



Singapore Exchange Limited

Hsieh Fu Hua, CEO

Seck Wai Kwong, SEVP

12 January 2006

Agenda



- Overview
- Financial Review
- Recent Developments
- Q & A

Overview & Highlights

Hsieh Fu Hua

Chief Executive Officer

Our Progress To Date



6 MONTHS AGO

More Buoyant Market ...

Revenue Growth

Larger issuers

Re-Pricing Opportunities

Structured Warrants

New Products

OUR PROGRESS TO DATE

- ✓ Derivatives growth
- ✓ Securities Daily Ave Value Traded has grown from \$630M in 1H FY05 to \$847M in 1H FY06

- ✓ Ave IPO size has grown 41% from 1H FY05
- ✓ Re-pricing of Listing & Derivatives Fees
- ✓ Robust growth
- ✓ OTC Clearing, Commodities and Nifty

Financial Review

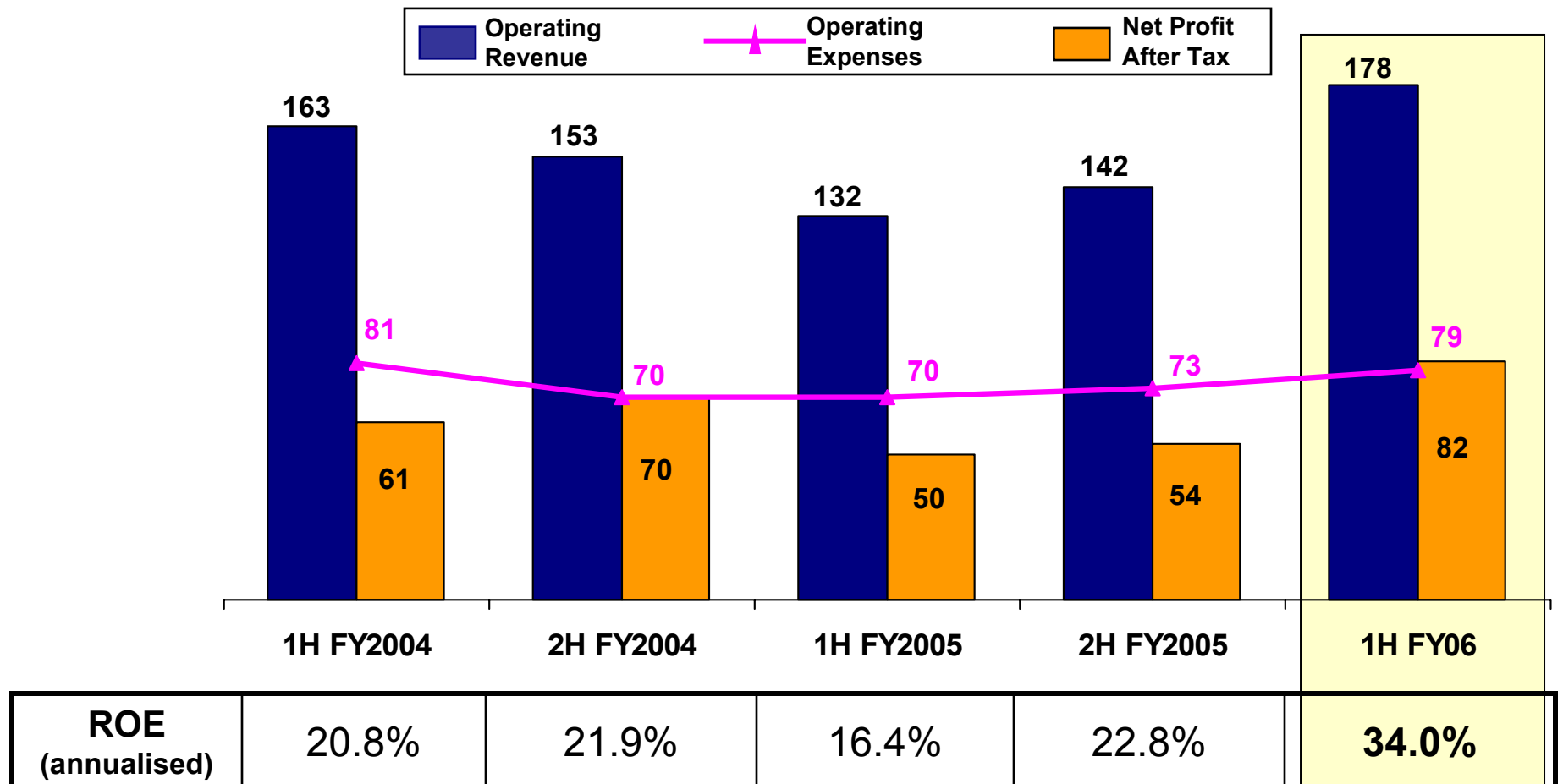
Seck Wai Kwong

Senior Executive Vice President

Financial Highlights

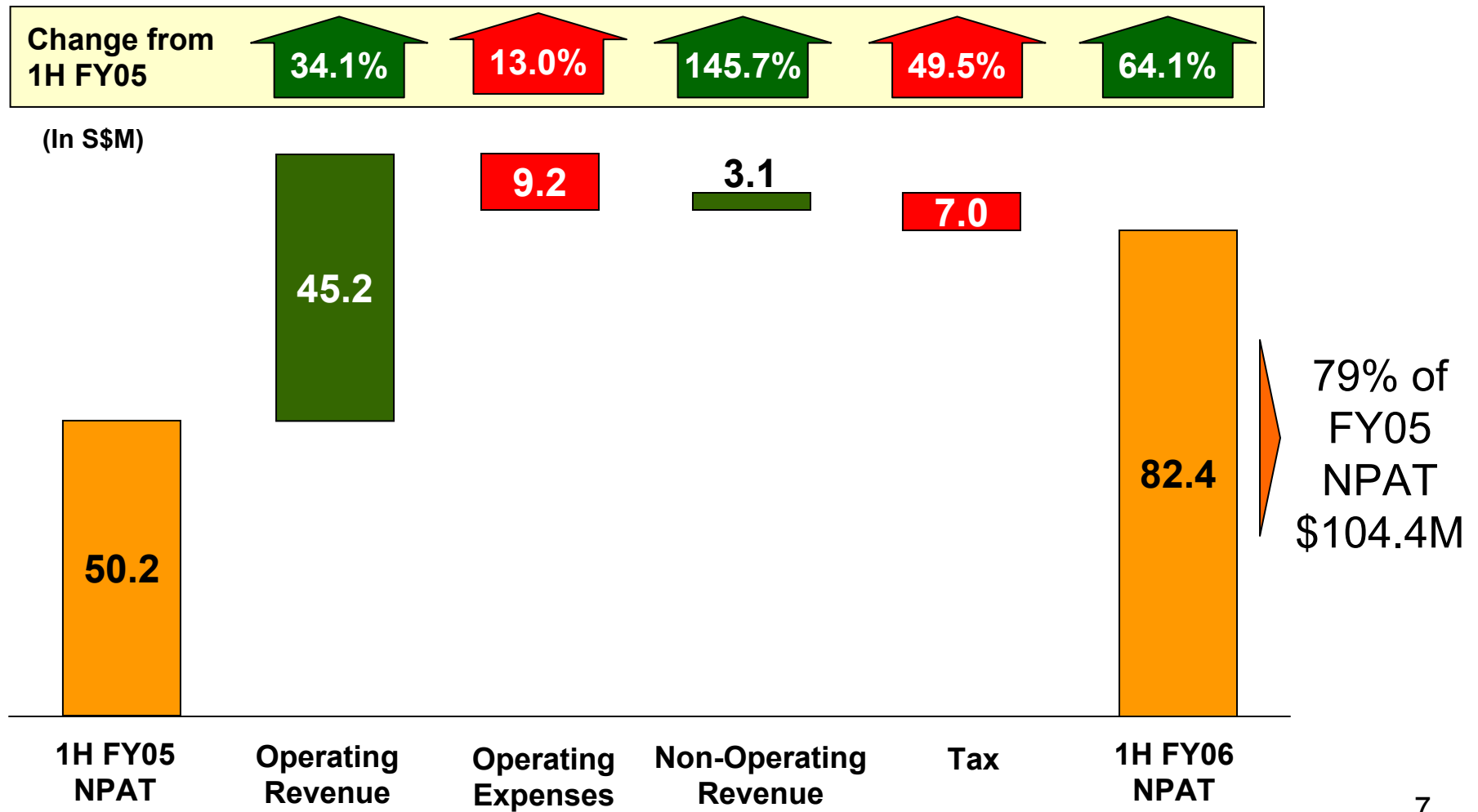


A record half-year since IPO ...



(2H FY04, 1H FY05 and 2H FY05 figures have been restated to reflect ESOS expenses following the adoption of FRS102.)

Financial Highlights



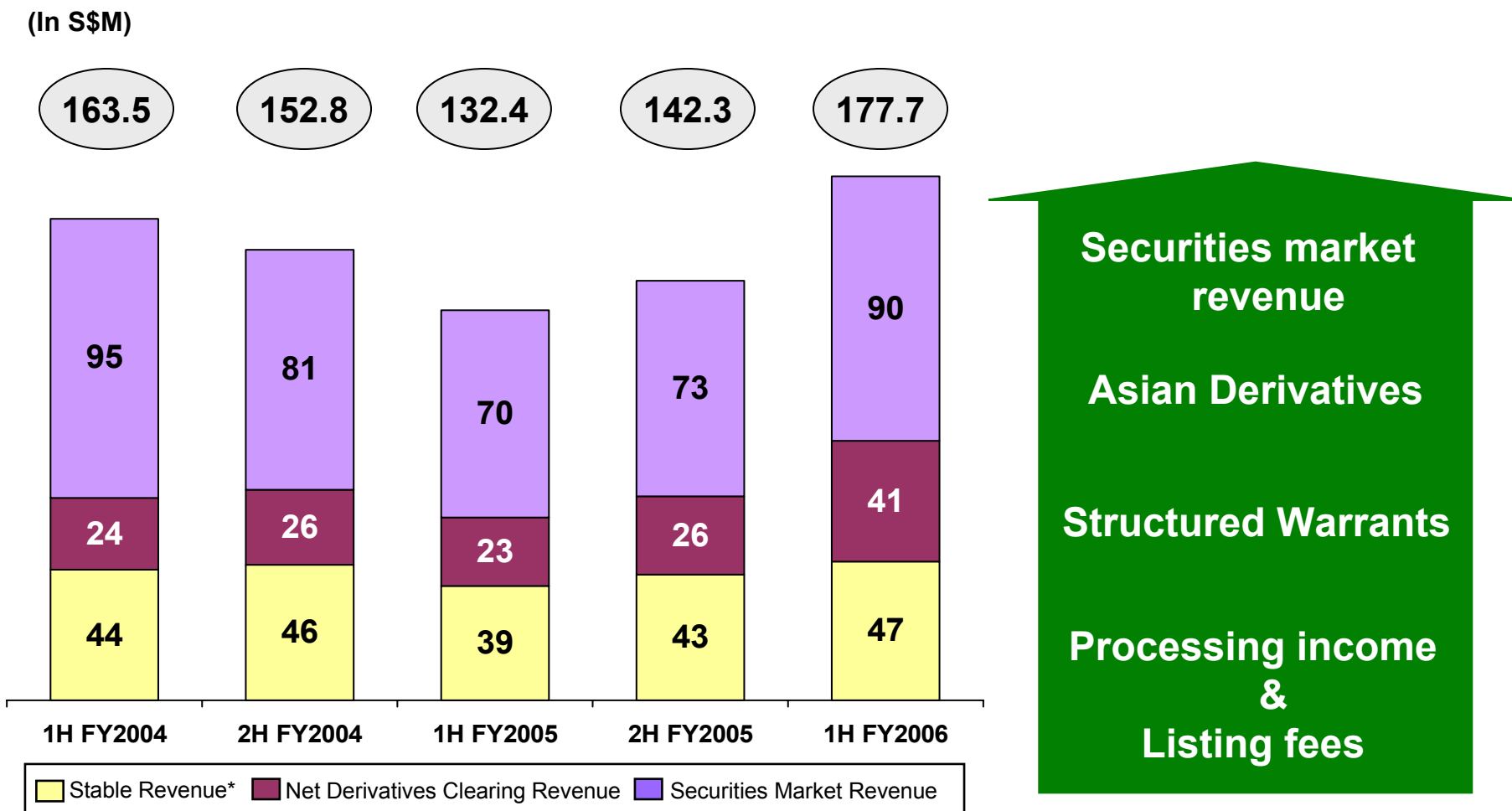
(FY05 figures have been restated to reflect ESOS expenses following the adoption of FRS102)

Operating Revenue

(Review period: 1H FY04 to 1H FY06)



Fuelled by buoyant market activities ...



