

# JSE

## JSE LIMITED >> INTERIM RESULTS PRESENTATION

August 2008





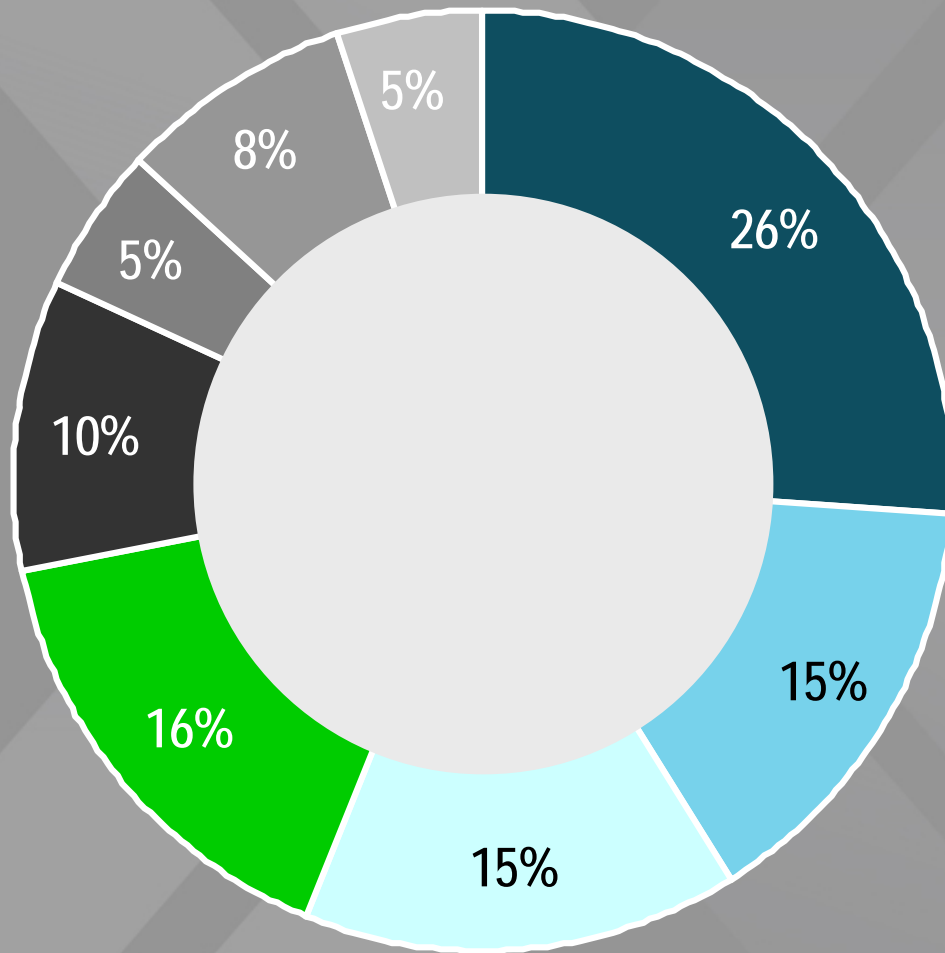
- Turbulent markets...
  - ALSI volatile: up to 31,531 in Oct 07, down to 23,135 in Jan 08, back up to 33,192 in May 08 and down sharply again in June 08
  - First half market turbulence good for the JSE
  - No direct impact from global sub-prime problems
- ...contributed to good results from JSE Ltd
  - Cash inflow from operating activities climbs 154% to R306m
  - Revenue increases by 24% to R509m

# The six months in review



- Record-breaking trading volumes on equity markets
  - Liquidity rises to 47.5% from 41.7% in June 2007
- New listings join boards despite turbulent market
  - 13 join in six months to June 08
  - 15 in six months to June 07
- Currency futures trade exceeded expectations
- Equity derivatives trade performs strongly
  - JSE still biggest SSF market in world (contracts traded)
  - JSE wins FOW award for Can-Do Options

