

Computershare Limited Half Year Results 2007 Presentation

**Stuart Crosby
Tom Honan**

14 February 2007





Stuart Crosby

President & CEO

Summary of Results

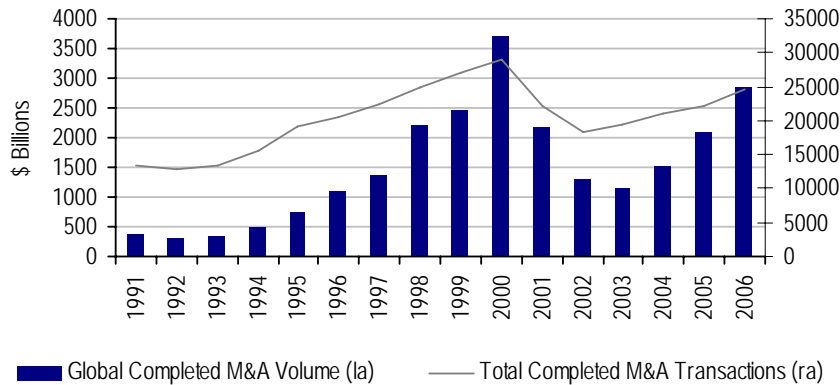
- › **Management EPS of 17.86 cents, up 102%**
- › **Management Net Profit After OEI of US\$107.0m, up 104%**
- › **Total Revenue of US\$694.0m, up 18%**
- › **Free cash flows of US\$129.7m, up 153%**
- › **Operating Costs of US\$506.3m, a 3% increase**
- › **Days Sales Outstanding at 45 days, down 8 days**
- › **Final Dividend of 8 cents (AUD) per share**

Note: all results are in USD except for dividend

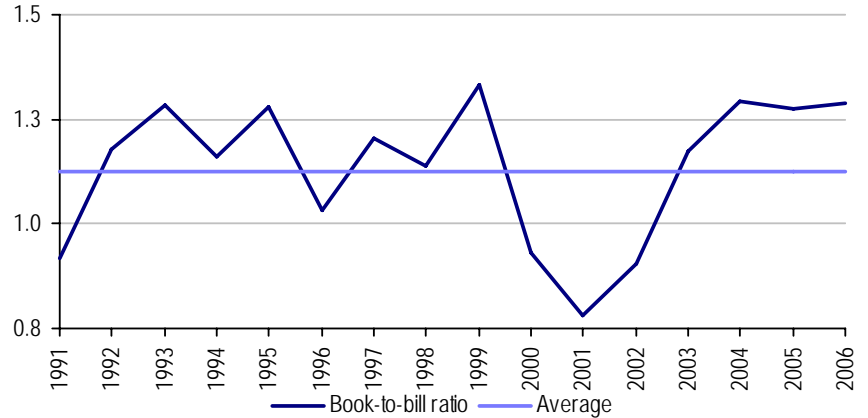
A strong result from a broad base

- › **Performing well across all major business lines and regions**
- › **Standouts: US, UK, Canada, Aus, HK**
- › **Revenue growth a factor but margin growth more important**
 - › **Cost growth 3% vs. sales revenue growth 18% takes Management EBITDA margin from 17% to 27%**
- › **Market cycles (equity and interest rate) favourably aligned around the globe**

Completed M & A Volume



Annual M & A Book to Bill Ratio

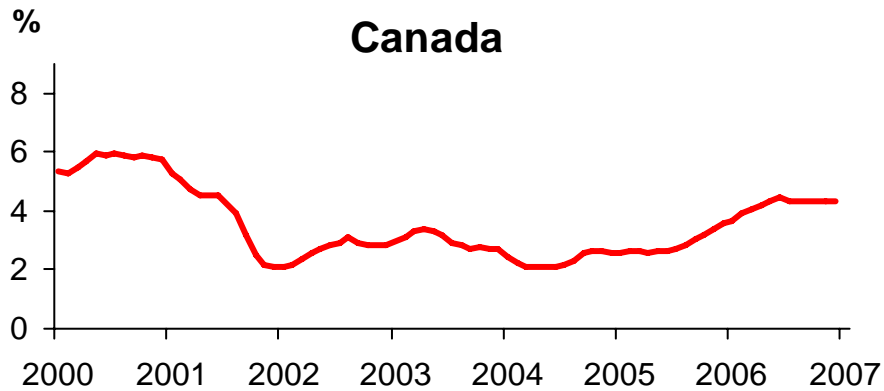
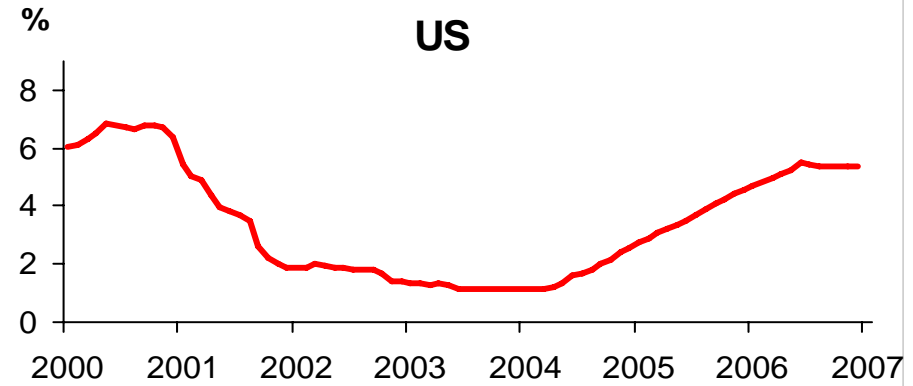
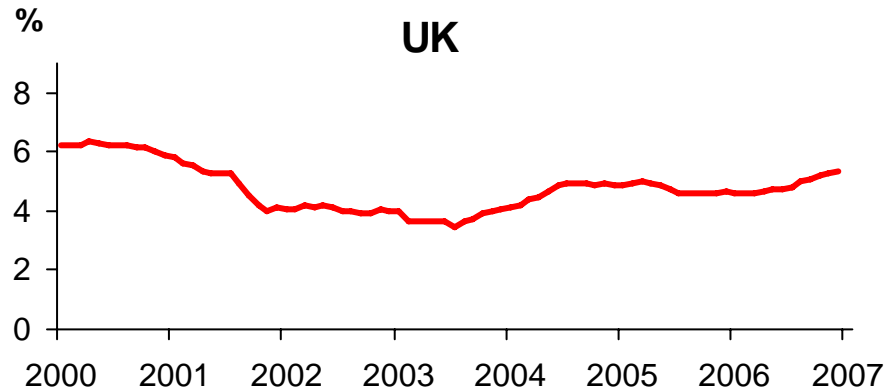


2006 Total Volume:	\$2,852 bn	2006 Annualized Volume:	\$2,852 bn
2005 Total Volume:	\$2,108 bn	2006 vs. 2005:	35.3%
1991-2005 Avg Volume:	\$1,519 bn	2006 vs. 1991-2005 Avg:	87.8%

2006	1.29x	2006 vs. 2000 - 2005 Avg	21.9%
2000-2005 Average	1.06x	2006 vs. 1991 - 2005 Avg.	14.6%
1991-2005 Average	1.13x		

Source: SDC Thomson Financial and UBS Securities Australia Ltd

Global Interest Rate Market



Computershare Strengths

- › **Recurring Revenue** – >70% of revenue is of a recurring nature
- › **Global Diversification** – across 17 countries including growth engines China, India and Russia.
- › **Exposure to northern hemisphere interest rates**
- › **Technological innovation and capabilities** – enhanced by acquisitions
- › **Integration of businesses** – demonstrated achievement over many years
- › **Continued strong EPS growth.**

Guidance Upgrade

In light of the excellent first half result and the continuation of favourable equity and interest rate market conditions, the company is expecting to report annual earnings numbers (reflected in Management EPS) approximately 50% higher than last year. Any guidance beyond the current year will depend on market activity and will be provided at the company's annual release in August 2007.



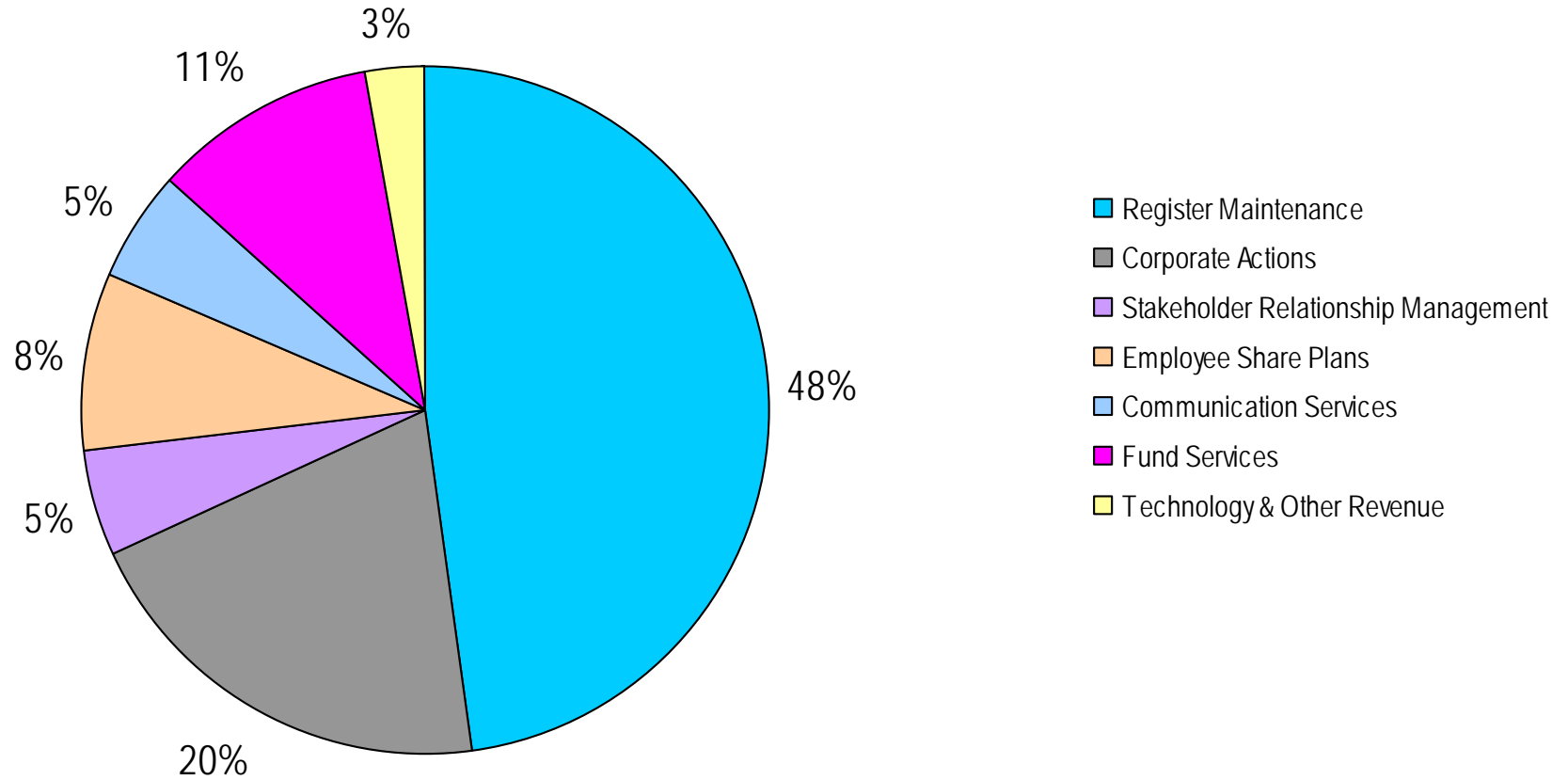
- › **Announced 13th December 2006 – adoption of US dollars as presentation currency**
- › **Introduced as a result of the increasing contribution of the US businesses to the consolidated results of the Group**
- › **Effective for the financial year beginning 1st July 2006 and beyond**
- › **Today's results are in US dollars**

Group Financial Performance – US\$m



	IH07	IH06	Variance
Sales Revenue	687.9	583.6	18%
Interest & Other Income	6.1	4.4	38%
Total Revenue	694.0	588.1	18%
Operating Costs	506.3	489.5	(3%)
Share of Net (Profit)/Loss of Associates	(1.0)	(1.1)	
Management EBITDA	188.7	99.7	89%
Management Adjustments - Revenue/(Expense)	10.3	(4.4)	
Reported EBITDA	199.1	95.3	109%
Management EPS	17.86	8.82	102%

Revenue Type



Revenue Breakdown – US\$m

	1H07	1H06	Variance
Register Maintenance	331.1	284.6	16%
Corporate Actions	141.6	92.1	54%
Fund Services	73.0	67.2	9%
Stakeholder Relationship Mgt	34.2	35.4	(3%)
Employee Share Plans	58.2	44.2	32%
Communication Services	37.2	31.7	17%
Technology & Other Revenues	18.6	32.8	(43%)
Total Revenue	694.0	588.0	18%

Note: Included in the revenue results are \$84.0m of Margin Income (1H06: \$52.1m) and \$132.9m of Recoverable Income (1H06: \$111.8m).

Behind the Headline – NPAT IMPACT



US\$000's

Net profit after tax at 31 December 2006

119,345

Marked to market adjustments - derivatives

(205)

Client list amortisation

1,193

Profit on sale of Analytics

(7,951)

US property rationalisation

1,483

Acquisition provisions no longer required

(1,855)

Tax losses recognised

(4,977)

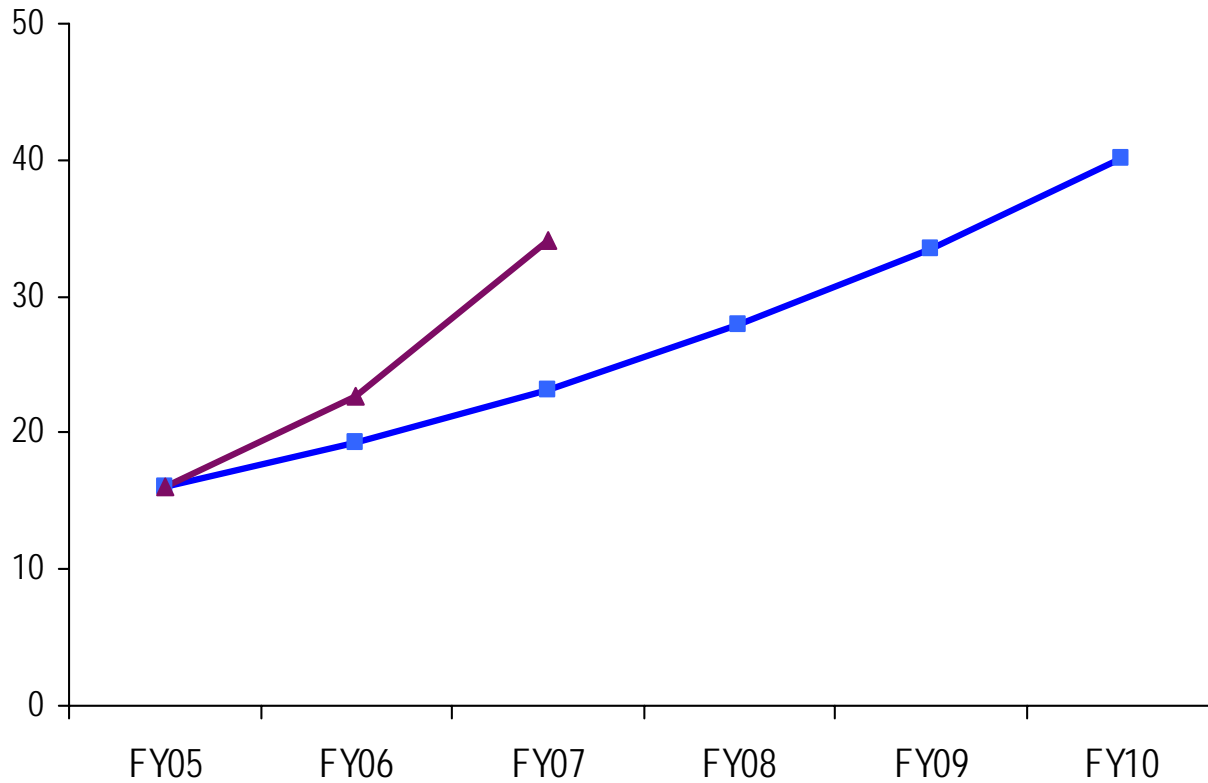
Management adjusted profit after tax at 31 December 2006

