

# Benefits of listing on ASX

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ASX's unique position as a developed market in the Asia-Pacific region and time-zone offers international companies exposure to the growing pool of investment capital in the world's fastest growing region, as well as providing the opportunity for global trading and price discovery on a round-the-clock basis.

**You will be in good company** – the Australian market is home to numerous foreign-domiciled companies many of which enjoy significant international profiles. Key strengths of the Australian market in sectors such as Resources, Financials and REITs offer the opportunity to be listed alongside world leading companies in these sectors.

**Higher public and investor profile in Australia** – An ASX listing enhances your company's profile in Australia, sustaining demand for your company's shares as well as increasing the standing and reputation of your business in Australia.

**Access to capital for growth** – An ASX listing provides the opportunity to raise capital at the time of listing and on an ongoing basis through a range of innovative and flexible capital raising mechanisms.

**M&A currency** – Under the Australian taxation system scrip-for-scrip offers can provide capital gains tax rollover relief for investors in the acquired company, increasing the likelihood of a successful transaction. Investors can also benefit through their continued participation in the acquiring entity.

**Broker and Fund Manager Expertise** – Access to the breadth and depth of Australian broker and fund manager expertise. Many already follow and analyse international companies as part of their broader analysis of domestic companies.

**Institutional investment** – Listing provides access to professional and institutional investment from a funds management industry that is amongst the world's largest. Establishing an Australian shareholder base will increase the certainty of capital supply should you need additional capital in the future.

**Retail investment** – Access to an educated and knowledgeable retail investment community. Australia has one of the highest levels of retail share ownership in the world, with over 36% of its adult population having direct ownership of shares. Australia's private wealth market was ranked the 10th largest in the world in 2009 based on the number of high net worth individuals by country.

**Alignment of employee/management interests and commitment** – Listing will give you more flexibility to incentivise your Australian-based workforce through share-based remuneration that aligns their interests with the goals of the organisation.

**World-class legal and regulatory environment** – The Australian financial sector regulatory regime is world class and provides security and integrity, through a sound, flexible and strong system of financial regulation designed to prevent systemic failure, and avoid unnecessary burdens on business.

# About the Australian Equities Market

## Asia Pacific's second largest market

The ASX Group operates Australia's major financial market for equities and derivatives, and provides listing, trading, risk management, clearing, settlement, and market data services for domestic and global customers.

With a market capitalisation of over A\$1.4 trillion, the Australian cash equities market is consistently weighted in global indices (MSCI and S&P/Citigroup Global Equities Indices BMI) among the top eight equity markets in the world. Among Asia-Pacific stock markets it is second only to Japan in terms of free float market capitalisation.



## ASX: a global exchange

ASX is ranked in the top 10 listed global exchange groups by market capitalisation.

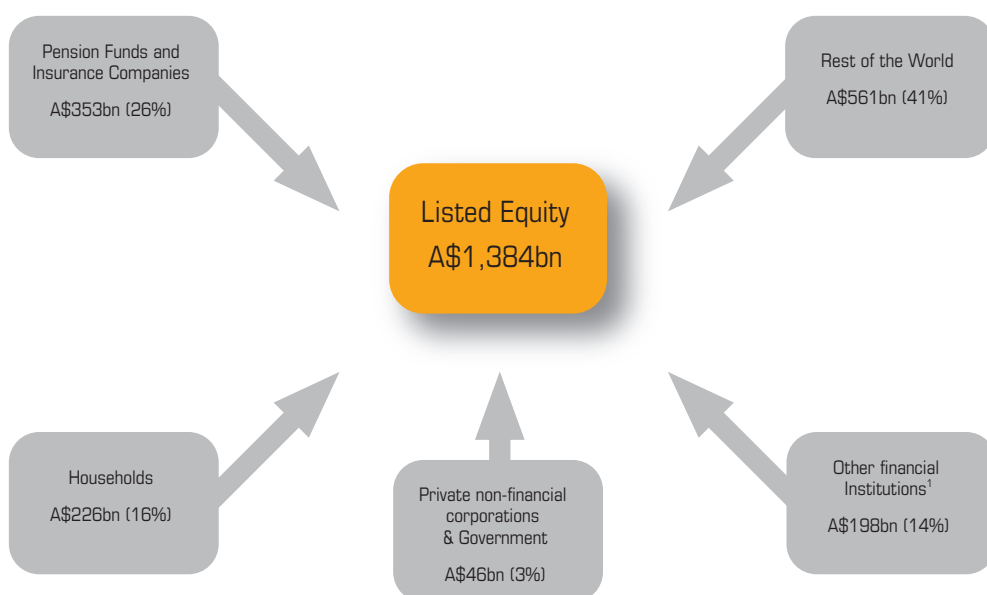
RANK	EXCHANGE	MARKET CAPITALISATION (A\$ BILLION)
1	Hong Kong Exchanges and Clearing (HKEx)	\$21.4
2	Chicago Mercantile Exchange (CME)	\$18.4
3	Deutsche Börse	\$13.6
4	Intercontinental Exchange (ICE)	\$8.1
5	NYSE Euronext	\$7.8
6	Singapore Stock Exchange (SGX)	\$7.6
<b>7</b>	<b>Australian Securities Exchange (ASX)</b>	<b>\$5.8</b>
8	NASDAQ OMX Group	\$4.2
9	Dubai Financial Market	\$4.0
10	London Stock Exchange Group (LSE)	\$3.1

