Appendix 4D

Preliminary financial statements for the half-year ended 31 December 2018 as required by ASX listing rule 4.2A

Results for announcement to the market (All comparisons to half-year ended 31 December 2017)	$m	Up/down	Movement %
Revenue from ordinary activities	541.2	up	7.9%
Revenue from ordinary activities excluding interest income	431.4	up	3.9%
Net profit before tax	352.3	up	7.2%
Profit after tax from ordinary activities (including significant items)	246.1	up	6.8%
Underlying profit after tax (excluding significant items)	246.1	up	6.8%

Dividend information	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit
Final 2018 dividend per share (paid 26 September 2018)	109.1	109.1	30%
Interim 2018 dividend per share determined	114.4	114.4	30%

Interim dividend dates*	
Ex-dividend date	7 March 2019
Record date	8 March 2019
Payment date	27 March 2019

* Dates are subject to final ASX Board approval

The Company's Dividend Reinvestment Plan (DRP) will not apply to the interim dividend.

	31 Dec 2018	31 Dec 2017
Net tangible assets per security	$7.41	$7.70

This information should be read in conjunction with the 2018 Annual Report.

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the consolidated financial statements for the half-year ended 31 December 2018.

This report is based on the consolidated financial statements for the half-year ended 31 December 2018 which have been reviewed by PricewaterhouseCoopers.

ASX

ASX Limited and its controlled entities

2019 ASX Limited Half-Year Financial Statements

ASX Limited ABN 98 008 624 691 and its controlled entities.

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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 2018 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.

For the purpose of the Directors' report, the Listings and Issuer Services revenue, income tax expense and all resulting profit measures for the prior comparative period (pcp) have been restated to retrospectively apply AASB 15 *Revenue from Contracts with Customers* and all analysis in this report is based on these restated numbers. The pcp has not been restated in the financial statements.

The pcp has been restated in the Directors' report to provide greater comparability of the Company's performance in the half-year ended 31 December 2018 (1H19) as both the current and restated pcp reflect the new accounting policy to defer the recognition of initial and subsequent listing revenue over 5 and 3 years respectively. Prior to the adoption of AASB 15, this revenue was recognised on the date of listing. The impact of the change in accounting policy is a decrease of $10.3 million in Listings and Issuer Services revenue and the resulting EBITDA, EBIT and underlying profit before tax, a decrease in income tax expense of $3.1 million and a decrease in the underlying profit after tax of $7.2 million.

The restated results as presented in this report have not been audited or reviewed in accordance with Australian Auditing standards.

The consolidated net profit after tax for the half-year ended 31 December 2018 attributable to the owners of ASX was $246.1 million (31 December 2017: $230.5 million, restated 31 December 2017: $223.3 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 Dominic J Stevens (Managing Director and CEO)
- Ms Yasmin A Allen
- Ms Melinda B Conrad
- Dr Ken R Henry AC
- Mr Peter R Marriott
- Mrs Heather M Ridout AO
- Mr Damian Roche
- Mr Peter H Warne

Results of operations

The Group's underlying net profit after tax (NPAT) for 1H19 increased 6.8% on the pcp to $246.1 million. After restatement for AASB 15 of 1H18, NPAT increased 10.2%.

Earnings per share (EPS) was 127.1 cents, up 6.7% from the un-restated EPS of 119.1 cents per share.

Summary Income Statement for the period ending 31 December 2018

	1H19[1] $m	1H18[2] $m	Variance fav/(unfav) $m	Variance fav/(unfav) %
Operating revenue	424.7	398.7	26.0	6.5
Operating expenses	(105.2)	(96.2)	(9.0)	(9.4)
EBITDA	**319.5**	**302.5**	**17.0**	**5.6**
Depreciation and amortisation	(22.1)	(22.4)	0.3	1.5
EBIT	**297.4**	**280.1**	**17.3**	**6.2**
Net interest and dividend income	54.9	38.2	16.7	43.8
Underlying profit before tax	**352.3**	**318.3**	**34.0**	**10.7**
Income tax expense	(106.2)	(95.0)	(11.2)	(11.8)
Underlying profit after tax	**246.1**	**223.3**	**22.8**	**10.2**

[1] 1H19 is in line with the Group segment reporting note.
[2] The comparative has been restated for the adoption of AASB 15. A reconciliation of the income statement as presented in the Group segment reporting note in the financial statements and the restated comparative is provided in the table below.

	Segment note 1H18 $m	Change in accounting policy	Restated 1H18 $m
Operating revenue	409.0	(10.3)	398.7
Operating expenses	(96.2)	-	(96.2)
EBITDA	**312.8**	**(10.3)**	**302.5**
Depreciation and amortisation	(22.4)	-	(22.4)
EBIT	**290.4**	**(10.3)**	**280.1**
Net interest and dividend income	38.2	-	38.2
Underlying profit before tax	**328.6**	**(10.3)**	**318.3**
Income tax expense	(98.1)	3.1	(95.0)
Underlying profit after tax	**230.5**	**(7.2)**	**223.3**

The directors have determined an interim dividend of 114.4 cents per share, up 6.7% on the pcp, reflecting the increase in underlying earnings prior to restatement.

Additional information relating to dividends for the current and prior periods, including dividends determined by the Board since the end of the half-year, is set out in note 3 of the Financial Statements.

Directors' report continued

Operating revenue

Operating revenue increased 6.5% in 1H19 to $424.7 million.

	1H19 $m	1H18 $m	Variance fav/(unfav) $m	Variance fav/(unfav) %
Listings and Issuer Services	111.5	103.2	8.3	8.0
Derivatives and OTC Markets	146.8	138.1	8.7	6.3
Trading Services	113.5	104.5	9.0	8.6
Equity Post-Trade Services	54.7	52.2	2.5	4.8
Other revenue	(1.8)	0.7	(2.5)	large
Total operating revenue	**424.7**	**398.7**	**26.0**	**6.5**

The comparative for Listings and Issuer Services has been restated for the impact of AASB 15. Listings and Issuer Services as reported in the segment note for 1H18 is $113.5 million. The adjustment of $10.3 million relates to the deferral of initial listing fees over a 5 year period and subsequent listing fees over a 3 year period in line with the Group's accounting policy changes upon adoption of AASB 15. Refer to note 10 in the financial statements for further details.

Listings and Issuer Services revenue was $111.5 million, up 8.0% principally reflecting:

Annual listing revenue up 9.4% to $46.6 million
An increase in the number of listed entities to 2,284 along with growth in market capitalisation and fee changes resulted in the increase in revenue.

