MEDIA RELEASE

22 August 2013

ASX Limited full-year result to 30 June 2013

Financial highlights (all comparisons to the prior corresponding period)

- Statutory net profit $348.2 million, up 2.7%
  - Earnings per share 195.5 cents, up 2.6%
- Underlying net profit (excluding FY12 significant items) $348.2 million, up 0.6%
  - Operating revenue $617.4 million, up 1.1%
  - Interest and dividend income $53.5 million, up 7.4%
  - Cash operating expenses $146.2 million, up 3.6%
  - Depreciation and amortisation $30.4 million, up 9.9%
  - Earnings per share 195.5 cents, up 0.5%
- Final dividend 82.3 cents per share fully franked, down 3.3% following equity raising
  - Full-year dividend 170.2 cents per share
  - 90% payout ratio of underlying net profit
- Capital expenditure $38.9 million
  - Increased investment in risk management infrastructure and new post-trade services
- Successful $553 million capital raising
  - Expect to meet higher international capital standards
  - Repay debt facility
  - Fund current and future growth initiatives
- Participated in pro rata equity raising by IRESS in August 2013
  - Took up full entitlement for a consideration of $39.3 million

Mr Elmer Funke Kupper, ASX Managing Director and CEO, said: "The global economy was generally more stable during the 2013 financial year. This flowed through to improving activity levels in Australia's financial markets as the year progressed.

"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%. For the full-year, ASX's underlying profit after tax was $348.2 million, up slightly on the previous year.

"Operating revenue increased 1.1% to $617.4 million. As we saw in the previous year, revenue fell in the businesses directly linked to equity trading activity - Cash Market and Information Services. The decline in these businesses was more than offset by revenue growth in ASX's other businesses, including Listings and Issuer Services, Derivatives, Technical Services and Austraclear. This underlines the resilience of ASX's diversified business model."

During the year ASX successfully managed through several important regulatory developments. In February 2013, the Government announced that it would defer a decision on any new licence applications to provide cash equities clearing services in Australia for two years. ASX is currently the sole provider of these services. The company has implemented a Code of Practice for its cash equities clearing and settlement services to ensure that its clients can give formal input to ASX on the investment in its services.

In June 2013, ASX received approval to launch a new clearing service for OTC derivatives. In that same month, ASX announced that it would raise approximately $553 million in new equity to further support its clearing operations. Following the equity raising, ASX expects to meet the higher international capital standards for clearing houses. The equity raising was successfully completed in July 2013. On 16 August 2013, the Reserve Bank of Australia issued guidance that the higher European capital standard would apply to ASX.

Mr Funke Kupper said that the equity raising forms part of ASX's business strategy: "ASX is one the world's leading integrated exchange groups, serving a broad range of domestic and international clients. Our aim is to provide services that are well capitalised, world-class and globally competitive. The investments we are making in Australia's financial infrastructure and the strength of our balance sheet put us in a strong position to deliver on our ambitions."

Business highlights

Operating revenue for FY13 was $617.4 million, up 1.1% on the prior corresponding period (pcp).

Below is a summary of the revenue performance across ASX's main business areas. All comparisons are against the pcp and based on underlying net profit.

- Listings and Issuer Services – revenue $139.7 million, up 4.7%

  The largest revenue component in the Listings and Issuer Services business is Listings fees. These include annual listings fees and fees related to capital raisings.

  Market activity remained subdued. There were 82 IPOs compared to 99 in the pcp and the level of total capital raised declined 8.3% to $46.4 billion. The number of CHESS holding statements remained consistent with the prior year at 11.1 million.

  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, ASX improved the flexibility for small and mid-cap companies to raise capital without specific shareholder approval, provided they receive approval for the program at their Annual General Meeting. In the AGM seasons under the new rules, almost 650 companies received approval from their shareholders.

  In addition, ASX updated its Guidance Note to help companies understand and comply with their continuous disclosure obligations; improved 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.

  In May 2013, 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 $114.6 million, down 7.9%

  Cash Market revenue consists of trading ($32.8 million), clearing ($41.6 million) and settlement ($40.2 million). The three components were all impacted by the generally subdued equity market activity levels, especially during the first six months of the year.

  In the first half, Cash Market revenue was down 18.0%. In the second half conditions improved and Cash Market revenue was up 3.8%.

  ASX performed well in a highly competitive equity trading market. ASX's market share of on-market traded value for the year averaged 94.6%.

