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MARKET ANNOUNCEMENT

Date:	14 February 2018
To:	Australian Securities Exchange
Subject:	**1H18 Results - CEO and CFO conference call script**

Attached is a script of the presentations delivered by the CEO and CFO at Computershare's results conference call for the half year ended 31st December 2017 held on 14th February 2018.

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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, mortgage servicing, proxy solicitation and stakeholder communications. We also specialise in corporate trust, bankruptcy, class action 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 16,000 employees worldwide.

For more information, visit www.computershare.com

MARKET ANNOUNCEMENT

1H FY2018 Results - CEO and CFO conference call script

Stuart Irving, Chief Executive Officer and President

Good morning everybody and welcome to this special Valentine's Day edition of Computershare's First Half 2018 Results.

Today I am joined by the loves of my life (well, for this week anyway) who are Mark Davis, our Chief Financial Officer, and Michael Brown from our Investor Relations team.

On this call I will take you through a summary of the results, and provide an update on our strategies.

Mark will then talk to our financial performance in detail, and after some concluding remarks, we will open up for questions.

We have also released a presentation pack this morning and you can find it in the Investor Relations area of Computershare.com. We will be referring to those slides during this call.

Also as a reminder, I am going to be talking in US dollars and at constant currency (CC) unless I state otherwise.

Slide 2: Executive summary

There are four key points I want to get across today:

Our first half results are strong, and encouraging.

Management EBITDA is up 20%. Management EPS is up 17%. We made solid progress in executing our growth, profitability and capital management strategies, and in the half we also benefitted from cyclical recovery in Corporate Actions and our margin income revenues.

We also had improved contributions from some of our events based business lines, Stakeholder Relationship Management and Class Actions.

The second point, is about our "optionality", that is our earnings potential, and we see that increasing.

This optionality is also beginning to convert into profitability.

You will also see our average client cash balances increased again, giving us even more leverage to rising rates.

Our capacity and capability in some of our events bases business lines allows our customers to obtain the financial outcome or governance results they need when, they need it. That is valuable to them. The value to our shareholders is we can convert that earnings potential when these events come round and you can see that in the Stakeholder Relationship Management numbers in the half.

Our US mortgage services business now services over $70bn of loans, driving returns to our target levels at scale. Our Share Plans business administers over $131bn of assets, over half of which are in the money. And with our Stage 1 and 2 cost out programs enhancing our profitability, with more to come in Stage 3, we are well placed to deliver sustained multiyear earnings growth.

The third point reflects on the quality of our earnings. We continue to generate strong free cash flow.

This enables us to self-fund our growth engines, reduce our debt leverage ratio, make strategic investments, buy back our shares and increase dividends to shareholders.

Indeed today we have declared a 19 Aussie cent interim dividend, an increase of nearly 12% on last year's interim dividend. We also expect to continue our share buy-back program once the interim dividend has been paid in March.

And finally, the fourth key point is about our guidance.

Based on the strength of the first half results and our outlook for the second half, we are again upgrading earnings guidance for the full year FY18.

Put simply, we are on track to deliver 12.5% constant currency EPS Growth as we execute our strategies.

Across our businesses there are always a range of risks and opportunities to that guidance number but on balance we see the risk to the upside at the moment

You will see on slide 3 some of our assumptions to the guidance**,** which along with the usual caveats I will draw your attention to the fact that it does factor in the Karvy Sale, US Tax Reform and the impact of the buy-back. We also expect continued revenue growth in Corporate Actions in 2H but not at the same rate as the first half.

Slide 4: Good progress on executing strategic priorities

Now, let's move to slide 4 and I'll update you on our three core pillars we are driving the business by, that is our growth, profitability and capital management strategies. It is these strategies that drive our performance and our earnings potential.

You will find more granular detail on these areas in slides 5-9. I won't go through them one by one in the interest of time, but let me give you some highlights.

So first, growth. Our Mortgage Services growth engine is performing well and to plan. That's important. EBITDA is up 72%. This business now contributes almost 20% to Computershare's group EBITDA; it's now meaningful.

In our growing US Mortgage Services business, our assets under service increased by 19.1% to $71bn in the period to 31 December. In fact they are continuing to grow and I'm pleased to say, that as of today, they now exceed $75bn. We are now over three quarters of the way towards achieving the scale which we are targeting for our projected returns.

