

NSX LIMITED

ABN: 33 089 447 058

HALF YEAR ENDED 31 DECEMBER 2012

APPENDIX 4D

RESULTS FOR ANNOUNCEMENT TO THE MARKET

(Comparative figures being the half year ended 31 December 2011)

				\$A
Revenues	Up	2.3%	to	542,607
<i>Explanation</i> The increase in revenue is attributable to a change in the collection arrangements for settlement fees.				
Loss after tax attributable to members	Down	37.8%	to	972,789
<i>Explanation</i> The decrease in losses stems from higher revenue and a reduction in legal expenses and other non-recurring expenses compared to the previous period,				
Loss attributable to members for the period	Down	37.8%	to	972,789

Dividends/distributions	Amount per security	Franked Amount per security
Final dividend (prior year - paid)	Nil	Nil
Interim Dividend (declared)	Nil	Nil
Record date for determining entitlements to dividends.	No dividends are proposed by the Directors' for the period ended 31 December 2012.	

NTA backing	Half-year ended 31 Dec 2012	Half-year ended 31 Dec 2011
Net tangible asset backing per ordinary share	2.6 cents	3.4 cents

Controlled entities acquired or disposed of:

During the half-year ended 31 December 2012 no entities were acquired or disposed of.

Details of shares and results in associates and joint venture entities:

There is currently an association between Financial and Energy Exchange Limited (FEX) and NSX Limited for the venture with SIM VSE Group Holdings Limited for the operation of an Australian Market Licence; SIM Venture Securities Exchange Limited. As at the Balance Date, NSX owned 68.2% of the venture and FEX owned 31.8%. As at balance date, the venture entity is consolidated in the accounts and is shown as non-controlling interest. The following table is provided as information on the financial performance of the venture as required by Appendix 4D:

	31-Dec 2012	30-Jun 2012
Non-controlling Interest		
Share Capital \$	1,899,663	1,899,663
Current Year profit/(loss)	(112,143)	(245,214)

The outstanding payments from FEX for the joint venture amount to \$1.09million.



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NSX LIMITED

ABN 33 089 447 058

and its controlled entities

Half-Year Financial Report

Including additional
Appendix 4D disclosures

31 DECEMBER 2012

RELEASED
7 February 2012

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This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by NSX Limited ("the Company") during the half year reporting period in accordance with the continuous disclosure requirements of the Listing Rules of the Australian Securities Exchange ("ASX") and of the Corporations Act 2001.

CHAIRMAN'S REPORT

Dear Shareholders,

During 2012 the management has continued to streamline our operations and develop the technology platform to improve broker access, in particular make it feasible for online brokers to obtain access. In addition, the company has sought to provide better and easier viability to the market for investors with new websites launched for both Exchanges in December.

Market conditions remain difficult with limited corporate activity and new listings. Whilst our pipeline is looking better, we must continue to focus on making sure that companies seeking to access our market can do so efficiently and in a timely manner. With market conditions generally improving, more companies will be prepared to venture out to the capital markets and our exchanges, the National Stock Exchange of Australia and SIM Venture Securities Exchange, have experienced an uptick in interest from both brokers and companies.

Changes to the regulatory environment are also impacting on our management and Board time as our regulator seeks to fine tune its interaction with the markets at a time of changing competitive environment. One of the key impacts this will have on the NSX is requiring it improve our capital position and so that we maintain sufficient working capital to ensure that we are able to maintain fair, efficient and transparent exchanges.

In addition the company will need additional working capital during the year to fund ongoing operations.

As a consequence of these competing capital requirements, the Board has resolved to raise additional capital and will advise shareholders and the market in general as soon as these plans have been finalised.

MICHAEL COX
Chairman

Date: 7 February 2013

CHIEF EXECUTIVE OFFICER'S REPORT

2012 has been a busy year for all of us at NSX, making changes that will put us in good stead for 2013 and beyond. With only a small team there are limits on the speed that developments can be implemented, however we are able to make decisions far quicker than larger organisations.

In 2012 we updated the face of NSX, namely via changes in our logo, website look and tone, marketing material, and key values that we uniquely bring to the Australian listing space.

We also introduced a FIX interface to our platform so we could connect online brokers and connected Paritech, one of Australia's two main online software suppliers, to foster online access. Bringing online brokers to NSX has proved more difficult than I expected but perseverance has paid off. A new online broker called OpenMarkets is due to launch on NSX and SIM VSE very soon, offering online access to all Australian equity listing markets for the first time. They will bring sorely needed competition to the online broking space and we look forward to working closely with them, introducing our listed companies and offering their shareholders the type of access to NSX they've been craving.

We have also completely reviewed every part of our charging structure to make sure that our offering is exactly what our customers are looking for. With this in mind we've changed our trading fees, listing fees, annual fees, adviser fees, broker fees and many others. I believe they are now set at levels and styles that will further promote NSX business.

