JSE LIMITED REVIEWED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

JSE JOHANNESBURG STOCK EXCHANGE

CONTENTS

FINANCIAL RESULTS

The interim financial statements have been prepared under the supervision of the Chief Financial Officer, Aarti Takoordeen CA(SA).

JSE DELIVERS STRONG PERFORMANCE IN SIX MONTHS TO 30 JUNE 2013 AND ANNOUNCES THE APPOINTMENT OF A NEW NON-EXECUTIVE DIRECTOR

The JSE Limited ("JSE" or "Group") delivered a strong performance in the six months to 30 June 2013.

Group operating revenue of R793.5m is up 16% (H1 2012: R682.8m) as a result of:

- increased trading activity in the Equity, Financial Derivatives, Interest Rate and Currency Markets; and
- continued strong performance from the Post-Trade Services and Market Data Divisions.

Group earnings are up 191% to R292.7m (2012: R100.7m) and Group headline earnings are up 35% to R285.2m (2012: R211.2m) driven by the Group operating revenue performance in H1 2013 and the effect of the impairment in the comparable period in 2012 (H1 2012: R72.6m).

The strong growth in trade volumes in the Equity Market (up 58.16% from the same period in 2012; value traded up 22.2% from the same period) enabled the JSE to provide approx. R60m in rebates to Equity Market members in H1 2013, amounting to 8% of Group operating revenue.

While the Equity Market remains the JSE's biggest revenue generator, above-average H1 2013 revenue growth from most of the JSE's business units has contributed to the Group's H1 2013 revenue mix remaining in line with that of H1 2012.

Group operating expenditure is down 3% at R487.8m (2012: R503.6m). Of this:

- although head count is slightly up (2013: 503; 2012: 495), personnel expenses for the six months have increased 19% year-on-year. This reflects the impact of a larger proportion of these costs being expensed rather than capitalised to projects (2013: R4m; 2012: R29m). Gross remuneration actually paid for the six months to June 2013 has only increased by 2% as a consequence of the average salary increase for 2013 being contained to 5.6%;
- depreciation is up 28%, primarily as a result of the investment in the new Equity market trading engine which was successfully implemented in H2 2012; and
- the comparable period in 2012 was impacted by the effect of the R72.6m impairment. The need, or otherwise, to make any further impairments will be reviewed at year end.

The Group cash position is strong at over R1bn with the only significant movement being the R100m that the JSE contributed in January 2013 in establishing the Safcom Default Fund, a necessary condition to achieving CPSS-IOSCO compliance for the Group Safcom Clearing House.

The Board has not declared an interim dividend, in line with its previously stated preference for a single annual dividend based on a full year's results. No change to the JSE's current dividend policy is contemplated, which is to maintain dividend cover between 2.5x and 1.5x after-tax profits.

Strategic and operating focus

The JSE is focused on growing all its business areas, none of which is regarded as mature. Most projects are designed to strengthen the JSE's delivery of products and services and many will introduce new lines of revenue. In particular:

- T+3: Phase I of the JSE's move to T+3 was successfully implemented on 21 July 2013. Phases 2 of the T+3 implementation will take place in H2 2014 with Phase 3 as soon as possible after that. The JSE will only be able to confirm the cost of these implementations once detailed technical design work has been completed;
- a new web-based portal through which JSE Market Data clients can report their monthly usage direct to the JSE, has been rolled out. This reduces administration and complexity enabling JSE sales teams to focus on building the Market Data client base and revenue;
- the JSE's initial colocation data centre with space for 35 client racks at a capex cost of approx. R50m, of which the 2013 spend is expected to be approx. R38m and the remainder in 2014. There will be on going spend, the extent of which will depend on the rate at which the colocation environment is expanded to meet client needs. Colocation will introduce a new revenue line and increase speed of access to and liquidity across all markets;
- the possibility of providing an Over-The-Counter clearing service continues to be investigated;
- subject to confirmation on costs and functional fit, the Equity Derivatives market will be migrated to the same trading engine as the JSE's Equity Market and to a new clearing engine. This move will help internationalise this market and increase speed liquidity on the market. This is planned for mid-2015. Investment confirmation will follow the imminent detailed design;
- work with National Treasury and industry participants to implement an electronic trading platform (ETP) for the South African Government bond market is gaining momentum; and
- some elements of the research into a possible new Equity Market Business Model have been completed but the new Model is not expected to be finalised this year. As previously indicated, the JSE expects to be on BDA until at least the end of 2015 and possibly longer. The work to date on the Equity Market Business Model has been expensed.

