FY17 Third Quarter Update

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4 May 2017

Agenda

- Results overview
- Summary and outlook
- Q & A

Highlights - financial results – 9 months to 31 March 2017

Revenue	Expenses	EBITDA	NPAT
$570.1m	$135.1m	$435.0m	$327.5m
3.1%	(5.9%)	2.3%	3.2%

- Revenue up $17.3 million to $570.1 million with continued solid performance across all businesses
- Expenses up $7.6 million, in line with guidance
- EBITDA up $9.7 million
- Interest and dividend income up $5.7 million due to higher margin balances
- NPAT up 3.2% to $327.5 million
- Capex of $31.1 million, on track for approximately $50 million as per guidance

Unaudited result
Operating revenue and operating expenses as per the Group segment reporting
Variance relative to the prior comparative period (Mar 16 YTD pcp) expressed favourable / (unfavourable)

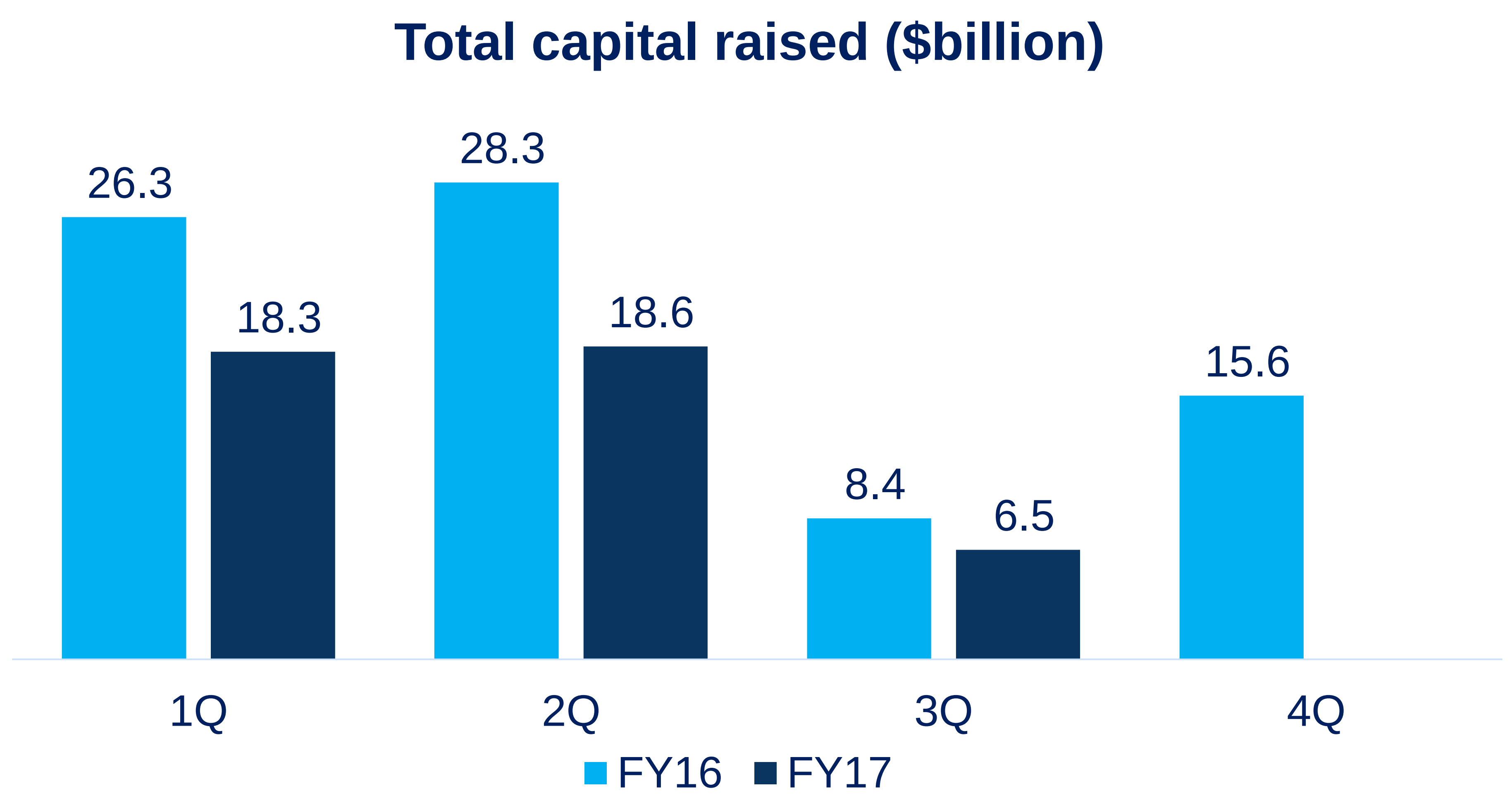
Income statement – 9 months to 31 March 2017

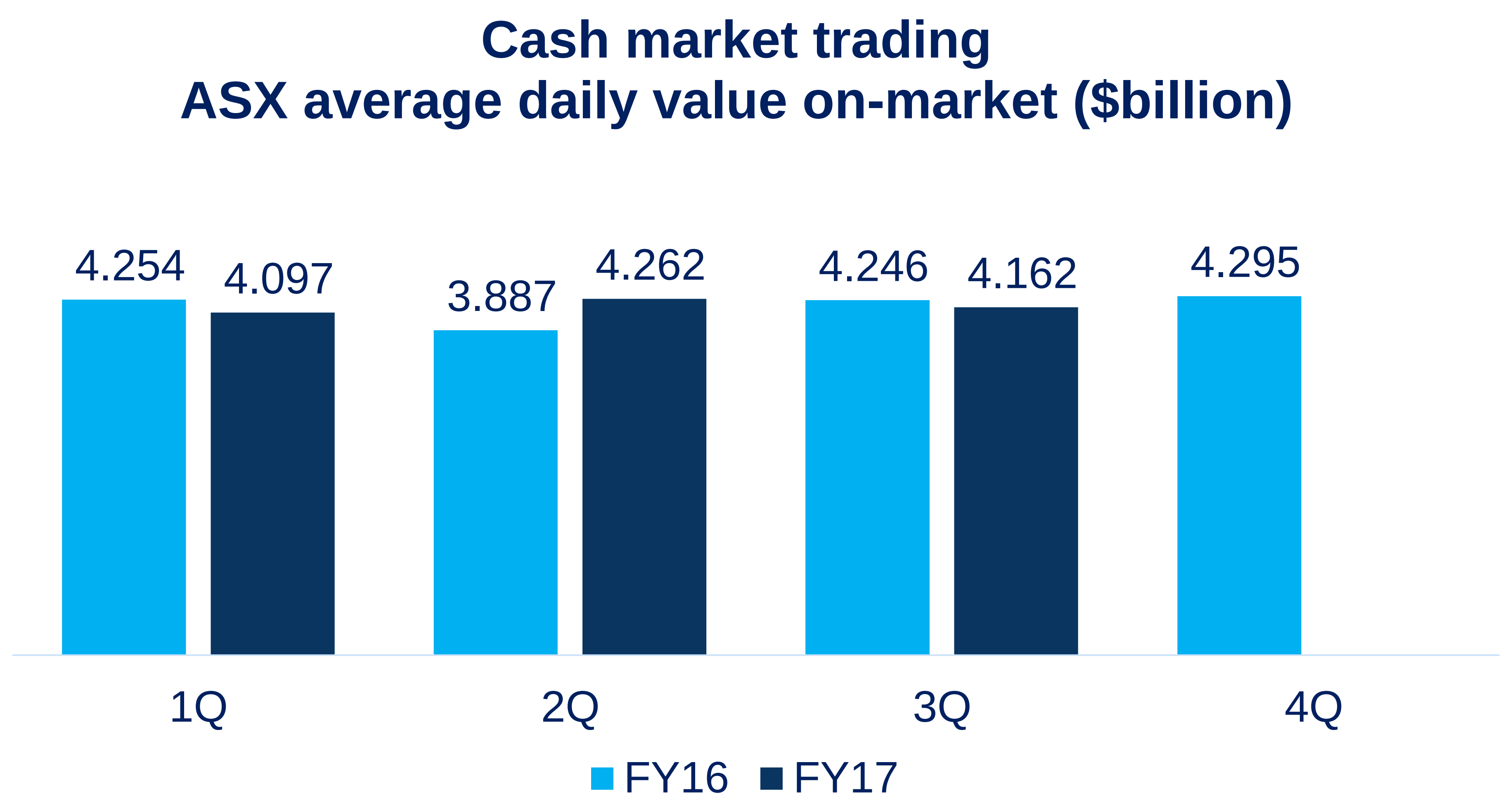
	March 17 YTD $m	March 16 YTD $m	Variance $m	Variance %
Operating revenues	570.1	552.8	17.3	3.1%
Operating expenses	135.1	127.5	(7.6)	(5.9%)
EBITDA	**435.0**	**425.3**	**9.7**	**2.3%**
Depreciation and amortisation	33.3	31.3	(2.0)	(6.3%)
EBIT	**401.7**	**394.0**	**7.7**	**2.0%**
Interest and dividend income	62.4	56.7	5.7	9.9%
Profit before tax	**464.1**	**450.7**	**13.4**	**3.0%**
Income tax expense	136.6	133.3	(3.3)	(2.5%)
Profit after tax	**327.5**	**317.4**	**10.1**	**3.2%**

