

# Computershare Limited

## Interim Results 2006 Presentation

Chris Morris  
Tom Honan

15 February 2006



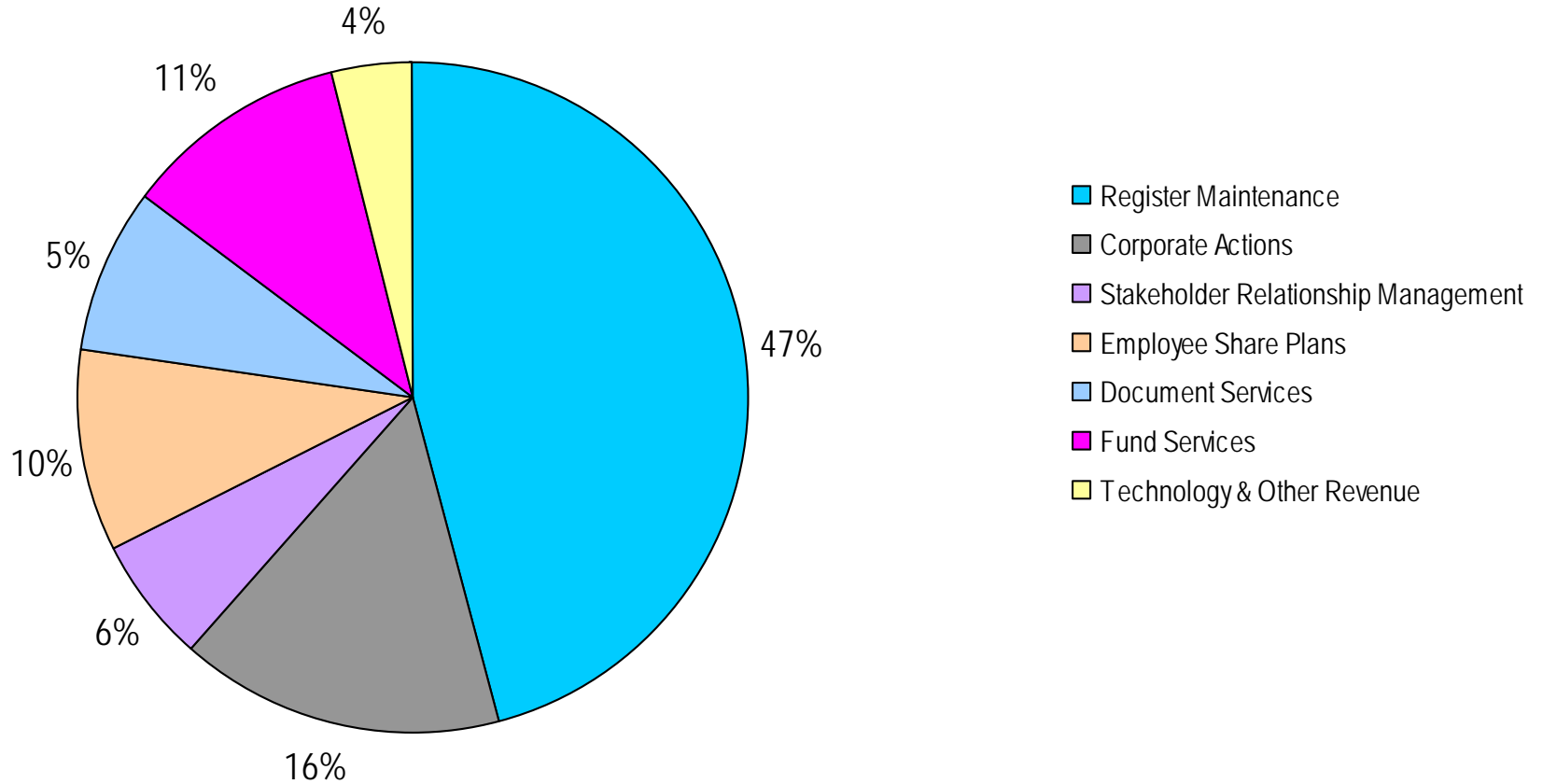
# Tom Honan

## Chief Financial Officer

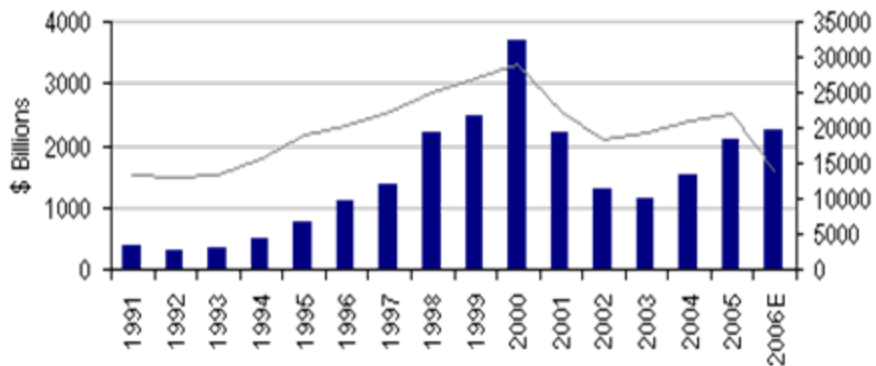
- Normalised EPS of 11.72 cents, up 28%
- Normalised Net Profit After Tax of A\$69.8m, up 35%
- Total Revenue of A\$781.5m, up 59%
- Operating Cash Flows of A\$87.5m, up 72%
- Operating Costs of A\$650.5m, a 62% increase
- Days Sales Outstanding at 56 days, down 6 days since 30 June 05
- Interim Dividend of 6 cents per share.

•Comparisons are against 1H05 - AIFRS

## Revenue Type



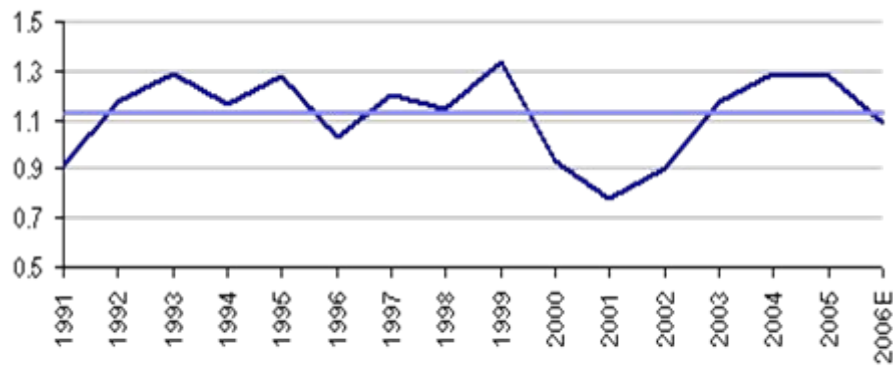
### Historical Equity Issuance Data



■ Global Completed M&A Volume (1a) — Total Completed M&A Transactions (1a)

2006 YTD Total Volume:	\$187 bn	2006 Est. Annualized Volume:	\$2,247 bn
2005 Total Volume:	\$2,108 bn	Est. 2006 vs. 2005:	6.6%
1991-2005 Avg Volume:	\$1,430 bn	Est. 2006 vs. 1991-2005 Avg:	57.1%

### Annual M & A Book to Bill Ratio

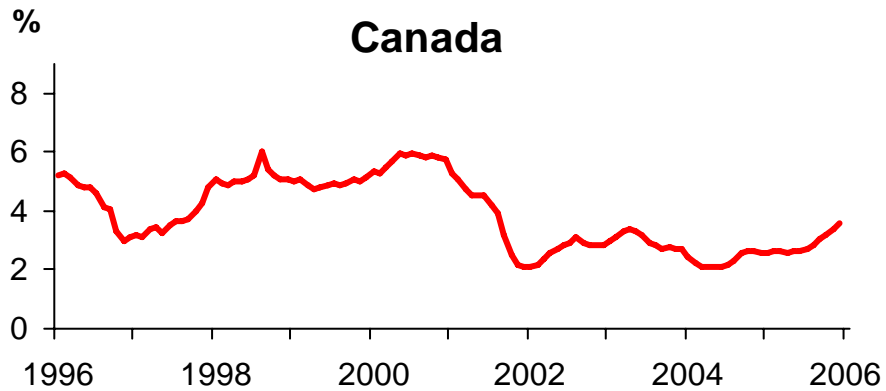
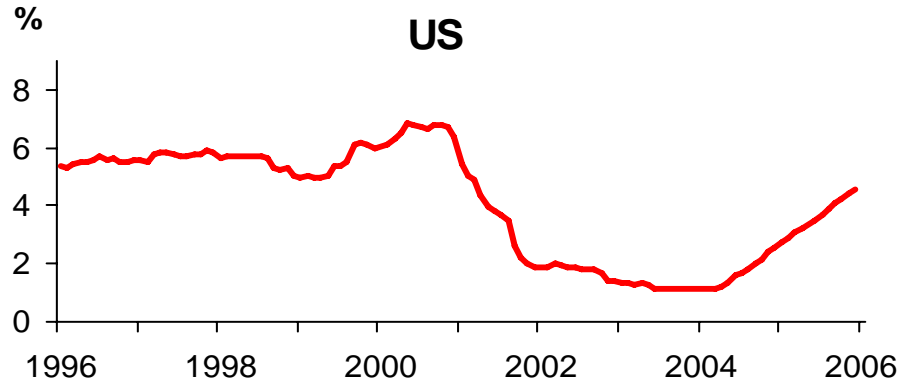
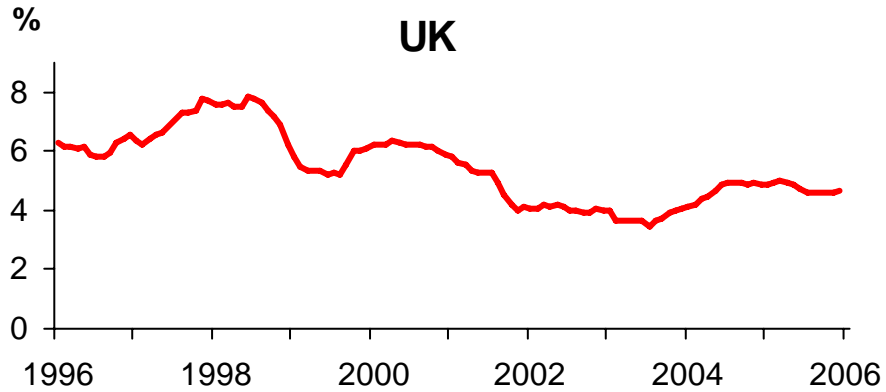


— Book-to-bill ratio — Average

2006 YTD	1.08x	2006 YTD vs. 2000 - 2005 Avg	2.3%
2000-2005 Average	1.06x	2006 YTD vs. 1991 - 2005 Avg.	-3.8%
1991-2005 Average	1.13x		

Source: SDC Thomson Financial and UBS Securities Australia Ltd

# Global Interest Rates



- Recurring Revenue – >70% of revenue is of a recurring nature
- Global Diversification – Across more than 21 countries
- Exposure to northern hemisphere interest rates – continued to rise in 1<sup>st</sup> half
- Technological innovation and capabilities – enhanced by acquisitions
- Integration of businesses – Equiserve ahead of schedule
- Continued strong EPS growth.





	AIFRS 1H06	AIFRS 1H05	Variance
Sales Revenue	775.6	475.0	63%
Interest & Other Income*	5.9	16.2	
<b>Total Revenue</b>	<b>781.5</b>	<b>491.1</b>	<b>59%</b>
Operating Costs*	650.5	401.1	(62%)
Share of Net (Profit)/Loss of Associates	(1.5)	(0.6)	
<b>Normalised EBITDA</b>	<b>132.4</b>	<b>90.6</b>	<b>46%</b>
Non-Recurring Items	5.8	(8.4)	
<b>EBITDA</b>	<b>126.6</b>	<b>99.0</b>	<b>28%</b>

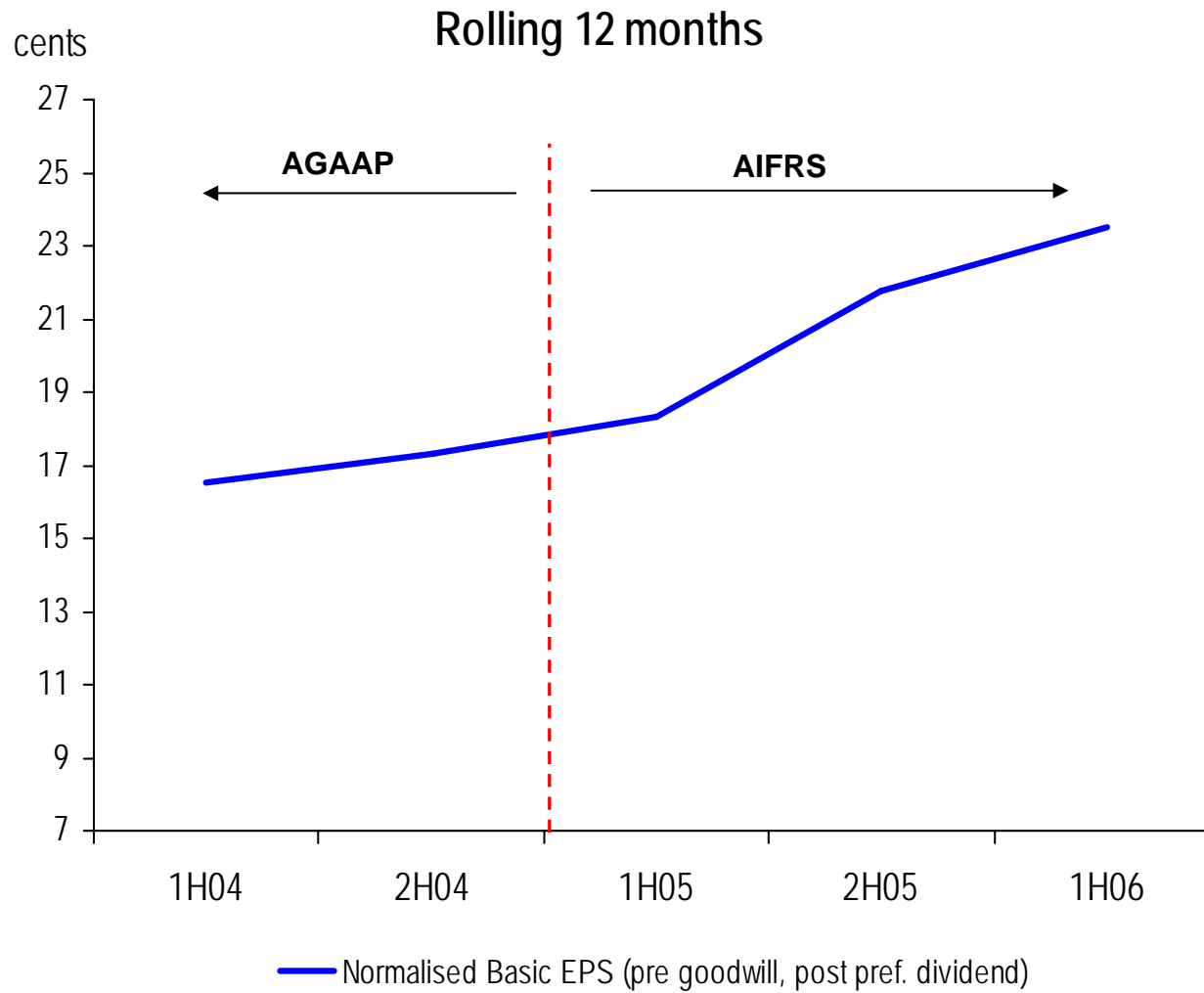
\* Excludes proceeds & costs relating to non-recurring items

<b>Net profit after tax under AGAAP 31 December 2004</b>	<b>45,368</b>	<b>Basic EPS (AGAAP)</b>	<b>7.99 cents</b>
Write back of goodwill amortisation	20,260		
Share based remuneration expense	(3,587)		
Business combinations	8,312		
Other	(1,008)		
<b>Net profit after tax under AIFRS 31 December 2004</b>	<b><u>69,345</u></b>	<b>Basic EPS (AIFRS)</b>	<b>12.33 cents</b>
Adjustment for unusual items			
- Profit on sale	(9,331)		
- Business combinations	(8,312)		
<b>Normalised profit after tax under AIFRS 31 December 2004</b>	<b><u><u>51,702</u></u></b>	<b>Normalised EPS (AIFRS)</b>	<b>9.14 cents</b>

