JOHANNESBURG STOCK EXCHANGE

JSE LIMITED AUDITED ABRIDGED RESULTS FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2011 AND CASH DIVIDEND DECLARATION

The financial results have been audited in accordance with any applicable requirements of the 2008 Companies Act.

COMMENTARY

REVIEW

Despite facing difficult business decisions, the JSE has recorded a satisfactory operating year. Strong revenue performance and cash flows, and tight operating cost control for the year resulted in headline earnings per share of 562.4 cents, 29% higher than 2010's 436.1 cents per share. Earnings per share were 400.8 cents, 10% lower than 2010's 445.5 cents per share primarily as a result of impairments made to software under development, partly offset by the capitalisation of certain staff costs. The financial results are discussed in greater detail in the section below entitled Financial performance.

2011 was marked by challenges ranging from volatile markets, which were difficult to call, and a slow global economic climate dampening the appetite for new listings, to economic uncertainty abroad which heightened anxiety on global markets, also affecting the local exchange. Rising debate around key policy directions such as nationalisation and transaction taxes has increased the climate of uncertainty which, if allowed to continue without resolution, will impact on the nature and extent of investment in our economy. But these debates have highlighted the need for responsible business engagement as we work with Government to get clarity on policy issues.

The challenges were balanced by National Treasury's continued relaxation of exchange controls, our increasing use of technology and growing interest in Africa as an investment destination.

In any market climate, the financial services sector is a complex ecosystem. Participants are, simultaneously, colleagues, service providers and clients to one another, as well as being competitors. As a component of this ecosystem, the JSE combines being a commercial entity, a regulator and influencer.

We understand that it requires significant work and discussion to find what creates a winning environment for all involved. We remain committed to making a key contribution to the sustainability of the ecosystem and its components, while working to ensure our own longevity and sustained value creation for stakeholders.

Although the business of financial intermediation has been a growth industry, with regulated securities exchanges standing at the apex of burgeoning business, exchanges like the JSE need to evolve if they are to continue playing a critical role in financial intermediation and risk management. Driven by the major trends of technological advancement, rapidly intensifying regulation, competition and growth in emerging markets, coupled with pressure for greater corporate accountability and responsibility, the critical interdependencies between the exchange, the financial services community and its broader stakeholder group become ever more apparent. It is within this context that the JSE is focused on resilience and sustainability. Informed by the multiple (and cross-pollinating) roles it fulfils and driven by the notion that the success of the JSE both affects and is affected by the organisations and infrastructure around it, identifying opportunities, developing new revenue streams and countering threats in each of our markets become core to managing the JSE. Unless it works towards the continued growth of issuers, investors and broader stakeholders, the exchange does not have a sustainable business.

FINANCIAL PERFORMANCE

The strong operational performance of each of our markets and business lines has enabled the JSE to grow operating revenue by 9% to R1.4 billion (2010: R1.3 billion). Other income reduced by 7% to R47.0 million (2010: R50.3 million), the net realised gain on disposal of available-for-sale financial assets in the Investor Protection Funds compared with the previous year. Excluding the impact of the impairment and the capitalisation of staff and consultant costs in both 2010 and 2011, operating costs increased by 5% to R952 million in 2011 (2010: R909 million).

Net finance income was unchanged at R86 million. Although the strong operating performance resulted in a substantial increase in headline earnings per share, we took the difficult business decision of recognising an impairment of R223.3 million (2010: R33.2 million) to software under development for the Systems Replacement Project (SRP). After the impairment and the capitalisation of staff costs and consultant fees relating to an increased allocation of resources to new and existing capital projects amounting to R141 million (2010: R65 million), earnings per share of 400.8 cents were 10% lower than in 2010.

The effective tax rate rose to 31% (2010: 30%) during the year as a consequence of the additional secondary tax payable on the special dividend declared by the exchange during September 2011.

The decision to impair SRP was taken after careful and detailed examination of the results of the software testing performed on SRP in the second half of 2011. That testing resulted in us deciding not to implement the SRP system as planned towards the end of 2011. Given the extended period over which the SRP has run and the challenges experienced with it which have resulted in the impairment discussed earlier, we are reviewing the project to ensure that it will still deliver the required benefits to the JSE and clients. Our existing systems continue to operate and are stable

We are not yet in a position to make a final decision on SRP but are working to that goal as quickly as we can. At that point we will communicate our decision to stakeholders.

Capital expenditure

Capital expenditure excluding goodwill was R264.1 million in 2011 and related mainly to:

- R96.8 million capitalised to SRP; and
- the purchase of R106.9 million of computer hardware and leasehold improvements, mostly for the Disaster Recovery Site and the upgrading of the Data Centre, funded by the Investor Protection Funds. Depreciation policies have not changed and are explained more fully in the notes to the financial statements. Software under development for other projects totalled R46.4 million

Capital structure and dividend policy

During the year, the JSE acquired the Managed Account Platform for managing hedge funds, for which we paid R27.5 million, funded by means of a loan from FirstRand Alternative Investment Management (Pty) Ltd to be settled from the revenue generated by the administration fees received from the platform. This is the Group's only long-term borrowing (2010: R nil). The JSE holds R1 billion (2010: R1 billion) in cash and cash equivalents on the balance sheet.

