

Investor Briefing

Sandler O'Neill – Global Exchange and Brokerage Conference



Elmer Funke Kupper, CEO

4 June 2014

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ASX Limited

Strong business anchored in attractive financial market

- Strong market fundamentals
- Attractive business mix as multi-asset class, vertically integrated exchange
- World-class regulation – equities, financial market infrastructure

Positive financial performance for nine months to 31 March 2014

- Profit after tax A\$286.9 million, up 10%
- Revenue growth in all major revenue categories
- Expense and capex discipline maintained in period of investment
- Strong balance sheet, AA- credit rating from Standard & Poors

Good progress in implementation of investment program

- Be global leader in A\$ and NZ\$ markets
- Provide world-class, globally connected financial infrastructure
- Deliver an outstanding customer experience
- Advocate regulatory settings that support investors and growth

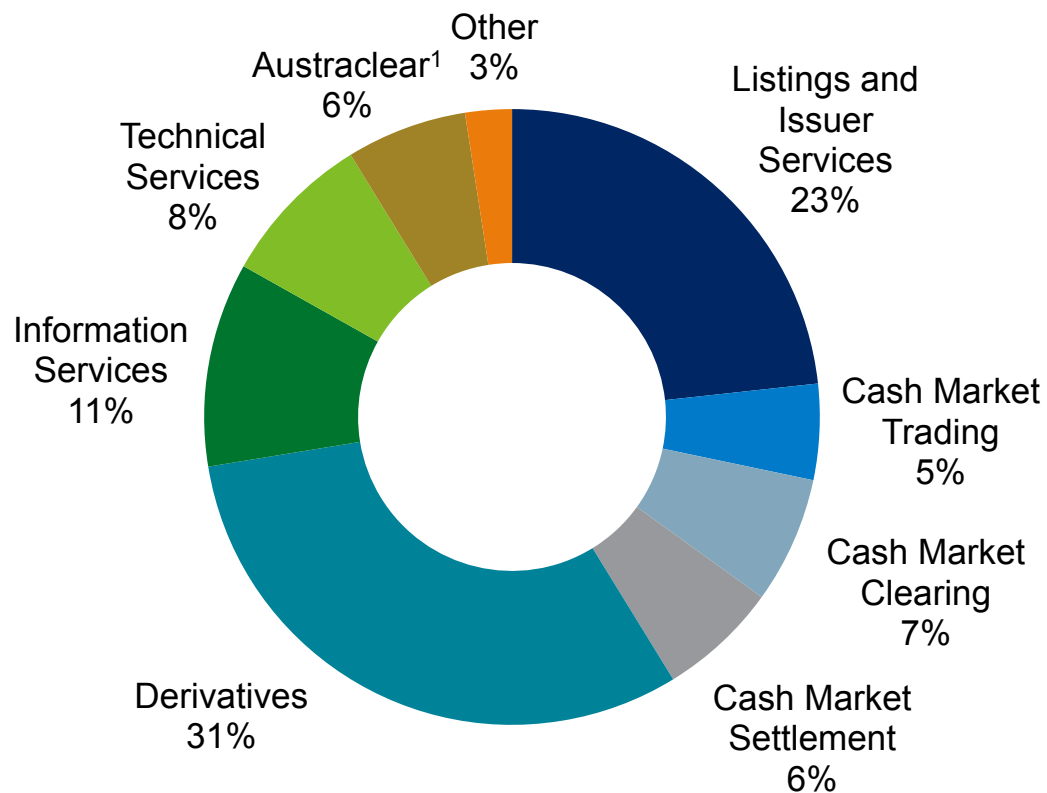
Australia is a leading financial market

Australia ranks between 3rd and 8th in the world in the markets it operates

| | Australia's financial markets |
|---------------------------|--|
| Investable assets | <ul style="list-style-type: none">• 3rd largest pool of investable assets in the world at A\$1.7 trillion |
| Capital formation | <ul style="list-style-type: none">• 96 new listings year to end of May; 575 listings since GFC• Raised almost A\$400 billion during the Global Financial Crisis, ranking Australia 4th in the world over that period |
| Equity markets | <ul style="list-style-type: none">• 2,182 listed entities• Total market capitalisation of A\$1.6 trillion• Australia ranks 8th in the world in free-float market capitalisation |
| Derivative markets | <ul style="list-style-type: none">• Largest interest rate derivatives market in Asia and top 5 globally• Exchange traded and OTC markets• Notional turnover of exchange traded derivatives A\$47 trillion |
| Foreign exchange | <ul style="list-style-type: none">• A\$ is 5th most traded currency in the world |

