



9 June 2016

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ASX GROUP – INVESTOR PRESENTATION

Attached is a copy of an investor presentation to be delivered by ASX's Deputy CEO at the Sandler O'Neill Global Exchange and Brokerage Conference in New York City on 9 June 2016 (US time).

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Investor Presentation

ASX Group
Peter Hiom

June 2016



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Forward-looking statements may be identified by words such as "aim", "anticipate", "assume", "continue", "could", "estimate", "expect", "intend", "may", "plan", "predict", "should", "will", or "would" or the negative of such terms or other similar expressions that are predictions of or otherwise indicate future events or trends.

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.

ASX Group

Global leader in A\$ and NZ\$

Strong businesses anchored in attractive financial market

- Strong market fundamentals
- Diversified business, multi-asset class and vertically integrated exchange
- World-class regulations – trading, clearing, financial market infrastructure supporting end investors
- Strong financial position: AA- credit rating from Standard & Poor's

Positive financial performance for 9 months to 31 March 2016

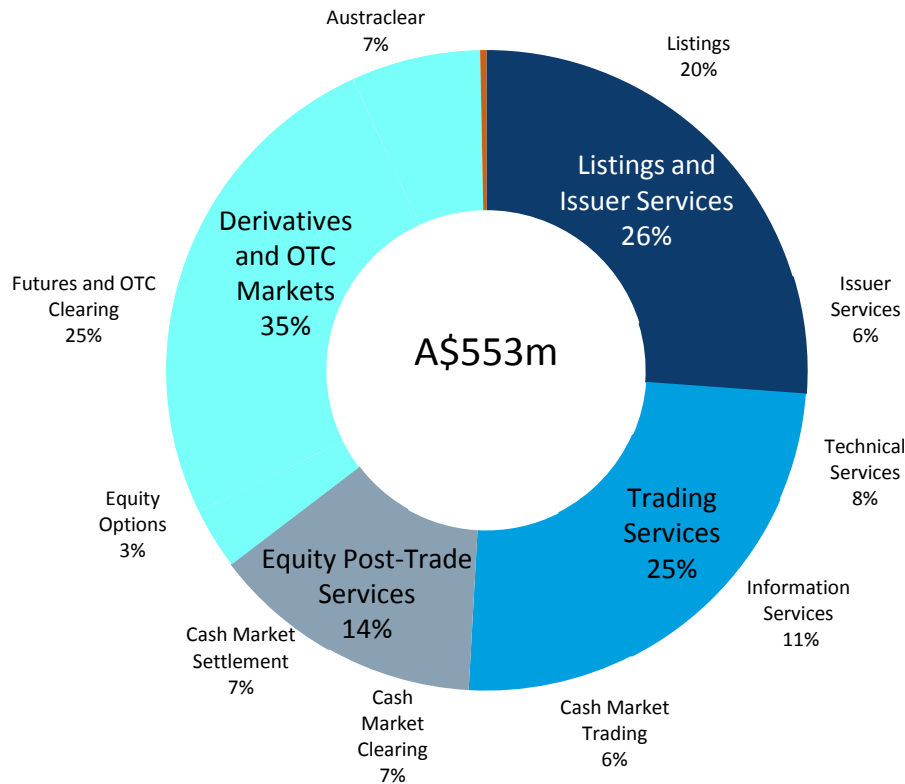
- Underlying profit after tax A\$317.4 million, up 5.9%
- Revenue growth 7.0%, supported by robust trading activity

Investment in strategic positioning

- Implementation of strategy and initiatives broadly on track
- Technology transformation underway: new trading platform for futures and equities 2016/17
- Assessment of distributed ledger technology advancing

Attractive and Diversified Business Model

YTD Mar 2016 ASX Revenues



Australian Financial Markets Position

- Largest pool of investable funds in Asia, 7th in the world
- 3rd largest equity market in Asia, 9th in the world
- Over 2,200 listed entities, market cap \$1.6 trillion
- Largest interest rate derivatives market in Asia, 4th largest globally, A\$48 trillion notional value

