



MEDIA RELEASE

3 May 2012

ASX Limited earnings update for the nine months to 31 March 2012

ASX Limited (ASX) has provided an earnings update for the nine months to 31 March 2012. The update coincides with ASX's participation at an Australian investor conference in Sydney today.

Relative to the prior comparable period (pcp - nine months to 31 March 2011) the unaudited results were as follows:

- Statutory profit after tax \$256.3 million, down 2.9%
- Underlying profit after tax (excluding significant items) \$261.6 million, down 2.7%
 - Operating revenue \$454.2 million, down 1.4%
 - Interest and dividend revenue \$40.9 million, up 6.7%
 - Cash operating expenses \$104.8 million, up 4.3%

The operating revenue reduction of 1.4% for the period resulted from subdued activity levels in the ASX businesses closely linked to equity markets, largely offset by growth in ASX's other businesses:

- Listings revenues declined 13.5% as the amount of secondary equity capital raised fell from the highs experienced during the Global Financial Crisis. Cash Market and Information Services revenues declined by 4.8% and 5.3% respectively as equity investors withdrew from the market in the second and third quarters.
- ASX's other main business lines, including Derivatives, Technical Services and Austraclear, grew revenues over the period. Derivatives is ASX's largest business and grew revenues 9.1%, while Technical Services revenues grew 13.6% and Austraclear 6%.

Details of revenue performance are contained in the Appendix.

Mr Elmer Funke Kupper, ASX Managing Director and CEO, said: "Since the start of the second quarter in October 2011 equity markets have experienced significantly reduced trading activity compared to a year ago when market conditions were more favourable. Despite some signs of improvement in the United States and continued economic growth in Asia, the Eurozone continues to struggle economically and politically. Investors respond cautiously to the continued economic uncertainty as a consequence. The results for the nine months to the end of March show the benefits of ASX's business model and well diversified revenue profile."

Cash operating expense growth for the nine months was 4.3% and is consistent with the guidance given for the full-year of 4 to 4.5%. There is no change to the guidance for full-year capital expenditure of \$35 to \$40 million and for depreciation and amortisation charges of approximately \$28 million.

ASX today also released the presentation given to the Australian investor conference (attached to this media release), as well as its monthly activity report for April 2012.

Further enquiries:

Media

Kristen Kaus
Media and Communications Executive
Tel +61 2 9227 0410
Mobile: 0421 380773
kristen.kaus@asx.com.au

Matthew Gibbs
General Manager, Media and Communications
Tel: +61 2 9227 0218
Mobile: 0411 121219
matthew.gibbs@asx.com.au
www.asxgroup.com.au/media-releases.htm

Analysts/Investor Relations

Stephen Hammon
General Manager, Finance
Tel: +61 2 9227 0260
Mobile: 0488 212755
stephen.hammon@asx.com.au

Ramy Aziz
Chief Financial Officer
Tel: +61 2 9227 0027
Mobile: 0438 452807
ramy.aziz@asx.com.au
www.asxgroup.com.au/investor-relations.htm

Appendix – ASX Result to 31 March 2012

Group Profit and Loss Statement	YTD March 2012 \$M	YTD March 2011 \$M	Variance \$M	Variance %
Operating Revenue	454.2	460.4	(6.2)	(1.4%)
Cash Operating Expenses	104.8	100.4	(4.4)	(4.3%)
EBITDA	349.4	360.0	(10.6)	(2.9%)
Depreciation and Amortisation	19.7	17.2	(2.5)	(14.6%)
EBIT	329.7	342.8	(13.1)	(3.8%)
Interest and Dividend Income	40.9	38.4	2.5	6.7%
Underlying Profit Before Income Tax	370.6	381.2	(10.6)	(2.8%)
Income Tax Expense	(109.0)	(112.2)	3.2	2.9%
Underlying Profit After Income Tax	261.6	269.0	(7.4)	(2.7%)
Significant Items After Income Tax	(5.3)	(4.9)	(0.4)	(9.1%)
Statutory Profit After Income Tax	256.3	264.1	(7.8)	(2.9%)

Operating Revenue	YTD March 2012 \$M	YTD March 2011 \$M	Variance \$M	Variance %
Listings and Issuer Services	97.0	112.2	(15.2)	(13.5%)
Cash Market	95.5	100.3	(4.8)	(4.8%)
<i>Trading</i>	28.0	29.0	(1.0)	(3.4%)
<i>Clearing</i>	35.4	37.1	(1.7)	(4.4%)
<i>Settlement</i>	32.1	34.2	(2.1)	(6.4%)
Information Services	49.7	52.5	(2.8)	(5.3%)
Technical Services	33.6	29.5	4.1	13.6%
Derivatives	140.1	128.4	11.7	9.1%
Austraclear	26.7	25.2	1.5	6.0%
Other	11.6	12.3	(0.7)	(6.1%)
Total Operating Revenue	454.2	460.4	(6.2)	(1.4%)

Key Activity Indicators	YTD March 2012	YTD March 2011	Variance	Variance %
Listings and Issuer Services				
All Ordinaries Index (end of period)	4,420	4,929	(509)	(10.3%)
Number of New Listed Entities (IPOs)	75	120	(45)	(37.5%)
Capital Raised, incl. Scrip for Scrip	\$34.9bn	\$67.4bn	(\$32.5bn)	(48.2%)
Cash Market				
Daily Average Cash Market Value Traded	\$4.8bn	\$5.2bn	(\$0.4bn)	(8.6%)
Derivatives				
ASX Daily Average Contracts Traded ¹	106,904	85,503	21,401	25.0%
ASX24 Daily Average Contracts Traded	390,457	357,021	33,436	9.4%

¹Contract size was reduced in August 2011. Converted in this table to previous contract size for comparison purposes.



