

BURSA MALAYSIA BERHAD

2005 Results Briefing

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15 February 2006

Agenda

Highlights

Financial Performance Review

Strategy & Initiatives Updates

Q & A

Key Financial Highlights



FY05 net profit at RM81.3 million

- YoY net profit improved by 132%
- Exceeded IPO profit forecast by 35%



Improvement in EBITDA margin and stable income to operating expenses



ROE improved from 2.4% to 6.9% arising from capital management exercise



Proposed final dividend of 10 sen gross

- Full year dividend: 20 sen gross, dividend payout of about 90.2%
- TSR: 88%

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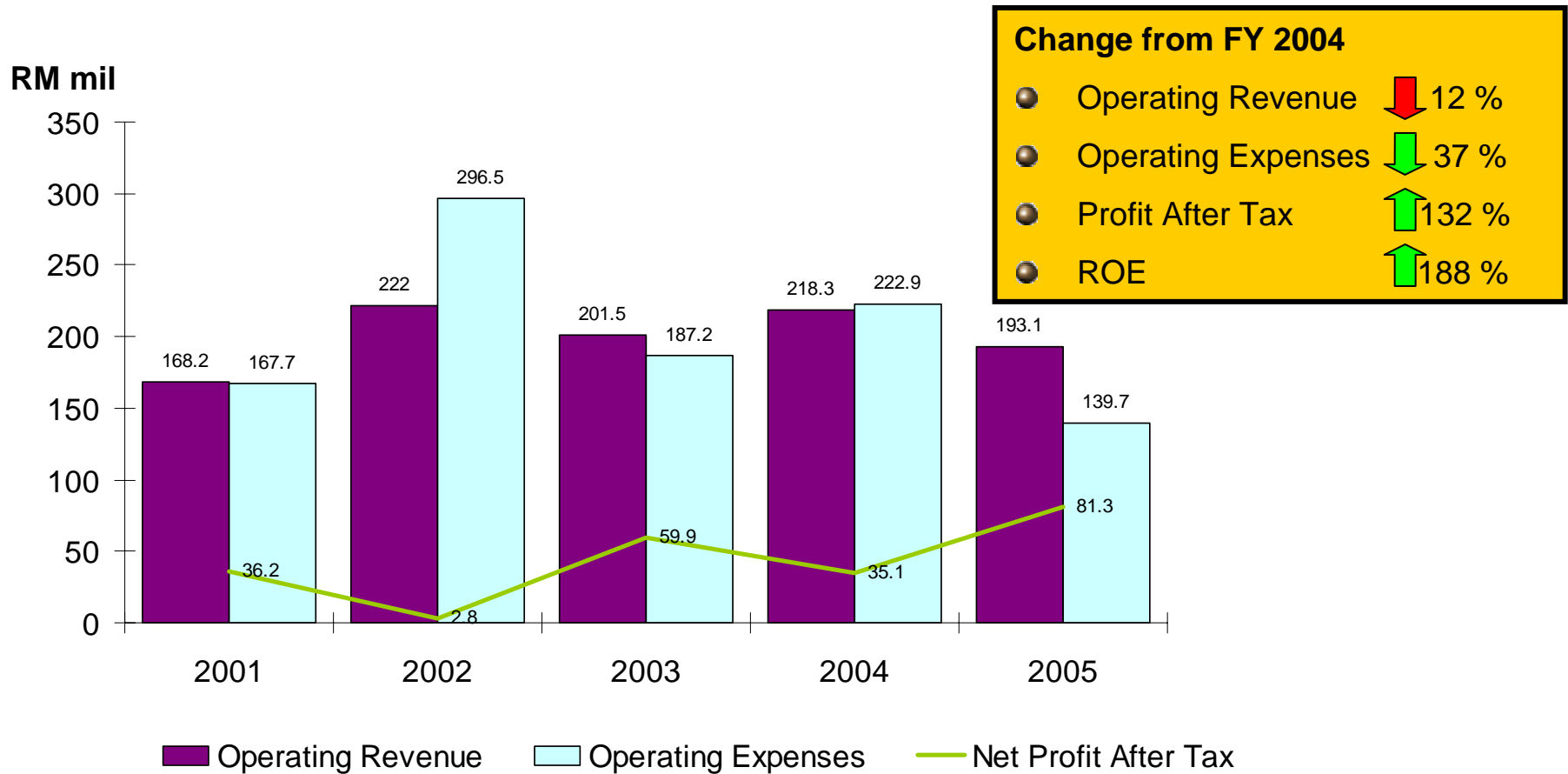
Financial Performance

Key results (RM mil)	Q405	Q404	FY05	FY04
Operating revenue	44.7	51.1	193.1	218.4
Operating expenses	30.5	37.8	123.5	203.8
Operating EBITDA	14.2	13.3	69.6	14.6
Depreciation and amortisation	4.2	5.5	16.2	19.1
EBIT	9.9	7.8	53.4	-4.5
Operating profit	9.8	7.8	53.0	-4.7
Other income	12.7	16.0	64.6	68.2
PBT	22.5	23.8	117.6	63.5
Taxation	5.5	4.0	32.3	25.2
PAT after MI	16.1	19.2	81.3	35.1
Net EPS (sen)	3.1	3.8	16.8	7.0
NTA per share (RM)	1.6	2.8	1.6	2.8

Key Market Statistics

Key Market Statistics	4Q05	4Q04	FY05	FY04
Equities				
Market Capitalisation (RM bil)	695.2	722.1	695.2	722.1
• Total trading value (RM bil)	40	58.1	201.1	243.9
• Total trading volume (bil)	22	31.6	118.8	122.7
• Average daily trading value (RM mil)	655.7	937.7	813.5	983.1
• Average daily trading value-OMT (RM mil)	578.2	835.0	717.9	873.7
Total number of listed companies	1,021	963	1,021	963
• New listings	14	23	76	72
- Main Board	2	6	13	15
- Second Board	1	6	17	26
- MESDAQ Market	11	11	46	31
Derivatives				
• Number of contracts traded	584,277	613,594	2,459,745	2,632,992
• Average daily number of contracts traded	9,578	9,897	9,958	10,617

