

BURSA MALAYSIA BERHAD

CLSA Investors' Forum, Hong Kong

Dato' Yusli Mohamed Yusoff, CEO
22 - 26 September 2008



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Single Exchange Group

Total Market Capitalisation : USD229 bn (RM791 bn) @ 12 September 2008

Equities Market

3 Markets:

- Main Board : 637 cos
- Second Board : 221 cos
- MESDAQ Market : 124 cos

Trading
Clearing
Settlement
Depository

Derivatives Market

9 Derivatives Products:

- Commodity futures
- Equity futures & options
- Financial futures

Trading
Clearing
Settlement

Bond Market

5 Bond Instruments:

- M'sia Gov Securities*
- Gov Investment Issues*
- Central Bank Papers
- Cagamas Papers
- Private Debt Securities

Order Matching*
(Trading)
Negotiation
Reporting

Offshore Market

Financial instruments:

- Non-ringgit securities
- Islamic Sukuk cross listings

Listing
Clearing
Depository

Clearing & Depository by :
Citibank & Deutsche

Integration Across Products and Services

Board Of Directors And Shareholdings Structure

13 Members @ 12/9/2008

- 1 Executive Director
- 7 Independent Non-Executive Directors
- 5 Public Interest Directors (also independent)

Substantial Shareholders @ 29/8/2008

Minister of Finance Inc.	19%
Capital Market Development Fund	19%
Newton	9.5%

Foreign Shareholding : 23%

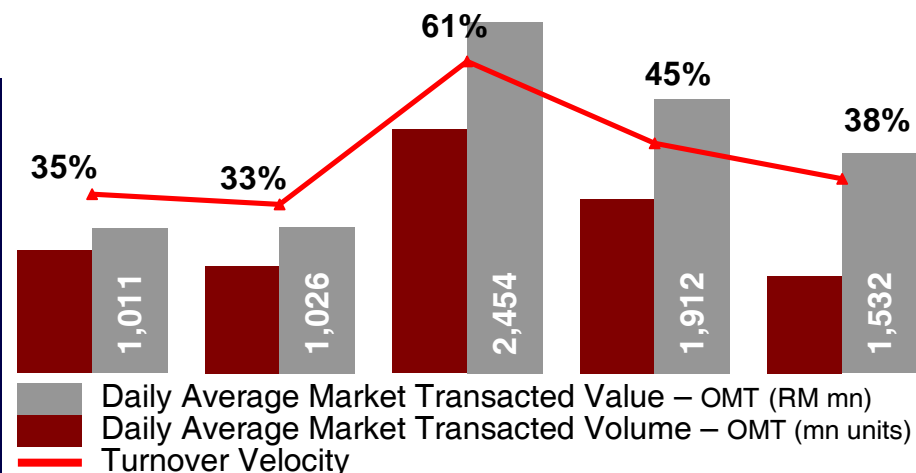
Market Cap of Bursa @ 12/9/2008 :
RM3.4 bn (USD1.0 bn)

Operating Drivers

Impacted By Continued Global Uncertainties And Local Market Sentiments

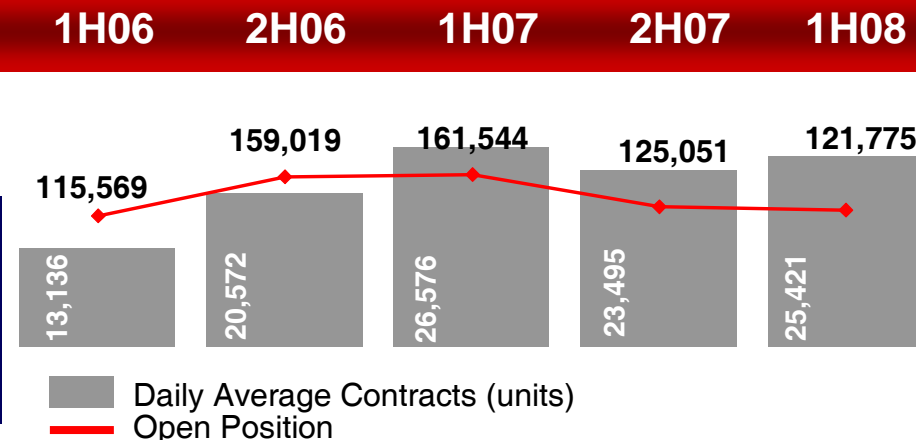
EQUITIES

	YTD 12 Sept 08	FY 2007	▲ %
Velocity (%)	34	53	(36)
Market Capitalisation (RM tn)	0.9	1.1	(18)
Daily Average Trading Volume OMT+DBT (bn)	0.7	1.6	(56)
Daily Average Trading Value OMT+DBT (RM bn)	1.4	2.4	(42)

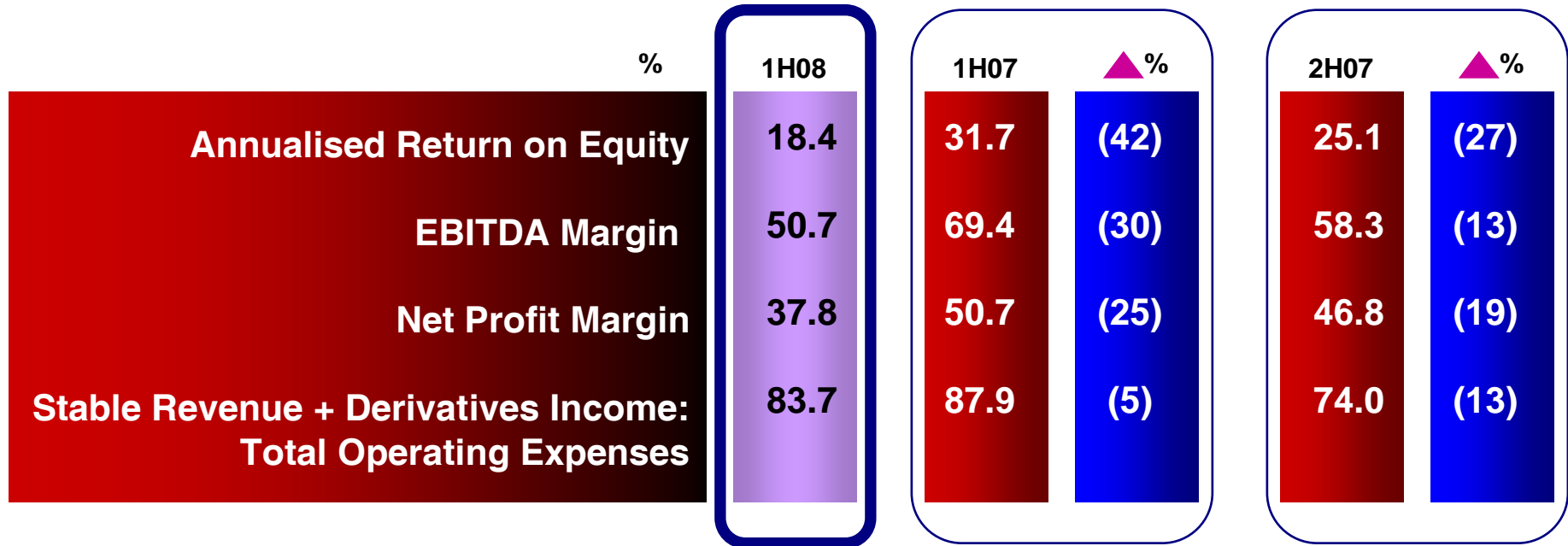


DERIVATIVES

	YTD 12 Sept 08	FY 2007	▲ %
Daily Average Contracts	24,635	25,011	(2)



Key Ratios



1H08 vs. 1H07 Commentary

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

Financial Results Overview

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

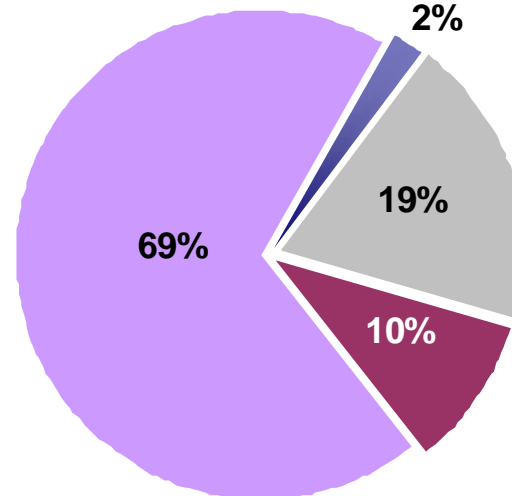
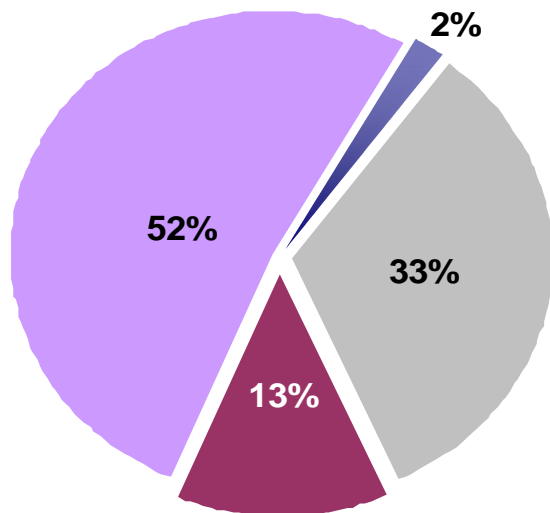
Commentary

