

# **BURSA MALAYSIA BERHAD**

## **3Q05 Results Briefing**

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# Agenda

## Highlights

Performance Review

Updates

Q & A

# Highlights



## **Profit stood at RM65.3 million**

- YoY profit after tax improved by 310.5%



## **Exceeded full year profit forecast**

- 9-month profit after tax exceeded full year profit forecast of RM60.3 million by 8%



## **Liberalisation of CDS account structure and increase in clearing fee implemented**

- Took effect on 21 October 2005

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# Key Market Statistics

## New listings continue to grow

Key Market Statistics	3Q05	2Q05	Δ QoQ (%)	YTD05	YTD04	Δ YoY (%)
<b>Equities</b>						
<b>Market Capitalisation (RM bil)</b>	<b>715.4</b>	<b>688.6</b>	<b>3.9</b>	<b>715.4</b>	<b>672.6</b>	<b>6.4</b>
• Total trading value (RM bil)	50.4	46.3	8.9	161.1	185.7	(13.2)
• Total trading volume (bil)	31.5	30.0	5.0	96.9	91.1	6.4
<b>OMT</b>						
• Average daily trading value (RM mil)	698.0	652.0	7.1	763.7	886.6	(13.9)
• Average daily trading volume (RM mil)	429.7	416.6	3.1	450.5	433.6	3.9
Total number of listed companies	1,007	990	1.7	1,007	945	6.6
• New listings	23	16	43.8	62	49	26.5
- Main Board	2	3	(33.3)	11	9	22.2
- Second Board	5	3	66.7	16	20	(20.0)
- MESDAQ Market	16	10	60.0	35	20	75.0
<b>Derivatives</b>						
• Number of contracts traded	638,470	591,604	7.9	1,875,468	2,019,398	(7.1)
• Average daily number of contracts traded	9,823	9,542	2.9	10,083	10,857	(7.1)

# Performance Overview

**Exceeds profit forecast by 8%**

Key results (RM mil)	3Q05	2Q05	Δ QoQ (%)	YTD05	YTD04	Δ YoY (%)
Operating revenue	48.5	47.2	2.8	148.4	167.3	(11.3)
Operating expenses	31.7	28.5	11.1	93.0	166.0	(44.0)
Operating EBITDA	16.8	18.7	10.2	55.4	1.3	4,224.4
Depreciation and amortisation	4.2	3.9	8.3	12.0	13.6	(12.3)
Operating EBIT	12.6	14.8	14.6	43.4	(12.4)	451.7
Operating profit	12.5	14.8	15.5	43.2	(12.5)	446.9
Other income	15.7	15.3	2.5	51.9	52.2	(0.6)
PBT	28.2	30.0	(6.0)	95.1	39.7	139.5
Taxation	5.7	9.7	(41.7)	26.8	21.2	26.3
PAT after MI	20.9	20.0	4.5	65.3	15.9	310.5
Net EPS (sen)	4.14	3.99	3.8	13.71	3.18	331.1
NTA per share (RM)	2.41	2.43	(0.8)	2.41	2.83*	(14.8)

