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10 March 2014

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ASX Presentation to Investors

Attached is a copy of an ASX presentation to investors to be made available by ASX's Managing Director and CEO, Elmer Funke Kupper at Citi's Australian and New Zealand Investment Conference to be held in London on 10 and 11 March 2014.

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HY14 Results Presentation



Elmer Funke Kupper, CEO

March 2014

Disclaimer

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Financial Results 1H14

Revenue
\$329.3m
8.0%

Expenses
\$77.2m
(8.3%)

EBITDA
\$252.1m
8.0%

Profit
\$189.6m
10.8%

EPS
98.3c
2.2%

DPS
88.2c
0.3%

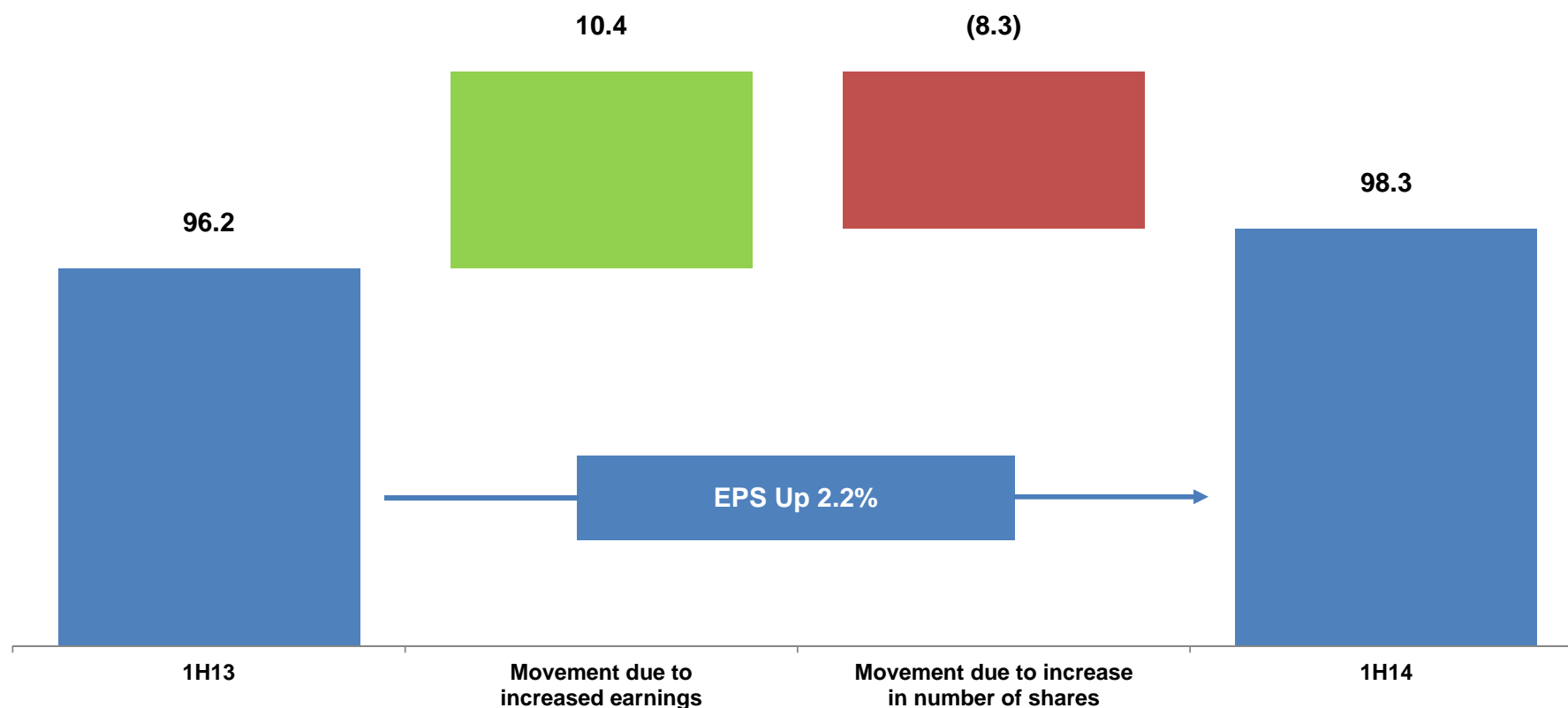
- **Profit after tax \$189.6m, up 10.8%**
 - Includes additional interest from capital raising
 - EBITDA up 8% driven by revenue growth
 - Interim dividend in line with 1H13 following capital raising
- **Revenue \$329.3m, up 8%**
 - Growth in all major revenue categories over pcp
 - Revenue up 5.4% on stronger 2H13
- **Expenses \$77.2m, up 8.3%**
 - In line with expectations, driven by initiatives
 - FY14 guidance unchanged with expense growth of approximately 5%
- **Continued focus on development of world class post-trade solutions**
 - Delivery program on track – OTC clearing, client clearing, collateral management
 - Backed by strong capital position and AA- long-term credit rating from S&P
- **Capital expenditure \$18.6m**
 - FY14 guidance between \$40 - \$45m
 - Strong balance sheet position

