

## MARKET ANNOUNCEMENT

<b>Date:</b>	Thursday 20 March 2014
<b>To:</b>	Australian Securities Exchange
<b>Subject:</b>	<b>Investor and Analyst Briefing 2014</b>

Attached are the materials that are being presented to investors and analysts today at Computershare's annual business briefing session.

A copy of these materials will also be posted on the Computershare website ([www.computershare.com.au](http://www.computershare.com.au))

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**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 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](http://www.computershare.com)

# Investor & Analyst Briefing

Computershare Limited

20 March 2014

# Investor & Analyst Briefing

## Introduction

Stuart Crosby  
President & CEO  
20 March 2014

# Investor & Analyst Briefing

Business Overview – United Kingdom, Channel Islands, Ireland & Africa (UCIA)

Naz Sarkar  
Head of Computershare UCIA  
20 March 2014

# Regional Overview

## Plan Managers

### > State of play

- The migration of all Halifax Employee Equity Services clients was completed in 2013.
- The integration of the Morgan Stanley Global Share Plan Services business is on track and due to be fully completed by the end of 2014.
- The new Share Plans Account launched enabling efficient cross border operation of share plans.
- Benefitting from strong demand for employee plans services for post-IPO firms.

### > Challenges and opportunities

- Establishing an EMEA based Plans structure that is focused on developing business with European issuers.
- Continuing to monitor potential market consolidation opportunities.
- UK approved scheme limits will increase from April 2014 by 20% for Share Investment Plan and 100% for Save as you Earn.
- Underlying asset base continues to grow and together with new product pipeline, outlook remains positive.

# Regional Overview - UCIA

## Channel Islands

### > State of play

- Client service levels and client satisfaction remain high and translating into good win rates both at tender and up-sales.
- Jersey Trust becoming an increasingly important component for Depositary Receipt issuance.
- Cross business area referrals have been particularly successful in last 6 months as IPO market has picked up.

### > Challenges and opportunities

- The global and UK focus on offshore financial centres continues but new tax and compliance reporting requirements are also providing new revenue opportunities.
- The offshore IPO market has picked up particularly in the funds arena and more IPOs are launching successfully at the first attempt.
- Continued sustained interest from offshore clients in CPU “packaged” regulated products such as the Vested Share Account, Dividend Reinvestment programmes and Global Share Purchase Plans.

# Regional Overview – UCIA

## Investor Services – United Kingdom

### > State of play

- High levels of customer approval and loyalty.
- Vodafone Return of Value the largest single corporate action in UK ever with over \$80bn of value returned to holders.
- IPO market is back, particularly active since January 2014, winning good market share.
- Depository Interest market share remains strong and growing, existing clients providing solid shareholder driven revenue opportunities.

### > Challenges and opportunities

- Government divestment stakes and break up of retail banks provides opportunity and will be linked to an overall and sustained recovery.
- There will be downstream opportunities for additional services to both Vodafone and Verizon.
- EU CSD Regulations set to mandate dematerialisation but not until 2023-25.

# Regional Overview - UCIA

## Ireland

### > State of play

- Positive signs in registry market with 5 new upcoming IPOs, 2 switch wins and no losses.
- Further momentum in US and other foreign companies re-incorporating in Ireland as well as Irish company IPOs in the US.
- Now administering over 380 ETFs - up from 300 last year and significant growth in underlying transactions.

### > Challenges and opportunities

- Steady flow of corporate actions from a growing client base including the first 6 from the ETF sector.
- Some momentum in the share plans business with 2 new wins and potential to grow further.
- The regulatory environment remains challenging.

# Regional Overview - UCIA

## Business Services

### > State of play

- Gilts contract successfully renewed for 10 years following a competitive procurement process.
- Deposit Protection Scheme continues to grow market share and is now the only provider in England and Wales to offer both types of scheme, after the successful launch of an insurance scheme in April 2013.
- Scottish custodial scheme has had some large client wins despite operating in a very competitive market.

### > Challenges and opportunities

- Republic of Ireland Government are set to consult on their deposit protection regulations this year with scheme launch possibly in 2015.
- The Northern Ireland custodial scheme successfully launched into a very small market with far too many schemes.
- One player (Capita) has withdrawn after having launched in England and Northern Ireland.

# Regional Overview - UCIA

## Voucher Services (CVS)

### > State of play

- Government response to its own consultation on the new Tax-free childcare (TFC) scheme 2 months overdue.
- Press release on Tuesday 18<sup>th</sup> March suggests that TFC will be managed solely by Government agency.
- Acquisition of kidsunlimited childcare voucher business completed in November 13, with the migration on track for completion by end of June 14.

### > Challenges and opportunities

- There will be a run-off of the old scheme and opportunities to increase participation ahead of closure to new participants.
- Rising childcare costs continue to be a hot political potato; childcare is anticipated to be one of the key campaigning points for next year's election.
- The new Salary Extras range of employee benefits is proving popular and can generate new revenue streams from existing childcare voucher customers.

# Regional Overview - UCIA

## Communication Services

### > State of play

- Increased Employee Plans activity is driving additional revenue.
- Sector specific proposition development for Wealth Management & Utilities is yielding increased new business.
- Sutton & East Surrey Water represents a significant new win in a competitive tender process.

### > Challenges and opportunities

- Increased revenue from higher margin services (i.e. consulting, development, e-comms & specialist products).
- Developing wider communications solution product for Employee Plans, leading to increased revenue for CCS & more value add for clients.
- New hybrid mail solution opens up new revenue streams & shorter sales cycle for new clients.

# Regional Overview - UCIA

## South Africa

### > State of play

- There has been a pick up in new listings and M&A activity. We are maintaining market share by securing the majority of these.
- Corporate client relationships remain strong.

### > Challenges and opportunities

- New market entrants in registry and changes to CSD Participants.
- Some opportunities to further develop our existing company secretarial services offering.
- The CSD is launching an Issuer Initiated Dematerialisation Program which presents some opportunities and threats.

