

JSE interim results: 6 months to 30 June 2010

August 2010

2010 4/5, 0 个 2010 5/5, 3 个 2010 6/5, 7 个 2010 7/5, 1 个 2010 8/5, 4 个 2010 9/5, 1 个 2010 10/5, 2 个 2010 11/5, 1 个 2010 12/5, 1 个



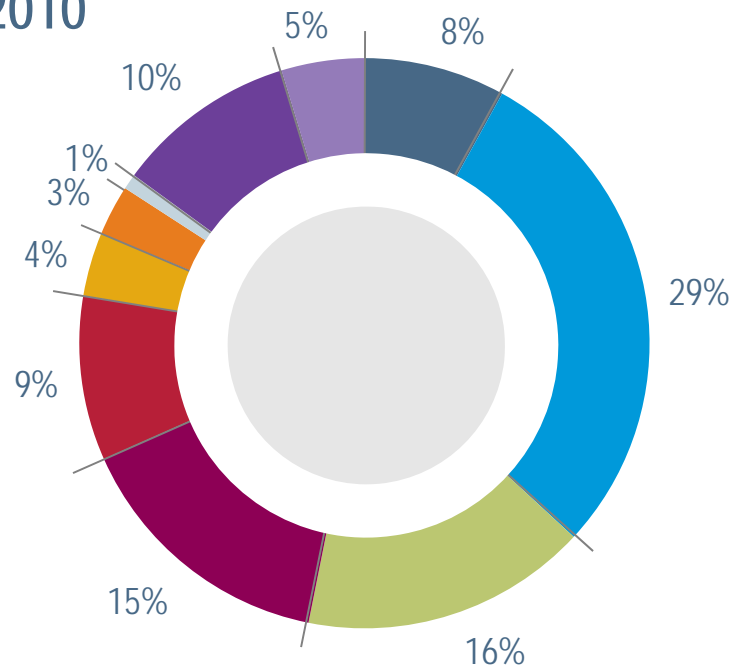
ANGLO AMERICAN PLC	COT 09:00:01	100	2500	10000	2500	10000
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ANGLO AMERICAN PLC	COT 09:00:02	100	2500	10000	2500	10000

■ Industry view

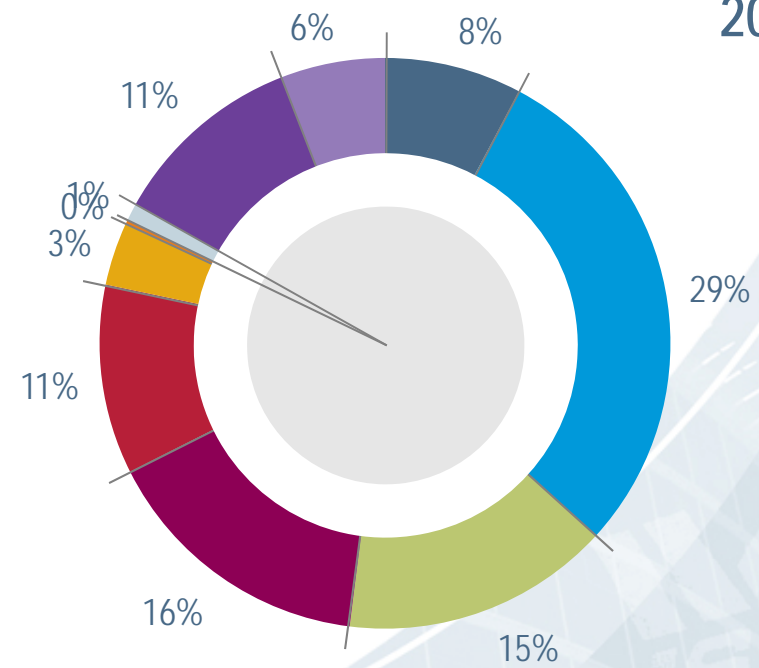
- ▶ Market benefits from SA economic resilience
 - ▶ Private sector capital expenditure rises pre-Soccer World Cup
- ▶ Foreigners again net investors in H1 2010
 - ▶ Interest continues in Africa's investment prospects
 - ▶ R19.1bn into South African equities; R36.2bn into local bonds
- ▶ *YET* markets volatile due to global uncertainty
 - ▶ Alsi fluctuates between 29 500 and 26 259
- ▶ Fluctuating sentiment good for JSE Ltd; revenue up 14.5% and NPAT up 13.1%
 - ▶ Revenue growth driven mainly by equity trade volumes
 - ▶ Liquidity on the equities market 53% for period (H1 2009: 48.8%)
 - ▶ Investors still hesitant about equity derivatives
 - ▶ Commodity derivatives recover