The strength of our US Mortgage Services business also continues to improve as we carefully and prudently grow. Our revenue model continues to broaden with higher margin ancillary revenues accounting for 45% of the total. As a highlight, we also saw capital light sub servicing UPB increase by 107% in the half. That's an important driver in delivering our target returns.

Our UK Mortgage Services business is performing well too. We are deep into the intensive integration phase of transferring the UKAR loans onto Computershare's platform. This transfer will release significant synergies.

Just to give you a quick feel for the scale of the execution involved here, the 12.5bn pounds Ripon portfolio (that was sold by UKAR but we retained the servicing for) is transferring over to our platform this month. It involves over 104,000 mortgage accounts, over 40,000 IT development hours and will create 100m new data records. It is also one of the largest integration challenges we've faced. We relish that.

In fact with the Mutual Fund Proxy solicitation work in Stakeholder Relationship Management during the period, where we covered 195 funds, 7 unique shareholder approvals and managed the voting process for over 35 Million accounts, our ability to manage multiple, significant and complex projects simultaneously helps you understand why our customers choose Computershare for certainty. In our Share Plans business, we were pleased to see transaction fee revenue grow again, particularly given Brexit inflated last year's base.

We have also been busy "investing for the future". We have continued the upgrade of our client and participant facing technology and we deployed a new platform in the period into China which has created a step change in usage. These investments in systems will generate good ongoing returns. We see underlying structural growth in Share Plans and with our deep expertise and data capabilities we are well placed to succeed. We want to make sure we continue to capitalise on our leadership position and the opportunities for sustained growth.

Secondly, in our profitability strategies, it was pleasing to see stronger Corporate Actions activity with revenues up 31% which, along with the cost out program, resulted in improved margins in Register Maintenance and Corp Actions.

In Corporate Actions we enjoyed some cyclical recovery. You will remember we called out last August that FY17 Corporate Actions revenues were the lowest since 2005. It is good to see the rebound. This has been partly driven by large transactions in the US, such as the Met Life/Brighthouse spin off. When you have the breadth of Registry clients that we have globally, we should expect large corporate action deals to occur with regularity.

I'll also highlight that margin income is accelerating. Happy are the patient! Margin income was up $11.8m in the half although our yield was still only 1.17% on our interest rate exposed balances. That's still low by historical standards.

We obviously look forward to further rate rises.

Let's talk a little more about our $17.3bn of average client balances. The total has increased by $0.7bn over the prior corresponding period (pcp). These are actual numbers and, whilst half of the increase is a function of a weakening USD, there continued to be organic growth. Our strategy is to gradually grow balances and we have now had four consecutive halves of growth. But within this $17.3bn total there's been an important shift, and an increase in our interest rate sensitivity.

In the last six months our exposed balances have increased from $10.2bn to $11bn. And our non-hedged balances, which many of you will remember from our Investor Day last April are the balances that receive an immediate benefit from rate changes, have increased from $5.2bn to $8.2bn. Now part of that is timing in the numbers, but it reflects some term deposits rolling off and a view that we are in a rising rate environment. Of course our risk approach does not change – liquidity, and security is key. But that's an extra $3bn of leverage.

Another part of our optionality that converted to profitability in the half was our event based businesses. Stakeholder Relationship Management (SRM) delivered sharply improved performances. SRM revenues were up 168%.

In SRM, as I alluded to earlier, we managed the largest proxy solicitation campaign in US mutual fund history. Again, we excel at the large, complex and difficult jobs where accuracy, reliability, trust, and obtaining the right voting outcomes for our clients are critical.

And our Stage 1 and 2 cost out programs are improving our margins. That's clear. We can see it in the margin expansion in US Registry. The total $85-100m of benefits from these two programs are on track. There is no change in the timing and the staging of the programs. We expect them to deliver an additional $30m of benefits this financial year helping offset wage inflation. In April we will quantify and detail Stage 3. There are more benefits to come.

And thirdly, is our capital management strategy. We generate strong free cash flow and we use this to self- fund our growth engines and enhance shareholder returns. Free cash flow was $166.3m, an increase of nearly 11%. With this cash we purchased $67.4m of mortgage servicing rights in the US in the half. We invested in our Share Plans technology and we increased our stake in blockchain specialist SETL.

