



Investor Presentation

ASX Limited

4 May 2016



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Financial Results – 9 Months to 31 March 2016

| | | | | |
|-------------------------------|--------------------------------|----------------------------|-------------------------------------|------------------------------------|
| Revenues \$552.8 m 7.0% | Expenses \$127.5m (6.1%) | EBITDA \$425.3m 7.2% | Underlying NPAT \$317.4m 5.9% | Statutory NPAT \$317.4m 6.2% |
|-------------------------------|--------------------------------|----------------------------|-------------------------------------|------------------------------------|

Positive revenue growth of 7.0%

- Growth in all major categories compared to pcp supported by robust trading activity
- Impact of futures fee reductions \$11.2m vs \$10.5m pcp, continued growth in OTC clearing
- Lower average listings activity in the third quarter of FY16 compared to 1H16

Expense growth of 6.1%

- Acceleration of investment in post-trade services
- CEO transition arrangements
- FY16 guidance expense growth of approximately 6%

Capital expenditure \$30.6 million

- FY16 guidance unchanged at approximately \$50 million
- Q4 expenditure in line with scheduled technology transformation investments

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

Financial Results – 9 Months to 31 March 2016 (continued)

Revenues
\$552.8 m
7.0%

Expenses
\$127.5m
(6.1%)

EBITDA
\$425.3m
7.2%

Underlying NPAT
\$317.4m
5.9%

Statutory NPAT
\$317.4m
6.2%

CEO Renewal

- Elmer Funke Kupper resigned 21 March after 4.5 years in the role
- CEO renewal progressing at accelerated pace
- Rick Holliday-Smith, Chairman with executive oversight in the interim
- Peter Hiom and Amanda Harkness managing the business, commercial/regulatory separation maintained

Regulatory

- Greater certainty on market structure for equities clearing following Treasurer's announcement
- ASX ownership restrictions to be made consistent with banks and insurers

Continued investment in strategic positioning

- Implementation of strategy and initiatives broadly on track
- Expected delivery of the new trading platform: futures in July - November 2016, equities in 2017
- Assessment of distributed ledger technology underway

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

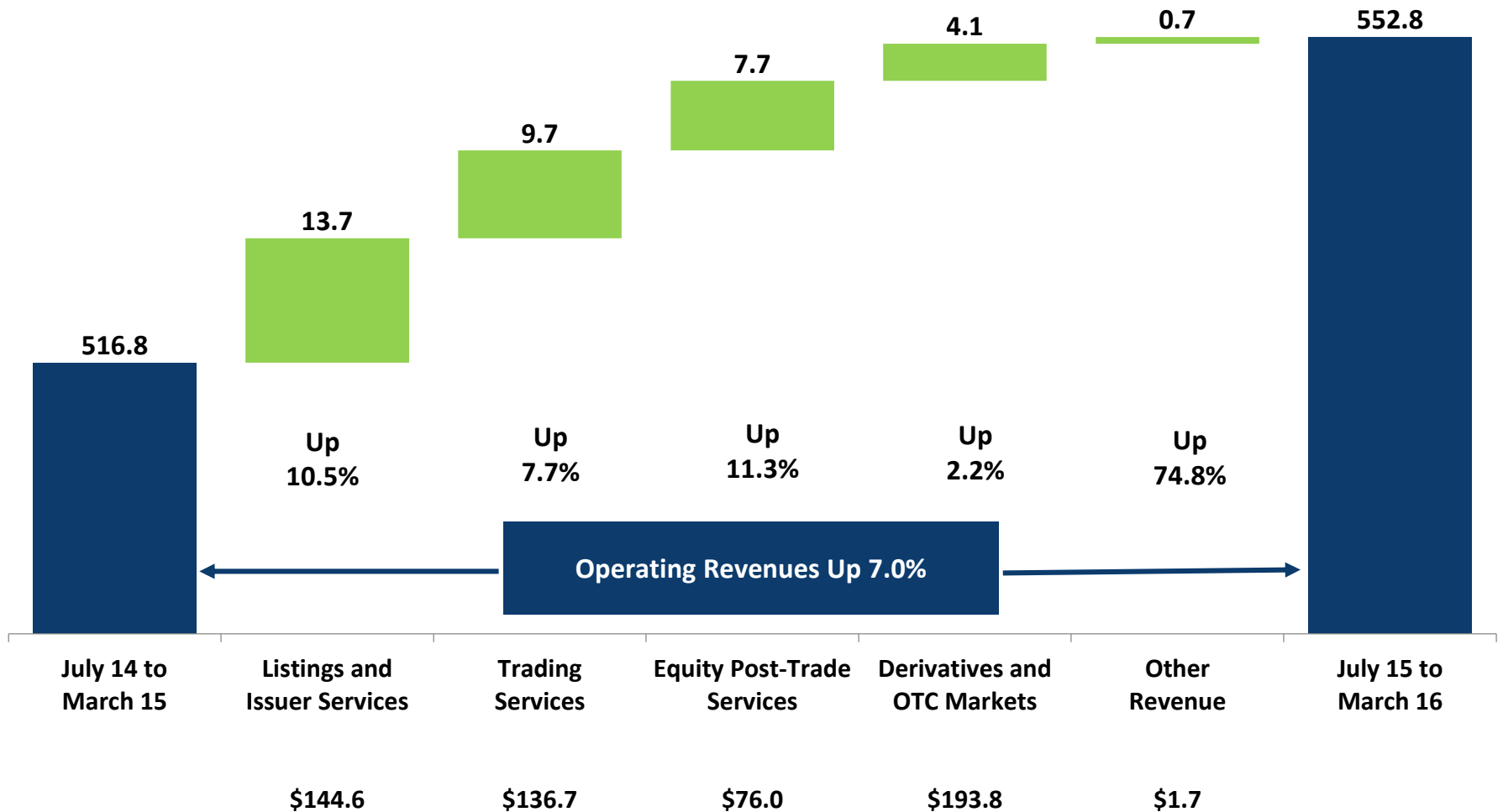
Income Statement – 9 Months to 31 March 2016