The exchange analyses its capital requirements in three 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 equity trades, it sets aside sufficient cash to meet its obligations assuming the failure of a JSE equity member

– 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 investments. On the basis of this assessment, the Board has determined how much cash we need. This will be revisited regularly. During 2011, surplus funds, amounting to R200 million, were distributed to shareholders as a special dividend.

Cash dividend declaration

The directors of the JSE advise shareholders that a final ordinary dividend of 250 cents per ordinary share was declared today, Tuesday, 13 March 2012, for the twelve-month period ended 31 December 2011. This equates to 2.19 times cover and is consistent with the stated dividend policy to pay between 1.5 and 2.5 times cover. The final ordinary dividend is payable to shareholders recorded in the register of members of the Company at the close of business on Friday, 25 May 2012.

In compliance with the Companies Act, the directors of the JSE confirm that the Company will satisfy the solvency and liquidity test immediately after completion of the dividend distribution. The dividend will be noted at the Annual General Meeting to be held on Wednesday, 25 April 2012.

In compliance with the requirements of Strate, the following salient dates for the payment of the dividend are applicable:

To be released on SENS on	Tuesday, 13 March 2012
Last date to trade JSE shares cum dividend	Friday, 18 May 2012
JSE shares trade ex dividend	Monday, 21 May 2012
Record date for purposes of determining the registered holders of JSE shares to participate in the dividend at close of business on	Friday, 25 May 2012
Date of payment of dividend	Monday, 28 May 2012

Share certificates may not be dematerialised or rematerialised from Monday, 21 May 2012 to Friday, 25 May 2012, both days inclusive. On Monday, 28 May 2012, the dividend will be electronically transferred to the bank accounts of certificated shareholders who use this facility. In respect of those who do not use this facility, cheques dated 28 May 2012 will be posted on or about that date. The accounts of those shareholders who have dematerialised their shares (which are held at their participant or broker) will be credited on Monday, 28 May 2012.

OPERATIONAL OVERVIEW

Issuer Regulation

The JSE's Issuer Regulation division is responsible for regulating issuers who list products on equity and bond markets. The JSE applies its Listings Requirements in the regulation of companies and securities, whether applying to list or already listed.

The division charges fees for new listings, annual listings fees for all existing issuers, as well as documentation fees for dealing with specific issuer documents produced during a year. New listings fees make up a significant portion of the revenues of this division.

Highlights

– Number of new company listings on the JSE rose to 16 despite challenging conditions

– Additional listings activity in other JSE-listed equity instruments – 14 new ETFs, ETNs and 334 new warrants (2010: 8 ETFs, ETNs)

– Revenue rose to R91.6 million (2010: R85.6 million) – 7.0% increase year on year

– Percentage of total revenue (excl Strate Ad Valorem fees): 7.3%.

The JSE has a listings pipeline, but does not predict future listing numbers. In line with the strategic focus on innovative product development, continued development of listings requirements which will enable new product development will continue in 2012 and beyond.

Equity market

The equity market provides trading in equities, warrants and exchange traded products. The equity market generates revenue from equity transactions, with billing based on a combination of the number and value of each transaction leg.

Highlights

– In August 2011, the JSE set a new trading record of 230 797 transactions in one day, a 12% increase on our previous record of 205 784 transactions

– 11.6% increase in the number of transactions year on year (2011: 26.5 million; 2010: 23.8 million)

– Total value traded increased 9.9%

– Revenue rose 8.5% to R352.2 million (2010: R324.6 million)

– Percentage of total revenue (excl Strate Ad Valorem fees): 28%.

The Equity Market will focus on the implementation of a new trading system in Johannesburg during the first half of 2012. The co-location strategy is in the process of being finalised in consultation with market participants. The equity team also focused on increasing participation in 2012 through revising the billing structure, satisfying requirements of market makers and lowering trade execution times.

Back-office services (BDA)

The back-office services gives the exchange world-class surveillance capabilities, allowing the JSE to see certain transactions to client level in real time. Equity members are mandated to use the system. The system keeps the securities records and books of individual broking firms and in respect of their clients. Revenues for back-office services are somewhat linked to the number of equity transactions that take place on the cash equity market.

Highlights

– Risk management, clearing and settlement business performed well in 2011, driven by transaction growth on the cash equity market performance

– Revenue rose 10.9% to R196.8 million (2010: R177.5 million)

– Percentage of total revenue (excl Strate Ad Valorem fees): 15.6%.

The replacement and upgrade of the system, due for implementation in 2011, was delayed due to the need to focus on the implementation of the JSE's new equity trading system.

Equity risk management, clearing and settlement

The JSE is responsible for risk managing, clearing and guaranteeing the settlement of central order book cash equity transactions. The exchange charges a transaction fee per trade leg for this service, with a value-based element. Though the division's revenues are linked to the number of equity transactions that take place on the cash equity market, the increase in clearing and settlement revenues did not track equity trading exactly, because of the different billing structure for equity trading and for risk management.

Highlights

– The risk management, clearing and settlement business performed well in 2011, driven by transaction growth on the cash equity market

– Revenue rose by 10.6% to R209.0 million (2010: R188.9 million)

– Percentage of total revenue (excl Strate Ad Valorem fees): 16.6%.