We have removed the requirement for sponsoring brokers to be involved in IPOs, reducing the cost and complexity of listing further for companies. We have also introduced a formal fast track switching service, so that disgruntled companies listed on another Australian market can easily and cost effectively move to the NSX. We will be marketing this service more during the year as online comes on-stream and trade volumes begin to accelerate.

The result of all these changes has been to build a solid foundation that leverages off NSX's existing strengths of pro-listing rules, friendly and helpful service along with effective listing and secondary trading services, and adds on the key components that were missing, namely brand messaging and online access.

2013 therefore becomes the year when we start showing Australia the new look NSX. Feedback already has been overwhelmingly positive and our pipeline of listings, broker and adviser additions, is stronger than any time in our history. I look forward to seeing the fruits of our hard labour and announcing these results to you over the coming quarters.

EMLYN SCOTT
Chief Executive Officer

Date: 7 February 2013

Statutory Reports

NSX Limited

ABN: 33 089 447 058

Financial Statements

For the Half Year Ended 31 December 2012

NSX Limited

ABN: 33 089 447 058

For the Half Year Ended 31 December 2012

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NSX Limited

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Directors' Report For the Half Year Ended 31 December 2012

Your directors submit the financial report of the Economic Entity for the half-year ended 31 December 2012.

General information

Directors

The names of the directors in office at any time during, or since the end of, the period are:

Ann Bowering	Appointed 25 May 2009.
Michael Cox	Appointed 23 November 2009.
Thomas Price	Appointed 17 November 2009.
Bruce McNab	Alternate to Ann Bowering, appointed 1 June 2011.

Directors have been in office since the beginning of the reporting period, to the date of this report, unless otherwise stated.

Company Secretary

Scott Evans, General Manager, held the position of Company Secretary from the beginning of the reporting period. Appointed 7 March 2006.

Review of Operations

Summary results for the operations are as follows:

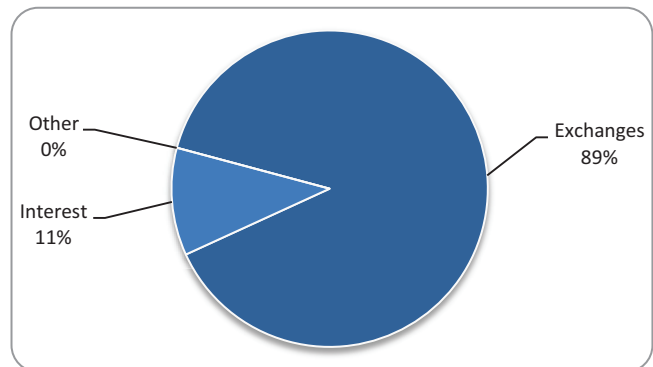
- Revenue – 542,607 (up 2.3%)
- Operating Expenses – 1,515,400 (down 27.6%)
- Loss after tax – 972,789 (down 37.8%)
- Normal earnings per share increased from (1.6) to (1.0).
- Net tangible Assets per share decreased from 3.4 cents to 2.6 cents

REVENUE

Receipts associated with the operation of the stock exchanges business accounts for 89% of all revenue earned.

Gross revenue has increased by 2.3% compared to the previous corresponding period (pcp).

Exchange revenue is defined as all receipts derived from operating the stock exchange businesses which includes listing fees both annual and application, additional quotation of and fees charged in respect of cost recovery of the CHESSTransfer Facility. Exchange revenue increased by 10.8% pcp due to the change in contractual arrangements with ASX concerning the collection of application and annual CHESSTransfer Facility fees. Interest received declined by 35.2% pcp due to smaller cash balances held within the NSX Group. Other revenue has declined by 93.3% pcp.



NSX Limited

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Directors' Report

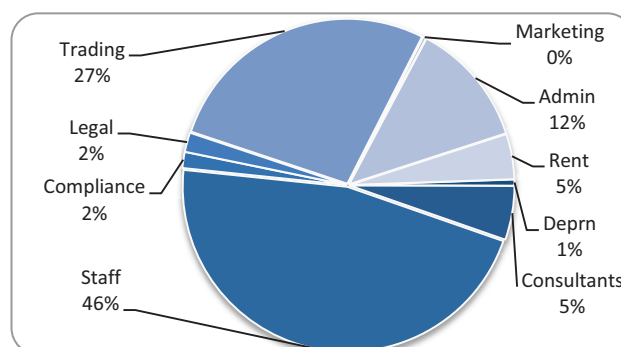
For the Half Year Ended 31 December 2012

31 December Revenue Category	2012 \$'000	2011 \$'000	Change %
Exchange Revenue	483.5	436.4	10.8
Interest Received	58.9	90.9	-35.2
Other Revenue	0.2	3.2	-93.3
Total Revenue	542.6	530.5	2.3

EXPENSES

Gross Operating expenses decreased by 27.6% pcp from \$2.1million to \$1.5million. The following is an explanation of major movements within each expense category that lead to the above result.

