

[Template of shareholder communication]

19 February 2018

Dear [insert name],

NZX Full Year 2017 Results & Annual Report Published

CSN number: [inserted]

NZX today reported a strong full year result for the year ended 31 December 2017.¹

- Net profit after tax increased to \$14.8 million, up 61.6%;
- Operating earnings up 31.3% to \$29.0 million on a like-for-like basis;²
- Operating expenses decreased 11.6% on a like-for-like basis as cost control initiatives continued;
- First dividend increase since 2013 to 3.1 cents per share; and
- Full year 2018 operating earnings expected to be within a range of \$28.0 million to \$31.0 million.³

2017 marked a fundamental reset of NZX. We refreshed our strategy to renew our focus on the Core Markets business and the customer, as our team drove initiatives to support the continued development of New Zealand's capital market.

We achieved this result through growth in our Funds Management and Dairy Derivatives businesses, and an improved Agri result. This was against the backdrop of the Core Markets business, which had lower new issuance revenues, but improved data growth. It was also underpinned by an unrelenting focus on cost management, the absence of one-off costs associated with previous financial years, and efficiency gains.

NZX delivered a strong financial result in a very busy year. The development of our strategy was a critical piece of work in 2017, as was the delivery of several necessary projects which have put our business on a sound footing to deliver into the future.

Our annual report is available to view [here](#), and our full year results announcement and investor presentation can be accessed [here](#).

¹ Comparisons are to the 2016 financial year

² Like-for-like excludes impact of 2016 Agri business disposals

³ Guidance assumes no material adverse events, significant one-off expenses or major accounting adjustments

Dividend of 3.1 cents per share

The board declared a final ordinary dividend of 3.1 cents per share, which is fully imputed and brings the total ordinary dividend declared for the financial year to 6.1 cents per share. This increase reflects the board's confidence that the refreshed strategy will deliver improved profitability and earnings.

The board is also pleased to announce it will offer a dividend reinvestment plan (DRP) which will be in place for the 2018 interim dividend in response to shareholder feedback. The board recognises the important role DRPs play in rewarding investors for their loyal support, and it is a convenient way of reinvesting dividends back into the company's shares. In addition to this, the board introduced a new dividend policy, which will come into effect for the 2018 financial year onwards, further information is available in the annual report.

Delivering on our strategy – 2018 and beyond

We recognise that the Core Markets business is our fundamental growth platform. We are committed to delivering more investable product, deepening liquidity levels, and improving participation rates. Our refreshed strategy is also a major step change for NZX as we shift our focus away from a regional stock exchange model, and look to create strong linkages and partnerships with global exchanges who are committed to promoting confidence and co-operation in their respective markets. With a strong focus on these elements it is imperative that our team continues to progress against our initiatives to grow New Zealand's capital market.

We know we have a lot to do. We are optimistic about our growth prospects, and most importantly, we are passionate about playing our part to deliver for the market and our shareholders.

As part of the board's customer engagement programme we will hold our annual meeting in Christchurch on 13 April 2018. This will follow a board meeting and a series of customer and stakeholder visits in the region, which will provide an opportunity for directors to engage with the region's business community. I look forward to updating you on the implementation and delivery of our strategy at this meeting.



James Miller, **Chairman**