2011 HALF-YEAR **REPORT**

31 December 2010

ASX Limited
ABN 98 008 624 691
& its Controlled Entities

ASX
GROUP

CONTENTS

2011 HALF-YEAR REPORT

STATUTORY REPORT

SHAREHOLDER INFORMATION

Introduction

The ASX Group (ASX) performed well during the first half of Financial Year 2011 (FY11). Underlying net profit after tax of $175.5 million was marginally higher (2.9%) than the prior comparable period (pcp). This was principally due to higher derivatives trading and fixed income depository revenues, and higher net interest and dividend income offsetting lower secondary capital raising and cash market revenues. Cash operating costs (notwithstanding the imposition of an ASIC supervision levy) were held virtually constant.

The interim, fully franked dividend for FY11 of 90.2 cents per share was slightly higher than the pcp interim dividend of 89.1 cents per share, based on a consistent 90% payout ratio.

A detailed explanation of revenue and expense line items, including non-recurring costs (shown as significant items) attributable to the announced ASX- Singapore Exchange (SGX) merger, as well as the Group's capital and liquidity position, are provided in the CFO's report accompanying this commentary.

Discussion and Analysis

The first half of FY11 saw stronger performance in derivatives trading and fixed income depository activity. This mitigated revenue reductions in cash markets (attributable to subdued activity levels and trade execution fee reductions which came into effect at the start of the half) and lower levels of secondary capital raising, due to generally strong corporate balance sheets.

Activity on the primary markets was substantially up on the pcp, with 84 new listings, including the sizeable QR National offering in late November 2010, compared to 50 for the same period in FY10. The total number of entities listed on ASX at the end of the half was 2,216 compared to 2,181 at the end of December 2009, with 127 new listings for calendar 2010 compared to 61 in calendar 2009. Of those 127 new listings for 2010, 54 originated from Western Australia, in keeping with the overall investment strength of the resource sector and strong commodity prices.

Capital raised (of $39 billion) during the half was down 34% over the pcp, but the IPO proportion of that figure ($20.6 billion or 53%) was up substantially, to a record amount for a six-month period in keeping with renewed economic confidence.

While secondary capital issuance was down substantially over the pcp, the Group's role in facilitating large scale capital raising, both over the recent period and since the global financial crisis, continues to be a critical factor underpinning the relative strength of the Australian economy. This contribution sits alongside other factors such as healthy terms of trade and a strong financial system, in which the clearing and settlement facilities operated by the ASX Group also make an important contribution to financial stability.

Trade execution activity levels in secondary and derivative markets were somewhat divergent during the half. Cash market daily average value traded of $5.2 billion was almost identical to the pcp ($5.1 billion). Stock and index option trading activity was 5% higher during the half. Futures market volumes were very strong (up 29% over the pcp), particularly for interest rate derivative contracts which responded to monetary policy intervention and widening interest rate differentials with other key currencies during the half. Electricity derivative volumes were also very strong, due to high levels of short-term price volatility and ongoing carbon pricing uncertainty, contributing to wide disparities between short and long-dated electricity prices.

Information services revenues were virtually flat compared to the pcp, based on relatively stable average terminal numbers in both the equities and futures markets.

Equity and interest rate market volatility during the reporting period was more subdued than by recent historical standards, resulting in little change in open (risk) positions in derivative markets. Consequently, lower levels of risk collateral were held by ASX Clearing Corporation (ASXCC) on behalf of the Group's central counterparty (CCP) subsidiaries. Net interest income earned by ASXCC from the investment of held risk collateral, as well as interest from the Group's own cash-backed capital resources held at an ASXCC and at a parent entity (ASX Limited) level increased compared to the prior period, the latter benefiting from higher nominal cash rates during the half.

Post-trade clearing and settlement services revenues mirrored the divergent fortunes of equity and fixed income markets during the half. Equities settlement activity levels were lower than in the pcp, as were settlement instruction messages, holding statements and settlement 'fail' rates, whilst holdings levels rose a modest 3%. Fixed income settlement system (Austraclear) transaction activity levels rose, as did registry activity, whilst holdings rose from $1.159 billion to $1.187 billion during the half to 31 December 2010.

Operational performance throughout the first half of FY11 was robust. The company announcements platform processed a single day record of 1,536 announcements on 29 October 2010. Derivative market expiry processes in both stock/index option and futures markets were orderly throughout the half. Timeliness of both equities and fixed income settlements was at the upper quartile of international benchmarks. Service availability levels across the Group's trading, clearing and settlement technology platforms were at, or very close to, 100% during a half in which a new cash markets trading platform (ASX Trade) and a new futures trading platform (ASX Trade24) went live.

Both platform upgrades substantially reduce order execution latency to world-class standards and introduce new optionality into the provision of new data services to different user groups. Capacity headroom for each of those platforms, as well as for existing clearing and settlement systems, remains well within foreseeable growth in order and trade volumes.

In response to the March 2010 in-principle approval by the then Minister for Financial Services, Superannuation and Corporate Law to an application for an Australian market licence by a foreign-owned operator, the ASX Group has developed a new Trade Acceptance Service (TAS). The TAS allows trades in ASX-listed securities executed on any licensed trade execution platform to be cleared and settled by the relevant ASX clearing and settlement subsidiaries in an identical fashion to trades executed on ASX's own cash equity market.

In its 2009/10 Assessment of Clearing and Settlement Facilities in Australia the RBA confirmed that it could not see any reason why the provision of the TAS would affect the compliance of the ASX Group clearing and settlement facilities with the relevant Financial Stability Standards. This regulatory confirmation was needed prior to commercial provision of the TAS. The TAS has been operationally-ready since October 2010, and potential users have been invited to seek accreditation. The service is likely to be a forerunner of other (step-out) services related to clearing OTC market products as well as to an upgraded block trade/EFP acceptance facility for the futures market.

Significant project work took place during the half on the introduction of a new high speed distribution network (ASX Net), a new data centre to facilitate new co-location and data services (to become available in late 2011), and a contemporised margining system (CME Span) to assist clearing participants gain further capital efficiencies from their derivatives trading activities. Following the implementation of the new ASX Trade24 platform, grain derivative contracts, already experiencing strong trading growth, will shortly be moved (from ASX Trade) onto that platform (ASX Trade24) to improve their distribution to international users.

Policy development work during the half was dominated by an ongoing process of reviewing listing rules for the mining and oil and gas sectors; responding to ASIC's release of new 'market integrity rules' for the equities market; and fine-tuning the arrangements for the introduction of risk margining for cash equities in FY12, to bring that market into line with other major equity markets around the world. The Hong Kong Exchange's CCP subsidiary, for example, is another Asian time zone exchange embarking on a similar path in its equities market.

ASX-SGX Merger

The ASX Board maintains an ongoing belief in the need for ASX participation in regional and global exchange consolidation, along with a commitment to the business logic for the combination proposal announced when ASX and SGX entered into a merger implementation agreement on 25 October 2010.

The forces driving merger developments for the world's major licensed exchange market operators are evident from events of the last week. Deutsche Börse AG and NYSE Euronext announced the status of advanced merger discussions, quickly following the announcement by the London Stock Exchange and Canada's TMX of their strategically compelling combination.

It is not only the business logic of scale, synergies and diversification benefits that is behind these corporate actions. These merger proposals are a logical response by the regulated exchange groups, operating under transparent rules and regulations overseen by domestic regulatory authorities, to the growing competitive threat to their franchises from a proliferation of alternative trading venues and unlicensed non-transparent venues. The ASX-SGX merger proposal needs to be considered in the context of these dynamic forces.

Since 25 October 2010 substantial resources have been involved in stakeholder engagement and the preparation of materials for a number of regulatory and shareholder approval processes that must be cleared for the ASX-SGX merger to proceed. The phasing of those processes has been, and is, as follows:

- On 15 December 2010 the ACCC announced that it would not oppose the ASX-SGX merger proposal. The ACCC reviewed the proposal under section 50 of the Trade Practices Act 1974 and stated that "after extensive enquiries with a range of market participants, the ACCC concluded that the proposed acquisition was unlikely to result in a substantial lessening of competition".
- SGX and ASX have been engaged in a process of providing materials to the Foreign Investment Review Board (FIRB) and preparing responses to detailed questions so that FIRB is in a position to advise the Treasurer on the merger proposal. ASX engaged Access Economics to prepare a report on the national interest implications of the merger proposal to support SGX's formal application to FIRB. Given the high level of media and community interest in the merger, the report entitled 'ASX-SGX: why the combination is in Australia's national interest' was publicly released on 6 December 2010. Access Economics concluded that the formation of ASX-SGX would

promote Australia's national interest. A copy of that report is available on ASX's website: [Access Economics Report December 2010.]

- While the FIRB process has been underway ASX and SGX have been engaged in initial discussions with ASIC and the RBA to ensure that those agencies are satisfied that the ASX Group entities licensed under the Corporations Act will continue to meet the Australian statutory and other standards. The Monetary Authority of Singapore (MAS), which performs the regulatory oversight role of SGX in Singapore, has been consulted on matters within that jurisdiction. ASX and SGX will continue to work with the regulators in each jurisdiction to address regulatory processes and arrangements which need to be cleared for the merger proposal to proceed.
- Earlier this week ASX and SGX made corresponding announcements to the market concerning revised governance arrangements for the merger proposal along with a set of express commitments to further protect and promote Australia's national interest and the ongoing development of Australia's financial services sector. These changes reflect the level of commitment that both parties have to addressing issues raised by some commentators and stakeholders. The FIRB submission which SGX is now proceeding to finalise and formally lodge reflects these commitments.
- Subject to a positive outcome from the FIRB process a decision from the Treasurer will be sought on whether he is satisfied that the proposed combination of ASX with SGX is in the national interest, and that relevant approvals under the Corporations Act for the ASX Group licensed subsidiaries will be forthcoming.
- If the Treasurer is satisfied then a Parliamentary process is needed to lift the current 15% shareholding limit on ASX. This can happen either by changing the law or by a regulation which can be subject to a motion of disallowance for 15 sitting days after tabling in either House of Parliament. The Parliamentary process that is used is a matter for the Government and the timetable for the Scheme of Arrangement implementation of the merger will be set by the date on which the 15% shareholding limit on ASX is lifted. Until there is a better indication of the likely timing of the FIRB process it will not be clear when the Parliamentary process can be expected to commence. While the merger implementation agreement signed last October 2010 is due to expire on 25 July 2011 ASX and SGX can agree to change that date.
- If the 15% shareholding limit on ASX is lifted, the focus will turn from the regulatory processes to ASX and SGX shareholder approvals.
- The ASX-SGX merger is a combination of complementary businesses which the boards of both ASX and SGX have announced they support, subject to an independent expert concluding that the Scheme is in the best interests of ASX shareholders.
- Grant Samuel & Associates has been commissioned by the ASX Board to prepare an Independent Expert's Report for shareholders. In its report Grant Samuel will state whether, in its opinion, the proposed Scheme is in the best interests of ASX shareholders.
- ASX will prepare a formal Explanatory Statement to shareholders setting out the ASX Board's formal recommendation (and the reasons for it), the effect of the Scheme and all the information which is prescribed by the Corporations Act to assist shareholders to make a decision on whether to vote in favour of the Scheme.
- A Scheme booklet which includes the Explanatory Statement, the Independent Expert's Report and the formal notice for the Scheme meeting will be sent to shareholders following approval of the booklet by ASIC and the Supreme Court of New South Wales. ASX shareholders will be given at

least 28 days' notice of the Scheme meeting.

- Shortly before any such ASX shareholder meeting SGX shareholders will meet to consider and approve the merger proposal, the issue of new ordinary SGX shares that form part of the Scheme consideration, and the new name of the combined group "ASX-SGX Limited".
- Once ASX and SGX shareholders approve the Scheme there will be a second court hearing to approve the Scheme and make it binding.
- Following approval of the Scheme, SGX will acquire all of the shares in ASX; ASX will be delisted and it is intended that the newly combined ASX-SGX Limited will be listed and quoted in Australia and Singapore with Australian shareholders holding CHESS Depository Interests (CDIs) that can be traded on the ASX market.

As approval processes are cleared ASX will make market announcements and update shareholders on the steps and timetable for shareholder meetings and implementation. A shareholder information section on the ASX-SGX merger proposal has been established on the ASX website: ASX-SGX Merger Proposal.

Outlook

In the six week period since 31 December 2010 primary equity market activity has continued to overshadow trade execution activity in the secondary market, while futures market activity has maintained a strong growth trajectory.

There were 13 new listings in January 2011, compared to five in the same month last year, with a stronger listing application pipeline than at the same time last year. Cash market traded value is 1% up on the same six week period last year, whilst futures volumes are 15% up.

Stronger growth data is emerging for the US and some of the European economies, providing a healthier short-term global growth outlook at the start of 2011, reflected in more buoyant (equity) asset prices in most developed markets over recent weeks. These data trends will no doubt have positive consequences for an Australian economy slowly digesting the impact of large scale flooding in Queensland in early January 2011. China's prospect of slowing growth rates may, ironically, prove to be a blessing for a somewhat capacity-constrained Australia, unexpectedly confronting even larger scale infrastructure investment than that already required to boost productivity and reduce bottlenecks in the domestic economy.

The ASX-SGX merger remains a key focus of the board over coming weeks and months, particularly in the context of the other recently announced exchange combinations which underscore the business logic of the ASX-SGX proposal. At the same time ASX itself continues to invest in financial and human capital terms to improve its product and service offerings, enhance its compliance and risk management obligations, and better manage its capital and cost base to underpin a confident outlook for its growth prospects.

