

ASX Limited

2007 Full-Year Results

Robert Elstone, MD and CEO

Alan Bardwell, CFO

Eric Mayne, CSO

16 August 2007
Sydney, Australia



Disclaimer

The material contained in this document is a presentation of general information about ASX's activities current as at the date of this presentation (16 August 2007). 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.

Important Notes

The financial statistics, including comparables, in this report are based on ASX's pro-forma income statement which itself is not audited, but is based upon externally audited accounts. The pro-forma income statement is presented as if ASX and SFE were combined during the relevant periods.

There were no material changes to accounting policies as a consequence of the ASX and SFE merger.

There have been some minor changes to classifications within some revenue and expense items. These changes were detailed in the half-year report. All comparatives reflect a consistent application of these changes.

All references to previous corresponding period (pcp) are for the 12 months to 30 June 2006.

All figures are in Australian dollars.

Agenda

- Introduction Robert Elstone
- Financial and Operational Highlights Alan Bardwell
- Markets Supervision Highlights Eric Mayne
- Outlook and Post Balance Date Activity Robert Elstone
- Questions
- Close

Introduction

Robert Elstone
Managing Director and CEO

Financial Highlights FY07

- Complete Annual Report released this morning 
 - MD Report; CFO Report; Value Proposition; Capital and Risk Management; Markets Supervision; Corporate Governance; Corporate Responsibility.
- Operating Revenue up 22.7% to \$552.7 million 
- Cash operating expenses down 17.8% to \$138.8 million 
- Normal profit after tax up 45.6% to \$313.1 million 
- EPS up 40.7% to 187.7 cents per share* 
- Final dividend up 43.2% to 91.5 cents per share 

Based on ASX's Normal Pro-forma accounts.

Comparisons relative to previous corresponding period – 12 months to 30 June 2006.

* Based on weighted average shares on issue in FY07.

Business Highlights FY07

- ASX/SFE merger largely complete
- System enhancements – CLICK XT/ITS, EXIGO, CAP II
- System availability
 - 100% CLICK XT/ITS, CHESS, SECUR
 - 99.9% SYCOM, 99.4% EXIGO
- Record activity levels in equity and futures markets trading volumes, and listings
- Pricing and rebate initiatives
 - Lower crossing fees
 - Rebate gain-share (75:25)
 - Doubling SVIP
 - Other fee reductions (e.g. SFE options, EFPs)
- Business development initiatives
 - CFDs
 - Land exchange
 - Structured products (AQUA)
 - Listed Exchange Traded Funds
 - Energy

ASX Financial and Operational Highlights

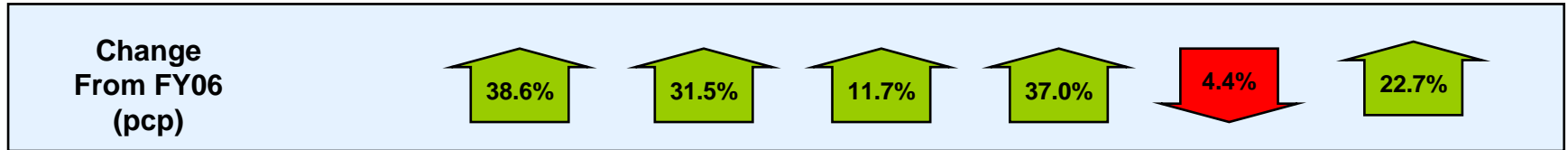
**Alan Bardwell
Chief Financial Officer**

