



CREDITABLE RESULTS FOR A DIFFICULT YEAR

SGX results for the financial year ended 30 June 2008 (FY2008)

- **Net profit + 13.4% to \$478.3m¹**
- **Growth from all revenue streams**
 - ❖ **Securities market revenue + 37.9% to \$449.6m**
 - ❖ **Net derivatives clearing revenue + 33.6% to \$156.3m**
 - ❖ **Stable revenue + 22.1% to S\$162.7m**
- **67 new listings² of which 49 are foreign³**
- **Record return-on-equity of 49.7%⁴**
- **FY2008 dividend of 38 cents per share – highest since listing**

7 August 2008 - Singapore Exchange Limited (SGX) today reported strong full year results on the back of higher revenues across all key operating areas despite weak market sentiment in the second half of its financial year. Return on equity reached a record high of 49.7%⁴. Consistent with our progressive dividend policy, SGX directors have proposed a final dividend of 29 cents per share, bringing the total for the year to 38 cents per share, the highest dividend paid by SGX since it went public. Demonstrating SGX's confidence in its growth prospects, the annual base dividend will be increased from 12.0 cents per share to 14.0 cents per share from FY2009.

Mr Hsieh Fu Hua, Chief Executive Officer of SGX said, "FY2008 was a tumultuous year, with a buoyant securities market in the first half but a volatile one in the second half which continues to this day. Amidst the present financial turmoil and economic challenges, we will stay the course. Our robust business and strong organisational capabilities should hold us in good stead as we continue to expand and pursue product and other business opportunities as an Asian hub for capital raising and risk management."

Asian Gateway Gains Traction

Operating revenue rose 33.4% to \$768.6 million from \$576.2 million in the previous year, of which 45% (\$346.2 million) was attributed to SGX's Asian Gateway revenue. Operating expenses increased 13.5% to \$239.6 million. Overall, net profit reached \$478.3 million¹, a 13.4% increase from the previous year.

SGX registered healthy growth, benefiting from strategic diversification of its revenue streams in FY2008. Balancing a buoyant securities market in the first half of the year and a volatile one in the second half, SGX's securities market revenue for FY2008 increased 37.9% to \$449.6 million from \$326.0 million in FY2007. Despite the weaker market conditions in the second half of FY2008, SGX's daily average trading value increased 32.7% to \$2.12 billion from \$1.60 billion in FY2007.

¹ Includes \$34 million distribution from SGX-DT Compensation Fund.

² Includes seven Reverse Takeovers (RTOs).

³ Includes three RTOs.

⁴ FY2008 NPAT excludes the \$34.0 million distribution from SGX-DT Compensation Fund.



Similarly, the derivatives business continued to show strong growth in Asian equity futures due to increasing diversification of the product suite. SGX's net derivatives clearing revenue for FY2008 gained 33.6% to \$156.3 million. Its futures trading volumes grew 43.1% to achieve a total of 53.5 million contracts as compared to 37.4 million in FY2007. The trading volume of CNX Nifty India futures rose to 6.8 million contracts from a low base of 0.2 million contracts in FY2007. The structured warrants market grew 61.7% with a total trading value of \$30.5 billion over the previous year's \$18.8 billion.

Stable revenue saw a healthy increase of 22.1% to \$162.7 million from \$133.2 million in FY2007.

Notwithstanding the uncertain market conditions, SGX continued to gain traction as an Asian hub for regional listings. SGX attracted 67 new listings², with a total market capitalization of \$22.9 billion, up from \$21.8 billion in the previous year. Of these, 49³ or about three of four new listings were from foreign companies. To support our listing value proposition, Catalyst, the sponsor-supervised board for fast growing regional companies, was launched in November 2007.