Attractive business mix

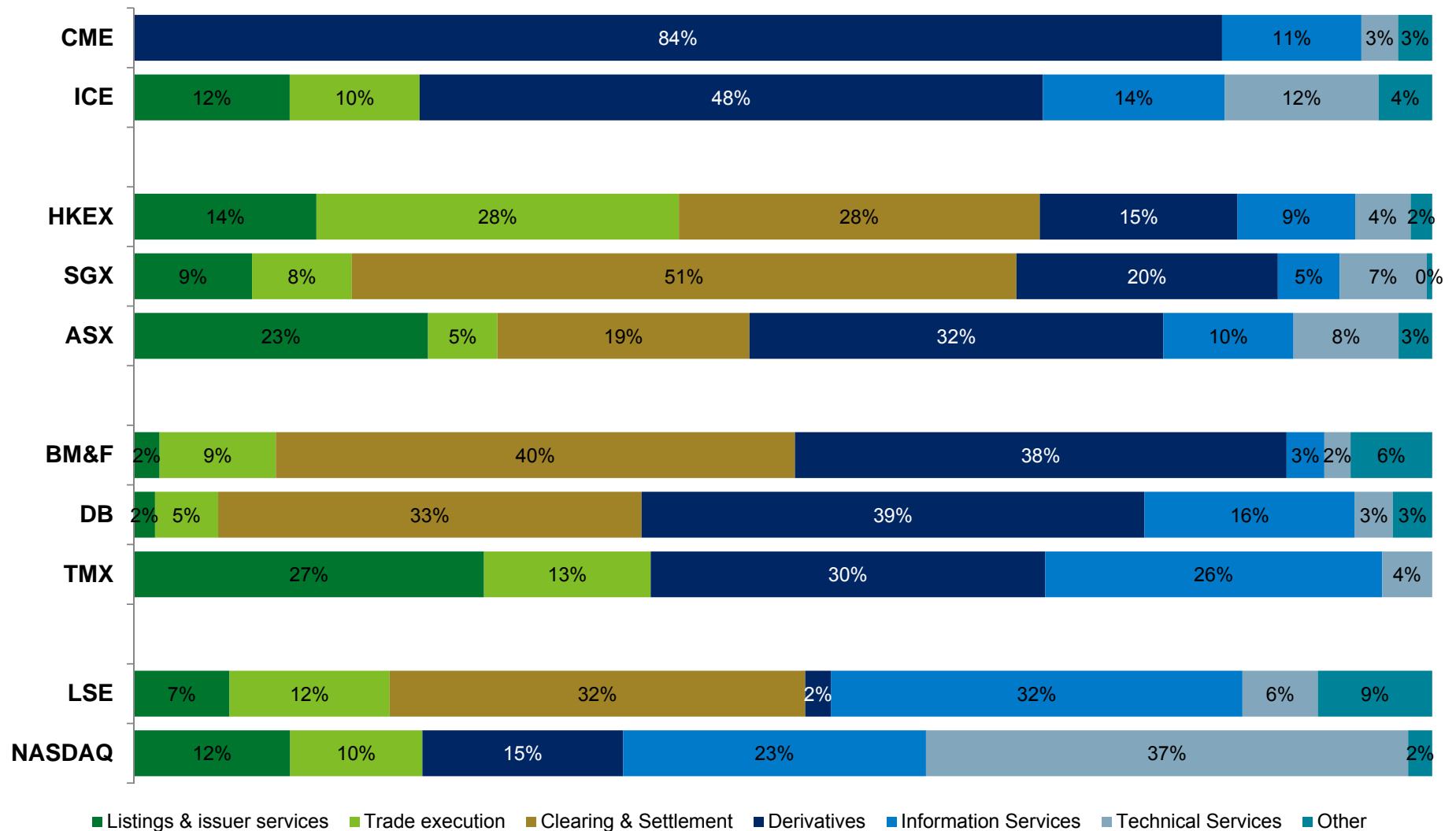
Revenue mix for nine months to end of March 2014 (100% = A\$488 million)



- Domestic leader in all segments, Asian leader in A\$ derivatives
- Cash markets 18% of total revenues (trading, clearing and settlement)
- Cash market clearing and settlement function undertaken for entire Australian market
- Derivatives include interest rate, equity index, electricity and commodities futures, and single stock options
- Depositories (equities, fixed income) hold A\$3.0 trillion

1. Austraclear is Australia's fixed income depository, holding assets valued at A\$1.5 trillion

Business mix similar to exchanges in Asian time zone



Source: Company annual reports. ICE includes NYSE Euronext



World-class regulatory environment

Equity markets and High Frequency Trading

Regulatory settings support end investors

- Maker-taker pricing not permitted
- Regulatory fee model limits order proliferation
- Minimum tick sizes have not been narrowed
- Price improvement must be meaningful

Structural differences with USA

- Best execution is broker obligation
- No 'consolidated tape' revenue model

Financial Market Infrastructure

Financial Stability Standards

- Derivatives clearing house meets global standards
- CFTC no action relief
- ESMA transitional relief

Financial Market Infrastructure

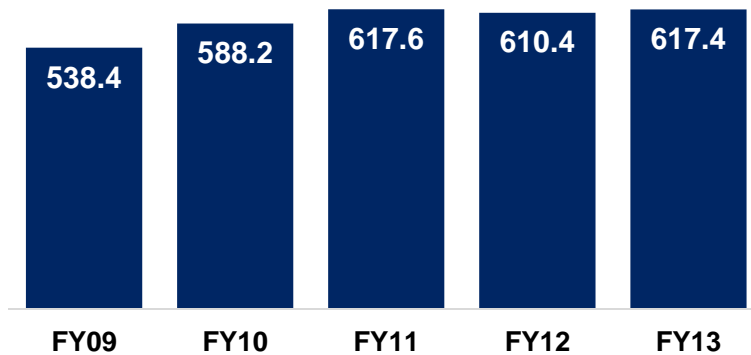
- Offshoring restrictions for infrastructures that operate systemically important markets