Robert G Elstone
Managing Director and CEO

Consolidated Pro-Forma Income Statement for the Half-Year Ended 31 December 2010	JUN 09 $'000 (2H09)	DEC 09 $'000 (1H10)	JUN 10 $'000 (2H10)	DEC 10 $'000 (1H11)
REVENUE				
Listings	48,172	65,264	50,200	63,629
Cash Market	73,779	94,334	87,108	81,013
Derivatives	63,625	71,927	75,888	82,432
Information Services	34,051	35,303	33,449	35,157
Market Connectivity	14,247	14,676	15,176	18,921
Austraclear Services	12,924	14,806	16,372	16,901
Other Revenue	5,323	6,448	7,224	8,393
Operating Revenue	**252,121**	**302,758**	**285,417**	**306,446**
EXPENSES				
Staff	40,097	39,610	38,043	39,432
Occupancy	6,239	6,661	7,249	6,720
Equipment	11,690	11,320	10,909	10,942
Administration	7,798	7,626	7,572	7,154
Variable	2,299	2,936	2,236	2,306
ASIC Supervision Levy	-	-	-	1,546
Cash Operating Expenses	**68,123**	**68,153**	**66,009**	**68,100**
EBITDA	**183,998**	**234,605**	**219,408**	**238,346**
Depreciation and Amortisation	7,850	9,207	9,668	11,250
EBIT	**176,148**	**225,398**	**209,740**	**227,096**
Net Interest Income	5,741	5,880	6,962	10,171
Net Interest on Participant Balances	13,883	8,272	8,196	8,654
Dividend Revenue	4,513	3,087	4,988	3,325
Interest and Dividend Income	**24,137**	**17,239**	**20,146**	**22,150**
Underlying Profit Before Income Tax	**200,285**	**242,637**	**229,886**	**249,246**
Income Tax Expense	(58,594)	(72,029)	(67,896)	(73,718)
Underlying Profit After Income Tax	**141,691**	**170,608**	**161,990**	**175,528**
Less Significant Items After Tax	-	(2,565)	(1,896)	(3,543)
Statutory Reported Net Profit After Tax	**141,691**	**168,043**	**160,094**	**171,985**

The consolidated pro-forma income statement on page 8 sets out the underlying and statutory results for the ASX Group for the past four half-year periods. The pro-forma income statement is not audited, but is based upon underlying externally reviewed accounts, and should be read in conjunction with the statutory financial statements.

Certain revenues and expenses have been reclassified in the pro-forma income statement and a reconciliation is provided to reported statutory net profit after tax. A more detailed reconciliation is also provided in the Segment Note included in the half-year financial statements.

Each half-year is presented on a comparable basis, with consistent application of principles supporting the reported underlying profit. There were no significant changes in the Group's accounting policies during the half-year ended 31 December 2010 (1H11).

The following commentary is based on the pro-forma income statement and, unless otherwise stated, analysis of 1H11 is based on a comparison to the prior comparable period (pcp), being the half-year ended 31 December 2009 (1H10).

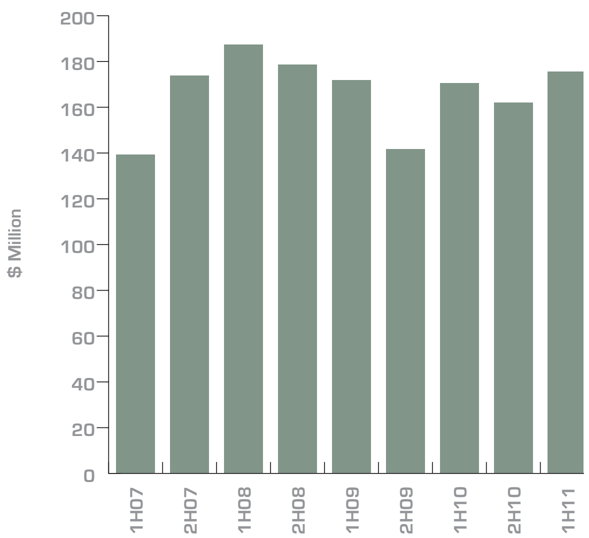
1H11 Financial Highlights

A summary of the Group's performance in 1H11 compared to the pcp follows, while key financial ratios are available on page 26:

- underlying net profit after tax (NPAT) of $175.5 million, up 2.9% (statutory NPAT of $172.0 million, up 2.3%);
- underlying earnings per share (EPS) of 100.7 cents per share (cps), up 1.4% (statutory EPS of 98.6, up 0.8%);
- operating revenue excluding interest and dividends of $306.4 million, up 1.2%;
- earnings before interest, tax, depreciation and amortisation (EBITDA) of $238.3 million, up 1.6%;
- net interest and dividend revenue of $22.2 million, up 28.5%;
- cash operating expenses of $68.1 million, down 0.1%;
- significant items expense before tax of $5.1 million ($3.5 million after tax), primarily reflecting transaction costs incurred on the proposed merger between ASX and Singapore Exchange Limited (SGX) and non-recurring costs associated with the migration to the new ASX Trade execution platform; and
- interim dividend declared of 90.2 cps, up 1.2%.

The following graph portrays the Group's underlying NPAT by half-year period since July 2006 (the time of the merger between ASX and SFE).

Underlying NPAT 1H07 to 1H11



Underlying Net Profit – Up 2.9%

Underlying NPAT for 1H11 was $175.5 million ($170.6 million pcp). The 2.9% increase in underlying profitability resulted from slightly higher operating revenue, flat cash operating expenses, higher depreciation and amortisation charges and growth in net interest income. Compared to the prior six month period (2H10), underlying NPAT increased 8.4%, with operating revenue up 7.4% and interest and dividend revenue up 9.9%.

The increase in operating revenue compared to pcp was primarily due to higher derivatives revenue, while revenue from cash markets and secondary listings was reduced. Revenue from information services was stable, while all other revenue categories experienced growth. The flat cash operating expenses reflects ongoing cost management, and a reduction in headcount offset by a new ASIC supervision levy ($1.5 million in 1H11) following the transfer to ASIC of certain supervisory functions on 1 August 2010. The ASIC supervision levy has been set at $3.4 million for the current year.

The Group's EBITDA increased compared to pcp and was 8.6% higher than 2H10 due mainly to a recovery in derivatives activity, higher fixed income depository revenue, more initial listings and increased market connectivity service revenues.

The following chart depicts the underlying EBITDA by half-year since 1H07.

EBITDA 1H07 to 1H11

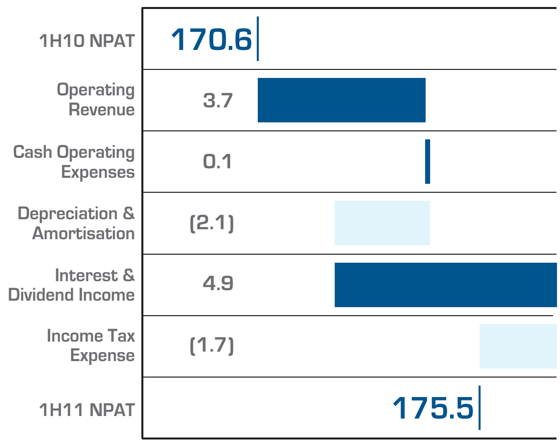
During 1H11, activity levels across ASX markets continued to improve, particularly for derivatives. The All Ordinaries Index increased 12.1% during 1H11 from its close of 4324.8 on 30 June 2010 to 4846.9 on 31 December 2010. Total cash market traded value increased 0.9% to $675.4 billion and the number of trades increased 6.2% to 70.2 million. Derivative volumes increased 23.8% to a total of 55.4 million contracts in 1H11.

ASX's financial position continues to be underpinned by a strong balance sheet with an adequate capital and liquidity position to support the Group's activities.

The underlying net profit after tax represents a 12.1% annualised return on equity in 1H11 (12.2% pcp), based on average capital in each period.

The following graph shows the movement in underlying NPAT in 1H11 by income statement line item.

Underlying NPAT Highlights 1H11 ($ Million)



Underlying Earnings Per Share – Up 1.4%

Underlying EPS of 100.7 cents (99.3 cps pcp) was achieved in 1H11 based on a weighted average of 174,390,445 ordinary shares on issue. The increase in EPS resulted from the increase in underlying NPAT, partly offset by the increase in the weighted average number of shares on issue due to the operation of the dividend reinvestment plan (DRP).

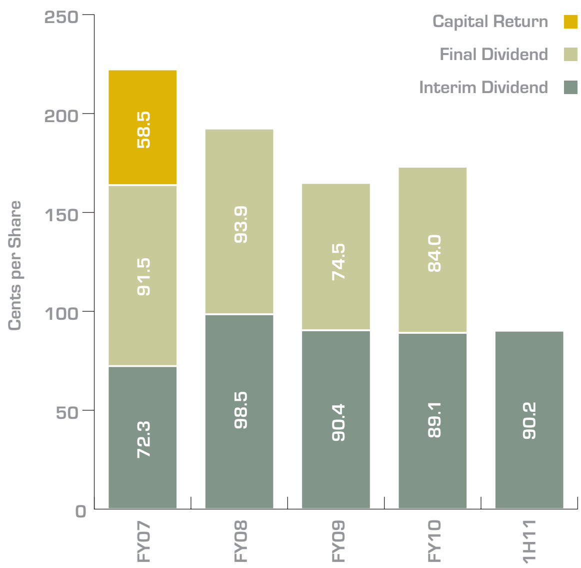
Interim Dividend – Up 1.2%

A fully franked interim dividend of 90.2 cps (89.1 cps pcp) has been declared, payable on 24 March 2011. This dividend equates to a payout ratio of 90% of underlying profit after tax and is 7.4% higher than the final dividend paid in FY10 (84.0 cps).

Given the Group's current capital position (explained in more detail later in this report), ASX has determined that the DRP will not be activated for the interim dividend in FY11. ASX will continue to review and manage its capital position conservatively and determine, based on capital requirements, whether the DRP will apply to future dividends.

Cash returns to shareholders over the past four years and in 1H11 are shown in the graph below.

Cash Returns to Shareholders FY07 to 1H11



Operating Revenue – Up 1.2%

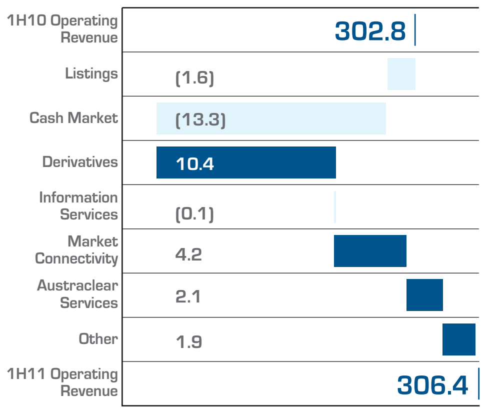
Total operating revenue (excluding interest and dividend revenue) in 1H11 was $306.4 million, 1.2% up on pcp and up 7.4% on 2H10. Whilst there was growth in the major derivatives activity drivers, secondary capital raisings activity reduced from the very high levels experienced in 1H10. The number of new companies seeking a listing on ASX increased, in keeping with the increase in the value of the All Ordinaries Index and improving economic conditions.

During 1H11:

- The All Ordinaries Index increased 12.1%, however its value of 4846.9 at 31 December 2010 was 0.7% lower than its value of 4882.7 a year earlier.
- Volatility of the All Ordinaries Index, as measured by the daily average movement, was 0.6% in 1H11, slightly lower than the 0.9% average volatility experienced in the pcp.
- Futures and options volumes on the ASX Trade24 platform increased 29.3% to 44.6 million contracts traded, compared to 34.5 million contracts in the pcp, with the largest increases occurring in the 30 day interbank cash rate futures contract and the 3 and 10 year bonds futures contracts.

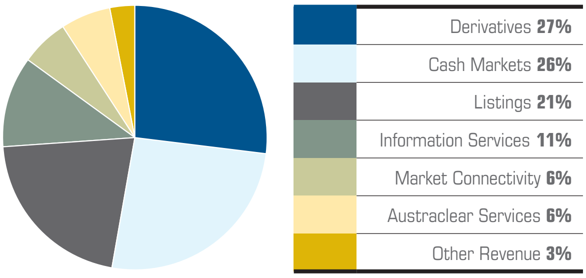
The following graph depicts the change in operating revenue by source during the half-year and reflects growth in all revenue categories other than listings and cash market which reduced, and information services which was virtually flat.

Operating Revenue Highlights 1H11 ($ Million)

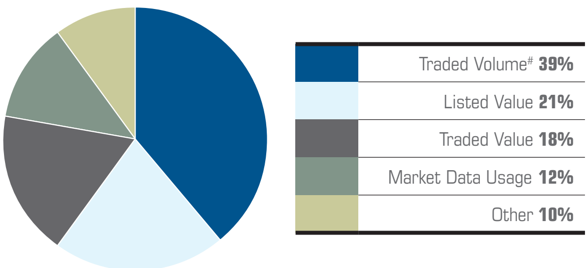


The following pie chart shows operating revenue by main source. Compared to the pcp, cash markets revenue contribution decreased from 31% to 26% while market connectivity revenue contribution increased from 5% to 6%. The revenue contribution from listings decreased from 22% to 21% and Austraclear increased slightly from 5% to 6%. Revenue contribution from derivatives trading activity increased from 24% in the pcp to 27% in 1H11.

