

Computershare Limited Full Year Results 2008 Presentation

Stuart Crosby
Tom Honan

13 August 2008

CERTAINTY | INGENUITY | ADVANTAGE

 **Computershare**



Stuart Crosby

President & CEO

Results Highlights

- › Management EPS of 51.61 cents, up 41%
- › Management Net Profit After OEI of \$290.4m, up 32%
- › Operating cash flows of \$347.3m, up 8%
- › Total Operating Revenues of \$1,582.5m, up 12%
- › Operating Costs of \$1,106.0m, up 5%
- › Final Dividend of 11 cents* (AUD) per share, up 22%
- › Dividend franking – 30% franked

Note: all results are in USD except for dividend; all comparisons with FY07

*30% franked

Computershare Strengths

- › Strong and sustained earnings and cashflow growth
- › More than 70% of Revenue recurring in nature
- › Diversified across business lines and globally – across 17 countries including growth engines China, India and Russia
- › 1st or 2nd in all registry markets we service
- › Demonstrated ability to acquire and integrate businesses
- › Proven technology capabilities and innovation
- › Long term client relationships
- › Only global provider, offering our clients and their investors unique cross-border transaction services

Long-term growth in management EPS of 20% per year remains the target, to be achieved by a combination of organic growth and acquisitions, as well as balance sheet management.

Looking to FY09 and having regard to current equity, foreign exchange and interest rate market conditions, we expect Management EPS to be approximately 10% higher than FY08.



Tom Honan

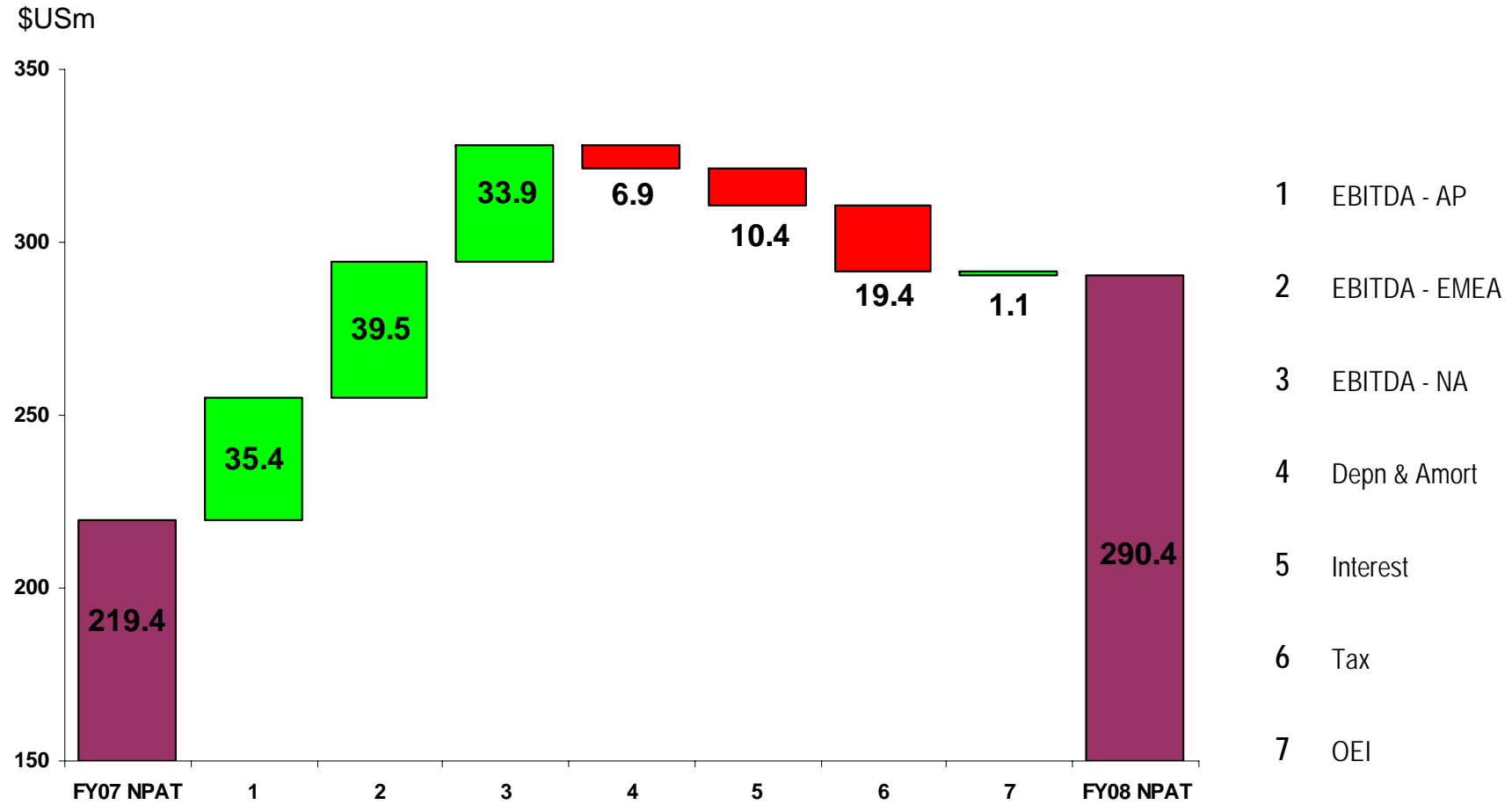
CFO

Group Financial Performance – US\$m



	FY08	FY07	Variance
Sales Revenue	1,564.0	1,404.2	11%
Interest & Other Income	18.6	14.2	31%
Total Revenue	1,582.5	1,418.4	12%
Operating Costs	1,106.0	1,050.9	(5%)
Share of Net (Profit)/Loss of Associates	(2.7)	(3.0)	
Management EBITDA	479.2	370.5	29%
Management Adjustments - Revenue/(Expense)	(7.3)	16.1	
Reported EBITDA	471.9	386.6	22%
Management EPS	51.61	36.68	41%