Mandate for A\$ OTC interest rate swaps

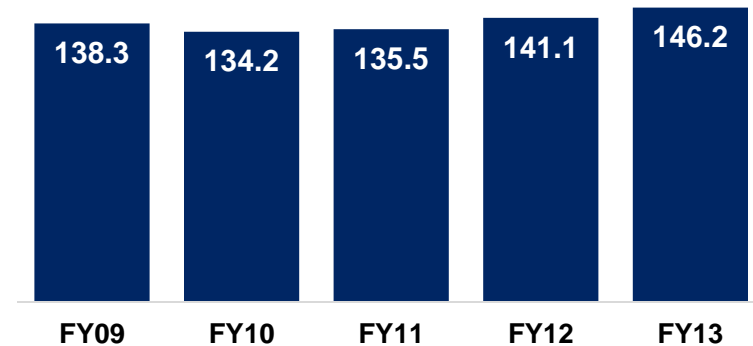
- Recommended by Australian regulators

Solid performance during subdued GFC conditions

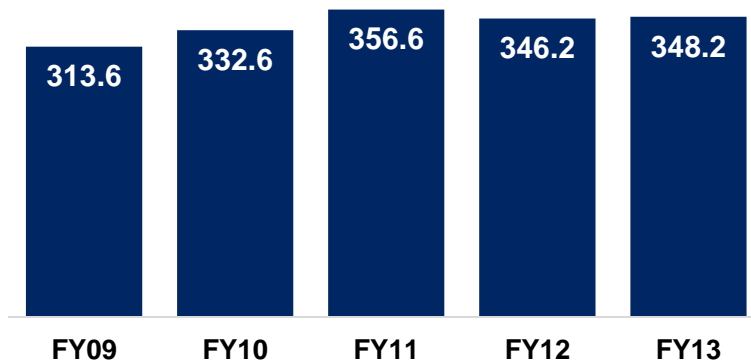
Revenues A\$m
CAGR 3.5%



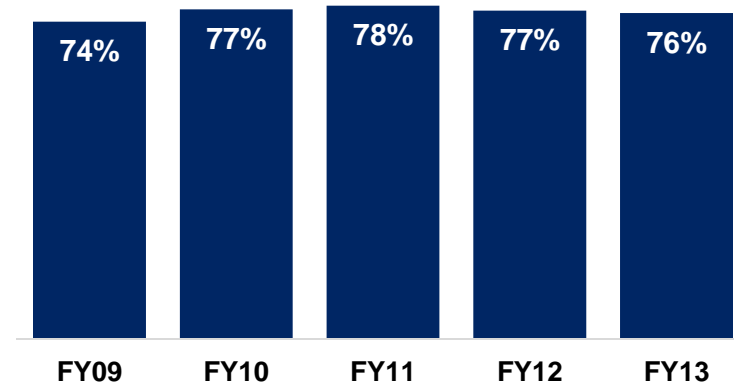
Expenses A\$m
CAGR 1.4%



Profit after tax A\$m
CAGR 2.6%



EBITDA Margin



Profit after tax refers to underlying earnings

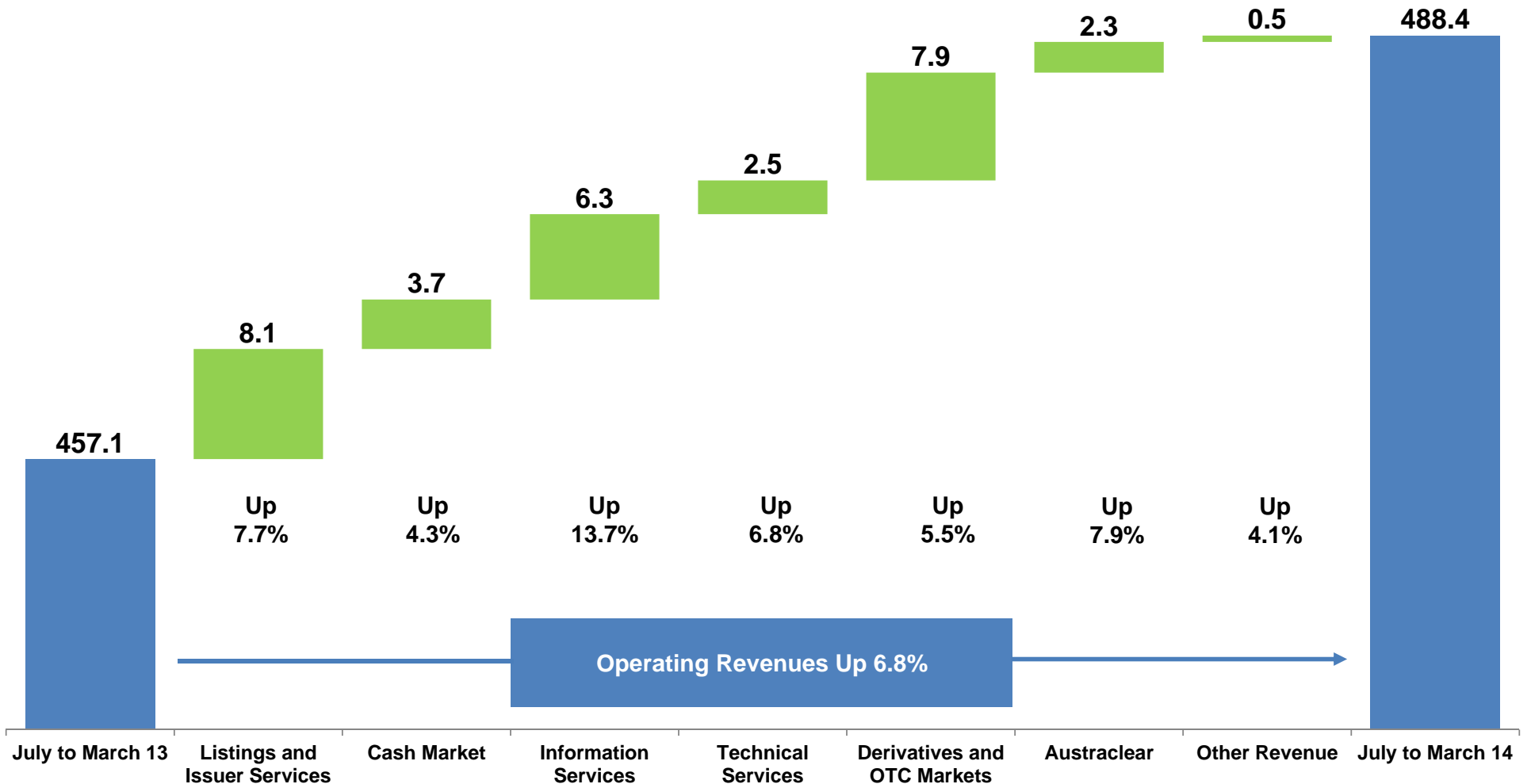
Positive performance to end of March 2014

Income statement for nine months to end of March 2014

| | YTD Mar 2013 A\$m | YTD Mar 2014 A\$m | % Variance |
|-------------------------------|----------------------|----------------------|--------------|
| Operating Revenues | 457.1 | 488.4 | 6.8% |
| Operating Expenses | 107.5 | 115.0 | (6.9%) |
| EBITDA | 349.6 | 373.4 | 6.8% |
| Depreciation and Amortisation | 22.9 | 24.4 | (6.5%) |
| EBIT | 326.7 | 349.0 | 6.8% |
| Interest and Dividends | 42.5 | 56.3 | 32.3% |
| Profit Before Tax | 369.2 | 405.3 | 9.8% |
| Income Tax Expense | (108.5) | (118.4) | (9.2%) |
| Profit After Tax | 260.7 | 286.9 | 10.0% |

Revenue growth in all major revenue categories

Revenue growth nine months to end of March 2014 (A\$m)



All comparisons are to prior comparative period (pcp)



Business priorities

Leading multi-asset class exchange group in Asia Pacific

**Be global leader in
A\$ and NZ\$ markets**



- Develop investment 'supermarket'
- Expand derivatives products and asset classes
- Continue to innovate in trade execution
- Expand Technical Services, re-engineer Information Services

**Provide world-class,
globally connected
financial infrastructure**



- Grow new post-trade services - OTC clearing, client clearing, collateral management
- Leverage ASX Net Global to grow international client base
- Develop multi-currency capabilities

**Deliver an outstanding
customer experience**



- Invest in platforms - trading, clearing, settlement, risk management
- Deepen relationships, including revenue sharing
- Build 24/6 customer Command Centre

**Advocate regulatory
settings that support
investors and growth**



- Maintain settings in equity markets; limit fragmentation
- Ensure Australia maintains world-class market infrastructure
- Meet domestic and international financial stability standards

