



# Bursa Malaysia Berhad

## 2006 Results Briefing

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### Disclaimer

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# Agenda

- ▶ **Highlights**
- ▶ Financial Performance Review
- ▶ 2007 Focus and Outlook
- ▶ Q & A

# KPIs substantially met, sets higher ROE target of 16.8%





2006 KPIs	Target	Actual Results
1. ROE	9.1%	12.8%
2. Domestic Retail Participation	35%	34.4%
3. New products and services	10	<ul style="list-style-type: none"> <li>✓ SSF</li> <li>✓ FTSE – Bursa Indices</li> <li>✓ Bursa Station</li> <li>✓ Clearing Guarantee Fund</li> <li>✓ International Licensing of CPO Prices</li> <li>✓ CSR Framework</li> <li>✓ Bursa Trade (Derivative)</li> <li>✓ IR Portal</li> <li>✓ RSS / SBL</li> <li>✓ Proprietary Day Trading</li> </ul>

# Highlights 2006 full year results - Operating revenue grew 36% to RM262 million


	FY2006	Change
PAT	108.9 mil	 35%
Operating EBITDA	129.7 mil	 111%
EPS	21 sen	 32%
ROE	12.8%	 94%
Full year Dividend	26.5 sen	 32.5%
Operating Cost	148.5 mil	 3%

# Key Market Indicators

## Equity Market

	FY2006	Change
Velocity	32.5%	 25%
Market Capitalisation	849 bil	 22%
Daily Average Value	1.0 bil	 42%
Daily Average Volume	803 mil	 94%

## Derivatives Market

Daily Average Contracts	16,915	 70%
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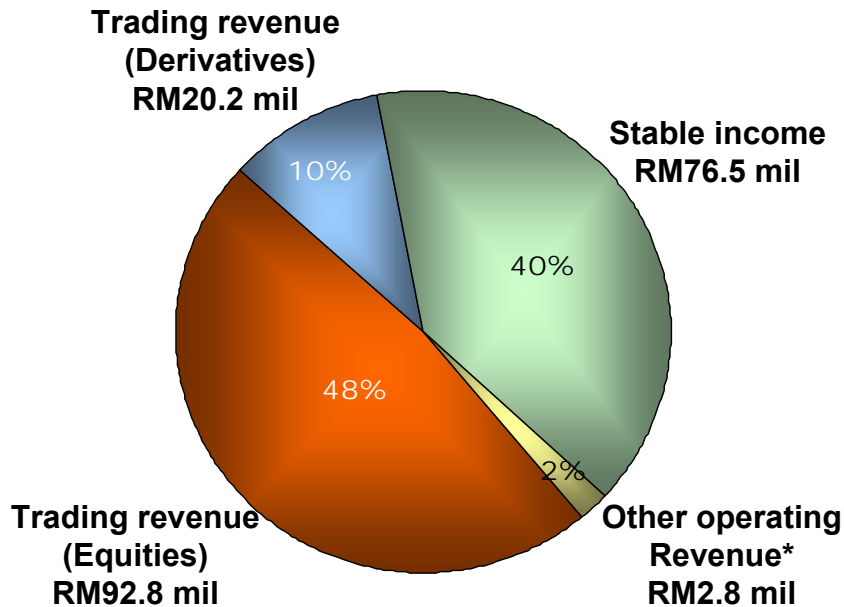
## Financial Highlights - PAT For FY06 rose 35% to RM108.9 mil

Key results (RM mil)	Q406	Q405	Δ (%)	FY2006	FY2005	Δ (%)
Operating revenue	75.3	44.3	70%	262.1	192.3	36%
Operating expenses	37.3	32.7	14%	132.4	130.8	1%
Operating EBITDA	38.0	11.6	228%	129.7	61.5	111%
Depreciation and amortisation	4.5	3.5	29%	16.1	13.3	21%
Other income	9.5	13.1	-27%	39.8	65.3	-39%
PBT	42.8	21.0	104%	152.9	113.2	35%
Taxation	14.2	5.5	158%	44.0	32.3	36%
<b>PAT</b>	<b>28.6</b>	<b>15.5</b>	<b>85%</b>	<b>108.9</b>	<b>80.9</b>	<b>35%</b>
EPS (sen)	5.5	2.9	90%	20.9	15.9	31%

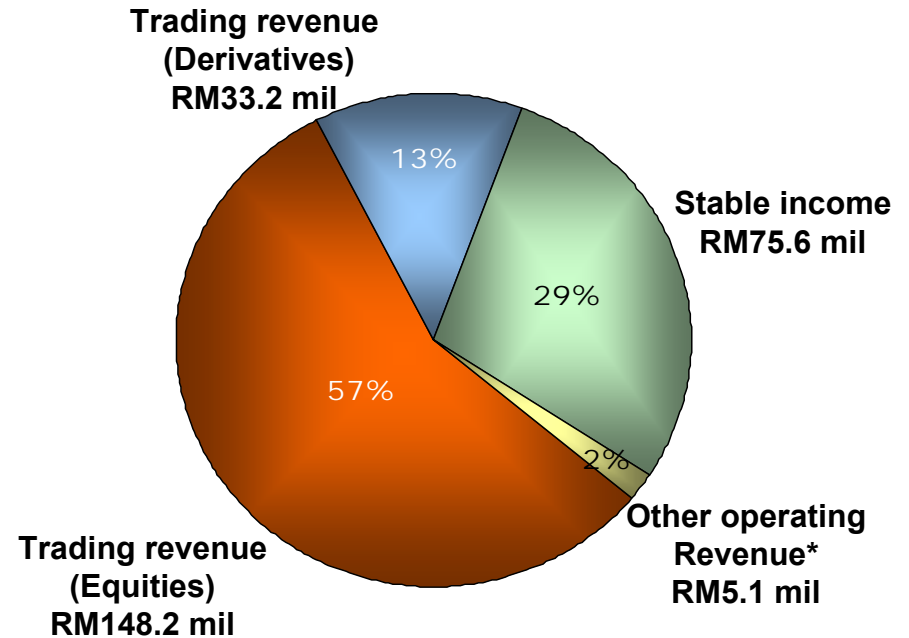
*Note : Comparatives have been restated to reflect PYA*

