**Computershare Limited**
ABN 71 005 485 825
Yarra Falls, 452 Johnston Street Abbotsford
Victoria 3067 Australia
PO Box 103 Abbotsford
Victoria 3067 Australia
Telephone 61 3 9415 5000
Facsimile 61 3 9473 2500
www.computershare.com

# MARKET ANNOUNCEMENT

| | |
|---|---|
| **Date:** | 26 September 2013 |
| **To:** | Australian Securities Exchange |
| **Subject:** | Investor Conferences – United States and the United Kingdom, September & October 2013 |

Attached is the presentation to be delivered at investor conferences in the United States and United Kingdom during the next two weeks. The presentation is unchanged from the version released to the ASX on 4 September 2013 with the exception of an additional slide (slide 10 - 'Client Balances'). This slide highlights the previously disclosed fixed rate term deposits and derivatives but has been revised to include the level of floating rate term deposits, typically on "reference rate plus" yields, that existed at 30 June 2013.

**For further information contact:**
Mr Darren Murphy
Head of Treasury and Investor Relations
Ph +61-3-9415-5102
darren.murphy@computershare.com.au

## About Computershare Limited (CPU)

Computershare (ASX:CPU) is a global market leader in transfer agency and share registration, employee equity plans, proxy solicitation and stakeholder communications. We also specialise in corporate trust, mortgage, bankruptcy, class action, utility and tax voucher administration, and a range of other diversified financial and governance services.

Founded in 1978, Computershare is renowned for its expertise in high integrity data management, high volume transaction processing and reconciliations, payments and stakeholder engagement. Many of the world's leading organisations use us to help streamline and maximise the value of relationships with their investors, employees, creditors and customers.

Computershare is represented in all major financial markets and has over 14,000 employees worldwide.

For more information, visit www.computershare.com

MARKET

# Computershare Limited
# Investor Conferences Presentation

## United States / United Kingdom

Stuart Crosby
Mark Davis
September/October 2013

CERTAINTY | INGENUITY | ADVANTAGE

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# Results Summary – FY13
## Statutory Results

| | FY13 | Vs FY12 |
|---|---|---|
| **Earnings per share (post NCI)** | 28.25 cents | Down 9.2% |
| **Total Revenues & Other Income** | $2,046.0m | Up 10.2% |
| **Total Expenses** | $1,853.3m | Up 13.6% |
| **Statutory Net Profit (post NCI)** | $157.0m | Down 9.2% |

| Reconciliation of Statutory Revenue to Management Results | FY13 |
|---|---|
| **Total Revenues & Other Income per statutory results** | **$2,046.0** |
| **Management Adjustments** | |
| Acquisition accounting adjustment | (6.5) |
| Gain on sale of equity investment | (14.1) |
| Marked to Market adjustment on derivatives | (0.3) |
| **Total Management Adjustments** | ($20.9) |
| **Total Revenue per Management results** | **$2,025.1** |

| Reconciliation of Statutory NPAT to Management Results | FY13 |
|---|---|
| **Net profit after tax per statutory results** | **$157.0** |
| **Management Adjustments (after tax)** | |
| Amortisation | 68.1 |
| Strategic Business initiatives | 45.6 |
| One-off items | 26.0 |
| Other | 8.1 |
| **Total Management Adjustments** | $147.8 |
| **Net Profit after tax per Management results** | **$304.9** |

Management results are used, along with other measures, to assess operating business performance. The Company believes that exclusion of certain items permits better analysis of the Group's performance on a comparative basis and provides a better measure of underlying operating performance.

Management adjustments are made on the same basis as in prior years.

Non-cash management adjustments include significant amortisation of identified intangible assets from businesses acquired in recent years, which will recur in subsequent years, asset disposals, performance rights reversals and other one off charges.

Cash adjustments are predominantly expenditure on acquisition-related and other restructures, and will cease once the relevant acquisition integrations and restructures are complete.

A full description of all management adjustments is included in the ASX Appendix 4E Note 9.

The non-IFRS financial information contained within this document has not been reviewed or audited in accordance with Australian Auditing Standards.

*** Prior period Statutory results were restated due to re-measurement of put option liability. Refer to ASX Appendix 4E Note 3.**

