

**Dubai Financial Market P.J.S.C (DFM)**

**Review report and condensed consolidated  
interim financial information for the nine month  
period ended 30 September 2013**

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## **Review report on condensed consolidated interim financial information**

To the Board of Directors of  
Dubai Financial Market P.J.S.C. (DFM)  
Dubai, U.A.E.

### ***Introduction***

We have reviewed the accompanying condensed consolidated interim statement of financial position of Dubai Financial Market (DFM) P.J.S.C. (the 'Company') and its subsidiaries (together referred to as "the Group") as of 30 September 2013 and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the nine month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting ("IAS 34)". Our responsibility is to express a conclusion on this condensed consolidated interim 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 on 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 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34.

PricewaterhouseCoopers  
4 November 2013

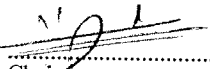
Amin H Nasser  
Registered Auditor Number 307  
Dubai, United Arab Emirates

PricewaterhouseCoopers, Emaar Square, Building 4, Level 8, PO Box 11987, Dubai, United Arab Emirates  
T: +971 (0)4 304 3100, F: +971 (0)4 330 4100, www.pwc.com/middle-east

W Hunt, AH Nasser, P Suddaby and JE Fakhoury are registered as practising auditors with the UAE Ministry of Economy

**Condensed consolidated interim statement of financial position  
as at 30 September 2013**

	Note	As at	
		30 September 2013 AED'000 (Un-audited)	31 December 2012 AED'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	6	2,878,874	2,878,874
Other intangible assets	6	2,462,248	2,509,021
Property and equipment		10,090	14,664
Due from financial institution	9	255,954	257,260
Other financial assets measured at fair value through other comprehensive income (FVTOCI)	7	495,924	377,494
Investment deposits	8	460,000	810,000
<b>Total non-current assets</b>		<b>6,563,090</b>	<b>6,847,313</b>
<b>Current assets</b>			
Prepaid expenses and other receivables	10	96,265	20,888
Investment deposits	8	1,162,429	778,126
Cash and bank balances	11	403,086	65,295
<b>Total current assets</b>		<b>1,661,780</b>	<b>864,309</b>
<b>Total assets</b>		<b>8,224,870</b>	<b>7,711,622</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12	8,000,000	8,000,000
Treasury shares		(4,364)	(4,364)
Investments revaluation reserve - FVTOCI	13	7,995,636	7,995,636
Statutory reserve	13	(884,205)	(1,002,816)
Retained earnings		250,535	250,535
		372,779	214,516
<b>Equity attributable to owners of the company</b>		<b>7,734,745</b>	<b>7,457,871</b>
Non controlling interest		17,165	20,288
<b>Total equity</b>		<b>7,751,910</b>	<b>7,478,159</b>
<b>Non-current liabilities</b>			
Subordinated loan	9	22,018	21,297
Provision for employees' end of service indemnity		9,375	8,294
<b>Total non-current liabilities</b>		<b>31,393</b>	<b>29,591</b>
<b>Current liabilities</b>			
Payables and accrued expenses	14	371,671	134,164
Dividends payable		19,239	19,377
Due to related parties	9	50,657	50,331
<b>Total current liabilities</b>		<b>441,567</b>	<b>203,872</b>
<b>Total liabilities</b>		<b>472,960</b>	<b>233,463</b>
<b>Total equity and liabilities</b>		<b>8,224,870</b>	<b>7,711,622</b>

  
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Chairman

The accompanying notes on pages 7 to 18 form an integral part of this condensed consolidated interim financial information.