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

Operating Revenue

1H08: RM 164.1 mn (USD 50.2 mn)

1H07: RM 239.2 mn (USD 69.2 mn)



	RM mn	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

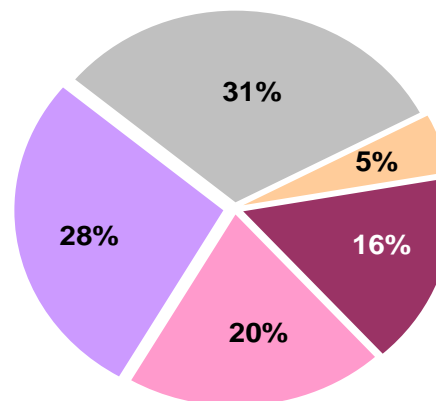
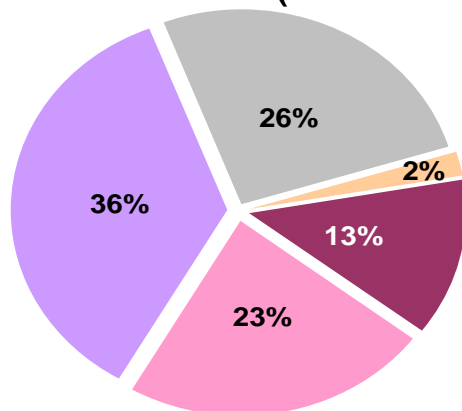
1H08 vs. 1H07 Commentary

- 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 3.2mn in 1H07 to 3.1mn 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 mn (USD 16.4 mn)

1H07: RM 46.8 mn (USD 13.5 mn)



	RM mn	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

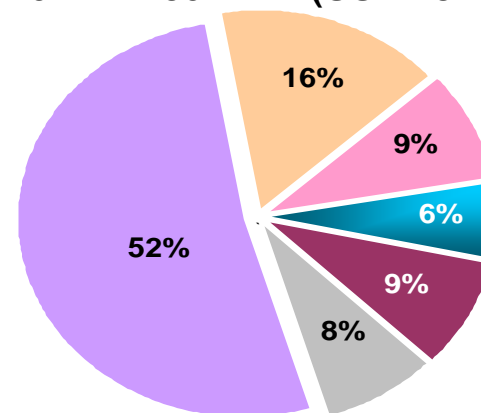
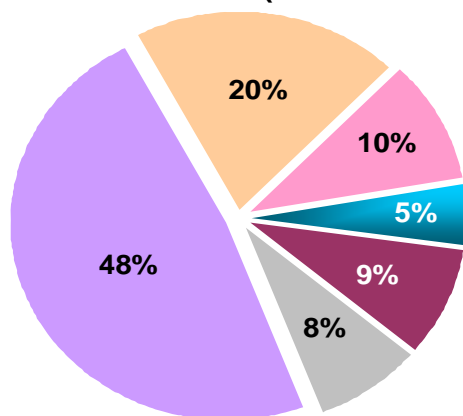
1H08 vs. 1H07 Commentary

- 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 mn (USD 27.6 mn)

1H07: RM 80.2 mn (USD 23.2 mn)



	RM mn
Staff Costs	43.1
Market Development	7.5
IT Maintenance	7.6
Building Management Costs	4.7
Depreciation & Amortisation	9.3
Other OPEX	18.1

1H08	1H07	%
43.1	41.8	3
7.5	6.4	17
7.6	7.4	3
4.7	4.5	4
9.3	7.0	33
18.1	13.1	38

2H07	%
43.6	(1)
11.8	(36)
6.0	27
4.8	(2)
7.1	31
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 mn

USD \$ mn

Financial Resources Available for Use *

423

130

Shareholders' Fund

760

233

Capital Expenditure

12

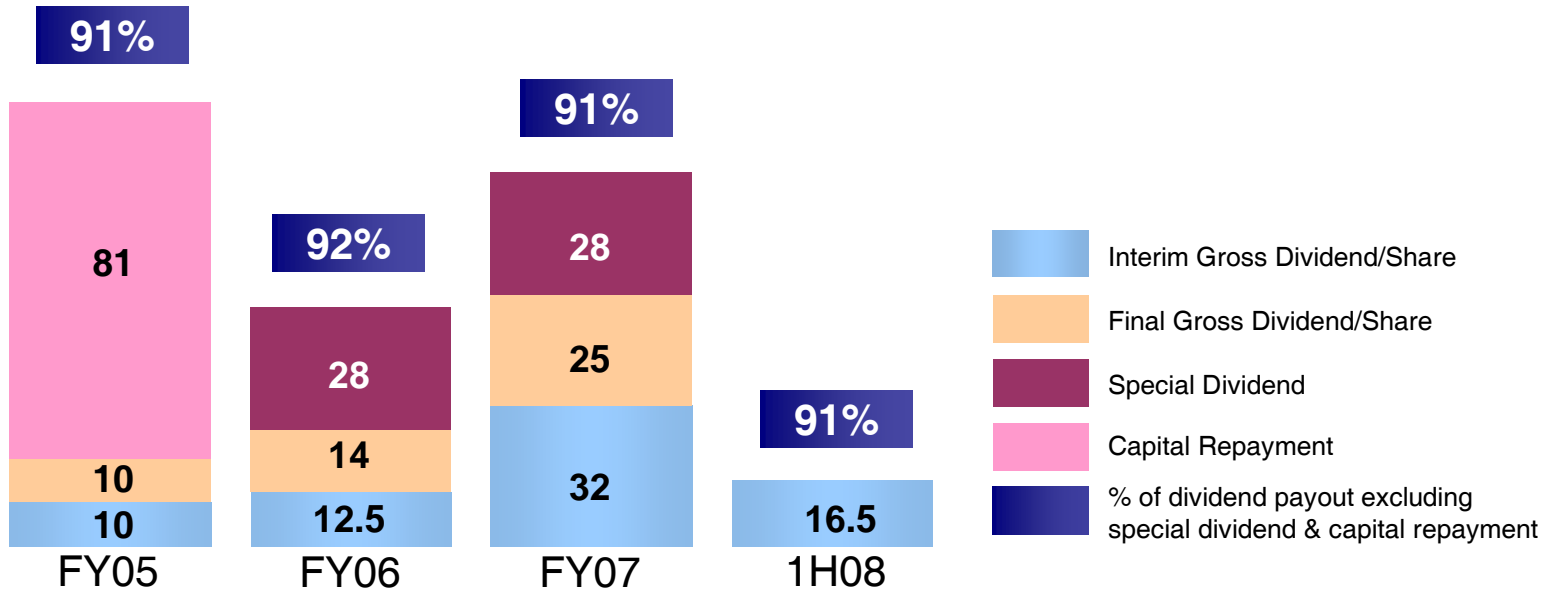
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* Inclusive of RM64mn interim dividend paid in August 2008

Dividend Payout > 90%

Delivers Value To Shareholders

Historical Dividend Payout in sen



Total Shareholders' Return since listing till 12 Sept 2008

185%

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 Crude Palm Oil Futures

Other Initiatives

- Continued Retail Education

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
- Thematic ETFs

Other Initiative

- Commodity Futures Trading Commission's Approval
- Unification of Boards
- Market Making

