

BURSA MALAYSIA BERHAD

2009 Financial Results

4 February 2010

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Highlights

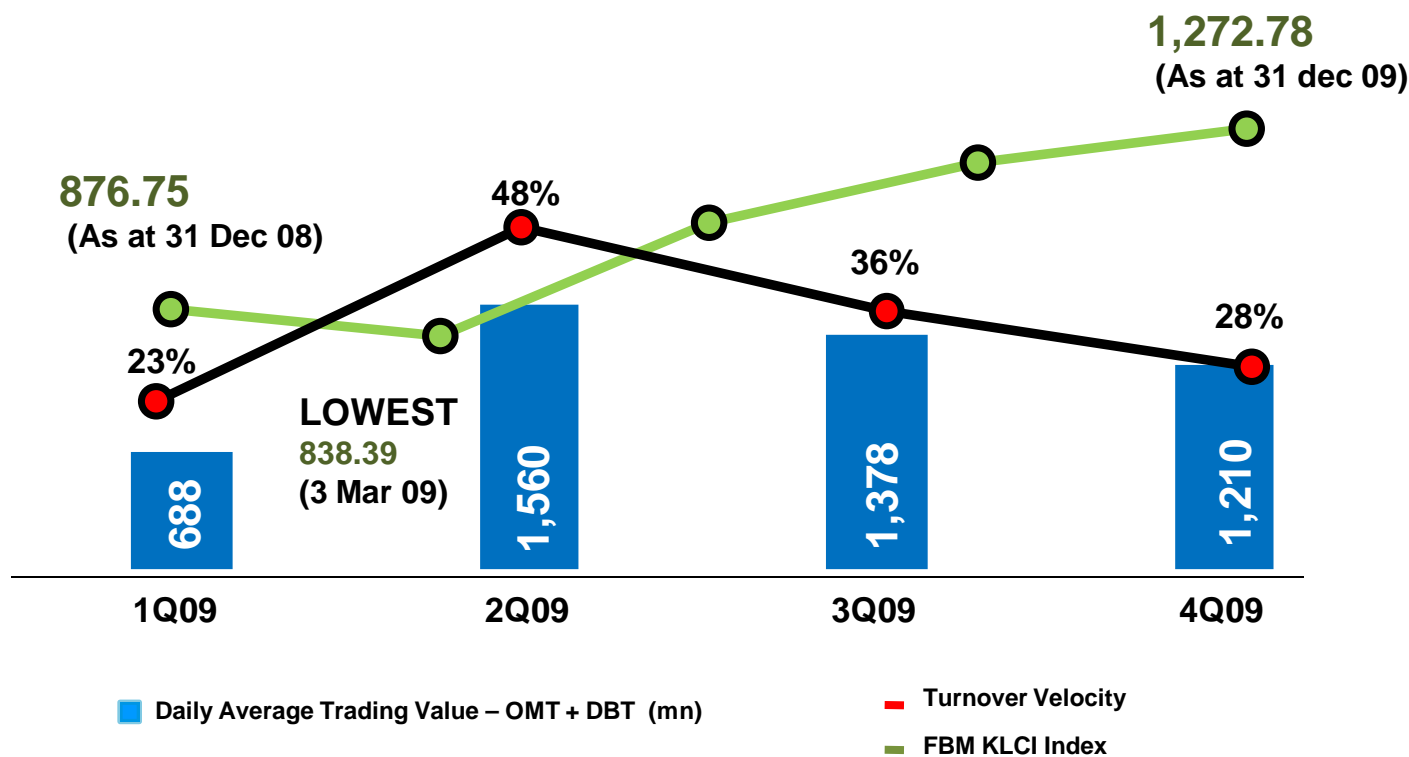
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Key Highlights

| | 2009 (RM mil) | 2008 (RM mil) | Δ % |
|--|---------------|---------------|--------------|
| Operating Revenue | 297.6 | 302.3 | (2) ▼ |
| Capital Gain | 76.0 | - | NA |
| Net Profit | 177.6 | 104.4 | 70 ▲ |
| Net Operating Profit (excl. capital gain) | 101.6 | 104.4 | (3) ▼ |
| ROE (%) | 22.6 | 13.8 | 64 ▲ |

- Market sentiment improved from 2Q09 onwards; sustained operating revenue
- Prudent cost management
- Capital gain of RM76 million from disposal of 25% equity stake in Bursa Malaysia Derivatives (BMD)
- Final dividend of 9 sen (tax exempt)
- Total Shareholders' Return for 2009 of 58.6%

Securities Market Overview (1)



- Q109 saw continuation of weak sentiment from previous year, however the KLCI rebounded quickly after reaching low of 838.39 on 3rd March, rising 45% over the year.

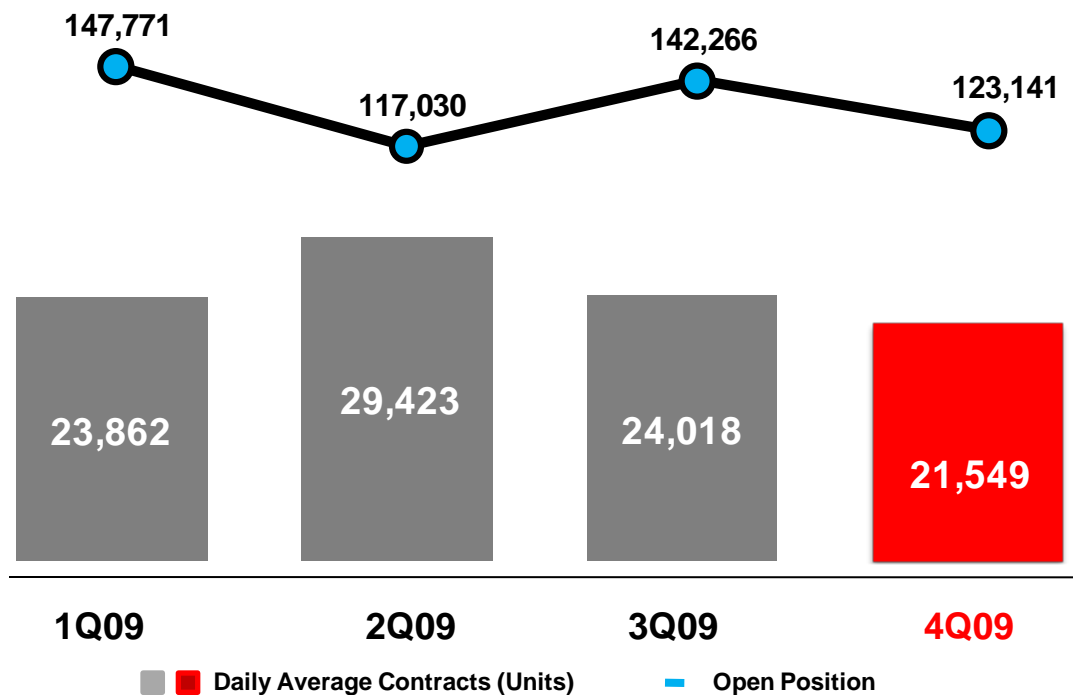
Securities Market Overview (2)

