



18 March 2015

Dear ASX Shareholder,

On 12 February 2015, ASX Limited (ASX) announced its half-year results for the six months to 31 December 2014 (1H15). Results were positive, with revenue growth in each of ASX's main businesses.

Profit after tax was \$198.6 million, up 4.7% on the prior corresponding period (1H14). Based on the Group's segment reporting:

- Revenues (excluding interest and dividends) \$348.7 million, up 5.9%
- Interest and dividend income \$34.4 million, up 0.3%
- Expenses (excluding depreciation and amortisation) \$81.4 million, up 5.4%
- Earnings per share 102.7 cents, up 4.5%

ASX declared an interim dividend of 92.3 cents per share fully franked, up 4.6%. A payout ratio of 90% of underlying earnings after tax<sup>1</sup> has been retained and the Dividend Reinvestment Plan will not operate for the interim dividend. Your dividend advice is enclosed.

### **Investing to position ASX in a changing financial market environment**

During the first half of the year ASX continued to develop its products and services. The initiatives aim to broaden the investment options for investors, improve the choices available to banks and brokers, and build the company's international competitiveness.

ASX expanded the number of client forums it runs and implemented fee reductions in its derivatives business. The fee reductions create a more sustainable business and improve the alignment between ASX and its customers in a globally competitive market.

ASX's position as one of the highest quality exchange groups in the world was confirmed with the receipt of a AA- long-term credit rating from Standard & Poor's for its equities clearing house, consistent with the ratings of the derivatives clearing house and ASX Limited.

At the time of the half-year results ASX announced that it will upgrade all of its main trading and post-trade platforms over the next three to four years. This investment will deliver greater innovation and efficiency to customers, reduce the cost and time it takes to launch new products, and ensure that the critical infrastructure provided by ASX remains amongst the best in the world.

### **Review of market structure for clearing Australian cash equities**

In February 2015, the Government announced that the Council of Financial Regulators will again review the market structure for clearing of Australian cash equities. Today, all Australian cash equities are cleared through a subsidiary of ASX.

Since 2013, ASX has been operating its cash equities clearing and settlement facilities under a Code of Practice that provides transparency of their operational and financial performance, and gives ASX clients input into the

---

<sup>1</sup> Underlying earnings after tax excludes amounts regarded as significant non-recurring items of revenue and expenses (nil in the six months to 31 December 2014).

forward investment program. The Code has been working well. For example, the Code has led to industry endorsement of a move from a three-day settlement cycle for cash equities to a two-day settlement cycle (T+2).

ASX believes that the case to retain a single clearing infrastructure remains strong. Benchmarking shows that for a market the size of Australia this is the most efficient and lowest risk solution. Moreover, a longer-term extension of the Code will provide ASX with the certainty it needs to invest in Australia's market infrastructure.

ASX expects that the outcome of the review will be announced mid-2015. If you would like to make a submission to the review by the regulators, please contact: [company.secretariat@asx.com.au](mailto:company.secretariat@asx.com.au)

### Board renewal

The Board was pleased to announce the appointment of Ms Yasmin Allen as a non-executive director of the company effective 9 February 2015. This appointment continues the Board's renewal program. Ms Allen will stand for election at ASX's Annual General Meeting on 30 September 2015.

Further details about the half-year results are available at: [www.asx.com.au/about/investor-relations.htm](http://www.asx.com.au/about/investor-relations.htm). ASX's full-year results for 2015 will be announced on 20 August 2015 and the AGM held on 30 September 2015 in Sydney. Any questions you would like to ask ASX can be emailed to: [company.secretariat@asx.com.au](mailto:company.secretariat@asx.com.au)

Thank you for your support. I look forward to updating you on ASX's full-year performance later this year.

Yours sincerely,



Rick Holliday-Smith  
Chairman