

Australian Stock Exchange Limited

2005/2006 Full Year Results

Robert Elstone, MD and CEO

John Hayes, CFO (ASX)

Martin Davey, CFO (SFE)

17 August 2006
Sydney, Australia



Disclaimer

The material contained in this document is a presentation of general information about ASX's and SFE's activities current as at the date of this presentation (17 August 2006). It is provided in summary and does not purport to be complete. You should not rely upon it as advice for investment purposes as it does not take into account your investment objectives, financial position or needs. These factors should be considered, with or without professional advice, when deciding if an investment is appropriate.

To the extent permitted by law, no responsibility for any loss arising in any way (including by way of negligence) from anyone acting or refraining from acting as a result of this material is accepted by ASX or any of its related bodies corporate.

Note Regarding AIFRS

Results for the year ended 30 June 2006 have been determined based on Australian Equivalents to International Financial Reporting Standards (AIFRS). Comparatives for the year and six months ended 30 June 2005 have been restated based on AIFRS.

Comparisons referred to in this analysis for reporting periods prior to 2004/2005 are presented based on Australian Generally Accepted Accounting Principles (AGAAP).

Caution should be applied when comparing results presented under AIFRS against results presented under AGAAP.

Introduction

Robert Elstone
Managing Director and CEO

Agenda

- Introduction Robert Elstone
- ASX Financial and Operational Highlights John Hayes
- SFE Financial and Operational Highlights Martin Davey
- Post Balance Date and Outlook Robert Elstone
- Questions
- Close



ASX Performance Summary – FY06

- Net profit after tax up 24.6% to \$137.1 million
- Revenue up 9.3% to \$305.6 million
- Expenses (inc D&A) down 6.2% to \$130.7 million
- Expenses (ex D&A) down 2.6% to \$120.2 million
- Capital expenditure within target at \$13.9 million
- EPS up 24.6% to 133.4 cents
- Total dividend up 26.3% to 120.1 cents per share
- APRL sold – \$9.8 million profit before tax
- Premises Review – Melbourne, Brisbane, Adelaide relocations

Comparisons between full year normal (adjusted for significant items) results at June 06 and June 05
Excludes merger related costs



SFE Performance Summary – HY06

- Net profit after tax up 26.3% to \$42.3 million
- Revenue up 17.0% to \$76.4 million
- Expenses (inc D&A) up 1.0% to \$26.8 million
- Expenses (ex D&A) up 4.4% to \$24.9 million
- Interim dividend up 53.1% to 32.6 cents per share
- Total Exchange volumes up 26.4% to 38.9 million
 - Futures up 25.8% to 36.8 million
 - Options up 36.8% to 2.1 million
- Total Austraclear transactions up 1.2% to 0.7 million

Results are un-audited
Comparisons between half year results at June 06 and June 05
Excludes merger related costs