Operating Revenue by Category 1H11



Operating Revenue by Business Driver 1H11



Traded volume from cash markets accounted for 12% and traded volume from derivatives accounted for 27% of the total.

Traded volume is the main business driver in derivatives and cash markets settlement, whilst traded value is the main driver for cash markets trading and clearing services.

Detailed transaction statistics and key business drivers data are contained on pages 27 to 29.

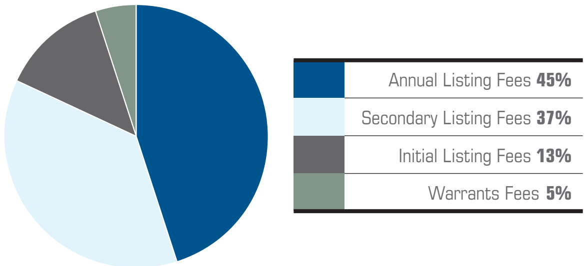
Listings – Down 2.5%

Total revenue from listing services in 1H11 was $63.6 million ($65.3 million pcp).

The modest reduction in listings revenue compared to pcp was due to the lower value of secondary capital raisings. This was partly offset by higher annual and initial listings. Listings revenue was 26.8% higher than in 2H10, with capital raised from IPOs up 364.7% and secondary capital raised up 40.6% on 2H10.

The following graph depicts the breakdown of listings revenue in 1H11.

Listings Revenue by Type 1H11



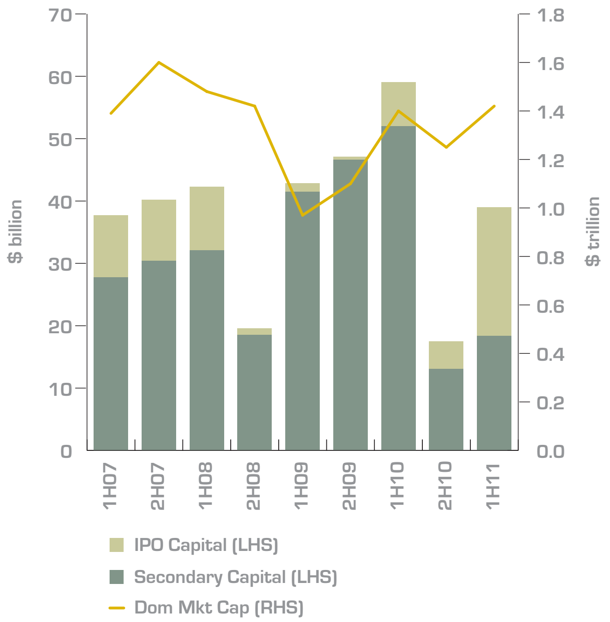
Annual listing fees of $28.5 million were earned in 1H11 ($26.3 million pcp). During 1H11, total domestic market capitalisation increased from $1.3 trillion to $1.4 trillion at 31 December 2010, a rise of 13.2%. The number of listed entities at 31 December 2010 was 2,216, slightly above the 2,192 listed at 30 June 2010. In 1H11 there were 60 entities removed from the list compared to 67 in 1H10.

Initial listing fees of $8.2 million were earned in 1H11 ($3.4 million pcp). During 1H11 there were 84 new listings compared to 50 in the pcp. The amount of initial capital raised in 1H11 was a record $20.6 billion, nearly three times higher than the $7.0 billion raised in the pcp. The average initial listing fee in 1H11 was $97,994 compared to $67,743 in the pcp.

Secondary listing fees (which include fees from subsequent capital raisings and dividend reinvestment plan issues) were $23.9 million in 1H11 ($32.7 million pcp). Secondary capital raised of $18.4 billion in 1H11, was down 64.7% on the very high level of $52.0 billion raised in the pcp. The incidence of large secondary raisings decreased again in 1H11. In addition to secondary capital raised, $13.7 billion of capital was issued in 1H11 by listed entities primarily as consideration for acquisitions ($2.9 billion pcp), reflecting a resurgence in mergers and acquisitions and other corporate actions.

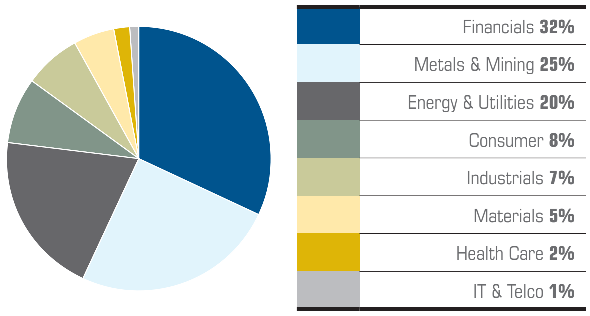
The following chart shows total capital raisings and market capitalisation over the past four years and in 1H11.

Capital Raisings and Market Capitalisation 1H07 to 1H11



The chart following shows the proportion of secondary capital raised by industry sector in 1H11. Financials continued to dominate the level of secondary raisings with 32% (40% in 1H10).

Secondary Capital Raisings by Industry Sector 1H11



The table below shows the quantum of secondary capital raised by size of transaction over the past three half-years.

	Secondary Capital Raised		
Value of Capital Raised	1H10 $ Million	2H10 $ Million	1H11 $ Million
Less than $100 million	12,740	6,558	9,760
$100 million to $500 million	15,062	4,526	5,644
$500 million to $1 billion	6,457	772	2,964
Over $1 billion	17,766	1,206	-
Total	**52,025**	**13,062**	**18,368**

In 1H11 there were no individual secondary raisings over $1 billion, while in the pcp this segment accounted for 34% of the total secondary capital raised. Of the total secondary capital raised in 1H11, 74% was due to subsequent issues (rights, placements, employee issues, etc), while 26% was as a result of company dividend reinvestment. This compares to 86% for subsequent issues and 14% for dividend reinvestment in the pcp. The average fee per million dollars of secondary capital raised (including capital issued as consideration for scrip-based acquisitions) therefore increased to $746 ($595 pcp).

Warrant and debt listing fees of $3.0 million were earned in 1H11 ($2.9 million pcp). During 1H11, 1,148 new warrants were listed, down 2.2% on the 1,174 warrants listed in the pcp. Warrants turnover value was $1.6 billion in 1H11, down 52.9% on the pcp.

Cash Market – Down 14.1%

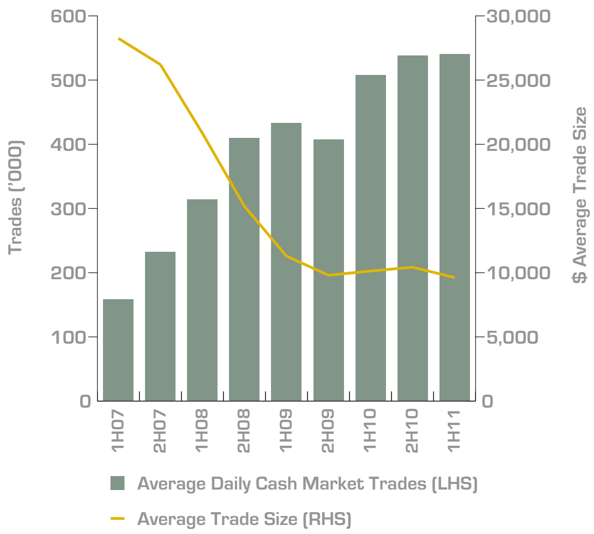
Total cash market revenue for 1H11 was $81.0 million ($94.3 million pcp). The decrease in revenue was primarily due to the reduction in the headline ASX Trade execution fee which was partly offset by the removal of participant volume rebates. Lower settlement activity also resulted in a reduction in total revenue from settlements. Of the total cash market revenue, trading revenue accounted for 24.1% (31.1% pcp), clearing revenue 30.9% (25.5% pcp) and settlement revenue 45.0% (43.4%pcp).

In 1H11 the total secondary market value traded was $675.4 billion, up 0.9% on the $669.3 billion in the pcp, and the daily average traded value was $5.2 billion, also up 0.9% on the $5.1 billion in the pcp. This represented an average velocity (annualised traded value as a percentage of the average total market capitalisation) of 99.8% in 1H11 (101.8% pcp). The total number of trades in 1H11 was 70.2 million, up 6.2% on the 66.1 million trades in the pcp, and the daily average traded volume of 539,850 was also up 6.2% on the 508,249 in the pcp.

The average value of each trade in 1H11 was $9,624 compared to $10,130 in the pcp. Whilst the smaller average trade size reflects continued unbundling of trades, predominantly by algorithmic trading execution methods, the rate of decline in the average trade size slowed significantly during the half.

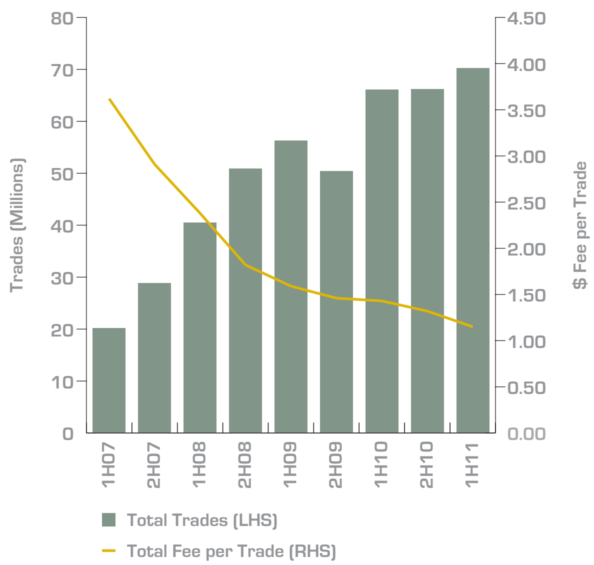
The graph below shows the decline in average trade size and increase in daily average trades over the past four years and in 1H11.

Daily Average Cash Market Trades
and Average Trade Size 1H07 to 1H11

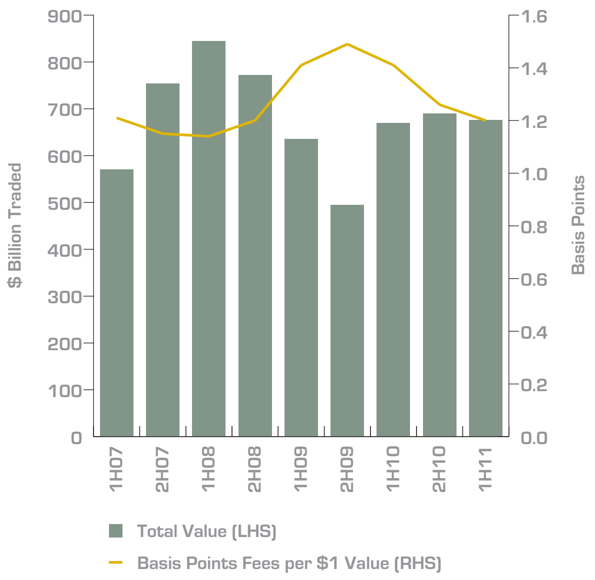


The following graphs show cash market volume and value traded and average fees (trading, clearing and settlement) over the past four years and in 1H11.

Cash Market Trades 1H07 to 1H11



Cash Market Value 1H07 to 1H11



The revenue for trading and clearing activities is directly related to the quantum of value traded and value of trades cleared, respectively. In 1H11, 71.0% of traded value (70.6% pcp) was novated and cleared through ASX's central counterparty clearing subsidiary, ASX Clear. Revenue from trading was $19.6 million ($30.5 million pcp), while clearing revenue was $25.0 million ($25.0 million pcp) in 1H11. Revenue from settlement declined to $36.4 million in 1H11 ($42.6 million pcp) due to lower settlement message and holding statement activity.

On 1 July 2010 ASX reduced its headline trading fee by close to 50% and discontinued the Large Participant Rebate which previously applied to reduce the average fee paid by larger participants. Accordingly, the average cost of trading, clearing and settlement on ASX's market reduced to $1.15 per trade ($1.43 pcp) and the average fee per dollar of turnover reduced to 1.20 basis points (bps) (1.41 bps pcp) – that is, for every $1,000 of value traded, the fee for each side was 6.0 cents (7.0 cents pcp). These reductions reflect the combined impact of reducing the headline fee, offering new trade execution order types and removing large participant rebates.

Derivatives – Up 14.6%

Total derivatives revenue for 1H11 was $82.4 million ($71.9 million pcp). This reflected an increase of 8.6% over 2H10 revenue.

Equity derivatives traded and cleared through ASX Clear (consisting mainly of exchange-traded options, excluding the ASX SPI 200) generated revenue of $15.1 million in 1H11 ($15.1 million pcp). Total contract volume traded was 10.7 million in 1H11, an increase of 5.2% on the 10.2 million in the pcp. This increase was achieved despite lower average daily volatility of the All Ordinaries Index of 0.6% in 1H11 compared to 0.9% in 1H10. The average fee per trade in 1H11 decreased to $1.41 from $1.48 in the pcp, partly due to increased trading by market-makers.

Revenue from futures and options on futures (including ASX SPI 200 contracts) traded and cleared through ASX Clear (Futures) was $67.3 million in 1H11 ($56.8 million pcp). Volume traded in 1H11 totalled 44.6 million contracts, up 29.3% on the 34.5 million in 1H10. Daily average volumes in 1H11 were 343,302 contracts, an increase of 29.3% on the pcp and 4.1% higher than 2H10.

