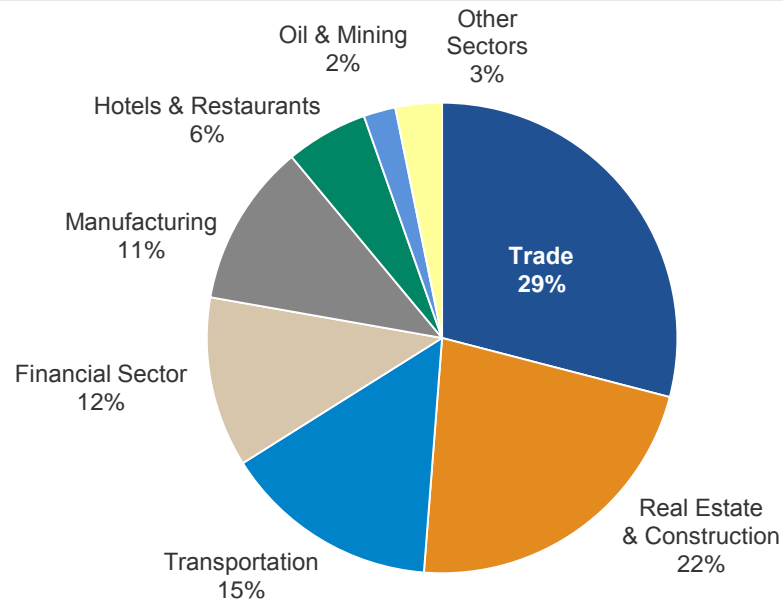
Institutional Ownership (% of Market Cap)



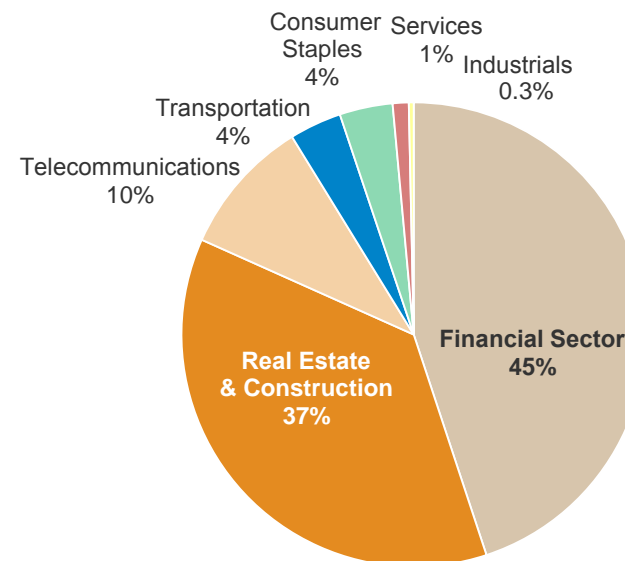
DFM is Not Yet Reflecting the Diversity in Dubai's Economy

- Trade, manufacturing, construction, transport and real estate are the biggest contributors of Dubai's economy
- Unlike the economy, the DFM market is concentrated, in financials, real estate and construction. These sectors collectively represent c. 34% of the economy but over 80% of the market capitalisation
- This represents significant opportunities for DFM as there is a strong pool of sectors and companies to be listed in the future

FY 2015 Dubai GDP Breakdown



DFM Sector Breakdown¹

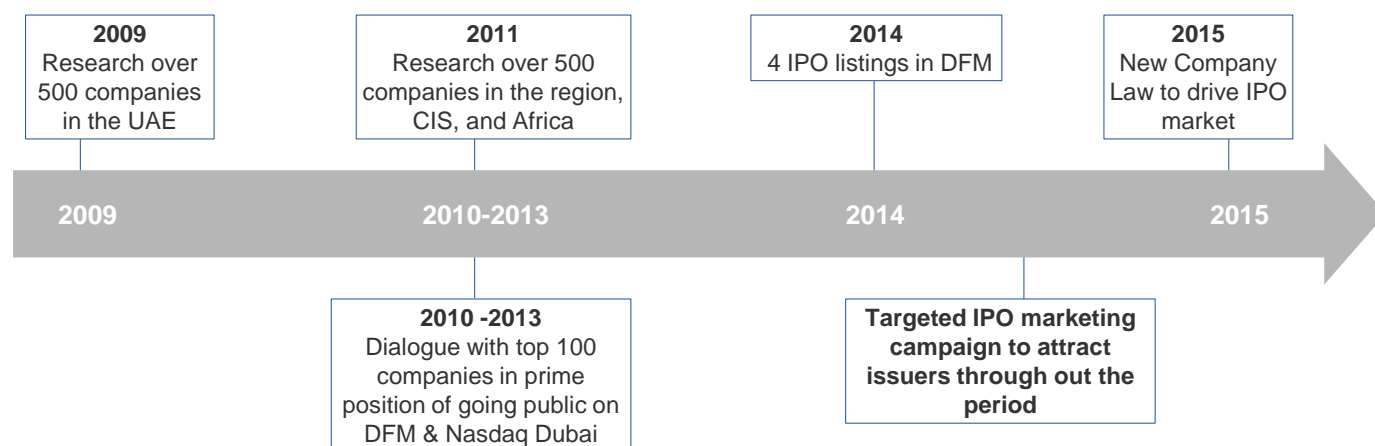


Source: Dubai Statistics Centre, DFM Analytics

¹ Based on value of owned stock.