# Regional Overview - UCIA

## Georgeson – Corporate Proxy Solicitation

### > State of play

- Corporate Proxy now based on 40% recurring revenues related to Annual General Meetings.
- Shareholder activism on the rise.
- Concern over new binding votes on pay in the UK and Switzerland driving greater interest for proxy solicitation.
- Client loyalty remains high despite very competitive market place.

### > Challenges and opportunities

- Securities Rights Directive has been expanded to include remuneration disclosure by issuers across Europe as well a requirement on investors to disclose how they have voted. This should increase the universe of issuers who need proxy solicitation.
- CRDIV adds pressure to all European banks who want to increase the variable pay for their code employees, by making the voting hurdles more onerous, increases the demand for proxy solicitors.

# Investor & Analyst Briefing

Business Overview – United Kingdom, Channel Islands, Ireland & Africa (UCIA)

**Question Time**

Naz Sarkar  
Head of Computershare UCIA  
20 March 2014

# Investor & Analyst Briefing

## Business Overview – Continental Europe

Steffen Herfurth  
Head of Computershare Continental Europe  
20 March 2014

# Regional Overview – Continental Europe

## European Regulatory and Infrastructure Developments

- > Market participants continue to debate a range of initiatives that have the potential to change the European market dynamic in the near to mid-term, including:
  - > Infrastructure initiatives:
    - Proposed introduction of *T2S* settlement system, by the European Central Bank.
  - > Regulatory initiatives:
    - Update on *Shareholders Rights Directive (SRD)* published by European Commission in March 2014 (Vote Confirmation, Shareholder Identification).
    - *CSD-R* codifying the role of central securities depository entities, including T+2 settlement, expected from 2015, and mandatory dematerialisation.
- > Commercial dialogue is ongoing. However, it remains too early to tell what the final shape or timing of change will be. We continue to participate in discussions with regulators and commercial players to explore near to mid-term opportunities.

# Regional Overview – Continental Europe

## Investor Services - Russia

### > State of play

- CPU is now the largest registry services provider in Russia.
- Continued technology investment establishes us as the clear market leader in deployment of online services using the *Computershare 24/7* platform.
- The SME (small and mid cap companies) platform has been launched.

### > Challenges and opportunities

- Integration of acquired registry business completed.
- Potential acquisition opportunities in the registrar and specialised registrar segments.
- Constant monitoring of changes in the infrastructure/legislation and continual discussions with the regulator.
- Close co-operation with the CSD; influence on market infrastructure related decisions (electronic voting and corporate information distribution).

# Regional Overview - Continental Europe

## Investor Services & Plans – Denmark and Sweden

### > State of play

- Successfully pursuing the strategy of cross-selling to existing clients and winning new mandates with a unique service portfolio.
- Growth in non-AGM voting services (Employee Board Representatives).
- CPU has achieved a very strong position as market leader for new IPO mandates.
- Market leader in Denmark for executive share and option plans.

### > Challenges and opportunities

- IPO market has woken up after a long and quiet period. New listings and corporate actions are expected to increase.
- Clients cost focus is still an issue on standard services, but there is willingness to look at and purchase new product and services with higher margins.
- Introducing dealing services to our Danish plans client base and rolling out financial reporting functionality for Computershare clients across EMEA.
- Increased Computershare brand awareness in Sweden through AGM Services and Employee Plans administration.

# Regional Overview - Continental Europe

## Investor Services - Germany

### > State of play

- Maintaining market leadership by number of AGMs (>250 events p.a.) and blue chip clients (27 out of 30 DAX). High client retention and contract renewals. 3 new clients (Siemens and spin-offs) will increase shareholder attendances.
- Largest registry client successfully implemented (>600k shareholders).

### > Challenges and opportunities

- Purchase of Deutsche Bank's registry business by private equity offers increased business development opportunities.
- Quiet IPO / corporate action market.

# Regional Overview - Continental Europe

## Investor Services - Italy

### > State of play

- Re-branding of *Servizio Titoli* to Computershare in September 2013.
- New business opportunities are limited by weak IPO market.
- Undisputed market leader and strengthening its position by widening client portfolio to non-listed organisations, i.e. large Italian cooperative banks (multi-site annual meetings with >10,000 members attending).

### > Challenges and opportunities

- Global solutions – eg. dual listings, AGMs, share plans.
- Benefit of synergies from sharing the technology investment across Continental Europe, insourcing of admin activities, re-allocation of clients between offices.

# Regional Overview - Continental Europe

## Georgeson Corporate Proxy – Southern Europe

### > State of play

- Against weak market conditions, the client portfolio for Proxy Solicitation is slowly increasing across the region.
- A specific solution to act as an Information Agent for closed-end funds in the Italian real estate market has been developed. Two mandates already signed, more to come within the next 6-12 months.

### > Challenges and opportunities

- Latin America: successful launch of a focussed sales initiative led to interesting proxy solicitation mandates in Brazil and Colombia.
- Greece: opportunities for proxy solicitation and Shareholder ID. Georgeson participating in partnership with a team of local experts.
- Georgeson has been invited to participate as an expert in working groups organised by the Spanish Market Regulator to revise the Corporate Governance Code for listed companies.

# Investor & Analyst Briefing

Business Overview – Continental Europe  
**Question Time**

Steffen Herfurth  
Head of Computershare Continental Europe  
20 March 2014

# Investor & Analyst Briefing

## Business Overview – United States of America

Steven Rothbloom  
Head of Computershare United States of America  
20 March 2014

# Regional Overview – United States of America

## Investor Services

### > State of play

- Client satisfaction (97%) and recommendation rate (91%) strong and increasing, good retention: 400+ contracts renewed/extended FYTD.
- Leveraging solid market and steady transaction levels to drive higher revenue across client, shareholder and broker paid fees.
- Winning new business - 78 new TA relationships FYTD including 34 IPOs.

### > Challenges & opportunities

- Controlling expenses and delivering planned synergies, with consistent service.
- Expanding volume in global service model to increase efficiency.
- Identifying new/enhanced products; increased focus on services for shareholders.
- Persistent low interest rate environment continues to erode margin income.
- M&A activity growing but many smaller, lower revenue cash jobs.

