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## News Release

29 July 2015

### SGX delivers growth with FY2015 net profit of \$349 million

Singapore Exchange (SGX) today announced net profit of \$348.6 million, up 9% from the previous year, on revenue of \$778.9 million, up 13% from a year earlier. Excluding Energy Market Company Pte Ltd (EMC) revenue of \$18.0 million, revenue increased 11%. Earnings per share was 32.6 cents, up from 30.0 cents last year. The Board of Directors has proposed a final dividend of 16.0 cents per share, bringing the total dividend to 28.0 cents per share, unchanged from a year earlier.

Expenses increased 20% over the year to \$376.7 million primarily due to increased staff, technology and processing and royalties associated with the growth in derivatives traded volumes. Excluding EMC expenses of \$15.7 million, expenses increased 15%.

Commenting on the results, Loh Boon Chye, Chief Executive Officer of SGX, said; *“SGX has delivered a good set of results for the year. We are conscious of the challenges ahead and the need to address new listings activity and work with our stakeholders towards our common goal of a more liquid and higher-quality securities market.”*

#### Results Summary

As a result of lower market volatility, securities daily average traded value (SDAV) and total traded value both decreased 4% to \$1.1 billion and \$274.3 billion respectively. This resulted in a Securities revenue decline of \$17.6 million or 8% over the year to \$209.3 million.

Efforts to improve the quality of the stock market are making progress. Since the introduction of market makers and liquidity providers in June 2014, there have been narrower spreads and an increase in best depth value for stocks quoted by these market participants. Together they contributed 16% of total traded value during FY2015. The monthly average number of retail investors trading Straits Times Index stocks increased 9% in the six months following the January 2015 reduction of board-lot sizes from 1,000 shares to 100 shares, compared to the preceding six months.

In March 2015, SGX commenced the transition to a minimum trading price of \$0.20 for Mainboard-listed companies, and engagement with market participants is ongoing.

The Derivatives business had another record year with revenue up \$87.0 million or 42% to \$295.7 million. Total volumes increased 55% over the year to 161.2 million contracts, reaffirming SGX's role as a leading Asian risk management centre and clearing house.

Volumes were largely driven by the strong performance of our global commodities benchmarks, with Iron Ore volumes up 258%, and the SGX FTSE China A50 Index futures whose volume increased 220% to a record 78.2 million. This was partially offset by a decline in the volumes of the Japan Nikkei 225 Index futures and options.

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Market Data and Connectivity revenue increased \$4.6 million or 6% over the year to \$81.2 million. Depository Services revenue rose \$9.2 million or 10% over the year to \$104.2 million, and Issuer Services revenue increased \$9.3 million or 12% to \$87.6 million.

## Outlook

*“We are optimistic about our business prospects, and will continue to invest in building our platform. The current outlook for the global economy remains uncertain and volatile. We expect this to pose challenges to our Securities market, but support continued growth in the demand for our Derivatives products. Uncertainties in the Chinese market could influence our Derivatives trading volumes, and increasing competition from global exchanges will affect our financial results over time.”* said Mr. Loh.

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## 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 about 40% of companies listed on SGX originating outside of Singapore. SGX offers its clients the world’s biggest offshore market for Asian equity index 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](http://www.sgx.com).

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## Financial Highlights

| <i>\$ million, except where indicated</i>                      | FY2015       | FY2014       | Change     |
|--|--------------|--------------|------------|
| <b>Key income statement figures</b>                            |              |              |            |
| Securities   | 209.3        | 226.9        | (8%)       |
| Derivatives  | 295.7        | 208.7        | 42%        |
| Market Data and Connectivity                                   | 81.2         | 76.6         | 6%         |
| Depository Services  | 104.2        | 95.0         | 10%        |
| Issuer Services  | 87.6         | 78.3         | 12%        |
| Other  | 1.0          | 1.4          | (27%)      |
| <b>Operating revenue</b>                                       | <b>778.9</b> | <b>686.9</b> | <b>13%</b> |
| Operating expenses   | 376.7        | 315.2        | 20%        |
| <b>Operating profit</b>  | <b>402.2</b> | <b>371.7</b> | <b>8%</b>  |
| Other gains  | 7.4          | 5.0          | 50%        |
| Profit before tax and share of results of associated companies | 409.6        | 376.6        | 9%         |
| Tax  | 62.9         | 58.6         | 7%         |
| <b>Profit attributable to equity holders<br/>- reported</b>    | <b>348.6</b> | <b>320.4</b> | <b>9%</b>  |
| Earnings per share (in cents)                                  | 32.6         | 30.0         | 9%         |
| Dividend per share (in cents)                                  | 28.00        | 28.00        | -          |
| <b>Key financial indicators</b>                                |              |              |            |
| Revenue growth   | 13.4%        | (4.0%)       |            |
| Cost to income ratio   | 48.4%        | 45.9%        |            |
| Operating profit margin  | 51.6%        | 54.1%        |            |
| Net profit margin  | 44.3%        | 46.3%        |            |
| Return on shareholders' equity                                 | 36.7%        | 35.4%        |            |

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