



Singapore Exchange Limited

First Half FY 2010 Interim Financial Results

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18 January 2010

Agenda

1. Highlights
2. Financial Performance
3. Business Perspective
4. Conclusion

Highlights

- Improved 1H FY10 net profit
- Strong securities performance, slower derivatives activity
- Listings business recovers

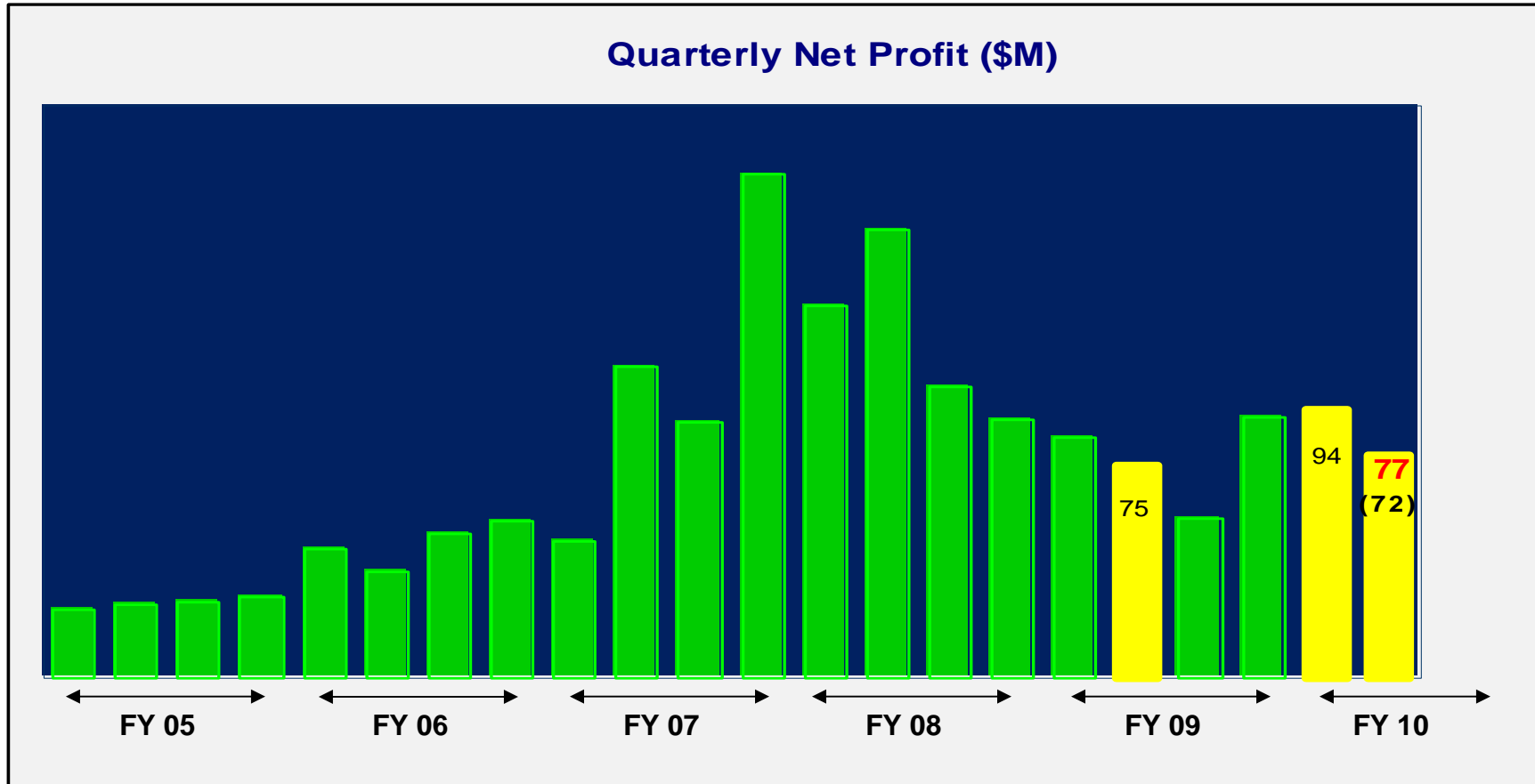
	1H FY10	2H FY09	1H FY09
Operating revenue	324	290	305
Net profit	171	147	159
Net profit margin (%)	53	51	52
ROE (%)	25	19	24

