



MEDIA RELEASE

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ASX to invest in world-class technology

ASX has today announced that it will upgrade all of its major trading and post-trade platforms over the next three to four years. ASX's investment will help deliver greater innovation, efficiency and liquidity to customers, and strengthen ASX's position as one of the world's leading exchange groups.

The investment program will be implemented in phases, starting with the replacement of ASX's derivatives and equities trading platforms, risk management systems and market monitoring systems. This is expected to take 18 to 24 months. This will be followed by upgrades of ASX post-trade services, including cash market clearing and central securities depository services. Vendor selection and design scoping for this next phase will be made in FY16.

ASX's investment in leading technology recognises customer demand for richer product and service functionality, and for improved cost-effectiveness to operate in Australia's financial markets. ASX will consolidate the number of platforms and replace its unique systems with contemporary global solutions offering customers greater simplicity, flexibility and scale efficiencies. Other benefits include:

- Use of global standard protocols will allow customers to reduce their development, connectivity and maintenance costs.
- Modular design will improve flexibility and implementation time, enabling ASX to reduce development costs and deliver new products and services to market quicker.
- Multi-currency capabilities will enable ASX to trade and deposit instruments in the main currencies relevant to Australia's financial markets, supporting Australia's credentials as a regional financial centre. ASX expects that it will be able to support trading of equities and derivatives in the New Zealand dollar, US dollar and renminbi.
- New market monitoring and risk management systems will ensure the high quality of Australia's financial markets is maintained, supporting investor confidence and enabling customers to more efficiently use their capital.

By the end of the program, ASX will have deep relationships with a core group of world-class technology partners.

Swedish firm Cinnober Financial Technology will provide the trading solutions for ASX's equities and derivatives markets. ASX will start with the replacement of the ASX Trade24 derivatives platform, which has been in operation since 2007. This will be followed by the replacement of the equities platform. Cinnober provides technology solutions for a number of exchanges globally, including in the US, Europe, Brazil and South Africa.

TIBCO will provide the new market monitoring system. TIBCO is a US-headquartered global leader in infrastructure and business intelligence software, and has been working with ASX over the last nine months to implement new middleware technology that will allow for more efficient management of the overall infrastructure.

ASX will finalise selection of the vendor for its post-trade risk management technology, including the central margining engine which supports ASX's two clearing houses, in the coming weeks.

Technology providers for the other phases of the investment program will be selected over the next 12 months.

ASX will work closely with its customers to ensure that there is a smooth transition to the new platforms and to help them capture the benefits of the investment.

Elmer Funke Kupper, ASX Managing Director and CEO, said: "ASX provides critical infrastructure that sits at the centre of Australia's financial markets. Our investment in new technology will create a more flexible exchange infrastructure and deliver greater innovation to Australia's financial markets. The new infrastructure will also reduce the internal costs for ASX clients to connect to the exchange and improve time to market for new products. The program has been developed over the last twelve months and has involved extensive benchmarking of alternative solutions for the Australian market.

"ASX has already made significant investments in Australia's financial market infrastructure, particularly in post-trade services. The newly launched technology program will further support Australia's ambitions to be one of the leading financial markets in the world.

"These investments complement ASX's new 24 hour customer support centre set to open in the second half of FY15. The customer support centre will be located within ASX's Australian Liquidity Centre and will bring together ASX's operations, market surveillance and technology teams, alongside Australia's financial markets community. The new support centre will ensure Australia's financial markets continue to operate to the highest standards, and will deliver improved services to ASX's domestic and growing international customer base.

"The program will be phased and managed very tightly so that our customers can manage the implementation at their end. Over the last three years, we have made significant changes to the way we communicate with our clients and introduce change to Australia's financial markets. We will measure our success by their response."

ASX expects to manage the investment within a total group capital expenditure envelope of \$40-50 million per annum. The first phase of the investment, being the replacement of the derivatives and equities trading platforms, and risk management and market monitoring systems, is expected to cost approximately \$35 million in capital expenditure over two years.

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