



7 September 2015

Australian Securities and Investments Commission
Mr Oliver Harvey
Senior Executive, Financial Market Infrastructure
Level 5, 100 Market Street
SYDNEY NSW 2000

ASX Market Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

ASX LIMITED – PRESENTATION TO INVESTORS

Attached is a copy of an ASX presentation to be delivered by Managing Director and CEO, Elmer Funke Kupper, at investor meetings in London and New York this week.

Amanda J. Harkness
Group General Counsel & Company Secretary

ASX Full-Year 2015 Investor Roadshow



The Heart of Australia's Financial Markets

Elmer Funke Kupper, Managing Director and CEO
September 2015



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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 FY15

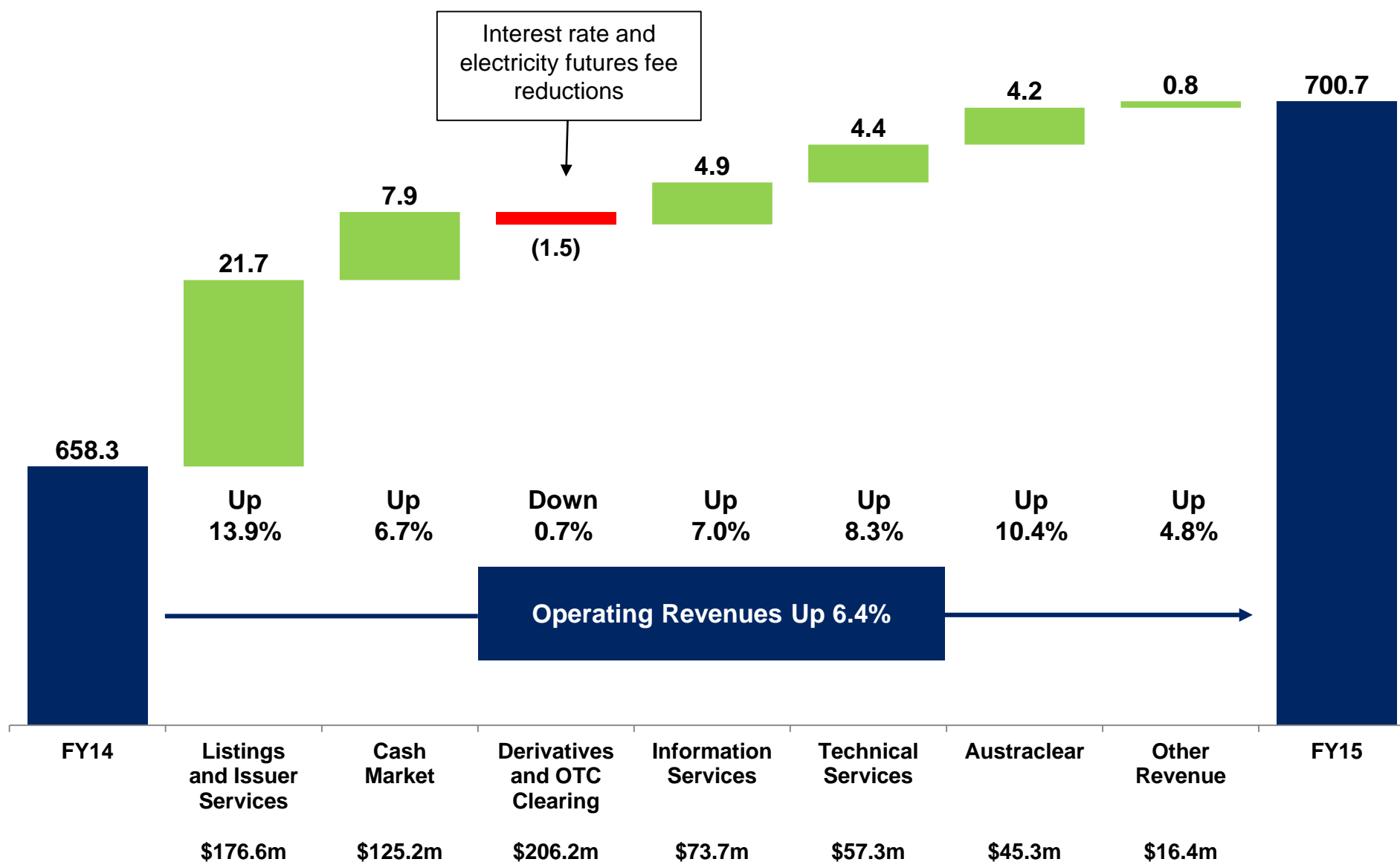
Revenues \$700.7m 6.4%	Underlying Expenses \$160.1m (4.2%)	EBITDA \$540.6m 7.1%	Underlying NPAT \$403.2m 5.2%	Statutory NPAT \$397.8m 3.8%	Underlying EPS 208.4c 5.0%	DPS 187.4c 5.2%
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- **Positive revenue performance**
 - Impact of fee reductions in Derivatives business \$17.8 million partially offset by removal of other rebates
- **Underlying expenses in line with guidance**
 - Excludes restructuring charge \$7.7 million pre-tax
 - Additional resources in FY16 to support Asian growth, data business and CHES replacement
- **Capital expenditure \$44.4 million**
 - Technology investment program underway
 - FY16 capital expenditure guidance \$45-50 million
- **Post GFC regulatory settings largely in place**
 - Outcome from Council of Financial Regulators review of cash equities clearing expected soon
- **Significant investment in long-term strategic position**
 - Higher customer engagement and improved service delivery
 - Products and services that give investors flexibility and choice
 - World-class trading and post-trade infrastructure
 - Leading skills and team engagement