ASX Limited – Earnings Update to 31 March 2012

3 May 2012

Disclaimer



The material contained in this document is a presentation of general information about the ASX Group's activities current as at the date of this presentation (3 May 2012). It is provided in summary and does not purport to be complete. You should not rely upon it as advice for investment purposes as it does not take into account your investment objectives, financial position or needs. These factors should be considered, with or without professional advice, when deciding if an investment is appropriate.

To the extent permitted by law, no responsibility for any loss arising in any way (including by way of negligence) from anyone acting or refraining from acting as a result of this material is accepted by the ASX Group including any of its related bodies corporate.

Photo on cover: ASX's new Australian Liquidity Centre, which opened in February 2012

Nine Months to 31 March 2012

- ❑ **Statutory profit after tax (unaudited) \$256.3 million, down 2.9%**
- ❑ **Underlying profit after tax (ex significant items) \$261.6 million, down 2.7%**
 - Operating revenue down 1.4%
 - Interest and dividend revenue up 6.7%
 - Cash operating expenses up 4.3%
- ❑ **Strength of ASX business model**
 - Scale, multi-product, vertically integrated
- ❑ **Subdued activity in equity markets, largely offset by growth in other businesses**
 - Listings, Cash Market, Information Services revenues down YTD
 - Derivatives, Technical Services, Austraclear revenues up YTD
- ❑ **Initiatives tracking to plan**
 - FY12 expense, capex and D&A guidance unchanged
 - Maintain expense discipline, with greater focus on new initiatives
 - Strong balance sheet and liquidity position

Income Statement to 31 March 2012

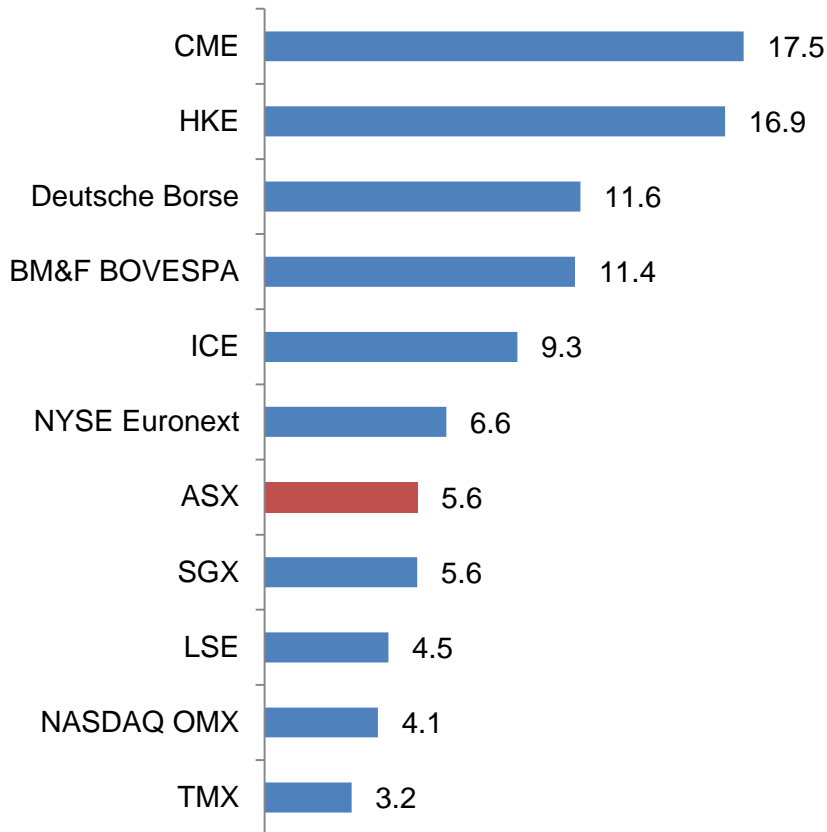


	YTD March 2012 \$M	YTD March 2011 \$M	Variance %
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Underlying Profit After Tax	261.6	269.0	(2.7%)
Significant Items After Tax	(5.3)	(4.9)	(9.1%)
Statutory Profit After Tax	256.3	264.1	(2.9%)
EBITDA Margin	76.9%	78.2%	