# Strong Revenue Growth – Operating Revenue up 36% to RM262.1 mil

**FY 2005 : RM192.3 mil**



**FY 2006 : RM262.1 mil**



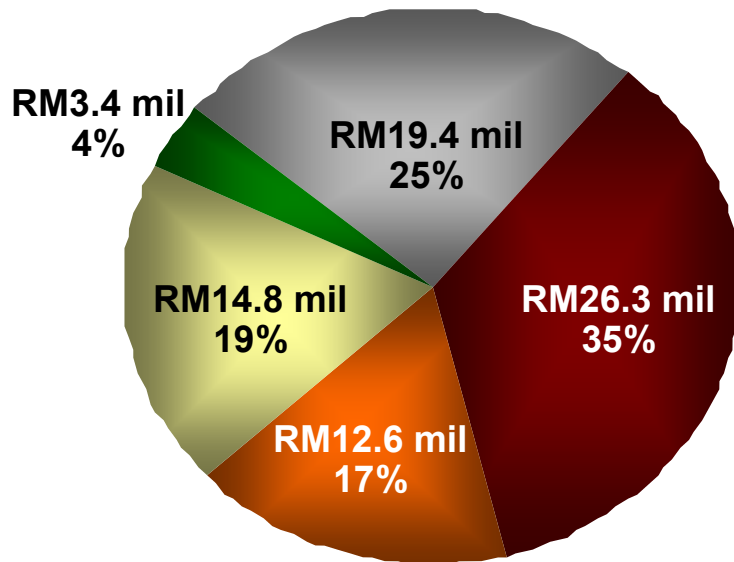
*Stable income = Information Services + Listing Fees + Depository Services + Participants' Subscription Fees + Broker Services*

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



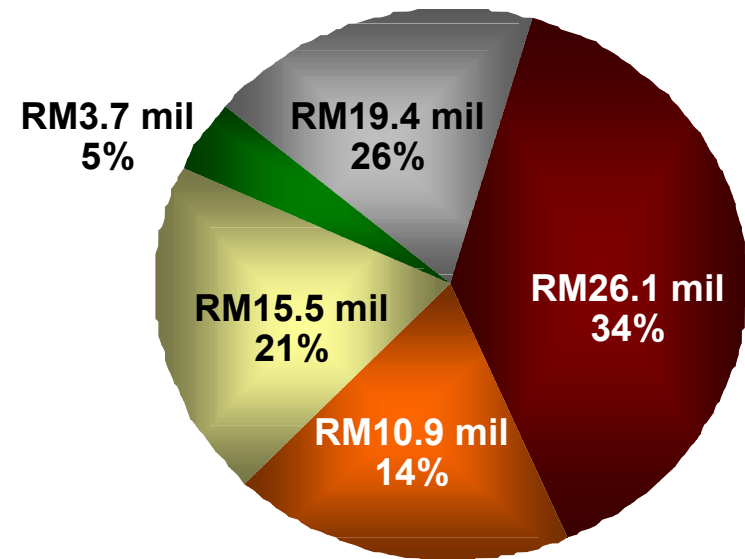
# Potential Growth of Stable Income from Listing Fee in FY2007

FY 2005 : RM76.5 mil



- Information services
- Listing fees
- Participants' subscription fees

FY 2006 : RM75.6 mil

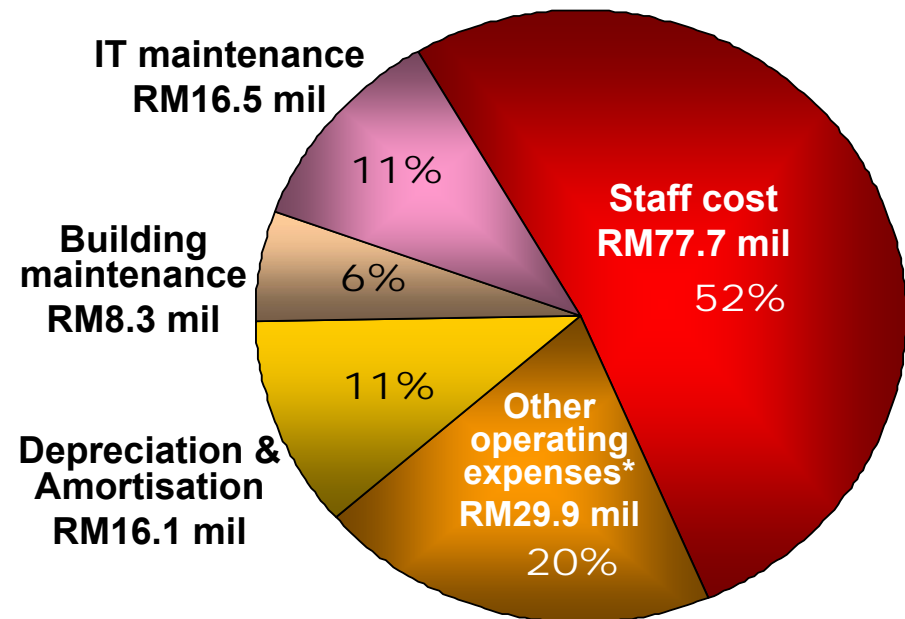
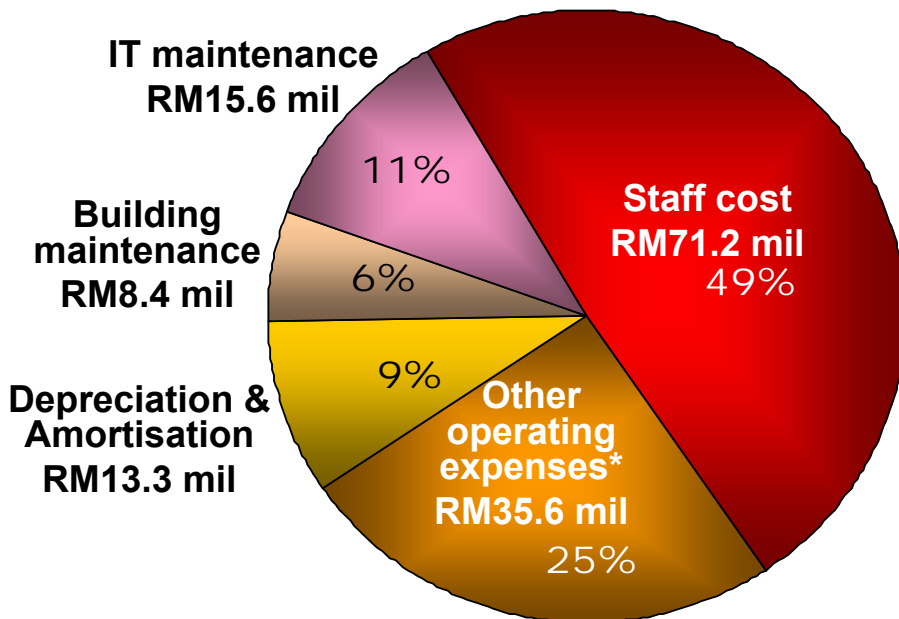


