

Disclaimer

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Nine Months to 31 March 2014¹

Revenues

\$488.4m

6.8%

Expenses

\$115.0m

(6.9%)

EBITDA

\$373.4m

6.8%

Interest & Div.

\$56.3m

32.3%

Net Profit

\$286.9m

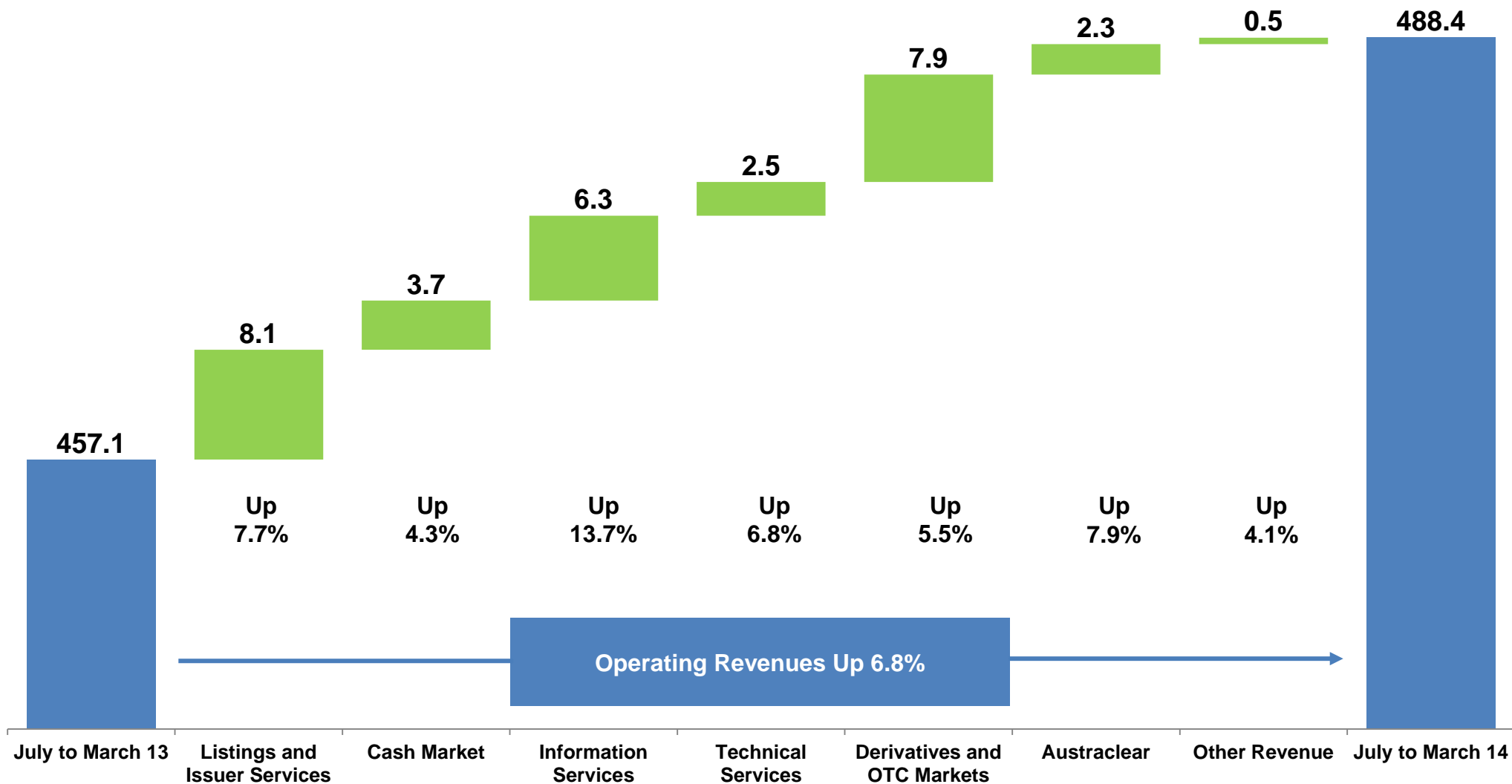
10.0%

- **Profit after tax \$286.9m, up 10.0%**
 - Includes additional interest from FY13 capital raising
 - EBITDA up 6.8% driven by revenue growth
- **Revenues \$488.4m, up 6.8%**
 - Growth in all major revenue categories
 - Third quarter revenues up 4.4%
- **Expenses \$115.0m, up 6.9%**
 - FY14 guidance unchanged with approximately 5% expense growth
- **Capital expenditure \$28.3m**
 - Key initiatives on track – delivery of post-trade services during CY14
 - FY14 guidance unchanged at \$40-45 million
- **Regulatory developments**
 - Financial System Inquiry
 - Guidance on location requirements for market infrastructure
 - Renewed focus in USA on market fragmentation and high frequency trading

