

BURSA MALAYSIA BERHAD

1H 2008 Financial Results

17 July 2008

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OVERVIEW

FINANCIAL REVIEW

OUTLOOK

Q&A

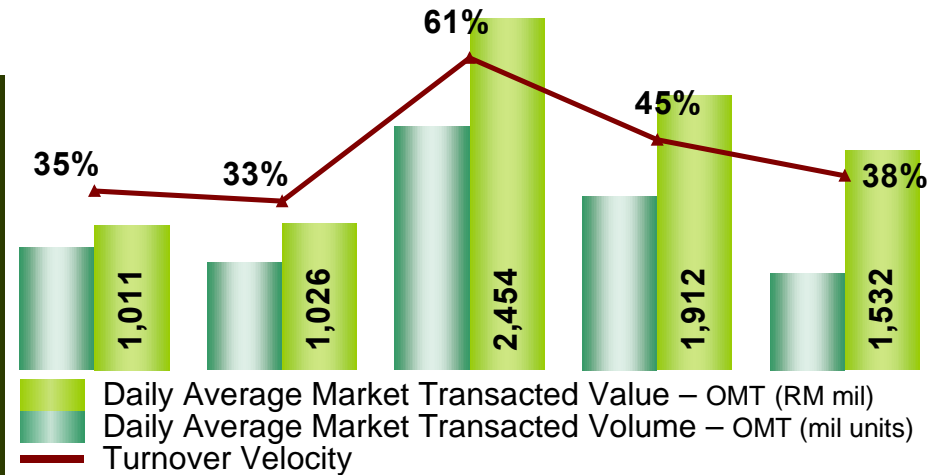
OVERVIEW

Operating Drivers

Impacted By Continued Global Uncertainties And Local Market Sentiments

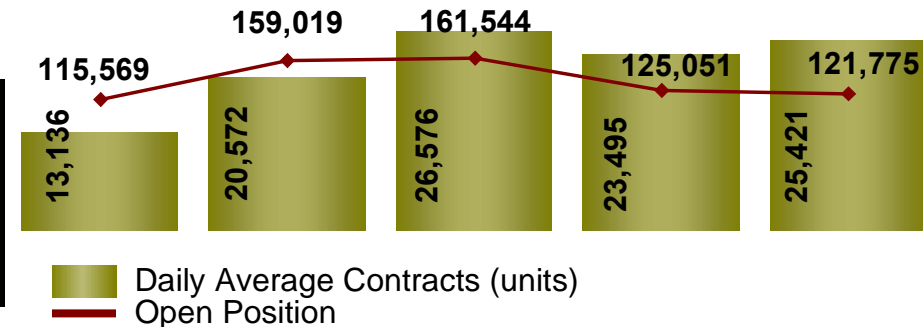
EQUITIES

	1H08	1H07	%
Velocity (%)	38	61	(38)
Market Capitalisation (RM tri)	0.9	1.1	(18)
Daily Average Trading Volume OMT+DBT (bil)	0.7	1.8	(61)
Daily Average Trading Value OMT+DBT (RM bil)	1.7	2.7	(37)



DERIVATIVES

	1H08	1H07	%
Daily Average Contracts	25,421	26,576	(4)



Performance Summary

	<i>RM mil</i>	1H08 vs. 1H07 % ▲			2Q08 vs. 1Q08 % ▲		
PAT		70.7	135.2	(48)	28.6	42.1	(32)
EBITDA		83.1	165.9	(50)	33.5	49.6	(32)
Earnings per Share (sen)		13.5	26.0	(48)	5.5	8.0	(31)
Dividend (sen)		16.5	32.0	(48)			

Key Ratios

	%	1H08	1H07	▲%	2H07	▲%
Annualised Return on Equity		18.4	31.7	(42)	25.1	(27)
EBITDA Margin		50.7	69.4	(30)	58.3	(13)
Net Profit Margin		37.8	50.7	(25)	46.8	(19)
Stable Revenue + Derivatives Income: Total Operating Expenses		83.7	87.9	(5)	74.0	(13)

1H08 vs. 1H07 Commentary

The ratios are lower mainly due to the lower revenue from the equity market

1H08 Events Highlights

Initiatives To Build The Competitiveness Of Our Market

- ✓ **Introduced Direct Market Access Derivatives**
- ✓ **Launched Electronic Trading Platform (Fixed Income)**
- ✓ **Listed MyETF - Dow Jones Islamic Market Malaysia Titans 25**

FINANCIAL REVIEW

Financial Results Overview

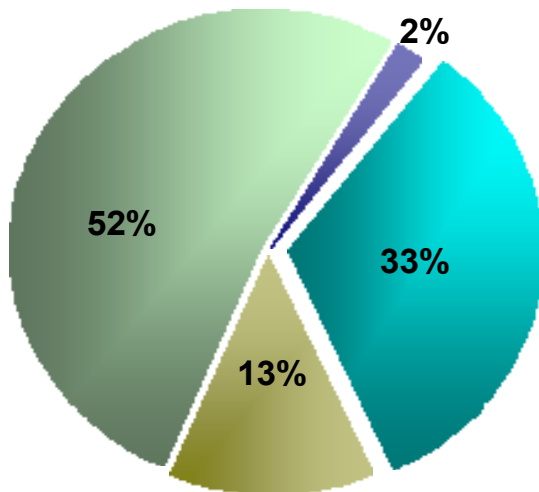
RM	1H08	1H07	▲%	2H07	▲%
Operating Revenue (mil)	164.1	239.2	(31)	204.0	(20)
EBITDA (mil)	83.1	165.9	(50)	118.9	(30)
Operating Expenses (mil)	90.3	80.2	13	92.2	(2)
Profit Before Tax (mil)	96.3	186.0	(48)	133.0	(28)
Taxation (mil)	25.6	50.8	(50)	27.6	(7)
Profit After Tax (mil)	70.7	135.2	(48)	105.5	(33)
Earnings per Share (sen)	13.5	26.0	(48)	20.1	(33)