Strategic Initiatives Focusing on IPOs

- DFM continues to maintain its attractiveness as the first choice as a listing venue for UAE based companies
- Active collaborations with private joint stock companies and family businesses to promote IPOs and attract new listings



Recent IPOs



The Following Initiatives Have Been Taken to Support Campaign

2009	<ul style="list-style-type: none"> Step by Step "DFM Guide to going public" launched 	2013	<ul style="list-style-type: none"> MOU with Dubai SMEs 2nd Access to Capital Seminar for SMEs Nasdaq Dubai IPO Guide Road show for IPO in India & Kuwait 2nd IPO Retreat on November 19th, 2013
2010	<ul style="list-style-type: none"> IPO Market Study Results from one on one with 40 potential IPO candidates 	2014	<ul style="list-style-type: none"> 4 IPOs
2011	<ul style="list-style-type: none"> IPO Retreat for private, semi-government and family owned businesses MOU with JAFZA 	2015	<ul style="list-style-type: none"> New Company law announced 3rd DFM IPO forum on November 9 (attended by 133 companies and 37 advisors) Re- Listing of Amlak Listing of Damac Properties pursuant to a GDR exchange offer – c. 99.4% of holders elected to exchange First secondary listing of Private Joint Stock Company (Al Safwa)
2012	<ul style="list-style-type: none"> Access to Capital Seminar for JAFZA Dubai Regional IPO Market Study for Nasdaq Dubai 		

Highlights of 2015 Strategic Achievements

A Solid Market Infrastructure In Line With International Best Practices

- Implementing the enhanced **“Pre Closing Session”** and introduced the new **“Trading At Last (TAL)”** session as per the Closing Price”
- Launch of **Rights Issue trading** - Takaful Emarat right issue was the first trading of such rights on the DFM
- **Accreditation of financial brokerage firms to practice margin trading** - increased to 31 firms, compared to 24 in 2014
- **Restructured DFM’s Customer Service Center** as per the Dubai Government Communication Center standards
- **Increased the Direct Market Access (DMA) services in DFM** to 12 firms (authorising an international broker to execute selling and buying orders directly at the DFM through the DMA software package)
- **Adopting Network Infrastructure SDN FX** linking to four key locations: main site, the disaster recovery site, the connection to ADX and the BT London Data Centers

Transforming DFM into a “SMART Borse”

- **IPO Payments through the ePay Portal** of the Dubai Smart Government
- Implementation of a **new smart services application** providing investors real-time tracking of stock portfolios, dividends and stock prices
- Launched **newly designed website**, providing various market participants a unified and effective platform to access and benefit from the various services and market data
- Launched an all-inclusive array of new state-of-the-art electronic services for investors – **e-services portal**
- **MoU with Dubai Smart Government to join “MyID”** – which will enables users to access electronic and smart services of 13 government departments through smart phones or online using a unified identity

Heightened Support to Companies and Enhancing Communication with International Investors

- **International investor roadshow in London and New York** - present the listed companies among international investors and providing opportunity to showcase their growth strategy
- **3rd IPO forum** under the theme “Empowering Growth within a Dynamic IPO Climate” to educate companies on the latest information in going public; highly successful with participation of 190 senior decision makers of 80 family businesses, private and public sector companies
- **“DFM Second Market”**: Listing of private joint stock companies - Al Safwa Islamic Financial Services became the first private joint stock company to list its shares
- **New equity listings on the DFM**: In 2015, the shares of DAMAC Properties were listed pursuant to an exchange offer to convert GDRs listed on LSE to shares on DFM