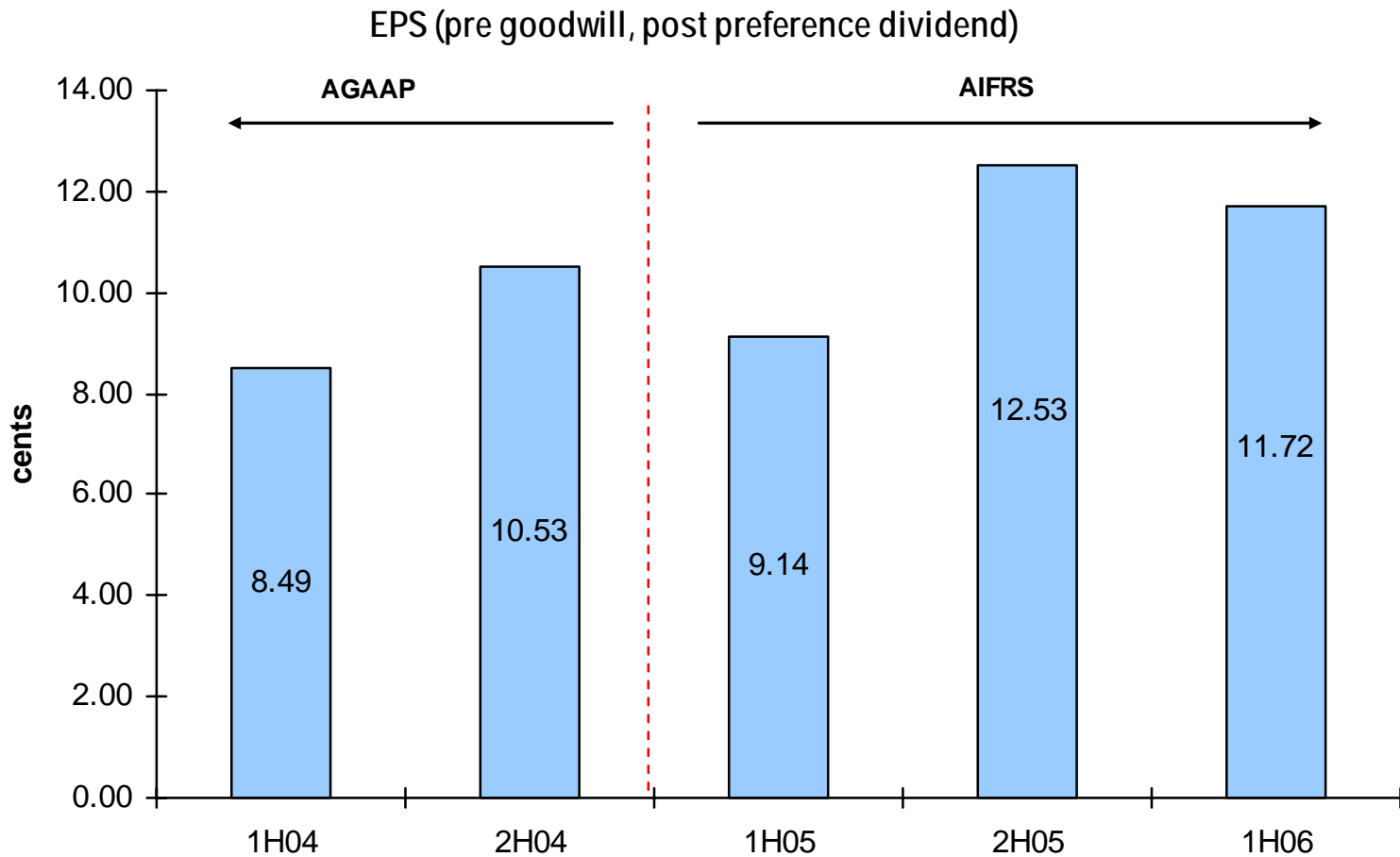
<b>Net profit after tax under AIFRS 31 December 2005</b>	<b>65,784</b>	<b>Basic EPS AIFRS</b>	<b>11.04 cents</b>
Adjustment for unusual items			
- UK redundancies	4,057		
<b>Normalised profit after tax under AIFRS 31 December 2005</b>	<b><u>69,841</u></b>	<b>Normalised EPS AIFRS</b>	<b>11.72 cents</b>

An increase of 28.2% in normalised EPS to 11.72 cents for the six months ended 31 December 2005 in comparison to the 31 December 2004 comparative period.

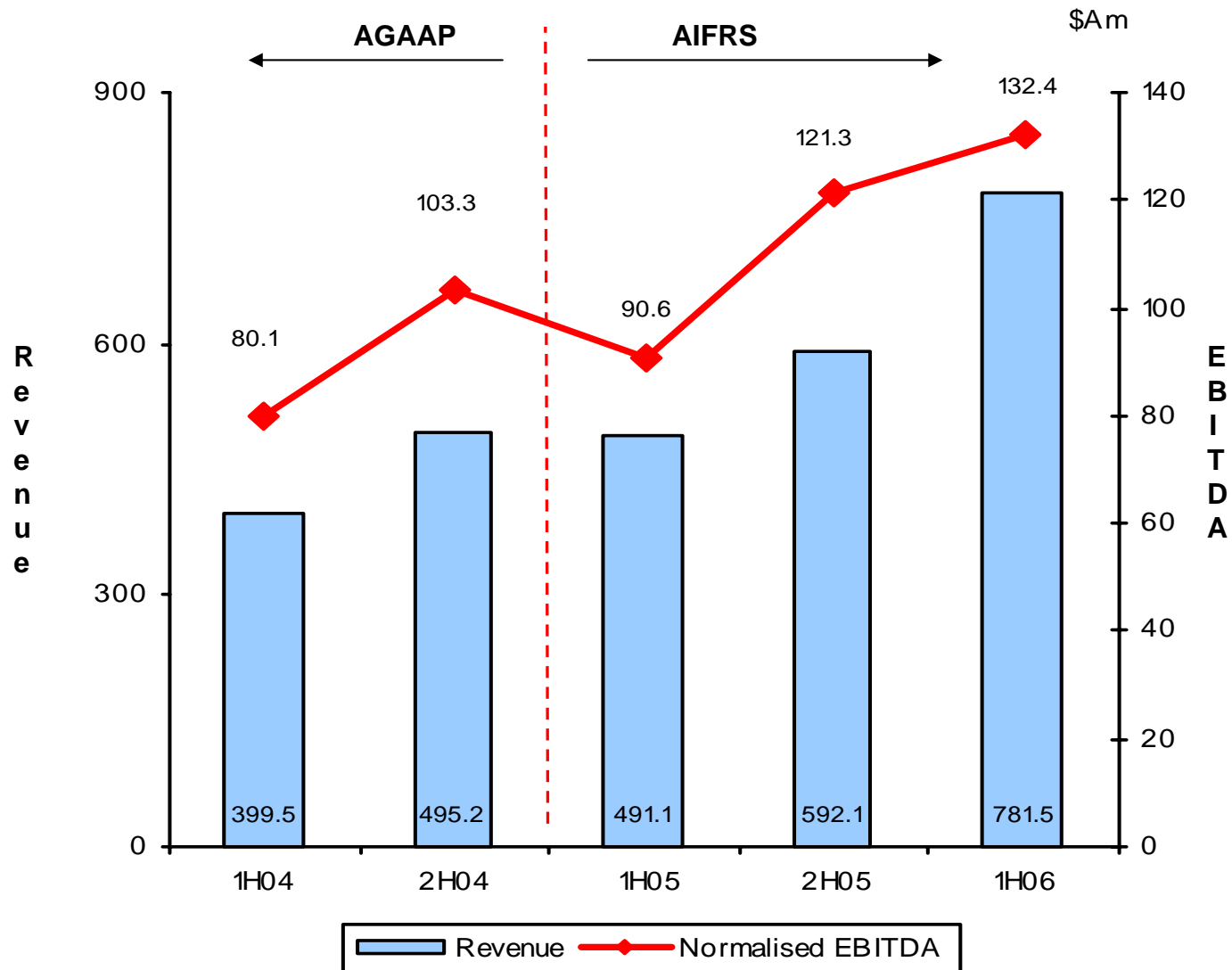
<b>Net profit after tax under AGAAP 30 June 2005</b>	<b>101,462</b>	<b>Basic EPS AGAAP</b>	<b>17.91 cents</b>
Write back of goodwill amortisation	41,707		
Share based remuneration expense	(9,971)		
Business combinations	(5,394)		
Other	(2,413)		
<b>Net profit after tax under AIFRS 30 June 2005</b>	<b>125,391</b>	<b>Basic EPS AIFRS</b>	<b>22.19 cents</b>
Adjustment for unusual items			
- Profit on sale	(9,003)		
- Business combinations	5,394		
<b>Normalised profit after tax under AIFRS 30 June 2005</b>	<b>121,782</b>	<b>Normalised EPS AIFRS</b>	<b>21.54 cents</b>



# Analysis of Normalised EPS – Half Year Comparison

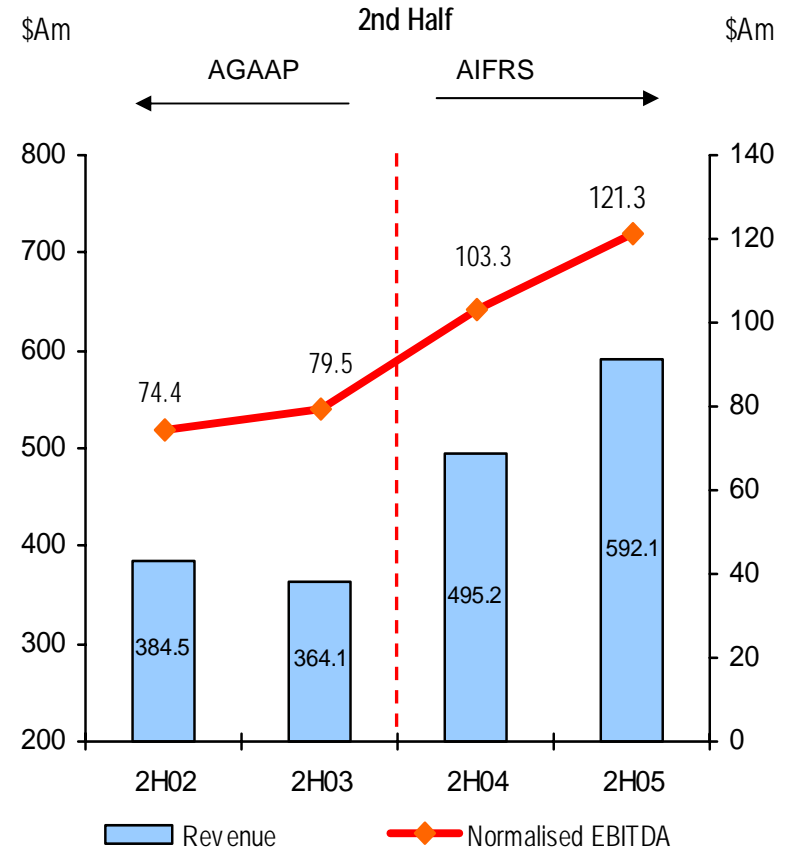
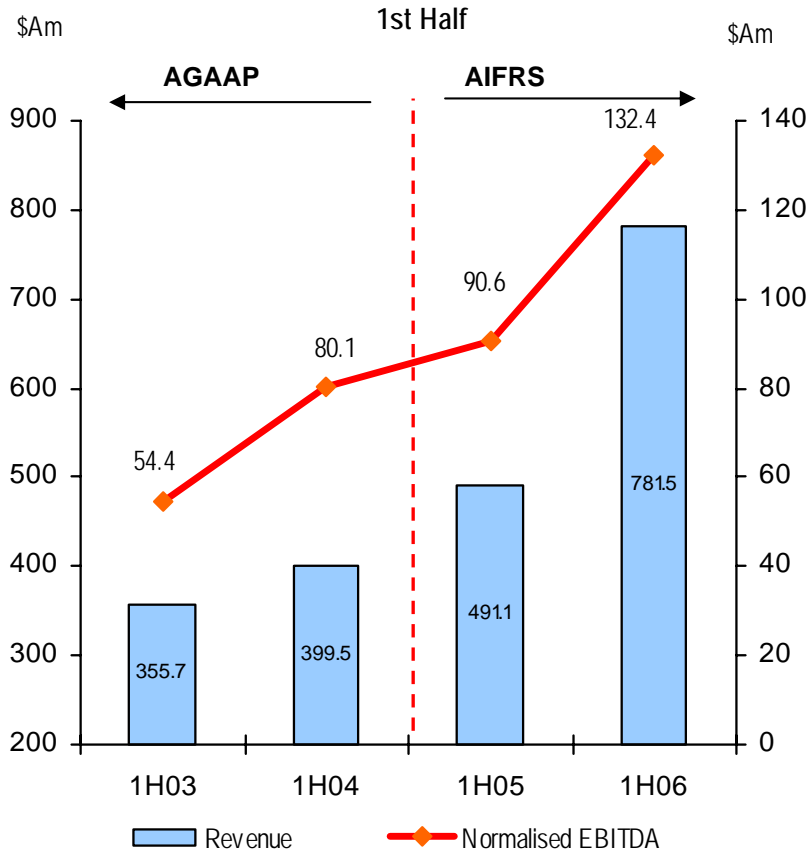