Financial Performance Review

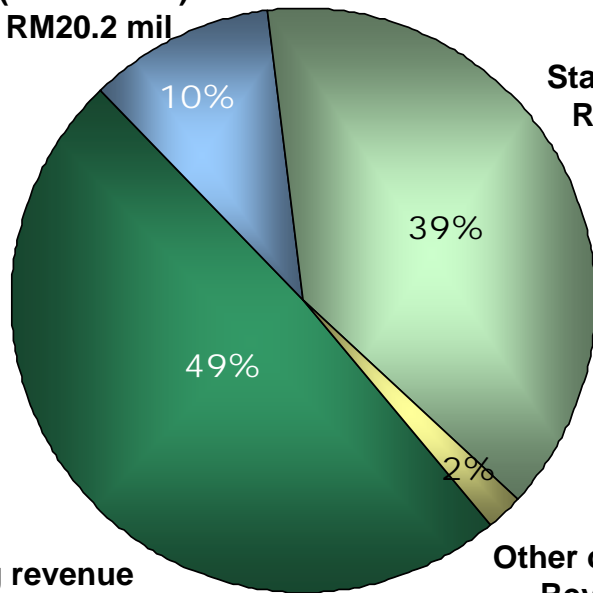


Operating Revenue

FY05 : RM193.1 mil

FY04 : RM218.3 mil

Trading revenue
(Derivatives)
RM20.2 mil

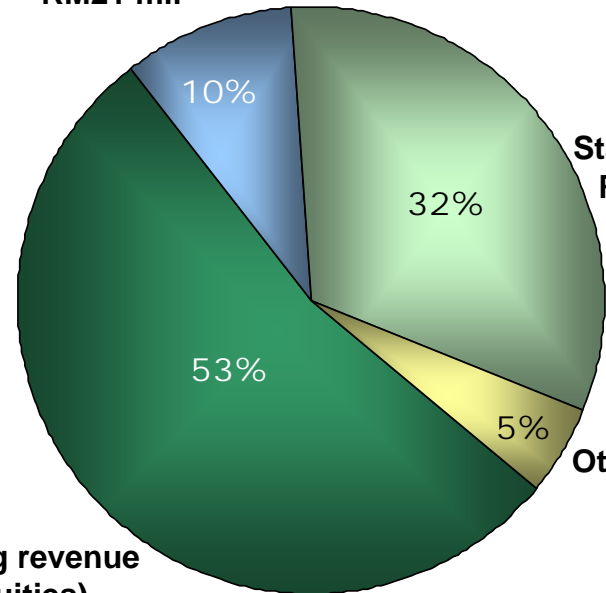


Stable income
RM76.2 mil

Other operating
Revenue*
RM3.9 mil

Trading revenue
(Equities)
RM92.8 mil

Trading revenue
(Derivatives)
RM21 mil



Stable income
RM70.5 mil

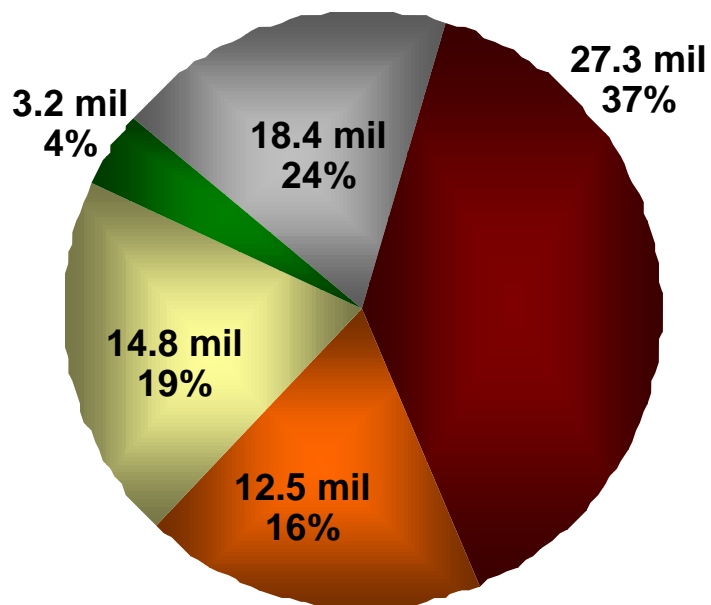
Other operating
Revenue*
RM10.8 mil

Trading revenue
(Equities)
RM116 mil

Note : * Comprised mainly of perusal and processing fees

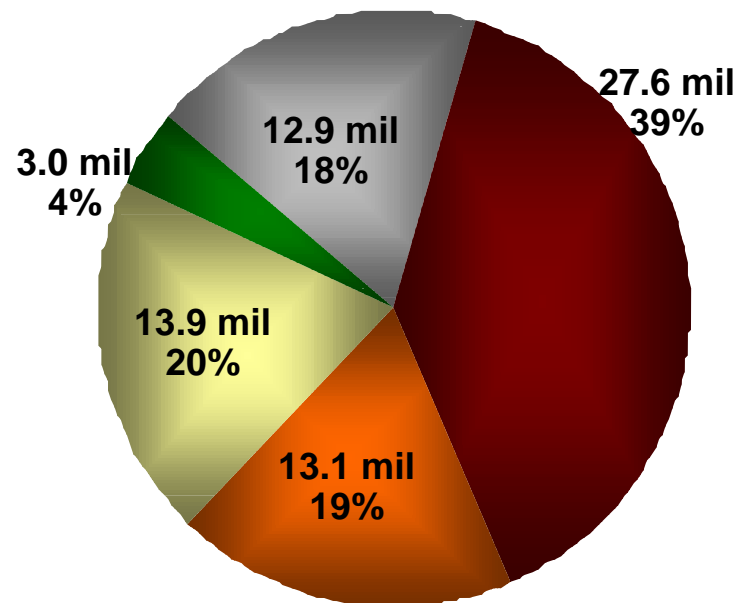
Stable Income

FY05 : RM76.2 mil



- Information services
- Listing fees
- Participants' subscription fees

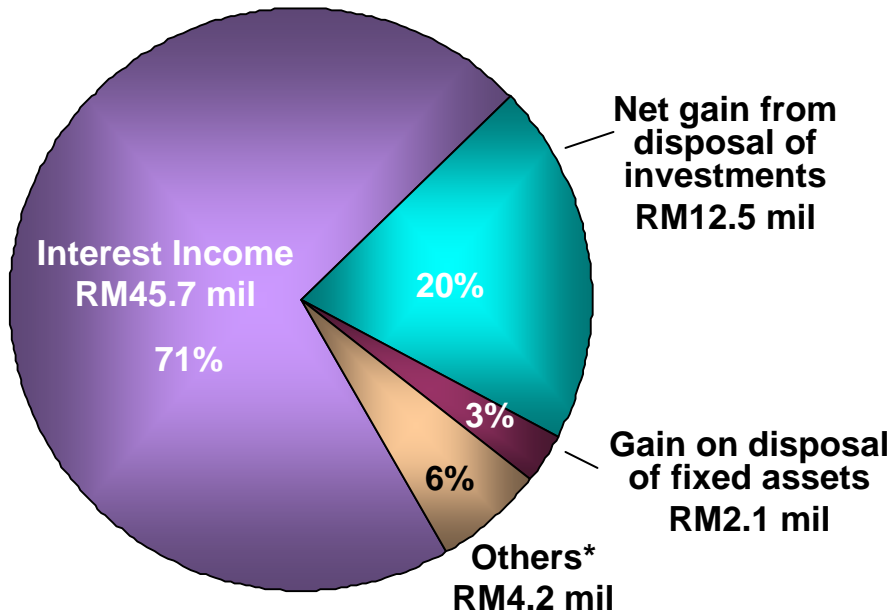
FY04 : RM70.5 mil



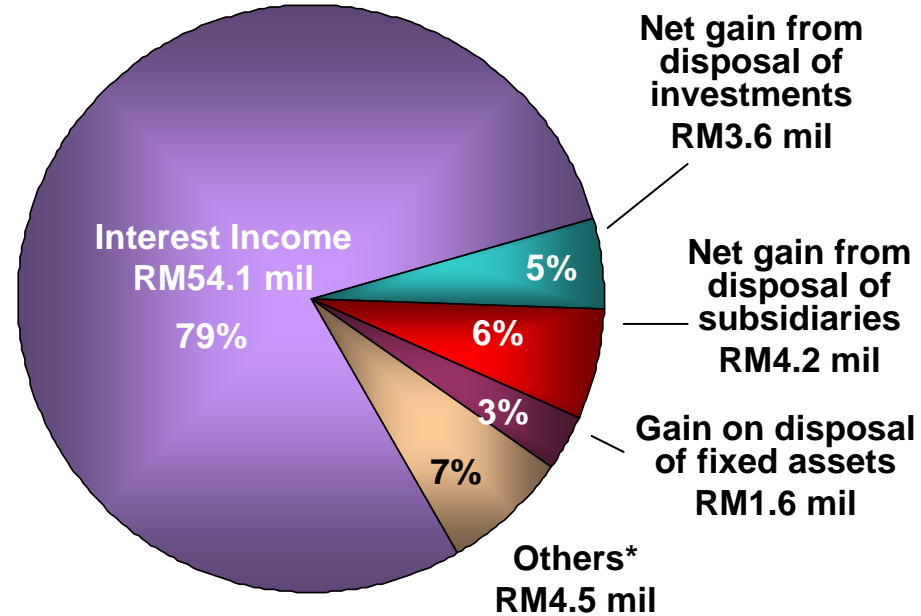
- Depository services
- Broker services

