



ASX Limited - 2011 Full-Year Results

Robert Elstone, Managing Director and CEO

Peter Hiom, Deputy CEO

Ramy Aziz, Chief Financial Officer

18 August 2011



Disclaimer

The material contained in this document is a presentation of general information about the ASX Group's activities current as at the date of this presentation (18 August 2011). 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 the ASX Group or any of its related bodies corporate.





Important Notes

The financial statistics, including comparables, in this report are based on the ASX Group's pro-forma income statement which itself is not audited, but is based upon audited accounts.

There have been no material changes to accounting policies during the period.

All references to previous corresponding period (pcp) are for the 12 months to 30 June 2010.

All figures are in Australian dollars.





Agenda

- Introduction Robert Elstone
- Business Highlights and Initiatives Peter Hiom
- Financial Results Summary Ramy Aziz
- Post-Balance Date Activity Robert Elstone
- Questions





Introduction

Robert Elstone
Managing Director and CEO





Financial Highlights FY11

- Underlying net profit after tax (NPAT) of \$356.6 million, up 7.2% (statutory NPAT of \$352.3 million, up 7.4%)
- Operating revenue excluding interest and dividends of \$617.6 million, up 5.0%
- Cash operating expenses of \$135.5 million, up 1.0%
- Underlying earnings per share (EPS) of 204.0 cents per share (cps), up 5.7% (statutory EPS of 201.6 cps, up 5.9%)
- Final dividend of 93.0 cps fully franked declared. Full-year dividend up 5.8% to 183.2 cps





Financial Highlights FY11

- A comprehensive Annual Report has been released today, including statutory reports. This presentation provides a high level overview of the result
- Strong financial, operational and compliance performance by the ASX Group during a period of mixed economic indicators domestically, and global investor concerns over European public debt contagion and the scale of the US deficit reduction challenge and what that might mean for US growth
- Operating expense containment
- Close to 100% availability of core systems applications
- Capital expenditure of \$50 million including \$25 million towards the new data centre, \$9 million towards ASX Trade and ASX Trade24 platforms, and the remainder into expanding and improving other ASX Group services



Business Highlights and Initiatives



Peter Hiom
Deputy CEO



ASX Business Model Evolution



- From
 - Bundled service offerings (fees models and rebates, functionality)
 - Predominantly transactional business model
 - History of innovation
- To
 - Fee unbundling and different fee models
 - Tailored service offering
 - Expanded service offering, new opportunities and new business models
 - Accelerated platform enhancements, more frequent major upgrades
 - Complex change management environment



Listings and Issuer Services

- Progress in expanding service offerings
 - New investor relations (IR) services delivered to issuers
 - Further refinement of proposals to improve reporting regime for mining, oil and gas, and geothermal companies
- Looking forward
 - Further expansion of IR service offering
 - Segmentation of the listing and trade execution offering for ex-200 listed companies
 - Automation of the application/redemption process for managed funds
 - Expanded product offering of non-ASX listed securities



Trade Execution Services

- Progress in expanding offerings
 - ASX Net implemented for ASX Trade24 and to provide access to Chi-X
 - Fidessa announced as provider of ASX Best
 - Re-structuring of market data offering completed
 - Construction of the new data centre facility progressing well and sales activity commenced
 - Necessary functional changes to comply with regulatory obligations in a multi-market environment
 - ETO contract size changes and improved liquidity
- Looking forward
 - Increase in customer acquisition for co-location/connectivity
 - Implementation of PureMatch and ASX Best
 - Ongoing market micro-structure and market data product development
 - Increased derivative product development (grains transition, new interest rate derivative products, property)

CCP and Post-Trade Services

- Developments in CCP and post-trade services
 - Chi-X have signed a 5-year agreement with ASX for the provision of the trade acceptance service
 - Council of Financial Regulators consults on domestic clearing of OTC interest rate swaps
- Looking forward
 - Tailoring of cash equities clearing and settlement services to accommodate different types of users (fee unbundling)
 - OTC equity derivative clearing
 - Cash market margining
 - CME Span implementation
 - Expanded settlement services for non-ASX listed securities
 - Improved reporting and STP efficiencies
 - Emerging collateral management and securities lending opportunities

