



MARKET ANNOUNCEMENT

3 June 2010

ASX Fees and Activity Rebates

The Australian Securities Exchange (ASX) today announces its new fee and rebate schedule to begin on 1 July 2010, coinciding with the introduction of new trade execution services and functionality for the equity market in late June.

ASX has previously announced a range of enhancements to the ASX trade execution service offering. Some of those enhancements will come into operation over coming weeks. These include:

1. New order functionality for the ITS central limit order book (CLOB) to be made available on 28 June 2010. The functionality will also be available on ASX TradeMatch, which will replace ITS when it is implemented on the new low latency ASX Trade platform (anticipated to be in November 2010).
2. ASX VolumeMatch, a new large order execution facility also to become operative on 28 June 2010.
3. ASX PureMatch, a new trade execution service anticipated to be introduced in the second half of FY11.

This suite of new execution offerings will be complemented with additional services to customers, including a smart order routing product (ASX Best - scheduled for delivery alongside ASX PureMatch) and expanded co-location facilities to become available in the first half of FY12.

In keeping with annual practice, ASX has reviewed its Large Participant Rebate (LPR – for the cash market) and Large Volume Rebate (LVR – for the futures market) schemes as well as a range of market connectivity fees.

All fees are quoted exclusive of GST and will be implemented on 1 July 2010 unless otherwise stated.

Trade Execution Fees

As a result of the development of these new services, the current equity market trade execution fee schedule is being altered as follows:

- The headline trade execution fee will be reduced from 0.28 basis points (bps) to 0.15 bps;
- The trade execution fee for trades occurring during the auction process (including the opening and closing auctions) will remain at 0.28 bps;
- On-market crossing and off-market crossing execution fees will be reduced from 0.15 bps to 0.10 bps, and from 0.075 bps to 0.05 bps respectively; and
- Existing fee caps (that limit maximum trade execution fees to \$75 per trade for all of the above) will remain in place.

Over the past 12 months, the percentage of traded value executed in the CLOB in total is 72% - 10% of which occurred in the auctions – while the percentage executed via on-market crossings is 13% and via off-market crossings is 15%.

In addition, trade execution fees for the new trade execution functionality and services scheduled for implementation on 28 June 2010 will be as follows:

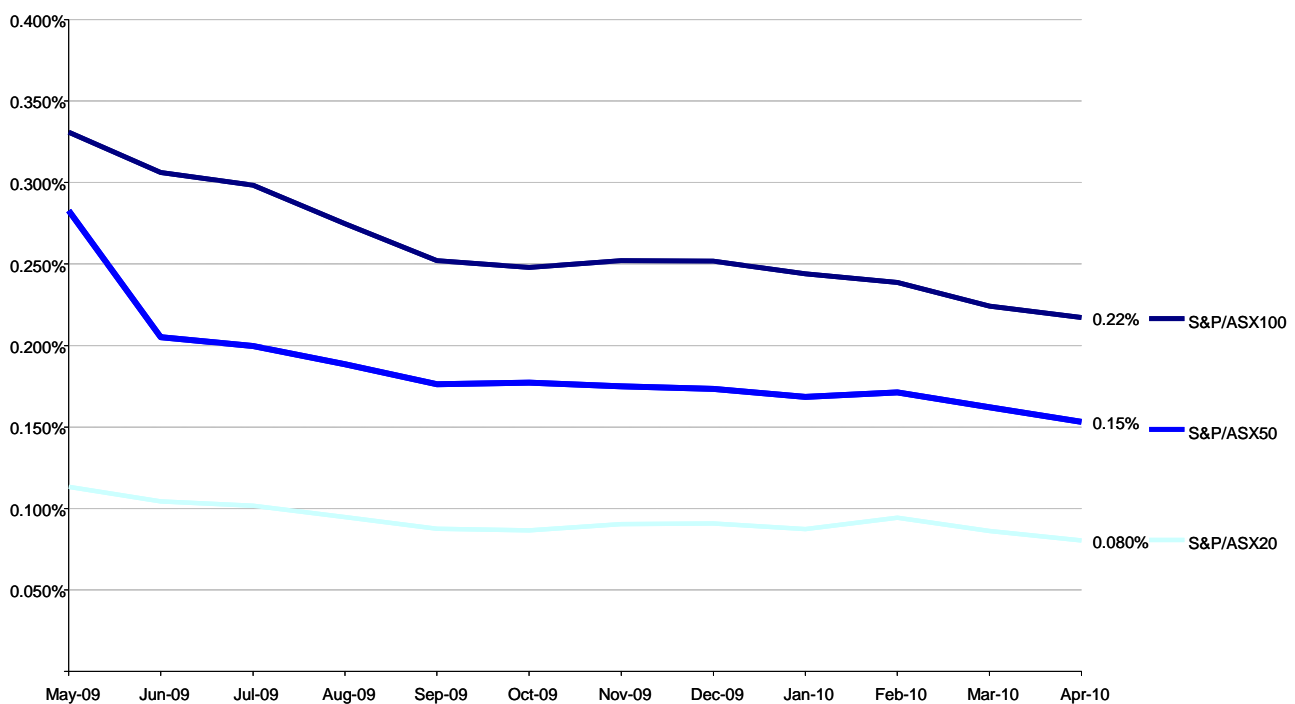
- Undisclosed and non-crossing CentrePoint orders will be charged at 0.50 bps uncapped. This fee reflects the reduction in market impact costs and potential for price improvement that these new order types offer as well as the benefit of the anonymous liquidity search functionality;
- CentrePoint crossing orders will be charged at 0.15 bps (capped at \$75 per trade). This new order type provides greater crossing execution certainty at the mid-point of the best bid/ask spread in the ITS CLOB, thereby reducing market impact costs;
- Trades executed via ASX VolumeMatch will be charged at 1.5 bps (uncapped). This provides a completely new service for users to access liquidity and reduces the market impact costs of executing large orders. A fee holiday will apply for the first three months of operation of the ASX VolumeMatch service; and
- Trade execution fees for ASX PureMatch will be announced closer to the introduction of the service (the second half of FY11).