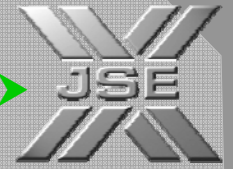
# Business review: revenue contributors



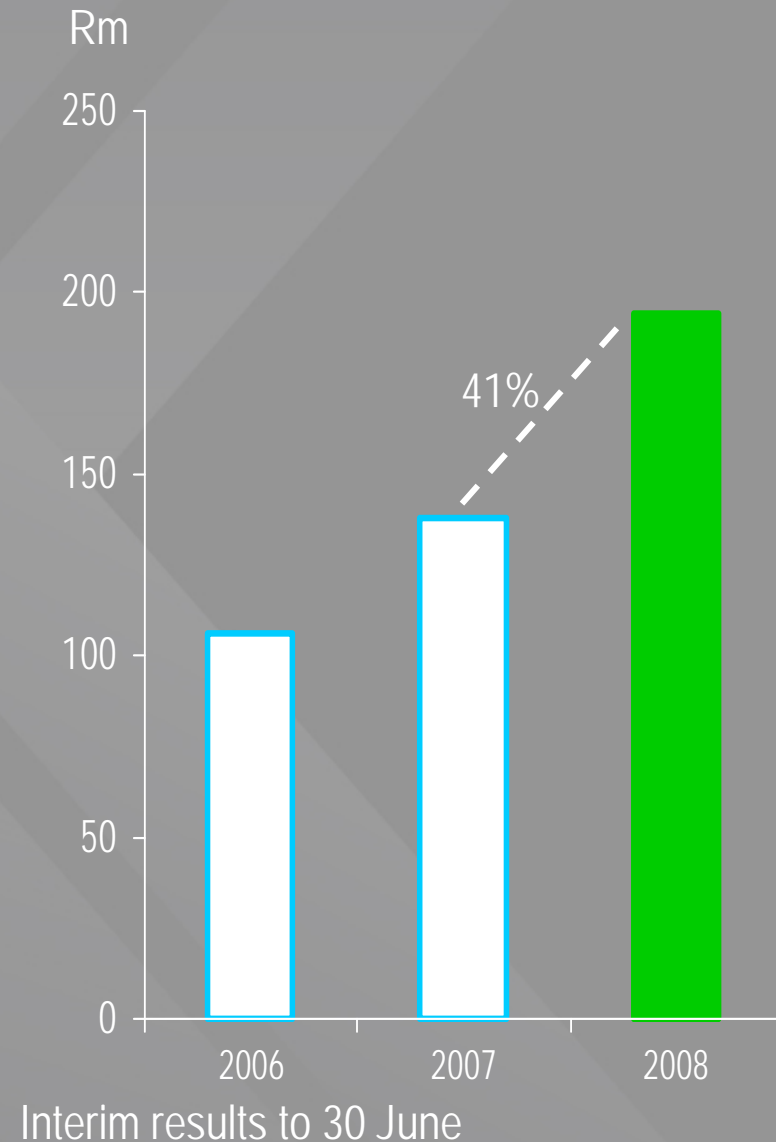
- Equities Trading
- Technology Services
- Equity Derivatives
- Equity Risk Management, Clearing & Settlement
- Information Sales
- Agricultural Derivatives
- Listings
- Other Revenue