Financial Results Summary



Ramy Aziz
Chief Financial Officer



Financial Performance – Income Statement

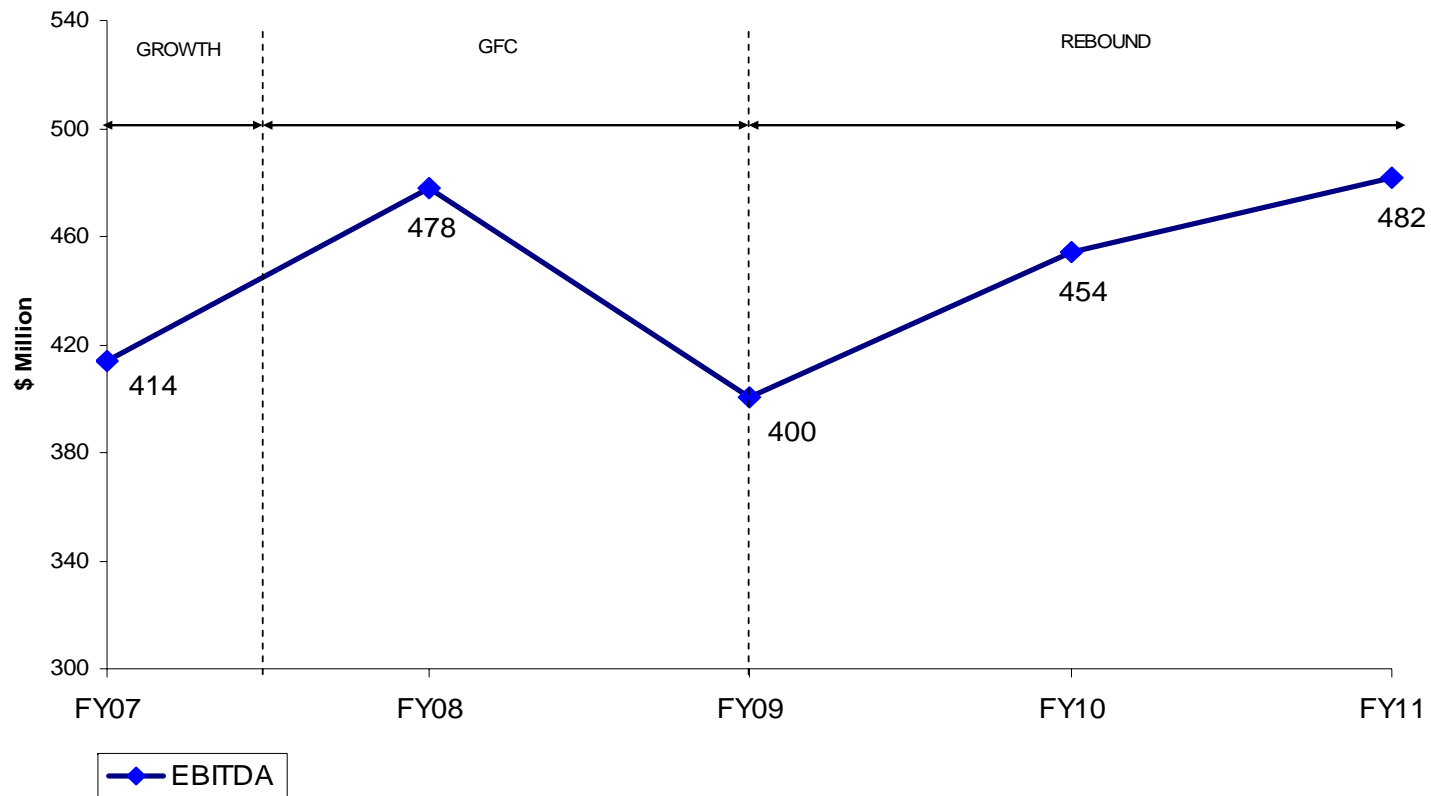


	FY11	FY10	Variance	
	\$ Million	\$ Million	\$ Million	Favourable / (Unfavourable) %
Operating Revenue	617.6	588.2	29.4	5.0%
Cash Operating Expenses	135.5	134.2	(1.3)	(1.0%)
EBITDA	482.1	454.0	28.1	6.2%
Depreciation and Amortisation	23.3	18.9	(4.4)	(23.4%)
EBIT	458.8	435.1	23.7	5.4%
Interest and Dividend Income	47.4	37.4	10.0	26.9%