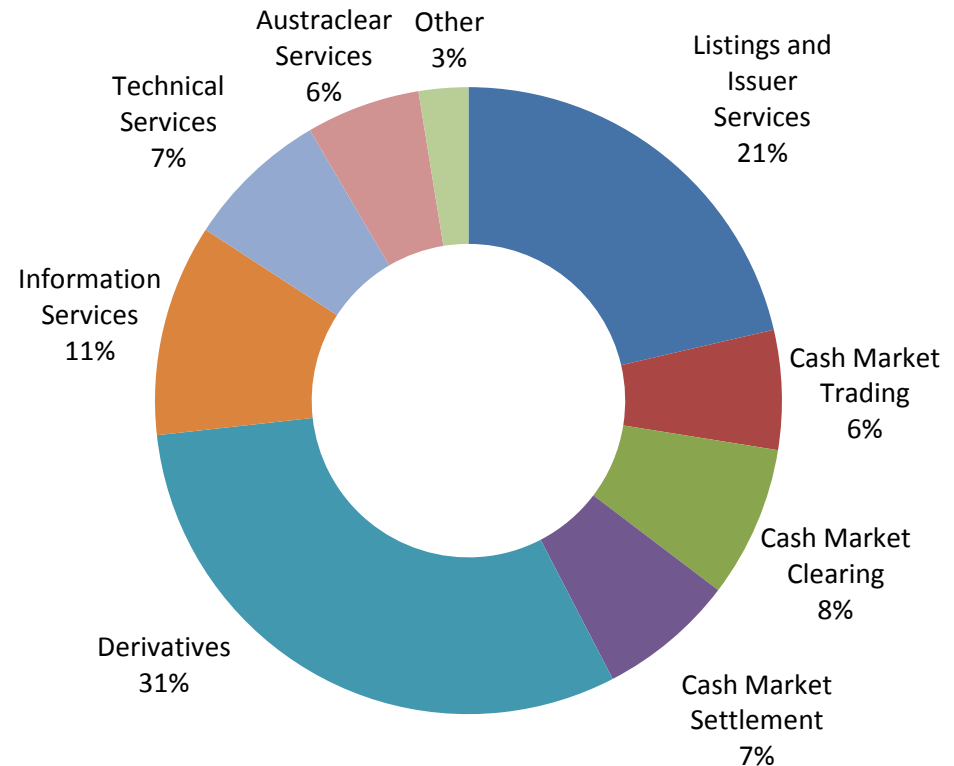
Strength of ASX Business Model



Market Capitalisation (A\$bn)¹



Revenue Mix YTD March 2012

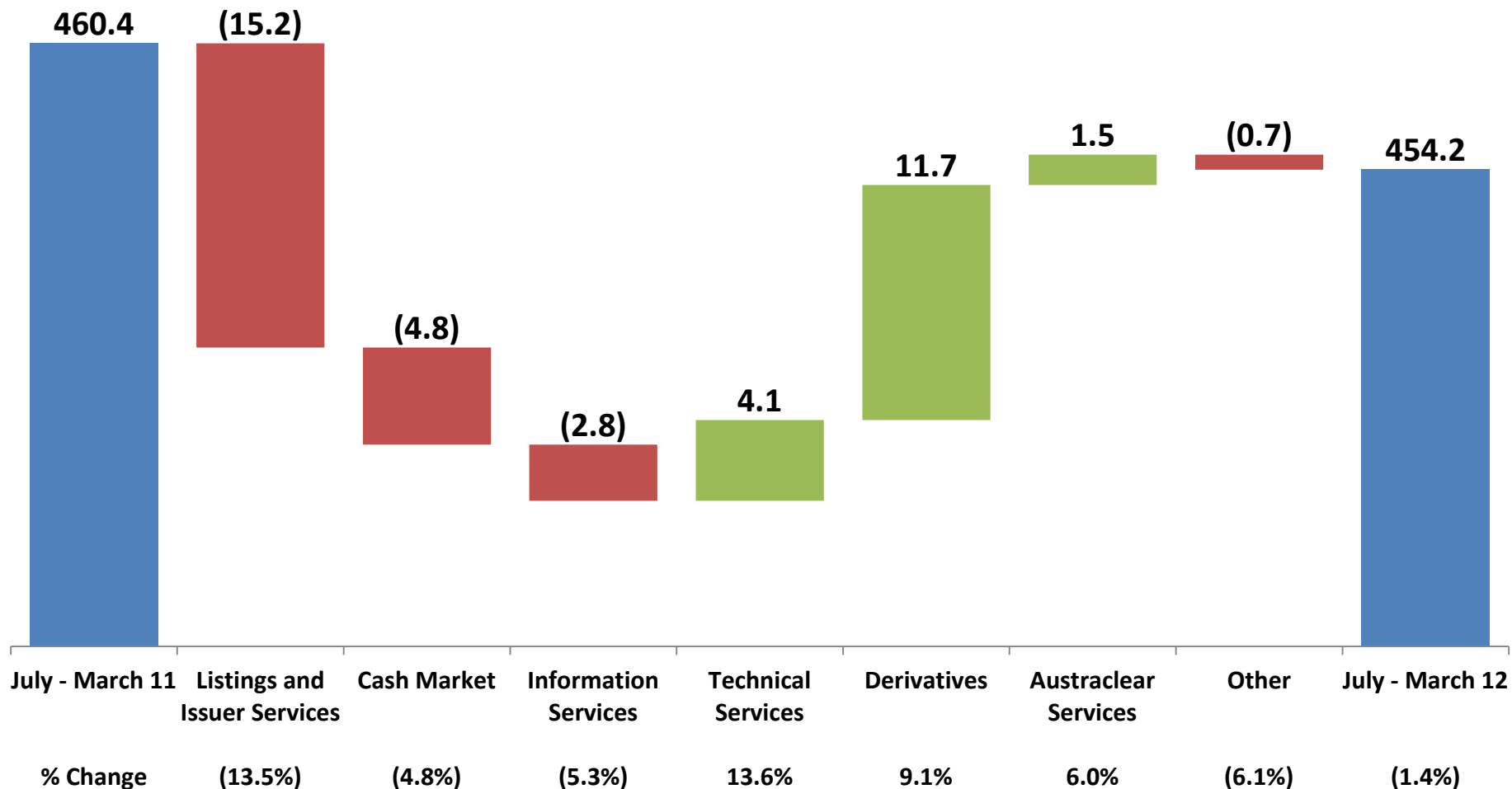


Note 1: Source UBS. Converted at spot rate as at 26 April 2012

Revenue Movement



Revenue Movement Year-to-Date March 2012 (\$ Million)



