



MEDIA RELEASE

5 May 2015

ASX Limited earnings update for the nine months to 31 March 2015

ASX Limited (ASX) is providing this earnings update for the nine months to 31 March 2015 ahead of its participation at an investor conference in Sydney tomorrow, 6 May 2015.

Relative to the prior comparative period (pcp - nine months to 31 March 2014) the unaudited results were as follows:

Group Profit and Loss Statement	YTD March 2015 \$M	YTD March 2014 \$M	Variance \$M	Variance %
Operating revenues	516.8	488.4	28.4	5.8%
Operating expenses	120.2	115.0	(5.2)	(4.6%)
EBITDA	396.6	373.4	23.2	6.2%
Depreciation and amortisation	28.2	24.4	(3.8)	(15.2%)
EBIT	368.4	349.0	19.4	5.6%
Interest and dividend income	57.9	56.3	1.6	2.8%
Underlying profit before tax	426.3	405.3	21.0	5.2%
Income tax expense	(126.5)	(118.4)	(8.1)	(6.8%)
Underlying profit after tax	299.8	286.9	12.9	4.5%
Significant items	(1.1)	(0.0)	(1.1)	NM*
Statutory profit after tax	298.7	286.9	11.8	4.1%

*NM = not measurable

Revenues increased by 5.8% to \$516.8 million for the nine months to March 2015. Key market activity indicators were:

- Listings: total capital raised \$50.2 billion, up 13.0%
- Cash equities: average daily value traded on the ASX cash market \$3.7 billion, up 11.6%
- Derivatives:
 - Daily average number of futures contracts traded 418,818, up 3.7%
 - Daily average number of equity options contracts traded 491,491, down 1.7%
 - OTC interest swaps notional value cleared \$445.5 billion.

During the first half of the 2015 financial year, ASX implemented fee reductions for its electricity and interest rate futures products. The electricity futures fee reductions were implemented on 1 July 2014, and the interest rate futures fee reductions were implemented on 1 October 2014.

The impact of the fee changes on the revenues of the Derivatives and OTC Markets business was \$12.8 million year-to-date, and ASX expects that the FY15 full-year impact will be approximately \$19 million if current activity levels continue.

Operating expenses increased by 4.6%, driven mainly by a rise in staff costs. There is no change to previous guidance of approximately 4% expense growth in FY15, excluding a one-off restructuring charge.

At the time of the half-year results, ASX announced that it will make a significant investment in its technology infrastructure over the next three to four years. This program requires changes to ASX's technology skills base. To facilitate these changes, and changes in other selected areas of the company, ASX expects to incur a one-off restructuring charge in the second half of approximately \$7 million. It is anticipated that these costs will be excluded from underlying profit and for the purpose of determining the final dividend.

Capital expenditure to the end of March was \$26.0 million. There is no change to previous capital expenditure guidance of \$40-45 million for FY15.

Mr Elmer Funke Kupper, ASX Managing Director and CEO, said: "ASX achieved a positive result for the nine months to 31 March, driven by revenue growth. Since we implemented the fee changes in our Derivatives and OTC Markets business we are seeing growth in OTC clearing activity. The vast majority of the \$445 billion notional value was cleared in the most recent quarter between January and March 2015. The fee reductions share the benefits of volume growth with our customers and create a more sustainable and globally competitive business.

"ASX continues to invest in Australia's financial market infrastructure. Last month, the exchange officially opened its new 24-hour Customer Support Centre. The Centre brings together ASX's operations, market surveillance and technology teams in a new world-class facility. The Centre will ensure that Australia's financial markets operate to the highest standards, and will improve the service that ASX provides to its domestic and growing international customer base."

Further detail of ASX's performance for the nine months is contained in the following Appendix. ASX has also released its slide presentation to be given to tomorrow's Australian investor conference.

The ASX Group Monthly Activity Report for April 2015, which was released earlier today, is not reflected in this earnings update.

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Appendix – ASX Revenues and Activity Indicators to 31 March 2015

Operating Revenues	YTD March 2015 \$M	YTD March 2014 \$M	Variance \$M	Variance %
Listings and Issuer Services	125.7	113.6	12.1	10.6%
Cash Market	93.1	87.8	5.3	6.0%
<i>Trading</i>	26.3	24.6	1.7	7.1%
<i>Clearing</i>	35.0	32.5	2.5	7.7%
<i>Settlement</i>	31.8	30.7	1.1	3.5%
Information Services	55.2	52.4	2.8	5.5%
Technical Services	42.9	39.4	3.5	8.8%
Derivatives and OTC Markets	153.8	152.2	1.6	1.0%
Austraclear	34.0	31.0	3.0	9.8%
Other	12.1	12.0	0.1	1.4%
Total operating revenues	516.8	488.4	28.4	5.8%