| | 2009 | 2008 | % ▲ | | 2009 | 2008 | % ▲ |
|---------------------------------------|-------------|------------|-------------|---|--------------|--------------|------------|
| No. of New Structured Warrants | 124 | 81 | 53 | Market Capitalisation at year end (RM bn) | 999 | 664 | 51 |
| No. of IPOs | 14 | 23 | (39) | Velocity (%) | 34 | 34 | - |
| Total Fund Raised* (RM bn) | 27.8 | 5.9 | 371 | Daily Average Trading Value OMT +DBT (RM mn) | 1,221 | 1,278 | (4) |

* From IPO & secondary offerings

- Market Valuation improved in line with positive investors sentiment
- Total Funds raised from IPO and secondary offerings increased substantially
 - First foreign listings and the largest listing in Southeast Asia - Maxis Berhad
 - Maybank and Axiata rights issues

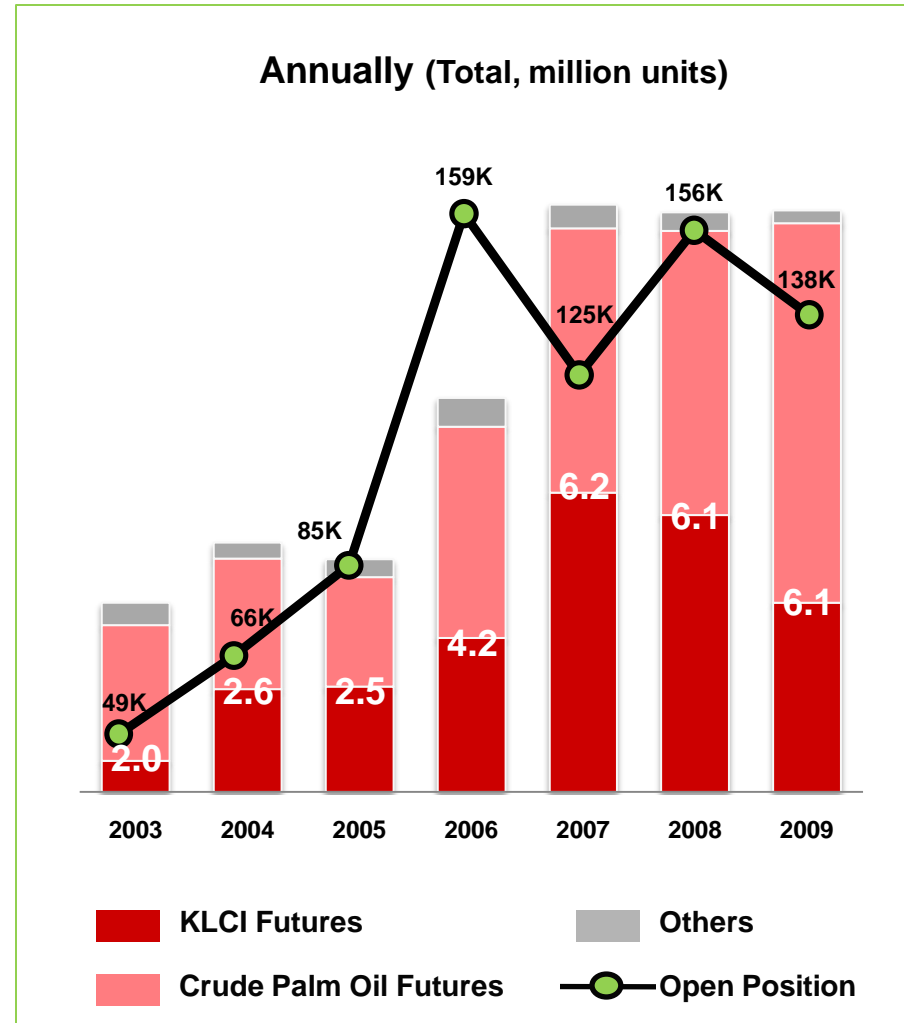
Derivatives Market Overview (1)



| Daily Average Contracts | 2009 | 2008 | ▲% |
|-------------------------|--------|--------|------|
| ○ Total | 24,749 | 24,878 | (1) |
| ○ FCPO | 16,165 | 12,210 | 32 |
| ○ FKLI | 8,056 | 11,873 | (32) |

Derivatives Market Overview (2)

- Volatility in commodity prices in 2009, FCPO performed well
- FCPO contract volume saw a new high, gaining 33.5% over previous record in 2008
- FKLI volume declined 31.6%, reflecting lower investor interest and foreign support for the contract
- Total number of contracts traded increased 0.3% from 2008

