



2012 Half-Year Financial Statements

ASX Limited ABN 98 008 624 691 and its controlled entities

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Directors' report

The directors present their report together with the financial statements of ASX Limited (ASX or the Company) and its subsidiaries (together referred to as the Group), for the half-year ended 31 December 2011 and the auditor's report thereon. The financial statements have been reviewed and approved by the directors on the recommendation of the ASX Audit and Risk Committee.

The consolidated statutory profit after tax for the half-year ended 31 December 2011 attributable to the owners of ASX was \$175,555,396 (31 December 2010: \$171,985,187).

Directors

The directors of ASX in office during the half-year and at the date of this report are as follows:

Mr DM Gonski AC
(Chairman)
Director since 2007

Mr E Funke Kupper
(Managing Director and CEO)
Appointed 6 October 2011

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 RG Elstone was the Managing Director and CEO from July 2006 until his retirement on 6 October 2011.

* Chairman of SFE Corporation Limited from 1998 to 2006.

** Director of SFE Corporation Limited from 2000 to 2006.

ASX acquired SFE Corporation Limited in 2006.

Directors' report continued

Review of operations

The Group's statutory profit after tax increased 2.1% compared to the prior comparable period (pcp).

The Group's underlying profit after tax increased 2.9% compared to the pcp. Underlying profit excludes amounts regarded as significant items of revenue and expense, such as those that may be associated with significant business restructuring or individual transactions. Amounts regarded as significant items and a reconciliation between underlying and statutory profit are detailed in note 3 (page 13) and the segment note (page 10).

The growth in profitability was achieved in a period of challenging economic conditions dominated by high volatility and activity in exchange-traded markets in the first quarter and subdued activity in the second quarter. The diversification of the Group's revenues along with growth in certain services assisted the financial result.

In the first half of the current financial year (1H12), statutory earnings per share of 100.2 cents and underlying earnings per share of 103.2 cents increased 1.6% and 2.5% respectively on the pcp. Significant progress was achieved in rolling out ASX's strategy under the new market structure, including product differentiation in traditional areas

such as trade execution and new product opportunities such as expanded technical services.

Operating revenue

Total Group revenue increased 3.3% to \$410.5 million mainly due to higher derivatives, technical services and gross interest income.

Total operating revenue (excluding interest income) as reported in the segment note (page 10) was \$315.1 million, up 2.8% on the pcp. The early months of 1H12 saw strong growth driven by volatility in markets emanating from concerns in the European financial system. This period of growth was then partly offset by a decrease in activity drivers from September to December 2011 in both cash and derivatives compared to a year earlier. Revenue contribution by main line items in the segment note (page 10) are detailed below:

- Listings and issuer services: \$68.6 million down 11.8% on the pcp as the total value of secondary capital raised (including scrip-for-scrip) reduced from \$32.1 billion in 1H11 to \$21.7 billion in 1H12 and fewer equity holding statements were produced. Revenue from initial listings was 54.8% lower as there were 27 fewer listings in

1H12 compared to the pcp. Annual listings revenue was 5.8% higher than the pcp due to the higher market capitalisation at May 2011 compared to a year earlier and more listed entities;

- Cash market: \$66.9 million up 0.2% on the pcp despite daily average value traded down 3.9%. The increase in revenue resulted from lower levels of crossings and increased activity in new trade execution order types which attract higher fees;
- Derivatives: \$96.6 million up 17.2% on the pcp with the increase driven mainly by higher revenue from futures and options. Total futures and options on futures contracts traded on the ASX 24 market were up 14.6% on the pcp. Increased market maker activity on exchange-traded options led to reduced revenue from these products which are traded on the ASX market, despite volumes increasing 36.7% on single stock and index options and futures;
- Information services: \$34.6 million down 1.5% on pcp due primarily to lower levels of retail demand for data services; and
- Technical services: \$22.6 million up 19.5% on the the pcp due to increased connectivity revenue from ASX Net and

increased co-location and other data centre services.