Strong Q1 Followed by Subdued Q2 and Q3

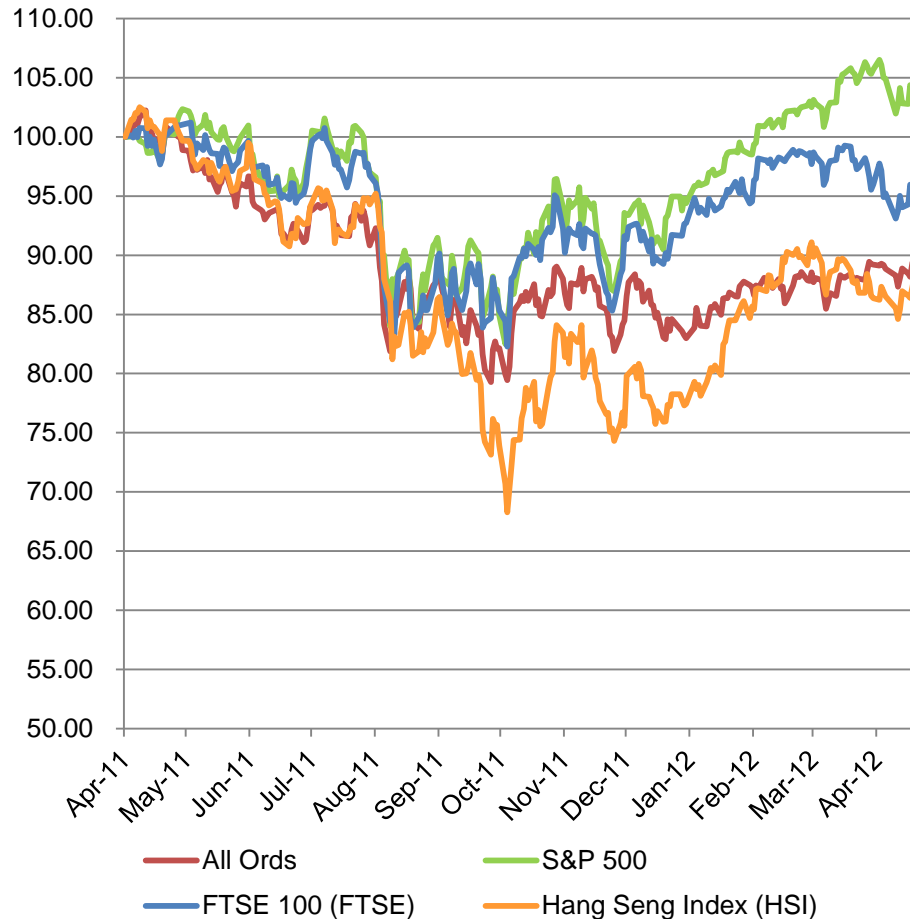


	1Q12 \$M	1Q12 vs 1Q11 %	2Q12 \$M	2Q12 vs 2Q11 %	3Q12 \$M	3Q12 vs 3Q11 %
Listings and Issuer Services	32.6	(5.5%)	36.0	(16.8%)	28.4	(17.4%)
Cash Market	37.3	12.7%	29.7	(12.1%)	28.5	(14.7%)
Information Services	17.5	(1.5%)	17.2	(1.6%)	15.0	(13.0%)
Technical Services	11.2	22.0%	11.4	17.0%	11.0	3.2%
Derivatives	53.3	30.0%	43.3	4.4%	43.5	(5.3%)
Austraclear	9.0	4.4%	8.7	5.7%	9.0	7.8%
Other	4.1	(10.6%)	3.8	0.6%	3.7	(7.3%)
Total Operating Revenue	165.0	10.9%	150.1	(4.9%)	139.1	(9.7%)