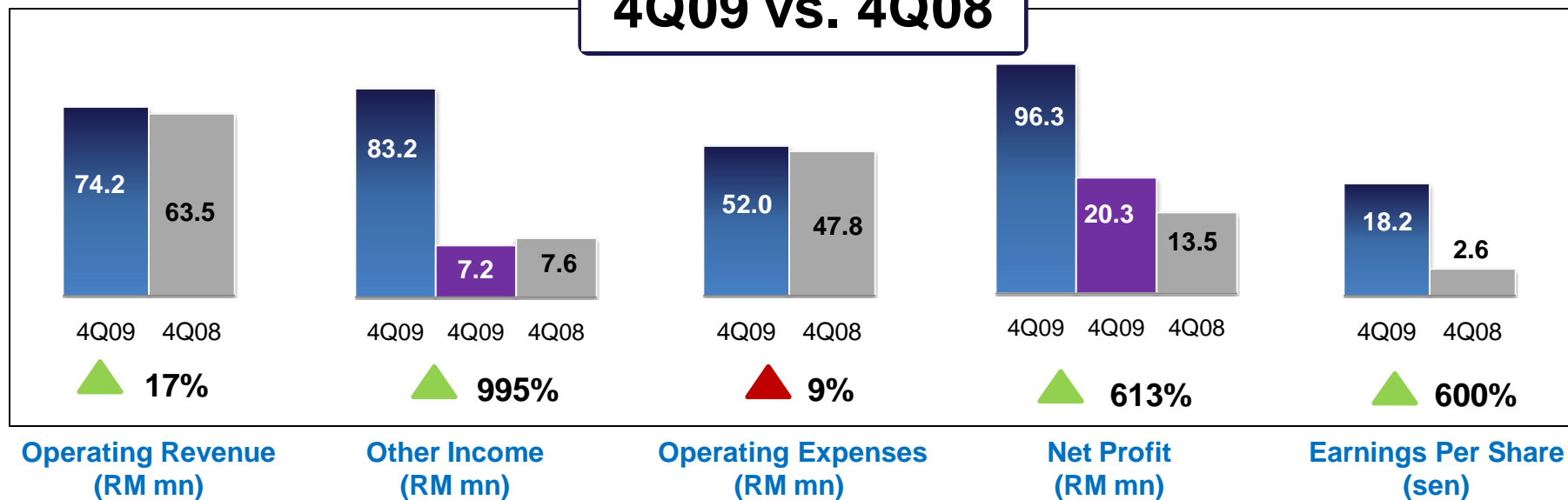


Financial Review & Performance

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Financial Results Snapshots

4Q09 vs. 4Q08

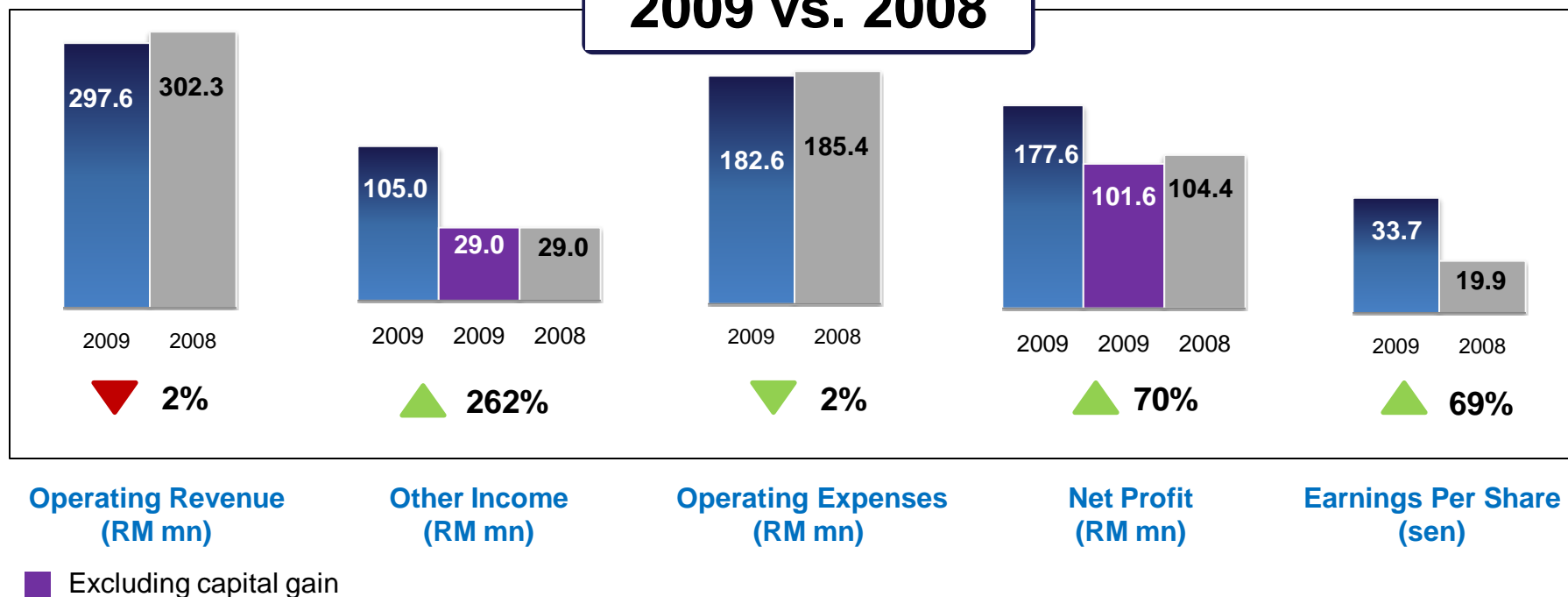


■ Excluding capital gain

- Operating revenue increased due to higher daily average value in comparison to 4Q08
- Total expenses increased mainly due to higher depreciation and amortisation

