



News Release

21 January 2015

SGX 2Q net profit at \$87 million

- Revenue \$195 million, up 19% from year earlier
- Operating profit: \$102 million, up 15%
- Net profit: \$87 million, up 16%
- Earnings per share: 8.1 cents, up 16%
- Interim dividend per share: 4.0 cents, unchanged

All figures are for the current year except for figures in brackets which are for the year earlier, unless otherwise stated

Singapore Exchange (SGX) today reported net profit of \$86.6 million (\$75.0 million) in the second quarter of financial year 2015 (FY2015). Revenue grew 19% to \$195.1 million (\$164.6 million). Excluding revenue of the newly-acquired Energy Market Company Limited (EMC) of \$6.0 million, revenue grew 15%.

“We saw a record quarter for our Derivatives business while Securities trading grew slightly. Derivatives revenue (including EMC revenue) was a record \$76.4 million following a 52% increase in volumes to 40.0 million contracts. Our FTSE China A50 futures and iron ore products experienced strong growth. Volume of the A50 futures increased 183% to a record 17.4 million contracts for the quarter while Iron Ore volumes grew more than five times to 1.2 million contracts.

“Total securities revenue declined slightly as the 3% increase in total traded value was offset by a 4% drop in average clearing fee. We are making progress to enhance the Securities market; the standard board lot size was reduced to 100 from 1000 on 19 January. Since the introduction of market-makers and liquidity providers in June 2014, investors have been able to trade larger size orders at the same or better prices in stocks quoted by these participants.

“The outlook for the global economy remains uncertain with continued volatility. Against this backdrop, we expect the demand for Asian trading and clearing services to grow. We therefore remain committed to our long-term growth strategy. We have accelerated capital investments in our Derivatives and Fixed Income businesses. These are in addition to on-going investments including a new generation post trade system for our Securities business,” said Magnus Bocker, CEO of SGX.

Results Summary

Securities revenue declined 1% to \$51.7 million. Daily average traded value and total traded value increased 4% and 3% to \$1.04 billion (\$1.0 billion) and \$65.7 billion (\$64.1 billion) respectively. Average clearing fee was 3.0 basis points, down 4% from 3.1 basis points a year earlier under the previous pricing model. Turnover velocity was 36% (35%).

Derivatives revenue increased 46% from \$52.5 million, driven by the continued strong performances of our FTSE China A50 futures and Iron Ore products. Average fee per contract was \$1.30 (\$1.40).

Listing revenue increased 29% due to an increase in the number of listings and revised listings fees. A total of 14 new listings raised \$0.7 billion in the quarter, compared with 9 new listings raising \$1.4 billion a year earlier. Secondary equity funds raised increased 58% to \$1.9 billion (\$1.2 billion).

Our bond listing platform continued to attract strong interest from debt issuers this past quarter. There were 131 new bond listings raising \$47.5 billion, compared with 144 listings raising \$33.7 billion a year earlier.

Financial Highlights

<i>\$ million, except where indicated</i>	2Q FY2015	2Q FY2014	Change 2Q FY2015 vs 2Q FY2014	1H FY2015	1H FY2014	Change 1H FY2015 vs 1H FY2014
Key income statement figures						
Securities	51.7	52.2	(1%)	100.8	121.3	(17%)
Derivatives	76.4	52.5	46%	130.2	104.2	25%
Market Data and Connectivity	20.0	19.3	3%	39.2	38.3	3%
Depository Services	25.8	23.3	11%	49.7	48.5	2%
Issuer Services	21.0	16.9	24%	43.7	35.8	22%
Other	0.3	0.4	(25%)	0.4	0.6	(30%)
Operating revenue	195.1	164.6	19%	364.0	348.6	4%
Operating expenses	93.5	76.3	23%	175.4	153.7	14%
Operating profit	101.6	88.2	15%	188.5	194.9	(3%)
Other gains/(losses)	2.1	0.8	NM	4.1	2.3	77%
Profit before tax and share of results of associated companies	103.6	89.0	16%	192.6	197.2	(2%)
Tax	17.4	14.5	20%	29.5	30.9	(5%)
Profit attributable to equity holders - reported	86.6	75.0	16%	164.2	167.2	(2%)
Earnings per share (in cents)	8.1	7.0	16%	15.3	15.6	(2%)
Dividend per share (in cents)	4.0	4.0	-	8.0	8.0	-
Key financial indicators						
Revenue growth	19%	2%		4%	8%	
Cost to income ratio	48%	46%		48%	44%	
Operating profit margin	52%	54%		52%	56%	
Net profit margin	44%	45%		45%	48%	
Return on shareholders' equity	39%	46%		39%	46%	

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

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 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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