

Items covered include:

- Transaction fees for on market trades in ASX overseas and dual listed stocks traded on NZX¹.

1 August 2008

Disclaimer

This Pricing Update has been issued by NZX to promote market certainty and to assist Market Participants. NZX may replace Pricing Updates at any time and a Market Participant should ensure it has the most recent version.

MARKET PARTICIPANT PRICING UPDATE No. 11

INTRODUCTION

This pricing update outlines changes to specific Market Participant transaction fees that relate to trading in ASX overseas and dual listed stocks traded on NZX. All other Participant pricing remains the same and these have not been discussed in this Pricing Update.

TRANSACTION FEES IN ASX OVERSEAS AND DUAL LISTED STOCKS TRADED ON NZX

NZX is undertaking a three month trial of a new price structure for transaction fees in ASX overseas and dual listed stocks traded on NZX¹ commencing 1 August 2008. The changes are designed to encourage Market Participants to enter such trades on NZX, thereby improving underlying market liquidity.

Details of this structure are outlined below.

ON MARKET TRADES	TRANSACTION FEE	BASIS
Aggressive executions	\$1 per trade 0.20 bps per value traded capped at \$20	Charge
Passive executions	0.05 bps	Rebate

Aggressive execution

A participant that places an order that immediately creates a trade (i.e., removes liquidity) is said to have completed an aggressive execution. Transaction fees charged for these trades remain unchanged.

Passive execution

A participant that places an order that does not immediately create a trade, which then gets hit by an incoming aggressive order, is said to have completed a passive execution. Transaction fees for these trades are waived, and participants receive a rebate.

¹See attached Appendix for the list of stocks affected by this price structure.

The new pricing structure will be limited to on market trades in continuous trading only (excludes trades that occur in the opening and closing auction).

NZX expects that the changed pricing structure will result in a net decrease in NZX transaction fees of over 50% for NZX Trading and Advising Participants in these stocks.

Rebates will be calculated and retrospectively applied on a monthly basis.

Rebates will be used to offset other charges NZX Trading and Advising Participants incur.

Effective start date of the three month trial is 1 August 2008. NZX will make a further announcement at the end of the trial.

EXAMPLE 1 - AGGRESSIVE ORDER THAT MATCHES COMPLETELY

Participant A places an order to sell 10,000 TLS at \$5.45. This adds an order to the order book and the order is the best offer.

Participant B then places an order to buy 10,000 TLS at \$5.45. This order creates a trade of 10,000 TLS at \$5.45. This order has removed Participant A's order from the book.

Trade charges/rebates for Participant A and B are as follows:

PARTICIPANT	VALUE
Participant A (Passive)	Value of trade = 10,000 x \$5.45 = \$54,500 Value of rebate = 0.0005% x \$54,500 = \$0.30 PARTICIPANT A GETS PAID \$0.30, AND INCURS NO TRANSACTION FEES
Participant B (Aggressive)	Trade Fee = \$1 Value charge = 0.002% x \$54,500 = \$1.09 PARTICIPANT B PAYS \$2.09 TRANSACTION FEES - NO CHANGE

EXAMPLE 2 - AGGRESSIVE ORDER THAT LEAVES A BALANCE

Participant C places an order to buy 5,000 ANZ at \$20.75. This adds an order to the order book and the bid is the best bid.

Participant D then places an order to sell 5,500 ANZ at \$20.75. This order creates a trade of 5,000 ANZ at \$20.75. This is leg one of this example. This order has removed Participant C's order from the book, and created an accidental passive order with 500 ANZ to sell at \$20.75 being left on the book.

Participant E then enters an order to buy 500 ANZ at \$20.75. This hits Participant D's accidental passive order, creating a trade. This is leg two of this example.

Trade charges/rebates for Participant C and D are as follows:

PARTICIPANT	VALUE
Participant C (Passive)	Value of trade = $5,000 \times \$20.75 = \$103,750$ Value of rebate = $0.0005\% \times \$103,750 = \0.52 PARTICIPANT C GETS PAID \$0.52, AND INCURS NO TRANSACTION FEES
Participant D (Aggressive) (Passive)	<u>Leg One (Participant D aggressive)</u> Trade Fee = \$1 Value charge = $0.002\% \times \$103,750 = \2.08 <u>Leg Two (Participant D passive)</u> Value of trade = $500 \times \$20.75 = \$10,375$ Value of rebate = $0.0005\% \times \$10,375 = \0.05 PARTICIPANT D PAYS \$3.08 TRANSACTION FEES AND RECEIVES A REBATE OF \$0.05 PARTICIPANT D PAYS A NET TRANSACTION FEE OF \$3.03
Participant E (Aggressive)	Trade Fee = \$1 Value Charge = $0.002\% \times \$10,375 = \0.21 PARTICIPANT E PAYS \$1.21 TRANSACTION FEE - NO CHANGE

APPENDIX I - ASX HOME LISTED NZX Overseas And Dual LISTED STOCKS

ISSUER LISTING STATUS	STOCK CODE	ISSUER
Dual Full	APN	APN News & Media Limited
Overseas	AMP	AMP Limited
Overseas	ANZ	Australia and New Zealand Banking Group Limited
Overseas	AFI	Australian Foundation Investment Company Limited
Overseas	BBI	Babcock & Brown Infrastructure
Overseas	DOW	Downer EDI Limited
Overseas	EWC	Energy World Corporation Limited
Dual Full	GFF	Goodman Fielder Limited
Overseas	LMP	L & M Petroleum Limited
Overseas	LMPOA	L & M Petroleum Limited
Overseas	LNN	Lion Nathan Limited
Overseas	PBG	Pacific Brands Limited
Overseas	PPP	Pan Pacific Petroleum NL
Overseas	PEO	People Telecom Limited
Overseas	TPC	Tag Pacific Limited
Overseas	TLS	Telstra Corporation Limited
Overseas	TPI	Transpacific Industries Group Ltd
Overseas	WBC	Westpac Banking Corporation