



ASX Limited – Earnings update to 31 March 2013

1 May 2013

Disclaimer



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Nine Months to 31 March 2013



Revenue
\$457.1m
0.6%

Expenses
\$107.5m
(2.6%)

**Interest &
Dividends**
\$42.5m
3.9%

**Statutory
Net Profit
(unaudited)**
\$260.7m
1.7%

**Underlying
Net Profit**
\$260.7m
(0.3%)

- Underlying net profit \$260.7m, down 0.3%
 - Improvement from half-year result following stronger third quarter, up 10.7%
- Revenue performance
 - Improved market activity in recent months, including cash equities
 - YTD growth in all businesses except Cash Market and Information Services
- Regulatory environment in cash equities business stabilising
 - Clearing market structure retained, Code of Practice consultation under way
- Expenses up 2.6% – guidance of 3.5% for FY13 unchanged
- Capital expenditure \$26.1m – guidance of up to \$40m for FY13 unchanged
 - Depreciation and amortisation up 16.4%
 - Good progress across key initiatives
 - Focus on post-trade services – OTC clearing, client clearing, collateral management

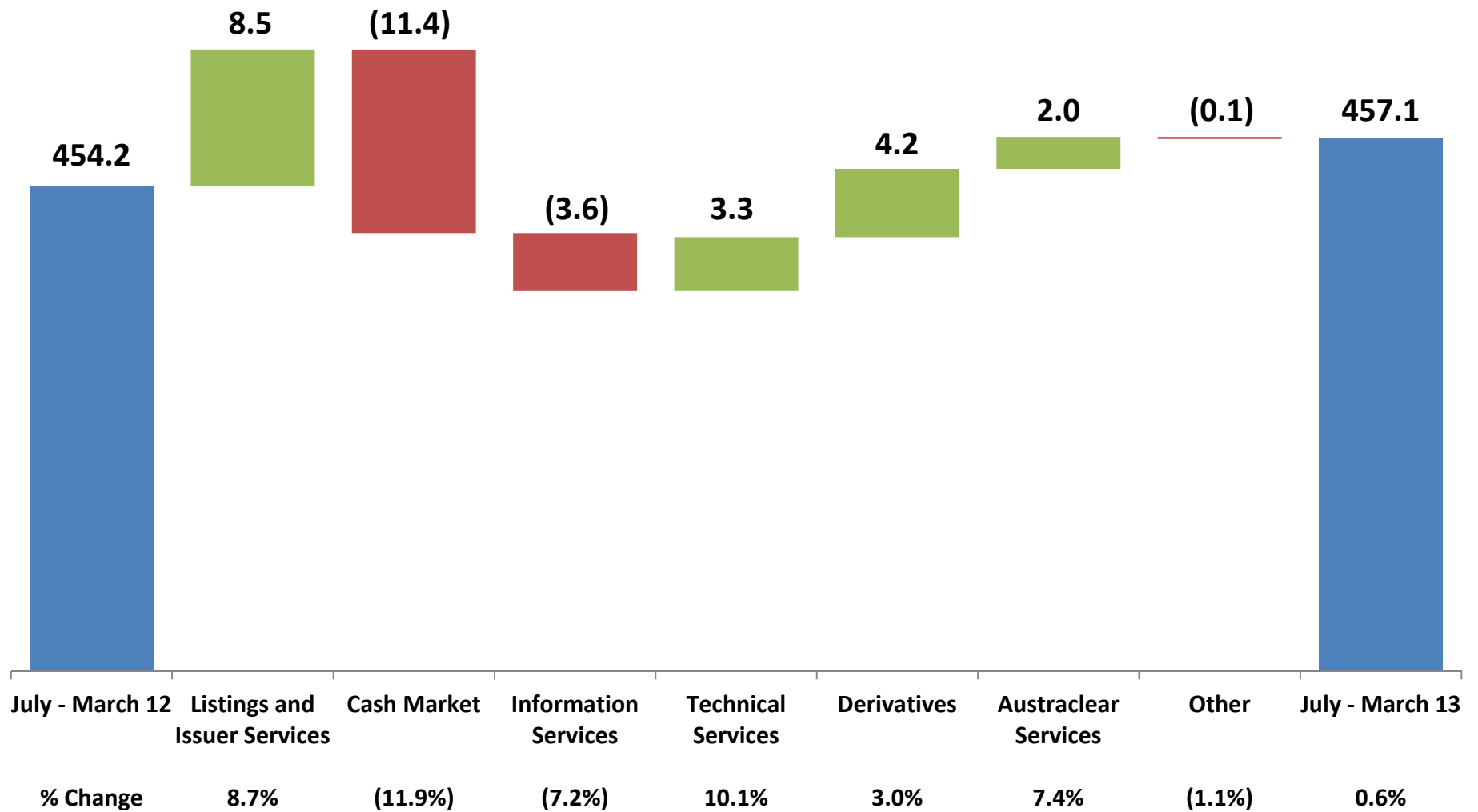
Income Statement



	1H13 \$M	% Variance	YTD Mar 2013 \$M	YTD Mar 2012 \$M	% Variance
Operating Revenue	304.8	(3.3%)	457.1	454.2	0.6%
Cash Operating Expenses	71.3	(1.3%)	107.5	104.8	(2.6%)
EBITDA	233.5	(4.6%)	349.6	349.4	0.1%
Depreciation and Amortisation	15.4	(19.5%)	22.9	19.7	(16.4%)
EBIT	218.1	(5.9%)	326.7	329.7	(0.9%)
Interest and Dividend	25.2	-	42.5	40.9	3.9%
Profit Before Tax	243.3	(5.3%)	369.2	370.6	(0.4%)
Income Tax Expense	(72.2)	5.4%	(108.5)	(109.0)	0.5%
Underlying Net Profit	171.1	(5.3%)	260.7	261.6	(0.3%)
Significant Items After Tax	0.0	100.0%	0.0	(5.3)	100%
Statutory Net Profit	171.1	(2.5%)	260.7	256.3	1.7%

Variations expressed favourable/(unfavourable)
All comparisons are to prior comparative period (pcp)

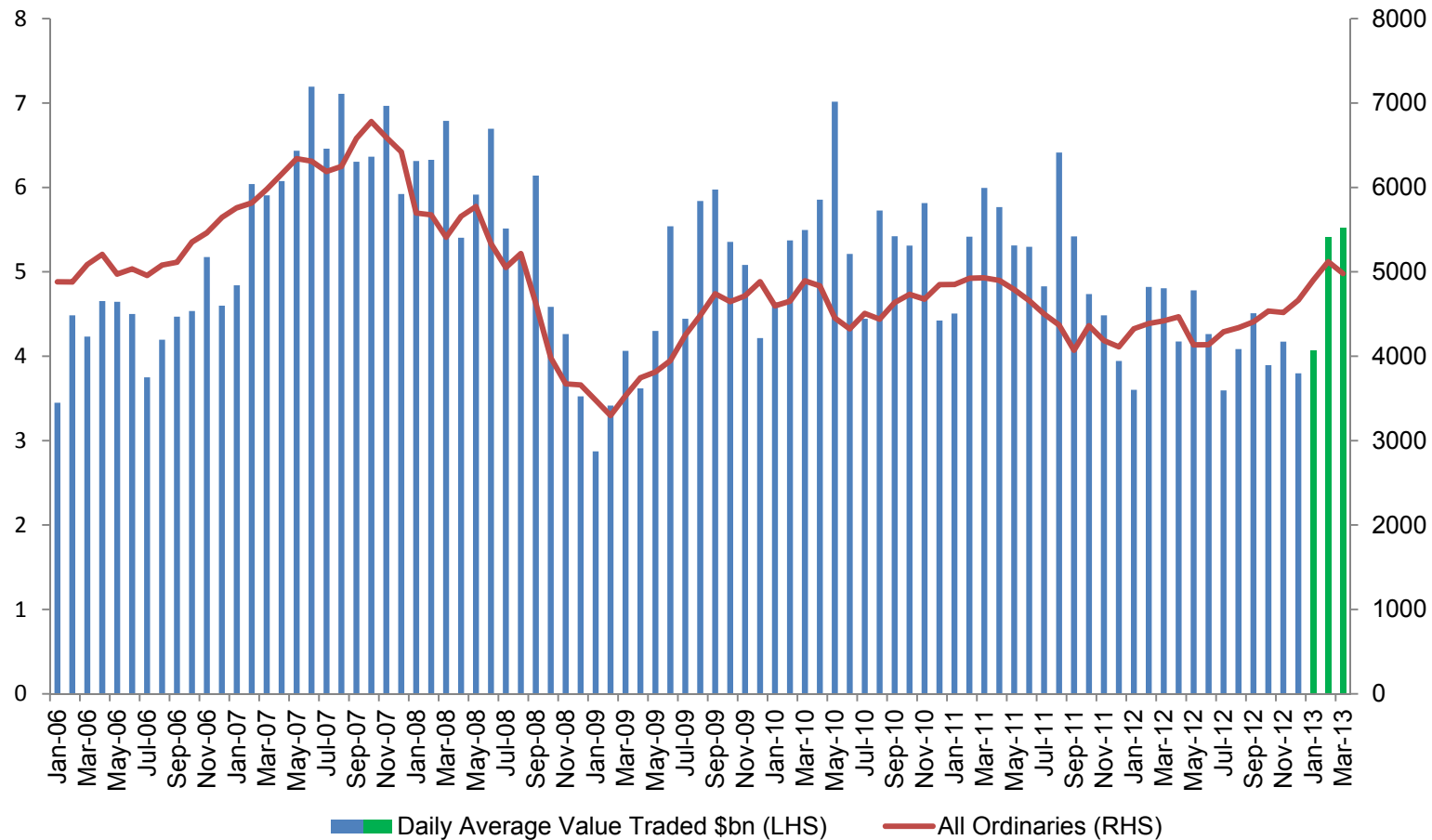
YTD Revenue Movement (\$M)



