

2009 Cost and Revenue Survey



Member exchanges

(as of December 2009)

The WFE is the association of 52 regulated exchanges around the world, which develops and promotes standards in markets. Its membership includes:

Amman Stock Exchange	Korea Exchange
Athens Exchange	London Stock Exchange Group
Australian Securities Exchange	Malta Stock Exchange
Bermuda Stock Exchange	Moscow Interbank Currency Exchange
BM&FBOVESPA	NASDAQ OMX Group
BME Spanish Exchanges	National Stock Exchange of India
Bolsa de Comercio de Buenos Aires	New Zealand Exchange
Bolsa de Comercio de Santiago	NYSE Euronext
Bolsa de Valores de Colombia	Osaka Securities Exchange
Bolsa de Valores de Lima	Oslo Børs
Bolsa Mexicana de Valores	Philippine Stock Exchange
Bombay Stock Exchange	Saudi Stock Exchange (Tadawul)
Bourse de Luxembourg	Shanghai Stock Exchange
Bursa Malaysia	Shenzhen Stock Exchange
Chicago Board Options Exchange	Singapore Exchange
CME Group	SIX Swiss Exchange
Colombo Stock Exchange	Stock Exchange of Mauritius
Cyprus Stock Exchange	Stock Exchange of Tehran
Deutsche Börse	Stock Exchange of Thailand
Hong Kong Exchanges and Clearing	Taiwan Stock Exchange
Indonesia Stock Exchange	Tel-Aviv Stock Exchange
IntercontinentalExchange	The Egyptian Exchange
International Securities Exchange	TMX Group Inc.
Irish Stock Exchange	Tokyo Stock Exchange Group
Istanbul Stock Exchange	Warsaw Stock Exchange
Johannesburg Stock Exchange	Wiener Börse

Every effort has been made to ensure that the information in this Survey is accurate at the time of printing, but the Secretariat cannot accept responsibility for errors or omissions.

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Summary

Member exchanges' financial figures and market indicators (2005-2009)

2005-2009 Financial figures (USD billion)

	2005	2006	2007	2008	2009	2009/2008 % change
Total revenues	11.23	14.62	22.72	26.33	26.84	1.93%
Total costs	7.67	8.01	10.90	14.30	14.62	2.24%
Net income	2.55	4.06	8.79	5.40	6.89	27.61%
Profit margin	22.7%	27.8%	34.8%	20.5%	25.7%	25.37%
Equity	16.24	19.34	37.34	61.99	70.40	13.56%

2005-2009 Equity market indicators (USD billion)

	2005	2006	2007	2008	2009	2009/2008 % change
Market capitalization	41 410	50 791	60 874	32 851	47 782	45.50%
Share trading volume	54 765	70 035	101 189	114 146	80 827	-29.20%
Performance (WFE global average index)	10%	23.80%	18.30%	-41.90%	44.90%	-

2005-2009 Derivatives market indicators

	2005	2006	2007	2008	2009	2009/2008 % change
Options (million contracts)	5 981	6 626	8 333	8 618	8 842	2.6%
Futures (million contracts)	3 878	5 020	6 851	7 812	7 769	-0.6%
Total (million contracts)	9 859	11 646	15 184	16 430	16 611	1.1%

2009 Cost and revenue key conclusions

- **Total revenues reached USD 26.8 billion, a modest increase of 1.9% compared to 2008**
(-1.1% in constant USD terms)
- **Profitability is up compared to 2009:**
 - Net income was up 27% at USD 6.9 billion
 - Average profit margin was 25.7% (20.5% in 2008)
- **The net income rebound is mostly due to the fact that all exchanges but one were profitable in 2009** (compared to 2008 when some exchanges posted major impairment charges which resulted in significant losses)
- **Average PER for listed exchanges was up 40% to 23.9**
- **83% of members are for-profit, and 48% are publicly listed**
- **Trading revenues remained the top contributor to revenues (54%), followed by services (32%)**

The weight of global holding companies and the rise of "BRIC" exchanges

Adverse market conditions

2009 was not more favorable than 2008 in terms of market conditions: if the global market capitalization strongly rebounded (+45%), equity volumes were down (except in Asia-Pacific), and derivatives volumes were stagnant (except, again, in Asia-Pacific).

An apparent progression of net income

These market conditions logically produce stable revenues in 2009, and costs were also stable after major impairment charges recorded in 2008. These charges led some exchanges to post important losses in 2008 (four of them in total, including a combined USD 1 220 millions from NYSE Euronext and London SE Group). In 2009, only one exchange posted a relative modest loss compared to the total net income. As a result total net income was significantly up, but when excluding the four members that posted a loss in 2008, total net income decreased by 2.6%, and even by 6.8% in constant USD terms.

The global holding companies that emerged after the various mergers that took place have probably completed their reorganization in 2009 and adjusted the values of some intangible assets (some important charges linked to mergers were still recorded in 2009 by some exchanges, but did not lead to losses) and benefits from synergies might be more visible in 2010-2011.

Global holdings and "BRIC" markets

As explained last year, the consolidation process in the exchange industry and the transatlantic mergers have led to the creation of global holding companies and have introduced a US distortion as some of these global holdings are headquartered in the US and report financial results consolidated in the US. As a consequence the five US member exchanges concentrated 45% of total revenues in 2009 (but only 25% of net income) although a significant part of these revenues is generated outside of their jurisdiction.

This importance of the US exchanges reflects the large markets they are operating (cash equity as well as derivatives) in the US and abroad. But the size of some markets operated by other exchanges has increased very significantly over the past years. When looking at the evolution of key market indicators (share trading value, market capitalization of listed companies) during the last 10 years, the rise of Asia-Pacific was striking (*see the "10 years in review (2000-2009)" in the WFE 2009 Annual Report*). This increasing role is also showing in the financial figures. If the Asia-Pacific only accounts for 25% of total revenues, its share of total net income is 44%. The growth of the Shanghai and Shenzhen Stock Exchanges in this time zone has been spectacular and they represented 17% of the total net income in 2009 (compared to 2.5% in 2005).

More generally, the "BRIC" exchanges have been very impressive in terms of growth of the market capitalization of their listed companies, and volumes (in 2009 BM&FBOVESPA and Bombay Stock Exchange joined Shanghai Stock Exchange in the top 10 exchanges by market capitalization; and Shenzhen Stock Exchange joined Shanghai Stock Exchange in the top 10 exchanges by share trading value). Their very rapid development now also appears in their financials as well: in 2009 Shenzhen Stock Exchange joined Shanghai Stock Exchange and BM&FBOVESPA in the top 10 exchanges by revenues.

As a result, the WFE membership in terms of financial results is now more balanced between global holding companies and what used to be called "emerging" markets, although this qualification is probably not adapted any more as they are now part of the largest exchanges in terms of revenues.

The inclusion of MICEX in the WFE membership completes the WFE "BRIC" membership and should also participate in this re-balance of membership.

Introduction

General remarks

Attention should be paid to the relative difficulty of comparing financial figures among exchanges at any one point of time, and also over a period of several years. Financial reporting standards differ from market to market, with some members using IFRS while others follow national GAAP standards.

Although most members' fiscal year is based on the civil year, some are not; and several reported figures covering only part of 2008. When this occurred, they gave full 12 months information up to that reporting date.

Foreign exchange variation

The US dollar was down against most other currencies in 2009. As these variations can affect quite significantly the performance percentage from one year to another, a second variation indicator has been calculated using the 2008 exchange rates for 2008 and 2009 figures. This allows an examination of variations regardless of the foreign exchange effect.

This survey is based on the responses of 47 Federation members:

Amman Stock Exchange
Athens Exchange
Australian Securities Exchange
BM&FBOVESPA
BME Spanish Exchanges
Bolsa de Comercio de Buenos Aires
Bolsa de Comercio de Santiago
Bolsa de Valores de Colombia
Bolsa Mexicana de Valores
Bombay Stock Exchange
Bourse de Luxembourg
Budapest Stock Exchange
Bursa Malaysia
Chicago Board Options Exchange
CME Group
Cyprus Stock Exchange
Deutsche Börse
Hong Kong Exchanges and Clearing
Indonesia Stock Exchange
IntercontinentalExchange
Irish Stock Exchange
Istanbul Stock Exchange
Johannesburg Stock Exchange
Korea Exchange

London Stock Exchange Group
Malta Stock Exchange
Moscow Interbank Currency Exchange
NASDAQ OMX Group
National Stock Exchange of India
NYSE Euronext
Osaka Securities Exchange
Oslo Børs
Saudi Stock Exchange (Tadawul)
Shanghai Stock Exchange
Shenzhen Stock Exchange
Singapore Exchange
SIX Swiss Exchange
Stock Exchange of Mauritius
Stock Exchange of Tehran
Stock Exchange of Thailand
Taiwan Stock Exchange
Tel-Aviv Stock Exchange
The Egyptian Exchange
TMX Group Inc.
Tokyo Stock Exchange Group
Warsaw Stock Exchange
Wiener Börse

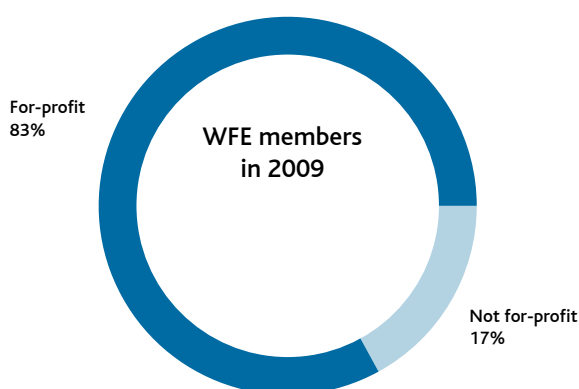
When information was missing, the Secretariat checked members' annual reports and financial statements, in order to include as many data as possible, when available.

Overview of WFE membership

For-profit exchanges

39 members were for-profit entities in 2009

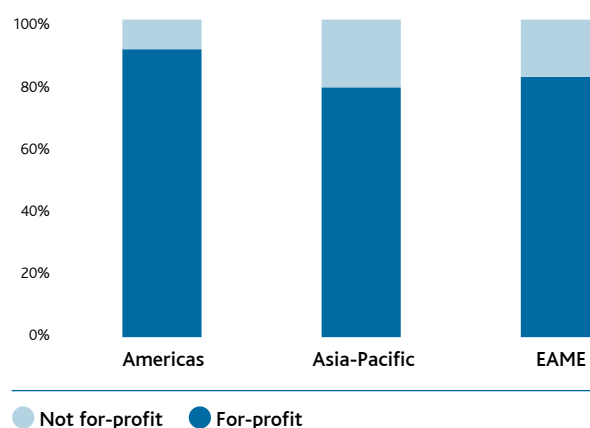
More than 80% of responding exchanges operated on a for-profit basis in 2009. Ten years ago they were only 53% and it was the first time that they represented the majority of membership.



Distribution by geography

The global membership is quite balanced regionally (see *"Distribution of exchanges by region" on page 7*). In terms of breakdown between for-profit and not for-profit, the Asia-Pacific region has the highest proportion of not-for-profit exchanges (21%).

For-profit / not for-profit members by region in 2009



Distribution by market size and total revenues

As compared to last year, it is interesting to note that as Shenzhen Stock Exchange joined both the top 10 exchanges in terms of revenues and share trading value; there were eight exchanges running for-profit in these top 10 compared to last year. The other not for-profit being the Shanghai Stock Exchange, which is also part of the top 10 in terms of market capitalization, where the other nine members are for-profit.

Distribution by economic development

In high-income countries, 96% of the bourses operated on a for-profit basis in 2009. In low-middle income economies, for-profit exchanges represented the large majority (65%).

Products

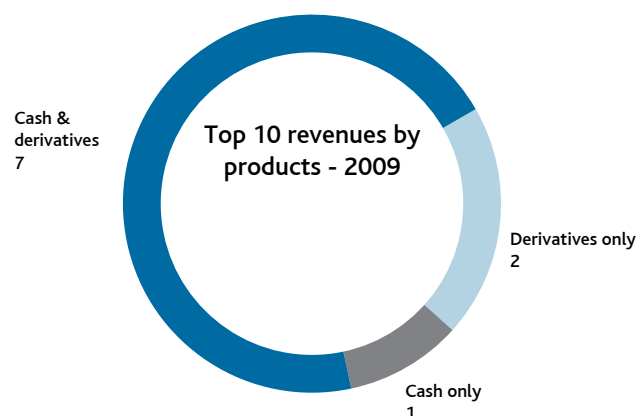
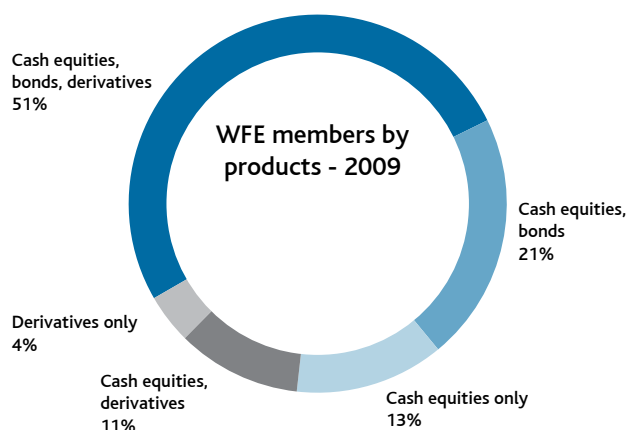
Almost 50% of WFE members offer trading in cash equities, bonds and derivatives

Caution in interpreting results must be used, as some members offer market operations for several asset classes, but derive the vast majority of their revenues from only one. These results are, however, a good indication that WFE members tend more and more to offer a wide range of products compared to past years when more exchanges were mono-product. Only 17% of the members offer trading in only one product.

