



# Full-Year 2016 Results Presentation

ASX Limited

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# Financial Results FY16

Revenue \$746.3m 6.5%	Expenses \$170.6m (6.5%)	EBITDA \$575.7m 6.5%	NPAT \$426.2m 5.7%*	EPS 220.4c 5.8%*	DPS 198.1c 5.7%
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## Strong result

- Revenue up \$45.6 million
- Growth in all business lines underpinned by higher trading activity and robust capital raisings
- Expenses up \$10.5 million
- EBITDA up \$35.1 million, increase of 6.5%, NPAT and DPS up 5.7%

## Continued strategic technology investment

- Futures trading platform, risk management and post-trade development in FY17
- Distributed ledger technology for cash market clearing and settlement
  - Investment in Digital Asset Holdings
  - Opportunity for post-trade innovation
- Capital expenditure \$50.2million

## Global leader in A\$ and NZ\$ markets

- Products and services that give customers liquidity, flexibility and choice
- Higher customer engagement and improved service delivery

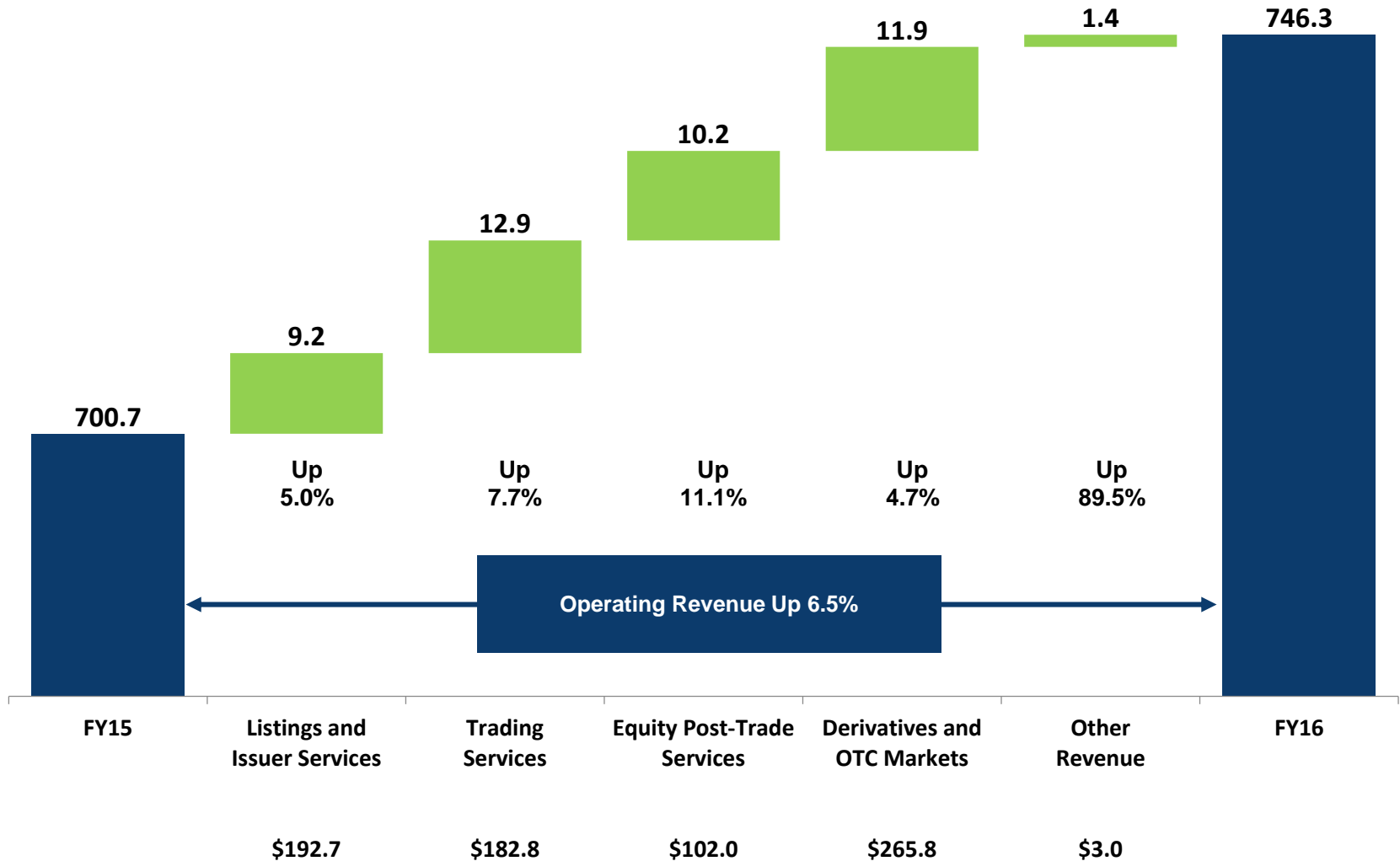
\* Compared to underlying earnings in FY15  
Operating revenue and operating expenses as per the Group segment reporting  
Variance expressed favourable / (unfavourable)

# Income Statement

	FY16 \$ Million	FY15 \$ Million	% Variance
Operating Revenue	<b>746.3</b>	<b>700.7</b>	<b>6.5%</b>
Operating Expenses	(170.6)	(160.1)	(6.5%)
<b>EBITDA</b>	<b>575.7</b>	<b>540.6</b>	<b>6.5%</b>
Depreciation and Amortisation	(42.7)	(38.6)	(10.5%)
<b>EBIT</b>	<b>533.0</b>	<b>502.0</b>	<b>6.2%</b>
Interest and Dividend Income	73.1	71.9	1.7%
<b>Profit Before Tax</b>	<b>606.1</b>	<b>573.9</b>	<b>5.6%</b>
Income Tax Expense	(179.9)	(170.7)	(5.4%)
Underlying Profit After Tax	<b>426.2</b>	<b>403.2</b>	<b>5.7%</b>
Significant Items After Tax	-	(5.4)	
<b>Statutory Profit After Tax</b>	<b>426.2</b>	<b>397.8</b>	<b>7.1%</b>
<b>EBITDA Margin</b>	<b>77.1%</b>	<b>77.1%</b>	

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

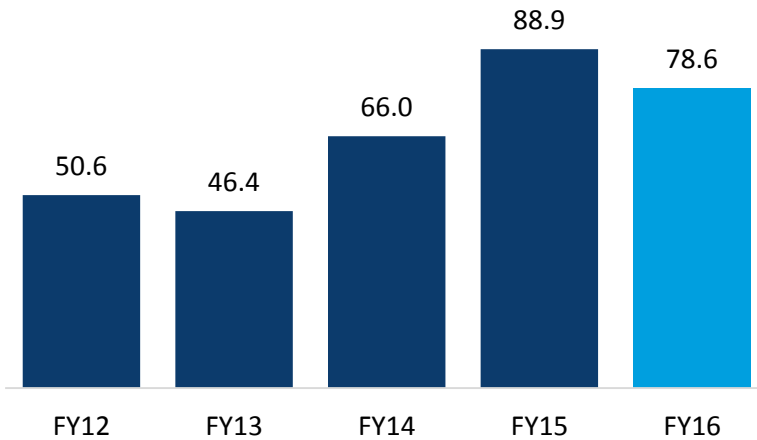
# Revenue Movement (\$ Million)



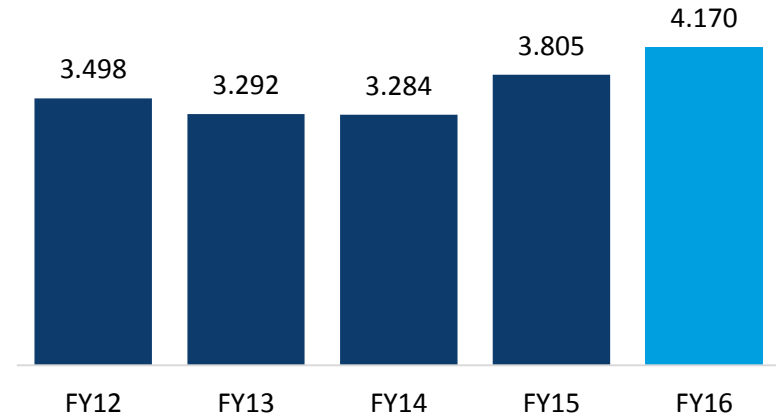
Operating revenue as per the Group segment reporting  
 Variance expressed favourable / (unfavourable)

# Activity Levels

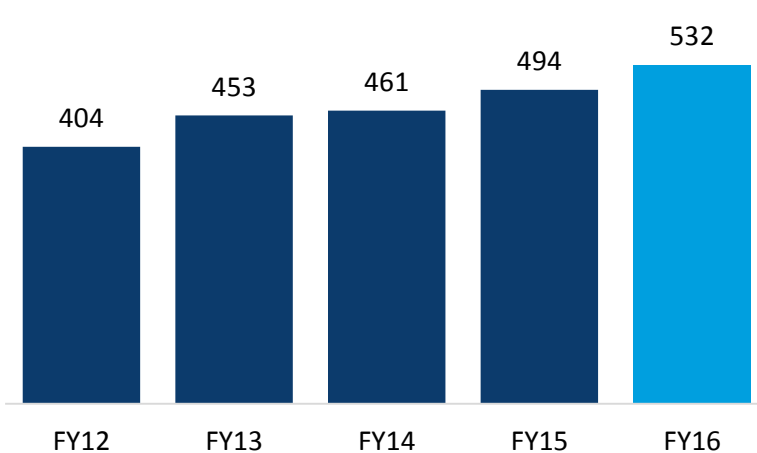
### Total Capital Raised (\$ Billion)