Equity Market Performance



Daily Average Value Traded \$bn¹ and All Ordinaries Index



1. Total market including on-market (ASX and Chi-X) and off-market

Revenue Impact Third Quarter



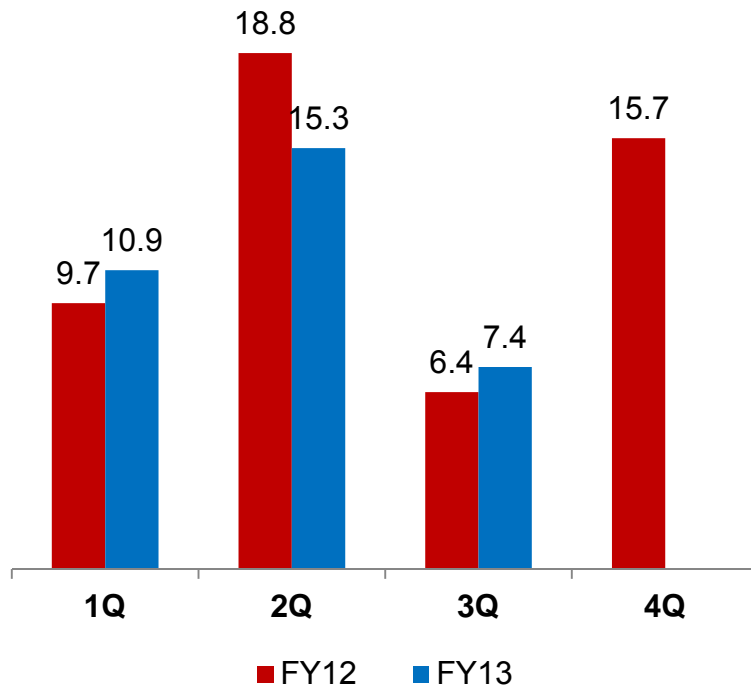
	3Q13 \$M	% Variance	YTD Mar 2013 \$M	% Variance
Listings and Issuer Services	31.9	12.0%	105.5	8.7%
Cash Market	29.2	2.4%	84.1	(11.9%)
Information Services	15.5	3.1%	46.1	(7.2%)
Technical Services	12.3	12.7%	36.9	10.1%
Derivatives	50.0	14.8%	144.3	3.0%
Austraclear	9.6	7.2%	28.7	7.4%
Other	3.9	4.1%	11.5	(1.1%)
Total Revenue	152.3	9.5%	457.1	0.6%

Variances expressed favourable/(unfavourable)
All comparisons are to prior comparative period (pcp)