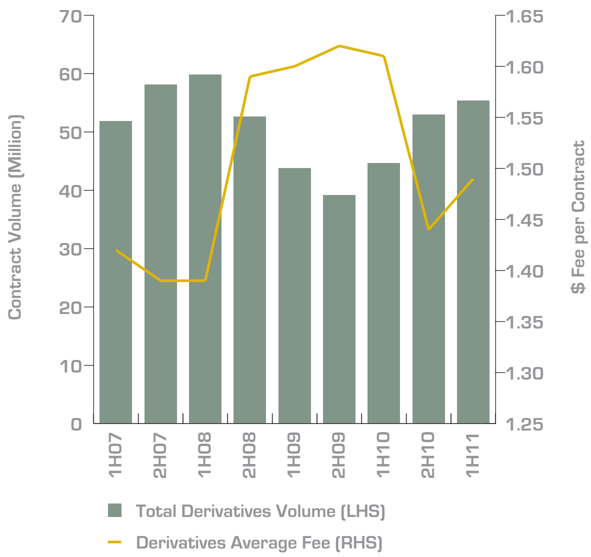
All of the major debt contracts experienced increased volumes compared to the pcp – the 30 day interbank cash rate futures contract was up 107.7%, 10 year bond futures contract was up 42.4%, the 3 year bond futures contract was up 32.1%, and the 90 day bank bill futures contract was up 18.2%. Also of note, compared to the pcp, total option contracts traded grew strongly by 40.1% to 2.0 million contracts. This resulted mainly from the overnight 3 year bond option contract volumes increasing 58.3% and the intra-day 3 year bond option contract volumes increasing 123.3%.

Trading in the ASX SPI 200 contract increased 7.2% compared to the pcp. Expected volatility in the Australian equity market, as measured by the S&P/ASX 200 VIX index, introduced on 23 September 2010, was 16.04% at the end of December 2010 (16.96% pcp).

ASX paid $7.1 million in futures market transaction fee rebates in 1H11 ($1.9 million pcp). This Large Volume Rebate (LVR) scheme provision reflects 1H11 average daily contract volumes of 343,302 which were 15.5% above the average for FY10. In the current year, the LVR scheme rebate begins to apply when traded volumes increase 7% above FY10 levels, with 75% of the incremental average exchange fee rebated. In addition to the LVR, proprietary full participants received monthly rebates and this group accounted for approximately 18% of traded volume (14% pcp). Due mainly to the increase in the LVR, the average fee per trade reduced to $1.51 compared to $1.65 in the pcp.

The following chart shows the total volumes and average exchange fees for equity derivatives (cleared by ASX Clear) and for futures and options on futures (cleared by ASX Clear (Futures)) over the past four years and in 1H11.

Derivative Volume and Average Fee
(Equity Derivatives and Futures and Options) 1H07 to 1H11



Information Services – Down 0.4%

Total revenue from information services in 1H11 of $35.2 million was virtually flat on 1H10 ($35.3 million). Revenue from these services however was 5.1% higher than 2H10, reflecting an increase in average subscriptions. Average monthly data terminal subscriptions for 1H11 were 85,732 compared to 87,859 in 1H10 and 84,840 in 2H10. Total market data terminal subscriptions at 31 December 2010 were 85,334 compared to 81,698 at 31 December 2009 and 82,457 at 30 June 2010. In 1H11, approximately 84% of information services revenue related to cash market and equity option data with the remainder due to derivatives traded on ASX Trade24.

Market Connectivity – Up 28.9%

Market connectivity revenue for 1H11 was $18.9 million ($14.7 million pcp). Market connectivity fees are levied on workstations, open interfaces and networks used to access both cash and derivatives markets, as well as for co-location hosting services offered to trading participants in cash markets. The total number of devices (workstations and interfaces) at 31 December

2010 was 2,863 compared to 2,622 at 31 December 2009 and 2,831 at 30 June 2010. The increase in revenue reflects the continued strong demand for market connectivity services. In order to further improve these services ASX introduced a new fibre optic communications network supporting ASX Trade in December 2010, which will be enhanced to replace other ASX communication networks over the coming months. In addition, ASX will be in a position to offer greatly increased and improved co-location services at the end of calendar 2011 when its new data centre is commissioned.

Austraclear Services – Up 14.1%

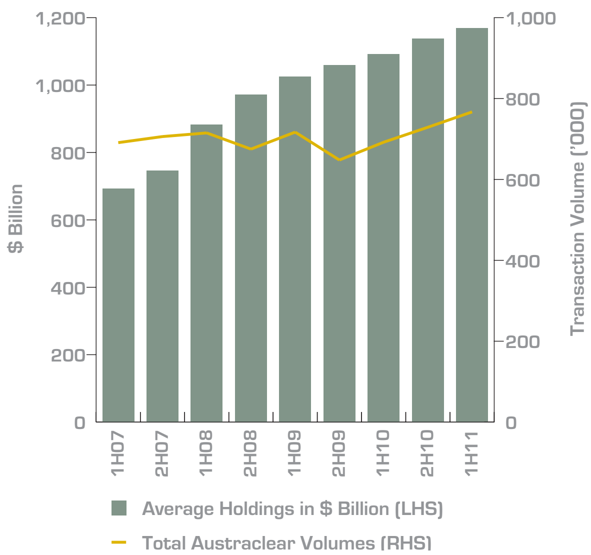
Total Austraclear services revenue for 1H11 increased to $16.9 million ($14.8 million pcp) as a result of revenue growth across all Austraclear's services that span fixed income securities, depository, settlement and registry services.

Depository holding balances continued to increase and averaged $1.17 trillion over 1H11 ($1.09 trillion pcp). At 31 December 2010, $1.19 trillion of securities were held by Austraclear ($1.11 trillion at 31 December 2009). The largest increase was in domestic treasury bond securities.

The volume of Austraclear transactions in 1H11 increased 10.9% to 767,639 (692,444 pcp), with fixed interest securities up 38.5%, cash transfers up 2.6% and discount securities down 12.5%. The Austraclear depository and settlement average fee (transaction and holding) for 1H11 was $13.13 per transaction ($13.60 pcp).

The following chart shows the Austraclear depository holdings and transaction volumes over the past four years and in 1H11. Holding balances within the Austraclear registry have displayed 14.4% average annual growth over this period, while transaction volumes remained relatively consistent, even during periods of slow economic growth, with an increasing profile emerging in the past 18 months.

Austraclear Holdings and Transaction Levels 1H07 to 1H11



Other Revenue – Up 30.2%

Total other revenue for 1H11 was $8.4 million ($6.4 million pcp). Other revenue includes Austraclear and ASX participation fees, fail fees related to cash market settlement, CHESS annual operating charges, ASX platform test-bed access charges and other miscellaneous revenue. The percentage of cash market equity trades that failed to settle within the normal T+3 convention remained low at 0.09% in 1H11 (0.11% pcp).

Cash Operating Expenses – Down 0.1%

Total cash operating expenses for 1H11 were $68.1 million ($68.2 million pcp). Staff, equipment and administration expenses were lower than the pcp, while occupancy expenses were flat. Variable costs were significantly lower due to the decrease in cash markets settlement activity.

Details of expenses noted as significant non-recurring items mainly associated with transaction costs relating to the proposed merger between ASX and SGX, are covered later in this report.

Staff Expenses – Down 0.4%

Total staff expenses for 1H11 were $39.4 million, down $0.2 million compared to the $39.6 million in the pcp. The small decrease in staff costs reflects the lower staff numbers for a proportion of the period associated with the supervision transfer, offset by the impact of salary increases awarded in April 2010 and higher deferred incentive costs. Staff expenses for the second half (2H11) are expected to be only marginally higher than in 1H11.

Full-time equivalent (FTE) headcount at 31 December 2010 was 501 compared to 531 at 30 June 2010. The average headcount during 1H11 was 505 compared to the average 540 in FY10. ASX expects to operate within a headcount range of 500 to 520 for the remainder of FY11. The reduction in headcount from June 2010 to December 2010 was primarily due to the transfer of 23 staff to ASIC in relation to the transfer of certain supervisory functions.

Full Time Equivalent (FTE) Headcount	30 Jun 2009	31 Dec 2009	30 Jun 2010	31 Dec 2010
ASX (ex- Compliance)	443	426	427	427
ASX Compliance	110	106	104	74
Total	**553**	**532**	**531**	**501**

ASX Compliance was previously badged ASX Markets Supervision. The 30 FTE reduction in the half-year (within ASX Compliance) includes the transfer of staff to ASIC as well as an internal transfer of the participant capital monitoring function to the Group's risk management area.

Occupancy Expenses – Up 0.9%

Total occupancy expenses for 1H11 were up 0.9% at $6.7 million ($6.7 million pcp). There were no significant changes to premises during 1H11. The June 2010 announcement of a commitment to a new data centre will not impact on occupancy costs in FY11, as the completion date is scheduled for the second quarter of FY12.

Equipment Expenses – Down 3.3%

Total equipment expenses for 1H11 were $10.9 million, down marginally from $11.3 million in the pcp. Slightly higher equipment costs are expected in 2H11, with ongoing support and maintenance arrangements increasing due to the implementation of the new ASX Trade platform and upgraded agreements for the Austraclear and ASX Clear (Futures) settlement and clearing platforms. From 2H11 however these costs, will be partly offset by reduced maintenance costs on ASX Trade24, attributable to in-sourcing of support arrangements which occured late in the half.

Administrative Expenses – Down 6.2%

Total administration expenses for 1H11 were $7.2 million, down from $7.6 million in the pcp. The reduction is primarily due to premium savings arising from the cancellation of default insurance supporting ASX's central counterparty clearing activities, replaced with a medium-term debt facility. ASX is committed to continued containment of discretionary expenditure on items such as travel, entertainment and consulting. ASX expects administration costs to be slightly higher in 2H11 attributable to marketing activities and upward pressure on insurance premiums.

Variable Expenses – Down 21.5%

Total variable operating expenses for 1H11 were $2.3 million, down 21.5% on the $2.9 million pcp. The number of equity holding statements issued in 1H11 decreased by 19.1% on the pcp resulting in lower processing and postage costs.

Significant Items

In 1H11 ASX attributed $5.1 million pre-tax as significant non-recurring items, $3.5 million post-tax. The interim dividend payment will not be impacted by these costs as ASX is distributing 90% of underlying NPAT for 1H11.

The significant items mainly relate to:

- Accelerated amortisation of the previous cash market trading platform (ITS) as discussed in the FY10 Annual Report. This platform has now been fully amortised and decommissioned and replaced by the new ASX Trade platform.
- Transaction costs associated with the proposed merger between ASX and SGX announced on 25 October 2010. As previously outlined, the merger requires a number of regulatory and shareholder approvals in both Australia and Singapore. Accordingly, further transaction related expenditure will be incurred in 2H11 and will continue to be reported as significant items.

Depreciation and Amortisation – Up 22.2%

Total depreciation and amortisation expense for 1H11 was $11.3 million ($9.2 million pcp).

As foreshadowed in the FY10 Annual Report, depreciation and amortisation expense increased compared to pcp due to the completion of several capital projects, including ASX Trade and ASX Trade24. Depreciation and amortisation expense is expected to increase further in 2H11 as other projects are completed and implemented. Depreciation on the fit-out of the new data centre will not be incurred until midway through FY12.

Interest and Dividend Income – Up 28.5%

Total interest and dividend income for 1H11 was $22.2 million ($17.2 million pcp). Total interest and dividend revenue comprised:

- net interest earned on ASX's cash reserves, after interest expense on borrowings - $10.2 million ($5.9 million pcp);
- net interest earned on funds deposited by participants with ASX - $8.7 million ($8.3 million); and
- dividends from ASX's investment in IRESS Market Technology - $3.3 million ($3.1 million pcp).

The breakdown of net interest income earned by ASX Clearing Corporation (ASXCC) Group (comprising the licensed clearing subsidiaries and their intermediate holding company) and the remainder of the ASX Group over recent half-years are detailed in the following table:

	1H10	2H10	1H11
ASX Group (excluding ASXCC Group)			
Interest earnings on Group cash (excluding CCP capital) $'000	2,068	3,574	5,977
Average cash balance $million	122	172	266
Average yield	3.52%	4.38%	4.68%
ASXCC Group			
Interest earnings on CCP fixed financial resources (net of cost of debt) $'000	3,812	3,388	4,194
Net interest earned on CCP activities $'000	8,272	8,196	8,654
Average margin balances $million	2,915	2,483	2,563
Average investment spread bps	26	26	26
Total net interest earned $'000	**14,152**	**15,158**	**18,825**

Interest earned on the ASX Group's own cash reserves averaged 4.68% in 1H11, compared to 3.52% in the pcp as a result of higher average short-term cash rates. The Reserve Bank increased the overnight cash rate once during 1H11, on 3 November 2010, to 4.75%. The average ASX Group cash balance was $515.6 million in 1H11 compared to $372.0 million in the pcp.

The increase in the ASX Group cash is explained in more detail in the liquidity management section later in this report.

Net interest earned on central counterparty clearing activities includes investment spreads and interest charges applicable on collateral balances.

Participant average cash margin balances averaged $2.6 billion in 1H11 compared to $2.9 billion in the pcp. The breakdown of margins held at 31 December 2009, 30 June 2010 and 31 December 2010 is listed in the table below.

