

22 January 2014

## SGX posts second-quarter net profit of \$75 million

- Revenue: \$165 million (\$162 million a year earlier)
- Operating profit: \$88 million (\$90 million a year earlier)
- Net profit: \$75 million (\$76 million a year earlier)
- Earnings per share: 7.0 cents (7.1 cents a year earlier)
- Interim dividend per share: 4.0 cents (4.0 cents a year earlier)

Magnus Bocker, CEO of Singapore Exchange, said, “We posted second-quarter net profit of \$75 million, down 2% from a year earlier. Our derivatives business saw sustained growth and now accounts for 32% of total revenue. The securities market had a challenging quarter due to lower participation by both retail and institutional investors. The global economy is showing moderate signs of recovery. We will continue to invest in new products and services, expand international distribution, and strengthen our regulatory and risk management capabilities.

During the last quarter, we extended our product suite to a new asset class, foreign exchange, by launching futures contracts for the Australian Dollar, Indian Rupee, Japanese Yen, Korean Won, Singapore Dollar and US Dollar.

We were also independently assessed by the International Monetary Fund as compliant with the latest and more demanding international standards for clearing and settlement. In addition, we were the first Asian clearing house authorised as a Derivatives Clearing Organization by US regulators.”

### Results Summary

Total revenue was \$165 million, up 2% from a year earlier. Expenses rose 6% to \$76 million while net profit was 2% lower at \$75 million.

Revenue from the securities business declined 13% from \$59.8 million to \$52.2 million, contributing to 32% of total revenue from 37% previously. Securities total traded value was 18% lower at \$64.1 billion. The impact of the fall in trading was partially offset by a 6% increase in average clearing fee to 3.2 basis points due to an increase in uncapped trades.

Derivatives revenue grew 16% from \$45.3 million to \$52.5 million, also accounting for 32% of total revenue, up from 28% previously. Increased volumes for the FTSE China A50 futures, Nikkei 225 futures and options, and iron ore swaps contributed to the rise in revenue. Total volumes grew 18% to 26.3 million contracts while average month-end open interest grew 45% to 3.6 million contracts.

A total of nine listings in the quarter raised \$1.4 billion compared with eight listings raising \$0.8 billion a year earlier. New listings included Linc Energy, Pacific Radiance, Viva Industrial Trust and ValueMax Group. Total equity funds of \$2.6 billion were raised, compared with \$2.1 billion previously. A total of \$33.7 billion was raised from 144 new bond listings, compared with 90 bonds raising \$39.7 billion a year earlier.

## Financial Highlights

<i>\$ million, except where indicated</i>	2Q FY2014	2Q FY2013	Change 2Q FY2014 vs 2Q FY2013	1H FY2014	1H FY2013	Change 1H FY2014 vs 1H FY2013
<b>Key income statement figures</b>						
Securities	52.2	59.8	(13%)	121.3	120.1	1%
Derivatives	52.5	45.3	16%	104.2	89.8	16%
Market Data and Connectivity	19.3	18.8	3%	38.3	36.8	4%
Depository Services	23.3	21.6	7%	48.5	42.5	14%
Issuer Services	16.9	15.9	6%	35.8	32.3	11%
Other	0.4	0.3	14%	0.6	0.7	(14%)
<b>Operating revenue</b>	<b>164.6</b>	<b>161.8</b>	<b>2%</b>	<b>348.6</b>	<b>322.2</b>	<b>8%</b>
Operating expenses	76.3	71.7	6%	153.7	144.3	7%
Earnings before interest, tax, depreciation and amortisation	99.7	100.1	-	216.5	197.3	10%
<b>Profit from operating segments</b>	<b>88.3</b>	<b>90.1</b>	<b>(2%)</b>	<b>194.9</b>	<b>178.0</b>	<b>10%</b>
Other gains/(losses)	0.8	1.0	(23%)	2.3	2.8	(18%)
Profit before tax	89.0	91.1	(2%)	197.2	180.8	9%
Tax	14.5	15.8	(8%)	30.9	31.5	(2%)
<b>Profit attributable to equity holders - reported</b>	<b>75.0</b>	<b>76.3</b>	<b>(2%)</b>	<b>167.2</b>	<b>150.6</b>	<b>11%</b>
Basic earnings per share (in cents)	7.0	7.1	(0.1)	15.6	14.1	1.5
Net asset value per share as at 31 December 2013 and 31 December 2012	75.3	69.4	9%	75.3	69.4	9%
Dividend per share (in cents) - base	4.00	4.00	-	8.00	8.00	-
<b>Key financial indicators</b>						
Revenue growth	1.7%	9.2%		8.2%	(1.3%)	
Cost to income ratio	46.4%	44.3%		44.1%	44.8%	
Operating profit margin	53.6%	55.7%		55.9%	55.2%	
Net profit margin	45.3%	46.9%		47.6%	46.3%	
Return on shareholders' equity	45.5%	39.3%		45.5%	39.3%	

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

For the full SGX Financial Statements announcement, please visit our website [www.sgx.com](http://www.sgx.com)  
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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 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 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 peerless Asian counterparty for the clearing of financial and commodity products.

For more information, please visit [www.sgx.com](http://www.sgx.com)

### **Media Contacts**

Carolyn Lim  
Marketing & Communications  
Tel: (65) 6236 8139  
Email: [Carolyn.lim@sgx.com](mailto:Carolyn.lim@sgx.com)

Joan Lew  
Marketing & Communications  
Tel: (65) 6236 8658  
Email: [joan.lew@sgx.com](mailto:joan.lew@sgx.com)