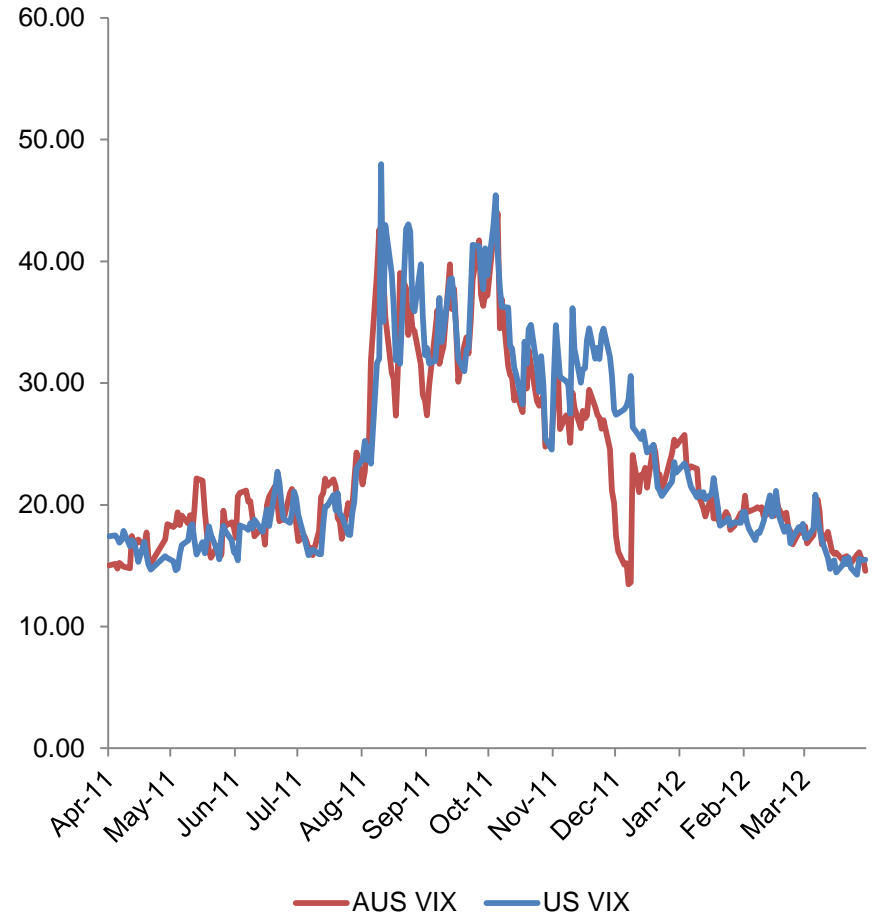
Market Performance and Volatility



Major Index Movements Since 1 April 2011



ASX/S&P 200 VIX vs S&P 500 VIX Since 1 April 2011¹

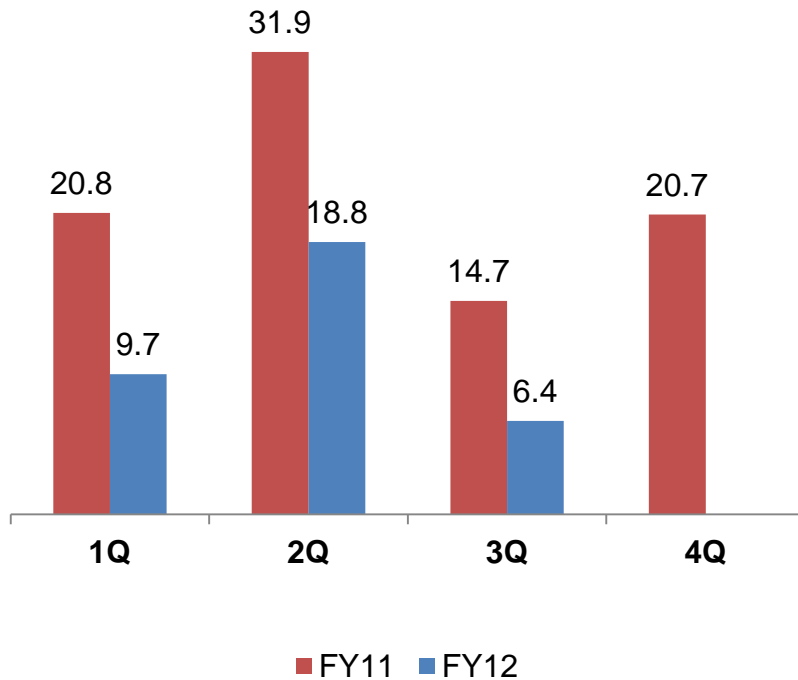


Note 1: The VIX Index measures expectations of 30-day volatility, based on implied volatilities of index options

