

# Half-Year 2014 Results Presentation

ASX Limited



Elmer Funke Kupper, Managing Director and CEO

13 February 2014

# Disclaimer

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# Financial Results 1H14

**Revenue**  
**\$329.3m**  
**8.0%**

**Expenses**  
**\$77.2m**  
**(8.3%)**

**EBITDA**  
**\$252.1m**  
**8.0%**

**Profit**  
**\$189.6m**  
**10.8%**

**EPS**  
**98.3c**  
**2.2%**

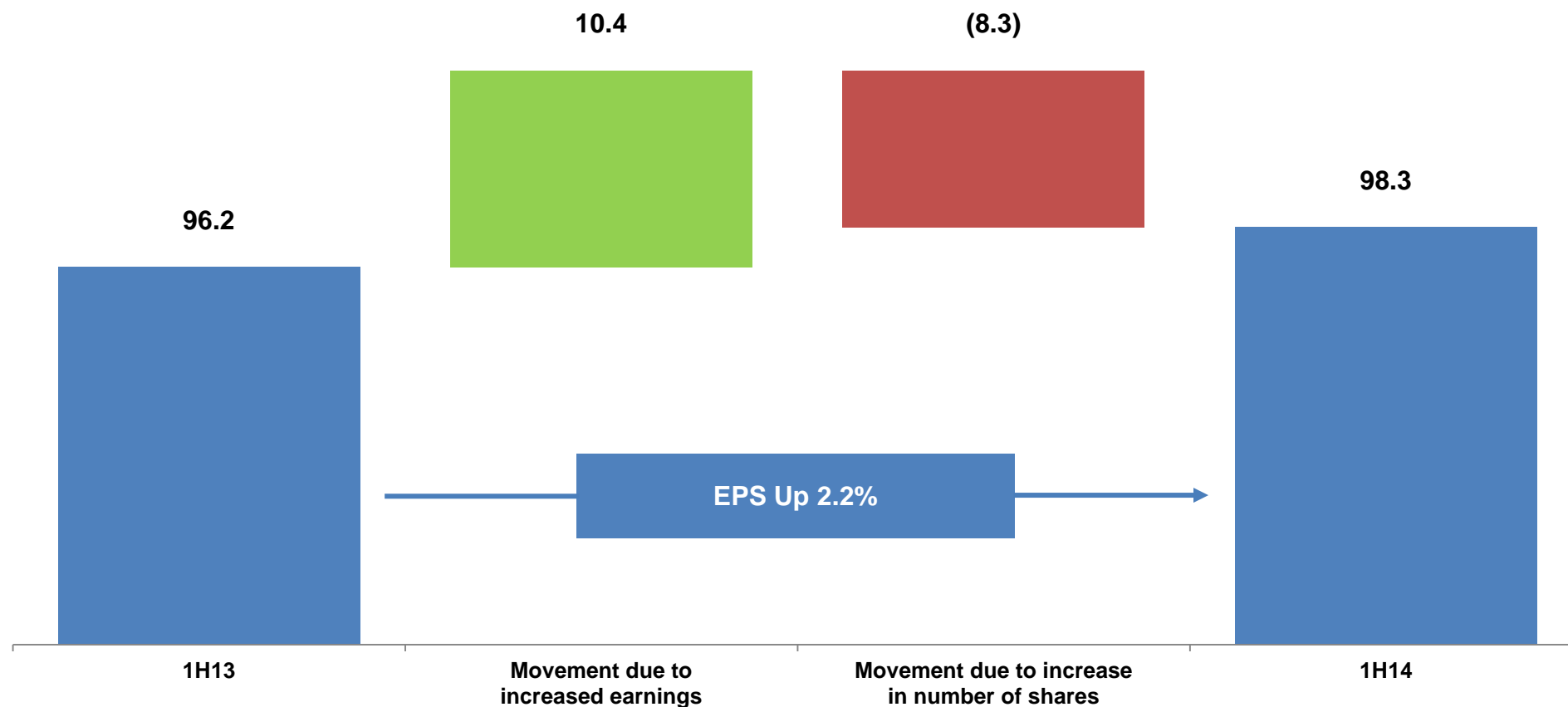
**DPS**  
**88.2c**  
**0.3%**

- **Profit after tax \$189.6m, up 10.8%**
  - Includes additional interest from capital raising
  - EBITDA up 8% driven by revenue growth
  - Interim dividend in line with 1H13 following capital raising
- **Revenue \$329.3m, up 8%**
  - Growth in all major revenue categories over pcp
  - Revenue up 5.4% on stronger 2H13
- **Expenses \$77.2m, up 8.3%**
  - In line with expectations, driven by initiatives
  - FY14 guidance unchanged with expense growth of approximately 5%
- **Continued focus on development of world class post-trade solutions**
  - Delivery program on track – OTC clearing, client clearing, collateral management
  - Backed by strong capital position and AA- long-term credit rating from S&P
- **Capital expenditure \$18.6m**
  - FY14 guidance between \$40 - \$45m
  - Strong balance sheet position

# Income Statement

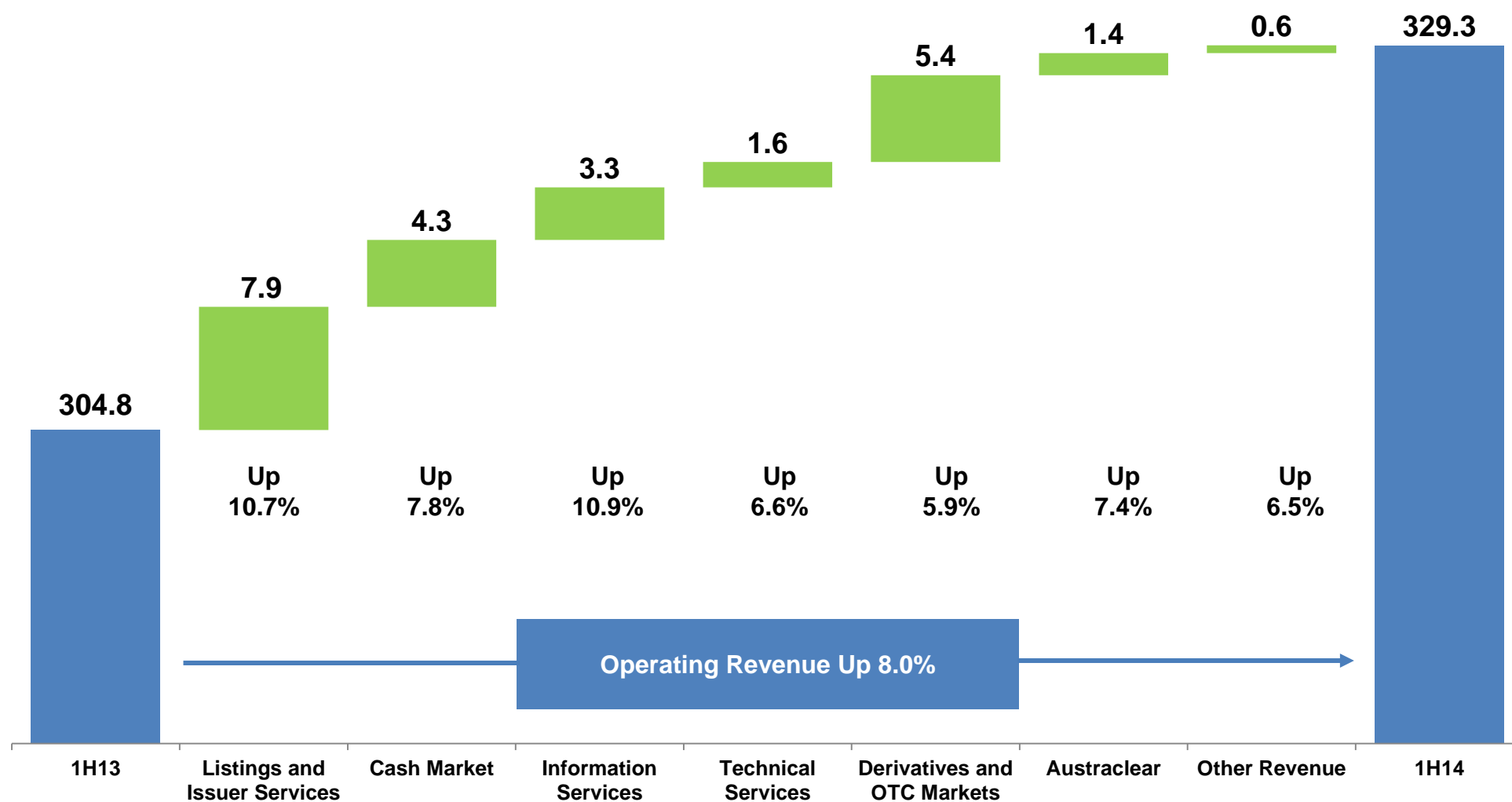
	1H14 \$ Million	1H13 \$ Million	% Variance	2H13 \$ Million	% Variance
Operating Revenue	329.3	304.8	8.0%	312.6	5.4%
Operating Expenses	77.2	71.3	(8.3%)	74.9	(3.2%)
<b>EBITDA</b>	<b>252.1</b>	<b>233.5</b>	<b>8.0%</b>	<b>237.7</b>	<b>6.0%</b>
Depreciation and Amortisation	16.3	15.4	(6.1%)	15.0	(8.4%)
<b>EBIT</b>	<b>235.8</b>	<b>218.1</b>	<b>8.1%</b>	<b>222.7</b>	<b>5.9%</b>
Interest and Dividend	34.2	25.2	36.0%	28.3	21.4%
<b>Profit Before Tax</b>	<b>270.0</b>	<b>243.3</b>	<b>11.0%</b>	<b>251.0</b>	<b>7.6%</b>
Income Tax Expense	(80.4)	(72.2)	(11.4%)	(73.9)	(8.9%)
<b>Profit After Tax</b>	<b>189.6</b>	<b>171.1</b>	<b>10.8%</b>	<b>177.1</b>	<b>7.1%</b>
<b>EBITDA Margin</b>	<b>76.5%</b>	<b>76.6%</b>		<b>76.0%</b>	

