



ASX Limited - 2011 Half-Year Results

Robert Elstone, Managing Director and CEO

Peter Hiom, Deputy CEO

Ramy Aziz, Chief Financial Officer

17 February 2011



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 (17 February 2011). 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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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 externally reviewed accounts.

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

All references to previous corresponding period (pcp) are for the 6 months to 31 December 2009.

All figures are in Australian dollars.





Agenda

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





Introduction

Robert Elstone
Managing Director and CEO





Financial Highlights 1H11

- Underlying net profit after tax (NPAT) of \$175.5 million, up 2.9% (statutory NPAT of \$172.0 million, up 2.3%)
- Operating revenue excluding interest and dividends of \$306.4 million, up 1.2%
- Cash operating expenses of \$68.1 million, down 0.1%
- Underlying earnings per share (EPS) of 100.7 cents per share (cps), up 1.4%
- Interim dividend of 90.2 cps declared, up 1.2%





Financial Highlights 1H11

- Comprehensive half-year report has been released today, including statutory reports. A section of my written commentary deals with the ASX-SGX merger announcement of 25 October 2010
- Sound financial and operational performance, and compliance with regulatory obligations
- Continued operating expense containment
- Close to 100% availability of core systems applications
- Implementation of new cash and derivatives platforms during the half-year, giving rise to higher capex than pcp
- Increased capital expenditure for 2011 due to data centre commitment





Business Highlights

Peter Hiom
Deputy CEO





Business Highlights

- Satisfactory progress to expand trade execution services
 - Replacement of both cash and derivatives trading platforms completed (increased throughput, reduced latency)
 - New order types and VolumeMatch launched (\$5bn executed)
 - ASX Net implemented for connectivity to ASX Trade and ASX Clear
 - Construction of the new data centre facility progressing well
- During the next 6 – 12 months
 - Increase in customer acquisition for co-location/connectivity
 - ASX Net for ASX Trade24 and third party services
 - Implementation of PureMatch and ASX Best
 - ASIC Market Integrity Rules (ongoing market micro-structure development, re-architecture of real-time market data offering)
 - Increased derivative product development (ETO contract size change, grains transition, new interest rate derivative products, property)





Business Highlights

- Notwithstanding significant trade execution activities, efforts are now shifting to clearing and settlement
 - Provision of the trade acceptance service to AMOs
 - Emerging impetus for clearing of OTC interest rate swaps
 - OTC equity derivative clearing
 - Cash market margining
 - CME Span implementation
 - Automation of the application/redemption process for managed funds
 - Tailoring of cash equities clearing and settlement services to accommodate different types of users (unbundling)
 - Opportunities for new products and services to grow revenues (improving operational, capital and collateral efficiencies for customers)





