

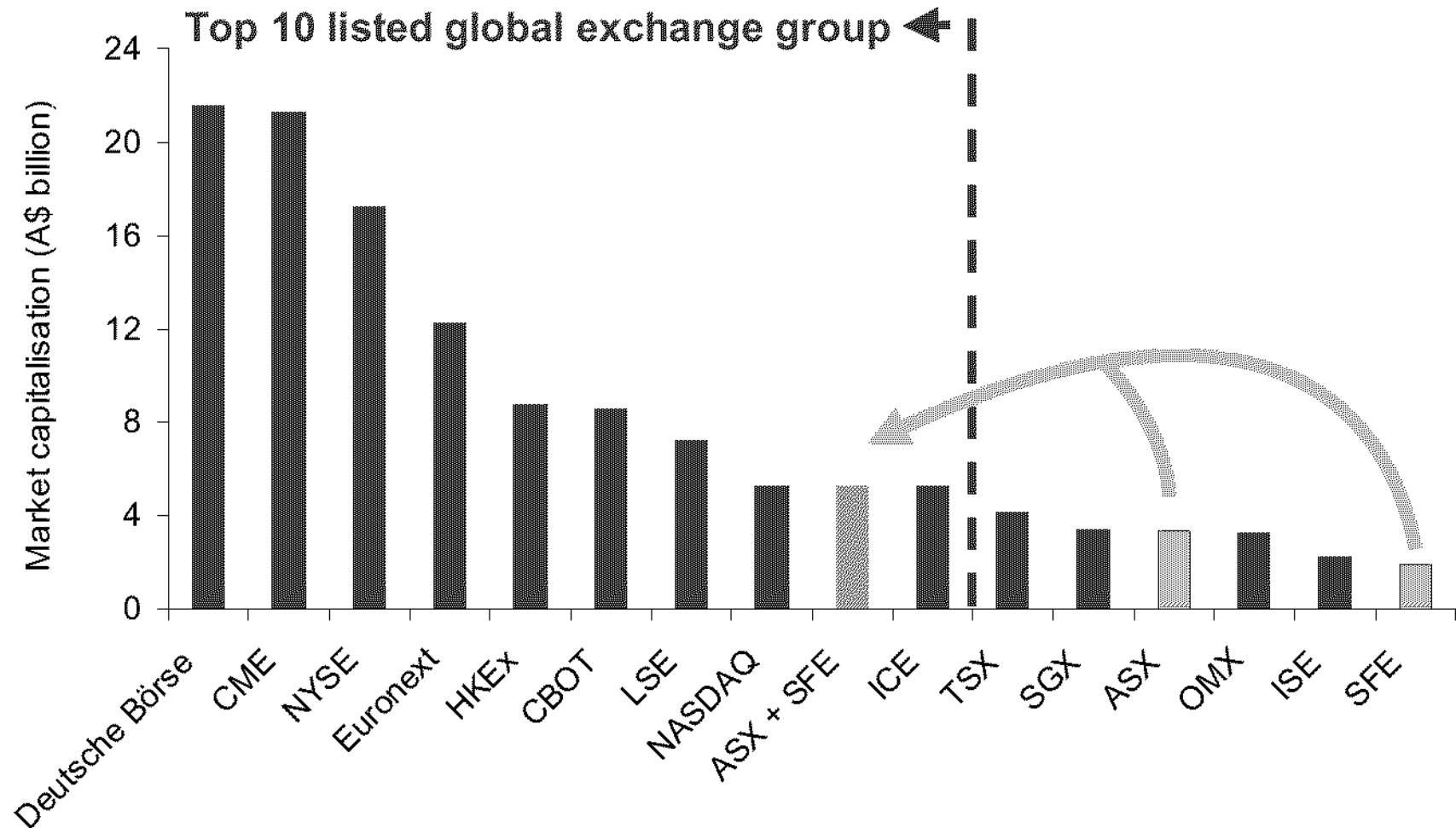
Merger of ASX and SFE



27 March 2006



Great strategic fit



In a world of consolidating exchanges, the merged entity will be better positioned to compete



Note: As at 24 March 2006. Source: Datastream, IRESS. ASX and SFE represents the sum of pre-merger market capitalisations