107,033

EPS Growth FY05 to FY10

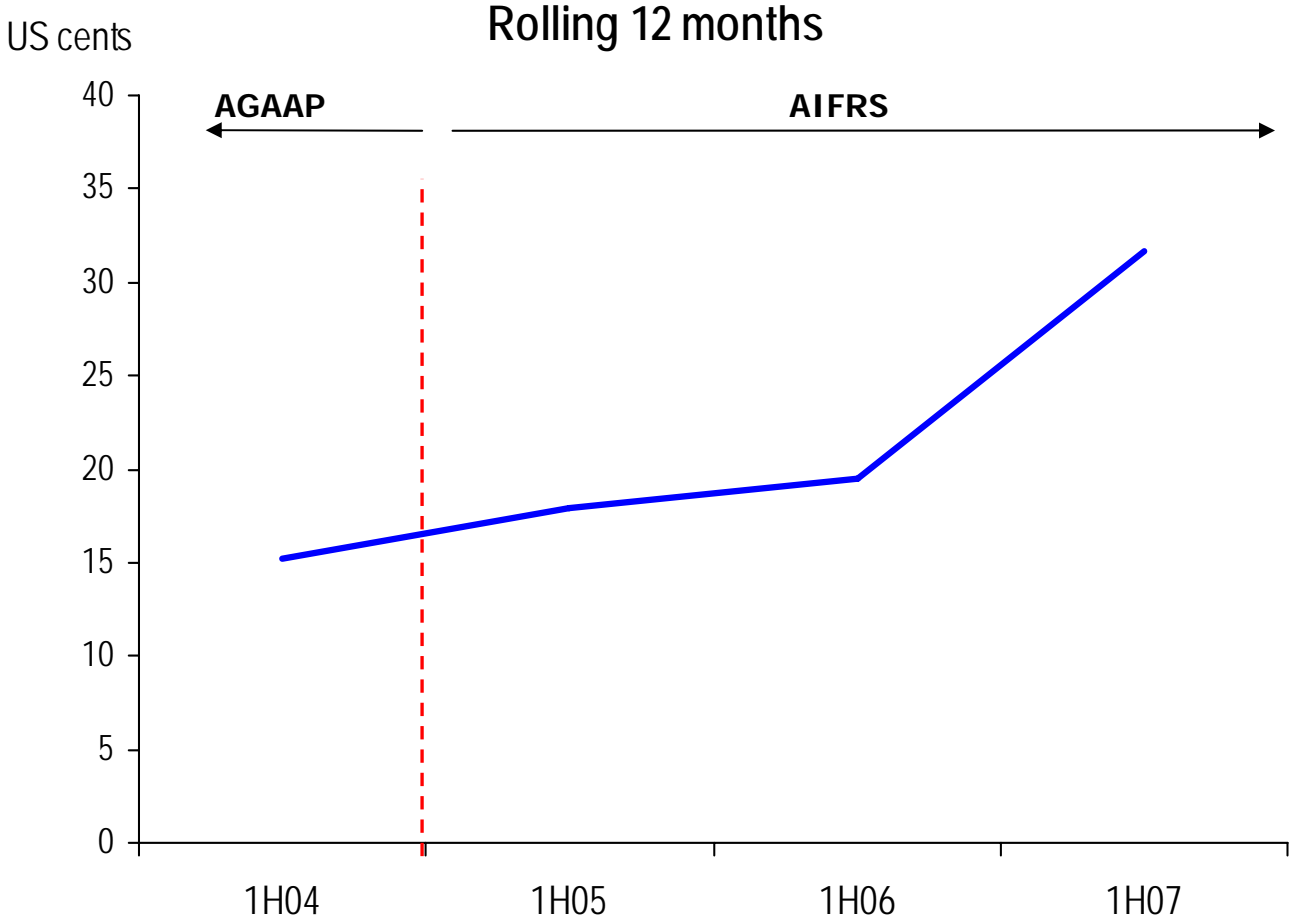
Management EPS

US cents

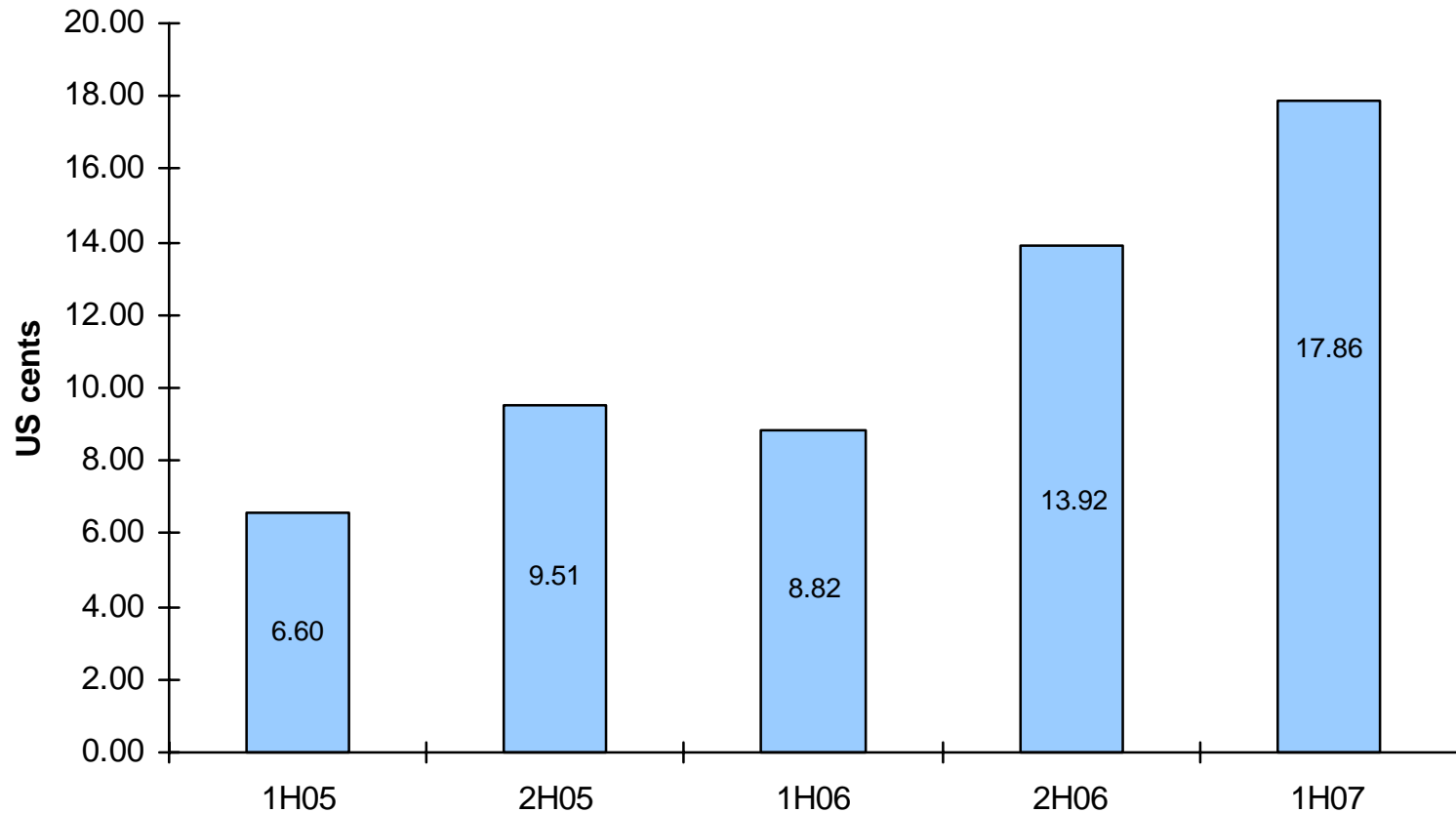


■ EPS projected from FY05 at 20% p.a. ▲ Actual / Forecast EPS growth

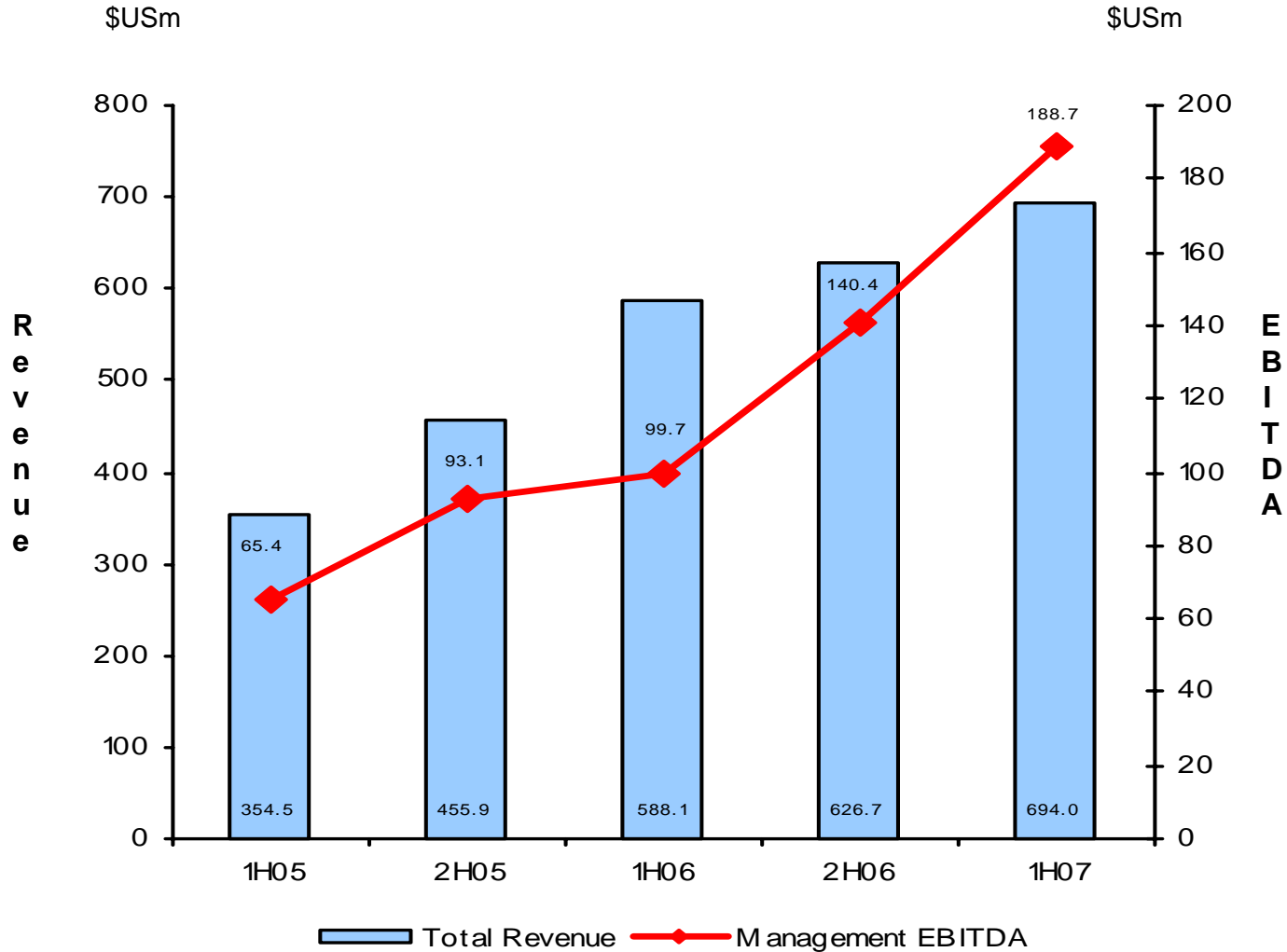
Management EPS Performance



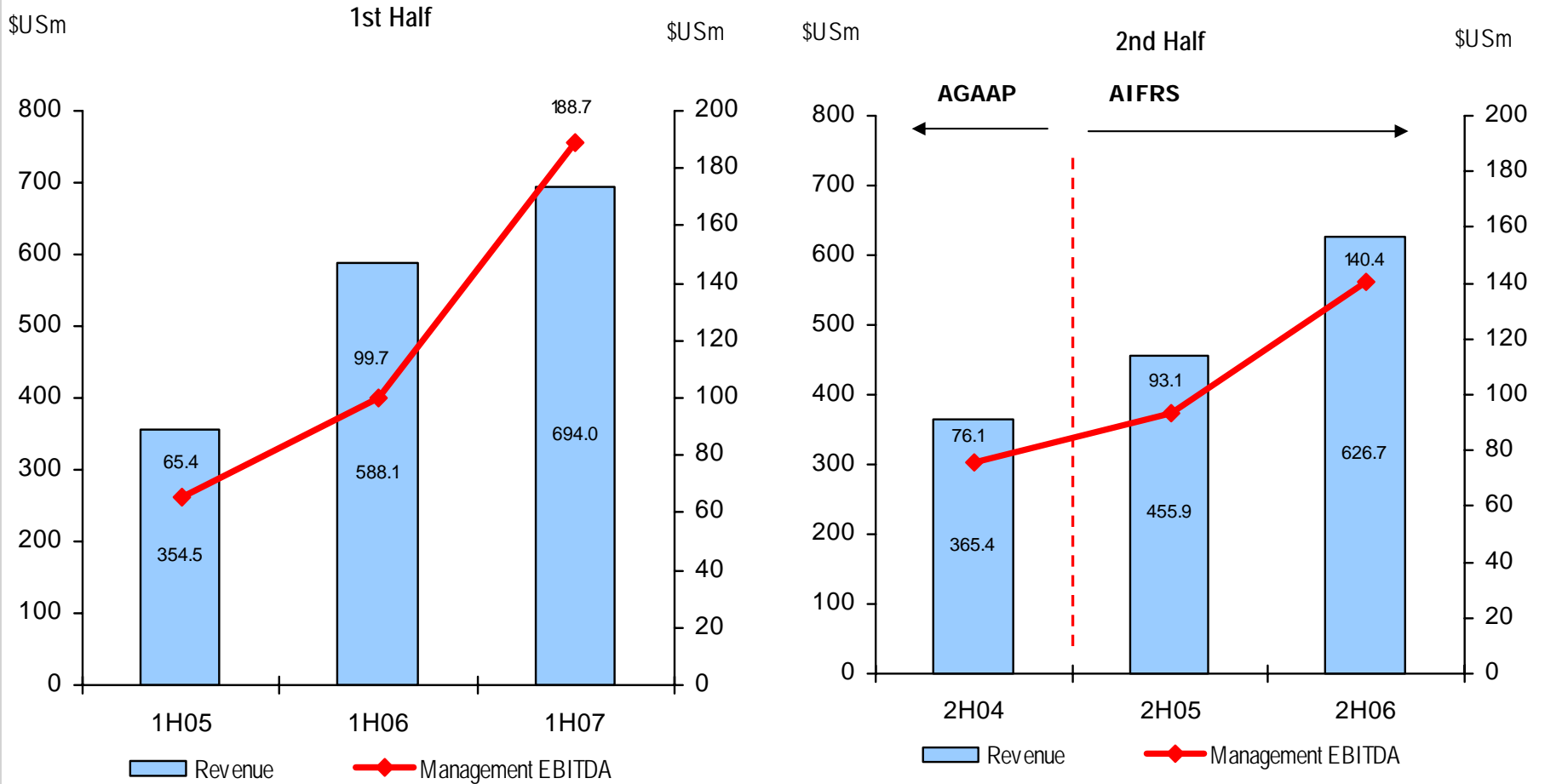
Analysis of Management EPS – Half Year Comparison



Half Year Comparisons – Revenue & EBITDA

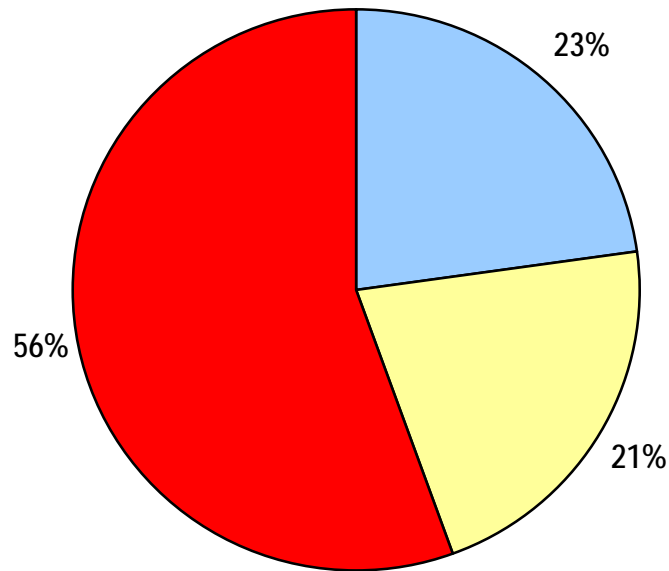


Half Year Comparisons – Revenue & EBITDA



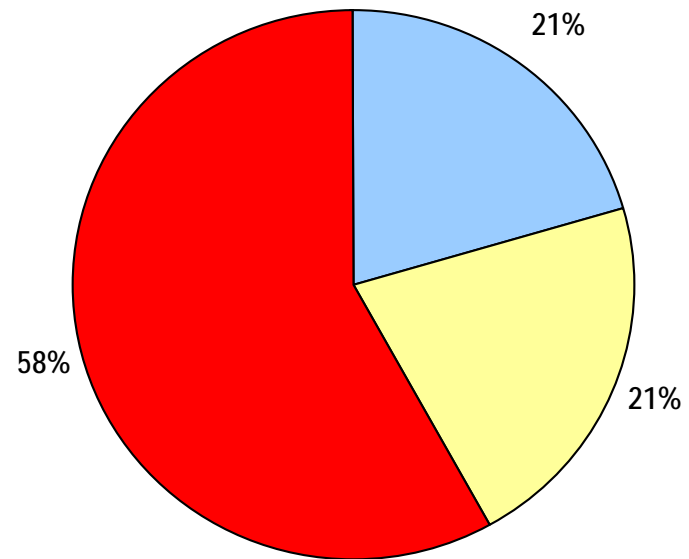
Regional Analysis – 1H07 Revenue & EBITDA