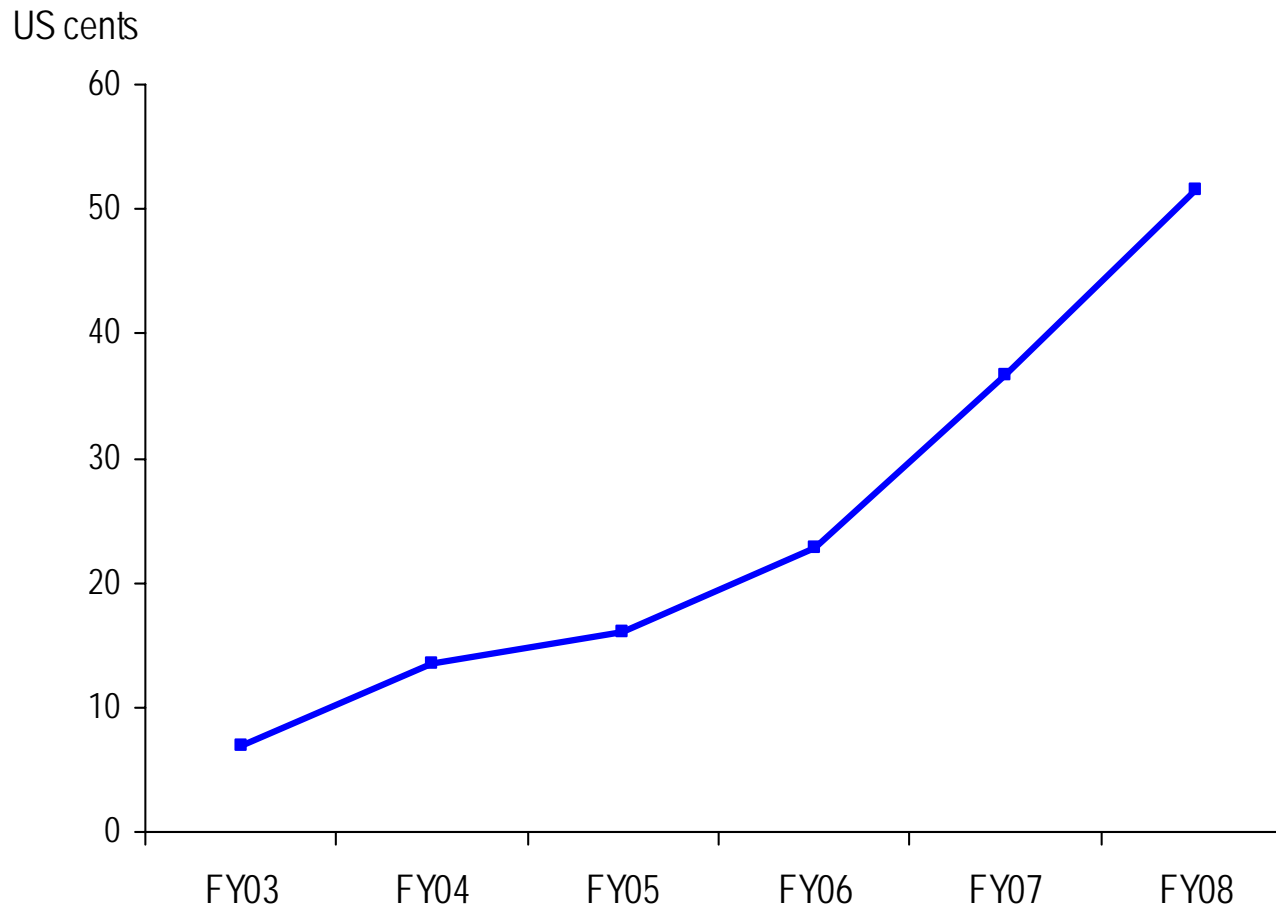
FY08 NPAT Analysis



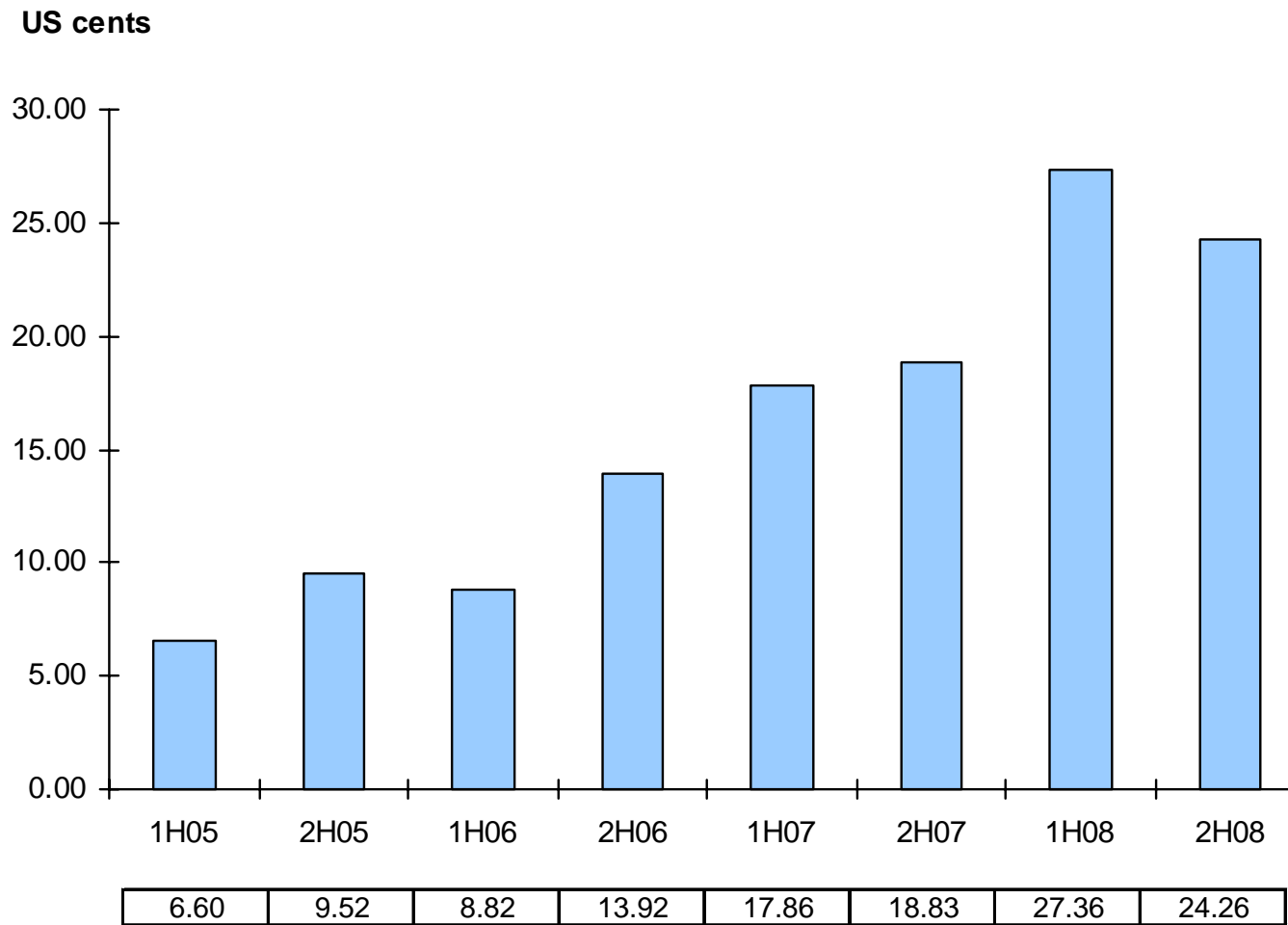
Management EPS Performance



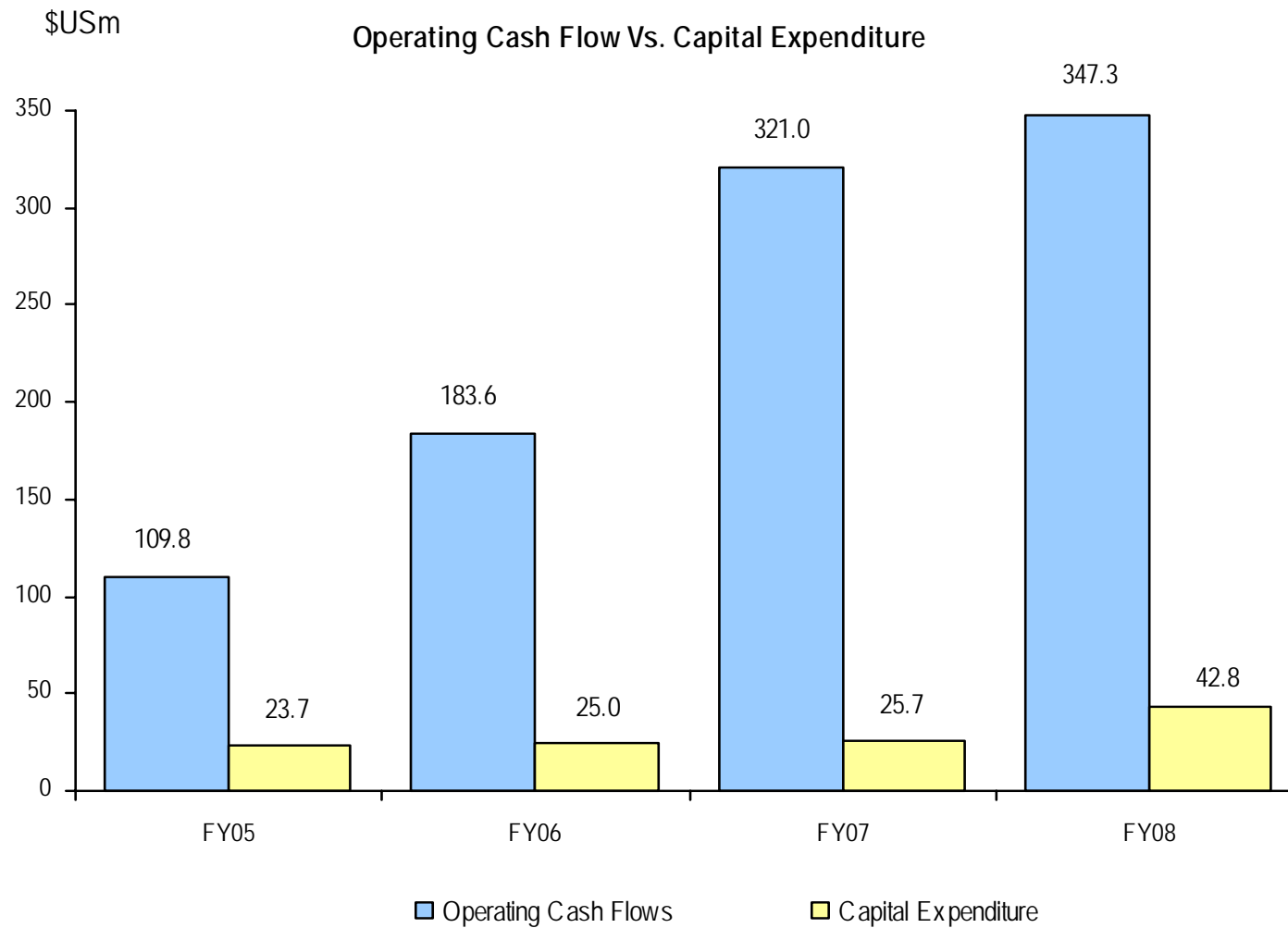
Rolling 12 months



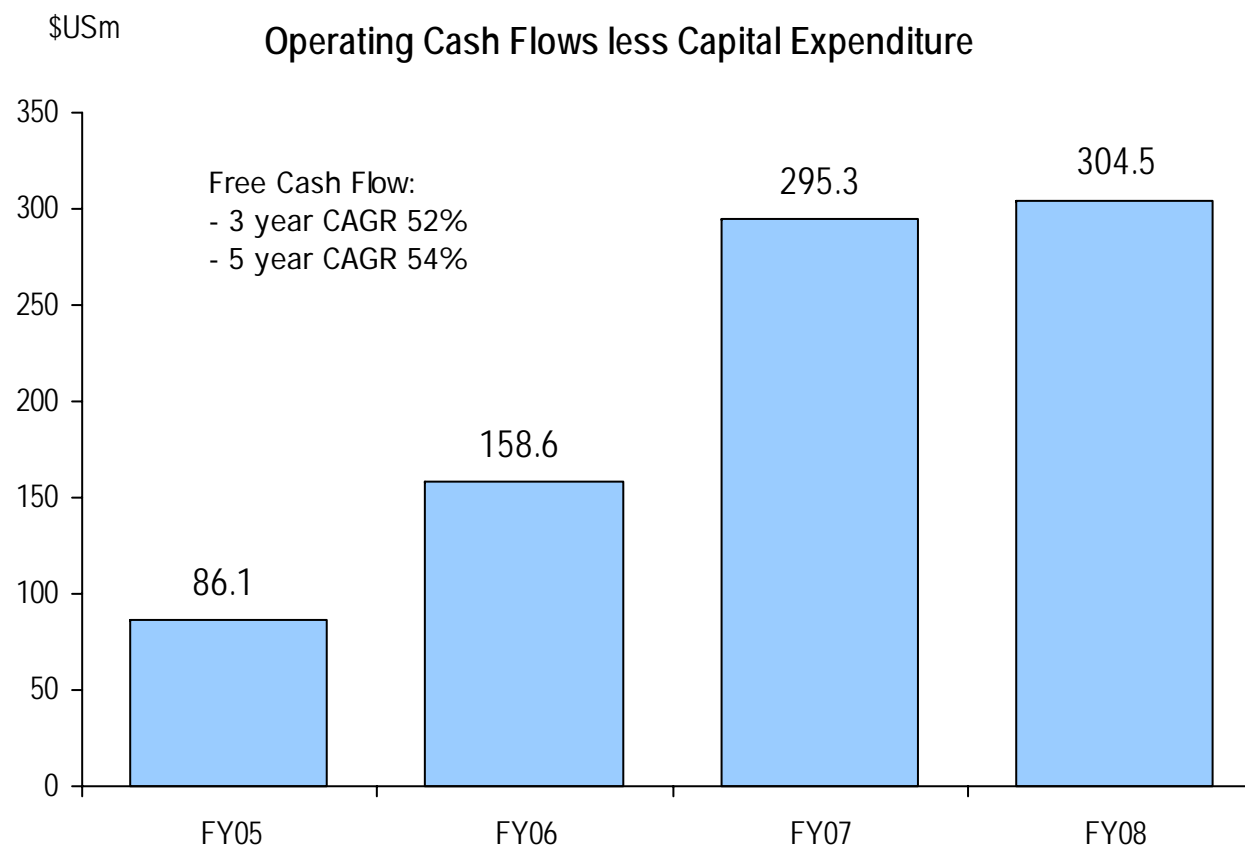
Analysis of Management EPS – Half Year Comparison



