JOHANNESBURG STOCK EXCHANGE
1 Exchange Square, 2 Gwen Lane,
Sandown, South Africa.
Private Bag X991174, Sandton 2146,
South Africa, Sandown
Tel +27 11 520 7000
Fax +27 11 520 8584

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

JOHANNESBURG STOCK EXCHANGE

REVIEWED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

These interim financial statements have been prepared under the supervision of the Chief Financial Officer, Ms Freda Evans CA(SA).

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2012

	Note	JSE Group			Investor Protection Funds*		
		Six months ended		Year ended	Six months ended		Year ended
		30 June 2012 (reviewed) R'000	30 June 2011 (reviewed) R'000	31 Dec 2011 (audited) R'000	**30 June 2012 (reviewed) R'000**	30 June 2011 (reviewed) R'000	31 Dec 2011 (audited) R'000
Revenue	9	**682 797**	667 948	1 369 810	**—**	—	—
Other income	10	**11 682**	20 785	46 980	**3 995**	10 603	26 866
Personnel expenses	11	**(161 107)**	(134 864)	(299 184)	**—**	—	—
Other expenses	12	**(342 516)**	(240 923)	(737 530)	**(1 033)**	(3 950)	(7 780)
Profit before net finance income		**190 856**	312 946	380 076	**2 962**	6 653	19 086
Finance income		**442 821**	437 795	911 776	**3 590**	3 707	7 423
Finance costs		**(401 457)**	(395 741)	(825 646)	**—**	—	—
Net finance income		**41 364**	42 054	86 130	**3 590**	3 707	7 423
Share of profit of equity accounted investees (net of income tax)		**17 142**	15 053	31 905	**—**	—	—
Profit before income tax		**249 362**	370 053	498 111	**6 552**	10 360	26 509
Income tax expense	13	**(148 686)**	(116 228)	(156 316)	**—**	—	—
Profit for the period		**100 676**	253 825	341 795	**6 552**	10 360	26 509
Other comprehensive income/(loss)							
Net change in fair value of available-for-sale financial assets		**14 518**	(2 320)	1 057	**14 518**	(2 320)	1 057
Net change in fair value of available-for-sale financial assets reclassified to profit or loss		**(2 449)**	(8 612)	(22 931)	**(2 449)**	(8 612)	(22 931)
Income tax on other comprehensive income/(loss)	13	**—**	—	—	**—**	—	—
Other comprehensive income/(loss) for the period, net of income tax		**12 069**	(10 932)	(21 874)	**12 069**	(10 932)	(21 874)
Total comprehensive income/(loss) for the period		**112 745**	242 893	319 921	**18 621**	(572)	4 635
Earnings per share							
Basic earnings per share (cents)	14.1	**117.0**	299.0	400.8	**7.6**	12.2	31.1
Diluted earnings per share (cents)	14.2	**116.5**	294.4	396.1	**7.6**	12.0	30.7