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.**

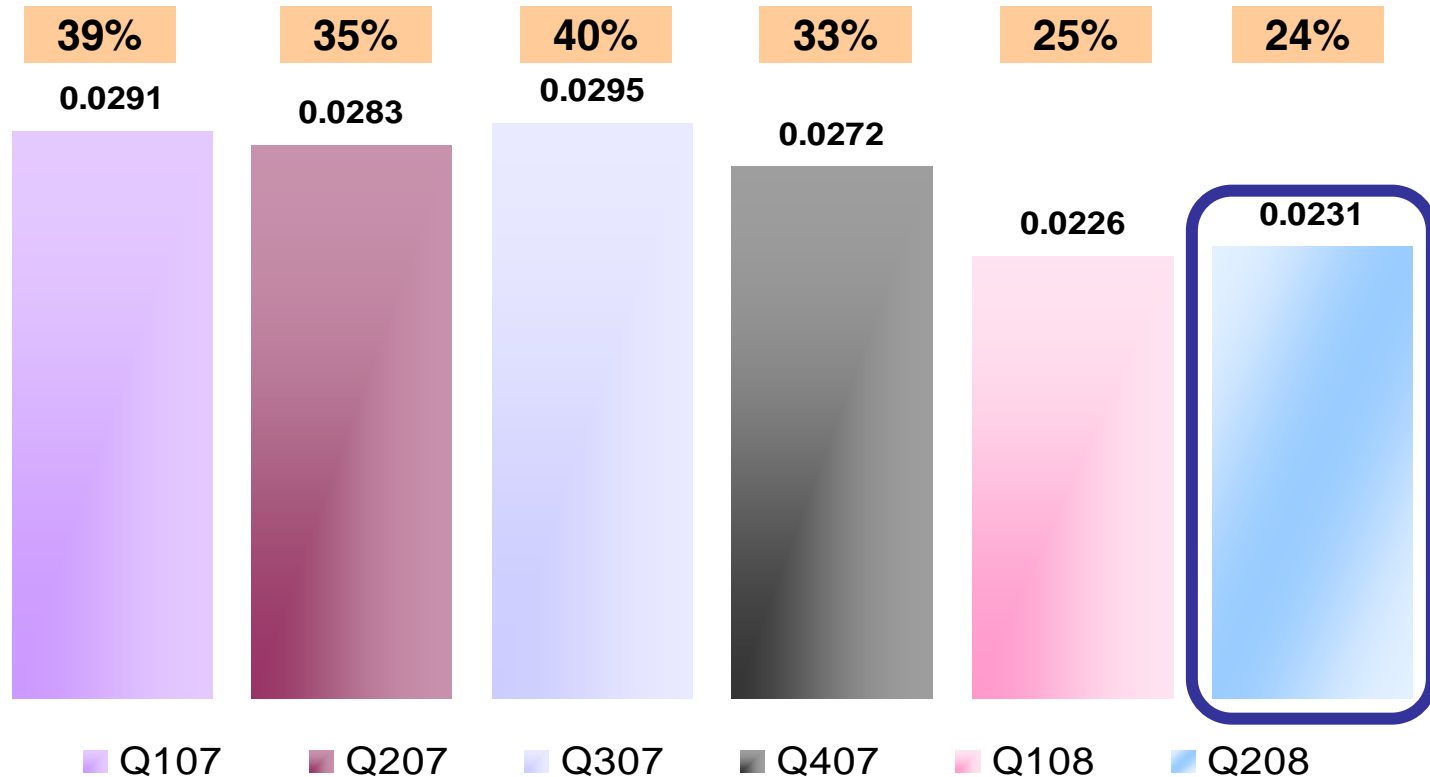
BOND MARKET

No significant income expected due to availability of alternative OTC trading

ADDITIONAL INFORMATION

Effective Clearing Fee Rate

Affected By Institutional Bunching Of Trades And Lower Retail Participation



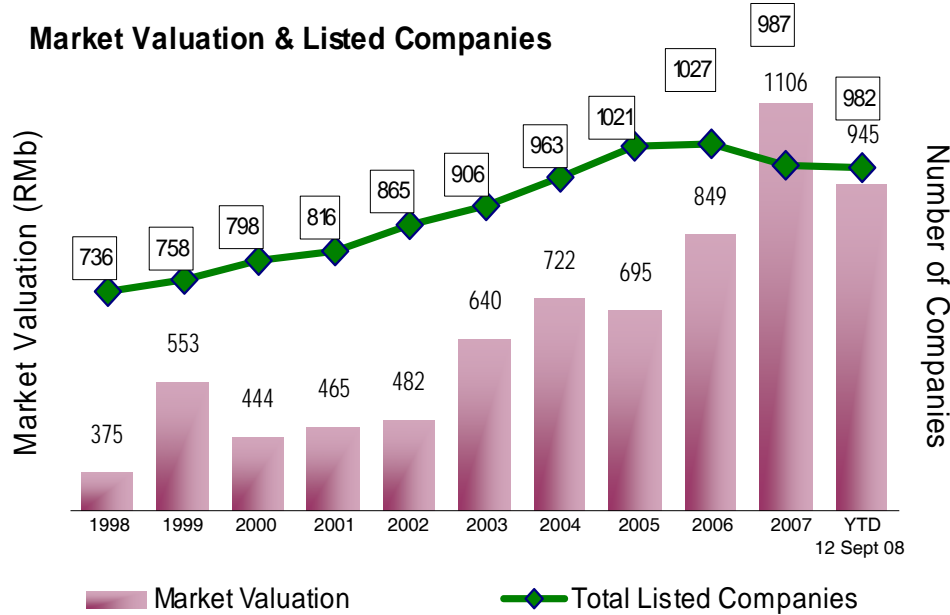
 % of retail trading participation by value

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

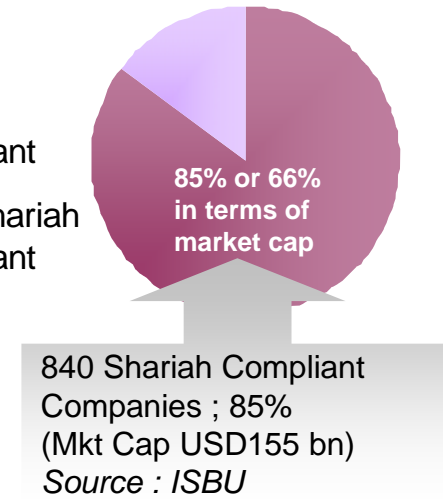
Our Market Remains Competitive

18 New Listings @ 12 September 2008

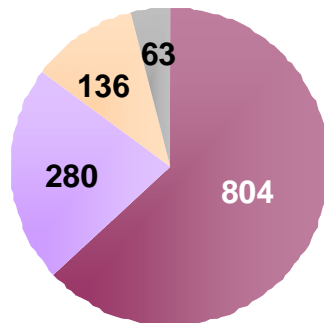
Market Valuation & Listed Companies



- Shariah Compliant
- Non-Shariah Compliant

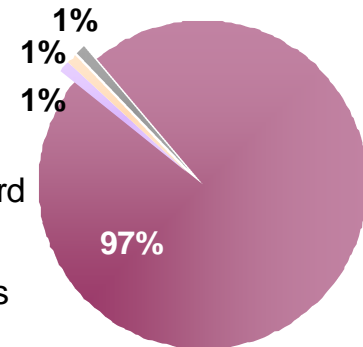


- Main Board
- Second Board
- Mesdaq
- Call Warrants



No. of Counters Listed 1,283

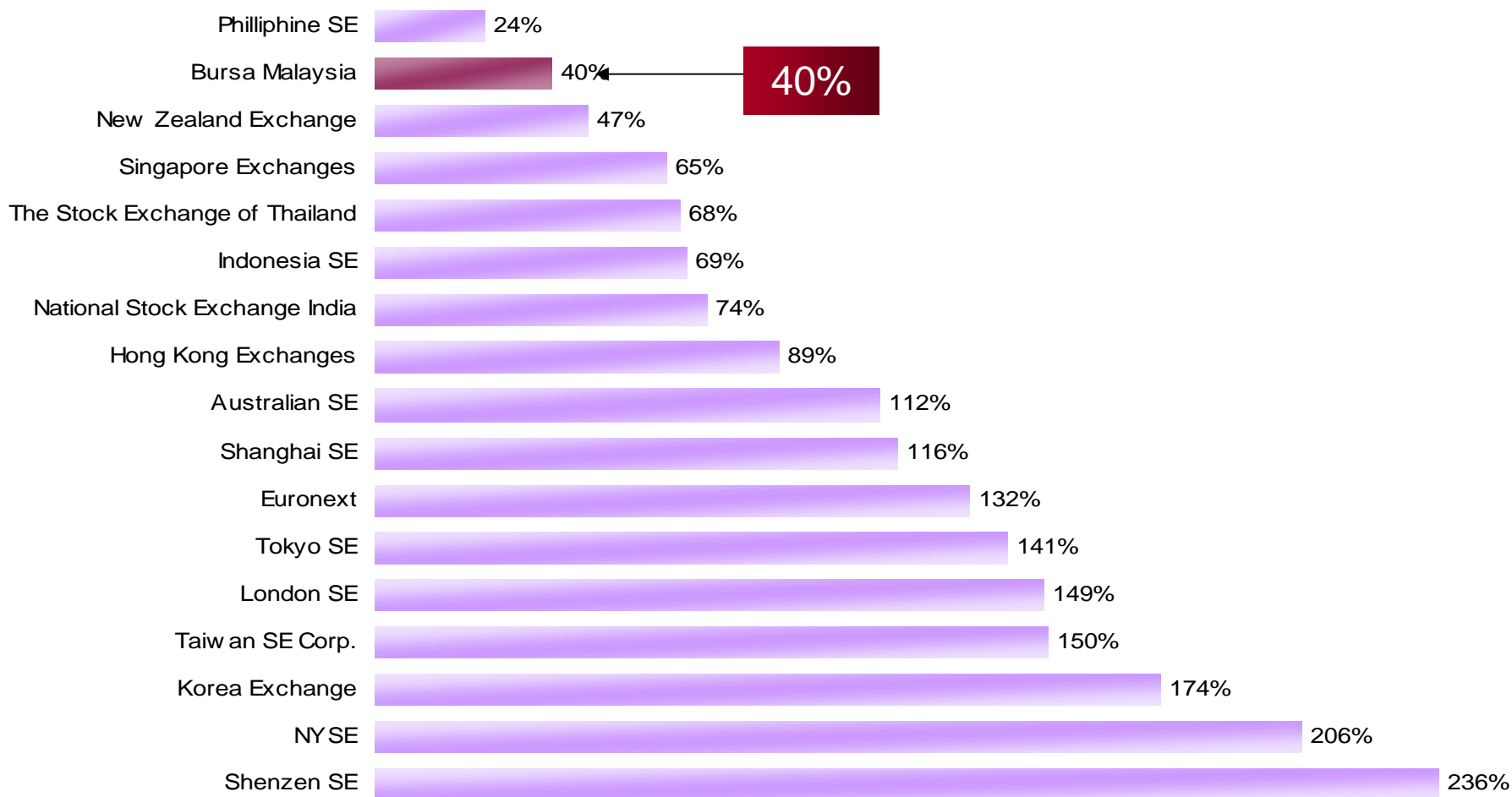
- Main Board
- Second Board
- Mesdaq
- Call Warrants