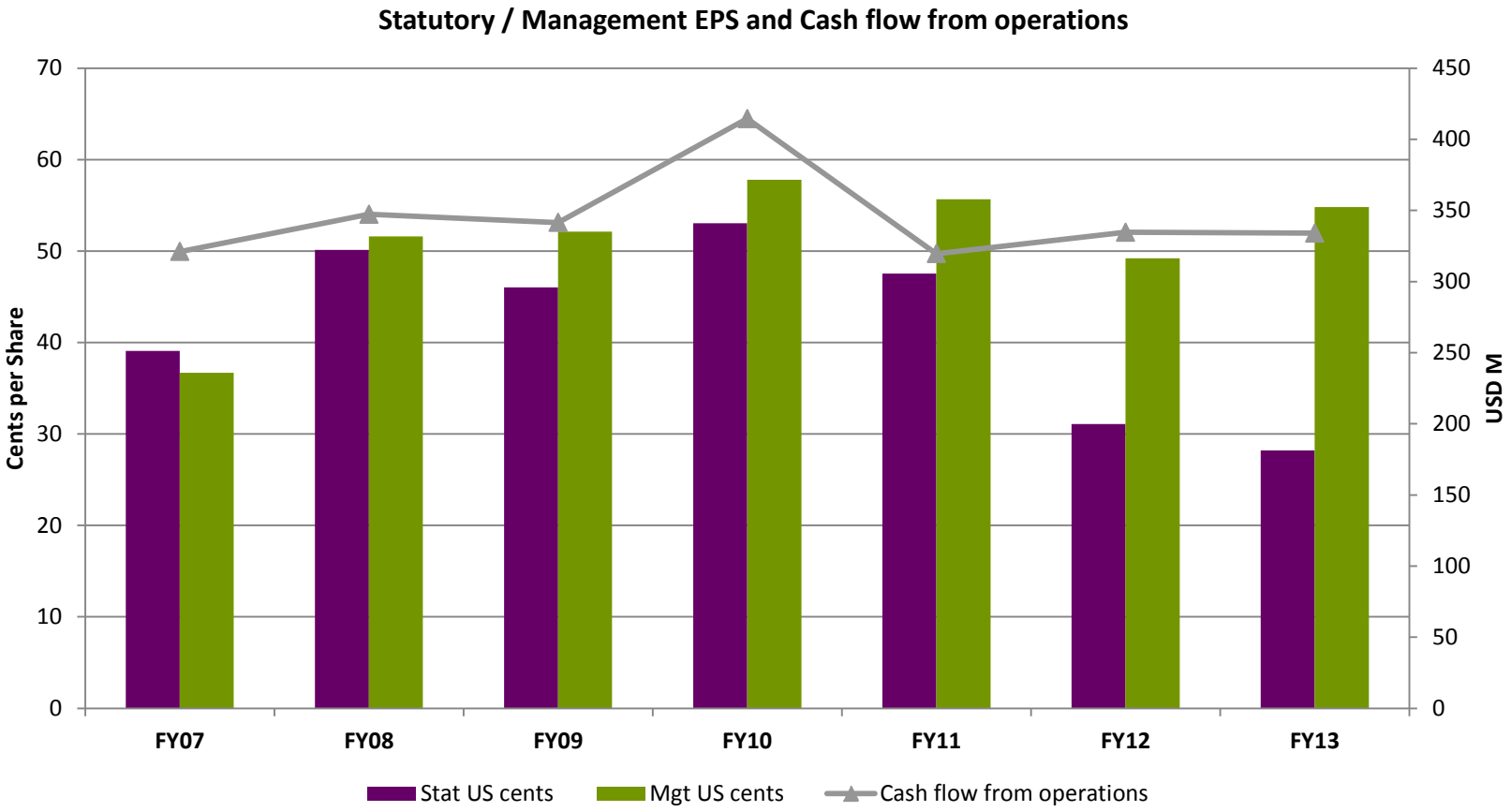
**Note: all figures in this presentation are in USD M unless otherwise indicated.**

# Results Summary – FY13
## Management Results

| | FY 2013 | FY 2012 | v FY 2012 | FY 2013 @ FY 2012 exchange rates |
|---|---|---|---|---|
| **Management Earnings per share (post NCI)** | **US 54.85 cents** | **US 49.09 cents** | Up 11.7% | **US 55.62 cents** |
| **Total Operating Revenue** | **$2,025.1** | **$1,818.7** | Up 11.4% | **$2,050.1** |
| **Operating Costs** | **$1,515.2** | **$1,360.1** | Up 11.4% | **$1,534.1** |
| **Management Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)** | **$509.8** | **$459.0** | Up 11.1% | **$515.8** |
| **EBITDA Margin** | **25.2%** | **25.2%** | Flat | **25.2%** |
| **Management Net Profit post NCI** | **$304.9** | **$272.8** | Up 11.8% | **$309.1** |
| **Cash Flow from Operations** | **$334.0** | **$334.6** | Down 0.2% | |
| **Free Cash Flow** | **$290.3** | **$294.5** | Down 1.4% | |
| **Days Sales Outstanding** | **45 days** | **43 days** | Up 2 days | |
| **Capital Expenditure** | **$49.5** | **$62.1** | Down 20.3% | |
| **Net Debt to EBITDA ratio** | **2.47 times** | **2.86 times** | Down 0.39 times | |
| **Final Dividend** | **AU 14 cents** | **AU 14 cents** | Flat | |
| **Final Dividend franking amount** | **20%** | **60%** | Down from 60% | |

Note: all results are in USD M unless otherwise indicated.

# Statutory & Management EPS and Cash flow from Operations



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# Drivers Behind FY13 Financial Performance

- Revenue in transactional business lines, especially corporate actions, remains subdued. Proxy solicitation (corporate and mutual fund) continues to suffer from weak deal flow and lack of hostile activity, a slightly better June quarter notwithstanding.
- Register maintenance revenues remain soft due to lower activity based fees, shareholder attrition and active competition in key markets.
- Employee share plans continue to perform strongly in all markets, with organic growth aided by the contribution from the plans component of Shareowner Services, and continual realisation of benefits from the HBOS EES acquisition. No material FY13 contribution from the Morgan Stanley European acquisition.
- Client balances notably lower in second half and in the current liquidity environment pressure remains on deposit returns and yields on rolled hedges.
- Contributions from SLS, Deposit Protection Scheme and Serviceworks continue to meet expectations, although Bankruptcy and Voucher Services could not match FY12 results.
- Continued strong cost focus in all business lines, but still investing in technology and capex to support integration.