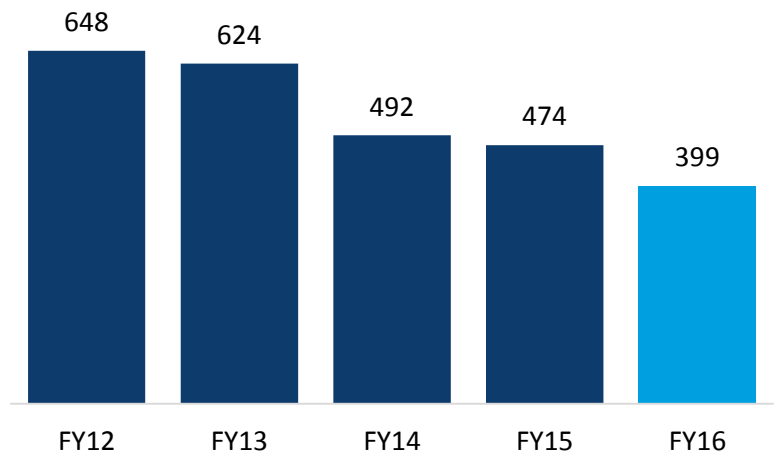
### Cash Market Trading ASX Average Daily Value On-Market (\$ Billion)



### Futures<sup>1</sup> - Average Daily Contracts ('000)



### Equity Options - Average Daily Contracts ('000)



1. Consists of futures and options on futures

# ASX Group Priorities

Strategic initiatives progressing

## Global Leader in A\$ and NZ\$

### World-Class Infrastructure

- Upgrade technology infrastructure – trading, risk, clearing
- Be leader in post-trade innovation – distributed ledger technology
- Build global connectivity – Chicago, London, Singapore, HK
- Integrating complementary services – cash, futures, OTC, collateral

### Outstanding Experience

- Deepen customer engagement across all services
- Deliver 24 hour service to local and global clients
- Innovate in fragmented equity market – Centre Point

### Investment Supermarket

- Expand listings franchise – NZ, Technology
- Enhance listing standards
- Extend suite of investment options – equities, debt, commodities, funds

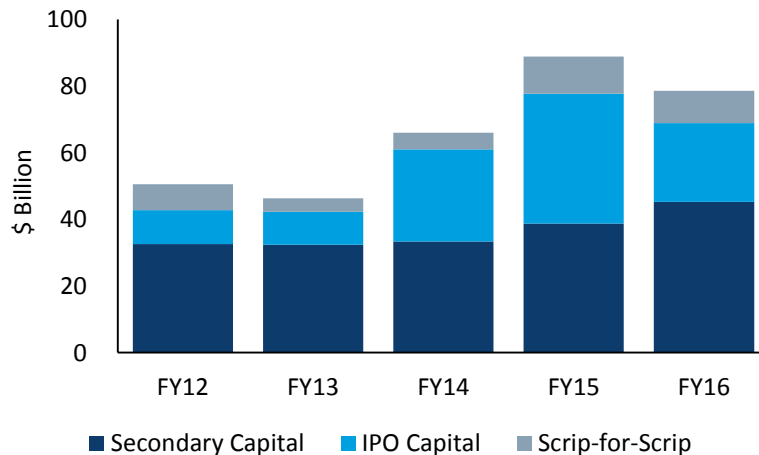
# Listings and Issuer Services

## Highlights

### Revenue \$192.7 million, up 5.0%

- 124 IPOs; IPO capital \$23.6 billion, down 39.4%
- Secondary capital \$55.0 billion, up 10.1%, including \$20.3 billion from 'big four' Australian banks
- Number of holding statements up 6.4% on pcp

Total Capital Raised



## Areas of Focus

### Develop listings franchise

- New Zealand – simplified dual listings process; 8 listings in FY16, 46 NZ entities now listed
- Tech sector – 27 listings<sup>1</sup> in FY16, 167 entities now listed
- Exchange-traded products (ETPs) – 47 listings in FY16, 176 ETPs listed, total value \$22.5 billion

### Update ASX listing criteria

- Market of quality and integrity
- ASX brand and reputation
- Improved guidance on what listed companies need to do to meet ASX standards

### Product expansion

- Unlisted managed funds through mFund service – 48 fund managers offering 161 funds via 18 brokers
- NAB joined the service during FY16

1. Includes IPOs and backdoor listings

# Trading Services (1/2)

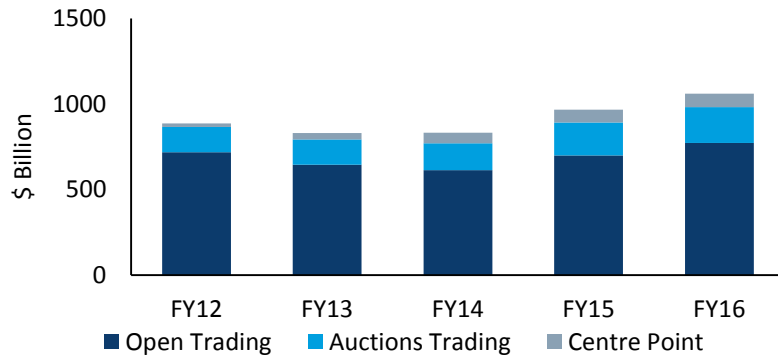
## Highlights

**Revenue \$182.8 million, up 7.7%**

**Cash Market Trading \$40.7 million, up 12.9%**

- Total on-market value traded per day up 10.9%
- ASX on-market trading \$4.2 billion per day, up 9.6%
- Revenue sharing scheme \$2.2 million, pcp \$2.5 million

**ASX On-Market Value Traded**

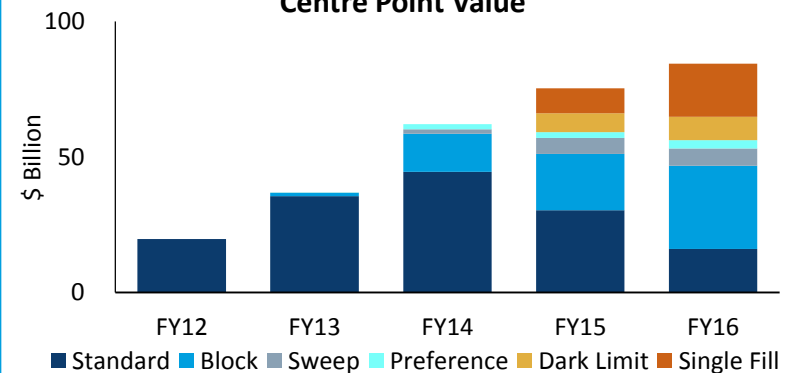


## Areas of Focus

### Cash Market Trading

- On-market trading market share 88.7% (89.7% pcp)
- ASX Auctions and Centre Point accounted for 27.2% of ASX on-market value, 45.9% of trading revenue
- Revenue sharing scheme discontinued from 1 July 2016
- Over five years off market activity declined from 25% to 18% of total market activity – Centre Point activity grew from 2% to 7%

**Centre Point Value**





# Trading Services (2/2)

## Highlights

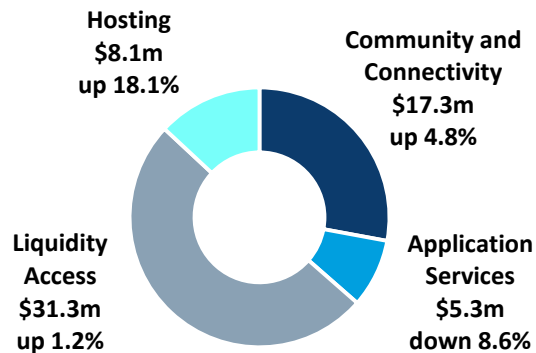
### Information Services \$80.1 million, up 8.7%

- Fee changes and higher index royalties
- Enterprise licences contributed 23.0% of revenue

### Technical Services \$62.0 million, up 3.2%

- Hosting: 231 cabinets (188 pc)
- Community and Connectivity: 20.6% increase in ALC connections offset by decrease in ASX Net services

#### Revenue Mix Technical Services



## Areas of Focus

### Information Services

- Progressive changes to futures market data introduced:
  - Removal of data royalty fee waiver associated with trading terminals from 1 July 2017
  - Introduction of non-display fees from 1 January 2017

### Technical Services

- Growth in hosting as customers utilise ALC as a primary data centre
- ASX Net Global Hong Kong hub established
- Increased diversity of ASX Net customer base

