



Singapore Exchange Limited

FY2004 Full Year Results

Hsieh Fu Hua, CEO

Seck Wai Kwong, CFO

29 July 2004

Agenda

1. CEO's Message & Highlights
2. Financial Review
3. Strategy Update
4. Q & A

CEO's Message

Hsieh Fu Hua

Chief Executive Officer

CEO's Message

- Building a robust business
- Restructuring for efficiency and customer focus
- Discipline in cost and capital management
- Open connectivity

Highlights of FY2004 Full Year Results

FY 2004 Results



Delivering results...

	Market Expectations	Performance	Change from FY03
Net Profit After Tax	S\$115.5 – S\$128.4M	S\$133.0M	S\$67M ⁽¹⁾
Cost-to-income	50% – 54%	48.8% ⁽²⁾	19.5%
Return on Equity	Mid-teens	20.8%	11.6%
Dividend per Share (Gross)	6.5 – 11.0 cents	13.5 cents ⁽³⁾	7.0 cents

- (1) Excludes impairment loss on properties in FY03
- (2) Excludes provision for surplus leased premises utilised S\$4.4M
- (3) Includes special dividend

Financial Review

Full Year Results ended 30 June 2004

Seck Wai Kwong

Chief Financial Officer

Income Statement



Profitability improved ...

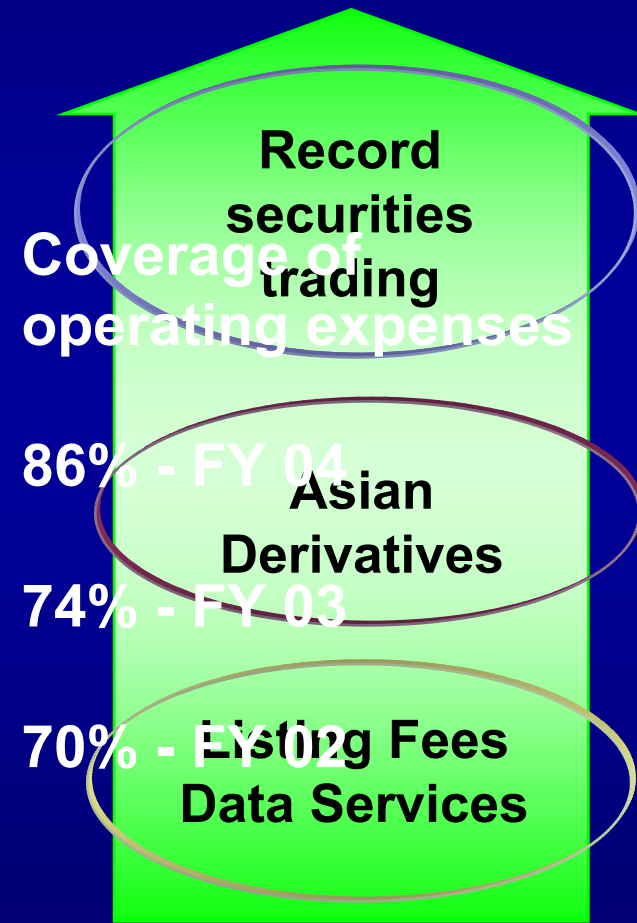
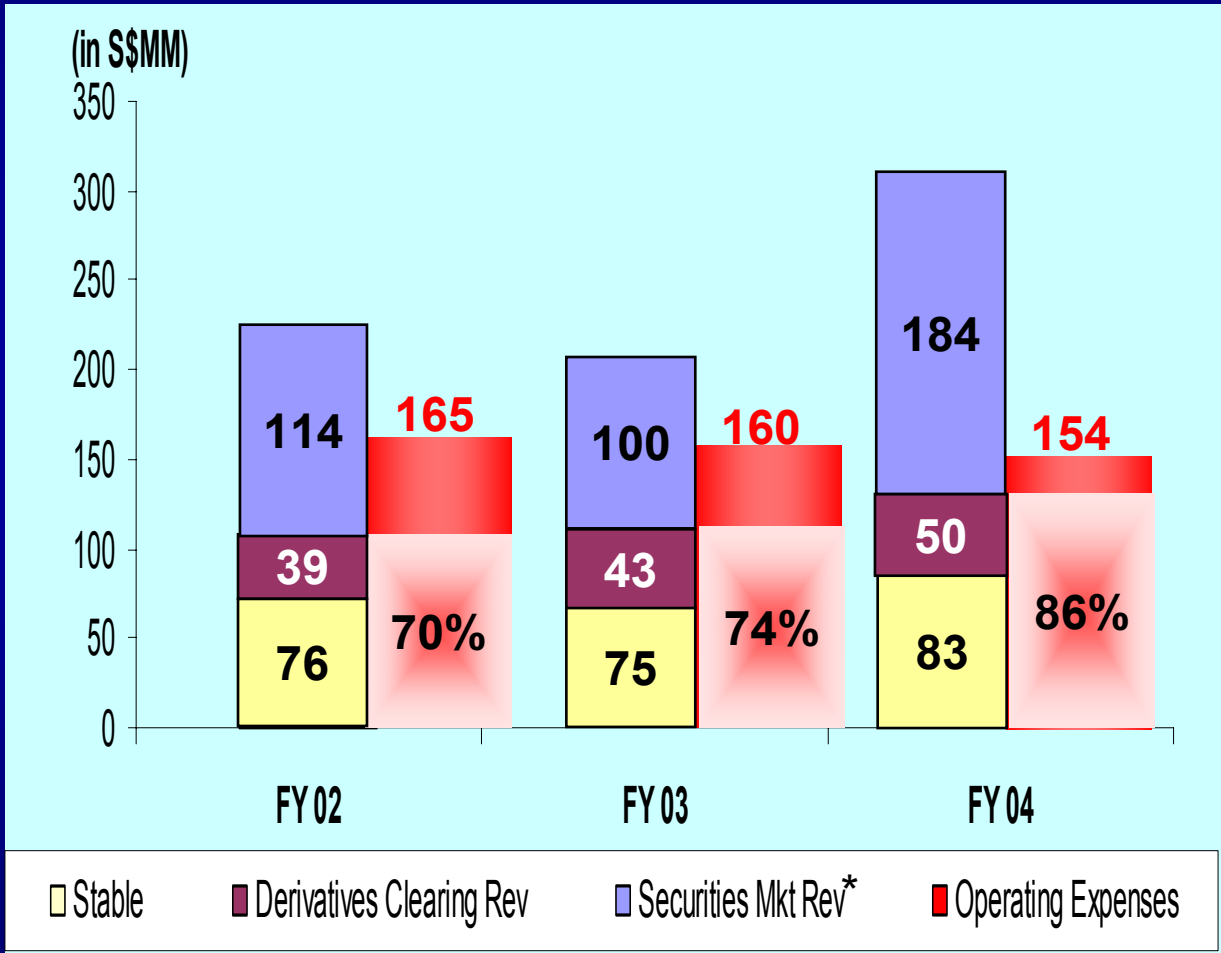
(in S\$MM)	FY04	FY03	% Change
Operating Revenue	316.3	218.5	44.8
Operating Expenses	149.9	166.4	9.9
Operating Profit	166.4	52.1	219.4
Net Non-Operating Revenue	(0.3)	25.4	NM
Exceptional item	-	(50.0)	100.0
Net Profit Before Tax & MI	166.1	27.5	503.9
Tax & MI	33.1	11.5	188.0
Net Profit After Tax & MI	133.0	16.0	731.0
Net Profit After Tax & MI (excl exceptional item)	133.0	66.0	101.5