Note : \* As at 31 December 2004

# Key Ratios

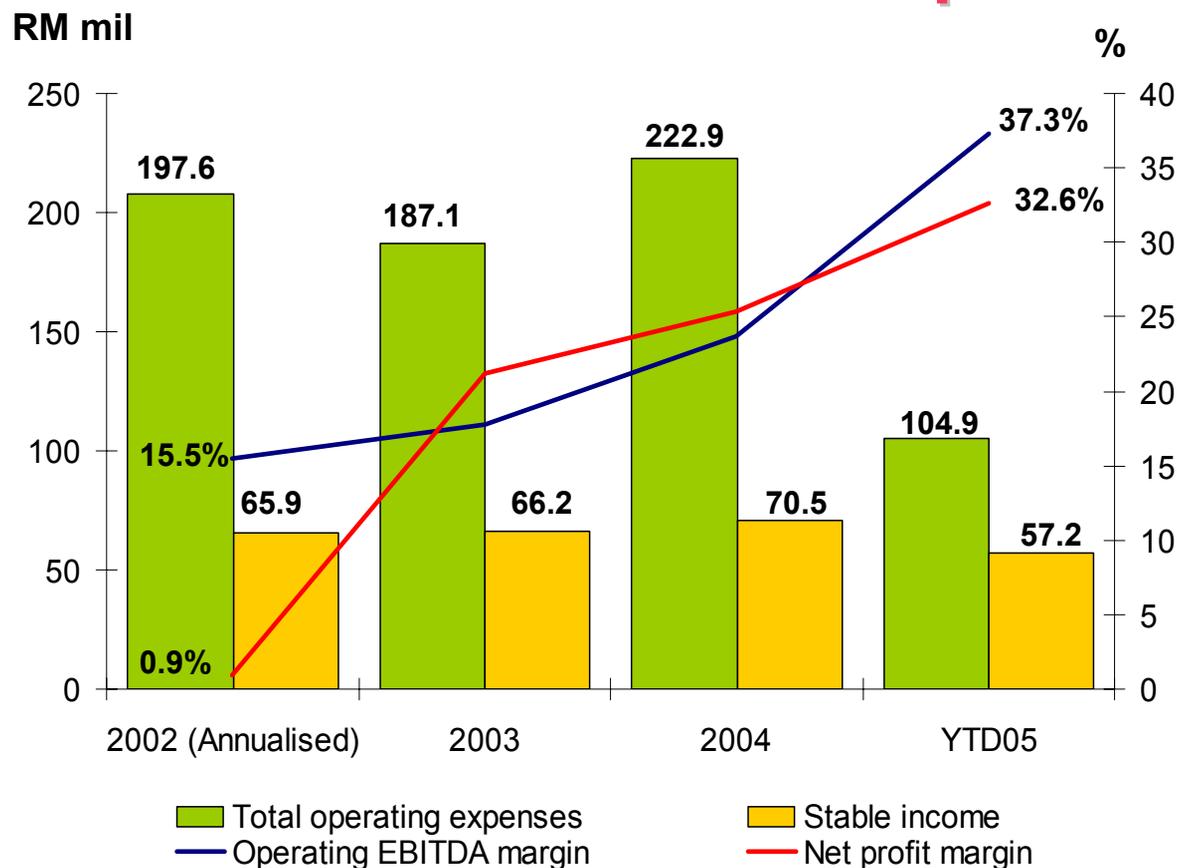
Key ratios (%)	3Q05	2Q05	Δ QoQ (%)	YTD05	YTD04	Δ YoY (%)
Operating EBITDA margin	34.7	39.6	(12.4)	37.3	0.8	4,562.5
Operating EBITDA margin (adjusted for VSS cost)	34.7	39.6	(12.4)	37.3	23.1	61.5
Stable income to total operating expenses	53.3	63.3	(15.8)	54.5	29.8	82.9
Operating EBIT margin	26.0	31.4	(16.9)	29.3	(7.4)	496.6
Net profit margin	32.5	32.0	1.7	32.6	7.2	350.0
Net profit margin (adjusted for VSS cost)	32.5	32.0	1.7	32.6	24.2	34.7
ROE (annualised*) (Note 1)	6.1	5.9	3.9	6.4	1.5	331.8

Note : \* Based on the average shareholders' equity as at the beginning and the end of the respective period

