ASX Limited

ABN 98 008 624 691

and its controlled entities

HALF-YEAR REPORT

31 DECEMBER 2008

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Consolidated pro-forma income statement for the half-year ended 31 December 2008

	DEC 08 $'000 (1H09)	JUN 08 $'000 (2H08)	DEC 07 $'000 (1H08)	JUN 07 $'000 (2H07)
REVENUE				
Listings	**55,908**	53,646	66,565	61,198
Cash market	**89,263**	92,544	96,256	82,731
Derivatives	**70,149**	83,761	83,098	81,032
Information services	**36,974**	34,677	33,326	35,267
Technology infrastructure	**14,378**	14,459	13,204	11,920
Austraclear services	**11,754**	10,855	11,015	10,500
Other revenue	**7,878**	10,091	11,214	10,367
Operating revenue	**286,304**	**300,033**	**314,678**	**293,015**
EXPENSES				
Staff expenses	**41,646**	39,898	38,016	34,211
Occupancy expenses	**6,520**	5,975	6,707	7,029
Equipment expenses	**11,006**	11,588	11,704	12,000
Administration expenses	**8,416**	8,730	8,520	7,854
Variable expenses	**2,547**	2,252	3,295	2,468
Cash operating expenses	**70,135**	**68,443**	**68,242**	**63,562**
EBITDA	**216,169**	**231,590**	**246,436**	**229,453**
Depreciation and amortisation	**7,192**	8,629	7,284	7,404
EBIT	**208,977**	**222,961**	**239,152**	**222,049**
Interest income	**13,966**	13,247	14,460	10,677
Net interest on participant balances	**18,956**	12,557	12,004	9,726
Dividend revenue	**2,514**	3,352	1,500	1,950
Interest and dividend income	**35,436**	**29,156**	**27,964**	**22,353**
Normal profit before income tax	**244,413**	**252,117**	**267,116**	**244,402**
Income tax expense	**(72,494)**	(73,545)	(79,739)	(70,553)
Normal profit after income tax	**171,919**	**178,572**	**187,377**	**173,849**
Less Significant items after tax	-	-	-	(5,675)
Statutory net profit after tax as reported	**171,919**	**178,572**	**187,377**	**168,174**

MANAGING DIRECTOR AND CEO'S REPORT

INTRODUCTION

The Australian Securities Exchange (ASX) group performed robustly during the first half of FY09, having regard to the tumultuous nature of the six month period for global financial markets. The conservatism of global asset allocation, the extent and rapid pace of global deleveraging at both a household and institutional level, and the consequential interplay between price volatility and liquidity dominated financial market sentiment during the half.

In particular, the loss of interbank lending confidence which emerged after the collapse of Lehman Brothers and rescue of AIG, in September 2008, reshaped the global financial landscape. At a surface level, those events redefined consciousness of counterparty risk and the criticality of smooth functioning of payments and settlement systems. At a deeper level, the risk/return asymmetry inherent in the workings of a largely unregulated credit default swap market compounded a loss of confidence in capital/liquidity adequacy and asset impairment disclosure in a number of financial institutions. The consequences for many global banks, banking systems and credit markets generally were profound. It was, indeed, a momentous half-year period.

In financial terms the ASX delivered a net profit after tax of $171.9 million, down 8% over the prior comparable period, based predominantly on a 9% reduction in operating revenues, a close to 3% increase in cash operating expenses, and a 27% increase in net interest and dividend income. The interim dividend for FY09 of 90.4 cents per share is therefore slightly below the final dividend paid in the second half of FY08 (of 93.9 cents per share), based on an equivalent payout ratio. The CFO's Report provides detailed insight into the group's financial performance and capital position for the first half of FY09.

The 9% reduction in operating revenues over the prior comparable period was due principally to the impact of the global turmoil that prevailed in financial markets during the half. This substantially reduced the level of primary capital raising activity in Australia and lowered trade execution values in both the equity and futures markets operated by ASX. Secondary capital raising activity, on the other hand, via placements, rights issues and dividend reinvestment plans (by both financial and non-financial corporations), was very strong, up 29% over the prior comparable period.

ASX ranked 5th in capital raising activity for calendar 2008, behind Euronext, NYSE, the London Stock Exchange and the Hong Kong Exchange. This ranking reflects the disproportionate per capita scale and sophistication of Australia's managed funds sector by world standards, and the relative efficiency of the ASX market for raising equity capital.

Importantly, a material percentage of the modest increase in cash operating expenses is attributable to investment in the group's market supervision subsidiary which increased its human resources, despite lower market activity levels, in the wake of intensified broker monitoring activity flowing through from market events in the prior year. Cash costs across the group were lower than for the prior comparable period for all cost line items except staff costs, which rose as a consequence of headcount and fixed (inflation and market-based) remuneration increases which took effect in July 2008.

DISCUSSION AND ANALYSIS

The first half of FY09 marked a period of unprecedented stress in global money, bond, credit, currency and stock markets. The degree of stress triggered a number of regulatory interventions in domestic markets around the world, including in Australia.

These global responses took three main forms:

- systemic stability intervention from central banks and other prudential regulators in the form of money market liquidity provision, currency support, monetary policy relaxation and, where necessary, orchestrated bank mergers;
- equity market intervention from most OECD financial regulators in the form of interim prohibitions on 'short selling' activity in listed securities (particularly for financial stocks); and
- sovereign government intervention pointed at bank and insurance group recapitalisations (in some cases, nationalisation), far-reaching bank deposit guarantee arrangements and, more recently, unprecedented steps to underpin the availability of credit to specific sectors of the real economy.

Trade Execution

In the Australian context, policy initiatives from ASIC and the Australian Government in the form of a temporary ban on short selling and the introduction of bank deposit guarantee arrangements, respectively, added their own legitimate dimensions to the dislocation that was already prevalent in 'over the counter' (OTC) equity and short-term money markets at the time of those initiatives. In the latter case, redemptions were frozen in a number of cash management, mortgage and other forms of asset trusts outside the net of those deposit guarantee arrangements. The combination of pre-existing and secondary dislocation consequences had the effect of materially reducing trade execution activity levels in both the exchange traded equity and futures markets operated by ASX during the October – December quarter. That trend has carried through into the early weeks of 2009 and may continue until a more balanced risk appetite from investors and financial institutions is restored and credit markets normalise.

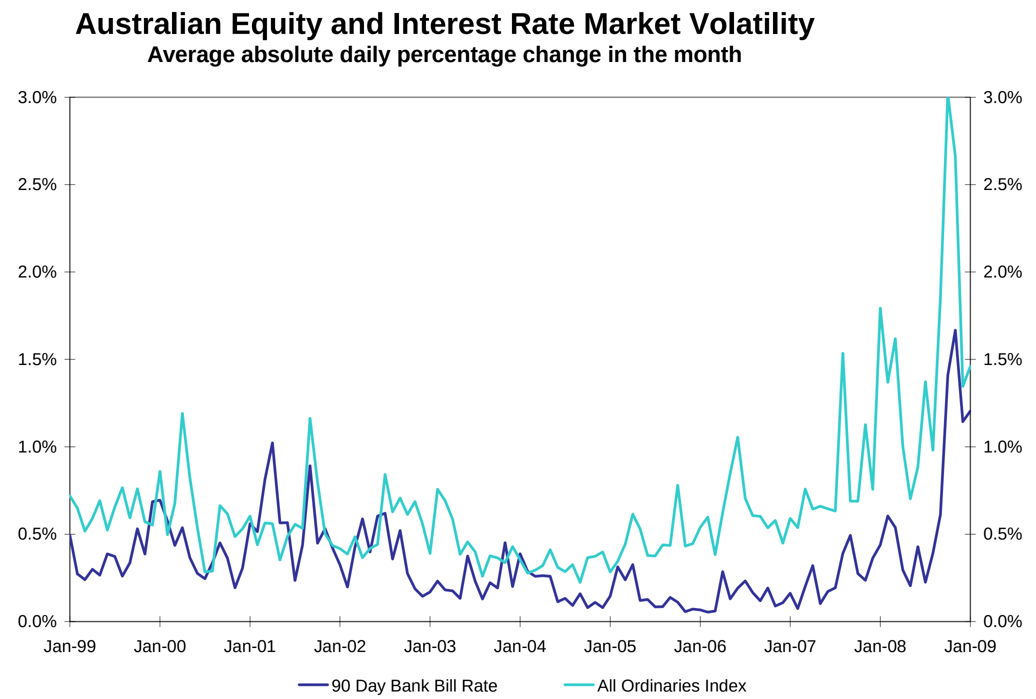
While some nominal borrowing costs fell during the half (as a consequence of substantial easing in official cash rates from the RBA), bank and corporate borrowing spreads increased in response to a repricing of risk and credit rationing. The transactional cost component of the overall cost of capital in Australian equity and fixed income markets also rose, as the same liquidity and counterparty risk fears pervading credit markets caused bid/offer spreads to widen in equity and OTC interest rate markets, with an inevitable 'knock-on' effect into interest rate futures markets.

Q2 FY09 futures volumes (excluding the SPI 200 contract) were particularly weak as the coincidence of short selling restrictions and volatile funding spreads caused investors to liquidate speculative positions in commodity markets and currencies. The Australian dollar weakened accordingly, as currency 'carry trade' activity subsided on the back of much lower actual and anticipated commodity prices.

Short-term interest rate futures contract volumes on most of the major derivatives exchanges also fell markedly during the same quarter. This was in response to 'spread' dislocation between overnight swap rates and short-term benchmark funding rates (Libor, Euribor, BBSW, etc), substantially lower debt issuance levels in capital markets, and extreme risk aversion in OTC interest rate swap and forward rate markets. The combination of these forces translated into a reduction in OTC interest rate market 'price making' activity, smaller average trade sizes and markedly lower appetite for 'basis' risk (hedging an underlying exposure with a proxy, less than perfectly correlated, instrument). Coordinated central bank actions on official interest rates also removed the element of uncertainty on the direction of interest rates usually prevalent under more normal market conditions.

Conversely, trading volumes in the benchmark Australian equity index futures contract (the SPI 200) continued to outperform during the half. This was in line with the strong trading volumes in equivalent leading index contracts in offshore markets, and in keeping with interim prohibitions on short selling of individual stocks incentivising greater usage of such contracts.

While these global and local market events were unfolding, ASX delivered close to 100% availability of its core trading, clearing and settlement systems to market users. This was achieved in a half characterised by orchestrated market closures and lower platform availability levels in some exchange traded markets in other countries.



Clearing and Settlement

ASX's central counterparty (CCP) subsidiaries seamlessly facilitated trillions of dollars worth of capital efficient wholesale risk transfer during a period of record volatility in equity values and record funding spreads in the interest rate environment in Australia. Average daily risk margin collateral held in cash and fixed interest securities by the CCPs, comprising initial margins, intraday margins and risk concentration margins, was $5.1 billion during the half ($7.7 billion was held as at 31 December 2008).

While the mix and type of cash margin and non-cash collateral held varied markedly for each CCP, prior period harmonisation of stress testing regimes deployed by both subsidiaries proved timely from a systemic risk point of view, given the level of market volatility experienced during the half.

Harmonisation of investment policies also translated into the CCPs' sizeable investment counterparty exposures being actively managed during the half. To assist the CCPs' risk management activities ASX's market supervision subsidiary (ASXMS) monitored the positions of trading, clearing and settlement participants via ad hoc lodgement of 'core liquid capital' statements, over and above normal monthly reporting obligations.

One of many lessons to be drawn from the global market turmoil of the first half of FY09 is that CCP clearing houses around the world, including those operated by ASX, continue to reduce systemic risks by proactive collateral management of wholesale risk transfer and multilateral trade netting (that is, serving to reduce daily settlement obligations to a mere fraction of gross values traded between initiating counterparties). ASX's CCPs continue to play a critically important role in the functioning of Australia's financial markets. Their quiet contribution to the capital and operating efficiency of exchange market participants was noteworthy and consistent during a period in which certain interbank markets were somewhat dysfunctional. This fact has not gone unnoticed by regulators of CCPs around the world.

Cash backed capital resources available to the ASX group, quite separate from off balance sheet (fixed) capital committed to clearing guarantee funds and (variable capital) forms of cash/non-cash collateral held against clearing participant risk positions, averaged $355.6 million during the half ($370.6 million was held at 31 December 2008). Net interest income earned on the group's own capital resources, as well as from higher average cash collateral balances, grew to $32.9 million for the half. This is despite much lower average interest rates relative to the prior comparable period. However as credit spreads and margin levels also fall, these higher net interest income earnings are unlikely to be sustained.

