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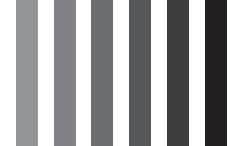


**ABRIDGED CONSOLIDATED ANNUAL RESULTS
AND CASH AND SPECIAL DIVIDEND DECLARATION
AS WELL AS CHANGES TO THE BOARD**

FOR THE YEAR ENDED 31 DECEMBER 2014

JS





JSE Limited (Incorporated in the Republic of South Africa)
(Registration number: 2005/022939/06)
Share code: JSE ISIN code: ZAE000079711

Abridged annual results and cash and special dividend declaration as well as changes to the Board for the year ended 31 December 2014

The JSE Limited (“the JSE” or “the Group”) delivered a pleasing financial performance for 2014, largely attributable to growth in three areas of our business: the Primary Market, the Equity Market and Post-Trade and Information Services.

Responsibility for abridged annual results

The preparation of these abridged annual results has been supervised by the chief financial officer, Aarti Takoordeen CA(SA) in terms of section 29(1)(e) of the Companies Act. This abridged report is extracted from the audited information, but is not itself audited. The directors take full responsibility for the preparation of this abridged report and warrant that the financial information has been correctly extracted from the underlying audited annual financial statements.

Financial review

Group earnings after tax for 2014 increased by 25% to R634 million (2013: R507 million), with operating revenue growing by 13% (2013: 12%) to R1.8 billion (2013: R1.6 billion). This is underpinned particularly by strong growth in annuity revenue from listed companies (with 24 new listings in 2014 – the highest since 2008) and products as well as notable cost management. The following areas also made healthy contributions to revenue: Equity Market, where billable value traded grew by 7% yoy resulting in an 11% increase in revenue to R426 million (2013: R385 million); Post-Trade Services, where a combination of billable value traded growth and rebates given in the prior year resulted in growth of 20% to R299 million (2013: R249 million); and Market Data, where revenue grew 15% to R203 million (2013: R177 million) as a result of the growth in the number of data terminals and increased passive tracking. In addition, new revenue lines in colocation and issuer services generated R9 million and R2 million respectively.

Group earnings before interest and tax (EBIT) increased by 22% (2013: 42%) to R704 million (2013: R578 million). The earnings per share (EPS) and headline earnings per share (HEPS) statistics are also pleasing at 742.4 cents (up 25%) and 735.0 cents (up 14%) respectively.

We continue to demonstrate sound cost control, with total operating expenses up by 5.5% to R1.14 billion (2013: R1.08 billion).

Personnel, technology and technology related costs (depreciation) continue to be the principal components of our largely fixed cost base. These account for 68% of our cost base.

While we had a slightly lower headcount of 485 (2013: 497), personnel costs increased by 9.4% to R467 million (2013: R427 million). Normalised gross remuneration paid to employees increased by 6%. This is after accounting for one-off items that fall outside basic salaries (in both years), including restructure costs in 2014 of R6 million, and a decline in the proportion of remuneration expensed rather than capitalised to internally developed software solution assets of R10 million (2013: R13 million). Additionally, the discretionary bonus linked to Group earnings grew by R15 million.

Other expenses grew by 3% to R669 million (2013: R650 million). Lower growth in non-technology expenses offset the high inflation rate on technology spend of 18% yoy to R202 million (2013: R171 million). Software maintenance, software licenses and labour brokers grew by 18% or R18 million, largely because of an increase in external services for work on the ITaC project, where no capitalisation on human resources cost has yet taken place. Other third party services, mainly related to IT infrastructure licenses, increased 32% yoy or R11 million. There was an increase of 27% or R3 million in server support and maintenance related to the colocation implementation. IT infrastructure connectivity costs also increased by 25% yoy or R2 million. In addition, the R48 million impairment expense in the 2013 base number was not repeated in 2014.

Keeping the cost base under control demands ongoing attention. Over the past four years, the compound annual growth rate of other expenses is 7% (excluding impairments), a positive reflection of these efforts.

We end the year in a strong cash position, with R1.6 billion in cash (2013: R1.4 billion) and almost no debt.

Ongoing investment in the business remains crucial. We continue to apply cash to strategic investment projects for the year in accordance with our project capex rollout plan. Our planned third party capex spend for 2015 is R211 million (2014: R116 million).