(1) 1H FY10 figures exclude non-recurring items

(2) ROE is based on 6 months

Highlights

Quarterly Net Profit



(Figures include non-recurring items)

Financial Performance

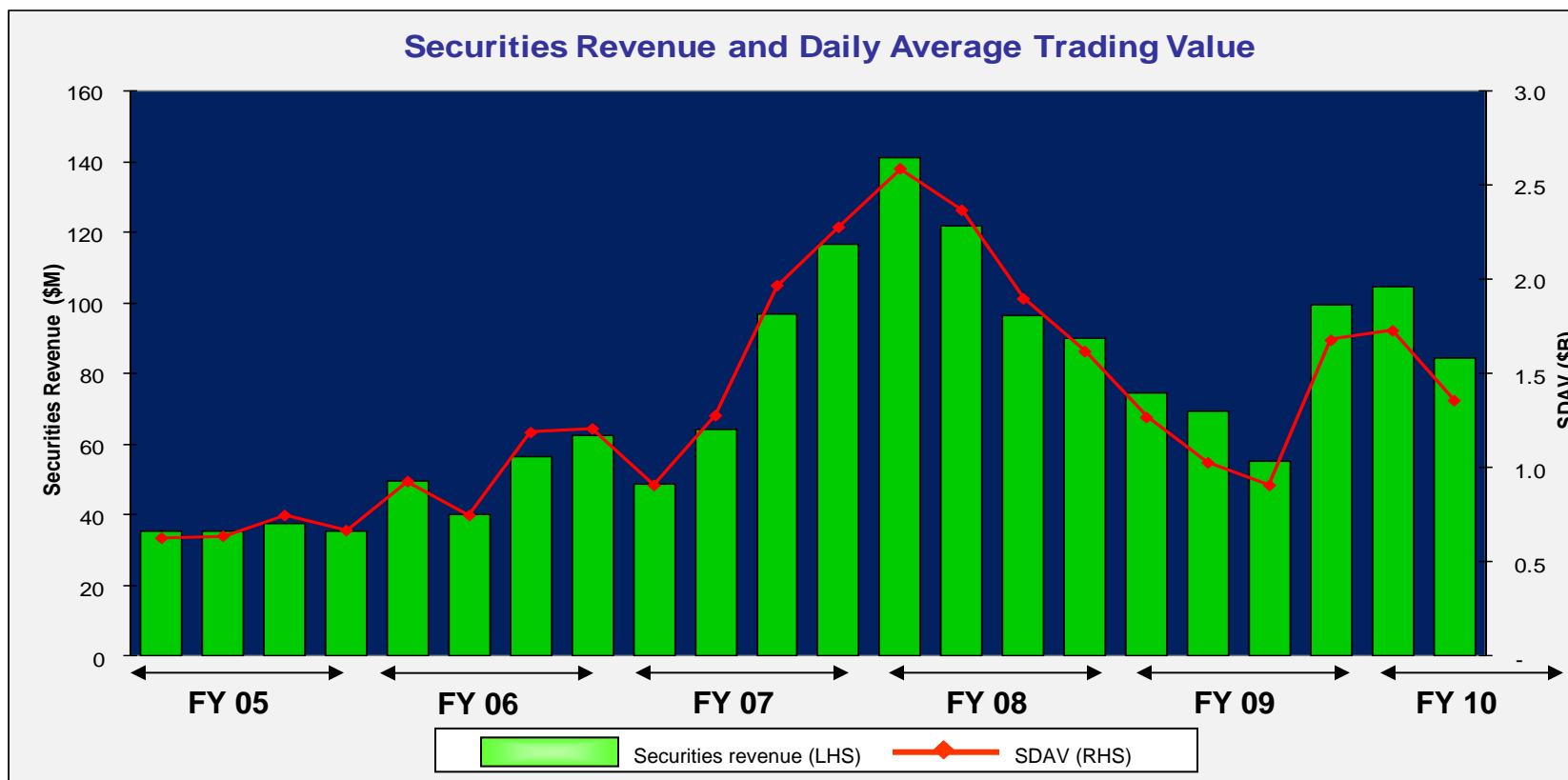
Income Statement

- A good start in FY 2010
- Net profit +7%

	1H FY10	1H FY09	Change	2Q FY10	1Q FY10	Change
Operating revenue	324	305	+6%	151	173	-13%
Operating expenses	127	109	+16%	67	60	+12%
<i>Excludes non-recurring items</i>	121	109	+10%	61	60	+2%
Net profit	166	159	+4%	72	94	-24%
<i>Excludes non-recurring items</i>	171	159	+7%	77	94	-18%