Revenue breakdown

2010



2009



- Issuer services
- Technology services
- Interest rate market
- Other

- Equities trading
- Equity derivatives
- Currency futures

- Risk management, clearing and settlement
- Commodity Derivatives
- Information Product Sales

Excluding Strate ad valorem fees

■ Issuer Services

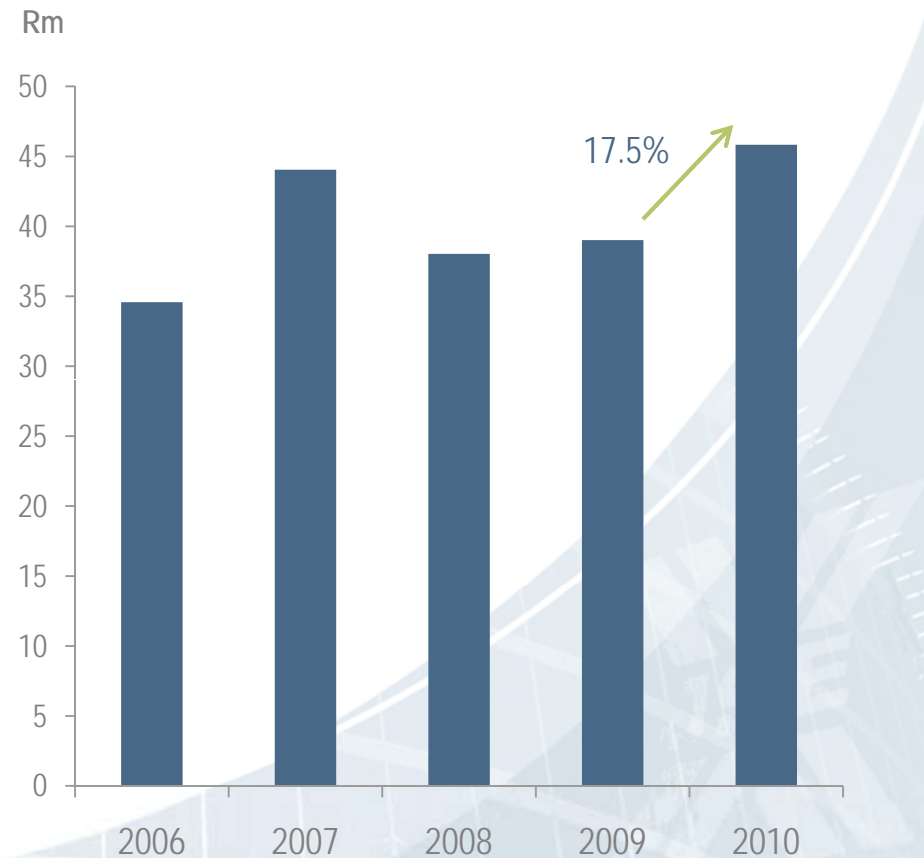
» New company listings still slow

- ▶ 6 new listings (H1 2009: 4)
- ▶ Trend in line with members of the World Federation of Exchanges
- ▶ Pipeline exists but forecasts not possible