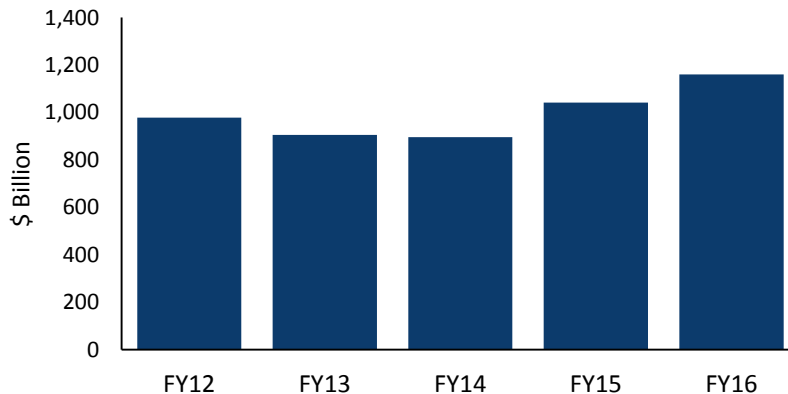
# Equity Post-Trade Services

## Highlights

### Revenue \$102.0 million, up 11.1%

- Clearing \$54.1 million, up 14.5%
  - On-market value cleared up 11.7%
  - Revenue sharing scheme \$3.2 million, pcp \$3.6 million
- Settlement \$47.9 million up 7.6%
  - Dominant settlement messages up 9.6%
  - Revenue sharing scheme \$2.1 million, pcp \$1.2 million

**Billable Value Cleared**



## Areas of Focus

### Key updates

- T+2 settlement introduced 7 March 2016
- Clearing fees reduced 10% from 1 July 2016, rebate schemes retained
- Clarity on equities clearing market structure

### Investment in distributed ledger technology

- Initial phase complete
  - Developed working solution for subset of use cases
  - Engaged with regulators and stakeholders on concept
  - Met performance, security and scalability thresholds
- Increased investment in Digital Asset Holdings on 30 June 2016 to 8.5%, total investment US\$17.4 million
- Next development phase
  - Build an industrial strength platform that could replace CHES
  - Engage with customers and other stakeholders
  - ASX to decide on CHES replacement in FY18
  - CHES will continue to operate as normal

# Public Blockchain vs ASX Private Permissioned Ledger

## Public Blockchain

### Not applicable to highly regulated markets

- Unregulated
  - No restrictions on ability to join and transact
  - Users are anonymous
  - Limited rules and regulatory oversight
- Operated on the public internet
  - Access gained through downloading software
  - Exchange and user security not subject to scrutiny
  - If compromised, holder can unilaterally transfer cryptocurrency anywhere in a public network
- Data integrity
  - Access to cryptocurrency controlled by private keys
  - Underlying technology has inspired new applications tailored for financial markets

## ASX Private Permissioned Ledger

### Similar to today, but an enhanced database architecture

- Highly regulated market
  - Infrastructure providers with licences to operate
  - Rule book defines market operation
  - Participants identified and meet regulatory standards (e.g. KYC and AML)
- Operated on a system within a private network
  - Technology controls retained
  - Securities exist digitally only within the ASX register
  - Cash remains within banking system
- Enhanced data integrity
  - Equivalent or better security of data (cryptography)
  - Multiparty authentication and authorisation
  - Creates a secure single source of truth
  - Could provide significant benefits to the industry

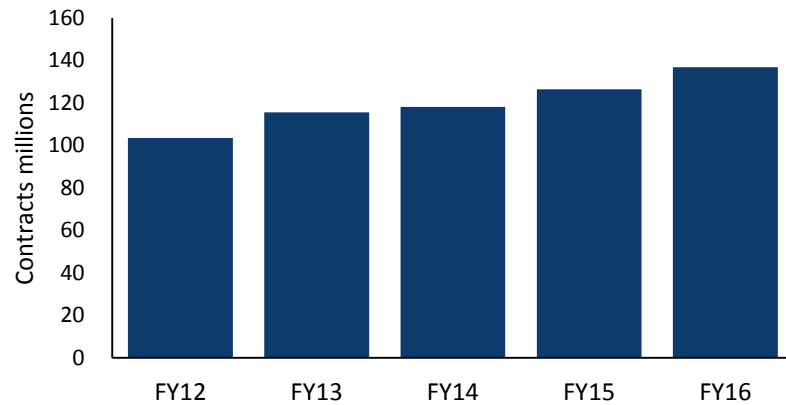
# Derivatives and OTC Markets

## Highlights

### Revenue \$265.8 million, up 4.7%

- Futures and OTC \$194.3 million, up 6.9%
  - Contracts traded up 8.3%
- Equity options \$23.1 million, down 6.0%
  - Contracts traded down 15.8%
  - Positive impact from trading and product mix
- Austraclear \$48.4 million, up 1.5%

### Futures Volumes



## Areas of Focus

### Product development

- Launched 20 year bond futures, mini SPI, Eastern Australian wheat futures/options and TORESS options
- Gold futures CY17; ASX partnering with Perth Mint

### Distribution

- Opened Hong Kong office focused on Asian sales
- Trading platform replacement
- OTC Clearing extended trading hours, client clearing enhancements

### Clearing and risk management services

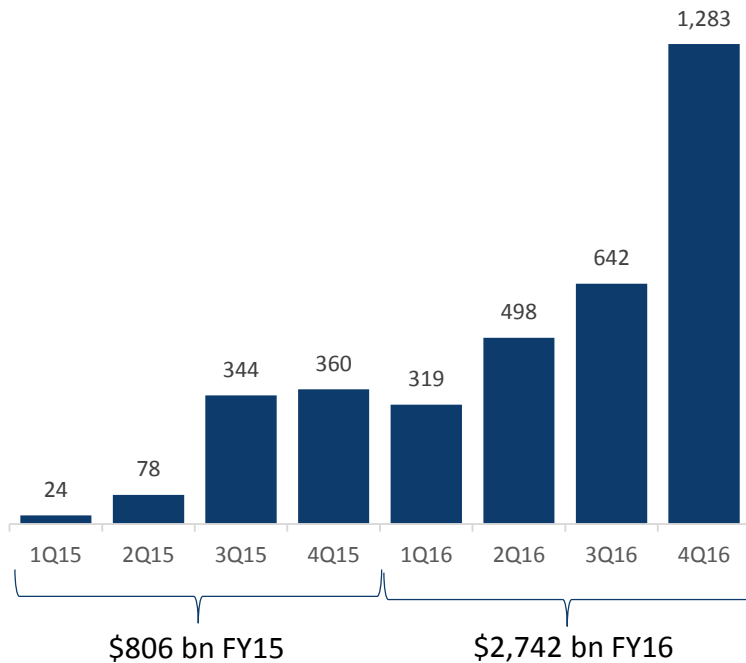
- Notable growth in OTC clearing
- Collateral Management average balance \$5.0 billion

### Austraclear

- Average balances up 10.7% to \$1.9 trillion

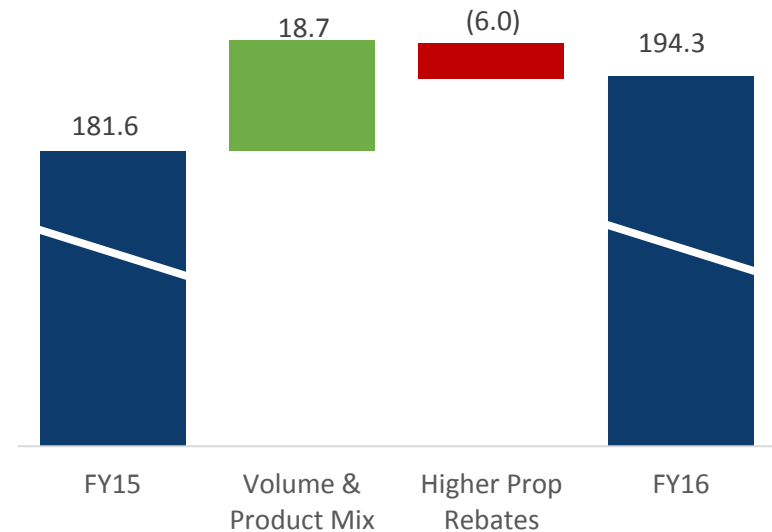
# Futures and OTC Clearing Movement

OTC Notional Value Cleared (\$ Billion)



- Extended A\$ product coverage and launch of multi-lateral compression services
- Central clearing mandate effective April 2016, customer acquisition ongoing

Revenue Movement (\$ Million)



- Interest rate futures rebate scheme provides lower fees as futures and OTC volumes increase
- FY16 interest rate futures rebate to clearing participants \$14.4 million, equivalent to pcp