# EPS Movement (Cents per Share)



- EPS impacted by \$553 million capital raising in June/July 2013
- EPS up 2.2% - higher earnings partly offset by issue of additional shares
- DPS up 0.3% - higher earnings and higher number of shares on issue
- Compared to 2H13, DPS up 7.2% - higher earnings

# Revenue Movement (\$M)



# Revenue Performance by Half

	1H14 \$ Million	% Variance to PCP	% Variance to 2H13
Listings and Issuer Services	81.5	10.7%	23.4%
Cash Market	59.2	7.8%	(0.9%)
Information Services	33.9	10.9%	8.7%
Technical Services	26.2	6.6%	4.1%
Derivatives and OTC Markets	99.8	5.9%	(3.0%)
Austraclear	20.5	7.4%	4.9%
Other Revenue	8.2	6.5%	2.8%
<b>Operating Revenue</b>	<b>329.3</b>	<b>8.0%</b>	<b>5.4%</b>

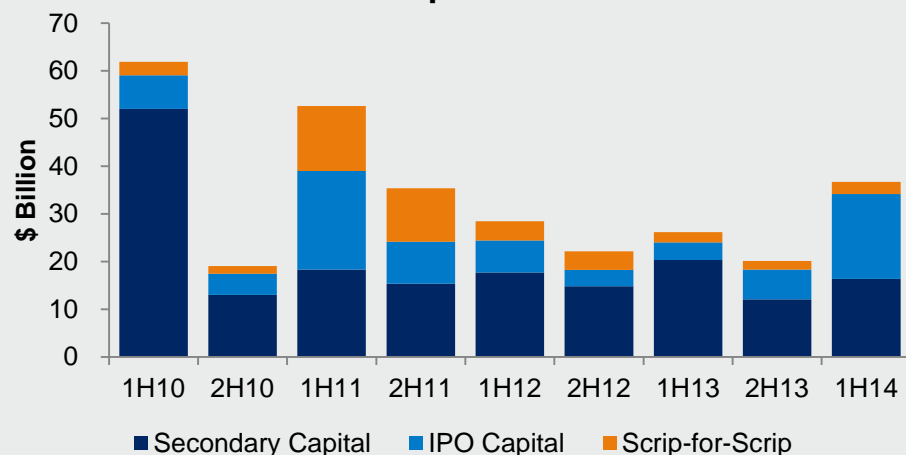
# Listings and Issuer Services

## Highlights

**Revenue \$81.5 million, up 10.7%**

- Listings \$66.8 million, up 11.3%
  - 69 IPOs (41 pcp)
  - IPO capital \$17.8 billion, up 383.0%
  - Secondary capital \$18.9 billion, down 16.1%
- Issuer Services \$14.7 million, up 7.8%
  - Number of holding statements up 12.0% on pcp

**Total Capital Raised**



## Areas of Focus

### Listings and Issuer Services

- Rights issue timetable reduction from 26 to 19 days
- Equity Research Scheme expanded to \$2m in FY14
- Exploration Development incentive

### Product Expansion

- ASX Bookbuild launched (3 bookbuilds in 1H14)
- Proposed expansion of bond trading to State Government Bonds

### Distribution/Market Efficiency

- Managed fund service (mFund) approved by ASIC – launch 2H14



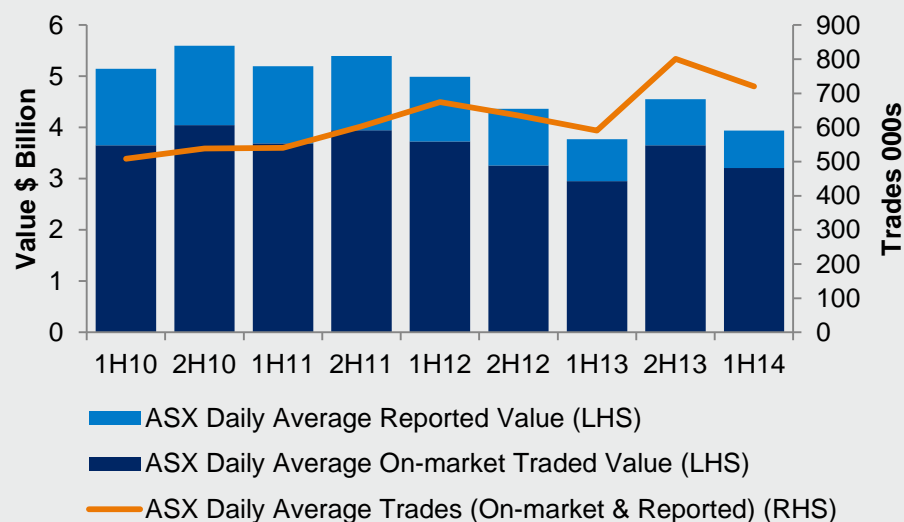
# Cash Market

## Highlights

### Revenue \$59.2 million, up 7.8%

- Trading \$16.6 million, up 5.0%, Clearing \$21.7 million, up 10.3% and Settlement \$20.9, up 7.5%
- Total on-market value traded per day up 15.4%; ASX on-market trading up 8.8% per day
- Total market velocity 80%, compared to 81% in the pcp

### Trading Activity - ASX



## Areas of Focus

### Trading

- Centre Point 5.5% of value, 15.7% of revenue (10.5% pcp). Further product innovations launched
- On-market trading market share 91% (96% pcp)

### Clearing

- Total cleared value up 7.6%
- Cash market margining from June 2013

### Settlement

- Total settlement volumes up 3.5%

### Customer Alignment

- Code of Practice – Stakeholder Forum and Business Committee meetings held. Agreed areas of focus:
  - T+2 settlement consultation
  - International cost benchmarking
- Second year of revenue sharing arrangements

