



NZX LIMITED

2010 HALF YEAR REPORT

Financial Statements

For the six months ended 30 June 2010

NZX Limited
Income Statement
For the six months ended 30 June 2010

| | Note | Group | | | Parent | | |
|---|------|--|---|--|--|---|--|
| | | 6 months Jun 2010 unaudited \$000 | 12 months Dec 2009 audited \$000 | 6 months Jun 2009 unaudited \$000 | 6 months Jun 2010 unaudited \$000 | 12 months Dec 2009 audited \$000 | 6 months Jun 2009 unaudited \$000 |
| Revenue | 3 | 23,931 | 42,805 | 18,627 | 16,895 | 32,503 | 14,997 |
| Employee, contractor and related expenses | 4 | (8,497) | (13,750) | (5,317) | (4,265) | (9,187) | (3,985) |
| Other expenses | 5 | (6,879) | (11,499) | (4,234) | (3,787) | (6,751) | (2,879) |
| Profit before interest, income tax, depreciation and amortisation, and financial instruments | | 8,555 | 17,556 | 9,076 | 8,843 | 16,565 | 8,133 |
| Gain/(loss) on foreign exchange | | 18 | (5,537) | 133 | 23 | (336) | 125 |
| Gain on investment | | 1,304 | 4,794 | 4,794 | 71 | 4,643 | 4,643 |
| Impairment of investments | | - | (2,353) | (1,823) | - | (4,126) | (3,596) |
| Disposal of TZ1 assets | 6 | - | 31,500 | 52,062 | - | - | - |
| Depreciation and amortisation expense | | (2,152) | (2,902) | (1,061) | (1,510) | (1,794) | (590) |
| Interest income | | 367 | 819 | 102 | 319 | 774 | 87 |
| Interest expense | | (274) | (634) | (137) | (274) | (634) | (137) |
| Share of profits of associates accounted for using the equity method | 7 | 69 | 181 | 65 | - | - | - |
| Profit before income tax expense | | 7,887 | 43,424 | 63,211 | 7,472 | 15,092 | 8,665 |
| Income tax expense | | (2,204) | (4,713) | (2,453) | (2,257) | (4,672) | (2,279) |
| Profit for the period attributable to shareholders | | 5,683 | 38,711 | 60,758 | 5,215 | 10,420 | 6,386 |
| Earnings per share | | | | | | | |
| Fully diluted | | 4.62c | 34.98c | 60.65c | | | |
| Basic | | 4.68c | 35.30c | 61.20c | | | |
| Net tangible assets per share | | 37.35c | 40.74c | 76.48c | | | |

Statement of Comprehensive Income
For the six months ended 30 June 2010

| | Group | | | Parent | | |
|--|--|---|--|--|---|--|
| | 6 months Jun 2010 unaudited \$000 | 12 months Dec 2009 audited \$000 | 6 months Jun 2009 unaudited \$000 | 6 months Jun 2010 unaudited \$000 | 12 months Dec 2009 audited \$000 | 6 months Jun 2009 unaudited \$000 |
| Profit for the period | 5,683 | 38,711 | 60,758 | 5,215 | 10,420 | 6,386 |
| Other comprehensive income | | | | | | |
| Foreign currency translation differences | 113 | (189) | (258) | - | - | - |
| Total comprehensive income and expense for the period | 5,796 | 38,522 | 60,500 | 5,215 | 10,420 | 6,386 |

Notes to the financial statements are included on pages 7 to 15.

NZX Limited
Statement of Changes in Equity
For the six months ended 30 June 2010

Group

| | Share Capital \$000 | Retained Earnings \$000 | Treasury Shares \$000 | Translation Reserve \$000 | Total Equity \$000 |
|--|---------------------------|-------------------------------|-----------------------------|---------------------------------|--------------------------|
| Balance at 1 January 2009 | 5,102 | 29,510 | (143) | 52 | 34,521 |
| Profit for the period | - | 60,758 | - | - | 60,758 |
| Foreign currency translation differences | - | - | - | (258) | (258) |
| Distribution plan | 5,530 | (6,209) | - | - | (679) |
| Shares cancelled | (143) | - | 143 | - | - |
| Issue of shares | 19,998 | - | - | - | 19,998 |
| Share based payments | 986 | - | - | - | 986 |
| Balance at 30 June 2009 | 31,473 | 84,059 | - | (206) | 115,326 |
| Profit for the period | - | (22,047) | - | - | (22,047) |
| Foreign currency translation differences | - | - | - | 69 | 69 |
| Distribution plan | - | (2) | - | - | (2) |
| Issue of shares | 151 | - | - | - | 151 |
| Share based payments | 477 | - | - | - | 477 |
| Balance at 31 December 2009 | 32,101 | 62,010 | - | (137) | 93,974 |
| Profit for the period | - | 5,683 | - | - | 5,683 |
| Foreign currency translation differences | - | - | - | 113 | 113 |
| Distribution plan | 4,519 | (8,039) | - | - | (3,520) |
| Issue of shares | 532 | - | - | - | 532 |
| Share based payments | (19) | - | - | - | (19) |
| Balance at 30 June 2010 | 37,133 | 59,654 | - | (24) | 96,763 |

