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- ▶ Access to three years of archived research reports
- ▶ ASX Company Announcement archive

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Australian Stock Exchange Limited (ASX)
Last Updated: 20 November, 2006

Download Research Download Company Snapshot for ASX Profile for ASX

Company Profile >> Overview Enter ASX code or part of comp

Home > Recommendation: **Accumulate** Price data based on previous close.

Company Profiles >

BUY	ACCUM	HOLD	REDUCE	SELL
\$32.00	\$36.00	\$42.00	\$47.00	

Research

Key Measures

Value Model

Business Summary

Consensus Forecasts

Peer Analysis

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Historical Financials

Balance Sheet

Issued Capital

Segmentals

Dividends History

Liquidity

Interim Data

Warrants

Announcements

Major Shareholders

Calendar

INVESTMENT RATING (Last update: 17/11/2006)

ASX operates Australia's largest national exchange for securities trading and is a simple franchise, a monopoly clipping the stock exchange activity ticket. If you want leverage to an improving Australian equity market then it is hard to go past ASX, whose main earnings drivers are the number of listed companies, the number of new listings, and trading volumes in equities and derivatives. Fixed cost leverage ensures more than proportionate swings in profit when volumes rise or fall. The stock is not for the most conservative investor, who might not want the cyclicality. The cyclicality is however around a long-term uptrend and the business is conservatively managed and financed. The merger with SFE should reduce the cyclicality, give ASX access to SFE's secular growth in derivatives, and bring cost and revenue synergies, justifying a higher rating.

LATEST RESEARCH AND RECOMMENDATIONS

17/11/2006	Earnings upgrades on sustaine...	Accumulate
13/10/2006	AGM guidance: SFE merger 'fy...	Accumulate
25/08/2006	More commentary on FY06 resul...	Accumulate
17/08/2006	Solid new merger earnings fr...	Accumulate

Previous Close	52 week high	52 week low
\$34.60	\$37.04	\$28.62

Sector

Diversified Financials

Market Cap

\$5,909 Million

Total Shareholder Return (avg annual rate)

1yr	3yr	5yr	10yr
17.7%	36.3%	30.8%	--

Year	6/05A	6/06A	6/07E	6/08E
NPAT (\$m)	108.5	137.1	260.0	300.0
EPS (c)	105.0	132.9	156.1	175.0
% Change	30.4	26.6	17.5	12.1
DPS (c)	95.1	120.1	136.0	157.0
Franking (%)	100.0	100.0	100.0	100.0
Yield (%)	4.9	3.9	3.9	4.5

Australian Stock Exchange Limited (ASX)
Last Updated: 20 November, 2006

Download Research Download Company Snapshot for ASX Profile for ASX

Company Profile >> Historical Financials Enter ASX code or part of comp

Home > Company Historicals

Company Profiles >

Overview

Per Share Statistics

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PER SHARE STATISTICS

	06/97	06/98	06/99	06/00	06/01	06/02	06/03	06/04	06/05	06/06
Sales(\$)	1.17	1.39	1.49	1.84	1.89	1.99	2.01	2.34	2.71	2.96
Cash flow(cents)	22.3	33.0	51.7	78.0	58.1	74.5	70.6	106.3	185.9	283.8
NTA	1.57	1.74	1.78	1.47	1.54	1.93	2.06	2.11	2.75	3.36
Earnings pre abs(cents)	12.1	20.6	35.1	57.2	51.9	57.7	61.1	80.3	105.0	132.9
Dividends(cents)	0.0	0.0	34.4	41.9	43.3	40.6	67.1	80.7	95.1	120.1
Franking(%)	--	--	100	100	100	100	100	100	100	100
Capital Spending(cents)	-31.4	-22.5	-32.3	-25.4	-28.9	-8.0	-9.9	-9.6	-9.8	-4.6
Book Value(\$)	1.55	1.71	1.76	1.47	1.56	1.95	2.08	2.15	2.79	3.46
Shares outstand(m)	102.1	102.1	102.4	101.2	101.5	101.5	102.0	102.0	102.7	102.7
Market Cap (m)	--	--	1,020	1,159	1,446	1,360	1,277	1,585	2,376	3,347
Ave ann PE ratio (%)	--	--	29.6	20.3	24.0	21.5	19.3	19.4	18.5	23.0
Relative P/E (%)	--	--	225.0	150.4	179.1	153.0	148.1	137.6	121.5	167.1
Dividend Yield (%)	--	--	3.5	3.7	3.0	3.0	5.4	5.2	4.1	3.7
Total Return(%)	--	--	0.0	18.1	31.0	-3.2	3.0	30.4	57.0	46.0
+/- Market(%)	--	--	0.0	0.6	20.8	1.6	-1.0	9.0	31.1	22.1
+/- ASX sector(%)	--	--	0.0	17.4	10.2	-4.7	--	--	--	--

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Company Summary

Australian Stock Exchange Limited

ASX Code: ASX 21 November 2006

Corporate Details

Formerly: No name changes.
Head and Registered Office:
 Exchange Centre, 20 Bridge St
 Sydney, NSW 2000
 Telephone: (02) 9227 0000
 Fax: (02) 9227 0885
 Email: info@asx.com.au
 Internet: www.asx.com.au

Dividend Plan: None
Auditor: KPMG
Banker: NAB
Solicitor: Mallessons Stephen Jaques

Business Summary (as at 30 Aug 2006)
 The Australian Stock Exchange Ltd (ASX) provides stock exchange and ancillary services in Australia. The company was listed in 1998 following the amalgamation of the six state-based exchanges in 1987. Following the merger with SFE in July 2006, ASX is the 5th largest global exchange group.