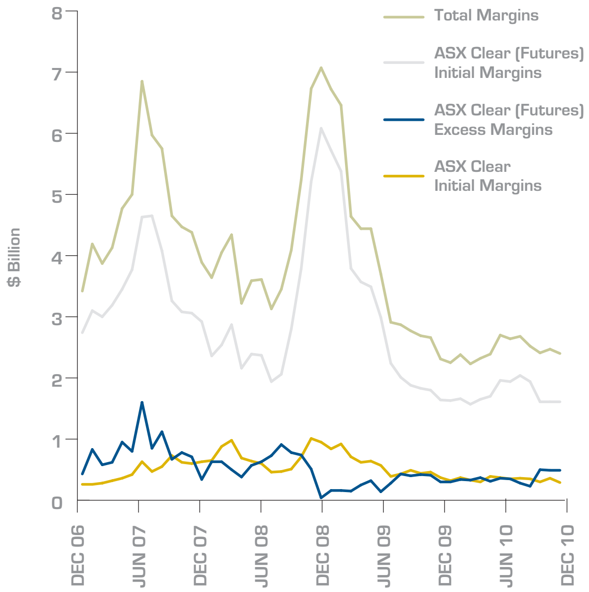
	Margins Held at		
	31 Dec 2009 $ Million	30 Jun 2010 $ Million	31 Dec 2010 $ Million
Cash and cash equivalents			
ASX Clear initial margins	294.9	353.6	251.4
ASX Clear (Futures) initial margins – house	506.2	615.0	629.0
ASX Clear (Futures) initial margins – client	1,192.4	1,551.8	1,248.5
ASX Clear (Futures) additional and excess margins	617.2	387.4	344.3
Total margins on balance sheet	**2,610.7**	**2,907.8**	**2,473.2**
Non-cash collateral held off balance sheet			
ASX Clear – guarantees and equity collateral	4,239.8	3,911.9	4,164.7

The large increase in derivative trading activity discussed under derivatives revenue has not translated into significantly higher margin balances as open position exposures did not grow.

The average investment spread earned on the participant collateral portfolio in 1H11 was 26 basis points over the official cash rate consistent with the 26 basis points in the two prior halves.

The average cash margins held since 2006 in each clearing entity is shown in the following graph.

Average Monthly Cash Margin Balances 1H07 to 1H11



The weighted average maturity of the portfolio was 38 days at 31 December 2010 (31 days at 31 December 2009) with 90% (93% pcp) invested with authorised deposit taking institutions (ADIs) with a Standard & Poor's (S&P) short-term rating of A1+ or higher.

Dividend income of $3.3 million was earned from the investment in IRESS, up from $3.1 million in the pcp. ASX currently holds 18.8% of IRESS (19.2% at 31 December 2009).

Capital Expenditure

Capital expenditure for 1H11 was $15.5 million, up significantly on the $8.6 million for the pcp. Expenditure in 1H11 was incurred on a range of projects including the new cash market trading platform (ASX Trade), the new futures platform (ASX Trade24), an upgrade to the (EXIGO) Austraclear system, the new data centre and various other technology-related projects and business-as-usual investments.

ASX expects FY11 capital expenditure will be at the lower end of the $50 million to $55 million guidance range provided, due to likely timing of expenditure on several large projects currently underway.

Issued Capital

At 31 December 2010, ASX had 175,136,729 ordinary shares on issue (173,573,245 as at 30 June 2010). The increase of 1,563,484 was due to the:

- issue of 1,560,413 shares under the DRP in September 2010; and
- issue of 3,071 shares under the employee share acquisition plan in July 2010.

ASX does not currently have any outstanding rights to unissued shares but has 253,272 Treasury shares held on trust related to various long-term incentive grants issued in preceding years. Vesting of these rights will be dependent on attainment of performance hurdles in future periods, explained in more detail in the Remuneration Report contained in the FY10 Annual Report. During 1H11 a grant of 39,000 performance rights was made under the long-term incentive plan and approximately 31,000 rights vested pursuant to the FY07 plan.

Balance Sheet Summary

The following table is a summary of the Group balance sheet at 30 June 2010 and 31 December 2010.

ASX Group Balance Sheet	As at 30 June 2010 $ Million	As at 31 December 2010 $ Million
Assets		
Cash and available-for-sale financial assets	3,716.8	3,365.2
Goodwill	2,262.8	2,262.8
Other assets	641.2	492.8
Total assets	**6,620.8**	**6,120.8**
Liabilities		
Amounts owing to participants	2,990.2	2,557.3
Borrowings	250.0	250.0
Other liabilities	459.3	320.5
Total liabilities	**3,699.5**	**3,127.8**
Equity		
Capital	2,437.3	2,483.2
Retained earnings	319.7	345.9
Reserves	164.3	163.9
Total equity	**2,921.3**	**2,993.0**

During 1H11 total assets reduced to $6,120.8 million, total liabilities reduced to $3,127.8 million and total equity increased from $2,921.3 million to $2,993.0 million. The decrease in total assets and total liabilities resulted from participant collateral and commitment balances held reducing 14.5% from $2,990.2 million to $2,557.3 million. This reflected lower open positions. The increase in net equity reflects earnings retention and new equity from the September 2010 DRP.

Borrowings of $250 million are unchanged and are dedicated to supporting the clearing guarantee funds of ASX Clear and ASX Clear (Futures).They are not utilised for other ASX Group purposes. This debt is non-recourse to the wider ASX Group and would not be repayable under certain default management scenarios as described in the FY10 Annual Report.

The carrying value of goodwill recognised at the time of the ASX/SFE merger is unchanged, and is supported by a value-in-use calculation (disclosed in more detail in the FY10 Annual Report), which remains largely unaltered.

Equity Capital

Total ASX Group equity capital at 31 December 2010 was $2,993.0 million. Net tangible equity, defined as total equity less goodwill of $2,262.8 million, was $730.2 million and net asset backing per share increased to $17.09 at 31 December 2010 compared to $16.83 at 30 June 2010. The components of ASX's equity capital at 31 December 2010 were:

- $2,483.2 million of issued capital ($220.4 million excluding goodwill), up $45.9 million from 30 June 2010 due to the issuance of ordinary shares under the DRP for the final FY10 dividend;
- $345.9 million of retained earnings, up $26.2 million from 30 June 2010 reflecting 1H11 statutory earnings after tax offset by the payment of the final FY10 dividend. $158.0 million (90% of underlying profit after income tax) will be utilised for the interim dividend payable on 24 March 2011;
- $71.5 million of restricted capital reserves, unchanged from 30 June 2010;
- $86.3 million of asset revaluation reserves up $0.5 million from 30 June 2010 primarily due to the appreciation in value of ASX's 18.8% investment in IRESS; and
- $6.1 million of equity compensation reserve arising from the share-based long-term incentive plan, down $0.8 million from 30 June 2010.

Capital Management

ASX continues to manage its capital efficiently by making an assessment of risk-based capital requirements, while providing sufficient flexibility to meet potential future capital needs.

At 31 December 2010, ASX attributes a risk-based capital requirement of $373.0 million against available net tangible equity of $730.2 million to derive a measured capital surplus of $357.2 million. Adjustment for the proposed interim dividend reduces the capital surplus to $199.2 million. This capital surplus is deemed adequate and appropriate given current market and operating conditions. It also provides a suitable buffer that can be utilised to meet any potential fluctuations in capital requirements, with particular reference to the ongoing capital needs of ASX's central counterparty clearing subsidiaries.

ASX Group Equity	As at 30 June 2010 $ Million	As at 31 December 2010 $ Million
Shareholders equity	2,921.3	2,993.0
Less goodwill	(2,262.8)	(2,262.8)
Net tangible equity	**658.5**	**730.2**
Risk-based capital attribution:		
Clearing participant default risk	250.0	250.0
Investment, operational and fixed asset risk	121.7	123.0
Total risk-based capital attribution	**371.7**	**373.0**
Non-attributed capital position	**286.8**	**357.2**
Less interim dividend payable	(145.8)	(158.0)
Add dividend reinvestment plan	42.3	-
Non-attributed capital after provision for dividend	**183.3**	**199.2**

As the preceding analysis indicates, the primary risk affecting the ASX Group from a capital perspective relates to potential clearing participant default. This capital attribution reflects the level of ASX Group equity and subordinated debt provided to ASX Clear and ASX Clear (Futures) to form part of their clearing guarantee funds that are available, after using any defaulting participant margins, to absorb any shortfalls from a clearing participant default. No capital is set aside for the $250 million debt supporting these funds, due to the non-recourse nature of the facility.

Given the level of non-attributed capital after allowing for the interim dividend, ASX has determined that the DRP will not be activiated for that dividend. This level of capital is appropriate to support ASX's ongoing activities and potential medium-term capital requirements.

The following tables set out the composition of the clearing guarantee funds for ASX Clear and ASX Clear (Futures) at 30 June 2010 and 31 December 2010.

ASX Clear Guarantee Fund	As at 30 June 2010 $ Million	As at 31 December 2010 $ Million
Restricted capital reserve	71.5	71.5
Capital contributed by ASX Group	3.5	3.5
Subordinated debt provided by ASX Group	75.0	75.0
Sub-total ASX Group provided resources	**150.0**	**150.0**
Non-recourse subordinated debt (external)	100.0	100.0
Clearing participant commitments - uncalled	300.0	300.0
Total ASX Clear clearing guarantee fund	**550.0**	**550.0**

ASX Clear (Futures) Guarantee Fund	As at 30 June 2010 $ Million	As at 31 December 2010 $ Million
Capital contributed by ASX Group	30.0	30.0
Subordinated debt provided by ASX Group	70.0	70.0
Sub-total ASX Group provided resources	**100.0**	**100.0**
Clearing participant commitments - lodged	120.0	120.0
Clearing participant commitments - uncalled	30.0	30.0
Non-recourse subordinated debt (external)	150.0	150.0
Total ASX Clear (Futures) clearing guarantee fund	**400.0**	**400.0**

There were no changes in the clearing guarantee funds structure or composition during the half-year.

Liquidity Management

ASX continues to manage liquidity efficiently so that free cash flow is always available to meet obligations as they fall due. In deriving free cash flow, ASX excludes from its liquid balances (cash and available-for-sale securities) any balance representing margins or clearing guarantee funds. These funds are required for financial stability purposes to be available at all times to provide liquidity to meet any shortfalls from a clearing participant default and are not utilised as part of the ASX Group cash resources. Also excluded is the cash required to back Austraclear's capital and a specific undrawn stand-by liquidity facility for $50 million provided to ASX Clear by ASX Limited as part of its default liquidity requirement.

The following table shows the derivation of ASX's available free cash balance at 30 June 2010 and 31 December 2010. The total cash and short-term money market investments balance of ASX Group at 31 December 2010 was $3,365.2 million. Cash and fixed income securities collateral provided by participants of $2,473.2 million and participant commitments provided in cash to the ASX Clear (Futures) clearing guarantee fund of $84.1 million are then deducted to derive ASX's own cash balance of $807.9 million. Specific cash allocations totalling $558.3 million are then deducted to derive period-end free cash flow of $249.6 million. The lowest end of month free cash surplus balance during the period was $180.7 million and ASX anticipates that its free cash surplus will remain positive throughout the remainder of FY11.

ASX Group Cash	As at 30 June 2010 $ Million	As at 31 December 2010 $ Million
Total cash and short-term investments	3,716.8	3,365.2
Less participants' margins and commitments	(2,990.2)	(2,557.3)
ASX Group own cash reserves	**726.6**	**807.9**
Less specific own cash allocations: Clearing guarantee fund (CGF) requirements		
ASX Clear (Futures) capital and ASX subordinated debt	(100.0)	(100.0)
ASX Clear capital and ASX subordinated debt	(150.0)	(150.0)
External borrowings supporting the CGF	(250.0)	(250.0)
Total cash-backed CGF requirements	**(500.0)**	**(500.0)**
Austraclear cash capital requirement	(8.3)	(8.3)
Stand-by liquidity facility	(50.0)	(50.0)
Total specific cash allocations	**(558.3)**	**(558.3)**
Available free cash (liquidity)	**168.3**	**249.6**

The increase in the ASX Group's underlying cash position or free cash flow during 1H11 is detailed below:

	$ Million
Free cash flow at 30 June 2010	**168.3**
Add:	
Cash generated from business activities in 1H11	197.0
Cash from the dividend reinvestment plan in 1H11	45.8
Less:	
Cash used for payment of dividends in 1H11	(145.7)
Cash used for capital investments	(15.8)
Free cash flow at 31 December 2010	**249.6**

The above free cash position at 31 December 2010 of $249.6 million is net of borrowings, and reflects a $81.3 million increase on 30 June 2010. The increase in available free cash during 1H11 can be attributed to both profit retention following payment of dividends and cash generated from the reinvestment of a portion of the dividend in ASX equity. It also reflects the timing impact of dividend payments and cash earnings in the period. The full statement of cash flows for the Group is contained within the half-year financial statements.

Summary

The first half of FY11 was a period of relative stability in equity markets as evidenced by low volatility and a small increase in traded value, while derivative market activity was more buoyant.

The underlying NPAT of the ASX Group of $175.5 million exceeded the pcp and was 8.4% ahead of the 2H10 result. Group revenues held up well, with total revenue up on pcp and 2H10 despite the headline trade execution fee reduction which resulted in lower cash market revenue. Expenses continued to be contained, with increases resulting mainly from higher depreciation and amortisation from new capital investments made to enhance ASX product and service offerings. Cash operating expenses, while up on 2H10 were flat on the pcp.

During the half-year the All Ordinaries Index rose slightly to close at 4846.9. Average daily cash market traded value also rose slightly (0.9%) to $5.2 billion and average daily derivative contract volume increased significantly (23.8%) to 425,890. Listing activity was encouraging with an increase of 68.0% in new IPO listings and $18.4 billion of secondary capital raised.