Parent

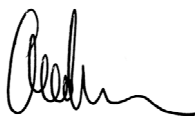
| | Share Capital \$000 | Retained Earnings \$000 | Treasury Shares \$000 | Total Equity \$000 |
|------------------------------------|---------------------------|-------------------------------|-----------------------------|--------------------------|
| Balance at 1 January 2009 | 9,492 | 32,441 | (143) | 41,790 |
| Profit for the period | - | 6,386 | - | 6,386 |
| Distribution plan | 5,530 | (6,211) | - | (681) |
| Shares cancelled | (143) | - | 143 | - |
| Issue of shares | 20,371 | - | - | 20,371 |
| Balance at 30 June 2009 | 35,250 | 32,616 | - | 67,866 |
| Profit for the period | - | 4,034 | - | 4,034 |
| Issue of shares | 311 | - | - | 311 |
| Share based payments | 240 | - | - | 240 |
| Balance at 31 December 2009 | 35,801 | 36,650 | - | 72,451 |
| Profit for the period | - | 5,215 | - | 5,215 |
| Distribution plan | 4,519 | (8,039) | - | (3,520) |
| Shares cancelled | (1,264) | - | - | (1,264) |
| Issue of shares | 2,709 | - | - | 2,709 |
| Share based payments | (19) | - | - | (19) |
| Balance at 30 June 2010 | 41,746 | 33,826 | - | 75,572 |

Notes to the financial statements are included on pages 7 to 15.

NZX Limited
Statement of Financial Position
As at 30 June 2010

| | Note | Group | | | Parent | | |
|---|--------------|--------------------------------|------------------------------|--------------------------------|--------------------------------|------------------------------|--------------------------------|
| | | Jun 2010 unaudited \$000 | Dec 2009 audited \$000 | Jun 2009 unaudited \$000 | Jun 2010 unaudited \$000 | Dec 2009 audited \$000 | Jun 2009 unaudited \$000 |
| Current assets | | | | | | | |
| Cash and cash equivalents | 11, 18(a) | 16,902 | 35,822 | 34,869 | 3,012 | 28,513 | 32,542 |
| Receivables and prepayments | | 8,457 | 6,283 | 8,561 | 5,509 | 4,258 | 5,946 |
| Other financial assets | | 2,602 | 2,409 | 1,477 | 7,215 | 6,110 | 5,254 |
| Total current assets | | 27,961 | 44,514 | 44,907 | 15,736 | 38,881 | 43,742 |
| Non-current assets | | | | | | | |
| Investments accounted for using the equity method | 7 | 3,924 | 4,129 | 4,600 | 3,808 | 4,082 | 4,669 |
| Investments in subsidiaries | | - | - | - | 34,645 | 21,381 | 21,450 |
| Investment in equities | | 30,886 | 29,654 | 56,679 | - | - | - |
| Property, plant and equipment | | 1,612 | 1,852 | 2,234 | 1,368 | 1,602 | 2,060 |
| Current tax receivable/(payable) | | 1,407 | 375 | 1,043 | (712) | (1,189) | (353) |
| Goodwill | 8 | 13,211 | 13,878 | 14,331 | 7,720 | 7,720 | 7,720 |
| Other intangible assets | 9 | 37,636 | 35,011 | 24,378 | 30,856 | 27,826 | 16,591 |
| Total non-current assets | | 88,676 | 84,899 | 103,265 | 77,685 | 61,422 | 52,137 |
| Total assets | | 116,637 | 129,413 | 148,172 | 93,421 | 100,303 | 95,879 |
| Current liabilities | | | | | | | |
| Trade payables | | 3,574 | 7,284 | 3,948 | 1,939 | 6,153 | 2,302 |
| Other liabilities | | 6,196 | 7,056 | 6,302 | 4,231 | 5,558 | 5,320 |
| Intercompany payable/(receivable) | | - | - | - | 1,438 | (2,756) | 1,608 |
| Bank loan | 10 | 10,036 | 18,918 | 18,952 | 10,036 | 18,918 | 18,952 |
| Total current liabilities | | 19,806 | 33,258 | 29,202 | 17,644 | 27,873 | 28,182 |
| Non-current liabilities | | | | | | | |
| Other liabilities | | - | 2,358 | 3,819 | - | - | - |
| Deferred tax liability/(asset) | | 68 | (177) | (175) | 205 | (21) | (169) |
| Total non-current liabilities | | 68 | 2,181 | 3,644 | 205 | (21) | (169) |
| Total liabilities | | 19,874 | 35,439 | 32,846 | 17,849 | 27,852 | 28,013 |
| Net assets | | 96,763 | 93,974 | 115,326 | 75,572 | 72,451 | 67,866 |
| Equity | | | | | | | |
| Share capital | 12 | 37,133 | 32,101 | 31,473 | 41,746 | 35,801 | 35,250 |
| Retained earnings | | 59,654 | 62,010 | 84,059 | 33,826 | 36,650 | 32,616 |
| Foreign currency translation reserve | | (24) | (137) | (206) | - | - | - |
| Total equity attributable to shareholders | | 96,763 | 93,974 | 115,326 | 75,572 | 72,451 | 67,866 |

These financial statements were authorised for release on 17 August 2010.



