

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

**Review report and condensed consolidated  
interim financial information for the six month  
period ended 30 June 2014**

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

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

The Board of Directors  
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 June 2014 and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the six month period then ended and 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 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  
17 July 2014

A handwritten signature in black ink, appearing to read 'Paul Suddaby', written over a horizontal line.

Paul Suddaby  
Registered Auditor Number 309  
Dubai, United Arab Emirates

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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 June 2014

	Note	As at	
		30 June 2014 AED'000 (Un-audited)	31 December 2013 AED'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	6	2,878,874	2,878,874
Other intangible assets	6	2,415,476	2,446,658
Property and equipment		15,464	11,539
Other financial assets measured at fair value through other comprehensive income (FVTOCI)	7	674,885	587,941
Investment deposits	8	927,349	725,378
<b>Total non-current assets</b>		<b>6,912,048</b>	<b>6,650,390</b>
<b>Current assets</b>			
Prepaid expenses and other receivables	10	39,291	40,935
Investment deposits	8	1,433,100	1,493,429
Cash and bank balances	11	171,721	107,629
<b>Total current assets</b>		<b>1,644,112</b>	<b>1,641,993</b>
<b>Total assets</b>		<b>8,556,160</b>	<b>8,292,383</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	(691,022)	(789,102)
Retained earnings		278,998	278,998
		541,953	449,684
<b>Equity attributable to owners of the company</b>		<b>8,125,565</b>	<b>7,935,216</b>
Non-controlling interest		17,588	16,838
<b>Total equity</b>		<b>8,143,153</b>	<b>7,952,054</b>
<b>Non-current liabilities</b>			
Subordinated loan	9	22,766	22,268
Provision for employees' end of service indemnity		11,122	9,838
<b>Total non-current liabilities</b>		<b>33,888</b>	<b>32,106</b>
<b>Current liabilities</b>			
Payables and accrued expenses	14	306,545	238,163
Dividends payable		19,120	19,231
Due to related parties	9	53,454	50,829
<b>Total current liabilities</b>		<b>379,119</b>	<b>308,223</b>
<b>Total liabilities</b>		<b>413,007</b>	<b>340,329</b>
<b>Total equity and liabilities</b>		<b>8,556,160</b>	<b>8,292,383</b>



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Chairman

The accompanying notes on pages 7 to 21 form an integral part of this condensed consolidated interim financial information.

**Condensed consolidated interim statement of income (Un-audited)  
for the six month period ended 30 June 2014**

	Note	<b>3 months period ended</b>		<b>6 months period ended</b>	
		<b>30 June</b>		<b>30 June</b>	
		<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
		<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>
<b>Revenues</b>					
Trading commission fees		268,612	81,733	498,986	127,290
Brokerage fees		3,339	3,124	6,588	6,240
Ownership transfer and mortgage fees		7,774	11,924	13,180	13,882
Other fees		6,227	4,441	10,021	7,773
<b>Operating income</b>		<b>285,952</b>	<b>101,222</b>	<b>528,775</b>	<b>155,185</b>
Investment income		14,101	12,754	27,890	25,536
Other income		38	168	937	307
<b>Total income</b>		<b>300,091</b>	<b>114,144</b>	<b>557,602</b>	<b>181,028</b>
<b>Expenses</b>					
General and administrative expenses		(30,549)	(29,909)	(57,595)	(54,836)
Amortisation of intangible assets	6	(15,591)	(15,591)	(31,182)	(31,182)
Interest expense		(252)	(241)	(498)	(476)
<b>Total expenses</b>		<b>(46,392)</b>	<b>(45,741)</b>	<b>(89,275)</b>	<b>(86,494)</b>
<b>Net profit for the period</b>		<b>253,699</b>	<b>68,403</b>	<b>468,327</b>	<b>94,534</b>
<b>Attributable to:</b>					
Owners of the Company		252,481	69,476	467,577	96,509
Non-controlling interest		1,218	(1,073)	750	(1,975)
		<b>253,699</b>	<b>68,403</b>	<b>468,327</b>	<b>94,534</b>
<b>Basic/Diluted Earnings per share - AED</b>	15	<b>0.032</b>	<b>0.009</b>	<b>0.058</b>	<b>0.012</b>

The accompanying notes on pages 7 to 21 form an integral part of this condensed consolidated interim financial information.