The past six months has been another busy period for the Group with the launch of two major trading platforms, ASX Trade and ASX Trade24, while work continues on a host of other projects scheduled for completion over the balance of FY11 and into FY12. The proposed merger with SGX has not slowed the rollout of new project and service offerings. It does however provide the combined entity with optionality for new product and service opportunities in the future. Initiatives for the remainder of FY11 will not be impacted by the proposal to merge with SGX and ASX will continue with the process of informing stakeholders and gaining the approvals required for this combination to proceed.

ASX has a number of new opportunities to capitalise on, and has a strong and stable financial position to allow it to undertake the investment to meet the market demands confronting it.

Ramy Aziz
Chief Financial Officer

KEY FINANCIAL RATIOS

Half-Year Ended 31 December 2010	NOTES	JUN 09 (2H09)	DEC 09 (1H10)	JUN 10 (2H10)	DEC 10 (1H11)
Basic EPS (including significant items)	1	82.8¢	97.8¢	92.6¢	98.6¢
Diluted EPS (including significant items)	1	82.7¢	97.8¢	92.6¢	98.6¢
Underlying EPS (excluding significant items)	4,5	82.8¢	99.3¢	93.7¢	100.7¢
Dividends per share		74.5¢	89.1¢	84.0¢	90.2¢
Underlying return on equity (annualised)	4,6	10.4%	12.2%	11.8%	12.1%
EBITDA/Operating revenue	3,4	73.0%	77.5%	76.9%	77.8%
EBIT/Operating revenue	3,4	69.9%	74.4%	73.5%	74.1%
Total expenses (including depreciation and amortisation)/Operating revenue	3,4	30.1%	25.6%	26.5%	25.9%
Capital expenditure ($'000)	2	$13,044	$8,606	$18,943	$15,457
Net tangible asset backing per share	2	$2.66	$3.19	$3.49	$3.85
Net asset backing per share	2	$16.20	$16.64	$16.83	$17.09
Shareholders' equity as a % of total assets (excluding participants' balances)	2	87.3%	83.3%	80.5%	84.0%
Shareholders' equity as a % of total assets (including participants' balances)	2	40.9%	46.7%	44.1%	48.9%
Share price at end of period		$36.99	$34.94	$29.16	$37.68
Ordinary shares on issue at end of period		171,188,524	172,305,698	173,573,245	175,136,729
Weighted average number of ordinary shares		171,188,524	171,747,132	172,963,982	174,390,445
Market value of ordinary shares on issue ($m)		$6,332	$6,020	$5,061	$6,599
Full-time equivalent permanent staff:					
- number at period-end		553	532	531	501
- average during the period		554	545	532	505

NOTES

1 Based on statutory numbers and weighted average number of shares.

2 Based on statutory numbers.

3 Operating revenue excludes interest and dividend revenue (pro-forma).

4 Excludes significant items.

5 Underlying earnings per share excluding significant items and weighted average number of shares on a pro-forma basis.

6 Based on pro-forma underlying profit after tax and average capital.

TRANSACTION LEVELS AND STATISTICS

Half-Year Ended 31 December 2010	JUN 09 (2H09)	DEC 09 (1H10)	JUN 10 (2H10)	DEC 10 (1H11)
Listings and Capital Raisings				
Total domestic market capitalisation ($bn)	$1,098	$1,403	$1,254	$1,419
Total number of listed entities (includes all stapled entities)	2,198	2,181	2,192	2,216
Number of new listings	11	50	43	84
Average annual listing fee	$10,647	$12,094	$12,160	$12,981
Average initial listing fee	$59,208	$67,743	$67,565	$97,994
Average fee per $m of secondary capital	$451	$595	$1,199	$746
Initial capital raised ($m)	$485	$7,024	$4,436	$20,613
Secondary capital raised ($m)	$46,604	$52,025	$13,062	$18,368
Total capital raised ($m)	$47,089	$59,049	$17,498	$38,981
Other secondary capital raised including scrip-for-scrip ($m)	$1,667	$2,862	$1,607	$13,685
Number of new warrant series	1,160	1,174	1,129	1,148
Total warrant series	2,516	2,439	2,226	2,212
Cash Markets				
Trading days	124	130	123	130
Total cash market trades ('000)	50,422	66,072	66,178	70,180
Average daily cash market trades	406,629	508,249	538,026	539,850
Total cash market value traded (including crossings) ($bn)	$494.147	$669.297	$690.007	$675.387
Average daily cash market value (including crossings) ($bn)	$3.985	$5.148	$5.598	$5.195
Total billable value ($bn)	$480.321	$644.415	$658.354	$654.147
Percentage of turnover crossed	26.0%	29.1%	27.8%	28.5%
Percentage of turnover* (where $75 cap applies)	2.8%	3.7%	4.6%	3.1%
Average cash market trading, clearing and settlement fee	$1.46	$1.43	$1.32	$1.15
Average fee per dollar of value traded (bps)	1.49	1.41	1.25	1.20

* Cap applies at $2.679 million value in 2H09, 1H10, 2H10 and $5.000 million in 1H11.

Half-Year Ended 31 December 2010	JUN 09 (2H09)	DEC 09 (1H10)	JUN 10 (2H10)	DEC 10 (1H11)
Derivatives Markets				
Trading days (ASX)	124	130	123	130
Derivatives (excluding ASX SPI 200)				
Total contracts ('000)	9,191	10,207	11,447	10,736
Average daily derivatives contracts	74,124	78,517	93,066	82,588
Average fee per derivatives contract	$1.35	$1.48	$1.44	$1.41
Trading days futures and options on futures (ASX24)	126	130	126	130
Contracts for Difference				
Total trades	42,705	63,303	60,869	51,388
Notional value traded ($m)	$1,013.4	$1,931.0	$1,684.6	$1,823.7
Total open interest value ($m) at end of period	$64.7	$107.2	$118.6	$139.5
Total contracts traded ('000)	63,164	79,735	73,213	84,880
Futures and options on futures				
Total contracts - futures ('000)				
ASX SPI 200	4,807	4,732	5,006	5,055
90 day bank bills	6,902	7,534	9,004	8,906
3 year bonds	10,821	13,376	16,820	17,665
10 year bonds	4,917	5,161	6,113	7,347
30 day interbank cash rate	900	1,415	2,276	2,939
Agricultural	6	4	3	3
Electricity	53	74	77	111
Other	1	6	2	<1
NZD - 90 day bank bill	695	789	838	589
Total Futures	**29,102**	**33,091**	**40,139**	**42,615**
Total contracts - options on futures ('000)				
ASX SPI 200	167	153	199	183
90 day bank bills	14	19	18	23
3 year bonds	118	328	77	128
Overnight 3 year bonds	508	628	747	994
Intra-day 3 year bonds	129	301	378	672
10 year bonds	7	3	2	3
Overnight 10 year bonds	2	<1	1	1
Electricity	5	5	7	9
NZD - 90 day bank bill	2	1	-	1
Total Options	**952**	**1,438**	**1,429**	**2,014**
Total Futures and Options Contract Volume ('000)	**30,054**	**34,529**	**41,568**	**44,629**
Daily average contracts - futures and options	238,524	265,606	329,905	343,302
Average fee per contract - futures and options	$1.71	$1.65	$1.41	$1.51

Half-Year Ended 31 December 2010	JUN 09 (2H09)	DEC 09 (1H10)	JUN 10 (2H10)	DEC 10 (1H11)
Austraclear Settlement and Depository				
Trading days	124	130	123	130
Transactions ('000)				
Cash transfers	319	307	306	315
Fixed interest securities	160	221	254	306
Discount securities	148	144	146	126
Foreign exchange	15	15	15	16
Interest rate swaps	2	1	1	<1
Forward rate agreements	4	4	5	4
Audit certificates	1	<1	<1	<1
Total Transactions ('000)	**648**	**692**	**729**	**768**
Average daily settlement volume	5,229	5,320	5,923	5,902
Securities holdings (monthly average $bn)	$1,059.4	$1,091.6	$1,138.4	$1,169.4
Average settlement and depository fee (including portfolio holdings)	$12.01	$13.60	$13.35	$13.13
Market Connectivity				
No. of ASX workstations - period end	771	771	760	727
No. of ASX interfaces - period end	1,339	1,455	1,641	1,727
No. of ASX24 interfaces - period end	351	364	405	409
No. of ASX24 workstations - period end	37	32	25	-
Information Services				
ASX market data terminals - period end	67,715	64,100	64,454	66,863
ASX24 market data terminals - period end	17,213	17,598	18,003	18,471
ASX market data terminals - monthly average	65,672	70,345	66,986	67,464
ASX24 market data terminals - monthly average	18,319	17,514	17,854	18,268
System Uptime (Period Average)				
ITS/ASX Trade	100.00%	100.00%	100.00%	100.00%
CHESS	100.00%	100.00%	100.00%	100.00%
SYCOM®/ASX Trade24	99.98%	99.96%	99.98%	99.93%
SECUR	100.00%	100.00%	99.99%	100.00%
EXIGO	99.86%	99.95%	99.89%	100.00%

2011 HALF-YEAR FINANCIAL STATEMENTS - ASX LIMITED AND ITS CONTROLLED ENTITIES ABN 98 008 624 691

The directors present their report together with the financial statements of the Group (ASX or the Group) being ASX Limited (ASXL or the Company) and its subsidiaries, for the half-year ended 31 December 2010 and the auditor's report thereon. The financial statements have been reviewed and approved by the directors on the recommendation of the ASX Board Audit and Risk Committee.

The consolidated net profit after tax for the half-year ended 31 December 2010 attributable to the owners of ASXL was $171,985,187 (2009: $168,042,815).

Directors

The directors of ASXL in office during the half-year and up to the date of this report were as follows:

Mr DM Gonski AC
(Chairman since 24 September 2008)
Director since 2007

Mr RG Elstone
(Managing Director and CEO)
Director since 2006*

Mr RA Aboud
Director since 2005

Ms JR Broadbent AO
Director since 2010

Mr SD Finemore
Director since 2007

Mr R Holliday-Smith
Director since 2006**

Mr PR Marriott
Director since 2009

Ms JS Segal AM
Director since 2003

Mr PH Warne
Director since 2006***

Mr TC Rowe AM was a director up until his retirement on 2 July 2010. He had been a director since 2002.

*Managing Director and CEO of SFE Corporation Limited from 2000 to 2006.
**Chairman of SFE Corporation Limited from 1998 to 2006.
***Director of SFE Corporation Limited from 2000 to 2006.

Review of Operations

In accordance with ASIC Class Order 98/2395, this information is contained in the Managing Director and CEO's Report (page 3) and the Chief Financial Officer's Report (page 8).

Dividend

The following table includes information relating to dividends in respect of the prior and current financial years, including dividends paid or declared by the Company since the end of the previous financial year:

Type	Cents Per Share	Total Amount $'000	Date of Payment	Tax Rate for Franking Credit
In respect of the current financial period				
Interim	90.2	157,973	24 March 2011	30%
In respect of the prior financial year				
Interim	89.1	153,524	29 March 2010	30%
Final	84.0	145,804	27 September 2010	30%
Total	173.1	299,328		

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 33.

Rounding of Amounts

ASXL is a company of the kind referred to in ASIC Class Order 98/100 dated 10 July 1998, as varied by Class Order 05/641 dated 28 July 2005 and Class Order 06/51 dated 31 January 2006. In accordance with those Class Orders, amounts in the financial statements and the Directors' Report have been rounded off to the nearest thousand dollars or million dollars, as indicated.

Signed in accordance with a resolution of the directors.

David M Gonski AC
Chairman

Robert G Elstone
Managing Director and CEO

Sydney,
17 February 2011

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999
www.pwc.com/au

Auditor's Independence Declaration

As lead auditor for the review of ASX Limited for the half-year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of ASX Limited and the entities it controlled during the period.

M J Codling
Partner
PricewaterhouseCoopers

Sydney
17 February 2011

CONSOLIDATED INCOME STATEMENT

For the half-year ended 31 December 2010	Note	Half-year ended 31 Dec 2010 $'000	Half-year ended 31 Dec 2009 $'000
Revenues			
Listings		63,629	65,264
Cash market		81,013	94,334
Derivatives		87,639	75,734
Information services		35,157	35,303
Market connectivity		18,921	14,676
Austraclear services		16,901	14,806
Dividends		3,325	3,087
Interest income		83,021	58,609
Other		7,916	6,748
	2	**397,522**	**368,561**
Expenses			
Staff		39,344	40,736
Occupancy		5,704	6,016
Equipment		11,660	12,266
Administration		18,911	14,391
Depreciation and amortisation		13,523	11,723
Finance costs		64,196	44,457
	2	**153,338**	**129,589**
Profit before income tax expense		**244,184**	**238,972**
Income tax expense		(72,199)	(70,929)
Net profit for the period attributable to owners of the Company		**171,985**	**168,043**
Basic earnings per share (cents per share)	**3**	**98.6**	**97.8**
Diluted earnings per share (cents per share)	**3**	**98.6**	**97.8**

The Consolidated Income Statement should be read in conjunction with the notes to the half-year financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2010	Half-year ended 31 Dec 2010 $'000	Half-year ended 31 Dec 2009 $'000
Profit for the period	**171,985**	**168,043**
Other comprehensive income		
Change in fair value of investments (net of tax)	665	22,278
Change in fair value of available-for-sale financial assets (net of tax)	(273)	(591)
Change in the fair value of cash flow hedges (net of tax)	33	44
Other comprehensive income for the period (net of tax)	**425**	**21,731**
Total comprehensive income for the period attributable to owners of the Company	**172,410**	**189,774**

The Consolidated Statement of Comprehensive Income should be read in conjunction with the notes to the half-year financial statements.