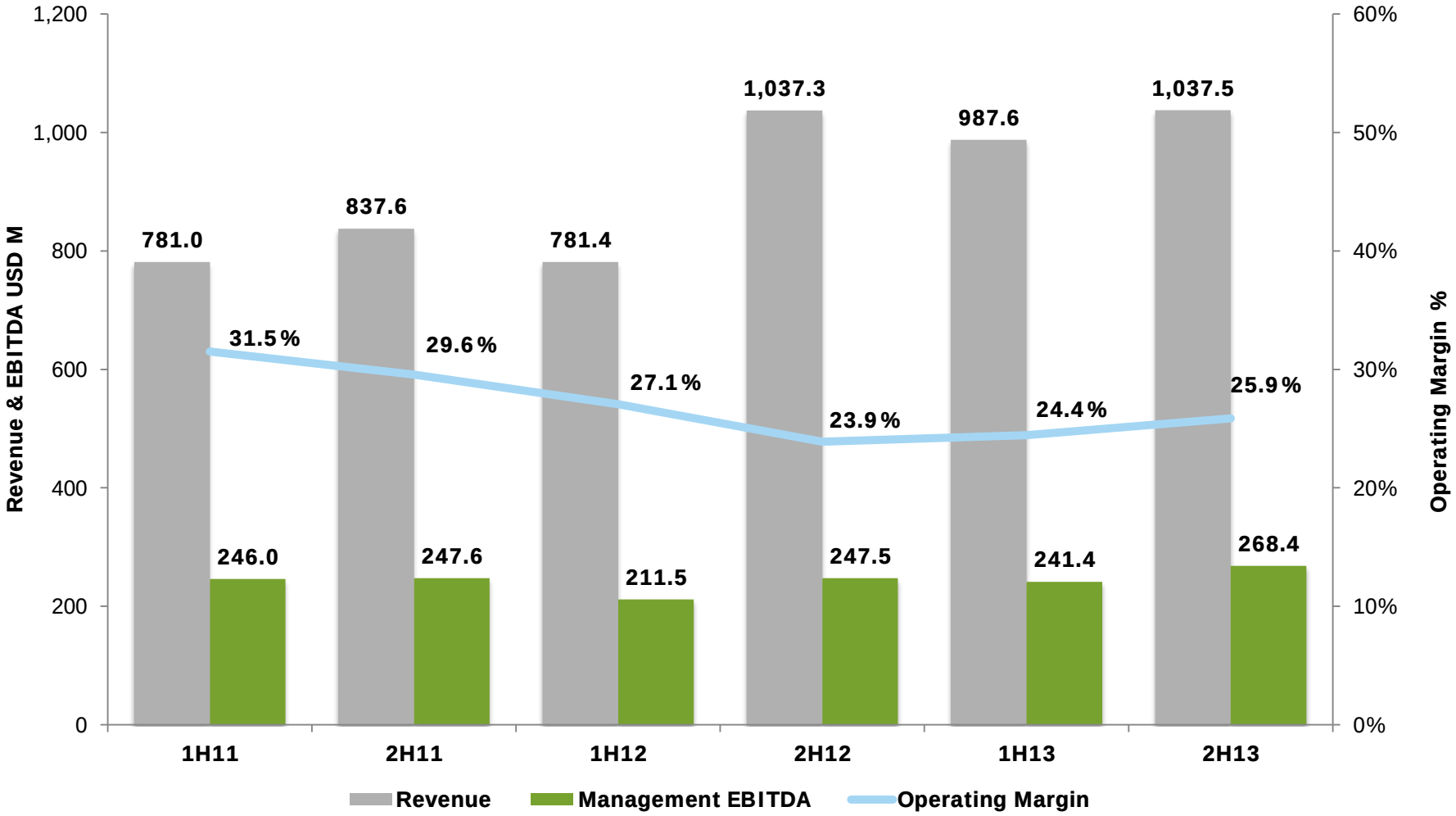
# Computershare Strengths

- Leading market position in all major markets for equity investor record-keeping and employee stock plan administration based on:
  - sustainable advantages in technology, operations, domain knowledge and product development;
  - sustained quality excellence and operational efficiency; and
  - a joined-up global platform (20+ countries including China, India and Russia), and seamless development and execution of cross-border solutions.
- Consolidating position and continuing to extract synergies from acquisitions within our chosen business lines.
- Exciting growth opportunities within newer business lines.
- More generally:
  - over 70% of revenues recurring in nature;
  - long track record of excellent cash realisation from operations; and
  - Strong balance sheet and prudent gearing, with average maturity 4.8 years and no more than USD 305M maturing in any one financial year.

# Guidance for FY14

- While the Company expects to realise substantial synergies in the year ahead following the Shareowner Services integration, these benefits are anticipated to be materially offset by the impact of lower margin income returns and the recent strengthening of the USD. Taking this and the continuing challenges of the operating environment into account, the Company is anticipating Management EPS for the full year FY14 to be around 5% higher than FY13.
- This assessment of the outlook assumes that equity, foreign exchange and interest rate markets remain at current levels.

