



ASX Limited
ABN 98 008 624 691
and its controlled entities

HALF-YEAR REPORT

31 DECEMBER 2007

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MANAGING DIRECTOR AND CEO'S REPORT

Introduction

The Australian Securities Exchange (ASX) recorded strong performance for the first half of FY08. Net profit after tax of \$187.4m was up 34.5% on a pro-forma basis over the prior comparable period (pcp). Based on a 90% payout ratio, dividends rose to 98.5 cents per share, 36.2% up on the ordinary dividend paid for the first half of FY07. Importantly, transaction fee rebates to large users increased by 79.2% under the gainsharing models adopted for both the cash equities and futures markets at the start of calendar 2007, thereby ensuring strong trade execution volume and merger benefits are shared with key stakeholders. The CFO's Report provides detailed insight into the group's financial performance for the first half of FY08.

The strong operating and financial performance was principally due to:

- robust listing activity and strong secondary capital issuance in the equity market due to buoyant economic growth, led by the resources sector, and a fast growing supply of capital emanating from public and private pools of savings.
- record trade execution volumes for cash equities and equity derivatives, including single stock options and the SPI 200 index futures contract, attributable to:
 - volatile equity market sentiment in the wake of the US sub-prime mortgage crisis, a high oil price and volatile prices for other commodities;
 - an active market for corporate control, dominated by several high profile corporate actions, involving Coles/Wesfarmers, BHP Billiton/Rio Tinto and the media and health care sectors, whilst the listed property and mortgage origination sectors (in Centro and RAMS) bore the brunt of domestic fallout from the US sub-prime crisis;
 - growth in direct market access and algorithmic trading styles, attracted to a cash equities market in which benchmark index and leading stock liquidity is growing and bid/offer spreads continue to tighten, lowering market impact costs for investors and the cost(s) of capital for issuers.
- record trade execution volumes for interest rate derivatives, attributable to the combination of volatile interest rate 'spread' differentials arising from uncertainty with risk repricing in global fixed income markets, speculative trading due to the divergence of the trend in Australian and US official cash rates, and a volatile Australian dollar.
- strong control of group cash operating costs and the flow through effects of merger cost synergies, as well as higher net interest income on both the group's own capital funds and clearing participant margin balances, attributable to higher interest rates at the short end of the yield curve.
- best practice availability of 'core' technology applications, covering company announcements, trade execution, clearing, settlement and depository activities. Considering the scale of the uplift in cash equity trade execution volumes during the first half and the fact that ASX's futures platform is one of only two in the world that operates a virtual 24 hour market (the other being Globex, operated by the CME), this is a particularly noteworthy achievement.

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- rigorous adherence to our licence and prudential obligations as a market operator and provider of capital efficiency for risk transfer as a central counterparty, and the operational efficiency ASX's depositories deliver with respect to wholesale payments system services.
- an integrated senior management group and dedicated staff committed to a high performance culture across the group's entire range of supervisory, operational and corporate activities.

ASX also draws encouragement from a number of lower profile but nonetheless significant milestones which populated the first half of FY08. These include:

- broad market acceptance of the regulatory balance achieved by the ASX Corporate Governance Council's revised Principles and Recommendations, released in August 2007, and which took effect from 1 January 2008.
- the listing (in October 2007) of 'iShares' exchange traded funds on 14 international sharemarket indices (in conjunction with Barclays Global Investors), widening the menu of offshore market exposures available to Australian investors via an ASX-listed vehicle.
- the granting of remote participant status to Instinet (Pacific) and CLSA, from Hong Kong and Singapore respectively, to directly access ASX's cash equities market following regulatory approvals in those jurisdictions. Those approvals open the way for other regional or global participants to directly access ASX's equities market, akin to the more advanced global distribution and access model already prevalent in the futures market operated by ASX.
- a return to modest growth in exchange traded option (ETO) volumes, which may be further strengthened by Securities and Exchange Commission clearance (from October 2007) to distribute ASX ETOs into the United States. Deepening option market liquidity not only improves the quality of option pricing but enhances the wider risk management benefits of using implied volatility as a forward measure during periods of increased volatility such as experienced in the first half of FY08.
- the successful listing (in November 2007), encouraging early trading volumes and steady growth in 'open interest' of ASX Contracts for Difference (CFDs). Whilst still early days for this initiative, its potential for the medium-term is promising, from both a revenue growth and diversification perspective at the ASX level, and from a public policy transparency perspective.
- the growth of exchange traded electricity futures and options. Trading volumes increased during the first half by 58% over the pcp, with open interest at the end of the half up 58% on the prior year. Several enhancements to the electricity futures market were made in December 2007 to support the rise in trading volumes and an increasingly diverse group of market users.
- the development of the interbank cash rate futures contract in terms of trading volumes and attainment of benchmark status for interest rate market sentiment towards changes in monetary policy. This was particularly valuable during a half-year period in which tight liquidity meant that the spread (differential) between the Australian bank bill rate and the market's expectations of the official cash rate moved between 5 and 50 basis points.

Six months on from the initial effects of the US sub-prime mortgage crisis, global debt repricing has slowed the prior period pace of private equity transactions involving large, publicly traded companies listed on ASX. The same debt repricing experience has also pressured banks to refinance securitised vehicles previously funded by the capital markets, to review interbank credit lines and to pass on higher funding costs to mortgage borrowers.

Whilst the direct exposure of the Australian banking sector to US sub-prime assets is low, the sector accounts for the vast bulk of the growth in Australia's gross foreign liabilities over recent years in the form of wholesale funding access to the euro and US capital markets, where borrowing spreads rose sharply during the half and eroded bank, and to a greater degree, non-bank net interest margins. When read in conjunction with the scale of capital write-downs in several of the major investment banks, concerns about monoline insurers and their associated credit wrap obligations, and sporadic redemption freezes in the hedge fund sector, it becomes easy to understand why the earlier appetite of private equity to migrate from 'mid-cap' to 'large cap' targets reduced during the second half of calendar 2007.

In an effort to ensure Australia's public equity market continues to keep pace with market evolution, ASX issued consultation papers in December 2007 which solicit public views on whether to modify listing rules to accommodate differential thresholds for small to medium enterprise capital raising activity, subject to shareholder approval. The papers also seek views on modification of ASX listing rules to facilitate the issuance of non-voting shares in listed entities, subject to shareholder consent and other forms of voting shareholder protection. Other ASX regulatory policy initiatives disseminated or in train include clarifying guidance on:

- shareholder approval requirements for significant corporate restructurings; and
- waiver policy with respect to foreign (ASX secondary listed) companies' compliance with ASX listing rules.

During the half, ASX Markets Supervision (ASXMS) continued to work closely with the Joint Ore Reserves Committee (JORC), comprising a diverse range of minerals and resource industry expertise, in providing additional guidance to listed entities in the resources sector governing disclosure requirements for historical (pre-JORC Code) and offshore reserve estimates.

ASX progressed a number of important risk management initiatives during the period with respect to its central counterparty (CCP) subsidiaries. Several of these initiatives are described in a report to the relevant Minister from the Payments System Board of the Reserve Bank of Australia (RBA), which confirmed ongoing compliance of ASX's CCP and settlement subsidiaries with their respective obligations under the Financial Stability Standards enshrined in the Corporations Law. This report was published in January 2008 to enhance the transparency of the RBA's oversight process and promote understanding of complex risk management issues. It also complements the annual public reporting of ASX's compliance with its licence obligations as a market operator published by the Australian Securities and Investments Commission (ASIC).

During the current half ASX plans to interpose an intermediate holding company, ASX Clearing Corporation, for both its CCP subsidiaries (ACH and SFEC) and is giving consideration to boosting the capital adequacy of its clearing guarantee fund arrangements via a debt issuance by that company. This initiative will provide additional prudential support for further growth in trade execution volumes. The entity is expected to approach the market during 2008, subject to how credit market conditions evolve.

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ASX will also continue to pursue the facilitation of capital efficiencies for clearing participants across both equities and futures markets, in conjunction with the prudential oversight of the RBA.

During the second half of FY08, as indicated to shareholders at the AGM in October 2007, ASX is continuing to:

- develop the ASX Quoted Assets (AQUA) initiative pointed at attracting both unlisted funds and structured products onto the exchange's platforms.
- work with other potential sponsors of listed exchange traded funds.
- liaise with broker and energy industry participants and the Department of Climate Change in the new Labor Government in the emissions trading space.
- develop a second generation of CFD products to be listed in the second half of FY09.

We are also working closely with our key technology vendors to ensure that our systems' capacity comfortably accommodates anticipated growth trends in trade execution volumes across all products and markets. At the same time, we are working to deliver functional enhancements pointed at market microstructure (functionality) development and mitigating operational risk to ASX as well as market users. All in all, we continue to be proactive on multiple fronts to service our many stakeholders.

Medium-Term Trends

The charts that follow provide historical and first half FY08 trend insight into many of the drivers of ASX's value propositions to its customers and, accordingly, its long-term value to shareholders. The eclecticism of the underlying drivers mirrors the diversity of the group's stakeholders, which include shareholders, publicly-listed entities and a myriad of industry associations and governance advisory groups, regulators, a diverse range of participants in the financial system, employees and (predominantly technology) suppliers.

Balancing the competing interests of stakeholders is a constant challenge in any multilateral exchange operating environment, be it seeking to achieve regulatory balance in market design and oversight, prudential balance in central counterparty risk management activity or commercial balance between the price(s) of services delivered to customers and investment returns to shareholders. The charts capture important trends in ASX's performance metrics and demonstrate that our value proposition is comprehensive and not biased to any one stakeholder or customer group.

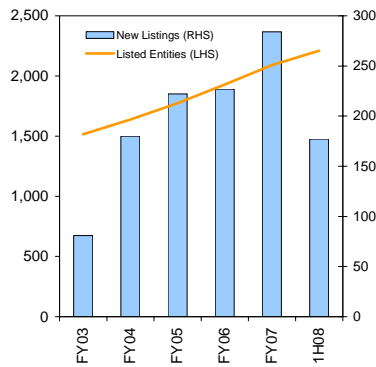
In today's demutualised world there is a symmetry of interests between the end-users of capital markets in the corporate listing and investment communities, and the group's shareholders. This does not mean that broker intermediaries are not valued by ASX. The transaction fee volume rebates at current record levels based on 75:25 gainshare ratios (in favour of large users) bear testimony to the degree to which they are valued. Moreover, when regard is had to the fact that in the cash equities market, trade execution volume growth continues to outstrip trade value growth, increasing demand on the capacity of the exchange's trading platform, the ASX is accommodating a growing diversity of trading styles whilst simultaneously delivering high operational reliability and lower transaction fees (after rebates).

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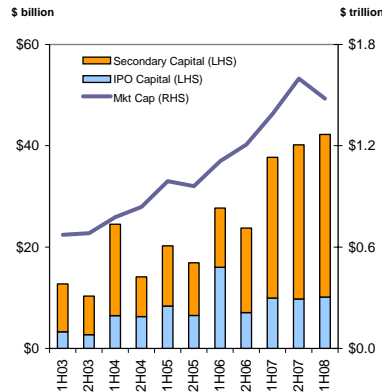
Broker intermediaries are vital risk capital and distribution links in the value chain of delivery of exchange-based products and services, in tandem with the complementary products and services delivered by those intermediaries in the 'over the counter' (OTC) markets. It is also vital, however, to recognise that over 2200 listed companies, the banking and insurance sectors, and the entire investing community of managed funds and retail investors in Australia, as well as overseas investors, have as much right to (and do) claim themselves as customers of the exchange as do broker intermediaries executing trades on their behalf or in their underlying securities.