Key Activity Indicators	YTD March 2015	YTD March 2014	Variance	Variance %
Listings and Issuer Services				
All Ordinaries Index (end of period)	5861.9	5403.0	458.9	8.5%
Number of new listed entities (IPOs)	92	79	13	16.4%
Capital raised, incl. scrip-for-scrip (\$million)	50,184	44,405	5,779	13.0%
Cash Market				
Daily average cash on-market value (\$billion)	3.664	3.284	0.380	11.6%
Derivatives and OTC Markets				
Futures daily average contracts traded*	481,818	464,407	17,411	3.7%
Equity options daily average contracts traded	491,491	499,780	(8,289)	(1.7%)
OTC cleared notional value (\$billion)	445.484	16.448	429.036	Large

*Consists of futures and options on futures

Investor Presentation

ASX Limited



Elmer Funke Kupper, CEO

5 May 2015

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 (5 May 2015). 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, including any of its related bodies corporate.

Highlights – 9 Months to 31 March 2015

Revenues
516.8m
5.8%

Expenses
\$120.2m
(4.6%)

EBITDA
\$396.6m
6.2%

Underlying
NPAT \$299.8m
4.5%

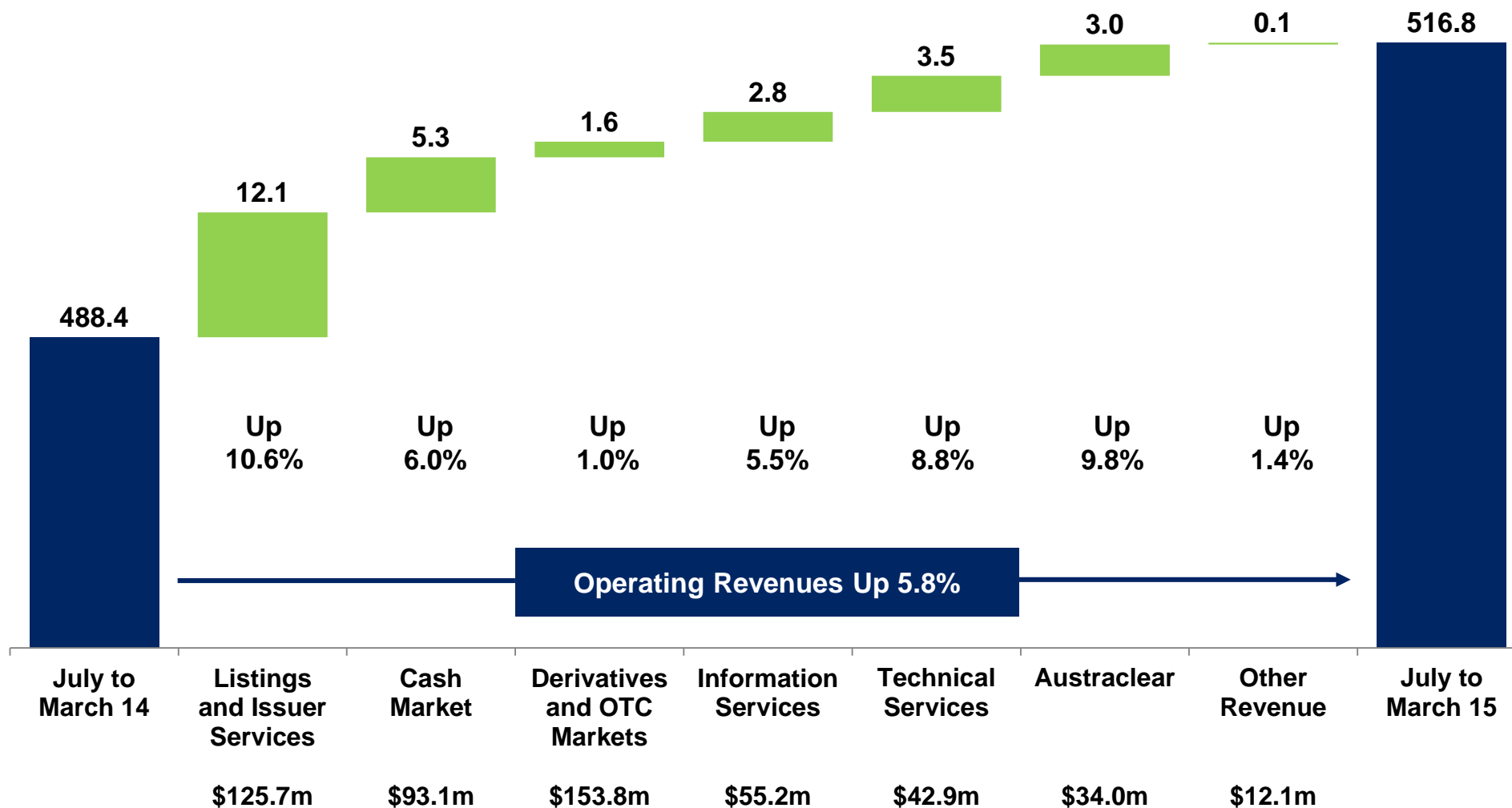
Statutory
NPAT \$298.7m
4.1%

- **Positive revenue performance**
 - Impact of fee reductions in interest rate and electricity futures \$12.8 million
- **Full-year expense and capital expenditure guidance unchanged**