# Management Revenue & EBITDA
## Half Year Comparisons



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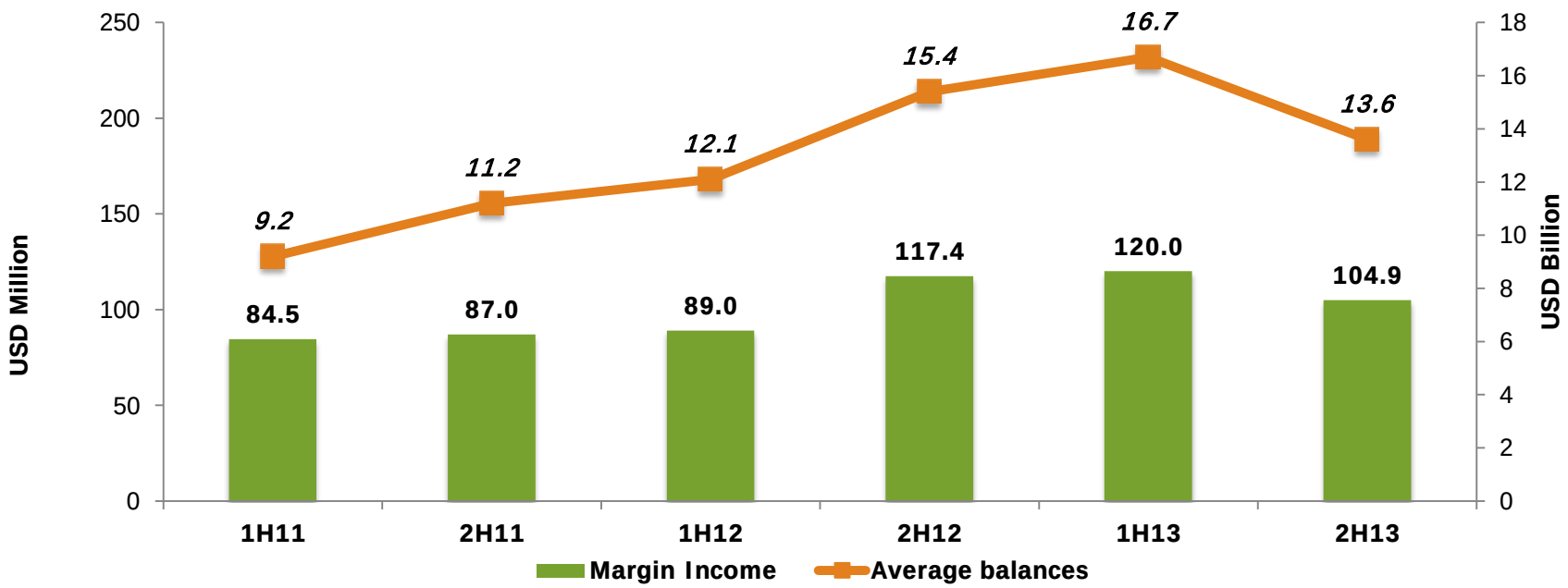
# Margin Income Analysis




Average Market Interest rates *

| | 1H11 | 2H11 | 1H12 | 2H12 | 1H13 | 2H13 |
|---|---|---|---|---|---|---|
| UK | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% |
| US | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% |
| Canada | 0.88% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |
| Australia | 4.58% | 4.76% | 4.64% | 4.05% | 3.34% | 2.93% |

Note 1: Some balances attract no interest or a set margin for Computershare.
Note 2: Analysis includes Shareowner Services client funds from 2H12.
* UK – Bank of England MPC Rate; US – Fed Funds Rate; Canada – Bank of Canada Overnight Target Rate; Australia – RBA Cash Rate.