The Post Trade Services Division is focusing on providing an OTC clearing solution, developing a non-cash collateral system, setting up a Basle-compliant default fund and ensuring CPSS-IOSCO compliance, consulting with clients on possible new ways forward. The division is also working with National Treasury and the stakeholders in the interest market to discuss a preferred strategy to grow the spot bond market.

Bonds and financial derivatives

The financial derivatives market provides a platform for trading equity and equity-related futures and options. Revenue is earned by charging a fee per contract traded. The scale depends on the type of contract and whether it is traded on the central order book or reported to the JSE. The currency derivatives market provides a platform for trading currency futures and options. Revenue is earned by charging a fee per contract traded, on a scale that depends on the type of contract and whether it is traded on the central order book or reported to the JSE. The interest rate market provides investors with the opportunity to trade products in both the cash and the derivative markets. Clients can trade on-exchange (central order book) or off the central order book.

Highlights

– Strong growth in index derivatives and bespoke products

– Currency derivatives market performed well – number of contracts, growth in value traded and open interest all doubled

– Bond market volumes increased by 23.6% to a nominal value of R29.9 trillion in 2011

– Value of bond derivatives traded rose from R160 billion in 2010 to R206 billion in 2011

– Financial derivatives revenue rose to R133.3 million (2010: R116.1 million

– Interest rate market revenue rose to R38.8 million (2010: R35.1 million)

– Total divisional revenue rose 13.9% to R172.1 million (2010: R151.2 million)

– Percentage of total revenue (excl Strate Ad Valorem fees): 13.7%.

The newly integrated Bonds and Financial Derivatives division is focused on integrating the merged team, a strategy to address client concerns around electronic trading and on the development of other products. We have conducted a review of the current electronic trading strategy and are now consulting with clients on possible new ways forward. The division is also continuing to work with National Treasury and the stakeholders in the interest rate market to discuss a preferred strategy to grow the spot bond market.

Commodity derivatives market

The commodity derivatives market offers trade in agricultural products and cash-settled Rand-denominated derivatives on commodities including corn, wheat, gold, platinum, crude oil, silver and copper under licence from the CME Group. In the most liquid of the physically settled grain derivatives contracts, the underlying crop is traded 10 to 15 times over. Revenue is earned by charging a fee per contract traded, based on the underlying instrument.

Highlights

– Trade of Rand-settled foreign-referenced instruments under licence from the CME Group continues to rise

– Options trade in crude oil and platinum contracts for the first time

– In October 2011, the commodity market achieved a record for open interest

– In late 2011, the market expanded its licensing agreements with other exchanges to include the Kansas City Board of Trade to offer local investors access to their benchmark Hard Red Winter Wheat contract

– Revenue rose 11.1% to R53.1 million (2010: R47.8 million)

– Percentage of total revenue (excl Strate Ad Valorem fees): 4.2%.

The division has an initiative underway to align certain commodity instrument expiries with the currency futures expiry date to make it easier for market participants to hedge out the currency risk associated with the commodity trade. This year will see the introduction of a platform to enable the trading of agricultural derivative silo receipts to allow the JSE to provide further value to the physical grain market.

Data Sales

The JSE's Data Sales division sells live, statistical, historical and end-of-day data from all JSE markets.

Highlights

– Number of terminals displaying JSE data started rising again after a dip in 2010, despite continued global contraction in the industry

– Terminals accessed by professional users rose by 16%

– Nearly 45% of terminals are foreign

– Financial derivatives revenue in IPS division rose 12% to R4 million

– Total revenue rose 7.6% to R125.5 million (2010: R116.7 million)

– Percentage of total revenue (excl Strate Ad Valorem fees): 10.0%.

The Data Sales division continues to focus on previously untapped markets, particularly in a global environment where investors continue to seek yields from new and specifically emerging markets.

WAY FORWARD

Over the past 15 years, the JSE has achieved significant growth and has been recognised for the second year in a row as the highest ranked regulated securities market globally. However, the various political, economic, social, technological and regulatory forces that are at play in our industry internationally will directly and indirectly affect the local environment and, consequently, the way in which the JSE operates its business.

Specifically:

- we expect policy uncertainty to continue for 2012 while political leadership is contested both locally and internationally;
- the emergence of the BRICS nations presents opportunities for the JSE to source new clients for our products and services;
- the increasing number of young, mobile South Africans represents an opportunity for us to develop a new retail client base;
- the growing income disparities both locally and globally will present challenges for businesses to ensure that they remain relevant to a broader range of stakeholders or face the risk of increasing focus from the economically disenchanted;
- the demand for corporate accountability will rise;
- regulatory focus on transparency and appropriate risk management will place a premium on well-regulated exchange-type services; and
- technology will continue to be central to the manner in which exchange clients seek to interface with us and through which we will be able to pull them closer to the capital market ecosystem.

With this in mind, the JSE's strategy is to continue to build a resilient organisation which is positioned for the future.

Off the back of this strategy, the JSE executive has been restructured to a smaller team of 12 people and the CEO with the necessary focus on issuer and investor relations, public policy and regulation, each of the JSE's markets, data sales, issuer and market regulation, post trade services, technology, finance and corporate services.

Stakeholders of the JSE will appreciate that revenue projections for the Group are not feasible, given the dependence on trading volumes in all the markets. Although we retain tight control of what is essentially a fixed cost base, expenses are expected to increase from 2013 as a result of depreciation charges starting once the Group's major systems have been implemented. As we chart this new strategic path we will enhance our agility, cost effectiveness, capital efficiency and innovativeness. The JSE's team is extremely excited about this journey.