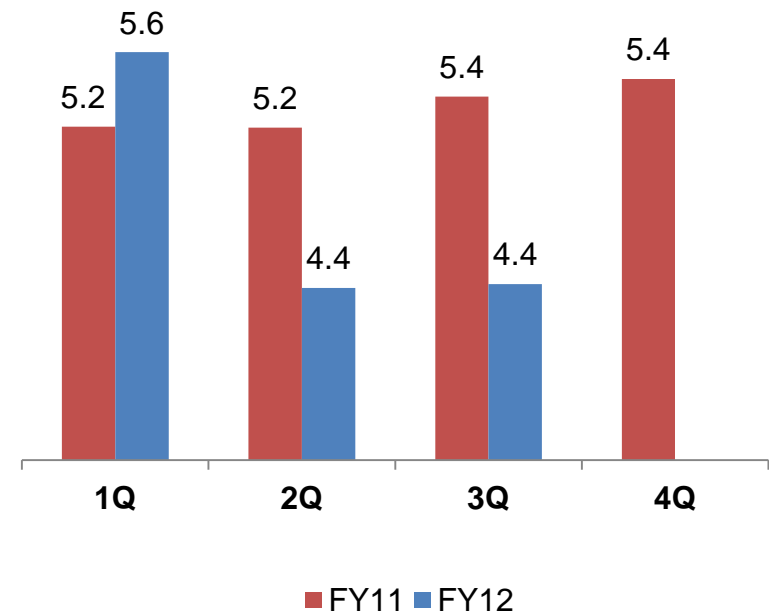
Drivers – Listings and Cash Market



Listings
Total Capital Raised \$Bn



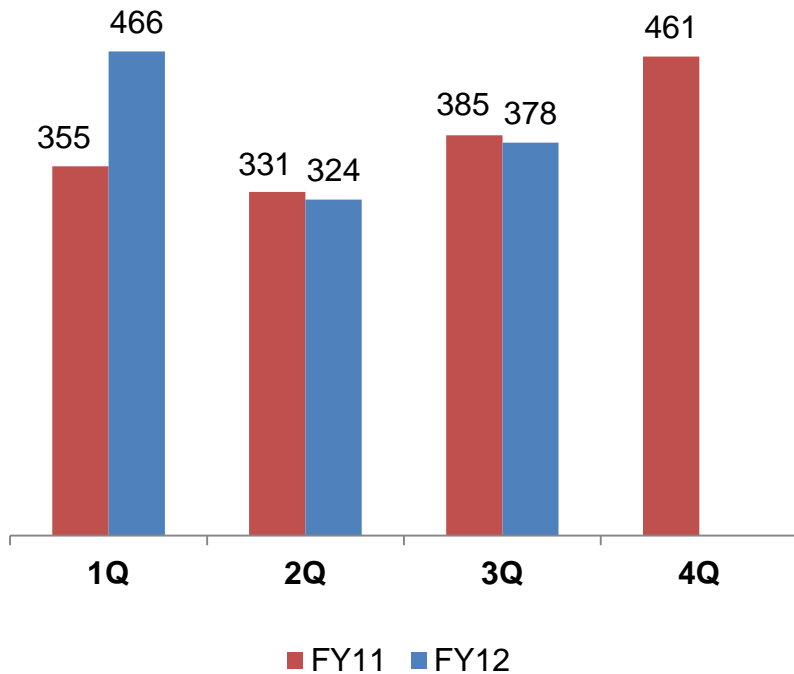
Cash Market
Average Daily Value Traded \$Bn



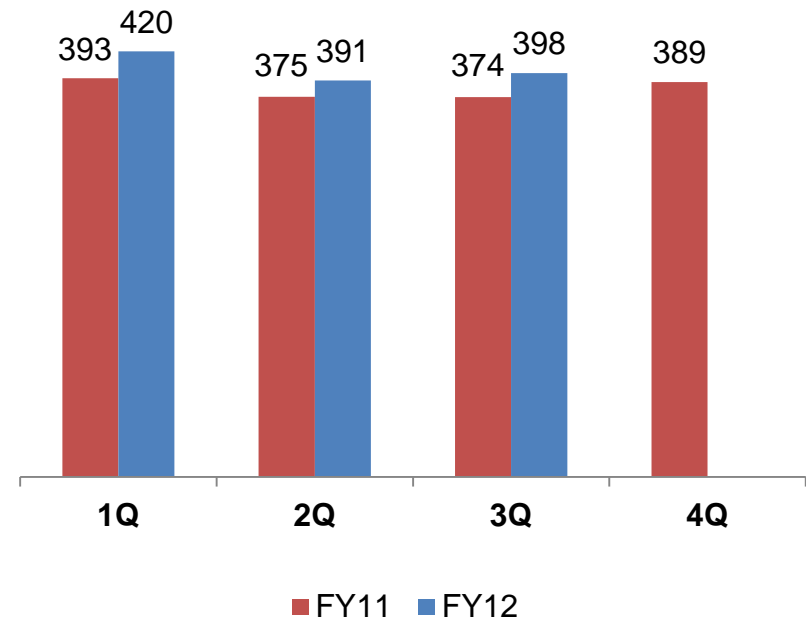
Drivers – Derivatives and Austraclear



**ASX 24 Derivatives
Daily Average Contracts ('000)**



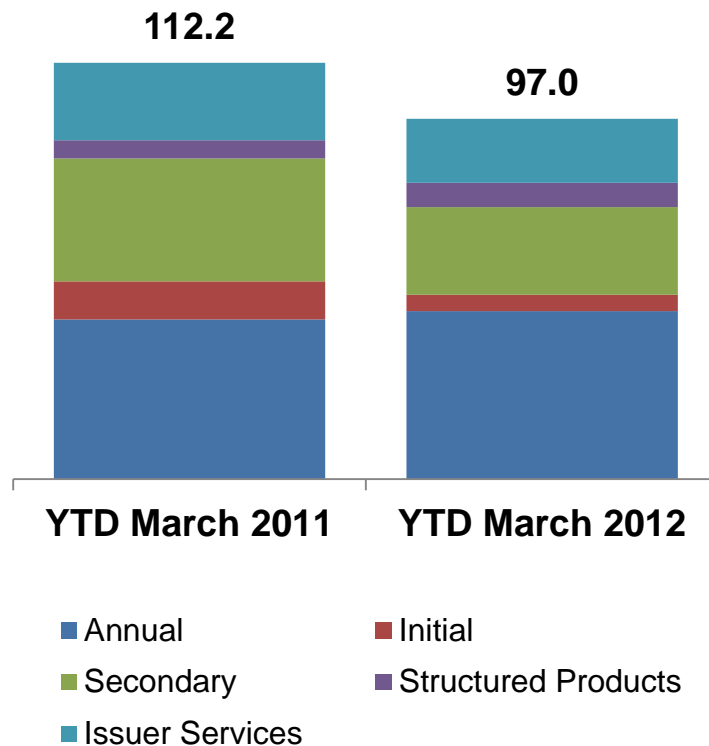
**Austraclear
Transactions ('000)**



Listings and Issuer Services



Listings and Issuer Services Revenue \$M



Initiatives

Improve Listings franchise

- Small to mid-caps – improved flexibility and Equity Research Scheme
- Reserves and Resource Reporting – feedback released April 2012
- Offshore – Africa and US West Coast

