



Singapore Exchange Limited

Full Year FY2009 Financial Results

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Agenda



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- Financial Review
- Business Review
- Conclusion

Highlights



- Robust performance in a difficult market environment
 - Operating Leverage maintained at 130% (FY2008: 132%)
 - Cost discipline despite investment in technology
- Asian Gateway revenue raised to 47% (FY2008: 45%)
- FY2009 NPAT down 31.2% from FY2008 peak
 - SDAV down 42%; futures and options volume up 8%
 - Turnover velocity in 4Q FY09 at 84%, highest since 1Q FY2008
- ROE at 39.3%; EPS of 29 cents; DPS of 26 cents

Financial Review

Summary of Financials

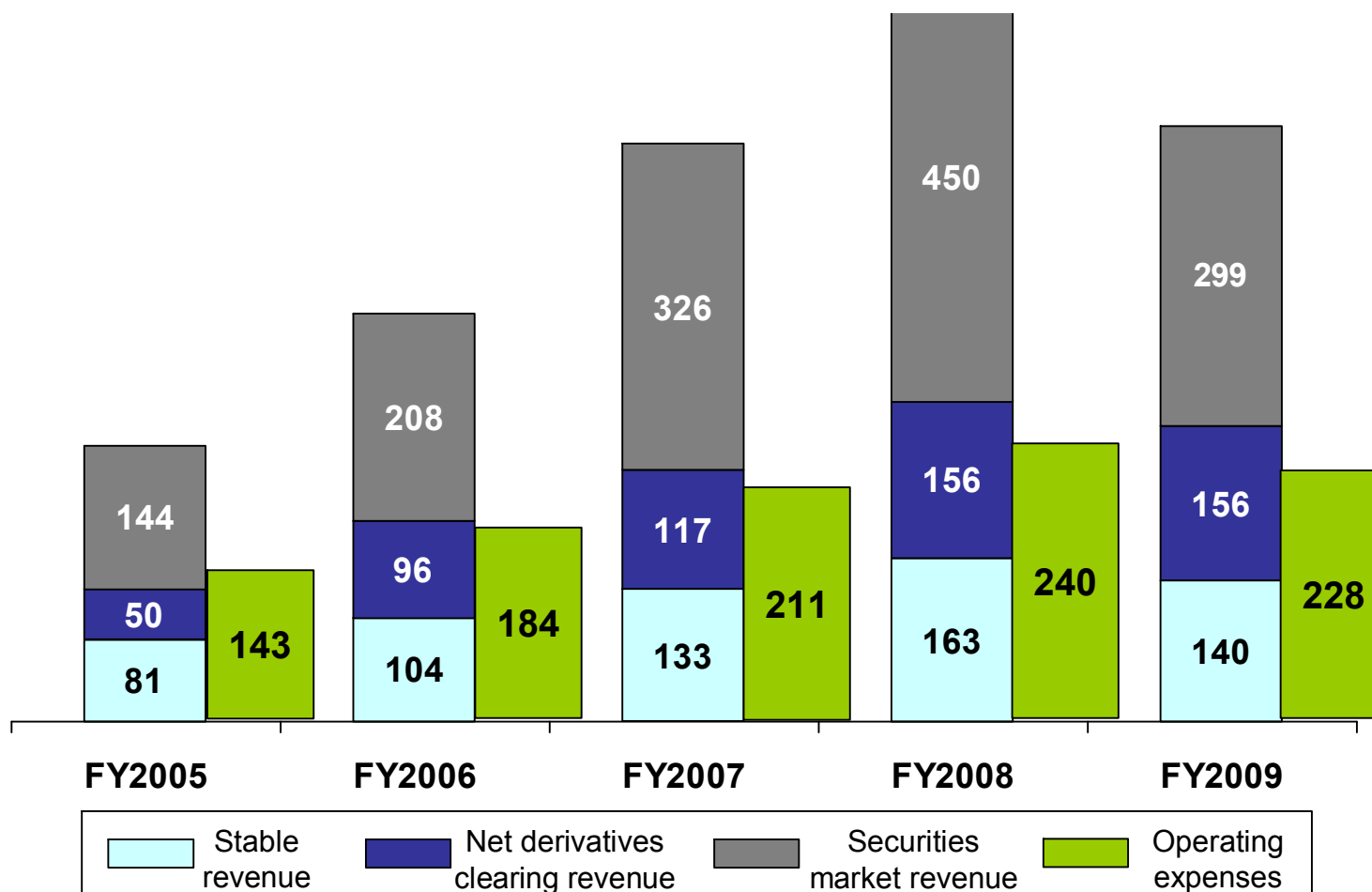


In (S\$ million)	FY2009	FY2008	% change
Total Revenue	595	769	22.6 ↓
Securities Market Revenue	299	450	33.6 ↓
Net Derivatives Clearing Revenue	156	156	0.2 ↓
Stable Revenue	140	163	13.8 ↓
Total Expenses	228	240	5.6 ↓
NPAT (Excludes one-off items)	306	444*	31.2 ↓
Basic Earnings Per Share (in cents)	28.8	41.9*	31.4 ↓
Return on Equity	39.3%	49.7%*	10.4 pp ↓

* Note: This excludes the S\$34.0 million distribution from SGX-DT Compensation Fund in FY2008.

Operating Leverage

(S\$ million)