The Board and management remain confident in the underlying strength of our operations and our Group’s continued strong cash flows. All currently planned investments and capital requirements for 2015 can be funded from the Group’s own resources.

The Board has noted the increased global attention on the capitalisation of key financial market infrastructures, such as exchanges and clearing houses. The Board believes that the JSE is appropriately capitalised, given the nature of the risks the Group currently faces and given the uncertain nature of future regulatory capital requirements.

Changes to directorate

- 8 May 2014 (AGM):
 - Humphrey Borkum retired as independent non-executive director and Chairman of the JSE.
 - Dr Michael Jordaan's appointment to the Board with effect from 1 January 2014 was ratified by shareholders.
- 9 May 2014:
 - Ms Nonkululeko Nyembezi-Heita succeeded Humphrey Borkum as independent non-executive Chairman.
- 10 June 2014:
 - Bobby Johnston retired as a Board member.
- 8 July 2014:
 - Gary Clarke, the Group Company Secretary, resigned.
- 14 August 2014:
 - Leila Fourie, the executive head of the Post-Trade and Information Services division joined the JSE Board as an executive director; and
 - Graeme Brookes was appointed as Group Company Secretary.
- 5 March 2015:
 - Suresh Kana was appointed by the Board with effect from 1 July 2015, after his retirement as Senior Partner of PwC Africa.
- 21 May 2015:
 - Sam Nematswerani retires as a Board member.

Declaration of ordinary and special dividend

The Board has decided to declare both an ordinary and a special dividend for the year ended December 2014 at 400 cents and 80 cents per ordinary share respectively. Accordingly, notice is hereby given that the directors have declared the following:

Dividend	Annual gross amount	Withholding tax %	Net amount
Ordinary	400	15%	340
Special	80	15%	68
	480	–	408

The dividend has been declared from retained earnings and no secondary taxes on companies (STC) credits are available for use. A dividend withholding tax of 15% will be applicable to all shareholders who are not exempt. The dividends are payable to shareholders recorded in the register of members of the Company at the close of business on Friday, 12 June 2015.

In compliance with the Companies Act, the directors of the JSE confirm that the Company will satisfy the solvency and liquidity test immediately after completion of the dividend distribution. The dividend will be noted at the AGM to be held on Thursday, 21 May 2015. In compliance with the requirements of Strate, the following salient dates for the payment of the ordinary and special dividend are applicable:

Dividend paid in year In respect of financial year ended	2015 31 December	2014 31 December
Dividend per share (400 + 80 = 480 for 2014)	480 cents	400 cents
Rand value	R417 million	R348 million
Declaration date	Thur, 5 March 2015	11 March 2014
Last date to trade JSE shares cum dividend	Fri, 5 June 2015	23 May 2014
JSE shares commence trading ex-dividend	Mon, 8 June 2015	26 May 2014
Record date for purposes of determining the registered holders of JSE shares to participate in the dividend at close of business on	Fri, 12 June 2015	30 May 2014
Date of payment of dividend	Mon, 15 June 2015	2 June 2014

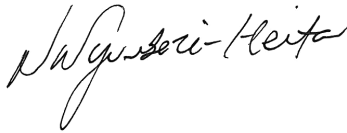
Share certificates may not be dematerialised or rematerialised from Monday, 8 June 2015, to Friday, 12 June 2015, both days inclusive. On Monday, 15 June 2015, the dividend will be electronically transferred to the bank accounts of certificated shareholders who use this facility. In respect of those who do not use this facility, cheques dated 15 June 2015 will be posted on or about that date. The accounts of those shareholders who have dematerialised their shares (which are held at their central securities depository participant or broker) will be credited on Monday, 15 June 2015. The issued share capital of the Company as at the declaration date was 86 877 600. The tax number of the Company is 9313008840.



Prospects

The JSE is a largely fixed-cost business. Costs are tightly controlled and the necessary capital investments are made in areas that will enhance the Group's sustainability. Our revenues are variable and largely driven by activity on the various markets that we operate. For this reason, the Board makes no projections regarding the Group's financial performance in 2015.

We are, however, clear about our 2015 priorities and hence the issues that we need to tackle in order to achieve our strategy. This sets us up for a demanding number of years of investment and delivery, which, while impacting our income statement, are necessary to ensure our long-term sustainability.



