



2014 Full Year Results Presentation

17 February 2015





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Business overview



Business Performance 2014

Business		2014 (\$M)	2013 (\$M)	Change (%)	2010-2014 CAGR (%)	% of 2014 Revenues
Capital markets	<ul style="list-style-type: none">• Capital raising• Trading and clearing	14.4	14.7	(3.6%)	15.8%	21.9%
	<ul style="list-style-type: none">• Listing fees• Participant services• Securities data	22.8	20.2	12.6%	4.6%	35.0%
Soft commodities	<ul style="list-style-type: none">• Dairy futures• Grain (Clear)	1.5	1.5	(3.2%)	15.9%	2.3%
Agricultural information	<ul style="list-style-type: none">• Publications• Agri data (NZ and Aus)	12.2	12.0	2.1%	2.4%	18.7%
Funds Management	<ul style="list-style-type: none">• Smartshares	2.7	2.5	10.5%	4.5%	4.2%
Market Operations	<ul style="list-style-type: none">• Energy• Fonterra	11.6	11.9	(2.0%)	7.2%	17.9%



Business Highlights 2014

Business

- Momentum continued in the capital markets in 2014 including a record year for IPOs. Excluding the Government Share Offers, new capital listed grew 87.1%
- Growth returned to the agri information business after the drought in early 2013
- Continued strong growth in dairy derivatives offset by a lower than expected grain trading activity
- Smartshares units on issue grew 11.1% (excl. new ETFs), 3 new funds launched
- Continued high level of development work for the Electricity Authority

Organisation

- An organisation in place that is well positioned to capture future growth opportunities
 - Full year with new leadership team in place
 - Staff numbers grew 5%, attrition was 16%
- Continued strengthening of regulatory role
 - 2013 FMA General Obligations Review concluded full compliance with statutory obligations
 - New Head Of Market Supervision appointed, Board and independent oversight expanded

Growth

- Approval for NXT, a new market for high growth companies
- Acquired SuperLife to accelerate the growth of the Smartshares ETF business



Summary of the investment case (1/2)

- Strong cash generation of capital markets businesses with significant portion of annuity revenue streams
- KiwiSaver, increasing savings rate underpins positive outlook for the capital markets
- High growth options – dairy derivatives, Clear
- Increased exposure to high growth funds management sector
- Diversified business reduces exposure to cyclical market activity
- High quality scalable infrastructure and talented team in place, significant expertise in operating in highly regulated markets
- Capability rebuilding complete, focus on operating efficiency, selective investment in 2015



Summary of the investment case (2/2)

Strong positions in high growth markets

Business	Growth Drivers	Market Growth ¹	Current Share	Investment Required	Potential 5 Year CAGR ³
Capital Markets	<ul style="list-style-type: none"> Market Capitalisation 	5-10%	Trading and clearing Listings Data	High	Limited ⁴ 0 5 10
		10-15%	Registry	Moderate	Limited 0 5 10
	<ul style="list-style-type: none"> FuM 		Adjacencies	Low	Acquisition 0 5 10
Soft Commodities	<ul style="list-style-type: none"> Volume growth Price volatility 	4-5%	Derivatives	Low	Limited 0 5 10
		N/A			
Agri Information	<ul style="list-style-type: none"> Production growth 	4-5%	Information	Moderate	Limited 0 5 10
		4-5%	Data	Low	Acquisitions 0 5 10
Fund Management	<ul style="list-style-type: none"> FuM Passive FuM Share 	10-15%		Low	Limited 0 5 10
Market Operations	<ul style="list-style-type: none"> Contract retention² 	0-5%	EA/Fonterra	High	None Required 0 5 10

1. Through the cycle
2. Development work

3. Potential revenue CAGR
4. Clearing system upgrade



Highlights of 2014 performance



Summary 2014 Result

	2014 (\$M)	2013 (\$M)	Change (\$m)	Change (%)
Operating revenue	65.2	62.8	2.4	3.8%
Operating expenditure	40.6	37.0	3.6	9.7%
EBITDAF	24.6	25.8	(1.2)	(4.7%)
EBITDAF margin	37.7%	41.0%		
Asset impairments	-	2.6	(2.6)	n/a
NPAT	13.1	12.1	1.0	8.3%
Fully diluted EPS	5.1c	4.7c	0.4c	8.5%



Impact of significant non-operating items

	2014 (\$m)	2013 (\$m)
Provision for settlement of IRD audit	(1.2)	-
Asset impairments	-	(2.6)
Tax effect of asset impairments	-	0.6
Impact on net earnings	(1.2)	(2.0)

- The provision for settlement of the IRD tax audit is made up of additional tax expense \$1.0m and use of money interest of \$0.2m. This resolves an item that was previously disclosed as a contingent liability.
- The asset impairments related to a reduction in the carrying value of the Clear Grain Exchange software asset and an impairment of the NewsRoom brand asset arising out of the sale of this business.
- In addition to these items, in 2014 NZX reassessed the amortisation period of the Clear Grain Exchange software. A reduction in the amortisation period for this asset resulted in an increase in 2014 amortisation expense of \$0.4m (net of tax, the impact of this change on 2014 net earnings was \$0.3m).



Revenue by business

	FY 2014 (\$M)	FY 2013 (\$M)	% over pcp
Securities information	10.4	8.9	16.6%
Listings	13.2	13.0	1.3%
Other issuer services	1.0	1.0	3.8%
Securities trading	4.4	4.3	1.8%
Participant services	3.5	3.1	11.1%
Securities clearing	4.7	4.6	1.3%
Total capital markets	37.2	34.9	6.2%
Commodities trading	1.3	1.4	(13.5%)
Dairy derivatives	0.2	0.1	133.0%
Total soft commodities	1.5	1.5	(3.2%)
Agricultural information	12.2	12.0	2.1%
Fund management	2.7	2.5	10.5%
Market operations	11.6	11.9	(2.0%)
Total Revenue	65.2	62.8	3.8%

2014 Performance

Business	Highlights	Comment
<p>Capital markets</p>	<ul style="list-style-type: none"> • 16 new listings, \$4.7B new equity capital listed (2013: 10 listings and \$7.5B new capital listed) • Significant growth in new debt issues, up 755% on pcp • Trading volumes up 9.8%, value down 17.2% • Data revenues up 16.6% at \$10.4M • FMA approval of registration and rules for NXT Market 	<ul style="list-style-type: none"> • Increase in total listing fees despite the high value listings of MELCA, MRP and ZEL in 2013 compared to only GEN in 2014 – benefit of growth in number of listed companies • Value down largely due to reduced portfolio rebalancing in 2014 vs. 2013 (Govt. share offer programme, sell downs). YTD 2015 value traded up 10% • Full year impact of change in billing from USD to NZD
<p>Soft commodities</p>	<ul style="list-style-type: none"> • Dairy derivatives lots traded up 175%, launch of butter futures and equity derivatives products • Winner of Best New Contract at FOW Awards for Asia 2014 • Clear volumes 3.6% down on prior year; forward contract launched; MOU entered into for promotion in Western Australia 	<ul style="list-style-type: none"> • Strong growth in Asian trader activity • Similar, smaller than average East Coast harvest • GrainCorp, and hence Clear, East Coast market share lower than prior year



2014 Performance

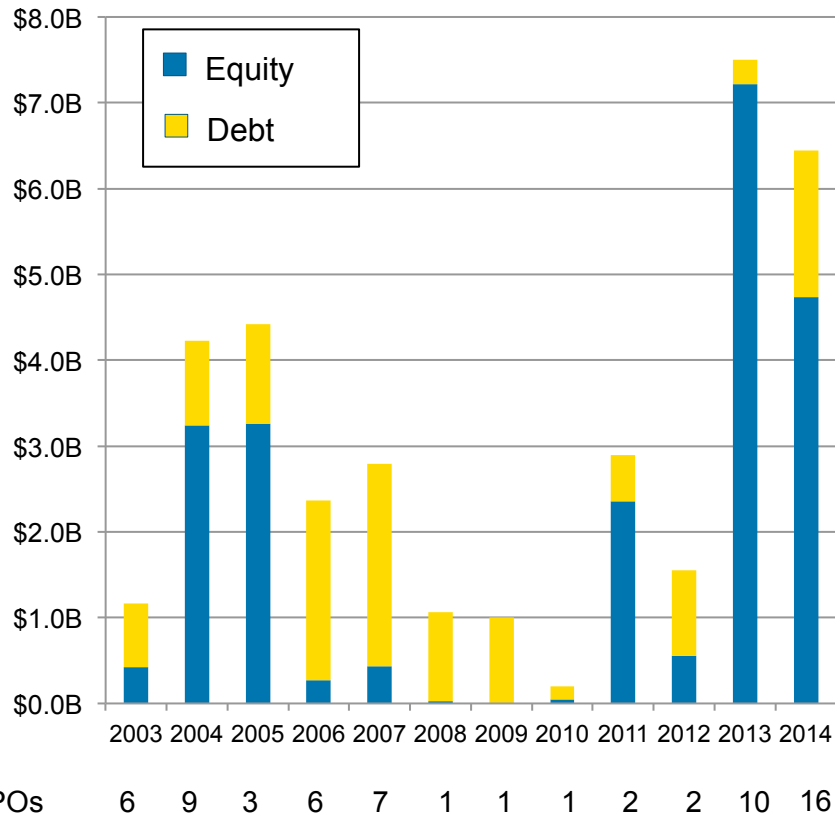
Business	Highlights	Comment
Agri Information	<ul style="list-style-type: none">• Advertising revenues recover from 2013 droughts up 8.1%• Agri data revenues down 10.3%	<ul style="list-style-type: none">• Some softness in advertising in Q4 as a result of decline in dairy prices• Sale of NewsRoom in January 2014, currency impact• Launch of online forecasting tools to provide insight into milk production and Farmgate milk prices
Funds management	<ul style="list-style-type: none">• FuM up 40.4%, units on issue up 45.9%• Launch of 2 ETFs (ASP & ASD) and Dimensional managed NZ Core Equity Trust• Acquisition of SuperLife	<ul style="list-style-type: none">• Excluding the 2 new ETFs, FuM up 15.7% and units on issue up 11.1%
Market Operations	<ul style="list-style-type: none">• Market operations revenues down 2.0% to \$11.6M	<ul style="list-style-type: none">• Continued high level of development activity offset by the loss of the GIC gas allocation contract (2013 revenue \$670k)



Record year for number of new listings

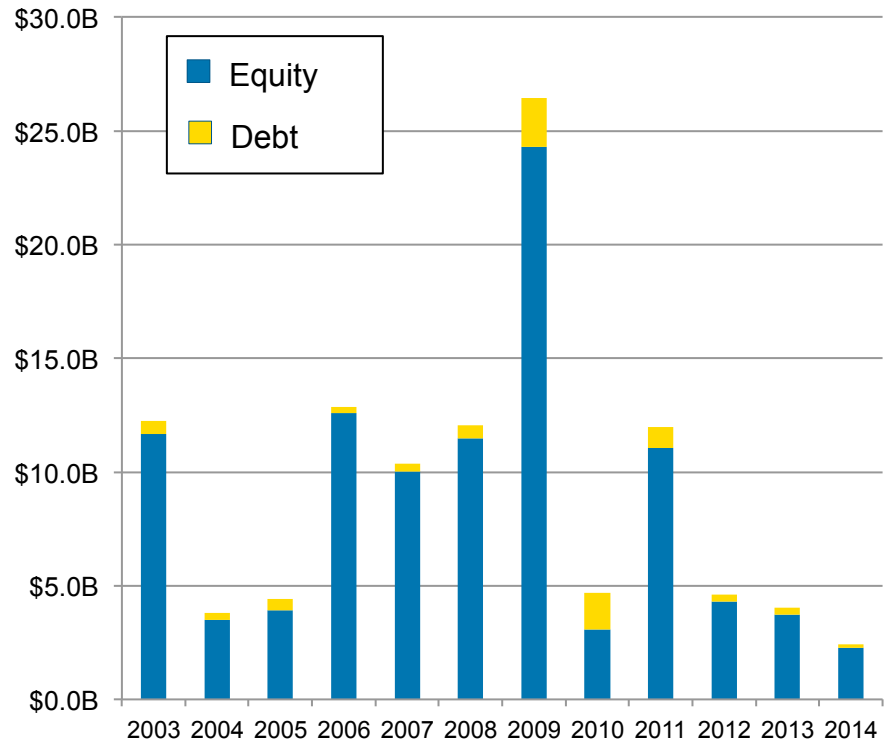
Excluding Government share offers, new capital listed up 87.1%