Initial listing revenue up 14.2% to $9.6 million
Strong initial listings fees during 1H19 combined with annual fee changes over the past 5 years contributed to the overall revenue growth.

Secondary capital raisings revenue up 8.3% to $25.1 million
Annual fee changes over the past 3 years and solid capital raisings were the main drivers supporting the increase in revenue.

Issuer services revenue up 6.3% to $26.5 million
An increase in the number of CHESS holding statements and other shareholder communications supported the increase in revenue.

Derivatives and OTC revenue was $146.8 million, up 6.3% reflecting:

Futures and OTC revenue up 7.6% to $109.3 million
The increase in revenue was due to a 5.3% increase in futures volumes and an increase in the gross average futures fee.

This was driven by a 27% increase in SPI volumes and a 53% increase in Australian electricity volumes. This was partially offset by higher proprietary rebates. The value cleared through the OTC clearing service was lower at $2.0 trillion, compared to $3.1 trillion in the pcp.

Equity options revenue down 6.4% to $10.2 million
The decrease in revenue resulted from the continued decline in single stock options volumes which were down 12.3%, this was partly offset by growth in index options volumes, up 4.4%.

Austraclear revenue up 6.7% to $27.3 million
The increase in revenue was primarily due to higher issuances and higher balances in the depository, increased transactions and growth in the ASX Collateral service. The average ASX Collateral service value of assets at 31 December 2018 was $23.6 billion compared to $18.2 billion in the pcp.

Trading Services revenue was $113.5 million, up 8.6% reflecting:

Cash market trading revenue up 15.2% to $26.0 million
The increase in revenue resulted from:

- Higher on-market trading value of $4.5 billion per day, up 14.1%. ASX's share of on-market trading averaged 88.7% in 1H19, up from 85.9% in the pcp
- Increase in the use of the Auction trade execution service and continued usage of the Centre Point execution service, both of which are charged at a premium. Auctions accounted for 27.5% of the ASX on-market value while Centre Point usage was 9.7%. Together these accounted for 54.3% of ASX trading revenue, up from 52.0% in the pcp.

Information services revenue up 5.5% to $47.2 million
The increase in revenue resulted from:

- Increase in ASX Net usage across market data services
- Additional revenues from futures data pricing and fee changes with the removal of fee waivers to certain data services from 1 January 18.

Technical services revenue up 8.3% to $40.3 million
The increase in revenue resulted from:

- Increased cabinet hosting with 323 cabinets at 31 December 2018 up from 311 a year earlier, additional access and connections to the trading platforms and growth in the number of cross connections within the ALC. The number of ALC cross connections grew from 934 to 1,030 during the half-year.

Equity Post-Trade operating revenue $54.7 million, up 4.8% reflecting:

Cash market clearing revenue up 5.7% to $27.3 million
This results from a 11.5% increase in the value of trades centrally cleared on-market, in line with the total value of equities traded, offset by the revenue share rebate provided of $1.4 million compared to nil in the pcp.

Cash market settlement revenue up 3.8% to $27.4 million
The number of messages increased year on year, with the main message type broadly consistent and messages related to the movement and conversion of securities 15.0% higher than the previous year. The settlement revenue share rebate provided was $0.7 million compared to nil in the pcp.

Directors' report continued

Operating expenses

Underlying operating expenses (excluding finance costs and depreciation and amortisation) increased 9.4% to $105.2 million.

- Staff costs increased 12.0% to $63.2 million. This reflects the annual remuneration review and the higher average head count. The average full-time equivalent (FTE) headcount increased to 632 compared to 555 in the pcp. The increase supports the Building Stronger Foundations program and development of new initiatives.
- Occupancy costs increased 6.7% to $8.6 million, primarily due to increased costs related to the expansion of the international data centre footprint and timing of the new Bridge Street lease in the pcp.
- Equipment costs increased 10.9% to $15.3 million, due to additional support and maintenance costs to support the Building Stronger Foundations program and new initiatives for the ASX business.
- Administration costs were broadly flat on the pcp, up 1.0%.
- Variable costs increased 8.9% due to higher postage in line with increased shareholder communications.
- Regulatory fees decreased 7.2% due to a true-up of accruals based on updated information from ASIC.

	1H19 $m	1H18 $m	Variance fav/(unfav) $m	Variance fav/(unfav) %
Staff	(63.2)	(56.5)	(6.7)	(12.0)
Occupancy	(8.6)	(8.1)	(0.5)	(6.7)
Equipment	(15.3)	(13.8)	(1.5)	(10.9)
Administration	(10.5)	(10.4)	(0.1)	(1.0)
Variable	(4.4)	(4.0)	(0.4)	(8.9)
ASIC supervision levy	(3.2)	(3.4)	0.2	7.2
Operating expenses	**(105.2)**	**(96.2)**	**(9.0)**	**(9.4)**

Capital expenditure

The Group invested $27.6 million in capital expenditure during the half-year, compared to $13.4 million in the pcp. Expenditure included the continued investment in distributed ledger technology for the CHESS replacement, the relocation of the secondary data centre as well as various initiatives to strengthen resiliency of ASX services, by continuing to contemporise platforms.

Depreciation and amortisation expense decreased 1.5% to $22.1 million, reflecting ASX's continued investment in technology, being offset by end of life assets.

Net interest income

Net interest and dividend income increased 43.8% to $54.9 million. Net interest consists of two components: interest earned on ASX's cash balances and net interest earned from the investment of cash collateral balances lodged by participants.

Interest income on ASX's cash balances increased 26.3% to $10.9 million as a result of higher average interest rates. Net interest earned from the investment of participant balances increased 59.3% to $38.9 million. This increase was driven by a 15.5% increase in average cash collateral and commitment balances to $8.1 billion. Investment earnings on this portfolio increased to 54 basis points compared to 29 basis points above the official overnight cash rate.

Dividend income from ASX's shareholding in IRESS Limited remained constant with the pcp.

Financial position

At 31 December 2018, the net assets of the Group remain strong at $3,878.8 million.

Summary Balance Sheet as at 31 December 2018

As at	31 Dec 2018 $m	30 Jun 2018 $m	Variance increase/(decrease) $m	Variance increase/(decrease) %
Assets				
Cash and cash equivalents[1]	8,688.3	9,565.3	(877.0)	(9.2)
Intangibles (excluding software)	2,326.2	2,326.3	(0.1)	-
Investments	445.4	474.3	(28.9)	(6.1)
Other assets	780.3	557.1	223.2	40.1
Total assets	**12,240.2**	**12,923.0**	**(682.8)**	**(5.3)**
Liabilities				
Amounts owing to participants	7,548.2	8,495.8	(947.6)	(11.2)
Other liabilities	813.2	481.7	331.5	68.8
Total liabilities	**8,361.4**	**8,977.5**	**(616.1)**	**(6.9)**
Equity				
Capital	3,027.2	3,027.2	-	-
Retained earnings	616.7	666.7	(50.0)	(7.5)
Reserves	234.9	251.6	(16.7)	(6.6)
Total equity	**3,878.8**	**3,945.5**	**(66.7)**	**(1.7)**

[1] Cash equivalents includes financial assets at amortised cost and financial assets at fair value through profit or loss.

