



1H2006 Results Briefing



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Agenda

- ▶ **Highlights**
- ▶ Financial Performance Review
- ▶ Recent Developments and Outlook
- ▶ Q & A
- ▶ Appendix : Market Statistics

Key Financial Highlights

– 6 months to June 2006

- ✓ **Operating revenue up 28% to RM127.8 m**
- ✓ **1H06 net profit up 27% to RM54.4 million**
- ✓ **Operating EBITDA margin up 36% to 50.0%**
- ✓ **EPS up 14% to 10.6 sen**
- ✓ **ROE up 94% to 12.2% (annualised)**
- ✓ **Interim dividend up 25% to 12.5 sen gross**

Key Market Indicators

- ✓ **Velocity up 28% to 35%**
- ✓ **Market Capitalisation up 5% to RM722 bil**
- ✓ **Daily Average Trading Value up 19% to RM1.1 billion**
Daily Average Trading Volume up 72% to 928 million units
- ✓ **Derivatives : Daily Average Contracts traded**
 - **Total** : up 28% to 13,136 contracts
 - **FCPO** : up 10% to 5,676 contracts
 - **FKLI** : up 46% to 6,186 contracts
 - **FKB3** : up 40% to 1,098 contracts

Bursa's Achievement vs Headline KPIs

Headline KPIs for 2006	Target	6 Months Progress
1. ROE	9.1%	12.2% (annualised)
2. Domestic Retail Participation	35%	37%
3. New products and services	10	<ul style="list-style-type: none"> ✓ SSF : April 06 ✓ FTSE – Bursa Indices : June 06 ✓ Bursa Station : May 06 <p><u>Coming Soon</u></p> <ul style="list-style-type: none"> • Clearing Guarantee Fund • RSS / SBL • International Licensing of CPO Prices • Bursa Trade (Derivative) • Direct Market Access • Proprietary Day Trading • IR Portal

Agenda

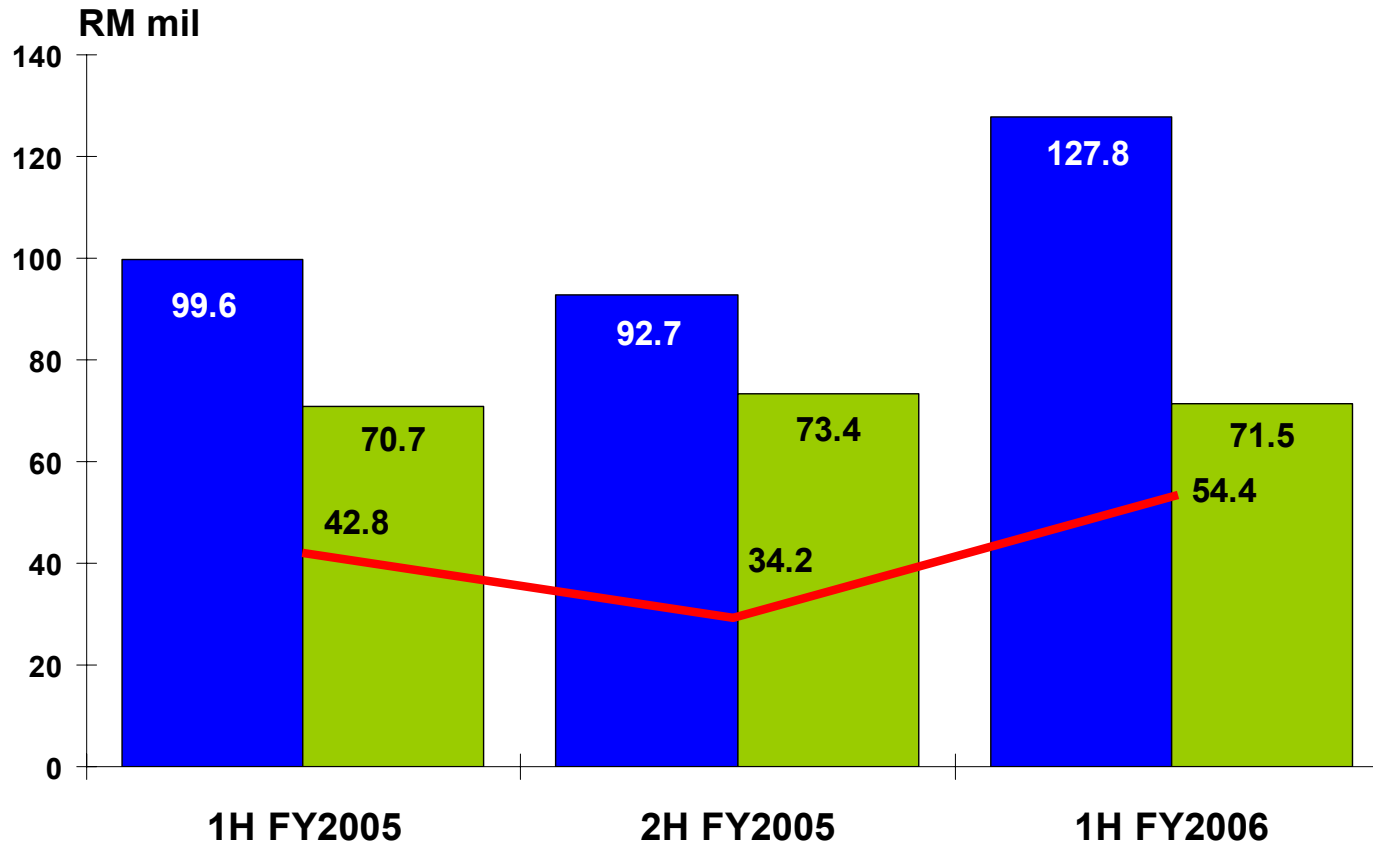
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Financial Performance

Key results (RM mil)	Quarterly		Δ (%)	Half Yearly		Δ (%)
	2Q06	2Q05		1H06	1H05	
Operating revenue	69.5	47.1	48%	127.8	99.6	28%
Operating expenses	30.3	29.7	2%	63.8	63.0	1%
Operating EBITDA	39.2	17.3	127%	64.0	36.7	74%
Depreciation and amortisation	3.7	3.9	-5%	7.7	7.7	0%
Other income	8.4	15.4	-45%	21.3	36.4	-41%
PBT	43.7	28.8	52%	77.3	65.3	18%
Taxation	11.5	9.7	19%	22.1	21.1	5%
PAT after MI	32.2	18.8	71%	54.4	42.8	27%
EPS (sen)	6.2	3.7	68%	10.6	9.3	14%