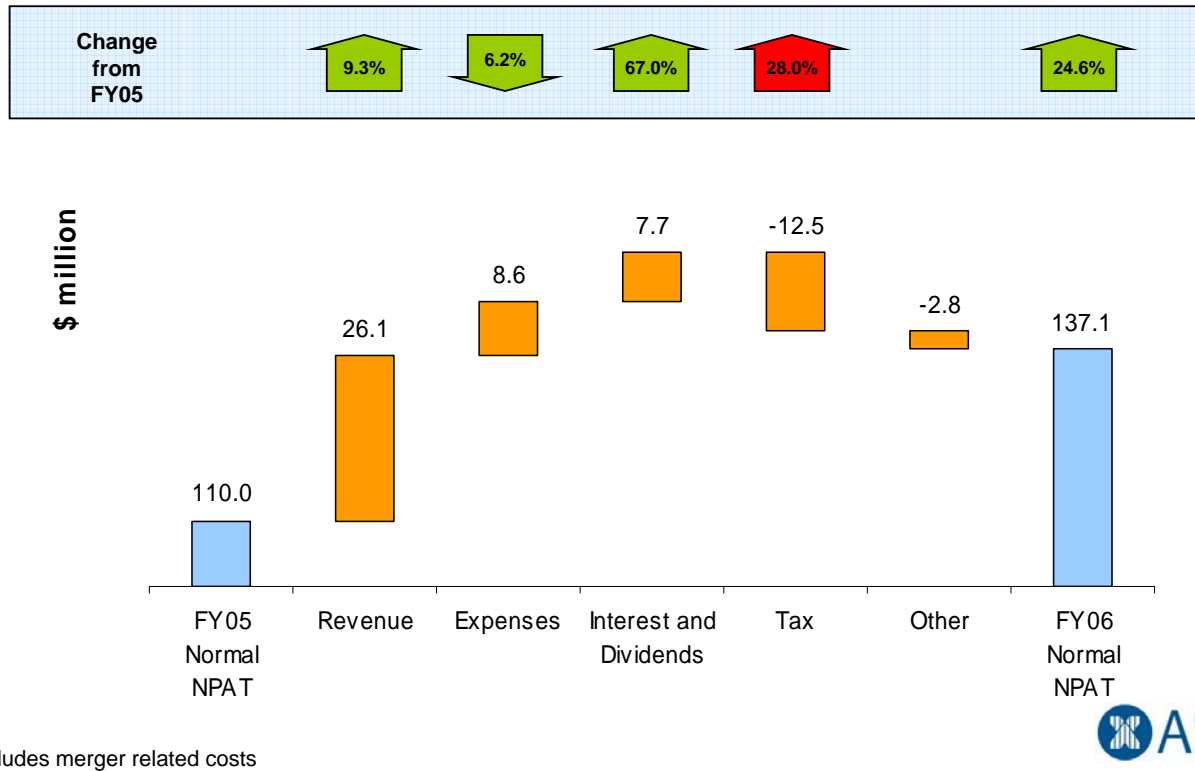


ASX Financial and Operational Highlights

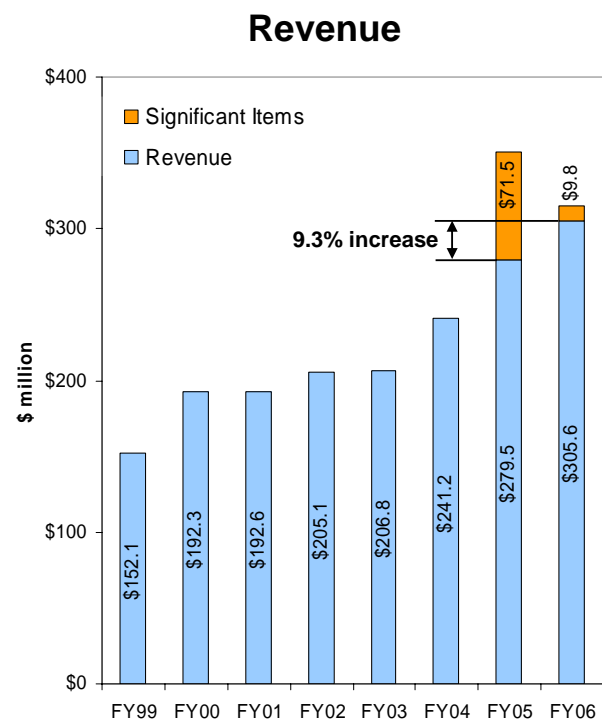
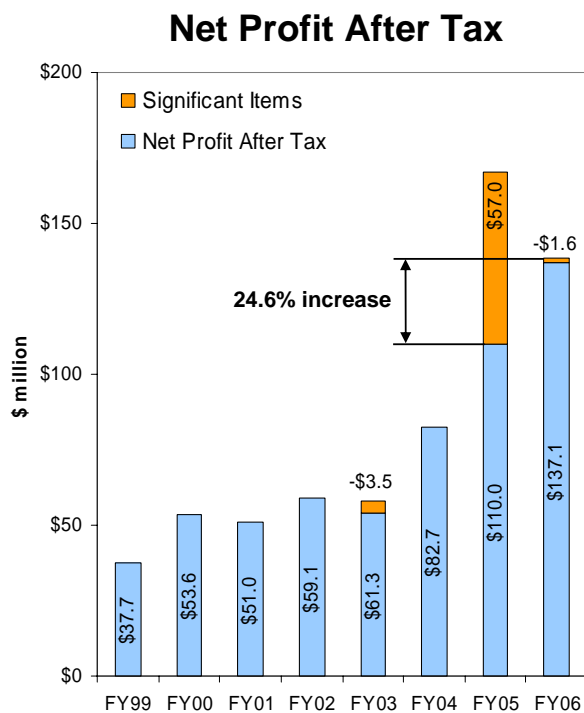
John Hayes
Chief Financial Officer – ASX

