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**Financial Statements for the Quarter Ended 30 September 2006**

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The figures in sections 3 to 9 and 13 have been reviewed in accordance with Singapore Auditing Practice 11 - Review of Interim Financial Information. Please refer to the attached Auditors' Report.

Following is the content of the financial statements:

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## **1. CEO's Statement**

SGX Group achieved a net profit of \$47.7 million on a total operating revenue of \$103.9 million for 1Q FY2007, compared to the \$45.3 million net profit on a total operating revenue of \$90.3 million for 1Q FY2006.

The year-on-year improvement was mainly driven by the significant rise in our derivatives market turnover and healthy growth in stable revenue. This was partially offset by the higher operating expenses of \$46.2 million arising from our data centre outsourcing, higher provision for variable bonus and the performance share plan.

In line with our new dividend policy, the directors are pleased to declare an interim base dividend of 2.0 cents per share on tax exempt one-tier basis. For the full year, the directors aim to declare, at a minimum, the higher of 80% of net profit after tax or 8.0 cents per share.

### **Derivatives Market**

Our futures clearing revenue rose by 62.1% year-on-year to \$23.9 million in 1Q FY2007, upon a 31.5% jump in trading volume to 8.9 million contracts in 1Q FY2007. This in turn is attributable to the strong growth in Asian Equity Derivatives, particularly the Nikkei 225 Stock Index futures which saw volume grow by 47.5% to 4.4 million contracts in 1Q FY2007.

The closure of our last open outcry trading facility at SGX Centre on 29 September 2006 marked the complete and successful migration of trading activities from pits to screens over the last two years. Our electronic platform enables us to broaden our distribution capability globally and to facilitate trading of new and more sophisticated products.

The FTSE/Xinhua China A50 Index Futures contract, which was successfully launched on 5 September 2006, will add diversity to our Asian Equity Derivatives.

### **Securities Market**

Our securities market saw a 4.3% drop in trading value year-on-year to \$58.1 billion in 1Q FY2007. The daily average trading value was \$907 million in 1Q FY2007, compared to \$933 million in 1Q FY2006.

The total funds raised via IPO amounted to \$1.1 billion in 1Q FY2007, compared to \$2.2 billion in 1Q FY2006. However, given our emphasis on attracting larger issuers, the average market capitalisation and average amount raised from our six new listings in 1Q FY2007 was 41% higher at \$416.2 million and 18.9% higher at \$183.2 million respectively, compared to the 14 IPOs in 1Q FY2006.

We continue to see growing interest in our REITS market with three new issues, bringing our market capitalisation relating to the REITS sector to \$17.6 billion in 1Q FY2007 from \$10.9 billion in 1Q FY2006.

The listing of FTSE/ASEAN 40 Exchange Traded Fund (ETF) in September 2006, and new ETFs like the streetTRACKS® Gold Shares, will add to our growing suite of structured products available for trading on SGX. These initiatives, like the iShares MSCI India ETF, will further strengthen our positioning as an Asian Gateway by extending our reach in the regional markets.

### **Joint Asian Derivatives Exchange (JADE)**



















JADE, the SGX-CBOT joint venture, made its debut in commodities futures trading of TSR 20 rubber contract on 25 September 2006. Three electronic market makers have committed to provide liquidity and generate market activity. The initial volumes and growing open interest have been encouraging.



While our marketing effort to encourage trading of JADE products continues, JADE is making progress towards the launch of a dollar denominated crude palm oil contract in the fourth quarter of 2006.

### **Other development**







On the regulatory side, we have revised our existing Derivatives Trading Rulebook, effective on 22 September 2006, to update provisions and extend an efficient and robust framework to the commodities market.



## 2. Financial Highlights - Group

1Q				Key Variances
***	FY 2007	FY 2006		
			<b>Key Results (in S\$ million)</b>	
	48.6	49.5	Securities market revenue	<i>Resulting from 4.3% drop year-on-year in securities trading value.</i>
	26.8	17.8	Net derivatives clearing revenue	<i>Reflecting a 31.5% increase year-on-year in futures trading volume.</i>
	28.5	23.0	Stable revenue	<i>Due to higher listing related income and terminal and connection fees.</i>
	103.9	90.3	Operating revenue	
	46.2	36.2	Operating expenses	<i>Increase is mainly from performance share expensing, higher provision for variable bonus and system maintenance costs.</i>
	57.7	54.1	Operating profit	
	3.0	2.7	Other gains/(losses)	
	60.7	56.8	Profit before tax	
	47.7	45.3	Profit attributable to equity holders	
	487.0	461.3	Interest of equity holders as at 30 September 2006 and 30 September 2005 (in S\$ million)	
			<b>Segment Revenue (in S\$ million)</b>	
	68.4	65.1	Securities market	<i>Increase chiefly due to higher listing related income.</i>
	34.8	23.8	Derivatives market	<i>Reflecting higher futures clearing fees upon 31.5% growth in turnover.</i>
	0.7	1.4	Other operations	
			<b>Key ratios</b>	
	15.1%	35.7%	Revenue growth	
	44.5%	40.1%	Cost to income ratio	
	55.5%	59.9%	Operating profit margin	
	44.6%	48.8%	Net profit margin	
	39.1%	39.3%	Return on shareholders' equity (annualised)	

\*\*\*  and  represent an increase and decrease respectively, compared to the previous corresponding period.

## 2. Financial Highlights - Group (cont'd)

1Q				Key Variances
***	FY 2007	FY 2006		
			<b>Key cash flows (in S\$ million)</b>	
	53.3	38.9	Cash from operating activities	<i>Improved business performance and working capital management in 1Q FY2007.</i>
	2.0	2.9	Payment for capital expenditure	
			<b>Key per share data (in cents)</b>	
	4.54	4.35	Basic earnings per ordinary share	
	4.49	4.31	Diluted earnings per ordinary share	
	46.25	44.24	Net asset value per ordinary share as at 30 September 2006 and 30 September 2005	
			<b>Dividend per share (in cents)</b>	
	2.00	1.50	Interim - base (tax exempt one-tier)	<i>Increase in base dividend from FY2007.</i>

\*\*\*  and  represent an increase and decrease respectively, compared to the previous corresponding period.