# Half Year Comparisons – Revenue & EBITDA



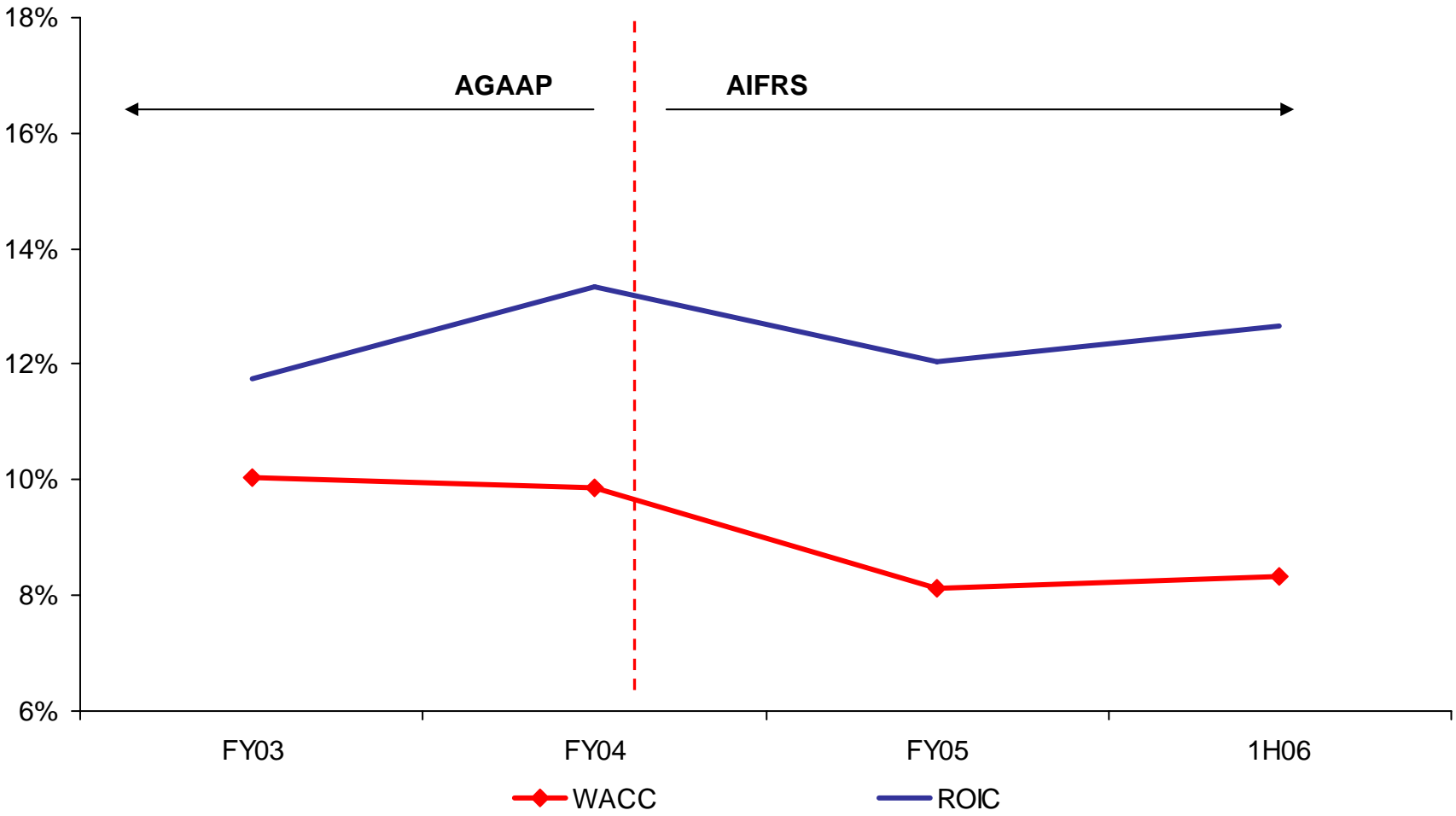


# Half Year Comparisons – Revenue & EBITDA

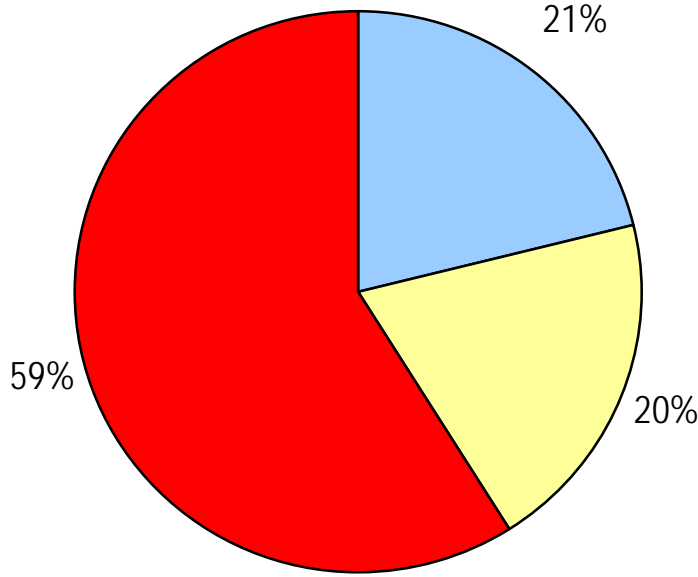


# Return On Invested Capital Vs. WACC

Increased returns, Cost of Capital increases slightly

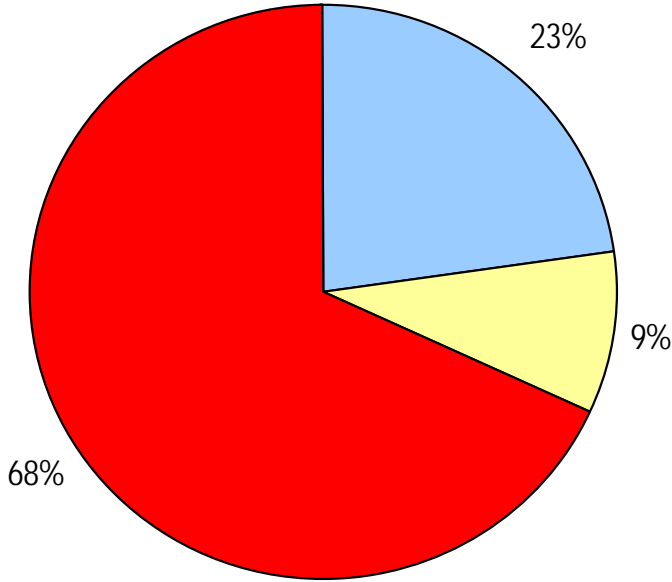


### Total Revenue Breakdown



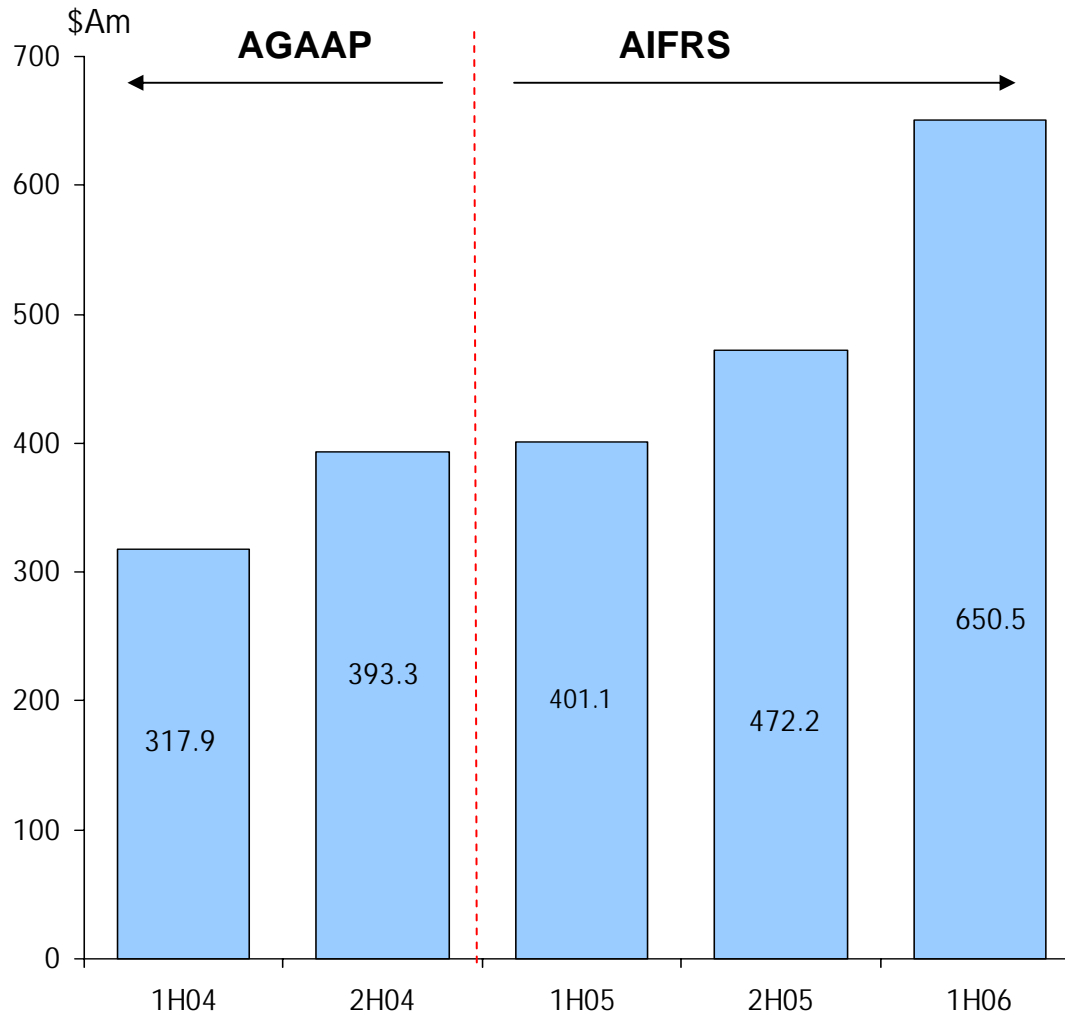
■ Asia Pacific   ■ EMEA   ■ North America