Employee benefits expense decreased by 15.4% pcp due to no one off employment expenses associated with previous legal actions.



Consultancy expenses includes contractor payments and external advisers that have not been allocated elsewhere in the accounts. This expense decreased by 27.2% pcp due to the termination of the services of a contractor.

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 decreased by 46.6% pcp due to decreased listing activities during the period on both Exchanges. This expense category tends to increase or decrease depending on the amount of listing applications by issuers, applications for participant broker status and surveillance activity.

Legal and professional expenses includes any payments to outside legal and professional representation. This expense decreased by 92.0% pcp due to no legal actions and less requirement for legal advice during the period. There are no known current or pending legal actions.

Market trading expenses encompasses any costs associated with the running of the trading and settlement activities of the exchanges, including trading systems, websites, fees to regulators, CHES Settlement and key service provider costs that can be identified as contributing to the operation of the exchanges. This expense increased by 1.9% pcp during the year due to increased fees from ASX for participation in the ASX Settlement Facilitation Service and costs associated with the redesign of the NSXA website.

Marketing and promotion includes any costs associated with external promotion of the exchanges such as sales activities at exhibitor conferences. Expenditure has decreased by 69.3% pcp more reliance on electronic marketing material rather than hardcopy.

Occupancy expense includes any expense related to the three offices maintained by NSX in Sydney, Melbourne and Newcastle during the year. This expense has decreased by 0.8% pcp due savings in some operating costs of the occupied areas.

Administration expenses have decreased by 23.5% pcp due to identified costs savings specifically in travel.

NSX Limited

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Directors' Report

For the Half Year Ended 31 December 2012

31 December	2012	2011	Change
Expense Category	\$'000	\$'000	%
Employee benefits expense	701.9	829.9	-15.4
Depreciation, amortisation and impairments	9.1	22.4	-59.5
Consultancy expenses	80.1	110.0	-27.2
Compliance expenses	23.8	44.6	-46.6
Legal expenses	28.8	357.9	-92.0
Market trading expenses	414.8	407.0	1.9
Marketing and promotion expenses	4.2	13.7	-69.3
Occupancy expenses	67.3	67.9	-0.8
Administration	176.7	231.1	-23.5
Other	8.8	10.0	-12.9
Total Expenses	1,515.4	2,094.4	-27.6

WORKING CAPITAL

The Group maintains a cash balance of \$2,871,068 (2011: \$3,603,524) at the end of the period. Of the cash held, \$2,226,000 is held in trust as part of the Stock Exchange's market compensation arrangements, settlement participation arrangements and rental bonds. Therefore \$2,226,000 is not available to the NSX Group as working capital. The following discussion details the impact of these arrangements on NSX Limited's cash balances.

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	\$'000
Cash on hand and at bank	645
Deposits at call	2,226
Total: cash at end of the period	2,871

Compensation Funds

As part of the National Stock Exchange of Australia Limited's Australian Financial Markets Licence, NSX operates investor Compensation Arrangements in accordance with Part 7.5 Division 3 of the Corporations Act 2001. National Stock Exchange of Australia Limited has provided a cash deposit of \$700,000 as part of its compensation arrangements for its Equity Market. This is over and above the money that is included in the Fidelity Fund operated by NSXA.

As part of the SIM Venture Securities Exchange Limited's (SIM VSE) Australian Financial Markets Licence, SIM VSE operates investor Compensation Arrangements in accordance with Part 7.5 Division 3 of the Corporations Act 2001. NSX Limited has provided a cash deposit of \$1,000,000 on behalf of SIM VSE as part of SIM VSE's compensation arrangements for the SIM VSE Equity Market.

In total \$1,700,000 is not available cash for use by the NSX Group as working capital due to the effect of the compensation arrangements.

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Directors' Report For the Half Year Ended 31 December 2012

Settlement Bond

As part of the requirements for the National Stock Exchange of Australia (NSXA) to be registered as a General Settlement Participant for the purposes of ASX Settlement Pty Ltd Operating Rules (ASXOR 4.3.13) NSX has to lodge a Settlement Bond with ASX Settlement. The amount of the bond is \$500,000 and is used to compensate ASX Settlement if a Settlement Participant breaches any rule that causes ASX Settlement to suffer or incur any losses or damages as a result of that breach. The bond was established in May 2012.

Rental Bonds

NSX limited has in place a bank guarantee for the rental of premises in Newcastle and also a bank guarantee for credit card facilities totalling \$25,831.