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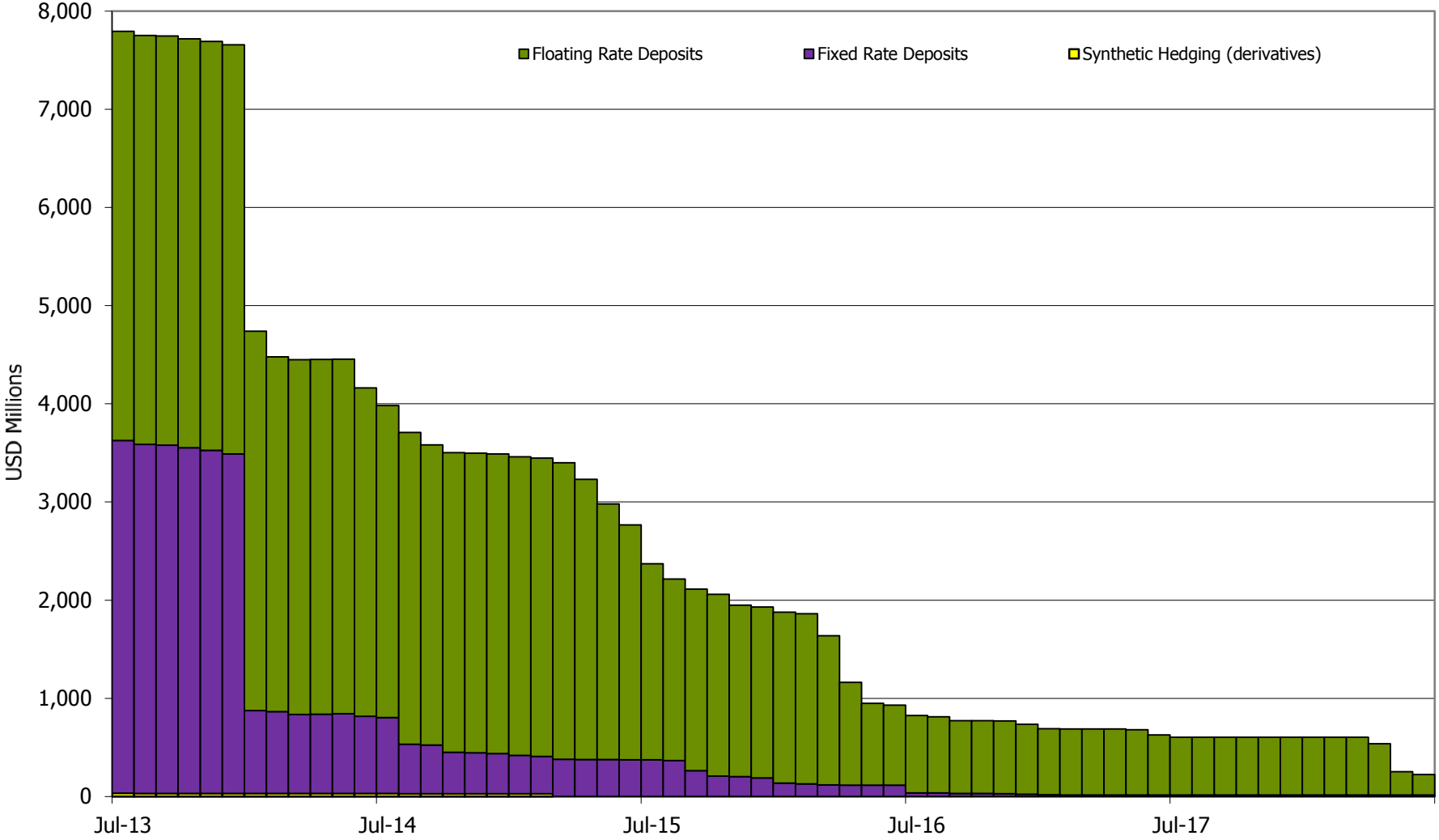
# Client Balances

## Derivatives, Fixed and Floating Rate Deposits in place at 30 June 2013



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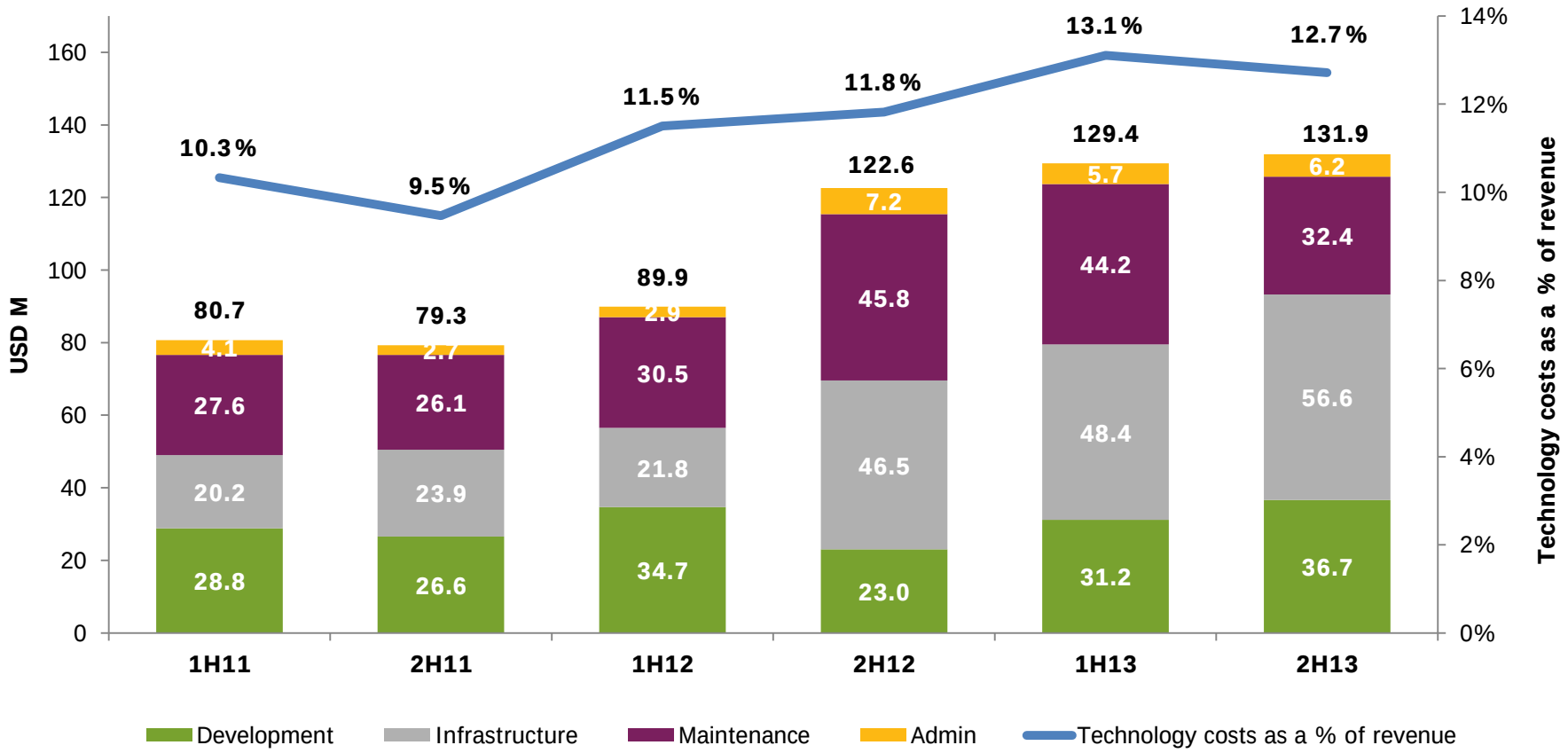
# Technology Costs
## Continued Investment to Maintain Strategic Advantage