Preliminary regulatory clearances with respect to the form and legal robustness of proposed funding activity by ASX Clearing Corporation (ASXCC), an intermediate holding company for ASX's two CCP subsidiaries, are now to hand. ASXCC plans to approach the US private placement market for a minimum of $145 million of long-term debt capital during the first half of the next financial year (FY10) to refinance existing subordinated debt provided to the CCPs by the (ASX Limited) parent entity. This will be subject to the attractiveness of borrowing conditions in that market over coming months. As and when existing inter-company debt to the parent entity is repaid, the Board intends to retain such capital within the group to boost ASX's flexibility to manage the capital adequacy of the CCPs over time.

Equities settlement system (CHESS) holdings fell from $1.25 trillion to $868 billion, commensurate with the decrease in listed capitalisation over the half, whilst fixed income settlement system (Austraclear) holdings rose from $984 billion to $1.07 trillion.

Operational enhancements introduced in the equities settlement system earlier in 2008 resulted in a lowering of an already world-class level of daily transaction settlement 'fail' performance. No material daily settlement delays were experienced in either of the group's securities settlement facilities (SSFs) during the half, providing securities and funds movement certainty to Australia's wholesale payments system and to ASX settlement participants.

In late October 2008 the RBA issued a satisfactory compliance assessment of the two licenced CCPs and two SSFs operated by ASX with the relevant Financial Stability Standards, which are core regulatory obligations of those facilities. In early December 2008 ASX issued market consultation papers to clearing and settlement participants in relation to ongoing CCP harmonisation and proposed enhancements to the Australian equities settlement system designed to further reduce systemic risk.

Market Supervision and Regulatory Policy

It was also an active half for ASX's market supervision subsidiary, ASXMS (now chaired by former ASIC Chairman, Alan Cameron). The escalation of the global financial crisis heightened the significance of the continuous disclosure regime, particularly in relation to impairment review of fair values, refinancing risks and insolvent trading. ASXMS continued to closely examine and review corporate announcements and trading activity for potential breaches of continuous disclosure, insider trading and market manipulation laws. In addition to stepped up price querying activity, the number of referrals to ASIC in each of these areas during the half, respectively, was 11, 11 and 8. The number and complexity of matters brought before the independent disciplinary tribunal process coordinated by ASXMS increased, with $541,000 in participant fines levied during the half.

In October 2008 ASXMS released the results of its review of the lodgement of director interest notices during the September quarter of FY09, revealing improved levels of compliance from a timeliness perspective. The results of this review of trading during the 'blackout period' were released by ASXMS in December 2008.

Following market consultation, ASX's regulatory policy group provided further guidance on enhanced disclosure of management agreements in listed investment vehicles. It also provided a roadmap to the Government's legislative amendment process aimed at improving transparency of short selling and stock lending activity in the Australian equity market. ASX continues to work closely with both ASIC and the RBA, respectively, on these interrelated topics with a view to improving supervisory and regulatory oversight.

The regulatory policy group is also behind the formation of an ASX Capital Markets Advisory Panel. Such a panel comprises a cross section of legal practitioners in securities law and senior governance representatives of major fund management groups, to contribute to the evolution of ASX listing and market rules. Alongside the ASX Corporate Governance Council, this Panel will also channel its views to Treasury and ASIC on regulatory reform matters.

Business Development

On the business development front, ASX introduced a co-location initiative for equity market trading participants in December 2008 pointed at lowering order execution latency. This formed part of a suite of measures (announced at that time) designed to keep ASX at the forefront of global trade execution services and ensure that the evolution of equity market microstructure in Australia meets user and market integrity needs. These measures include operating rule changes, additional investment in trading system capacity, and order-type functionality enhancements to both central limit order book price discovery and large order matching. All of these initiatives will provide brokers and fund managers with a wider menu of trade execution strategies, lower market impact costs and a heightened assurance of future operational capacity.

The imminent capacity upgrade of ASX's equity platform will enable it to handle up to 4 times the peak daily average trade volume and 2.5 times the most recent record daily trade volume. The capacity initiative is scheduled to become operational in Q2 2009, with new order functionality becoming available (subject to regulatory clearance) from the middle of 2009. On the issue of multi-market operator licences, ASX is of the view that details of the regulatory settings and practical implementation issues must be given careful and due consideration by Government, particularly with the benefit of hindsight from recent market turmoil.

In mid-November 2008 ASX implemented a capacity upgrade to the current version of its futures trading platform, accompanied by a bandwidth upgrade to that platform's international distribution network. These upgrades are designed to further improve operational reliability and accommodate anticipated growth in ASX CFDs and other planned futures products in the energy and property sectors during 2009. In December 2008 ASX committed to a generational upgrade of its current futures technology platform, to become operational in FY10.

While ASX's listings franchise was adversely impacted by the combination of close to record market volatility and substantially lower demand for initial primary offerings, as referenced earlier, buoyant secondary capital raising activity facilitated critically important balance sheet management for a number of Australia's financial and non-financial corporations. ASX also expects that its new 'quoted assets' (AQUA) listing initiative, launched in October 2008, will prove timely as demand for index products, such as exchange traded funds (ETFs) and other forms of structured products, re-emerges over time. The new listings avenue also provides product issuers with an opportunity to be more selective towards ASX's traditional 'end to end' (listing, trading, clearing, settlement) service offering.

ASX continues to collaborate with key resource industry bodies on the potential introduction of 'flow through shares' schemes for smaller operators in the gas, oil and mineral exploration sectors, comparable to that operating in Canada. These efforts are designed to incentivise adequate levels of investment in higher risk resource exploration in Australia, unfettered by commodity prices softening in response to a sharp reduction in global demand for primary resources.

OUTLOOK

As the financial crisis which engulfed the world's money, bond, credit, currency and stock markets deepened during the half it triggered a broader and more protracted contraction in economic activity worldwide. Towards the end of 2008 some signs of thawing in the financial markets became observable albeit, as the early weeks of January 2009 demonstrated, further banking shocks cannot be ruled out. At the same time, indicators of real economic activity have worsened considerably, particularly in the US and Europe, and also in China, which is experiencing its own sharp downturn to the detriment of the Australian economy and its terms of trade.

ASX's trade execution values for the month of January 2009 for both Australian equity and derivative markets were lacklustre by the standards of recent years, a trend mirrored in other well-developed financial economies. In the first fortnight of February there has been a recovery in those values in both markets.

The early November 2008 release of the Australian Government's Mid-Year Economic and Fiscal Outlook highlighted the extent of revisions to growth, inflation, unemployment and tax revenue brought about by the global financial crisis foreseen at that time. There have been subsequent revisions since that time. The current 2009 corporate reporting season will provide additional perspective on the extent to which more recent deteriorating data revisions carry through into the May 2009 Federal Budget outlook, as well as into policy thinking regarding the need for further stimulus packages and sectoral support beyond those already announced. In the short-term, an immediate uplift in the stock of Commonwealth Government Securities (CGS) on issue is likely to have a positive impact on Treasury bond futures volumes.

The private sector deleveraging that has been occurring in Australia via asset sales, asset impairment and secondary capital raising activity is starting to be accompanied by the leveraging of public finance at a Commonwealth and State government level to address important, long-term infrastructure requirements. This is aimed at lifting medium-term productivity and competitiveness, at the same time as providing short-term fiscal stimulus to a slowing economy.

The trend towards a more balanced view of the role public debt can play in financing public infrastructure is likely to be a precursor to a more buoyant fixed income market in Australia over coming years. This will be necessary given the magnitude of change to the nation's capital stock likely to be triggered by a forward price for carbon impacting on 'cleaner energy' investment decision-making. In that context, consideration of longer dated bond issuance by the Commonwealth would be timely, given the near-term interest rate outlook and strong investor appetite for Australian sovereign debt from Asian central banks and global sovereign wealth funds. Such an initiative would be consistent with providing long-dated interest rate price discovery for a necessary programme of investment in new energy sources and technologies. It would also assist the development of longer dated financial annuity products by insurers and wealth management service providers to superannuation funds, and enhance asset and liability management practices.

ASX's multi-asset class and vertically integrated business model is geared to meeting both the short and medium-term financing and risk management needs of an Australian economy in transformation. ASX's franchise across its range of activities remains pivotally aligned with the national interest in terms of capital formation, price discovery, the cost of capital, risk management, and wholesale payments system efficiency and certainty. The momentum behind secondary capital raisings during the first half of FY09, and the ease with which Australia's regulatory framework and ASX's rules facilitated this critical activity, is a particular case in point. That thirst for equity recapitalisation across all sectors is likely to be maintained during the second half of FY09.

There will be other points in the investment cycle where IPOs, structured (risk) products or ETFs on a range of sector or broader index products rekindle investor appetite, particularly if cash returns at low nominal rates prevail for some time as a consequence of global recession.

The diversification of ASX's business model and the strength of its brand and financial position bodes well for its resilience to the near-term challenges posed by the global financial crisis which dominated the first half of FY09 and appear set to continue through the second half. ASX continues to invest in its people, processes and technology platforms, regardless of those near-term challenges. It does so not simply because of its regulatory obligations but to develop the value of its franchise over the longer term. ASX also continues to evaluate exchange consolidation opportunities, mindful of its shareholder value obligations.

Finally, ASX recognises that a reduction in market activity levels does not translate, and certainly not in a linear fashion, into less intensive use of the ASX's infrastructure and services. Neither does it translate into a lowering of user or regulatory expectations on service levels, operational reliability or supervisory diligence. Each of these outcomes have been underpinned by ASX's committed staff and management team during an unprecedented half-year reporting period.

Robert G Elstone
Managing Director & CEO
Australian Securities Exchange
Sydney, Australia
17th February 2009

CHIEF FINANCIAL OFFICER'S REPORT

Introduction

The consolidated pro-forma income statement on page 3 sets out the results for the ASX group for the past four half-years. The pro-forma income statement is not audited, but is based upon underlying externally reviewed accounts. Where significant items have been recognised, a reconciliation between the pro-forma and statutory income statements has been provided.

The following commentary is based on the pro-forma income statement and, unless otherwise stated, analysis of the half-year ending 31 December 2008 (1H09) is based on a comparison to the prior comparable period (pcp) being the half-year ended 31 December 2007 (1H08).

There have been no significant changes in the group's accounting policies since year-end.

1H09 Results Highlights

During the half-year, the group's performance included the following highlights with all comparisons to the pcp:

- normal profit after tax of $171.9 million, down 8.2%
- normal earnings per share (EPS) of 100.4 cents per share (cps), down 8.5%
- operating revenue excluding interest and dividends of $286.3 million, down 9.0%
- cash operating expenses of $70.1 million, up 2.8%
- interim dividend for 1H09 of 90.4 cps, down 8.2%.

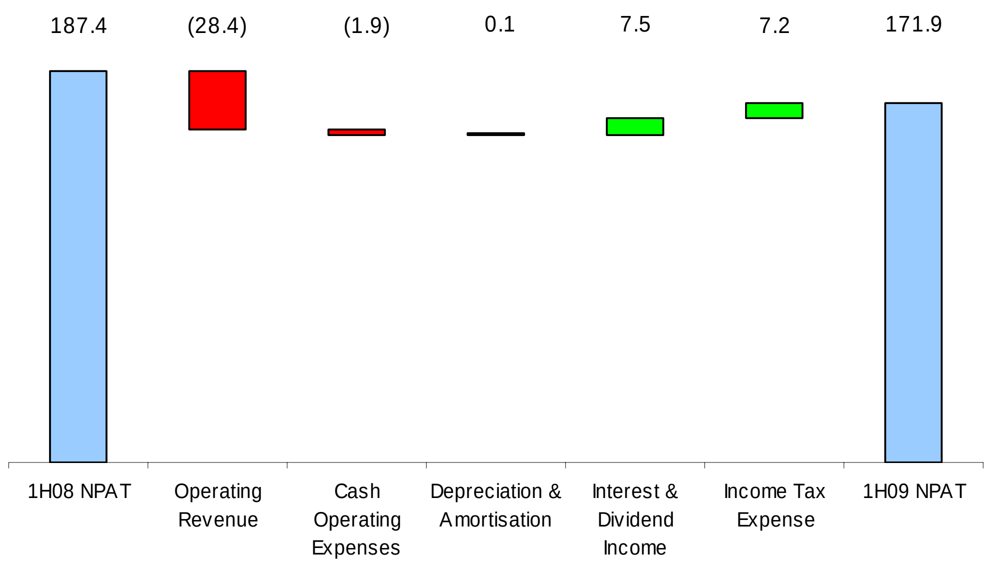
Normal Profit – Down 8.2%

Group normal profit after tax for 1H09 was $171.9 million ($187.4 million pcp).

