



7 March 2016

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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 7 and 8 March 2016.

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Investor Presentation

Australian & NZ Investment Conference

ASX Limited

Elmer Funke Kupper
Managing Director and CEO

March 2016



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The forward-looking statements included in this document speak only as of the date of this document. The ASX Group does not intend to update the forward-looking statements in this document in the future.

Financial Results 1H16

Revenues \$376.2m 7.9%	Expenses \$85.1m (4.4%)	EBITDA \$291.1m 8.9%	NPAT \$213.1m 7.3%	EPS 110.2c 7.3%	DPS 99.1c 7.4%
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Positive revenue growth of 7.9%

- Growth in Listings, Trading Services and Post-Trade Services
- Derivatives and OTC Markets flat with fee reductions in futures offsetting volume growth
- Revenue reporting aligned to four main businesses under new ASX management structure

Expense growth of 4.4%

- Acceleration of investment in post-trade services
- FY16 guidance expense growth approximately 5.5%

Capital expenditure \$18.7 million

- FY16 capital expenditure guidance approximately \$50 million
- Trading and risk management platform projects underway with delivery targeted for CY16
- Next phase will focus on post-trade services, including potential use of distributed ledger technology
- Initial investment in Digital Asset Holdings of \$14.9 million – 5% holding and warrant

Financial Results 1H16 (Continued)

Revenues \$376.2m 7.9%	Expenses \$85.1m (4.4%)	EBITDA \$291.1m 8.9%	NPAT \$213.1m 7.3%	EPS 110.2c 7.3%	DPS 99.1c 7.4%
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Balance sheet and regulatory settings

- Strong balance sheet; AA- long-term credit rating from S&P
- Compliance with Financial Stability Standards on track
- Distributed ledger technology could materially change the clearing and settlement processes in the equity market, delivering significant benefits to users and avoiding investment in legacy infrastructure

Investment in strategic positioning

- Significant investment in infrastructure – opportunity for innovation in trading and post-trade services
- Products and services that give investors flexibility and choice
- Higher customer engagement and improved service delivery
- Management responsibilities aligned with business priorities

Income Statement

	1H16 \$m	1H15 \$m	% Variance
Operating Revenues	376.2	348.7	7.9%
Operating Expenses	85.1	81.4	(4.4%)
EBITDA	291.1	267.3	8.9%
Depreciation and Amortisation	20.8	18.6	(12.2%)
EBIT	270.3	248.7	8.7%
Interest and Dividend Income	33.7	34.4	(2.0%)
Profit Before Tax	304.0	283.1	7.4%
Income Tax Expense	(90.9)	(84.5)	(7.6%)
Profit After Tax	213.1	198.6	7.3%
EBITDA Margin	77.4%	76.6%	

Operating revenues and operating expenses as per the Group segment reporting
Variance expressed favourable / (unfavourable)

Business Structure from 1 July 2015

Deputy CEO			
Listings and Issuer Services	Trading Services	Equities Post-Trade	Derivatives and OTC Markets
<p>Scope</p> <ul style="list-style-type: none"> Listings Issuer Services 	<p>Scope</p> <ul style="list-style-type: none"> Equities trading Information Services Technical Services 	<p>Scope</p> <ul style="list-style-type: none"> Equities Clearing Equities Settlement Post-trade innovation/ distributed ledger technology 	<p>Scope</p> <ul style="list-style-type: none"> Futures Exchange Traded Options OTC Clearing Collateral Management Austraclear
<p>Position</p> <ul style="list-style-type: none"> Leading listings and capital raising venue 'Investment Supermarket' Investor relations services for listed companies 	<p>Position</p> <ul style="list-style-type: none"> Trade execution services (lit market, Centre Point) Technical and co-location services Information and data analytic services 	<p>Position</p> <ul style="list-style-type: none"> Central clearing of cash equity products Netting and settlement of cash equities Sub-register for equity products 	<p>Position</p> <ul style="list-style-type: none"> Futures and options across interest rate, equity, energy markets Clearing of exchange traded and OTC products Settlement and depository for debt products
1H16 Revenue \$105.6m	1H16 Revenue \$91.4m	1H16 Revenue \$51.0m	1H16 Revenue \$126.8m