Directorate

The Board is delighted to announce that Michael Jordaan, who retires as CEO of First National Bank in December this year, will join the JSE Board as a non-executive director with effect from 1 January 2014.

Outlook

The JSE is a largely fixed cost business. Costs are tightly controlled while the necessary capital investments are made in areas that will enhance the Group's sustainability. The Group's revenues are variable and largely driven by activity on the various markets the Group operates. For this reason, the Board makes no projections regarding the Group's performance in H2 2013.

The Board is excited by the opportunities ahead as the Group continues to make good progress towards delivering on its 2017 strategic objectives. The Board is confident that as these deliveries succeed, the JSE will increasingly be positioned as a growing, formidable and sustainable business.

Review Conclusion

The consolidated interim financial statements of JSE Limited for the six months ended 30 June 2013 have been reviewed by the company's auditor, KPMG Inc. In their review report dated 13 August 2013, which is available for inspection at the Company's Registered Office, KPMG Inc state that their review was conducted in accordance with the International Standard on Review Engagements 2410, Review of Interim Information Performed by the Independent Auditor of the Entity, and have expressed an unmodified conclusion on the consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Note	JSE Group			Investor Protection Funds*		
		Six months ended 30 June		Year ended 31 December	Six months ended 30 June		Year ended 31 December
		2013	2012	2012	**2013**	2012	2012
		(reviewed)	(reviewed)	(audited)	**(reviewed)**	(reviewed)	(audited)
		R'000	R'000	R'000	**R'000**	R'000	R'000
Revenue	9	**793 571**	682 797	1 384 867	**–**	–	–
Other income		**39 004**	11 682	46 923	**9 012**	3 995	15 355
Personnel expenses	10	**(192 240)**	(161 107)	(353 896)	**–**	–	–
Other expenses	11	**(295 596)**	(342 516)	(672 319)	**(3 788)**	(1 033)	(5 474)
Profit before net finance income		**344 739**	190 856	405 575	**5 224**	2 962	9 881
Finance income		**438 925**	442 821	861 474	**3 412**	3 590	7 086
Finance costs		**(396 156)**	(401 457)	(781 092)	**–**	–	–
Net finance income		**42 769**	41 364	80 382	**3 412**	3 590	7 086
Share of profit of equity accounted investees (net of income tax)		**21 869**	17 142	35 056	**–**	–	–
Profit before income tax		**409 377**	249 362	521 013	**8 636**	6 552	16 967
Income tax expense	12	**(116 670)**	(148 686)	(218 902)	**–**	–	–
Profit for the period		**292 707**	100 676	302 111	**8 636**	6 552	16 967
Other comprehensive income							
Net change in fair value of available-for-sale financial assets		**15 840**	14 518	41 323	**15 840**	14 518	41 323
Net change in fair value of available-for-sale financial assets reclassified to profit or loss		**(7 434)**	(2 449)	(11 834)	**(7 434)**	(2 449)	(11 834)
Other comprehensive income for the period, net of income tax		**8 406**	12 069	29 489	**8 406**	12 069	29 489
Total comprehensive income for the period		**301 113**	112 745	331 600	**17 042**	18 621	46 456
Earnings per share							
Basic earnings per share (cents)	13.1	**341.9**	117.0	351.8	**10.1**	7.6	19.8
Diluted earnings per share (cents)	13.2	**340.2**	116.5	349.5	**10.0**	7.6	19.6

* 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 Financial Markets Act, 2012. 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 inter-company adjustments), although, for compliance with IFRS, the results form part of the Group financial statements.