» Warrant, ETN listings fees boost revenue

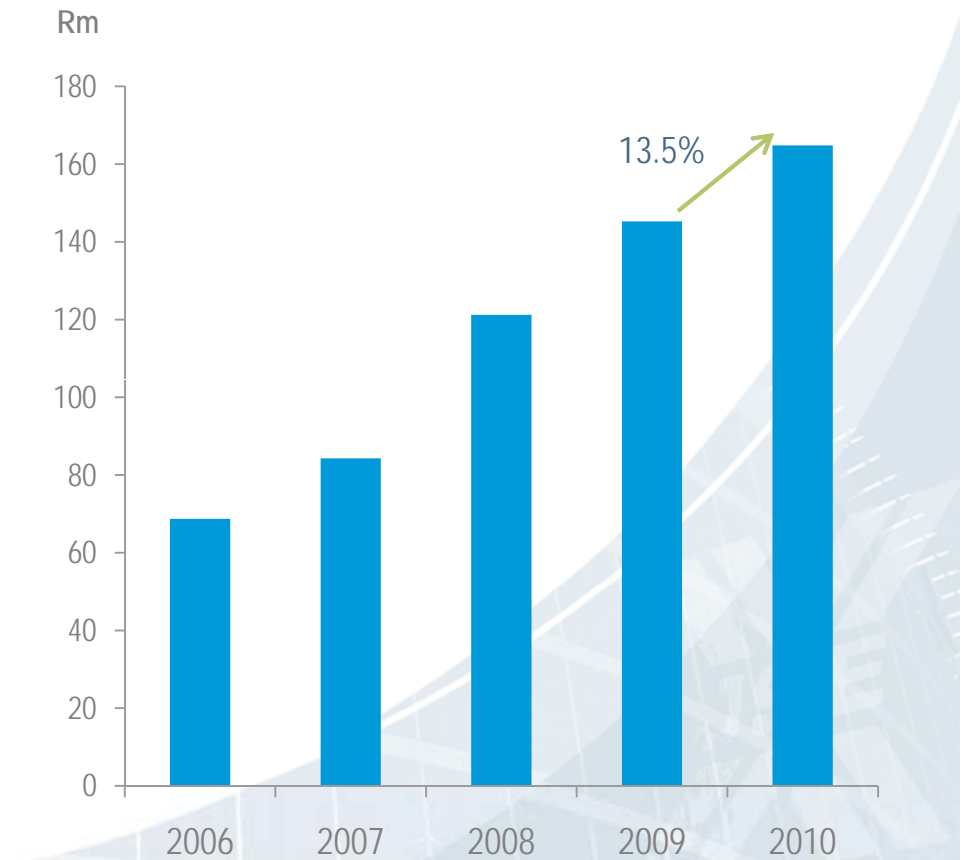
» Revenue growth includes interest rate market contribution

- ▶ Equities-related revenue down 1.6% on H1 2009



Equities Trading

- ▶ Number of trades up 22.4% to 12.2 million (H1 2009: 10.0 million)
 - ▶ Total value traded up 17.1% to R1.5 billion (H1 2009: R1.3 billion)
- ▶ Trade volumes increase on new billing model (launched March 2010)
 - ▶ Positive response from participants
 - ▶ Average trade number up since March
- ▶ Anonymous trading facility launched
 - ▶ Low and mid liquidity stocks traded most
- ▶ Education of retail market continues
 - ▶ Long-term growth area



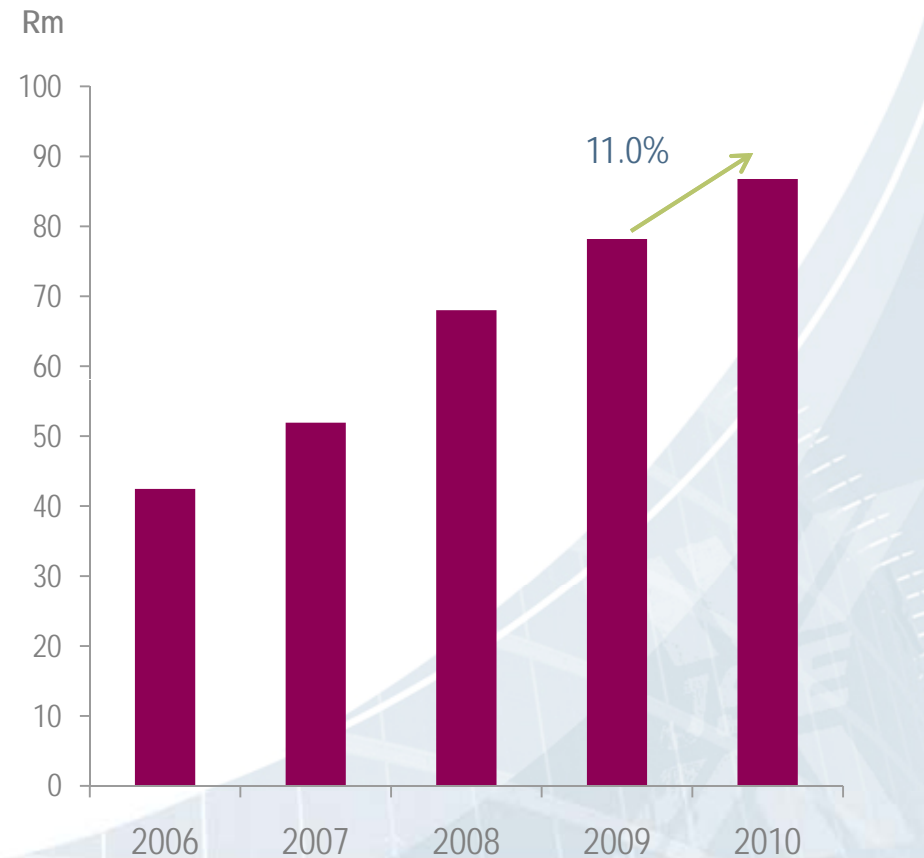
■ Risk Management, Clearing and Settlement

