



JOHANNESBURG STOCK EXCHANGE

Reviewed Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2011 and special dividend declaration

INTRODUCTION
Market uncertainty, which dampened investor appetite as global sovereign debt concerns lingered, cast a shadow over the six months to 30 June 2011. In this climate, and given the impact of volatility and volumes on JSE revenues, the Group performed better than in 2010. It remains focused on delivering its major strategies in a time of rapid change in the exchange industry.

FINANCIALS
Revenue increased by 7% to R667.9 million for the six months (H1 2010: R623.3 million) boosted by solid performances from the cash equities, commodities derivatives and currency derivatives markets. All divisions contributed revenue increases. Other income decreased by 2%, mainly owing to lower income from the Investor Protection Funds.

Personnel costs fell by 11% primarily as a result of the deployment of staff to capital projects resulting in their salary costs being capitalised, as well as the first tranche of the 2006 Long Term Incentive Scheme for key staff fully vesting at end-2010 and therefore not being expensed in H1 2011. Other expenses were largely in line with H1 2010. An amount of R7.9 million was incurred as a result of the issue of 156 536 options to the JSE Empowerment Fund Trust. These options had been forfeited by the original black shareholders in terms of the rules of the Black Shareholder Retention Scheme.

The Group's consolidated effective tax rate for the six months to 30 June 2011 was 31% (H1 2010: 33%).

As a result of the revenue growth, reduced operating costs and a lower effective tax rate, profit for the period climbed by 22% to R253.8 million during the period (H1 2010: R207.6 million).

STRATEGY

In the first six months, the JSE has:

- completed the integration of the interest rate market trading platforms so that there is now a single platform for the trading of interest rate products;
- delivered the first phase of the remote disaster recovery site; and
- made good progress in implementing the new state-of-the-art data centre, which is scheduled to be completed before year-end. Testing of the new equities back office system (including equities clearing and settlement and surveillance systems) is progressing. Implementation has been delayed to give the JSE and its equities members more time for readiness testing. As the system will be implemented in 2012, the depreciation of the system will only start in 2012.

Work on replacing the existing cash equities trading platform with the faster and more efficient system proceeds according to plan. Implementation will be during 2012.

The equity derivatives team has worked hard to encourage trading of single stock futures (SSF) on the central order book. The growth in the use of the central order book for SSF means we are now also focusing on the technology required to sustain this growth.

We are making slow progress on developing a strategy to grow the interest rate market and believe we are getting close to the time when a definitive position needs to be taken on the way forward. During the period, the JSE implemented a single trading rule book for the interest rate market as well as a unified set of Debt Listings Requirements. Together, these simplify the listing and trading of bonds and bond derivatives on a single trading platform.

REVENUE STREAMS

Issuer services: A combination of annual and new equity listing fees, as well as interest rate issuances, accounted for much of the 6% revenue rise to R48.8 million (H1 2010: R45.8 million). Though there is a listings pipeline, potential new issuers remain hesitant about the current economic environment. This is in line with the experience of other World Federation of Exchanges members. During the period, five listings occurred (H1 2010: six). Eight delistings (H1 2010: 10) took place, five after offers to shareholders, two owing to liquidations and one owing to failure to comply with JSE Listings Requirements.

Equity market: The number and value of equity trades grew strongly in Q1 2011 (over Q1 2010) but dipped in Q2, recovering in June. In total, the number of trades climbed 5% and value traded 4% in H1 2011 (over H1 2010). As a result, equity trading revenues rose by 5% to R172.6 million (H1 2010: R164.8 million). Risk management, clearing and settlement revenues and revenues from the JSE's back office system, which equities members are mandated to use, rose by 10% and 11% respectively, owing to increased transaction volumes. In total, equities revenue rose by 8% to R371.7 million (H1 2010: R344.5 million).

Equity derivatives market: Equity derivative revenue climbed 5% to R55.9 million (H1 2010: R53.3 million) as a 4% dip in the number of contracts traded was countered by a 12% rise in value traded. The market faces strong competition for single stock derivatives from over the counter products. Most growth occurred in index derivatives and bespoke products.