 - Expense growth (excluding one-off charge) approximately 4%
 - One-off restructuring charge of approximately \$7 million
 - Capital expenditure \$40-45 million
- **Equity clearing market structure review under way**
 - ASX fee and governance proposals based on maintaining existing market structure
 - Decision expected mid-year
- **Significant investment in long-term strategic position**
 - Higher customer engagement and improved service delivery
 - Products and services that give investors flexibility and choice
 - World-class trading and post-trade infrastructure
 - People and skills

Income Statement – YTD March 2015

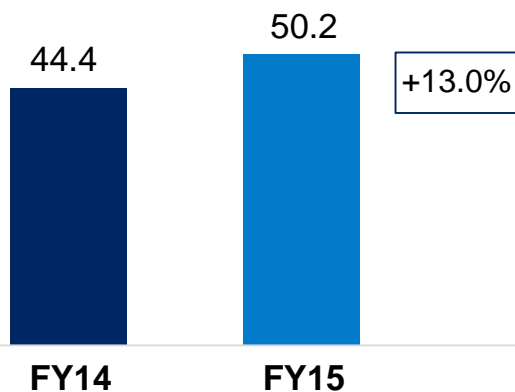
	YTD Mar 2015 \$ Million	YTD Mar 2014 \$ Million	% Variance
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EBITDA	396.6	373.4	6.2%
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Significant Items after tax	(1.1)	(0.0)	n/a
Statutory Profit After Tax	298.7	286.9	4.1%

Revenue Movement – YTD March 2015 (\$M)

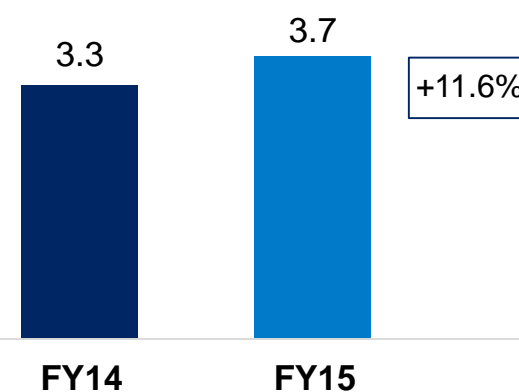


Activity Levels – YTD March 2015

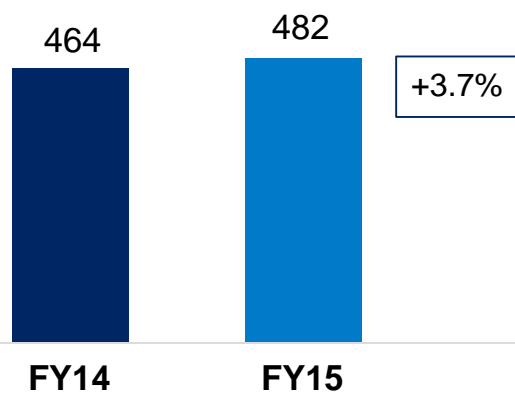
Listings
Total Capital Raised \$ Billion



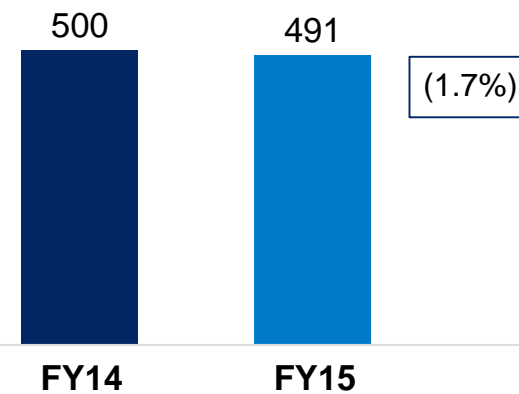
ASX Cash Market
Daily Average On-Market Value Traded \$ Billion



Futures¹
Daily Average Contracts ('000)