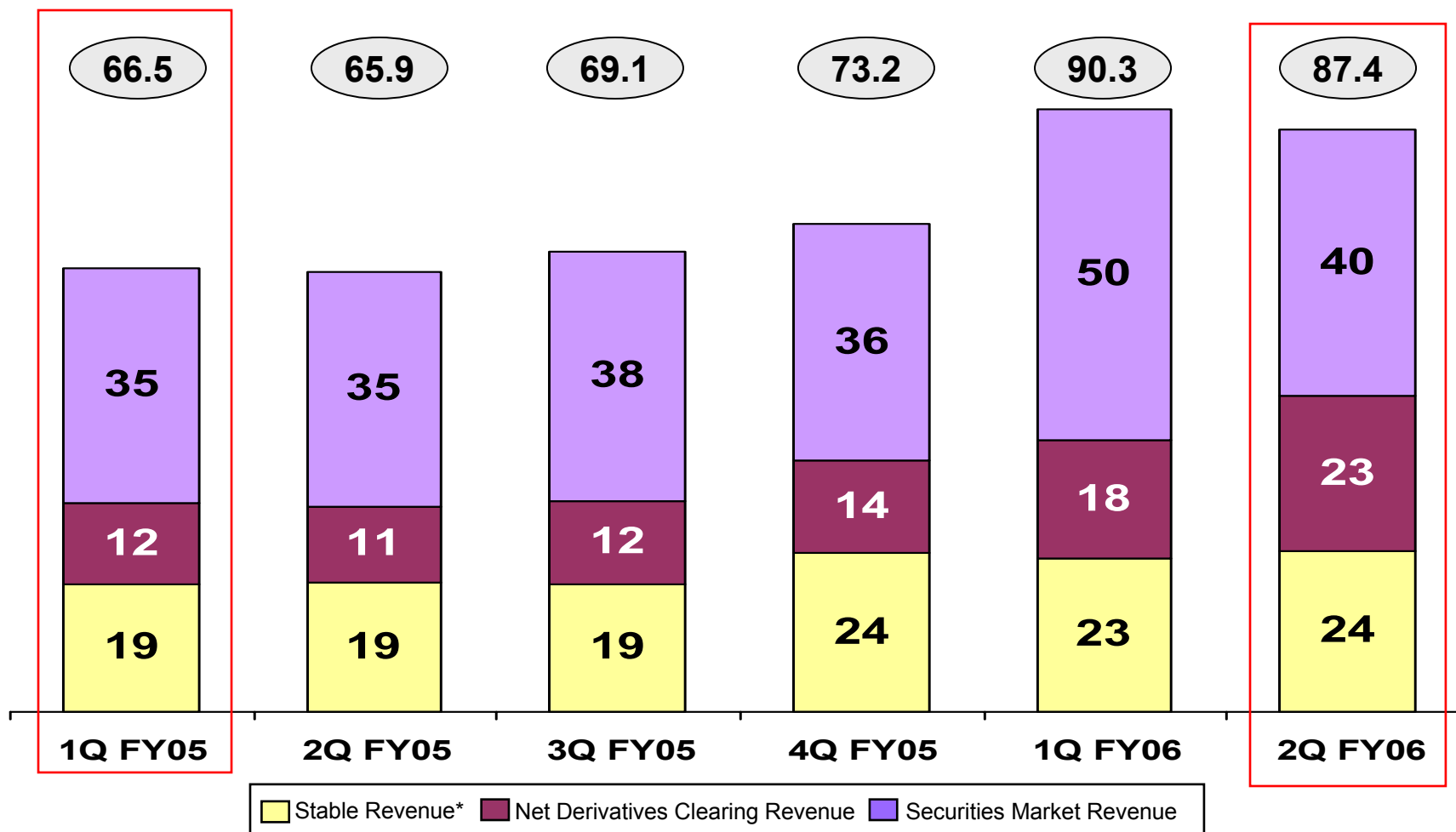
Securities market revenue includes clearing fees, securities related processing income & access fees
 * Stable revenue includes account maintenance & corporate action fees, terminal and connection fees, price information fees, listing and membership fees, sale of software and other computer services & other operating revenue

Operating Revenue

(Review period: 1Q FY05 to 2Q FY06)



(In S\$M)



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Asian Futures Trading Volume

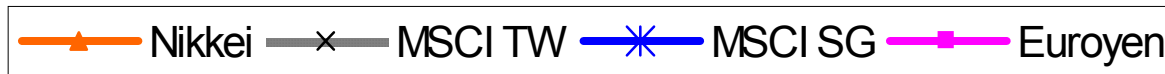
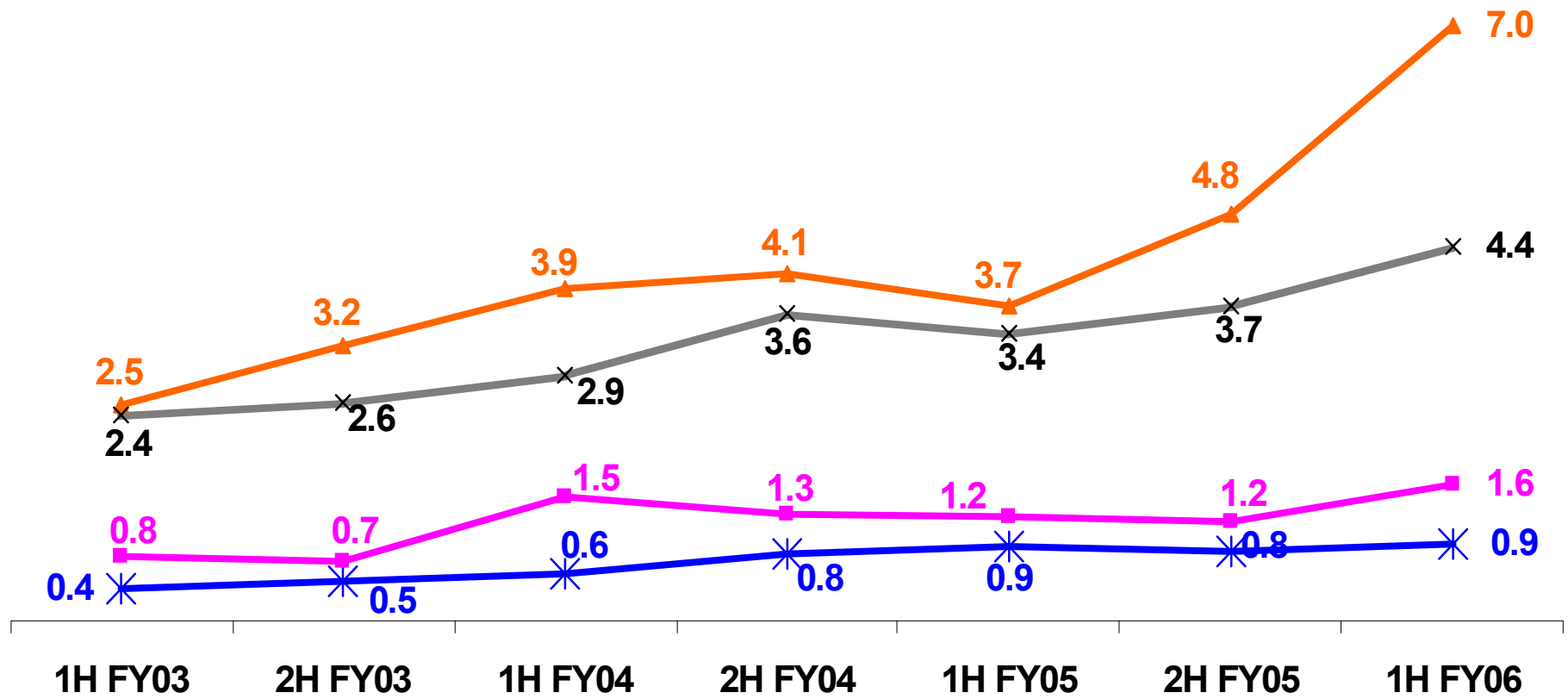
(Review period: 1H FY03 to 1H FY06)



