

DUBAI FINANCIAL MARKET (DFM) - (PJSC)
DUBAI - UNITED ARAB EMIRATES

**INTERIM CONDENSED FINANCIAL INFORMATION
AND REVIEW REPORT
FOR THE PERIOD FROM JANUARY 1, 2008
TO SEPTEMBER 30, 2008**

Dubai Financial Market (DFM) - (PJSC)
Dubai - United Arab Emirates

Interim Condensed Financial Information and Review Report
For the Period from January 1, 2008 to September 30, 2008

Table of Contents

	<u>Page</u>
Independent Auditor's Review Report	1
Interim Condensed Balance Sheet	2
Interim Condensed Income Statement	3
Interim Condensed Statement of Changes in Shareholders' Equity	4
Interim Condensed Cash Flow Statement	5
Notes to the Interim Condensed Financial Information	6 - 17

Report on Review of Interim Condensed Financial Information

**To the Board of Directors
Dubai Financial Market (DFM) – (PJSC)
Dubai
United Arab Emirates**

Introduction

We have reviewed the accompanying interim condensed balance sheet of **Dubai Financial Market (DFM) – (PJSC)**, (the “Company”), **Dubai, United Arab Emirates** as at September 30, 2008 and the related interim condensed statements of income, changes in shareholders’ equity and cash flows for the nine month period then ended and a summary of significant accounting policies and other explanatory notes. Management of the Company is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with International Accounting Standard No. 34 – Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

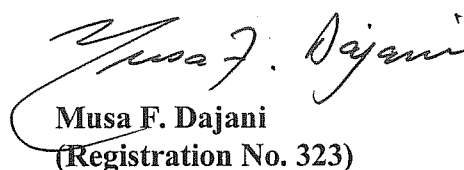
Scope of review

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 interim condensed financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. 34.

Deloitte & Touche


Musa F. Dajani
(Registration No. 323)

**Dubai
October 21, 2008**

Interim Condensed Balance Sheet
As at September 30, 2008
(In Thousand Arab Emirates Dirhams)

	Note	September 30, 2008 (Un-audited)	December 31, 2007 (Audited)
ASSETS			
Current assets			
Cash and bank balances	3	90,376	154,924
Islamic investment deposits	4	1,521,275	2,158,252
Other financial assets	5	-	490,550
Prepaid expenses and other receivables		65,241	56,214
Due from a related party	6	2,588	1,097
Total current assets		1,679,480	2,861,037
Non-current assets			
Other financial assets	5	1,582,842	1,295,769
Property and equipment		312,625	312,714
Intangible assets	7	2,817,909	2,874,800
Goodwill		2,878,874	2,878,874
Total non-current assets		7,592,250	7,362,157
Total Assets		9,271,730	10,223,194
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Payables and accrued expenses		102,375	288,832
Due to a related party	6	48,500	48,500
Accrued dividends	12	23,315	-
Total current liabilities		174,190	337,332
Non-current liabilities			
Provision for employees' end of service indemnity		2,400	1,958
Deferred income - Government grant	6	280,000	280,000
Total non-current liabilities		282,400	281,958
Total Liabilities		456,590	619,290
Shareholders' Equity			
Share capital	9 (a)	8,000,000	8,000,000
Treasury shares	9 (b)	(55,864)	(55,864)
		7,944,136	7,944,136
Net initial public offering surplus		31,608	31,608
Investments revaluation reserve	10	(586,282)	188,553
Statutory and other reserves	10	431,883	431,883
Retained earnings		993,795	1,007,724
Total Shareholders' Equity		8,815,140	9,603,904
Total Liabilities and Shareholders' Equity		9,271,730	10,223,194

The accompanying notes form an integral part of this interim condensed financial information.

The interim condensed financial information on pages 2 to 17 were approved and signed by the Chairman, on behalf of the Board of Directors, on October 21, 2008.