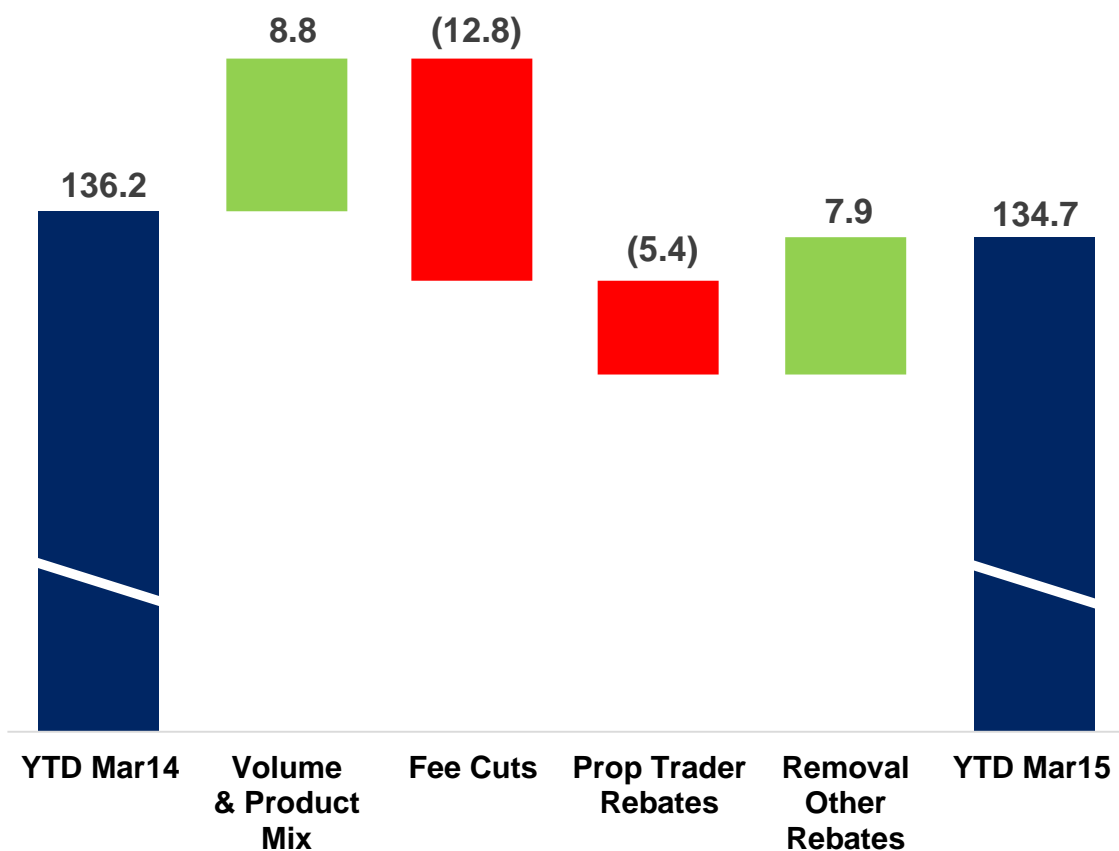


Equity Options
Daily Average Contracts ('000)



1. Consists of futures and options on futures

Revenue Movement Futures (\$M)¹



- Attractive fee reductions in electricity futures (1 July 2014) and interest rate futures (1 October 2014)
- Estimated impact at time of announcement (based on FY14 volumes)
 - FY15: \$14m
 - Ongoing: \$17m pa
- Growth in futures and OTC clearing volumes during FY15 means that more customers have reached higher thresholds
- Updated estimate of impact
 - FY15 YTD: \$12.8m
 - FY15: \$19m

1. FY15 year-to-date: Derivatives and OTC Markets revenue \$153.8 million, consisting of futures (futures and options on futures) \$134.7 million and equity options \$19.1 million

Operating Expenses – YTD March 2015

	YTD March 2015 \$M	YTD March 2014 \$M	% Variance
Staff	73.4	69.5	(5.7%)
Occupancy	10.2	10.6	3.9%
Equipment	18.0	17.3	(3.8%)
Administration	12.3	11.6	(6.1%)
Variable	3.5	3.2	(13.7%)
ASIC Levy	2.8	2.8	1.6%
Total Operating Expenses	120.2	115.0	(4.6%)