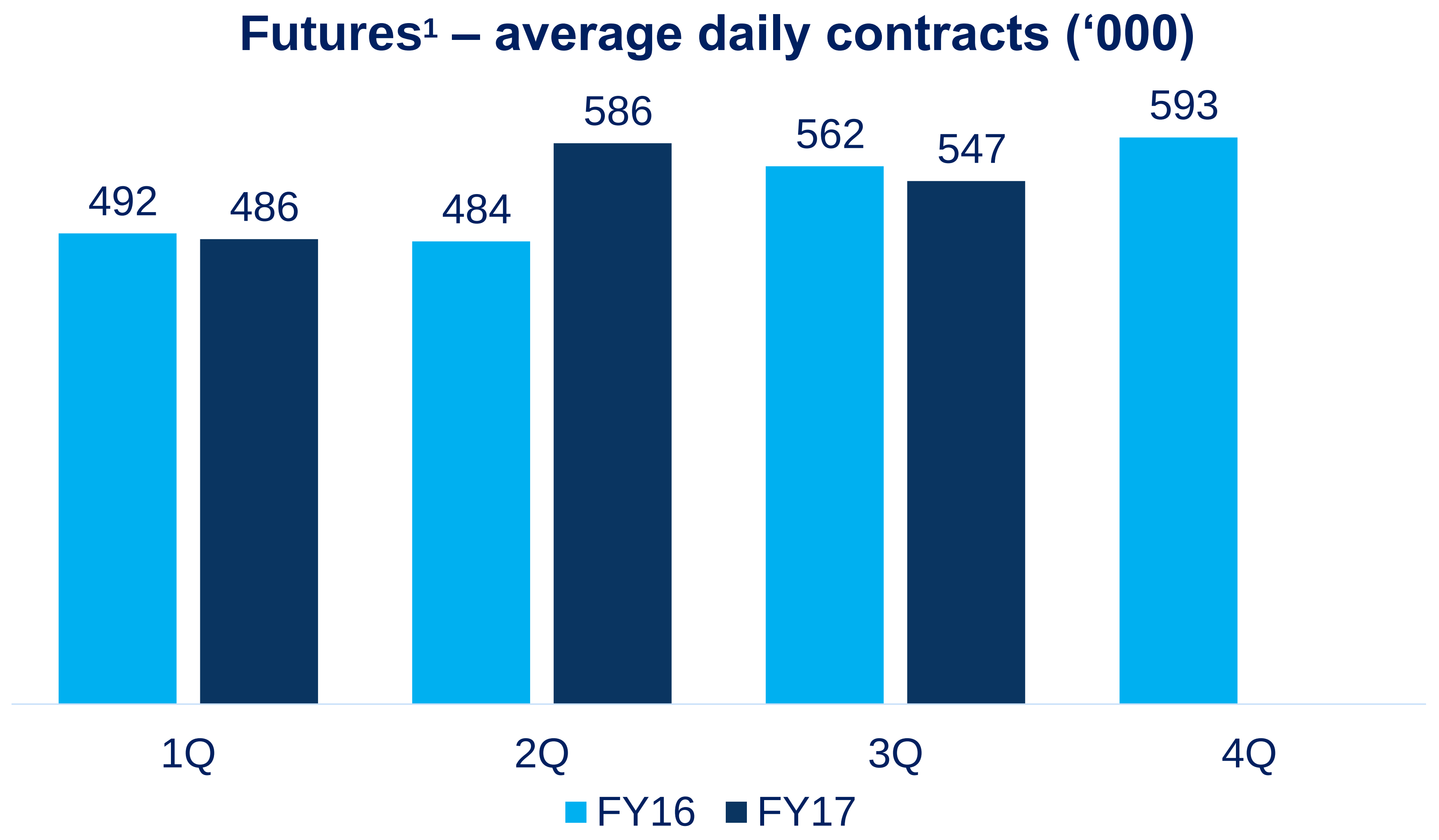
Unaudited result
Operating revenues and operating expenses as per the Group segment reporting
Variance expressed favourable / (unfavourable)

