



REVENUE UP 31% OPERATING COSTS UP 48% DUE LARGELY TO SHARE-BASED COSTS THAT DON'T AFFECT CASH FLOW CASH FROM OPERATIONS UP 67%

COMMENTARY

Highlights

South African and indeed global markets continued their strong performance during the first six months of 2007. The JSE's All Share Index rose to a record high, reaching 28 337 by 30 June 2007 (31 December 2006: 24 915). Against this backdrop – and supported by a continued focus on innovation and providing world-class trading, clearing and settlement facilities – the JSE Limited (JSE) experienced buoyant trading conditions across its three main markets resulting in a 31% increase in revenue. Despite this increase, attributable profit was lower, primarily as a result of certain share-based expenses, which have little or no effect on cash flow, the details of which are dealt with under the heading "Overview of results".

Business highlights for the period included:

- The average daily number of cash equity trades rising to 39 365 during the period (2006 financial year: 32 000) with a high of 78 676 on the June 2007 futures close-out day;
- The daily average number of equity derivatives contracts traded rose 200% during the same period;
- The listing of fifteen new companies during the period, eight on the Main Board and seven on AltX, the JSE's exchange for small and medium size companies;
- Launching currency futures, trading on Yield-X;
- Launching of the SAVI Index, the first index monitoring volatility of JSE equities (based on the Top 40 Stocks);
- Becoming the largest Single Stock Futures Market in the world in the first quarter of 2007, overtaking the National Stock Exchange of India; and
- Issuing the final tranche of JSE shares to The JSE Empowerment Fund which now holds 2% of the JSE shares and boosts the direct black shareholding on the JSE to 9,62%.

Overview of results

FINANCIALS

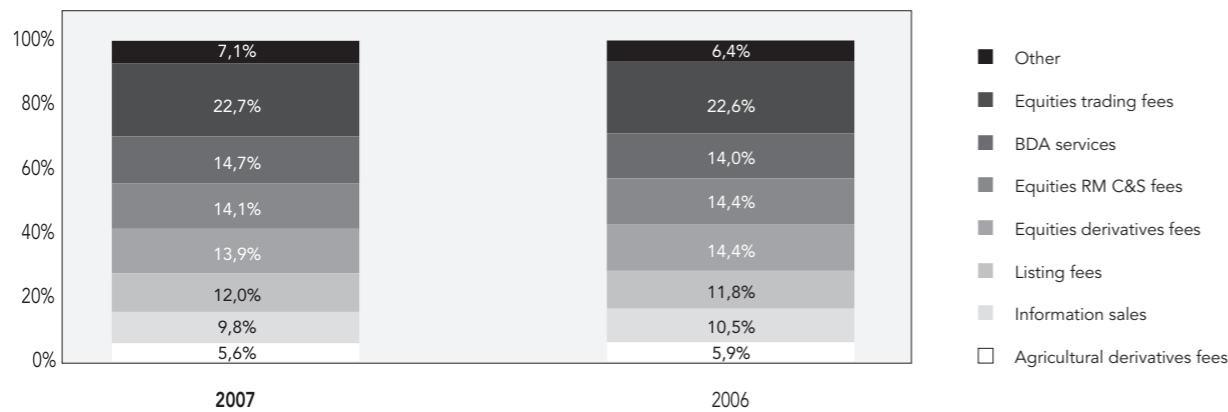
In the six months to 30 June 2007:

- Group revenue grew by 31% to R411,5 million (2006: R313,0 million);
- Group operating revenue is not directly comparable to that of the previous period due to a change in the agreement between Strate and the JSE. With effect from March 2006, Strate has charged the JSE for the services it provides to JSE member firms. The JSE then recovers these amounts. Though no net income accrues to the JSE from this process, the amounts concerned, being R39,2 million in 2007 and R24,6 million in 2006 are reflected in both revenue and expenses to comply with International Financial Reporting Standards (IFRS);
- Other income decreased by 68% to R13,2 million (2006: R41,7 million) mainly as a result of a performance bonus of R26 million received by the JSE Guarantee Fund Trust from its insurance underwriters during 2006 not being repeated this year;
- Group operating expenses were 48% higher than the corresponding period last year at R387,0 million (2006: R261,4 million). A significant portion of this increase is due to share-based costs, namely, the JSE's Broad-Based Black Economic Empowerment (Broad-Based BEE) Transaction and the Long-Term Staff Incentive Scheme (the Staff Scheme), which are discussed below. Share-based costs can be excluded from the results for a meaningful assessment of the JSE's performance:
 - Personnel costs (excluding the Staff Scheme) increased 7% on the previous period (see Note 8); and
 - Other operating costs (excluding the impact of the new agreement with Strate and the Broad-Based BEE costs) rose 9% on the previous period (see Note 9).
- Share-based costs also did not affect cash flow. Cash generated by operations rose to R157,8 million (2006: R94,7 million);
- Net financing income of R37,8 million (2006: R22,5 million) rose by 68%;
- The JSE's share of profit from the equity accounting of certain investees and in particular Strate, added R12,1 million to the results (2006: R19,0 million). Though Strate's revenue rose to R110 million during the period (2006: R100 million), its cost base increased to accommodate greater volumes in the market, accounting for the drop in the JSE's equity accounted portion;
- A tax charge of R47,0 million. The JSE's effective tax rate for the period was 54% due mainly to the costs of the Broad-Based BEE initiatives not being deductible for tax purposes. The first tax assessment received by the JSE as a tax-paying entity was far higher than anticipated, as a consequence of the interpretation of the nature of the JSE's first contract with the London Stock Exchange. This is being contested.

The resultant attributable profit for the period, after accounting for all expenses, was R40,5 million, 56% lower than that for the equivalent period last year. The cost:income ratio rose to 96% including share-based costs. The exclusion of these share based costs – in order to calculate a benchmark of the JSE's performance – results in a cost:income ratio of 61% (2006: 64%).

The growth in Group operating revenue is driven by the increased use of all the services the JSE provides rather than by increased prices.

REVENUE CONTRIBUTION ACROSS MAIN BUSINESS LINES



The biggest contributor to Group revenue remains equities trading at R84,3 million (21% of total). Revenue from equities trading rose by 29% during the period. In the interim period, revenue from equity derivatives rose by 34% to R53,7 million; that is 13% of total first half revenue. The rapid growth of trades in Single Stock Futures continues to be a major factor behind growth in the equity derivatives market.

During the period, thirty-one companies delisted. Most of these have been suspended for a number of years and left the boards during the JSE's clean-up operation of companies which don't trade or no longer qualify to be listed. This clean-up operation is largely complete. However two companies were delisted as a result of private equity activity.

The JSE is continuing to focus on innovating its product lines. In response to market demand, and with strong support from the Minister of Finance and National Treasury, currency futures were launched in June 2007 with a rand/dollar future specifically aimed at retail investors. The first month of trade met the expectations of management.

In line with our objective of continually reducing the cost to trade on our markets, the JSE lowered the fees it charges for the administration of the funds it manages on behalf of investors by 20%.

SHARE-BASED EXPENSES: BROAD-BASED BEE TRANSACTION AND THE STAFF INCENTIVE SCHEME

Two share-based expenses continued into the interim period.

- The JSE's **Broad-Based BEE Transaction** consists of two elements: The JSE Empowerment Fund (JEF) and the Black Shareholders' Retention Scheme (BSR Scheme). JEF is designed to fund the education of black students working towards a tertiary level qualification in the financial markets. During the period, 434 387 shares were issued to JEF. This resulted in a charge to the Income Statement of R30,4 million. This completes the issue of the 1,7 million JSE shares that were set aside to be issued to JEF at par for cash and there will be no further charges in this regard.
- The BSR Scheme is aimed at incentivising the JSE's black shareholders to retain their JSE shareholding at least until 2011. In terms of the BSR Scheme, holders of JSE shares who are Black and who acquired JSE shares on or before 28 March 2006 are considered to be Qualifying Black Shareholders. Qualifying Black Shareholders were issued the first tranche of 579 183 options in June 2006 at a strike price of R4,81 an option and the second tranche of 733 395 options in June 2007 at a strike price of R15,17 an option. The resultant charge to the Income Statement was R11,7 million in 2006 and R52,6 million in 2007. The final tranche of options is only due to be issued during June 2008 and there will be no further expenses in this regard during 2007.
- The **Staff Scheme** is designed to attract, retain and incentivise the JSE's senior management over the long term. It is a non-dilutive cash bonus scheme based on the growth shown in the share price. The Staff Scheme was introduced on 1 January 2006. Personnel expenses increased by R46,6 million during the interim period as a result of the valuation of the Staff Scheme as required by IFRS. The JSE is investigating improving its incentive scheme to make it more cost effective to the JSE while still serving to retain and incentivise senior management.