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

		JSE Group			Investor Protection Funds		
		as at 30 June		as at 31 December	as at 30 June		as at 31 December
	Notes	**2013 (reviewed) R'000**	2012 (reviewed) R'000	2012 (audited) R'000	**2013 (reviewed) R'000**	2012 (reviewed) R'000	2012 (audited) R'000
Assets							
Non-current assets		**884 969**	897 422	900 862	**230 829**	191 026	215 057
Property and equipment		**145 944**	178 726	164 164	**–**	–	–
Intangible assets	14	**307 180**	329 490	314 790	**–**	–	–
Investments in equity accounted investees		**124 250**	101 989	119 904	**–**	–	–
Other investments		**230 829**	191 028	215 059	**230 829**	191 026	215 057
Derivative financial instruments		**–**	516	–	**–**	–	–
Loan to the JSE Empowerment Fund Trust		**14 349**	13 582	14 003	**–**	–	–
Deferred taxation		**62 417**	82 091	72 942	**–**	–	–
Current assets		**18 866 155**	16 110 958	16 177 565	**111 538**	109 203	112 212
Trade and other receivables		**214 358**	202 199	194 248	**396**	425	3 246
Income tax receivable		**29 287**	78 680	16 574	**–**	–	–
Safcom default fund deposits	19	**502 914**	–	–	**–**	–	–
Margin and collateral deposits		**17 011 956**	14 905 830	14 837 967	**–**	–	–
Cash and cash equivalents		**1 107 640**	924 249	1 128 776	**111 142**	108 778	108 966
Total assets		**19 751 124**	17 008 380	17 078 427	**342 367**	300 229	327 269
Equity and liabilities							
Total equity		**1 936 148**	1 641 679	1 871 021	**341 818**	299 650	326 125
Share capital		**8 533**	8 571	8 571	**–**	–	–
Share premium		**84 678**	102 858	102 858	**–**	–	–
Capital contribution		**–**	–	–	**121 873**	121 873	121 873
Reserves		**383 899**	497 276	368 902	**89 462**	63 637	81 056
Retained income		**1 459 038**	1 032 974	1 390 690	**130 483**	114 140	123 196
Non-current liabilities		**128 172**	140 343	121 596	**–**	–	–
Finance lease		**–**	56	–	**–**	–	–
Borrowings		**21 634**	25 461	23 715	**–**	–	–
Employee benefits		**5 408**	16 643	5 128	**–**	–	–
Deferred taxation		**4 929**	5 173	4 946	**–**	–	–
Operating lease liability		**48 475**	45 604	36 985	**–**	–	–
Deferred income		**46 470**	46 242	49 632	**–**	–	–
Due to SAFEX members		**1 256**	1 164	1 190	**–**	–	–
Current liabilities		**17 686 804**	15 226 358	15 085 810	**549**	579	1 144
Trade and other payables		**218 284**	237 876	163 027	**311**	300	914
Employee benefits		**55 361**	68 935	67 860	**–**	–	–
Operating lease liability		**1 203**	13 717	16 956	**–**	–	–
Due to Group entities		**–**	–	–	**238**	279	230
Safcom default fund contribution	19	**400 000**	–	–	**–**	–	–
Margin and collateral deposits		**17 011 956**	14 905 830	14 837 967	**–**	–	–
Total equity and liabilities		**19 751 124**	17 008 380	17 078 427	**342 367**	300 229	327 269

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2013

Group	Note	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 2011		8 605	129 642	10 058	165 336	–	18 434	1 154 458	1 486 533	282 535	1 769 068
Total comprehensive income for the period											
Profit for the period		–	–	–	–	–	–	94 124	94 124	6 552	100 676
Other comprehensive income											
Net change in fair value of available–for–sale financial assets		–	–	–	–	–	–	–	–	14 518	14 518
Net change in fair value of available–for–sale financial assets reclassified to profit or loss		–	–	–	–	–	–	–	–	(2 449)	(2 449)
Total other comprehensive income		–	–	–	–	–	–	–	–	12 069	12 069
Total comprehensive income for the period		–	–	–	–	–	–	94 124	94 124	18 621	112 745
Transactions with owners recognised directly in equity											
Contributions by and distributions to owners											
Dividends paid to owners		–	–	–	–	–	–	(217 114)	(217 114)	–	(217 114)
Distribution from the BESA Guarantee Fund Trust[1]		–	–	–	–	–	–	1 506	1 506	(1 506)	–
Treasury shares		(37)	(28 808)	–	–	–	–	–	(28 845)	–	(28 845)
Treasury shares – share issue costs		–	(70)	–	–	–	–	–	(70)	–	(70)
Sale of treasury shares		3	2 094	–	–	–	–	–	2 097	–	2 097
Equity settled share based payment		–	–	–	–	–	3 798	–	3 798	–	3 798
Total contributions by and distributions to owners		(34)	(26 784)	–	–	–	3 798	(215 608)	(238 628)	(1 506)	(240 134)
Balance at 30 June 2012		8 571	102 858	10 058	165 336	–	22 232	1 032 974	1 342 029	299 650	1 641 679
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
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	285 144	285 144	16 967	302 111
Other comprehensive income											
Net change in fair value of available–for–sale financial assets		–	–	–	–	–	–	–	–	41 323	41 323
Net change in fair value of available–for–sale financial assets reclassified to profit or loss		–	–	–	–	–	–	–	–	(11 834)	(11 834)
Total other comprehensive income		–	–	–	–	–	–	–	–	29 489	29 489
Total comprehensive income for the year		–	–	–	–	–	–	285 144	285 144	46 456	331 600

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 R1.4m (June 2012: R1.5m) (December 2012: R2.9m) before inter-company adjustments was transferred to the JSE Limited for the defrayment of market regulatory expenditure.

