

2015
HALF-YEAR
Financial Statements



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Directors' report

The directors present their report together with the financial statements of ASX Limited (ASX or the Company) and its subsidiaries (together referred to as the Group), for the half-year ended 31 December 2014 and the auditor's report thereon. The financial statements have been reviewed and approved by the directors on the recommendation of the ASX Audit and Risk Committee.

The consolidated net profit after tax for the half-year ended 31 December 2014 attributable to the owners of ASX was \$198.6 million (31 December 2013: \$189.6 million).

Directors

The directors of ASX in office during the half-year and at the date of this report (unless otherwise stated) were as follows:

Mr Rick Holliday-Smith
(Chairman)

Mr Elmer Funke Kupper
(Managing Director and CEO)

Ms Yasmin A Allen
(Appointed 9 February 2015)

Dr Ken R Henry AC

Mr Peter R Marriott

Ms Heather M Ridout AO

Mr Damian Roche
(Appointed 1 August 2014)

Ms Jillian S Segal AM

Mr Dominic J Stevens

Mr Peter H Warne

Results of operations

The Group's profit after tax for the half-year ended 31 December 2014 (1H15) increased by 4.7% to \$198.6 million from the prior comparable period (pcp). A summary income statement in line with the Group's segment note is reflected in the following table:

\$million	1H15	1H14	Variance % fav/(unfav)
Operating revenues	348.7	329.3	5.9%
Operating expenses	(81.4)	(77.2)	(5.4%)
EBITDA	267.3	252.1	6.0%
Depreciation and amortisation	(18.6)	(16.3)	(14.0%)
EBIT	248.7	235.8	5.5%
Interest and dividend income	34.4	34.2	0.3%
Profit before tax	283.1	270.0	4.8%
Tax expense	(84.5)	(80.4)	(5.0%)
Profit after tax	198.6	189.6	4.7%

Earnings per share (EPS)

The Group's earnings per share in 1H15 was 102.7 cents compared to 98.3 cents in the pcp. The EPS increase of 4.5% from the pcp is due to the increase in profitability, offset by the higher weighted average number of shares on issue, following the equity raising by ASX in July 2013.

Dividends

The Group's dividend policy is to pay 90% of underlying earnings after tax. This measure excludes amounts regarded as significant non-recurring items of revenue and expenses. This policy remained unchanged in the current half-year.

Directors' report continued

The Board determined to pay an FY15 interim dividend of 92.3 cents per share on 18 March 2015, compared to 88.2 cents per share paid in the pcp. The increase in the dividend reflects the effect of the higher earnings as the 90% payout ratio has remained consistent.

The following table includes information relating to dividends in respect of the prior and current financial years, including dividends paid or declared by the Company since the end of the previous financial year:

Type	Cents per share	Total amount \$m	Date of payment
In respect of the current financial year:			
Interim	92.3	178.7	18 March 2015
In respect of the prior financial year:			
Interim	88.2	170.8	26 March 2014
Final	89.9	174.0	24 September 2014
Total	178.1	344.8	

Dividends are fully franked based on a tax rate of 30%.

Operating revenues

Group operating revenues as reported in the segment note increased 5.9% to \$348.7 million in 1H15 compared to the pcp.

The following table depicts the contribution to operating revenues from ASX's various business activities. Derivatives and over-the-counter (OTC) markets is ASX's largest business contributing 29.6% to total Group revenue during 1H15.

Revenue category	1H15	1H14	Variance % fav/(unfav)
Listings and issuer services	87.9	81.5	7.9%
Cash market trading	17.4	16.6	5.1%
Cash market clearing	23.0	21.7	6.2%
Cash market settlement	21.5	20.9	2.5%
Derivatives and OTC markets	103.2	99.8	3.3%
Information services	36.7	33.9	8.2%
Technical services	28.8	26.2	9.9%
Austraclear	22.3	20.5	9.0%
Other revenue	7.9	8.2	(3.1%)
Total operating revenues	348.7	329.3	5.9%

Commentary on operating revenues for the various business activities is detailed below.

Listings and issuer services – \$87.9 million, up 7.9%

Activity drivers across primary markets were stronger than the pcp with more new listings, secondary capital raised and an increase in equity holding statements. These increases were partly offset by lower turnover activity in structured products.

- Annual listing revenue – up 13.5% to \$34.8 million. There were 2,208 entities on the ASX official list of companies at 31 December 2014 compared to 2,195 a year earlier. An increase in market capitalisation combined with fee increases led to the increase in revenue compared to pcp.
- Initial listing revenue – up 1.8% to \$11.4 million. There were 71 IPOs compared to 69

in the pcp. In 1H15 there were 12 IPOs in the technology sector, compared to 4 in the pcp. Capital raised from new listings amounted to \$19.0 billion, up from \$17.8 billion in the pcp.