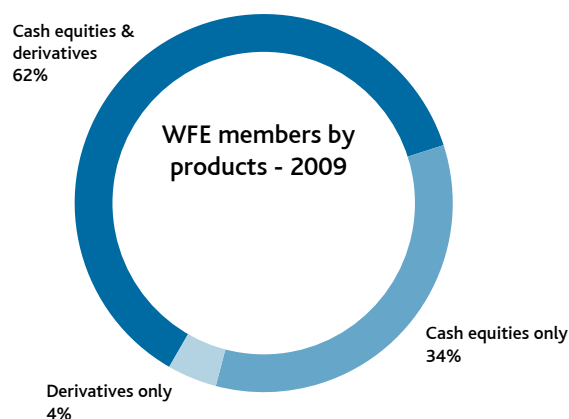
When crossing this criterion with post-trading activity, we found that 86% of exchanges active in cash and derivatives also provide for post-trading services.

Looking at the regional level, 63% of members in the Americas are active in cash and derivatives, 78% of Asia-Pacific members, and 50% of the EAME region. In terms of legal status, 83% of listed exchanges offer cash and derivatives trading markets.

When focusing on the top 10 exchanges by revenues, seven of them offered cash and derivatives trading.

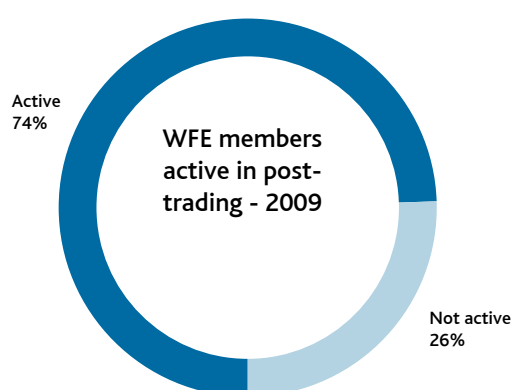


In order to simplify, and because revenues derived from bonds are marginal in the case of most WFE members, the following presentation will be used.



Post-trading integration

As noted last year, there is a vast majority, almost 75% of WFE members offering post-trading services.¹



Looked at by region, we found out that 72% of the American members are active in post-trading, 85% in Asia, and 68% in the EAME region.

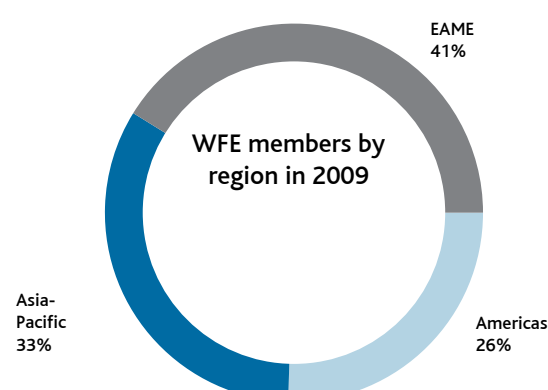
In their answers this year, all listed exchanges indicated that they offered post-trading facilities.

When focusing on the top 10 exchanges in terms of revenues eight exchanges out of these 10 offer post-trading services.

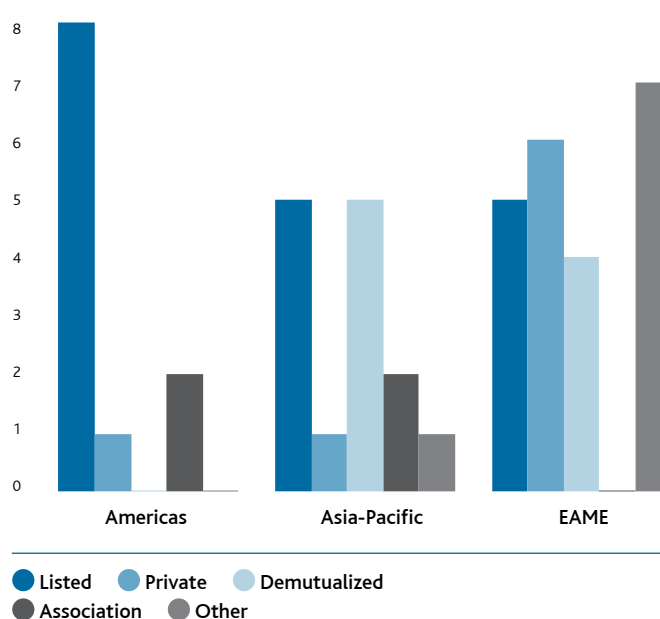


Distribution of exchanges by region

As mentioned in the previous surveys, the regional breakdown is less and less meaningful when looking at financial figures, because of the international consolidation that has taken place. This first graph is based on the total WFE membership as at the end of 2009.



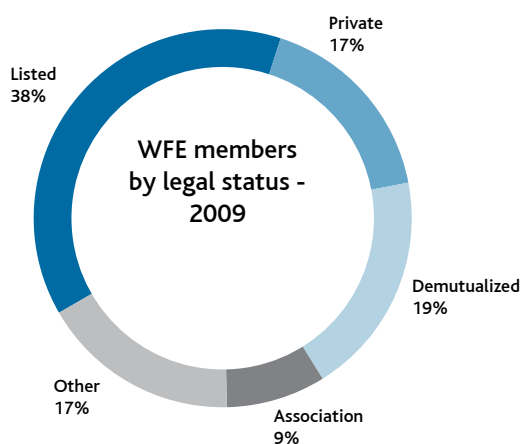
WFE members - by legal status - 2009



¹ The question was formulated broadly, in order to have a sense of the proportion of members active in post-trading. The "active" category aggregates very diverse situations, from exchanges only providing for clearing to those active in clearing, settlement, and also depository services.

Distribution of responding exchanges by legal groups

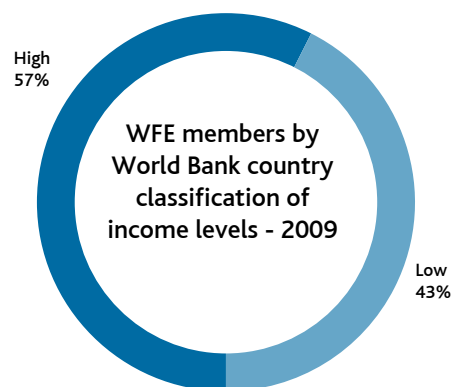
Listed exchanges represent around 40% of membership



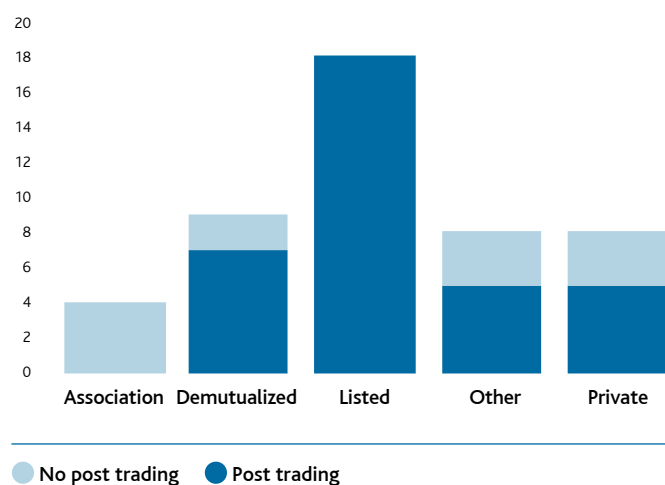
The inclusion of two new members within WFE has slightly changed the breakdown which remains overall very stable compared to last year. The Saudi Stock Exchange belongs to the "other" category, and MiCEX to the "private" one.

Distribution of exchanges by World Bank income categories

In this breakdown, WFE uses the World Bank country classifications, and makes use of two groups: high and low-middle income countries.



WFE members & post trading - by legal status - 2009



Financial performance

General remarks on the figures

The presentation of the general performance (raw revenues and cost figures) for 2009 will be reviewed according to different categories. Members' data were aggregated according to the following categories:

- Profit objective
- Legal status:
 1. Private, limited companies
 2. Demutualized
 3. Publicly listed exchanges
 4. Associations or mutuals
 5. "Other" legal status

The definitions of these legal categories are explained in the annex 1.

- Regions:
 1. The Americas
 2. Europe/Africa/Middle East (EAME)
 3. Asia-Pacific
- Size (top 10 exchanges by market capitalization, top 10 by trading volume, top 10 by revenues)
- Post-trading integration (active/not active)
- Products offered (cash markets only, cash and derivative markets)
- Economic development (following the World Bank country classification)

The reader should bear in mind that the percentages observed when grouping members in these ways are quite constant when looking at other figures beyond the two revenue and cost indicators. The survey will therefore only emphasize and focus on specific breakdowns when figures were especially noteworthy, or when there were important divergences from the mean.

General performance

**Revenues were up 1.9% at USD 26.8 billion –
Costs were up 2.2% at USD 14.6 billion**

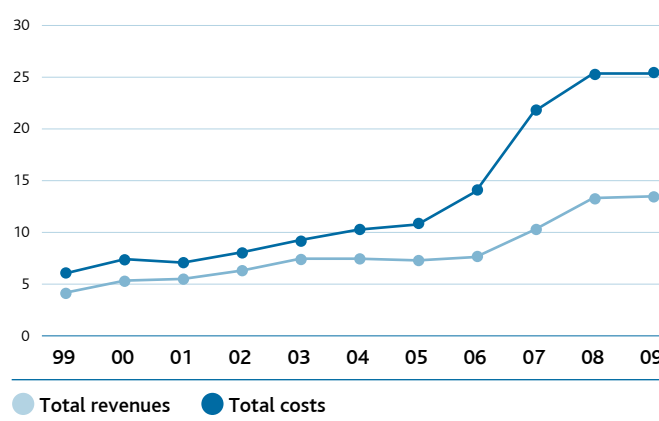
Total revenues in 2009 reached USD 26.83 billion, up 1.9% compared to the previous year. This modest increase confirms the revenues' stabilization tendency observed last year after several years of very rapid growth.

This modest growth turns into a modest decrease when using constant rate change. Taking into account 2008 rate of exchange, the 2009 revenues are actually down -1.1%. When looking at the individual performance of the top 10 exchanges by revenues, the situation is more contrasted as a lot of exchanges' revenues are slightly decreasing, Deutsche Börse revenues dropped quite significantly (-16%) whereas the two continental Chinese exchanges saw an impressive growth of their revenues.

Poor market conditions in 2009 explain in large part this global stabilization of revenues. If global market capitalization recovered from its 2008 fall (it was globally up +45% in 2009), overall share trading value was down -29% (see section 3.1.1 for more details).

Overall costs were up 2.2% in 2009 (-0.5% in constant USD terms) in line with total revenues. This is stabilization as compared to last year where there were significant impairment charges driving costs up. When looking more in details at the top 10 exchanges by revenues, the situation is again quite contrasted, with some exchanges having important costs' increase due to impairment charges, others on the contrary reducing their costs significantly compared to 2008 when they had major impairment charges, and the continental Chinese exchanges having costs' increases in line with their revenues, likely due to organic growth.

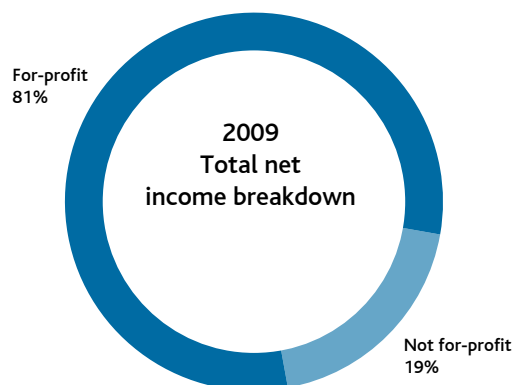
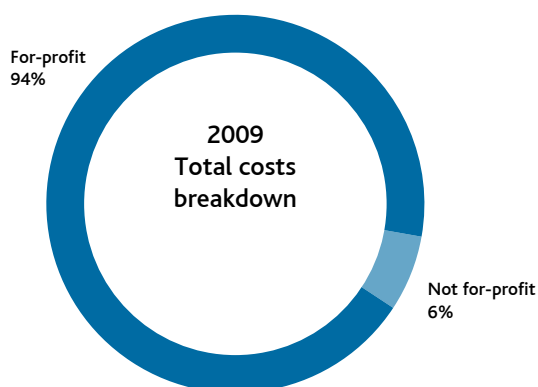
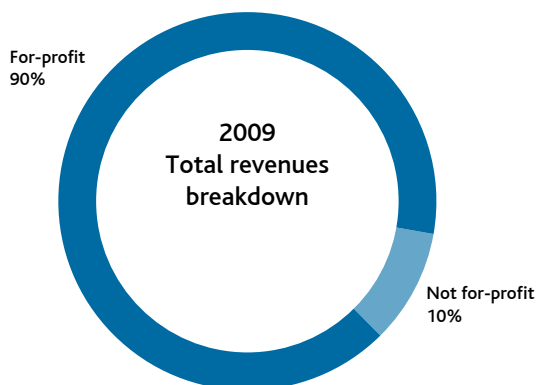
1999-2009 Revenues & costs



Note: All financial and market figures are indicated in USD terms.