Commentary

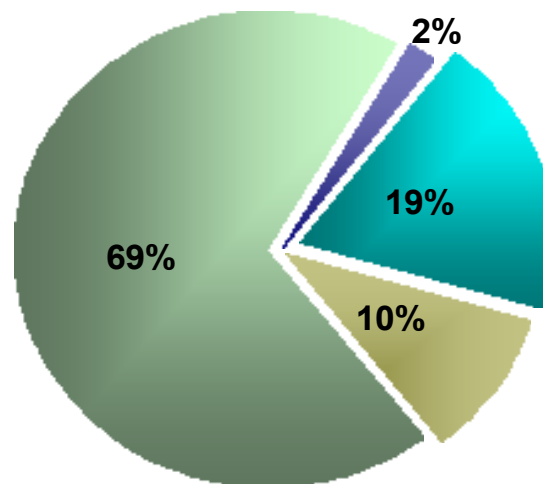
- Decrease of revenue affected by continuing global & domestic uncertainties and inflationary pressures

Operating Revenue

1H08: RM 164.1 mil



1H07: RM 239.2 mil



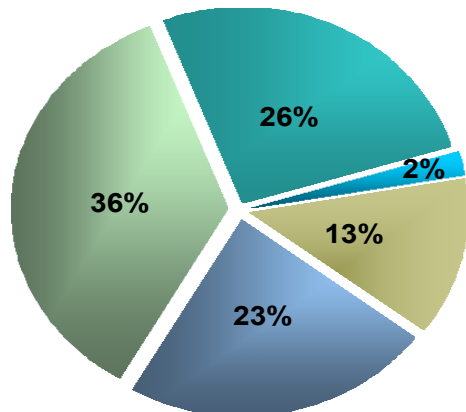
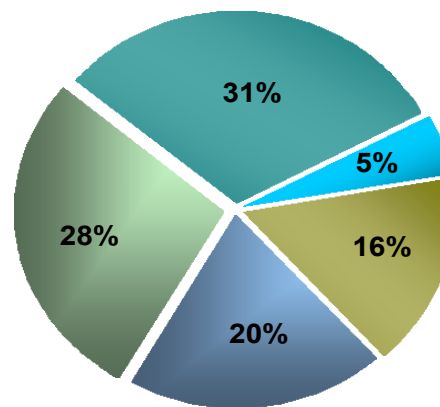
	RM mil	1H08	1H07	▲%	2H07	▲%
Trading Revenue (Equities)		84.9	164.5	(48)	132.0	(36)
Trading Revenue (Derivatives)		22.0	23.7	(7)	21.0	5
Stable Revenue		53.5	46.8	14	47.2	13
Other Operating Revenue*		3.7	4.2	(12)	3.8	(3)

* Other Operating Revenue = perusal and processing fees

1H08 vs. 1H07 Commentary

- Equity market performed poorer due to the bearish market and revision of clearing fee
- Lower derivatives trading revenue due to decline in number of derivatives contracts from 3.2mil in 1H07 to 3.1mil in 1H08
- Stable revenue increased due to higher listing and information services fees
- Lower Other Operating Revenue due to lower perusal & processing fees

Stable Revenue

1H08: RM 53.5 mil

1H07: RM 46.8 mil


	RM mil	1H08	1H07	▲%	2H07	▲%
Depository Services		13.9	14.6	(5)	13.8	1
Listing Fees		19.1	13.1	46	14.0	36
Information Services		12.2	9.5	28	10.3	18
Broker Services*		6.9	7.5	(8)	7.6	(9)
Participants' Fees**		1.4	2.1	(33)	1.5	(7)

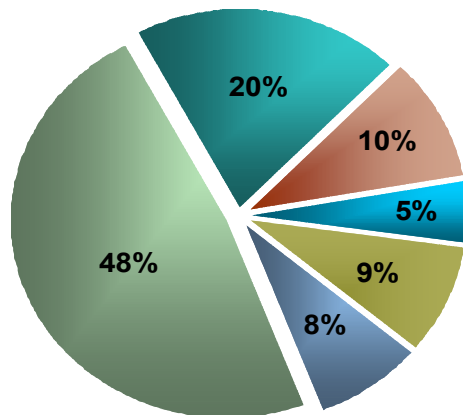
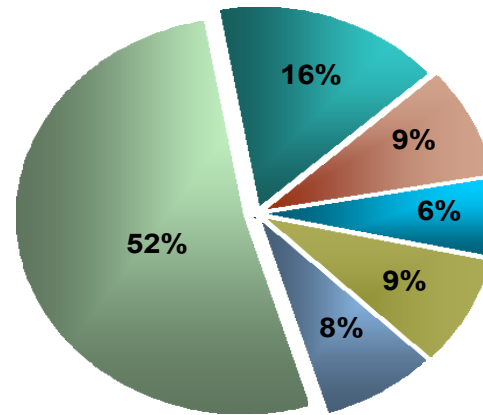
* Broker Services comprises of Data Comm equipment rental income from a fixed monthly rate