- Secondary capital raisings revenue – up 3.6% to \$21.2 million. This follows a 3.8% increase in the amount of capital raised to \$19.6 billion, compared to \$18.9 billion in the pcp.
- Issuer services revenue – up 15.9% to \$17.0 million. The increase in revenue resulted from the growth in the number of equity holding statements from the pcp following an increase in IPOs and equity trading activity, as well as higher revenue from corporate actions.
- Other revenue – down 21.4% to \$3.5 million partly as a result of lower turnover activity. There were 3,107 warrants listed at 31 December 2014, a decrease of 30.2% compared to pcp.

Cash market – \$61.9 million, up 4.6%

Cash market revenue includes fees for trading, clearing and settlement of ASX-quoted securities including equities, debt securities, warrants and exchange-traded funds.

Total cash market value traded and reported on ASX was up 2.9% from the pcp. ASX operates revenue rebate schemes across trading, clearing and settlement; \$2.2 million of rebates were accrued in 1H15 compared to \$0.6 million in the pcp.

- Trading revenue – up 5.1% to \$17.4 million. The increase resulted primarily from an increase in the on-market value traded on ASX, which was up 8.9%, offset by the provision of higher rebates. ASX's market

share of on-market trading averaged 90% in 1H15 compared to 91% in the pcp.

- Clearing revenue – up 6.2% to \$23.0 million. The total valued cleared increased 9.4% to \$490.6 billion reflecting the increase in on-market trading across all venues in Australia. ASX centrally clears these trades through a licensed central counterparty clearing subsidiary.
- Settlement revenue – up 2.5% to \$21.5 million. Higher on-market trading activity levels led to higher volume of settlement messages.

Derivatives and OTC markets – \$103.2 million, up 3.3%

Derivatives revenue includes revenue for trading and clearing of futures and options on ASX and ASX24 markets, and clearing of OTC interest rate derivatives.

- ASX – up 27.1% to \$12.8 million. ASX derivatives include single stock equity and index options. The increase in revenue was due to a 1.8% increase in the value of contracts traded and an one-off rebate accrual in the pcp. Lower rebates applied in 1H15 compared to the pcp, due in part to a change in mix between different categories of users.
- ASX 24 – up 0.6% to \$90.4 million. ASX 24 derivatives include futures and options over futures, as well as clearing of OTC derivatives. The increase in revenue was driven by a 2.5% increase in futures and options contract volumes traded, offset by higher rebates, and fee reductions in interest rate derivatives from 1 October, and electricity derivatives from 1 July.

Directors' report continued

Information services – \$36.7 million, up 8.2%
Information services includes the provision of real-time market information for the cash and derivative markets, company news and index and other reference data. Fee changes were made on 1 July in order to align with differing user requirements.

Technical services – \$28.8 million up 9.9%
Technical services facilitates market connectivity and access for customers to ASX and third-party services. Revenue from Technical services increased following higher usage of data centre services.

- Liquidity access – up 8.4% to \$15.5 million. The total number of Australian Liquidity Centre (ALC) service connections increased from 545 to 689.
- Community and connectivity – up 8.5% to \$8.2 million, attributed to the growth in users of ASX technical services provided at ALC and through its data networks.
- Application services – up 1.8% to \$1.6 million due to higher usage of services, partly offset by fewer ASX Best terminals which decreased from 393 to 283.
- Hosting – up 25.7% to \$3.5 million. The number of customer cabinets hosted in the ALC increased from 133 to 179.

Austraclear – \$22.3 million, up 9.0%
Austraclear revenue represents fees earned from settlement, depository and registry services for debt securities and cash transactions.

- Transaction revenue – flat on pcp at \$8.2 million. Transaction revenue is generated from the real-time delivery versus payment

settlement for securities and the real-time gross settlement of cash transactions. The total number of transactions declined 5.3%.

- Holdings revenue – up 5.0% to \$3.2 million. As a central securities depository, Austraclear generates revenue from providing depository services for fixed income securities. The value of securities held increased by 15.2% to \$1.7 trillion compared to the pcp.
- Registry revenue – up 17.7% to \$10.9 million. Registry revenue is predominantly driven by the value of new and existing securities registered.

Operating expenses

The Group's operating expenses (excluding finance costs and depreciation and amortisation) increased by 5.4% to \$81.4 million compared to the pcp.

The increase resulted mainly from higher staff costs which increased 5.6% to \$49.9 million. This was due to salary increases and lower capitalisation of staff costs. The average fulltime equivalent (FTE) headcount of 526 decreased from 532 in the pcp, with an FTE of 523 at 31 December 2014 compared to 533 a year earlier.

Other operating costs increased 5.1% to \$31.5 million. This was due to higher administration costs relating to a number of marketing campaigns and higher variable costs as a result of the increased production of equity holding statements.

Depreciation and amortisation expenses increased 14.0% to \$18.6 million. This was due to the increased capital investment in prior periods in new services as well as ongoing technology maintenance and refresh of existing platforms.

Capital expenditure

The Group incurred \$13.0 million on capital expenditure during the half-year, compared to \$18.6 million in the pcp. Approximately \$4.2 million of the expenditure related to the Group's post-trade services. Other capital expenditure related to a range of business initiatives including development of a 24 hour Customer Support Centre, and normal maintenance programs.

