INTERIM RESULTS 2016

August 2016

Operating environment for H1 2016

Globally,

- Uncertain start to 2016 for world economy
    - Following lacklustre H2 2015
- Equity markets reflect this uncertainty: volatility rising and asset prices falling
- Signs of improvement in some developed and emerging economies in Q1
    - But lower trade volumes, particularly in China, prompt renewed uncertainty over global growth
- Expectations of US interest rate hikes prompt negative emerging market sentiment, with relevant currencies depreciating significantly
    - Low interest rates in key advanced economies kept some emerging markets in play

In SA,

- Challenging operating environment, owing to
    - Global backdrop
    - Local developments including rising inflation, interest rates and unemployment as well as political uncertainty
- SA retains investment grade status: combined efforts of government, business and labour
- Vigorous activity across our markets as uncertainty prompts volatility

Operating environment for H2 2016

Globally,

- Pace of global economic recovery the key driver for financial markets, particularly
  - Strength of US recovery
  - Rate of slowdown in China
- Emerging markets could benefit from more positive outlook for US interest rates
  - Follows soft US economic data and outcome of UK's Brexit referendum
- Key political event to impact investor sentiment: US presidential elections
  - In SA, local municipal elections
- Global growth outlook cautiously positive
  - However continued lower investment levels could weaken the fragile recovery

In SA:

- Likely to avoid full-blown recession
- Key political event to impact investor sentiment: municipal elections
- SA continues efforts to retain investment grade status
  - Continued fiscal discipline focus likely
- H2 to remain challenging, as cost pressures rise and uncertainty prevails

What H1 2016 meant for our stakeholders

18%

Equity transactions

31%

Billable equity value traded

29%

Equity value traded

11%

Equity derivatives value traded

12%

Currency derivatives contracts

9%

Commodity derivatives contracts

61%

Interest rate Derivatives value

38%

Bonds value traded

H1 R77m and FY R217m

2016 capital investment

H1 2016 at a glance

R1.2bn
17%
Operating revenue

R636m
12%
Operating expenses

R587m
29%
Gross cash flow from operations

R567m
17%
EBIT

R513m
19%
NPAT

600 cents
19%
EPS

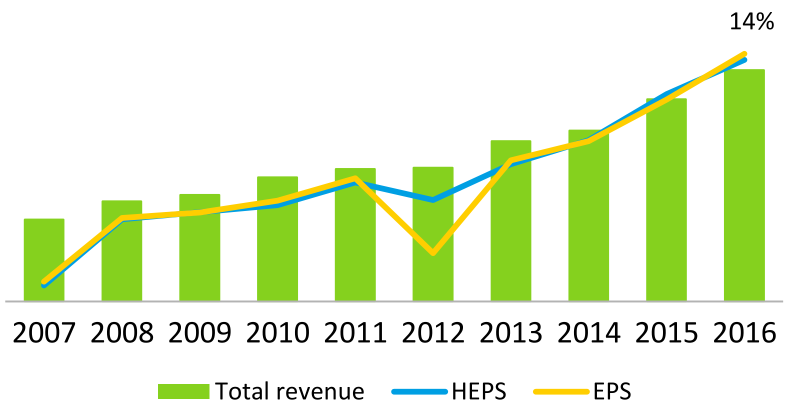
585 cents
19%
HEPS

Robust financial performance

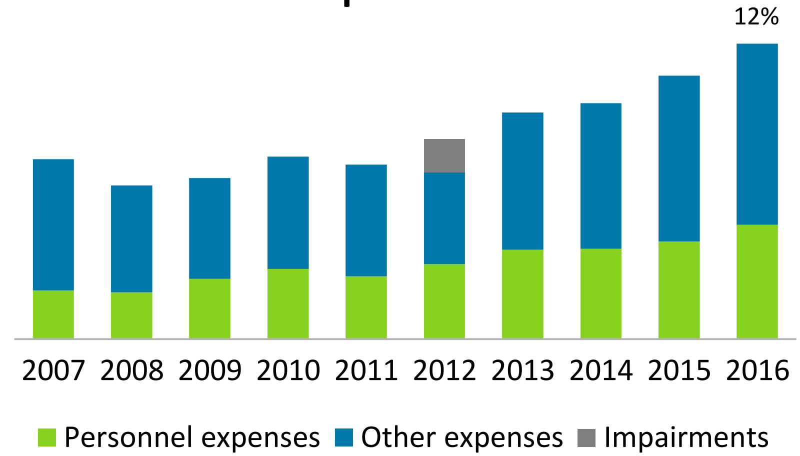
Group (Rm)	H1 2016	H1 2015
Revenue	**1 176**	1 008
Other income	**27**	43
Total revenue	**1 203**	1 051
Personnel expenses	**(246)**	(210)
Other expenses	**(390)**	(357)
Total expenses	**(636)**	(567)
EBIT	**567**	484
EBIT %	**47%**	46%
Net finance income	**97**	79
Share of profit of equity-accounted investee	**25**	22
Profit before income tax	**689**	585
Income tax expense	**(176)**	(155)
NPAT	**513**	430
NPAT %	**43%**	41%
EPS (cents)	**599.7**	503.9
HEPS (cents)	**585.1**	490.3