** Participants' Fees comprises of application/admission/initial/registration fees, participants' subscriptions and renewal fees

1H08 vs. 1H07 Commentary

- Higher listing fees due to full charge of listing fees in 2008 (50% rebate in 2007)
- Higher information services fees due to revised fee structure in October 2007
- Lower broker services fees from reduction in number of terminals at broker sites (Migration of old CDS system to web based system)
- Lower depository fees due to lower transfer fee and additional issue fees (reduced corporate activities)
- Lower participants' fees due to the absence of MESDAQ advisors and sponsors applications in 1H08

Operating Expenses

1H08: RM 90.3 mil

1H07: RM 80.2 mil


	RM mil				
	1H08	1H07	▲ %	2H07	▲ %
Staff Costs	43.1	41.8	3	43.6	(1)
Market Development	7.5	6.4	17	11.8	(36)
IT Maintenance	7.6	7.4	3	6.0	27
Building Management Costs	4.7	4.5	4	4.8	(2)
Depreciation & Amortisation	9.3	7.0	33	7.1	31
Other OPEX	18.1	13.1	38	18.9	(4)

* Other OPEX = professional fees, administrative expenses, CDS consumables, etc.

1H08 vs. 1H07 Commentary

- Increase in staff costs due to higher ESOS allocations, increase in headcounts & annual salary increments
- Higher depreciation due to newly acquired system upgrade, renovation & FMTP launch
- Higher other OPEX is mainly due to higher professional fees paid and bond impairment resulting from a weak bond market

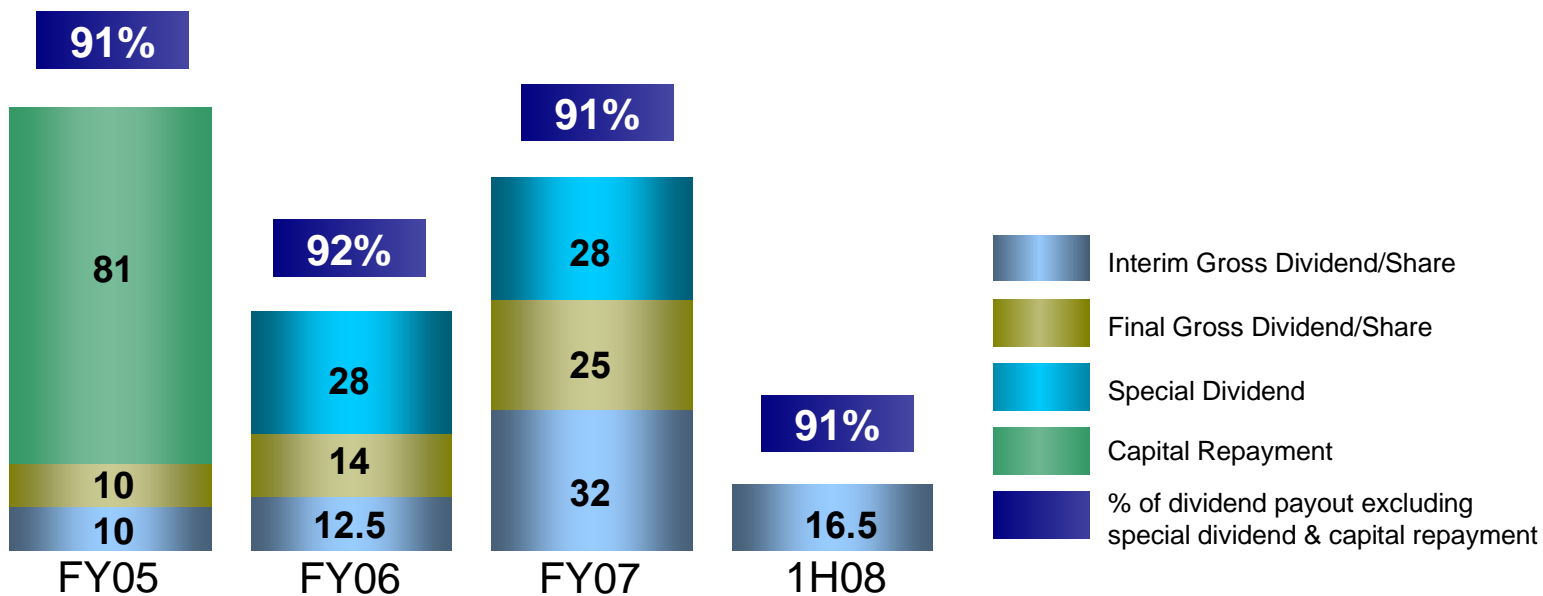
Capital Management

	@ 30 June 2008	
	RM mil	USD \$ mil
Financial Resources Available for Use	423	130
Shareholders' Fund	760	233
Capital Expenditure	12	4

Dividend Payout > 90%

Delivers Value To Shareholders

Historical Dividend Payout in sen



Dividend Yield as at 30 June 2008

2.2%

Total Shareholders' Return since listing till 30 June 2008

218%

OUTLOOK

Targets

Challenged By Global And Domestic Climate

Bursa's KPI 2008	Target	1H08
Velocity	56%	38%
Annual growth in derivatives contracts traded	50%	0%

Initiatives:

Improvement of Infrastructure

- DMA Derivatives
- Bursa Trade Securities

Introduction of New Products

- USD based Crude Palm Oil Futures
- Thematic ETF

Other Initiatives

- Market Making
- Continued Retail Education
- Unification of Boards

In The Pipeline...