Financial Performance – Income Statement

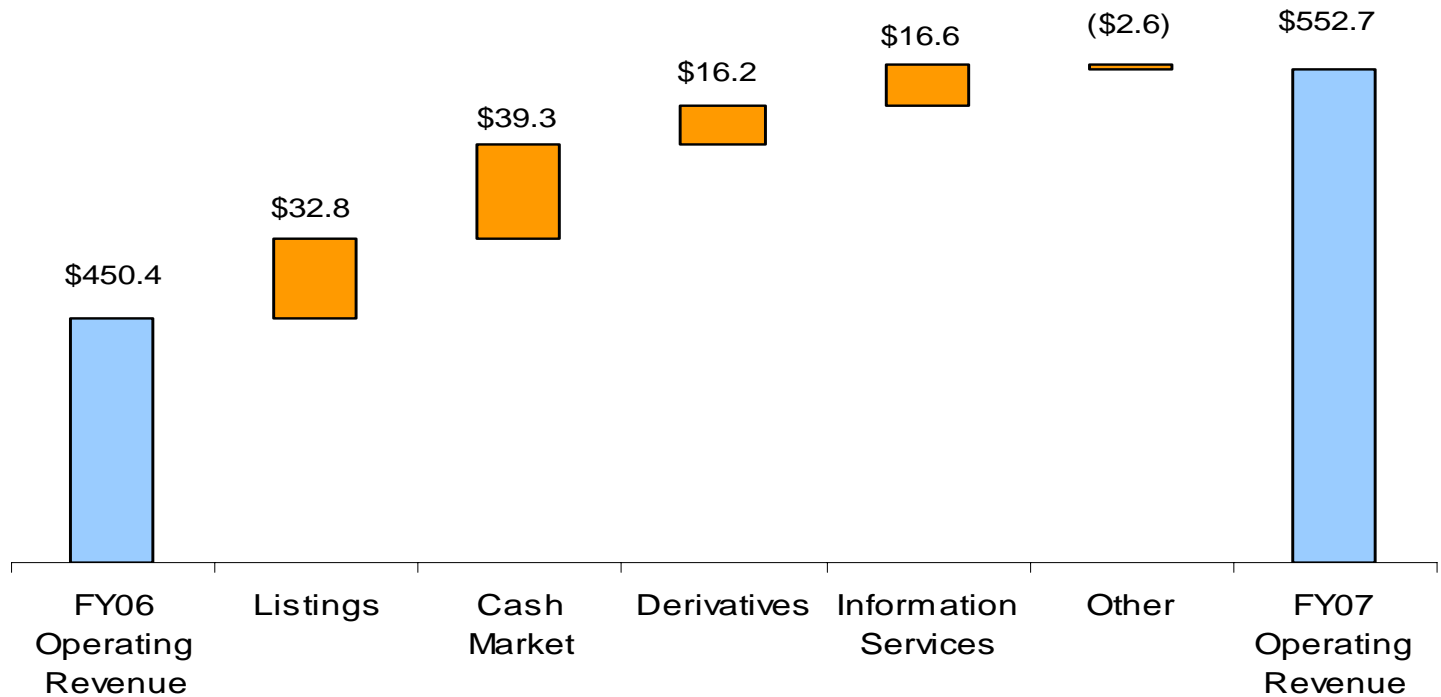
	FY07 \$ million	FY06 \$ million	Variance \$ million	Variance %
Operating Revenue	552.7	450.4	102.3	22.7%
Cash Operating Expenses	138.8	168.8	(30.0)	(17.8%)
EBITDA	413.9	281.6	132.3	47.0%
Depreciation and Amortisation	15.0	14.6	0.4	2.7%
Interest and Dividend Income	43.7	38.2	5.5	14.4%
Normal Profit Before Income Tax	442.7	305.2	137.5	45.1%
Income Tax Expense	129.5	90.2	39.3	43.6%
Normal Profit After Tax	313.1	215.0	98.1	45.6%
Significant Items After Tax	22.8	5.2	17.6	
Profit After Income Tax	290.3	209.8	80.5	

Based on ASX's Normal Pro-forma accounts.
Comparisons relative to previous corresponding period – 12 months to 30 June 2006.