Directors' report continued

Investments
Investments for the period were down $28.9 million or 6.1% on the prior year and reflect the carrying value of ASX's investments as detailed below. The movement reflects the change in fair value of these investments:

- 19% shareholding in IRESS Limited, down $29.6 million. A listed entity providing financial market and wealth management technology solutions
- 49% shareholding in Yieldbroker Pty Limited, down $0.2 million. An unlisted entity operating licensed electronic markets for trading Australian and New Zealand debt securities
- 7% shareholding in Digital Asset Holdings LLC, up $1.8 million. An unlisted US domiciled technology entity
- 50% shareholding in Sympli Australia Pty Limited, down $0.9 million. Established to provide electronic property conveyancing and settlement services.

Amounts owing to participants
Amounts owing to participants were down $947.6 million or 11.2% compared to the prior year. As part of its clearing operations, the Group holds a significant amount of collateral lodged by participants to cover cash market and derivatives exposures cleared through its licensed central counterparty. The reduction primarily resulted from a decrease in open positions held in equity index futures. However, average collateral lodged during the period was 26.3% higher than the pcp.

The decrease in participant balances results in a corresponding decrease in cash and financial assets at amortised cost, as the balances are invested by ASX.

Total equity
Total equity was down $66.7 million or 1.7%. This is principally a result of the change in accounting policies upon adoption of AASB 9 and AASB 15 which resulted in an adjustment to total equity of $84.3 million, net of tax. Refer to note 10 for further details. There was also a decrease in the fair value of the Group's investment in IRESS Limited of $20.7 million, net of tax.

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 on page 7.

Rounding of amounts

ASX is a company of the kind referred to in ASIC Legislative Instrument 2016/191. In accordance with that instrument, amounts in the Financial Statements and the Directors' Report have been rounded to the nearest hundred thousand dollars unless otherwise indicated.

Signed in accordance with a resolution of the directors:

Rick Holliday-Smith
Chairman

Dominic Stevens
Managing Director and CEO

Sydney, 14 February 2019

Auditor's independence declaration

As lead auditor for the review of ASX Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) 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.

Voula Papageorgiou
Partner
PricewaterhouseCoopers

Sydney, 14 February 2019

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Consolidated statement of comprehensive income

For the period ended	Note	31 Dec 2018 $m	31 Dec 2017 $m
Revenue			
Listings and Issuer Services	2	112.0	113.9
Derivatives and OTC Markets	2	147.0	138.3
Trading Services	2	114.2	105.2
Equity Post-Trade Services	2	54.7	52.2
Interest income		109.8	86.1
Dividend income		5.1	5.1
Share of net (loss) of equity accounted investments		(2.6)	-
Other	2	1.0	0.7
		541.2	**501.5**
Expenses			
Staff		(63.2)	(56.5)
Occupancy		(8.6)	(8.1)
Equipment		(16.1)	(14.5)
Administration		(18.9)	(18.4)
Finance costs		(60.0)	(53.0)
Depreciation and amortisation		(22.1)	(22.4)
		(188.9)	**(172.9)**
Profit before income tax expense		**352.3**	**328.6**
Income tax expense		(106.2)	(98.1)
Net profit for the period attributable to owners of the Company		**246.1**	**230.5**
Other comprehensive income			
Items that may be reclassified to profit or loss[1]			
Change in the fair value of available-for-sale investments		-	(21.7)
Change in the fair value of cash flow hedges		0.3	0.1
Items that cannot be reclassified to profit or loss			
Change in the fair value of investments in equity instruments		(19.9)	-
Other comprehensive income for the period, net of tax		**(19.6)**	**(21.6)**
Total comprehensive income for the period attributable to owners of the Company		**226.5**	**208.9**
Earnings per share			
Basic earnings per share (cents per share)		**127.1**	**119.1**
Diluted earnings per share (cents per share)		**127.1**	**119.1**

1 In the prior period, $0.1 million was reclassified from equity to profit or loss following the sale of available-for-sale financial assets prior to their maturity. The available-for-sale financial assets have been reclassified to financial assets at amortised cost on 1 July 2018 following the adoption of AASB 9. Therefore there will no longer be any fair value movements recognised in equity and subsequently reclassified to profit or loss on sale of these assets.

Consolidated balance sheet

As at	Note	31 Dec 2018 $m	30 Jun 2018 $m
Current assets			
Cash and funds on deposit		4,073.4	5,563.9
Financial assets at amortised cost		3,801.4	-
Financial assets at fair value through profit or loss	6	813.5	-
Available-for-sale financial assets	6	-	4,001.4
Receivables		587.8	373.2
Prepayments		19.4	17.4
Total current assets		**9,295.5**	**9,955.9**
Non-current assets			
Investments in equity instruments[1]	6,7	388.1	416.4
Equity accounted investments		52.0	53.1
Investments at fair value through profit or loss	6	5.3	4.8
Intangible assets[2]		2,443.9	2,438.1
Property, plant and equipment		54.0	54.4
Prepayments		1.4	0.3
Total non-current assets		**2,944.7**	**2,967.1**
Total assets		**12,240.2**	**12,923.0**
Current liabilities			
Amounts owing to participants	5	7,348.2	8,295.8
Payables		535.0	354.3
Current tax liabilities		37.8	17.1
Provisions		15.1	14.6
Revenue received in advance	2	143.2	22.4
Total current liabilities		**8,079.3**	**8,704.2**
Non-current liabilities			
Amounts owing to participants	5	200.0	200.0
Net deferred tax liabilities		0.8	64.7
Provisions		9.4	8.5
Revenue received in advance	2	71.9	0.1
Total non-current liabilities		**282.1**	**273.3**
Total liabilities		**8,361.4**	**8,977.5**
Net assets		**3,878.8**	**3,945.5**
Equity			
Issued capital	4	3,027.2	3,027.2
Retained earnings		616.7	666.7
Restricted capital reserve		71.5	71.5
Asset revaluation reserve		149.4	168.4
Equity compensation reserve		14.0	11.7
Total equity		**3,878.8**	**3,945.5**

[1] This line item was called available-for-sale investments in the prior period.
[2] Includes software of $117.7 million (30 June 2018: $111.8 million).