Income Statement

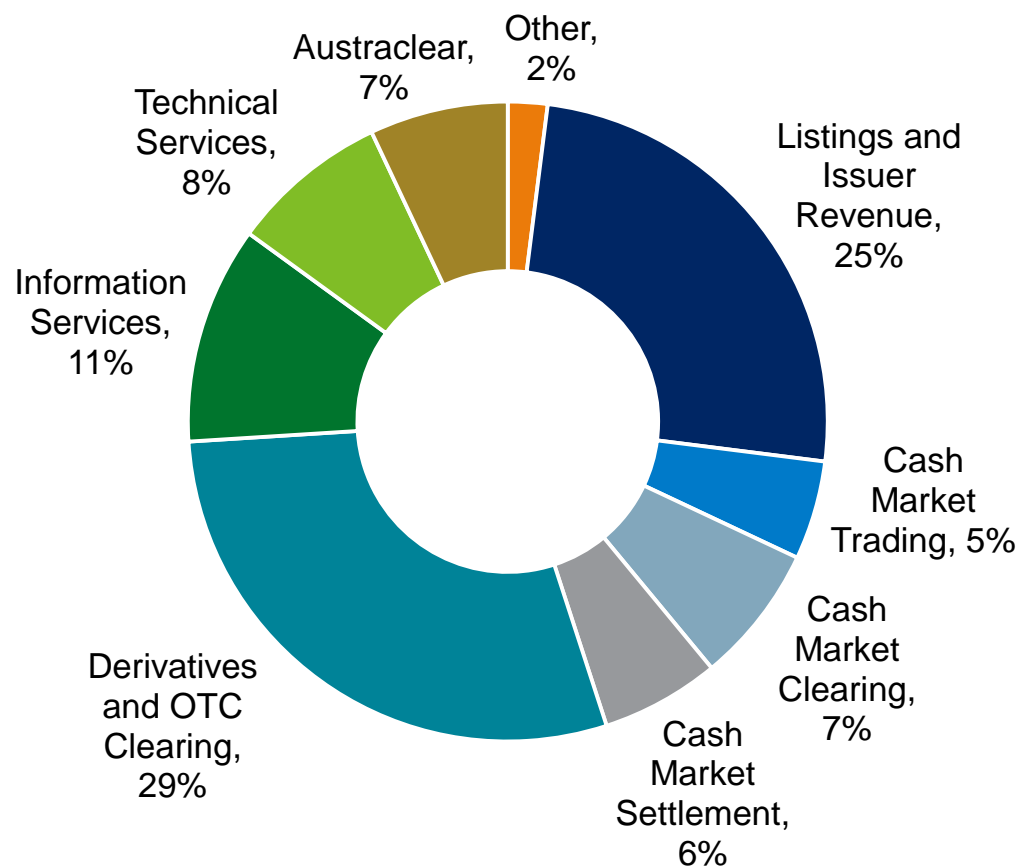
	FY15 \$ Million	FY14 \$ Million	% Variance
Operating Revenues	700.7	658.3	6.4%
Operating Expenses	160.1	153.6	(4.2%)
EBITDA	540.6	504.7	7.1%
Depreciation and Amortisation	38.6	33.8	(14.3%)
EBIT	502.0	470.9	6.6%
Interest and Dividend	71.9	70.7	1.8%
Underlying Profit Before Tax	573.9	541.6	6.0%
Income Tax Expense	(170.7)	(158.4)	(7.7%)
Underlying Profit After Tax	403.2	383.2	5.2%
Significant Items (Net of Tax)	(5.4)	-	
Statutory Profit After Tax	397.8	383.2	3.8%
EBITDA Margin	77.1%	76.7%	

Revenue Movement (\$M)



Attractive Business Mix

FY15 Revenues (100% = A\$700.7 million)



- Domestic leader in all segments, Asian leader in A\$ derivatives
- Cash markets 18% of total revenues (trading, clearing and settlement)
- Cash market clearing and settlement function undertaken for entire Australian market
- Derivatives include interest rate, equity index, electricity and commodities futures, single stock options and OTC \$A interest rate swap clearing
- Depositories (CHES for equities, Austraclear for fixed income) hold A\$3.4 trillion

Key Themes

Global Leader in A\$ and NZ\$ Financial Markets

- 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, Globally Connected

- Deliver competitive trading and post-trade services
- Upgrade technology infrastructure – multi-currency
- Build global connectivity

Outstanding Customer 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

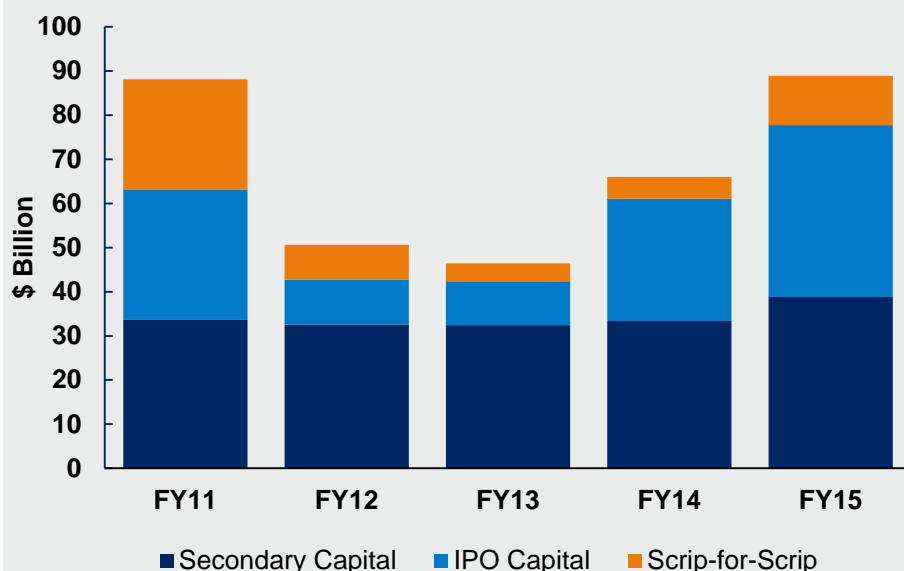
Listings and Issuer Services

Highlights

Revenue \$176.6 million, up 13.9%

- All revenue categories higher
- 120 IPOs; IPO capital \$38.9 billion, up 40.7%
- Secondary capital \$50.0 billion, up 30.2%
- Number of holding statements up 11.1% on pcp