Total Revenue Breakdown



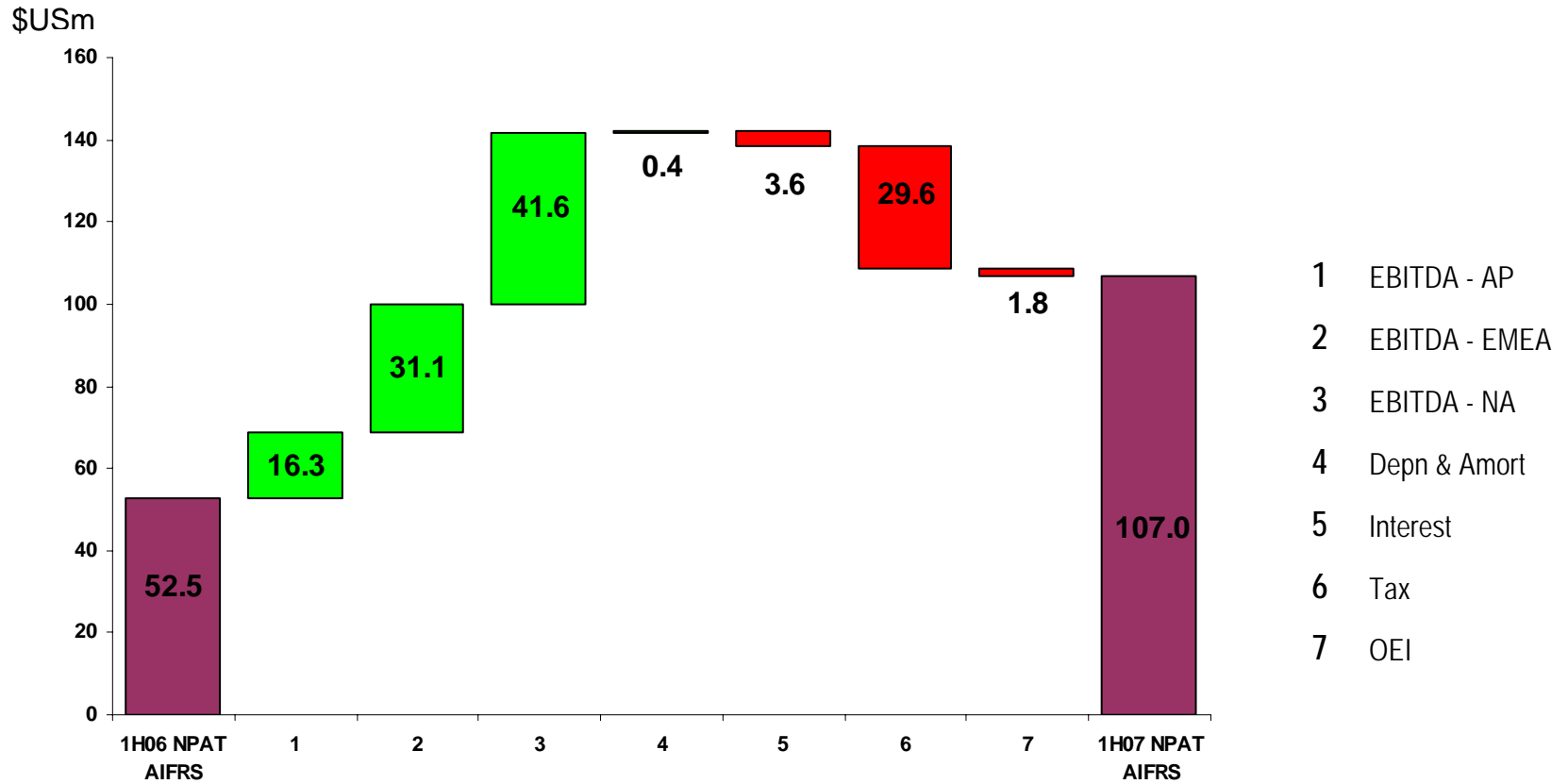
■ Asia Pacific ■ EMEA ■ North America

EBITDA Breakdown

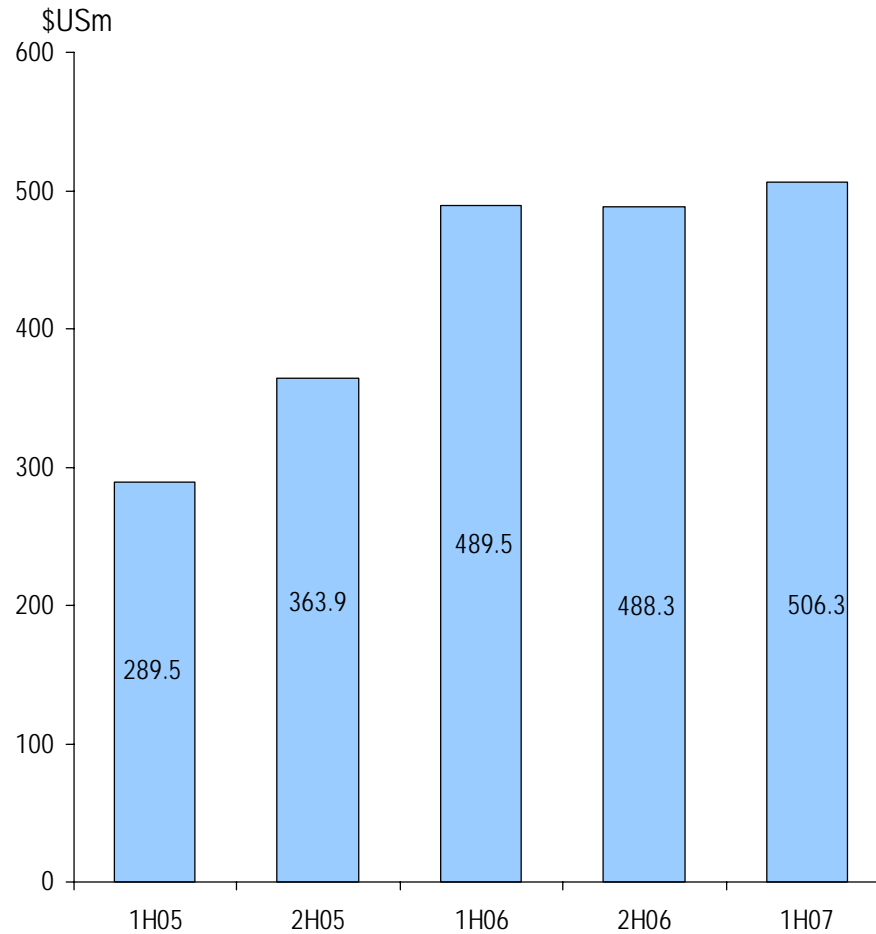


■ Asia Pacific ■ EMEA ■ North America

1H07 NPAT Analysis

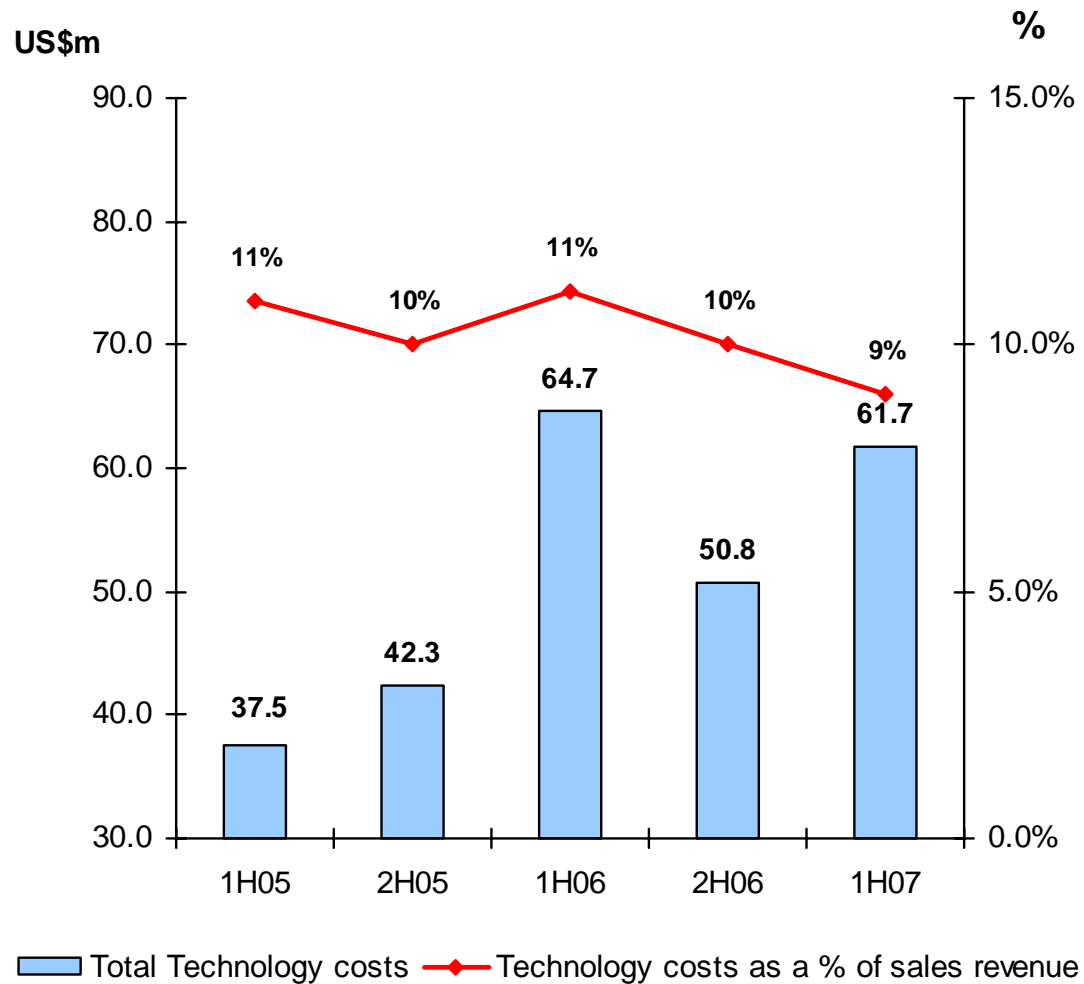


Half Year Comparisons – Operating Costs

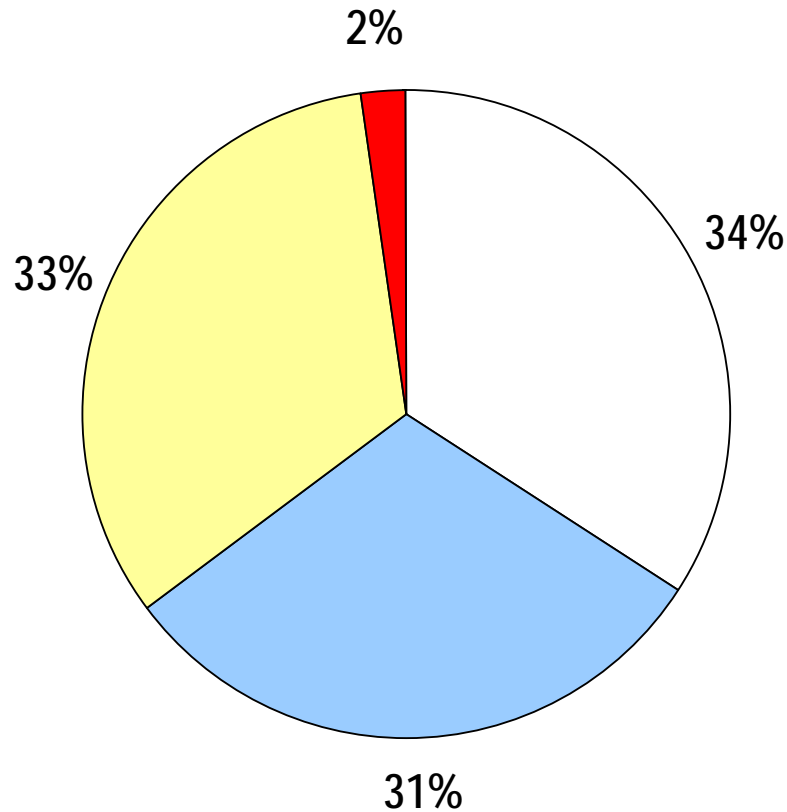


Technology Costs – Establishing Global Platform

Financial
Results



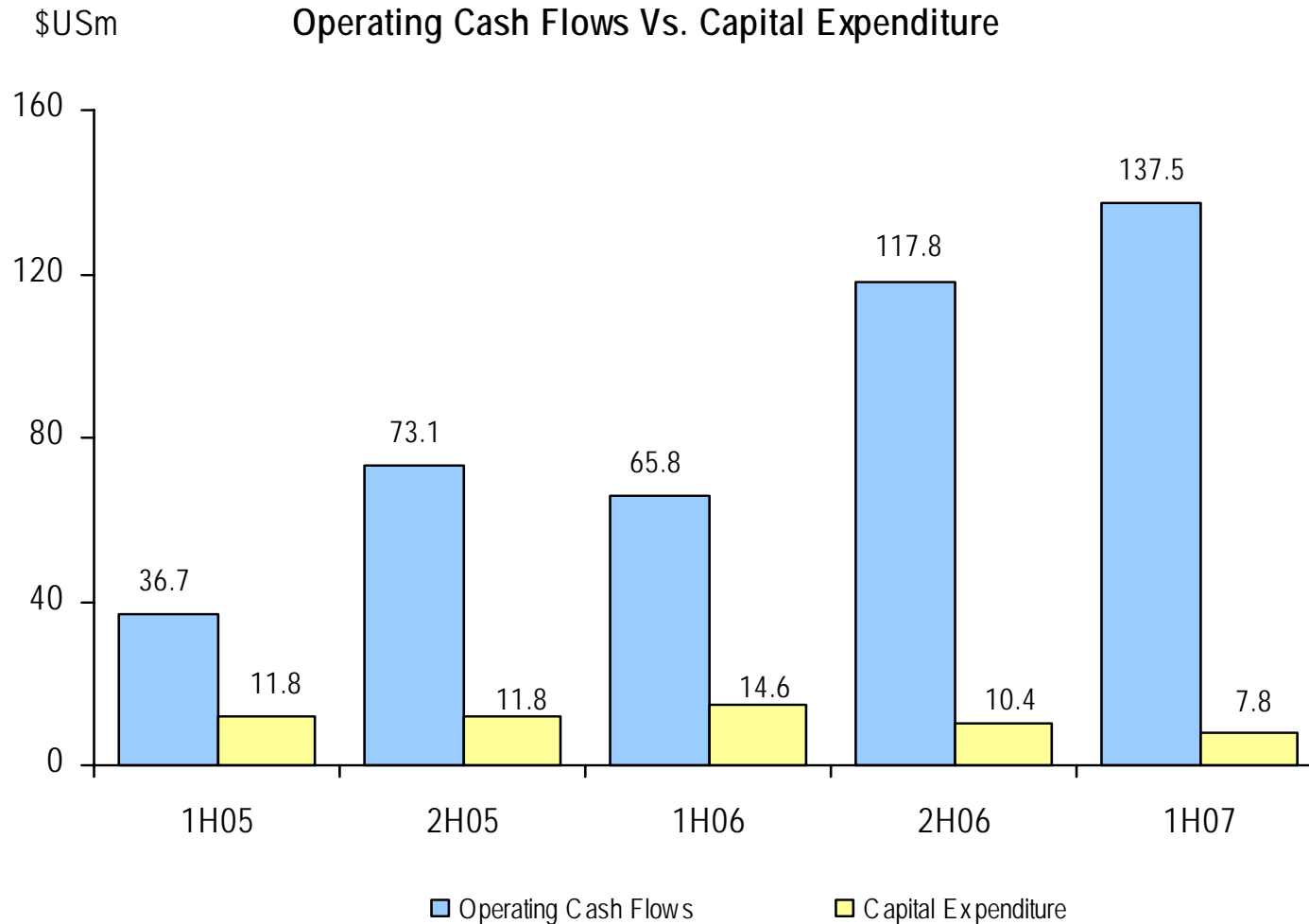
Analysis of 1H07 Technology Costs



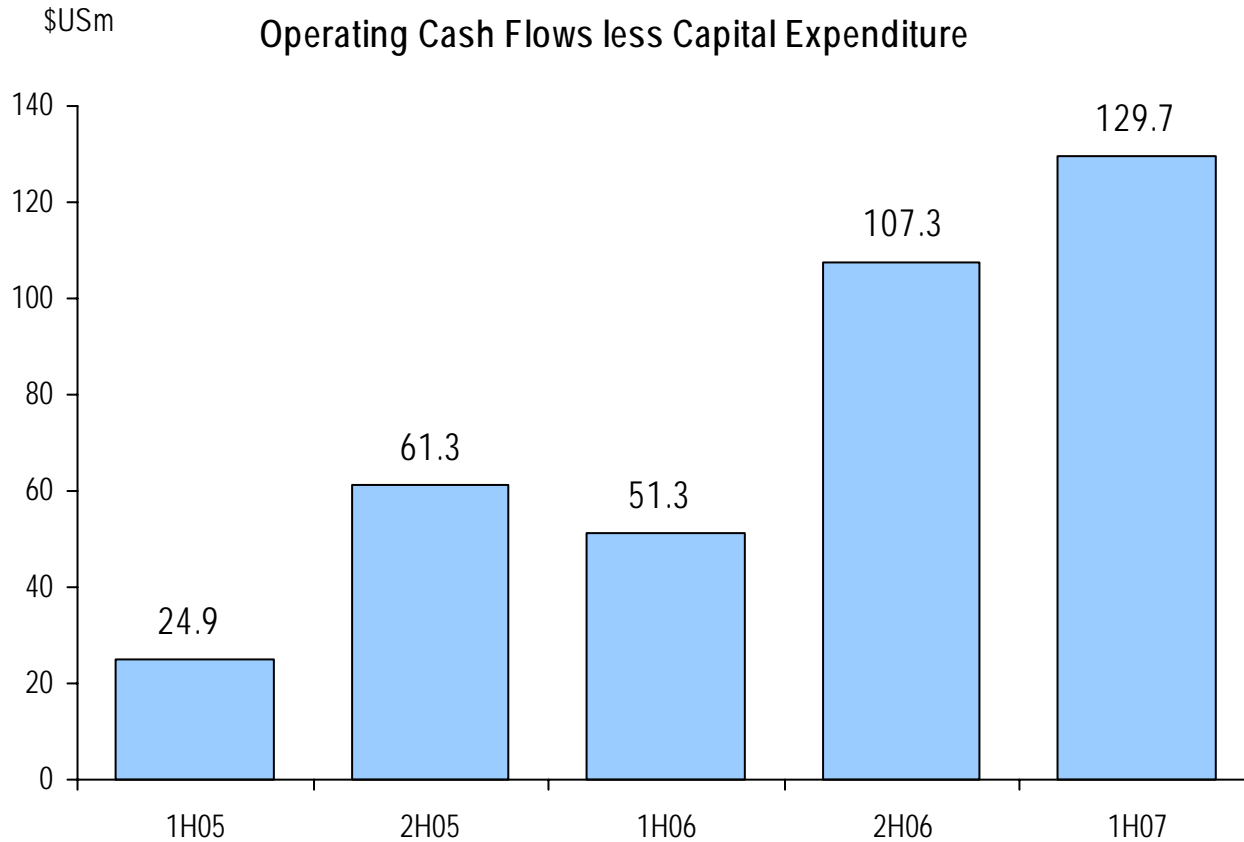
Total Costs US\$61.7m
Development Costs US\$21.1m

□ Development □ Infrastructure □ Maintenance □ Admin incl. External Bureau

Net Operating Cash Flows



Free Cash Flow – up 153% on 1H06



Balance Sheet as at 31 December 2006



	Dec-06	Jun-06	Variance
	US\$'000s	US\$'000s	
Current Assets	371,239	338,475	10%
Non Current Assets	1,292,487	1,264,318	2%
Total Assets	<u>1,663,726</u>	<u>1,602,793</u>	<u>4%</u>
Current Liabilities	276,663	265,620	(4%)
Non Current Liabilities	571,969	637,305	10%
Total Liabilities	<u>848,632</u>	<u>902,925</u>	<u>6%</u>
Total Equity	<u>815,094</u>	<u>699,868</u>	<u>16%</u>