Source: Bloomberg, as at Sep 2010

## Strong global investor participation

Domestic institutional investment in the ASX equity market is balanced by strong international interest. Currently foreign investors own around 41% of the market with domestic institutions, in total, owning around 40%. Australian households own around 16%.

### Ownership of ASX Listed Equity



Source: ABS Financial Accounts (March Quarter 2010), ASX

<sup>1</sup> Other financial institutions include banks, other depository corporations, other financial institutions

### Largest Investment Fund asset pool in the Asia-Pacific region

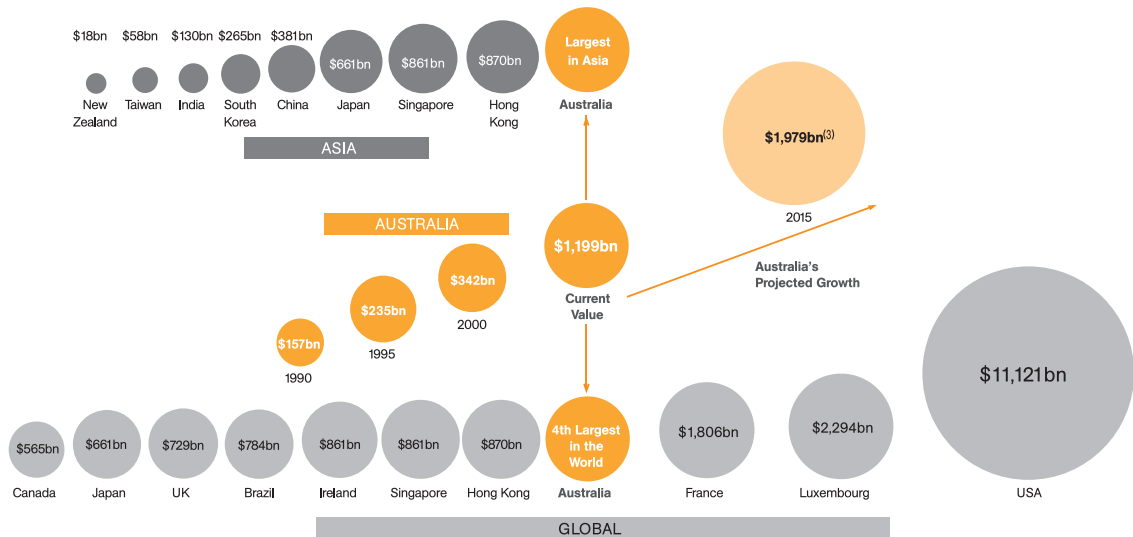
ASX operates in a market that has the fourth largest investment fund asset pool in the world and the largest in the Asia-Pacific region. Current projections indicate growth of Australian Funds under Management (FUM) to A\$2 trillion by 2015.

The size and growth of the investment pool is underpinned by a mandatory superannuation (retirement fund) scheme established in 1992 as well as favourable tax treatment applying to superannuation funds.

This growth and development in the fund management industry has contributed to an availability of finance expertise and a clustering of activity that now reinforces Australia's position as a major Funds Management hub of the Asia-Pacific region.

# About the Australian Equities Market

## Investment Fund Assets<sup>2</sup>, US\$, December Quarter 2009



Source: Australian Trade Commission, Benchmark Report 2010

Note: Circles are not to scale. Data between countries is not strictly comparable.