A W Harmos
Chairman



N Paviour-Smith
Director



M R Weldon
Chief Executive Officer

Notes to the financial statements are included on pages 7 to 15.

NZX Limited
Statement of Cash Flows
For the six months ended 30 June 2010

| | Note | Group | | | Parent | | |
|---|-------|--|---|--|--|---|--|
| | | 6 months Jun 2010 unaudited \$000 | 12 months Dec 2009 audited \$000 | 6 months Jun 2009 unaudited \$000 | 6 months Jun 2010 unaudited \$000 | 12 months Dec 2009 audited \$000 | 6 months Jun 2009 unaudited \$000 |
| Cash flows from operating activities | | | | | | | |
| Receipts from customers | | 18,530 | 43,296 | 13,195 | 12,121 | 33,978 | 11,550 |
| Interest received/(paid) | | 96 | 173 | (19) | 72 | 118 | (46) |
| Payments to suppliers and employees | | (15,447) | (23,018) | (7,829) | (8,818) | (14,210) | (6,048) |
| Income tax paid | | (2,991) | (5,046) | (4,056) | (2,508) | (4,641) | (3,231) |
| Net cash provided from operating activities | 18(b) | 188 | 15,405 | 1,291 | 867 | 15,245 | 2,225 |
| Cash flows from investing activities | | | | | | | |
| Payment for property, plant and equipment | | (101) | (938) | (442) | (73) | (655) | (287) |
| Payment for other assets | | (4,329) | (17,720) | (6,204) | (3,616) | (17,106) | (6,150) |
| Payment for investments | | (2,680) | (7,374) | (6,481) | (10,681) | (12,616) | (7,147) |
| Net cash used in investing activities | | (7,110) | (26,032) | (13,127) | (14,370) | (30,377) | (13,584) |
| Cash flows from financing activities | | | | | | | |
| Proceeds from issues of shares | | 4,923 | 25,325 | 20,015 | 4,923 | 25,325 | 20,015 |
| (Repayments of)/proceeds from bank loan | | (8,882) | 18,918 | 18,952 | (8,882) | 18,918 | 18,952 |
| Dividends paid | | (8,039) | (6,211) | (679) | (8,039) | (6,211) | (679) |
| Purchase of treasury stock | | - | 143 | 143 | - | 143 | 143 |
| Net cash (used in)/provided from financing activities | | (11,998) | 38,175 | 38,431 | (11,998) | 38,175 | 38,431 |
| Net (decrease)/increase in cash and cash equivalents | | (18,920) | 27,548 | 26,595 | (25,501) | 23,043 | 27,072 |
| Cash and cash equivalents at the beginning of the period | | 35,822 | 8,274 | 8,274 | 28,513 | 5,470 | 5,470 |
| Cash and cash equivalents at the end of the period | 18(a) | 16,902 | 35,822 | 34,869 | 3,012 | 28,513 | 32,542 |

Notes to the financial statements are included on pages 7 to 15.

NZX Limited
Notes to the financial statements
For the six months ended 30 June 2010

1. Accounting policies

These financial statements have been prepared in accordance with NZ IAS-34: Interim Financial Reporting and Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS").

These financial statements have been prepared using the same accounting policies and should be read in conjunction with the financial statements and related notes included in the NZX Group ("Company") Annual Report for the year ended 31 December 2009. The financial statements for the six months ended 30 June 2010 are unaudited. The financial statements are expressed in New Zealand dollars, the Company's functional currency.

2. CEO share scheme

At 30 June 2010, given the EPS result, in assessing whether or not the vesting criteria will be met at the end of the Scheme, the NZX Board has determined to account for both the LTI and the OPLTI portions of the CEO Share Scheme (\$1,680,543) at this time. The amount recognised in the Income Statement to date is the time proportional value of the expected total cost of both the LTI and OPLTI portions of the Scheme.

3. Revenue

| | Group | | | Parent | | |
|-------------------------------|--|---|--|--|---|--|
| | 6 months Jun 2010 unaudited \$000 | 12 months Dec 2009 audited \$000 | 6 months Jun 2009 unaudited \$000 | 6 months Jun 2010 unaudited \$000 | 12 months Dec 2009 audited \$000 | 6 months Jun 2009 unaudited \$000 |
| Revenue: | | | | | | |
| Listings | 4,799 | 11,592 | 5,167 | 4,847 | 11,697 | 5,224 |
| Trading | 3,039 | 5,016 | 2,440 | 2,439 | 4,946 | 2,440 |
| Market data | 4,664 | 10,559 | 6,098 | 4,498 | 10,064 | 5,873 |
| Post trade systems & services | 3,595 | 4,487 | 1,179 | 3,712 | 4,563 | 1,229 |
| Agri | 5,333 | 7,709 | 2,415 | - | - | - |
| Energy | 1,399 | 1,233 | 231 | 1,399 | 1,233 | 231 |
| Smartshares | 1,102 | 2,209 | 1,097 | - | - | - |
| Total revenue | 23,931 | 42,805 | 18,627 | 16,895 | 32,503 | 14,997 |