1 : The annualised ROE post capital distribution of RM416 million is 7.5%

# Key Ratios

## Continued improvement in margins



### % of stable income to total operating expenses improving

- FY2002 : 32%
- FY2003 : 35%
- FY2004 : 32%
- YTD05 : 54%

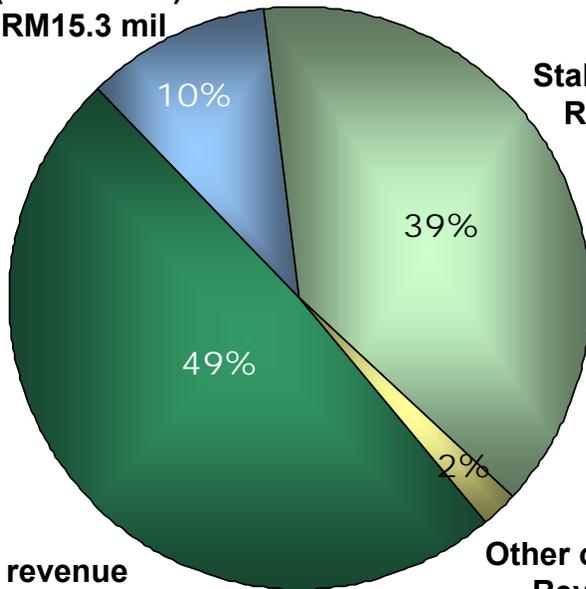
Note : \* The operating EBITDA and net profit margins for FY2004 were normalised i.e. the position before adjustment for the voluntary separation scheme undertaken during the year of RM37 million

# Operating Revenue

**YTD05 : RM148.3 mil**

**YTD04 : RM167.3 mil**

**Trading revenue  
(Derivatives)  
RM15.3 mil**

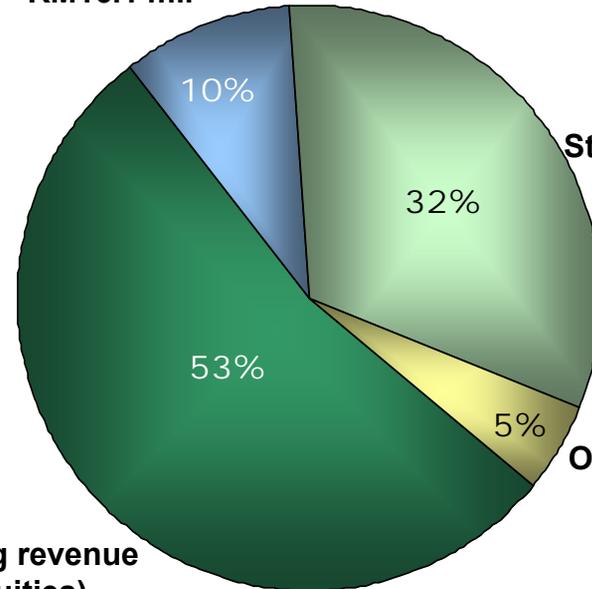


**Stable income\*  
RM57.2 mil**

**Other operating  
Revenue\*  
RM3.7 mil**

**Trading revenue  
(Equities)  
RM72.1 mil**

**Trading revenue  
(Derivatives)  
RM16.1 mil**



**Stable income\*  
RM53.5 mil**

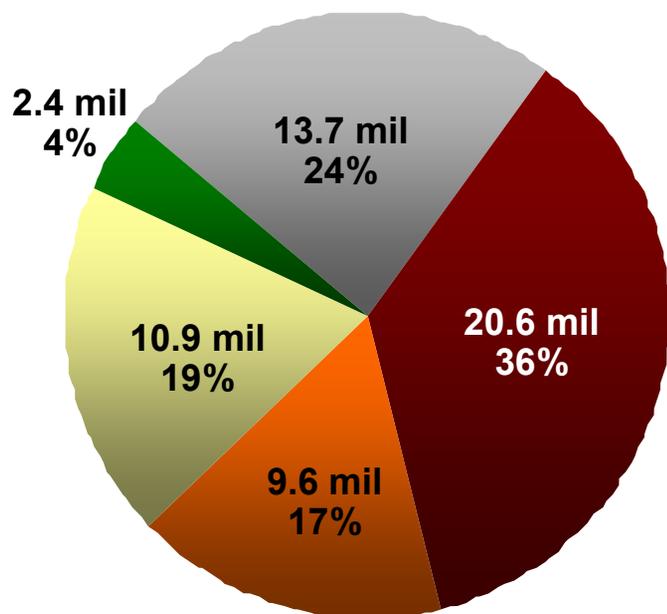
**Other operating  
Revenue\*  
RM8.5 mil**