**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.

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

as at 30 June 2012

	Note	JSE Group			Investor Protection Funds		
		As at 30 June 2012 (reviewed) R'000	As at 30 June 2011 (reviewed) R'000	As at 31 Dec 2011 (audited) R'000	**As at 30 June 2012 (reviewed) R'000**	As at 30 June 2011 (reviewed) R'000	As at 31 Dec 2011 (audited) R'000
Assets							
Non-current assets		**897 422**	990 011	954 338	**191 026**	212 224	169 883
Property and equipment	15	**178 726**	130 113	189 318	**—**	—	—
Intangible assets	16	**329 490**	478 868	352 952	**—**	—	—
Investments in equity accounted investees	17	**101 989**	83 946	100 798	**—**	—	—
Other investments		**191 028**	212 227	169 885	**191 026**	212 224	169 883
Derivative financial instruments		**516**	814	625	**—**	—	—
Loan to the JSE Empowerment Fund Trust		**13 582**	14 294	13 228	**—**	—	—
Deferred taxation		**82 091**	69 749	127 532	**—**	—	—
Current assets		**16 110 958**	16 703 969	16 374 566	**109 203**	118 169	113 505
Trade and other receivables		**202 199**	213 977	191 794	**425**	603	3 329
Income tax receivable		**78 680**	76 875	56 907	**—**	—	—
Amounts due from related parties		**—**	5 333	—	**—**	—	—
Margin and collateral deposits		**14 905 830**	15 402 135	15 084 776	**—**	—	—
Cash and cash equivalents		**924 249**	1 005 649	1 041 089	**108 778**	117 566	110 176
Total assets		**17 008 380**	17 693 980	17 328 904	**300 229**	330 393	283 388
Equity and liabilities							
Total equity		**1 641 679**	1 863 259	1 769 068	**299 650**	329 812	282 535
Share capital		**8 571**	8 491	8 605	**—**	—	—
Share premium		**102 858**	108 117	129 642	**—**	—	—
Capital contribution		**—**	—	—	**121 873**	121 873	121 873
Reserves		**497 276**	534 107	476 363	**63 637**	62 510	51 567
Retained income		**1 032 974**	1 212 544	1 154 458	**114 140**	145 429	109 095
Non-current liabilities		**140 343**	151 838	164 742	**—**	—	—
Finance lease		**56**	340	167	**—**	—	—
Borrowings		**25 461**	—	26 770	**—**	—	—
Employee benefits		**16 643**	34 559	28 972	**—**	—	—
Deferred taxation		**5 173**	3 935	4 535	**—**	—	—
Operating lease liability		**45 604**	60 366	52 571	**—**	—	—
Deferred income		**46 242**	51 530	50 592	**—**	—	—
Due to SAFEX members		**1 164**	1 108	1 135	**—**	—	—
Current liabilities		**15 226 358**	15 678 883	15 395 094	**579**	581	853
Trade and other payables		**237 876**	189 540	219 580	**301**	301	594
Employee benefits		**68 935**	75 203	78 145	**—**	—	—
Operating lease liability		**13 717**	12 006	12 593	**—**	—	—
Due to Group entities		**—**	—	—	**279**	280	259
Margin and collateral deposits		**14 905 830**	15 402 134	15 084 776	**—**	—	—
Total equity and liabilities		**17 008 380**	17 693 980	17 328 904	**300 229**	330 393	283 388

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

for the six months ended 30 June 2012

	JSE Group			Investor Protection Funds		
	Six months ended		Year ended	Six months ended		Year ended
	30 June 2012 (reviewed) R'000	30 June 2011 (reviewed) R'000	31 Dec 2011 (audited) R'000	**30 June 2012 (reviewed) R'000**	30 June 2011 (reviewed) R'000	31 Dec 2011 (audited) R'000
Cash flows from operating activities						
Cash generated by/(used in) operations	**280 538**	314 952	664 575	**1 628**	(2 402)	(8 866)
Interest received	**447 845**	442 765	912 360	**3 576**	3 930	7 838
Interest paid	**(404 882)**	(401 883)	(826 264)	**—**	—	—
Dividends received	**1 530**	1 974	3 905	**1 530**	1 974	3 905
Taxation paid	**(123 438)**	(125 168)	(202 471)	**—**	—	—
Net cash generated by operating activities	**201 593**	232 640	552 105	**6 733**	3 502	2 877
Cash flows from investing activities						
Proceeds on sale of other investments	**11 958**	27 684	82 306	**11 958**	27 684	82 306
Acquisition of other investments	**(18 582)**	(24 197)	(33 100)	**(18 582)**	(24 197)	(33 100)
Dividends from equity accounted investees	**15 950**	26 124	26 124	**—**	—	—
Proceeds from disposal of property and equipment	**76**	8	83	**—**	—	—
Leasehold improvements	**(187)**	—	(47 406)	**—**	—	—
Acquisition of intangible assets	**(59 572)**	(70 505)	(179 126)	**—**	—	—
Acquisition of property and equipment	**(15 811)**	(29 107)	(62 083)	**—**	—	—
Net cash (used in)/from investing activities	**(66 168)**	(69 993)	(213 202)	**(6 624)**	3 487	49 206
Cash flows from financing activities						
Distribution by Investor Protection Funds	**—**	—	—	**(1 507)**	(1 463)	(53 947)
Proceeds from issue of new shares	**—**	5 485	22 092	**—**	—	—
Acquisition of treasury shares	**(26 736)**	(29 055)	(29 068)	**—**	—	—
Proceeds from sale of treasury shares	**2 423**	1 053	6 099	**—**	—	—
Loan raised	**—**	—	26 770	**—**	—	—
Loan repaid	**(1 309)**	—	—	**—**	—	—
Dividends paid	**(217 115)**	(178 767)	(361 158)	**—**	—	—
Net cash used in financing activities	**(242 737)**	(201 284)	(335 265)	**(1 507)**	(1 463)	(53 947)
Net (decrease)/increase in cash and cash equivalents	**(107 312)**	(38 637)	3 638	**(1 398)**	5 526	(1 864)
Cash and cash equivalents at 1 January	**1 041 089**	1 046 330	1 046 330	**110 176**	112 040	112 040
Effect of exchange rate fluctuations on cash held	**(9 528)**	(2 044)	(8 879)	**—**	—	—
Cash and cash equivalents at end of period	**924 249**	1 005 649	1 041 089	**108 778**	117 566	110 176