Currency derivatives market: Currency derivatives revenue climbed 44% to R7.2 million during the period (H1 2010: R5.0 million) owing to a 96% growth in contracts traded and 88% in value traded. This growth is attributable to a change in billing model to encourage more trade, an increase in number of instruments and the introduction of bespoke, on-market products.

Commodity derivatives: Revenue grew 15% to R23.6 million (H1 2010: R20.6 million) owing to increased trade (61% in value terms and 17% in number of contracts), in a context of rising agricultural prices. Local maize and wheat derivatives continue to make up most trade in this market, but the trade of foreign-referenced instruments continues to rise. These instruments are offered under license from the CME Group, the world's largest derivatives exchange. During the period, the market introduced a wheat contract referencing pricing from the CME Group.

Interest rate market: Secondary trade rose by 36% in nominal value, resulting in 16% revenue growth to R19.0 million (H1 2010: R16.4 million).

Information products sales: Despite a contraction in data sales to existing clients locally and internationally, revenue grew 4% to R61.1 million (R58.7 million) as the team continued to attract new international clients.

PROSPECTS

Revenue projections are not possible in the stock exchange industry, given the dependence on trading volumes in all the markets. Expenses are expected to increase from 2012 as a result of depreciation charges starting once the Group's major systems have been implemented next year. The JSE continues to focus on growing all of its markets, diversifying revenue streams and implementing strategic goals.

CAPITAL STRUCTURE

At 30 June 2011, the JSE had no long-term borrowings and R1 006 million in cash reserves (2010: R906 million). The Exchange analyses its capital requirements in a number of categories:

- first, to ensure a smoothly operating stock exchange, the JSE sets aside sufficient cash to fund four months of operations;
- second, as the JSE guarantees all central order book equities trades, it sets aside sufficient cash to ensure settlement of qualifying transactions;
- third, the JSE must be in a position to maintain infrastructure and meet capital needs for expansion, so we set aside a portion of cash to fund these types of outflows; and
- fourth, the cash component of the Investor Protection Funds comprises R118 million of total (2010: R118 million).

CASH DIVIDEND DECLARATION

Given that the JSE is coming to the end of large capital expenditure in respect of its System Replacement Project, the directors of the JSE have considered the adequacy of the cash balances and consider that there are balances surplus to our current needs. In light of this, the Board has declared a special dividend amounting to R200 million gross of taxes. This amounts to a net dividend of 210 cents per share.

The salient dates for the payment of the dividend are as follows:

To be released on SENS on Tuesday, 16 August 2011
Last date to trade JSE shares cum dividend Friday, 2 September 2011
JSE shares trade ex dividend Monday, 5 September 2011

Record date for purposes of determining the registered holders of JSE shares to participate in the dividend at close of business on Friday, 9 September 2011

Date of payment of dividend Monday, 12 September 2011

Share certificates may not be dematerialised or rematerialised from Monday, 5 September 2011 to Friday, 9 September 2011, both days inclusive.

Note: Percentage changes in the above are calculated on full number and not the rounded numbers which appear in the text.

For and on behalf of the Board

HJ Borkum

Chairman

16 August 2011

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Sponsor: RAND MERCHANT BANK (a division of FirstRand Bank Limited)

