



ANNUAL MEETING OF SHAREHOLDERS

Monday 30 April 2012 commencing at 3.00pm
NZX Centre, Level 2, 11 Cable Street, Wellington

Dear Shareholders,

On 30 April 2012, NZX will hold its ninth Annual Meeting in Wellington. Among the agenda items is a pro rata return of capital to shareholders. Your directors consider the arrangement described below, and in the detailed explanatory notes, to be the most appropriate way to return surplus capital to shareholders. The capital repayment will be primarily funded by the proceeds of the Company's shareholding in Markit, being US\$21.4 million. The balance will be funded from available cash reserves, including by recourse to the Company's debt facilities. In order to implement the return of capital, a special resolution will be considered at the Annual Meeting on 30 April.

RETURN OF CAPITAL TO SHAREHOLDERS

On 20 February 2012 your directors announced a proposed capital repayment of approximately \$34.4 million. The board has concluded that this amount should be repaid to shareholders on a pro rata basis. This means that all holders of ordinary shares will participate on an equal basis, at the same time, and that each shareholder's relative percentage of ownership will not change.

Your directors have evaluated the capital structure of the company in light of its financial performance, the strength of the balance sheet, and ongoing capital requirements. We consider that this capital return is consistent with our view on an appropriate capital structure.

The capital return will not affect NZX's quarterly dividend programme. The board will provide guidance on the 2012 dividend at the Annual Meeting.

EFFECT ON YOUR FINANCIAL POSITION

The return of capital will be achieved via a court-approved cancellation of one tenth of the shares held by each shareholder. The payment to each shareholder will equate to \$0.285 for each ordinary share held prior to the return of capital (this will differ slightly due to rounding where shareholders hold a number of shares not divisible by ten) – that is \$2.85 for each share cancelled. The record date for the capital return will be announced in due course. **The pro rata nature of the arrangement will result in each shareholder's relative percentage holding in the company remaining unaffected.** The total amount of capital returned will be approximately \$34.4 million.

The amount of \$21.7 million will be treated as a return of capital, while the remaining \$12.7 million will be treated as a taxable distribution and fully imputed. Each shareholder's tax position is personal to that shareholder – shareholders are encouraged to seek their own tax advice in respect of the proposal.

Below is an example considering the outcome for a shareholder with 10,000 shares.

Note: references to share prices are for illustrative purposes only.

	Before	After
Shares held	10,000	9,000
Share price before repayment (say, \$2.80)	\$28,000	-
Share price after repayment (now estimated at \$2.79)	-	\$25,150
Plus cash received (\$2.85 for 1000 shares)	-	\$2,850 ¹
Value to shareholder	\$28,000 (Shares only)	\$28,000 (Cash and shares)
Percentage ownership	.0083%	.0083%

The proposed 'seven-for-three' share split immediately following the cancellation will have the following outcome.

Note: references to share prices are for illustrative purposes only.

	Before	After
Shares held	9,000	21,000
Share price (estimate)	\$2.79	\$1.20
Share value	\$25,150	\$25,150
Percentage ownership	.0083%	.0083%

PROCESS

The company applied to the High Court for an order directing the company to put the proposal to return capital by way of cancellation of shares to its holders of ordinary shares. The High Court has ordered that approval by special resolution of holders of ordinary shares (that is, a resolution passed by a 75% majority of votes of all ordinary shareholders entitled to vote and voting at a meeting) is needed. That resolution is to be put to holders of ordinary shares at the Annual Meeting to be held on 30 April 2012 in Wellington, as detailed in the Notice of Meeting.

Your vote in relation to the proposal is important. Please read carefully and either attend the meeting or appoint a proxy to attend on your behalf by completing the enclosed proxy form.

¹ Taxes may be withheld on this amount.

If the resolution is passed, the company will seek a final order from the High Court sanctioning the return of capital, which will then be binding on all shareholders. The aim is to have the process completed in time to make a payment in early June.

If you have any questions please contact:

Rowan Macrae

Head of Corporate Office

NZX

PO Box 2959

Wellington

Telephone: +64 4 496 2874

Email: rowan.macrae@nzx.com

Alternatively, shareholders can telephone the Registrar, Link Market Services Limited on 09 375 5998.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Andrew Harnos', with a stylized, cursive script.

Andrew Harnos
Chairman