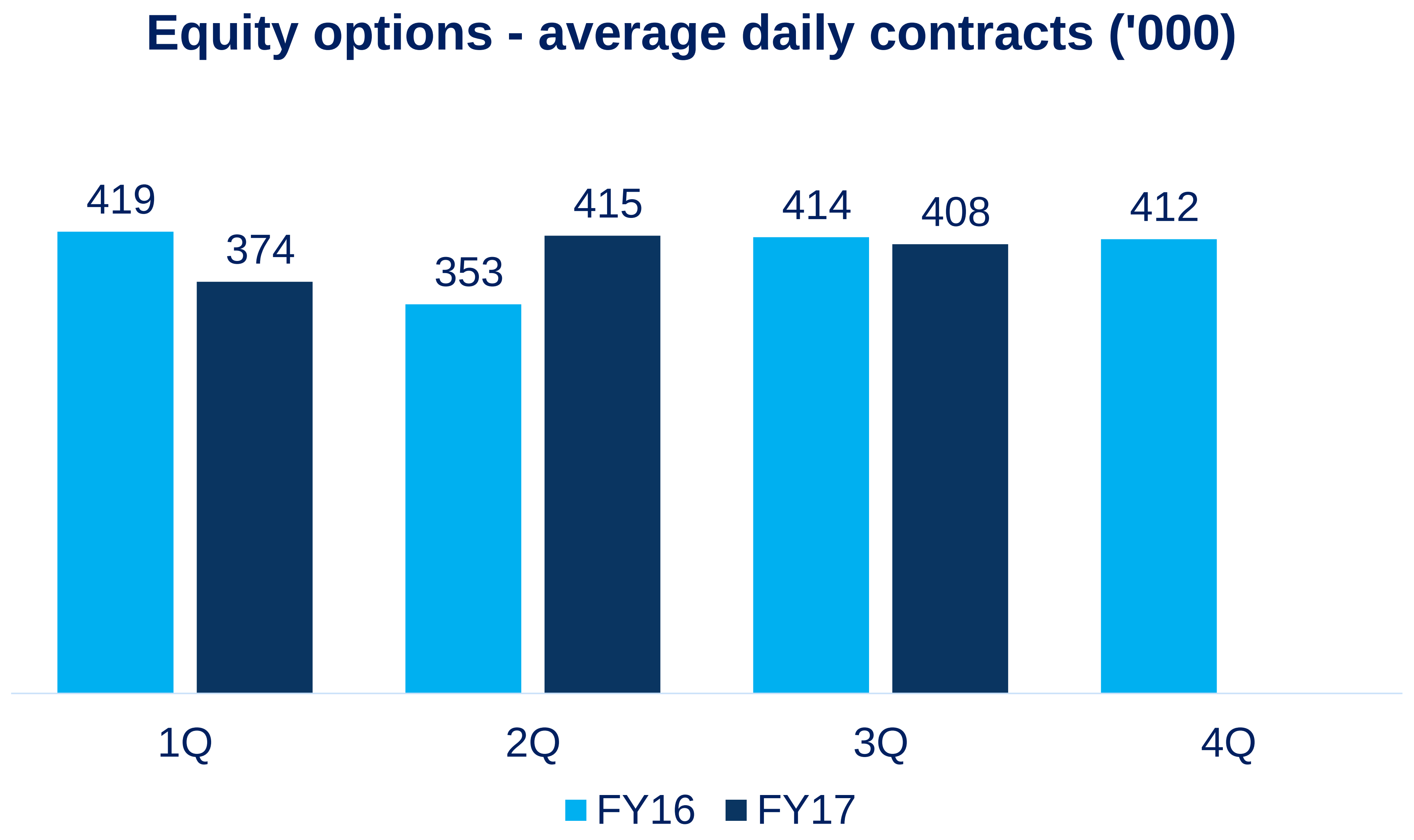
Highlights - activity levels

Growth in trading, lower capital raisings









1. Consists of futures and options on futures

Revenue – 9 months to 31 March 2017

Solid diversified revenue growth

Highlights

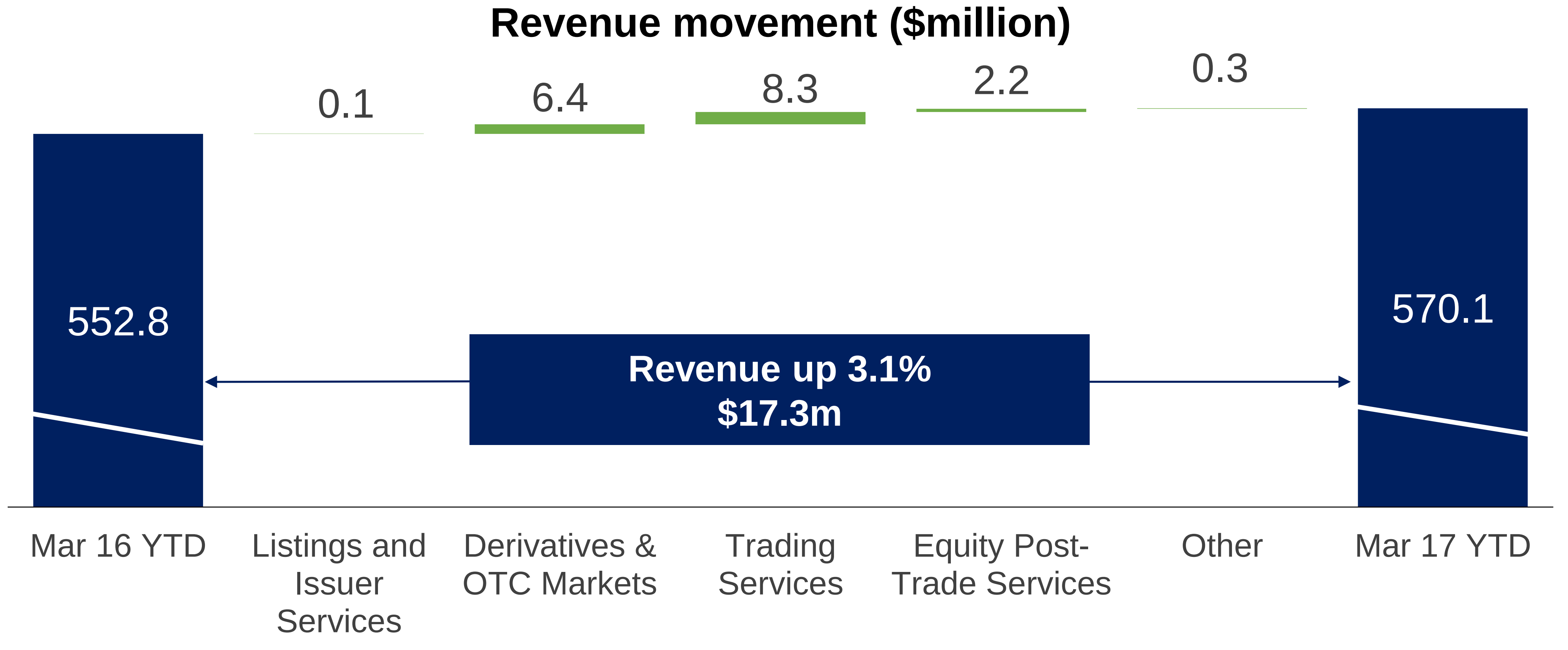
Revenue $570.1 million, up 3.1%

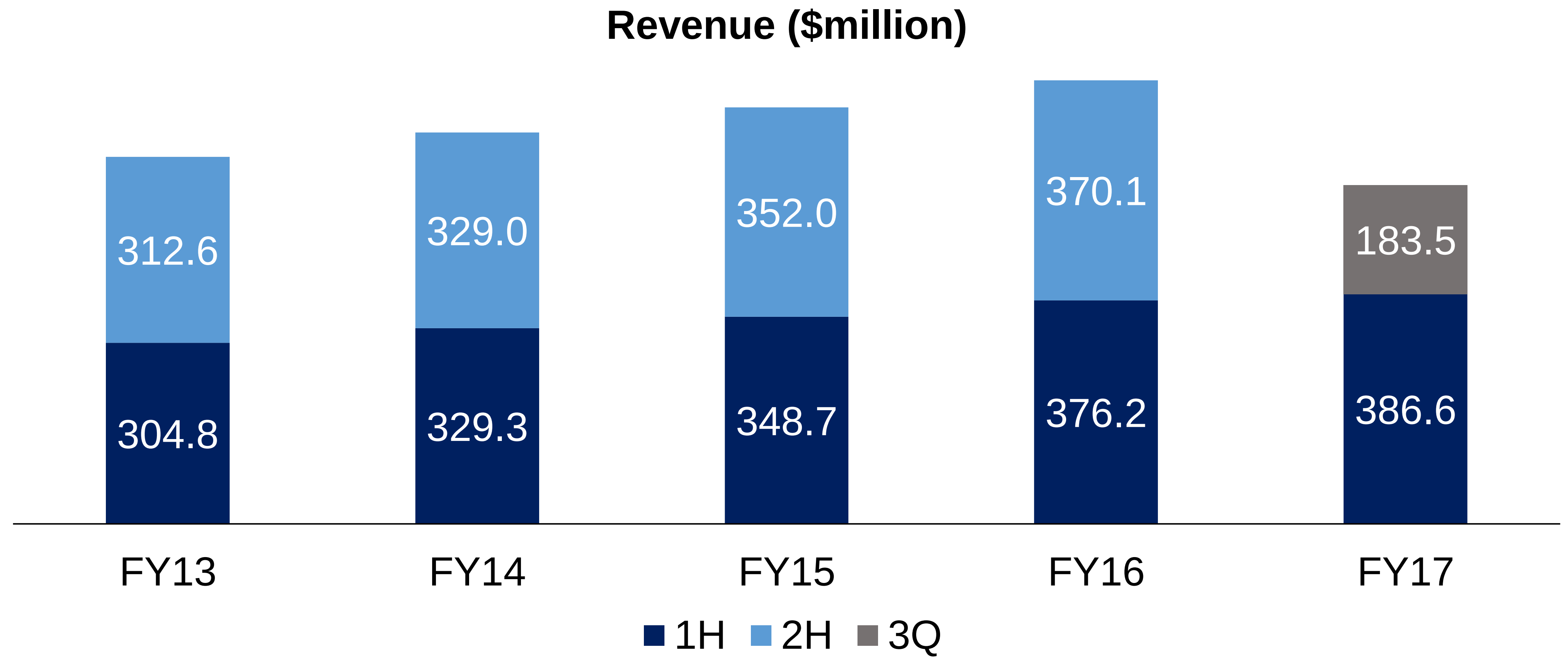
Listings and Issuer Services
- Revenue $144.7 million, up 0.1%
- Lower capital raised, increased IPOs and annual listing fees

Derivatives and OTC Markets
- Revenue $200.2 million, up 3.3%
- Higher futures volume and strong OTC growth

Trading Services
- Revenue $145.0 million, up 6.0%
- Growth in equities trading and increased use of Centre Point

Equity Post-Trade Services
- Revenue $78.2 million, up 2.8%
- Increased volume and use of settlement services

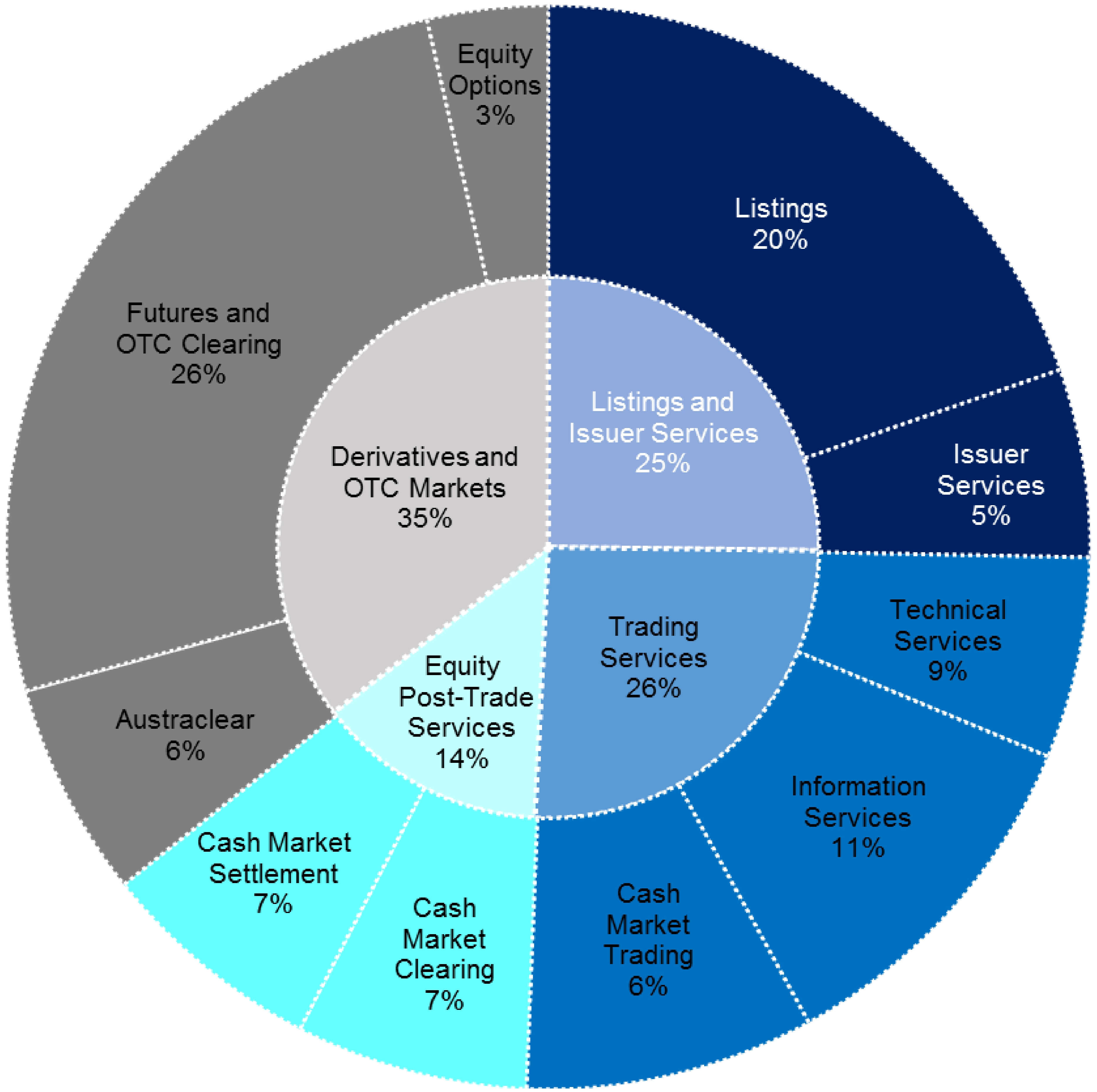




Unaudited result
Operating revenue as per the Group segment reporting
Variance relative to the prior comparative period (Mar 16 YTD pcp) expressed favourable / (unfavourable)