Coverage of operating expenses by stable revenue and derivatives revenue

FY2009 – 130%

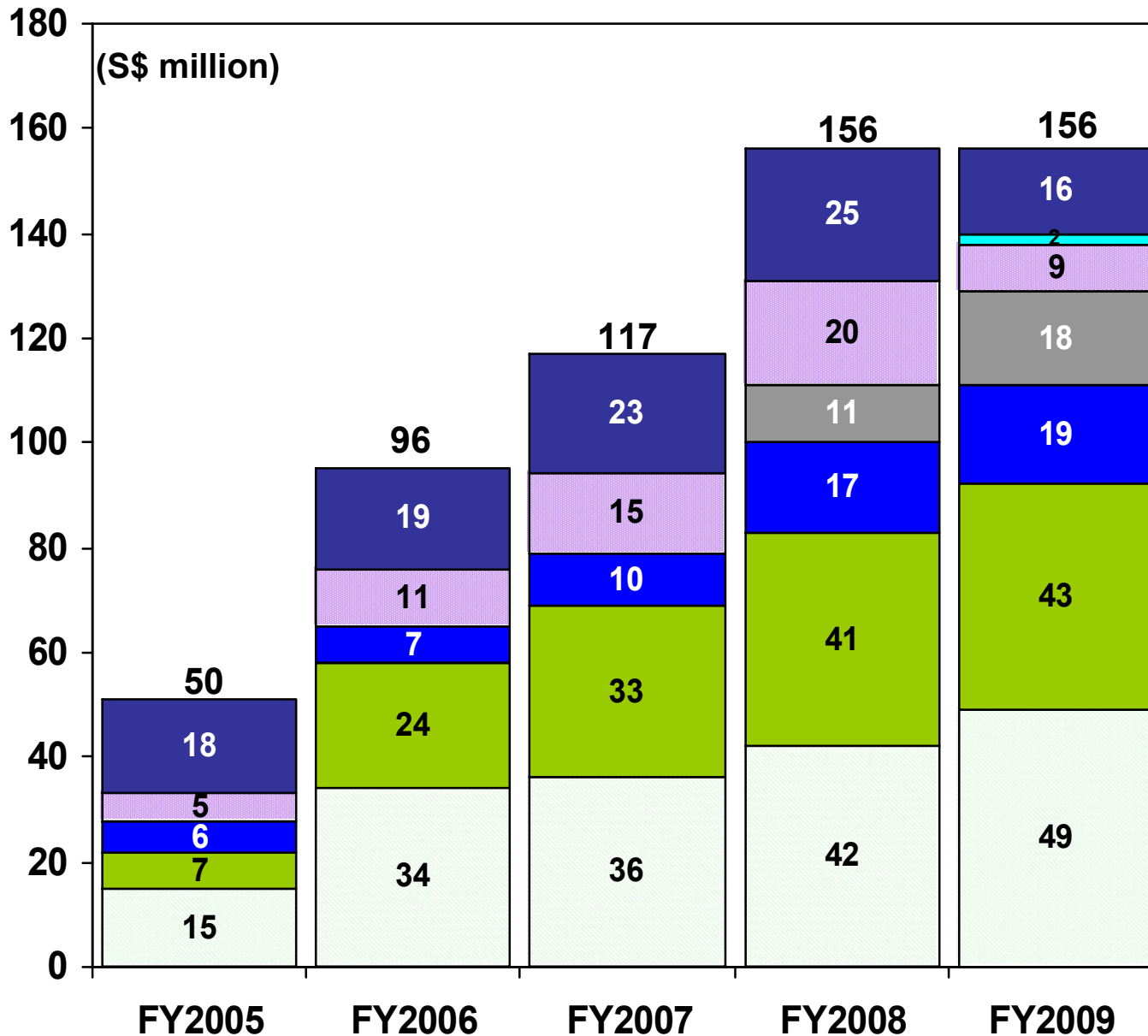
FY2008 – 132%

FY2007 – 119%

FY2006 – 108%

FY2005 – 92%

Diversified Derivatives Revenue

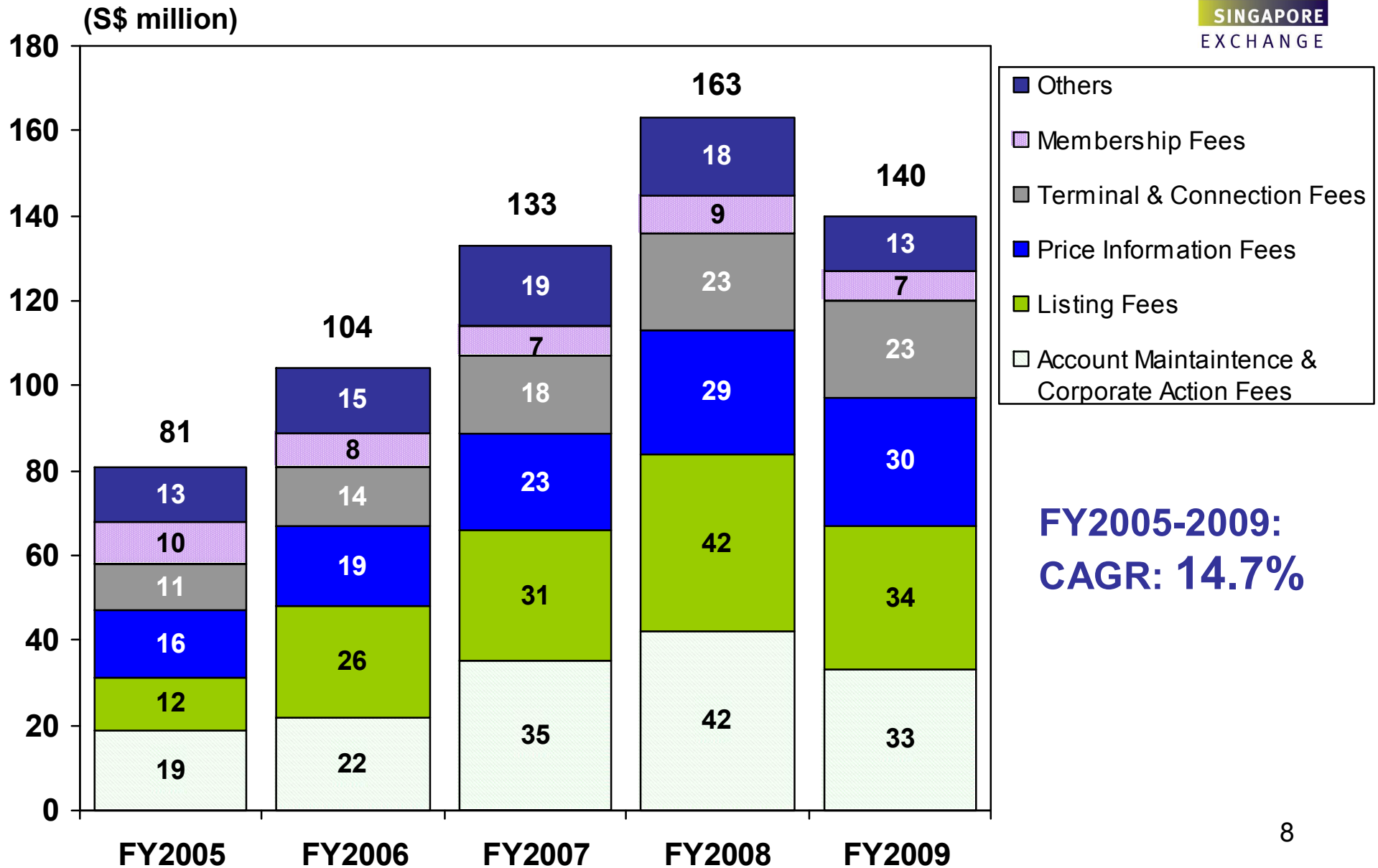


- Other products & services
- OTC AsiaClear
- Structured warrants
- CNX Nifty
- MSCI Singapore
- MSCI Taiwan
- Nikkei 225

**FY2005-2009:
CAGR: 32.9%**

Note: Other products and services include: AP, CN, ED, EY, JB, ST futures contracts, SICOM, Extended Settlement contracts, and clearing related income.