Net interest and dividend income

Net interest and dividend income increased 0.3% to \$34.4 million. Net interest consists of two components, interest earned on ASX's cash balances and net interest earned from the investment of participant collateral balances.

Interest income on ASX's own cash balances increased 2.7% to \$14.9 million due to higher average balances for the half-year compared to the pcp.

Net interest earned from the investment of collateral balances decreased 11.3% to \$14.6 million. This decrease was due to lower average collateral balances and lower investment earnings. Collateral balances averaged \$3,571.1 million in 1H15 down 8.9% as ASX 24 derivative open positions decreased. The Group's net earning rate on the collateral invested averaged 40 basis points, down from 44 basis points in the pcp.

Dividend income from ASX's shareholding in IRESS increased 46.5% to \$4.9 million.

Financial position

At 31 December 2014, the net assets of the Group were \$3,751.9 million, up 2.2% from 30 June 2014. The increase in net assets was primarily attributable to the increase in the fair value of investments in listed entities. In addition, retained earnings increased \$24.7 million from continuing business operations.

A summary balance sheet is presented below.

\$million	31 Dec 2014	30 Jun 2014	Variance %
Assets			
Cash and available-for-sale financial assets	5,027.3	5,015.6	0.2%
Goodwill	2,317.6	2,317.6	-
Investments in listed entities	329.3	250.5	31.5%
Equity accounted investments	65.3	-	100%
Other assets	341.5	425.1	(19.7%)
Total assets	8,081.0	8,008.8	0.9%
Liabilities			
Amounts owing to participants	3,997.4	3,986.1	0.3%
Other liabilities	331.7	351.8	(5.7%)
Total liabilities	4,329.1	4,337.9	(0.2%)
Equity			
Capital	3,027.2	3,027.2	-
Retained earnings	505.6	480.9	5.1%
Reserves	219.1	162.8	34.6%
Total equity	3,751.9	3,670.9	2.2%

The following balance sheet items contributed to significant movements in assets and liabilities during the half-year:

Directors' report continued

Investments in listed securities – up \$78.8 million or 31.5%

Investments in listed securities reflects ASX's shareholding in IRESS Limited, a listed entity providing financial market and wealth management technology solutions.

The increase is primarily related to the appreciation in the value of the holding. The Group's shareholding remained at approximately 19%.

Equity accounted investments – \$65.3 million

On 28 November 2014, ASX acquired a 49.0% shareholding in Yieldbroker Pty Ltd (Yieldbroker) for cash consideration of \$65 million.

Yieldbroker specialises in operating licensed electronic markets for trading Australian and New Zealand debt securities and interest rate derivatives. ASX and Yieldbroker will be working together to deliver the next generation of Australia's financial market trading infrastructure and to support Yieldbroker's growth ambitions in domestic and international markets.

Reserves – up \$56.3 million or 34.6%

The asset revaluation reserve increased \$55.6 million largely due to the appreciation in the value of the holding in IRESS with the remainder relating to the increase in the fair value of the available-for-sale investments.

Rounding of amounts

ASX is a company of the kind referred to in ASIC Class Order 98/100 dated 10 July 1998. In accordance with that class order, amounts in the financial statements and the directors' report have been rounded off to the nearest hundred thousand dollars, unless otherwise indicated.

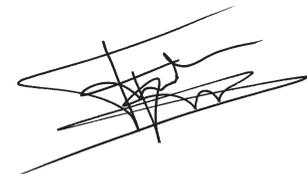
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out as follows.

Signed in accordance with a resolution of the directors.



Rick Holliday-Smith
Chairman



Elmer Funke Kupper
Managing Director and CEO

Sydney, 12 February 2015



Auditor's independence declaration

As lead auditor for the review of ASX Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of ASX Limited and the entities it controlled during the period.



Matthew Lunn
Partner

PricewaterhouseCoopers

Sydney
12 February 2015

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Consolidated statement of comprehensive income

For the half-year ended	Note	31 Dec 2014 \$m	31 Dec 2013 \$m
Revenue			
Listings and issuer services		88.4	82.0
Cash market		61.9	59.2
Derivatives and OTC markets		103.2	100.1
Information services		36.7	33.9
Technical services		29.3	26.9
Austraclear		22.3	20.5
Interest income		73.9	70.9
Dividend income		4.9	3.3
Other		8.0	8.4
	2	428.6	405.2
Expenses			
Staff		(49.9)	(47.2)
Occupancy		(6.7)	(6.9)
Equipment		(12.7)	(12.3)
Administration		(13.1)	(12.5)
Depreciation and amortisation		(18.6)	(16.3)
Finance costs		(44.5)	(40.0)
	2	(145.5)	(135.2)
Profit before income tax expense		283.1	270.0
Income tax expense		(84.5)	(80.4)
Net profit for the half-year attributable to owners of the Company		198.6	189.6