Review by profit objective

The weight of the not for-profit exchanges has increased in 2009 compared to 2008 (10% against 6% respectively). This is not surprising as these exchanges increased their revenues by more than 60% in 2009 compared to a 2% decrease for for-profit exchanges. Again, it should be noted that the dynamism of this group of exchanges is largely driven by the continental Chinese exchanges. The not for-profit exchanges only represent 6% of total costs which can be explained by the traditional lower cost structure of exchanges located in low-middle income countries¹.

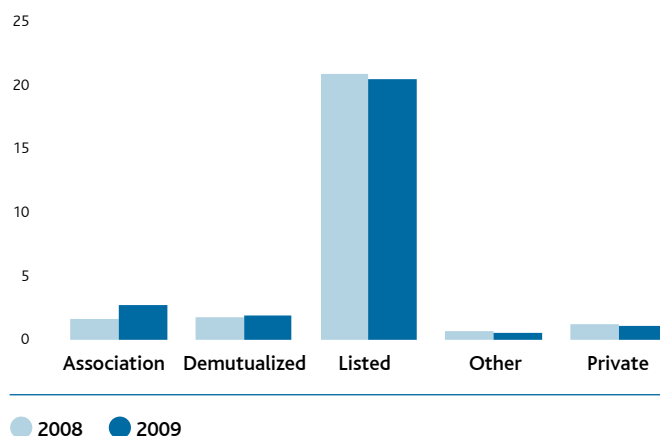


This discrepancy between revenues and costs result quite logically in not for-profit exchanges accounting for 19% of total net income.

Review by legal status

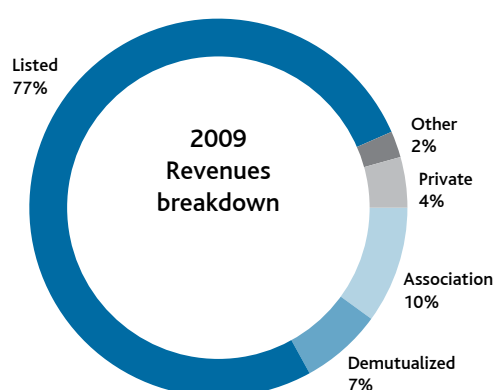
When looking at the breakdown by legal status it appears that the overall revenues increase was largely driven by association exchanges. They are indeed the only group progressing significantly from 2008 to 2009 (+74%). Most other groups' revenues are declining (from -7.5% for the "other" exchanges to +1.3% for the "demutualized" exchanges). It should be noted again that the continental Chinese exchanges are largely driving the "association" results, and that within each groupings, there are very different situations. For instance, within the listed exchanges, Athens Exchange revenues are down 29% while BM&FBOVESPA revenues are up 24%.

2008-2009 Revenues breakdown by legal status (USD billion)



¹ Most not for-profit exchanges (seven out of eight, and a larger proportion when looking at revenues' share within the group) are located in low-middle income countries.

The distribution of costs and revenues among each legal status reflects the weight of listed exchanges, which accounted for 77% of both revenues and costs (to be compared with less than 40% of the membership).



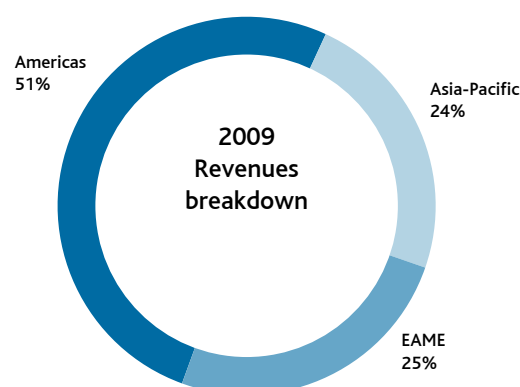
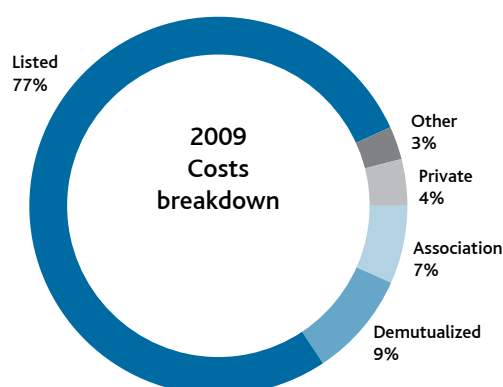
23%, 17%, 16% and 13% of the total revenues of this group in 2009. Even though the performance of listed exchanges varied significantly in 2009, it is probably the most homogeneous group.

- In the **"other"** group, the Saudi Stock Exchange, Istanbul Stock Exchange, and the Stock Exchange of Thailand, accounted for 76% of total revenues in 2009.
- The **"private"** group is largely dominated by MICEX and SIX, which accounted for more than 60% of this group's total revenues.

Taking into account these biases, we will mainly use the listed group when looking at breakdown by legal status, as it is the largest and most homogeneous of the lot.

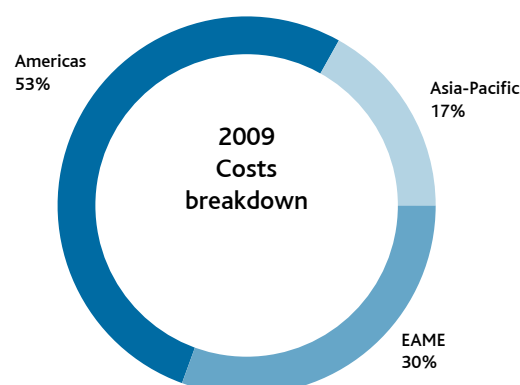
Review by regions

As mentioned last year the recent transcontinental mergers have challenged the geographical breakdown of this survey. When taking into account the location of the holding company, a US bias appears as NYSE Euronext and NASDAQ OMX are consolidating their financial statements in the US.



The high concentration of the exchange industry must be kept in mind, especially when looking at legal status specific breakdowns. In some categories, a few members' financial figures are very dominant. The data set represents a limited population, so percentages can be quite skewed.

- The **association/mutual** only consists of 4 members, and is quite heterogeneous. Its figures are largely dominated by the two continental Chinese exchanges and CBOE.
- The **demutualized** group is also quite diverse, and is dominated by Tokyo Stock Exchange, Taiwan Stock Exchange, Korea Exchange and National Stock Exchange of India also have important weightings in this group. These figures show an obvious Asia-Pacific bias, too.
- The **listed** group, which is dominated by NYSE Euronext, NASDAQ OMX, DBAG and CME, which represented, respectively,

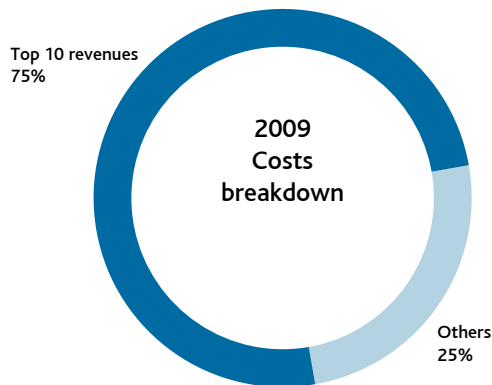
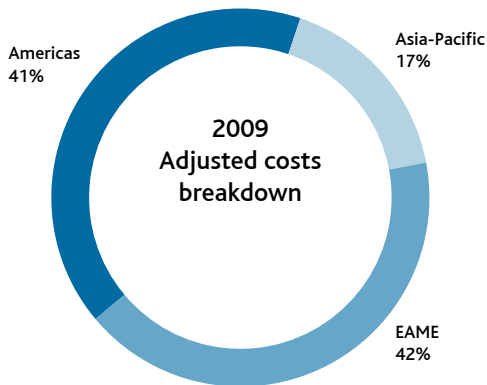
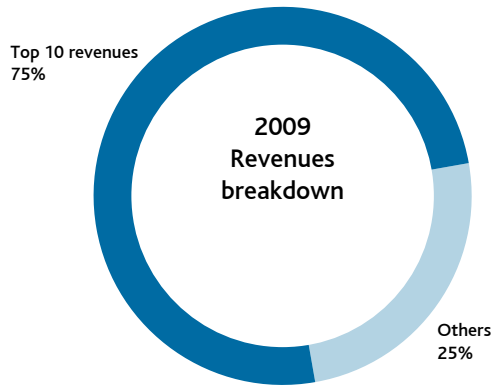
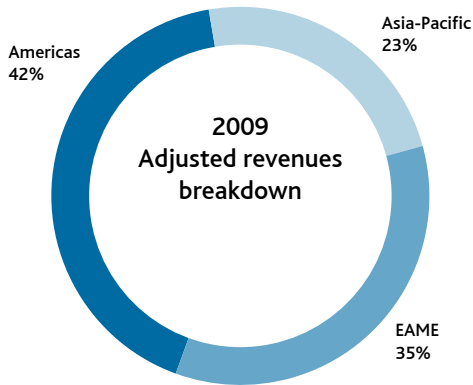


The Americas time zone thus represent more than 50% of total revenues and costs, and the US based exchanges represent 45% of total revenues and 48% of costs.

In order to get a better sense of where revenues and costs are generated the survey this year asks for a breakdown of revenues and costs per time zone. NYSE Euronext and NASDAQ OMX both reported that more than two thirds of their revenues are generated in the Americas time zone. When it comes to costs, NYSE Euronext reported the same distribution, whereas NASDAQ OMX reported a 56/44 distribution. The following adjusted figures take into account these adjustments.

Review by size

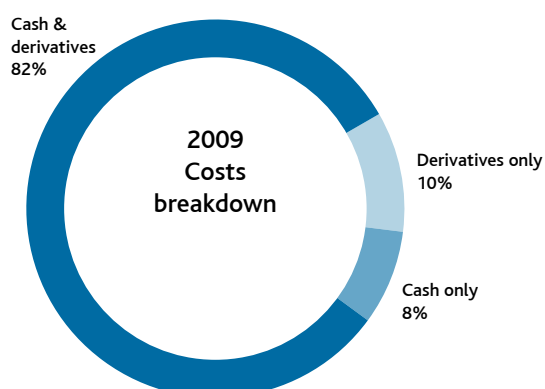
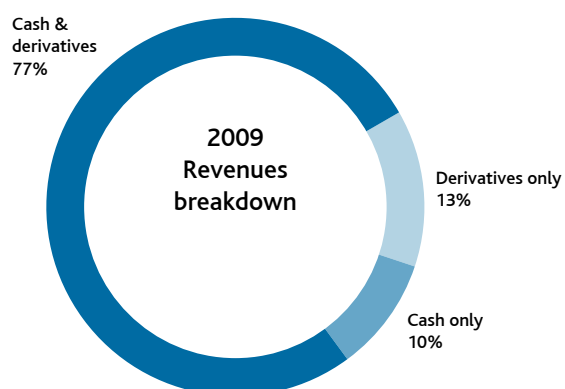
The industry concentration remains stable compared to 2008 as the top 10 exchanges by revenues represent 75% of the total revenues and total costs.



As noted last year another effect of the consolidation has been the dominating position of Deutsche Börse, which has itself acquired a US based exchange (ISE), in Europe, accounting for 49% of its total revenues, and 53% of its total costs. This weight has slightly declined compared to last year notably because of the inclusion of MICEX and the Saudi Stock Exchange. These two exchanges represent together 8.3% of the EAME total revenues, and 6.5% of its total costs.