# Information and Technical Services

## Highlights

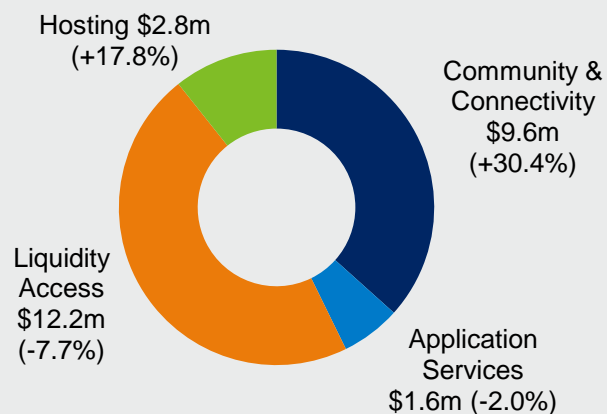
### Information Services \$33.9 million, up 10.9%

- Professional and retail usage up
- Pricing changes implemented 1 July 2013

### Technical Services \$26.2 million, up 6.6%

- Growth in hosting -133 cabinets and 82 customers
- Growth in community and connectivity with 49% increase in ALC service connections
- Reduction in liquidity access revenue due to fewer Open Interface sessions

### Revenue Mix Technical Services



## Areas of Focus

### Information Services

- Enhanced Corporate Actions information service
- Fee alignment to changing user profiles

### Technical Services

- ASX Net Global launched, connecting to Singapore, London, Chicago
- Continued sales growth in data centre services
- Enhanced ASX 24 real-time price information (ITCH)

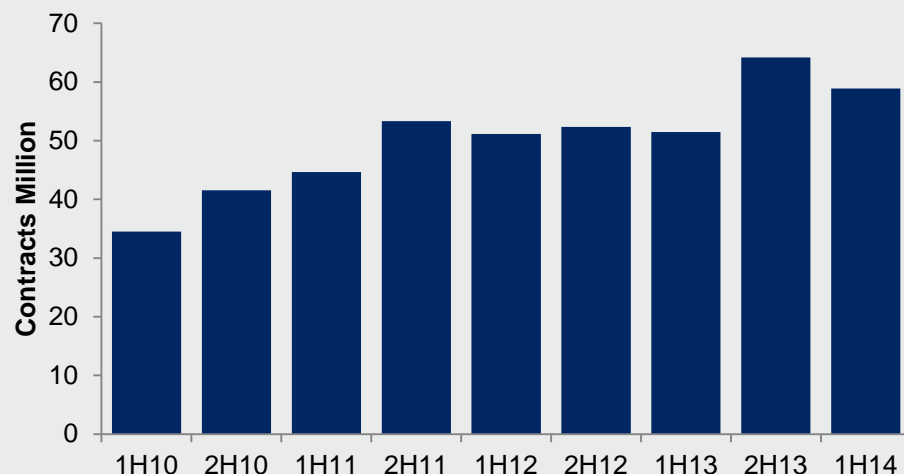
# Derivatives and OTC Markets

## Highlights

### Revenue \$99.8 million, up 5.9%

- ASX 24 Derivatives \$89.8 million, up 12.4%
  - Contracts traded up 14.5%
  - Includes ASX Energy
- ASX Derivatives \$10.0 million, down 30.5%
  - Contracts traded down 21.6%
  - Rebates

ASX 24 Derivatives Volume



## Areas of Focus

### Product Development

- Launch of VIX and equity sectoral futures contracts
- New electricity futures contracts

### Risk Management

- ASX Clear (Futures) 'Cover 2' capital standard; AA- long-term credit rating from S&P
- Futures client clearing – target July 2014

### OTC Markets

- OTC clearing solution launched with 8 participants
- US banks can join OTC dealer service under 6 Feb 2014 CFTC approval
- OTC client clearing – regulatory clearance from ASIC and RBA, target April 2014 launch

### Exchange Traded Options

- Initiatives to stabilise and return to growth
  - ETO crossing rules changes
  - Increased market-maker liquidity arrangements
  - Enhanced margin simulator

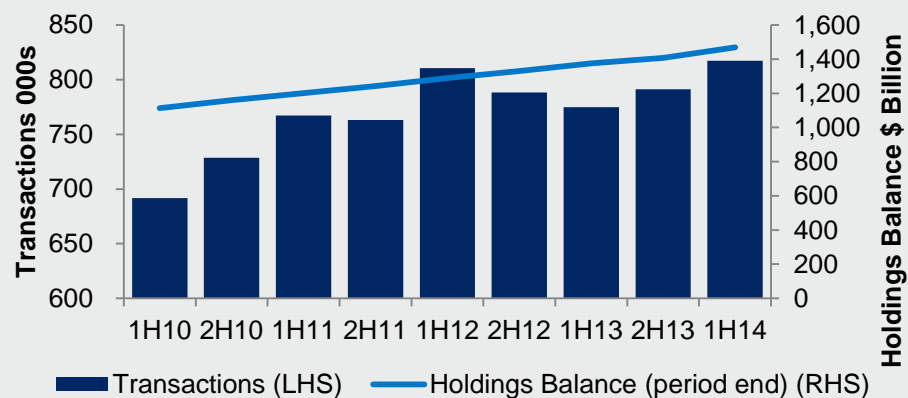
# Austraclear

## Highlights

### Revenue \$20.5 million, up 7.4%

- Transaction revenue \$8.2 million, up 3.4%
  - Transaction volume up 5.5%
- Holdings revenue \$3.1 million, down 3.2%
  - Average balances up 5.8% to \$1.4 trillion
  - Change in billing methodology
- Registry revenue \$9.2 million, up 15.5%

### Transactions and Holdings



## Areas of Focus

### ASX Collateral Service

- Reduces collateral costs for ASX clients
- Phase 1 connects service to Austraclear fixed income securities
  - 12 foundation customers working with ASX
  - 7 customers have completed initial trades in January/February 2014
- Future phases (CHESS connectivity, international linkages) to be determined following initial launch

# World Class Post-Trade Services

## World Class Financial Infrastructure

- Attractive markets
  - Top 5 interest rate futures and swap markets in the world
- World class infrastructure
  - Full service offering
  - Best-in-class technology
  - Margin optimisation
- Competitive solution for banks
  - Margin offsets
  - Collateral efficiencies
  - Revenue sharing
- Foundation customers
  - 8 in OTC clearing
  - 12 in collateral service

## Delivered between July 2013 and July 2014

- OTC clearing
  - Dealer-to-dealer service
  - Client clearing
  - Margin simulation and optimisation
- Futures
  - Client clearing
- ASX Collateral service

## World Class Investor Protection

- Client protection
  - Client level clearing
- Domestic solution
  - Managed under Australian regulations and law
  - Capital, collateral held locally
- Lower systemic risk
  - Improved controls in crisis
  - All key futures markets – SPI, interest rates, electricity, grains
- Highest global standards
  - Meets highest capital standards
  - AA- long-term credit rating from S&P

# Interest and Dividend Income

	1H14 \$ Million	1H13 \$ Million	% Variance
ASX Group Interest Income	14.5	7.5	94.0%
Net Interest Earned on Collateral Balances	16.4	14.4	14.2%
<b>Total Net Interest Income</b>	<b>30.9</b>	<b>21.9</b>	<b>41.5%</b>
Dividend Income	3.3	3.3	0.0%
<b>Interest and Dividend Income</b>	<b>34.2</b>	<b>25.2</b>	<b>36.0%</b>

## Highlights

- Total net interest income up 41.5%
- ASX Group interest income up 94.0% following capital raising and repayment of debt facility
- Net interest earned on collateral balances up 14.2% primarily due to higher balances
  - Average collateral balances \$3.9 billion, up 20.0%
  - Average investment spread 44 bps (46 bps pcp)
- IRESS dividend unchanged
  - Participated in IRESS pro rata renounceable entitlement offer in August 2013
  - Holding 19.3%