- » Vertically integrated market structure
- » Risk management strength continues to win recognition
- » T+5
 - Move to T+3 continues
- » Settlement guaranteed by JSE balance sheet



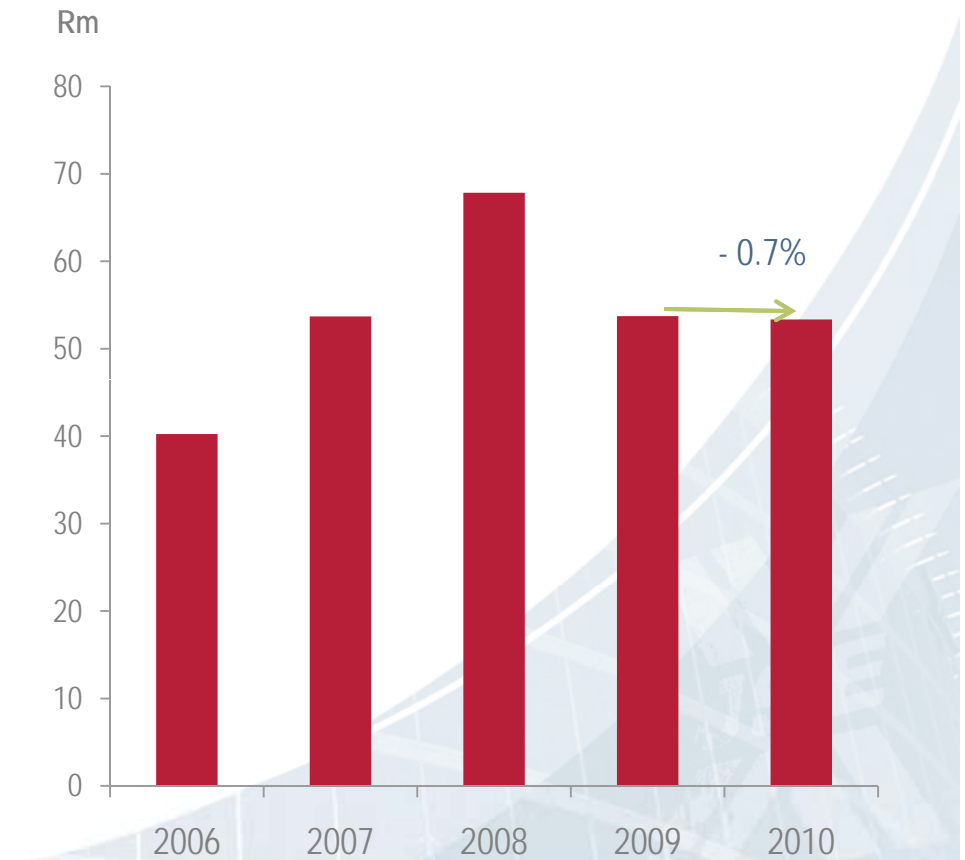
■ Technology Services (BDA)

- ▶ Revenue generated through equity participants' mandatory use of JSE's Broker Deal Accounting (BDA) system
 - ▶ Handles participants' back office accounts
 - ▶ Manages allocation of trades
- ▶ Allows unsurpassed surveillance capabilities
 - ▶ See trades to client level
- ▶ Replacement system in test phase
 - ▶ Last of the three major systems to be replaced
 - ▶ Initial tests have been promising