Underlying Profit Before Income Tax	506.2	472.5	33.7	7.1%
Income Tax Expense	149.6	139.9	(9.7)	(7.0%)
Underlying Net Profit After Tax	356.6	332.6	24.0	7.2%
Significant Items After Tax	(4.3)	(4.5)	0.2	4.1%
Statutory Reported Net Profit After Tax	352.3	328.1	24.2	7.4%

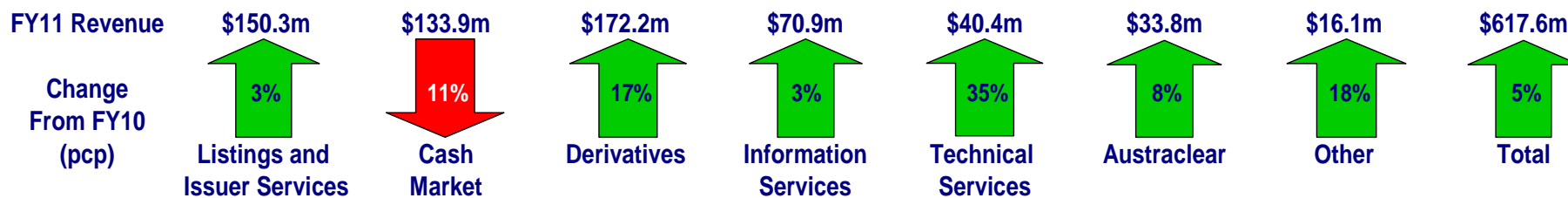
Financial Performance - EBITDA



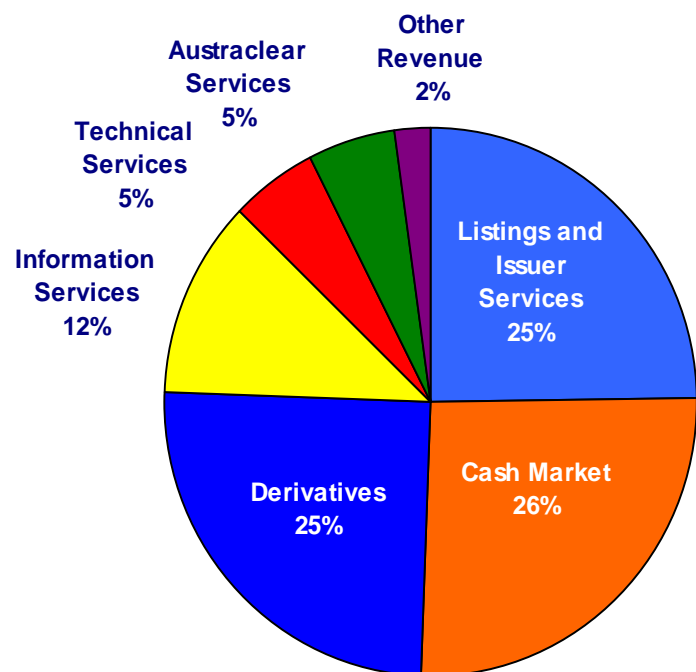
EBITDA (excluding significant items) FY07 to FY11