Merger proposal

Proposal

All Scrip: 0.51 ASX shares per 1 SFE share

Cash and scrip alternative: \$2.58 cash + a variable ratio of ASX shares such that the two alternatives have an equivalent value

Implied value of proposal

\$16.93 per SFE share¹ = \$2.3 billion equity value

Governance

Three SFE directors to join ASX Board, including SFE Chairman Maurice Newman (Chairman) and Tony D'Aloisio (CEO) continue

Post-merger capital return

\$100 million post-merger capital management initiative². All merged entity shareholders will be eligible

Supersedes ASX \$50 million capital return

**SFE's Board unanimously recommends the merger proposal,
in the absence of a superior proposal**



(1) Assuming ASX's VWAP price of \$33.19 between 10 March and 21 March

(2) Subject to shareholder approvals and tax advice



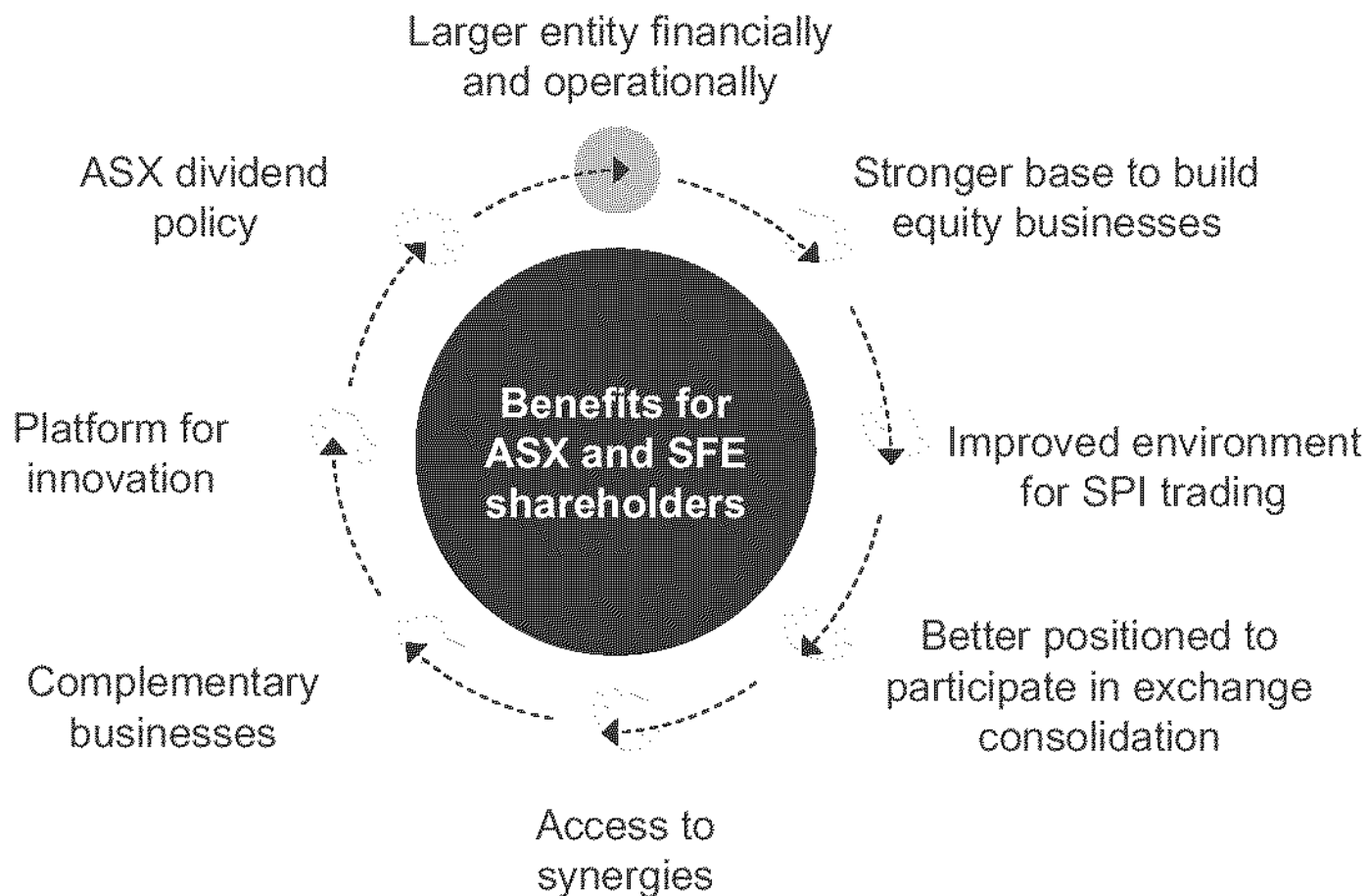
Important regulatory conditions

- ACCC:
 - Process already in train
 - “The ACCC’s preliminary view is that the proposed acquisition does not appear to raise competition concerns” (see letter for full text)
 - Market soundings yet to be undertaken