**Condensed consolidated interim statement of income (Un-audited)  
for the nine month period ended 30 September 2013**

	Note	<u>3 month period ended</u>		<u>9 month period ended</u>	
		<u>30 September</u>		<u>30 September</u>	
		<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>
<b>Revenues</b>					
Trading commission fees		<b>103,845</b>	14,607	<b>231,135</b>	90,965
Brokerage fees		<b>3,113</b>	3,508	<b>9,353</b>	10,986
Ownership transfer and mortgage fees		<b>3,566</b>	6,451	<b>17,448</b>	11,172
Other fees		<b>3,195</b>	2,311	<b>10,968</b>	10,067
<b>Operating income</b>		<b>113,719</b>	26,877	<b>268,904</b>	123,190
Investment income		<b>9,635</b>	10,357	<b>35,171</b>	35,199
Other income		-	893	<b>307</b>	2,073
<b>Total income</b>		<b>123,354</b>	38,127	<b>304,382</b>	160,462
<b>Expenses</b>					
General and administrative expenses		<b>(25,910)</b>	(24,884)	<b>(80,746)</b>	(76,010)
Amortisation of intangible assets	6	<b>(15,591)</b>	(15,591)	<b>(46,773)</b>	(46,773)
Interest expense		<b>(245)</b>	(236)	<b>(721)</b>	(693)
<b>Total expenses</b>		<b>(41,746)</b>	(40,711)	<b>(128,240)</b>	(123,476)
<b>Net profit for the period</b>		<b>81,608</b>	(2,584)	<b>176,142</b>	36,986
<b>Attributable to:</b>					
Owners of the Company		<b>82,756</b>	(1,712)	<b>179,265</b>	38,908
Non-controlling interest		<b>(1,148)</b>	(872)	<b>(3,123)</b>	(1,922)
		<b>81,608</b>	(2,584)	<b>176,142</b>	36,986
<b>Earnings per share - AED</b>	15	<b>0.010</b>	(0.0002)	<b>0.022</b>	0.005

The accompanying notes on pages 7 to 18 form an integral part of this condensed consolidated interim financial information.

**Condensed consolidated interim statement of comprehensive income (Un-audited)  
for the nine month period ended 30 September 2013**

	<b>3 month period ended</b>		<b>9 month period ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>
<b>Net profit for the period</b>	<b>81,608</b>	<b>(2,584)</b>	<b>176,142</b>	<b>36,986</b>
Fair value changes on financial assets measured at fair value through other comprehensive income (FVTOCI)	<b>46,055</b>	<b>17,939</b>	<b>118,611</b>	<b>24,806</b>
<b>Total comprehensive income for the period</b>	<b>127,663</b>	<b>15,355</b>	<b>294,753</b>	<b>61,792</b>
<b>Attributable to:</b>				
Owners of the Company	<b>128,811</b>	<b>16,227</b>	<b>297,876</b>	<b>63,714</b>
Non-controlling interest	<b>(1,148)</b>	<b>(872)</b>	<b>(3,123)</b>	<b>(1,922)</b>
<b>Total comprehensive income for the period</b>	<b>127,663</b>	<b>15,355</b>	<b>294,753</b>	<b>61,792</b>

The accompanying notes on pages 7 to 18 form an integral part of this condensed consolidated interim financial information.

## Dubai Financial Market P.J.S.C. (DFM)

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### Condensed consolidated interim statement of changes in equity (Un-audited) for the nine month period ended 30 September 2013

	Share capital AED'000	Treasury shares AED'000	Investments revaluation reserve FVTOCI 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>As at 1 January 2012</b>	8,000,000	(4,364)	(981,821)	247,016	218,190	7,479,021	23,511	7,502,532
Net profit for the period	-	-	-	-	38,908	38,908	(1,922)	36,986
Other comprehensive income for the period	-	-	24,806	-	-	24,806	-	24,806
Total comprehensive income for the period	-	-	24,806	-	38,908	63,714	(1,922)	61,792
Transfer on disposal and write off investment	-	-	25,852	-	(25,852)	-	-	-
Transfer of non sharia compliant income (Note 18)	-	-	-	-	(9,487)	(9,487)	-	(9,487)
<b>As at 30 September 2012</b>	<u>8,000,000</u>	<u>(4,364)</u>	<u>(931,163)</u>	<u>247,016</u>	<u>221,759</u>	<u>7,533,248</u>	<u>21,589</u>	<u>7,554,837</u>
<b>As at 1 January 2013</b>	8,000,000	(4,364)	(1,002,816)	250,535	214,516	7,457,871	20,288	7,478,159
Net profit for the period	-	-	-	-	179,265	179,265	(3,123)	176,142
Other comprehensive income for the period	-	-	118,611	-	-	118,611	-	118,611
Total comprehensive income for the period	-	-	118,611	-	179,265	297,876	(3,123)	294,753
Transfer of non sharia compliant income (Note 18)	-	-	-	-	(21,002)	(21,002)	-	(21,002)
<b>As at 30 September 2013</b>	<u>8,000,000</u>	<u>(4,364)</u>	<u>(884,205)</u>	<u>250,535</u>	<u>372,779</u>	<u>7,734,745</u>	<u>17,165</u>	<u>7,751,910</u>