- Austraclear services: \$17.8 million up 5.0% on the pcp. Transaction volumes increased 5.6% whilst holding balances were on average 8.7% higher than the pcp;

Net interest income of \$21.9 million earned by ASX increased 16.1% on the pcp with higher levels of the Group's own funds and a 7.2% increase in average collateral held to support the central counterparty clearing activities of the Group.

Operating expenses

Total expenses including depreciation and amortisation increased 4.8% due to higher staff and occupancy expenses as well as higher depreciation and amortisation on recent capital expenditure.

Underlying cash operating expenses (as reported in the segment note), excluding significant items detailed below, were \$70.4 million, 3.4% higher than the pcp.

The cash operating expenses and depreciation and amortisation charges in 1H12 were impacted by a number of initiatives to simplify ASX's operating model and reduce ongoing expenses following a

Directors' report continued

strategic review of business expenses. The initiatives include the closure of the Brisbane and Adelaide offices, further rationalisation of occupancy following the completion of the new data centre and write-downs in certain technology intangible assets. The charges related to these initiatives were \$7.3 million before tax and are identified separately as significant items in the segment note (page 10) and note 3 (page 13) to provide insight into the underlying cash operating expenses and depreciation and amortisation charges.

ASX anticipates that a further significant item charge of up to \$5 million may be incurred in the second half of the current financial year (2H12) to complete the initiatives. No further significant changes to the operating expenses and no significant items are expected in FY13.

The increase in underlying cash operating expenses compared to the pcp resulted primarily from higher staff and occupancy costs. Full-time equivalent headcount averaged 502 in 1H12, which is comparable to the 505 average in the pcp. Occupancy expenses increased due to the commencement of lease obligations for the new data centre from September 2011. This facility is now operational and ASX will

decommission its Bridge Street data centre over the coming months.

Underlying depreciation and amortisation increased 14.2% mainly due to amortisation of the new ASX Trade and ASX Trade 24 trading platforms implemented late in 1H11.

Dividends

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 \$m	Date of payment	Tax rate for franking credit
In respect of the current financial period:				
Interim	92.8	162.5	21 March 2012	30%
In respect of the prior financial year:				
Interim	90.2	158.0	24 March 2011	30%
Final	93.0	162.9	22 September 2011	30%
	183.2	320.9		

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 4.

Rounding of amounts

ASX 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 hundreds of thousand dollars, as indicated.

Signed in accordance with a resolution of the directors.



David M Gonski AC
Chairman

Sydney, 16 February 2012



Elmer Funke Kupper
Managing Director and CEO



Auditor's independence declaration

As lead auditor for the review of ASX Limited for the half-year ended 31 December 2011, 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.

A handwritten signature in black ink, appearing to read 'M J Codling', written in a cursive style.

M J Codling
Partner

PricewaterhouseCoopers

Sydney
16 February 2012

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Consolidated income statement

For the half-year ended 31 December 2011

	Note	Half-year ended 31 Dec 2011 \$m	Half-year ended 31 Dec 2010 \$m
Revenue			
Listings and issuer services		68.6	77.8
Cash market		66.9	66.8
Derivatives		101.4	87.7
Information services		34.6	35.2
Technical services		22.6	18.9
Austraclear services		17.8	16.9
Dividends		3.3	3.3
Interest income		87.1	83.0
Other		8.2	7.9
	2	410.5	397.5
Expenses			
Staff		43.4	39.3
Occupancy		11.5	5.7
Equipment		10.8	11.7
Administration		15.1	18.9
Depreciation and amortisation		14.8	13.5
Finance costs		65.2	64.2
	2	160.8	153.3
Profit before income tax expense		249.7	244.2
Income tax expense		(74.1)	(72.2)
Net profit for the period attributable to owners of the Company		175.6	172.0

	Note	Half-year ended 31 Dec 2011 \$m	Half-year ended 31 Dec 2010 \$m
Earnings per share			
Basic earnings per share (cents per share)	4	100.2	98.6
Diluted earnings per share (cents per share)	4	100.2	98.6

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 2011

	Half-year ended 31 Dec 2011 \$m	Half-year ended 31 Dec 2010 \$m
Profit for the period	175.6	172.0
Other comprehensive income (net of tax)		
Change in fair value of investments	(34.6)	0.7
Change in fair value of available-for-sale financial assets	0.2	(0.3)
Other comprehensive income for the period (net of tax)	(34.4)	0.4
Total comprehensive income for the period attributable to owners of the Company	141.2	172.4