- Depository services
- Broker services

# Stable Operating Expenses – Limited increase of 3%







FY 2005 – RM144.1mil

FY 2006 – RM148.5mil



\* Other operating expenses = market promotion, legal, audit and professional fees etc.

# Key Performance Ratios

	FY2005	FY2006	Change
ROE	6.6%	12.8%	 93%
Basic EPS	15.9 sen	20.9 sen	 31%
Op EBITDA Margin	32.0%	49.5%	 55%
Net Profit Margin	29.9%	35.8%	 20%
Stable Income: Cost	53.0%	50.7%	 4%
Total Dividend	20 sen	26.5 sen	 32%

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- ▶ **2007 Focus and Outlook**
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# In 2007, our Focus will be on..

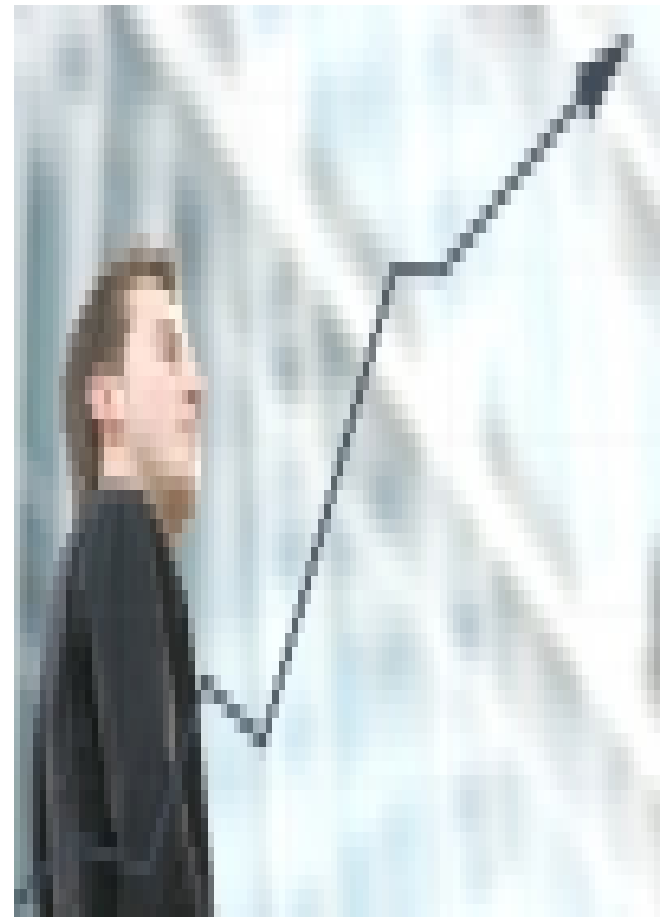
**Primary**  
Improve Sustainable Velocity

**Secondary**  
Improve quality internal  
structure and processes

2007

# Our Velocity Target

**To increase our  
average annual  
velocity to at  
least 60% by  
2010**



# **Business Highlights...1**

**Infrastructure : improve  
efficiency & access**

**Products : broaden &  
internationalise product base**

**Additional Market Initiatives**

# Business Highlights...2

## Infrastructure

- **Equities**
  - Bursa Trade 1b
  - Direct Market Access
- **Fixed Income**
  - Electronic Trading Platform
- **Outsourcing**
  - IT



# Business Highlights...3

## Products

- **Equities**
  - FTSE BURSA 30 ETF
- **Futures**
  - FTSE BURSA 30
  - USD based FCPO
- **FTSE Bursa Index Series**
  - Second Board,
  - Mesdaq Market &
  - Tradable Shariah Index

# Business Highlights...4

## Additional Market Initiatives

- **PLC access**
  - CMDF Bursa Research Scheme
  - IR Policy
- **Protect market integrity –**
  - Revised delisting criteria
  - Action against malpractice and manipulation
- **CSR Framework**
- **Retail Market Plan**