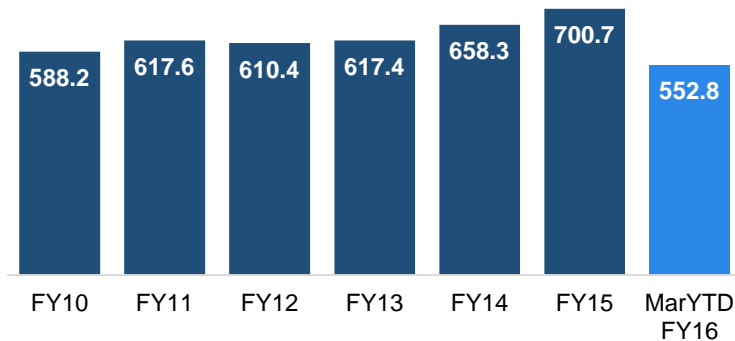
ASX Position

- 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 A\$3.4 trillion
- Cash market trading: 89% market share
- Cash market clearing and settlement conducted for entire market

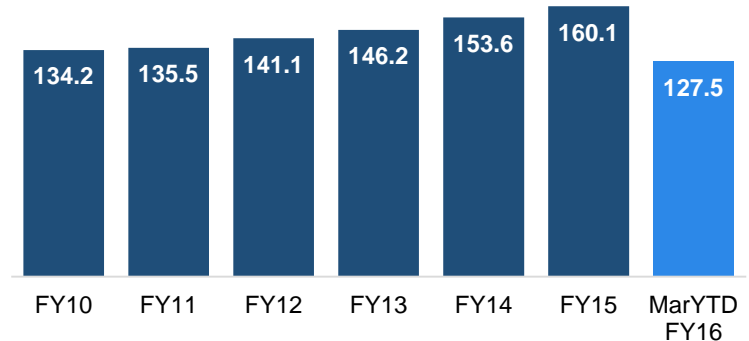
Solid Performance with growth in earnings