| | YTD March 16 \$m | YTD March 15 \$m | % Variance |
|-----------------------------------|---------------------|---------------------|-------------|
| Operating Revenues | 552.8 | 516.8 | 7.0% |
| Operating Expenses | 127.5 | 120.2 | (6.1%) |
| EBITDA | 425.3 | 396.6 | 7.2% |
| Depreciation and Amortisation | 31.3 | 28.2 | (11.1%) |
| EBIT | 394.0 | 368.4 | 6.9% |
| Interest and Dividend Income | 56.7 | 57.9 | (2.0%) |
| Profit Before Tax | 450.7 | 426.3 | 5.7% |
| Income Tax Expense | (133.3) | (126.5) | (5.4%) |
| Underlying Profit after Tax | 317.4 | 299.8 | 5.9% |
| Significant Items after Tax | - | (1.1) | n/a |
| Statutory Profit After Tax | 317.4 | 298.7 | 6.2% |

Unaudited result

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

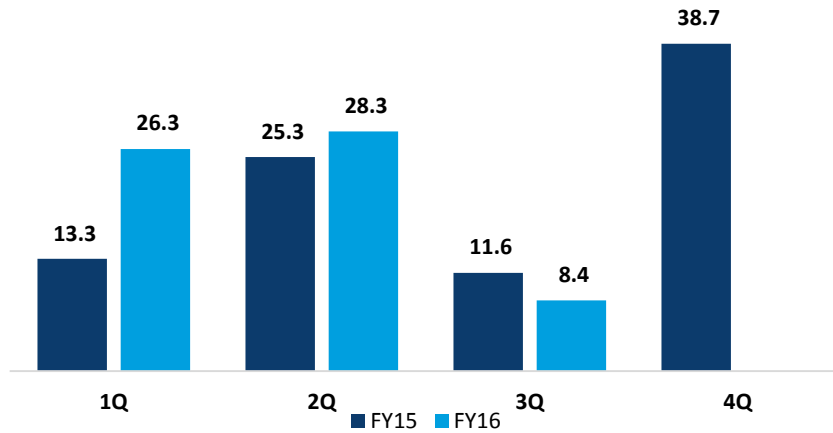
Revenue Movement – 9 Months to 31 March 2016 (\$ Million)