ANNUAL INCREASE IN EMOLUMENTS: NON-EXECUTIVE DIRECTORS

At the JSE AGM on 24 April 2007, shareholders approved an 8% increase in certain categories of non-executive directors' remuneration. However the base used to calculate the Rand increase of these fees was incorrect: the calculation was based on the calendar year 1 January 2006 to 31 December 2006 instead of the period of May 2006 to 30 April 2007. The Board implemented the 8% increase from 1 May 2007 on the correct basis. In addition, the Board implemented an 8% increase on the retainer portion of the non-executive directors' remuneration. The difference in total cost to the JSE is not material.

BALANCE SHEET

The JSE Ltd's balance sheet structure is conservative due to the nature of the business and the fact that the JSE guarantees trades on the cash equities market. The Board is currently evaluating the Group's capital requirements given current market conditions and the JSE's short and medium term strategic imperatives.

TECHNOLOGY

The JSE is party to agreements for the development of software totaling approximately R215,2 million (2006: R210,6 million) over the next 18 months, of which R154,9 million (2006: R147,3 million) has been settled. Project Orion, the IT transformation project, is a fixed cost contract. It is currently running behind schedule and the JSE is in discussions with the service provider regarding payment of further amounts towards the fixed fee for resolution of scope items. The next phase of Project Orion is expected to be launched in November 2007.

The JSE moved onto the London Stock Exchange's new equity trading system, TradElect, on 2 April 2007. TradeElect brings increased levels of performance, enhanced functionality and new services to the market whilst maintaining the JSE's record of reliability. It allows JSE customers to trade in one of the fastest, most reliable and technologically advanced equity markets in the world.

JSE GUARANTEE FUND TRUST AND JSE DERIVATIVES FIDELITY FUND TRUST

The JSE Guarantee Fund Trust and JSE Derivatives Fidelity Fund Trust are consolidated in terms of IFRS. The trusts are legally separate from the JSE and shareholders do not have any right to the net assets of such trusts.

Prospects

The JSE will continue to focus on providing world-class trading, clearing and settlement systems with the aim of attracting increasing issuer and investor activity. The Group will also continue its strategy of adding to the services provided by the JSE so as to diversify its revenue stream and reduce the Group's exposure to any particular market segment. In particular, the JSE:

- Is investigating moving to a shorter settlement cycle;
- Is placing much attention on attracting new companies to our markets, including inward listings;
- Will list a number of new Exchange Traded Funds which now have Financial Services Board approval;
- Is evaluating the prospects for further new and innovative products to be launched on the equities, equity derivatives and Yield-X markets;
- Is working on new ways in which to provide our clients with greater access to African and International capital markets and issuers; and
- Is continuing to work on implementing our planned technology upgrades.

While the Group's prospects are still largely dependent on market conditions, the Board is optimistic that positive trading conditions will continue in the second half of 2007. These results have been reviewed but not audited by the auditors.

