



ASX Limited - 2010 Full-Year Results

Robert Elstone, Managing Director and CEO

Peter Hiom, Deputy CEO

Ramy Aziz, Chief Financial Officer

19 August 2010



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 (19 August 2010). It is provided in summary and does not purport to be complete. You should not rely upon it as advice for investment purposes as it does not take into account your investment objectives, financial position or needs. These factors should be considered, with or without professional advice, when deciding if an investment is appropriate.

To the extent permitted by law, no responsibility for any loss arising in any way (including by way of negligence) from anyone acting or refraining from acting as a result of this material is accepted by the ASX Group or any of its related bodies corporate.





Important Notes

The financial statistics, including comparables, in this report are based on the ASX Group's pro-forma income statement which itself is not audited, but is based upon audited accounts.

There have been no material changes to accounting policies during the period.

All references to previous corresponding period (pcp) are for the 12 months to 30 June 2009.

All figures are in Australian dollars.





Agenda

- Introduction Robert Elstone
- Business Highlights and Initiatives Peter Hiom
- Financial Results Summary Ramy Aziz
- Post Balance Date Activity Robert Elstone
- Questions





Introduction

Robert Elstone
Managing Director and CEO





Financial Highlights FY10

- Underlying net profit after tax (NPAT) of \$332.6 million, up 6.1% (statutory NPAT of \$328.1 million, up 4.6%)
- Operating revenue excluding interest and dividends of \$588.2 million, up 9.2%
- Cash operating expenses of \$134.2 million, down 3.0%
- Underlying earnings per share (EPS) of 193.0 cents per share (cps), up 5.3%
- Final dividend of 84.0 cps declared. Full-year dividend up 5.0% to 173.1 cps





Financial Highlights FY10

- A comprehensive Annual Report has been released today, including statutory reports. This presentation provides a high level overview of the result
- Sound financial, operational and supervisory performance by the ASX Group
- Operating expense containment
- Supervision of trading and trading participants successfully transferred to ASIC
- New ASX brand structure was launched on 1 August
- Close to 100% availability of core systems applications



Business Highlights and Initiatives



Peter Hiom
Deputy CEO



Business Highlights and Initiatives



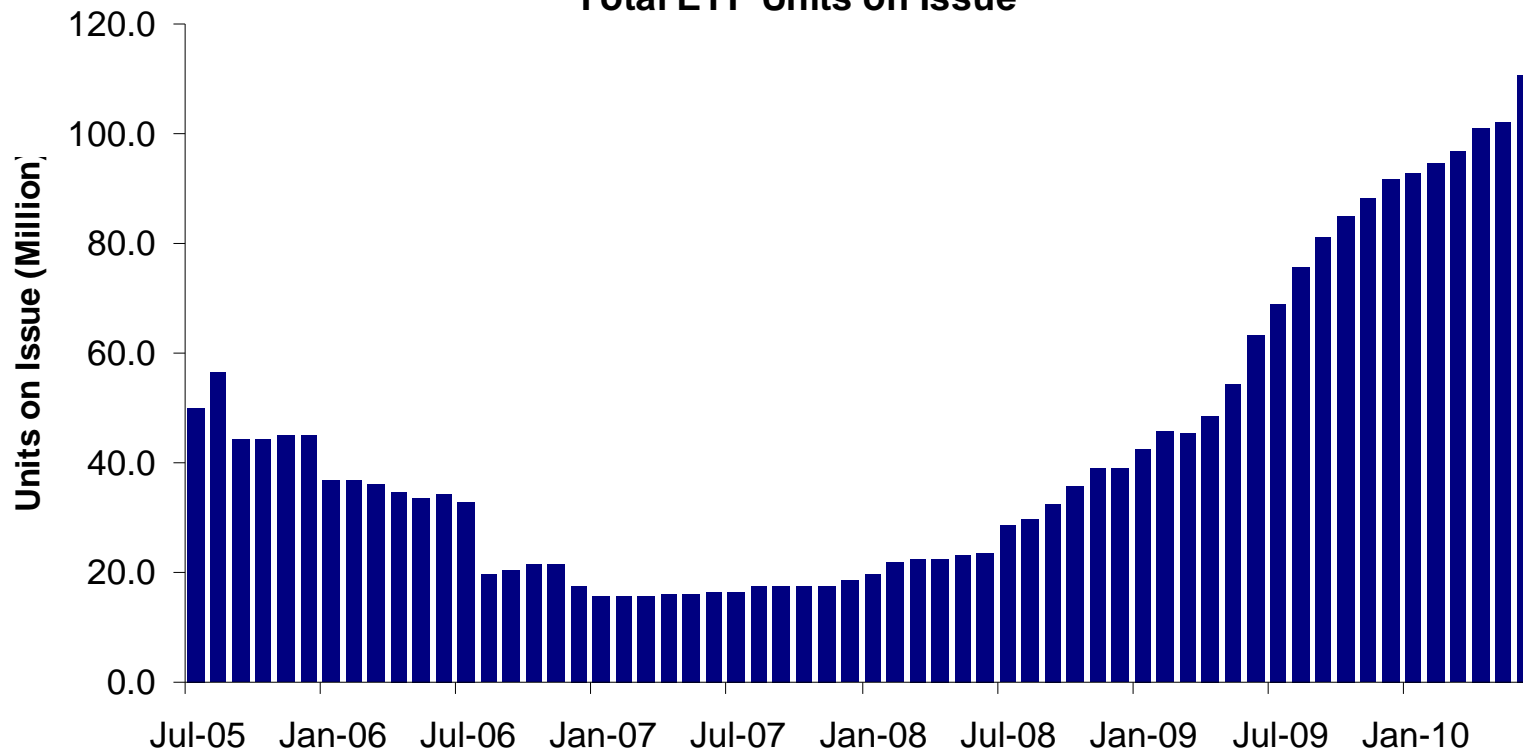
- Highlights
 - Exchange traded funds (ETFs)
 - Average trade size and average daily value
 - Equity derivatives
 - Futures and options
 - Electricity and grains
 - Austraclear
- Business initiatives
 - Developing new services
 - Implementing major projects
 - Contemporising and consolidating
 - Re-defining the offering
 - Delivering new services