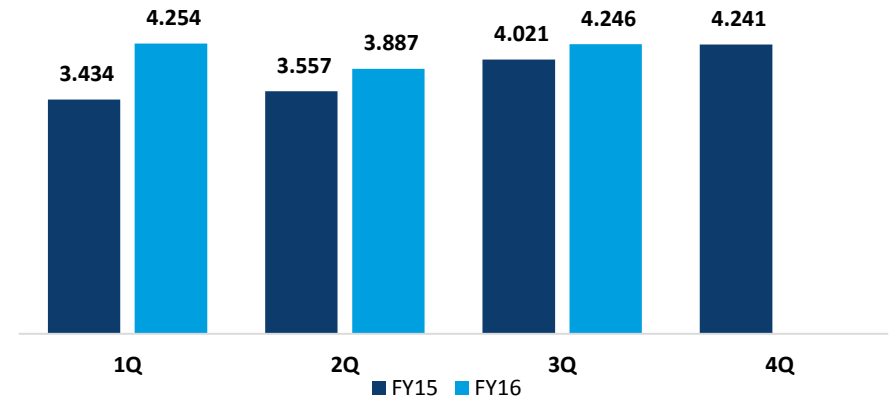
Unaudited result
 Operating revenues as per the Group segment reporting
 Variance expressed favourable / (unfavourable)

Activity Levels

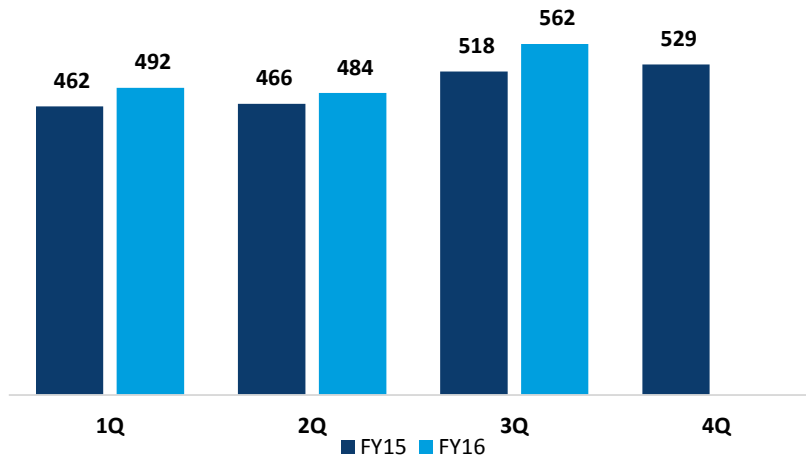
Total Capital Raised (\$ Billion)



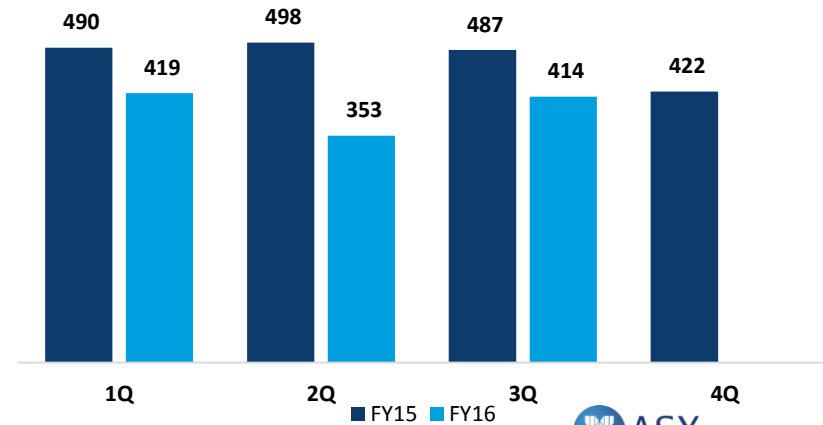
Cash Market Trading
ASX Average Daily Value On-market (\$ Billion)



Futures¹ - Average Daily Contracts ('000)



Equity Options - Average Daily Contracts ('000)