Income Statement

	3Q14 \$M	% Variance	YTD Mar 2014 \$M	% Variance
Operating Revenues	159.1	4.4%	488.4	6.8%
Operating Expenses	37.7	(4.2%)	115.0	(6.9%)
EBITDA	121.4	4.5%	373.4	6.8%
Depreciation and Amortisation	8.2	(7.4%)	24.4	(6.5%)
EBIT	113.2	4.3%	349.0	6.8%
Interest and Dividends	22.0	27.0%	56.3	32.3%
Profit Before Tax	135.2	7.4%	405.3	9.8%
Income Tax Expense	(38.0)	(4.8%)	(118.4)	(9.2%)
Profit After Tax	97.2	8.5%	286.9	10.0%

YTD Revenue Movement (\$M)

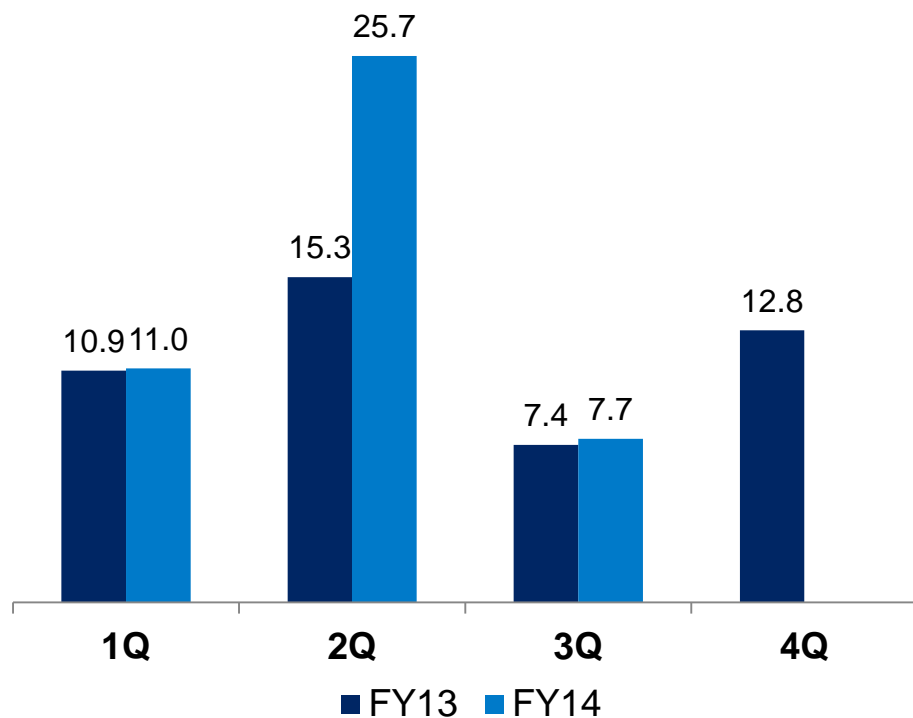


Revenue Performance Third Quarter

	3Q14 \$M	% Variance	YTD Mar 2014 \$M	% Variance
Listings and Issuer Services	32.1	0.9%	113.6	7.7%
Cash Market	28.6	(2.1%)	87.8	4.3%
Information Services	18.5	19.1%	52.4	13.7%
Technical Services	13.2	7.0%	39.4	6.8%
Derivatives and OTC Markets	52.4	4.9%	152.2	5.5%
Austraclear	10.5	8.9%	31.0	7.9%
Other Revenues	3.8	(0.8%)	12.0	4.1%
Operating Revenues	159.1	4.4%	488.4	6.8%