New Markets & Product Development

SGX made significant progress in broadening its Asian regional reach, in particular, tapping the Indian market to complement our strong North Asia coverage. Important developments in this target market include the successful take-up of the CNX Nifty India futures contract, the launch of eight new Indian Global Depository Receipts (GDRs), the listing of the first Indian shipping company and two Indian property trusts, one of which was also our largest IPO in FY2008 with a market capitalization of \$2.4 billion. In addition, SGX also listed three new Real Estate Investment Trust (REITs). These new listings reinforced SGX's position as the fastest growing Property Trust and REITs market in Asia.

Since its inception two years ago, SGX AsiaClear®, a clearing facility for over-the-counter oil and freight derivatives, continues to perform well, clearing US\$7.2bn worth of transactions with 221 counterparty accounts. More recently, we launched the MSCI Asia Apex 50 Index Futures contract, to strengthen our position as an Asian risk management centre. With the acquisition of the Singapore Commodity Exchange (SICOM), we look forward to establishing a vibrant commodities market in the region.

To support these initiatives and future growth, we will continue to focus and invest significant resources in enhancing our operations and technology capabilities as well as the regulatory framework, which remain critical to the success of our business.

** All figures are in Singapore dollar (S\$), unless otherwise stated.*

Financial Highlights of FY2008 Results – 1 July 2007 to 30 June 2008

S\$ Million	FY2008	FY2007	Change	4Q FY2008	4Q FY2007	Change
Operating Revenue	768.6	576.2	33.4%	172.0	190.1	(9.5%)
Operating Expenses	(239.6)	(211.1)	13.5%	(67.1)	(60.1)	11.7%
Operating Profit	529.0	365.1	44.9%	104.9	130.0	(19.3%)
Other Gains/(Losses)	47.1*	127.7**	(63.1%)	3.1	69.6***	(95.6%)
Profit Before Tax and Share of Results of Joint Ventures and Associated Company	576.1	492.8	16.9%	108.0	199.6	(45.9%)
Share of Results of Joint Ventures and Associated Company	(0.6)	(2.5)	(75.1%)	-	(0.6)	(92.0%)
Tax	(97.2)^	(68.5)^^	41.8%	(17.6)	(22.7)^^^	(22.6%)
Profit Attributable to Equity Holders						
▪ before distribution from SGX-DT Compensation Fund, write back of allowance for impairment and gain on disposal	444.3	311.3	42.7%	90.4	110.8	(18.4%)
▪ after distribution from SGX-DT Compensation Fund, write back of allowance for impairment and gain on disposal	478.3	421.8	13.4%	90.4	176.3	(48.7%)
Basic earnings per ordinary share (cents)						
▪ before distribution from SGX-DT Compensation Fund, write back of allowance for impairment and gain on disposal	41.88	29.48	12.40	8.51	10.44	(1.93)
▪ after distribution from SGX-DT Compensation Fund, write back of allowance for impairment and gain on disposal	45.09	39.95	5.14	8.51	16.62	(8.11)
Interim base (tax exempt one tier) dividend per share (cents)						
- base	9.00	6.00				
- total	<u>9.00</u>	<u>6.00</u>				
Final (tax exempt one tier) dividend per share (cents)						
- base	3.00	2.00				
- variable	26.00	28.00				
- total	<u>29.00</u>	<u>30.00</u>				
Total for financial year	<u>38.00</u>	<u>36.00</u>				

* Includes \$34 million distribution from SGX-DT Compensation Fund.

** Includes \$45 million write back of allowance for impairment on SGX Centre and \$65.5 million gain on disposal of SGX Centre.

*** Includes \$65.5 million gain on disposal of SGX Centre.

^ Distribution from SGX-DT Compensation Fund is not subject to tax.

^^ Write back of allowance for impairment on SGX Centre and gain on disposal of SGX Centre are not subject to tax.

^^^ Gain on disposal of SGX Centre is not subject to tax.

NEWS RELEASE



The CEO's Statement and complete audited full year financial statements are available on SGXNET and the Investor Relations page of our website at www.sgx.com. The presentation slides of the results briefing are also available on our website. (SGX SP, SGXL.SI)

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