New Capital Listed



2014 revenue \$2.8m

Secondary Capital Raised



2014 revenue \$2.2m

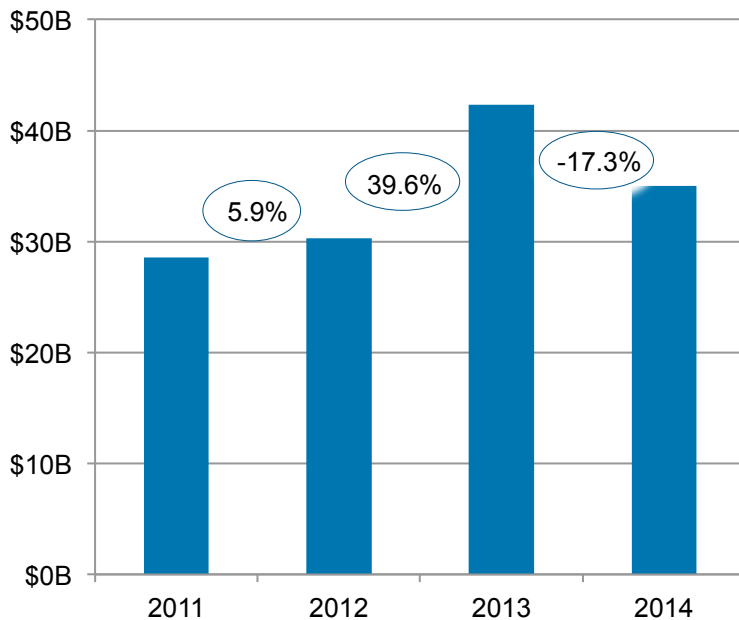
Source: NZX Data



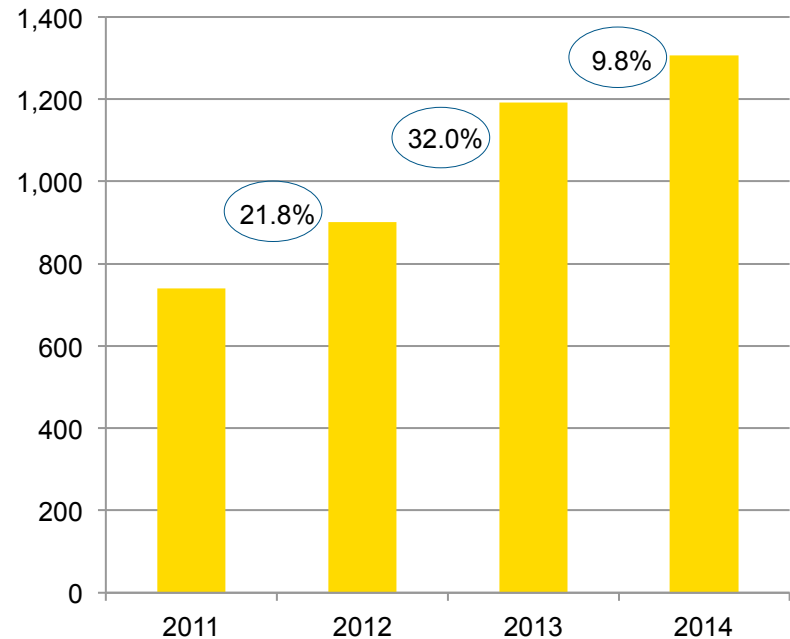
Trading volumes continue to grow; value traded down on pcp

Drop in value traded reflects post MOM trading, large sell downs in 2013

Value Traded (\$B)



Number of Trades (000's)



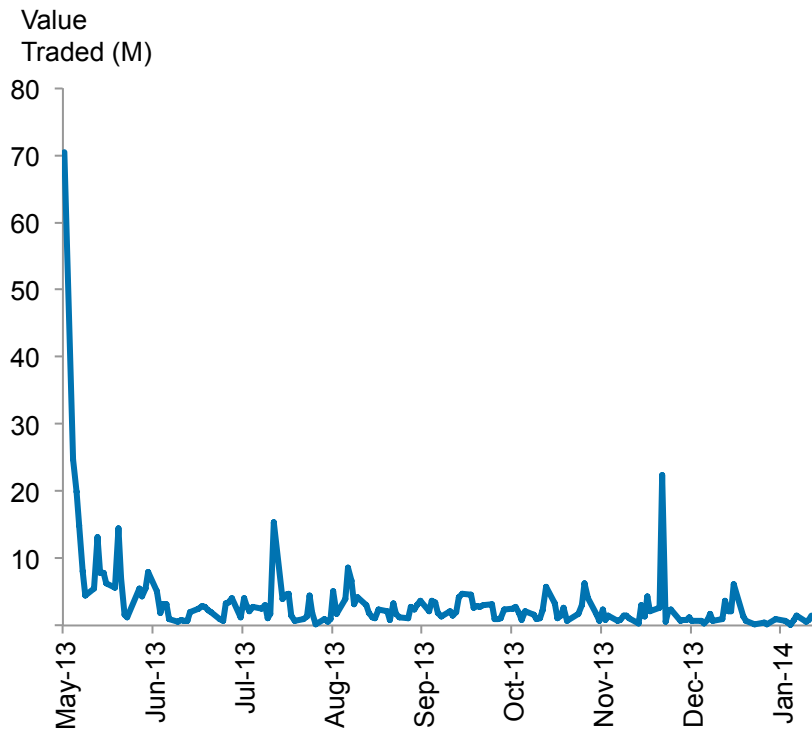
○ Change over prior year

Approximately 30% of 2014 Securities Trading Revenue was value based fees



Listings generate annuity revenues Ongoing listing and trading revenues from IPOs

Example of year 1 trading post IPO: Synlait



Value of an IPO

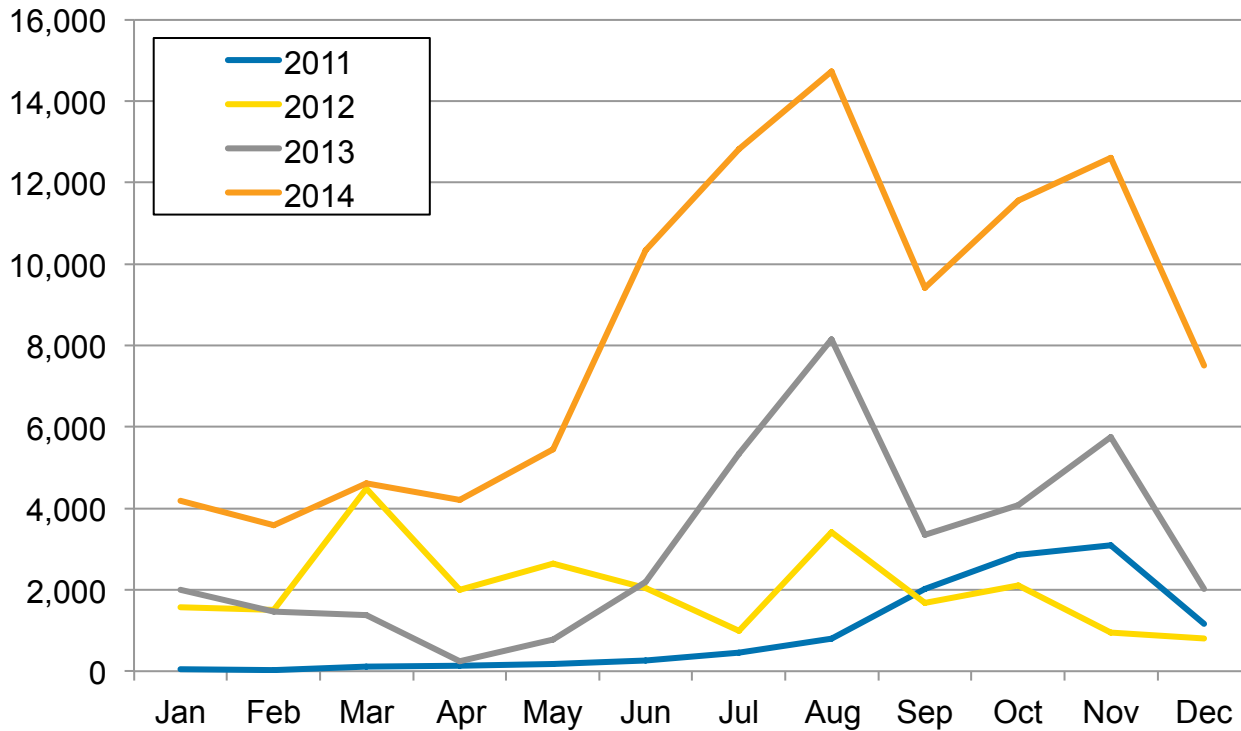
Listing Size (\$M)	1,500	400	60
Approximate revenues (\$000's)*			
Initial Listing Fee	523	223	74
Month 1 Trading & Clearing fees	30	10	5
TOTAL One-time	553	233	79
Annual Listing Fee	57	45	35
Annual Trading and Clearing Fees (est)	120	40	15
Total Recurring	177	85	50

* Based on Listed Issuer Fee Schedule effective 1 January 2015

1.

Soft commodities: Dairy Derivatives Strong growth trajectory continues

Dairy Derivatives traded (# lots)