### 3. Statement of Profit and Loss - Group

Group				Company		
3 months				3 months		
1 Jul 2006 to 30 Sep 2006	1 Jul 2005 to 30 Sep 2005	Change		1 Jul 2006 to 30 Sep 2006	1 Jul 2005 to 30 Sep 2005	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
			<b>Operating revenue</b>			
-	-	-	- Management fees from subsidiaries	23,992	17,641	36.0
-	-	-	- Dividends from subsidiaries	49,000	43,250	13.3
			<b>Securities market revenue</b>			
31,973	32,223	(0.8)	- Securities clearing fees	-	-	
8,213	8,154	0.7	- Securities related processing fees	1,721	1,792	(4.0)
8,437	9,151	(7.8)	- Access fees	-	-	
26,785	17,826	50.3	<b>Net derivatives clearing revenue</b>	-	-	
			<b>Stable revenue *</b>			
6,367	5,644	12.8	- Account maintenance and corporate action fees	218	253	(13.8)
4,188	3,183	31.6	- Terminal and connection fees	-	-	
5,612	4,169	34.6	- Listing fees	-	-	
1,743	1,971	(11.6)	- Membership fees	-	-	
5,290	4,362	21.3	- Price information fees	-	-	
2,441	2,023	20.7	- Sale of software and other computer services	483	581	(16.9)
2,836	1,559	81.9	- Others	301	647	(53.5)
103,885	90,265	15.1	<b>Total operating revenue</b>	75,715	64,164	18.0
			<b>Operating expenses</b>			
14,085	11,572	21.7	- Staff costs (excluding variable bonus)	10,317	8,076	27.7
7,810	5,760	35.6	- Variable bonus (including CPF)	5,706	4,307	32.5
1,573	3,401	(53.7)	- Occupancy costs	1,387	2,303	(39.8)
8,900	4,358	104.2	- System maintenance and rental	1,386	1,430	(3.1)
3,893	3,419	13.9	- Depreciation and amortisation	1,738	1,702	2.1
2,582	2,397	7.7	- Professional charges	1,320	979	34.8
1,053	490	114.9	- Marketing and travelling	509	244	108.6
819	580	41.2	- Communication charges	556	362	53.6
575	575	-	- Fees to MAS for transfer of participant supervision function	575	575	-
(91)	14	NM	- Allowance/(reversal) for impairment of trade receivables (net)	1	-	NM
-	(820)	(100.0)	- Provision for surplus leased premises	-	(660)	(100.0)
8	(43)	NM	- Net foreign exchange loss/(gain)	7	(11)	NM
(1)	(3)	(66.7)	- Net (gain)/loss on disposal of property, plant and equipment and software	(1)	1	NM
3,911	3,338	17.2	- Cost for processing and royalties	358	356	0.6
-	49	(100.0)	- Finance charges	-	1	(100.0)
1,076	1,067	0.8	- Others	992	818	21.3
46,193	36,154	27.8	<b>Total operating expenses</b>	24,851	20,483	21.3
57,692	54,111	6.6	Profit/(loss) from operating activities	50,864	43,681	16.4
			<b>Other gains/(losses)</b>			
878	2,481	(64.6)	- Gains/(losses) on financial assets at fair value through profit or loss	-	-	
2,099	178	1,079.2	- Other revenue including interest income	522	(1,087)	NM
60,669	56,770	6.9	Profit/(loss) before tax and share of results of joint ventures	51,386	42,594	20.6
(749)	(8)	9,262.5	Share of results of joint ventures	-	-	
(12,264)	(11,436)	7.2	Tax	(2,701)	(8,920)	(69.7)
47,656	45,326	5.1	Net profit after tax	48,685	33,674	44.6
			<b>Attributable to:</b>			
47,656	45,326	5.1	Equity holders of the Company			
-	-	-	Minority interests			
47,656	45,326	5.1				

NM: Not meaningful.

\* Stable revenue includes items which are not driven by securities or derivatives turnover.

#### 4. Earnings Per Share - Group

	Group	
	1 Jul 2006 to 30 Sep 2006	1 Jul 2005 to 30 Sep 2005
<b>Earnings per ordinary share for the period based on net profit attributable to equity holders</b>	<b>Cents</b>	<b>Cents</b>
(a) Based on weighted average number of ordinary shares in issue	4.54	4.35
(b) On a fully diluted basis	4.49	4.31
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,050,624	1,042,105
Adjustment for assumed exercise of share options ('000)	10,983	9,109
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,061,607	1,051,214

## 5. Balance Sheets - Group and Company

Group			Company	
As at 30 Sep 2006	As at 30 Jun 2006		As at 30 Sep 2006	As at 30 Jun 2006
S\$'000	S\$'000		S\$'000	S\$'000
		<b>Assets</b>		
		<b>Current assets</b>		
289,636	245,978	Cash and cash equivalents	171,647	99,222
311,040	289,961	Trade and other receivables	6,090	6,488
153,709	151,862	Financial assets at fair value through profit or loss	-	-
36,607	36,666	Securities clearing funds	-	-
790,992	724,467		177,737	105,710
		<b>Non-current assets</b>		
199,222	202,173	Property, plant and equipment	22,110	23,614
27,026	26,002	Software	1,465	1,683
407	407	Club memberships	407	407
-	-	Investments in subsidiaries	581,381	581,381
3,479	4,228	Investments in joint ventures	-	-
230,134	232,810		605,363	607,085
1,021,126	957,277	<b>Total assets</b>	<b>783,100</b>	<b>712,795</b>
		<b>Liabilities</b>		
		<b>Current liabilities</b>		
306,427	296,006	Trade and other payables	190,446	166,769
801	117	Derivative financial instruments	801	117
143,916	-	Dividends payable	143,916	-
-	2,525	Finance lease liabilities	-	-
64,541	51,821	Taxation	8,365	7,190
4,642	4,649	Provisions	1,090	1,090
11,607	11,666	Securities clearing funds - members' contributions	-	-
531,934	366,784		344,618	175,166
-	1,184	<b>Non-current liabilities</b>	-	-
2,160	2,450	Finance lease liabilities	79	428
2,160	3,634	Deferred tax liabilities	79	428
534,094	370,418	<b>Total liabilities</b>	<b>344,697</b>	<b>175,594</b>
487,032	586,859	<b>Net assets</b>	<b>438,403</b>	<b>537,201</b>
		<b>Equity</b>		
		<b>Capital and reserves attributable to the Company's equity holders</b>		
383,927	378,452	Share capital	383,927	378,452
-	-	Share premium	-	-
25,000	25,000	Securities clearing funds reserve	-	-
9,102	8,243	Share-based payment reserve	9,102	8,243
(9,901)	-	Treasury shares	(9,901)	-
78,904	52,308	Retained profits	55,275	27,650
-	122,856	Proposed dividends	-	122,856
487,032	586,859	Interest of equity holders of the Company	438,403	537,201
487,032	586,859	<b>Total equity</b>	<b>438,403</b>	<b>537,201</b>