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Essa Kazim
Chairman

Interim Condensed Income Statement (Unaudited)
For the period from January 1, 2008 to September 30, 2008
(In Thousand Arab Emirates Dirhams)

		For the three-months period ended September 30,		For the nine-months period ended September 30,	
	Note	2008	2007	2008	2007
Revenue					
Trading commission fees		134,903	115,371	557,373	383,188
Brokerage fees		5,410	4,974	15,865	14,857
Ownership transfer and mortgage fees		2,947	2,068	18,100	8,815
Other fees		962	1,933	6,542	2,904
Operating income		<u>144,222</u>	<u>124,346</u>	<u>597,880</u>	<u>409,764</u>
Investment revenue		115,613	27,517	238,365	92,081
Gain from revaluation of investments in marketable securities held for trading	5	-	8,920	61,044	34,378
General and administrative expenses		(20,053)	(16,714)	(59,752)	(58,515)
Amortization of intangible assets	7	(18,964)	(26,800)	(56,891)	(80,400)
Net profit for the period before initial public offering income		220,818	117,269	780,646	397,308
Initial public offering income		-	-	-	468,026
Net profit for the period		<u>220,818</u>	<u>117,269</u>	<u>780,646</u>	<u>865,334</u>
Earning per share - AED	11	<u>0.027</u>	<u>0.0147</u>	<u>0.098</u>	<u>0.108</u>

The accompanying notes form an integral part of this interim condensed financial information.

Interim Condensed Statement of Changes in Shareholders' Equity (Unaudited)
For the period from January 1, 2008 to September 30, 2008
(In Thousand Arab Emirates Dirhams)

	Share capital	Treasury shares	Net initial public offering surplus	Investments revaluation reserve	Statutory and other reserves	Retained earnings	Total
Authorized share capital during the period	8,000,000	-	-	-	-	-	8,000,000
Treasury shares	-	(55,864)	-	-	-	-	(55,864)
	8,000,000	(55,864)	-	-	-	-	7,944,136
Net initial public offering surplus	-	-	31,608	-	-	-	31,608
Gain from revaluation of available for sale investments	-	-	-	18,919	-	-	18,919
Gross gain recognized directly in shareholders' equity	-	-	31,608	18,919	-	-	50,527
Net profit for the period from January 1, 2007 to September 30, 2007	-	-	-	-	-	865,334	865,334
Total recognized income	-	-	31,608	18,919	-	865,334	915,861
Balance as at September 30, 2007	8,000,000	(55,864)	31,608	18,919	-	865,334	8,859,997
Balance as at January 1, 2008	8,000,000	(55,864)	31,608	188,553	431,883	1,007,724	9,603,904
Gain from revaluation of available for sale investments	-	-	-	(627,248)	-	-	(627,248)
Gross gain recognized directly in shareholders' equity	-	-	-	(627,248)	-	-	(627,248)
Net profit for the period from January 1, 2008 to September 30, 2008	-	-	-	-	-	780,646	780,646
Total recognized income	-	-	-	(627,248)	-	780,646	153,398
Transfer out from reserve on sales of available for sale investments	-	-	-	(147,587)	-	-	(147,587)
Dividends declared during the period (Note 12)	-	-	-	-	-	(794,575)	(794,575)
Balance as at September 30, 2008	8,000,000	(55,864)	31,608	(586,282)	431,883	993,795	8,815,140

The accompanying notes form an integral part of this statement and should be read in conjunction with it.

Interim Condensed Cash Flow Statement (Un-audited)
For the period from January 1, 2008 to September 30, 2008
(In Thousand Arab Emirates Dirhams)

	For the nine-months period ended September 30,	
	2008	2007
Cash flows from operating activities		
Net profit for the period	780,646	865,334
Adjustments for:		
Depreciation of property and equipment	9,764	6,968
Provision for employees' end of service indemnity	541	389
Amortization of intangible assets	56,891	80,400
Gain on sale of available for sale investments	(131,759)	(136)
Gain from revaluation of investment in marketable securities held for trading	(61,044)	(34,378)
Initial public offering returns	-	(468,026)
Net investment revenue	(106,606)	(91,945)
Operating profit before changes in operating assets and liabilities	548,433	358,606
Decrease in prepaid expenses and other receivables	36,254	3,794
Increase in due from related parties	(1,491)	-
Decrease in payables and accrued expenses	(186,457)	(123,002)
Cash generated from operations	396,739	239,398
Employees' end of service indemnity paid	(99)	(51)
Net cash generated from operating activities	396,640	239,347
Cash flows from investing activities		
Proceeds from sale of other financial assets	977,352	16,070
Purchases of other financial assets	(1,355,908)	(810,581)
Purchase of property and equipment	(9,673)	(11,700)
Islamic investment deposits	444,072	(57,258)
Revenue received from investments	61,325	52,020
Net cash generated from/(used in) investing activities	117,168	(811,449)
Cash flows from financing activities		
Initial public offering income	-	468,026
Net initial public offering surplus	-	31,608
Net receipt from Dubai Government	-	557,981
Dividends paid to shareholders	(771,260)	-
Net cash (used in)/generated from financing activities	(771,260)	1,057,615
Net (decrease)/increase in cash and cash equivalents	(257,452)	485,513
Cash and cash equivalents, at the beginning of the period	1,313,374	581,814
Cash and cash equivalents, at the end of the period (Note 13)	1,055,922	1,067,327

The accompanying notes form an integral part of this interim condensed financial information.