With this reality in mind, the charts below portray a story of solid growth in listing and capital formation activity and a disproportionate increase in company announcements (which have doubled in the past five years) commensurate with corporate actions, an active market for corporate control and a front-line regulatory emphasis on the continuous disclosure regime. Whilst the regime came in for some extreme stress testing during the first half of FY08 (and during January 2008) due principally to global credit market dislocation, the growth rate in price sensitive announcements is pointing in a healthy direction and is consistent with increased investment in surveillance activities.

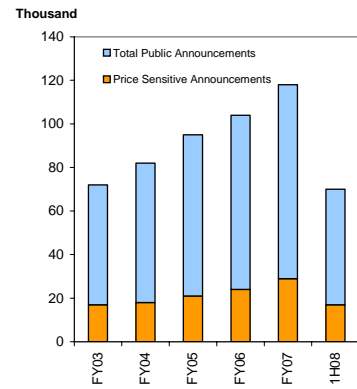
Listed Entities



Capital Raising & Market Capitalisation

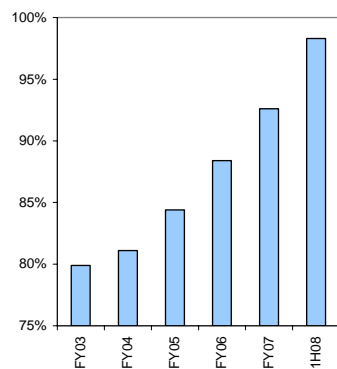


Total Company Announcements

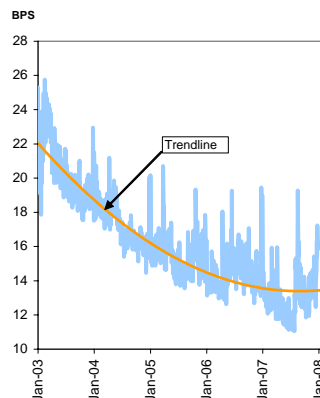


The efficiency of price discovery in the cash equities market operated by ASX is captured by metrics such as liquidity growth (turnover as a percentage of market value), an impressive decline in bid-ask spreads and a significant reduction in order execution latency associated with ASX's investment in an integrated cash equity/equity derivatives trading platform which has facilitated growth in algorithmic trading.

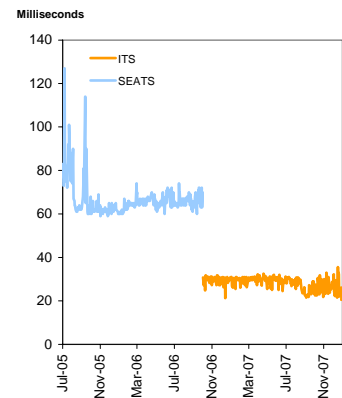
Cash Equities Market Liquidity



Bid-Ask Spreads of S&P/ASX 200 Constituent Stocks



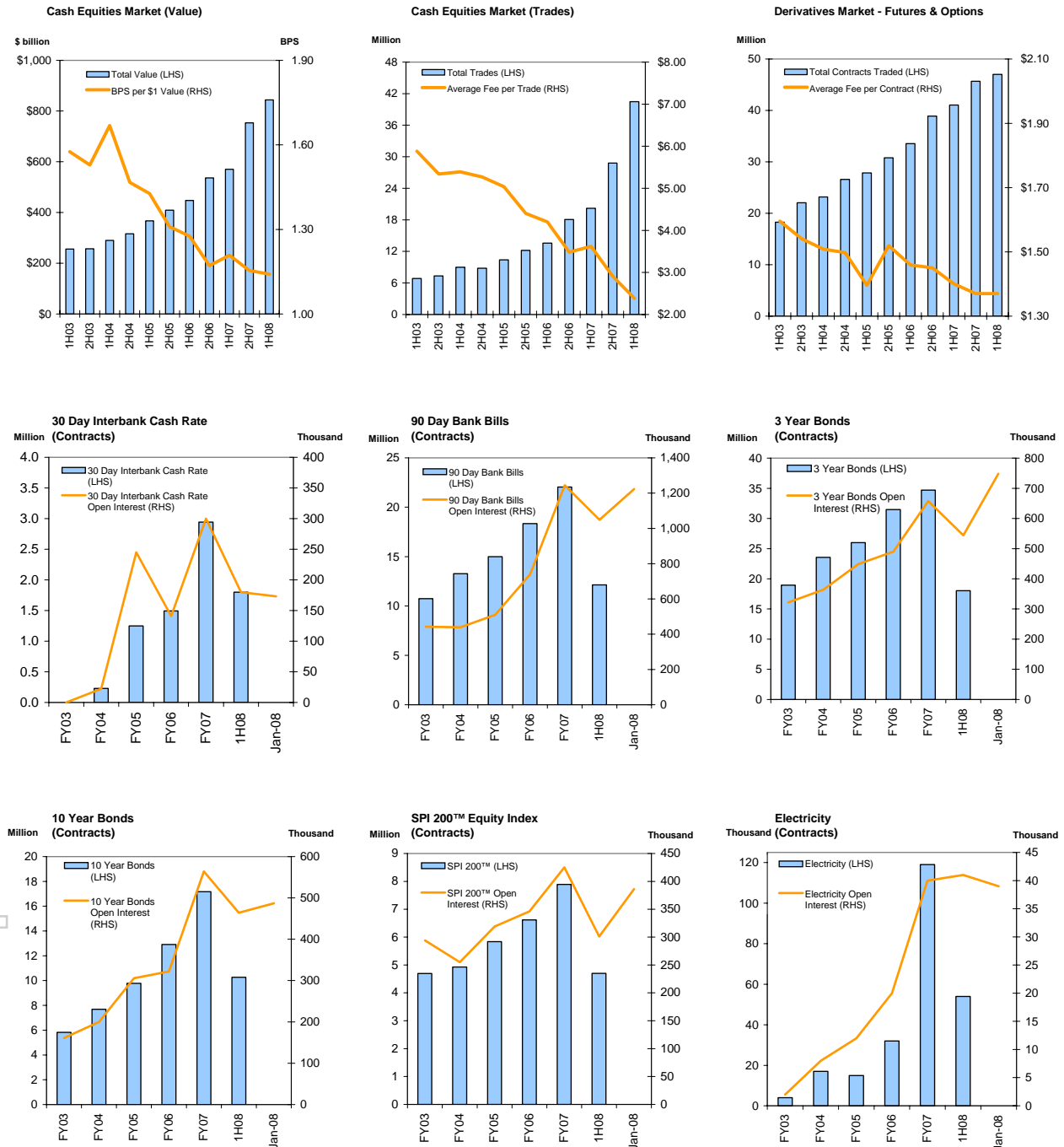
Daily Average Order Response Times



Double digit growth in trade execution volumes for cash equities and futures markets has been accompanied by reductions in (rebate driven) average execution fees in both markets, running counter to inaccurate claims of apparent exchange pricing power.

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Open interest growth in benchmark futures contracts has broadly mirrored traded volume growth, albeit this trend reversed sharply with the onset of credit market dislocation last August before resuming an upward trend in January 2008. Global distribution continues to drive a combination of higher offshore participation, particularly in the 10 Year Bond futures contract, and higher trading volumes during the (Australian) overnight trading session, in keeping with growing capital inflows and the globalised nature of financial futures markets.

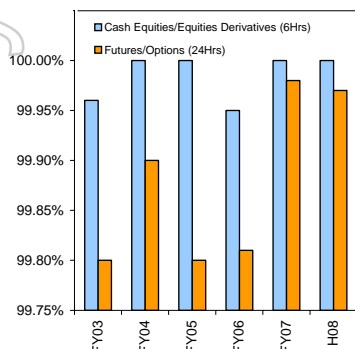


ASX's core system availability trends have been consistently in line with global best practice. Depository holdings growth has underscored confidence in ASX's wholesale payments services and growth in risk margin balances in both CCPs has responded to

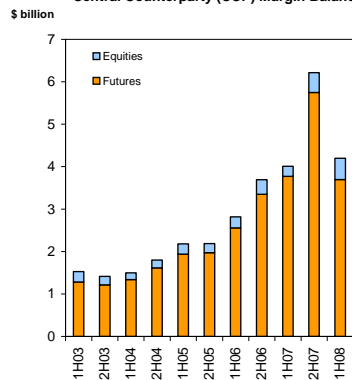
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both volumes and patterns of concentration of risk transfer activity, in keeping with ASX's contribution to the maintenance of Australian financial system stability during a period of instability in global credit markets.

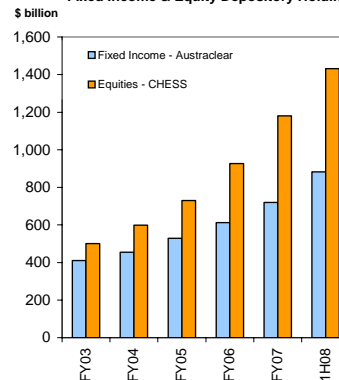
Trading Systems Uptime



Central Counterparty (CCP) Margin Balances



Fixed Income & Equity Depository Holdings



Taking all of these performance trends into account, the public policy significance of current and future licence applications for alternative trading venues for ASX-listed securities is profound. The regulatory stakes for the Government and ASIC in terms of the efficiency and integrity of Australia's financial markets are equally significant. It is therefore vital that the costs, benefits, risks and wider regulatory consequences are well understood before any licences are granted and that regulatory arbitrage between ASX and any alternative trading platform for ASX-listed securities is precluded.

The first half of FY08 witnessed a virtual financial meltdown based on OTC practices in the market for collateralised debt obligations (CDOs). Only months earlier these instruments were being heralded as innovative financing arrangements by many of the same intermediaries who currently proclaim the cost virtues of off-exchange price discovery, in so called 'dark pools' of liquidity.

ASX is not opposed to competition but believes that competition should not be encouraged by lowering regulatory standards or increasing systemic risk, or prioritising the private interests of brokers (internalisation of order flow) over the public interests of retail investors and superannuants. ASIC and Government policy makers ought not to allow superficial 'competition is good' arguments to blind them to the wider public policy benefits of maximising depth of liquidity in a centralised, transparent and broadly distributed multilateral execution facility. Nor should they ignore the public policy downside risks associated with liquidity, market supervision and risk management fragmentation. Market events of January 2008, involving off-market transactions between bilateral counterparties away from the transparent central market, ought to serve as a salutary lesson to policymakers about the potential risks of a multi-operator environment.

Summary

Turning to the period since 31 December 2007, the pipeline of listing applications for the second half of FY08 remains robust but will inevitably correlate with any slowing of domestic growth or business confidence. Trade execution volumes for cash equities since balance date have been very strong (average daily volume for January 2008 of 390,902 was up a staggering 115.3% over January 2007), with anecdotal evidence continuing to point towards increasing growth in algorithmic trading by hedge funds and investment banks.

