INTERIM RESULTS

JSE LIMITED REVIEWED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2015

CONTENTS

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS 2015

The condensed consolidated interim financial statements have been reviewed by the Group auditors and were prepared under the supervision of the Chief Financial Officer, Aarti Takoordeen CA(SA). The directors take full responsibility for the preparation of this report.

Commentary

JSE Limited ("JSE", "Company" or "Group") delivered a strong performance for the six months ended 30 June 2015. Group earnings after tax for 2015 increased by 29% to R430 million (2014: R333 million), with operating revenue growing by 16% to R1 billion (2014: R869 million).

Robust growth across all our product lines underpins this performance. This growth has enabled the JSE to announce a 20% reduction in the BDA transaction related fees from 31 August 2015 and follows realignment of the billing models in many of our product lines in 2014 and H1 2015.

These results follow the significant investments we have made over the years in our people and technology which enable the JSE to offer clients world-class services which clients are using more and more.

The JSE is also making good progress with a range of strategic initiatives that will strengthen our business, particularly in the Derivatives, Market Data and Post-Trade Services areas.

The following areas made good contributions to revenue:

- The Equity Market, where billable value traded grew by 24%, resulting in a 21% increase in cash equities trading revenue to R228 million (2014: R188 million);
- Post-Trade Services, where clearing and settlement revenue related to Equity trading grew by 11% to R148 million (2014: R133 million);
- BDA, where revenue (post-rebate) grew by 20% to R150 million (2014: R125 million) as a result of the significant 44% growth in the number of Equity Market transactions. As a consequence of the divergence between the rates of growth in value traded and number of transactions, rebates of R22 million were paid to Equity Market members. This is 17% of BDA revenue for the period;
- The Primary Market, where there was an 18% increase in revenue to R78 million (2014: R66 million) as a result of an adjustment in the annual listing fees and an increase in warrants and debt instruments issued. We also had nine new company listings (2014: 10);
- The Equities Derivatives Market, where value traded increased by 14%, resulting in a 15% increase in revenue to R83 million (2014: R72 million);
- The Currency Derivatives Market, where revenue increased by 25% to R15 million (2014: R12 million);
- The Interest Rate Market, where bond nominal value traded increased by 17%, resulting in a 13% increase in revenue to R24 million (2014: R21 million);
- The Commodities Derivatives Market, where the increased number of contracts traded and increased price volatility and physical delivery in grains resulted in a 31% increase in revenue to R34 million (2014: R26 million); and
- Market Data, where revenue grew by 10% (R10 million) to R105 million (2014: R95 million) with new business contributing R4 million.

New organic revenue from colocation, issuer services and Market Data contributed R12 million. Colocation accounted for 22% of overall market value traded during the period, with 19 out of 35 already built racks having been occupied.

The Group's operating expenses increased by 12% (2014: 4%) to R567 million (2014: R508 million). Personnel, technology and technology related costs (depreciation) continue to be the principal components of our largely fixed cost base.

Personnel costs increased by 8% to R210 million (2014: R194 million). This is primarily made up as follows:

- Staff cost to company expenses account for 3% of this increase, following a decrease in the headcount to 485 (2014: 505), a change in the staff skills mix and an average 7% gross remuneration increase per employee;
- The 2015 accounting impact of R11 million attributable to the Long-Term Incentive Scheme contributed 5% (R21 million (2014: R10 million)) of the growth in personnel costs; and
- Remuneration capitalised to projects increased by R3 million to R9 million (2014: R6 million).

Other expenses increased by 14% to R357 million (2014: R314 million). The detail is as follows:

- Technology costs, which make up the majority of these other expenses, increased by 19% to R110 million (2014: R92 million) as a result of project operating expenditure related to T+3 Phase 3, Integrated Trading and Clearing (ITaC), colocation and the like; and
- General expenses increased by 14% to R196 million (2014: R172 million) because of the deliberate decision to launch the tax-free savings account (TFSA), office renovations necessitated by the corporate restructure and increased utility charges.

Depreciation increased by only 3% to R50 million (2014: R49 million), mainly reflecting depreciation from T+3 Phase 2 and colocation, which has been largely offset by other fully depreciated assets.