Nonkululeko Nyembezi-Heita
JSE Chairman



Nicky Newton-King
Chief executive officer

Appreciation

2014 has been a year of restructuring our operating model to better integrate our business and to enable us to respond both faster and more cost efficiently to the competitive threats and opportunities we anticipate. These will, I believe, be critical elements in establishing long-term sustainability.

I would like to thank all our stakeholders for their frank engagement with me and the JSE team. We have worked hard to build a more collaborative relationship and I look forward to continuing our work in this regard in 2015.

As we tackle this year, I would like to thank all my colleagues at the JSE, and particularly the members of Exco, for their willingness to help chart our new path. It is such a pleasure to work alongside this team.



Nicky Newton-King
Chief executive officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Notes	Group	
		2014 R'000	2013 R'000
Revenue	8	1 778 629	1 577 552
Other income		61 240	76 587
Personnel expenses	9	(466 786)	(426 678)
Other expenses	10	(669 290)	(649 779)
Profit from operating activities		703 793	577 682
Finance income		1 539 449	992 304
Finance costs		(1 412 589)	(874 236)
Net finance income		126 860	118 068
Share of profit of equity-accounted investees (net of income tax)		36 955	39 788
Profit before income tax		867 608	735 538
Income tax expense	11	(233 269)	(228 910)
Profit for the year		634 339	506 628
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Net change in fair value of available-for-sale financial assets		27 143	49 987
Net change in fair value of available-for-sale financial assets reclassified to profit or loss		(6 379)	(15 875)
Income tax on other comprehensive income		-	-
Other comprehensive income for the year, net of income tax		20 764	34 112
Total comprehensive income for the year		655 103	540 740
Earnings per share			
Basic earnings per share (cents)	12.1	742.4	592.1
Diluted earnings per share (cents)	12.2	734.1	588.6
Other earnings			
Headline earnings per share (cents)	12.3	735.0	644.6
Diluted headline earnings per share (cents)	12.4	726.8	640.8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	Group	
		2014 R'000	2013 R'000
Assets			
Non-current assets			
		969 883	868 074
Property and equipment		161 836	162 171
Intangible assets	13	283 111	259 178
Investments in equity-accounted investees		159 284	142 169
Other investments		292 750	248 786
Loan to the JSE Empowerment Fund Trust		13 924	14 022
Deferred taxation		58 978	41 748
Current assets			
		28 241 085	20 507 267
Trade and other receivables		336 546	216 692
Income tax receivable		605	17 108
JSE Clear Derivatives Default Fund collateral deposit		500 000	516 870
Margin deposits		25 676 434	18 335 464
Collateral deposits		96 262	42 181
Cash and cash equivalents		1 631 238	1 378 952
Total assets			
		29 210 968	21 375 341
Equity and liabilities			
Total equity			
		2 473 994	2 188 466
Share capital		8 541	8 533
Share premium		63 348	84 671
Reserves		449 488	431 075
Retained earnings		1 952 617	1 664 187
Non-current liabilities			
		120 522	122 127
Finance leases		–	11 352
Borrowings		13 977	19 055
Employee benefits	14	5 761	–
Due to Safex members		1 347	1 286
Deferred taxation		9 077	12 324
Operating lease liability		74 358	57 807
Deferred income		16 002	20 303
Current liabilities			
		26 616 452	19 064 748
Trade and other payables		295 200	214 541
Income tax payable		32 377	–
Employee benefits	14	116 179	62 534
Operating lease liability		–	28
JSE Clear Derivatives Default Fund collateral contribution		400 000	410 000
Margin deposits		25 676 434	18 335 464
Collateral deposits		96 262	42 181
Total equity and liabilities			
		29 210 968	21 375 341