Consolidated statement of changes in equity

For the period ended	Note	Issued capital $m	Retained earnings $m	Restricted capital reserve $m	Asset revaluation reserve $m	Equity compensation reserve $m	Total equity $m
Opening balance at 1 July 2018		**3,027.2**	**666.7**	**71.5**	**168.4**	**11.7**	**3,945.5**
Change in accounting policies	10	-	(84.9)	-	0.6	-	(84.3)
Restated balance at 1 July 2018		**3,027.2**	**581.8**	**71.5**	**169.0**	**11.7**	**3,861.2**
Profit for the period		-	246.1	-	-	-	246.1
Other comprehensive income for the period		-	-	-	(19.6)	-	(19.6)
Total comprehensive income for the period, net of tax		**-**	**246.1**	**-**	**(19.6)**	**-**	**226.5**
Transactions with owners in their capacity as owners:							
Incentive plans – value of employee services		-	-	-	-	-	-
Incentive plans - shares transferred to the Trust		-	-	-	-	2.3	2.3
Dividends paid	3	-	(211.2)	-	-	-	(211.2)
Closing balance at 31 December 2018		**3,027.2**	**616.7**	**71.5**	**149.4**	**14.0**	**3,878.8**
Opening balance at 1 July 2017		**3,027.2**	**622.2**	**71.5**	**178.4**	**8.8**	**3,908.1**
Profit for the period		-	230.5	-	-	-	230.5
Other comprehensive income for the period		-	-	-	(21.6)	-	(21.6)
Total comprehensive income for the period, net of tax		**-**	**230.5**	**-**	**(21.6)**	**-**	**208.9**
Transactions with owners in their capacity as owners:							
Incentive plans – value of employee services		-	-	-	-	1.6	1.6
Incentive plans– Shares transferred to the trust		-	-	-	-	(0.3)	(0.3)
Dividends paid	3	-	(193.1)	-	-	-	(193.1)
Closing balance at 31 December 2017		**3,027.2**	**659.6**	**71.5**	**156.8**	**10.1**	**3,925.2**

Consolidated statement of cash flows

For the period ended	31 Dec 2018 $m	31 Dec 2017 $m
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	540.2	506.7
Payments to suppliers and employees (inclusive of GST)	(163.6)	(147.3)
	376.6	**359.4**
Interest received	104.7	85.7
Interest paid	(60.1)	(52.0)
Dividends received	5.1	5.1
Income taxes paid	(104.9)	(96.6)
Net cash inflow from operating activities	**321.4**	**301.6**
Cash flows from investing activities		
(Decrease) in participants' margins and commitments	(960.0)	(822.1)
Payments for investments at fair value through profit or loss	-	(4.6)
Payments for equity accounted investments	(1.5)	-
Payments for other non-current assets	(39.1)	(20.4)
Net cash (outflow) from investing activities	**(1,000.6)**	**(847.1)**
Cash flows from financing activities		
Dividends paid	(211.2)	(193.1)
Net cash (outflow) from financing activities	**(211.2)**	**(193.1)**
Net decrease in cash and cash equivalents	**(890.4)**	**(738.6)**
Increase in the fair value of cash and cash equivalents	1.0	0.1
Increase/(decrease) in cash and cash equivalents due to changes in foreign exchange rates	12.4	(10.9)
Cash and cash equivalents at the beginning of the period	9,565.3	9,085.6
Cash and cash equivalents at the end of the period[1]	**8,688.3**	**8,336.2**
Cash and cash equivalents consist of:		
ASX Group funds	1,140.1	1,084.5
Participants' margins and commitments	7,548.2	7,251.7
Total cash and cash equivalents[1]	**8,688.3**	**8,336.2**

[1] Cash and cash equivalents includes all cash and funds on deposit and current financial assets at amortised cost and fair value through profit or loss except for those pledged as security under reverse repurchase agreements. Short-term repurchase agreements are used to support the management of participants' margins.

Reconciliation of the operating profit after income tax to the net cash flows from operating activities:		
Net profit after tax	**246.1**	**230.5**
Add non-cash items:		
Depreciation and amortisation	22.1	22.4
Share-based payments	2.3	1.3
Share of net loss of equity accounted investments	2.6	-
Tax on fair value adjustment of cash flow hedges	(0.1)	-
Tax on shares transferred to the Long-Term Incentive Plan Trust	-	(0.1)
FX revaluation on investments at fair value through profit or loss	(0.5)	0.1
Changes in operating assets and liabilities:		
Increase in tax balances[1]	1.5	1.5
(Increase) in current receivables[2]	(9.0)	(1.3)
(Increase) in current prepayments	(2.0)	(1.0)
(Increase)/decrease in non-current prepayments	(1.1)	0.6
(Decrease) in payables[2]	(13.4)	(8.7)
Increase in current revenue received in advance[1]	63.0	56.4
Increase/(decrease) in current provisions	0.5	(1.6)
Increase in non-current revenue received in advance[1]	8.5	-
Increase in non-current provisions	0.9	1.5
Net cash inflow from operating activities	**321.4**	**301.6**

[1] Adjustments for changes in accounting policies are excluded, refer to note 10 for details.
[2] Changes in assets and liabilities from investing and financing activities such as margins receivable/payable, certain accruals and securities pledged under repurchase agreements are excluded.

Notes to the financial statements

ASX Limited (ASX or the Company) is a company limited by shares, incorporated and domiciled in Australia and is a for-profit entity for the purposes of preparing the financial statements.

The condensed financial statements for the consolidated entity which consists of ASX and its subsidiaries (together referred to as the Group) for the half-year ended 31 December 2018 were authorised for issue by the Board of Directors on 14 February 2019. The directors have the power to amend and reissue the financial statements.

The half-year financial statements are general purpose financial statements that:

- have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB)
- include the assets and liabilities of all subsidiaries of the Company as at 31 December 2018 and the results of the subsidiaries for the half-year then ended. Inter-entity transactions with, or between, subsidiaries are eliminated in full on consolidation
- have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss and investments which have been measured at fair value through other comprehensive income
- are measured and presented in Australian dollars which is ASX's functional and presentation currency with all values rounded to the nearest hundred thousand dollars unless otherwise stated, in accordance with ASIC Legislative Instrument 2016/191.

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 2018 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 Group's accounting policies have been consistently applied to all periods presented apart from the changes to revenue and financial instruments as a result of the adoption of AASB 15 and AASB 9 respectively. Refer to note 10 for details of the changes in accounting policies. For all comparative periods refer to the accounting policies in the FY18 Annual Report.

