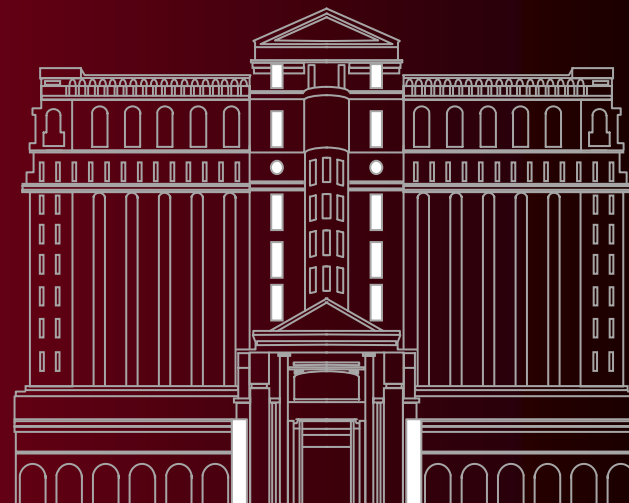


# BURSA MALAYSIA BERHAD

## 3Q 2008 Financial Results

### 24 October 2008



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**OVERVIEW**

**FINANCIAL REVIEW**

**BUSINESS INITIATIVES**

**OUTLOOK**

**ADDITIONAL INFORMATION**

# OVERVIEW

# Financial Highlights

	RM	Q307	Q308	▲%	9M07	9M08	▲%
Operating Revenue (mn)		111.3	64.6	(42)	350.5	228.7	(35)
Operating EBITDA (mn)		68.4	22.3	(67)	234.3	105.4	(55)
Operating Expenses (mn)		46.5	47.3	2	126.7	137.6	9
Profit Before Tax (mn)		75.7	26.2	(65)	261.6	122.5	(53)
Taxation (mn)		19.7	6.0	(70)	70.5	31.6	(55)
Profit After Tax (mn)		56.0	20.2	(64)	191.1	90.9	(52)
Earnings per Share (sen)		10.7	3.8	(64)	36.7	17.3	(53)

### Commentary

- Lower trading revenue from equities market due to global financial turmoil and domestic political uncertainties.

# Performance Ratios

	Q307	Q308	▲%	9M07	9M08	▲%
Annualised Return on Equity	25.9	10.9	(58)	31.0	16.2	(48)
Operating EBITDA Margin	61.4	34.5	(44)	66.9	46.1	(31)
Net Profit Margin	45.8	27.4	(40)	49.2	34.9	(29)
Stable Revenue + Derivatives Income: Total Operating Expenses	75.1	78.6	5	83.2	81.9	(2)

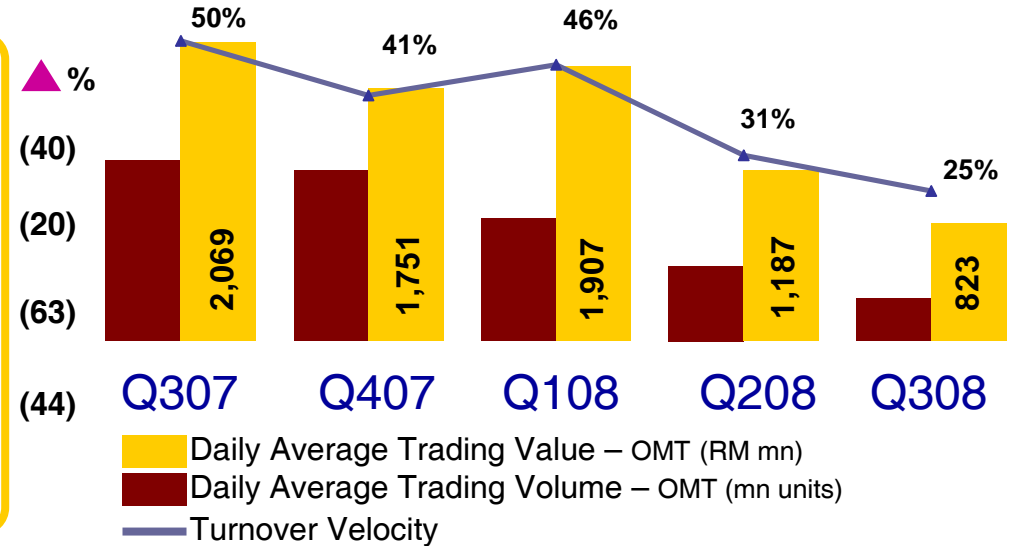
## 9M08 vs. 9M07 Commentary

- The ratios are lower mainly due to lower revenue from the equities market.

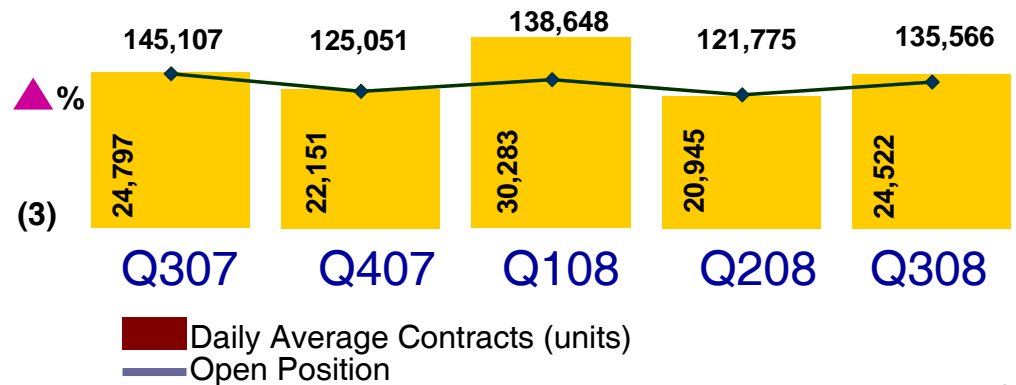
# Operating Drivers

*Impacted By Continued Global Uncertainties And Local Market Sentiments*

<b>Velocity (%)</b>	<b>9M07</b>	<b>9M08</b>
Market Capitalisation (RM tn)	1.0	0.8
Daily Average Trading Volume OMT+DBT (bn)	1.6	0.6
Daily Average Trading Value OMT+DBT (RM bn)	2.5	1.4