Stable Revenue



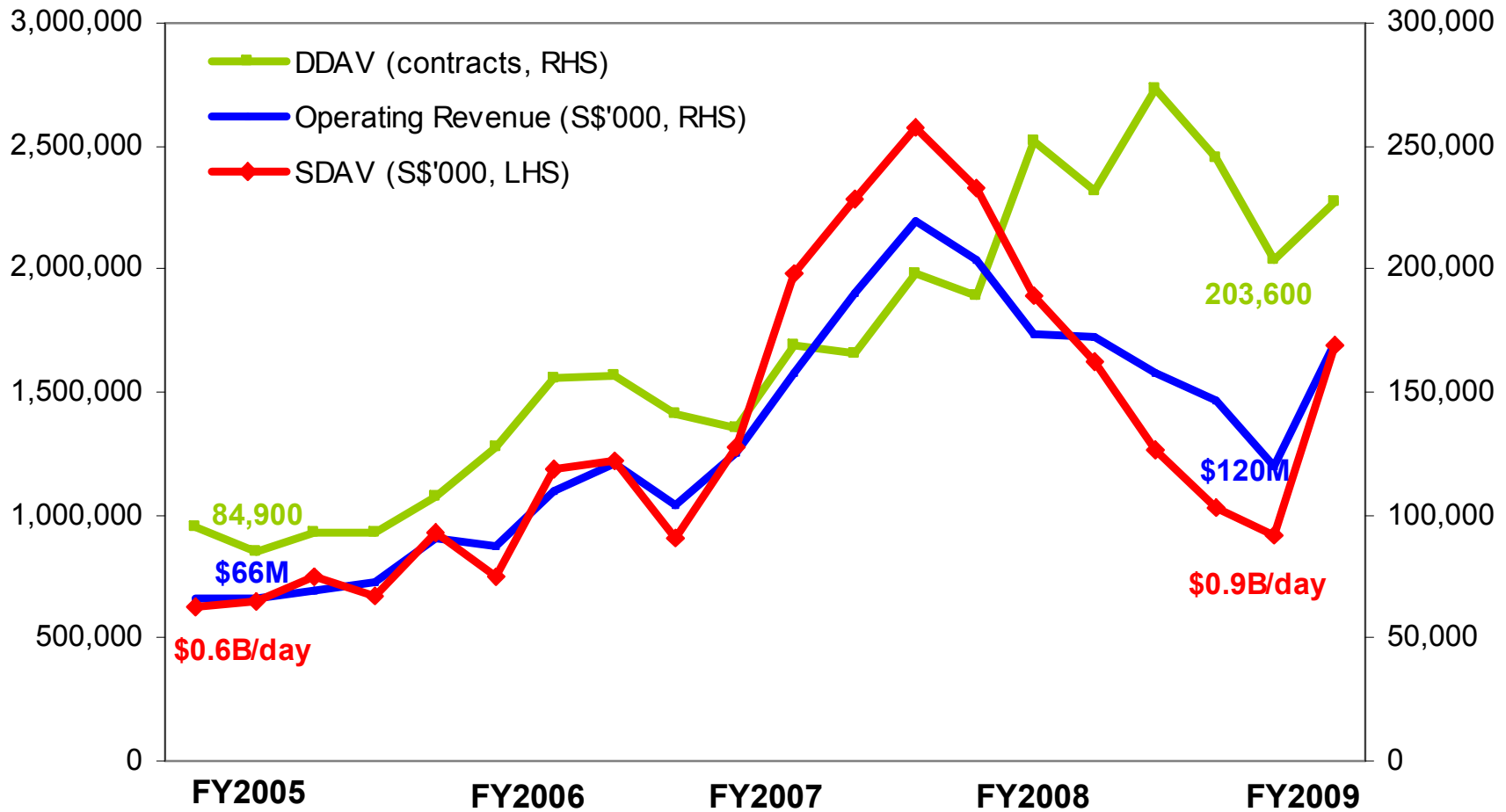
Operating Expenses – Cost Discipline



Expenses (in S\$ million)	FY2009	FY2008	Change
Staff related Expenses	99.5	117.3	(15.1%)
Staff costs (excluding variable bonus)	54.9	57.6	(4.6%)
Variable bonus	30.1	50.2	(39.9%)
Share-based payment expense	14.5	9.5	52.0%
Technology related Expenses	63.2	51.2	23.5%
Systems Maintenance & Rental	44.3	39.1	13.3%
Depreciation & Amortisation	18.9	12.1	56.5%
Rental & Maintenance of Premises	16.7	17.0	(1.4%)
Cost of Processing & Royalties	20.2	21.4	(5.8%)
Others*	27.9	34.1	(18.4%)
Total Operating Expenses	227.5	241.0	(5.6%)

* Note: Others include professional fees, marketing & travelling, communication charges, provision for surplus leased premises and other operating expenses. All figures are rounded off to the nearest S\$0.1 million, and subject to rounding errors.