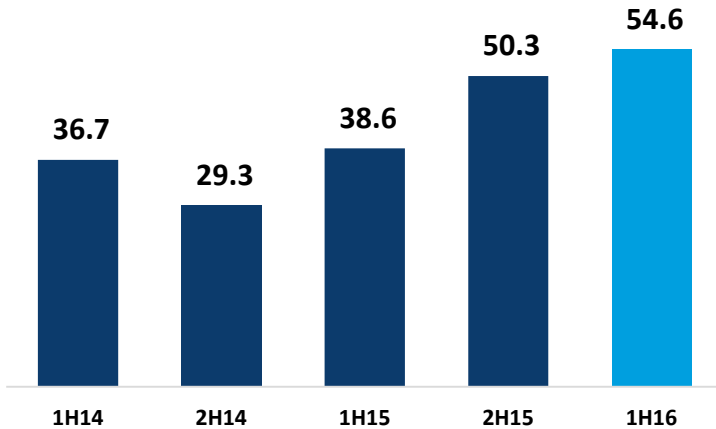
Revenue Performance

	1H16 \$m	1H15 \$m	% Variance	% of Group Revenue
Listings and Issuer Services	105.6	91.3	15.6%	28%
Listings	82.4	70.9	16.3%	
Issuer Services	23.2	20.4	13.2%	
Trading Services	91.4	84.6	8.1%	24%
Cash Market Trading	20.3	17.7	14.9%	
Information Services	40.6	36.7	10.8%	
Technical Services	30.5	30.2	1.0%	
Equity Post-Trade Services	51.0	45.6	11.7%	14%
Cash Market Clearing	27.2	23.1	17.3%	
Cash Market Settlement	23.8	22.5	6.0%	
Derivatives and OTC Markets	126.8	126.8	-	34%
Equity Options	11.3	12.8	(11.4%)	
Futures and OTC Clearing	91.6	90.4	1.3%	
Austraclear	23.9	23.6	1.5%	
Other Revenue	1.4	0.4	185.2%	
Operating Revenues	376.2	348.7	7.9%	

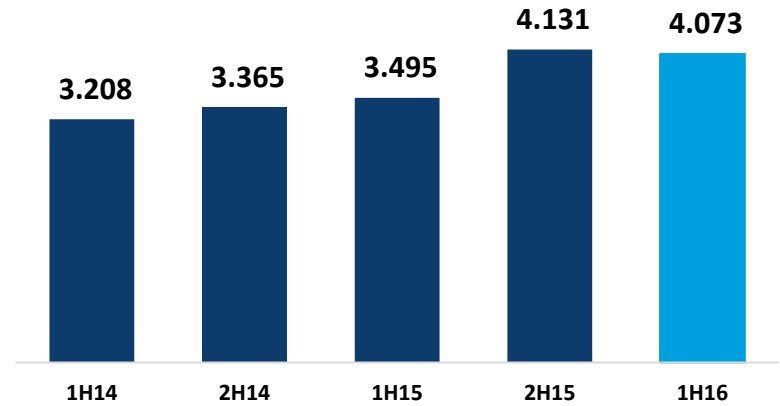
Operating revenues as per the Group segment reporting
Variance expressed favourable / (unfavourable)

Activity Levels

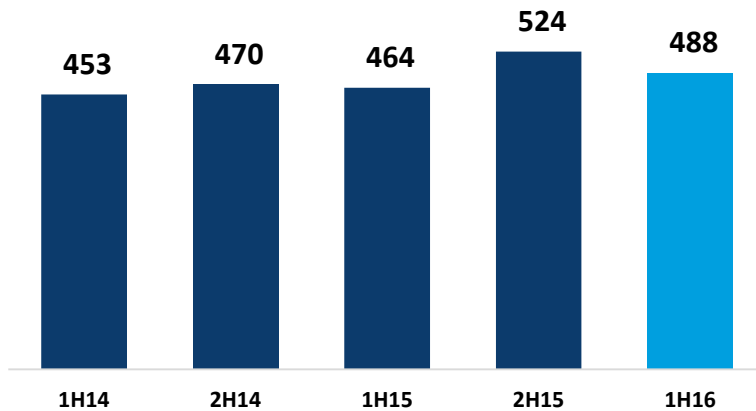
Total Capital Raised (\$ Billion)



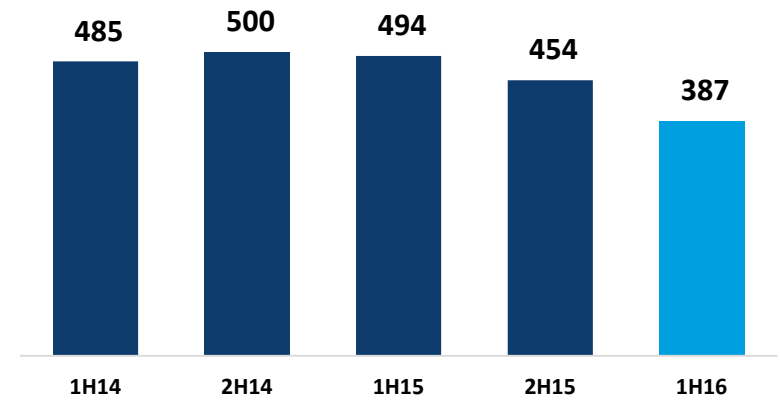
Cash Market Trading ASX Average Daily Value On-Market (\$ Billion)



Futures - Average Daily Contracts ('000)



Equity Options - Average Daily Contracts ('000)



ASX Group Priorities

Global Leader in A\$ and NZ\$

- Innovate in fragmented equity market
- Build on leadership in A\$ and NZ\$ derivatives markets

