



# Singapore Exchange Limited 1H FY 2007 Interim Results

Hsieh Fu Hua, CEO  
Linus Koh, CFO

11 January 2007



## Agenda

1. Highlights
2. Financial Review
3. Business Update
4. Q & A

2

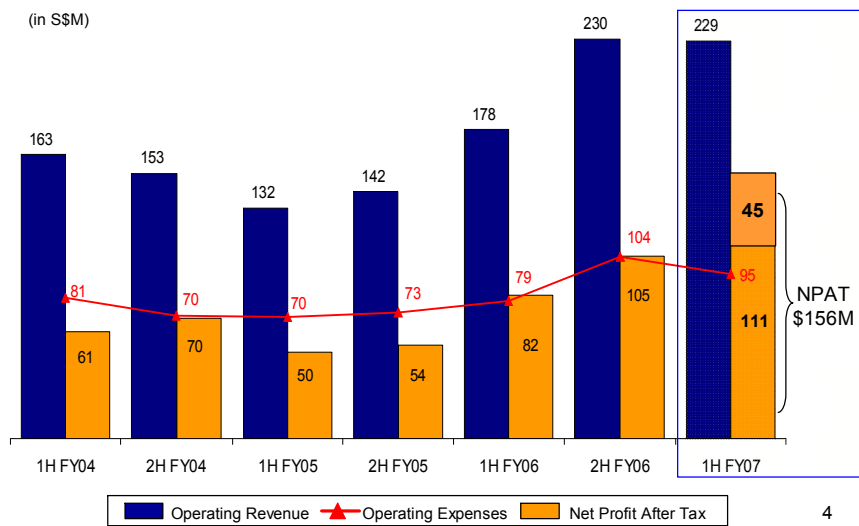
## Highlights

Hsieh Fu Hua  
Chief Executive Officer

3

## A Record Half-Year

(in S\$M)



4

## Highlights



- **Securities market**
  - SDAV: ↑29% to \$1.1B from \$846M
  - IPO upsizing: Ave market cap ↑79% to \$418M
- **Derivatives market**
  - Futures volume: ↑18%
  - Structured warrants trading value: ↑23%
- **Stable revenue**
  - ↑32%, strong contribution from corporate action fees, listing fees and price information fees

5

## Financial Review



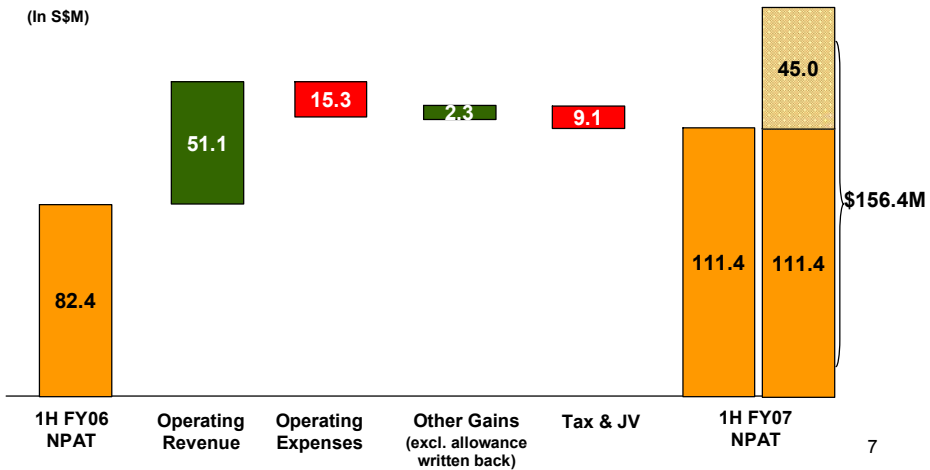
Linus Koh  
Chief Financial Officer

6

# Financial Highlights



(In S\$M)