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 2011

	Note	31 Dec 2011 \$m	30 Jun 2011 \$m
Current assets			
Cash		1,932.4	1,951.6
Available-for-sale financial assets		1,908.6	1,367.0
Receivables		133.0	266.9
Other assets		9.8	7.7
Total current assets		3,983.8	3,593.2
Non-current assets			
Investments		164.6	214.0
Property, plant and equipment		67.3	57.1
Intangible assets – software		53.1	55.4
Intangible assets – goodwill		2,262.8	2,262.8
Total non-current assets		2,547.8	2,589.3
Total assets		6,531.6	6,182.5

	Note	31 Dec 2011 \$m	30 Jun 2011 \$m
Current liabilities			
Payables		103.9	258.2
Amounts owing to participants		2,954.1	2,433.9
Current tax liabilities		37.8	65.3
Provisions		12.7	12.2
Other current liabilities		50.5	12.4
Total current liabilities		3,159.0	2,782.0
Non-current liabilities			
Amounts owing to participants		88.2	82.5
Borrowings		250.0	250.0
Net deferred tax liabilities		13.4	31.5
Provisions		17.7	12.0
Other non-current liabilities		3.4	3.4
Total non-current liabilities		372.7	379.4
Total liabilities		3,531.7	3,161.4
Net assets		2,999.9	3,021.1
Equity			
Issued capital	7	2,483.2	2,483.2
Retained earnings		381.1	368.3
Restricted capital reserve		71.5	71.5
Asset revaluation reserve		56.9	91.3
Equity compensation reserve		7.2	6.8
Total equity		2,999.9	3,021.1

The consolidated balance sheet should be read in conjunction with the notes to the half-year financial statements.

Consolidated statement of changes in equity

	Issued capital \$m	Retained earnings \$m	Restricted capital reserve \$m	Asset revaluation reserve \$m	Equity compensation reserve \$m	Total equity \$m
For the half-year ended 31 December 2011						
Opening balance at 1 July 2011	2,483.2	368.3	71.5	91.3	6.8	3,021.1
Profit for the period	-	175.6	-	-	-	175.6
Other comprehensive income for the period	-	-	-	(34.4)	-	(34.4)
Total comprehensive income for the period (net of tax)	-	175.6	-	(34.4)	-	141.2
Transactions with owners in their capacity as owners:						
Share-based payment	-	-	-	-	0.4	0.4
Dividends provided for or paid	-	(162.8)	-	-	-	(162.8)
Closing balance at 31 December 2011	2,483.2	381.1	71.5	56.9	7.2	2,999.9
For the half-year ended 31 December 2010						
Opening balance at 1 July 2010	2,437.3	319.7	71.5	85.8	7.0	2,921.3
Profit for the period	-	172.0	-	-	-	172.0
Other comprehensive income for the period	-	-	-	0.4	-	0.4
Total comprehensive income for the period (net of tax)	-	172.0	-	0.4	-	172.4
Transactions with owners in their capacity as owners:						
Dividends provided for or paid	-	(145.7)	-	-	-	(145.7)
Shares issued under the Dividend Reinvestment Plan	45.8	-	-	-	-	45.8
Shares issued under the Employee Share Acquisition Plan	0.1	-	-	-	-	0.1
Purchase of treasury shares (net of tax)	-	-	-	-	(0.9)	(0.9)
Closing balance at 31 December 2010	2,483.2	346.0	71.5	86.2	6.1	2,993.0