Futures volumes were up 28.7% for January 2008 (over the prior comparable month in 2007), with futures market sentiment pointing to higher interest rate expectations over coming months in Australia, given the inflationary pressures associated with strong growth, very low unemployment and ongoing skills shortages. The widening of interest rate differentials between Australia and the major, developed financial economies (in particular, the US, which loosened monetary policy in January 2008 just before the RBA lifted the official cash rate in early February 2008) is likely to underpin the Australian dollar's prominence in 'carry trade' activity in foreign exchange markets. Such activity triggers parallel use of the Australian interest rate futures market for hedging and speculative purposes. The upheaval in (opaque) asset-backed commercial paper markets in the second half of 2007 and the imminence of the Basel II regulatory capital charge regime are likely to enhance the value proposition of centrally novated and transparent, exchange-traded interest rate futures markets.

ASX's net interest income is rising based on the combined effects of higher interest rates and an improved (regulatory, book equity) capital position emanating from a return to earnings retention in the wake of significant merger costs in FY07. Cash costs remain tightly controlled across all elements of the cost base and non-cash costs are tracking earlier guidance ranges. ASX therefore remains on track for strong full-year performance. At a macro level, perceived inevitability of a consumer-led US recession and policy response fears regarding inflation in China, with 'knock-on' consequences for commodity prices, remain a source of turbulence for financial markets globally as well as for the Australian economy in the medium-term, in addition to its current inflationary pressures.

The 'sell off' in global equity markets that started in early January 2008 brings into sharp focus the divergence in Australia between a strong economy and jittery investor sentiment, despite market multiples having adjusted to more attractive levels over recent weeks. Index futures and index option volumes were particularly strong in January 2008, as investors and arbitrageurs sought to proactively manage risk profiles. Whilst principally caused by the 'fear' consequences of credit market dislocation, the volatility observed was also accentuated by 'short selling' and related stock and margin lending practices.

In relation to 'short selling' activity, ASX enforces the rule requirement for brokers to report short sales to ASX on a daily basis. Over time, short sale activity reported by brokers has understated the scale of the activity due principally to the fact that clients of brokers (particularly hedge funds) do not all interpret their legislative obligation to report short sales to brokers in the same way. Removing definitional ambiguities that have contributed to understated activity reporting would be desirable and is a prerequisite to a world of multiple execution venues which will add to the complexity of market supervision. In relation to stock and margin lending practices, the contractual nature and range of parties dictate that these activities span the responsibilities of a number of regulatory agencies. The wider systemic risk aspects of these activities are the remit of

the RBA and ASX as they relate to any consequences for clearing and settlement arrangements.

Financial market commentators and business economists will, no doubt, continue to have much to preoccupy themselves with in 2008 on the macro fundamentals front; whilst policymakers and regulators are on notice as far as the public benefits of securities valuation transparency is concerned. Ten years on from the Wallis Inquiry, globalisation, technological change, securitisation and wholesale market trading practices have altered the landscape of the financial sector in Australia. The regulatory implications of those changes are worthy of an independent sectoral review. Any such review could also usefully examine options to maximise the competitive advantages of Australia's financial sector, particularly in areas such as leveraging the export potential of Australia's funds management infrastructure and the issue of regulatory harmonisation with other (money centre) jurisdictions.

Periods of financial market turbulence such as that experienced in January of 2008 stress test all the elements of ASX's activities – market supervision, operational reliability, risk management and wholesale payments services – which have operated satisfactorily throughout, notwithstanding some uninformed media coverage in late January 2008 when an Australian equity broker caused a delay in a daily settlement process. In that instance, expectations of 'ball-by-ball' commentary from the ASX of what are extremely complex and fluid risk management issues were misplaced. ASX must continue to prioritise its communication on such matters to its own regulators (ASIC and the RBA) and affected market participants.

At a sectoral level the pace of exchange consolidation continues unabated. ASX's and (arguably) the Australian financial market's interests have been well served by the merger and smooth integration of its cash equities and futures market operators, bringing a vertically integrated exchange business model into line with the markets of Singapore, Korea, Hong Kong and, prospectively, Japan in the Asian time zone. In December 2007 Canada's financial market followed suit with the announced merger of the Toronto and Montreal exchanges. Euronext and Deutsche Borse in Europe have the same business model and there is speculation that the Brazilian stock and derivative market operators will come together. There is no doubt this consolidation trend will continue and ASX will keep evaluating its strategic development options, to supplement an already healthy organic growth outlook beyond FY08.

Robert G Elstone
Managing Director and CEO

**Consolidated pro-forma income statement for the
half-year ended 31 December 2007**

	DEC 07 \$'000	JUN 07 \$'000	DEC 06 \$'000	JUN 06 \$'000
REVENUE				
Listings	66,565	61,198	56,355	42,962
Cash market	96,256	82,731	73,107	62,814
Derivatives	83,098	81,032	73,695	73,074
Information services	33,326	35,267	26,132	23,257
Technology infrastructure	13,204	11,920	11,576	10,608
Austraclear services	11,015	10,500	9,989	9,229
Other revenue	11,214	10,367	8,833	11,218
Operating revenue	314,678	293,015	259,687	233,162
EXPENSES				
Staff expenses	38,016	34,211	40,994	46,678
Occupancy expenses	6,707	7,029	9,019	9,700
Equipment expenses	11,704	12,000	13,546	13,054
Administration expenses	8,520	7,854	9,533	12,603
Variable expenses	3,295	2,468	2,117	1,924
Cash operating expenses	68,242	63,562	75,209	83,959
EBITDA	246,436	229,453	184,478	149,203
Depreciation and amortisation	7,284	7,404	7,586	7,010
EBIT	239,152	222,049	176,892	142,193
Interest income	14,460	10,677	12,230	12,693
Net interest on participant balances	12,004	9,726	7,932	6,276
Dividend revenue	1,500	1,950	1,200	1,725
Interest and dividend income	27,964	22,353	21,362	20,694
Normal profit before income tax	267,116	244,402	198,254	162,887
Income tax expense	(79,739)	(70,553)	(58,957)	(47,657)
Normal profit after income tax	187,377	173,849	139,297	115,230
SIGNIFICANT ITEMS				
Net gain on divestitures	-	-	7,081	(4)
Merger transaction expenses (SFE pre-acquisition)	-	-	(6,790)	(4,784)
Merger implementation expenses	-	(5,329)	(27,880)	-
Restructuring expenses	-	-	-	(12,018)
Tax (expense)/credit on significant items	-	(346)	10,418	4,684
Significant items	-	(5,675)	(17,171)	(12,122)
Profit after income tax	187,377	168,174	122,126	103,108
Add SFE net loss after merger costs and tax 1 – 11 July 2006	-	-	2,592	-
Statutory net profit after tax	187,377	168,174	124,718	103,108
Normal NPAT from pro-forma	187,377	173,849	139,297	115,230
Less SFE normal NPAT 1 – 11 July 2006	-	-	(2,161)	-
Statutory NPAT excluding significant items	187,377	173,849	137,136	115,230

CHIEF FINANCIAL OFFICER'S REPORT

The following discussion and analysis of ASX's financial performance is based on ASX's non-statutory (pro-forma) income statement, unless otherwise stated. The pro-forma income statement is not audited, but is based upon underlying externally reviewed accounts. It reflects performance for the six month period to 31 December 2007 (1H08) and variance analysis to the prior comparable period (pcp) to 31 December 2006 (1H07).

To aid comparison, the pro-forma income statement includes performance of ASX and SFE combined for the entire comparable period despite the ASX/SFE merger taking effect from 11 July 2006 for statutory reporting purposes. A reconciliation between the pro-forma and statutory income statement has been provided.

There have been no significant changes in the group's accounting policies since the release of the 2007 Annual Report. There have been some minor changes to classifications within revenue items that are described in the detail of this report.

1H08 Results Highlights

Based on ASX's pro-forma income statement (page 12) with comparison to 1H07, the key highlights of the group's financial performance for 1H08 are:

- normal profit after tax of \$187.4 million, up 34.5%
- normal earnings per share (EPS) of 109.7 cents per share (cps), up 27.6%
- operating revenue excluding interest and dividends of \$314.7 million, up 21.2%
- cash operating expenses of \$68.2 million, down 9.3%
- interim dividend for FY08 of 98.5 cps, up 36.2%.

Normal Profit – Up 34.5%

Group normal profit after tax for 1H08 was \$187.4 million (\$139.3 million pcp).

Group profit performance for 1H08 is largely attributable to strong market conditions in both the cash equities and derivative markets, and containment of cash operating expenses. The group's listings activities also benefited from continued increase in the number of listed entities and (mainly secondary) capital raisings. All revenue lines displayed growth over the 1H07 and all major expense lines, other than variable operating expenses, displayed reductions over the 1H07.

The normal profit after tax represents an annualised 13.6% return on equity (ROE) (12.7% pcp) based on average capital in 1H08.

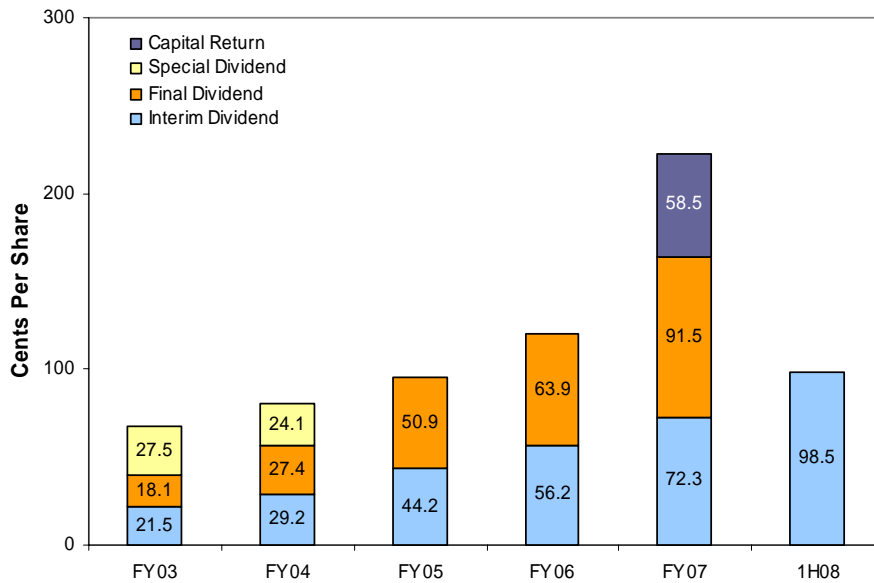
Normal Earnings Per Share – Up 27.6%

Normal earnings per share of 109.7 cps (86.0 cps pcp) was achieved in 1H08 based on 170,845,403 weighted average ordinary shares on issue.

Interim Dividend – Up 36.2%

A fully franked interim dividend of 98.5 cps (72.3 cps pcp) has been declared, payable on 20 March 2008. This dividend represents payment of 90% of normal profit after tax in accordance with ASX's dividend policy. Cash returns to shareholders over the past 5 years and in 1H08 are shown in the following graph.