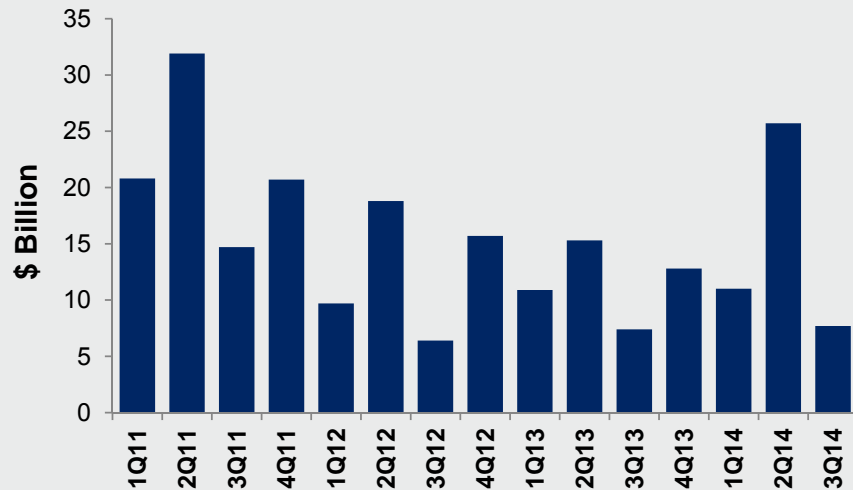
Listings and Issuer Services

Highlights nine months to end of March 2014

Revenue A\$113.6 million, up 7.7%

- 79 IPOs (62 pcp)
- IPO capital A\$18.5 billion, up 330.9%
- Secondary capital A\$25.9 billion, down 11.5%
- Number of holding statements up 6%

Total Capital Raised



Areas of focus

Listings and Issuer Services

- Improved capital raising flexibility and timing
- Equity Research Scheme
- ASX Bookbuild

Investment Supermarket

- Domestic equities
- International equities
- Government bonds
- Corporate bonds
- ETFs
- Managed funds

Distribution/Market Efficiency

- Managed fund service (mFund)

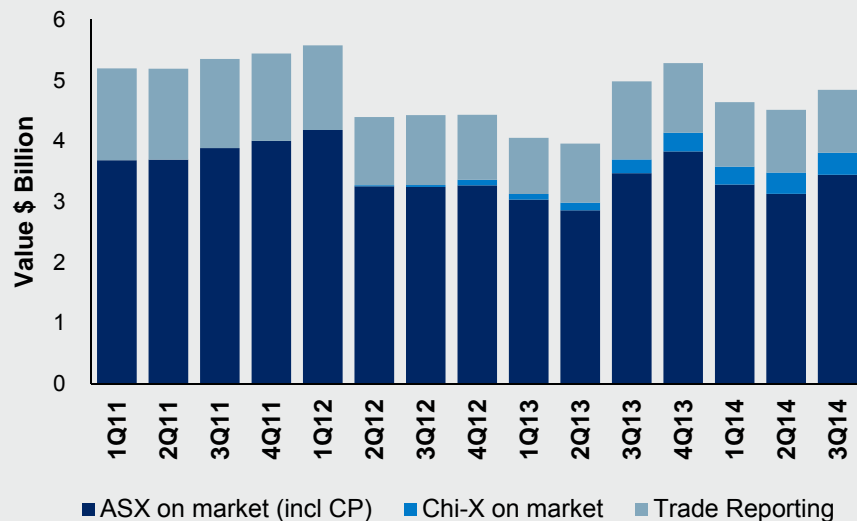
Cash Market (trading, clearing, settlement)

Highlights nine months to end of March 2014

Revenue A\$87.8 million, up 4.3%

- Total on-market value traded per day up 10.9%
- ASX on-market trading up 5.4% per day
- On-market trading market share approx 90%

Daily Average Value Traded



Areas of focus

Trading

- Innovation in Centre Point execution service
- Centre Point was 17.7% of trading revenue in March quarter

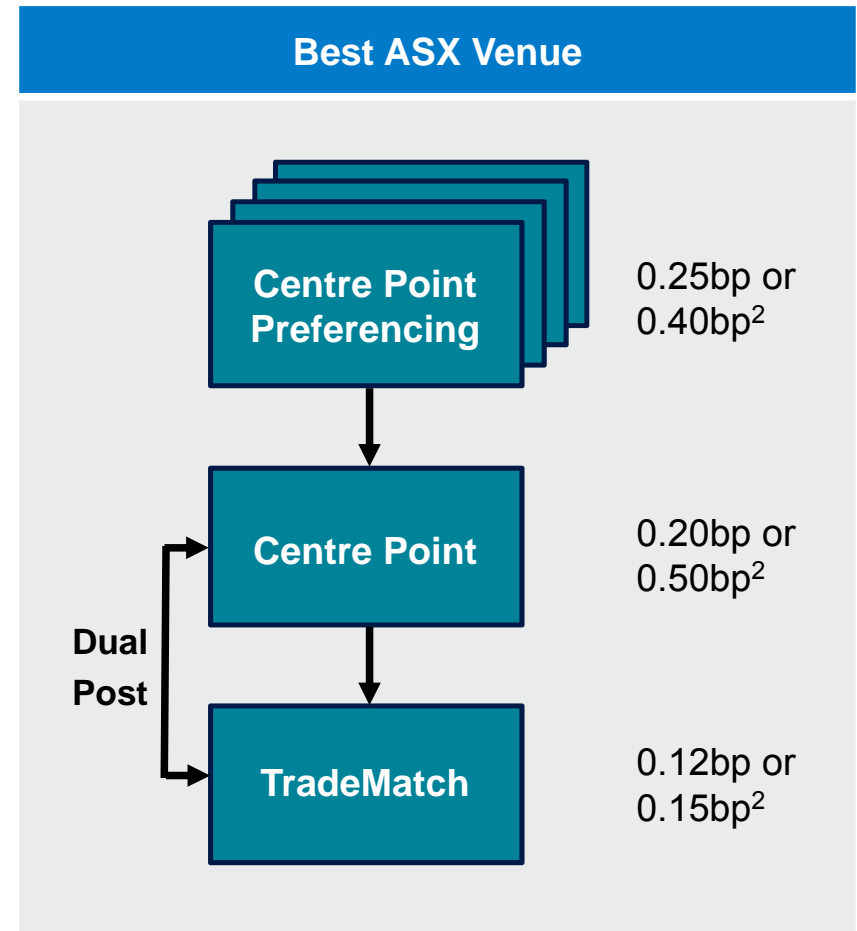
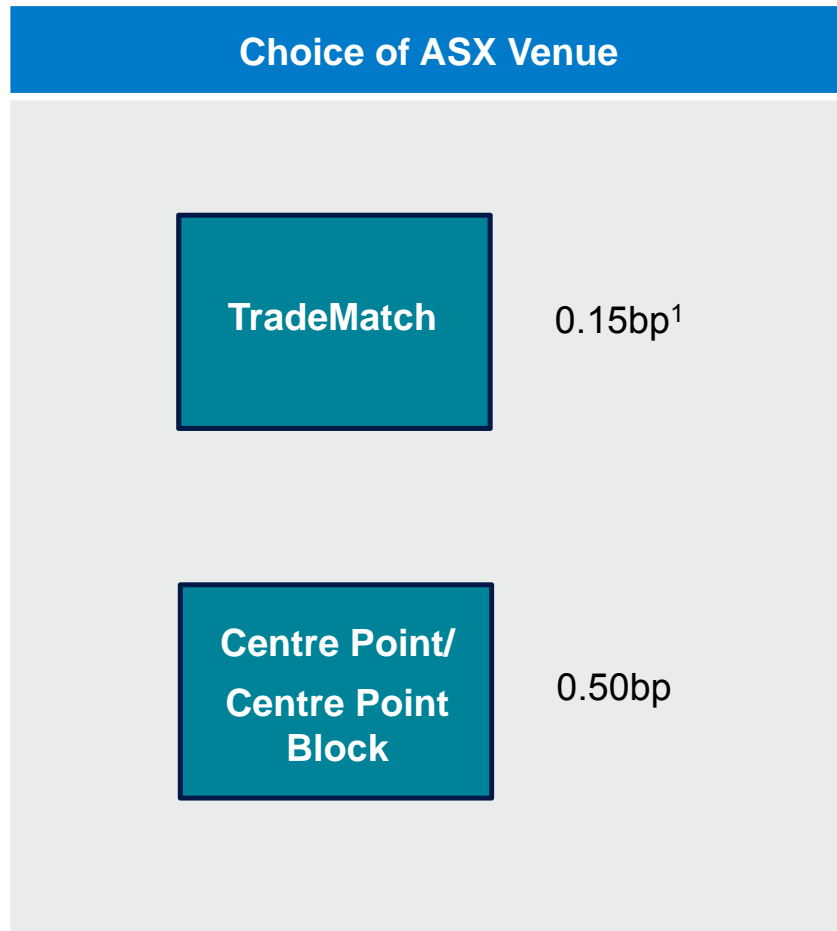
Clearing and Settlement

