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BURSA MALAYSIA ANNOUNCES 29% INCREASE IN 2011 PATAMI ON STRONG SECURITIES AND DERIVATIVES TRADING PERFORMANCE

Key Financial & Market Highlights <i>(FY2011 against FY2010)</i>
▪ PATAMI at RM146.2 million, up 29%
▪ Operating revenue at RM381.3 million, up 15%
▪ Securities trading revenue at RM193 million, up 15%
▪ Derivatives trading revenue at RM51.2 million, up 36%
▪ Operating expenses at RM214 million, up 8%
▪ Average daily trading value for securities at RM1.79 billion, up 14%
▪ Market capitalisation at end-December 2011 at RM1.29 trillion, up 1%
▪ Velocity at 33%, unchanged
▪ Average daily contracts traded for derivatives at 34,474, up 39%

Bursa Malaysia Berhad (Bursa Malaysia) recorded a profit after tax and minority interest (PATAMI) of RM146.2 million for the financial year ended 31 December 2011, an increase of 29% from RM113 million reported in 2010. The Board of Directors will propose a final dividend of 13 sen per share for the year under review, which is a distribution of 95% of its net profit, subject to shareholders' approval at an Annual General Meeting to be held on 29 March 2011.

Bursa Malaysia's Chief Executive Officer Dato' Tajuddin Atan said, "2011 was a challenging year for markets around the globe, marked by macroeconomic uncertainty and Europe's persistent debt crisis. But we delivered a good set of results despite the difficult conditions and this demonstrates the tenacity and resilience of our market in times of uncertainty. Our securities and derivatives markets recorded improvements in trading volume as a result of increased participation by both foreign and local investors. This helped us achieve a 15% growth in operating revenue to RM381.3 million from RM331.3 million in 2010.

"Trading revenue from the securities market was up 15% to RM193 million for the year under review compared to RM167.9 million in 2010. Average daily trading value (ADV) increased 14% to RM1.79 billion compared to RM1.57 billion in the last corresponding year. Market capitalisation stood at RM1.29 trillion as at end of 2011, a slight increase from the RM1.28 trillion recorded at the end of 2010. Market velocity was constant at 33%. Despite the weak global market conditions, Bursa Malaysia attracted 28 new listings in 2011 compared with 29 in 2010.

"On the derivatives front, 2011 was a remarkable year of milestones achieved and new records established. Trading revenue for the year under review rose 36% to RM51.2 million. We broke records in terms of contracts traded for both Bursa Malaysia Derivatives and crude palm oil futures and celebrated the first-year anniversary of our migration onto the CME Globex® trading platform in September last year. Total derivatives contracts traded increased by 37% to 8.45 million in 2011, from 6.15 million a year earlier, while foreign and domestic participation in the market grew by 57% and 30% respectively. Contracts traded for the FTSE Bursa Malaysia Kuala Lumpur Composite Index Futures (FKLI) was up 24% to 2.48 million, compared to 1.99 million in 2010.

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Crude Palm Oil Futures (FCPO) contracts increased 45% to 5.87 million compared to 4.06 million in the last corresponding year.

“Turning to our Islamic business, Bursa Malaysia retained its position as the world’s top sukuk listing destination for the third consecutive year in 2011, with USD\$28.5 billion worth of sukuk listed on the Exchange. As at 31 December 2011, 48 sukuk representing 19 programmes were listed on Bursa Malaysia by 17 issuers. Global demand for sukuk has remained high and in Malaysia, we continue to be encouraged by the positive outlook for sukuk issuance in 2012.

“Total operating expenses rose 8% to RM214 million in 2011 as a result of higher staff cost and the licence fee paid to CME Group for the trading of our products on the Globex® platform. Excluding the annual fee paid to CME, operating expenses were only up by 4% in 2011, improving our cost-to-income ratio further to 51% from 55% in 2010.

In July last year, Bursa Malaysia announced three mid-term targets. The targets and year-to-date achievements are as follows:

	Target	2011 achievement
Average PAT growth rate of at least 20% p.a. over the next 3 years.	20%	31% growth in 2011 PAT
Annual growth in securities market ADV	To be on par with leading listed Exchanges in the region	Bursa: 14% Leading listed exchanges in the region: -4%
Average daily contracts (ADC) traded for derivatives.	50,000 by 2013	34,474 or 39% growth in 2011 ADC

“Going forward, we remain steadfast in our commitment to increase the attractiveness and vibrancy of the market, while being mindful of cost. We will continue to identify collaborative opportunities to improve the market eco-system and competitiveness, as evident by our participation in the ASEAN collaboration initiative. In terms of our trading system, we expect to introduce new features to create a more vibrant and efficient trading environment. With the rapid globalisation and liberalisation of markets, we are faced with increased competition for speed, flexibility and efficiency. The new features will ensure our competitive position by enabling traders and investors to execute various trading strategies more efficiently.

“Market volatility is expected to persist in 2012 unless there is more clarity on how the global economy will pan out. However, the Malaysian economy is expected to remain resilient due to its strong fundamentals, robust domestic demand as well as the government’s ongoing economic reform initiatives. The divestment of assets by some government-linked companies will further contribute to the liquidity and vibrancy of the market. Meanwhile, our derivatives business is poised to benefit from increased risk management activities brought about by the global economic uncertainty. On our part, we aim to further liberalise access to the market, while launching new products to give investors greater options for trading. Overall, we expect our 2012 financial performance to at least mirror that of, if not better than, 2011.”

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FINANCIAL RESULTS	2011	2010	Percentage Change
	RM' mil	RM' mil	%
Operating revenue	381.3	331.3	15
Other income	38.8	29.7	30
Total Revenue	420.1	361.0	16
Staff costs	(104.1)	(92.4)	13
Depreciation and amortisation	(38.4)	(43.2)	(11)
Other operating expenses	(71.5)	(61.7)	16
Profit before tax	206.1	163.7	26
Income tax expense	(54.8)	(48.1)	14
Profit after tax	151.3	115.6	31
Minority interest	(5.1)	(2.6)	99
PATAMI	146.2	113.0	29

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About Bursa Malaysia Berhad

Bursa Malaysia is an approved exchange holding issuer under Section 15 of the Capital Markets and Services Act 2007. A public issuer limited by shares under the Issuers Act 1965, Bursa Malaysia operates a fully-integrated exchange, offering equities, derivatives, offshore, bonds as well as Islamic products, and provides a diverse range of investment choices globally.

For more information on Bursa Malaysia, visit the website www.bursamalaysia.com

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