Group earnings before interest and tax (EBIT) are up by 28% to R484 million (2014: R380 million). Earnings per share (EPS) increased by 29% to 503.9c (2014: 389.4c) and headline earnings per share (HEPS) increased by 25% to 490.3c (2014: 391.2c).

The Group cash balance has declined by R81 million since December 2014 to R1.5 billion as a result of paying dividends of R417 million (2014: R347 million) and the repayment of borrowings of R14 million, which results in the Group no longer carrying debt.

Group external capital expenditure during the period was R59 million. Of this, R31 million was spent on our various strategic initiatives and R24 million on business as usual. By year-end, the Group expects external capital expenditure to reach R181 million, R110 million of which is expected to be spent on ITaC, which is the Group's largest technology investment at present.

The total estimated internal and external capex spend for ITaC Project I is expected to be in the order of R400 million by 2017.

Strategic and operating performance

In an increasingly complex and noisy landscape, our strategic vision focuses on strengthening the foundational elements of our business (people, technology and regulation), diversifying revenues (particularly in the Derivatives, Market Data and Post-Trade Services areas), and driving enhanced capital and cost efficiencies so that we are able to offer our clients world class products, services and technology at reasonable prices.

Progressing the move of the Equity Market to T+3 and the development of Integrated Trading and Clearing (ITaC) are our top priorities in 2015 and a substantial portion of our corporate energy is dedicated to progressing these initiatives according to their respective project plans.

Changes to directorate

In 2015, to the date of this announcement, there have been two changes to our Board of Directors:

- Sam Nematswerani retired as a Board member and as chairman of our Audit Committee on 21 May 2015; and
- Suresh Kana joined the Board on 1 July 2015 after his retirement as the Senior Partner of PwC Africa.

Prospects

The JSE is a largely fixed-cost business. Costs are tightly managed and the necessary capital investments are made in areas that will enhance the Group's long-term sustainability. Our revenues are variable and largely driven by activity on the various markets that we operate.

We are clear about our 2015 priorities. Hence, we are clear as to which issues we need to tackle in order to achieve our strategy. A demanding number of years of investment and delivery lie ahead and it is not clear that H2 will see the same transactional activity as H1. This will impact our income statement.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with International Financial Reporting Standard, IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Approval of financial statements

The condensed consolidated interim financial statements were approved by the Board of directors on 13 August 2015 and are signed on its behalf by

N Nyembezi-Heita

N Nyembezi-Heita
Chairman

NF Newton-King
Chief Executive Officer

INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS

To the shareholders of JSE Limited

We have reviewed the condensed consolidated financial statements of JSE Limited, contained in the accompanying interim report, which comprise the consolidated statement of financial position as at 30 June 2015, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the six months then ended, and selected explanatory notes, as set out on pages 5 to 14.

Directors' responsibility for the interim financial statements

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with International Financial Reporting Standard, IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on these interim financial statements.

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

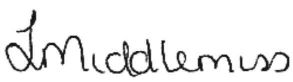
A review of the interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of JSE Limited for the six months ended 30 June 2015 are not prepared, in all material respects, in accordance with International Financial Reporting Standard, IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

KPMG Inc.
Registered auditor



Per Tracy Middlemiss
Chartered Accountant (SA)
Registered auditor
Director

13 August 2015
85 Empire Road
Parktown
2193

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2015

		JSE Group		
		Six months ended 30 June		Year ended 31 December
	Notes	**2015 (reviewed) R'000**	2014 (reviewed) R'000	2014 (audited) R'000
Revenue	9	**1 007 530**	868 757	1 778 629
Other income		**43 407**	18 537	61 240
Personnel expenses	10	**(210 000)**	(194 271)	(466 786)
Other expenses	11	**(357 161)**	(313 720)	(669 290)
Profit from operating activities		**483 776**	379 303	703 793
Finance income		**975 821**	672 867	1 539 449
Finance costs		**(896 585)**	(613 467)	(1 412 589)
Net finance income		**79 236**	59 400	126 860
Share of profit of equity-accounted investees (net of income tax)		**22 370**	18 286	36 955
Profit before income tax		**585 382**	456 989	867 608
Income tax expense	12	**(154 859)**	(124 262)	(233 269)
Profit for the period		**430 523**	332 727	634 339
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		**17 054**	18 232	27 143
Net change in fair value of available-for-sale financial assets reclassified to profit or loss		**(11 468)**	1 419	(6 379)
Income tax on other comprehensive income		**–**	–	–
Other comprehensive income for the period, net of income tax		**5 586**	19 651	20 764
Total comprehensive income for the period		**436 109**	352 378	655 103
Earnings per share				
Basic earnings per share (cents)	13.1	**503.9**	389.4	742.4
Diluted earnings per share (cents)	13.2	**499.4**	386.1	734.1
Other earnings				
Headline earnings per share (cents)	13.3	**490.3**	391.2	735.0
Diluted headline earnings per share (cents)	13.4	**485.9**	387.9	726.8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