# Regional Overview - United States of America

## Corporate Proxy Solicitation & Fund Services (CFS)

### > State of play

- Overall Georgeson proxy business – annual meeting, proxy fights and M&A – relatively flat year over year as we head into the AGM season.
- M&A activity: #1 Provider in 2013, winning more small contested opportunities and represented big name technology firm.
- CFS market share has improved in last 9 months, completing a large investments project. Still no mega across-the-board deals similar to prior years.

### > Challenges & opportunities

- Weak M&A volume at top of the market; continued competition in proxy fights.
- Growth opportunity cross-selling Georgeson proxy services to Shareowner Services clients.
- Improving CFS pipeline.

# Regional Overview - United States of America

## Plan Managers

### > State of play

- New client assignments, market improvements, new business and internal initiatives to increase participant revenues and reduce expenses driving strong financial results.
- Business pipeline strong; 45 wins YTD.
- Client satisfaction at industry “average” with formal programs to realise improvement year-over-year; formal reviews, thought leadership events, etc.

### > Challenges & opportunities

- Brand awareness initiative on options/restricted offering for consultants and advisors.
- Pursuit of new channels: deferred compensation providers; 401K alliance partners.
- Successfully driving down servicing costs with global service model.

# Regional Overview - United States of America

## Communication Services

### > State of play

- 1H FY14 volumes strong in core print mail business driven by higher transactional activities, events and commercial sales (non-CPU) penetration.
- Current trend of annual unit volumes processed expected to reach new milestone (600m images/200m mailpacks) with strong quality performance.
- All three CCS U.S. sites recertified for ISO 9001:2008.
- U.S. Capturepoint inbound solution deployment underway.

### > Challenges and opportunities

- Execution/focus (major initiative deployment/quality outcomes).

# Regional Overview - United States of America

## INVeSHARE

- > State of play
  - CPU 25% owner and strategic partner.
  - Next generation technology platform for street communications.
  - CPU providing physical fulfilment, sales support and private label contracting.
- > Challenges and opportunities
  - Potent incumbent.
  - Win clients.

# Regional Overview - United States of America

## Bankruptcy & Class Action Administration (KCC)

- > State of play
  - Corporate bankruptcy activity remains low.
  - In this slow period, KCC was awarded the largest engagement of the year; as well as an additional notable win, the City of Detroit.
  - Class Actions business growing market share.
- > Challenges and opportunities
  - Distressed companies continue to have access to capital, thus filings are down.
  - Companies that do file are doing it in pre-packaged format, not allowing maximum revenue.
  - Number of US retailers struggling which we are monitoring as an opportunity.
  - Class Actions business continues to leverage CPU company-wide relationships.

# Regional Overview - United States of America

## SLS

### > State of play

- Mortgage servicing market remains robust.
- SLS completed large MSR transaction with financial partner.
- Unpaid Principal Balance (UPB) now at approx. \$33B with robust pipeline.

### > Challenges and opportunities

- Regulatory scrutiny continues with the Consumer Financial Protection Bureau and the States reviewing the servicers.
- Integration within Computershare continues.
- Regulatory change impacts lender placed insurance revenue.
- Loss of sizeable sub-servicing portfolio.

# Regional Overview – United States of America

## MSR Acquisition Financing Overview

- › Flagged this time last year that a component of SLS' growth strategy included pursuing acquisitions of Mortgage Servicing Rights (MSRs) and we have continued to pursue that strategy.
- › This is in the context where we expect that MSRs representing significant amounts of unpaid principal balance (UPB) will continue to be sold to speciality servicers.
- › As MSRs for legacy impaired product (SLS sweet spot) typically come with advances in the range of 4-8% of UPB, the financing approach is important to ensure the achievement of appropriate investment returns. CPU is not intending to undertake transactions that dilute current group post tax ROIC of 15%+.
- › Funding such acquisitions on CPU's balance sheet would typically generate pre-tax ROIC returns of < 10% which are therefore unsuitable (other than in a potential warehousing scenario).

# Regional Overview – United States of America

## MSR Acquisition Financing Overview cont.

- › Having a 3<sup>rd</sup> party funding vehicle or financing partner that takes on the funding of existing and future advances and / or the MSR cost materially improves transaction economics.
- › The funding vehicle will receive a share of the MSR income stream in a geared structure that typically targets pre-tax returns on equity of 12%+.
- › The servicer is then left with a servicing income stream where the operating margins, over the servicing life of the portfolio, typically exceed CPU consolidated operating margins.

# Investor & Analyst Briefing

Business Overview – United States of America  
**Question Time**

Steven Rothbloom  
Head of Computershare United States of America  
20 March 2014

# Investor & Analyst Briefing

## Global Service Model

Stuart Irving  
Chief Information Officer  
20 March 2014

# Global Service Model - An Acquired Best Practice

- > Outsourcing and offshoring expertise acquired from the Shareowner Services Acquisition (2012)
- > 10+ years of experience in:
  - Call Centre and Web Chat in the Philippines.
  - Transaction processing and technology development in India.
- > Benefits acquired
  - Talented management team with significant expertise managing offshore vendor operations to deliver industry leading quality in cost favorable markets.
  - Offshore representatives with significant registry industry knowledge, 5+ years tenure and low turnover:
    - 140+ call centre representatives.
    - 100+ transaction processors.
    - 150+ developers.

# What was the Opportunity

- › Leverage the acquired capabilities, enhanced with Computershare's infrastructure and processes, to create a Global Service Model (GSM) that delivers:
  - **Virtual offshore centres** operating on the same applications, controls and processes as onshore operations for a seamless shareholder experience.
  - **Reduced handling times** through introduction of CPU technology and processes.
  - **Expanded** call centre hours.
  - **24-hour processing** services with faster turnaround times.
  - **Advanced data security** protocols.
  - Extensive **business continuity** measures.
  - Opportunity to provide services to all CPU regional business units.