The accompanying notes on pages 7 to 18 form an integral part of this condensed consolidated interim financial information.

**Condensed consolidated interim statement of cash flows (Un-audited)  
for the nine month period ended 30 September 2013**

		<b>9 month period ended 30 September</b>	
		<b>2013</b>	<b>2012</b>
Note		<b>AED'000</b>	<b>AED'000</b>
	<b>Cash flows from operating activities</b>		
	Net profit for the period	176,142	36,986
	<b>Adjustments for:</b>		
	Depreciation of property and equipment	5,708	8,038
	Provision for employees' end of service indemnity	1,499	1,478
	Amortisation of intangible assets	46,773	46,773
	Interest expense	721	693
	Income on investment deposits	(30,500)	(31,187)
	Dividend income	(4,671)	(4,012)
	<b>Operating cash flow before changes in operating assets and liabilities</b>	<b>195,672</b>	<b>58,769</b>
	Increase in prepaid expenses and other receivables	(77,150)	(3,959)
	Increase in due to a related party	326	1,936
9	Increase in payables and accrued expenses	216,505	45,382
	<b>Cash generated from operations</b>	<b>335,353</b>	<b>102,128</b>
	Employees' end of service indemnity paid	(418)	(278)
	<b>Net cash generated from operating activities</b>	<b>334,935</b>	<b>101,850</b>
	<b>Cash flows from investing activities</b>		
	Purchase of property and equipment	(1,134)	(2,262)
	Proceeds from sale and redemption of investments	181	27,042
	Net investment deposits	(29,997)	(359,167)
8	Investment deposit income received	32,273	25,088
	Dividend received	4,671	4,012
	<b>Net cash generated from / (used in) investing activities</b>	<b>5,994</b>	<b>(305,287)</b>
	<b>Cash flows from financing activities</b>		
	Dividends paid to shareholders	(138)	(682)
	<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>340,791</b>	<b>(204,119)</b>
	Cash and cash equivalents at the beginning of the period	232,345	434,396
	<b>Cash and cash equivalents at the end of the period</b>	<b>573,136</b>	<b>230,277</b>
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The accompanying notes on pages 7 to 18 form an integral part of this condensed consolidated interim financial information.



# Dubai Financial Market P.J.S.C. (DFM)

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## Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2013

### 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 a commercial, industrial and agricultural holding and trust company, financial investment consultancy, and brokerage in local and foreign shares and bonds. 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 funds in accordance with these provisions.

The Company's shares are listed on the Dubai Financial Market ("DFM").

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 which owns 79.63 % of DFM through Borse Dubai Limited (the "parent"), a Government of Dubai entity.

The condensed consolidated interim financial information incorporate the financial information of Dubai Financial Market (DFM) - (PJSC) 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 Limited*	Electronic Financial Market	U.A.E.	67%

NASDAQ Dubai Limited 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%

\* The remaining 33 % is held by Borse Dubai Limited (Note 16).

**Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2013 (continued)**

**2 Summary of significant accounting policies**

**2.1 Basis of preparation**

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

This condensed consolidated financial information does 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 2012. In addition, results for the nine month ended 30 September 2013 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2013.