		JSE Group		
		As at 30 June		As at 31 December
	Notes	**2015 (reviewed) R'000**	2014 (reviewed) R'000	2014 (audited) R'000
Assets				
Non-current assets		**993 708**	939 294	969 883
Property and equipment		**151 992**	181 586	161 836
Intangible assets	14	**310 739**	284 584	283 111
Investments in equity-accounted investees		**162 832**	140 675	159 284
Other investments		**304 615**	274 660	292 750
Loan to the JSE Empowerment Fund Trust		**14 301**	14 316	13 924
Deferred taxation		**49 229**	43 473	58 978
Current assets		**35 574 587**	27 066 558	28 241 085
Trade and other receivables		**412 505**	270 171	336 546
Income tax receivable		**600**	13 952	605
JSE Clear Derivatives Default Fund collateral deposit		**500 000**	505 869	500 000
Margin deposits		**33 108 028**	24 927 496	25 676 434
Collateral deposits		**3 695**	46 786	96 262
Cash and cash equivalents		**1 549 759**	1 302 284	1 631 238
Total assets		**36 568 295**	28 005 852	29 210 968
Equity and liabilities				
Total equity		**2 503 861**	2 159 877	2 473 994
Share capital		**8 571**	8 541	8 541
Share premium		**80 278**	63 348	63 348
Reserves	16	**462 083**	437 467	449 488
Retained earnings		**1 952 929**	1 650 521	1 952 617
Non-current liabilities		**114 252**	152 146	120 522
Finance lease		**–**	10 597	–
Borrowings	17	**–**	16 593	13 977
Employee benefits		**9 948**	–	5 761
Due to Safex members		**1 347**	–	1 347
Deferred taxation		**7 178**	9 279	9 077
Operating lease liability		**81 447**	66 676	74 358
Deferred income		**14 332**	49 001	16 002
Current liabilities		**33 950 182**	25 693 829	26 616 452
Trade and other payables		**346 964**	264 787	295 200
Income tax payable		**35 194**	–	32 377
Due to Safex members		**–**	1 318	–
Employee benefits		**56 301**	53 442	116 179
JSE Clear Derivatives Default Fund collateral contribution		**400 000**	400 000	400 000
Margin deposits		**33 108 028**	24 927 496	25 676 434
Collateral deposits		**3 695**	46 786	96 262
Total equity and liabilities		**36 568 295**	28 005 852	29 210 968