Revenue Highlights FY07

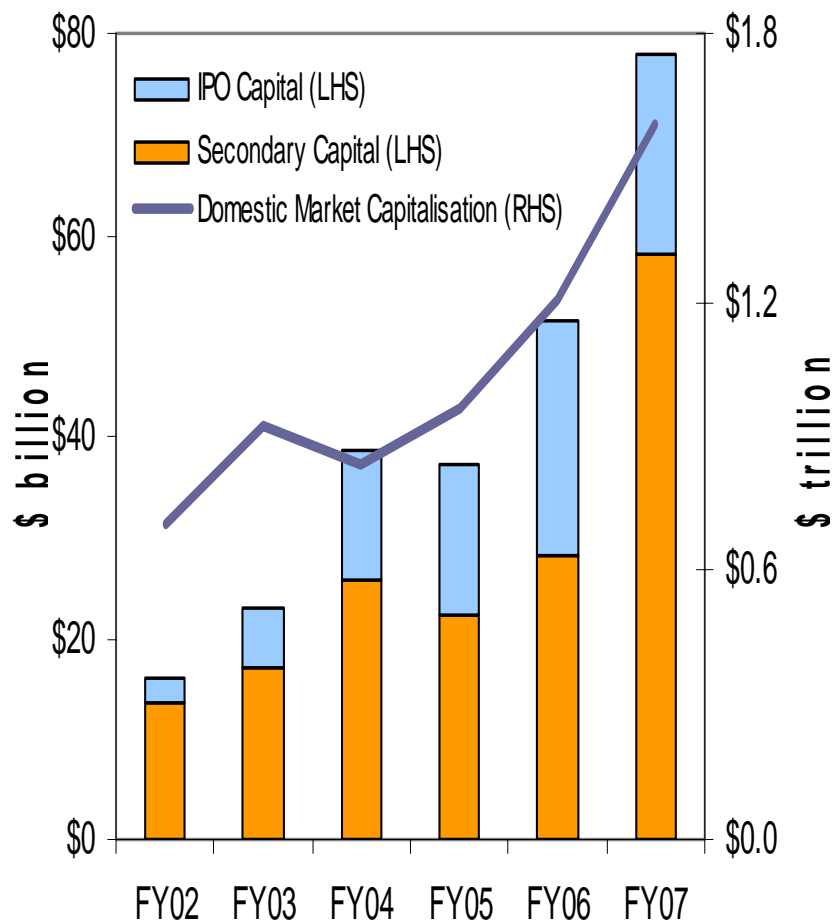


\$ million



Based on ASX's Normal Pro-forma accounts.
 Comparisons relative to previous corresponding period – 12 months to 30 June 2006.

