

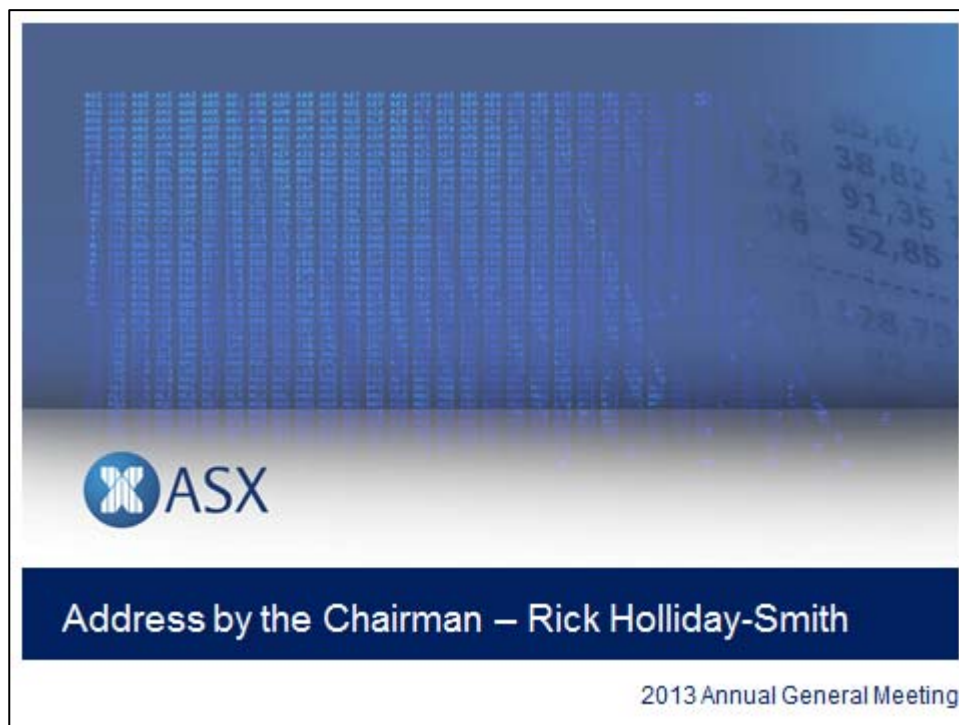


MARKET ANNOUNCEMENT

2013 ANNUAL GENERAL MEETING

ADDRESSES BY THE CHAIRMAN AND THE MANAGING DIRECTOR AND CEO

25 September 2013



ADDRESS BY CHAIRMAN – RICK HOLLIDAY-SMITH

Ladies and gentlemen,

It my pleasure to address you, for the second year, as your Chairman.


Last year I discussed the many changes and challenges occurring in both the domestic and international markets; this pace has not slowed over the last 12 months. Our aim over this period has continued to be one of making ASX as strong and globally competitive as possible.

I am pleased to report, that in my assessment, and notwithstanding some issues I will address shortly, ASX managed the period well and ended the year in a stronger position.

On behalf of the Board, I thank you for your continuing support.

FY13 review

In 2013, ASX's diversified revenue profile allowed the company to again deliver solid earnings in a market environment that remained challenging, particularly in the first half.



Financial Results FY13

- ❑ Statutory profit after tax \$348.2 million, up 2.7%
- ❑ Underlying profit after tax \$348.2 million, up 0.6%
- ❑ Total FY13 dividend 170.2 cents per share
- ❑ Capital expenditure \$38.9 million
- ❑ Balance sheet strengthened following successful \$553 million capital raising