# Advantages of the Global Service Model

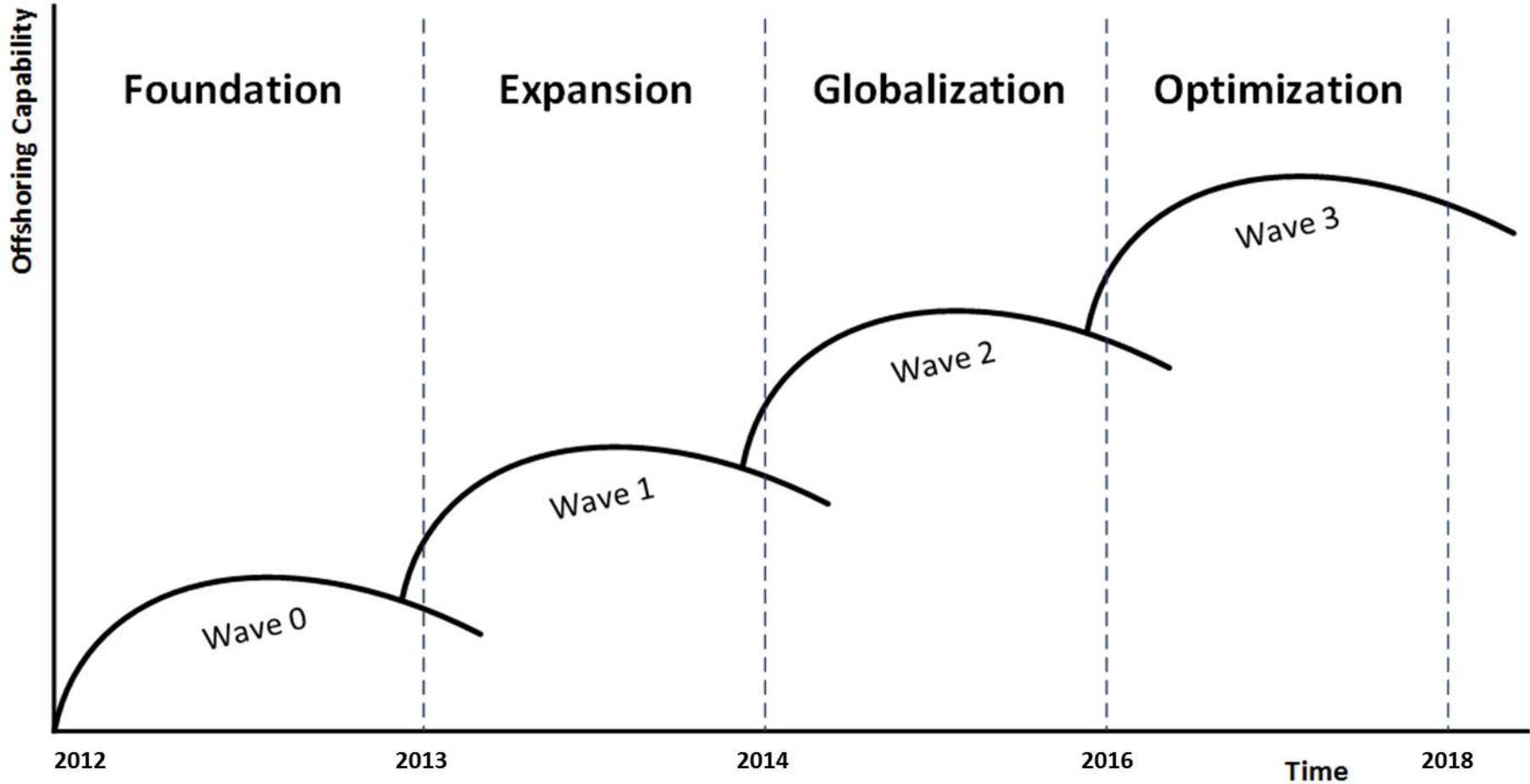
## New for legacy CPU clients

- > Live Chat web support.
- > Longer operating hours and faster turnaround times.
- > Extensive business continuity.
- > Enhanced staffing scalability and variability.

## New for legacy BNYM clients

- > Virtual service centre model.
- > Improved caller experience - screen pop-up, call handling procedures, scripts.
- > Enhanced tools for service representatives.
- > Computershare quality programs, including 100% digital call recording and screen capture.
- > Expanded IVR capabilities.
- > Improved disaster recovery and business continuity.

# Global Service Model Transition



# Foundation - Vendor Strategy & Contract Negotiation

## Critical Success Factors

- > Partnerships with vendors aligned to CPU's strategic objectives to provide best in class operations' servicing, robust technology, innovation and BPO capability.
- > Retention of offshore registry expertise.
- > Ensure no degradation in service to clients.
- > Provide for scalability to leverage capabilities to legacy CPU registry client base and other product lines.



## Outcomes

- > Changed and added new vendor relationships for both call centre servicing and transaction processing.
- > Negotiated legacy vendor transition agreements that ensured virtually all staff continued to service CPU through new vendors.
- > Physical controls and staff recruitment requirements matching, and in many cases, exceeding onshore environments.

# Foundation - Technology Platform

- › All Offshore processing is performed on the same applications as onshore.
- › All Offshore processing restricted to virtual desktop architecture:
  - Personnel use computers that render screens and accept keystroke input.
  - All shareholder and client data remains within onshore data centres.
  - Representatives cannot copy, paste, store, print, transmit or export data.
  - Global standard for both onshore and offshore workstations going forward.
- › Implementation of global switch telephony infrastructure, enabling routing of calls to all Computershare onshore and offshore offices.

# Foundation - Business Readiness

- > Enhancement of virtual Operations model to include offshore sites:
  - Clients no longer required to choose between an onshore or offshore model.
  - Seamless routing of transaction types based on virtual model and resource availability.
  - Common business practices, metrics, measurements and goals across all sites.
  - Expanded business continuity capabilities.
- > Enhanced training program including materials, methodologies and delivery.
- > SME's onsite to aid in training, client awareness and CPU cultural assimilation.
- > Enhanced quality programs.