Operating Revenue



Strong improvement in high operating leverage



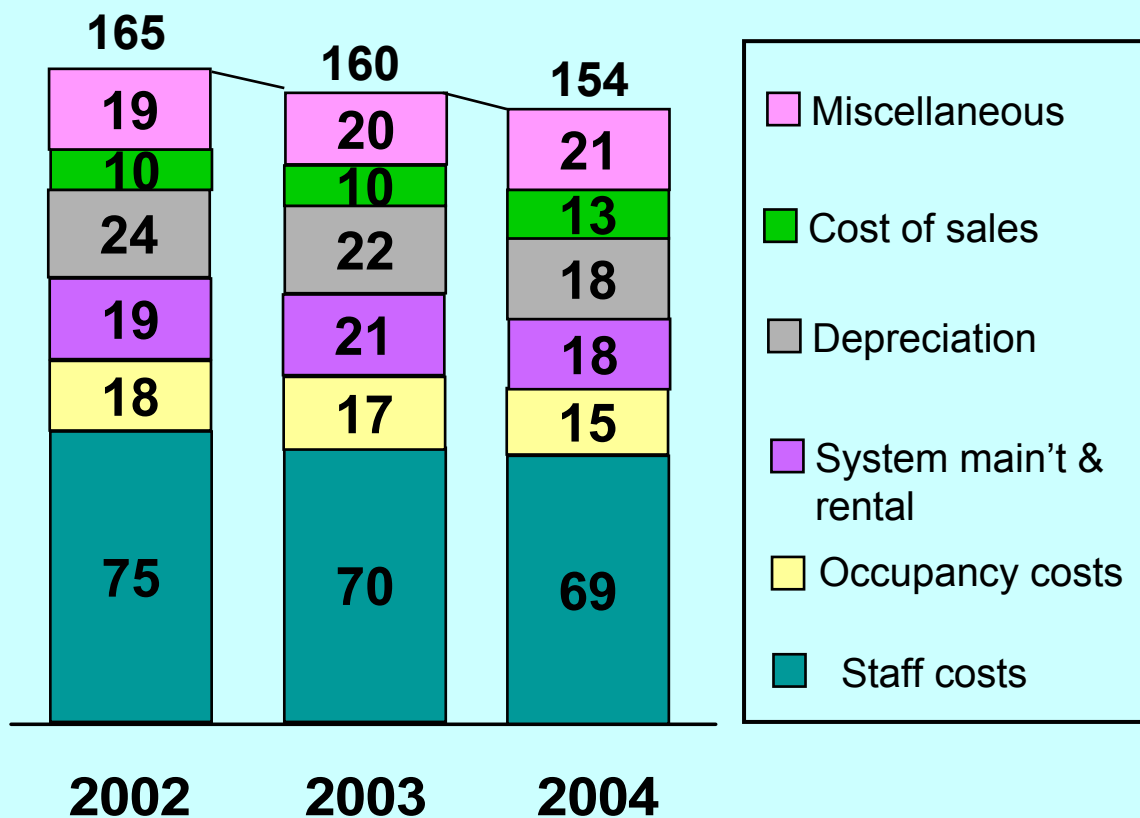
Operating expenses exclude provision for surplus leased premises [FY02-04] & provision for SGX-MAS Market Development Scheme [FY03] derivatives revenues

Operating Expenses



Continued financial discipline

Declining costs



- ✓ Headcount & base salary
- ✓ Revision of rental rates & expiration of leased premises
- ✓ Sub-lease of surplus premises
- ✓ System support services
- ✓ Fully depreciated assets

- ✓ Variable bonus
- ✓ Fees to MAS for transfer of PS function

The above excludes

- (a) Provision for Surplus Leased Premises [FY02-04], and
- (b) Provision for SGX-MAS Market Development Scheme [FY03]

Performance at a Glance



Enhancing shareholder value

	FY 2004	FY 2003 ⁽¹⁾	Change
Return on Equity ⁽²⁾	20.8%	9.2%	+11.6%
Cost-to-Income	48.8% ⁽³⁾	68.3%	-19.5%
Net Profit Margin	42.0%	32.6%	+9.4%
Dividend per Share (gross) (cents)	13.5	6.5	+7.0

(1) Excludes non-recurring & exceptional items, Annual Report 2003

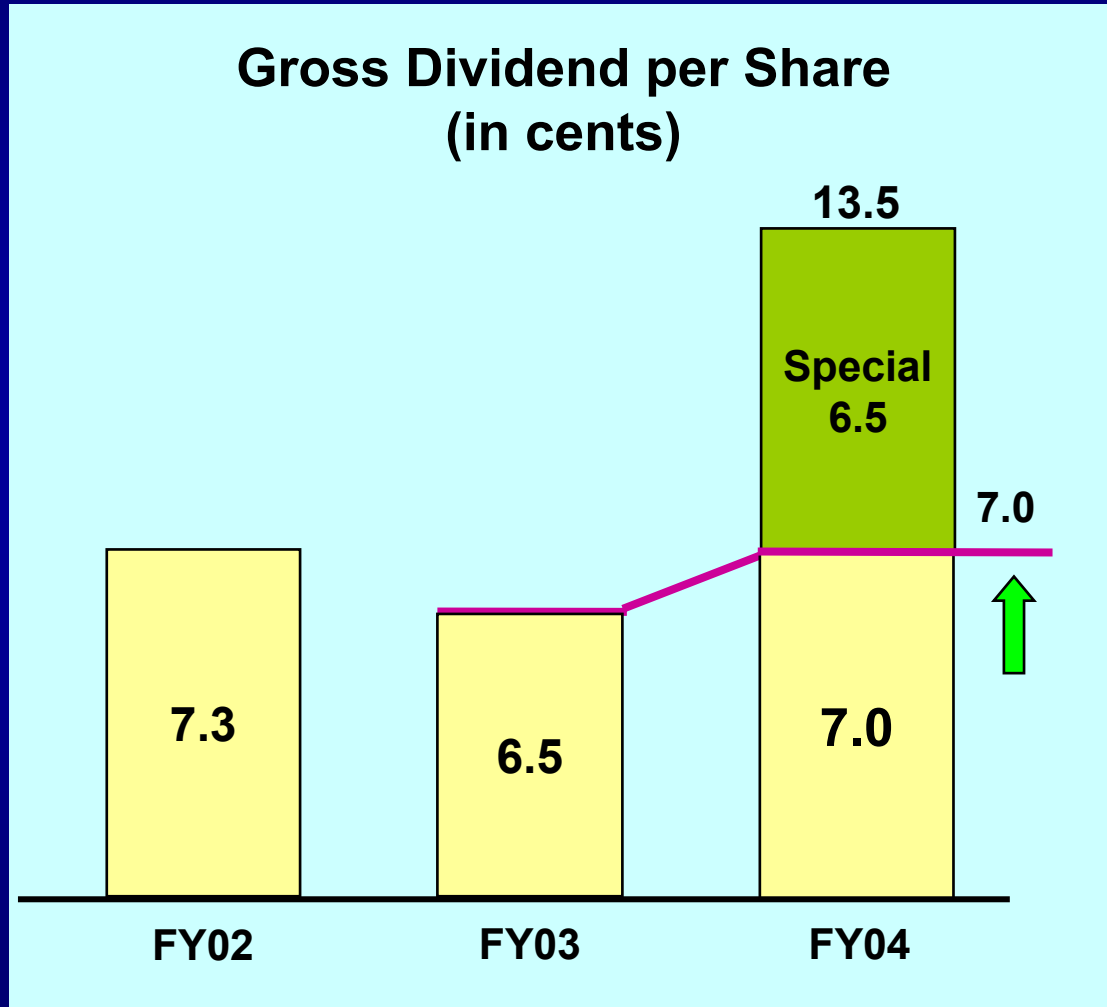
(2) Net profit after tax divided by shareholders' equity as at period end