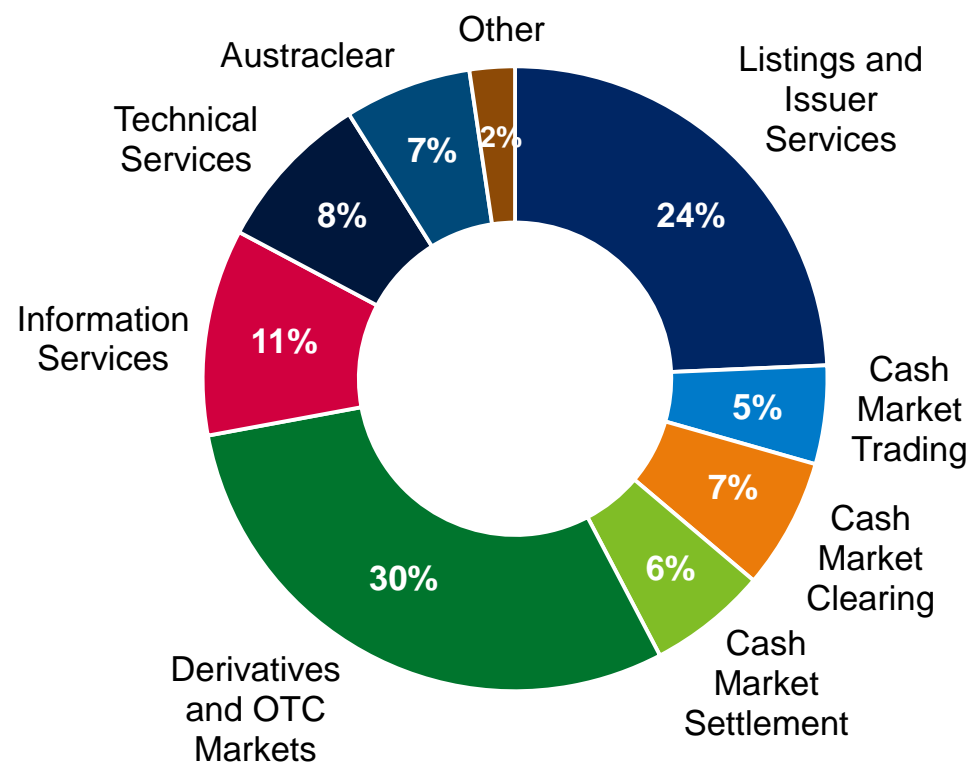
- Staff costs up 5.7% YTD
 - Average headcount down 1.6% to 526 FTEs
 - Higher salaries and lower staff capitalisation
- Other costs up 2.9% YTD
- Guidance FY15 unchanged: approximately 4% expense increase
- One-off restructuring charge expected in 2H15 of approximately \$7 million pre-tax
 - Anticipate no impact on FY15 final dividend

Attractive Market and Business Model

Australia's Financial Markets Position	
Investable assets	<ul style="list-style-type: none"> 3rd largest pool at \$1.9 trillion
Capital formation	<ul style="list-style-type: none"> 2,200 listed entities, 92 IPOs YTD Market capitalisation \$1.7 trillion
Equities	<ul style="list-style-type: none"> 8th in free-float market capitalisation
Derivatives	<ul style="list-style-type: none"> Largest interest rate derivatives market in Asia and top 5 globally Notional turnover \$47 trillion
Foreign exchange	<ul style="list-style-type: none"> 5th most traded currency

YTD Mar 2015 ASX Revenues

100% = \$517m



Key Themes

Global Leader in A\$ and NZ\$ Financial Markets

- Innovate in fragmented equity market
- Build on leadership in A\$ and NZ\$ derivatives markets

Investment Supermarket

- Grow listings franchise
- Extend suite of investment options – equities, debt, funds

World-Class Infrastructure, Globally Connected

- Deliver competitive trading and post-trade services
- Upgrade technology infrastructure – multi-currency
- Build global connectivity

Outstanding Customer Experience

- Deepen customer engagement across all services
- Deliver 24hr service to local and global clients
- Strengthen alignment through fee reductions and rebates