SIM Venture Securities Exchange Joint Venture Funding

A Joint Venture partnership exists between SIM VSE Group Holdings Ltd and Financial and Energy Exchange Limited (FEX) for the purpose of funding the activities of the SIM Venture Securities Exchange Ltd. The funding amounts to \$3million to be paid by FEX in return for 50% of the issued capital of SIM VSE Group Holdings Ltd the parent of SIM Venture Securities Exchange Ltd. To date \$1.09 million in funding remains available to be received by the Joint Venture.

Net Working Capital

The following table details the impact of the bank guarantee arrangements on NSX Limited's current cash balances available for use.

	\$A'000
Total cash at end of the period	2,871
Deposits held for Equity Markets Compensation Arrangements.	(1,700)
Deposits held while National Stock Exchange of Australia is registered as a General Settlement Participant of ASX Settlement Pty Ltd (activated May 2012)	(500)
Other Bank Guarantees (as detailed above)	(26)
Total: cash available for use by the Group at the end of period	645

Given the working capital balance of the group and future increases in regulatory requirements for capital to be held by the group, NSX intends to raise additional capital in the very near future. Details of the capital raising will be forwarded to shareholders and released to the ASX once offer documents have been finalised. For further information please see post balance date events on page 14 or the offer documents once available.

NSX Limited

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Directors' Report For the Half Year Ended 31 December 2012

CONSOLIDATED SUMMARY

The operating loss for the Group was \$972,789 (2011: \$1,563,922) for the period (37.8% decrease on the previous corresponding period 2011: 71.5%). Factors leading to this result are explained in the revenue and expense analysis section above. The Group maintains a cash balance of \$2.9million 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 other regulatory deposits and bonds leaving \$645,000 as working capital for the NSX Group. The remaining funding due from Financial and Energy Exchange for the SIMVSE joint venture is \$1.09million.

Earnings per share (EPS) increased from (1.6) cents per share to (1.0) cent per share or an increase of 37.8% pcp reflective of the above loss. No new shares were issued in NSX Limited during the period.

	31-Dec-12	31-Dec-11	Change
	\$'000	\$'000	%
Revenue	542.6	530.5	2.3
Expenses excluding impairments	1,515.4	2,094.4	(27.6)
Operating loss	(972.8)	(1,563.9)	(37.8)
Expenses including impairments	1,515.4	2,094.4	(27.6)
Net loss after tax	(972.8)	(1,563.9)	(37.8)
Earnings per share (cents)	(1.0)	(1.6)	(37.8)
Net tangible asset backing (cents)	2.6	3.4	(23.1)
Share price at end of period (cents)	12.0	23.0	(47.8)
Shares on Issue at end of period (mil)	99.1	99.1	-
Market capitalisation (\$'mil)	11.9	22.8	(47.8)
Cash at bank (\$'000)	2,871.0	3,603.5	(20.3)
Cash held for statutory purposes (\$'000)	2,226.0	1,700.0	30.9
Working Capital ('000)	645.0	1,903.5	(66.1)

Dividends paid or declared

The Directors do not recommend payment of any dividends at this time and no dividend was paid during the period.

NSX Limited

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**Directors' Report
For the Half Year Ended 31 December 2012**

Events occurring after balance date

Capital Raising

NSX operates two market licences which enables it to operate stock exchange facilities. In order to continue to pursue the development of the business and to set aside working capital as a part of increased regulatory and working capital requirements to maintain the licences, NSX expects to raise additional capital. NSX will send documents to shareholders for a rights issue in the near future. The rights issue will seek to raise over \$4million. Details of the rights issue and any additional capital raising by the group will be forwarded to shareholders and released to the market as soon as finalised by the NSX Board.

Other Matters

Other than the matters mentioned above there are no other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Economic Entity, the results of those operations or the state of affairs of the Economic Entity in future financial years.

Auditors Independence Declaration

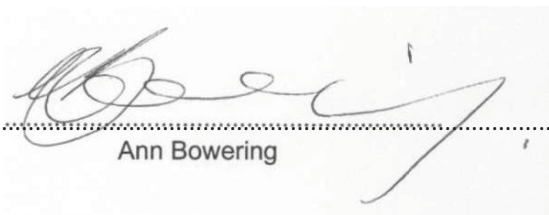
The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 15 for the period ended 31 December 2012.

