



## NEWS RELEASE

### **SGX's FY2005 First Quarter Operating Expenses Decrease with Careful Cost Management**

Singapore Exchange Limited (SGX) today announced its first quarter financial results for FY2005.

In the first quarter ended 30 September 2004, SGX Group registered a net profit after tax and minority interests of S\$25.1 million. This compared with S\$32.8 million in the corresponding quarter last year, when the post-SARS rally produced record revenue and operating profit. Securities Market revenue dropped 33.3% to S\$34.6 million, from S\$51.8 million in the first quarter last year while trading volume fell by 56.1%. Although derivatives trading volume fell 37.1%, net derivatives clearing revenue eased just 8.5% to S\$11.9 million, from S\$13 million in the first quarter last year. Stable revenue stood at S\$20 million, compared to S\$20.5 million in the first quarter last year.

In this quarter, operating revenue was S\$66.5 million, 22% lower than the corresponding quarter last year, of S\$85.3 million. Operating expenses were reduced by 11.2% to S\$35.1 million, from S\$39.6 million last year. Net derivatives clearing revenue and stable revenue (including listing, membership and price information fees), covered 90.8% of total operating expenses, an improvement from 84.5% in the first quarter last year.

Mr Hsieh Fu Hua, SGX CEO said, "While the financial year got off to a slow start, we are encouraged by the steady climb in our securities trading value during the quarter. On the derivatives front, the trading mix shifted towards Asian contracts, which enjoy higher trading margins. We will continue to focus on growing these contracts which are gaining popularity as they serve the growing pool of hedge funds coming to Singapore.

"SGX remained an attractive listing venue for foreign issuers, especially China issuers, which accounted for 7 out of the 11 foreign listings during the first quarter of FY2005. The implementation of SGX QUEST remains on track, following its successful launch for our derivatives market in August 2004, and helps us to be well-positioned to launch new products electronically," Mr Hsieh added.



### Financial Highlights of 1Q FY2005 Results – 1 July 2004 to 30 September 2004

In S\$MM	1Q FY2005	1Q FY2004	Change %
Operating revenue	66.5	85.3	(22.0)
Operating expenses	(35.1)	(39.6)	(11.2)
<b>Operating profit</b>	<b>31.4</b>	<b>45.7</b>	<b>(31.4)</b>
Net non-operating revenue / (loss)	0.4	(2.5)	NM
<b>Net profit before tax and minority interests</b>	<b>31.8</b>	<b>43.2</b>	<b>(26.4)</b>
Tax	(6.7)	(10.6)	(36.6)
Minority interests	0.0	0.2	(96.8)
<b>Net profit attributable to shareholders</b>	<b>25.1</b>	<b>32.8</b>	<b>(23.5)</b>

NM : Not meaningful

– End –

For complete first quarter financial statements, please refer to SGX's MASNET Filing today or the Investor Relations page of our website at [www.sgx.com](http://www.sgx.com).  
(SGX SP, SGXL.SI)

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