The 8.2% decrease in NPAT was achieved despite significant reduction in activity levels in some parts of the ASX group caused by turmoil in financial markets globally and the slowdown in the Australian economy. Compared to the pcp, the All Ordinaries market index fell 43.0%, cash market traded value fell 24.7%, initial capital raisings fell from $10.1 billion to $1.4 billion and derivative contract volumes declined by 26.7%. The resilience of ASX's financial performance in light of these declines reflects the strength of the diverse ASX business model, the cushioning impact of ASX's transaction fee rebate models and continued focus on containing expenses.

The normal profit after tax represents a 12.6% annualised return on equity (ROE) (13.6% pcp) based on average capital in 1H09. The following graph shows the movement in NPAT in 1H09 by major category.

NPAT Highlights 1H09 ($ million)



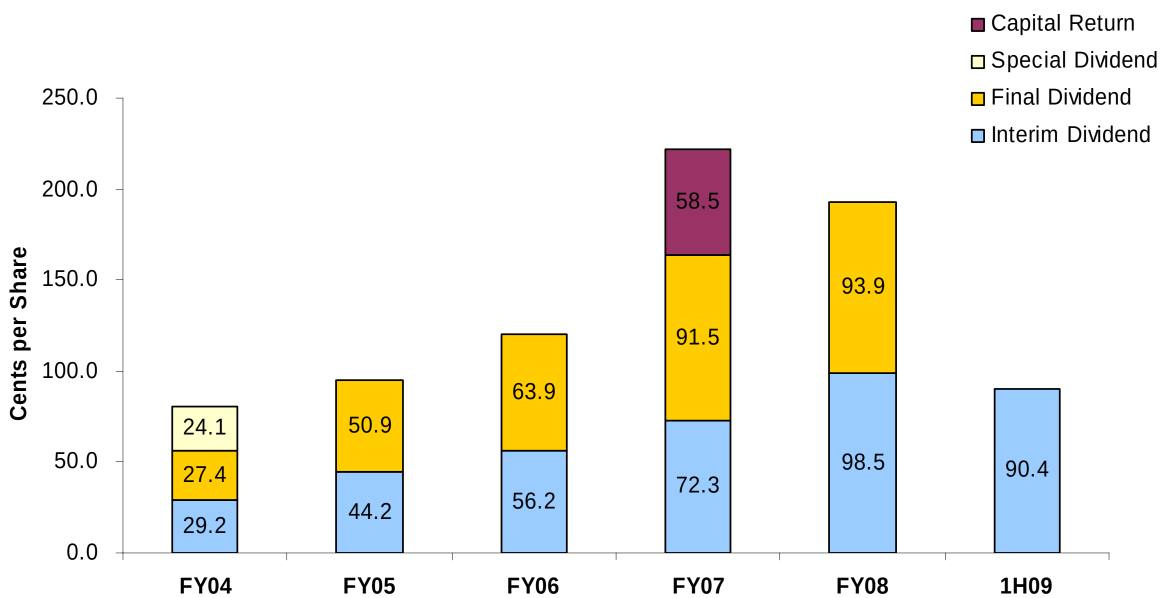
Normal Earnings Per Share – Down 8.5%

Normal earnings per share of 100.4 cps (109.7 cps pcp) was achieved in 1H09 based on 171,155,081 weighted average ordinary shares on issue.

Interim Dividend – Down 8.2%

A fully franked interim dividend of 90.4 cps (98.5 cps pcp) has been declared, payable on 27 March 2009. This dividend represents payment of 90% of normal profit after tax in accordance with ASX's dividend policy, and is only slightly lower than the final dividend paid in FY08 (93.9 cps). The average annual growth rate in dividends (excluding capital return and special dividend) since December 2004 is 28.5%. Cash returns to shareholders over the past five years and in 1H09 are shown in the following graph.

Cash Returns to Shareholders

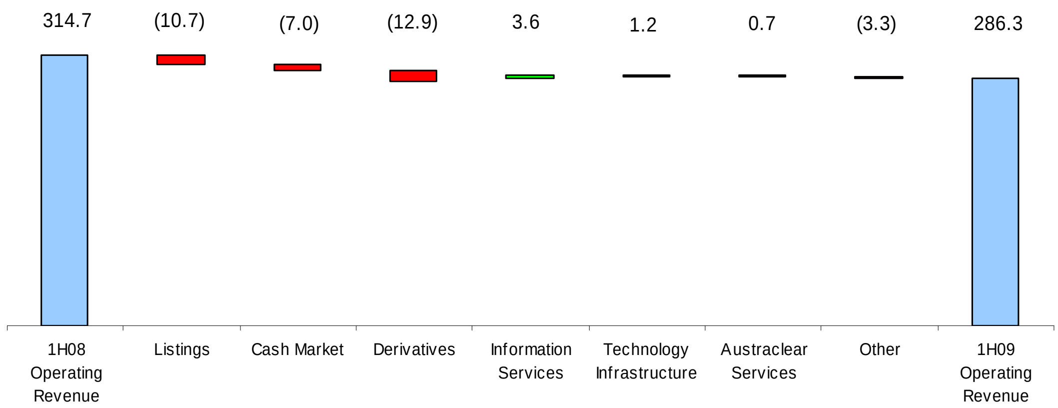


Operating Revenue – Down 9.0%

Total operating revenue (excluding interest and dividend revenue) in 1H09 was $286.3 million ($314.7 million pcp). The slowdown in operating revenue in 2H08 noted in the 2008 Annual Report has continued throughout 1H09 as financial markets continued to decline globally, companies rapidly deleveraged and business and consumer confidence fell. Half-year activity levels were also impacted by significant market structural change from the imposition of short selling restrictions and introduction of government guaranteed bank deposit arrangements. Listing, cash market and derivative revenues have all declined against pcp. Declines in listings revenue have been limited though by strong secondary capital raising activity, particularly in the latter part of the half-year, whereas cash market and derivative revenue declines have been softened by a reduction in transaction fee rebates as eligible participants did not meet qualifying growth thresholds.

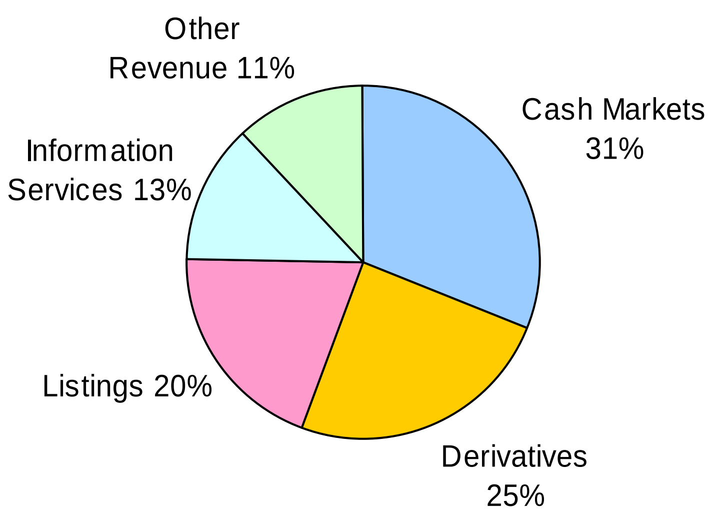
The following graph depicts the change in revenue by major type during the half-year.

Revenue Highlights 1H09 ($ million)

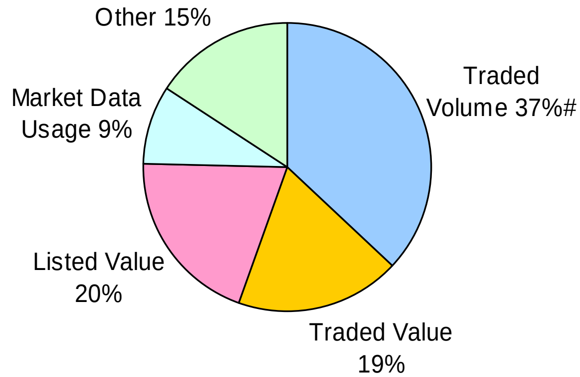


The following pie graphs provide a breakdown of operating revenue by category and key drivers for 1H09.

Operating Revenue by Category



Operating Revenue by Business Driver



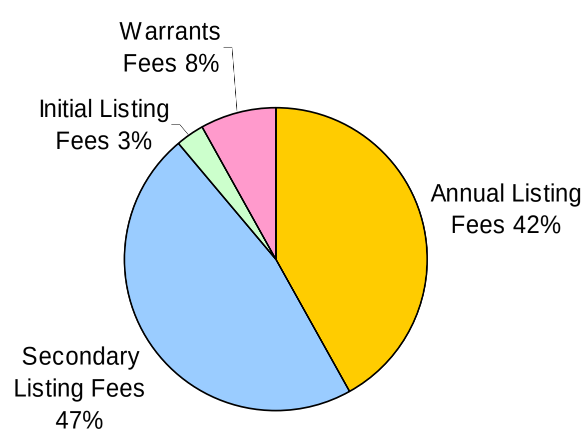
Traded volumes from cash market accounted for 12% and traded volume from derivatives accounted for 25%.

Detailed transaction statistics and key business drivers data is available on pages 34 to 36.

Listings – Down 16.0%

Total revenue from listing services in 1H09 was $55.9 million ($66.6 million pcp). Listings revenue was impacted by the substantially lower number of new company listings during 1H09 despite robust secondary capital raisings.

Listings Revenue by Type 1H09

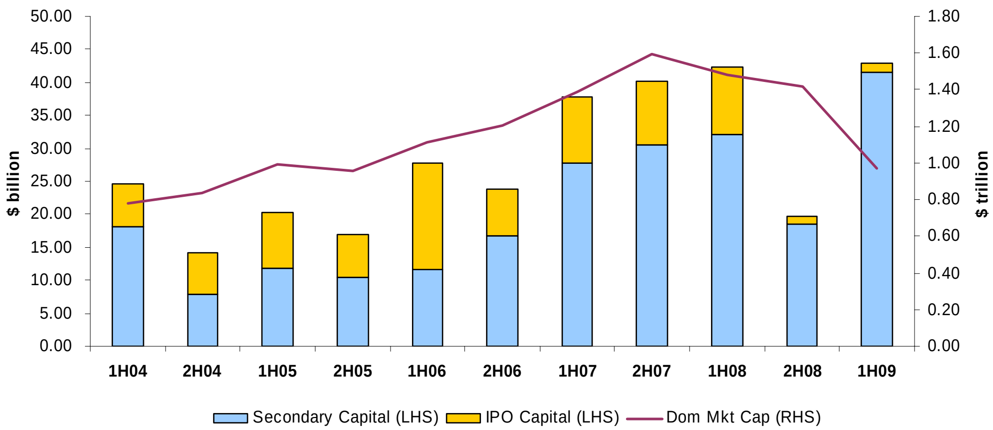


Annual listing fees of $23.4 million were earned in 1H09 ($24.1 million pcp). These were billed annually in advance in June. During 1H09, total domestic market capitalisation decreased from $1.4 trillion to $969 billion at 31 December 2008 and the All Ordinaries index reduced 31.4% in the same period. The number of listed entities as at 31 December 2008 was 2,223, slightly below the 2,226 listed as at 30 June 2008. In 1H09 there were 37 reductions to the list compared to 59 in 1H08.

Initial listing fees of $1.8 million were earned in 1H09 ($10.3 million pcp). During 1H09 there were 34 new listings compared to 177 in the pcp and 59 in 2H08. The amount of initial capital raised in 1H09 was $1.4 billion, down 86.2% on the $10.1 billion raised in the pcp.

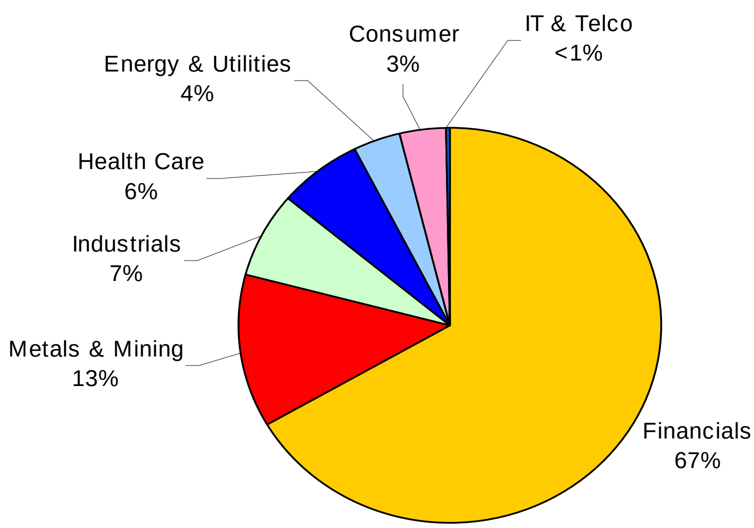
Secondary listing fees (which include fees from subsequent capital raisings and dividend re-investment plan issues) were $26.2 million in 1H09 ($24.9 million pcp). Secondary capital raised amounted to $41.5 billion in 1H09, up 29.2% on the $32.1 billion raised in the pcp. The increase in raisings included several large issues, such as Westpac ($2.5 billion) for the acquisition of St George, CBA (total of $4 billion) inclusive of $2 billion for the acquisition of BankWest, and National Australia Bank ($3 billion), as well as many other issues by banks and non-financial corporations seeking to strengthen their balance sheet in the wake of much tighter credit market conditions.