Growth trend

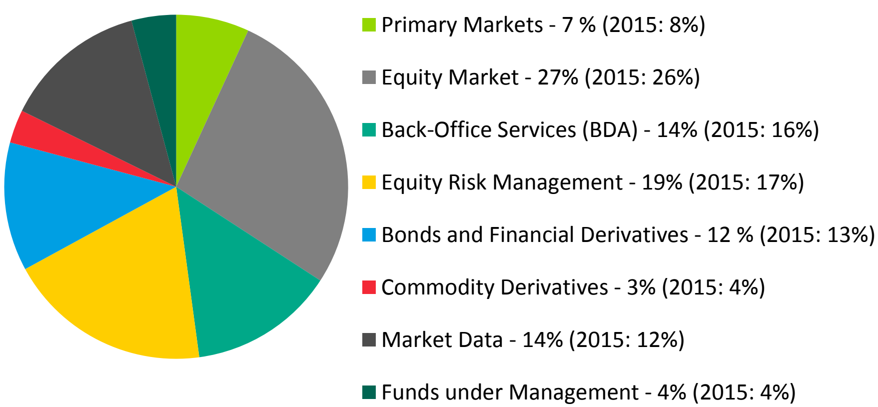
H1 revenue trend



H1 expenses trend



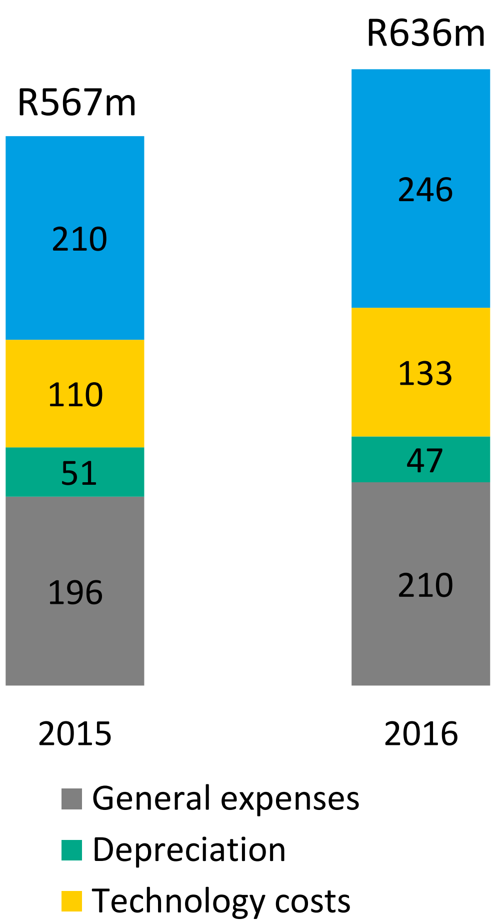
H1 2016 revenue as a % total



Excluding Strate ad valorem fees

- We continue to maintain positive operating leverage despite continuing to trend fees downwards. After a fee reduction, BDA charges during H1 2016 moved 2 percentage points down in revenue composition
- Total cost growth is 12% (2015: 12%)
  - Includes BAU cost growth of 8% (2015: 10%)