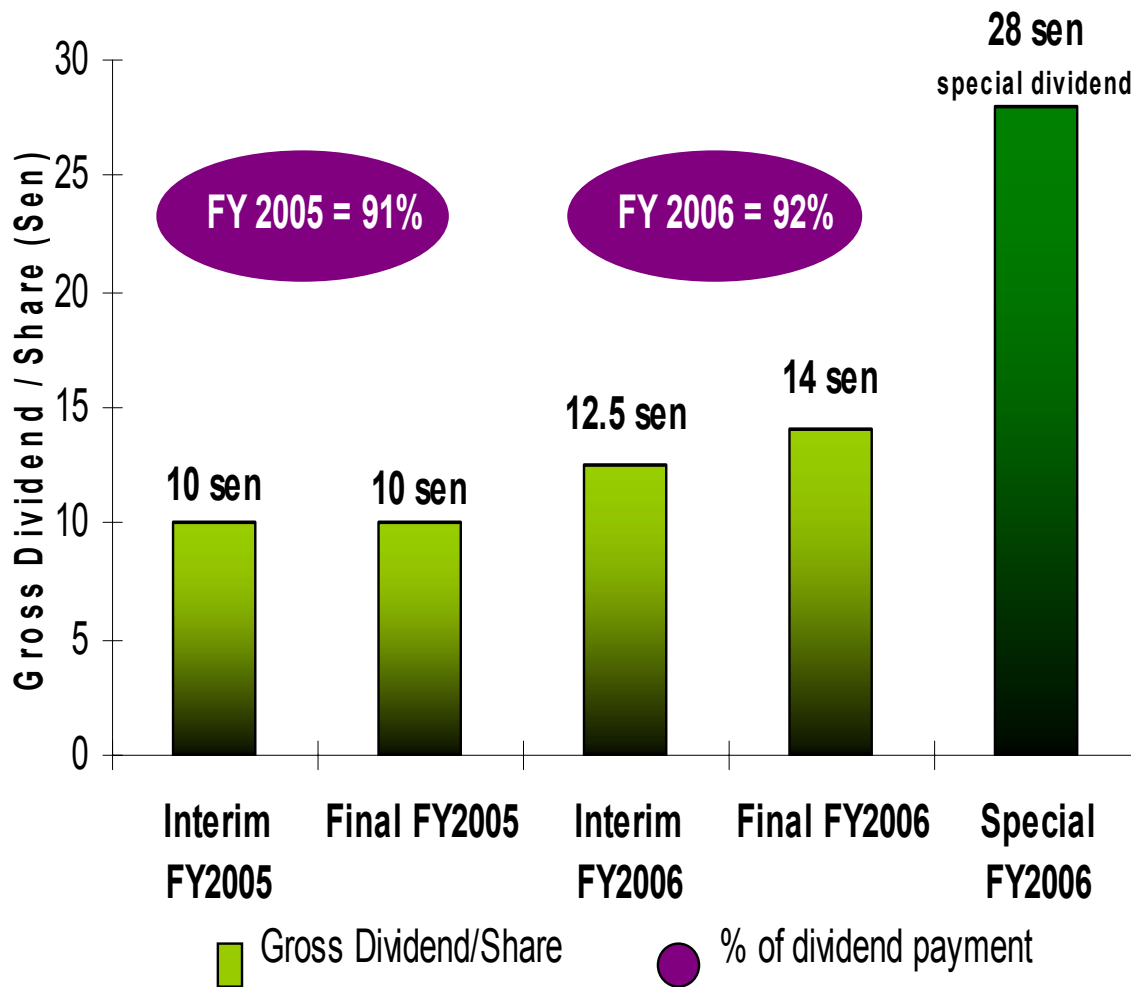
# Continuous review of Capital Efficiency

	RM million
2006 Special Dividend	105
Cash & Investment	479
Shareholders' Fund	809
Capital Expenditure for 2007	89

## *Going Forward*

- ▲ Monetisation of building
- ▲ Surplus cash under constant review

# We are generating value for our shareholders



- Total Shareholders' Return for FY2006 = 131% (Capital Gain + Dividends + Special Dividend)
- 168 % increase in share price since IPO
- 120% increase in share price for FY2006

*Assumption: Based on IPO price of RM3.00 and last done price on 29<sup>th</sup> December 2006 of RM8.05*

# **Malaysian Economy :** **A Favourable Backdrop To Local Equity Market**

- **Real growth is projected at about 6%**
- **Domestic interest rates remain conducive to economic activities**
- **Inflation has been manageable**
- **Strengthening Ringgit**
- **Ninth Malaysia Plan charting the long-term expansion path of the local economy**
- **Visit Malaysia Year 2007 : Increase in tourist arrivals**
- **Strong global demand for biodiesel products**
- **Mergers and acquisitions to remain strong**

# In Summary...

- 2006 was a good year, 2007 will be better
- We are focused on improving velocity & liquidity
- Broader revenue base, derivatives market set to grow
- 2007 Targets :
  - 16.8% ROE
  - 40% velocity
  - 40% growth in number of derivatives contracts