Note : Comparatives have been restated to reflect PYA

Financial Performance Review



Annualised ROE

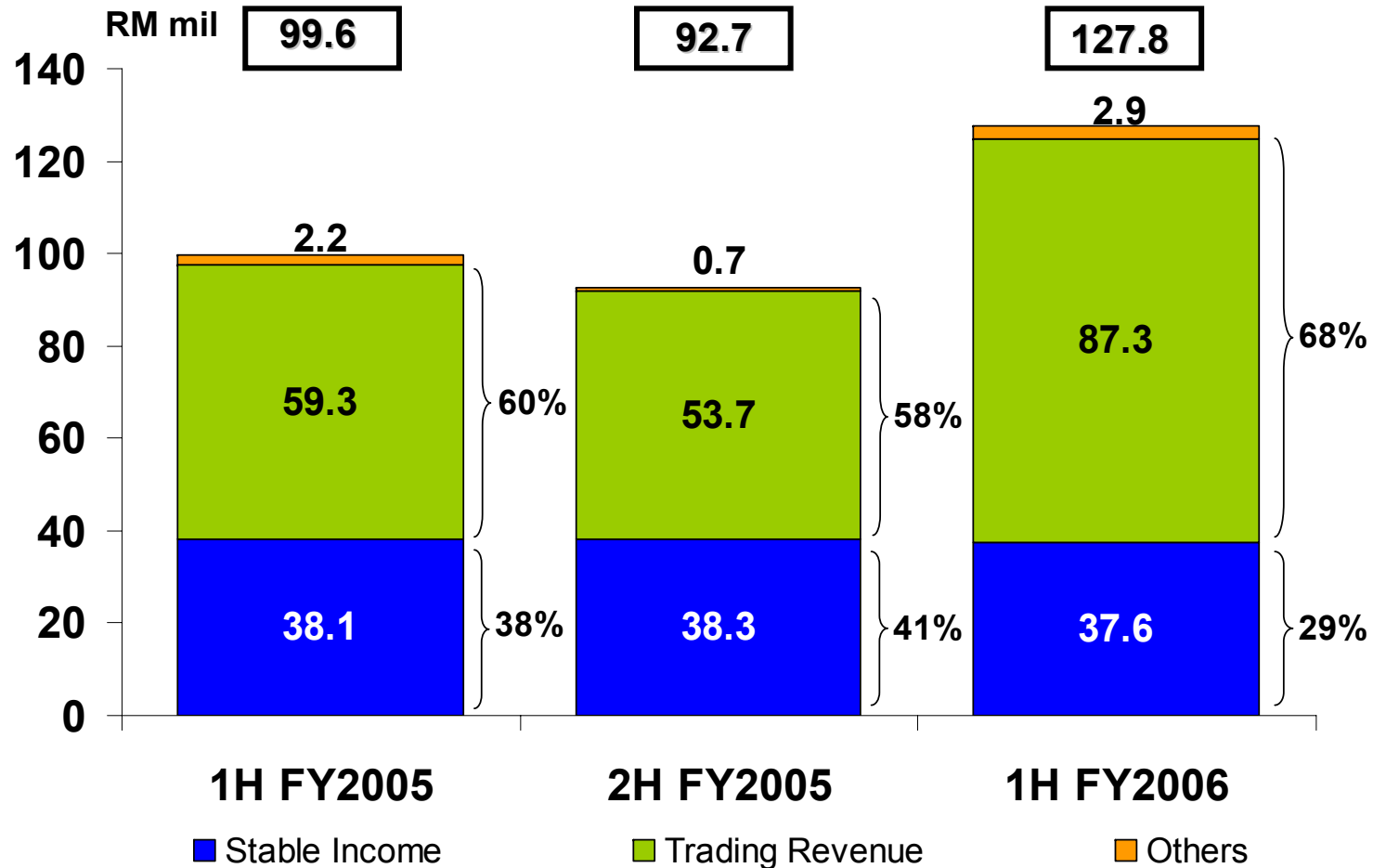
6.3%

6.4%

12.2%

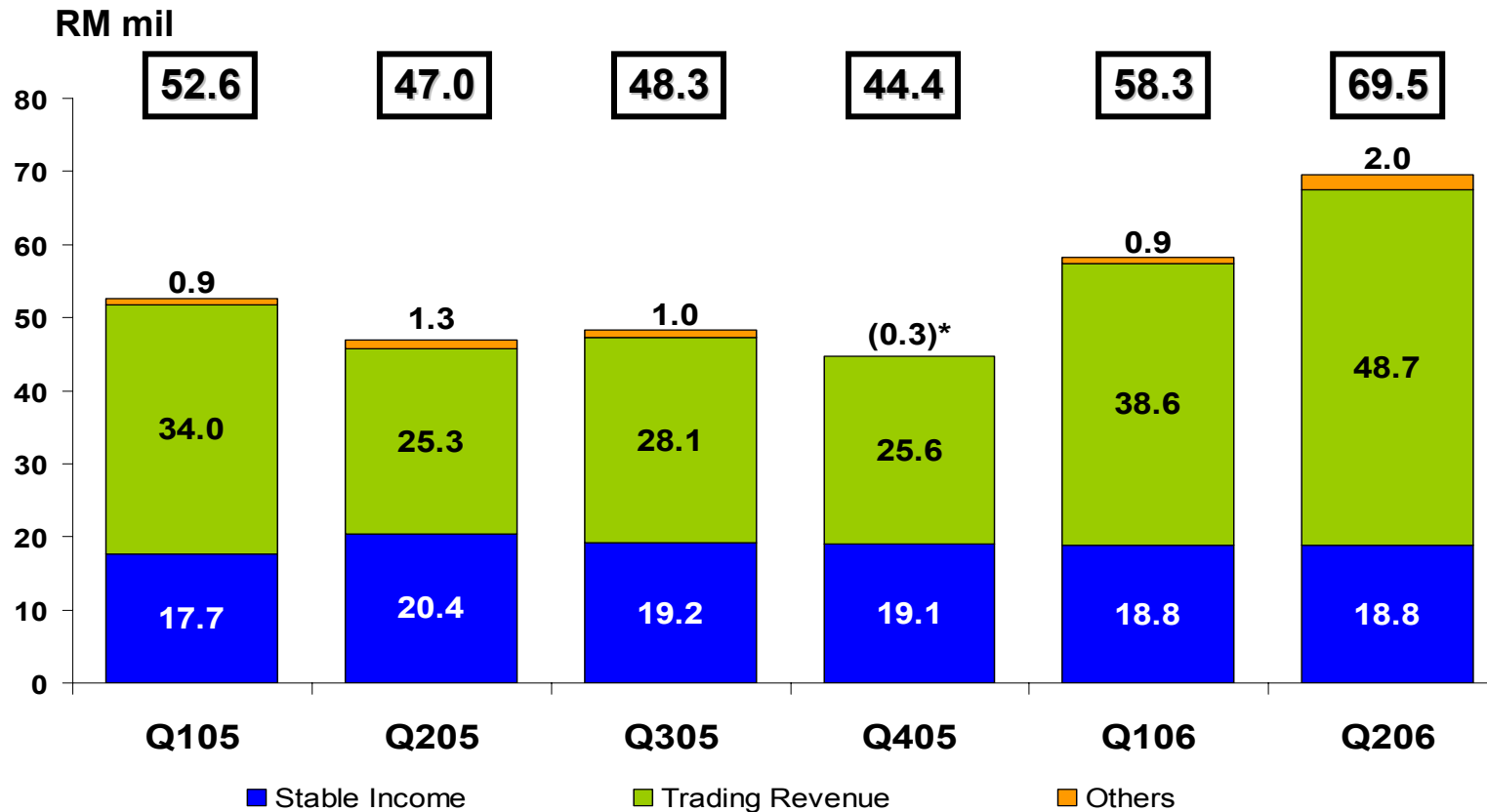
■ Operating Revenue ■ Operating Expenses — Net Profit After Tax

Operating Revenue



Note: Stable income = Information Services + Listing Fees + Depository Services + Participants' Subscription Fees + Broker Services

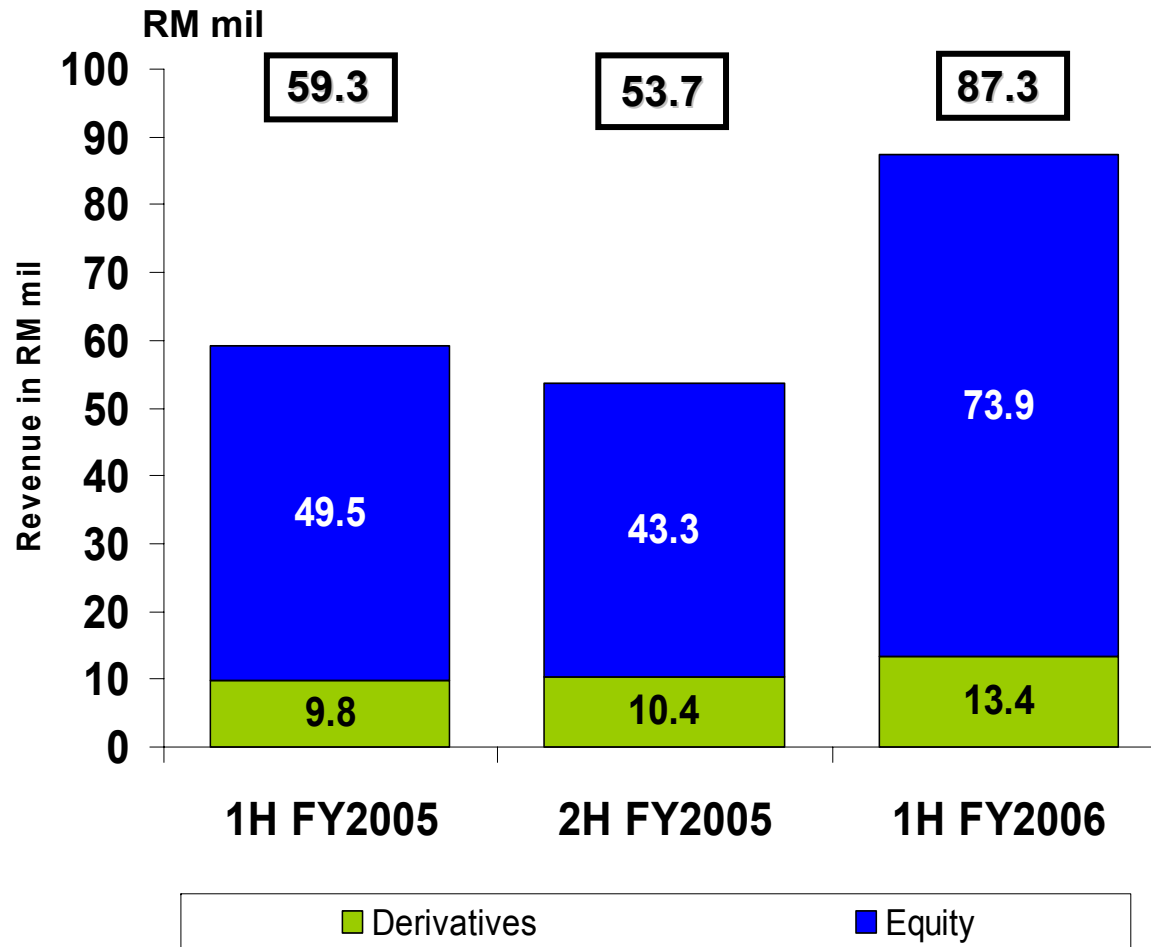
Operating Revenue (Quarterly analysis)



Note:

1. *Stable income = Information Services + Listing Fees + Depository Services + Participants' Subscription Fees + Broker Services*
2. ** Due to RM1.1m paid to the SC for work done by SC in relation to outstanding cases for MESDAQ market IPO applications transferred to SC. The transfer of the approving authority of listing on the Mesdaq market to SC was effective from 1 Jan 2005.*