Excluding revenue from Strate

# Business review: equities trading, risk management, clearing & settlement



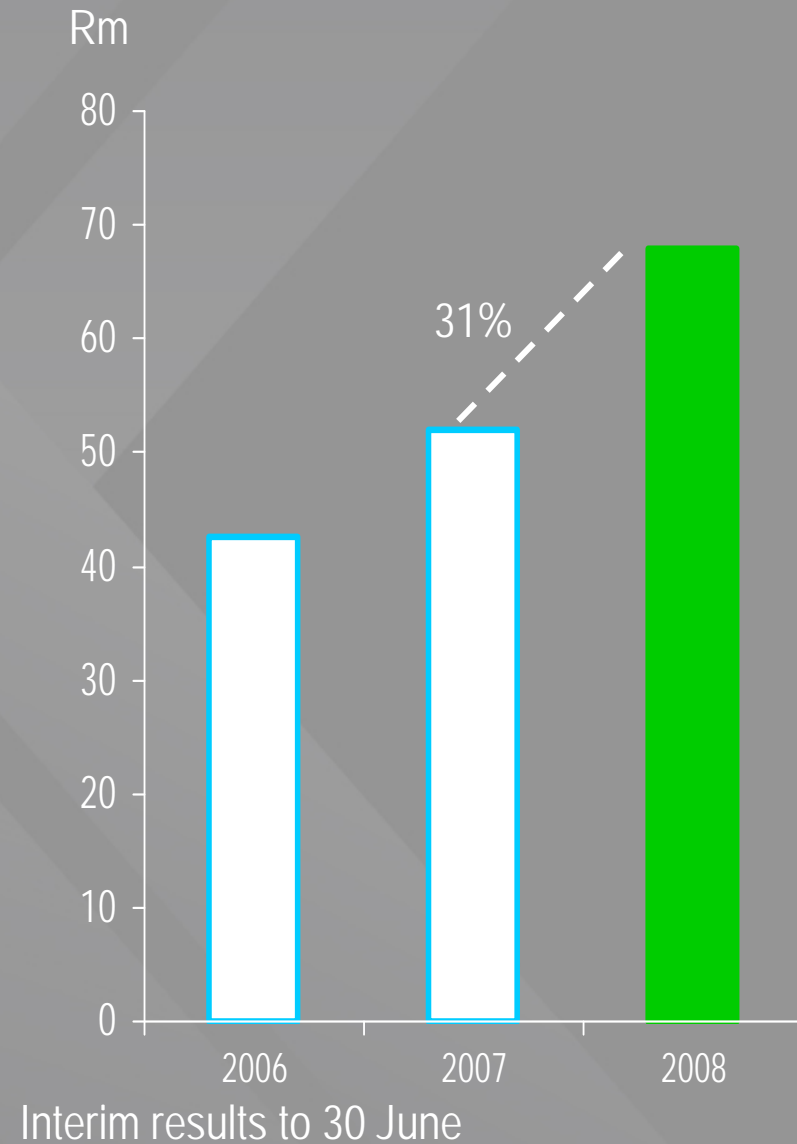
- Average daily number of deals for period up 57% to 61,924 (2007: 39,565)
- Average daily value up 24% to R13bn
- Record daily number of trades (119,971) at Mar 08 close-out (72,773 at Mar 07 close-out)
- Zero failed trades
- - Note: R43m STRATE revenue excluded - offset by equal cost item



# Business review: technology



- BDA revenue growth linked to equity market performance
- LSE's TradElect system performs well