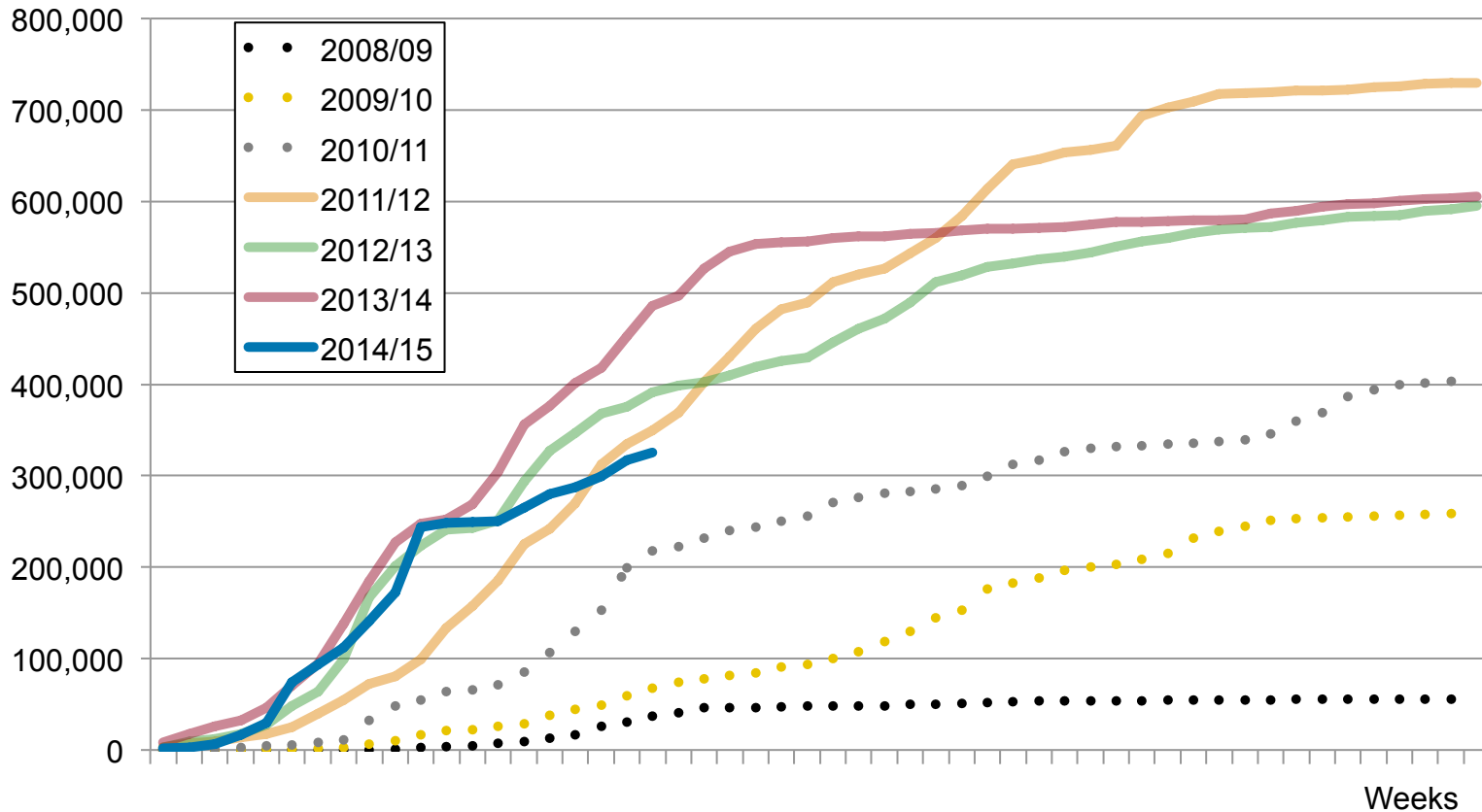


- CFTC approval
- Increased interest from Asian traders
- Butter contract launched

Soft commodities: Clear Grain Exchange

Early harvest activity in line with recent years but near term outlook weak

Traded volumes by harvest (t)

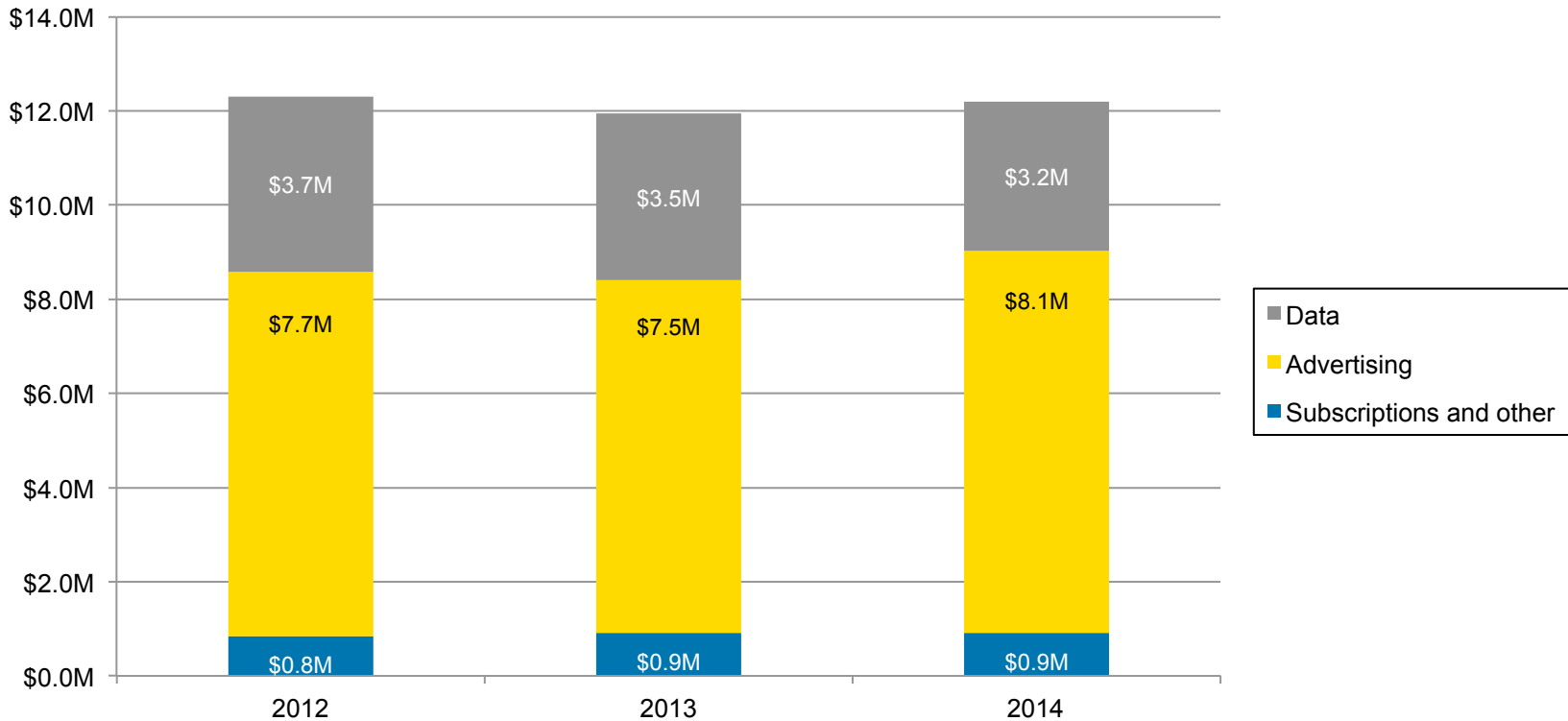




Agricultural information

Small increase in agricultural information revenues

Agri Information Revenue (\$M)

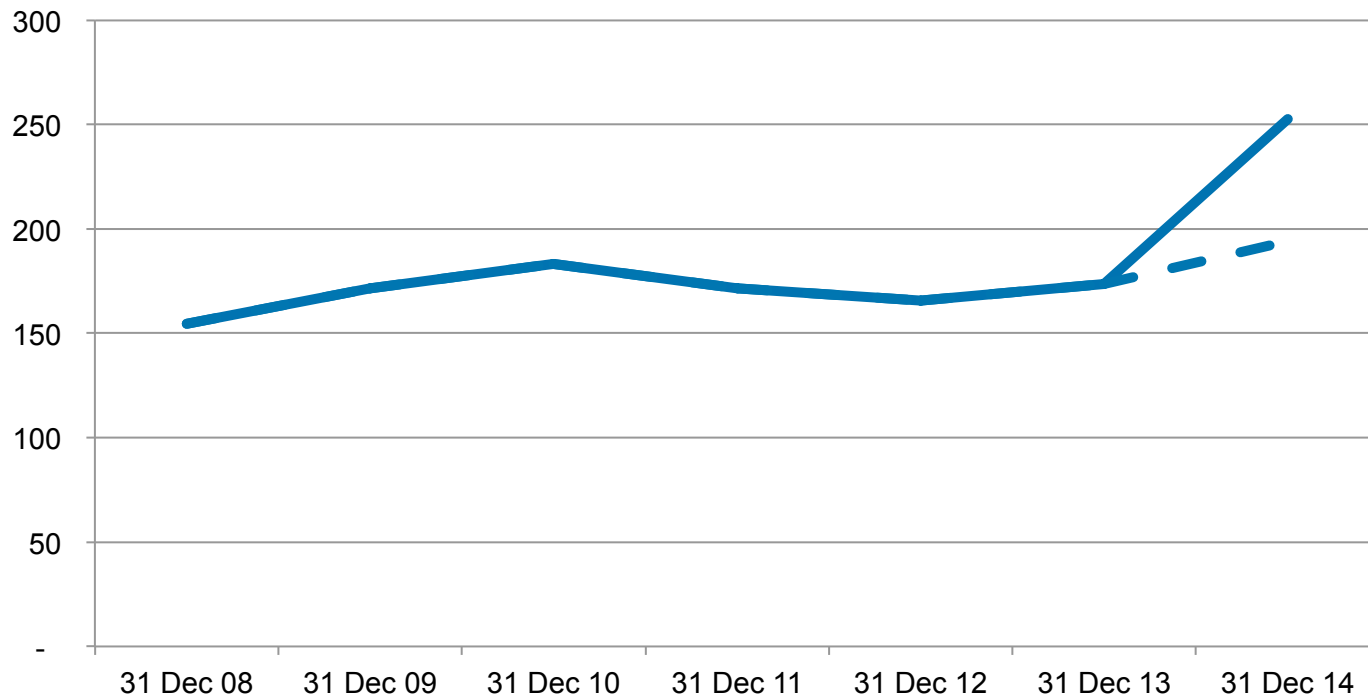




Smartshares

Significant growth in total units on issue

Total Funds Under Management (\$M)



- Units on issue up 45.8% in 2014 over pcp
- Excluding 2 new funds, 11.1%

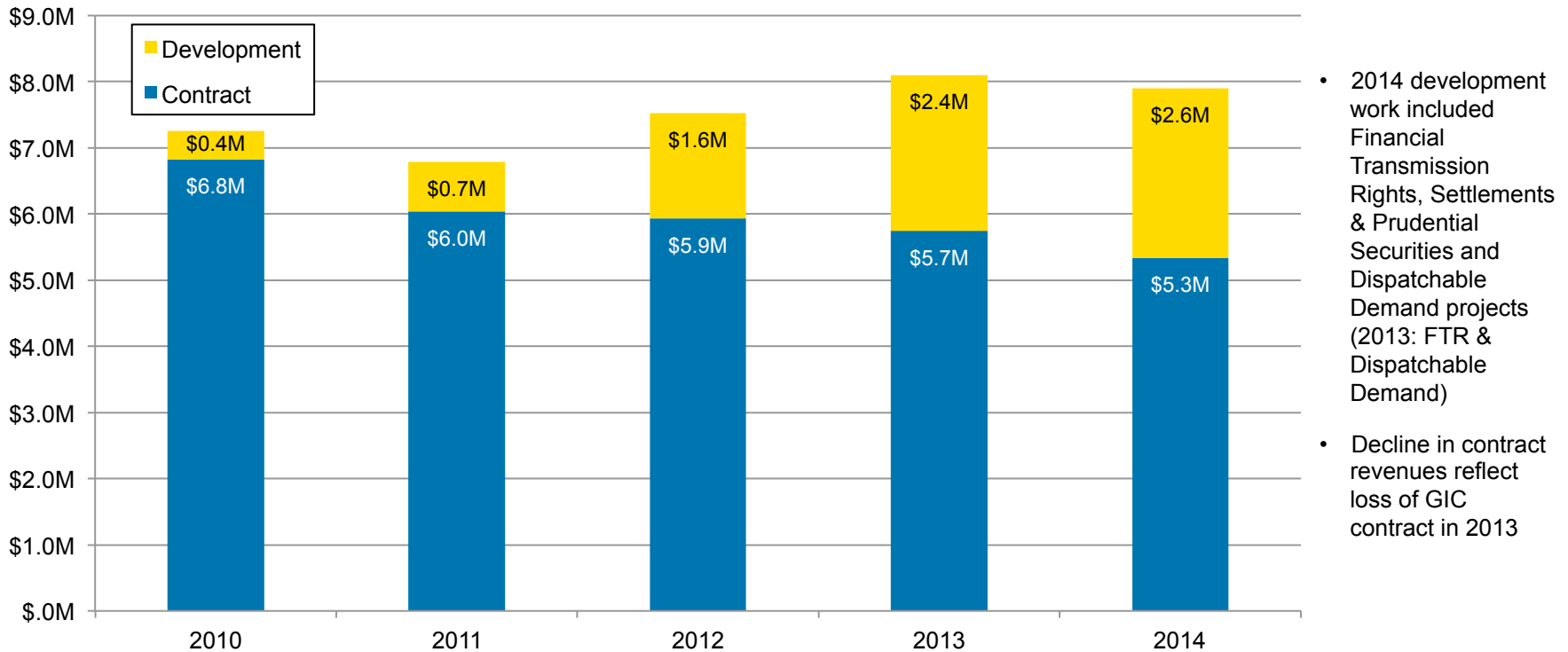
Source: Smartshares



Market Operations

Above average levels of energy consulting activity continued in 2014

Energy Revenue (\$M)