Signed in accordance with a resolution of the Board of Directors:



Director:

Michael Cox



Director:

Ann Bowering

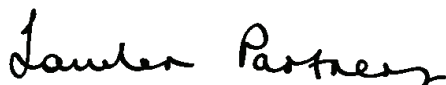
Dated this 7 day of February 2013

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

TO THE DIRECTORS OF NSX LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2012, there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b) no contraventions of any applicable code of professional conduct in relation to the review



LAWLER PARTNERS
Chartered Accountants

Newcastle

Dated: 7 February 2013



ROBERT BELL
Partner

NSX Limited

ABN: 33 089 447 058

Statement of Comprehensive Income For the Half Year Ended 31 December 2012

	Note	Consolidated	
		31-Dec 2012	31-Dec 2011
		\$	\$
Revenue	2	542,607	530,508
Employee benefits expense		(701,866)	(829,875)
Depreciation, amortisation and impairments	2	(9,069)	(22,372)
Consultancy fees		(80,115)	(110,000)
Compliance expenses		(23,822)	(44,623)
Legal expenses		(28,799)	(357,923)
Market trading expenses		(414,759)	(406,990)
Marketing and promotion		(4,230)	(13,659)
Occupancy expenses		(67,314)	(67,885)
Administration expenses		(176,669)	(231,057)
Other expenses		(8,753)	(10,046)
Loss before income tax		(972,789)	(1,563,922)
Income tax expense		-	-
Loss for the period		(972,789)	(1,563,922)
Loss attributable to non controlling equity interest		(112,143)	(26,156)
Loss attributable to members of the parent entity		(860,646)	(1,537,766)
		(972,789)	(1,563,922)
Other comprehensive income		-	-
Total comprehensive income for the period		(972,789)	(1,563,922)
<u>Earnings per share</u>			
Basic earnings per share (cents per share)		(0.98)	(1.58)
Diluted earning s per share (cents per share)		(0.98)	(1.58)

NSX Limited

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Statement of Financial Position As At 31 December 2012

	Note	Consolidated	
		31-Dec 2012 \$	30-Jun 2012 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	671,068	1,197,999
Trade and other receivables		159,018	136,883
Financial assets	3	2,200,000	2,200,000
Other current assets		283,426	247,567
Total current assets		3,313,512	3,782,449
Non-current assets			
Property, plant and equipment		24,376	31,420
Total non-current assets		24,376	31,420
TOTAL ASSETS		3,337,888	3,813,869
LIABILITIES			
Current liabilities			
Trade and other payables		594,709	105,967
Short-term provisions		129,728	125,087
Total current liabilities		724,437	231,054
Non-current liabilities			
Financial liabilities			
Other long-term provisions		43,718	40,293
Total non-current liabilities		43,718	40,293
TOTAL LIABILITIES		768,155	271,347
NET ASSETS		2,569,733	3,542,522
EQUITY			
Issued capital		35,341,833	35,341,833
Retained earnings		(34,279,256)	(33,418,610)
Parent Interest		1,062,577	1,923,223
Non Controlling interest		1,507,156	1,619,299
TOTAL EQUITY		2,569,733	3,542,522

The accompanying notes form part of these financial statements.

NSX Limited

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Statement of Changes in Equity For the Half Year Ended 31 December 2012

	Consolidated			Total \$
	Issued Capital \$	Non- Controlling Interests \$	Retained Earnings \$	
Balance at 1 July 2012	35,341,833	1,619,299	(33,418,610)	3,542,522
Loss for the year	-	-	(860,646)	(860,646)
Other comprehensive income for the period	-	-	-	-
Loss attributable to non-controlling interest	-	(112,143)	-	(112,143)
Shares issued by subsidiary during the year	-	-	-	-
Establishment of non-controlling interest	-	-	-	-
Non-cash share based payments	-	-	-	-
Transaction costs on share issue	-	-	-	-
Balance at 31 Dec 2012	35,341,833	1,507,156	(34,279,256)	2,569,733
Balance at 1 July 2011	35,797,332	(986)	(30,890,536)	4,905,810
Loss for the year	-	-	(1,537,766)	(1,537,766)
Other comprehensive income for the period	-	-	-	-
Loss attributable to non-controlling interest	-	(26,156)	-	(26,156)
Share issued by subsidiary during the year	-	-	-	-
Establishment of non-controlling interest	-	-	-	-
Non-cash share based payments	-	-	-	-
Transaction costs on share issue	-	-	-	-
Balance at 31 December 2011	35,797,332	(27,142)	(32,428,302)	3,341,888

The accompanying notes form part of these financial statements.

NSX Limited

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**Statement of Cash Flows
For the Half Year Ended 31 December 2012**

	Consolidated	
	31-Dec 2012	31-Dec 2011
	\$	\$
Cash from operating activities:		
Receipts from customers	886,496	708,101
Payments to suppliers and employees	(1,470,335)	(2,141,574)
Interest received	58,933	90,898
Finance Costs	-	-
Net cash provided by (used in) operating activities	(524,906)	(1,342,575)
Cash flows from investing activities:		
Payment of subsidiary, net of cash acquired	-	-
Acquisition of property, plant and equipment	(2,025)	(2,380)
Acquisition of intangibles	-	-
Net loans from/(to) related parties	-	-
Net cash provided by (used in) investing activities	(2,025)	(2,380)
Cash flows from financing activities:		
Proceeds from issue of shares by subsidiary	-	-
Costs of issue of shares	-	-
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Net cash provided by (used in) financing activities	-	-
Net increase (decreases) in cash held	(526,931)	(1,344,955)
Cash at beginning of financial year	3,397,999	4,948,479
Cash at end of financial year	2,871,068	3,603,524

The accompanying notes form part of these financial statements.