**Trading revenue  
(Equities)  
RM89.2 mil**

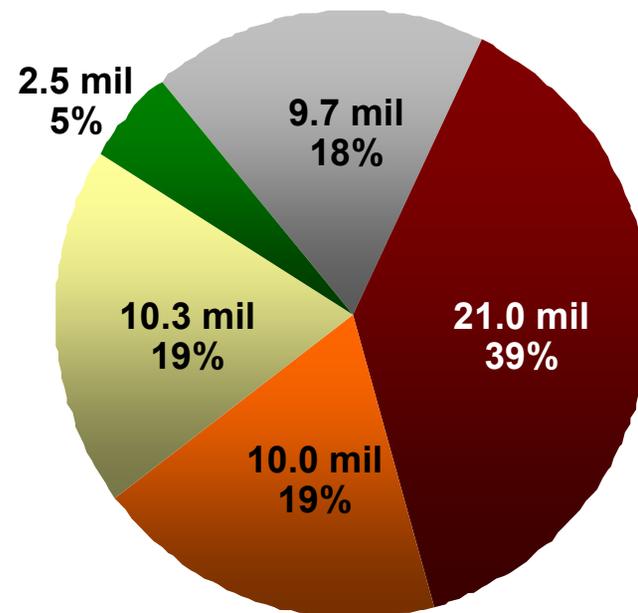
*Note : \* Comprised mainly of perusal and processing fees*