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2015

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 31 December 2013	**8 533**	**84 671**	**93 204**	**386 335**	**44 740**	**431 075**	**1 664 187**	**2 188 466**
Profit for the period	–	–	–	–	–	–	332 727	332 727
Other comprehensive income	–	–	–	19 651	–	19 651	–	19 651
Total comprehensive income for the period	–	–	–	19 651	–	19 651	332 727	352 378
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]	–	–	–	(1 563)	–	(1 563)	1 563	–
Dividends paid to owners	–	–	–	–	–	–	(347 461)	(347 461)
Equity-settled share-based payment	–	–	–	–	9 667	9 667	–	9 667
Transfer of profit from Investor Protection Fund	–	–	–	495	–	495	(495)	–
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)	(1 068)	(12 191)	(13 259)	(346 393)	(380 967)
Balance at 30 June 2014	**8 541**	**63 348**	**71 889**	**404 918**	**32 549**	**437 467**	**1 650 521**	**2 159 877**
Profit for the period	–	–	–	–	–	–	301 612	301 612
Other comprehensive income	–	–	–	1 113	–	1 113	–	1 113
Total comprehensive income for the period	–	–	–	1 113	–	1 113	301 612	302 725
Distribution from BESA Guarantee Fund Trust[1]	–	–	–	(1 717)	–	(1 717)	1 717	–
Dividends paid to owners	–	–	–	–	–	–	4	4
Equity-settled share-based payment	–	–	–	–	11 388	11 388	–	11 388
Reserves arising on acquisition of Strate (Pty) Limited transferred	–	–	–	(10 058)	–	(10 058)	10 058	–
Transfer of profit from Investor Protection Fund	–	–	–	11 295	–	11 295	(11 295)	–
Total contributions by and distributions to owners of the Company recognised directly in equity	–	–	–	(480)	11 388	10 908	484	11 392
Balance at 31 December 2014	**8 541**	**63 348**	**71 889**	**405 551**	**43 937**	**449 488**	**1 952 617**	**2 473 994**
Profit for the period	–	–	–	–	–	–	430 523	430 523
Other comprehensive income	–	–	–	5 586	–	5 586	–	5 586
Total comprehensive income for the period	–	–	–	5 586	–	5 586	430 523	436 109
Allocation 2 – shares vested	16	8 441	8 457	–	(8 457)	(8 457)	–	–
Allocation 3 – shares vested	15	12 162	12 177	–	(12 177)	(12 177)	–	–
Distribution from the BESA Guarantee Fund Trust[1]	–	–	–	(1 723)	–	(1 723)	1 723	–
Dividends paid to owners	–	–	–	–	–	–	(416 516)	(416 516)
Equity-settled share-based payment	–	–	–	–	13 948	13 948	–	13 948
Transfer of profit from Investor Protection Fund	–	–	–	15 418	–	15 418	(15 418)	–
Sale of treasury shares	29	36 272	36 301					36 301
Treasury shares	(30)	(39 742)	(39 772)	–	–	–	–	(39 772)
Treasury shares – share issue costs	–	(203)	(203)	–	–	–	–	(203)
Total contributions by and distributions to owners of the Company recognised directly in equity	30	16 930	16 960	13 695	(6 686)	7 009	(430 211)	(406 242)
Balance at 30 June 2015	**8 571**	**80 278**	**88 849**	**424 832**	**37 251**	**462 083**	**1 952 929**	**2 503 861**
Note	18	18		16	16			

[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, R1.7m (December 2014: R3.3m) (June 2014: R1.6m) before intercompany adjustments was transferred to the JSE Limited for the defrayment of market regulatory expenditure.*

CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2015

	JSE Group		
	Six months ended 30 June		Year ended 31 December
	2015 (reviewed) R'000	2014 (reviewed) R'000	2014 (audited) R'000
Cash flows from operating activities			
Cash generated by operations	**516 938**	486 386	899 719
Interest received	**956 799**	655 054	1 477 111
Interest paid	**(873 415)**	(578 733)	(1 358 914)
Dividends received	**3 115**	2 189	5 001
Taxation paid	**(144 187)**	(125 876)	(204 866)
Net cash generated by operating activities	**459 250**	439 020	818 051
Cash flows from investing activities			
Proceeds on sale of other investments	**27 336**	21 932	35 284
Acquisition of other investments	**(22 145)**	(29 571)	(51 533)
Contributions for JSE Clear Derivatives Default Fund	**–**	–	16 870
Dividends from equity-accounted investees	**18 823**	19 779	19 779
Proceeds from disposal of property and equipment	**602**	–	295
Leasehold improvements	**(893)**	(5 621)	(6 370)
Acquisition of intangible assets	**(52 105)**	(46 339)	(65 741)
Acquisition of property and equipment	**(16 292)**	(50 159)	(59 093)
Net cash used in investing activities	**(44 674)**	(89 979)	(110 509)
Cash flows from financing activities			
Proceeds from sale of treasury shares	**36 198**	–	–
Contributions paid to JSE Clear Derivatives Default Fund	**–**	–	(10 000)
Borrowings repaid	**(13 977)**	(2 462)	(5 078)
Acquisition of treasury shares	**(39 872)**	(43 173)	(43 173)
Dividends paid	**(416 516)**	(347 461)	(347 457)
Net cash used in financing activities	**(434 167)**	(393 096)	(405 708)
Net (decrease)/increase in cash and cash equivalents	**(19 591)**	(44 055)	301 834
Cash and cash equivalents at 1 January	**1 631 238**	1 378 952	1 378 952
Effect of exchange rate fluctuations on cash held	**(61 888)**	(32 613)	(49 548)
Cash and cash equivalents at end of period	**1 549 759**	1 302 284	1 631 238

1. Reporting entity

JSE Limited (the "Company", the "JSE" 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 condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2015 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.

2. Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard, IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa.

The condensed consolidated interim financial statements were approved by the Board of Directors on 13 August 2015.

3. Significant accounting policies

All accounting policies applied by the Group in these condensed consolidated interim financial statements are in terms of IFRS and consistent with 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 six months ended 30 June 2014 and the year ended 31 December 2014.

5. Use of estimates and judgements

The preparation of interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2014.

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. New standards and interpretations not yet adopted

A number of forthcoming new standards and interpretations or amendments to standards and interpretations were issued by the International Accounting Standards Board (IASB) prior to the publication of these financial statements, but are effective only in future accounting periods, as listed below:

IFRS 9 – Financial instruments – effective date: 1 January 2018

The amendments affect the classification, measurement and derecognition of financial assets and financial liabilities. The amendment will be adopted by the Group for its financial reporting period ending after the date the statement comes into effect. The Group does not expect a significant impact from the adoption of this statement.

IFRS 15 Revenue from Contracts with Customers – effective date: 1 January 2018

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The Group does not expect a significant impact from the adoption of this statement.

8. 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.

Information about reportable segments

	Cash equities[1] R'000	Equity and currency derivatives R'000	Commodity derivatives R'000	Interest rate market[2] R'000	Market data R'000	Other[3] R'000	Total R'000
For the period ended 30 June 2015							
External revenues	**628 555**	**97 305**	**34 293**	**34 806**	**113 403**	**99 168**	**1 007 530**
For the period ended 30 June 2014							
External revenues	547 549	84 093	25 613	32 039	95 431	84 032	868 757
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

[1] *Comprises equities trading fees, risk management, clearing and settlement fees, membership fees, primary market fees and back-office services (BDA).*
[2] *Includes R9.7m (June 2014: R9.8m) (December 2014: R19.3m) of primary market fees relating to the bond market.*
[3] *Comprises funds under management and Strate ad valorem fees.*

9. Revenue

	Six months ended 30 June 2015 (reviewed) R'000	Six months ended 30 June 2014 (reviewed) R'000	Year ended 31 December 2014 (audited) R'000
Back-office services (BDA)	**150 179**	125 252	268 096
Commodity Derivatives fees	**34 293**	25 613	55 191
Currency Derivatives fees	**14 798**	12 361	23 473
Equity Derivatives fees	**82 507**	71 732	147 078
Equity Market fees [1]	**238 186**	205 155	414 815
Funds under management	**41 526**	35 681	76 186
Interest Rate Market fees	**25 075**	22 196	43 742
Primary Market fees	**77 961**	65 842	134 213
Market data fees	**113 403**	95 431	203 852
Membership fees	**6 071**	5 828	11 617
Post-trade services	**165 889**	155 314	299 265
Total revenue before Strate ad valorem fees	**949 888**	820 405	1 677 528
Strate ad valorem fees	**57 642**	48 352	101 101
Total revenue	**1 007 530**	868 757	1 778 629

[1] *Includes R9.5m (June 2014: 17m and December 2014: R24m) of trading services fees.*

10. Personnel expenses

	2015 (reviewed) R'000	2014 (reviewed) R'000	2014 (audited) R'000
Remuneration paid	**197 032**	189 914	455 038
Long-term incentive schemes	**21 681**	10 245	22 070
Total personnel expenses	**218 713**	200 159	477 108
Less: Capitalised to intangible assets	**(8 713)**	(5 888)	(10 322)
	210 000	194 271	466 786

	Six months ended 30 June 2015 (reviewed) R'000	Six months ended 30 June 2014 (reviewed) R'000	Year ended 31 December 2014 (audited) R'000
11. Other expenses			
Other operating expenses	**(293 587)**	(265 368)	(558 433)
Strate ad valorem fees	**(63 574)**	(48 352)	(110 857)
	(357 161)	(313 720)	(669 290)

12. Income tax expense

The Group's consolidated effective tax rate for the six months ended 30 June 2015 was 26% (for the six months ended 30 June 2014: 27%; for the year ended 31 December 2014: 27%).