APPRECIATION

We would like to recognise the contribution to the JSE made by Rod Gravelet-Blondin, who retired in December 2011 as head of the commodity derivatives market. Rod joined the JSE in 2001 on the acquisition of the South African Futures Exchange. He has led the market's growth into the foremost commodities market in Africa, and, while he will continue to consult to the JSE, he will be greatly missed as a full-time executive.

We would also like to recognise the key role played by Russell Loubser, who retired in December 2011 after 15 years as the JSE's CEO. He is the giant on whose shoulders the recent history of the JSE has been built.

Humphrey Borkum
Chairman

Nicky Newton-King
Chief Executive Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2011

	Group		Exchange		Investor Protection Funds*	
	2011 R'000	2010 R'000	**2011 R'000**	2010 R'000	**2011 R'000**	2010 R'000
Revenue	**1 369 810**	1 255 148	**1 392 304**	1 278 487	**–**	–
Other income	**46 980**	50 267	**175 408**	38 436	**26 866**	36 082
Personnel expenses	**(299 184)**	(338 098)	**(299 184)**	(338 098)	**–**	–
Other expenses	**(737 530)**	(541 087)	**(860 943)**	(514 240)	**(7 780)**	(15 334)
Profit before net finance income	**380 076**	426 230	**407 585**	464 585	**19 086**	20 748
Finance income	**911 776**	1 027 947	**57 528**	55 392	**7 423**	8 886
Finance costs	**(825 646)**	(940 957)	**(9 013)**	(7 556)	**–**	–
Net finance income	**86 130**	86 990	**48 515**	47 836	**7 423**	8 886
Share of profit of equity-accounted investees (net of income tax)	**31 905**	26 446	**–**	–	**–**	–
Profit before income tax	**498 111**	539 666	**456 100**	512 421	**26 509**	29 634
Income tax expense	**(156 316)**	(161 659)	**(155 850)**	(161 607)	**–**	–
Profit for the year	**341 795**	378 007	**300 250**	350 814	**26 509**	29 634
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	**1 057**	29 660	**–**	–	**1 057**	29 660
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	**(22 931)**	(31 893)	**–**	–	**(22 931)**	(31 893)
Income tax on other comprehensive income	**–**	–	**–**	–	**–**	–
Other comprehensive loss for the year, net of income tax	**(21 874)**	(2 233)	**–**	–	**(21 874)**	(2 233)
Total comprehensive income for the year	**319 921**	375 774	**300 250**	350 814	**4 635**	27 401
Earnings per share						
Basic earnings per share (cents)	**400.8**	445.5	**352.1**	413.5	**31.1**	34.9
Diluted earnings per share (cents)	**396.1**	438.4	**348.0**	406.9	**30.7**	34.4

*Investor Protection Funds comprise 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. 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.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2011

	Group		Exchange		Investor Protection Funds	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000	2011 R'000	2010 R'000
Assets						
Non-current assets	954 338	943 010	780 815	894 850	169 883	218 032
Property and equipment	189 318	113 272	189 318	113 272	–	–
Intangible assets	352 952	423 039	324 343	422 729	–	–
Investments in equity-accounted investees	100 798	95 017	21 416	21 416	–	–
Investments in subsidiaries	–	–	104 351	243 783	–	–
Other investments	169 885	218 034	2	2	169 883	218 032
Derivative financial instruments	625	3 015	625	3 015	–	–
Loan to the JSE Empowerment Fund Trust	13 228	13 910	13 228	13 910	–	–
Deferred taxation	127 532	76 723	127 532	76 723	–	–
Current assets	16 374 566	16 223 383	1 080 403	1 119 078	113 505	116 075
Trade and other receivables	191 794	187 379	129 780	126 327	3 329	4 035
Income tax receivable	56 907	61 783	56 507	61 031	–	–
Due from group entities	–	–	6 333	9 097	–	–
Margin deposits	15 080 456	14 923 444	13 548	10 382	–	–
Collateral deposits	4 320	4 447	4 320	4 447	–	–
Cash and cash equivalents	1 041 089	1 046 330	869 915	907 794	110 176	112 040
Total assets	17 328 904	17 166 393	1 861 218	2 013 928	283 388	334 107
Equity and liabilities						
Total equity	1 769 068	1 791 104	1 407 305	1 449 012	282 535	331 847
Non-current liabilities	164 742	170 630	232 259	220 521	–	–
Finance leases	167	1 279	167	1 279	–	–
Borrowings	26 770	–	–	–	–	–
Employee benefits	28 972	46 105	28 972	46 105	–	–
Deferred taxation	4 535	4 757	3 310	4 648	–	–
Operating lease liability	52 571	65 562	52 571	65 562	–	–
Deferred income	50 592	51 847	146 104	101 847	–	–
Due to SAFEX members	1 135	1 080	1 135	1 080	–	–
Current liabilities	15 395 094	15 204 659	221 654	344 395	853	2 260
Trade and other payables	219 580	174 155	112 648	102 658	594	581
Employee benefits	78 145	94 113	78 145	94 113	–	–
Income tax payable	–	–	–	–	–	–
Operating lease liability	12 593	8 500	12 593	8 500	–	–
Due to group entities	–	–	400	124 295	259	1 679
Margin deposits	15 080 456	14 923 444	13 548	10 382	–	–
Collateral deposits	4 320	4 447	4 320	4 447	–	–
Total equity and liabilities	17 328 904	17 166 393	1 861 218	2 013 928	283 388	334 107