The same accounting policies, presentation and methods of computation have been followed in the condensed consolidated financial information as were applied in the preparation of the Group's financial statements for the year ended 31 December 2012.

The condensed consolidated financial information is prepared and presented in United Arab Emirates Dirham (AED) which is the Group's functional and presentation currency and are rounded off to the nearest thousands ("000") unless otherwise indicated.

**2.2 New and revised IFRSs effective for accounting periods beginning 1 January 2013**

The following applicable new standards and amendments to an existing standard have been published and are effective for the Group's accounting periods beginning on 1 January 2013.

- IAS 27, (revised 2011) 'Separate financial statements'. This standard includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10. This standard shall be applied in accounting for investments in subsidiaries, joint ventures and associates when an entity prepares or elects to prepare separate financial statements.
- IFRS 10, Consolidated Financial Statements - Replaces the part of IAS 27 Consolidated and Separate Financial Statements related to consolidated financial statements and replaces SIC 12 Consolidation — Special Purpose Entities. Under IFRS 10 there is only one basis of consolidation that is control, for which a new definition has been included.
- IFRS 11, 'Joint arrangements' IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

**Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2013 (continued)**

**2 Summary of significant accounting policies (continued)**

**2.2 New and revised IFRSs effective for accounting periods beginning 1 January 2013  
(continued)**

- IFRS 12, Disclosure of Interests in Other Entities - Replaces the requirements previously included in IAS 27 – Consolidated and Separate Financial Statements, IAS 31 – Interests in Joint Ventures and IAS 28 - Investments in Associates. In general, the disclosure requirements are more extensive than the current standards.
- IFRS 13, 'Fair value measurement'. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS or US GAAP.

Management has assessed the impact of the above new standards and amendments to an existing standard and has concluded that there is no significant impact expected from the same on the Group's condensed consolidated interim financial information, but is expected to result in additional disclosures in the interim and annual consolidated financial statements for the year ended 31 December 2013.

**2.3 New amendments to published standards issued but not effective for the financial year beginning 1 January 2013 and not early adopted by the Group**

The Group has not early adopted the following amendments to published standards that have been issued but are not yet effective:

**New amendments to Standard:**

**Effective for  
annual periods  
beginning on or  
after**

Amendments to IAS 32 Financial Instruments requires presentation to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of 'currently has a legally enforceable right of set-off'
- the application of simultaneous realisation and settlement
- the offsetting of collateral amounts
- the unit of account for applying the offsetting requirements

1 January 2014

Amendment to IAS 36 Impairment of Assets to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

1 January 2014

Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements relate only to investment entities, therefore will not apply to the Group.

1 January 2014

**Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2013 (continued)**

**3 Basis of consolidation**

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

Where necessary, adjustments are made to the condensed consolidated interim financial information of the subsidiaries to bring the accounting policies in line with those used by the Company.

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

**4 Estimates**

The preparation of condensed consolidated interim 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 condensed consolidated interim 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 31 December 2012.

**5 Financial risk management**

The Group’s financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2012.

Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2013 (continued)

## 6 Intangible assets

	Goodwill AED'000	License to operate as a stock exchange AED'000	Relationships with market participants (Brokers) AED'000	Historical trading database AED'000	Total AED'000
<b>Cost</b>					
At 1 January 2012 and 2013	2,878,874	2,824,455	58,744	67,455	5,829,528
At 30 September 2012 and 2013	2,878,874	2,824,455	58,744	67,455	5,829,528
<b>Amortisation</b>					
At 1 January 2013	-	338,934	35,244	67,455	441,633
Charge for the period	-	42,367	4,406	-	46,773
At 30 September 2013	-	381,301	39,650	67,455	488,406
At 1 January 2012	-	282,445	29,370	67,455	379,270
Charge for the period	-	42,367	4,406	-	46,773
At 30 September 2012	-	324,812	33,776	67,455	426,043
<b>Carrying amount</b>					
As at 30 September 2013	<u>2,878,874</u>	<u>2,443,154</u>	<u>19,094</u>	<u>-</u>	<u>5,341,122</u>
As at 30 September 2012	<u>2,878,874</u>	<u>2,499,643</u>	<u>24,968</u>	<u>-</u>	<u>5,403,485</u>
As at 31 December 2012	<u>2,878,874</u>	<u>2,485,521</u>	<u>23,500</u>	<u>-</u>	<u>5,387,895</u>