  ASX introduced a range of new order types and execution services and implemented new revenue sharing arrangements to improve alignment with its Cash Market customers. For the six months from 1 January 2013, when the new revenue sharing arrangements commenced, ASX rebated $2.2 million across the Cash Market trading, clearing and settlement businesses.

  In February 2013, the Treasurer announced that the current market structure for clearing and settlement of cash equities will remain in place for two years, and requested ASX to put in place a Code of Practice as the provider of these services. ASX implemented the Code in August 2013. It makes specific commitments around transparent and non-discriminatory access to ASX services and pricing. In addition, ASX established an industry stakeholder forum to provide input to ASX on its clearing and settlement services. The Forum has 22 members. Details on the Code can be found on the ASX website at http://www.asx.com.au/cs/

- Information Services – revenue $61.8 million, down 7.8%

  The reduction in revenue was linked to the fall in equity market activity, which had an impact on data usage by retail investors and professional customers.

- Technical Services – revenue $49.8 million, up 9.9%

  Technical Services continued to be one of ASX's fastest growing businesses. It provides market access, data network, order routing and other data centre services to help clients operate in a fragmented and more complex market environment. At the end of the financial year, clients operated 117 cabinets in ASX's Australian Liquidity Centre, compared to 76 the year before.

  In February 2013, ASX improved its global network connectivity with the launch of ASX Net Global, a cost-effective, low latency network for global customers to connect to Australia's financial markets. ASX Net Global links the Australian Liquidity Centre with financial communities located in Singapore, London and Chicago. Later this year, this service will also support Australian customers wishing to connect to those financial centres.

- Derivatives and OTC Markets – revenue $197.3 million, up 4.6%

  Derivatives is ASX's largest business, contributing 32.0% to Group revenue in FY13.

  Derivatives market activity was subdued in the first half and revenue was down 2.3%. In the second half, the interest rate environment was more supportive of market activity and ASX recorded several months of record trading volumes in interest rate futures. As a result, second half revenue was up 11.7%.

  ASX 24 Derivatives (futures and options on futures) revenue was $169.0 million, up 5.0%. The number of contracts traded was up 11.7%. ASX operates a large volume rebate scheme in its futures business whereby revenue growth is shared with qualifying customers. In 2013 ASX accrued $7.2 million in large volume rebates.

  ASX Derivatives (exchange-traded options and index options) revenue was $28.3 million, up 2.1%.

ASX continues to develop its Derivatives business. Australia's equity market volatility benchmark, the S&P/ASX 200 VIX, was made available in real-time in February 2013. This will allow ASX to launch VIX futures later this year. ASX will also launch sector futures in the coming months.

In May 2013, ASX acquired d-cyphaTrade Limited, a specialist business that researches and markets Australian electricity futures and options. d-cypha and ASX have been working together to develop the electricity market in Australia, and the acquisition further strengthens the partnership. d-cypha was renamed ASX Energy.

In July 2013, ASX launched the first phase of its OTC Derivatives Clearing Service with the support of nine domestic and international banks. The service provides central counterparty clearing for standardised OTC-traded Australian dollar interest rate derivatives, a market with a turnover of around $15 trillion last financial year. ASX expects that customers will gradually connect to the OTC clearing service over the next six months.

The ASX OTC Derivatives Clearing Service will provide significant benefits to ASX customers, including giving Australian investors access to a domestic solution where collateral is kept onshore and subject to Australian laws and regulations.

- Austraclear – revenue $38.6 million, up 7.2%

  Austraclear provides settlement, depository and registry services for A$ debt securities, including government and corporate bonds.

  The growth in Austraclear revenue was driven by strong growth in holdings revenue and registry revenue. Average balances in Austraclear grew 6.4% and reached $1.4 trillion in June 2013.

  In July 2013, ASX launched the first phase of a new collateral management service, which will allow customers to use fixed income securities held in Austraclear as collateral for financial market transactions. Twelve foundation customers are working with ASX to implement the service. Equities will be added in a future phase by connecting the service to CHESS, ASX's equity sub-register.

Interest and dividend income - $53.5 million, up 7.4%

Interest income on ASX's own cash balances declined 36.5% to $13.1 million as market rates fell. Interest income on participant balances increased by 55.5% to $31.0 million as a result of higher average balances and an improved interest margin earned.

Dividend income from ASX's shareholding in IRESS was up slightly to $9.4 million.