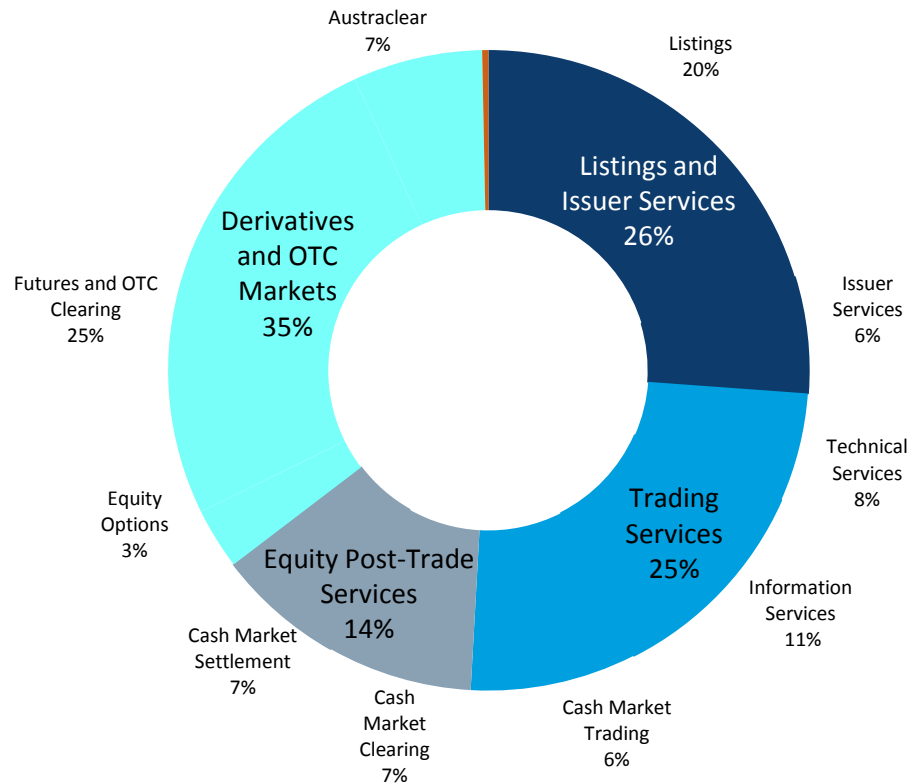


1. Consists of futures and options on futures

Attractive and Diversified Business Model

YTD Mar 2016 ASX Revenues

100% = \$553m



- Domestic leader in all segments, Asian leader in A\$ derivatives
- Derivatives and OTC includes interest rate, equity index, electricity and commodities futures, single stock options and clearing for OTC A\$ interest rate swaps
- Depositories (equities and fixed income) hold \$3.4 trillion
- Cash market trading: 89% market share
- Cash market clearing and settlement conducted for entire market

ASX Group Priorities

Business initiatives progressing

Global Leader in A\$ and NZ\$

- Innovate in fragmented equity market – Centre Point
- Build on leadership in A\$ and NZ\$ derivatives markets – OTC, Collateral

Investment Supermarket

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

World-Class Infrastructure

- Upgrade technology infrastructure – trading, risk, clearing
- Be leader in post-trade innovation – Distributed Ledger Technology
- 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