For and on behalf of the Board

H J BORKUM
Chairman

R M LOUBSER
Chief Executive Officer

15 August 2007

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2007

Note	JSE Group			Investor Protection Funds*		
	2007 (reviewed) R'000	2006 (unaudited) R'000	year ended 31 December 2006 (audited) R'000	2007 (reviewed) R'000	2006 (unaudited) R'000	year ended 31 December 2006 (audited) R'000
	6	411 457	313 025	640 377	—	—
	7	13 219	41 745	65 370	10 236	34 924
	8	(104 978)	(60 311)	(162 986)	—	—
	9	(282 032)	(201 131)	(413 561)	(6 762)	(3 840)
		37 666	93 328	129 200	3 474	31 084
		536 676	254 521	676 190	2 086	1 892
		(498 917)	(231 999)	(621 450)	—	—
		37 759	22 522	54 740	2 086	1 892
		12 069	18 966	27 364	—	—
		87 494	134 816	211 304	5 560	32 976
	10	(46 961)	(42 591)	(70 254)	—	—
		40 533	92 225	141 050	5 560	32 976
		47,7	110,4	168,0	6,5	39,5
		47,5	110,4	167,5	6,5	39,5

* The JSE maintains the JSE Guarantee Fund Trust and the JSE Derivatives Fidelity Fund Trust for investor protection purposes as required under the Securities Services Act 36 of 2004. The JSE is required to consolidate them 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 such Trusts. For enhanced understanding, the investor protection funds have been shown separately, although, for compliance with IFRS, these results form part of the Group financial statements.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS AT 30 JUNE 2007

Note	JSE Group			Investor Protection Funds		
	2007 (reviewed) R'000	2006 (unaudited) R'000	as at 31 December 2006 (audited) R'000	2007 (reviewed) R'000	2006 (unaudited) R'000	as at 31 December 2006 (audited) R'000
	575 869	466 886	517 316	244 477	160 103	213 919
	206 949	218 286	213 198	—	—	—
	72 646	63 308	54 119	—	—	—
	244 481	160 107	213 923	244 477	160 103	213 919
	51 793	25 185	36 076	—	—	—
	14 090 319	9 059 015	10 151 448	21 769	54 224	26 200
	183 854	145 049	115 694	722	27 382	6 468
	4 285	1 256	4 285	—	—	—
	—	135	—	—	—	—
	502	3 712	1 407	—	—	—
	13 309 016	8 433 709	9 525 198	—	—	—
	592 662	475 154	504 864	21 047	26 842	19 552
	14 666 188	9 525 901	10 668 764	266 246	214 327	239 939
	964 565	797 870	833 540	266 065	214 158	239 742
	157 113	87 889	107 833	—	—	—
	96 969	24 500	47 981	—	—	—
	11 288	11 235	11 749	—	—	—
	48 053	46 123	47 333	—	—	—
	803	6 001	770	—	—	—
	13 544 510	8 640 142	9 727 391	181	169	197
	205 266	151 758	148 872	181	169	197
	1 042	28 381	25 606	—	—	—
	29 186	26 294	27 715	—	—	—
	13 309 016	8 433 709	9 525 198	—	—	—
	13 701 623	8 728 031	9 835 224	181	169	197
	14 666 188	9 525 901	10 668 764	266 246	214 327	239 939

CONDENSED CONSOLIDATED INTERIM STATEMENT CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 2007

	JSE Group			Investor Protection Funds		
	2007 (reviewed) R'000	2006 (unaudited) R'000	year ended 31 December 2006 (audited) R'000	2007 (reviewed) R'000	2006 (unaudited) R'000	year ended 31 December 2006 (audited) R'000
	157 759	94 681	223 710	(1 075)	(418)	10 882
	514 916	245 399	652 361	2 086	1 891	3 249
	(474 322)	(219 186)	(584 259)	—	—	—
	2 563	—	4 402	2 563	—	4 402
	(80 483)	—	(64 016)	—	—	—
	120 433	120 894	232 198	3 574	1 473	18 533
	—	35 000	65 000	—	—	—
	(211)	(204)	(623)	—	—	—
	(211)	(204)	(623)	—	—	—
	(19 184)	(37 098)	(79 087)	(2 079)	(33 430)	(57 780)
	31 857	21 364	45 168	31 857	21 364	45 168
	(33 936)	(54 794)	(102 948)	(33 936)	(54 794)	(102 948)
	(6 459)	—	(12 413)	—	—	—
	—	1 500	—	—	—	—
	(363)	(162)	(741)	—	—	—
	(10 283)	(3 506)	(9 653)	—	—	—
	(19 395)	(2 302)	(14 710)	(2 079)	(33 430)	(57 780)
	43	87	131	—	—	—
	(13 283)	—	(69 230)	—	—	—
	(13 240)	87	(69 099)	—	—	—
	87 798	118 679	148 389	1 495	(31 957)	(39 247)
	504 864	356 475	356 475	19 552	58 799	58 799
	592 662	475 154	504 864	21 047	26 842	19 552