(3) Excludes provision for surplus leased premises utilised S\$4.4M

New Dividend Policy



Our commitment to shareholders

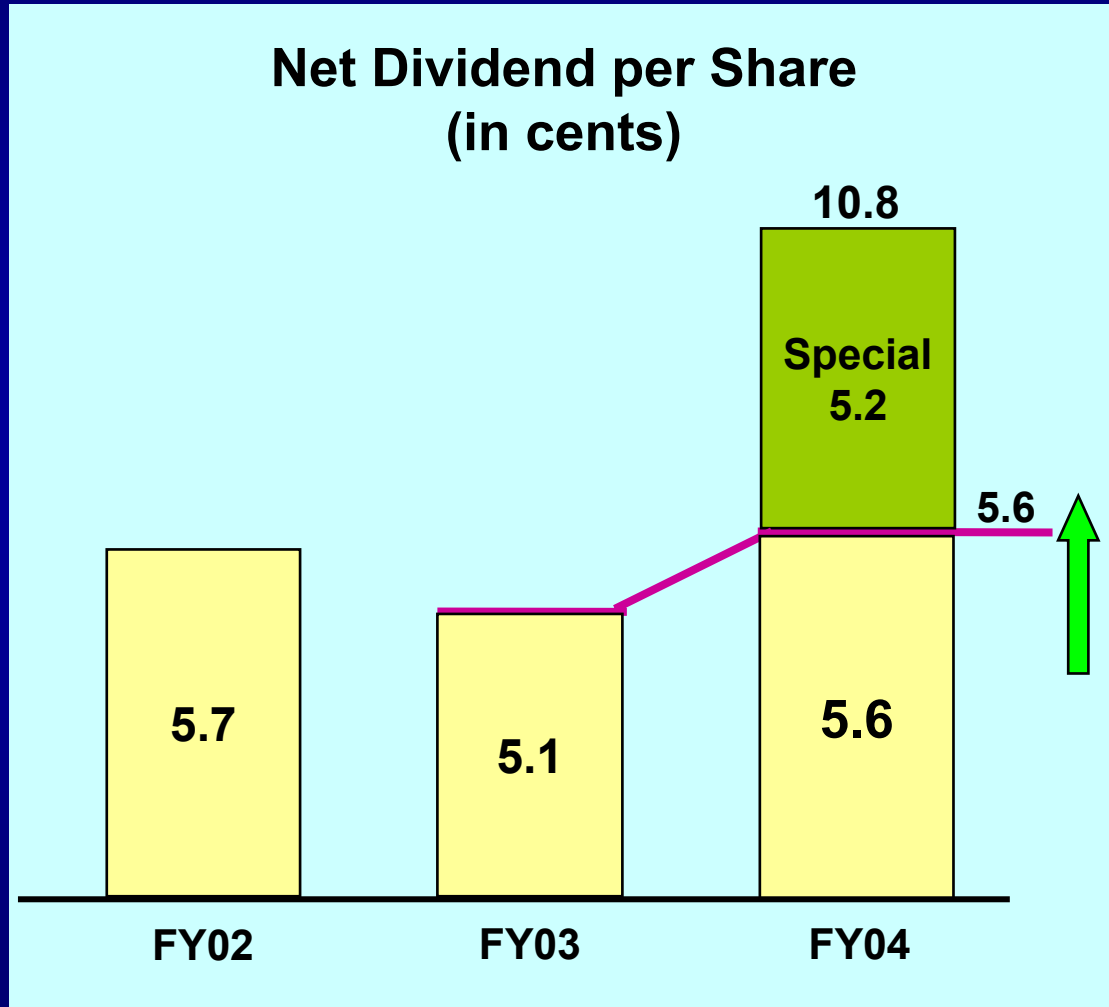


Raise minimum dividend per share and maintain payout $\geq 50\%$ NPAT

New Dividend Policy



Our commitment to shareholders

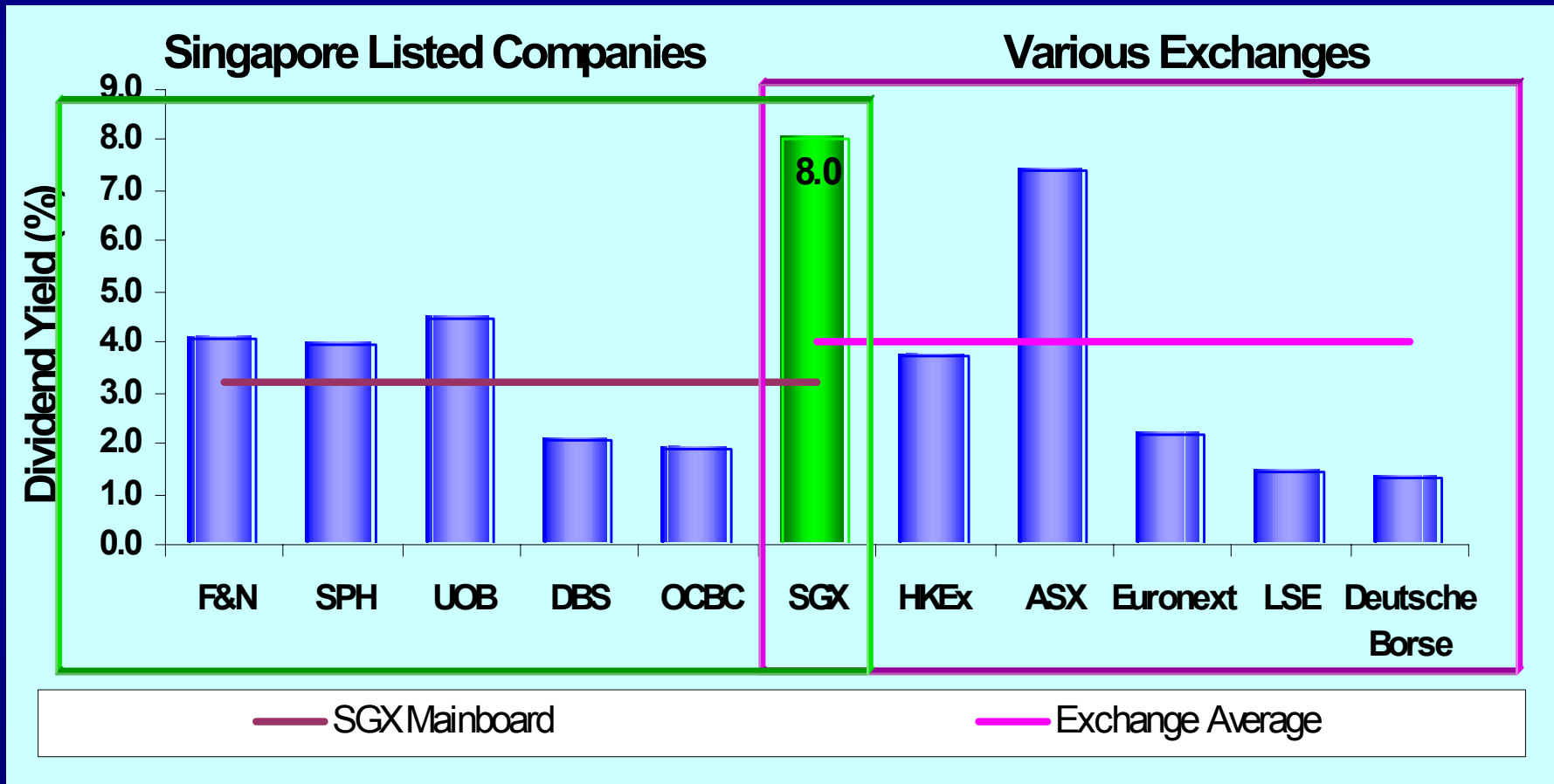


Up from 5.1 cents
to **5.6 cents**

Comparison of Dividend Yield



SGX – A good dividend play



Source: Bloomberg, SGX

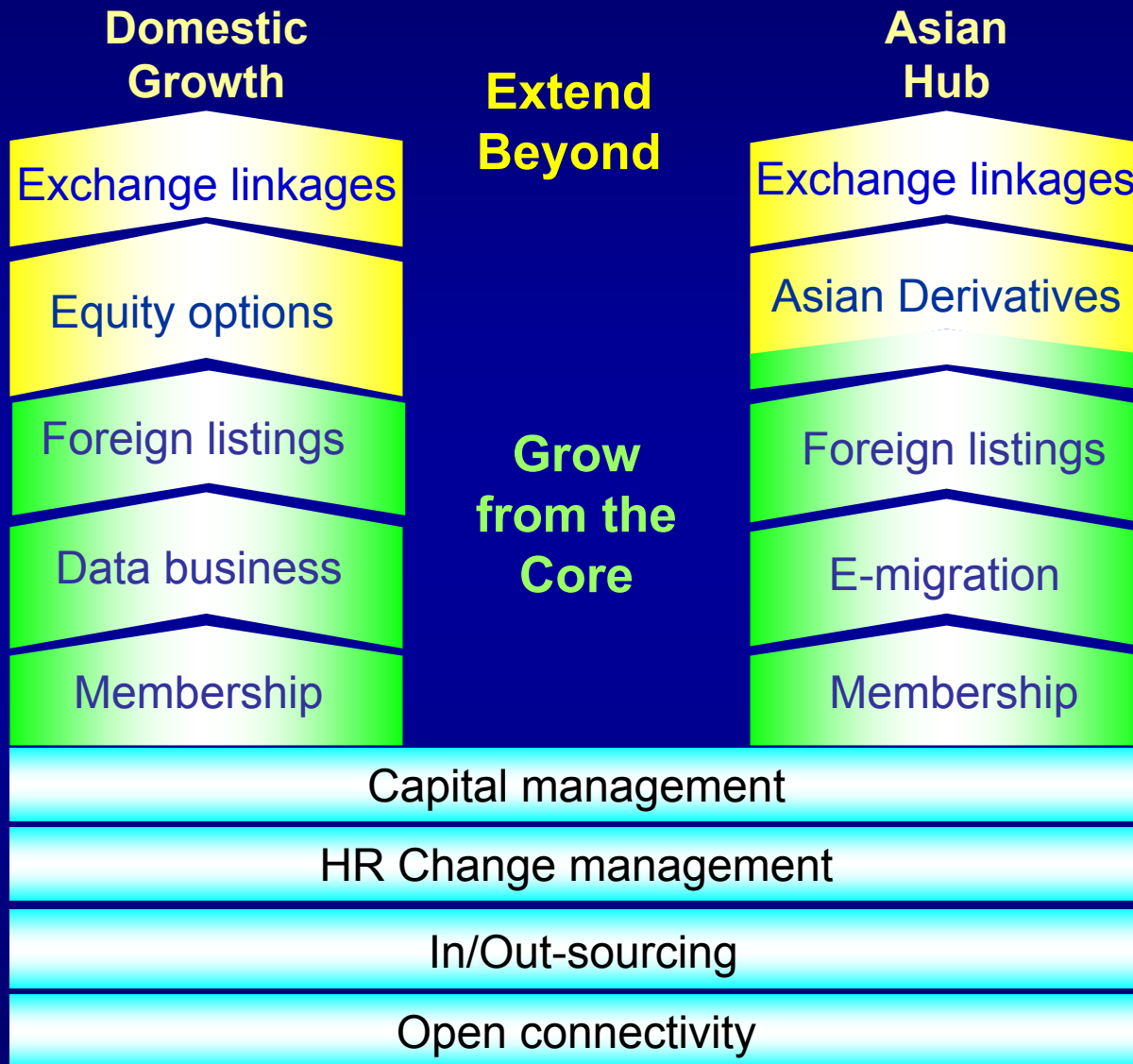
Dividend yield = Gross dividend of last FY / last traded price @ 30 June 04; excludes capital-related special dividend & capital return