- Cash market margining
- Code of Practice to support single national platform
 - Transparent and non-discriminatory pricing
 - Access to clearing and settlement services
 - Stakeholder Forum

Customer Alignment

- Revenue sharing arrangements

Cash Market trading innovation



1. Auctions attract fee of 0.28bp
2. Lower fees available to participants with an average daily value in Centre Point below \$10 million

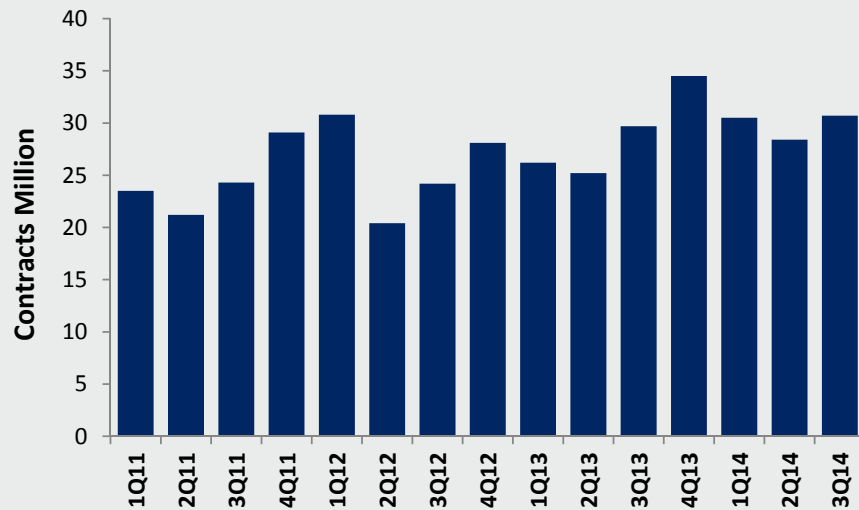
Derivatives and OTC Markets

Highlights nine months to end of March 2014

Revenue A\$152.2 million, up 5.5%

- Futures contracts traded up 10.5%
- Equity options contracts traded down 19.8%

ASX 24 Derivatives (Futures) Volume



Areas of focus

Product Development

- VIX and equity sectoral futures contracts
- New electricity futures contracts

Regulatory Standards ASX Clear (Futures)

- 'Cover 2' capital standard
- AA- long-term credit rating from S&P
- CFTC no action relief, ESMA transitional relief