Group	Note	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
Transactions with owners recognised directly in equity											
Contributions by and distributions to owners											
Transfer of BBBEE reserve to retained earnings		–	–	–	(165 336)	–	–	165 336	–	–	–
Dividends paid to owners		–	–	–	–	–	–	(217 114)	(217 414)	–	(217 114)
Distribution from the BESA Guarantee Fund Trust[1]		–	–	–	–	–	–	2 866	2 866	(2 866)	–
Treasury shares		(37)	(28 808)	–	–	–	–	–	(28 845)	–	(28 845)
Treasury shares – share issue costs		–	(70)	–	–	–	–	–	(70)	–	(70)
Sale of treasury shares		3	2 094	–	–	–	–	–	2 097	–	2 097
Equity settled share based payment		–	–	–	–	–	14 285	–	14 285	–	14 285
Total contributions by and distributions to owners		(34)	(26 784)	–	(165 336)	–	14 285	(48 912)	(226 781)	(2 886)	(229 647)
Balance at 31 December 2012		8 571	102 858	10 058	–	–	32 719	1 390 690	1 544 896	326 125	1 871 021
Total comprehensive income for the period											
Profit for the period		–	–	–	–	–	–	284 071	284 071	8 636	292 707
Other comprehensive income											
Net change in fair value of available-for-sale financial assets		–	–	–	–	–	–	–	–	15 840	15 840
Net change in fair value of available-for-sale financial assets reclassified to profit or loss		–	–	–	–	–	–	–	–	(7 434)	(7 434)
Total other comprehensive income		–	–	–	–	–	–	–	–	8 406	8 406
Total comprehensive income for the period		–	–	–	–	–	–	284 071	284 071	17 042	301 113
Transactions with owners recognised directly in equity											
Contributions by and distributions to owners											
Dividends paid to owners of the Exchange		–	–	–	–	–	–	(217 072)	(217 072)	–	(217 072)
Distribution from the BESA Guarantee Fund Trust[1]		–	–	–	–	–	–	1 349	1 349	(1 349)	–
Treasury shares		(46)	(35 117)	–	–	–	–	–	(35 163)	–	(35 163)
Treasury shares – share issue costs		–	(90)	–	–	–	–	–	(90)	–	(90)
Sale of treasury shares		8	5 919	–	–	–	–	–	5 927	–	5 927
Allocation 1 – shares vested	8	–	11 108	–	–	–	(11 108)	–	–	–	–
Equity settled share based payment	8	–	–	–	–	–	10 412	–	10 412	–	10 412
Total contributions by and distributions to owners		(38)	(18 180)	–	–	–	(696)	(215 723)	(234 637)	(1 349)	(235 986)
Balance at 30 June 2013		**8 533**	**84 678**	**10 058**	**–**	**–**	**32 023**	**1 459 038**	**1 594 330**	**341 818**	**1 936 148**

