



MACQUARIE
ACN 002 574 923

Macquarie Private Wealth

Snapshot

AXA Asia Pacific Holdings

Business Description

AXA Asia Pacific Holdings Limited (AXA) provides wealth management and protection services, namely superannuation, life insurance, funds management, master trusts, income protection and financial planning. AXA operates in Australia, New Zealand, Hong Kong, China and Southeast Asia. AXA SA, a French financial services multinational, is the parent company, with 53.0% of the issued capital.

Strategy Analysis

AXA has seven strategies in Australia and New Zealand: improve customers' experience, put ease of doing business at the forefront of service for customers and advisers, position the firm as the partner of choice for advisers, regain a leading position in financial protection and bring risk-management skills to wealth management, better leverage AXA's leading investment capability in providing solutions to customers, simplify the business to reduce cost and risk, and build a culture that supports a winning company. In Asia AXA has five strategies: achieve a leadership position in each of its markets by the time they enter the growth phase; provide a comprehensive range of financial protection and wealth management products to mass market, mass affluent and corporate customers; deliver superior performance by applying AXA's global best practices to multiple distribution channels; gain early mover advantage for wealth management and financial planning advice services; and drive profitable growth through a single regional platform. AXA Asia Pacific Holdings reported net loss of \$279m for the year ended 31 December 2008. Revenue from ordinary activities were \$(2.87bn). Diluted EPS was (16.33) cents compared to 36.88 cents last year. Net operating cash flow was \$2.1bn compared to \$1.11bn last year. The final dividend declared was 9.25 cents, taking the full year dividend to 18.50 cents compared with 22.25 cents last year.

28 July 2010

Recommendation

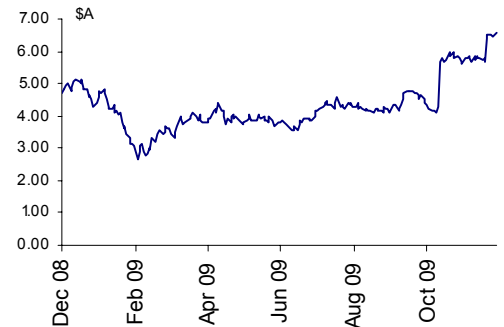
Recommendation: BLANK
Relative to: All Ind (ex Fins)

Investment Fundamentals

ASX code: AXA
Stock price: \$5.50
Market cap: \$11,369m

| Y/E | 31/12/2010 | 2010e | 2011e | 2012e | 2013e |
|--------------|------------|-------|-------|-------|-------|
| Reported e | \$m | 583.1 | 687.6 | 796.6 | 900.4 |
| Adjusted e | \$m | 615.1 | 714.6 | 823.6 | 927.4 |
| EPS adjusted | ¢ | 29.8 | 34.6 | 39.8 | 44.9 |
| EPS growth | % | -9.6 | 16.2 | 15.2 | 12.6 |
| PE | x | 18.5 | 15.9 | 13.8 | 12.3 |
| PE relative | x | 1.3 | 1.4 | 1.4 | 1.3 |
| DPS | ¢ | 18.5 | 20.5 | 23.0 | 26.0 |
| Yield | % | 3.4 | 3.7 | 4.2 | 4.7 |
| Franking | % | 25.0 | 25.0 | 25.0 | 25.0 |

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 |
| Life Insurance & Wealth Management | 100.0 | 100.0 | 100.0 | 34.0% | -5.0% |
| Total | 100.0 | 100.0 | 100.0 | 7.0% | 12.0% |
| | | | | Dividend Reinvestment Plan | Yes |
| | | | | Shareholder Discounts | No |
| Results by Geography | | | | | |
| Australia & New Zealand | 50.7 | 1.2 | 12.0 | | |
| Hong Kong | 42.0 | 3.6 | 34.6 | | |
| Asia ex Hong Kong | 7.4 | 3.5 | 28.8 | | |
| Total | 100.1 | | | | |

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