Then we bought back almost AUD$50M of shares at an average of $14.74 per share. We also paid the increased final dividend in this half. After all of this we were still able to deleverage our net debt to EBITDA ratio to 1.58x. This does not include the $90m of proceeds we expect from the sale of our stake in Karvy, which we now expect to complete in the second half. Clearly our balance sheet is in decent shape. This gives us further capability to enhance shareholder returns and seek out inorganic opportunities.

I will now hand over to Mark to go through the numbers in more detail as well as talk through what US Tax reform means for FY18 and beyond.

Mark Davis, Chief Financial Officer

Thank you Stuart and good morning everybody.

Slide 10: 1H18 Management Results summary

Let's start with group revenue. You will see it increased by 10.8% on last year.

We enjoyed good growth in US Mortgage Services, an improvement in event based businesses together with cyclical recovery.

Management EBITDA for the period was up 20% and margins expanded by 190bs benefiting from multiple factors which we will detail in the presentation.

Amortisation has increased to $16.2m for the period which reflects the growth in mortgage service rights which we amortise through the management accounts.

Interest expense was up slightly to $28.3m as the cost of debt increased in line with interest rate rises.

You will also see on this slide a higher income tax expense number.

This has been driven firstly by the higher profits recorded in the period but also the slightly higher effective rate reflecting the growing contribution of US profits.

As Stuart said, Management EPS is up by a pleasing 17.4%.

Slide 11: 1H18 Management NPAT Analysis

Moving to the NPAT waterfall, where we show the bridge from 1H17 NPAT at 1H17 rates to the 1H18 NPAT number.

In simple terms, NPAT improved as a result of growth in underlying EBITDA with further benefits coming from growth in margin income. Income tax expense was up as I explained earlier. FX was a minor factor reconciling constant currency to actual NPAT. FX has had a lesser impact this period compared to some of our previous results.

Slide 12: Management revenue breakdown

Overall management revenue grew by an impressive $108.7m with contributions across the Group.

Business Services added the largest dollar contribution to that growth with class actions revenue up 78% on pcp and US Mortgage Services revenue growth up 15.9%.

As a reminder, Business Services also includes a full 6 month contribution from UKAR in both these results and in the pcp. UK mortgage services revenues were up slightly which is the net result of the amortisation of the UKAR book and other fees including implementation fees for challenger bank work undertaken during the period.

Corporate Actions revenue rebounded nicely from the multi-year lows that we saw in FY17. We successfully delivered on some large transactions in the US including the Brighthouse spinoff from Metlife. While the volume of corporate actions was steady, we saw an improvement in the value of the average transaction.

In Employee Share Plans I would highlight that revenue ex margin income was flat. In Stakeholder Relationship Management, revenues grew strongly as we executed a large US fund restructure project that Stuart referenced earlier.

Slide 14: Client balances and margin income

You will see that our average client balances for the period exceeded $17B. That is a $700m increase on the pcp.

I remind you that the figures in this slide are based on actual FX rates. The fall in the USD has positively impacted the total given the GBP and CAD balances, in particular, have been translated at more favourable FX rates.

Having called out the inflection point in margin income in our August 17 results, it is pleasing to see a further improvement in both yield and income. Given the continued improvement in the blended yield curve impacting our balances, we are becoming more optimistic of further gains to come. However, the yield still remains well below where it has been previously.

Slide 15: EBITDA and margins by business stream

Before I get into the detail here, for those of you looking for EBITDA at actual FX rates we have moved that detail to slide 29 in the appendices just to make this table simpler.

EBITDA has increased by 20% or $48.3m. The first point that I would like to emphasise is the incremental margin achieved. Comparing the growth in EBITDA to the growth in revenue, it shows an incremental margin of 44%. This highlights the high margin contributions from areas like corporate actions and margin income.

You will see on this page that Business Services recorded a 530bps increase in margin to 25.6%. It is now our second highest margin business stream.

Register Maintenance and Corporate Actions delivered a pleasing 12% increase in EBITDA. Profitability improved on higher corporate actions revenue and was also assisted by cost savings.

Employee Share Plans EBITDA was affected by lower margin income as lower returns were achieved on UK deposits. We also recorded less high margin implementation fees and continued our investment in technology and operations to drive sustained growth.

SRM's EBITDA turned from a negative in the pcp to a profit of $13.6m, driven by the large US fund event that we have mentioned.

Slide 16: EBITDA and margin income by business stream

Here you can see our EBITDA including and excluding margin income by business stream. Excluding margin income, EBITDA was up by a strong 21%.