### EBITDA Breakdown

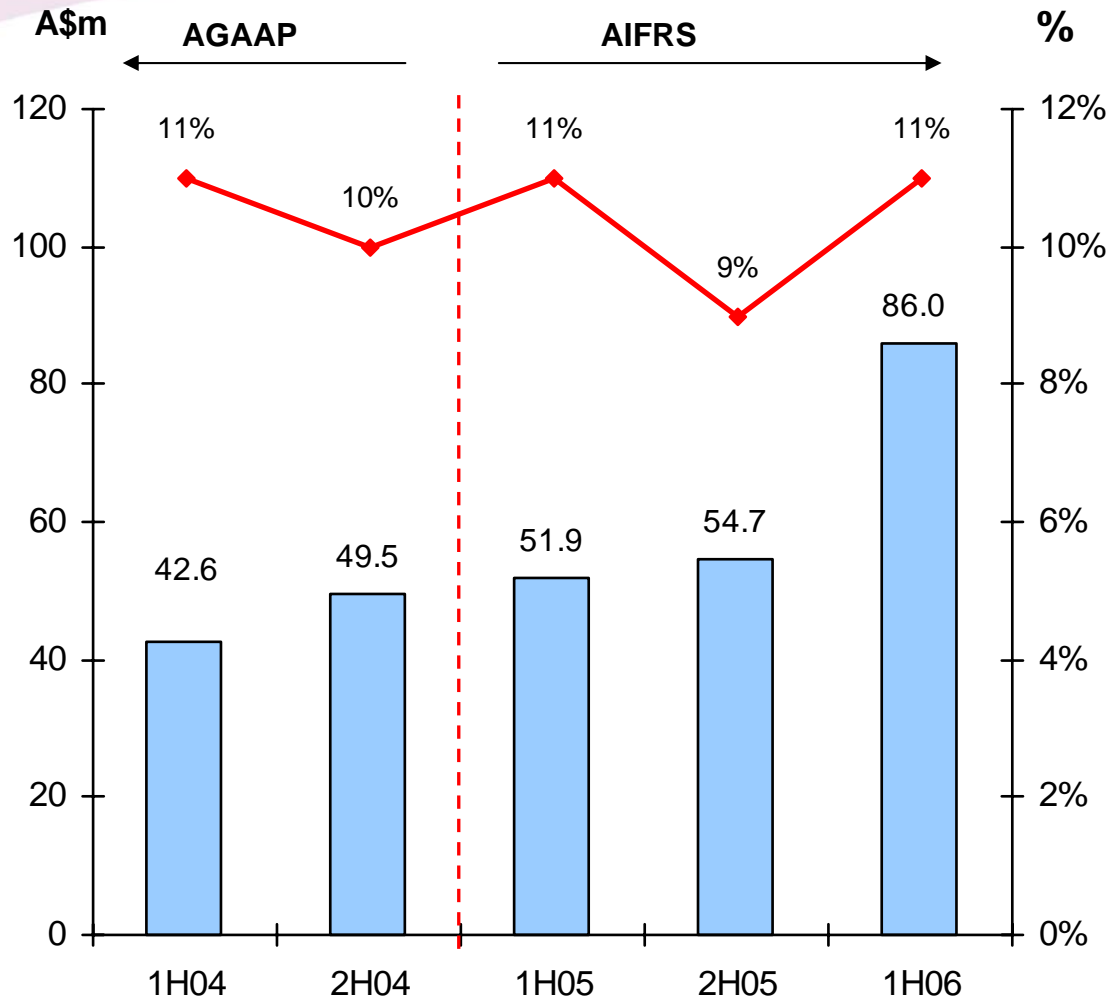


■ Asia Pacific   ■ EMEA   ■ North America

# Half Year Comparisons – Operating Costs

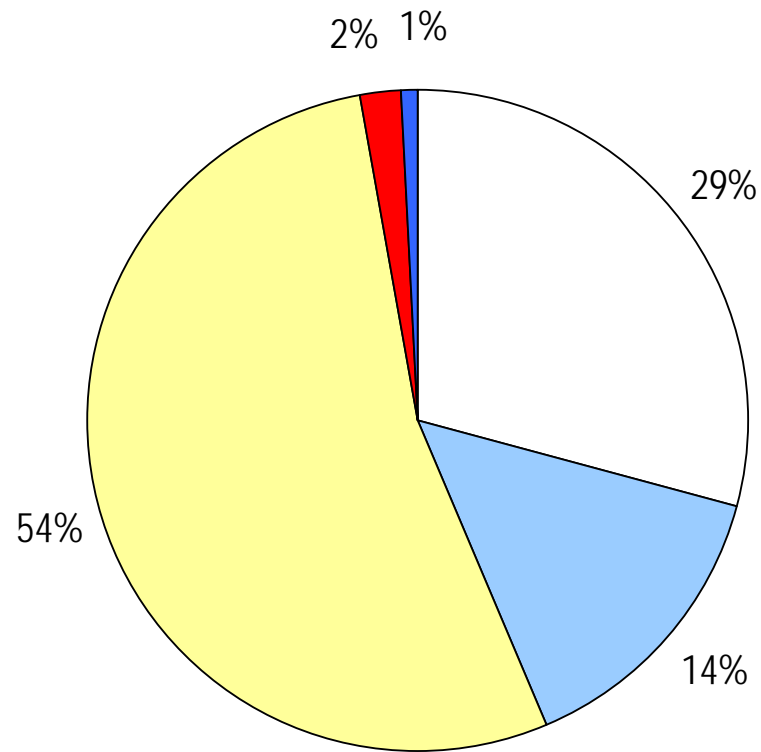


# Technology Costs – Establishing Global Platform

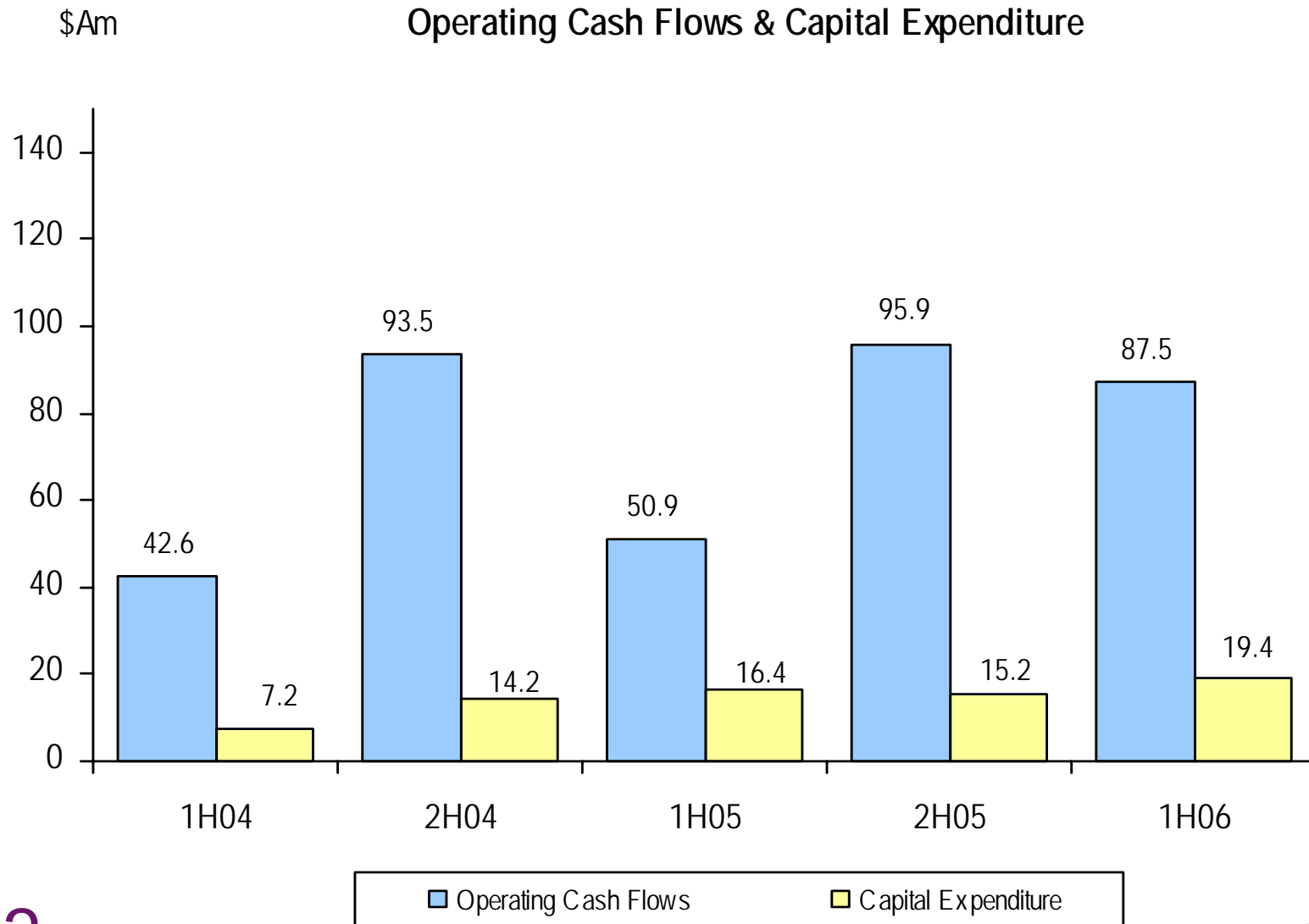


■ Total Technology costs    ◆ Technology costs as a % of sales revenue

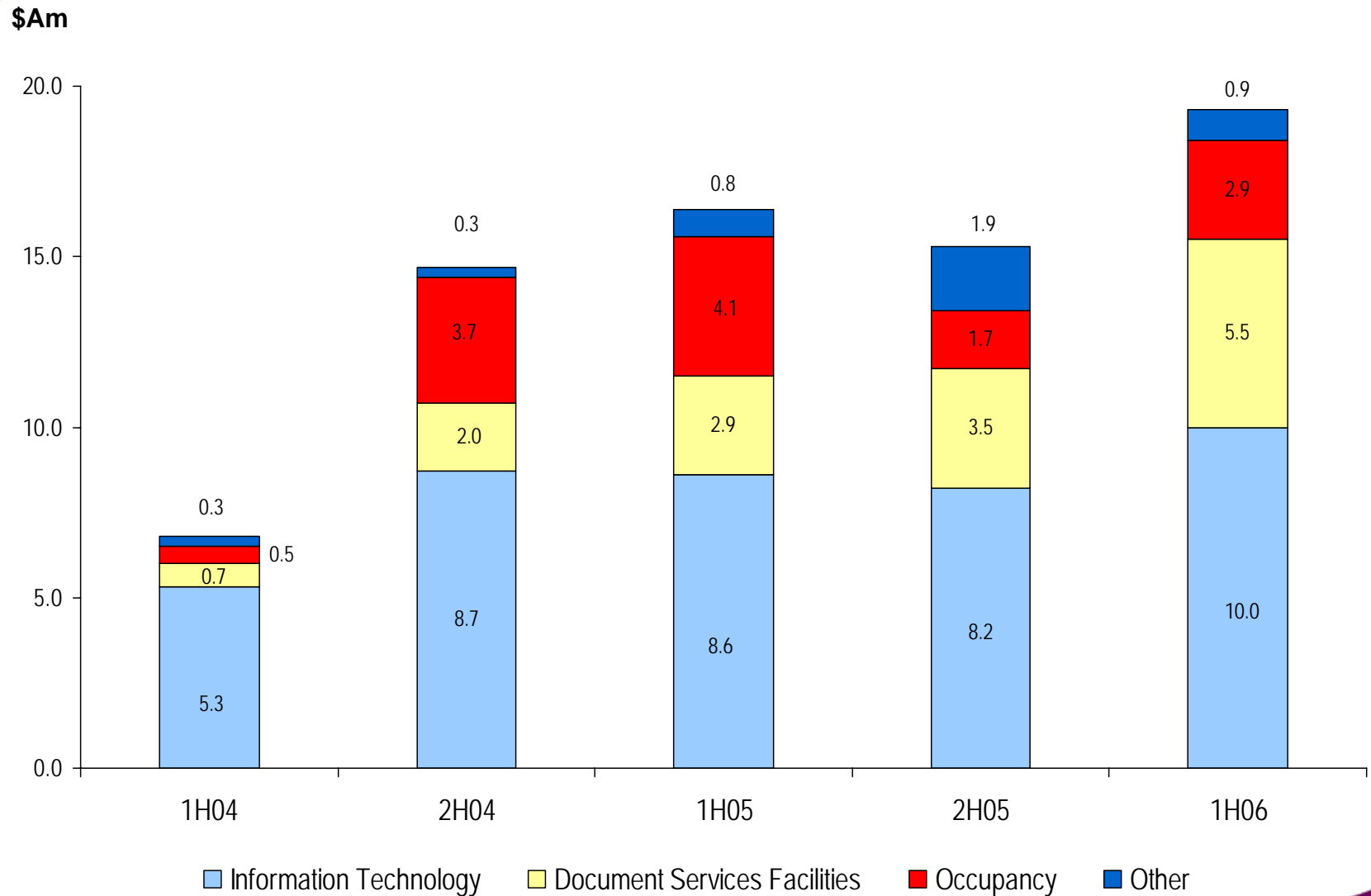
## Analysis of Technology Spend



□ Development □ Infrastructure □ Maintenance □ External Bureau □ Administration

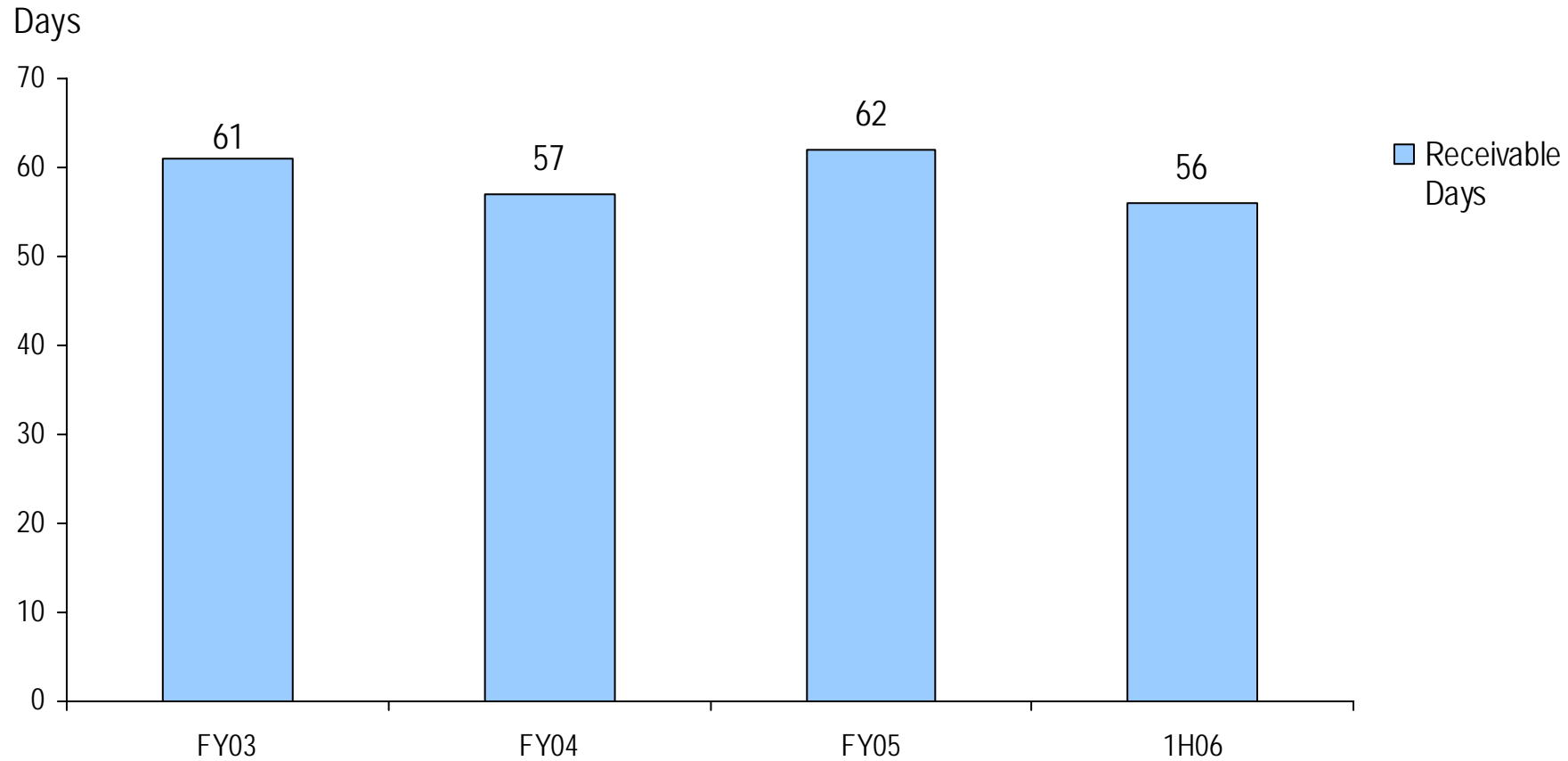


## CPU Group Capex

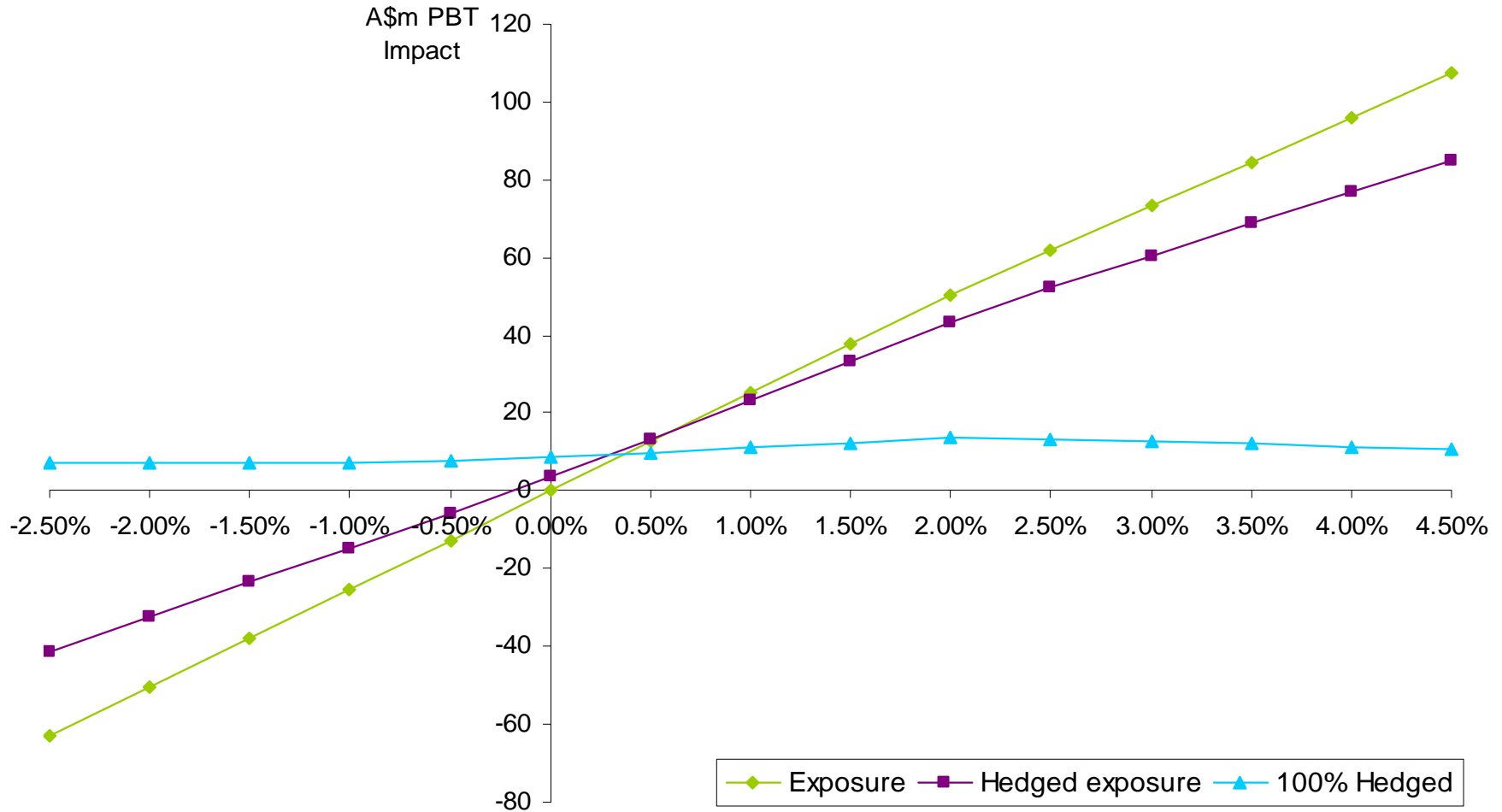




## Days Sales Outstanding



# Interest Rate Sensitivity



➤ EPS – Basic	11.04 cents
➤ EPS – Normalised	11.72 cents
➤ Interim Dividend (unfranked)	6.0 cents
➤ Current Yield*	1.8%

- Based on 12 month dividend and share price of \$6.83 (close 13<sup>th</sup> Feb 06)

➤ **Redundancy costs**      **A\$5.7m**

NPAT impact A\$4.1m

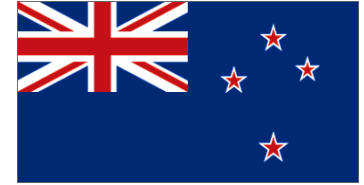
➤ **Annualised Benefits**      **A\$7.0m**

- Continued strong EPS growth - 28%
- Record revenues for 1<sup>st</sup> half
- Maintained strong balance sheet
- Dividend maintained at 6 cents per share
- Cashflow from operations up 72% on 1H05





Australia



New Zealand

## Regional Updates – Asia/Pacific

India



Japan



Hong Kong



## ➤ Australia

- Computershare Fund Services (formerly FBPO) integrated and winning new clients
- Opening new CDS building in Melbourne
- Slow Corporate Actions compared to recent years

## ➤ Hong Kong

- Well above budget, witnessing large IPO's from China
- Appointed James Wong, Executive Director, ex-HSBC

## ➤ Japan

- Joint Venture exceeding initial expectations
- Looking at next steps - dematerialisation



## ➤ India & New Zealand

- Tracking ahead of budget

## ➤ China

- Signed cooperation agreement with China Securities Depository and Clearing Corporation Limited



United States of America



Canada

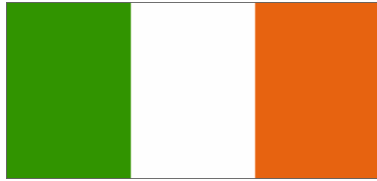
## Regional Updates – North America

## ➤ USA

- Mutual Funds business booming
- Equiserve
  - Integration ahead of schedule - Fairway conversion to complete Apr 2006
  - No TA client losses
  - High staff morale
  - Well ahead of budget
- CDS growing substantially, uplift largely due to Equiserve acquisition
- Plans, Proxy all on track
- US cash rates up 1% to 4.25% during first half

## ➤ Canada

- Continues to deliver strong contribution to Group result, slight improvement on last year expected



Ireland



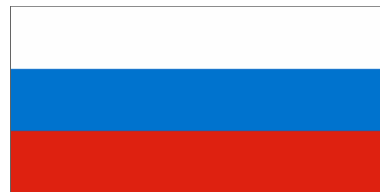
United Kingdom

## Regional Updates - EMEA

Germany



Russia



South Africa



## ➤ UK

- Total restructure affecting all levels of management
- Business currently being run by Chris Morris (Group CEO) and Stuart Crosby (Group COO)
- Excellent new leadership team
- Cut \$3m out of shared services costs
- Redundancy program initiated delivering at least \$7m annualised savings
- Significant wins;
  - British American Tobacco
  - Unilever
  - Large demutualisation - 2.5m shareholders, a true global deal
- High expectations of improved Financials in FY07

## ➤ UK (cont'd)

- Acquisition of Interactive Meetings Limited (IML)
  - Exciting new market for Computershare
  - Will continue with most distributor arrangements but retain AGM services globally
- We remain focused on becoming No 1 in the UK - some major competitors' clients out to tender

## ➤ South Africa

- Tracking to budget
- Big improvement in service levels

## ➤ Continental Europe

- Germany
  - Good solid business now in Registry, Plans and AGM services
  - High level of electronic voting in AGM market offers significant opportunities for IML technology
  - Pepper CRM business back on track
  - Appetite for acquisitions in the registry area
- Russia has huge growth potential, expect expansion via acquisitions
- Other
  - Actively investigating expansion opportunities in France, Spain and Holland

# Financial Outlook – FY2006

- Revenue > \$1.5 billion
- EPS > 29 cents per share (normalised)



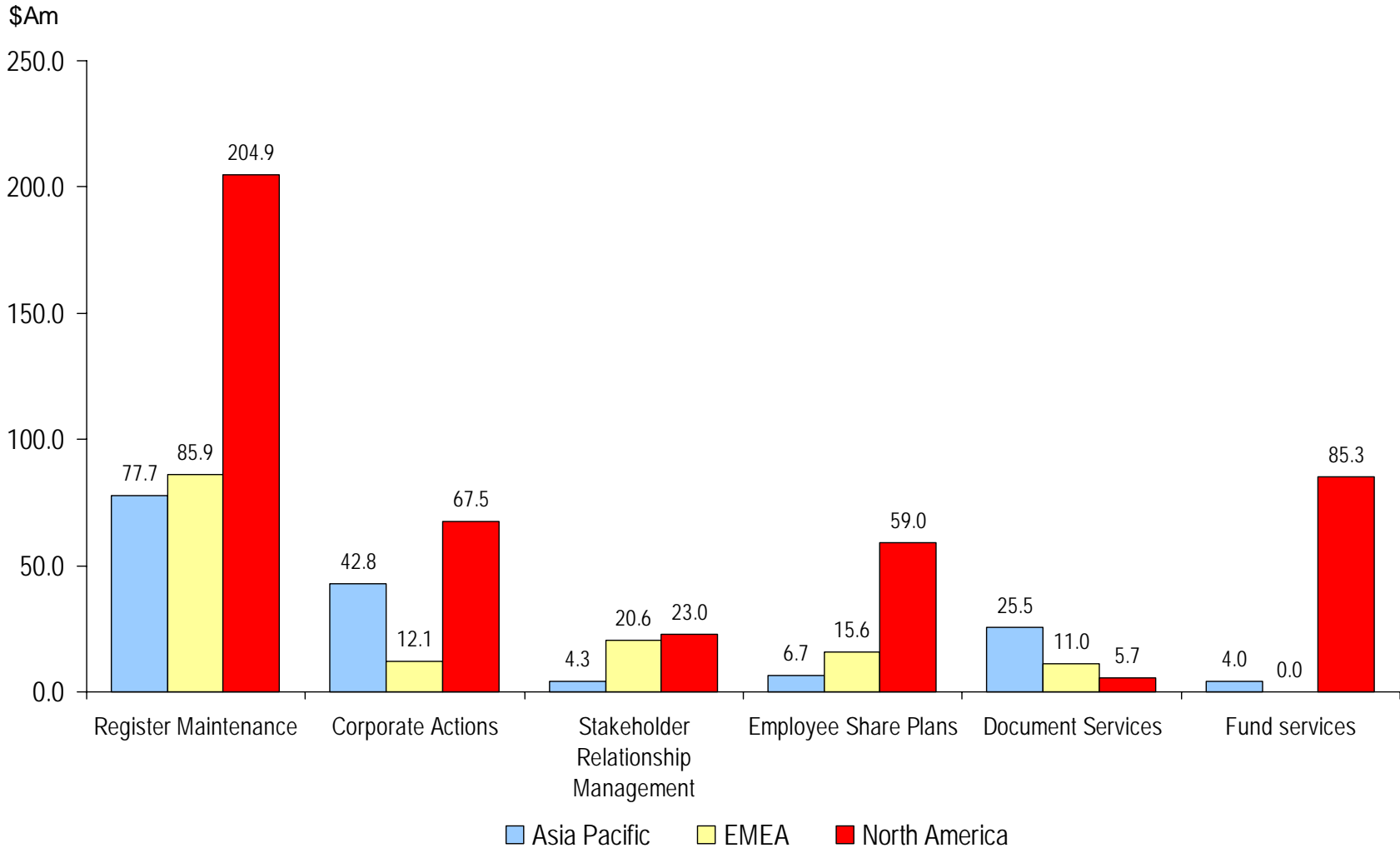
QUESTIONS?

