



News Release

SGX Announces Third Quarter Profit of \$55.3 million for FY2009

SGX results for 3Q FY2009 ended 31 March 2009 versus 3Q FY2008

- **Net profit: \$55.3 million, 45.5% lower on market weakness**
- **Operating revenue: 30.9% decrease to \$119.8 million**
- **Operating expenses: flat at \$54.2 million with technology investments maintained**
- **Strong secondary market with \$6.46 billion raised***
- **New product initiatives launched, including Extended Settlement contracts**

15 April 2009 - Singapore Exchange Limited (SGX) today announced a net profit of \$55.3 million for the third quarter of its financial year 2009 (3Q FY2009). This is 45.5% lower compared to 3Q FY2008 (\$101.5 million) and 25.9% lower compared to 2Q FY2009 (\$74.7m million). Operating revenues decreased 30.9% to \$119.8 million (3Q FY2008: \$173.3 million). Operating expenses were maintained at \$54.2 million (3Q FY2008: \$53.7 million) despite recent increase in technology-related expenditure.

Mr Hsieh Fu Hua, Chief Executive Officer of SGX said: "The quarter has been challenging with all revenue categories affected. Nonetheless, there are opportunities that SGX can take advantage of in derivatives, commodities and OTC clearing. As regulator, SGX continues to work closely with market professionals and listed companies to uphold governance standards."

Please refer to the "CEO's Statement" and "Financial Highlights", as attached, for details.

The complete 3Q FY2009 financial statements are available on the Investor Relations page of our website at www.sgx.com. (SGX SP, SGXL.SI)

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*Includes funds raised from placements and rights issues.

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CEO's Statement

SGX announced a third quarter profit of \$55.3 million, a 45.5% decrease from 3Q FY2008 (\$101.5 million) and 25.9% lower compared to 2Q FY2009 (\$74.7 million).

In line with our dividend policy, the directors are pleased to declare a base dividend of 3.5 cents per share on a tax exempt one-tier basis.

Financials

Operating revenue in 3Q FY2009 fell 30.9% to \$119.8 million (3Q FY2008: \$173.3 million) as all revenue categories registered a decline. Securities market revenue dropped 42.6% to \$55.3 million (3Q FY2008: \$96.3 million) and net derivatives clearing revenue decreased 19.9% to \$31.2 million (3Q FY2008: \$39.0 million). Stable revenue was \$33.3 million, a 12.3% decline from a year ago (3Q FY2008: \$38.0 million).

Operating expenses were maintained at \$54.2 million (3Q FY2008: \$53.7 million), despite an increase in technology-related depreciation and system maintenance costs. Recent technology initiatives include a new securities trading engine, an upgraded derivatives trading engine and SGX Prime, the new pre-settlement matching system.

Securities Market

The 3Q FY2009 securities daily average trading value (SDAV) of \$0.91 billion was 51.9% lower compared to 3Q FY2008 (\$1.90 billion), and a 11.3% drop compared to 2Q FY2009 (\$1.03 billion). The financial year-to-date (YTD) SDAV was \$1.08 billion. The annualised trading velocity in 3Q FY2009 was 58%, down from 3Q FY2008 (68%) and 2Q FY2009 (67%).

There were three¹ new listings in 3Q FY2009 (3Q FY2008: 11 listings²) with a total market capitalisation of \$0.50 billion (3Q FY2008: \$3.60 billion), raising \$19.1 million (3Q FY2008: \$695.5 million).

While IPO activity was weak, secondary fund raising³ through rights issuance was active. Total funds raised in the secondary market amounted to \$6.46 billion in 3Q FY2009 (3Q FY2008: \$0.38 billion) and \$8.41 billion YTD FY2009 (YTD FY2008: \$9.71 billion). Measures were introduced to facilitate equity fund raising in the secondary market.

SGX launched five new Exchange Traded Funds (ETFs), including Asia's first inverse ETF. The YTD FY2009 trading activity in ETFs rose to \$2.12 billion (YTD FY2008: \$1.57 billion).

¹ Includes one Reverse Takeover (RTO).

² Includes two RTOs.

³ Includes funds raised from placements and rights issues.



Derivatives Market

Futures trading volume fell 20.5% to 11.8 million contracts this quarter (3Q FY2008: 14.8 million contracts). There was a 21.0% decline in trading activity in the MSCI Taiwan futures to 3.4 million contracts (3Q FY2008: 4.3 million contracts) mainly due to reduced trading from proprietary trading desks of investment banks. Trading in the CNX Nifty futures shrank 51.1% to 1.4 million contracts (3Q FY2008: 2.9 million contracts), attributable to a muted interest in the Indian market. However, the Nikkei 225 futures product trading volume rose 1.8% to 5.8 million contracts (3Q FY2008: 5.7 million contracts).