COMMENTARY

INTRODUCTION

In a difficult first half, in which a decline in the growth rate of equity trading volumes limited operating revenue, the JSE Limited ("JSE" or "Group") focused on progressing key elements of its five year growth strategy. The financial services industry locally and globally is facing enormous upheaval coupled with slow economic growth. In light of this, we have taken strong steps in all our business areas to position the JSE to grow sustainably in this changed reality and already in 2012 have achieved a number of strategic successes which position us well.

FINANCIAL COMMENTARY

JSE LTD RESULTS	H1'12 (R'm)	H1'11 (R'm)	% change
Operating revenue	682.8	667.9	2
Other income	11.7	20.8	(44)
Total income	694.5	688.7	1
Operating costs	503.6	375.8	34
Net interest	41.4	42.1	(2)
Net profit after tax	100.7	253.8	(60)
Basic earnings per share	117.0 cents per share	299.0 cents per share	(61)
Headline earnings per share	245.5 cents per share	288.9 cents per share	(15)

Included in operating costs above are, inter alia, the following:

Impairment	72.6	0	n/a
Personnel expenses	161.1	134.9	19
Early retirement payments	6.2	0	n/a

While operating revenue grew by 2%, other income reduced by 44%, mainly as a result of lower income from the investor protection funds during the period. As a result, total income for H1 being slightly up, by 1%.

Operating costs increased by 34% primarily as a result of:

- the decision not to complete the Market Services Solution ("MSS") following the technical recommendation earlier this year that it would need to be rewritten. This has resulted in an impairment to MSS and related Systems Replacement Project ("SRP") components;
- personnel expenses, which increased 19%, mainly owing to the deployment of staff from capital projects to operations following the review of MSS, resulting in these salary costs being expensed rather than capitalised;
- early retirement payments.

Earnings per share ("EPS") are 61% lower than H1 2011. Headline earnings per share ("HEPS") are 15% lower than H1 2011. EPS and HEPS for the Group for the period have been impacted by a number of factors, including (before tax):

- the impact of impairing MSS, the resultant reduction of the value of personnel costs capitalised to projects as well as the early retirement payments, all of which are referred to above;
- the writing back of R7.3 million bonuses withheld in 2011 pending a decision on the way forward on SRP and now forfeited as a result of the decision not to implement MSS. As a result, executives during 2011, will receive no part of the retained bonus, while the rest of the staff of the company will receive only a portion of the retained bonus, on a sliding scale.

The Group's consolidated effective tax rate for the six months to 30 June 2012 was 60% (H1 2011: 31%). The increase in the current period is mainly due to the reversal of the deferred tax on the accumulated impairments to MSS, amounting to R40.5 million, the non-deductibility of the impairment (R20.3 million) and STC (R2 million) on the higher dividend declared by the JSE earlier this year. The tax treatment of the software development costs is currently being investigated and may impact the taxation charge going forward. Net profit after tax for the period declined by 60%.