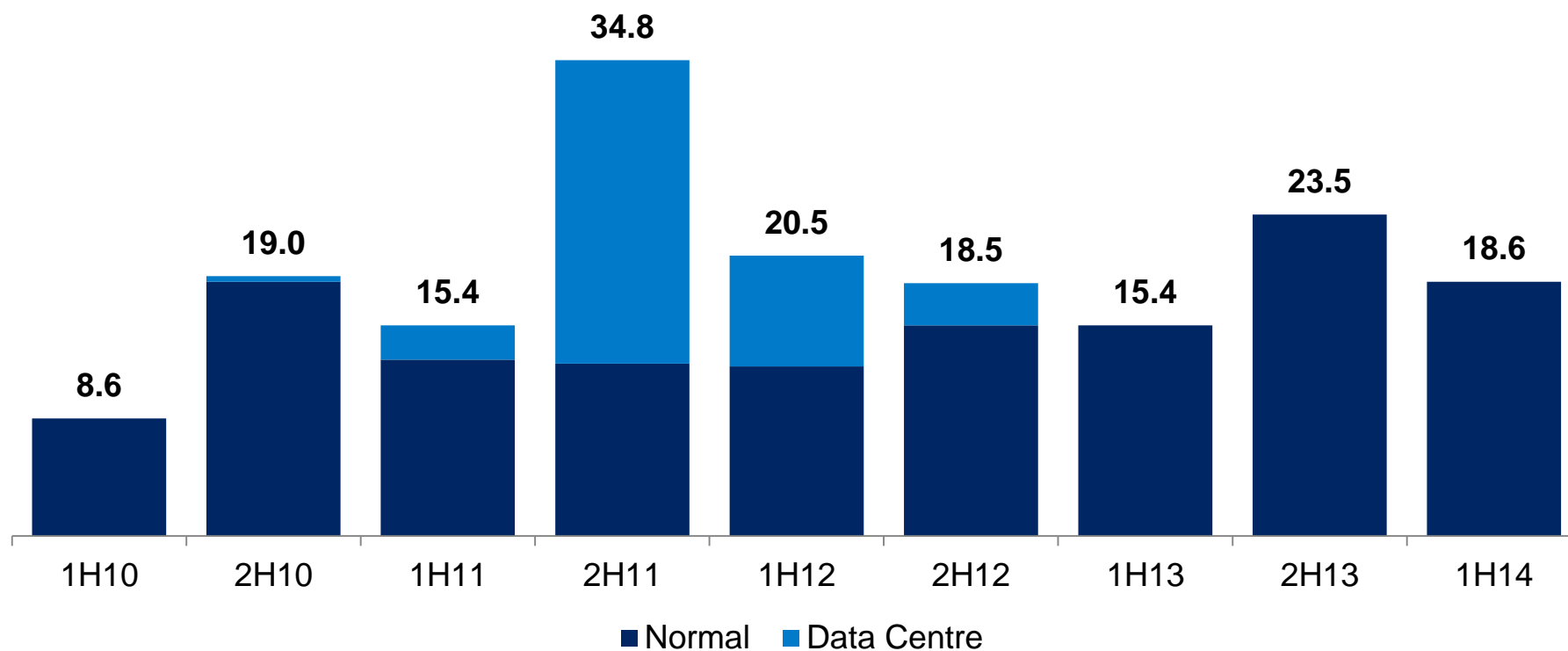
# Expenses

	1H14 \$ Million	1H13 \$ Million	% Variance
Staff	47.2	43.2	(9.4%)
Occupancy	6.9	6.6	(4.5%)
Equipment	11.6	10.5	(10.8%)
Administration	7.3	7.4	2.2%
Variable	2.3	2.0	(16.0%)
ASIC Supervision Levy	1.9	1.6	(17.9%)
<b>Total Operating Expenses</b>	<b>77.2</b>	<b>71.3</b>	<b>(8.3%)</b>
Depreciation and Amortisation	16.3	15.4	(6.1%)

## Highlights

- Total expenses up 8.3%
  - Average staff numbers up 4.1% to 532 FTEs (511 pcp). Increase driven by initiatives
  - Higher equipment expenses to support platforms for new service offerings
  - Higher variable expenses due to higher statement processing and postage
  - One-off credit last year in ASIC Levy
- Depreciation and Amortisation up 6.1% following higher capital expenditure in recent years for data centre and post-trade services
- Guidance FY14 cash operating expenses: approximately 5% increase

# Capital Expenditure (\$M)



## Highlights

- Approximately \$13 million of \$18.6 million in 1H14 invested in post-trade services
- Guidance FY14 capital expenditure \$40 to \$45 million



# Post Balance Date Activity

## Economic and market conditions

- Stabilisation/modest improvement in global economic conditions; structural challenges in Europe remain
- Mixed economic indicators domestically
  - Improving business sentiment; mixed signals in consumer confidence
  - Corporate balance sheets generally healthy, reflected in lower secondary capital raisings
  - Corporate activity and IPOs likely to continue but at more moderate pace than 1H14

## Trading for 6 weeks to 7 February reflects seasonally subdued activity levels

- Total cash market average value (all lit and dark venues) per day \$4.2 billion, up 0.9%
  - ASX on-market average value per day \$3.0 billion, up 0.9%
- ASX 24 derivatives daily average volume 429,139 contracts, up 21.3%
- Total capital raised in January \$0.8 billion, down 51%

# Financial Results 1H14

**Revenue**  
**\$329.3m**  
**8.0%**

**Expenses**  
**\$77.2m**  
**(8.3%)**

**EBITDA**  
**\$252.1m**  
**8.0%**

**Profit**  
**\$189.6m**  
**10.8%**

**EPS**  
**98.3c**  
**2.2%**

**DPS**  
**88.2c**  
**0.3%**

- **Profit after tax \$189.6m, up 10.8%**
  - EBITDA up 8% driven by revenue growth
  - Interim dividend in line with 1H13 following capital raising
- **Revenue \$329.3m, up 8%**
  - Growth in all major revenue categories over pcp
- **Expenses \$77.2m, up 8.3%**
  - In line with expectations; FY14 guidance unchanged
- **Continued focus on development of world class post-trade solutions**
  - Delivery program on track
  - Backed by strong capital position and AA- long-term credit rating by S&P
- **Capital expenditure \$18.6m**
  - FY14 guidance between \$40 - \$45m

Globally connected

Internationally competitive

Customer driven

World class



ASX

[www.asx.com.au](http://www.asx.com.au)

Customer service  
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# Appendices

1. Income Statement
2. Balance Sheet
3. Key Financial Ratios
4. Transaction and Activity Levels
5. Free Cash Flow Summary
6. Risk-Based Capital
7. Cash Market Clearing and Settlement  
Income Statements