Financial Performance

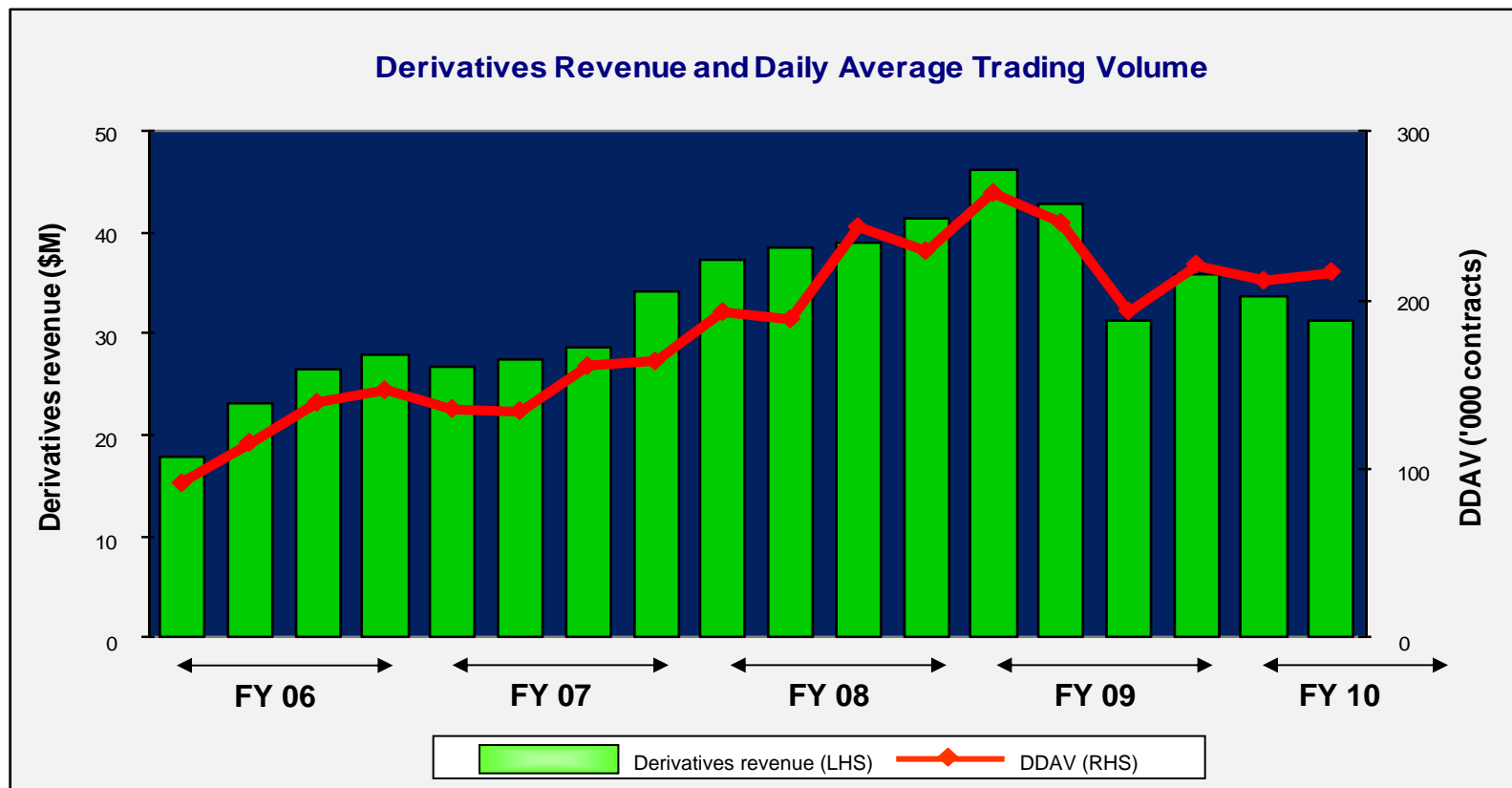
Securities



	1H FY10	1H FY09	Change	2Q FY10	1Q FY10	Change
Securities revenue (\$M)	189	144	+31%	85	105	-19%
SDAV (\$B)	1.6	1.2	+34%	1.4	1.7	-22%