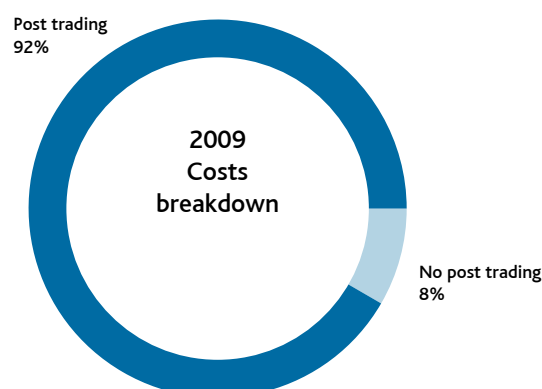
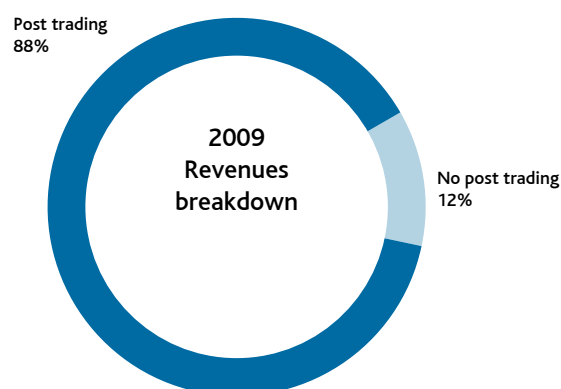
Review by products

The proportion of revenues generated by members offering cash equities and derivatives is stable compared to last year: 77% in 2009. As noted last year, the derivatives only category consist of only two exchanges, CME and ICE, which have a considerable weight (13% of total revenues, 10% of costs). The gap between revenues and costs is an indication of better profitability confirmed by their combined 16% of total net income. This performance is largely attributable to CME, this member represents 9.7% of total revenues, 7% of total costs and 11.9% of total net income (CME is the first exchange in terms of net income).



Review by post-trading activity

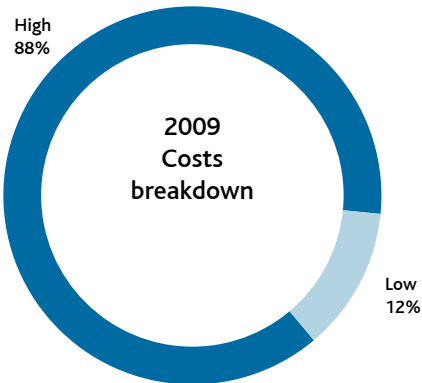
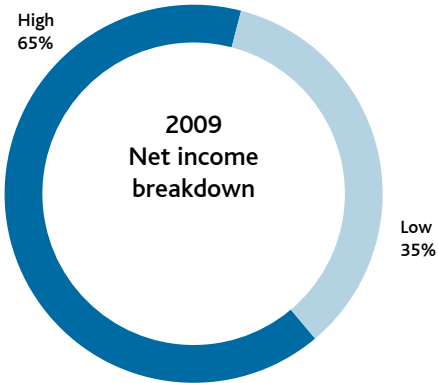
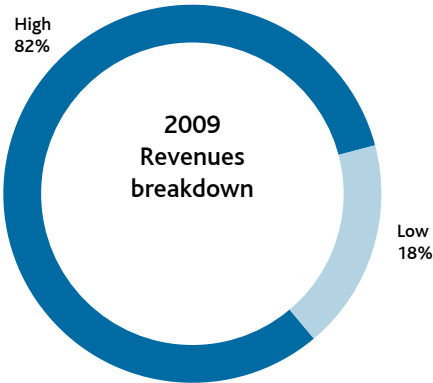
Members active in post trading generate the overwhelming majority of revenues (88%) and represent 92% of costs (but only 78% of net income) to be compared with 74% of the total membership. The results of members not active in post trading are extremely influenced by CBOE and the two continental Chinese exchanges which in total represent 85% of the revenues of this category of members.



Review by World Bank income categories

This breakdown is stable, as exchanges located in high income countries generated 82% of total revenues, and 88% of total costs. It should be noted that the low income category is largely dominated by BM&FBOVESPA, Shanghai Stock Exchange, and Shenzhen Stock Exchange, which together represent two thirds of the total revenues of this category (and 70% of the total net income of this category).

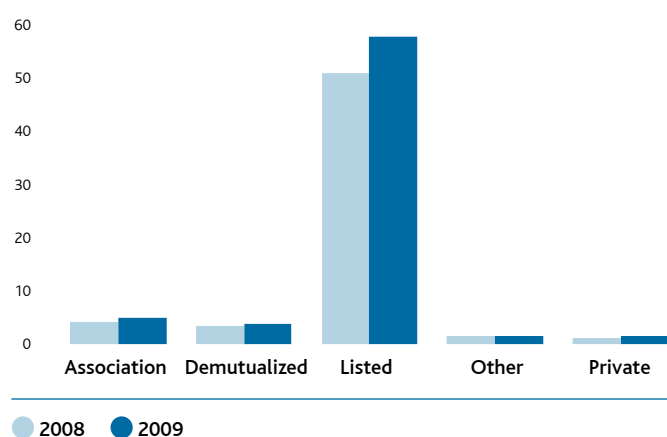
It is also noteworthy to point out the important profitability of this group representing 35% of the total net income of WFE members.



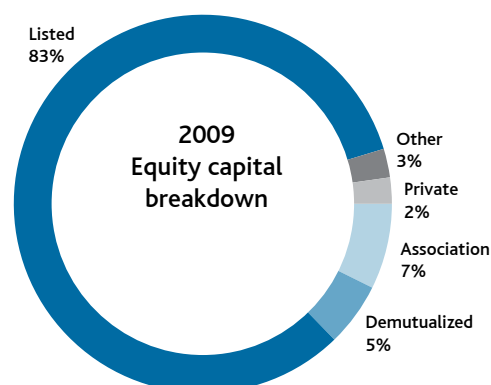
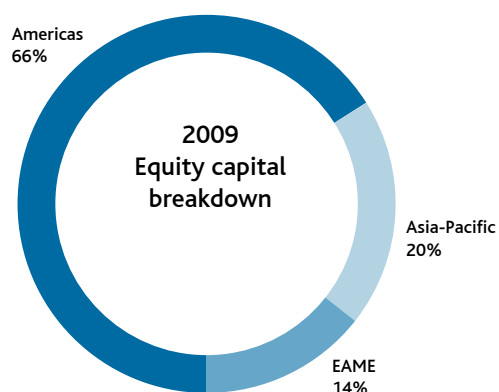
Equity capital

Total equity capital of members reached USD 70.4 billion in 2009. The listed exchanges concentrate most of total capital (82%) among WFE members.

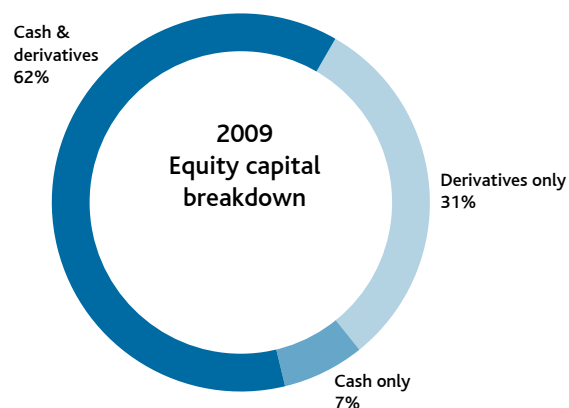
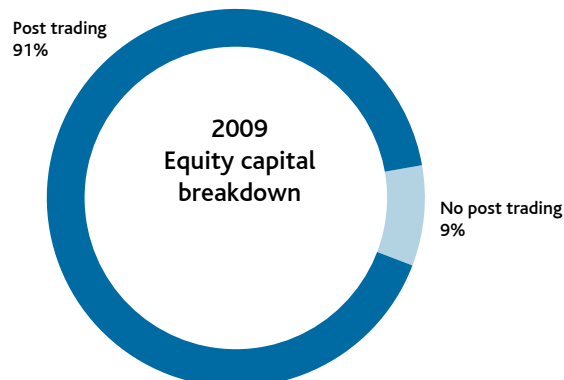
2009 - Total equity (USD billion)



In terms of regional breakdown, the Americas now strongly outweigh the other time zones in 2009: 66% of the membership equity base is there.



Not surprisingly, exchanges active in post trading concentrate most of the equity capital (91%), and CME and ICE as the only two derivatives only exchanges concentrate 31% of equity capital (27% for CME alone).



Net income

Net income was up 27% at USD 6.89 billion

Globally members were able to improve their net income despite stagnant total revenues. However, as we will see, this global positive performance is partially due to losses recorded in 2008.

The 2008 net income was very much affected by some important impairment charges and four exchanges had a negative net result that year, NYSE Euronext and LSEG being the one recording the most important ones. Since these two large members had positive net income in 2009, the overall net income performance improved substantially. In addition, in 2009, only Oslo Børs had a negative net income because of impairment charges.

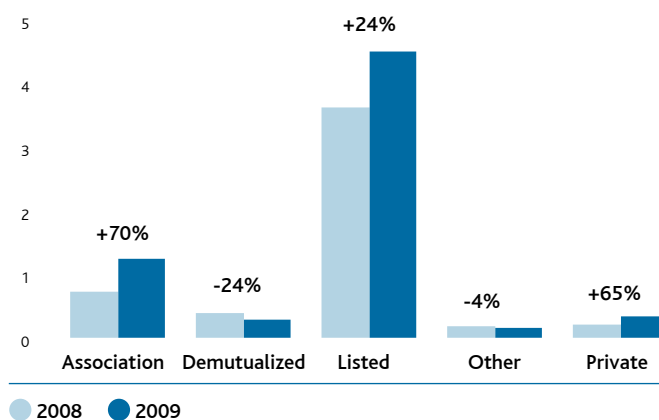
When computing total net income without NYSE Euronext and LSEG, the 2009 total is actually slightly negative: -1.4%. This result is even worst in constant USD terms: -5.6%. These results are much more in line with the almost stable total revenues and costs.

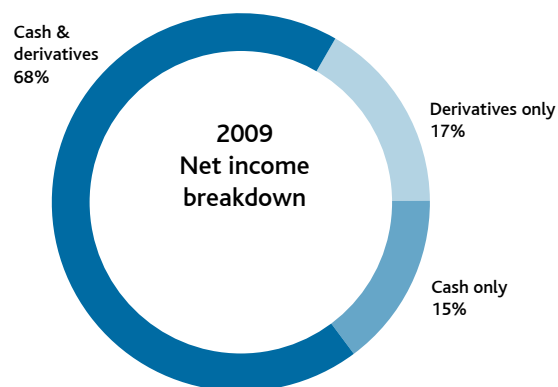
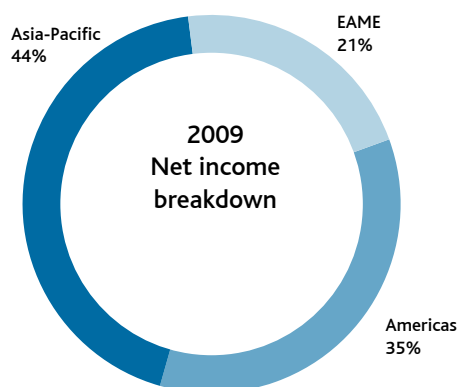
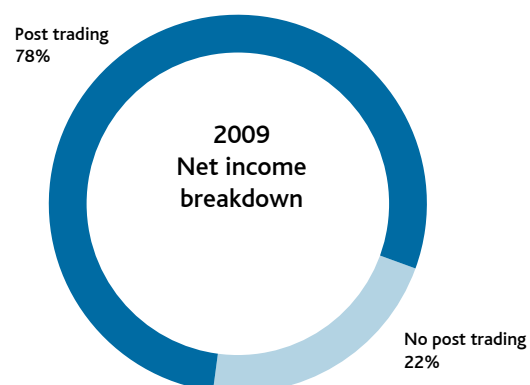
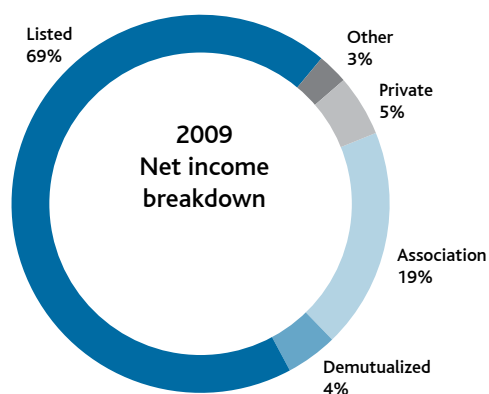
The listed exchanges performance is logically positively affected by the fact that none of them had a loss in 2009, the association performance is mainly driven by Shanghai and Shenzhen Stock Exchanges.

From the legal status distribution, it is interesting to note that listed exchanges only account for 69% of total net income whereas they represent 77% of total revenues and costs. The association exchanges clearly outperform the other categories since they represent 19% of the total net income while their share of revenues and costs are 10% and 7% respectively. The Asia Pacific time zone is still very dominating in terms of net income (44% of the total), but the Americas are progressing in 2009 thanks to the positive performance of NYSE Euronext.

Exchanges active in post trading account for 78% of net income in line with their share of total revenues; and the two derivatives only exchanges still deliver a remarkable performance accounting for 17% of the total income (11.9% for CME alone).