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED JUNE 2007

	Share Capital R'000	Share Premium R'000	Non-distributable Reserve R'000	BBBEE Reserve R'000	Retained Earnings R'000	Total Exchange and Subsidiaries R'000	Investor Protection Funds R'000	Total Group R'000
	8 340	162 779	10 058	—	324 933	506 110	176 494	682 604
	—	—	—	29 727	—	29 727	—	29 727
	87	—	—	—	—	87	—	87
	—	—	—	—	—	—	4 688	4 688
	—	—	—	—	—	—	4 688	4 688
	—	—	—	—	59 249	59 249	32 976	92 225
	—	—	—	—	(11 461)	(11 461)	—	(11 461)
	8 427	162 779	10 058	29 727	372 721	583 712	214 158	797 870
	8 340	162 779	10 058	—	324 933	506 110	176 494	682 604
	—	—	—	50 317	—	50 317	—	50 317
	131	—	—	—	—	131	—	131
	—	—	—	—	—	—	28 668	28 668
	—	—	—	—	—	—	28 668	28 668
	—	—	—	—	106 470	106 470	34 580	141 050
	—	—	—	—	(69 230)	(69 230)	—	(69 230)
	8 471	162 779	10 058	50 317	362 173	593 798	239 742	833 540
	—	—	—	79 8				



These results are available on our website on:
www.jse.co.za

COST:INCOME RATIO (EXCL SHARE-BASED COSTS) DOWN TO 63% (2006: 72%) CURRENCY FUTURES LAUNCHED SINGLE STOCK FUTURES MARKET NOW BIGGEST IN WORLD