Financial Performance

Derivatives



	1H FY10	1H FY09	Change	2Q FY10	1Q FY10	Change
Derivatives revenue (\$M)	65	89	-27%	31	34	-7%
DDAV ('000 contracts)	214	255	-16%	217	211	+2%

Financial Performance

Operating Expenses

Expenses	1H FY10	1H FY09	Change	2Q FY10	1Q FY10	Change
Staff related expenses	60	48	+24%	31	28	+10%
Staff costs (excludes variable bonus)	29	28	+7%	16	13	+21%
Variable bonus	19	13	+48%	8	11	-25%
Share-based payment expense	11	8	+43%	7	4	+69%
<i>Excludes non-recurring items</i>	53	48	+11%	25	28	-13%
System maintenance & rental	24	21	+17%	13	11	+18%
Depreciation & amortisation	10	8	+27%	6	5	+12%
Rental & maintenance of premises	8	8	-2%	4	4	+5%
Cost of processing & royalties	11	10	+8%	6	5	+14%
Others ⁽¹⁾	14	14	+1%	7	6	+18%
Total Operating Expenses	127	109	+16%	67	60	+12%
<i>Excludes non-recurring items</i>	121	109	+10%	61	60	+2%

(1) Includes professional charges, marketing & travelling, communication charges and other operating expenses

Financial Performance

Technology Related Expenses

	1H FY10	1H FY09	Change	2Q FY10	1Q FY10	Change
System maintenance & rental	24	21	+17%	13	11	+18%
Depreciation & amortisation	10	8	+27%	6	5	+12%
Total	34	29	+20%	19	16	+17%
Capital Expenditure	18	14	+33%	14	4	+239%

Key systems rolled out in the last 15 months:

- SGX Prime, (pre-settlement matching, from Oct 08)
- QUEST-DT (from Dec 08)
- SGXClear, (derivatives, from Dec 09)
- Upgraded derivatives market data services (from Dec 09)

Financial Performance

Performance at a Glance

	1H FY10	2H FY09	1H FY09
Return on Equity (ROE)	25%	19%	24%
Total Shareholder Return (TSR)	20%	41%	-22%
Dividend per share (cents)	7.5	19.0	7.0
Net profit margin	53%	51%	52%
Cost-to-income	37%	41%	36%

(1) *The above figures exclude non-recurring items*

(2) *ROE is based on 6 months*

(3) *TSR is based on 6 months, extracted from Bloomberg*

Business Perspective I:

Exchange Industry

Where is the exchange industry going?

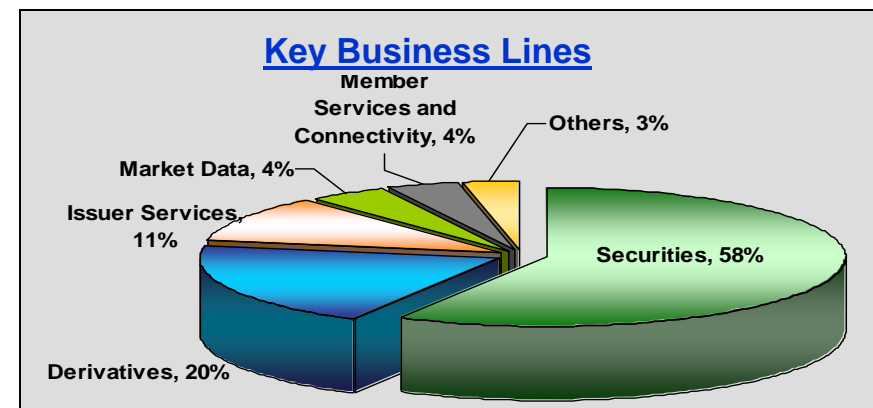
- Growth industry
- Globalisation of customer base
- Product development and innovation
- Technology as a differentiator
- Consolidation and new entrants