Initiatives To Enhance Market Attractiveness

Improvement of Infrastructure

- DMA Equity
- Commodity Murabahah House
- Asean trading linkages
- Multicurrency platform
- Islamic Securities Borrowing & Lending
- Negotiated Large Trades - Derivatives

Introduction of New Product

- Multicurrency ETFs

Other Initiative

- Commodity Futures Trading Commission's Approval

Outlook

EQUITIES MARKET

Challenging months ahead

- Investors' sentiment expected to be impacted by slowing US and global economy, rising crude oil, commodities & food prices and domestic uncertainties**
- Good opportunity for bargain hunting**
- A shift to Islamic based investment products**

DERIVATIVES MARKET

Expect continued interest in FCPO and FKLI

- FKLI: Interest to move in tandem with the expectations in the equity market**
- FCPO: Interest guided by expectations of supply and demand of CPO, price of substitute products and environmental issues.**

BOND MARKET

No significant income expected due to availability of alternative OTC trading

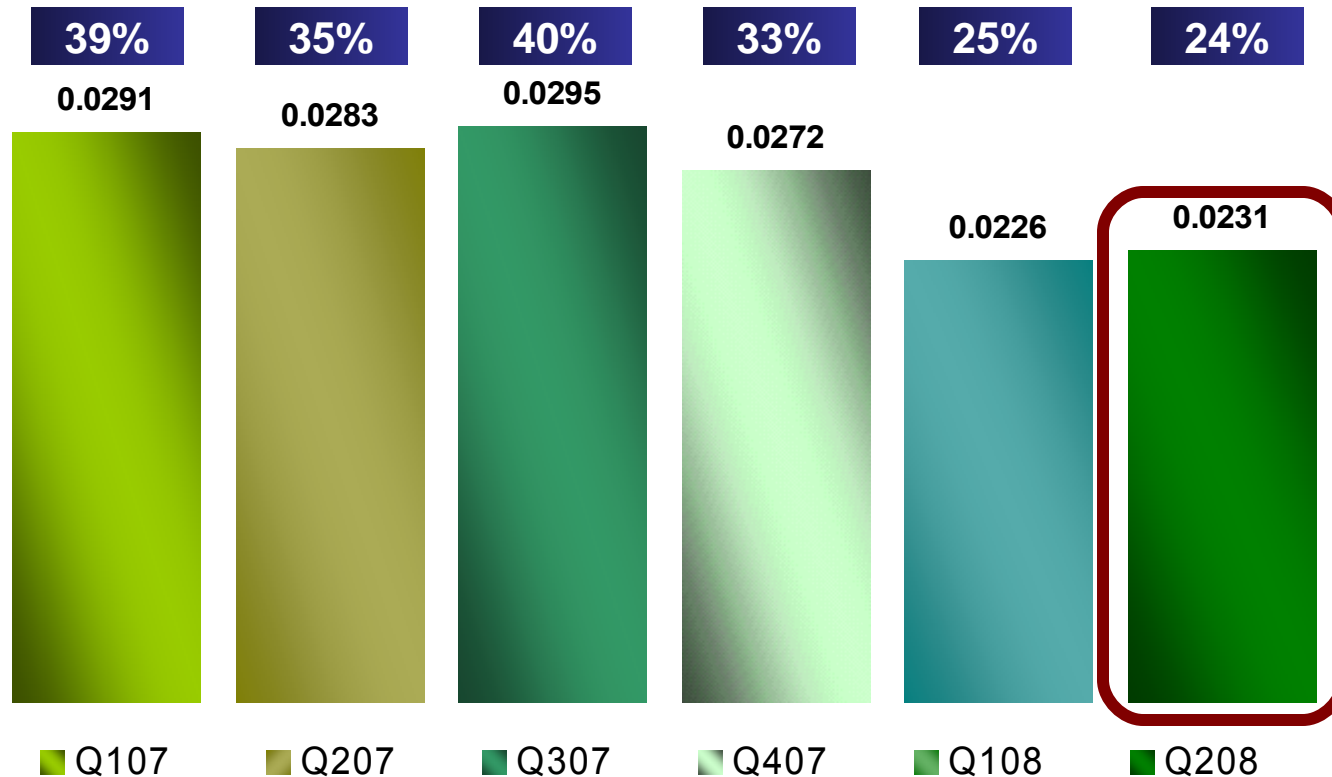
THANK YOU

APPENDIX

For in-depth financial performance review, prospects and targets, please refer 1H08 condensed report.