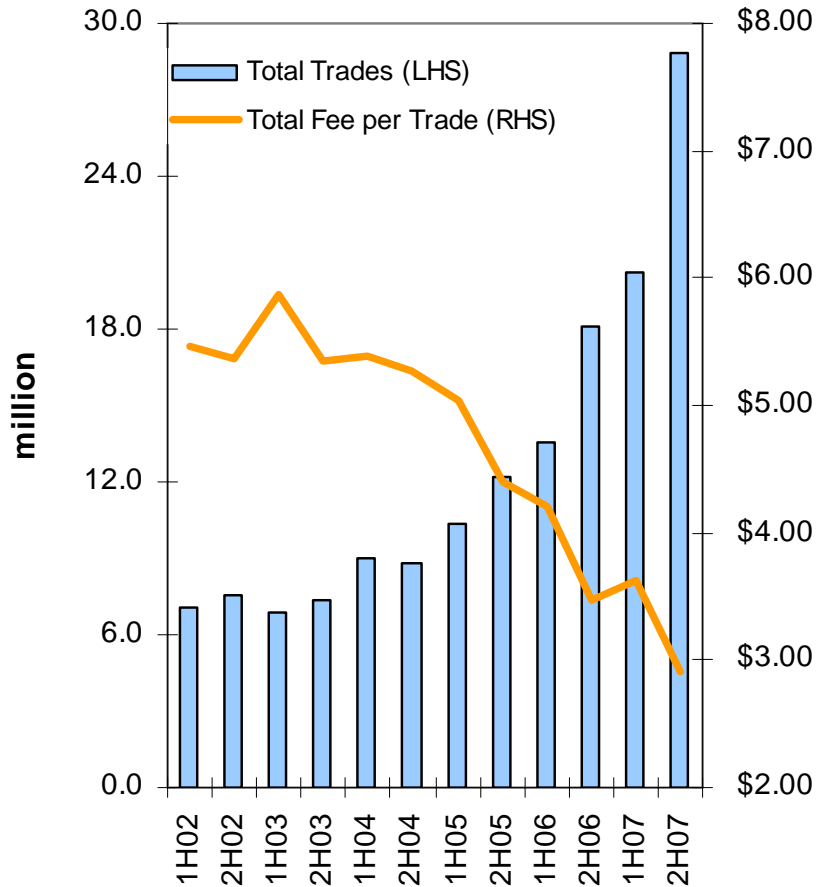
Market Activity - Listings



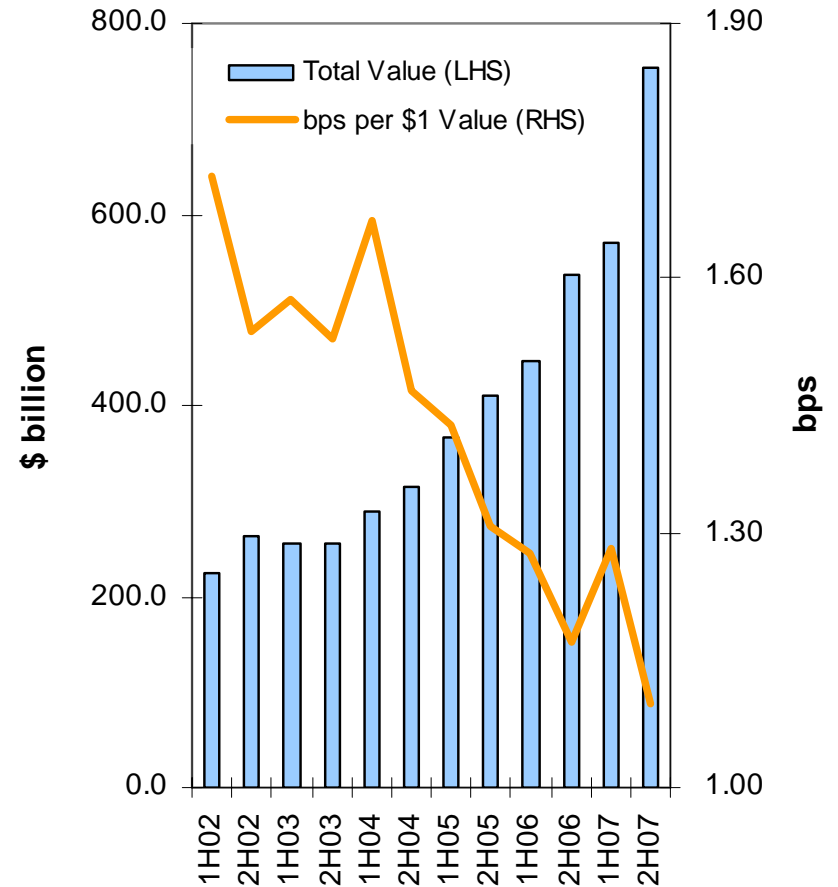
- 284 new listings in FY07 (227 pcpc)
- Total number of listed entities at 30 June 2007 was 2,090 (1,930 30 June 2006)
- Total Capital raised in FY07 of \$78 billion (\$51 billion pcpc)
- 5,873 new warrants listed in FY07 (4,678 pcpc)
- Warrants turnover value reached a record \$9.8 billion during FY07
- Total domestic market capitalisation at 30 June 2007 of \$1.6 trillion (\$1.2 trillion 30 June 2006)