Our margin income improvements largely came from US and Canadian exposed balances, particularly in US Mortgage Services and Class Actions.

Slide 17: Operating costs analysis

You will see our cost to income ratio has fallen to 74%.

I'd highlight that the increase in our cost of sales reflects the increased expenses associated with event based activity in Class Actions, SRM and Corporate Actions.

An important detail in this table, which is new disclosure, is the breakdown of our personnel costs between fixed and variable. You can consider the fixed costs being effectively BAU headcount and the increase in variable costs relating to temporary staff used to assist with the large events that we saw in the period.

Our fixed personnel costs were essentially flat. We are pleased with this performance. Our temporary headcount increased by 217% to accommodate the additional work. This temporary headcount is not an ongoing permanent cost. The flat fixed labour cost reflects the benefit of our cost out programs.

Slide 18: Cash flow summary

The key line to highlight here is the free cash flow excluding SLS advances which increased by $16.6m to $166.3m, notwithstanding a material increase in income tax paid some of which was one off in nature.

This also after the $16m in net cash we spent on MSR purchases to replace amortisation in the US Mortgage Services book.

In the half there was an increase in advance funding in the US Mortgage Services business which we expect will reduce in 2H, you've seen this number can move around quite a bit from period to period, and we also invested a further $51.4m on MSRs to grow the book. This was in line with the pcp. This should also reduce in 2H as we complete MSR excess strip sales.

Slide 19: Balance sheet

Here I'll highlight that some our debt has moved from being a non-current to a current liability. You will see in slide 50, which details our debt maturities, that work is underway to retire or refinance this.

Our average debt facility maturity at 31 December was 2.3 years and we are looking to extend this.

Slide 20: Market issues

I'll conclude this section of the presentation here.

I know many of you are naturally interested in the earnings implications flowing from the recent US tax reforms.

I don't propose to go through all of the details on this page. You can read them at your leisure.

The key points simply are as follows:

- In 1H18 US tax reform added $2.5m to Management NPAT.
- In 2H18 we expect it to add an additional $3.5m of Management NPAT benefit. However, this is effectively offset by other non US tax adjustments throughout the group. Therefore the impact to 2H from tax overall is neutral.
- For FY19, there are some new taxes and changes to deductions that we currently enjoy. These changes may outweigh the benefit of the lower corporate tax rate. We are still examining this and the options to minimise the impact of the new rules.

I'll now hand back to Stuart.

Stuart Irving, Chief Executive Officer and President

Thanks Mark.

On Brexit, the area impacted is really around the share dealing we perform in our Employee Plans business and how our regulatory framework is currently passported in from our UK Operations to allow trading in EU markets. We have plans to implement a similar function in an EU jurisdiction (essentially a dealing desk and regulatory oversight). Importantly, to do so it is not material. To give you context, MIFIID II and General Data Protection Regulation (GDPR) were bigger projects for our business.

Blockchain. There's no real change in this space. We continue to believe that the registrar function is an added value service of a trusted intermediary and will remain an important part of market structure. The laws and protections of a securities exchange will endure and even if new instruments are created such as ICO's the protection for investors will still be required.

Now, let me wrap up this presentation with some concluding remarks.

Slide 21: Conclusions

As we began to say last year, we are positioning Computershare for a multi-year period of sustained earnings growth. Back in August, at the full year, we said we would achieve this by relying on the purposeful design of our growth, profitability and capital management strategies and our capability to execute these well, to deliver these enhanced returns.

In FY16 we made meaningful progress in designing our future. In FY17 we delivered on upgraded guidance, even with some challenging headwinds, and we did what we said we would do. 2017 was the start of the sustained multi-year growth phase.

1HFY18 was better. It was both the continuation, and the acceleration of our progress. We continue to execute well, even the largest and most difficult jobs. That's Computershare. Our growth engines are well placed for sustained performance, our profitability strategies are expanding our margins and our capital management strategies are enhancing our shareholder returns. We reaffirm our commitment to sustained growth.

And I'll repeat what I also said last year: Our earnings potential is increasing. With margin income alone accelerating and rates rising, we are well placed

Let me conclude by acknowledging that behind these strong results we reported this morning is a significant amount of dedication and hard work by Computershare teams around the globe. I want to thank them for their commitment to delivering meaningful value to our customers.

We are proud of the special culture at Computershare, which is always about doing the right thing and you can see that coming through in the results.

Now that is the main part of the presentation is over, we can move on to questions.