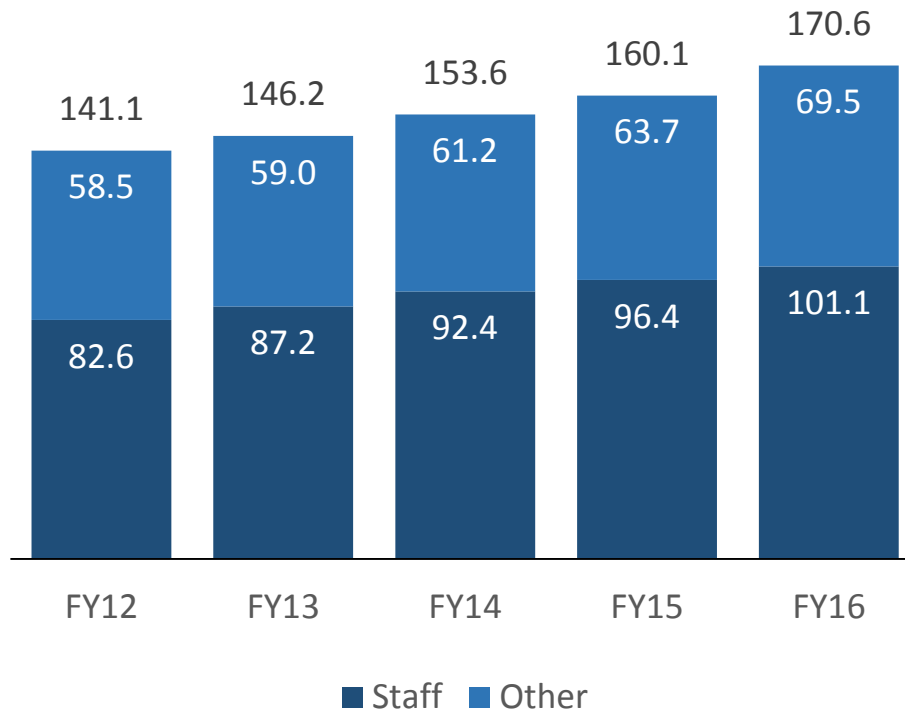
# Interest and Dividend Income

	FY16 \$ Million	FY15 \$ Million	% Variance
ASX Group Net Interest Income	22.3	26.9	(17.3%)
Net Interest Earned on Collateral Balances	37.7	32.3	17.0%
<b>Total Net Interest Income</b>	<b>60.0</b>	<b>59.2</b>	<b>1.4%</b>
Dividend Income	13.1	12.7	3.1%
<b>Interest and Dividend Income</b>	<b>73.1</b>	<b>71.9</b>	<b>1.7%</b>

## Highlights

- ASX Group net interest income down 17.3% from lower interest rates
- Net interest on collateral balances up 17.0%
  - Collateral balances up 10.9%, average \$4.6 billion (\$4.1 billion pcp)
  - Investment spread 41 bps (41 bps pcp)
- Portfolio transition in line with regulatory standards will lead to lower investment earnings in FY17. Full impact from FY18.
- IRESS shareholding 19.1%

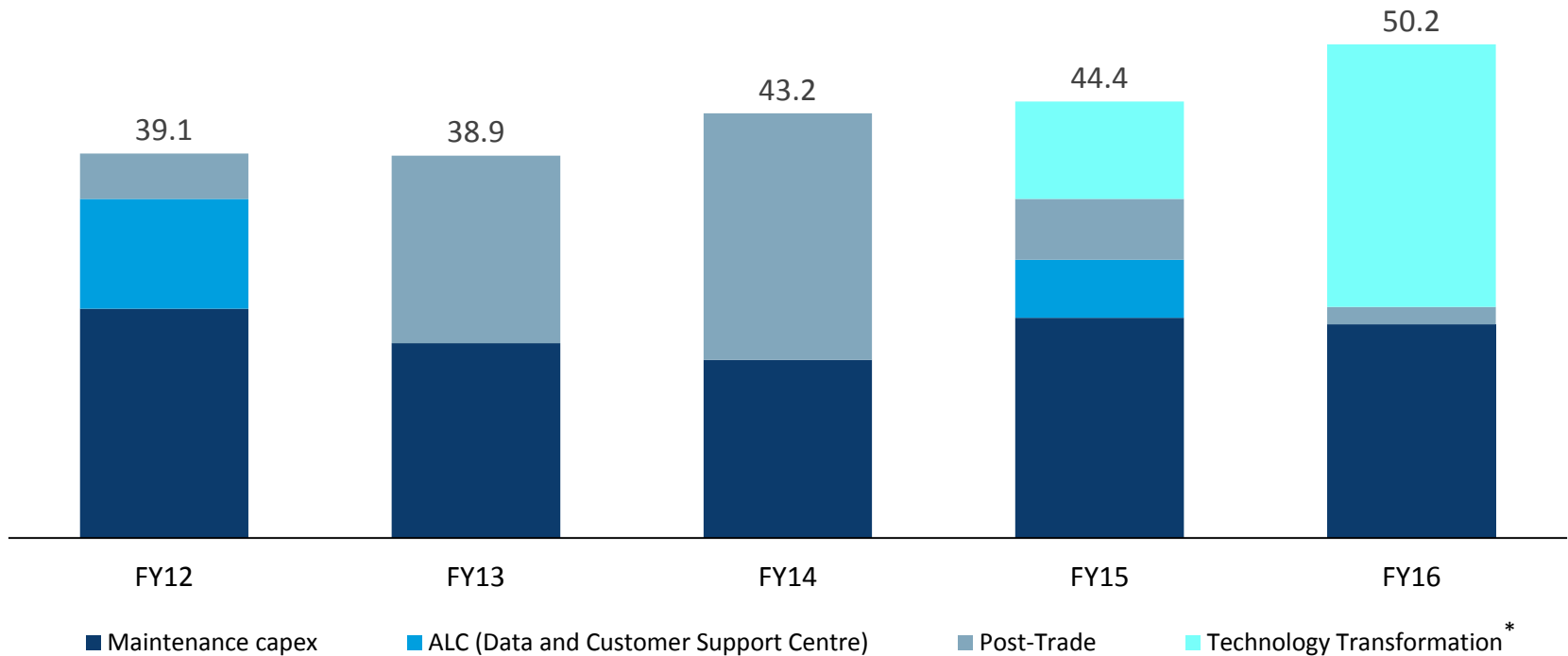
# Operating Expenses (\$ Million)



## Highlights

- Operating expenses up 6.5%
- Staff costs up 4.9%
  - Higher salaries and recruitment costs
  - CEO transition costs
  - Average headcount up 1.9% to 534 FTEs, technology transformations and business initiatives
- Other costs up 9.1%
  - Higher equipment and administration costs to support initiatives
  - Higher variable costs driven by growth in CHES holding statements and increased postage costs
- FY17 guidance: approximately 6% increase
  - Continued investment in people

# Capital Expenditure (\$ Million)



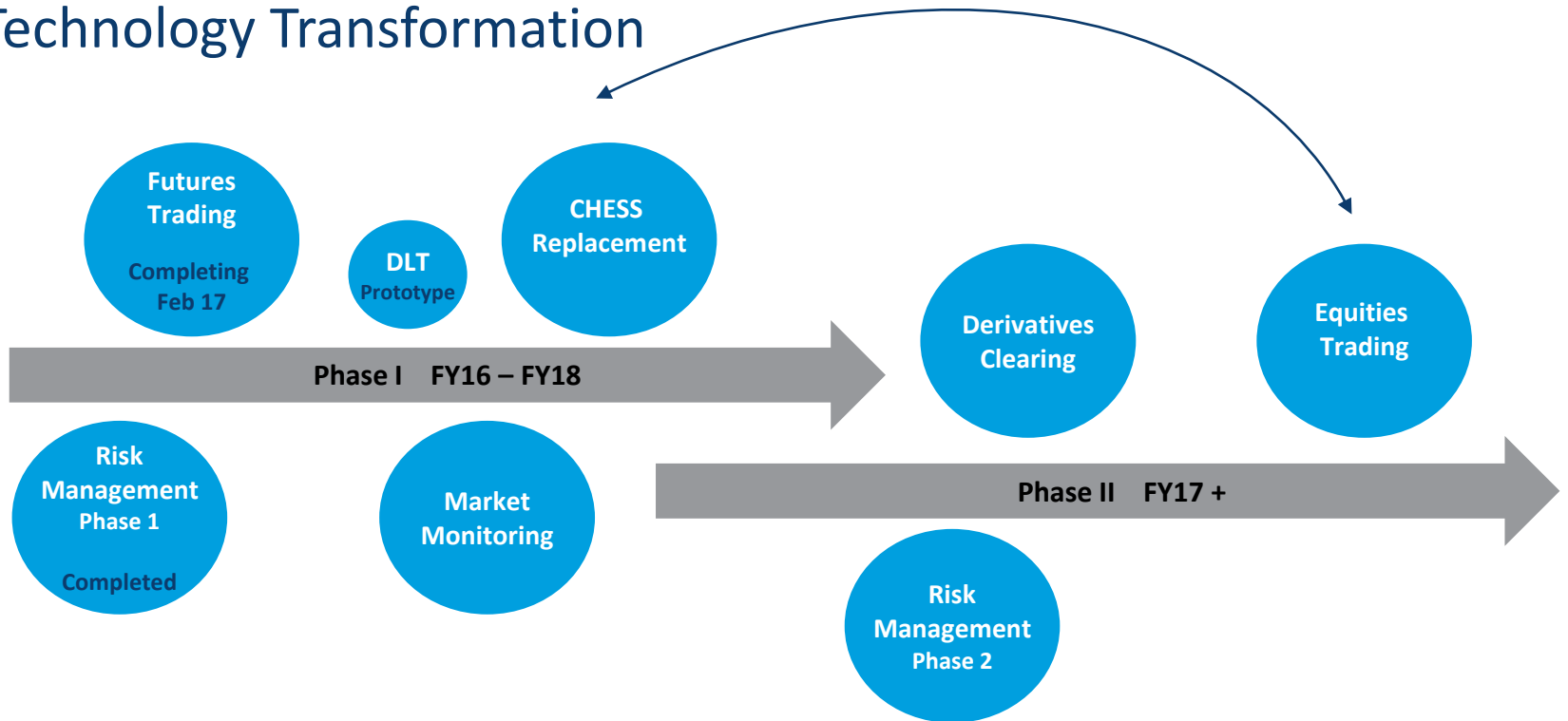
## Highlights

- Focus on technology transformation program – futures trading, risk management and market monitoring
- Post-trade upgrades and development
- Guidance FY17 approximately \$50 million, inclusive of distributed ledger technology development

