



MEDIA RELEASE

17 February 2011

ASX results for the half-year ended 31 December 2010

ASX Limited (ASX) today reports its half-year results for the six months ended 31 December 2010 (1H11).

Financial highlights

1H11 v 1H10 prior comparable period (pcp).

- Underlying net profit after tax (NPAT; excluding significant items) of \$175.5 million, up 2.9% (statutory reported NPAT of \$172.0 million, up 2.3%).
- Underlying earnings per share (EPS) of 100.7 cents per share (cps), up 1.4% (statutory reported EPS of 98.6, up 0.8%).
- Operating revenue (excluding interest and dividends) of \$306.4 million, up 1.2%.
- Earnings before interest, tax, depreciation and amortisation (EBITDA) of \$238.3 million, up 1.6%.
- Net interest and dividend revenue of \$22.2 million, up 28.5%.
- Cash operating expenses of \$68.1 million, down 0.1%.
- Significant items expense before tax of \$5.1 million (\$3.5 million after tax), representing transaction costs incurred on the proposed merger between ASX and Singapore Exchange Limited (SGX) and non-recurring costs associated with the migration to the new **ASX Trade** execution platform.
- Interim dividend declared of 90.2 cps, fully franked, up 1.2%.

Business highlights

- Listings activity in the half-year rose substantially with 84 new listings compared to 50 in the pcp. While total capital raised of \$38.9 billion was down 34% on the pcp, the IPO proportion - \$20.6 billion or 53% - was up significantly to a record amount for a six-month period. Lower levels of secondary capital raisings can be attributed to generally stronger corporate balance sheets compared to a year ago.
- Trade execution activity levels in derivatives markets were strong, up 23.8% on the pcp, particularly for interest rate derivative contracts that responded to widening interest rate differentials with other key currencies during the half. Accordingly, derivatives revenue improved 14.6% compared to the pcp.
- The average daily cash market traded value of \$5.2 billion increased only slightly on the pcp (\$5.1 billion), which when combined with the trade execution fee reductions introduced at the start of the half, contributed to lower cash market revenue.
- Near 100% availability levels of ASX's trade execution, clearing and settlement infrastructure, and smooth functioning of ASX's market operations, risk management and compliance activities throughout the half. Derivatives market expiry processes were orderly and the timeliness of both equities and fixed income

settlements was at the upper quartile of international benchmarks. A single day record of 1,536 announcements were processed and delivered to market by the ASX Company Announcements Office on 29 October 2010.

- Upgraded trade execution platforms for both the futures (**ASX Trade24**) and equities (**ASX Trade**) markets went live in October 2010 and November 2010, respectively, substantially reducing order execution latency and providing new service functionality and improved 'headroom' capacity to meet foreseeable future activity growth.
- Development of a new Trade Acceptance Service (TAS), in anticipation of a multi-market operator environment, allowing trades in ASX-quoted products executed on any licensed trading platform to be cleared and settled by ASX facilities on the same basis as trades executed on ASX's own equity market. The TAS has been operationally-ready since October 2010 and potential users have been invited to test and seek accreditation.

ASX-SGX merger proposal

- On 15 February 2011 ASX and SGX detailed new governance arrangements and commitments to strengthen the merger proposal, which was announced on 25 October 2010 when ASX and SGX entered into a merger implementation agreement. Since 25 October, both ASX and SGX have been primarily focussed on stakeholder engagement and preparing materials for a number of regulatory and shareholder processes (please see the Managing Director and CEO's half-year commentary, released separately, for further detail).

ASX Managing Director and CEO, Robert Elstone said:

"The ASX Group of companies performed well during the first half of the 2011 financial year, with underlying profit marginally higher within a market responding to renewed economic confidence. ASX continued to play a role in facilitating large scale capital raisings, which helped underpin the relative strength of the Australian economy, and our clearing and settlement services made an important contribution to financial stability.

"The ASX Board maintains a strong belief in the need to participate in global exchange consolidation and in the business logic of the combination with Singapore announced on 25 October 2010. The recent merger announcements by the London and Toronto exchanges as well as by NYSE Euronext and Deutsche Borse, underscore the dynamic forces driving developments in global exchanges. Importantly, ASX is also pursuing business initiatives – such as new execution platforms, the trade acceptance service and development of an expanded data centre - to ensure we have the right people, products and technology in place to continue to operate successfully in a much more complex regulatory environment."

Complete half-year result materials will be available on the ASX website: <http://www.asxgroup.com.au/media-releases.htm>. A webcast of the 10.00 am (AEDST) presentation to analysts will be available here: <http://www.asxgroup.com.au/hy2011webcast>

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