Financial Results Summary

Ramy Aziz
Chief Financial Officer



Financial Performance – Income Statement



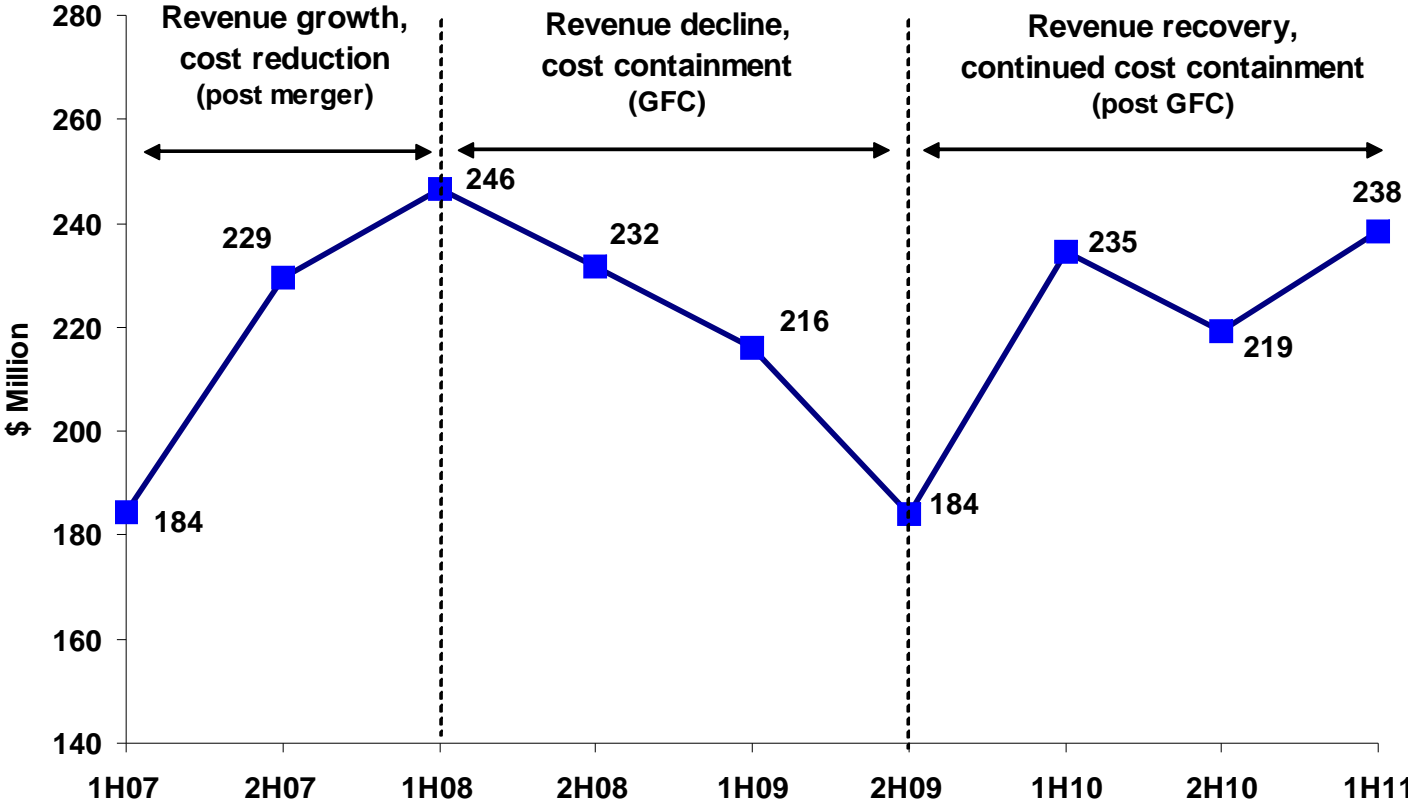
	JUN 09 (2H09) \$ Million	DEC 09 (1H10) \$ Million	JUN 10 (2H10) \$ Million	DEC 10 (1H11) \$ Million
Operating Revenue	252.1	302.8	285.4	306.4
Cash Operating Expenses	68.1	68.2	66.0	68.1
EBITDA	184.0	234.6	219.4	238.3
Depreciation and Amortisation	7.9	9.2	9.7	11.3
EBIT	176.1	225.4	209.7	227.0
Interest and Dividend Income	24.1	17.2	20.2	22.2
Underlying Profit Before Income Tax	200.3	242.6	229.9	249.2
Income Tax Expense	58.6	72.0	67.9	73.7
Underlying Net Profit After Tax	141.7	170.6	162.0	175.5
Significant Items After Tax	-	(2.6)	(1.9)	(3.5)
Statutory Reported Net Profit After Tax	141.7	168.0	160.1	172.0