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2007

	30 June 2007 (reviewed) R'000	2006 (unaudited) R'000	31 December 2006 (audited) R'000
1 Reporting entity			
JSE Limited 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 2007 comprise the company and its subsidiaries, consolidated investor protection funds and the Group's interest in associates (together referred to as the "Group").			
The consolidated financial statements of the Group as at and for the year ended 31 December 2006 are available for inspection at the Company's registered office or at www.jse.co.za.			
2 Statement of compliance			
These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34, Interim Financial Reporting. They do not include all 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 2006.			
These condensed consolidated interim financial statements were approved by the Board of Directors on 14 August 2007.			
3 Significant accounting policies			
The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its annual financial statements as at and for the year ended 31 December 2006.			
4 Key estimates and areas of judgement			
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 expenses. 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 2006.			
5 Segmental information			
The JSE provides exchange and auxiliary services in South Africa. The revenue streams derived from the services are described in Note 6 to the interim results. The services provided by the JSE are not subject to materially different operational risks and are regarded as a single business and geographical segment.			
6 Revenue			
Equity derivatives fees	53 698	40 235	80 148
Agricultural derivatives fees	21 832	16 112	37 376
Equities trading fees	84 298	65 610	125 036
Yield-X trading fees	150	139	276
Risk management, clearing and settlement fees	53 675	40 668	82 300
Information sales	38 915	28 280	61 945
Membership fees	3 328	2 967	6 008
Listing fees	44 044	34 574	68 265
Broker Deal Accounting services	51 926	42 457	86 057
Funds management and other	20 363	17 385	36 453
Total revenue before Strate ad valorem fees	372 229	288 427	583 864
Strate ad valorem fees	39 228	24 598	56 513
Total revenue	411 457	313 025	640 377
7 Other income	13 219	41 745	65 370
The decrease in other income is as a result of a non-recurring performance bonus of R26,0 million received by the JSE Guarantee Fund Trust from its insurance underwriters during the period ended 30 June 2006.			
8 Personnel expenses	(104 978)	(60 311)	(162 986)
Personnel expenses have increased primarily as a result of the valuation of the long-term incentive and retention scheme ("Employee Scheme") which was introduced with effect from 1 January 2006. This valuation is linked to the JSE share price which has increased by 207,3% since the granting of the participation interests. The terms and conditions of the Employee Scheme are disclosed in the consolidated financial statements as at and for the year ended 31 December 2006. The expense recognised in the income statement is R46,6 million (2006: R6,0 million) for the six months ended 30 June 2007, resulting in a total liability of R78,0 million (2006: R6,0 million). Based on Black-Scholes methodology, the following assumptions were used to calculate the income statement impact:			
Base price for 30 days prior to 22 November 2005	R8,31		
30 calendar day VWAP at 30 June 2007	R81,84		
Total number of Participation Interests in issue	2 500 000		
Vesting dates:			
50% of Participation Interests vest on 31 December 2008	1 250 000		
25% of Participation Interests vest on 31 December 2009	625 000		
25% of Participation Interests vest on 31 December 2010	625 000		
Volatility	31,51%		
Dividend yield	0,2193%		
Risk-free rate	9,28%		
9 Other expenses	(282 032)	(201 131)	(413 561)
Other operating expenses increased mainly as a result of the following:			
– the Strate ad valorem fee of R39,2 million (2006: R24,6 million) which was accounted for from March 2006.			
– 434 387 shares were issued to The JSE Empowerment Fund (JEF) at a cost of R30,4 million. This represents the final issue of the 1 737 550 JSE shares that were set aside to be issued to JEF at par for cash.			
– on 1 June 2007, 579 132 options, amounting to R41,5 million, were issued to Qualifying Black Shareholders as per the Black Shareholders' Retention Scheme ("the BBBEE Scheme"). The terms and conditions of the BBBEE Scheme are disclosed in the consolidated financial statements as at and for the year ended 31 December 2006. During the period, 154 263 options granted during 2006 lapsed and were re-issued to JEF at a cost of R11,1 million.			
The Black-Scholes model valuation methodology, with the following assumptions, were used to calculate the impact to the income statement for the six months ended 30 June 2007:			
Strike price	R15,168		
Exercise date	15 June 2011		
Dividend yield	0,21%		
Volatility	31,51%		
Risk-free rate	9,359%		
As this transaction is equity settled, the cost of R52,6 million (2006: R11,7 million) has been credited to the BBBEE reserve.			
10 Income tax expense			
10.1 Taxation			
– Current tax expense	61 480	42 978	73 287
– Secondary tax on companies	1 660	1 433	8 654
– Deferred tax income movement	(15 717)	(254)	(10 637)
– Deferred tax expense movement	(462)	(1 566)	(1 050)
Income tax expense at end of period	46 961	42 591	70 254
10.2 Reconciliation of effective tax rate			
Current tax rate	29,00%	29,00%	29,00%
Adjusted for:			
– Non-taxable income	(11,05%)	(4,15%)	(6,97%)
– Non-deductible expenses	39,18%	10,52%	10,88%
– Secondary tax on companies	0,55%	0,31%	4,10%
– Share of profit of equity accounted investees	(4,00%)	(4,08%)	(3,76%)
Effective tax rate	53,68%	31,60%	33,25%
The first tax assessment of the JSE as a tax paying entity has been received and is substantially higher than our estimate.			
This is as a result of SARS having a different interpretation of the treatment of our agreement with the London Stock Exchange. The resolution of this difference in interpretation is being pursued.			
11 Earnings and headline earnings per share			
11.1 Basic earnings per share			
The calculation of basic earnings per share at 30 June 2007 of 47,7 (2006: 110,4) cents per share was based on the profit attributable to ordinary shareholders of R40,5 million (2006: R92,2 million) and a weighted average number of ordinary shares of 84 933 538 (2006: 83 521 510) during the period as calculated in Note 11.4.			
Profit after taxation	40 533	92 225	141 050
Basic earnings per share (cents)	47,7	110,4	168,0
11.2 Diluted earnings per share			
The calculation of diluted earnings per share at 30 June 2007 of 47,5 (2006: 110,4) cents per share was based on the profit attributable to ordinary shareholders of R40,5 million (2006: R92,2 million) and a weighted average number of diluted ordinary shares of 85 348 834 (2006: 83 536 720) during the period as calculated below.			
Profit attributable to ordinary shareholders (basic and diluted)	40 533	92 225	141 050
Diluted earnings per share (cents)	47,5	110,4	167,5
Weighted average number of ordinary shares (diluted):			
Weighted average number of ordinary shares as at 30 June 2007	84 933 538	83 521 510	83 934 476
Dilutive effect of share options	415 296	15 210	276 270
Weighted average number of ordinary shares (diluted)	85 348 834	83 536 720	84 210 746