\* Technology Transformation includes new trading platform, risk management and data analytics



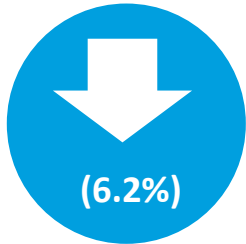
# Technology Transformation



## Progress

- Futures trading on target to complete February 2017
- Risk management phase 1 completed, market monitoring underway
- DLT prototype delivered, potential replacement for CHES to be developed throughout FY17/18
- Other technology enhancements delivered, including Austraclear platform, online customer portal and internal platform and infrastructure upgrades

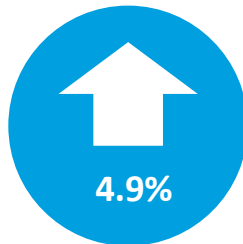
# Post Balance Date Activity



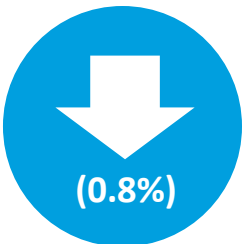
**Total capital raised**  
**\$8.6 billion**  
**July 2016**



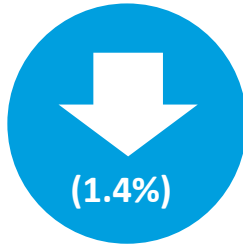
**Cash market trading**  
**(total market - all venues)**  
**\$5.5 billion**  
**Average value per day**



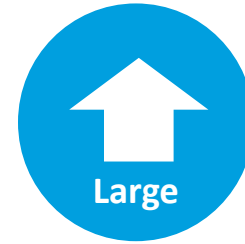
**Cash market trading**  
**(ASX on-market)**  
**\$3.9 billion**  
**Average value per day**



**Futures trading**  
**410,864**  
**Daily average volume**



**Equity options trading**  
**334,507**  
**Daily average volume**



**OTC clearing**  
**\$403.0 billion**  
**Total cleared notional value**

All numbers above are to 12 August except total capital raised which is the month of July

# Financial Results FY16

Revenue \$746.3m 6.5%	Expenses \$170.6m (6.5%)	EBITDA \$575.7m 6.5%	NPAT \$426.2m 5.7%*	EPS 220.4c 5.8%*	DPS 198.1c 5.7%
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## Strong result

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- Expenses up \$10.5 million
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# Thank you



# Appendices

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

# 1. Income Statement

	FY12 \$ Million	FY13 \$ Million	FY14 \$ Million	FY15 \$ Million	FY16 \$ Million
<i>Annual Listing Fees</i>	60.6	60.0	62.1	70.7	75.2
<i>Initial Listing Fees</i>	6.2	7.2	17.9	20.9	18.6
<i>Subsequent Listing Fees</i>	34.4	37.4	38.4	42.7	45.1
<i>Other Listing Fees</i>	8.7	8.6	8.6	9.0	10.5
Listings	109.9	113.2	127.0	143.3	149.4
Issuer Services	29.6	32.7	34.2	40.2	43.3
<b>Listings and Issuer Services</b>	<b>139.5</b>	<b>145.9</b>	<b>161.2</b>	<b>183.5</b>	<b>192.7</b>
<i>Cash Market Trading</i>	37.6	33.6	33.6	36.1	40.7
<i>Information Services</i>	66.9	61.7	68.8	73.7	80.1
<i>Technical Services</i>	47.5	52.2	55.6	60.1	62.0
<b>Trading Services</b>	<b>152.0</b>	<b>147.5</b>	<b>158.0</b>	<b>169.9</b>	<b>182.8</b>
<i>Cash Market Clearing</i>	46.2	41.9	43.3	47.3	54.1
<i>Cash Market Settlement</i>	44.7	42.6	43.0	44.5	47.9
<b>Equity Post-trade Services</b>	<b>90.9</b>	<b>84.5</b>	<b>86.3</b>	<b>91.8</b>	<b>102.0</b>
<i>Equity Options</i>	27.7	28.3	22.2	24.6	23.1
<i>Futures and OTC Clearing</i>	161.1	169.1	185.5	181.6	194.3
<i>Austraclear</i>	38.2	40.8	43.4	47.7	48.4
<b>Derivatives and OTC Markets</b>	<b>227.0</b>	<b>238.2</b>	<b>251.1</b>	<b>253.9</b>	<b>265.8</b>
Other Revenue	1.0	1.3	1.7	1.6	3.0
<b>Operating Revenue</b>	<b>610.4</b>	<b>617.4</b>	<b>658.3</b>	<b>700.7</b>	<b>746.3</b>

# 1. Income Statement (Continued)

	FY12 \$ Million	FY13 \$ Million	FY14 \$ Million	FY15 \$ Million	FY16 \$ Million
Staff	82.6	87.2	92.4	96.4	101.1
Occupancy	15.5	13.7	14.3	13.7	14.1
Equipment	21.6	22.4	23.0	24.0	27.0
Administration	13.5	15.6	16.3	17.2	19.3
Variable	3.7	3.8	4.3	5.1	6.2
ASIC Supervision Levy	4.2	3.5	3.3	3.7	2.9
<b>Operating Expenses</b>	<b>141.1</b>	<b>146.2</b>	<b>153.6</b>	<b>160.1</b>	<b>170.6</b>
<b>EBITDA</b>	<b>469.3</b>	<b>471.2</b>	<b>504.7</b>	<b>540.6</b>	<b>575.7</b>
Depreciation and Amortisation	27.6	30.4	33.8	38.6	42.7
<b>EBIT</b>	<b>441.7</b>	<b>440.8</b>	<b>470.9</b>	<b>502.0</b>	<b>533.0</b>
Net Interest Income	20.6	13.1	28.6	26.9	22.3
Net Interest on Participants' Balances	19.9	31.0	31.3	32.3	37.7
Dividend Revenue	9.3	9.4	10.8	12.7	13.1
<b>Interest and Dividend Income</b>	<b>49.8</b>	<b>53.5</b>	<b>70.7</b>	<b>71.9</b>	<b>73.1</b>
<b>Underlying Profit Before Tax</b>	<b>491.5</b>	<b>494.3</b>	<b>541.6</b>	<b>573.9</b>	<b>606.1</b>
Income Tax Expense	(145.3)	(146.1)	(158.4)	(170.7)	(179.9)
<b>Underlying Profit After Tax</b>	<b>346.2</b>	<b>348.2</b>	<b>383.2</b>	<b>403.2</b>	<b>426.2</b>
Significant Items (net of tax)	(7.0)	-	-	(5.4)	-
<b>Statutory Profit After Tax</b>	<b>339.2</b>	<b>348.2</b>	<b>383.2</b>	<b>397.8</b>	<b>426.2</b>

## 2. Balance Sheet

	30 Jun 12 \$ Million	30 Jun 13 \$ Million	30 Jun 14 \$ Million	30 Jun 15 \$ Million	30 Jun 16 \$ Million
<b>Assets</b>					
Cash and Available-For-Sale Financial Assets <sup>1</sup>	3,696.2	4,496.2	5,015.6	4,879.0	7,072.8
Goodwill	2,262.8	2,317.6	2,317.6	2,317.6	2,317.6
Investments	162.1	185.6	250.5	376.8	424.8
Other Assets	406.1	369.3	425.1	485.2	636.4
<b>Total Assets</b>	<b>6,527.2</b>	<b>7,368.7</b>	<b>8,008.8</b>	<b>8,058.6</b>	<b>10,451.6</b>
<b>Liabilities</b>					
Amounts Owing to Participants (including funded Commitments) <sup>1</sup>	2,939.6	3,753.1	3,986.1	3,886.2	6,088.2
Borrowings	250.0	-	-	-	-
Other Liabilities	342.6	293.8	351.8	412.7	539.3
<b>Total Liabilities</b>	<b>3,532.2</b>	<b>4,046.9</b>	<b>4,337.9</b>	<b>4,298.9</b>	<b>6,627.5</b>
<b>Equity</b>					
Capital	2,483.2	2,746.4	3,027.2	3,027.2	3,027.2
Retained Earnings	382.3	427.6	480.9	526.3	576.9
Reserves	129.5	147.8	162.8	206.2	220.0
<b>Total Equity</b>	<b>2,995.0</b>	<b>3,321.8</b>	<b>3,670.9</b>	<b>3,759.7</b>	<b>3,824.1</b>