ASX Result Highlights

Full year ended 30 June 2006

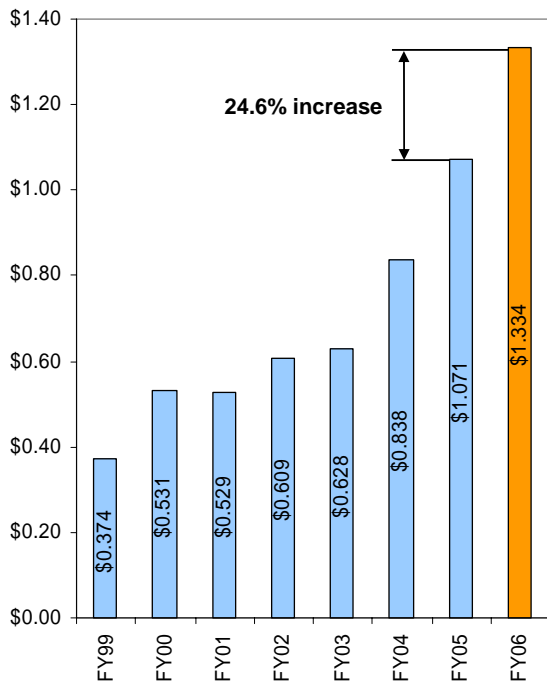


Net Profit After Tax and Revenue

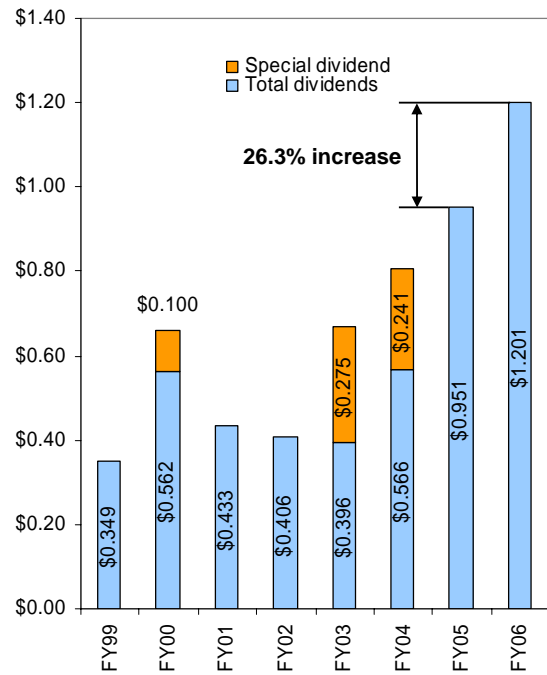


Financial Performance

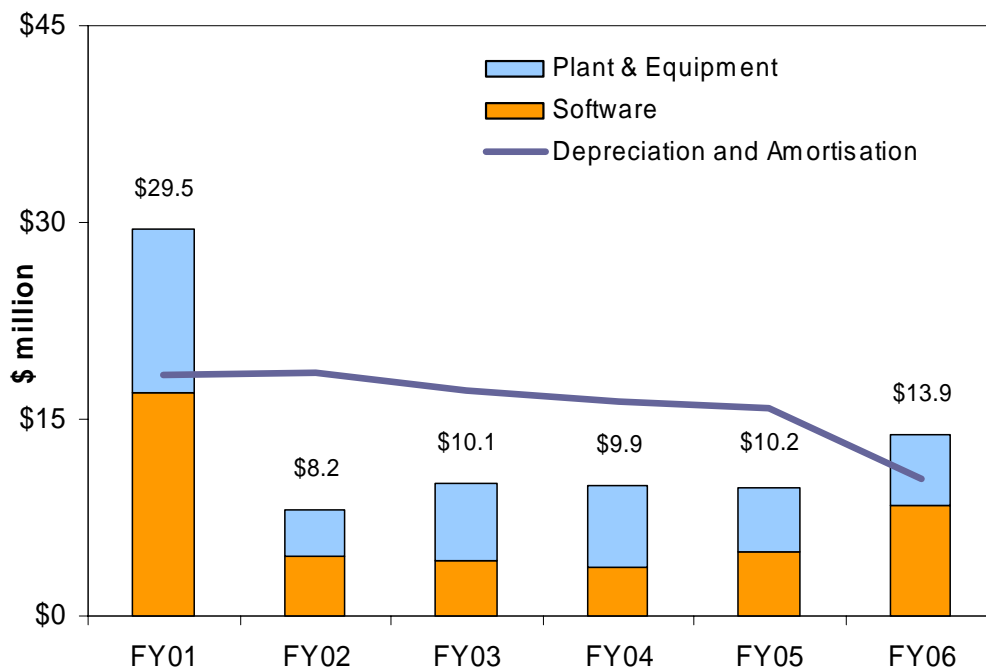
Normal Earnings Per Share



Dividends Per Share



Capital Expenditure



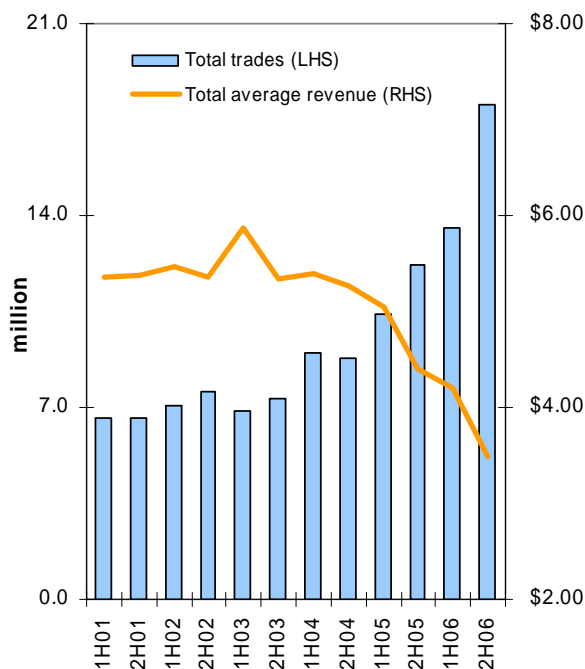
Financial Performance – Revenue

Revenue	12 mths to Jun 2006	12 mths to Jun 2005	vs. pcp	5 year CAGR
Listings	77.0	71.5	7.7%	15.8%
Equities	130.9	118.2	10.7%	7.4%
Derivatives	48.4	44.0	10.0%	4.8%
Information Services	35.7	32.1	11.2%	4.4%
Other	13.7	13.7	-	7.8%
Total Normal Revenue	305.7	279.5	9.3%	8.3%

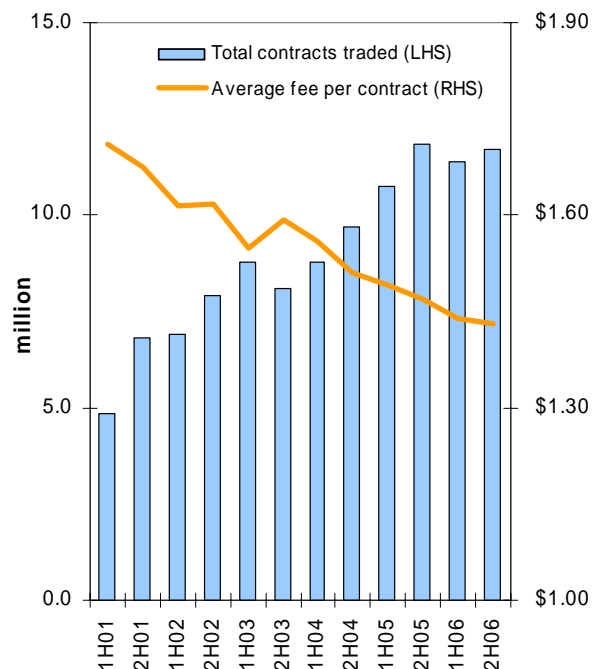


Market Trading Volumes and Fees

Equities



Options

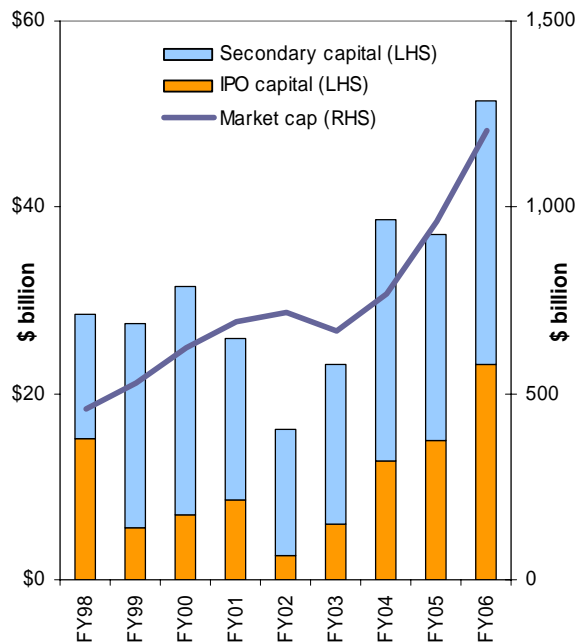


Equities includes warrants and interest rate securities.