Actively Promoting the DFM

International Investor Roadshows in London & New York

London Roadshow – Apr-2015

New York Roadshow – Oct-2015

15
Companies Presented

91
One-on-One Meeting

60
Investors

\$3 Trillion
Combined Investors' AUM

12
Companies Presented

180
One-on-One Meeting

46
Investors

\$1 Trillion
Combined Investors' AUM

Companies Presented



Companies Presented



Selected Investors



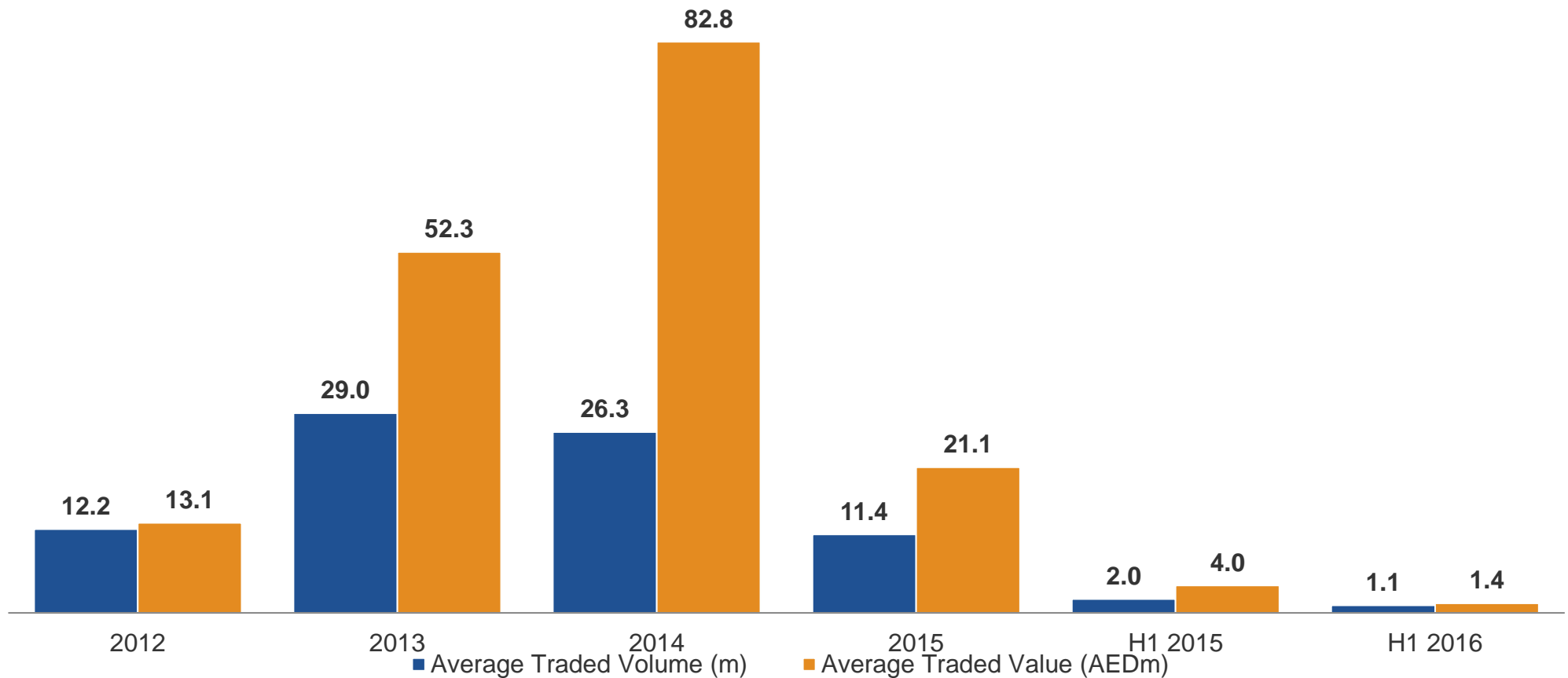
Selected Investors



Note: Participants in the roadshow also include Nasdaq Dubai-listed companies

DFM Stock Trading Activity

DFM is One of the Most Liquid Stocks on the Exchange

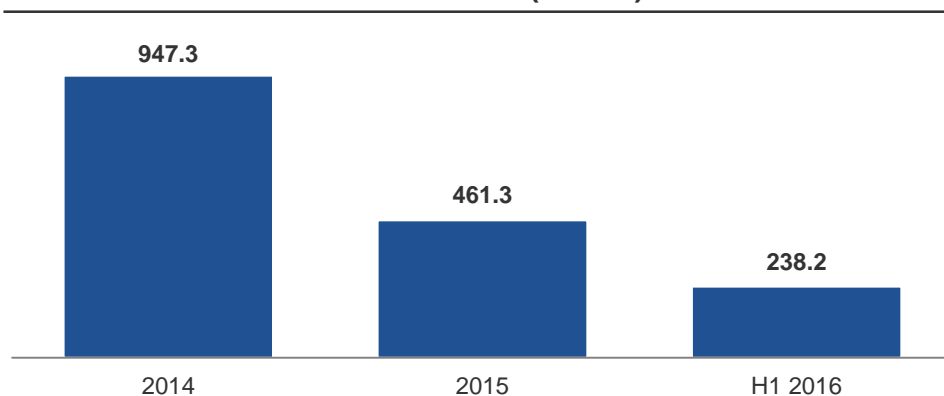


Source : DFM Analytics

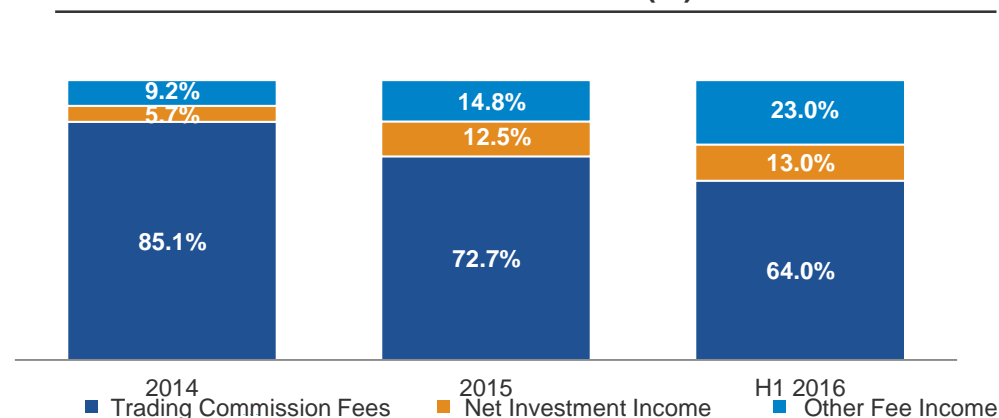
Financial Highlights

- The decrease in trading activity has had an impact on the revenue for H1 2016, DFM continues to provide advanced and innovative products/services as part of its strategy targeting the diversification of revenue streams and increase in non-trading commission income