# Appendix: Interim Results 2006 Presentation

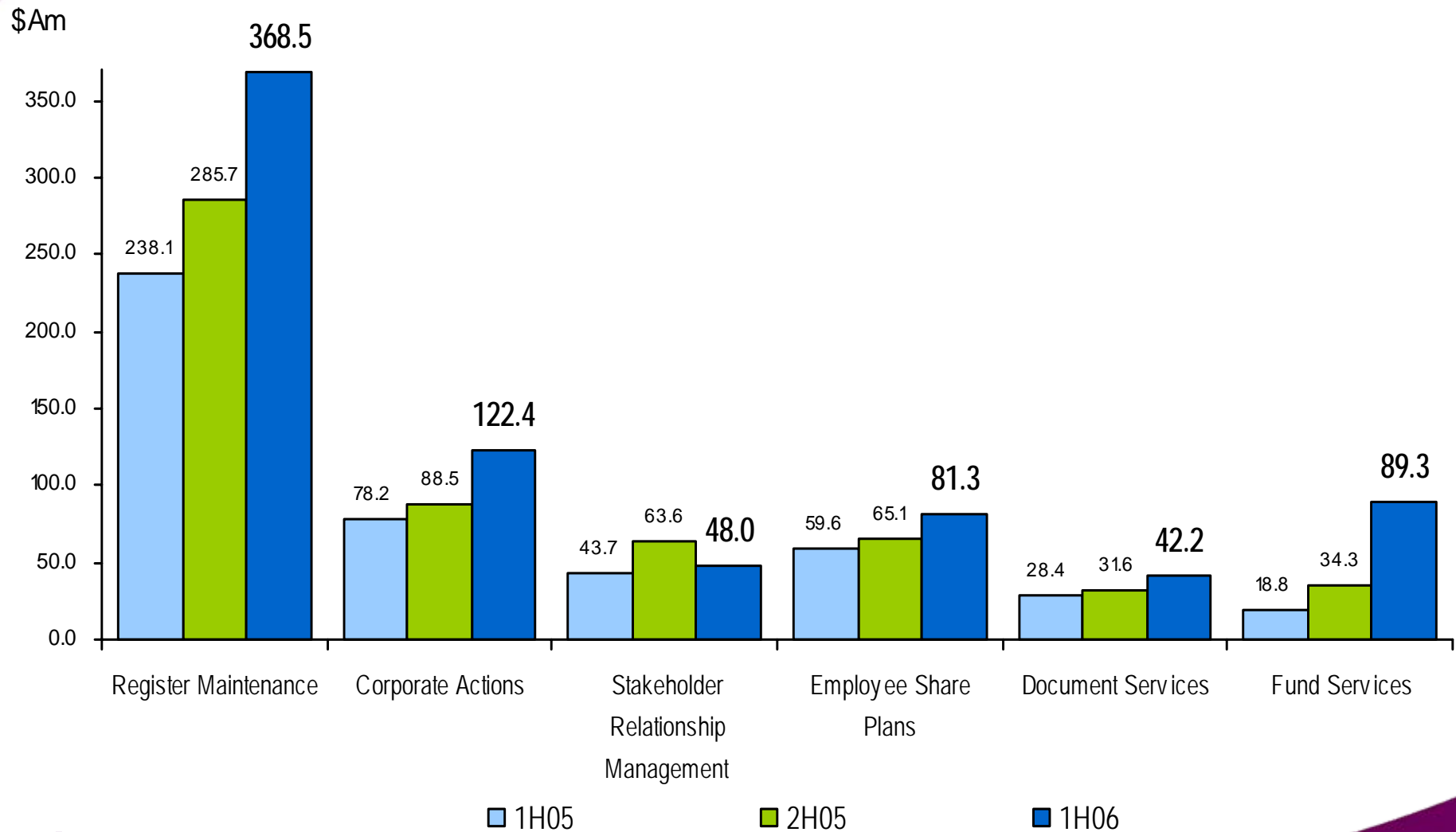
15 February 2006

## Group Comparisons

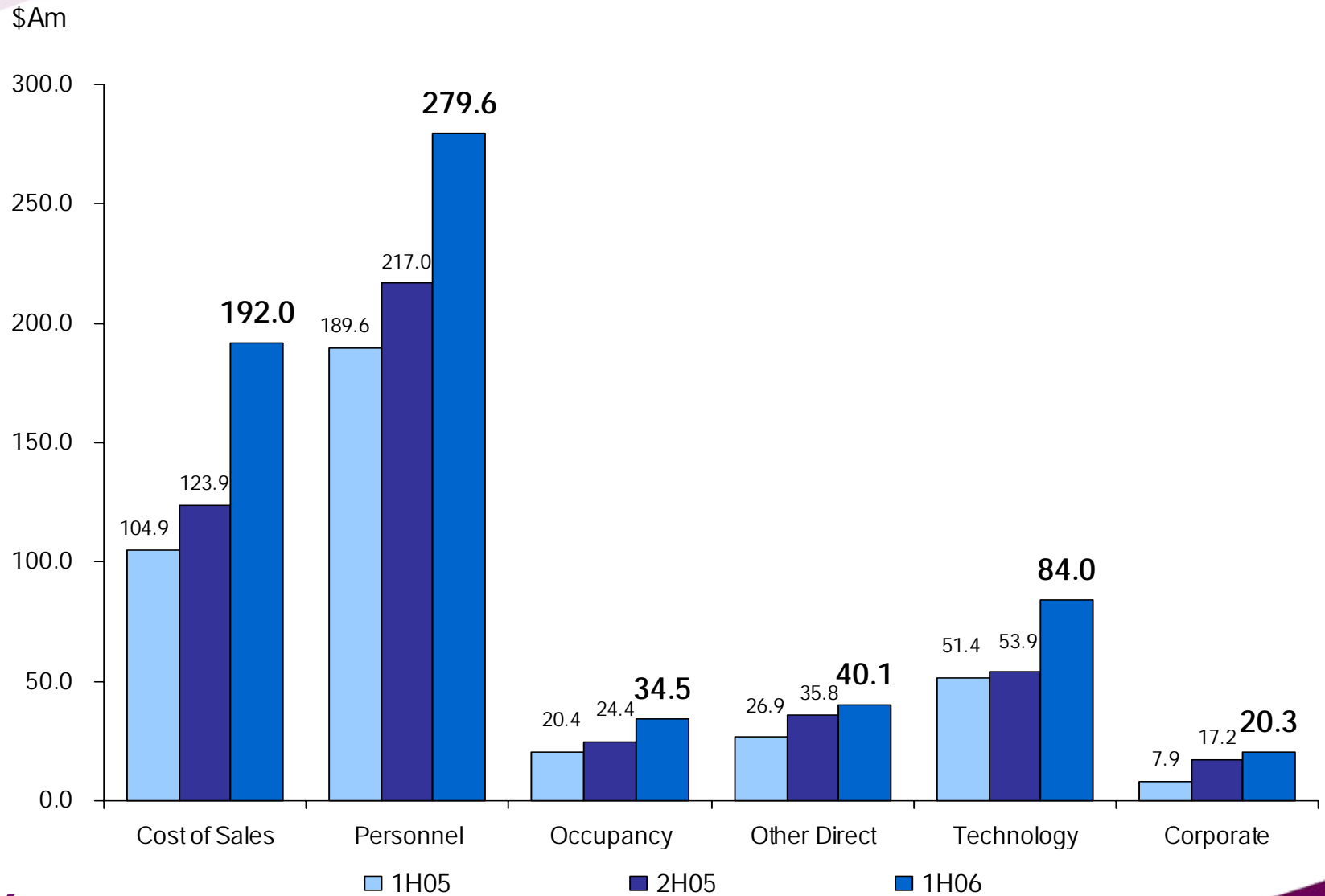
# Regional Analysis – 1H FY06 Revenue



# Half Year Comparisons - Revenue



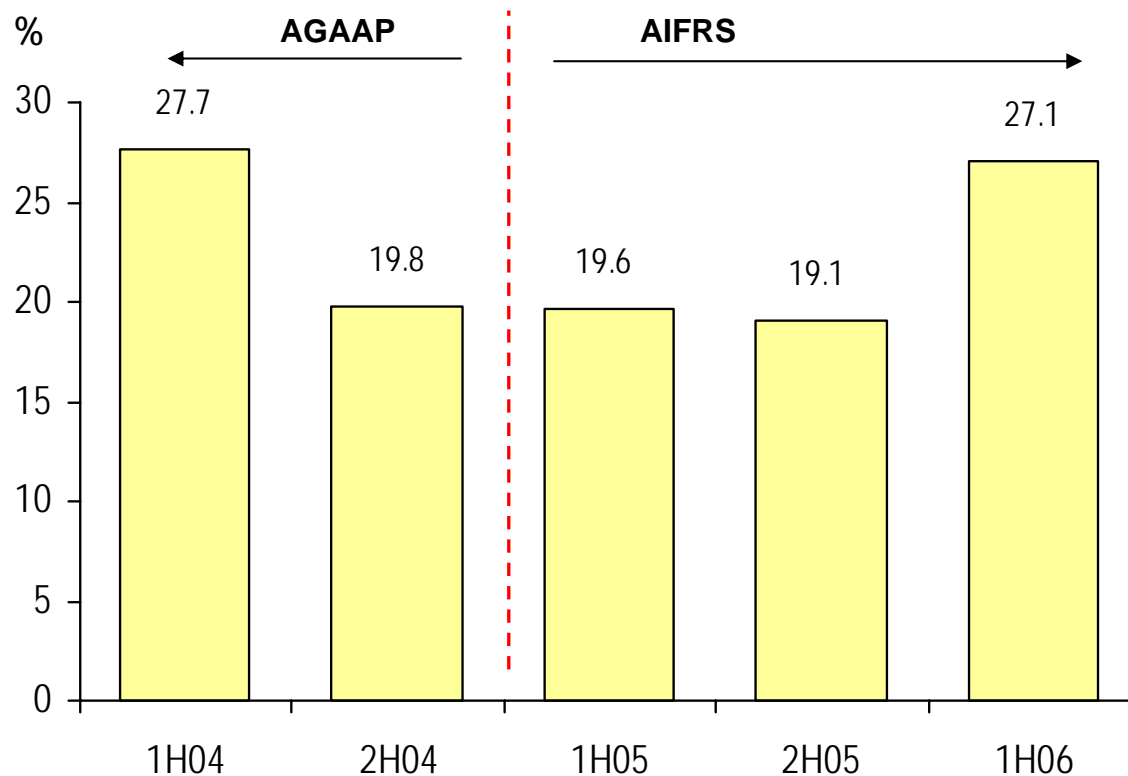
# Half Year Comparisons – Operating Costs



	1H06	1H05	Variance
Register Maintenance	368.4	238.1	55%
Corporate Actions	122.4	78.2	57%
Fund Services	89.3	18.8	375%
Stakeholder Relationship Mgt	48.0	43.7	10%
Employee Share Plans	81.3	59.6	36%
Document Services	42.2	28.4	49%
Technology & Other Revenues	29.8	24.3	23%
<b>Total Revenue</b>	<b>781.4</b>	<b>491.1</b>	<b>59%</b>

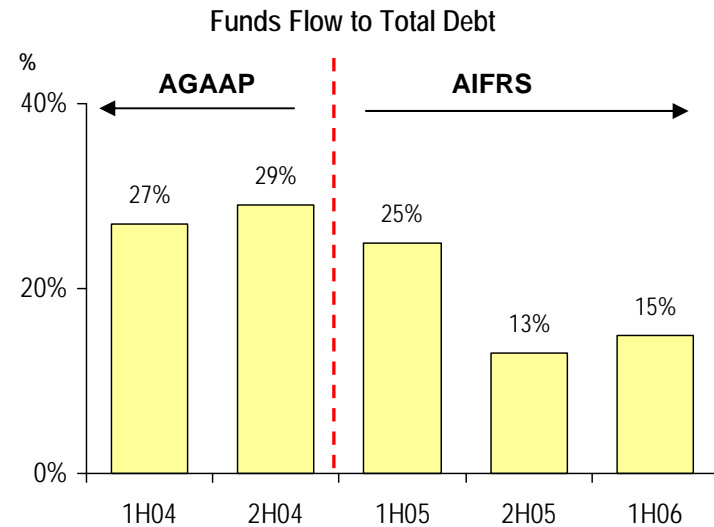
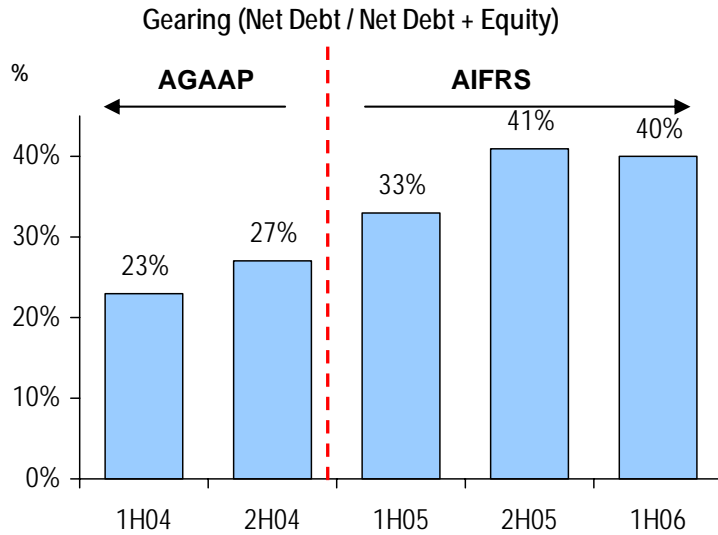
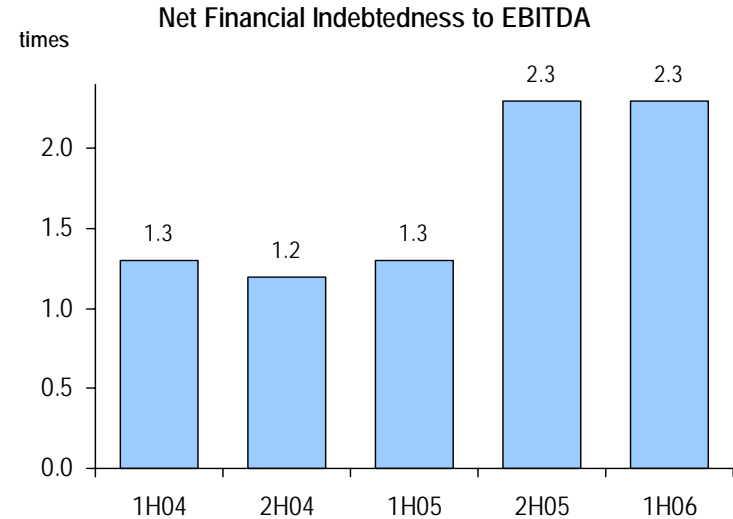
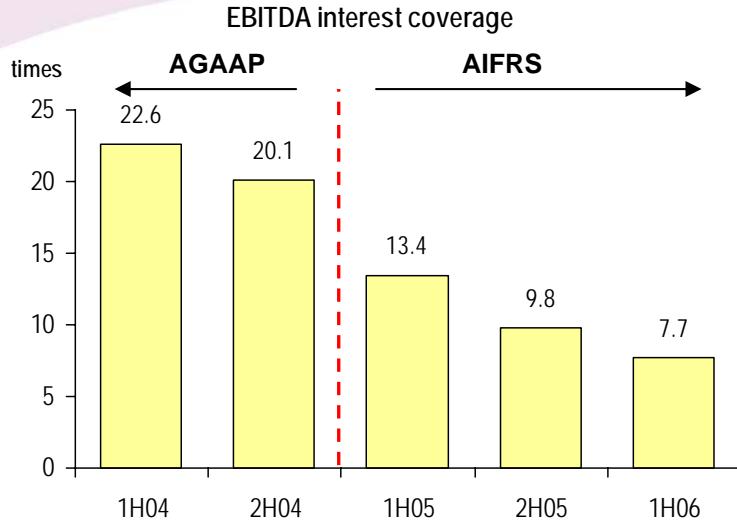
Note: Included in the revenue results are \$69.3 m of Margin Income (1H FY05: \$35.8 m) and \$148.6m of Recoverable Income (1H FY05: \$83.2 m).