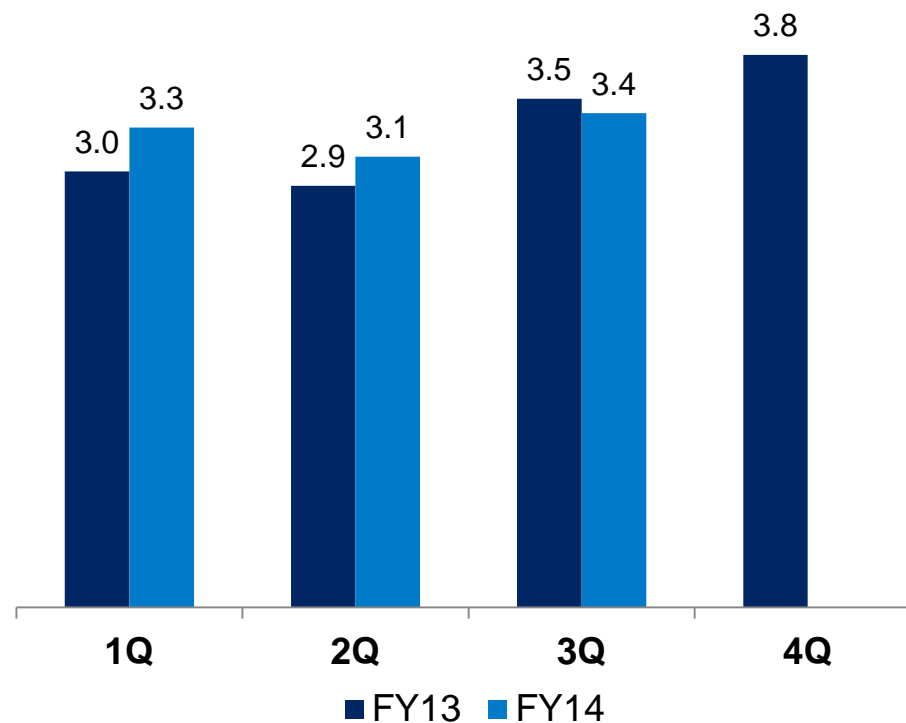
Activity Levels – Listings and Cash Market

Listings
Total Capital Raised \$Billion



- 3Q14 up 4.7%
- YTD up 32.3%

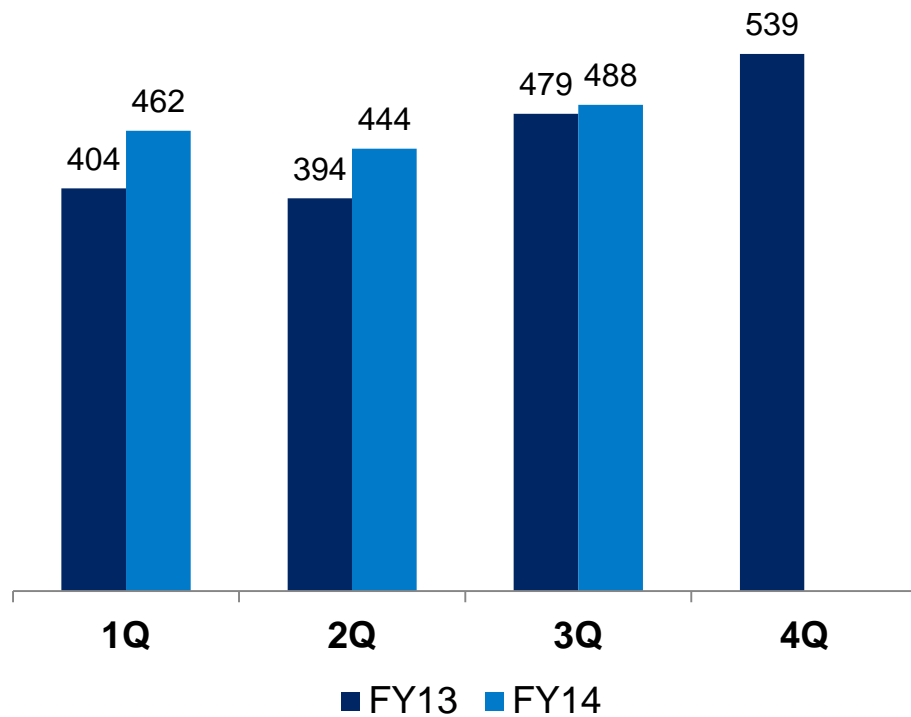
ASX Cash Market
Average Daily On-Market Value Traded \$Billion