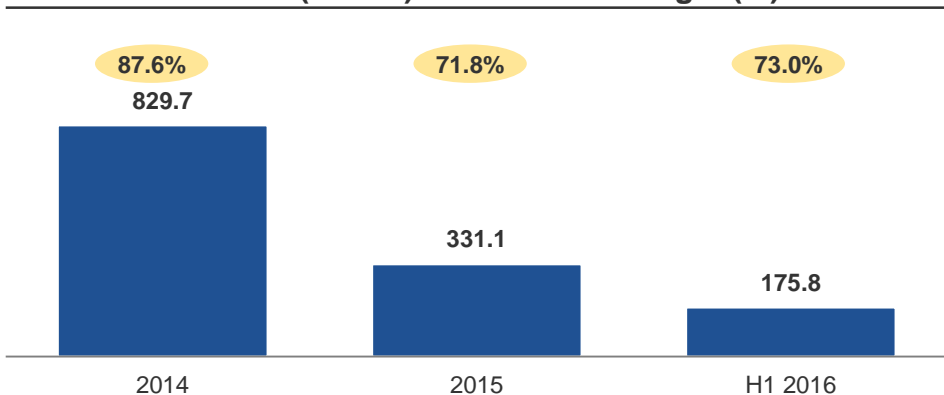
Total Revenue (AEDm)



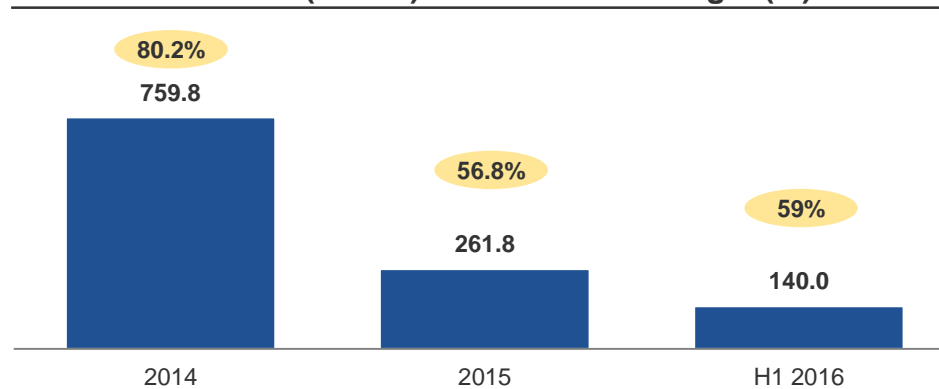
Total Revenue Mix (%)



EBITDA (AEDm) and EBITDA Margin (%)



Net Profit (AEDm) and Net Profit Margin (%)

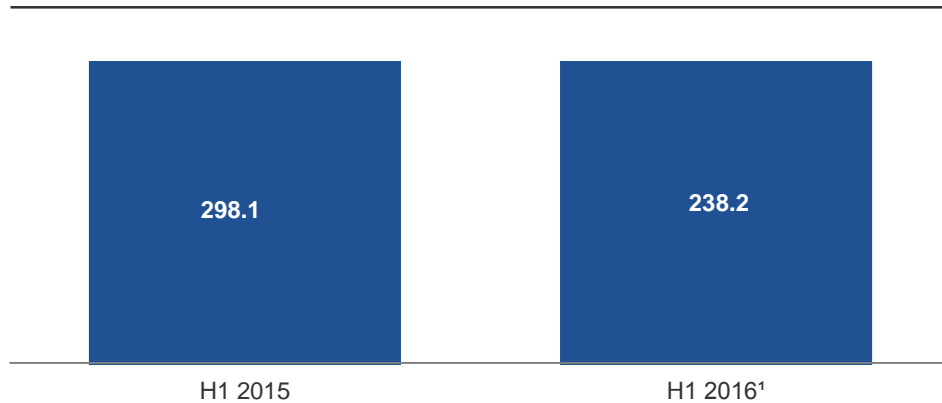


Note: Consolidated financial statements; EBITDA includes investment income and other income
 * The 231.3 AED million gifted land has been excluded from 1H revenue

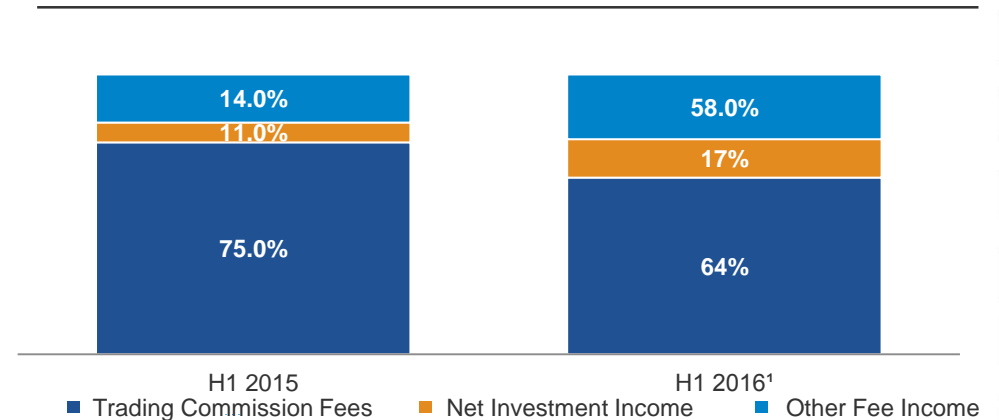
H1 2016 Financial Performance

- The slowdown in trading activity during the first half of 2016 has overshadowed the revenue and profit of the DFM Company
- The DFM General Index has been one of the best performing amongst leading indices globally advancing more than 5% during the first half of the year