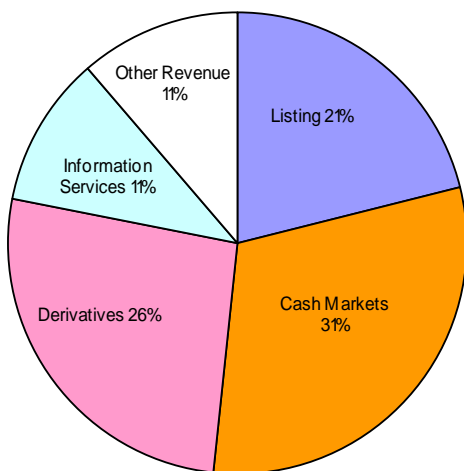
Cash Returns to Shareholders



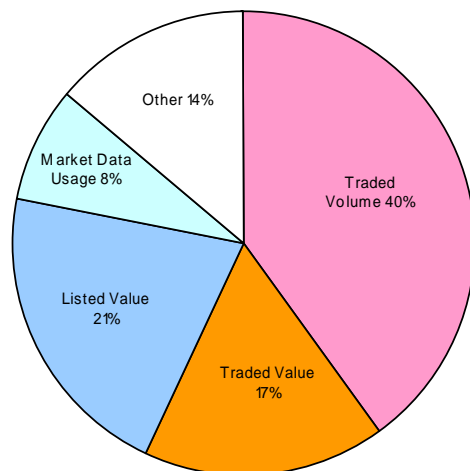
Operating Revenue – Up 21.2%

Total operating revenue (excluding interest and dividend revenue) in 1H08 was \$314.7 million (\$259.7 million pcp). The increase applied to all revenue lines, with significant increases in listings, as well as trade execution volumes in cash and derivative markets. The following pie graphs provide a breakdown of operating revenue by category and key drivers for 1H08. Worthy of note is the continued diversification of revenue between cash markets, derivatives, listings and other related activities, as well as between the volume and value 'mix' of revenue drivers.

Operating Revenue by Category



Operating Revenue by Business Driver



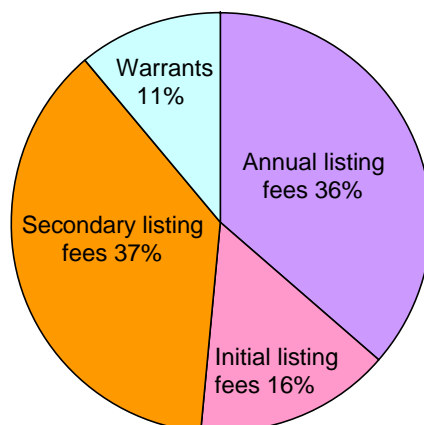
Detailed transaction statistics and key business drivers data is available on pages 26 to 28.

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Listings – Up 18.1%

Total revenue from listing services in 1H08 was \$66.6 million (\$56.4 million pcp). Increases in listings revenue were derived from annual listing fees as well as secondary listing fees and warrants.

Listings Revenue 1H08

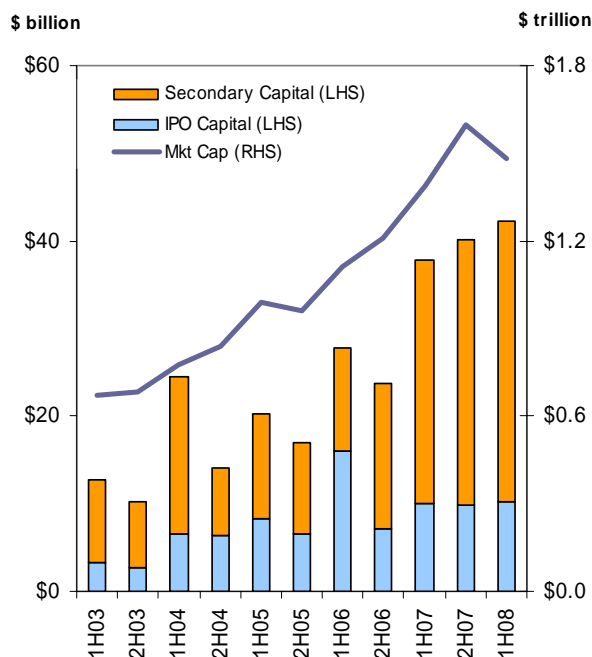


Annual listing fees of \$24.1 million were earned in 1H08 (\$21.3 million pcp) accounting for 36.3% of listing revenue. At 31 December 2007, total domestic market capitalisation was \$1.5 trillion, a decrease of 7.5% on the \$1.6 trillion at 30 June 2007.

In 1H08 \$10.3 million was earned from initial listing fees (\$10.3 million pcp). During 1H08 there were 177 new listings compared to 147 in 1H07. The total number of listed entities at 31 December 2007 was 2,209, up 5.7% on the 2,090 total at 30 June 2007. The amount of initial capital raised in 1H08 was \$10.1 billion, up 2.0% on the \$9.9 billion raised in 1H07.

Secondary listing fees (which include subsequent capital raisings and DRP issues) were \$24.9 million in 1H08 (\$20.3 million pcp). Secondary capital raised amounted to \$32.1 billion in 1H08, up 15.5% on the \$27.8 billion raised in 1H07 notwithstanding that the 1H07 included a significant \$8.7 billion secondary raising for Telstra (T3).

Capital Raising & Market Capitalisation



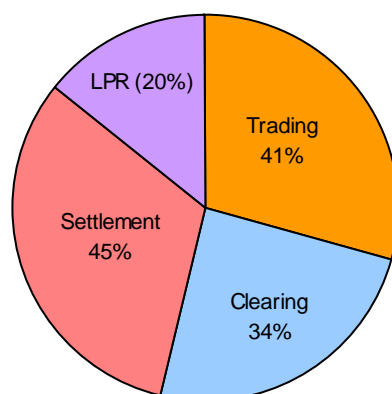
Warrant and other fees of \$7.3 million were earned in 1H08 (\$4.4 million pcp). During 1H08 3,686 new warrants were listed, up 42.3% on the 2,590 warrants listed in 1H07. Warrants turnover value reached \$6.9 billion in 1H08, a new record reflecting an increase of 47.3% on 1H07.

Cash Market – Up 31.7%

Total cash market revenue for 1H08 was \$96.3 million (\$73.1 million pcp). Cash market revenue includes revenue from the trading, clearing and settlement of equities, warrants and interest rate securities. Of the net cash market revenue, gross trading accounted for 41%, gross clearing 34% and gross settlement 45%, whilst 20% of gross revenue was returned as Large Participant Rebate (LPR). Cash market revenue was driven by record levels of activity (trading volume and turnover value) and the introduction of the LPR scheme that replaced the previous rebate structure from 1 July 2007.

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Cash Market Net Revenue 1H08



In addition to a number of significant record trading days during 1H08, a record 40.5 million transactions were traded over the period with a turnover value of \$843.9 billion. This represents an increase of 100.4% and 48.0% respectively on the pcp. The greater increase in traded volume versus turnover value indicates a trend towards smaller average trade size which is a feature of increased direct market access (DMA) and algorithmic-style trading. The average trade size in 1H08 was \$20,861 compared to \$28,251 in 1H07. Daily average turnover of cash markets was \$6.5 billion in 1H08 compared to \$4.5 billion in 1H07.

The average cost of trading, clearing and settlement on ASX's market continued to decline predominantly due to the introduction of the LPR scheme from 1 July 2007, which saw record levels of rebates payable to qualifying participants because gross cash market revenues (pre rebates) grew at 44.8%, well ahead of the 12.5% growth threshold set as part of the LPR scheme. For 1H08 the average fee per trade was \$2.38 (\$3.41 pcp) and the average fee per dollar of turnover was 1.14 bps (1.21 bps pcp) – that is, for every \$1,000 of value traded, the fee for each side was 5.7 cents (6.0 cents pcp) (see charts on page 8). The LPR in 1H08 was \$19.7 million, significantly greater than the \$7.0 million paid under the former rebate scheme for 1H07.

Average trade costs also fell because reductions in trading fees for on-market and off-market crossed trades commenced on 1 July 2007. Also effective from 1 July 2007, crossed trades have been included in the calculation of the LPR. The percentage of total turnover accounted for as crossing activity during 1H08 reduced to 26.5% from 32.0% pcp with off-market crossings accounting for approximately 12.6%.

Derivatives – Up 12.8%

Total derivatives revenue for 1H08 was \$83.1 million (\$73.7 million pcp) with both equity and interest rate derivatives experiencing growth in traded volume.

Equity derivatives (excluding SPI 200) revenue of \$18.6 million was earned in 1H08 (\$16.1 million pcp). Total volumes traded were 12.7 million in 1H08, up 17.9% on the 10.8 million in 1H07. The average fee per trade in 1H08 was \$1.46 compared to \$1.49 in 1H07.

Revenue from futures (and options on futures) was \$64.5 million in 1H08 (\$57.6 million pcp). This 12% revenue increase resulted from the 14.5% increase in contracts traded to a total of 47.0 million in 1H08 compared to 41.1 million in 1H07. All the major futures contracts (SPI 200, 30 Day Inter-Bank Cash Rate, 90 Day Bank Bill, 3 Year Bond, and 10 Year Bond) experienced higher traded volumes than in 1H07.

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The average fee per contract of \$1.37 in 1H08 is down from \$1.40 in 1H07. The decrease is primarily due to the favourable gain-share operation of the Large Volume Rebate (LVR) scheme. Total rebates provided in 1H08 for the LVR and local and proprietary traders was \$18.6 million, 7.5% greater than the \$17.3 million rebates paid in 1H07. As previously announced in June 2007, the 'local' participant class will be abolished from 1 July 2008. Accordingly, the local rebate scheme will no longer operate, albeit full proprietary participants (whose numbers are likely to increase by locals migrating to full proprietary participant status) will remain eligible for volume-based rebates.

Information Services – Up 27.5%

Total revenue from information services in 1H08 was \$33.3 million (\$26.1 million pcp). The main source of information services revenue was the sale of market data terminal subscriptions for both cash and derivatives markets. Total market data terminal subscriptions at 31 December 2007 were 97,855 (63,337 pcp). The prior period included a one-off payment of \$1.5 million as a result of subscription audits conducted relating to earlier periods.

Technology Infrastructure – Up 14.1%

Technology infrastructure revenue for 1H08 was \$13.2 million (\$11.6 million pcp). This amount includes a rebate of 25% of the standard charge for cash market participants eligible for the LPR. Technology infrastructure fees are levied on both the cash and derivative markets. Whilst SFE participants' SYCOM workstations are being phased out by 30 June 2008, they will be replaced by approved third party interfaces. ASX expects a small decline in revenue as this occurs, offset by increased connectivity efficiency and support.

Austraclear Services – Up 10.3%

Total Austraclear services revenue for 1H08 was \$11.0 million (\$10.0 million pcp). Austraclear services include Austraclear depository, settlement and registry activities.

The Austraclear depository and settlement average fee (transaction and holding) for 1H08 was \$10.20 per transaction (\$9.98 pcp). The rise was due to substantially increased holdings balances whilst transaction volumes were up 3.9% on the pcp.

Average holdings increased to \$882.7 billion (\$693.3 billion pcp), and \$950.7 billion of securities were held by Austraclear at 31 December 2007 (\$718.7 billion as at 31 December 2006).

Other – Up 27.0%

Total other revenue for 1H08 was \$11.2 million (\$8.8 million pcp).