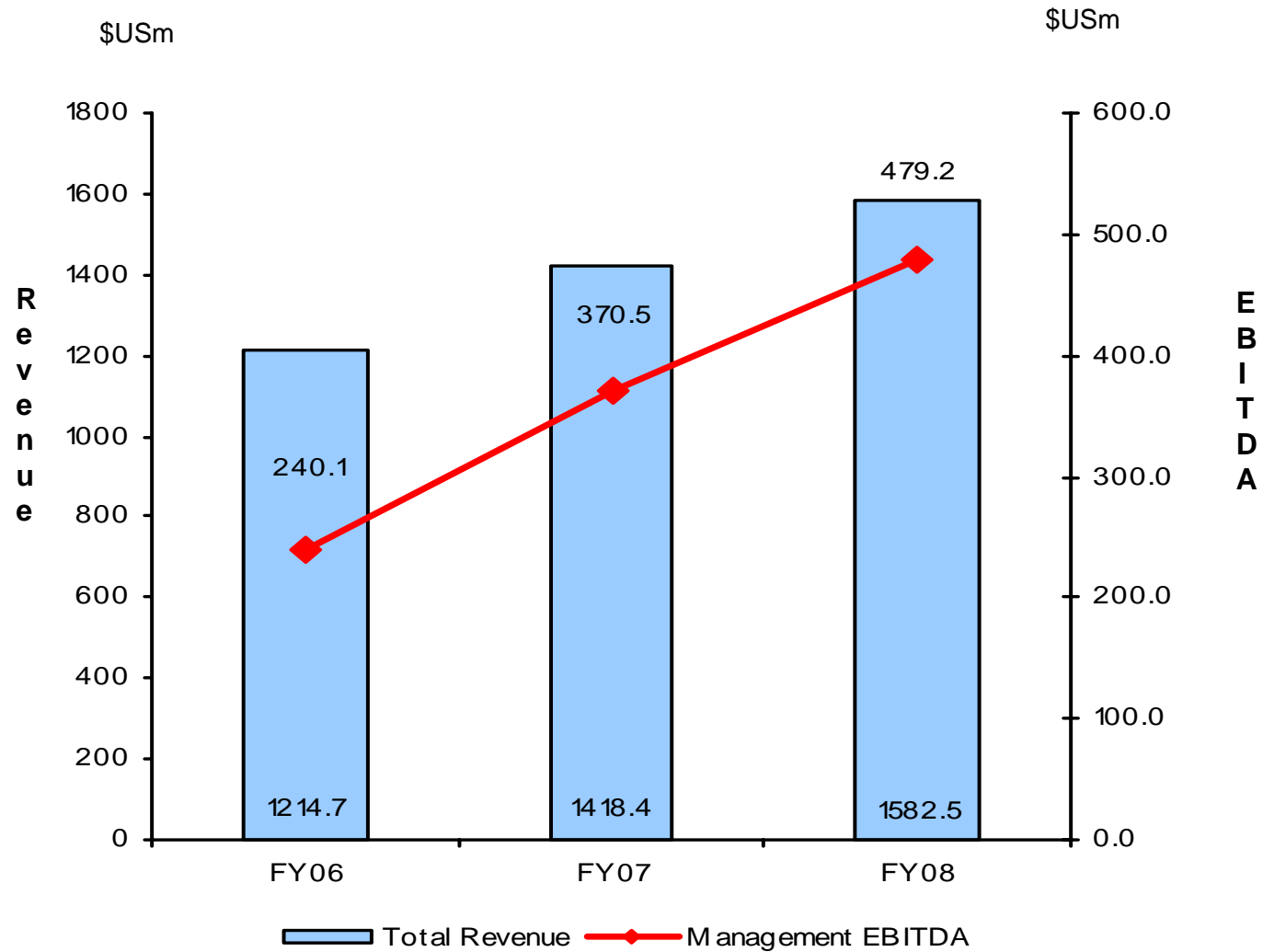
Net Operating Cash Flows



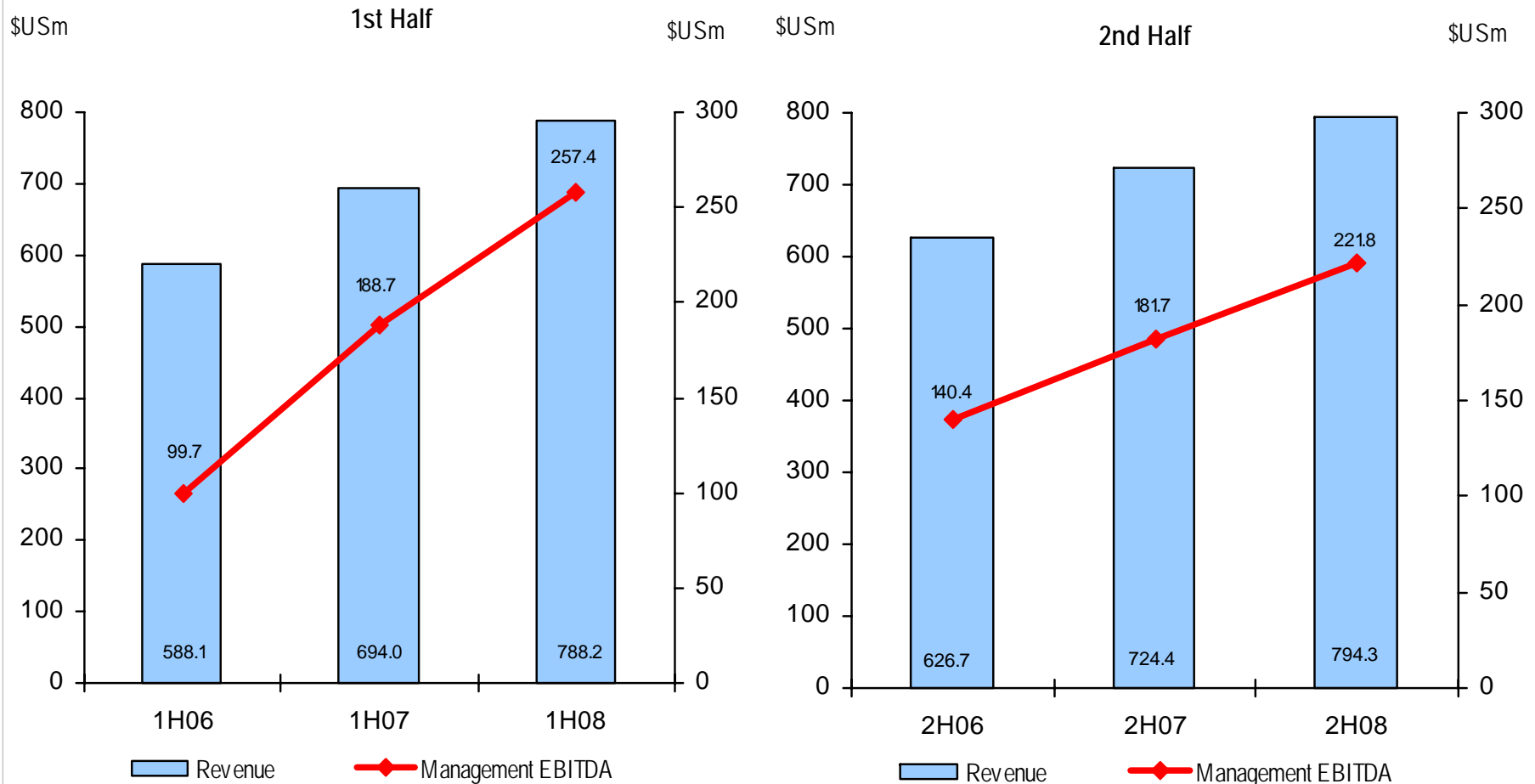
Free Cash Flow



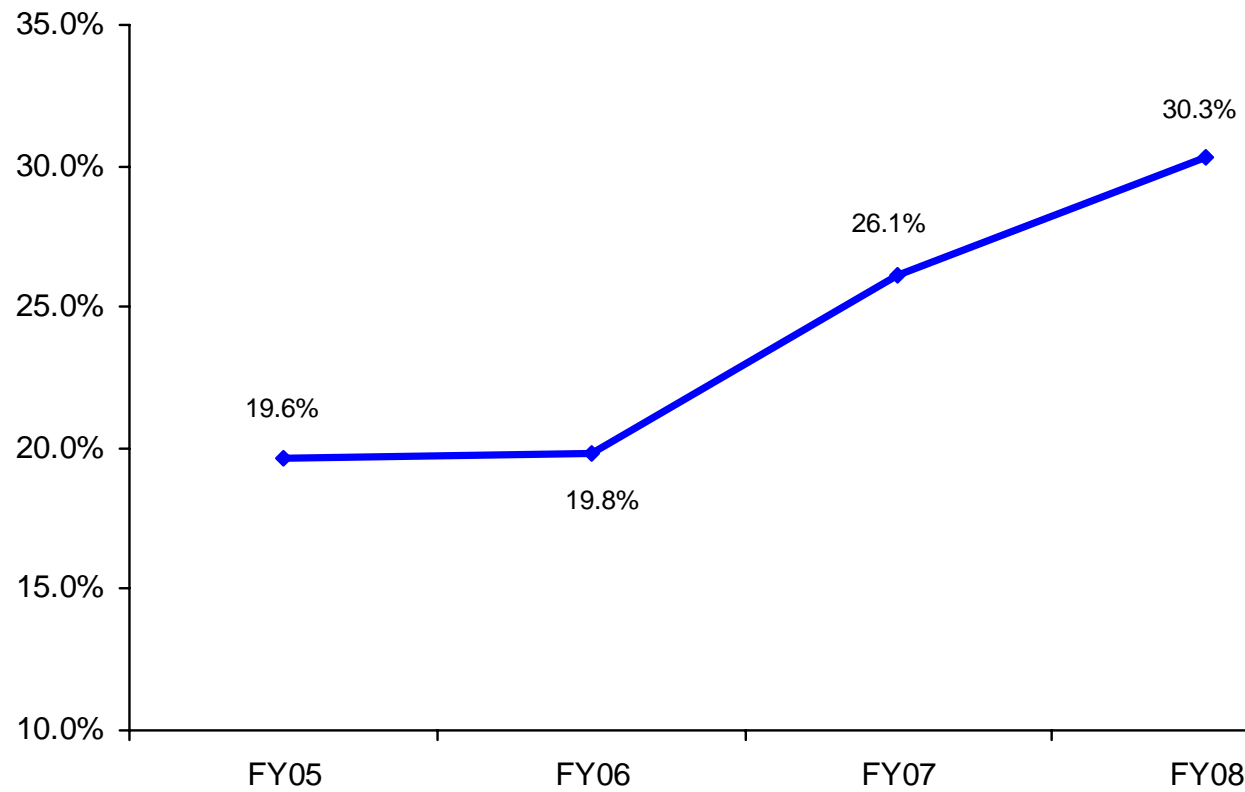
Full Year Comparisons – Revenue & EBITDA