Dividend payout ratio 90% over the period

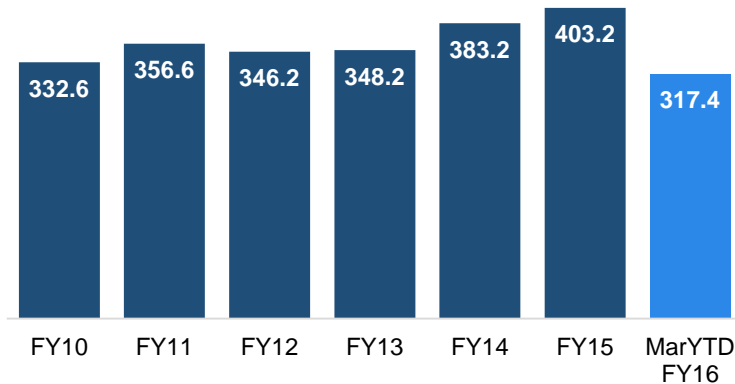
Revenues A\$m
FY10 to FY15 CAGR 3.6%



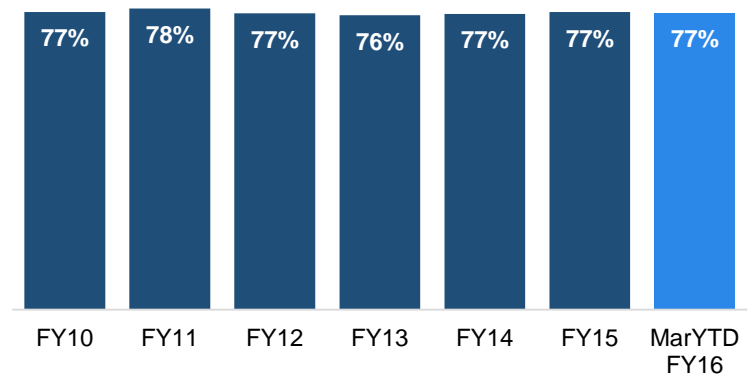
Expenses A\$m
FY10 to FY15 CAGR 3.6%



Profit after tax A\$m
FY10 to FY15 CAGR 3.9%



EBITDA Margin



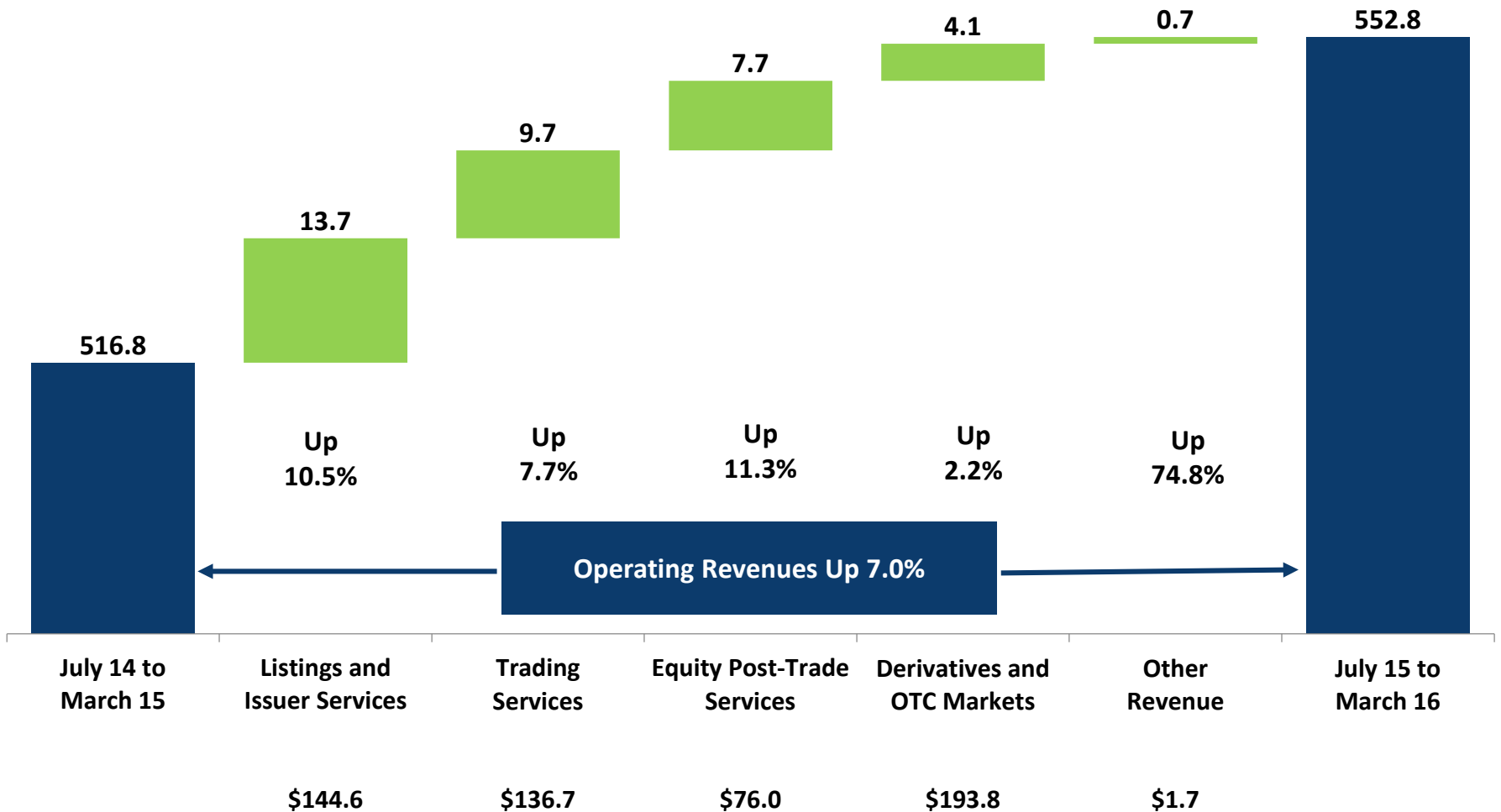
Income Statement – 9 Months to 31 March 2016

| | YTD March 16 A\$m | YTD March 15 A\$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)

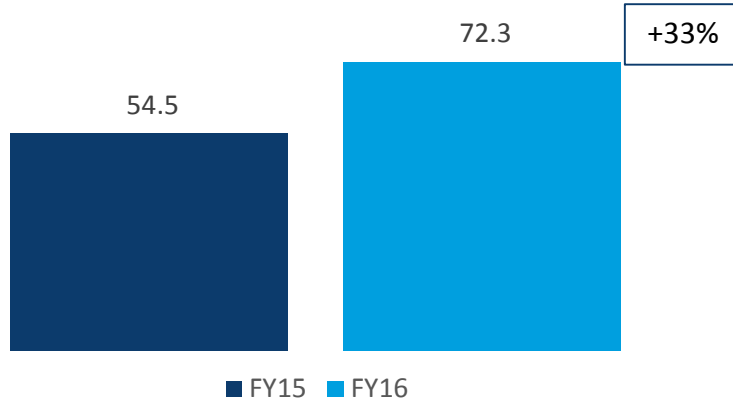
Revenue Movement – 9 Months to 31 March 2016 (A\$ Million)