The following chart shows total capital raisings and market capitalisation over the past five years and in 1H09.



The chart below shows the proportion of secondary capital raised by industry sector in 1H09.

Secondary Capital Raising by Industry Sector



The table below shows the quantum of secondary capital raised by size of transaction in 1H09 and 1H08.

Value of Capital Raised	Secondary Capital Raised 1H09 - $M	Secondary Capital Raised 1H08 - $M
Less than $10 million	1,643	3,259
$10 million to $50 million	2,630	5,418
$50 million to $100 million	1,919	4,208
$100 million to $500m	12,213	8,052
Over $500m	23,070	11,162
Total	41,475	32,099

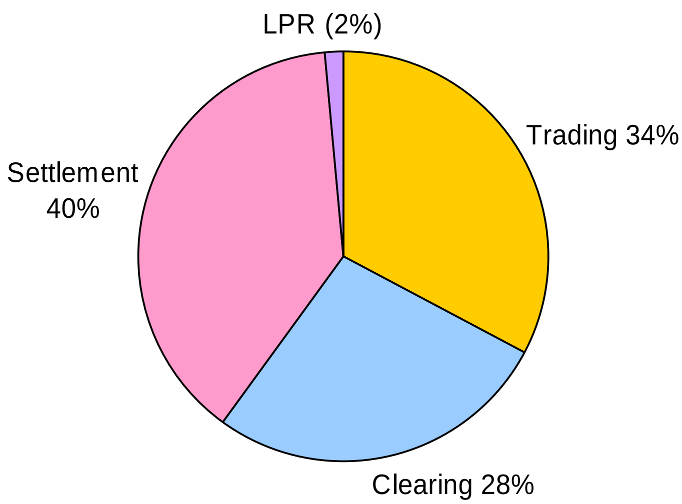
Of the total secondary capital raised, 73% was due to subsequent issues (rights, placements, employee issues, etc), whilst 27% was as a result of company dividend re-investment plans (DRP). This compares to 78% for subsequent issues and 22% for DRPs in the pcp.

Warrant and other fees of $4.5 million were earned in 1H09 ($7.3 million pcp). During 1H09 2,034 new warrants were listed, down 44.8% on the 3,686 warrants listed in the pcp. Warrants turnover value was $3.4 billion in 1H09, a decrease of 51.2% on the pcp.

Cash Market – Down 7.3%

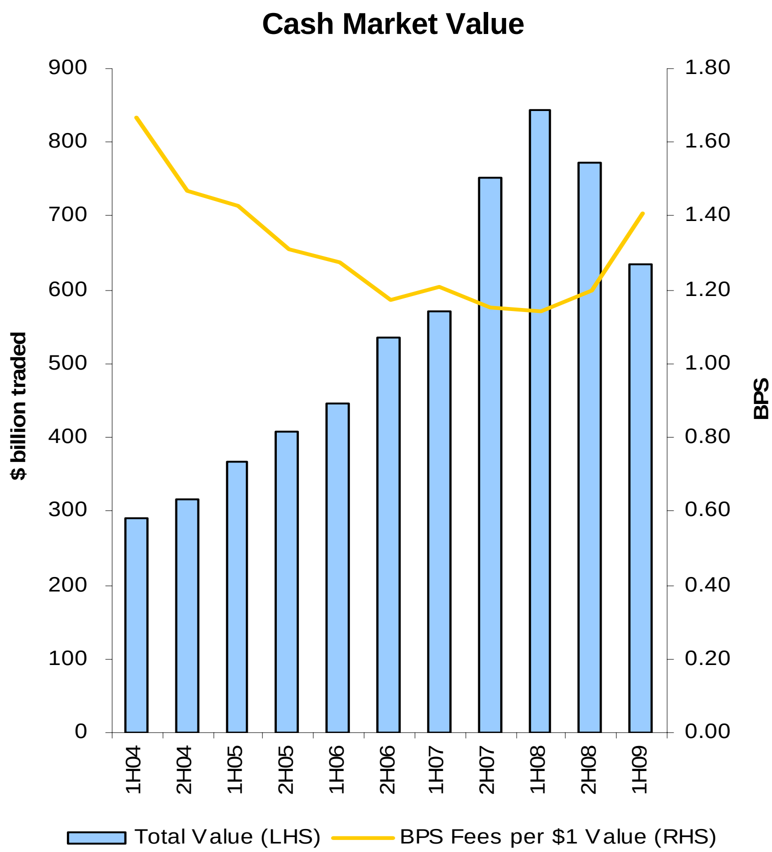
Total cash market revenue (net of rebates) for 1H09 was $89.3 million ($96.3 million pcp). While gross cash market revenue fell 21.8%, net cash market revenue only fell 7.3%. Of the net cash market revenue, gross trading revenue accounted for 34%, gross clearing revenue 28% and gross settlement revenue 40%, whilst 2% of gross revenue was rebated to Large Participant Rebate (LPR) qualifying participants.

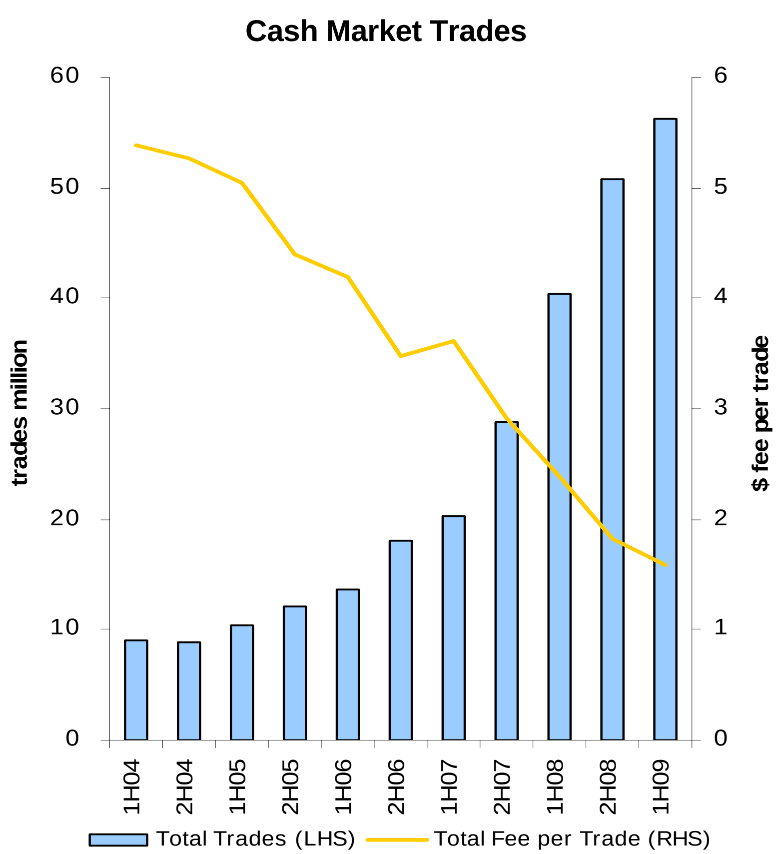
Cash Markets Net Revenue 1H09



In 1H09 the total value traded was $635.3 billion, down 24.7% on the $843.9 billion in the pcp, and the daily average traded value was $4.9 billion, down 25.3% on the record $6.5 billion in the pcp. The total number of trades in 1H09 was 56.3 million, up 39.1% on the 40.5 million trades in the pcp, and the daily average trade volume of 432,757 was up 38.0% on the 313,584 in the pcp. The average value of each trade in 1H09 declined to $11,293 compared to $20,861 in the pcp reflecting the trend towards further unbundling of trades by algorithmic trading models as market values fell and price volatility increased. The percentage of value traded transacted as crossings also declined from 27% to 26%, and the gross trading revenue (pre-rebates) from crossed trades was $3.4 million in 1H09.

The following graphs show cash market volume and value traded and average fees (trading, clearing and settlement) over the past five years and in 1H09.


Cash Market Value
$ billion traded
BPS
900
800
700
600
500
400
300
200
100
0
1.80
1.60
1.40
1.20
1.00
0.80
0.60
0.40
0.20
0.00
1H04
2H04
1H05
2H05
1H06
2H06
1H07
2H07
1H08
2H08
1H09
Total Value (LHS)
BPS Fees per $1 Value (RHS)


Cash Market Trades
trades million
$ fee per trade
60
50
40
30
20
10
0
6
5
4
3
2
1
0
1H04
2H04
1H05
2H05
1H06
2H06
1H07
2H07
1H08
2H08
1H09
Total Trades (LHS)
Total Fee per Trade (RHS)

The gross revenue for trading and clearing activities is directly related to the quantum of value traded and value of trades cleared, respectively. In 1H09, 74% of traded value was novated and cleared through ASX's CCP subsidiaries (73% pcp). Gross revenue (pre-rebates) from trading and clearing was $29.5 million ($38.9 million pcp) and $24.5 million ($32.1 million pcp) respectively in 1H09. The 24.3% fall in trading and 23.6% fall in clearing revenues compare to the 31.4% fall in the index during the half.

Gross revenue from settlement was $36.7 million in 1H09 ($44.9 million pcp). Settlement revenue comprised 65% from trade settlement transactions payable by participants and 35% of fees billed to listed entities relating to statements and other activity charges. The 39.1% growth in traded volumes compared to the pcp did not translate to a similar growth in settlement revenue. This occurred because the ratio of both settlement message volumes and depository holding statements to traded volumes fell as retail trade volume declined, while algorithmic trade volume increased. The ratio of settlements to trades (defined as dominant settlement messages as a percentage of traded volumes) reduced from 23% in 1H08 to 16% in 1H09, while the ratio of holding statements to traded volumes fell from 23% to 13%.

LPR rebates of $1.4 million were paid for 1H09 compared to $19.7 million paid in the pcp. As the LPR is applied at an individual participant level, a small rebate was payable despite the overall gross revenue hurdles not being met (the revenue growth qualification for the LPR in FY09 was set at 10% in order to receive equivalent rebates to FY08). The average cost of trading, clearing and settlement on ASX's market was $1.59 per trade ($2.38 pcp) and the average fee per dollar of turnover was 1.41 bps (1.14 bps pcp) – that is, for every $1,000 of value traded, the fee for each side was 7.0 cents (5.7 cents pcp).

Despite cash market activity levels being affected by prevailing market conditions, ASX continues to invest and innovate in the trading, clearing and settlement business. This investment in capacity, functionality and new product offering (such as those announced on 5 November 2008) continues to underpin system availability and provide ASX service offerings that are contemporary and relevant over the longer term.

Derivatives – Down 15.6%

Total derivatives revenue for 1H09 was $70.1 million ($83.1 million pcp). Derivative volumes declined in 1H09 due to deleveraging, the virtual closure of the securitisation market and lower proprietary trading activity as risk limits were reduced given the extreme volatility in financial markets locally and globally.