Strategy Update

Hsieh Fu Hua

Chief Executive Officer

Strategic Direction

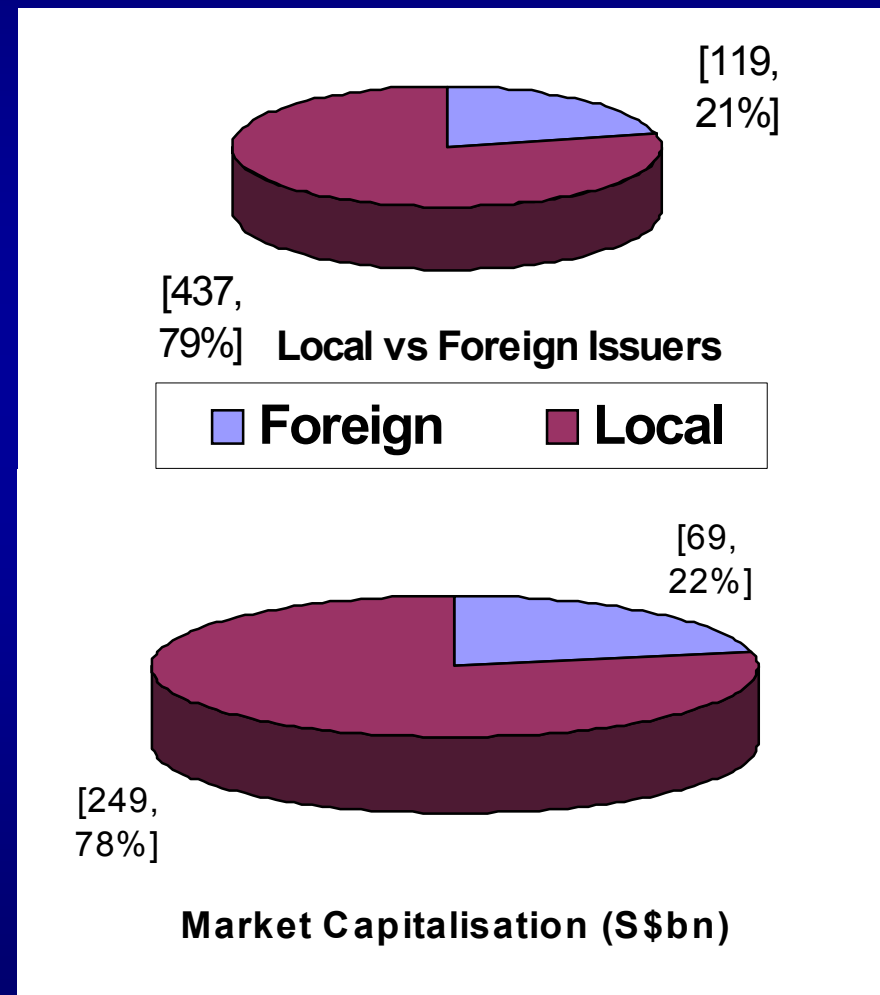
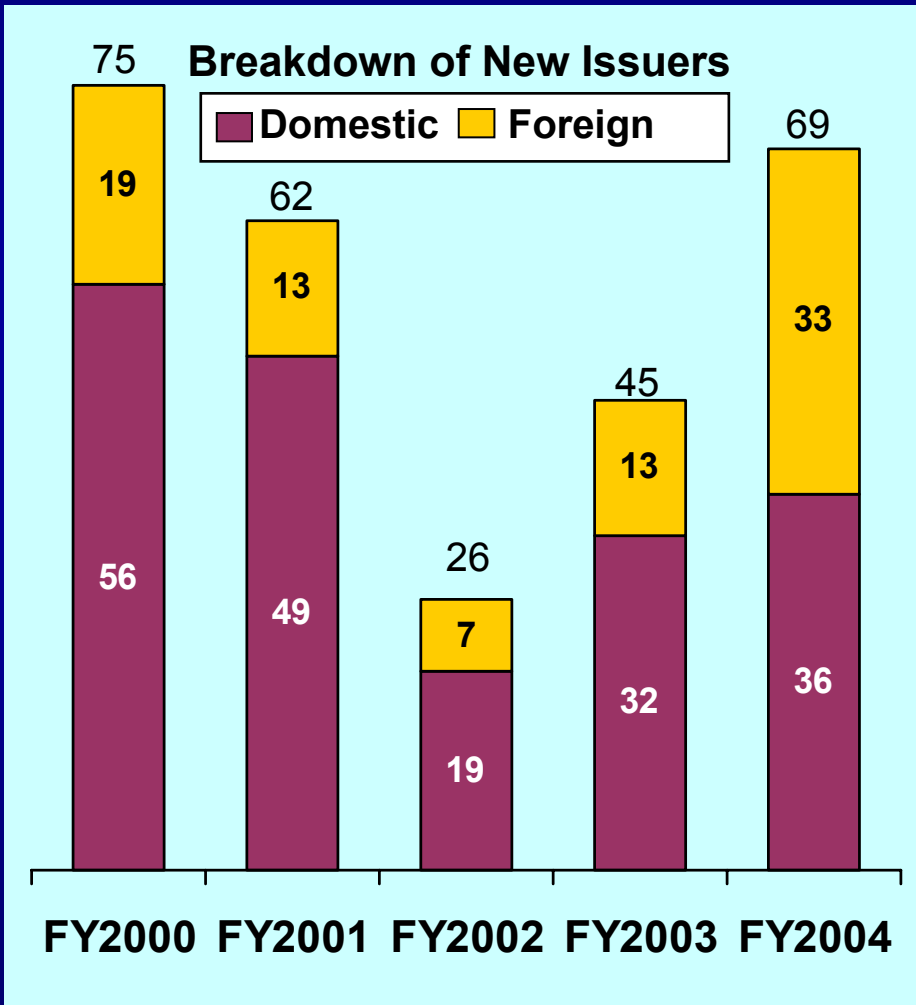


Defend the Business

Grow from the core: Securities Market



Building regional growth platform for foreign issuers



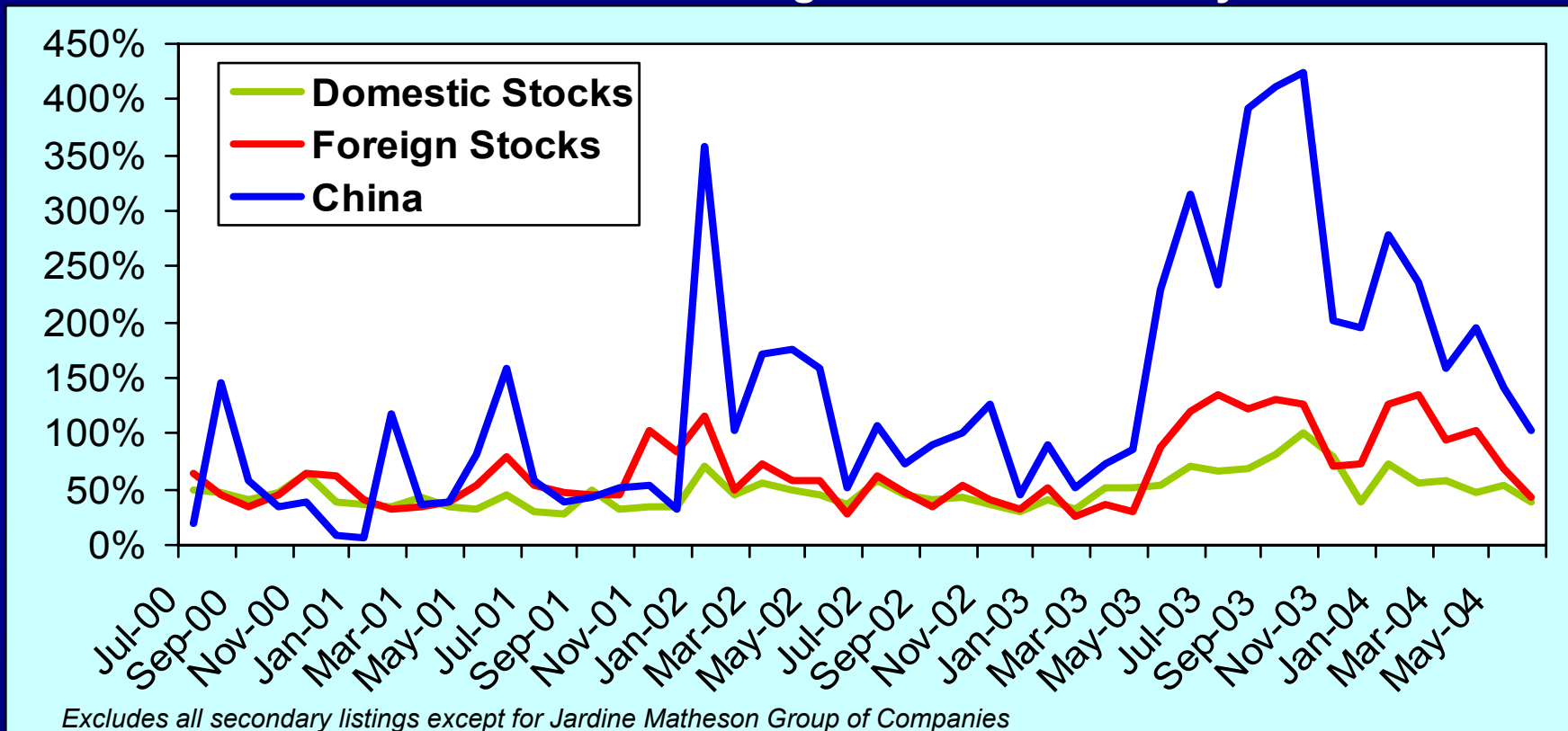
Excludes all secondary listings except for Jardine Matheson Group of Companies