Breakdown of Trading Revenue



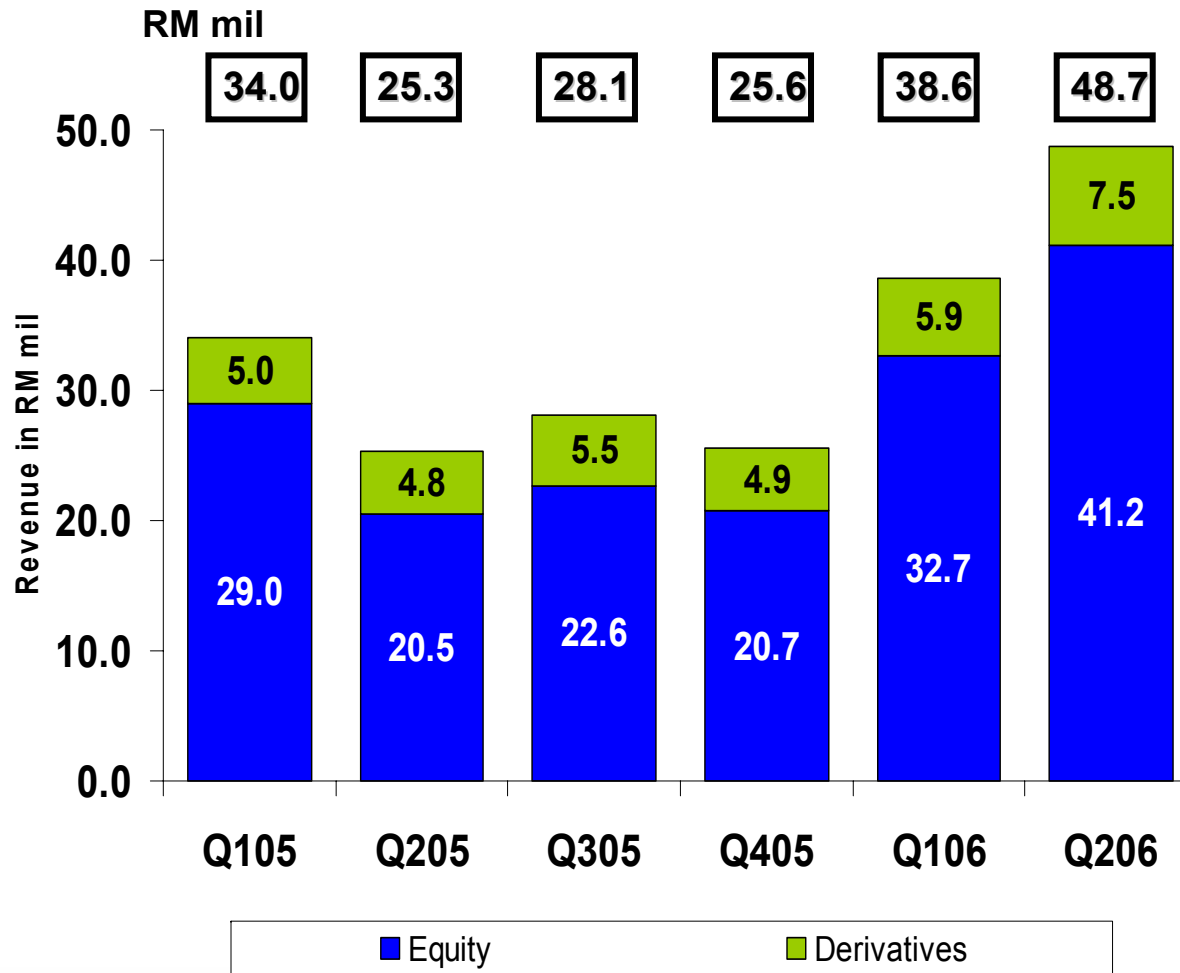
Equity

- Effective clearing fee rate
 - 1H06 : 3.1 bp
 - 2H05 : 2.6 bp
 - 1H05 : 2.5 bp
- Daily average trading value (RM mil) : OMT
 - 1H06 : 1,011
 - 2H05 : 640
 - 1H05 : 799

Derivatives

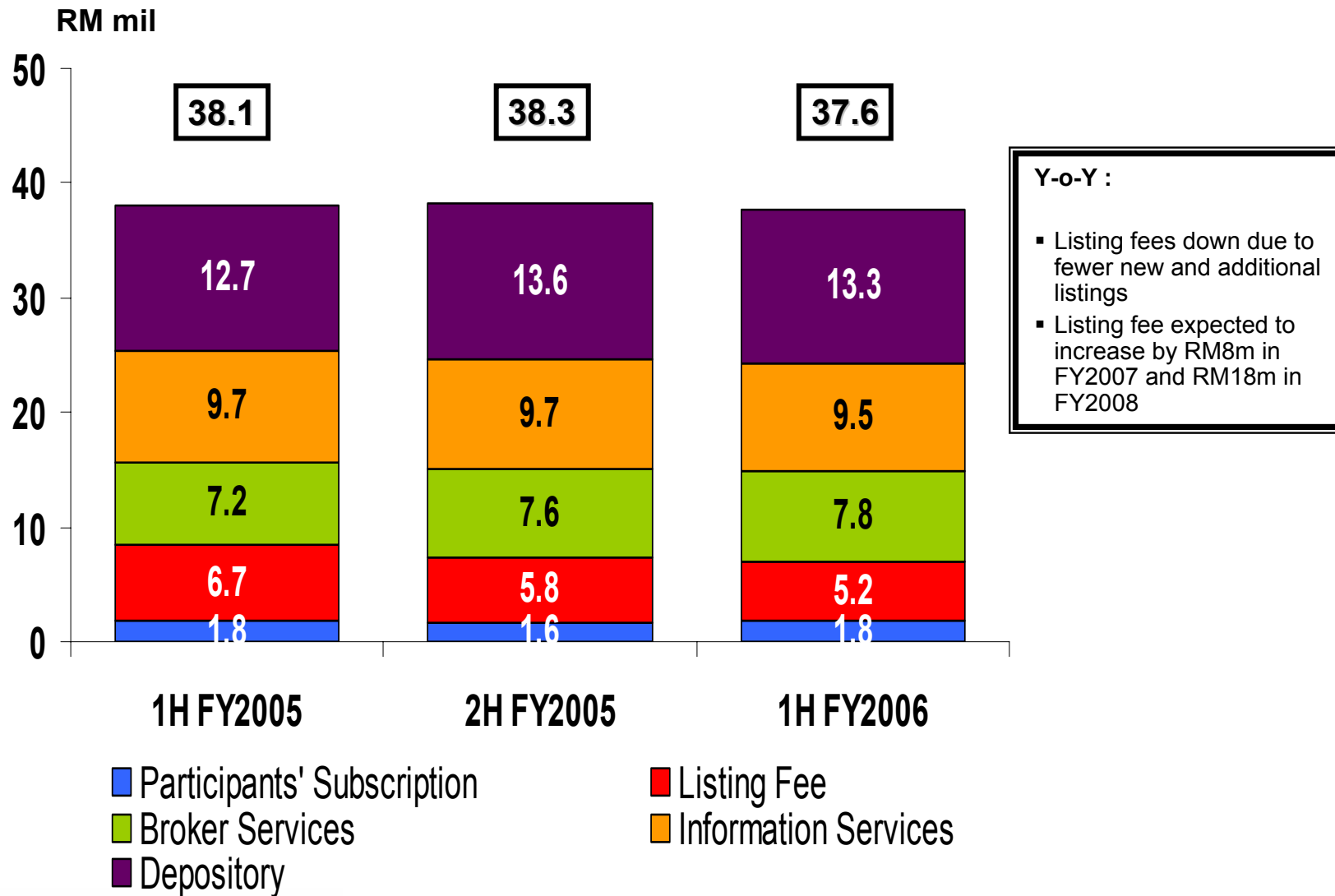
- Contracts traded ('000)
 - 1H06 : 1,589
 - 2H05 : 1,223
 - 1H05 : 1,237
- Open position ('000)
 - 1H06 : 115.6
 - 2H05 : 84.8
 - 1H05 : 77.3

Breakdown of Trading Revenue (Quarterly analysis)

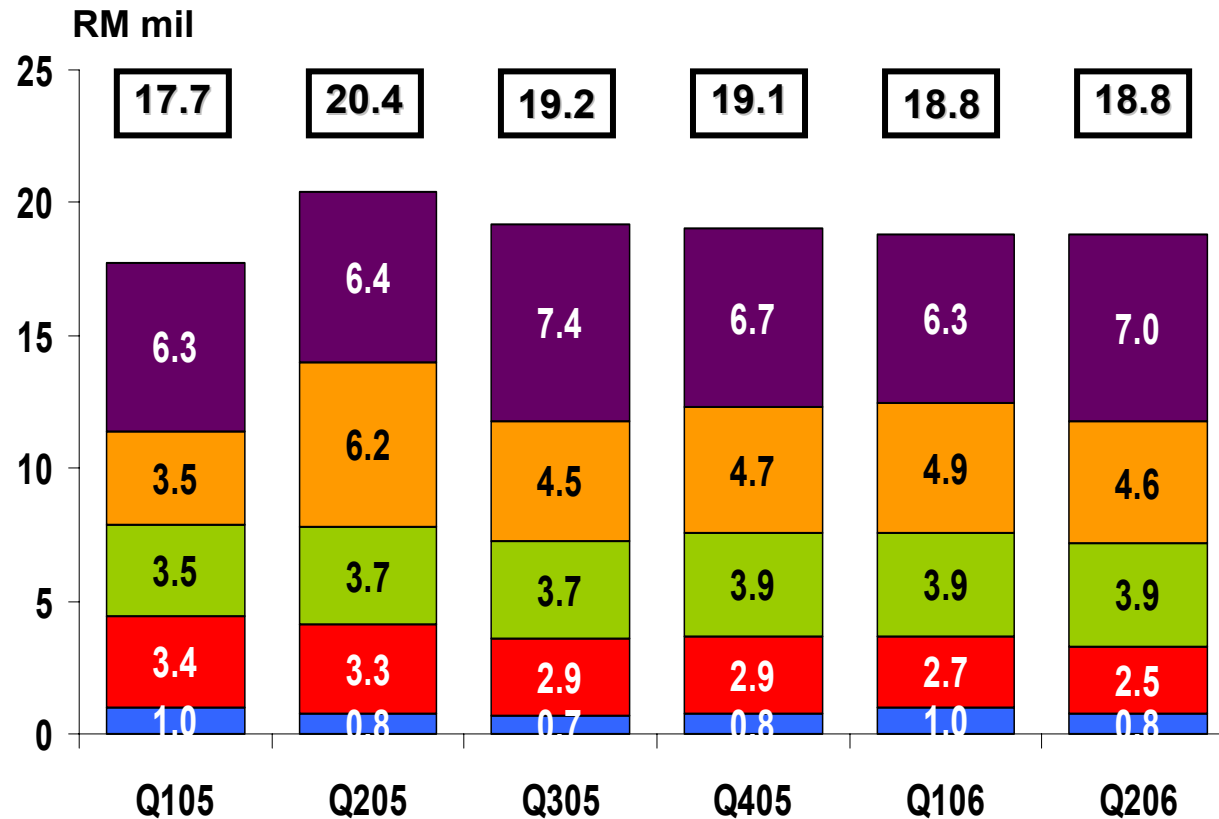


Equity	
▪ Effectiveness clearing fee rate	
Q206 : 3.1 bp	
Q205 : 2.4 bp	
▪ Daily average trading value (RM mil) : OMT	
Q206 : 1,107.5	
Q205 : 652.0	
Derivatives	
▪ Contracts traded ('000)	
Q206 : 899.0	
Q205 : 591.6	
▪ Open position ('000)	
Q206 : 128.0	
Q205 : 81.8	