NSX Limited

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Notes to the Financial Statements For the Half Year Ended 31 December 2012

Note 1 Statement of Significant Accounting Policies

(a) Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2012 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of NSX Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2012, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the period ended 30 June 2012. However, the following amendments to accounting standards as a result of the annual Improvements to AASB come into effect during the period. The listed amendments did not have any impact on the accounting policies, financial position or performance of the Group:

AASB 124 Related Party Transactions (Amendment)

The AASB has issued an amendment to AASB 124 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party relationships of an entity. Secondly, the amendment introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

AASB 132 Financial Instruments: Presentation (Amendment)

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Notes to the Financial Statements For the Half Year Ended 31 December 2012

The amendment alters the definition of a financial liability in AASB 132 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment has had no effect on the financial position or performance of the Group.

AASB Interpretation 14: Prepayments of a Minimum Funding Requirement (Amendment)

The amendment removes an unintended consequence when an entity is subject to minimum funding requirements (MFR) and makes an early payment of contributions to cover such requirements. The amendment permits a prepayment of future service cost by the entity to be recognised as pension asset. The Group is not subject to minimum funding requirements in Australia. The amendment to the interpretation therefore had no effect on the financial position or performance of the Group.

Improvements to AASB (issued May 2010)

In May 2010, the AASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but did not have any impact on the financial position or performance of the Group.

AASB 7: Financial Instruments — Disclosures

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risk associated with them. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

AASB 101: Presentation of Financial Statements

The amendment clarifies that an option to present an analysis of each component of other comprehensive income may be included either in the statement of changes in equity or in the notes to the financial statements. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

AASB 2010-8 'Amendments to Australian Accounting Standards- Deferred tax Recovery of Underlying Assets'

These amendments clarify that the tax base of investment property measured using the fair value model in accordance with AASB 140 Investment Property is based on the premise that the carrying amount will be recovered entirely through sale rather than through use.

AASB 2011-9 'Amendments to Australian Accounting Standards- Presentation of Items of Other Comprehensive Income'

These amendments make a number of changes to the presentation of other comprehensive income including presenting separately those items that would be reclassified to profit or loss in the future and those that would never be re-classified to profit or loss and the impact of tax on those items.

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Notes to the Financial Statements For the Half Year Ended 31 December 2012

Note 2 Profit from Ordinary Activities

The following significant revenue and expense items are relevant to explaining the financial performance:

Revenue

	Consolidated 31-Dec 2012 \$	31-Dec 2011 \$
Listing and application fees	453,210	413,586
Exchange hosting service fees	30,250	22,850
	483,460	436,436

Other Income

Other revenue	214	3,174
Interest - other persons	58,933	90,898
Total other income	59,147	94,072
Total Revenue	542,607	530,508

Expenses

Depreciation, amortisation and impairments	9,069	22,372
	9,069	22,372

Note 3 Cash Flow Information

(a) Reconciliation of cash

Cash at the end of the financial period as shown in the cash flow statement is reconciled to items in the statement of financial position as follows:

	Consolidated 31-Dec 2012 \$	30-Jun 2011 \$
Cash and cash equivalents	671,068	1,403,524
Held to maturity (amortised cost)	2,200,000	2,200,000
	2,871,068	3,603,524

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Notes to the Financial Statements For the Half Year Ended 31 December 2012

Note 4 Reliance on Australian Securities Exchange Limited and NASDAQ OMX

The ability of the National Stock Exchange of Australia Limited and SIM Venture Securities Exchange Limited to conduct their operations is reliant upon the capability and reliability of the ASX Settlement CHES settlement systems which are used by the Economic Entity.

The ability of the National Stock Exchange of Australia Limited and SIM Venture Securities Exchange Limited to conduct operations is heavily reliant upon the capability and reliability of the trading systems which are licensed to the Economic Entity by the NASDAQ OMX.

A significant and sustained failure of those systems would have a materially detrimental effect on the economic entity's short term results, which in turn could undermine the longer term confidence in the Economic Entity.

Note 5 Operating Segments

Segment Information

Identification of Reportable Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group operates in one operating segments, being:

- Stock Exchanges

There is no aggregation of operating segments into reportable segments, given that each segment represents a distinct business.