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 R1.4m (June 2012: R1.5m) (December 2012: R2.9m) before inter-company adjustments was transferred to the JSE Limited for the defrayment of market regulatory expenditure.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	JSE Group			Investor Protection Funds		
	six months ended 30 June		year ended 31 December	six months ended 30 June		year ended 31 December
	2013 (reviewed) R'000	2012 (reviewed) R'000	2012 (audited) R'000	**2013 (reviewed) R'000**	2012 (reviewed) R'000	2012 (audited) R'000
Cash flows from operating activities						
Cash generated by/(used in) operations	**425 236**	280 538	470 403	**(1 533)**	1 628	(5 068)
Interest received	**424 738**	447 845	868 802	**3 416**	3 576	7 094
Interest paid	**(381 792)**	(404 882)	(787 867)	**–**	–	–
Dividends received	**1 574**	1 530	3 482	**1 574**	1 530	3 482
Taxation paid	**(118 877)**	(123 438)	(123 567)	**–**	–	–
Net cash generated by operating activities	**350 879**	201 593	431 253	**3 457**	6 734	5 508
Cash flows from investing activities						
Proceeds on sale of other investments	**14 116**	11 958	32 309	**14 116**	11 958	32 309
Acquisition of other investments	**(14 048)**	(18 582)	(36 161)	**(14 048)**	(18 582)	(36 161)
Dividends from equity accounted investees	**17 523**	15 950	15 950	**–**	–	–
Investment in SAFCOM Default Fund	**(500 000)**	–	–	**–**	–	–
Proceeds from disposal of property and equipment	**60**	76	788	**–**	–	–
Leasehold improvements	**(32)**	(187)	(188)	**–**	–	–
Acquisition of intangible assets	**(13 546)**	(59 572)	(74 363)	**–**	–	–
Acquisition of property and equipment	**(5 795)**	(15 811)	(24 143)	**–**	–	–
Net cash (used in)/from investing activities	**(501 722)**	(66 168)	(85 808)	**68**	(6 624)	(3 852)
Cash flows from financing activities						
Distribution by Investor Protection Funds	**–**	–	–	**(1 349)**	(1 507)	(2 866)
Contributions received SAFCOM Default Fund	**400 000**	–	–	**–**	–	–
Acquisition of treasury shares	**(35 163)**	(26 736)	(28 915)	**–**	–	–
Proceeds from sale of treasury shares	**5 934**	2 423	2 097	**–**	–	–
Loan repaid	**(2 081)**	(1 309)	(3 055)	**–**	–	–
Dividends paid	**(217 091)**	(217 115)	(217 114)	**–**	–	–
Net cash used in financing activities	**151 599**	(242 737)	(246 987)	**(1 349)**	(1 507)	(2 866)
Net (decrease)/increase in cash and cash equivalents	**756**	(107 312)	98 458	**2 176**	(1 397)	(1 210)
Cash and cash equivalents at 1 January	**1 128 776**	1 041 089	1 041 089	**108 966**	110 175	110 176
Effect of exchange rate fluctuations on cash held	**(21 892)**	(9 528)	(10 771)	**–**	–	–
Cash and cash equivalents at end of period	**1 107 640**	924 249	1 128 776	**111 142**	108 778	108 966

1. REPORTING ENTITY

JSE Limited (the "Company", the "JSE" or the "Exchange") is a company domiciled in the Republic of South Africa. The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2013 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates. The JSE is licensed as an exchange in terms of the Financial Markets Act, 2012.

The Group currently consists of the Company, its subsidiary companies (Safex Clearing Company (Pty) Limited, JSE Trustees (Pty) Limited, BESA Limited, BESA Investments (Pty) Limited, BondClear Limited, Nautilus MAP Holdings (Pty) Limited, Nautilus MAP Operation (Pty) Limited, Newshelf 1252 (Pty) Limited (Safcom Default Fund), special purpose entities (JSE Guarantee Fund Trust, JSE Derivatives Fidelity Fund Trust and BESA Guarantee Fund Trust) and its interests in associated companies (Strate Limited and Indexco Managers Limited).

The consolidated financial statements of the Group as at and for the year ended 31 December 2012 are available upon request from the Company's registered office at One Exchange Square, Gwen Lane, Sandown, or at www.jse.co.za.

2. STATEMENT OF COMPLIANCE

These consolidated interim financial statements have been prepared in accordance with IAS 34, International Financial Reporting Standards, Interim Financial Reporting and the Financial Reporting Guides issued by the Accounting Practices Board of SAICA as well as section 29(e) of the Companies Act (No 71 of 2008). They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2012.

These condensed consolidated interim financial statements were approved by the Board of Directors on 13 August 2013.

3. SIGNIFICANT ACCOUNTING POLICIES

Change in accounting policies

Except for the new standards adopted, all accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2012.

The Group has adopted the following new standards with a date of initial application of 1 January 2013:

IFRS 10 Consolidated Financial Statements

The Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. The Group reassessed its control in investees as at 1 January 2013, and can confirm IFRS 10 does not have a significant impact to the Group.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements. The Group has applied the new fair value measurement prospectively. This change has had no significant impact on the measurement of the Group assets and liabilities.

4. COMPARATIVE FIGURES

Unless otherwise indicated, comparative figures refer to the six months ended 30 June 2012.

5. ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2012.

6. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2012.