4. Employee, contractor and related expenses

| | Group | | | Parent | | |
|--|--|---|--|--|---|--|
| | 6 months Jun 2010 unaudited \$000 | 12 months Dec 2009 audited \$000 | 6 months Jun 2009 unaudited \$000 | 6 months Jun 2010 unaudited \$000 | 12 months Dec 2009 audited \$000 | 6 months Jun 2009 unaudited \$000 |
| Employee, contractor and related expenses: | | | | | | |
| Termination benefits | (747) | (21) | (15) | (82) | (21) | (15) |
| Salary and other employee benefits | (7,477) | (12,321) | (4,316) | (3,910) | (7,758) | (2,984) |
| CEO share scheme | (273) | (1,408) | (986) | (273) | (1,408) | (986) |
| Total employee, contractor and related expenses | (8,497) | (13,750) | (5,317) | (4,265) | (9,187) | (3,985) |

NZX Limited
Notes to the financial statements
For the six months ended 30 June 2010

5. Other expenses

| | Group | | | Parent | | |
|--------------------------------------|--|---|--|--|---|--|
| | 6 months Jun 2010 unaudited \$000 | 12 months Dec 2009 audited \$000 | 6 months Jun 2009 unaudited \$000 | 6 months Jun 2010 unaudited \$000 | 12 months Dec 2009 audited \$000 | 6 months Jun 2009 unaudited \$000 |
| Other expenses: | | | | | | |
| Remuneration paid to auditors | (56) | (126) | (68) | (49) | (98) | (45) |
| Operating lease rental expense | (674) | (1,144) | (609) | (531) | (991) | (527) |
| Information technology | (1,721) | (2,227) | (985) | (1,655) | (2,210) | (982) |
| Professional fees | (987) | (1,740) | (708) | (839) | (1,611) | (490) |
| Marketing, printing and distribution | (2,007) | (3,023) | (641) | (116) | (140) | (55) |
| Fund expenditure | (376) | (1,078) | (545) | - | - | - |
| General administration | (1,058) | (2,161) | (678) | (597) | (1,701) | (780) |
| Total other expenses | (6,879) | (11,499) | (4,234) | (3,787) | (6,751) | (2,879) |

6. Disposal of TZ1 assets

On 30 June 2009, the Group sold the assets of TZ1 with consideration being by way of Markit Shares. The Markit Shares have been designated as financial assets at fair value through profit or loss. The results of TZ1 are separately disclosed from the operating profit of the Group in the income statement.

| | Group | | |
|---|--|---|--|
| | 6 months Jun 2010 unaudited \$000 | 12 months Dec 2009 audited \$000 | 6 months Jun 2009 unaudited \$000 |
| Results from operating activities | - | (2,711) | (1,957) |
| Income tax expense | - | 605 | 447 |
| Results from operating activities, net of income tax | - | (2,106) | (1,510) |
| Gain on sale of assets | - | 53,572 | 53,572 |
| Reduction in carrying value of investment in equities | - | (19,966) | - |
| Profit for the period | - | 31,500 | 52,062 |

7. Investments accounted for using the equity method

| Name of Entity | Country of Incorporation | Ownership interest | | | Carrying value of asset in Group Accounts | | |
|------------------------------|--------------------------|--|---------------------------------------|--|--|---|--|
| | | 6 months Jun 2010 unaudited % | 12 months Dec 2009 audited % | 6 months Jun 2009 unaudited % | 6 months Jun 2010 unaudited \$000 | 12 months Dec 2009 audited \$000 | 6 months Jun 2009 unaudited \$000 |
| Associates | | | | | | | |
| AXE ECN Pty Limited | Australia | 50 | 50 | 50 | - | - | - |
| Link Market Services Limited | New Zealand | 50 | 50 | 50 | 3,645 | 3,939 | 4,022 |
| Appello Services Limited | New Zealand | 30 | 30 | 30 | 279 | 190 | 578 |
| | | | | | 3,924 | 4,129 | 4,600 |

NZX Limited
Notes to the financial statements
For the six months ended 30 June 2010

8. Goodwill

| | Group | | | Parent | | |
|--|--|---|--|--|---|--|
| | 6 months Jun 2010 unaudited \$000 | 12 months Dec 2009 audited \$000 | 6 months Jun 2009 unaudited \$000 | 6 months Jun 2010 unaudited \$000 | 12 months Dec 2009 audited \$000 | 6 months Jun 2009 unaudited \$000 |
| Gross carrying amount | | | | | | |
| Balance at beginning of the period | 13,878 | 4,075 | 4,075 | 7,720 | - | - |
| Goodwill on acquisition | 1,624 | 11,083 | 10,256 | - | 7,720 | 7,720 |
| Movement in earn out provisions post acquisition | (2,291) | (1,280) | - | - | - | - |
| Balance at end of the period | 13,211 | 13,878 | 14,331 | 7,720 | 7,720 | 7,720 |
| Net book value | | | | | | |
| Balance at beginning of the period | 13,878 | 4,075 | 4,075 | 7,720 | - | - |
| Balance at end of the period | 13,211 | 13,878 | 14,331 | 7,720 | 7,720 | 7,720 |

Goodwill on acquisition comprises \$1,342,000 of goodwill on the acquisition of Callum Downs Pty Limited ("Callum Downs"), \$267,000 on the acquisition of the CLEAR Group ("CLEAR"), and \$15,000 on the acquisition of Australian Crop Forecasters Pty Limited ("ACF") in the Group only.