Financial Results Snapshots

2009 vs. 2008

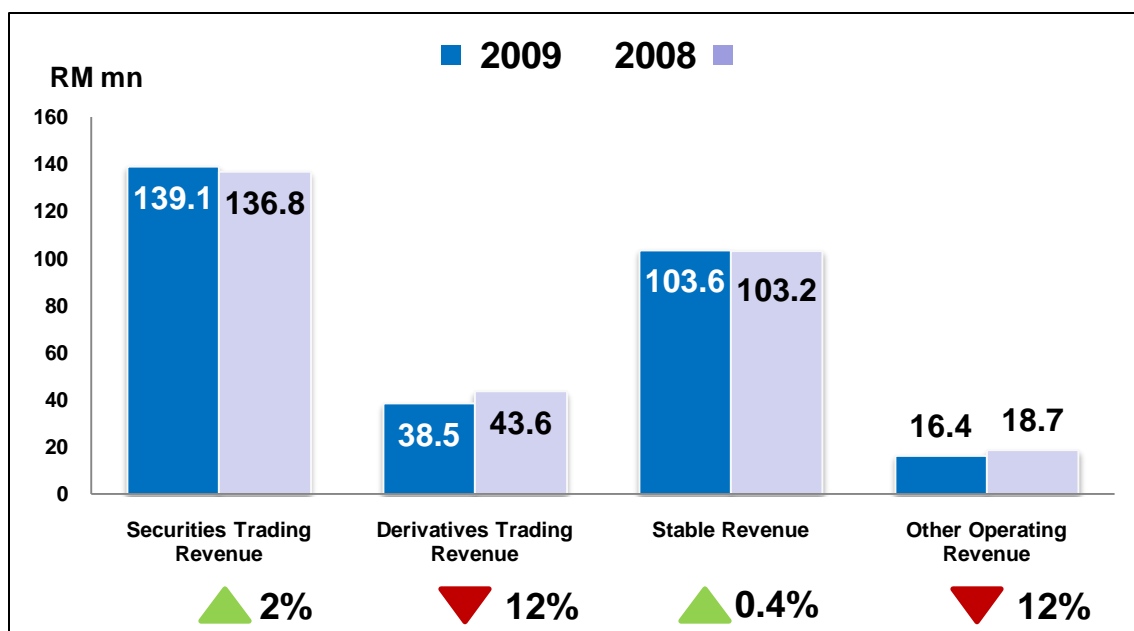
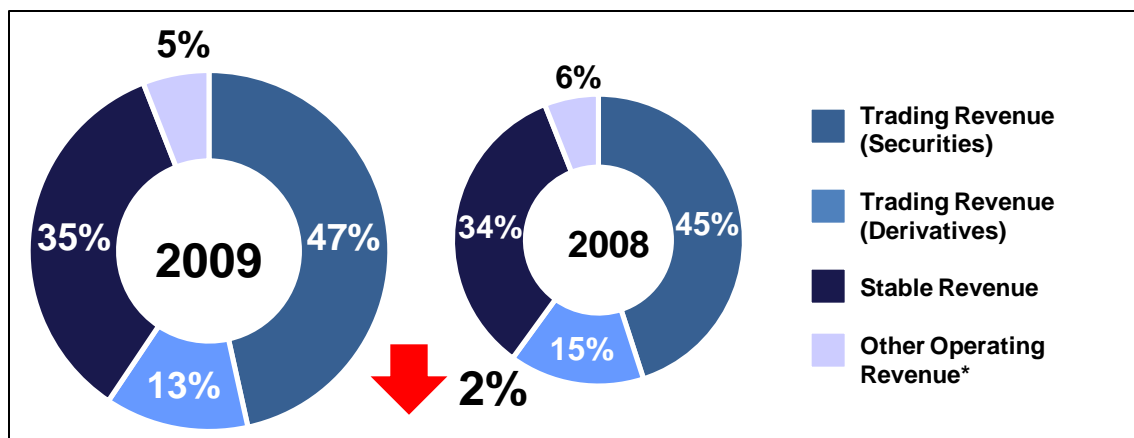


- Operating revenue in 2009 declined slightly due to fall in derivatives revenue
- Significant reductions in expenditure made in 2009. This was offset by higher depreciation and amortisation.

Operating Revenue

Bursa recorded RM297.6 mn operating revenue in 2009 (2008: RM302.3 mn)

- Securities trading revenue increased marginally by 2% due to higher effective clearing fees
- Derivatives trading revenue declined despite a marginal increase in the total number of contracts traded. This was due to a decrease in the number of FLKI contracts traded, which attract higher fees than FCPO.
- Other operating revenue fell owing to reduction in perusal fees, interest earned from participants due to lower level margins and contribution

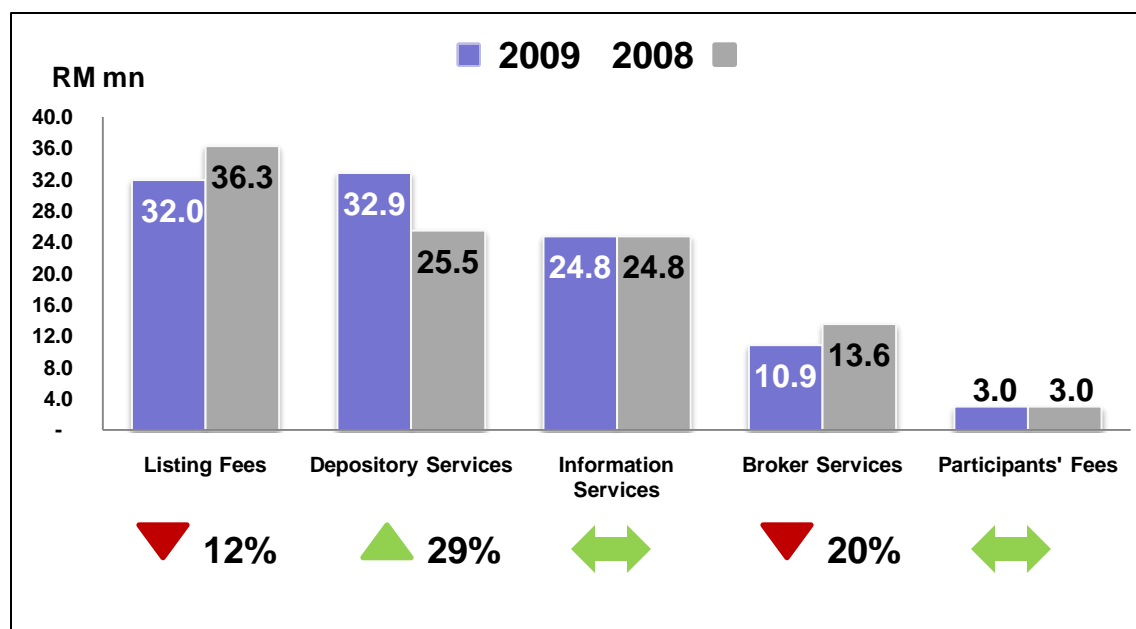
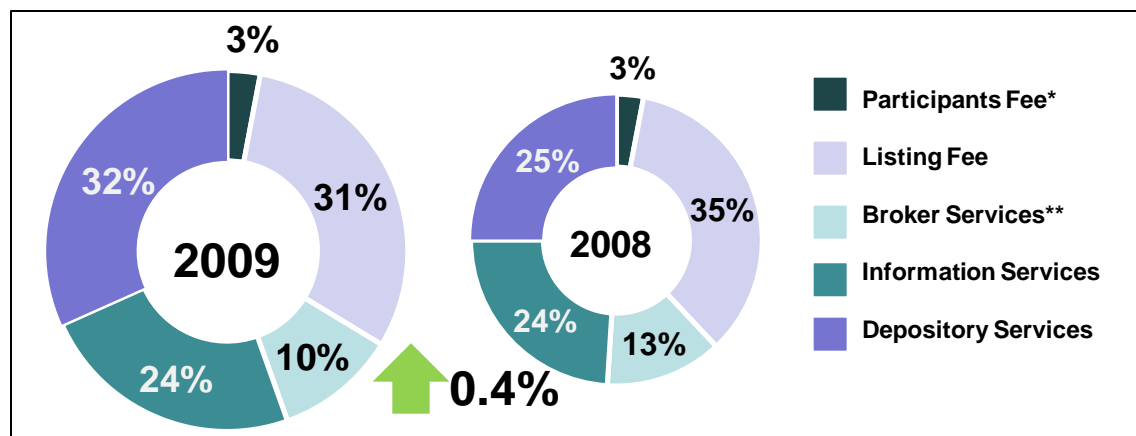