Market Capitalisation USD229 bn (RM791 bn)

Bursa's Sustainable Velocity Target : 60% By 2010

Turnover Velocity For The Past 12 Months To August 2008

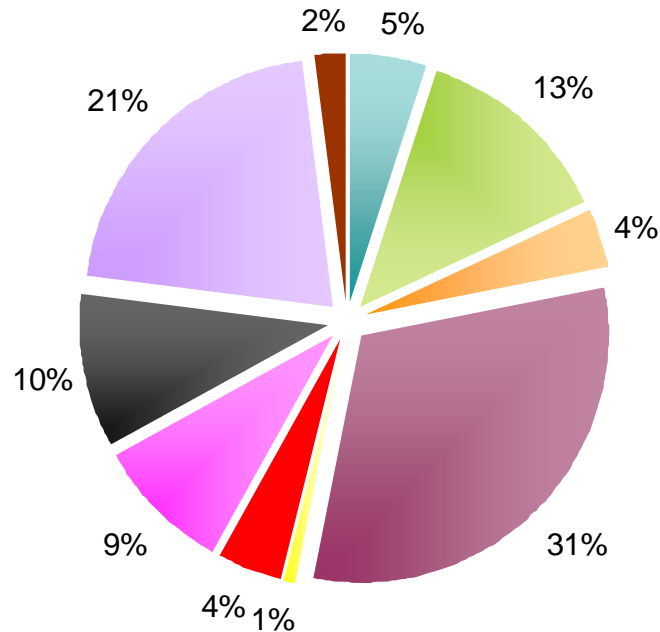


Source: World Federation Exchanges (WFE)

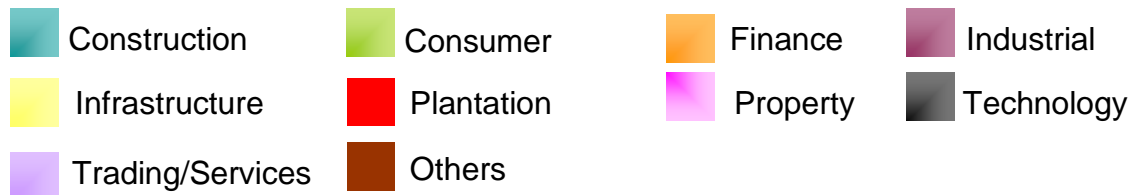
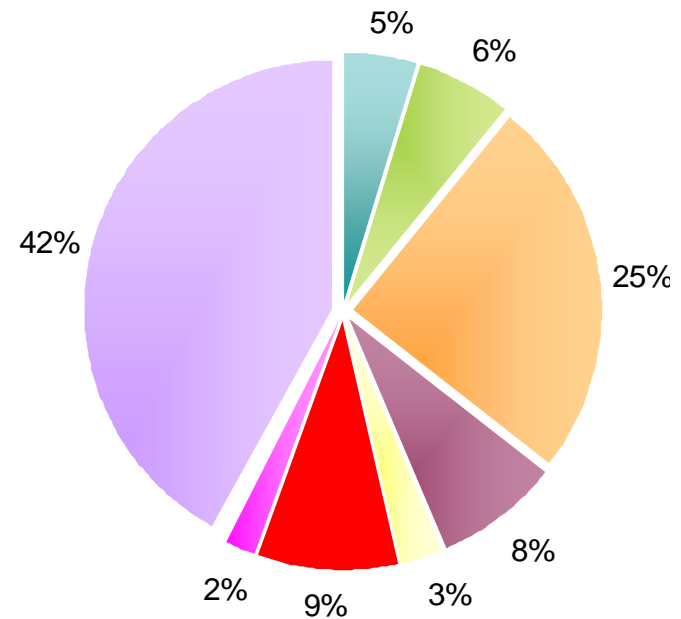
Diversity Provides Resilience

