

# THE WALL STREET JOURNAL.

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## SHAREHOLDER SCOREBOARD

### A Closer Look: Inside the Leaders and Laggards

**BEST**

**1**  
Year  
Performer

#### *Intercontinental Exchange*

**Headquarters** Atlanta  
**CEO** Jeffrey Sprecher, since 2000  
**Market Cap** \$6.20 billion  
**2006 Revenue** \$313.8 million  
**2006 Net Income** \$143.3 million

ICE WAS ONE HOT commodity in 2006.

IntercontinentalExchange Inc., the energy exchange known as ICE, sold shares to the public in late 2005 and watched those shares nearly triple in 2006—for a total return of 197%.

The power surge was enough to make the New York Stock Exchange-listed ICE the best performing stock among 1,000 companies in the annual Shareholder Scoreboard. Investors who put \$1,000 in ICE stock at the beginning of 2006 would have seen their stake grow to \$2,968 at year end, compared with \$1,161 for an investment that tracked the Standard & Poor's 500-stock index.

ICE's success was driven by the growing popularity of investing in commodities and the company's pioneer status in the rapidly expanding field of electronic trading.

Jeffrey Sprecher, an engineer who developed power plants in California, started ICE in 2000, a few years after buying a small electricity-transmission network. His goal: taking the informal network of energy traders to the Internet, which could make trading faster, cheaper and more efficient.

ICE needed the support of energy users who wanted to hedge their price risk and speculators who bet on price moves. An early endorsement came when 13 companies, including Royal Dutch Shell PLC and Morgan Stanley, invested in ICE. In 2001, ICE bought the major London petroleum exchange, expanding the new company to futures markets from the less regulated over-the-counter market where ICE customers traded with each other privately.

Last year, ICE started competing directly with the New York Mercantile Exchange, the largest U.S. energy futures market, when it launched an electronic version of Nymex's flagship futures contract based on West Texas

crude oil. ICE gathered about a third of the total market share, and floor-based Nymex launched its own electronic competitor with technology provided by the Chicago Mercantile Exchange.

Now, both ICE and Nymex are enjoying rapid growth, as traders jump in and out of the volatile energy market. Like most exchanges, ICE makes a small fee on each trade, regardless of the direction prices are moving. Last year, oil prices rose to highs above \$75 a barrel, then receded sharply, increasing investors' desire to make money or cut losses.

In September, ICE said it would buy the New York Board of Trade, a coffee, sugar and cotton exchange that gives ICE a clearing house to help put together trades. ICE estimates that it could make \$40 million by bringing some of the

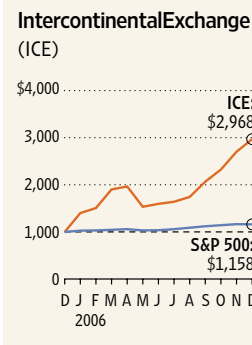
clearing in-house instead of outsourcing it to a separate company. ICE is negotiating a new arrangement that Mr. Sprecher hopes will foster more international trading.

Investors cheered the NYBOT deal, then sent ICE stock higher this month as the combined company allowed

some of NYBOT's floor-based commodities contracts to trade on ICE's computers. The contracts continue to trade on NYBOT's trading floor in New York, but many expect more gains in ICE's trading volumes and profits as hedge-fund managers dabble in electronic NYBOT futures for the first time.

ICE faces competition from Nymex and others. And some question whether ICE will grow as fast if energy prices calm down. But most analysts who follow ICE say "buy," according to Thomson Financial. As an electronic exchange with only about 500 employees, ICE's "expenses don't go up nearly as fast" as its trading and revenue, says Richard Repetto, an analyst at Sandler O'Neill.

-- Aaron Lucchetti



### Top Guns

The five top-performing companies in each of the four time periods

One Year	Average Annual Return
IntercontinentalExchange (ICE)	<b>196.8%</b>
Chaparral Steel (CHAP)	<b>193.4</b>
Akamai Tech. (AKAM)	<b>166.5</b>
NBTY (NTY)	<b>155.8</b>
Allegheny Tech. (ATI)	<b>152.9</b>

Sources: Rankings by L.E.K. Consulting LLC, based on data from Dow Jones & Co. and SunGard Market Data Services.

#### The Best Performers

1-Year	Company	Symbol	Return
1	Intercontinental Exchange	ICE	<b>+196.8%</b>
2	Chaparral Steel	CHAP	<b>+193.4</b>
3	Akamai Technologies	AKAM	<b>+166.5</b>
4	NBTY	NTY	<b>+155.8</b>
5	Allegheny Technologies	ATI	<b>+152.9</b>
6	First Marblehead	FMD	<b>+152.2</b>
7	Veritas DGC	VTS	<b>+141.3</b>
8	Manitowoc	MTW	<b>+137.4</b>
9	Las Vegas Sands	LVS	<b>+126.7</b>
10	General Cable	BGC	<b>+121.9</b>
11	Terex	TEX	<b>+117.4</b>
12	Core Laboratories	CLB	<b>+116.8</b>
13	American Commercial Lines	ACLI	<b>+116.1</b>
14	Oregon Steel Mills	OS	<b>+112.1</b>
15	American Eagle Outfitters	AEOS	<b>+105.8</b>
16	Nvidia	NVDA	<b>+102.5</b>
17	Time Warner Telecom	TWTC	<b>+102.3</b>
18	Polycom	PLCM	<b>+102.0</b>
19	Brocade Communications	BRCD	<b>+101.7</b>
20	OfficeMax	OMX	<b>+98.8</b>
21	Atmel	ATML	<b>+95.8</b>
22	Level 3 Communications	LVL3	<b>+95.1</b>
23	CarMax	KMX	<b>+93.8</b>
24	Continental Airlines	CAL	<b>+93.7</b>
25	Big Lots	BIG	<b>+90.8</b>

NOTE: Returns are average compound annual total returns, including price changes and reinvestments from any dividends or other cash or non-cash distributions, for periods through year-end 2006.

Sources: Rankings by L.E.K. Consulting LLC, based on data from Dow Jones & Co. and SunGard Market Data Services.

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