Effective Clearing Fee Rate

Affected By Institutional Bunching Of Trades And Lower Retail Participation



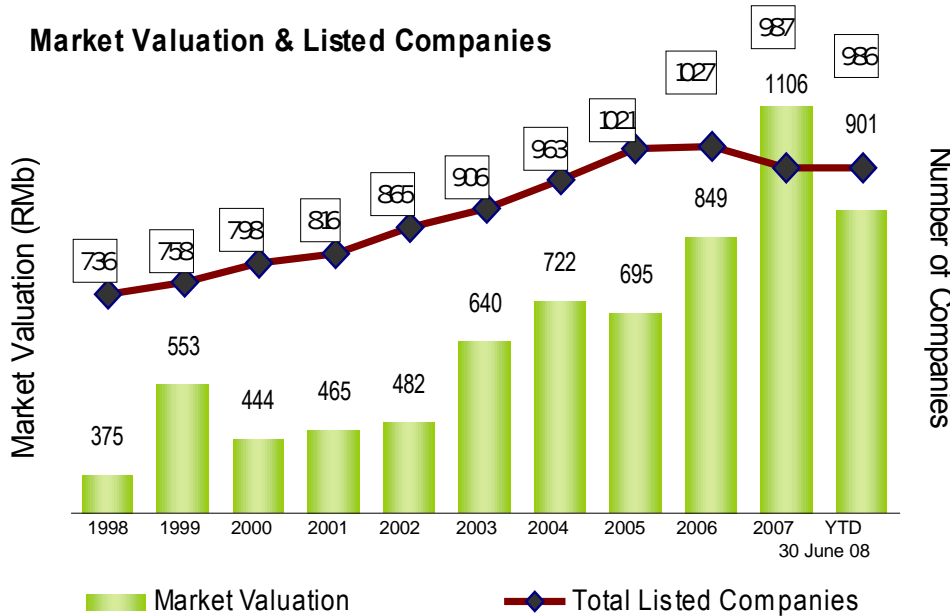
 % of retail trading participation by value

Note : Clearing Fee revised to 0.03% (capped at RM1,000) effective 1 Jan 08 from 0.04% (capped at RM500)

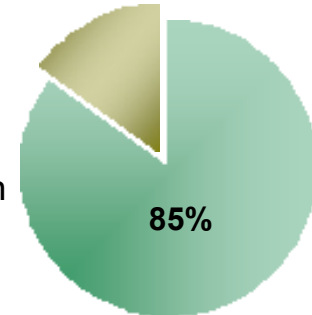
Our Market Remains Competitive

14 New Listings @ 30 June 2008 (12 In 2007)

Market Valuation & Listed Companies

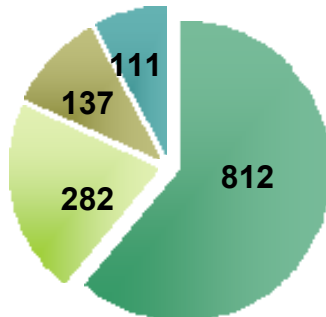


- Shariah Compliant
- Non- Shariah Compliant



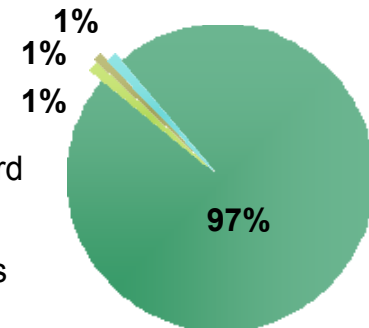
841 Shariah Compliant Companies ; 85% (Mkt Cap USD181B)
Source : ISBU

- Main Board
- Second Board
- Mesdaq
- Call Warrants



No. of Counters Listed 1,342

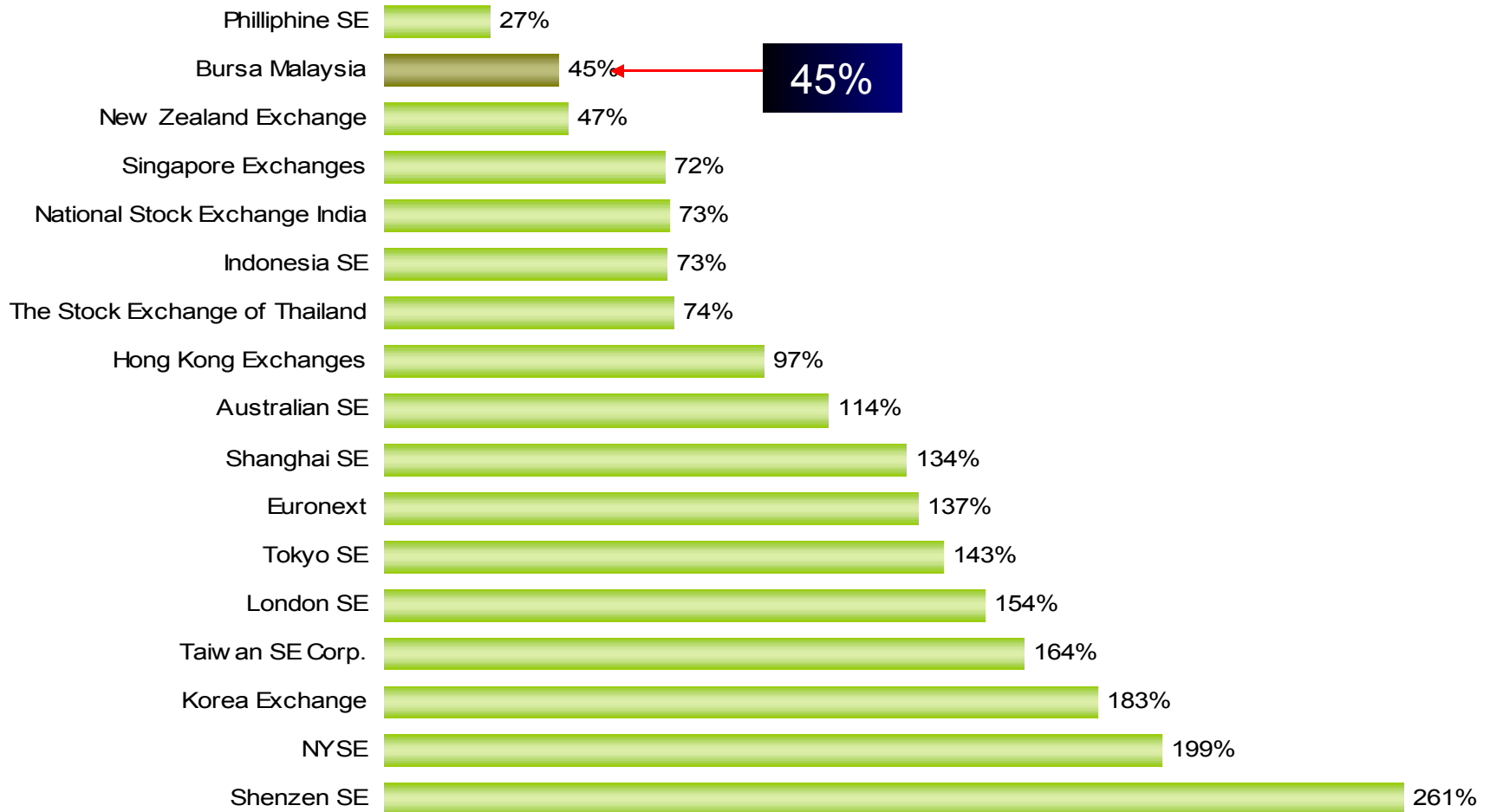
- Main Board
- Second Board
- Mesdaq
- Call Warrants