OPERATING REVENUE STREAMS

REVENUE	H1'12 (R'm)	H1'11 (R'm)	% change
Issuer Regulation	46.1	48.8	(5)
Equity Market	161.2	172.6	(7)
Back-Office Services (BDA) and Equities Risk Management	204.6	198.9	3
Equity Derivatives	57.0	55.9	2
Interest Rate Products	20.5	19.0	8
Currency Derivatives	8.3	7.2	14
Commodity Derivatives	24.5	23.6	4
Data Sales	70.8	61.1	16
Funds Management Fees	29.4	22.6	30

- Issuer Regulation revenue declined by 5% year on year, owing to a fall in the number of new company listings in H1 2012 and a decline in the volume of corporate actions;
- Equity Markets revenue declined by 7% despite a small increase in number of trades;
- Back-office services ("BDA") and Equities risk management revenue rose by 3% and 3% respectively. Revenues are somewhat linked to the number of equity transactions that take place on the cash equity market, though a different billing model means there is not an exact correlation;
- Equity Derivatives revenue was slightly up owing to growth in index derivatives contracts traded and despite a fall in total trading volumes;
- Interest Rate Products revenue grew by 8% prompted by nominal value growth (spot bond) and a rise in the number of contracts traded (derivatives);
- Currency Derivatives revenue grew by 14% as the value and the number of contracts traded rose by 27% in H1 2012 compared with the same period in 2011;
- Commodity Derivatives revenue rose by 4% following an increase in the number of physical deliveries processed and improved activity in the cash settled commodities;
- Data Sales revenue grew by 16% owing to international growth in professional indices users as well as algo players and hedge funds subscribing to JSE data; and
- Funds management fees were up 30% as a result of increased funds under management during the period.

UPDATE ON STRATEGIC INITIATIVES

We are pleased by the progress made towards our objectives in the first six months towards our strategic objectives. In particular we have:

- relooked at the pricing of most of our products and changed (and in many cases reduced) the pricing mix in our interest rate and currency markets to encourage increased market participation;
- completed our data centre (built to tier 3 specifications) and disaster recovery site;
- implemented the new equity trading system on time and on budget and moved it to Johannesburg from London and implemented a Point of Presence in London for access by international clients to JSE data. We announced a number of fee waivers to thank equity market participants for the enormous effort they put in to enabling us to go live with the new trading engine;
- upgraded the commodities and derivatives market technology to handle the increased volumes;
- in conjunction with National Treasury and market participants, found a way forward on securities transfer tax with which participants are comfortable and which should enable increased activity on our market;
- made significant progress on ensuring that our clearing, settlement and risk management services will meet the CPSS-IOSCO standards and that our clients obtain maximum Basel III relief in 2013.

PROSPECTS

The critical interdependencies between the exchange, the financial services community and its broader stakeholder group have become ever more apparent. That is why the JSE is focused on resilience and sustainability.
We are not able to make revenue projections for the Group, given the dependence on trading volumes in all the markets. In stressed market conditions, we are retaining our strong focus on controlling costs. Where we are investing, it is in ensuring that our current business is sustainable and that the right level of resources are deployed in those areas of our business that we think are critical to our long term revenue growth.

For and on behalf of the Board

HJ Borkum
Chairman

N Newton-King
Chief Executive Officer

15 August 2012

REVIEW CONCLUSION

KPMG Inc., the Company's independent auditor, has reviewed the consolidated interim financial statements contained in this interim report and has expressed an unmodified conclusion on the consolidated interim financial statements. The review report is available for inspection at the Company's registered office.

The consolidated financial results include the consolidated statement of financial position at 30 June 2012, the consolidated statement of comprehensive income and the consolidated statements of changes in equity and cash flows for the six months then ended and the explanatory notes. The explanatory notes are marked with a #.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2012