2009 - Net income (USD billion)



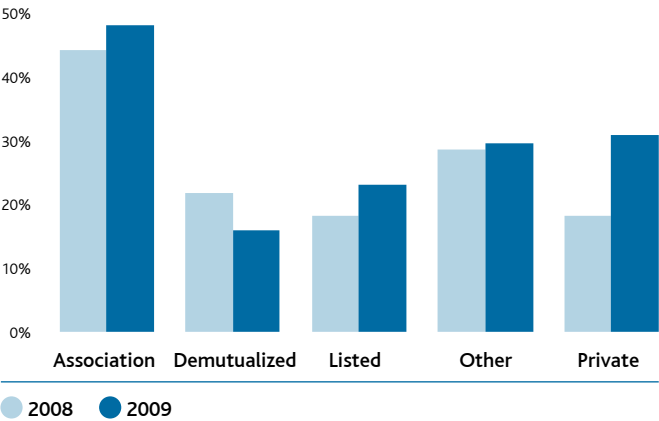


Profit margin

The net profit margin (net income / total revenues) logically increased from 20.5% to 25.7% in 2009 as total revenues were stable but net income increased significantly. As noted in last year survey, listed exchanges slightly underperformed the industry average with a 23.1% profit margin. Association still largely outperformed the average with a 48.4% profit margin.

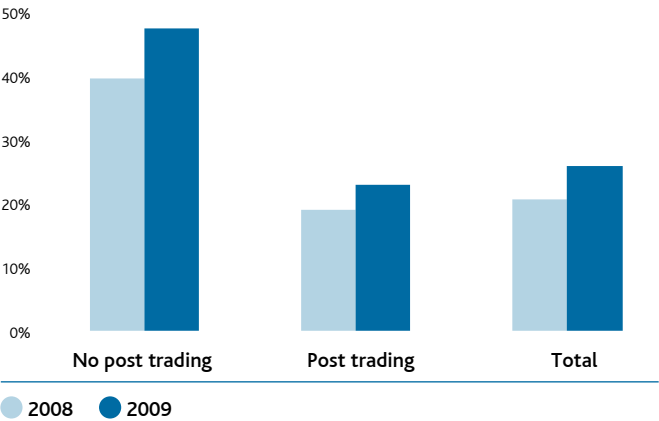
The breakdown according to post trading is provided for information, but readers should keep in mind that the exchanges not providing post trading services are a minority within WFE membership and are largely dominated by the two continental Chinese exchanges.

2008-2009 Profit margins

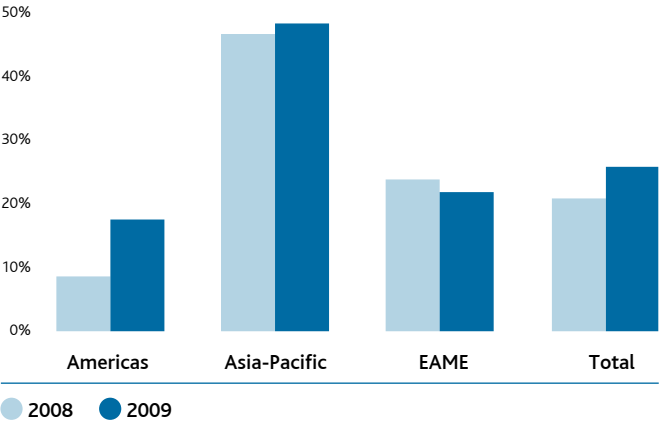


The breakdowns by time zone confirmed the outperformance of Asia Pacific already noted in the previous surveys.

2008-2009 Profit margins



2008-2009 Profit margins

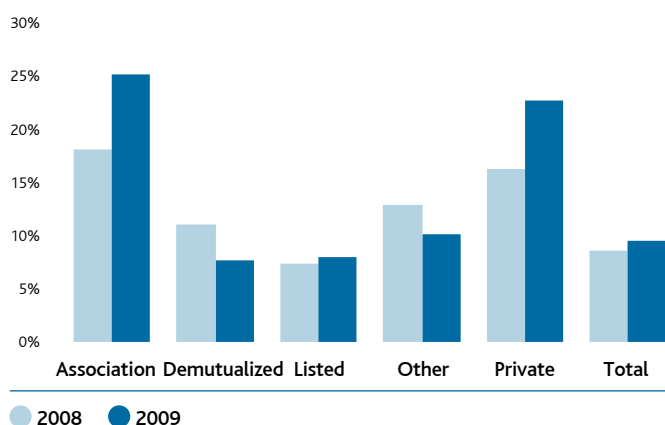


Return on equity (ROE)

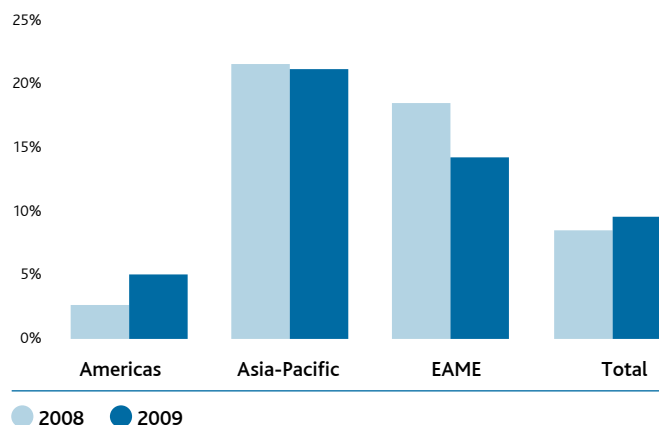
The industry average ROE increased to 9.8% in 2009

This is a slight increase compared to 2008 (8.7%) and is reflecting the net income increase (+27%) as well as the total equity (+13%).

2008-2009 ROE

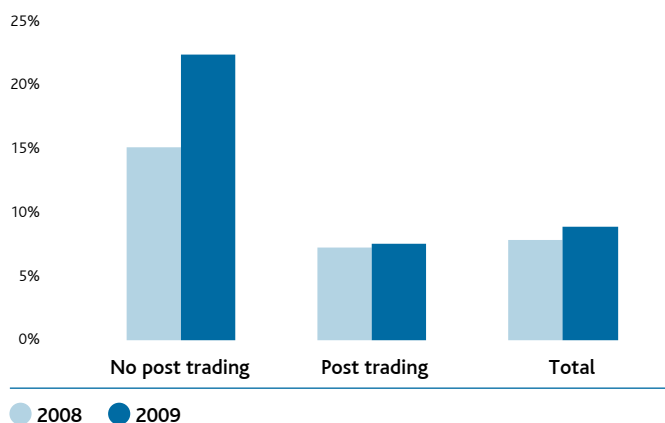


2008-2009 ROE



As noted last year, exchanges in the Americas have a relatively lower ROE, this is mainly due to the figures from BM&FBOVESPA, CME and NYSE Euronext. The relative underperformance of the exchanges engaged in post trading services may indicate the additional capital needed for these services although the data collected do not allow investigating further.

2008-2009 ROE



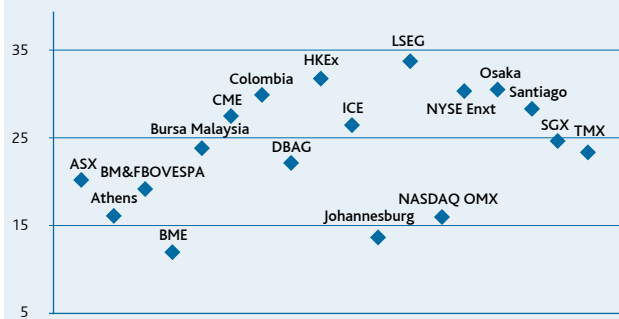
Price earnings ratios (PER)

The average trailing P/E ratio for listed exchanges was 23.9 in 2009 and up 40% after its 2008 low.

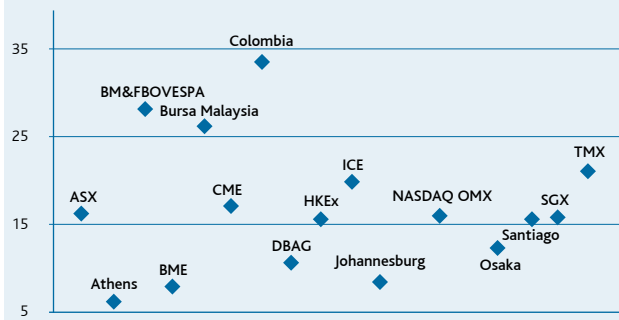
Price earnings ratio (trailing)

	2008	2009
ASX	16.0	20.0
Athens SE	6.0	16.2
BM&FBOVESPA	27.9	18.8
BME	8.0	12.5
Bursa Malaysia SE	26.0	24.0
CME	17.2	27.1
Colombia SE	33.1	29.9
DBAG	10.7	22.8
HKEx	15.4	31.8
ICE	20.0	26.5
Johannesburg SE	8.8	14.0
London SE Group	NA	33.8
NASDAQ OMX	15.9	15.9
NYSE Euronext	NA	30.3
Osaka SE	13.5	30.5
Santiago SE	15.3	28.6
SGX	15.3	24.7
TMX	21.5	23.5
WFE Average	16.9	23.9

2009 PER



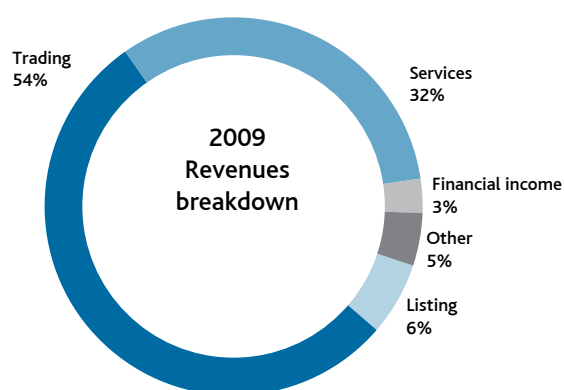
2008 PER



Revenues

Total revenues breakdown

Trading (54%) and services (32%) remain the top contributors to total revenues



The revenues breakdown among the different categories has been very stable in 2009 compared to 2008. The listing and "other" revenues had the strongest growth in 2009, and financial income was the only category decreasing compared to 2008. The financial income revenues dramatic decrease is quite general among members except for a few ones. The most spectacular one in absolute value is Deutsche Börse which financial income fell from USD 331 million to 73 million. This is explained by the low interest rates and a conservative investment strategy.

2009 Revenues breakdown (USD million)

2009/2008		% change (USD)	% change (constant terms)	% of total revenues
Listing	1 662	7.8%	3.1%	6.3%
Trading	14 301	2.3%	2.5%	53.9%
Services	8 579	2.9%	-0.3%	32.4%
Financial income	774	-25.0%	-30.5%	2.9%
Other	1 195	8.0%	3.4%	4.5%

General market performance in 2009

As underlined in the previous reports, the financial performance of exchanges is closely related to the market environment of the year. The situation in 2009 was not very favorable: if globally market cap was significantly up (that generally has a positive influence on revenues since a lot of exchanges fees are, at least partially, based on value of trading), share trading volumes were significantly down (except in the Asia Pacific time zone).

The volumes for derivatives were basically constant in 2009, again except for the Asia Pacific region.

Overall listings were also stable explaining the modest increase of listing revenues (most listing fees are generated by the annual listing fees).

Domestic equity market capitalization (USD million)

		% change 2008/2009
Americas	18 933 413	39.0%
Asia-Pacific	14 625 285	58.8%
EAME	14 223 854	41.9%
WFE	47 782 552	45.5%

Average index performance in 2009

	(in USD)	(in local currency)
Americas	40.8%	34.0%
Asia-Pacific	57.6%	52.0%
EAME	39.2%	30.8%
WFE Global Average	44.9%	38.0%

Share trading volumes (USD million)

		% change 2009/2008
Americas	48 750 667	-32.9%
Asia-Pacific	18 533 900	12.4%
EAME	13 542 777	-45.7%
WFE	80 827 344	-29.2%

Number of listed companies in 2009

		% change 2009/2008
Americas	10 387	0.6%
Asia-Pacific	20 901	0.4%
EAME	14 070	-4.3%
WFE	45 358	-1.1%

Number of trades (in millions)

		% change 2009/2008
Americas	7 013	-13.1%
Asia-Pacific	7 143	43.1%
EAME	943	-5.1%
WFE	15 098	7.4%

Number of newly listed companies in 2009

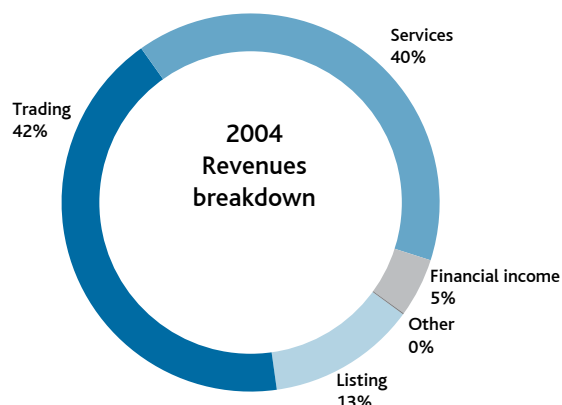
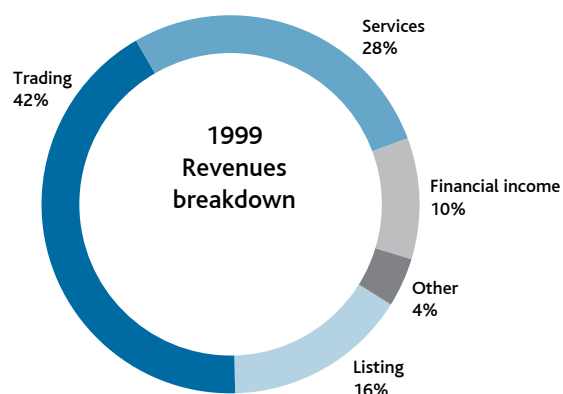
		% change 2009/2008
Americas	505	-27.3%
Asia-Pacific	507	-18.8%
EAME	304	-67.2%
WFE	1 316	-41.4%

Number of derivatives contracts traded
(million of contracts)

	2009	% change 2009/2008
Americas	7 135	-8.8%
Asia-Pacific	6 682	34.1%
EAME	2 671	-24.4%
Total	16 489	0.9%

Historical trends

The historical perspective confirms the long-term trends observed in previous studies: listing and financial income revenues are proportionally declining; trading revenues have been growing and remain dominant. The contribution of services revenues has been more fluctuant, and somehow surprisingly down compared to 2004.