# Foundation - Global Workforce Planning and Dashboards



## Components and Benefits

- > Global workforce planning team created to provide consolidated view and management of transaction volumes for resource optimisation and capacity planning.
- > Consistent with virtual service model, productivity and quality measurement is the same onshore and offshore for a representative, team and site.
- > Operations dashboards provide current management reporting to ensure consistent and timely oversight of Operations regardless of location.

# Expansion

- › GSM expanded to legacy US CPU registry clients.
  - Client communications and consents.
  - Offshore staff expansion.
  - Transition planning.
- › Additional transactions and products introduced to GSM.
- › Karvy Computershare Private Ltd. introduced as additional Indian transaction processing vendor in August 2013.
  - Largest Indian registry and mutual fund transfer agent.
  - Three decades of experience.
  - 70 million investors across 1000+ issuers and mutual funds.

# Globalisation

- › Australian and Canadian adoption of GSM for Registry in 2013.
- › Initiated reviews of other opportunities to leverage offshore capabilities for other CPU business lines including:
  - Business Services.
  - Technology.
  - Corporate Administration.

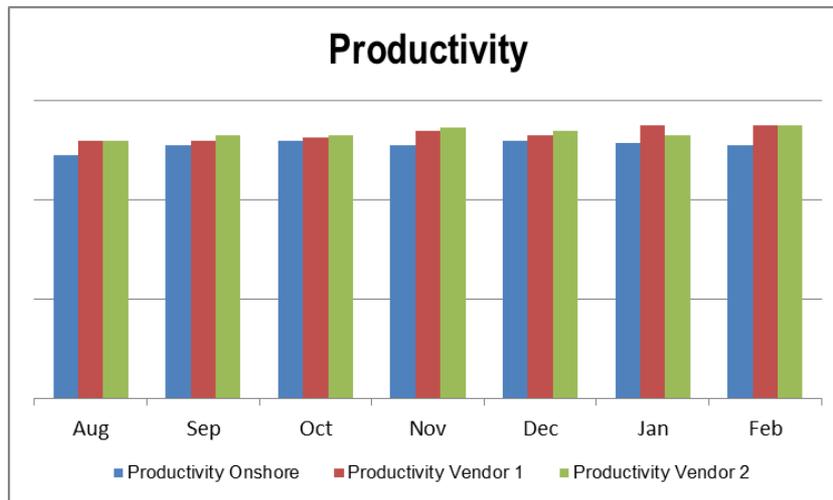
# Optimisation

- › Leverage and implement best practices across regions to maximise benefits without hindering quality
  - **Global workforce management** - Cross train representatives to optimise demand across regions.
  - **Common Practices** - Standardise processes and controls across regions where appropriate, based on CPU and industry best practices.
  - **Business Continuity Capability** - Enhanced global ability to address significant business demand variability with minimal impact to Operations in the event of a one-off client event or site outage through vendor and multi-regional CPU business continuity.
  - **Common reporting tools** - Increased transparency with greater ability to manage and monitor operational performance across regions.
  - **Seamless client experience** - Consistent delivery of high quality services.

# Where are we in the Journey

## > Vendor Evaluation

- Continual evaluation of onshore and offshore performance.



## > Progress on Volumes

- About one-third of eligible GSM transactions achieved to date.
- We expect that the total universe of eligible transactions for the GSM will be captured within the next three years.

# Investor & Analyst Briefing

Global Service Model  
**Question Time**

Stuart Irving  
Chief Information Officer  
20 March 2014

# Investor & Analyst Briefing

## Business Overview – Serviceworks Group

Andrew Duncan  
Managing Director, Serviceworks Group  
20 March 2014

# Business Overview – Serviceworks Group

## Why did Computershare acquire the Serviceworks Group

### > Deal Rationale

- Entry point into a new vertical with a business that delivers services using very similar core competencies to the registry business:
  - > Large scale transactional management services.
  - > Data management.
  - > Technology based.
  - > Global opportunities.
- Existing relationship with our Communication Services business.

# Business Overview – Serviceworks Group

## Group Overview

### **Serviceworks Group**

Three combined growth engines

- Commenced 1999 in Melbourne consulting to newly privatised energy retailers. Acquired by Computershare in 2011.

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### **serviceworks**

BPO Services for Utilities

- We currently service electricity, gas and water utilities in Australia and in the US, providing; specialist consulting, solutions development & customer management services.

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### **connectnow.**

Move Home Services

- Service helping home movers connect with their choice of household service providers, such as electricity, gas, water, telephone, Internet & Pay TV, providing ready access to move-home related services like cleaning & removalists.