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2011

Group	Share capital R'000	Share premium R'000	Non-distributable reserve R'000	BBBEE reserve 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 1 January 2010	8 514	162 779	10 058	160 192	–	903 367	1 244 910	359 814	1 604 724
Total comprehensive income for the year									
Profit for the year	–	–	–	–	–	348 373	348 373	29 634	378 007
Other comprehensive income									
Net change in fair value of available-for-sale financial assets	–	–	–	–	–	–	–	29 660	29 660
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	–	–	–	–	–	–	–	(31 893)	(31 893)
Total other comprehensive loss	–	–	–	–	–	–	–	(2 233)	(2 233)
Total comprehensive income for the year	–	–	–	–	–	348 373	348 373	27 401	375 774
Transactions with owners recognised directly in equity									
Contributions by and distributions to owners									
Share options lapsed reclassified to retained earnings	–	–	–	(311)	–	311	–	–	–
Dividends paid to owners	–	–	–	–	–	(163 469)	(163 469)	–	(163 469)
Distribution from the BESA Guarantee Fund Trust[1]	–	–	–	–	–	5 368	5 368	(5 368)	–
Distribution from the JSE Guarantee Fund Trust[2]	–	–	–	–	–	50 000	50 000	(50 000)	–
Treasury shares	(48)	(32 056)	–	–	–	–	(32 104)	–	(32 104)
Treasury shares – share issue costs	–	(65)	–	–	–	–	(65)	–	(65)
Equity-settled share-based payment	–	–	–	–	6 244	–	6 244	–	6 244
Total transactions with owners	(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									
Profit for the year	–	–	–	–	–	315 286	315 286	26 509	341 795
Other comprehensive income									
Net change in fair value of available-for-sale financial assets	–	–	–	–	–	–	–	1 057	1 057
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	–	–	–	–	–	–	–	(22 931)	(22 931)
Total other comprehensive loss	–	–	–	–	–	–	–	(21 874)	(21 874)
Total comprehensive income for the year	–	–	–	–	–	315 286	315 286	4 635	319 921
Transactions with owners recognised directly in equity									
Contributions by and distributions to owners									
Share options lapsed reclassified to retained earnings	–	–	–	(2 433)	–	2 433	–	–	–
Share options granted	–	–	–	7 888	–	–	7 888	–	7 888
Dividends paid to owners	–	–	–	–	–	(361 158)	(361 158)	–	(361 158)
Distribution from the BESA Guarantee Fund Trust[1]	–	–	–	–	–	2 947	2 947	(2 947)	–
Distribution from the JSE Guarantee Fund Trust[2]	–	–	–	–	–	51 000	51 000	(51 000)	–
Treasury shares	(43)	(28 946)	–	–	–	–	(28 989)	–	(28 989)
Treasury shares – share issue costs	–	(79)	–	–	–	–	(79)	–	(79)
Sale of treasury shares	8	6 091	–	–	–	–	6 099	–	6 099
Ordinary shares issued	174	21 918	–	–	–	–	22 092	–	22 092
Equity-settled share-based payment	–	–	–	–	12 190	–	12 190	–	12 190
Total transactions with owners	139	(1 016)	–	5 455	12 190	(304 778)	(288 010)	(53 947)	(341 957)
Balance at 31 December 2011	**8 605**	**129 642**	**10 058**	**165 336**	**18 434**	**1 154 458**	**1 486 533**	**282 535**	**1 769 068**

[1]The BESA Guarantee Fund Trust Deed makes specific provision for the utilisation of excess funds for the purpose of reducing the risk of claims being made against the Trust. To this effect R2.9 million (2010: R5.4 million), before intercompany adjustments, was transferred to the JSE Limited for the defrayment of market regulatory expenditure.

[2]This represents the monies distributed by the JSE Guarantee Fund Trust for the specific purpose of funding the establishment of the JSE's data centre (2010: disaster recovery site).

