

26 April 2018

BME POSTS €37.9 MILLION NET PROFIT IN THE FIRST QUARTER OF 2018

- **Second consecutive quarter of progress in results**
- **The ratio of revenue not linked to trading volumes stands at 128%**
- **The ROE and the efficiency ratio are 15.4 and 7.3 points above the sector average, respectively**

BME reported a net profit of €37.9 million in the first quarter of 2018, posting its second consecutive quarter of progress in its results as the figure is 5.3% and 2.3% higher than the third and fourth quarters of 2017, respectively. The result is however 3.6% lower than in the first quarter of 2017, a period of higher trading volumes and exceptional investment flows channeled to the market on the back of the IPOs of Prosegur Cash, Neinor Homes and Gestamp, which contributed a combined value of €7.5 billion.

Net revenue exceeded €79 million in the first quarter of 2018 (€81.5 million in the same period of 2017), and total operating costs in the first quarter stood at €28.3 million, 2.2% more than the same period of the previous year. EBITDA, an indicator that gauges the company's ability to generate profits, totalled €50.7 million, 5.8% less than the first quarter of 2017 and practically the same as the previous quarter.

The ratio of revenues not linked to volumes over the cost base stood at 128%, showing an increase of 4 percentage points when compared to the same period of the previous year. As regards the financial performance indicators at the end of March, the efficiency and ROE ratios were 35.9% and 33.9% respectively, leveraging BME's position as a benchmark in the sector, better by 15.4 and 7.3 points with regards to companies in the sector that are comparable with BME.

Today BME submitted to the General Shareholders' Meeting for approval the distribution of a €0.78 per share final dividend, which will be effective on May 11. This brings the total shareholder remuneration against 2017 to €1.78 per share, representing a pay-out of 96% and leaves a dividend yield of 6.8%.

EFFICIENCY AND ROE RATIOS

	1Q 2017	1Q 2018	%
Cost base Ratio*	124%	128%	+4.0 p.p.
Efficiency ratio	34.0%	35.9%	+1.9 p.p.
ROE	35.5%	33.9%	-1.6 p.p.

(*) Ratio of the cost base with revenues not linked to trading volume

Highlights for the quarter by business area

EQUITY

Between January and March 2018 a total of €4.5 billion in new investment flows and financing in stock has been channelled to the market through public offerings, new admissions and capital increases of already listed companies, compared to 9.4 billion registered in the same period this year. Worthy of note is the the good performance of the real estate sector, with the IPOs of Metrovacesa and two new REITs. At the close of the quarter, the total number of such companies was 54, with a combined capitalisation close to 20 billion euros.

The beginning of the year was marked by two other negative factors for the Equity business area: the sharp correction experienced by the stock exchanges in early February and the intense process of adaptation to the regulatory changes in the sector.

FIXED INCOME

During the first quarter of 2018, the volume admitted to trading on the AIAF Fixed-Income Market in the first quarter of 2018 stood at €105.3 billion. On March 1, 80 major Public Debt references from the main European markets, including Germany, Austria and the Netherlands, were listed.

MARF ended the quarter with an issued and admitted volume of €1.7 billion, 92.5% up on the previous year, and with an outstanding balance of € 2.9 billion.

DERIVATIVES

The period from January to March was favourable to the Derivatives markets operated by BME as a result of increased volatility in February. Worthy of note were the Options on the IBEX 35®, which reported a 37% increase in the number of contracts traded. The Mini IBEX® futures also posted a strong performance, with 15% more contracts traded than in the first quarter the previous year.

In January MEFF announced the preparatory work and launch at the end of 2018 of new FX futures contracts, which will be called FX Rolling Spot Future.

CLEARING

As regards the activity carried out by BME's CCP, BME Clearing, during the first quarter of the year 3.2 million index options and futures contracts were cleared, up 20% compared to those cleared in the same period in 2017.

SETTLEMENT & REGISTRATION

The total number of transactions settled in the first quarter of 2018 was 2.3 million, 19.6% less than in the same period the previous year.

MARKET DATA & VALUE-ADDED SERVICES

BME Market Data's primary information services continue to gain specific weight as a source of income for the Group, and already account for 20% of the total.

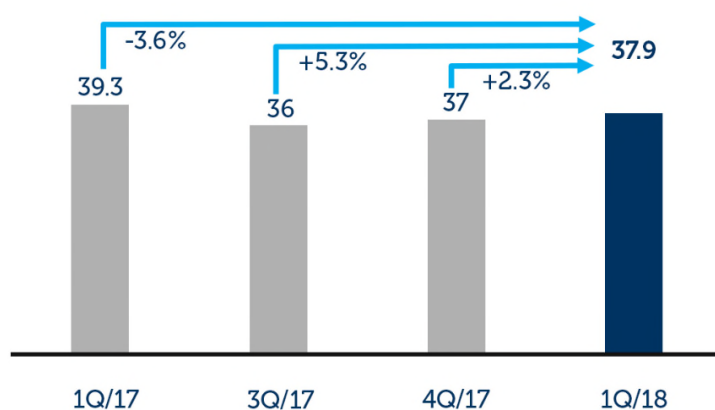
On January 3, the new APA BME platform, managed by BME Regulatory Services, began publishing the details of OTC trades on financial instruments of investment services companies in real time, as well as the firm trading prices of the Systematic Internalisers that have contracted the service with BME Regulatory Services.

INCOME STATEMENT

Data in €million

			1Q 2017	1Q 2018	%
Net Revenue			81.5	79.0	-3.0%
Operating costs			27.7	28.3	+2.2%
EBITDA			53.8	50.7	-5.8%
Net profit			39.3	37.9	-3.6%

TREND IN QUARTERLY NET PROFIT



Further information on the results posted by BME on:

<https://www.bolsasymercados.es/ing/Shareholders-Investors/Financial-information/Results/2018>

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