- The underlying effective tax rate (adjusted for one off, non-recurring items and non deductible goodwill charges\*) for 1H06 is 27.1% (1H05 19.6%).





# Key Financial Ratios



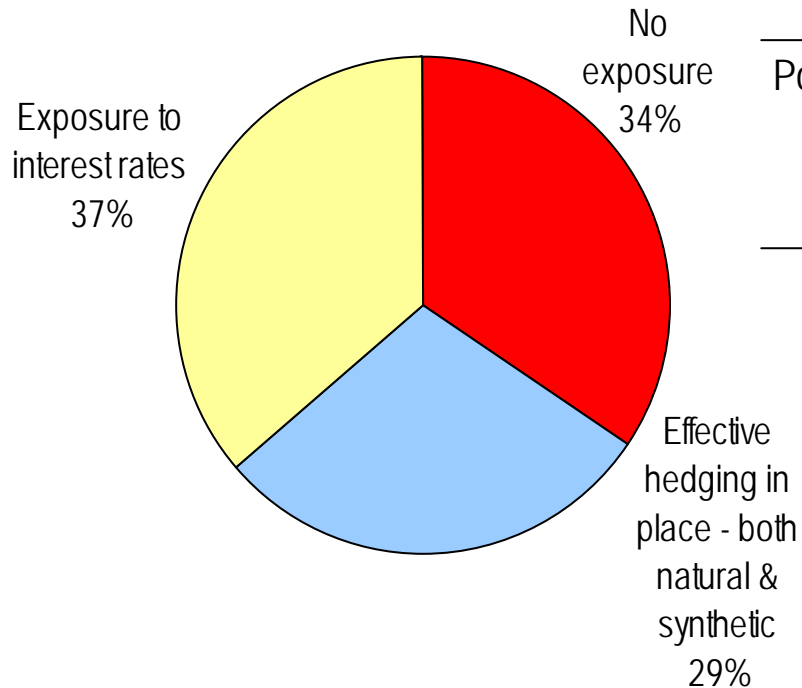
## Interest Rate Hedging

Strategy: - Minimise downside risk in current low interest rate environment

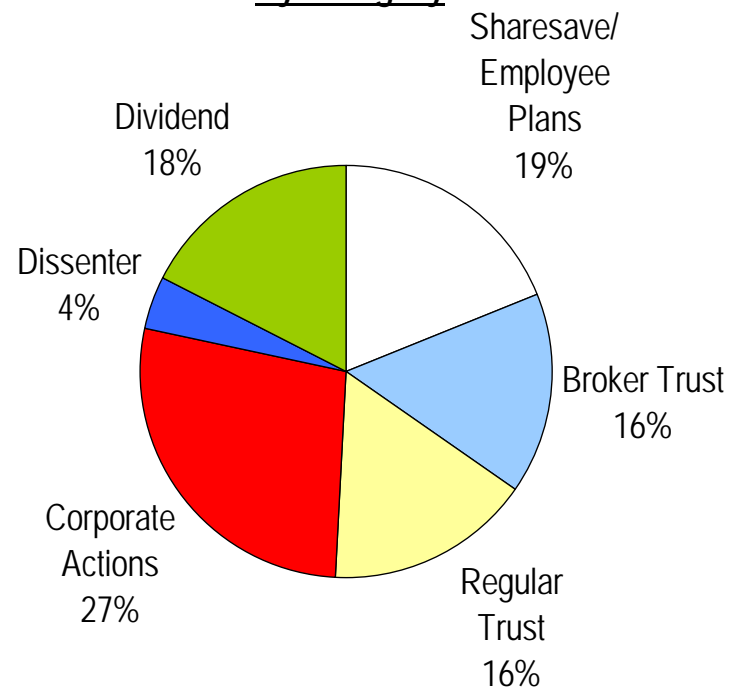
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Policy: - Minimum hedge of 25% / Maximum hedge of 75%  
- Minimum term 1 year / Maximum term 5 years  
- Current hedging: 29%

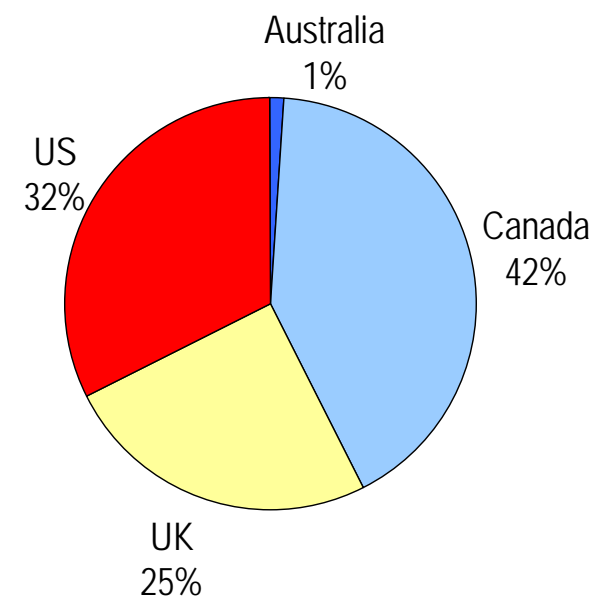
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By Category



By Country

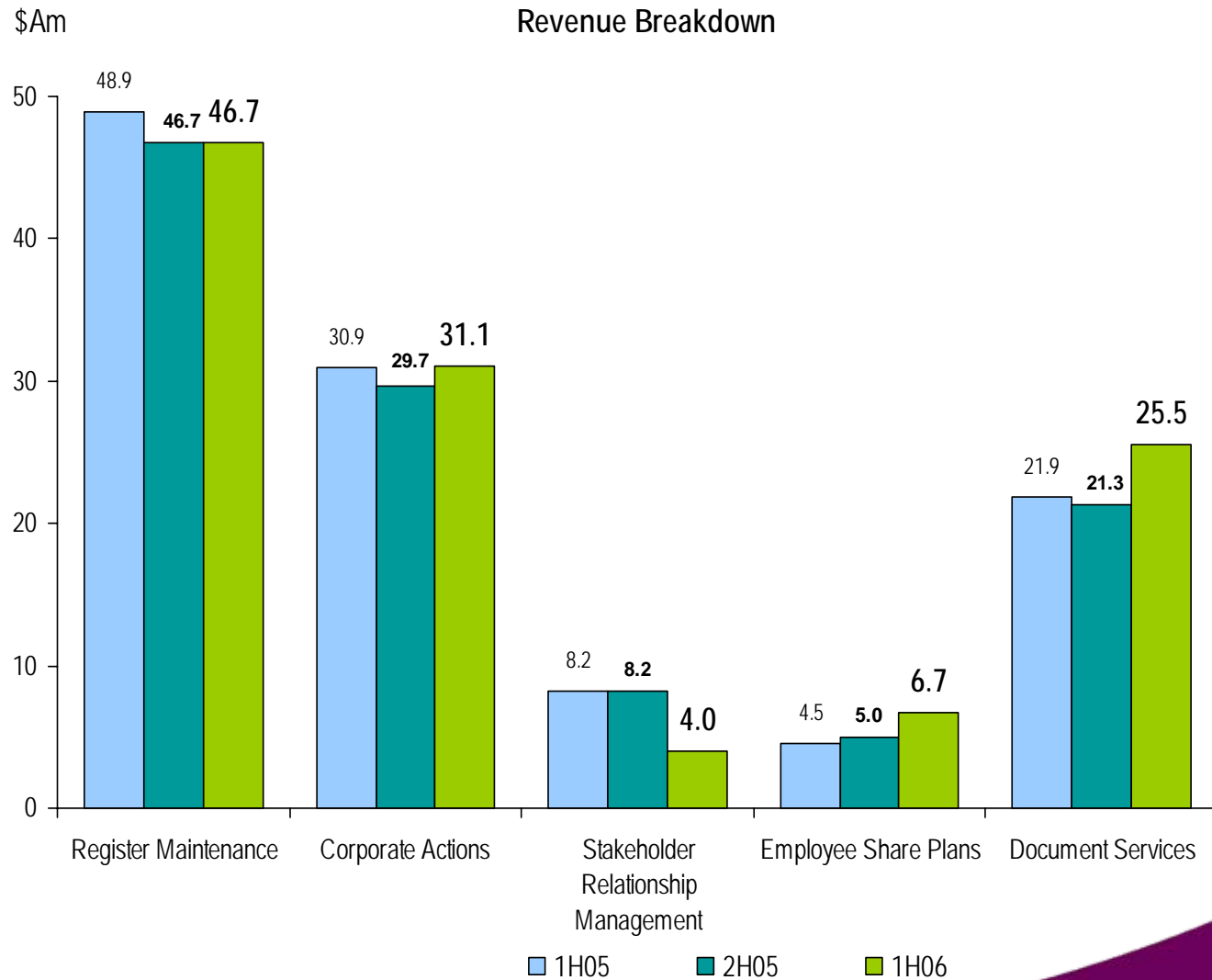
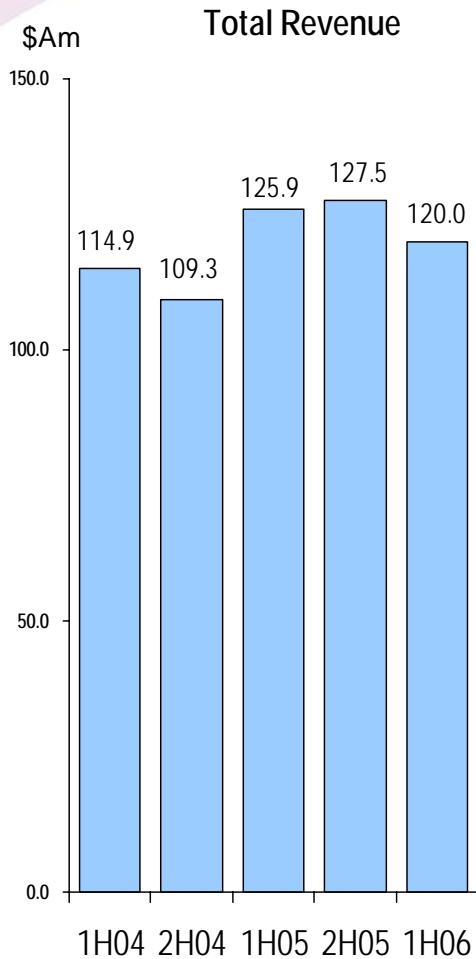


Average fund balance A\$6.4b

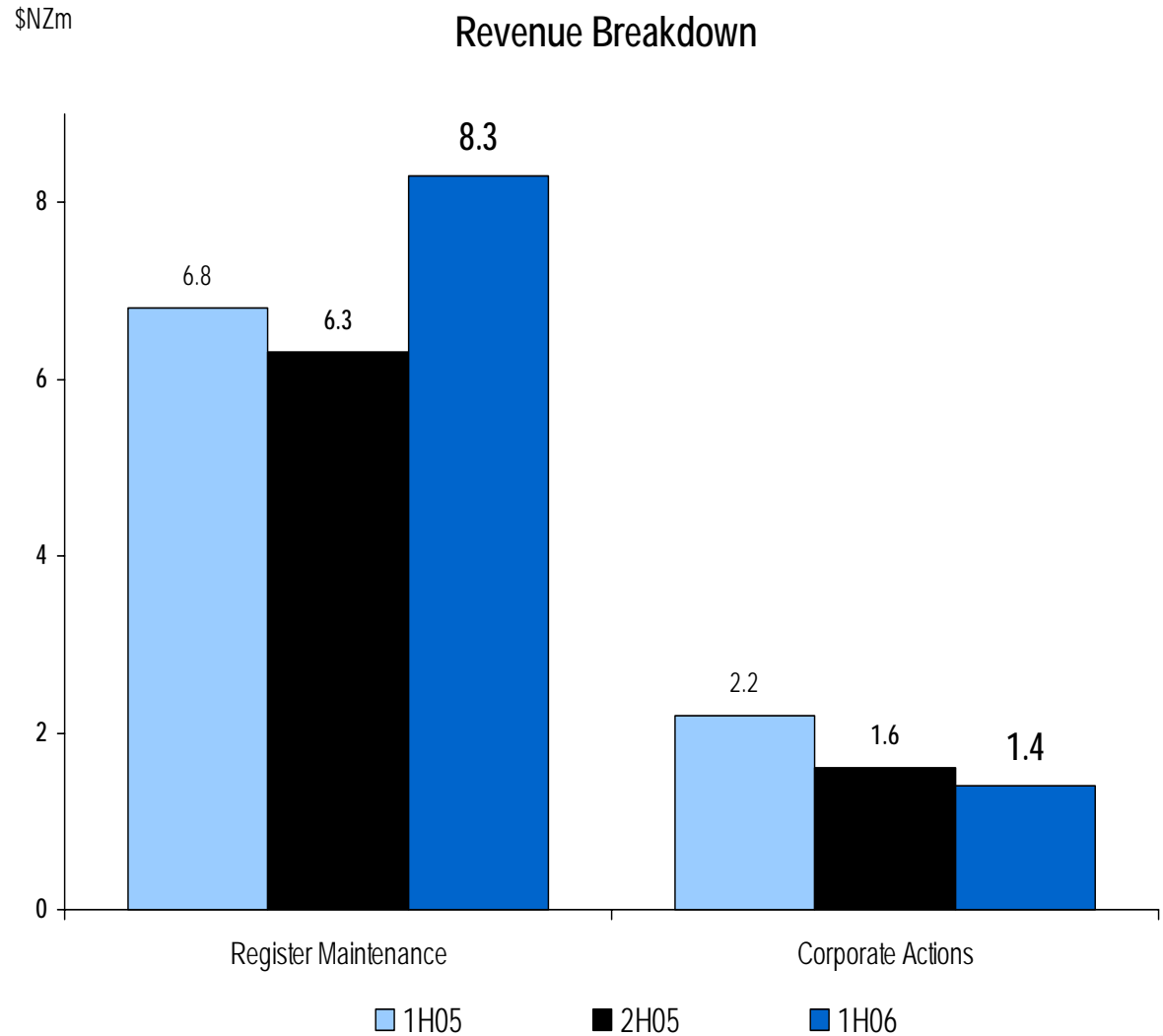
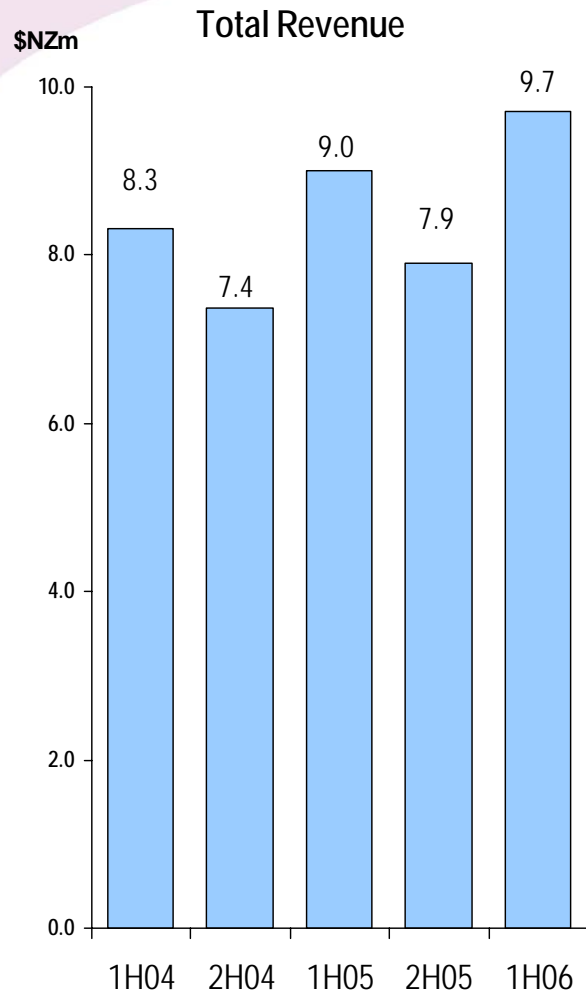
## Country Summaries