2 Refers to home-domiciled funds, except Hong Kong, South Korea and New Zealand, which include home and foreign-domiciled funds. Fund of funds are not included. In this statistical release 'investment fund' refers to a publicly offered, open-end fund investing in transferable securities and money market funds. It is equivalent to 'mutual fund' in the USA and 'UCITS' (Undertakings for the Collective Investment of Transferable Securities) in the European Fund and Asset Management Association's statistics on the European investment fund industry.

3 Standard & Poor's Investment Consulting have assumed: A\$1= US\$0.80.

Australian government policy is directed at further developing the local funds management industry. A recent change to the Australian dividend withholding tax regime (leading to a rate which will be amongst the lowest in the world) is likely to further accelerate the growth in FUM and underpin Australia's development as a global funds management and capital market centre.

The resulting strong growth of funds is outstripping the growth in locally accessible listed assets and this demand/supply imbalance is continuing to widen.

### A diverse market with particular strength in Resources and Financials

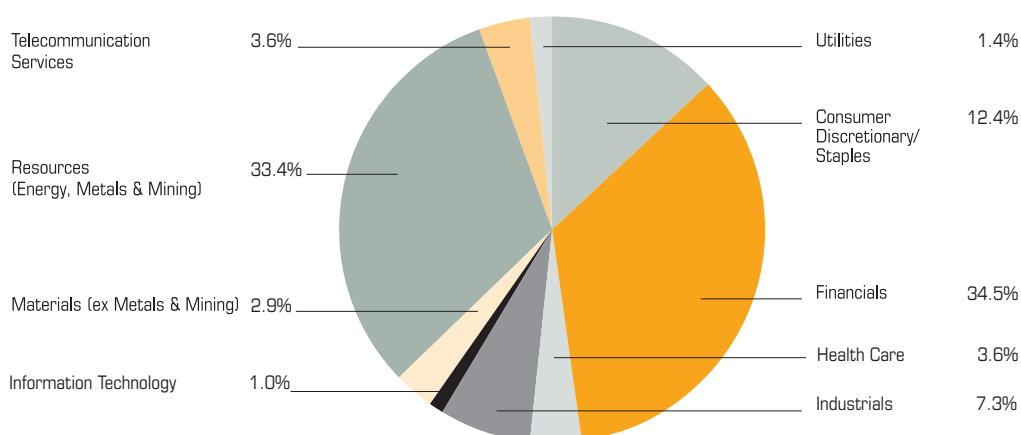
With over 2,200 listed issuers, the Australian market is highly diverse, offering global investors exposure to a wide range of sectors including Financials, Industrials, Resources (Mining and Oil and Gas), Healthcare and Life Sciences, and Information Technology.

The market is an internationally recognised centre for Resources equity capital, and issuers include global giants such as BHP Billiton and Rio Tinto, as well as an excellent representation of future leaders in the mid-tier producers and junior miners. The market also has a significant mining services sector providing technology, services and supplies to the global mining industry.

Australia is also recognised as having the world's largest Real Estate Investment Trust (REIT) sector outside of the US, its market capitalisation exceeding the combined value of the REIT sectors in Japan, Singapore, Hong Kong, Malaysia and South Korea.<sup>4</sup>

The Financials sector includes Australia's listed banks which are among the strongest in the world. Of the world's nine major banks that are AA rated or above by Standard & Poor's, Australia is home to four.<sup>5</sup>

### Market Capitalisation by Industry: June 2010



### Top 10 Stocks

STOCK	ASX CODE	200 INDEX WEIGHT†	MARKET CAP (\$BN)	AVERAGE DAILY VALUE‡	AVERAGE # OF TRADES / DAY‡	AVERAGE TRADE SIZE‡
BHP Billiton	BHP	12.3%	\$126.4	649,197,634	14,167	\$45,825
Commonwealth Bank	CBA	7.4%	\$75.3	255,341,207	12,214	\$20,906
Westpac	WBC	6.5%	\$63.2	230,373,301	10,868	\$21,198
National Australia Bank	NAB	5.0%	\$49.4	205,747,101	9,999	\$20,577
ANZ	ANZ	5.5%	\$54.8	205,654,136	10,818	\$19,010
Rio Tinto	RIO	3.0%	\$40.5	262,779,059	12,110	\$21,700
Telstra	TLS	3.2%	\$40.4	187,378,635	4,930	\$38,011
Woodside Petroleum	WPL	2.1%	\$32.6	95,855,750	7,728	\$12,404
Woolworths	WOW	3.2%	\$33.3	113,163,530	7,591	\$14,907
Wesfarmers	WES	3.5%	\$28.8	172,473,207	8,482	\$20,334