1. Segment reporting

(a) Description of segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO.

The CODM assesses performance of the Group as a single segment, being an integrated organisation that provides a multi-asset class product offering which includes:

- listing and issuer services offered to public companies and other issuers
- trading venue or exchange activities for trading
- clearing and settlement activities
- exchange-traded and over-the-counter (OTC) products
- information and technical services supporting the Group's activities.

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 expense such as those that may be associated with significant business restructuring or individual transactions of an infrequent nature. There were no items reported as significant in the current or prior financial period.

Group performance measures, including earnings before interest and tax (EBIT) and earnings before interest, tax, depreciation and amortisation (EBITDA), are also reviewed by the CODM. In assessing performance, expected credit loss allowances and arrangements where revenue is shared with external parties are reclassified from expenses to operating revenue; certain expenses are reclassified within operating expenses; and interest income is presented net of interest expense.

(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 presented on the following page.

ASX derives all external customer revenue within Australia, however some services are accessible and some customers are located offshore.

No single customer generates revenue greater than 10% of the Group's total revenue.

Notes to the financial statements continued

For the period ended	31 Dec 2018 Segment information $m	31 Dec 2018 Adjustments $m	31 Dec 2018 Consolidated income statement $m	31 Dec 2017 Segment information $m	31 Dec 2017 Adjustments $m	31 Dec 2017 Consolidated income statement $m
Revenue						
Listings	85.0	0.5	85.5	88.6	0.4	89.0
Issuer Services	26.5	-	26.5	24.9	-	24.9
Listings and Issuer Services	**111.5**	**0.5**	**112.0**	**113.5**	**0.4**	**113.9**
Equity Options	10.2	0.2	10.4	10.9	0.2	11.1
Futures and OTC Clearing	109.3	-	109.3	101.6	-	101.6
Austraclear	27.3	-	27.3	25.6	-	25.6
Derivatives and OTC Markets	**146.8**	**0.2**	**147.0**	**138.1**	**0.2**	**138.3**
Cash Market Trading	26.0	-	26.0	22.6	-	22.6
Information Services	47.2	-	47.2	44.7	-	44.7
Technical Services	40.3	0.7	41.0	37.2	0.7	37.9
Trading Services	**113.5**	**0.7**	**114.2**	**104.5**	**0.7**	**105.2**
Cash Market Clearing	27.3	-	27.3	25.9	-	25.9
Cash Market Settlement	27.4	-	27.4	26.3	-	26.3
Equity Post-Trade Services	**54.7**	**-**	**54.7**	**52.2**	**-**	**52.2**
Other	**(1.8)**	**2.8**	**1.0**	**0.7**	**-**	**0.7**
Operating revenue	**424.7**			**409.0**		
Interest income		109.8	109.8		86.1	86.1
Dividend income		5.1	5.1		5.1	5.1
Share of net profit of equity accounted investments		(2.6)	(2.6)		-	-
Total revenue		**116.5**	**541.2**		**92.5**	**501.5**
Expenses						
Staff	(63.2)	-	(63.2)	(56.5)	-	(56.5)
Occupancy	(8.6)	-	(8.6)	(8.1)	-	(8.1)
Equipment	(15.3)	(0.8)	(16.1)	(13.8)	(0.7)	(14.5)
Administration	(10.5)	(8.4)	(18.9)	(10.4)	(8.0)	(18.4)
Variable	(4.4)	4.4	-	(4.0)	4.0	-
ASIC supervision levy	(3.2)	3.2	-	(3.4)	3.4	-
Operating expenses	**(105.2)**			**(96.2)**		
EBITDA	**319.5**			**312.8**		
Finance costs		(60.0)	(60.0)	-	(53.0)	(53.0)
Depreciation and amortisation	(22.1)	-	(22.1)	(22.4)	-	(22.4)
Total expenses	**(22.1)**	**(61.6)**	**(188.9)**	**(22.4)**	**(54.3)**	**(172.9)**
EBIT	**297.4**			**290.4**		
Net interest and dividend income						
Net interest income	10.9	(10.9)	-	8.7	(8.7)	-
Net interest on participant balances	38.9	(38.9)	-	24.4	(24.4)	-
Dividend income	5.1	(5.1)	-	5.1	(5.1)	-
Net interest and dividend income	**54.9**	**(54.9)**	**-**	**38.2**	**(38.2)**	**-**
Underlying profit before tax	**352.3**	**-**	**352.3**	**328.6**	**-**	**328.6**
Income tax expense	(106.2)	-	(106.2)	(98.1)	-	(98.1)
Underlying profit after tax	**246.1**	**-**	**246.1**	**230.5**	**-**	**230.5**
Significant items, net of tax	-	-	-	-	-	-
Net profit after tax	**246.1**	**-**	**246.1**	**230.5**	**-**	**230.5**

Notes to the financial statements continued

2. Revenue from contracts with customers

(a) Disaggregation of revenue

The Group derives its revenue from the transfer of services over time and at a point in time. The following table provides a breakdown of revenue by the timing of when performance obligations are satisfied and by major business line.

For the period ended 31 Dec 2018	Services satisfied at a point in time $m	Services satisfied over time $m	Total
Listings and Issuer Services	23.5	88.5	112.0
Derivatives and OTC Markets	132.2	14.8	147.0
Trading Services	28.6	85.6	114.2
Equity Post-Trade Services	54.3	0.4	54.7
Other	0.2	0.8	1.0
Total revenue from contracts with customers	**238.8**	**190.1**	**428.9**

As disclosed in note 1, the Group has one operating segment, the disaggregated revenue in this note differs from the reportable segment as the expected credit loss allowance and certain revenue share agreements with external parties are reclassified from expenses to operating revenue.

(b) Revenue received in advance

The Group has recognised the following as revenue received in advance related to contracts with customers. The balances represent the contract liabilities for performance obligations not completed at reporting date.

As at	31 Dec 2018 $m	30 Jun 2018 $m
Current		
Listings and Issuer Services	121.9	7.5
Austraclear	11.9	10.5
Information Services	6.5	3.2
Memberships	2.9	1.2
Total current revenue received in advance	**143.2**	**22.4**
Non-current		
Listings and Issuer Services	71.8	-
Austraclear	0.1	0.1
Total non-current revenue received in advance	**71.9**	**0.1**
Total revenue received in advance	**215.1**	**22.5**

Refer to note 10(b) for details on the changes in accounting policies following the adoption of AASB 15 *Revenue from Contracts with Customers*.