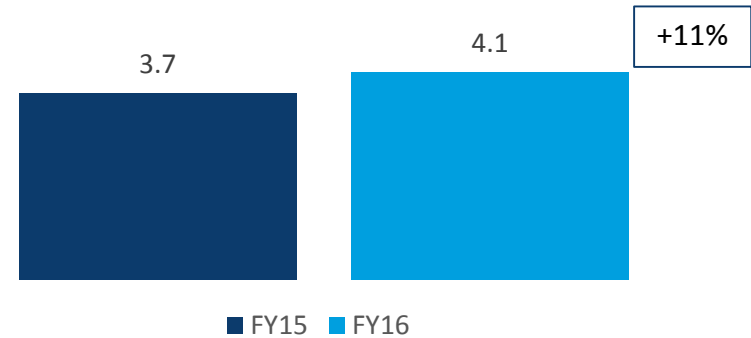
Unaudited result
 Operating revenues as per the Group segment reporting
 Variance expressed favourable / (unfavourable)

Activity Levels – YTD April 2016

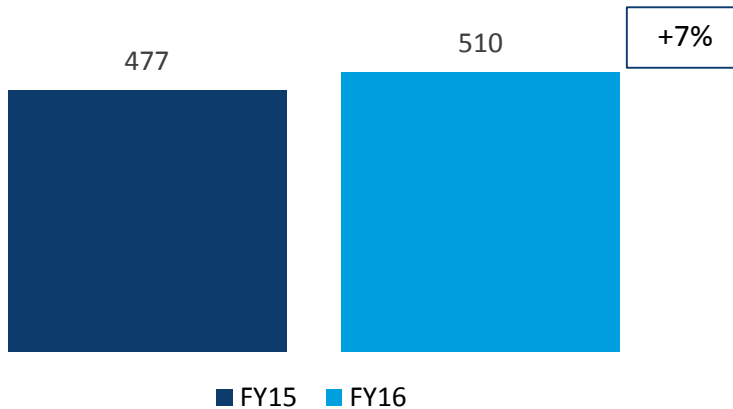
Total Capital Raised (A\$ Billion)



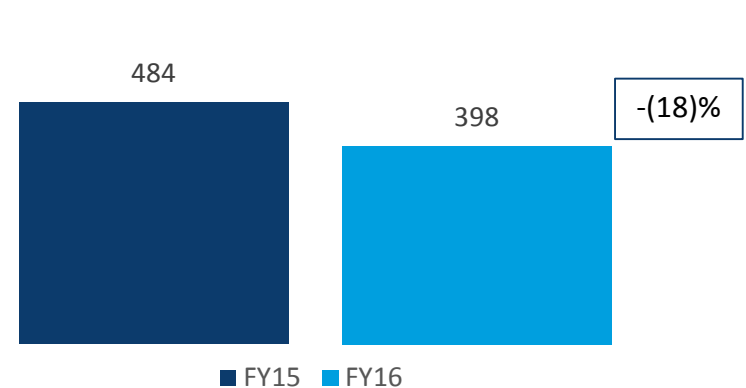
Cash Market Trading ASX Average Daily Value On-market (A\$ Billion)



Futures¹ - Average Daily Contracts ('000)



Equity Options - Average Daily Contracts ('000)