*Other operating revenue mainly comprise interest earned from participants' contributions, conference fees and perusal & processing fees

Stable Revenue

Stable revenue for 2009 stood at RM103.6 mn (2008: RM103.2 mn)

- Higher depository fees due to collection of prior years CDS fees, in addition to increase in public issues
- Lower listing fees due to lower market capitalisation and reduction in new listings
- Lower income from broker services following phasing out of older network equipment



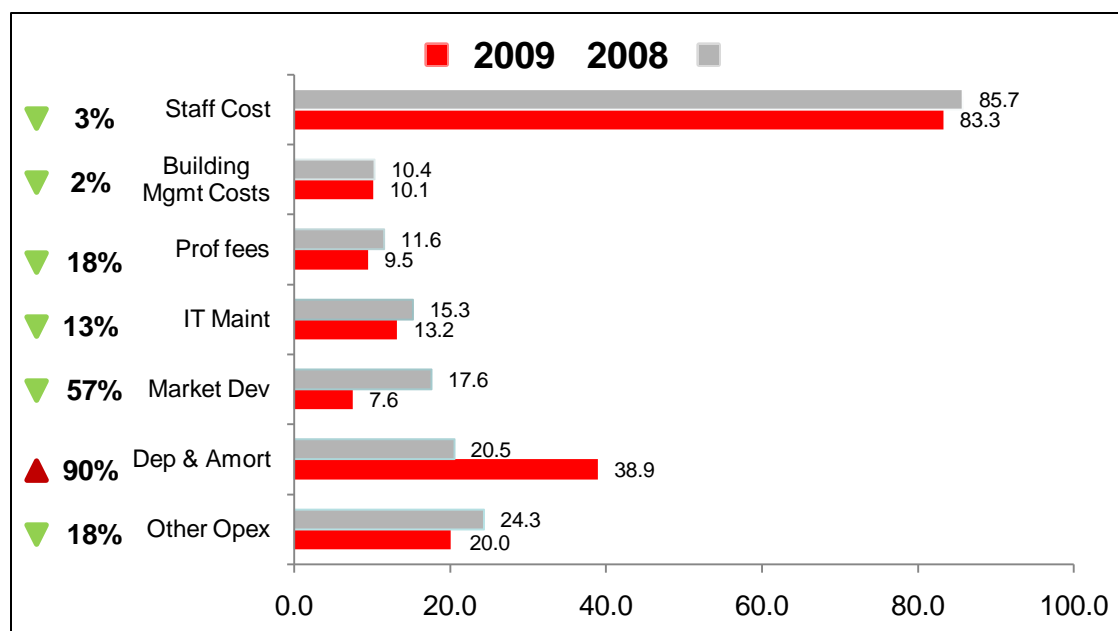
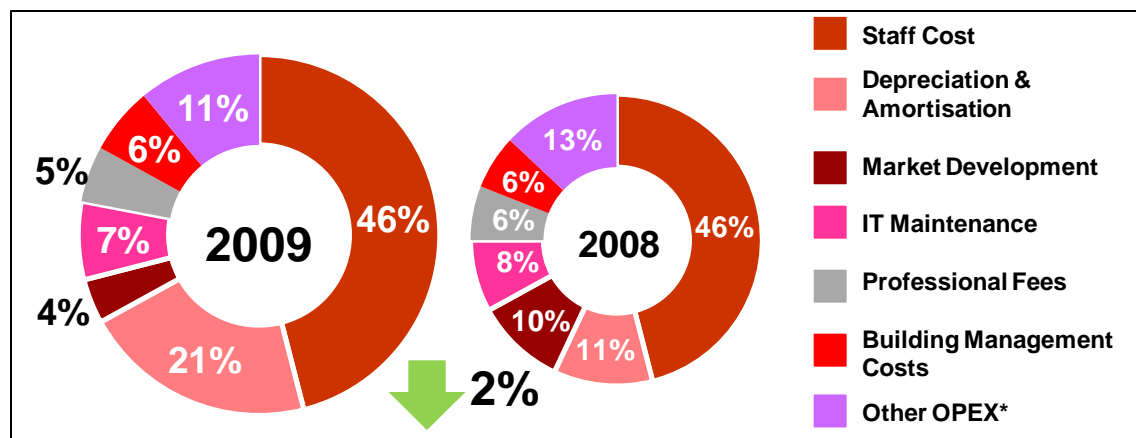
*Participants' Fees comprises application/ admission/ initial/ registration fees, participants' subscriptions and renewal fees

**Broker Services comprises of Data Communication equipment rental income at a fixed monthly rate

Operating Expenses

Operating Expenses reduced to RM182.6 mn in 2009 (2008: RM185.4 mn)

- Lower market development, professional fees, promotion and travel expenses due to vigilant approach to managing costs
- Higher depreciation and amortisation for Bursa Trade and ETP Phase II



*Other OPEX comprises administrative expenses, CDS consumables, conference expenses, etc.

Performance Ratios

| | % | 2009 | 2008 | △% | |
|--|---|------|------|-----|---|
| Return on Equity <i>(excluding capital gain 13.6%)</i> | | 22.6 | 13.8 | 64 | ▲ |
| Operating EBITDA Margin | | 51.7 | 45.5 | 14 | ▲ |
| Net Profit Margin <i>(excluding capital gain 31.6%)</i> | | 44.1 | 31.5 | 40 | ▲ |
| Stable Revenue + Derivatives Income: Total Operating Expenses | | 77.8 | 79.2 | (2) | ▼ |

Capital Management

As at 31 December 2009

Shareholders' Fund

RM840 million (2008: RM732 million)

**Financial Resources
Available for Use**

RM453 million (2008: RM403 million)

Commentary

- The Company has sufficient financial resources to cover its CAPEX, Clearing Guarantee Fund commitment and working capital.