7. OPERATING SEGMENTS

Information about reportable segments

	Cash equities[1]	Equity and Currency derivatives	Commodity derivatives	Interest rate products[2]	Data sales	Other[3]	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
For the period ended 30 June 2013							
External revenues	**489 901**	**79 230**	**24 954**	**32 540**	**81 971**	**84 975**	**793 571**
For the period ended 30 June 2012							
External revenues	409 534	65 227	24 547	28 175	70 780	84 533	682 797
For the period ended 31 December 2012							
External revenues	827 142	130 037	55 939	60 750	146 849	164 150	1 384 867

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

2 Includes R8,2m (2012: R7,6m) of issuer regulation listing fees relating to the bond market.

3 Comprises mainly of funds management and Strate ad valorem fees.

8. SHARE-BASED PAYMENTS

Vesting of Allocation 1 Tranche 1 shares during period under review

The first award ("Allocation 1") under LTIS 2010 was granted in May 2010 with the following vesting profile:

Tranche 1: 50% of the total award, which has now vested on 1 May 2013

Tranche 2: 50% of the total award, vesting on 1 May 2014

As at 30 June 2013, details of Allocation 1 were as follows:

	Retention	Corporate performance	Total
Tranche 1	**shares**	**shares**	**shares**
Original number of Tranche 1 shares awarded May 2010	163 700	77 750	**241 450**
Forfeited by bad leavers to date	(26 450)	(10 850)	**(37 300)**
Forfeited by good leavers to date	(1 167)	(2 182)	**(3 349)**
Accelerated for good leavers to date	(1 633)	(4 368)	**(6 001)**
Forfeited for missing corporate performance targets	–	(27 761)	**(27 761)**
Vested on 1 May 2013	(134 450)	(32 589)	**(167 039)**
Tranche 1 fully vested	–	–	**–**
Tranche 2			
Original number of Tranche 2 shares awarded May 2010	163 700	77 750	**241 450**
Forfeited by bad leavers to date	(26 450)	(10 850)	**(37 300)**
Forfeited by good leavers to date	(1 167)	(2 182)	**(3 349)**
Accelerated for good leavers to date	(1 633)	(4 368)	**(6 001)**
Tranche 2 shares available for vesting in May 2014	134 450	60 350	**194 800**

As at the vesting date of 1 May 2013, all available Tranche 1 retention shares (134 450 shares) vested for those participants still in the employment of the JSE on this date.

In respect of the Tranche 1 corporate performance shares, the Board assessed performance over the three-year vesting term against the pre-set financial and strategic targets, and determined that 54% of the available Tranche 1 shares (being 60 350 shares) should vest for those participants still in the employ of the JSE on 1 May 2013.

The remainder of the Tranche 1 corporate performance shares were forfeited by participants. The vesting of Tranche 1 shares resulted in a movement in equity of R11.1m (a reversal against the LTIS 2010 reserve), calculated at grant date fair value.

Grant of Allocation 4 share awards during period under review

On 22 June 2012 shareholders approved a special resolution authorising financial assistance to the JSE LTIS 2010 Trust for a period of two years, for the purpose of acquiring JSE ordinary shares in the open market for allocation to selected employees in accordance with the rules of LTIS 2010. In accordance with the terms of this resolution the Board approved a fresh annual allocation of shares ("Allocation 4") to selected employees for the 2013 year, and these individual allocations were all accepted by scheme participants by 17 May 2013. Allocation 4 comprised a total of 457 100 JSE ordinary shares and these shares were acquired in the open market by 17 May 2013.

Notwithstanding the fair value grant date of 17 May 2013, a charge to profit and loss in respect of Allocation 4 has been brought to account as from 1 June 2013 based on the materiality principle. Information on Allocation 4 is as follows:

	Personal performance shares	**Corporate performance shares**
Share price at grant date (Rand per share)	**76.92**	76.92
Total number of shares granted	**328 500**	128 600
Dividend yield	**3%**	3%
Grant date	**17 May 2013**	17 May 2013
Vesting profile:		
50% of the shares awarded vest on 1 June 2016	**164 250**	64 300
50% of the shares awarded vest on 1 June 2017	**164 250**	64 300

Members of the JSE's executive committee, which includes the executive directors and the Company Secretary, have been granted a total of 100 800 personal performance shares and 128 600 corporate performance shares under Allocation 4.