# 1. Income Statement

	1H12 \$ Million	2H12 \$ Million	1H13 \$ Million	2H13 \$ Million	1H14 \$ Million
<b>Listings and Issuer Services</b>	<b>68.6</b>	<b>64.8</b>	<b>73.6</b>	<b>66.1</b>	<b>81.5</b>
<i>Listings</i>	56.2	53.7	60.0	53.2	66.8
<i>Issuer Services</i>	12.4	11.1	13.6	12.9	14.7
<b>Cash Market</b>	<b>66.9</b>	<b>57.6</b>	<b>54.9</b>	<b>59.7</b>	<b>59.2</b>
<i>Trading</i>	19.6	16.8	15.7	17.1	16.6
<i>Clearing</i>	25.1	20.8	19.7	21.9	21.7
<i>Settlement</i>	22.2	20.0	19.5	20.7	20.9
Information Services	34.6	32.3	30.6	31.2	33.9
Technical Services	22.6	22.7	24.6	25.2	26.2
<b>Derivatives</b>	<b>96.6</b>	<b>92.1</b>	<b>94.4</b>	<b>102.9</b>	<b>99.8</b>
<i>ASX 24 Derivatives</i>	81.8	79.2	79.9	89.1	89.8
<i>ASX Derivatives</i>	14.8	12.9	14.5	13.8	10.0
Austraclear	17.8	18.2	19.1	19.5	20.5
Other Revenue	8.0	7.6	7.6	8.0	8.2
<b>Operating Revenue</b>	<b>315.1</b>	<b>295.3</b>	<b>304.8</b>	<b>312.6</b>	<b>329.3</b>
Staff	41.7	40.9	43.2	44.0	47.2
Occupancy	7.8	7.7	6.6	7.1	6.9
Equipment	10.2	11.4	10.5	11.9	11.6
Administration	6.4	7.1	7.4	8.2	7.3
Variable	2.1	1.6	2.0	1.8	2.3
ASIC Supervision Levy	2.2	2.0	1.6	1.9	1.9
<b>Operating Expenses</b>	<b>70.4</b>	<b>70.7</b>	<b>71.3</b>	<b>74.9</b>	<b>77.2</b>
<b>EBITDA</b>	<b>244.7</b>	<b>224.6</b>	<b>233.5</b>	<b>237.7</b>	<b>252.1</b>

# 1. Income Statement (Continued)

	1H12 \$ Million	2H12 \$ Million	1H13 \$ Million	2H13 \$ Million	1H14 \$ Million
Depreciation and Amortisation	12.9	14.7	15.4	15.0	16.3
<b>EBIT</b>	<b>231.8</b>	<b>209.9</b>	<b>218.1</b>	<b>222.7</b>	<b>235.8</b>
Net Interest Income	11.6	8.9	7.5	5.6	14.5
Net Interest on Participants' Balances	10.3	9.8	14.4	16.6	16.4
Dividend Revenue	3.3	5.9	3.3	6.1	3.3
<b>Interest and Dividend Income</b>	<b>25.2</b>	<b>24.6</b>	<b>25.2</b>	<b>28.3</b>	<b>34.2</b>
<b>Underlying Profit Before Tax</b>	<b>257.0</b>	<b>234.5</b>	<b>243.3</b>	<b>251.0</b>	<b>270.0</b>
Income Tax Expense	(76.3)	(69.0)	(72.2)	(73.9)	(80.4)
<b>Underlying Profit After Tax</b>	<b>180.7</b>	<b>165.5</b>	<b>171.1</b>	<b>177.1</b>	<b>189.6</b>
<b>Less Significant Items</b>					
Significant Items	(7.3)	(1.8)	-	-	-
Tax Credit on Significant Items	2.2	(0.1)	-	-	-
<b>Statutory Profit After Tax</b>	<b>175.6</b>	<b>163.6</b>	<b>171.1</b>	<b>177.1</b>	<b>189.6</b>

## 2. Balance Sheet

	31 Dec 11 \$ Million	30 Jun 12 \$ Million	31 Dec 12 \$ Million	30 Jun 13 \$ Million	31 Dec 13 \$ Million
<b>Assets</b>					
Cash and Available-For-Sale Financial Assets	3,841.0	3,696.2	4,333.9	4,496.2	5,071.7
Goodwill	2,262.8	2,262.8	2,262.8	2,317.6	2,317.6
Investments	164.6	162.1	203.9	185.6	288.7
Other Assets	263.2	406.1	367.4	369.3	318.8
<b>Total Assets</b>	<b>6,531.6</b>	<b>6,527.2</b>	<b>7,168.0</b>	<b>7,368.7</b>	<b>7,996.8</b>
<b>Liabilities</b>					
Amounts Owing to Participants (including Commitments)	3,042.3	2,939.6	3,536.2	3,753.1	4,033.4
Borrowings	250.0	250.0	250.0	-	-
Other Liabilities	239.4	342.6	334.1	293.8	287.2
<b>Total Liabilities</b>	<b>3,531.7</b>	<b>3,532.2</b>	<b>4,120.3</b>	<b>4,046.9</b>	<b>4,320.6</b>
<b>Equity</b>					
Capital	2,483.2	2,483.2	2,483.2	2,746.4	3,027.2
Retained Earnings	381.1	382.3	404.4	427.7	458.1
Reserves	135.6	129.5	160.1	147.7	190.9
<b>Total Equity</b>	<b>2,999.9</b>	<b>2,995.0</b>	<b>3,047.7</b>	<b>3,321.8</b>	<b>3,676.2</b>

### 3. Key Financial Ratios

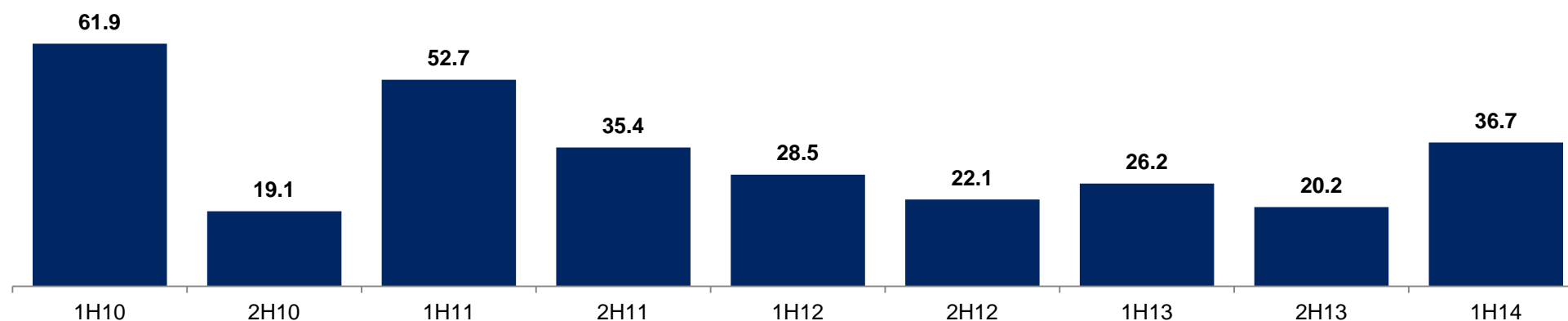
	1H12	2H12	1H13	2H13	1H14
Basic EPS (including significant items)	98.7c	92.0c	96.2c	99.3c	98.3c
Diluted EPS (including significant items)	98.7c	92.0c	96.2c	99.3c	98.3c
Underlying EPS (excluding significant items)	101.6c	93.0c	96.2c	99.3c	98.3c
Dividends per share – interim	92.8c	-	87.9c	-	88.2c
Dividends per share – final	-	85.1c	-	82.3c	-
Statutory return on equity (including significant items)	11.8%	11.5%	11.5%	11.6%	10.5%
Underlying return on equity	12.2%	11.7%	11.5%	11.6%	10.5%
EBITDA / Operating revenue	77.7%	76.9%	76.6%	76.1%	76.5%
EBIT / Operating revenue	73.6%	72.4%	71.6%	71.2%	71.6%
Total expenses (including depreciation and amortisation) / Operating revenue	26.4%	27.6%	28.4%	28.8%	28.4%
Capital expenditure (\$m)	\$20.5	\$18.5	\$15.4	\$23.5	\$18.6
Net tangible asset backing per share	\$3.91	\$3.85	\$4.12	\$5.04	\$6.60
Net asset backing per share	\$17.13	\$17.10	\$17.40	\$18.05	\$18.99
Shareholders' equity as a % of total assets (excluding participants' balances)	86.0%	83.5%	83.9%	91.9%	92.8%
Shareholders' equity as a % of total assets (including participants' balances)	45.9%	45.9%	42.5%	45.1%	46.0%
Share price at end of period	\$30.11	\$29.36	\$30.73	\$33.07	\$36.76
Ordinary shares on issue at end of period	175,136,729	175,136,729	175,136,729	184,066,764	193,595,162
Weighted average number of ordinary shares	177,916,677	177,916,677	177,916,677	178,222,483	192,818,390
Market value of ordinary shares on issue (\$m)	\$5,347	\$5,223	\$5,466	\$6,087	\$7,117
Market to book ratio	1.78	1.71	1.79	1.83	1.94
<b>Full-time equivalent permanent staff</b>					
- number at period end	499	505	518	529	533
- average during the period	502	502	511	520	532