High Dividend Payout

Maximising Value to Shareholders, Surpassed 75% Payout Policy

| | Historical Dividend Payout (sen/gross) | % of Dividend Payout (exclude special dividend) |
|-------------------------------|--|--|
| FINANCIAL YEAR 2009 | <ul style="list-style-type: none"> - Interim dividend <li style="padding-left: 20px;">- Franked dividend 5.1 <li style="padding-left: 20px;">- Tax exempt 5.0 - Final Dividend (tax exempt) 9.0 | 93% |
| FINANCIAL YEAR 2008 | <ul style="list-style-type: none"> - Interim Dividend 16.5 - Final Dividend 7.8 | 91% |
| FINANCIAL YEAR 2007 | <ul style="list-style-type: none"> - Interim Dividend 32 - Final Dividend 25 - Special Dividend 28 | 91% |

Business Review & Strategy

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Mid-term Business Direction



2009 Initiatives – Building blocks for an attractive market

NEW PRODUCTS & SERVICES

FTSE BM Palm Oil Plantation
Index Series

MAIN Market ACE Market

بورصة سوق السلع
BURSA Suq Al-Sila'

Sukuk Listing

Bonds Listing
(exempt regime)

STRENGTHENING LIQUIDITY

Market Making-
Structured Warrants & ETFs

More Proprietary Day Traders

Restructuring of minimum
bids/spread size

Introduction of SBL-Negotiated
Trade

Market Education & Awareness

Direct Market
Access - Equity

INTERNATIONALISING MARKETS

KLCI Conversion
to FTSE

Multicurrency Securities
Framework

Foreign IPOs

Strategic partnership with CME
on derivatives market

Our Focus in 2010

Securities Market

**Strengthening Liquidity
+
Greater Efficiency**

Derivatives Market

**Growth
+
Development**

Islamic Market

**Greater International Profiling
+
Widening Market Reach**

Our Regulatory Role – maintain market integrity

2009 KEY INITIATIVES & ACTIVITIES

● Enhance CG standards:

- CG Guide and awareness program
- engagement with directors and auditors

● Improve standards of disclosure:

- Strengthen the disclosure requirements for PLCs
- Proactive monitoring and engagement with PLCs on announcements by PLCs and media reports
 - 406 queries on announcement by PLCs
 - 157 media queries to PLCs

● Strict & objective enforcement :

- Enforcement actions were taken against 76 directors & PLC
 - Total fines imposed – RM3.76 mil
- Enforcement actions were taken against 65 market participants
 - Total fines imposed – RM1.51 mil

● Enhance the efficiency of capital raising:

- Implemented enhanced framework for capital raising (Main & ACE Market)
- Reduced time to market for capital raising

● Effective oversight over intermediaries:

- Applied risk based approach & regular stress testing and impact analysis
- Industry average for Investment Banks' Risk Weighted Capital Ratio was above the minimum requirement of 8%. Derivatives Brokers' Adjusted Net Capital at RM11.03 million was above the minimum requirement
- Industry average for Non-Investment Banks' Capital Adequacy Ratio was 10.35 times vs minimum requirement of 1.2 times

● Market orderliness through effective regulation :

- Employed effective methods to detect trading concerns and addressed the same

Securities Market

- **Global outlook cautious, improvement in local economic data supports positive domestic outlook.**
- **Liberalisation efforts by the government to make Malaysia attractive to global investors has potential to bring Malaysian financial markets closer to regional benchmarks.**

Derivatives Market

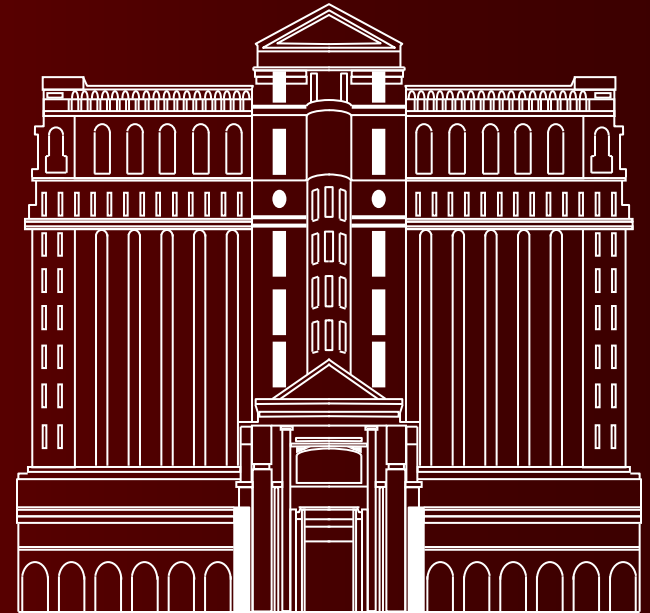
- **Continued volatility in CPO prices to sustain volume of FCPO trades.**
- **Partnership with CME expected to complement and strengthen derivatives market through joint product development and increase global visibility of the Malaysian derivatives market.**

Islamic Market

- **Expand market reach for Bursa Suq Al-Sila'**
- **Propel Malaysia as Global forerunner in Islamic Capital Markets**

Thank you

Q & A



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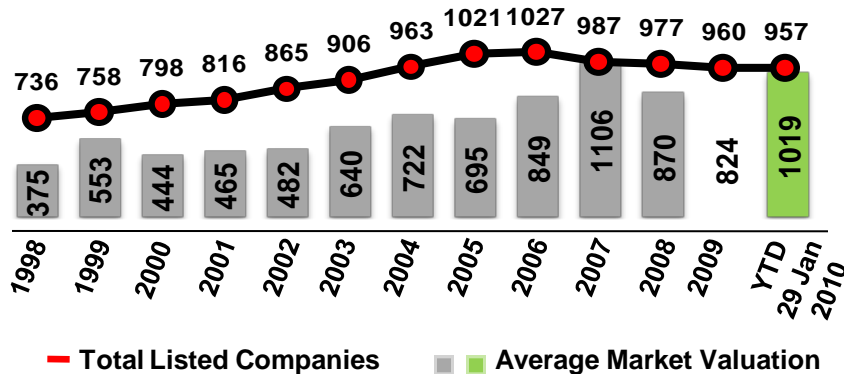
Additional Information

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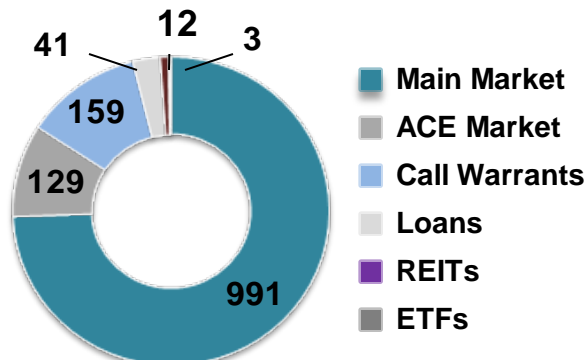
Our Market and Product Diversity