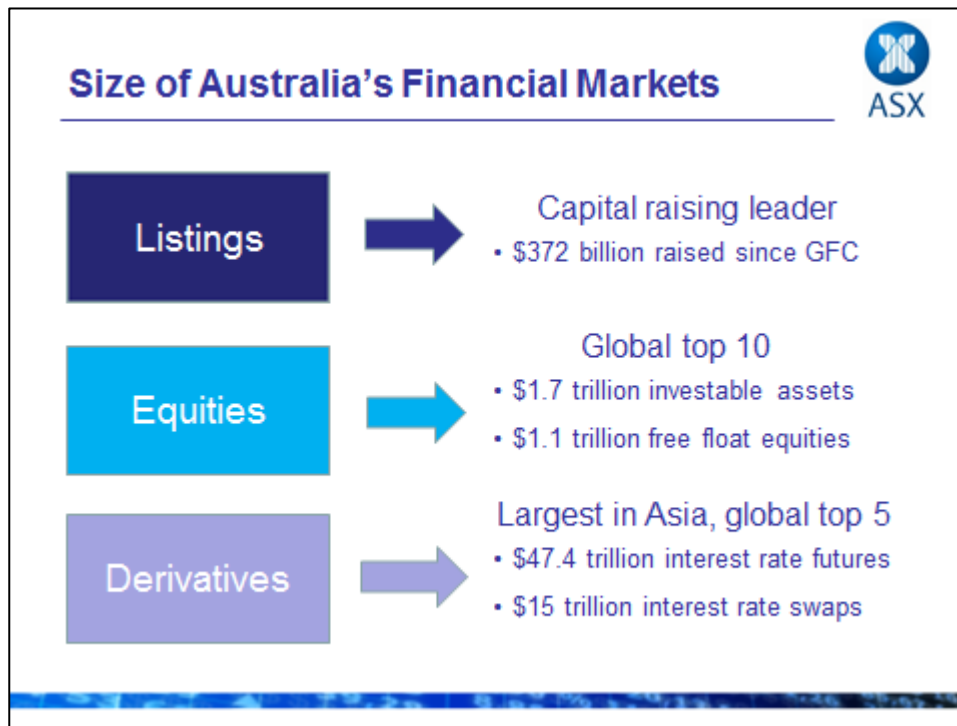
Global economic conditions were generally more stable, although activity in Australia's financial markets remained relatively subdued, especially in cash equities.

ASX revenue fell in the businesses directly linked to equity trading activity. This decline was more than offset by growth in ASX's other businesses, including Listings, Derivatives, Technical Services and Austraclear.

Overall, operating revenue for the year was \$617.4 million, up 1.1% on last year. ASX's statutory net profit was \$348.2 million, up 2.7%. Underlying net profit was also \$348.2 million, up 0.6%

Consistent with the company's policy to pay out 90% of underlying earnings as dividend, the Board declared a final dividend of 82.3 cents per share. The final dividend was impacted by the capital raising that ASX conducted during June and July 2013. The

new shares that were issued as part of the capital raising received the final dividend. The full-year dividend was 170.2 cents.



Australia's financial markets are significant by world standards and relative to the size of our economy. As you can see on the slide, the markets we operate rank among the largest in Asia and the world. For example, at \$1.7 trillion, Australia ranks third globally in investable assets, and our interest rate derivatives market has notional turnover of \$47 trillion, the largest in Asia and among the top five in the world.

ASX plays a vital role in operating and growing these markets. It is uniquely placed to do so as a multi-asset class and vertically integrated exchange. We provide listings, capital raising, trading, post-trade, market data and technical services, across a broad suite of equity and derivative products.

We are ranked among the world's 10 largest exchange groups, with a market capitalisation of around \$6.8 billion. Twelve months ago our value was \$5.5 billion.

In 2013 there continued to be a significant focus on regulatory change. Two important developments occurred in our domestic market.

First, ASIC concluded its review of high frequency trading and dark pools. It put in place additional controls that ensure that Australia's equity market continues to be one of the best regulated in the world. ASX supports the pro-active and practical approach taken by ASIC in market regulation.

Second, the Council of Financial Regulators conducted a review of the market structure for cash equities clearing and settlement. ASX is currently the sole provider of these services. In February this year, the then Treasurer accepted the recommendations from the Council and announced that the government would defer a decision on any additional licences for cash equities clearing for two years. This means that the existing market structure stays in place for at least that period.

ASX believes the Government made the right decision for Australia's financial markets. There are significant costs associated with further market fragmentation that are likely to outweigh the benefits to market users of any additional licences. ASX gave a number of undertakings in relation to its clearing and settlement services. This included a commitment to establish a Code of Practice and stakeholder forum, which allows ASX's customers to provide input on the investment program for these services.

In the 2014 financial year (FY14), the focus is shifting from domestic regulations to changes that are being driven internationally. Increasingly, international regulations are reaching across borders, impacting on Australia's local arrangements.