## 4.1 Listings and Issuer Services

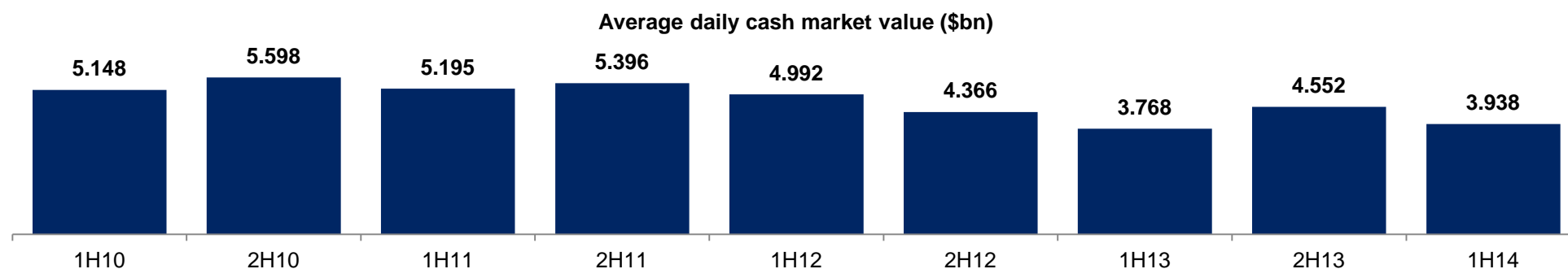
	1H12	2H12	1H13	2H13	1H14
Total domestic market capitalisation (\$bn) – period end	\$1,169	\$1,186	\$1,336	\$1,347	\$1,527
Total number of listed entities (includes all stapled entities) - period end	2,222	2,211	2,188	2,185	2,195
Number of new listings	57	42	41	41	69
Average annual listing fee	\$13,531	\$13,750	\$13,548	\$13,791	\$13,966
Average initial listing fee	\$65,342	\$60,199	\$82,852	\$91,426	\$162,261
Average fee per \$m of secondary capital	\$813	\$896	\$1,012	\$1,047	\$1,085
Initial capital raised (\$m)	\$6,729	\$3,458	\$3,688	\$6,220	\$17,817
Secondary capital raised (\$m)	\$17,725	\$14,832	\$20,330	\$12,118	\$16,373
Other secondary capital raised including scrip-for-scrip (\$m)	\$4,011	\$3,841	\$2,188	\$1,839	\$2,514
<b>Total capital raised (including other) (\$m)</b>	<b>\$28,466</b>	<b>\$22,131</b>	<b>\$26,206</b>	<b>\$20,177</b>	<b>\$36,704</b>
Number of new warrant series quoted	4,280	2,838	3,475	3,215	2,341
Total warrant series quoted	4,415	4,743	5,498	5,140	4,450
Number of CHES holding statements issued (m)	6.4	4.8	5.8	5.3	6.5

Total capital raised (including other) (\$bn)



## 4.2 Cash Market

	1H12	2H12	1H13	2H13	1H14
Trading days	129	124	129	123	130
Total cash market trades ('000)	87,025	78,781	76,283	98,483	93,607
Average daily cash market trades	647,609	635,333	591,341	800,549	720,053
Open trading (\$bn)	\$396.181	\$321.700	\$296.090	\$349.071	\$313.211
Auctions trading (\$bn)	\$76.966	\$70.247	\$69.302	\$78.116	\$75.757
Centre Point (\$bn)	\$7.839	\$11.950	\$15.048	\$21.905	\$28.106
Trade reporting (\$bn)	\$162.922	\$137.522	\$105.606	\$110.814	\$94.835
<b>Total cash market value (\$bn)</b>	<b>\$643.908</b>	<b>\$541.419</b>	<b>\$486.046</b>	<b>\$559.906</b>	<b>\$511.909</b>
Average daily cash on-market value (\$bn)	\$3.729	\$3.257	\$2.949	\$3.651	\$3.208
Average daily cash market value (\$bn)	\$4.992	\$4.366	\$3.768	\$4.552	\$3.938
Average trade size (\$)	\$7,399	\$6,872	\$6,372	\$5,686	\$5,469
Total billable value (\$bn)	\$628.837	\$532.736	\$475.963	\$548.347	\$501.971
Average cash market trading, clearing and settlement fee per trade	\$0.78	\$0.73	\$0.72	\$0.61	\$0.63
Average fee per dollar of value (bps)	1.04	1.07	1.13	1.07	1.16
Velocity (total value / average market capitalisation) *	105%	89%	81%	90%	80%
Number of dominant settlement messages (m)	8.5	7.6	7.5	7.9	7.8



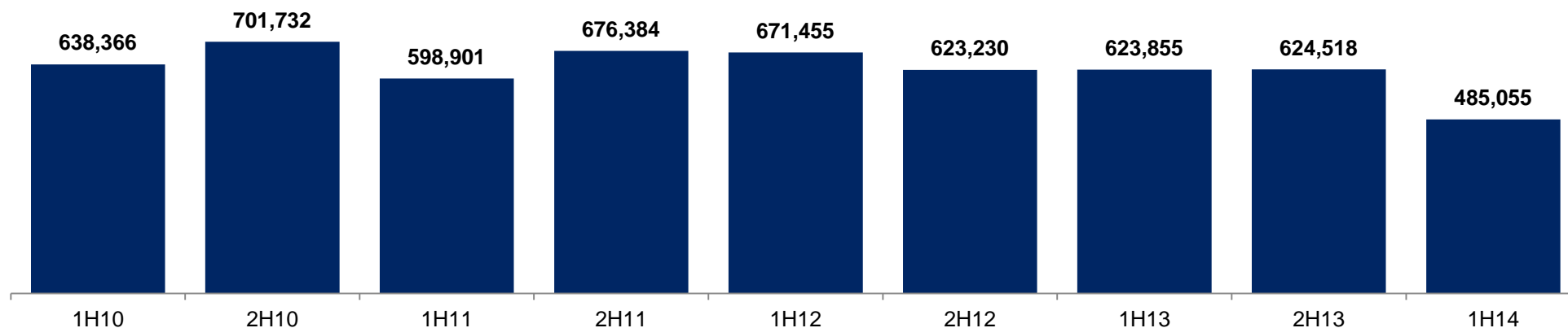
## 4.3 Information and Technical Services

	1H12	2H12	1H13	2H13	1H14
<b>Technical Services – Liquidity access</b>					
No. of ASX sessions – period end	1,786	1,703	1,625	1,526	1,423
No. of ASX gateways – period end	331	302	267	248	236
No. of ASX liquidity cross connects – period end	78	75	70	70	59
No. of ASX 24 gateways – period end	491	352	323	272	249
No. of ASX 24 liquidity cross connects – period end	N/A	154	202	221	261
<b>Technical Services – Community and connectivity</b>					
No. ASX Net connections – period end	136	125	147	140	144
No. of ASX Net service feeds – period end	257	270	301	356	352
No. of Australian Liquidity Centre service connections – period end	N/A	110	365	415	545
<b>Technical Services – Application services</b>					
No. of ASX trader workstations / ASX Best terminals – period end	683	609	553	491	393
<b>Technical Services – Hosting</b>					
No. of Australian Liquidity Centre cabinets – period end	N/A	76	111	117	133
No. of other data centre cabinets – period end	62	8	6	7	7
<b>Information Services</b>					
ASX market data terminals – monthly average	60,781	52,673	49,962	49,967	66,214
ASX 24 market data terminals – monthly average	19,412	19,741	19,051	18,607	18,359