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

Group	Share capital R'000	Share premium R'000	Total share capital R'000	NDR R'000	JSE LTIS 2010 reserve R'000	Total reserves R'000	Retained earnings R'000	Total equity R'000
Balance at 1 January 2013	8 571	102 858	111 429	336 183	32 719	368 902	1 390 690	1 871 021
Profit for the year	–	–	–	–	–	–	506 628	506 628
Other comprehensive income	–	–	–	34 112	–	34 112	–	34 112
Total comprehensive income for the year	–	–	–	34 112	–	34 112	506 628	540 740
Allocation 1 – shares vested	–	11 108	11 108	–	(11 108)	(11 108)	–	–
Distribution from the BESA Guarantee Fund Trust ¹	–	–	–	(2 757)	–	(2 757)	2 757	–
Dividends paid to owners	–	–	–	–	–	–	(217 091)	(217 091)
Equity-settled share-based payment	–	–	–	–	23 129	23 129	–	23 129
Sale of treasury shares	8	5 926	5 934	–	–	–	–	5 934
Transfer of profit from Investor Protection Fund	–	–	–	18 797	–	18 797	(18 797)	–
Treasury shares	(46)	(35 117)	(35 163)	–	–	–	–	(35 163)
Treasury shares – share issue costs	–	(104)	(104)	–	–	–	–	(104)
Total contributions by and distributions to owners of the Company recognised directly in equity	(38)	(18 187)	(18 225)	16 040	12 021	28 061	(233 131)	(223 295)
Balance at 31 December 2013	8 533	84 671	93 204	386 335	44 740	431 075	1 664 187	2 188 466
Profit for the year	–	–	–	–	–	–	634 339	634 339
Other comprehensive income	–	–	–	20 764	–	20 764	–	20 764
Total comprehensive income for the year	–	–	–	20 764	–	20 764	634 339	655 103
Allocation 1 – shares vested	35	11 365	11 400	–	(11 400)	(11 400)	–	–
Allocation 2 – shares vested	16	10 442	10 458	–	(10 458)	(10 458)	–	–
Distribution from the BESA Guarantee Fund Trust ¹	–	–	–	(3 280)	–	(3 280)	3 280	–
Dividends paid to owners	–	–	–	–	–	–	(347 457)	(347 457)
Equity-settled share-based payment	–	–	–	–	21 055	21 055	–	21 055
Reserves arising on acquisition of Strate (Pty) Limited transferred	–	–	–	(10 058)	–	(10 058)	10 058	–
Transfer of profit from Investor Protection Fund	–	–	–	11 790	–	11 790	(11 790)	–
Treasury shares	(43)	(42 974)	(43 017)	–	–	–	–	(43 017)
Treasury shares – share issue costs	–	(156)	(156)	–	–	–	–	(156)
Total contributions by and distributions to owners of the Company recognised directly in equity	8	(21 323)	(21 315)	(1 548)	(803)	(2 351)	(345 909)	(369 575)
Balance at 31 December 2014	8 541	63 348	71 889	405 551	43 937	449 488	1 952 617	2 473 994

¹ The BESA Guarantee Fund Trust Deed makes specific provision for the utilisation of excess funds for the purpose of reducing the risk of claims being made against the Trust. To this effect, R3.3m (December 2013: R2.8m) before intercompany adjustments was transferred to the JSE Limited for the defrayment of market regulatory expenditure.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

	Group	
	2014 R'000	2013 R'000
Cash flows from operating activities		
Cash generated by operations	899 727	757 971
Interest received	1 477 111	965 042
Interest paid	(1 358 914)	(850 457)
Dividends received	5 001	3 946
Taxation paid	(204 866)	(190 871)
Net cash generated by operating activities	818 059	685 631
Cash flows from investing activities		
Proceeds on sale of other investments	35 284	40 935
Acquisition of other investments	(51 533)	(24 675)
Contributions in JSE Clear Derivatives Default Fund	16 870	(516 870)
Dividends from equity-accounted investees	19 779	17 523
Proceeds from disposal of property and equipment	295	172
Leasehold improvements	(6 370)	(32)
Acquisition of intangible assets	(65 741)	(33 384)
Acquisition of property and equipment	(59 093)	(48 079)
Net cash used in investing activities	(110 509)	(564 410)
Cash flows from financing activities		
Proceeds from sale of treasury shares	–	5 919
Contributions (paid)/received JSE Clear Derivatives Default Fund	(10 000)	410 000
Loan repaid	(5 078)	(4 660)
Acquisition of treasury shares	(43 173)	(35 252)
Dividends paid	(347 457)	(217 091)
Net cash (used in)/from financing activities	(405 708)	158 916
Net increase in cash and cash equivalents	301 834	280 137
Cash and cash equivalents at 1 January	1 378 952	1 128 776
Effect of exchange rate fluctuations on cash held	(49 548)	(29 961)
Cash and cash equivalents at 31 December 2014	1 631 238	1 378 952

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1. Reporting entity

JSE Limited (the "JSE", the "Company" or the "Exchange") is a company domiciled in South Africa. The registration number is 2005/022939/06. The JSE is licensed as an exchange in terms of the Financial Markets Act, 19 of 2012. The JSE has the following main lines of business: primary market services, trading, clearing and settlement services and market data sales. The address of the Company's registered office is One Exchange Square, 2 Gwen Lane, Sandown. The consolidated financial statements of the Company as at and for the year ended 31 December 2014 comprise the Company and its subsidiaries and controlled Structured Entities (collectively referred to as the "Group" and individually as "Group entities") and reflect the Group's interest in associates.