Expenses

	FY 2014 (\$M)	FY 2013 (\$M)	FY 2012 (\$M)	% 14/13	
Employee related cash costs	22.3	20.4	18.6	9.3%	Increased contractor costs, small increase in staff numbers and full period impact of 2013 new hires.
Less capitalisation of labour costs	(0.3)	(0.4)	(0.9)	(30.1%)	Amount of resource allocated to capital projects remained limited in 2014.
Reported Employee Related	22.0	20.0	17.7	9.9%	
Marketing, Printing & Distribution	3.8	3.6	3.8	7.8%	Increased print and distribution costs in rural publications in line with higher ad revenues; increased brand/PR costs associated with refresh of Agrifax brand.
Information Technology	5.8	5.8	5.0	(0.1%)	IT costs remain stable despite growth in activity levels.
Professional Fees	3.4	2.1	2.2	61.6%	High due to SuperLife acquisition, Ralec litigation, cost of tax audit related work and legal costs associated with launch of new Smartshares funds.
Fund Expenditure	1.1	1.1	0.8	(3.4%)	Step up in operating costs relating to 3 new Funds (2013 included one-time remediation costs).
General & Administration	4.5	4.4	4.5	0.9%	G&A costs flat on pcp.
Total Costs	40.6	37.0	34.0	9.6%	



Underlying expense growth under 5%

Drivers of expense growth

- Overall operational expenditure up 9.6% to \$40.6M
 - Most costs items stable
 - Exception of professional fees and employee costs
- Professional fees up \$1.3M (61.6%) due to SuperLife acquisition (\$0.35M), costs associated with the launch of new funds, increased energy consulting relating to energy projects and increased legal costs related to the ongoing Ralec litigation (2014 Ralec legal fees were \$1M)
- Employment cash costs increased \$1.9M comprising
 - Full year impact of 2013 hires, incremental hiring and salary increases: up 4.4% on pcp (\$0.7M)
 - FTEs up from 176 to 188, roles added in regulation, technology and operations
 - Attrition reduced to 16%
 - Contractor resources required for new energy projects up 47.9% on pcp to \$2.9M
- Excluding additional contractor resources and professional fees, underlying cost growth was 3.9%



Other Items

IRD audit and legal update

IRD audit

- The IRD commenced a tax audit of NZX in November 2012. The audit has been ongoing since then and relates to the income tax returns for the years ended 31 December 2008 – 2010.
- In March 2014 the IRD issued Notices of Proposed Adjustment in relation to certain items.
- NZX has reached settlement in principle with the IRD in respect of these matters.
- NZX has made a provision of \$1.2M to account for the tax and estimated use of money interest payable pursuant to the settlement.
- This settlement concludes the tax audit.

Ralec Litigation on-going

- NZX filed proceedings in the New Zealand High Court against the vendors under the sale and purchase agreement entered into with Clear Commodities Pty Limited and Clear Interactive Pty Limited in 2009 (the "Clear SPA") for breach of warranty and associated claims. The vendors have counter-claimed. NZX denies liability and is defending the counterclaim. The quantum of the counterclaim has not been finally particularised but is substantially for the value of the lost opportunity to gain earn-out payments under the Clear SPA.
- An earn-out payment of A\$7M was payable if particular grain tonnages were traded. Clear traded between approximately 13% and 17% of the various tonnage targets between 2009 and 2012.
- An earn-out payment (A\$7M) was also payable if an Agri-portal was completed and put into operation to the satisfaction of NZX within a specified period. The core part of the Agri-portal was to be a spot market and associated data based around the Clear Grain Exchange and one other commodity. Because Clear has not traded at the anticipated or required levels (and therefore the lack of a reference price), the Agri-Portal could not be completed and put into operation to the satisfaction of NZX.
- The case is unlikely to be heard before 2016.
- On the basis of NZX's assessment of the circumstances and the information available to it, NZX has made no provision in relation to this litigation.



SuperLife Acquisition



Acquisition to accelerate the growth of ETF market in NZ (1/2)

Strategic rationale

- The SuperLife acquisition provides the platform to accelerate the growth of Smartshares ETFs in the rapidly growing NZ funds management sector
 - NZ funds management sector expected to grow at 10%-15% annually for the next 10 years driven by KiwiSaver and an increased savings rate
 - Despite a resurgence in listings, this growth rate will be substantially higher than the growth of the NZ capital markets as a whole
 - As a result, offshore equity exposure is increasing faster than domestic (up 21% in 2014 versus 11% for NZ and Au equities¹)
- Globally, exchange traded funds (and passive managed funds more generally) have grown faster than other segments of the fund management market
 - Passive share of global FuM expected to double by 2020¹
 - ETF net funds inflow globally grew 11.9% in 2014, 26.1% in Australia²
- The development of our ETF business is consistent with NZX's strategy of investing in the growth of the breadth and depth of the capital markets
 - ETFs grow the traded product offering, improve liquidity and provide a pool for securities lending
 - TSE launched the first ETF in 1990, Asian exchanges have been actively involved in developing and sponsoring ETFs

1. Source Fundsource

2. Source PWC "Asset Management 2020"

3. NFI / Year end AuM, Source Blackrock



Acquisition to accelerate the growth of ETF market in NZ (2/2)

Business growth

- Aside from low cost and simplicity, ETF growth has been driven by three factors: product breadth, advisor acceptance and investor education
- The acquisition of SuperLife provides the platform for Smartshares to launch a broad range of ETFs in the NZ market at a competitive price point
 - 5 funds were insufficient to provide the breadth of offering required or an 'at scale' cost base
 - 2 new funds were launched in December, with a broad range range of geographies and asset classes available available by the end of 2015
 - A fee structure of 50-60 bps is complete globally with funds of equivalent size, especially in a PIE structure
- NZX intends to combine the Smartshares and SuperLife businesses and manage this funds business independently of other parts of NZX
 - Hiring for a new CEO for the business is underway
 - Independent Directors being sought for the Smartshares/SuperLife boards
 - Group Head of Compliance appointed and internal conflicts management processes reviewed as a result of the acquisition
- Three priorities for 2015 for the business
 - Integrated organisation: commenced, focus on corporate services, compliance and technology
 - Launch and grow new ETFs
 - Integrate and relaunch the KiwiSaver schemes



Transaction Summary

- The purchase price is comparable with recent NZ transactions and lower than offshore traded comparables
 - Price as a % of FuM 1.6 to 2.7¹, versus a range in recent NZ transactions of 1.9 – 3.4
 - Pro forma revenue² multiple of 2.3 to 3.9¹, versus a range in recent NZ transactions of 2.3 – 4.2
 - Pro forma EBITDA multiple of 9.1 to 15.0¹, versus a range in recent NZ transactions of 8.1 – 11.0
 - Listed ETF managers trade at 4-5 % of FuM, 7x revenues³
- The transaction structure reflects the nature of the existing business and the range of possible future growth outcomes
 - First earn out payment to protect in event of FuM loss from existing employer superannuation schemes
 - Second earn out payment to be made should growth in FuM reach a three year CAGR of 7%-11%

1. Multiple dependent on whether earnout targets are met

2. Revenue includes fees paid to third party managers in order to be comparable with other entities

3, Wisdomtree, Horizon



Transaction details

- The initial consideration for the purchase was \$20M which was satisfied through the issuance of \$10M in NZX shares at the issue price of \$1.21 and \$10M in cash funded by bank debt
- In addition, the sale and purchase agreement provides for additional consideration of up to \$15.0 million dependent on the retention and growth of SuperLife's FuM over a three year period ending 31 December 2017. These further payments, if targets are achieved, will be \$5.0 million of NZX ordinary shares at an issue price of \$1.21 per share and up to \$10.0 million in cash
- The issue of the \$5.0 million of NZX ordinary shares will be payable if SuperLife's FUM exceeds \$1.207b for a period of twelve consecutive months
- Up to \$10.0 million in cash will become payable at 31 December 2017, with the amount payable dependent on the rate of growth in FUM over the three year earnout period. No additional amount is payable if FUM is less than \$1.41b at 31 December 2017 (equivalent to a 7% compound annual growth rate). The full \$10.0m is payable if FUM exceeds \$1.57b (equivalent to an 11% compound annual growth rate). Partial payment of the earnout amount will result if FUM at 31 December 2017 is between \$1.41m and \$1.57m



Overview of the SuperLife Business As at 31 December

Employer Superannuation

Funds Under Management \$872m at 31.1.15
Members 16,000

- Operates under a Master Trust structure
- Insurance offered via third parties
- Employers set scheme rules for their employees
- Members exit on retirement or change of employer – can remain as individuals

KiwiSaver

Funds Under Management \$393m at 31.1.15
Members 26,000

- Majority of members former members of SLSS
- Growth fund MER of 1.04%, second-equal lowest for growth funds (source: sorted.co.nz)
- Select standard or tailored investment strategies

Funds Under Management \$M

Managed directly	
• NZ Equities	181
• Other	75
Managed by third-party managers	
• Fixed Income	523
• Global Equities	389
Funds in ETFs	
• Australian Equities	93
• Other	4

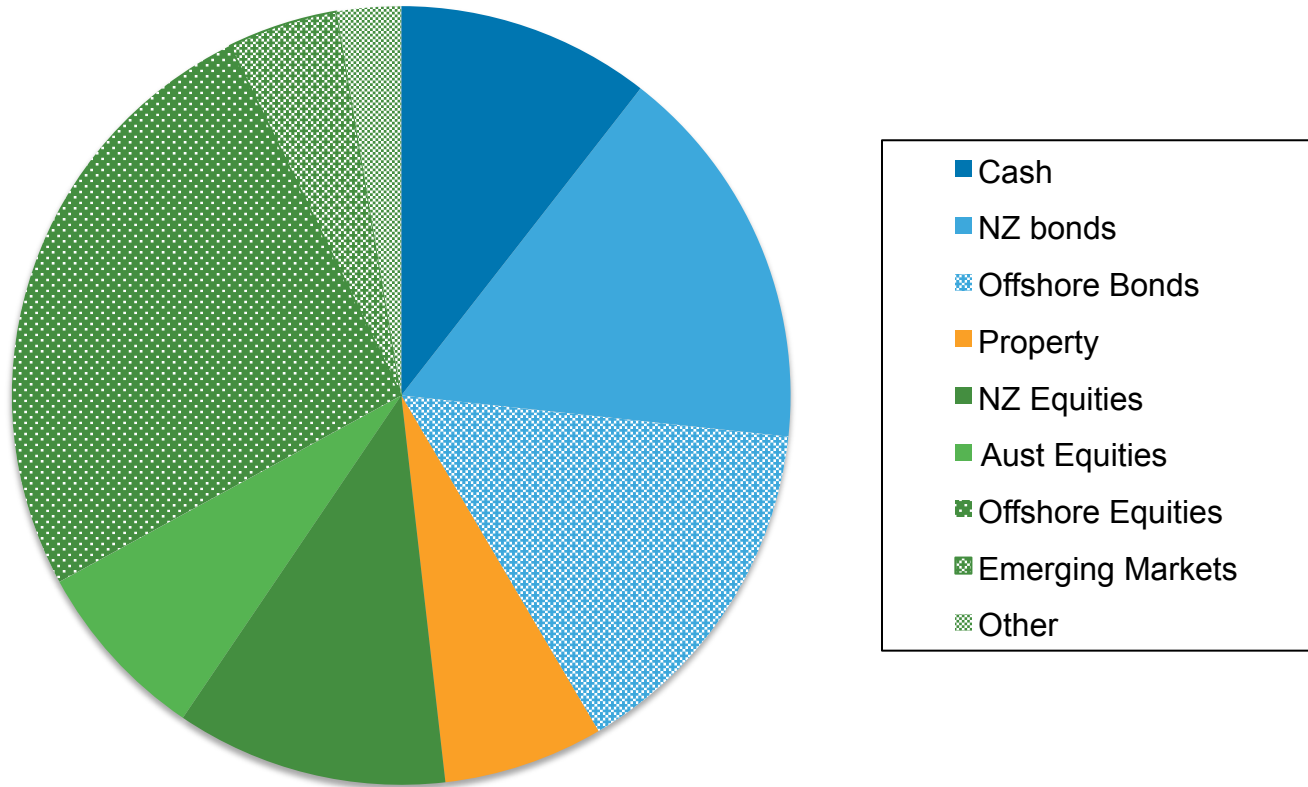
Other

- Organisation
- ~ 40 employees
 - Over 15 years' experience in NZ superannuation