Operations: The main operating activity of the ASX is to provide a market for trading equities and derivatives (such as options, futures and warrants), and the clearing and settlement of ASX-traded securities. Other activities include listing new entities (including ordinary securities and hybrid securities, such as asset preference shares), providing market data and listed entity announcements, and maintaining market integrity. Through its subsidiary, ASX Markets Supervision (created in July 2006), ASX monitors the day-to-day activities of companies to ensure compliance with listing rules. ASX also conducts educational classes for investors across a range of topics.

Business Strategy: ASX is committed to broadening its products and services. Initiatives include: index options and LEPOs (low exercise price options); trading of debt securities; and more derivative products. The implementation of the exchange-traded CFD (contract for difference) is expected to go live in Q4 FY07.

Trading Systems: ASX is in the process of replacing its current trading system, SEATS, with CLICK XT, an integrated platform for the trading of equities and derivatives. The new system is expected to be completed in early October 2006. Concurrently, SFE Australasia's FINTRACS system will be replaced by a new depository system, ENDO on 21 August 2006.

SEE Mergers: In July 2006, ASX merged with the Sydney Futures Exchange (SFE) via a scheme of arrangement, creating the world's 5th biggest exchange group. ASX is targeting cost synergies for the merged group in the order of \$16m to \$18m by the end of December 2006.

Snapshot

Last Price \$34.00
 Market Cap \$3,900 million
 52 Week High/Low \$37.00 / \$28.52
 Shares on Issue 170 million
 GICS Industry Diversified Financial Services

Key Dates

Accounts Close 30 June
 AGM 01 Oct 2006
 Listing Date 14 Oct 1998

Financials

FYE June	6/2003	6/2004	6/2005	6/2006	
Revenue	\$m	207	241	280	306
NPAT	\$m	62.8	62.7	108.5	137.1
EPS	\$	61.1	59.3	105.0	132.9
EPS Growth	%	5.9	31.4	32.7	26.6
DPS	\$	67.1	80.7	95.1	120.1
Payouting	%	100	100	100	100
Dividend Yield	%	5.7	5.2	4.9	3.9
PER	x	19.3	18.4	15.5	23.0
ROE	x	29.8	37.8	37.8	38.5

Non-Tax Revenue is total operating revenue

Index Participation

Index	Weight
S&P/ASX 100	0.52%
All Ordinaries	0.47%
S&P/ASX Midcap 50	4.00%
S&P/ASX 200	0.66%
S&P/ASX 300	0.16%

Share Price Chart

Total Return on \$10,000 Investment

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Australian Stock Exchange Limited (ASX)

Earnings upgrades on sustained momentum in trading volumes

17 November 2006

Recommendation: Accumulate

Investment Rating

ASX operates Australia's largest national exchange for securities trading and is a simple franchise: a monopoly clipping the stock exchange activity ticket. If you want leverage to an improving Australian equity market then it is hard to go past ASX, whose main earnings drivers are the number of listed companies, the number of new listings, and trading volumes in equities and derivatives. Fixed cost leverage ensures more than proportionate swings in profit when volumes rise or fall. The stock is not for the most conservative investor, who might not want the cyclicality. The cyclicality is however around a long-term upward and the business is conservatively managed and financed. The merger with SFE should reduce the cyclicality, give ASX access to SFE's secular growth in derivatives, and bring cost and revenue synergies, justifying a higher rating.

Recommendation Trigger Guide

Price	Rating
\$32.00	Hold
\$30.00	Accumulate
\$28.00	Buy
\$4.00	Strong Buy

Snapshot

Last Price \$34.33
 Market Cap \$3,963 million
 52 Week High \$37.54
 52 Week Low \$28.52
 Shares on Issue 170.8 million
 Sector GICS - Div. Financials

Valuation

intrinsic Value: \$39.00

Risk

Business Risk Medium
 Pricing Risk Medium
 Company Beta 0.74
 Sector Beta 1.17

Investment Fundamentals

Year-end Jun	FY04	FY05	FY06	FY06E
NPAT (\$m)	108.5	137.1	260.0	300.0
EPS (\$)	105.0	132.9	155.1	175.0
EPS Growth (%)	38.4	26.6	17.5	12.1
PE Ratio (x)	33.2	28.2	22.3	19.9
DPS (\$)	95.1	102.1	136.0	157.0
Dividend Yield (%)	2.7	3.4	3.9	4.5
Payouting (%)	100	100	100	100

Source: Aspekt, Hurley analyst estimates. Note: Actuals before 2005 are ASX/AF pre-mergers.

Price Chart

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Key Benefits

- Fully customisable - both website and reports
- 10 years of historical financials
- Corporate Calendar tracking dividends and floats

Tools and Functionality

- View analyst Recommendation, Intrinsic Value, and Estimates per company or view all recommendation changes per day
- Access three years of archived Research Reports
- Access Company Profiles (PDF) on over 1,500 stocks
- Access Research Reports (PDF) on 250 stocks
- Search ASX Company Announcements
- Use web-based analytics tools including interactive company evaluation model
- Screen through our database with personalised criteria searches
- Create a portfolio and measure performance
- View ASX and Overseas Market Reports
- Set email alerts on ASX Company Announcements
- Chart Total Return, Daily or Monthly Price/Volume
- Graph company performance against market indices

Data Sets and Coverage

- Research coverage of the S&P/ASX 200 companies +80 smaller companies
- 10 years of historical financials including full balance sheet
- Two years of earnings and dividend forecasts
- Corporate actions data, such as dividends and floats
- Quantitative rankings on Value, Growth, Risk and Income
- Consensus forecasts from Thomson Financial
- Index participation including current weights
- Current and historical ASX Company Announcements
- List of major shareholders for the past 12 months
- Peer analysis based on sector assignments
- Issued capital, liquidity, and warrants
- Market Sector Analysis including EPS, P/E, and DPS estimates