Business Highlights FY10

Primary Market

Total ETF Units on Issue



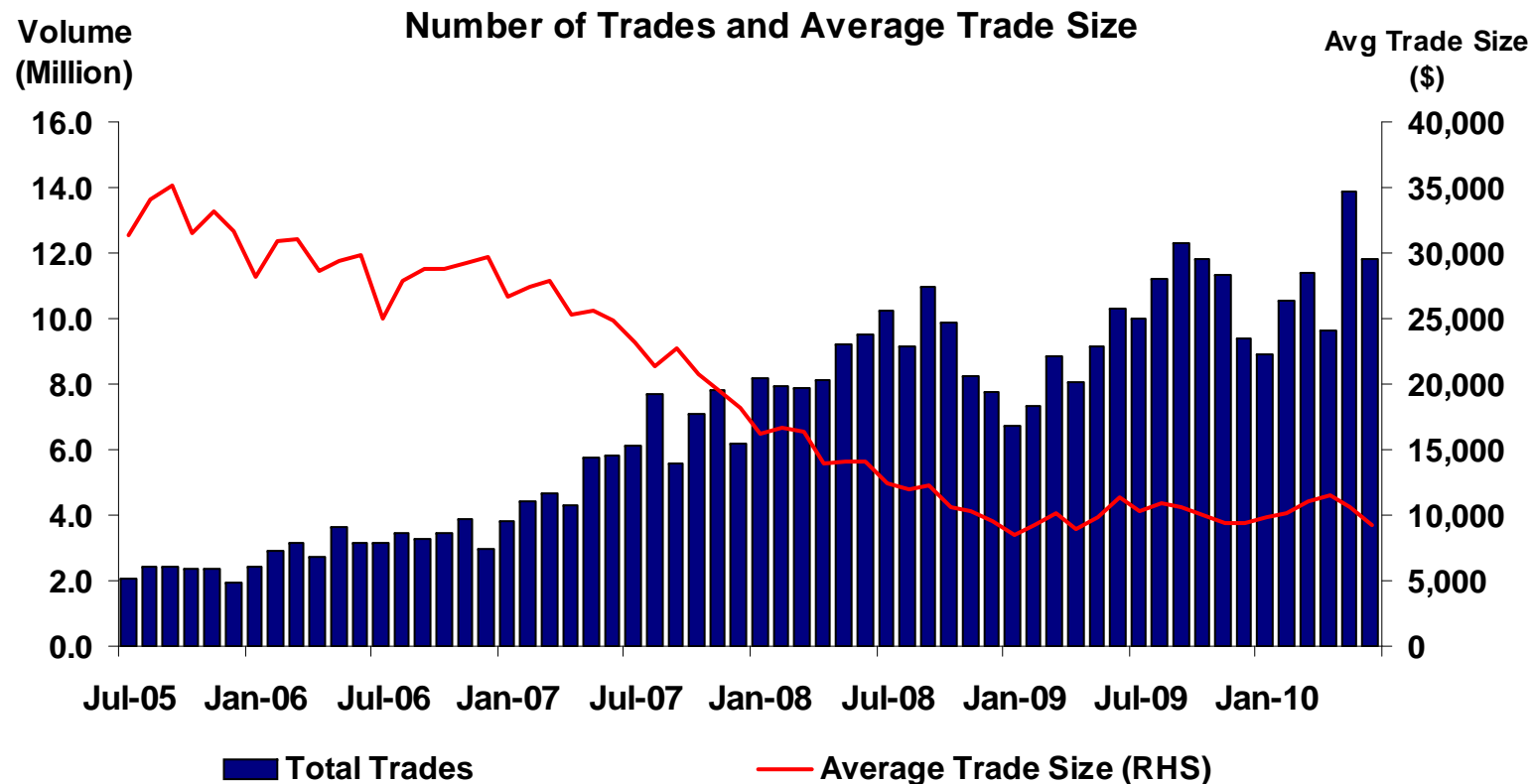
Strong ETF growth





Business Highlights FY10

Secondary Market



Continued growth in number of trades

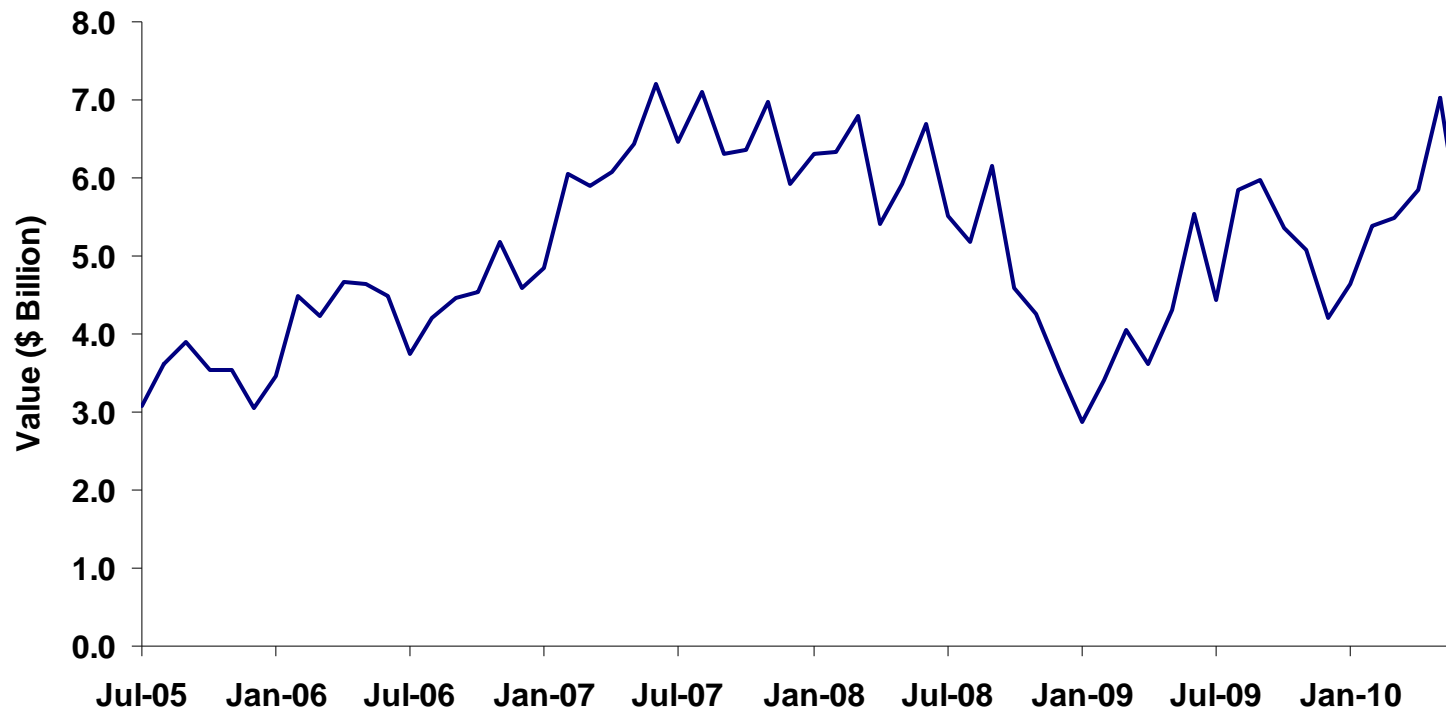




Business Highlights FY10

Secondary Market

Average Daily Value



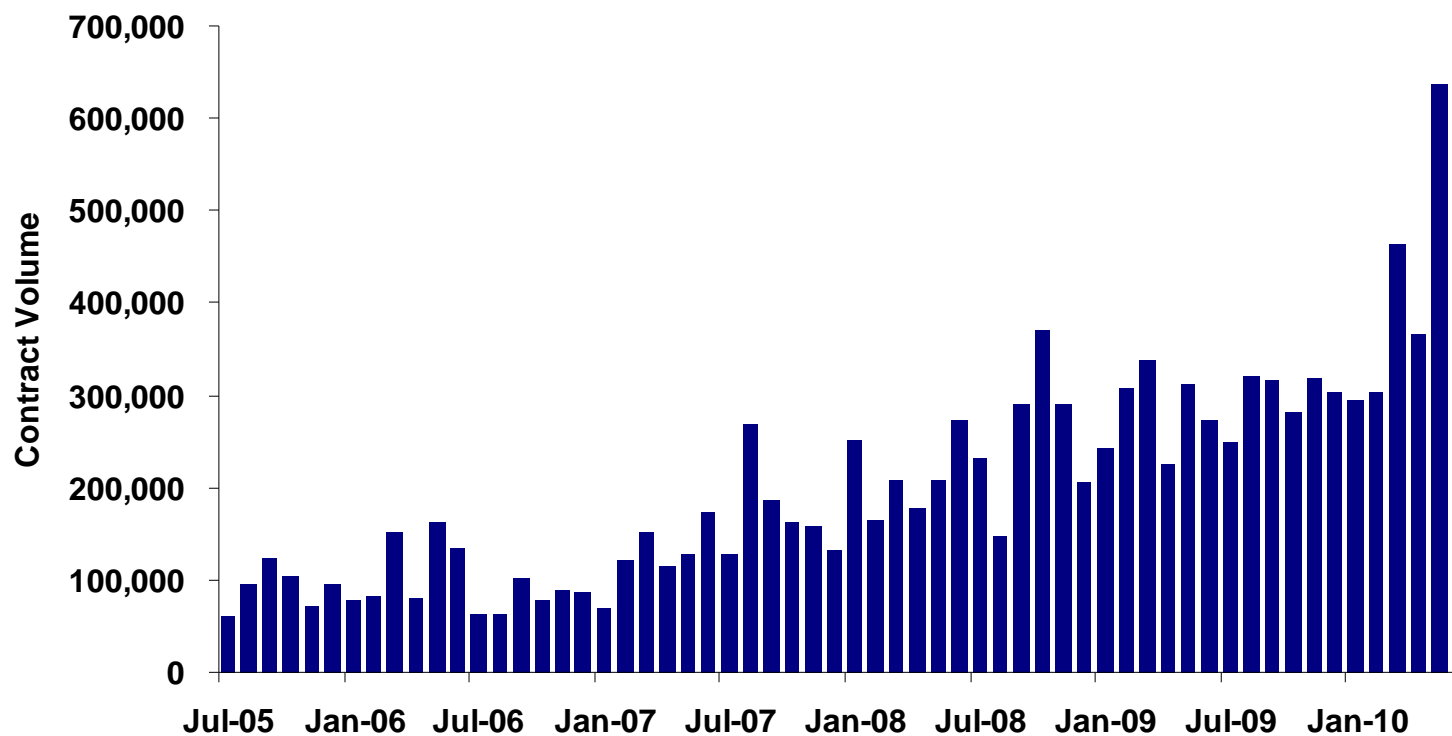
Average daily value recovery continues in FY10



Business Highlights FY10

Derivatives

Index Options Contracts (XJO)