Investment Supermarket

- Grow listings franchise
- Extend suite of investment options – equities, debt, funds

World-Class Infrastructure

- Upgrade technology infrastructure, including multi-currency
- Be global leader in post-trade innovation
- Build global connectivity – Chicago, London, Singapore, HK

Outstanding Experience

- Deepen customer engagement across all services
- Deliver 24 hour service to local and global clients
- Strengthen alignment through fee reductions and rebates

Regulatory Settings

Employer of Choice

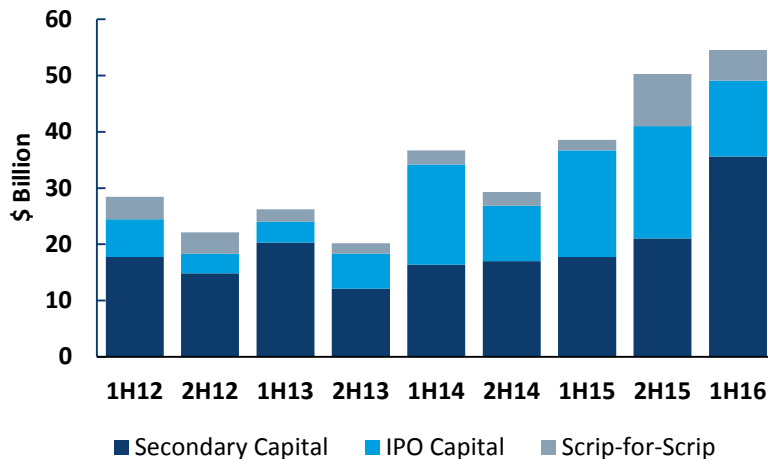
Listings and Issuer Services

Highlights

Revenue \$105.6 million, up 15.6%

- 77 IPOs; IPO capital \$13.5 billion, down 28.9%
- Secondary capital \$41.1 billion, up 109.6%, including \$18.1 billion from 'big four' Australian banks
- Number of holding statements up 10% on pcp

Total Capital Raised



Areas of Focus

Grow Listings Franchise

- New Zealand – simplified dual listings process
- Tech sector – 146 entities listed
- Exchange-traded products (ETPs) – 171 ETPs listed

Expand 'Investment Supermarket'

- Domestic equities
- International equities
- Government bonds
- Corporate bonds
- ETFs and listed investment companies
- Unlisted managed funds through mFund service

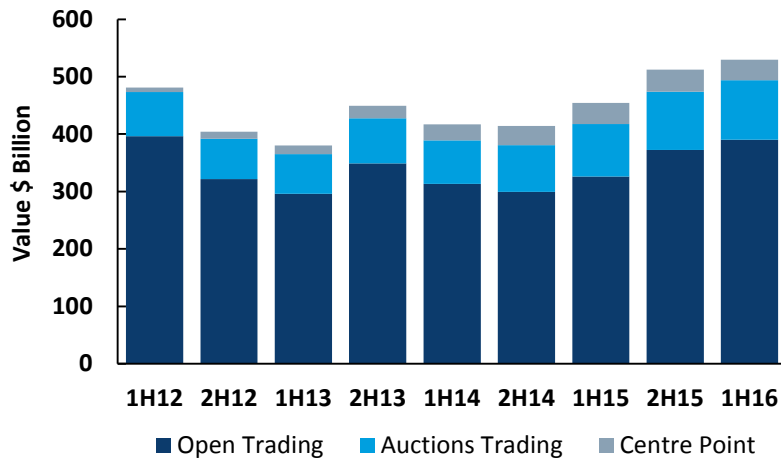
Trading Services (1/2)

Highlights

Revenue \$91.4 million, up 8.1%

- Cash Market Trading \$20.3 million, up 14.9%
 - Total on-market value traded per day up 18.6%
 - ASX on-market trading up 16.6%

ASX On-Market Value Traded

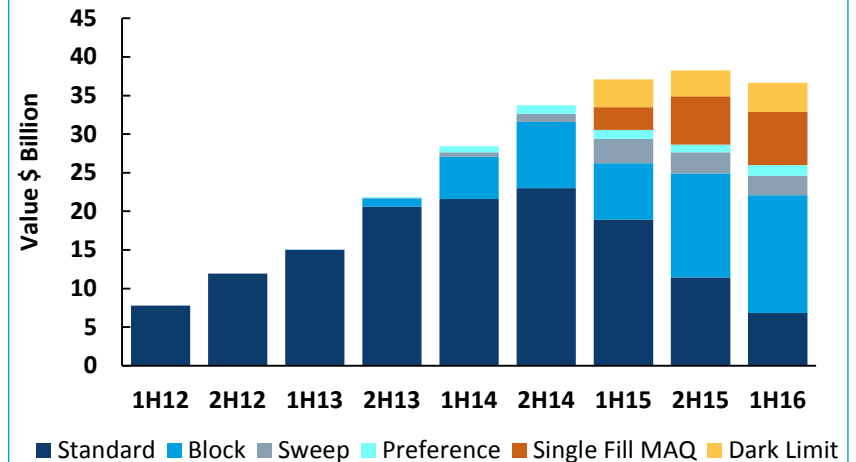


Areas of Focus

Cash Market Trading

- On-market trading market share 88.4%
- ASX Auctions and Centre Point accounted for 43.9% of trading revenue
- Trading platform replacement