Exchange	Share capital R'000	Share premium R'000	BBBEE reserve R'000	Retained earnings R'000	JSE LTIS 2010 reserve R'000	Total exchange R'000
Balance at 1 January 2010	8 514	162 779	160 192	956 107	–	1 287 592
Total comprehensive income for the year						
Profit/total comprehensive income for the year	–	–	–	350 814	–	350 814
Total comprehensive income for the year	–	–	–	350 814	–	350 814
Transactions with owners recognised directly in equity						
Contributions by and distributions to owners						
Share options lapsed transferred to retained earnings	–	–	(311)	311	–	–
Dividends paid to owners	–	–	–	(163 469)	–	(163 469)
Treasury shares	(48)	(32 056)	–	–	–	(32 104)
Treasury shares – share issue costs	–	(65)	–	–	–	(65)
Equity-settled share-based payment	–	–	–	–	6 244	6 244
Total transactions with owners	(48)	(32 121)	(311)	(163 158)	6 244	(189 394)
Balance at 31 December 2010	**8 466**	**130 658**	**159 881**	**1 143 763**	**6 244**	**1 449 012**
Total comprehensive income for the year						
Profit/total comprehensive income for the year	**–**	**–**	**–**	**300 250**	**–**	**300 250**
Total comprehensive income for the year	**–**	**–**	**–**	**300 250**	**–**	**300 250**
Transactions with owners recognised directly in equity						
Contributions by and distributions to owners						
Share options lapsed transferred to retained earnings	**–**	**–**	**(2 433)**	**2 433**	**–**	**–**
Share options granted	**–**	**–**	**7 888**	**–**	**–**	**7 888**
Dividends paid to owners	**–**	**–**	**–**	**(361 158)**	**–**	**(361 158)**
Treasury shares	**(43)**	**(28 946)**	**–**	**–**	**–**	**(28 989)**
Treasury shares – share issue costs	**–**	**(79)**	**–**	**–**	**–**	**(79)**
Sale of treasury shares	**8**	**6 091**	**–**	**–**	**–**	**6 099**
Ordinary shares issued	**174**	**21 918**	**–**	**–**	**–**	**22 092**
Equity-settled share-based payment	**–**	**–**	**–**	**–**	**12 190**	**12 190**
Total transactions with owners	**139**	**(1 016)**	**5 455**	**(358 725)**	**12 190**	**(341 957)**
Balance at 31 December 2011	**8 605**	**129 642**	**165 336**	**1 085 288**	**18 434**	**1 407 305**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2011

	Group		Exchange		Investor Protection Funds	
	2011 R'000	2010 R'000	**2011 R'000**	2010 R'000	**2011 R'000**	2010 R'000
Cash flows from operating activities						
Cash generated by/(used in) operations	**664 575**	529 238	**671 054**	566 653	**(8 866)**	(14 562)
Interest received	**912 360**	1 048 586	**57 216**	55 802	**7 838**	8 724
Interest paid	**(826 264)**	(960 943)	**(8 997)**	(7 738)	**–**	–
Dividends received	**3 905**	4 045	**–**	–	**3 905**	4 045
Taxation paid	**(202 471)**	(200 966)	**(203 471)**	(200 811)	**–**	–
Net cash generated by/(used in) from operating activities	**552 105**	419 960	**515 802**	413 906	**2 877**	(1 793)
Cash flows from investing activities						
Proceeds on sale of other investments	**82 306**	102 170	**–**	–	**82 306**	102 170
Acquisition of other investments	**(33 100)**	(51 007)	**–**	–	**(33 100)**	(51 007)
Loan to JSE Empowerment Fund Trust	**–**	(14 695)	**–**	(14 695)	**–**	–
Dividends from equity-accounted investees	**26 124**	24 303	**26 124**	24 303	**–**	–
Proceeds from disposal of property and equipment	**83**	46	**83**	46	**–**	–
Leasehold improvements	**(47 406)**	(8 787)	**(47 406)**	(8 787)	**–**	–
Acquisition of intangible assets	**(179 126)**	(99 311)	**(150 485)**	(99 311)	**–**	–
Acquisition of property and equipment	**(62 083)**	(48 712)	**(62 083)**	(48 712)	**–**	–
Net cash (used in)/from investing activities	**(213 202)**	(95 993)	**(233 767)**	(147 156)	**49 206**	51 163
Cash flows from financing activities						
Distribution from/(by) Investor Protection Funds	**–**	–	**51 000**	50 000	**(53 947)**	(53 440)
Proceeds from issue of new shares	**22 092**	–	**22 092**	–	**–**	–
Proceeds from sale of treasury shares	**6 099**	–	**6 099**	–	**–**	–
Loan raised	**26 770**	–	**0**	–	**–**	–
Acquisition of treasury shares	**(29 068)**	(32 168)	**(29 068)**	(32 168)	**–**	–
Dividends paid	**(361 158)**	(163 469)	**(361 158)**	(163 469)	**–**	–
Net cash used in financing activities	**(335 265)**	(195 637)	**(311 035)**	(145 637)	**(53 947)**	(53 440)
Net increase/(decrease) in cash and cash equivalents	**3 638**	128 330	**(29 000)**	121 113	**(1 864)**	(4 070)
Cash and cash equivalents at 1 January	**1 046 330**	920 796	**907 794**	789 477	**112 040**	116 110
Effect of exchange rate fluctuations on cash held	**(8 879)**	(2 796)	**(8 879)**	(2 796)	**–**	–
Cash and cash equivalents at 31 December	**1 041 089**	1 046 330	**869 915**	907 794	**110 176**	112 040

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2011

Basis of preparation and accounting policies

JSE Limited (the "Company") is a company domiciled in the Republic of South Africa. The consolidated abridged annual financial statements of the Company as at and for the year ended 31 December 2011 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates.

The JSE Limited's principal accounting policies applied by the Group in its consolidated abridged annual financial statements for the year ended 31 December 2011 are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 31 December 2010.

The JSE Limited's abridged consolidated annual financial statements for the year ended 31 December 2011 have been prepared in terms of the recognition and measurement requirements of International Financial Reporting Standards and the AC500 series pronouncements as issued by the Accounting Practice Board, the JSE Listing Requirements, the requirements of the Companies Act, 2008 and the presentation and disclosure requirements of IAS 34.

