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**JSE delivers pleasing first half of 2014**  
**Appoints new Company Secretary and Executive Director**

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**Johannesburg, 14 August 2014.** JSE Limited (JSE), which operates the country's stock exchange, delivered a pleasing performance in the six months ended 30 June 2014 with strong revenue growth across most of the business. Group operating revenue increased by 9% to R869 million, following a strong performance in the first half of the previous financial year (H1 2013: R794 million).

“These results prove the benefits of a more diversified revenue base as our Issuer Regulation and service divisions helped to counter lower values traded in some of our trading divisions. Our focus on growing additional business areas has helped to sustain the JSE's financial performance,” says Nicky Newton-King, CEO.

Some of the stronger performances among the JSE divisions included:

- A 27% rise in **Issuer Regulation** revenue resulting from an increase in capital raising (H1 2014: R86 billion; H1 2013: R34 billion) as well as new listing activity;
- A 22% rise in **Post-Trade Services** revenue when measured against the revenue from this area post-rebate in 2013; and
- A 16% rise in **Market Data** revenue derived from a strong growth in new business.

Newton-King says despite a drop in trading value during the period, Equity Market revenue rose 5% off last year's high base. This rise is because the mix of trade types during the period translated into an average effective rate that delivered an increase in revenue.

The first half of 2014 also saw a continued focus on cost management, with operating costs up 4% to R508million (H1 2013: R488 million). Gross remuneration paid increased by 1% to R194 million (H1 2013: R192 million), with staff headcount being contained at 505 staff (H1 2013: 503). Other expenses increased by 6% to R314 million (H1 2013: R296 million). Technology costs, which make up the majority of other expenses, increased by 12%. These costs reflect work on various strategic initiatives. Depreciation charges increased 11% to R49 million, reflecting depreciation charges related to the colocation investment among other assets.

Newton-King says the JSE is making good progress with a range of strategic initiatives that will strengthen and diversify the business further. This includes the colocation offering, which was launched during H1 2014, and allows clients to place their trading equipment in the JSE data centre for the fastest access to all JSE markets. “We are also making headway on the move to a three-day settlement period (T+3) for equities and with the work necessary to implement integrated trading and clearing systems for all our products, with the initial focus being on Equity and Currency Derivatives.”

The JSE has also made good progress in its collaboration with National Treasury and industry participants to implement an electronic trading platform for Government bonds.

Group earnings before interest and tax (EBIT) are up by 10% to R380 million (H1 2013: R345 million) and Net Profit after Tax is up 14% to R333m (H1 2013: R293m).

The JSE generated good operating cashflows of R486 million during the period (H1 2013: R425 million) while the group made capital investments of R79 million on various strategic initiatives and R22 million on business as usual.

“We will continue to make the necessary capital investments in areas that will enhance the JSE’s sustainability and are excited as we progress with implementing the strategic objectives we set for 2017. We will continue to focus on improving how we meet the needs of our issuers and investors,” says Newton-King.

Newton-King concluded that she was delighted with the Board’s appointment of Graeme Brookes, the JSE’s Director of Governance, Risk and Compliance, as Group Company Secretary and of Leila Fourie, the JSE’s Director of Post-Trade and Information Services, to the JSE Board as an executive director.

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#### **ABOUT JSE**

The Johannesburg Stock Exchange is based in South Africa where it has operated as a market place for the trading of financial products for 125 years. It connects buyers and sellers in equity, derivative and debt markets. The JSE is one of the top 20 exchanges in the world in terms of market capitalisation and is a member of the World Federation of Exchanges (WFE). The JSE offers a fully electronic, efficient, secure market with world class regulation, trading and clearing systems, settlement assurance and risk management. [www.jse.co.za](http://www.jse.co.za)

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