The estimated earn-out provisions arising on acquisitions have been reviewed and adjusted to reflect current operating performance.

9. Other intangible assets

| | Group | | | Parent | | |
|--|--|---|--|--|---|--|
| | 6 months Jun 2010 unaudited \$000 | 12 months Dec 2009 audited \$000 | 6 months Jun 2009 unaudited \$000 | 6 months Jun 2010 unaudited \$000 | 12 months Dec 2009 audited \$000 | 6 months Jun 2009 unaudited \$000 |
| Gross carrying amount | | | | | | |
| Balance at beginning of the period | 41,922 | 19,063 | 19,063 | 32,945 | 13,059 | 13,059 |
| Additions | 4,437 | 23,433 | 10,728 | 4,235 | 20,058 | 7,747 |
| Disposals | - | (402) | - | - | - | - |
| Impairment | - | (172) | - | - | (172) | - |
| Balance at end of the period | 46,359 | 41,922 | 29,791 | 37,180 | 32,945 | 20,806 |
| Accumulated amortisation and impairment | | | | | | |
| Balance at beginning of the period | 6,911 | 4,594 | 4,594 | 5,119 | 3,829 | 3,829 |
| Amortisation expense | 1,812 | 2,331 | 819 | 1,205 | 1,290 | 386 |
| Disposals | - | (14) | - | - | - | - |
| Balance at end of the period | 8,723 | 6,911 | 5,413 | 6,324 | 5,119 | 4,215 |
| Net book value | 37,636 | 35,011 | 24,378 | 30,856 | 27,826 | 16,591 |
| Comprising: | | | | | | |
| Other intangibles – definite life | 29,393 | 27,387 | 17,462 | 25,606 | 23,195 | 12,662 |
| Other intangibles – indefinite life | 8,243 | 7,624 | 6,916 | 5,250 | 4,631 | 3,929 |
| Net book value | 37,636 | 35,011 | 24,378 | 30,856 | 27,826 | 16,591 |

Amortisation expense is included in the line item 'depreciation and amortisation expense' in the Income Statement.

NZX Limited
Notes to the financial statements
For the six months ended 30 June 2010

10. Bank Loan

At 30 June 2010 NZX had two bank loans totalling \$10,035,827 denominated in New Zealand Dollars with nominal interest rates of 4.30% and 4.43%. The bank loans have durations of less than one year, and were established for acquisitions, allowing the Group flexibility in its capital management.

11. Financial Instruments

The Group manages its capital to ensure that entities in the Group are able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Board of NZX reviews the capital structure on a semi-annual basis. As a part of this review the Board considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the Board the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issuance of new debt or the repayment of existing debt.

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: foreign currency risk, interest rate risk, credit risk and liquidity risk.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies, hence exposure to exchange rate fluctuations arise. The foreign currencies in which transactions are primarily denominated are United States Dollars (USD) (market information sales and IT infrastructure purchases), and Australian Dollars (AUD) (market information sales). Exchange rate exposures are managed within approved parameters. The Group has an investment in Markit shares that are denominated in USD. The shares will be valued on a mark to market basis and any change in valuation will be recognised in the Income Statement.

NZX utilises natural hedges from receipts of sales to offset purchases denominated in foreign currencies. The Treasury Committee meets monthly to determine forward exposures and considers these in line with internal policies and procedures and where appropriate enters forward exchange agreements to keep any exposure to an acceptable level. Monetary assets and liabilities are also considered by the Treasury Committee and are kept to an acceptable level by buying or selling foreign currencies at the spot rate.

Interest rate risk

NZX is exposed to interest rate risk in that future interest rate movements will affect cash flows and the market value of fixed interest and other investment assets. NZX currently does not use any derivative products to manage interest rate risk.

Credit risk

The maximum credit risk associated with the financial instruments held by NZX is considered to be the value reflected in the statement of financial position. The risk of non-recovery of these amounts is considered to be minimal.

NZX does not require collateral or other security to support financial instruments with credit risk.

Liquidity risk management

The Group entity manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

12. Share capital

| | Group | | | Parent | | |
|---------------|--------------------------------|------------------------------|--------------------------------|--------------------------------|------------------------------|--------------------------------|
| | Jun 2010 unaudited \$000 | Dec 2009 audited \$000 | Jun 2009 unaudited \$000 | Jun 2010 unaudited \$000 | Dec 2009 audited \$000 | Jun 2009 unaudited \$000 |
| Share capital | 37,133 | 32,101 | 31,473 | 41,746 | 35,801 | 35,250 |
| | 37,133 | 32,101 | 31,473 | 41,746 | 35,801 | 35,250 |