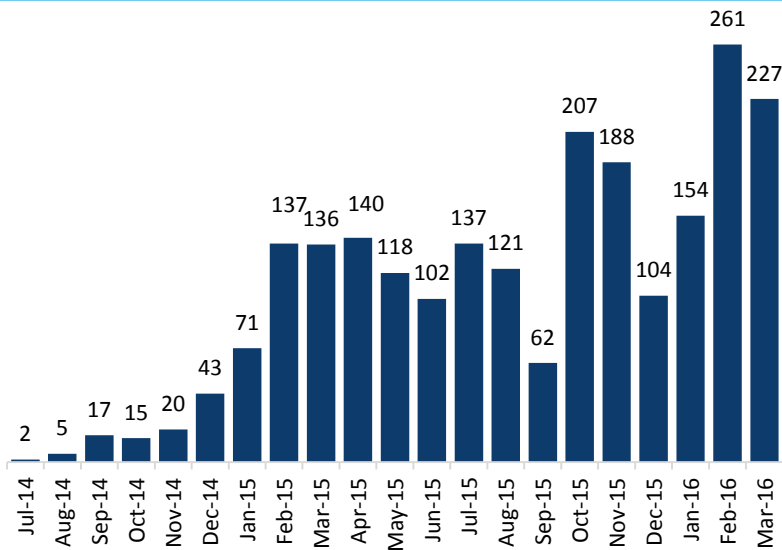
Regulatory Settings

Employer of Choice

Global Leader in A\$ and NZ\$ Markets

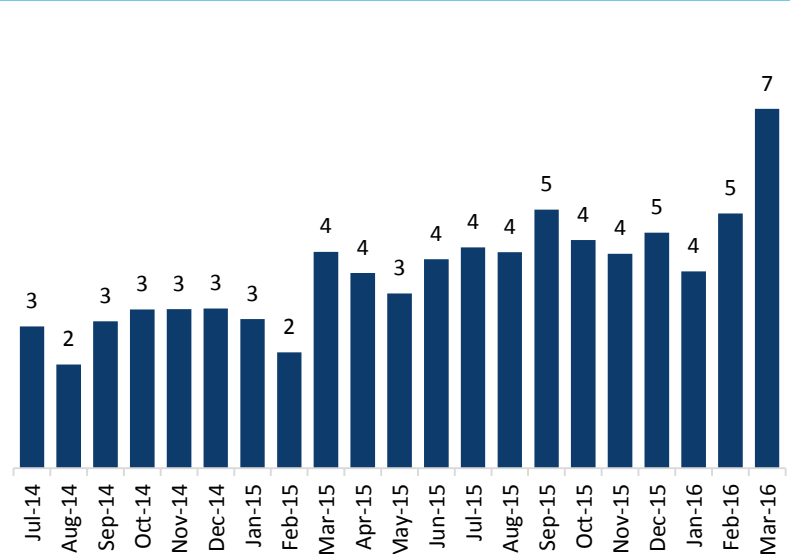
Growth in OTC Clearing & Collateral Management Services

OTC Notional Value Cleared (\$ Billion)



- Notional value of OTC interest rate swaps cleared was \$1.5 trillion March 16 YTD (\$445 billion pcp)
- Six active users
- Margin optimisation service to be launched in 2016 providing institutions the ability to maximise margin offsets between Futures and OTC
- Futures and OTC fee rebates could increase by \$2-3 million in 2H16 compared to 1H16

Collateral Balances (\$ Billion)



- Notable balance growth in repo transactions
- Eight active users
- Tri-party securities lending service (bond vs bond) currently under development and expected to commence in FY17

Investment Supermarket

Grow Listings Franchise (FY16 Listings)



Areas of Focus

Grow listings franchise

- Attractive and flexible capital market listing rules – 25% increase in capital raised March 16 YTD
- New Zealand simplified dual listing process – 42 NZ companies
- NZ IPOs – 4 YTD
- Technology sector – 30 listings¹ YTD
- ETFs – 161 ETFs listed totaling \$21.3 billion