Computershare Borrowings

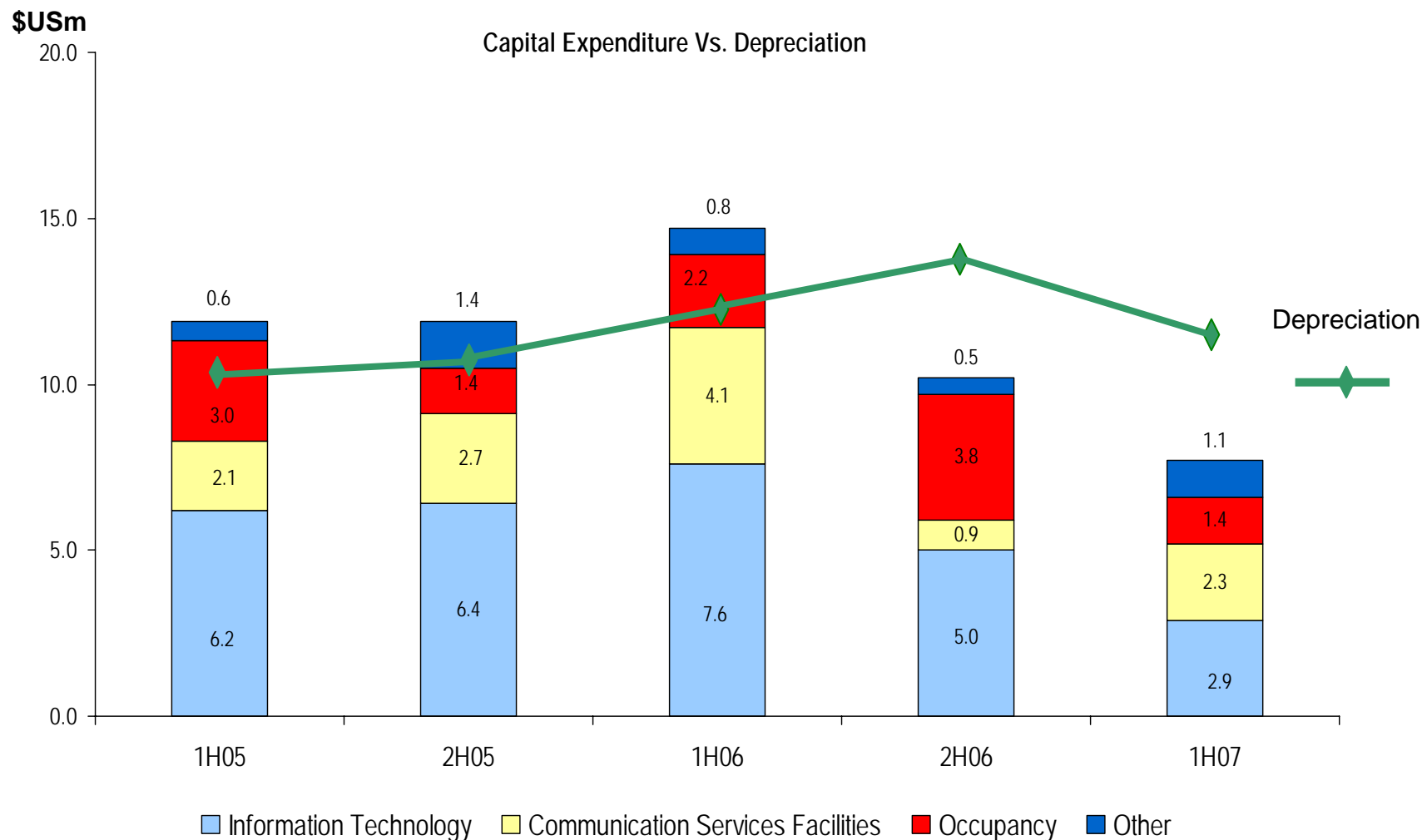


	Dec-06 US\$m	Jun-06 US\$m	Variance
Cash	110.0	72.8	51%
Interest Bearing Liabilities *	430.7	476.5	10%
Net Debt	<u>320.7</u>	<u>403.7</u>	<u>21%</u>
Management EBITDA **	329.1	240.0	37%
Coverage	<u>0.97</u>	<u>1.68</u>	<u>42%</u>

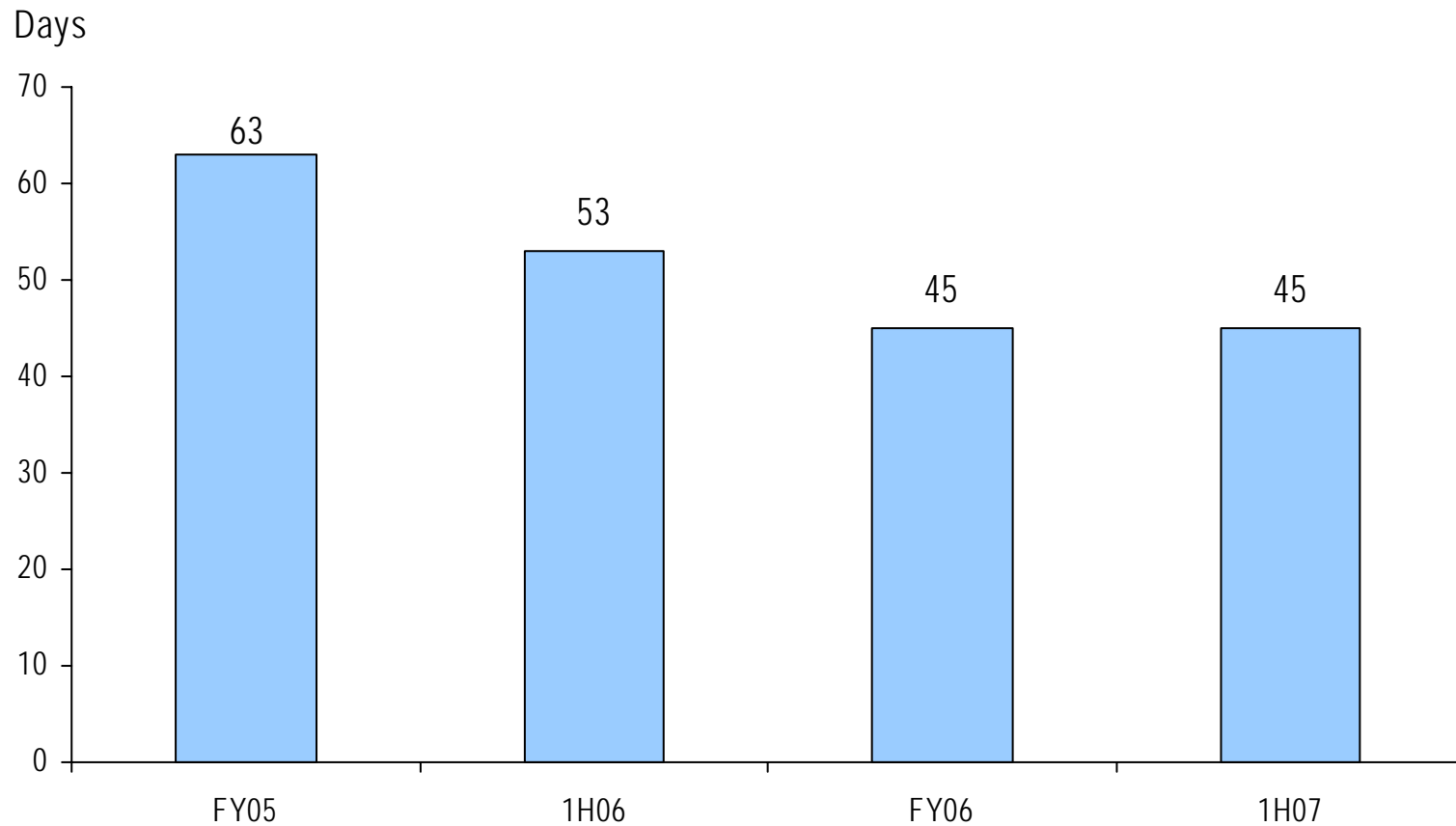
* Average Tenor of drawn debt is 5.2 years

** Rolling 12 months

Capital Expenditure



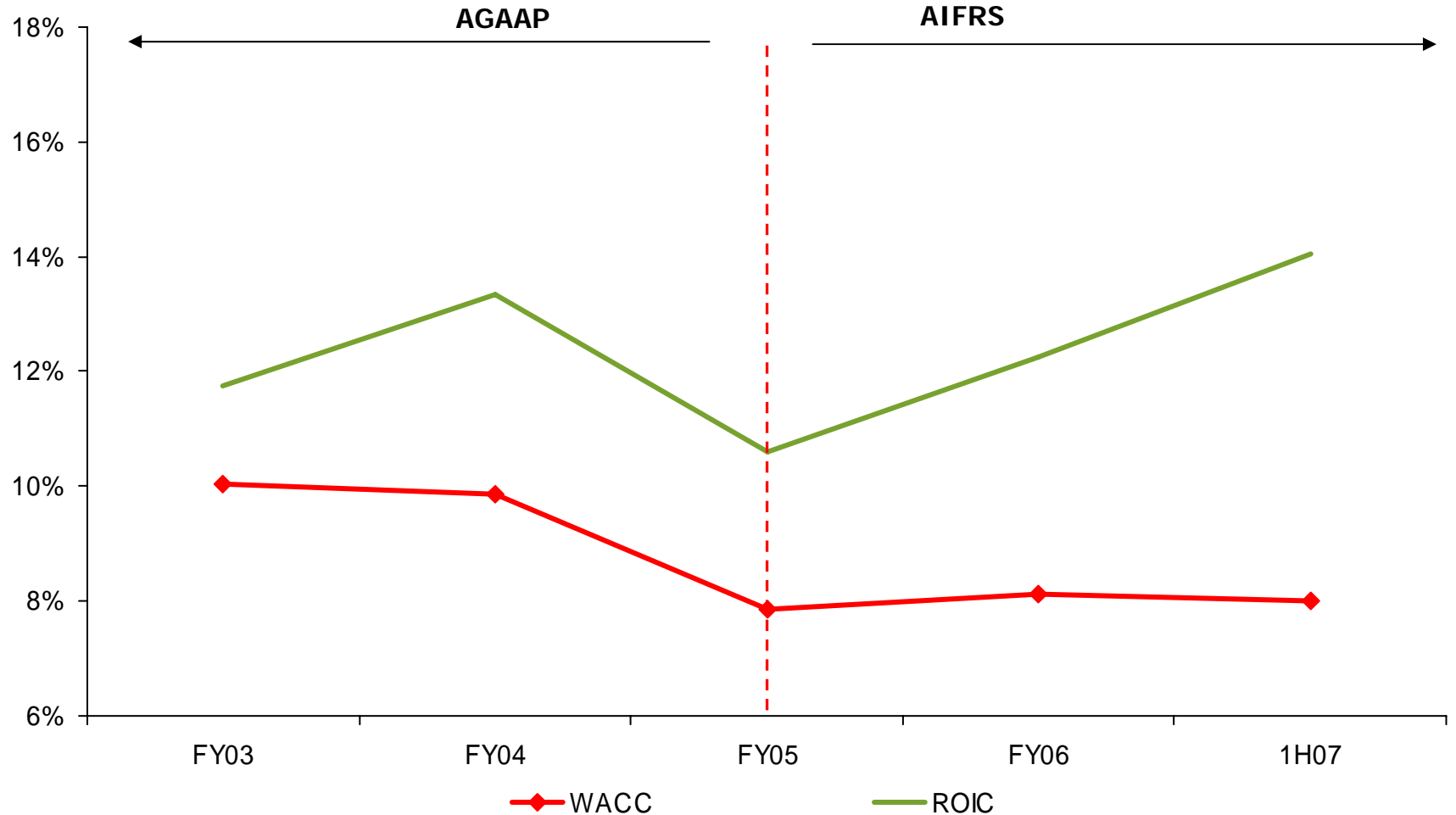
Days Sales Outstanding



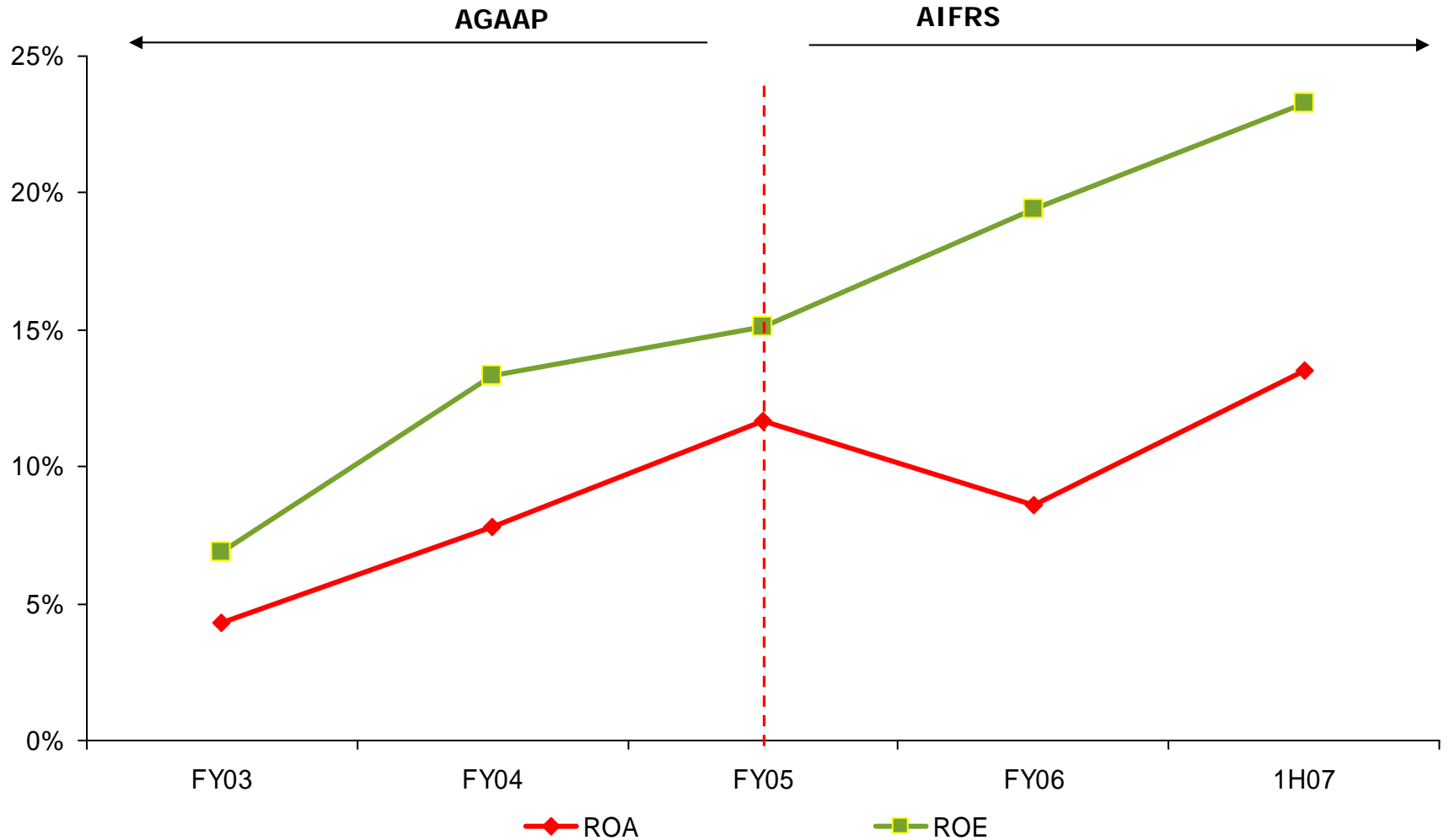
Note: historical DSO restated to exclude deferred revenue

Return On Invested Capital Vs. WACC

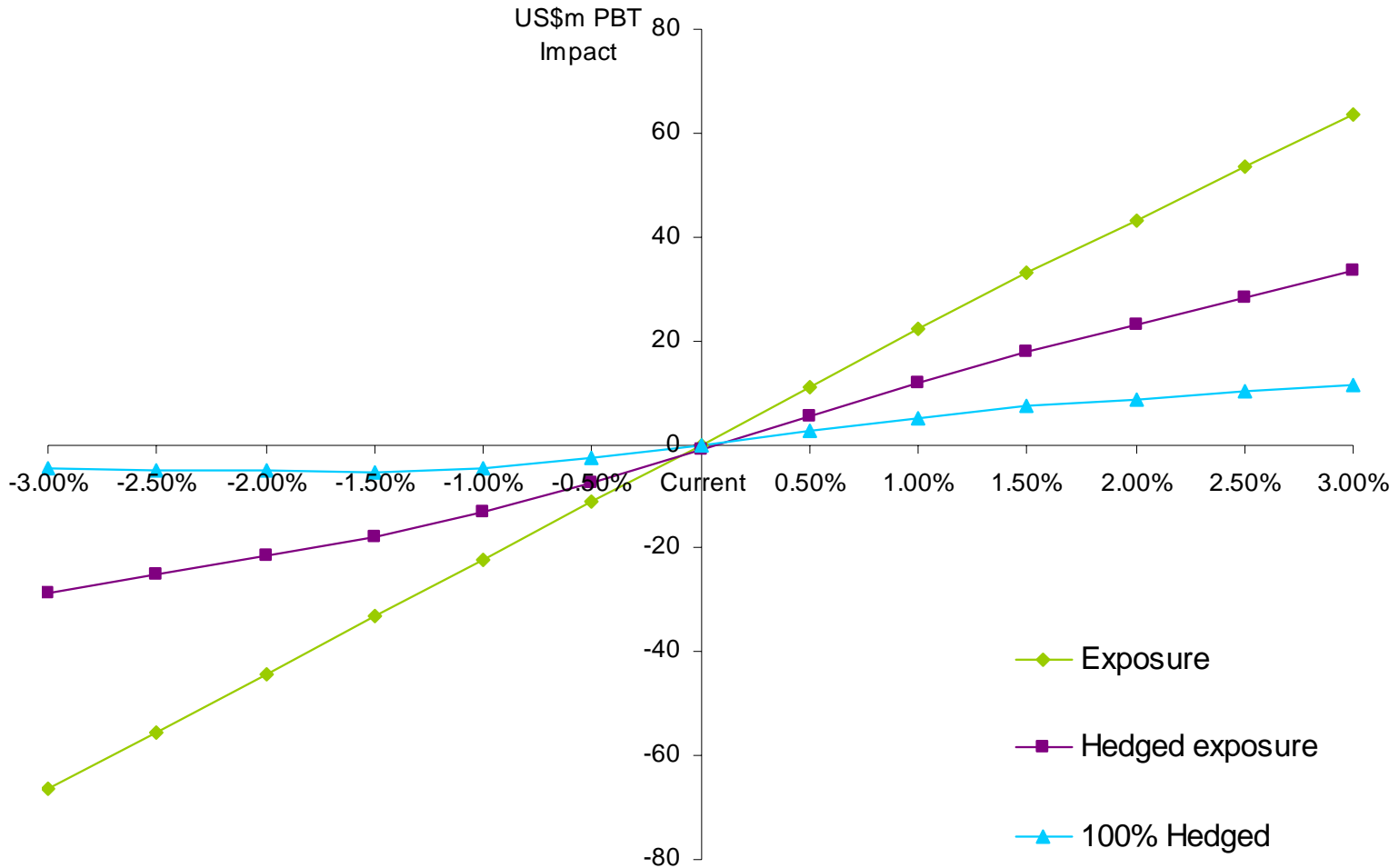
Increased returns, Cost of Capital flat



Return on Equity Vs. Return on Assets



Interest Rate Sensitivity



Equity Management – Final Dividend of 8 cps (AU)