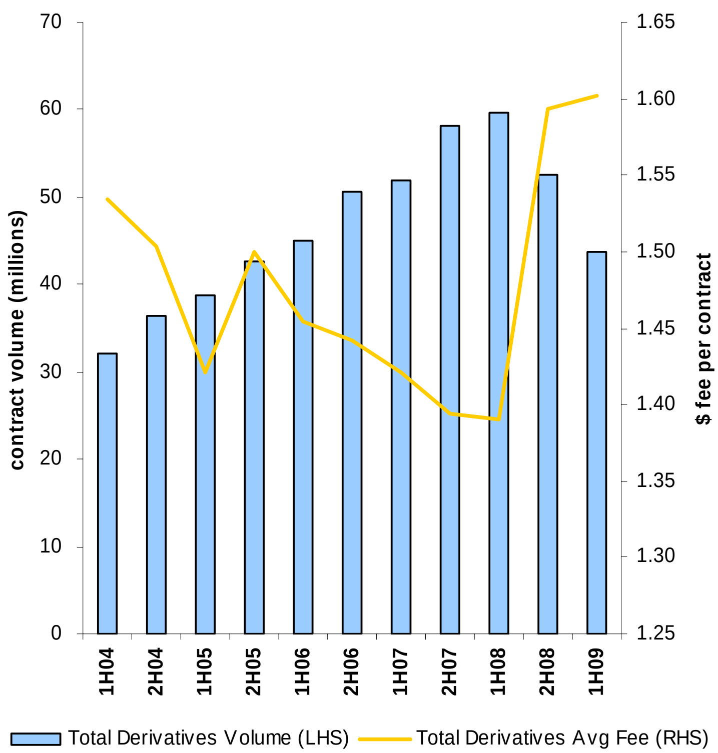
Equity derivatives (consisting mainly of exchange traded options but excluding SPI 200) revenue of $13.1 million was earned in 1H09 ($18.6 million pcp). Total volumes traded were 9.8 million in 1H09, down 22.9% on the 12.7 million in the pcp. The average fee per trade in 1H09 reduced to $1.33 from $1.46 in the pcp due to the increasing proportion of market maker transactions. Volumes in exchange traded options over individual equities reduced due to the large falls in many of the underlying equities as well as the increased volatility during the period. ASX is seeking to improve market maker support for these products and is considering a range of changes to the product, including expanding the range of available strikes and standardising expiry months to the quarter-ending months in order to improve liquidity and allow investors to utilise the products more effectively.

Revenue from futures and options on futures trading (including SPI 200 contracts) was $57.1 million in 1H09 ($64.5 million pcp) as total volumes traded reduced 27.7% from the record high of 47.0 million in the pcp to 34.0 million contracts in 1H09. This 11.5% revenue decrease was cushioned by the operation of the large volume rebate scheme (LVR). The revenue growth qualification for the LVR in FY09 was set at 8% growth in volumes in order to receive equivalent rebates to FY08. The fall in volumes though means that no LVR has been provided during 1H09 compared to $12.8 million provided for 1H08. Consequently, the average fee per trade rose to $1.68 compared to $1.37 in the pcp.

Whilst derivative volumes in all the major debt products declined for reasons outlined in the Managing Director and CEO's report, the SPI 200 futures contract volumes actually increased 24.7% compared to pcp. Of the major interest rate futures contract volumes, the 30 day interbank cash rate reduced 32.9%, the 90 day bank bill reduced 26.4%, the 3 year bond reduced 33.0% and the 10 year bond reduced 42.5% compared to pcp.

The chart below shows total volumes and average exchange fees across all derivative contracts over the past five years and in 1H09.

Derivatives Volume & Average Fee (Equity Derivatives and Futures and Options)



Information Services – Up 10.9%

Total revenue from information services in 1H09 was $37.0 million ($33.3 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 2008 were 86,446 (97,855 pcp). Despite the reduction in activity levels in both cash and derivative markets, and the reduction in many participating organisations, revenue from information services continued to grow. Subscriber numbers are unlikely to be sustained at average 1H09 levels if markets remain subdued for a period of time and organisations reduce their demand for access to information.

Technology Infrastructure – Up 8.9%

Technology infrastructure revenue for 1H09 was $14.4 million ($13.2 million pcp). Technology infrastructure fees are levied on both the cash and derivatives market. The total number of devices as at 31 December 2008 was 1,287 compared to 1,356 at 31 December 2007. The replacement of SYCOM workstations with approved third party interfaces effective July 2008 did not have a material impact on this revenue line.

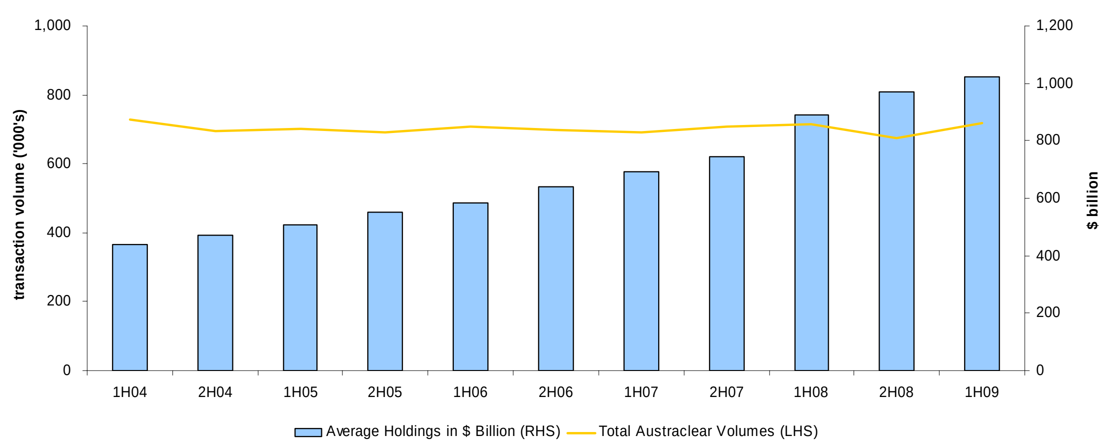
Austraclear Services – Up 6.7%

Total Austraclear services revenue for 1H09 was $11.8 million ($11.0 million pcp). Austraclear services include Austraclear depository, settlement and registry activities. Annual Austraclear membership fees are recorded under "Other Revenue".

Average depository holdings over the period increased 16.1% to $1.02 trillion ($882.7 billion pcp), and $1.07 trillion of securities were held by Austraclear at 31 December 2008 ($950.7 billion at 31 December 2007). The volume of Austraclear transactions in 1H09 was 717 thousand compared to 718 thousand in the pcp. Cash transfers increased 3.0% and fixed income transactions increased 8.3% compared to the pcp.

The Austraclear depository and settlement average fee (transaction and holding) for 1H09 was $10.51 per transaction ($10.20 pcp) based on higher average holdings. The chart below shows Austraclear depository holdings and transaction volumes over the past five years and in 1H09.

Austraclear Holdings & Transaction Levels



On 1 December 2008 Austraclear reduced annual participant fees across most classes by between 33% to 50% and the annual additional branch fee by 50% so that a wider number of companies can access or extend their use of Austraclear's RTGS and depository functionality. In addition, the annual internet access cost for all participants was reduced by 33% with the abolition of the annual internet disaster recovery site infrastructure network fee. Cash transaction and electronic portfolio holding fees have been moderately adjusted, with effect from January 2009, to reflect the services provided for payments and secure custody, and RTGS corporate action for debt securities.

Other Revenue – Down 29.7%

Total other revenue for 1H09 was $7.9 million ($11.2 million pcp). Following the increase in fees to be levied on failed settlements i.e. equity trades that fail to settle within three days (initial settlement delays) there has been a significant drop in the level of failed settlements to the extent that failed settlement fees have fallen by 48% compared to pcp. Initial settlement delays were below normal levels of 1% with an average of 0.21% for the six month period, and a record low rate recorded on 7 November 2008 of 0.11%. Subsequent "knock-on" (i.e. total rescheduled settlements caused by the initial delays) settlements fail rates averaged 1.13% during the period and declined each month to an average of 0.79% in December 2008.

Cash Operating Expenses – Up 2.8%

Total cash operating expenses for 1H09 were $70.1 million ($68.2 million pcp). All expense lines other than staff costs reduced compared to the pcp. The reductions reflect continued focus on discretionary expense lines and savings achieved in equipment costs due to the insourcing of major system management and support. Staff cost increases reflect the increases in remuneration foreshadowed at the end of FY08. ASX does not expect to make significant changes to its predominantly fixed cost base due to the current lower activity levels. As well as right-sizing the cost base of a combined ASX and SFE post the 2006 merger, ASX is also cognisant of the need to continually invest in maintaining and improving the long-term quality of its services to the benefit of all stakeholders. While ASX is committed to diligently managing overall cash operating expenses to within CPI increases in the current year, appropriate investment will continue in both human resources and technology to satisfy regulatory obligations and maintain the longer term value of the franchise.

During 1H09 no expenditure has been classified into significant items.

Staff Expenses – Up 9.5%

Total staff expenses for 1H09 were $41.6 million, up $3.6 million compared to $38.0 million in the pcp. This 9.5% increase is due mainly to the fixed remuneration increases applicable from 1 July 2008, and recruitment to planned headcount levels.

In the six months, the full-time equivalent (FTE) headcount increased by 12 staff to 554 at the end of December 2008. This increase included Markets Supervision hires and completion of operational hires to fill vacant positions open at the end of June 2008. Staff expenses also include the cost of staff hired to operate insourced technology platforms previously reflected as part of technology facility management charges in equipment expenses. ASX expects to operate within the guidance headcount range of 550 to 560 during the remainder of the year.

Full-Time Equivalent (FTE) Headcount

	31 Dec 2008	30 June 2008	31 Dec 2007	30 June 2007
ASX (ex- Markets Supervision)	449	439	439	436
ASX Markets Supervision	105	103	99	84
Total	**554**	**542**	**538**	**520**

Occupancy Expenses – Down 2.8%

Total occupancy expenses for 1H09 were $6.5 million compared to $6.7 million pcp. Savings in occupancy predominantly reflect the full six months benefit of the September 2007 renegotiated lease on the Bridge Street, Sydney office. The refurbishment of the Sydney office premises was completed in 1H09.

Equipment Expenses – Down 6.0%

Total equipment expenses for 1H09 were $11.0 million, down from $11.7 million in the pcp. This reduction reflects ongoing containment of technology expenses and savings generated from re-insourcing the SFE clearing and Austraclear system platforms. Savings in facilities management charges were partly offset by increased licence and maintenance costs, and modest additional staff costs reflected as part of staff expenses.

Administrative Expenses – Down 1.2%

Total administration expenses for 1H09 were $8.4 million, down from $8.5 million pcp. Containment of discretionary expenditure on items such as travel, entertainment and consulting, as well as savings generated from procurement contract and vendor negotiations flowed through in 1H09. Insurance costs related to clearing default insurance were higher than the pcp as the SFE clearing guarantee fund arrangements increased. While discretionary expenditure is expected to remain at similar levels, some expense categories, such as insurance, will increase over the balance of FY09.

Variable Expenses – Down 22.7%

Total variable operating expenses for 1H09 were $2.5 million, down 22.7% on the $3.3 million pcp. Whilst royalty payments associated with the SPI 200 contracts have increased in line with volumes, equity depository holding statement production costs reduced as fewer statements were produced compared to the pcp. As explained earlier under cash market settlement revenues, while trade volumes increased, the change in trade activity composition towards algorithmic trading has seen trades fragmented at the trade execution level aggregated for settlement purposes.

Depreciation and Amortisation – Down 1.3%

Total depreciation and amortisation for 1H09 was $7.2 million ($7.3 million pcp).

Lower depreciation and amortisation, compared to pcp, resulted from the run-off of depreciation on fixed assets. Depreciation and amortisation expense is expected to increase slightly in the second half as increased capital expenditure on technology projects commences and following completion late in 1H09 of the premises refurbishment in Sydney.

Interest and Dividend Income – Up 26.7%

Total interest and dividend income for 1H09 was $35.4 million ($28.0 million pcp). Total interest and dividend revenue comprises:

- interest earned on ASX’s cash reserves – $14.0 million ($14.5 million pcp)
- net interest earned on funds deposited by participants with ASX – $19.0 million ($12.0 million pcp) and
- dividends from ASX’s investment in IRESS Market Technology – $2.5 million ($1.5 million pcp).

Interest earned on ASX’s cash reserves was impacted during the period due to lower interest rates following four decreases in the official cash rate during 1H09. Spreads over cash, however, remained higher than the long-term average due to volatile credit market conditions. The average earnings rate on this portfolio was 6.96% throughout 1H09 compared to 6.78% in 1H08. The average cash balance during 1H09 was $355.6 million, compared to $420.7 million in 1H08, with the decline mainly resulting from the additional investment in IRESS. At 31 December 2008, available cash reserves of the group amounted to $370.6 million, compared to $398.5 million at the end of December 2007. It should be noted that $154.8 million will be utilised for the interim dividend payable in March 2009. Net cash generated from operating activities during the half-year was $204.9 million ($210.7 million pcp).

