

21 October 2014

SGX 1Q net profit at \$78 million

- Revenue: \$169 million, down 8% from a year earlier
- Operating profit: \$87 million, down 19%
- Net profit: \$78 million, down 16%
- Earnings per share: 7.3 cents, down 16%
- Interim dividend per share: 4 cents, unchanged

Singapore Exchange (SGX) today reported first-quarter revenue of \$169 million, 8% lower year on year, and net profit of \$78 million, down 16%. Securities market activities continued to be challenged by low volatility of 6% at the end of the quarter. Daily average traded value of stocks priced below \$0.20 declined 66% or \$0.1 billion during the quarter compared with a year earlier.

“Our securities market continued to be challenging, primarily due to low volatility which more than halved to 6% from 14% a year earlier. We have therefore continued our efforts to transform the Securities market with the introduction in June of Market Makers and Liquidity Providers, who have added both liquidity and depth to our market. In August, we announced that we will introduce 100-share board lots in January 2015 and that we will in March 2015, implement a minimum trading price of \$0.20 for our Mainboard shares.

“Our derivatives market continued to see growth, especially our FTSE China A50 futures and iron ore products. Volumes in the Japan Nikkei 225 contract decreased following a decline in the overall market and migration of volumes to Japan.

“The outlook for both the domestic and global markets remains uncertain amid recent turbulence. Against this backdrop, the business environment is challenging. Nevertheless, we are committed to our long-term strategy and will continue to invest in our people, as well as new products, expanded distribution and technology.

“We completed the acquisition of the Energy Market Company (EMC) on 1 October, making EMC a wholly-owned subsidiary. This acquisition strengthens our ability to further develop energy-related products,” said Magnus Bocker, CEO of SGX.

Results Summary

Securities daily average traded value (SDAV) and total traded value decreased 27% and 26% to \$1.0 billion and \$63.0 billion respectively.

Derivatives volumes were up 9% to 28.8 million contracts. A50 futures trading more than doubled to 10.8 million contracts due to growing investor interest in the China A-share market ahead of the

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launch of the Shanghai-Hong Kong Stock Connect. Iron ore products' volume more than quadrupled to 660,000 contracts following increased use of options amid significant price volatility.

A total of 13 new listings occurred on SGX, raising \$1.9 billion, compared to 11 new listings raising \$2.0 billion a year earlier. Secondary equity funds raised increased 70% to \$4.4 billion. Our bond listing platform continued to draw strong interest; 131 new bonds were listed, raising \$52.8 billion, higher than the 98 listings raising \$38.8 billion a year earlier.

About Singapore Exchange (SGX)

Singapore Exchange (SGX) is the Asian Gateway, connecting investors in search of Asian growth to corporate issuers in search of global capital. SGX represents the premier access point for managing Asian capital and investment exposure, and is Asia's most international exchange with more than 40% of companies listed on SGX originating outside of Singapore. SGX offers its clients the world's biggest offshore market for Asian equity index futures, centred on Asia's three largest economies – China, India and Japan.

In addition to offering a fully integrated value chain from trading and clearing, to settlement and depository services, SGX is also Asia's pioneering central clearing house. Headquartered in Asia's most globalised city, and centred within the AAA strength and stability of Singapore's island nation, SGX is a leading Asian counterparty for the clearing of financial and commodity products.

For more information, please visit www.sgx.com

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Financial Highlights

<i>\$ million, except where indicated</i>	1Q FY2015	1Q FY2014	Change 1Q FY2015 vs 1Q FY2014	4Q FY2014	Change 1Q FY2015 vs 4Q FY2014
Securities	49.1	69.0	(29%)	53.3	(8%)
Derivatives	53.7	51.7	4%	52.2	3%
Market Data and Connectivity	19.3	18.9	2%	19.3	-
Depository Services	23.9	25.2	(5%)	23.9	-
Issuer Services	22.7	18.9	20%	23.4	(3%)
Other	0.2	0.3	(38%)	0.6	(70%)
Operating revenue	168.9	184.1	(8%)	172.6	(2%)
Operating expenses	81.9	77.4	6%	84.2	(3%)
Operating profit	87.0	106.7	(19%)	88.4	(2%)
Other gains/(losses)	2.0	1.5	32%	1.6	22%
Profit before tax and share of results of associated companies	88.9	108.2	(18%)	90.0	(1%)
Tax	12.1 ¹	16.4	(26%)	13.6	(11%)
Profit attributable to equity holders - reported	77.6	92.3	(16%)	77.4	-
Basic earnings per share (in cents)	7.3	8.6	(16%)	7.2	-
Net asset value per share as at 30 September 2014, 30 September 2013 and 30 June 2014	73.5	72.1	2%	86.2	(15%)
Dividend per share (in cents)					
- Interim dividend paid	4.00	4.00	-	-	4.0
- Proposed final dividend	-	-	-	16.00	(16.0)
- Total dividend	4.00	4.00	-	16.00	(12.0)
Key financial indicators					
Revenue growth	(8%)	15%		(15%)	
Cost to income ratio	49%	42%		49%	
Operating profit margin	51%	58%		51%	
Net profit margin	46%	50%		45%	
Return on shareholders' equity	39%	48%		35%	

¹ Tax expense for 1Q FY2015 was reduced by a \$3.2 million write back of prior year tax provisions (1Q FY2014: \$4.0 million tax write-back).

Note: SGX's financial year is from 1 July to 30 June. Some numbers may be subject to rounding.