Total Capital Raised



Areas of Focus

Grow Listings Franchise

- New Zealand – simplify dual listings process
- Tech sector – 30 listings¹ in FY15, 131 entities listed
- Exchange traded products (ETPs) – 140 ETPs listed totalling \$18.5 billion
- ‘ASX Evolve’ program for listed entities

Expand ‘Investment Supermarket’

- Domestic equities
- International equities – subject to regulatory clearance
- Government bonds
- Corporate bonds – support FSI recommendations
- ETFs and listed investment companies
- Unlisted managed funds through mFund service; 30 fund managers offering 101 funds via 11 brokers

¹Includes IPOs and backdoor listings

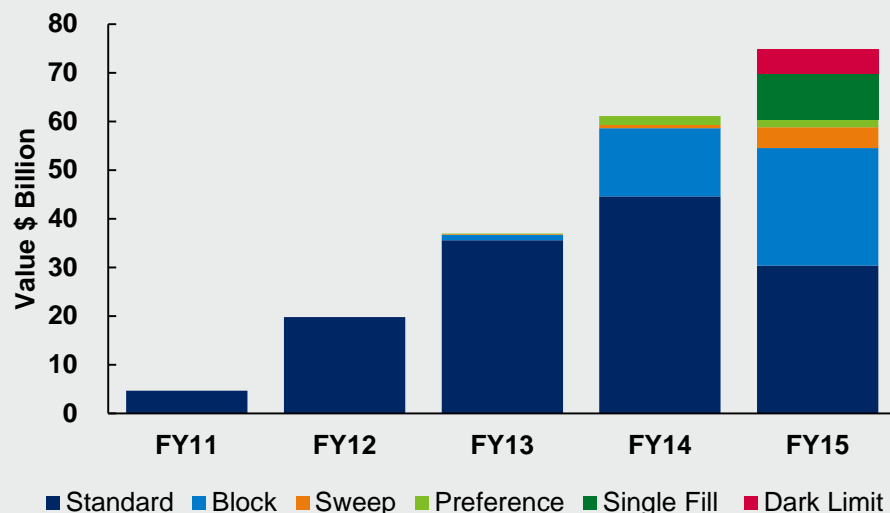
Cash Market

Highlights

Revenue \$125.2 million, up 6.7%

- Trading \$35.5 million, up 7.4%, clearing \$47.1 million, up 9.2%, settlement \$42.6 million, up 3.6%
- Total on-market value traded per day across all venues up 16.9%; ASX on-market trading up 15.9%
- Revenue sharing schemes \$7.3 million, pcp \$0.6 million

Centre Point Value Traded



Areas of Focus

Trading

- On-market trading market share 90% (91% pcp)
- Growth in ASX auctions and Centre Point; together accounted for 27.8% of ASX on-market value and 47.9% of trading revenue
- Trading platform replacement in early FY17

Clearing and Settlement

- 'Cover 2' capital standard for equities clearing house, AA- long-term credit rating from S&P
- Government decision on review of cash equities clearing expected soon

Five year extension will allow ASX to:

- Implement new clearing fee schedule. Impact \$7.3 million pa based on current activity
- Strengthen the Code of Practice
- Invest in CHES replacement

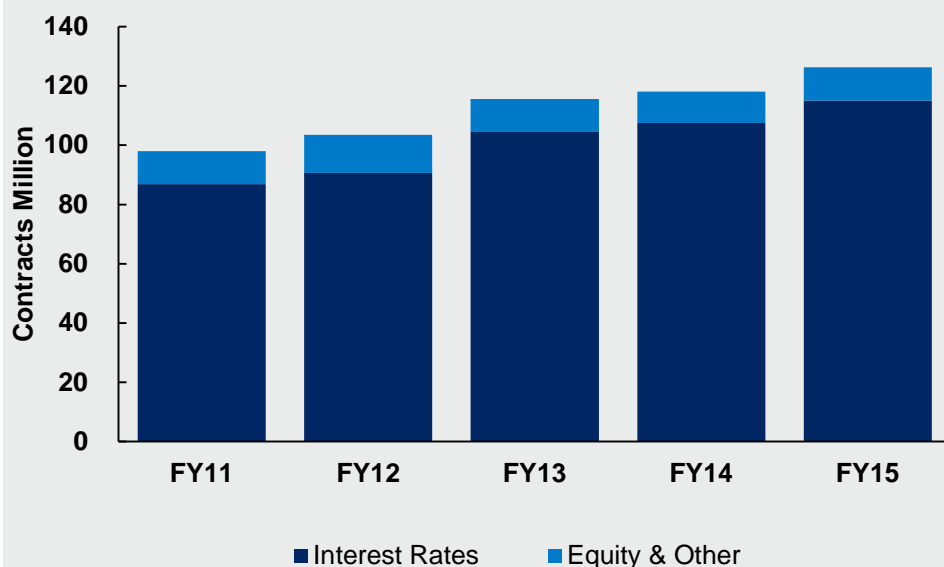
Derivatives and OTC Clearing

Highlights

Revenue \$206.2 million, down 0.7%

- Futures \$181.6 million, down 2.1%
 - Contracts traded up 7.0%
 - Higher rebates and fee reductions
- Equity options \$24.6 million, up 10.9%
 - Contracts traded down 3.3%
 - Trading mix and one-off rebate in prior year