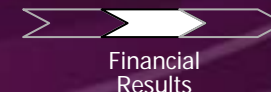
Half Year Comparisons – Revenue & EBITDA



Management EBITDA Margin



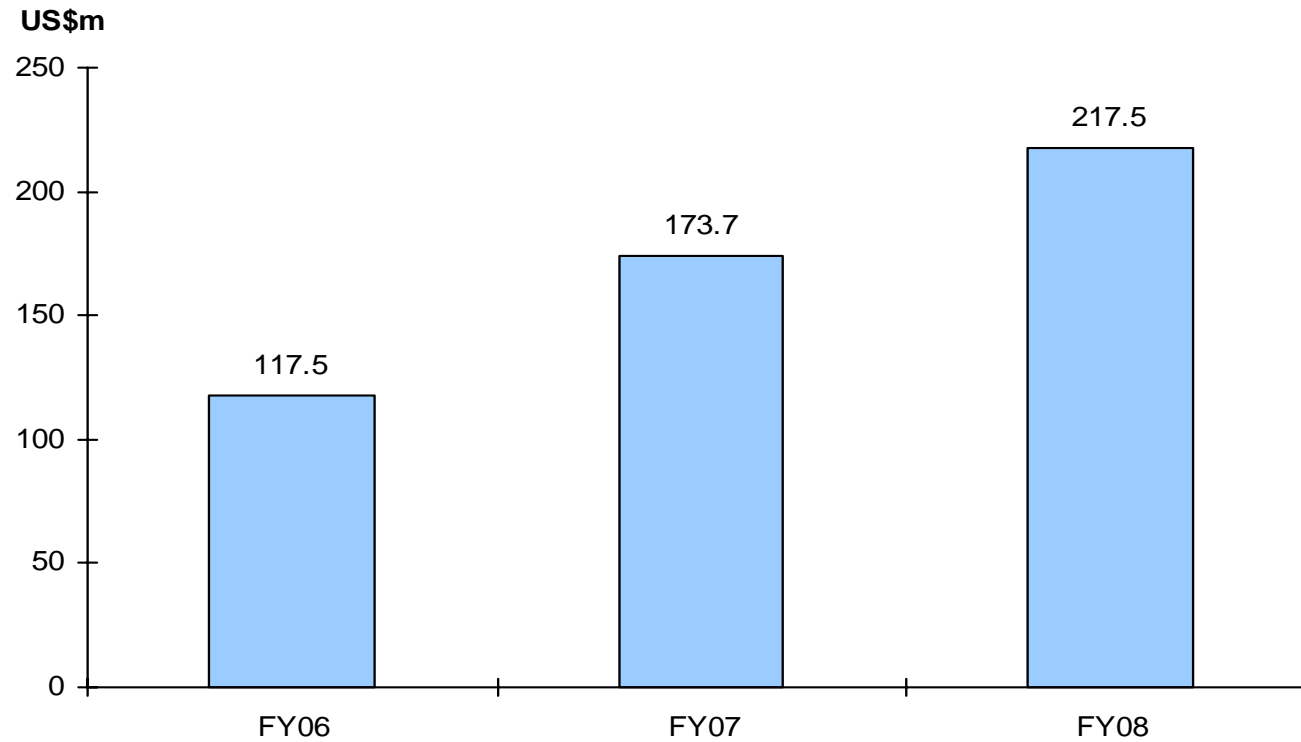
Revenue Breakdown – US\$m



	FY08	FY07	Variance
Register Maintenance	817.6	725.9	13%
Corporate Actions	303.6	252.5	20%
Fund Services	91.3	116.1	(21%)
Stakeholder Relationship Mgt	89.0	86.9	2%
Employee Share Plans	119.0	117.1	2%
Communication Services	105.3	75.7	39%
Technology & Other Revenues	56.8	44.2	29%
Total Revenue	<u>1,582.5</u>	<u>1,418.4</u>	<u>12%</u>

Note: Included in the revenue results are \$217.5m of Margin Income (FY07: \$173.7m) and \$255.8m of Recoverable Income (FY07: \$263.8m).

Margin Income analysis



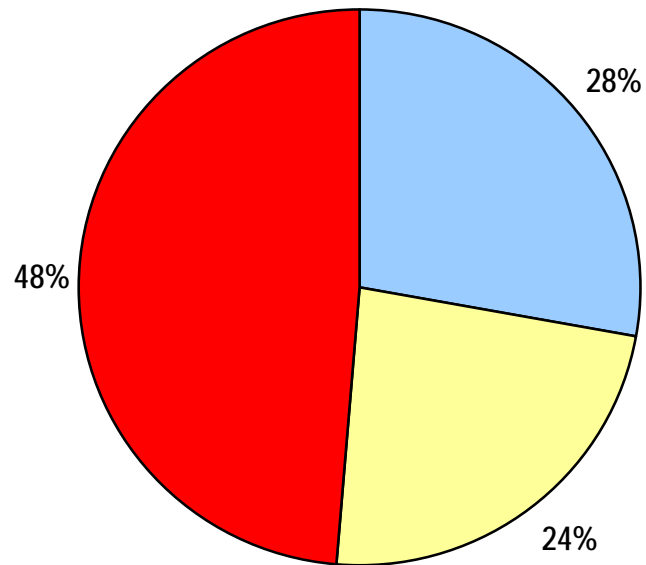
	FY06	FY07	FY08
Average Interest rates:			
UK	4.52%	5.04%	5.45%
US	4.18%	5.25%	3.76%
Canada	3.28%	4.25%	3.98%
Australia	5.54%	6.25%	6.82%
Average balances (US\$bn) *	6.4	6.7	8.7