1. Consists of futures and options on futures

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

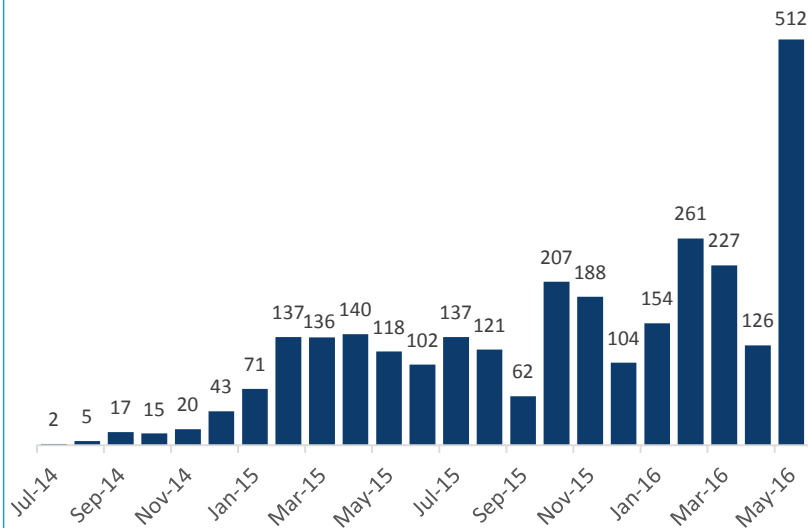
Regulatory Settings

Employer of Choice

Global Leader in A\$ and NZ\$ Markets

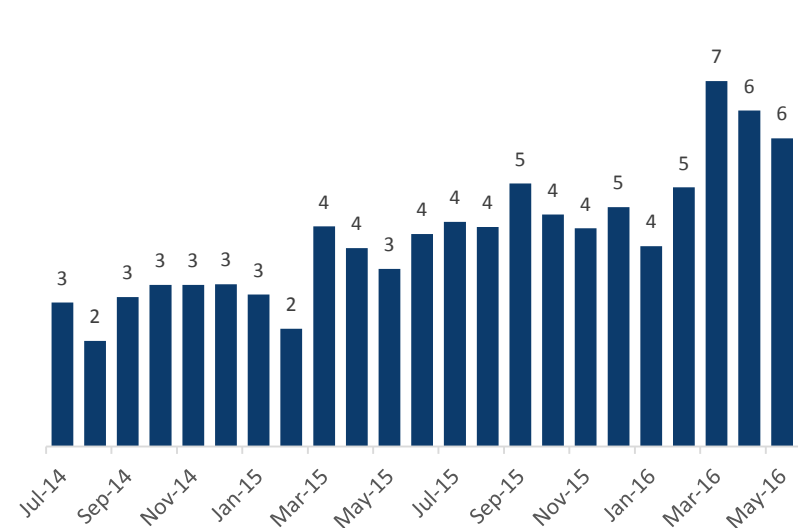
Growth in OTC Clearing & Collateral Management Services

OTC Notional Value Cleared (A\$ Billion)



- Notional value of OTC interest rate swaps cleared was A\$2.1 trillion May 16 YTD (A\$704 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

Collateral Balances (A\$ 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 A\$21.3 billion