NZX Limited
Notes to the financial statements
For the six months ended 30 June 2010

| | Group | | | Parent | | |
|---|---|--|---|---|--|---|
| | 6 months Jun 2010 Number of Shares unaudited 000 | 12 months Dec 2009 Number of Shares audited 000 | 6 months Jun 2009 Number of Shares unaudited 000 | 6 months Jun 2010 Number of Shares unaudited 000 | 12 months Dec 2009 Number of Shares audited 000 | 6 months Jun 2009 Number of Shares unaudited 000 |
| Fully paid ordinary shares | | | | | | |
| Balance at beginning of the period | 120,659 | 97,585 | 97,585 | 122,973 | 99,375 | 99,375 |
| Issue of shares - rights | - | 19,469 | 19,841 | - | 19,841 | 19,841 |
| Issue of shares - senior management share schemes | - | - | - | (556) | 83 | - |
| Issue of ordinary shares - distribution plan | 2,331 | 3,344 | 3,413 | 2,412 | 3,413 | 3,413 |
| Issue of ordinary shares - employee share plan | - | 55 | 55 | 1,265 | 55 | 55 |
| Issue of shares - on acquisition of businesses | - | 341 | 260 | - | 341 | 260 |
| Cancellation of shares - treasury stock | - | (135) | (135) | - | (135) | (135) |
| Balance at end of the period | 122,990 | 120,659 | 121,019 | 126,094 | 122,973 | 122,809 |

As at 30 June 2010 there were 126,093,556 ordinary shares issued and fully paid (Dec 2009: 122,972,580, Jun 2009: 122,809,680). All ordinary shares rank equally with one vote attached to each fully paid ordinary share.

13. Dividends

| | 6 months Jun 2010 unaudited | | 12 months Dec 2009 audited | | 6 months Jun 2009 unaudited | |
|----------------------------|-----------------------------------|----------------|----------------------------------|----------------|-----------------------------------|----------------|
| | Cents per share | Total \$000 | Cents per share | Total \$000 | Cents per share | Total \$000 |
| Recognised amounts | | | | | | |
| Fully paid ordinary shares | 6.50c | 8,039 | 6.25c | 6,211 | 6.25c | 6,211 |

In March 2010, NZX gave shareholders the option of receiving one bonus share for every 28.81 shares held at a strike price of \$1.8728 or a dividend payment of 6.50 cents per fully imputed per share, in relation to the 2009 annual result. A total of 323 holders with a combined shareholding of 53,465,156 shares opted for the dividend payment, and the remaining shareholders with a combined shareholding of 69,507,424 shares chose the bonus option.

The total distribution paid in the 6 months to 30 June 2010 was \$8,039,000.

14. Commitments for expenditure

| | Group | | | Parent | | |
|---------------------------|--------------------------------|------------------------------|--------------------------------|--------------------------------|------------------------------|--------------------------------|
| | Jun 2010 unaudited \$000 | Dec 2009 audited \$000 | Jun 2009 unaudited \$000 | Jun 2010 unaudited \$000 | Dec 2009 audited \$000 | Jun 2009 unaudited \$000 |
| Tata Consulting Limited | 388 | - | 300 | 388 | - | 300 |
| Trayport Limited contract | - | 436 | - | - | 436 | - |
| Total | 388 | 436 | 300 | 388 | 436 | 300 |

NZX Limited
Notes to the financial statements
For the six months ended 30 June 2010

15. Acquisition of businesses

| Name business acquired | Proportion of assets/shares acquired (%) | Principal activity | Date of acquisition |
|---|---|---------------------------|----------------------------|
| 2010 | | | |
| Callum Downs Pty Limited | 100 | Data sales | 16 June 2010 |
| 2009 | | | |
| Countrywide Publishing Limited | 100 | Rural publisher | 1 May 2009 |
| The Marketplace Company Limited and its subsidiaries Energy Clearing House Limited and Energy Market Consulting Limited | 100 | Energy market services | 9 June 2009 |
| CLEAR Group | 100 | Grain trading platform | 31 October 2009 |
| Australian Crop Forecasters Pty Limited | 100 | Rural publisher | 30 November 2009 |

On 16 June 2010 NZX acquired the business and assets of Callum Downs. Callum Downs publishes subscription reports on the Australian grain market.

16. Cash security balances

In discharging its obligations under the Electricity Governance Rules (EGRs), Energy Clearing House Limited (ECH) is required to ensure that energy purchasers maintain adequate levels of prudential security. This is usually satisfied by way of a bank guarantee, but occasionally purchasers will deposit cash with ECH to satisfy these requirements.

ECH does not recognise the security provided in its statement of financial position. There was \$26,018,347.38 in cash held from such deposits at 30 June 2010.

17. Electricity settlement

At 30 June 2010, Energy Clearing House Limited has outstanding payables and receivables for the purchase and sale of electricity, and the settlement of transmission losses. These items are not recorded in the Group's statement of financial position, because in aggregate, a nil net position arises which is consistent with the fact that other parties have accepted the risks associated with electricity settlements. No legal right of set-off exists between these electricity settlement liabilities and assets.

18. Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding overdrafts. Cash and cash equivalents at the end of the financial period as shown in the cash flow statement are reconciled to the related items in the statement of financial position as follows:

| | Interest Rates | Maturities | Group | | | Parent | | |
|---------------|----------------|-------------|--------------------------|------------------------|--------------------------|--------------------------|------------------------|--------------------------|
| | | | Jun 2010 unaudited \$000 | Dec 2009 audited \$000 | Jun 2009 unaudited \$000 | Jun 2010 unaudited \$000 | Dec 2009 audited \$000 | Jun 2009 unaudited \$000 |
| Cash at bank | 3.0% | Call | 6,274 | 11,864 | 15,368 | 2,384 | 4,555 | 13,041 |
| Bank deposits | 3.0% - 4.4% | 7 – 89 days | 10,628 | 23,958 | 19,501 | 628 | 23,958 | 19,501 |
| | | | 16,902 | 35,822 | 34,869 | 3,012 | 28,513 | 32,542 |

\$10 million of the Group bank deposit balance is ring-fenced as risk capital for the New Zealand Clearing Corporation ("NZCC").