3. Dividends

The Board's dividend policy is to pay 90% of underlying profit after tax. This is reviewed each time the Board considers payment of a dividend. Underlying profit reflects NPAT adjusted for any significant revenues or expenses such as those associated with major restructuring, transactions or other material items that are not commonly recurring. There were no items classified as significant in the current or prior period.

The following table includes information relating to dividends recognised and paid by ASX during the periods ended 31 December 2018 and 31 December 2017.

For the period ended 31 Dec 2018	Cents per share	Total amount $m
Final dividend for the year ended 30 June 2018	109.1	211.2
For the period ended 31 Dec 2017		
Final dividend for the year ended 30 June 2017	99.8	193.2

The above dividends paid by the Company include amounts attached to certain shares held by the Group's Long-Term Incentive Plan Trust (LTIP). The dividend revenue recognised by LTIP is eliminated on consolidation. An immaterial amount (less than $0.1 million) was recognised in the current period (31 December 2017: $0.1 million).

Since the end of the half-year, the directors have determined an interim dividend of 114.4 cents per share totalling $221.5 million. This will be paid on 27 March 2019. The dividend will be fully franked based on tax paid at 30%.

The interim dividend has not been recognised in the financial statements for the half-year ended 31 December 2018, and will be recognised in the following reporting period.

4. Issued capital

(a) Movements in ordinary share capital

At 31 December 2018, the closing balance of ordinary share capital was $3,027.2 million (2017: $3,027.2 million) and the number of shares outstanding was 193,595,162 (2017: 193,595,162). There were no movements in the balance of ordinary share capital or the number of shares outstanding in the current or prior period.

(b) Treasury shares

The following table presents the movement in the number of treasury shares during the period.

For the period ended	31 Dec 2018 No. of shares	30 Jun 2018 No. of shares
Opening balance	**61,060**	**183,218**
Issue of shares under the Long-Term Incentive plan	-	(8,065)
Issue of deferred shares under employee equity plans	(50,000)	(116,801)
Shares transferred to LTIP	-	2,708
Closing balance	**11,060**	**61,060**

Notes to the financial statements continued

5. Amounts owing to participants

The Group undertakes central counterparty clearing and collects margins and other balances (commitments) from clearing participants as security for clearing risk undertaken.

Participants' margins and commitments lodged and recognised on balance sheet at period end comprised the following:

As at	31 Dec 2018 $m	30 Jun 2018 $m
Current		
Cash	6,534.7	7,884.6
Debt securities	813.5	411.2
Total current amounts owing to participants	**7,348.2**	**8,295.8**
Non-current		
Cash commitments	200.0	200.0
Total non-current amounts owing to participants	**200.0**	**200.0**
Total amounts owing to participants	**7,548.2**	**8,495.8**

Collateral and commitments lodged by clearing participants as at report date comprised the following:

	ASX Clear		ASX Clear (Futures)	
As at	31 Dec 2018 $m	30 Jun 2018 $m	31 Dec 2018 $m	30 Jun 2018 $m
Cash	654.8	567.3	6,079.9	7,517.3
Equity securities	3,044.2	3,333.2	-	-
Debt securities	-	-	813.5	411.2

Collateral lodged as equities are not recognised on the balance sheet as the Group is not party to the contractual provisions of the instruments other than in the event of a default.

All net delivery and net payment obligations relating to cash market and derivative securities owing to or by participants as at 31 December 2018 were subsequently settled.

6. Fair value measurements of financial instruments

(a) Fair value hierarchy and valuation techniques

The following table presents the Group's financial assets measured and recognised at fair value at report date. The Group does not have any financial liabilities measured at fair value.

As at 31 Dec 2018	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Investments in equity instruments	357.9	-	30.2	388.1
Investments at fair value through profit or loss	-	-	5.3	5.3
Financial assets at fair value through profit or loss	791.6	21.9	-	813.5
Total financial assets	**1,149.5**	**21.9**	**35.5**	**1,206.9**

As at 30 Jun 2018	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Available-for-sale financial assets				
- Negotiable certificates of deposit	-	817.3	-	817.3
- Promissory notes	-	2,555.6	-	2,555.6
-Treasury notes	-	99.7	-	99.7
- Floating rate notes	-	90.3	-	90.3
- Bonds	389.6	48.9	-	438.5
-Investments in equity instruments[1]	387.5	-	28.9	416.4
Investments at fair value through profit or loss	-	-	4.8	4.8
Total financial assets	**777.1**	**3,611.8**	**33.7**	**4,422.6**

[1] This line was called available-for-sale investments in the prior period.

There were no transfers between levels for recurring measurements during the year. The Group did not measure any financial assets at fair value on a non-recurring basis as at 31 December 2018.

The classification of financial instruments within the fair value hierarchy and the valuation techniques used to determine their values are detailed below.

Level 1
Level 1 inputs are unadjusted quoted prices in active markets at the measurement date for identical assets and liabilities. Financial instruments included in this category are the Group's listed equity investment and Australian Government bonds. The fair value of the listed investment is determined by reference to the ASX-quoted closing price at reporting date and the fair value of Australian Government bonds are determined by reference to readily observable quoted prices for identical assets in active markets.

Level 2
Level 2 inputs are 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). In the prior period, all current available-for-sale (AFS) financial assets other than Australian Government bonds as noted above were classified as level 2 financial instruments as their fair values were determined using discounted cash flow models or observable market prices for identical assets that were not actively traded.

Level 3
Level 3 inputs are based on unobservable market data. The fair value of the Group's unlisted equity investment is determined using a discounted cash flow model which includes unobservable inputs and therefore is classified as a level 3 instrument. The investments held at fair value through profit and loss have also been classified as a level 3 instrument.

Notes to the financial statements continued

(b) Fair values of other financial instruments
The Group has a number of financial instruments which are not measured at fair value on the balance sheet. Due to their short-term nature, the carrying amounts of current receivables, current payables and current amounts owing to participants are assumed to approximate their fair value. The carrying amount of non-current amounts owing to participants approximates their fair value as the impact of discounting is not significant. As at 31 December 2018 the fair value of financial assets at amortised cost has been assessed and is not materially different to the carrying value.