# Bursa Malaysia Berhad

## 2006 Results Briefing

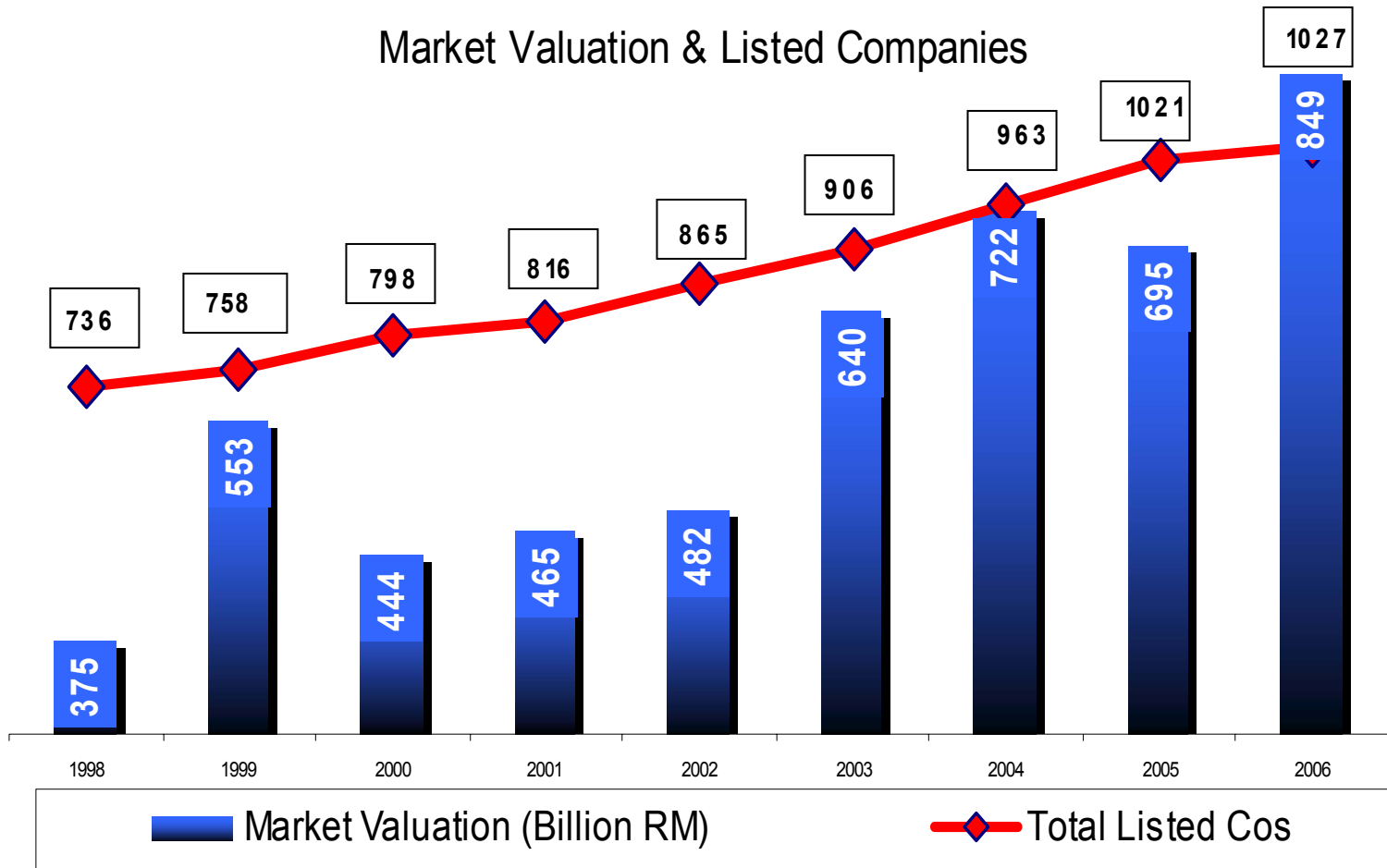
# Q & A

# Appendix : Market Statistics



# Increased Listings & Market Valuation

Market Valuation & Listed Companies

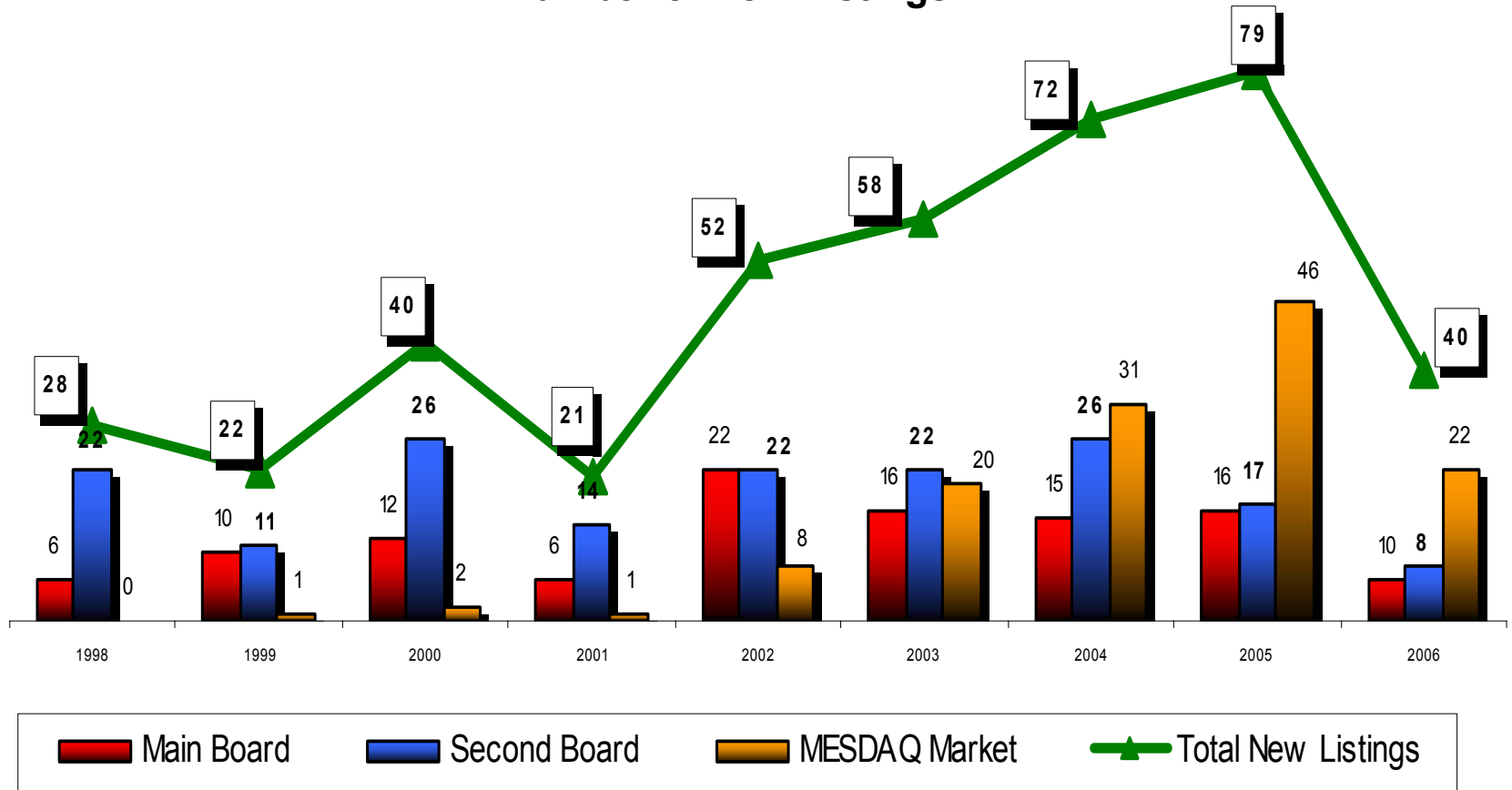


Funds mobilised (primary and secondary markets) 2006 = RM4.1b, 2005 = RM8.5b