	30 June 2007 (reviewed) R'000	2006 (unaudited) R'000	31 December 2006 (audited) R'000
for the six months ended 30 June 2007			

11.3 Headline earnings per share			
The calculation of headline earnings per share at 30 June 2007 of 38,7 (2006: 104,0) cents per share was based on headline earnings of R32,9 million (2006: R86,9 million) and a weighted average number of 84 933 538 (2006: 83 521 510) ordinary shares in issue during the period as calculated in Note 11.4.			
Reconciliation of headline earnings:			
Profit after taxation	40 533	92 225	141 050
<i>Adjustments are made to the following:</i>			
Loss on sale of property and equipment	—	—	4
Impairment loss on property and equipment	—	—	3 803
Profit on sale of joint venture	—	—	(1 283)
Profit on realisation of available-for-sale instruments	(7 673)	(5 336)	(10 707)
Headline earnings	32 860	86 889	132 867
Headline earnings per share (cents)	38,7	104,0	158,3
11.4 Weighted average number of ordinary shares:			
Issued ordinary shares at 1 January	84 705 663	8 340 250	8 340 250
Subdivision of shares on 5 June 2006: 10 for 1	—	83 402 500	83 402 500
Issue of 868 775 shares - The JSE Empowerment Fund - 7 June 2006	—	119 010	492 703
Issue of 434 387 shares - The JSE Empowerment Fund - 28 November 2006	—	—	39 273
Issue of 434 387 shares - The JSE Empowerment Fund - 27 March 2007	227 875	—	—
Weighted average number of ordinary shares	84 933 538	83 521 510	83 934 476
11.5 Effect of earnings and net asset value per share of Investor Protection Funds			
The JSE maintains the JSE Guarantee Fund Trust and the JSE Derivatives Fidelity Fund Trust for investor protection purposes as required under the Securities Services Act. The JSE is required to consolidate these funds into the results of the Group in terms of International Financial Reporting Standards. However, as these Trusts are legally separate from the JSE, neither the JSE nor its shareholders have any right to the net assets of such Trusts.			
The contribution these funds make to the headline earnings and the net asset value of the Group are as follows:			
Headline (loss)/earnings per share (cents)	(2,5)	33,1	28,4
Diluted earnings per share (cents)	6,5	39,5	41,1
Net asset value per share (cents)	312,5	254,1	283,0
12 Investment in equity accounted investees			
With effect from 31 January 2007, 173 additional shares were purchased in Strate Limited resulting in an increase in shareholding from 42,77% to 44,55%. The cost of the acquisition was R12,4 million. A dividend of R6,0 million was received from Strate Limited on 29 June 2007.			
13 Share capital			
Shares in issue			
Shares in issue at 1 January	84 705 663	8 340 250	8 340 250
10 for 1 share subdivision	—	83 402 500	83 402 500
New shares - The JSE Empowerment Fund first tranche	—	868 775	868 775
New shares - The JSE Empowerment Fund second tranche	—	—	434 388
New shares - The JSE Empowerment Fund third tranche	434 387	—	—
Shares in issue - fully paid, after subdivision	85 140 050	84 271 275	84 705 663
14 BBBEE reserve			
The reserve comprises:			
– The JSE Empowerment Fund	69 025	18 071	38 661
– Black Shareholders' Retention Scheme	61 156	11 656	11 656
	130 181	29 727	50 317
Refer to Note 9 for details			
15 Dividends			
A dividend of 15,6 cents per share was approved by shareholders at the Annual General Meeting held on 9 May 2007, which dividend was paid on 14 May 2007. Total dividend paid was R13,3 million.			
16 Contingent liabilities and Commitments			
16.1 Contingent liabilities			