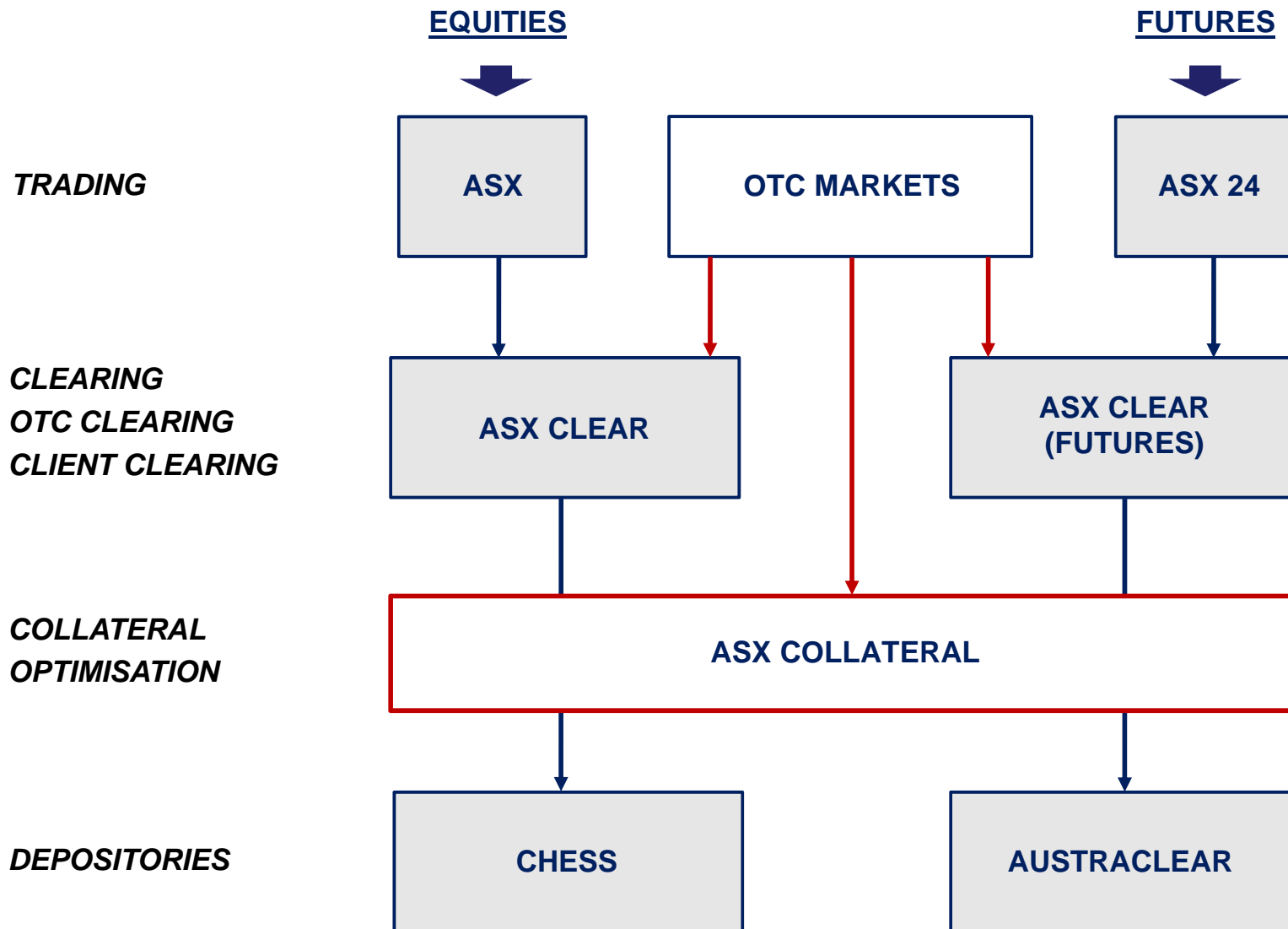
Risk Management Services

- OTC clearing solution launched
- OTC client clearing solution technically ready
- Futures client clearing July 2014
- 'Futurisation' next phase

Exchange Traded Options

- Initiatives to stabilise and return to growth

World class post-trade infrastructure



Information and Technical Services

Highlights nine months to end of March 2014

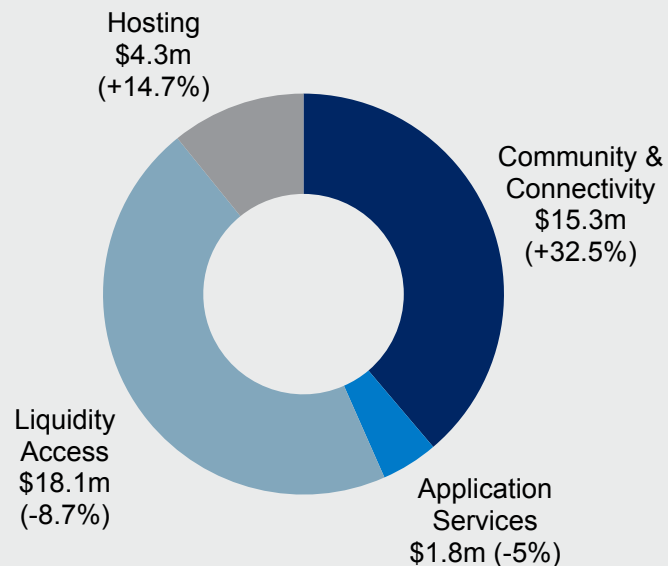
Information Services A\$52.4 million, up 13.7%

- Pricing changes implemented 1 July 2013

Technical Services A\$39.4 million, up 6.8%

- Growth in hosting -137 cabinets and 85 customers
- Growth in community and connectivity

Revenue Mix Technical Services



Areas of focus

Information Services

- Fee alignment to changing user profiles

Technical Services

- ASX Net Global launched, connecting to Singapore, London, Chicago
- Continued sales growth in data centre services
- Enhanced ASX 24 real-time price information (ITCH)