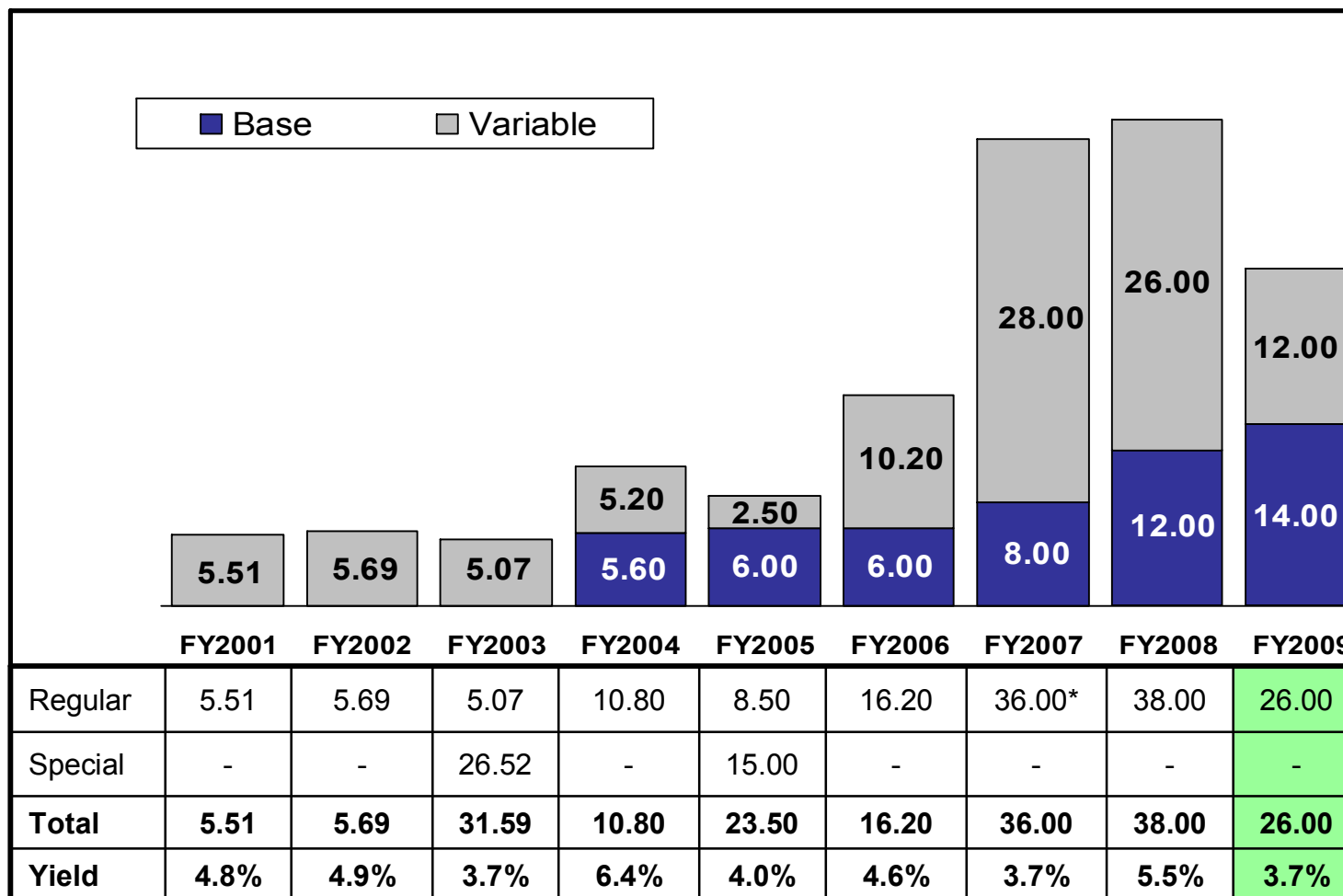
Higher Lows in Quarterly Performance



* Note: SDAV refers to Securities Daily Average Value. DDAV refers to Derivatives Daily Average Volume (only Futures and Options)

Dividend Payout

Net Dividend per share (in S\$ cents)



- ☑ Base dividend increased from 14 to 15 cents from FY2010
- ☑ FY2009 payout ratio: 90%

Note: Dividend Yield is calculated based on the regular dividend (excludes special dividend) paid out in a financial year.

* Includes the 90% payout from S\$65.5 million gain on disposal and S\$45.0 million write-back of allowances for impairment on SGX Centre.

Performance at a Glance



	FY2005	FY2006	FY2007	FY2008	FY2009
Return on Equity	22.0%	32.0%	37.5%	49.7%	39.3%
Cost-to-income	52.1%	45.1%	36.6%	31.4%	38.3%
Operating Profit Margin	47.9%	54.9%	63.4%	68.6%	61.7%
Net Profit Margin	37.6%	44.6%	52.5%	56.7%	51.3%

Note: FY2007 figures exclude the S\$ 45.0 million write back of allowance for impairment on SGX Centre and the S\$65.5 million gain on disposal of SGX Centre. FY2008 figures exclude S\$34.0 million distribution from SGX-DT Compensation Fund.

