

Letter to Shareholders

Half-Year 2018

ASX Limited ABN 98 008 624 691

28 March 2018



Dominic Stevens
Managing Director and CEO

Rick Holliday-Smith
Chairman

“The quality of ASX’s infrastructure and our capacity to invest allow us to leverage our strengths into new areas to supplement the growth we receive from our core businesses.”

Dear ASX Shareholder,

On 15 February 2018, ASX Limited (ASX) announced strong half-year results for the six months to 31 December 2017 (1H18). Profit after tax rose 5.1% on the same period last year (1H17) to \$230.5 million and was up 7.3%, or almost \$16 million, on the preceding six months.

The performance was driven by higher secondary capital raisings, increased futures trading – particularly from offshore – and growth in technical services connections and customers. While cash market trading was down amid low levels of market volatility, revenue from information services increased with an expanded range of products.

ASX’s expenses rose 6.7%, with an underlying increase of 3.1% that excludes some step changes such as higher rent, electricity, postage and ASIC levy costs. Our capital expenditure is expected to be circa \$50 million for the full-year, with continued investment in existing and new technology.

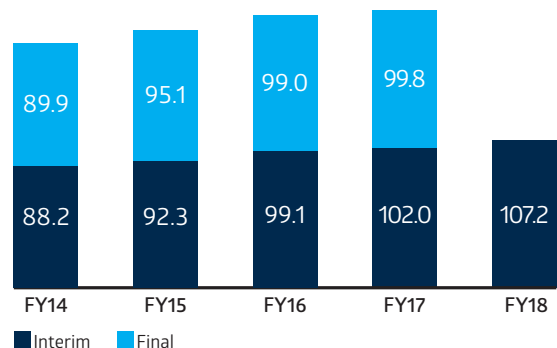
Based on ASX’s segment reporting, the key results for 1H18 relative to 1H17 were:

- Profit after tax \$230.5 million, up \$11.1 million or 5.1%
- Operating revenue \$409.0 million, up \$22.4 million or 5.8%
- Operating expenses \$96.2 million, up \$6.1 million or 6.7%
- Earnings per share 119.1 cents, up 5.7 cents or 5.0%.

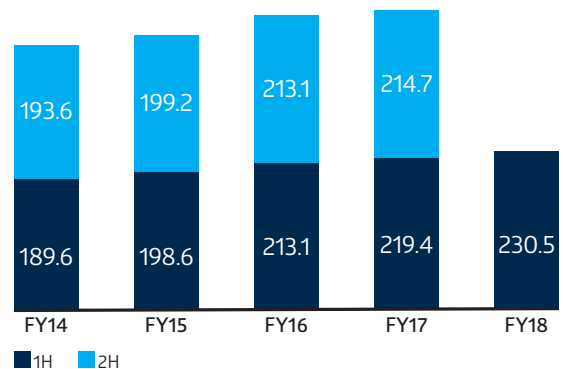
Dividend advice enclosed

ASX is paying an interim dividend of 107.2 cents per share fully franked, up 5.2 cents or 5.1%, and has maintained a payout ratio of 90% of underlying profit. The Dividend Reinvestment Plan will not operate for the interim dividend.

Dividends per share (cents)



Statutory net profit after tax (\$million)



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Leveraging strengths to supplement future growth

ASX made good progress on many of our core initiatives. We continued to attract foreign and technology companies among a total of 77 new listings from all sectors over the six months. Enhancements to our OTC clearing service contributed to a 45.3% rise in cleared value to \$3.1 trillion. And 11 new customers joined the expanding community within the Australian Liquidity Centre (ALC), making 122 customers in total, with hosted customer cabinets climbing from 270 to 298. The successful implementation of the new futures trading system and ASX's administration of the Bank Bill Swap (BBSW) interest rate benchmark also contributed to ASX's strong 1H18 results.

The quality of ASX's infrastructure and our capacity to invest allow us to leverage our strengths into new areas to supplement the growth we receive from our core businesses. This is being driven by customer demands for less complexity, lower costs and access to more data and analytics. ASX's goal is to make business easier for our customers. To do that, we must be technologically out in front.

Our commitment to replace CHES with distributed ledger technology (DLT) is an example of this. After extensive testing and stakeholder consultation, we are confident that DLT will meet the needs of Australia's financial marketplace for improved functionality and efficiency, and maintain the highest regulatory and operational standards. A start date is expected to be announced later in 2018. In addition to DLT, ASX is investing in new technology hardware and communications, including upgrading our secondary data centre to the same level of sophistication as our primary centre, the ALC. We are also investing in data and analytics to make more information available to customers more easily, and exploring the opportunity of leveraging our expertise and infrastructure in the area of electronic property settlement.

In 1H18, ASX's diversified business model continued to deliver solid financial and operational performance, and attractive returns to shareholders. It remains underpinned by the strength of ASX's brand, which engenders trust and confidence among our many and varied stakeholders.

- Complete 1H18 results are available at: www.asx.com.au/about/investor-relations.htm
- A webcast of the presentation to analysts and media is available here: <https://www.asx.com.au/about/presentations-and-webcasts.htm>
- ASX's full-year results for 2018 will be announced on 16 August 2018 and the Annual General Meeting will be held on 4 October 2018 in Sydney.
- Any questions you would like to ask ASX can be emailed to: company.secretariat@asx.com.au

Thank you for your support. There are exciting developments underway at ASX. We look forward to updating you as the year progresses.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Rick Holliday-Smith'.

Rick Holliday-Smith
Chairman

A handwritten signature in black ink, appearing to read 'Dominic Stevens'.

Dominic Stevens
Managing Director and
Chief Executive Officer