

17 October 2013

SGX reports first-quarter net profit of \$92 million

- Revenue: \$184 million, up 15% from a year earlier
- Operating profit: \$107 million, up 21%
- Net profit: \$92 million, up 24%
- Earnings per share: 8.6 cents, up 24%
- Interim dividend per share: 4.0 cents

Singapore Exchange (SGX) today reported first-quarter net profit of \$92.3 million, up 24% from a year earlier. With growth across all businesses, revenue was up 15% to \$184.1 million.

Revenue from the securities business grew 15% to \$69.0 million and accounted for 38% of total revenue. The average value of daily trading was steady at \$1.3 billion. Securities clearing revenue rose 17% to \$54.4 million due to institutions trading a broader range of stocks and increased retail participation. The clearing revenue a year earlier was also lower due to block trades driven by merger and acquisition-related activities.

Derivatives revenue grew 16% to \$51.7 million and contributed 28% of total revenue. Total volumes grew 36% to 26.4 million contracts led by increased volumes for China A50 futures, Nikkei 225 futures and options, and iron ore swaps.

A total 11 listings in the quarter raised \$2.0 billion compared with 10 IPOs raising \$3.6 billion a year earlier. New listings included Kris Energy, OUE Hospitality Trust, Rex International and SPH REIT. Total equity funds of \$4.6 billion were raised, compared with \$4.0 billion a year earlier. A total of \$38.8 billion was raised from new bond listings, compared with \$52.5 billion a year earlier. New bond issues included a US\$1.5 billion Indonesian sovereign bond and a US\$1 billion bond from Baidu.

CEO's Comment

Magnus Bocker, CEO of SGX, said, "We posted a 24% increase in first-quarter net profit to \$92 million following a 15% growth in revenue to \$184 million as institutional and retail participation in the securities market broadened and the global market share of our key derivatives contracts grew.

We will continue to execute our strategy amid uncertain market conditions. In the next few quarters, we will introduce products such as foreign exchange futures and new ASEAN equity index futures. The growth of our distribution capabilities is on track; we have received an automated trading services licence in Hong Kong. We remain committed to strengthening our regulatory and risk management capabilities including preparing ourselves for new European and US regulatory standards."

For the full SGX Financial Statements announcement, please visit www.sgx.com.

Singapore Exchange Limited
Company Reg No. 199904940D

2 Shenton Way, #19-00 SGX Centre 1, Singapore 068804
Main: (65) 6236 8888 Fax: (65) 6535 6994

Financial Highlights

<i>\$ million, except where indicated</i>	1Q FY2014	1Q FY2013	Change 1Q FY2014 vs 1Q FY2013	4Q FY2013	Change 1Q FY2014 vs 4Q FY2013
Key income statement figures					
Securities	69.1	60.3	15%	77.9	(11%)
Derivatives	51.7	44.5	16%	59.0	(12%)
Market Data and Connectivity	18.9	18.1	5%	18.4	3%
Depository Services	25.2	20.8	21%	27.1	(7%)
Issuer Services	18.9	16.4	15%	19.1	(1%)
Other	0.3	0.4	(34%)	0.8	(64%)
Operating revenue	184.1	160.5	15%	202.3	(9%)
Operating expenses	77.4	72.6	7%	81.4	(5%)
Earnings before interest, tax, depreciation and amortisation	116.9	97.2	20%	130.8	(11%)
Profit from operating segments	106.7	87.9	21%	120.9	(12%)
Other gains/(losses)	1.5	1.8	(15%)	(13.7)	NM
Profit before tax	108.2	89.7	21%	107.2	1%
Tax	16.4 ¹	15.8	4%	20.7	(20%)
Profit attributable to equity holders					
- reported	92.3	74.3	24%	87.6	5%
- underlying	92.3	74.3	24%	102.6²	(10%)
Basic earnings per share (in cents)	8.6	7.0	1.6	8.2	0.4
Net asset value per share as at 30 September 2013, 30 September 2012 and 30 June 2013	72.1	66.2	9%	83.1	(13%)
Dividend per share (in cents)					
- base	4.00	4.00	-	4.00	-
- variable	-	-	-	12.00	(12.0)
Total dividend	4.00	4.00	-	16.00	(12.0)
Key financial indicators					
Revenue growth	14.7%	(10.1%)		28.2%	
Cost to income ratio	42.0%	45.2%		40.2%	
Operating profit margin	58.0%	54.8%		59.8%	
Net profit margin	49.7%	45.8%		43.0%	
Return on shareholders' equity	47.9%	35.4%		39.0%	

¹ Tax expense for 1Q FY2014 was \$16.4 million. This included a \$4.0 million write back of prior year tax provisions.

² Excludes impairment loss on available-for-sale financial asset of \$15.0 million.

NM: Not meaningful

Note: SGX's financial year is from 1 July to 30 June

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 peerless Asian counterparty for the clearing of financial and commodity products.

For more information, please visit www.sgx.com

Media Contacts

Carolyn Lim
Marketing & Communications
Tel: (65) 6236 8139
Email: Carolyn.lim@sgx.com

Loh Wei Ling
Marketing & Communications
Tel: (65) 6236 8157
Email: Weiling.loh@sgx.com

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