Income Statement

	1H14 \$ Million	1H13 \$ Million	% Variance	2H13 \$ Million	% Variance
Operating Revenue	329.3	304.8	8.0%	312.6	5.4%
Operating Expenses	77.2	71.3	(8.3%)	74.9	(3.2%)
EBITDA	252.1	233.5	8.0%	237.7	6.0%
Depreciation and Amortisation	16.3	15.4	(6.1%)	15.0	(8.4%)
EBIT	235.8	218.1	8.1%	222.7	5.9%
Interest and Dividend	34.2	25.2	36.0%	28.3	21.4%
Profit Before Tax	270.0	243.3	11.0%	251.0	7.6%
Income Tax Expense	(80.4)	(72.2)	(11.4%)	(73.9)	(8.9%)
Profit After Tax	189.6	171.1	10.8%	177.1	7.1%
EBITDA Margin	76.5%	76.6%		76.0%	

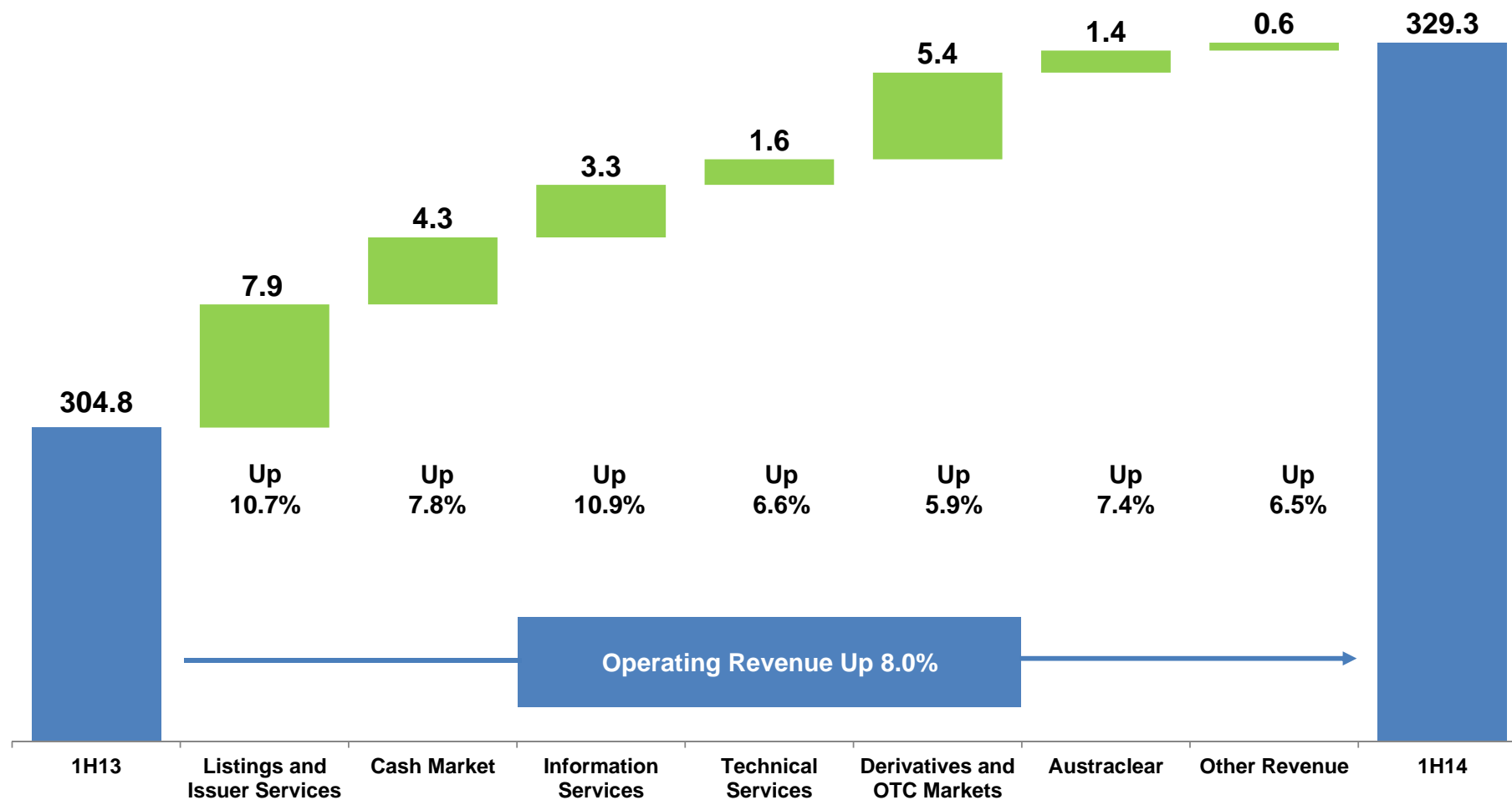
Variations expressed favourable/(unfavourable)