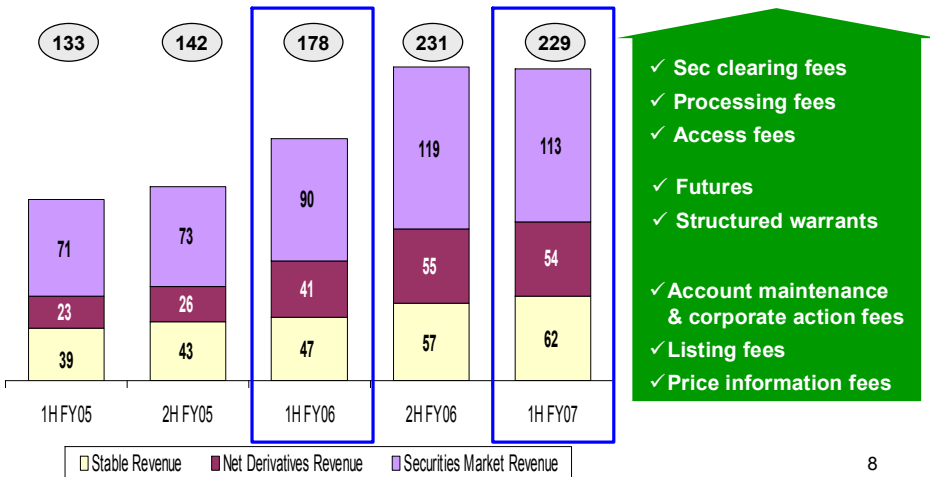
7

# Operating Revenue



Improvement in all three revenue categories ...

(in S\$M)



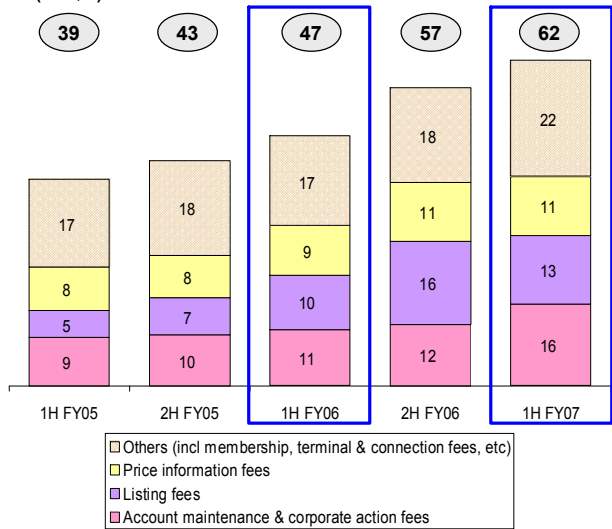
8

## Stable Revenue



(in S\$M)

Continued growth in stable revenues ...



- ✓ Terminal & SGXAccess connection
- ✓ Support & maintenance of SESOPs terminals
- ✓ New pricing structure for derivatives datafeed
- ✓ Higher initial & annual listing fees
- ✓ Corporate action activities

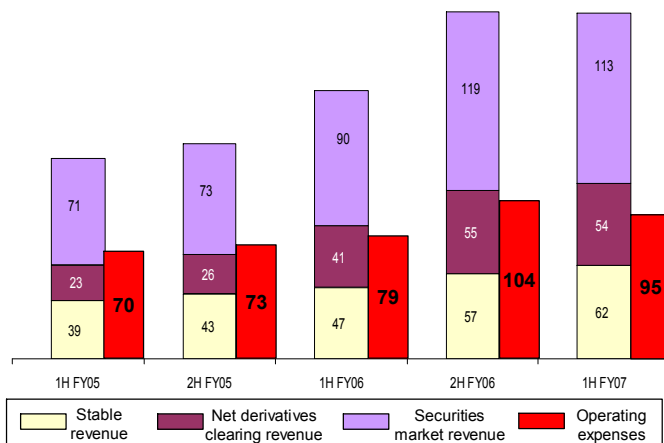
9

## Operating Leverage



Enhanced by growth in derivatives & stable revenues ...

(in S\$M)



### Coverage of operating expenses

**1H FY07 – 123%**

2H FY06 – 106%

1H FY06 – 111%

2H FY05 – 95%

1H FY05 – 88%

10

# Operating Expenses



Continued financial discipline ...