(c) Level 3 fair value instruments
The following table presents the changes in level 3 fair value instruments during the period:

For the period ended 31 Dec 2018	Investments in unlisted entities[1] $m	Investments at fair value through profit or loss[2] $m	Total $m
Opening balance at 1 July	**28.9**	**4.8**	**33.7**
Additions	-	0.3	0.3
Price revaluation	-	-	-
FX revaluation:			
-Recognised in equity	0.9	-	0.9
-Recognised in profit or loss	-	0.2	0.2
-Recognised in deferred tax	0.4	-	0.4
Closing balance at 31 December	**30.2**	**5.3**	**35.5**

For the period ended 30 Jun 2018			
Opening balance at 1 July	**22.7**	**-**	**22.7**
Additions	-	4.6	4.6
Price revaluation	5.0	-	5.0
FX revaluation:			
-Recognised in equity	0.9	-	0.9
-Recognised in profit or loss	-	0.2	0.2
-Recognised in deferred tax	0.3	-	0.3
Closing balance at 30 June	**28.9**	**4.8**	**33.7**

[1] The revaluation gain, net of tax, has been recognised within the asset revaluation reserve.
[2] The revaluation gain, net of tax, has been recognised within administration expenses in the statement of comprehensive income.

7. Investments in equity instruments

As at	31 Dec 2018 $m	30 Jun 2018 $m
Investments in listed entities	357.9	387.5
Investments in unlisted entities	30.2	28.9
Total investments in equity instruments	**388.1**	**416.4**

8. Intangible assets

Software
During the half-year ended 31 December 2018, the Group incurred $21.5 million of capital expenditure for intangible assets - software (31 December 2017: $11.8 million). The total net book value of software at 31 December 2018 is $117.7 million (30 June 2018: $111.8 million).

9. New and amended standards and interpretations

(a) New and amended standards and interpretations adopted by the Group
The following new and amendments to standards are mandatory for the first time in the annual reporting period commenced 1 July 2018. The impacts of AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers* have been disclosed in the FY18 Annual Report. Amendments (iii) and (iv) listed below did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

i. AASB 9 *Financial Instruments*
ii. AASB 15 *Revenue from Contracts with Customers*
iii. AASB 2016-5 *Amendments to Australian Accounting* Standards *Classification and Measurement of Share-based Payment Transactions*
iv. Interpretation 22 *Foreign Currency Transactions and Advance Consideration*

Refer to note 10 for details on the changes in accounting policies following the adoption of AASB 9 and AASB 15.

(b) New and amended standards and interpretations not yet adopted by the Group
The assessment of AASB 16 *Leases* which iseffective from 1 July 2019 has been reflected in the FY18 Annual report.

10. Changes in accounting policies

The Group has adopted AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers* from 1 July 2018. This has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transition provisions in AASB 9 (7.2.15) and (7.2.22) and AASB 15(C3)(b), the Group has adopted both standards retrospectively however comparative periods have not been restated. Any retrospective adjustments have been recognised in the opening balance sheet on 1 July 2018.

The following tables show the adjustments recognised for each individual line item in the Financial Statements. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

Notes to the financial statements continued

Balance Sheet

The total impact on the Group's Balance Sheet as at 1 July 2018 is:

As at	30 Jun 2018 Reported	AASB 9	AASB 15	1 Jul 2018 Restated
Current assets				
Available-for-sale financial assets	4,001.4	(4,001.4)	-	-
Financial assets at amortised cost	-	3,590.9	-	3,590.9
Financial assets at fair value through profit or loss	-	411.2	-	411.2
Total assets	**12,923.0**	**0.7**	**-**	**12,923.7**
Current liabilities				
Revenue received in advance	22.4	-	57.8	80.2
Non-current liabilities				
Net deferred tax liabilities	64.7	0.3	(36.4)	28.6
Revenue received in advance	0.1	-	63.3	63.4
Total liabilities	**8,977.5**	**0.3**	**84.7**	**9,062.5**
Equity				
Retained earnings	666.7	(0.2)	(84.7)	581.8
Asset revaluation reserve	168.4	0.6	-	169.0
Total equity	**3,945.5**	**0.4**	**(84.7)**	**3,861.2**

Consolidated statement of comprehensive income

The total impact on the Group's statement of comprehensive income as at 1 July 2018 is:

As at	30 Jun 2018 Reported	AASB 9	1 Jul 2018 Restated
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Change in fair value of investments in equity instruments	(0.9)	0.9	-
Items that cannot be reclassified to profit or loss:			
Change in fair value of investments in equity instruments	-	(0.9)	(0.9)
Total comprehensive income for the year attributable to owners of the Company	435.1	-	435.1

(a) AASB 9 *Financial instruments*

The Group has adopted AASB 9 *Financial Instruments* from 1 July 2018. As permitted by the standard, the Group has elected not to restate comparative periods. Refer to the prior table for details of the impact on the current half-year financial statements.

Classification and measurement

Under AASB 9, the classification and measurement model of financial assets has been revised and is now based on an entity's business model for managing the assets and their contractual cash flow characteristics according to one of the three categories described below.

- **Amortised cost**
  This includes financial assets managed under a business model to hold the assets in order to collect the contractual cash flows (CCFs) and those cash flows represent solely payments of principal and interest (SPPI).
- **Fair value through other comprehensive income (FVTOCI)**
  This includes financial assets managed under a business model to sell the assets and collect the CCFs and those cash flows represent SPPI. An irrevocable election can also be made for investments in equity instruments on initial recognition to be measured at FVTOCI.
- **Fair value through profit or loss (FVTPL)**
  This includes financial assets managed under a business model that is not based on collecting the CCFs e.g. they are held for trading or the CCFs of the asset do not represent SPPI.

Upon adoption of AASB 9, the Group has assessed which business model applies to its financial assets and has reclassified them accordingly. The following table summarises the reclassifications made on 1 July 2018 after adjusting the opening balances for the adoption of AASB 9.

	Note	AFS	Amortised cost	FVTPL	FVTOCI
Reported balance 30 Jun 2018		**4,418.5**	**-**	**4.8**	**-**
Reclassification from AFS to amortised cost	(i)	(3,590.9)	3,590.9	-	-
Reclassification from AFS to FVTPL	(ii)	(411.2)	-	411.2	-
Reclassification from AFS to FVTOCI	(iii)	(416.4)	-	-	416.4
Restated balance 1 Jul 2018		**-**	**3,590.9**	**416.0**	**416.4**

(i) Reclassification from available-for-sale to amortised cost
The Group's available-for-sale assets under AASB 139 were measured at fair value through other comprehensive income. Under AASB 9, all debt securities other than those lodged by participants to cover margin obligations have been reclassified and measured at amortised cost. This is because the contractual cash flows of the securities are solely payments of principal and interest and the Group's business model for managing the portfolio is primarily to hold the securities in order to collect these contractual cash flows. The opening asset revaluation reserve for the current period has been restated to reverse the fair value impact as at 30 June 2018 resulting in an increase of $0.6 million net of tax.