EPS Movement (Cents per Share)



- EPS impacted by \$553 million capital raising in June/July 2013
- EPS up 2.2% - higher earnings partly offset by issue of additional shares
- DPS up 0.3% - higher earnings and higher number of shares on issue
- Compared to 2H13, DPS up 7.2% - higher earnings

Revenue Movement (\$M)

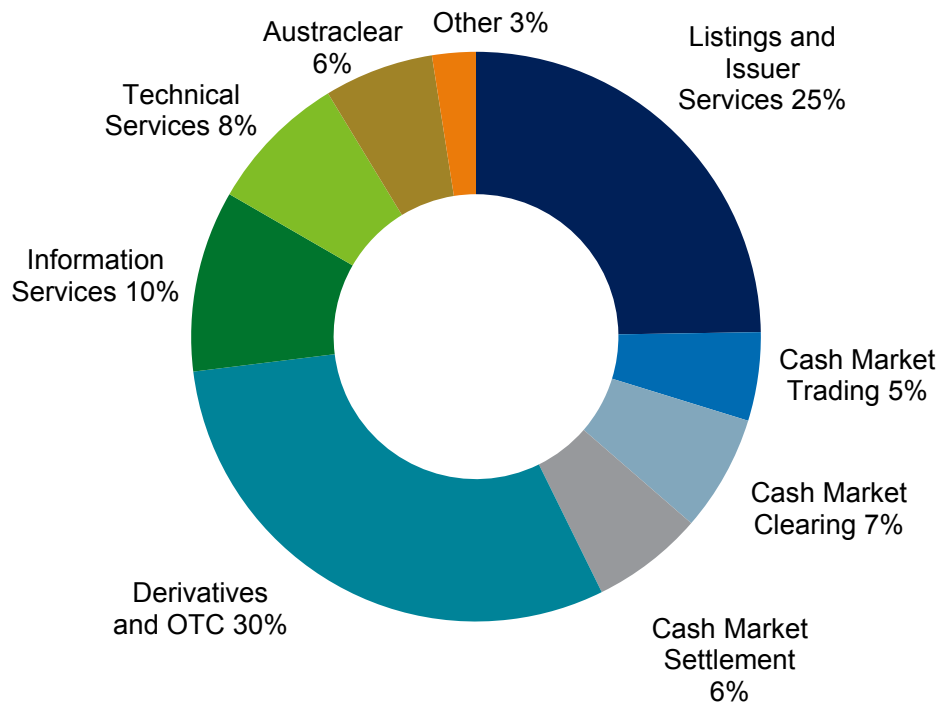


Revenue Performance by Half

	1H14 \$ Million	% Variance to PCP	% Variance to 2H13
Listings and Issuer Services	81.5	10.7%	23.4%
Cash Market	59.2	7.8%	(0.9%)
Information Services	33.9	10.9%	8.7%
Technical Services	26.2	6.6%	4.1%
Derivatives and OTC Markets	99.8	5.9%	(3.0%)
Austraclear	20.5	7.4%	4.9%
Other Revenue	8.2	6.5%	2.8%
Operating Revenue	329.3	8.0%	5.4%