The changes that are taking place globally are particularly important for ASX's derivatives business. Since ASX deals with European and American banks in its derivatives business, it needs to observe the regulatory standards that apply in those markets.

ASX's capital raising

One of the important international standards that has progressively emerged over the last 12 months, relates to the amount of capital that exchanges need to hold in support of their clearing operations. The new standards that apply in Europe are higher than the standards that previously applied in Australia. The European capital standards have now been adopted in Australia through the local Financial Stability Standards. As a result, they apply to ASX.

ASX's Capital Raising



Sources of funds (\$ million)		Uses of funds (\$ million)	
Proceeds of the Entitlement Offer (net of costs)	540	Investment in ASX Clear (Futures)	200
		Repay non-recourse debt facility	250
		IRESS Investment	39
		General corporate purposes	51
Total	540		540

Materially strengthens the capital position of ASX's clearing houses

- Further supports Australia's central clearing infrastructure
- Eliminates refinancing risk and increases financial flexibility
- Better positions ASX to compete on a global basis

After careful consideration in the latter part of May, and taking into account our view of the emerging trends, the Board decided to be proactive and raise \$553 million - or \$540 million net of costs - in new equity to meet the emerging higher capital standards identified out of Europe. Most of the new funds raised have been used to support ASX's clearing operations.

The additional capital was raised through a renounceable entitlement offer. This method provided all retail and institutional shareholders the same opportunity to participate on a pro rata basis, and obtain value for their entitlements.

The institutional component was completed in an accelerated fashion. The retail component included a longer period for investors to consider how they wished to exercise their entitlements. This method best balanced the interests of shareholders, with the need to ensure capital raising certainty.

The equity raising was successfully completed in July 2013. We are grateful for the strong retail and institutional investor support we received.

The decision to raise capital and meet the highest standard sends a clear signal to our customers and to Australian investors: ASX will provide them with a world-class and competitive clearing solution, which ensures that their risk and their collateral are managed in Australia under the supervision of our domestic regulators.

The changes to international regulations also provide new business opportunities. These new approaches increase the role that exchanges play in the over-the-counter (OTC) market, and create demand for new risk management and clearing services.

ASX is well placed to deliver these new services to its clients, and help them navigate through the more complex and demanding regulatory environment.

As a result, we have stepped up our investment program, launching new services for clearing of OTC interest rate swaps and collateral management. When the full investment program is completed towards the end of FY14, Australian investors will have access to a well-capitalised, well regulated and world-class financial market infrastructure.

The Board greatly appreciates the significant support it has received from its clients, investors, regulators and government for this investment program.

The leadership team

We also appreciate the hard work of Elmer and the ASX team to build a stronger and more competitive exchange. Elmer will share his thoughts with you shortly.

You will note in today's agenda that the Board is seeking shareholder approval to grant performance rights to Elmer under ASX's long-term incentive plan.

Although there is no listing rule requirement to obtain shareholder approval in these circumstances, we believe it good practice from a transparency point of view. We also think it provides an opportunity for shareholders to endorse the Board's assessment of Elmer's performance, if they wish.

I should note at this point that ASX's recent capital raising had no material impact on ASX's long-term incentive plans for executives. We are aware the capital raising presented some accounting issues for the LTI program, particularly relating to earnings per share. This had no material impact in the last year. Any future impact will be watched carefully to ensure a fair outcome for shareholders and executives.

Board renewal

The ASX Board is functioning well and, as Chairman, I appreciate the energy and support of my fellow directors over the last 12 months.

As you are aware, last week Russell Aboud and Shane Finemore resigned from the Board. This was very unfortunate, as we lost two directors who had made strong and positive contributions over a number of years.

This followed the announcement on 17 September by the Securities and Exchange Commission (SEC) in Washington, DC, of enforcement actions against 23 firms operating in the United States. One of the firms involved is Manikay Partners, of which Mr Finemore is Managing Partner and Mr Aboud is Chairman.

Manikay Partners and 21 other firms agreed to settlements with the SEC, which involved consenting to administrative orders without admitting or denying any allegations.

As Chairman, I was made aware of the matter after the Notice of Meeting for ASX's AGM was sent out. I was advised that the SEC matter was confidential and not yet resolved. I took legal advice, which I followed. It was clear the matter could not be properly considered by the Board until the SEC process was understood and the confidentiality issues were resolved.