Our Market

Market Valuation & Listed Company



No. of Counters Listed



Our Product Diversity

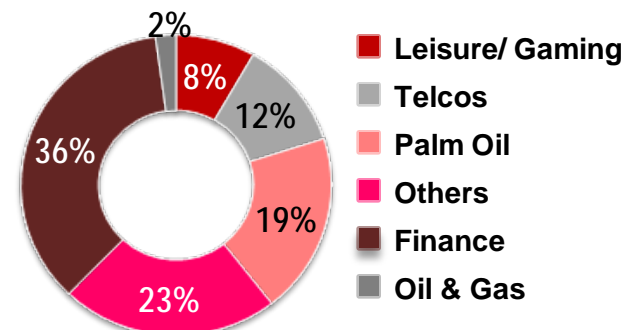
Shariah & Non-Shariah Compliant

88% or 842
Shariah
Compliant
Companies

64% or USD 188 bn in
terms of market cap

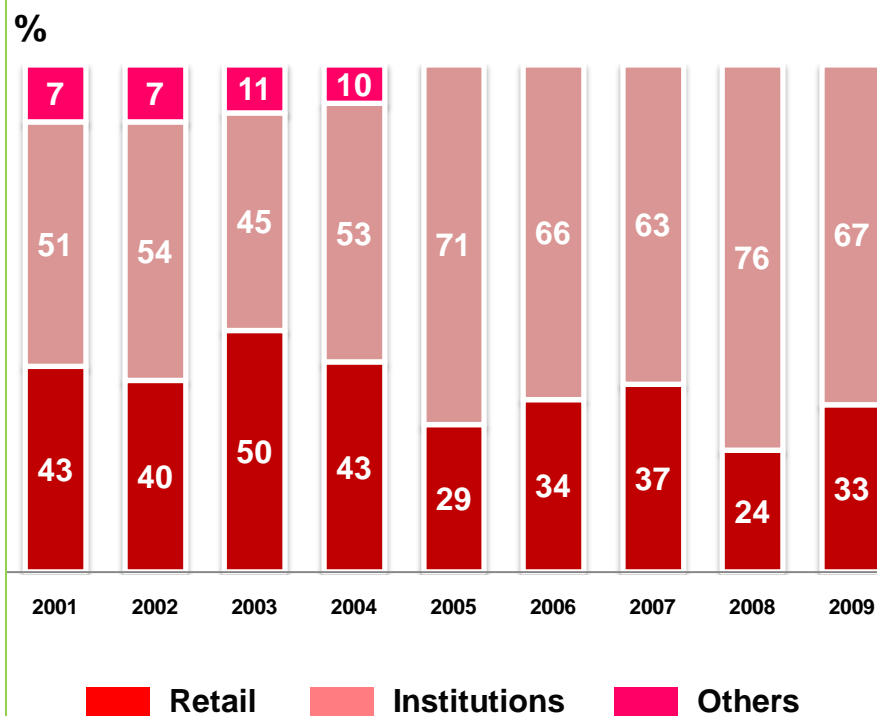
- Shariah Compliant
- Non-Shariah Compliant