# Stable Income

**YTD05 : RM57.2 mil**



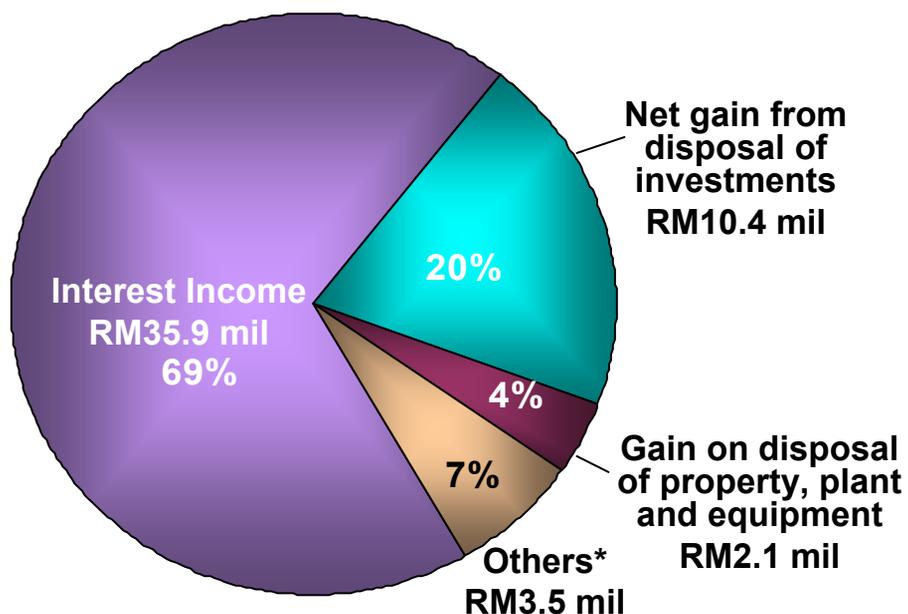
**YTD04 : RM53.5 mil**



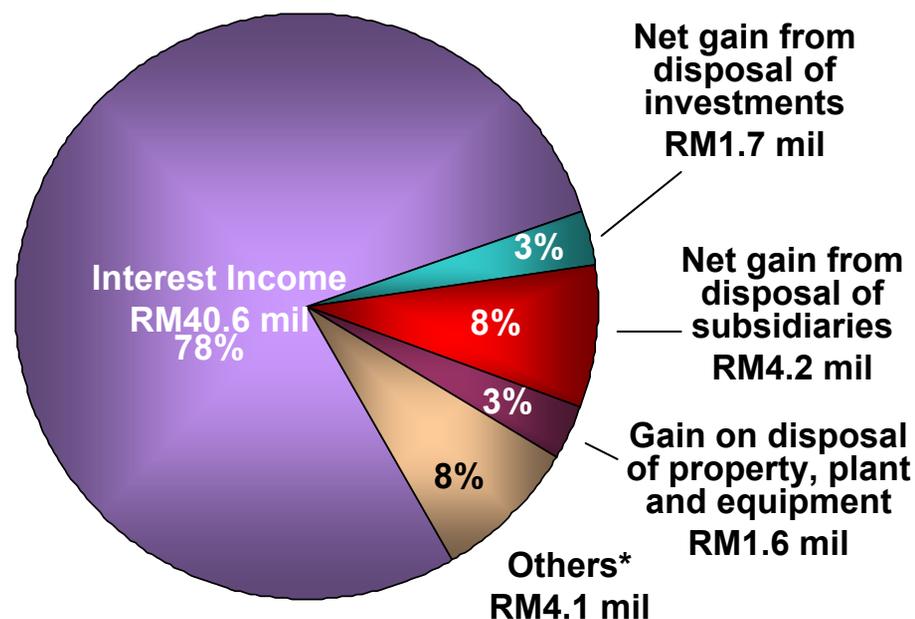
- Information services
- Depository services
- Listing fees
- Broker services
- Participants' subscription fees