Futures and Options on Futures



Areas of Focus

Product Development

- Energy – gas futures April 2015
- ETOs – Flexclear OTC Clearing May 2015
- 20 Year Government Bond Futures September 2015
- Deliverable Swap Futures Q2 FY16

Distribution

- FY16 investment in sales resources targeting Asia
- Trading platform replacement in late FY16

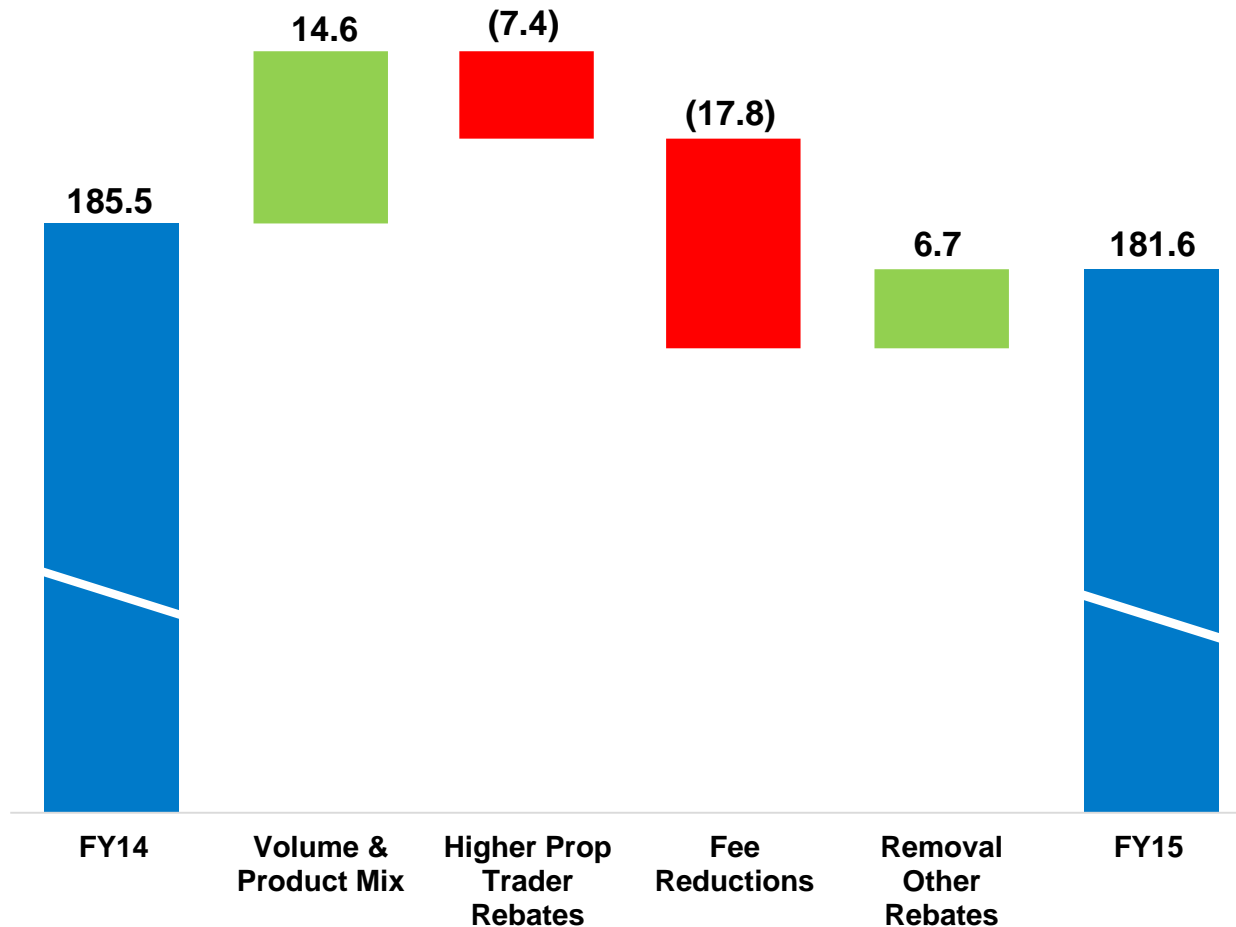
Clearing and Risk Management Services

- OTC clearing \$805.9 billion in FY15 (\$704.2 billion 2H15), 6 active clients

Regulatory Standards

- 'Cover 2' capital standard, AA- credit rating from S&P
- ESMA regulatory recognition, CFTC clearance

Impact of Fee Changes on Futures Revenue (\$M)¹



- Fee reductions in electricity (1 July 2014) and interest rate futures (1 October 2014)
- FY15 part-year impact \$17.8 million, partially offset by the removal of \$6.7 million of other rebates
- FY16 full-year impact estimated to be approximately \$24 million at current activity levels

¹FY15 Derivatives and OTC Markets revenue \$206.2 million, consisting of futures \$181.6 million and equity options \$24.6 million