For the half-year ended	Note	31 Dec 2014 \$m	31 Dec 2013 \$m
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Change in the fair value of available-for-sale investments		54.0	42.6
Change in the fair value of available-for-sale financial assets		0.7	0.3
Change in the fair value of cash flow hedges		0.9	(0.3)
Other comprehensive income for the half-year, net of tax		55.6	42.6
Total comprehensive income for the half-year attributable to owners of the Company		254.2	232.2
Earnings per share			
Basic earnings per share (cents per share)		102.7	98.3
Diluted earnings per share (cents per share)		102.7	98.3

Consolidated balance sheet

As at	Note	31 Dec 2014 \$m	30 Jun 2014 \$m
Current assets			
Cash and funds on deposit		2,048.4	2,607.8
Available-for-sale financial assets	3	2,978.9	2,407.8
Receivables		196.9	274.1
Other assets		8.8	9.7
Total current assets		5,233.0	5,299.4
Non-current assets			
Investments in listed entities		329.3	250.5
Equity accounted investments	6	65.3	-
Intangible assets – goodwill		2,317.6	2,317.6
Intangible assets – software	7	84.9	88.7
Property, plant and equipment		50.9	52.6
Total non-current assets		2,848.0	2,709.4
Total assets		8,081.0	8,008.8

As at	Note	31 Dec 2014 \$m	30 Jun 2014 \$m
Current liabilities			
Amounts owing to participants		3,797.4	3,786.1
Payables		149.8	242.6
Current tax liabilities		52.4	42.3
Provisions		13.5	13.3
Other current liabilities		62.7	14.9
Total current liabilities		4,075.8	4,099.2
Non-current liabilities			
Amounts owing to participants		200.0	200.0
Net deferred tax liabilities		41.1	25.7
Provisions		12.0	12.8
Other non-current liabilities		0.2	0.2
Total non-current liabilities		253.3	238.7
Total liabilities		4,329.1	4,337.9
Net assets		3,751.9	3,670.9
Equity			
Issued capital	5	3,027.2	3,027.2
Retained earnings		505.6	480.9
Restricted capital reserve		71.5	71.5
Asset revaluation reserve		138.1	82.5
Equity compensation reserve		9.5	8.8
Total equity		3,751.9	3,670.9

Consolidated statement of changes in equity

	Issued capital \$m	Retained earnings \$m	Restricted capital reserve \$m	Asset revaluation reserve \$m	Equity compensation reserve \$m	Total equity \$m
For the half-year ended 31 December 2014						
Opening balance at 1 July 2014	3,027.2	480.9	71.5	82.5	8.8	3,670.9
Profit for the period	-	198.6	-	-	-	198.6
Other comprehensive income for the period	-	-	-	55.6	-	55.6
Total comprehensive income for the period, net of tax	-	198.6	-	55.6	-	254.2
Transactions with owners in their capacity as owners:						
Share-based payments	-	-	-	-	0.7	0.7
Dividends provided for or paid	-	(173.9)	-	-	-	(173.9)
Closing balance at 31 December 2014	3,027.2	505.6	71.5	138.1	9.5	3,751.9
For the half-year ended 31 December 2013						
Opening balance at 1 July 2013	2,746.4	427.6	71.5	68.0	8.3	3,321.8
Profit for the period	-	189.6	-	-	-	189.6
Other comprehensive income for the period	-	-	-	42.6	-	42.6
Total comprehensive income for the period, net of tax	-	189.6	-	42.6	-	232.2
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	280.8	-	-	-	-	280.8
Share-based payments	-	-	-	-	0.6	0.6
Dividends provided for or paid	-	(159.2)	-	-	-	(159.2)
Closing balance at 31 December 2013	3,027.2	458.0	71.5	110.6	8.9	3,676.2

Consolidated statement of cash flows

For the half-year ended	Note	31 Dec 2014 \$m	31 Dec 2013 \$m
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		424.7	405.3
Payments to suppliers and employees (inclusive of GST)		(123.3)	(123.3)
		301.4	282.0
Interest received		74.6	70.4
Interest paid		(42.7)	(40.0)
Dividends received		4.9	3.3
Income taxes paid		(82.9)	(76.4)
Net cash inflow from operating activities	9	255.3	239.3
Cash flows from investing activities			
(Decrease)/increase in participants' margins and commitments		(29.4)	251.6
Payments for equity accounted investments		(65.3)	-
Payments for investments in listed entities		(1.6)	(42.2)
Payments for other non-current assets		(16.4)	(20.6)
Net cash (outflow)/inflow from investing activities		(112.7)	188.8
Cash flows from financing activities			
Proceeds from issues of shares		-	277.9
Dividends paid		(173.9)	(159.2)
Net cash (outflow)/inflow from financing activities		(173.9)	118.7
Net (decrease)/increase in cash and cash equivalents		(31.3)	546.8

For the half-year ended	Note	31 Dec 2014 \$m	31 Dec 2013 \$m
Increase in fair value of cash and cash equivalents		2.3	-
Increase in cash and cash equivalents due to changes in foreign exchange rates		40.7	28.7
Cash and cash equivalents at the beginning of the financial period		5,015.6	4,496.2
Cash and cash equivalents at the end of the financial period		5,027.3	5,071.7
Cash and cash equivalents consists of:			
ASX Group funds		1,029.9	1,038.3
Participants' margins and commitments		3,997.4	4,033.4
Total cash and cash equivalents*		5,027.3	5,071.7

* Total cash and cash equivalents includes cash and funds on deposit and available-for-sale financial assets.