# New Listings

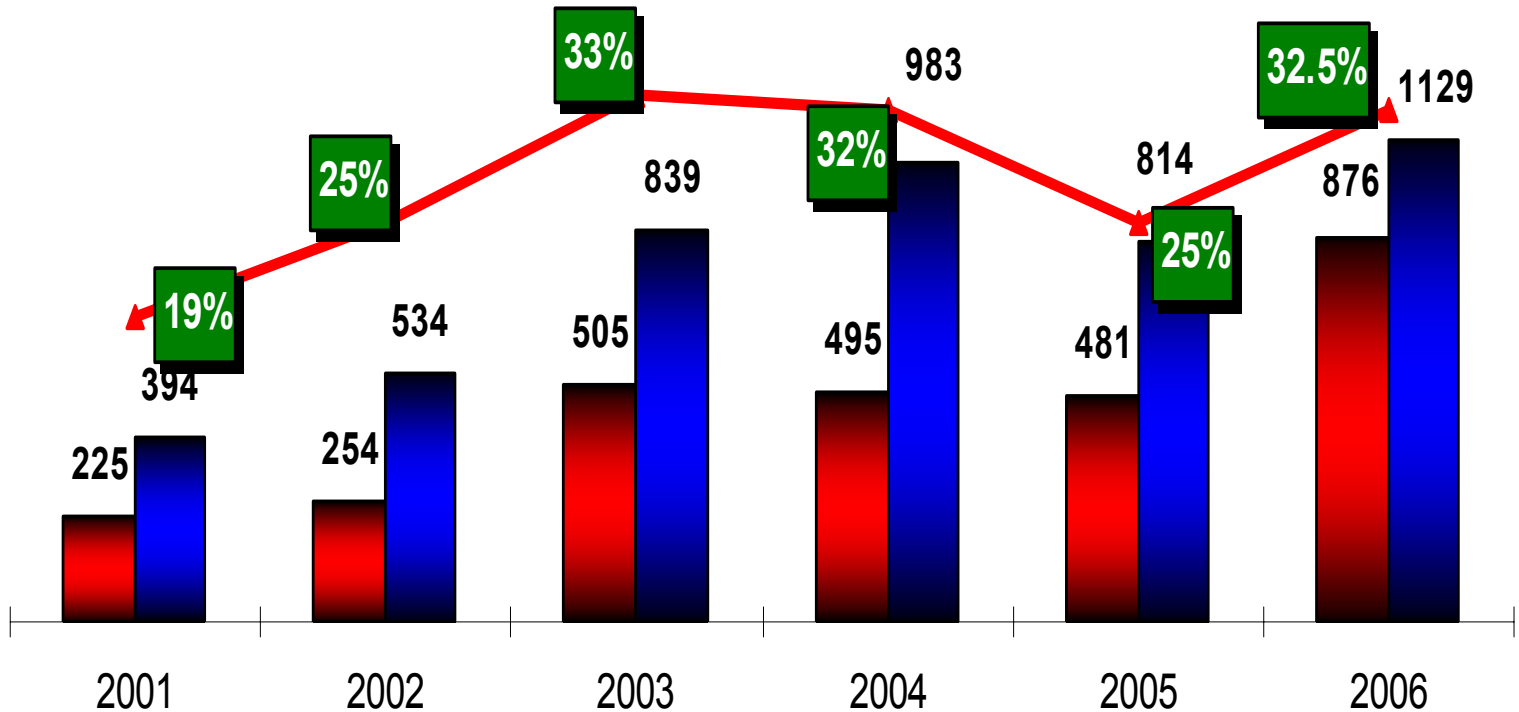
Rate of new listings decreased due to tightening of entry criteria

## Number of New Listings



# Increased Velocity

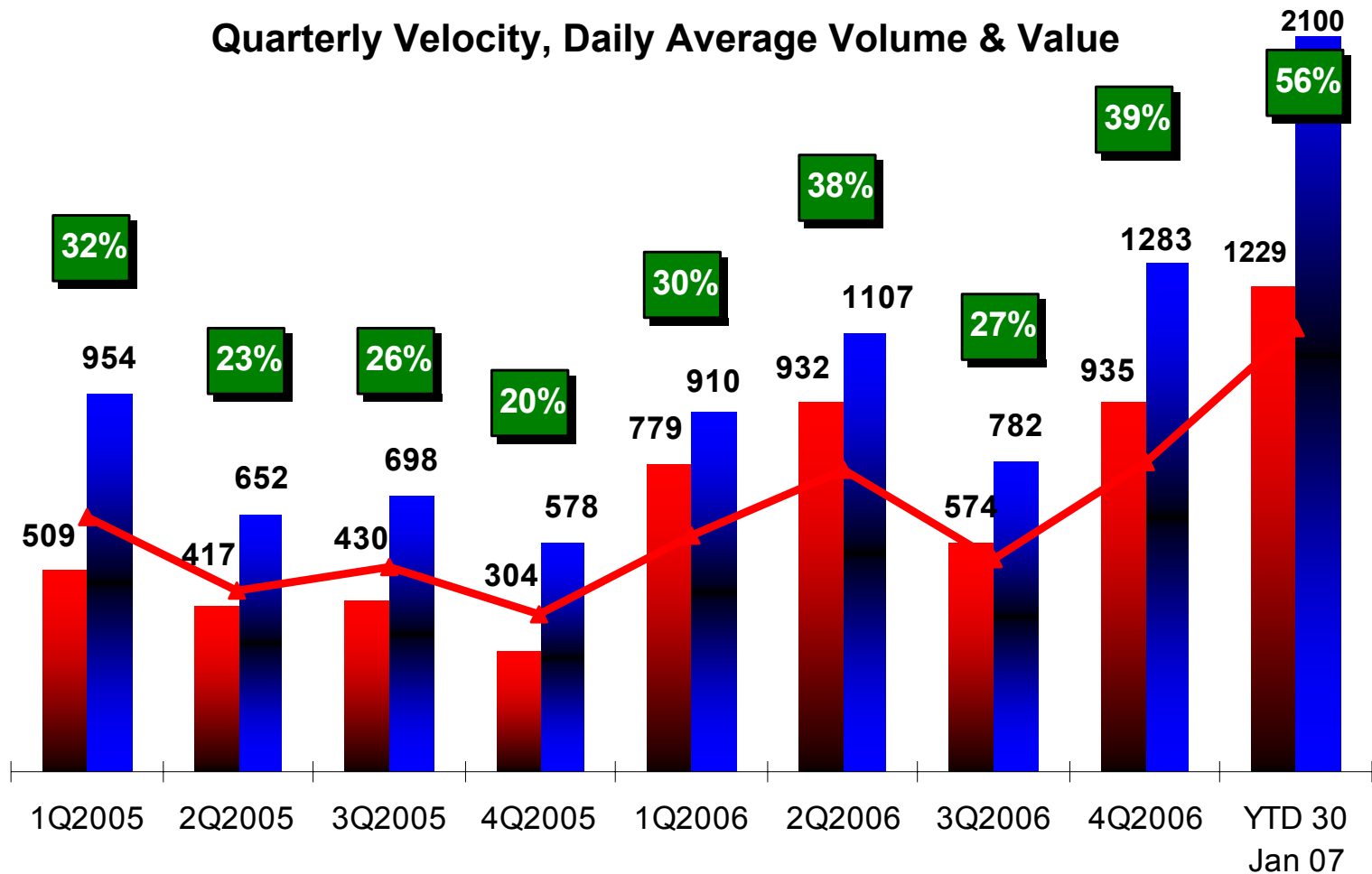
Daily Average Volume, Value and Velocity