Information and Technical Services

Highlights

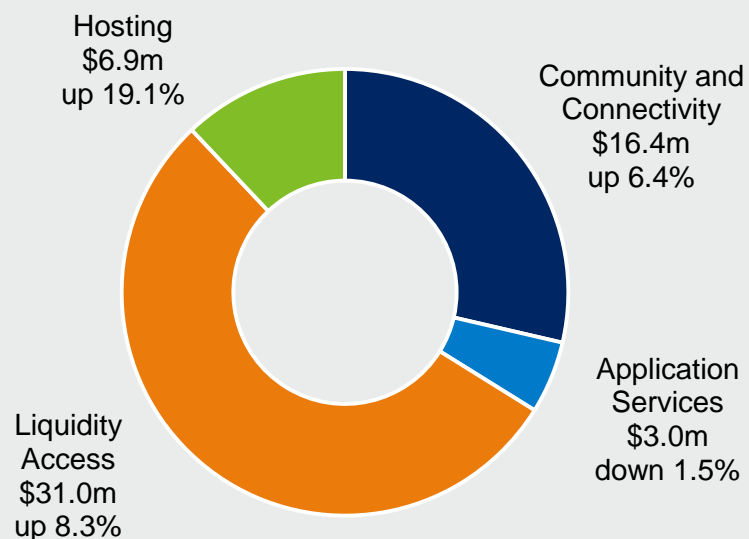
Information Services \$73.7 million, up 7.0%

- Pricing changes implemented 1 July 2014

Technical Services \$57.3 million, up 8.3%

- Hosting: 188 cabinets (142 pc), 95 customers (89 pc)
- Community and Connectivity: 9.2% increase in ALC service connections

Technical Services Revenue



Areas of Focus

Information Services

- Multi-year enterprise agreements established with key clients
- Expansion of data and analytic services – dedicated resources from FY16

Technical Services

- Growth in hosting as customers increasingly utilise ALC as a primary Australian data centre
- Expansion of ASX Net global sites (Chicago CME, Hong Kong early FY16) and the availability of additional third-party content
- Increased content and service providers in ALC is generating additional cross-connect opportunities

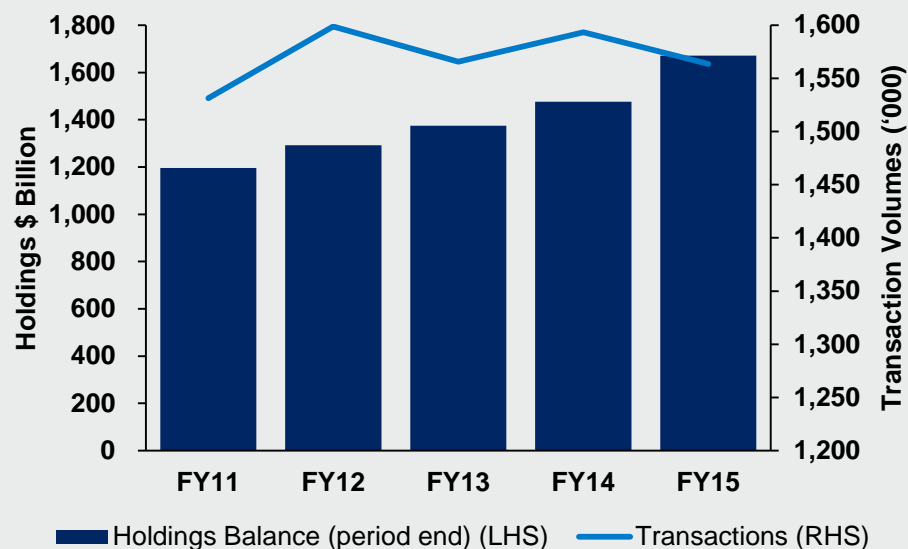
Austraclear

Highlights

Revenue \$45.3 million, up 10.4%

- Transaction volumes down 1.9%
- Average balances up 13.3% to \$1.7 trillion
- Number of debt issuances up 10.6%

Holdings and Transaction Levels



Areas of Focus

Renminbi Settlement Service

- Launched July 2014
- Provides real-time RMB settlement facility
- Bank of China appointed RMB clearing bank

ASX Collateral Service

- Reduces collateral costs for ASX clients by utilising fixed income securities within Austraclear
- Competitive pricing following re-negotiated commercial terms with Clearstream to facilitate growth
- Modest growth in activity with \$4.3 billion collateral under management, 8 active users

Focus on Customers

Customer Experience

Improving Capabilities

- New ASX Customer Experience Team in place, member of Group Executive Committee

Service Enhancements

- Customer Support Centre opened in April 2015
- New digital Customer Portal in development

Customer Support Centre Opened April 2015



Engagement and Alignment

Investments

- Acquired 49% stake in the Yieldbroker bond/swap platform, remainder owned by key ASX customers
- ASX senior executive hires sourced from global and domestic customers as well as other industry stakeholders

Customer Engagement

- Client forums established for all asset classes
- First customer survey completed

Fee Reductions

- Promote growth and strengthen the ASX franchise
 - Interest rate futures
 - Electricity futures and options
 - Cash Market Clearing (if market structure retained for five years)

Impact of Fee Reductions on FY16 Revenues

Derivative fee reductions were implemented replacing other rebate schemes

	FY15 \$ Million	FY16 \$ Million	Variance FY15-FY16 \$ Million
Derivatives and OTC Markets			
Fee Reductions	17.8	24.0	
Removal of Other Rebate Schemes	(6.7)	-	
	11.1	24.0	12.9

- FY16 full-year impact estimated at recent activity levels
- Partially offset by removal of other rebate schemes

Commitment to implement fee reductions in FY16 if cash equities clearing market structure is retained for five years

	FY14 \$ Million	FY15 \$ Million	FY16 \$ Million	Variance FY15-FY16 \$ Million
Cash Market				
Revenue Sharing Schemes	0.6	7.3 ¹	-	
Clearing Fee Reductions (if market structure retained)	-	-	7.3	
	0.6	7.3	7.3	-