SGX. Tomorrow's Market, Today

Grow from the core: Securities Market



Foreign stocks are actively traded on SGX

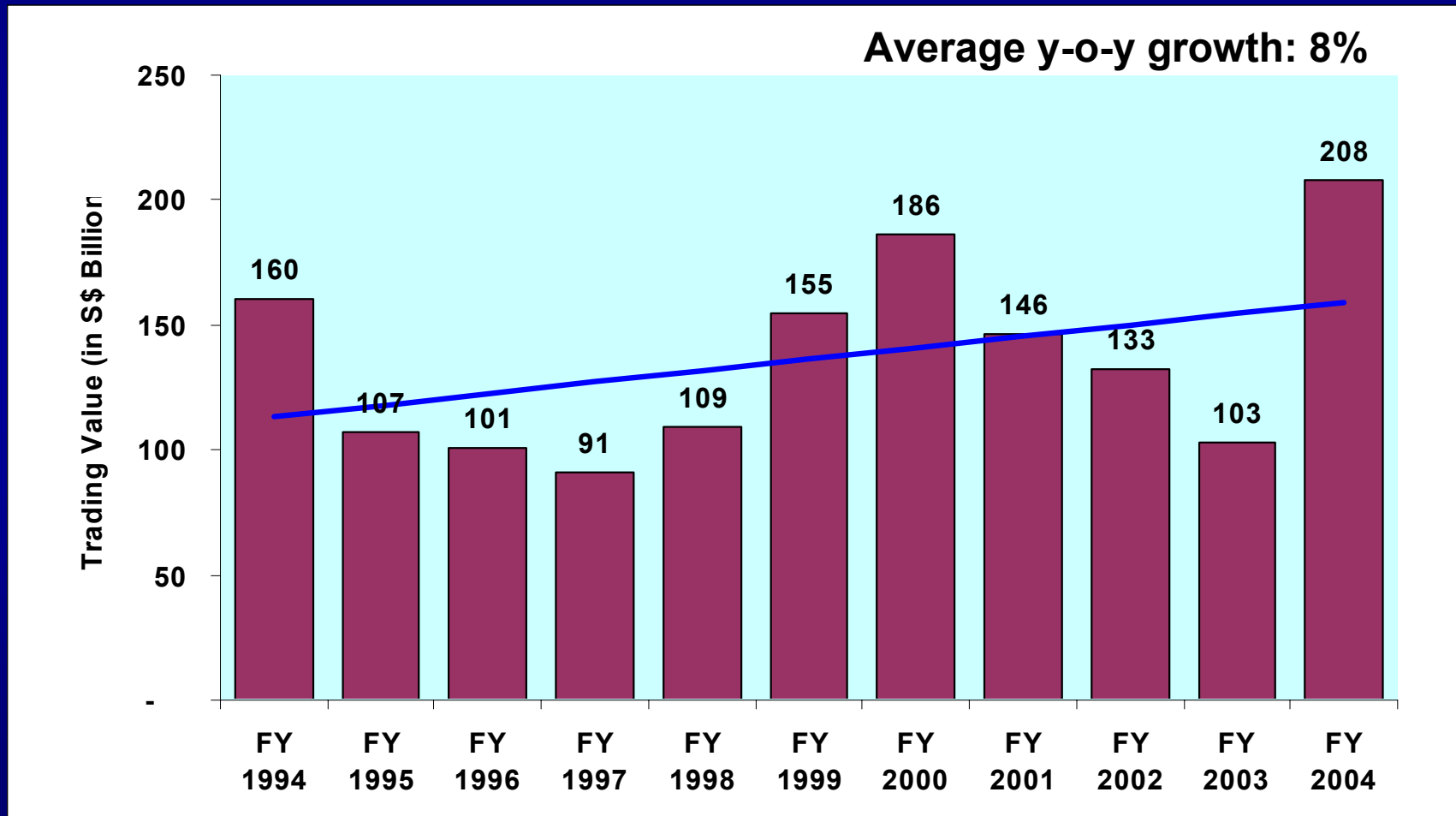


FY2004	
Domestic Stocks Turnover Velocity	63%
Foreign Stocks Turnover Velocity	100%
China Stocks Turnover Velocity	234%