■ Daily Average Volume (million units) ■ Daily Average Value (million RM) ▲ Turnover Velocity

# Velocity On Quarterly Basis

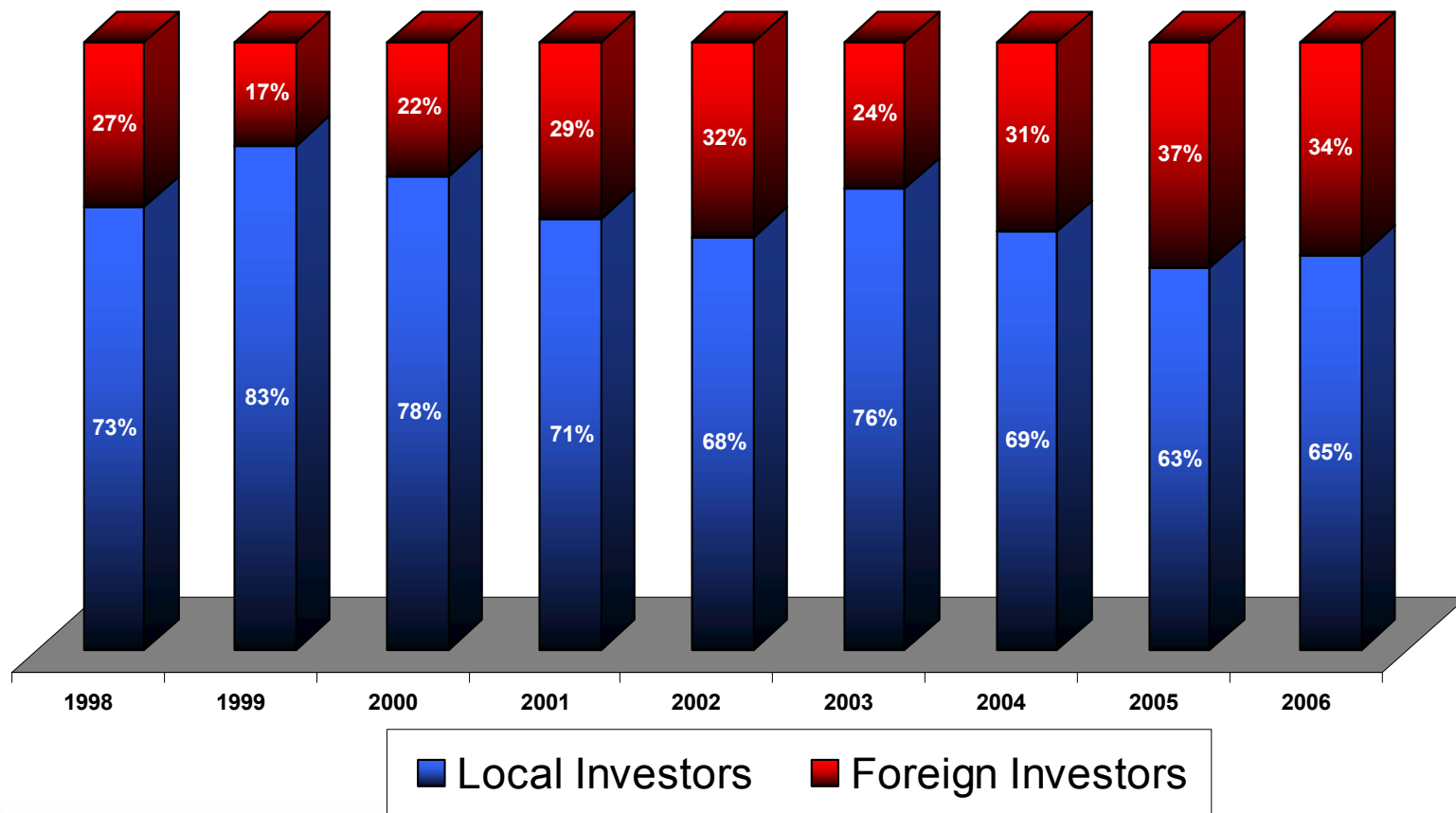
Quarterly Velocity, Daily Average Volume & Value



■ Daily Average Volume (million units)    
 ■ Daily Average Value (million RM)    
 —▲— Turnover Velocity