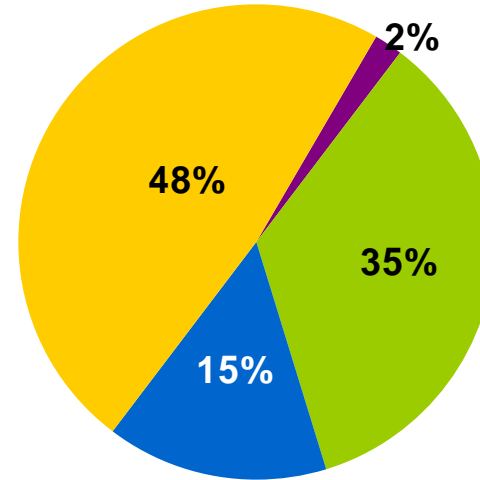
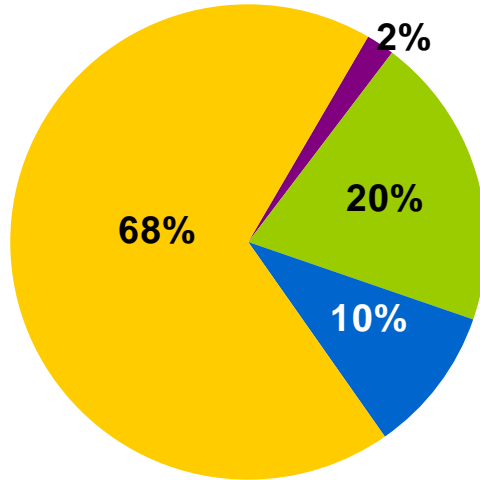
<b>Daily Average Contracts</b>	<b>9M07</b>	<b>9M08</b>
	25,964	25,107







# FINANCIAL REVIEW

# Operating Revenue

9M07: RM 350.5 mn (USD 101.2 mn)    9M08: RM 228.7 mn (USD 70.2 mn)



RM 'mn	3Q07	3Q08	▲ %	9M07	9M08	▲ %
 Trading Revenue (Equities)	74.4	26.0	(65)	238.9	110.9	(54)
 Trading Revenue (Derivatives)	11.1	11.3	2	34.8	33.3	(4)
 Stable Revenue	23.8	25.9	9	70.6	79.4	12
 Other Operating Revenue*	2.0	1.4	(30)	6.2	5.1	(18)

\* Other Operating Revenue = perusal and processing fees

### 9M08 vs. 9M07 Commentary

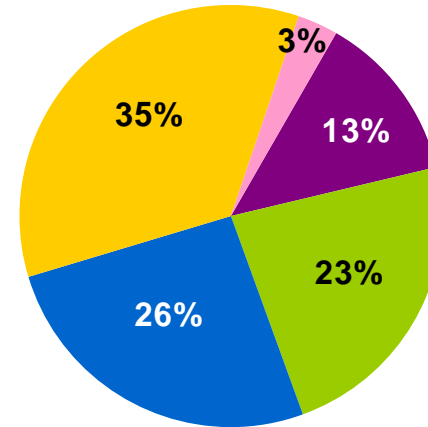
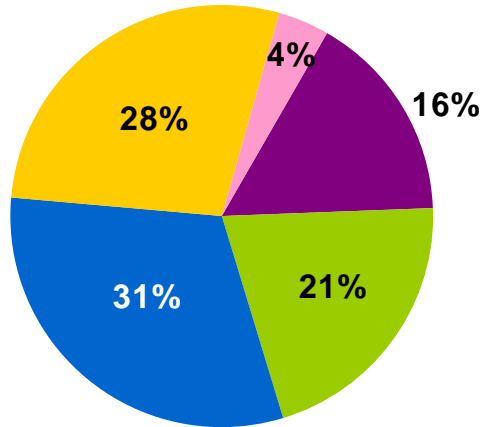
- Equity market performed poorer due to the lower market turnover and lower effective clearing fee rate.
- Lower derivatives trading revenue due to decline in number of derivatives contracts from 4.8mn in 9M07 to 4.7mn in 9M08.
- Stable revenue increased due to higher listing and information services fees.
- Lower other operating revenue due to lower perusal & processing fees.