Platform

- Highly flexible, allows daily fund rebalancing by members
- Broad range of investment options, from cash to emerging market shares

Portfolio Composition At 31 December 2014



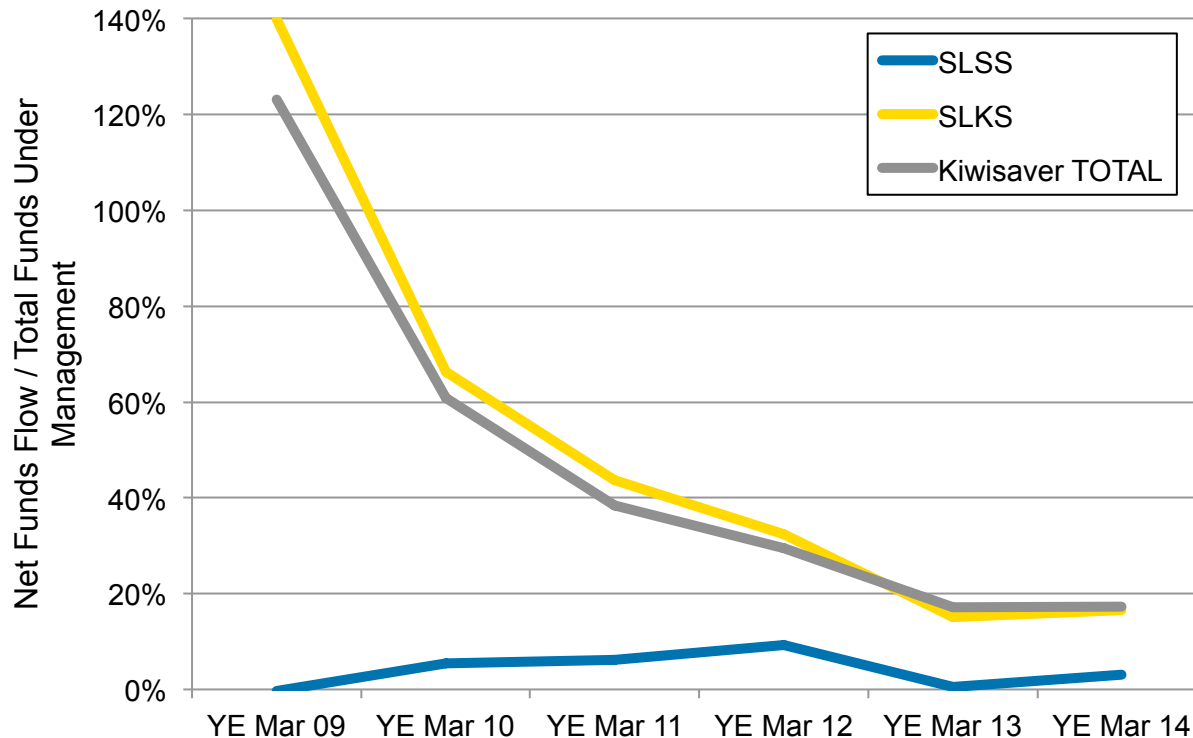


Pro forma financials

Year ended 31 December 2014	\$000
Funds management fees	6,378
Total revenue	6,378
Personnel costs	(3,239)
Other expenses	(941)
Total expenses	(4,180)
EBITDA	2,198

- Financial information for the 12 months ended 31 December 2014 is pro forma as SuperLife Limited has a balance date of 30 June and its historical financial results were not reflective of the business in the form acquired by NZX.
- Revenues and expenses presented above exclude approximately \$2.1m of costs incurred with third party managers and other related expenses that are currently paid directly by the scheme.

SuperLife Superannuation (SLSS) and KiwiSaver (SLKS) Schemes Net Funds Flow Relative to Funds Under Management



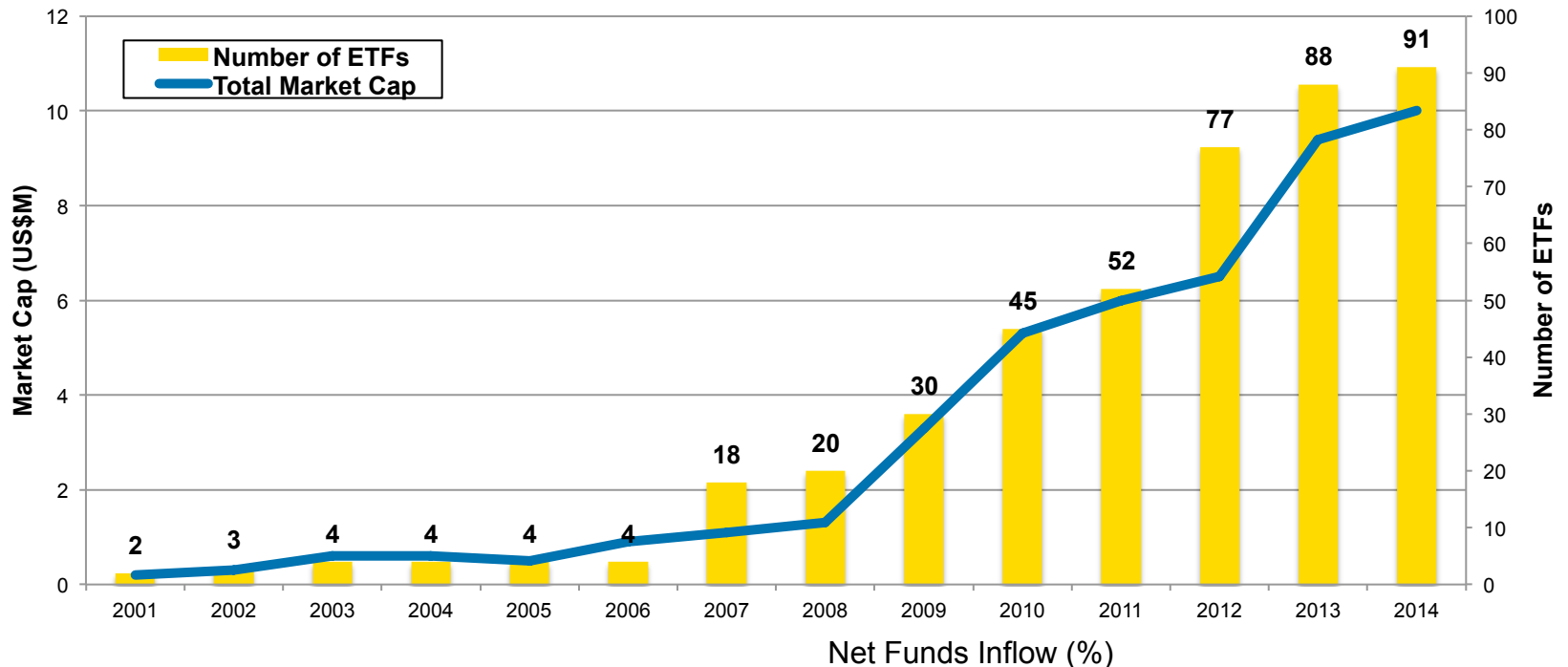
Comment

- KiwiSaver growth rates declining as schemes mature
- SLKS achieved around market growth
- SLSS growth as expected for a mature employer-based superannuation scheme

Note: Total FuM each year calculated as average of opening and closing FuM balance

Source: FundSource, SuperLife

Growth in Australian ETFs kick started by launch of 14 funds in 2007 ASX Listed ETFs



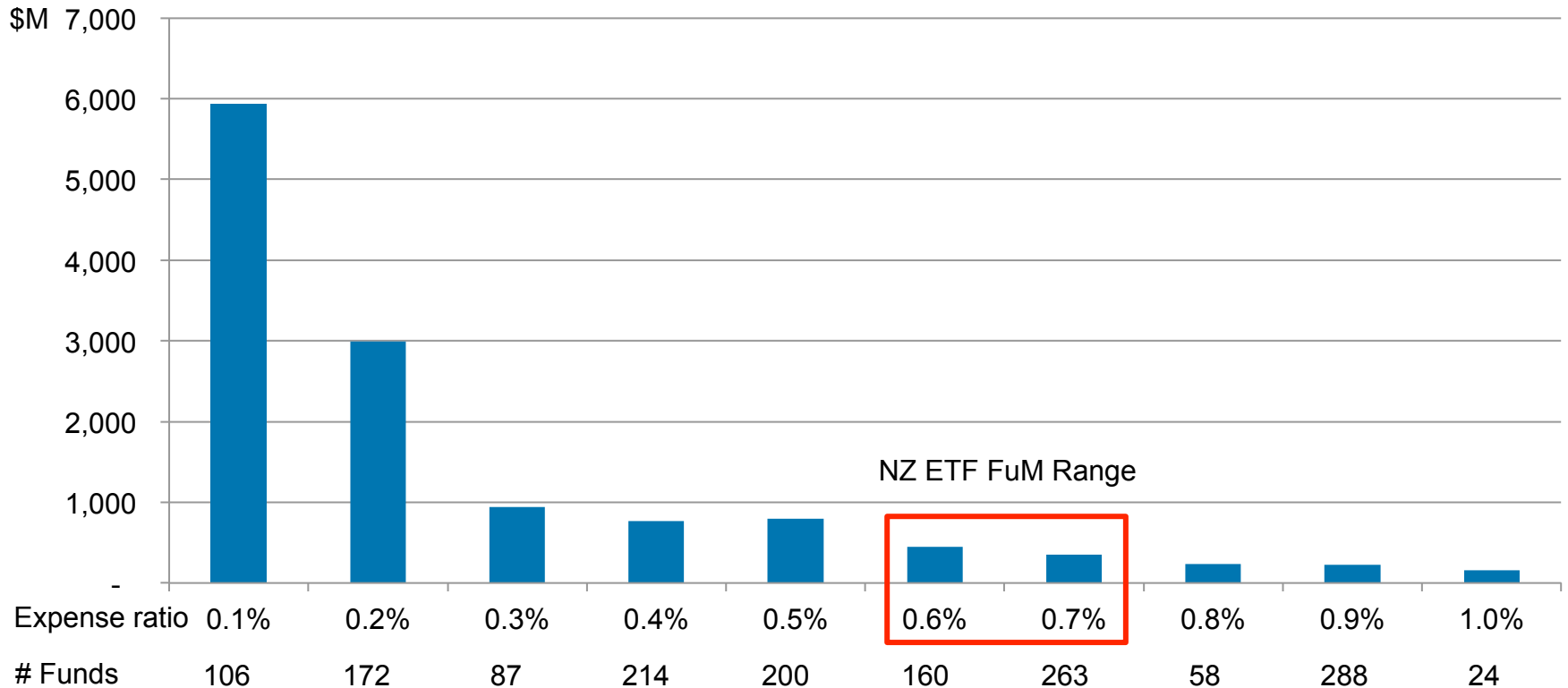
Source: Bloomberg, Morningstar, ASX

http://www.asx.com.au/documents/products/asx_ETF_landscape_blackrock_10_year_celebration.pdf