NZX Limited
Notes to the financial statements
For the six months ended 30 June 2010

(b) Reconciliation of profit for the period to net cash flows from operating activities

| | Group | | | Parent | | |
|--|--|---|--|--|---|--|
| | 6 months Jun 2010 unaudited \$000 | 12 months Dec 2009 audited \$000 | 6 months Jun 2009 unaudited \$000 | 6 months Jun 2010 unaudited \$000 | 12 months Dec 2009 audited \$000 | 6 months Jun 2009 unaudited \$000 |
| Profit after tax for the period | 5,683 | 38,711 | 60,758 | 5,215 | 10,420 | 6,386 |
| Gain on revaluation of fair value through profit or loss on financial assets | (1,304) | (33,114) | (58,366) | (71) | (4,643) | (4,643) |
| Share of associates' profit | (69) | (181) | (65) | - | - | - |
| Depreciation and amortisation of non-current assets | 2,152 | 2,902 | 1,061 | 1,510 | 1,794 | 590 |
| | 6,462 | 8,318 | 3,388 | 6,654 | 7,571 | 2,333 |
| Impairment of non-current assets | - | 2,353 | 1,822 | - | 4,126 | 3,596 |
| (Increase)/decrease in current tax balances | (1,032) | (706) | (1,599) | (477) | 121 | (940) |
| Increase/(decrease) in deferred tax balances | 245 | (232) | (4) | 226 | (90) | (13) |
| Decrease/(increase) in current receivables | (2,174) | (624) | (2,901) | (1,251) | 1,216 | (472) |
| | 3,501 | 9,109 | 706 | 5,152 | 12,994 | 4,504 |
| Increase/(decrease) in current payables | (6,928) | 4,839 | 2,210 | (5,541) | 3,513 | (575) |
| | (3,427) | 13,948 | 2,916 | (389) | 16,457 | 3,929 |
| Non-operating payables | 3,615 | (1,416) | (731) | 1,256 | (1,416) | (731) |
| Non-operating provisions | - | 2,873 | (894) | - | 204 | (973) |
| Other non-operating liabilities | 3,615 | 1,457 | (1,625) | 1,256 | (1,212) | (1,704) |
| Net cash from operating activities | 188 | 15,405 | 1,291 | 867 | 15,245 | 2,225 |

19. New Zealand Clearing Corporation risk capital

The NZCC, a subsidiary of NZX, was capitalised with \$10 million of risk capital in June 2010 and NZX has committed to inject a further amount of up to \$5 million of risk capital if required. In addition, there will be working capital provided to NZCC of \$2 million cash, although actual working capital needs are expected to be significantly below this level. All amounts will be funded from NZX's own cash reserves.

20. Segment information

NZX has three revenue segments, being agri-business, securities markets and energy markets. NZX considers that there are no expenditure segments as there is a significant shared fixed cost base and NZX operates as one company without allocation of this expenditure.

NZX considers that on the balance sheet, segments exist for intangible assets only. There are no other asset or liability segments as NZX has a shared asset base with assets and liabilities operated without allocation.

| | Group – 6 months Jun 2010 unaudited | | | | |
|---------------------------------|-------------------------------------|--------------------------------|----------------------------|-----------------|-----------------|
| | Agri- business \$000 | Securities Markets \$000 | Energy Markets \$000 | Other \$000 | Total \$000 |
| Revenue: | | | | | |
| Listings | - | 4,799 | - | - | 4,799 |
| Trading | - | 3,039 | - | - | 3,039 |
| Market data | - | 4,664 | - | - | 4,664 |
| Post trade systems & services | - | 1,189 | 2,406 | - | 3,595 |
| Agri | 5,333 | - | - | - | 5,333 |
| Energy | - | - | 1,399 | - | 1,399 |
| Smartshares | - | 1,102 | - | - | 1,102 |
| Total Revenue | 5,333 | 14,793 | 3,805 | - | 23,931 |
| Unallocated expenditure: | - | - | - | (15,376) | (15,376) |
| Total segment result | 5,333 | 14,793 | 3,805 | (15,376) | 8,555 |

NZX Limited
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For the six months ended 30 June 2010

| | Group – 6 months Jun 2010 unaudited | | | | |
|------------------------------|--|---|-------------------------------------|------------------------|------------------------|
| | Agri- business \$000 | Securities Markets \$000 | Energy Markets \$000 | Other \$000 | Total \$000 |
| Segment assets: | | | | | |
| Intangibles | 16,038 | 17,715 | 3,883 | - | 37,636 |
| Goodwill | 5,168 | 323 | 7,720 | - | 13,211 |
| Total segment assets: | 21,206 | 18,038 | 11,603 | - | 50,847 |
| Unallocated assets | - | - | - | 65,790 | 65,790 |
| Unallocated liabilities | - | - | - | (19,874) | (19,874) |
| Net assets | 21,206 | 18,038 | 11,603 | 45,916 | 96,763 |