Despite the fall in futures trading volume this quarter, the YTD FY2009 futures trading volume rose 12.7% to 44.4 million contracts (YTD FY2008: 39.4 million contracts⁴).

Structured warrants trading activity remained lacklustre, as trading value dropped 61.5% to \$2.72 billion (3Q FY2008: \$7.07 billion). Structured warrants on foreign underlying securities accounted for 64.3% of total trading value (3Q FY2008: 58.5%).

A key milestone in the development of the domestic equity derivatives business segment was the launch of the Extended Settlement (ES) contracts on 20 February 2009. With support from all major retail brokers, trading activity and open interest are building up.

SGX embarked on various initiatives to grow the options market. Implemented on 6 April 2009, the initiatives include enhancing the existing Nikkei 225 Index Options and MSCI Taiwan Index Options contracts, launching the MSCI Singapore Index Options contract and introducing a web-based electronic trade registration system, "eNLT". The introduction of eNLT will enable SGX to clear longer-dated futures contracts, beginning with the Nikkei 225 futures product.

Commodities

In 3Q FY2009, SGX AsiaClear's OTC commodities clearing business cleared 20,312 contracts, a jump of 55% year-on-year (3Q FY2008: 13,064 contracts). Its trading and clearing network now reaches out to over 280 counterparty accounts.

Since our acquisition of the Singapore Commodity Exchange (SICOM) in June 2008, a new Board of Directors has been established. SICOM has also launched an electronic trading platform in September 2008 to widen its distribution network.

⁴ The number of CNX Nifty Index futures contracts (IN) multiplied by five for comparison purposes as the contract size was reduced fivefold in November 2007.



Technology

SGX remains committed to our investment in technology, improving trading, clearing, data and web capabilities. These improvements position SGX to provide a wider range of services, and take advantage of opportunities in algorithmic trading, commodities clearing and information services businesses.

An enhanced web site will be launched in May 2009. The web site contains information on SGX as a listed company and regulator, the SGX market place, listed companies, and new investment analysis tools to serve the investor community.

Work is proceeding on the new derivatives clearing system which is scheduled to be launched in December 2009. This system will provide enhanced capacity and capability to clear new classes of derivatives and commodities products.

Risk Management and Regulation

In response to the global financial turbulence and the challenging market environment, SGX has increased interaction with listed companies, their Boards and auditors to heighten vigilance on high risk areas. Listed companies have been reminded of the obligation to maintain high standards of disclosure, which include promptly disclosing price-sensitive information and clarifying or confirming market rumours.

Revisions were made to listing rules to further enhance corporate governance, disclosure requirements and market efficiency. SGX also issued public consultations on revisions to the Derivatives Clearing Fund structure, processes for managing non-delivery of securities, and proposed listing rules for life science companies on SGX Catalist.



Financial Highlights of FY2009 Results – 1 July 2008 to 31 March 2009

S\$ Million	9 Months FY2009	9 Months FY2008	Change	3Q FY2009	3Q FY2008	Change
Operating Revenue	424.8	596.5	(28.8%)	119.8	173.3	(30.9%)
Operating Expenses	(163.4)	(172.6)	(5.3%)	(54.2)	(53.7)	0.9%
Operating Profit	261.4	423.9	(38.3%)	65.6	119.6	(45.1%)
Other Gains/(Losses)	(1.7)	44.2*	NM	(0.6)	4.9	NM
Profit Before Tax and Share of Results of Joint Ventures and Associated Companies	259.7	468.1	(44.5%)	65.0	124.5	(47.8%)
Share of Results of Joint Ventures and Associated Companies	0.0	(0.5)	NM	0.1	(0.0)	NM
Tax	(45.2)	(79.6)**	(43.2%)	(9.8)	(23.0)	(57.1%)
Profit Attributable to Equity Holders						
- before distribution from SGX-DT Compensation Fund	214.5	353.9	(39.4%)	55.3	101.5	(45.5%)
- after distribution from SGX-DT Compensation Fund	214.5	388.0	(44.7%)	55.3	101.5	(45.5%)
Basic earnings per ordinary share (cents)						
- before distribution from SGX-DT Compensation Fund	20.17	33.38	(13.21)	5.20	9.57	(4.37)
- after distribution from SGX-DT Compensation Fund	20.17	36.58	(16.41)	5.20	9.57	(4.37)
Interim base (tax exempt one tier) dividend per share (cents)	10.50	9.00	1.50	3.50	3.00	0.50

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

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

NM: Not Meaningful.