

# Appendix 4E (rule 4.3A)

**Preliminary Final Report**  
**Financial Year Ended 30 June 2014**  
**(previous corresponding period is for the year ended 30 June 2014)**

## Results For Announcement To The Market

				\$A'000
Revenues from ordinary activities <i>(Appendix 4E Item 2.1)</i>	Down	7.4%	To	1,087
Net loss for the period attributable to members <i>(Appendix 4E item 2.2)</i>	Up	6.6%	To	(2,091)
Net loss from ordinary activities after tax attributable to members <i>(Appendix 4E item 2.3)</i>	Up	6.6%	To	(2,091)

<b>Dividends/distributions</b> <i>(Appendix 4E item 2.4)</i>	<b>Amount per security</b>	<b>Franked Amount per security</b>
Final dividend	Nil	Nil
Previous corresponding period	Nil	Nil

<b>Record date</b> for determining entitlements to dividends. <i>(Appendix 4E item 2.5)</i>	<b>N/A</b>
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<b>Explanation of Result</b> <i>(Appendix 4E item 2.6)</i>  <b>The results have been audited.</b>  During the year the Economic Entity incurred a loss after tax of \$2.1 million (2013 - loss of \$2.0million) or 6.6% increase in the loss compared to 2013.	Continued next page
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## Group Summary

The operating loss for the Group was \$2.09million for the period (6.6% increase on the previous period's operating loss). Factors leading to this result are explained in the revenue and expense analysis sections below. The Group maintains a cash balance of \$2.3million at the end of the period. Of the cash held, \$2.2million is held in trust as part of the Stock Exchange's market compensation arrangements and guarantees leaving \$0.13million as working capital for the NSX Group as at 30 June. The remaining funding due from Financial and Energy Exchange for the SIMVSE joint venture is \$0.71million. The Group is reliant on funding from FEX.

Earnings per share (EPS) decreased from (1.97) cents per share to (2.04) cents per share or a decline of 3.6%.

<b>30 June</b>	<b>2014</b>	<b>2013</b>	<b>Change</b>
<b>Summary</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Revenue	1,087	1,174	-7.4
Expenses excluding impairments	3,178	3,136	1.3
Operating loss	(2,091)	(1,962)	6.6
Expenses including impairments	3,178	3,136	1.3
<b>Net loss after tax</b>	<b>(2,091)</b>	<b>(1,962)</b>	<b>6.6</b>
			<b>Change</b>
<b>Key Statistics</b>	<b>2014</b>	<b>2013</b>	<b>%</b>
Earnings per share (cents)	(2.04)	(1.97)	-3.6
Net tangible asset backing (cents)	0.5	2.4	-77.8
Share price at end of period (cents)	10.0	16.0	-37.5
Shares on Issue at end of period (mil)	102.4	102.4	0.0
Market capitalisation (\$'mil)	10.2	16.4	-37.5
Cash at bank (\$'000)	2,331	2,431	-4.1
Cash held for statutory purposes (\$'000)	2,200	2,200	0.0
<b>Working Capital (\$'000)</b>	<b>131</b>	<b>231</b>	<b>-43.3</b>
SIMVSE capital due from FEX (\$'000)	710	990	-28.3

## REVENUE

Out of total revenue, receipts associated with the operation of the stock exchanges business accounts for 93% of all revenue earned.

Gross revenue has decreased by 7.4% due to a falls in interest received and revenue from the quotation of additional securities. This is reflective of general market conditions for listed companies where raising additional capital has been difficult.

Interest received declined by 23.1% due to lower interest rates received on smaller cash balances held within the NSX Group.

Other revenue has declined by 89.8% due to no other one off revenue gains.

### Changes in Revenue Categories from 30 June 2014 vs. 30 June 2013 (Table 1)

<b>30 June</b>		<b>2014</b>	<b>2013</b>	<b>Change</b>
<b>Revenue Category</b>	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Exchange Revenue	1	1,009.7	1,065.2	-5.2
Interest Received		75.9	98.7	-23.1
Other Revenue	2	1.0	10.2	-89.8
<b>Total Revenue</b>		<b>1,086.6</b>	<b>1,174.1</b>	<b>-7.4</b>

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## EXPENSES

Gross operating expenses increased by 1.3% from \$3.1million to \$3.2million. The following is an explanation of major movements within each expense category that lead to the above result.

Employee benefits expense increased by 11.6% as share based variable contracts for two executives were converted to fixed employment agreements and outstanding entitlements under the previous agreements were paid out. The NSX no longer operates share based employment schemes.

Consultancy expenses includes contractor payments, external advisers and payments to Financial and Energy Exchange for the services of Ann Bowering as CEO of the SIMVSE Joint Venture. This expense decreased by 0.2% due a slightly smaller expenditure incurred by the JV with FEX for SIMVSE.

Compliance expense includes any activities associated with the external committees for the Exchanges such as the Listing and Admission Committee and the Compliance Committee. It also includes any other compliance related expenses not classified elsewhere in the accounts. This expense increased by 6.5% due to increased regulatory activities of both Exchanges. This expense category tends to increase or decrease depending on the amount of listing applications by issuers, applications for participant broker status, compliance and surveillance activity required of the Listing Admission and Compliance Committees.

Legal and professional expenses includes any payments to outside legal and professional representation. This expense decreased by 80.5% due to a continuing trend of a lesser requirement for legal advice during the year. There are no known current or pending legal actions.

Market trading expenses encompasses any costs associated with running the trading and settlement activities of the exchanges, including trading systems, websites, fees to regulators and key service provider costs that can be identified as contributing to the operation of the markets. This expense decreased by 6.8% during the year due to a reduction in CHES application fees for new issuers. This expense also includes fees associated with NSX participation in the ASX Settlement Facilitation Service as well as ASIC annual fees for the Stock Exchanges' Market Licences.

Marketing and promotion includes any costs associated with external promotion of the Exchanges such as sales activities at exhibitor conferences and business development related travel. Expenditure has decreased by 58.5% due no one off third party payments.

Occupancy expense includes any expense related to the three offices maintained by NSX in Sydney, Melbourne and Newcastle during the year. It also includes any allocation by FEX for office space utilised by the SIMVSE Joint Venture. This expense has increased by 4.1% due to market based increases in rent associated with all three locations..

General administration and other expenses have increased by 5.1% mainly due to a reduction in bad debts expense.

The table of expenses summarises the movements in major expense categories relative to the previous comparable period's expenses.

<b>30 June</b>	<b>2014</b>	<b>2013</b>	<b>Change</b>
<b>Expense Category</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Employee benefits expense	1,442.6	1,292.6	11.6
Depreciation, amortisation and impairments	11.5	18.1	-36.5
Consultancy expenses	160.2	160.5	-0.2
Compliance expenses	57.2	53.7	6.5
Legal expenses	13.1	67.3	-80.5
Market trading expenses	811.8	870.9	-6.8
Marketing and promotion expenses	15.8	38.1	-58.5
Occupancy expenses	199.1	191.3	4.1
Administration & Other expenses	466.2	443.5	5.1
<b>Total Expenses</b>	<b>3,177.5</b>	<b>3,136.0</b>	<b>1.3</b>

**ANNUAL GENERAL MEETING**

The NSX Limited Annual General Meeting will be held at 3.30pm (AEST) on Thursday, 20 November 2014, at the FEX Marketsite, Ground Floor, 7 Bridge Street, Sydney NSW 2300.

28 August 2014

This report is based on the consolidated financial statements which have been audited.