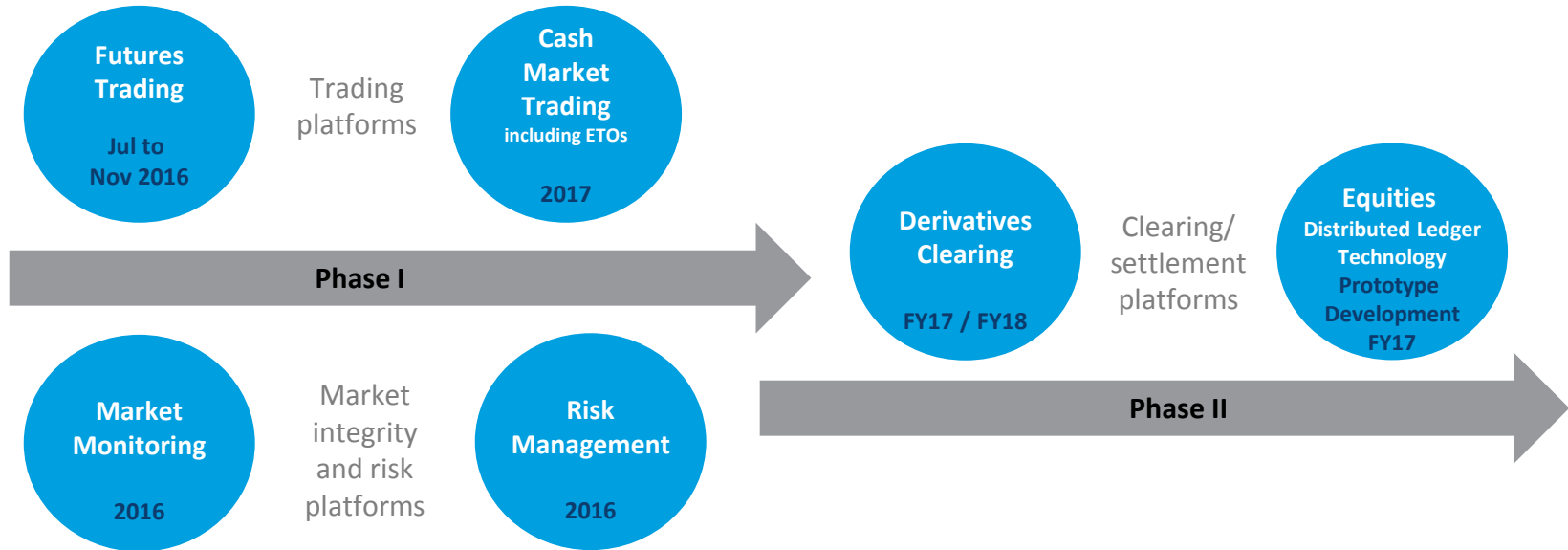
Investment Supermarket

- 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

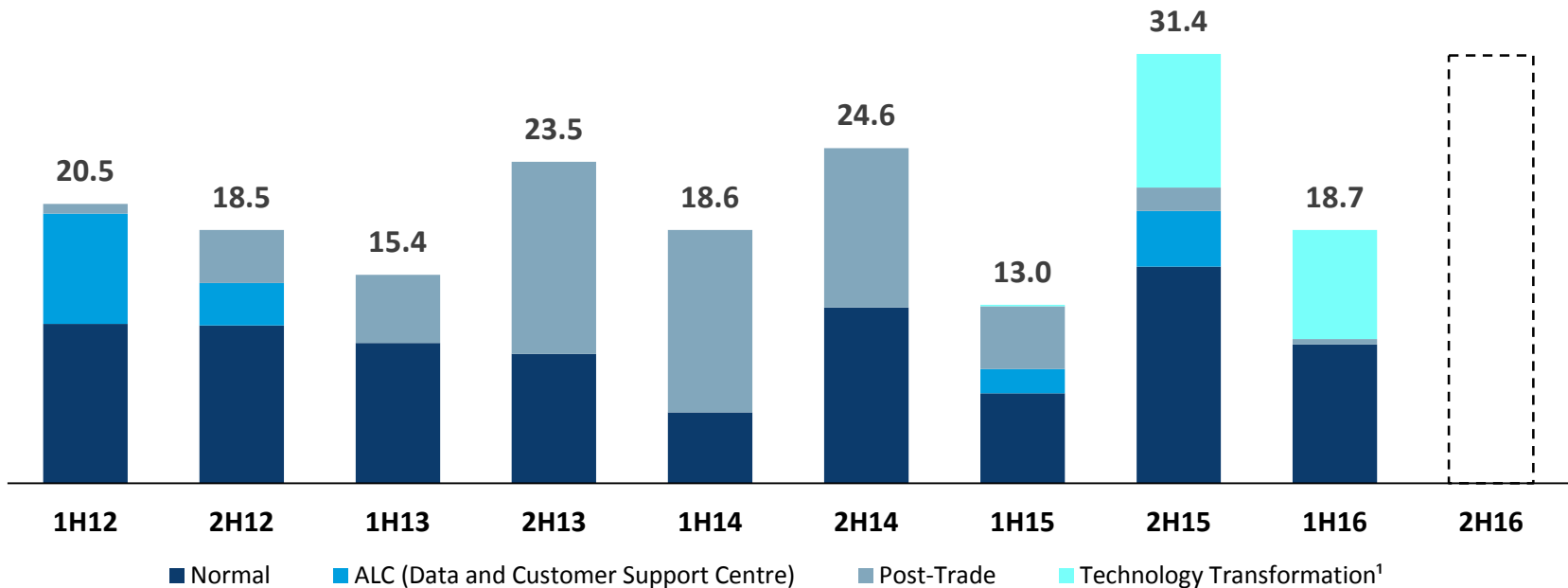


Progress

- 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 A\$50 million in FY16

Capital Expenditure (A\$ Million)