Market Capitalisation USD276 BIL (RM901 bil)

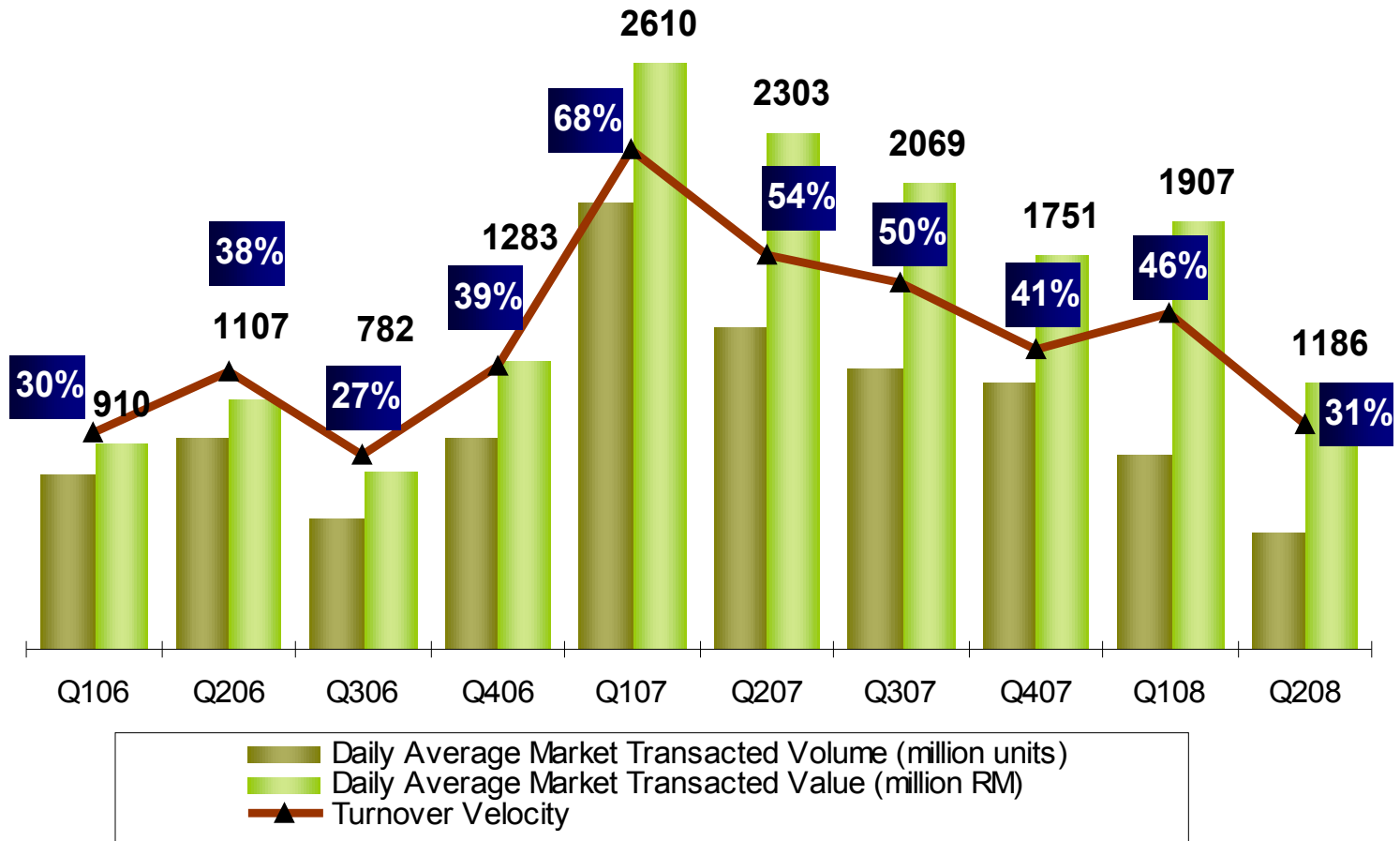
Bursa's Sustainable Velocity Target : 60% By 2010