Other Income

FY05 : RM64.5 mil



FY04 : RM68.2 mil



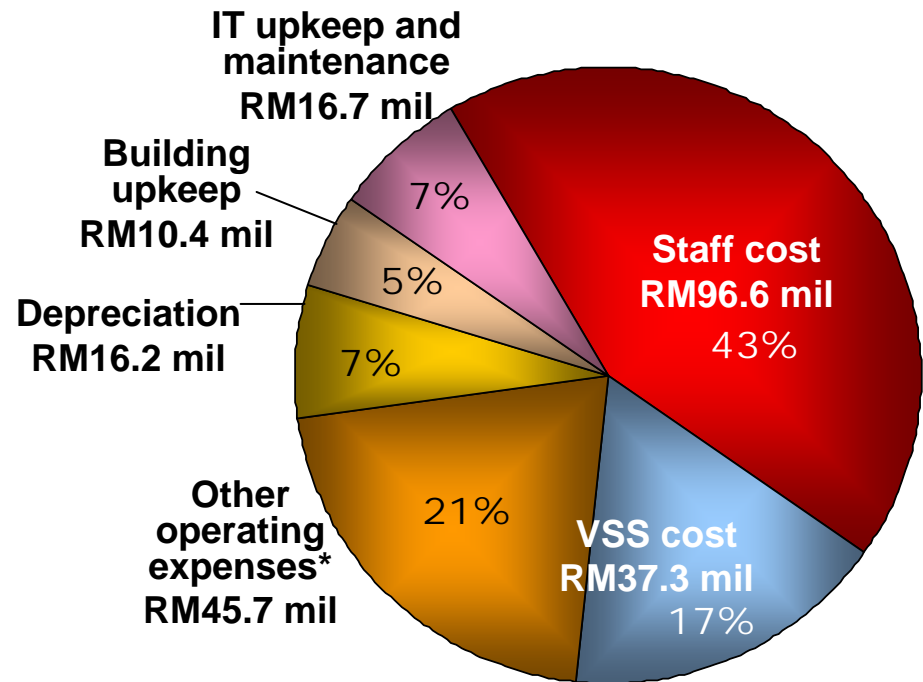
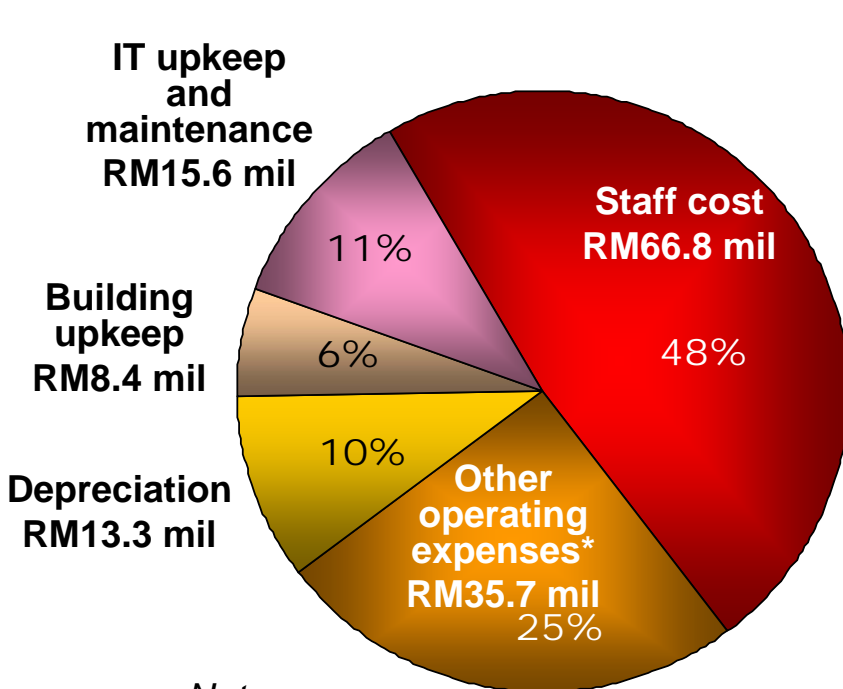
Note : * Comprised mainly of exposition income and other miscellaneous income

Operating Expenses

YoY expenses reduced by 37%
(after adjusted for VSS – 25% reduction)

FY05 – RM139.7mil

FY04 – RM222.9mil

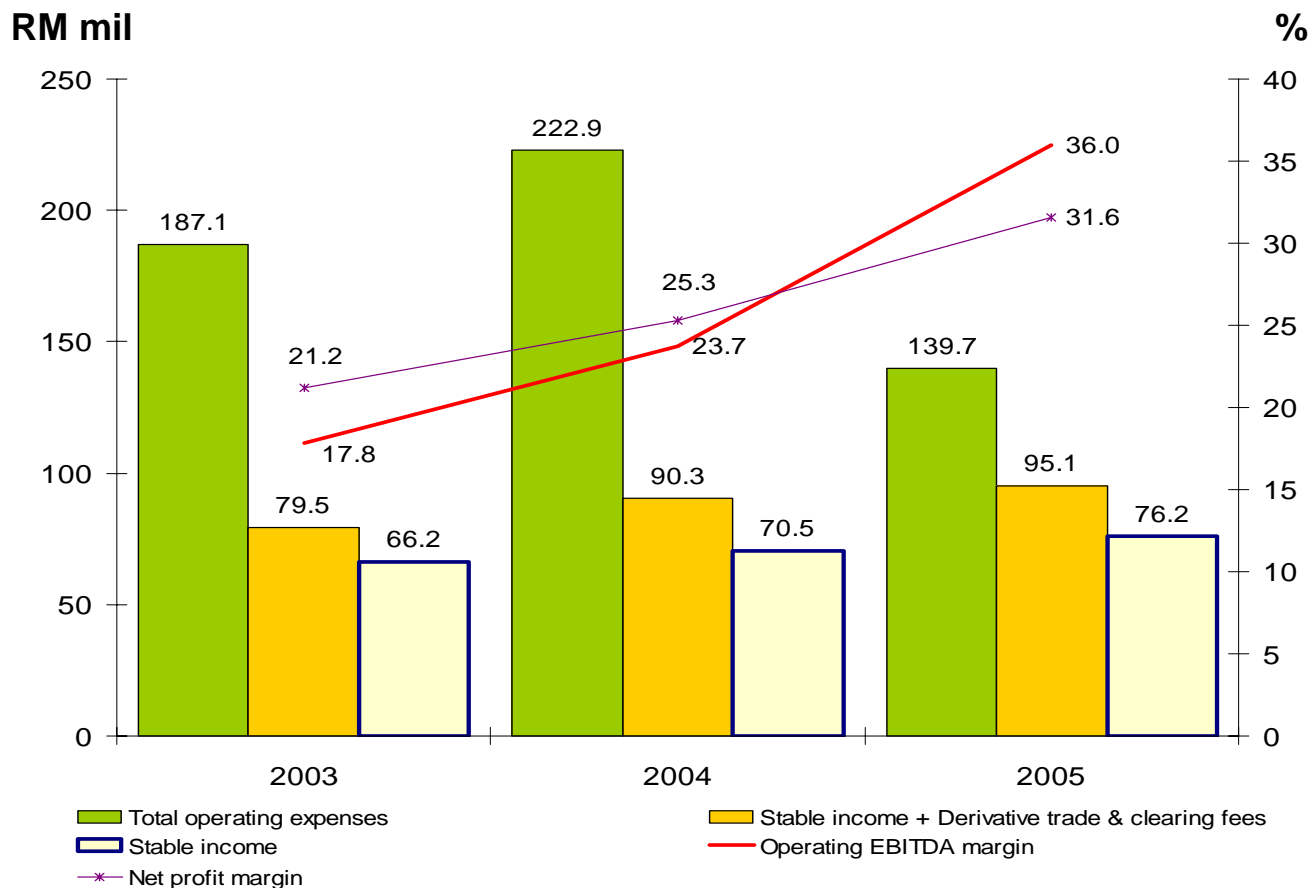


Note:

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

Key Ratios

Continued improvement in margins



% of stable income to total operating expenses improving

- FY2003 : 35%
- FY2004 : 32%
- FY2005 : 55%

% of stable income + derivative trade & clearing fees to total operating expenses

- FY2003 : 43%
- FY2004 : 41%
- FY2005 : 68%

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

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Awards:

“Best Malaysia Equity deal in 2005” By IFR Asia

“Malaysia Deal of the year 2005” By Asiamoney



3 REITs Listed



CMDF Bursa Research Scheme - 303 companies researched



5 Foreign Brokers Operational



Capital Distribution Completed on 29 Dec 2005



CDS Accounts liberalised i.e. Omnibus allowed

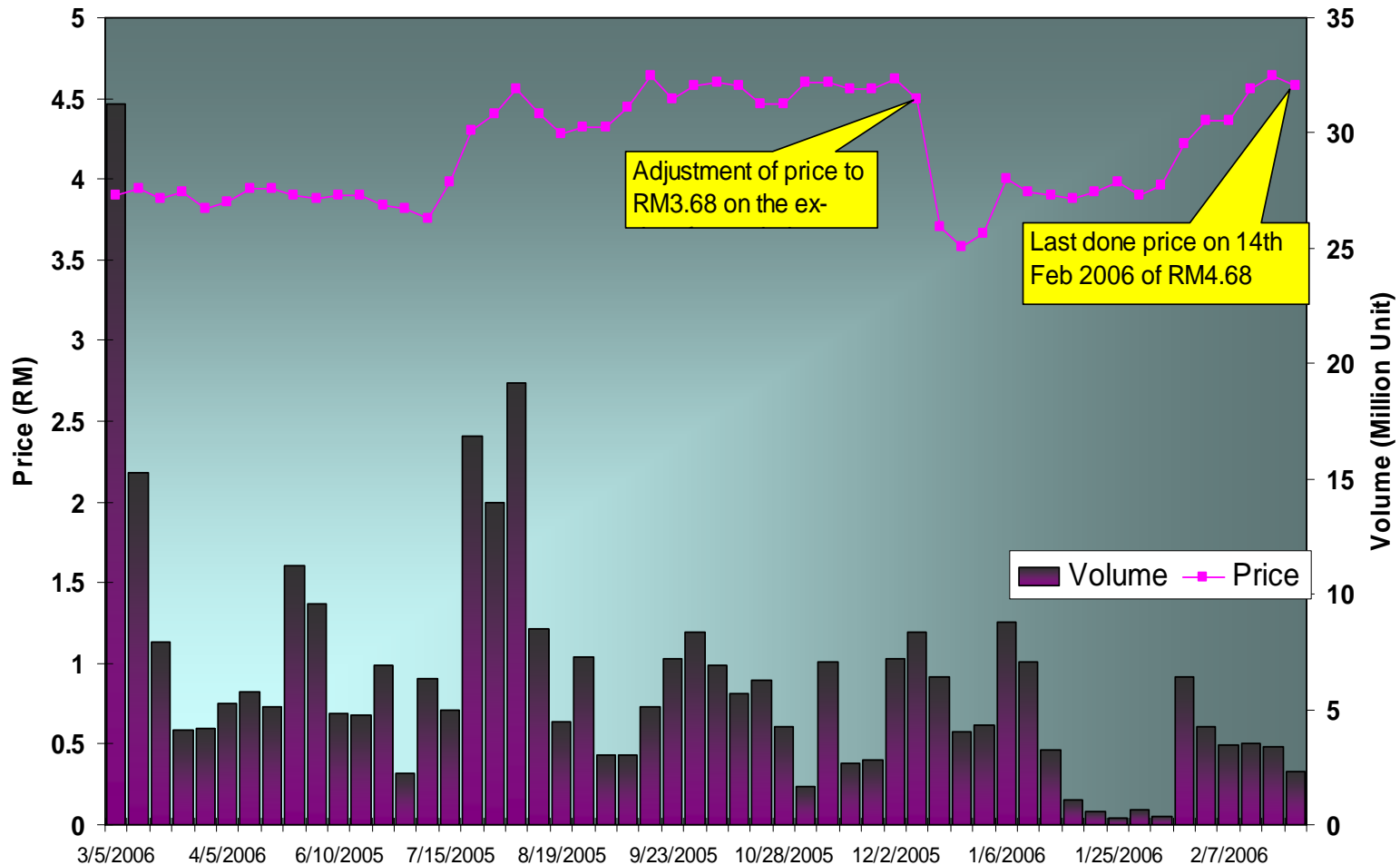


Top 15 brokers’ ranking available on website:

http://www.bursamalaysia.com/website/participants/po_tradingsum.htm

Total Shareholders' Return = 88%

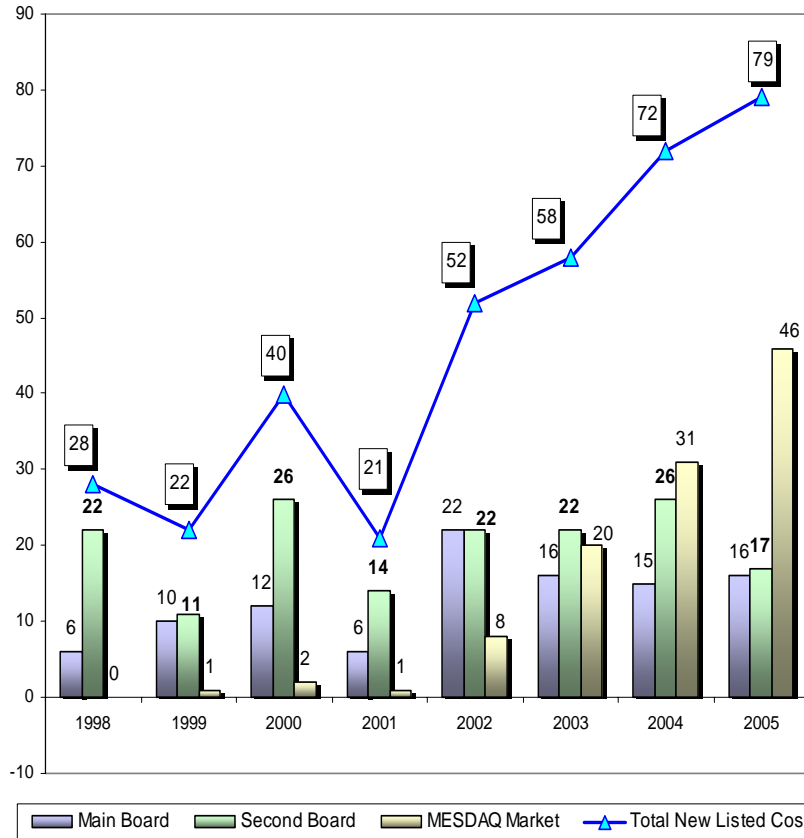
(Capital Gain + Dividend + Capital Repayment)



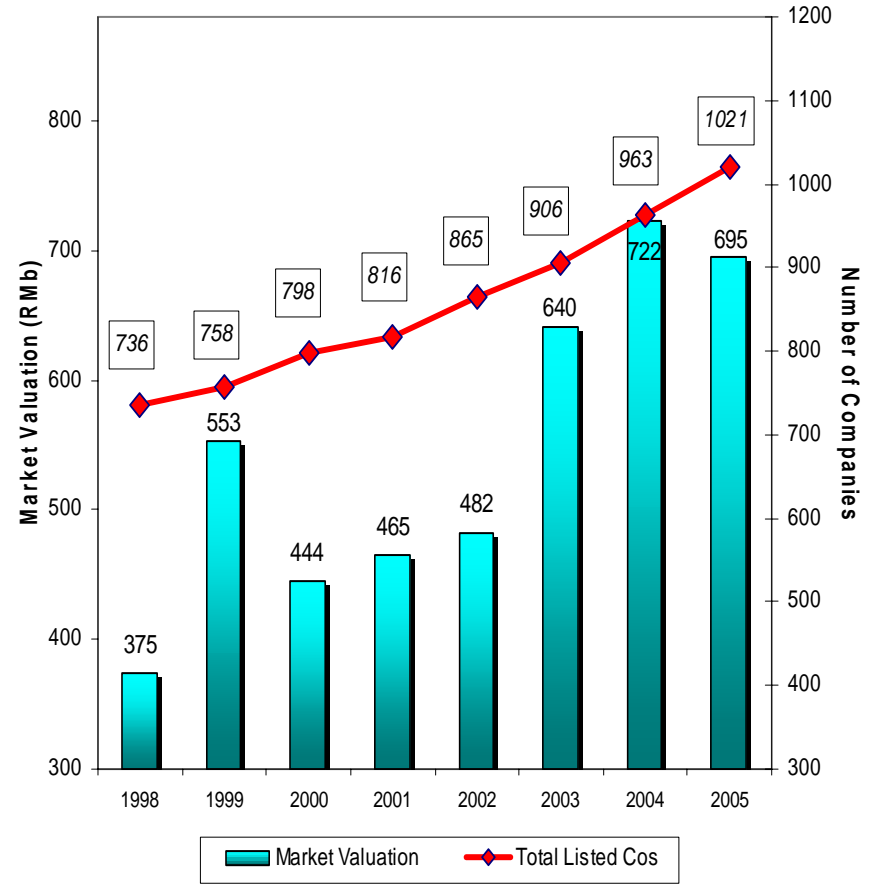
Assumption: Based on IPO price of RM3 and last done price on 14th Feb 2006 of RM4.68