Revenues breakdown by legal status

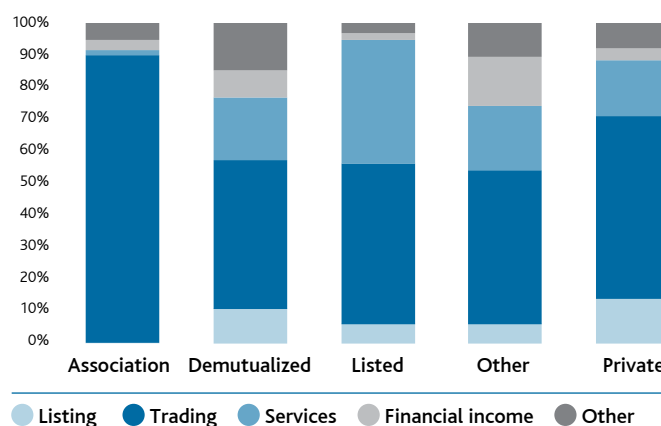
Association and mutual exchanges still have an overwhelming share of their revenues generated by trading (almost 90% !). This is due to the homogeneity (in terms of revenues' structure) of this category representing only four exchanges.

Concerning listed exchanges, their revenues are largely generated by trading and services, the latter (38.7%) being above the industry average, and by far the higher percentage among the five legal groups. Listing revenues are still marginal (6.2%) compared to the total. As noted last year, the weight of derivatives only exchanges is part of the explanation of these figures.

The "other" exchanges category still showed significant relative revenues from financial income.

The relative importance of listing revenues among private exchanges can be explained largely by the Irish and Luxembourg exchanges, with their extensive listed product range for bonds, public funds and certain other financial products; the Bolsa Mexicana also generated significant revenues from listing in 2009.

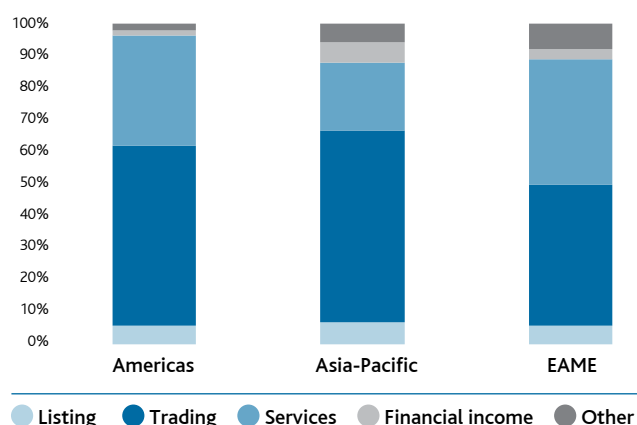
2009 Revenues by legal breakdown



Revenues breakdown by region

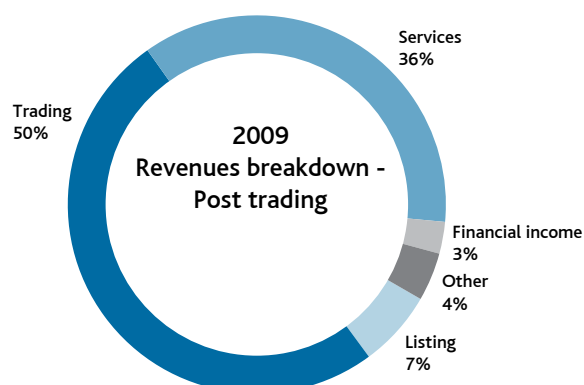
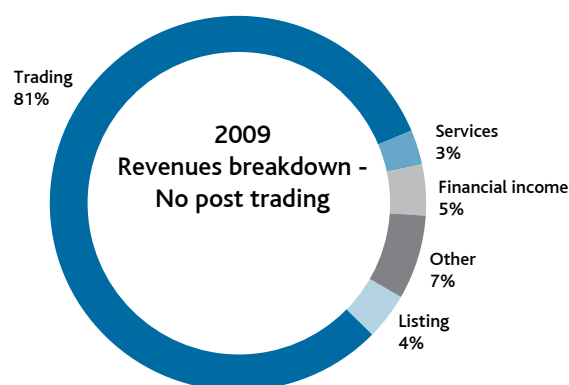
As compared to 2008, the regional breakdown is quite stable. The only striking evolution concerns the Asia Pacific time zone where the trading revenues share jumped from 52% to 59% of the overall revenues, services' share declined from 28% to 21%. This is mostly due to the impressive growth of trading revenues from the Shanghai and Shenzhen Stock Exchanges, and not because of a sharp decline in services' revenues in the region (they are almost stable from 2008 to 2009). The share of services in the total revenues in Asia Pacific was already relatively small compared to the two other time zones in 2008 and is then even smaller in 2009.

2009 Revenues by legal breakdown



Revenues breakdown by post trading activity

This breakdown gives results that could be largely anticipated, with revenues from services accounting for 36% of total revenues for exchanges offering post-trading. Post-trading revenues are accounted for in the "services" business line. The trading revenues in the exchanges with no post-trading activity represent an overwhelming 81% of total revenues.

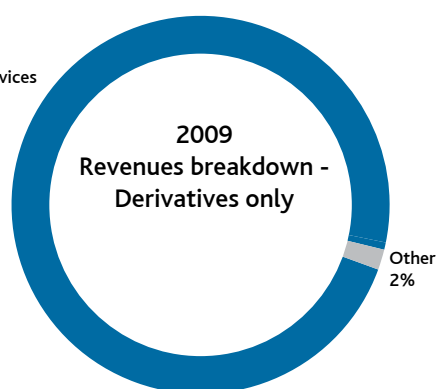


Revenues breakdown by products

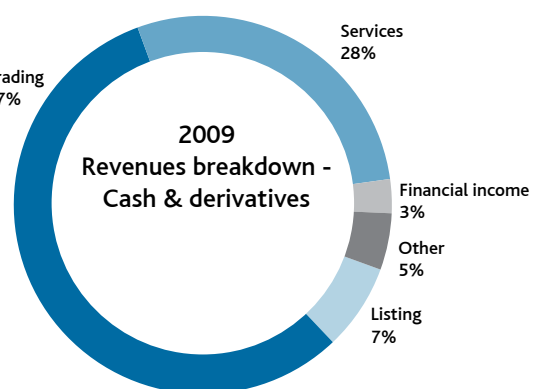
Since details were not always available, trading and services (i.e. mostly clearing) revenues were combined for exchanges only active in derivatives. The result is a striking 97% of revenues.

The most balanced group is the one made from cash and derivatives exchanges.

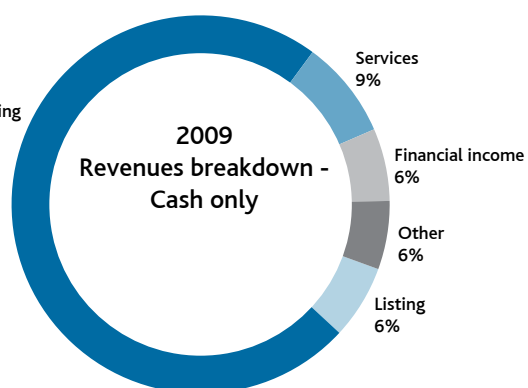
Trading & Services
98%



Trading
57%



Trading
73%

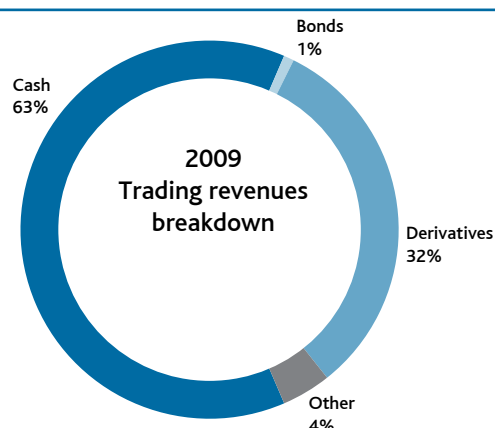


Details on trading revenues

Trading revenues, USD 14.3 billion, were up 2% across WFE membership in 2009. This modest growth is in line with the evolution of the trading volumes for 2009 (see “General market performance in 2009” on page 21).

Trading revenues by product

The cash equity revenues remain predominant, although the percentage given here is not quite accurate since some important members do not provide details on their trading revenues breakdown. Above all, CME and ICE provide figures for trading and clearing together. Because of this bias, the revenues between cash and derivatives could well be much closer to a 50/50 split.



Among the various products, revenues generated from bonds had a 14% increase in 2009 compared to 2008, and revenues generated by other products increased by 25%.

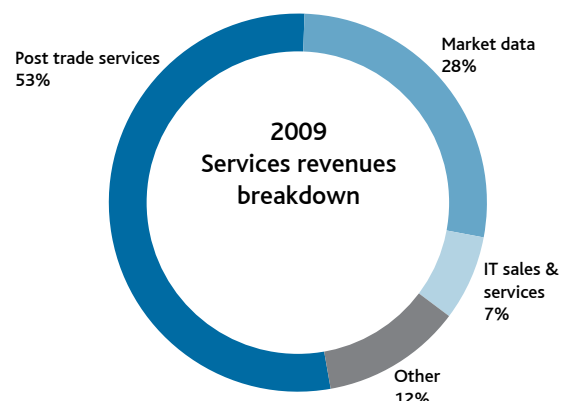
Given the important bias noted above, we did not calculate other trading revenues' breakdowns.

Details on service revenues

Revenues from services were also modestly up (+3%) at 8.5 billion compared to the previous year.

Post-trade services as a whole¹ (clearing + settlement + other post-trade services) remain the main contributor to service revenues (53%). They represent around 16% of total revenues. But these revenues are slightly down compared to 2008 (-4%) and used to represent 57% of total services revenues that year.

Unfortunately, the same reserves expressed in the previous section apply here as details are not always available and some members report consolidated trading and clearing figures.



Revenues derived from market data still represent more than a quarter of the services' revenues (28%); they were slightly up (+3%) compared to 2008.

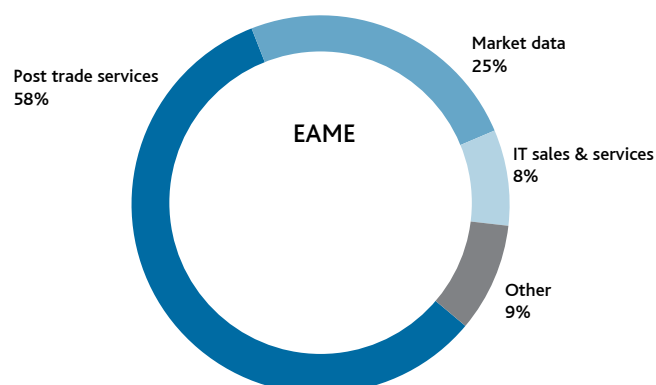
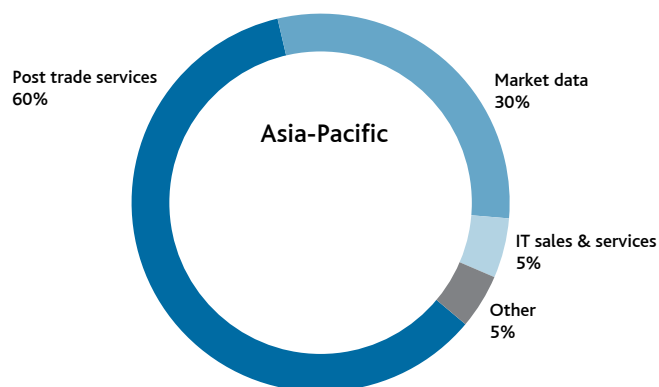
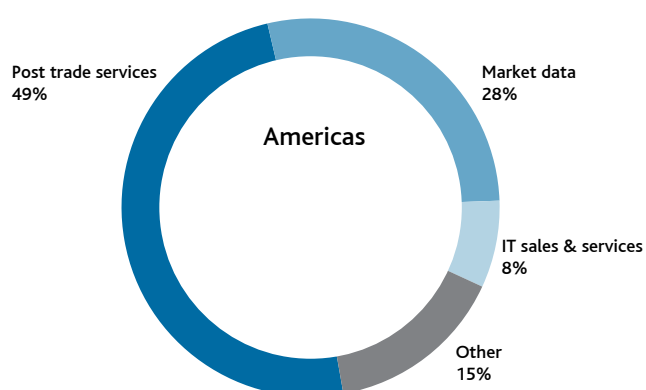
As noted in previous surveys, some services revenues are highly concentrated among a few exchanges. For instance, CME, DBAG, NYSE Euronext, and NASDAQ OMX account for 53% of the total market data sales (the three US exchanges alone earn almost half - 45% - of the market data revenues).