(ii) Reclassification from available-for-sale to fair value through profit or loss
Debt securities lodged by participants to satisfy margin obligations have been reclassified to fair value through profit or loss as they do not meet the criteria for amortised cost or fair value through other comprehensive income. This has had no material impact on the current half-year financial statements and is expected to have an immaterial impact in future financial periods.

(iii) Reclassification from available-for-sale to fair value through other comprehensive income
The Group has made the election to continue to measure its investments in IRESS Limited and Digital Asset Holdings LLC at fair value through other comprehensive income. There will only be an impact on future financial periods when the investments are disposed as the gain or loss can no longer be recycled to profit or loss and must remain in equity. This will have no material impact on the current half-year financial statements.

Impairment of financial assets
AASB 9 introduces a new model for calculating impairment which impacts both the measurement and the timing of the provision recognised. Under this new model, the Group recognises an expected credit loss (ECL) on day 1 and the measurement of the ECL depends on the level of credit risk. If there has been no significant increase in credit risk since initial recognition, then the Group recognises a 12 month ECL which is the total credit losses from expected defaults in the next 12 months. If there has been a significant increase in credit risk since initial recognition or if the asset is credit impaired then the Group recognises a lifetime ECL which is the total credit losses from all expected defaults over the life of the asset.

The Group's financial assets that are subject to AASB 9's new expected credit loss model include:

- Trade receivables
- Financial assets at amortised cost

The Group was required to revise its impairment methodology under AASB 9 for each of the above asset classes. The impact of the change of impairment methodology on the Group's retained earnings and equity is disclosed in the first table in note 10.

(i) Trade receivables
The Group applies the simplified approach to measuring ECLs for trade receivables whereby the lifetime ECL is recognised. To measure the ECLs, the trade receivables have been grouped by days past due and historical default rates have been applied to each group. On adoption, the resulting ECL calculated under this method was compared to the existing provision recognised under AASB 139. As this did not result in a material difference, no adjustment was made on adoption of the standard and there has been no material impact on the current half-year financial statements.

(ii) Financial assets at amortised cost
Financial assets at amortised cost include negotiable certificates of deposit, bonds, floating rate notes, promissory notes and treasury notes. The new expected credit loss model when applied under AASB 9, resulted in the recognition of a loss allowance of $0.2 million net of tax on 1 July 2018 (previous allowance was nil). There has been no material movement in the 6 months ending 31 December 2018.

The expected credit loss of $0.2 million was recognised in opening retained earnings.

(b) AASB 15 *Revenue from contracts with customers*
Under AASB 15, revenue is recognised using the 5 step approach outlined below to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The following 5 steps have been applied in analysing transactions to determine when revenue is recognised:

Step 1—Identify the contract with a customer.
Step 2—Identify the separate performance obligations in the contract.
Step 3—Determine the transaction price.
Step 4—Allocate the transaction price to the separate performance obligations in the contract.
Step 5—Recognise revenue when (or as) the entity satisfies a performance obligation.

The recognition of initial and subsequent listing fees have been impacted by the new approach outlined above. These fees were previously recognised on the date of admission or quotation of the shares. Upon adoption of AASB 15, these listing fees are deferred and recognised over the period in which it is estimated that the listing service will be provided. This is because the services provided in relation to the initial or subsequent listing are not considered to be distinct from the ongoing listing service provided throughout the period which the entity is listed.

Based on historical data, the Group has determined that the revenue will be deferred and recognised over the following periods.

Initial listing fees: 5 years
Subsequent listings fees: 3 years

The Group has applied the above accounting policies retrospectively. This resulted in an adjustment to opening retained earnings of $84.7 million net of tax. The Group has recognised an additional contract liability of $121.1 million upon adoption which is represented within revenue received in advance on the Group's balance sheet. This additional contract liability relates to listing fees recognised in prior periods for which the performance obligations have not been satisfied.

These fees will be recognised in future periods in line with the accounting policies outlined above.

The adoption of AASB 15 did not have any impact on the measurement or timing of revenue recognition on other revenue from contracts with customers.

Revenue from contracts with customers is measured at the transaction price specified in the contract and is net of amounts expected to be refunded to the customer such as rebates. Revenue also excludes any taxes collected on behalf of third parties. Further details of the Group's accounting policies in relation to revenue from contracts with customers are provided below.

Listings and Issuer Services

This includes listing fees and other issuer services revenue. Initial listing fees are recognised over a period of 5 years and subsequent listing fees are recognised over a period of 3 years. Annual listing fees are recognised evenly over the financial year. Performance obligations that have not been satisfied at the reporting date are recognised as revenue received in advance on the balance sheet. Issuer services revenue includes revenue for the provision of holding statements and other related activities, and is recognised at the point that the service is provided.

Derivatives and OTC Markets

Revenue from trading and clearing of futures and equity options, and clearing of OTC interest rate derivatives is recognised at the date of trade. Austraclear revenue from depository and registry services for debt securities is recognised over a 12 month period. Austraclear settlement and cash transactions are recognised on the transaction date. Austraclear membership revenue is recognised over the period of the annual membership which is based on a calendar year. ASX Collateral services revenue is recognised over the period the service is provided.

Trading services

This includes revenue from cash market trading, information and technical services. Cash market transaction revenue is recognised at the date of settlement. The normal market convention is that settlement occurs two days after the initial trade date (T+2). Accordingly, revenue for trades transacted in the last two days prior to period end are deferred and recognised in the subsequent reporting period. Memberships for cash market trading participants are recognised over the financial year. Revenue in relation to information and technical services is recognised over the period the service is provided.

Equity Post trade services

This includes revenue from clearing and settlement of quoted securities including equities, debt securities, warrants and exchange-traded funds. Cash market clearing and settlement revenue is recognised at the date of settlement. Accordingly, clearing and settlement fees for trades transacted in the last two days prior to period end are deferred and recognised in the subsequent reporting period. Memberships for cash market clearing and settlement participants are recognised over the financial year.

11. Subsequent events

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.

Directors' declaration

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

(a) the financial statements and notes that are contained in pages 8 to 19 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 2018 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

Dominic Stevens
Managing Director and CEO

Sydney, 14 February 2019

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 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected other explanatory notes and the directors' declaration for ASX Limited. The consolidated entity comprises 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 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 Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a 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 half-year 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 2018 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:

1. giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

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Independent auditor's review report to the members of ASX Limited

Matters relating to the electronic presentation of the reviewed half-year financial report

This review report relates to the half-year financial report of the Company for the half-year ended 31 December 2018 included on the Company's web site. The Company's directors are responsible for the integrity of the web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information included in the reviewed half-year financial report presented on this web site.

PricewaterhouseCoopers

Voula Papageorgiou
Partner

Sydney, 14 February 2019