Type of Products and Services by Segment

Stock Exchanges

The stock exchange cash generating units provide a facility to trade the securities of issuers admitted to the official list. It also provides hosting services for other exchanges.

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Notes to the Financial Statements For the Half Year Ended 31 December 2012

Note 5 Operating Segments (Cont'd)

Accounting Policies and Inter-segment Transactions

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief operating decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. Interest is not charged on such loans.

Inter-segment sales and purchases are made on the basis of the Group's internal transfer pricing policies. No allocation of corporate charges is made to the operating segments, as these are predominately incurred by the Head Office and are not allocated in the internal management reports.

Segment Assets and Liabilities

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables.

Geographical Segments

The Group conducts all of its business from Australia, therefore no reporting of results by geographical segment is performed.

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Notes to the Financial Statements For the Half Year Ended 31 December 2012

Note 5 Operating Segments (Cont'd)

Major Customers

The Group has a number of customers to which it provides both products and services. The Group has no major customers who contribute more than 10% of total revenue.

(a) Segment Performance

	Stock Exchanges \$'000	Water Exchange \$'000	Unallocated Items \$'000	Total \$'000
6 Months Ended 31 Dec 2012				
Revenue				
External sales - services	483.5	-	-	483.5
Interest revenue	25.5	-	33.4	58.9
Other	-	-	0.2	0.2
Total segment revenue	509.0	-	33.6	542.6
Total group revenue				542.6
Results				
Segment net profit before tax	(702.2)	-	(270.5)	(972.7)
Other Items				
Depreciation and amortisation	9.0	-	-	9.0
6 Months Ended 31 Dec 2011				
Revenue				
External sales - services	436.4	-	-	436.4
Interest revenue	-	-	90.9	90.9
Other	-	-	3.2	3.2
Total segment revenue	436.4	-	94.1	530.5
Total group revenue				530.5
Results				
Segment net profit before tax	(1,016.5)	(3.0)	(544.4)	(1,563.9)
Other Items				
Depreciation and amortisation	22.4	-	-	22.4

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Notes to the Financial Statements For the Half Year Ended 31 December 2012

Note 5 Operating Segments (Cont'd)

(b) Segment Assets

	Stock Exchanges \$'000	Taxi Markets \$'000	Water Exchange \$'000	Unallocated Items \$'000	Total \$'000
As at 31 December 2012					
Segment Assets	1,463.5	-	-	1,874.3	3,337.8
Segment asset increases for - Acquisitions	-	-	-	-	-
As at 31 December 2011					
Segment Assets	1,215.0	1.9	105.9	2,831.0	4,153.8
Segment asset increases for the period: - Acquisitions	2.0	-	-	-	2.0

(c) Segment Liabilities

	Stock Exchanges \$'000	Taxi Markets \$'000	Water Exchange \$'000	Unallocated Items \$'000	Total \$'000
As at 31 December 2012					
Segment Liabilities	510.3	-	-	257.8	768.1
As at 31 December 2011					
Segment Liabilities	416.1	-	-	395.8	811.9

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Notes to the Financial Statements For the Half Year Ended 31 December 2012

Note 6 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Transactions with related parties:

(a) Director Related Entities

	Consolidated	
	31-Dec 2012 \$	30-Jun 2012 \$
Mr Michael Cox as a director of Solidus Financial Services - services rendered as CEO to NSX Limited	-	(63,000)
Ms Ann Bowering	-	-
Mr Tom Price as Director of Financial and Energy Exchange Limited - Payments made to FEX by the NSX Group as part of the SIM VSE Joint Venture.	(80,115)	(461,013)
Mr Bruce McNab fees paid to Aldgate Lawyers for representation on various matters	-	(12,652)
Mr Bruce McNab - as expense reimburse as an alternate director for A Bowering	-	(11,400)

(b) Associated Companies

No payments were made to associated companies other than those disclosed above.

Note 7 Contingent Liabilities

Compensation Arrangements

As part of the National Stock Exchange of Australia Limited's Australian Financial Markets Licence, NSX operates Investor Compensation Arrangements in accordance with Part 7.5 Division 3 of the Corporations Act 2001. The NSX is required to have in place minimum cover of \$800,000 to compensate investors. Of this amount a minimum of \$100,000 is sourced from the NSX Fidelity Fund and the remaining \$700,000 is in the form of a cash deposit provided by NSX Limited and Westpac Bank has issued a letter of credit in support of these arrangements.

As part of the SIM Venture Securities Exchange Limited's (SIM VSE) Australian Financial Markets Licence, SIM VSE operates Investor Compensation Arrangements in accordance with Part 7.5 Division 3 of the Corporations Act 2001. SIM VSE is required to have in place minimum cover of \$1,000,000 to compensate investors. Of this amount \$1,000,000 is in the form of a cash deposit provided by NSX

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Notes to the Financial Statements For the Half Year Ended 31 December 2012

Limited and National Australia Bank has issued a letter of credit in support of these arrangements.