Our securities market



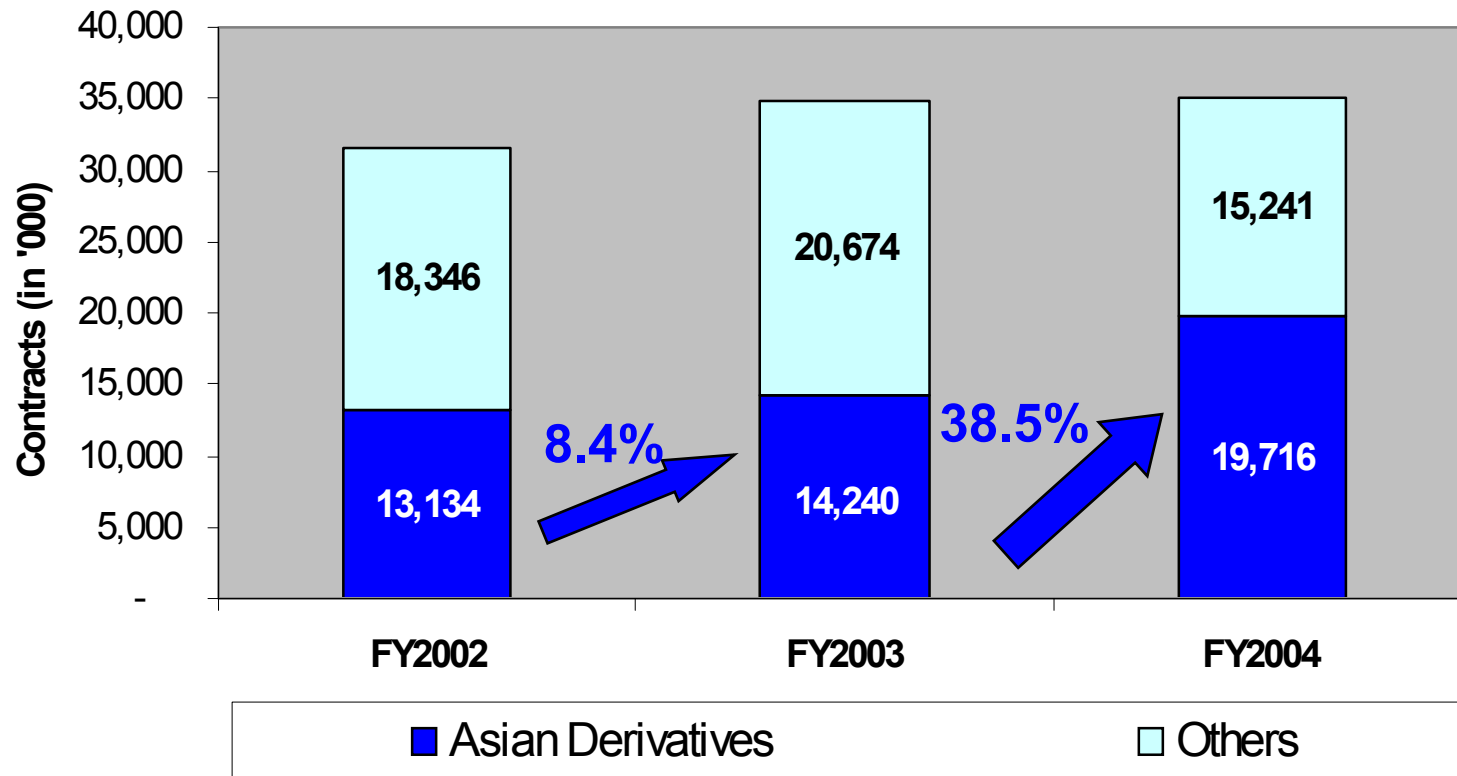
A growing market ...