Notes to the Interim Condensed Financial Information
For the period from January 1, 2008 to September 30, 2008

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 UAE Federal law No. 8 of 1984 and its amendments. The Company listed its shares on the Dubai Financial Market (DFM) on March 7, 2007.

The licensed activities of the Company are trading in financial instruments, acting as commercial, industrial and agricultural holding and trust company, financial investment consultancy, and local and foreign shares and bonds brokerage. In accordance with its Articles of Association, the Company complies in all its activities, operations and formalities with the provisions of Islamic Sharia’a and shall invest its entire fund in accordance with these provisions.

The Company 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, Bur Dubai, Sheikh Zayed Road, P.O. Box 9700, Dubai.

The shares owned by the Government of Dubai, the ultimate controlling party, are registered in the name of Borse Dubai Limited.

2. Significant accounting policies

Basis of preparation of the financial information

The interim condensed financial information has been prepared on the historical cost basis, except for the revaluation of certain financial instruments which are stated at fair value.

This interim condensed financial information has been prepared in accordance with International Accounting Standard (IAS) No. 34: *Interim Financial Reporting* and the applicable UAE Laws.

This interim condensed financial information is presented in United Arab Emirates Dirhams (AED) since that is the currency of the country in which the Company is domiciled.

For the purpose of preparation of these interim condensed financial information, the Company has adopted the revised and amended Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the IFRIC that are relevant to its operations for the period beginning January 1, 2008. The adoption of these new and revised Standards and Interpretations did not have any effect on the financial position or performance of the Company, except for the effect of the revision of IAS 39 issued in October 2008 (Note 5).

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2008 to September 30, 2008

2. Significant accounting policies (continued)

Financial assets

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets as 'at fair value through profit or loss' (FVTPL), 'held-to-maturity investments', 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling in the near future; or
- It is a part of an identified portfolio of financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in income statement. The net gain or loss recognised in income statement incorporates any dividend or interest earned on the financial asset.

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2008 to September 30, 2008

2. Significant accounting policies (continued)

Financial assets - continued

Held-to-maturity investments

Investments with fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments.

Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Available-for-sale financial assets

Listed shares held by the Company that are traded in an active market are classified as being AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in shareholders' equity in the investments revaluation reserve with the exception of impairment losses, foreign exchange gains and losses on monetary assets, which are recognised directly in income statement. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in income statement for the period.

Dividends on AFS equity instruments are recognised in income statement when the Company's right to receive payments is established.

Managed funds are initially recorded at cost and at each balance sheet date re-measured according to net assets value determined by fund manager.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For unlisted shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to the objective evidence of impairment.

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2008 to September 30, 2008

2. Significant accounting policies (continued)

Financial assets - continued

Impairment of financial assets (continued)

For all other financial assets, including redeemable notes classified as AFS and finance lease receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in income statement.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through income statement to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

In respect of AFS equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2008 to September 30, 2008

2. Significant accounting policies (continued)

The interim condensed financial information do not include all the information and disclosures and should be read in conjunction with the audited financial statements for the year ended December 31, 2007.

The other accounting policies adopted are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2007.

(a) Estimates

The preparation of interim condensed financial information require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed 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 December 31, 2007.

(b) Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2007.

3. Cash and bank balances

	September 30, 2008	December 31, 2007
	AED'000	AED'000
	(Un-audited)	(Audited)
Cash on hand	71	25
Bank balances (local):		
Current accounts	272	456
Mudarabah accounts	89,070	154,443
Saving accounts	<u>963</u>	<u>-</u>
	<u>90,376</u>	<u>154,924</u>

The expected rate of return on the saving and the Mudarabah accounts vary between 1.5% to 2.0% per annum (for the period from January 1, 2007 to September 30, 2007: between 3% to 3.47% per annum).

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2008 to September 30, 2008

4. Islamic investment deposits

	September 30, 2008	December 31, 2007
	AED'000	AED'000
	(Un-audited)	(Audited)
Islamic investment deposits (Mudarabah) maturing in less than 3 months from the date of deposit	965,546	1,158,450
Islamic investment deposits maturing in more than 3 months from the date of deposit but before June 30, 2009	<u>555,729</u>	<u>999,802</u>
	<u>1,521,275</u>	<u>2,158,252</u>

As per the investment agreements, expected returns on these investments range from 5% to 6.5% per annum (for the period from January 1, 2007 to September 30, 2007: 5.2% to 6.3% per annum).