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 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 period											
Profit for the period		—	—	—	—	—	—	243 465	243 465	10 360	253 825
Other comprehensive income											
Net change in fair value of available-for-sale financial assets		—	—	—	—	—	—	—	—	(2 320)	(2 320)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss		—	—	—	—	—	—	—	—	(8 612)	(8 612)
Total other comprehensive income		—	—	—	—	—	—	—	—	(10 932)	(10 932)
Total comprehensive income for the period		—	—	—	—	—	—	243 465	243 465	(572)	242 893
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	18	—	—	—	—	—	—	(178 767)	(178 767)	—	(178 767)
Distribution from the BESA Guarantee Fund Trust		—	—	—	—	—	—	1 463	1 463	(1 463)	—
Treasury shares		(43)	(28 946)	—	—	—	—	—	(28 989)	—	(28 989)
Treasury shares – share issue costs		—	(67)	—	—	—	—	—	(67)	—	(67)
Sale of treasury shares		2	1 054	—	—	—	—	—	1 056	—	1 056
Ordinary shares issued		66	5 418	—	—	—	—	—	5 484	—	5 484
Ordinary shares allotted during July 2011		—	—	—	—	16 607	—	—	16 607	—	16 607
Equity settled share-based payment		—	—	—	—	—	6 050	—	6 050	—	6 050
Total contributions by and distributions to owners		25	(22 541)	—	5 455	16 607	6 050	(174 871)	(169 275)	(1 463)	(170 738)
Changes in ownership interests in subsidiaries that do not result in a loss of control		—	—	—	—	—	—	—	—	—	—
Total transactions with owners		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**	**1 212 544**	**1 533 447**	**329 812**	**1 863 259**
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 income		—	—	—	—	—	—	—	—	(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	18	—	—	—	—	—	—	(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 contributions by and distributions to owners		139	(1 016)	—	5 455	—	12 190	(304 778)	(288 010)	(53 947)	(341 957)
Changes in ownership interests in subsidiaries that do not result in a loss of control		—	—	—	—	—	—	—	—	—	—
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**
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	18	—	—	—	—	—	—	(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)
Changes in ownership interests in subsidiaries that do not result in a loss of control		—	—	—	—	—	—	—	—	—	—
Total transactions with 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**

[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, R1.5 million (June 2011: R1.5 million) (December 2011: R2.9 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.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months ended 30 June 2012

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 2012 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 Securities Services Act, No 36 of 2004.

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 and Nautilus MAP Operations (Pty) Limited), 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 2011 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 International Financial Reporting Standards ("IFRS"), IAS 34, *Interim Financial Reporting* and the AC 500 series pronouncements 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 2011.

These condensed consolidated interim financial statements were approved by the Board of Directors on 15 August 2012.

3# Accounting policies

Change in accounting policies

The Group has elected to early adopt Circular 3/2012: Headline Earnings. All other 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 2011.

4# Comparative figures

Unless otherwise indicated, comparative figures refer to the six months ended 30 June 2011.

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 2011.

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 2011.

7# Operating segments

Information about reportable segments

	Equity Market[1] R'000	Equity and Currency Derivatives R'000	Commodity Derivatives R'000	Interest Rate Products[2] R'000	Data Sales R'000	Other[3] R'000	Total R'000
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 30 June 2011							
External revenues	418 665	63 127	23 578	25 761	61 141	75 676	**667 948**
For the period ended 31 December 2011							
External revenues	846 055	133 305	53 142	52 040	125 547	159 721	**1 369 810**

[1]Comprises equities trading fees, risk management, clearing and settlement fees, membership fees, issuer services and back-office services ("BDA").
[2]Includes R7.6 million (2011: R6.7 million) of issuer regulation listing fees relating to the bond market.
[3]Comprises funds management and Strate ad valorem fees.

8# Long-term incentive scheme 2010 ("LTIS 2010")

LTIS 2010 is a long-term incentive scheme, designed to incentivise and retain selected senior employees of the JSE over rolling three- and four-year time horizons. All shares awarded under LTIS 2010 are held in trust and are restricted until the applicable vesting conditions are fulfilled. Where a participant leaves the employ of the JSE prior to the vesting dates or where the relevant personal or corporate performance metrics are not achieved, the share awards may be forfeited.

During June 2012 shareholders approved a special resolution authorising financial assistance to the JSE LTIS 2010 Trust, 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. The specific allocations to selected employees for the 2012 year ("Allocation 3") were approved by the Board, and these individual allocations were accepted by scheme participants prior to 30 June 2012. The requisite number of JSE ordinary shares were also acquired in the open market prior to 30 June 2012.

Notwithstanding the fair value grant date of 22 June 2012, a charge to profit and loss in respect of Allocation 3 will only be brought to account as from 1 July 2012 as the services relating to Allocation 3 commences from 1 July 2012. No fair value charge to profit and loss has therefore been included for the period under review. Information on Allocation 3 is as follows:

	Personal performance shares	Corporate performance shares
Base price (Rand per share)	78.68	78.68
Total number of shares granted	263 600	103 000
Vesting dates:		
50% of the shares awarded vest after three years	131 800	51 500
50% of the shares awarded vest after four years	131 800	51 500

Members of the JSE's executive committee, which includes the executive directors and Company Secretary, have been granted a total of 80 200 personal performance (previously "retention") shares and 103 000 corporate performance shares under Allocation 3.