Included in other revenue in 1H08 are participation fees (\$3.8 million), technology-related revenue (\$0.5 million), fees for delayed settlement of equity transactions (\$5.2 million), derivative maintenance fees (\$0.3 million), revenue from education services (\$0.2 million) and other miscellaneous revenue (\$1.2 million). Fees for delayed settlements not in compliance with Operating Rules and CHES annual participation charges are reported as part of "Other Revenue". Previously these were included in the cash market revenue line.

Cash Operating Expenses – Down 9.3%

Total cash operating expenses for 1H08 were \$68.2 million (\$75.2 million pcp). The reduction is largely attributable to the full six months impact of restructuring-related cost savings achieved from the ASX/SFE merger. As foreshadowed in the 2007 Annual Report, offsetting these savings have been necessary investment in resources, predominantly in supervisory and operational staff due to

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strong levels of market activity in 2H07 and business growth. Higher staff costs have also been incurred as a consequence of an annual (July) review of remuneration levels to ensure remuneration remains competitive. Variable expenses have also increased in line with the significant growth in trade volumes, particularly in the cash market.

Whilst there have been no overall significant items in 1H08, the realignment of provisions with expenses incurred, particularly premises related (see below), has caused differences in expense categories to be reported between the statutory and the pro-forma income statement.

Staff Expenses – Down 7.3%

Total staff expenses for 1H08 were \$38.0 million, down \$3.0 million compared to \$41.0 million in 1H07 and up \$3.8 million compared to the 2H07. The reduction against 1H07 is due to a full six months impact of the savings achieved as part of the merger restructuring, whilst the increase on 2H07 is consistent with increases in fixed remuneration costs which took effect at the start of July 2007 and higher short-term incentive (bonus) payments linked, in part, to strong operational and financial performance. Higher charges for share-based payments of \$1.4 million (\$0.9 million pcp) were incurred as non-cash expenses in accordance with AASB2 Share-Based Payments.

In the 2007 Annual Report we provided guidance that ASX expected to operate during FY08 with a headcount in the range 540 to 560 compared to the 520 headcount at 30 June 2007. Hiring to achieve this target raised headcount at 31 December 2007 to 538 and ASX expects to operate within the guidance headcount range during the second half of FY08.

Full-Time Equivalent (FTE) Headcount

	31 Dec 2007	30 June 2007	31 Dec 2006
ASX FTE (ex- Markets Supervision)	439	436	459
ASX Markets Supervision FTE	99	84	80
Total FTE	538	520	539

Occupancy Expenses – Down 25.6%

Total occupancy expenses for 1H08 were \$6.7 million compared to \$9.0 million pcp, and \$7.0 million for the half-year ended 30 June 2007.

The reduction in occupancy costs is due to the:

- rationalisation of premises and integration of SFE and ASX staff into the Bridge Street Sydney offices, completed shortly after the merger in 2006, and
- renegotiation and extension of the Bridge Street Sydney premises lease effective 1 September 2007.

The extension of the Bridge Street Sydney premises lease for a further 5 years ending in August 2017 includes the upgrade and re-fit of Exchange Square (ground floor of Bridge Street) which is targeted for completion in 2009. ASX expects to save approximately a further \$1 million per annum in occupancy costs when that project is completed.

The ex-SFE premises at Royal Naval House has been sub-leased with all costs not covered by the sub-lease arrangement fully provided for in FY07. The integration of the SFE Greenwich back-up site into ASX's back-up site at Bondi was completed during 1H08. ASX does not foresee any further significant changes to occupancy expenses, which have reduced substantially since the merger.

Equipment Expenses – Down 13.6%

Total equipment expenses for 1H08 were \$11.7 million, down from \$13.5 million in 1H07 and \$0.3 million lower than 2H07. The reduction against 1H07 reflects a full six months impact of savings flowing from merger synergies and, despite a full half-year of operating the ITS and EXIGO applications, costs have been contained.

The re-insourcing of the SFE clearing and Austraclear applications, as foreshadowed in the 2007 Annual Report, is progressing and will be completed in the current financial year. Following this re-insourcing, equipment costs will reduce, partly offset by an increase in staff costs to support the in-house operation of the application. ASX expects to maintain equipment costs at similar levels into the second half of FY08.

Administrative Expenses – Down 10.6%

Total administration expenses for 1H08 were \$8.5 million, down from \$9.5 million pcp and marginally higher than the \$7.9 million incurred in 2H07. Reduced expenditure was recorded against the prior period due to lower discretionary spending on travel, entertainment, and consulting and savings generated from procurement contract and vendor negotiations. In 1H08 there has been specific expenditure on marketing CFDs in conjunction with their listing in November 2007 as well as travel costs associated with establishing a new UK representative office. ASX expects to maintain administrative expenses at similar levels into the second half of the year.

Variable Expenses – Up 55.6%

Total variable operating expenses for 1H08 were \$3.3 million (\$2.1 million pcp). Variable operating expenses are up 33.5% on the half-year to 30 June 2007. These expenses include costs associated with the production of CHES holding statements and royalty payments to S&P linked to equity indices derivative contract traded volumes. These expenses are directly correlated with market activity levels, hence the increase reflects record levels of cash market and SPI 200 derivative trading activity during the half-year.

Depreciation and Amortisation – Down 4.0%

Total depreciation and amortisation for 1H08 was \$7.3 million (\$7.6 million pcp). Depreciation and amortisation is down marginally on the 2H07.

Despite a full six months depreciation on two of ASX's core system replacements, CLICK XT/ITS for SEATS and EXIGO for FINTRACS, compared to approximately three months in the pcp, depreciation and amortisation expense has been contained as savings from the merger effectively offset these increases. Depreciation and amortisation in the second half is expected to increase slightly as several new projects materialise and amortisation of pre-operating expenses of the CFD project applies to the full second half of FY08.

Interest and Dividend Income – Up 30.9%

Total interest and dividend income for 1H08 was \$28.0 million (\$21.4 million pcp). Total interest and dividend revenue comprises:

- interest earned on ASX's cash reserves – \$14.5 million (\$12.2 million pcp)
- net interest on funds deposited by participants with ASX – \$12.0 million, (\$7.9 million pcp)
- dividends from ASX's investment in IRESS Market Technology – \$1.5 million (\$1.2 million pcp).

Interest earned on ASX's cash reserves increased due to higher interest rates and higher average

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cash balances. Increases in the official cash rate during the half-year resulted in average earnings of 6.78% on this portfolio. The average cash balance during the half-year was approximately \$420.7 million with the cash balance at 31 December 2007 being \$398.5 million. It should be noted that approximately \$168.6 million will be utilised for the interim dividend in March 2008. Net cash generated from operating activities during the half-year was \$210.7 million (\$142.4 million pcp).

Net interest income earned from balances deposited by participants rose due to higher average balances associated with increased margins from derivative trading activity, and higher interest spreads resulting from the volatility in credit markets attributable to the sub-prime credit issues in the US. On average ASX held \$4.9 billion of cash margins during the half-year (\$4.8 billion pcp).

On 29 November 2007, ASX purchased an additional block of 5.95 million IRESS shares to raise ASX's holding from 12.65% to 17.66%. This purchase enabled ASX to meet its objective of restoring its ownership to slightly above the level of its original (15%) holding in what has been a well performing investment.

Tax on Normal Profit

Tax on normal profit for 1H08 was \$79.7 million (\$59.0 million pcp).

The average tax rate for the ASX consolidated group at 29.9% continues to approximate the 30% corporate tax rate. This includes certain tax benefits associated with research and development on major systems projects. There were no significant one-off tax items during the half-year.

Capital Expenditure

Capital expenditure for 1H08 was \$6.2 million (\$8.8 million pcp).

Capital expenditure was on a number of key system developments including ASX CFDs, several new market supervision initiatives, upgraded risk management systems, integration of financial systems and a new company announcement platform. Ongoing capital expenditure includes continuous capacity management enhancements to both cash market and derivatives trading and downstream systems, development of the Australian Quoted Assets (AQUA) platform, development of improved market supervision surveillance, compliance and reporting tools, and premises refurbishments being undertaken as part of the Bridge Street premises improvements referred to earlier.

ASX reconfirms earlier guidance that total capital expenditure for the group will be within a range of \$15.0 million to \$20.0 million for FY08.

Issued Capital

At 31 December 2007, ASX had 171,014,524 ordinary shares on issue.

During 1H08, 169,484 new ordinary shares were issued as a result of ASX executives converting conditional entitlements and performance rights pursuant to ASX's Long-Term Incentive Plan (LTI).

On 1 December 2007, ASX issued 136,400 entitlement shares to 93 executives, including 26,600 to the Managing Director and CEO, as approved by shareholders at the annual general meeting in October 2007. Subject to meeting certain performance hurdles, these shares will vest on 30 November 2010. The underlying shares were purchased by the registered holder ASX Operations Pty Ltd, as Trustee of the ASX Limited Long-Term Incentive Plan Trust.

Since the end of the half-year a further 134,000 shares were issued to the Managing Director and CEO by way of deferred consideration for SFE options that were terminated as a consequence of the ASX/SFE merger. This issuance was accounted for as merger purchase consideration in FY07 and

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was approved by shareholders at the annual general meeting in October 2006.

Equity Capital

Total ASX group equity capital at 31 December 2007 was \$2,767.6 million. Equity capital net of goodwill (\$2,262.8 million) is \$504.8 million. The components of ASX's capital are:

- \$2,361.8 million of issued capital (\$99.1 million excluding goodwill)
- \$264.4 million of retained earnings, with \$168.6 million to be paid as the interim dividend
- \$71.5 million of restricted capital reserves
- \$67.6 million of asset revaluation reserves reflecting the revaluation of ASX's investment in IRESS, net of tax
- \$2.3 million of equity compensation reserve arising from employee equity schemes.

Capital Management

A detailed explanation of ASX's approach to capital management was provided in the 2007 Annual Report.

At 31 December 2007 ASX had net tangible equity of \$336.2 million, after deducting the interim dividend declared after the half-year. Against this equity, ASX attributes a risk-based capital requirement of \$310.4 million leaving a modest surplus of \$25.8 million.

ASX GROUP TANGIBLE EQUITY

	\$m	
Shareholder Equity	2,767.6	
Less Proposed Dividend	(168.6)	Proposed at 31 December 2007 to be paid 20 March 2008.
Adjusted Shareholder Equity	2,599.0	
Less Goodwill	(2,262.8)	
Net Tangible Equity	336.2	
Net Tangible Equity Risk Attribution:		
CCP Clearing Default Risk		
ACH	151.5	Restricted capital reserve \$71.5m, issued capital \$5m and subordinated debt \$75m.
SFECC	80.0	Issued capital \$30m and subordinated debt \$50m.
	231.5	
Investment Counterparty Risk	20.0	
Operational Risk	40.0	
Fixed Assets/Investment Risk	18.9	
	310.4	
Risk Based Capital Allocation	310.4	
Capital Excess over Risk Requirement	25.8	

The predominant risk-based claim on ASX's capital continues to be counterparty clearing default risk. This is relevant to the novation process embedded in derivatives clearing activities where stress testing exposures have steadily grown in the last few years due to the extent of market activity, a growing number of users, highly variable patterns of concentration in open positions and generally volatile market conditions. ASX is cognisant of its need to actively manage the combination of fixed, contingent and variable capital as the underlying level of clearing risk exposures changes, to ensure an appropriate mix of these capital resources given the cost of capital and relative impact on the suppliers of the various forms of capital, and obligations imposed on ASX under Financial Stability

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Standards. As part of an active risk management approach, ASX has and will continue to refine its risk management practices encompassing stress testing, margin and contribution changes and capital resource enhancements.