When reference is made to the "Group" in the accounting policies, it should be interpreted as referring to the Company, where the context requires, unless otherwise noted.

2. Basis of preparation

Statement of compliance

The abridged consolidated annual financial statements have been prepared in accordance with the measurement and recognition requirements of IFRS and the SAICA financial reporting guides as issued by the Accounting Practices Committee and contain the information required by IAS 34 interim financial reporting. The accounting Policies are in terms of IFRS and consistent with those of the previous annual financial statements.

3. Changes in accounting policies

All accounting policies applied by the Group in these abridged consolidated financial statements are in terms of IFRS and are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2014.

4. Comparative figures

Unless otherwise indicated, comparative figures refer to the twelve months ended 31 December 2013.

5. Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

6. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2014.

7. Operating segments

The Group has five reportable segments, as stated below. Each business unit offers different products and services and is managed separately, because each requires different technology and a different marketing strategy. Management makes decisions based on management accounting information, which reflects revenue by business unit and costs at a cost category level without specific allocation to business units.

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

7. Operating segments (continued)

Information about reportable segments

	Cash ¹ equities R'000	Equity and currency derivatives R'000	Commodity derivatives R'000	Interest rate ² market R'000	Market data R'000	Other ³ R'000	Total R'000
For the year ended 31 December 2014							
External revenues	1 108 731	170 551	55 191	63 018	203 852	177 286	1 778 629
For the year ended 31 December 2013							
External revenues	965 856	155 765	48 750	61 954	176 641	168 586	1 577 552

¹ Comprises equities trading fees, risk management, clearing and settlement fees, membership fees, primary market fees and back-office services (BDA).

² Includes R19.3m (2013: R16.0m) of primary market fees relating to the bond market.

³ Comprises funds under management, Strate ad valorem fees.

8. Revenue

	Group	
	2014 R'000	2013 R'000
Revenue comprises:		
Back-office services (BDA)	268 096	237 556
Commodity derivatives fees	55 191	48 750
Currency derivatives fees	23 473	23 858
Equity derivatives fees	147 078	131 907
Equity market fees	414 815	374 283
Funds under management	76 186	68 379
Interest rate market fees	43 742	45 954
Primary market fees	134 213	109 685
Market data fees	203 852	176 641
Membership fees	11 617	11 108
Post-trade services	299 265	249 224
Total revenue before Strate ad valorem fees	1 677 528	1 477 345
Strate ad valorem fees	101 101	100 207
Total revenue	1 778 629	1 577 552

9. Personnel expenses

Remuneration paid	444 716	398 432
Gross amount paid	455 038	411 585
Less: Capitalised to intangible assets	(10 322)	(13 153)
Long-term incentive schemes	22 070	28 246
	466 786	426 678

10. Other expenses

	Group	
	2014 R'000	2013 R'000
Impairment of intangible assets ¹	–	48 138
Other operating expenses	558 433	491 518
Strate ad valorem fees	110 857	110 123
	669 290	649 779

¹ The impairment of R48m in the 2013 financial year relates to the carrying value of the surveillance components of SRP

11. Income tax expense

The Group's consolidated effective tax rate for the year ended 31 December 2014 was 27% (2013: 31%). The reason for the higher 2013 effective tax rate is the impairment of R48m, referred to in note 10 above, which was not deducted for tax purposes.

We are currently investigating the tax treatment of software development costs, which may impact the taxation charge in future.

12. Earnings and headline earnings per share

12.1. Basic earnings per share

Profit for the year attributable to ordinary shareholders	634 339	506 628
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 January	86 877 600	86 877 600
Effect of own shares held (JSE LTIS 2010)	(1 435 563)	(1 315 623)
Weighted average number of ordinary shares at 31 December	85 442 037	85 561 977
Basic earnings per share (cents)	742.4	592.1

12.2. Diluted earnings per share

Profit for the year attributable to ordinary shareholders	634 339	506 628
Weighted average number of ordinary shares (diluted):		
Weighted average number of ordinary shares at 31 December (basic)	85 442 037	85 561 977
Effect of LTIS Share Scheme	965 962	514 487
Weighted average number of ordinary shares (diluted)	86 407 999	86 076 464
Diluted earnings per share (cents)	734.1	588.6

The average market value of the Exchange's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the year.