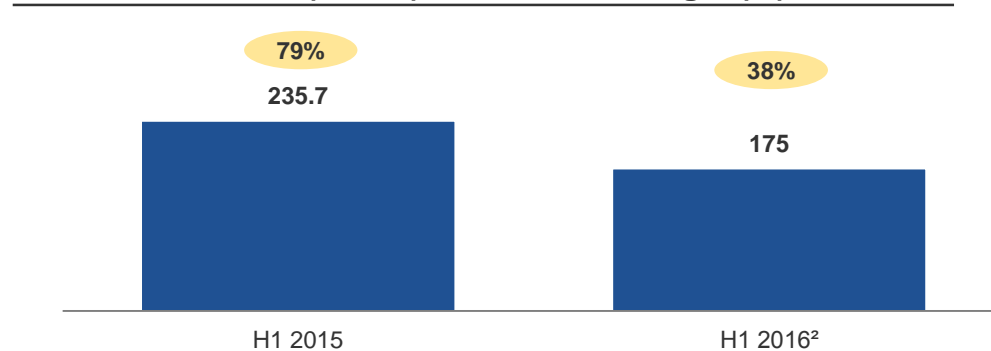
Total Revenue (AEDm)



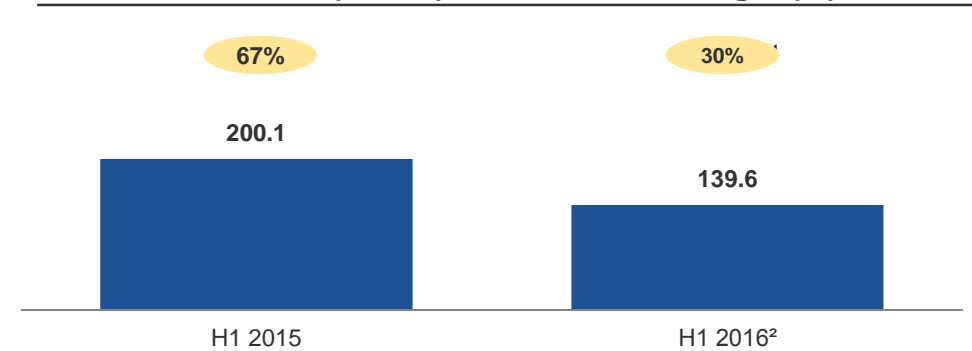
Total Revenue Mix (%)



EBITDA (AEDm) and EBITDA Margin (%)

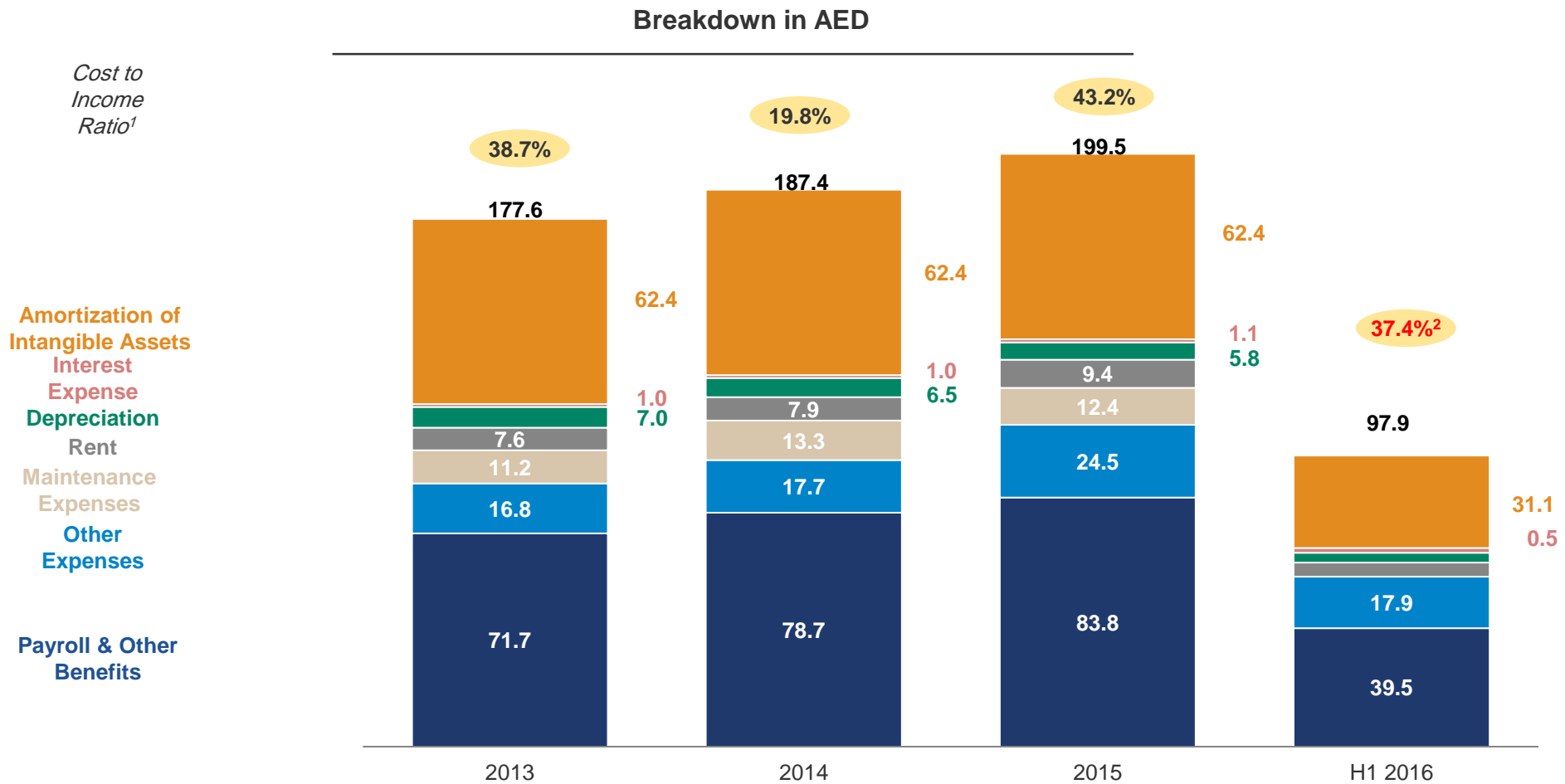


Net Profit (AEDm) and Net Profit Margin (%)