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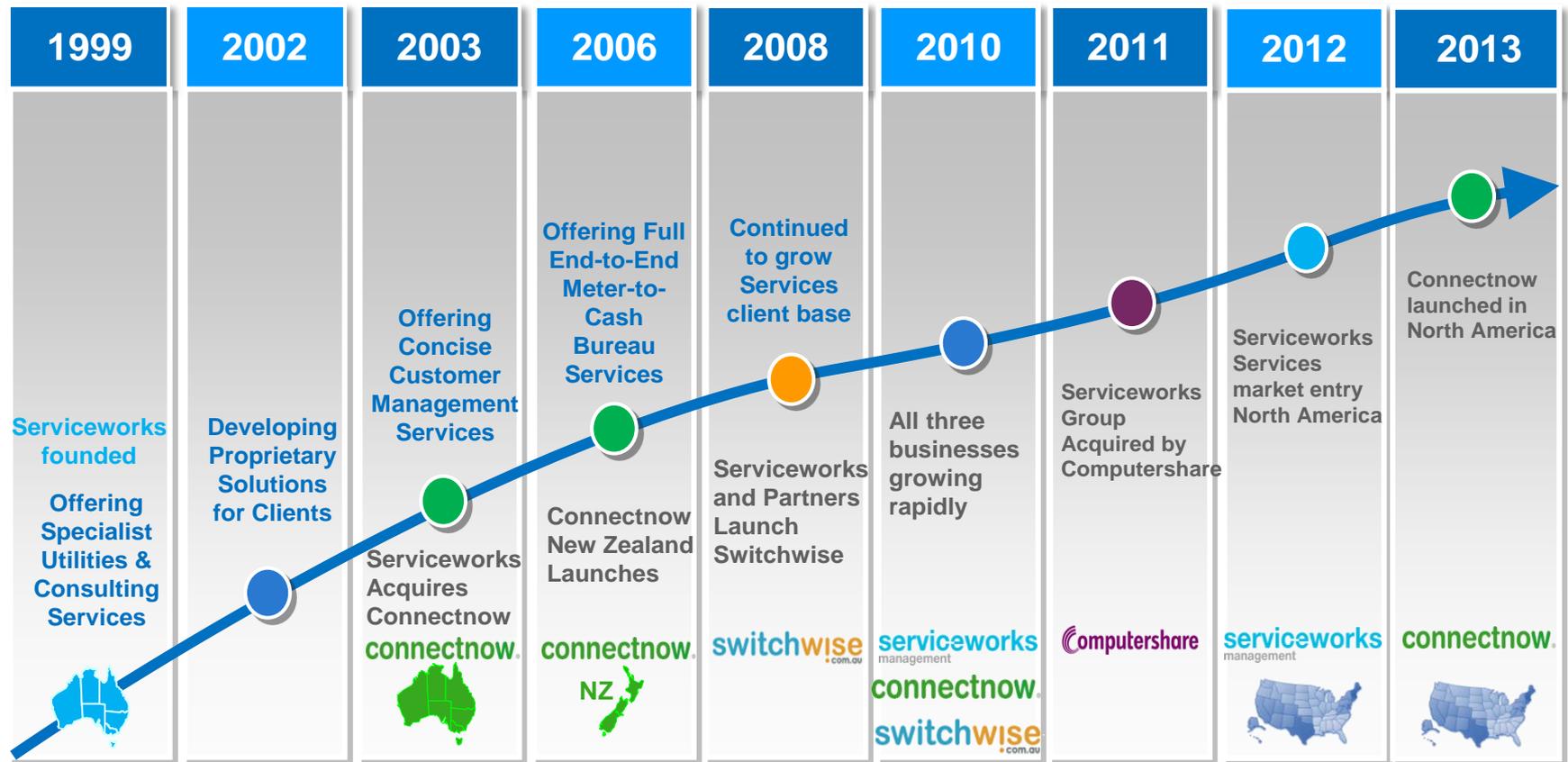
### **switchwise** com.au

Compare & switch energy retailers

- Leading consumer branded website allowing customers to compare over 700 different electricity and gas deals and switch to their choice of many energy retailers.

# Business Overview – Serviceworks Group

## Historical Milestones



# Business Overview – Serviceworks Group

## Strategic Perspective

### > Integration into Computershare

- Migration of shared services such as legal, compliance, finance, HR and IT infrastructure completed.
- Leveraging knowledge and capabilities that overlap such as customer self-serve capabilities.
- Reducing cost base by leveraging Computershare facilities.
- Expanding the business into global markets where CPU have existing footprint e.g. US.

# Business Overview – Serviceworks Group

## What does Serviceworks do

- › Foundation business of the Serviceworks Group
  - Aims to provide clients with strategic advantage by leveraging technologies and scale – removing duplication across capabilities and functions.
- 1. Consulting
  - › Project Management for system transformation.
  - › Discrete operational and technology process review across Operational areas.
- 2. Solutions Development
  - › Development of specialist solutions for Utilities to support core systems and customer management functions.
- 3. Customer Management Services
  - › Meter data management, customer establishment, billing, payments and collections, customer service, technology services including infrastructure, applications and third party interfaces, quality and reporting.

# Business Overview – Serviceworks Group

## Serviceworks Market Overview

- › Eighty independent energy and water organisations across Australia - Serviceworks services less than 20% of this core target market.
- › Three market segments
  - Large government tenders and large scale incumbent energy retailers look for global tier 1 service providers.
  - Small to medium government owned utilities that do not have significant scale are looking for specialist, experienced service providers to leverage capabilities, drive synergies and lower cost.
  - New entrant retailers looking to enter the market with low cost set up but robust capabilities.
- › Serviceworks is a leading provider in Australian energy and water markets with coverage across all segments (residential, small & medium enterprise and commercial & industrial).

# Business Overview – Serviceworks Group

## What does Serviceworks do

- › The Serviceworks Approach
  - Market knowledge
    - › Identify market needs and capability gaps in the Utilities sector.
  - Develop
    - › Develop specialist services and capabilities to deliver solutions to industry issues.
  - Deliver
    - › Deliver required improvements and change for existing clients and new prospects with the same challenges.
  - Operate
    - › Optimise operations and service excellence.
  - Scale & Repeat
    - › Model and knowledge used for new markets.

# Business Overview – Serviceworks Group

## What does Serviceworks do

Specialist Consulting			Customer Management Services								
			Move Ins	Middle & Back of House Services				Customer Service	Move Outs		
Planning & Feasibility	Strategy & Product	Deliver & Improve	Move Ins / Transfer	Credit Support	Usage	Billing	Send Bills & Notices	Collect Monies	Customer Service	Move Outs	
Financial Scenario Modelling	Product Strategy	Implement	Service Orders	Credit Assessment	Meter Read Receipt	Bill Calculation	Print Production	Payment Receipt	Customer Account Management	Faults	Move Out Processes
Opportunity Research & Assessment	Establish Business Rules	Program Management	Customer & Product Data	Customer Segment Profiling	Meter Data Management	Bill Adjustment	Mail Preparation & Lodgement	Collections	Complaints & Hardship Management	Inbound Queries IVR	Service Orders
Customer Strategy	Establish Delivery Plan	Ongoing Performance Improvement	Welcome Pack	Credit Comm's Management	Network Reconciliation	Unbilled Management	Electronic Bill Presentment	Mercantile Agency	Sales Verification	Self Service	Final Billing
<b>Customer Experience &amp; Compliance</b> Customer Satisfaction, Loyalty, Quality Assurance & Compliance											
<b>Information Technology &amp; Communications</b> Telephony, Billing Systems, Hosting, Facilities Management & Market Connectivity											

