



NEWS RELEASE

SGX achieves record profit for FY2006 since going public

Singapore Exchange Limited (SGX) today announced its full year results for the financial year ended 30 June 2006. SGX registered a record net profit after tax of \$187.6 million for FY2006, its highest profit since going public in 2000. Daily average securities trading value reached a record high of \$1.21 billion in the final 4Q FY2006 period. SGX's return on equity also hit a new high of 32.0% for FY2006.

As a reflection of the strong underlying growth in our business and commitment to enhancing shareholder value, the annual base dividend will be increased from 6.0 cents per share to 8.0 cents per share, from FY2007 onwards. The directors proposed a final dividend per share of 11.7 cents, comprising a base dividend of 1.5 cents and a variable dividend of 10.2 cents. The full year total dividend of 16.2 cents represents a payout of 90% of the year's profits.

Mr Hsieh Fu Hua, Chief Executive Officer of SGX said, "FY2006 was a year of records for SGX. We are pleased with our overall performance and that our revenue streams have become more diversified. It is encouraging to see the strengths of our business, particularly in the areas of derivatives and listings. SGX continues to sharpen its strategic focus to be an Asian Gateway. We are setting the pace as the portal of choice in the Asian time zone for international products."

The Group's operating revenue for FY2006 increased by 48.4% to \$407.6 million on the back of record trading turnover in both the securities and derivatives markets, compared to \$274.7 million in FY2005. Securities market revenue increased to \$208.5 million from \$143.7 million in FY2005. Net derivatives clearing revenue almost doubled from \$49.6 million the previous year to \$95.6 million this financial year. Our stable revenue grew to \$103.5 million compared to \$81.4 million in FY2005.

Along with the significant increase in revenue, operating expenses have also gone up, albeit at a lower rate. To support continued growth of our revenues, there is a need to upgrade staff capabilities and technology infrastructure leading to a 28.3% increase in operating expenses to \$183.7 million.

During the financial year, the number of foreign listed companies grew to 33% of total listings. Following our efforts to upsize, we have seen the listing of five foreign companies, with market capitalisation of over \$1 billion.



With the listing of the 100th Chinese company on our exchange in May 2006, companies from the mainland continue to draw strong investor interest. We further strengthened our listing collaboration in China by signing a Memorandum of Understanding with the Financial Affairs Office of the People's Government of Liaoning Province in 4Q FY2006. Apart from China, there has been growing interest from other countries in the region. Among our Asian IPOs in FY2006 were companies from Thailand, Indonesia, Korea and Malaysia.

Our listing strategy based on sectoral focus has also yielded results in the growing REITs and shipping sectors. Our REITs market is second in Asia only to Japan, in number of listings and market capitalisation.

On the derivatives front, our futures trading volume rose almost 50% to 33.9 million contracts for the financial year compared to 22.8 million contracts in FY2005. Asian Equity Derivatives continue to set the pace with 64.9% year-on-year growth in volume on the back of growing demand for North Asian market exposure.

Our structured warrants continue to feature strongly and trading volume has increased by 169.8% to a record volume of 52.0 billion units. The next important wave of structured products is our Exchange Traded Funds (ETFs). In the last financial year, we launched a ground breaking product - iShares MSCI India ETF - which is the world's first ETF outside of India.



Highlights of FY2006 Financial Results – 1 July 2005 to 30 June 2006

S\$ Million	FY2006	FY2005	Change (%)	4Q FY2006	4Q FY2005	Change (%)
Operating Revenue	407.6	274.7	48.4	120.8	73.2	65.0
Operating Expenses	(183.7)	(143.1)	28.3	(54.9)	(36.2)	51.5
Operating Profit	223.9	131.6	70.1	65.9	37.0	78.2
Other Gains/(Losses)	13.2	3.0	335.3	3.7	(0.5)	NM
Profit Before Tax and Share of Results of Joint Ventures	237.1	134.6	76.1	69.6	36.5	90.7
Share of Results of Joint Ventures	(1.0)	-	NM	(0.7)	-	NM
Tax	(48.5)	(30.2)	60.4	(13.8)	(8.5)	61.7
Profit Attributable to Equity Holders	187.6	104.4	79.8	55.1	28.0	97.0
Basic earnings per share (cents)	17.96	10.09	78.0	5.25	2.69	95.2
Interim dividend per share (cents)						
- base	4.50	4.20				
- special	<u>0.00</u>	<u>15.00</u>				
- total	<u>4.50</u>	<u>19.20</u>				
Final dividend per share (cents)						
- base	1.50	1.80				
- variable	<u>10.20</u>	<u>2.50</u>				
- total	<u>11.70</u>	<u>4.30</u>				
Total for financial year	<u>16.20</u>	<u>23.50</u>				

*NM: Not Meaningful

The complete audited full year financial statements are available on SGXNET and the Investor Relations page of our website at www.sgx.com. The presentation slides of the results briefing are also available on our website. (SGX SP, SGXL.SI)

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