## 4.4 ASX Derivatives

	1H12	2H12	1H13	2H13	1H14
Trading days (ASX)	129	124	129	123	130
Equity options ('000)	79,930	71,688	74,309	71,221	59,170
Index options and futures ('000)	6,534	5,592	6,168	5,595	3,887
Grains futures and options on futures ('000) (transferred to ASX 24 platform in Oct 11)	154	-	-	-	-
<b>Total contracts ('000)</b>	<b>86,618</b>	<b>77,280</b>	<b>80,477</b>	<b>76,816</b>	<b>63,057</b>
Average daily derivatives contracts	671,455	623,230	623,855	624,518	485,055
Average fee per derivatives contract	\$0.17	\$0.17	\$0.18	\$0.18	\$0.16

ASX Derivatives average daily contracts (based on current contract size)\*



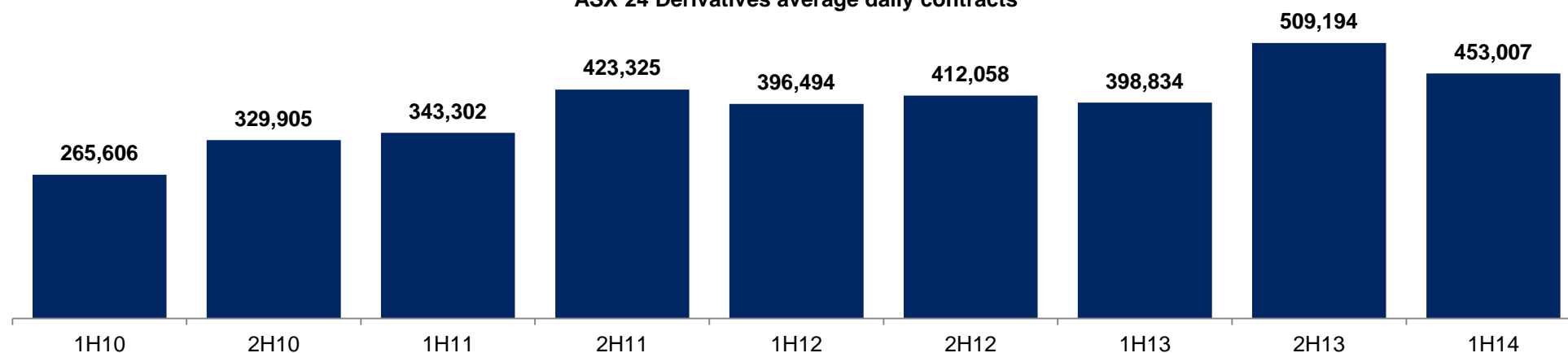
## 4.5 ASX 24 Derivatives

	1H12	2H12	1H13	2H13	1H14
<i>Trading days (ASX 24)</i>	129	127	129	126	130
<b>Total contracts - futures ('000)</b>					
ASX SPI 200	6,680	5,132	4,894	5,365	4,875
90 day bank bills	10,568	11,084	10,298	15,568	13,453
3 year bonds	20,497	22,005	22,006	25,493	23,486
10 year bonds	8,074	9,146	9,325	11,886	12,040
30 day interbank cash rate	3,040	2,294	2,205	2,575	2,339
Agricultural	120	169	236	118	115
Electricity	113	70	97	71	76
Other	<1	5	7	12	9
NZD 90 day bank bills	915	682	627	549	571
<b>Total futures</b>	<b>50,007</b>	<b>50,587</b>	<b>49,695</b>	<b>61,637</b>	<b>56,964</b>

## 4.5 ASX 24 Derivatives (Continued)

	1H12	2H12	1H13	2H13	1H14
<b>Total contracts - options on futures ('000)</b>					
ASX SPI 200	227	250	192	157	232
90 day bank bills	25	0	7	0	4
3 year bonds	76	271	256	270	153
Overnight 3 year bonds	388	641	742	1,172	719
Intra-day 3 year bonds	418	561	536	907	804
Other	7	22	22	15	15
<b>Total options on futures</b>	<b>1,141</b>	<b>1,745</b>	<b>1,755</b>	<b>2,521</b>	<b>1,927</b>
<b>Total futures and options on futures contract volume ('000)</b>	<b>51,148</b>	<b>52,331</b>	<b>51,450</b>	<b>64,158</b>	<b>58,891</b>
Daily average contracts - futures and options	396,494	412,058	398,834	509,194	453,007
Average fee per contract - futures and options	\$1.60	\$1.52	\$1.55	\$1.39	\$1.53

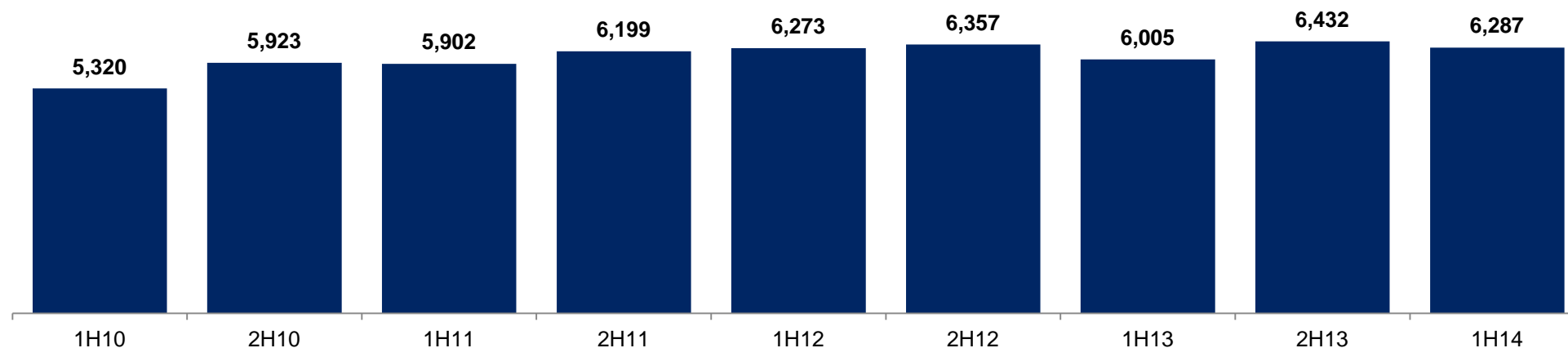
ASX 24 Derivatives average daily contracts



## 4.6 Austraclear

	1H12	2H12	1H13	2H13	1H14
Settlement days	129	124	129	123	130
<b>Transactions ('000)</b>					
Cash transfers	321	295	294	293	312
Fixed interest securities	358	376	371	392	405
Discount securities	115	102	94	91	84
Foreign exchange	11	10	10	11	11
Other	4	5	6	5	5
<b>Total transactions</b>	<b>809</b>	<b>788</b>	<b>775</b>	<b>791</b>	<b>817</b>
Average daily settlement volume	6,273	6,357	6,005	6,432	6,287
Securities holdings (monthly average \$bn)	\$1,271.1	\$1,313.4	\$1,357.8	\$1,391.2	\$1,436.0
Securities holdings (period end \$bn)	\$1,289.2	\$1,330.9	\$1,375.8	\$1,406.8	\$1,468.9
Average settlement and depository fee (including portfolio holdings) per transaction (excludes registry services revenue)	\$13.16	\$13.95	\$14.28	\$13.74	\$13.74