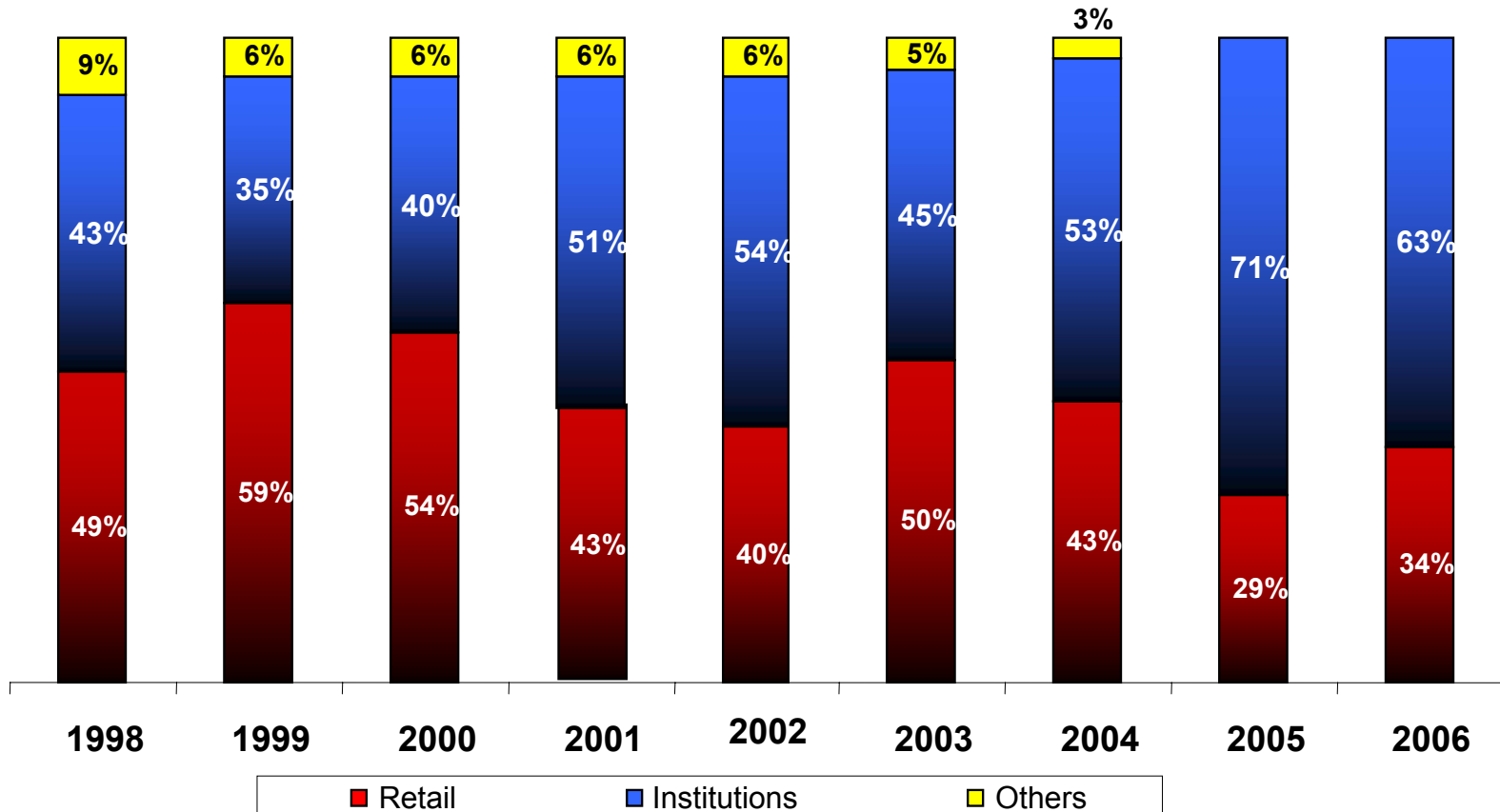
# Foreign Investors Continue to Participate

## Local & Foreign Trading Participation 1998 to 2006



# Retail Trading Participation Has Improved

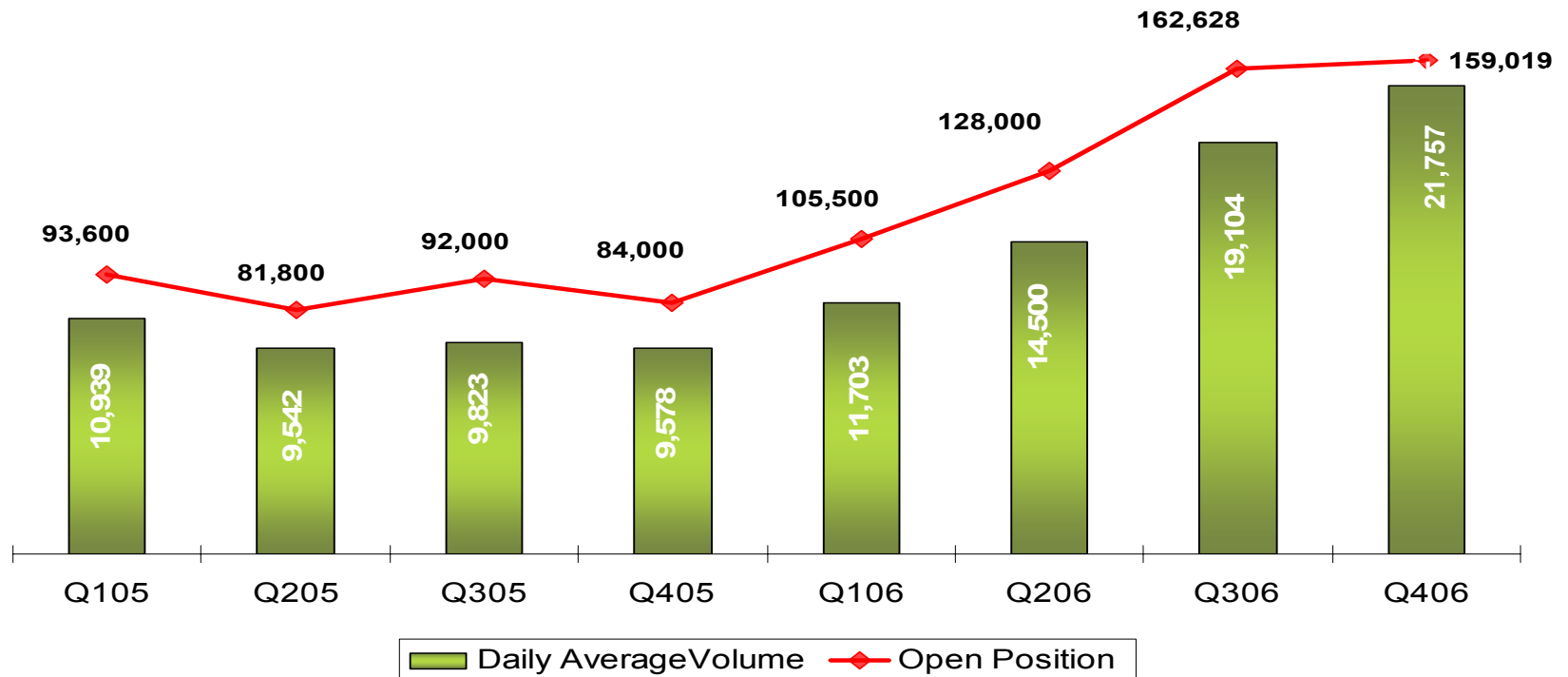
Breakdown of trading (by value) 1998 to 2006



“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

Derivatives Market (No of Contracts)



**DAV 05 = 9,958 contracts,  
DAV 06 = 16,915 contracts**