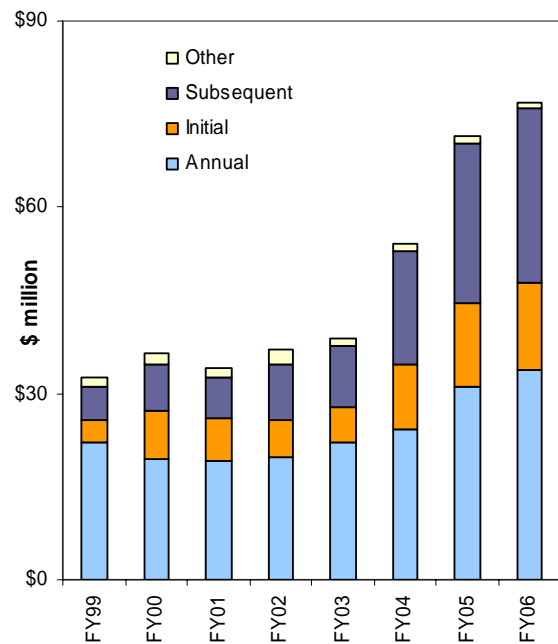


Listings Business

Capital Raised



Listings Revenue



Financial Performance – Expenses

Expenses	12 mths to Jun 2006	12 mths to Jun 2005	vs. pcp
Staff	68.0	70.8	-4.0%
Occupancy	20.4	23.8	-14.3%
Equipment	21.4	26.1	-18.0%
Administration	21.0	18.6	12.9%
Total Normal Expenses	130.8	139.3	-6.2%

Excludes merger related costs



Capital Management

- Dividend policy – 90% of Normal Net Profit After Tax fully franked
- \$100 million capital return subject to tax advice
 - Shareholder approval will be sought at 9 October 2006 Annual General Meeting
- Further capital management initiatives not a near term priority and subject to risk capital (including regulatory) needs



Accounting for the ASX/SFE Merger

- Effective Date – close of business 11 July 2006
 - 7 trading days to 11 July 2006
 - ASX result to 31 December 2006 will include 184 days of ASX and 173 days of SFE
- Total consideration of \$2.266 billion – please refer Note 30 of ASX's full 2005/2006 accounts for further details
- 68,004,817 new ASX shares issued (total 170,746,632 shares on issue)
- Purchase accounting under AIFRS
 - SFE assets to be independently valued
 - To the extent intangible assets with finite life are identified, they will need to be amortised over that finite life
 - Any amortisation expenses will impact statutory group P&L