Russell Louber

Chief Executive Officer

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2011

	JSE Group			Investor Protection Funds*			
	Six months ended		Year ended	Six months ended		Year ended	
	30 June 2011 (reviewed) R'000	30 June 2010 (reviewed) R'000	31 Dec 2010 (audited) R'000	30 June 2011 (reviewed) R'000	30 June 2010 (reviewed) R'000	31 Dec 2010 (audited) R'000	
Revenue	7	667 948	623 301	1 255 148	10 603	11 299	36 082
Other income		20 785	21 102	50 267	—	—	—
Personnel expenses		(134 864)	(150 871)	(338 098)	—	—	—
Other expenses		(240 923)	(242 340)	(541 087)	(3 950)	(7 599)	(15 334)
Profit before net finance income		312 946	251 192	426 230	6 653	3 700	20 748
Finance income		437 795	536 987	1 027 947	3 707	4 393	8 886
Finance costs		(395 741)	(493 337)	(940 957)	—	—	—
Net finance income		42 054	43 650	86 990	3 707	4 393	8 886
Share of profit of equity accounted investees (net of income tax)		15 053	14 225	26 446	—	—	—
Profit before tax		370 053	309 067	539 666	10 360	8 093	29 634
Income tax expense		(116 228)	(101 508)	(161 659)	—	—	—
Profit for the period		253 825	207 559	378 007	10 360	8 093	29 634
Other comprehensive loss		(2 320)	(7 865)	29 660	(2 320)	(7 865)	29 660
Net change in fair value of available-for-sale financial assets		(8 612)	(9 229)	(31 893)	(8 612)	(9 229)	(31 893)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss		—	—	—	—	—	—
Income tax on other comprehensive loss		—	—	—	—	—	—
Other comprehensive loss for the period, net of income tax		(10 932)	(17 094)	(2 233)	(10 932)	(17 094)	(2 233)
Total comprehensive income/(loss) for the period		242 893	190 465	375 774	(572)	(9 001)	27 401
Profit attributable to:							
Owners of the Exchange		253 825	207 559	378 007	10 360	8 093	29 634
Profit for the period		253 825	207 559	378 007	10 360	8 093	29 634
Total comprehensive income/(loss) attributable to:							
Owners of the Exchange		242 893	190 465	375 774	(572)	(9 001)	27 401
Total comprehensive income/(loss) for the period		242 893	190 465	375 774	(572)	(9 001)	27 401
Earnings per share							
Basic earnings per share (cents)		299.0	244.1	445.5	12.2	9.5	34.9
Diluted earnings per share (cents)	8	294.4	240.4	438.4	12.0	9.4	34.4

*Investor Protection Funds comprises the JSE Guarantee Fund Trust, JSE Derivatives Fidelity Fund Trust and BESA Guarantee Fund Trust (the "Trusts").

The JSE maintains these Trusts for investor protection purposes as required under the Securities Services Act 36, of 2004. The JSE is required to consolidate the Trusts into the results of the Group in terms of International Financial Reporting Standards (IFRS). However, as these Trusts are legally separate from the JSE, neither the JSE nor its shareholders have any right to the net assets of these Trusts on winding up. In certain limited circumstances, the JSE is entitled to the income and surplus assets of the Trusts. For enhanced understanding, the Trusts have been shown separately, (before intercompany adjustments), although, for compliance with IFRS, the results form part of the Group financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2011

	Attributable to owners of the Exchange									
	Share capital R'000	Share premium R'000	Non-distributable reserve R'000	BBBEE reserve R'000	Shares pending allotment R'000	JSE LTIS 2010 reserve R'000	Retained earnings R'000	Total Exchange and subsidiaries R'000	Investor Protection Funds R'000	Total equity R'000
Balance at 31 December 2009	8 514	162 779	10 058	160 192	—	—	903 367	1 244 910	359 814	1 604 724
Total comprehensive income for the period	—	—	—	—	—	—	199 282	199 282	(8 817)	190 465
Transactions with owners of the Exchange, recognised directly in equity	(48)	(32 121)	—	(137)	—	1 711	(163 332)	(193 927)	—	(193 927)
Balance at 30 June 2010 (reviewed)	8 466	130 658	10 058	160 055	—	1 711	939 317	1 250 265	350 997	1 601 262
Balance at 31 December 2009	8 514	162 779	10 058	160 192	—	—	903 367	1 244 910	359 814	1 604 724
Total comprehensive income for the year	—	—	—	—	—	—	348 373	348 373	27 401	375 774
Transactions with owners of the Exchange, recognised directly in equity	(48)	(32 121)	—	(311)	—	6 244	(107 790)	(134 026)	(55 368)	(189 394)
Balance at 31 December 2010	8 466	130 658	10 058	159 881	—	6 244	1 143 950	1 459 257	331 847	1 791 104
Total comprehensive income for the year	—	—	—	—	—	—	243 280	243 280	(387)	242 893
Transactions with owners of the Exchange, recognised directly in equity	25	(22 541)	—	5 455	16 607	6 050	(174 871)	(169 275)	(1 463)	(170 738)
Balance at 30 June 2011	8 491	108 117	10 058	165 336	16 607	12 294	1 212 359	1 533 262	329 997	1 863 259