- 3Q14 down 0.8%
- YTD up 5.4%

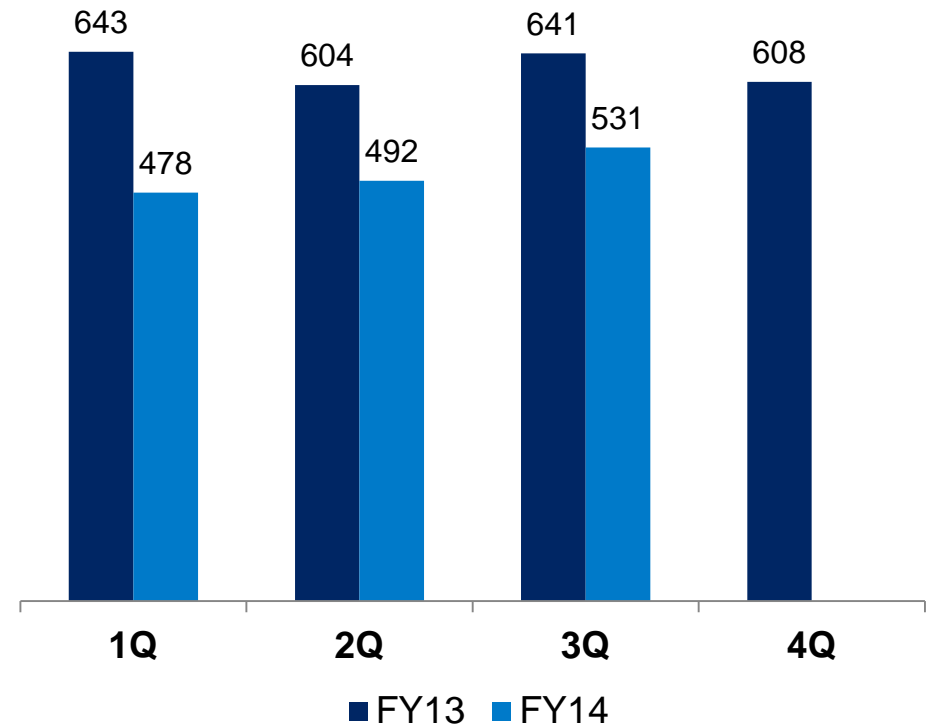
Activity Levels – Derivatives

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



- 3Q14 up 1.9%
- YTD up 9.3%

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



- 3Q14 down 17.2%
- YTD down 20.6%

Interest and Dividend Income

	YTD March 2014 \$M	YTD March 2013 \$M	% Variance
ASX Group Interest Income	22.0	11.2	96.2%
Net Interest Earned on Collateral Balances	23.5	21.9	7.1%
Total Net Interest Income	45.5	33.1	37.5%
Dividend Income	10.8	9.4	15.2%
Interest and Dividend Income	56.3	42.5	32.3%