Volume ↑ 31.6% p.a. over 3 years

Futures Clearing Revenue (in S\$M)

21.0	22.0	24.4	25.5	22.1	22.8	35.3
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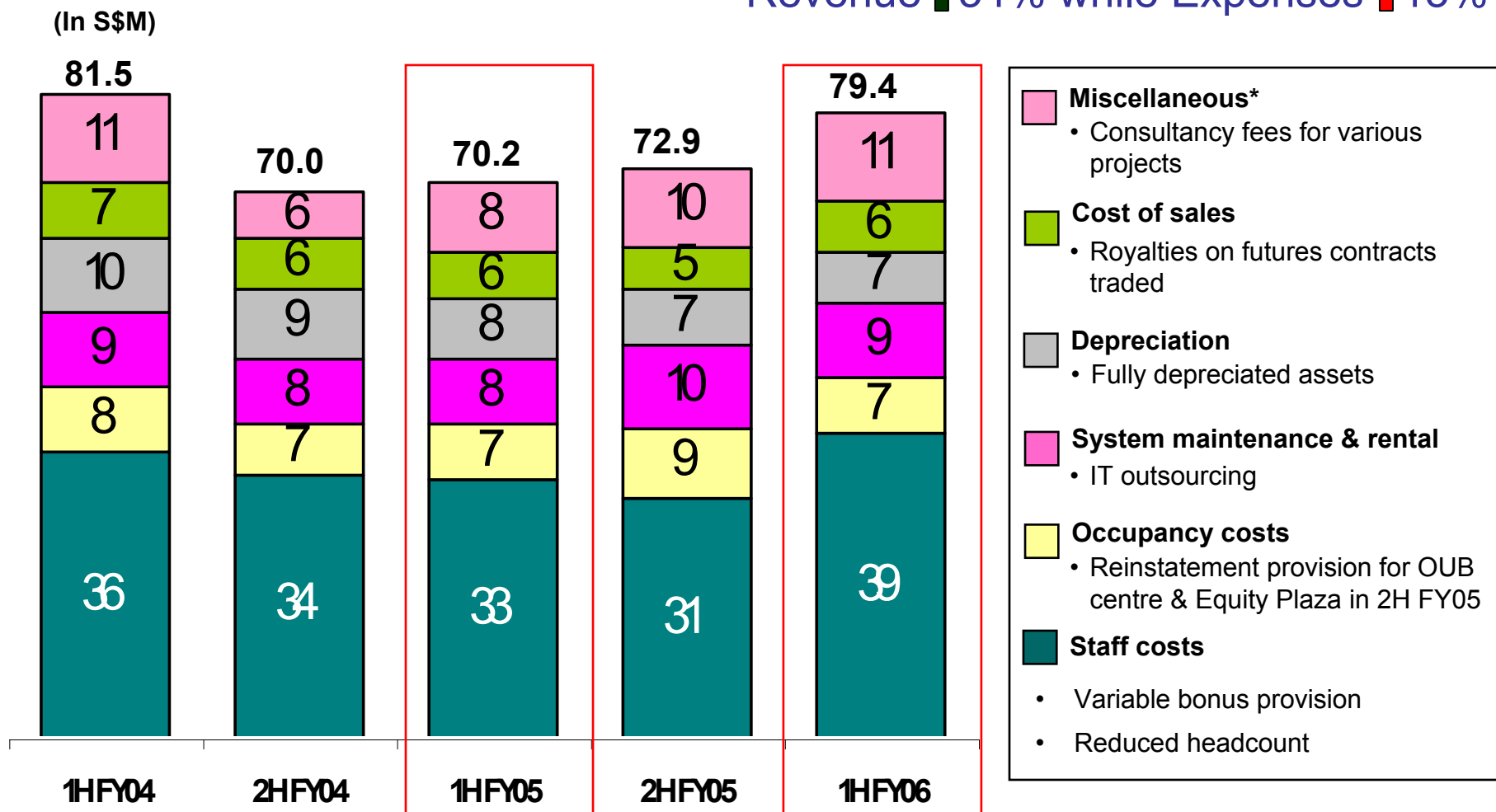


Operating Expenses

(Review period: 1H FY04 to 1H FY06)