Revenue composition – March 2017 YTD

Attractive and diversified business model



- Domestic leader in all segments, Asian leader in A$ derivatives
- Derivatives and OTC includes interest rate, equity index, electricity and commodities futures, single stock options and clearing for OTC A$ interest rate swaps
- Equity sub register holdings of $1.8 trillion
- Fixed income holdings of $2.0 trillion
- Cash market trading: 87.7% market share
- Cash market clearing and settlement conducted for entire market

Australia's financial markets

Large mature financial markets and a stable economy

Investable assets	• One of the top 5 largest pools in the world at $2.2 trillion and projected to continue to grow strongly
Capital formation	• 2,224 listed entities • 114 IPOs YTD • 33 foreign listings YTD[1] • 34 technology sector listings YTD[1]
Equities	• Market capitalisation of $1.8 trillion • Among 10 largest in the world and 3rd largest in Asia (on free-float basis)
Derivatives	• Largest interest rate derivatives market in Asia and top 5 globally • Annual notional turnover $50 trillion

1. Includes IPOs and backdoor listings

Strong core value proposition

Underlying macro drivers plus ASX initiatives drive growth

	Listings	Trade execution	Clearing and settlement
Core customer value proposition	Initial and ongoing access to capital Lower cost of capital Listings integrity Branding	Ongoing liquidity Hedging and risk transfer Market integrity Efficient and timely access Data services	Capital efficiency Risk reduction/netting Operational efficiency Settlement certainty
Macro growth drivers	Demand for financial assets Savings system Capital needs	Globalisation of markets Automation of OTC markets 24 hour trading	Regulatory developments Operational efficiency goals Capital efficiency needs
ASX initiatives **- World-class infrastructure** **- Outstanding experience** **- Investment supermarket**	Expansion of listing franchise (NZ, tech, offshore) ETF/ETP listings mFund expansion	New futures platform Offshore customer acquisition 20 year bond futures Serial options ASX Benchmarks (BBSW) Centre Point innovation ALC technical solutions	CHESS replacement OTC Clearing Futures/OTC cross margining Client clearing ASX Collateral

Highlights - strategic initiatives

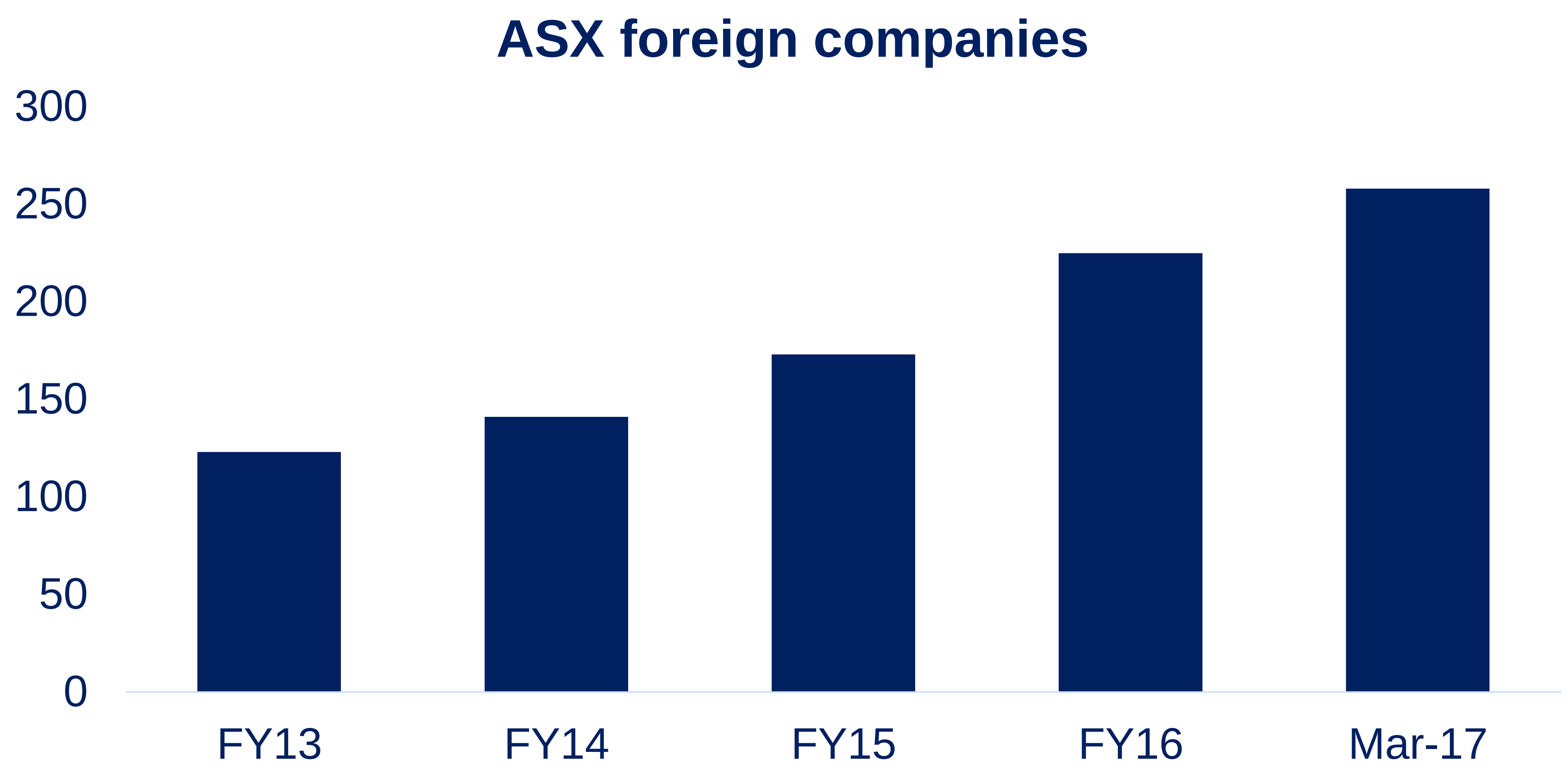
Progress across all businesses

Listings	✓ Expanding listings franchise ✓ Success in attracting offshore listings ✓ Growing technology listings
Derivatives and OTC Markets	✓ New futures trading platform implemented ✓ Continued growth in OTC Clearing, increased hours of operation ✓ Increased activity from offshore investors and traders
Trading Services	✓ Centre Point continues to grow as trading venue of choice ✓ Commenced BBSW administration, new methodology from second half 2017 ✓ Value proposition of ALC driving further users, connections and ASX Net usage
Equity Post-Trade Services	✓ Dual focus on CHESS replacement program • Significant stakeholder consultation • Building enterprise grade base-level DLT equity post-trade functionality to assist our decision on next steps late 2017

Listings and Issuer Services

Success in foreign and technology listings, flat result on record pcp

	Mar 17 YTD	Mar 16 YTD	Var	Var %
Revenue ($million)	**144.7**	**144.6**	**0.1**	**0.1%**
Listings	112.6	112.2	0.4	0.3%
Issuer Services	32.1	32.4	(0.3)	(0.7%)
Key drivers				
Number of IPOs	114	93	21	22.6%
IPO capital ($billion)	11.5	16.9	(5.4)	(31.9%)
Secondary capital ($billion)	31.8	46.0	(14.2)	(30.9%)
CHESS holding statements (million)	10.3	10.7	(0.4)	(3.1%)



Highlights

Revenue $144.7 million, up 0.1%

- Lower total capital raised offset by higher average fees
- Focus on technology sector and offshore listings including New Zealand, Israel, Ireland and the US
  - 33 foreign listings in YTD March 2017, 258 entities listed at March 2017[1]
  - 34 technology sector listings YTD March 2017, 201 entities listed at March 2017[1]
- 2,224 listed entities vs 2,203 pcp
- Secondary capital raised $31.8 billion vs $46.0 billion pcp (inclusive of large bank raisings in the pcp)
- Exchange-traded products (ETPs) – 203 listed at March 2017 with a market cap of $27.4 billion