The consolidated financial statements and the separate financial statements were authorised for issue by the Board of Directors on 13 March 2012.

Special purpose entities[#]

The JSE Guarantee Fund Trust, JSE Derivatives Fidelity Fund Trust and BESA Guarantee Fund Trust are special purpose entities (SPE's) set up for investor protection. The Group does not have any direct or indirect shareholding in these entities, however, based on the evaluation of the substance of the relationship with the Group and the SPE's risks and rewards, the Group controls the financial and operating policies of these entities and the results are thus consolidated. SPEs controlled by the Group were established under terms that impose strict limitations on the decision-making powers of the SPEs' management and that result in the Group receiving the majority of the benefits related to the SPEs' operations and net assets, being exposed to the majority of risks incident to the SPE's activities, and retaining the majority of the residual or ownership risks related to the SPEs or their assets.

Distributions from special purpose entities[#]

During the year surplus assets amounting to R51.0 million (2010: R50.0 million) were distributed by the JSE Guarantee Fund Trust to the JSE for the establishment of the JSE`s data centre (2010: disaster recovery site). The transfer of the funds were formally approved by the Financial Services Board. The funds received are recognised in deferred income in the JSE separate financial statements and will be released to profit or loss on a systematic basis over the useful life of the assets.

Operating segments[#]

The Group has five reportable segments, as stated below. The business units offer different products and services, and are managed separately because they require different technology and marketing strategies. Management has determined the operating segments based on the monthly reports reviewed by the Executive Committee (Exco). Exco reviews the revenue streams as set out below. Financial and personnel resources are allocated according to the needs of the various divisions in order to apply the strategy and operating plans agreed to during the budgeting process. Costs in the JSE are managed holistically across the Exchange and variances against budget are closely monitored. Information technology and other corporate overheads are not generally allocated to a particular segment.

Information about reportable segments

	Equity[1] division R'000	Equity and currency derivatives R'000	Commodity derivatives R'000	Interest[2] rate market R'000	Data sales R'000	Other[3] R'000	Total R'000
For the year ended 31 December 2011							
External revenues	846,055	133,305	53,142	52,040	125,547	159,721	1,369,810
For the year ended 31 December 2010							
External revenues	772,885	116,077	47,827	47,745	116,727	153,887	1,255,148

[1]Comprises equities trading fees, risk management, clearing and settlement fees, membership fees, issuer services and back-office services (BDA).

[2]Includes R13.2m (2010: R12.6m) of Issuer Regulation listing fees relating to the bond market.

[3]Comprises funds management and Strate ad valorem fees.

Acquisitionof subsidiary[#]

On 1 July 2011, the Group acquired the entire issued share capital of Momentum Managed Account Platform Holdings (Proprietary) Limited for a purchase consideration of R1. Subsequent to the acquisition the name was changed to Nautilus MAP Holdings (Proprietary) Limited. In addition, a newly created company of the Group, Nautilus MAP Operations (Proprietary) Limited, acquired the business that administers the hedge fund platform of Momentum Managed Account Platform (Proprietary) Limited ("MOMMAP"), as a going concern for a purchase consideration of R27 499 999 from FirstRand Alternative Investment Management (Proprietary) Limited. This purchase consideration will be funded from a portion of the cash flows generated by the platform. MOMMAP will also be party to certain en commandite partnership agreements, effective from 1 July 2011. The platform will offer hedge fund investors greater protection by segregating investors' assets from the hedge fund manager and monitoring hedge funds trading activity, thereby ensuring that the funds remain within the agreed investment mandates.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2011

In the six months to 31 December 2011 Nautilus MAP Operations (Proprietary) Limited contributed revenue of R3.5m and profit of R1.9m to the Group's results. If the acquisition had occurred on 1 January 2011, management estimates that consolidated revenue would have been R5.6m, and consolidated profit for the year would have been R0.9m. In determining these amounts management has assumed that the fair value adjustments that arose at the date of acquisition would have been the same if the acquisition had occurred on 1 January 2011.

The following summarises the consideration transferred and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	R'000
Consideration transferred	
Consideration paid	**27 500**
Identifiable assets acquired and liabilities assumed	
Customer relationships	**4 078**
Deferred taxation	**(1 142)**
Total net identifiable assets	**2 936**
Goodwill	
Goodwill on the acquisition of the business has been recognised as follows:	
Total consideration transferred	**27 500**
Less: value of net identifiable assets	**(2 936)**
Goodwill	**24 564**

The goodwll is attributable mainly to the skills and technical talents of the work force, and the synergies expected to be achieved from integrating the business acquired into the Group's existing business. The goodwill recognised is not deductible for income tax purposes.

Acquisition-related costs

The Group incurred acquisition-related costs of R1,1m (2010: R0,4m) relating to external legal and consulting fees. These costs have been recognised in other expenses in the Group's consolidated statement of comprehensive Income.