› EPS – Basic	US 19.91 cents
› EPS – Management	US 17.86 cents
› Full Dividend (unfranked)	AU 8.0 cents
› Current Yield*	1.5%

* Based on 12 month dividend and share price of A\$9.80 (close 13th Feb 07)

- › **Announced 15th November 2006 – on market share buy-back of up to 25 million ordinary shares**
- › **Acquired 1,325,000 ordinary shares as at 13th February 2007**
- › **Average price AUD \$8.68**

- › **Continued strong EPS growth - 102%**
after 5 years of growth > 20% CAGR
- › **Free cash flow up 153%**
- › **Record revenues**
- › **Maintained strong balance sheet**
lowering earnings to debt coverage by 42%
- › **Dividend increased to 8 cents (AUD) per share**



Stuart Crosby President & CEO

- › **Previously largely symmetrical**
- › **Now US ~50% - dedicated Management**
- › **Key areas:**
 - › **US**
 - › **Canada**
 - › **Asia**
 - › **Aust/NZ**
 - › **UK/Russia/Ireland/SA**
 - › **Germany**
- › **Global executive team:**
 - › **Chris Morris (Exec Chairman)**
 - › **Stuart Crosby (President & CEO)**
 - › **Steven Rothbloom (US President)**
 - › **Penny Maclagan (CIO)**
 - › **Tom Honan (CFO)**

Three focuses:

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

Investor Services

- › Migrations all but complete (3 clients left)
- › Client retention remains strong
- › Operational fine-tuning will continue
- › Corporate action pipeline remains strong (CPU did the largest M&A transactions in TA, proxy and Mutual Funds for calendar 2006)
- › SEC “notice and access” reforms create opportunities

Other

- › Fund Services - continues to win vast majority of work
- › Plans - new client wins, long implementation
- › Communication Services
 - internal
 - external

Strong corporate actions flows; market share in the strong western Canada market especially pleasing at 65%; great proxy deal flow

Integration of National Bank acquisition bedding down

Continuing to look to consolidation opportunities – but mostly small

Operational efficiency a focus

Geographic update – UK, Russia, Ireland and South Africa



UK

- › Restructure delivered major savings in shared services costs
- › Big wins in Standard life, BAA takeover, Aviva SSP, Rental Bonds
- › Rationalised business lines, contracts – some sold or cancelled
- › DI listing increasing significantly and CPU winning majority

Russia

- › CPU continues to drive consolidation – now 65% NRC and 40% NIKoil
- › Margins attractive and feeds DI listings into the UK

Ireland

- › Improving margins and good revenue growth

SA

- › Stable business in tough market - retaining market share

Germany

- › Computershare now largest and only integrated provider of AGM and registry services
- › Short term opportunities to penetrate existing client base with integrated offerings
- › Longer term opportunities to provide bearer share and corporate action services

Other Europe

- › Further consolidation opportunities in Germany and Switzerland

Hong Kong

- › Continued flow of China IPOs into Hong Kong (ICBC etc)
- › Extending product range – Plans, eIPO, more to come

Japan

- › Joint venture with MUTB continues to perform well
- › Working on referral to other CPU businesses

India

- › Mutual Fund Services continues strong performance while corporate TA tracks market

China

- › Appointed a Beijing-based full time executive and seeking business registration

Investor Services

- › Good news: better margins, a range of positive pricing outcomes, retaining and winning clients
- › Strong pipeline of corporate activity

Communication Services

- › Good corporate actions revenues, but commercial book also robust
- › Strong focus on new product development / differentiation

Plans

- › Continued organic growth and support for Asian initiatives

Development

- › eIPO process scaled to process 30,000 applications per hour
- › Dealing systems now handle 300,000 transactions per hour
- › All client information synchronised globally on web based data services
- › Completed Equiserve conversion

Infrastructure

- › Created state of the art data centres in US and AU, deploying latest technologies

Computershare Limited

Half Year Results 2007 Presentation

Stuart Crosby
Tom Honan

14 February 2007



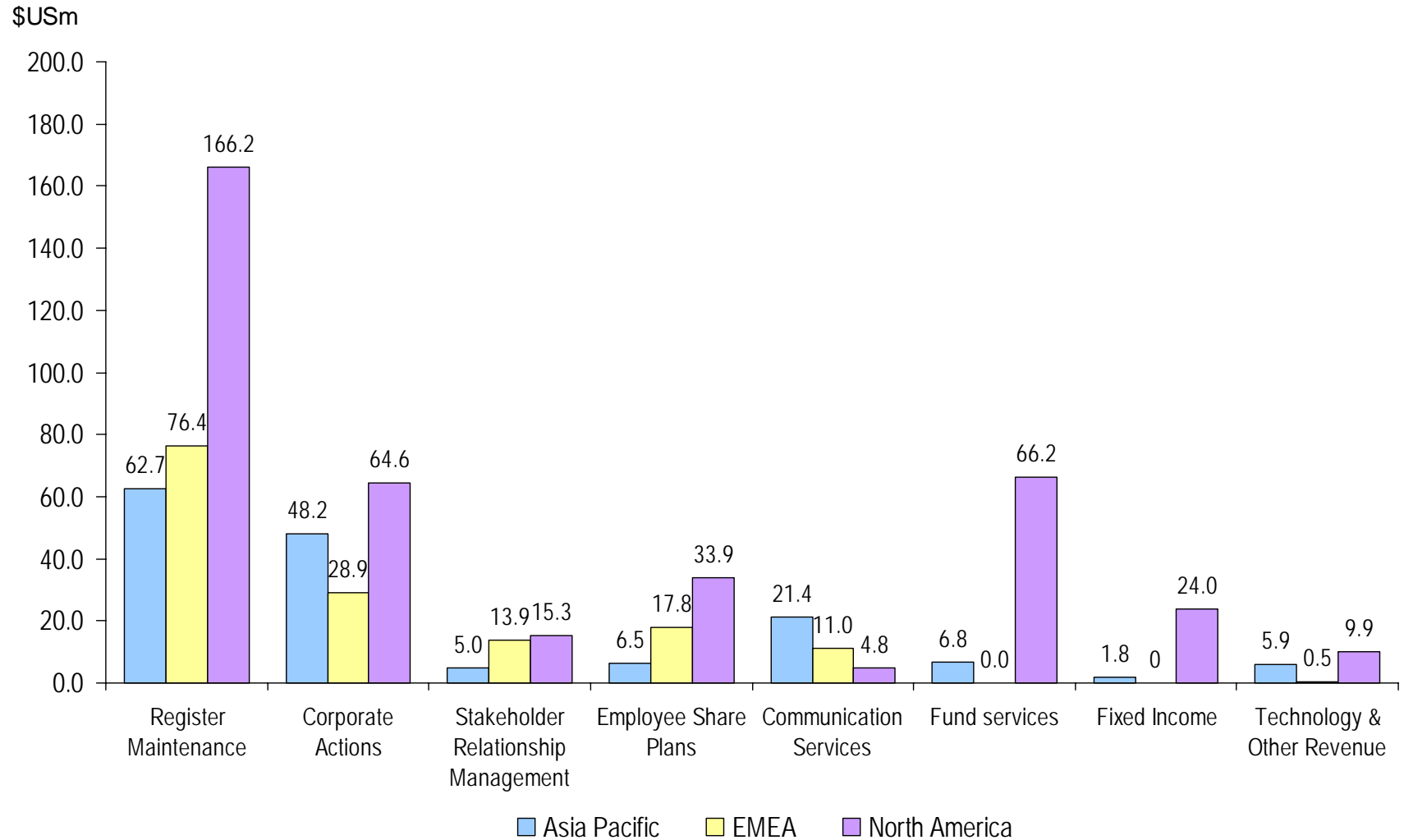
**Appendix:
Half Year Results 2007 Presentation**