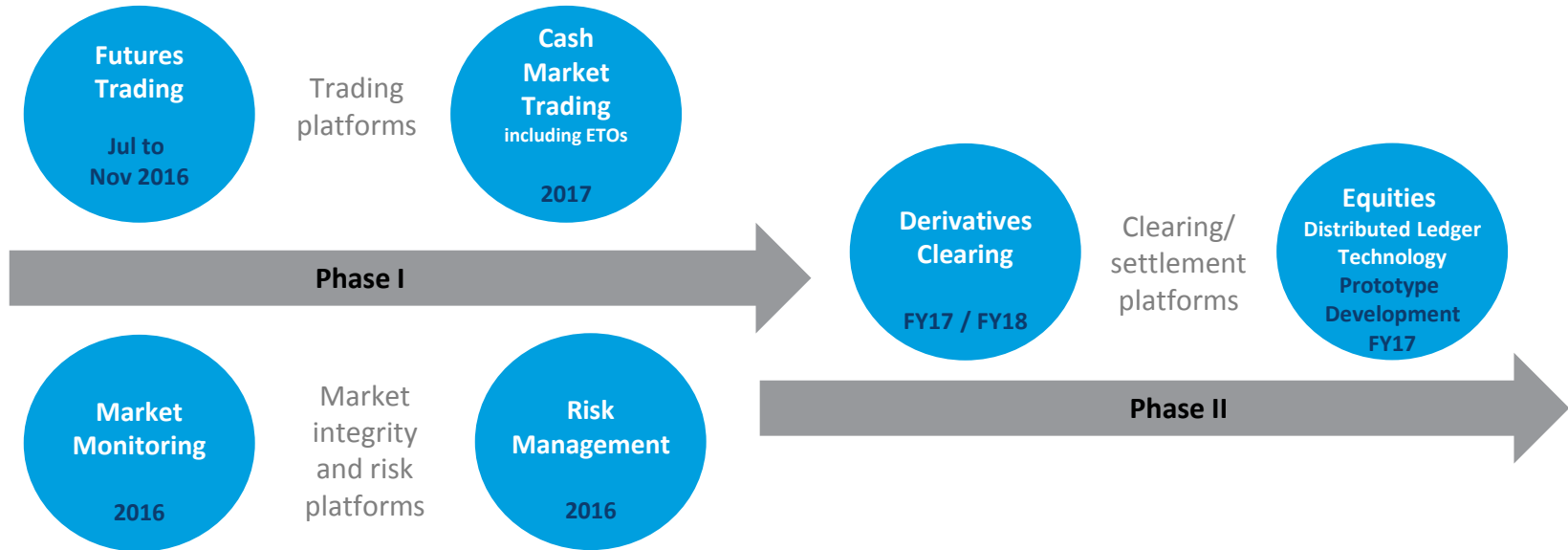
Investment Supermarket

- Domestic equities
- Government bonds
- Corporate bonds
- International shares – regulatory considerations will drive service design
- mFund expansion – 48 fund managers offering 161 funds via 18 brokers