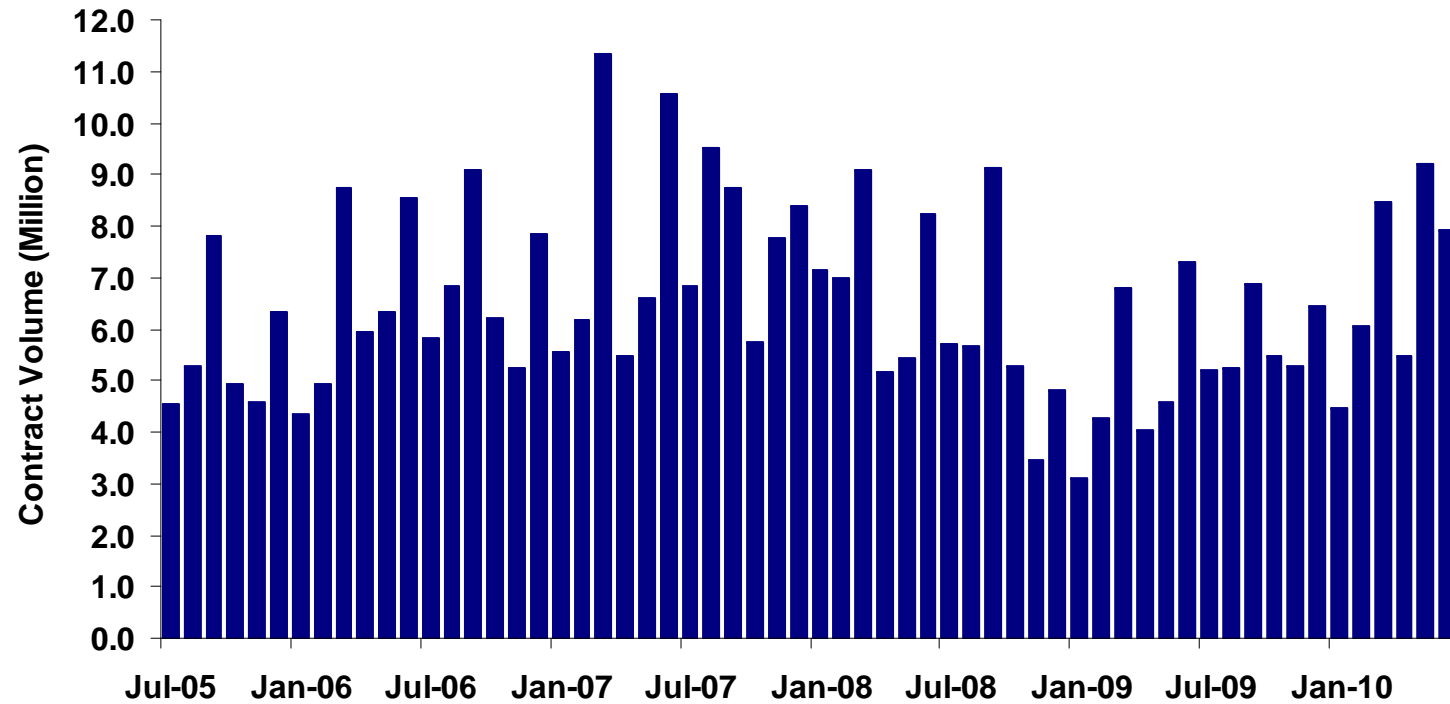


Strong growth in index option volumes



Business Highlights FY10

Futures & Options



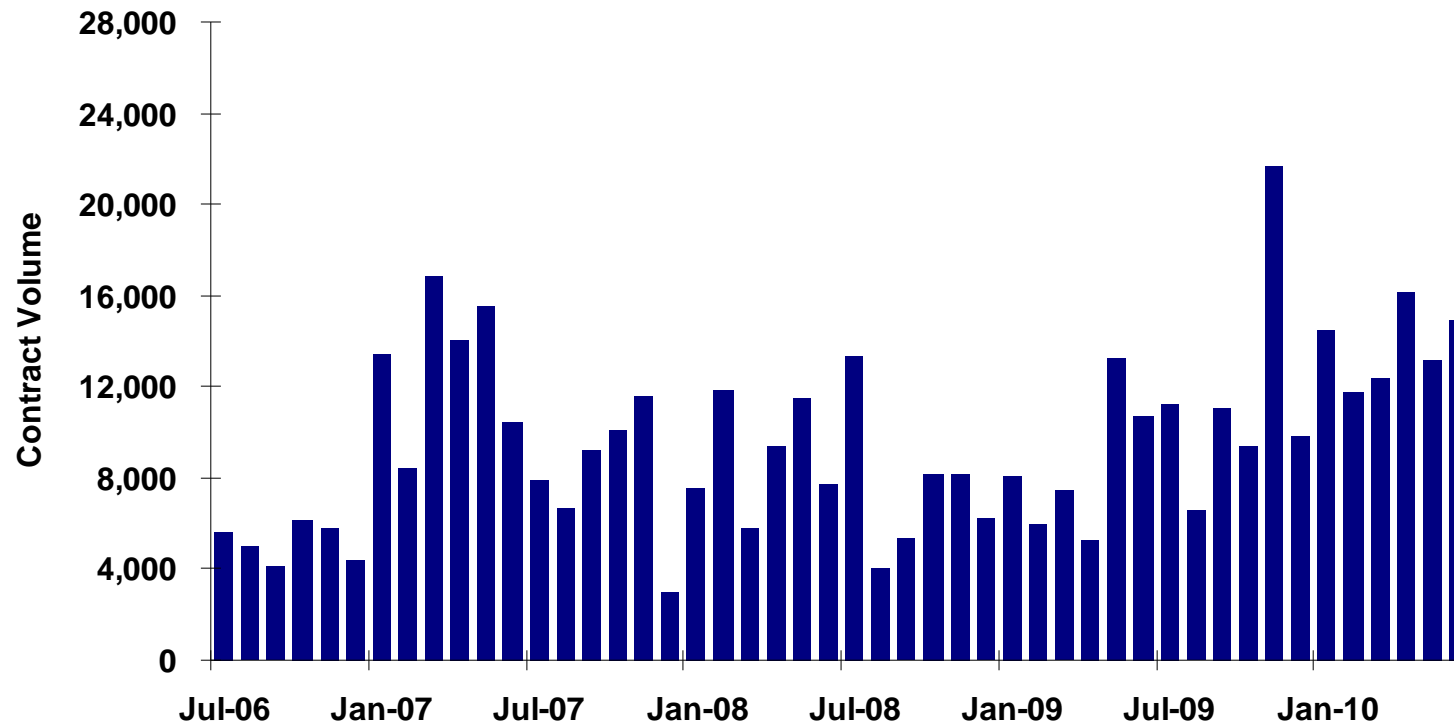
Continued recovery in volumes



Business Highlights FY10

Electricity

Australian Electricity Futures and Options



Record year for electricity derivatives

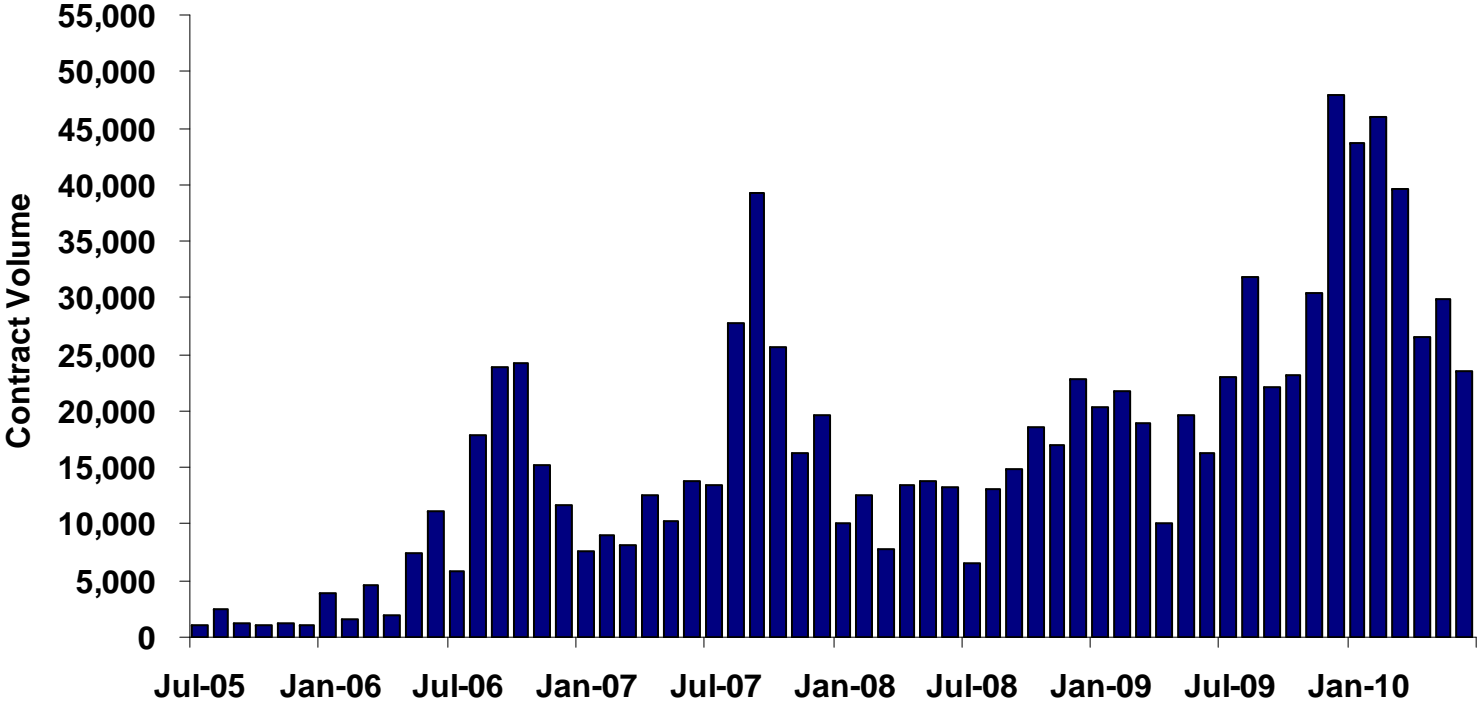


Business Highlights FY10



Grains

ASX Grain Futures and Options



Record year for ASX grain derivatives

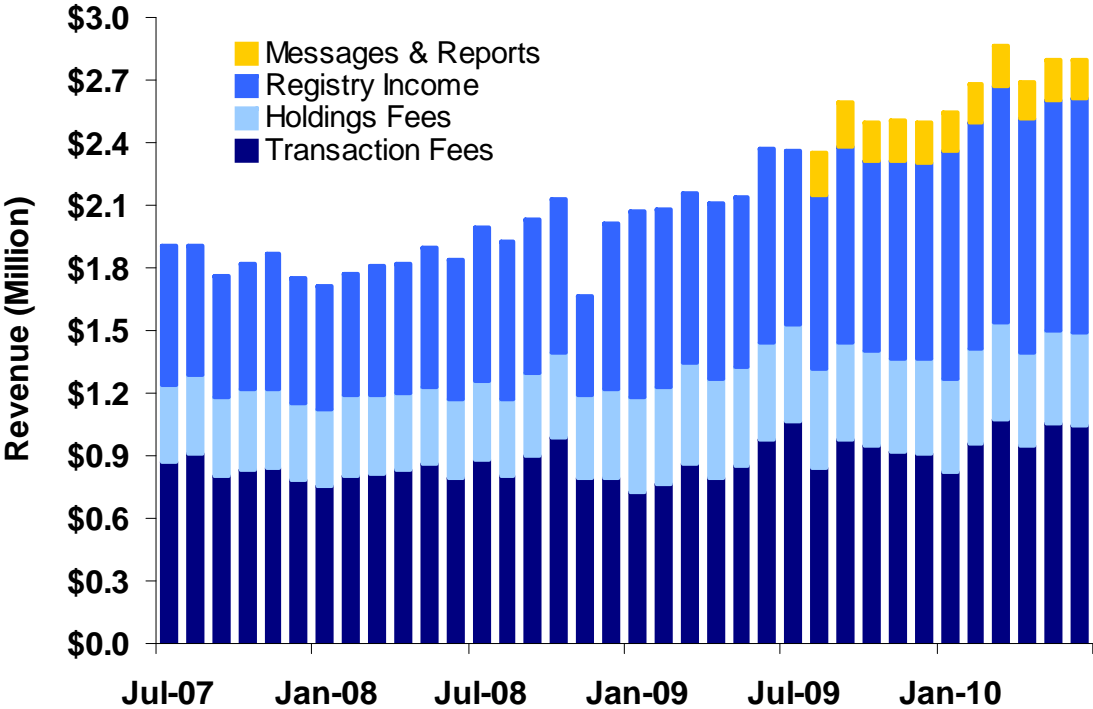


Business Highlights FY10



Austraclear

Austraclear Revenue



Continued steady growth





Business Initiatives

- Primary market – developing new services
 - Development of new investor relations services
 - Consultation on enhanced disclosure by resource companies
 - Development of retail debt market
- Secondary market – implementing major projects
