



2010 AGM QUESTIONS FROM SHAREHOLDERS

29 September 2010

Below are responses to subjects raised by ASX shareholders ahead of the 2010 ASX Limited Annual General Meeting.

Many shareholders asked the same or similar questions, so ASX has grouped its answers under common themes. These responses should be read in conjunction with the Chairman's and Managing Director and CEO's AGM addresses (that are available on the ASX website).

Thank you to those shareholders who submitted questions.

The Performance of ASX's Share Price

ASX's share price is a matter for the market. The ASX share price is likely to be a reflection of regulatory uncertainty and proposed public policy settings. It does not reflect the current underlying performance fundamentals of ASX, its growth prospects or the diversified nature of its revenue streams. It is understandable that both sell and buy-side analysts would focus on revenue downside risks attributable to any change in market structure. It is harder for those same analysts to focus on some of the opportunities brought about by that change, such as the opportunity to unbundle existing services and introduce new ones, until regulatory uncertainty is lifted.

Over the four-year period since the ASX/SFE merger (on a June 2006 to June 2010 comparison), for the merged company:

- revenue has grown by \$138 million (up 30%)
- cash operating expenses have fallen by \$35 million (down 20%)
- net profitability has risen by \$118 million (up 55%) and
- dividends to shareholders are \$117 million higher (up 64%).

This financial performance has been achieved during a four-year period of significant increases in the scale, volatility and intensity of market activity and regulatory oversight and, consequently, on the demand for services provided by ASX. For example, over the same four-year period the:

- number of listed entities has grown by 262 (up 14%)
- number of equity market transactions processed each day is up by 318%
- ASX's rules facilitated record levels of secondary capital issuance vital to the health of a majority of its major listed companies and, arguably, therefore, to the performance of the real economy and
- ASX's clearing and settlement infrastructure withstood the stress of the most significant financial crisis in living memory.

ASX is well-prepared to meet the upcoming challenges and to prosper next year and beyond. Its competitive positioning and human resources are in good shape.



ASX Group Political Donations

ASX discloses the details of political donations in its Annual Report. Donations made during FY10 and up to the publication of the 2010 Annual Report can be found in the Corporate Governance section on page 52 of the Annual Report.

During this period ASX donated \$50,000 to the Australian Labor Party and \$50,000 to the Liberal Party of Australia. ASX did not finance any political party fundraising events.

Directors' Commitment to ASX Given Their Non-ASX Roles

ASX values the experience and perspective brought to the Board by directors who are involved with stakeholders of ASX, including listed companies and participants on its markets.

Focusing solely on the number of involvements a director has beyond his/her ASX role, overlooks the positive contribution the experience of these other positions can make to a director's performance at ASX. Such experience can enrich a director's ASX contribution.

ASX is satisfied that each of its directors is able to devote the necessary time and effort to their ASX duties. As high quality professionals, they are in the best position to manage their time commitments.

All directors bring a level of expertise, judgement, dedication and perspective to the performance of their responsibilities that is of great value to the ASX Board. During the course of the year, ASX directors have been accessible to ASX senior management for advice and consultation on issues outside scheduled Board commitments.

Each year the ASX Board reviews its performance to ensure that individual non-executive directors, and the Board as a whole, work efficiently and effectively in fulfilling their functions set out in the ASX Board charter.