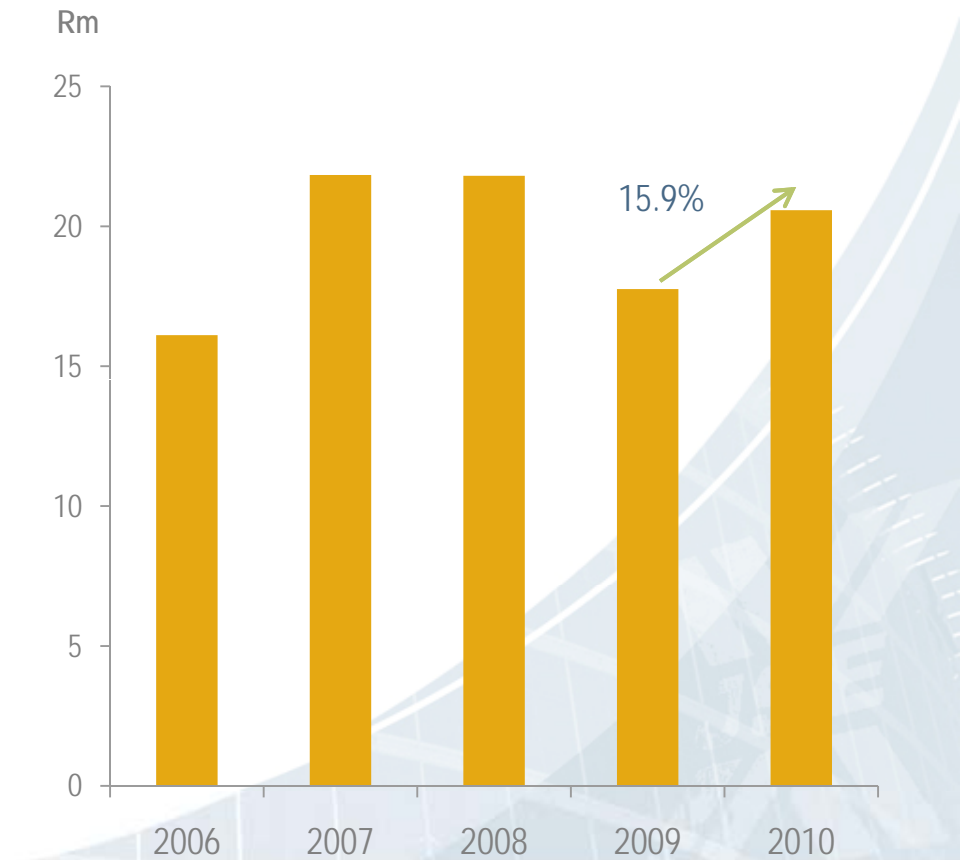
Equity Derivatives

- ▶ Contracts traded rise 6% to 84.2m (H1 2009: 79.4m)
 - ▶ Biggest growth from IDX
 - ▶ Value traded rises 26.2%
- ▶ Revenues down 0.7% to R53.7m
 - ▶ Shift in product mix (eg fewer options)
- ▶ Move to shared derivative trading platform underway
 - ▶ Growth expected from cross selling
- ▶ New billing model launched July 2010
 - ▶ Aimed at encouraging greater activity
 - ▶ Behaviour changes evident