1. Higher balances as at 30 June 2016 reflect increased margins lodged following volatility post the Brexit vote in June



### 3. Key Financial Ratios

	FY12	FY13	FY14	FY15	FY16
Basic EPS (including significant items)	190.6c	195.5c	198.5c	205.7c	220.4c
Diluted EPS (including significant items)	190.6c	195.5c	198.5c	205.7c	220.4c
Underlying EPS (excluding significant items)	194.6c	195.5c	198.5c	208.4c	220.4c
Dividend per share – interim	92.8c	87.9c	88.2c	92.3c	99.1c
Dividend per share – final	85.1c	82.3c	89.9c	95.1c	99.0c
Statutory return on equity	11.5%	11.5%	10.6%	10.8%	11.4%
Underlying return on equity	11.7%	11.5%	10.6%	10.9%	11.4%
EBITDA / Operating revenue	76.9%	76.3%	76.7%	77.1%	77.1%
EBIT / Operating revenue	72.4%	71.4%	71.5%	71.6%	71.4%
Total expenses (including depreciation and amortisation) / Operating revenue	27.6%	28.6%	28.5%	28.4%	28.6%
Capital expenditure (\$m)	\$39.1	\$38.9	\$43.2	\$44.4	\$50.2
Net tangible asset backing per share	\$3.85	\$5.04	\$6.53	\$6.97	\$7.25
Net asset backing per share	\$17.10	\$18.05	\$18.96	\$19.42	\$19.75
Shareholders' equity as a % of total assets (excluding participants' balances)	83.5%	91.9%	91.3%	90.1%	87.6%
Shareholders' equity as a % of total assets (including participants' balances)	45.9%	45.1%	45.8%	46.7%	36.6%
Share price at end of period	\$29.36	\$33.07	\$35.64	\$39.90	\$45.76
Ordinary shares on issue at end of period	175,136,729	184,066,764	193,595,162	193,595,162	193,595,162
Weighted average number of ordinary shares (excluding treasury shares) <sup>1</sup>	177,916,677	178,068,323	193,022,315	193,413,893	193,413,893
Market value of ordinary shares on issue (\$m)	\$5,223	\$6,087	\$6,900	\$7,724	\$8,859
Market to book ratio	1.74	1.83	1.88	2.05	2.32
Full-time equivalent permanent staff – number at period end	505	529	526	515	546
Full-time equivalent permanent staff – average during the period	502	515	534	524	534

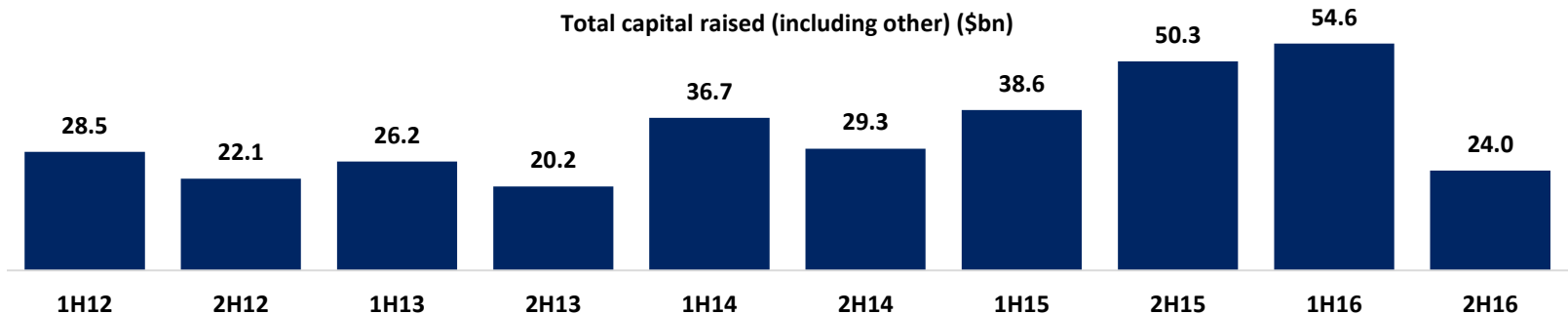
Operating revenue and operating expenses as per the Group segment reporting

EPS ratios, weighted average number of ordinary shares and share prices for the prior years have been restates for the bonus entitlement of the rights issue completed in July 2013

1. Weighted average number of ordinary shares used to calculate EPS

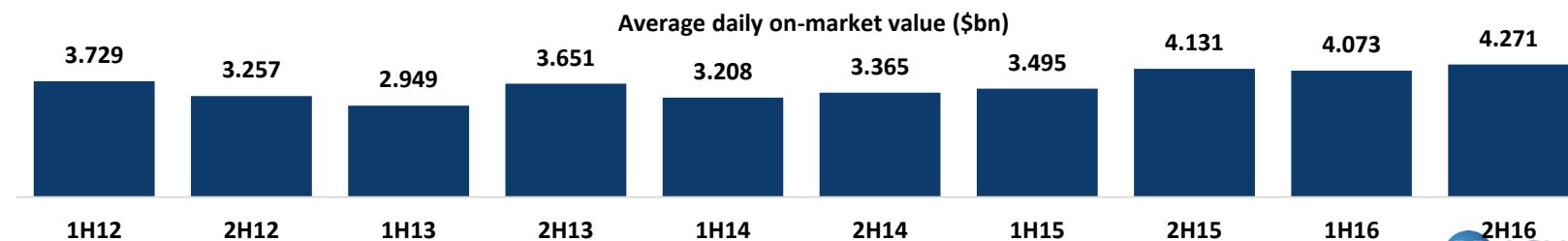
## 4.1 Listings and Issuer Services

	FY12	FY13	FY14	FY15	FY16
Total domestic market capitalisation (\$bn) – period end	\$1,186	\$1,347	\$1,552	\$1,612	\$1,620
Total number of listed entities (includes all stapled entities) - period end	2,211	2,185	2,192	2,220	2,204
Number of new listings	99	82	107	120	124
Average annual listing fee	\$27,388	\$27,463	\$28,333	\$31,859	\$34,101
Average initial listing fee	\$63,160	\$87,139	\$166,786	\$174,080	\$150,199
Average fee per \$m of secondary capital	\$851	\$1,026	\$1,002	\$854	\$819
Initial capital raised (\$m)	\$10,187	\$9,908	\$27,659	\$38,916	\$23,587
Secondary capital raised (\$m)	\$32,558	\$32,448	\$33,378	\$38,787	\$45,299
Other secondary capital raised including scrip-for-scrip (\$m)	\$7,850	\$4,027	\$4,985	\$11,170	\$9,704
<b>Total capital raised (including other) (\$m)</b>	<b>\$50,595</b>	<b>\$46,383</b>	<b>\$66,022</b>	<b>\$88,873</b>	<b>\$78,590</b>
Number of new warrant series quoted	7,113	6,690	4,206	2,903	2,959
Total warrant series quoted	4,743	5,140	3,564	3,050	2,886
Number of CHESS holding statements issued (m)	11.1	11.1	11.8	13.1	14.0



## 4.2 Trading Services – Cash Market Trading

	FY12	FY13	FY14	FY15	FY16
Trading days	253	252	253	254	254
Total cash market trades ('000)	165,806	174,750	181,861	190,647	235,923
Average daily cash market trades	655,359	693,454	718,817	750,578	928,829
Open trading (\$bn)	\$717.882	\$645.161	\$612.491	\$698.315	\$770.805
Auctions trading (\$bn)	\$147.213	\$147.418	\$157.338	\$193.292	\$209.412
Centre Point (\$bn)	\$19.789	\$36.953	\$61.135	\$74.933	\$78.941
Trade reporting (\$bn)	\$300.443	\$216.420	\$177.933	\$145.909	\$144.991
<b>Total cash market value (\$bn)</b>	<b>\$1,185.327</b>	<b>\$1,045.952</b>	<b>\$1,008.897</b>	<b>\$1,112.449</b>	<b>\$1,204.149</b>
Average daily on-market value (\$bn)	\$3.498	\$3.292	\$3.284	\$3.805	\$4.170
Average daily value (including Trade reporting) (\$bn)	\$4.685	\$4.151	\$3.988	\$4.380	\$4.741
Average trade size (\$)	\$7,149	\$5,985	\$5,548	\$5,835	\$5,104
Total billable value (\$bn)	\$1,161.573	\$1,024.227	\$989.760	\$1,092.799	\$1,189.162
Average fee per \$1,000 of value traded (cents) <sup>1</sup>	10.5	11.0	11.6	11.3	11.6
Average fee per dollar of value (bps)	1.05	1.10	1.16	1.13	1.16
Velocity (total value / average market capitalisation) <sup>2</sup>	97%	86%	78%	82%	92%
Number of dominant settlement messages (m)	16.1	15.4	15.2	15.7	17.1