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

as at 30 June 2011

	JSE Group			Investor Protection Funds		
	As at		As at	As at		As at
	30 June 2011 (reviewed) R'000	30 June 2010 (reviewed) R'000	31 Dec 2010 (audited) R'000	30 June 2011 (reviewed) R'000	30 June 2010 (reviewed) R'000	31 Dec 2010 (audited) R'000
Assets						
Non-current assets	990 011	918 730	943 010	212 224	228 698	218 032
Property and equipment	130 113	84 222	113 272	—	—	—
Intangible assets	478 868	439 009	423 039	—	—	—
Investments in equity accounted investees	83 946	82 795	95 017	—	—	—
Other investments	212 227	228 701	218 034	212 224	228 698	218 032
Derivative financial instruments	814	2 520	3 015	—	—	—
Due from JSE Empowerment Fund Trust	14 294	13 315	13 910	—	—	—
Deferred taxation	69 749	68 168	76 723	—	—	—
Current assets	16 703 969	16 184 162	16 223 383	118 169	119 002	116 075
Trade and other receivables	213 977	172 928	187 379	603	719	4 035
Income tax receivable	76 875	34 064	61 783	—	—	—
Amounts due from related parties	5 333	1 763	—	—	—	—
Margin and collateral deposits	15 402 135	15 069 020	14 927 891	—	—	—
Cash and cash equivalents	1 006 649	906 387	1 046 330	117 566	118 283	112 040
Total assets	17 693 980	17 102 892	17 166 393	330 393	347 700	334 107
Equity and liabilities						
Total equity	1 863 259	1 601 262	1 791 104	329 812	347 049	331 847
Non-current liabilities	151 838	204 965	170 630	—	—	—
Finance lease	340	2 046	1 279	—	—	—
Employee benefits	34 559	75 241	46 105	—	—	—
Deferred taxation	3 935	5 380	4 757	—	—	—
Operating lease liability	60 366	71 857	65 562	—	—	—
Deferred income	51 530	49 391	51 847	—	—	—
Due to SAFEX members	1 108	1 050	1 080	—	—	—
Current liabilities	15 678 883	15 296 665	15 204 659	581	651	2 260
Trade and other payables	189 540	169 097	174 155	301	324	581
Employee benefits	75 203	53 106	94 113	—	—	—
Operating lease liability	12 006	5 442	8 500	—	—	—
Due to group entities	—	—	—	280	327	1 679
Margin and collateral deposits	15 402 134	15 069 020	14 927 891	—	—	—
Total equity and liabilities	17 693 980	17 102 892	17 166 393	330 393	347 700	334 107

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

for the six months ended 30 June 2011

	JSE Group			Investor Protection Funds		
	Six months ended		Year ended	Six months ended		Year ended
	30 June 2011 (reviewed) R'000	30 June 2010 (reviewed) R'000	31 Dec 2010 (audited) R'000	30 June 2011 (reviewed) R'000	30 June 2010 (reviewed) R'000	31 Dec 2010 (audited) R'000
Net cash inflow/(outflow) from operating activities	232 640	216 871	419 960	3 502	1 037	(1 793)
Net cash (used in)/from investing activities	(69 993)	(65 976)	(95 993)	3 487	2 972	51 163
Net cash used in financing activities	(201 284)	(165 305)				