Business Review

Building An Enduring Marketplace



Asian Gateway

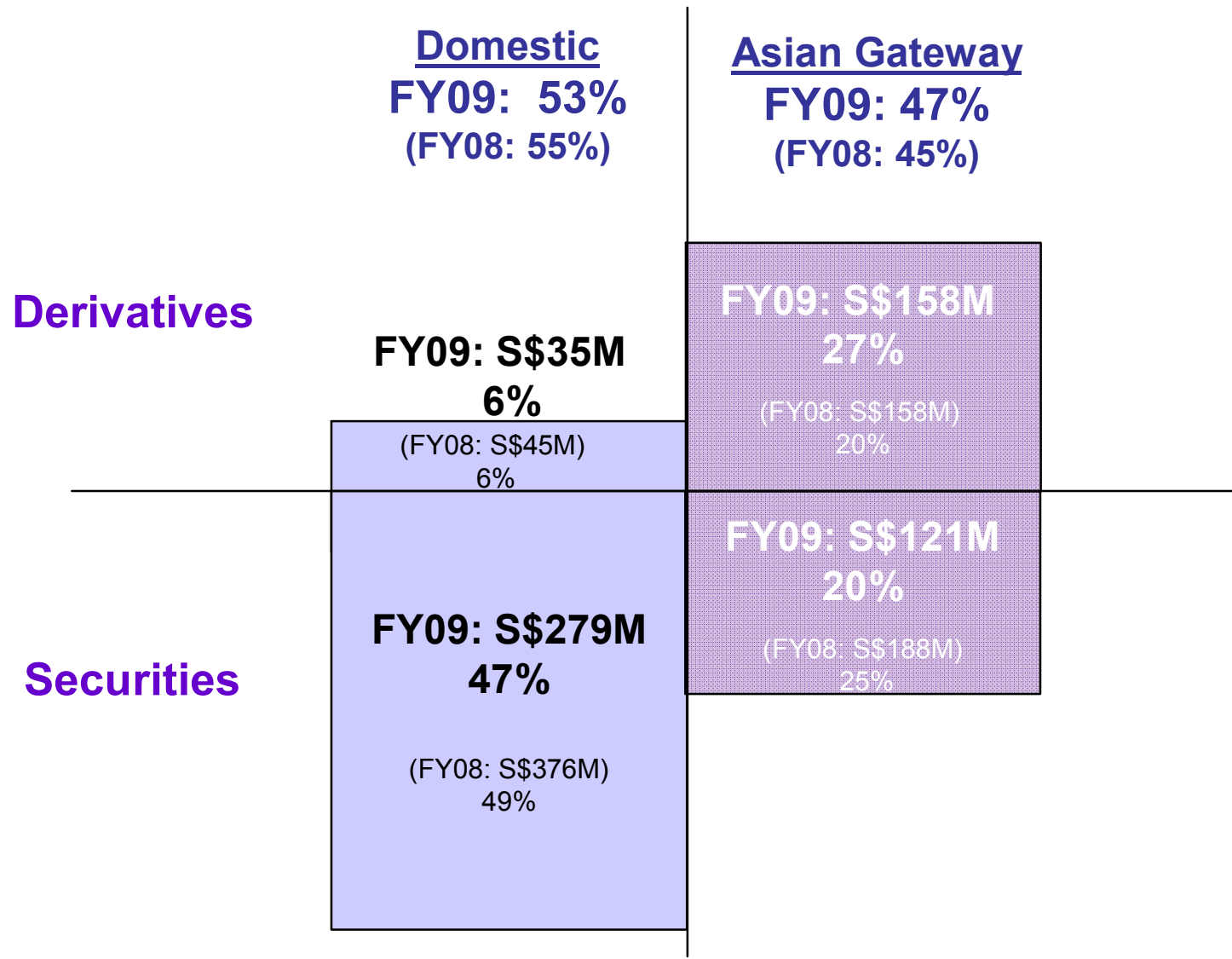


Domestic Growth

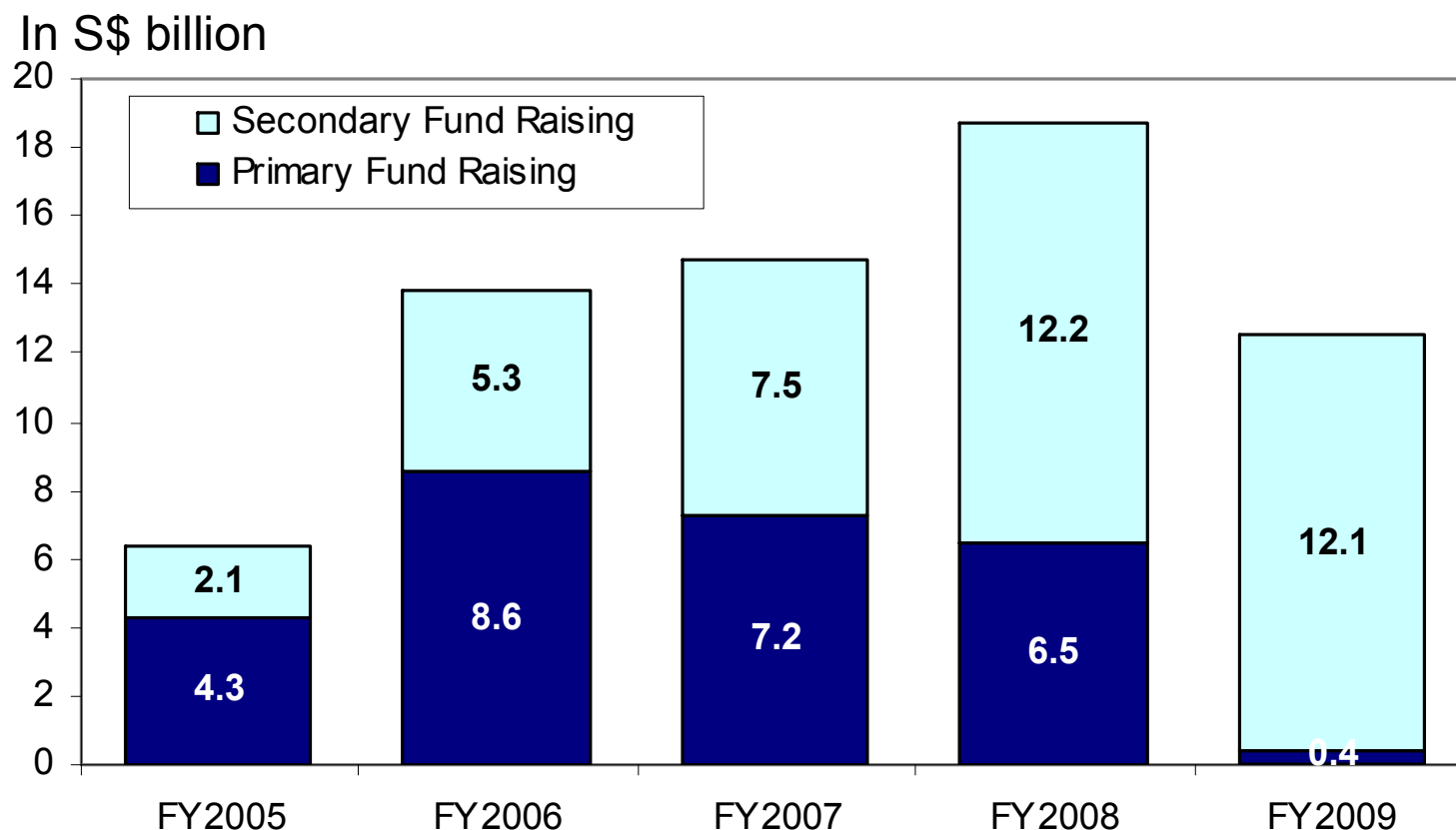


Delivery Excellence

Asian Gateway



Active Secondary Market Capital Raising



- ☑ **Active secondary market fund raising – according to Thomson Reuters, rights offerings in Asia reached a record high of US\$9.8 billion between Jan to Jun 2009. Singapore was top of the list, capturing 64.8% of these rights offers.**