 - Implementation of ASX Trade
 - Construction of the new data centre facility
 - Launch of PureMatch, HFT trade execution service
 - Launch of ASX Best, the new smart order routing service
 - Ongoing market microstructure development



Business Initiatives

- Derivative market – contemporising and consolidating
 - Upgrade of ASX Trade24 futures platform
 - Transition of ASX grains futures to Trade24
 - Further development of exchange traded options market
- Market data and connectivity – re-defining the offering
 - Sponsored access and widened connectivity options (ASXNet)
 - Redevelopment of market data offering in a multi-market operator environment
 - Launch of the Australian Volatility Index (VIX)



Business Initiatives

- Clearing and Settlement – delivering new services
 - Provision of the trade acceptance service to AMOs
 - Automation of the application/redemption process for managed funds
 - Tailoring of cash equities clearing service to accommodate different types of users



Financial Results Summary



Ramy Aziz
Chief Financial Officer



Financial Performance – Income Statement



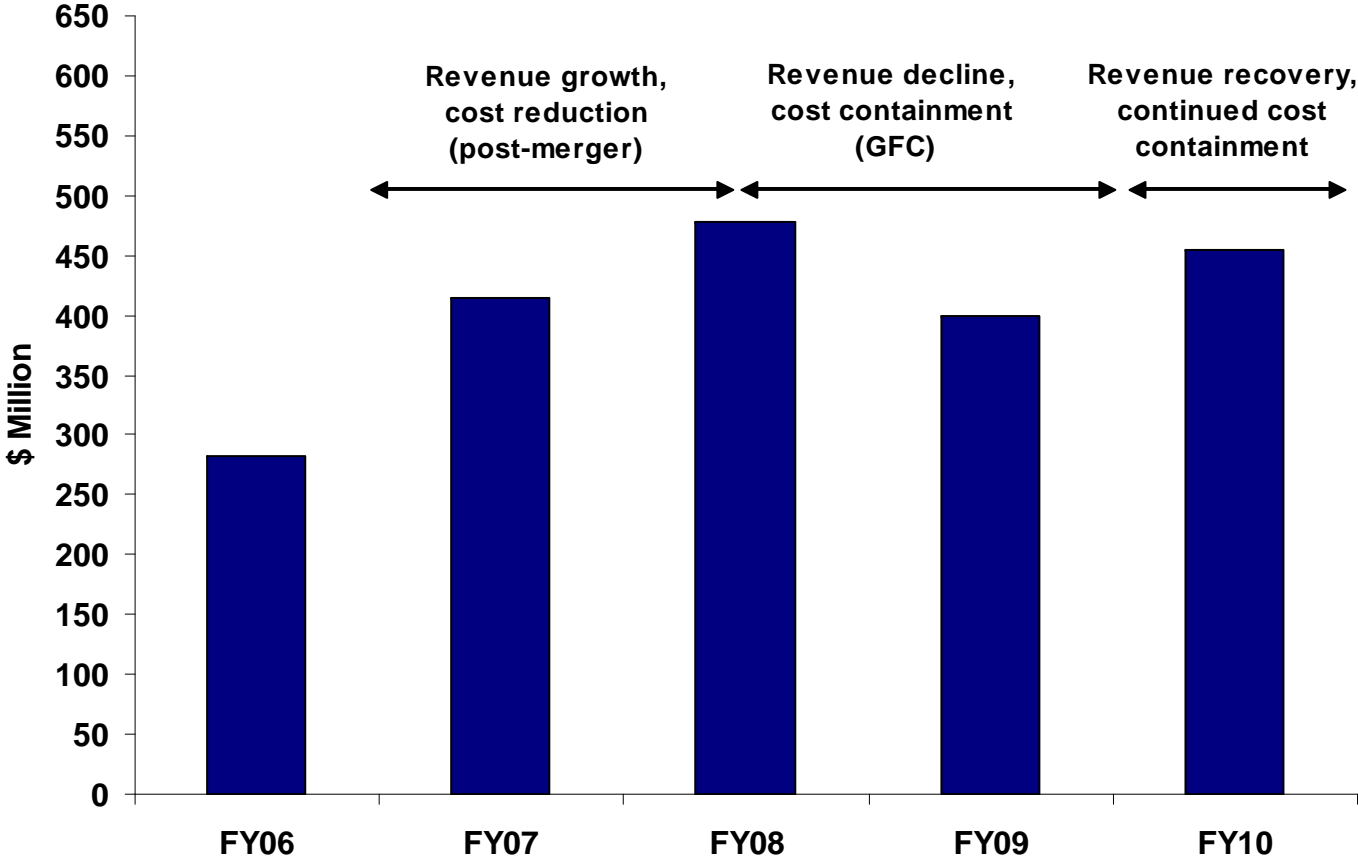
	FY10 \$ Million	FY09 \$ Million	Variance Favourable / (Unfavourable)	
			\$ Million	%
Operating Revenue	588.2	538.4	49.8	9.2%
Cash Operating Expenses	134.2	138.3	4.1	3.0%
EBITDA	454.0	400.1	53.9	13.5%
Depreciation and Amortisation	18.9	15.0	(3.9)	(25.5%)
EBIT	435.1	385.1	50.0	13.0%
Interest and Dividend Income	37.4	59.6	(22.2)	(37.2%)
Underlying Profit Before Income Tax	472.5	444.7	27.8	6.3%
Income Tax Expense	139.9	131.1	(8.8)	(6.7%)
Underlying Net Profit After Tax	332.6	313.6	19.0	6.1%
Significant Items After Tax	(4.5)	-	(4.5)	-
Statutory Reported Net Profit After Tax	328.1	313.6	14.5	4.6%