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 2011

	Half-year ended 31 Dec 2011	Half-year ended 31 Dec 2010
Note	\$m	\$m
Cash flows from operating activities		
Cash receipts in the course of operations	399.0	378.0
Cash payments in the course of operations	(136.3)	(122.1)
Cash generated from operations	262.7	255.9
Interest received	85.9	83.5
Interest paid	(63.0)	(64.4)
Dividends received	3.3	3.3
Income taxes paid	(104.9)	(80.3)
Net cash inflow from operating activities	8	198.0
Cash flows from investing activities		
Increase/(decrease) in participants' margins and commitments	525.9	(432.9)
Payments for other non-current assets	(24.9)	(15.7)
Net cash inflow/(outflow) from investing activities	501.0	(448.6)
Cash flows from financing activities		
Dividends paid	(162.8)	(145.7)
Proceeds from the issue of shares under the Dividend Reinvestment Plan	-	45.8
Purchase of treasury shares	-	(0.9)
Receipts in respect of the Employee Share Acquisition Plan	-	0.1
Net cash (outflow) from financing activities	(162.8)	(100.7)

	Half-year ended 31 Dec 2011	Half-year ended 31 Dec 2010
Note	\$m	\$m
Net increase/(decrease) in cash and cash equivalents	522.2	(351.3)
Increase/(decrease) in fair value of cash and cash equivalents	0.2	(0.3)
Cash and cash equivalents at the beginning of the financial period	3,318.6	3,716.8
Cash and cash equivalents at the end of the financial period	3,841.0	3,365.2
Cash and cash equivalents consists of:		
ASX own funds	798.7	807.9
Participants' margins and commitments	3,042.3	2,557.3
Total cash and cash equivalents*	3,841.0	3,365.2

* 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.

Notes to the financial statements

1. Basis of preparation

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

The half-year financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* 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 financial statements. Accordingly, these financial statements should be read in conjunction with the consolidated financial statements for the year ended 30 June 2011 and any public announcements made by the Company during the half-year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies applied by the Group in the consolidated financial statements for the year ended 30 June 2011 have also been applied by the Group in these half-year financial statements.

The half-year financial statements were authorised for issuance by the Board of Directors on 16 February 2012.

2. Segment reporting

The Managing Director and CEO, as the Chief Operating Decision Maker (CODM), assesses performance of the Group as a single segment, being a vertically integrated organisation (e.g. providing services to the primary and secondary financial markets as well as risk management and transfer activities) providing multi-asset class product offerings.

Vertical integration includes the:

- exchange issuer services offered to public companies and other organisations;
- trading venue or exchange activities for trading;
- 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 statutory profit after tax, the CODM assesses the performance of the Group based on underlying profit after tax. This measure excludes amounts regarded as significant items of revenue and expenses such as those that may be associated with significant business restructuring or individual transactions.

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 CODM. In assessing performance, operating revenue is reclassified for arrangements where revenue is 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 total equity less goodwill, is used in strategic decision-making regarding the Group's capital management.

The information provided on a regular basis to the CODM, along with a reconciliation to statutory profit after tax for the period attributable to owners of the Company, is provided on the following page.

Notes to the financial statements continued

Half-year ended 31 December 2011	Segment information \$m	Adjustments \$m	Consolidated income statement \$m
Revenue			
Listings and issuer services	68.6	-	68.6
Cash market	66.9	-	66.9
Derivatives	96.6	4.8	101.4
Information services	34.6	-	34.6
Technical services	22.6	-	22.6
Austraclear services	17.8	-	17.8
Other	8.0	0.2	8.2
Operating revenue	315.1		
Interest income		87.1	87.1
Dividends		3.3	3.3
Total revenue		95.4	410.5
Expenses			
Staff	41.7	1.7	43.4
Occupancy	7.8	3.7	11.5
Equipment	10.2	0.6	10.8
Administration	6.4	8.7	15.1
Variable	2.1	(2.1)	-
ASIC Supervision Levy	2.2	(2.2)	-
Cash operating expenses	70.4		
EBITDA	244.7		
Finance costs		65.2	65.2
Depreciation and amortisation	12.9	1.9	14.8
Total expenses		77.5	160.8
EBIT	231.8		