Revenue ↑34% while Expenses ↑13%

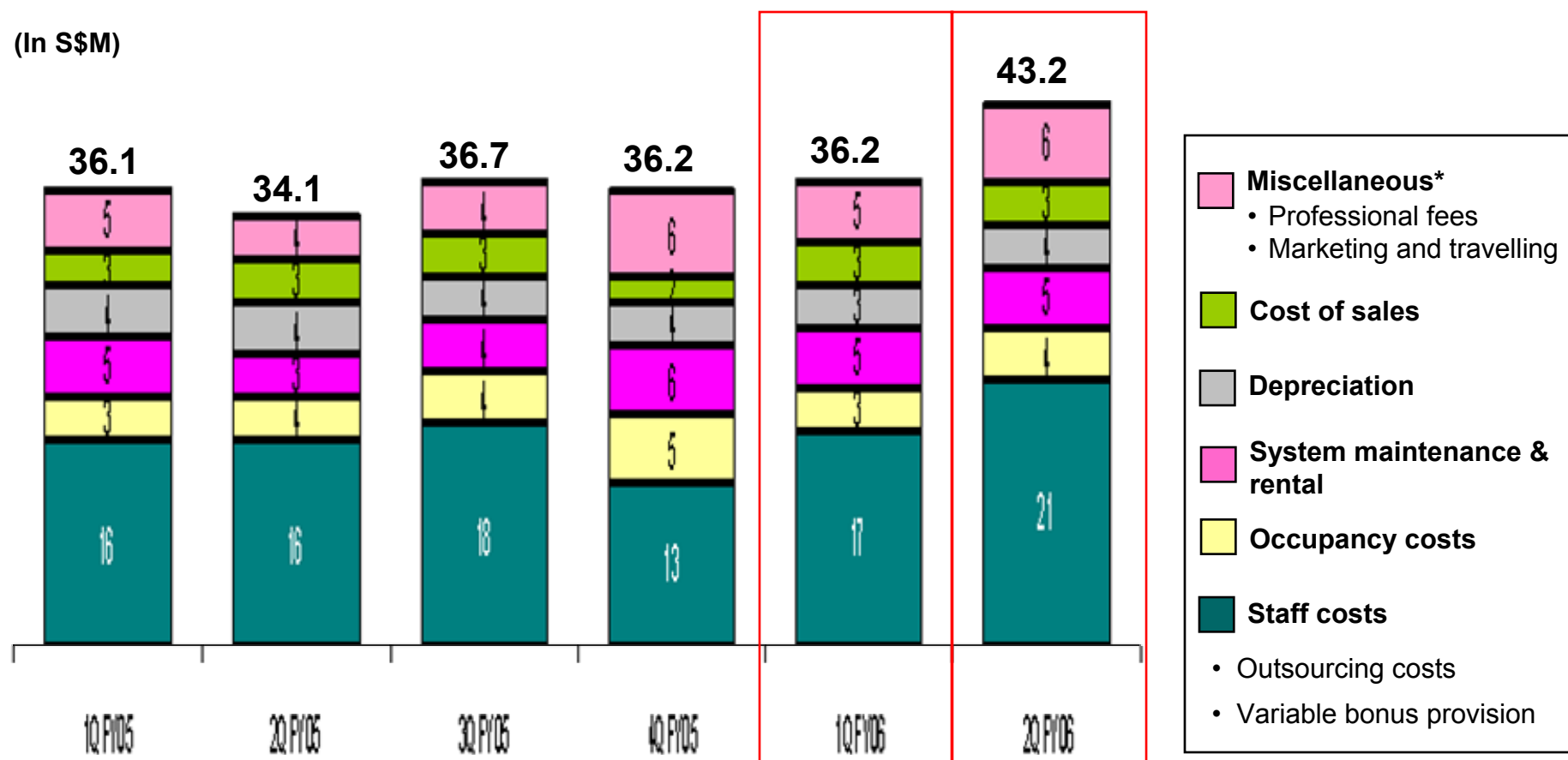


* includes professional fees, marketing & travelling, communication charges, fees to MAS for transfer of participant supervision function, provision for surplus leased premises and other operating expenses
 (2H FY04, 1H FY05 and 2H FY05 figures have been restated to reflect ESOS expenses following the adoption of FRS102)

Operating Expenses

(Review period: 1Q FY05 to 2Q FY06)

(In S\$M)



* includes professional fees, marketing & travelling, communication charges, fees to MAS for transfer of participant supervision function, provision for surplus leased premises and other operating expenses

(FY05 figures have been restated to reflect ESOS expenses following the adoption of FRS102)

Operating Expenses

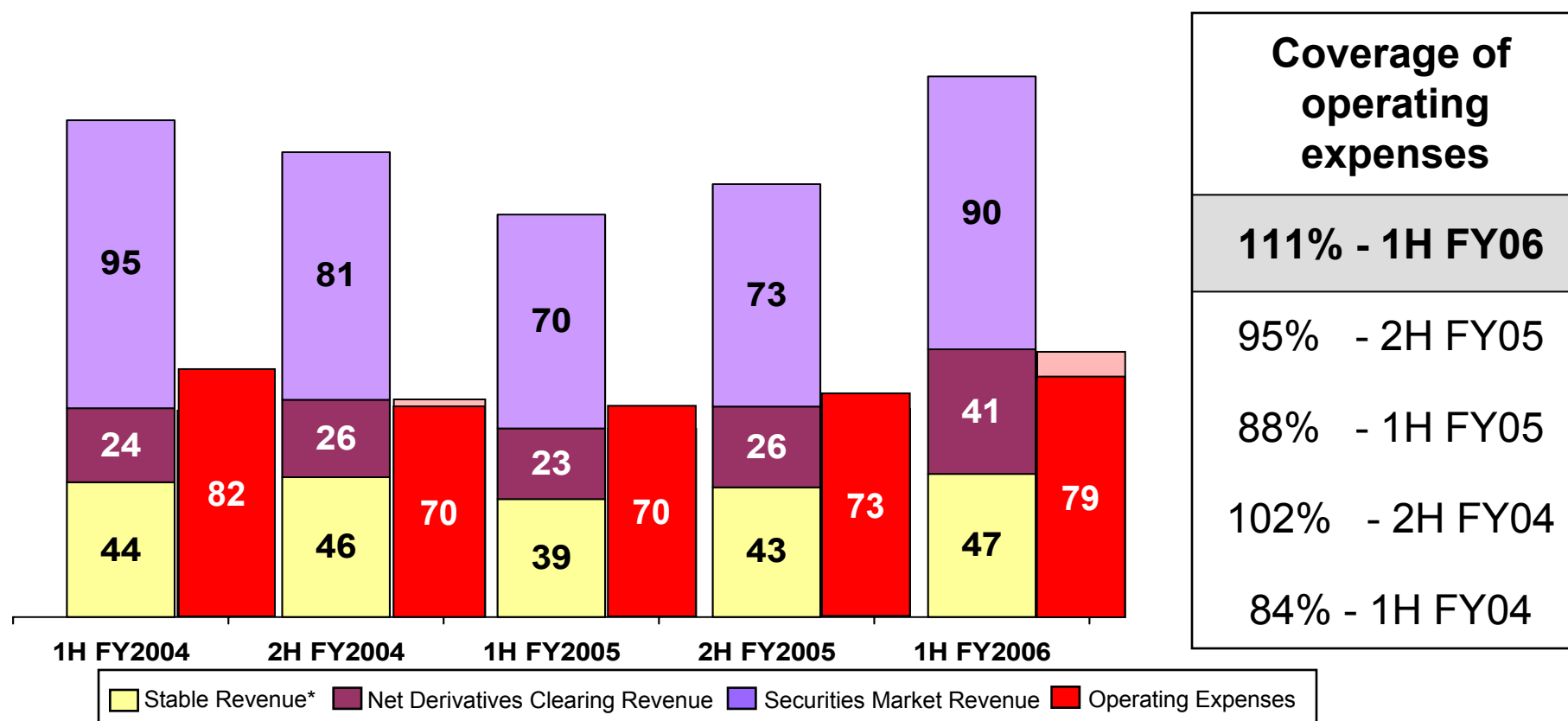
(Review period: 1Q FY06 vs 2Q FY06)