12.3. Headline earnings per share

Reconciliation of headline earnings:		
Profit for the year attributable to ordinary shareholders	634 339	506 628
Adjustments are made to the following:		
Profit or loss on disposal of property and equipment	37	27
– Gross amount	51	38
– Taxation effect	(14)	(11)
Impairment of intangible assets	–	60 795
– Gross amount	–	48 138
– Taxation effect	–	12 657
Net realised gain on disposal of available-for-sale financial assets (no taxation effect)	(6 379)	(15 875)
Headline earnings	627 997	551 575
Headline earnings per share (cents)	735.0	644.6

12.4. Diluted headline earnings per share

Diluted headline earnings per share (cents)	726.8	640.8
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SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

13. Intangible assets

Included in the intangible assets of R104m (2013: R33m), are newly developed intangible assets of R97m (2013: R31m), mainly in respect of T+3, colocation and integrated trading and clearing.

14. Share-based payments

(i) Vesting of Allocation 1 Tranche 2 shares during the period under review

The first award (Allocation 1) under LTIS 2010 was granted in May 2010 with the following vesting profile:

Tranche 1: 50% of the total award, which vested on 1 May 2013.

Tranche 2: 50% of the total award, which vested on 1 May 2014 (during the period under review).

All available Tranche 2 retention shares (130 150 shares) vested for those participants still in the employ of the JSE on 1 May 2014.

In respect of Tranche 2 corporate performance shares, the Board assessed performance over the four-year vesting term against the pre-set financial and strategic targets and determined that 93% (2013: 54%) of these Tranche 2 shares should vest for those participants still in the employ of the JSE on 1 May 2014. The remainder of the Tranche 2 corporate performance shares (being 4 219 shares) was forfeited by participants.

The vesting of Tranche 1 was complete in the prior year. As at 31 December 2014, details of Tranche 2 were as follows:

	Retention shares	Corporate performance shares	Total shares
Tranche 2 – fully vested			
Original number of Tranche 2 shares awarded May 2010	163 700	77 750	241 450
Forfeited by leavers to date	(30 750)	(10 850)	(41 600)
Forfeited by good leavers to date (per LTIS rules) to date	(1 167)	(2 182)	(3 349)
Accelerated for good leavers to date	(1 633)	(4 368)	(6 001)
Tranche 2 shares forfeited for missing corporate performance targets	–	(4 219)	(4 219)
Tranche 2 shares vested 1 May 2014	(130 150)	(56 131)	(186 281)
Tranche 2 shares outstanding	–	–	–

(ii) Vesting of Allocation 2 Tranche 1 shares during the period under review

The second award (“Allocation 2”) under LTIS 2010 was granted in May 2011 with the following vesting profile:

Tranche 1: 50% of the total award, which vested on 1 May 2014

Tranche 2: 50% of the total award, vesting on 1 May 2015

All available Tranche 1 retention shares (134 550 shares) vested for those participants still in the employ of the JSE on 1 May 2014.

In respect of Tranche 1 corporate performance shares, the Board assessed performance over the four-year vesting term against the pre-set financial and strategic targets and determined that 70% of these Tranche 1 shares should vest for those participants still in the employ of the JSE on 1 May 2014. The remainder of the Tranche 1 corporate performance shares (being 11 835 shares) was forfeited by participants.

The vesting of Tranche 1 was completed during the year under review. As at 31 December 2014, details of Tranche 1 were as follows:

	Retention shares	Corporate performance shares	Total shares
Tranche 1 – fully vested			
Original number of Tranche 1 shares awarded May 2011	158 750	54 700	213 450
Forfeited by leavers to date	(24 200)	(15 250)	(39 450)
Tranche 1 shares forfeited for missing corporate performance targets	–	(11 835)	(11 835)
Tranche 1 shares vested 1 May 2014	(134 550)	(27 615)	(162 165)
Tranche 1 shares outstanding	–	–	–