Grow from the core: Derivatives Market

Focus on higher margin products

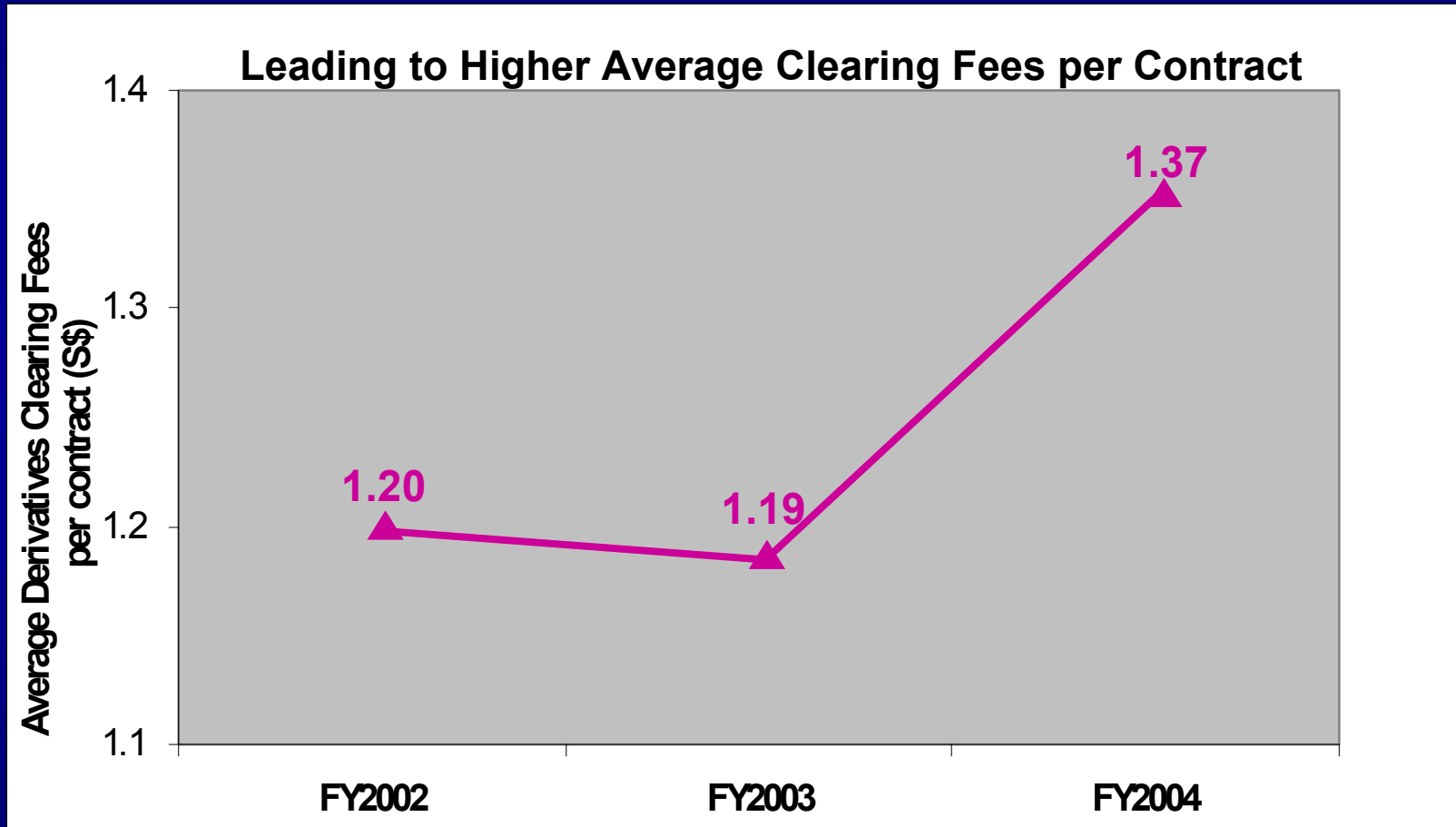
Robust Growth in Asian Derivatives



Grow from the core: Derivatives Market



Focus on higher margin products



Extending Beyond: Strategic Alliances



Our Investment Story

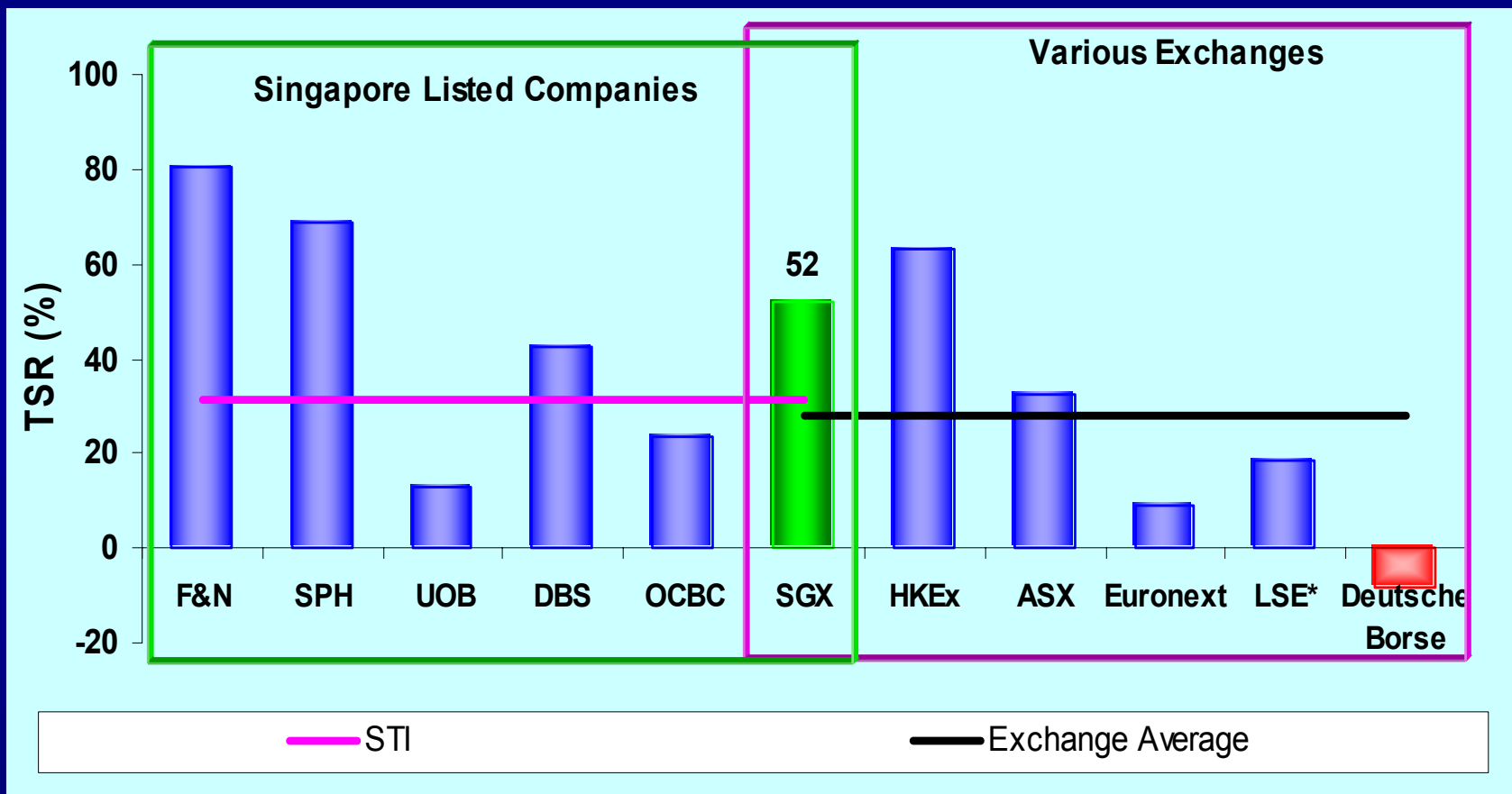
- Strong stable revenue base leveraged to market growth
- Attractive dividend policy
- Discipline in cost & capital management