- FY16 full-year impact estimated at FY15 activity levels

¹ Trading \$2.5 million, Clearing \$3.6 million & Settlement \$1.2 million

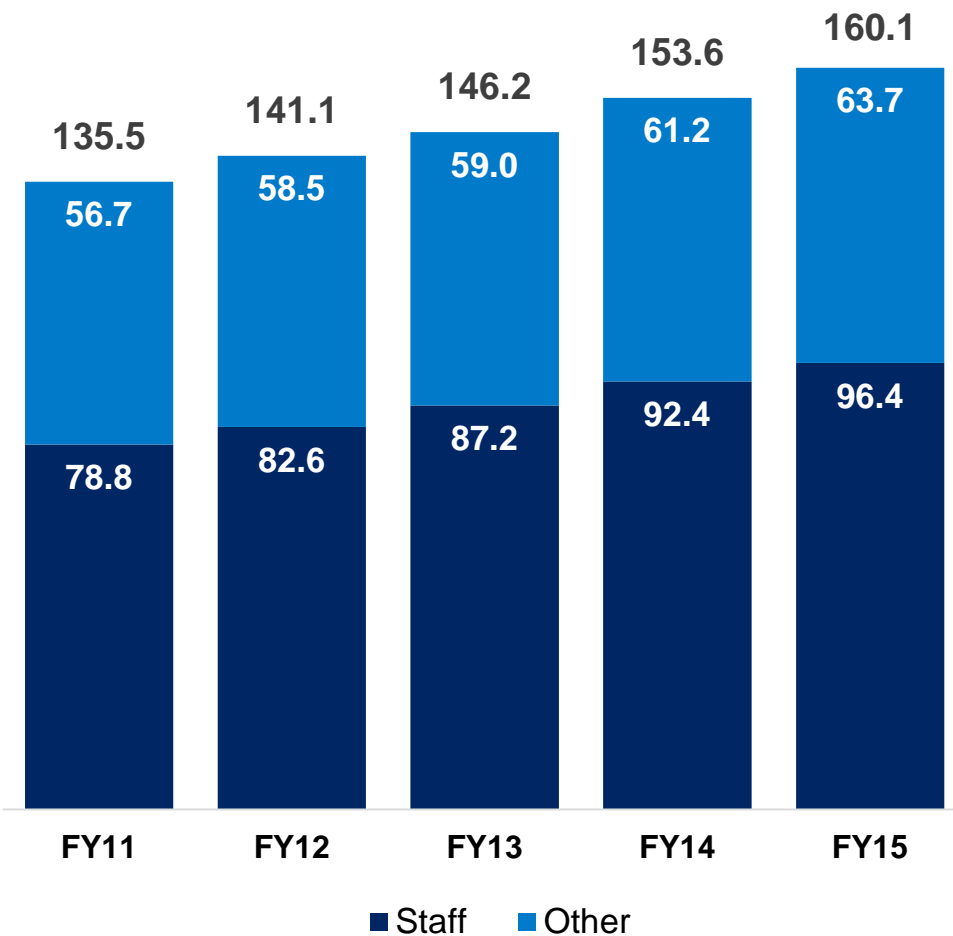
Interest and Dividend Income

	FY15 \$ Million	FY14 \$ Million	% Variance
ASX Group Net Interest Income	26.9	28.6	(5.7%)
Net Interest Earned on Collateral Balances	32.3	31.3	3.1%
Total Net Interest Income	59.2	59.9	(1.1%)
Dividend Income	12.7	10.8	17.5%
Interest and Dividend Income	71.9	70.7	1.8%

Highlights

- Total net interest income down 1.1%
- ASX Group net interest income down 5.7% as market rates fell
- Net interest earned on collateral balances up 3.1% primarily due to higher balances
 - Collateral balances average \$4.1 billion, up 7.5%
 - Investment spread 41 bps (44 bps pcp)
- Repositioning of portfolio in line with regulatory standards over next 2 years will lead to lower investment earnings
 - Impact in FY16 not expected to be material
- IRESS dividend up 17.5%
 - Shareholding 19.2%