EARNINGS AND HEADLINE EARNINGS PER SHARE#

Basic earnings per share

The calculation of basic earnings per share at 31 December 2011 of 400.8 (2010: 445.5) cents per share was based on profit for the year attributable to ordinary shareholders of R341,8m (2010: R378,0m) and a weighted average number of ordinary shares of 85 279 409 (2010: 84 843 695) calculated as follows:

	Group		Exchange	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
Profit for the year attributable to ordinary shareholders	**341 795**	378 007	**300 250**	350 814
Weighted average number of ordinary shares:				
Issued ordinary shares at 1 January	**85 140 050**	85 140 050	**85 140 050**	85 140 050
Shares issued during the period	**864 338**	0	**864 338**	0
Effect of own shares held (JSE LTIS 2010)	**(724 979)**	(296 355)	**(724 979)**	(296 355)
Weighted average number of ordinary shares at 31 December	**85 279 409**	84 843 695	**85 279 409**	84 843 695
Basic earnings per share (cents)	**400.8**	445.5	**352.1**	413.5

Diluted earnings per share

The calculation of diluted earnings per share at 31 December 2011 of 396.1 (2010: 438.4) cents per share was based on the profit for the year attributable to ordinary shareholders of R341,8m (2010: R378,0m) and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 86 280 587 (2010: 86 215 531) calculated as follows:

Profit for the year attributable to ordinary shareholders	**341 795**	378 007	**300 250**	350 814
Weighted average number of ordinary shares (diluted):				
Weighted average number of ordinary shares at 31 December (basic)	**85 279 409**	84 843 695	**85 279 409**	84 843 695
Effect of share options in issue	**1 001 178**	1 371 836	**1 001 178**	1 371 836
Weighted average number of ordinary shares (diluted)	**86 280 587**	86 215 531	**86 280 587**	86 215 531
Diluted earnings per share (cents)	**396.1**	438.4	**348.0**	406.9

The average market value of the Exchange's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the year.

Headline earnings per share

The calculation of headline earnings per share at 31 December 2011 of 562.4 (2010: 436.1) cents per share was based on headline earnings attributable to ordinary shareholders of R479,6m (2010: R370,0m) and a weighted average number of ordinary shares of 85 279 409 (2010: 84 843 695) during the year.

	Group		Exchange	
	2011 R'000	2010 R'000	**2011 R'000**	2010 R'000
Reconciliation of headline earnings:				
Profit for the year attributable to ordinary shareholders	**341 795**	378 007	**300 250**	350 814
Adjustments are made to the following:				
(Profit)/loss on disposal of property and equipment	**(60)**	12	**(60)**	12
Gross amount	**(83)**	16	**(83)**	16
Taxation	**23**	(4)	**23**	(4)
Impairment of monies due from Group entities[1]	**0**	0	**3 636**	55
Impairment of intangible assets	**160 806**	23 889	**160 806**	23 889
Gross amount	**223 342**	33 179	**223 342**	33 179
Taxation	**(62 536)**	(9 290)	**(62 536)**	(9 290)
Impairment of investment in BESA Limited[1]	**0**	0	**139 432**	0
Net realised gain on disposal of available-for-sale financial assets[1]	**(22 932)**	(31 893)	**0**	0
Headline earnings	**479 609**	370 014	**604 064**	374 770
Headline earnings per share (cents)	**562.4**	436.1	**708.3**	441.70

[1]no taxation effect

Diluted headline earnings per share

The calculation of diluted headline earnings per share at 31 December 2011 of 555.9 (2010: 429.2) cents per share was based on headline earnings for the year of R479.6m (2010: R370,0m) and a weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares of 86 280 587 (2010: 86 215 531).

	Group		Exchange	
	2011 R'000	2010 R'000	**2011 R'000**	2010 R'000
Diluted headline earnings per share (cents)	**555.9**	429.2	**700.1**	434.7

Software under development#

During the year, a special review of the software development costs was conducted. Certain elements relating mainly to the SRP project totaling R223,3m (2010: R33,2m) were identified as not being able to deliver value and have therefore been impaired. Management prepared a value in use impairment calculation (discounted at the weighted averge cost of capital) for assessing the overall impairment of total costs. Based on this calculation, no further impairment was required. The decision to impair SRP was taken after careful and detailed examination of the results of the software testing performed on SRP in the second half of 2011. That testing resulted in management deciding not to implement the SRP system as planned towards the end of 2011. Given the extended period over which the SRP project has run and the challenges experienced with it which have resulted in the impairment, we are reviewing the project to ensure that it will still deliver the required benefits to the JSE and clients. We are not yet in a position to make a final decision on SRP but are working to that goal as quickly as we can. At that point we will communicate our decision to stakeholders.

Audit opinion

KPMG Inc, the company`s independent auditors, has audited the consolidated annual financial statements of JSE Limited from which the abridged consolidated results contained in this report have been derived, and has expressed an unmodified audit opinion on the consolidated annual financial statements. The abridged consolidated financial results comprise the statements of financial position at 31 December 2011 and the statements of comprehensive income, changes in equity and cash flows for the year then ended and selected explanatory notes. The selected explanatory notes have been marked with a #.

Their audit report is available for inspection at the Company`s registered office.

One Exchange Square, 2 Gwen Lane, Sandown, South Africa

Private Bag X991174, Sandton 2146, South Africa

Tel +27 11 520 7000   Fax +27 11 520 8584

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

JOHANNESBURG STOCK EXCHANGE

JSE Limited
(Registration number 2005/022939/06)
Incorporated in the Republic of South Africa

ISIN code: ZAE000079711
Share code: JSE

One Exchange Square,
2 Gwen Lane,
Sandown,
South Africa

Private Bag X991174,
Sandton 2146,
South Africa