Breakdown of Stable Income



Breakdown of Stable Income (Quarterly analysis)



Y-o-Y

Depository up :

- Higher ROD fees

Information Services down :

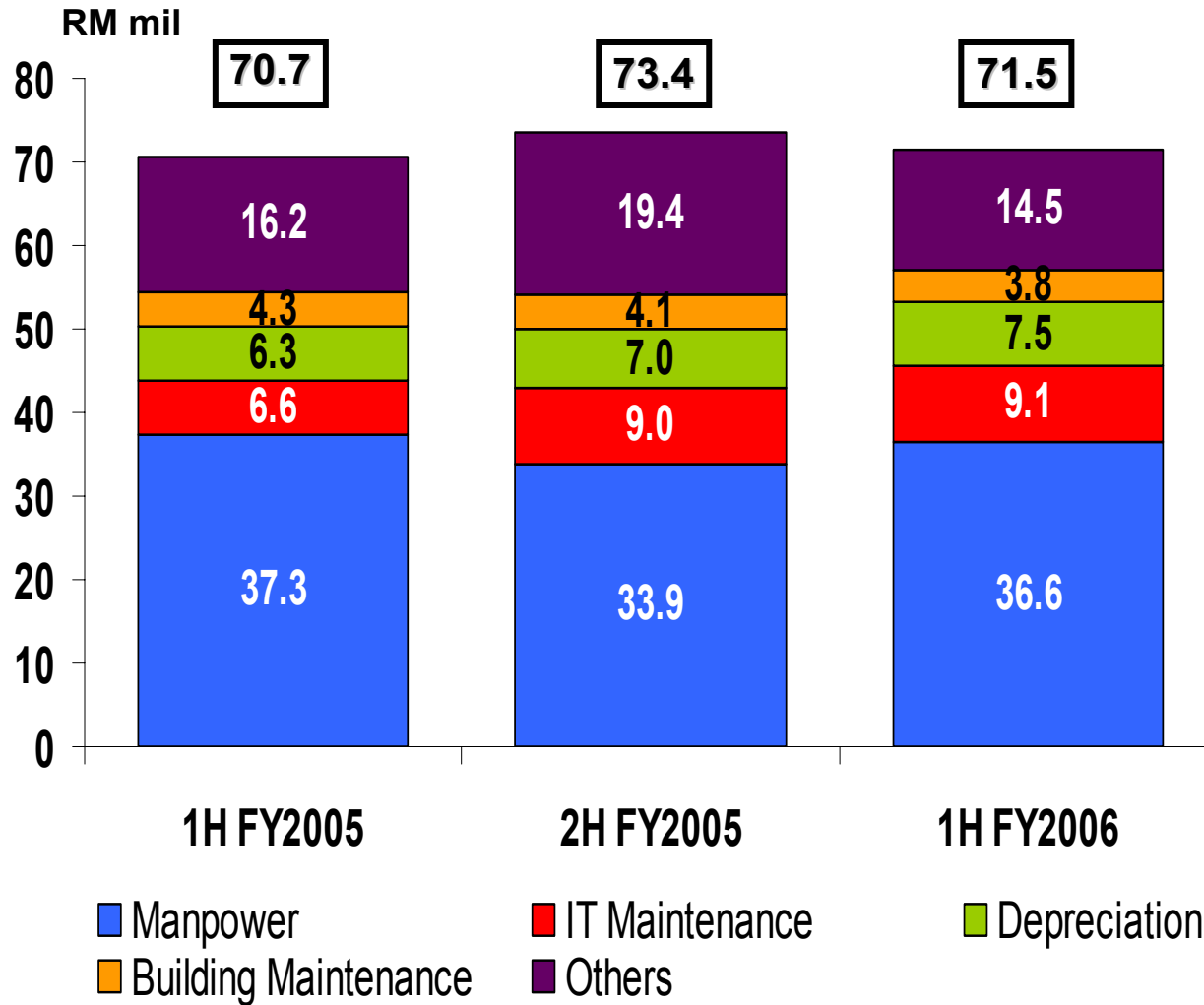
- 2Q05 revenue included backdated fees for Q404 : new pricing model (RM1.48mil)

Listing Fee down :

- Lower number of new and additional listings

- Participants' Subscription
- Broker Services
- Depository
- Listing Fee
- Information Services

Operating Expenses



Y-o-Y :

Manpower down

Esos Expenses (mil)

1H06 RM2.28

1H05 (Restated PYA) RM1.60

IT Maintenance up

Additional maintenance expenses incurred for Bursa Trade

Depreciation up

Software and hardware upgrade & SAP system

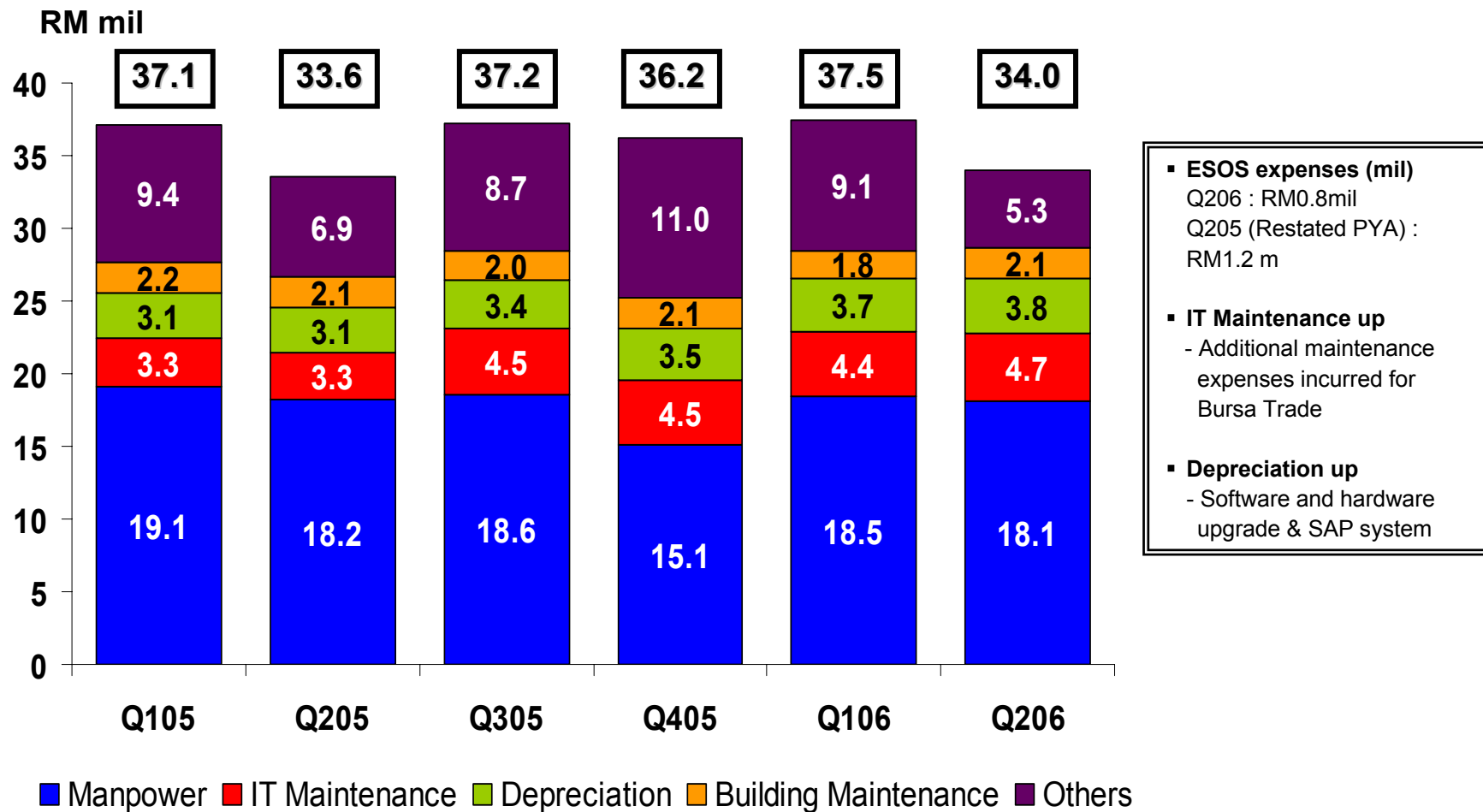
Building Maintenance down

Others down

Lower legal and professional fee, lower CDS postage and consumables.