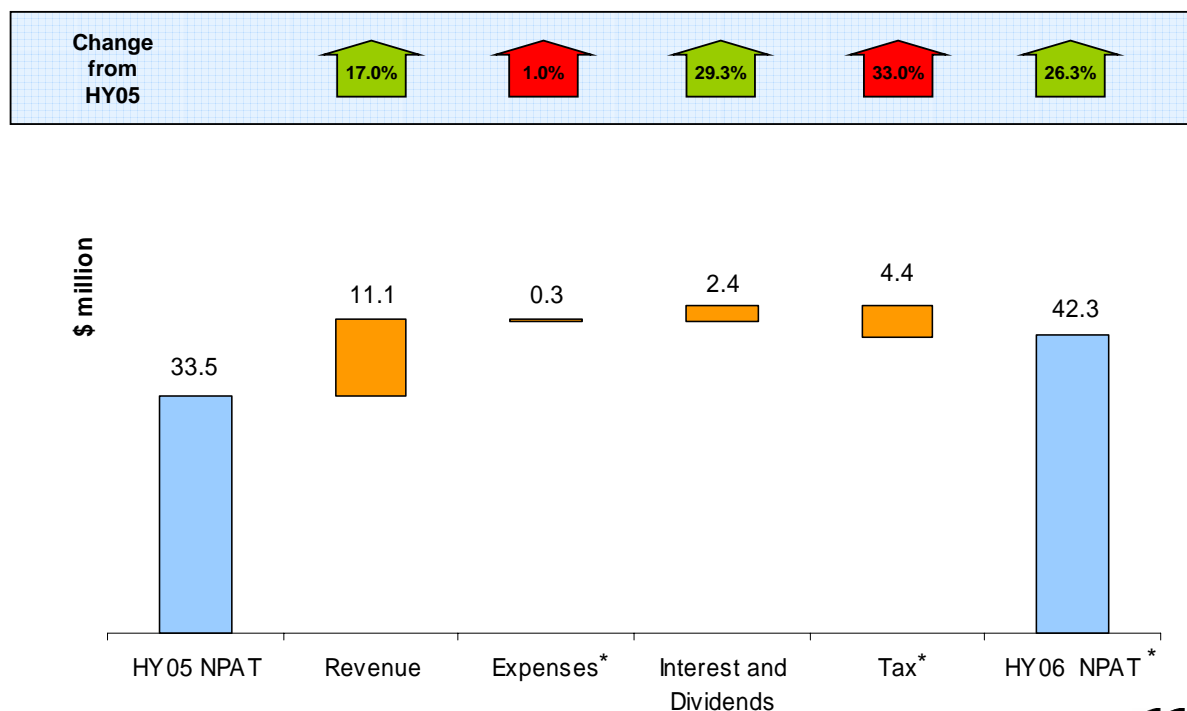


SFE Financial and Operational Highlights

Martin Davey
Chief Financial Officer – SFE

SFE Result Highlights

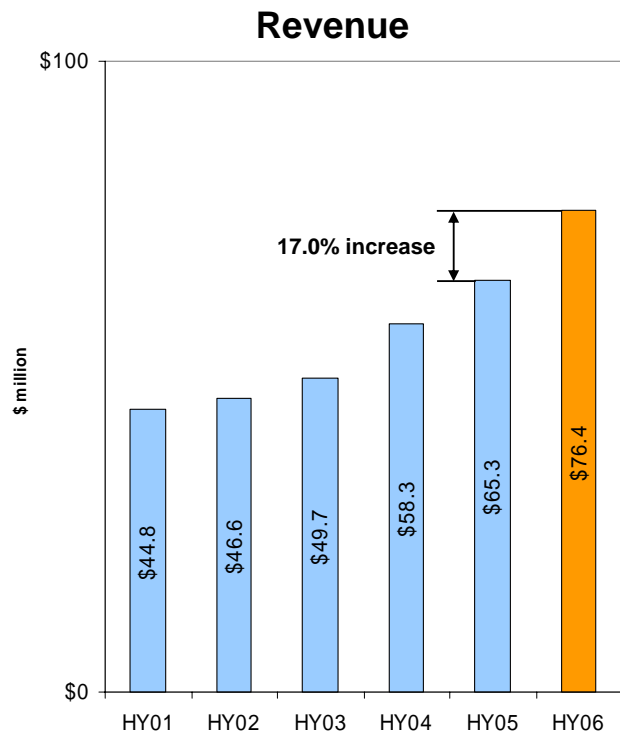
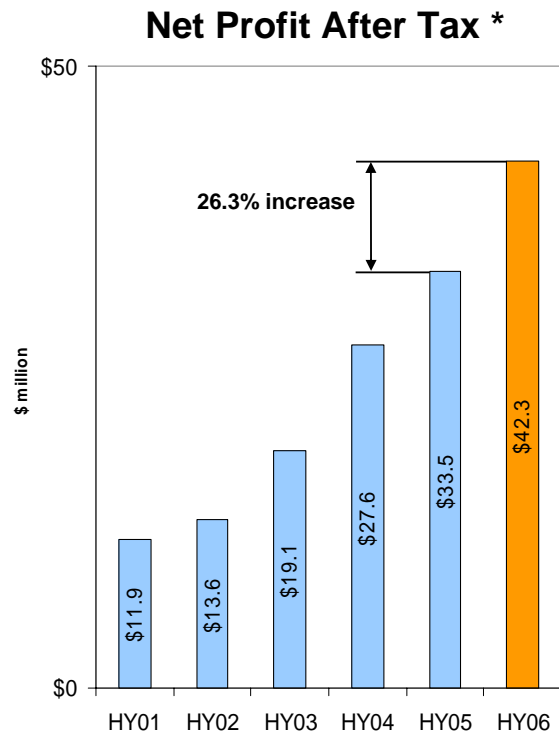
Half year ended 30 June 2006



* Excludes merger related costs



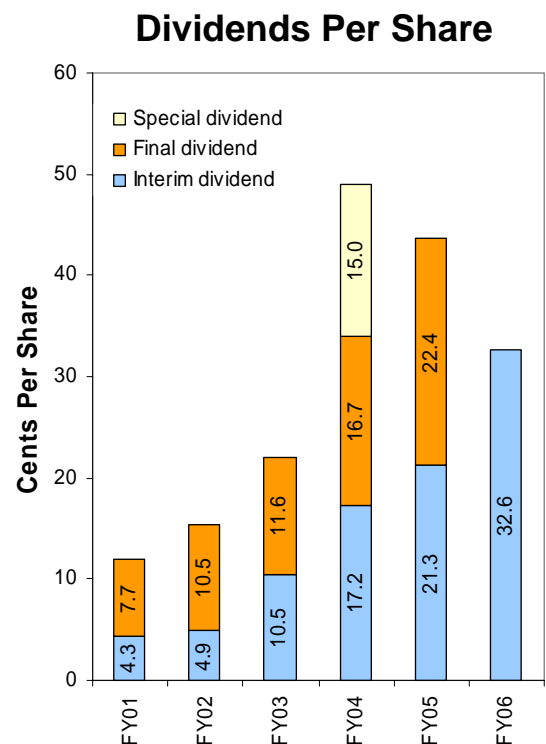
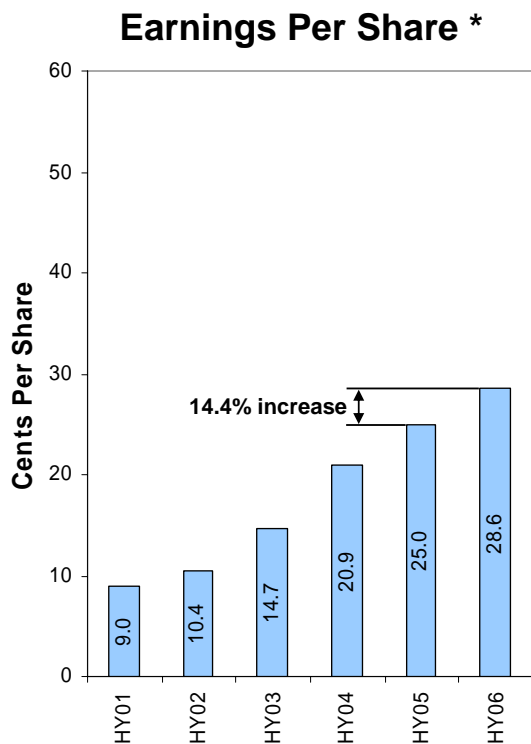
Net Profit After Tax and Revenue