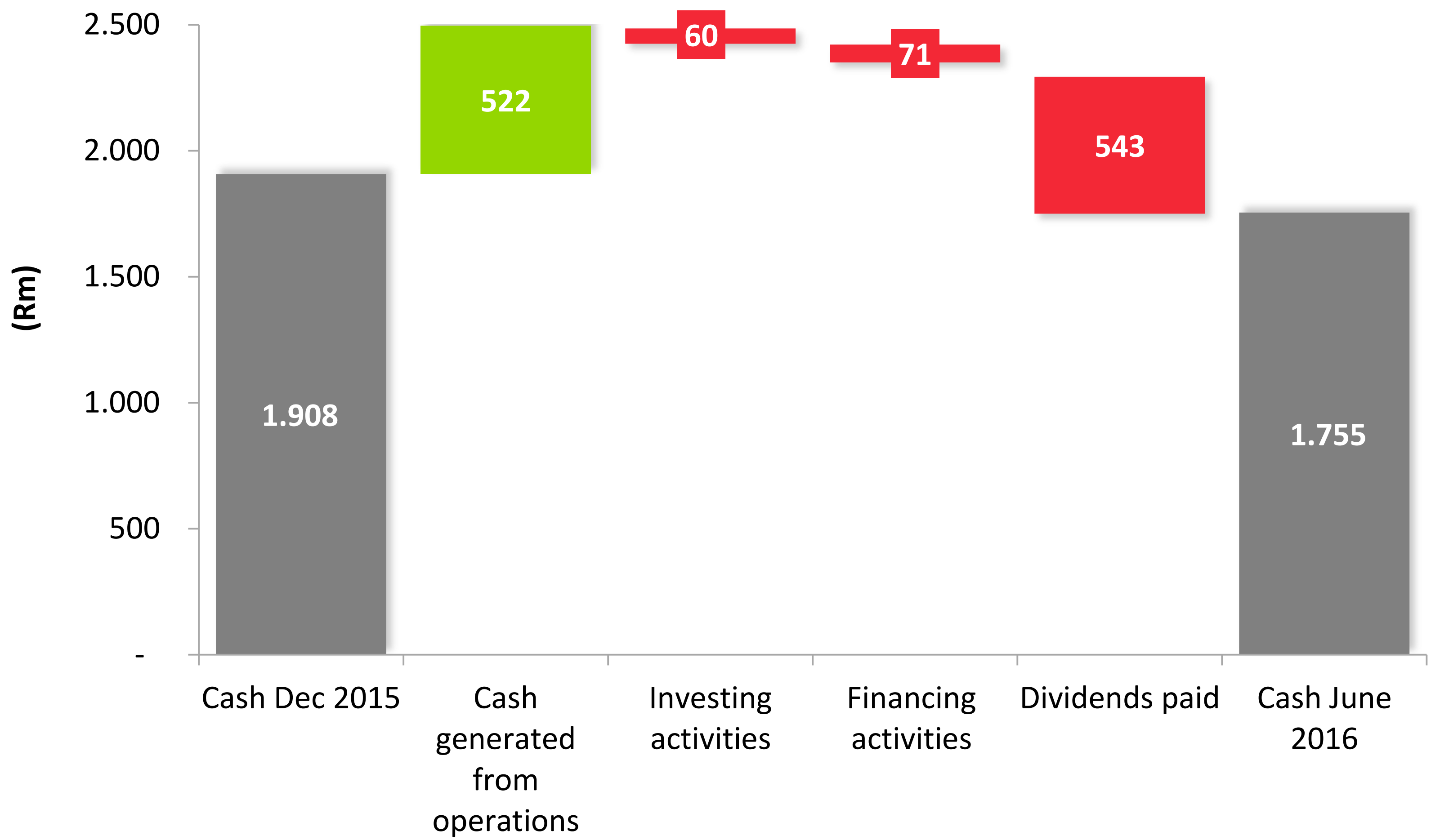
H1 Operating expenses



Total operating expenses ↑ 12% or R69m (2015: 12% or R59m)

- Personnel costs ↑ 17% or R36m (2015: 8% or R16m)
  - Cost-to-company and deferred compensation, which rose by R32 million or about 17%, largely driven by an 8% increase in the average salary per employee as well as a rise in average headcount from 470 to 498. This contributed a 15 point increase to the payroll bill, including retention payments;
  - LTIS accounting impact ↑ R3m to R25m (2015: R22m) contributing a further 2 percentage points
  - Remuneration capitalised to projects ↑ R2m to R11m (2015: R9m) as work on strategic projects accelerated, thus decreasing personnel costs by 1 percentage point
  - Leave pay ↑ R1m to R3m (2015: R2m) and 1 percentage point of growth
- Technology costs ↑ 20% or R22m (2015: 19% or R18m) largely owing to spending on contractors ↑ R13m or 81% to R29m (2015: R16m), contributing 12 percentage points to growth
- Depreciation down R4m (2015: ↑ R2m)
- General expenses ↑ 8% to R210m (2015: R196m) largely owing to
  - Black Broker Enterprise Development initiative: R3m (2015: Rnil)
  - Membership fees ↑ R3m (2015: ↑ R1m) owing to timing differences and forex impact
  - Strate ↑ R7m or 11% from R64m to R71m on the back of higher volumes (included in general expenses)