On the IT sales and services' revenues, three exchanges (DBAG, NASDAQ OMX, and NYSE Euronext) account for 77% of this category's total which is up 17% compared to last year (mostly thanks to NASDAQ OMX, and NYSE Euronext which both had increases superior to 20%).

¹ Taking these revenues as a whole make sense, since details of how revenues are spread between the three categories are not always available.

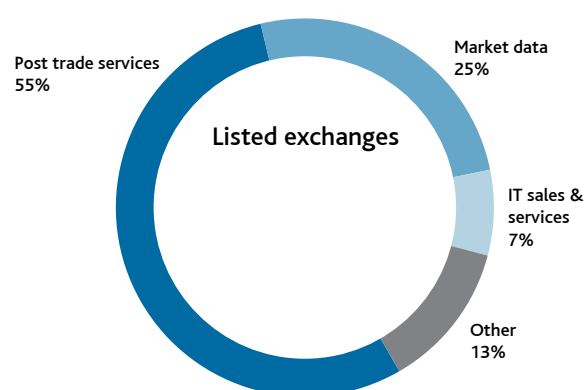
Services revenues breakdown by region

The geographical breakdown shows a quite balanced picture for each time zone, but again regional breakdowns should be treated carefully because of the transatlantic mergers.



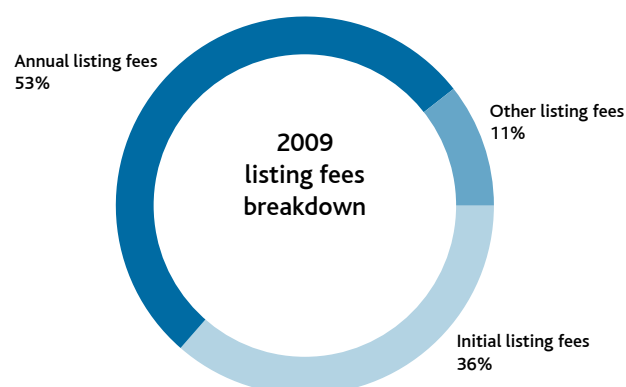
Services revenues breakdown by legal status

As explained above for trading revenues, we only present here the detailed figures of listed exchanges. Services revenues from listed exchanges showed more balance than the global mean.



Details on listing revenues

Listing revenues (USD 1.6 billion) were up 7.8% in 2009, but almost stable in constant dollar terms (+3%), which is on line with the raw listing figures given in section 3.1.1.



Annual listing fees still represented the largest percentage of listing revenues at 53%, and the initial listing fees 36%.

The "other listing fees" only represent 11% of the total listing revenues but were up 14% compared to last year. They include fees covering instruments such as warrants, investment funds, ETFs and other products.

Costs

As explained earlier, overall costs were stable in 2009 (+2.2% and -0.5% in constant USD) at USD 14.6 billion, and very much in line with total revenues (+1.9%).

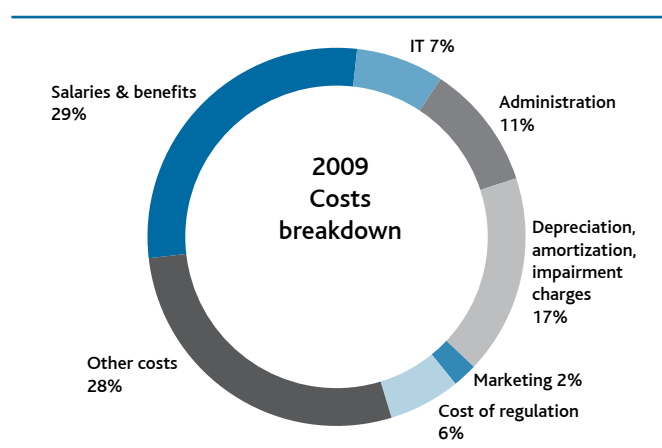
As mentioned, this stability covers very different situations:

- A significant decrease from recently merged entities (-27% from BM&FBOVESPA, -17% for NYSE Euronext). For these two members, the decrease seems to be mostly due to the absence of expenses related to the merger (impairment charges, integration expenses) rather than synergies.
- Deutsche Börse has a significant increase in costs (+34%) mostly due to significant impairment losses on intangible assets (related to ISE).

The 2009 costs breakdown show a major increases of two categories of costs: the depreciation, amortization and impairment charges, and the "other costs".

The important increase in depreciation and amortization is largely due to Deutsche Börse, but also to Oslo Børs which had to write down a significant goodwill from the merger with VPS Holding (clearing and settlement, as they account together as 43% of the total of this cost line.) The increase in cost of regulation is mainly due to NYSE Euronext, where "section 31" fees (collected by the exchange but ultimately paid to the US SEC) have increased almost 70%, due to an increase in the SEC rate compared to 2008. These costs are neutral on NYSE Euronext net income as they are exactly covered by the "activity assessment fees" charged by the exchange.

The other costs are mostly driven by NYSE Euronext which reported its liquidity payments, routing and clearing, amounting in total to USD 1 820 millions in this section (*see last year report page 40 for an explanation on differences on how liquidity rebates and routing and clearing fees are reported by the US exchanges*). NYSE Euronext "other" costs also include USD 517 millions of merger expenses and exit costs.

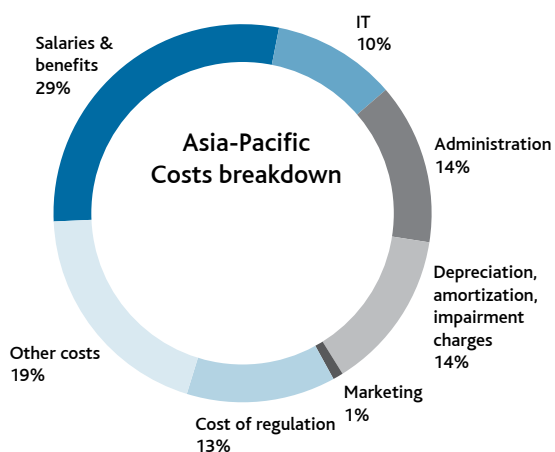
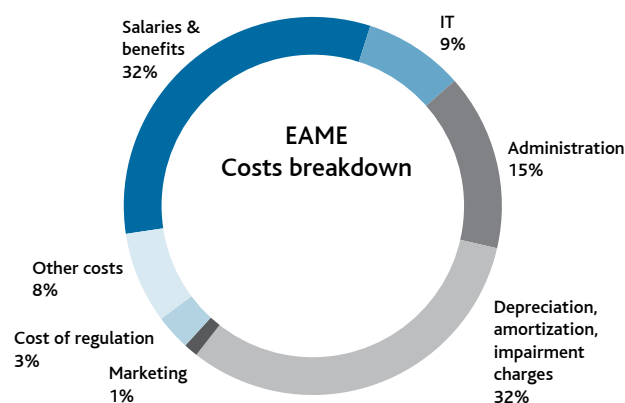
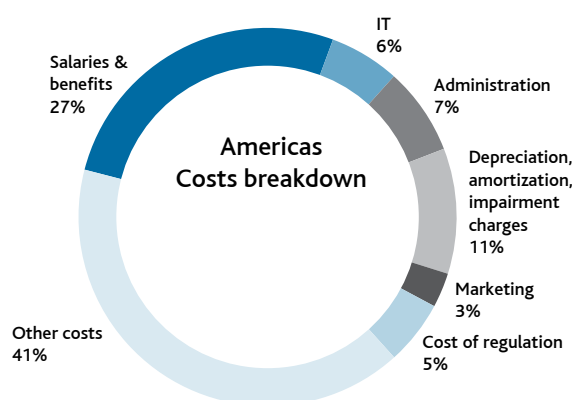


2009 Costs breakdown

		% change 2009/2008
Salaries & benefits	4 015	7%
IT	1 060	-11%
Administration	1 505	8%
Depreciation, amortization, impairment charges	2 401	68%
Marketing	297	-18%
Cost of regulation	862	37%
Other costs	3 922	-21%

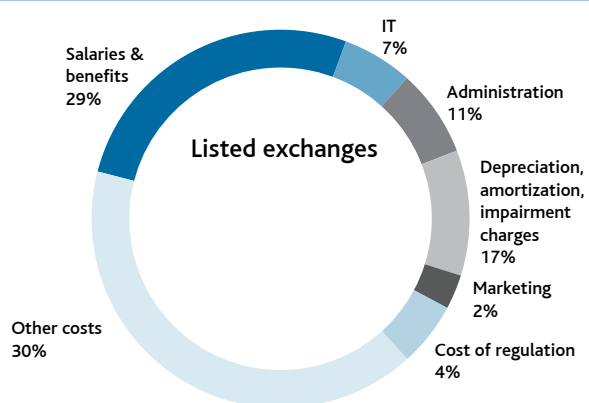
Costs breakdown by region

As for certain other detailed breakdowns, data received at the Secretariat were sometimes incomplete. The following breakdowns are given here for general information, and are not meant to reflect precise data. As noted above, the Americas breakdown is skewed by the importance of the "other" costs category.



Legal status costs breakdowns

The same warnings about reading too much into detailed breakdowns also apply when looking at the legal status breakdown.



Salaries and benefits

Salaries and benefits were up in 2009 (+6.6%) (but only +2.8% in constant USD terms). This increase is in line with the evolution of staff (+1.1% overall).

Number of staff in 2009

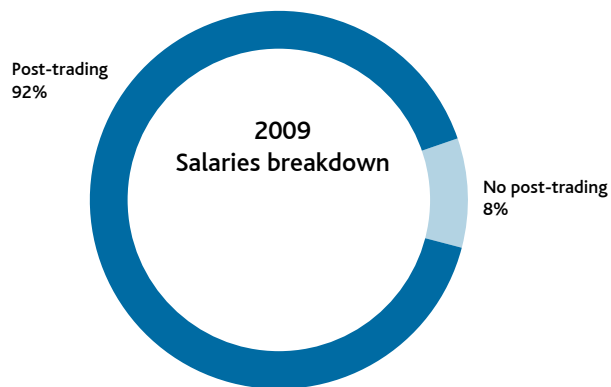
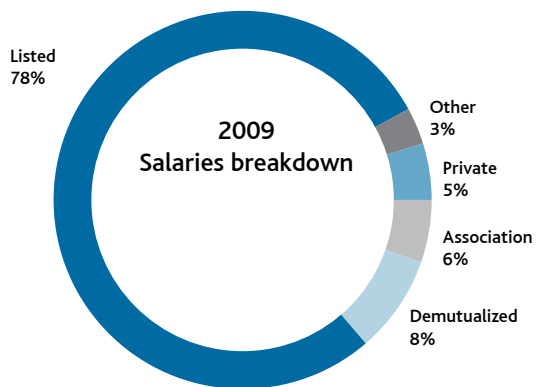
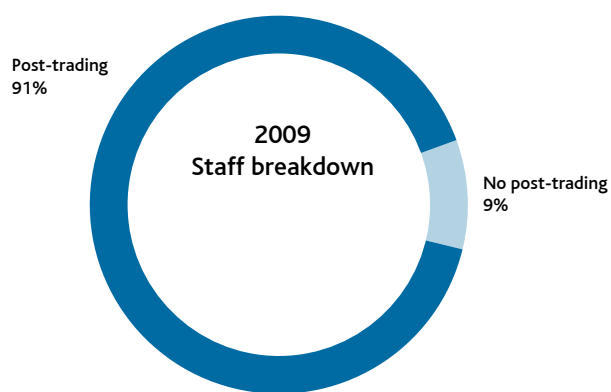
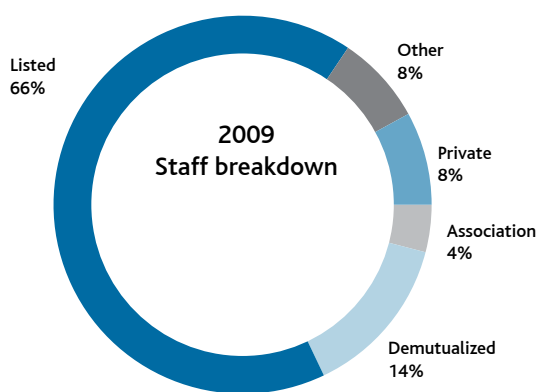
		% change 2009/2008
Association	1 232	9.0%
Demutualized	4 226	15.9%
Listed	20 244	-1.1%
Other	2 317	-3.3%
Private	2 427	-2.5%
WFE	30 446	1.1%