## 6. Net Asset Value - Group and Company

Group			Company	
As at 30 Sep 2006	As at 30 Jun 2006		As at 30 Sep 2006	As at 30 Jun 2006
Cents	Cents		Cents	Cents
46.25	55.89	Net asset value per ordinary share based on issued share capital as at the end of the reporting period	41.63	51.16

## 7. Borrowings and Debt Securities - Group

### (a) Aggregate amount of Group's borrowings and debt securities

As at 30 Sep 2006			As at 30 Jun 2006	
Secured	Unsecured		Secured	Unsecured
S\$'000	S\$'000		S\$'000	S\$'000
Nil	Nil	Amount repayable in one year or less, or on demand	Nil	2,525
Nil	Nil	Amount repayable after one year	Nil	1,184

### (b) Details of any collaterals

None.



## 8. Statement of Cash Flow - Group

	3 Months Ended	
	30 Sep 2006	30 Sep 2005
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit before tax and share of results of joint ventures	60,669	56,770
Adjustments for:		
Depreciation and amortisation	3,893	3,419
Net (gain)/loss on financial assets at fair value through profit or loss	(878)	(2,900)
Net (gain)/loss on disposal of property, plant and equipment and software	(1)	(3)
Net (gain)/loss on disposal of financial assets at fair value through profit or loss	-	419
Provision for surplus leased premises	-	(820)
Share-based payment expense	1,917	1,048
Finance charges	-	49
Interest income	(2,768)	(808)
Operating cash flow before working capital change	62,832	57,174
Change in operating assets and liabilities		
Trade and other receivables	(20,771)	198,425
Trade and other payables	11,099	(216,375)
Cash generated from operations	53,160	39,224
Income tax paid	166	(347)
<b>Net cash provided by operating activities</b>	<b>53,326</b>	<b>38,877</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment and software	(1,994)	(2,900)
Proceeds from disposal of property, plant & equipment and software	29	87
Purchases of financial assets at fair value through profit or loss	(1,110)	(28,904)
Interest received	2,600	698
Proceeds from sale/redemption of financial assets at fair value through profit or loss	-	29,047
<b>Net cash used in investing activities</b>	<b>(475)</b>	<b>(1,972)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from issue of ordinary shares	4,417	869
Purchase of treasury shares	(9,901)	-
Repayment of lease liabilities	(3,709)	(431)
Finance charges	-	(49)
<b>Net cash (used in)/provided by financing activities</b>	<b>(9,193)</b>	<b>389</b>
<b>Net increase in cash and cash equivalents held</b>	<b>43,658</b>	<b>37,294</b>
Cash and cash equivalents at the beginning of the period	245,978	117,882
<b>Cash and cash equivalents at the end of the period</b>	<b>289,636</b>	<b>155,176</b>

## 9. Statement of Changes in Equity - Group and Company

	Attributable to equity holders of the Company								Total Equity \$'000
	Share capital	Share premium *	Securities clearing funds reserve *	Share-based payment reserve	Treasury shares	Retained profits	Proposed dividends	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>(i) Consolidated - 1Q FY2007</b>									
<b>Balance at 1 July 2006</b>	378,452	-	25,000	8,243	-	52,308	122,856	586,859	586,859
Total recognised gains for the financial period - net profit	-	-	-	-	-	47,656	-	47,656	47,656
Dividends payable									
Final base and variable dividends - FY2006	-	-	-	-	-	-	(122,856)	(122,856)	(122,856)
Interim base dividends - FY2007	-	-	-	-	-	(21,060)	-	(21,060)	(21,060)
Issue of ordinary shares	5,475	-	-	(1,058)	-	-	-	4,417	4,417
Employee share plan - value of employee services	-	-	-	1,917	-	-	-	1,917	1,917
Purchase of treasury shares	-	-	-	-	(9,901)	-	-	(9,901)	(9,901)
<b>Balance at 30 September 2006</b>	<b>383,927</b>	<b>-</b>	<b>25,000</b>	<b>9,102</b>	<b>(9,901)</b>	<b>78,904</b>	<b>-</b>	<b>487,032</b>	<b>487,032</b>
<b>(ii) Consolidated - 1Q FY2006</b>									
<b>Balance at 1 July 2005</b>									
As previously reported	10,421	353,012	25,000	-	-	41,327	44,809	474,569	474,569
- Effect on adoption of FRS 102	-	-	-	6,694	-	(6,694)	-	-	-
- As restated	10,421	353,012	25,000	6,694	-	34,633	44,809	474,569	474,569
Total recognised gains for the financial period - net profit	-	-	-	-	-	45,326	-	45,326	45,326
Dividend payable									
Final base and variable dividends - FY2005	-	-	-	-	-	-	(44,839)	(44,839)	(44,839)
Over/(under)-provision of final & special dividends - FY2005	-	-	-	-	-	(30)	30	-	-
Interim base dividends - FY2006	-	-	-	-	-	(15,642)	-	(15,642)	(15,642)
Issue of ordinary shares	6	863	-	-	-	-	-	869	869
Employee share plan - value of employee services	-	-	-	1,048	-	-	-	1,048	1,048
<b>Balance at 30 September 2005 - Restated</b>	<b>10,427</b>	<b>353,875</b>	<b>25,000</b>	<b>7,742</b>	<b>-</b>	<b>64,287</b>	<b>-</b>	<b>461,331</b>	<b>461,331</b>
<b>(iii) Company - 1Q FY2007</b>									
<b>Balance at 1 July 2006</b>	378,452	-	-	8,243	-	27,650	122,856	537,201	537,201
Total recognised gains for the financial period - net profit	-	-	-	-	-	48,685	-	48,685	48,685
Dividends payable									
Final base and variable dividends - FY2006	-	-	-	-	-	-	(122,856)	(122,856)	(122,856)
Interim base dividends - FY2007	-	-	-	-	-	(21,060)	-	(21,060)	(21,060)
Issue of ordinary shares	5,475	-	-	(1,058)	-	-	-	4,417	4,417
Employee share plan - value of employee services	-	-	-	1,917	-	-	-	1,917	1,917
Purchase of treasury shares	-	-	-	-	(9,901)	-	-	(9,901)	(9,901)
<b>Balance at 30 September 2006</b>	<b>383,927</b>	<b>-</b>	<b>-</b>	<b>9,102</b>	<b>(9,901)</b>	<b>55,275</b>	<b>-</b>	<b>438,403</b>	<b>438,403</b>
<b>(iv) Company - 1Q FY2006</b>									
<b>Balance at 1 July 2005</b>									
As previously reported	10,421	353,012	-	-	-	29,649	44,809	437,891	437,891
- Effect on adoption of FRS 102	-	-	-	6,694	-	(6,694)	-	-	-
- As restated	10,421	353,012	-	6,694	-	22,955	44,809	437,891	437,891
Total recognised gains for the financial period - net profit	-	-	-	-	-	33,674	-	33,674	33,674
Dividend payable									
Final base and variable dividends - FY2005	-	-	-	-	-	-	(44,839)	(44,839)	(44,839)
Over/(under)-provision of final & special dividends - FY2005	-	-	-	-	-	(30)	30	-	-
Interim base dividends - FY2006	-	-	-	-	-	(15,642)	-	(15,642)	(15,642)
Issue of ordinary shares	6	863	-	-	-	-	-	869	869
Employee share plan - value of employee services	-	-	-	1,048	-	-	-	1,048	1,048
<b>Balance at 30 September 2005 - Restated</b>	<b>10,427</b>	<b>353,875</b>	<b>-</b>	<b>7,742</b>	<b>-</b>	<b>40,957</b>	<b>-</b>	<b>413,001</b>	<b>413,001</b>