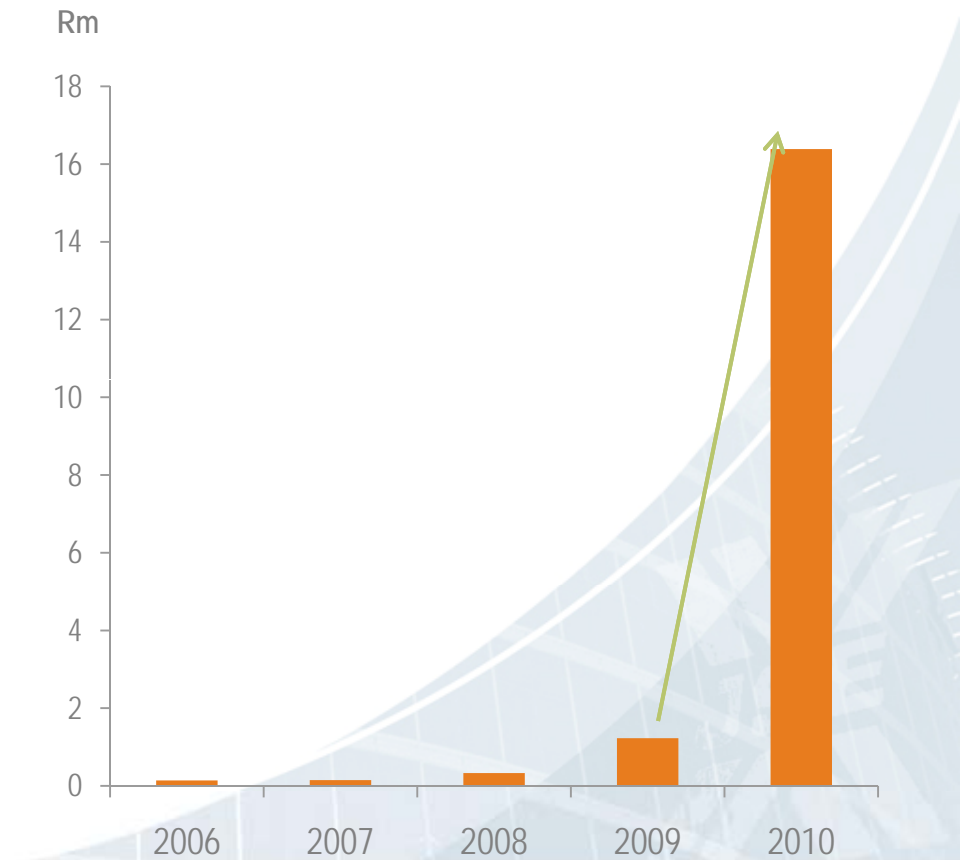
Commodity Derivatives

- ▶ Contracts traded up 11.2% to 1,011,712 (H1 2009: 902,370)
- ▶ Expansion of relationship with CME
 - ▶ Cash settled corn instrument performs well
 - ▶ New products launched, eg soybean
- ▶ Rise in trade in commodity options
 - ▶ Sparked by volatility in agricultural prices
- ▶ Phased move to shared derivatives platform underway
- ▶ H2 2010: more instruments launched
 - ▶ Under licence from CME
 - ▶ Cash settled silver, copper derivatives