- Treasurer’s approval:
 - Required to allow any party to own more than 15% of SFE

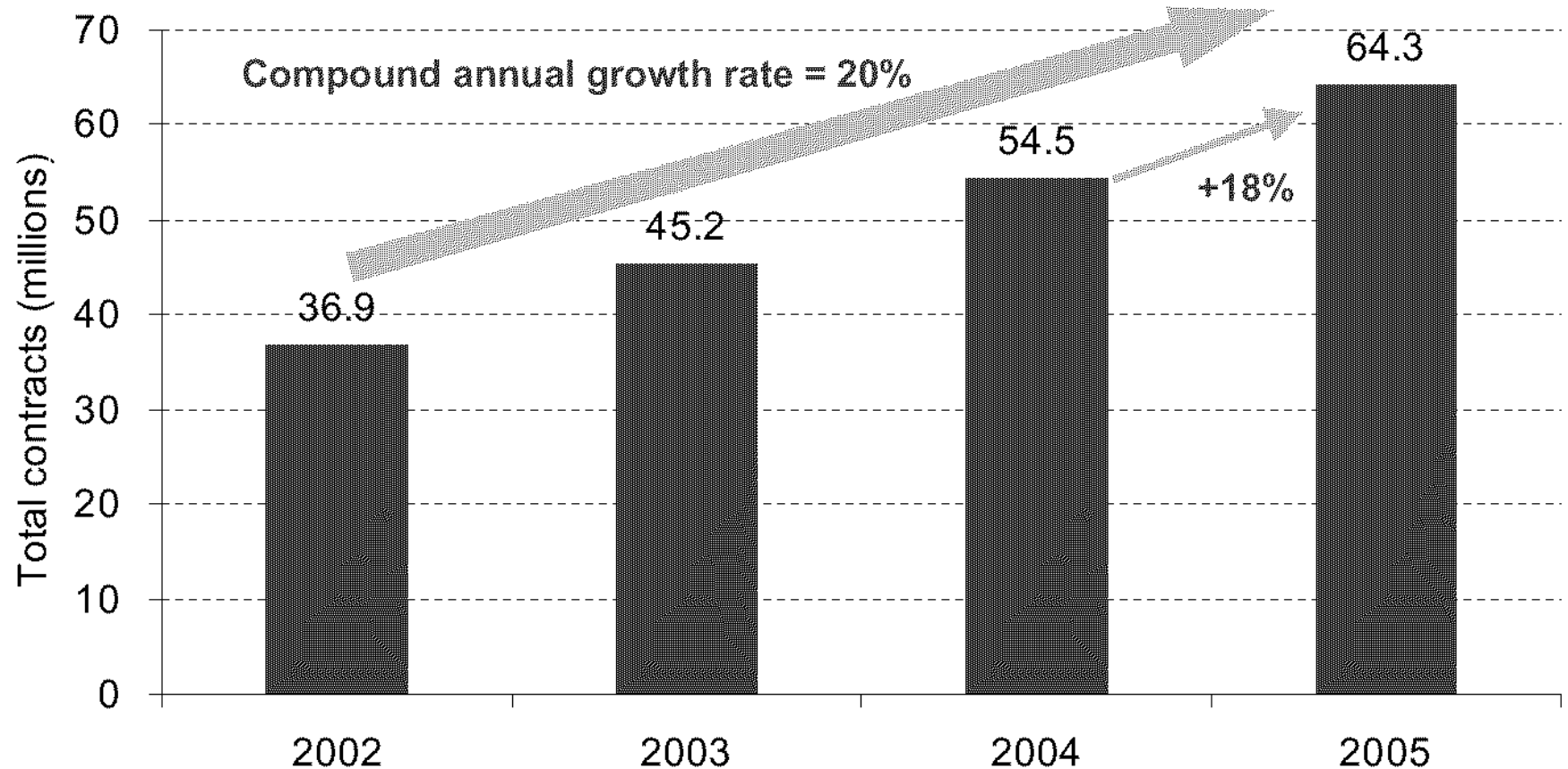
- ASIC and RBA

Benefits for ASX and SFE shareholders



Benefits for ASX shareholders

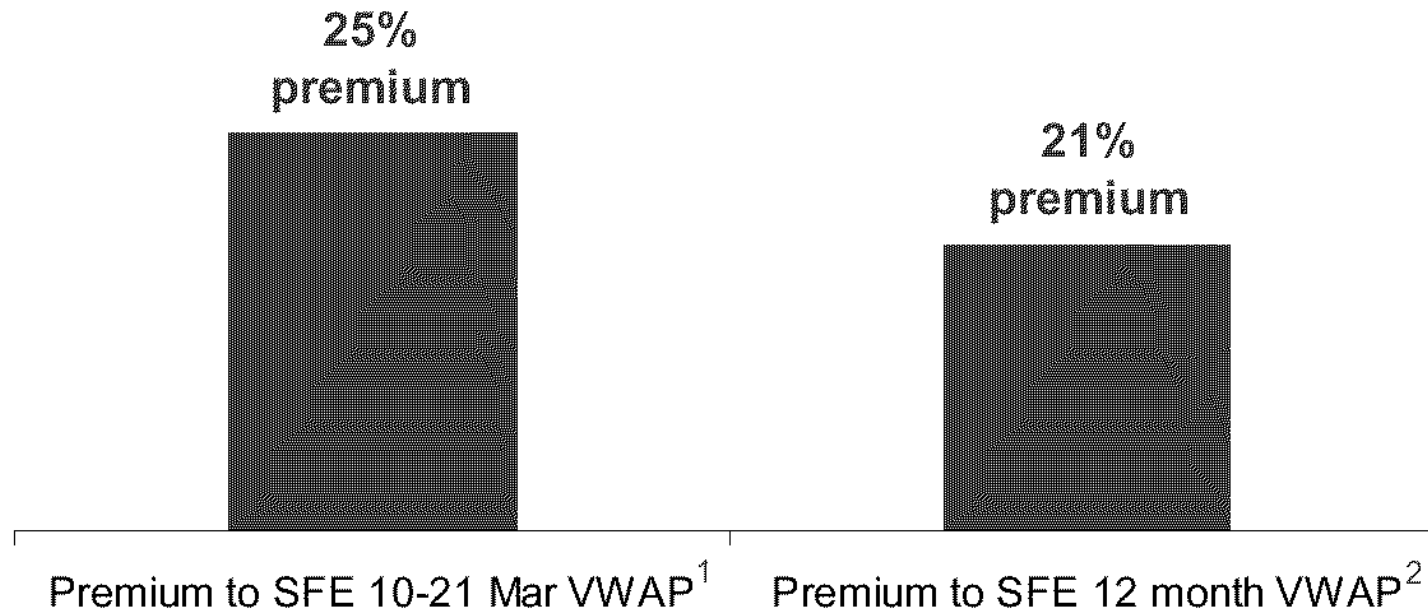
SFE trading volume growth 2002 - 2005



ASX is attracted to the strong volume outlook in SFE's core futures products



Benefits for SFE shareholders



The proposal represents a substantial premium to recent SFE trading

(1) Premium of merger proposal price (based on ASX 10-21 March VWAP) to SFE 10-21 March VWAP

(2) Premium of merger proposal price (based on ASX 12-month VWAP) to SFE 12-month VWAP. Source: IRESS



Benefits for participants

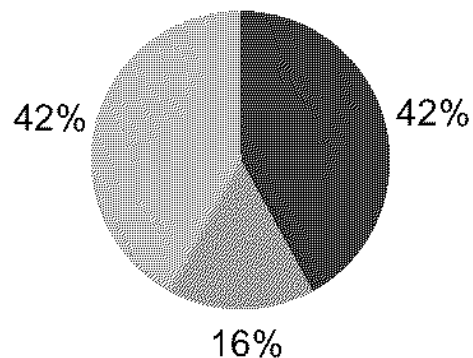
- Intend to retain SFE pricing policy
- One front-line market supervisor
- Back-office efficiency via consolidated systems
- Improved platform for product innovation
- Ongoing commitment to highest market integrity
- Environment for increased trading in SPI contract
- Enhanced ability to compete for capital and investment opportunities