Note: The 231.3 AED million gifted land has been excluded from 1H revenue

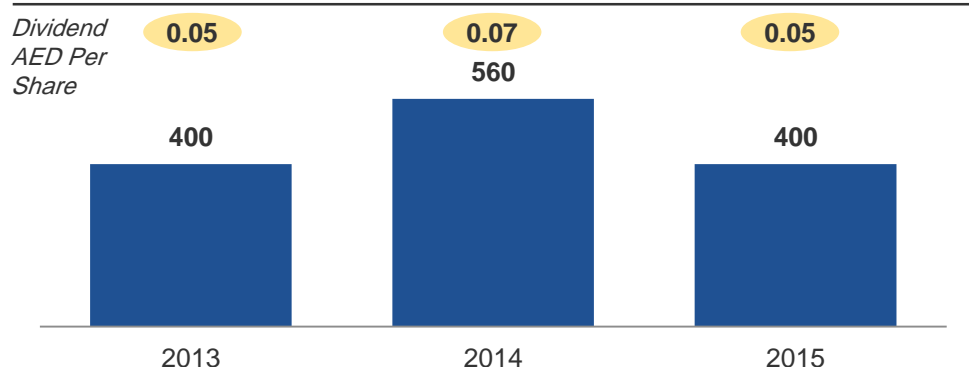
Stable Total Expense Base



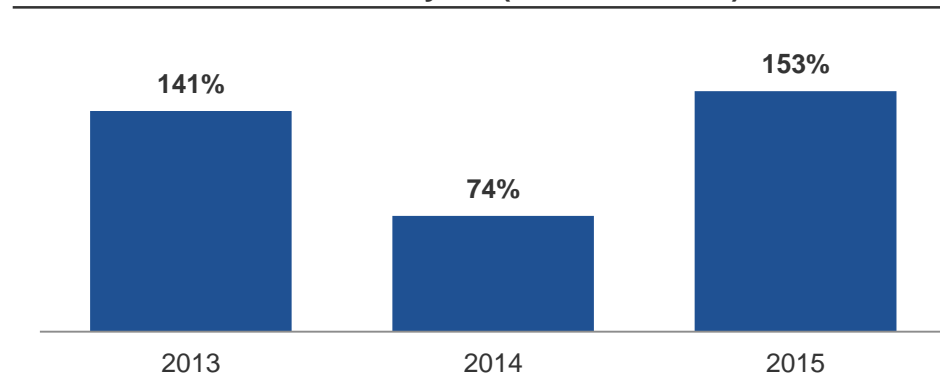
Healthy Balance Sheet Supporting Attractive Dividend Pay-out

- Cash generative business model
- Strong balance sheet with no leverage and significant financial investments

Dividends (AEDm)



Dividend Payout (% of Net Profit)¹



Selected Balance Sheet Items

(AEDm)	2013	2014	2015	30- Jun-16
Investment Deposits	2,219	2,780	2,303	1,924
Financial Assets Measured at Fair Value	588	718	702	789
Goodwill	2,879	2,879	2,879	2,879
Other Intangible Assets	2,447	2,384	2,322	2,290
Property and Equipment	12	15	21	261
Total Assets	8,292	9,002	8,535	8,683
Total Equity	7,952	8,431	8,046	7,758

Note: Consolidated financial statements

¹ Calculated as dividend (paid following year) divided by the net profit of the year.

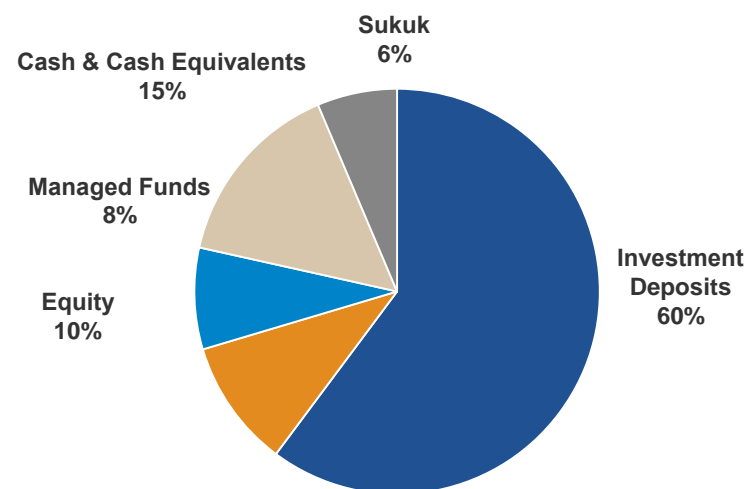
Strong Balance Sheet with Significant Financial Assets

Financial Assets	
(AEDm)	30-Jun-2016
Cash and Cash Equivalents	484
Investment Deposits	1,925
Less than 3 Months	660
Up to 1 Year but More than 3 Months	967
More than 1 Year ¹	298
Other Financial Assets Measured at Fair Value – (FVTOCI)	789
Investment in Equity Securities	326
Managed Funds	259
Investment in Sukuk	204
Total	3,198

Note: Consolidated financial statements

¹ Post provision against investment deposits (AED226m).