Market Activity – Cash Market

ASX Cash Market – Volume

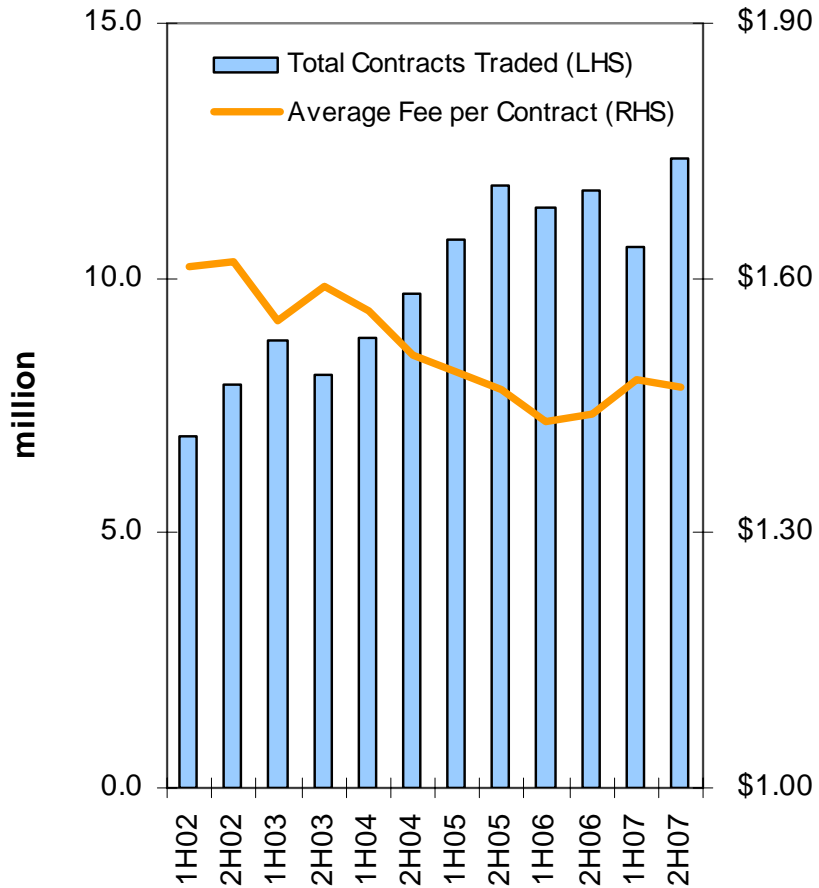


ASX Cash Market – Value

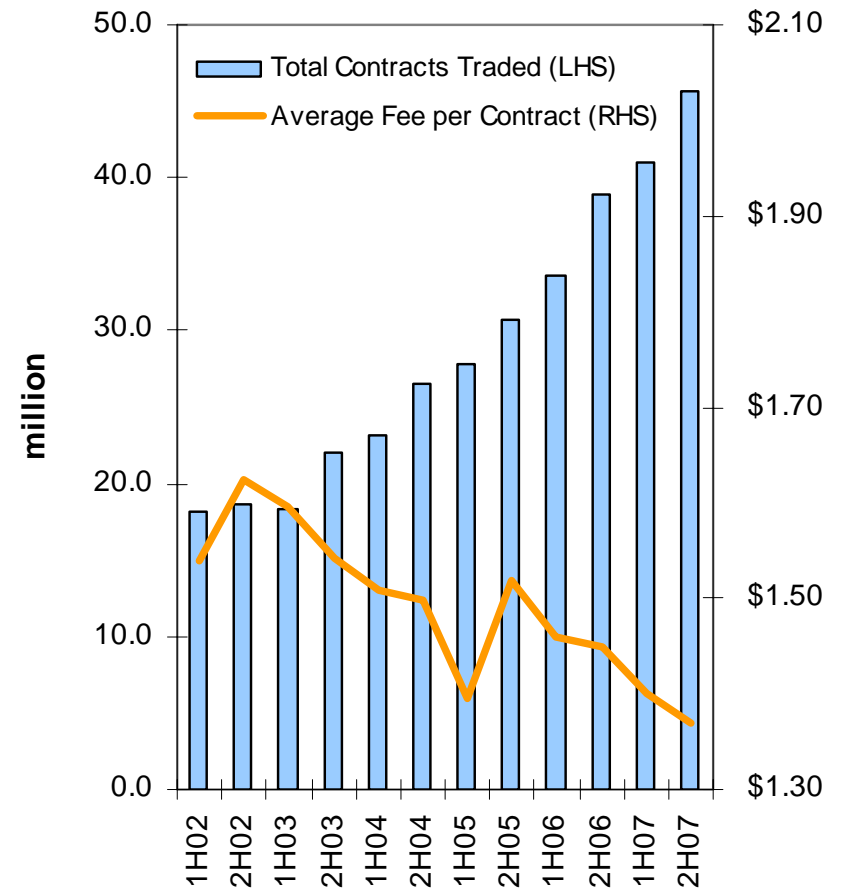


Market Activity – Derivatives

ASX Derivatives



SFE Derivatives



Financial Performance – Expenses

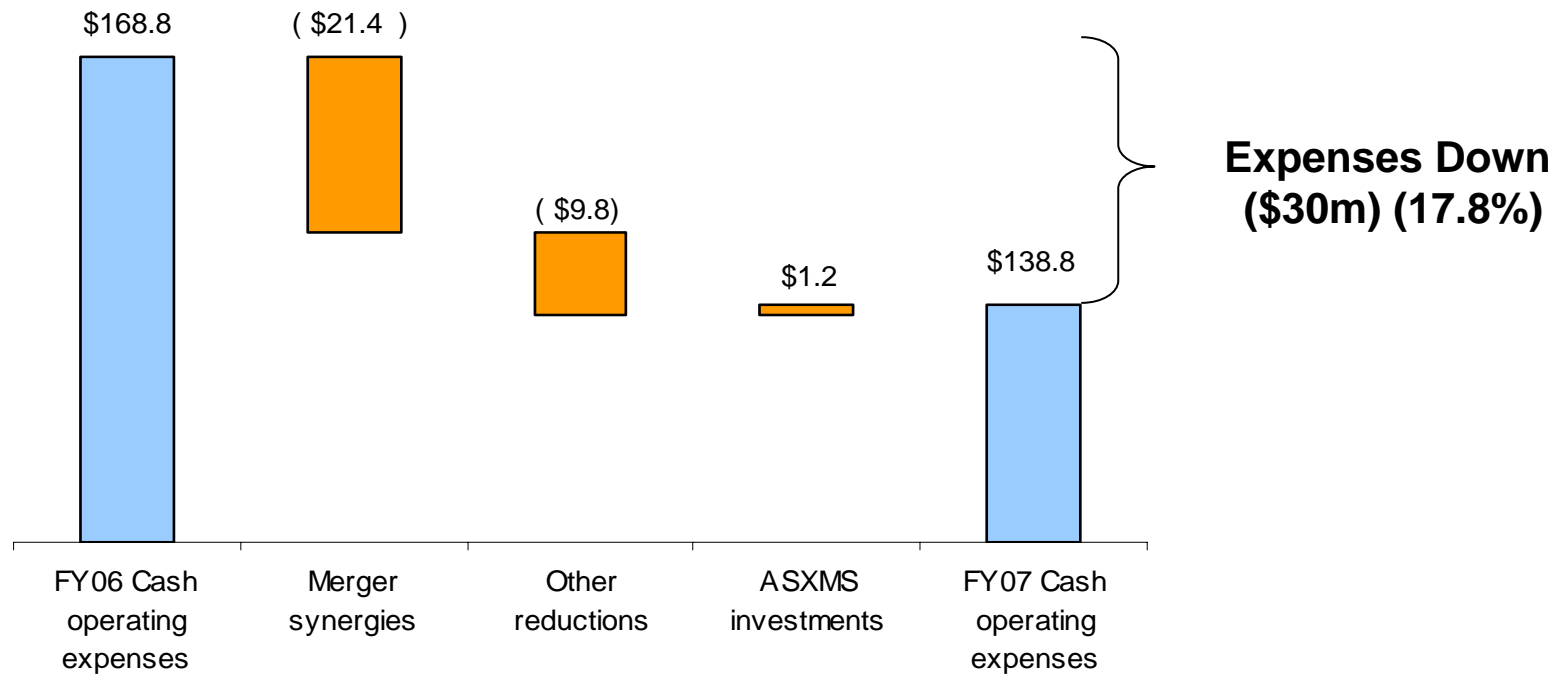
Expenses	FY07 \$ million	FY06 \$ million	Variance \$ million	Variance %
Staff Expenses	75.2	92.9	(17.7)	(19.1%)
Occupancy Expenses	16.1	19.9	(3.8)	(19.1%)
Equipment Expenses	25.5	26.4	(0.9)	(3.4%)
Administration Expenses	17.4	25.8	(8.4)	(32.6%)
Variable Expenses	4.6	3.8	0.8	21.1%
Total Cash Operating Expenses	138.8	168.8	(30.0)	(17.8%)

Based on ASX's Normal Pro-forma accounts.
Comparisons relative to previous corresponding period – twelve months to 30 June 2006.