*Note: some balances attract no interest or a set margin for Computershare

Regional Analysis – FY08 Revenue & EBITDA

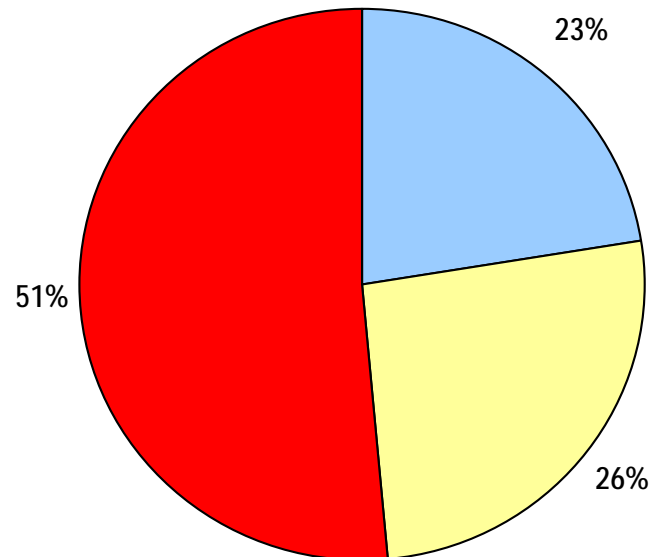


Total Revenue Breakdown



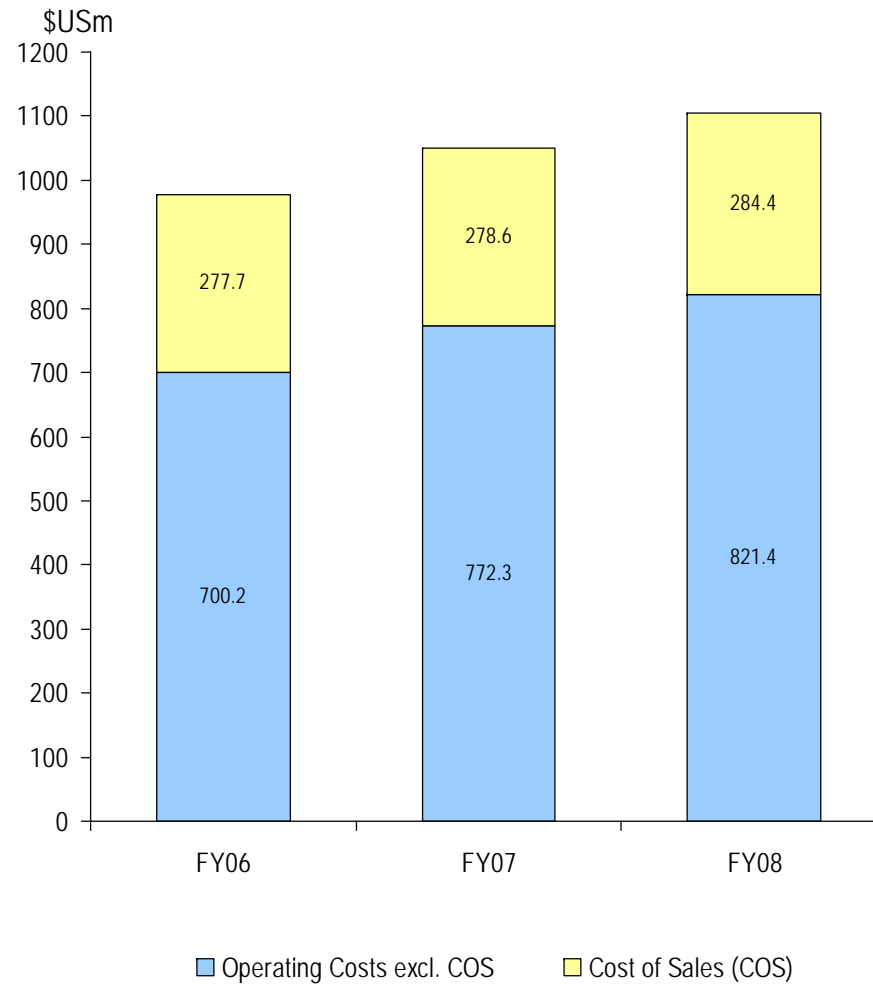
■ Asia Pacific ■ EMEA ■ North America

EBITDA Breakdown



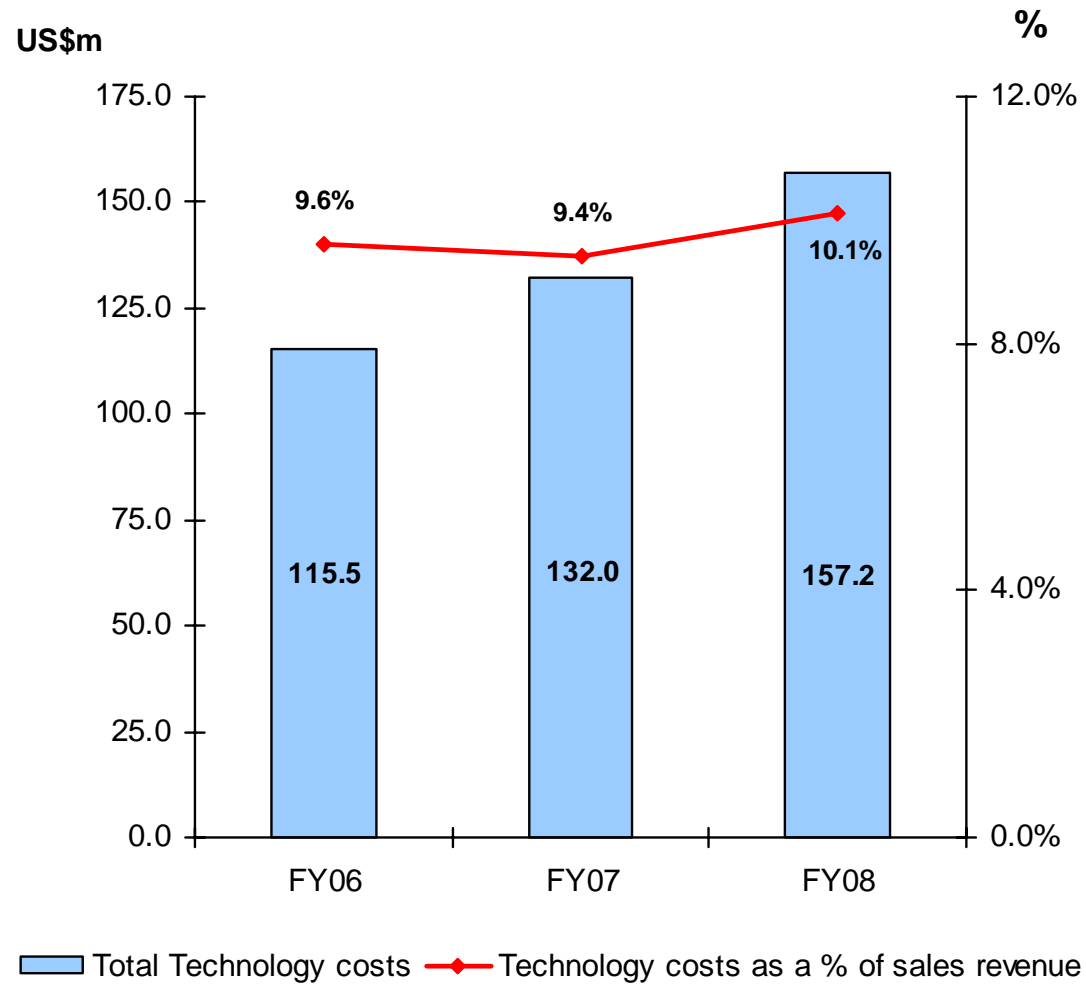
■ Asia Pacific ■ EMEA ■ North America

Full Year Comparisons – Operating Costs

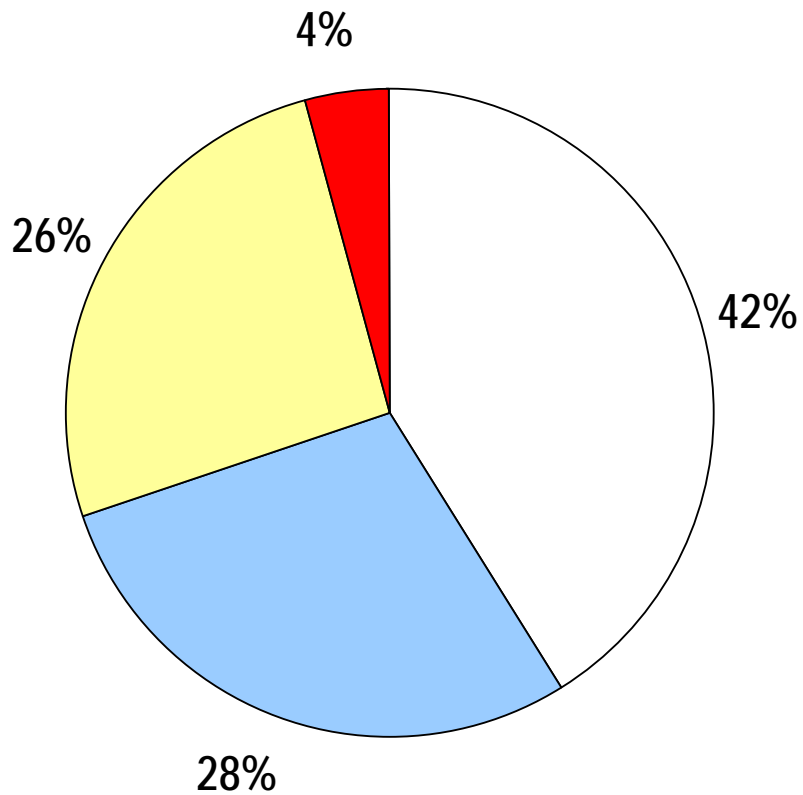


Technology Costs – Focused on Revenue & Cost Initiatives

Financial Results



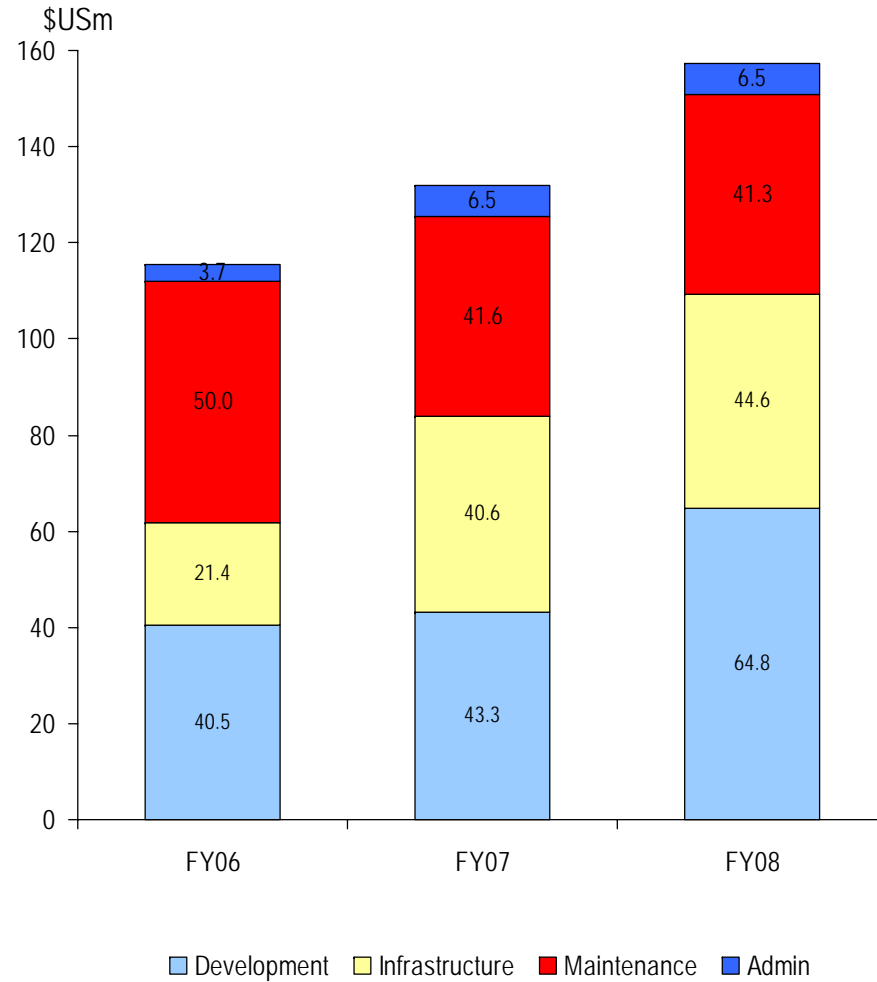
Analysis of FY08 Technology Costs



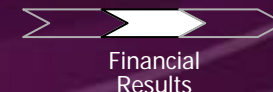
Total Costs US\$157.2m
Development Costs US\$64.8m

□ Development □ Infrastructure □ Maintenance □ Administration

Analysis of Technology Costs



Balance Sheet as at 30 June 2008



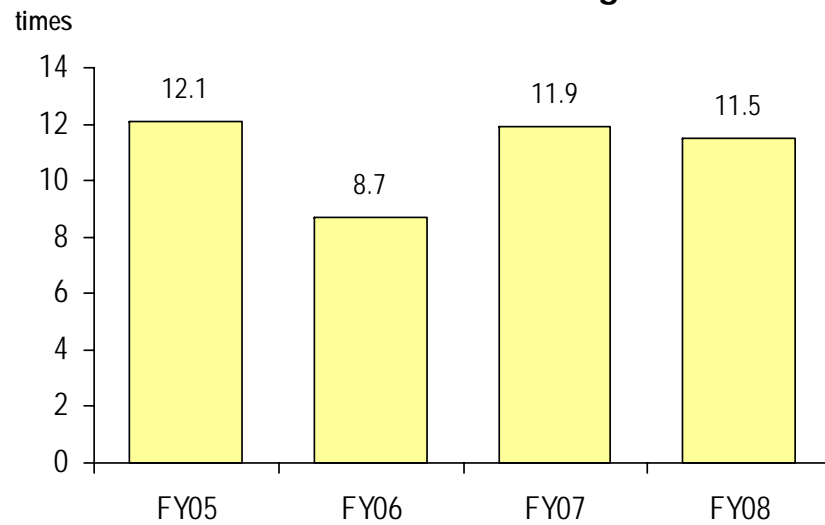
	Jun-08 US\$'000s	Jun-07 US\$'000s	Variance
Current Assets	516,129	368,891	40%
Non Current Assets	1,721,889	1,366,224	26%
Total Assets	<u>2,238,018</u>	<u>1,735,115</u>	<u>29%</u>
Current Liabilities	436,911	338,551	(29%)
Non Current Liabilities	1,030,911	563,990	(83%)
Total Liabilities	<u>1,467,823</u>	<u>902,541</u>	<u>(63%)</u>
Total Equity*	<u>770,195</u>	<u>832,574</u>	<u>(7%)</u>

* After buy-back of US\$297.5m.