# Other Income

**YTD05 : RM51.9 mil**



**YTD04 : RM52.2 mil**



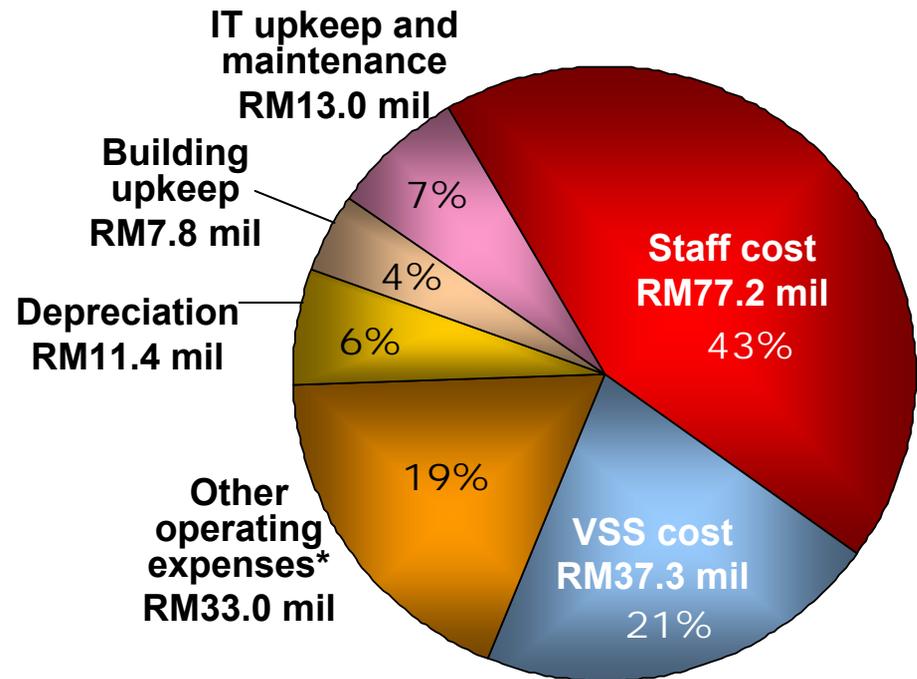
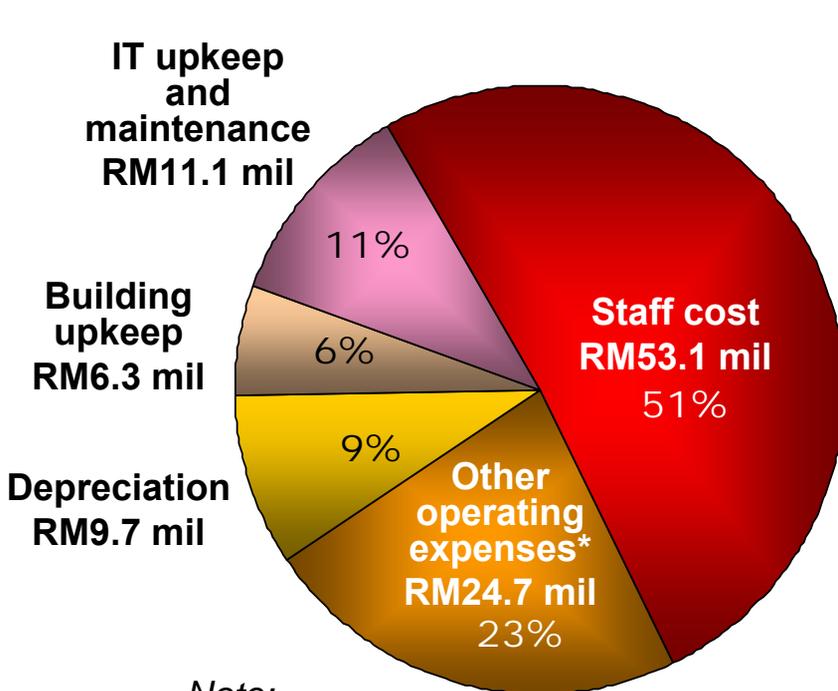
Note : \* Comprised mainly of exposition income and other miscellaneous income