14 February 2007

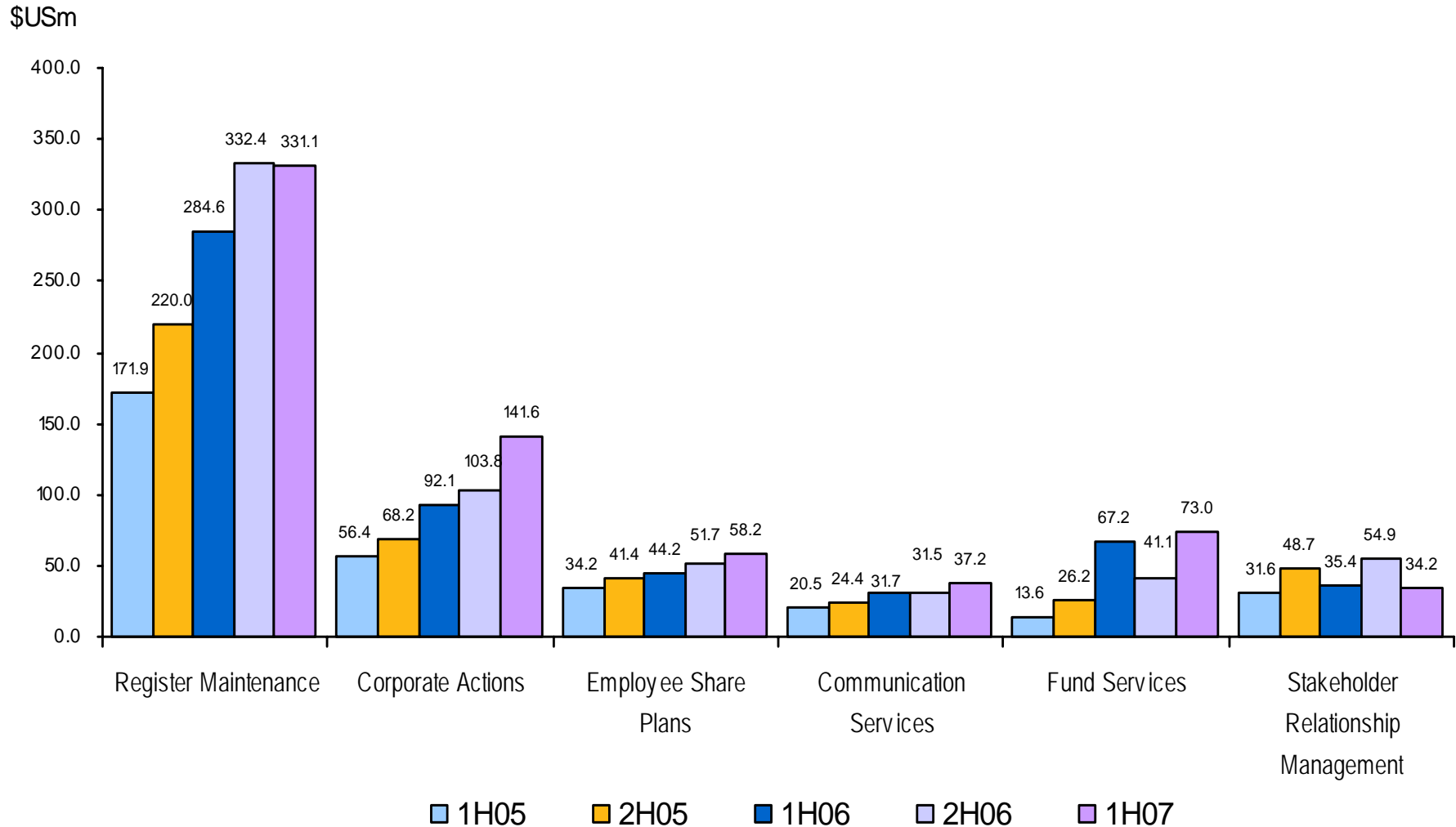
Appendix 1: Group Comparisons

Group Comparisons

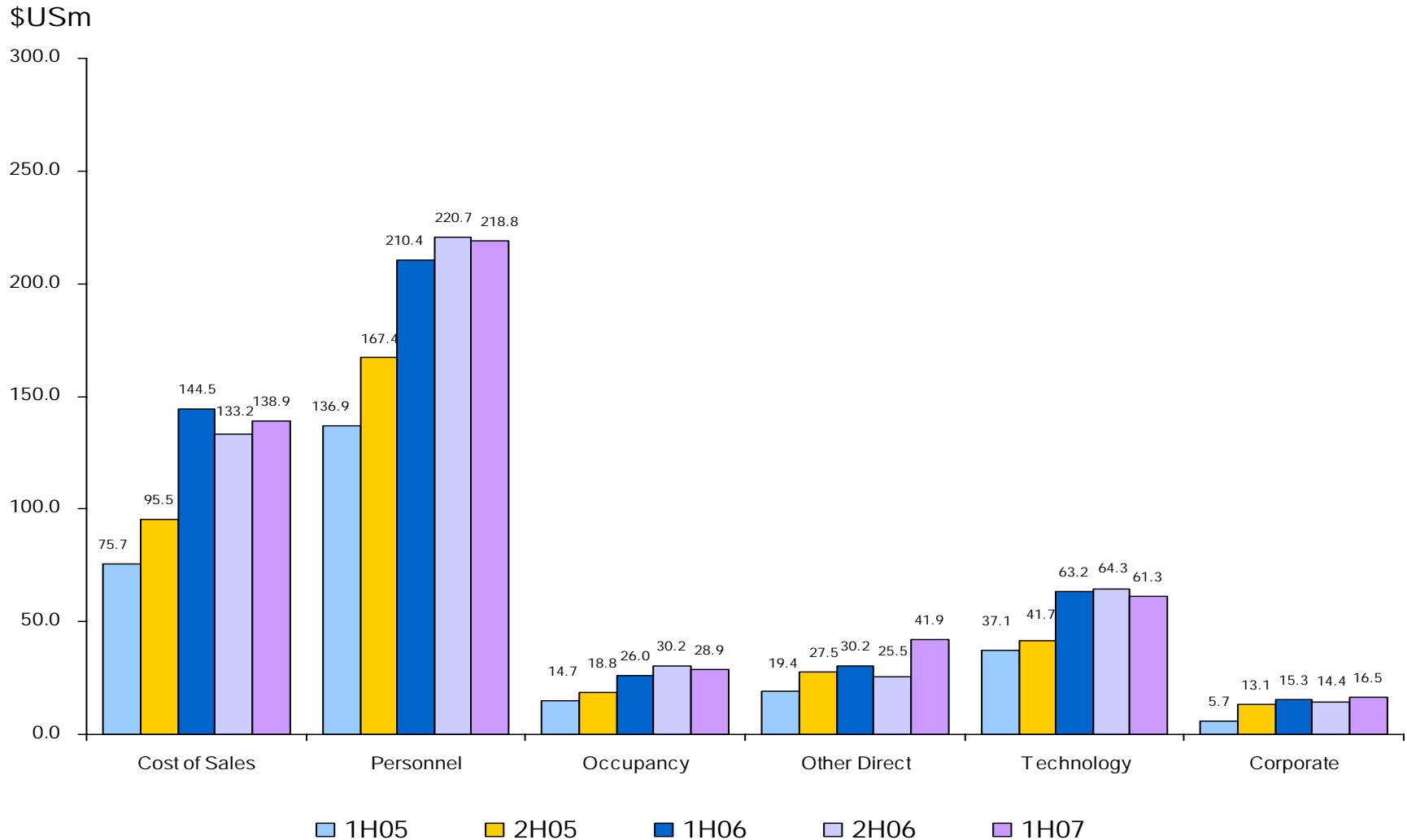
Regional Analysis – 1H07 Revenue



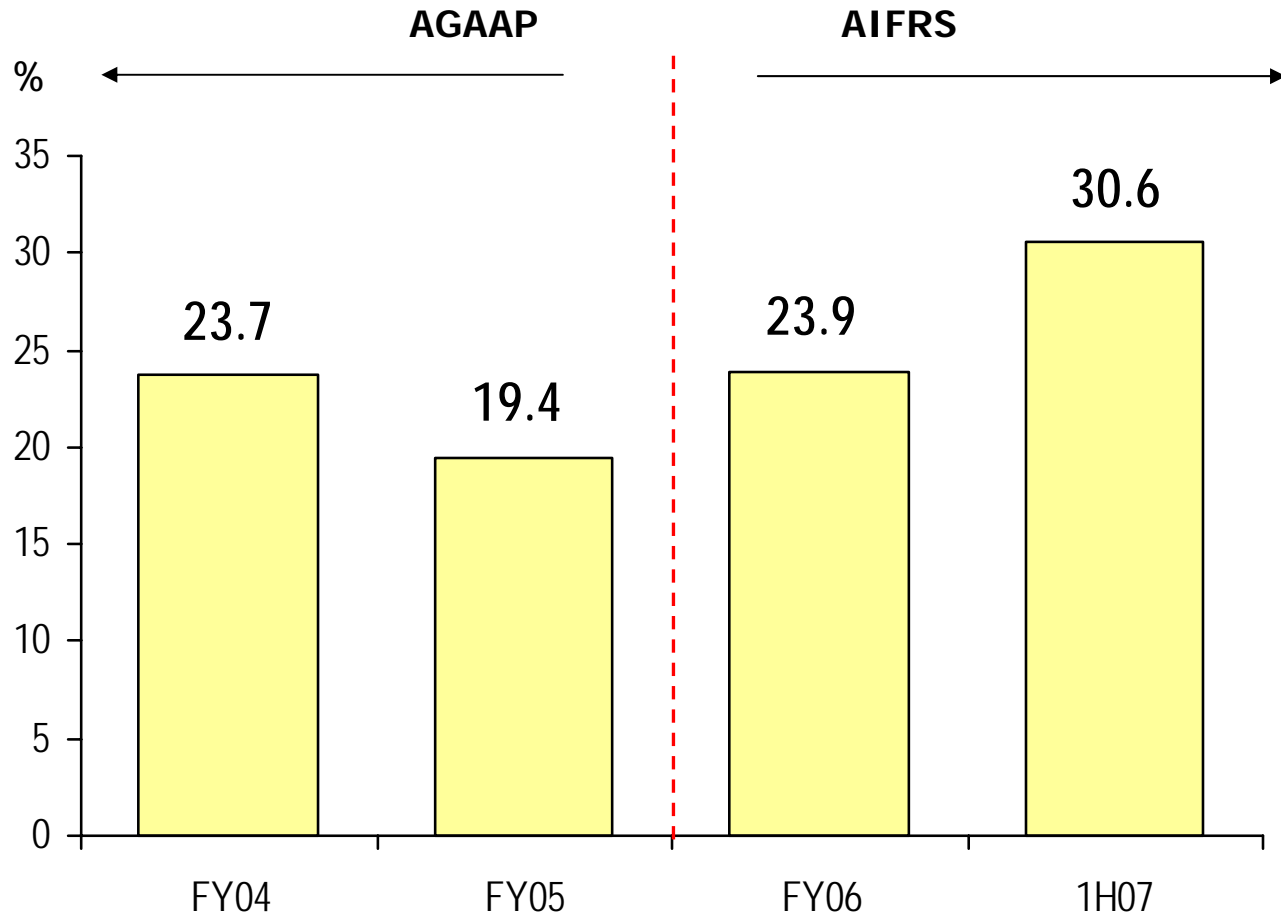
Half Year Comparisons - Revenue



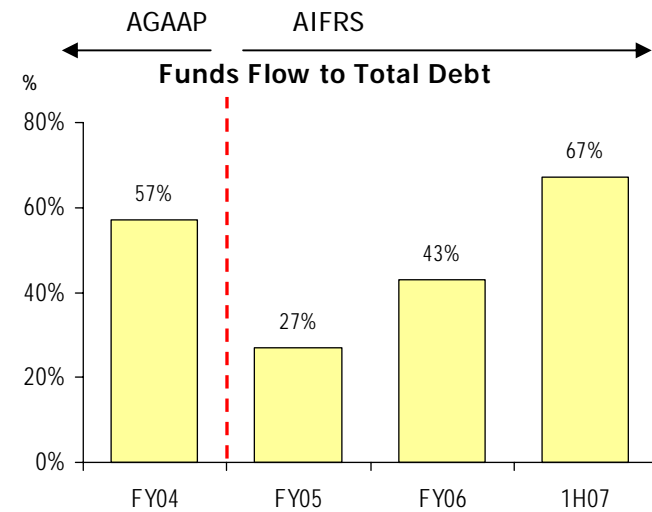
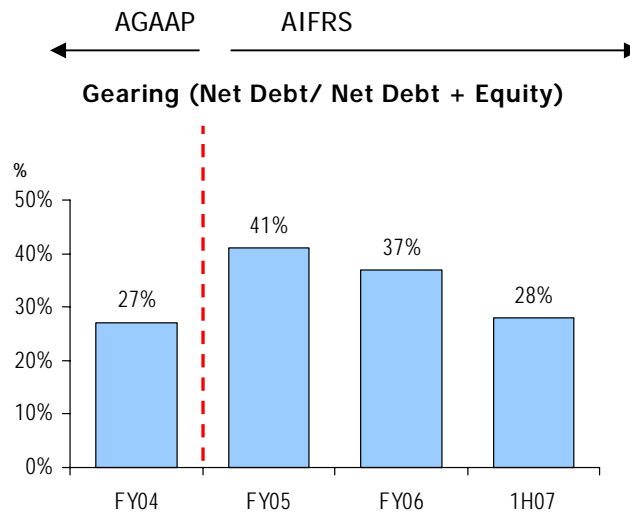
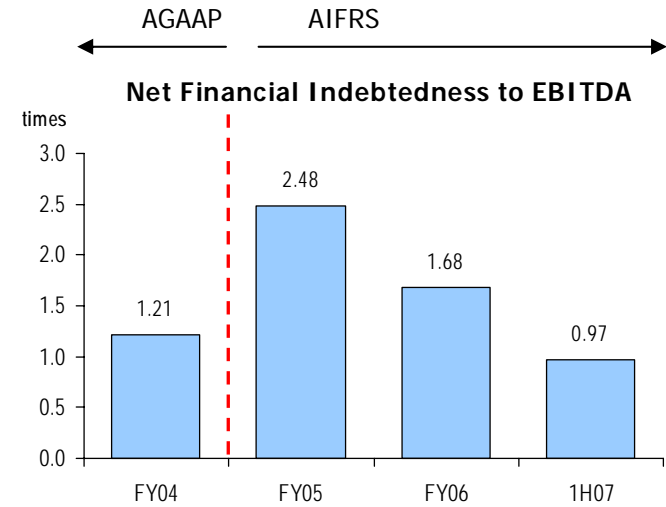
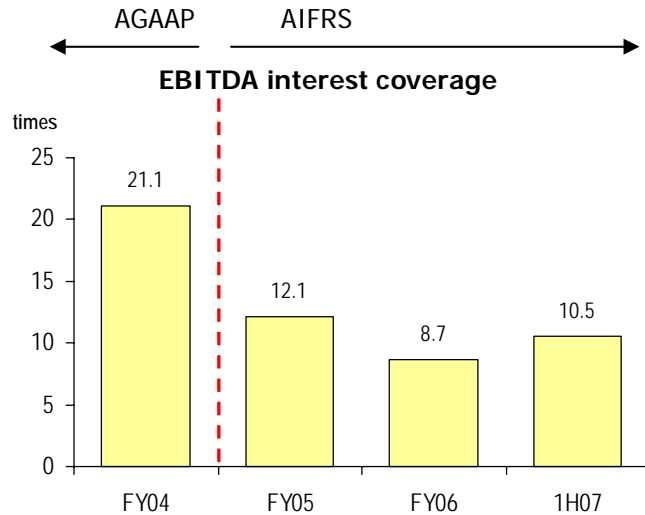
Half Year Comparisons – Operating Costs

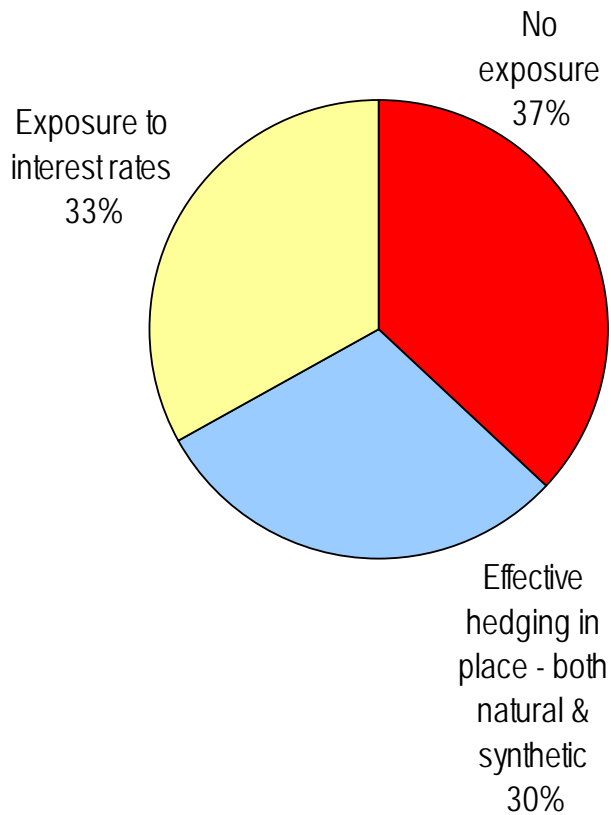


Underlying Effective Tax Rate



Key Financial Ratios





Interest Rate Hedging

Strategy: - Protect downside risk in current interest rate environment

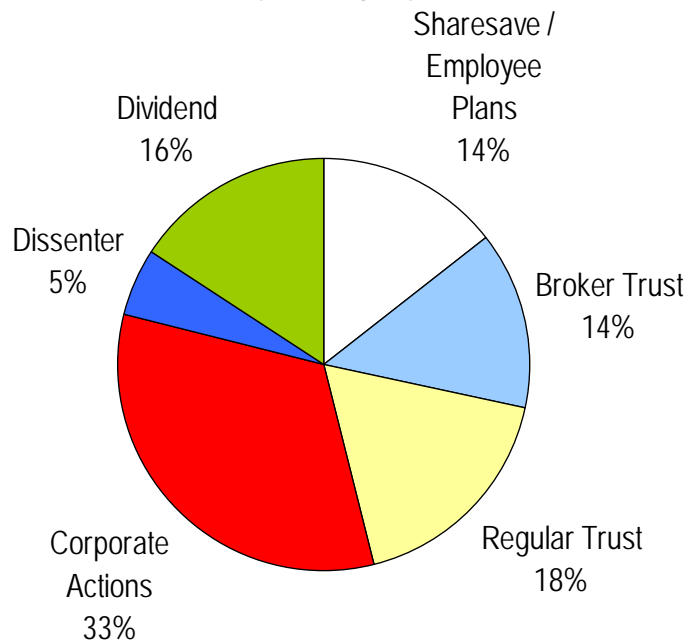
Policy: - Minimum hedge of 25% / Maximum hedge of 100%*

* Board approved

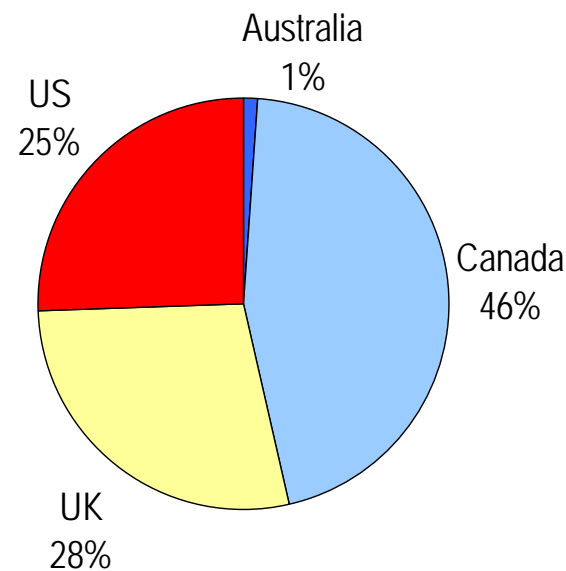
- Minimum term 1 year / Maximum term 5 years
- Current hedging: 30%

Risk Management – Average Funds Balances for the half year ended 31 December 2006

By Category



By Country



Average fund balance US\$6.4b

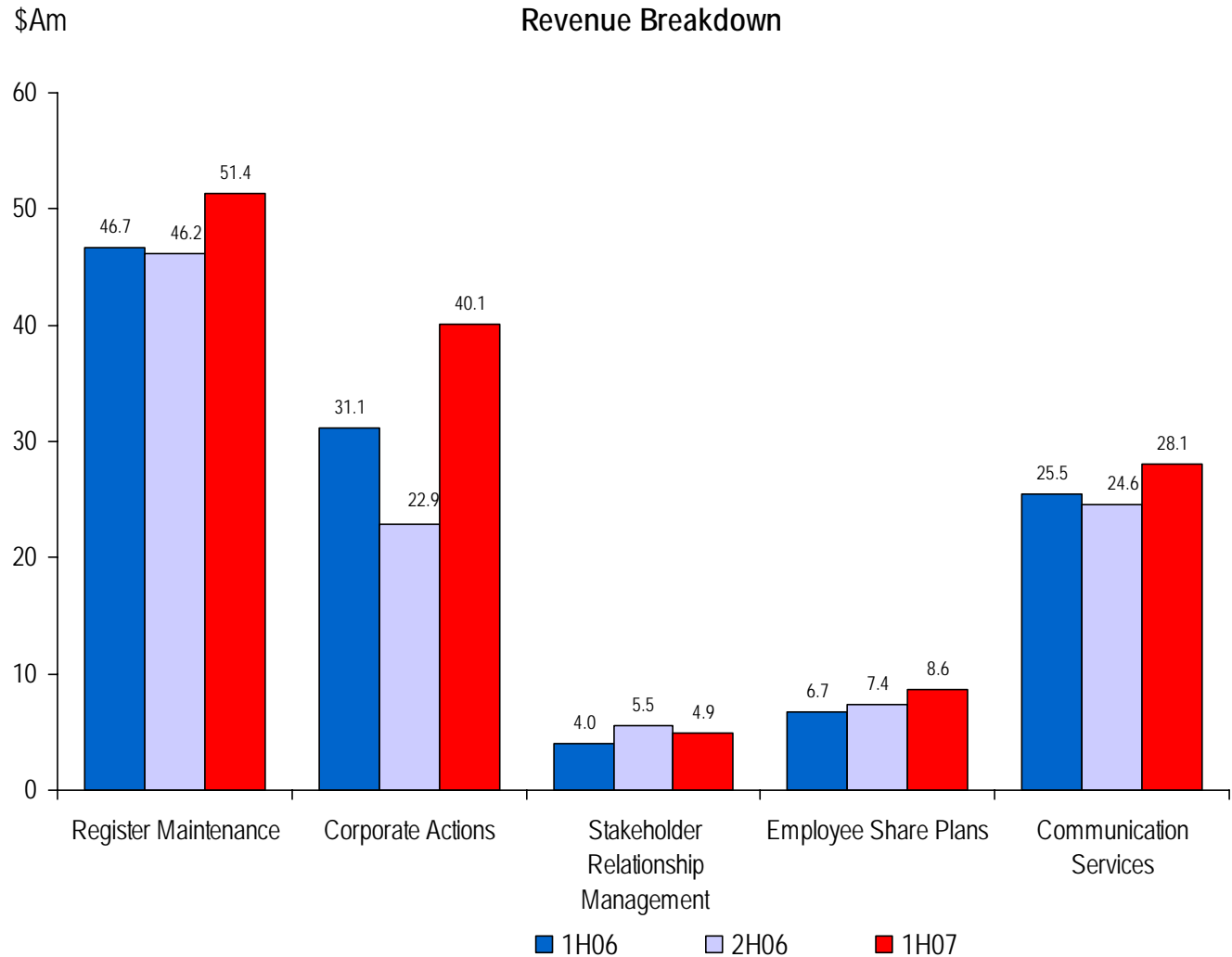
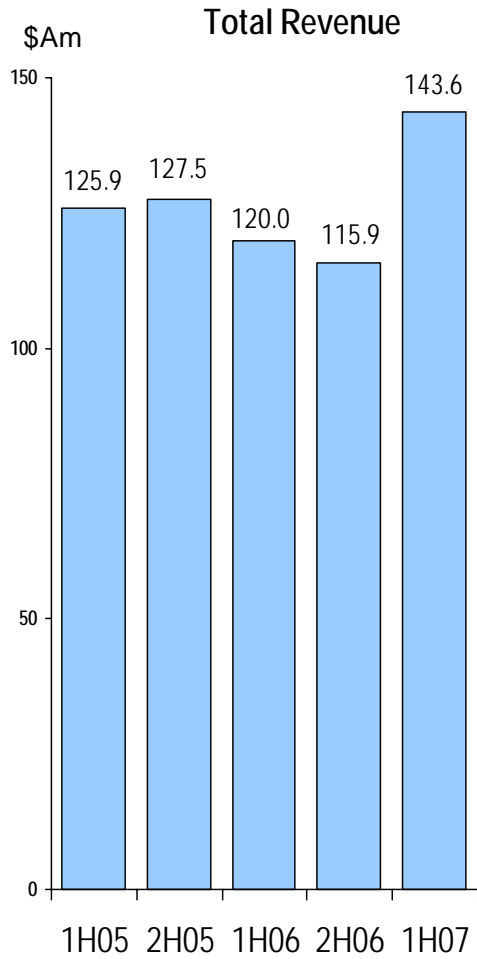
Appendix 2: Country Summaries