**Condensed consolidated interim statement of comprehensive income (Un-audited)  
for the six month period ended 30 June 2014**

	<b>3 months period ended</b>		<b>6 months period ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</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>253,699</b>	<b>68,403</b>	<b>468,327</b>	<b>94,534</b>
<i>Items that will be reclassified subsequently to profit or loss</i>				
Fair value changes on financial assets measured at fair value through other comprehensive income (FVTOCI)	<b>(5,335)</b>	<b>47,312</b>	<b>92,073</b>	<b>72,556</b>
<b>Total comprehensive income for the period</b>	<b>248,364</b>	<b>115,715</b>	<b>560,400</b>	<b>167,090</b>
<b>Attributable to:</b>				
Owners of the Company	<b>247,146</b>	<b>116,788</b>	<b>559,650</b>	<b>169,065</b>
Non-controlling interest	<b>1,218</b>	<b>(1,073)</b>	<b>750</b>	<b>(1,975)</b>
<b>Total comprehensive income for the period</b>	<b>248,364</b>	<b>115,715</b>	<b>560,400</b>	<b>167,090</b>

The accompanying notes on pages 7 to 21 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 six month period ended 30 June 2014

	Share capital AED'000	Treasury shares AED'000	Investments revaluation reserve FV/TOCI 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 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	-	-	-	-	96,509	96,509	(1,975)	94,534
Other comprehensive income for the period	-	-	72,556	-	-	72,556	-	72,556
<b>Total comprehensive income for the period</b>	-	-	72,556	-	96,509	169,065	(1,975)	167,090
Appropriation of non-sharia compliant income (Note 18)	-	-	-	-	(21,002)	(21,002)	-	(21,002)
<b>As at 30 June 2013</b>	<u>8,000,000</u>	<u>(4,364)</u>	<u>(930,260)</u>	<u>250,535</u>	<u>290,023</u>	<u>7,605,934</u>	<u>18,313</u>	<u>7,624,247</u>
<b>As at 1 January 2014</b>	8,000,000	(4,364)	(789,102)	278,998	449,684	7,935,216	16,838	7,952,054
Net profit for the period	-	-	-	-	467,577	467,577	750	468,327
Other comprehensive income for the period	-	-	92,073	-	-	92,073	-	92,073
<b>Total comprehensive income for the period</b>	-	-	92,073	-	467,577	559,650	750	560,400
Appropriation of non-sharia compliant income (Note 18)	-	-	-	-	(15,697)	(15,697)	-	(15,697)
Dividends declared, net of appropriation of non-sharia compliant income (Note 12)	-	-	-	-	(353,604)	(353,604)	-	(353,604)
Realised loss on disposal of investments	-	-	6,007	-	(6,007)	-	-	-
<b>As at 30 June 2014</b>	<u>8,000,000</u>	<u>(4,364)</u>	<u>(691,022)</u>	<u>278,998</u>	<u>541,953</u>	<u>8,125,565</u>	<u>17,588</u>	<u>8,143,153</u>

The accompanying notes on pages 7 to 21 form an integral part of this condensed consolidated interim financial information.

**Condensed consolidated interim statement of cash flows (Un-audited)  
for the six month period ended 30 June 2014**

	Note	6 month period ended 30 June	
		2014 AED'000	2013 AED'000
<b>Cash flows from operating activities</b>			
Net profit for the period		468,327	94,534
<b>Adjustments for:</b>			
Depreciation of property and equipment		2,943	4,449
Provision for employees' end of service indemnity		1,479	967
Amortisation of intangible assets		31,182	31,182
Interest expense		498	476
Income on investment deposits		(20,418)	(20,865)
Dividend income		(7,472)	(4,671)
<b>Operating cash flow before changes in operating assets and liabilities</b>		<b>476,539</b>	<b>106,072</b>
Decrease/ (increase) in prepaid expenses and other receivables		4,095	(8,780)
Increase/(decrease) in due to a related parties	9	2,625	(463)
Increase in payables and accrued expenses		98,871	72,004
<b>Cash generated from operations</b>		<b>582,130</b>	<b>168,833</b>
Employees' end of service indemnity paid		(195)	(300)
<b>Net cash generated from operating activities</b>		<b>581,935</b>	<b>168,533</b>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment		(6,816)	(724)
Proceeds from sale and redemption of investments		5,068	852
Net investment deposits (excluding cash and cash equivalents)	8	(349,671)	(88,303)
Investment deposit income received		16,113	20,374
Dividend received		7,361	4,671
<b>Net cash used in investing activities</b>		<b>(327,945)</b>	<b>(63,130)</b>
<b>Cash flows from financing activities</b>			
Dividends paid to shareholders	12	(353,712)	(124)
Distribution of non-sharia compliant income to shareholders	12,18	(46,186)	-
<b>Net cash used in financing activities</b>		<b>(399,898)</b>	<b>(124)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(145,908)</b>	<b>105,279</b>
Cash and cash equivalents at the beginning of the period		426,679	232,345
<b>Cash and cash equivalents at the end of the period</b>	11	<b>280,771</b>	<b>337,624</b>