Fair value charge to profit and loss

The profit or loss charge for the period, calculated using the Black-Scholes valuation methodology, in respect of all Allocations granted under LTIS 2010 is as follows:

	Six months ended 30 June 2012	
Allocation 1 (granted in May 2010)	**R3.3 m**	R3.2 m
Allocation 2 (granted in May 2011)	**R2.8 m**	R0.3 m
Allocation 3 (granted in June 2012)	**R3.6 m**	Nil
Allocation 4 (granted in May 2013)	**R0.7 m**	Nil
	R10.4 m	R3.5 m

	Six months ended 30 June 2013 (reviewed) R'000	Six months ended 30 June 2012 (reviewed) R'000	Year ended 31 December 2012 (audited) R'000
9. REVENUE			
Equity market	**194 092**	161 157	319 136
Post-trade services	**126 979**	104 928	211 902
Back-office services (BDA)	**119 640**	99 700	204 909
Issuer regulation	**51 879**	46 145	95 827
Equity membership	**5 583**	5 239	10 434
Equity derivatives	**64 882**	56 950	112 571
Currency derivatives	**14 348**	8 277	17 466
Commodity derivatives	**24 954**	24 547	55 939
Interest rate market	**23 321**	20 541	45 684
Interest rate derivatives	**967**	–	–
Market data	**81 971**	70 780	146 849
Funds management	**32 210**	29 398	61 255
Total revenue before Strate ad valorem	**740 826**	627 662	1 281 972
Strate ad valorem	**52 745**	55 135	102 895
Total revenue	**793 571**	682 797	1 384 867

	Six months ended 30 June 2013 (reviewed) R'000	Six months ended 30 June 2012 (reviewed) R'000	Year ended 31 December 2012 (audited) R'000
10. PERSONNEL EXPENSES	**(192 240)**	(161 107)	(353 896)

There was an increase of 19% in personnel expenses. This is mainly as a result of lower levels of capitalised personnel costs.

	Six months ended 30 June 2013 (reviewed) R'000	Six months ended 30 June 2012 (reviewed) R'000	Year ended 31 December 2012 (audited) R'000
11. OTHER EXPENSES			
Other operating expenses	**(242 851)**	(214 809)	(489 273)
Impairment	**–**	(72 572)	(75 017)
Strate ad valorem fees	**(52 745)**	(55 135)	(108 029)
	(295 596)	(342 516)	(672 319)

The impairment of R72,6m in 2012, relates to the carrying value of the Market Services Solution ("MSS") and associated components, which have been identified as not being able to deliver value. There have been no further impairments for the period under review.

12. INCOME TAX EXPENSE

The Group's consolidated effective tax rate for the six months ended 30 June 2013 was 28% (for the six months ended 30 June 2012: 60%; for the year ended 31 December 2012: 42%). The reason for the higher effective tax rate for the prior periods was due to the unwinding of deferred tax amounting to R40.5m in respect of the impairments.

13. EARNINGS AND HEADLINE EARNINGS PER SHARE

13.1 Basic earnings per share

	Six months ended 30 June		Year ended 31 December
	2013 (reviewed) R'000	2012 (reviewed) R'000	2012 (audited) R'000
Profit for the period attributable to ordinary shareholders	**292 707**	100 676	302 111
Weighted average number of ordinary shares:			
Issued ordinary shares at 1 January	**86 877 600**	86 877 600	86 877 600
Shares issued during the period	**–**	–	–
Effect of own shares held (JSE LTIS 2010)	**(1 258 908)**	(837 663)	(1 001 589)
Weighted average number of ordinary shares at 30 June/31 December	**85 618 692**	86 039 937	85 876 011
Basic earnings per share (cents)	**341.9**	117.0	351.8

13.2 Diluted earnings per share

	Six months ended 30 June		Year ended 31 December
	2013 (reviewed) R'000	2012 (reviewed) R'000	2012 (audited) R'000
Profit for the period attributable to ordinary shareholders	**292 707**	100 676	302 111
Weighted average number of ordinary shares (diluted):			
Weighted average number of ordinary shares at 30 June/31 December (basic)	**85 618 692**	86 039 937	85 876 011
Effect of share options in issue	**420 359**	385 220	556 960
Weighted average number of ordinary shares (diluted)	**86 039 051**	86 425 157	86 432 971
Diluted earnings per share (cents)	**340.2**	116.5	349.5

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 period that the options were outstanding.