Major sectors in FBMKLCI by Market Capitalisation

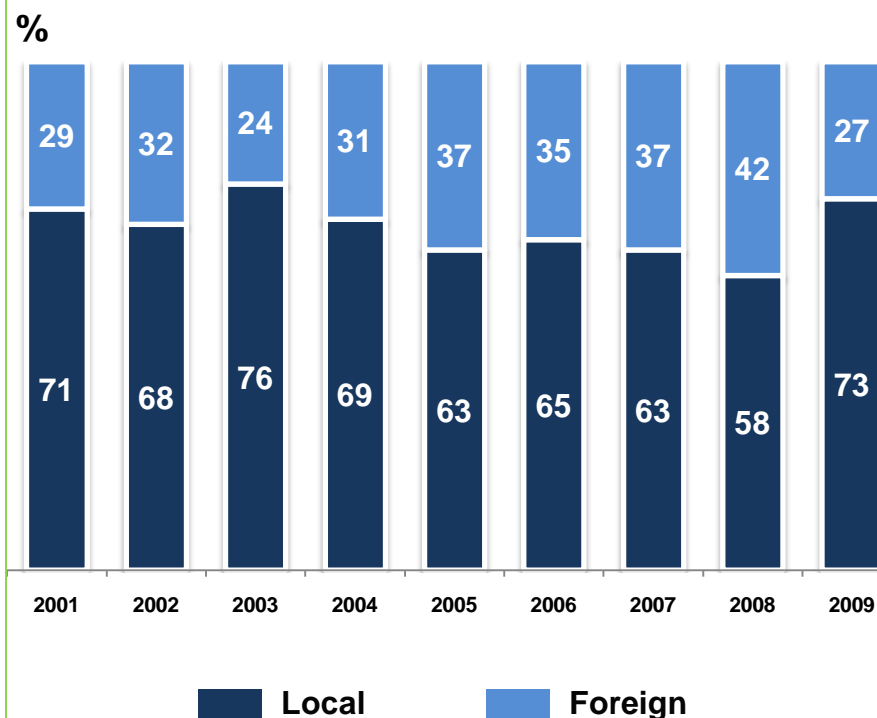


Trading Participation

Retail Trading Participation



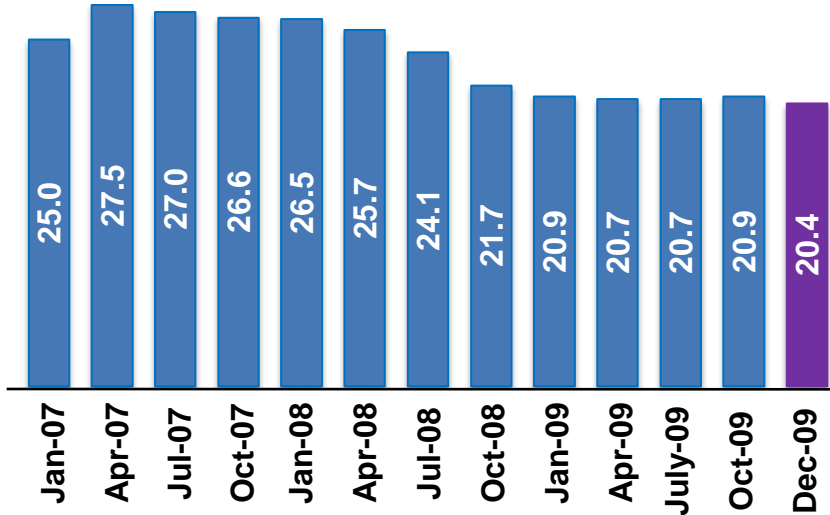
Foreign Trading Participation



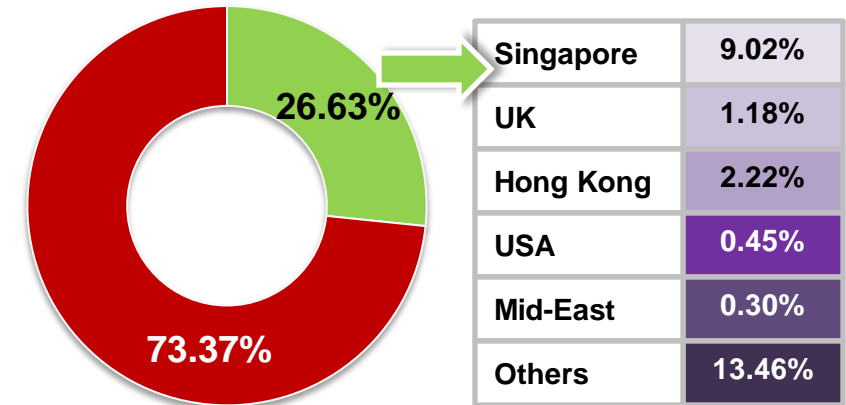
"Others"- refers to trades conducted for accounts not belonging to individuals/ institutions. Definitions of investors' type clarified in 2004, hence reducing the type of investor falling under "others" category.

Market Foreign Ownership

Foreign Ownership (%)



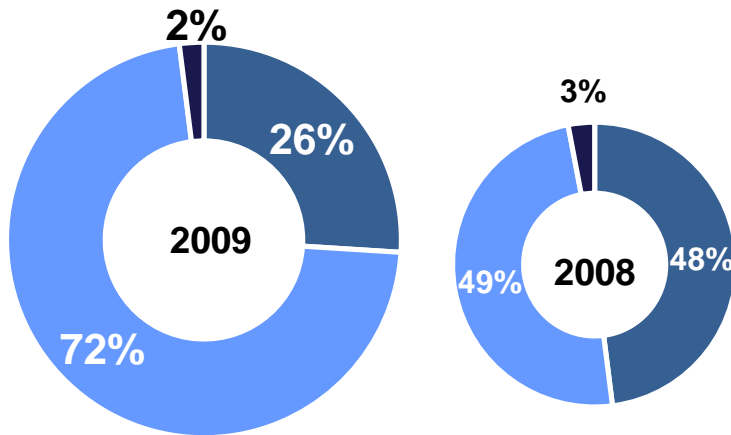
Foreign Ownership by Nationality



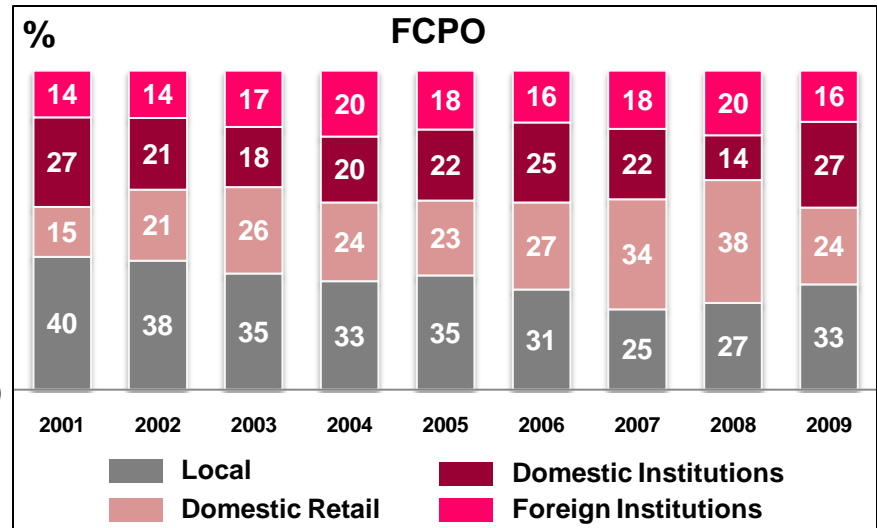
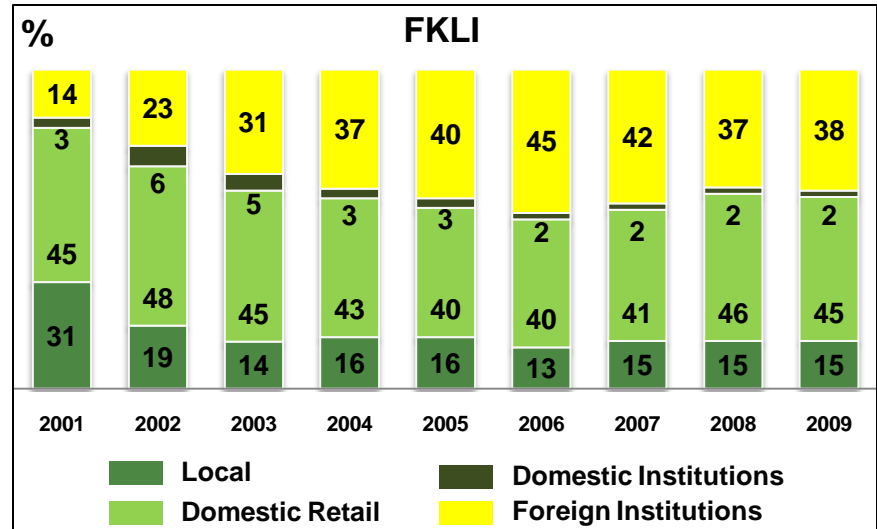
Foreign Nominees

Derivatives Market Demography

2 Leading Derivatives Products, FKLI & FCPO



- Crude Palm Oil Futures (FCPO)
- KL Composite Index Futures (FKLI)
- 3-Month KL Interbank Offered Rate Futures (FKB3)



* Local - A local participant is an individual who has been admitted as a participant in accordance with The Rules, registered with SC and has the right to trade for himself - all futures contracts listed on the Derivatives Exchange.