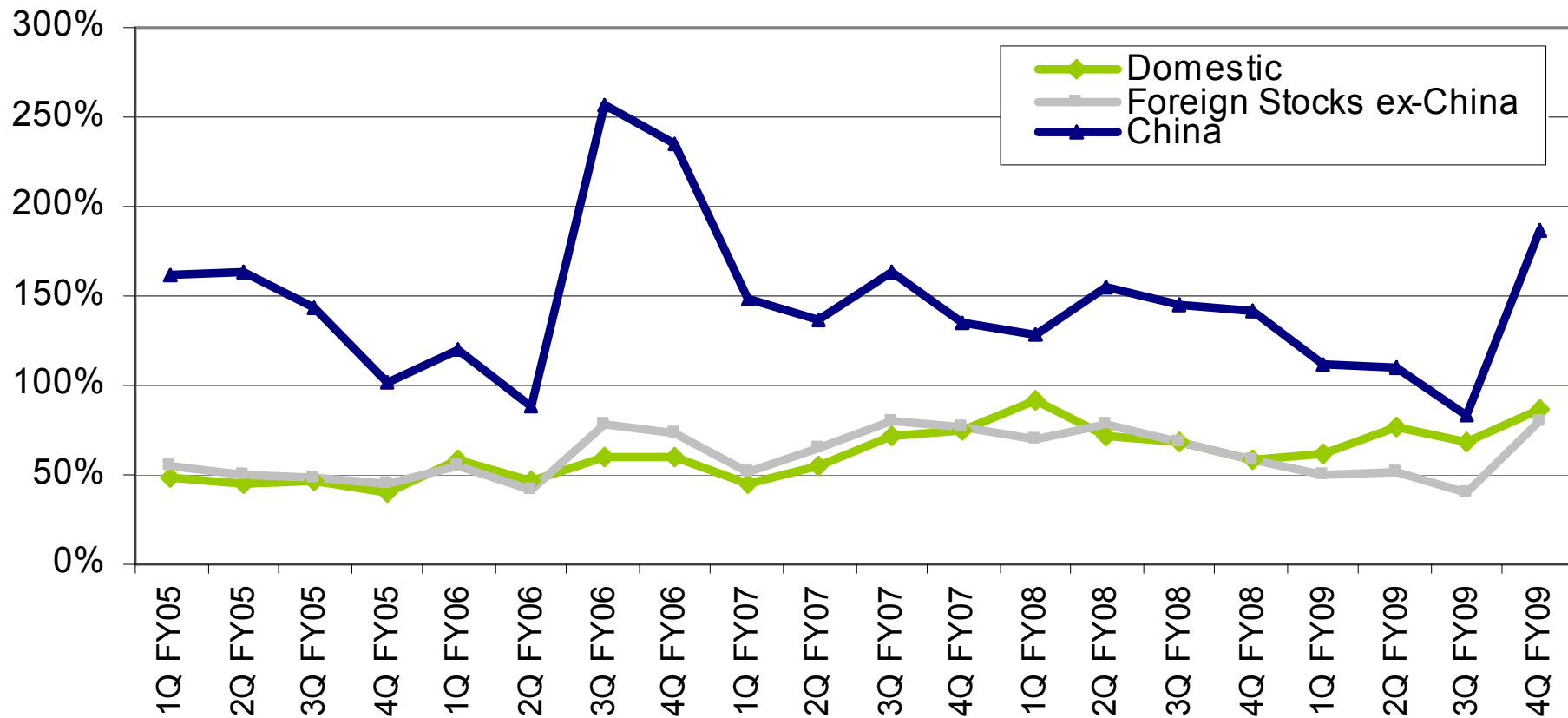
New Listing Activity



- ☑ **FY2009: 19 new listings (10 Mainboard; 9 Catalist); 53% foreign listings (FY2008: 67 new listings)**
 - **Primary market fund raising S\$442 million (total market capitalisation of S\$3.3 billion)**
- ☑ **Healthy pipeline – Mandates for Mainboard and Catalist**
- ☑ **Investor interest in China, India and Indonesia**
- ☑ **Sectoral focus: Interest from companies listed on Oslo BØrs**

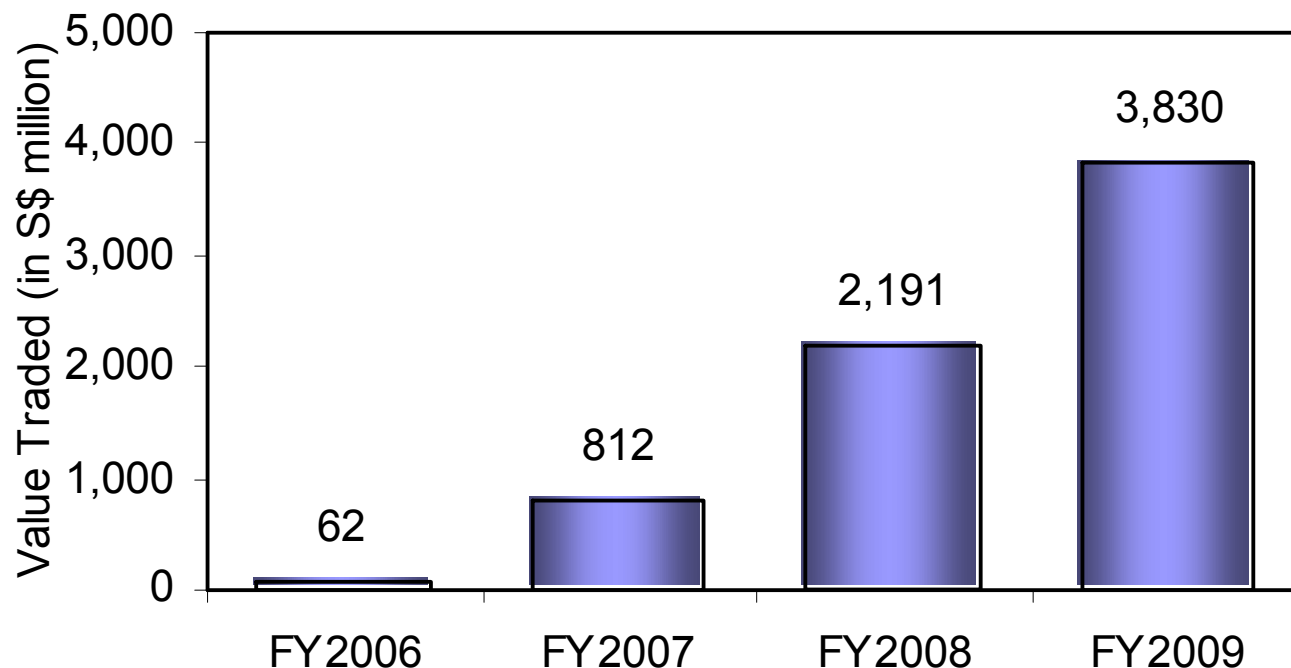
Turnover Velocity

Annualised turnover velocity in FY2009: **67%** (72% in FY2008)



* Note: Jardine Matheson Holdings and Jardine Strategic Holdings are excluded.

Market Access Products - ETFs



FY2009

- ☑ Added Asia's first inverse S&P ETF
- ☑ Third Largest ETF market in Asia
- ☑ 74.9% Y-O-Y ↑ in value traded

Currently, the 35 SGX-listed ETFs offer exposure to: Singapore, India, North Asia, ASEAN, United States, Eastern Europe, Latin America and emerging markets as well as commodities, including gold.