1. Includes IPOs and backdoor listings

Technology Transformation

Key projects progressing

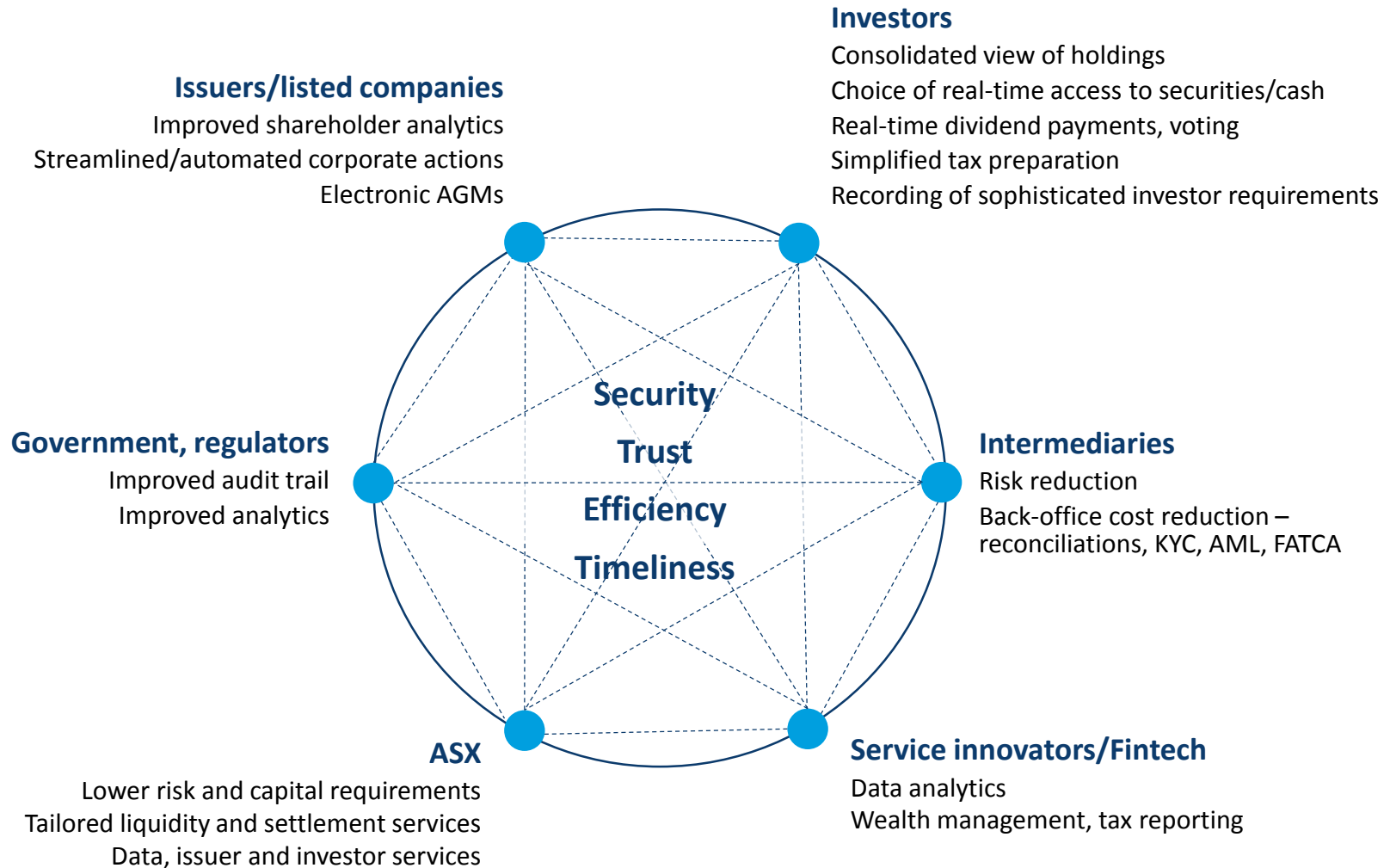


Progress

- Trading platform replacement underway
 - measures taken to de-risk implementation
 - customer engagement and readiness progressing
 - futures delivery July – November 2016, equities delivery 2017
- Market monitoring and risk management progressing, derivatives clearing on track
- Distributed Ledger Technology potential replacement for CHES. Capability assessment throughout FY17
- Managed within Group capex, approximately \$50 million in FY16

Opportunity for Post-Trade Innovation

Distributed Ledger Environment



Distributed Ledger Technology

Assessing the opportunity

Current Focus

- Investment in Digital Asset Holdings (DAH) of \$14.9m for a 5% stake plus rights to acquire additional 5%
- ASX and DAH working together to develop a beta software system to assess the technology
- Engaging with regulators, stakeholders and customers
- 6–12 month process of initial evaluation
- Development alongside existing CHES platform
- Final decision on post-trade technology in 2017

Digital Asset Holdings Investors



Regulatory Environment

Developments Last Three Years

Investors

- Equity market regulations supporting end-investors

Systemic risk

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

Global competitiveness

- Post-trade solutions in place
- ESMA recognition received, CFTC exemption relief
- AA- long-term credit rating from S&P

Equities Clearing Review

Safe and effective competition

- Treasurer announced commitment to putting in place safe and effective competition for cash equities clearing
- Minimum 18 month period to transition
- Changes to ASX's 15% shareholder limit to bring into line with banks and insurance companies – Treasurer can act in national interest
- Confirmation of domestic location requirements

ASX cash equities clearing and settlement

- Key customer and stakeholder commitments on engagement, pricing, access and confidential information confirmed
- 10% reduction in clearing fees from 1 July 2016
- Retain rebate schemes in FY17
- Equities trading rebate scheme discontinued from 1 July 2016

Operating Expenses – 9 Months to 31 March 2016

| | YTD March 16 \$m | YTD March 15 \$m | % Variance |
|---------------------------------|---------------------|---------------------|---------------|
| Staff | 76.0 | 73.4 | (3.5%) |
| Other | 51.5 | 46.8 | (10.1%) |
| Total Operating Expenses | 127.5 | 120.2 | (6.1%) |