14. Share-based payments (continued)

(iii) Grant of Allocation 5 under LTIS 2010 during the period under review

At the annual general meeting held on 8 May 2014, shareholders approved two special resolutions authorising the acquisition of shares for the purposes of awards under the LTIS 2010 scheme as well as the provision of financial assistance to the JSE LTIS 2010 Trust for a period of two years, for the purpose of acquiring such JSE ordinary shares in the open market for allocation to selected employees in accordance with the rules of LTIS 2010. In accordance with the terms of these resolutions, the Board approved a fresh annual allocation of shares ("Allocation 5") to selected employees for the 2014 year, and these individual allocations were all accepted by scheme participants by 23 May 2014. Allocation 5 comprised a total of 422 870 JSE ordinary shares and these shares were acquired in the open market by 29 May 2014.

Notwithstanding the fair value grant date of 23 May 2014, a charge to profit and loss in respect of Allocation 5 has been brought to account as from 1 June 2014, based on the materiality principle.

Included in the total number of shares granted of 422 870, a total of 271 010 corporate performance shares has been granted to members of the JSE's executive committee. No personal performance shares were allocated under Allocation 5.

Information on Allocation 5 is as follows:

	Corporate performance shares
Share price at grant date (rands per ordinary share)	102.27
Total number of shares granted	422 870
Dividend yield	3%
Grant date	23 May 2014
Vesting profile:	
50% of the shares awarded vest on 1 June 2017	211 435
50% of the shares awarded vest on 1 June 2018	211 435

Fair value charge to profit and loss.

The profit or loss fair value charge for the period, calculated using the Black-Scholes valuation methodology, in respect of all allocations granted under LTIS 2010 is as follows:

	2014 Rm	2013 Rm
Allocation #1 (granted in May 2010)	R0.7m	R4.2m
Allocation #2 (granted in May 2011)	R1.1m	R6.2m
Allocation #3 (granted in June 2012)	R5.0m	R8.1m
Allocation #4 (granted in May 2013)	R8.0m	R4.6m
Allocation #5 (granted in May 2014)	R6.2m	-
	R21.0m	R23.1m

15. Contingent liabilities and commitments

15.1 Contingent liabilities

15.1.1 The JSE has a contingent liability in respect of a guarantee of R0,7m (2013: R0,7m) issued to the Financial Services Board.

15.1.2 A summons was served on the JSE during December 2011 in terms of which Pinnacle Point Holdings Pty Ltd (PPG) and four other plaintiffs have instituted action against the JSE for payment of R1 387 451 336.30. These losses were allegedly suffered as a result of the transaction concluded between the Acc-Ross group of companies and PPG. The JSE has lodged an exception against the plaintiff's particulars of claim to dismiss the action against the JSE, which exception will be heard in due course.

15.2 Commitments

On 3 June 2013, the JSE entered into an extension to the operating lease on the building from which it conducts business. The lease has been extended on revised terms and conditions and will now terminate on 30 August 2025.

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

Fair value estimation

Financial instruments measured in the statement of financial position at fair value require disclosure. The following is the fair value measurement hierarchy:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value.

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total balance R'000
2014				
Assets				
Other investments				
– Equity securities (available-for-sale)	186 885	80 567	–	267 452
– Debt investments (available-for-sale)	25 297	–	–	25 297
Total assets	212 182	80 567	–	292 749
2013				
Assets				
Other investments				
– Equity securities (available-for-sale)	162 877	69 177	–	232 054
– Debt investments (available-for-sale)	16 731	–	–	16 731
Total assets	179 608	69 177	–	248 785

The carrying values of the other financial assets and financial liabilities approximate their fair values.

16. Audit opinion

KPMG Inc, the Group's independent auditor, has audited the consolidated annual financial statements of the JSE Limited from which the abridged consolidated results contained in this report have been derived, and has expressed an unmodified audit opinion on the consolidated annual financial statements. The abridged consolidated financial results comprise the statements of financial position at 31 December 2014 and the statements of comprehensive income, changes in equity and cash flows for the year then ended and selected explanatory notes. A copy of the auditor's report is available for inspection at the JSE's registered office.

The auditor's report does not necessarily report on all of the information contained in this abridged annual results and cash dividend declaration. Shareholders are therefore advised to obtain a copy of the auditor's report together with the accompanying financial information from the JSE's registered office.

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Sponsor: Rand Merchant Bank (A division of FirstRand Bank Limited)

5 March 2015