	Six months ended 30 June 2015 (reviewed) R'000	Six months ended 30 June 2014 (reviewed) R'000	Year ended 31 December 2014 (audited) R'000
13. Earnings and headline earnings per share			
13.1 Basic earnings per share			
Profit for the period attributable to ordinary shareholders	**430 523**	332 727	634 339
Weighted average number of ordinary shares:			
Issued ordinary shares at 1 January	**86 877 600**	86 877 600	86 877 600
Effect of own shares held (JSE LTIS 2010)	**(1 445 455)**	(1 425 119)	(1 435 563)
Weighted average number of ordinary shares at 30 June/31 December	**85 432 145**	85 452 481	85 442 037
Basic earnings per share (cents)	**503.9**	389.4	742.4
13.2 Diluted earnings per share			
Profit for the period attributable to ordinary shareholders	**430 523**	332 727	634 339
Weighted average number of ordinary shares (diluted):			
Weighted average number of ordinary shares at 30 June/31 December (basic)	**85 432 145**	85 452 481	85 442 037
Effect of Long-Term Incentive Scheme	**767 796**	730 001	965 962
Weighted average number of ordinary shares (diluted)	**86 199 941**	86 182 482	86 407 999
Diluted earnings per share (cents)	**499.4**	386.1	734.1
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 period			
13.3 Headline earnings per share			
Reconciliation of headline earnings:			
Profit for the period attributable to ordinary shareholders	**430 523**	332 727	634 339
Adjustments are made to the following:			
Profit or loss on disposal of property and equipment	**(176)**	128	37
Gross amount	**(244)**	178	51
Taxation effect	**68**	(50)	(14)
Net realised (gains)/losses on disposal of available-for-sale financial assets (no taxation effect)	**(11 468)**	1 419	(6 379)
Headline earnings	**418 879**	334 274	627 997
Headline earnings per share (cents)	**490.3**	391.2	735.0
13.4 Diluted headline earnings per share			
Diluted headline earnings per share (cents)	**485.9**	387.9	726.8

14. Intangible assets

Included in the intangible assets of R311m (June 2014: R285m) (December 2014: R283m) is work in progress of R44m (June 2014: R46m) (December 2014: R97m), mainly in respect of T+3 and integrated trading and clearing.

15. Financial instruments

The carrying amount of all financial instruments not measured at fair value approximates the fair value.

16. Reserves

	Six months ended 30 June		Year ended 31 December
	2015 (reviewed) R'000	2014 (reviewed) R'000	2014 (audited) R'000
Strate Limited	**–**	10 058	–
Investor protection funds[1]	**424 832**	394 860	405 551
– BESA Guarantee Fund Trust	**106 350**	103 803	105 262
– JSE Derivatives Fidelity Fund Trust	**164 354**	147 101	152 812
– JSE Guarantee Fund Trust	**154 128**	143 956	147 477
Non-distributable reserves	**424 832**	404 918	405 551
JSE LTIS 2010 reserve[2]	**37 251**	32 549	43 937
Total reserves	**462 083**	437 467	449 488

[1] These funds were established for the purpose of investor protection in the event of a member defaulting in the Equity Derivatives and Bond Markets.
[2] The reserve relates to the portion of the LTIS 2010 Long-Term Incentive Scheme that has been expensed to date.

17. Borrowings

During the six months ended 30 June 2015, the loan from Momentum Alternative Investments (Pty) Ltd, used to fund the purchase of Nautilus MAP, was settled. The loan was denominated in South African rands.

18. Share-based payments

Vesting of Allocation 2

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 (during the period under review).

The vesting of Tranche 1 was completed in 2014.

Tranche 2 – fully vested

All available Tranche 2 retention shares (110 450 shares) vested for those participants still in the employ of the JSE on 1 May 2015.

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 78% of these Tranche 2 shares should vest for those participants still in the employ of the JSE on 1 May 2015. The remainder of the Tranche 2 corporate performance shares (being 8 679 shares) was forfeited by participants.