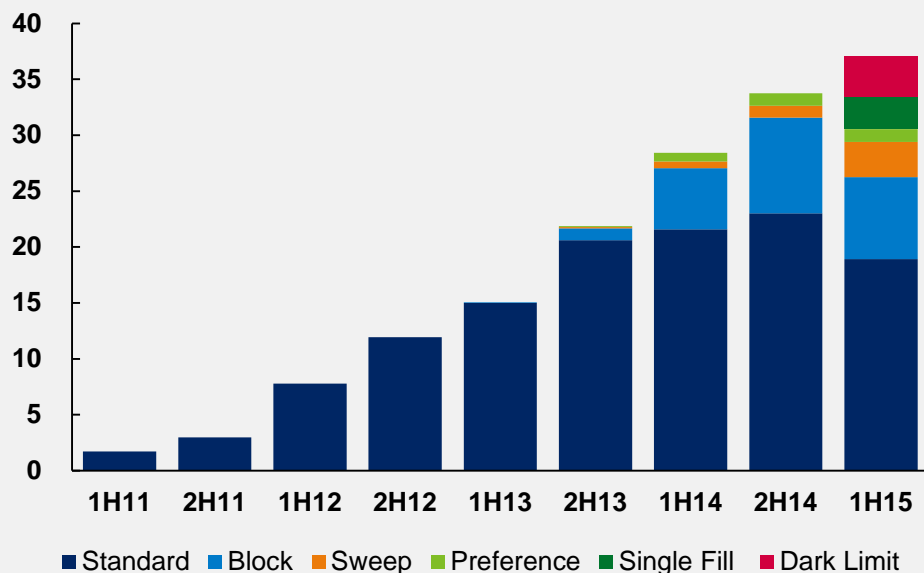
Regulatory Settings

Employer of Choice

Global Leader in A\$ and NZ\$ Financial Markets

Equities

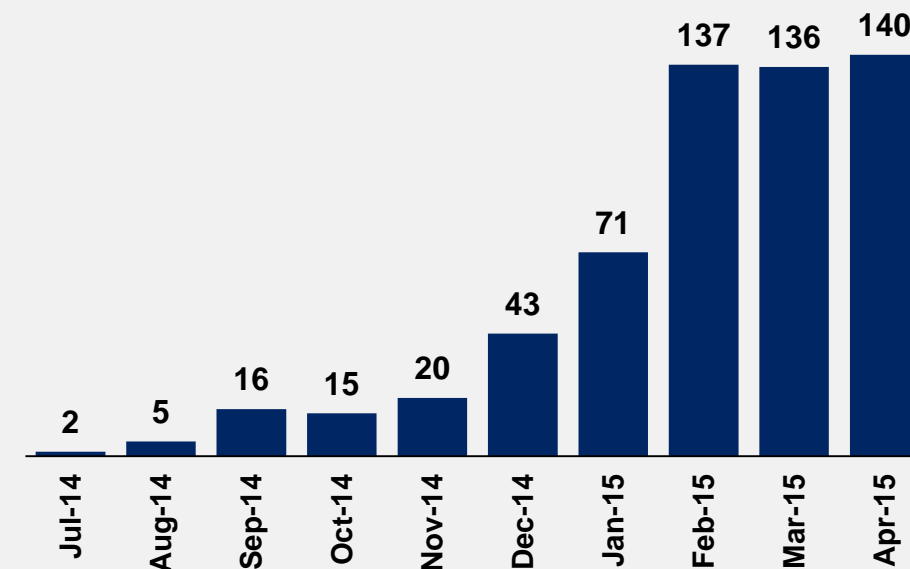
Centre Point Value Traded (\$ Billion)



- Strong innovation track record
- Focus on end-investors
- On-market trading market share 90% YTD

Derivatives

OTC Notional Value Cleared (\$ Billion)



- Leading A\$ and NZ\$ futures business
- Fees support growth in futures and OTC clearing
- Further innovation – deliverable swap futures
- Investment in Yieldbroker

Investment Supermarket

Grow Listings Franchise (FY14/15 Listings)



VISTA
GROUP



LATAM AUTOS



PERPETUAL
EQUITY
INVESTMENT
COMPANY
LIMITED



Areas of Focus

Grow listings franchise

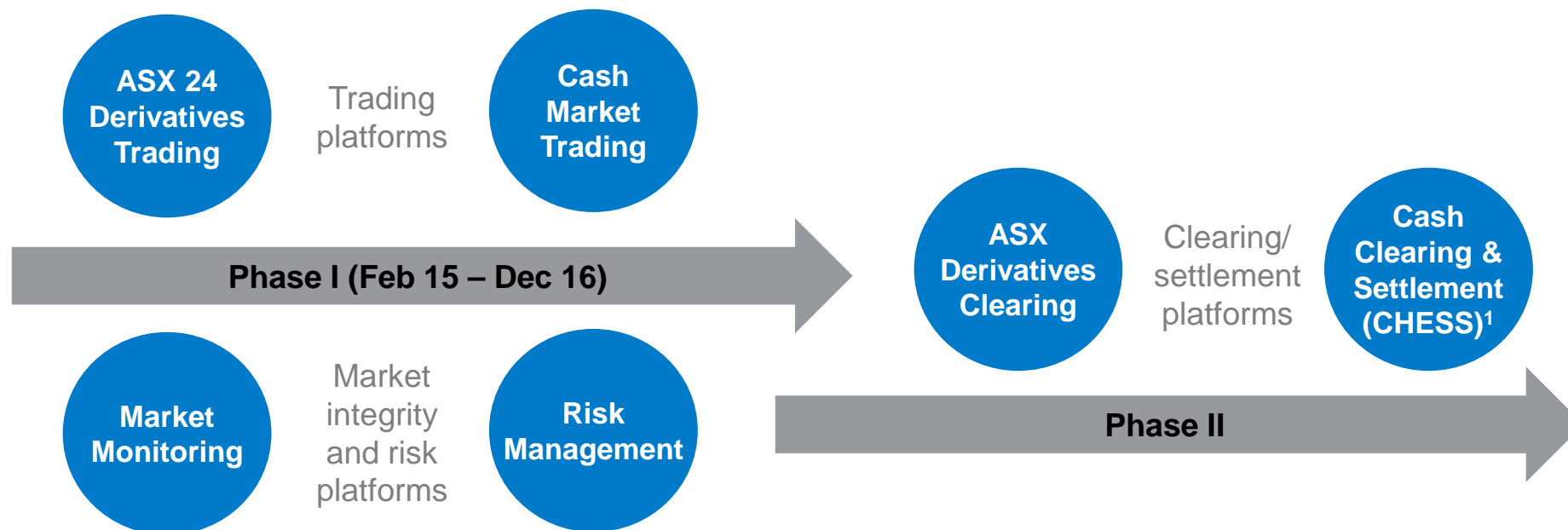
- Attractive and flexible capital market
- Specific areas of focus
 - New Zealand – simplify dual listings process
 - Tech sector – 25 listings¹ YTD, 126 entities listed
- ETFs – 110 ETFs listed totalling \$17.8 billion
- ‘ASX Evolve’ program for listed entities