(In S\$M)

## Total Operating Expenses

81

70

70

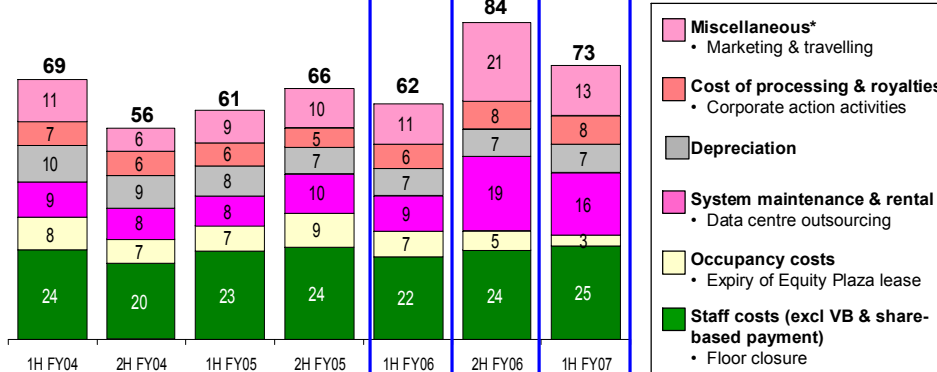
73

79

104

95

Excludes variable bonus & share-based payment expenses



\* includes professional fees, marketing & travelling, communication charges, fees to MAS for transfer of participant supervision function, provision for surplus leased premises and other operating expenses

# Performance at a Glance



	FY2003	FY2004	FY2005	FY2006	1H FY07
Return on Equity	8.3%	20.8%	22.0%	32.0%	38.9%
Cost-to-Income	76.2%	47.4%	52.1%	45.1%	41.3%
Net Profit Margin	27.1%	42.0%	37.6%	44.6%	47.1%
Regular dividend (Net)	<b>5.07</b>	<b>10.8</b>	<b>8.5</b>	<b>16.2</b>	<b>4.0*</b>
- Base (cents per share)	5.07	5.6	6.0	6.0	4.0
- Variable (cents per share)		5.2	2.5	10.2	

\* Includes interim dividend of 2.0 cents per share declared for 2Q FY07

(FY 2003 figures exclude the allowance for impairment on SGX Centre and the write back in 1H FY07)