In the last year, both central counterparty (CCP) subsidiaries of ASX have introduced more sophisticated clearing default and liquidity stress testing capability along with stress-based exposure limit changes that better reflect the underlying credit standing of clearing participants. Where exposures periodically exceed thresholds, participants have also been required to provide additional collateral to the CCPs. Commensurate with these changes, ASX increased its level of capital support (in the guise of subordinated debt) to ACH in March 2007, having increased its level of capital support to SFECC in September 2006. Further, in February 2008, to achieve an appropriate mix between fixed and variable capital, ASX has approved provision of another \$20 million of subordinated debt to SFECC that will take effect during the second half of FY08. In addition to ASX bolstering its capital support to SFECC, simultaneously participant contributions to SFECC's clearing guarantee fund arrangements will also double from \$60 million to \$120 million and contingent capital in the form of third party (default cover) insurance available to SFECC will increase from \$60 million to \$150 million. A similar review of ACH capital concluded that existing levels of capital support remain adequate.

Cash and Liquidity Risk Management

A detailed explanation of ASX's approach to liquidity risk management was provided in the 2007 Annual Report.

At 31 December 2007 total cash and liquid securities held by ASX amounted to \$4.6 billion (\$6.6 billion as at 30 June 2007) comprising cash collateral of \$3.4 billion (\$5.6 billion as at 30 June 2007) and non-cash collateral of \$0.7 billion (\$0.6 billion as at 30 June 2007) lodged by clearing participants as risk-based margins and contributions, as well as ASX's own capital funds and restricted capital reserves. The reduction since June 2007 was mainly due to lower participant margin requirements as derivative open positions were reduced in August 2007 following the initial impact of the US sub-prime mortgage crisis.

Participants' margins totalling \$4.2 billion were held at 31 December 2007 (\$6.2 billion at 30 June 2007). This portfolio has a weighted average maturity of 29 days and continues to be invested in liquid securities with high credit quality counterparties.

Cash of \$71.5 million is held in ACH as restricted funds only to be used in the event of participant default. These funds are invested in highly liquid securities.

ASX's own cash (excluding the restricted cash above) at 31 December 2007 totalled \$327.0 million, compared to \$334.8 million at 30 June 2007. Of these funds, \$160 million is currently committed to the central clearing counterparty subsidiaries as capital or subordinated debt and is cash-backed to support their liquidity needs. ASX currently also has available committed overdraft and stand-by credit facilities totalling \$200 million.

Summary and Outlook

While underpinned by the continued growth and volatility in financial markets, ASX's strong financial performance in 1H08 reflects the continued delivery of value to the stakeholders that ASX serves, as well as a commitment to maintaining expenses at appropriate levels while investing sensibly for the future in ASX's operational and supervisory infrastructure. The Managing Director and CEO's Report outlines achievements, initiatives and focus of the business over the past and coming months. From a financial perspective a key focus in 2H08 will be to complete the capital restructuring in the central counterparty clearing subsidiaries, including the establishment of an intermediate clearing entity holding company (ASXCC) with consideration of an initial debt offering to the market in calendar 2008 (depending on market conditions). ASX will also undertake a customary annual pricing review of all its services and, where changes are deemed appropriate, will announce these towards the end of the current financial year.

The January month saw continued high trading activity in cash and derivative markets driven by market volatility both locally and offshore, and speculation on interest rate movements during 2008. Overall, ASX's healthy financial position provides a strong platform for ASX to continue to deliver value to the financial economy and satisfy the demands of shareholders, regulators, customers and employees.

Alan Bardwell
Chief Financial officer

**KEY FINANCIAL RATIOS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007**

		Half-year ended 31 Dec 2007	Half-year ended 31 Dec 2006
Basic earnings per share (including significant items)		109.7c	77.0c
Diluted earnings per share (including significant items)		109.4c	76.8c
Normal earnings per share (excluding significant items)		109.7c	86.0c
Dividends per share – interim		98.5c	72.3c
Return on equity (annualised)	1	13.6%	12.7%
EBITDA/Operating revenue	2	78.3%	71.0%
EBIT/Operating revenue	2	76.0%	68.1%
Total expenses/Operating revenue	2	24.0%	31.9%
Capital expenditure (\$'000)		6,232	8,813
Net tangible asset backing per share		\$2.66	\$2.15
Net asset backing per share		\$16.18	\$15.70
Shareholders' equity as a % of total assets (excluding participants' balances)		89.5%	91.3%
Shareholders' equity as a % of total assets (including participants' balances)		38.0%	38.6%
Share price at end of period		\$60.50	\$38.15
Ordinary shares on issue at end of period		171,014,524	170,815,584
Weighted average number of ordinary shares		170,845,403	161,903,908
Market value of ordinary shares on issue (at 31 Dec) (\$m)		10,346	6,517
Full-time equivalent (FTE) permanent staff			
- number at period-end		538	539
- average during the period	3	529	592

1 Based on normal profit after tax and average capital for the period

2 Operating revenue excludes interest and dividend revenue (pro-forma), and excluding significant items

3 Includes Orient staff until 31 August 2006

**TRANSACTION LEVELS AND STATISTICS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007**

	Dec 07	Jun 07	Dec 06	% Change Dec 07-Dec 06
Listings and Capital Raisings				
Total domestic market capitalisation (\$b)	1,479	1,598	1,390	6%
Total number of listed entities (includes all stapled entities)	2,209	2,090	2,014	10%
Number of new listings	177	136	147	20%
Initial capital raised (\$m)	\$10,148	\$9,748	\$9,946	2%
Secondary capital raised (\$m)	\$32,099	\$30,429	\$27,782	16%
Total Capital Raised (\$m)	\$42,247	\$40,177	\$37,728	12%
Number of new warrant series	3,686	3,283	2,590	42%
Total warrant series	4,028	3,788	3,091	30%
Cash Markets				
Trading Days	129	124	128	
Total cash market trades ('000)	40,452	28,756	20,182	100%
Average daily cash market trades ('000)	314	232	158	99%
Total cash market value (inc. crossings) (\$b)	\$843.860	\$753.609	\$570.008	48%
Average daily cash market value (inc. crossings) (\$b)	\$6.542	\$6.078	\$4.454	47%
Total billable value (\$b)	\$811.677	N/A	N/A	-
Percentage of turnover crossed (%)	26.50%	31.44%	32.00%	(17%)
Percentage of turnover over \$2.679m (where \$75 cap applies) (%)	3.82%	N/A	N/A	-
Average cash market trading, clearing and settlement fee	\$2.38	\$3.02	\$3.41	(30%)
Average fee per value traded (bps)	1.14	1.15	1.21	(6%)

TRANSACTION LEVELS AND STATISTICS (cont'd)

	Dec 07	Jun 07	Dec 06	% Change Dec 07-Dec 06
Derivatives Markets				
Trading days	129	124	128	
Equity Derivatives (excluding SPI200)				
Total contracts ('000)	12,727	12,462	10,798	18%
Average daily option/futures contracts ('000)	99	100	84	17%
Average fee per option/futures contract	\$1.46	\$1.47	\$1.49	(2%)
CFD Markets (commenced 5th Nov 2007)				
Total trades	11,949	N/A	N/A	-
Notional value traded (\$m)	\$408.70	N/A	N/A	-
Total open interest value as at (\$m)	\$92.90	N/A	N/A	-
Total contracts ('000)	13,336	N/A	N/A	-
Futures & Options (Derivatives)				
TOTAL CONTRACTS - FUTURES ('000)				
SFE SPI 200™	4,454	3,954	3,391	31%
90 Day Bank Bills	11,258	11,425	9,903	14%
3 Year Bonds	17,088	16,498	15,681	9%
10 Year Bonds	10,259	8,911	8,150	26%
30 Day Interbank Cash Rate	1,796	1,790	1,152	56%
AUD Futures	<1	<1	<1	-
Other Interest Rate	<1	<1	<1	-
Agricultural	12	11	13	(8%)
Electricity	52	82	33	56%
Share Futures and other equity	6	9	14	(59%)
NZ\$ - 90 Day Bank Bill	724	914	887	(18%)
Total Futures	45,649	43,594	39,224	16%
TOTAL CONTRACTS - OPTIONS ON FUTURES ('000)				
SFE SPI 200™	285	279	265	7%
90 Day Bank Bills	153	621	101	52%
3 Year Bonds	251	215	356	(29%)
Overnight 3 Year Bonds	510	612	760	(33%)
Intra-day 3 Year Bonds	171	301	288	(40%)
10 Year Bonds	6	32	18	(66%)
Overnight 10 Year Bonds	3	16	42	(92%)
Intra-day 10 Year Bonds	<1	<1	<1	-
Electricity	2	2	<1	126%
Agricultural	<1	<1	<1	-
NZ share options	4	4	<1	4505%
NZ\$ - 90 Day Bank Bill	3	2	10	(76%)
Total Options	1,388	2,085	1,841	(25%)
Total Contract Volumes ('000)	47,037	45,679	41,065	15%
Daily average contracts - futures & options ('000)	365	368	321	14%
Average fee per contract - futures & options	\$1.37	\$1.37	\$1.40	(2%)

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TRANSACTION LEVELS AND STATISTICS (cont'd)

	Dec 07	Jun 07	Dec 06	% Change Dec 07-Dec 06
Austraclear Settlement & Depository				
Trading days	129	124	128	
Transactions ('000)				
Cash transfers	338	322	314	7%
Fixed interest securities	157	189	183	(14%)
Discount securities	191	170	164	16%
Foreign exchange	22	18	21	2%
Interest rate swaps	5	5	5	(10%)
Forward rate agreements	4	2	3	49%
Audit certificates	1	1	1	-
Global securities	<1	<1	<1	-
Total Transactions	718	707	691	4%
Average daily volume ('000)	5.57	5.70	5.40	3%
Securities holdings (average \$bn)	\$882.7	\$745.8	\$693.3	27%
Average settlement and depository fee (including portfolio holding)	\$10.20	\$10.27	\$9.98	2%
Technology Infrastructure				
No. of CLICK XT/ITS workstations	845	754	718	18%
No. of SYCOM® workstations	223	233	230	(3%)
No. of SYCOM® interfaces	288	219	182	58%
Information Services				
ASX Market Data - terminals	75,768	61,938	43,588	74%
SFE Market Data - terminals	22,087	22,141	19,749	12%
System Uptime (Period average)				
CLICK-XT (ITS)	99.99%	100.00%	100.00%	-
CHESS	99.99%	100.00%	100.00%	-
SYCOM®	99.93%	99.97%	99.94%	-
OMX SECUR	100.00%	100.00%	99.97%	-
EXIGO/FINTRACS	99.94%	99.56%	99.84%	-

DIRECTORS' REPORT

The directors are pleased to present their report together with the consolidated financial report for the half-year ended 31 December 2007 and the review report thereon.