7 Other financial assets measured at fair value through other comprehensive  
income (FVTOCI)

	30 September 2013 AED'000 (Un-audited)	31 December 2012 AED'000 (Audited)
Investment in equity securities	225,836	139,441
Managed funds – Note (a)	270,088	238,053
	<u>495,924</u>	<u>377,494</u>
Investments by geographic concentration are as follows:		
- Within U.A.E.	436,459	314,439
- Outside U.A.E.	59,465	63,055
	<u>495,924</u>	<u>377,494</u>

(a) Managed funds include funds of AED 213.58 million (31 December 2012: AED 177.6 million) (Note 9) managed by a shareholder of the parent.

**Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2013 (continued)**

**8 Investment deposits**

	<b>30 September 2013 AED'000 (Un-audited)</b>	31 December 2012 AED'000 (Audited)
<b>Current:</b>		
Investment deposits maturing in less than three months (Note 11)	170,050	167,050
Investment deposits maturing up to 1 year but more than 3 months - Note (a)	992,379	611,076
	<u>1,162,429</u>	<u>778,126</u>
<b>Non-current:</b>		
Investment deposits maturing above 1 year	460,000	810,000
	<u>1,622,429</u>	<u>1,588,126</u>

Investment deposits are placed with financial institutions in the UAE, and carry profit ranging from 0.75% to 3.076% (31 December 2012: 1.2% to 4%) per annum.

Investment deposits of AED 86.73 million (31 December 2012: AED 86.73 million) have been pledged as collateral against unutilised overdraft facilities provided to the Group.

(a) Investment deposits, include an amount of AED 163.78 million (31 December 2012: AED 140.47 million) placed with the parent and carries a profit rate of 3.076% (31 December 2012: 3.72 %) per annum (Note 9).

**9 Related party transactions and balances**

Related parties comprise companies under common ownership or management, key management, businesses controlled by shareholders and directors as well as businesses over which they exercise significant influence. During the period, the Group entered into transactions with related parties in the ordinary course of business. The transactions with related parties and balances arising from these transactions are as follows:

<b>Transactions during the period</b>	<b>9 month ended 30 September</b>	
	<b>2013 AED'000 (Un-audited)</b>	2012 AED'000 (Un-audited)
Investment income	3,981	4,181
Interest expense	721	693
	<u>3,981</u>	<u>4,181</u>

**Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2013 (continued)**

**9 Related party transactions and balances (continued)**

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

	<b>9 month ended 30 September</b>	
	<b>2013</b>	<b>2012</b>
	<b>AED'000</b>	<b>AED'000</b>
	<b>(Un-audited)</b>	<b>(Un-audited)</b>
<b>Compensation of key management personnel</b>		
Short-term benefits	<b>5,290</b>	5,233
General pension and social security	<b>677</b>	457
Board of Directors		
- Remuneration to the NASDAQ Board	<b>901</b>	695
- Meeting allowances for the Group	<b>968</b>	1,515
<b>Balances</b>	<b>30 September</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>
	<b>AED'000</b>	<b>AED'000</b>
	<b>(Un-audited)</b>	<b>(Audited)</b>
<b>Due from related parties</b>		
<i>Parent</i>		
Investment deposits (Note 8)	<b>163,781</b>	140,477
Accrued income on investment deposits	<b>1,540</b>	2,862
<i>Other related parties</i>		
Due from financial institution	<b>255,954</b>	257,260
Managed funds (Note 7)	<b>213,583</b>	177,601
Cash and bank balances	<b>355,178</b>	28,059
Investment deposits	<b>498,468</b>	390,468
<b>Due to related parties</b>		
<i>Parent</i>		
Expenses paid on behalf of the Group	<b>2,157</b>	1,831
Subordinated loan	<b>22,018</b>	21,297
<i>Ultimate controlling party</i>		
Dubai Government	<b>48,500</b>	48,500

In the initial public offering in 2006, 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 due to the Dubai Government. The balance does not bear any profit.