Notes to the financial statements

1. Basis of preparation

ASX Limited (the Company or ASX) is a company domiciled and incorporated in Australia. The half-year financial statements are for the consolidated entity consisting of ASX and its subsidiaries (together referred to as the Group).

The half-year financial statements were authorised for issuance by the Board of Directors on 12 February 2015.

The half-year financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial statements do not include all of the information required for full-year financial statements. Accordingly, these financial statements should be read in conjunction with the consolidated financial statements for the year ended 30 June 2014 and any public announcements made by the Company during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies applied by the Group in the consolidated financial statements for the year ended 30 June 2014 have been consistently applied in these half-year financial statements.

New and amended standards and interpretations adopted by the Group

There are no new or amended standards applicable for the first time for the December 2014 half-year report that affect the Group's accounting policies or any of the amounts recognised in the financial statements.

2. Segment reporting

(a) Description of segment

The Managing Director and CEO, as the Chief Operating Decision Maker (CODM), assesses performance of the Group as a single segment, being a vertically integrated organisation (eg providing services to the primary and secondary financial markets as well as post-trade activities) that provides a multi-asset class product offering.

Vertical integration includes the:

- exchange issuer services offered to public companies and other organisations
- trading venue or exchange activities for trading
- clearing and settlement activities offered to participants
- exchange and OTC products provided to other customers.

Multi-asset class service offerings include equities, interest rate, commodity and energy products across cash and derivatives markets.

In addition to reviewing performance based on statutory profit after tax, the CODM assesses the performance of the Group based on underlying profit after tax. This measure excludes amounts regarded as significant items of revenue and expenses such as those that may be associated with significant business restructuring or individual transactions of a non-recurring nature. There were no significant items in the current or prior financial period.

Group performance as measured by earnings before interest and tax (EBIT) and earnings before interest, tax, depreciation and amortisation (EBITDA) are also reviewed by the

CODM. In assessing performance, doubtful debt provisions and arrangements where revenue is shared with external parties is reclassified from expenses to operating revenues. Certain expenses are reclassified within operating expense categories, and gross interest income and expense is reclassified to net interest income.

(b) Segment results

The information provided on a regular basis to the CODM, along with a reconciliation to statutory profit after tax for the period attributable to owners of the Company, is provided on the following page.

Notes to the financial statements continued

Half-year ended 31 December 2014	Segment information \$m	Adjustments \$m	Consolidated income statement \$m
Revenue			
Listings and issuer services	87.9	0.5	88.4
Cash market	61.9	-	61.9
Derivatives and OTC markets	103.2	-	103.2
Information services	36.7	-	36.7
Technical services	28.8	0.5	29.3
Austraclear	22.3	-	22.3
Other	7.9	0.1	8.0
Operating revenues	348.7		
Interest income		73.9	73.9
Dividends		4.9	4.9
Total revenue		79.9	428.6
Expenses			
Staff	(49.9)	-	(49.9)
Occupancy	(6.7)	-	(6.7)
Equipment	(11.8)	(0.9)	(12.7)
Administration	(8.4)	(4.7)	(13.1)
Variable	(2.8)	2.8	-
ASIC supervision levy	(1.8)	1.8	-
Operating expenses	(81.4)		
EBITDA	(267.3)		
Finance costs		(44.5)	(44.5)
Depreciation and amortisation	(18.6)	-	(18.6)
Total expenses		(45.5)	(145.5)
EBIT	248.7		

Half-year ended 31 December 2014	Segment information \$m	Adjustments \$m	Consolidated income statement \$m
Net interest and dividend income			
Net interest income	14.9	(14.9)	-
Net interest on participant balances	14.6	(14.6)	-
Dividend income	4.9	(4.9)	-
Net interest and dividend income	34.4	(34.4)	-
Profit before tax	283.1	-	283.1
Income tax expense	(84.5)	-	(84.5)
Profit after tax	198.6	-	198.6

Notes to the financial statements continued

Half-year ended 31 December 2013	Segment information \$m	Adjustments \$m	Consolidated income statement \$m
Revenue			
Listings and issuer services	81.5	0.5	82.0
Cash market	59.2	-	59.2
Derivatives and OTC markets	99.8	0.3	100.1
Information services	33.9	-	33.9
Technical services	26.2	0.7	26.9
Austraclear	20.5	-	20.5
Other	8.2	0.2	8.4
Operating revenues	329.3		
Interest income		70.9	70.9
Dividends		3.3	3.3
Total revenue		75.9	405.2
Expenses			
Staff	(47.2)	-	(47.2)
Occupancy	(6.9)	-	(6.9)
Equipment	(11.6)	(0.7)	(12.3)
Administration	(7.3)	(5.2)	(12.5)
Variable	(2.3)	2.3	-
ASIC supervision levy	(1.9)	1.9	-
Operating expenses	(77.2)		
EBITDA	252.1		
Finance costs		(40.0)	(40.0)
Depreciation and amortisation	(16.3)	-	(16.3)
Total expenses		(41.7)	(135.2)
EBIT	235.8		