Financial Performance - EBITDA

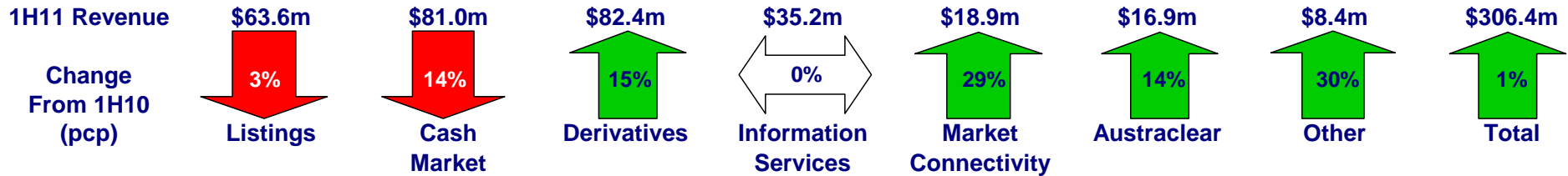


EBITDA 1H07 to 1H11

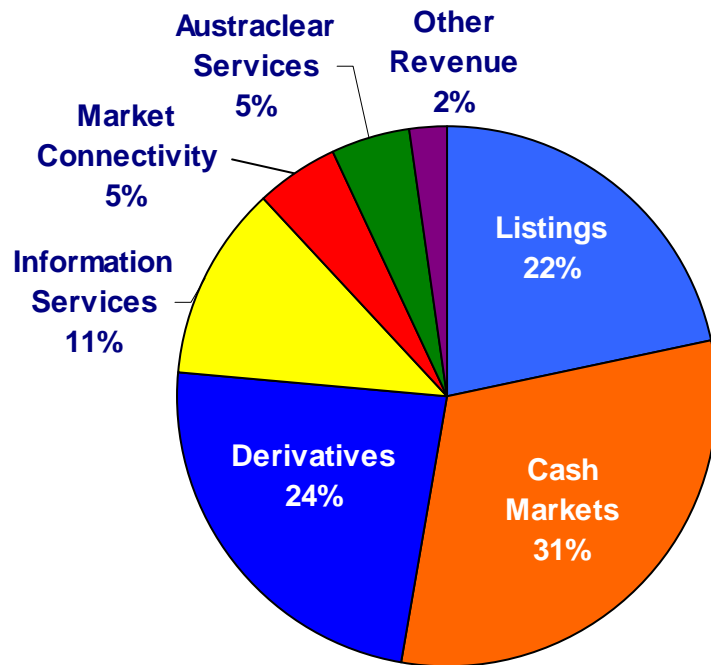




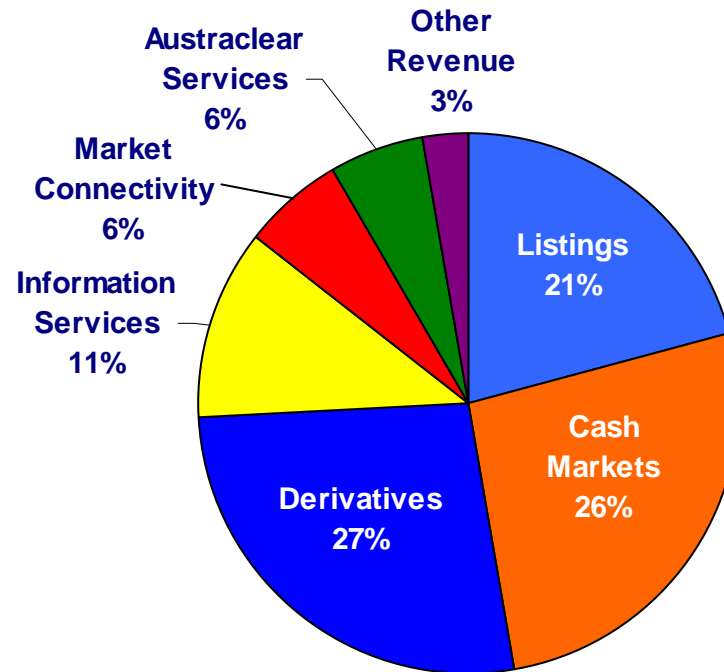
Revenue Highlights 1H11



Revenue - 1H10



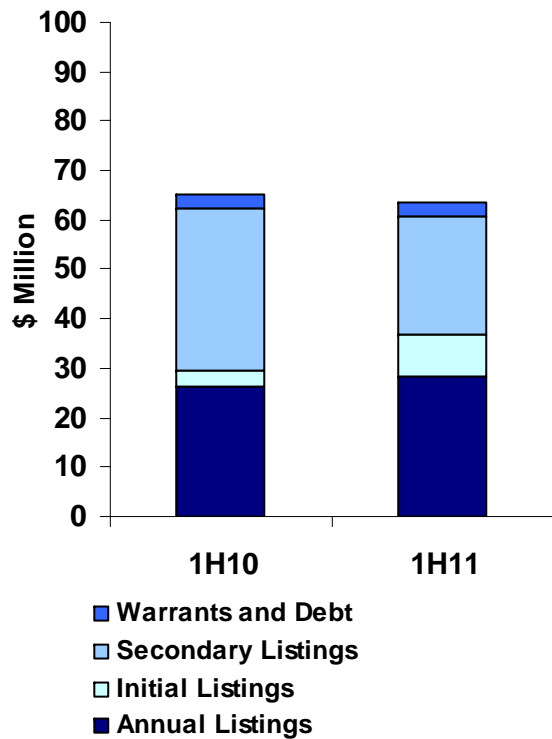
Revenue - 1H11



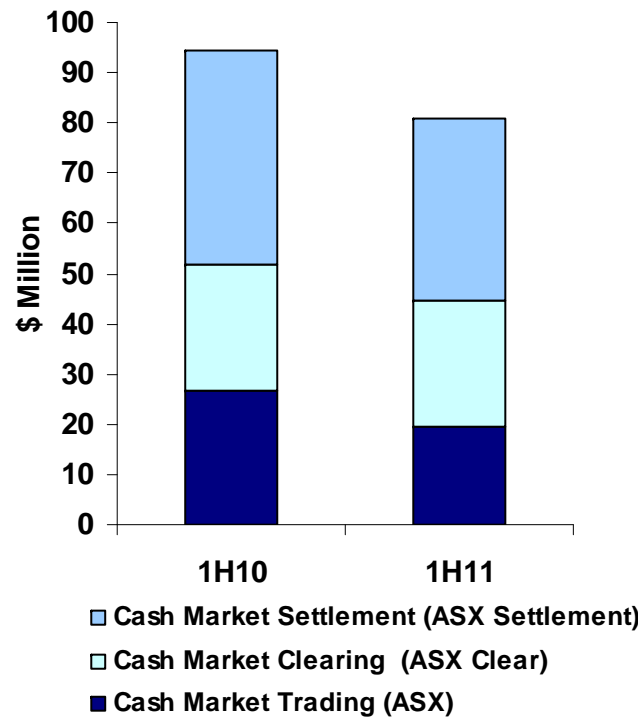


Revenue Highlights 1H11

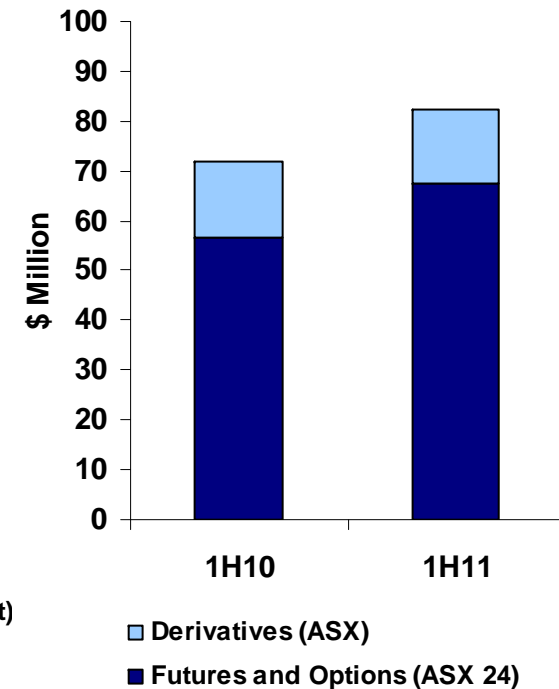
Listings Revenue



Cash Market Revenue



Derivatives Revenue



Financial Performance – Expenses



Expenses	JUN 09 (2H09) \$ Million	DEC 09 (1H10) \$ Million	JUN 10 (2H10) \$ Million	DEC 10 (1H11) \$ Million
Staff	40.1	39.6	38.1	39.4
Occupancy	6.2	6.7	7.2	6.7
Equipment	11.7	11.3	10.9	10.9
Administration	7.8	7.6	7.6	7.2
Variable	2.3	2.9	2.2	2.3
ASIC Supervision Levy	-	-	-	1.5
Total Cash Operating Expenses	68.1	68.2	66.0	68.1
Depreciation and Amortisation	7.9	9.2	9.7	11.3
Pre-Tax Significant Items	-	(3.7)	(2.7)	(5.1)
<i>Capital Expenditure</i>	13.0	8.6	18.9	15.5





Interest and Dividend Income

- Increase in interest income attributable to higher average short-term cash rates and higher own cash balances