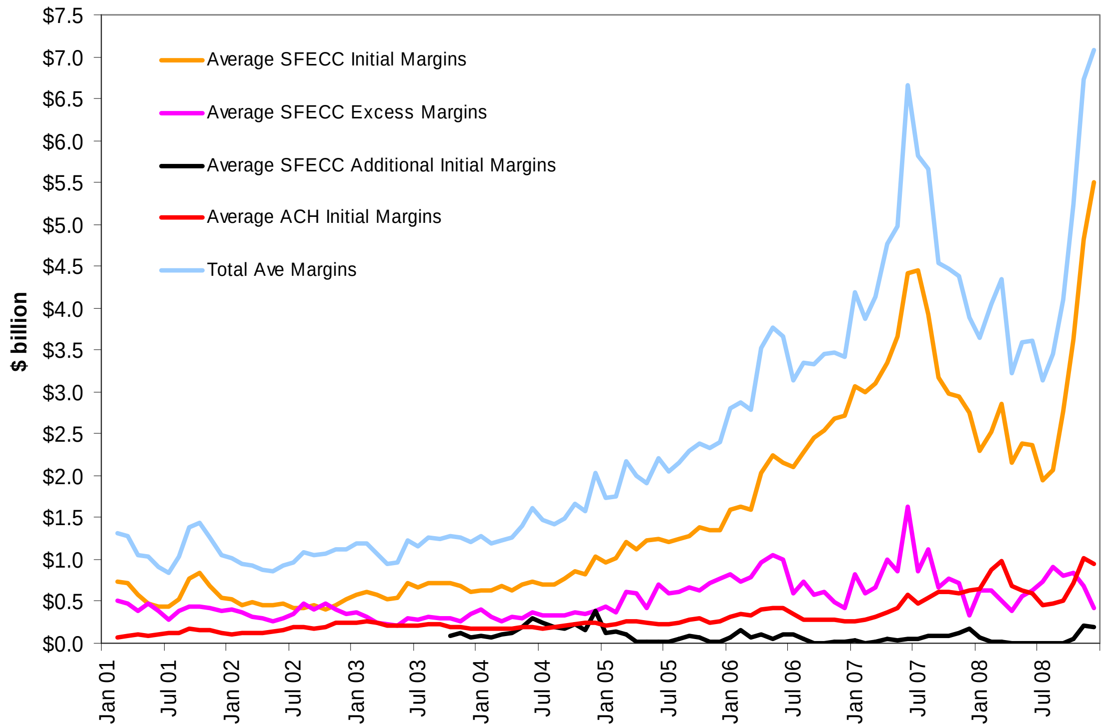
Net interest income earned from balances deposited by participants increased compared to the pcp as average balances held were higher and spreads earned remained well above the historical long-term average. Collateral held on balance sheet at 31 December 2008 was $7.7 billion compared to $3.6 billion held at 30 June 2008. Average cash balances held covering derivative positions during 1H09 were $5.1 billion, or 4.1% higher than the $4.9 billion in 1H08, as additional margins were called to cover intraday volatility as well as increases in margin rates, most notably on the equity index contracts. The higher levels of margins, particularly in the latter months, were held despite open interest in these contracts being at modest levels. The average spread earned on this portfolio in 1H09 was 39 basis points over the official cash rate compared to a historical long-term average of between 10 to 15 basis points.

Given the current financial environment and the level of collateral held, ASX continues to conservatively manage the investment of this portfolio by way of short-dated cash and fixed income securities with high quality counterparties. The weighted average maturity of the portfolio has reduced to 21 days at 31 December 2008 compared to 43 days at 30 June 2008 to further improve liquidity. S&P short-term rated A-1+ or higher counterparties now account for 97% of the portfolio compared to 71% at 30 June 2008.

The following graph shows average cash margins held since 2001 by each clearing entity with average total cash margins held in December 2008 reaching $7.1 billion.

A record peak of $8.0 billion of total cash and non-cash margins was reached during December.

Average Monthly Cash Margin Balances



The breakdown of margins held at 31 December 2008 is listed in the table below.

	Margins held at 31 December 2008
Cash and cash equivalents	
ACH	$646.2 billion
SFECC initial margins - House	$1,770.1 billion
SFECC initial margins - Client	$3,767.4 billion
SFECC additional initial margins	Nil
SFECC excess margins	$1,472.1 billion
Total margins on balance sheet	**$7,655.8 billion**
Non-cash collateral held	
ACH – guarantees and equity collateral	$2,881.4 billion

Dividend income of $2.5 million was earned from the investment in IRESS, up from $1.5 million pcp. The higher dividend resulted from the increased shares purchased in November 2007. ASX purchased an additional 2.8 million IRESS shares in October 2008, taking ASX's holding to approximately 19.5%.

Capital Expenditure

Capital expenditure for 1H09 was $12.7 million, up 104% compared to the $6.2 million for the pcp. Expenditure in 1H09 included:

- upgrades to the derivative trading system network and interfaces

- capacity upgrades on the equities trading platform
- co-location on the equities trading platform
- risk management and treasury system upgrades
- several market supervision compliance and supervision system developments
- premises office refurbishments in Bridge Street, Sydney
- AQUA project (launched in October 2008)
- energy product expansion
- various equity market enhancement initiatives outlined to trading participants in November 2008.

Expenditure for the remainder of the year will be incurred on further capacity upgrades for both equity and derivative markets, market supervision projects and continued product development initiatives. Expenditure on the generational upgrade to the derivatives trading platform (expected to be completed in FY10) will also be incurred. It is expected that FY09 capital expenditure will continue to be consistent with the prior guidance range of $25 to $30 million.

Issued Capital

At 31 December 2008, ASX had 171,188,524 ordinary shares on issue (171,148,524 as at 30 June 2008). The increase of 40,000 shares during 1H09 was due to the issuance of shares under the ASX Long-Term Incentive Plan (LTI) whereby conditional entitlements granted in 2005 vested and converted in December 2008.

On 1 December 2008, ASX issued 101,000 performance rights to 76 executives under the LTI. Shares for this grant were purchased on-market and are held in a trust where, subject to meeting certain performance hurdles, vesting would occur on 30 November 2011. Performance hurdles are consistent with those applicable to prior grants under the LTI, which are fully disclosed in the Remuneration Report included in the 2008 Annual Report. They incorporate both an absolute earnings per share (EPS) hurdle and a comparative total shareholder return (TSR) hurdle. The Managing Director & CEO, and the senior management team did not participate in this grant.

Equity Capital

Total ASX group equity capital at 31 December 2008 was $2,749.8 million. Equity capital net of goodwill ($2,262.8 million) is $487.1 million. The components of ASX's capital are:

- $2,361.8 million of issued capital ($99.0 million excluding goodwill)
- $285.6 million of retained earnings, with $154.8 million to be paid as the interim dividend in March
- $71.5 million of restricted capital reserves
- $27.5 million of asset revaluation reserves primarily reflecting the revaluation of ASX's investment in IRESS, net of tax
- $3.4 million of equity compensation reserve arising from the LTI.

Capital Management

Due to the nature of the risks affecting the ASX group of companies, ASX has adopted a risk-based approach to measure its capital requirements as discussed in detail in previous Annual Reports.

At 31 December 2008, ASX attributes a risk-based capital requirement of $329.1 million against net tangible equity of $487.1 million, giving rise to an actual capital excess of $158.0 million. This excess will be utilised with the payment of the interim dividend in March 2009.

ASX Group Equity

	31 December 2008 $ million	30 June 2008 $ million
Shareholders Equity	2,749.8	2,754.2
Less Goodwill	(2,262.8)	(2,262.8)
Net Tangible Equity	**487.1**	**491.4**
Risk-Based Capital Attribution:		
ACH Clearing Default	150.0	150.0
SFECC Clearing Default	100.0	100.0
Sub-Total Clearing Default	**250.0**	**250.0**
Investment Counterparty Risk	23.0	21.0
Operational Risk	40.0	40.0
Fixed Asset / Investment Risk	16.1	16.4
Total Risk-Based Capital Allocation	**329.1**	**327.4**
Actual Capital Excess at 31 December 2008	**158.0**	**164.0**
Less Interim Dividend Payable in March 2009	(154.8)	(160.7)
Capital Excess after Provision for Dividend	**3.2**	**3.3**

The prior analysis reflects an adequate surplus over risk-based requirements at half-year end after further deduction for the dividend payable in March 2009. In addition, the capital position will increase by ongoing earnings retention prior to the dividend payment. ASX will continue to actively monitor and manage its capital requirements as appropriate.

With respect to counterparty clearing default risk, which is ASX’s largest single risk-based exposure, the clearing guarantee fund is consistent with the level at 30 June 2008 for both central counterparty clearing (CCP) entities, ACH and SFECC. The following table details the components of each fund. ASX will continue to monitor the size and composition of the clearing guarantee funds and will ensure that it is compliant with the Financial Stability Standards set by the RBA, in order to maintain sufficient financial resources.

Source of Funds	Australian Clearing House (ACH) $ million	SFE Clearing Corporation (SFECC) $ million
Restricted Capital Reserve	71.5	-
Capital contributed by ASX Group	3.5	30.0
Subordinated Debt provided by ASX Group	75.0	70.0
Sub-Total Clearing Default	**150.0**	**100.0**
Clearing Participant Commitments - lodged	-	120.0
Third Party Insurance	100.0	150.0
Clearing Participant Commitments - uncalled	300.0	30.0
Total Clearing Guarantee Fund	**550.0**	**400.0**

In addition to the clearing guarantee fund, the CCPs hold collateral by way of margins on open derivative positions which may be utilised in the event of a clearing participant default prior to the utilisation of the clearing guarantee fund. Higher levels of margins held have improved the overall level of risk mitigation. At 31 December 2008, ACH held total collateral of $3.5 billion including cash of $0.6 billion (total $3.7 billion at 30 June 2008), whilst SFECC held $7.0 billion including cash of $5.2 billion (total $3.1 billion at 30 June 2008). The CCPs regularly stress test each participant's exposure against the amount and liquidity of variable (margin) and fixed capital resources available in the event of a default to ensure their adequacy. The CCPs also regularly test and reset margin levels required to be lodged based on factors including the underlying volatility in contract exposures given market conditions.

As previously disclosed, ASX has been actively working on positioning ASX Clearing Corporation, the intermediate holding company for the group's CCP subsidiaries, to become the investment and funding vehicle for the CCPs. This initiative includes using ASXCC to raise external debt to replace the current subordinated debt and provide further flexibility to replace the insurance elements of the clearing guarantee funds and enhance the funds as required. The debt would provide the CCPs with additional capital protection against clearing participant and investment counterparty default. ASX is now in receipt of preliminary regulatory and definitive tax clearances on the proposed ASXCC structure and is in a position to approach the debt markets when market conditions are deemed viable.

As discussed above, ASX remains cognisant of the need to retain sufficient liquidity particularly as margins held are at historic high levels and volatility remains above historic averages. Accordingly, ASX has a weighted average maturity on the investment portfolio of 21 days with overnight liquidity at an historic high of 26% of the portfolio.

Summary and Outlook

The first half of financial year 2009 has experienced market turmoil unprecedented in ASX's history as a listed entity since 1998. The All Ordinaries has declined 31.4%, Initial listings have dramatically declined, credit markets have tightened even further and companies are rapidly deleveraging and minimising risk exposures. Against this backdrop the relatively modest 8.2% decline in ASX’s NPAT is a satisfactory result buoyed by robust secondary capital raisings, containment of expense growth and higher net interest income.

ASX’s financial performance for the remainder of FY09 and into FY10 will to a large extent be impacted by wider economic and market conditions and the degree to which the real economy suffers from the trials of the financial economy. During this period ASX will maintain its close review of product offerings and tightly manage both expenses and risk exposures to minimise the impact to the franchise. Further, ASX will continue to invest significantly to build for the future despite the current subdued sentiment of equity and fixed income markets. Investment programs will continue to run at higher levels as ASX invests in enhanced capacity and functionality, more sophisticated risk management and supervisory capability, and in new products and services. ASX will be positioned strongly to take advantage of renewed market confidence when it occurs.