The accompanying notes on pages 7 to 21 form an integral part of this condensed consolidated interim financial information.



**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2014**

**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 six month period ended 30 June 2014 (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 for the year ended 31 December 2013 which have been prepared in accordance with IFRS. In addition, the results for the six months ended 30 June 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014.

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 2013.

The condensed consolidated interim 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, revised IFRS and IFRIC interpretations effective for accounting periods beginning 1 January 2014**

The following applicable new standards, amendments to an existing standards and IFRIC interpretations have been published and are effective for the Group's accounting periods beginning on 1 January 2014.

Amendment to IAS 32, 'Financial instruments: Presentation', on offsetting financial assets and financial liabilities updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

Amendments to IAS 36, 'Impairment of assets': These amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

Amendment to IAS 19 regarding defined benefit plans: These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

IFRS 9 'Financial instruments' – classification and measurement: This standard on classification and measurement of financial assets and financial liabilities will replace IAS 39, 'Financial instruments: Recognition and measurement.' IFRS 9 has two measurement categories: amortised cost and fair value.

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2014 (continued)****2 Summary of significant accounting policies (continued)****2.2 New, revised IFRS and IFRIC interpretations effective for accounting periods  
beginning 1 January 2014 (continued)**

All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The group has early adopted IFRS 9 and thus applicable.

Amendments to IFRS 10, 'Consolidated financial statements', IFRS 12 and IAS 27 for investment entities: These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made IFRS 12 to introduce disclosures that an investment entity needs to make.

Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation: This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.

IFRIC 21, 'Levies': This interpretation is on IAS 37, 'Provisions, contingent liabilities and contingent assets'. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

The impact of the above new standards, amendments to existing standards and IFRIC interpretations do not have any significant impact on the Group's condensed consolidated interim financial statements or its consolidated financial statements for the year ending 31 December 2014.

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2014 (continued)****2 Summary of significant accounting policies (continued)****2.3 New IFRS standards and amendments to existing standards not effective for accounting periods beginning 1 January 2014 and not early adopted by the Group.**

Amendment to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets: This amendment clarifies that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

Amendment to IAS 16 - Property, Plant and Equipment and IAS 41 Agriculture: This amendment includes 'bearer plants' within the scope of IAS 16 rather than IAS 41, allowing such assets to be accounted for a property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16. It introduces a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Further, it clarified that produce growing on bearer plants remains within the scope of IAS 41.

Amendments to IFRS 9, 'Financial instruments', regarding general hedge accounting: These amendments to IFRS 9, 'Financial instruments', bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.

IFRS 14 'Regulatory deferral accounts': These permit first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items.

IFRS 15 'Revenue from contracts with customers': The revenue standard contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The revenue standard is effective for entities that report under IFRS for annual periods beginning on or after January 1, 2017. Early adoption is permitted for IFRS reporters.

The new standards and amendments to existing standards above are not applicable to the Group's condensed consolidated interim financial statements or its consolidated financial statements for the year ending 31 December 2014.

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2014 (continued)**

**3 Basis of consolidation**

The condensed consolidated interim financial information incorporates the interim financial information of the Company and 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 2013.

**5 Financial risk management**

The group's activities expose it to a variety of financial risks: market risk (including currency risk, profit rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements and accordingly, they should be read in conjunction with the group's annual financial statements as at 31 December 2013.