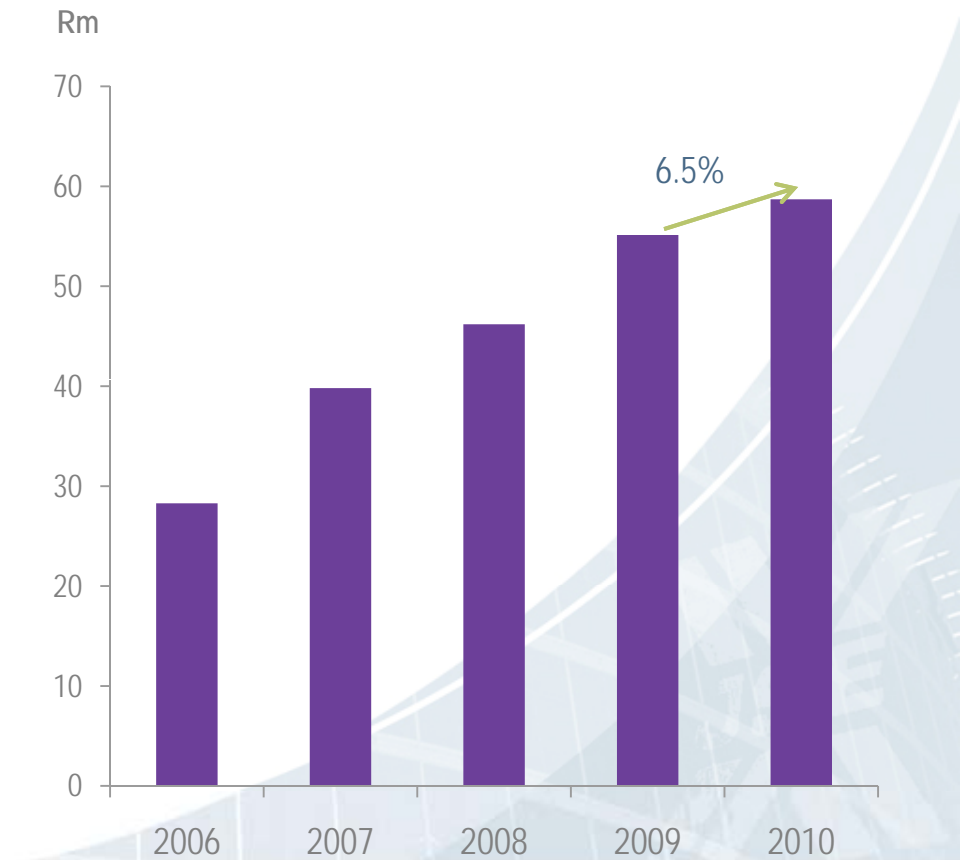
Interest Rate Market

- ▶ Reported cash volumes climb to R7.3 trillion (H1 2009: R6.9 trillion)
- ▶ Open interest for IR derivatives products tops the R100,000 mark for first time (exchange traded products)
- ▶ Dialogue with participants continues
- ▶ In H2 2010, IR team aims for
 - ▶ Single set of listings requirements
 - ▶ Single set of trading rules
 - ▶ Improved pre-trade price discovery process, disseminated through Nutron



Information Products Sales

- Market tough after global institutions downsize (post GFC)
- Team focuses on offshore clients
 - 17% growth in client numbers
- 3.6% decrease in total live terminals
 - Lower demand from live retail clients
- Corporate market stabilises: H2 2010
- Higher recurring data revenue
 - Results from stricter monitoring of data usage reporting
- Includes R1.5m of BESA revenue
- New product development continues



Income statement

Six months ended 30 June

	Group		
	2010 R million	2009 R million	% change
Revenue	623.3	544.5	14.5
Other income	21.1	8.6	146.0
Operating and other costs	(393.2)	(347.0)	13.3
Profit before net financing income	251.2	206.1	21.9
Net finance income	43.7	58.5	(25.4)
Share of profit of equity accounted investees	14.2	13.2	7.6
Profit before tax	309.1	277.9	11.2
Income tax	(101.5)	(94.3)	7.6
Profit for the year	207.6	183.5	13.1
Basic earnings per share (cents)	244.1	215.6	13.2
Diluted earnings per share (cents)	240.4	212.5	13.1

■ Cost breakdown

Rm		30 June 2010	30 June 2009	% change
Personnel expenses	Personnel	134.2	117.1	15%
	LTIS	11.6	12.2	-5%
		145.8	129.3	13%
Other expenses	Strate fees	52.2	43.4	20%
	Other	116.4	105.4	10%
	Operating lease	17.8	16.3	9%
	IT expenses	56.1	52.6	7%
		242.3	217.7	11%

■ Focus on costs

- ▶ Personnel expenses rose by 15%
 - ▶ Average salary rise of 8.6%
 - ▶ 17% increase in headcount to 420 permanent employees (H1 2009: 362)
- ▶ Other expenses increased by 11.3%. Factors include
 - ▶ Increased spending in consulting fees and computer costs (total: R5.8 million)
 - ▶ Provision for onerous costs (R4.0m) associated with BESA office lease
 - ▶ State charge (offset against equal revenue figure)
- ▶ Effective tax rate: 33% (H1 2009: 34%)
- ▶ New LTIS approved by shareholders at 2010 AGM
 - ▶ Replaces the previous schemes operated by the JSE
 - ▶ In H1 2010, LTIS 2010 results in share-based payment charge of R1.7million (2009: Rnil)

Employee number analysis

	30 June 2009		31 December 2009		30 June 2010	
	Permanent	Full time contractor	Permanent	Full time contractor	Permanent	Full time contractor
IT	113	18	131	20	140	25
BESA	0	0	39	1	32	0
Other	249	24	239	22	248	19
TOTAL	362	42	409	43	420	44

■ Growth prospects

- ▶ World market uncertainty lingers in H2 2010. JSE is responding by
 - ▶ Driving planned technology upgrades and controlling costs
 - ▶ Creating and listing products in response to client need
 - ▶ Marketing the JSE's value proposition to companies globally
 - ▶ Continuing focus on raising liquidity and improving competitiveness
 - ▶ Focus on settling the interest rate strategy, growing the interest rate market and delivering merger benefits
 - ▶ Driving the JSE's Africa strategy