Salaries and benefits in 2009 (USD million)

		% change 2009/2008
Association	215	13.4%
Demutualized	335	5.8%
Listed	3 143	8.1%
Other	126	-8.1%
Private	194	-9.7%
WFE	4 015	6.6%

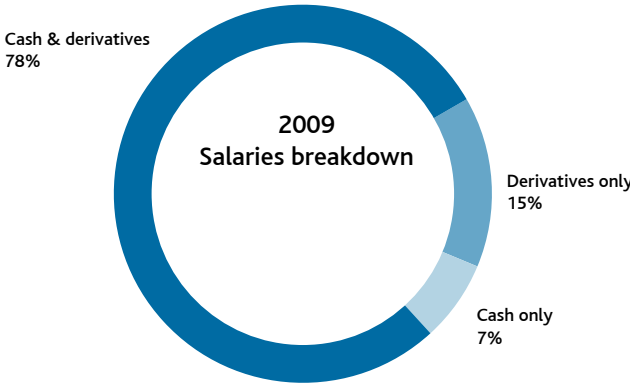
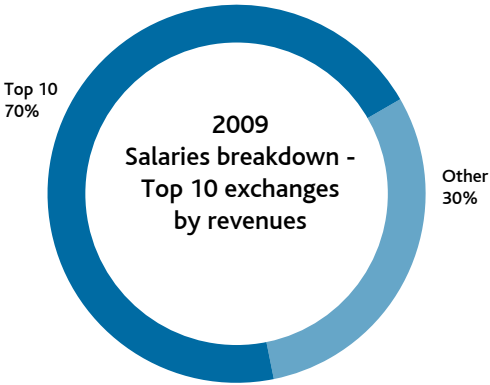
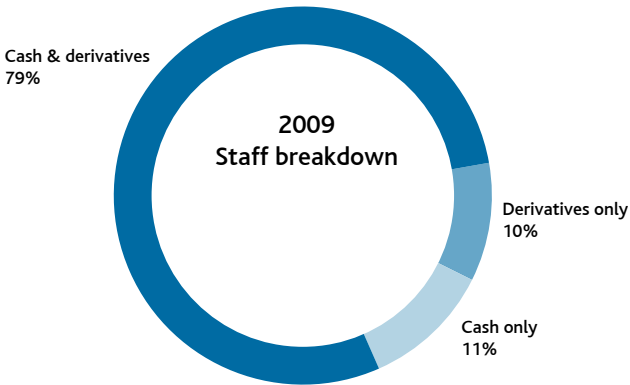
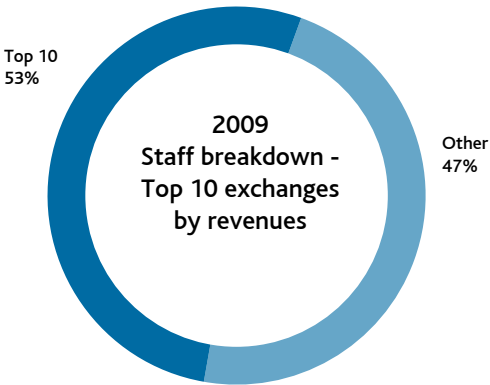
As noted in previous reports, listed exchanges represent 66% of staff and 78% of salaries. As they also represent 77% of revenues, indicating that the revenues generated per employee in listed exchanges is above the average, while the cost of labor at these exchanges is also clearly above the industry average.

Contrary to what was observed last year, the revenues generated by exchanges active in post-trading are in line with their level of staff and salaries (around 90% of the total).



When comparing the top 10 exchanges by revenues to the others, the difference between the percentage of staff and the percentage of salaries is consistent with last year levels: 53% compare to 70%. These 10 exchanges represent more than half of the total staff, and have a higher average cost of labor, as well as a higher productivity (75% of total revenues are generated by these 10 exchanges).

The breakdown by products offered highlights the importance of derivatives exchanges within WFE membership: two members (CME and ICE) represent 10% of staff and generate 13% of revenues (with a percentage of 15% in terms of salaries).



Annexes



Annex 1: Further information on responding members

Respondents corporate details

Corporate structure

Half (51%) of the respondents reported figures for a consolidated group of companies, not only the exchange itself.

Shareholders

As regards significant shareholders (at least 5% of the capital), the principal categories reported are the following:

Members	60%	9.0%
Institutional investors	50%	15.9%
Individual investors	33%	-1.1%
Listed companies	18%	-3.3%
Management and employees	13%	-2.5%
Other	50%	1.1%

Though the level of details provided does not allow for an in depth analysis, it is interesting to note that percentage of institutional investors dropped to 50% (compared to 55% last year) whereas the percentage of members increased to 60% (compared to 53% last year.) The percentage given is an indication of the presence of each type of shareholder and not their respective weight.

Fiscal year

Nine exchanges reported figures from a fiscal year different than the civil year. When this occurred, they gave full 12 months information up to that reporting date.

Market access, concentration and fees

Market access

The number of intermediaries having access to the responding exchanges' markets is highly variable, from a dozen for the smallest to more than 700 for Bombay Stock Exchange.

Intermediaries' concentration

As some figures from this report shows the exchange industry is highly concentrated. The brokerage industry is also highly concentrated, and the figures reported are impressive. Exchanges were asked to provide percentages of total trading volume of the 5, 10 and 15 most active members on their markets.

On this point, 35 responses were received for cash markets, and 20 for derivatives. The figures were computed by using the average of various percentages without any weighting. The concentration observed has increased compared to 2008, especially for the derivatives markets.

Concentration (cash markets) 2009

Percentage of total trading volume of the 5 most active members	49%
Percentage of total trading volume of the 10 most active members	68%
Percentage of total trading volume of the 15 most active members	76%

Concentration (derivatives markets) 2009

Percentage of total trading volume of the 5 most active members	57%
Percentage of total trading volume of the 10 most active members	73%
Percentage of total trading volume of the 15 most active members	80%

Fees structure

Cash transaction fees are mainly based on the value traded, or a combination of value and another criterion.

Cash transaction fees based on:

Value traded	54%
Combination of value and other structure criterion	18%
Combination of value and number of transactions	13%
Number of transactions	5%
Shares traded	3%
Combination of shares traded and number of transactions	3%
Other	5%

Figures are based on 39 respondents.

The structure of derivatives' fees is mostly based on number of contracts.

Derivatives transaction fees based on:

Number of contracts	53%
Value traded	17%
Combination of number of transactions and contracts traded	10%
Combination of value traded and contracts traded	10%
Number of transactions	3%
Other	7%

Figures are based on 30 respondents.

Annex 2: Definition and composition of members groups

Legal category definitions

- Private, limited companies are bourses registered as private companies, generally with a paid-up share capital. Intermediaries are almost always the sole owners of the exchange, and their ownership and intermediation rights and activities are strongly linked.
- The second category includes exchanges registered as private, limited companies which have "demutualized," but which are not listed. The demutualization of an exchange is a process by which a non-profit member-owned organization is transformed into a for-profit shareholder corporation. Ownership is somewhat more open.
- The third category regroups the publicly listed exchanges. A bourse goes public when its shares are listed on an exchange and are freely negotiable among investors.
- The fourth category is made of bourses that are registered as associations, or mutuals. These member cooperatives generally have no share capital, and access to membership is restricted.
- The fifth category encompasses exchanges with an "other" legal status, including, for example, those which still have a government or semi-government agency structure and belong to the state.

These five categories reflect as closely as possible the present reality in the regulated financial exchanges industry, but are of course a generality.

Composition of exchange groups

The main groupings used to analyze responses in the course of this survey were composed by the following bourses:

a) WFE Exchanges by legal status at end-December 2009

Private, limited companies mainly owned by members (8 bourses):

Bolsa Mexicana de Valores	Moscow Interbank Currency Exchange
Bourse de Luxembourg	SIX Swiss Exchange
Irish Stock Exchange	Tel Aviv Stock Exchange
Jakarta Stock Exchange	Wiener Börse

Demutualized, but not publicly listed exchanges (9 bourses):

Bombay Stock Exchange	Moscow Interbank Currency Exchange
Budapest Stock Exchange	Stock Exchange of Tehran
Korea Exchange	Stock Exchange of Mauritius
National Stock Exchange of India	Taiwan Stock Exchange Corporation
Oslo Børs	Tokyo Stock Exchange

Publicly listed exchanges (19 bourses):

Athens Exchange	Hong Kong Exchanges and Clearing
Australian Stock Exchange	IntercontinentalExchange (ICE)
BME Spanish Exchanges	Johannesburg Stock Exchange
Bolsa de Comercio de Santiago	London Stock Exchange
Bolsa de Valores de Lima	Osaka Securities Exchange
Bolsa de Valores de Colombia	NASDAQ OMX
Bolsa de Valores do São Paulo	NYSE Euronext
Bursa Malaysia	Singapore Exchange
CME Group	TMX Group
Deutsche Börse	

Associations, mutuals (4 bourses):

Bolsa de Comercio de Buenos Aires	Shanghai Stock Exchange
Chicago Board Options Exchange	Shenzhen Stock Exchange

"Other" legal group exchanges (8 bourses):

Amman Stock Exchange	Malta Stock Exchange
Cyprus Stock Exchange	Saudi Stock Exchange (Tadawul)
The Egyptian Exchange	Stock Exchange of Thailand
Istanbul Stock Exchange	Warsaw Stock Exchange

b) WFE Members operating in high income economies¹:

Athens Exchange	Ljubljana Stock Exchange
Australian Stock Exchange	London Stock Exchange
BME Spanish Exchanges	Malta Stock Exchange
Borsa Italiana	NASDAQ OMX
Bourse de Luxembourg	NYSE Euronext
Bourse de Montréal	Oslo Børs
Chicago Board Options Exchange	Singapore Exchange
Cyprus Stock Exchange	SIX Swiss Exchange
Deutsche Börse	Tel-Aviv Stock Exchange
Jasdaq Securities Exchange	Tokyo Stock Exchange
Hong Kong Exchanges and Clearing	TMX Group
Irish Stock Exchange	Wiener Börse
Korea Exchange	

c) WFE Members operating in low-middle income countries:

Amman Stock Exchange	Colombo Stock Exchange
Bolsa de Valores do São Paulo	Istanbul Stock Exchange
Bolsa de Comercio de Buenos Aires	Jakarta Stock Exchange
Bolsa de Comercio de Santiago	Johannesburg Stock Exchange
Moscow Interbank Currency Exchange	NYSE Euronext
Bolsa de Valores de Colombia	National Stock Exchange of India
Bolsa de Valores de Lima	Shanghai Stock Exchange
Bolsa Mexicana de Valores	Shenzhen Stock Exchange
Bombay Stock Exchange.	Stock Exchange of Mauritius
BM&FBOVESPA	Stock Exchange of Tehran
Budapest Stock Exchange.	Stock Exchange of Thailand
Bursa Malaysia	Warsaw Stock Exchange
The Egyptian Exchange	

d) Top 10 members by domestic listed equities market capitalization at year-end 2009:

(USD billion)		
1	NYSE Euronext (US)	11 837 793
2	Tokyo SE Group	3 306 082
3	NASDAQ OMX	3 239 492
(3)	NYSE Euronext (Europe)	2 869 393
4	London SE	2 796 444
5	Shanghai SE	2 704 778
6	Hong Kong Exchanges	2 305 143
7	TMX Group	1 676 814
8	BME Spanish Exchanges	1 434 540
9	BM&FBOVESPA	1 337 248
10	Bombay Stock Exchange	1 306 520

e) 10 largest members by share trading value in 2009:

(USD billion)		
1	NYSE Euronext (US)	17 521 119
2	NASDAQ OMX	13 608 077
3	Shanghai SE	5 055 349
4	Tokyo SE Group	3 707 550
5	Shenzhen SE	2 771 730
(5)	NYSE Euronext (Europe)	1 819 112
6	London SE	1 768 561
7	Korea Exchange	1 552 750
8	Deutsche Börse	1 426 409
9	Hong Kong Exchanges	1 416 398
10	BME Spanish Exchanges	1 180 311

f) 10 largest members by revenue in 2009:

Some figures are not public and are not shown.

(USD billion)		
1	NYSE Euronext	4 687
2	NASDAQ OMX	3 409
3	Deutsche Börse	3 332
4	CME	2 613
5	ICE	994
6	London SE	978
7	BM&FBOVESPA	960
8	HKEx	907
9	Shanghai SE	NA
10	Shenzhen SE	NA

¹ This table as well as the following one is based on World Bank classification.





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