13.3 Headline earnings per share

	Six months ended 30 June		Year ended 31 December
	2013 (reviewed) R'000	2012 (reviewed) R'000	2012 (audited) R'000
Reconciliation of headline earnings:			
Profit for the period attributable to ordinary shareholders	**292 707**	100 676	302 111
Adjustments are made to the following:			
Profit on disposal of property and equipment	**(27)**	(54)	(69)
Gross amount	**(37)**	(76)	(96)
Taxation	**10**	22	27
Impairment of intangible assets	**–**	113 023	116 191
Gross amount	**–**	72 572	75 017
Taxation	**–**	40 451	41 174
Net realised gains on disposal of available-for-sale financial assets	**(7 434)**	(2 449)	(11 834)
Headline earnings	**285 246**	211 196	406 399
Headline earnings per share (cents)	**333.2**	245.5	473.2

13.4 Diluted headline earnings per share

	Six months ended 30 June		Year ended 31 December
	2013 (reviewed) R'000	2012 (reviewed) R'000	2012 (audited) R'000
Diluted headline earnings per share (cents)	**331.5**	244.4	470.2

14. INTANGIBLE ASSETS

During the six months ended 30 June 2013, the Group acquired intangible assets with a cost of R13.5m (2012: R59.6m), mainly in respect of Listings information database; Market data automation and T+3. In H1 2012, we impaired the Market Services Solution and its associated software, amounting to R72.6m. There were no impairments for H1 2013.

15. FINANCIAL INSTRUMENTS

The fair values of financial assets and financial liabilities, together with the carrying amounts in the condensed consolidated statement of financial position, are as follows:

30 June 2013	**Carrying amount R'000**	**Fair value R'000**
Non-current financial assets		
Available-for-sale financial assets	**230 829**	**230 829**
Loan to the JSE Empowerment Fund Trust	**14 349**	**14 349**
	245 178	**245 178**
Current financial assets		
Trade and other receivables	**214 358**	**214 358**
Safcom default fund deposits	**502 914**	**502 914**
Margin and collateral deposits	**17 011 956**	**17 011 956**
Cash and cash equivalents	**1 107 640**	**1 107 640**
	18 836 868	**18 836 868**
Non-current financial liabilities		
Borrowings	**(21 634)**	**(21 700)**
	(21 634)	**(21 700)**
Current financial liabilities		
Trade and other payables	**(218 284)**	**(218 284)**
Safcom default fund contribution	**(400 000)**	**(400 000)**
Margin and collateral deposits	**(17 011 956)**	**(17 011 956)**
	(17 630 240)	**(17 630 240)**

	Six months ended 30 June **2013 (reviewed) R'000**	Six months ended 30 June 2012 (reviewed) R'000	Year ended 31 December 2012 (audited) R'000
16. DIVIDENDS DECLARED AND PAID BY THE GROUP			
Ordinary dividend of 250 cents gross (2012: 250 cents) per share	**217 193**	217 193	217 193
The dividend disclosed in June 2013 relates to the dividend declared and related to 2012 results.			
Ordinary dividend of 250 cents gross (2012: 250 cents) per share on unallocated treasury shares	**(121)**	(79)	(79)
	217 072	217 114	217 114

In terms of the new Dividend Tax, effective 1 April 2012, the dividends have been declared from income reserves, and the dividend withholding tax rate is 15%.

The net dividend amount is 212.5 cents per ordinary share for shareholders liable to pay dividend tax and 250 cents per ordinary share for shareholders exempt from dividend withholding tax. The number of shares in issue at the date of declaration is 86 877 600.

17. CONTINGENT LIABILITIES AND COMMITMENTS

There were no material changes to the contingent liabilities as disclosed in the Annual Financial Statements for 31 December 2012.

18. FAIR VALUE ESTIMATION

The following table analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: inputs for the asset or liability that are unobservable

	Level 1	Level 2	Level 3
	R'000	R'000	R'000
Available-for-sale financial assets	230 829	–	–

19. SAFCOM DEFAULT FUND

The Safex Clearing Company Proprietary Limited ("SAFCOM") operates as the JSE's appointed clearing house in terms of the Financial Markets Act, 2012. In order to achieve recognition as a Qualifying Central Counterparty (QCCP) under the CPSS-IOSCO provisions, clearing houses are required to establish a default fund for mutualising losses in the event of a clearing member default. SAFCOM has established such a default fund, and has been recognised by the Financial Services Board ("FSB") as a QCCP with effect from January 2013. Newshelf 1252 (Pty) Limited ("Safcom Default Fund") is incorporated as a private profit company wholly owned by JSE Limited with a limited purpose of holding these funds.

The JSE has invested R100m into the fund and received contributions of R400m from clearing members. The R500m is invested in fixed and call deposits.

Sandton
13 August 2013

Sponsor

Rand Merchant Bank
(a division of First Rand Limited)

NOTES:

www.jse.co.za

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