Number of new listing has increased

Number of New Listing



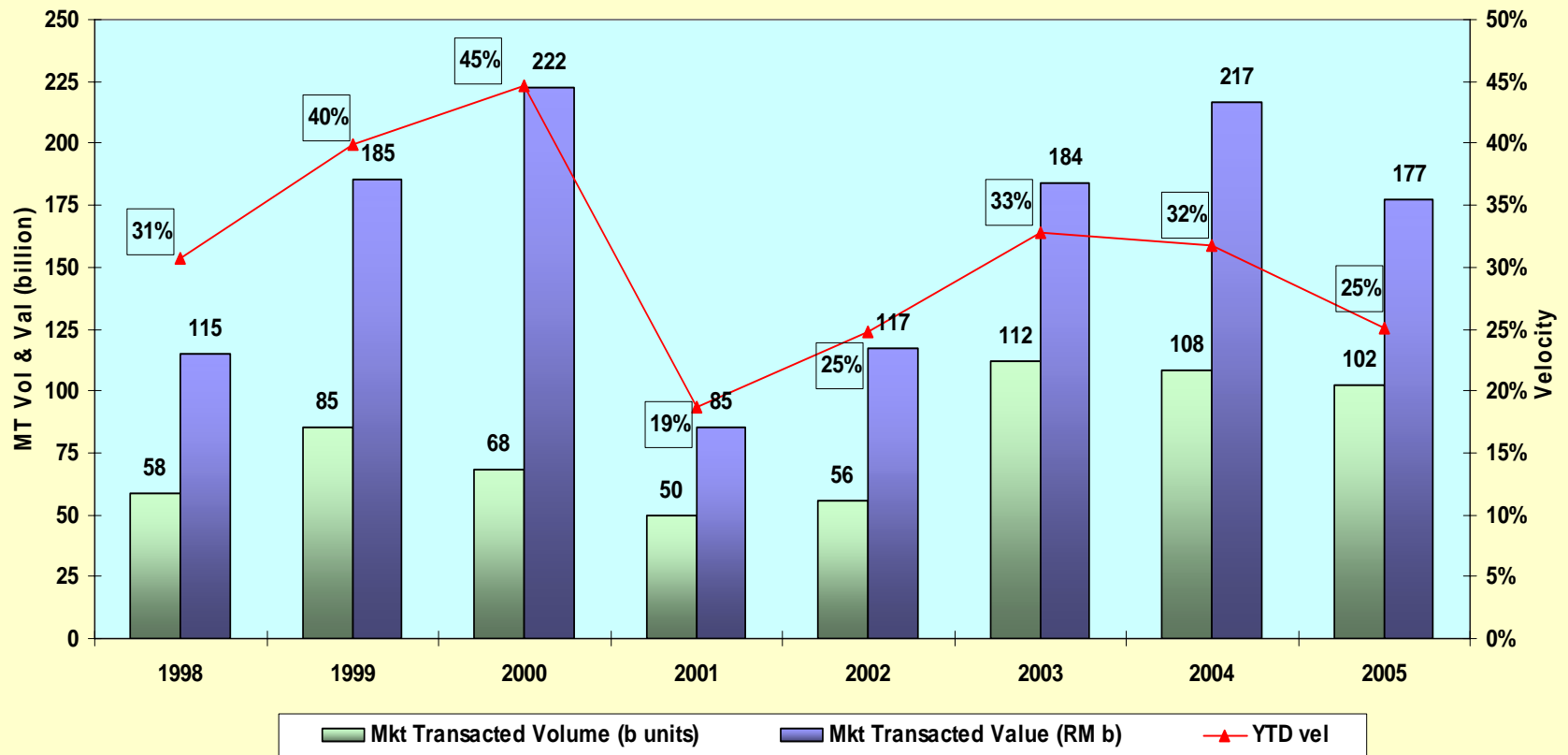
Market Valuation & Listed Companies



Funds mobilised (primary and secondary markets) 2005 = RM 8.9b , 2004 = RM7.6b

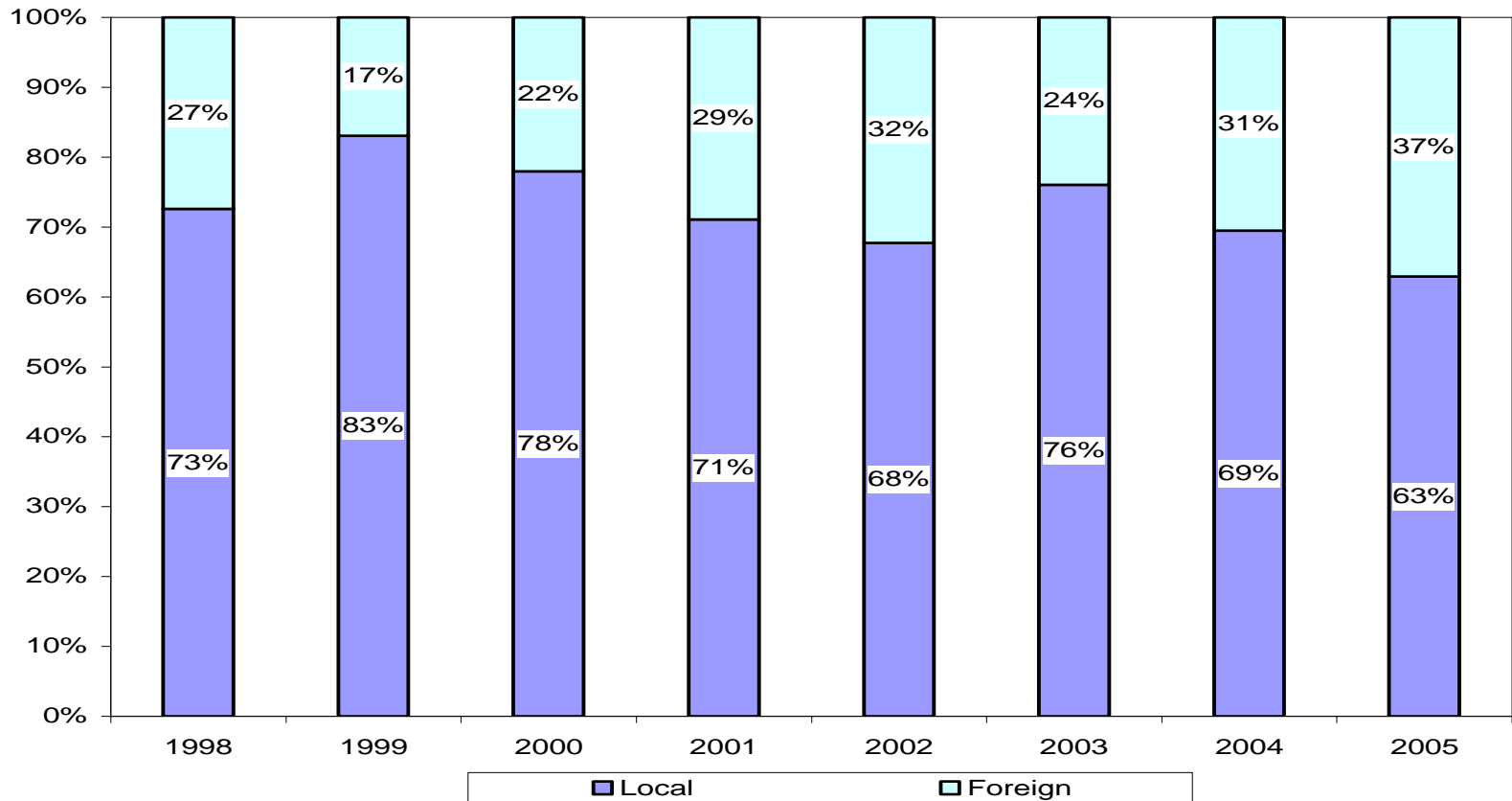
In 2005, market velocity affected by investors' sentiment Velocity has increased to 30% for YTD up to 10 Feb 2006

Yearly Market Transacted Volume and Value vis-a-vis YTD Velocity



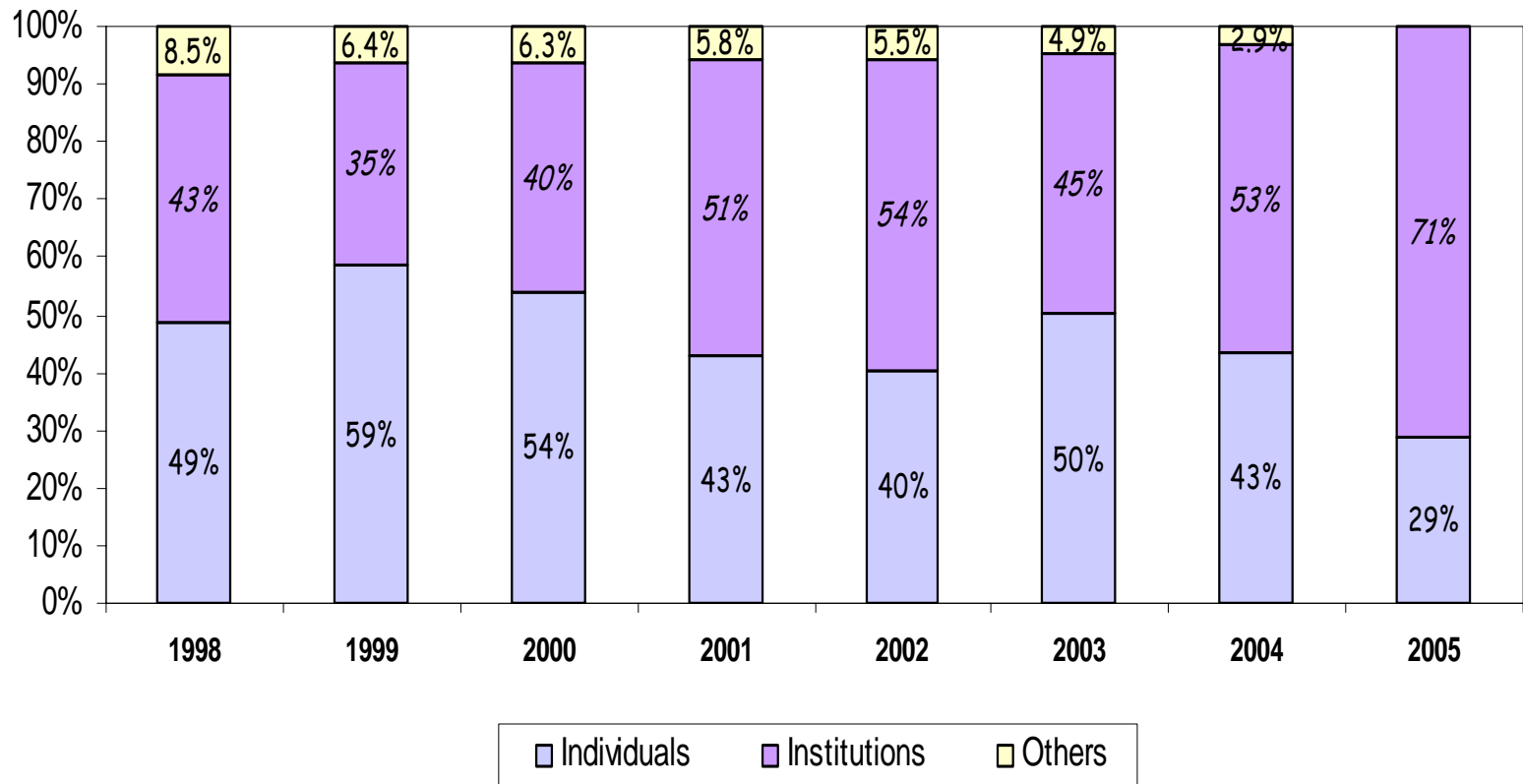
In 2005, share of trading activities by foreign investors increased further to 37% compared to 31% in 2004.