Alan Bardwell
Chief Financial Officer
Australian Securities Exchange
Sydney, Australia
17th February 2009

KEY FINANCIAL RATIOS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Note	**Half-year ended 31 Dec 2008**	Half-year ended 31 Dec 2007
		1H09	1H08
Basic earnings per share (including significant items)		**100.4c**	109.7c
Diluted earnings per share (including significant items)		**100.3c**	109.4c
Normal earnings per share (excluding significant items)		**100.4c**	109.7c
Dividends per share – interim		**90.4c**	98.5c
Return on equity (annualised)	1	**12.6%**	13.6%
EBITDA/Operating revenue	2	**75.5%**	78.3%
EBIT/Operating revenue	2	**73.0%**	76.0%
Total expenses/Operating revenue	2	**27.0%**	24.0%
Capital expenditure ($'000)		**$12,743**	$6,232
Net tangible asset backing per share		**$2.49**	$2.66
Net asset backing per share		**$16.06**	$16.18
Shareholders' equity as a % of total assets (excluding Participants' balances)		**78.8%**	89.5%
Shareholders' equity as a % of total assets (including Participants' balances)		**24.5%**	38.0%
Share price at end of period		**$33.30**	$60.50
Ordinary shares on issue at end of period		**171,188,524**	171,014,524
Weighted average number of ordinary shares		**171,155,081**	170,845,403
Market value of ordinary shares on issue (at 31 Dec) ($m)		**$5,701**	$10,346
Full-time equivalent (FTE) permanent staff			
- number at period-end		**554**	538
- average during the period		**550**	529

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

TRANSACTION LEVELS AND STATISTICS - HALF-YEAR ENDED 31 DECEMBER 2008

	DEC 08 **1H09**	JUN 08 2H08	DEC 07 1H08	% Change 1H09-1H08
Cash Markets				
Trading Days	**130**	124	129	
Total Cash Market Trades ('000)	**56,258**	50,878	40,452	39%
Average Daily Cash Market Trades ('000)	**433**	410	314	38%
Total Cash Market Value (inc. crossings) ($b)	**$635.313**	$771.987	$843.860	(25%)
Average Daily Cash Market Value (inc. crossings) ($b)	**$4.887**	$6.226	$6.542	(25%)
Total Billable Value ($b)	**$612.905**	$747.888	$811.696	(25%)
Percentage of Turnover Crossed (%)	**25.85%**	25.83%	26.50%	(2%)
Percentage of Turnover over $2.679m (where $75 cap applies) (%)	**3.5%**	3.1%	3.8%	(8%)
Average Cash Market Trading, Clearing and Settlement Fee	**$1.59**	$1.82	$2.38	(33%)
Average Fee per Value Traded (bps)	**1.41**	1.20	1.14	24%
Listings & Capital Raisings				
Total Domestic Market Capitalisation ($b)	**969**	1,415	1,479	(34%)
Total Number of Listed Entities (includes all stapled entities)	**2,223**	2,226	2,209	1%
Number of New Listings	**34**	59	177	(81%)
Average Initial Listing Fee	**$52,625**	$26,690	$58,081	(9%)
Average Annual Listing Fee (6 month average)	**$10,542**	$11,306	$11,254	(6%)
Average Fee per $m of Secondary Capital	**$632**	$1,145	$775	(18%)
Initial Capital Raised ($m)	**$1,400**	$1,058	$10,148	(86%)
Secondary Capital Raised ($m)	**$41,475**	$18,543	$32,099	29%
Total Capital Raised ($m)	**$42,875**	**$19,601**	**$42,247**	1%
Number of New Warrant Series	**2,034**	3,491	3,686	(45%)
Total Warrant Series	**3,795**	4,293	4,028	(6%)
Derivatives Markets				
Trading Days (ASX)	**130**	124	129	
Equity Derivatives (excluding SPI 200)				
Total Contracts ('000)	**9,813**	10,502	12,727	(23%)
Average Daily Option/Futures Contracts ('000)	**75**	85	99	(23%)
Average Fee per Option/Futures Contract	**$1.33**	$1.47	$1.46	(9%)

TRANSACTION LEVELS AND STATISTICS (cont'd)

	DEC 08 1H09	JUN 08 2H08	DEC 07 1H08	% Change 1H09-1H08
Trading Days (SFE)	**130**	127	129	
CFD Markets (commenced 5th Nov 2007)				
Total Trades	**43,178**	38,823	11,949	261%
Notional Value Traded ($m)	**$960.6**	$1,152.5	$408.7	135%
Total Open Interest Value as at ($m)	**$34.9**	$67.4	$92.9	(62%)
Total Contracts ('000)	**27,166**	43,106	13,336	104%
Futures & Options (Derivatives)				
TOTAL CONTRACTS - FUTURES ('000)				
SFE SPI 200™	**5,553**	4,622	4,454	25%
90 Day Bank Bills	**8,282**	11,910	11,258	(26%)
3 Year Bonds	**11,454**	14,663	17,088	(33%)
10 Year Bonds	**5,895**	7,293	10,259	(43%)
30 Day Interbank Cash Rate	**1,205**	1,581	1,796	(33%)
Other Interest Rate	**<1**	<1	<1	-
Agricultural	**12**	11	12	-
Electricity	**49**	58	52	(5%)
Share Futures and Other Equity	**<1**	<1	6	-
NZ$ - 90 Day Bank Bill	**710**	744	724	(2%)
Total Futures	**33,160**	**40,883**	**45,649**	(27%)
TOTAL CONTRACTS - OPTIONS ON FUTURES ('000)				
SFE SPI 200™	**231**	206	285	(19%)
90 Day Bank Bills	**118**	170	153	(23%)
3 Year Bonds	**86**	241	251	(66%)
Overnight 3 Year Bonds	**281**	399	510	(45%)
Intra-day 3 Year Bonds	**123**	163	171	(28%)
10 Year Bonds	**2**	4	6	(72%)
Overnight 10 Year Bonds	**<1**	2	3	-
Intra-day 10 Year Bonds	**<1**	<1	<1	-
Electricity	**8**	3	2	277%
Agricultural	**<1**	<1	<1	-
NZ Share Options	**1**	1	4	(70%)
NZ$ - 90 Day Bank Bill	**<1**	1	3	-
Total Options	**850**	**1,190**	**1,388**	(39%)
Total Contract Volumes ('000)	**34,010**	**42,073**	**47,037**	(28%)
Daily Average Contracts - Futures & Options ('000)	**262**	331	365	(28%)
Average Fee per Contract - Futures & Options	**$1.68**	$1.62	$1.37	23%

TRANSACTION LEVELS AND STATISTICS (cont'd)

	DEC 08 1H09	JUN 08 2H08	DEC 07 1H08	% Change 1H09-1H08
Austraclear Settlement and Depository				
Trading Days	**128**	124	129	
Transactions ('000)				
Cash Transfers	**348**	322	338	3%
Fixed Interest Securities	**170**	149	157	8%
Discount Securities	**178**	183	191	(7%)
Foreign Exchange	**13**	11	22	(39%)
Interest Rate Swaps	**4**	4	5	(13%)
Forward Rate Agreements	**3**	3	4	(7%)
Total Transactions	**717**	**672**	**718**	-
Average Daily Settlement Volume	**5.60**	5.42	5.57	1%
Securities Holdings (average $bn)	**$1,024.6**	$970.6	$882.7	16%
Average Settlement and Depository Fee (including portfolio holding)	**$10.51**	$10.55	$10.20	3%
Technology Infrastructure				
No. of CLICK XT/ITS Workstations	**864**	938	845	2%
No. of SYCOM® Workstations	**40**	206	223	(82%)
No. of SYCOM® Interfaces	**383**	354	288	33%
Information Services				
ASX Market Data - Terminals	**67,289**	77,905	75,768	(11%)
SFE Market Data - Terminals	**19,157**	23,319	22,087	(13%)
System Uptime (Period average)				
CLICK-XT (ITS)	**100.00%**	100.00%	99.99%	
CHESS	**100.00%**	100.00%	99.99%	
SYCOM®	**99.89%**	100.00%	99.93%	
OMX SECUR	**100.00%**	100.00%	100.00%	
EXIGO/FINTRACS	**99.97%**	99.94%	99.94%	

DIRECTORS' REPORT

The directors are pleased to present their report together with the consolidated financial report on the consolidated entity (also referred to hereafter as the Group) consisting of ASX Limited and its controlled entities, for the half-year ended 31 December 2008 and the review report thereon.

Directors

The directors of ASX Limited in office during the half-year and up to the date of this report are:

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

Mr R G Elstone (Managing Director and Chief Executive Officer)
Director since 2006 (prior to this he was Managing Director and Chief Executive Officer of SFE Corporation Limited since 2000)

Mr R A Aboud
Director since 2005

Mr S D Finemore
Director since 2007

Mr R Holliday-Smith
Director since 2006 (prior to this he was Chairman of SFE Corporation Limited since 1998)

Mr T C Rowe AM
Director since 2002

Ms J S Segal AM
Director since 2003

Mr M J Sharpe AO
Director since 1995

Mr P H Warne
Director since 2006 (prior to this he was a Director of SFE Corporation Limited since 2000)

Mr M L Newman AC was the previous Chairman up to his retirement on 24 September 2008. He had been a Director since 1990.

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 4 and Chief Financial Officer's Report on page 13.

Dividend

A fully franked interim dividend of 90.4 cents per ordinary share has been declared in relation to the half-year ended 31 December 2008 as follows:

TYPE	CENTS PER SHARE	TOTAL AMOUNT $'000	DATE OF PAYMENT	TAX RATE FOR FRANKING CREDIT
In respect of the prior financial year				
Interim	98.5	168,581	20 March 2008	30%
Final	93.9	160,696	17 September 2008	30%
In respect of the current financial year				
Interim	90.4	154,754	27 March 2009	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 39 and forms part of the Directors' Report for the half-year ended 31 December 2008.

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.

Signed in accordance with a resolution of the directors:

David M Gonski AC
Chairman

Robert G Elstone
Managing Director and CEO

Sydney, 17th February 2009

PricewaterhouseCoopers
ABN 52 780 433 757

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Auditor's Independence Declaration

As lead auditor for the review of ASX Limited for the half-year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
b) no contraventions of any applicable code of professional conduct in relation to the review.

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

M J Codling
Partner
PricewaterhouseCoopers

Sydney
17th February 2009

Consolidated income statement
for the half-year ended 31 December 2008

	Note	**Half-year ended 31 Dec 2008 $'000**	Half-year ended 31 Dec 2007 $'000
Revenues			
Listings		**55,908**	66,565
Cash market		**89,263**	96,256
Derivatives		**72,103**	85,396
Information services		**36,974**	33,326
Technology infrastructure		**14,378**	13,204
Austraclear services		**11,754**	11,015
Dividends		**2,514**	1,500
Interest income		**162,797**	165,444
Other		**8,482**	11,214
	2	**454,173**	483,920
Expenses			
Staff expenses		**41,646**	39,262
Occupancy expenses		**6,520**	1,483
Equipment expenses		**11,798**	12,779
Administration expenses		**12,729**	14,013
Depreciation and amortisation		**7,192**	10,287
Interest expense		**129,875**	138,980
	2	**209,760**	216,804
Profit before income tax expense		**244,413**	267,116
Income tax expense		**(72,494)**	(79,739)
Net profit for the period attributable to equity holders of the company		**171,919**	187,377
Earnings per share			
Basic earnings per share (cents per share)	3	**100.4**	109.7
Diluted earnings per share (cents per share)	3	**100.3**	109.4

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

Consolidated balance sheet as at 31 December 2008

	Note	31 Dec 2008 $'000	30 Jun 2008 $'000
Current assets			
Cash		**1,682,208**	414,412
Available-for-sale financial assets		**6,428,330**	3,593,413
Receivables		**645,236**	307,771
Other assets		**10,550**	8,174
Total current assets		**8,766,324**	4,323,770
Non-current assets			
Investments		**122,314**	131,148
Property, plant & equipment		**18,950**	17,797
Receivables		**241**	314
Intangible assets - software		**60,495**	56,097
Intangible assets - goodwill		**2,262,759**	2,262,759
Total non-current assets		**2,464,759**	2,468,115
Total assets		**11,231,083**	6,791,885
Current liabilities			
Payables		**625,539**	300,601
Amounts owing to Participants		**7,655,821**	3,576,635
Current tax liabilities		**39,952**	28,817
Provisions		**12,266**	11,874
Other current liabilities		**37,856**	11,832
Total current liabilities		**8,371,434**	3,929,759
Non-current liabilities			
Amounts owing to Participants	4	**84,100**	76,720
Net deferred tax liabilities		**7,607**	12,753
Provisions		**13,598**	14,589
Other non-current liabilities		**4,500**	3,818
Total non-current liabilities		**109,805**	107,880
Total liabilities		**8,481,239**	4,037,639
Net assets		**2,749,844**	2,754,246
Equity			
Issued capital		**2,361,820**	2,361,820
Retained earnings		**285,617**	274,394
Restricted capital reserve		**71,489**	71,489
Asset revaluation reserve		**27,537**	42,456
Equity compensation reserve		**3,381**	4,087
Total equity		**2,749,844**	2,754,246

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

Consolidated statement of changes in equity for the half-year ended 31 December 2008