As of September 30, 2007, Islamic investment deposits do not include any deposit held with foreign banks.

5. Other financial assets

	September 30, 2008	December 31, 2007
	AED'000	AED'000
	(Un-audited)	(Audited)
Current financial assets		
<i>Held for trading investments</i>		
Investments in marketable securities (see below)	-	391,791
<i>Available for sale investments</i>		
Islamic financial notes	<u>-</u>	<u>98,759</u>
	<u>-</u>	<u>490,550</u>

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2008 to September 30, 2008

5. Other financial assets (continued)

	September 30, 2008	December 31, 2007
	AED'000	AED'000
	(Un-audited)	(Audited)
Non-current financial assets		
<i>Available for sale investments</i>		
Investments in marketable securities	596,551	543,771
Transferred from held for trading (see below)	<u>258,909</u>	<u>-</u>
Total investment in marketable security	855,460	543,771
Managed funds	727,382	700,511
Islamic financial notes	<u>-</u>	<u>51,487</u>
	<u>1,582,842</u>	<u>1,295,769</u>

Investments in marketable securities include an amount of AED 120 million which represent foreign investments.

As a result of the global financial credit crisis that arose from the subprime loans and the subsequent sharp decline in the quoted share prices, the management of the Company has reconsidered its investment strategy. Accordingly the Company adopted the amendments to IAS 39 issued by the International Accounting Standards Board (effective July 1, 2008) and which permits an entity to reclassify, in particular circumstances, (effective July 1, 2008) investments held for trading for which the change in fair value is recognized in the profit and loss to investment available for sales for which the change in the fair value is recognized under equity as investment revaluation reserve. As a result of the reclassification net profit for the 3 month and 9 month periods ended September 30, 2008 has increased by AED 250 million.

Details of the reclassified investments are as follows:

	AED'000
Fair value as of July 1, 2008	486,131
Additions during the 3 month period ended September 30, 2008	23,309
Change in fair value during the 3 month period ended September 30, 2008	<u>(250,531)</u>
Fair value of investment reclassified as of September 30, 2008	<u>258,909</u>

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2008 to September 30, 2008

6. Related party transactions

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard 24: *Related Party Disclosures*. Related parties comprise companies under common ownership and/or common management and control and key management personnel.

At the balance sheet date, due from/to a related party were as follows:

	September 30, 2008	December 31, 2007
	AED'000	AED'000
	(Un-audited)	(Audited)
Due from a related party		
<i>Parent company</i>		
Borse Dubai Limited	2,588	1,097
	<u>2,588</u>	<u>1,097</u>
Due to a related party		
<i>Ultimate parent</i>		
Dubai Government	48,500	48,500
	<u>48,500</u>	<u>48,500</u>

During the year 2007, Government of Dubai (ultimate controlling party) granted the Company a plot of land to construct new premises. The land is still not yet registered in the name of the Company. An independent valuation of the land was performed by Dubai Properties L.L.C. to determine the fair market value of AED 280 million.

As per the initial public offering prospectus, 20% of the share capital amounting to AED 1,600,000,000 was offered for public subscription for the credit of Dubai Government. This amount was deposited in the Company's bank accounts and partly paid to the Government, while the remaining balance of AED 48,500,000 appears as due to Dubai Government.

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

	For the nine-months period ended September 30, 2008	2007
	AED'000	AED'000
	Unaudited	Unaudited
Rent and service expense		
- Dubai World Trade Center	4,320	3,917
	<u>4,320</u>	<u>3,917</u>

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2008 to September 30, 2008

6. Related party transactions (continued)

Compensation of key management personnel

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

	For the nine-months period ended September 30,	
	2008	2007
	AED'000	AED'000
	Unaudited	Unaudited
Salaries and short-term benefits	8,877	3,513
General pension and social security	410	311
Board of directors' bonus	1,971	-
	=====	=====

7. Intangible assets

Effective January 1, 2007, the Company acquired Dubai Financial Market - a wholly owned entity of the Government of Dubai. The consideration, amounting to AED 8 billion, was paid in shares of the Company's stock.

During the period from January 1, 2007 to September 30, 2007, the management estimated the initial components of intangible asset which arose from the Government contribution in kind to the share capital of the Company as follows:

- Sole operating rights amounting to AED 2 billion amortized over a period of 35 years.
- Trade name and trade mark amounting to AED 1 billion amortized over a period of 20 years.