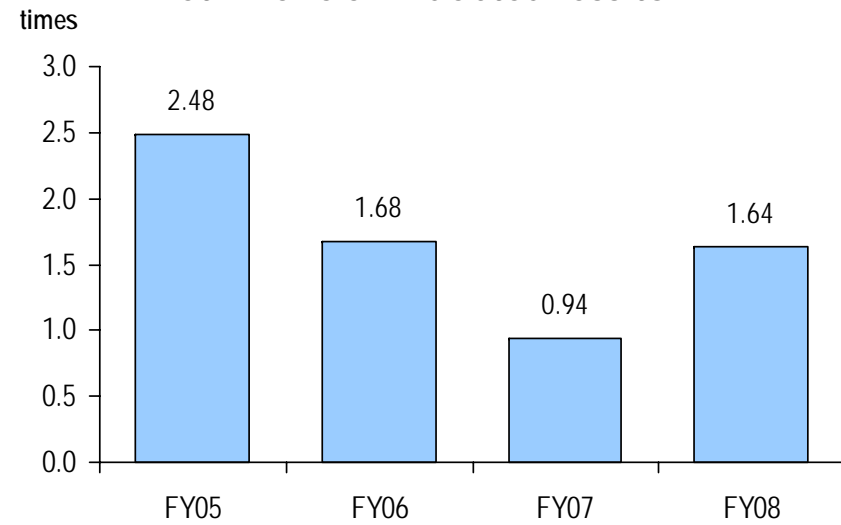
Key Financial Ratios



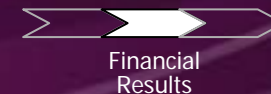
EBITDA interest coverage



Net Financial Indebtedness to EBITDA



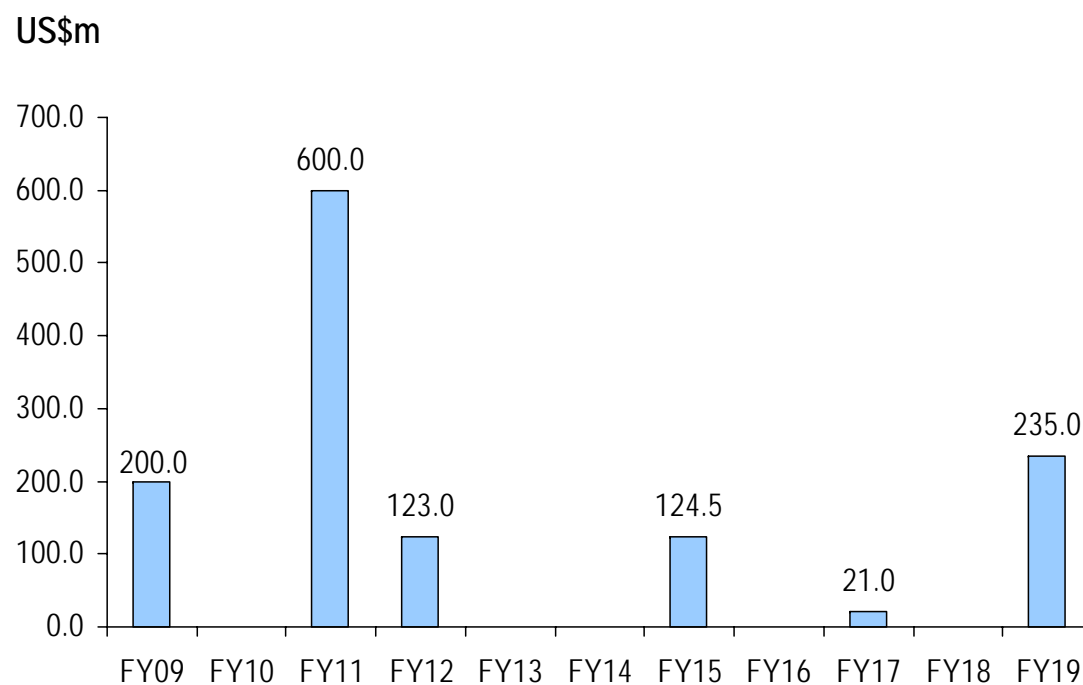
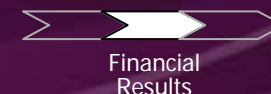
Computershare Borrowings



	Jun-08 US\$m	Jun-07 US\$m	Variance
Cash	124.2	86.8	43%
Interest Bearing Liabilities *	910.9	435.1	(109%)
Net Debt	<u>786.7</u>	<u>348.3</u>	<u>(126%)</u>
Management EBITDA	479.2	370.5	29%
Net debt to Management EBITDA	<u>1.64</u>	<u>0.94</u>	<u>(75%)</u>

*Average Tenor of drawn debt at 30 June 2008 was 3.2 years.

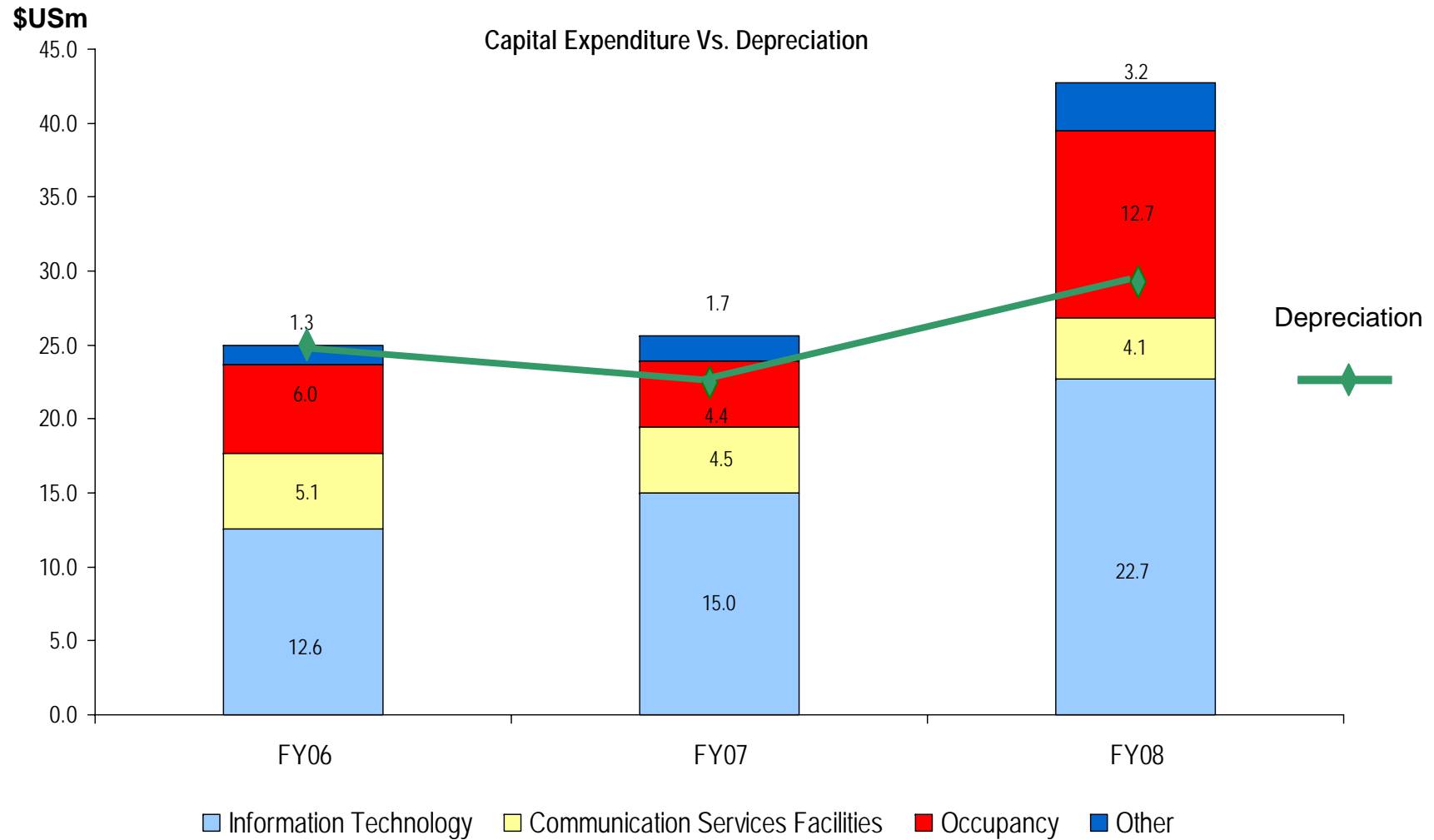
Debt Facility Maturity Profile



FY09	\$200.0m
FY10	Nil
FY11	\$600.0m
FY12	\$123.0m
FY13	Nil
FY14	Nil
FY15	\$124.5m
FY16	Nil
FY17	\$21.0m
FY18	Nil
FY19	235.0m
Total	\$1,303.5m

Includes the US Private Placement (USPP) transaction for \$235m completed on 29th July 2008, maturing July 2018.