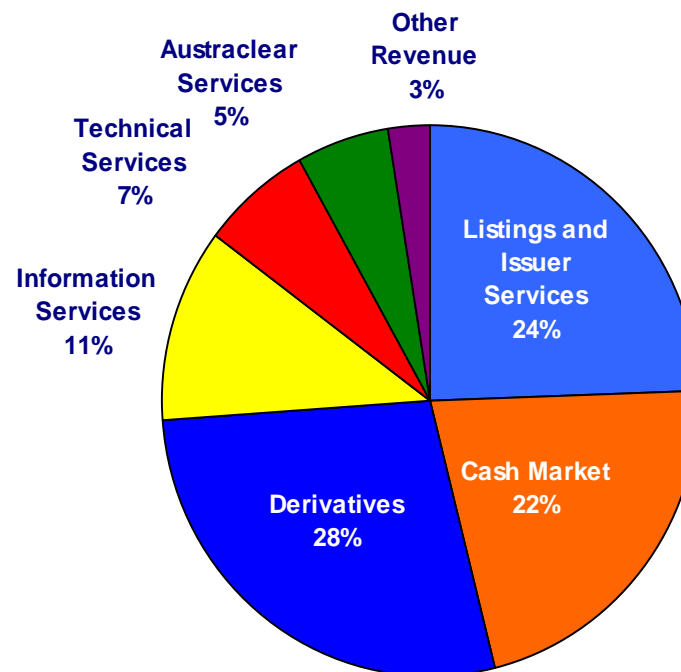
Revenue Highlights FY11



Revenue - FY10

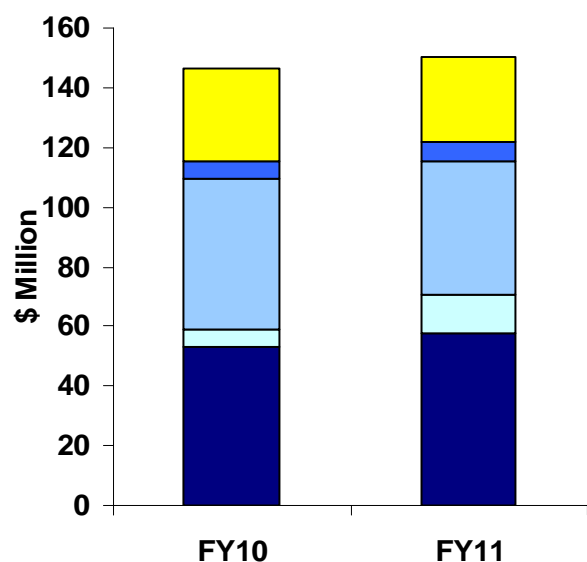


Revenue - FY11



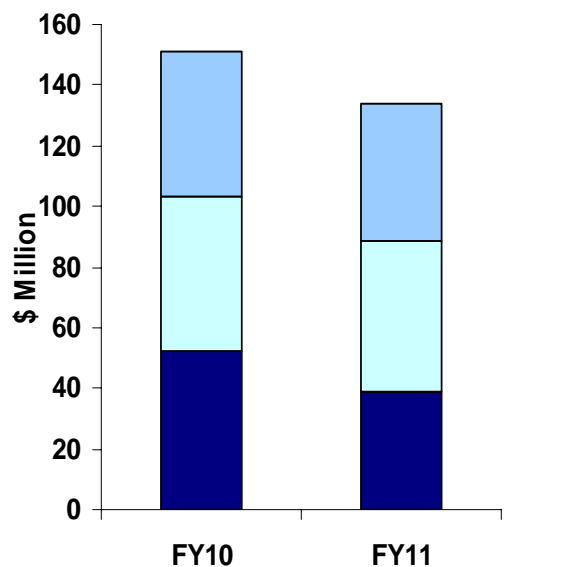
Revenue Highlights FY11

Listings and Issuer Services Revenue



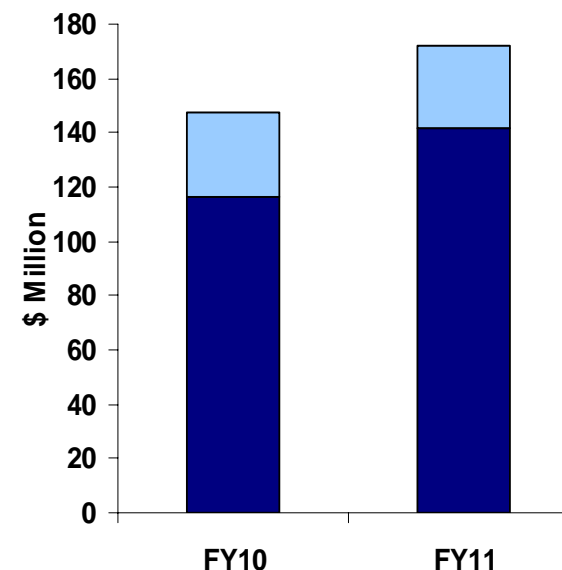
- Post-Trade Registry Services
- Warrants and Debt
- Secondary Raisings
- Initial Listings
- Annual Listings

Cash Market Revenue



- Cash Market Settlement (ASX Settlement)
- Cash Market Clearing (ASX Clear)
- Cash Market Trading (ASX)

Derivatives Revenue



- Derivatives (ASX)
- Futures and Options (ASX 24)



Financial Performance – Expenses

Expenses	FY11	FY10	Variance	
	\$ Million	\$ Million	\$ Million	Favourable / (Unfavourable) %