Increasingly intense competition

Business Perspective II: SGX

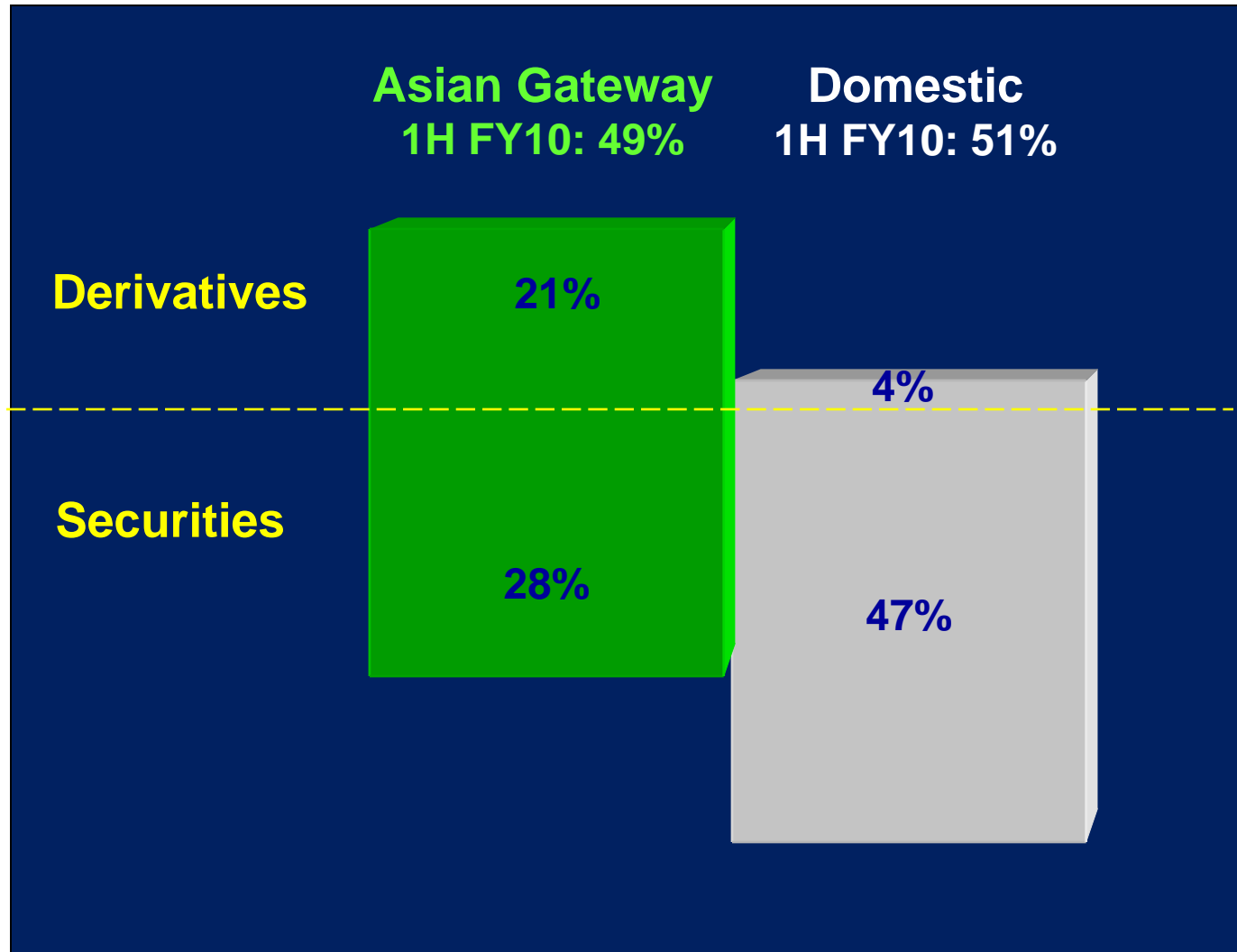
What does it mean for SGX?