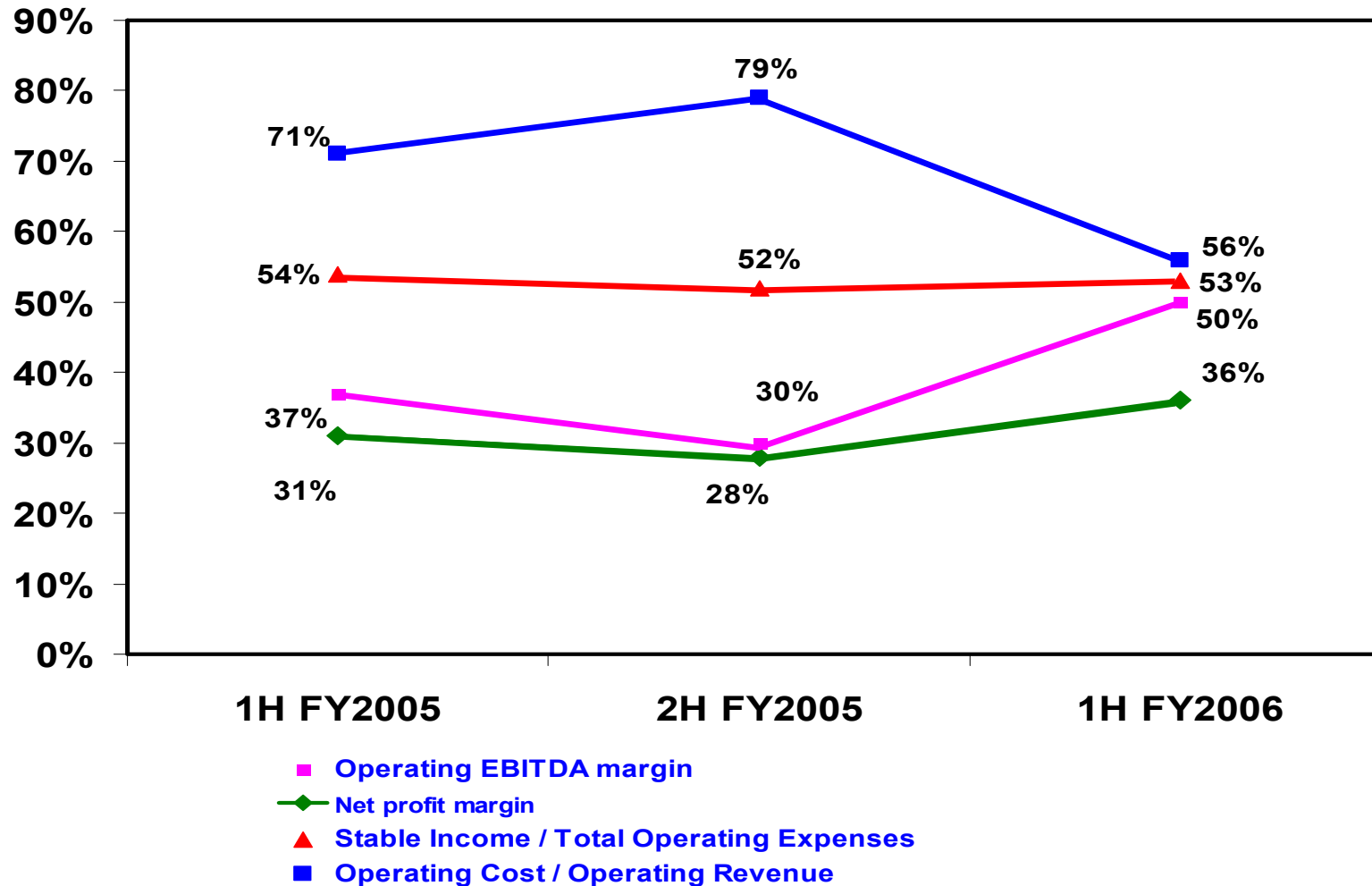
Others = market promotion, legal, audit and professional fees, amortisation etc.

Operating Expenses (Quarterly analysis)



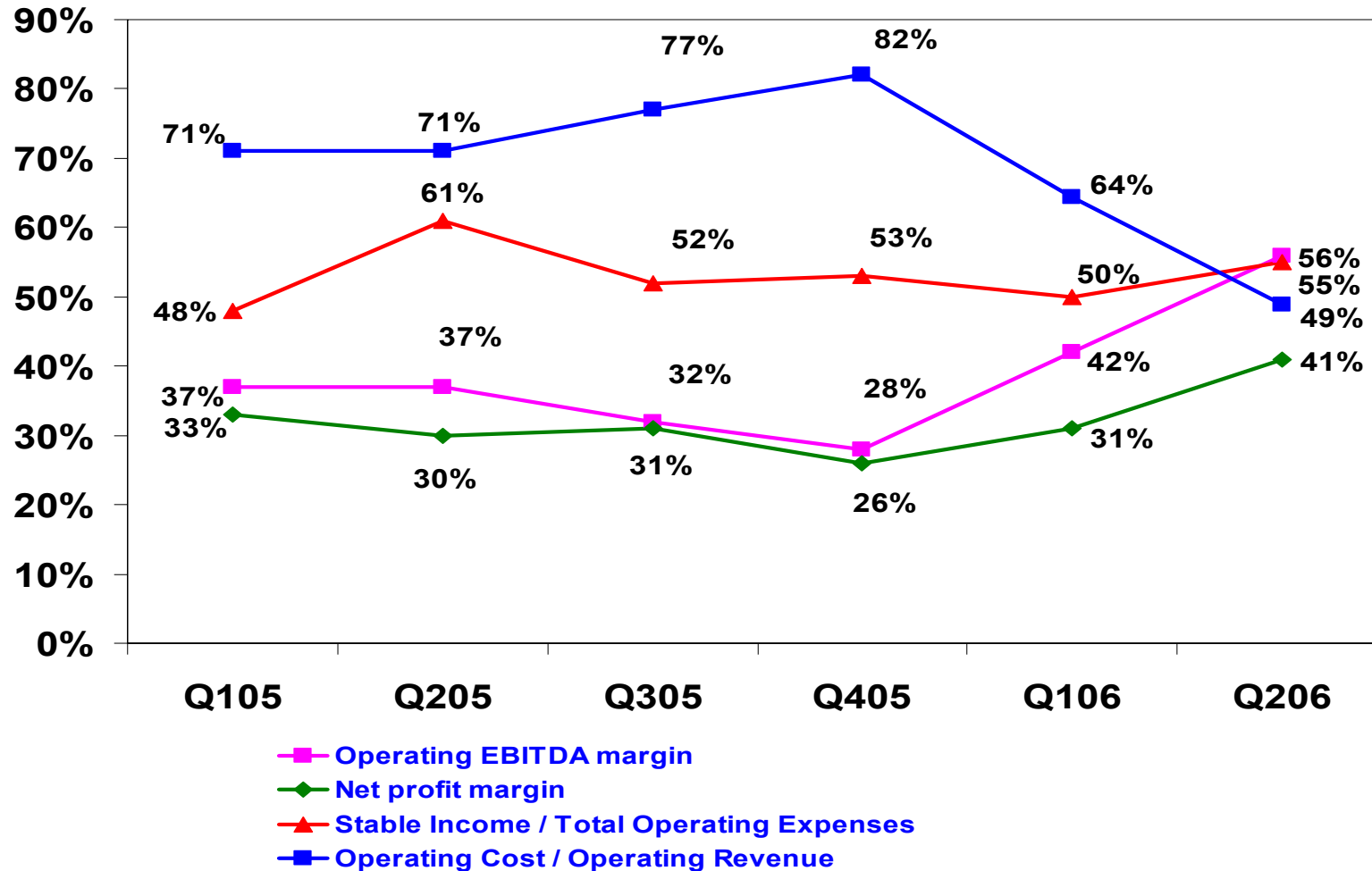
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Key Ratios



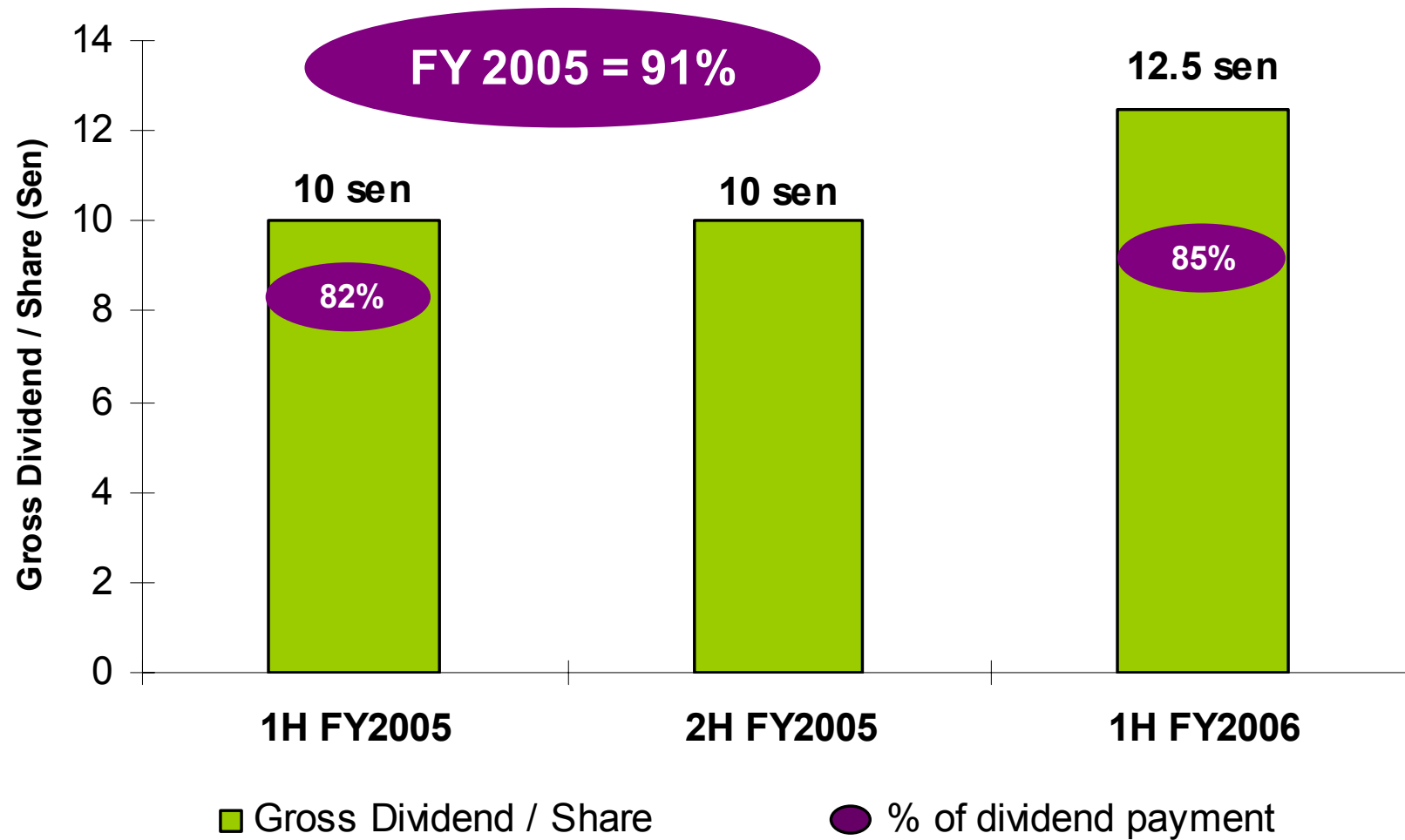
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Key Ratios (Quarterly analysis)