Financial Performance - EBITDA

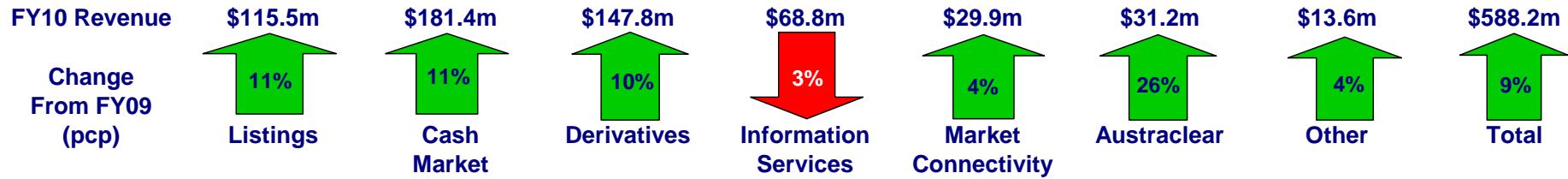


EBITDA FY06 to FY10

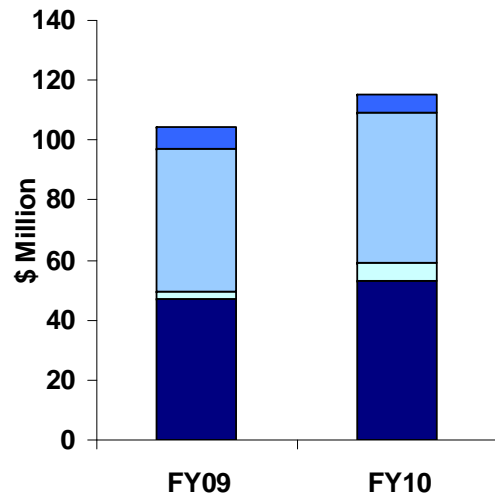




Revenue Highlights FY10

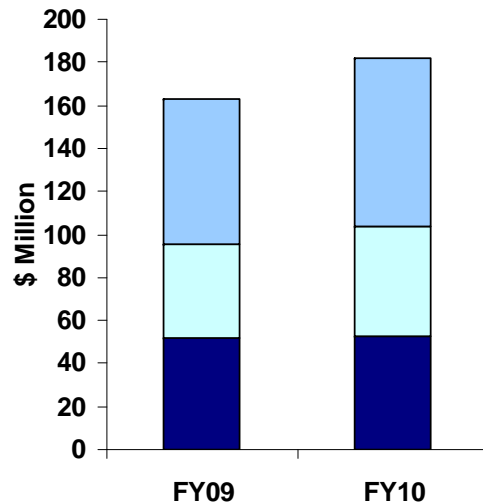


Listings Revenue



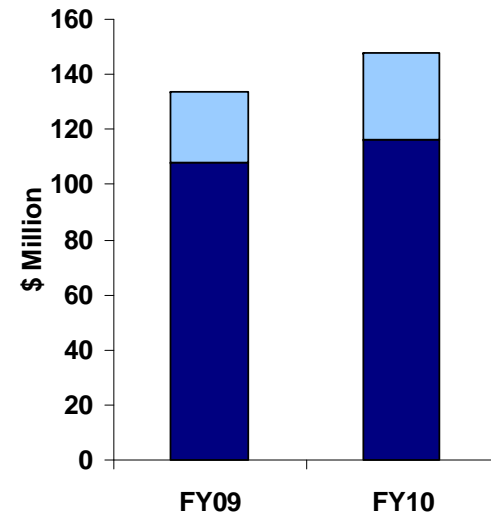
- Warrants and Debt
- Secondary Listings
- Initial Listings
- Annual Listings