Revenue Profile

1H14 Revenue Mix



- Cash markets are 18% of total revenues (trading, clearing and settlement)
- Derivatives comprises interest rate, equity index, electricity and commodities futures, and single stock options
- Clearing and settlement function undertaken for entire Australian market
- Depositories (CHES for equities, Austraclear for fixed income) hold \$2.9 trillion

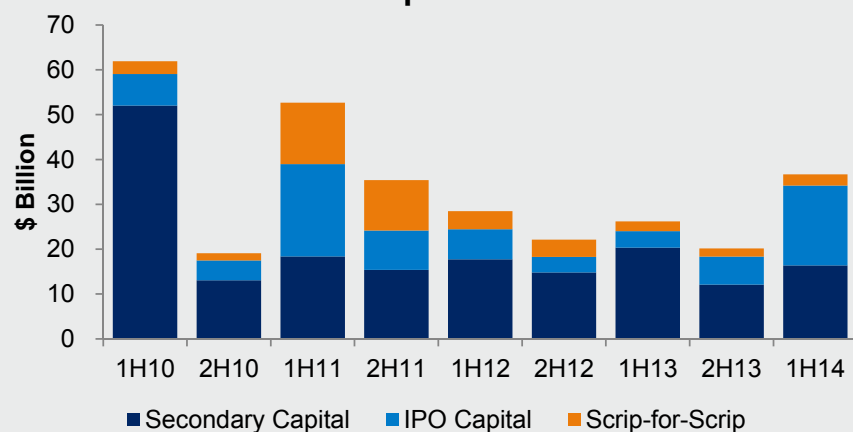
Listings and Issuer Services

Highlights

Revenue \$81.5 million, up 10.7%

- Listings \$66.8 million, up 11.3%
 - 69 IPOs (41 pcps)
 - IPO capital \$17.8 billion, up 383.0%
 - Secondary capital \$18.9 billion, down 16.1%
- Issuer Services \$14.7 million, up 7.8%
 - Number of holding statements up 12.0% on pcps

Total Capital Raised



Areas of Focus

Listings and Issuer Services

- Rights issue timetable reduction from 26 to 19 days
- Equity Research Scheme expanded to \$2m in FY14
- Exploration Development incentive

Product Expansion

- ASX Bookbuild launched (3 bookbuilds in 1H14)
- Proposed expansion of bond trading to State Government Bonds

Distribution/Market Efficiency

- Managed fund service (mFund) approved by ASIC – launch 2H14

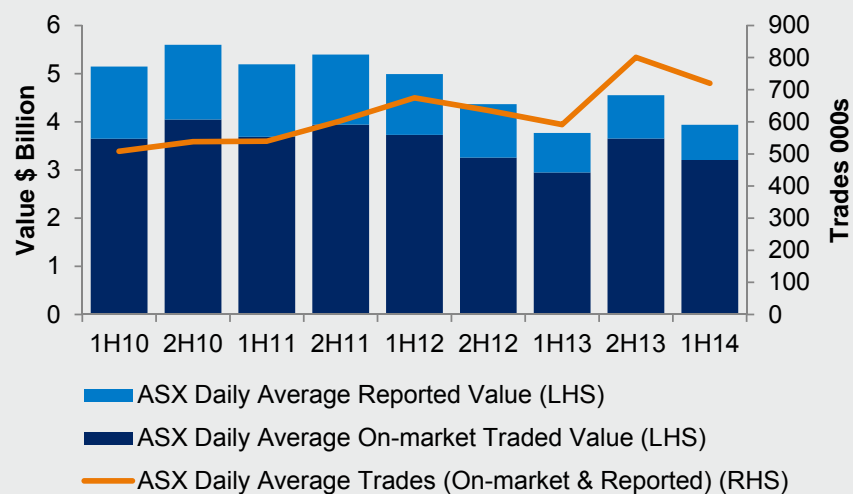
Cash Market

Highlights

Revenue \$59.2 million, up 7.8%

- Trading \$16.6 million, up 5.0%, Clearing \$21.7 million, up 10.3% and Settlement \$20.9, up 7.5%
- Total on-market value traded per day up 15.4%; ASX on-market trading up 8.8% per day
- Total market velocity 80%, compared to 81% in the pcp