Staff	78.8	77.7	(1.1)	(1.4%)
Occupancy	13.6	13.9	0.3	2.3%
Equipment	21.3	22.2	0.9	3.9%
Administration	13.9	15.2	1.3	8.3%
Variable	4.5	5.2	0.7	13.2%
ASIC Supervision Levy	3.4	-	(3.4)	-
Total Cash Operating Expenses	135.5	134.2	(1.3)	(1.0%)
Depreciation and Amortisation	23.3	18.9	(4.4)	(23.4%)
Pre-Tax Significant Items	6.1	6.4	0.3	4.7%
<i>Capital Expenditure</i>	<i>50.2</i>	<i>27.5</i>	<i>(22.7)</i>	<i>(82.5%)</i>

Interest and Dividend Income



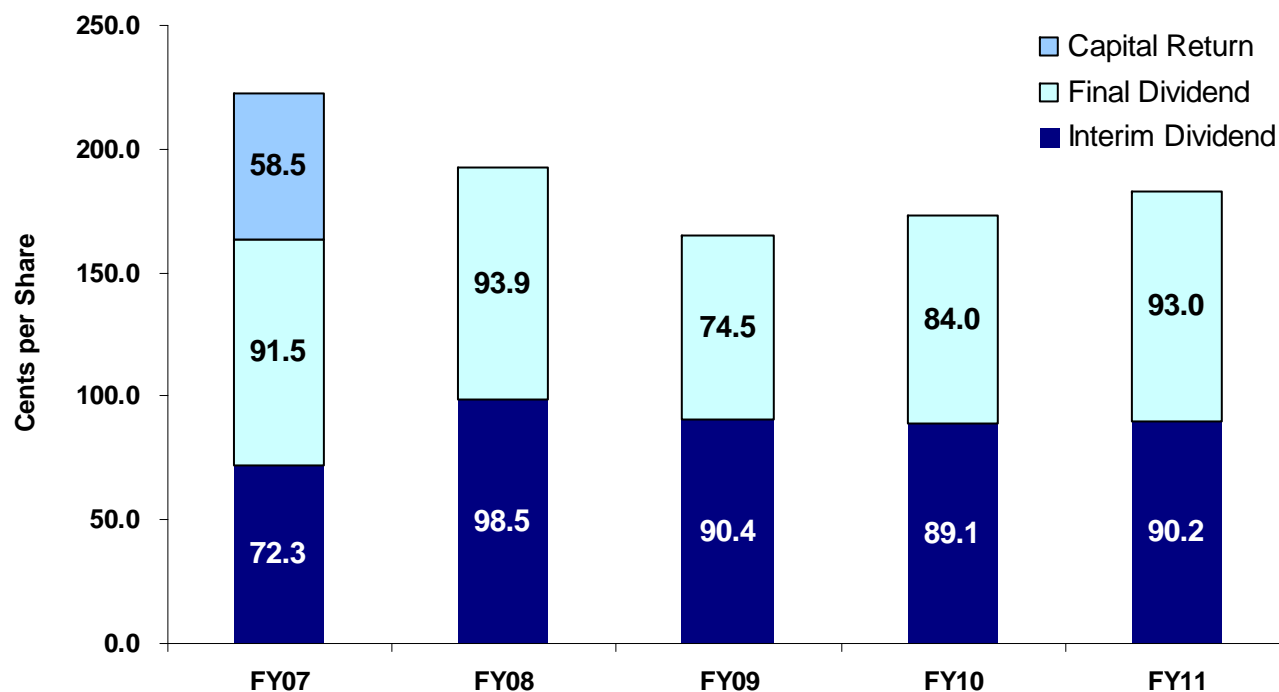
	FY11 \$ Million	FY10 \$ Million
Interest Income		
ASX Group (excluding ASXCC Group)	12.9	5.6
ASXCC Group	7.9	7.2
Net Interest Income on Participant Balances	16.7	16.5
Dividend Income	9.9	8.1
Total	47.4	37.4