Centre Point Value Traded



Trading Services (2/2)

Highlights

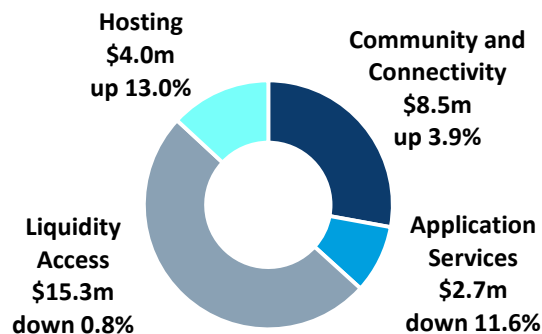
Information Services \$40.6 million, up 10.8%

- Fee changes and higher index royalties

Technical Services \$30.5 million, up 1.0%

- Hosting: 219 cabinets
- Application services: impacted by introduction of minimum 3 month period for futures gateways
- Liquidity Access: Higher low latency data and order entry access, offset by lower futures cross connections and ASX sessions

Revenue Mix Technical Services



Areas of Focus

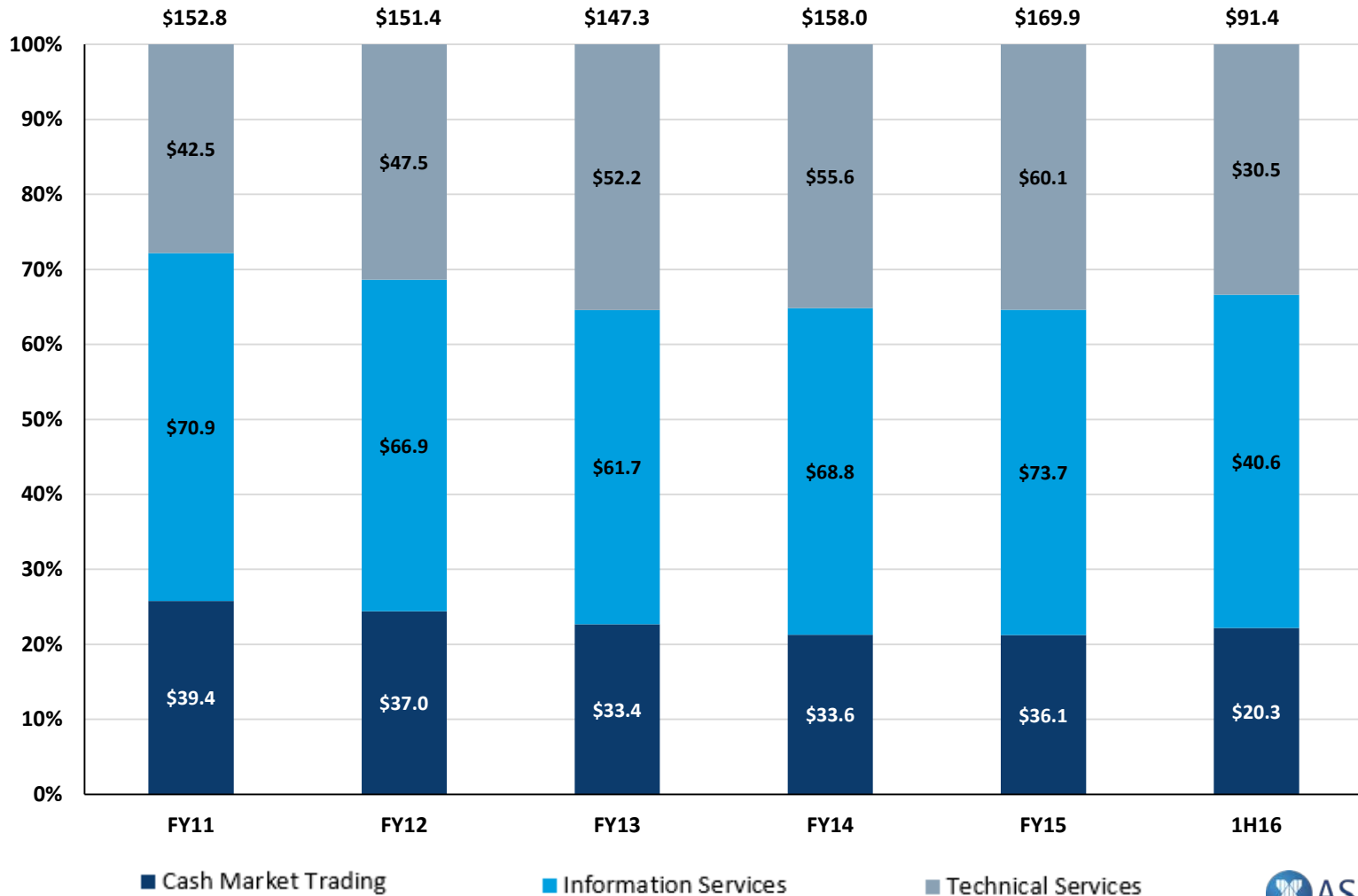
Information Services

- Expansion of data and analytic services

Technical Services

- Growth in hosting as customers utilise ALC as a primary data centre
- ASX Net global Hong Kong hub established

Trading Services Revenue Mix Change and Growth (\$m)



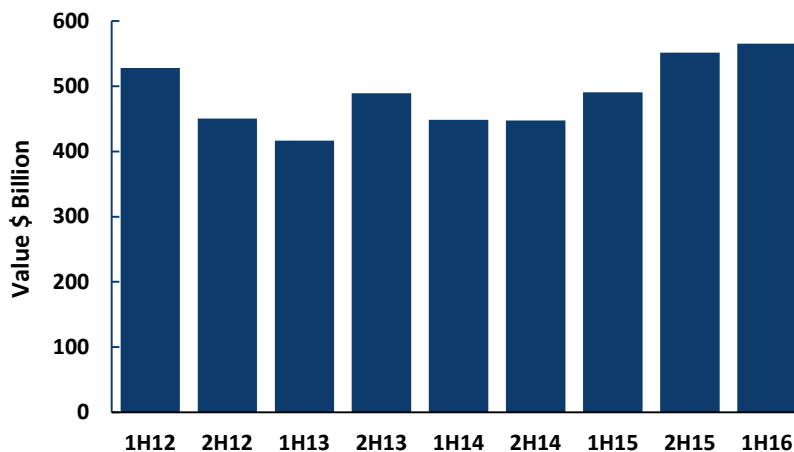
Equity Post-Trade Services

Highlights

Revenue \$51.0 million, up 11.7%

- Clearing \$27.2 million, up 17.3%
 - Value cleared up 18.4%
- Settlement \$23.8 million up 6.0%