# Stable Revenue

9M07: RM 70.6 mn (USD 20.4 mn)

9M08: RM 79.4 mn (USD 24.4 mn)



RM 'mn	3Q07	3Q08	▲ %	9M07	9M08	▲ %
 Listing Fees	7.0	8.9	27	20.1	28.0	39
 Depository Services	7.1	6.6	(7)	21.7	20.5	(6)
 Information Services	5.1	6.2	21	14.7	18.4	25
 Broker Services*	3.7	3.4	(8)	11.2	10.3	(9)
 Participants' Fees**	0.8	0.9	13	2.9	2.3	(21)

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

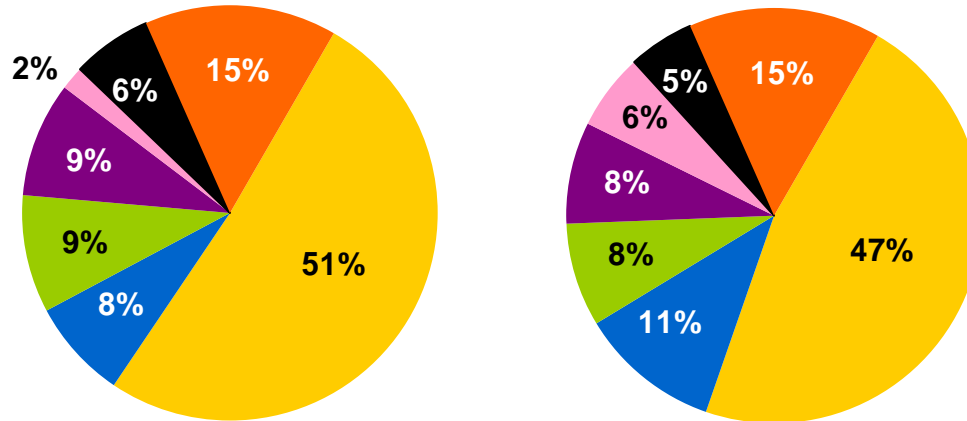
\*\* Participants' Fees comprises of application/admission/initial/registration fees, participants' subscriptions and renewal fees

## 9M08 vs. 9M07 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 due to reduction in number of terminals at broker sites.
- Lower depository fees due to reduction in corporate exercises.
- Lower participants' fees due to absence of MESDAQ advisors and sponsors applications in 9M08.

# Operating Expenses

9M07: RM 126.7 mn (USD 36.6 mn)    9M08: RM 137.6 mn (USD 42.2 mn)



RM 'mn	3Q07	3Q08	▲ %	9M07	9M08	▲ %
Staff Costs	22.7	21.7	(4)	64.5	64.8	1
Depreciation & Amortisation	3.5	5.0	43	10.5	14.3	36
Market Development	5.5	3.5	(36)	11.9	11.0	(8)
IT Maintenance	4.1	3.5	(15)	11.5	11.0	(4)
Professional Fees	0.9	4.3	378	1.9	8.4	334
Building Management Costs	2.5	2.7	8	7.0	7.4	6
Other OPEX	7.3	6.7	(8)	19.4	20.7	7

\* Other OPEX = Administrative expenses, CDS consumables, etc.

### 9M08 vs. 9M07 Commentary

- Higher depreciation & amortisation due to implementation of FMTP in March 08, various IT systems which went live in 2H07 & renovation of tenanted floors.
- Increase in professional fees due to business improvement & strategic initiatives.
- Increase in building management costs due to upward revision in electricity tariffs.

# Capital Management

*As at 30 September 2008*

	RM mn	USD mn
<b>Financial Resources Available for Use</b>	<b>383</b>	<b>111</b>
<b>Shareholders' Funds</b>	<b>717</b>	<b>207</b>
<b>Capital Expenditure</b>	<b>19</b>	<b>5</b>