Highlights

- Total net interest income up 37.5%
- ASX Group interest income up 96.2% following capital raising
- Net interest earned on collateral balances up 7.1%
 - Balances \$3.8 billion, up 11.5%
 - Spread 44 bps (46 bps pcp)
- IRESS dividend up 15.2% following participation in capital raising
 - Holding 19.3%

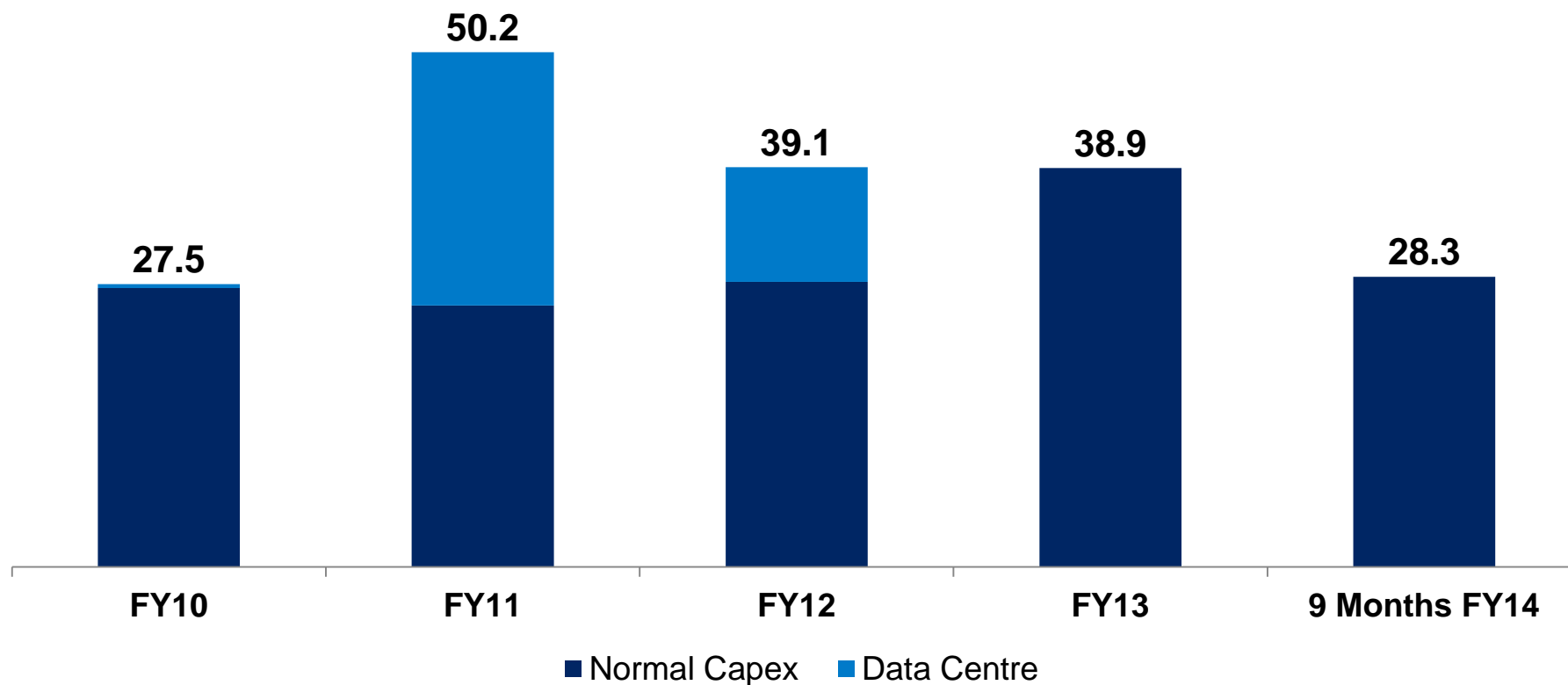
Expenses

	YTD March 2014 \$M	YTD March 2013 \$M	% Variance
Staff	69.5	64.6	(7.6%)
Occupancy	10.6	10.2	(4.1%)
Equipment	17.3	16.3	(6.3%)
Administration	11.6	11.0	(4.6%)
Variable	3.2	2.8	(10.5%)
ASIC Levy	2.8	2.6	(10.3%)
Total Operating Expenses	115.0	107.5	(6.9%)
Depreciation and Amortisation	24.4	22.9	(6.5%)