Half-year ended 31 December 2013	Segment information \$m	Adjustments \$m	Consolidated income statement \$m
Net interest and dividend income			
Net interest income	14.5	(14.5)	-
Net interest on participant balances	16.4	(16.4)	-
Dividend income	3.3	(3.3)	-
Net interest and dividend income	34.2	(34.2)	-
Profit before tax	270.0	-	270.0
Income tax expense	(80.4)	-	(80.4)
Profit after tax	189.6	-	189.6

Notes to the financial statements continued

3. Fair value measurements

The Group measures and recognises its investments in listed entities and available-for-sale financial assets at fair value on a recurring basis.

(a) Fair value hierarchy

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by each level of the following fair value measurement hierarchy:

- i. quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- ii. inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2)
- iii. inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Group's financial assets measured and recognised at fair value at 31 December 2014 and 30 June 2014. The Group did not have any financial liabilities or level 3 financial assets measured at fair value at 31 December 2014 or 30 June 2014.

	Level 1 \$m	Level 2 \$m	Total \$m
31 December 2014			
Assets			
Investments in listed entities	329.3	-	329.3
Available-for-sale financial assets			
- Bank bills	-	54.9	54.9
- Negotiable certificates of deposit	-	1,527.3	1,527.3
- Floating rate notes	-	1,091.4	1,091.4
- Bonds	171.2	134.1	305.3
Total assets	500.5	2,807.7	3,308.2

	Level 1 \$m	Level 2 \$m	Total \$m
30 June 2014			
Assets			
Investments in listed entities	250.5	-	250.5
Available-for-sale financial assets			
- Bank bills	-	58.9	58.9
- Negotiable certificates of deposit	-	1,169.9	1,169.9
- Floating rate notes	-	965.6	965.6
- Bonds	170.0	43.4	213.4
Total assets	420.5	2,237.8	2,658.3

There were no transfers between levels for recurring measurements during the half-year.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting date.

The Group did not measure any assets or liabilities at fair value on a non-recurring (i.e. non-continuous) basis as at 31 December 2014.

(b) Valuation techniques used to determine fair values

The fair value of the Group's external listed equity investment is determined by reference to the ASX-quoted closing price at reporting date. The fair value of Australian government bonds are determined by reference to published bond yields. As the fair value of the investment and government bonds are based on quoted market prices in active markets these instruments fall within level 1 of the fair value hierarchy.

Discounted cash flow analysis is used as the primary valuation technique for fair value measurement of available-for-sale financial assets. The fair value of bank bills, negotiable certificates of deposit and floating rate notes are determined by reference to money market bid rates, while the fair value of bank-issued bonds are determined by reference to the respective quoted bond yields.

As the fair value of these instruments is determined using valuation techniques rather than quoted market prices, they do not qualify for recognition in level 1 of the hierarchy. However, as the inputs (rates) used in the discounted cash flow analysis are derived from quoted market yields, and are readily observable in the market, these instruments qualify for recognition within level 2 of the fair value hierarchy.

Notes to the financial statements continued

(c) Fair values of other financial instruments

The Group also has a number of financial instruments which are not measured at fair value in the balance sheet. Due to their short-term nature, the carrying amounts of current receivables, current payables and other liabilities are assumed to approximate their fair value. The carrying amount of non-current payables approximates their fair value as the impact of discounting is not significant.

4. Dividends

Dividends recognised and paid by the Company in the half-year ended 31 December 2014:

	Cents per share	Total amount \$m
Final dividend for the year ended 30 June 2014	89.9	174.0

The above dividends paid by the Company in the current period include amounts attached to certain shares held by the Group's Long-Term Incentive Plan Trust (LTIP). The dividend revenue recognised by LTIP of \$0.1 million (31 December 2013: \$0.1 million) has been eliminated on consolidation.

Dividends recognised and paid by the Company in the half-year ended 31 December 2013:

	Cents per share	Total amount \$m
Final dividend for the year ended 30 June 2013	82.3	159.3

Dividends not recognised at the end of the half-year

Since the end of the half-year, the directors declared the below interim dividend which will be paid on 18 March 2015. The dividend will be fully franked based on tax paid at 30%.

	Cents per share	Total amount \$m
Interim dividend for the half-year ended 31 December 2014	92.3	178.7

The interim dividend has not been recognised in the financial statements for the half-year ended 31 December 2014, and will be recognised in the following reporting period.