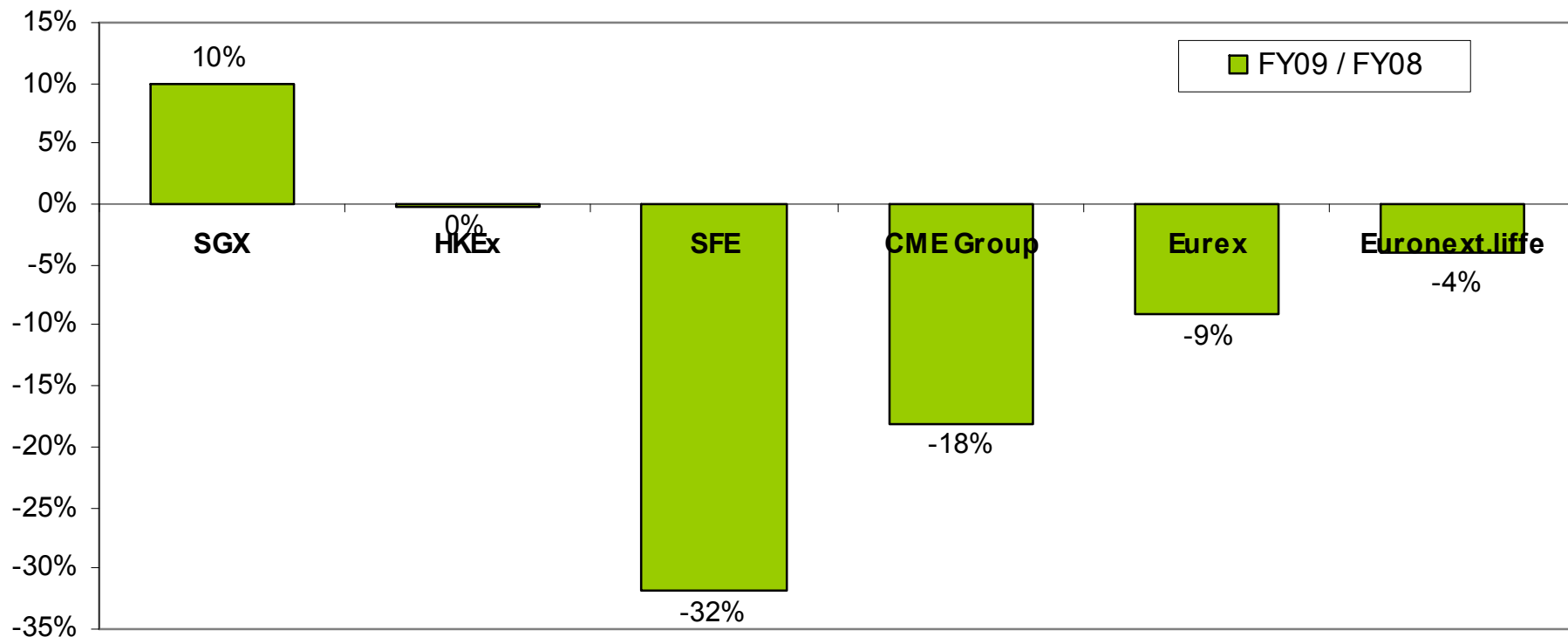
Growth in Futures & Options



In million contracts	FY2005	FY2006	FY2007	FY2008	FY2009	FY09/ FY08 % Change	CAGR
Nikkei 225	8.6	16.8	18.2	23.3	26.9	15%	33%
MSCI Taiwan	7.1	9.9	11.3	15.9	16.3	2%	23%
CNX Nifty*	0.0	0.1	0.2	7.2	9.6	34%	NM
MSCI Singapore	1.7	1.9	2.9	4.7	4.3	-7%	26%
Others	5.4	5.2	4.8	2.7	1.2	-58%	-31%
Total	22.8	33.9	37.4	53.8	58.3	8%	26%

* Note: Number of CNX Nifty Index futures has been adjusted for comparison purposes as the contract size was reduced fivefold in November 2007.

Performance of Derivatives* Exchanges

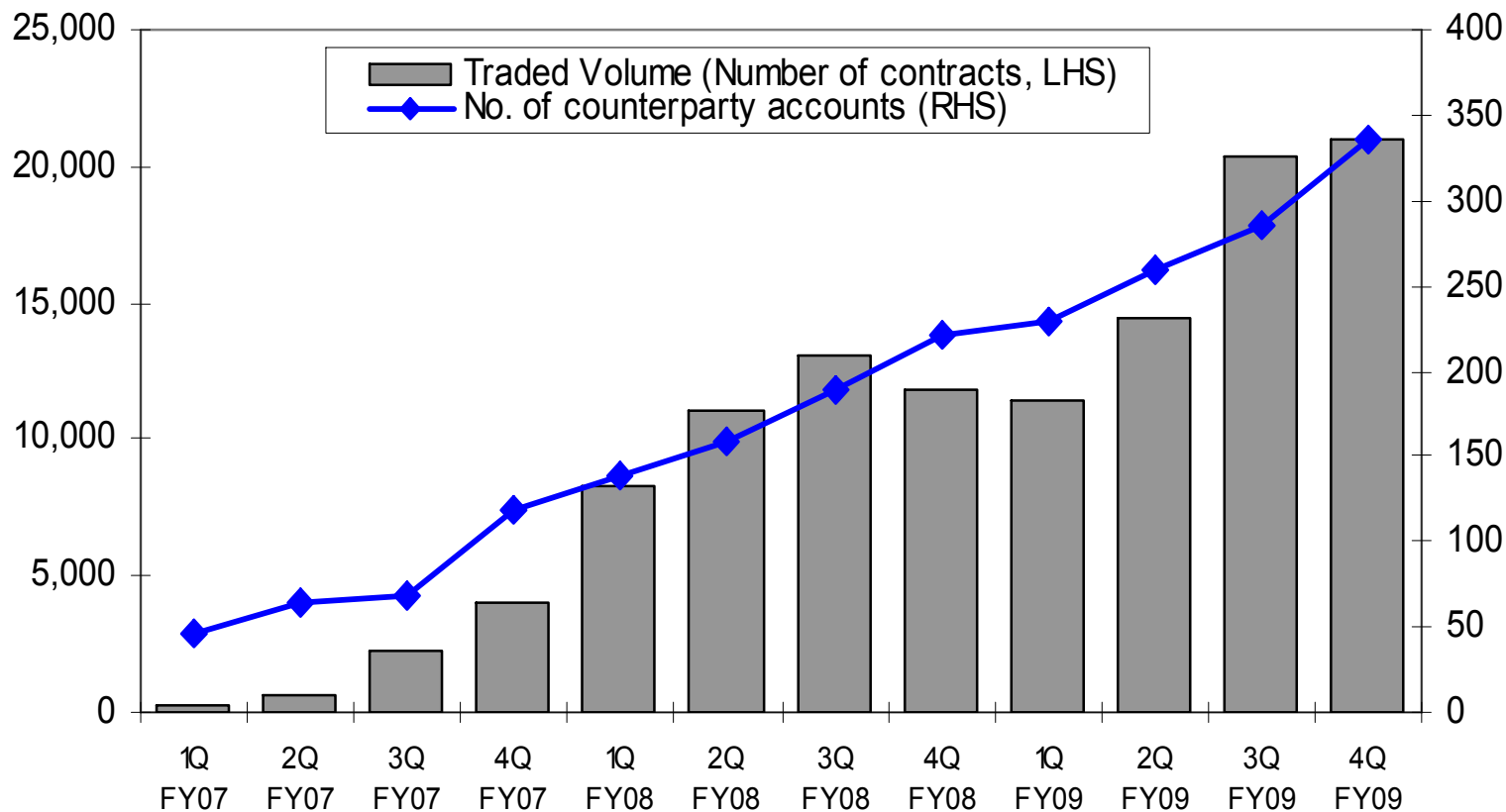


Note: FY2009 refers to Jul 08 to Jun 09. FY2008 refers to Jul 07 to Jun 08.