\* These non-distributable reserves are not available for distribution as cash dividends to the equity holders of the Company.

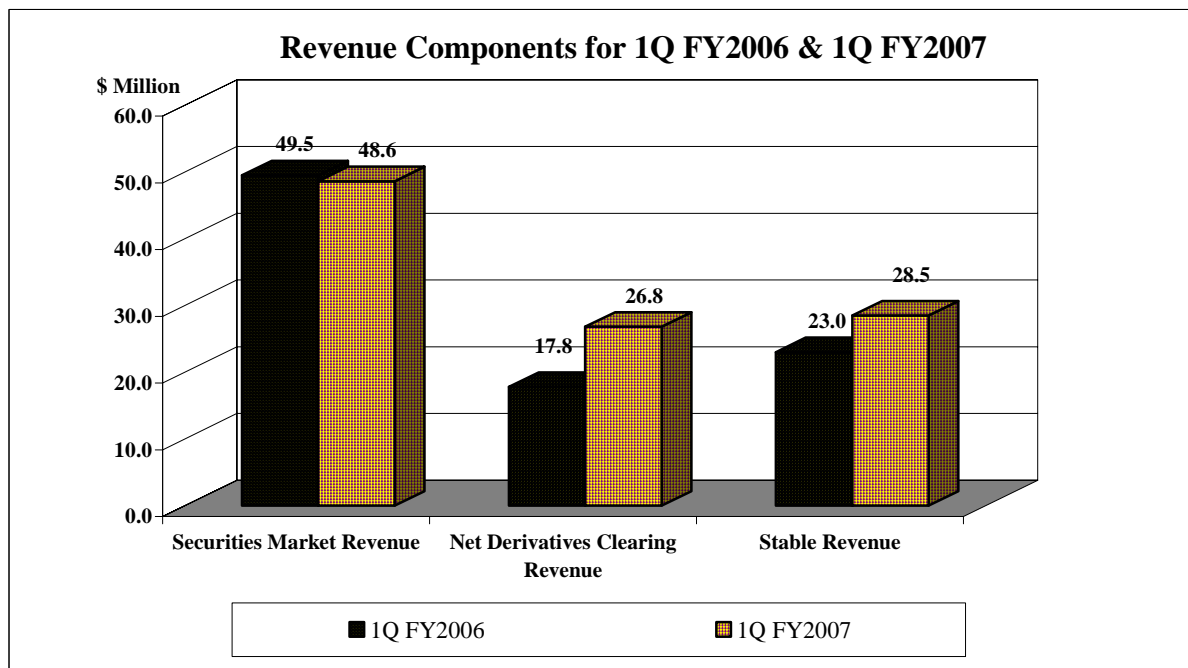
10. **Review of the Performance of SGX Group**

(i) ***1Q FY2007 Financial Highlights***

SGX Group achieved \$47.7 million net profit after tax for the current quarter ended 30 September 2006, compared to \$45.3 million for the previous corresponding quarter ended 30 September 2005. Operating profit for the current quarter amounted to \$57.7 million, compared to \$54.1 million for the previous corresponding quarter.