Turnover Velocity For The Past 12 Months To June 2008

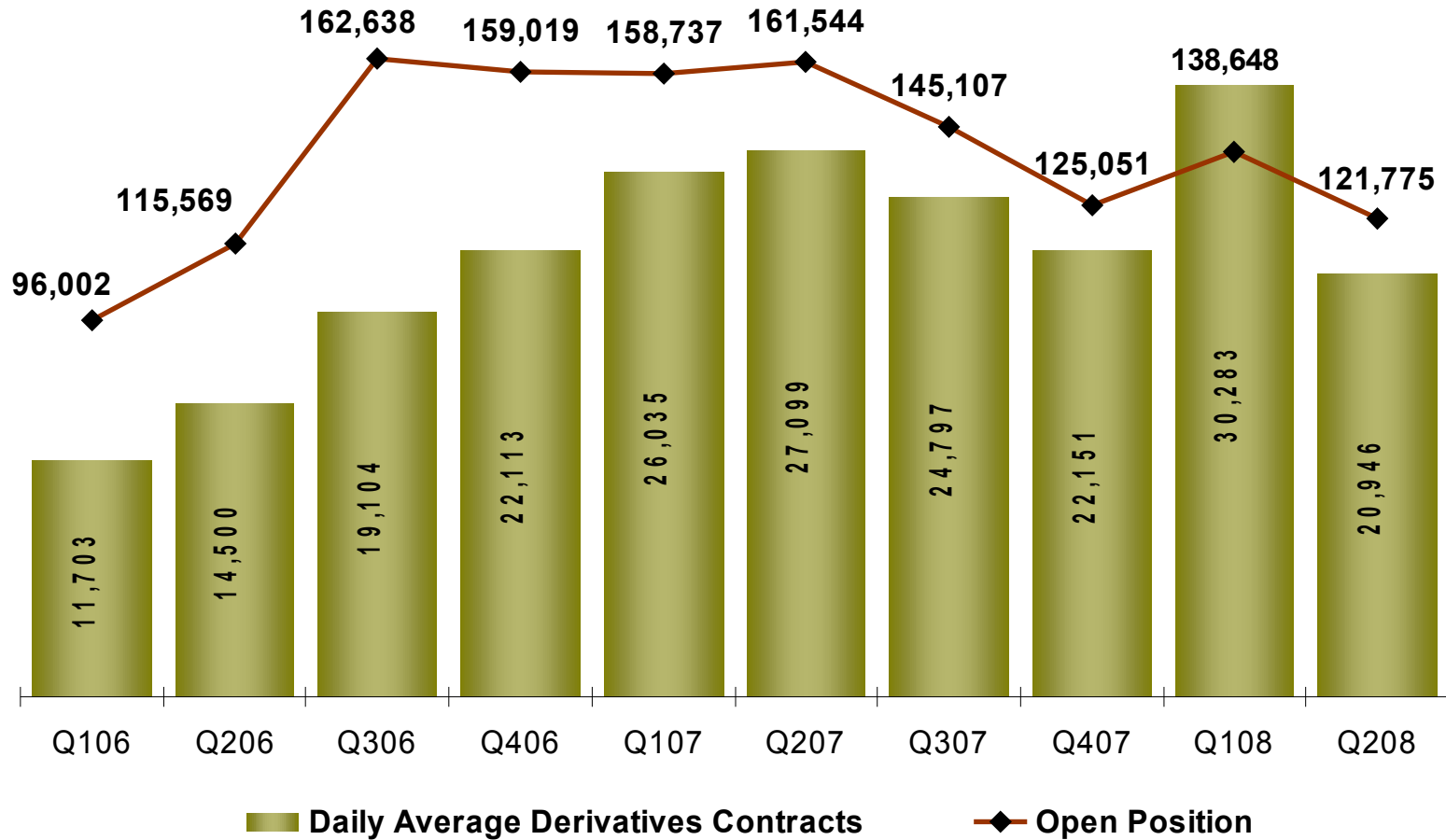


Source: World Federation Exchanges (WFE)