Highlights

- Total expenses up 6.9%
 - Third quarter run rate below 1H14
 - Average staff numbers up 4.1% to 534 FTEs, driven by post-trade initiatives
 - Higher equipment expenses to support platforms for new services
- D&A up 6.5% following higher capital expenditure for post-trade services
- Guidance FY14 unchanged: approximately 5% expense increase

Capital Expenditure (\$M)



- Post-trade services delivery on track, \$17 million of capital expenditure YTD
- FY14 capital expenditure guidance unchanged at \$40-45 million

Business Development – Focus Areas

Leading multi-asset class exchange group in Asia Pacific

Broaden investment offer	<ul style="list-style-type: none">• Grow Listings and Issuer Services• Develop investment 'supermarket' - domestic equities, int'l equities (UDRs), debt, corporate bonds, EFTs, funds (mFund)• Expand derivatives products and asset classes
Lead in competitive market	<ul style="list-style-type: none">• Innovate in trade execution• Deliver Technical Services to domestic and int'l trading community• Re-engineer Information Services and expand product offer
Provide world-class infrastructure	<ul style="list-style-type: none">• Deliver post-trade services that maximise capital and collateral efficiency - OTC clearing, client clearing, collateral management, T+2 settlement• Invest in core platforms - trading, clearing, settlement, risk management• Develop multi-currency capabilities
Expand client relationships and engagement	<ul style="list-style-type: none">• Leverage ASX Net Global to grow international client base• Deepen relationships, including client forums for all key businesses• Build customer alignment through revenue sharing
Advocate regulatory settings that support investors and market growth	<ul style="list-style-type: none">• Maintain settings in equity markets; limit fragmentation• Ensure Australia maintains world-class financial market infrastructure• Meet domestic and international financial stability standards

Financial System Inquiry – ASX Submission

A need to refocus on the competitiveness of Australia

Objectives

Stability

- Secure long-term stability of Australia's financial markets

Domestic Financial Markets

- Support a vibrant and growing domestic economy and wealth creation

Asian Opportunity

- Play a greater role in the delivery of financial services to the Asian region

Considerations for the Inquiry

1. Explore ways in which Australia can work with other centres to ensure global regulations are tailored to the Asian region
2. Set location requirements for all systemically important markets, considering financial stability and Australia's ambition in the region
3. Review the 15% ownership limit that applies only to ASX, following strengthened controls over financial market infrastructure

Requirements for Financial Market Infrastructure (March 2014)

Good progress in setting market-wide controls. ASX recommends tighter OTC market requirements

Financial Market	Current Guidance	ASX Recommendation
Domestic equities and equity options	Offshoring restrictions/ Australia	Australia
Domestically traded derivatives (interest rates, index)	Offshoring restrictions/ Australia	Australia
Internationally traded OTC derivatives (A\$ interest rate swaps)	No controls	Australia for systemically important users
Commodities and energy/electricity	No controls	No controls

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Mandate for A\$ OTC swaps to be centrally cleared	Recommended	Recommended
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Positive regulatory settings around HFT in Australia

There are some key differences between the US and Australian markets that affect the level and impact of high frequency trading (HFT)

Regulatory settings that have positive impact on Australian equity market

- Maker-taker pricing is not permitted
- Regulatory fees are based on a combination of orders and trades
- Minimum tick sizes have not been narrowed
- Price improvement must be meaningful

Structural differences that lead to a lower level of HFT activity

- In Australia, best execution is a broker obligation; in the US 'routing away' is an exchange obligation based on price only
- Australia does not operate a 'consolidated tape' revenue model for market data; the US does

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Globally connected

Internationally competitive

Customer driven

World class



ASX