| | Group – 12 months Dec 2009 audited | | | | |
|-------------------------------|---|---|-------------------------------------|------------------------|------------------------|
| | Agri- business \$000 | Securities Markets \$000 | Energy Markets \$000 | Other \$000 | Total \$000 |
| Revenue: | | | | | |
| Listings | - | 11,592 | - | - | 11,592 |
| Trading | - | 5,016 | - | - | 5,016 |
| Market data | - | 10,559 | - | - | 10,559 |
| Post trade systems & services | - | 1,876 | 2,611 | - | 4,487 |
| Agri | 7,709 | - | - | - | 7,709 |
| Energy | - | - | 1,233 | - | 1,233 |
| Smartshares | - | 2,209 | - | - | 2,209 |
| Total Revenue | 7,709 | 31,252 | 3,844 | - | 42,805 |

Unallocated expenditure: - - - (25,249) (25,249)

Total segment result 7,709 31,252 3,844 (25,249) 17,556

| | | | | | |
|------------------------------|---------------|---------------|---------------|---------------|---------------|
| Segment assets: | | | | | |
| Intangibles | 16,072 | 14,560 | 4,379 | - | 35,011 |
| Goodwill | 5,835 | 323 | 7,720 | - | 13,878 |
| Total segment assets: | 21,907 | 14,883 | 12,099 | - | 48,889 |
| Unallocated assets | - | - | - | 80,524 | 80,524 |
| Unallocated liabilities | - | - | - | (35,439) | (35,439) |
| Net assets | 21,907 | 14,883 | 12,099 | 45,085 | 93,974 |

| | Group – 6 months Jun 2009 unaudited | | | | |
|-------------------------------|--|---|-------------------------------------|------------------------|------------------------|
| | Agri- business \$000 | Securities Markets \$000 | Energy Markets \$000 | Other \$000 | Total \$000 |
| Revenue: | | | | | |
| Listings | - | 5,167 | - | - | 5,167 |
| Trading | - | 2,440 | - | - | 2,440 |
| Market data | - | 6,098 | - | - | 6,098 |
| Post trade systems & services | - | 906 | 273 | - | 1,179 |
| Agri | 2,415 | - | - | - | 2,415 |
| Energy | - | - | 231 | - | 231 |
| Smartshares | - | 1,097 | - | - | 1,097 |
| Total Revenue | 2,415 | 15,708 | 504 | - | 18,627 |

Unallocated expenditure: - - - (9,551) (9,551)

Total segment result 2,415 15,708 504 (9,551) 9,076

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Notes to the financial statements
For the six months ended 30 June 2010

| | Group – 6 months Jun 2009 unaudited | | | | Total \$000 |
|------------------------------|--|---|-------------------------------------|------------------------|------------------------|
| | Agri- business \$000 | Securities Markets \$000 | Energy Markets \$000 | Other \$000 | |
| Segment assets: | | | | | |
| Intangibles | 7,563 | 11,938 | 4,877 | - | 24,378 |
| Goodwill | 6,288 | 323 | 7,720 | - | 14,331 |
| Total segment assets: | 13,851 | 12,261 | 12,597 | - | 38,709 |
| Unallocated assets | - | - | - | 109,463 | 109,463 |
| Unallocated liabilities | - | - | - | (32,846) | (32,846) |
| Net assets | 13,851 | 12,261 | 12,597 | 76,617 | 115,326 |

21. Subsequent Events

On 5 July 2010, NZX announced its intention to buy back up to 3,571,428 of its fully paid ordinary shares during the period from 9 July 2010 to 31 January 2011. The buy-back of shares is an opportunity expected to provide a return to shareholders in excess of NZX's cost of capital. The buy-backs will be undertaken in accordance with the NZSX Listing Rules, the Companies Act 1993 and NZX's Constitution. The total number of shares repurchased in July 2010 was 1,240,000 for a total value of \$1,943,171.

Directory

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Andrew Harnos (Chariman)
Nigel Williams
Neil Paviour-Smith
Rod Drury
Chris Moller
Mark Weldon

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Auditors' review report

To the shareholders of NZX Limited

We have reviewed the interim financial statements on pages 3 to 15 in accordance with the Review Engagement Standards issued by the Institute of Chartered Accountants of New Zealand. The financial statements provide information about the past financial performance of NZX Limited (the 'Company') and its subsidiary companies (the 'Group') and their financial position as at 30 June 2010.

Directors' responsibilities

The Directors of NZX Limited are responsible for the preparation of interim financial statements which give a true and fair view of the financial position of the Company and Group as at 30 June 2010 and the results of its operations and cash flows for the six month period ended on that date.

Reviewers' responsibilities

It is our responsibility to express an independent opinion on the interim financial statements presented by the Directors and report our opinion to you.

Basis of opinion

A review is limited primarily to enquiries of company personnel and analytical review procedures applied to the financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Other than in our capacity as auditors we have no relationship with or interests in the company

Review opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements on pages 3 to 15 do not give a true and fair view of the financial position of the Company and Group as at 30 June 2010 and the results of their operations and cash flows for the six month period ended on that date in accordance with NZ IAS 34 *Interim Financial Reporting*.

Our review was completed on 17 August 2010 and our opinion is expressed as at that date.

Wellington