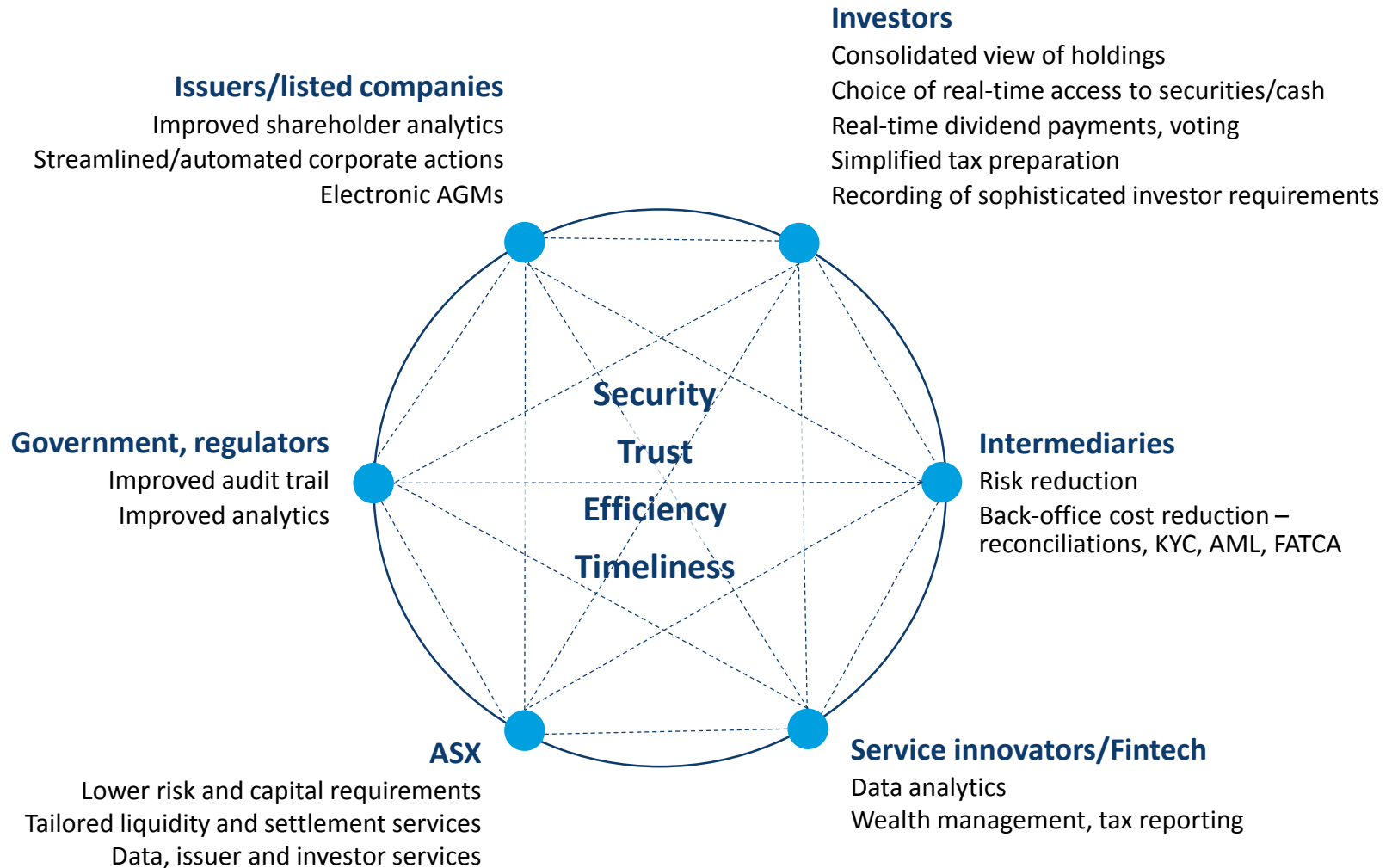
Billable Value Cleared



Areas of Focus

- T+2 settlement from March 2016
- Investment in distributed ledger technology
 - Significant potential benefits to issuers, investors, intermediaries and regulators
 - Investment in Digital Asset Holdings
- During development phase ASX will
 - Operate CHES as normal
 - Retain revenue sharing scheme for clearing and settlement
 - Reduce clearing fees by 10% from 1 July 2016 (impact approximately \$5 million pa)

Opportunity for Post-Trade Innovation



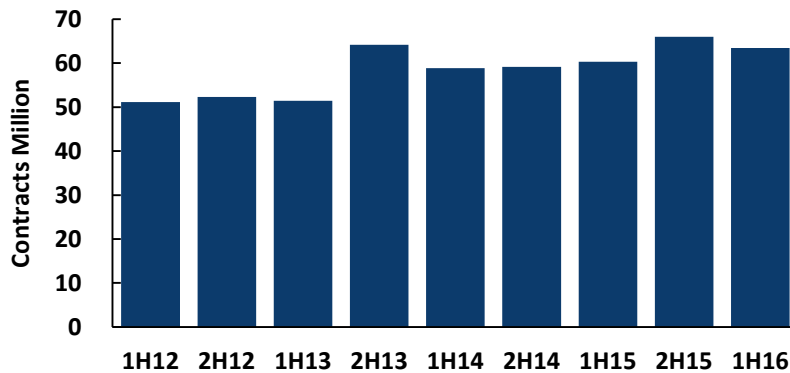
Derivatives and OTC Markets

Highlights

Revenue \$126.8 million, flat

