



MACQUARIE  
ACN 002 574 923

# Macquarie Private Wealth



## ASX

### Business Description

ASX Limited (ASX) operates Australia's primary national securities exchanges. These include the provision of securities exchange services, derivatives exchange services, central counterparty clearing services, and registry, settlement, and delivery-versus-payment clearing financial products and associated ancillary services. It also provides market data services and investor education courses.

### Strategy Analysis

ASX says its goals are to build the franchise and reputation of the group by leveraging its platforms, growing international distribution and diversifying its revenue streams, all while preserving the regulatory soundness of the markets and facilities it operates. The strategy is to balance efficiency and effectiveness in internal business and regulatory processes, without confusing a strong cost management culture with the need to reinvest. ASX aims to invest in and remunerate its most valuable assets- its staff - while administering and upgrading its technology so that service to customers remains operationally robust and internationally comparable in terms of functionality, latency, capacity and reliability. With competition in equities trading imminent, ASX has rolled out its competitive response. ASX reported NPAT up 7.4% to \$352.3m for the year ended 30 June 2011. This was reflected by modest significant expense items related to the migration to the new ASX Trade platform in November 2010, and merger transaction costs incurred between October 2010 and April 2011. Revenues from ordinary activities were \$797.81m, up 8.6% from last year. Diluted EPS was 201.6 cents compared to 190.4 cents last year. Net operating cash flow was \$381.10m compared to \$399.16m last year. The final dividend declared was 93 cents, taking the full year dividend to 183.2 cents compared with 173.1 cents last year. The Company reported futures markets are continuing to experience strong activity, with average daily volume of 521,298 contracts, up 85.7%.

27 January 2012

### Recommendation

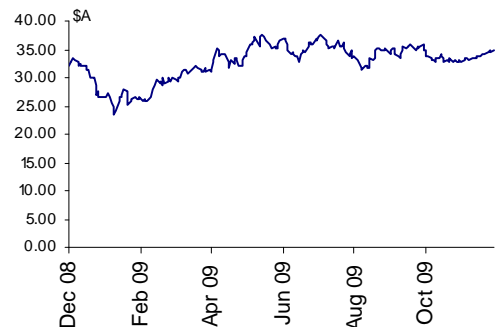
Recommendation: Underperform  
Relative to: All Ind (ex Fins)

### Investment Fundamentals

ASX code: ASX  
Stock price: \$30.55  
Market cap: \$5,350m

	Y/E 30/06/2012	2012e	2013e	2014e	2015e
Reported e	\$m	363.3	375.3	390.6	406.5
Adjusted e	\$m	363.3	375.3	390.6	406.5
EPS adjusted	¢	207.4	214.3	223.0	232.1
EPS growth	%	1.7	3.3	4.1	4.1
PE	x	14.7	14.3	13.7	13.2
PE relative	x	1.2	1.4	1.5	1.4
DPS	¢	186.6	192.8	200.7	208.9
Yield	%	6.1	6.3	6.6	6.8
Franking	%	100.0	100.0	100.0	100.0

### Share Price



Source: ASX and Company accounts

### Segment Performance

Results by Industry	Revenue (%)	Return on Sales (%)	Return on Assets (%)	Annual Shareholders' Return	
				1 year	3 year
Derivatives	27.9	0.0	0.0	-13.0%	
Listing	24.3	0.0	0.0	9.0%	
Cash market	21.7	0.0	0.0	0.7%	
Others	14.6	0.0	0.0	15.0%	
Information services	11.5	0.0	0.0		
<b>Total</b>	<b>100.0</b>	<b>0.0</b>	<b>0.0</b>		
<b>Dividend Reinvestment</b>					
				Plan	No
				Shareholder	
				Discounts	No
<b>Results by Geography</b>					
Australia	100.0	100.0	100.0		
<b>Total</b>	<b>100.0</b>				

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