Financial Assets Breakdown

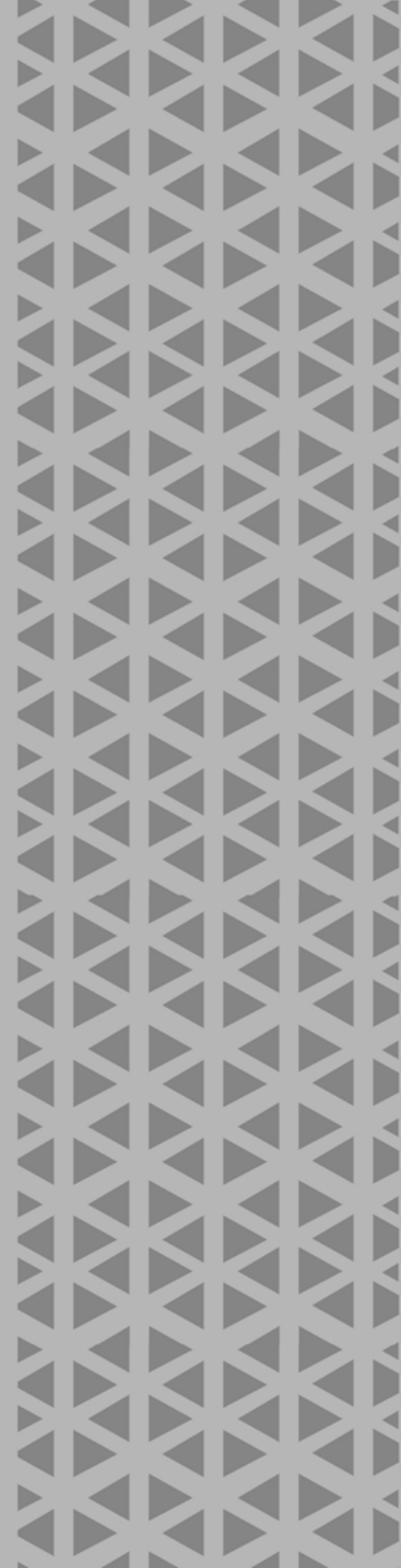


Commentary

- **Investment Deposits:**
 - Investment deposits are placed with financial institutions in the UAE
 - They carry profit rates ranging from 1% to 5.5% per annum
- **Other Financial Assets:**
 - All recognized financial assets are measured at either amortized cost or fair value
 - 94% of the other financial assets are invested within the UAE