Half-year ended 31 December 2011	Segment information \$m	Adjustments \$m	Consolidated income statement \$m
Net interest and dividend income			
Net interest income	11.6	(11.6)	-
Net interest on participant balances	10.3	(10.3)	-
Dividend income	3.3	(3.3)	-
Net interest and dividend income	25.2	(25.2)	-
Underlying profit before tax	257.0	(7.3)	249.7
Income tax (expense)/credit	(76.3)	2.2	(74.1)
Underlying profit after tax	180.7	(5.1)	175.6
Significant items (refer note 3)	(7.3)	7.3	-
Tax on significant items	2.2	(2.2)	-
Statutory profit after tax	175.6	-	175.6
	Segment information \$m	Adjustments \$m	Consolidated balance sheet \$m
Total assets	6,531.6	-	6,531.6
Less: total liabilities	(3,531.7)	-	(3,531.7)
Less: intangible assets - goodwill	(2,262.8)	-	(2,262.8)
Less: intangible assets - software	-	(53.1)	(53.1)
Net tangible equity	737.1	(53.1)	684.0

Notes to the financial statements continued

Half-year ended 31 December 2010	Segment information \$m	Adjustments \$m	Consolidated income statement \$m
Revenue			
Listings and issuer services	77.8	-	77.8
Cash market	66.8	-	66.8
Derivatives	82.4	5.3	87.7
Information services	35.2	-	35.2
Technical services	18.9	-	18.9
Austraclear services	16.9	-	16.9
Other	8.4	(0.5)	7.9
Operating revenue	306.4		
Interest income		83.0	83.0
Dividends		3.3	3.3
Total revenue		91.1	397.5
Expenses			
Staff	39.4	(0.1)	39.3
Occupancy	6.7	(1.0)	5.7
Equipment	10.9	0.8	11.7
Administration	7.2	11.7	18.9
Variable	2.3	(2.3)	-
ASIC Supervision Levy	1.6	(1.6)	-
Cash operating expenses	68.1		
EBITDA	238.3		
Finance costs		64.2	64.2
Depreciation and amortisation	11.3	2.2	13.5
Total expenses		73.9	153.3
EBIT	227.0		

Half-year ended 31 December 2010	Segment information \$m	Adjustments \$m	Consolidated income statement \$m
Net interest and dividend income			
Net interest income	10.2	(10.2)	-
Net interest on participant balances	8.7	(8.7)	-
Dividend income	3.3	(3.3)	-
Net interest and dividend income	22.2	(22.2)	-
Underlying profit before tax	249.2	(5.0)	244.2
Income tax (expense)/credit	(73.7)	1.5	(72.2)
Underlying profit after tax	175.5	(3.5)	172.0
Significant items (refer note 3)	(5.0)	5.0	-
Tax on significant items	1.5	(1.5)	-
Statutory profit after tax	172.0	-	172.0
	Segment information \$m	Adjustments \$m	Consolidated balance sheet \$m
Total assets	6,120.8	-	6,120.8
Less: total liabilities	(3,127.8)	-	(3,127.8)
Less: intangible assets - goodwill	(2,262.8)	-	(2,262.8)
Less: intangible assets - software	-	(55.8)	(55.8)
Net tangible equity	730.2	(55.8)	674.4

Notes to the financial statements continued

3. Statutory profit for the half-year

Following a strategic review of the business, the below significant expenses contributed to statutory profit for the half-year ended 31 December 2011. The review resulted in the decision to close two interstate offices in addition to the rationalisation of data centre and office premises. A further strategic review of trade execution service offerings resulted in an impairment charge for certain intangible software assets.

	Half-year ended 31 Dec 2011 \$m	Half-year ended 31 Dec 2010 \$m
Impairment of property, plant and equipment*	1.0	-
Impairment of intangible assets – software*	0.9	-
Surplus lease space and associated restoration expenses	3.7	(1.0)
Business restructuring expenses	1.7	2.6
Former proposed merger expenses	-	3.4
	7.3	5.0
Less: applicable income tax	(2.2)	(1.5)
	5.1	3.5

*These expenses are included within 'depreciation and amortisation' on the consolidated income statement.

4. Earnings per share

	Half-year ended 31 Dec 2011	Half-year ended 31 Dec 2010
Basic earnings per share (cents)	100.2	98.6
Diluted earnings per share (cents)	100.2	98.6
	\$m	\$m
Earnings used in calculating basic and diluted earnings per share	175.6	172.0
	2011	2010
	Number of shares	Number of shares
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	175,136,729	174,390,445

5. Contingencies

(a) Novation

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

ASX Clear Pty Limited

ASX Clear Pty Limited is the counterparty to certain derivatives contracts transacted on ASX markets including exchange-traded options, futures, warrants and cash market securities, transacted on both ASX markets and an alternative licensed market, 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.