CONSOLIDATED BALANCE SHEET

As at 31 December 2010	Note	31 Dec 2010 $'000	30 Jun 2010 $'000
Current Assets			
Cash		1,340,012	1,242,620
Available-for-sale financial assets		2,025,146	2,474,226
Receivables		188,324	340,269
Other assets		7,487	6,696
Total Current Assets		**3,560,969**	**4,063,811**
Non-Current Assets			
Investments		207,338	206,389
Property, plant and equipment		33,977	34,303
Intangible assets - software		55,793	53,534
Intangible assets - goodwill		2,262,759	2,262,759
Total Non-Current Assets		**2,559,867**	**2,556,985**
Total Assets		**6,120,836**	**6,620,796**
Current Liabilities			
Payables		163,631	330,083
Amounts owing to participants		2,473,205	2,907,768
Current tax liabilities		49,460	56,539
Provisions		11,187	14,317
Other current liabilities		50,614	11,776
Total Current Liabilities		**2,748,097**	**3,320,483**
Non-Current Liabilities			
Amounts owing to participants		84,090	82,440
Borrowings		250,000	250,000
Net deferred tax liabilities		31,217	32,173
Provisions		10,694	10,405
Other non-current liabilities		3,700	4,000
Total Non-Current Liabilities		**379,701**	**379,018**
Total Liabilities		**3,127,798**	**3,699,501**
Net Assets		**2,993,038**	**2,921,295**
Equity			
Issued capital	6	2,483,229	2,437,333
Retained earnings		345,910	319,670
Restricted capital reserve		71,489	71,489
Asset revaluation reserve		86,261	85,836
Equity compensation reserve		6,149	6,967
Total Equity		**2,993,038**	**2,921,295**

The Consolidated Balance Sheet should be read in conjunction with the notes to the half-year financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2010	Issued Capital $'000	Retained Earnings $'000	Restricted Capital Reserve $'000	Asset Revaluation Reserve $'000	Equity Compensation Reserve $'000	Total Equity $'000
Opening balance at 1 July 2010	**2,437,333**	**319,670**	**71,489**	**85,836**	**6,967**	**2,921,295**
Total comprehensive income for the period	-	171,985	-	425	-	172,410
Transactions with owners in their capacity as owners:						
Share-based payment	-	-	-	-	83	83
Dividends paid (not previously provided)	-	(145,745)	-	-	-	(145,745)
Shares issued under the Dividend Reinvestment Plan	45,814	-	-	-	-	45,814
Shares issued under the Employee Share Acquisition Plan	82	-	-	-	-	82
Purchase of Treasury shares (net of tax)	-	-	-	-	(901)	(901)
Closing balance at 31 December 2010	**2,483,229**	**345,910**	**71,489**	**86,261**	**6,149**	**2,993,038**

For the half-year ended 31 December 2009	Issued Capital $'000	Retained Earnings $'000	Restricted Capital Reserve $'000	Asset Revaluation Reserve $'000	Equity Compensation Reserve $'000	Total Equity $'000
Opening balance at 1 July 2009	**2,361,820**	**272,554**	**71,489**	**61,912**	**5,663**	**2,773,438**
Total comprehensive income for the period	-	168,043	-	21,731	-	189,774
Transactions with owners in their capacity as owners:						
Share-based payment	-	-	-	-	601	601
Dividends paid (not previously provided)	-	(127,557)	-	-	-	(127,557)
Shares issued under the Dividend Reinvestment Plan	30,591	-	-	-	-	30,591
Closing balance at 31 December 2009	**2,392,411**	**313,040**	**71,489**	**83,643**	**6,264**	**2,866,847**

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the half-year financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2010	Note	Half-year ended 31 Dec 2010 $'000	Half-year ended 31 Dec 2009 $'000
Cash flows from operating activities			
Cash receipts in the course of operations		377,995	375,993
Cash payments in the course of operations		(122,102)	(103,329)
Cash generated from operations		**255,893**	**272,664**
Interest received		83,522	58,233
Interest paid		(64,381)	(45,821)
Dividends received		3,325	3,087
Income taxes paid		(80,336)	(69,470)
Net cash inflow from operating activities	**7**	**198,023**	**218,693**
Cash flows from investing activities			
Decrease in participants' margins and commitments		(432,913)	(917,688)
Payments for other non-current assets		(15,749)	(8,049)
Net cash (outflow) from investing activities		**(448,662)**	**(925,737)**
Cash flows from financing activities			
Proceeds from borrowings		-	250,000
Repayment of borrowings		-	(100,000)
Dividends paid		(145,745)	(127,557)
Proceeds from the issue of shares under the Dividend Reinvestment Plan		45,814	30,591
Purchase of treasury shares		(882)	-
Receipts in respect of the Employee Share Acquisition Plan		82	-
Receipts in respect of the Employee Share Plan		24	60
Net cash (outflow)/inflow from financing activities		**(100,707)**	**53,094**
Net (decrease) in cash and cash equivalents		**(351,346)**	**(653,950)**
Fair value (decrease) of cash and cash equivalents		**(342)**	**(547)**
Cash and cash equivalents at the beginning of the financial period		3,716,846	4,019,460
Cash and cash equivalents at the end of the financial period		**3,365,158**	**3,364,963**

Cash and cash equivalents consist of:			
ASX own funds		807,863	674,005
Participants' margins and commitments		2,557,295	2,690,958
Total cash and cash equivalents*		**3,365,158**	**3,364,963**

* Total cash and cash equivalents includes cash and available-for-sale financial assets.

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the half-year financial statements.

1. Summary of Significant Accounting Policies

ASX Limited (ASXL or the Company) is a company domiciled in Australia. The half-year financial statements are for the consolidated entity consisting of ASXL and its subsidiaries (together referred to as the 'Group').

These half-year financial statements must be read in conjunction with any public announcements made by the Company during the half-year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The half-year financial statements were authorised for issuance by the Board of Directors on 17 February 2011.

Basis of preparation

The half-year financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards including AASB 134 *Interim Financial Reporting*, other mandatory professional reporting requirements and the Corporations Act 2001. The half-year financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The half-year financial statements do not include all of the information required for full-year annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended 30 June 2010.

The half-year financial statements have been prepared in Australian dollars on the historical cost basis except for available-for-sale financial assets and investments which have been recognised at fair value.

The accounting policies applied by the Group in the consolidated financial statements for the year ended 30 June 2010 have also been applied by the Group in these half-year financial statements.

2. Segment Reporting

The Managing Director and CEO assesses performance of the Group as a single segment, being a vertically integrated organisation (eg. primary, secondary and risk transfer) providing multi-asset class product offerings. Vertical integration includes the exchange listing activities offered to public companies, the trading venue or exchange activities for trading and associated clearing and settlement activities offered to participants, and exchange and over-the-counter products provided to other customers. Multi-asset class service offerings include equities, interest rate, commodity and energy products across cash and derivatives markets.

In addition to reviewing performance based on net profit after tax, the Managing Director and CEO assesses the performance of the Group based on underlying net profit after tax. This measure excludes significant non-recurring revenue and expenses such as those that may be associated with a significant business restructuring. Group performance as measured by earnings before interest and tax (EBIT) and earnings before interest, tax, depreciation and amortisation (EBITDA) are also reviewed by the Managing Director and CEO. In assessing performance, operating revenue adjustments include derivative revenues shared with external parties, doubtful debt provisions recognised against revenue and gross interest income. Operating expense adjustments relate to the classification of certain expenses including variable expenses and gross interest expense. Net tangible equity, defined as net equity less goodwill (including capitalised software), is used in strategic decision-making regarding the Group's capital management.

The information provided on a regular basis to the Managing Director and CEO, along with a reconciliation to net profit for the period attributable to owners of the Company, is provided below:

Half-year ended 31 December 2010	Segment Information $'000	Adjustments $'000	Consolidated Income Statement $'000
Revenues			
Listings	63,629	-	63,629
Cash market	81,013	-	81,013
Derivatives	82,432	5,207	87,639
Information services	35,157	-	35,157
Market connectivity	18,921	-	18,921
Austraclear services	16,901	-	16,901
Other	8,393	(477)	7,916
Operating revenue	**306,446**		
Interest income		83,021	83,021
Dividends		3,325	3,325
Total revenue		**91,076**	**397,522**
Expenses			
Staff	39,432	(88)	39,344
Occupancy	6,720	(1,016)	5,704
Equipment	10,942	718	11,660
Administration	7,154	11,757	18,911
Variable	2,306	(2,306)	-
ASIC supervision levy	1,546	(1,546)	-
Cash operating expenses	**68,100**		
EBITDA	**238,346**		
Finance costs		64,196	64,196
Depreciation and amortisation	11,250	2,273	13,523
Total expenses		**73,988**	**153,338**
EBIT	**227,096**		
Interest income	10,171	(10,171)	-
Net interest on participant balances	8,654	(8,654)	-
Dividend income	3,325	(3,325)	-
Net interest and dividend income	**22,150**	**(22,150)**	**-**
Underlying profit before tax	**249,246**	**(5,062)**	**244,184**
Income tax (expense)/credit	**(73,718)**	**1,519**	**(72,199)**
Underlying net profit after tax	**175,528**	**(3,543)**	**171,985**
Significant items	(5,062)	5,062	-
Tax on significant items	1,519	(1,519)	-
Net profit after tax	**171,985**	**-**	**171,985**

Total assets	6,120,836
Less: total liabilities	(3,127,798)
Less: goodwill	(2,262,759)
Net tangible equity	**730,279**

Half-year ended 31 December 2009	Segment Information $'000	Adjustments $'000	Consolidated Income Statement $'000
Revenues			
Listings	65,264	-	65,264
Cash market	94,334	-	94,334
Derivatives	71,927	3,807	75,734
Information services	35,303	-	35,303
Market connectivity	14,676	-	14,676
Austraclear services	14,806	-	14,806
Other	6,448	300	6,748
Operating revenue	**302,758**		
Interest income		58,609	58,609
Dividends		3,087	3,087
Total revenue		**65,803**	**368,561**
Expenses			
Staff	39,610	1,126	40,736
Occupancy	6,661	(645)	6,016
Equipment	11,320	946	12,266
Administration	7,626	6,765	14,391
Variable	2,936	(2,936)	-
Cash operating expenses	**68,153**		
EBITDA	**234,605**		
Finance costs		44,457	44,457
Depreciation and amortisation	9,207	2,516	11,723
Total expenses		**52,229**	**129,589**
EBIT	**225,398**		
Interest income	5,880	(5,880)	-
Net interest on participant balances	8,272	(8,272)	-
Dividend income	3,087	(3,087)	-
Net interest and dividend income	**17,239**	**(17,239)**	
Underlying profit before tax	**242,637**	**(3,665)**	**238,972**
Income tax (expense)/credit	(72,029)	1,100	(70,929)
Underlying net profit after tax	**170,608**	**(2,565)**	**168,043**
Significant items	(3,665)	3,665	
Tax on significant items	1,100	(1,100)	-
Net profit after tax	**168,043**	**-**	**168,043**

Total assets	6,134,429
Less: total liabilities	(3,267,582)
Less: goodwill	(2,262,759)
Net tangible equity	**604,088**

3. Earnings per Share

	Half-year ended 31 Dec 2010	Half-year ended 31 Dec 2009
Basic earnings per share (cents)	98.6	97.8
Diluted earnings per share (cents)	98.6	97.8

The following reflects the income and share data used in the calculation of basic and diluted earnings per share:

	$'000	$'000
Earnings used in calculating basic and diluted earnings per share	171,985	168,043

	2010 Number of shares	2009 Number of shares
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	174,390,445	171,747,132

Basic and diluted earnings per share have been calculated on the basis of net profit after tax of $171,985,187 (2009: $168,042,815).

4. Contingencies

(a) Novation

The Group, through the operation of its licensed clearing subsidiaries, has contingent liabilities as detailed below. The Group has two wholly owned subsidiaries, ASX Clear Pty Limited and ASX Clear (Futures) Pty Limited, which provide novation of certain financial assets and liabilities, referred to as central counterparty clearing. The effect of novation is to make these subsidiaries contractually responsible for the obligations entered into by participants on ASX markets.

ASX Clear Pty Limited

ASX Clear Pty Limited, a controlled entity of ASX Clearing Corporation Limited (ASXCC), which is a controlled entity of ASXL, is the counterparty to all on-market transactions conducted on the ASX which includes: derivatives comprising exchange-traded options, futures, and warrants; and cash market securities comprising equities and managed investments. Transactions between two participating organisations are replaced by novation which simultaneously offsets the contract between ASX Clear Pty Limited and the buying party with the contract between ASX Clear Pty Limited and the selling party. From ASX Clear Pty Limited's perspective, all positions are matched.

As at 31 December 2010, ASX Clear Pty Limited had a right to receive from participants payments of $637.7 million (30 June 2010: $330.3 million) and a corresponding obligation to make equivalent payments relating to cash market securities. Furthermore, total collateral required by ASX Clear Pty Limited to cover participants' derivatives exposures was $701.5 million (30 June 2010: $914.9 million). This was made up of cash and receivables of $251.4 million (30 June 2010: $353.6 million), bank guarantees of $166.9 million (30 June 2010: $237.5 million) and the remainder of $283.2 million (30 June 2010: $323.8 million) in equity securities. The bank guarantees and equity securities are not recognised on balance sheet. As at the end of the reporting period, in addition to the cash lodged, participants had also lodged non-cash collateral with ASX Clear Pty Limited in the form of equity securities and bank guarantees with a market value of $4,164.7 million (30 June 2010: $3,911.9 million).