Source: IRESS † at 30 June 2010 ‡ January 2010 – June 2010

4 Austrade – 'Australia. A Global Financial Services Centre. Benchmark Report 2009'

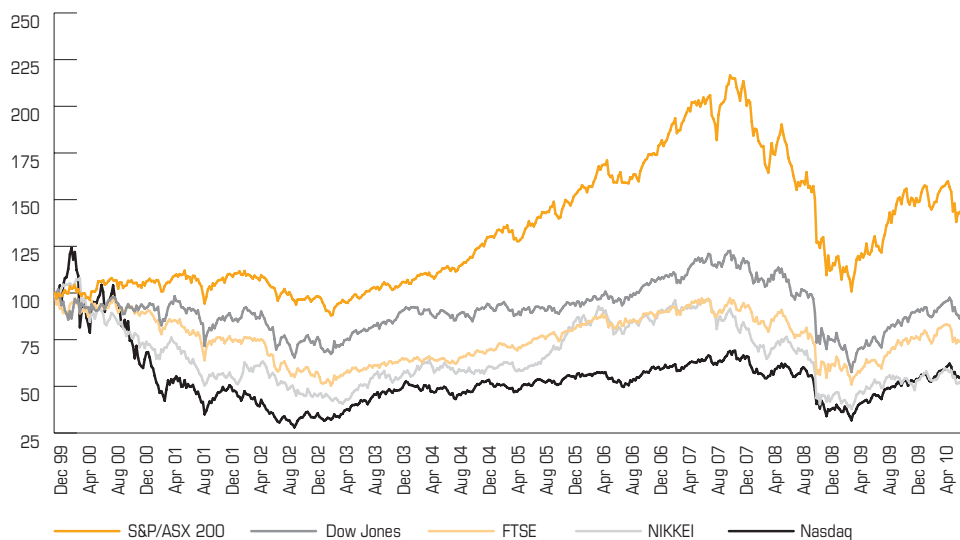
5 Ernst & Young, - 'Global REIT Report 2008, Riding the Storm'; Austrade

# Market performance

## A strong and consistent performer over time

The Australian equity market has shown strong and consistent performance over time when compared with many of its global peers. The chart below plots the performance of benchmark indices for a number of different markets over the last ten years and indicates strong outperformance by the Australian market over the period.

**Index Performance 2000-2010**

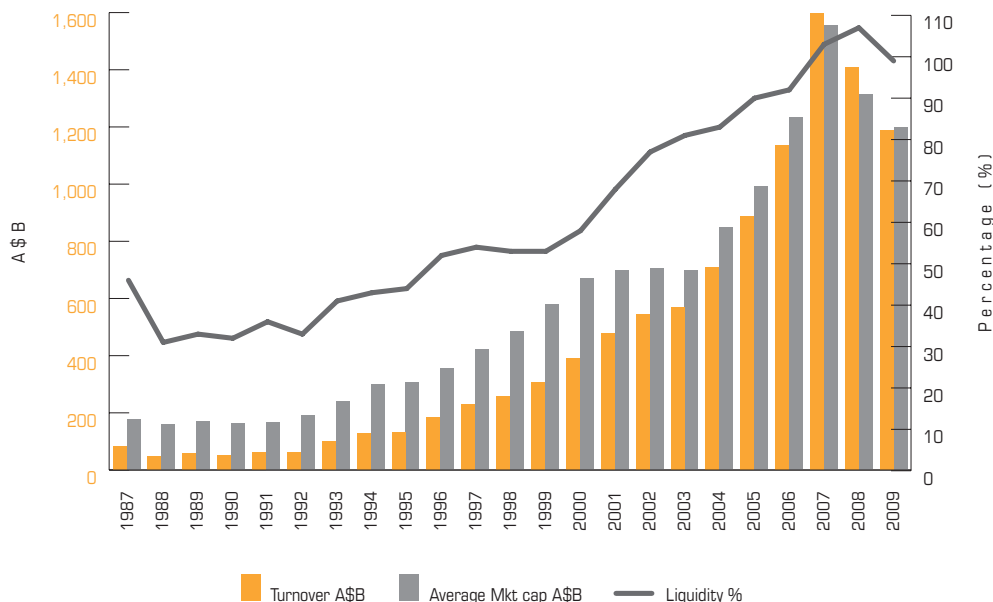


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## ASX Equity Market Turnover

The Australian equity market has also experienced significant growth in recent years, with annual turnover increasing fourfold and market capitalisation doubling in the last ten years. In the same period average market liquidity, at 100% in 2009, has more than doubled.