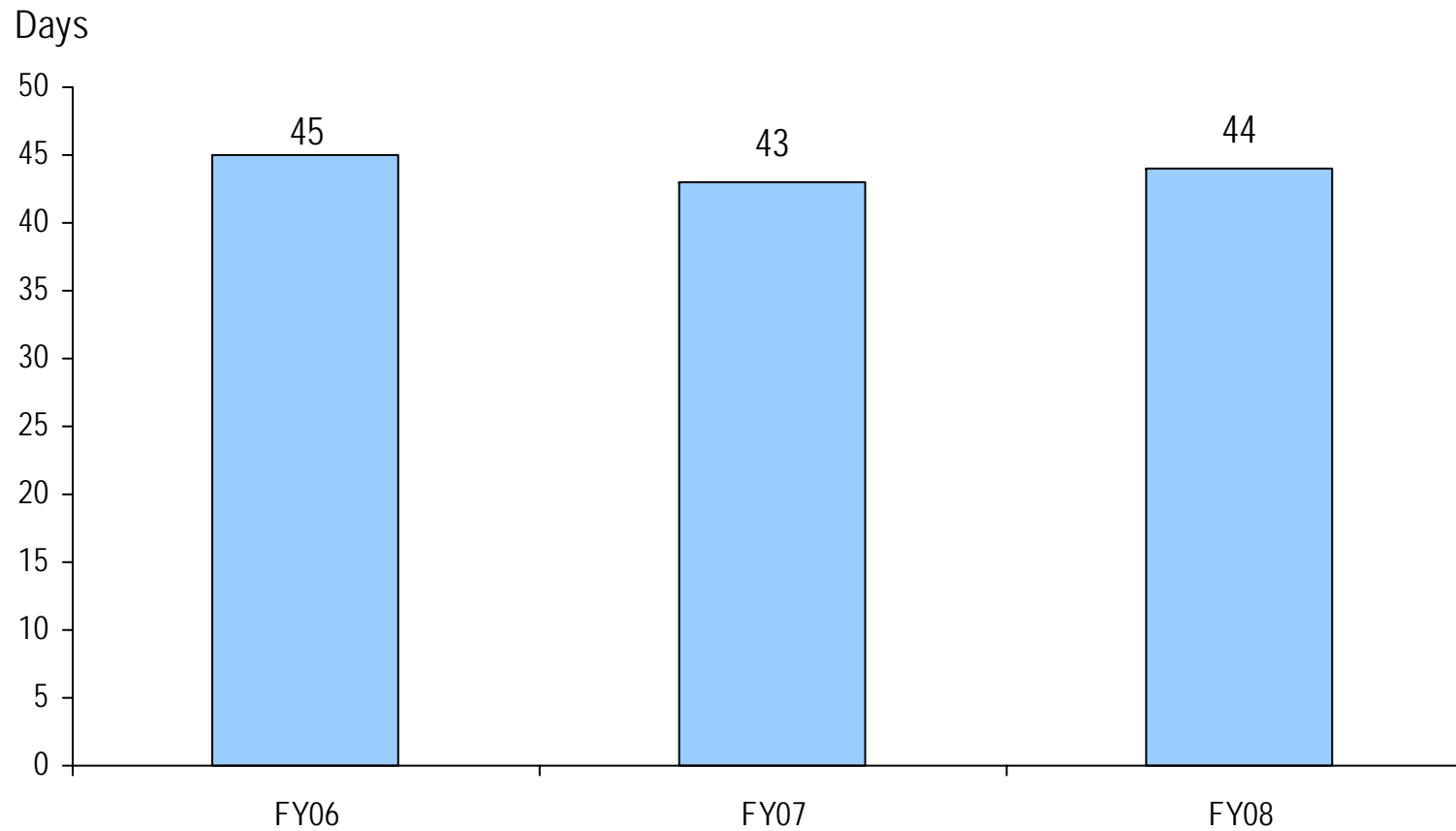
Capital Expenditure



Working Capital Management

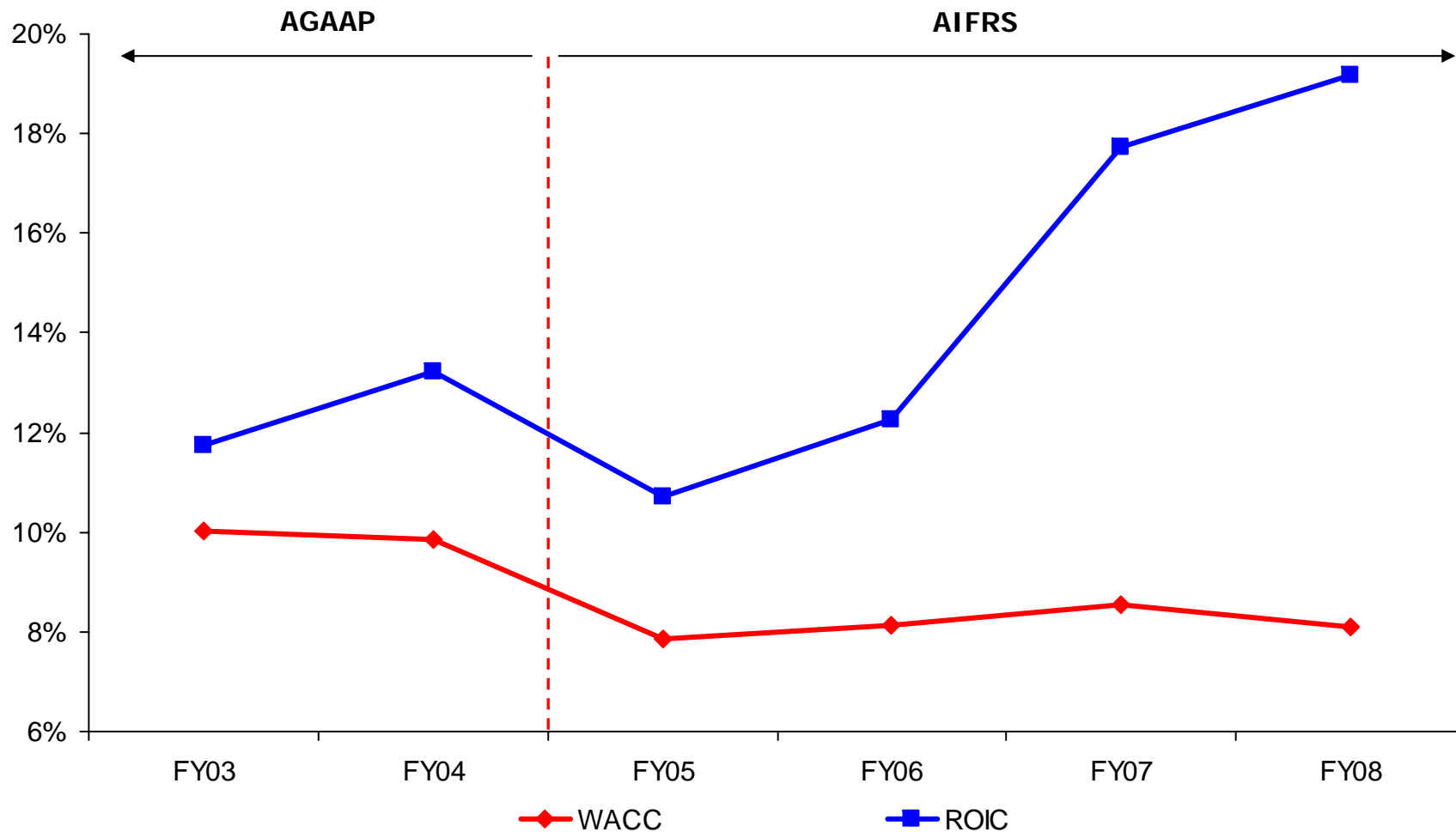


Days Sales Outstanding

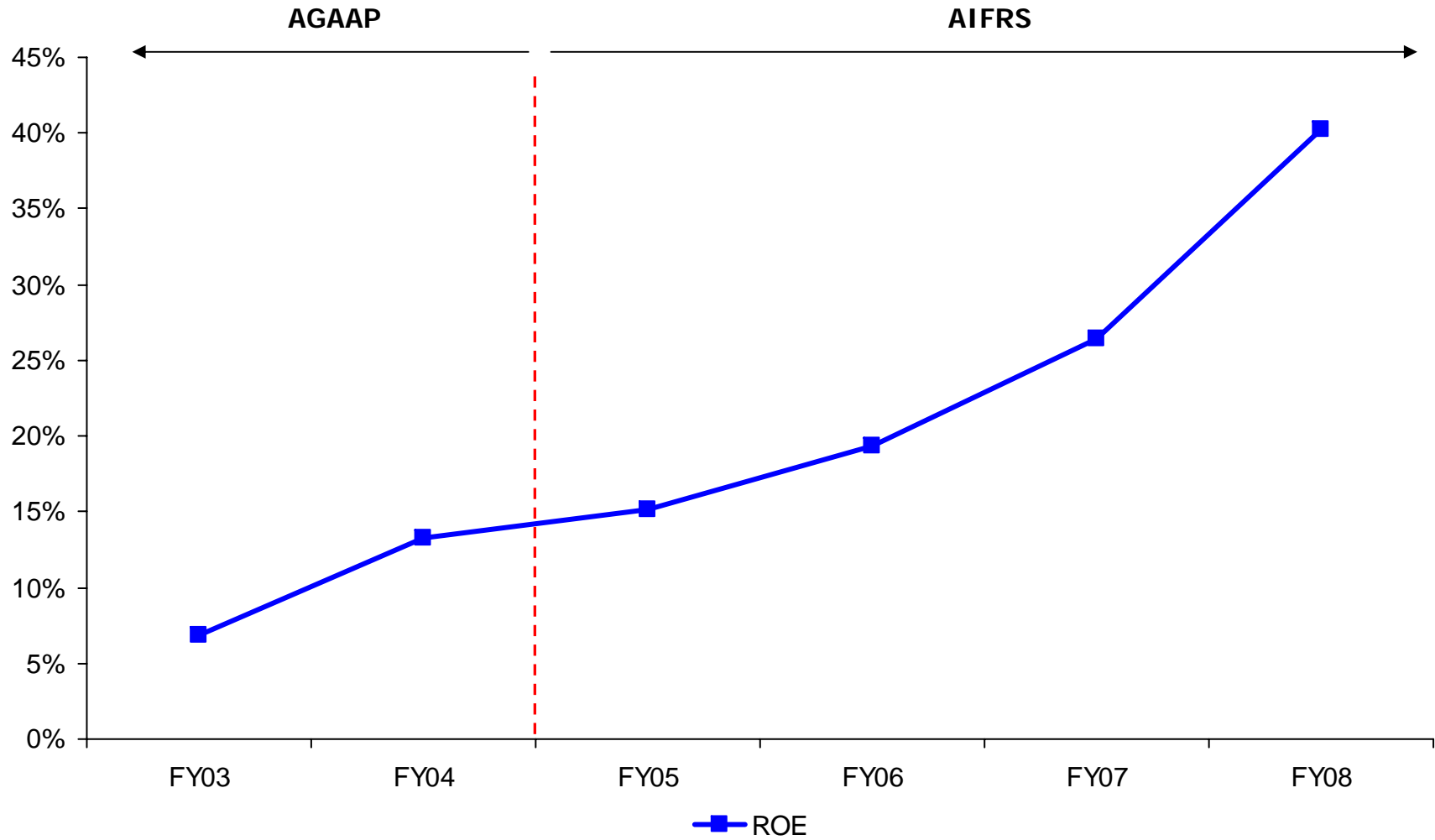


Return On Invested Capital Vs. WACC

Increased returns, lower Cost of Capital



Return on Equity



Equity Management – Final Dividend of 11 cps (AU)