ASX Clear Pty Limited's participants are required to lodge collateral on derivative positions held. As at 31 December 2011, total collateral required by ASX Clear Pty Limited to cover participants' derivatives exposures was \$878.7 million (30 June 2011: \$796.5 million). This was made up of cash of \$258.7 million (30 June 2011: \$290.6 million), bank guarantees of \$131.7 million (30 June 2011: \$180.1 million) and the remainder of \$488.3 million (30 June 2011: \$325.8 million) in equity securities and receivables. The bank guarantees and equity securities are not recognised on balance sheet. As at the end of the reporting period, participants had lodged non-cash collateral with a market value of \$3,867.4 million (30 June 2011: \$4,210.8 million) with ASX Clear Pty Limited, inclusive of the equity securities and bank guarantees above.

All net delivery and net payment obligations relating to cash market and derivative securities owing to or by participants as at 31 December 2011 were subsequently settled.

Notes to the financial statements continued

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

	31 Dec 2011 \$m	30 June 2011 \$m	31 Dec 2010 \$m
Restricted capital reserve	71.5	71.5	71.5
Equity provided by the Group	3.5	3.5	3.5
Subordinated debt provided by the Group	75.0	75.0	75.0
Group external non-recourse borrowing*	100.0	100.0	100.0
Emergency assessments	300.0	300.0	300.0
	550.0	550.0	550.0

*The external non-recourse borrowing is provided via ASXCC.

In the event of a clearing default, the financial resources at 31 December 2011 available to ASX Clear Pty Limited would be applied in the following order as set out in the ASX Clear Pty Limited clearing rule 8.3.1 Application of Clearing Assets:

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 Financial Services and Superannuation (the Minister) agrees otherwise, these funds can only be used by ASX Clear Pty Limited for clearing and settlement support;
3. Equity capital of \$3.5 million and subordinated debt of \$75 million provided by ASXCC. Under its licence obligations, ASX Clear Pty Limited is required to comply with the Reserve Bank of Australia's (RBA) Financial Stability Standards. In accordance with the Standards, ASX Clear Pty Limited has determined the Reserve Requirement to be \$150 million. 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. ASXCC is also party to a deed whereby it undertakes to replenish the above equity capital of \$3.5 million subject to the solvency of ASX Clear Pty Limited and the occurrence of other limited and specific circumstances.

ASXCC may also consider other sources of financial resources for ASX Clear Pty Limited as appropriate;

4. Non-recourse subordinated debt of \$100 million received from ASXCC which borrowed the funds externally;
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 2011 and for the year ended 30 June 2011).

ASX Clear (Futures) Pty Limited

ASX Clear (Futures) Pty Limited is the counterparty to derivative contracts comprising futures, options and contracts for differences transacted on ASX markets. 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 collateral received from clearing participants as well as by specific financial resources totalling \$400 million referred to as the Clearing Guarantee Fund.

ASX Clear (Futures) Pty Limited's participants are required to lodge collateral on derivative positions held. As at 31 December 2011, total collateral lodged by clearing participants and recognised on balance sheet was \$2,695.4 million (30 June 2011: \$2,143.3 million). This was made up of cash \$2,395.8 million (30 June 2011: \$1,978.8 million) and debt securities \$299.6 million (30 June 2011: \$164.5 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 2011 were subsequently settled.

Notes to the financial statements continued

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:

	31 Dec 2011 \$m	30 June 2011 \$m	31 Dec 2010 \$m
Equity provided by the Group	30.0	30.0	30.0
Subordinated debt provided by the Group	70.0	70.0	70.0
Participant financial backing	120.0	120.0	120.0
Group external non-recourse borrowing *	150.0	150.0	150.0
Secondary commitments	30.0	30.0	30.0
	400.0	400.0	400.0

* The external non-recourse borrowing is provided via ASXCC.