- Investment for growth
 - Technology to strengthen competitive edge
 - Time to market: new markets, products and services
- Economies of scale
 - Operational efficiency: optimal use of resources
- War for talent
- New entrants



Business Perspective

Asian Gateway Revenue

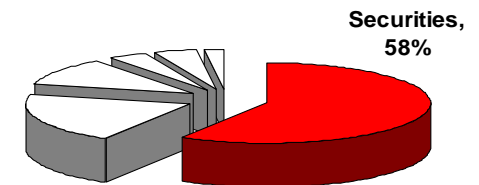
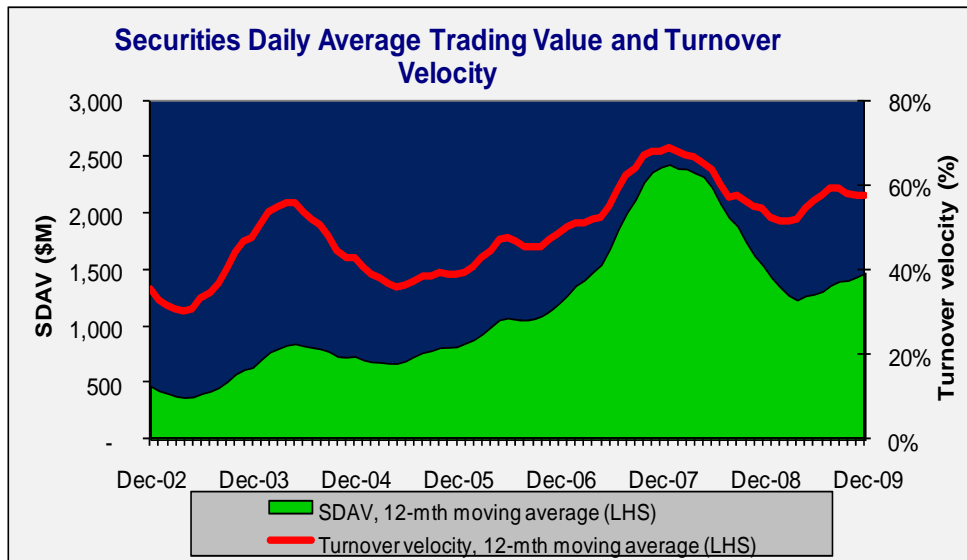


Business Perspective

Securities

- **Trading velocity**
 - Customer penetration
- **Product innovation**
 - REITs, ETFs, ETN
- **Alternative trading platforms**
 - Chi-East JV

Key drivers	Metrics
Daily Average Trading Value	\$1.6B
Daily Average Trading Volume (shares)	1.8B
Turnover Velocity	62%
Market Capitalisation	\$669B
No. of Listcos, REITs, Funds & Hedge Funds	773
ETFs	49
No. of Bonds	1186

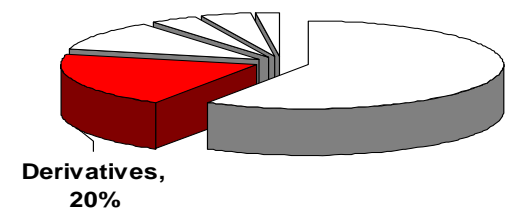
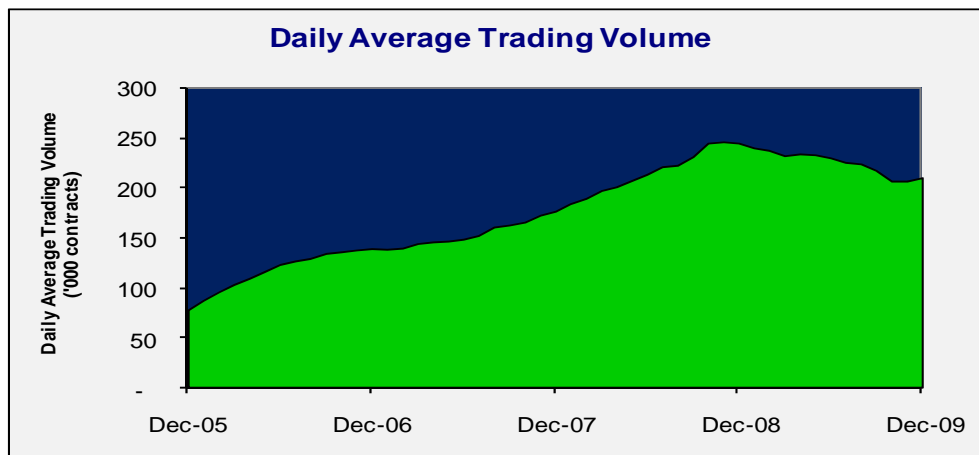