- Futures and OTC \$91.6 million, up 1.3%
 - Contracts traded up 5.1%
 - Impact of fee reduction \$4.6 million
- Equity Options \$11.3 million, down 11.4%
 - Contracts traded down 21.7%
- Austraclear \$23.9 million, up 1.5%

Futures Volumes



Areas of Focus

Product Development

- Launched 20 Year Bond Futures, mini SPI, East Coast Wheat futures/options, Deliverable Swap Futures, and TORESS options
- Gold futures 1H17

Distribution

- Opened Hong Kong office focused on Asian sales
- Trading platform replacement

Clearing and Risk Management Services

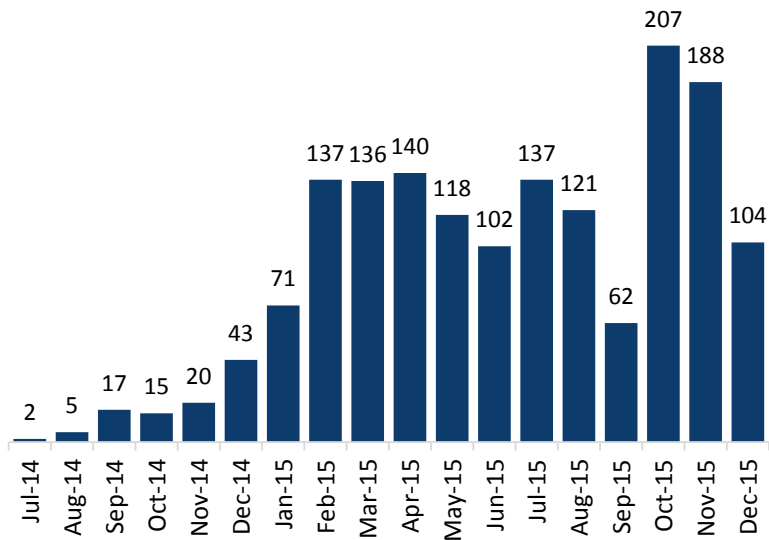
- OTC clearing \$817.4 billion in 1H16
- Collateral Management average balance \$4.3 billion