There have been no changes in the Group's risk management policies since 31 December 2013.

Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2014 (continued)

6 Goodwill and other 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 2013 and 2014	2,878,874	2,824,455	58,744	67,455	5,829,528
At 30 June 2013 and 2014	2,878,874	2,824,455	58,744	67,455	5,829,528
<b>Amortisation</b>					
At 1 January 2014	-	395,423	41,118	67,455	503,996
Charge for the period	-	28,244	2,938	-	31,182
At 30 June 2014	-	423,667	44,056	67,455	535,178
At 1 January 2013	-	338,934	35,244	67,455	441,633
Charge for the period	-	28,244	2,938	-	31,182
At 30 June 2013	-	367,178	38,182	67,455	472,815
<b>Carrying amount</b>					
As at 30 June 2014	<u>2,878,874</u>	<u>2,400,788</u>	<u>14,688</u>	<u>-</u>	<u>5,294,350</u>
As at 30 June 2013	<u>2,878,874</u>	<u>2,457,277</u>	<u>20,562</u>	<u>-</u>	<u>5,356,713</u>
As at 31 December 2013	<u>2,878,874</u>	<u>2,429,032</u>	<u>17,626</u>	<u>-</u>	<u>5,325,532</u>

There was no evidence of impairment of the goodwill at 30 June 2014 based on the performance of the Company and on the basis that the fair value of the business, based on the Company's quoted market price at 30 June 2014, was in excess of its net assets at that date.

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

	30 June 2014 AED'000 (Un-audited)	31 December 2013 AED'000 (Audited)
Investment in equity securities	348,331	294,921
Managed funds – Note (a)	326,554	293,020
	<u>674,885</u>	<u>587,941</u>

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2014 (continued)**

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

Investments by geographic concentration are as follows:

- Within U.A.E.	<b>622,607</b>	535,903
- Outside U.A.E.	<b>52,278</b>	52,038
	<u><b>674,885</b></u>	<u>587,941</u>

(a) Managed funds include funds of AED 276.6 million (31 December 2013: AED 244.5 million) (Note 9) managed by a related party.

**8 Investment deposits**

	<b>30 June 2014 AED'000 (Un-audited)</b>	31 December 2013 AED'000 (Audited)
<b>Current:</b>		
Investment deposits maturing in less than three months - Note (c)	<b>594,050</b>	508,021
Investment deposits maturing up to 1 year but more than 3 months	<b>839,050</b>	985,408
	<u><b>1,433,100</b></u>	<u>1,493,429</u>
<b>Non-current:</b>		
Investment deposits maturing above 1 year	<b>927,349</b>	725,378
	<u><b>2,360,449</b></u>	<u>2,218,807</u>

- (a) Investment deposits are placed with financial institutions in the UAE, and carry profit ranging from 1% to 5.5% (31 December 2013: 1% to 3.1%) per annum.
- (b) Investment deposits of AED 136.73 million (31 December 2013: AED 86.73 million) have been pledged as collateral against unutilised overdraft facilities provided to the Group.
- (c) Investment deposits maturing in less than three months include an amount of AED 109 million (31 December 2013: AED 319 million) with original maturities not exceeding three months.

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2014 (continued)**

**9 Related party transactions and balances**

Related parties comprise as defined under IAS 24 companies under common ownership or management, key management, businesses controlled by shareholders and directors as well as businesses over which they exercise significant influence. Key Management personnel include the CEO and heads of various divisions. 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>6 months ended 30 June</b>	
	<b>2014</b> <b>AED'000</b> <b>(Un-audited)</b>	<b>2013</b> <b>AED'000</b> <b>(Un-audited)</b>
Investment income	<b>9,760</b>	6,517
Interest expense	<b>498</b>	476

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

	<b>6 months ended 30 June</b>	
	<b>2014</b> <b>AED'000</b> <b>(Un-audited)</b>	<b>2013</b> <b>AED'000</b> <b>(Un-audited)</b>
<b>Compensation of key management personnel</b>		
Salaries and other short-term benefits	<b>3,027</b>	3,453
General pension and social security	<b>350</b>	448
Board of Directors		
- Remuneration to the NASDAQ Board	<b>547</b>	574
- Meeting allowance for the Group	<b>475</b>	656
<b>Balances</b>	<b>30 June</b> <b>2014</b> <b>AED'000</b> <b>(Un-audited)</b>	<b>31 December</b> <b>2013</b> <b>AED'000</b> <b>(Audited)</b>
<b>Due from related parties</b>		
<b>Parent</b>		
Investment deposits	<b>50,452</b>	145,781
Accrued income on investment deposits	<b>36</b>	2,720
<b>Other related parties</b>		
Managed funds (Note 7)	<b>276,636</b>	244,499
Cash and bank balances	<b>140,387</b>	68,561
Investment deposits	<b>1,134,817</b>	912,846