## Business Update

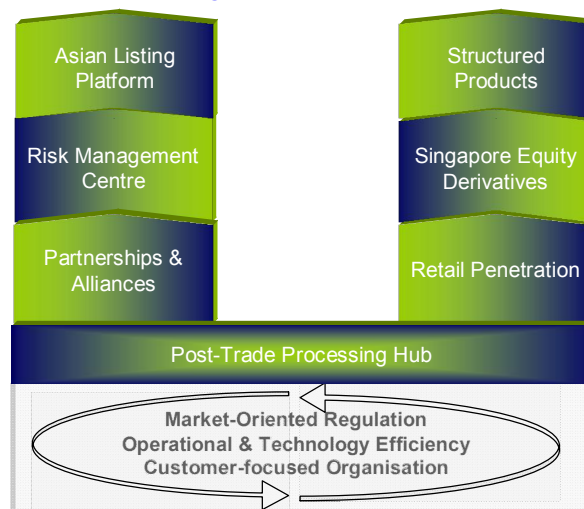
Hsieh Fu Hua  
Chief Executive Officer

13

## Building An Enduring Marketplace

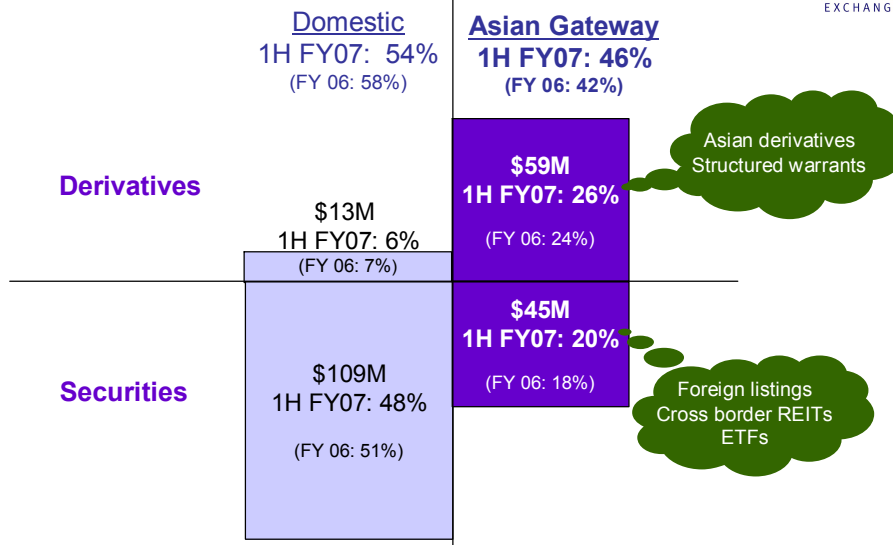
### Asian Gateway

### Domestic Growth



14

## Asian Gateway



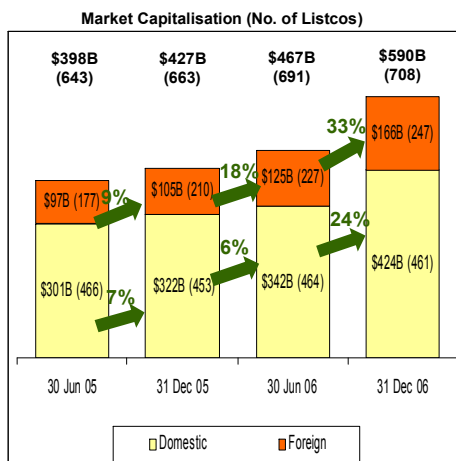
\* Internal estimates based on 1H FY 07 operating revenues, but excluding other operating revenue amounting to \$3.2M

15

## Asian Gateway: Asian Listing Platform



Transcending domestic market ...



### ✓ Billion-dollar club

- End 06 : 93 (37% foreign)
- End 05 : 73 (27% foreign)

### ✓ Average market capitalisation

- Domestic
  - Dec 06: \$913M / Dec 05: \$700M
- Foreign
  - Dec 06: \$671M / Dec 05: \$500M

(The above excludes inactive secondary listcos)

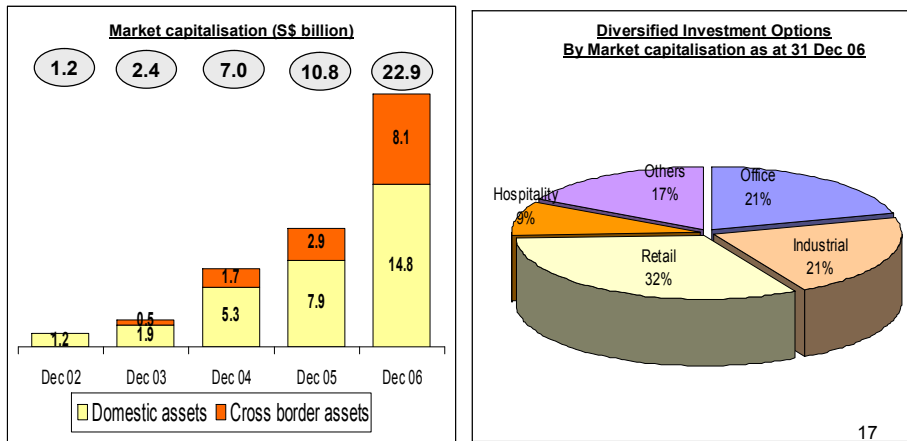
16



## Asian Gateway: Real Estate Investment Trusts (REITs)



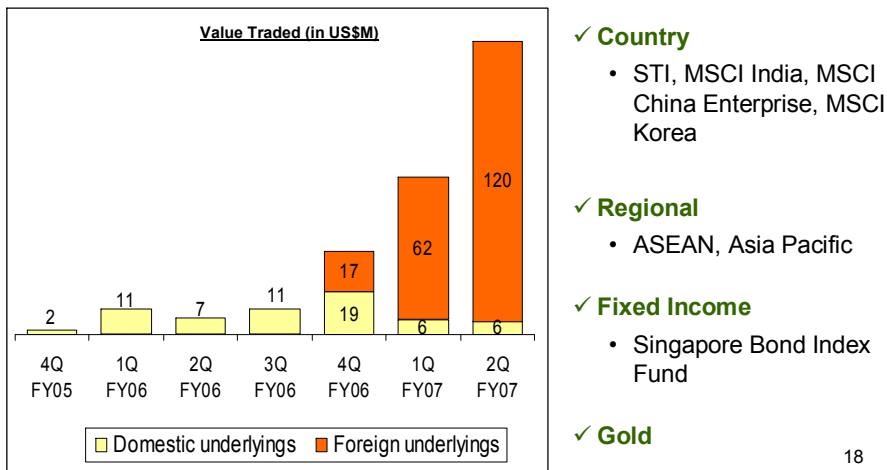
Leading Asian cross border REITs market ...