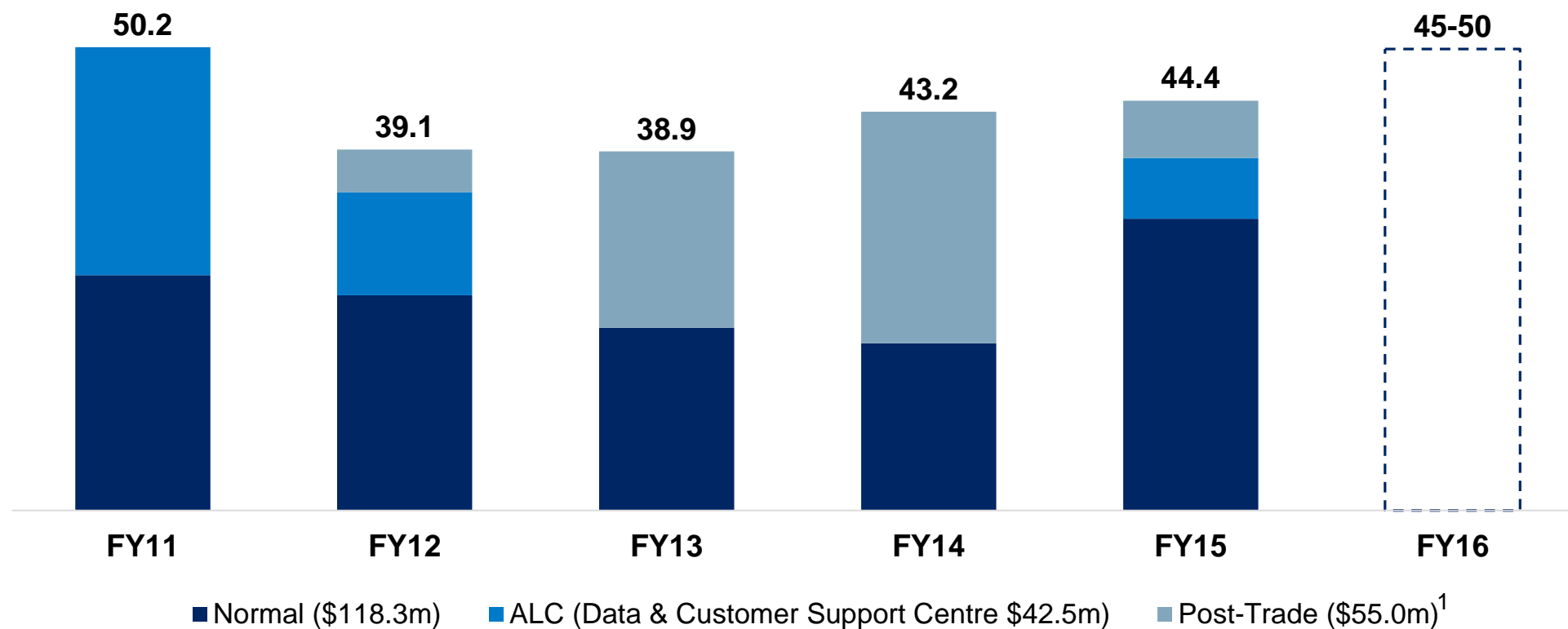
Expenses (\$M)



Highlights

- Staff costs up 4.4%
 - Higher salaries and incentives
 - Higher recruitment costs
 - Average headcount down 1.9% to 524 FTEs
- Other costs up 4.1%
- Significant items restructuring charge: \$7.7 million pre-tax
 - No impact on FY15 final dividend
- Guidance FY16: approximately 5.0% increase:
 - Ongoing expenses approximately 3.5%
 - \$2.5-3.0 million investment in new initiatives: data business, Asia, CHES replacement

Capital Expenditure (\$M)

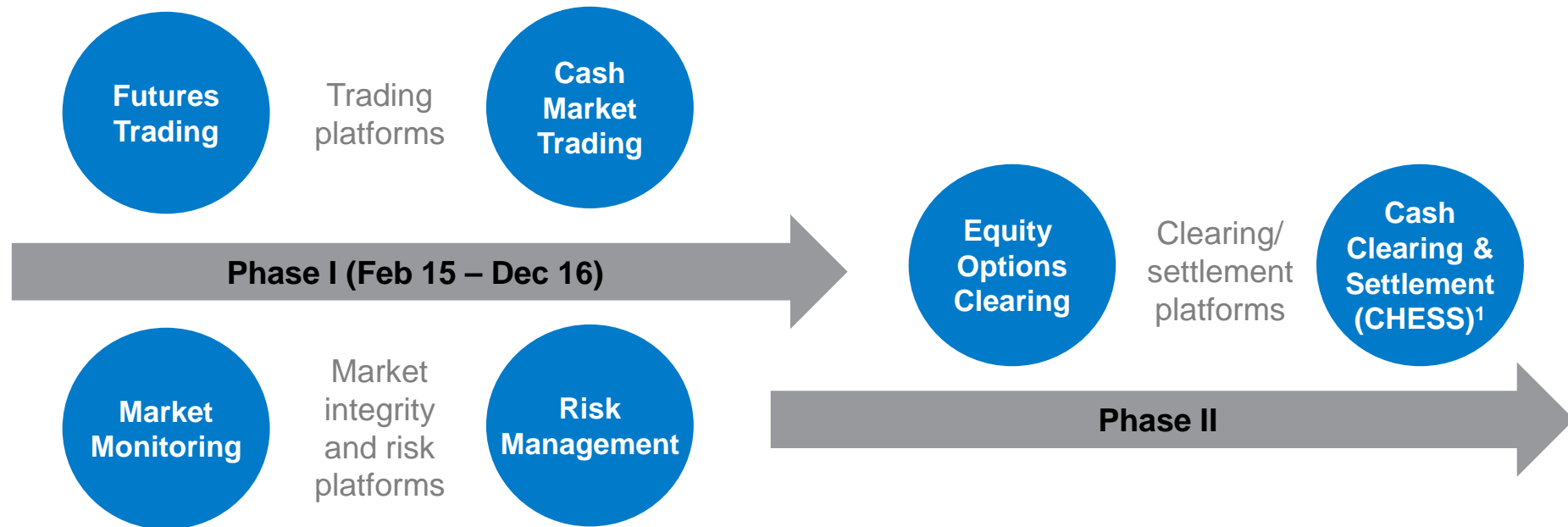


Highlights

- Average total capital expenditure since 2011: \$43 million per annum
- Capital expenditure guidance for FY16 \$45-50 million

¹Post-trade \$55.0 million, includes new post-trade services \$36.1 million and upgrades of existing platforms \$18.9 million

Infrastructure Investment Program



Customer Objectives

- Innovation and speed to market
- Global standards for connectivity
- Fewer platforms with lower client costs to connect and comply

Economics

- Managed within Group capex envelope of \$45-50 million pa
- Phase 1 capex approximately \$35 million over two years

¹Decision expected in FY16 when there is clarity on cash equities clearing market structure