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



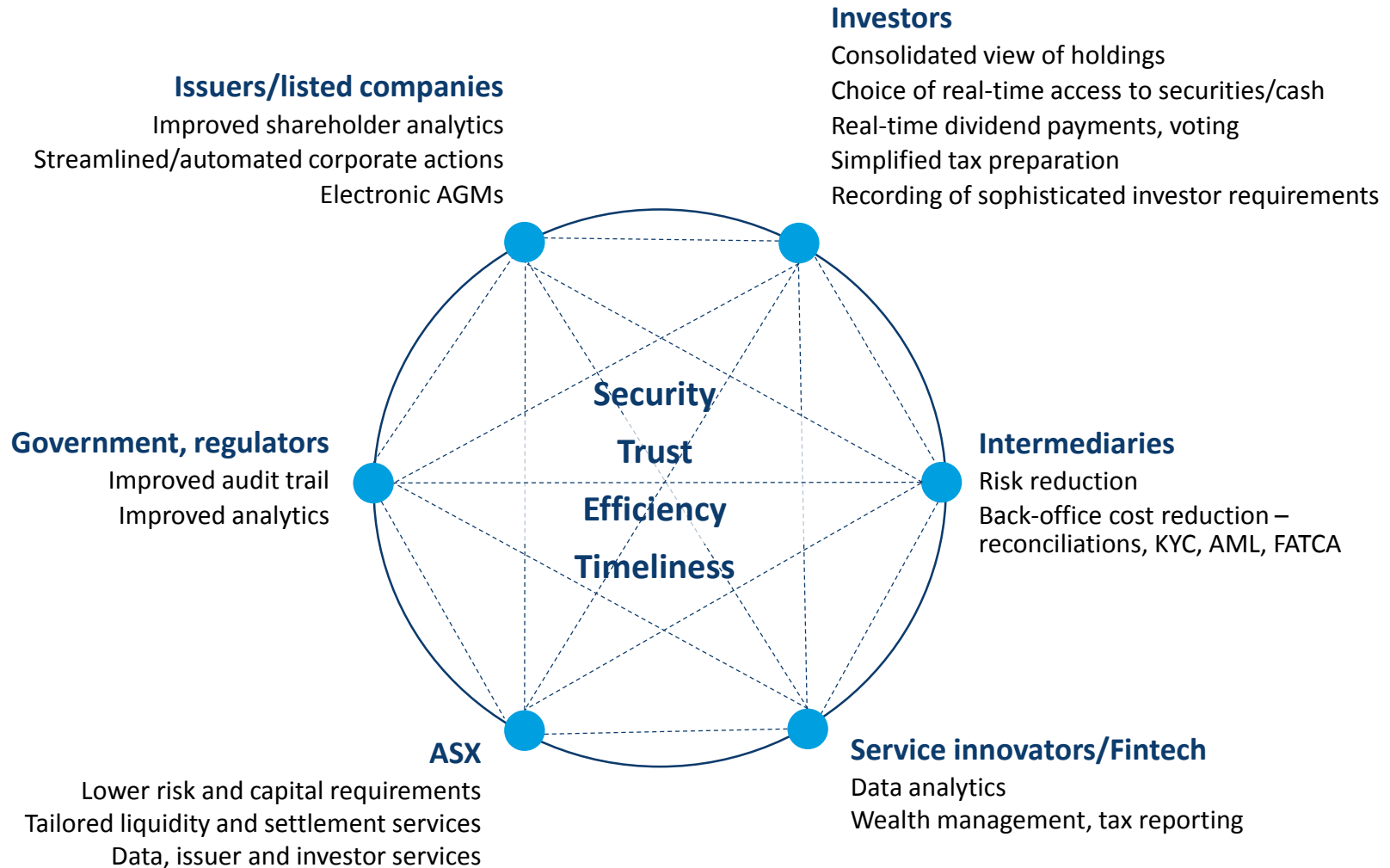
Highlights

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

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

Opportunity for Post-Trade Innovation

Distributed Ledger Environment



Distributed Ledger Technology

Assessing the opportunity

Current Focus

- Investment in Digital Asset Holdings (DAH) of A\$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

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