Trading Activity - ASX



Areas of Focus

Trading

- Centre Point 5.5% of value, 15.7% of revenue (10.5% pcp). Further product innovations launched
- On-market trading market share 91% (96% pcp)

Clearing

- Total cleared value up 7.6%
- Cash market margining from June 2013

Settlement

- Total settlement volumes up 3.5%

Customer Alignment

- Code of Practice – Stakeholder Forum and Business Committee meetings held. Agreed areas of focus:
 - T+2 settlement consultation
 - International cost benchmarking
- Second year of revenue sharing arrangements

Information and Technical Services

Highlights

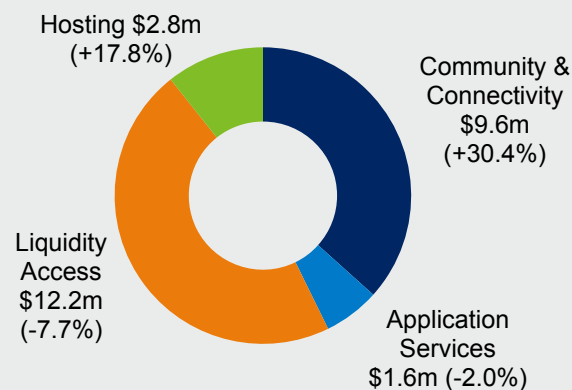
Information Services \$33.9 million, up 10.9%

- Professional and retail usage up
- Pricing changes implemented 1 July 2013

Technical Services \$26.2 million, up 6.6%

- Growth in hosting -133 cabinets and 82 customers
- Growth in community and connectivity with 49% increase in ALC service connections
- Reduction in liquidity access revenue due to fewer Open Interface sessions

Revenue Mix Technical Services



Areas of Focus

Information Services

- Enhanced Corporate Actions information service
- 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)

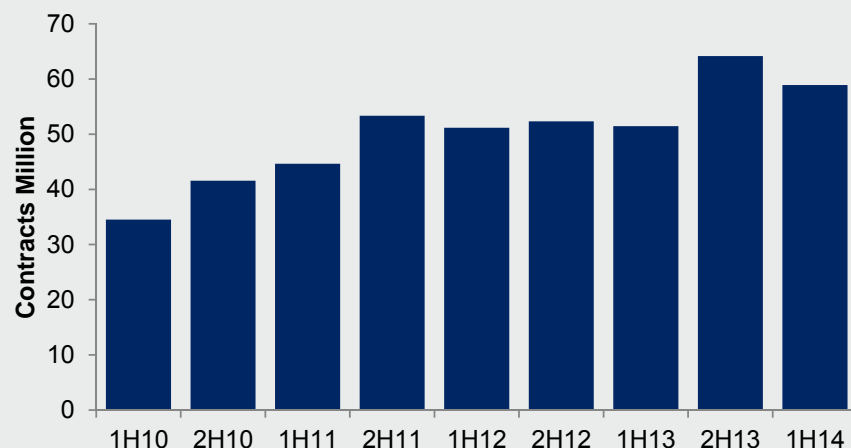
Derivatives and OTC Markets

Highlights

Revenue \$99.8 million, up 5.9%

- ASX 24 Derivatives \$89.8 million, up 12.4%
 - Contracts traded up 14.5%
 - Includes ASX Energy
- ASX Derivatives \$10.0 million, down 30.5%
 - Contracts traded down 21.6%
 - Rebates

ASX 24 Derivatives Volume



Areas of Focus

Product Development

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

Risk Management

- ASX Clear (Futures) 'Cover 2' capital standard; AA- long-term credit rating from S&P
- Futures client clearing – target July 2014

OTC Markets

- OTC clearing solution launched with 8 participants
- US banks can join OTC dealer service under 6 Feb 2014 CFTC approval
- OTC client clearing – regulatory clearance from ASIC and RBA, target April 2014 launch

Exchange Traded Options

- Initiatives to stabilise and return to growth
 - ETO crossing rules changes
 - Increased market-maker liquidity arrangements
 - Enhanced margin simulator