Benefits for employees

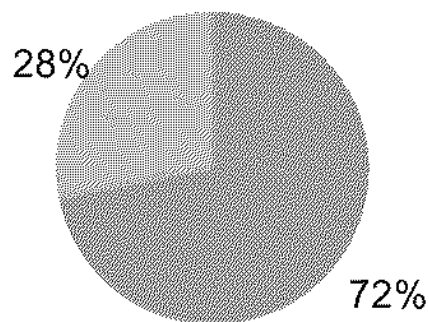
- A rewarding place to work
- Broader opportunities within a stronger and larger merged group
- Greater diversity of career paths
- Combined culture based on integrity, achievement and teamwork

Financial profile

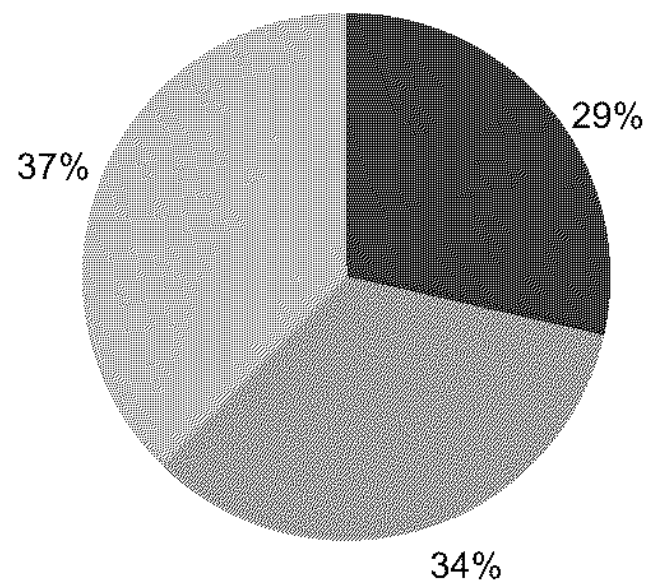
ASX revenue \$291m⁽¹⁾



SFE revenue \$135m⁽¹⁾



Merged entity pro-forma revenue \$426m⁽¹⁾



Equities trading, clearing and settlement
 Derivatives trading, clearing and settlement
 Non-trading revenue

Greater revenue diversity and reduced exposure to market-specific cycles



(1) Revenue based on year to December 2005. Excludes interest and dividend revenue

Financial profile

	Year to Dec 2005 pro-forma			
	ASX	Pro-forma merged		
Shareholders accepting cash / scrip alternative		0%	50%	100%
Revenue (\$m)	291		426 ¹	
EBITDA (\$m)	169	←	255 ¹	→
EBIT (\$m)	156		237 ¹	
Market capitalisation ² (\$m)	3,349	5,160 ³	4,985 ³	4,811 ³
Net debt / (cash) ⁴ (\$m)	(102)	(130) ³	45 ³	219 ³
Enterprise value (\$m)	3,247	5,030	5,030	5,030
Position in S&P/ ASX 200 index	71	Top 50	50-55	50-55
Net debt / EBITDA	Net cash	Net cash	<0.5x	<1.0x
Net debt / equity	Net cash	Net cash	<10%	<10%