- A superior ROE

Comparison of Total Shareholder Return

From 1 Jul 2003 to 30 Jun 2004



SGX – A rewarding stock



* Includes special dividend payable in Aug 04

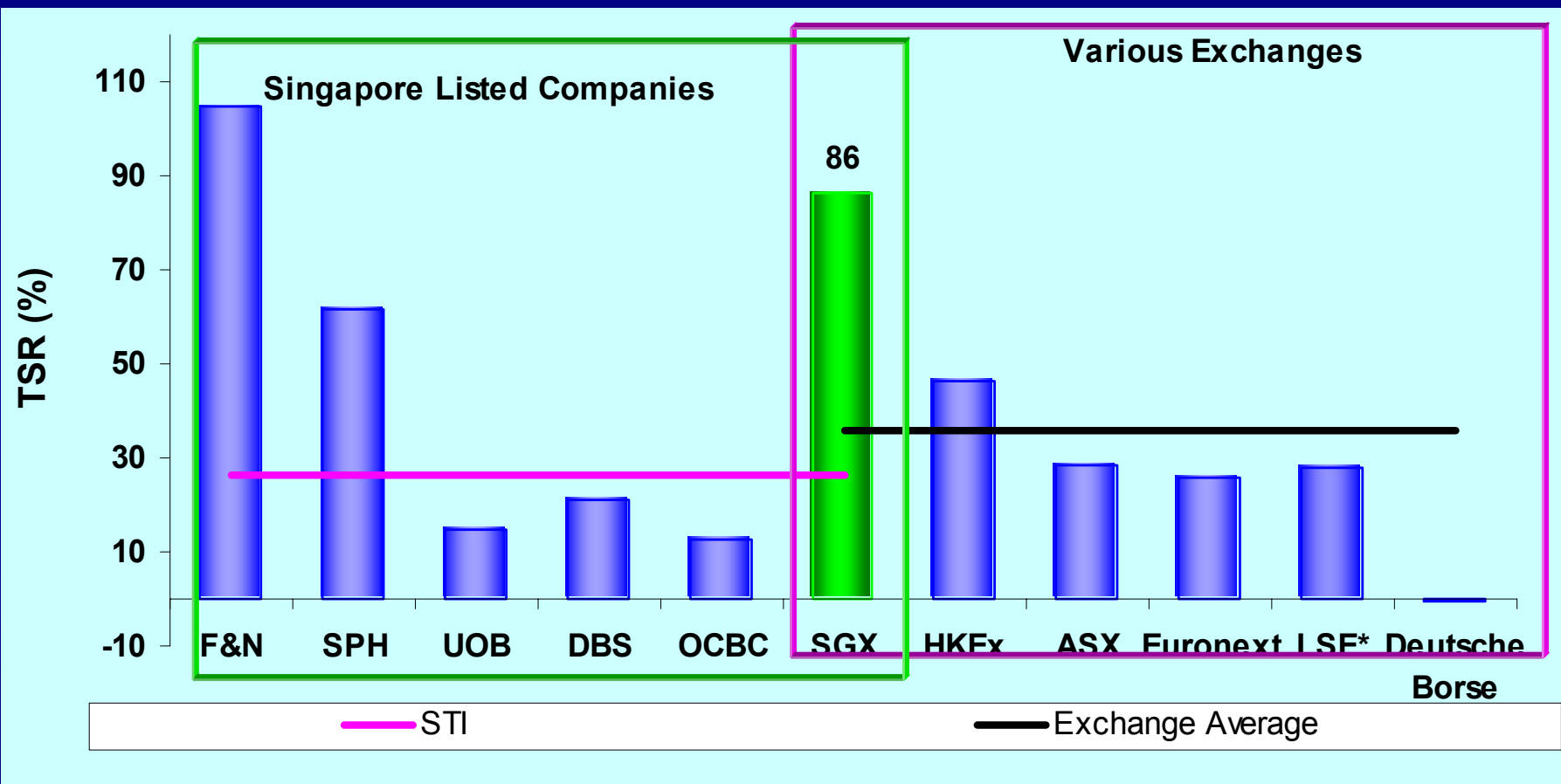
Source: Bloomberg

Comparison of Total Shareholder Return

From 1 Jul 2002 to 30 Jun 2004



SGX – A rewarding stock



* Includes special dividend payable in Aug 04

Source: Bloomberg

Q & A

Panel:

1. Hsieh Fu Hua, CEO
2. Seck Wai Kwong, CFO