Expand product classes

- International equities quotations
- Commonwealth Government Securities
- Fixed income ETFs – 7 new ETFs listed

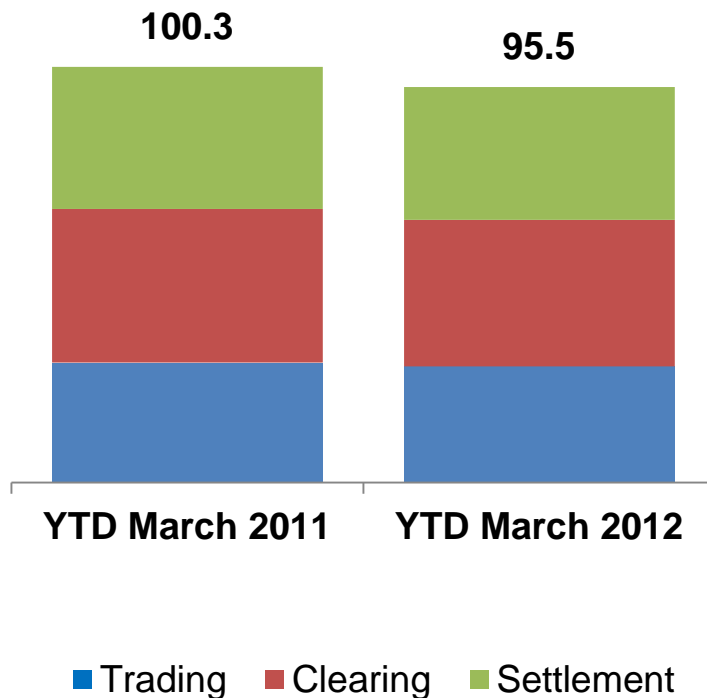
Efficiency and distribution

- Managed Funds Service – 30 foundation members signed up

Other

- Listing fee pricing review completed
- Australian Resource Conference – Nov12

Cash Market Revenue \$M



Initiatives

Product development

- Centrepoint – 7% of trading revenue; enhancements next six months
- Block trading/dark execution replacement for VolumeMatch
- PureMatch remains in pilot mode

Service development

- Cash Market Margining
- Collateral Management agreement signed with Clearstream
- Fee unbundling capability on track