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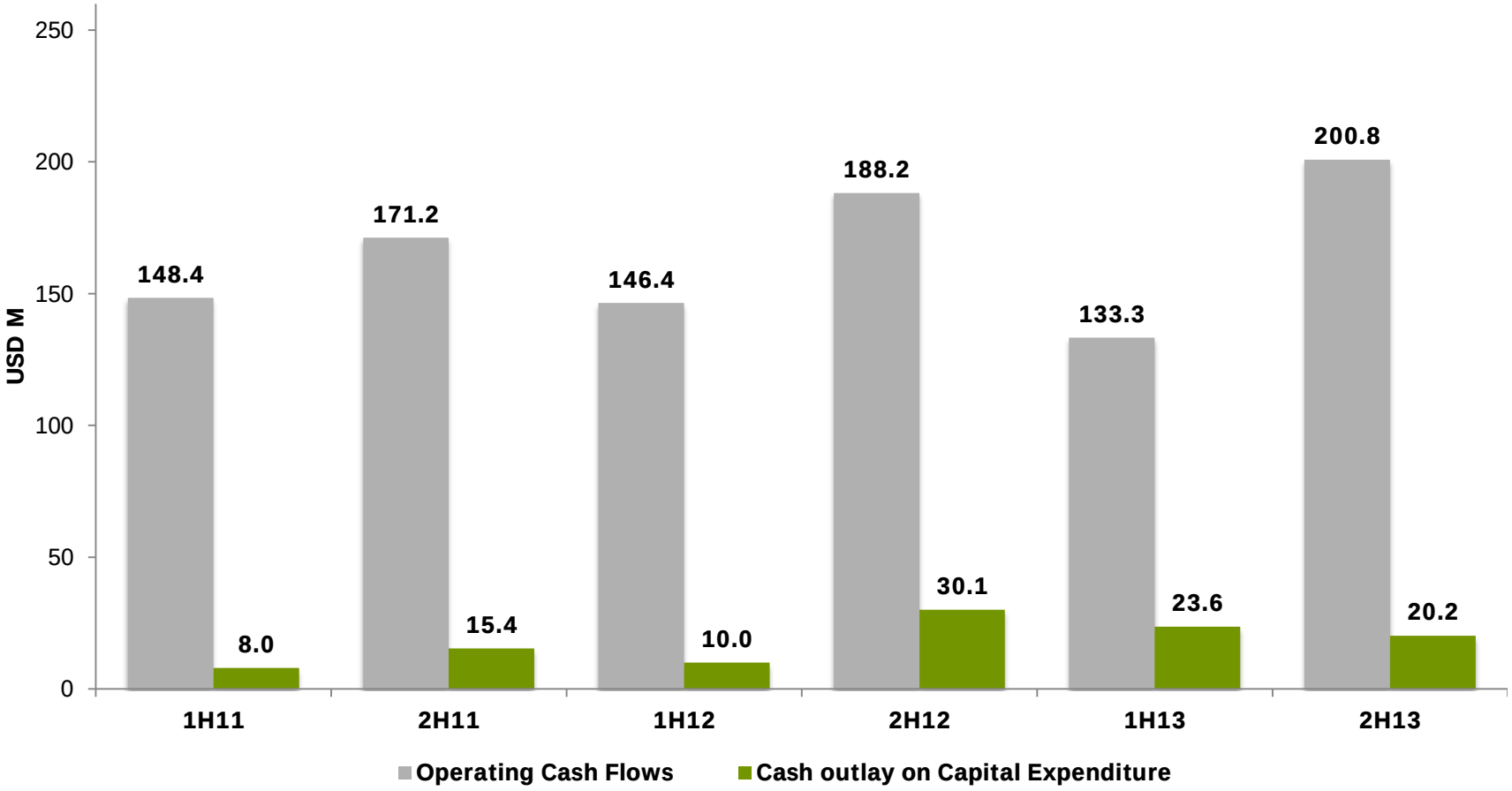
# Free Cash Flows




Note: Excludes assets purchased through finance leases which are not cash outlays.