Financial Performance FY07 – Expenses

Change from FY06

\$ million



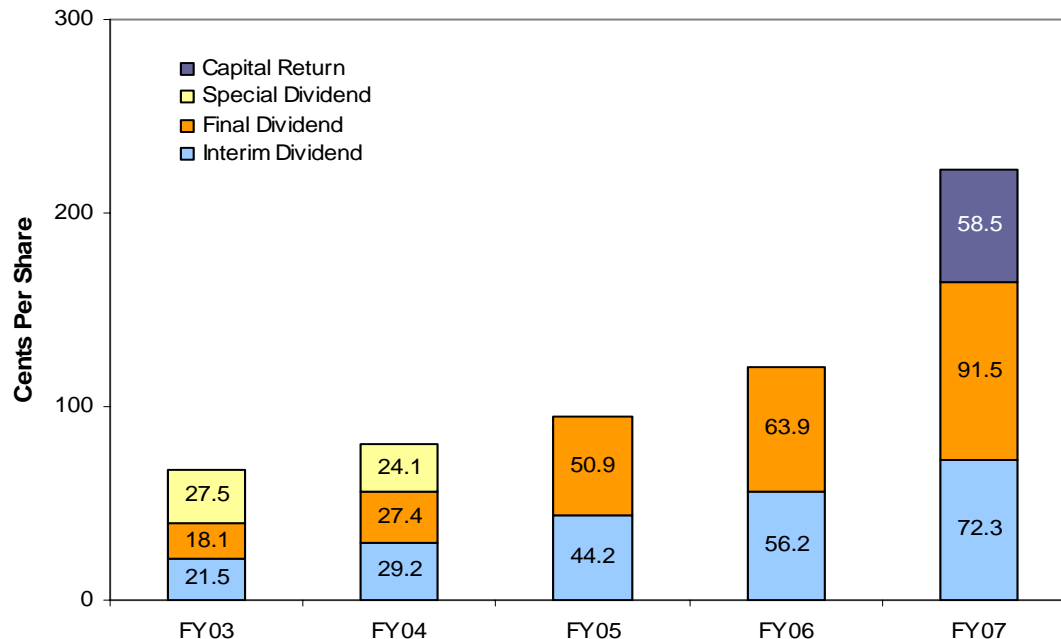
Significant Items

- Total significant items expenses pre-tax FY07 \$32.9m (1H07 \$27.6m)
- Additional merger restructure costs of \$5.3m in 2H07
- No further merger related costs anticipated

		FY07 \$ million
Merger Restructure Expenses		
Redundancy and Outplacement	\$10.0	
Premises Restructure	\$19.1	
Technology Insourcing Restructure	\$2.8	
Other	\$1.3	
Total Merger Restructure Expenses		\$33.2
Merger Transaction Expenses (Pre-Merger not Capitalised)		\$6.8
Less Profit on Sale of Orient Capital		(\$7.1)
Total Significant Items Before Tax		\$32.9
Tax Credit on Significant Items		(\$10.1)
Total Significant Items After Tax		\$22.8

Capital Structure and Management

- Dividend policy – 90% of Normal NPAT, fully franked
FY07 total dividend = 96% of Statutory NPAT
- Capital reduction of \$100m in October 2006
- Total cash returns of 222.3 cents per share (120.1 cps pcp)
- No further near-term capital management initiative plans until the picture for the clearing entities is clearer



Annual Report - Financials

- Profitability
- Activity drivers
- Balance Sheet
- Capital expenditure
- Capital management and adequacy
- Liquidity and risk management
- Statutory Accounts