1. For every \$1,000 of value ASX earns 11.6 cents inclusive of trading, clearing and settlement for both sides of the transaction

2. Total value transacted on all venues

## 4.2 Trading Services – Technical Services

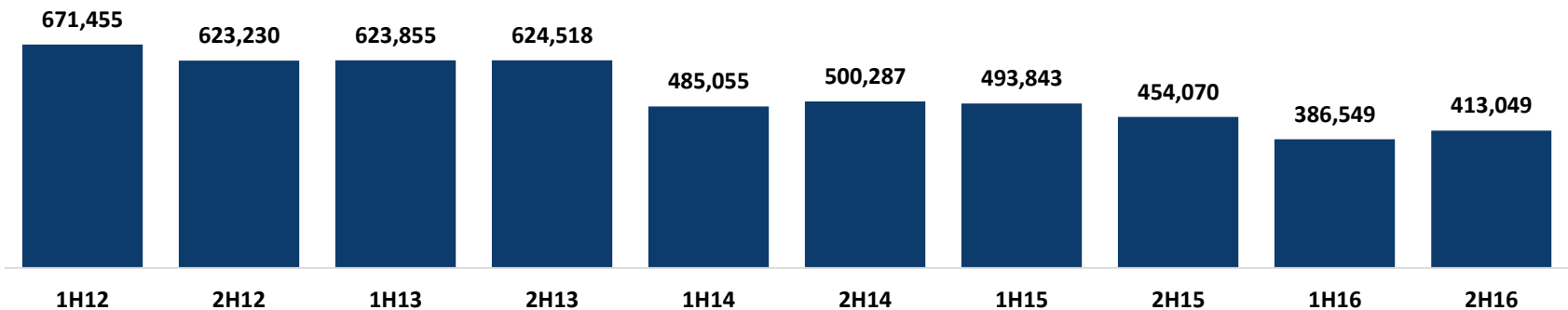
	FY12	FY13	FY14	FY15	FY16
<b>Technical Services (number at period end)</b>					
<b>Liquidity access</b>					
ASX sessions	1,737	1,526	1,431	1,185	1,113
ASX gateways	302	248	233	207	192
ASX liquidity cross connects	75	70	61	55	57
ASX 24 gateways	352	272	241	228	208
ASX ITCH access	N/A	24	31	31	39
ASX OUCH access	N/A	19	31	44	58
ASX 24 liquidity cross connects	154	221	297	357	306
ASX 24 ITCH access	N/A	16	25	36	45
<b>Community and connectivity</b>					
ASX Net connections	125	140	122	126	116
ASX Net service feeds	270	356	356	358	382
Australian Liquidity Centre service connections	110	415	622	679	819
<b>Application services</b>					
ASX trader workstations / ASX Best terminals	609	491	318	277	251
<b>Hosting</b>					
Australian Liquidity Centre cabinets	76	117	142	188	231
Other data centre cabinets	8	7	7	8	8

Information Services terminal numbers are no longer being reported. As more customers utilise enterprise wide agreements for data, the statistic is not a meaningful driver of Information Services revenue.

## 4.3 Equity Options

	FY12	FY13	FY14	FY15	FY16
Trading days (ASX)	253	252	253	254	254
Equity options ('000)	151,619	145,531	116,343	109,546	88,701
Index options ('000)	12,125	11,762	8,249	10,958	12,768
Grains futures and options on futures ('000) (transferred to ASX24 platform in Oct 11)	154	-	-	-	-
<b>Total contracts traded ('000)</b>	<b>163,898</b>	<b>157,293</b>	<b>124,592</b>	<b>120,504</b>	<b>101,469</b>
Average daily derivatives contracts	647,819	624,179	492,460	474,426	399,486
Average fee per derivatives contract	\$0.17	\$0.18	\$0.18	\$0.20	\$0.23

Options average daily contracts



## 4.3 Futures and OTC Clearing

	FY12	FY13	FY14	FY15	FY16
<i>Trading days (Futures)</i>	256	255	256	256	257
<b>Total contracts traded - futures ('000)</b>					
ASX SPI 200 <sup>1</sup>	11,811	10,259	9,715	10,301	12,105
90 day bank bills	21,652	25,866	25,903	28,706	29,567
3 year bonds	42,503	47,499	47,886	49,717	50,105
10 year bonds	17,220	21,211	25,520	29,498	36,079
20 year bonds <sup>2</sup>	N/A	N/A	N/A	N/A	423
30 day interbank cash rate	5,334	4,780	3,517	3,678	4,112
Agricultural	288	354	181	135	132
Electricity	183	168	165	224	257
Other <sup>3</sup>	5	19	20	107	137
NZD 90 day bank bills	1,597	1,176	1,157	1,394	1,915
<b>Total futures</b>	<b>100,593</b>	<b>111,332</b>	<b>114,064</b>	<b>123,760</b>	<b>134,832</b>

1. Includes Mini-ASX SPI 200 introduced 12 October 2015

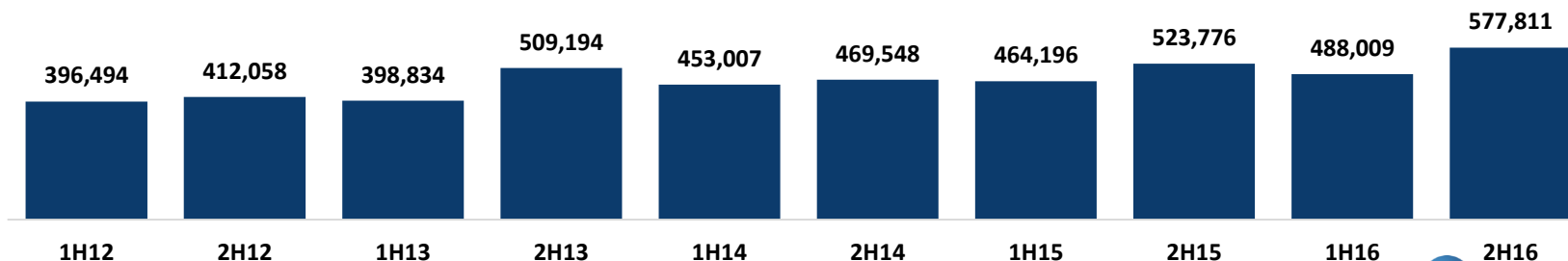
2. Introduced 21 September 2015

3. Other includes VIX and sector futures

## 4.3 Futures and OTC Clearing (continued)

	FY12	FY13	FY14	FY15	FY16
<b>Total contracts traded - options on futures ('000)</b>					
ASX SPI 200	477	349	473	454	363
90 day bank bills	25	7	4	-	4
3 year bonds	347	526	416	245	356
Overnight 3 year bonds	1,029	1,914	1,523	896	579
Intra-day 3 year bonds	978	1,443	1,527	927	660
Other	30	37	47	59	29
<b>Total options on futures</b>	<b>2,886</b>	<b>4,276</b>	<b>3,990</b>	<b>2,581</b>	<b>1,991</b>
<b>Total futures and options on futures contract volume ('000)</b>					
Daily average contracts - futures and options	404,215	453,365	461,148	493,520	532,386
Average fee per contract - futures and options	\$1.56	\$1.46	\$1.57	\$1.44	\$1.42
<b>OTC Markets</b>					
Total notional cleared value <sup>1</sup> (\$bn)	N/A	N/A	\$124.413	\$805.869	\$2,742.002

Futures average daily contracts

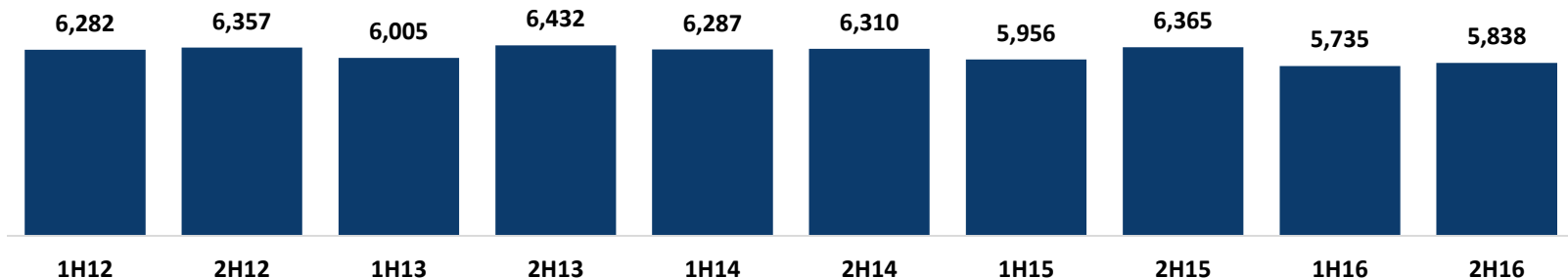


1. Cleared notional value is double-sided

## 4.3 Austraclear

	FY12	FY13	FY14	FY15	FY16
<i>Settlement days</i>	253	252	253	254	254
<b>Transactions ('000)</b>					
Cash transfers	616	587	600	602	590
Fixed interest securities	733	763	800	774	717
Discount securities	217	183	162	157	150
Foreign exchange	22	21	21	22	11
Other	11	12	10	9	2
<b>Total transactions</b>	<b>1,599</b>	<b>1,566</b>	<b>1,593</b>	<b>1,564</b>	<b>1,470</b>
Average daily settlement volume	6,319	6,214	6,298	6,156	5,786
Securities holdings (monthly average \$bn)	\$1,292.3	\$1,374.5	\$1,475.5	\$1,671.5	\$1,857.6
Securities holdings (period end \$bn)	\$1,330.9	\$1,406.8	\$1,571.8	\$1,752.5	\$1,895.6
Average settlement and depository fee (including portfolio holdings) per transaction (excludes registry services revenue)	\$13.54	\$14.01	\$14.18	\$14.88	\$15.60