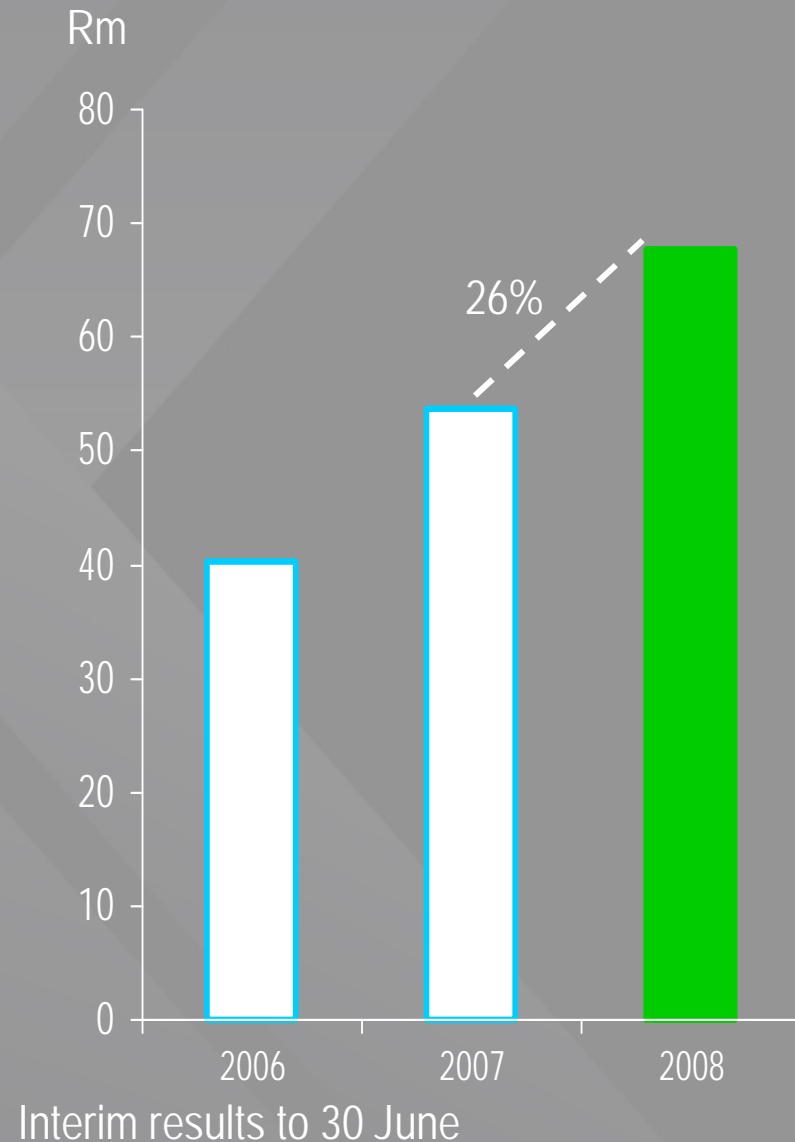




# Business review: equity derivatives



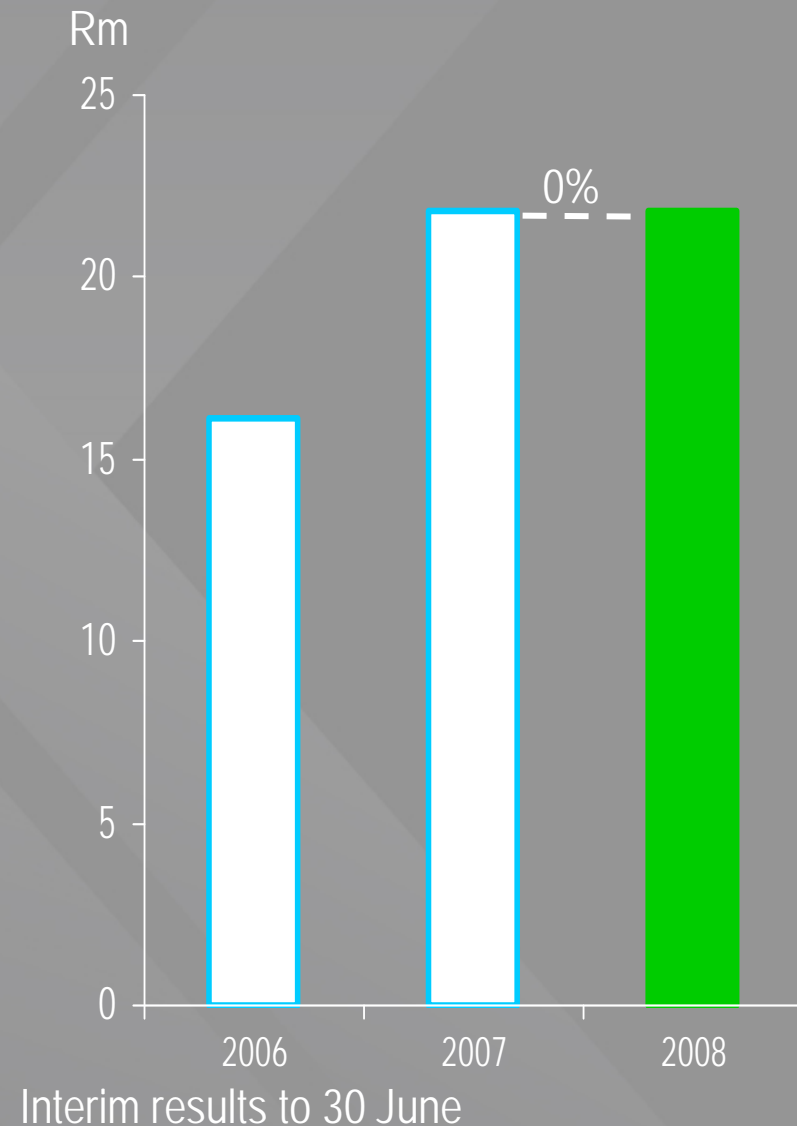
- Strong growth in Equity Derivatives – average monthly contracts up 62%
  - Single Stock Futures up 60%
  - Index Futures up 25%
- Sharp growth in Dividend Futures market (up 229% off low base) linked to Single Stock Futures trade
- Growth in appetite for Can-Do Options - 272 listed by end of period (end-June 07: 85)