During July 2007, the Company engaged an independent valuer to "conduct and report on valuation analysis of identified material tangible assets of the Company for the purpose of determining the purchase price allocation of the identified intangible assets for compilation of IFRS compliant accounts". The following table sets forth the components of intangible assets associated with the acquisition at January 1, 2007 as reported by the evaluators in their report dated February 3, 2008 and the useful lives estimated by the management:

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2008 to September 30, 2008

7. Intangible assets (continued)

<u>Intangible assets</u>	<u>Fair value</u> AED'000	<u>Useful life</u>
License (Trade name)	2,824,455	50 years
Relationship with market participants (Brokers)	58,743	10 years
Historical Trading Database	67,456	5 years

The amortization of the intangible assets for the period from January 1, 2008 to September 30, 2008 amounted to AED 56.89 million.

8. Capital commitments

	<u>September 30,</u> <u>2008</u> AED'000 (Un-audited)	<u>December 31,</u> <u>2007</u> AED'000 (Audited)
Commitments for the purchase of property and equipment	2,932	1,955

9. Share capital

- a) The Company's share capital comprises of AED 8 billion divided into 8 billion shares of AED 1 per share. The founder - shareholders subscribed in kind to the 8 billion shares through transferring the ownership of the assets, liabilities and the operation of Dubai Financial Market (previously existing and wholly owned entity by Dubai Government) to the Company.

20% of the Company's share capital was sold by Dubai Government through a public offering of 1.6 billion shares registered in the name of Dubai Government.

- b) The Company subscribed to 54,236,831 of its own shares for the purpose of the future employees' performance share programme for a total cost of AED 1.03 per share which includes incorporation expenses. The shares will be re-issued and distributed to employees subject to shareholders approval in due course.

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

10. Reserves

Statutory reserve

In accordance with UAE Federal Companies Law Number 8 of 1984, as amended, the Company has established a statutory reserve by appropriation of 10% of its net profit each year until the reserve equals 50% of the share capital. This reserve is not available for distribution, except as stipulated by the Law.

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2008 to September 30, 2008

10. Reserves (continued)

Special reserve

As per the Company's Articles of Association, 10% of the Company's annual net profit is to be allocated to special reserve until this reserve reaches 50% of the paid up capital.

General reserve

As per the Company's Articles of Association, 10% of the Company's annual net profit is to be allocated to general reserve until this reserve reaches 20% of the paid up capital.

This appropriation may be stopped by a Resolution of an Ordinary General Meeting in pursuance of the suggestion of the Board of Directors, or if it reaches the amount of 20% of the paid up capital of the Company. The reserve shall be utilized for purposes determined by the Ordinary General Meeting in pursuance of recommendations of Board of Directors.

Investments revaluation reserve

The investments revaluation reserve arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold, the portion of the reserve that relates to that financial asset, and is effectively realised, is recognised in profit or loss. Where a revalued financial asset is impaired, the portion of the reserve that relates to that financial asset is recognised in profit or loss.

11. Earning per share

	For the nine-months period ended September 30,	
	2008	2007
	AED'000	AED'000
	Unaudited	Unaudited
Net profit for the period - (AED'000)	780,646	865,334
Number of share of the authorized share capital - ('000)	8,000,000	8,000,000
Less: Treasury shares - ('000)	(54,237)	(54,237)
Weighted average number of shares - (000's)	7,945,763	7,945,763
Earning per share - AED	0.098	0.108

Notes to the Interim Condensed Financial Information - continued
For the period from January 1, 2008 to September 30, 2008

12. Accrued dividends

Based on the results of the fiscal year ended December 31, 2007, the board of directors proposed cash dividends of 10% of issued share capital, this proposal was ratified by a resolution of the shareholders during the general assembly meeting held on March 25, 2008.

13. Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents include cash on hand and in banks and Islamic investment deposits maturing within three months from the date of the deposit. Cash and cash equivalent at the end of the period as shown in the cash flow statement is as follows:

	As of September 30,	
	2008	2007
	AED'000	AED'000
	Unaudited	Unaudited
Cash on hand	71	26
Bank balances:		
Current accounts	272	423
Mudarabah accounts	89,070	22,320
Saving accounts	963	-
Islamic investment deposits maturing in less than 3 months from the date of deposit	<u>965,546</u>	<u>1,044,558</u>
	<u>1,055,922</u>	<u>1,067,327</u>

14. Comparative figures

Certain amounts for the prior period were reclassified to conform to current period presentation.