	DEC 09 (1H10) \$ Million	JUN 10 (2H10) \$ Million	DEC 10 (1H11) \$ Million
Interest Income			
ASX Group (excluding ASXCC Group)	2.1	3.5	6.0
ASXCC Group	3.8	3.4	4.2
Net Interest Income on Participant Balances	8.3	8.2	8.7
Dividend Income	3.1	5.0	3.3
Total	17.3	20.1	22.2

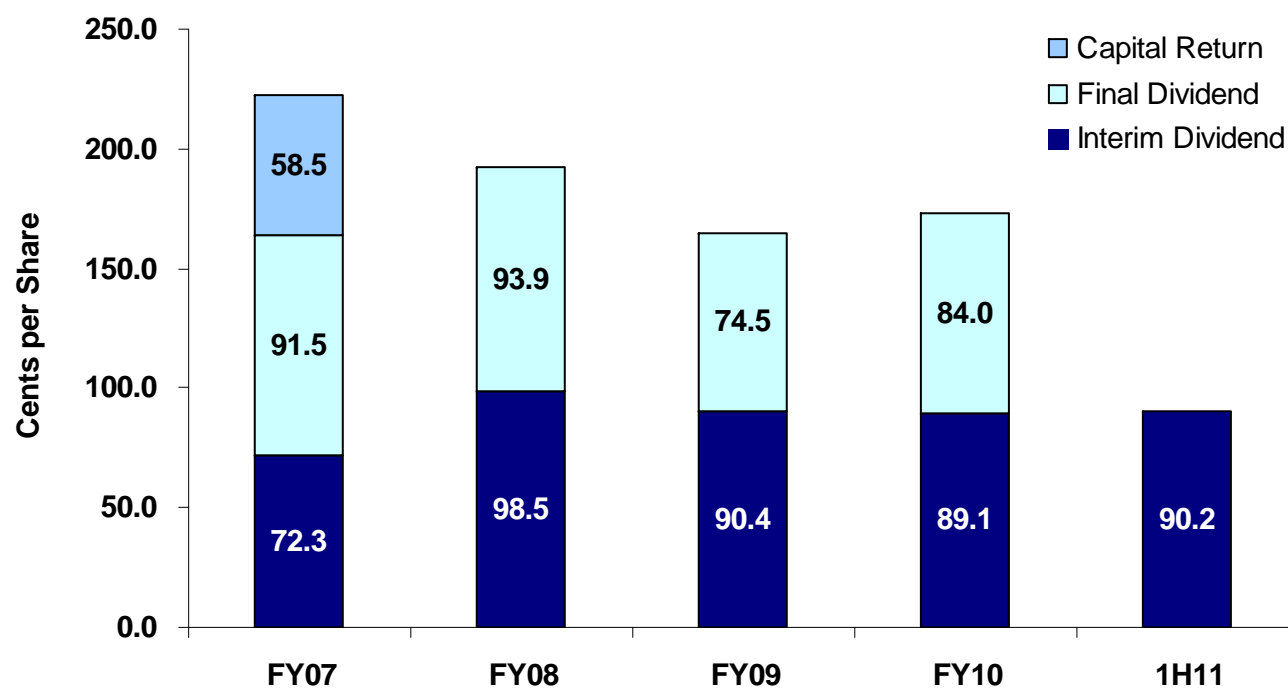
- Dividend earned from investment in IRESS

- Average cash collateral balance during 1H11 of \$2.6 billion, 10.3% lower than the \$2.9 billion in pcp
- Average investment spread earned in 1H11 was 26 bps over the official cash rate (26 bps pcp)



Dividends Paid to Shareholders

- Dividend – 90% of underlying NPAT, fully franked
- Interim dividend – 90.2 cps, up 1.2% on pcp
- Dividend Reinvestment Plan not offered for interim dividend