## Asia Pacific

# Australia Half Year Comparison

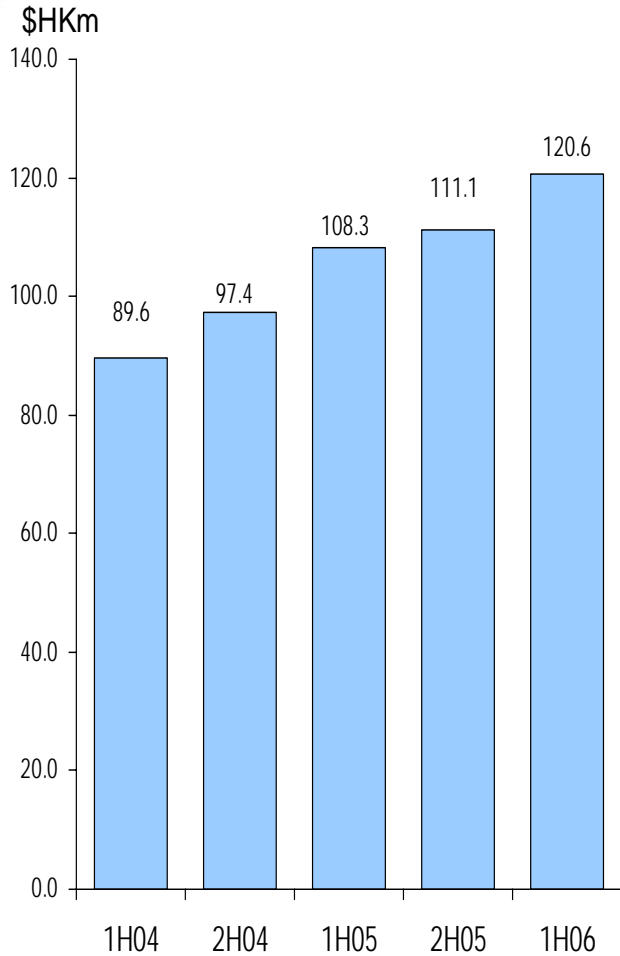


# New Zealand Half Year Comparison

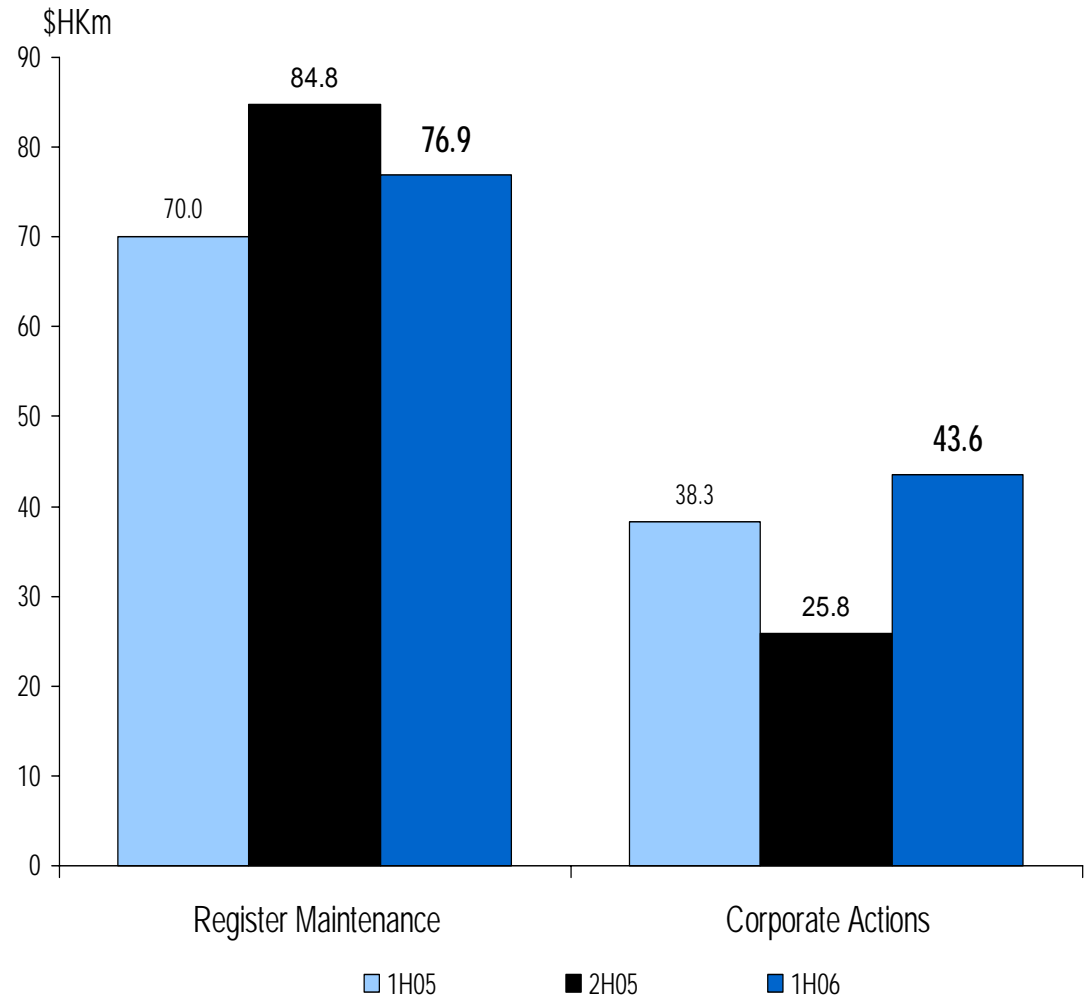


# Hong Kong Half Year Comparison

## Total Revenue



## Revenue Breakdown





## North America

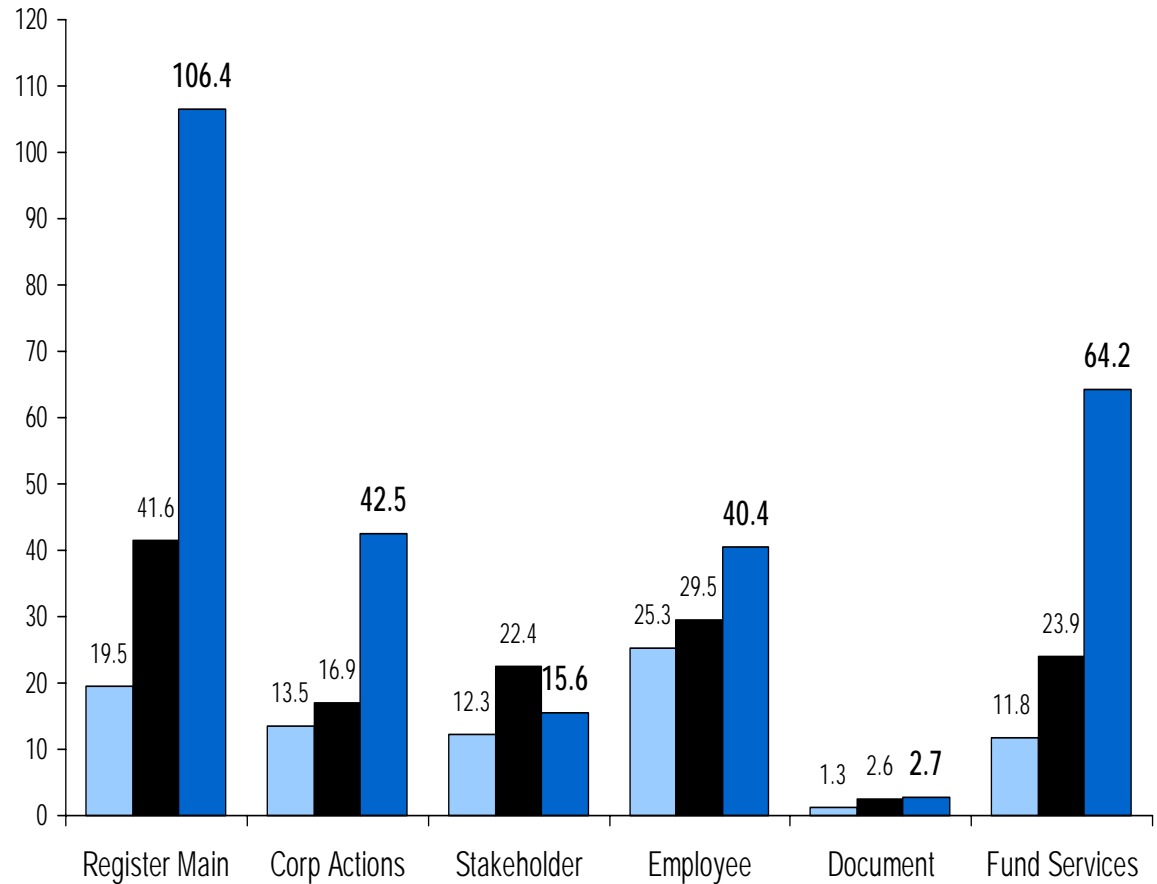
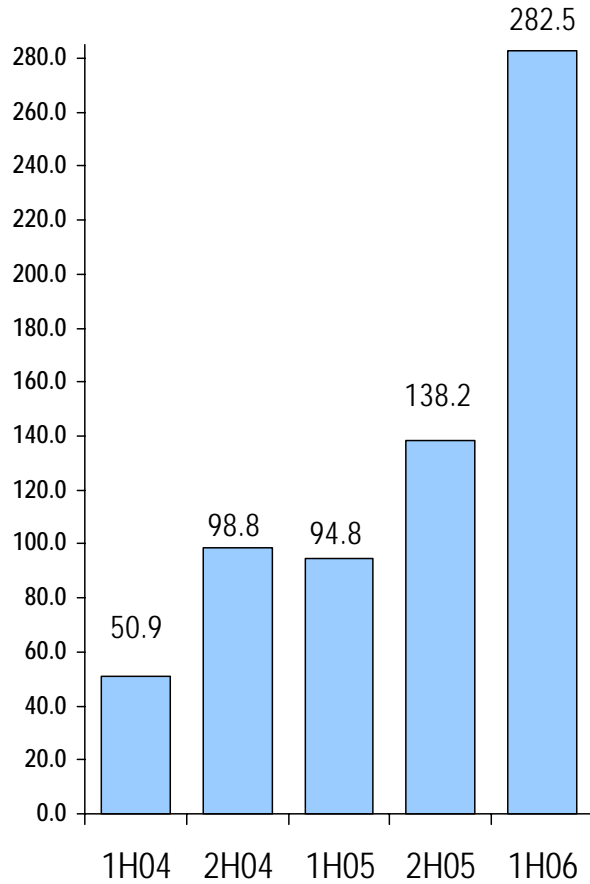
# United States Half Year Comparison