# Business review: agricultural derivatives



- Record volumes achieved during period (number of contracts traded): 18% increase to 1.4 million (2007: 1.2 million)
- Biggest increases in white maize (2cnd grade), yellow maize

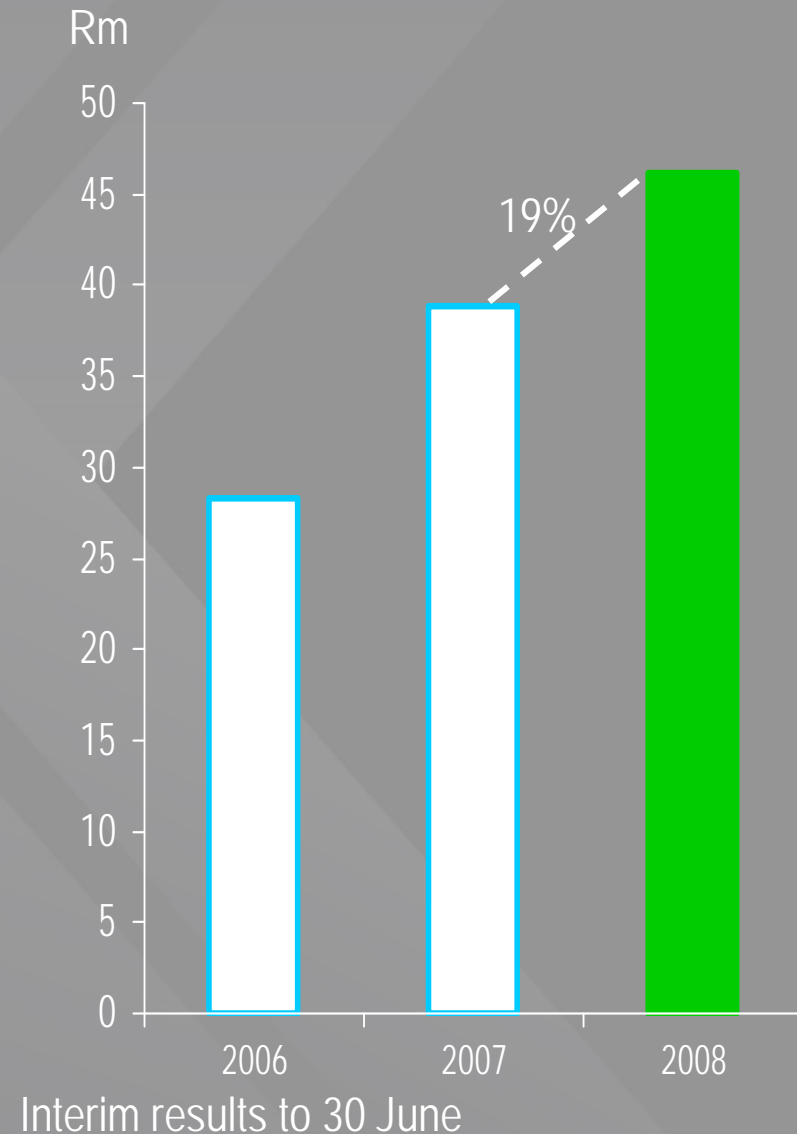




# Business review: information sales



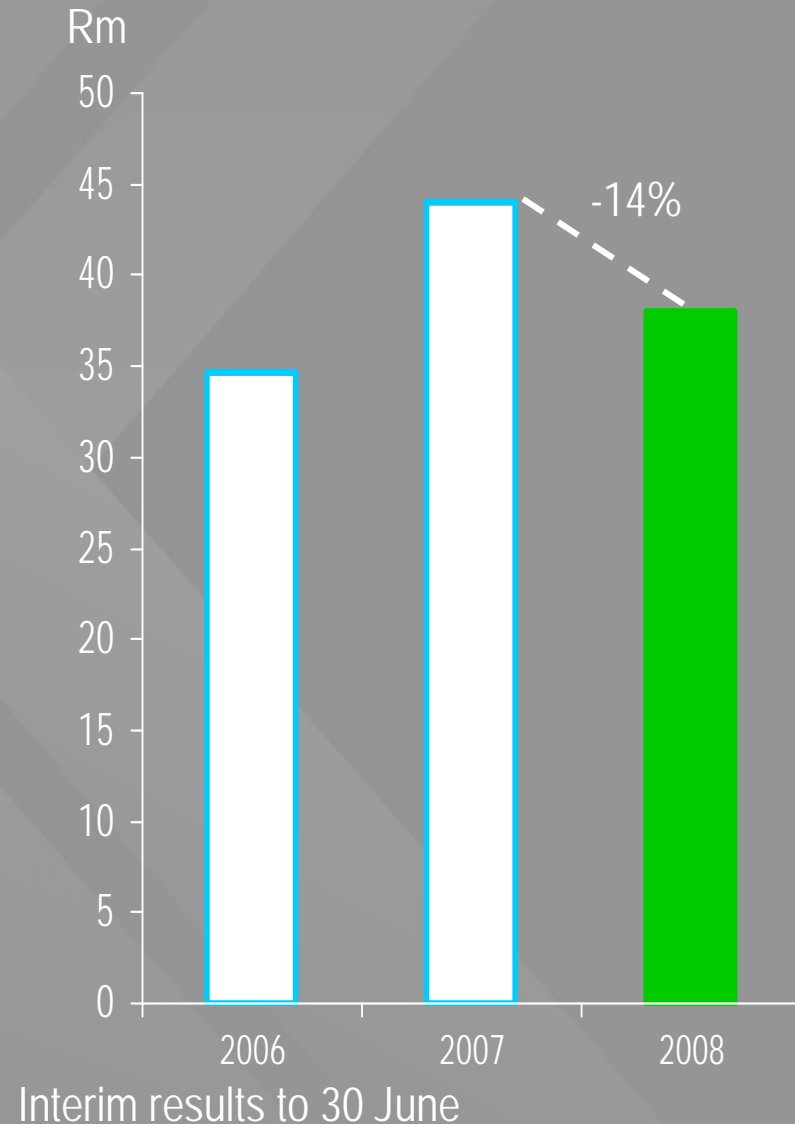
- 32% increase in total number of terminals (on June 07)
  - 24% local
  - 39% international
- Growth in local terminals due to increasing retail client demand for information products
- Growth in retail demand relates to growing retail trading activity



# Business review: listings

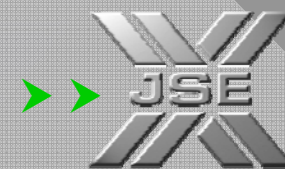


- 13 new companies listed during period despite market turbulence (15 in six months to June 07)
- Of new listings,
  - 10 listed on Main Board
  - 3 listed on AltX
- AltX, launched in 2003, had 78 listings on 30 June 08
- Pipeline fair for second half (traditionally busier period but no guarantee of listings)