Effective 15 July 2011, the ASX Clear (Futures) Pty Limited Operating Rules were amended to adjust the order in which ASX Clear (Futures) Pty Limited would apply the above assets in the event of a participant default. Up until 14 July 2011, secondary commitments ranked ahead of the Group external non-recourse borrowing in order of application. This order was reversed as a result of the amendment.

The financial resources available to ASX Clear (Futures) Pty Limited will be applied in the following order in the event of a participant default:

1. Collateral and participant financial backing lodged by the defaulting participant with ASX Clear (Futures) Pty Limited;
2. Equity capital of \$30 million and subordinated debt of \$70 million provided by ASXCC. ASXCC is party to a deed whereby it undertakes to replenish the above equity capital of \$30 million subject to the solvency of ASX Clear (Futures) Pty Limited and the occurrence of other limited and specific circumstances;

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 \$88.2 million (30 June 2011: \$82.5 million) and non-cash commitments (letters of credit drawn on major Australian licensed banks) of \$31.8 million (30 June 2011: \$37.5 million);

4. Non-recourse subordinated debt of \$150 million received from ASXCC which borrowed the funds externally; and

5. Secondary commitments of \$30 million levied on participants (nil has been levied for the period ending 31 December 2011 and for the year ended 30 June 2011).

(b) 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 2011 were \$105.7 million (30 June 2011: \$106.1 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 ASX must pay a levy to SEGC. Where a levy becomes payable, ASX 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 ASX 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 ASX or a market participant to pay a levy may give rise to a civil action, but does not constitute an offence under the Corporations Act. In accordance with applicable accounting standards neither SEGC nor NGF are consolidated by ASX.

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

Notes to the financial statements continued

6. Dividends

	Half-year ended 31 Dec 2011 \$m	Half-year ended 31 Dec 2010 \$m
Dividends provided or paid by the Company during the half-year	162.9	145.8

Dividends paid by the Company in the current period include amounts paid on certain 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 92.8 cents per fully paid ordinary share (2010: 90.2 cents), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 21 March 2012 out of retained profits at 31 December 2011, but not recognised as a liability at the end of the half-year, is;

	162.5	158.0
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7. Equity securities issued

	2011 Shares	2010 Shares	2011 \$m	2010 \$m
Reconciliation of ordinary shares for the half-year				
Opening balance 1 July	175,136,729	173,573,245	2,483.2	2,437.3
Shares issued under the Employee Share Acquisition Plan	-	3,071	-	0.1
Shares issued under the Dividend Reinvestment Plan	-	1,560,413	-	45.8
Closing balance 31 December	175,136,729	175,136,729	2,483.2	2,483.2

8. Notes to the statement of cash flows

	Half-year ended 31-Dec 2011 \$m	Half-year ended 31-Dec 2010 \$m
Reconciliation of the operating profit after income tax to the net cash flows from operating activities:		
Net profit after tax	175.6	172.0
Add non-cash items:		
Depreciation and amortisation	14.8	13.5
Share-based payment	0.4	-
Changes in assets and liabilities:		
(Decrease) in tax balances	(30.8)	(8.2)
Decrease/(increase) in current receivables	8.2	(1.0)
(Increase) in other current assets	(2.1)	(0.8)
(Decrease) in payables	(24.3)	(13.2)
Increase in other current liabilities	38.1	38.8
(Decrease) in other non-current liabilities	-	(0.3)
(Decrease) in current provisions	(1.6)	(3.1)
Increase in non-current provisions	5.7	0.3
Net cash provided by operating activities	184.0	198.0

9. 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 Group, the results of those operations or the state of affairs of the Group.

Directors' declaration

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

(a) the financial statements and notes that are contained in pages 5 to 16 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 2011 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



Elmer Funke Kupper
Managing Director and CEO

Sydney, 16 February 2012



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 (the company), which comprises the balance sheet as at 31 December 2011, 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, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the ASX Limited Group (the consolidated entity). The consolidated entity comprises both 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 2011 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.

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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. 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.

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 2011 and of its performance for the half-year ended on that date, and
- (b) complying with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.


PricewaterhouseCoopers



M J Codling
Partner

Sydney
16 February 2012