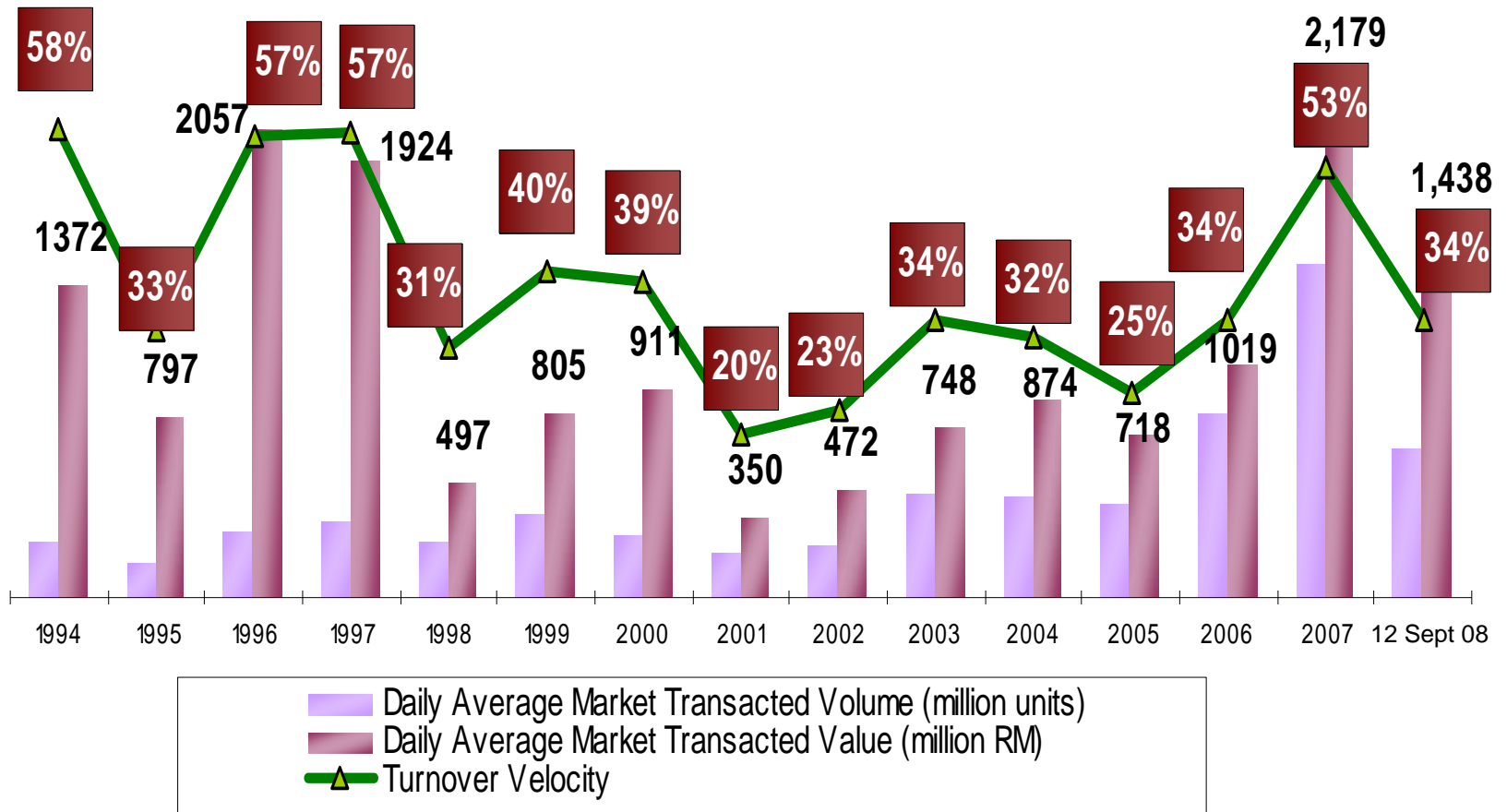
As at 29 August 2008

Number of Listed Companies

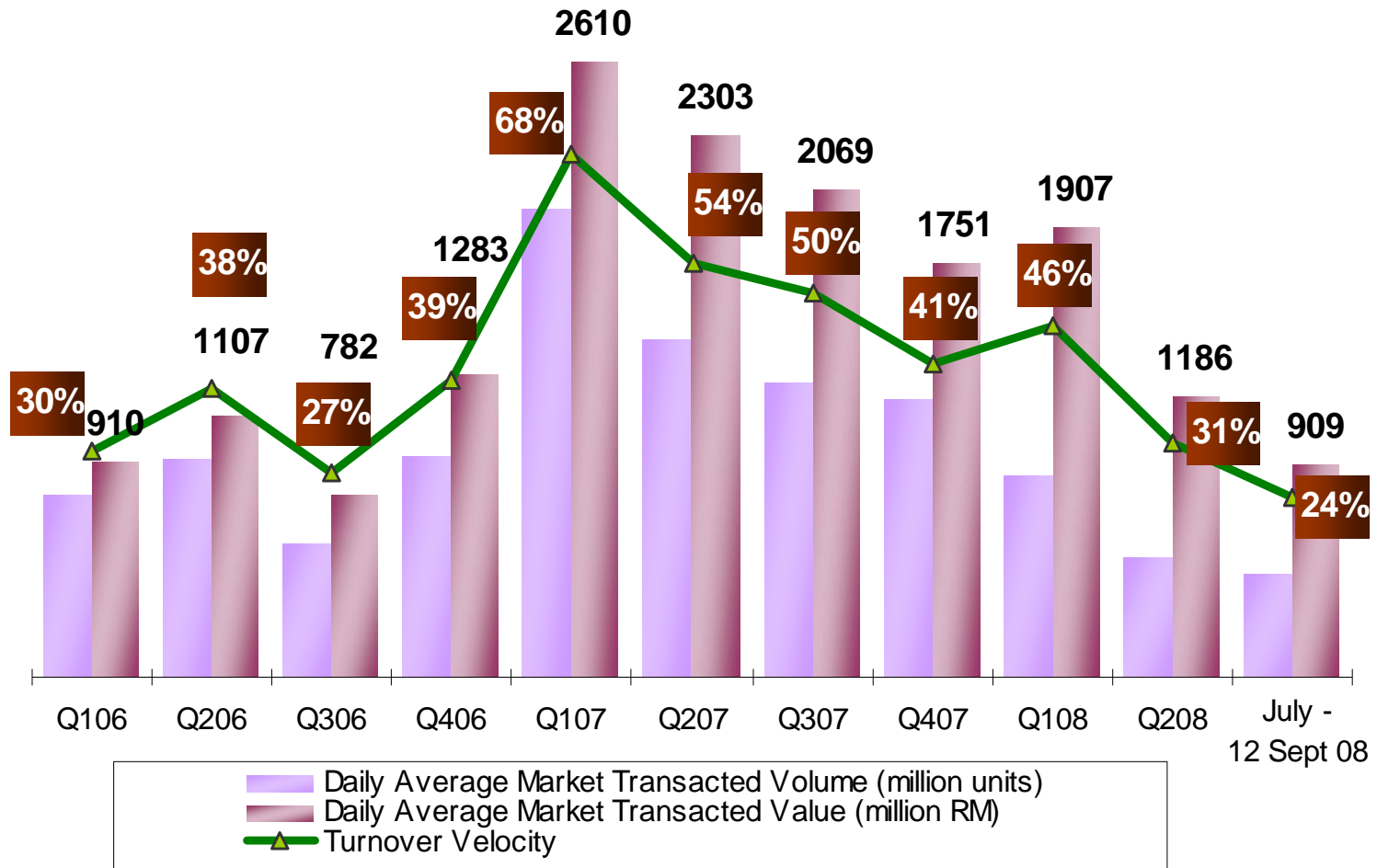


Market Capitalisation of KLCI Components



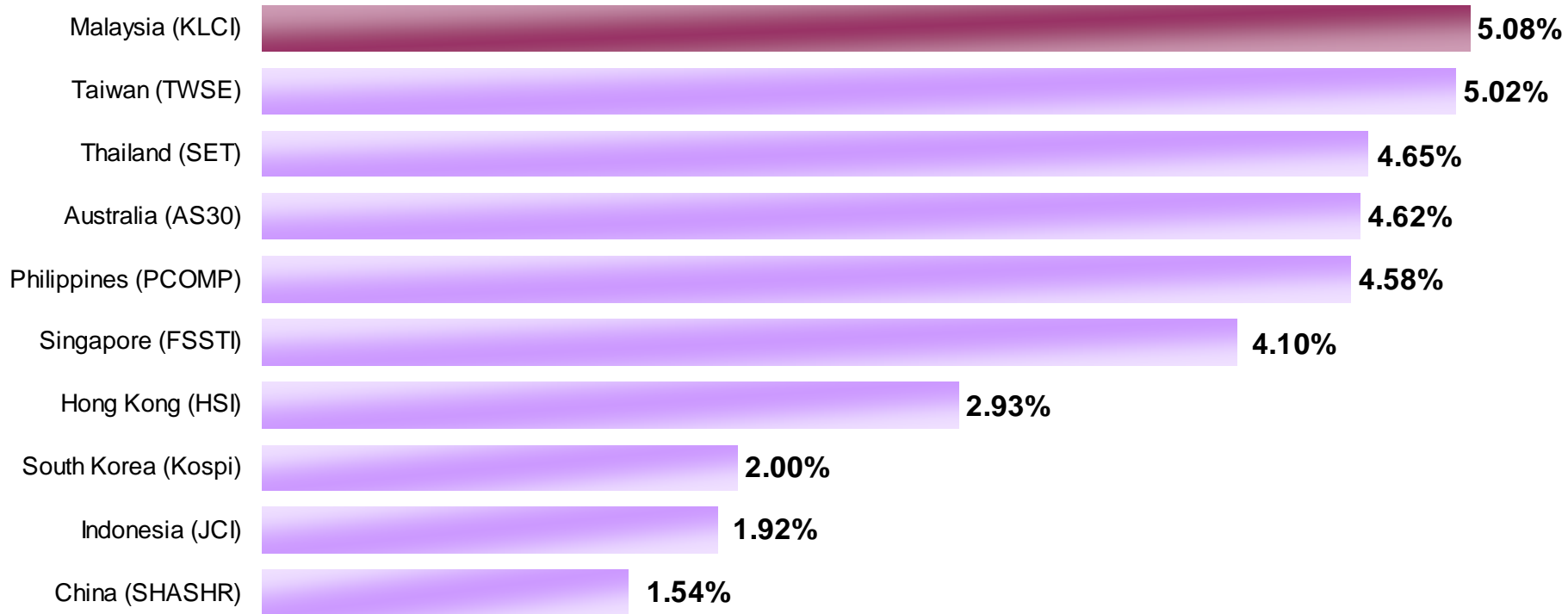


Quarterly Velocity



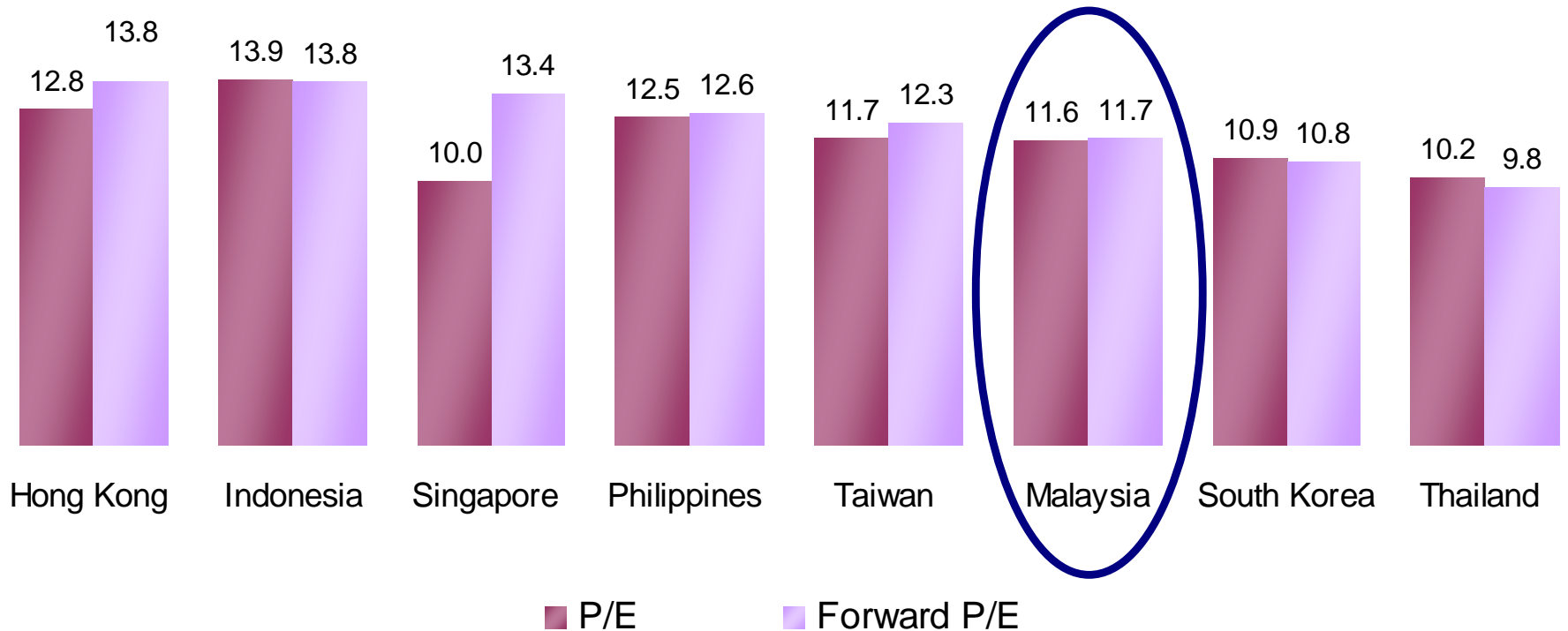
Offers The Highest Dividend Yield

Selected Regional Markets - Dividend Yield



Source: Bloomberg – Dividend yield for main regional indices as at 29th August 2008