Balance Sheet



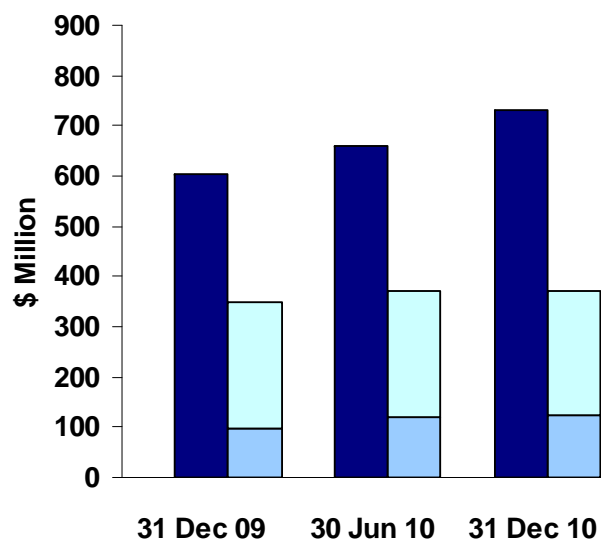
	30 JUN 10	31 DEC 10	Variance	
	\$ Million	\$ Million	Favourable / (Unfavourable) \$ Million	%
Cash and Available-for-Sale Financial Assets	3,716.8	3,365.2	(351.6)	(9.5%)
Goodwill	2,262.8	2,262.8	-	-
Other Assets	641.2	492.8	(148.4)	(23.1%)
Total Assets	6,620.8	6,120.8	(500.0)	(7.6%)
Amounts Owing to Participants	2,990.2	2,557.3	432.9	14.5%
Borrowings	250.0	250.0	-	-
Other Liabilities	459.3	320.5	138.8	30.2%
Total Liabilities	3,699.5	3,127.8	571.7	15.5%
Capital	2,437.3	2,483.2	45.9	1.9%
Retained Earnings	319.7	345.9	26.2	8.2%
Reserves	164.3	163.9	(0.4)	(0.2%)
Total Equity	2,921.3	2,993.0	71.7	2.5%



Capital and Liquidity Position

ASX Group Equity

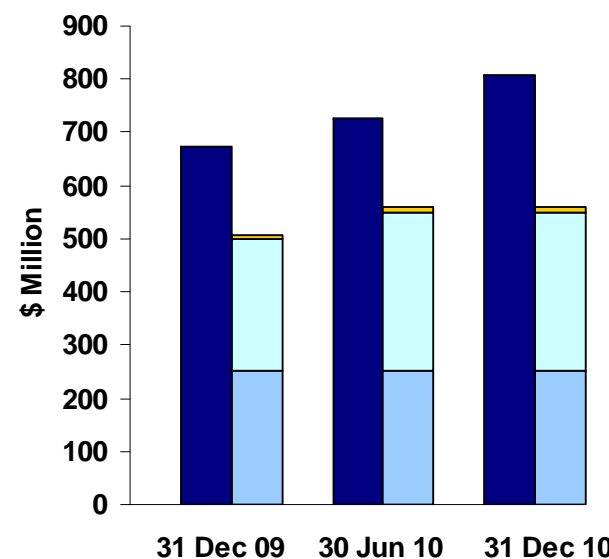
Net Tangible Equity v Risk-Based Capital Attribution



- 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 \$357.2 million (pre-dividend) at 31 December 2010, \$199.2 million after provision for the interim dividend
- Adequate liquidity of \$249.6 million of available cash surplus at 31 December 2010





Post Balance Date Activity

Robert Elstone
Managing Director and CEO





Post Balance Date Activity

Post balance date period eventful at home and abroad (events of biblical proportions)

Australia

- All Ordinaries Index up 3.6% since 31 December 2010
- Uplift in Feb (over Jan11) equity trading volumes in Australia
- Low volatility in Australian equities
- Official cash rate stability
- Natural disasters in Qld (flood & cyclone), Vic (floods) & WA (floods & bushfires)

Offshore

- Exchange merger announcements
- EMU / PIGS pressures persist
- US corporate earnings ahead of consensus
- Egyptian unrest
- Foreign index movements since 31 December; S&P 500 up 5.9%, FTSE 100 up 2.7%, DAX up 7%, Straits Times Index down 2.7%, Nikkei up 4.9% and Hang Seng up 0.4%





Post Balance Date Activity

- Activity levels for 1 January 2011 to 15 February 2011
 - Cash markets average daily traded value \$4.9 billion (up 1.3% on same period last year)
 - ASX 24 derivatives average daily volume 301,661 contracts (up 14.7%)
 - ASX derivatives average daily volume 78,241 contracts (up 1.9%)
- 13 companies listed in January 2011 (5 in January 2010)
- Secondary capital of \$782 million raised in January 2011 (\$520 million in January 2010)



Questions



Questions





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