Drivers – Listings and Cash Market

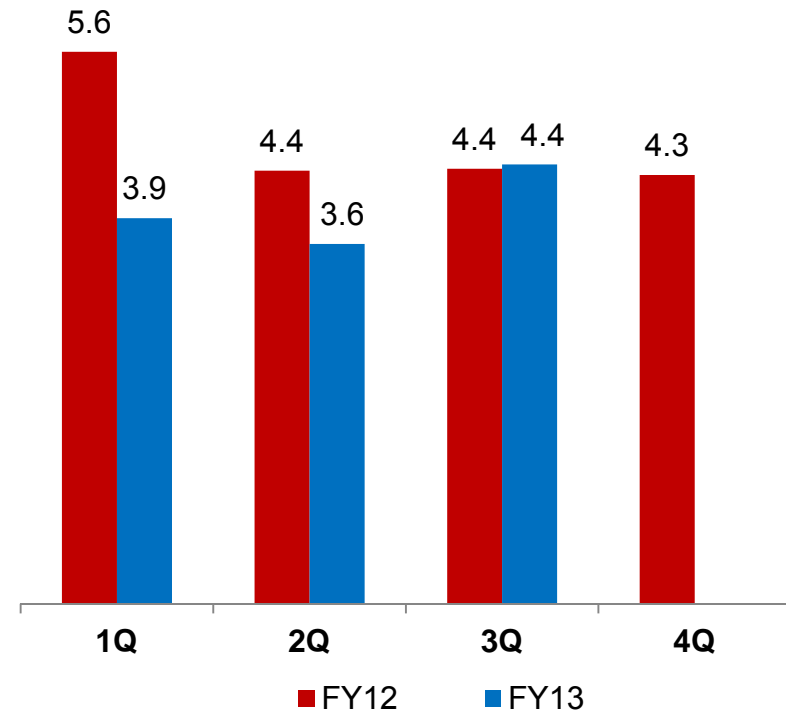


Listings Total Capital Raised \$Billion



- 3Q13 up 14.1%
- YTD down 3.9%

ASX Cash Market Average Daily Value Traded \$Billion

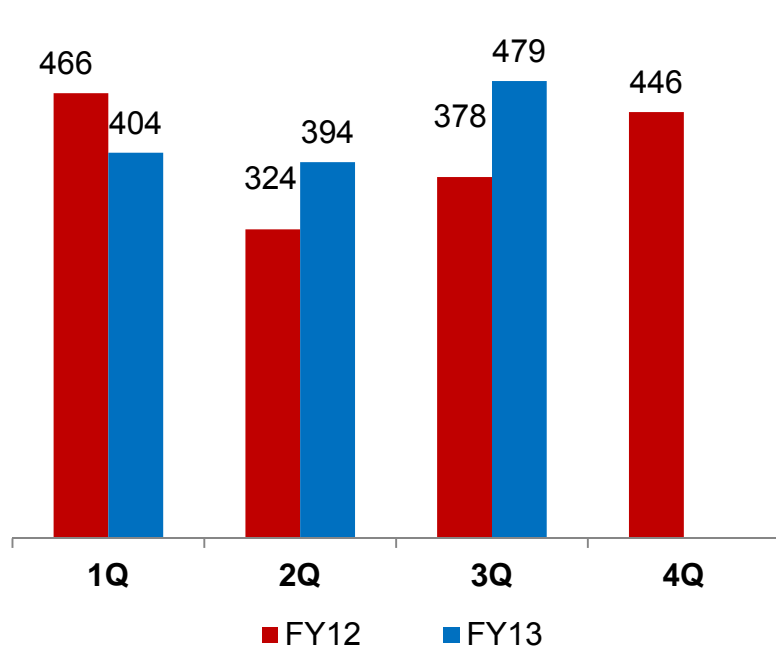


- 3Q13 up 1%
- YTD down 16.9%

Drivers – Derivatives

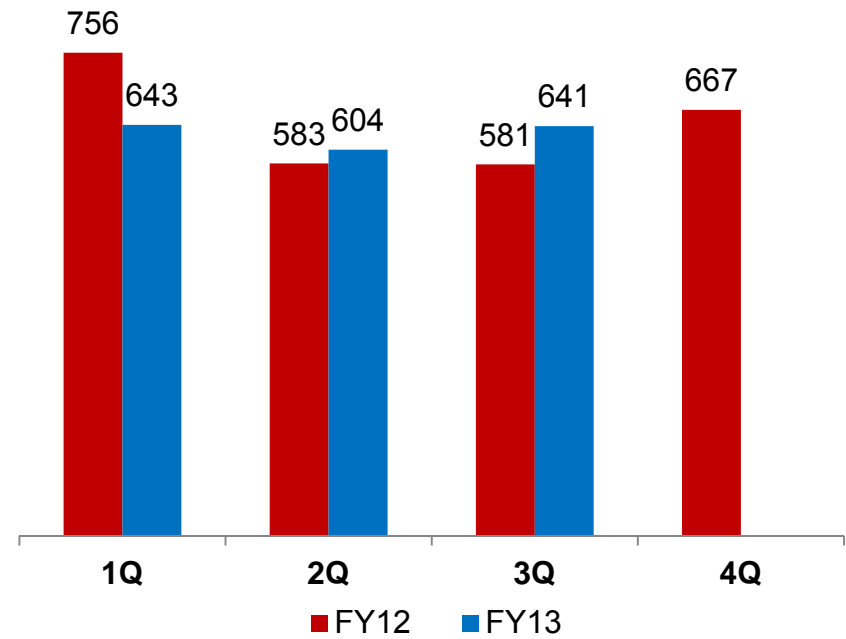


**ASX 24 Derivatives
Daily Average Contracts ('000)**



- 3Q13 up 26.6%
- YTD up 8.8%

**ASX Derivatives
Daily Average Contracts ('000)**

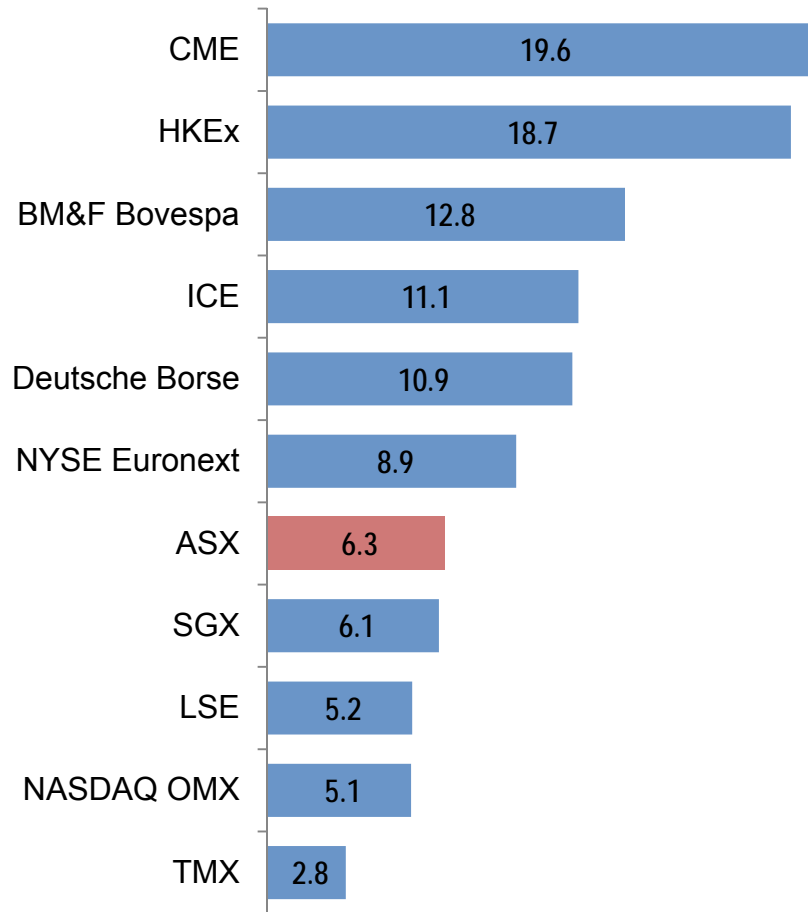


- 3Q13 up 10.3%
- YTD down 1.9%

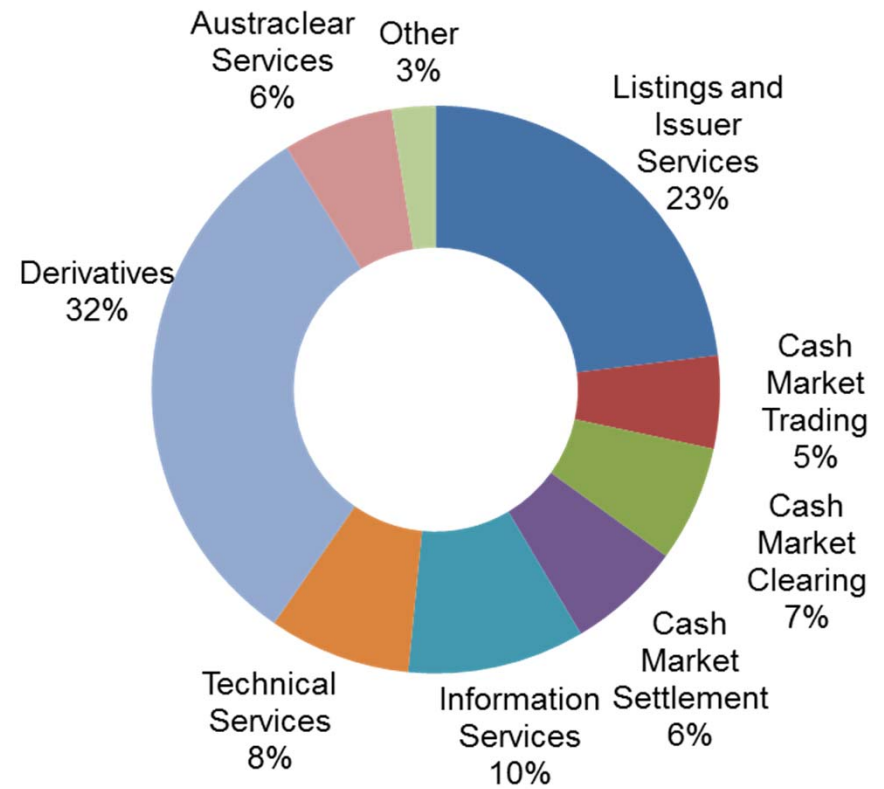
Strength of ASX Business Model



Market Capitalisation 31/3/13 (A\$bn)



Revenue Mix 31/3/13 YTD



Regulatory Developments



Cash Market Trading	Clearing and Settlement
<ul style="list-style-type: none">• Recent developments<ul style="list-style-type: none">– Best Execution March 13– Meaningful Price Improvement May 13• Further reviews under way<ul style="list-style-type: none">– Supervision cost recovery– High frequency trading– Dark pool licensing• Essential to retain current tick sizes• YTD share of on-market value traded 95.5%<ul style="list-style-type: none">– Enhancements to ASX execution services announced	<ul style="list-style-type: none">• Announcement by Treasurer in Feb 13 to retain market structure for two years• Draft Code of Practice released<ul style="list-style-type: none">– Establishing senior forum of customers and industry stakeholders• New Financial Stability Standards for clearing and settlement• ASX investment in post-trade services<ul style="list-style-type: none">– OTC derivatives clearing– Client clearing– Collateral management