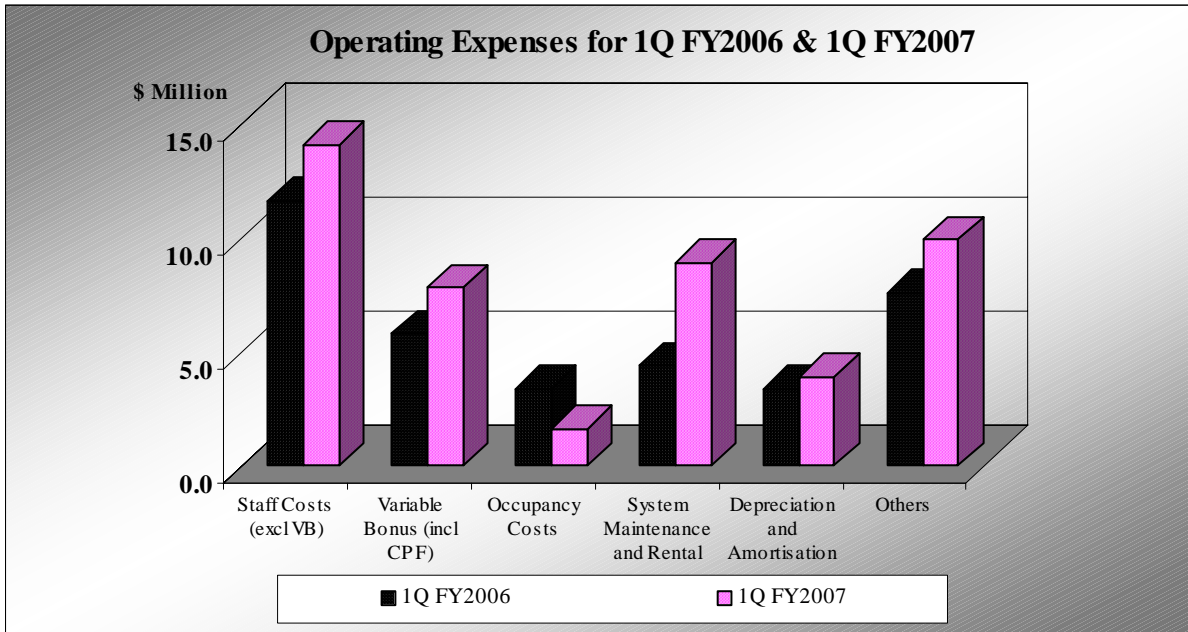
**Revenue**

The Group's revenue increased 15.1% to \$103.9 million from \$90.3 million, with improvements in the Net Derivatives Clearing Revenue and Stable Revenue, as follows:



**Expenses**

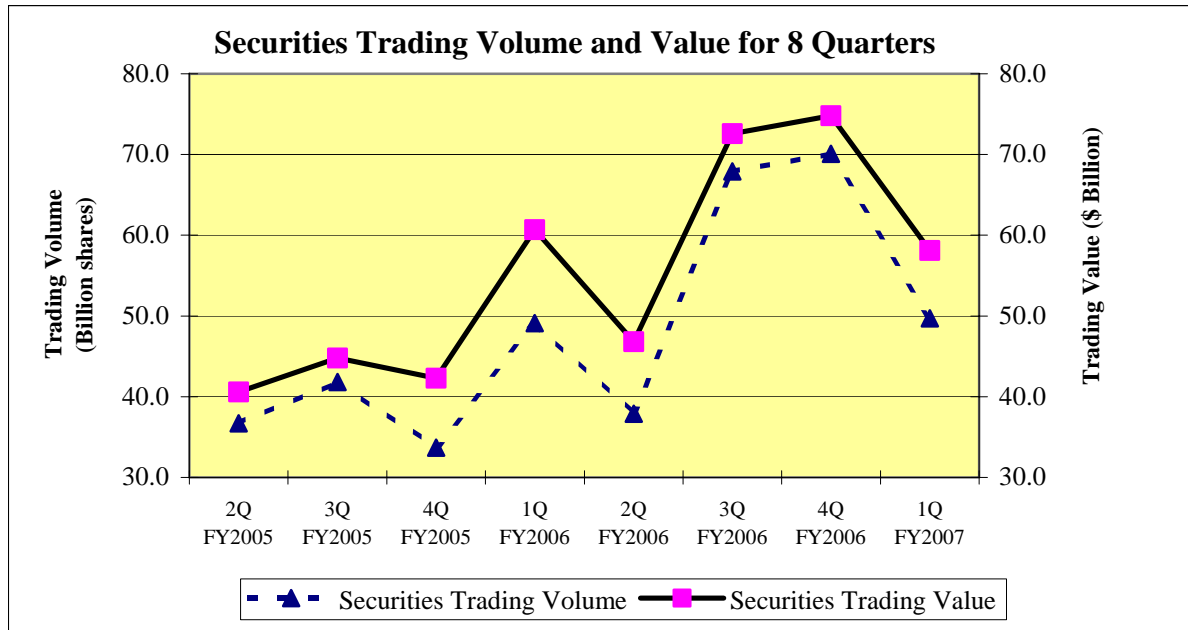
Operating expenses for 1Q FY2007 increased 27.8% to \$46.2 million from \$36.2 million. This was mainly due to performance share expensing, variable bonus provision and increase in system maintenance costs. The following chart highlights the major expenses for these two periods:



### Securities Market

The table below shows the key figures for the securities market, followed by a chart with its turnover statistics for the past eight quarters:

Securities Market Data	1Q FY2007	1Q FY2006	Change
Clearing fees (\$ million)	32.0	32.2	(0.8%)
Trading value:			
• Full quarter (\$ billion)	58.1	60.7	(4.3%)
• Daily average (\$ billion)	0.91	0.93	(2.8%)
Trading volume:			
• Full quarter (billion shares)	49.7	49.1	1.3%
• Daily average (billion shares)	0.78	0.76	2.9%
Number of IPOs, including Foreign Company IPOs	6	14	(8)
	3	8	(5)
Funds raised via IPOs:			
• Total (\$ billion)	1.1	2.2	(49.0%)
• Average per IPO (\$ million)	183.2	154.1	18.9%
Market capitalisation of IPOs:			
• Total (\$ billion)	2.5	4.1	(39.7%)
• Average per IPO (\$ million)	416.2	295.6	40.8%
Number of Securities Market members as at quarter end	26	26	-



**Derivatives Market**

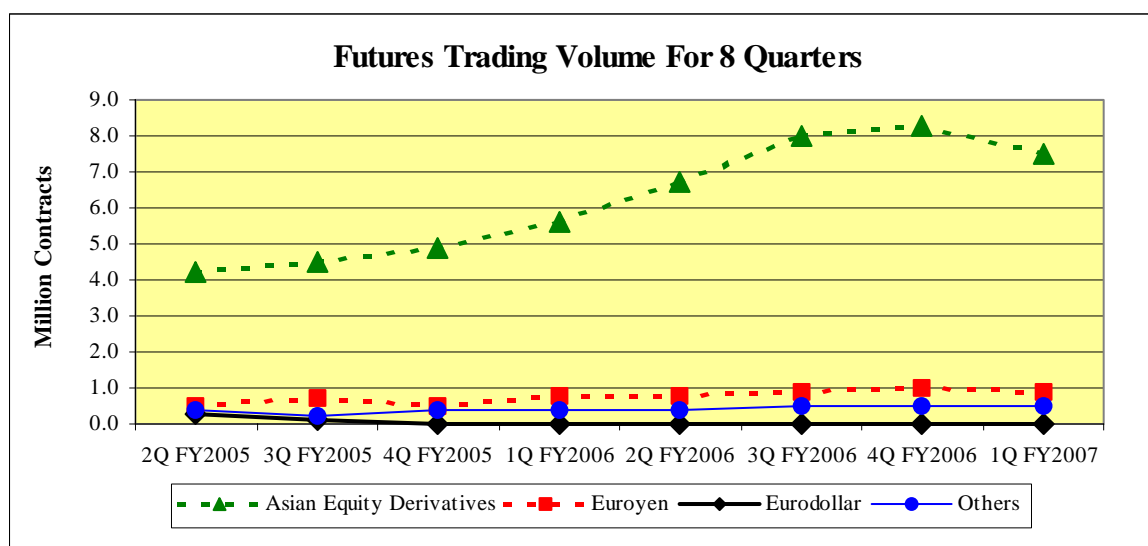
Net Derivatives Clearing Revenue comprises clearing revenue from futures and structured warrants, as follows:

Net Derivatives Clearing Revenue	1Q FY2007 (\$ million)	1Q FY2006 (\$ million)	Change (%)
Futures Clearing Revenue	23.9	14.7	62.1
Structured Warrants Clearing Revenue	2.9	3.1	(6.9)
<b>Total</b>	<b>26.8</b>	<b>17.8</b>	<b>50.3</b>

## Futures

The table below summarises the key figures for futures business performance, followed by a chart on the turnover statistics for the past eight quarters:

Futures Data	1Q FY2007	1Q FY2006	Change (%)	% of Total Volume	
				1Q FY2007	1Q FY2006
<b>Clearing Revenue (\$ million)</b>	23.9	14.7	62.1		
<b>• Asian Equity Derivatives</b>	<b>7.5</b>	<b>5.6</b>	<b>34.6</b>	<b>84.1</b>	<b>82.1</b>
- Nikkei 225 Stock Index	4.4	3.0	47.5	49.5	44.1
- MSCI Taiwan Index	2.5	2.1	19.3	28.3	31.2
- MSCI Singapore Index	0.6	0.5	21.1	6.3	6.8
<b>• Euroyen</b>	<b>0.9</b>	<b>0.8</b>	<b>8.6</b>	<b>10.1</b>	<b>12.2</b>
<b>• Eurodollar</b>	<b>0.0</b>	<b>0.0</b>	<b>(98.8)</b>	<b>0.0</b>	<b>0.1</b>
<b>• Others</b>	<b>0.5</b>	<b>0.4</b>	<b>37.5</b>	<b>5.8</b>	<b>5.6</b>
<b>Total</b>	<b>8.9</b>	<b>6.8</b>	<b>31.5</b>	<b>100.0</b>	<b>100.0</b>



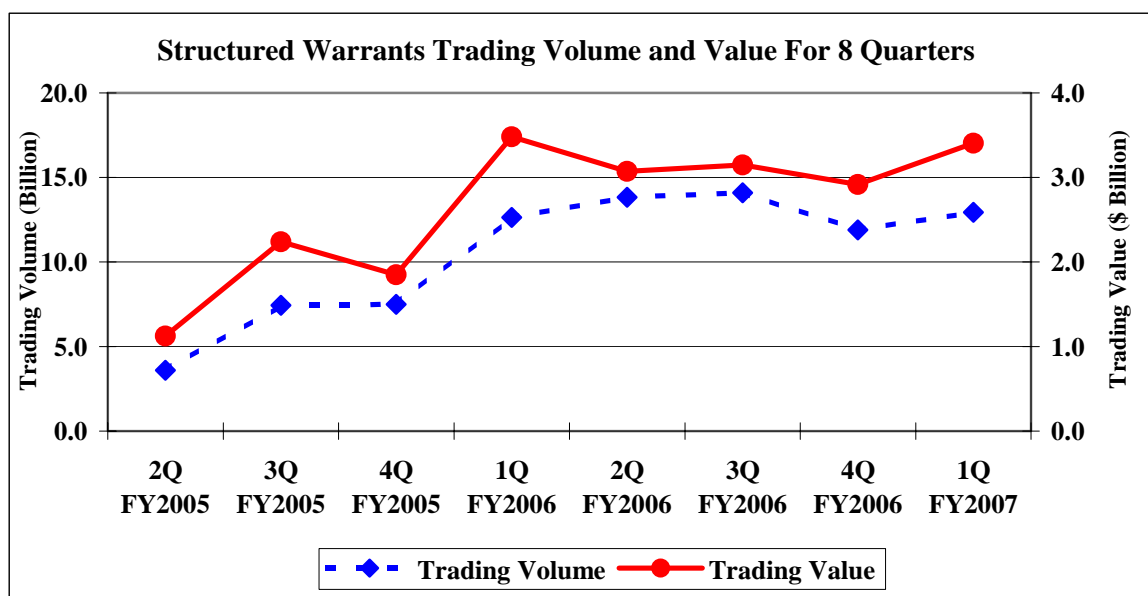
<b>Number of Futures members</b>	<b>As at 30 September 2006</b>	<b>As at 30 September 2005</b>	<b>Change</b>
Locals	440	530	(90)
Corporate	60	59	1
<b>Total</b>	<b>500</b>	<b>589</b>	<b>(89)</b>

Our migration from open outcry to an electronic trading environment resulted in some of the individual members (Locals) giving up their memberships. Many have continued trading as customers.

### *Structured Warrants*

Following are the key figures for structured warrants, together with a chart on the turnover statistics for the past eight quarters:

<b>Structured Warrants Data</b>	<b>1Q FY2007</b>	<b>1Q FY2006</b>	<b>Change</b>
Clearing Revenue (\$ million)	2.9	3.1	(6.9%)
Trading value (\$ billion)	3.4	3.5	(2.1%)
Trading volume (billion units)	12.9	12.6	2.4%
Number of new issues	260	199	61



(ii) **Financial Summary - 3 months ended 30 September 2006 vs 3 months ended 30 September 2005**

**Securities Market Revenue**

<i>Securities Clearing Fees</i>	-0.8%	<ul style="list-style-type: none"> <li>Securities trading value dropped by 4.3%.</li> </ul>
<i>Access Fees</i>	-7.8%	<ul style="list-style-type: none"> <li>Lower turnover traded via SGX Access.</li> </ul>
<b>Net Derivatives Clearing Revenue</b>	+50.3%	<ul style="list-style-type: none"> <li>Futures trading volume rose by 31.5%; interest on futures margin increased.</li> </ul>