APPENDIX

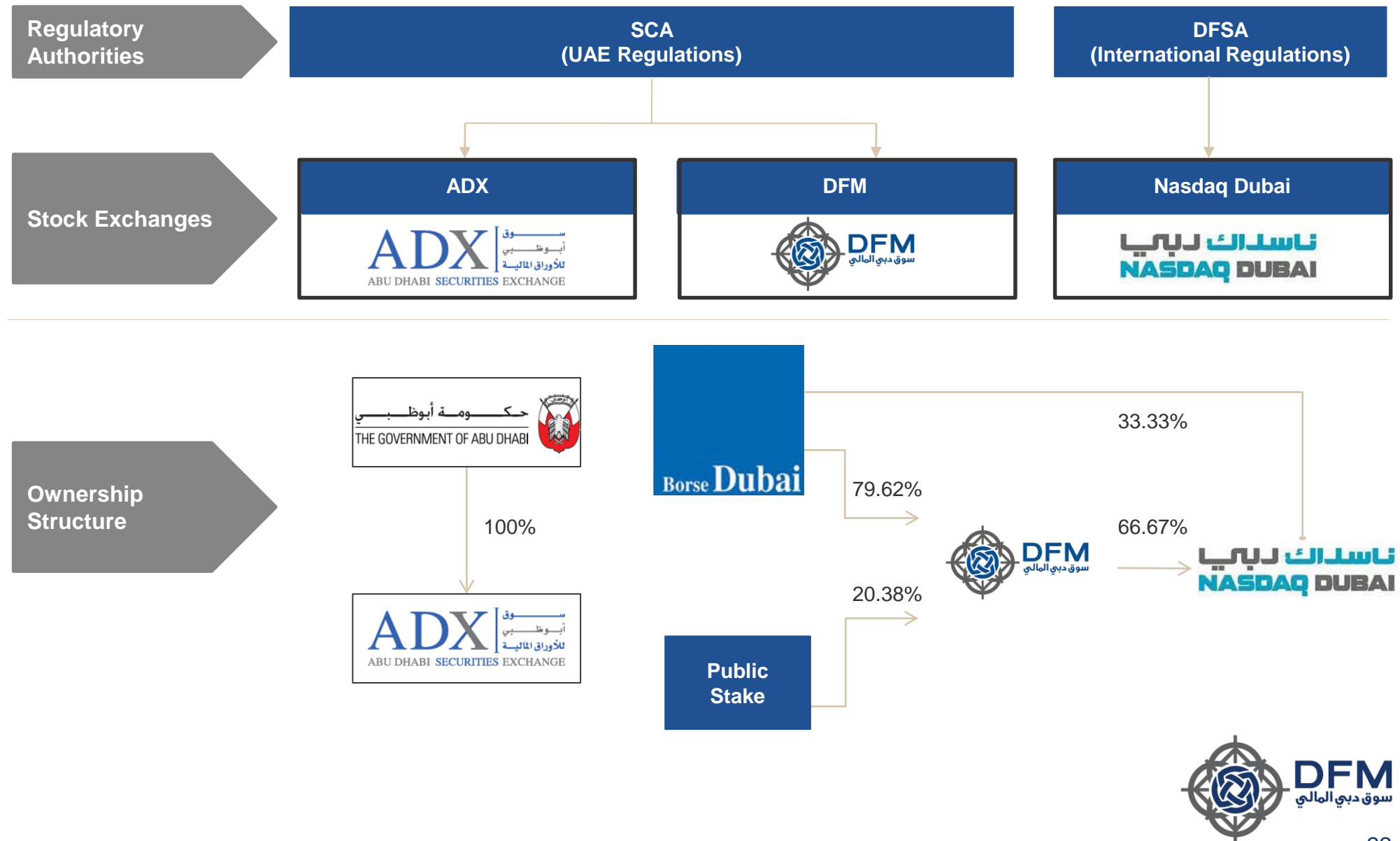


DFM Consolidated P&L

(AEDm)	2013	2014	2015	H1 2015	H1 2016
Trading Commission Fees	341.6	806.0	335.2	226.1	153.7
Brokerage Fees	13.2	15.0	19.4	9.3	10.3
Clearing, Settlement and Depositary Fees	41.0	55.9	34.8	21.2	17.4
Listing and Market Data Fees	7.1	8.8	9.3	4.8	4.5
Other Fees	2.1	3.3	4.5	3	3.1
Operating Income	405.0	889.0	403.2	264.7	189.3
Investment Income	53.4	54.4	57.7	32.9	42.5
Other Income	0.4	3.8	0.4	477	-
Change in Fair Value Gain on Gifted Land	-	-	-	0	231.3
Total Income	458.8	947.3	461.3	298.1	463.1
General and Administrative Expenses	(114.2)	(124.1)	(136.1)	(65.5)	(65.5)
<i>Payroll and Other Benefits</i>	<i>(71.7)</i>	<i>(78.7)</i>	<i>(83.8)</i>	<i>(40)</i>	<i>(39.5)</i>
<i>Other General & Administrative Expenses</i>	<i>(28.0)</i>	<i>(30.9)</i>	<i>(37.0)</i>	<i>(17.7)</i>	<i>(17.9)</i>
<i>Rent</i>	<i>(7.6)</i>	<i>(7.9)</i>	<i>(9.4)</i>	<i>(4.7)</i>	<i>(4.7)</i>
<i>Depreciation</i>	<i>(7.0)</i>	<i>(6.5)</i>	<i>(5.8)</i>	<i>(3)</i>	<i>(3.3)</i>
Amortization of Intangible Assets	(62.4)	(62.4)	(62.4)	(31.1)	(31.2)
Interest Expense	(1.0)	(1.0)	(1.1)	(0.52)	(0.55)
Total Expenses	(177.6)	(187.4)	(199.5)	(97.1)	(97.2)
Provision for Impairment Against Investment Deposit	-	-	-	-	(226.0)
Net Profit for the Year	281.2	759.8	261.8	200	139.9
Attributable to:					
Owners of the Company	284.6	759.3	261.0	200.1	139.6
Non-controlling Interest	(3.5)	0.5	0.8	0.8	0.3
EPS (AED)	0.035	0.095	0.033	0.025	0.017

Note: Consolidated financial statements

Relationship with Nasdaq Dubai & Regulatory Authority



New Company Law Supporting IPO Market

Requirements	Old	New
Offer Size	<ul style="list-style-type: none"> Not be less than AED 10 million 	<ul style="list-style-type: none"> Not be less than AED 30 million
Founders	<ul style="list-style-type: none"> Minimum 10 founding shareholders 	<ul style="list-style-type: none"> Minimum 5 founding shareholders
Founders Hold	<ul style="list-style-type: none"> Founders hold not less than 20% and not more than 45% of the total authorized Share Capital 	<ul style="list-style-type: none"> Founders hold not less than 30% and not more than 70% of the total authorized Share Capital
Refund Days	<ul style="list-style-type: none"> Two weeks 	<ul style="list-style-type: none"> 5 Days
Sell Down	<ul style="list-style-type: none"> Not allowed 	<ul style="list-style-type: none"> Max. 30% from the capital
Subscriptions Period	<ul style="list-style-type: none"> 90 Days 	<ul style="list-style-type: none"> 30 Days
Pricing	<ul style="list-style-type: none"> Fixed price only - Book building allowed by regulatory approval 	<ul style="list-style-type: none"> Book Building is now available for the companies as an another option with fixed price
Underwriting	<ul style="list-style-type: none"> No underwriting or sponsor required 	<ul style="list-style-type: none"> Underwriting could be applied and will be regulated by a ministerial decree
Employee Stock Option	<ul style="list-style-type: none"> Not recognized 	<ul style="list-style-type: none"> Allowed
Foreign Ownership	<ul style="list-style-type: none"> 49% maximum foreign ownership 	<ul style="list-style-type: none"> 49% maximum foreign ownership but some exception can be granted upon ministerial decision

- Only changes associated to IPO related matters are listed above
- The above excludes Government owned entities as they may have special exemptions
- The law is applicable on free zone (off shore) companies but only those that are allowed by regulations to operate onshore

Investor Relations Contacts

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