Cash Market Revenue



- Cash Market Settlement
- Cash Market Clearing
- Cash Market Trading

Derivatives Revenue

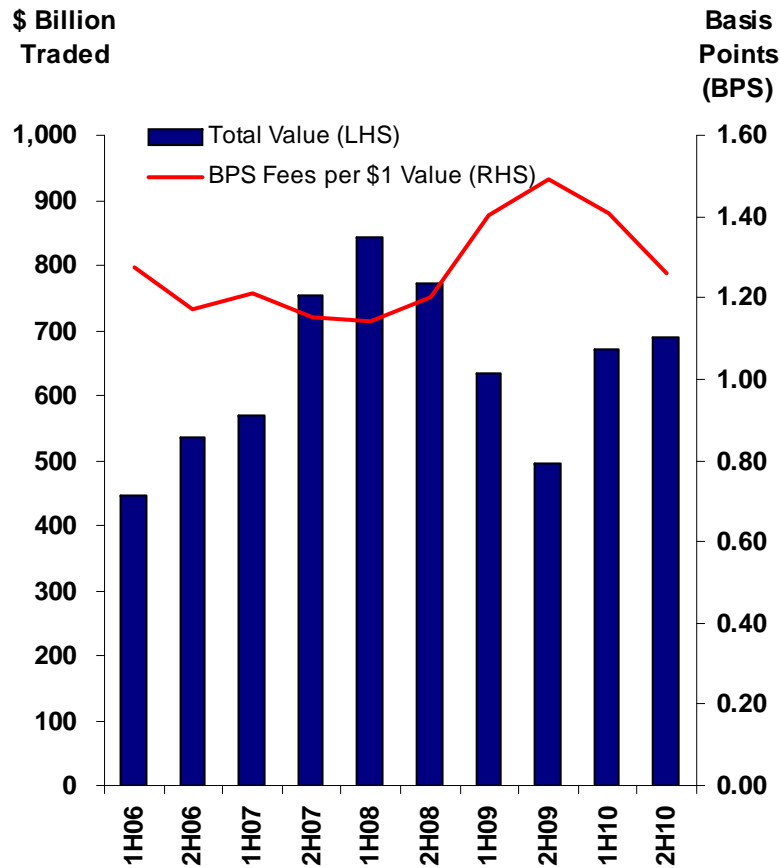


- Derivatives (ASX)
- Futures and Options (ASX 24)

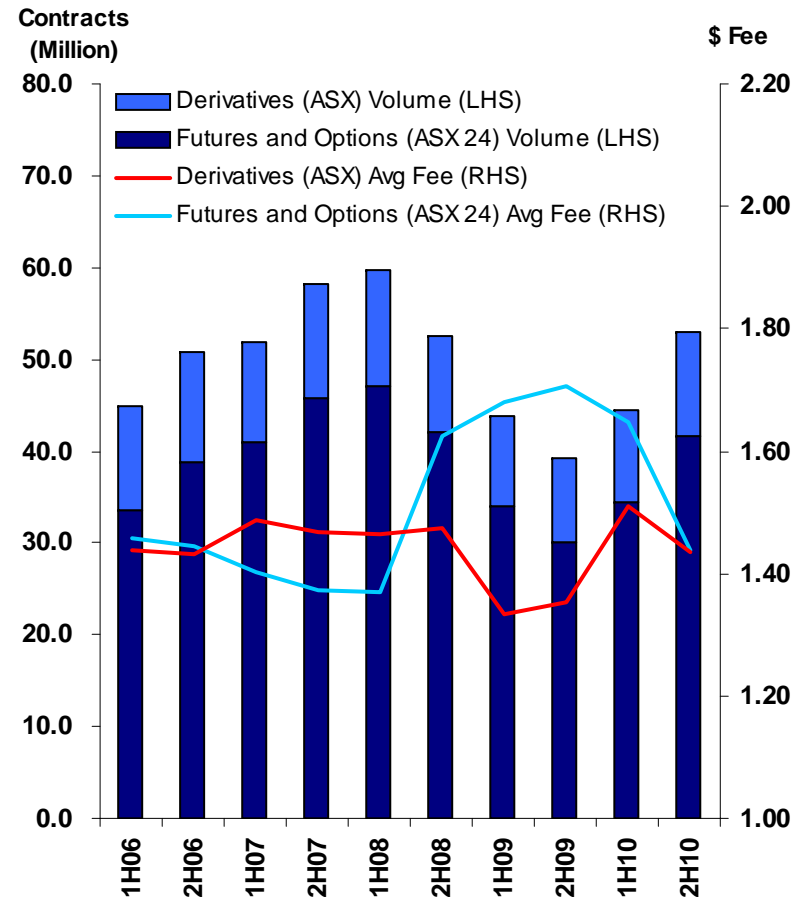


Cash and Derivatives Markets

ASX Cash Market – Value



Derivatives Volume and Average Fee



Financial Performance – Expenses



Expenses	FY10	FY09	Variance	
	\$ Million	\$ Million	\$ Million	Favourable / (Unfavourable) %
Staff	77.7	81.7	4.0	5.0%
Occupancy	13.9	12.8	(1.1)	(9.0%)
Equipment	22.2	22.7	0.5	2.1%
Administration	15.2	16.1	0.9	5.3%
Variable	5.2	5.0	(0.2)	(3.1%)
Total Cash Operating Expenses	134.2	138.3	4.1	3.0%
Depreciation and Amortisation	18.9	15.0	(3.9)	(25.5%)
Pre-Tax Significant Items	6.4	-	(6.4)	-
<i>Capital Expenditure</i>	27.5	25.8	(1.7)	(6.2%)



Interest and Dividend Income



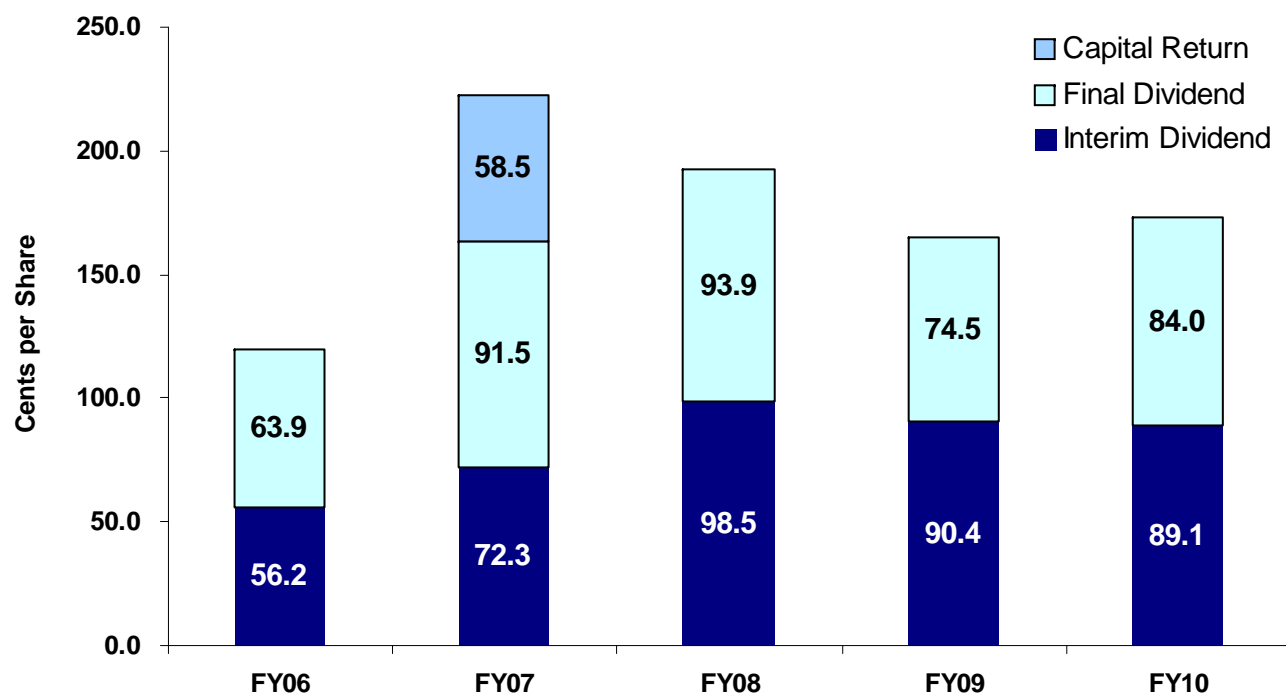
	FY10 \$ Million	FY09 \$ Million
Interest Income		
ASX Group (excluding ASXCC Group)	5.6	4.7
ASXCC Group	7.2	15.0
Net Interest Income on Participant Balances	16.5	32.9
Dividend Income	8.1	7.0
Total	37.4	59.6