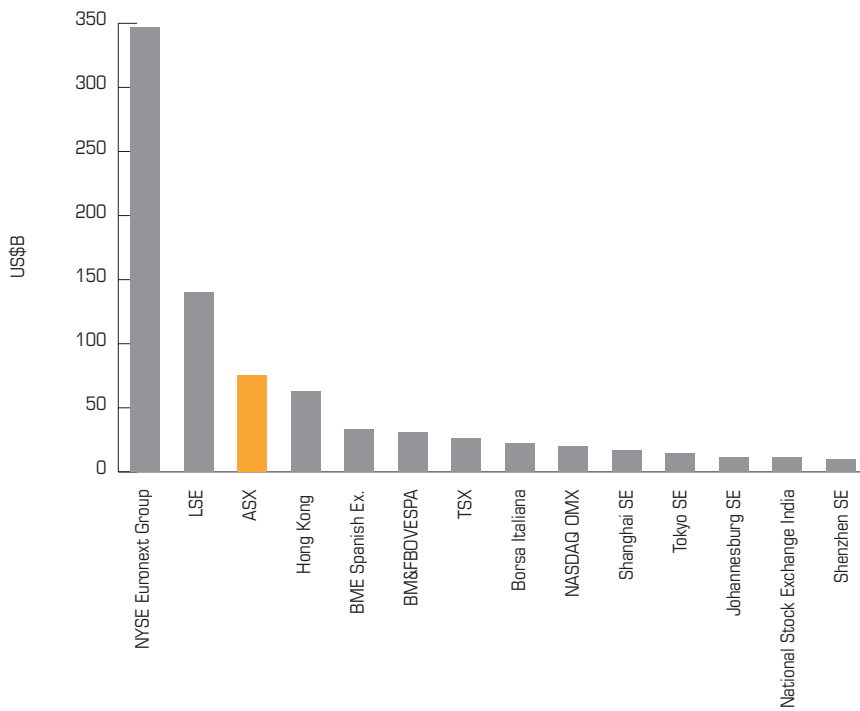
**Average Total Market Capitalisation and Liquidity (1987 to 2009 Calendar Year)**



## ASX provides a solid platform for capital raisings

ASX is consistently among leading markets for initial and follow-on capital raising. The World Federation of Exchanges' (WFE) data shows that ASX was ranked sixth in the world for capital raised by listed issuers over 2007 and 2008, and that this ranking rose to third in 2009.

### Capital Raised by Share issue in 2009 Financial Year



Source: World Federation of Exchanges, exchange websites July 2008 to June 2009

# The ASX Listing Process

## Requirements for a foreign incorporated company to list on ASX

There are two ways a foreign entity may list on ASX: either as an ASX Foreign Exempt listing or as an ASX listing.

### ASX Foreign Exempt Listing

Entities already listed on another stock exchange with a significant profit history or significant net tangible assets may be eligible to apply in this category. Many of ASX's on-going listing rules do not usually apply to ASX Foreign Exempt Listings. To be a Foreign Exempt listing the company's overseas home exchange must be a member of the World Federation of Stock Exchanges (WFE).

The Foreign Exempt listing rules are tailored for large international companies and recognise the extent of regulation and supervision already applying in that company's home market, thereby largely eliminating any dual regulation and compliance burden that might otherwise arise. Foreign Exempt Listing requirements are as follows:

CRITERIA	GENERAL REQUIREMENTS
1 Overseas exchange	The entity's overseas home exchange must be a member of the WFE
2 Company size	A\$200 million profit before tax for each of the last 3 years <b>OR</b> At least A\$2,000 million net tangible assets (NTA)
3 Number of shareholders	At least 1,000 holders each having a parcel of securities with a value of at least A\$500

### ASX Listing

The entity may or may not be already listed on another stock exchange. Foreign entities listed as ASX listings are subject to ASX's usual on-going listing rules, irrespective of whether they are listed on another stock exchange. A foreign entity seeking ASX listing is subject to the same admission requirements that apply to an Australian entity, irrespective of whether it is listed on another stock exchange. The requirements are as follows:

CRITERIA	GENERAL REQUIREMENTS
1 Company size	A\$1 million profit over the past 3 years + A\$400,000 over the last 12 months <b>OR</b> A\$2 million NTA <b>OR</b> A\$10 million market capitalisation
2 Number of shareholders	500 holders each having a parcel of securities with a value of at least A\$2,000 <b>OR</b> 400 holders each having a parcel of securities with a value of at least A\$2,000 and 25% held by unrelated parties