Note 7 Contingent Liabilities (Cont'd)

ASX Settlement Performance Bond

National Stock Exchange of Australia acts as a settlement agent on behalf of several NSX and SIMVSE broker participants. Consequently NSX is registered with ASX Settlement as a General Participant for the purpose of ASX Settlement Operating Rules to effect CHESS settlements. ASX Settlement Operating Rule 4.9.1 requires General Participants to post a Settlement Performance Bond to the value of \$500,000. ASX Settlement can make a demand under Operating Rule 4.9.5 if ASX Settlement is satisfied that a Participant has contravened a provision of the rules and as a result of that contravention, ASX settlement has suffered or incurred any losses, damages, costs or expenses.

NSX has established a bank guarantee backed by a term deposit of \$500,000 to satisfy the requirements of the Settlement Performance Bond.

Note 8 Events After the Balance Date

Capital Raising

NSX operates two market licences which enables it to operate stock exchange facilities. In order to continue to pursue the development of the business and to set aside working capital as a part of increased regulatory and working capital requirements to maintain the licences NSX expects to raise additional capital. NSX will send documents to shareholders for a rights issue in the near future. The rights issue will seek to raise over \$4million. Details of the rights issue and any additional capital raising by the group will be forwarded to shareholders and released to the market as soon as finalised by the NSX Board.

Other Matters

Other than the matters mentioned above there are no other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Economic Entity, the results of those operations or the state of affairs of the Economic Entity in future financial years.

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Notes to the Financial Statements For the Half Year Ended 31 December 2012

Note 9 Going Concern

These financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the payment of liabilities in the ordinary course of business. Should the company be unable to continue as a going concern, it may be unable to realise the carrying value of its assets and to meet its liabilities as they become due.

The company has incurred losses of \$972,789 for the half year ended 31 December 2012. In addition to this the company's current cash burn rate indicates that the company may not have sufficient working capital to meet its operational obligations for the coming 12 months.

The Directors have noted that the ongoing ability of the Company to remain a going concern is dependent upon an increase in the level of working capital within the Company. The Directors are investigating the following strategies in an attempt to increase the level of working capital:

- Making a rights issue to raise approximately \$4million in cash prior to the end of March 2013;
- Continuing to leverage the remaining contribution due from FEX for the SIM VSE Joint venture;
- Other share placement's to private investors; and/or
- Instigation of the Company's wind-down procedures, which would see the cash deposits held in trust being realised and all liabilities extinguished.

The accounts have been prepared on a going concern basis which contemplates the realisation of assets and the payment of liabilities in the ordinary course of business. The Directors have adopted this basis of preparation having regard for their assessment, which is based on information available as at the date of this report. Should the above strategies be unsuccessful, there is significant uncertainty whether the Company will be able to continue as a going concern.

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Directors' Declaration

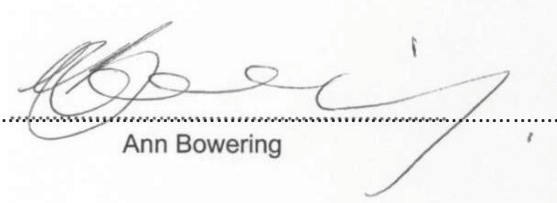
The directors of the Economic Entity declare that:

1. The financial statements and notes, as set out on pages 16 to 29:
 - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the Economic Entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date.
2. In the directors opinion, there are reasonable grounds to believe that the Economic Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director:

Michael Cox

Director:

Ann Bowering

Dated 7 February 2013

INDEPENDENT REVIEW REPORT

TO THE MEMBERS OF NSX LIMITED

Report on the Half Year Financial Report

We have reviewed the accompanying half-year financial report of NSX Limited (the consolidated entity) which comprises the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Auditing Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of NSX Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

INDEPENDENT REVIEW REPORT

TO THE MEMBERS OF NSX LIMITED

Report on the Half Year Financial Report (Continued)

Independence

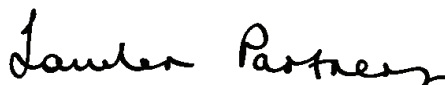
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of NSX Limited does not present fairly, in all material respects, the financial position of the consolidated entity as at 31 December 2012, and of its financial performance and its cash flows for the half-year ended on that date, in accordance with the *Corporations Act 2001*, Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without modifying our conclusion, we draw attention to Note 9 in the financial report, which indicates that the company incurred a net loss of \$972,789 during the half year ended 31 December 2012. This condition, along with other matters set forth in Note 9, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.



LAWLER PARTNERS
Chartered Accountants

Newcastle

Dated: 7 February 2013



ROBERT BELL
Partner