Following the SEC's final determination and announcement, Mr Aboud and Mr Finemore consulted with me and advised me they intended to resign from the Board, which they felt was in the best interests of the company. They did not want any reputational issues for ASX to arise as a consequence of these matters. We respect their decision.

Clearly, these events are unfortunate for all concerned. The ASX Board did consider and understand the issue of having two directors linked to one organisation. Mr Aboud and Mr Finemore went into business together after they joined the Board of ASX.

The Board carefully considered the individual strengths they brought to ASX and the recent contributions each had made. A decision was made to keep both on the Board and recommend the re-election of Shane Finemore.

Given the events that unfolded, this created a somewhat complicated situation. It was clear to me that each would make ASX's interests and public standing their first priority. This is exactly what they did by resigning, once the SEC outcome became final and public.

Your Board now has seven directors who together provide substantial corporate, public policy, compliance and financial markets experience. In addition, ASX has various subsidiary Boards that are specifically charged with the oversight of some of the key functions that the exchange performs, such as clearing and settlement. Across the main Board and the subsidiary Boards, ASX currently draws on the experience of no less than 12 non-executive directors.

The replacement of the directors who resigned last week will now become part of our ongoing Board renewal program. This program is designed to ensure that ASX has the right mix of skills available. Over the past 12 months we have built up a strong list of candidates. We will now reconsider and refocus our skills-needs in the new circumstances. We will proceed in our normal careful and balanced way. I look forward to introducing new directors to you in due course.

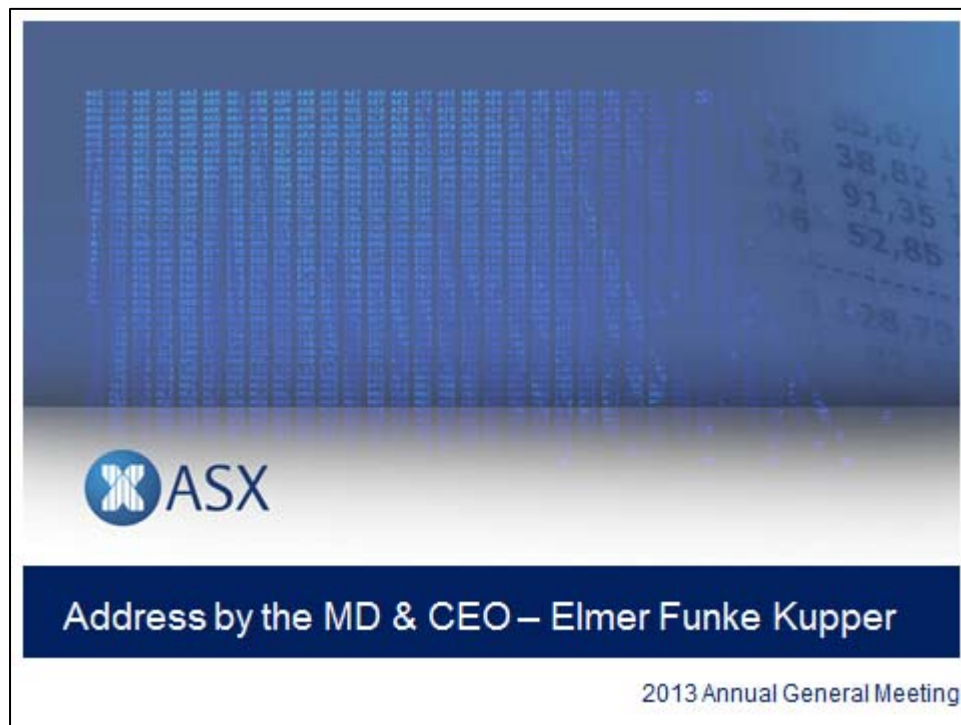
The renewal program has led to changes already. Last year we welcomed Heather Ridout to the ASX Board. And today, Dr Ken Henry seeks your endorsement as an ASX director. We welcomed him to the Board in February 2013. The inclusion of Ken's economic and public policy skills around the boardroom table during this period of major regulatory change has been of considerable value. I commend his appointment to you. Ken will say a few words in support of his candidacy when we come to that agenda item.