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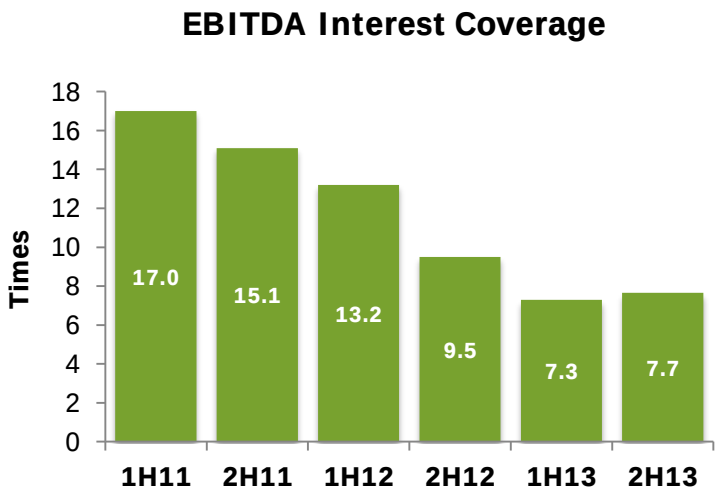
# Balance Sheet as at 30 June 2013

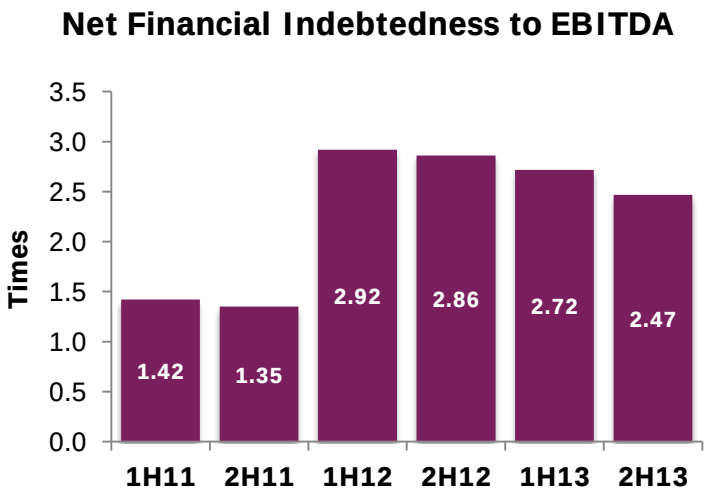
| | Jun-13 USD M | Jun-12 USD M | Variance Jun-13 to Jun-12 |
|---|---|---|---|
| Current Assets | $982.4 | $956.6 | 2.7% |
| Non Current Assets | $2,636.5 | $2,725.0 | (3.2%) |
| **Total Assets** | **$3,618.9** | **$3,681.7** | **(1.7%)** |
| Current Liabilities | $501.3 | $550.9 | (9.0%) |
| Non Current Liabilities | $1,986.7 | $1,976.5 | 0.5% |
| **Total Liabilities** | **$2,487.9** | **$2,527.3** | **(1.6%)** |
| **Total Equity** | **$1,130.9** | **$1,154.3** | **(2.0%)** |

See ASX Appendix 4E as at 30 June 2013 for full details.

- Current assets increased mainly due to SLS' receivables.
- Non current assets: goodwill reduced as a result of disposal of subsidiaries and business closure.
- Total liabilities decreased due to debt reduction.

# Key Financial Ratios




| | Jun-13 USD M | Jun-12 USD M | Variance Jun-13 to Jun-12 |
|---|---|---|---|
| Interest Bearing Liabilities | $1,711.7 | $1,754.4 | (2.4%) |
| Less Cash | ($454.4) | ($441.4) | 2.9% |
| **Net Debt** | **$1,257.3** | **$1,313.0** | **(4.2%)** |
| Management EBITDA | $509.8 | $459.0 | 11.1% |
| **Net Financial Indebtedness to EBITDA** | **2.47 times** | **2.86 times** | **Down 0.39 times** |



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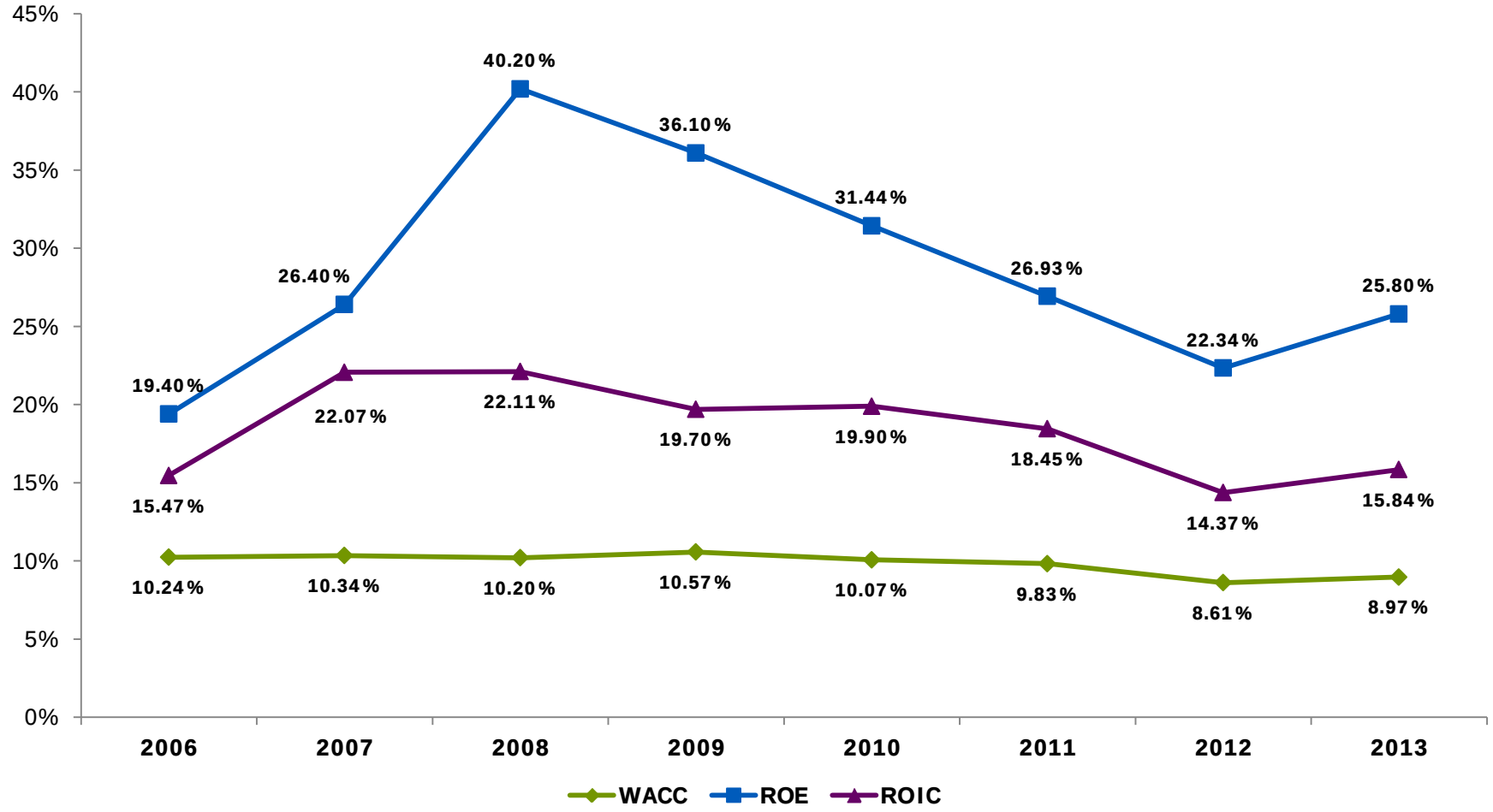
# Return on Invested Capital vs. WACC and Return on Equity