Enabled by Computershare Communications Services

# Business Overview – Serviceworks Group

## What does Connectnow do

- > Business has built up organically since its foundation in 2001.
- > Provides comprehensive services for customers moving home.
- > Services facilitated including energy, water, telecommunications, pay TV, insurance, removalists, cleaning and a number of other related items.
- > Operates in Australia, New Zealand and recently launched as a pilot in Houston, US.
- > Very strong overlap of client base to Serviceworks key clients.
- > Leverages Serviceworks capabilities and technologies.
- > Also fits in very well alongside Switchwise.
- > Model based on providing customer convenience at a very stressful and hectic time of life.

# Business Overview – Serviceworks Group

## Connectnow Market Overview

- > Strong growth over past 10 years.
- > Category awareness has also grown.
- > Traditional channel is becoming very competitive and not expected to deliver growth at historic levels.
- > The specialist move home service provider category (Connectnow and its competitors) thought to account for less than 25% of all moves.
- > New approaches to delivering growth required.
- > Looking to leverage the base capabilities and model into new overseas markets.

# Business Overview – Serviceworks Group

## Switchwise

### > What does Switchwise do

- Established in 2008 to sit alongside Serviceworks and Connectnow for customers seeking accurate price comparison.
- Retail energy price comparison business.
- Smallest business in the portfolio.
- Again leverages Serviceworks' capabilities servicing the same target market (retail energy companies).
- Operates in Australia.

### > Market Overview

- Competition has increased however it has increased awareness of the category.
- Retail energy companies are looking for trusted and professional partners.

# Business Overview – Serviceworks Group

## International Market Expansion

- › Launched into the US via Texas – Texas market potentially as large as Australia.
- › North East States of US exhibit characteristics that lend to Serviceworks model e.g. competitive markets.
- › Other potential markets in Europe, Canada and Asia – where there is a competitive market there is opportunity.

# Business Overview – Serviceworks Group

## Current State

- › Serviceworks group has experienced strong organic growth over the past 10 years.
- › Tier 2 and new entrant retailers in competitive markets continue to find our outsource offering attractive
  - Need to keep systems and processes compliant and updated for regulatory change.
  - Model constantly developed to allow clients to leverage our investments (customer management, revenue assurance and managing change).
- › Gaining traction in Water and Government owned energy companies.
- › Serviceworks is facing a challenging period with the exit of APG (acquired by AGL) however there is a very strong demand for services across the retail energy and the water market.
- › Connectnow and Switchwise markets have become very competitive however our offering remains strong.
- › Scaling the business into new markets provides significant new growth opportunities.

# Investor & Analyst Briefing

Business Overview – Serviceworks Group  
**Question Time**

Andrew Duncan  
Managing Director, Serviceworks Group  
20 March 2014

# Investor & Analyst Briefing

## Business Overview – Canada

Wayne Newling  
Head of Computershare Canada  
20 March 2014

# Regional Overview – Canada

## Investor Services

### > State of play

- Client satisfaction remains very high with overall satisfaction ratings at 95% whilst 90% willing to recommend our services.
- M&A activity remains sluggish, however IPO activity up 40% calendar 2013 versus calendar 2012.
- Focus on retaining Olympia clients - seamless transition from closing to full integration/onboarding.

### > Challenges and opportunities

- Low interest rates continue to impact margin income.
- Pursue revenue opportunities on the Olympia client base through account planning and introducing other CPU solution offerings to client set.
- Working with major participants in continued market structure debate.

# Regional Overview - Canada

## Corporate Trust

### > State of play

- Strong first half of the fiscal year underpinned by winning new mandates and retaining tenders on existing mandates.
- Debt under administration continues to grow.
- Broker Registered Product continues to perform well with some new wins from smaller brokers.

### > Challenges and opportunities

- Ongoing low interest rate environment adversely affecting earnings.
- Pricing pressures exist from global and regional competitors on new opportunities and on retenders.
- Escrows and warrants (both new mandates and transactional activities) remain slower due to market softness.
- Exploring new product opportunities by leveraging existing capabilities.

# Regional Overview - Canada

## Communication Services

- > State of play
  - Growth in commercial sales continues.
  - Client net promoter scores remain at very high levels.
  - Cost control and margin enhancement remains a key focus.
  - Exploring the Inbound Process Automation market to diversify revenue streams.
- > Challenges and opportunities
  - Notice and Access negatively impacting FY14 but less than expected.
  - Postal system changes accelerating electronic service adoption.

# Regional Overview - Canada

## Plan Managers

### > State of play

- Well positioned to capitalize on investment made to “Canadianize” our new grant-based award (Stock Options & Restricted Stock) recordkeeping system.
- Interest in new system amongst our existing and competitors’ clients is strong, and will be a focal point for our growth going forward.
- We continue to retain leadership in the high margin ESP recordkeeping and equity plan trusteeship markets.
- We are taking advantage of our global infrastructure and existing capabilities to meet the Global Plan needs of larger multi-nationals.
- Client retention remains high.

### > Challenges and opportunities

- Increased compliance costs relating to regulatory requirements.
- Pricing pressure continues as clients seek cost savings.

# Regional Overview - Canada

## Corporate Proxy

- > State of play
  - Competitive landscape remains congested.
  - Pricing pressures continue due to new and existing entrants to marketplace.
  - Soft corporate activity resulting in deal flow at recent lows (industry off by 30% year on year).
  - Focus by media on shareholder activism is not translating into live proxy contest. Most proxy contests are settled in advance of an all out hostile campaign.
  
- > Challenges and opportunities
  - Continue to build relationships within legal community.
  - Focus on cost control to align with revenues.
  - Continue to leverage CPU relationships.
  - Market conditions/increased competition have impacted significantly on pipeline.