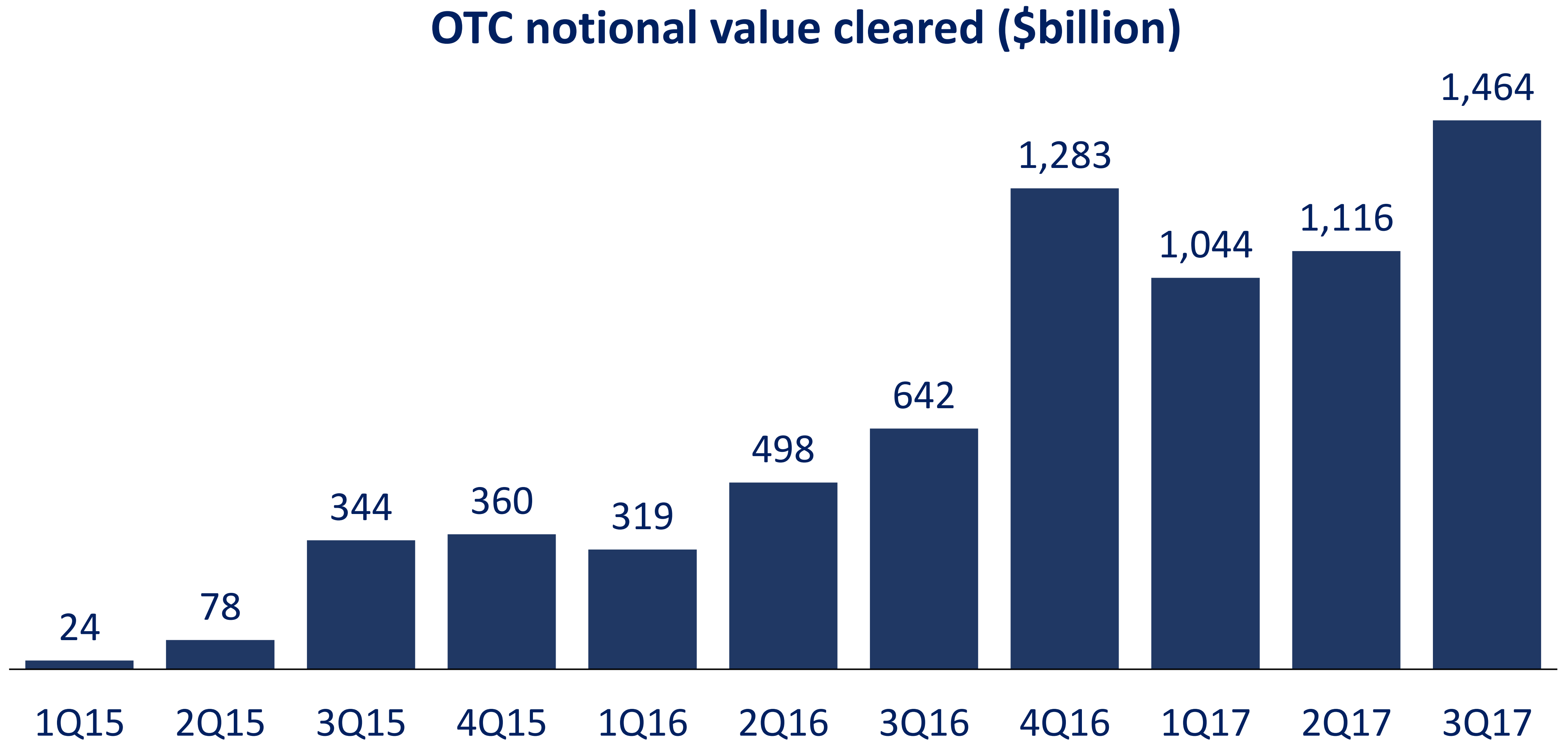
1. Includes IPOs and backdoor listings

Unaudited result
Operating revenue as per the Group segment reporting
Variance relative to the prior comparative period (Mar 16 YTD pcp) expressed favourable / (unfavourable)

Derivatives and OTC Markets

Focus on global distribution and OTC service extension

	Mar 17 YTD	Mar 16 YTD	Var	Var %
Revenue ($million)	**200.2**	**193.8**	**6.4**	**3.3%**
Futures and OTC	146.8	140.6	6.2	4.4%
Equity Options	16.1	17.1	(1.0)	(5.9%)
Austraclear and Collateral	37.3	36.1	1.2	3.3%
Key drivers				
Futures volumes (millions)	104.0	98.3	5.7	5.8%
OTC cleared value ($billion)	3,623.5	1,459.4	2,164.1	148.3%
Equity options volumes (millions)	76.5	75.5	1.0	1.3%



Highlights

Revenue $200.2 million, up 3.3%

- Higher futures volume and OTC activity
- Mixed activity in 3Q17, March particularly strong, January – February subdued
- 4Q16 saw strong futures activity driven by volatility during that period
- Equity options contracts up 1.3%, revenue impacted by changing product mix
- Austraclear transactions up 1.4%, holdings up 4.3%
- New futures trading platform implemented in March 2017

Unaudited result
Operating revenue as per the Group segment reporting
Variance relative to the prior comparative period (Mar 16 YTD pcp) expressed favourable / (unfavourable)

Derivatives and OTC Markets

New futures trading platform – implemented March 2017

- Replaced proprietary SYCOM platform originally introduced in the late 1990s

- Approximately 50 ASX participants plus 30 other customers connected:
  - Broad range of global data vendors and software providers

- Significant testing and preparation involving close collaboration with customers:
  - Go-live rehearsals
  - Alignment to technology architecture strategy
  - Recognition of customer engagement throughout the process

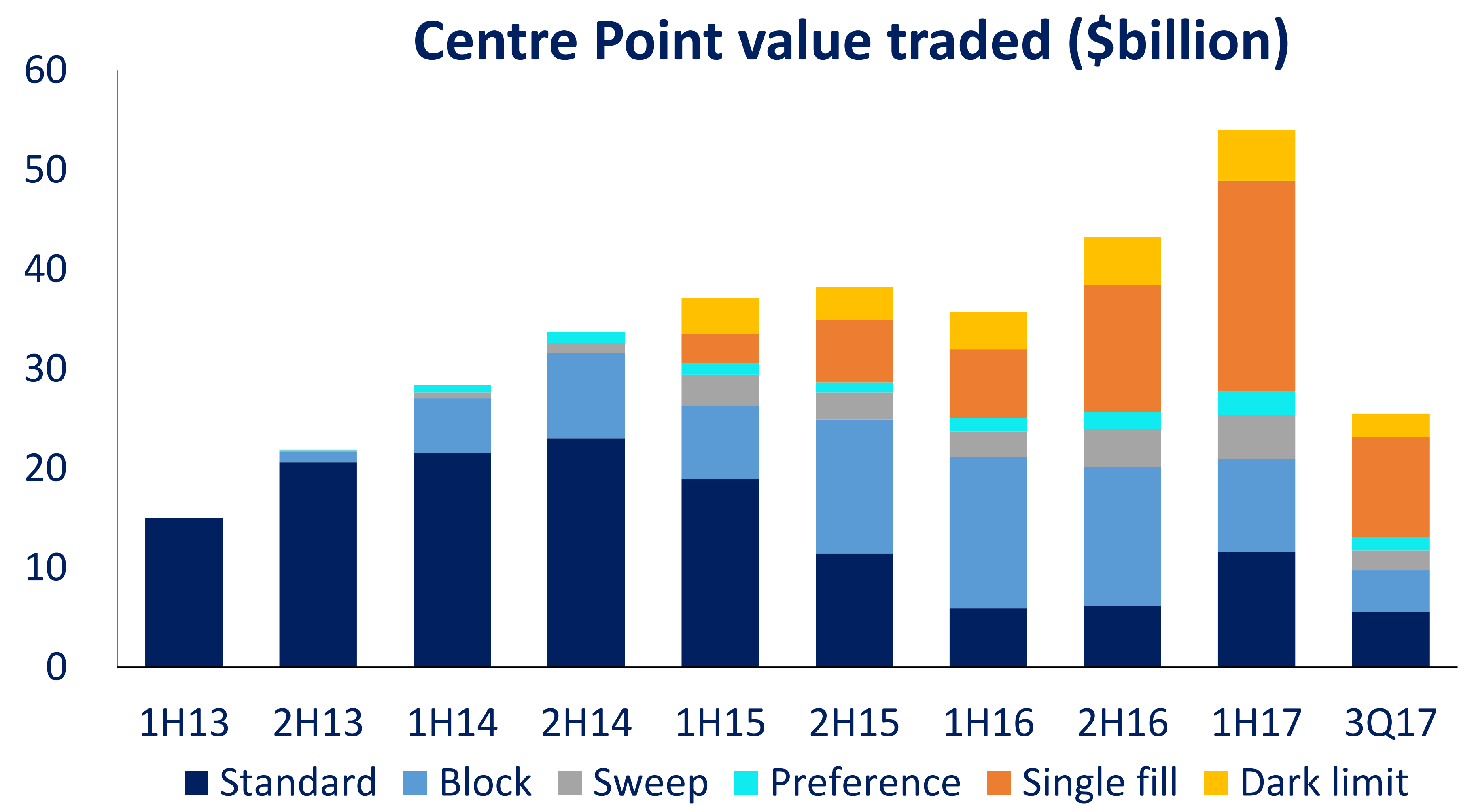
- New platform provides customers with richer functionality and technical enhancements including:
  - Real-time platform and user interface monitoring
  - Improved latency
  - Enhanced pre-trade risk management

- Smooth go-live with positive customer feedback received

Trading Services

Continued strong growth in Centre Point

	Mar 17 YTD	Mar 16 YTD	Var $	Var %
Revenue ($million)	**145.0**	**136.7**	**8.3**	**6.0%**
Cash Market Trading	34.4	30.3	4.1	13.4%
Information Services	61.3	60.0	1.3	2.0%
Technical Services	49.3	46.4	2.9	6.4%
Key drivers ($billion)				
Open trading value	549.7	578.0	(28.3)	(4.9%)
Auctions value	171.9	155.9	16.0	10.3%
Centre Point value	79.5	54.7	24.8	45.3%