Expand ‘Investment Supermarket’

- Domestic equities
- International equities
- Government bonds
- Corporate bonds
- ETFs and Listed Investment Companies
- Unlisted managed funds through mFund service

1. Includes IPOs and backdoor listings

World-Class Infrastructure



Customer Objectives

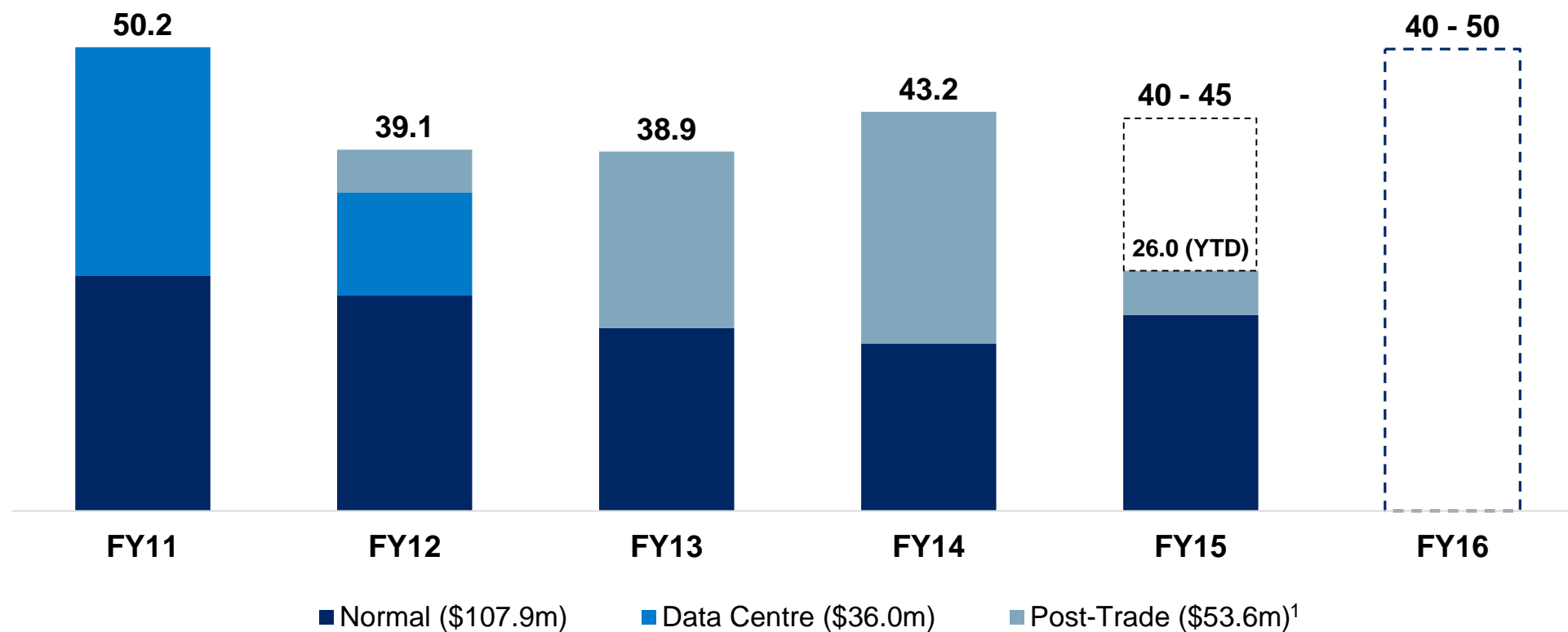
- Innovation and speed to market
- Global standards for connectivity
- Fewer platforms with lower client costs to connect and comply

Financials

- Managed within Group capex envelope of \$40-50 million pa
- Phase I capex approximately \$35 million over two years

1. Decision expected in FY16 when there is clarity on cash equities clearing market structure

Capital Expenditure (\$M)



Highlights

- Average total capital expenditure since 2011: \$41 million per annum
- Capital expenditure guidance for FY15 and FY16 unchanged

1. Post-trade \$53.6 million, including new post-trade services \$36.0 million and upgrades of existing platforms \$17.6 million

Outstanding Customer Experience

Products and Services

Forums for all Asset classes

24hr Service Delivery

Competitive Fees

ASX Customer Support Centre Opened April 2015



Regulatory Environment

Developments Last Three Years

Investors

- Equity market regulations supporting end-investors

Systemic risk

- Location requirements
- Global regulatory and capital standards adopted
- A\$ OTC interest rate swap central clearing mandate recommended along with G4 currencies