Austraclear

- Average balances up 12.2% to \$1.8 trillion

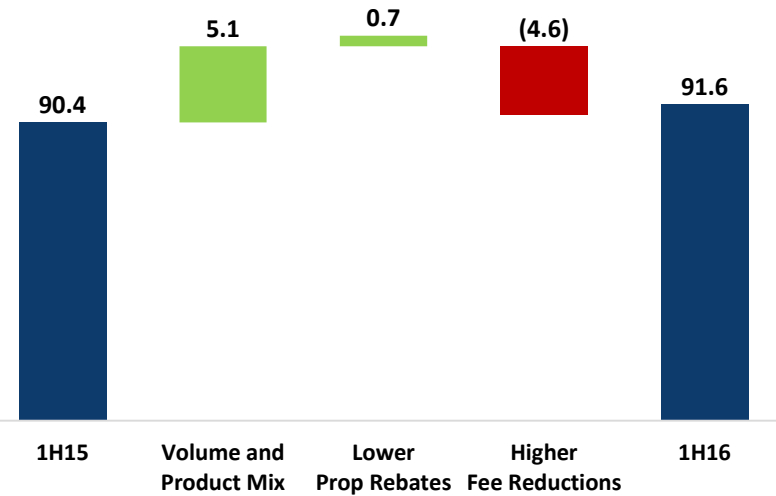
Futures and OTC Clearing Movement

OTC Notional Value Cleared (\$ Billion)



- Margin optimisation service to be launched in CY16 providing institutions the ability to maximise margin offsets between Futures and OTC

Revenue Movement (\$ Million)



- Tiered fee schedule introduced 1 October 2014
- Provides progressively lower fees to institutions as their OTC volumes increase

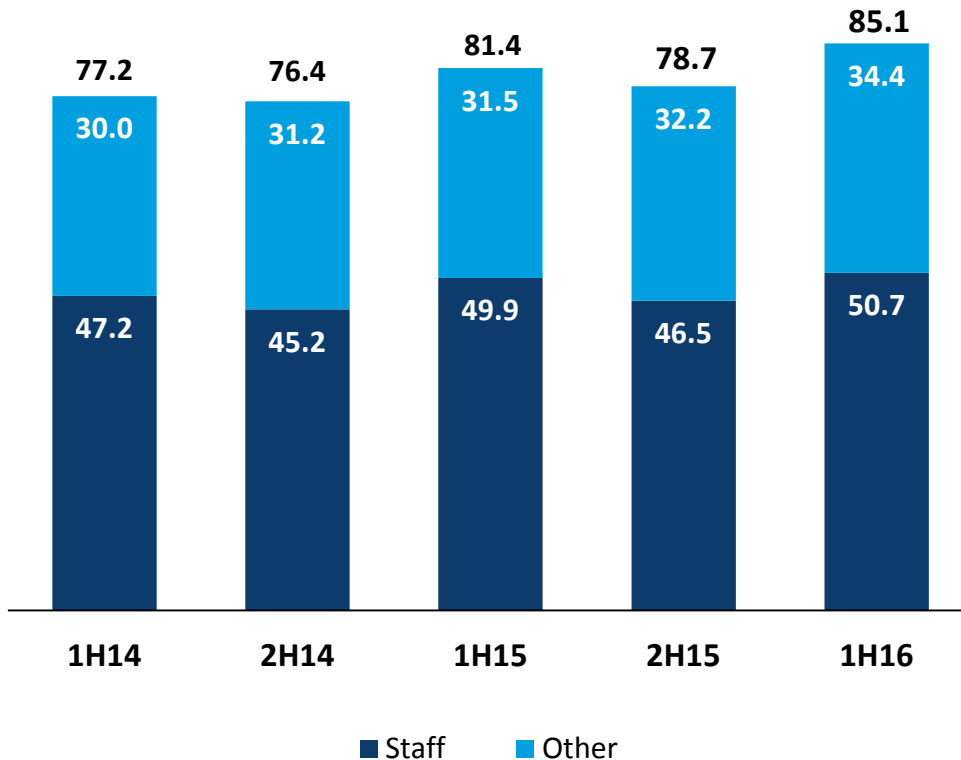
Interest and Dividend Income

	1H16 \$m	1H15 \$m	% Variance
ASX Group Net Interest Income	11.3	14.9	(24.4%)
Net Interest Earned on Collateral Balances	17.5	14.6	20.1%
Total Net Interest Income	28.8	29.5	(2.4%)
Dividend Income	4.9	4.9	0.6%
Interest and Dividend Income	33.7	34.4	(2.0%)

Highlights

- ASX Group net interest income down 24.4% from lower interest rates
- Net interest on collateral balances up 20.1%
 - Collateral balances average \$4.3 billion (\$3.8 billion pcg)
 - Investment spread 37 bps (40 bps pcg)
- Repositioning of portfolio in line with regulatory standards over next two years will lead to lower investment earnings
 - Impact in FY16 not expected to be material
- IRESS shareholding 19.2%