**Proportion of Local and Foreign Trading Participation (Annual)
1998 to 2005**



In 2005, share of trading value by institutions highest in 8 years, at 71% compared to 55% in 2004.

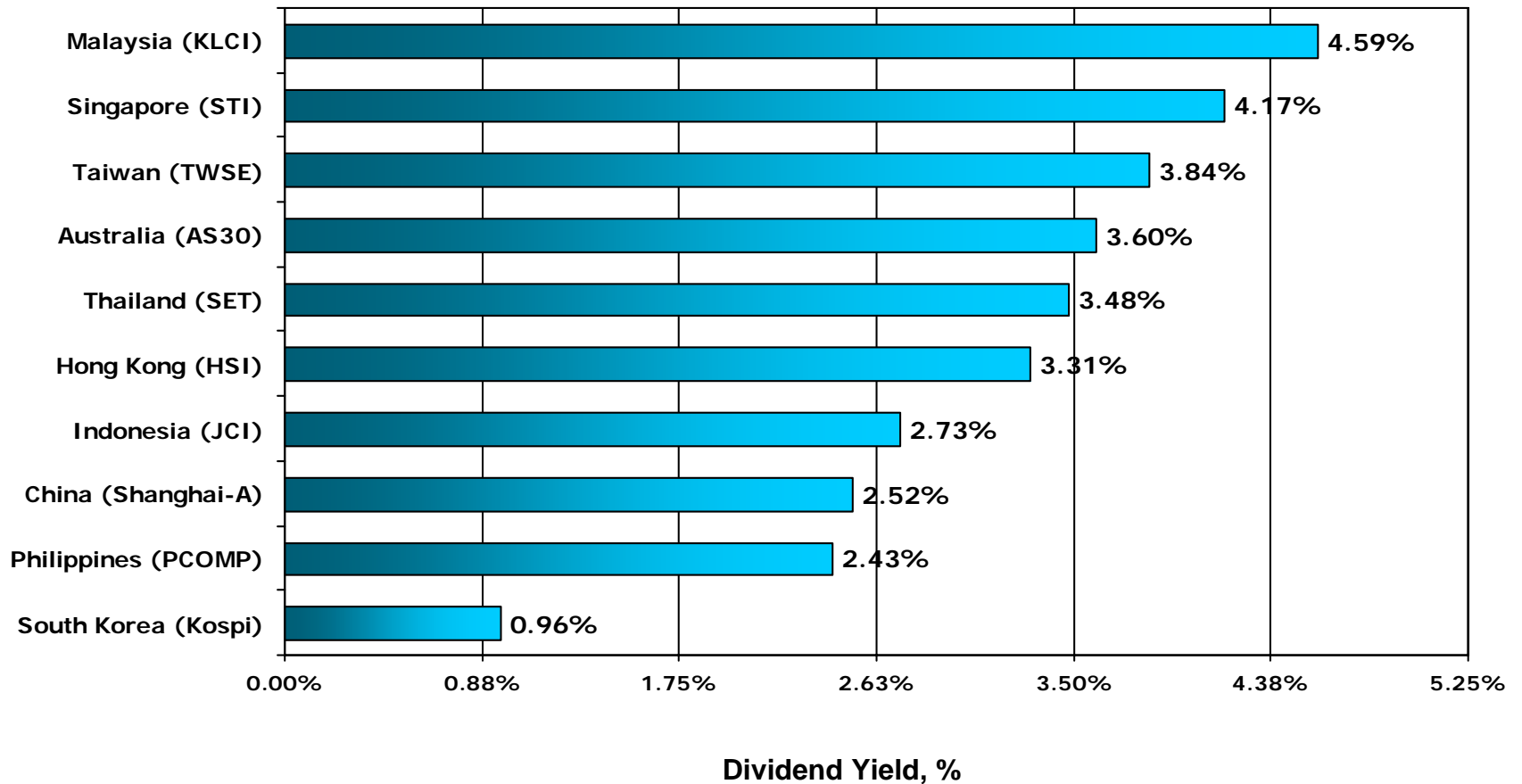
**Breakdown of trading (by value) according to individuals, institutions and others
1998 to 2005**



“Others”- refer 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.

Dividend yield-regional comparison

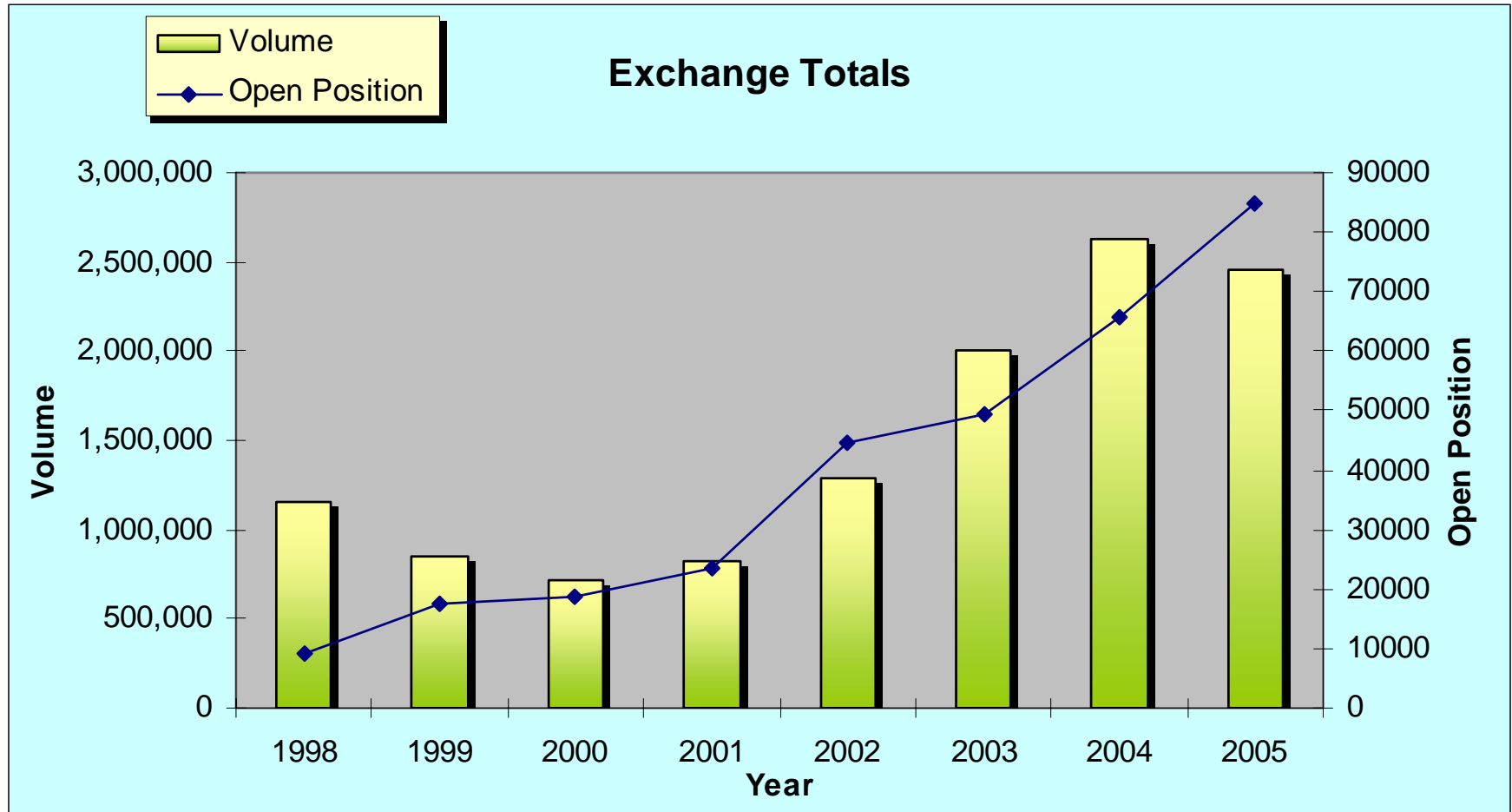
Malaysia continued to offer highest dividend yield in region at 4.59%



Source: Bloomberg, Dividend yield for main regional indices for the past 12 months ended 31st Jan 2006.