Business Initiatives Update

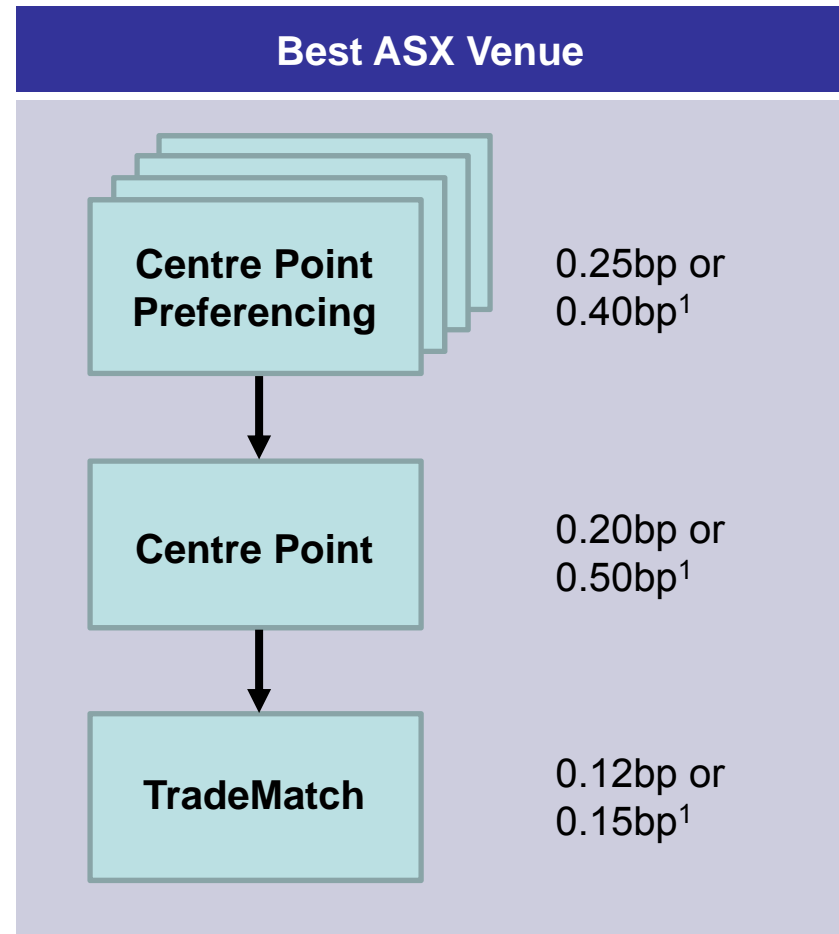
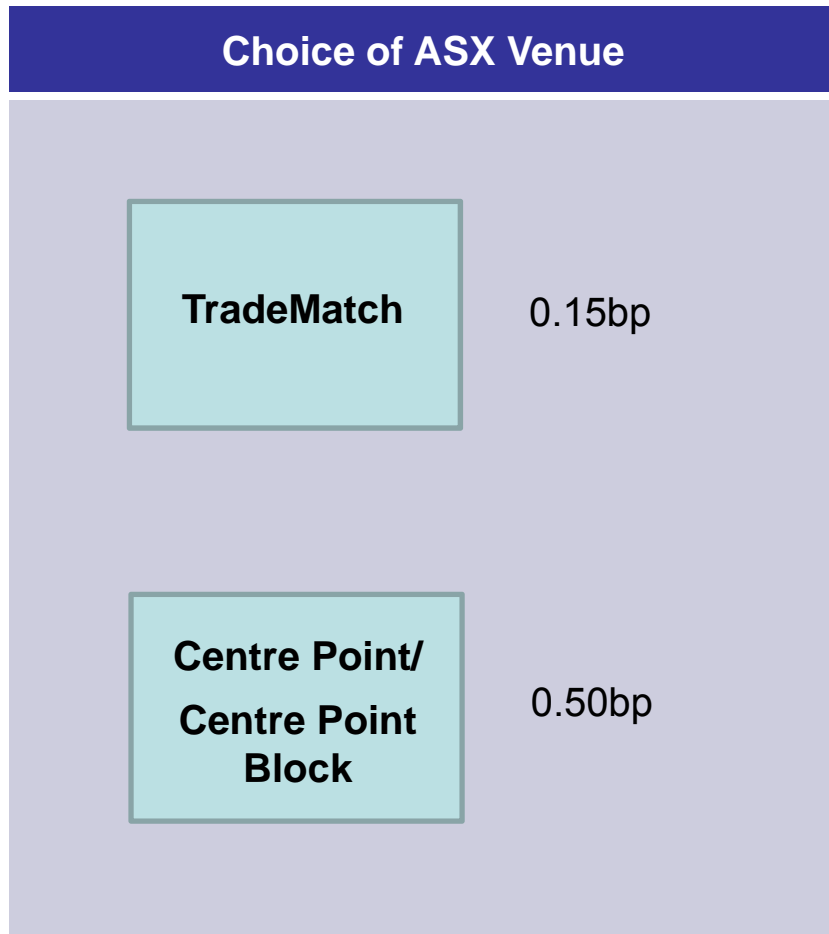


Business Area	Revenue YTD \$M	Current Focus
Listings and Issuer Services	105.5	<ul style="list-style-type: none"> • Listings <ul style="list-style-type: none"> – Enhanced reporting for mining, oil and gas – Capital raising flexibility – Timetable for rights issues – Equity Research Scheme pilot • Product expansion <ul style="list-style-type: none"> – Australian Government Bonds – Managed Funds Service – Bookbuild
Cash Market Trading	24.1	<ul style="list-style-type: none"> • Product development <ul style="list-style-type: none"> – Centre Point enhancements – sweep and preferencing – Low latency access and data services
Information Services	46.1	<ul style="list-style-type: none"> • Market connectivity <ul style="list-style-type: none"> – ASX Best enhancements – Global connectivity through ASX Net
Technical Services	36.9	<ul style="list-style-type: none"> • Customer alignment <ul style="list-style-type: none"> – Fee review Information Services – Revenue sharing arrangements for cash market trading

Business Initiatives Update (Cont'd)