Highlights

Revenue $145.0 million, up 6.0%

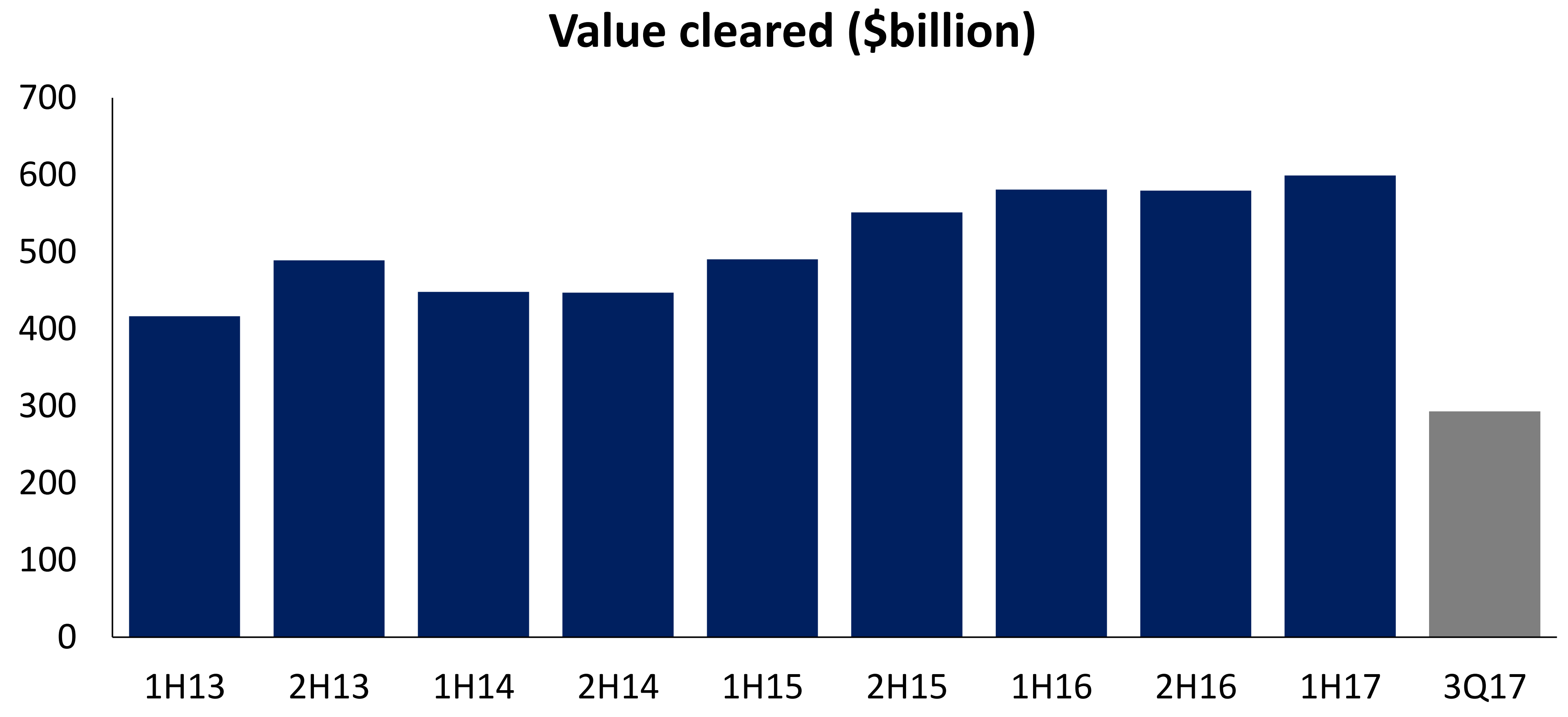
- Daily average ASX on-market value traded $4.2 billion, up 1.1% on pcp
- Centre Point value traded up 45.3% on pcp, represents 10% of ASX on-market value traded
  - Increased utilisation of advanced order types including:
    - Block – users define a minimum acceptable quantity (MAQ)
    - Single fill - orders executed only where the MAQ is filled by a single opposing order
    - Sweep – in one transaction, seamlessly interact with dark liquidity in ASX Centre Point and lit liquidity in ASX TradeMatch
- Auctions value traded up 10.3% on pcp, represents 22% of ASX on-market value traded
- On-market trading market share 87.7% vs 88.7% pcp

Unaudited result
Operating revenue as per the Group segment reporting
Variance relative to the prior comparative period (Mar 16 YTD pcp) expressed favourable / (unfavourable)

Equity Post-Trade Services

Growth in value cleared and settlement messages

	Mar 17 YTD	Mar 16 YTD	Var	Var %
Revenue ($million)	**78.2**	**76.0**	**2.2**	**2.8%**
Cash Market Clearing	39.7	40.4	(0.7)	(2.0%)
Cash Market Settlement	38.5	35.6	2.9	8.4%
Key drivers				
On-market value cleared ($billion)	856.3	830.4	25.9	3.1%
Dominant settlement messages (million)	13.6	12.7	0.9	6.3%
Average trades per day (million)	1.02	0.90	0.12	13.8%



Highlights

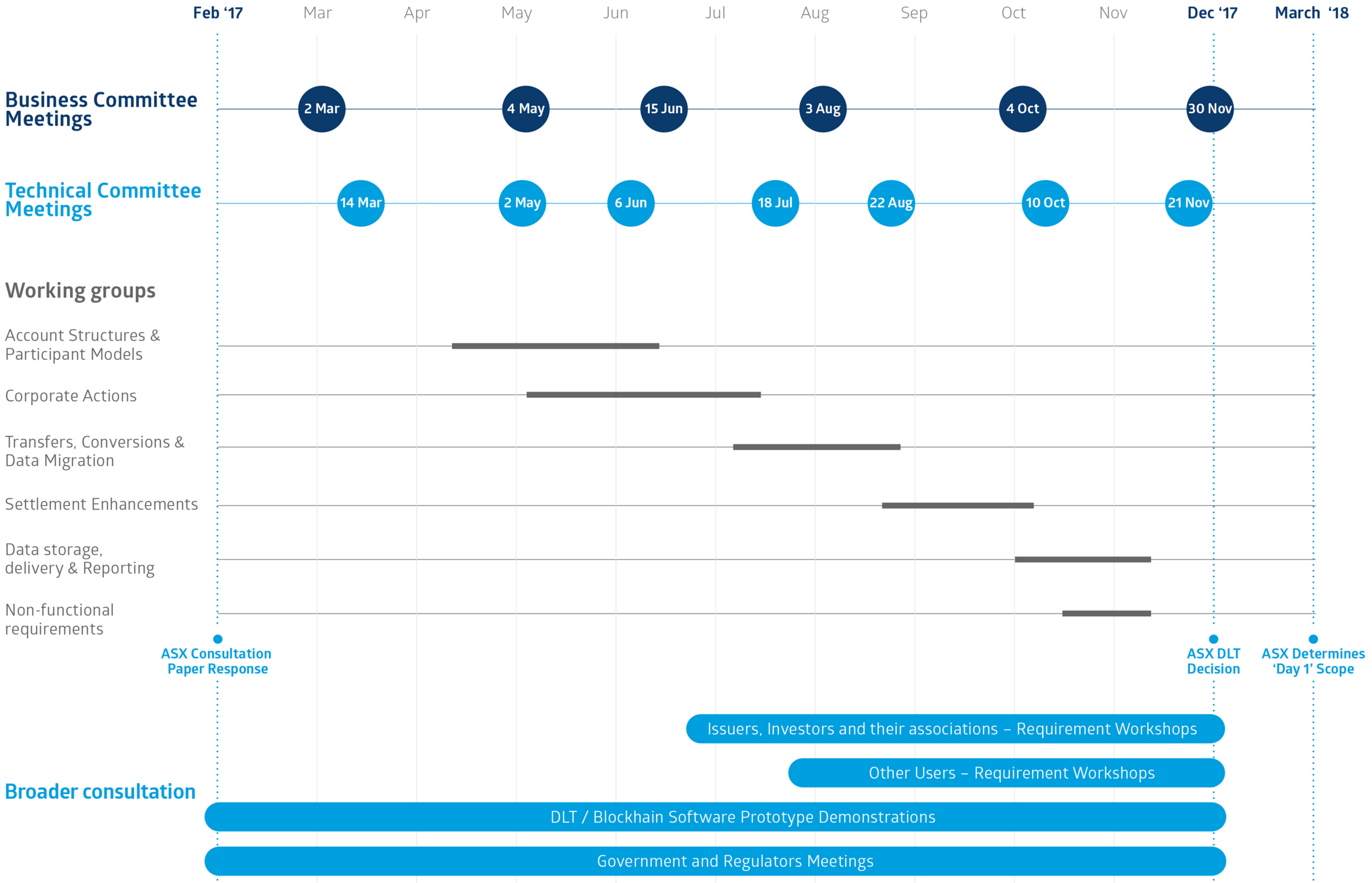
Revenue $78.2 million, up 2.8%

- Value cleared up 3.1% on pcp
- Dominant settlement messages up 6.3% on pcp
- CHESS replacement – distributed ledger technology project progress on track – decision late 2017
  - Stakeholder consultation and prioritisation of business requirements continue
  - Summary of consultation papers and ASX response released in Feb 2017
  - Working groups to discuss, elicit and capture stakeholder requirements will run from May to Dec 2017
  - ISO20022 messaging Technical Committee formed with engagement via meetings and webinars

Unaudited result
Operating revenue as per the Group segment reporting
Variance relative to the prior comparative period (Mar 16 YTD pcp) expressed favourable / (unfavourable)