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Dividend Payout



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Continue to focus on 3 strategic objectives

**STRATEGIC
OBJECTIVES**

- Enhance quality of markets covering infrastructure, products, regulations and perception

- Grow investors base and enhance market promotion

- Improve operational and financial efficiency

Reinforce strategy towards enhancing market velocity

Business Highlights

Infrastructure

- Bursa Trade – Derivatives : EUAT
- CGF – finalising contribution of POs
- RSS / SBL on track for September launch
- Mobility of remisiers
- Introduction of Proprietary Day Trading & DMA

Products

- Licensing of CPO prices to Dalian & MCX approved by MOF
- FTSE Bursa Indices launched in June 2006
 - Phase 2 to commence (Syariah, Dividend)

Quality Companies

- CBRS
- Focus on delisting of poor quality companies
- IR

Supervision & Enforcement Overview @ Year to June 06

- **Processed 35,544 company announcements**
- **Implemented 20 voluntary suspensions, imposed 101 compulsory suspensions**
- **Referred 9 cases to SC for possible violation of law**
- **Fined brokers RM122,300 for contravention of rules**
- **Fined PLCs RM661,750 for contravention of Listing Requirements**
- **De-listed 5 companies for non-compliance with requirements for level of operation & financial condition**

Outlook - Favourable

- **Expect no overheating of local, regional or global economy**
- **Expect some market volatility due to volatility in energy and commodity prices**
- **Focusing efforts towards improving liquidity of market and quality velocity and attracting more local & international investors and traders**

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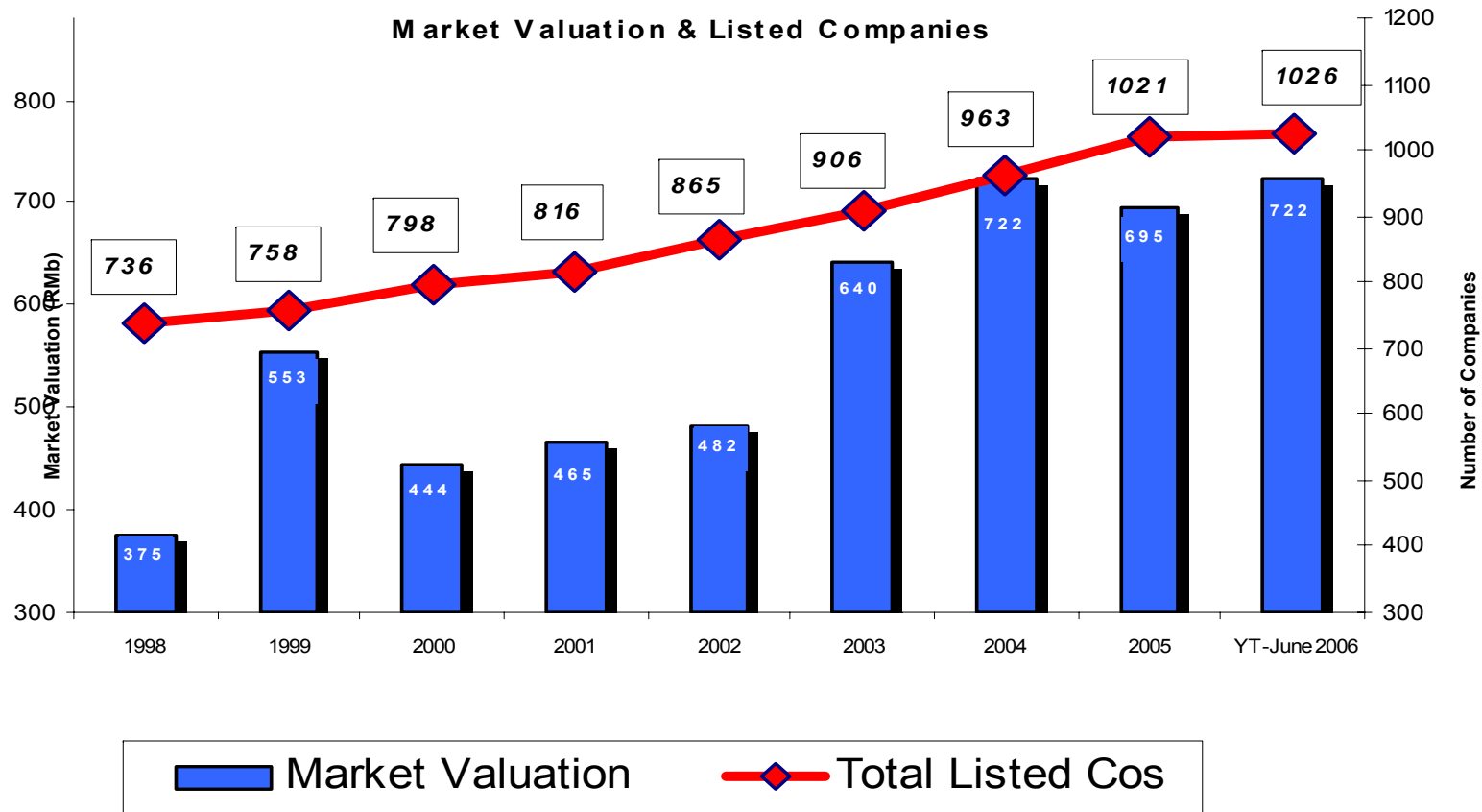
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Thank you

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Increased Listings & Market Valuation