The profit or loss fair value charge for the period in respect of Allocation 1 (granted in May 2010) and Allocation 2 (granted in May 2011) amounts to R3.5 million (2011: R6.1 million).

	Six months ended 30 June 2012 (reviewed) R'000	Six months ended 30 June 2011 (reviewed) R'000	Year ended 31 Dec 2011 (audited) R'000
9# Revenue			
Equity Market	**161 157**	172 637	352 188
Risk Management, Clearing and Settlement Fees	**104 928**	102 305	208 962
Back-Office Services ("BDA")	**99 700**	96 590	196 816
Issuer Regulation	**46 145**	48 798	91 622
Membership Fees	**5 239**	5 055	9 689
Equity Derivatives Fees	**56 950**	55 880	116 753
Currency Derivatives Fees	**8 277**	7 247	16 552
Commodity Derivatives Fees	**24 547**	23 578	53 142
Interest Rate Products	**20 541**	19 041	38 818
Data Sales	**70 780**	61 141	125 547
Funds Management	**29 398**	22 627	50 088
Total revenue before Strate ad valorem fees	**627 662**	614 899	1 260 177
Strate ad valorem fees	**55 135**	53 049	109 633
Total revenue	**682 797**	667 948	1 369 810
10# Other income	**11 682**	20 785	46 980
Other income decreased by 44%. Income from the Investor Protection Funds was lower than the prior period.			
11# Personnel expenses	**(161 107)**	(134 864)	(299 184)
There was an increase of 19% in personnel expenses. This is mainly as a result of: – the deployment of staff from capital projects to operations resulting in the relating salary costs being expensed; and – the remuneration benefits contractually payable to senior employees on early retirement. These expenses have been offset by the write-back of R7.3 million relating to the special bonus that was withheld during F2011 pending resolution of the Systems Replacement Programme ("SRP"), and now largely forfeited.			
12# Other expenses			
Other operating expenses	**(214 809)**	(187 874)	(404 555)
Impairment to SRP	**(72 572)**	—	(223 342)
Strate ad valorem fees	**(55 135)**	(53 049)	(109 633)
	(342 516)	(240 923)	(737 530)

12# Other expenses *(continued)*

The increase in other operating expenses is mainly due to computer costs increasing by R11.8 million, and consulting fees by R10.2 million.

The impairment to SRP of R72.6 million (June 2011: Rnil; December 2011: R223.3 million) relates to the carrying value of the Market Services Solution ("MSS") and associated components of SRP, which have been identified as not being able to deliver value. The decision to impair SRP was taken following a technical analysis that indicated that it is technically desirable to completely rewrite the MSS component, which is one of the five components of SRP.

13# Income tax expense

13.1 The Group's consolidated effective tax rate for the six months ended 30 June 2012 was 60% (for the six months ended 30 June 2011: 31%; for the year ended 31 December 2011: 31%). The increase in the effective tax rate for the current period is mainly due to the unwinding of deferred tax amounting to R40.5 million (2011: Rnil) in respect of the impairments to SRP. In addition, the SRP impairment of R72.6 million referred to in note 12 above was not deducted for tax purposes. We are currently investigating the tax treatment of software developments costs which may impact the taxation charge going forward.

13.2 The JSE Derivatives Fidelity Fund Trust and JSE Guarantee Fund Trust are exempt from Income Tax in terms of Section 10(1)(d)(iii) of the South African Income Tax Act, (No 58 of 1962). Application for the BESA Guarantee Fund Trust exemption is in progress.

	Six months ended 30 June 2012 (reviewed) R'000	Six months ended 30 June 2011 (reviewed) R'000	Year ended 31 Dec 2011 (audited) R'000
14# Earnings and headline earnings per share			
14.1 Basic earnings per share			
Profit for the period attributable to ordinary shareholders	**100 676**	253 825	341 795
Weighted average number of ordinary shares:			
Issued ordinary shares at 1 January	**86 877 600**	85 140 050	85 140 050
Shares issued during the period	**—**	287 992	864 338
Effect of own shares held (JSE LTIS 2010)	**(837 663)**	(547 375)	(724 979)
Weighted average number of ordinary shares at 30 June/31 December	**86 039 937**	84 880 667	85 279 409
Basic earnings per share (cents)	**117.0**	299.0	400.8
14.2 Diluted earnings per share			
Profit for the period attributable to ordinary shareholders	**100 676**	253 825	341 795
Weighted average number of ordinary shares (diluted):			
Weighted average number of ordinary shares at 30 June/31 December (basic)	**86 039 937**	84 880 667	85 279 409
Effect of share options in issue[1]	**385 220**	1 342 878	1 001 178
Weighted average number of ordinary shares (diluted)	**86 425 157**	86 223 545	86 280 587
Diluted earnings per share (cents)	**116.5**	294.4	396.1