Quarterly Velocity

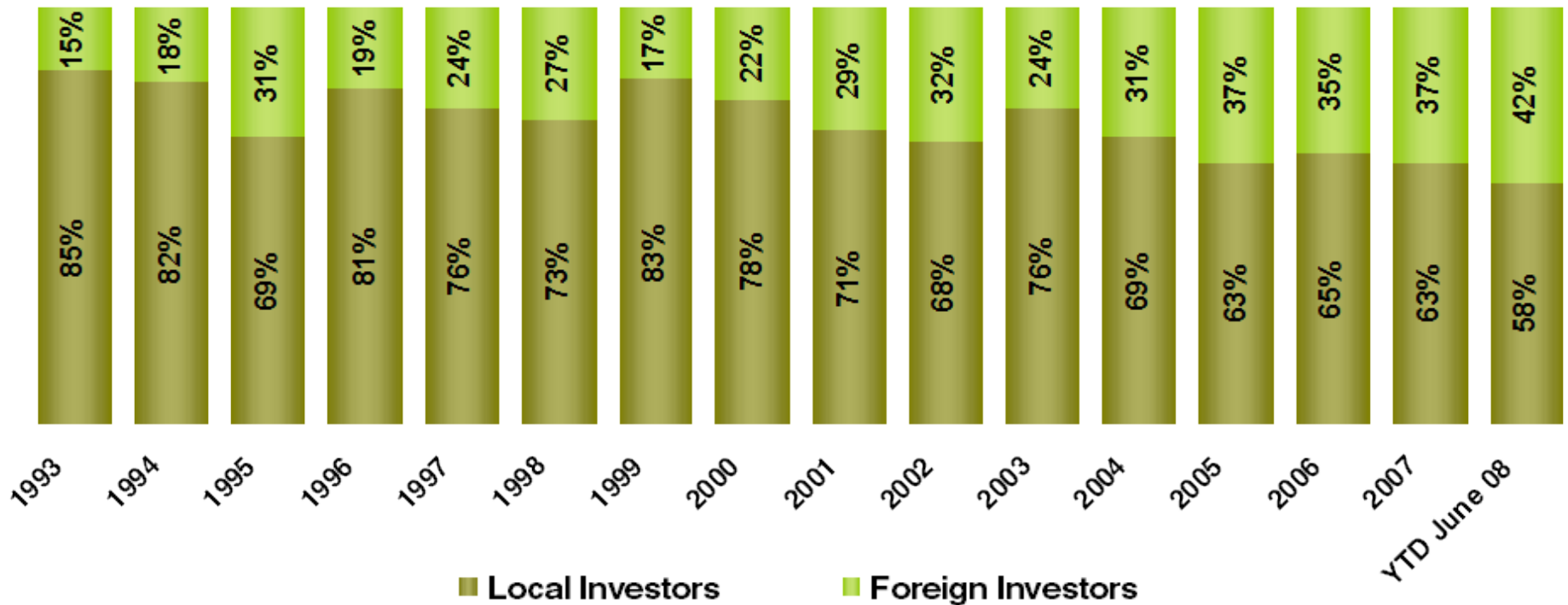


Quarterly Derivatives Activity



Sustained Foreign Trading Reflects Market Resilience

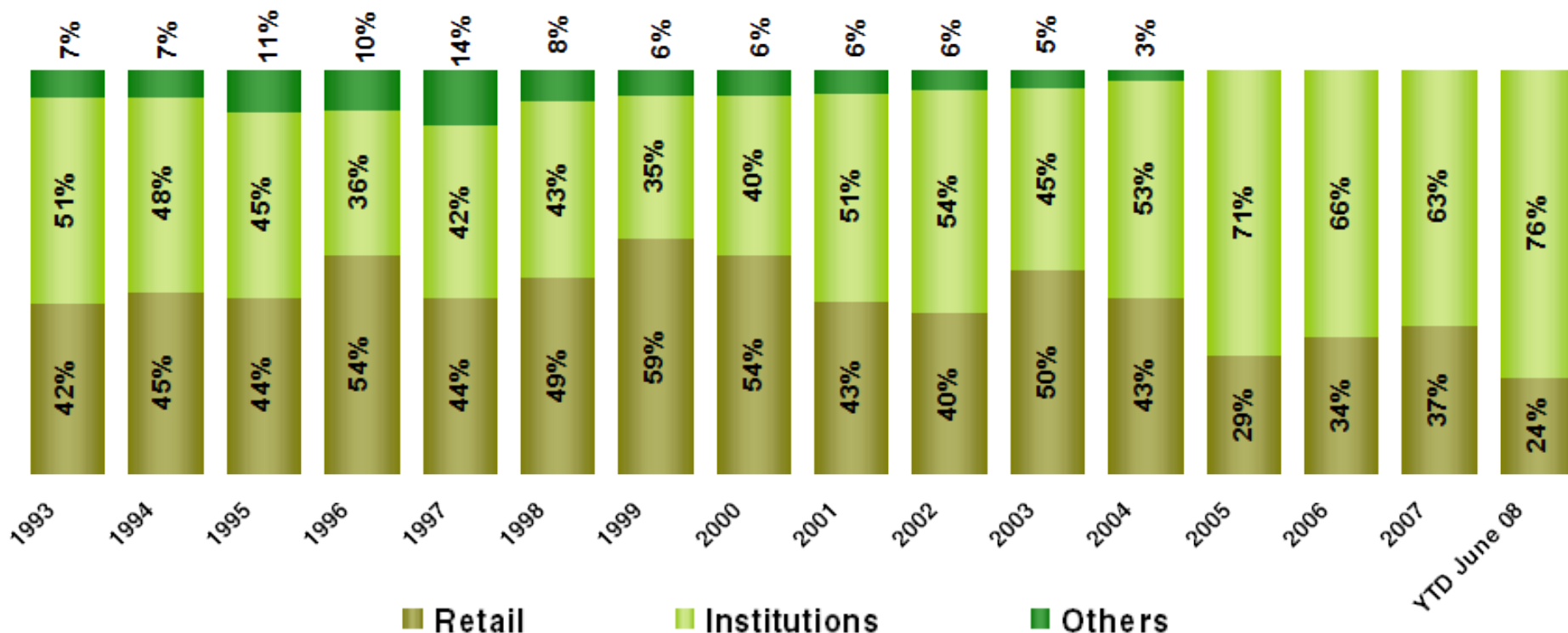
Breakdown of trading (by value) 1993 to June 2008



Retail Participation

Drop In Retail Volume Due To Weak Investors' Sentiment

Breakdown of trading (by value) 1993 to June 2008



“Others”- refers to trades conducted for accounts not belonging to individuals/ institutions. Definitions of investors' type clarified in 2004, hence reducing the type of investor falling under “others” category.

Global Network