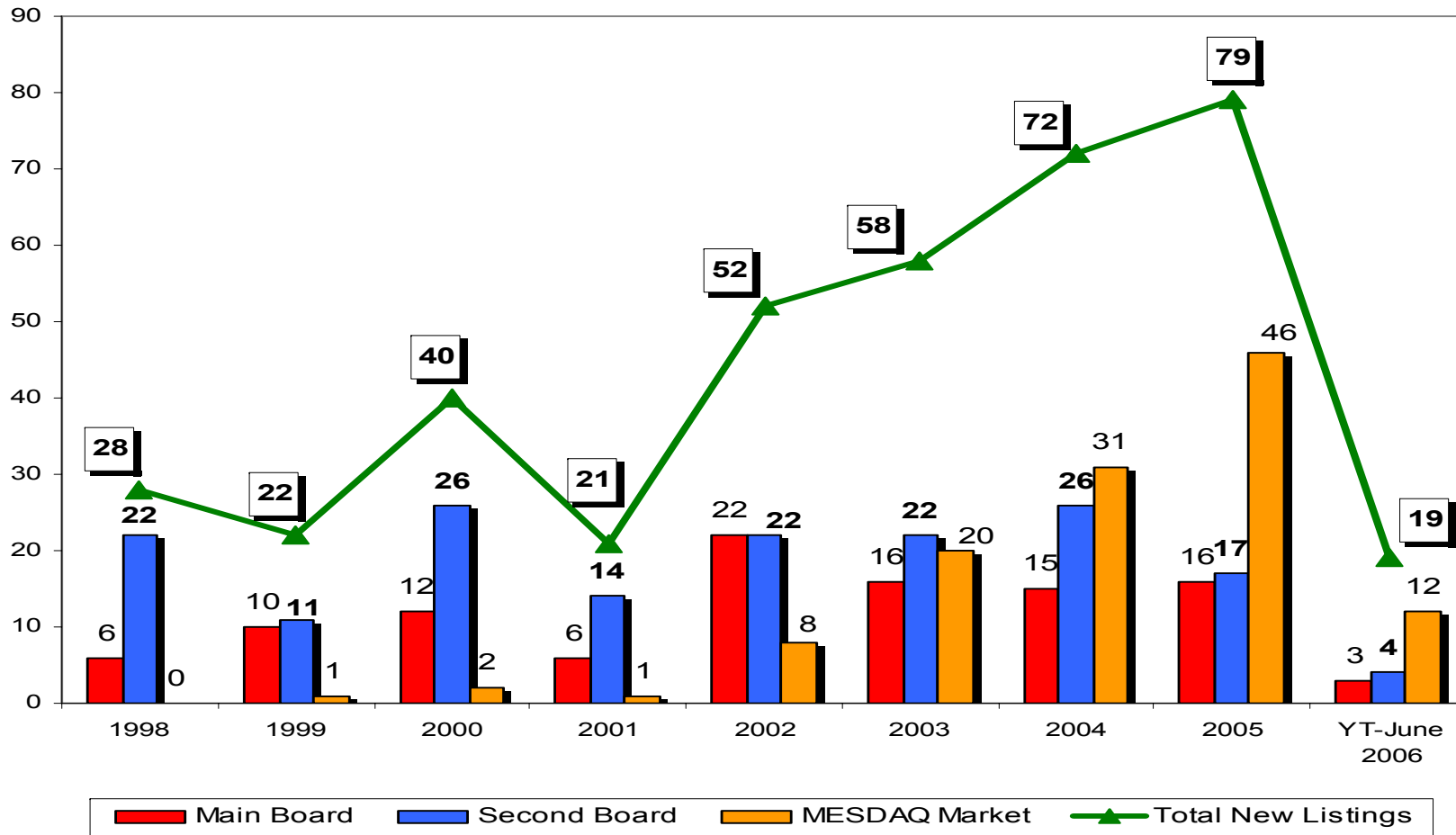


Funds mobilised (primary and secondary markets) 1H06 = RM1.0b, 2005 = RM8.9b

New listings

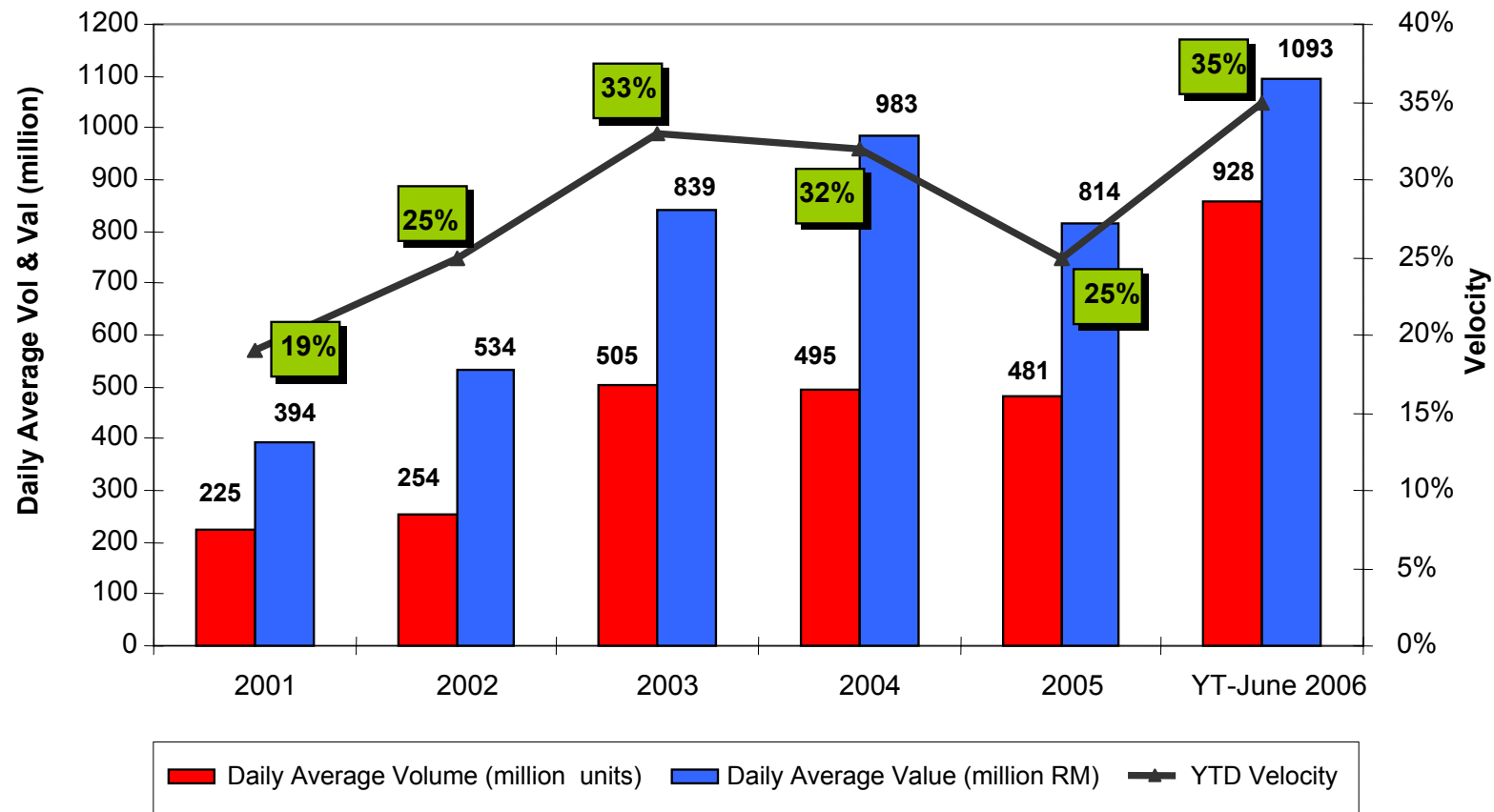
Rate of new listings decreased due to tightening of entry criteria

Number of New Listings



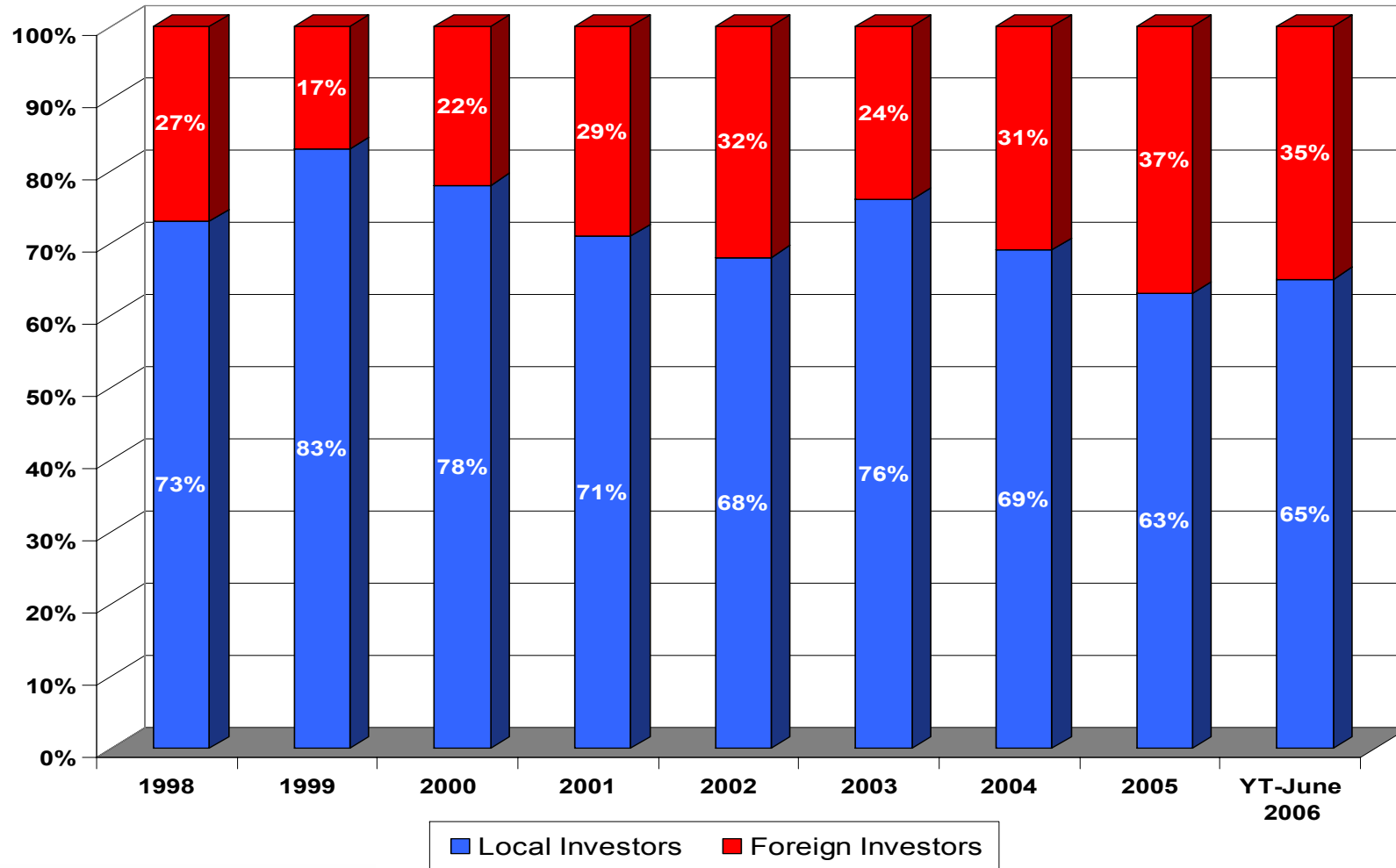
Increased Velocity

Daily Average Volume, Value and Velocity



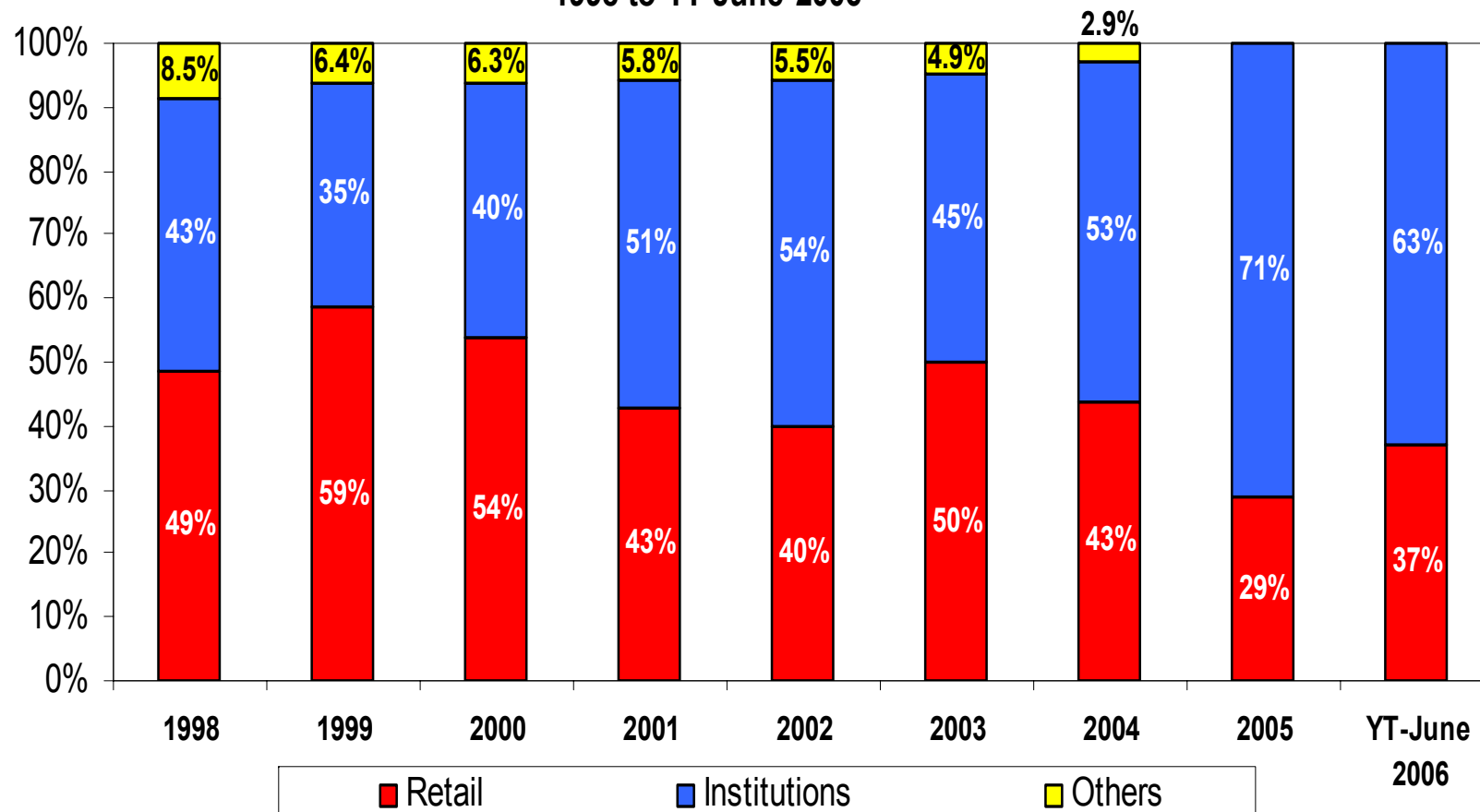
Foreign Investors Continue to Participate