	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 2008	**2,361,820**	**274,394**	**71,489**	**42,456**	**4,087**	**2,754,246**
Net profit for the period	**-**	**171,919**	**-**	**-**	**-**	**171,919**
Share-based payment	**-**	**-**	**-**	**-**	**1,885**	**1,885**
Purchase of treasury shares (net of tax)	**-**	**-**	**-**	**-**	**(2,591)**	**(2,591)**
Change in fair value of investments and available-for-sale financial assets (net of tax)	**-**	**-**	**-**	**(14,896)**	**-**	**(14,896)**
Dividends paid (not previously provided)	**-**	**(160,696)**	**-**	**-**	**-**	**(160,696)**
Change in the fair value of cash flow hedges (net of tax)	**-**	**-**	**-**	**(23)**	**-**	**(23)**
Closing balance at 31 December 2008	**2,361,820**	**285,617**	**71,489**	**27,537**	**3,381**	**2,749,844**
Income and expense recognised directly in equity	**-**	**-**	**-**	**(14,919)**	**1,885**	**(13,034)**
Total recognised income and expense for the period	**-**	**171,919**	**-**	**(14,919)**	**1,885**	**158,885**

for the half-year ended 31 December 2007

	Issued capital	Retained earnings	Restricted capital reserve	Asset revaluation reserve	Equity compensation reserve	Total equity
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	-	-	-	(13,428)	1,207	(12,221)
Total recognised income and expense for the period	-	187,377	-	(13,428)	1,207	175,156

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

Consolidated cash flow statement for the half-year ended 31 December 2008	**Half year ended 31 Dec 2008 $'000**	Half year ended 31 Dec 2007 $'000
Cash flows from operating activities		
Cash receipts in the course of operations	**358,715**	386,424
Cash payments in the course of operations	**(133,653)**	(113,808)
Cash generated from operations	**225,062**	272,616
Interest received	**163,288**	163,870
Interest paid	**(126,092)**	(149,062)
Dividends received	**2,514**	1,500
Income taxes paid	**(59,912)**	(78,237)
Net cash inflow from operating activities	**204,860**	210,687
Cash flows from investing activities		
Purchase of investments	**(12,866)**	(48,195)
Increase/(decrease) in Participants' margins and commitments	**4,086,566**	(2,018,210)
Payments for other non-current assets	**(12,743)**	(6,232)
Proceeds on sale of plant and equipment	**-**	6
Net cash inflow/(outflow) from investing activities	**4,060,957**	(2,072,631)
Cash flows from financing activities		
Dividends paid	**(160,696)**	(156,323)
Purchase of treasury shares	**(2,753)**	(7,866)
Receipts from employee share plan loans	**74**	144
Net cash inflow/(outflow) from financing activities	**(163,375)**	(164,045)
Net increase/(decrease) in cash and cash equivalents	**4,102,442**	(2,025,989)
Fair value increase of available-for-sale financial assets	**271**	9
Cash and cash equivalents at the beginning of the financial period	**4,007,825**	6,622,781
Cash and cash equivalents at the end of the financial period	**8,110,538**	4,596,801
Classification of cash balances:		
ASX own funds	**299,128**	327,004
Restricted capital reserve	**71,489**	71,489
Participants' margins and commitments	**7,739,921**	4,198,308
Total cash and cash equivalents*	**8,110,538**	4,596,801

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

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

1. Statement of significant accounting policies

ASX Limited (the “Company”) is a company domiciled in Australia. The consolidated half-year financial report of the Company for the six months ended 31 December 2008 comprises the Company and its subsidiaries (together referred to as the “Group” or 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 17 February 2009.

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 for the year ended 30 June 2008.

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

All the accounting policies applied by the consolidated entity in the consolidated financial report for the year ended 30 June 2008 have been applied by the consolidated entity in this half-year report.

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 and the licensed clearing and settlement operations. Included in this segment are fees for trading, clearing and settlement of equity transactions and derivative contracts, together with revenues from market data services, technology infrastructure, and net interest earned on participant collateral 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.

Half-year ended 31 December 2008	Exchange Traded 2008 $'000	Non-Exchange Traded 2008 $'000	Unallocated 2008 $'000	Consolidated 2008 $'000
Revenues				
Listings	55,908	-	-	55,908
Cash market	89,263	-	-	89,263
Derivatives	72,103	-	-	72,103
Information services	36,974	-	-	36,974
Technology infrastructure	13,501	877	-	14,378
Austraclear services	-	11,754	-	11,754
Dividends	-	-	2,514	2,514
Interest income	159,227	520	3,050	162,797
Other	5,419	1,333	1,730	8,482
	432,395	14,484	7,294	454,173
Operating expenses	(68,415)	(4,278)	-	(72,693)
Depreciation and amortisation	(3,936)	(954)	(2,302)	(7,192)
Interest expense	(129,875)	-	-	(129,875)
				(209,760)
Profit/(loss) before income tax expense	230,169	9,252	4,992	244,413
Income tax expense				(72,494)
Net profit				171,919

Half-year ended 31 December 2007	Exchange Traded 2007 $'000	Non-Exchange Traded 2007 $'000	Unallocated 2007 $'000	Consolidated 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
Technology infrastructure	12,422	782	-	13,204
Austraclear services	-	11,015	-	11,015
Dividends	-	-	1,500	1,500
Interest Income	160,145	458	4,841	165,444
Other	7,966	1,399	1,849	11,214
	462,076	13,654	8,190	483,920
Operating expenses	(63,283)	(4,254)	-	(67,537)
Depreciation and amortisation	(3,351)	(1,076)	(5,860)	(10,287)
Interest expense	(138,980)	-	-	(138,980)
				(216,804)
Profit/(loss) before income tax expense	256,462	8,324	2,330	267,116
Income tax expense				(79,739)
Net profit				187,377

Geographical segments

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

3. Earnings per share

	Half-year ended	
	31 Dec 2008	31 Dec 2007
Basic earnings per share (cents)	**100.4**	109.7
Diluted earnings per share (cents)	**100.3**	109.4

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

	$'000	$'000
Earnings used in calculating basic and diluted earnings per share	**171,919**	187,377
Weighted average number of ordinary shares used in calculating basic earnings per share	**171,155,081**	170,845,403
Weighted average number of contingently issuable shares	**185,717**	506,404
Weighted average number of ordinary shares used in calculating diluted earnings per share	**171,340,798**	171,351,807

4. Contingent Liabilities

ASX Long-Term Incentive Plan

The number of contingently issuable ordinary shares of ASX Limited under the December 2006 offer of the ASX Long-Term Incentive Plan as at 31 December 2008 is 150,600.

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 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 2008 ACH had a right to receive from participants payments of $487.3 million (2007: $997.0 million) and a corresponding obligation to make payments of $487.3 million (2007: $997.0 million) relating to cash market securities. Furthermore, total collateral required by ACH to cover participants' derivatives exposures was $1,489.0 million (2007: $1,374.2 million). This was made up of cash and receivables of

$646.2 million (2007: $511.7 million), bank guarantees of $165.1 million (2007: $156.4 million) and the remainder of $677.7 million (2007: $706.1 million) in equity securities. As at that date, participants had lodged non-cash collateral with ACH in the form of equity securities and bank guarantees with a market value of $2,881.4 million (2007: $4,280.3 million).

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 2008 were settled.

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 2008 $'000	30 June 2008 $'000	31 Dec 2007 $'000
ACH restricted equity	**71,489**	71,489	71,489
ACH equity and subordinated debt	**78,511**	78,511	80,000
External insurance	**100,000**	100,000	100,000
Emergency assessments	**300,000**	300,000	300,000
	550,000	550,000	551,489

Subordinated debt is issued within the ASX Group.

In the event of a clearing default the financial resources at 31 December 2008 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. In accordance with the terms of ACH's Australian Clearing and Settlement Facility Licence, unless the Minister for Superannuation and Corporate Law (the Minister) agrees otherwise, these funds can only be used by ACH for clearing and settlement support.

3. ASX provided subordinated debt of $75 million and equity capital, through its wholly owned subsidiary ASX Clearing Corporation Limited, of $3.5 million. ASX has funded the difference between the Restricted Capital Reserve and the capital amount required to be held by ACH to meet the Reserve Bank of Australia 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.

4. External insurance cover up to $100 million.

5. Contributions obtained from participants under the ACH clearing rules. (Nil for periods ending 31 December 2008 and 2007).

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 2008 and 2007).

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

(b) SFE Clearing Corporation Pty Limited

SFECC provides clearing for derivatives markets operated by the Sydney Futures Exchange. 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 liable for the settlement of all derivative contracts traded on the Sydney Futures Exchange between clearing participants, and is supported by margins received from participants as well as by specific financial commitments totalling $400 million referred to as the 'Clearing Guarantee Fund'.

In the event of a 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 2008 $'000	30 June 2008 $'000	31 Dec 2007 $'000
SFECC equity and subordinated debt	**100,000**	100,000	80,000
Participant financial backing	**120,000**	120,000	60,000
External insurance	**150,000**	150,000	60,000
Emergency assessments	**30,000**	30,000	30,000
	400,000	400,000	230,000

Subordinated debt is issued within the ASX Group.

Participant financial backing comprises cash $84.1 million (31 December 2007: $44.7 million) and non-cash commitments (letters of credit drawn on a major Australian licensed bank $35.9 million (31 December 2007: $15.3 million)).

Total collateral lodged by clearing participants at 31 December 2008 was $7,009.6 million (31 December 2007: $3,641.9 million). This was made up of cash $5,212.6

million (31 December 2007: $2,930.5 million) and debt securities $1,797.0 million (31 December 2007: $711.4 million).

At the date of this financial report, all net payment obligations relating to derivative market transactions owing to or by participants as at 31 December 2008 were settled.

(c) Fidelity risk levy to Securities Exchanges Guarantee Corporation (SEGC)

The National Guarantee Fund (NGF) is maintained to cover fidelity claims made against market participants. The amount of the NGF at 31 December 2008 was $105.4 million. If the amount of the NGF falls below the minimum amount, currently $76.0 million, determined by the Minister in accordance with the Corporations Act 2001, 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. Dividends

	Half-year ended	
	31 Dec 2008 $'000	31 Dec 2007 $'000
Ordinary shares		
Dividends provided or paid during the half-year	**160,696**	156,323
Dividends not recognised at the end of the half-year		
In addition to the above dividends, since the end of the half-year the directors have resolved to pay an interim dividend of 90.4 cents per fully paid ordinary share (2007: 98.5 cents), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 27 March 2009 out of retained profits at 31 December 2008, but not recognised as a liability at the end of the half-year, is	154,754	168,581

6. Equity securities issued

	2008 Shares	2007 Shares	**2008 $'000**	2007 $'000
Issues of ordinary shares during the half-year				
Vesting of entitlement shares under the ASX Long-Term Incentive Plan	**40,000**	169,484	**-**	-
Movement in treasury shares during the half-year				
Acquisition of shares by ASX Long-Term Incentive Plan Trust	**(92,200)**	(141,300)	**(2,753)**	(7,866)

7. Events occurring after the balance sheet date

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

DIRECTORS' DECLARATION

In the opinion of the directors of ASX Limited

1. the financial statements and notes, set out on pages 40 to 51, are 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 2008 and of its performance for the half-year ended on that date; and

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

Signed in accordance with a resolution of the directors:

David M Gonski AC	Robert G Elstone
Chairman	Managing Director and CEO

Sydney, 17th February 2009

PRICEWATERHOUSECOOPERS

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

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of ASX Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the consolidated entity. The consolidated entity comprises both ASX Limited (the Company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls 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 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 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of ASX Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

PRICEWATERHOUSECOOPERS

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

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

For further explanation of a review, visit our website http:/www.pwc.com/au/financialstatementaudit.

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

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

Independence

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

Conclusion

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

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and

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

Pricewaterhouse Coopers

PricewaterhouseCoopers

M J Codling
Partner

Sydney
17th February 2009

APPENDIX 4D (Rule 4.2A.3)
HALF-YEAR REPORT
for the half-year ended 31 December 2008

RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to half-year ended 31 December 2007)	**$'000**	**up/down**	**% movement**
Revenues from ordinary activities excluding interest income	291,376	down	8.5%
Net profit after tax from ordinary activities including significant items	171,919	down	8.2%
Normal net profit after income tax excluding significant items	171,919	down	8.2%

Dividend information	**amount per share (cents)**	**franked amount per share (cents)**	**tax rate for franking**
Final 2008 dividend per share (paid 17 September 2008)	93.9	93.9	30%
Interim 2009 dividend per share (to be paid 27 March 2009)	90.4	90.4	30%

Interim dividend dates

Ex dividend date	24 February 2009
Record date	2 March 2009
Payment date	27 March 2009

	31 Dec 2008	**31 Dec 2007**
Net tangible assets per security	$2.49	$2.66

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 PricewaterhouseCoopers.