ASX Markets Supervision

Eric Mayne
Chief Supervision Officer

Markets Supervision Highlights

- ASX Markets Supervision established 1 July 2006
 - Manages all core ASX supervisory activities
 - Chief Supervision Officer reports to subsidiary Board
 - CSO chairs ASX Corporate Governance Council
 - Revised Principles and Recommendations released in August 2007
- ASX and SFE supervision activities
 - Cross-training of supervision staff
 - Single process for making referrals to ASIC
 - Streamlining of ASX and SFE disciplinary processes
 - Reviewed supervisory processes and powers
 - Substantially completed review of Operating Rules
- Expansion of supervisory resources
 - 10% increase in headcount for FY08
 - National training on JORC Code (in keeping with strong listings environment for mineral exploration companies) and with ASIC on continuous disclosure
 - Technology enhancements for compliance and surveillance systems
 - Launched upgraded Company Announcements Platform in July 07

Markets Supervision Highlights

- Monitoring and enforcement activity for FY07
 - 117,877 company announcements processed (up 13%)
 - 610 price queries issued (up 17%) resulting in 488 subsequent market announcements
 - 77 (ASX and SFE-market) referrals to ASIC (up 54%) including
 - 34 possible breaches of insider trading
 - 18 possible breaches of continuous disclosure
 - 11 possible breaches of market manipulation
 - \$451,550 in fines imposed by the Disciplinary Tribunal against 24 participants for 40 rule contraventions
 - Review of 1,371 annual reports of listed entities (companies and trusts) showed that corporate governance reporting had improved

Outlook and Post Balance Date

Robert Elstone
Managing Director and CEO

Post Balance Date – External Environment

- Global and domestic equity market volatility
 - Largest single day falls in S&P/ASX 200 since 11 September 2001 (down 4.1%, 12 Sept 01)
 - Down 3.7%, 10 Aug 07
 - Down 3.3%, 1 Aug 07
 - Down 1.9%, 8 Aug 07
- US credit spread volatility
 - Contagion effects of deteriorating US sub-prime mortgage sector market
 - Case study of the critical role played by transparent Treasury bond futures markets
 - Modest redemption freezing of asset funds with exposures to the non-conforming loan segment of the US mortgage market
 - Hedge funds will be impacted

Post Balance Date – External Environment

- US credit spread volatility (continued)
 - Currency markets pointing to some unwinding of Yen carry trade
 - Likely to slow private equity momentum
- Increase in official cash rate by RBA in August
 - In keeping with a strongly growing domestic economy
 - Global central banks (including RBA) coordinating money market liquidity provision
 - Guessing game re impact of financial market volatility on global/domestic growth

Post Balance Date – Impact on ASX

- 49 new entities listed 1 Jul-15 Aug (up 96% on pcp)
- 939 new warrants series listed 1 Jul-14 Aug (up 87% on pcp)
- Monthly record of 6.1 million cash market trades (\$136.9 bn) in Jul 07 (up 94% on pcp)
- Daily record of 438,195 cash market trades (\$9 bn) on 10 Aug 07 (up 8.3% on prv rcrd)
- 335,124 average daily futures market volumes 1 Jul-14 Aug (up 17.8% on pcp)
- 98,956 warrants traded 1 Jul-14 Aug (up 45% on pcp)
- 3,346,183 ETO contracts traded 1 Jul-14 Aug (up 52% on pcp)
- Daily record of 104,496 30-Day Interbank Cash Rate futures trades on 10 Aug 07 (up 34% on prv rcrd)
 - Rate outlook
 - Rate differentials arising from RBA liquidity provision
 - US Fed funds futures signalling a rate cut at the FOMC in mid-Sept, with implications for A\$
- Turnover ratio of SPI 200 futures to cash equities increased from 57% in FY04 to 78% in FY07

Post Balance Date – Impact on ASX

Processes

- Company announcements
 - Corporate actions
 - Price and volume movement surveillance alerts
 - Waiver applications
 - Clearing and settlement
 - Risk and collateral management
 - Systems availability and capacity planning
 - Market data dissemination
-
- ASX Corporate Governance Council – released revised ‘Principles and Recommendations’, 2 August 2007
 - ASIC consultation process – ‘Competition for Market Services’
 - AGM - 30 October 2007

Questions

ASX Limited

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