5. Issued capital

(a) Movements in ordinary share capital

	31 Dec 2014 \$m	31 Dec 2013 \$m
Opening balance at 1 July	3,027.2	2,746.4
Rights issue – retail component	-	285.9
Less: transaction costs relating to the retail rights issue	-	(7.2)
Deferred tax credit recognised directly in equity	-	2.1
Closing balance at 31 December	3,027.2	3,027.2

	Number of shares	Number of shares
Opening balance at 1 July	193,595,162	184,066,764
Rights issue – retail component	-	9,528,398
Closing balance at 31 December	193,595,162	193,595,162

(b) Treasury shares

Opening balance at 1 July	(181,269)	(181,269)
Issue of deferred shares under the LTI plan	-	-
Closing balance at 31 December	(181,269)	(181,269)

The Group's Long-Term Incentive Plan trust holds treasury shares for the benefit of employees under the ASX LTI plan. The shares are deducted from the equity compensation reserve in equity. The total purchase cost of the treasury shares at 31 December 2014 was \$8.0 million (31 December 2013: \$8.0 million).

6. Equity accounted investments

On 28 November 2014, ASX acquired a 49.0% interest in an associate entity, Yieldbroker Pty Limited (Yieldbroker). Yieldbroker is domiciled in Australia and specialises in operating licensed electronic markets for trading Australian and New Zealand debt securities and interest rate derivatives. The Group accounts for its investments in associates using the equity accounting method.

The carrying value of the investment as at 31 December 2014 is \$65.3 million.

Notes to the financial statements continued

7. Intangible assets – software

During the half-year ended 31 December 2014, the Group incurred \$9.0 million of capital expenditure for intangible assets – software (31 December 2013: \$16.0 million).

8. Contingencies

(a) Novation

The Group, through the operation of its licensed clearing subsidiaries, has contingent liabilities as detailed below. ASX Clear and ASX Clear (Futures) provide central counterparty clearing by way of novation of certain financial assets and liabilities. The effect of novation is to make these subsidiaries contractually responsible for the obligations entered into by clearing participants on ASX and other markets. ASX Clear and ASX Clear (Futures) are wholly-owned subsidiaries of ASX Clearing Corporation Limited (ASXCC) which is a wholly-owned subsidiary of ASX.

Transactions between two participating organisations are replaced by novation, which simultaneously offsets the contract between ASX Clear or ASX Clear (Futures) and the buying party with the contract between ASX Clear or ASX Clear (Futures) and the selling party. From the perspective of ASX Clear and ASX Clear (Futures), all positions are matched.

ASX Clear Pty Limited

ASX Clear Pty Limited (ASX Clear) is the counterparty to certain derivatives contracts including exchange-traded options, futures and warrants and to cash market securities comprising equities, listed debt securities and managed investments.

As at 31 December 2014, total collateral lodged by clearing participants was \$4,352.3 million (30 June 2014: \$4,739.5 million). This was made up of the following:

- cash of \$450.5 million (30 June 2014: \$549.8 million)
- bank guarantees of \$15.9 million (30 June 2014: \$15.7 million)
- equity securities of \$3,885.9 million (30 June 2014: \$4,174.0 million).

The bank guarantees and equity securities are not recognised on balance sheet.

All net delivery and net payment obligations relating to cash market and derivative securities owing to or by participants as at 31 December 2014 were subsequently settled.

ASX Clear has the following financial resources available to support its central counterparty clearing activities (over and above collateral provided by participants):

	31 Dec 2014 \$m	30 June 2014 \$m
Restricted capital reserve	71.5	71.5
Equity provided by the Group	103.5	103.5
Subordinated debt provided by the Group	75.0	75.0
Paid in resources	250.0	250.0
Emergency assessments	300.0	300.0
Total financial resources	550.0	550.0

The financial resources at 31 December 2014 available to ASX Clear in the event of a clearing default would be applied in the following order:

1. collateral or other margin or contributions lodged by the defaulting participant with ASX Clear
2. restricted capital reserve of \$71.5 million
3. equity capital of \$103.5 million and subordinated debt of \$75.0 million provided by ASXCC, the immediate parent entity
4. contributions lodged by non-defaulting participants under the ASX Clear clearing rules. No contributions were lodged in the current or prior period
5. emergency assessments of \$300.0 million which can be levied on participants (nil has been levied for the period ended 31 December 2014 and for the year ended 30 June 2014).

Notes to the financial statements continued

ASX Clear (Futures) Pty Limited

ASX Clear (Futures) Pty Ltd (ASX Clear (Futures)) is the counterparty to certain exchange-traded and OTC derivative contracts. ASX Clear (Futures) is liable for the settlement of these derivative contracts novated between its clearing participants, and is supported by collateral received from clearing participants as well as by specific financial resources referred to as the Clearing Guarantee Fund.

ASX Clear (Futures) participants are required to lodge collateral on positions novated to the central counterparties. As at 31 December 2014, total collateral lodged by clearing participants and recognised on balance sheet was \$3,346.9 million (30 June 2014: \$3,236.3 million). This was made up of the following:

- cash of \$3,226.9 million (30 June 2014: \$3,118.3 million)
- debt securities of \$120.0 million (30 June 2014: \$118.0 million).