CHESS replacement

Significant stakeholder engagement on business requirements



Expenses - 9 months to 31 March 2017

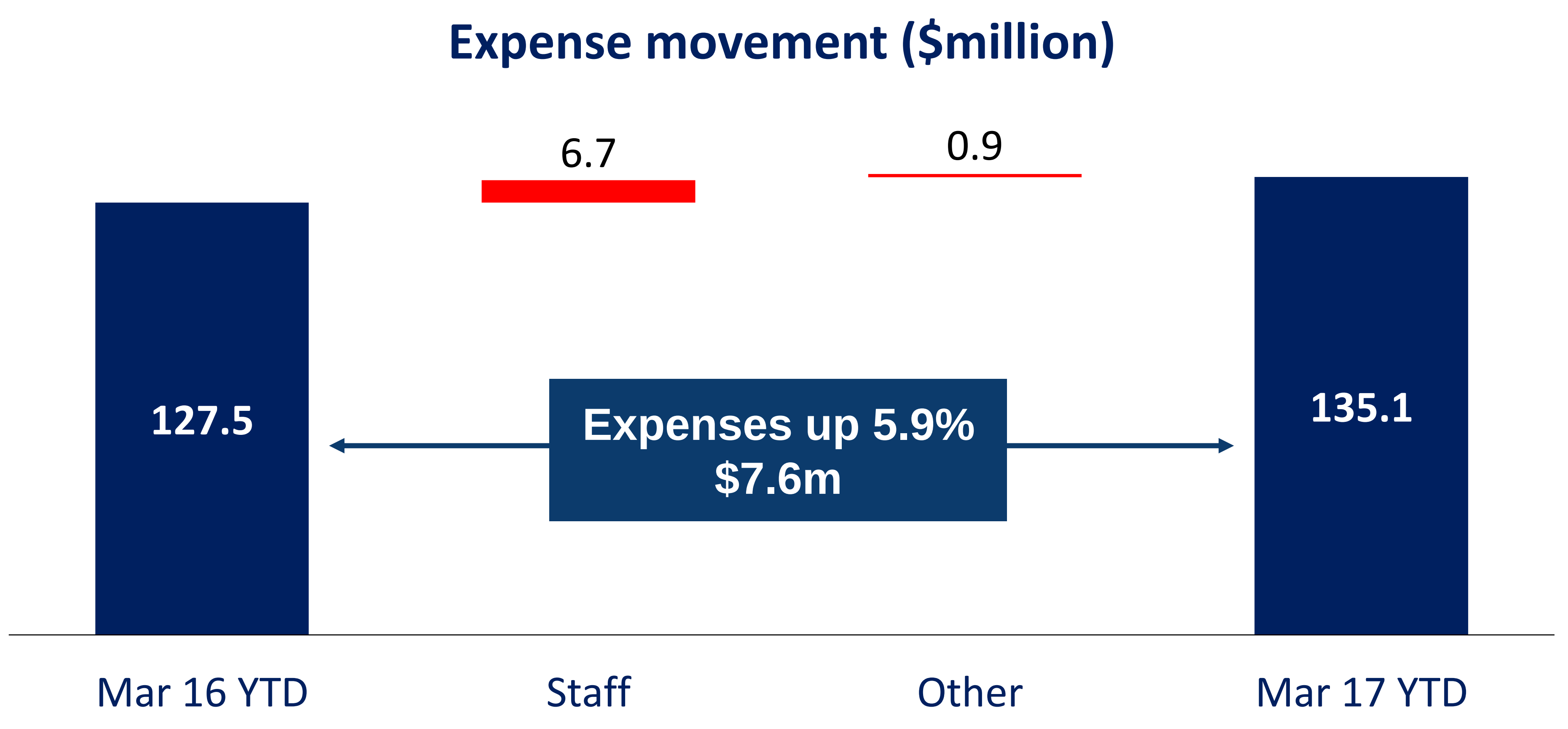
In line with guidance

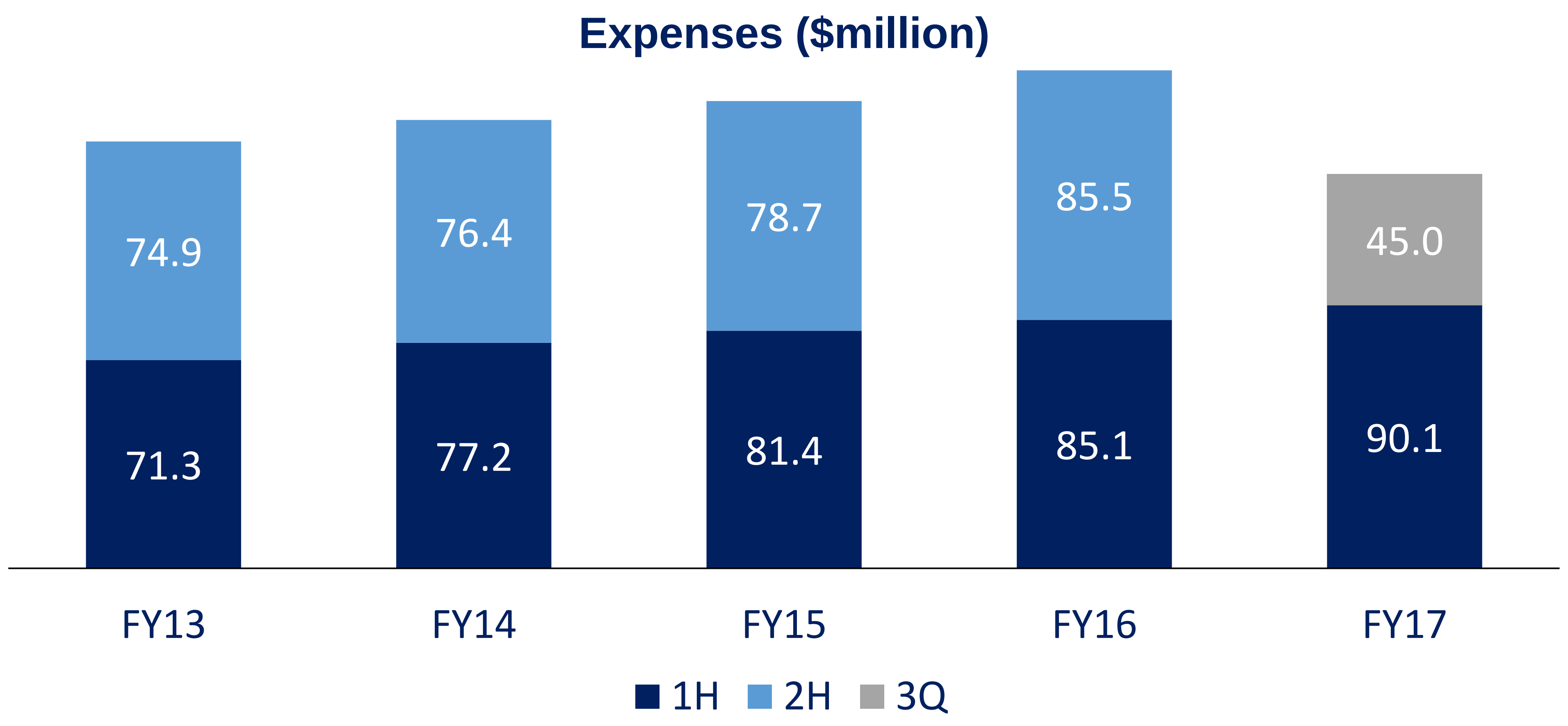
Highlights

Operating expenses up 5.9%

Higher investment in staff to support customer and growth-related initiatives

- Staff costs up 8.8%
  - Average headcount up 4.9% to 556 FTEs
  - Increase focused on business development and technology
- Other costs up 1.7%
  - Higher equipment costs supporting new technology platforms
- FY17 guidance 6.0% increase (unchanged)