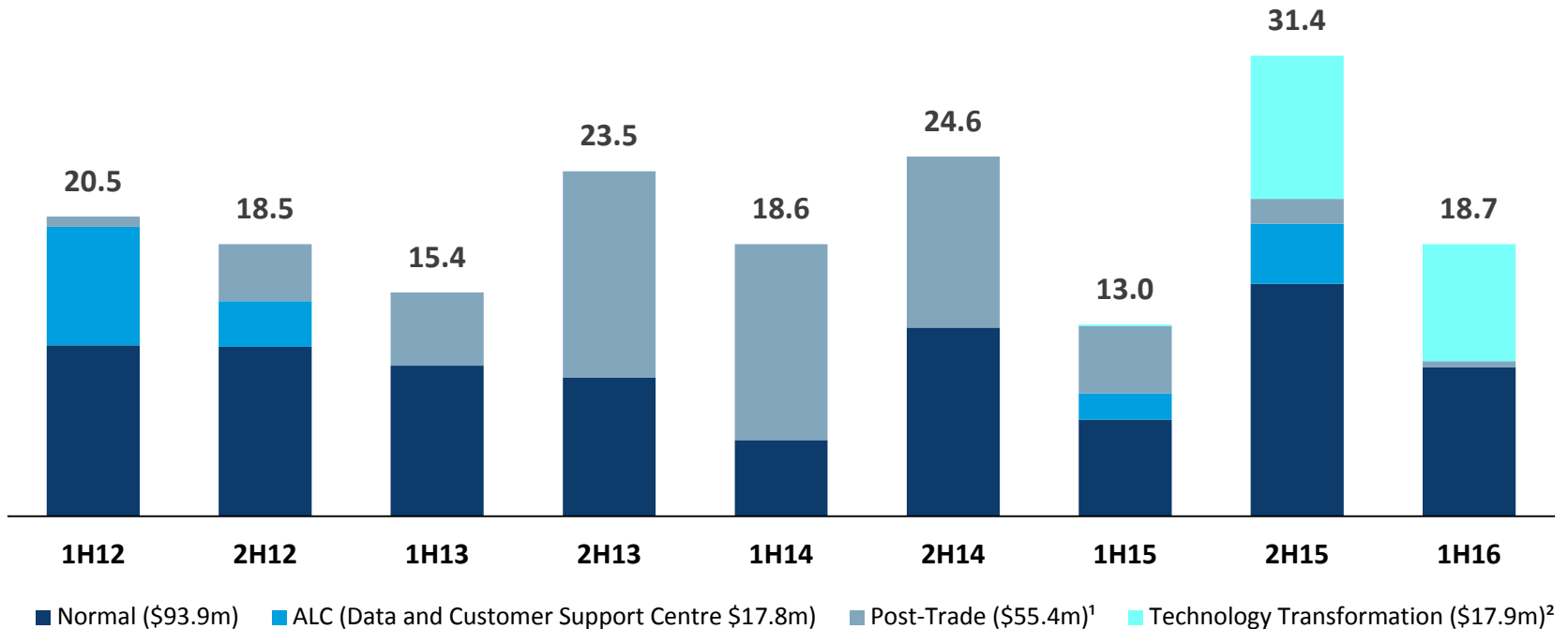
Expenses (\$ Million)



Highlights

- Expenses up 4.4%
- Staff costs up 1.5%
 - Higher staff and recruitment costs, partially offset by increased capitalisation
 - Average headcount down 0.6% to 523 FTEs
- Other costs up 9.0%.
 - Higher equipment and administration costs to support initiatives
 - Higher variable costs driven by increase in CHES holding statements
- FY16 operating expenses guidance approximately 5.5%
 - Investment in resources to accelerate assessment of distributed ledger technology

Capital Expenditure (\$M)



Highlights

- Focus on technology transformation program
- Guidance FY16 approximately \$50 million

1. Post-trade \$55.4m, includes new post-trade services \$36.2 million and upgrades of existing platforms \$19.2 million

2. Technology Transformation includes new trading platform, risk management and data analytics

Financial Results 1H16

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Positive revenue performance

- Growth in Listings, Trading Services and Post-Trade Services
- Derivatives and OTC Markets flat following fee reductions in futures

Expenses and capex

- FY16 expense guidance approximately 5.5%
- FY16 capital expenditure guidance approximately \$50 million

Strong balance sheet and compliance with regulatory standards

- Distributed ledger technology could materially change the clearing and settlement processes in the equity market, delivering significant benefits to users and avoiding investment in legacy infrastructure

Investment in strategic positioning

- Significant investment in infrastructure – opportunity for innovation in trading and post-trade services
- Products and services that give investors flexibility and choice
- Higher customer engagement and improved service delivery
- Management responsibilities aligned with business priorities



Thank you