The subordinated loan has been provided by the parent, Borse Dubai Ltd., to NASDAQ Dubai Limited (Note 1). The subordinated loan is unsecured and bears interest at 12 month LIBOR plus 3.25% per annum and is subordinated to the rights of all other creditors of the subsidiary.

Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2013 (continued)

## 10 Prepaid expenses and other receivables

	30 September 2013 AED'000 (Un-audited)	31 December 2012 AED'000 (Audited)
Accrued income on investment deposits	7,322	9,094
Accrued trading commission fees	5,900	1,245
Due from brokers	71,045	2,972
Prepaid expenses	9,679	6,253
Other receivables	4,430	4,132
	<u>98,376</u>	<u>23,696</u>
Less: allowance for doubtful debts	(2,111)	(2,808)
	<u>96,265</u>	<u>20,888</u>

## Net movement in allowance for doubtful debts:

	30 September 2013 AED'000 (Un-audited)	31 December 2012 AED'000 (Audited)
Opening balance	2,808	2,490
(Write off)/charge for the period	(697)	318
Ending balance	<u>2,111</u>	<u>2,808</u>

## 11 Cash and bank balances

	30 September 2013 AED'000 (Un-audited)	31 December 2012 AED'000 (Audited)
Cash on hand	232	363
Bank balances:		
Current accounts	76,729	17,664
Savings accounts	24,188	20,332
Mudarabah accounts	301,937	26,936
	<u>403,086</u>	<u>65,295</u>
Add : Deposits maturing in less than three months (Note 8)	170,050	167,050
Cash and cash equivalents	<u>573,136</u>	<u>232,345</u>

The rate of return on the saving and mudarabah accounts is 0.25 % to 0.4% per annum (31December 2012: 0.5%).



**Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2013 (continued)**

**12 Share capital**

	<b>30 September 2013 AED'000 (Un-audited)</b>	31 December 2012 AED'000 (Audited)
Authorised, issued and paid up share capital: 8,000,000,000 (31 December 2012: 8,000,000,000 shares) of AED 1 each (31 December 2012: AED 1 each)	<u>8,000,000</u>	<u>8,000,000</u>

**13 Reserves**

*Statutory reserve*

In accordance with the 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 the Company's net profit for each year which will be increased until the reserve equals 50% of the share capital. This reserve is not available for distribution, except as stipulated by the Law. No allocation to the statutory reserve has been made for the nine month period ended 30 September 2013, as this will be affected at year end based on the Company's results for the year ending 31 December 2013.

*Investments revaluation reserve - FVTOCI*

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

**14 Payables and accrued expenses**

	<b>30 September 2013 AED'000 (Un-audited)</b>	31 December 2012 AED'000 (Audited)
Dividends payable on behalf of companies listed on the DFM	79,720	47,473
Investor cards	45,381	32,985
Members' margin deposits	98,617	8,652
Accrued expenses and other payables	11,641	12,333
Unearned revenue	7,526	6,526
Brokers' retention	18,386	13,743
Due to brokers'	68,986	767
Due to U.A.E Securities and Commodities Authority	10,925	2,198
Non-Sharia compliant income (Note 18)	30,489	9,487
	<u>371,671</u>	<u>134,164</u>

**Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2013 (continued)**

**15 Earnings per share**

	3 month period ended 30 September		9 month period ended 30 September	
	2013	2012	2013	2012
Net profit for the period attributable to owners of the Company (AED '000)	<u>82,756</u>	<u>(1,712)</u>	<u>179,265</u>	<u>38,908</u>
Authorized, issued and paid up share capital ('000)	8,000,000	8,000,000	8,000,000	8,000,000
Less: Treasury shares ('000)	<u>(4,237)</u>	<u>(4,237)</u>	<u>(4,237)</u>	<u>(4,237)</u>
Number of shares issued ('000)	<u>7,995,763</u>	<u>7,995,763</u>	<u>7,995,763</u>	<u>7,995,763</u>
Earnings per share – AED	<u>0.010</u>	<u>(0.0002)</u>	<u>0.022</u>	<u>0.005</u>