# Investor & Analyst Briefing

Business Overview – Canada  
**Question Time**

Wayne Newling  
Head of Computershare Canada  
20 March 2014

# Investor & Analyst Briefing

## Business Overview - Asia

James Wong  
Head of Computershare Asia  
20 March 2014

# Regional Overview - Asia

## Hong Kong

### > State of play

- Fundraising and other corporate activities finally started to recover in Q2FY14.
- Drafting of Dematerialisation legislation to be submitted to Legislative Council in April 14. Working groups restarted with aggressive timeline. New target date 2017.
- Cross-selling to existing registry client base continued to benefit Plans, Shareholder ID and Proxy Solicitation businesses, but also translating into a stronger registry relationship.

### > Challenges & opportunities

- Dematerialisation project will be time consuming but offers new business opportunities.
- Leakage of Chinese e-commerce businesses to US listings.

# Regional Overview - Asia

## China

### > State of play

- Employee Plans business in China continues strong growth.
- Interest in Shareholder ID and Proxy Solicitation growing.
- Opened presence in Shanghai to complement Beijing.

### > Challenges & opportunities

- International Board still off the radar.
- New China Securities Regulatory Commission leadership not keen on new products, rather the new focus is to restructure the existing domestic capital markets with a view to reboot.

# Regional Overview - Asia

## India

- > State of play
  - IPOs and public sector privatisation still in the doldrums.
  - Reduced growth, inflation, softened currency and upcoming election drag on the market.
  - SEBI making efforts to improve the funds industry environment and encouraging more activities beyond the big cities.
  - Leveraging on Karvy's skills and knowledge for our global service model.
- > Challenges & opportunities
  - Volatile market and regulatory environment.

# Regional Overview - Asia

## Japan

- > State of play
  - Abenomics starting to work.
  - Moved our joint venture sales responsibilities into our partner Mitsubishi UFJ Trust Bank.
  - Early indications of improved deal flow.
- > Challenges & opportunities
  - A reinvigorated economy will generate a higher level of corporate activities which will benefit the joint venture.

# Investor & Analyst Briefing

Business Overview – Asia  
**Question Time**

James Wong  
Head of Computershare Asia  
20 March 2014

# Investor & Analyst Briefing

Business Overview – Australia & New Zealand

Scott Cameron  
Head of Computershare Australia & New Zealand  
20 March 2014

# Regional Overview – Australia & New Zealand

## Investor Services - Australia

### > State of play

- Market leader (60% of ASX 20; 55% of ASX 200).
- 98% of respondents to 2014 Australian Registry Services Provider survey rated our performance as positive.
- Contributed to the success of a number high profile corporate actions including Hybrid capital raisings (AMP, NAB and ANZ); Wesfarmers consolidation; Saputo takeover bid for Warrnambool Cheese and Butter; rights issues (Virgin, Billabong); Macquarie/Sydney Airport; and James Hardie.
- IPO market improving, but still subdued retail participation.
- Using the global service model for registry service delivery.
- Continue to provide registry services for fixed interest, warrants and other structured products post exit from unit registry business.
- Launch of new Investor Centre.

### > Challenges and opportunities

- Competitive landscape.
- Continued focus on cost and operational efficiencies.

# Regional Overview - Australia & New Zealand

## Investor Services – New Zealand

- › State of play
  - Market leader, with 62% of NZX50 index.
  - Successfully completed IPOs of Mighty River Power and Meridian Energy.
- › Challenges and opportunities
  - Pipeline of work for sale of remaining State Owned Enterprises.
  - Identification of new revenue streams in a mature market.

# Regional Overview - Australia & New Zealand

## Communication Services

### > State of play

- A leading provider of specialised inbound and outbound communication services that integrate print, mail and electronic solutions.
- Provides point of difference from registry competitors – all security holder information kept within Computershare.
- Strong pipeline for inbound Capturepoint offering - partnerships with leading banks to offer locked box receivable processing; digital mailroom solutions.

### > Challenges and opportunities

- Increase in postage costs and an ever competitive market place.
- Partnering with Tier 1 organisations that view our solutions as able to deliver on their broader corporate strategies, eg mortgage and insurance verticals.

# Regional Overview - Australia & New Zealand

## Plan Managers

- > State of play
  - Market leader.
  - Continued growth of business.
  - New client wins including some “lost” clients returning.
  - Trading volumes down.
- > Challenges and opportunities
  - Competitive landscape.
  - Potential roll out of global plans.
  - Vested share account offering.
  - Further development of communication channels to increase employee participation.
  - Possible tax law changes.
  - Process improvement and efficiencies.

# Regional Overview - Australia & New Zealand

## Proxy Solicitation

- > State of play
  - Industry leader with promising uptick in market activity.
  - Involved in a number of high profile campaigns including Saputo Inc. takeover of Warrnambool Cheese & Butter Factory; Westfield Group Ltd corporate restructure and acquisition; and Twenty-First Century Fox Inc. ASX de-listing.
- > Challenges and opportunities
  - Market activity shows signs of improvement, with the number of mandated transactions up significantly.
  - Deal volume up, but average deal size down (in shareholder numbers).

# Regional Overview - Australia & New Zealand

## Serviceworks Group

### > State of play

- Strong growth since acquisition in August 2011.
- Added new clients and many existing clients have continued to grow.
- Connectnow and Switchwise markets have seen competition intensify.
- Integration of key functions such as finance, payroll, HR and technology has been completed.
- Business has been expanded to the US.

### > Challenges and opportunities

- Key challenge for the Group is managing the transition of APG to AGL successfully.
- The pipeline for new work in Serviceworks is strong.
- Overall value proposition and capabilities have advanced considerably since acquisition.
- Looking to grow the business in the US and then look to enter new markets with the right conditions for the model.

# Investor & Analyst Briefing

Business Overview – Australia & New Zealand  
**Question Time**

Scott Cameron  
Head of Computershare Australia & New Zealand  
20 March 2014

# Investor & Analyst Briefing

Close