The percentage figures indicated show the change in average daily volume traded in each comparative period.

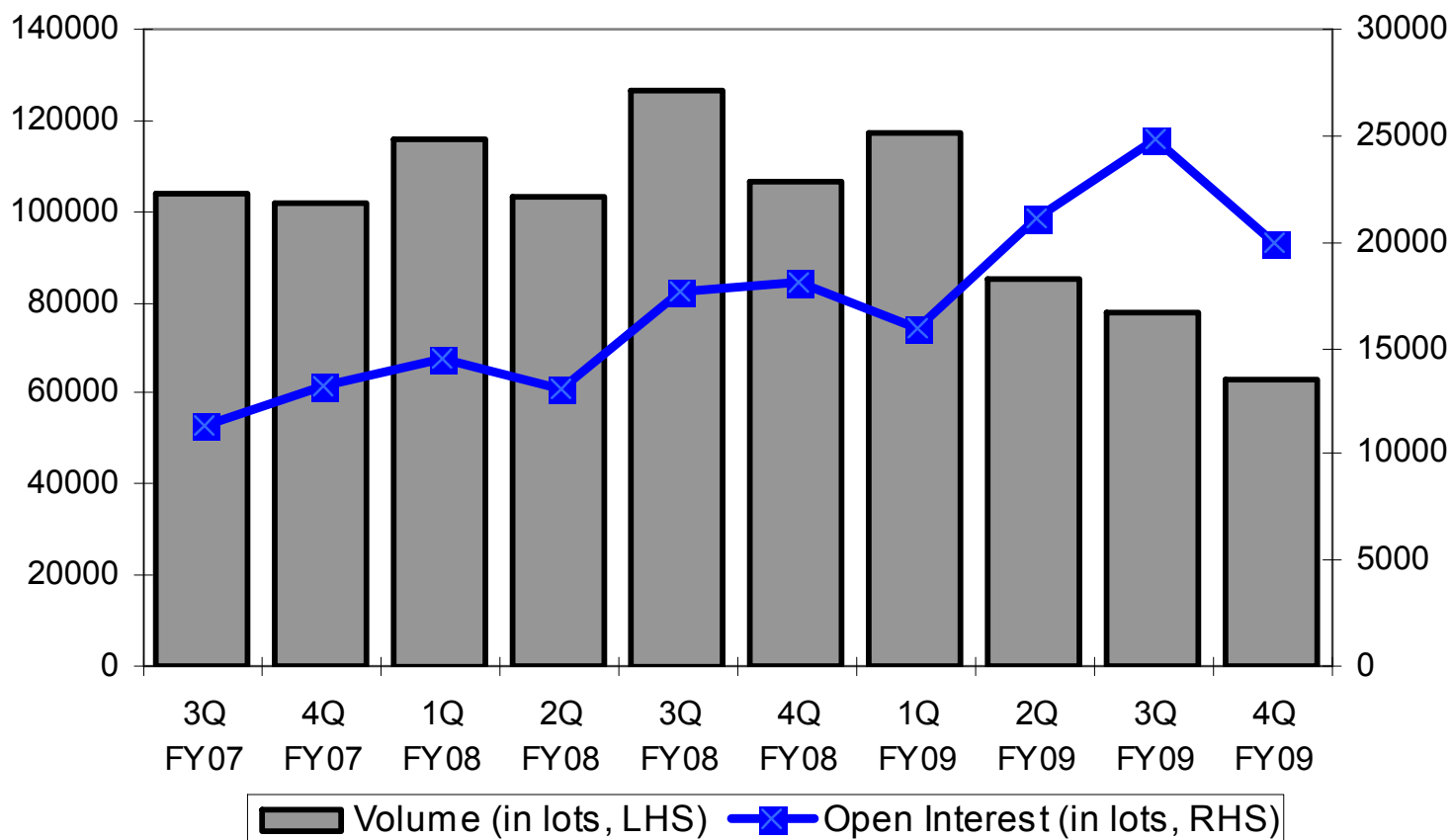
Source: Exchanges' websites. * Derivatives refer to only futures and options contracts

AsiaClear: Growing the OTC Business



- ✓ **FY2009 Revenue: S\$1.9 million (FY2008: S\$1.1 million)**
- ✓ **Launched clearing of iron ore swaps in April 09**
- ✓ **Plan to launch financial derivatives**

Commodities: SICOM



- ☑ **FY2009 Operating Revenue: S\$1.4 million**
- ☑ **Clearing link between SICOM and SGX**
- ☑ **Plan to launch commodity products such as gold and coffee**

Algo-Trading



Derivatives market:

- From 14.0% in December 08 to 21.4% in June 09

Making SGX an Algo-friendly Exchange



Market Microstructure

Tick size reduction

Market Data

Direct Feed

Access & Connectivity

Proximity hosting

“Super API”

Reduced latency

Securities market: Upcoming Public Consultation for algo-trading initiatives

Robust Risk Management and Regulation



Managing Risks

- **Managing risks arising from the collapse of Lehman Brothers and other potential failures**
- **Restructuring the Clearing Funds to bolster resources for increased volumes and products**

Upholding Standards

- **Increased interaction with listed companies, their Boards and auditors to heighten vigilance on high risk areas**
- **Further measures planned to improve listed companies' corporate governance practices**

Enhancing Market Transparency

- **Publishing list of securities for buying-in to deter failed trades**
- **Fuller disclosure of enforcement actions**
- **Greater use of Regulator's Column**

Structural Transformation



- Robust Risk Management and Regulation
- People and Culture
 - From utility mindset to customer focus
 - People Development and Culture
- Technology
 - Robustness
 - Renewal
 - Speed & Efficiency of Market Access
- Asian Gateway
 - Horizontally diversified across geographic markets: foreign listings, alliances, partnerships
 - Horizontally diversified across product classes: securities, derivatives, commodities
 - Vertically diversified, including Over-the-Counter (OTC) Clearing
- Serving our Stakeholders
 - Our Shareholders
 - Our Community: Bull Charge, Shared Services for Charities (SSC)
 - Our Market Participants: Industry Associations

Conclusion



- SGX is a diversified, robust business with good fundamentals
 - 5-year Total Shareholder Return (TSR):
 - SGX at 38.0% (STI at 10.3%)
 - SGX (US\$) at 42.6% (FTSE/ MV Exchanges at 26.2%)
- We will seek business opportunities in:
 1. Algo-trading
 2. Domestic derivatives : Extended Settlement contracts and options
 3. Commodities: SICOM
 4. OTC Clearing: Commodities and financial derivatives
 5. Alternative Trading Systems / Dark pools
- SGX is committed to upholding strong regulatory standards and maintaining robust risk management

Thank you

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