Relative to FuM size, NZ ETFs are cost competitive

US ETF expense ratio versus average fund size





Outlook 2015



Outlook for 2015

Revenues

Business	Outlook
<p data-bbox="112 519 452 568">Capital markets</p> <ul data-bbox="494 508 826 576" style="list-style-type: none">• Capital raising• Trading and clearing	<ul data-bbox="877 425 1870 662" style="list-style-type: none">• Provided that market conditions remain favourable, another positive year for listings expected. IPOs expected to continue to be smaller to medium sized companies• Potential for increase in secondary capital raising given historic low in 2014• NXT market expected to be earnings neutral in year one• Expect moderate growth in trading volume and value
<p data-bbox="112 982 397 1082">Soft Commodities</p> <ul data-bbox="494 999 703 1068" style="list-style-type: none">• Listing• Participant services• Securities data	<ul data-bbox="877 685 1870 1153" style="list-style-type: none">• With all significant market data contracts now denominated in NZD, securities data revenues are anticipated to be more stable in 2015. Revenues will be primarily dependent on trend in terminal numbers. While there has been significant month on month volatility, overall terminal numbers trend in 2014 was slightly positive• Initial listing fees raised 1st Jan, mid-year annual listing fee review <ul data-bbox="877 913 1870 1153" style="list-style-type: none">• High grain prices at the start of the 2014/15 harvest resulted in rapid selling of crop. Little grain remained in silo by January 2015. As a result, 1H 2015 grain trading revenues are expected to be down on the prior period.• Dairy derivative volumes expected to continue their strong growth profile• Ongoing price volatility increases the attractiveness of hedging through futures and options



Outlook for 2015 Revenues

Business	Outlook
<p data-bbox="112 482 355 582">Agricultural information</p> <ul data-bbox="494 482 730 582" style="list-style-type: none">• Publications• Agri Data (NZ and Aus)	<ul data-bbox="813 425 1870 639" style="list-style-type: none">• Outlook for agri publications uncertain given significant drop in dairy payout which will impact farm incomes in 2015 and potential for adverse climatic conditions• Online revenues continue to gain momentum off a relatively low base• Continue to look at opportunities for bolt-on acquisitions in data business
<p data-bbox="112 748 401 848">Funds Management</p> <ul data-bbox="494 765 714 833" style="list-style-type: none">• Smartshares• SuperLife	<ul data-bbox="813 671 1870 925" style="list-style-type: none">• SuperLife results consolidated into NZX Group from 1 January 2015. Continued net funds inflow and member growth anticipated to drive growth in SuperLife revenues• Solid growth in existing ETF products in 2014 expected to continue• Significant expansion in ETF portfolio will accelerate revenue growth, though with initial set up costs and fixed costs to be covered, new ETFs not expected to make significant contribution to earnings in year one
<p data-bbox="112 1016 355 1116">Market Operations</p> <ul data-bbox="494 1033 653 1102" style="list-style-type: none">• Energy• Fonterra	<ul data-bbox="813 956 1870 1173" style="list-style-type: none">• Primary focus of energy business in 2015 will be on the expected tender for the EA contracts.• Existing consulting projects complete in Q1 2015• Some additional consulting work in pipeline, though with primary focus of EA on likely tender of service provider roles, expect consulting activity to be approximately half that of 2014



Outlook for 2015 Costs

Cost category	FY14 (\$M)	Outlook
Employee, Contractor & Related	\$22.0	<ul style="list-style-type: none">• Addition of SuperLife to the cost base• No increase in headcount for existing business• Lower contractor costs due to completion of consulting projects.• Increased staff capitalisation due to clearing system upgrade
Marketing, Printing & Distribution	\$3.8	<ul style="list-style-type: none">• Expect to be relatively stable compared to 2014.
Information Technology	\$5.8	<ul style="list-style-type: none">• High single digit increase as a result of cost of implementing new subscription billing system and other new applications
Professional Fees	\$3.4	<ul style="list-style-type: none">• Dependent on progress of Ralec litigation (FY14 \$1.0M)• Reduction in other professional fees due to one-off costs of SuperLife acquisition in 2014 and completion of IRD audit
Fund Expenditure	\$1.1	<ul style="list-style-type: none">• Fund expenditure in ETF business expected to grow in line with revenue
General & Administration	\$4.5	<ul style="list-style-type: none">• Addition of SuperLife to cost base• No increase in cost base in existing business



Outlook Summary

- We have established a stable, scalable platform to grow the business – focus is now on execution
- The key drivers of performance in the near term will be:
 - Continued momentum in capital markets
 - Successful integration of SuperLife and resulting growth of the funds management business
 - Subject to the Reserve Bank’s process, formation of a single securities settlement system in NZ
 - Successful tender/renewal on acceptable commercial terms of Electricity Authority contracts (impact on 2016 revenue)
 - Gaining traction in Agri data
 - Executing a repositioning of the Australian business (Clear) and a resolution to the Ralec litigation (court date not likely before 2016)

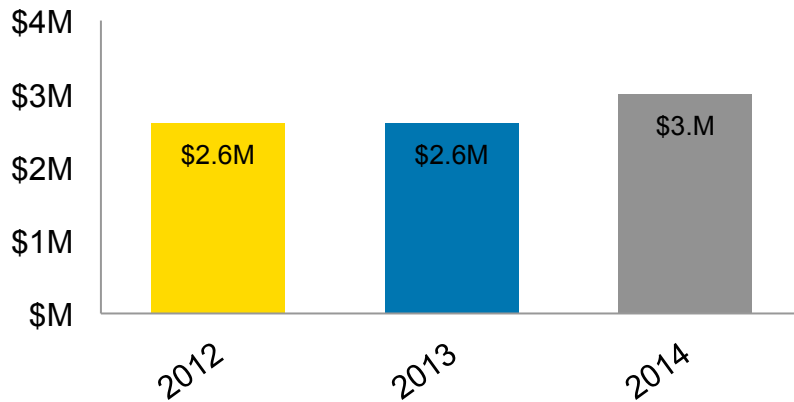


Capital Structure and Investments



Link Market Services

EBITDA (\$M)



Commentary

- Net dividends and preference share redemptions paid to NZX in FY14 of \$0.5M
- FY14 EBITDA up 13.2% pcp (FY13 performance impacted by the cost of shifting premises)

Outlook

- Continued success in winning mandates, including new issues

Link NZ	2014 (\$M)	2013 (\$M)	% change
Operating Revenue	\$8.6	\$7.7	11.8%
Operating Expenditure	(\$5.6)	(\$5.1)	11.1%
EBITDA	\$3.0	\$2.6	13.2%
EBITDA Margin	34.4%	33.3%	
NPAT	\$1.3	\$1.1	17.5%



Balance Sheet and Capital

	31 Dec 2014 (\$M)	31 Dec 2013 (\$M)
Assets		
Cash and equivalents ⁽¹⁾	\$54.52	\$50.89
Goodwill	\$13.23	\$13.23
Other intangible assets	\$23.36	\$26.87
Other assets	\$14.73	\$11.97
Total Assets	\$105.84	\$102.96
Liabilities and Equity		
Other current liabilities ⁽¹⁾	\$52.09	\$50.41
Deferred tax	\$2.66	\$3.03
Total Liabilities	\$54.75	\$53.44
Equity	\$51.09	\$49.52
Total Liabilities and Equity	\$105.84	\$102.96

Notes

- At 31 December 2014 total ordinary shares on issue was 255,613,669

(1) Includes \$34.36M of cash held on behalf of market participants

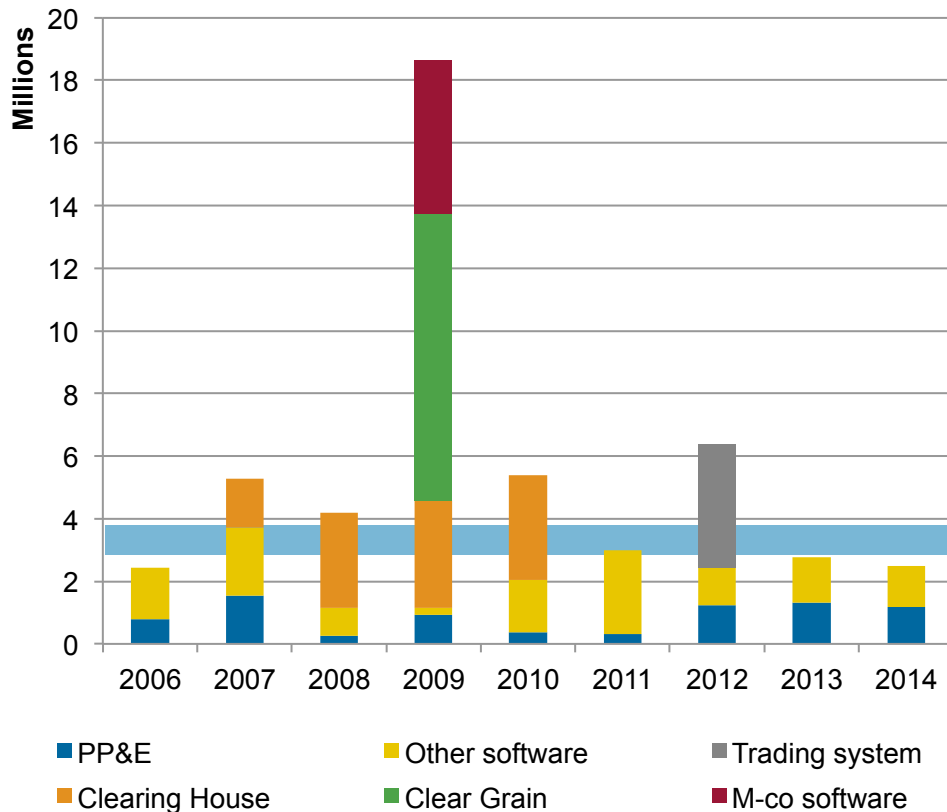
Operating cash flow

	2014 \$000	2013 \$000	2012 \$000	2011 \$000	2010 \$000
EBITDA	24,601	25,774	22,034	25,225	20,892
Operating cash flow	16,091	26,187	19,088	20,640	17,112
Ratio	65%	102%	87%	82%	82%

- Decline in operating cash flow in 2014 is a function of:
 - An unusually high cash flow in the prior year due to favourable working capital movements, including the timing of high value contracted revenues
 - A change in the timing of tax payments resulting in \$1.4m higher payments in 2014 compared to 2013
 - A change in the timing of annual support and maintenance payments on major IT systems resulting in both 2014 and 2015 billings being paid in 2014 (cash flow impact \$0.9m)
 - Adverse changes in working capital balances

Capex

Investment requirements driven by system lifecycles, capital expenditure expected in increase in 2015



- “BAU” capital expenditure has averaged \$2-3m p.a. over recent years, with peaks driven by system implementations/renewals
- Clearing system upgrade will commence in 2015, expected completion mid 2016. Cost estimates have been refined following further detailed work. Total project capex now expected to be \$3.5-4m, with \$2-3m of this currently expected to fall into 2015. Of the total project cost, \$1.2-1.5m is expected to be capitalised NZX staff costs
- Fit-out expenditure in 2015 for the refresh of the Wellington office premises anticipated to be \$1.5m
- No other major projects currently contemplated