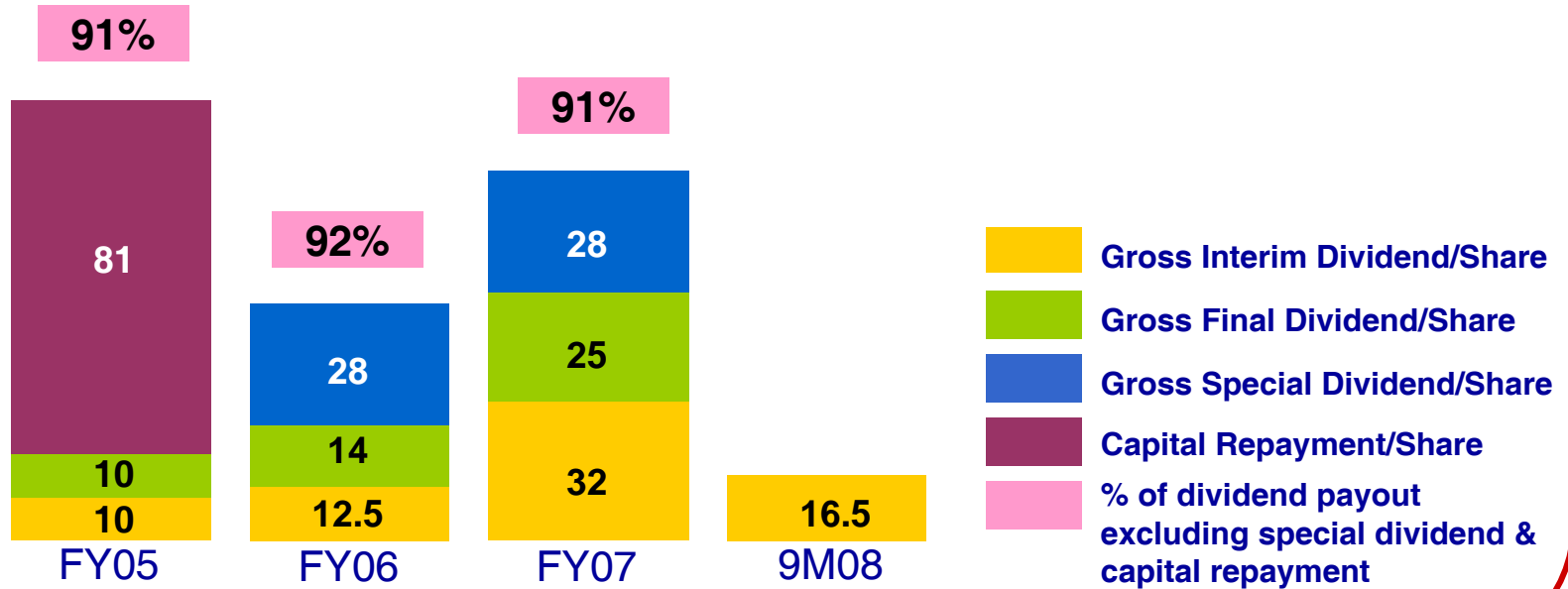
## ***Commentary***

- The Group has sufficient financial resources to cover its CAPEX, Clearing Guarantee Fund commitment and working capital. Excess cash will be conserved in light of current uncertainties in the market.
- Total CAPEX budgeted for 2008 was RM 76 mn.

# Dividend Payout > 90%

*Delivering Value To Shareholders*

Historical Dividend Payout in sen



**Total Shareholders' Return since listing till 30 Sept 2008**

**181%**

# **BUSINESS INITIATIVES**

# 2008 and 2009 Initiatives

*To Enhance Market Attractiveness*

<b>GLOBALISATION</b>	CFTC Approval	Multicurrency platform				
<b>ACCESS &amp; DISTRIBUTION</b>	DMA Derivatives	Entry of 2 New Derivatives Trading Participants	Bursa Trade Securities	DMA Equity	Asean Trading Linkages	
<b>STRENGTHENING LIQUIDITY</b>	Continued Retail Education	Market Making Framework	Restructuring of Boards	Enhancement of SBL (OTC Model)	Negotiated Large Trades (derivatives)	Restructuring of minimum bids
<b>NEW PRODUCTS</b>	USD Crude Palm Oil Futures	Multicurrency ETFs	Enhanced KLCI Linked Products	Thematic ETFs		
<b>ISLAMIC FINANCIAL HUB</b>	Islamic Products ( i-ETFs & i-Reits )	Admission of 3 foreign brokers (1 approved)	Islamic SBL	Commodity Murabahah House		

 Launched

 In The Pipeline

# OUTLOOK

## EQUITIES MARKET

- Expects bearish trend to continue in line with the slowing down of global economy
- Malaysian economy is in a better position to weather the global financial crisis as compared to the previous Asian financial crisis due to:
  - i. its position as a less leveraged economy
  - ii. support by a much stronger banking sector
  - iii. larger current account surplus
  - iv. healthier foreign exchange reserves

## DERIVATIVES MARKET

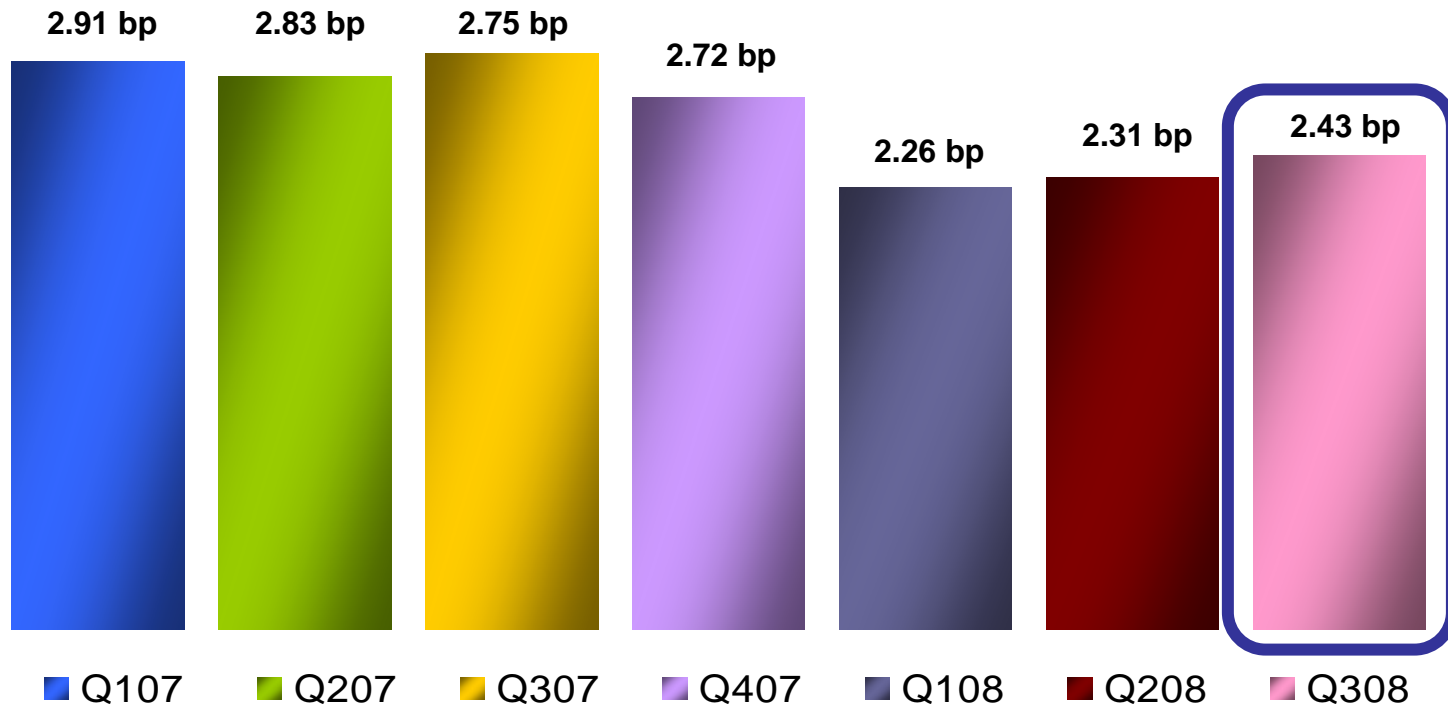
- Interest in FCPO contracts is expected to be positively influenced by lower margin rates and entrance of new trading participants
- Expects trend of higher open interest in FCPO to continue
- Interest in FKL1 contracts is expected to move in tandem with the equities market trading activity
- Expects growth in derivatives market from the establishment of Direct Market Access and the upcoming market making framework.