Business Perspective

Derivatives

- **Trading volume / open interest**
 - Volatility and risk appetite
 - Customer penetration: algo traders
- **Asset classes & product innovation**
 - Equity index, interest rates, commodities
 - Options, single stocks, warrants
- **Services**
 - AsiaClear[®]

Key drivers	Metrics
Daily Average Volume (contracts)	214,000
Algo participation	25%
Extended trading hours	Till 1.00 am
<i>DT contracts</i>	
Futures	18
Options	7
Structured warrants	315
Extended settlement contracts	68
<i>SICOM contracts</i>	
Commodities futures	2
<i>AsiaClear[®]</i>	
Swaps contracts	28



Business Perspective

Issuer Services

- **Recovery in IPO activities**



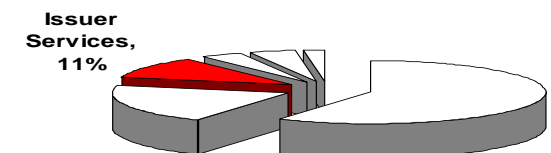
- **Healthy Pipeline**



- **Secondary Fund Raising**



Key drivers	Metrics
New listings	23
Funds raised (\$B)	13.7
Primary	3.2
Secondary	10.5
Mainboard companies	628
Domestic	361
Foreign	267
Catalist companies	134
Domestic	98
Foreign	36
Total	762



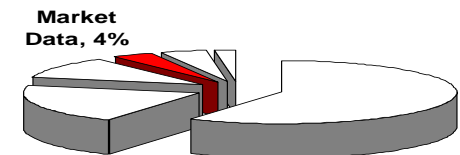
Business Perspective

Market Data

- **Products & services**
 - Develop new products & services
- **New distribution channels**
 - Consolidation of redistributors
 - Develop new channels



Bloomberg

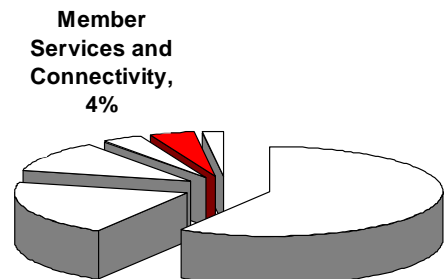


Business Perspective

Member Services and Connectivity

- **Membership structure**
 - New types of membership
 - Society of Remisiers, AFACT
- **Technology and connectivity**
 - How to meet customer needs
 - How to optimise use of our resources
- **Changing business model**

Key drivers	Matrix
Securities	
Clearing and Trading (Agency)	23
Clearing Only Members	2
Trading Member (Agency)	1
Derivatives members	
Clearing and Trading (agency)	23
Clearing Only Members	2
Trading Member (Agency)	7
Local	201
Other Corporates	235



Conclusion

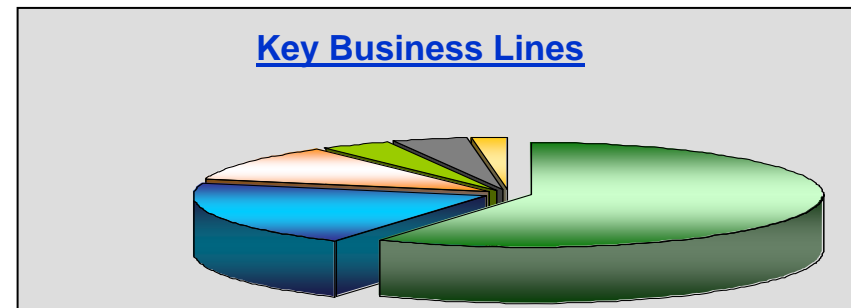
- ***Opportunities***

- Key business areas: securities; derivatives; issuer services; market data; member services and connectivity
- Increasing global reach and product innovation/development

- ***Challenges***

- Investment for growth: optimal use of resources
- To strengthen competitive edge

- ***Market Outlook***



Q & A

Please state your name and the company you represent