Derivatives market in 2005

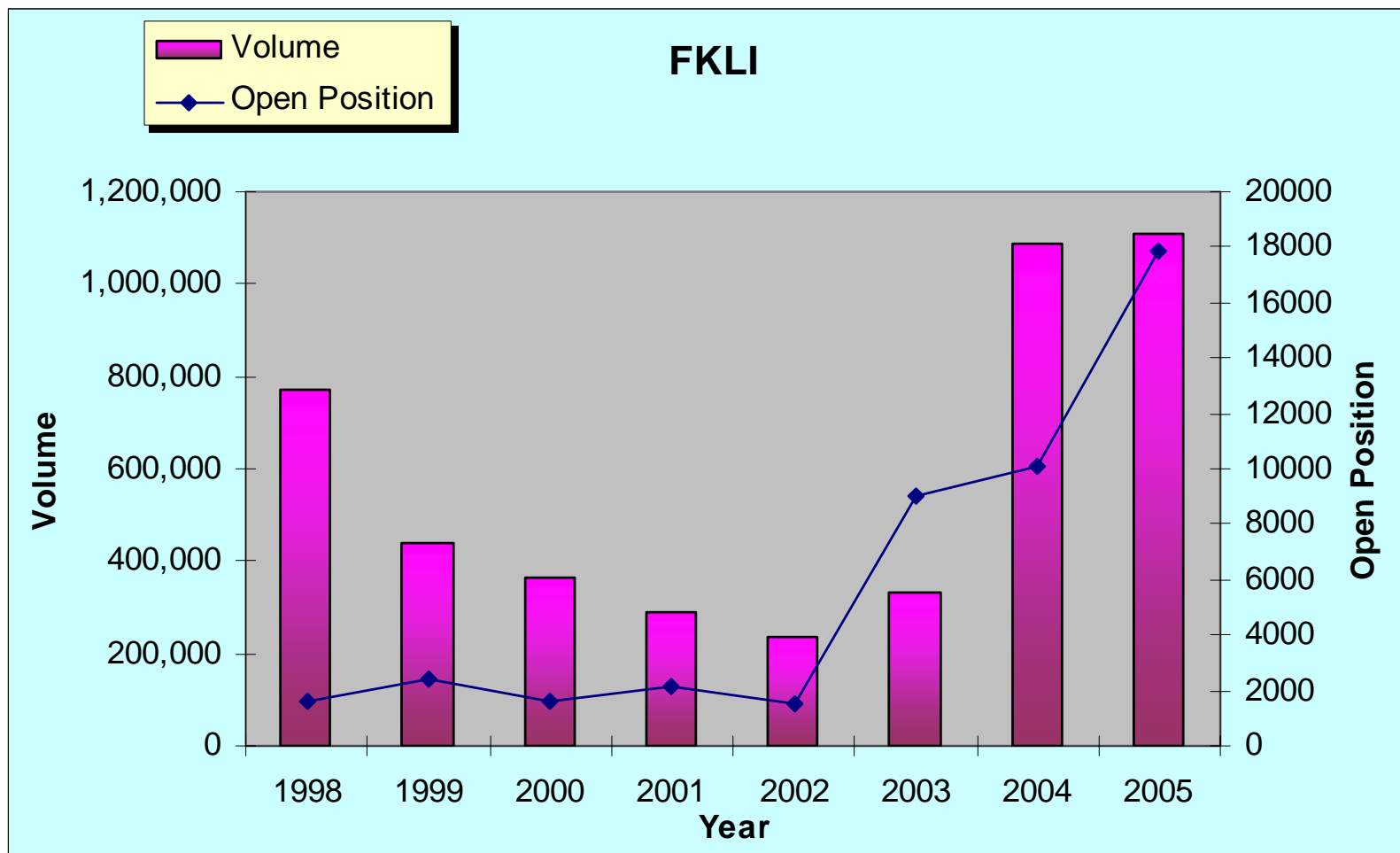
- Volume : 2.46 M contracts, down 6% from 2004 of 2.63 M contracts
- Open position: 84.8k contracts, up 29% from 2004 of 65.8k contracts
- FKLI and FCPO accounted for 92.3% of total contracts



FKLI in 2005

Volume : 1.11million contracts up 2 % from 2004 of 1.09 million contracts

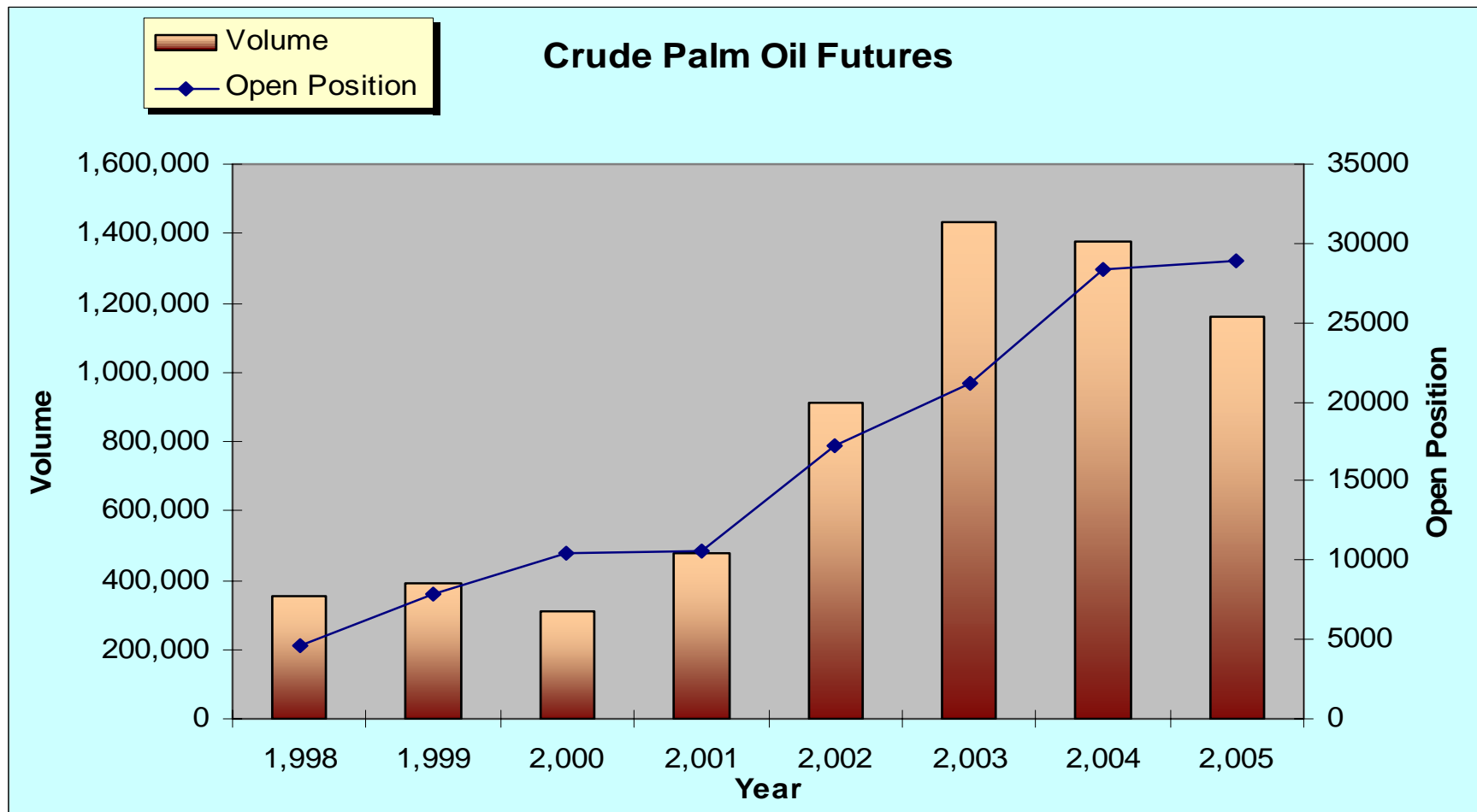
Open position: 17,814 contracts up 77% from 2004 of 10,092 contracts