# ADDITIONAL INFORMATION

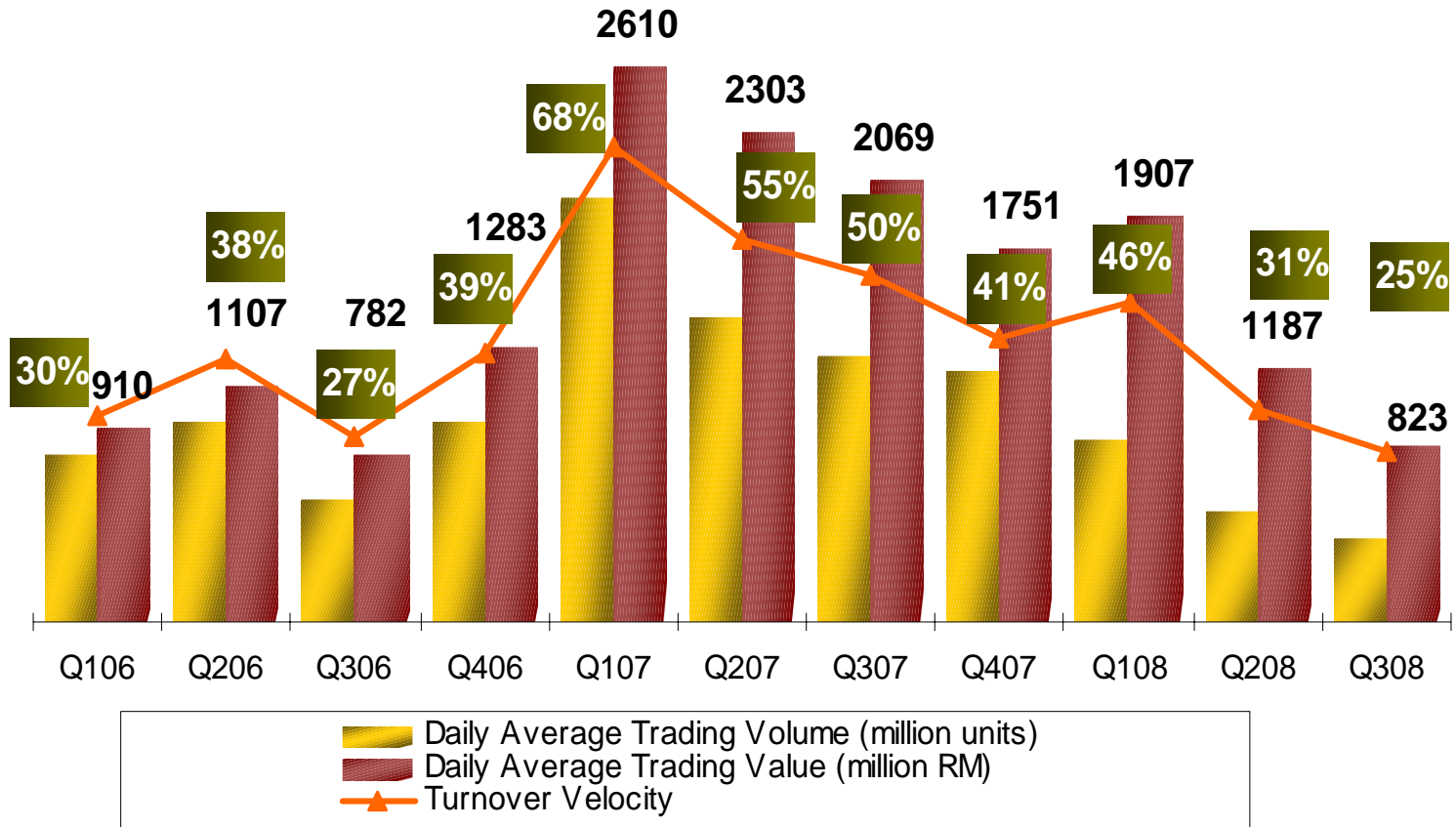
# Effective Clearing Fee Rate

*Affected By Institutional Bunching Of Trades And Lower Retail Participation*



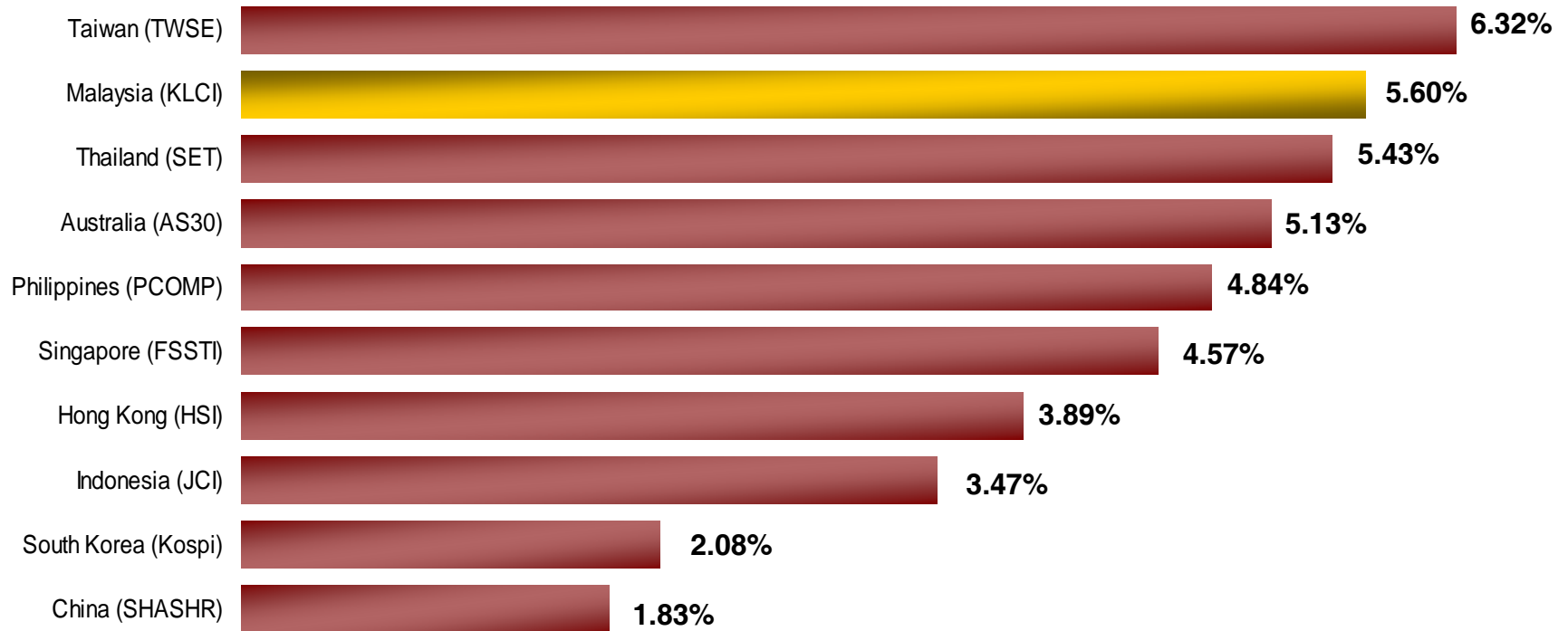