Investment deposits include AED 100m (31 December 2013: AED 50m) placed as collateral with related parties.

**Due to related parties**

<b>Parent</b>		
Expenses paid on behalf of the Group	<b>4,954</b>	2,329
Subordinated loan	<b>22,766</b>	22,268
<b>Ultimate controlling party</b>		
Dubai Government	<b>48,500</b>	48,500



**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2014 (continued)**

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

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.

**10 Prepaid expenses and other receivables**

	<b>30 June 2014 AED'000 (Un-audited)</b>	<b>31 December 2013 AED'000 (Audited)</b>
Accrued income on investment deposits	10,429	8,089
Accrued trading commission fees	3,735	7,627
Due from brokers	1,985	1,332
Prepaid expenses	10,969	6,400
Other financial assets (central counterparty)	7,987	14,892
Other receivables	4,572	4,687
	<u>39,677</u>	<u>43,027</u>
Less: allowance for doubtful debts	(386)	(2,092)
	<u>39,291</u>	<u>40,935</u>
<b>Net movement in allowance for doubtful debts:</b>		
	<b>30 June 2014 AED'000 (Un-audited)</b>	<b>31 December 2013 AED'000 (Audited)</b>
Opening balance	2,092	2,808
Write off/Release for the period	(1706)	(716)
	<u>386</u>	<u>2,092</u>

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2014 (continued)**

**11 Cash and bank balances**

	<b>30 June 2014 AED'000 (Un-audited)</b>	31 December 2013 AED'000 (Audited)
Cash on hand	233	326
Bank balances:		
Current accounts	28,440	23,800
Savings accounts	33,357	23,305
Mudarabah accounts	109,691	60,198
	<u>171,721</u>	<u>107,629</u>
Add : Deposits with original maturities not exceeding three months (Note 8 (c))	109,050	319,050
Cash and cash equivalents	<u>280,771</u>	<u>426,679</u>

The rate of return on the saving and mudarabah accounts is 0.3 % per annum (31December 2013: 0.25% to 0.35% per annum).

Dividend payments amounting to AED 91.1 million (31December 2013: AED nil) distributed by the Company on behalf of other companies remain unrepresented to the Company's banks as at 30 June 2014.

**12 Share capital**

	<b>30 June 2014 AED'000 (Un-audited)</b>	31 December 2013 AED'000 (Audited)
Authorised, issued and paid up share capital: 8,000,000,000 (31 December 2013: 8,000,000,000 shares) of AED 1 each (31 December 2013: AED 1 each)	<u>8,000,000</u>	<u>8,000,000</u>

During the year, the Company has distributed dividends of AED 399.8 million, including non-sharia compliant income of AED 46.2 million (Note 18), representing AED 0.05 per share. The dividends were approved by the shareholders at the Annual General Meeting held on 3 March 2014.

**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 six month period ended 30 June 2014, as this will be affected at year end based on the Company's results for the year ending 31 December 2014.

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2014 (continued)**

**13 Reserves (continued)**

*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 June 2014 AED'000 (Un-audited)</b>	31 December 2013 AED'000 (Audited)
Dividends payable on behalf of companies listed on the DFM	73,343	75,850
Investor cards	85,180	41,402
Members' margin deposits	78,666	20,159
Other financial liabilities (central counterparty)	7,987	14,892
Accrued expenses and other payables	15,701	17,252
Unearned revenue	9,029	7,209
Brokers' retention	18,736	18,583
Due to the Securities and Commodities Authority of U.A.E	17,903	12,327
Non-Sharia compliant income (Note 18)	-	30,489
	<u><u>306,545</u></u>	<u><u>238,163</u></u>