* Excludes merger related costs



Financial Performance



* Includes merger related costs



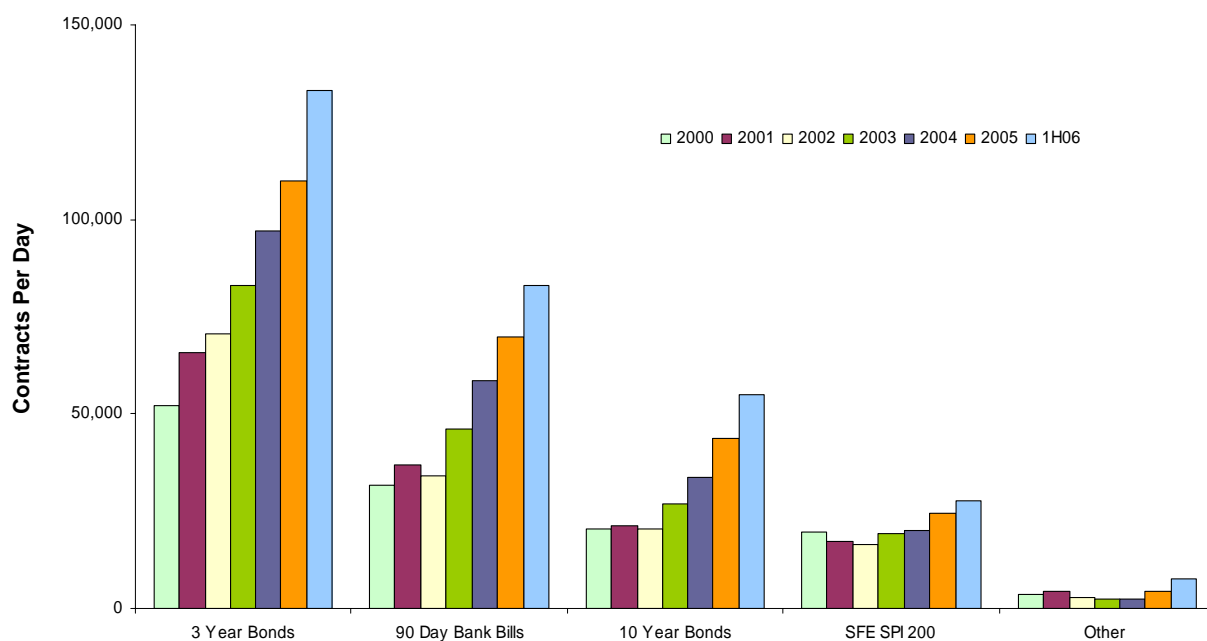
Revenue

	6 months to 30 June 06 \$m	6 months to 30 June 05 \$m	% Change
Exchange Fees	56.2	46.7	20% ↑
Market Data	4.8	4.2	17% ↑
Settlement & Depository	6.7	6.5	4% ↑
Registry	2.5	2.0	29% ↑
Participation	1.2	1.2	2% ↑
Technology Infrastructure	3.9	3.7	6% ↑
Other Revenue	1.0	1.0	5% ↓
Total Revenue *	76.4	65.3	17% ↑

* Pro forma

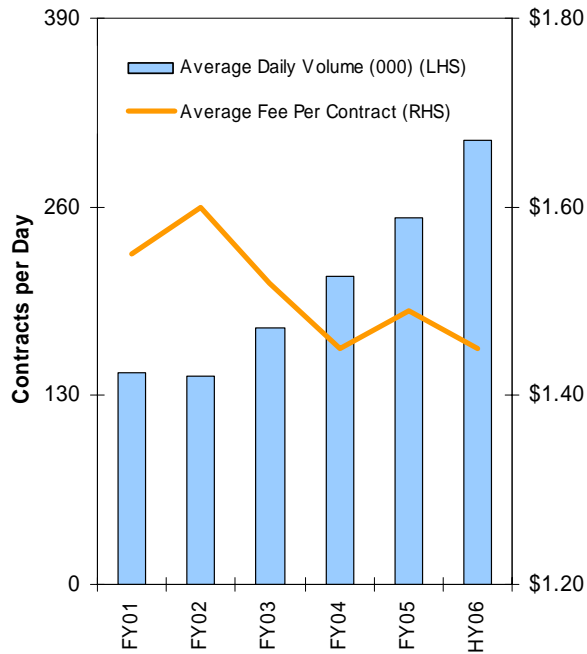


Average Daily Exchange Volumes

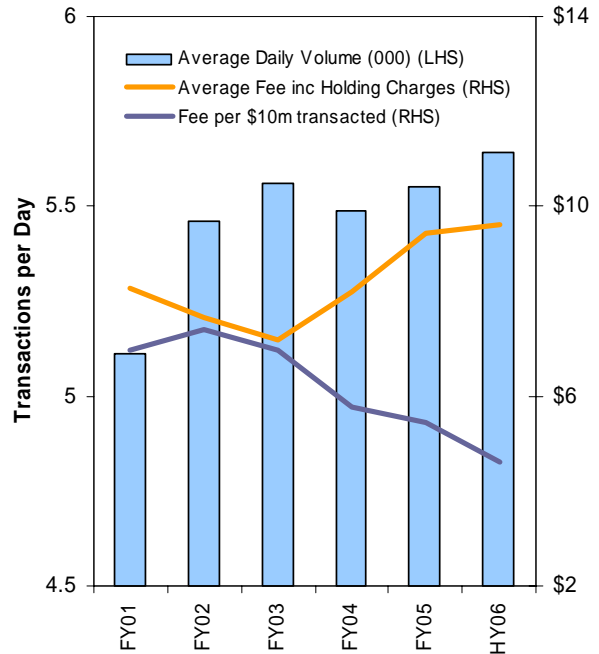


Contract Volumes and Fees

Exchange Traded

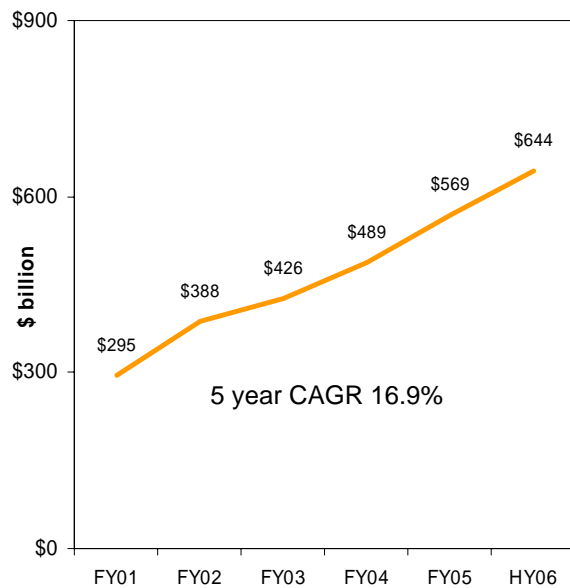


Non Exchange Traded

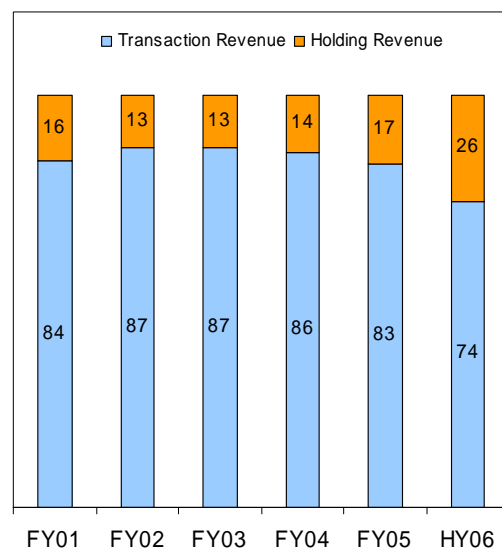


Other Revenue Drivers

Austraclear - Average Securities held (\$bn)