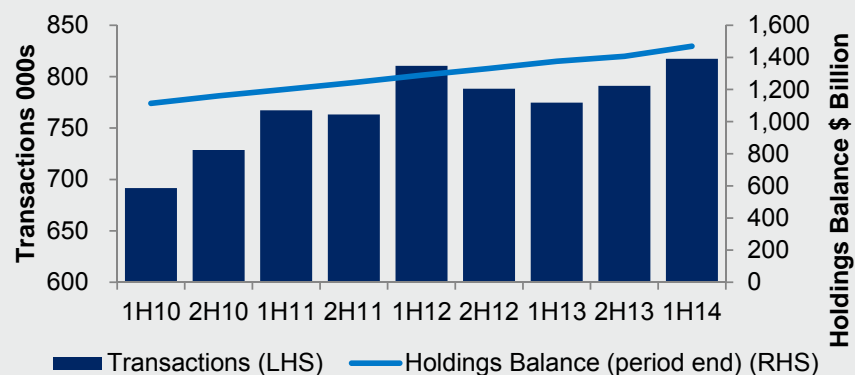
Austraclear

Highlights

Revenue \$20.5 million, up 7.4%

- Transaction revenue \$8.2 million, up 3.4%
 - Transaction volume up 5.5%
- Holdings revenue \$3.1 million, down 3.2%
 - Average balances up 5.8% to \$1.4 trillion
 - Change in billing methodology
- Registry revenue \$9.2 million, up 15.5%