**Stable Revenue**

<i>Account Maintenance &amp; Corporate Action Fees</i>	+12.8%	<ul style="list-style-type: none"> <li>Higher dividend processing income.</li> </ul>
<i>Terminal &amp; Connection Fees</i>	+31.6%	<ul style="list-style-type: none"> <li>Increase in ETS terminal income and SGXAccess connection fees.</li> </ul>
<i>Listing Fees</i>	+34.6%	<ul style="list-style-type: none"> <li>Higher annual and initial listing fees on fee rise from January 2006.</li> </ul>
<i>Price Information Fees</i>	+21.3%	<ul style="list-style-type: none"> <li>Repricing of derivatives datafeed from 1 January 2006, and income from SGXNews (launched in August 2005).</li> </ul>
<i>Sale of Software and Other Computer Services</i>	+20.7%	<ul style="list-style-type: none"> <li>Support and maintenance fees for SESOPs terminals from May 2006.</li> </ul>
<i>Others</i>	+81.9%	<ul style="list-style-type: none"> <li>Corporate services and clearing related fees from Joint Asian Derivatives Pte. Ltd. and higher interest income from corporate action related trust accounts.</li> </ul>

**Operating Expenses**

<i>Staff Costs (excluding variable bonus)</i>	+21.7%	<ul style="list-style-type: none"> <li>Mainly due to performance share plan expense.</li> </ul>
<i>Variable Bonus (including CPF)</i>	+35.6%	<ul style="list-style-type: none"> <li>Higher variable bonus provision.</li> </ul>
<i>Occupancy Costs</i>	-53.7%	<ul style="list-style-type: none"> <li>Reduction of rental expenses on expiration of the Equity Plaza lease in 4Q FY2006.</li> </ul>
<i>System Maintenance and Rental</i>	+104.2%	<ul style="list-style-type: none"> <li>Cost for data centre outsourcing which commenced in 3Q FY2006.</li> </ul>



<i>Depreciation and Amortisation</i>	+13.9%	<ul style="list-style-type: none"> <li>• Depreciation of new hardware and software.</li> </ul>
<i>Marketing and Travelling</i>	+114.9%	<ul style="list-style-type: none"> <li>• Increase in business travel, advertising and marketing expenses.</li> </ul>
<i>Provision for Surplus Leased Premises</i>	-100.0%	<ul style="list-style-type: none"> <li>• Expiry of Equity Plaza lease in 4Q FY2006.</li> </ul>
<i>Cost for Processing and Royalties</i>	+17.2%	<ul style="list-style-type: none"> <li>• Mainly due to increase in cost of dividend processing.</li> </ul>

### ***Investment Performance***

<i>Gains/(Losses) on Financial Assets at Fair Value Through Profit and Loss</i>	-64.6%	<ul style="list-style-type: none"> <li>• This mainly reflects the lower pre-hedge gain year-on-year in the managed fund portfolio. There was no significant increase in hedging cost recognized under Other Revenue including Interest Income below. The quarterly net return in the portfolio decreased by \$1.6 million year-on-year.</li> </ul>
<i>Other Revenue including Interest Income</i>	+1.9MM	<ul style="list-style-type: none"> <li>• Higher interest income on bank deposits due to higher interest rates.</li> </ul>

(iii) *Performance of 3 months ended 30 September 2006 vs 3 months ended 30 June 2006*

Following is an overview of the quarter-on-quarter comparison:

	1Q FY2007	4Q FY2006	Change (%)
<b>A. Financial Performance (\$ million)</b>			
Operating revenue			
- Securities market revenue	48.6	62.4	(22.1)
- Net derivatives clearing revenue	26.8	28.0	(4.3)
- Stable revenue	28.5	30.4	(6.2)
Total	103.9	120.8	(14.0)
Operating expenses	46.2	54.9	(15.8)
Operating profit	57.7	65.9	(12.4)
Other gains/(losses)	3.0	3.7	(20.8)
Share of results of joint ventures	(0.7)	(0.7)	7.9
Tax	(12.3)	(13.8)	(11.2)
Net profit after tax	47.7	55.1	(13.5)
<b>B. Market Turnover Statistics</b>			
Securities trading value:			
- Full quarter (\$ billion)	58.1	74.8	(22.4)
- Daily average (\$ billion)	0.91	1.21	(24.8)
Securities trading volume:			
- Full quarter (billion shares)	49.7	70.1	(29.0)
- Daily average (billion shares)	0.78	1.13	(31.2)
Futures trading volume:			
- Full quarter (million contracts)	8.9	9.8	(9.1)
- Daily average (thousand contracts)	139.4	158.3	(11.9)
Structured warrants trading value:			
- Full quarter (\$ billion)	3.4	2.9	16.8
- Daily average (\$ million)	53.2	47.1	13.1
Structured warrants trading volume:			
- Full quarter (billion units)	12.9	11.9	8.7
- Daily average (million units)	202.2	192.0	5.3

Operating revenue decreased across all three revenue categories, i.e. Securities market revenue, net derivatives clearing revenue and stable revenue. Overall, total operating revenue decreased by 14.0%. Operating expenses also decreased, by 15.8%, mainly due to a decrease in the variable bonus provision, system maintenance costs, marketing and travelling expenses in 1Q FY2007, and the write-off of SGXTrade related hardware and software costs in 4Q FY2006.

**(iv) Bank Facilities & Contingent Liabilities**

*Bank Facilities*

- The Group has \$430.0 million of bank credit facilities in place, comprising \$190.0 million in committed share financing and \$240.0 million in committed unsecured credit lines, for prudent risk management and emergency funding needs.

*Contingent Liabilities*

- As at 30 September 2006, the Group had contingent liabilities to banks for US\$147.0 million of unsecured standby letters of credit issued to CME as margin for futures trading.

*Standby Credit to Group Companies*

- The Group has provided an unsecured standby credit of \$75.0 million to the CDP Clearing Fund in accordance with the Central Depository (Pte) Limited's Clearing Rules.

The Group has also extended a financial guarantee of \$22.0 million and purchased a \$46.0 million default insurance policy to be utilized in accordance with Singapore Exchange Derivatives Clearing Limited's Clearing Rules.