**16 Commitments**

	30 September 2013 AED'000 (Un-audited)	31 December 2012 AED'000 (Audited)
Commitments for the purchase of property and equipment	<u>1,623</u>	<u>1,343</u>

The Company also has a commitment of AED 148 million to acquire the remaining 33% of NASDAQ Dubai Limited which is required to be settled on the completion of the acquisition on a date to be mutually agreed with Borse Dubai Limited.

**17 Segment reporting**

Following the management approach to IFRS 8, operating segments are reported in accordance with the internal reporting provided to the Board of Directors (the chief operating decision-maker), which is responsible for allocating resources to the reportable segments and assesses its performance. The Group is managed as one unit and therefore the Board of Directors are of the opinion that the Group is engaged in a single segment of operating a stock exchange and related clearing house.

**18 Non Sharia compliant income**

Non Sharia compliant income of AED 21 million relating to 2012 (2012: AED 9.4 million relating to 2011) as approved by the Company's Sharia and Fatwa Supervisory Board has been appropriated from retained earnings for distribution by the Group to its shareholders towards disbursement by the shareholders for charitable purposes. Based on the ruling of the Sharia Supervisory Board, it is the sole responsibility of the individual shareholders to donate their respective shares of this amount for charitable purposes. Non Sharia income will be distributed as dividends by the Company to the shareholders. Accordingly, the amount has been dealt with as an appropriation from retained earnings in this condensed consolidated interim financial information.

**Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2013 (continued)**

**19 Fair Value of Financial Instruments**

The Group's financial assets and financial liabilities comprise of cash bank balances, investment deposits, receivables and payables whose maturity is short term. Consequently their fair value approximates the carrying value stated in the consolidated interim statement of financial position.

The Group has classified fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the consolidated statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as fair value through other comprehensive income.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table presents the Group's assets and liabilities that are measured at fair value at 30 September 2013 and 31 December 2012.

	30 September 2013			Total
	Level 1	Level 2	Level 3	
	AED'000	AED'000	AED'000	AED'000
<i>Financial assets at fair value through other comprehensive income</i>				
- Equities	217,145	-	8,691	225,836
- Managed funds	-	263,807	6,281	270,088
<b>Total</b>	<b>217,145</b>	<b>263,807</b>	<b>14,972</b>	<b>495,924</b>

**Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2013 (continued)**

**19 Fair Value of Financial Instruments (continued)**

	31 December 2012			Total AED'000
	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	
<i>Financial assets at fair value through other comprehensive income</i>				
- Equities	130,315	-	9,126	139,441
- Managed funds	-	186,743	51,310	238,053
<b>Total</b>	<b>130,315</b>	<b>186,743</b>	<b>60,436</b>	<b>377,494</b>

There are no transfers between Level 1 and Level 2 during the period. However, there has been a transfer from Level 3 to Level 2.

*Reconciliation of Level 3 fair value measurements of financial assets*

	Measured at FVTOCI Unquoted equities	
	30 September 2013 AED'000	31 December 2012 AED'000
Opening balance	60,436	69,408
Transfer from level 3 to level 2	(35,013)	-
Disposal during the period/year	-	(5,577)
In other comprehensive loss	(10,451)	(3,395)
Closing balance	<b>14,972</b>	<b>60,436</b>

*Sensitivity analysis for level 3 items*

Level 3 assets represent unquoted equity and mutual fund investments whose fair value is determined based on varying unobservable assumptions which depend on a broad range of macroeconomic factors.

**20 Approval of the interim condensed consolidated financial information**

The interim condensed consolidated financial information for the nine month period ended 30 September 2013 as approved by the Board of Directors and authorized for issue on 4 November 2013.