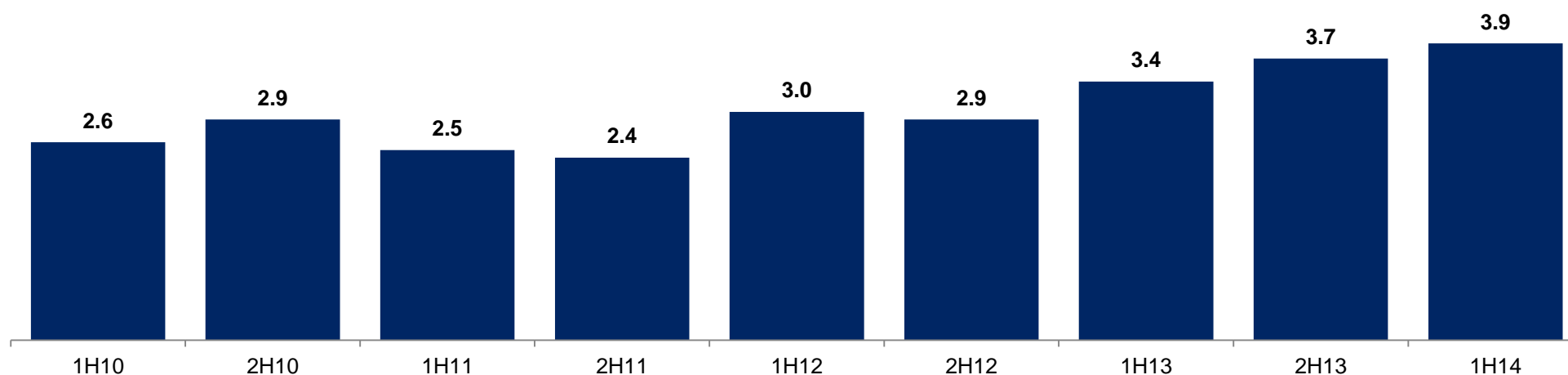
Austraclear average daily settlement volume



## 4.7 CCP Participant Collateral Balances

	1H12 \$ Million	2H12 \$ Million	1H13 \$ Million	2H13 \$ Million	1H14 \$ Million
ASX Clear – initial margins (cash) - period end	258.7	254.5	289.5	561.4	432.8
ASX Clear (Futures) – initial margins House – period end	779.8	686.6	1,032.0	907.0	971.4
ASX Clear (Futures) – initial margins Client – period end	1,607.3	1,574.7	1,794.8	1,866.4	1,987.5
ASX Clear (Futures) – additional and excess – period end	308.2	337.7	330.0	343.8	482.2
<b>Total margins held on balance sheet – period end (excluding commitments)</b>	<b>2,954.0</b>	<b>2,853.5</b>	<b>3,446.3</b>	<b>3,678.6</b>	<b>3,873.9</b>
Average daily margin balance during the period (excluding commitments)	2,747.0	2,416.3	3,265.6	3,779.8	3,919.7
ASX Clear – guarantees and equity collateral held off balance sheet – period end	3,867.4	3,907.4	4,047.9	3,884.7	4,386.5

**Total margins held on balance sheet (\$bn) (at period end)**





## 5. Free Cash Flow Summary

	1H12 \$ Million	2H12 \$ Million	1H13 \$ Million	2H13 \$ Million	1H14 \$ Million
<b>ASX Group Cash</b>					
Total cash and short-term investments	3,841.0	3,696.1	4,333.9	4,496.2	5,071.7
Less participants' margins and cash commitments	(3,042.3)	(2,939.6)	(3,536.2)	(3,753.1)	(4,033.4)
<b>ASX Group own cash reserves</b>	<b>798.7</b>	<b>756.5</b>	<b>797.7</b>	<b>743.1</b>	<b>1,038.3</b>
<b>Less specific own cash allocations</b>					
	<b>(558.3)</b>	<b>(558.3)</b>	<b>(558.3)</b>	<b>(558.3)</b>	<b>(758.3)</b>
<b>Available free cash (liquidity)</b>	<b>240.4</b>	<b>198.2</b>	<b>239.4</b>	<b>184.8</b>	<b>280.0</b>
<b>Free Cash Flow</b>					
<b>Free cash flow at period open</b>	<b>243.9</b>	<b>240.4</b>	<b>198.2</b>	<b>239.4</b>	<b>184.8</b>
Add:					
Cash generated from business activities	184.2	143.4	207.3	160.9	239.3
Cash from issue of shares	-	-	-	261.6	277.9
Less:					
Cash used for payment of dividends	(162.8)	(162.4)	(149.0)	(153.9)	(159.2)
Cash used for capital investments	(24.9)	(16.1)	(17.1)	(19.6)	(20.6)
Additional equity designated to support the clearing default fund	-	-	-	-	(200.0)
Repayment of borrowings supporting the clearing default fund	-	-	-	(250.0)	-
Payments for investments	-	(7.1)	-	(53.6)	(42.2)
<b>Free cash flow at period end</b>	<b>240.4</b>	<b>198.2</b>	<b>239.4</b>	<b>184.8</b>	<b>280.0</b>

## 6. Risk-Based Capital

	1H12 \$ Million	2H12 \$ Million	1H13 \$ Million	*Pro Forma 2H13 \$ Million	1H14 \$ Million
<b>ASX group equity</b>					
Shareholders equity	2,999.9	2,995.0	3,047.7	3,606.4	3,676.2
Less goodwill	(2,262.8)	(2,262.8)	(2,262.8)	(2,317.6)	(2,317.6)
<b>Net tangible equity</b>	<b>737.1</b>	<b>732.2</b>	<b>784.9</b>	<b>1,288.8</b>	<b>1,358.6</b>
Risk-based capital attribution:					
Clearing participant default risk	250.0	250.0	250.0	700.0	700.0
Investment, operational and fixed-asset risk	113.6	115.1	127.7	332.6	356.1
<b>Total risk-based capital attribution</b>	<b>363.6</b>	<b>365.1</b>	<b>377.7</b>	<b>1,032.6</b>	<b>1,056.1</b>
<b>Non-attributed capital position</b>	<b>373.5</b>	<b>367.1</b>	<b>407.2</b>	<b>256.2</b>	<b>302.5</b>
Less dividend payable	(162.5)	(149.0)	(154.0)	(159.4)	(170.8)
<b>Non-attributed capital after provision for dividend</b>	<b>211.0</b>	<b>218.1</b>	<b>253.2</b>	<b>96.8</b>	<b>131.7</b>

\*2H13 Pro Forma is after the completion of the capital raising in July 2013, the additional investment in IRESS, higher capital in ASX Clear (Futures) and revised attribution of capital to operational risk

Increase in clearing participant default risk reflects the RBA interpretation of FSS issued on 16 August 2013

## 7. Cash Market Clearing and Settlement Income Statements

	Cash Market Clearing 1H14 \$ Million	Cash Market Clearing 1H13 \$ Million	Cash Market Settlement 1H14 \$ Million	Cash Market Settlement 1H13 \$ Million
Operating Revenue	22.2	20.1	22.1	20.8
Operating Expenses	5.2	4.9	6.3	6.0
<b>EBITDA</b>	<b>17.0</b>	<b>15.2</b>	<b>15.8</b>	<b>14.8</b>
Depreciation and Amortisation	1.0	0.7	0.1	0.1
<b>EBIT</b>	<b>16.0</b>	<b>14.5</b>	<b>15.7</b>	<b>14.7</b>
Interest Income	3.0	3.1	1.6	1.5
<b>Profit Before Tax</b>	<b>19.0</b>	<b>17.6</b>	<b>17.3</b>	<b>16.2</b>
Income Tax Expense	(5.7)	(5.3)	(5.2)	(4.9)
<b>Profit After Tax</b>	<b>13.3</b>	<b>12.3</b>	<b>12.1</b>	<b>11.3</b>
<b>Economic Profit after Capital Charge</b>	<b>2.1</b>	<b>1.0</b>	<b>5.1</b>	<b>4.8</b>
<b>EBITDA Margin</b>	<b>76.7%</b>	<b>75.9%</b>	<b>71.6%</b>	<b>71.3%</b>
<b>Total Capital</b>	<b>221.2</b>	<b>221.1</b>	<b>133.9</b>	<b>123.5</b>
<b>Return on Equity (annualised)</b>	<b>11.9%</b>	<b>11.1%</b>	<b>18.0%</b>	<b>18.2%</b>

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