In the course of the last week, I have been queried about my own intentions and length of service. As you know, I was a director of SFE before it merged with ASX in 2006. I thought it best to be clear about my position. When I was asked to become Chairman of ASX, I indicated that I preferred to serve for at least two terms as Chairman - subject to the ongoing support of the Board and shareholders. I have not changed my position but recognise it is, and will be, subject to continual review.

I believe we have had, and still have, a cohesive and quality team of Board members who focus carefully on the needs of a range of stakeholders; most importantly, shareholders. I am pleased to be part of the team.

Let me finish by thanking you, our shareholders, once more for your support. Your company is in good shape and I am confident about its future.

I now invite Elmer to address you. Thank you.




ADDRESS BY MANAGING DIRECTOR AND CEO – ELMER FUNKE KUPPER

Thank you Rick and good morning fellow shareholders.

This is my second AGM as your CEO. The positive view I formed of the company and its people in my first year has been confirmed over the last 12 months. So too has my assessment of the challenges and opportunities that confront ASX, and Australia's financial markets more generally.

As I indicate in the Annual Report, a changing environment creates new business opportunities. ASX is working hard to capture them. The good progress the company made on several business and regulatory fronts in 2013 allows me to look forward with confidence.


ASX

Revenue Performance by Half


	1H13 \$M	2H13 \$M	FY13 \$M
Operating Revenue	304.8	312.6	617.4
Cash Operating Expenses	71.3	74.9	146.2
Net Profit After Tax	171.1	177.1	348.2
% Change NPAT	Down 5.3%	Up 7.0%	Up 0.6%

In FY13 ASX delivered a solid result. ASX's operating revenue increased 1.1% to \$617.4 million, and our underlying profit after tax rose slightly on the previous year to \$348.2 million.

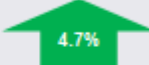
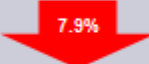
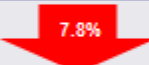
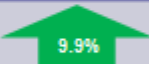
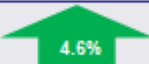
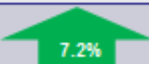
It was a tale of two halves. In the first six months of the year, activity levels remained subdued and, as a result, first half underlying earnings were down 5.3% on the previous year. Market conditions improved over the next six months and second half underlying earnings were up 7.0%.

We maintained good discipline on costs, with expenses rising 3.6%. Expense growth was driven by higher staffing levels to support a number of new services that ASX will launch over the next 12 months.

As Rick pointed out, ASX continues to benefit from the strength and resilience of its multi-asset class, vertically integrated business model.



Business Performance FY13

Listings and Issuer Services	\$139.7m	 4.7%
Cash Market	\$114.6m	 7.9%
Information Services	\$61.8m	 7.8%
Technical Services	\$49.8m	 9.9%
Derivatives and OTC Markets	\$197.3m	 4.6%
Austraclear	\$38.6m	 7.2%

While FY13 revenue fell in the businesses most directly linked to equity trading activity, the growth in the other businesses more than offset the decline.

Overall, ASX is directly linked to market activity levels. In 2013, around 73% of our revenues were directly impacted by market activity. Economic conditions and investor sentiment continue to be important drivers of exchange revenues.

I will now briefly touch on the performance of each business. More detail is provided in the Annual Report.

Listings and Issuer Services revenue was \$139.7 million, up 4.7%. It is an important business for ASX, generating 23% of Group revenue in FY13.

ASX delivered positive revenue growth in its Listings business in a subdued environment for new listings and capital raisings. The number of new listings and the amount of capital raised were both down on the previous year.

ASX continued to progress a number of initiatives to strengthen Australia's position as an attractive market to list and raise capital. In August 2012, new rules came into effect, which increase the flexibility for small and mid-cap companies to raise capital, provided they obtain approval under the rules at their AGM. By August 2013, 12 months later, almost 650 companies had received this approval.

Another initiative designed to stimulate the small and mid-cap sector is the ASX Equity Research Scheme. This scheme supports the production of independent research on ASX-listed companies with a market capitalisation below \$1 billion (around 92% of all

companies listed). In 2013, ASX ran a trial scheme, and in 2014 the scheme will be expanded with increased funding of \$2 million.