Business Area	Revenue YTD \$M	Current Focus
Cash Market Clearing	30.3	<ul style="list-style-type: none"> • Clearing <ul style="list-style-type: none"> – Cash Market margining – Market structure review completed
Cash Market Settlement	29.7	<ul style="list-style-type: none"> • Settlement <ul style="list-style-type: none"> – Fee unbundling • Customer alignment <ul style="list-style-type: none"> – Revenue sharing arrangements implemented – Code of Practice
Derivatives	144.3	<ul style="list-style-type: none"> • Product development <ul style="list-style-type: none"> – VIX and sectoral futures – Equity option market enhancements – Electricity product expansion • OTC Markets <ul style="list-style-type: none"> – OTC interest rate swap clearing – 7 working party members – OTC client clearing – 9 end users providing input
Austraclear	28.7	<ul style="list-style-type: none"> • Collateral management service <ul style="list-style-type: none"> – Commencing July 2013 – 12 foundation customers – Later phases include CHESS and global collateral pools

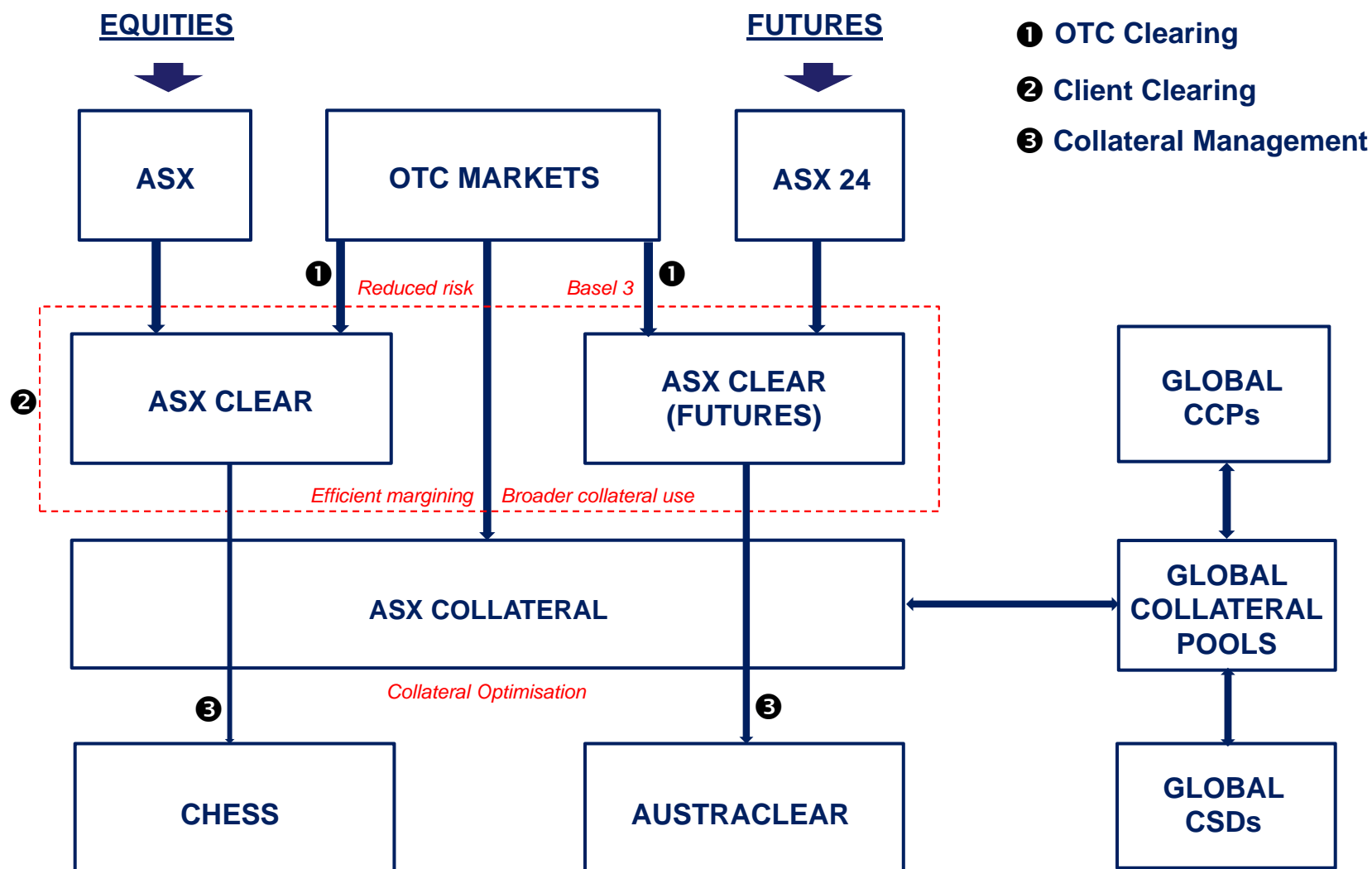
Cash Market Trading Innovation



March 2013 value traded per day: TradeMatch \$3.6bn, Centre Point \$198m

1. Lower fees available to every participant with an average daily value in Centre Point below \$10 million between 1 January – 30 March 2013

Post-Trade Services Innovation





Interest and Dividend Income

	YTD March 2013 \$M	YTD March 2012 \$M	% Variance
Own Interest Income	11.2	16.7	(32.9%)
Net Interest on Collateral Balances	21.9	15.0	46.5%
Total Interest Income	33.1	31.7	4.6%
Dividend Income	9.4	9.2	1.5%
Interest and Dividend Income	42.5	40.9	3.9%

