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Dear Shareholder,

### **ASX Limited Board Recommends Merger With Singapore Exchange Limited**

On 25 October 2010, ASX Limited ("ASX") and Singapore Exchange Limited ("SGX") announced that they had entered into a merger implementation agreement. It is proposed that SGX will acquire all the listed shares in ASX by way of a scheme of arrangement ("Scheme") and create a new exchange group, ASX-SGX Limited.

#### **Conditions**

The proposal is subject to a number of government, regulatory and shareholder approval processes, including a parliamentary process to lift the current ownership restrictions that apply to ASX, as well as other conditions outlined in the joint ASX-SGX announcement dated 25 October 2010, which is available at the new ASX Group website <http://www.asxgroup.com.au>.

ASX has engaged Access Economics to examine the national interest implications of the proposed merger. You can find a copy of the report prepared by Access Economics at <http://www.asxgroup.com.au/asx-sgx-merger.htm>.

#### **The ASX-SGX Merger Proposal**

Under the proposal, ASX shareholders will receive A\$22.00 cash and 3.473 new SGX shares for each of their ASX shares ("Scheme Consideration"). Based on the last traded SGX share price prior to the announcement (22 October 2010), this represents a consideration of A\$48.00 per ASX share.

The Scheme Consideration represents a premium of 37.3% based on the last traded price of ASX and SGX shares on the trading day prior to announcement of the agreement, and a premium of 47.0% based on the 3 month volume weighted average price ("VWAP") of ASX shares and the 3 month VWAP of SGX shares up to and including that same date.

**The ASX Board unanimously recommends the proposed transaction in the absence of a superior proposal and subject to an independent expert concluding that the Scheme is in the best interests of ASX shareholders. All the ASX Directors intend to vote any shares they hold (directly or indirectly) in favour of the Scheme, subject to the same qualifications.**

## No Need To Take Any Action At This Time

ASX shareholders do not need to take any action at this time. An explanatory scheme booklet containing the ASX Board's formal recommendation (and the reasons for it) and an independent expert's report on whether the Scheme is in the best interests of ASX shareholders is expected to be sent to ASX shareholders next year. ASX shareholders will then have the opportunity to vote on the proposed Scheme at a meeting of shareholders currently expected to be held late in the first quarter of 2011.

If approved by shareholders and the Court, the proposed merger is currently expected to be implemented during the second quarter of 2011.

As the Australian Government has noted, while there is a high level of media and community interest in this important proposal, there is a clear process to be gone through. The process has commenced and ASX will engage constructively with all stakeholders during this period.

## Shareholder Updates

The ASX Board will continue to update ASX shareholders through market announcements, shareholder communications and via the ASX website.

A shareholder information section can be found at <http://www.asxgroup.com.au/asx-sgx-merger.htm>. This includes an ASX shareholder Q&A and all public documents on the merger proposal.

I encourage all shareholders to visit the ASX website to inform themselves of the merger proposal's merits.

Yours sincerely,



**David Gonski AC**  
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## ASX Shareholder Information Line

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