Share Capital

	31 Jan 2015 ¹	31 Dec 2014	31 Dec 2013
Ordinary shares on issue			
General	262,303,132	254,038,669	253,997,949
CEO shares	1,575,000	1,575,000	1,575,000
Total ordinary shares on issue	263,878,132	255,613,669	255,572,949
Restricted shares			
Employees (Team & Results)	490,983	490,983	373,624
Total restricted shares on issue	490,983	490,983	373,624
Total shares on issue	264,369,115	256,104,652	255,946,573

¹After issue of shares for acquisition of SuperLife



Dividends and dividend policy



2H 2014 Dividend

- Final 2014 dividend of 3.0 cents declared in line with previously announced guidance that NZX intends to pay a full year distribution for the 2014 financial year of 6.0 cents per share (subject to commitments, working capital and solvency requirements)
- Dividend to be fully imputed
- To be paid on 27 March 2015 for holdings as at 13 March 2015



Distribution policy

- Distributions are to be based on a target payout ratio of 80% of free cash flow (defined as operating cash flow less purchase of property plant and equipment and intangible assets)
- NZX expects distributions to continue to be fully imputed
- The application of the distribution policy will be subject to the future commitments of NZX
- The policy aligns shareholder distributions with available cash flows and is expected to maintain an appropriately sound capital structure in line with NZX's position as a systemically important institution in the New Zealand financial markets



Investor Information

- Final dividend of 3.0 cents per share fully imputed declared
- Record date 13 March 2015 and payment date 27 March 2015
- NZX full financial reports available to download at:

<http://nzxgroup.com/investor-centre/reports-information>

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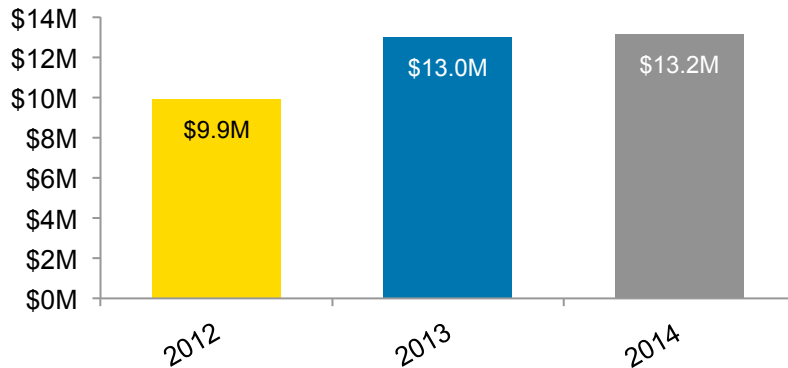


Appendix Business Review



Capital Markets: Listings

Revenue (\$M)



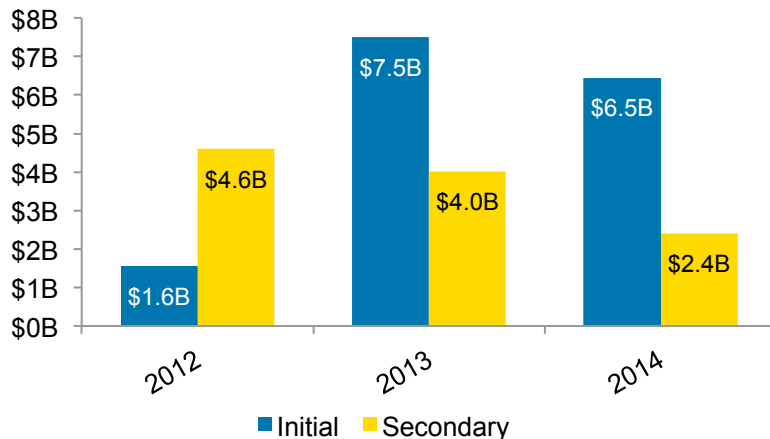
Commentary

- Record year for number of new listings
- FY14 listings revenue of \$13.2M, up 1.3% on pcp
- Annual listing fee revenue growth of 9.4% - flow on impact of 2013 and 2014 listings
- Offset by reduction in secondary listing revenue (down 16.6% on pcp)

Outlook

- IPO pipeline expected to remain strong into 2015
- Outcome highly dependent on market conditions
- Listing fees review to occur during Q2 with changes effective 1 July
- Launch of NXT market to support smaller, growth orientated companies expected Q2

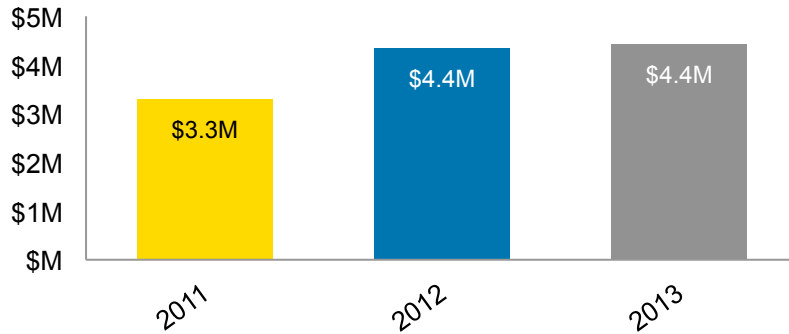
Total Capital Raised: Equity + Debt (\$B)





Capital Markets: Trading

Cash markets Revenue (\$M)



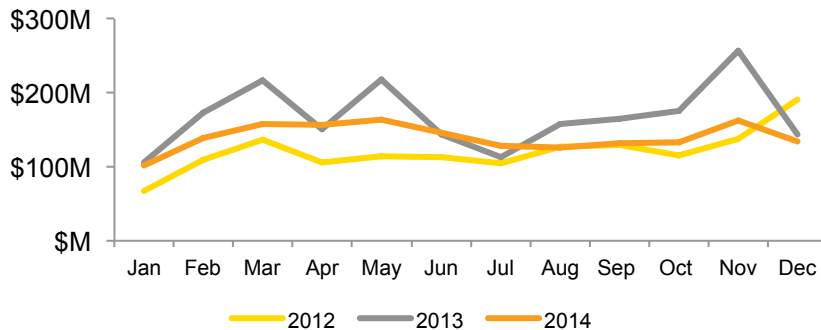
Commentary

- Trading revenue across cash market up 1.8% on pcp
- Average daily trades at 5,209 up 9.8% on pcp
- Average daily value at \$140M down 17.2% pcp

Outlook

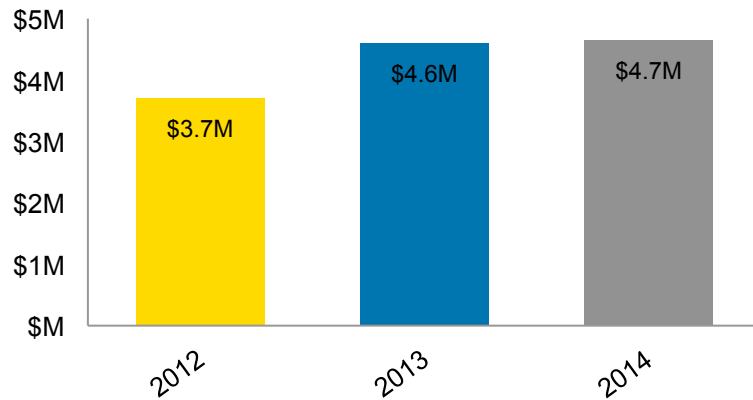
- New listings and increase in free float market capitalisation expected to continue to positively impact trading activity

Average Daily Value Traded



Capital markets: Clearing

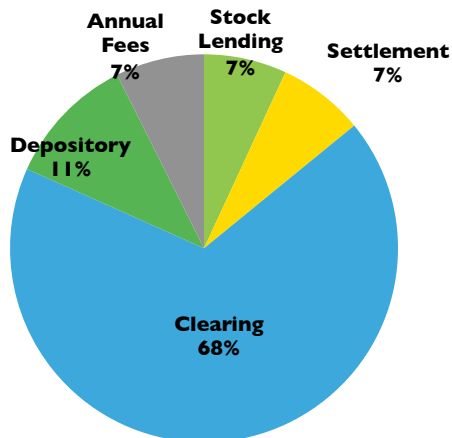
Revenue



Commentary

- Securities clearing revenue negatively impacted by reduced trade volumes, up only 1.3% on pcp
- Reduction in depository transactions with 22,501 transactions, down 5.9% on pcp
- Stock lending of \$2.2B during FY14 down 22.7% on FY13

Clearing House Revenue Split

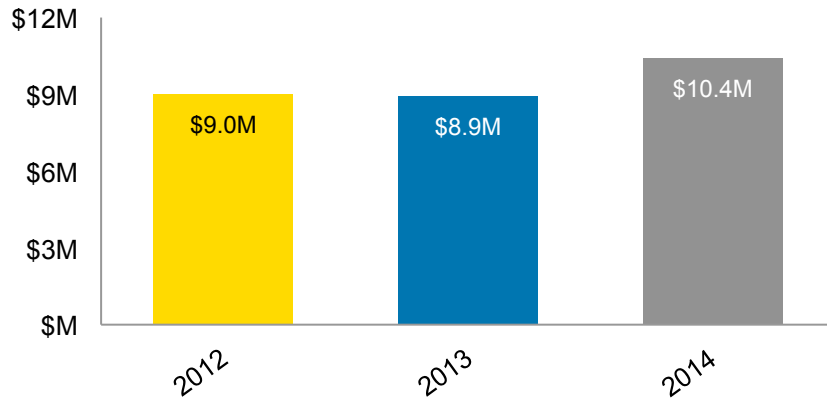


Outlook

- Clearing activity strongly correlated with trading

Capital Markets: Securities Information

Revenue (\$M)



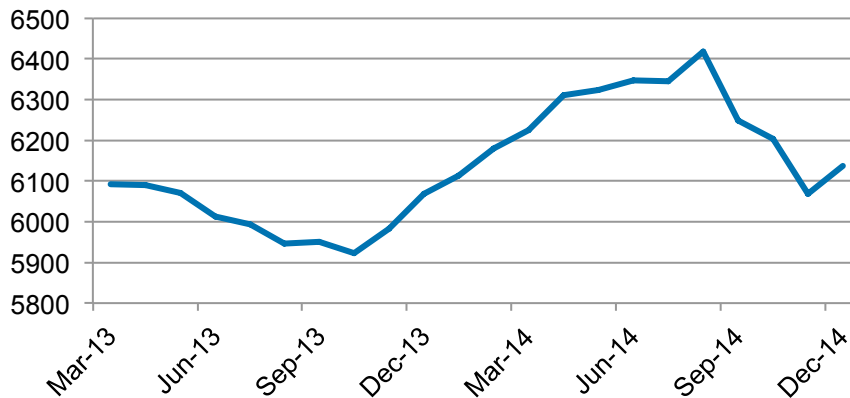
Commentary

- Strong growth in FY14 revenue, up 16.6% on pcp
- Approx \$0.6M one off audit revenue
- Professional data terminals increase 1.1% on pcp
- Retail data terminals increase of 9.5% on pcp
- Full year impact of conversion of all contracts to NZD billing (eliminating exposure to USD exchange rate movement)

Outlook

- Ongoing sales effort focused on new subscription growth

Professional data terminals*

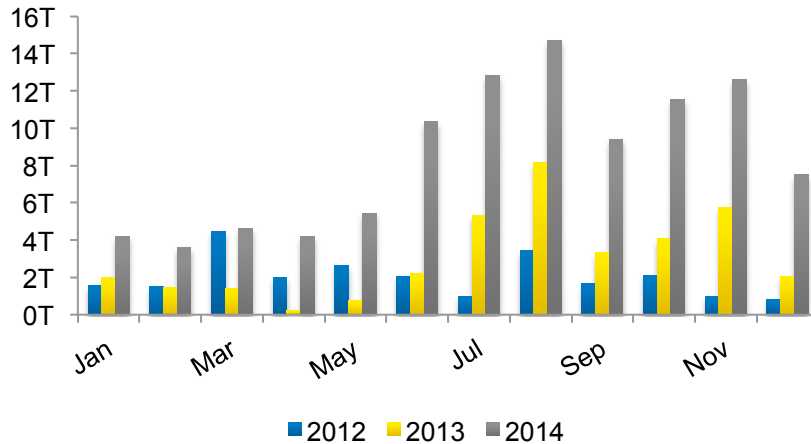


*3 month rolling average



Soft Commodities: Dairy Futures

Dairy Futures Lots Traded ('000)



Competitor Dairy Futures Performance

Exchange	Contracts	Date Listed	Lots Traded
CME	SMP	10 May 10	1 (delisted)
Eurex	SMP	10 May 10	8,373
NYSE Liffe	SMP	10 Oct 10	19 (suspended 21 July 2014)
NZX	WMP, SMP, AMF, Butter	10 Oct 10	174,383

Please note: volumes represent total volumes per market and includes WMP options in the case of NZX. Eurex contracts are 5 tonne equivalent and the Euronext contract was 24 tonne equivalent, whereas NZX contracts are 1 tonne equivalent.