Iceberg orders (which are expected to be made available in November 2010 on ASX TradeMatch) will be charged at 0.50 bps (capped at \$75 per trade).

Execution fees for exchange traded options, warrants, structured products, and futures and options on futures contracts will remain unchanged.

A reduction in ASX headline fees will lower the direct costs of trading for ASX participants, while the new systems and order type functionality will continue to lower the market impact costs of trading on ASX markets. These innovations are important because market impact costs, such as price slippage, represent a far larger proportion of the overall costs of trading than the transaction fees charged by ASX. The steady decline in market impact costs on ASX is evident by the tightening bid/ask spreads for stocks across three main indices in the last 12 months, as shown below:

Average Bid/Ask Spread by Index Constituent



Rebates

As a consequence of the trade execution fee changes outlined above, the LPR scheme and associated infrastructure rebates will be discontinued. ASX may use equity market rebate schemes in certain circumstances in the future, where it is appropriate to offer customers incentives through the use of fee rebates.

The LVR scheme for futures market customers will remain in place. The LVR will begin to apply at a 7% growth threshold above which any growth in eligible derivative volumes will attract rebates of 75%. It is estimated that this will result in a similar level of rebate in FY11 as in FY10 when eligible growth in volume reaches approximately 15%. All other conditions for the LVR remain unchanged, including the eligibility criterion of a minimum one million traded contracts.

Market Data Fees

Market data fees will remain unchanged at this time, and the large vendor rebate scheme will operate consistent with prior years, albeit with changes to the threshold data usage levels. However, ASX will review its market data fee and rebate structure following finalisation by ASIC of market integrity rules applicable to a multi-market trade execution environment.

Market Connectivity Fees (previously known as Technology Infrastructure Fees)

A range of adjustments to fees for technology provided to connect to the market have also been made and are available at: www.asx.com.au. These changes reflect the continued investment by ASX in trading technology to support the requirements of participants. This is the first change to fees to utilise ASX trading systems and access ASX liquidity since the implementation of the ASX ITS trading system in October 2006, and the first change to fees to connect third-party applications to the SYCOM platform (the system utilised to operate the SFE market) since January 2003.

Service fees for ASX Best, the expanded co-location service, and enhancements to the ASX and SFE-distributed networks will be announced closer to the launch of those services.

Clearing and Settlement Fees

Clearing and settlement fees will remain unchanged.

Listing Fees

Initial, Annual and Subsequent listing fee schedules will remain unchanged.

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