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No: 340/99

SFE to Proceed with Plans to Demutualise

The following is the text from a media release issued on the afternoon of Wednesday, 8 December 1999:

SFE TO PROCEED WITH PLANS TO DEMUTUALISE

The Board of Sydney Futures Exchange today announced its intention to proceed with plans to demutualise. The decision follows a resolution by the Board to present an entitlements policy to Members.

The entitlements policy recommended by the Board is based on the following allocation of SFE shares: 68.5% to Floor Members; 18.5% to Local Members; 7.4% to Associate Members; and 5.6% to Temporary Local Members. Each Member within each class will have an equal entitlement.

The Board also considered a report prepared by its adviser, Macquarie Corporate Finance Limited, that recommended the following allocation: 66% to Floor Members; 20% to Local Members; 8% to Associate Members; and 6% to Temporary Local Members.

The Board could not reach consensus on Macquarie's recommendation. All Directors, with one exception, supported the alternative. The dissenter favoured Macquarie's recommendation.

SFE Chairman, Mr Rick Holliday-Smith, said: "This is a major step forward in the process of demutualising Sydney Futures Exchange. However, given the time and cost involved, that process will only continue with a high-level of support from all Member classes."

SFE will now conduct a series of briefings with Members to describe the demutualisation process and to discuss the arrangements to be put in place in relation to access and trading post-demutualisation.

Matthew Gibbs
Manager; Media & Corporate Relations

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