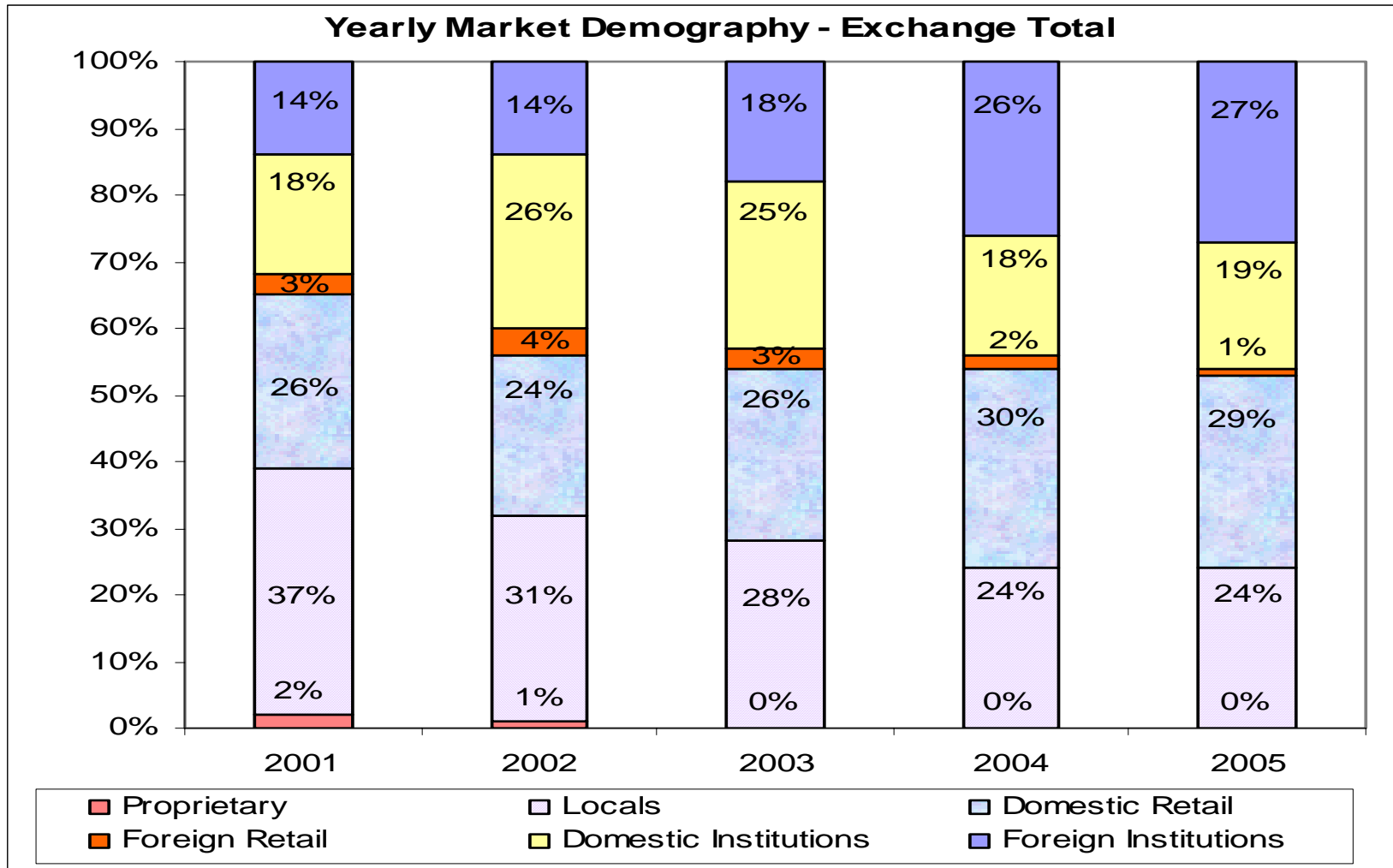
FCPO in 2005

Volume : 1.16mil contracts down 16% from 2004 of 1.38 mil contracts

Open position: 28.9k contracts up 2% from 2004 of 28.3k contracts



Market Demography : Derivatives Market 2001 to 2005

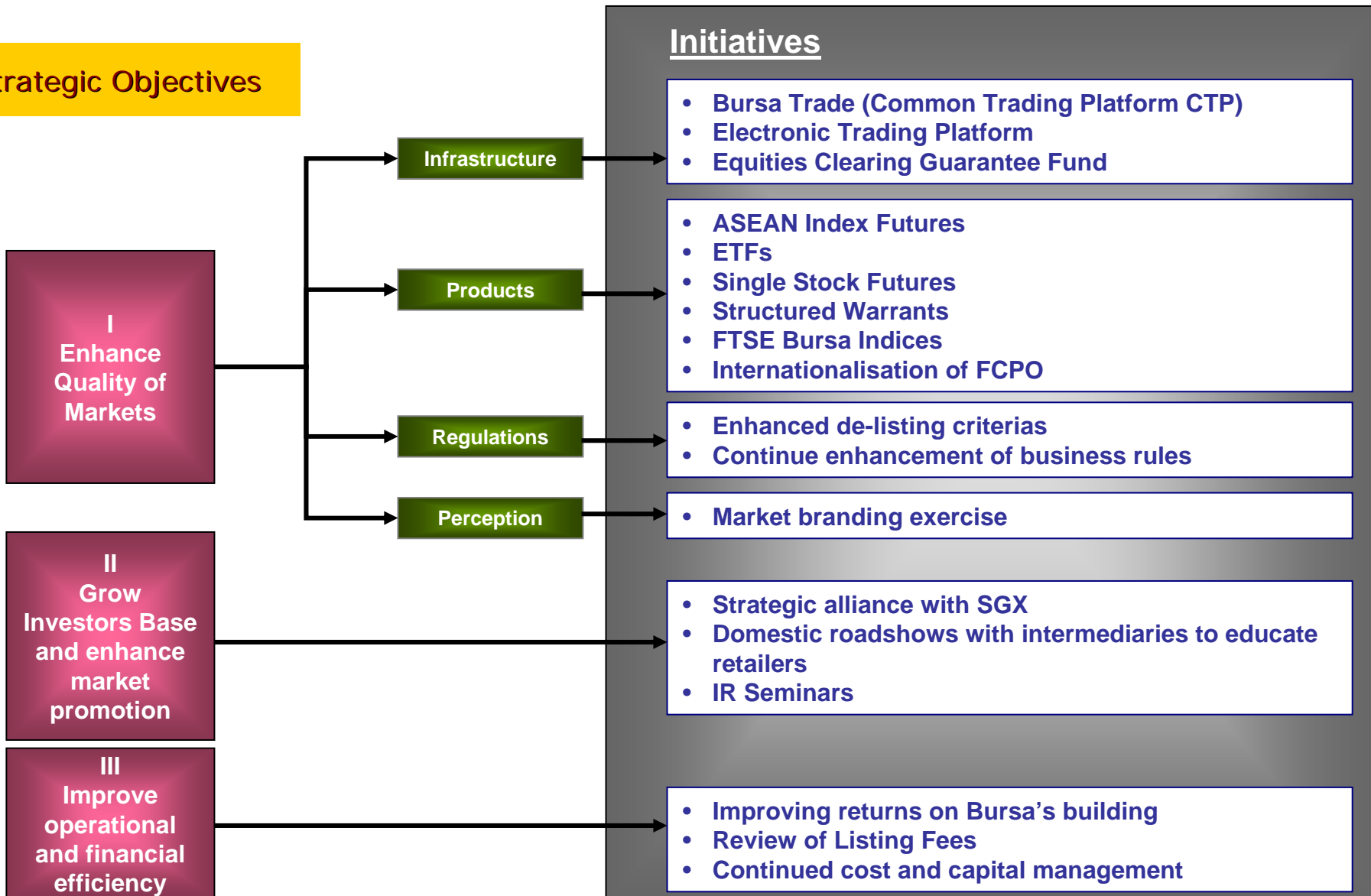


Regulatory highlights

- Regulatory enhancements
 - Enforcement for delay in issuance of financial statement
 - Amend Listing Requirements in relation to related party transactions
- Market alerts
 - UMA
 - advise investors to exercise caution in the trading e.g. TH Hin & NPC Resources
- 11 PLCs delisted in 2005 (8 delisted in 2004) due to inadequate level of operation & financial condition
- Direct enforcement on directors

Strategic Focus

Strategic Objectives



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