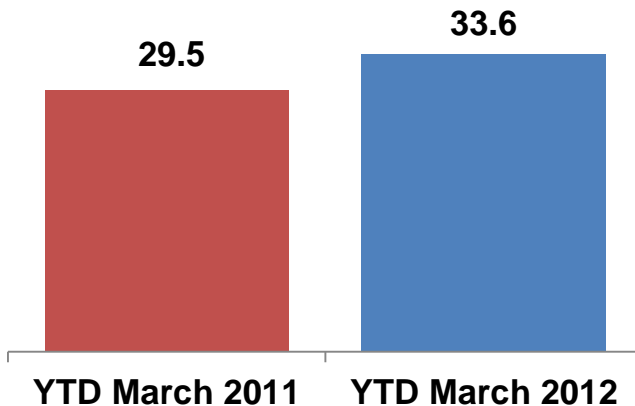
Regulatory and industry engagement

- High Frequency Exchange economics
- Dark pools and fragmentation

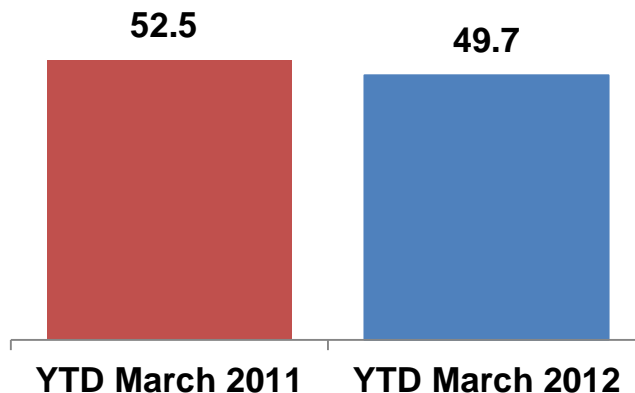
Technical and Information Services



Technical Services Revenue \$M



Information Services Revenue \$M



Initiatives

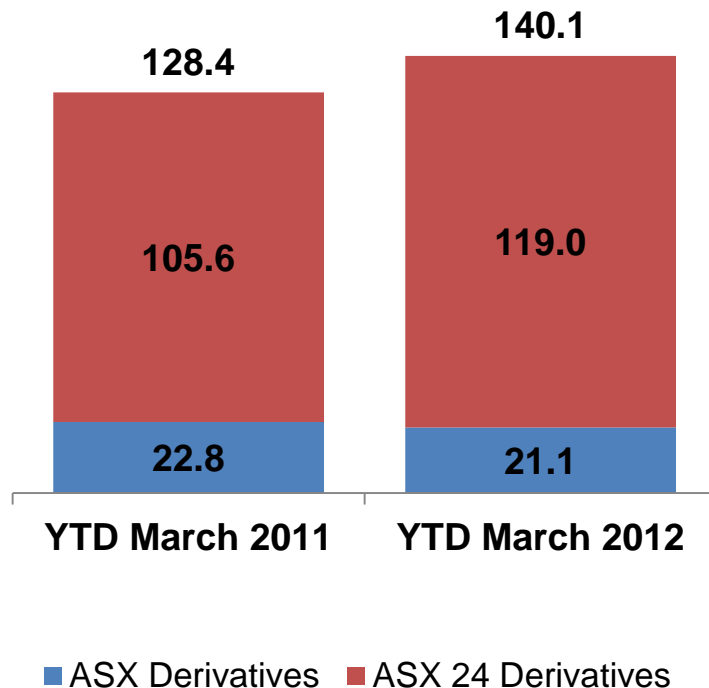
Product development

- ASX ITCH low latency data – live from April 2012 with 20 customers
- Further low latency order entry and data products

Distribution and connectivity

- Australian Liquidity Centre (ALC) live for equities and futures
- Managed services offer in place
- Improved ASX and ASX 24 global distribution
- ASX Best enhancements and distribution

Derivatives Revenue \$M



Initiatives

Product development

- OIS Futures live February 2012
- Futures over VIX and SPI sub-indices
- ETO market enhancements
- Electricity enhancements and Carbon Futures

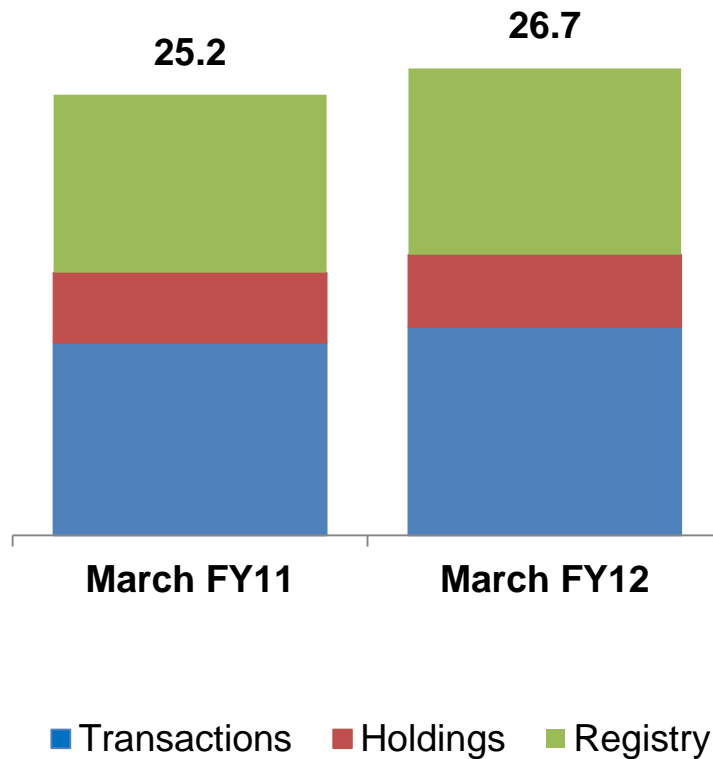
OTC Clearing

- OTC equity derivative clearing on track
- OTC interest rate swap clearing – focus on commercial arrangements

Margining

- CME Span live for futures March 2012

Austraclear Revenue \$M



Initiatives

- Continued natural market growth
- Pricing review completed
- Collateral Management – agreement signed with Clearstream (refer Cash Market)

Interest and Dividend Income



	YTD March 2012 \$M	YTD March 2011 \$M	Variance %
Own Interest Income	16.7	15.9	5.2%
Net Interest on Collateral Balances	15.0	12.6	18.4%
Total Interest Income	31.7	28.5	11.0%
Dividend Income	9.2	9.9	(6.0%)
Interest and Dividend Income	40.9	38.4	6.7%

Highlights

- Average own cash balance \$792.1 million, up 1.1%
- Average cash collateral balances \$2.6 billion, up 7.9%
 - Declining in recent months
- Dividend income from shareholding in IRESS

Expenses



	YTD March 2012 \$M	YTD March 2011 \$M	Variance %
Staff	61.5	58.2	(5.7%)
Occupancy	12.0	10.1	(17.6%)
Equipment	15.8	16.1	1.7%
Administration	9.5	10.3	8.1%
Variable	2.8	3.2	13.6%
ASIC Levy	3.2	2.5	(30.2%)
Operating Expenses	104.8	100.4	(4.3%)
Depreciation & Amortisation	19.7	17.2	(14.6%)

Comments

- Expense increases:
 - Staff: fixed remuneration and long-term incentives
 - Occupancy: new data centre
 - ASIC Levy
- FY12 guidance unchanged
 - Expense growth 4-4.5%
 - 2nd half significant items below \$5 million
 - Capex \$35-40 million
 - Depreciation and amortisation approximately \$28 million
- Maintain discipline, with additional headcount and expenses supporting IT and revenue initiatives

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