- Significant reduction in interest income attributable to lower official cash rate
- Average cash collateral balances during FY10 of \$2.7 billion, 47.1% lower than the \$5.1 billion in pcp
- Average investment spread earned in FY10 was 26 bps over the official cash rate (30 bps pcp)
- Dividend earned from investment in IRESS



Dividends Paid to Shareholders

- Dividend – 90% of underlying NPAT, fully franked
- FY10 dividends – 173.1 cps
- Dividend Reinvestment Plan to apply to FY10 dividend



Balance Sheet



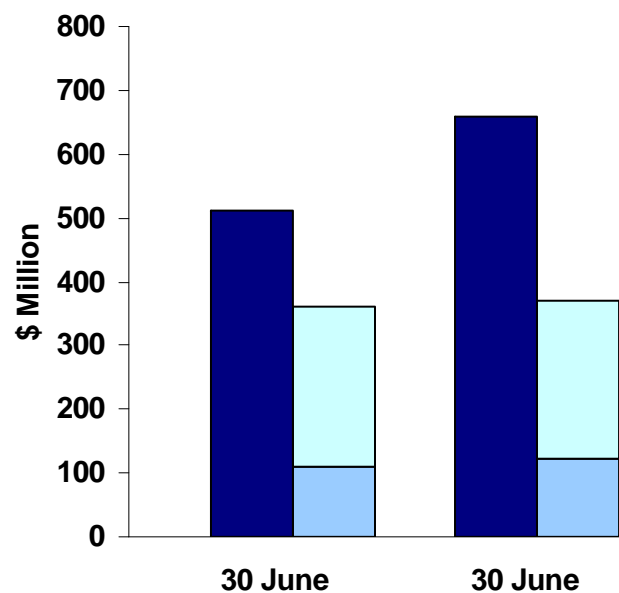
	30 June 10 \$ Million	30 June 09 \$ Million	Variance	
			Favourable / (Unfavourable) \$ Million	%
Cash and Available-for-Sale Financial Assets	3,716.8	4,019.5	(302.7)	(7.5%)
Goodwill	2,262.8	2,262.8	-	-
Other Assets	641.2	504.5	136.7	27.1%
Total Assets	6,620.8	6,786.8	(166.0)	(2.4%)
Amounts Owing to Participants	2,990.2	3,608.6	618.4	17.1%
Borrowings	250.0	100.0	(150.0)	(150.0%)
Other Liabilities	459.3	304.8	(154.5)	(50.7%)
Total Liabilities	3,699.5	4,013.4	313.9	7.8%
Capital	2,437.3	2,361.8	75.5	3.2%
Retained Earnings	319.7	272.6	47.1	17.3%
Reserves	164.3	139.0	25.3	18.2%
Total Equity	2,921.3	2,773.4	147.9	5.3%



Capital and Liquidity Position

ASX Group Equity

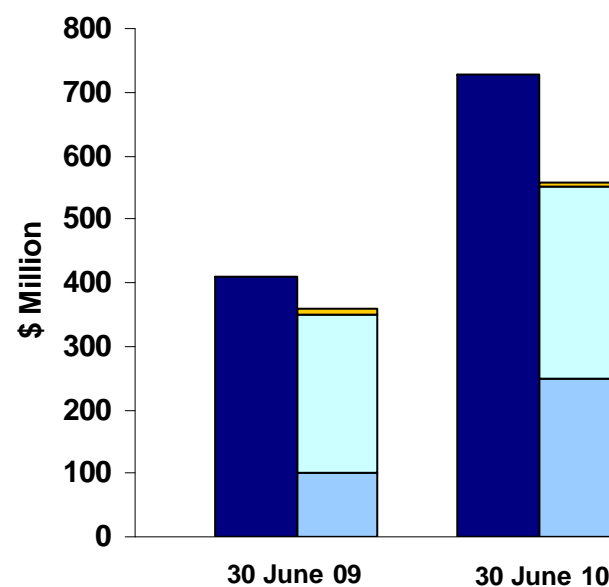
Net Tangible Equity v Risk-Based Capital Attribution



- Net Tangible Equity (NTE)
- Equity and Sub-Debt provided to CCPs
- Other Risk-Based Capital Allocations

ASX Group Cash

ASX Own Cash v Cash-Backed Requirements



- ASX Own Cash Reserves
- Cash-Backed Capital provided to Austraclear
- Equity and Sub-Debt provided to CCPs
- External Borrowing provided to CCPs

- Adequate non-attributed capital of \$286.8 million at 30 June 2010
- Adequate liquidity of \$168.3 million of available cash surplus at 30 June 2010



Post Balance Date Activity



Robert Elstone
Managing Director and CEO





Post Balance Date Activity

- Post balance date characterised by
 - Rally in S&P/ASX200 index value
 - Thin equity trading volumes in most major equity markets
 - Official cash rate stability
 - Calling of a federal election in Australia
- Activity levels for 1 July 2010 to 18 August 2010
 - Cash markets average daily traded value \$4.8 billion (down 0.2% on same period last year)
 - ASX 24 derivatives average daily volume 292,605 contracts (up 18.4%)
 - ASX derivatives average daily volume 76,225 contracts (up 12.1%)
- Secondary capital of \$2.5 billion raised in July 2010
- 13 companies listed in July 2010 (2 in July 2009)





Post Balance Date Activity

- Strong corporate earnings reporting season
- Moderating inflation and strong Australian growth outlook
- Imminent certainty on election outcome
- Whilst FY11 will be another busy year of implementation challenges for ASX, the Group is well prepared for growth



Questions



Questions





ASX Limited - 2010 Full-Year Results

Robert Elstone, Managing Director and CEO

Peter Hiom, Deputy CEO

Ramy Aziz, Chief Financial Officer

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