Directors

The directors of ASX Limited at any time during or since the end of the half-year are:

Name	Period of directorship
<i>Chairman</i> Maurice L Newman AC	Director since 1990 Appointed chairman 1994
<i>Managing Director and Chief Executive Officer</i> Robert G Elstone*	Appointed 25 July 2006
Russell A Aboud	Director since 2005
Shane D Finemore	Appointed 1 June 2007
David M Gonski AC	Appointed 1 June 2007
Rick Holliday-Smith*	Appointed 25 July 2006
Trevor C Rowe AM	Director since 2002
Jillian S Segal AM	Director since 2003
Michael J Sharpe AO	Director since 1995
Michael H Shepherd	Director since 1988 Retired 30 October 2007
Peter H Warne*	Appointed 25 July 2006

* Mr Elstone was previously Managing Director and Chief Executive Officer of SFE Corporation Limited from May 2000 and remains a director of that company. Mr Holliday-Smith and Mr Warne have been directors of SFE Corporation Limited since May 1998 and September 2000 respectively.

Review of operations

In accordance with ASIC Class Order 98/2395, this information has been transferred to the Managing Director and CEO's Report on page 3 and Chief Financial Officer's Report on page 13.

Dividend

A fully franked interim dividend of 98.5 cents per ordinary share has been declared in relation to the half year ended 31 December 2007 as follows:

TYPE	CENTS PER SHARE	TOTAL AMOUNT \$000	DATE OF PAYMENT	TAX RATE FOR FRANKING CREDIT
<i>In respect of the prior financial year</i>				
Interim	72.3	123,508	16 March 2007	30%
Final	91.5	156,323	18 September 2007	30%
<i>In respect of the current financial year</i>				
Interim	98.5	168,581	20 March 2008	30%

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of ASX Limited

The lead auditor's independence declaration is set out on page 31 and forms part of the directors' report for the half-year ended 31 December 2007.

Rounding of amounts

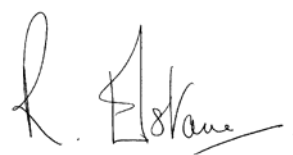
ASX Limited is a company of the kind referred to in ASIC Class Order 98/100 dated 10 July 1998, as varied by Class Order 05/641 dated 28 July 2005 and Class Order 06/51 dated 31 January 2006. In accordance with those Class Orders, amounts in the financial report and the directors' report have been rounded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

Dated at Sydney 13 February 2008.

Signed in accordance with a resolution of the directors:



Maurice L Newman AC
Chairman



Robert G Elstone
Managing Director and CEO

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of ASX Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the financial half-year ended 31 December 2007 there have been:

- No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- No contraventions of any applicable code of professional conduct in relation to the review.



KPMG



J F Teer
Partner

Sydney, 13 February 2008

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**Consolidated income statement
for the half-year ended 31 December 2007**

	Note	Half year ended 31 Dec 2007 \$'000	Half year ended 31 Dec 2006 \$'000
Revenues			
Listings		66,565	56,355
Cash market		96,256	73,107
Derivatives		85,396	72,810
Information services		33,326	25,867
Technology infrastructure		13,204	11,356
Austraclear services		11,015	9,485
Dividends		1,500	1,200
Other		11,214	8,786
		318,476	258,966
Expenses			
Staff expenses		39,262	47,778
Occupancy expenses		1,483	28,046
Equipment expenses		12,779	14,068
Administration expenses		14,013	13,686
Depreciation and amortisation		10,287	7,475
		77,824	111,053
Interest income		165,444	119,526
Interest expense		(138,980)	(100,160)
Net interest income		26,464	19,366
Net gain on sale of subsidiary		-	7,081
Profit before income tax expense		267,116	174,360
Income tax expense		(79,739)	(49,642)
Net profit for the period		187,377	124,718
Basic earnings per share (cents per share)	3	109.7	77.0
Diluted earnings per share (cents per share)	3	109.4	76.8

The income statement should be read in conjunction with the notes to the half-year financial statements.

ASX Limited and its controlled entities

**Consolidated balance sheet
at 31 December 2007**

	Note	31 Dec 2007 \$'000	30 Jun 2007 \$'000
Current assets			
Cash		205,907	118,677
Available-for-sale financial assets		4,390,894	6,504,104
Receivables		186,696	417,249
Other assets		9,061	7,312
Total current assets		4,792,558	7,047,342
Non-current assets			
Investments		167,601	138,600
Property, plant & equipment		18,062	19,025
Receivables		413	557
Intangible assets - software		50,092	50,180
Intangible assets - goodwill		2,262,759	2,262,759
Total non-current assets		2,498,927	2,471,121
Total assets		7,291,485	9,518,463
Current liabilities			
Payables		199,026	438,406
Amounts owing to participants		4,153,608	6,175,968
Current tax liabilities		33,905	35,805
Provisions		14,613	14,506
Other current liabilities		41,704	12,754
Total current liabilities		4,442,856	6,677,439
Non-current liabilities			
Amounts owing to participants	4	44,700	40,550
Net deferred tax liabilities		21,257	23,832
Provisions		15,062	20,258
Total non-current liabilities		81,019	84,640
Total liabilities		4,523,875	6,762,079
Net assets		2,767,610	2,756,384
Equity			
Issued capital		2,361,820	2,361,820
Retained earnings		264,403	233,349
Restricted capital reserve		71,489	71,489
Asset revaluation reserve		67,617	81,045
Equity compensation reserve		2,281	8,681
Total equity		2,767,610	2,756,384

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

ASX Limited and its controlled entities

**Consolidated statement of changes in equity
for the half-year ended 31 December 2006**

	Issued capital	Retained earnings	Restricted capital reserve	Asset revaluation reserve	Equity compensation reserve	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 July 2006	106,282	129,617	71,489	44,835	3,684	355,907
Net profit for the period	-	124,718	-	-	-	124,718
Share-based payment	-	-	-	-	(317)	(317)
Capital return	(99,908)	-	-	-	-	(99,908)
SFE merger	2,355,007	-	-	-	-	2,355,007
Change in fair value of investments and available-for-sale financial assets (net of tax)	-	-	-	12,857	-	12,857
Dividends paid (not previously provided)	-	(65,652)	-	-	-	(65,652)
Closing balance at 31 December 2006	2,361,381	188,683	71,489	57,692	3,367	2,682,612
Income and expense recognised directly in equity	-	-	-	-	(317)	(317)
Total recognised income and expense for the period	-	124,718	-	-	(317)	124,401

for the half-year ended 31 December 2007

Opening balance at 1 July 2007	2,361,820	233,349	71,489	81,045	8,681	2,756,384
Net profit for the period	-	187,377	-	-	-	187,377
Share-based payment	-	-	-	-	1,207	1,207
Purchase of treasury shares (net of tax)	-	-	-	-	(7,607)	(7,607)
Change in fair value of investments and available-for- sale financial assets (net of tax)	-	-	-	(13,428)	-	(13,428)
Dividends paid (not previously provided)	-	(156,323)	-	-	-	(156,323)
Closing balance at 31 December 2007	2,361,820	264,403	71,489	67,617	2,281	2,767,610
Income and expense recognised directly in equity	-	-	-	-	1,207	1,207
Total recognised income and expense for the period	-	187,377	-	-	1,207	188,584

The statement of changes in equity should be read in conjunction with the notes to the half-year financial statements.

ASX Limited and its controlled entities

Consolidated cash flow statement For the half-year ended 31 December 2007	Half year ended 31 Dec 2007 \$'000	Half year ended 31 Dec 2006 \$'000
Cash flows from operating activities		
Cash receipts in the course of operations (excluding interest)	384,692	286,352
Cash payments in the course of operations (excluding interest)	(123,732)	(111,620)
Cash generated from operations	260,960	174,732
Interest received	165,444	119,526
Interest paid	(138,980)	(100,160)
Dividends received	1,500	1,200
Income taxes paid	(78,237)	(52,932)
Net cash provided by operating activities	210,687	142,366
Cash flows from investing activities		
Acquisition of SFE, net of cash acquired	-	(57,738)
Proceeds on sale of subsidiary	-	12,632
Investment in IRESS	(48,195)	-
Purchase of treasury shares	(7,866)	-
(Decrease)/increase in amounts owing to participants	(2,018,210)	594,196
Payments for non-current assets	(6,232)	(8,813)
Proceeds on sale of plant and equipment	6	22
Net cash (used in)/provided by investing activities	(2,080,497)	540,299
Cash flows from financing activities		
Dividends paid	(156,323)	(109,782)
Capital return	-	(99,908)
Receipts from employee share plan loans	144	402
Net cash (used in) financing activities	(156,179)	(209,288)
Net (decrease)/increase in cash and cash equivalents	(2,025,989)	473,377
Fair value increase of available-for-sale financial assets	9	14
Cash and cash equivalents at the beginning of the financial period	6,622,781	646,922
Cash and cash equivalents on acquisition of SFE	-	3,252,649
Cash and cash equivalents at the end of the financial period	4,596,801	4,372,962
Classification of cash balances:		
ASX own funds	327,004	291,231
Restricted capital reserve	71,489	71,489
Participants' margins and commitments	4,198,308	4,010,242
Total cash and cash equivalents	4,596,801	4,372,962

The cash flow statement should be read in conjunction with the notes to the half-year financial statements.

ASX Limited and its controlled entities
Notes to the financial statements

1. Statement of significant accounting policies

ASX Limited (the "Company" or "ASX") is a company domiciled in Australia. The consolidated half-year financial report of the Company for the six months ended 31 December 2007 comprises the Company and its subsidiaries (together referred to as the "consolidated entity"). Subsidiaries are consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

This report 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 consolidated interim financial report was authorised for issuance on 13 February 2008.

Basis of preparation

This half-year financial report is a general purpose financial report that has 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 report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated financial report of the consolidated entity as at and for the year ended 30 June 2007.

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

Summary of significant accounting policies

All the accounting policies applied by the consolidated entity in the consolidated financial report as at and for the year ended 30 June 2007 have been applied by the consolidated entity in this half-year report.

The following additional policy has been applied:

Treasury shares

Where ASX purchases its own shares for the purpose of meeting its obligations under the Long-term Incentive Plan, the amounts paid, net of income tax, are recognised as a reduction in the Equity Compensation Reserve.

2. Segment reporting

Business segments

The consolidated entity accounts internally for the following business segments:

Exchange traded activities

These activities comprise the derivation of revenue from the operation of the licensed securities and derivatives exchanges (Australian Securities Exchange including Sydney Futures Exchange), and the licensed clearing and settlement operations conducted by Australian Clearing House Pty Limited, ASX Settlement & Transfer Corporation Pty Limited and SFE Clearing Corporation Pty Limited. Included in this segment are fees for trading, clearing and settlement of equity transactions and derivative contracts, together with revenues

ASX Limited and its controlled entities
Notes to the financial statements

from market data services, technology infrastructure, and net interest earned on participant margin balances held.

Non-exchange traded activities

These include settlement, depository and registry services for debt securities, conducted by the licensed clearing entity, Austraclear Limited. Included in this segment are fees for transactions and holdings of debt securities as well as registry and issuer and paying agency fees.

Unallocated revenue and unallocated expenses

Unallocated revenue includes dividend and interest earned on group investments and cash reserves. Where applicable, costs that are directly attributable to specific business segments have been charged to those segments, and those costs remaining are unallocated expenses.