Country Summaries

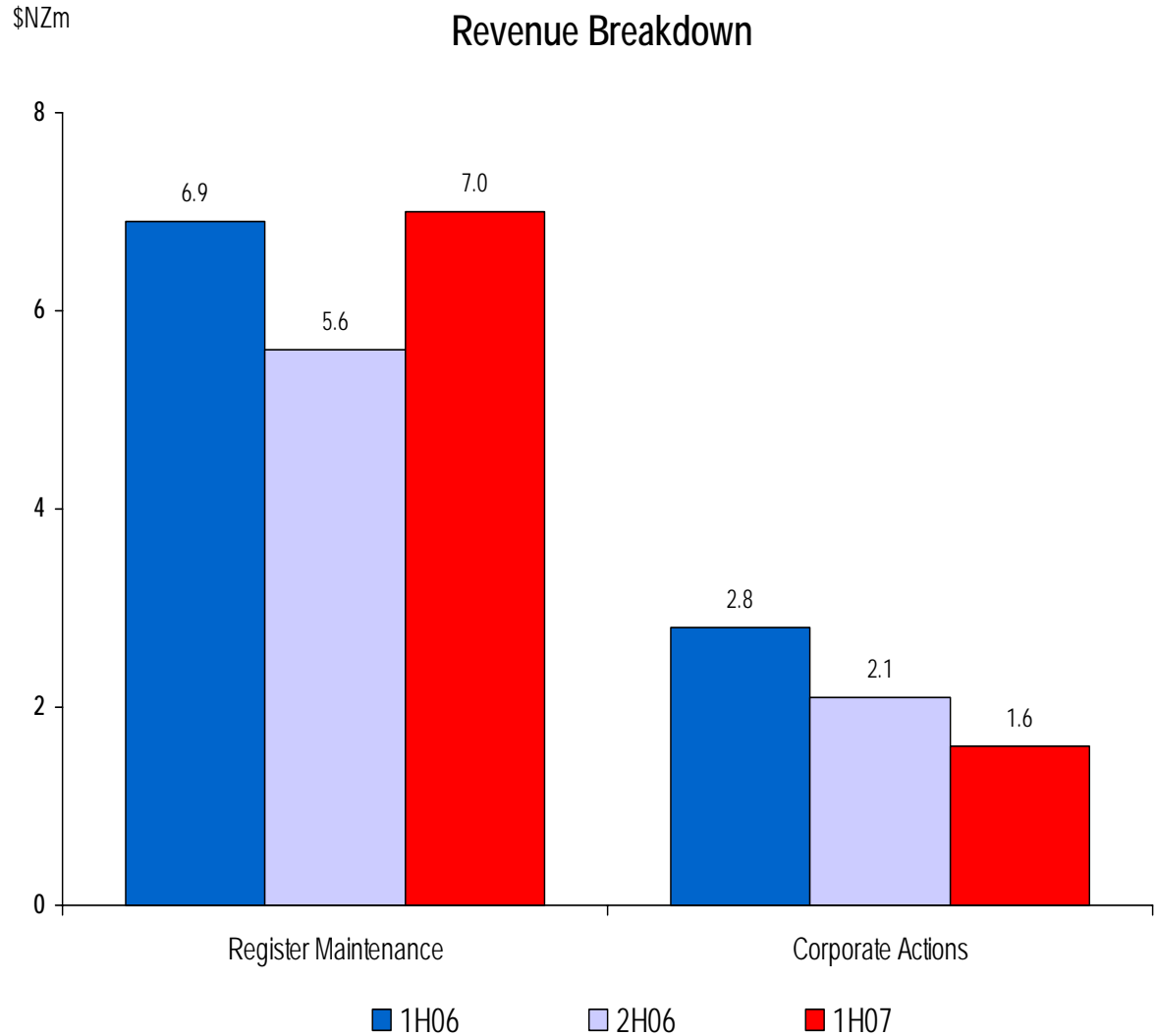
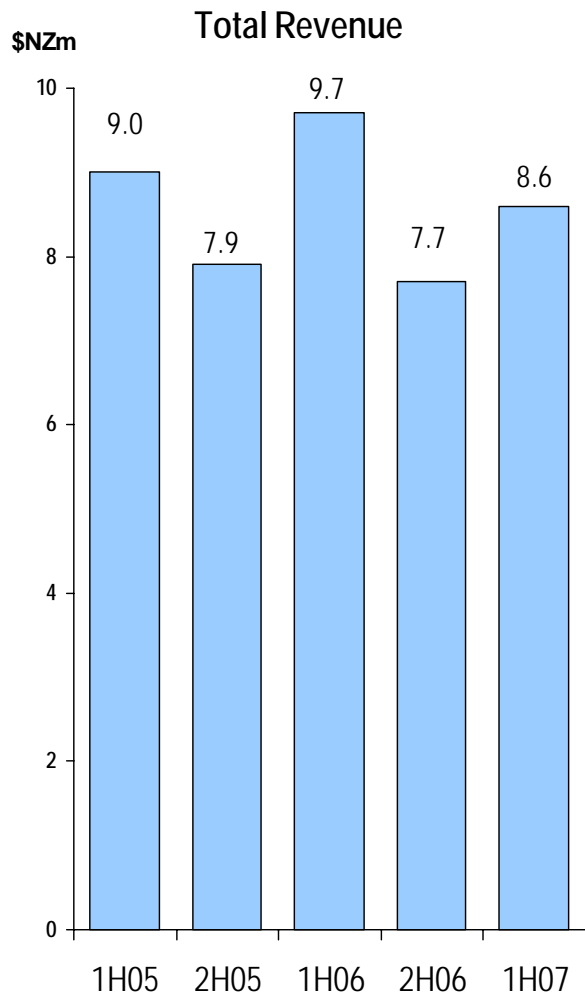
Appendix 2: Country Summaries

Asia Pacific

Australia Half Year Comparison

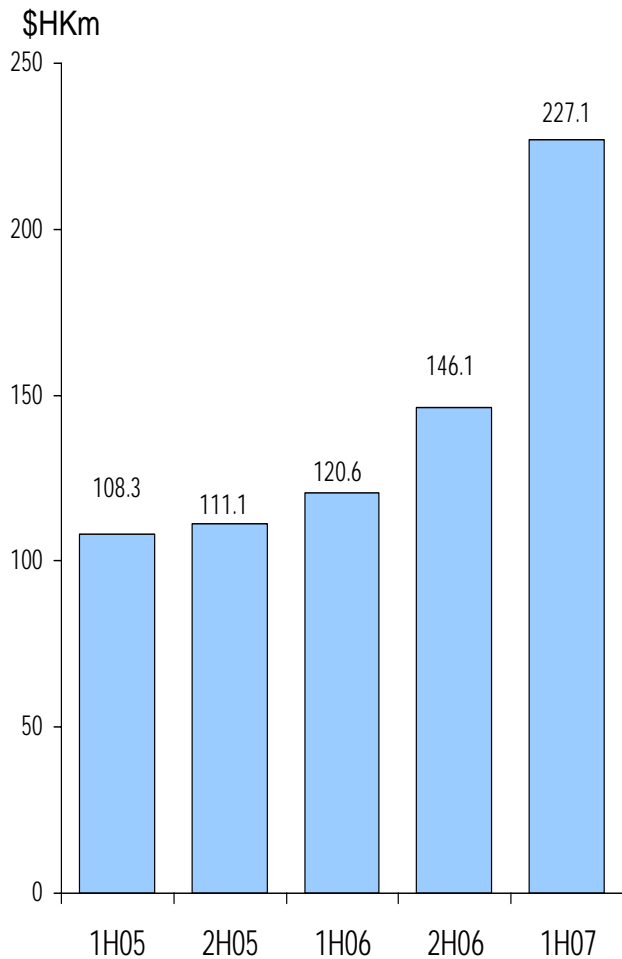


New Zealand Half Year Comparison

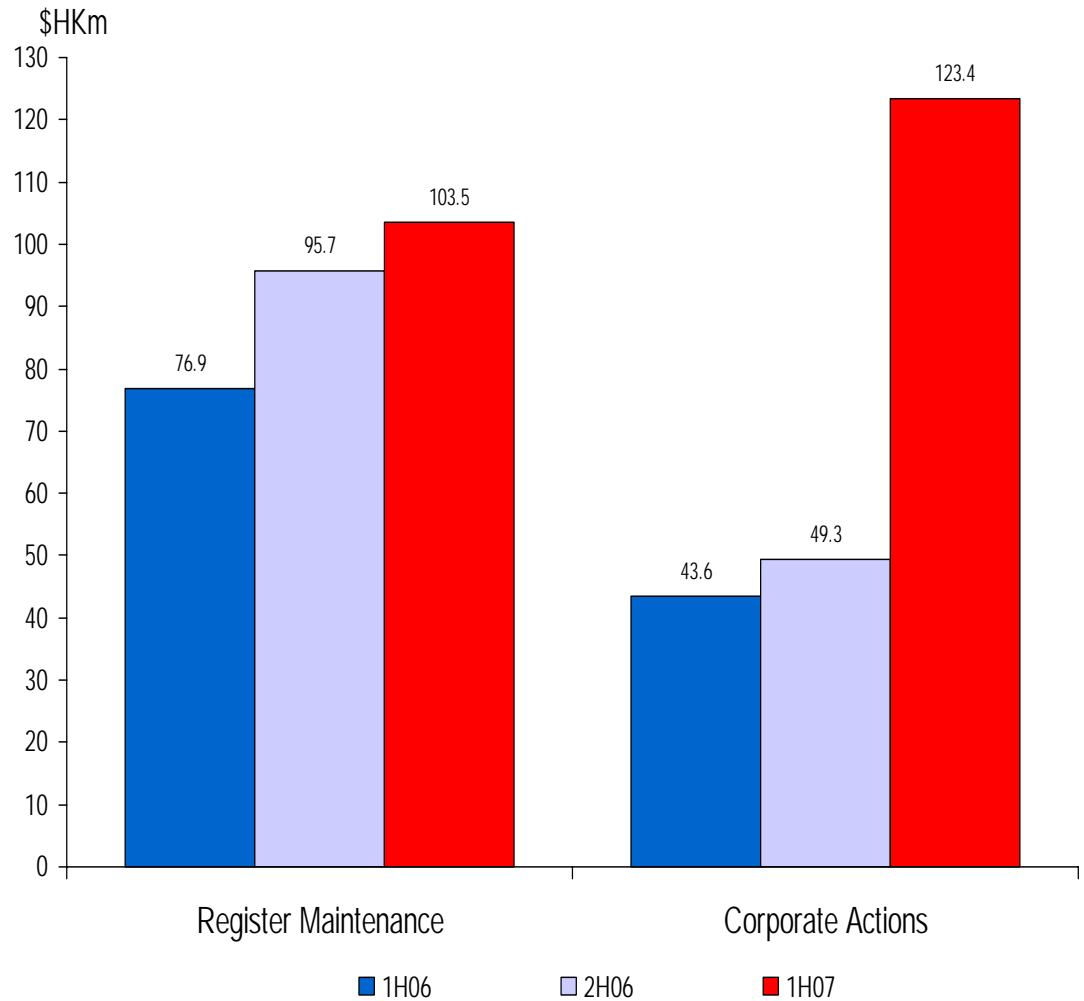


Hong Kong Half Year Comparison

Total Revenue



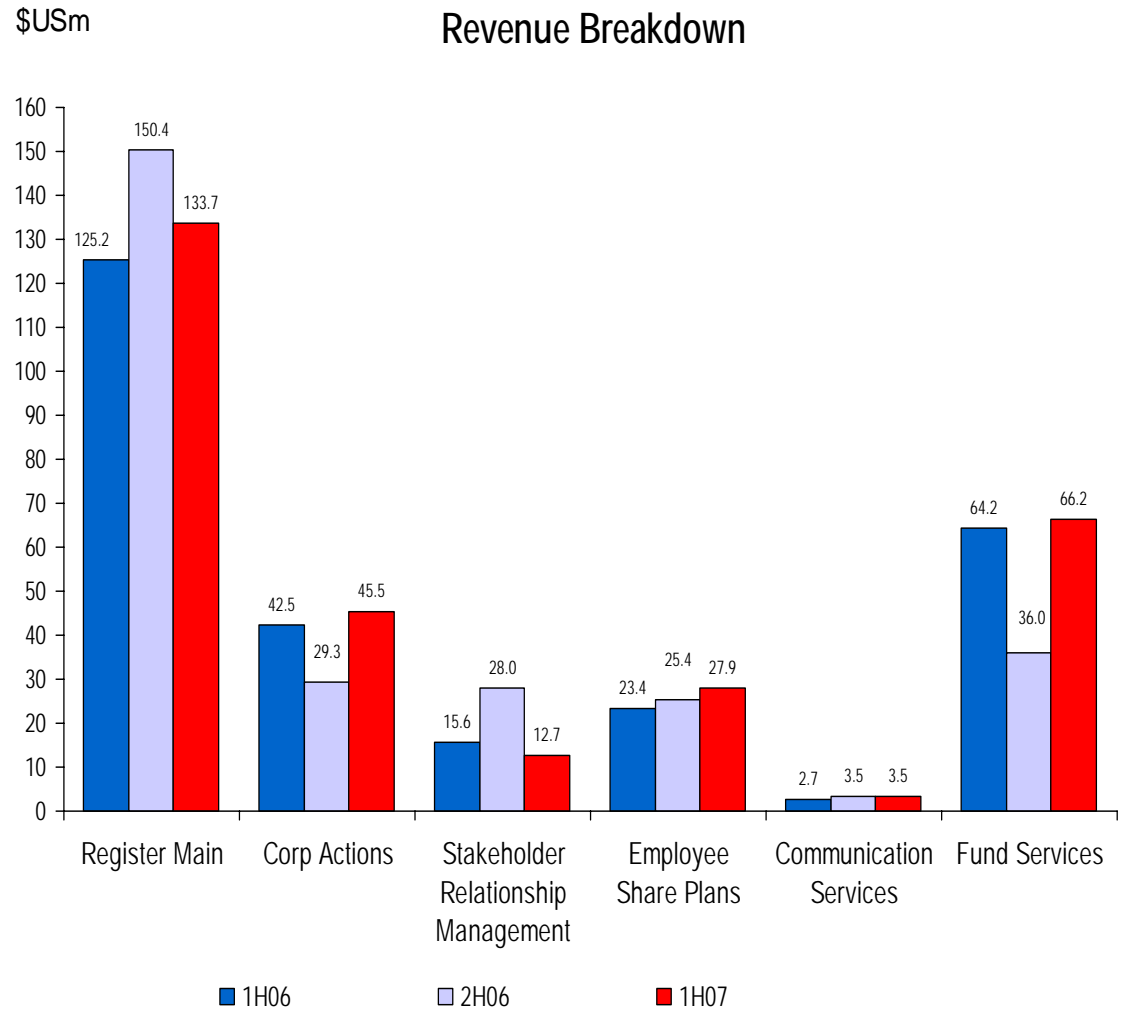
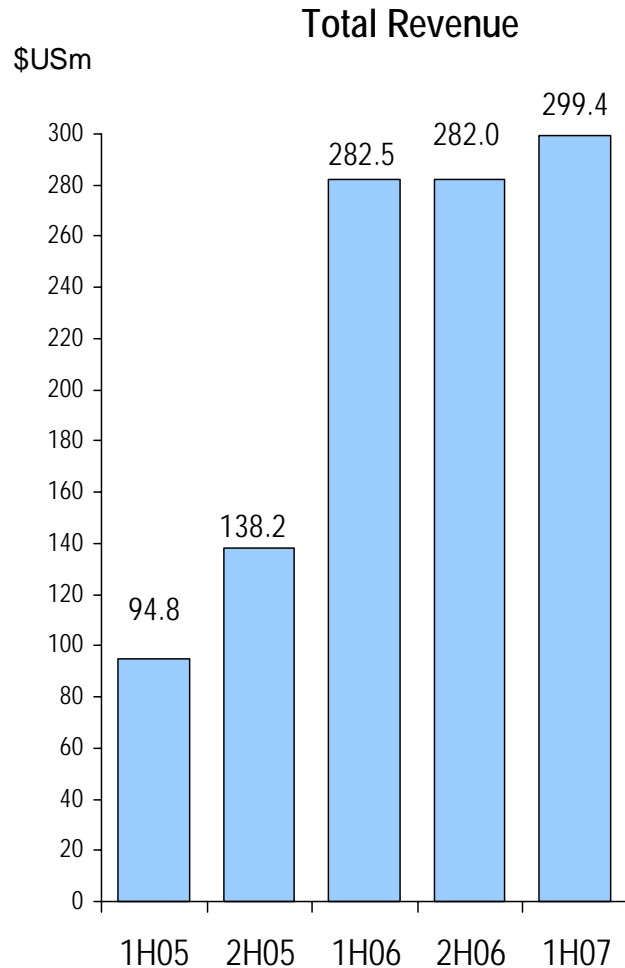
Revenue Breakdown



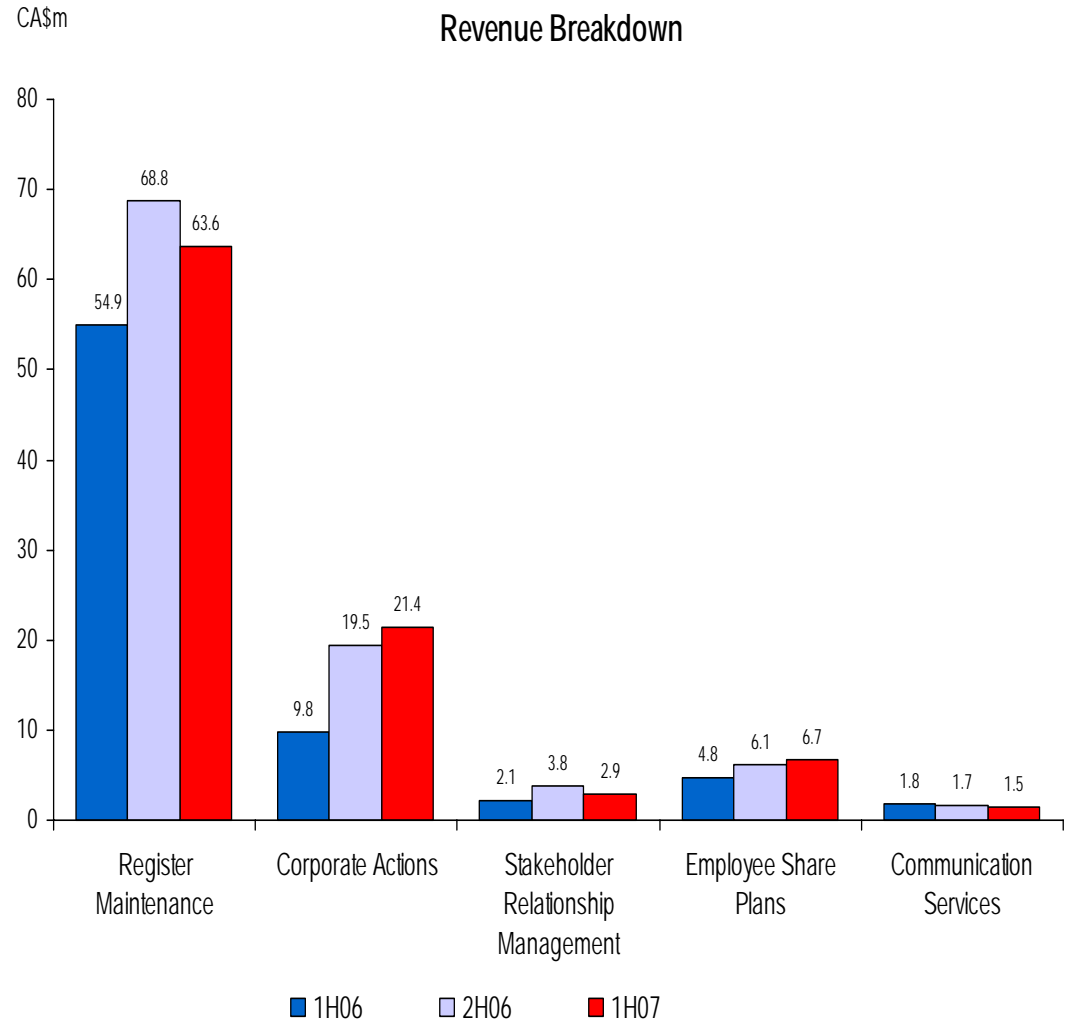
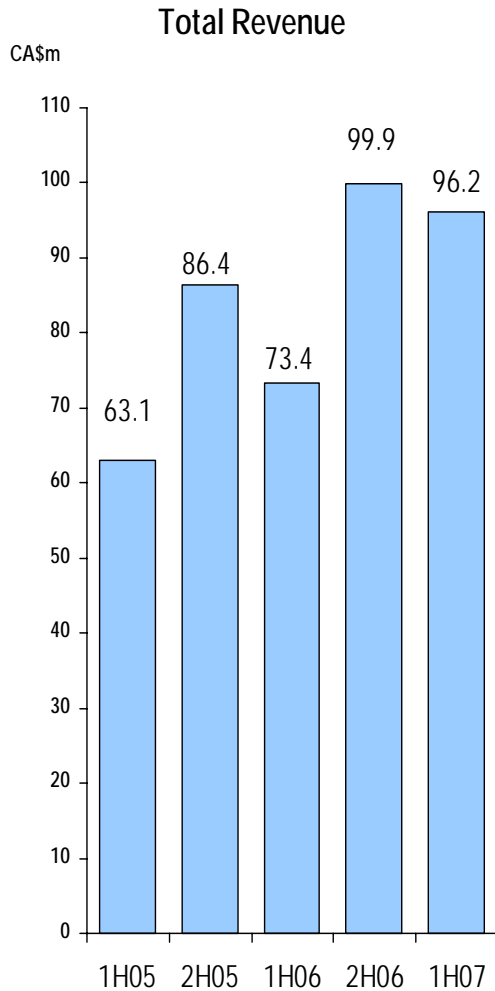
Appendix 2: Country Summaries