(in \$M)	1Q FY06	2Q FY06	Variance	Remarks
Staff costs	11.6	12.8	+1.2	<ul style="list-style-type: none"> • Share-based compensation • Outsourcing compensation
Variable bonus	5.8	8.7	+2.9	<ul style="list-style-type: none"> • Catch up in bonus provision
Total	17.4	21.5	+4.1	

Operating Leverage

High operating leverage

(In S\$M)



Securities market revenue includes clearing fees, securities related processing income & access fees
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 (2HFY04, 1H FY05 and 2H FY05 figures have been restated to reflect ESOS expenses following the adoption of FRS102)

Performance at a Glance

Our commitment to enhance shareholder value

	1H FY04	2H FY04	1H FY05	2H FY05	1H FY06
Return on Equity ⁽¹⁾	20.8%	21.9%	16.4%	22.8%	34.0%
Total Shareholder Return ⁽²⁾	50.7%	1.2%	12.8%	29.2%	40.2%
Cost-to-Income	49.8%	45.8%	53.0%	51.2%	44.7%
Net Profit Margin	37.8%	45.4%	37.3%	37.8%	45.0%
Dividend per Share (Net)	2.3	8.5	2.8	20.7	3.0
- Base (cents)	2.3	3.3	2.8	3.2*	3.0
- Variable (cents)		5.2		2.5	
- Special (cents)				15.0*	

* Includes special/interim dividend declared in 3Q FY05.

(1) (Annualised) Net profit after tax divided by shareholders' equity as at period end

(2) Based on SGX period end closing share price (Source: Bloomberg)

(3) 2H FY04, 1H FY05 and 2H FY05 figures have been restated to reflect ESOS expenses following the adoption of FRS102

Recent Developments

Hsieh Fu Hua

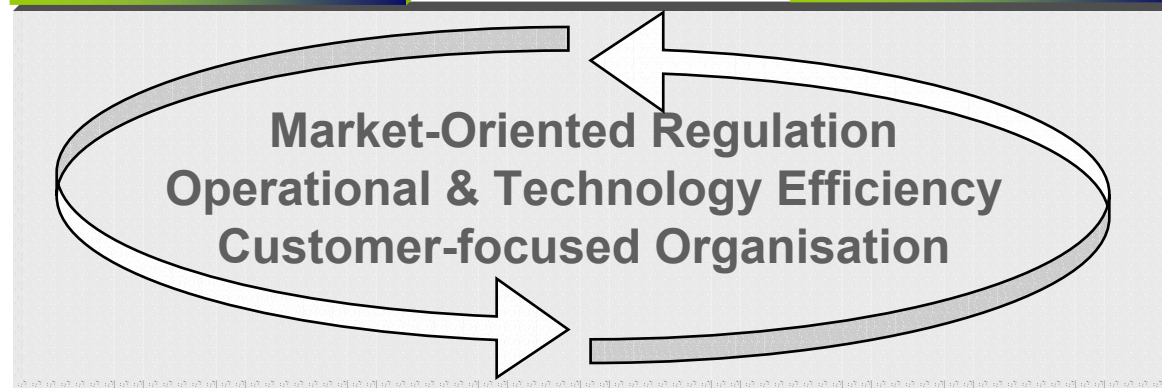
Chief Executive Officer

Building An Enduring Marketplace

Asian Gateway



Domestic Growth



Delivery Excellence

Delivery Excellence

Continued enhancement to our infrastructure ...

Regulatory

- Strengthen SGX corporate governance

Trading

- Quest-DT: Electronic migration for Euroyen
- Quest-ST (2006)

Clearing and Settlement

- Back-end Open Access (CPM Phase 1: 2006)

Operational efficiency

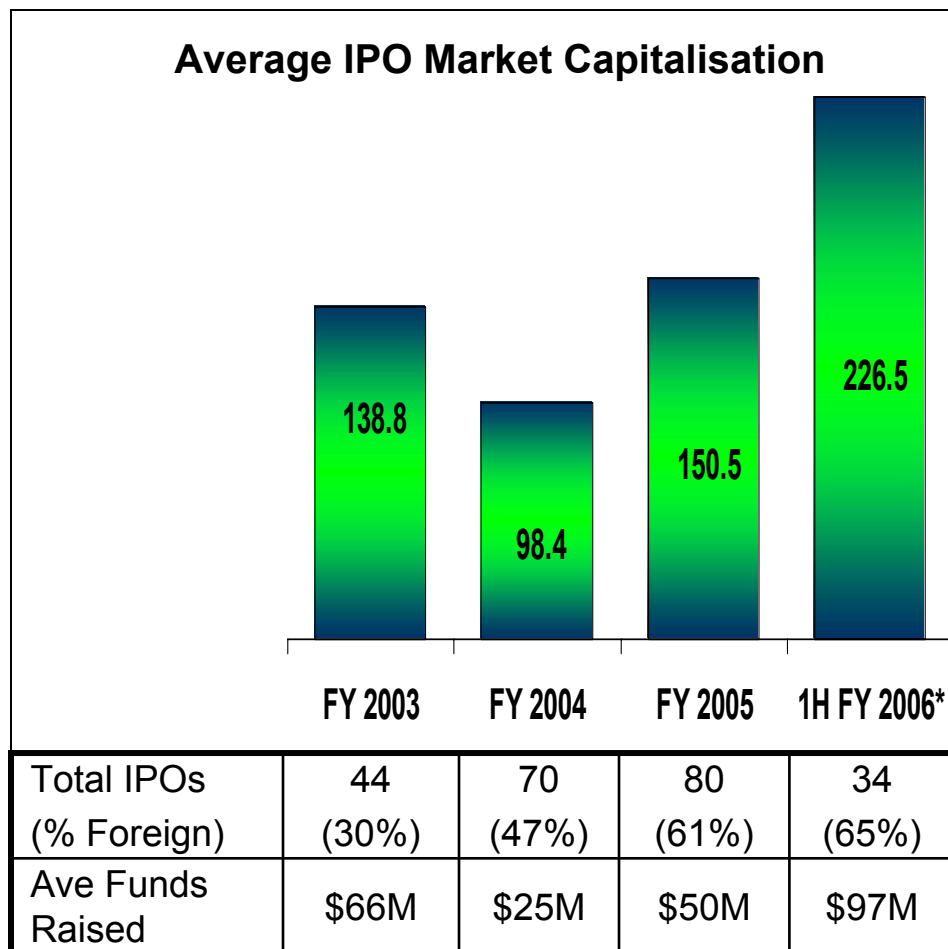
- Outsourcing of data center & IT infrastructure services

Developing An Asian Gateway



Developing An Asian Gateway

Asian listing platform ...