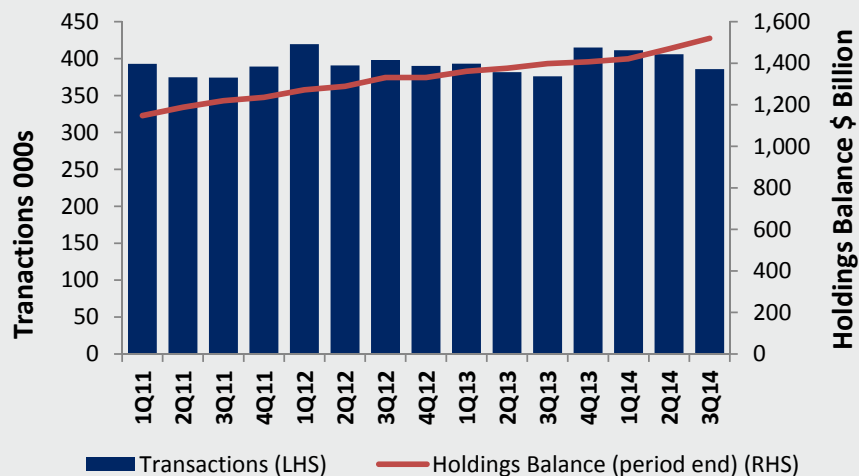
Austraclear

Highlights nine months to end of March 2014

Revenue A\$31.0 million, up 7.9%

- Transaction volume up 4.6%
- Average balances up 6.2% to A\$1.5 trillion

Transactions and Holdings



Areas of focus

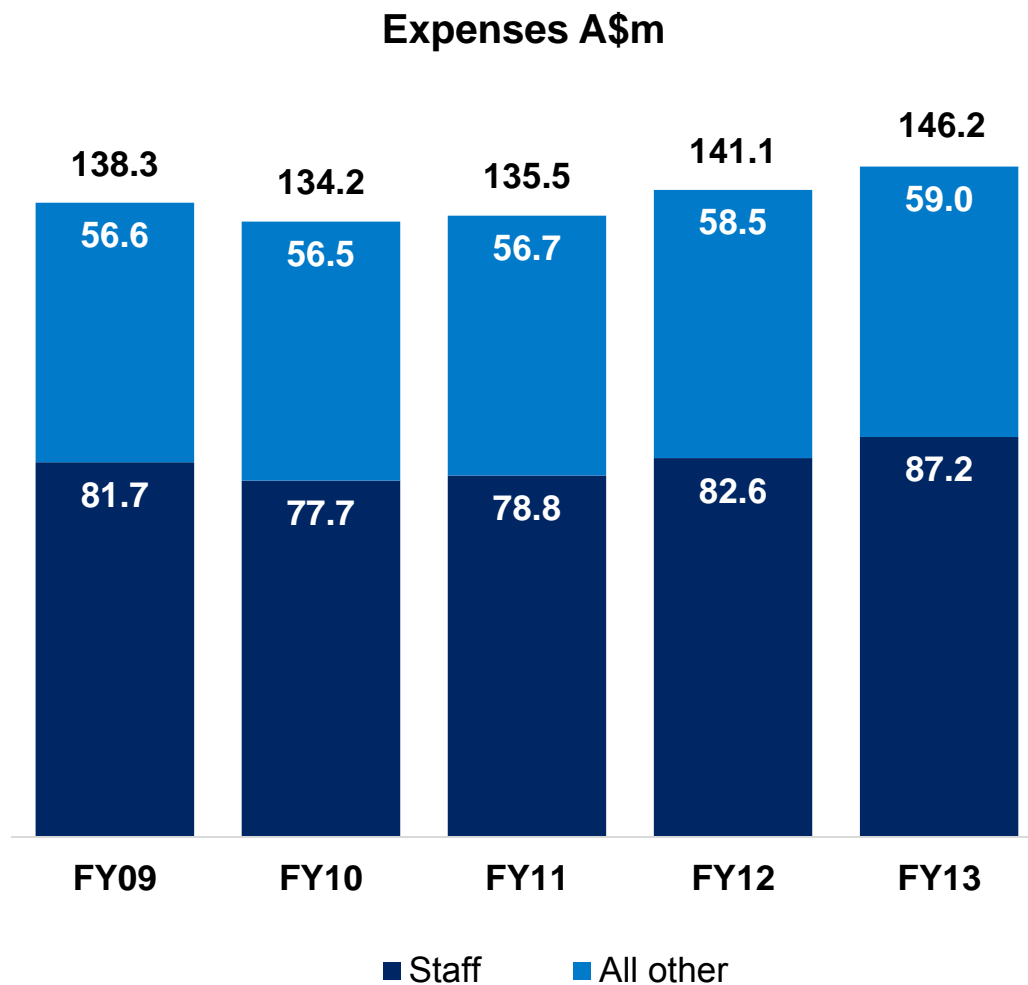
ASX Collateral Service

- Reduces collateral costs for ASX clients
- Phase 1 connects service to Austraclear fixed income securities
- Future phases (CHESS connectivity, international linkages) to be determined following initial launch

Multi-currency Capabilities

- Renminbi cash transfer service July 2014

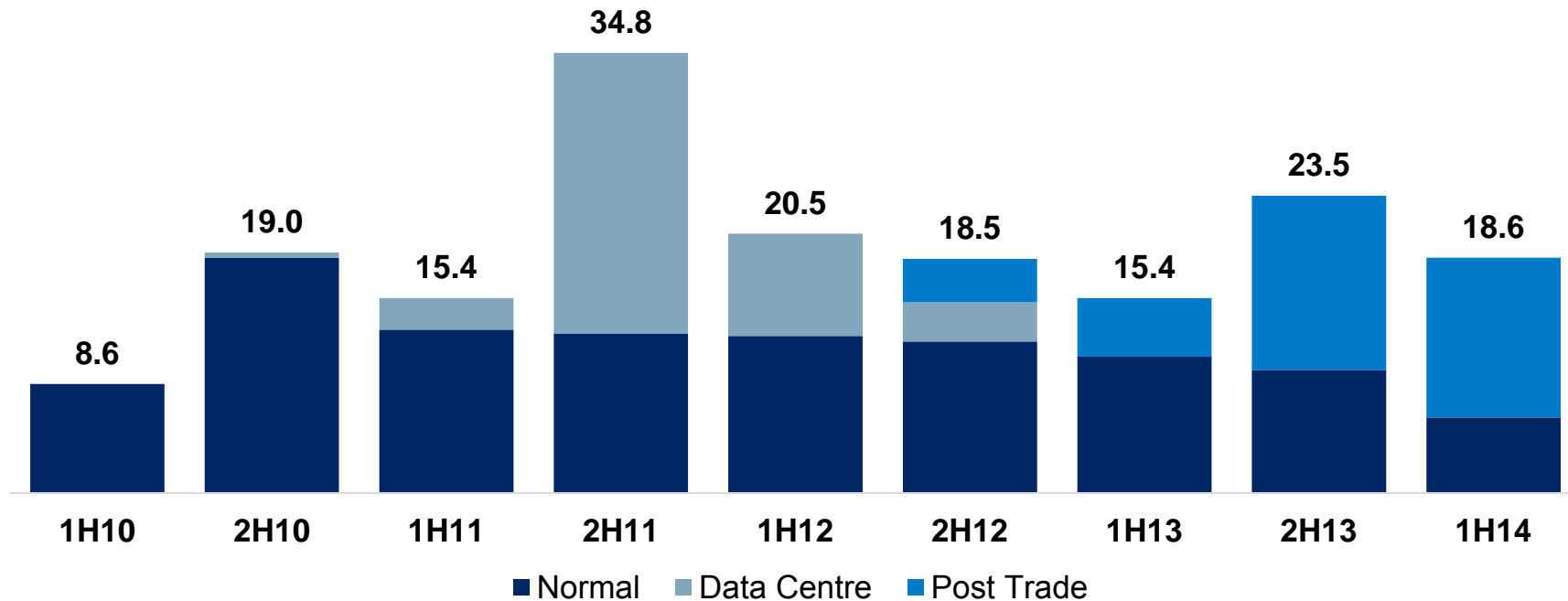
Expense growth to support initiatives



Comments

- Expense discipline in period of investment (particularly in post-trade services)
- Average staff numbers year-to-date FY14 up 4.1% to 534 FTEs
- Guidance FY14 expense growth approximately 5%
- EBITDA ratio maintained at 76%

Capital Expenditure (A\$M)



Comments

- YTD March FY14 capital expenditure A\$28.3 million including A\$17.0 million post trade
- Guidance FY14 capital expenditure A\$40 to A\$45 million
- Strong balance sheet, no debt
- Dividend payout ratio 90%