**15 Earnings per share**

	<u>3 months ended</u>		<u>6 months ended</u>	
	<u>30-June</u>		<u>30-June</u>	
	2014	2013	2014	2013
Net profit for the period attributable to owners of the Company (AED '000)	<u>252,481</u>	<u>69,476</u>	<u>467,577</u>	<u>96,509</u>
Issued and paid up share capital - (AED '000)	8,000,000	8,000,000	8,000,000	8,000,000
Less: Treasury shares ('000)	<u>(4,364)</u>	<u>(4,364)</u>	<u>(4,364)</u>	<u>(4,364)</u>
	<u>7,995,636</u>	<u>7,995,636</u>	<u>7,995,636</u>	<u>7,995,636</u>
Earnings per share – AED	<u>0.032</u>	<u>0.009</u>	<u>0.058</u>	<u>0.012</u>

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2014 (continued)**

**16 Commitments**

	<b>30 June 2014 AED'000 (Un-audited)</b>	<b>31 December 2013 AED'000 (Audited)</b>
Commitments for the purchase of property and equipment	<b>2,918</b>	<b>7,927</b>

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 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 and Fatwa Supervisory Board, it is the sole responsibility of the individual shareholders to donate their respective shares of this amount for charitable purposes. Non Sharia compliant income of AED 46.2million relating to the following years has been distributed by the Company to the shareholders in 2014 (Note 12).

<b>Year</b>	<b>AED '000</b>
2011	9,487
2012	21,002
2013	15,697
	<hr/>
	<b>46,186</b>
	<hr/> <hr/>

Non-Sharia compliant income of AED 15.7 million relating to 2013 has been appropriated from the retained earnings for the current year and that relating to 2011 and 2012 was appropriated in prior years.

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2014 (continued)****19 Fair value of financial instruments**

The Group's financial assets and financial liabilities comprise of cash and bank balances, investment deposits, receivables and payables. Their fair value approximates the carrying value stated in the condensed 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 condensed 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. These investments comprise funds the fair values of which are based on the net asset value provided by the fund managers.

- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Level 3 assets represent unquoted private equity and mutual fund investments whose fair value is determined based on varying unobservable assumptions which depend on a broad range of macroeconomic factors. The carrying values of these investments are adjusted as follows: Private equity investments - using the latest available net book value
- Mutual funds - based on the net asset value derived from the EBITDA/PE multiple or value per share provided by the fund managers.

There were no changes in valuation techniques during the period.

**Notes to the condensed consolidated interim financial information  
for six month period ended 30 June 2014 (continued)**

**19 Fair value of financial instruments (continued)**

The following table presents the Group's financial assets at fair value through other comprehensive income that are measured at fair value at 30 June 2014 and 31 December 2013.

	<b>30 June 2014</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>
<i>Financial assets at fair value through other comprehensive income</i>				
- Equities	339,393	-	8,937	348,330
- Managed funds	-	318,768	7,787	326,555
<b>Total</b>	<b>339,393</b>	<b>318,768</b>	<b>16,724</b>	<b>674,885</b>

  

	<b>31 December 2013</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>
<i>Financial assets at fair value through other comprehensive income</i>				
- Equities	286,248	-	8,673	294,921
- Managed funds	-	281,946	11,074	293,020
<b>Total</b>	<b>286,248</b>	<b>281,946</b>	<b>19,747</b>	<b>587,941</b>

There are no transfers between Level 1 and Level 2 during the period.

**Reconciliation of Level 3 fair value measurement of financial assets at fair value through other comprehensive income**

	<b>30 June 2014 AED'000</b>	<b>31 December 2013 AED'000</b>
Opening balance	19,747	60,436
Transfer from level 3 to level 2	-	(35,013)
Disposal during the period/year	(11,072)	
Other comprehensive gain/(loss)	8,049	(5,676)
Closing balance	<b>16,724</b>	<b>19,747</b>

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

The interim condensed consolidated financial information for the six month period ended 30 June 2014 was approved by the Board of Directors and authorized for issue on 17 July 2014.

**Notes to the condensed consolidated interim financial information  
for six month period ended 30 June 2014 (continued)**

**21 Reclassifications**

Certain corresponding figures have been reclassified, where necessary, to conform to the current period presentation. Management believes that the current period presentation provides more meaningful information to the users of the interim condensed consolidated financial statements.