Highlights

- ASX Group interest down 32.9% due to lower interest rates
- Net interest earned on collateral balances up 46.5% due to higher balances and earning rates:
 - Average collateral balances \$3.4 billion, up 28% from \$2.6 billion pcp
 - Average investment spread 46 bps over the official cash rate, up 35% from 34 bps pcp

Expenses

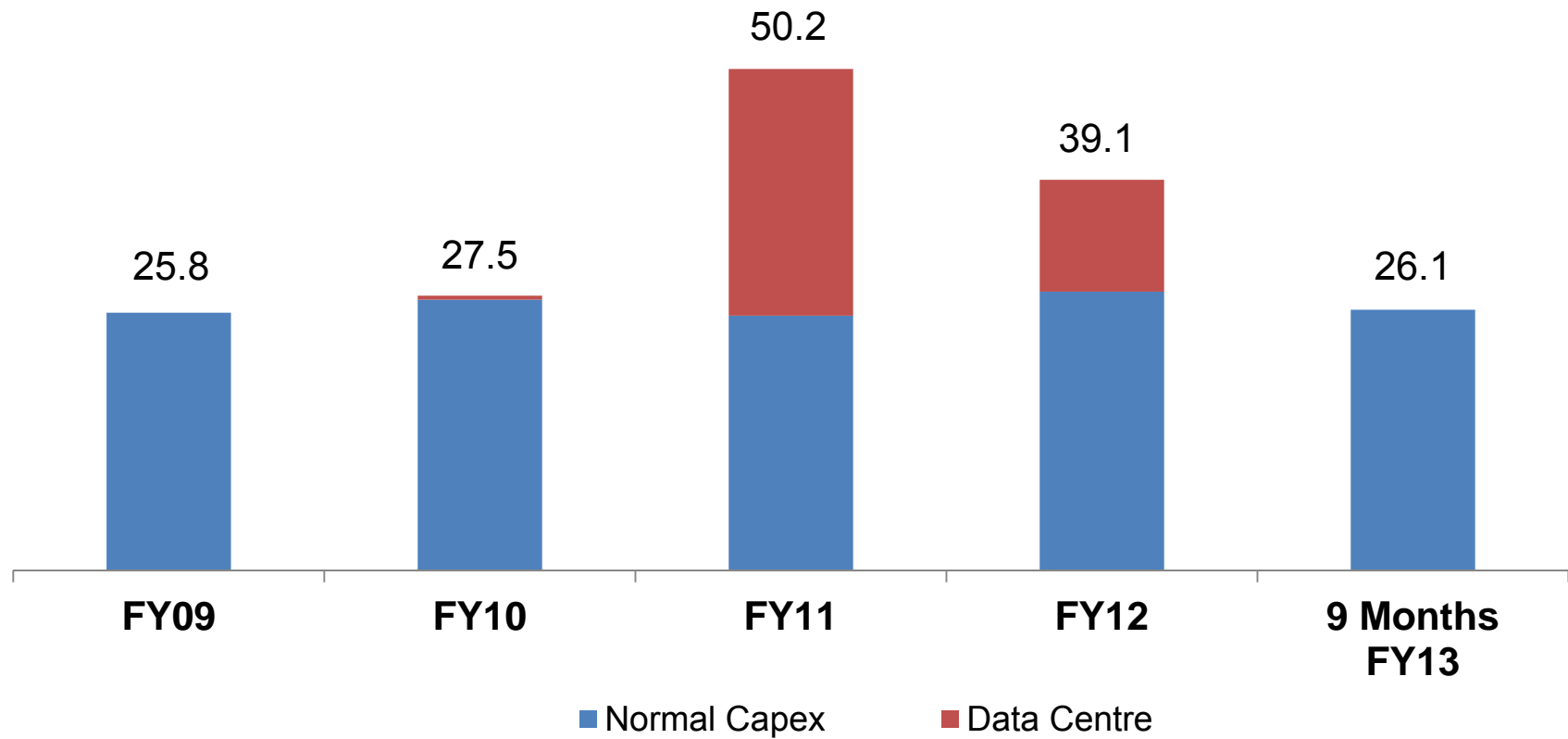


	YTD March 2013 \$M	YTD March 2012 \$M	% Variance
Staff	64.6	61.5	(5.0%)
Occupancy	10.2	12.0	14.6%
Equipment	16.3	15.8	(2.9%)
Administration	11.0	9.5	(16.5%)
Variable	2.8	2.8	(2.0%)
ASIC Levy	2.6	3.2	20.5%
Operating Expenses	107.5	104.8	(2.6%)

Highlights

- Staff: 517 FTEs at 31 March 2013 compared to 505 at 30 June 2012
- Occupancy: consolidation of office space
- Equipment and Administration: expanded infrastructure and initiatives
- FY13 guidance unchanged – up to 3.5% expense growth

Capital Expenditure (\$M)



□ Guidance FY13: up to \$40 million (unchanged)

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