Summary

Strong business anchored in attractive financial market

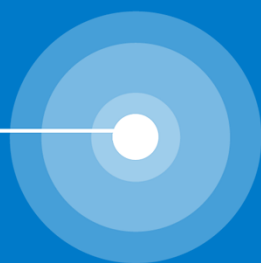
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Appendices

Income Statement (A\$m)

| | FY09 \$ Million | FY10 \$ Million | FY11 \$ Million | FY12 \$ Million | FY13 \$ Million | YTD Mar 14 \$ Million |
|------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------------|
| REVENUE | | | | | | |
| Listings and Issuer Services | 128.3 | 146.1 | 150.3 | 133.4 | 139.7 | 113.6 |
| Cash Market | 138.8 | 150.8 | 133.9 | 124.5 | 114.6 | 87.8 |
| <i>Trading</i> | 52.1 | 52.6 | 38.7 | 36.4 | 32.8 | 24.6 |
| <i>Clearing</i> | 43.7 | 50.8 | 49.6 | 45.9 | 41.6 | 32.5 |
| <i>Settlement</i> | 43.0 | 47.4 | 45.6 | 42.2 | 40.2 | 30.7 |
| Information Services | 71.0 | 68.8 | 70.9 | 66.9 | 61.8 | 52.4 |
| Technical Services | 28.6 | 29.8 | 40.4 | 45.3 | 49.8 | 39.4 |
| Derivatives | 133.8 | 147.8 | 172.2 | 188.7 | 197.3 | 152.2 |
| <i>ASX 24 Derivatives</i> | 108.3 | 116.2 | 141.7 | 161.0 | 169.0 | 136.2 |
| <i>ASX Derivatives</i> | 25.5 | 31.6 | 30.5 | 27.7 | 28.3 | 16.0 |
| Austraclear Services | 24.7 | 31.2 | 33.8 | 36.0 | 38.6 | 31.0 |
| Other Revenue | 13.2 | 13.7 | 16.1 | 15.6 | 15.6 | 12.0 |
| Operating Revenue | 538.4 | 588.2 | 617.6 | 610.4 | 617.4 | 488.4 |
| EXPENSES | | | | | | |
| Staff | 81.7 | 77.7 | 78.8 | 82.6 | 87.2 | 69.5 |
| Occupancy | 12.8 | 13.9 | 13.6 | 15.5 | 13.7 | 10.6 |
| Equipment | 22.7 | 22.2 | 21.3 | 21.6 | 22.4 | 17.3 |
| Administration | 16.1 | 15.2 | 13.9 | 13.5 | 15.6 | 11.6 |
| Variable | 5.0 | 5.2 | 4.5 | 3.7 | 3.8 | 3.2 |
| ASIC Supervision Levy | - | - | 3.4 | 4.2 | 3.5 | 2.8 |
| Operating Expenses | 138.3 | 134.2 | 135.5 | 141.1 | 146.2 | 115.0 |
| EBITDA | 400.1 | 454.0 | 482.1 | 469.3 | 471.2 | 373.4 |

Income Statement (A\$m, Continued)

| | FY09 \$ Million | FY10 \$ Million | FY11 \$ Million | FY12 \$ Million | FY13 \$ Million | YTD Mar 14 \$ Million |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------------------|
| Depreciation and Amortisation | 15.0 | 18.9 | 23.3 | 27.6 | 30.4 | 24.4 |
| EBIT | 385.1 | 435.1 | 458.8 | 441.7 | 440.8 | 349.0 |
| Net Interest Income | 19.7 | 12.8 | 20.8 | 20.6 | 13.1 | 22.0 |
| Net Interest on Participants' Balances | 32.8 | 16.5 | 16.7 | 19.9 | 31.0 | 23.5 |
| Dividend Revenue | 7.1 | 8.1 | 9.9 | 9.3 | 9.4 | 10.8 |
| Interest and Dividend Income | 59.6 | 37.4 | 47.4 | 49.8 | 53.5 | 56.3 |
| Underlying Profit Before Tax | 444.7 | 472.5 | 506.2 | 491.5 | 494.3 | 405.3 |
| Income Tax Expense | (131.1) | (139.9) | (149.6) | (145.3) | (146.1) | (118.4) |
| Underlying Profit After Tax | 313.6 | 332.6 | 356.6 | 346.2 | 348.2 | 286.9 |
| Less Significant Items | - | (4.5) | (4.3) | (7.0) | - | - |
| Statutory Profit After Tax | 313.6 | 328.1 | 352.3 | 339.2 | 348.2 | 286.9 |

Balance Sheet (A\$m)

| | 30 Jun 09 \$ Million | 30 Jun 10 \$ Million | 30 Jun 11 \$ Million | 30 Jun 12 \$ Million | 30 Jun 13 \$ Million | 31 Dec 13 \$ Million |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Assets | | | | | | |
| Cash and Available-For-Sale Financial Assets | 4,019.5 | 3,716.8 | 3,318.6 | 3,696.2 | 4,496.2 | 5,071.7 |
| Goodwill | 2,262.8 | 2,262.8 | 2,262.8 | 2,262.8 | 2,317.6 | 2,317.6 |
| Investments | 172.2 | 206.4 | 213.9 | 162.1 | 185.6 | 288.7 |
| Other Assets | 332.3 | 434.8 | 369.2 | 406.1 | 369.3 | 318.8 |
| Total Assets | 6,786.8 | 6,620.8 | 6,182.5 | 6,527.2 | 7,368.7 | 7,996.8 |
| Liabilities | | | | | | |
| Amounts Owing to Participants | 3,608.6 | 2,990.2 | 2,516.4 | 2,939.6 | 3,753.1 | 4,033.4 |
| Borrowings | 100.0 | 250.0 | 250.0 | 250.0 | - | - |
| Other Liabilities | 304.8 | 459.3 | 395.0 | 342.6 | 293.8 | 287.2 |
| Total Liabilities | 4,013.4 | 3,699.5 | 3,161.4 | 3,532.2 | 4,046.9 | 4,320.6 |
| Equity | | | | | | |
| Capital | 2,361.8 | 2,437.3 | 2,483.2 | 2,483.2 | 2,746.4 | 3,027.2 |
| Retained Earnings | 272.6 | 319.7 | 368.3 | 382.3 | 427.6 | 458.1 |
| Reserves | 139.0 | 164.3 | 169.6 | 129.5 | 147.8 | 190.9 |
| Total Equity | 2,773.4 | 2,921.3 | 3,021.1 | 2,995.0 | 3,321.8 | 3,676.2 |

Globally
connected

World class

Internationally
competitive

Customer driven



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