Austraclear average daily settlement volume

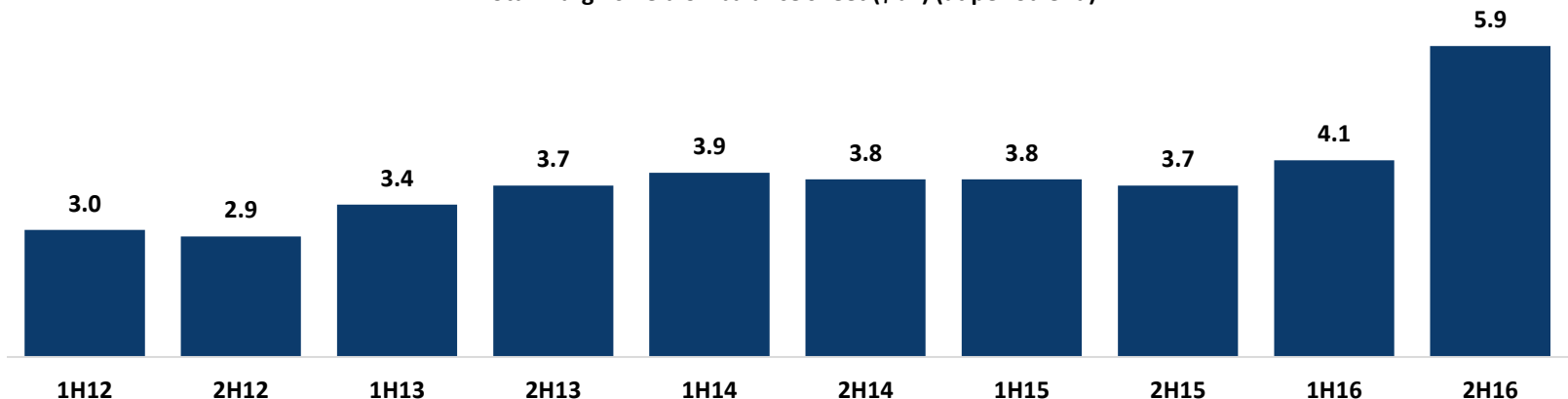




## 4.4 CCP Participant Collateral Balances

	FY12 \$ Million	FY13 \$ Million	FY14 \$ Million	FY15 \$ Million	FY16 \$ Million
<b>Balances at period end</b>					
ASX Clear – initial margins	254.5	561.4	549.8	673.7	815.7
ASX Clear (Futures) – initial margins House	686.6	907.0	849.3	746.0	1,293.7
ASX Clear (Futures) – initial margins Client	1,574.7	1,866.4	2,201.3	2,067.7	3,278.6
ASX Clear (Futures) – additional and excess	337.7	343.8	185.7	198.8	500.2
<b>Total margins held on balance sheet – (excluding commitments)</b>	<b>2,853.5</b>	<b>3,678.6</b>	<b>3,786.1</b>	<b>3,686.2</b>	<b>5,888.2</b>
Average daily margin balance during the period (excluding commitments)					
	2,581.7	3,523.2	3,716.4	3,915.5	4,365.9
ASX Clear – guarantees and equity collateral held off balance sheet					
	3,907.4	3,884.7	4,305.0	3,641.2	3,400.3

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



## 5. Free Cash Flow Summary

	FY12 \$ Million	FY13 \$ Million	FY14 \$ Million	FY15 \$ Million	FY16 \$ Million
<b>ASX Group cash</b>					
Total cash and short-term investments	3,696.1	4,496.2	5,015.6	4,879.0	7,072.8
Less participants' margins and commitments – cash backed	(2,939.6)	(3,753.1)	(3,986.1)	(3,886.2)	(6,088.2)
<b>ASX Group own cash reserves</b>	<b>756.5</b>	<b>743.1</b>	<b>1,029.5</b>	<b>992.8</b>	<b>984.6</b>
<b>Less specific own cash allocations</b>	<b>(558.3)</b>	<b>(558.3)</b>	<b>(768.3)</b>	<b>(768.3)</b>	<b>(768.3)</b>
<b>Available free cash</b>	<b>198.2</b>	<b>184.8</b>	<b>261.2</b>	<b>224.5</b>	<b>216.3</b>
<b>Free cash flow</b>					
<b>Free cash flow at period open</b>	<b>243.9</b>	<b>198.2</b>	<b>184.8</b>	<b>261.2</b>	<b>224.5</b>
Add:					
Cash generated from business activities	327.6	368.2	422.9	424.1	440.2
Cash from increase/(decrease) in borrowings	-	(250.0)	-	-	-
Cash from issue of shares	-	261.6	277.9	-	-
Less:					
Cash used for payment of dividends	(325.2)	(302.9)	(329.9)	(352.4)	(375.6)
Cash used for capital investments	(41.0)	(36.7)	(42.3)	(41.5)	(48.4)
Increase in inter-Group liquidity commitments	-	-	(10.0)	-	-
Additional equity designated to support the clearing default fund	-	-	(200.0)	-	-
Payments for investments	(7.1)	(53.6)	(42.2)	(66.9)	(24.4)
<b>Free cash flow at period end</b>	<b>198.2</b>	<b>184.8</b>	<b>261.2</b>	<b>224.5</b>	<b>216.3</b>

## 6. Capital Attribution

	FY12 \$ Million	FY13 \$ Million	FY14 \$ Million	FY15 \$ Million	FY16 \$ Million
<b>ASX Group shareholders' equity</b>	<b>2,995.0</b>	<b>3,321.8</b>	<b>3,670.9</b>	<b>3,759.7</b>	<b>3,824.1</b>
<b>Capital Attribution</b>					
ASX Clear – default fund contributed by ASX (held in ASX Clear)	150.0	250.0	250.0	250.0	250.0
ASX Clear (Futures) – default fund contributed by ASX (held in ASX Clear (Futures))	100.0	250.0	450.0	450.0	450.0
Business Risk Capital – ASX Clear & ASX Clear (Futures)	75.0	75.0	75.0	75.0	75.0
Business Risk Capital – ASX Settlement & Austraclear	139.3	147.5	157.4	165.8	170.6
Operational, Fixed Assets & Investment Risk	115.1	109.1	121.9	172.1	206.1
<b>Total capital attribution</b>	<b>579.4</b>	<b>831.6</b>	<b>1,054.3</b>	<b>1,112.9</b>	<b>1,151.7</b>
<b>Total paid in clearing default fund</b>					
ASX Clear	250.0	250.0	250.0	250.0	250.0
ASX Clear (Futures)	370.0	370.0	650.0	650.0	650.0

## 7. Cash Market Clearing and Settlement Income Statements

	Cash Market Clearing FY16 \$ Million	Cash Market Clearing FY15 \$ Million	Cash Market Settlement FY16 \$ Million	Cash Market Settlement FY15 \$ Million
Operating Revenue	54.3	47.5	48.5	45.1
Operating Expenses	11.5	10.7	13.4	12.5
<b>EBITDA</b>	<b>42.8</b>	<b>36.8</b>	<b>35.1</b>	<b>32.6</b>
Depreciation and Amortisation	1.9	2.1	0.2	0.2
<b>EBIT</b>	<b>40.9</b>	<b>34.7</b>	<b>34.9</b>	<b>32.4</b>
Interest Income	3.9	4.6	2.3	2.7
<b>Profit Before Tax</b>	<b>44.8</b>	<b>39.3</b>	<b>37.2</b>	<b>35.1</b>
Income Tax Expense	(13.4)	(11.8)	(11.2)	(10.5)
<b>Profit After Tax</b>	<b>31.4</b>	<b>27.5</b>	<b>26.0</b>	<b>24.6</b>
<b>Economic Profit after Capital Charge</b>	<b>9.7</b>	<b>5.6</b>	<b>12.5</b>	<b>9.9</b>
<b>EBITDA Margin</b>	<b>79%</b>	<b>77%</b>	<b>72%</b>	<b>72%</b>
<b>Total Capital</b>	<b>238.1</b>	<b>218.1</b>	<b>142.8</b>	<b>140.9</b>
<b>Return on Equity</b>	<b>13.2%</b>	<b>12.6%</b>	<b>18.2%</b>	<b>17.5%</b>

# 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 (18 August 2016). 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.

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Thank you