**Note :** Clearing Fee revised to 0.03% (capped at RM1,000) effective 1 Jan 08 from 0.04% (capped at RM500)

# Quarterly Velocity



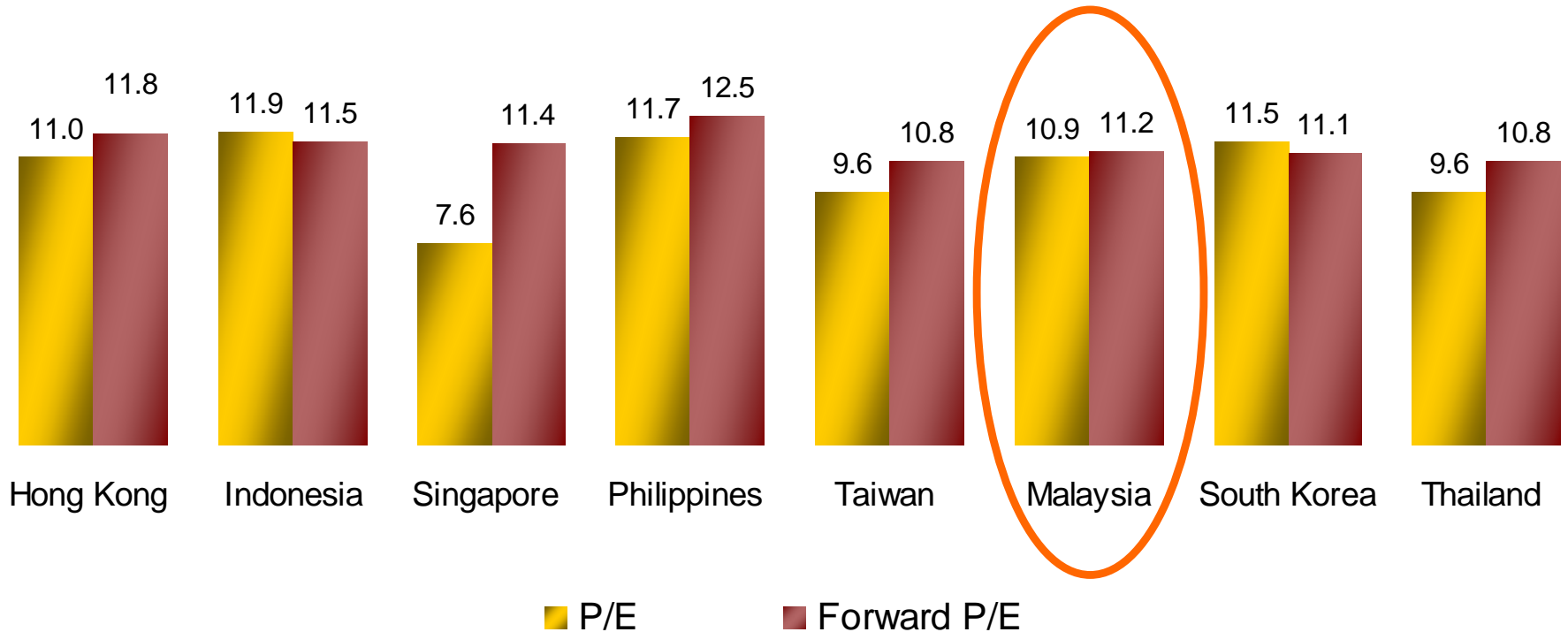
# Offers One Of The Highest Dividend Yield