In addition, ASX released a clearer, more detailed Guidance Note to help companies understand and comply with their continuous disclosure obligations; updated the disclosure requirements for reserves and resources in the mining and oil and gas industries; and commenced an initiative to reduce the timetable for completing rights issues.

And in May this year, ASX started quoting Australian Government bonds on the exchange. This makes a new asset class available to retail investors and is an important step in the development of a corporate bond market.

Cash Market revenue was \$114.6 million, down 7.9%. Cash Market is made up of revenues from equities trading, clearing and settlement.

Market conditions remained weak in the first half of the last financial year and improved somewhat in the second half.

ASX is performing well in a highly competitive and fragmented Australian equity environment. There are many execution venues where ASX-listed securities can be traded, both lit and dark.

ASX continued to improve its offer in equities trading and introduced a range of new order types and execution services that support investors in a fragmented marketplace. For FY13, ASX's market share of on-market traded value averaged 94.6%.

Information Services revenue was \$61.8 million, down 7.8%. The reduction in revenue was linked to the fall in equity market activity, which reduced data usage by retail investors and professional participants.

In contrast, **Technical Services** revenue rose 9.9% to \$49.8 million. Technical Services is one of ASX's fastest growing businesses, providing connectivity, network and other data centre services to help clients operate in a more complex market environment.

A major focus has been on growing the presence of our clients in the Australian Liquidity Centre (ALC) – ASX's state-of-the-art data centre completed early last year. Progress on this development is pleasing. At the end of the financial year, there were 74 clients in the ALC, a 25% increase from a year ago.

Derivatives is ASX's largest business, contributing 32% to Group revenue in 2013. Revenue rose 4.6% to \$197.3 million, driven by the second half of the year when ASX experienced several months of record trading volumes.

We are continuing to develop our Derivatives business. In February 2013, Australia's equity market volatility benchmark, the S&P/ASX 200 VIX, was made available in real-

time, allowing for the launch of VIX futures later this year. We will also launch new sector futures in the coming months.

In May 2013, ASX acquired d-cyphaTrade Limited, a specialist research and marketing business we've been working with to develop electricity derivatives in Australia. On acquisition, the business was renamed ASX Energy.

You may have noticed that we've added '**OTC Markets**' to the name of our Derivatives business. This reflects the significant investments ASX is making to provide new services for the over-the-counter (OTC) market.

In July 2013, ASX launched the first phase of its new OTC Derivatives Clearing Service. This service will allow for the central clearing of A\$ interest rate swaps, a market with notional turnover last year of around \$15 trillion. I'm pleased to report that the service cleared its first trade on 12 September – a transaction between Commonwealth Bank of Australia and Deutsche Bank.

The clearing service will be extended later this financial year with a full client clearing offering. This will provide important new risk management benefits to Australian investors who use the derivatives market, giving them the choice to hold their risk and their collateral onshore, and subject to Australian laws and regulations. Investors tell us they want the choice to clear locally.

Austraclear provides settlement, depository and registry services for A\$ debt securities, including government and corporate bonds. In 2013, Austraclear revenue grew 7.2% to \$38.6 million, and balances held in Austraclear reached \$1.4 trillion.

In July 2013, ASX launched the first phase of a new collateral management service. This will allow customers to use fixed income securities held in Austraclear as collateral for financial market transactions rather than cash. We expect that the collateral management service will provide ASX clients with attractive collateral cost savings.

ASX is investing in new post-trade services – be it for clearing of OTC derivatives or the more efficient management of collateral. We see these investments as critical for the competitiveness and relevance of Australia's financial markets. Having a world-class financial market infrastructure and deep liquidity are the foundation stones of our markets, and can cement Australia's position in Asia and globally.

ASX is mindful of the privileged position we occupy in shaping Australia's financial markets. It's something we do not take for granted. We put considerable effort into providing input to regulators on the appropriate regulatory settings that will maintain the quality and reputation of our markets. We believe that Australia's regulators are doing a good job, and are increasingly paying attention to the impact that regulatory changes have on end-investors, including retail investors.



Over the last two years, we have been working hard to improve engagement with our customers and other stakeholders. It is one of my personal objectives. In 2013 we took further steps to improve how we work with our customers.