## Asian Gateway: Exchange Traded Funds



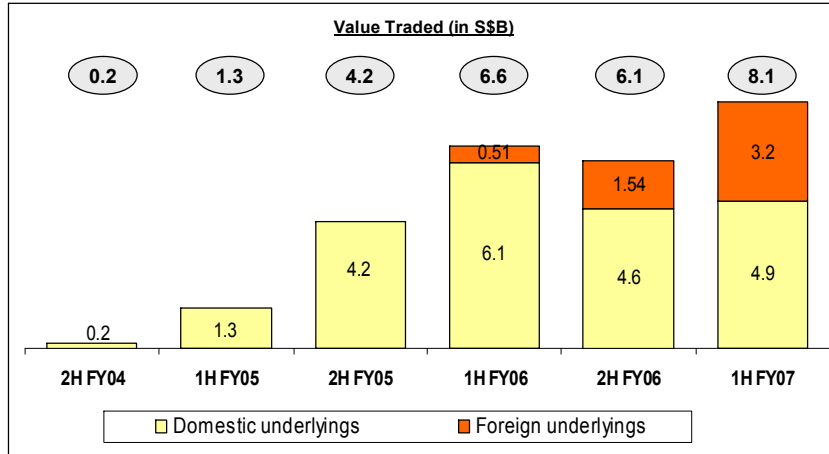
Comprehensive product suite ...



## Asian Gateway: Structured Warrants



Expanded investment options ...



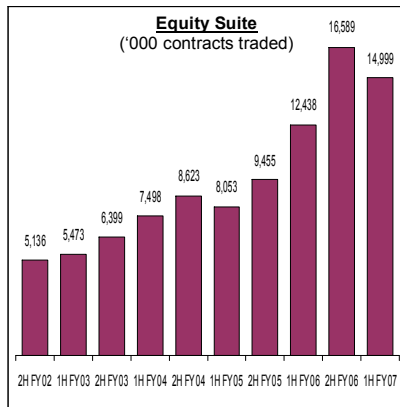
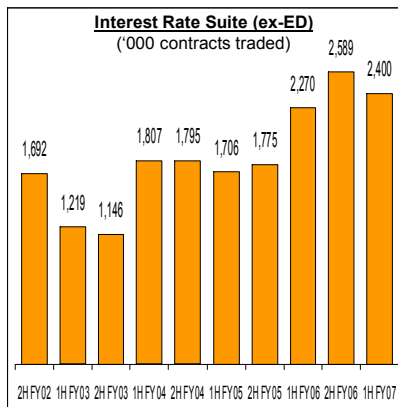
19

## Asian Gateway: Risk Management Centre



Building liquidity pool ...

- Product suite: Equity, Interest Rate & Commodities
- Market exposures: Japan, Taiwan, emerging markets incl China & India
- Expanded distribution network



20

## Asian Gateway: Summary ...



- ✓ **Financials**
  - Growth and diversification of revenue streams
  - Financial discipline: cost management
- ✓ **Securities market**
  - Foreign listings: healthy IPO pipeline
  - Market development
    - Clearing fees revision
    - Bid-ask spread
- ✓ **Derivatives market**
  - Asian Futures & Structured warrants
- ✓ **Stable revenue**
  - Reorganisation: sharper business focus on post trade processing
- ✓ **New products**
  - Structured products & derivatives
    - REITs, ETFs, business / shipping trusts
    - New futures & options contracts
  - AsiaClear & JADE

21



# Q & A

22