# The numbers: income statement

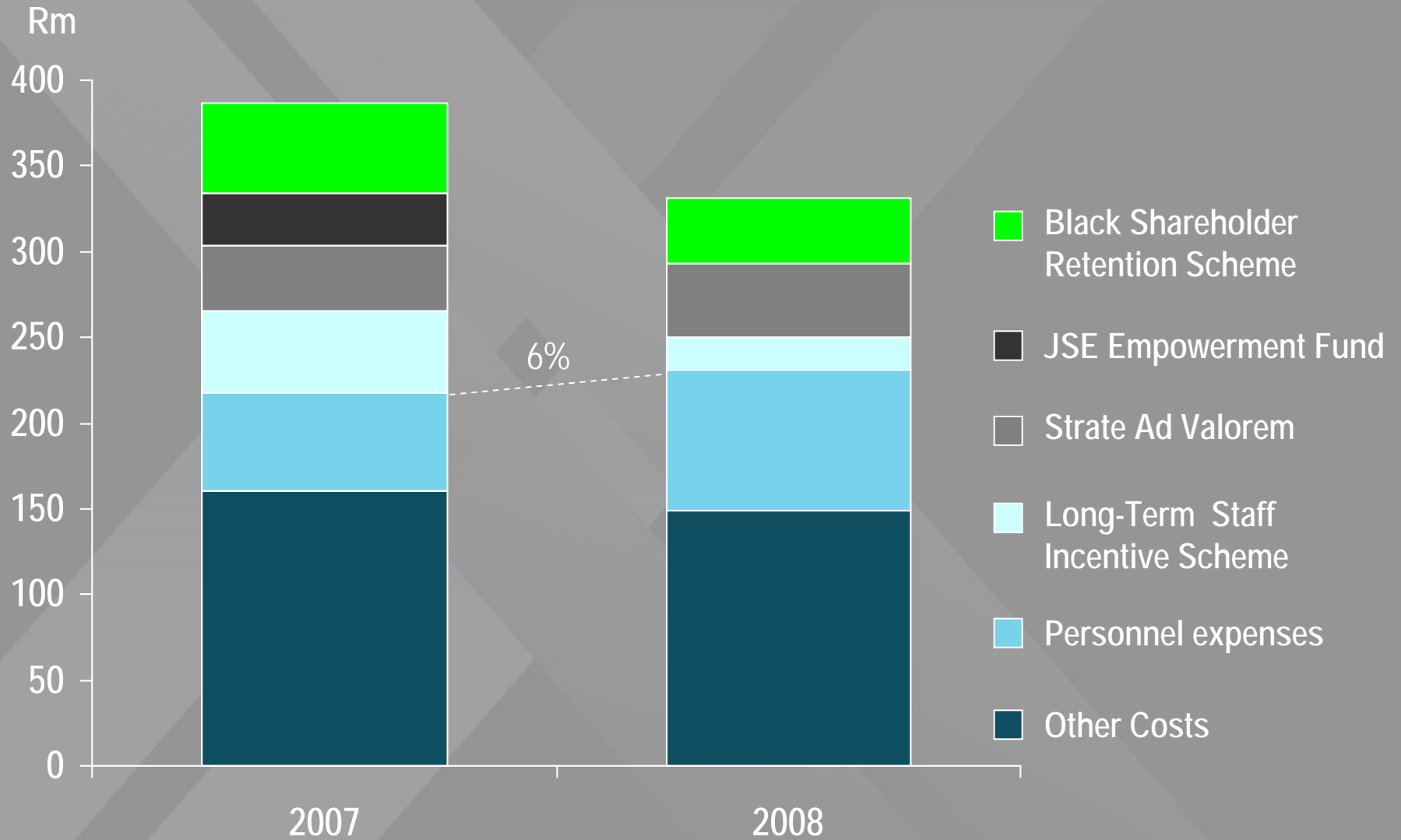
for the six months to 30 June 2008



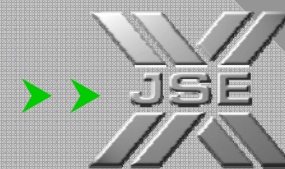
	Group		
	2008 R million	2007 R million	
Revenue	509	411	24%
Other income	11	13	-18%
Operating and other costs	(331)	(387)	-15
Profit before net financing income	189	38	401%
Net finance income	64	38	69%
Share of profit of equity accounted investees	17	12	38%
Profit before tax	269	87	208%
Income tax	(97)	(47)	106%
Profit for the year	173	41	326%
Basic earnings per share (cents)	202.8	47.7	322%
Diluted earnings per share (cents)	200.5	47.5	325%

# The numbers: focus on costs

for the six months ended 30 June 2008



# The numbers: focus on costs



Six months to 30 June	<u>2008</u>	<u>2007</u>	% Change
	R million	R million	
Strate Ad Valorem	43	39	10.0
Operating Costs			
Personnel costs	82	58	41.4
Other costs	149	160	-6.9
Share-based costs			
Long-Term Staff Incentive Scheme	19	47	-59.6
JSE Empowerment Fund	0	30	n/a
Black Shareholder Retention Scheme	38	53	-11.7
Total Costs	<u>331</u>	<u>387</u>	-14.5

# The numbers: highlights



- Operating costs
  - Including all costs, down 14.5%
  - Excluding share-based costs, up 6.4%
- LTIS impact capped – first tranche “costless”, second hedged at impact to income statement of R18m
- Effective tax rate down to 36% (2007: 54%)
- Broad-based BEE costs complete
- Dividend policy 1.5 to 2.5 cover
  - 130c ordinary dividend/share paid in May 2008



# Focus on H2 2008



- Volatile markets globally
- High volumes across all JSE's markets
- Listings pipeline looks promising
- Continued focus on new product development
- Spot equities pricing review underway – aim is lower transaction costs and higher liquidity
- Investigating hurdles to shortening settlement cycle
- Focus continues on collaboration within Africa

# JSE

➤➤ Questions

