



14 June 2006

**JOINT ANNOUNCEMENT BY  
AUSTRALIAN STOCK EXCHANGE LIMITED  
AND  
SFE CORPORATION LIMITED**

Australian Stock Exchange Limited ("ASX") and SFE Corporation Limited ("SFE") today announced that the merger proposal to be considered by shareholders of SFE on 5 July 2006 will be modified to reflect the decision of the ASX Board to appoint Robert Elstone as CEO of the merged group, if the merger is approved.

ASX confirmed that other than the changes announced today it has no intention of increasing the financial terms of the merger, in the absence of a higher bid or material development.

ASX and SFE shareholders continue to demonstrate substantial broad based support for the strategic logic and concept of the merger.

**The SFE Board has unanimously recommended, in the absence of a superior proposal, that SFE shareholders vote in favour of the merger, as directors propose to do in respect of the shares they hold.**

The Board of ASX was faced with an extraordinarily difficult choice in the decision of CEO for the merged group. Each of the two candidates is outstanding.

As CEO of ASX, Tony D'Aloisio has demonstrated a deep strategic understanding of ASX and has added significantly to its growth path in a relatively short time, culminating in his role as the prime architect of the merger proposal with SFE. It was for these reasons that the ASX Board decided in March 2006 that Tony D'Aloisio should lead the merged entity.

Robert Elstone has an equally impressive track record of managing the SFE through a period of substantial growth following its demutualisation and subsequent listing on ASX in April 2002. Robert also achieved significant cost savings within the SFE business through this growth period.

Despite the continued confidence that ASX Directors had in Mr D'Aloisio, significant SFE shareholders continue to express the view that Robert Elstone is best placed to lead the merged entity. The strength of this view emerged as a real risk to securing approval for the transaction. The ASX Board judged that in the interests of achieving the merger it should appoint Robert Elstone as CEO of the merged group.

Mr Elstone will be appointed on terms substantially similar to those under which Mr D'Aloisio is currently employed. Details will be disclosed when the employment agreement has been finalised.

"The financial benefits to SFE shareholders remain compelling. SFE shareholders will own a considerable portion of the merged entity and accordingly benefit from the expense synergies and revenue opportunities presented by the merger. The merger also provides

long term value benefits for ASX shareholders and represents an appropriate sharing of merger benefits,” ASX Chairman, Maurice Newman, said.

“In agreeing to the merger ratio of 0.51, SFE’s Board took a long-term view of the respective values of ASX and SFE. We believe that SFE shareholders receiving up to 40.2% of ASX represents a fair share of the merged entity. ASX’s offer recognises SFE’s volume growth and strategic outlook,” Mr Rick Holliday-Smith, SFE Chairman, said.

“The recent global equity market shake-out should not detract from the strategic imperative to consummate this merger proposal and the long term benefits to ASX and SFE shareholders,” Mr Newman said.

“Recent developments amongst international exchanges, such as NYSE and Euronext, reinforce the strategic rationale for merging ASX and SFE and add an element of immediacy to maintain our relative position. Exchanges must adopt a broader outlook beyond traditional product boundaries in order to remain competitive in the longer term. We must equip ourselves with financial scale and breadth of product to remain relevant in the region and amongst global exchanges in the longer-term,” Mr Newman said.

Following the decision to appoint Robert Elstone as CEO and Managing Director of the merged group, SFE will be contributing two additional directors to the Board of the combined entity who will be Rick Holliday-Smith and Peter Warne.

Over several years market commentators, broker analysts and others have called for a merger of ASX and SFE. The ground is now prepared. ASX has now received all regulatory approvals without conditions. SFE directors recommend the proposal. ASX and SFE look forward to finalising the merger with the approval of SFE shareholders to occur on 5 July 2006.

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