Holding Revenue to Transaction Revenue Ratio within Austraclear



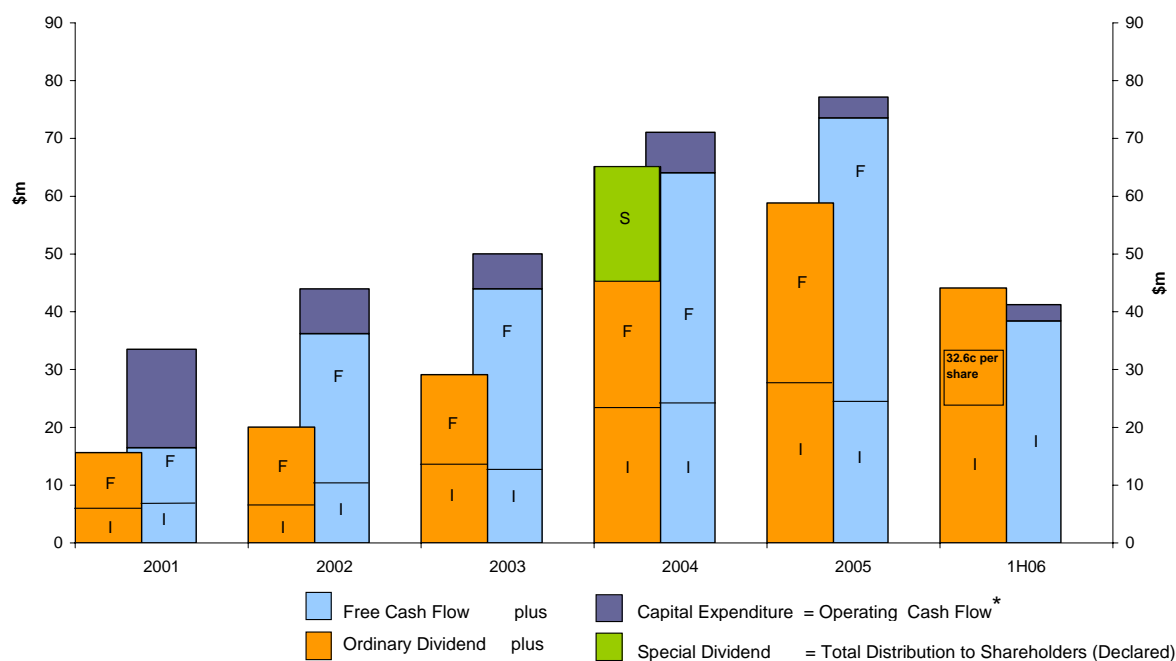
Expenses

	6 months to 30 June 06 \$m	6 months to 30 June 05 \$m	% Change
Employee Related	12.8	12.0	7% ↑
Premises	1.4	1.3	9% ↑
Computer Related	6.4	6.7	4% ↓
Clearing Guarantee	0.3	0.6	50% ↓
Insurance, Legal, Accounting & Bank Fees	1.6	1.5	5% ↑
Other Expenses	2.4	1.8	33% ↑
Total Expenses (excl depreciation) *	24.9	23.9	4% ↑
Depreciation	1.9	2.7	30% ↓
Total Expenses*	26.8	26.6	1% ↑

* Pro forma, excluding all merger-related costs



Dividends, Free Cash Flow and Capex



* Includes merger related costs



Key Performance Indicators

	<u>2006</u> Half Year	<u>2005</u> Full Year to 31 Dec	<u>2004</u> Full Year to 31 Dec	<u>2003</u> Full Year to 31 Dec	<u>2002</u> Full Year to 31 Dec	<u>2001</u> Full Year to 31 Dec
Volume Growth** (Derivatives)	26%	18%	21%	22%	0%	15%
Returns* (Return on Equity)	38%	38%	30%	23%	18%	15%
Efficiency Ratio (Total Expenses as % of Revenue)	35%	40%	47%	57%	68%	77%
People (Average FTEs)	171	172	176	189	215	254
System Availability						
SYCOM (Derivatives trading)	99.94%	99.74%	99.96%	99.84%	99.88%	99.87%
SECUR (Derivatives clearing)	100.00%	100.00%	99.83%	99.97%	99.94%	n/a
FINTRACS (Austraclear)	100.00%	99.94%	99.89%	100.00%	100.00%	100.00%