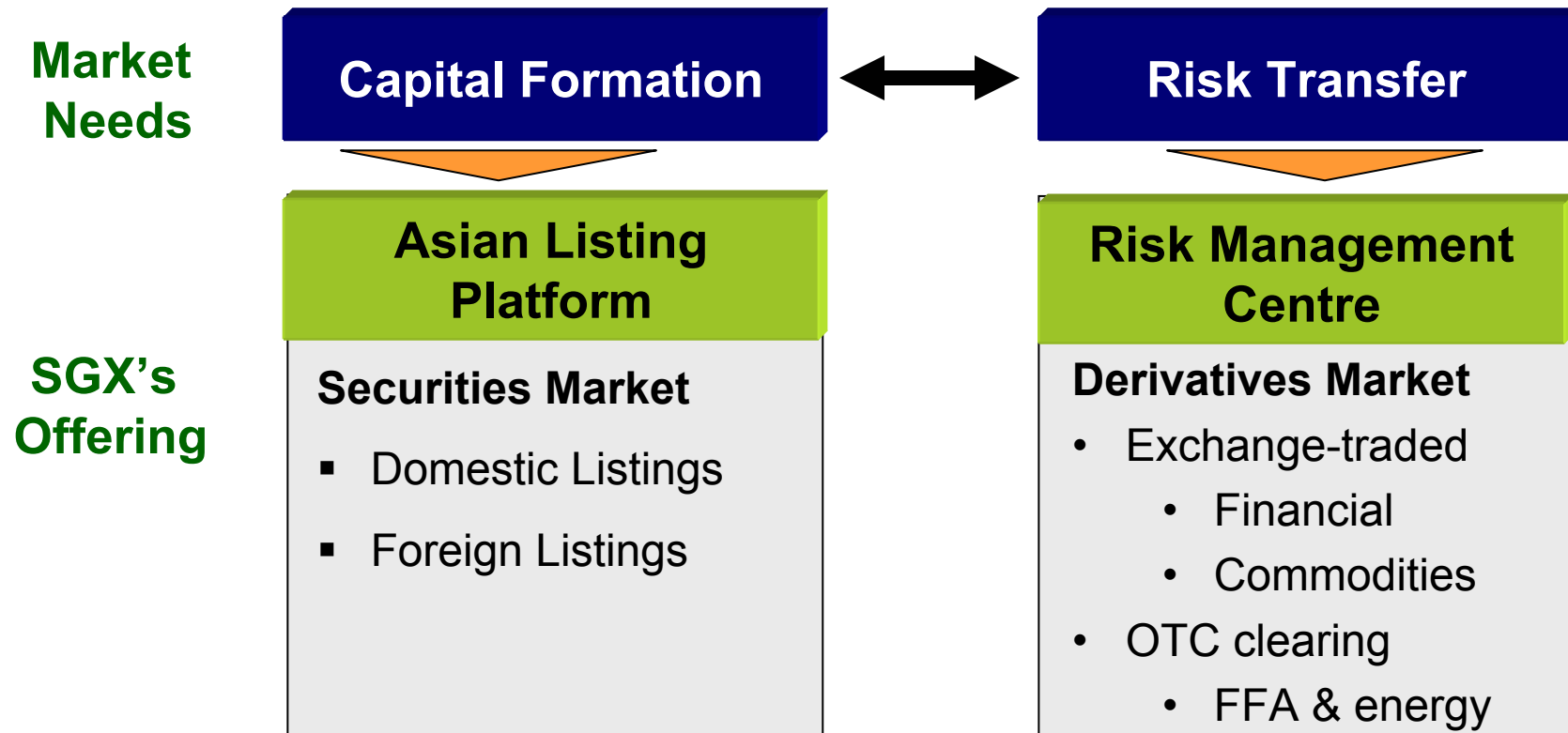
- Billion Dollar Club
 - 74 (2005), 64 (2004), 50 (2003)
- Larger issuers
- MOUs with Chinese Provincial Governments
- Geographical diversification
 - SEA, Korea, Australia
- Sectoral specialisation