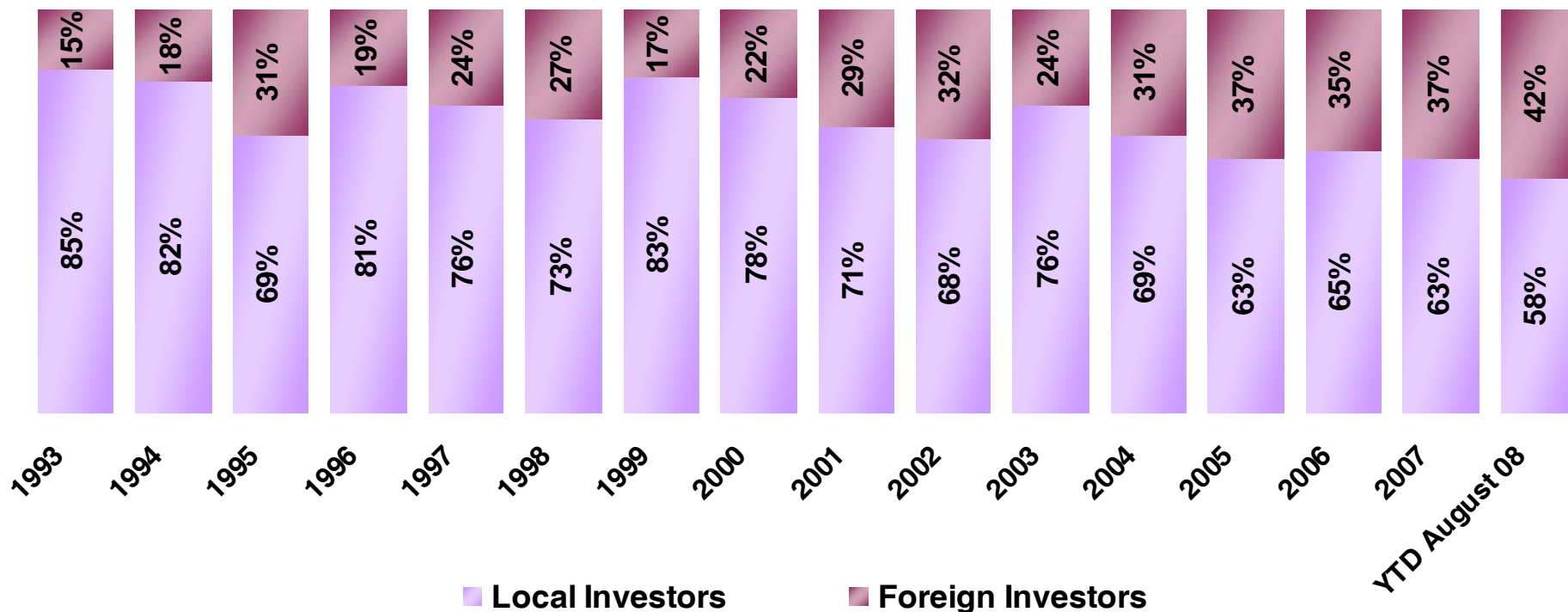
Attractive Market P/E Valuation



Source: Bloomberg - P/E Valuation for main regional indices as at 29th August 2008

Sustained Foreign Trading Reflects Market Resilience

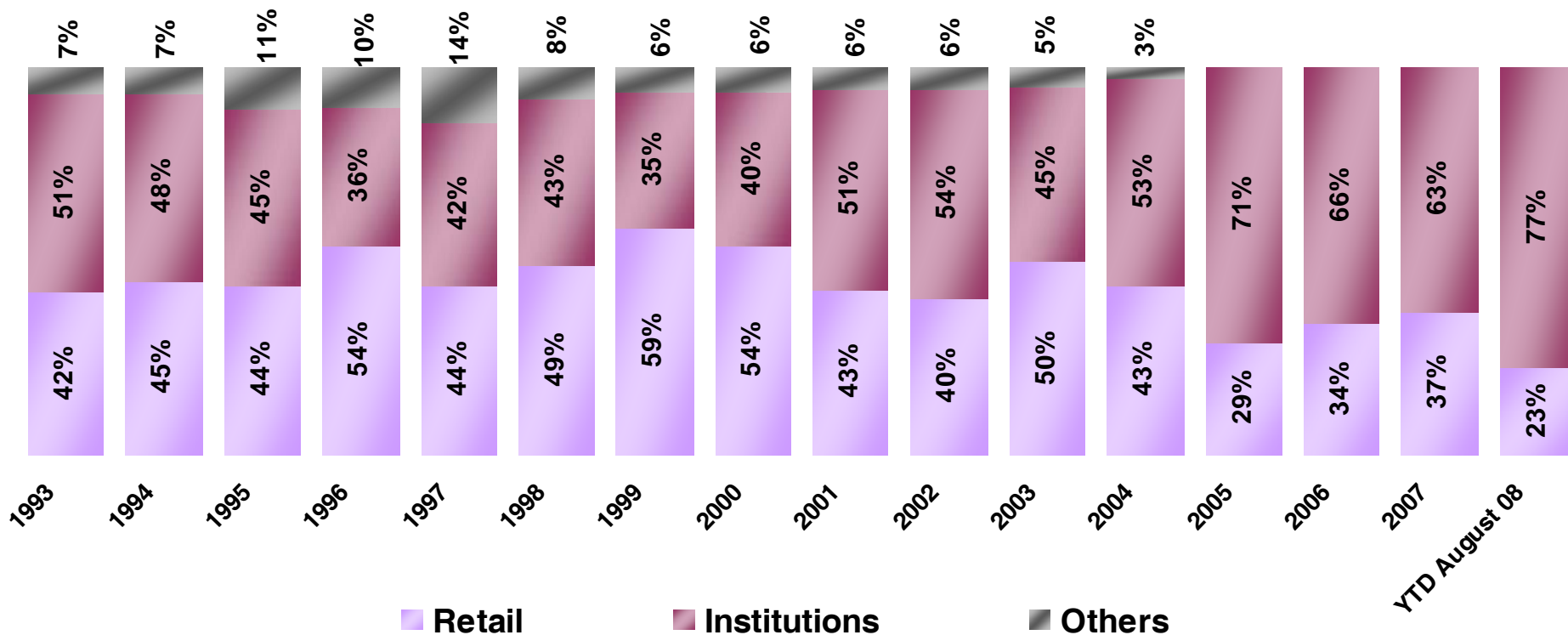
Breakdown of trading (by value) 1993 to August 2008



Retail Participation

Drop In Retail Volume Due To Weak Investors' Sentiment

Breakdown of trading (by value) 1993 to August 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.