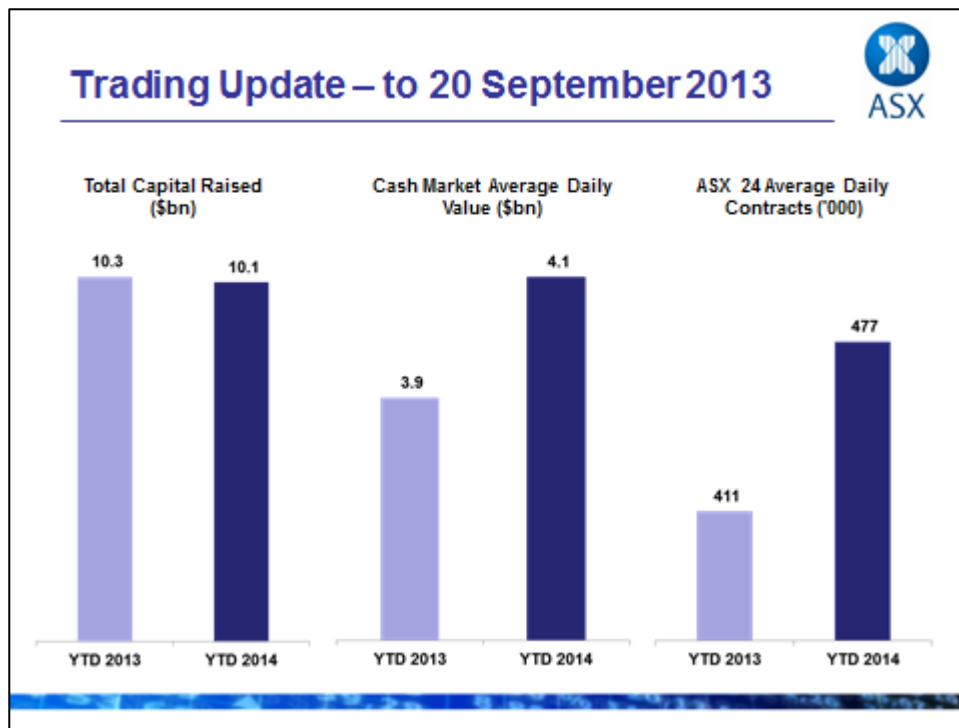
In last year's Annual Report we presented ASX's Customer Charter, which sets out how ASX balances the interests of its customers, shareholders and the broader financial market. We have published the Customer Charter again in this year's Annual Report. Details are also on our website.

In 2013, ASX put in place a Code of Practice for its cash equities clearing and settlement services. This follows the Government's decision to retain the existing market structure for at least two years. The Code makes commitments around pricing and access to clearing and settlement services, and creates a forum that allows clients to give input to ASX on the operation and investment program for its clearing and settlement services. The forum has 22 members and its first meeting will be next week.

And finally, ASX has expanded the revenue sharing and rebate schemes that share revenue growth with its customers. ASX has been operating a rebate scheme in its derivatives business for a number of years, and in 2013 implemented new schemes in its equities trading, clearing and settlement businesses. In total, these schemes provided rebates of \$9.4 million to ASX customers, up from \$3.2 million in the previous year.

These are some of the positive, tangible steps we are taking to build stronger customer relationships. It will continue to be an important objective for the ASX team going forward.

Let me now comment briefly on the early activity levels in the new financial year for the period 1 July to 20 September 2013.



In the previous financial year, activity levels were subdued in the early part of the year. They improved significantly as the year progressed and were strong in the second half.

As the slide shows, in the first two-and-a-half months of this new financial year we have seen growth in our trading businesses compared to the same period last year:

- The total amount of capital raised was \$10.1 billion, which is down 2% on the same period last year;
- Cash market average daily value was \$4.1 billion, up 5%; and
- ASX 24 average daily derivatives contracts traded were 477,000, a rise of more than 16%.

This level of growth is encouraging, although the activity levels do not yet match the strong performance of the second half of FY13.

In conclusion

ASX is one of the world's leading integrated exchange groups, serving a broad range of domestic and international clients. We are determined to provide our customers with solutions that meet their needs and build a world-class financial market infrastructure for Australia. In 2014 we will continue with our investment program.

I thank Rick and the Board for their continued guidance and oversight, and all my colleagues at ASX for their dedication throughout the year.

And thank you, our shareholders, for your continued support.

I will now hand back to our Chairman.