- Significant increase in interest income attributable to higher own-cash reserves and higher average short-term cash rates
- Average cash collateral balances during FY11 of \$2.4 billion, 10.4% lower than the \$2.7 billion in pcp
- Average investment spread earned in FY11 was 29 bps over the official cash rate (26 bps pcp)
- Dividend earned from investment in IRESS



Dividends Paid to Shareholders

- Dividend – 90% of underlying NPAT, fully franked
- FY11 dividends – 183.2 cps
- Dividend Reinvestment Plan not activated for FY11 dividend



Balance Sheet

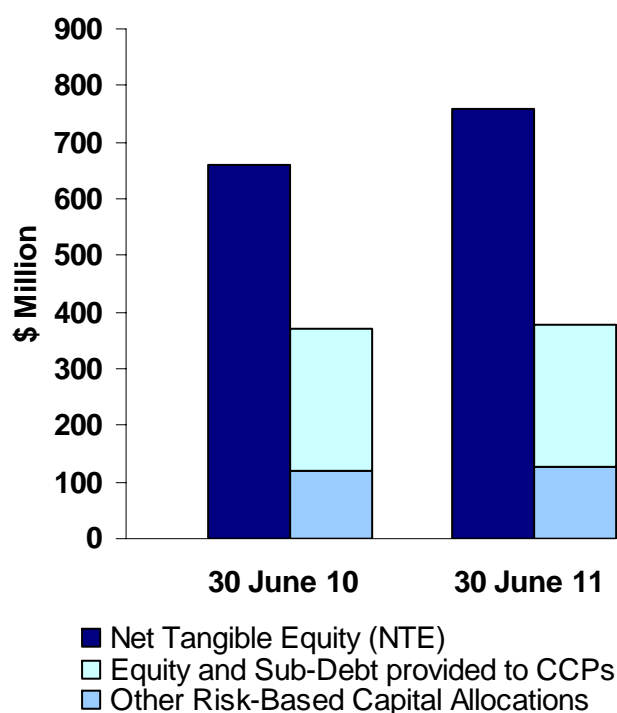


	30 June 11	30 June 10	Variance	
	\$ Million	\$ Million	Favourable / (Unfavourable) \$ Million	%
Cash and Available-For-Sale Financial Assets	3,318.6	3,716.8	(398.2)	(10.7%)
Goodwill	2,262.8	2,262.8	-	-
Other Assets	601.1	641.2	(40.1)	(6.3%)
Total Assets	6,182.5	6,620.8	(438.3)	(6.6%)
Amounts Owing to Participants	2,516.4	2,990.2	473.8	15.8%
Borrowings	250.0	250.0	-	-
Other Liabilities	395.0	459.3	64.3	14.0%
Total Liabilities	3,161.4	3,699.5	538.1	14.5%
Capital	2,483.2	2,437.3	45.9	1.9%
Retained Earnings	368.3	319.7	48.6	15.2%
Reserves	169.6	164.3	5.3	3.2%
Total Equity	3,021.1	2,921.3	99.8	3.4%