## Total Revenue

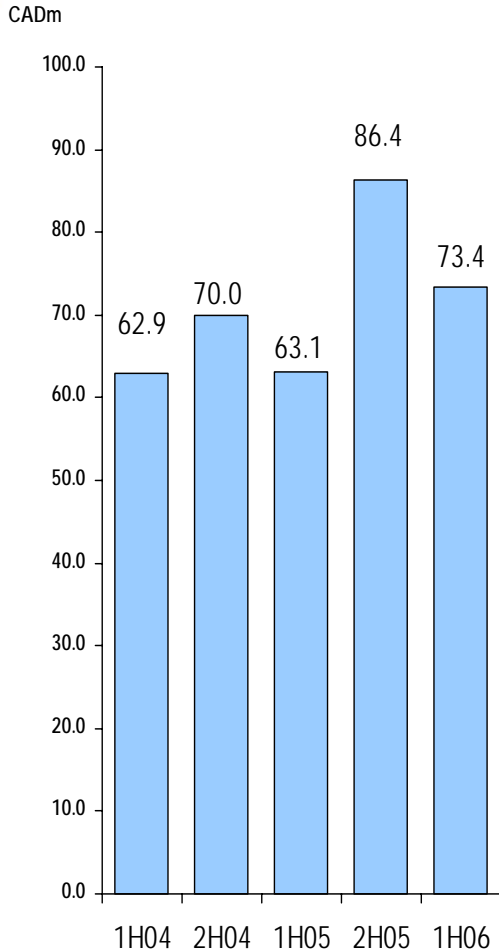
USDm

## Revenue Breakdown

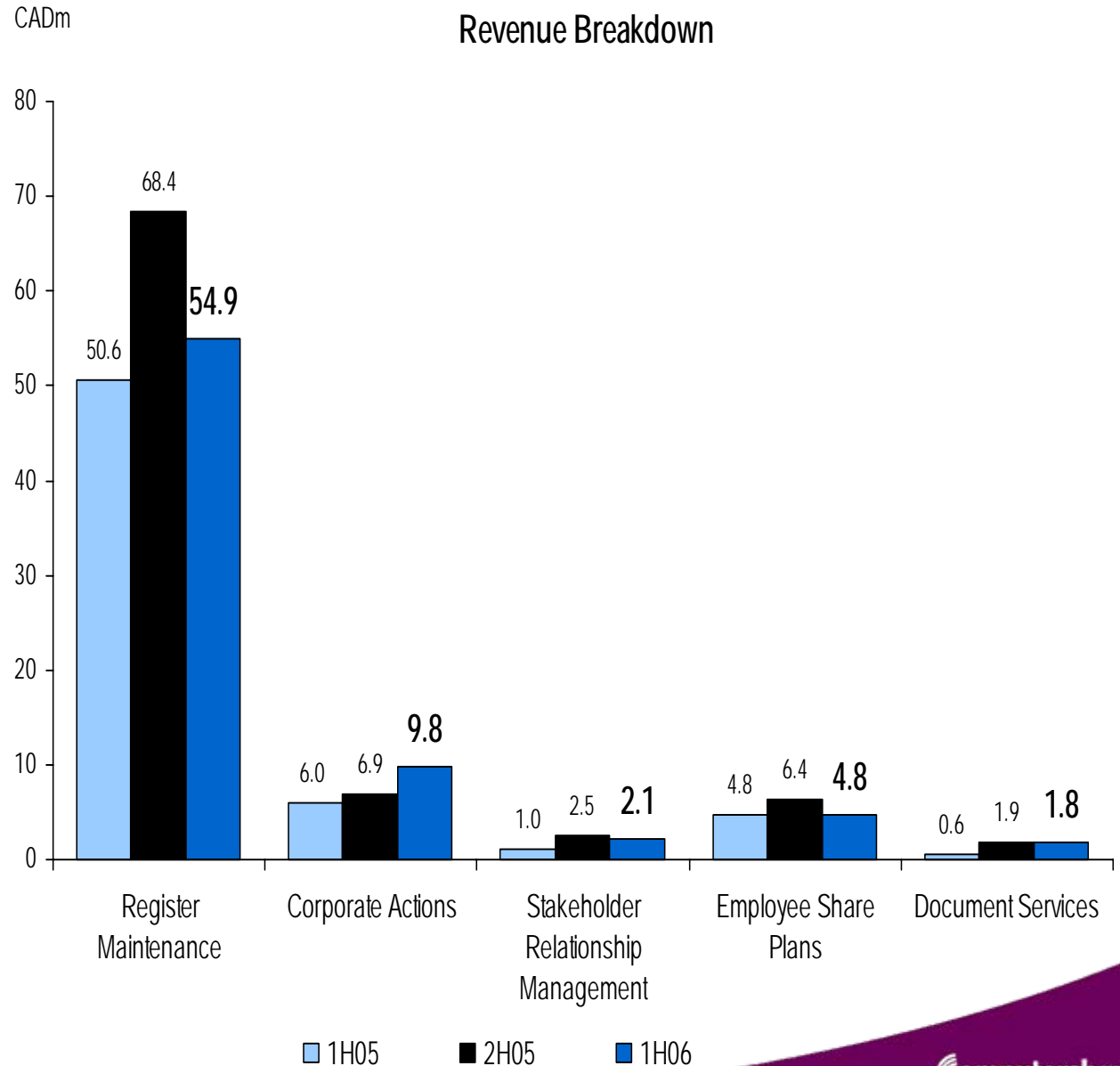
USDm



## Total Revenue

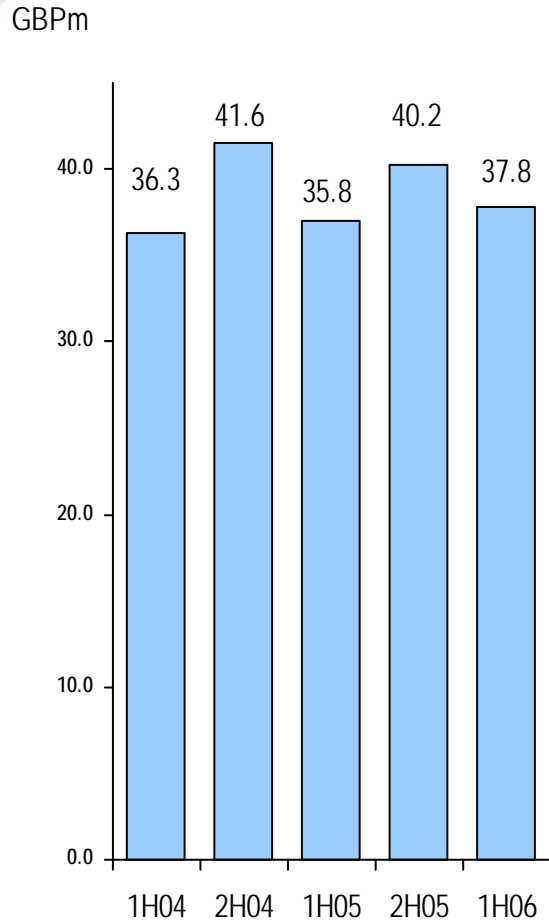


## Revenue Breakdown

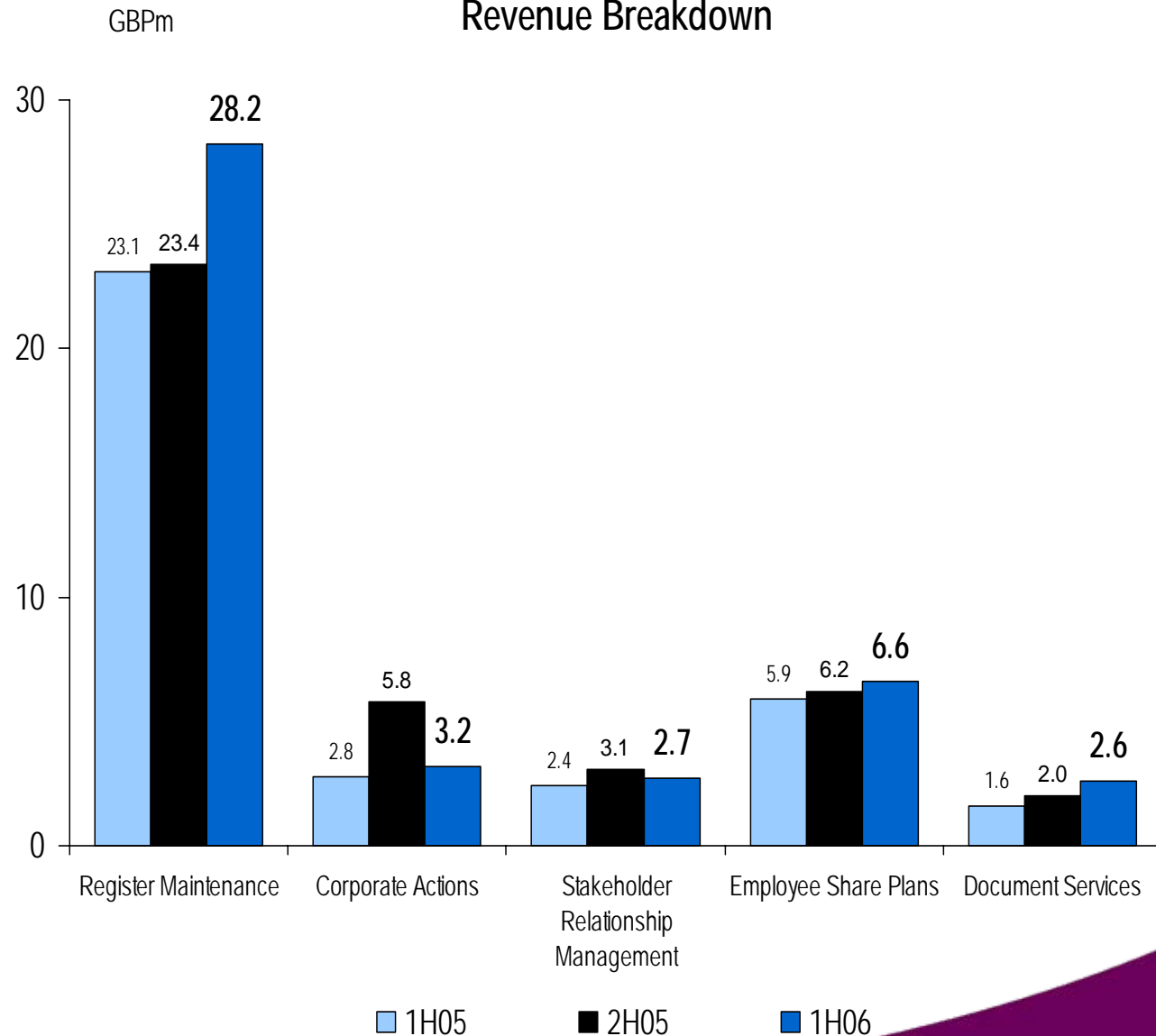


EMEA

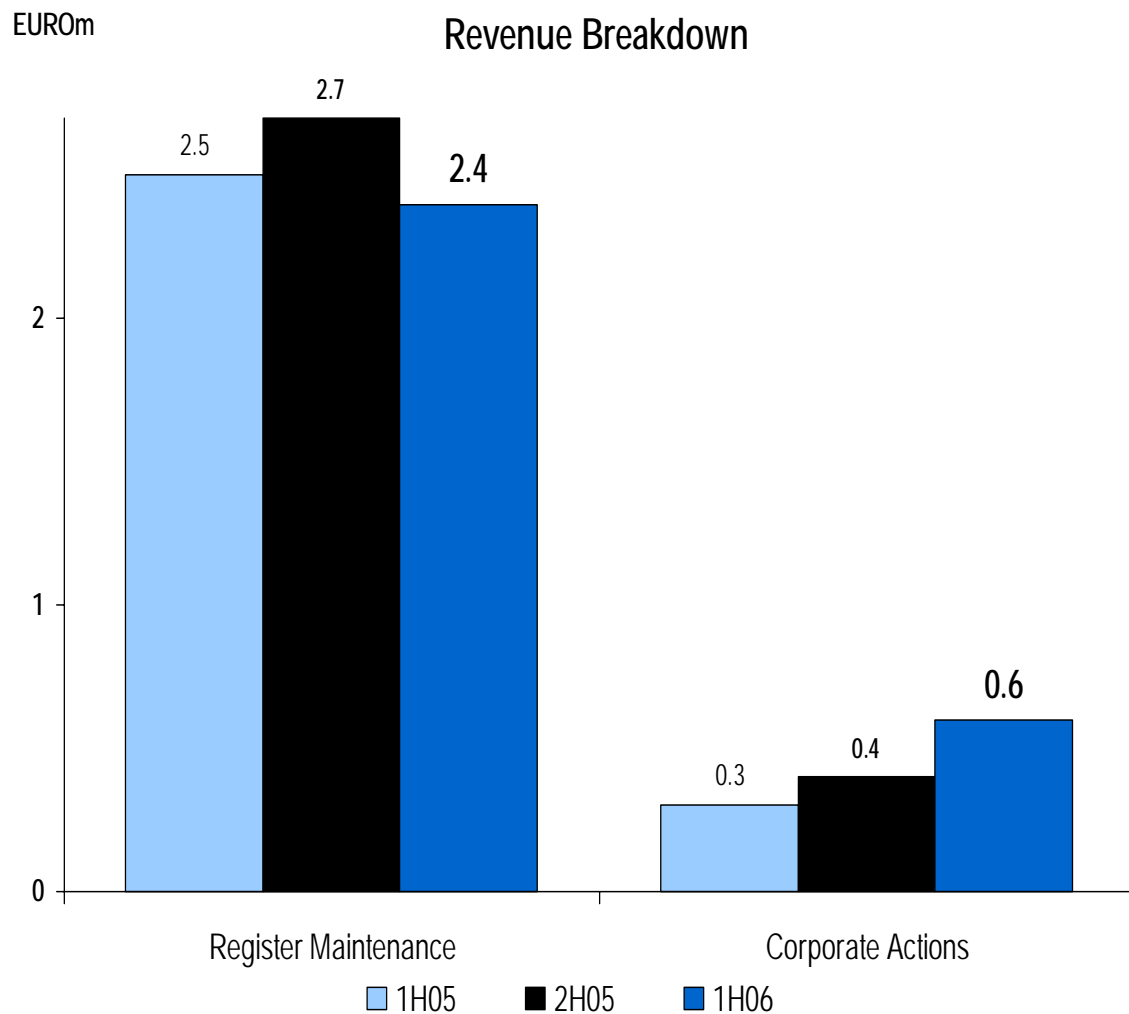
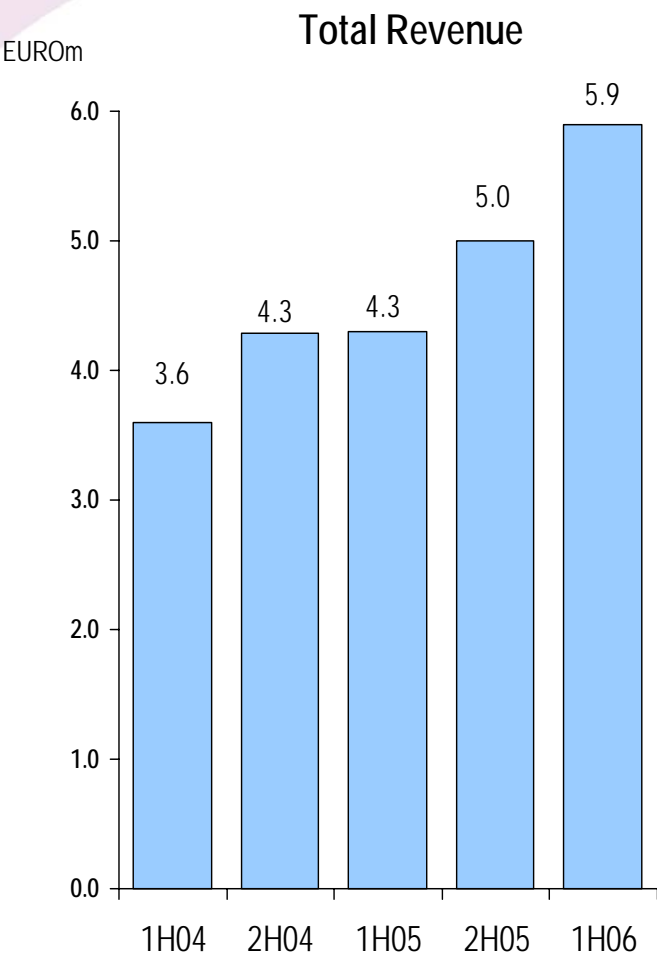
## Total Revenue



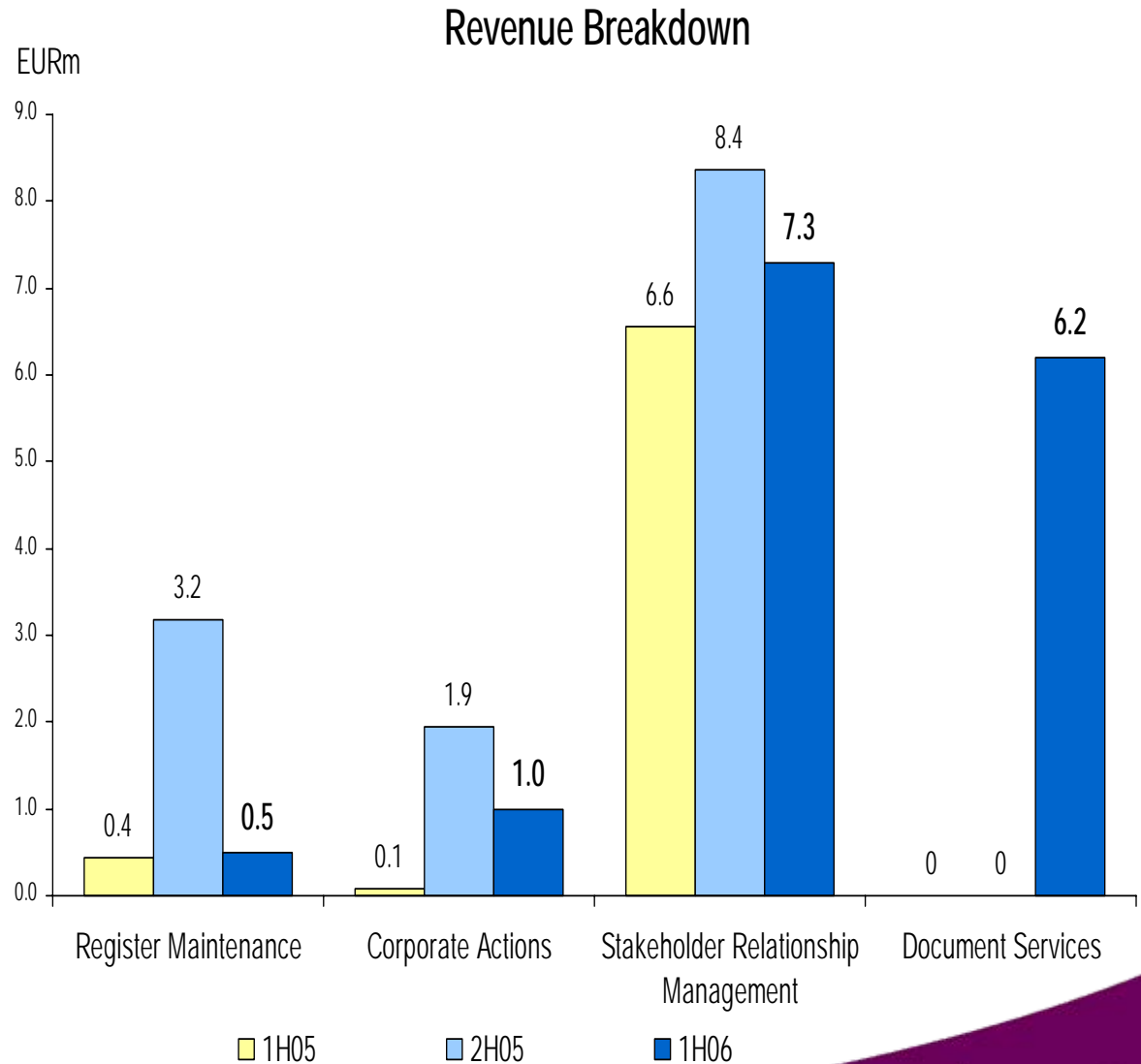
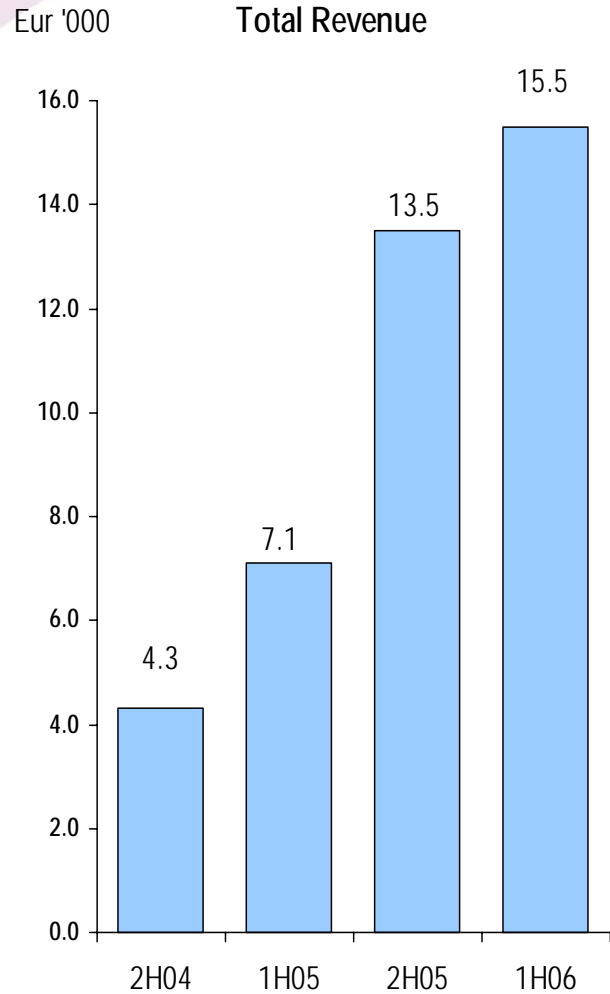
## Revenue Breakdown



# Ireland Half Year Comparison



# Germany Half Year Comparison



# South Africa Half Year Comparison