Cashflow view

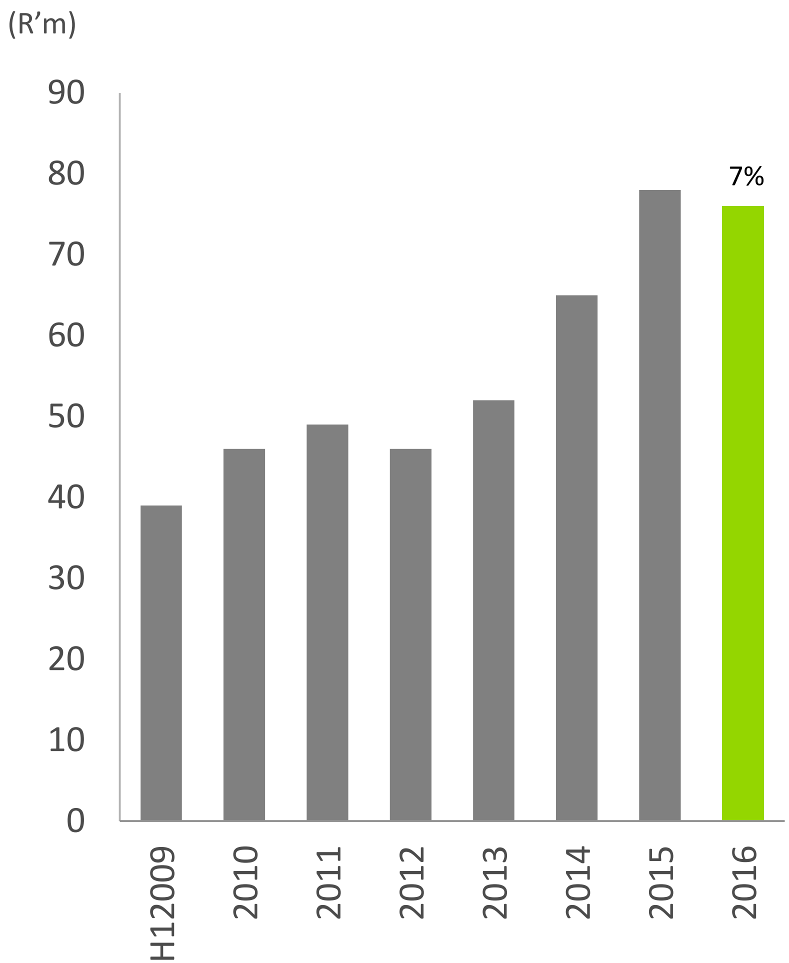


- Strong balance sheet and no debt

JSE

BUSINESS REVIEW

Capital Markets: Primary Market

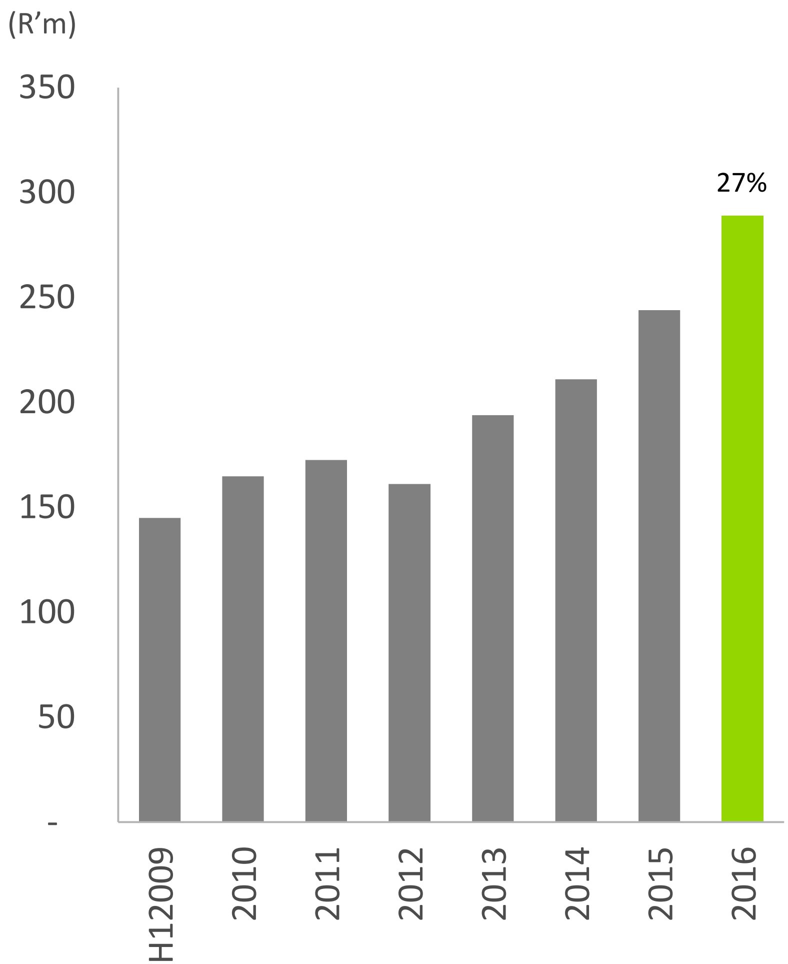


7% of total revenue in H1 2016

- Revenue ↓ 2% to R76m (H1 2015: R78m)
  - 6 new company listings (H1 2015: 9)
  - Other main board listings ↑ 2 ETFs, 97 Warrants and 53 Structured Products (H1 2015: 1 ETF, 1 ETN, 157 Warrants and 33 Structured Products)
  - 408 new Bonds issued (H1 2015: 390). Total nominal listed Bond value was R2.6tr (H1 2015: R2.1tr)
- Tough economic conditions impact H1 2016 performance: Initial and Additional listings fees in the Equity Market fall as the value of initial and additional capital raised drops by 65%