Expenses

Expenses continued to be well controlled. Operating expenses grew by 3.6% to $146.2 million, driven by higher staffing levels to support a number of new services that ASX will launch during the 2014 financial year. In aggregate, non-staff related expenses were flat year on year.

ASX had 529 full-time equivalent staff at the end of June 2013 compared to 505 at the end of June 2012.

ASX expects cash operating expenses in FY14 to grow by approximately 5%. This follows implementation of a number of new business initiatives and the acquisition of d-cyphaTrade Limited.

Capital expenditure

Capital expenditure in FY13 was $38.9 million. Approximately half of the capital expenditure related to investments in ASX's clearing and risk management infrastructure and new post-trade services. Other capital expenditure related to a range of other business initiatives and normal maintenance programs.

ASX expects capital expenditure in FY14 of approximately $40 million.

Post balance date activity

ASX activity levels in the first seven weeks of the 2014 financial year up to 16 August 2013 were:

- Cash market average value per day was $3.8 billion, 7.7% above the pcp
- ASX 24 derivatives daily average volume was 396,682 contracts traded, 14.9% above the pcp
- Total capital raised (in July 2013) was $2.4 billion, down 42.1% on the pcp.

In August 2013, ASX took up its full entitlement in the pro rata equity raising by IRESS for a consideration of $39.3 million. ASX has been a substantial shareholder in IRESS for more than a decade.

Complete full-year result materials, including ASX's 2013 Annual Report, will be available on the ASX website: http://www.asxgroup.com.au/media-releases.htm

A webcast of today's 10.00am (Sydney time) presentation to analysts will be available: http://www.asxgroup.com.au/fy2013webcast

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Appendix – ASX Full-Year Result to 30 June 2013

Group Profit and Loss Statement	**FY13 $M**	**FY12 $M**	**Variance $M**	**Variance %**
Operating Revenue	617.4	610.4	7.0	1.1%
Cash Operating Expenses	146.2	141.1	(5.1)	(3.6%)
EBITDA	**471.2**	**469.3**	**1.9**	**0.4%**
Depreciation and Amortisation	30.4	27.6	(2.8)	(9.9%)
EBIT	**440.8**	**441.7**	**(0.9)**	**(0.2%)**
Interest and Dividend Income	53.5	49.8	3.7	7.4%
Profit Before Tax	**494.3**	**491.5**	**2.8**	**0.6%**
Income Tax Expense	(146.1)	(145.3)	(0.8)	(0.5%)
Underlying Profit After Tax	**348.2**	**346.2**	**2.0**	**0.6%**
Significant Items	-	(7.0)	7.0	100.0%
Statutory Profit After Tax	**348.2**	**339.2**	**9.0**	**2.7%**

Operating Revenue	**FY13 $M**	**FY12 $M**	**Variance $M**	**Variance %**
Listings and Issuer Services	**139.7**	**133.4**	**6.3**	**4.7%**
Cash Market	**114.6**	**124.5**	**(9.9)**	**(7.9%)**
Trading	*32.8*	*36.4*	*(3.6)*	*(9.6%)*
Clearing	*41.6*	*45.9*	*(4.3)*	*(9.4%)*
Settlement	*40.2*	*42.2*	*(2.0)*	*(4.8%)*
Information Services	**61.8**	**66.9**	**(5.1)**	**(7.8%)**
Technical Services	**49.8**	**45.3**	**4.5**	**9.9%**
Derivatives and OTC Markets	**197.3**	**188.7**	**8.6**	**4.6%**
Austraclear	**38.6**	**36.0**	**2.6**	**7.2%**
Other	**15.6**	**15.6**	**-**	**0.2%**
Total Operating Revenue	**617.4**	**610.4**	**7.0**	**1.1%**

Key Activity Indicators	**FY13**	**FY12**	**Variance**	**Variance %**
Listings and Issuer Services				
All Ordinaries Index (end of period)	4775.40	4135.50	639.9	15.5%
Number of New Listed Entities (IPOs)	82	99	(17)	(17.2%)
Capital Raised, incl. Scrip-for-Scrip	$46.4 billion	$50.6 billion	($4.2 billion)	(8.3%)
Cash Market				
Daily Average Cash Market Value	$4.151 billion	$4.685 billion	($0.534 billion)	(11.4%)
Derivatives and OTC Markets				
ASX Daily Average Contracts Traded	624,179	647,819	(23,640)	(3.6%)
ASX 24 Daily Average Contracts Traded	453,365	404,215	49,150	12.2%