Next

1. Global Depository Receipts
2. Shariah-compliant products

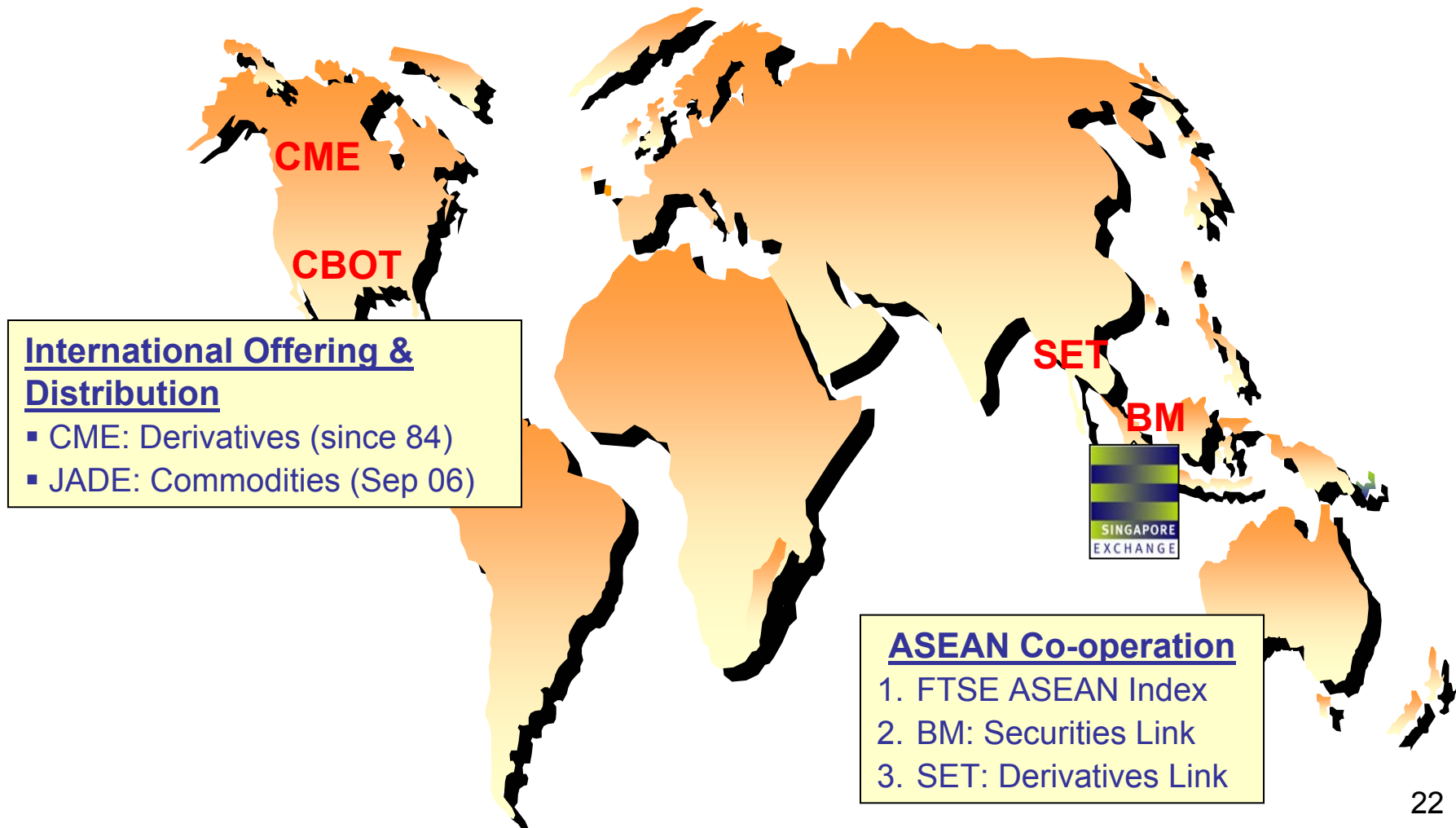
* The average IPO market capitalisation is \$334.2M if includes SP AusNet (S\$3.7b).

Developing An Asian Gateway



Developing an Asian Gateway

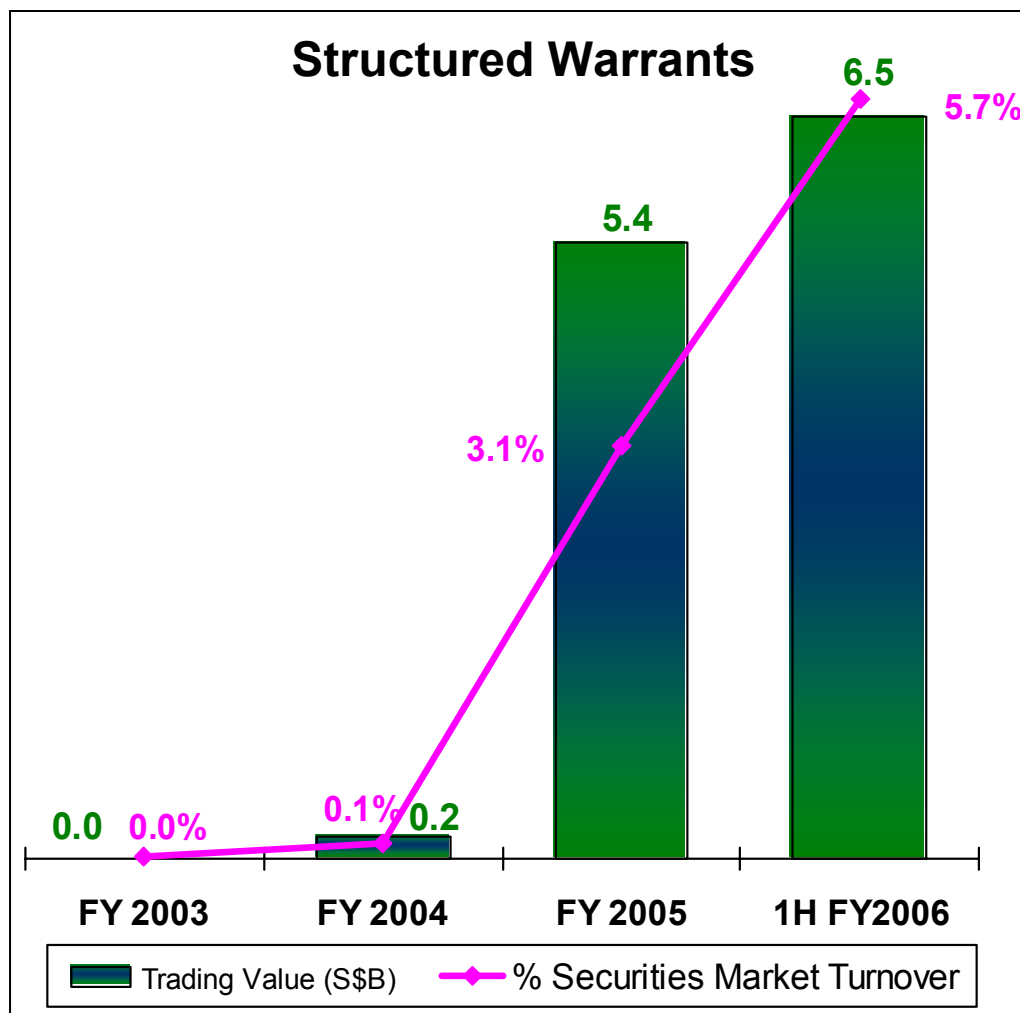
Aggregating liquidity through partnerships & linkages ...



Growing Our Domestic Market



Riding on new product successes ... Warrants



- Ranked 5th globally
- Product innovation & diversification
 - Discount certificates, 'exotic' warrants
 - New underlying asset classes
 - Local funds, foreign companies, local & foreign indices, foreign IPOs

Next

Single Stock Derivatives

In summary

- **Buoyant Asian Markets**
 - **Exposure to North Asia**
 - **Derivatives growth**
 - **More active retail ...**
 - **Healthy pipeline of larger IPOs**
 - **New products**
 - **SSD**
 - **Shariah products, relaunch NK & TWN options, GDR**
 - **Adjacent markets and services**
 - **JADE (SGX-CBOT)**
 - **OTC Clearing**

Thank You