Revenue % changes calculated on unrounded figures

Capital Markets: Equity Market



27% of total revenue in H1 2016

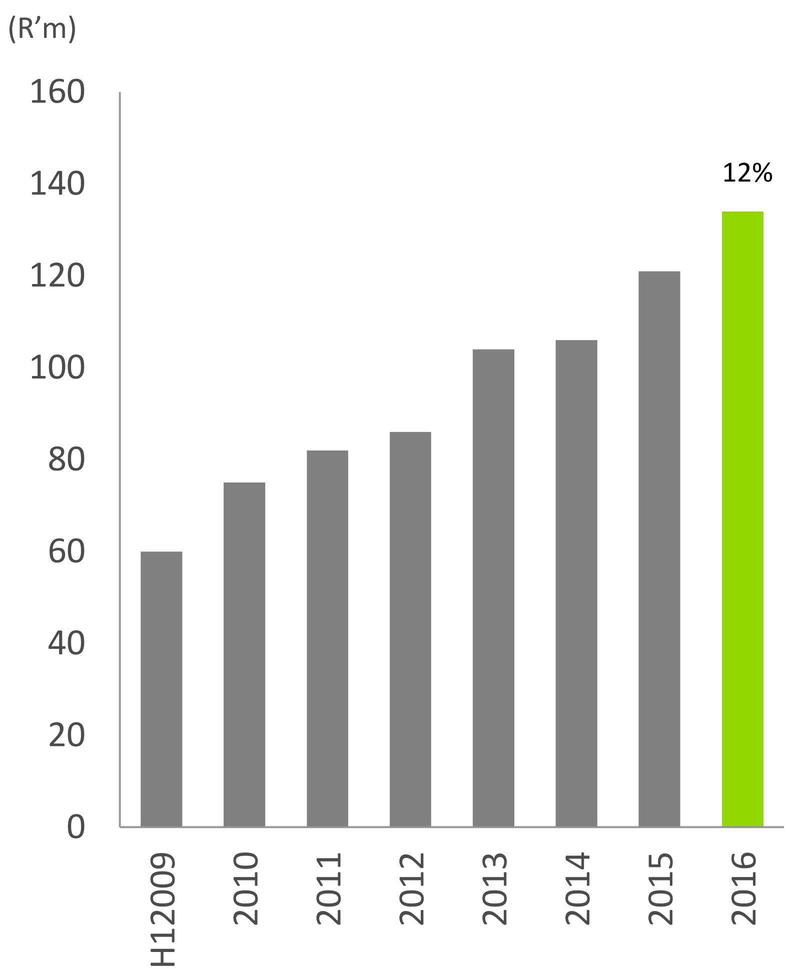
- Revenue ↑ 23% to R289m (H1 2015: R235m)
  - Billable value traded ↑ 31%
  - Trades ↑ 16% (H1 2015: 30m; H1 2014: 30m; H1 2013: 21m)
  - Value traded ↑ 29% (H1 2016: 3tr; H1 2015: 2.4tr; H1 2014: R2.0tr; 2013: R2.1tr)
  - Colocation traded executions account for 31.35% of overall market value traded
- Value and volumes up prompted by
  - Increased volatility
  - SAB Miller/AB InBev transaction