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# Financial Summary – FY13

- We continue to experience generally difficult trading conditions across many business lines.
- However, ongoing disciplined expense and capital expenditure management continue to drive solid results and cash flow.
- The Shareowner Services acquisition is now complete with synergy realisation ahead of targets and high levels of confidence of delivering the remainder this year.
- The SLS and Serviceworks acquisitions have both performed well with SLS, in particular, anticipated to be a future growth engine.
- A strategic review of non-core and underperforming assets resulted in the disposal of our Solium investment, IML group and Restricted Stock Services, and the decision to close our Funds Services business in Australia.
- Maintained strong and conservative balance sheet, with DRP adding further flexibility to our funding options.
- Final dividend maintained at AUD 14 cents per share, franked to 20% (down from 60%).
- Total dividends maintained at AUD 28 cents per share, franked to 20% (down from 60%).

# Group Strategy and Priorities

Our group strategy remains as it has been:

- Continue to drive operations quality and efficiency through measurement, benchmarking and technology.
- Improve our front office skills to protect and drive revenue.
- Continue to seek acquisition and other growth opportunities where we can add value and enhance returns for our shareholders.

While much of the heavy integration lifting on recent acquisitions is done, we still pursue and track synergy realisation. Nonetheless, our priorities are moving from executing on past transactions to the two things that will best assure our future:

- protecting profitability in our mature businesses; and
- driving growth in businesses that offer that potential, such as loan servicing, utility back office and share plan administration.

We are also giving priority to simplifying the range of businesses we undertake.

Across all our business lines and geographies, we continue to invest in and remain engaged with regulatory developments and market structure change.

# Delivery Against Strategy and Priorities

The first two limbs of our strategy (cost & revenue) remain key. Revenue is a defensive game in current conditions. Cost and service highlights include:

- The Shareowner Services business's off-shore operations capabilities have started to bring meaningful quality benefits and savings across the legacy US TA client base, and are soon to be deployed into other geographies.
- Third party off-shore IT development is supporting a range of our newer projects, offering flexibility in resource commitment as well as cost savings.
- We continue to rate highly in independent service surveys across the world.

On the M&A front, we are spending more time on finding new homes for assets that no longer fit our strategy or that are not otherwise contributing.

We also see a range of potential opportunities to commit capital to grow current business lines. Mostly, these are "bolt-on" opportunities.

Mortgage servicing raises different issues. Here the challenge is to access the working capital needed to grow quickly without diluting returns. It has been met in a range of ways by different market players. We are exploring our options.

# Acquisitions Update – Shareowner Services

- While revenues remain softer than originally expected (as with most of our investor services assets around the world), the integration has been very successful, with accompanying client benefits (many major clients re-signed or re-signing).
- All client data migrations on to Computershare systems completed as scheduled.
- Synergy realisation ahead of original expectations.

| Cumulative Cost Synergies USD M | | |
|---|---|---|
| Expected realisation of synergies | Previous Update Feb-13 | Update as at 30 June 2013 |
| FY12 | $9.3 | $9.3 |
| FY13 | $36.0 | **$35.2** |
| FY14 | $72.8 | $77.3 |
| FY15 | $77.8 | $79.9 |

| Cost to Realise Synergies USD M | |
|---|---|
| | |
| Previous estimate (Feb-13) | $53.5 |
| Current estimate | **$57.5** |
| Spent to date | $37.4 |
| Expected to come | $20.1 |