North America

United States Half Year Comparison



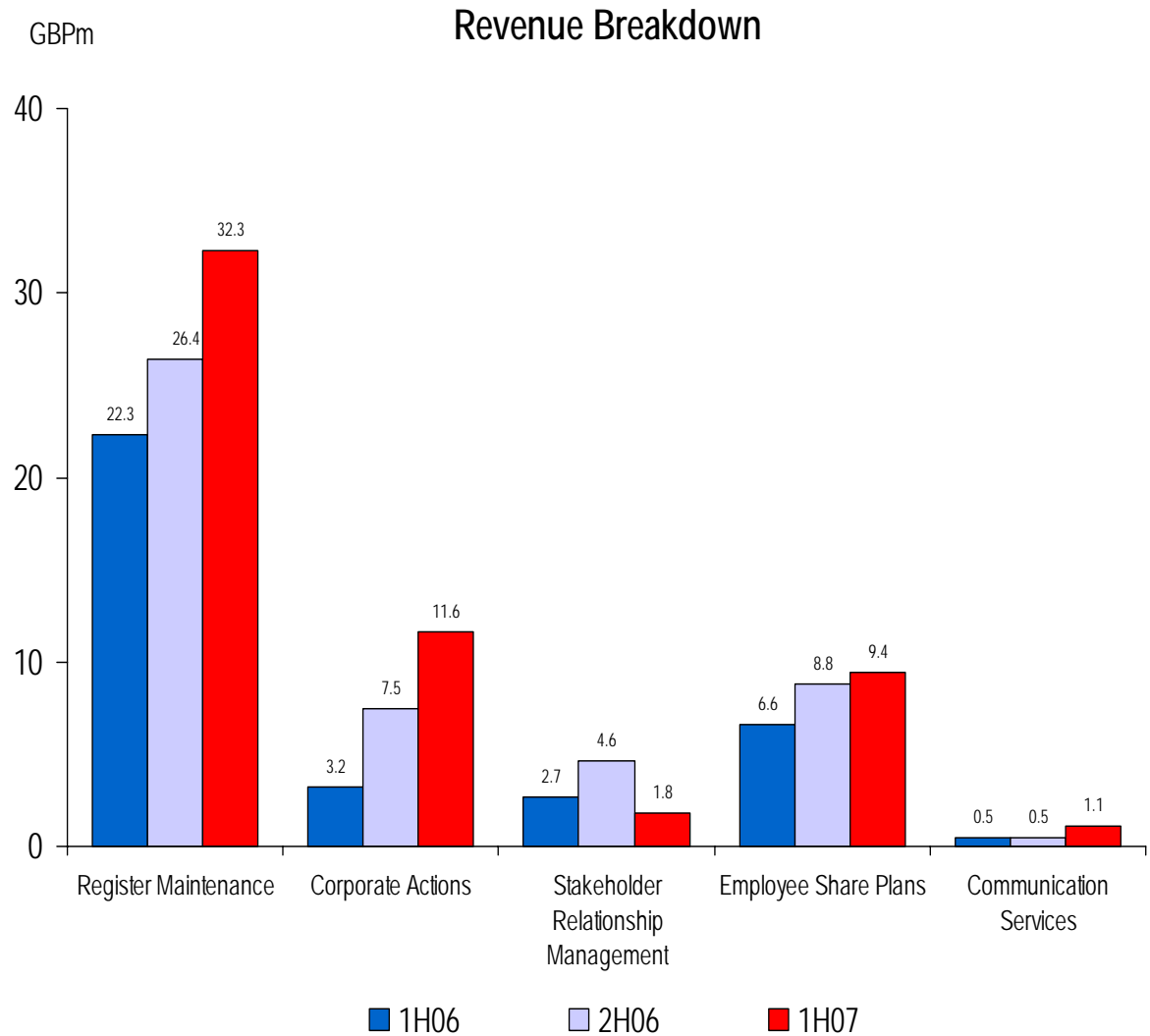
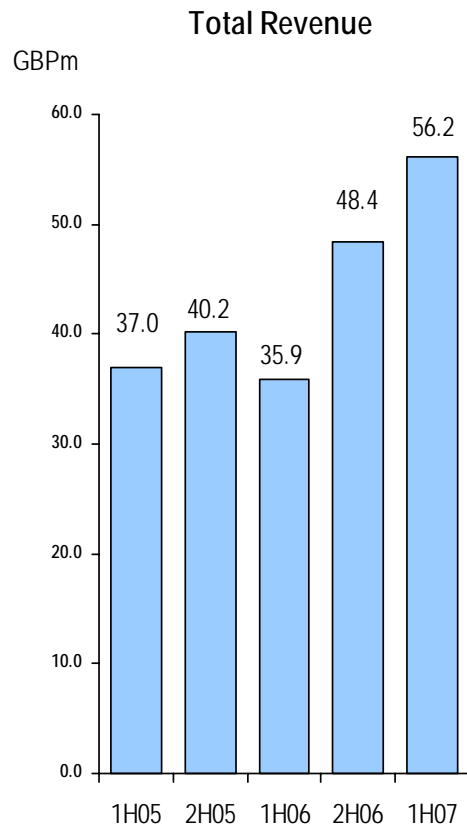
Canada Half Year Comparison



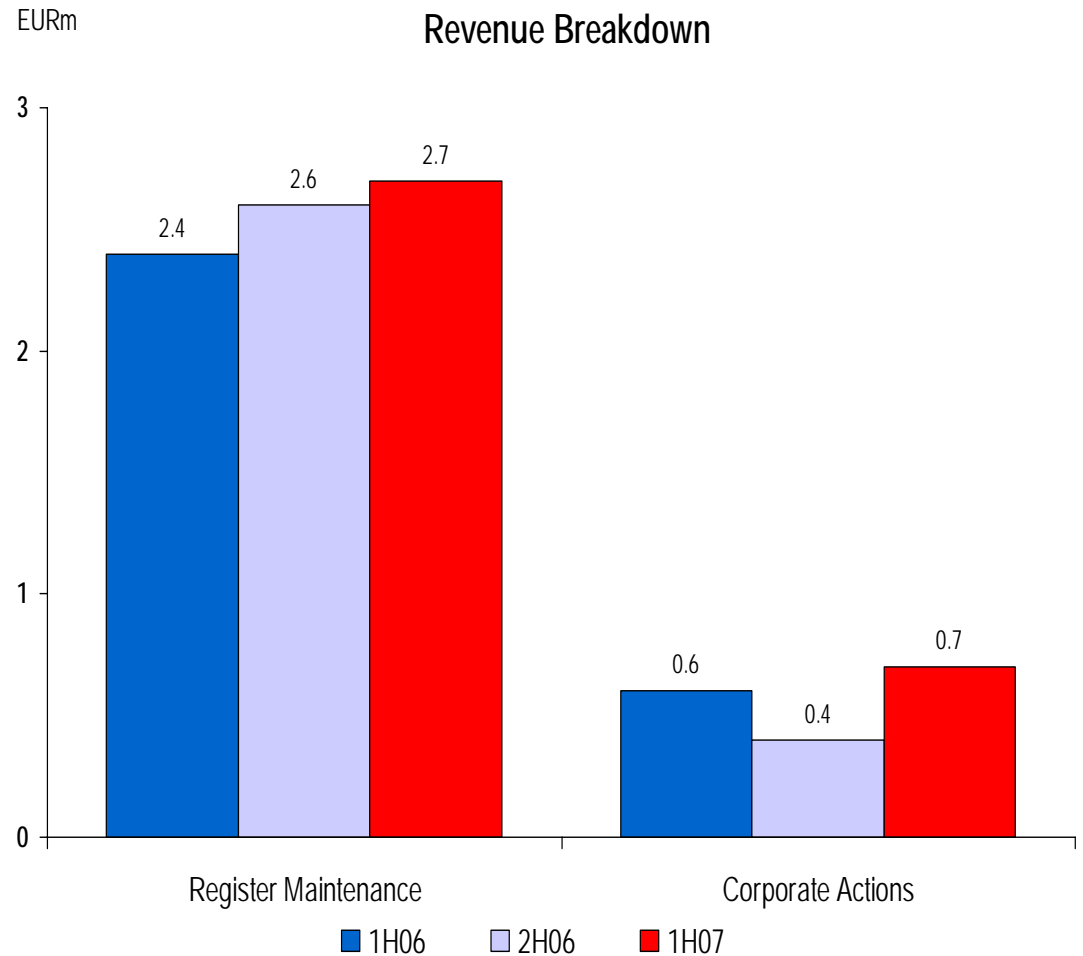
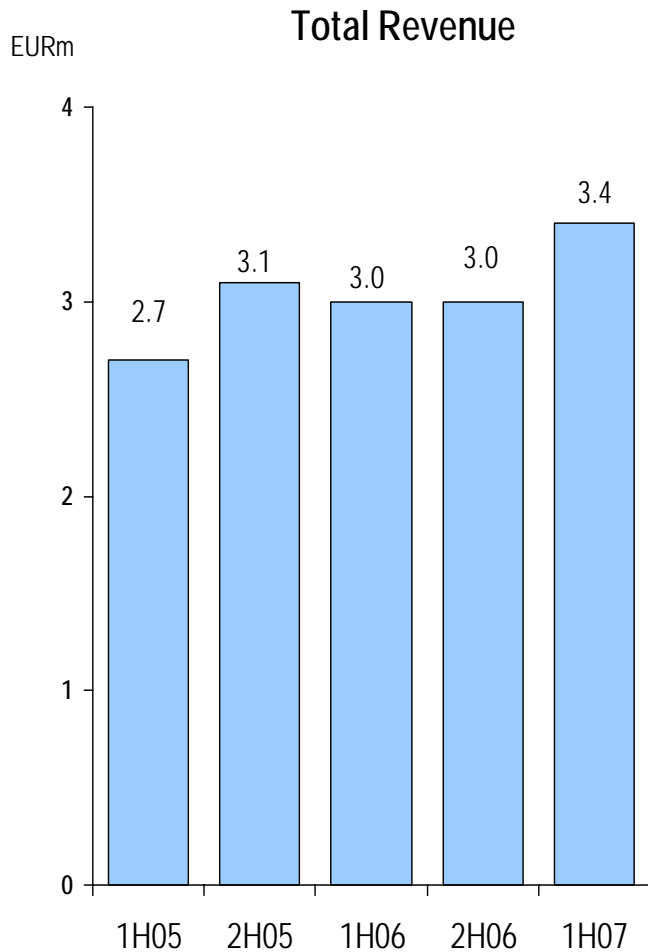
Appendix 2: Country Summaries

EMEA

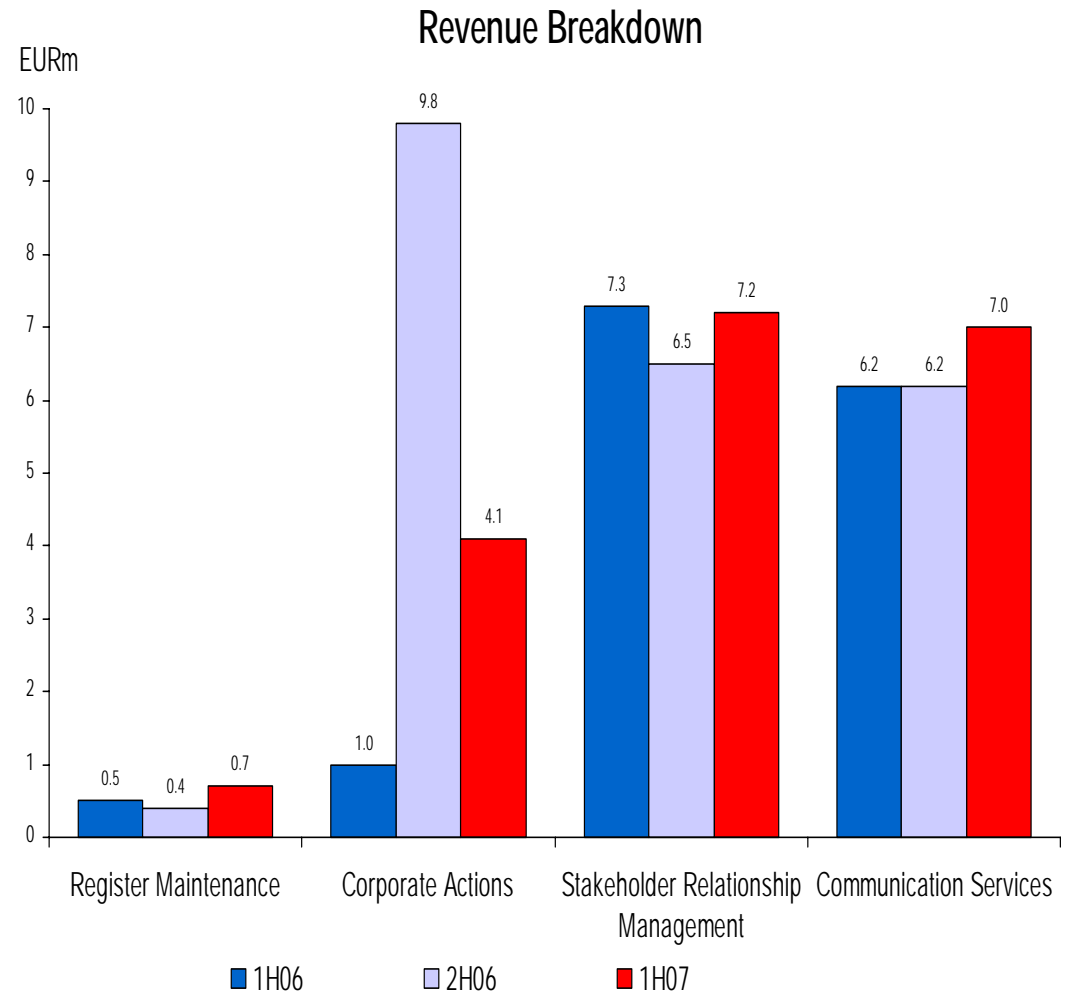
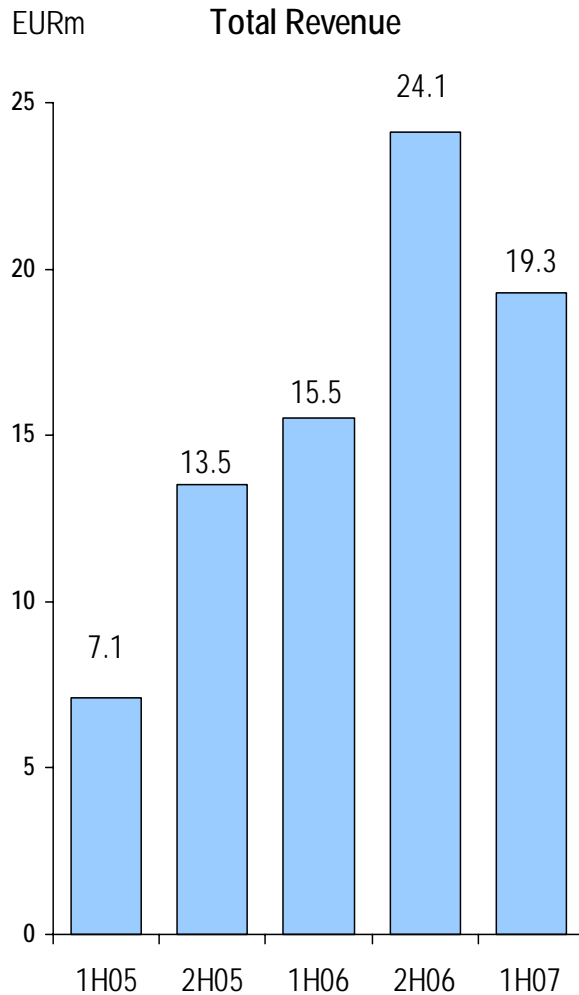
United Kingdom Half Year Comparison



Ireland Half Year Comparison

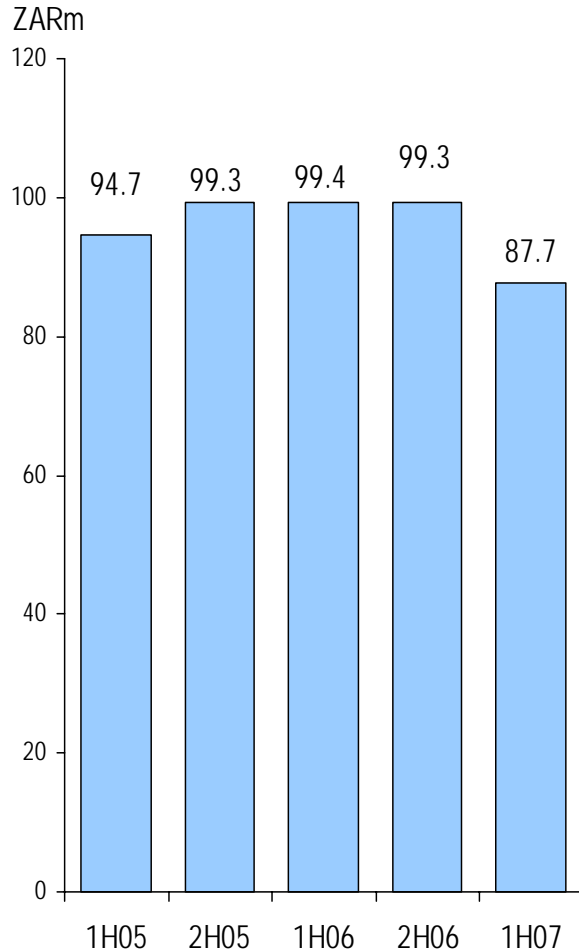


Germany Half Year Comparison



South Africa Half Year Comparison

Total Revenue



Revenue Breakdown