Capital and Liquidity Position

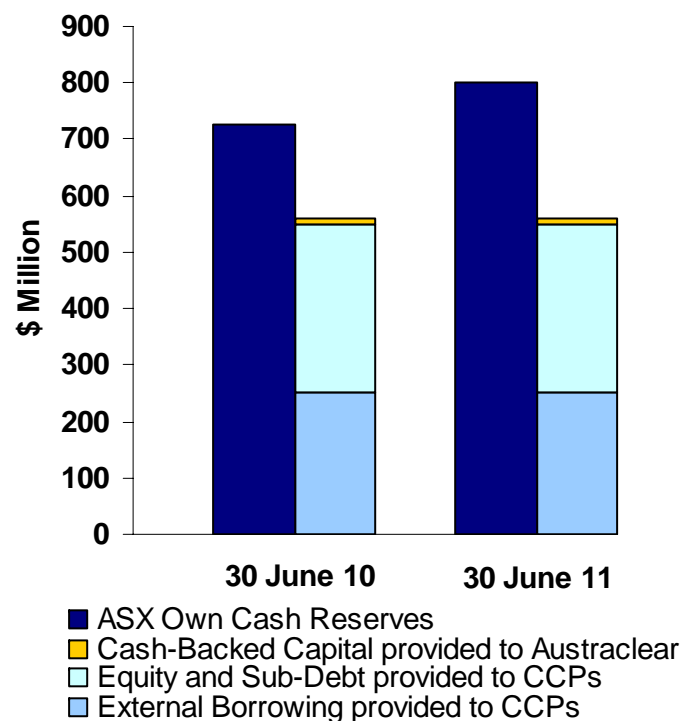
ASX Group Equity

Net Tangible Equity v Risk-Based Capital Attribution



ASX Group Cash

ASX Own Cash v Cash-Backed Requirements



- Adequate non-attributed capital of \$381.9 million pre-dividend at 30 June 2011
- Adequate liquidity of \$243.9 million of available cash surplus at 30 June 2011 (pre-dividend)

Post-Balance Date Activity



Robert Elstone
Managing Director and CEO



Post-Balance Date Activity

Post-balance date period eventful at home and abroad

Offshore

- European public debt refinancing pressures intensifying
- US debt ceiling aftermath leading to downward growth revisions for the US economy
- Foreign index movements since 30 June: S&P 500 down 9.7%, FTSE 100 down 9.9%, DAX down 18.7%, Straits Times Index down 7.6%, Nikkei down 7.2% and Hang Seng down 9.8%

Australia

- All Ordinaries Index down 7.4% since 30 June 2011
- Increasing volatility in Australian equities led by lack of investor confidence offshore
- Divergent indicators regarding cash rate trend
- Continued increase in equity index and interest rate derivative activity levels



Post-Balance Date Activity

- Activity levels for 1 July 2011 to 16 August 2011
 - Cash markets average daily traded value \$5.7 billion (up 20.5% on same period last year)
 - ASX 24 derivatives average daily volume 521,298 contracts (up 85.7%)
 - ASX derivatives average daily volume 135,309 contracts (up 79.8%)
- 10 companies listed in July 2011 (13 in July 2010)
- Secondary capital of \$3.0 billion raised in July 2011 (\$2.5 billion in July 2010)
- During the recent period of dramatic market volatility, ASX's systems and processes continued to provide consistent service availability to its universe of users

Questions



Questions





ASX Limited - 2011 Full-Year Results

Robert Elstone, Managing Director and CEO

Peter Hiom, Deputy CEO

Ramy Aziz, Chief Financial Officer

18 August 2011