## Selected Regional Markets – Dividend Yield



Source: Bloomberg – Dividend yield for main regional indices as at 30 September 2008

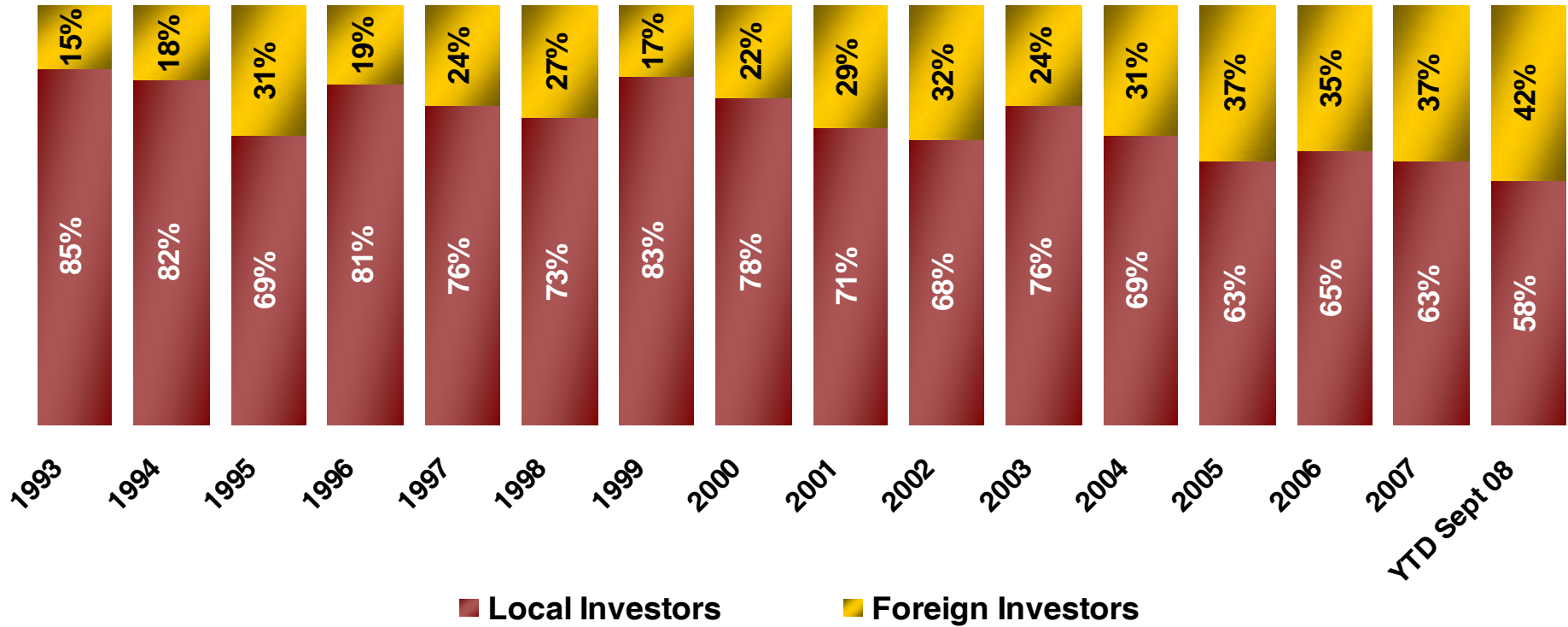
# Attractive Market P/E Valuation



Source: Bloomberg - P/E Valuation for main regional indices as at 30 September 2008

# Sustained Foreign Trading Reflects Market Resilience

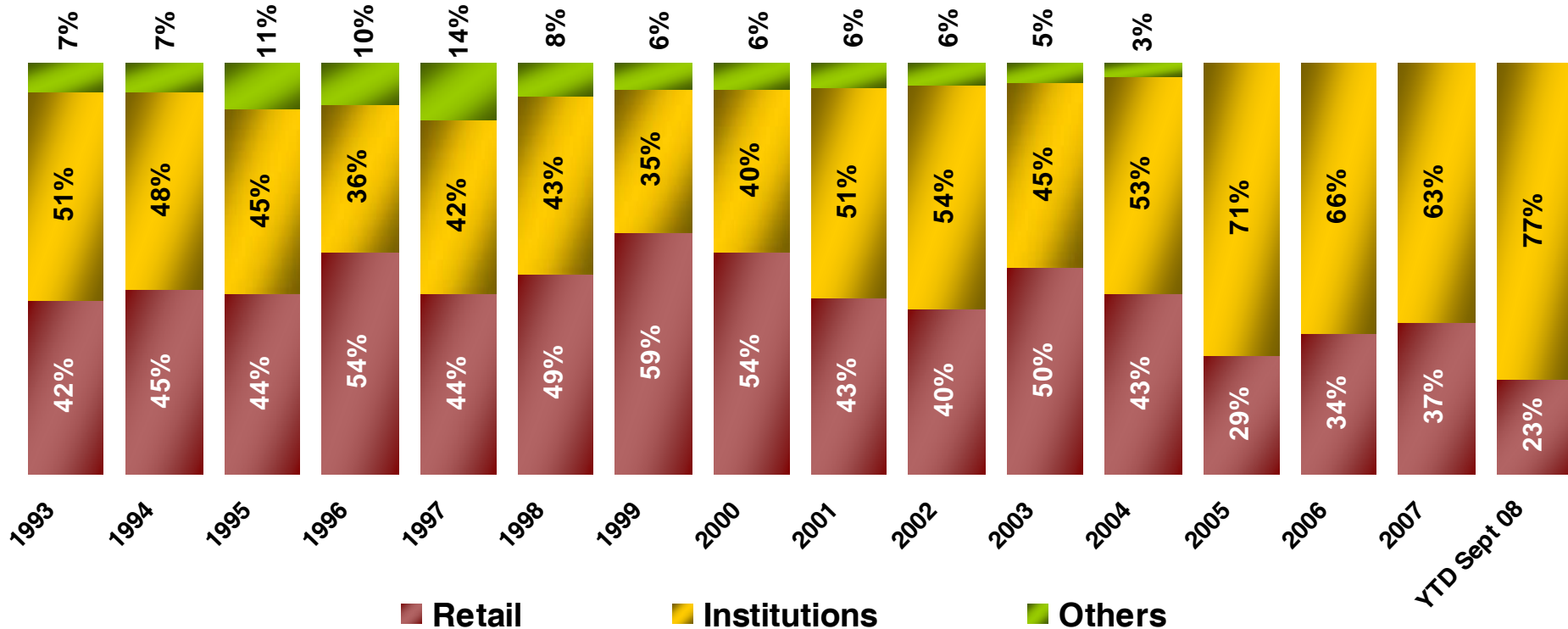
Breakdown of trading (by value) 1993 to September 2008