Commentary

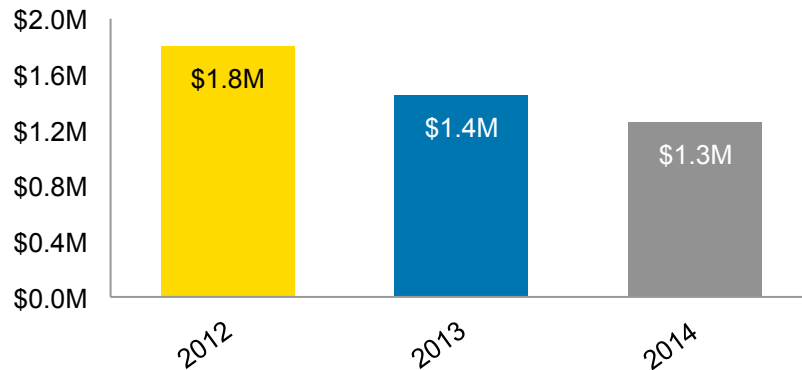
- Derivatives volumes in FY14 were 174.9% higher than the volumes in FY13
- Average monthly volume of 8,418 lots versus 3,062 lots in pcp
- 14,723 lots traded in August 2014, the highest monthly volume to date

Outlook

- Continuation of organic growth expected as new traders enter the market
- Growth underpinned by CFTC approval in January 2014 which enables direct access by US regulated traders

Soft Commodities: Grain Trading (Clear)

Revenue



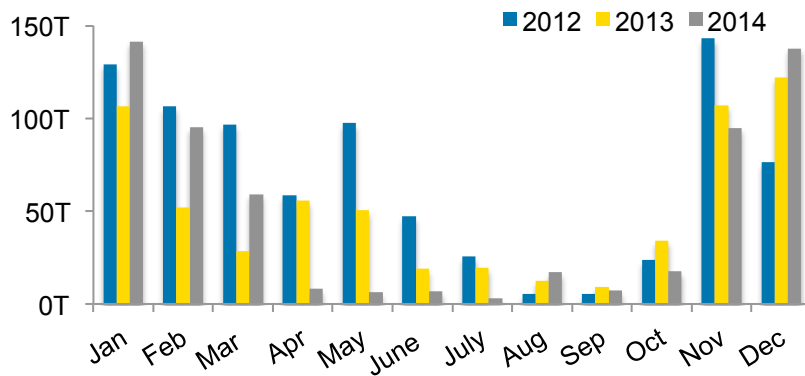
Commentary

- FY14 Revenue of \$1.3M is down 13.5% on pcp
- FY14 volume of 594,619 tonnes down 3.6% on pcp
- Launch of forward contract trading
- MOU entered into for promotion of CGX in West Australian market

Outlook

- 2014/2015 harvest commenced during Q4; harvest to Jan 15 volumes tracking 25.9% below pcp
- Trade volumes expected to remain low for remainder of harvest as a result of a smaller harvest, high prices early in the harvest and a continuing reduction in GrainCorp's market share

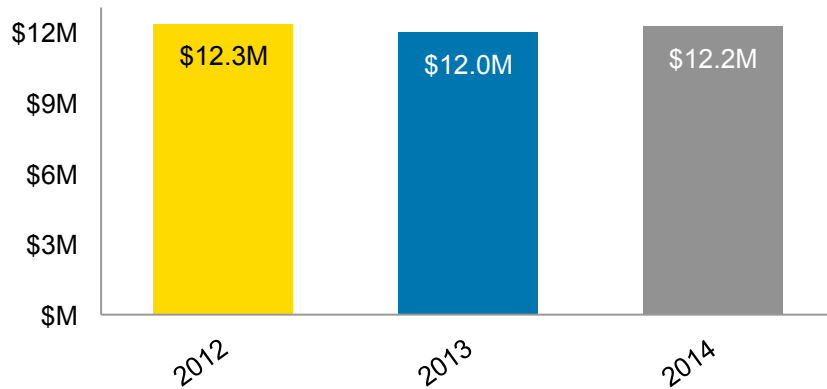
Monthly Volume (Tonnes)





Agricultural information

Revenue



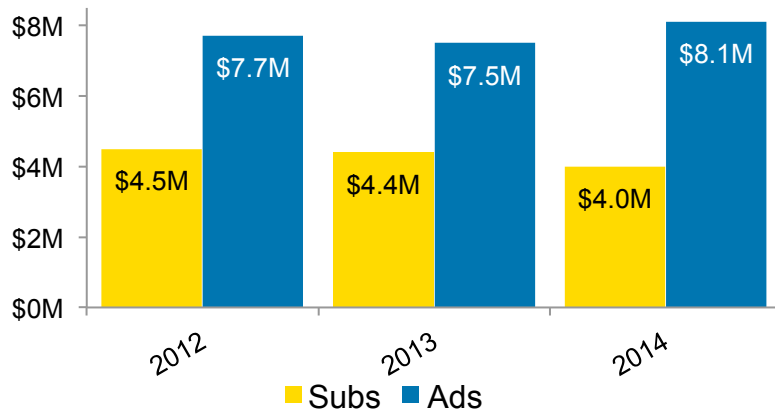
Commentary

- FY14 revenue of \$12.2M, up 2.1% on FY 13
- Total paid advertising page equivalents up 1.6% on pcp to 2,483

Outlook

- Uncertainty around the milk price pay-out and potential drought expected to negatively impact advertising revenue

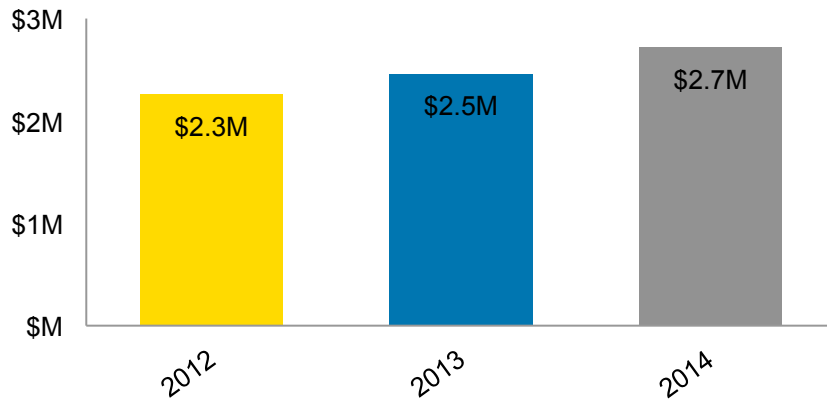
Advertising and Subscriptions Trend





Funds Management

Revenue (\$M)



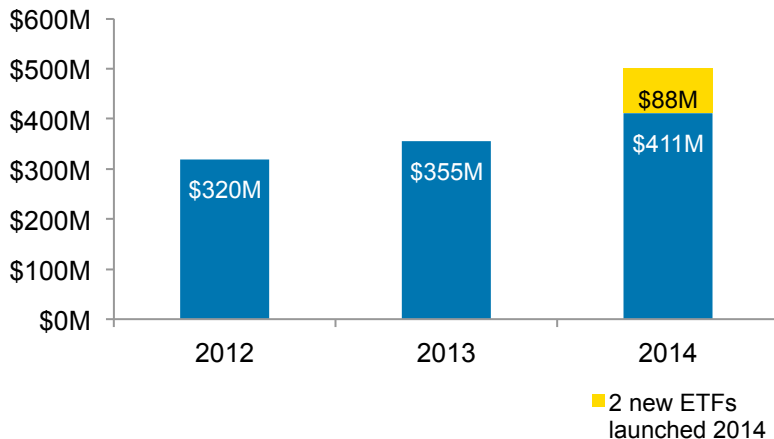
Commentary

- Revenue at \$2.7M up 10.5% on pcp
- FUM of \$499M up 40.4% on pcp
- Units on issue of 253M up 45.9% on pcp
- Launch of 2 new ETFs (ASD & ASP) in Q4 and NZ Core Equity Fund in Q3
- Acquisition of SuperLife

Outlook

- Funds management sector growing with an under-representation of passive funds
- Expect to launch multiple new funds in 2015

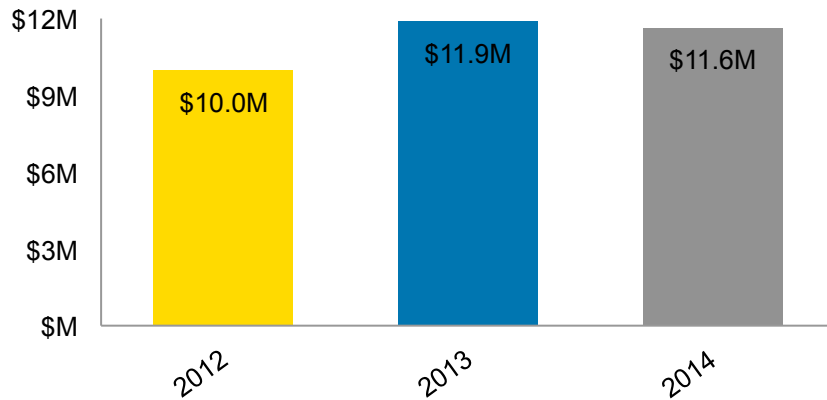
FUM (\$M)



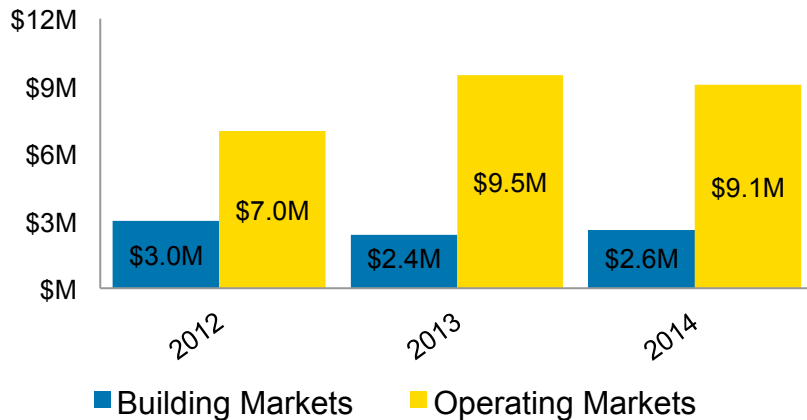


Market Operations

Revenue



Revenue



Commentary

- FY14 revenue of \$11.6M, down 2.0% on pcp

Outlook

- EA contracts expire 2016 and are expected to be retendered in 2015. NZX will be seeking to retain these contracts
- Expect significantly lower consulting revenue (approximately 50% reduction) in 2015 with existing projects coming to an end