Strategic focus for H2 2016

- New trade type functionality for large order management to go live in H2 2016

Revenue % changes calculated on unrounded figures

Capital Markets: Bonds and Financial Derivatives



12% of total revenue in H1 2016

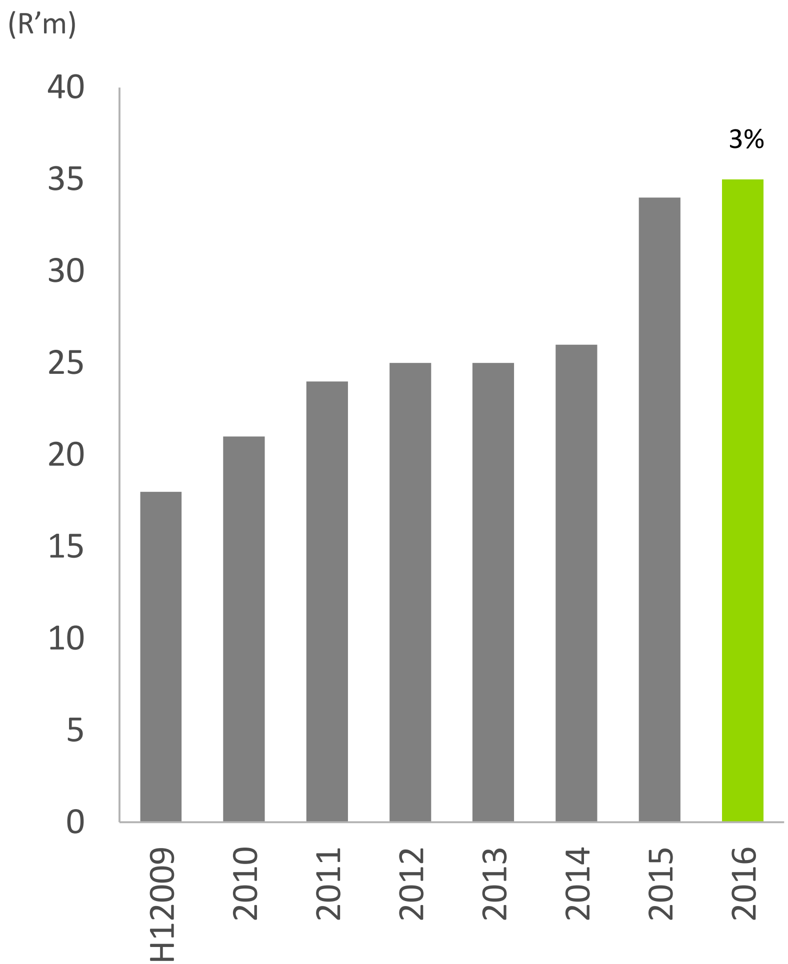
- Revenue ↑ 9% to R134m (H1 2015: R123m)
  - Equity derivatives revenue ↑ 10% to R90m. Number of contracts traded ↑ 57%; value traded ↑ 12%
  - Currency derivatives revenue ↑ 22% to R19m. Contracts traded ↑ 12%; value traded ↑ 46%
  - Interest rate market revenue ↓ 1% to R24m. Bond nominal value traded ↑ 38%; Interest rate derivative contracts traded ↑ 61%
- Volatility drives trade across markets
- Billing model of Can Do products reviewed, resulting in price reductions across products
- Work with market participants in Bond Market takes place to drive further trade growth
- Combination of increased volatility and market making incentive scheme drive Currency Market trade

Strategic focus for H2 2016

- Bond Electronic Trading Platform

Revenue % changes calculated on unrounded figures

Capital Markets: Commodity Derivatives

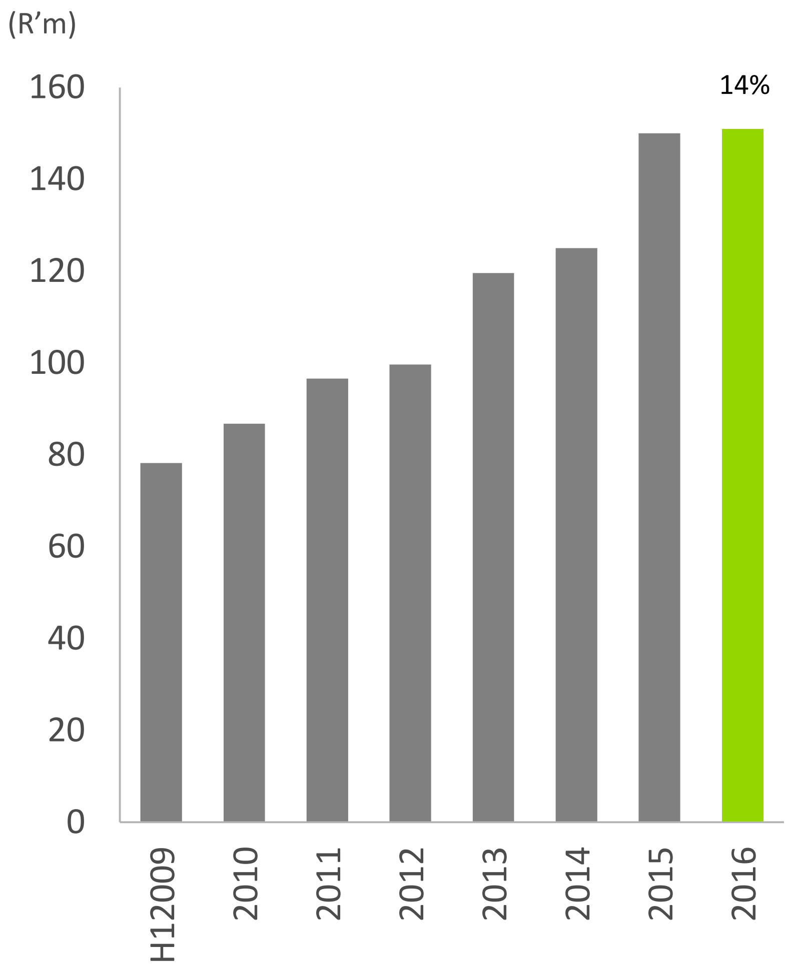


3% of total revenue in H1 2016

- Revenue ↑ 3% at R35m (H1 2015: R34m) owing to:
  - Contracts traded ↑ 9%
  - Value traded ↑ 63%
- Domestic agricultural commodity prices driven by the intense drought conditions which saw a sharp rise in contracts in Jan 2016
  - Maize contract volumes ↑ 7% off 2015's record volumes
- Wheat volumes ↓ 16%: uncertainty over policy and tariff changes