Global competitiveness

- Post-trade solutions in place
- ESMA recognition received, CFTC no-action relief
- AA- long-term credit rating from S&P

Growth and productivity

- Faster product approval processes
- Red tape reduction

Outstanding – Clearing Market Structure

Compelling case for single clearing facility

- Total cost (under new fee schedule) \$38 million pa
- Most efficient model for market the size of Australia
- No other major single market has multiple facilities
- Positive client engagement, with tangible outcomes
- Effective governance through Code of Practice
- Commitment to upgrade infrastructure
- Lower fees with initial 14% reduction¹

Proposed Equities Clearing Fees ²	Basis Points
all value up to \$3bn per day	0.225
any value between \$3bn and \$4bn	0.175
any value between \$4bn and \$5bn	0.125
any value over \$5bn	0.100

1. Subject to extension of moratorium and Code of Practice

2. Current fee is 0.25bp. Bands refer to total market value cleared per day

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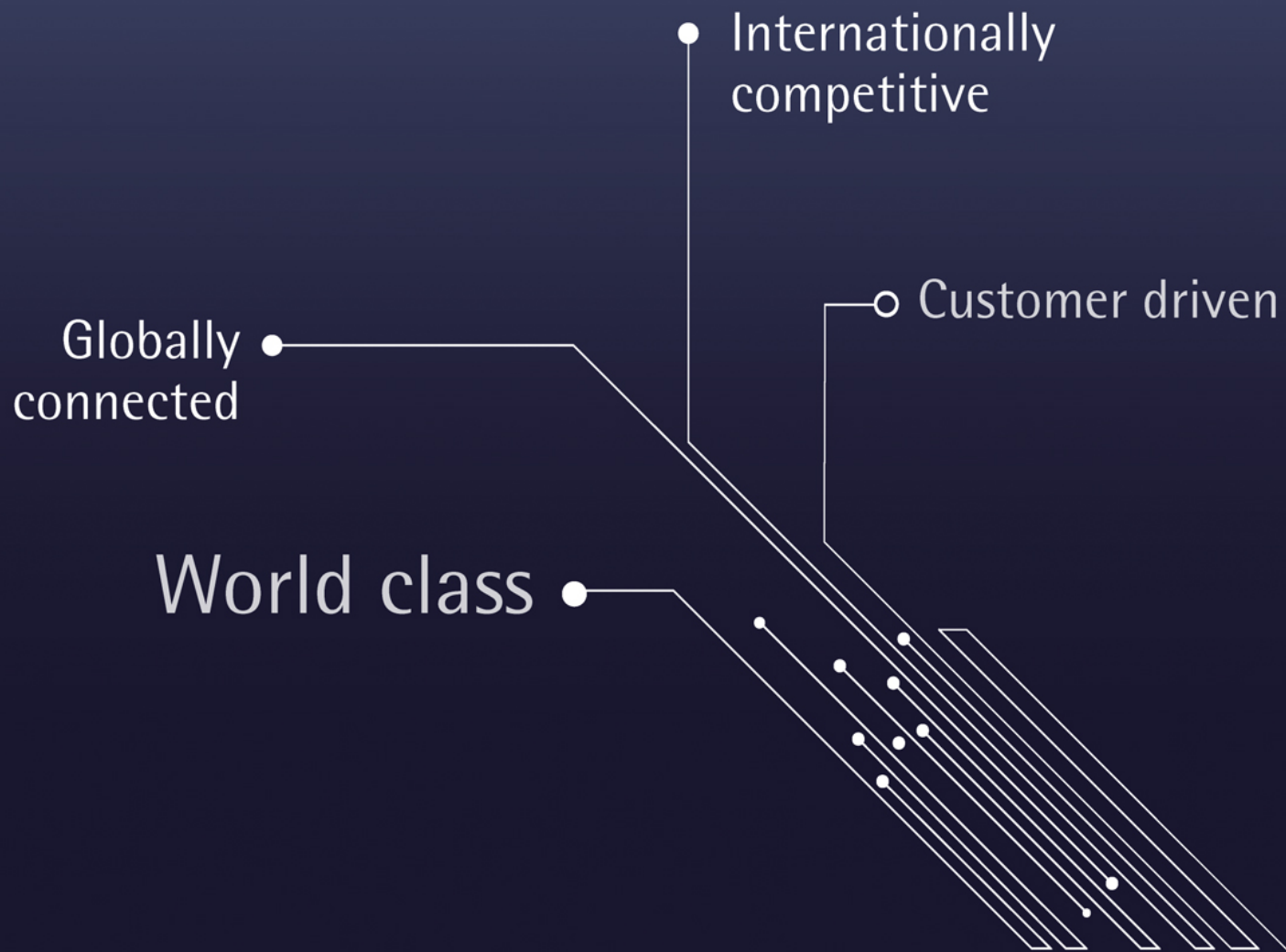
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