

## Expenses

ASX's operating expenses were \$132.5 million for the year ended 30 June 2003, a 4.1% increase on the \$127.2 million during the previous year. Excluding the one-off write-down of \$5.046 million capitalised expenditure on ASX FundConnect, ASX's recurrent expenditure was \$127.5 million, a 0.2% increase on the previous year.

Operating expenses totalling \$127.5 million comprises:

- Staff expenses of \$63.6 million, up 2.8%;
- Occupancy expenses of \$16.4 million, down 6.0%;
- Equipment expense of \$30.6 million, down 0.2%; and
- Other expenses of \$16.8 million, down 2.5%.

Separately recorded is the write-off of project expenditure on ASX FundConnect of \$5.046 million. ASX had full-time equivalent (FTE) employees of 568 at 30 June 2003.

Occupancy expense has reduced following the reversal of a provision for subleasing income relating particularly to ASX's Melbourne premises. ASX has been able to more effectively sublet surplus space than originally provided for, which also explains some volatility in ASX's occupancy expense during the past few years.

Equipment expenses have been well contained during a period of rising prices and pressure to continually reinvest in ASX's systems. Within equipment expenses is the majority of ASX's depreciation expense and amortisation of capitalised assets including software and technology. Total depreciation and amortisation expense amounted to \$17.2 million, down from \$18.6 million during the previous year.

Other expenses includes administration, travel, legal and professional fees, advertising, promotion and marketing. These expenses have again been well contained through tight controls and the prudent allocation of resources, reducing by 2.5% from the previous year.

## Cash flow and capital expenditure

ASX is a business that generates strong levels of free cash flow. In part this reflects that ASX manages little or no inventory and therefore working capital demands from free cash flow generally remain stable. During the past three years ASX has also focused on the level of capital invested into maintenance and enhancement of systems, infrastructure and assets. This reduction in the level of fixed capital investment is evidenced through a declining depreciation and amortisation charge.

During the year, ASX had capital expenditure of \$10.1 million compared with \$8.2 million the previous year. Depreciation and amortisation (excluding goodwill) reduced to \$17.2 million from \$18.6 million last year.

As a result, ASX's cash balance reached \$87.7 million at 30 June 2003.

## Dividends

The Board declared a fully franked final dividend of 18.1 cents per share, consistent with ASX's policy to pay 70% of reported profit after tax. In addition, the Board has been able to declare a special dividend of 27.5 cents per share, also full franked.

Together with the full franked interim dividend of 21.5 cents per share, total dividends for the 2002/03 financial year reached 67.1 cents per share.

After payment of the final and special dividend in September 2003, ASX will hold a cash balance of approximately \$60 million at that time. The Board has previously indicated that it considers it necessary to maintain a significant balance of cash pending resolution of structural issues associated with the clearing contract guarantee backing provided by the National Guarantee Fund.

**January 1990**  
World Wide Web debuts,  
popularises Internet.

**February 1990**  
South Africa frees Nelson  
Mandela, imprisoned  
27.5 years.



**May 1990**  
Single German currency.

Commonwealth Bank  
of Australia listed, with  
the Federal Government  
privatising 30% of equity  
in the company.

**Market milestones**  
Domestic listed companies  
1,318

**Market capitalisation**  
A\$219 billion

**Equities turnover**  
A\$57 billion

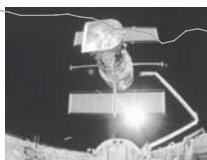
**Equities trades**  
7,000 daily average

**Options contracts**  
46,000 daily average

Establishment of exchange  
traded warrants market.

**March 1990**  
'Clean up Australia' day  
inaugurated, following  
the successful clean up  
Sydney Harbour day one  
year earlier.

Hawke government  
re-elected for fourth term.



**April 1990**  
Hubble Space Telescope  
launched.

**June 1990**  
ASX records a loss of  
\$23.7 million for the  
financial year ended  
30 June 1990.

**29 July 1990**  
All Ords 1,546.69