Revenue % changes calculated on unrounded figures

Trading and Market Services: Back-Office Services
(*BDA*)



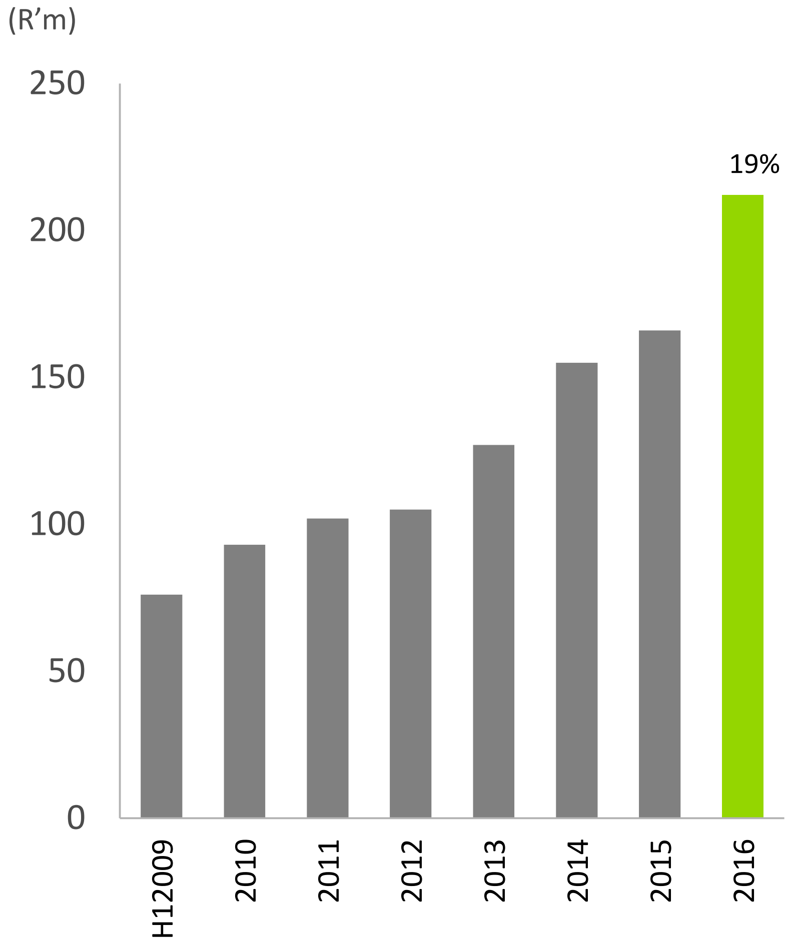
14% of total revenue in H1 2016

- Revenue ↑ 1% to R151m
  (H1 2015: R150m)
  - Linked to Equity Market transactions
  - Net of R39m impact of 20% BDA fee reduction: lower fee per transaction; discontinuation of transaction storage fees
- R95m revenue give-up from 2013 to end H1 2016
  - R38m in rebates (2013: R11m; 2014: 5m; 2015: R22m)
  - R57m in price reductions (2015: R18m; H1 2016: 39m)

Revenue % changes calculated on unrounded figures

Post-Trade and Information Services:

Risk Management



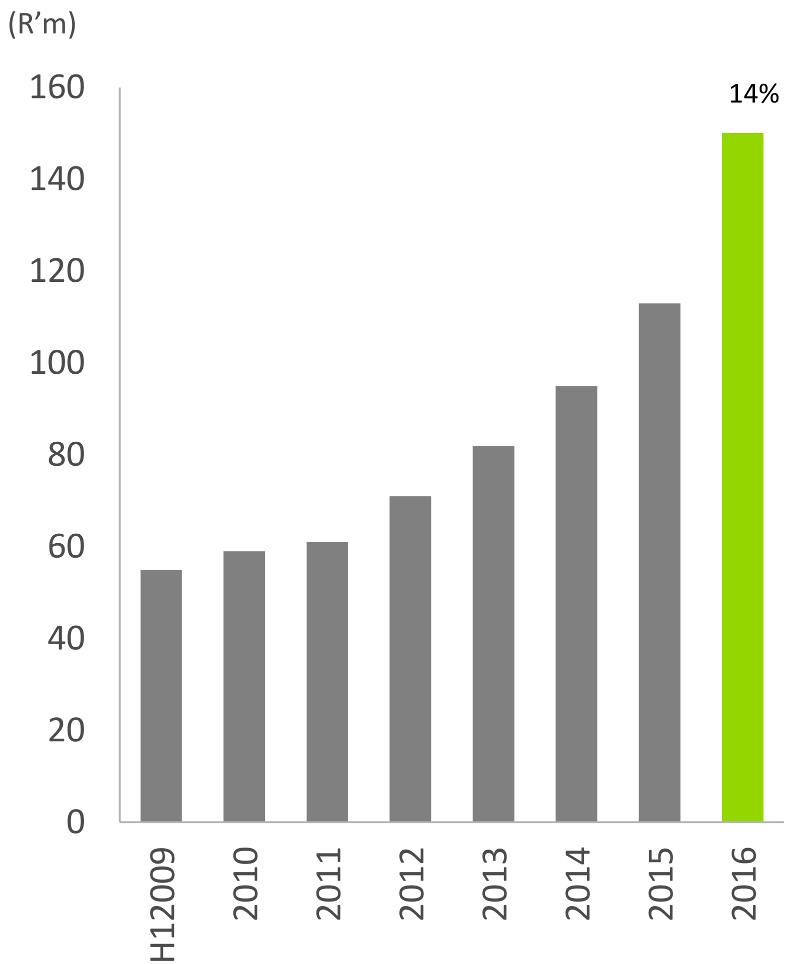
19% of total revenue in H1 2016

- Revenue ↑ 28% to R212m (H1 2015: R166m)
  - 29% growth in value traded with revenue-generating value up 30%
  - Reflects only Equity Market clearing fees
- T+3 project went live on 1 July 2016
  - Enhancement aligns SA market more closely with global benchmarks and standards
- Significant progress made on project to introduce integrated solution for JSE's trading and clearing services (ITaC)
  - Aim: provide stable, efficient, multi-product platforms for enhanced trading and clearing services
  - On track for Equity and Currency Derivatives Markets go live on new platform in H2 2017
- JSE Clear recognized by European Union's Securities and Markets Authority as "equivalent" to CCPs in the EU

Revenue % changes calculated on unrounded figures

Post-Trade and Information Services:

Market Data



14% of total revenue in H1 2016

- Revenue ↑ 32% to R150m (H1 2015: R113m). Of this R37m increase, the biggest drivers are:
  - R23m: forex impact
  - R7m: price increases
  - R2m: organic growth
- 22 new clients: 13 local and 9 international
- Non-display clients increased by 12
- Number of terminals to date, 38 531 (local 21 730 vs international 16 801)
- 1 additional client joined the colocation center

Revenue % changes calculated on unrounded figures

LOOKING AHEAD

Increased capital expenditure
(external spend only)

Project/Initiative	H1 2016	H2 2016	**FY 2016**	FY 2015
T+3 Phase 3	9	1	**10**	21
Integrated trading and clearing (including new trade functionality)	46	81	**127**	86
Customer relationship management	6	6	**13**	10
Bond ETP	-	5	**5**	-
Business as usual	16	47	**63**	42
Total external capex spend	**77**	**140**	**217**	**159**

**Contains rounding difference*

Total capex spend on Integrated trading and clearing Project 1 is still expected to be in the order of R400m by end 2017

Strategic projects not yet quantified:

- Equity market risk model

H2 2016: challenging, but exciting

The focus for 2016 remains on projects that are designed to strengthen the delivery of the JSE’s strategic vision. In particular:

- Progressing ITaC: first phase, focused on equity derivatives and currencies, is on track for implementation in H2 2017
- Having restructured the business, focusing on particularly high growth areas – Post Trade Services and Information Services
- Exchange-traded platform for government bonds
- Monitoring implementation of Twin Peaks model of financial regulation in SA
  - Given impact on the JSE and JSE Clear in terms of the Financial Market Act
- Improve delivery to our customers
- Working with Government, business and labour on SA Inc
- Focusing on how we contribute to SA’s inclusive growth with market for SMEs

QUESTIONS

Financial metrics TO BE REPLACED

	H1 2016	H1 2015	H1 2014	H1 2013	H1 2012	H1 2011
Operating margin	**47%**	46%	43%	41%	27%	45%
EPS	**599.7**	503.9	389.4	341.9	117.0	299.0
HEPS	**585.1**	490.3	391.2	333.2	245.5	288.9
PE	**30.9**	25.5	24.6	20.8	64.1	21.2
Dividend yield	**2.8%**	3.7%	4.2%	3.5%	3.3%	3.3%
EBITDA	**614**	535	428	390	226	340