16.1.1	The JSE has a contingent liability as a result of the JSE guaranteeing the settlement of central order book equity market trades in the event that one member fails to settle. This risk is mitigated through various mechanisms, being the member firms' deposits and bank guarantees, the JSE Guarantee Fund Trust and the JSE's own trade monitoring system. The JSE retains cash reserves to meet these contingent liabilities.		
16.1.2	The JSE is currently engaged in arbitration with a former supplier for alleged breach of contract by the JSE. The case was split between merits and quantum. The JSE lost on merits and the quantum has not yet been established. The JSE expects the quantum to fall in the range Rnil to R25,0 million.		
16.1.3	The JSE is one of 25 defendants who have been served with a summons relating to losses realised by a pension fund in the amount of approximately R1,4 billion. This is in the early stages of the legal process and an exception has been filed by the JSE. Senior Counsel opinion on this matter is that the claim is unfounded. The JSE is defending the claim.		
16.2 Commitments			
16.2.1	The JSE leases a building and accounts for the lease as an operating lease. The lease commenced on 1 September 2000 for a period of 15 years. On termination of the lease, should the landlord wish to sell the building, the JSE has the first right of refusal to buy the building at a price yet to be determined. The operating lease payments escalate at 11% per annum.		
Total future minimum lease payments under non-cancellable operating lease:			
Not later than one year	29 186	26 294	27 715
Between one and five years	144 836	134 106	139 381
Later than five years	157 327	197 242	177 620
	331 349	357 642	344 716
16.2.2	The JSE is party to agreements for the development of software totalling approximately R215,2 million (2006: R210,6 million) over the next year, of which R154,9 million (2006: R147,3 million) has been settled.		
17 Related parties			
17.1 Identity of related parties			
The JSE is the main provider of risk management, clearing and settlement, and accounting systems to equity member firms (many of whom are shareholders). Revenue earned from this source, and from providing trading and market data to member firms, amounted to R232,3 million (2006: R204,6 million) for the period. These transactions are conducted on an arm's length basis.			
Provision for doubtful debts in respect of related parties as at 30 June 2007 was Rnil (2006: Rnil).			
The associated companies, subsidiaries and joint ventures of the Group are identified as follows:			
		Amounts due from/(due to)	
– Associated companies:			
Strate Limited ¹	(8 590)	—	—
Satrix Managers (Pty) Limited	665	181	52
– Subsidiaries:			
SAFEX Clearing Company (Pty) Limited	3 135	1 695	2 339
JSE Trustees (Pty) Limited	3 904	3 581	2 995
JSE Guarantee Fund Trust	—	(230)	(1)
– Joint Venture			
ITRIX Holdings (Pty) Limited	—	135	—
¹ Strate Limited invoices the JSE for a service fee in respect of settlement which the JSE recovers from the members.			
Normal trading terms apply to the amounts due to the JSE.			
Executive directors' and other key executives' remuneration of R5,5 million (2006: R5,3 million) and R7,9 million (2006: R7,6 million) respectively was paid during the period.			
17.2 Material related party transactions			
Strate ad valorem fees – see Note 6			
Loans to and from related parties – see Note 17.1			
Directors' emoluments and other key personnel – see Note 17.1			
The JSE provides secretarial services to the Group entities for no consideration.			

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

Executive directors:
RM Loubser (CEO), NF Newton-King, LV Parsons, JH Burke, G Rothschild
Non-executive directors:
HJ Borkum (Chairman), AD Botha, MR Johnston, ST Koseff, W Luhabe, A Mazwai, SN Nematswerani, N Payne, GT Serobe
Alternate directors:
DM Lawrence
Company secretary:
GC Clarke