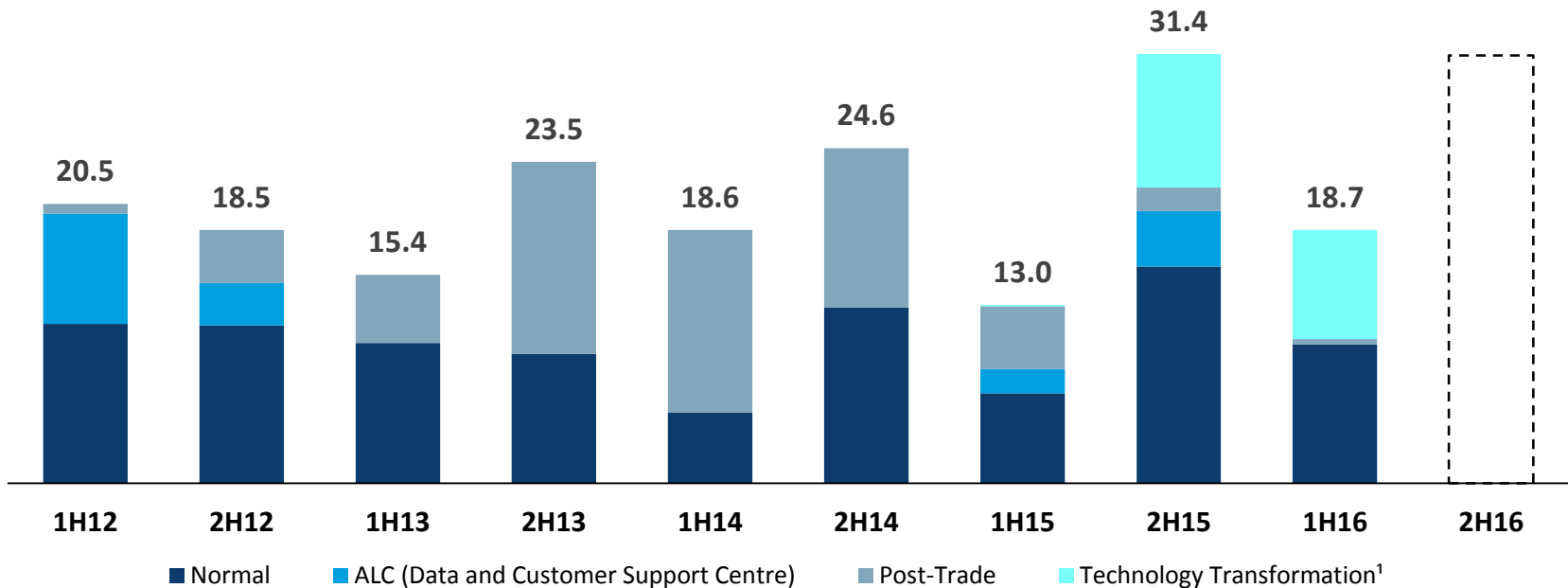
- Staff costs up 3.5%
 - Average headcount up 0.8% to 530 FTEs
 - 547 FTEs at 31 March 16, up from 534 at 31 December 2015
 - CEO transition arrangements

- Other costs up 10.1%
 - Higher equipment and administration costs to support accelerated initiatives
 - Higher variable costs due to increased CHES holding statements and postage costs

- Guidance FY16 approximately 6% expense increase

Capital Expenditure (\$ Million)

| | | | | |
|--------------|--------------|--------------|--------------|-------------------|
| FY12 \$39.1m | FY13 \$38.9m | FY14 \$43.2m | FY15 \$44.4m | FY16 approx \$50m |
|--------------|--------------|--------------|--------------|-------------------|



Highlights

- March 16 YTD expenditure \$30.6 million
- Focus on technology transformation program
 - Phase I to be complete in FY17
 - Technology transformation \$15.5 million March 16 YTD
- Guidance FY16 approximately \$50 million

1. Technology transformation includes new trading platform, risk management and market monitoring systems

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Expense growth of 6.1%, FY16 guidance of approximately 6%

- Acceleration of investment in post-trade services
- CEO transition arrangements, renewal underway

Capital expenditure \$30.6 million, FY16 guidance unchanged at approximately \$50 million

- Measures taken to de-risk technology implementation

Continued investment in strategic positioning

- Implementation of strategy and initiatives broadly on track
- Greater certainty on market structure for equities clearing, assessment of Distributed Ledger Technology underway

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