As at 30 June 2015, details of Allocation 2 Tranche 2 were as follows:

	Retention shares	Corporate performance shares	Total shares
Tranche 2			
Original number of Tranche 1 shares awarded in May 2011	158 750	54 700	213 450
Forfeited by leavers to date	(34 300)	(15 250)	(49 550)
Tranche 2 shares forfeited for missing performance targets	–	(8 679)	(8 679)
Accelerated for good leavers	(14 000)	(7 293)	(21 293)
Tranche 2 shares vested on 1 May 2015	(110 450)	(23 478)	(133 928)
Tranche 2 shares outstanding	–	–	–

18. Share-based payments *(continued)*

Vesting of Allocation 3

The third award (Allocation 3) under LTIS 2010 was granted in June 2012 with the following vesting profile:

Tranche 1: 50% of the total award, which vested on 30 June 2015 (during the period under review).
Tranche 2: 50% of the total award, which vests on 30 June 2016.

Tranche 1 - fully vested

116 533 Personal performance shares vested for those participants still in the employ of the JSE on 1 June 2015 with 1017 shares being forfeited for missing personal performance targets.

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 78.07% of these Tranche 1 shares should vest for those participants still in the employ of the JSE on 1 June 2015. The remainder of the Tranche 1 corporate performance shares (being 10 713 shares) was forfeited by participants.

As at 30 June 2015, details of Allocation 3 Tranche 1 were as follows:

	Personal performance shares	Corporate performance shares	Total shares
Original number of Tranche 1 shares awarded in June 2012	131 800	51 500	183 300
Forfeited by leavers to date	(14 250)	(2 650)	(16 900)
Tranche 1 shares forfeited for missing performance targets	(1 017)	(10 713)	(11 730)
Tranche 1 shares vested on 1 June 2015	(116 533)	(38 137)	(154 670)
Tranche 1 shares outstanding	–	–	–

Grant of Allocation 6 share awards during the period under review

At the annual general meeting held on 21 May 2015, 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 6") to selected employees for the 2015 year, and these individual allocations were all accepted by scheme participants by 1 June 2015. Allocation 6 comprised a total of 302 340 JSE ordinary shares and these shares were acquired in the open market by 29 May 2015, at a volume-weighted average price (including all execution costs) or R131.54 per ordinary share. These shares are held in trust and are restricted until all vesting conditions are fulfilled, whereupon the shares vest.

Included in the total number of shares granted of 302 340, a total of 160 620 corporate performance shares has been granted to members of the JSE's Executive Committee. No personal performance shares were allocated under Allocation 6.

	Corporate performance shares
Share price at grant date (rands per share)	131.54
Total number of shares granted	302 340
Dividend yield	3%
Grant date	1 June 2015
Vesting profile:	
50% of the shares awarded vest on 31 May 2018	151 170
50% of the shares awarded vest on 31 May 2019	151 170

18. Share-based payments *(continued)*

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:

Rands	Six months ended 30 June 2015	Six months ended 30 June 2014
Allocation 1 (granted in May 2010)	–	0.8m
Allocation 2 (granted in May 2011)	**0.6m**	1.4m
Allocation 3 (granted in June 2012)	**4.3m**	2.7m
Allocation 4 (granted in May 2013)	**4.0m**	4.0m
Allocation 5 (granted in May 2014)	**4.2m**	0.7m
Allocation 6 (granted in May 2015)	**0.6m**	–
	13.7m	9.6m

19. Contingent liabilities and commitments

19.1 Contingent liabilities

There were no material changes to the contingent liabilities as disclosed in the annual financial statements for 31 December 2014.

19.2 Commitments

There were no changes to the commitments as disclosed in the annual financial statements for 31 December 2014.

20. 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 within 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).

30 June 2015	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total balance R'000
Available-for-sale financial assets	**215 107**	**89 508**	–	**304 615**

31 December 2014	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total balance R'000
Available-for-sale financial assets	212 182	80 567	–	292 749

Sandton
Thursday, 13 August 2015

Sponsor

Rand Merchant Bank
(a division of FirstRand Limited)

JSE

JSE Limited
(Registration number 2005/022939/06)
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