Transactions and Holdings

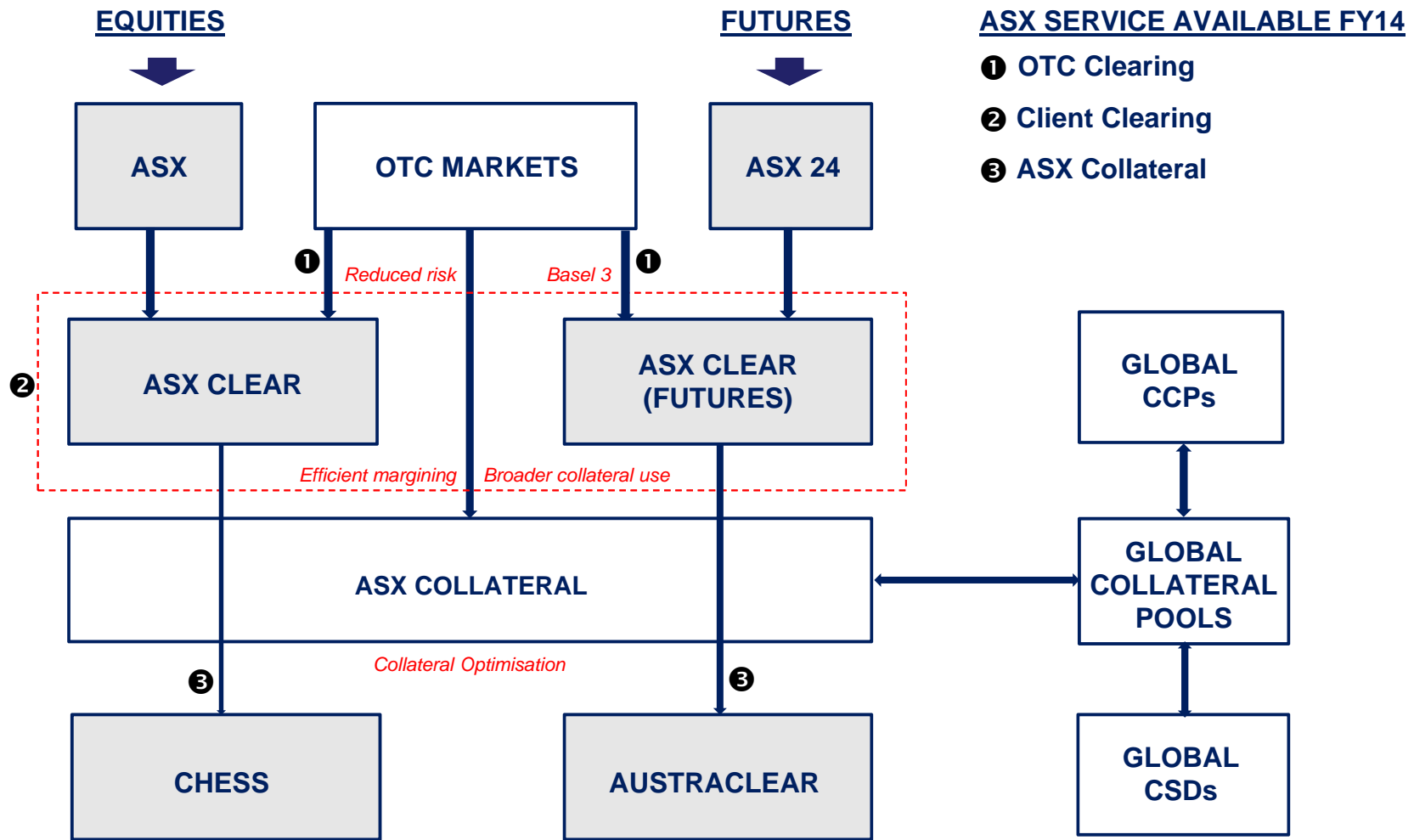


Areas of Focus

ASX Collateral Service

- Reduces collateral costs for ASX clients
- Phase 1 connects service to Austraclear fixed income securities
 - 12 foundation customers working with ASX
 - 7 customers have completed initial trades in January/February 2014
- Future phases (CHES connectivity, international linkages) to be determined following initial launch

ASX will build world class infrastructure by end 2014



World Class Post-Trade Services

World Class Financial Infrastructure

- Attractive markets
 - Top 5 interest rate futures and swap markets in the world
- World class infrastructure
 - Full service offering
 - Best-in-class technology
 - Margin optimisation
- Competitive solution for banks
 - Margin offsets
 - Collateral efficiencies
 - Revenue sharing
- Foundation customers
 - 8 in OTC clearing
 - 12 in collateral service

Delivered between July 2013 and July 2014

- OTC clearing
 - Dealer-to-dealer service
 - Client clearing
 - Margin simulation and optimisation
- Futures
 - Client clearing
- ASX Collateral service

World Class Investor Protection

- Client protection
 - Client level clearing
- Domestic solution
 - Managed under Australian regulations and law
 - Capital, collateral held locally
- Lower systemic risk
 - Improved controls in crisis
 - All key futures markets – SPI, interest rates, electricity, grains
- Highest global standards
 - Meets highest capital standards
 - AA- long-term credit rating from S&P

Interest and Dividend Income

	1H14 \$ Million	1H13 \$ Million	% Variance
ASX Group Interest Income	14.5	7.5	94.0%
Net Interest Earned on Collateral Balances	16.4	14.4	14.2%
Total Net Interest Income	30.9	21.9	41.5%
Dividend Income	3.3	3.3	0.0%
Interest and Dividend Income	34.2	25.2	36.0%

Highlights

- Total net interest income up 41.5%
- ASX Group interest income up 94.0% following capital raising and repayment of debt facility
- Net interest earned on collateral balances up 14.2% primarily due to higher balances
 - Average collateral balances \$3.9 billion, up 20.0%
 - Average investment spread 44 bps (46 bps pcp)
- IRESS dividend unchanged
 - Participated in IRESS pro rata renounceable entitlement offer in August 2013
 - Holding 19.3%