Regulatory Environment

Developments – Last Three Years

Investors

- Equity market regulations supporting end-investors

Systemic risk

- Location requirements
- Global regulatory and capital standards adopted early
- A\$ OTC interest rate swap central clearing mandate recommended along with G4 currencies

Global competitiveness

- Post-trade solutions in place
- ESMA recognition received, CFTC clearance
- AA- long-term credit ratings from S&P
- Red tape reduction

Outstanding – Clearing Market Structure

Compelling case for single clearing facility

- Most efficient model for market the size of Australia
- Effective governance through Code of Practice
- Commitment to upgrade infrastructure
- Lower fees with initial 14.7% reduction¹

Proposed Equities Clearing Fees ²	Basis Points
all value up to \$3bn per day	0.225
any value between \$3bn and \$4bn	0.175
any value between \$4bn and \$5bn	0.125
any value over \$5bn	0.100

¹Subject to extension of current market structure

²Current fee is 0.25bp. Bands refer to total market value cleared per day

Business Structure From 1 July 2015

Peter Hiom – Deputy CEO

Listings and Issuer Services	Trading Services	Derivatives and OTC Markets	Equities Post-Trade
<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"> Futures Exchange Traded Options OTC Clearing Collateral Management Austraclear 	<p>Scope</p> <ul style="list-style-type: none"> Equities Clearing Equities Settlement
<p>Position</p> <ul style="list-style-type: none"> Leading listings and capital raising venue 'Investment Supermarket' of products and services for end-investors Investor relations services for listed companies 	<p>Position</p> <ul style="list-style-type: none"> Trade execution services for all ASX markets (lit and dark/Centre Point) Technical and co-location services that enable clients to connect efficiently to ASX and each other Information and data analytics services 	<p>Position</p> <ul style="list-style-type: none"> Futures and options across interest rate, equity and energy markets Central clearing of exchange traded and OTC products Optimisation services for use of non-cash collateral Settlement and depository for debt products 	<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
FY15 Revenue \$183.5m	FY15 Revenue \$169.8m	FY15 Revenue \$254.0m	FY15 Revenue \$92.0m

Financial Results FY15

Revenues \$700.7m 6.4%	Underlying Expenses \$160.1m (4.2%)	EBITDA \$540.6m 7.1%	Underlying NPAT \$403.2m 5.2%	Statutory NPAT \$397.8m 3.8%	Underlying EPS 208.4c 5.0%	DPS 187.4c 5.2%
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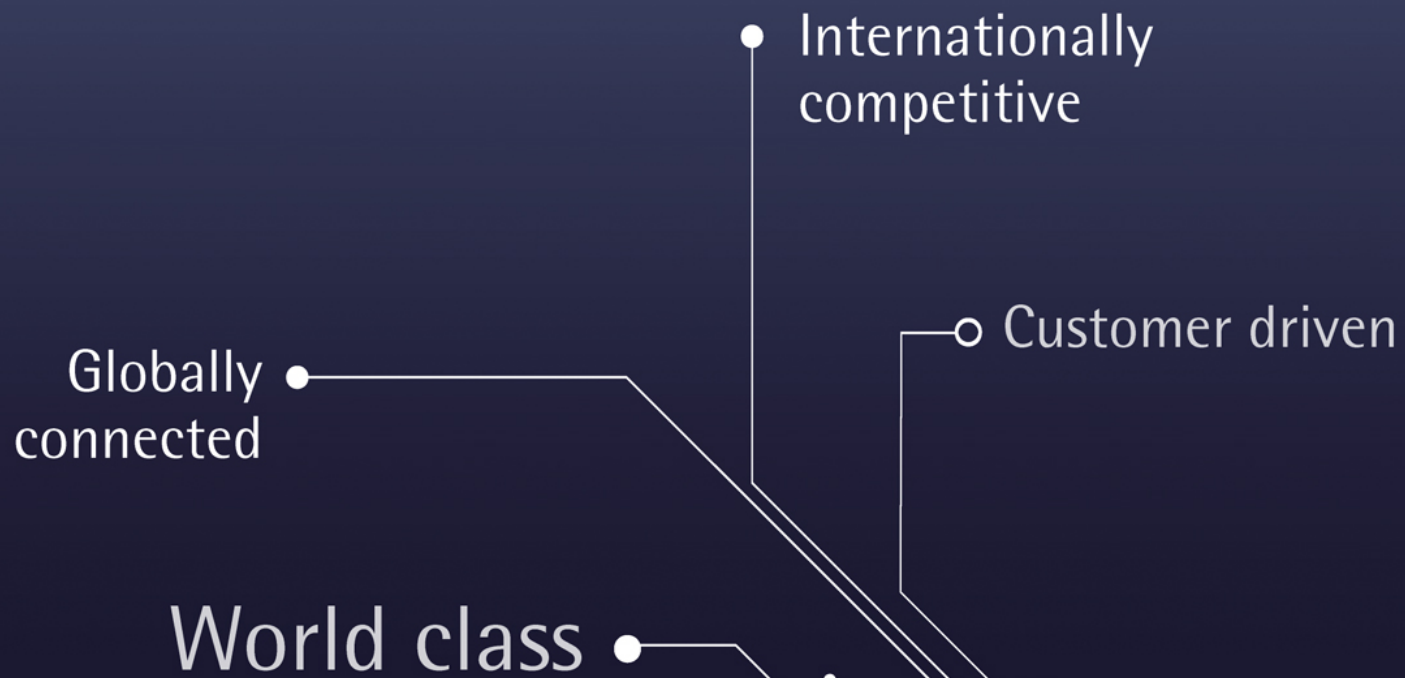
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World class

Globally connected

Internationally competitive

Customer driven



ASX