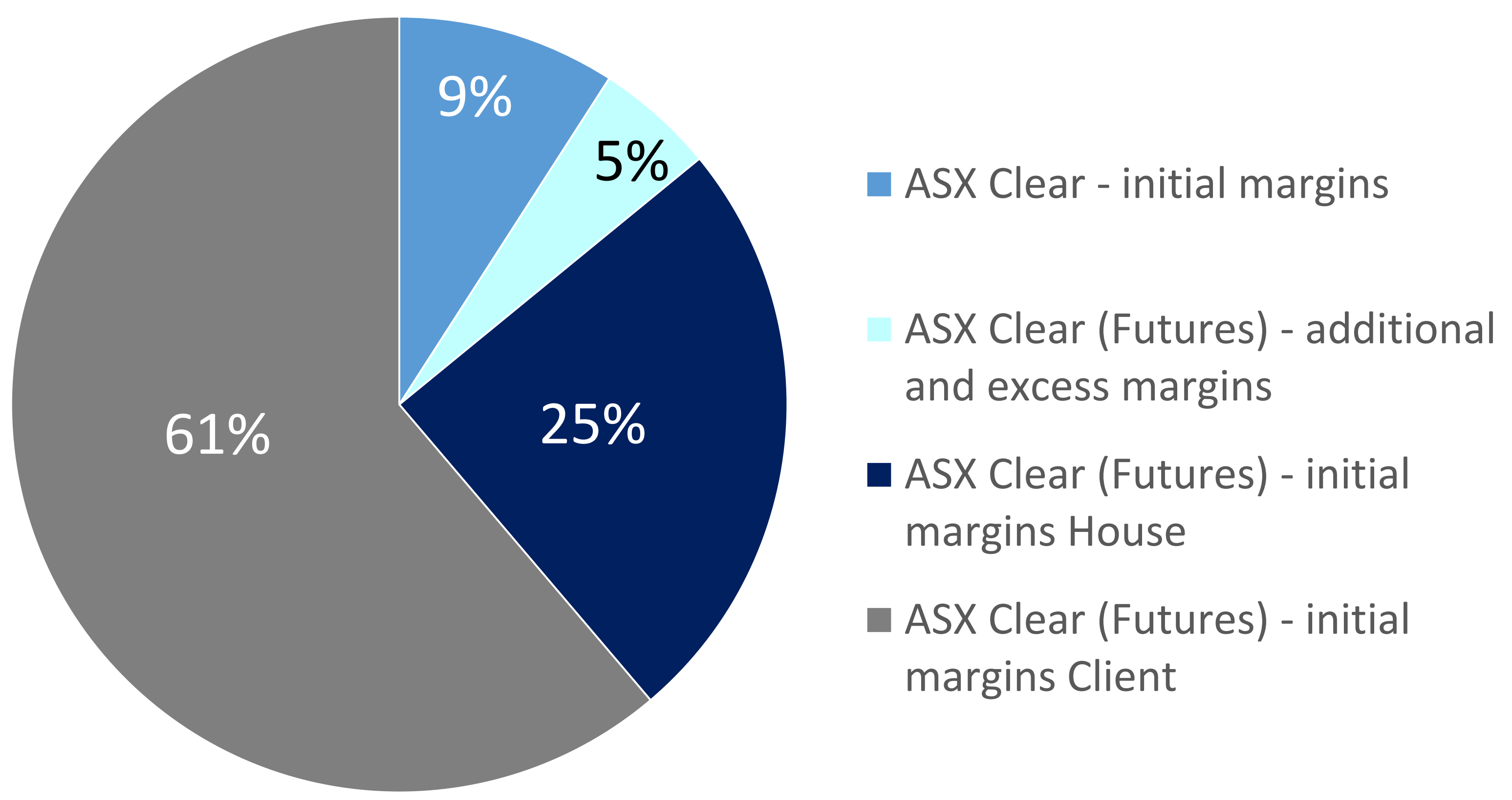
Unaudited result
Operating expenses as per the Group segment reporting
Variance relative to the prior comparative period (March 16 YTD pcp) expressed favourable / (unfavourable)

Interest and dividend income

Growth in margins driving net interest income

$million	Mar 17 YTD	Mar 16 YTD	Var $	Var %
ASX Group net interest income	13.8	17.1	(3.3)	(19.5%)
Net interest earned on collateral balances	34.6	26.5	8.1	30.9%
Total net interest income	**48.4**	**43.6**	**4.8**	**11.0%**
Dividend income	14.0	13.1	0.9	6.1%
Interest and dividend income	**62.4**	**56.7**	**5.7**	**9.9%**

Margins held on balance sheet March 2017 (total $6.5 billion)



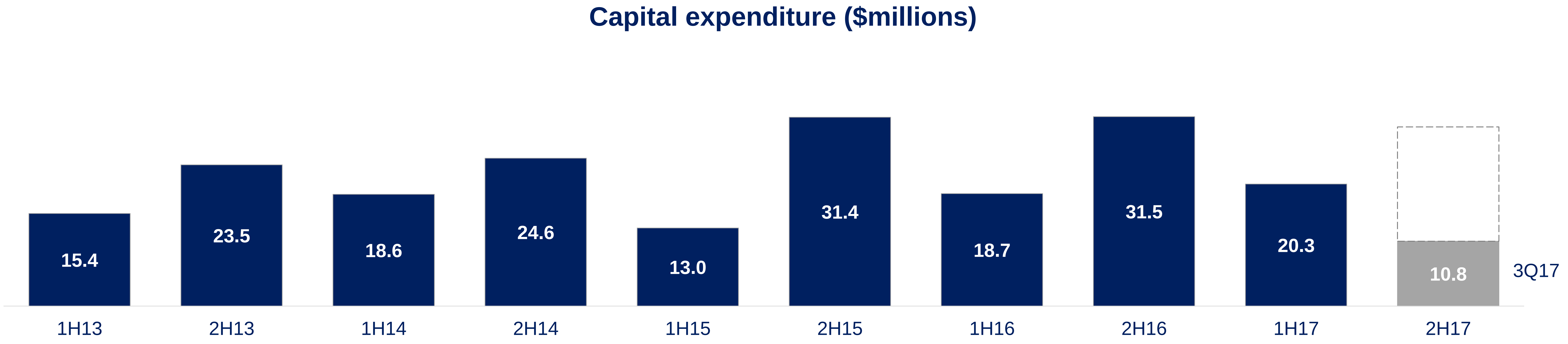
Highlights

- ASX Group net interest income down 19.5% due to lower interest rates
- Net interest on collateral balances up 30.9%
  - Average collateral and commitment balances up 30.5% to $5.8 billion from $4.4 billion pcp
  - Balance growth in 3Q17 from increased futures positions
  - Investment spread 38 bps YTD (40 bps pcp)
- Investment spread for FY17 expected to be approximately 35 bps

Unaudited result
Variance expressed favourable / (unfavourable)

Capital expenditure

Continued investment in line with guidance



Highlights

- March 2017 YTD capital expenditure $31.1 million
- Successful go-live of futures trading platform in March 2017
- Inclusive of DLT development for potential CHESS replacement
- Future focus on upgrading post-trade platforms and further service enhancements
- FY17 guidance approximately $50 million (unchanged)

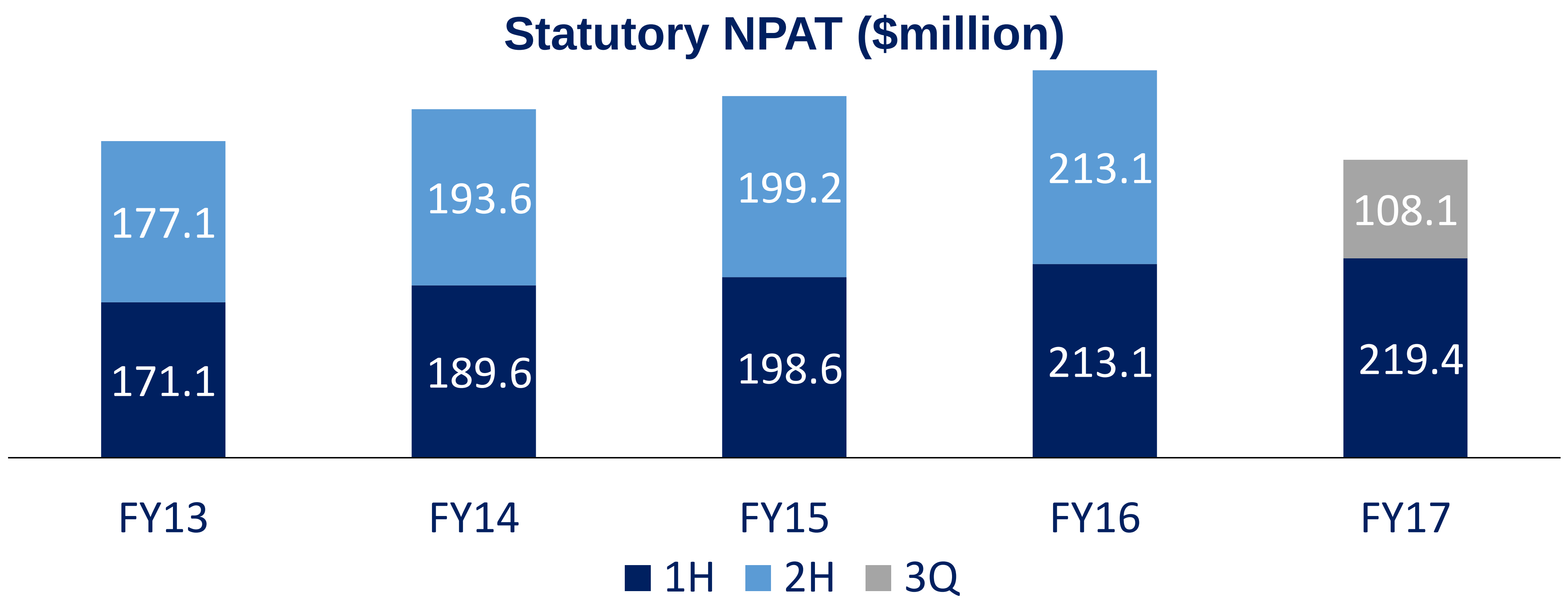
Unaudited result

Summary and outlook

Solid result, initiatives gaining traction

Highlights

- March 17 YTD NPAT $327.5 million, up 3.2% on pcp
- Five year NPAT CAGR 3.9% (FY11-16)
- Strong balance sheet underpinned by AA- long-term S&P credit rating



Outlook

- Global uncertainty continuing with pockets of volatility, however VIX below long-term averages
- ASX's investment in technology and new services gaining traction, further service developments underway including OTC client clearing
- 4Q17 will be impacted by level of volatility, noting 4Q16 was particularly volatile with high levels of market activity
- Consultation with stakeholders on CHESS replacement continuing
- Distributed ledger technology decision expected late 2017, enterprise-grade functionality development on track

Unaudited result
Variance expressed favourable / (unfavourable)

Q & A

Thank you.

ASX

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