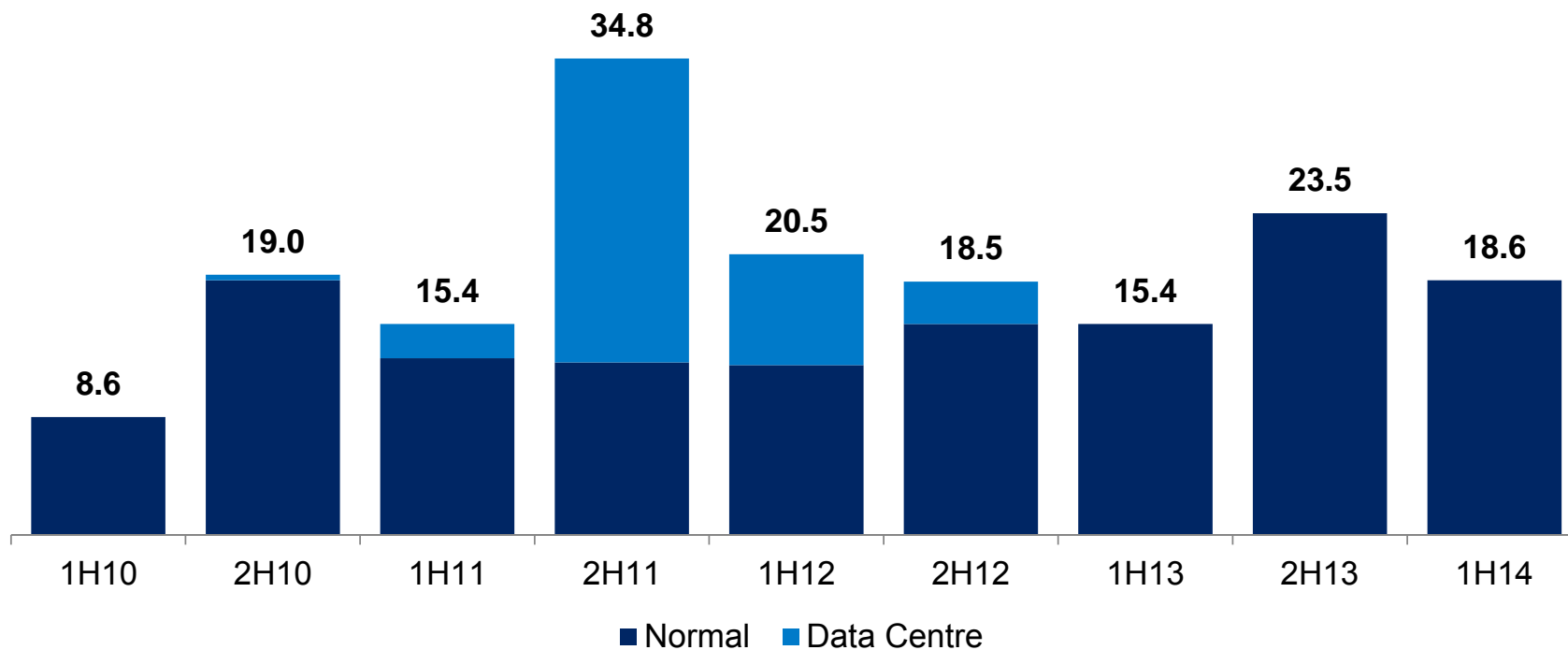
Expenses

	1H14 \$ Million	1H13 \$ Million	% Variance
Staff	47.2	43.2	(9.4%)
Occupancy	6.9	6.6	(4.5%)
Equipment	11.6	10.5	(10.8%)
Administration	7.3	7.4	2.2%
Variable	2.3	2.0	(16.0%)
ASIC Supervision Levy	1.9	1.6	(17.9%)
Total Operating Expenses	77.2	71.3	(8.3%)
Depreciation and Amortisation	16.3	15.4	(6.1%)

Highlights

- Total expenses up 8.3%
 - Average staff numbers up 4.1% to 532 FTEs (511 pcp). Increase driven by initiatives
 - Higher equipment expenses to support platforms for new service offerings
 - Higher variable expenses due to higher statement processing and postage
 - One-off credit last year in ASIC Levy
- Depreciation and Amortisation up 6.1% following higher capital expenditure in recent years for data centre and post-trade services
- Guidance FY14 cash operating expenses: approximately 5% increase

Capital Expenditure (\$M)



Highlights

- Approximately \$13 million of \$18.6 million in 1H14 invested in post-trade services
- Guidance FY14 capital expenditure \$40 to \$45 million

Post Balance Date Activity

Economic and market conditions

- Stabilisation/modest improvement in global economic conditions; structural challenges in Europe remain
- Mixed economic indicators domestically
 - Improving business sentiment; mixed signals in consumer confidence
 - Corporate balance sheets generally healthy, reflected in lower secondary capital raisings
 - Corporate activity and IPOs likely to continue but at more moderate pace than 1H14

Trading for 6 weeks to 7 February reflects seasonally subdued activity levels

- Total cash market average value (all lit and dark venues) per day \$4.2 billion, up 0.9%
 - ASX on-market average value per day \$3.0 billion, up 0.9%
- ASX 24 derivatives daily average volume 429,139 contracts, up 21.3%
- Total capital raised in January \$0.8 billion, down 51%

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Globally
connected ●

● Internationally
competitive

○ Customer driven

World class ●