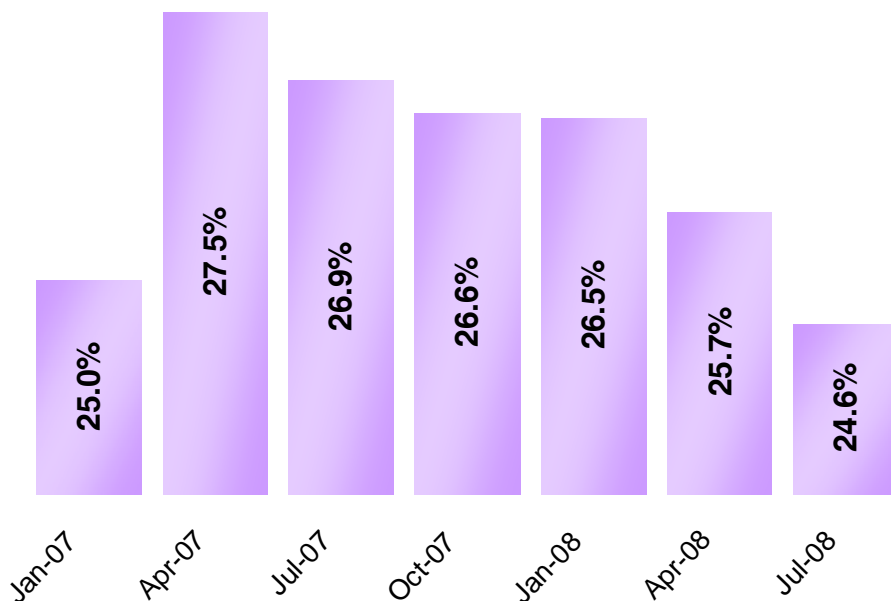
Foreign Ownership At 23.6%

Malaysian and Foreign Shareholdings as at 31 August 2008

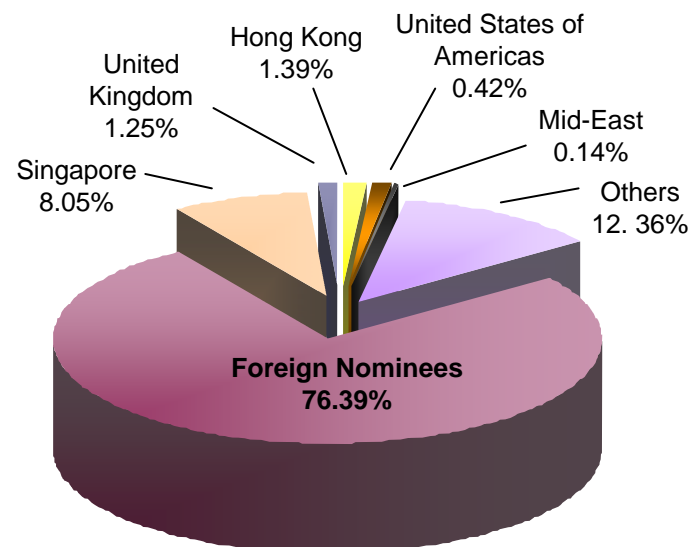
Items		August 2008				
		Total Shareholdings (Units-Bn)	%	Total Market Value (RM-Bn)	%	
1	Foreigners	Direct Holdings	17.0	4.11	39.3	4.72
	Foreign Nominees*	55.9	13.32	157.4	18.91	
2	Malaysians	341.0	82.57	635.5	76.37	
3	Total securities immobilised in CDS	413.0	100.00	832.2	100.00	

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

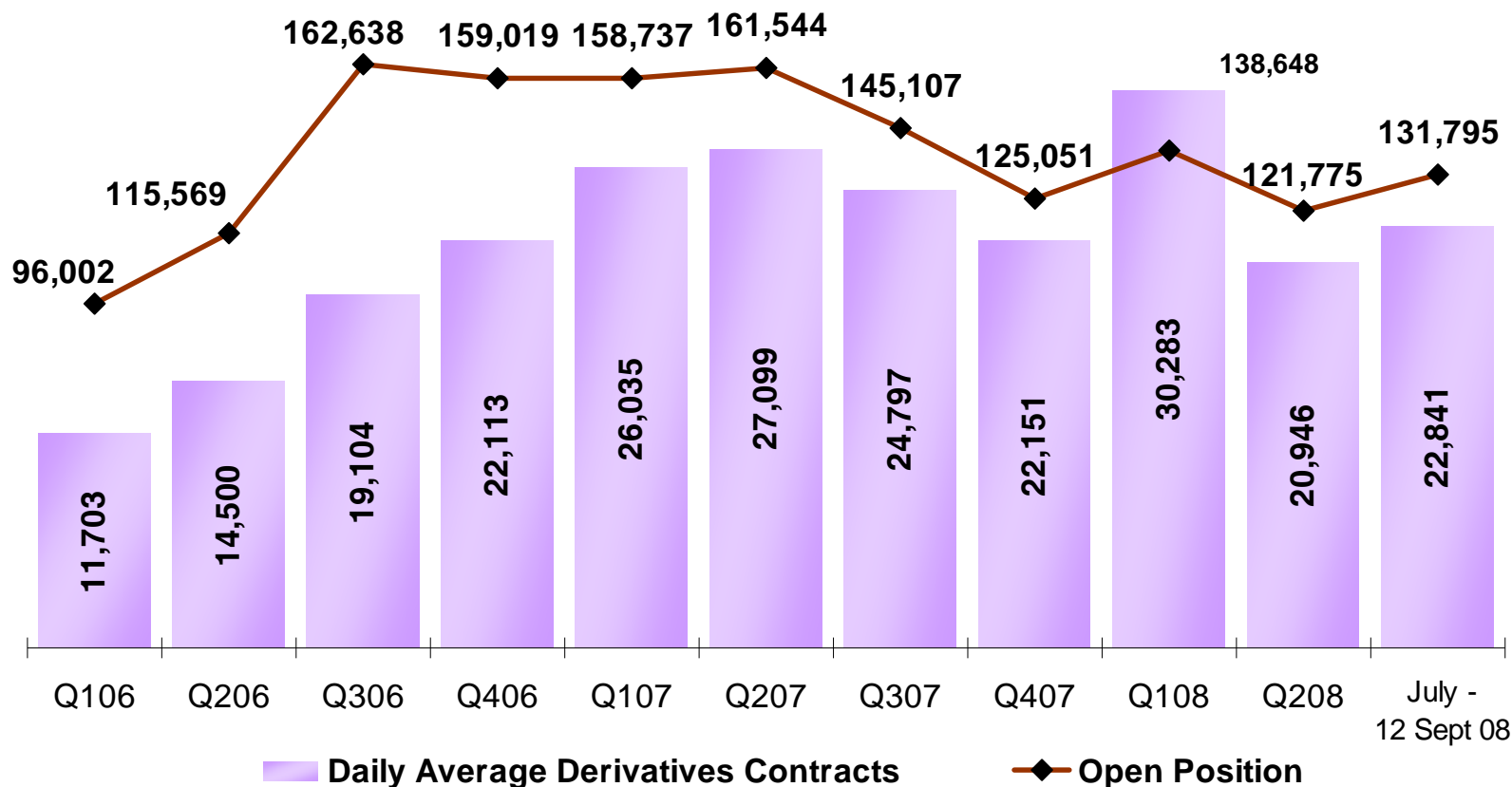
Foreign Ownership from Jan 07 – July 08



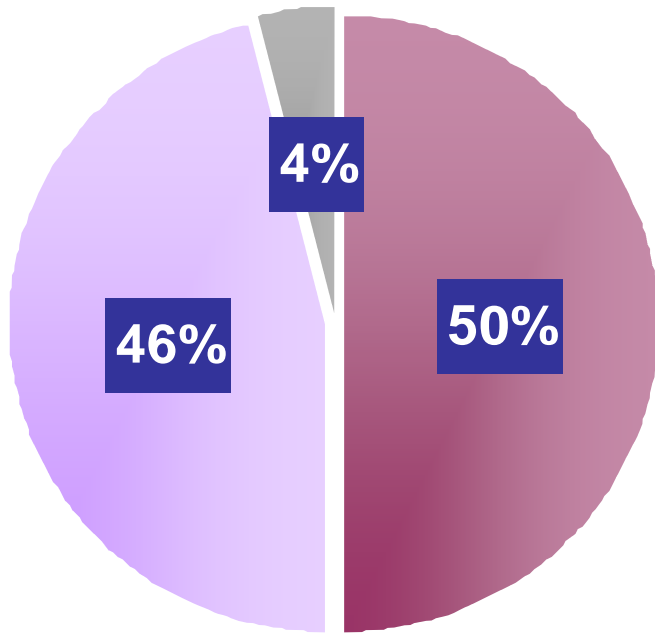
Foreign Shareholdings by Nationality for Selected Countries as at 31 August 2008