## 11. Segment Information - Group

3 Months ended 30 September 2006				Reporting by Market	3 Months ended 30 September 2005			
Securities Market	Derivatives Market	Other Operations	Group		Securities Market	Derivatives Market	Other Operations	Group
S\$'000	S\$'000	S\$'000	S\$'000		S\$'000	S\$'000	S\$'000	S\$'000
				<b>SEGMENT REVENUE</b>				
68,407	34,822	656	103,885	External revenue	65,110	23,761	1,394	90,265
18	-	-	18	Inter-segment revenue	40	-	-	40
68,425	34,822	656	103,903		65,150	23,761	1,394	90,305
(18)	-	-	(18)	Less: Consolidation elimination	(40)	-	-	(40)
68,407	34,822	656	103,885		65,110	23,761	1,394	90,265
				<b>RESULTS</b>				
45,839	19,290	230	65,359	Segment results	48,763	11,641	302	60,706
			(7,667)	Unallocated expenses				(6,595)
			57,692	Profit/(Loss) from operating activities				54,111
			2,977	Other gains/(losses)				2,659
			(749)	Share of results of joint ventures				(8)
			(12,264)	Tax				(11,436)
			47,656	Profit after tax				45,326
				<b>OTHER INFORMATION</b>				
535,684	121,052	6,623	663,359	Segment assets	504,361	120,808	5,031	630,200
			357,767	Unallocated assets				240,214
			1,021,126	Consolidated total assets				870,414
299,193	22,527	601	322,321	Segment liabilities	280,880	15,476	628	296,984
			211,773	Unallocated liabilities				112,099
			534,094	Consolidated total liabilities				409,083
1,638	356	-	1,994	Capital expenditure	3,635	170	14	3,819
2,610	1,250	33	3,893	Depreciation and amortisation	2,002	1,416	1	3,419

The Group operates in Singapore and holds an investment portfolio of \$153,709,000 (30 September 2005 : \$154,645,000) through a subsidiary in Mauritius.

## 12. Dividend - Company

### (a) Interim Base Dividend

	3 Months Ended	
	30 September 2006	30 September 2005
Name of Dividend	Interim Base	Interim Base
Dividend Type	Cash	Cash
Dividend Rate - Base	2.0 cents per ordinary share	1.5 cents per ordinary share
Tax Rate	Tax Exempt One-Tier	Tax Exempt One-Tier
Books Closure Date	26 October 2006, 5pm	27 October 2005, 5pm
Date Paid/Payable	7 November 2006	11 November 2005

### (b) Directors' Comments

Barring material adverse circumstances, the Directors aim to declare a base dividend of at least 2.0 cents net per share every quarter. For each financial year, the Directors aim to pay, as net dividend, an amount which is no less than (a) 80% of the annual net profit after tax; or (b) 8.0 cents per share, whichever is higher. The difference between the targeted net dividend and the interim base dividends will be paid with the final dividend of each financial year.

## 13. Share Capital - Company

During the 3 months ended 30 September 2006, the Company issued 2,931,000 ordinary shares at prices ranging from \$0.90 to \$1.70 upon the exercise of options granted under the SGX Share Option Plan (ESOS).

As at 30 September 2006, there were outstanding options for 18,744,600 (30 September 2005: 29,717,900) unissued ordinary shares under the ESOS.

Pursuant to the Share Purchase Mandate approved by shareholders, the Company purchased 2,400,000 of its ordinary shares by way of on-market purchases in 1Q FY2007, at a share price ranging from \$4.02 to \$4.22. The Company holds the shares bought back as treasury shares and plans to use the shares to fulfil its obligations under the SGX Performance Share Plan. The treasury shares are accounted for in accordance with Singapore Financial Reporting Standard ("FRS") 32 (revised 2004) - Financial Instruments: Disclosure and Presentation.

## 14. Accounting Policies - Group

The same accounting policies and methods of computation as in the FY2006 audited annual financial statements have been applied for the current reporting period except for the following Financial Reporting Standards ("FRS") and Interpretations to FRS (INT FRS) that are effective for the Group's financial year beginning 1 July 2006:

- (i) FRS 19 (Amendment) - Employee Benefits
- (ii) FRS 21 (Amendment) - The Effects of Changes in Foreign Exchange Rates
- (iii) FRS 32 (Amendment) - Financial Instruments : Disclosure and Presentation
- (iv) INT FRS 104 - Determining whether an Arrangement contains a Lease

The adoption of the above FRS and INT FRS did not result in substantial changes to the Group's and the Company's accounting policies.

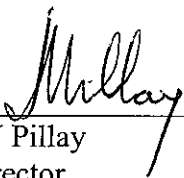
Joyce Fong  
Company Secretary  
10 October 2006

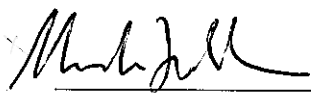


**CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(4) OF THE LISTING MANUAL**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the first quarter ended 30 September 2006 to be false or misleading.

On behalf of the Board of Directors

x   
\_\_\_\_\_  
J Y Pillay  
Director

x   
\_\_\_\_\_  
Hsieh Fu Hua  
Director

10 October 2006

The Board of Directors  
Singapore Exchange Limited  
2 Shenton Way, #19-00 SGX Centre 1  
Singapore 068804

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GST No: 52-871777-D  
Co. Reg. No.: 52871777D

10 October 2006

Dear Sirs,

**Singapore Exchange Limited and its subsidiaries ("Group")  
Review of the interim financial information  
For the first quarter ended 30 September 2006**

We have been engaged by the Company to review the interim financial information for the first quarter ended 30 September 2006.

Appendix 7.2 of the Singapore Exchange Securities Trading Limited Listing Manual ("Listing Manual") requires the preparation of interim financial information to be in compliance with the relevant provisions thereof. The accompanying financial information comprises:

- (a) the balance sheets and net asset values of the Company and of the Group, and the borrowings and debt securities of the Group as at 30 September 2006; and
- (b) the related statements of income and changes in equity of the Company and of the Group, the consolidated cash flow statement and earnings per share of the Group, and changes in share capital of the Company for the first quarter then ended.

The interim financial information is the responsibility of, and has been approved by, the directors. Our responsibility is to issue a report solely for the use of the directors on the interim financial information based on our review.

We conducted our review in accordance with the Singapore Statement of Auditing Practice 11 'Review of Interim Financial Information'. A review of interim financial information consists principally of applying analytical review procedures to financial data and making inquiries of, and having discussions with, persons responsible for the financial and accounting matters. It is substantially less in scope than an audit in accordance with Singapore Standards on Auditing and does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that there is any material modification that needs to be made to the accompanying interim financial information for it to be in accordance with Appendix 7.2 of the Listing Manual.

Yours faithfully,