	Exchange Traded	Non- Exchange Traded	Unallocated	Consolidated
Half-year ended 31 December 2007	2007 \$'000	2007 \$'000	2007 \$'000	2007 \$'000
Revenues				
Listings	66,565	-	-	66,565
Cash market	96,256	-	-	96,256
Derivatives	85,396	-	-	85,396
Information services	33,326	-	-	33,326
Austraclear services	-	11,015	-	11,015
Technology infrastructure	12,422	782	-	13,204
Dividends	-	-	1,500	1,500
Other	9,757	1,399	58	11,214
	303,722	13,196	1,558	318,476
Net interest income				
Interest income	150,984	458	14,002	165,444
Interest expense	(138,980)	-	-	(138,980)
	12,004	458	14,002	26,464
Operating expenses	(36,588)	(4,254)	(26,695)	(67,537)
Depreciation and amortisation	(1,644)	(1,076)	(7,567)	(10,287)
Profit/(loss)before income tax expense	277,494	8,324	(18,702)	267,116
Income tax expense				(79,739)
Net profit				187,377

ASX Limited and its controlled entities
Notes to the financial statements

Half-year ended 31 December 2006	Exchange Traded	Non- Exchange Traded	Unallocated	Consolidated
	2006 \$'000	2006 \$'000	2006 \$'000	2006 \$'000
Revenues				
Listings	56,355	-	-	56,355
Cash market	73,107	-	-	73,107
Derivatives	72,810	-	-	72,810
Information services	25,867	-	-	25,867
Austraclear services	-	9,485	-	9,485
Technology infrastructure	10,640	716	-	11,356
Dividends	-	-	1,200	1,200
Other	5,047	1,457	2,282	8,786
	<u>243,826</u>	<u>11,658</u>	<u>3,482</u>	<u>258,966</u>
Net interest income				
Interest income	107,780	-	11,746	119,526
Interest expense	(100,160)	-	-	(100,160)
	7,620	-	11,746	19,366
Net gain on sale of subsidiary	-	-	7,081	7,081
Operating expenses	(49,449)	(2,935)	(51,194)	(103,578)
Depreciation and amortisation	(5,857)	(760)	(858)	(7,475)
Profit/(loss) before income tax expense	196,140	7,963	(29,743)	174,360
Income tax expense				(49,642)
Net profit				<u>124,718</u>

Geographical segments

The Group operates predominantly in one geographic segment, Australia, notwithstanding that some services are available to offshore customers.

ASX Limited and its controlled entities
Notes to the financial statements

3. Earnings per share

	31 Dec 2007	31 Dec 2006
Basic earnings per share (cents)	109.7	77.0
Diluted earnings per share (cents)	109.4	76.8

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

Earnings used in calculating basic and diluted earnings per share (\$000's)	187,377	124,718
Weighted average number of ordinary shares used in calculating basic earnings per share	170,845,403	161,903,908
Number of contingently issuable shares	506,404	426,322
Weighted average number of ordinary shares used in calculating diluted earnings per share	171,351,807	162,330,230

4. Contingent Liabilities

Novation

The Group fully owns two subsidiaries, Australian Clearing House Pty Limited (ACH) and SFE Clearing Corporation Pty Limited (SFECC), which provide novation of certain financial assets and liabilities, referred to as central counterparty clearing.

(a) Australian Clearing House Pty Limited

ACH, a controlled entity of ASX, provides contract guarantee support for clearing 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. The novation replaces the original contract between the two participating organisations with a contract between the selling participating organisation and ACH, and a contract between ACH and the buying participating organisation. Through the novation process, all positions are matched.

As at 31 December 2007 ACH had a right to receive from participants payments of \$997.0 million (2006: \$387.0m) and a corresponding obligation to make payments of \$997.0 million (2006: \$387.0m) relating to cash market securities. Furthermore, total collateral required by ACH to cover participants' derivatives exposures was \$1,374.2 million (2006: \$887.1m). This was made up of cash and receivables of \$511.7 million (2006: \$240.0m), bank guarantees of \$156.4 million (2006: \$111.8m) and the remainder in equity securities. As at that date, participants had lodged collateral with ACH in the form of equity securities with a market value of \$4,123.9 million (2006: \$2,733.7m).

At the date of this financial report, all net delivery and net payment obligations relating to cash market securities owing to or by participants at 31 December 2007 were settled.

ASX Limited and its controlled entities
Notes to the financial statements

ACH has the following financial resources available to it to support its central counterparty clearing activities (over and above collateral deposited by participants):

	31 Dec 2007	30 Jun 2007
	\$'000	\$'000
ACH equity and subordinated debt	80,000	80,000
ACH restricted equity	71,489	71,489
External insurance	100,000	100,000
Emergency assessments	300,000	300,000
	<u>551,489</u>	<u>551,489</u>

These are explained below, and in the event of a clearing default the financial resources would be applied in the following order:

1. Collateral or other margin or contributions lodged by the defaulting participant with ACH under the ACH Clearing Rules.
2. Restricted Capital Reserve of \$71.5 million (explained below). In accordance with the terms of ACH's Australian Clearing and Settlement Facility Licence, unless the Minister agrees otherwise, these funds can only be used by ACH for clearing and settlement support.
3. Subordinated debt issued to ASX of \$75 million and equity capital of \$5 million. ASX has funded the difference between the Restricted Capital Reserve and the capital amount required to be held by ACH to meet the RBA Stability Standard for Central Counterparties from time to time (the "Reserve Requirement"). Currently, ACH has determined the Reserve Requirement to be \$150 million. As the Reserve Requirement may vary from time to time, ASX has an ongoing obligation to provide additional capital to ACH, if required, to cover the difference between the Reserve Requirement and the total of the ASX's existing capital in ACH and the Restricted Capital Reserve amount remaining at that time. Alternatively, ACH may decide to replace some of the capital contributed by ASX with contributions obtained from participants under the ACH Clearing Rules, thereby reducing the amount of capital which ASX is obliged to provide to ACH.

However, ASX is not obliged to contribute additional capital to re-capitalise ACH following a clearing loss.

4. External insurance cover up to \$100 million, with an insurer rated AA by Standard and Poor's.
5. Contributions obtained from participants under the ACH Clearing Rules. (Nil for periods ending 31 December 2007 and 2006).
6. Emergency Assessments of \$300 million may be levied on participants under the ACH Clearing Rules. (Nil has been levied for periods ending 31 December 2007 and 2006).

The order in which these resources may be applied is set out in detail in the ACH Clearing Rules 5.8.3 Application of Clearing Assets.

ASX Limited and its controlled entities
Notes to the financial statements

Restricted Equity

Prior to 31 March 2005, if a participant failed to meet its net delivery or net payment obligations to ACH, ACH had recourse to the National Guarantee Fund (NGF) maintained by the Securities Exchanges Guarantee Corporation Limited (SEGC) under the Corporations Act 2001 and could make a claim on the NGF to cover its loss. Following a restructuring of the NGF under section 891A of the Act, ACH received a payment of \$71.5 million from the NGF in 2005 and the Corporations Regulations 2001 were amended to remove ACH's ability to make a claim on the NGF for clearing losses arising after 31 March 2005.

(b) SFE Clearing Corporation Pty Limited

SFECC provides clearing for Sydney Futures Exchange derivatives markets. Transactions between two participating organisations are replaced by novation. The novation replaces the original contract between the two participating organisations with a contract between the selling participating organisation and SFECC, and a contract between SFECC and the buying participating organisation. Through the novation process, all positions are matched.

SFECC is supported by margins received from participants and by specific financial commitments totalling \$200 million (at 31 December 2007 excluding emergency assessments) referred to as the 'Clearing Guarantee Fund'. In the event of participant default, once available margins have been used the Clearing Guarantee Fund would normally be applied to meet a participant default in the following priority:

	31 Dec 2007	30 Jun 2007
	\$'000	\$'000
SFECC equity and subordinated debt	80,000	80,000
Participant financial backing	60,000	60,000
External insurance	60,000	60,000
Emergency assessments	30,000	30,000
	<u>230,000</u>	<u>230,000</u>

Participant financial backing comprises cash (\$44,700,000) and non-cash commitments (letters of credit drawn on a major Australian licensed bank \$15,300,000). The external insurance has been taken out with an insurer rated AA by Standard & Poor's.

(c) Fidelity risk levy to SEGC

As a result of the NGF restructure in March 2005, a minimum amount is retained in the NGF to cover fidelity claims made against market participants. The amount of the NGF at 31 December 2007 was \$99.7 million. If the amount of the NGF falls below the minimum amount (currently \$76 million) determined by the Minister in accordance with the Act, SEGC may determine that ASX must pay a levy to SEGC. Where a levy becomes payable, ASX may determine that participants in the market must pay a levy, provided that the total amounts payable under this levy do not exceed that amount payable by ASX to SEGC. However, 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 participant in the market to pay a levy may give rise to a civil action, but does not constitute an offence under the Act.

5. Subsequent events

Interim dividend

Since the end of the half-year, a fully franked interim dividend of 98.5 cents per share (\$168,581,296 in total) has been declared, and is payable on 20 March 2008.

Other than the matters noted above, no matter or circumstance has arisen since the end of the half-year to the date of this report 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.

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DIRECTORS' DECLARATION

In the opinion of the directors of ASX Limited

1. the financial statements and notes, set out on pages 32 to 42, are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2007 and of its performance, as represented by the results of its operations and cash flows, for the half-year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that ASX Limited will be able to pay its debts as and when they become due and payable.

Dated at Sydney 13 February 2008.

Signed in accordance with a resolution of the directors:



Maurice L Newman AC
Chairman



Robert G Elstone
Managing Director and CEO

INDEPENDENT REVIEW REPORT to the members of ASX Limited

Report on the Financial Report

We have reviewed the accompanying half-year financial report of ASX Limited, which comprises the consolidated balance sheet as at 31 December 2007, income statement, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies and other explanatory notes 1 to 5 and the directors' declaration of the consolidated entity. The consolidated entity comprises ASX Limited and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 half-year 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 2007 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of the 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. 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.

**INDEPENDENT REVIEW REPORT
to the members of ASX Limited**

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 2007 and of its performance for the half-year ended on that date; and

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



KPMG



J F Teer
Partner

Sydney, 13 February 2008

**APPENDIX 4D (Rule 4.2A.3)
HALF-YEAR REPORT
for the half-year ended 31 December 2007**

RESULTS FOR ANNOUNCEMENT TO THE MARKET
(All comparisons to half-year ended 31 December 2006)

	\$'000	up/down	% movement
Revenues from ordinary activities	318,476	up	23.0%
Net profit after tax from ordinary activities including significant items	187,377	up	50.2%
Normal net profit after income tax excluding significant items	187,377	up	34.5%

Dividend information

	amount per share (cents)	franked amount per share (cents)	tax rate for franking
Final 2007 dividend per share (paid 18 September 2007)	91.5	91.5	30%
Interim 2008 dividend per share (to be paid 20 March 2008)	98.5	98.5	30%

Interim dividend dates

Ex dividend date	21 February 2008
Record date	27 February 2008
Payment date	20 March 2008

	31 Dec 07	31 Dec 06
Net tangible assets per security	\$2.66	\$2.15

Additional Appendix 4D disclosure requirements can be found in the notes to this half-year financial report and the Chief Financial Officer report attached thereto.

This report is based on the consolidated half-year financial report which has been subject to a review by KPMG.