Quarterly Derivatives Activity



2 Leading Derivatives Products, FKLI & FCPO



Total contracts traded 1H 2007 = 3.2 mn

Total contracts traded 1H 2008 = 3.1 mn

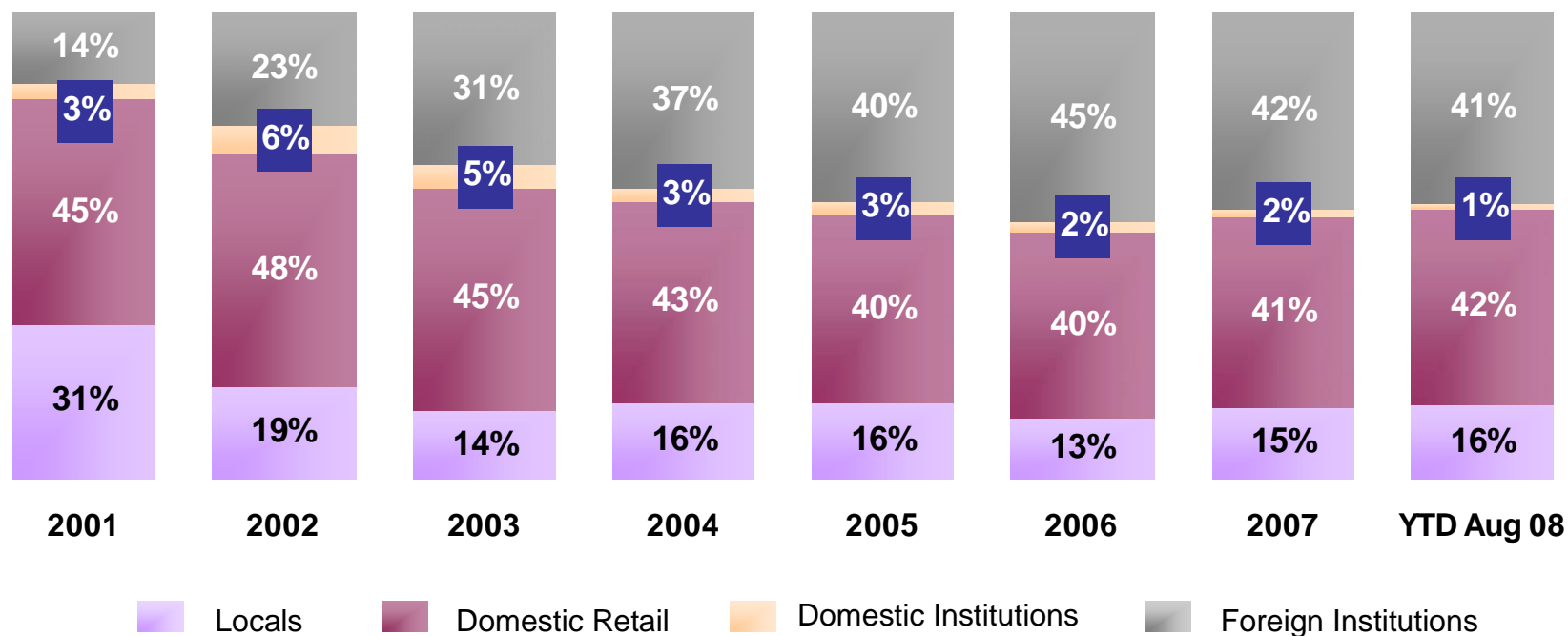
↓ -5%

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

Derivatives Market Demography

FKLI

KLCI Futures

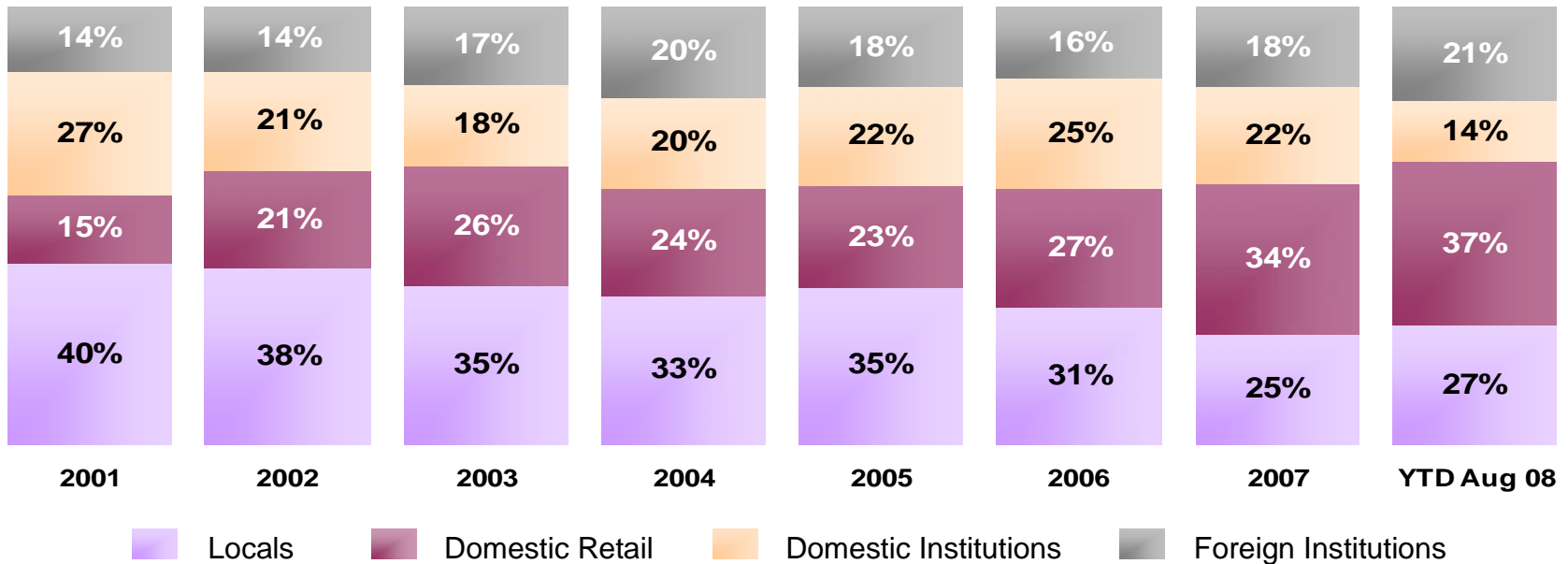


* Local - A local participant is an individual who has been admitted as a participant in accordance with The Rules, registered with SC and has the right to trade for himself - all futures contracts listed on the Derivatives Exchange.

Derivatives Market Demography

FCPO

Crude Palm Oil Futures



* 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.

Bursa's Strong Niche In Islamic Capital Market

Brand

- **Leading centre in Islamic banking**
 - 11 standalone Islamic Banks (3 are foreign)
- **Pioneer in Islamic finance**
- **Islamic friendly**
 - Highly regarded by Islamic investors, with Middle Eastern liquidity favoring Malaysia over other developed markets

Expertise

- **Islamic finance experts within Bursa Malaysia**
- **Access to Shariah Advisory Council (SAC)**
 - Close collaboration with SC on Islamic Capital Market transaction and activities
- **Islamic Financial Services Board (IFSB)**, international standard-setting organisation for the Islamic financial services industry
- **International Centre for Education in Islamic Finance** established to develop the global Islamic finance industry's human capital
- **Involvement of leading Islamic finance academics and industry experts** as advisors to capital markets players

Infrastructure

- **Most established Shariah-compliant legal and regulatory framework**
- **Tax exemptions for Islamic intermediaries**
 - Asset managers, banking products and Takaful companies
- **AFX as an offshore platform with significant Islamic finance activity**
 - Significant Sukuk activity
 - Potential **offshore listing destination** for Islamic finance products, with access to a broad pool of investors

Global Network



Liberalisation Efforts – No Capital Control

Re-introduction of regulated short selling (RSS) and stock borrowing & lending (SBL)

No Capital Gains Tax
No Property Gains Tax

Admission of 5 foreign brokers (UBS, CLSA, CSFB, Macquarie, JP Morgan)

Accelerate tax restructuring
: Reits (10% local & foreign)
: Corporate tax (25% - 2009,
26% - 2008)

Admission of 5 foreign fund managers (Aberdeen, Nomura, BNP Paribas, Credit Agricole, Franklin Templeton Investments)

Liberalisation of Foreign Listing & Dual Listing

Sound **M**acro **E**nvironment

REAL GROWTH

Projected ± 4.5-5%

CONDUCTIVE DOMESTIC INTEREST RATES

Overnight policy rate: 3.5%

HIGHER INFLATION Now at 7-8%

Annual CPI forecasted: 5%

STRENGTHENING RINGGIT

Appreciation of up to 15.8% since 2005

NINTH MALAYSIAN PLAN UNDERWAY

New emphasis on key economic developments