# Retail Participation

*Drop In Retail Volume Due To Weak Investors' Sentiment*

**Breakdown of trading (by value) 1993 to September 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.

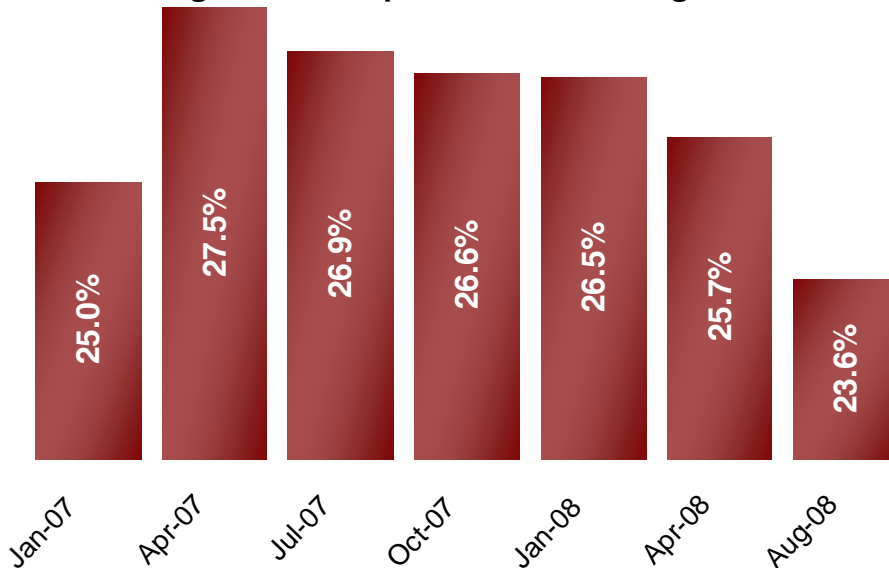
# Foreign Ownership At 23.1%

Malaysian and Foreign Shareholdings as at 30 September 2008

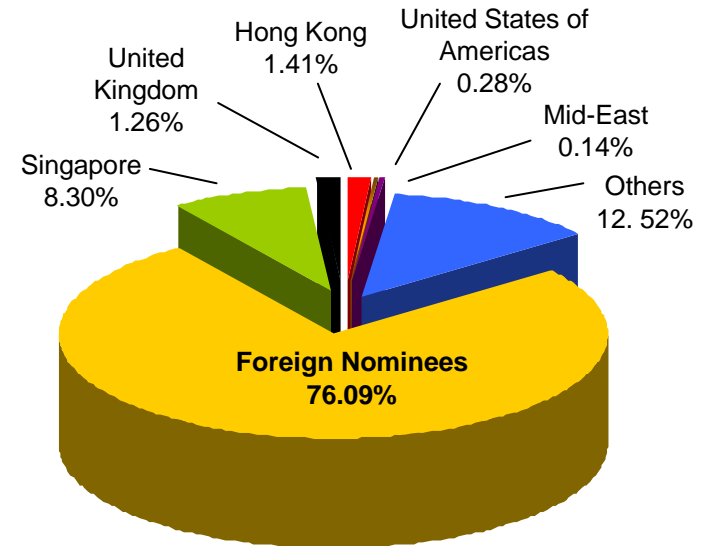
Items		September 2008				
		Total Shareholdings (Units-Bn)	%	Total Market Value (RM-Bn)	%	
1	Foreigners	Direct Holdings	17.0	4.11	36.3	<b>4.72</b>
	Foreign Nominees*	54.1	13.08	141.1	<b>18.33</b>	
2	Malaysians	342.4	82.81	592.4	76.95	
3	Total securities immobilised in CDS	413.5	100.00	769.8	100.00	

Note : Foreign Nominees reflect shares owned by foreigners but held via Authorised Nominee Companies incorporated in Malaysia.

Foreign Ownership from Jan 07 – Aug 08



Foreign Shareholdings by Nationality for Selected Countries as at 30 September 2008





# Quarterly Derivatives Activity