All net payment obligations relating to derivative market transactions owing to or by clearing participants of ASX Clear (Futures) as at 31 December 2014 were subsequently settled.

ASX Clear (Futures) has the following financial resources available to support its central counterparty clearing activities (over and above collateral provided by participants):

	31 Dec 2014 \$m	30 June 2014 \$m
Equity provided by the Group	30.0	30.0
Subordinated debt provided by the Group	90.0	90.0
Participant financial backing	100.0	100.0
Equity provided by the Group	150.0	150.0
Participant financial backing	100.0	100.0
Equity provided by the Group	180.0	180.0
Total financial resources	650.0	650.0

The financial resources available to ASX Clear (Futures) will be applied in the following order in the event of a participant default:

1. collateral and participant financial backing lodged by the defaulting participant with ASX Clear (Futures)
2. equity capital of \$30.0 million and subordinated debt of \$90.0 million provided by ASXCC, the immediate parent entity

3. participant financial backing lodged by participants, totalling \$100.0 million. Any defaulting participant's financial backing in this total will be included in amounts previously applied as part of amounts in (1) above

4. equity capital of \$150.0 million provided by the Group

5. participant financial backing lodged by participants, totalling \$100.0 million

6. equity capital of \$180.0 million provided by the Group.

With respect to items 3 and 5 above, participant financial backing refers to commitments provided by futures participants and OTC participants. A participant may be both a futures and OTC participant. The order of application in the event of a default will depend on the status of the defaulting participant. Where a participant default is only a single category (ie futures or OTC), then the non-defaulting participants' commitments from the same category are utilised in item 3. The other category participants' commitments are utilised in item 5. Where a defaulting participant is a participant in both futures and OTC, the other non-defaulting participants' commitments are apportioned for the purposes of 3 and 5.

In order to meet the licence obligations imposed by the Financial Stability Standards, both ASX Clear and ASX Clear (Futures) must maintain sufficient financial resources within their default funds. As the amounts required may vary over time depending on exposures positions, ASX Clear and ASX Clear (Futures) have an obligation to maintain sufficient balances within these funds. The entities have a number of ways in which they may provide additional fund resources including equity, debt, participant contributions or insurance.

(b) Securities Exchanges Guarantee Corporation (SEGC) – Levy

The National Guarantee Fund (NGF), which is administered by SEGC, is maintained to provide compensation for prescribed claims arising from dealings with market participants as set out in the *Corporations Act 2001*. If the net assets of the NGF fall below the minimum amount determined by the Minister in accordance with the *Corporations Act 2001*, SEGC may determine that ASX must pay a levy to SEGC. Where a levy becomes payable, ASX may determine that market participants must pay a levy, provided that the total amounts payable under this levy do not exceed the amount payable by ASX to SEGC. The amount in the NGF has not fallen below the applicable minimum amount since the NGF was formed and SEGC has not imposed any levies. In accordance with applicable accounting standards, neither SEGC nor NGF are consolidated by ASX.

Notes to the financial statements continued

9. Notes to the statement of cash flows

For the half-year ended	31 Dec 2014 \$m	31 Dec 2013 \$m
Reconciliation of the operating profit after income tax to the net cash flows from operating activities:		
Net profit after tax	198.6	189.6
Add non-cash items:		
Depreciation and amortisation	18.6	16.3
Share-based payments	0.7	0.6
Changes in assets and liabilities:		
Increase in tax balances	1.6	4.1
(Increase)/decrease in current receivables	(7.6)	1.8
Decrease/(increase) in other current assets	0.9	(1.0)
(Decrease) in payables	(4.7)	(9.2)
Increase in other current liabilities	47.8	40.9
(Decrease) in other non-current liabilities	-	(3.1)
Increase in current provisions	0.2	-
(Decrease) in non-current provisions	(0.8)	(0.7)
Net cash provided by operating activities	255.3	239.3

10. Events occurring after the balance sheet date

From the end of the reporting period to the date of this report, no matter or circumstance has arisen which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group.

At the date of this report, the Group announced that it is investing in its technology infrastructure and to facilitate this expects to incur a restructuring charge in the second half of the year of approximately \$6.5 million pre-tax.

Directors' declaration

In the opinion of the directors of ASX Limited (the Company):

(a) the financial statements and notes that are contained in pages 5 to 16 are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

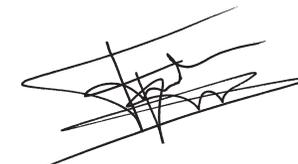
(ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Rick Holliday-Smith
Chairman



Elmer Funke Kupper
Managing Director and CEO

Sydney, 12 February 2015



Independent auditor's review report to the members of ASX Limited Report on the half-year financial report

We have reviewed the accompanying half-year financial report of ASX Limited (the company), which comprises the consolidated balance sheet as at 31 December 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the ASX Limited Group (the consolidated entity). The consolidated entity comprises both the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of ASX Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of ASX Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date, and

(b) complying with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

Matthew Lunn
Partner

Sydney
12 February 2015

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