# Operating Expenses

**YoY expenses reduced by 42%  
(after adjusted for VSS – 26% reduction)**

**YTD05 – RM104.9mil**

**YTD04 – RM179.7mil**

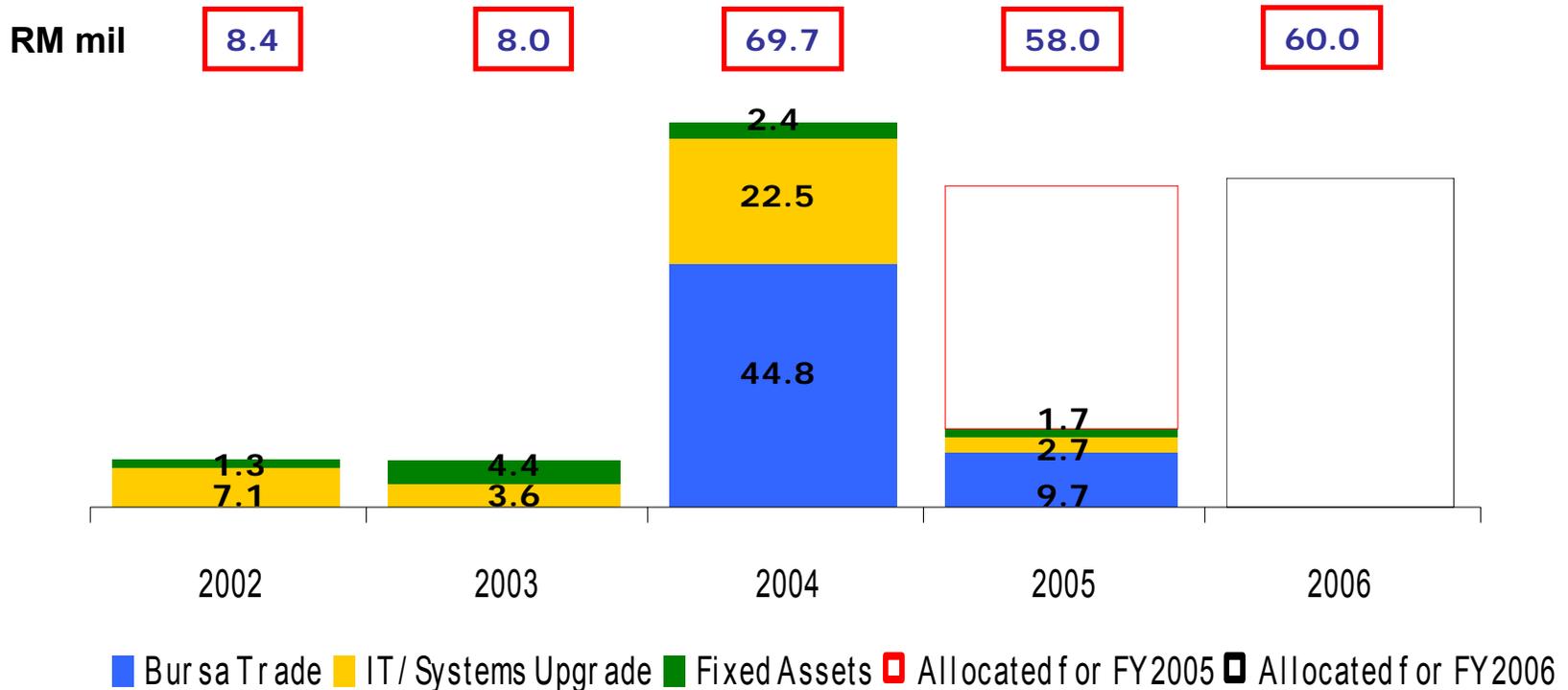


Note:

\* Include expenses for printing, stationery and photocopying, telecommunications, legal and professional fees, and miscellaneous

# Capital Expenditure

## Infrastructure Upgrades .....



**Note : Allocation for FY2006 being reviewed together with entire budget**

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# Updates

## ➤ Fee increase

- Effective 21 October 2005, clearing fee now capped at RM500

## ➤ Foreign Brokers

## ➤ Proposed Capital Distribution

- Pending High Court's decision
- Target completion : End 2005

## ➤ Impact of Budget 2006

- Expect to see positive impact to market
  - M&As
  - Abolish S132G
  - Shorter time to market for IPO (post-vetting of prospectus)
  - Tax-related incentives for REITs

## ➤ ASEAN Index

## ➤ Trading Infrastructure

- Financial impact and new launch date still being accessed

# Conclusion

- ⇒ **Intensify efforts for market promotions and quality**
- ⇒ **Grow stable income**
- ⇒ **Sustain improved cost management**
- ⇒ **Achieve optimal capital management**

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# Appendix I - Tabulation of Operating Revenue

	3Q05	2Q05	Δ QoQ (%)	YTD05	YTD04	Δ YoY (%)
<b>Operating revenue (RM mil)</b>	<b>48.5</b>	<b>47.2</b>	<b>2.8</b>	<b>148.4</b>	<b>167.3</b>	<b>(11.3)</b>
<b>Trading related</b>						
▪ Equities+	22.6	20.5	10.4	72.1	89.2	(19.2)
▪ Derivatives#	5.4	4.8	12.5	15.3	16.1	(5.0)
<b>Sub-total</b>	<b>28.0</b>	<b>25.3</b>	<b>10.8</b>	<b>87.4</b>	<b>105.3</b>	<b>(17.0)</b>
<b>Stable income</b>						
▪ Information services	4.5	6.1	(25.9)	13.7	9.7	41.4
▪ Depository services	7.4	6.7	10.4	20.6	21.0	(1.9)
▪ Listing fees	2.8	3.3	(14.5)	9.6	10.0	(4.3)
▪ Broker services	3.7	3.7	0.3	10.9	10.3	6.2
▪ Participants' subscription fees	0.7	0.7	6.8	2.4	2.5	(4.1)
<b>Sub-total</b>	<b>19.1</b>	<b>20.5</b>	<b>(6.8)</b>	<b>57.2</b>	<b>53.5</b>	<b>7.0</b>
<b>Others*</b>	<b>1.4</b>	<b>1.4</b>	<b>0.0</b>	<b>3.7</b>	<b>8.5</b>	<b>(56.5)</b>

**Note :**

+ Consisting clearing fees, SCORE fee, Institutional Settlement Services (ISS) and buying-in commissions

# Consisting clearing fees, derivatives trade fees and guarantee/tender fee

\* Mainly perusal and processing fees