** Half year 2006 is in comparison to half year 2005

* Half year 2006 has been annualised



Post Balance Date and Outlook

Robert Elstone
Managing Director and CEO

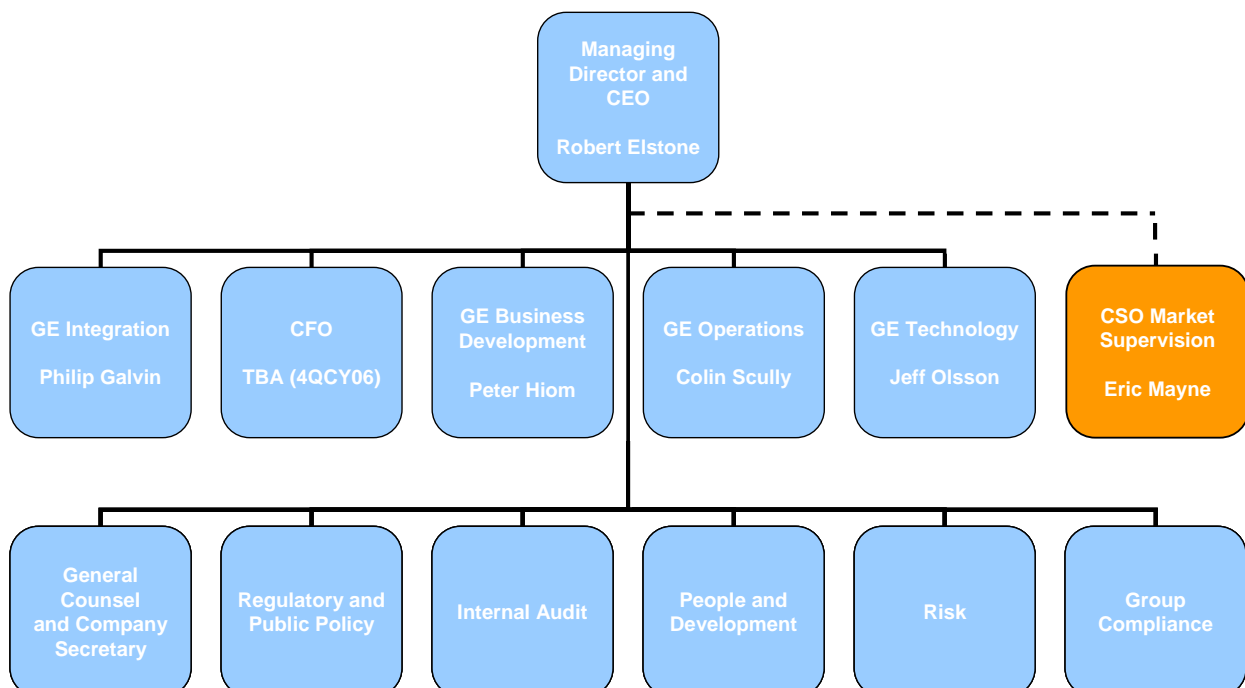
ASX Transformation and Evolution

Since 1 July 2006

- ASX/SFE merger effected 11 July 2006
- Changing Leadership
 - 3 new Directors from 25 July 2006 including MD and CEO
 - 2 current ASX Directors to retire at 2006 AGM
- Executive Management
 - GE Strategy and General Counsel and Company Secretary departure
 - New General Counsel and Company Secretary
 - New (interim) organisational structure – GE Integration and split of operations and business development
 - New Group CFO by end 2006
- Market Integrity
 - ASX Markets Supervision Pty Limited
 - Regulatory Policy Unit



New ASX - Interim Organisational Structure



ASX Group of Companies

Holding company (proposed)

ASX Limited

- \$5.5bn market capitalisation; top-50 ASX entity
- One of the top-10 listed exchanges in the world
- 25,000-plus shareholders

Core licensed operations

ASX

SFE

ACH

SFECC

ASTC

Austraclear

Trading

Central counterparty clearing

Central securities depositories

Products and service functions

- Capital raising
- Price discovery for 1,930 listed entities, the SPI 200 index and the entire interest rate yield curve
- Speculation, arbitrage and hedging
- Market data

- Trade novation
- Central counterparty clearing and settlement
- Market risk management
- Provider of capital efficiency

- OTC clearing and settlement
- Wholesale (high value) payments system
- Depository and registry, issuance and paying agency

Regulatory oversight

ASXMS

Market licence

CS facility licence

CS facility licence

Fair, orderly and transparent markets
Supervises ASX Limited the listed company

Fair and effective CS services

RBA (Payments System Board)
Reduce systemic risk

Key stakeholders and customers

- 1,930 listed entities
- Brokers and other market participants
- Information vendors
- Retail and institutional investors
- Regulators and Government
- ASX shareholders

- Clearing participants
- Regulators and Government
- ASX shareholders

- Settlement participants
- Trading and investment banks
- Funds managers
- Custodians and registries
- Corporations
- Regulators and Government
- ASX shareholders

Turnover and risk profile

- \$1.2 trillion total market capitalisation
- Over 120k average daily SEATS trades
- Over 90k average daily options trades

- Over 300k average daily futures and options trades

- \$4bn traded value novated daily

- \$100bn nominal value novated daily

- \$700m netted novated scheduled settlement over three-day settlement cycle
- \$20bn in settlements daily
- \$682bn of money market instruments and fixed income securities held in safe custody

Key systems and YTD availability

SEATS/ OMX CLICK XT
99.9% uptime
10am-4.20pm, Mon-Fri
Nationwide offices

SYCOM
99.9% uptime
22.5 hours a day, Mon-Fri
Hubs in US, Europe, Asia, NZ

CHESS DCS OMX SECUR
100% uptime 100% uptime 100% uptime

CHESS FINTRACS/ OMX EXIGO
100% uptime 99.9% uptime

12 Month Outlook – BAU and Integration

To December 2006

January to June 2007

July 2007 and Beyond

- Implementation of ITS (CLICK XT) and EXIGO
- Organisation structure and executive management team
- Consolidation of premises and desktop integration
- Identification of functional overlaps and process re-engineering opportunities
- Early business goals and review of business projects
- Alignment of human resource policies and procedures

- Bedding down of new organisation
- Consolidation of peripheral IT applications
- Timing synchronisation of pricing policies
- CFDs on Exchange
- Electronic conveyancing pilot
- Synchronisation of trading rules and processes where relevant
- Harmonisation of (novation) risk appetite, stress testing and margin methodologies across clearing houses

- Convergence of core IT systems
- Clearing house integration
- Rationalisation of data centres
- Medium-term growth strategies

12 Month Outlook – Synergies and Costs

- Merger cost synergies
 - \$14 million to \$18 million merger synergies achievable
 - Calculated off June 2006 pre-merger combined cost based of both ASX and SFE.
 - No further guidance before half year 2006/2007 results (February 2007)
- Cost increases
 - Amortisation of ITS (CLICK) and EXIGO
 - Market Supervision
- Purchase accounting under AIFRS
 - SFE assets to be independently valued
 - To the extent intangible assets with finite life are identified, they will need to be amortised over that finite life
 - Any amortisation expenses will impact statutory group P&L



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