All net delivery and net payment obligations relating to cash market securities owing to or by participants at 31 December 2010 were settled.

ASX Clear Pty Limited has the following financial resources available to support its central counterparty clearing activities (over and above collateral deposited by participants):

Financial Resources (Clearing Guarantee Fund)	31 Dec 2010 $'000	30 June 2010 $'000	31 Dec 2009 $'000
Restricted capital reserve	71,489	71,489	71,489
Equity and subordinated debt provided by the Group	78,511	78,511	78,511
Group external borrowing*	100,000	100,000	100,000
Emergency assessments	300,000	300,000	300,000
	550,000	**550,000**	**550,000**

*The external borrowing is provided via ASXCC. This external borrowing has a term of three years and is repayable in December 2012.

In the event of a clearing default, the financial resources at 31 December 2010 available to ASX Clear Pty Limited would be applied in the following order as set out in the ASX Clear Pty Limited clearing rules:

1. Collateral or other margin or contributions lodged by the defaulting participant with ASX Clear Pty Limited;

2. Restricted capital reserve of $71.5 million. In accordance with the terms of ASX Clear Pty Limited's Australian Clearing and Settlement Facility Licence, unless the Minister for Superannuation and Corporate Law (the Minister) agrees otherwise, these funds can only be used by ASX Clear Pty Limited for clearing and settlement support;

3. ASXCC provided equity capital of $3.5 million and subordinated debt of $75 million. Currently, ASX Clear Pty Limited has determined the Reserve Requirement (Reserve Bank of Australia (RBA) Stability Standard for Central Counterparties) to be $150 million. Accordingly, ASX Clear Pty Limited has met the Reserve Requirement through the combination of restricted capital, equity and subordinated debt. As the Reserve Requirement may vary from time to time, ASX Clear Pty Limited has the obligation to provide financial resources to cover any shortfall in the Reserve Requirement. ASX Clear Pty Limited may utilise a number of alternatives to provide these financial resources including equity, debt, participant commitments and insurance. While ASXCC does not have a legal obligation to contribute capital to recapitalise ASX Clear Pty Limited in the event of a clearing loss, it may choose, however, to provide capital. ASX Clear Pty Limited may also consider other sources of financial resources if required;

4. Non-recourse subordinated debt of $100 million received from ASXCC which borrowed the funds externally on a non-recourse basis;

5. Contributions lodged by non-defaulting participants under the ASX Clear Pty Limited clearing rules. No contributions were lodged in the current or prior period; and

6. Emergency assessments of $300 million which can be levied on participants (nil has been levied for the period ending 31 December 2010 and for the year ended 30 June 2010).

ASX Clear (Futures) Pty Limited

ASX Clear (Futures) Pty Limited, a controlled entity of ASXCC, is the counterparty to derivative contracts comprising futures, options and contracts for difference. Transactions between two participating organisations are replaced by novation which simultaneously offsets the contract between ASX Clear (Futures) Pty Limited and the buying organisation with the contract between ASX Clear (Futures) Pty Limited and the selling organisation. From ASX Clear (Futures) Pty Limited's perspective, all positions are matched.

ASX Clear (Futures) Pty Limited is liable for the settlement of these derivative contracts traded between its clearing participants, and is supported by margins received from clearing participants as well as by specific financial resources totalling $400 million referred to as the Clearing Guarantee Fund.

Total collateral lodged by clearing participants at 31 December 2010 was $2,221.8 million (30 June 2010: $2,554.2 million). This was made up of cash $1,948.5 million (30 June 2010: $2,082.8 million) and debt securities $273.3 million (30 June 2010: $471.4 million).

All net payment obligations relating to derivatives market transactions owing to or by clearing participants of ASX Clear (Futures) Pty Limited as at 31 December 2010 were settled.

The Clearing Guarantee Fund available to ASX Clear (Futures) Pty Limited to support its central counterparty clearing activities (over and above collateral deposited by participants) is as follows:

Financial Resources (Clearing Guarantee Fund)	31 Dec 2010 $'000	30 June 2010 $'000	31 Dec 2009 $'000
Equity and subordinated debt provided by the Group	100,000	100,000	100,000
Participant financial backing	120,000	120,000	120,000
Secondary commitments	30,000	30,000	30,000
Group external borrowing*	150,000	150,000	150,000
	400,000	**400,000**	**400,000**

* The external borrowing is provided via ASXCC. This external borrowing has a term of three years and is repayable in December 2012.

In the event of a clearing default, the financial resources at 31 December 2010 available to ASX Clear (Futures) Pty Limited would be applied in the following order in accordance with the ASX Clear (Futures) Pty Limited clearing rules:

1. Collateral and participant financial backing lodged by the defaulting participant with ASX Clear (Futures) Pty Limited;

2. ASX Clearing Corporation Limited, a controlled entity of ASXL, provided equity capital of $30 million and subordinated debt of $70 million;

3. Participant financial backing lodged by participants, totalling $120 million. Any defaulting participant's financial backing in this total will be included in amounts previously applied as part of amounts in (1) above. Participant financial backing comprises cash $84.1 million (30 June 2010: $82.4 million) and non-cash commitments (letters of credit drawn on major Australian licensed banks of $35.9 million (30 June 2010: $37.6 million));

4. Secondary commitments of $30 million levied on participants (nil has been levied for the periods ending 31 December 2010 and 30 June 2010); and

5. Non-recourse subordinated debt of $150 million received from ASXCC which borrowed the funds externally on a non-recourse basis.

(b) Employee share plans

In prior years employees were provided with non-recourse loans to acquire ordinary shares under an ASX employee share purchase plan. Under this plan, employees may elect not to repay the loan thereby forgoing ownership in the shares. Where this occurs, the shares are sold on-market with the net proceeds utilised to offset the outstanding loan balance. A contingent liability arises where the proceeds from sale are insufficient to meet any outstanding loan balance net of dividends.

The outstanding loan balance as at 31 December 2010 is $16,889 (30 June 2010: $41,122).

At 31 December 2010, there were no liabilities relating to the employee share schemes as the value of the shares was significantly greater than the loan balance (30 June 2010: $nil).

(c) Securities Exchanges Guarantee Corporation (SEGC) – Levy

The National Guarantee Fund (NGF), which is administered by SEGC, is maintained to provide compensation for prescribed claims arising from dealings with market participants as set out in the Corporations Act 2001. The net assets of the NGF at 31 December 2010 were $112.4 million (30 June 2010: $111.0 million). If the net assets of the NGF fall below the minimum amount determined by the Minister in accordance with the Corporations Act 2001 (currently $76 million), SEGC may determine that ASXL must pay a levy to SEGC. Where a levy becomes payable, ASXL may determine that market participants must pay a levy, provided that the total amounts payable under this levy do not exceed the amount payable by ASXL to SEGC. The amount in the NGF has not fallen below the applicable minimum amount since the NGF was formed and SEGC has not imposed any levies. Failure by either ASXL or a market participant to pay a levy may give rise to a civil action, but does not constitute an offence under the Act. In accordance with applicable accounting standards neither SEGC nor the NGF are consolidated by ASXL.

ASXL is the only member of SEGC, which is a company limited by guarantee. Accordingly, ASXL has a contingent liability to provide a maximum of $1,000 of capital in the event it is called on by SEGC.

5. Dividends

	Half-year ended 31 Dec 2010 $'000	Half-year ended 31 Dec 2009 $'000
Dividends provided or paid by the Company during the half-year	145,804	127,557

Dividends paid by the Company in the current period include amounts paid on certain Long-Term Incentive (LTI) shares held by the Group's Long-Term Incentive Plan Trust (LTIP). The amount of the dividends on these shares has been eliminated on consolidation.

Dividends not recognised at the end of the half-year		
In addition to the above dividends, since the end of the half-year the directors have resolved to pay an interim dividend of 90.2 cents per fully paid ordinary share (2009: 89.1 cents), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 24 March 2011 out of retained profits at 31 December 2010, but not recognised as a liability at the end of the half-year, is	157,973	153,524

6. Equity Securities Issued

	2010 Shares	2009 Shares	2010 $'000	2009 $'000
Reconciliation of ordinary shares for the half-year				
Opening balance 1 July	**173,573,245**	**171,188,524**	**2,437,333**	**2,361,820**
Shares issued under Long-Term Incentive plans	-	140,770	-	-
Shares issued under the Employee Share Acquisition Plan	3,071	-	82	-
Shares issued under the Dividend Reinvestment Plan	1,560,413	976,404	45,814	30,591
Closing balance 31 December	**175,136,729**	**172,305,698**	**2,483,229**	**2,392,411**

7. Notes to the Statement of Cash Flows

	Half-year ended 31 Dec 2010 $'000	Half-year ended 31 Dec 2009 $'000
Reconciliation of the operating profit after income tax to the net cash flows from operating activities:		
Net profit after tax	171,985	168,043
Add non-cash items:		
Depreciation and amortisation	13,523	11,723
Share-based payment (credit)/expense	(17)	415
Changes in assets and liabilities:		
(Decrease)/increase in tax balances	(8,136)	629
(Increase) in current receivables	(1,013)	(68)
(Increase) in other current assets	(791)	(444)
(Decrease)/increase in payables	(13,225)	5,848
Increase in other current liabilities	38,838	34,818
(Decrease) in other non-current liabilities	(300)	(179)
(Decrease) in current provisions	(3,130)	(21)
Increase/(decrease) in non-current provisions	289	(2,071)
Net cash provided by operating activities	**198,023**	**218,693**

8. Events Occurring After the Balance Sheet Date

Other than the interim dividend noted above, no matter or circumstance has arisen since the end of the half-year to the date of these financial statements which has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity.

On 15th February 2011 ASX advised the market of new governance arrangements and commitments to strengthen the merger proposal with Singapore Exchange Limited announced on 25th October 2010. Singapore Exchange Limited has agreed to these new arrangements and commitments.

DIRECTORS' DECLARATION

In the opinion of the directors of ASX Limited (the Company):

(a) the financial statements and notes that are contained in pages 34 to 46 are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(c) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Signed in accordance with a resolution of the directors:

David M Gonski AC
Chairman

Robert G Elstone
Managing Director and CEO

Sydney
17 February 2011

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999
www.pwc.com/au

Independent auditor's review report to the members of ASX Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of ASX Limited, which comprises the balance sheet as at 31 December 2010, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the ASX Group (the consolidated entity). The consolidated entity comprises both ASX Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of ASX Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's intenal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of ASX Limited is not in accordance with the Corporations Act 2001 including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

PricewaterhouseCoopers

M J Codling
Partner

Sydney
17 February 2011

ASX GROUP | ASX Limited & its Controlled Entities

RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to half-year ended 31 December 2009)

	$'000	up/down	% movement
Revenues from ordinary activities	397,522	up	7.9%
Revenues from ordinary activities excluding interest income	314,501	up	1.5%
Net profit after tax from ordinary activities (including significant items)	171,985	up	2.3%
Underlying net profit after tax (excluding significant items)	175,528	up	2.9%

Dividend information

	amount per share (cents)	franked amount per share (cents)	tax rate for franking credit
Final 2010 dividend per share (paid 27 September 2010)	84.0	84.0	30%
Interim 2011 dividend per share (to be paid 24 March 2011)	90.2	90.2	30%

Interim dividend dates

Ex-dividend date	**28 February 2011**
Record date	**4 March 2011**
Payment date	**24 March 2011**

The Company's Dividend Reinvestment Plan (DRP) will not operate in respect to the interim 2011 dividend. The DRP did operate in respect of the final 2010 dividend.

	31 Dec 2010	31 Dec 2009
Net tangible assets per security	**$3.85**	**$3.19**

Additional Appendix 4D disclosure requirements can be found in the notes to the 2011 Half-Year Financial Statements and the Chief Financial Officer's Report.

This report is based on the consolidated 2011 Half-Year Financial Statements which have been reviewed by PricewaterhouseCoopers with the Independent Auditor's Review Report included in the 2011 Half-Year Financial Statements.

Australian Securities Exchange Listing

ASX Limited ordinary shares are listed on the Australian Securities Exchange under ASX code: ASX. Details of trading activity are published daily in most major Australian newspapers and by electronic information vendors, and broadcast on television and radio.

Shareholder Enquires

Enquires and correspondence regarding shareholdings in ASX Limited should be directed to ASX's share registry:

Link Market Services
Level 12, 680 George Street
Sydney NSW 2008
Toll Free: 1300 724 911
Telephone: (+61 2) 8280 7470
Facsimile: (+61 2) 9287 0303
Email: asx@linkmarketservices.com.au
Web: www.linkmarketservices.com.au

Questions from ASX shareholders to the Chairman, Managing Director and CEO, or auditor may be sent via email to company.secretariat@asx.com.au or lodged with the registered office.

Registered Office

Exchange Centre
20 Bridge Street
Sydney NSW 2000
Telephone: (+61 2) 9227 0000
Facsimile: (+61 2) 9227 0885

Investor Relations and Media Enquiries

Investor Relations
ASX Limited
20 Bridge Street
Sydney NSW 2000
Telephone: (+61 2) 9227 0835
Email: investor.relations@asx.com.au

Corporate Relations (media enquiries)
ASX Limited
20 Bridge Street
Sydney NSW 2000
Telephone: (+61 2) 9227 0410
Email: media@asx.com.au

ASX

GROUP