[1]Consists of: June 2012 - LTIS 2010 treasury shares; June 2011 – LTIS 2010 treasury shares and BBBEE options; December 2011 – LTIS 2010 treasury shares .

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.

	Six months ended 30 June 2012 (reviewed) R'000	Six months ended 30 June 2011 (reviewed) R'000	Year ended 31 Dec 2011 (audited) R'000
14.3 Headline earnings per share			
Reconciliation of headline earnings:			
Profit for the period attributable to ordinary shareholders	**100 676**	253 825	341 795
Adjustments are made to the following:			
Profit on disposal of property and equipment	**(54)**	(8)	(60)
Gross amount	**(76)**	(11)	(83)
Taxation	**22**	3	23
Impairment of intangible assets	**113 023**	—	160 806
Gross amount	**72 572**	—	223 342
Taxation	**40 451**	—	(62 536)
Net realised gains on disposal of available-for-sale financial assets	**(2 449)**	(8 612)	(22 932)
Gross amount	**(2 449)**	(8 612)	(22 932)
Taxation	**—**	—	—
Headline earnings	**211 196**	245 205	479 609
Headline earnings per share (cents)	**245.5**	288.9	562.4
14.4 Diluted headline earnings per share			
Diluted headline earnings per share (cents)	**244.4**	284.4	555.9
14.5 Effect on earnings and net asset value per share of Investor Protection Funds			
The contribution these funds make to the Group is as follows:			
Basic earnings per share (cents)	**7.6**	12.2	31.1
Diluted earnings per share (cents)	**7.6**	12.0	30.7
Headline earnings per share (cents)	**4.8**	2.1	4.2
Diluted headline earnings per share (cents)	**4.7**	2.0	4.1
Net asset value per share (cents)	**348.3**	388.6	331.3

15# Property and equipment

During the six months ended 30 June 2012, the Group acquired assets with a cost of R15.9 million (2011: R29.1 million). The assets purchased were mainly in respect of the new equities trading platform (R9.6 million) and computer equipment (R5.2 million). There were disposals of R0.7 million (2011: R4.2 million).

16# Intangible assets

During the six months ended 30 June 2012, the Group acquired intangible assets with a cost of R59.6 million (2011: R67.0 million), mainly in respect of the new equities trading platform. The Systems Replacement Project ("SRP"), had an opening balance at the beginning of the year of R158 million. In H1 2012, we impaired all of the Market Services Solution and its associated software, amounting to R72.6 million. The remaining software components of SRP, have been reallocated to their relevant projects and will remain in Intangible Assets – Software under Development until they are implemented.

17# Investments in equity accounted investees

During the period under review, a dividend of R15.9 million (2011: R26.1 million) was received from Strate Limited.

18# Dividends declared and paid by the Group

	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 Dec 2011
Ordinary dividend of 250.0 cents (2011: 210.0 cents) per share	**217 193**	178 794	178 794
Ordinary dividend of 250.0 cents (2011: 210.0 cents) per share on unallocated treasury shares	**(79)**	(27)	(27)
Special dividend of nil cents (2011: 210.0 cents) per share	**—**	—	182 443
Special dividend of nil cents (2011: 210.0 cents) per share on unallocated treasury shares	**—**	—	(52)
	217 114	178 767	361 158

19# Contingent liabilities and commitments

A contingent liability of R2.2 million exists, relating to possible penalties payable to the London Stock Exchange for the timing of the move away from the TradElect system. This may be mitigated by set-off against future expenses incurred with Millenium IT, a London Stock Exchange Group company. There were no other changes to the contingent liabilities and commitments reported in the consolidated financial statements as at and for the year ended 31 December 2011.

BASTION GRAPHICS