Proportion of Local & Foreign Trading Participation 1998 to YT-June 2006



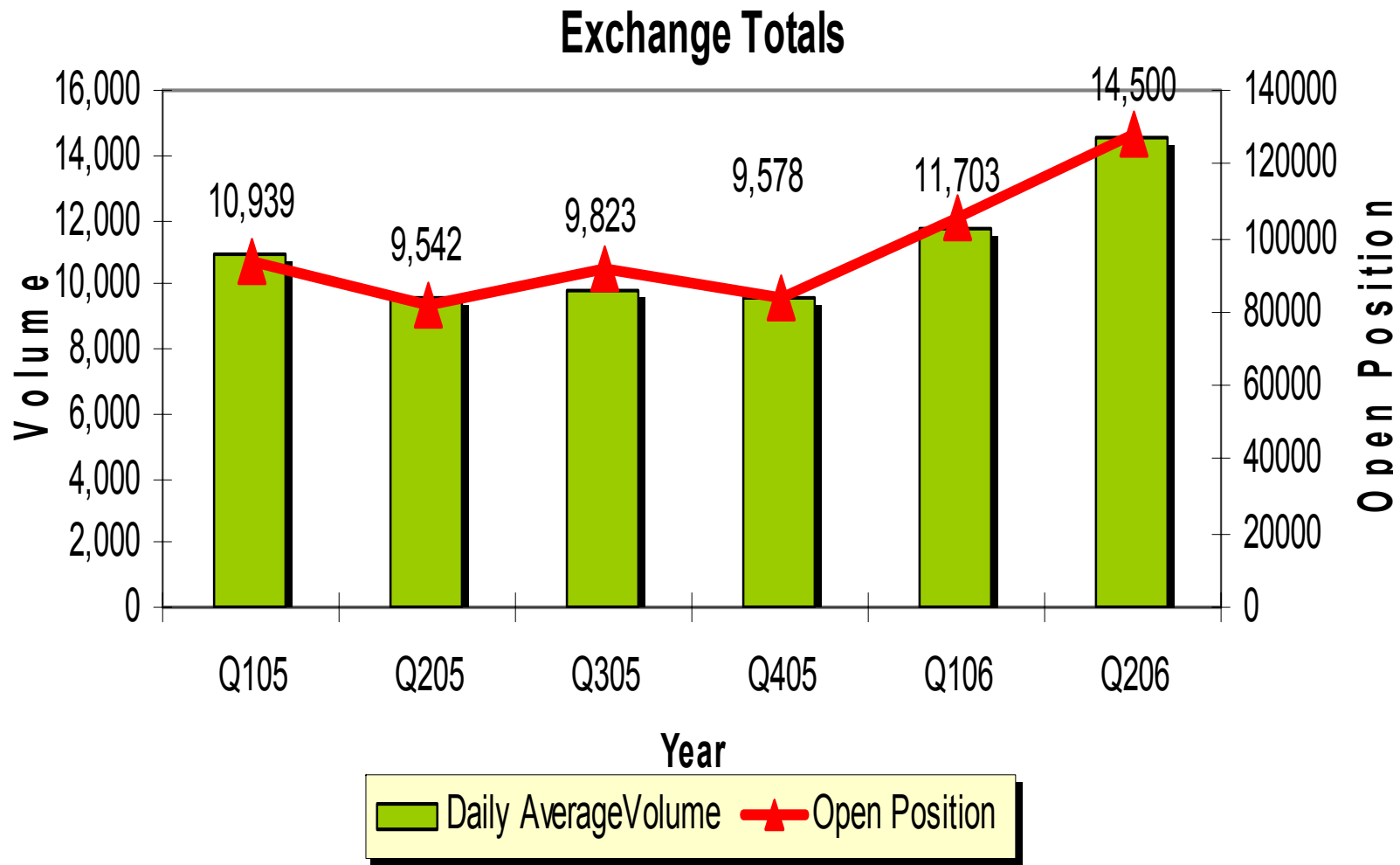
Retail Trading Participation Has Improved

Breakdown of trading (by value)
1998 to YT-June 2006

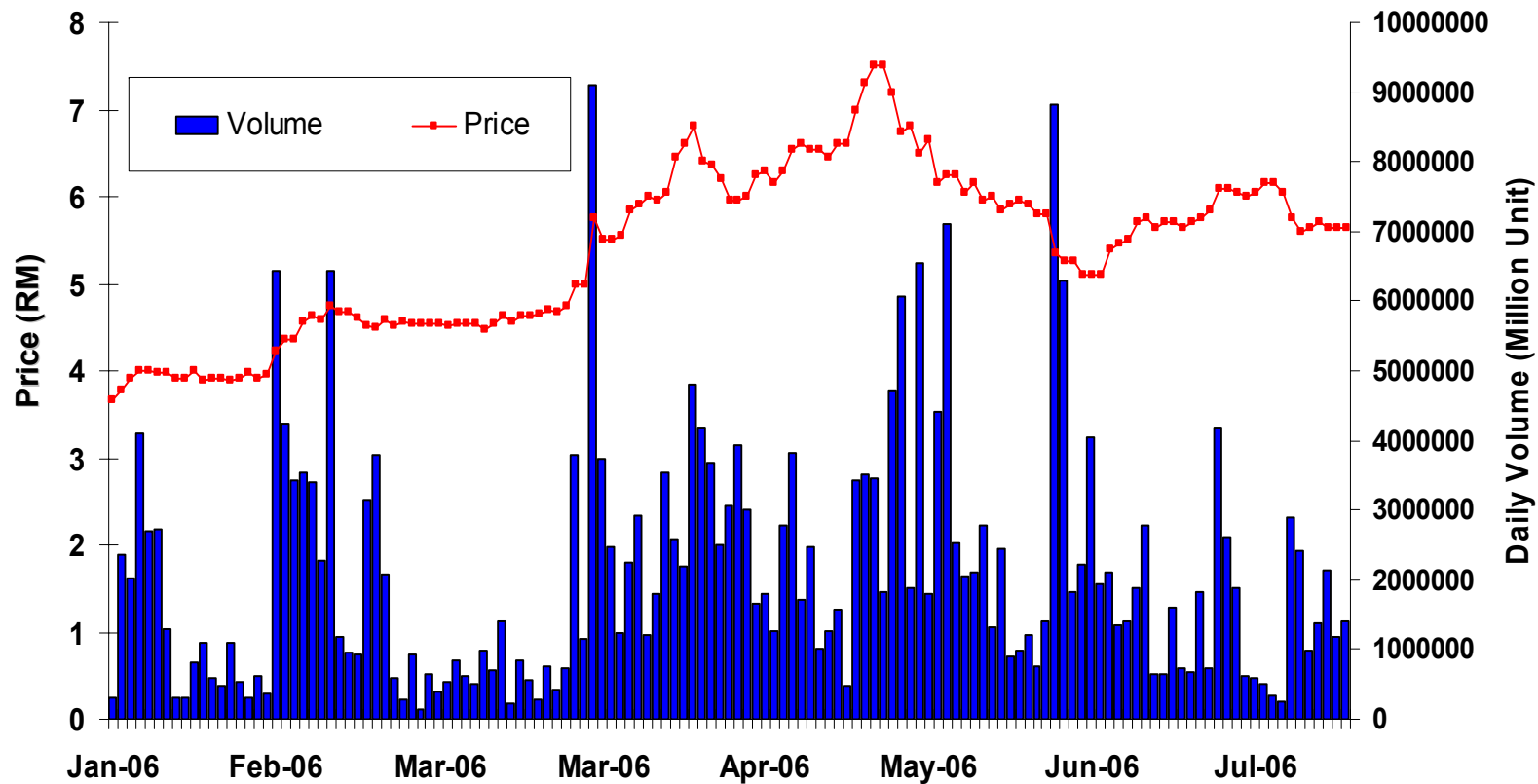


“Others”- refers to trades conducted for accounts not belonging to individuals/ institutions. Definitions of investors’ type clarified in 2004, hence reducing the type of investor falling under “others” category.

Improved Activity in Derivatives



Total Shareholders' Return = 120% (Capital Gain + Dividend + Capital Repayment)



Assumption: Based on IPO price of RM3.00 and last done price on 24 July 2006 of RM5.65