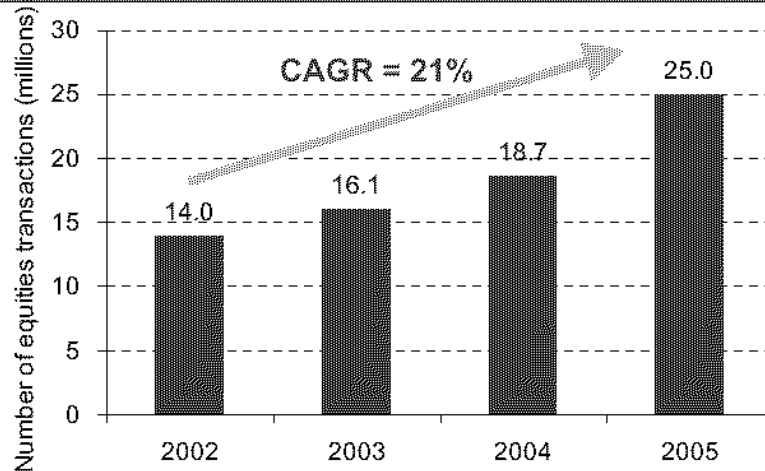


Pro-forma merged numbers based on AIFRS financials, excluding synergies and transaction costs. (1) Excludes SFE's interest income on participant balances (2) Sum of market capitalisations as at 24 March 2006. Source: IRESS; (3) Assumes \$100 million capital management initiative; (4) Excludes cash ring-fenced from NGF (ASX: \$71.5m), clearing house capital commitments (ASX: \$53.5m; SFE: \$30.0m) and reduced by dividends paid (ASX: \$57.7m; SFE \$30.3m)

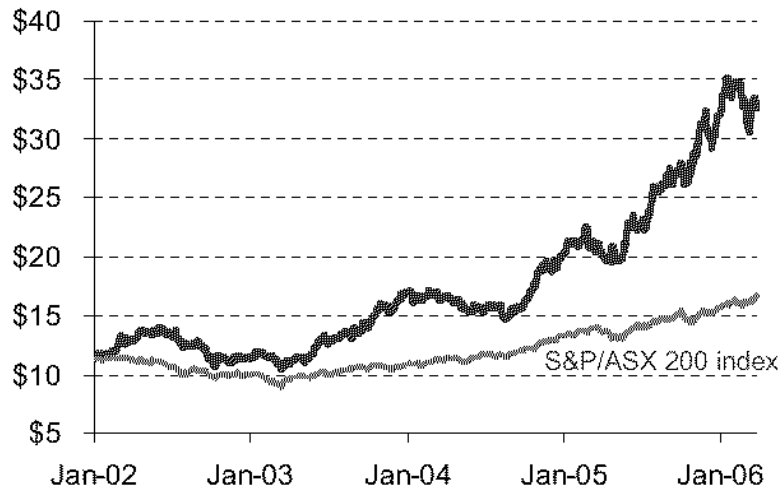


Attractiveness of ASX scrip

ASX equities volume growth 2002 - 2005

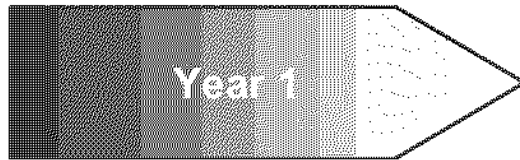


ASX share price growth 2002 - now

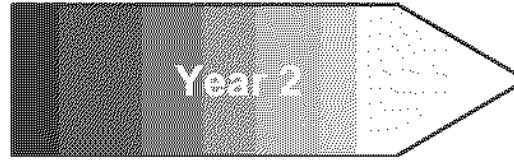


- Strong culture
- Reduced costs
- Focus on innovation
- Experienced Board
- Brand recognition

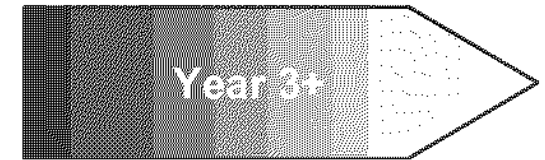
Synergies and integration



- Establish dedicated integration team
- Premises integration
- Single desktop environment
- Administration cost savings
- Participant consultation on technology vision



- Further technology integration
- Target SPI volume increases
- Further administration cost savings
- Scope clearing platform integration



- Catalyst for clearing house efficiencies
- Scope possible settlement integration
- Target volume increases from new product innovation

**The merger is expected to deliver cost synergies of
\$14 - \$18 million by FY08**

Key steps and timing

- Finalise due diligence and address conditions precedent
- Lodge scheme documents with ASIC
- First court hearing
- SFE shareholders' meeting
- Second court hearing and effective date
- Implementation date



**The merger is anticipated to be implemented by
July / August 2006**



Closing

ASX's Board and management are enthusiastic at the prospect of a merger with SFE

The merger will provide significant benefits to both sets of shareholders, participants and employees

The merger will be an important milestone in the development of Australia's capital markets

The Board of SFE unanimously recommends that all SFE shareholders support and accept the merger proposal