› EPS – Basic	US 50.12 cents
› EPS – Management	US 51.61 cents
› Final Dividend (30 % franked)	AU 11 cents
› Current Yield*	2.1%

* Based on 12 month dividend and share price of A\$9.99 (close 12 February 2008)

Equity Management – Ordinary Share Buy-back

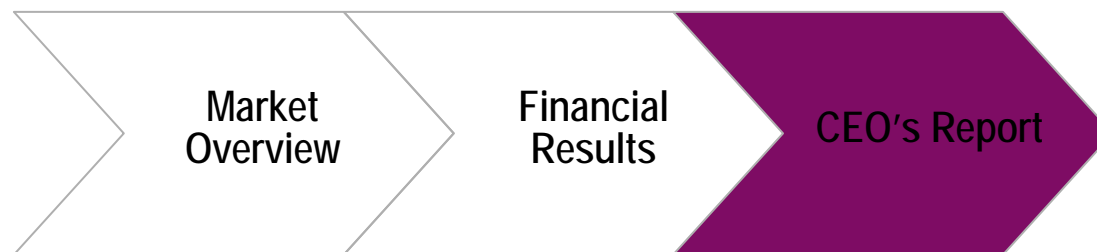


- › **Acquired 45,000,000 ordinary shares**
- › **Average price AUD \$9.91**
- › **Commenced Dec-06, completed Oct-07**

Financial Summary – Final Remarks



- › **Continued strong EPS growth - 41%**
- › **Record revenues**
- › **Maintained strong balance sheet**
- › **Return on equity > 40%**
- › **Dividend increased to 11 cents (AUD) per share, 30% franked**





Stuart Crosby
President & CEO

Unchanged:

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. Continue to seek acquisition and other growth opportunities where we can add value and enhance returns for our shareholders

Strategy continues to deliver acquisition and operational leverage



Acquisitions continue to drive value and eps accretion

- > spent \$320m on 12 acquisitions in FY08
- > Busy Bees voucher admin announced today – another \$175m – and we expect opportunities to continue to emerge

Operational leverage also continues to drive eps growth

- > revenue up 12% and costs up 5%
- > pushes margin from 26% to 30%

Underlying this is a shift over the past 18 months in the focus of our technology and product development investment from integration to service / product development, continuing to drive quality differentiation

Geographical and business line diversification provides protection in a volatile environment



- › Headwinds evident in some areas in FY08 – most noticeable in US, especially proxy and plans
- › but our portfolio of assets provides protection – both by business line and by geography
- › We expect headwinds to remain evident in some (perhaps different?) markets in FY09
- › but we are confident that
 - › the flow through of benefits from recent acquisitions;
 - › further delivery of product, service and operational leverage; and
 - › the portfolio effect of our business line and geographical diversitywill continue to position us to delivery good growth, even in a difficult environment

Investor Services

- › Service quality now market leading, providing a much stronger platform for client engagement
- › Corporate actions slow

Other

- › Fund Services - continues to win vast majority of work, but volumes unpredictable
- › Communications Services – regional bank commercial offerings getting good traction
- › Corporate Proxy - aggressively targeting corporate governance consulting and “fights”

Investor Services

- › Strong local and cross-border corporate action deal flow continues, but deals generally smaller in size
- › Operations efficiency being enhanced by deployment of CPU best practice
- › BCE privatisation now proceeding in FY09

Corporate Trust

- › Steady business with excellent margin
- › Any adverse effects from sub-prime more than offset by other opportunities

Proxy

- › Georgeson dominates the Canadian proxy market

EMEA update – UK, Russia, Germany, Ireland and South Africa



UK

- › Market more rational on price post ownership change at main competitor
- › Deposit Protection Service continues to exceed expectations
- › Rights issues by major banks
- › Good new business prospects in Plans space

Russia

- › CPU continues to drive consolidation – now 80% NRC and 40% NIKoil
- › Looking to invest in management for integration

Germany

- › VEM acquisition materially extends the range of our services

Other:

- › Ireland - Improving margins and revenue growth, esp in ETF space
- › IML – rolling up distribution network globally – acquisitions complete in Australia, Belgium, US

Hong Kong and China

- › IPO pipeline healthy but flow stalled by market sentiment
- › Good proxy deal-flow from PRC
- › Beijing office now established – PRC plans services relocating there

Japan

- › Joint venture with MUTB continues to perform well
- › While TA opportunity not viable at this stage, working on expanding range of cooperation in other areas

India

- › IPO activity slowed dramatically
- › Fund services growing strongly

Asia Pacific update – Australia and New Zealand



Investor Services

- › Rolling out new AGM/EGM management product

Communication Services

- › QM integration going well

Plans

- › Soon to deliver new option admin functionality

Fund Services

- › Now has a solid platform and well positioned to grow into Asia as well as Australia

Proxy

- › Georgeson remains market leader in proxy services

Computershare has a strong operational and financial platform for continued growth:

- › Powerful technology and investing more to build on our competitive advantage
- › Economies of scale
- › Stable and long term client base
- › Healthy margins
- › Strong balance sheet to support acquisitions
- › Well positioned to take on new business lines (e.g. Busy Bees Childcare Vouchers acquisition announced today)

Computershare Limited

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13 February 2008

CERTAINTY | INGENUITY | ADVANTAGE

 **Computershare**



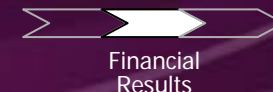
**Appendix:
Full Year Results 2008 Presentation**

13 August 2008

Appendix 1: Group Comparisons

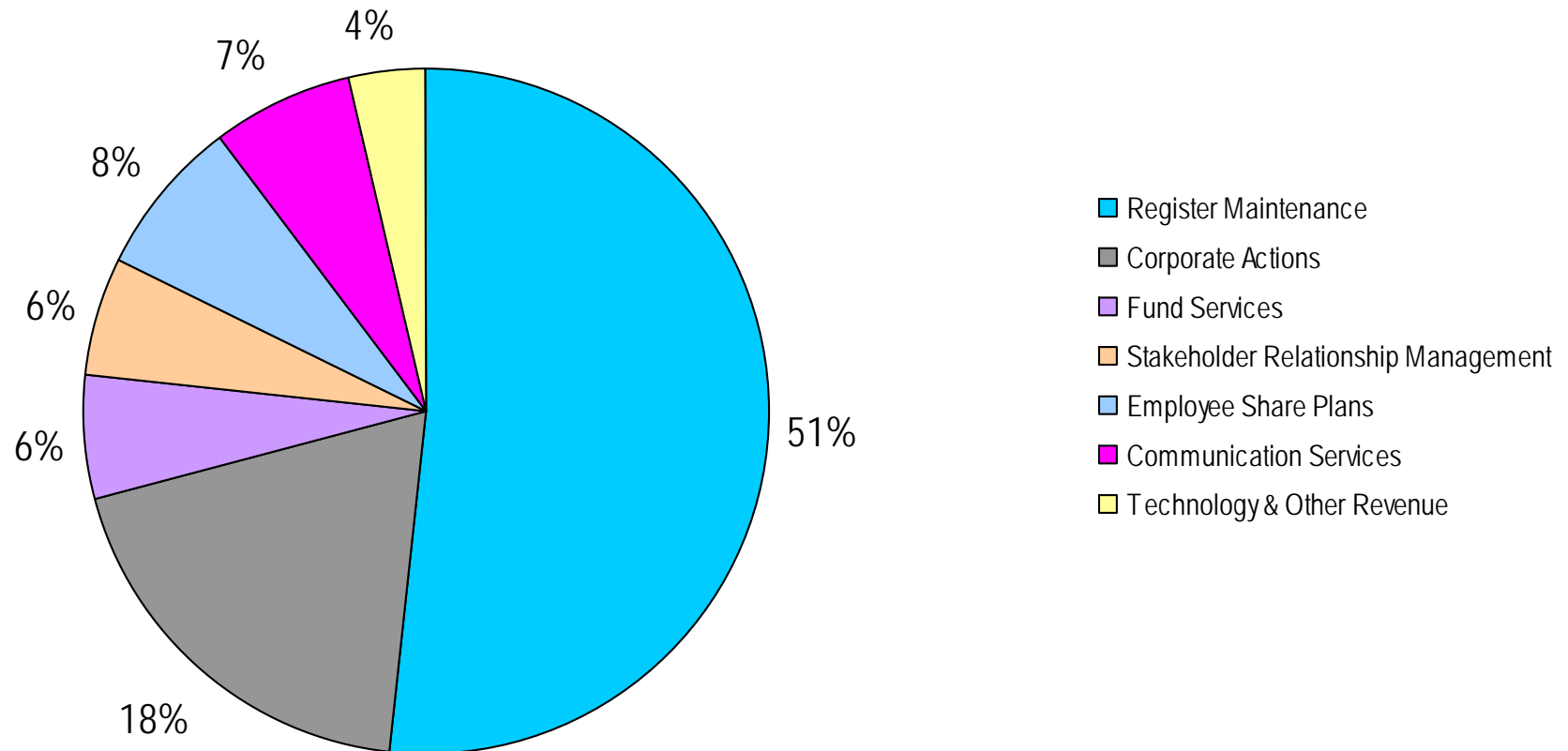
Group Comparisons

Behind the Headline – NPAT IMPACT

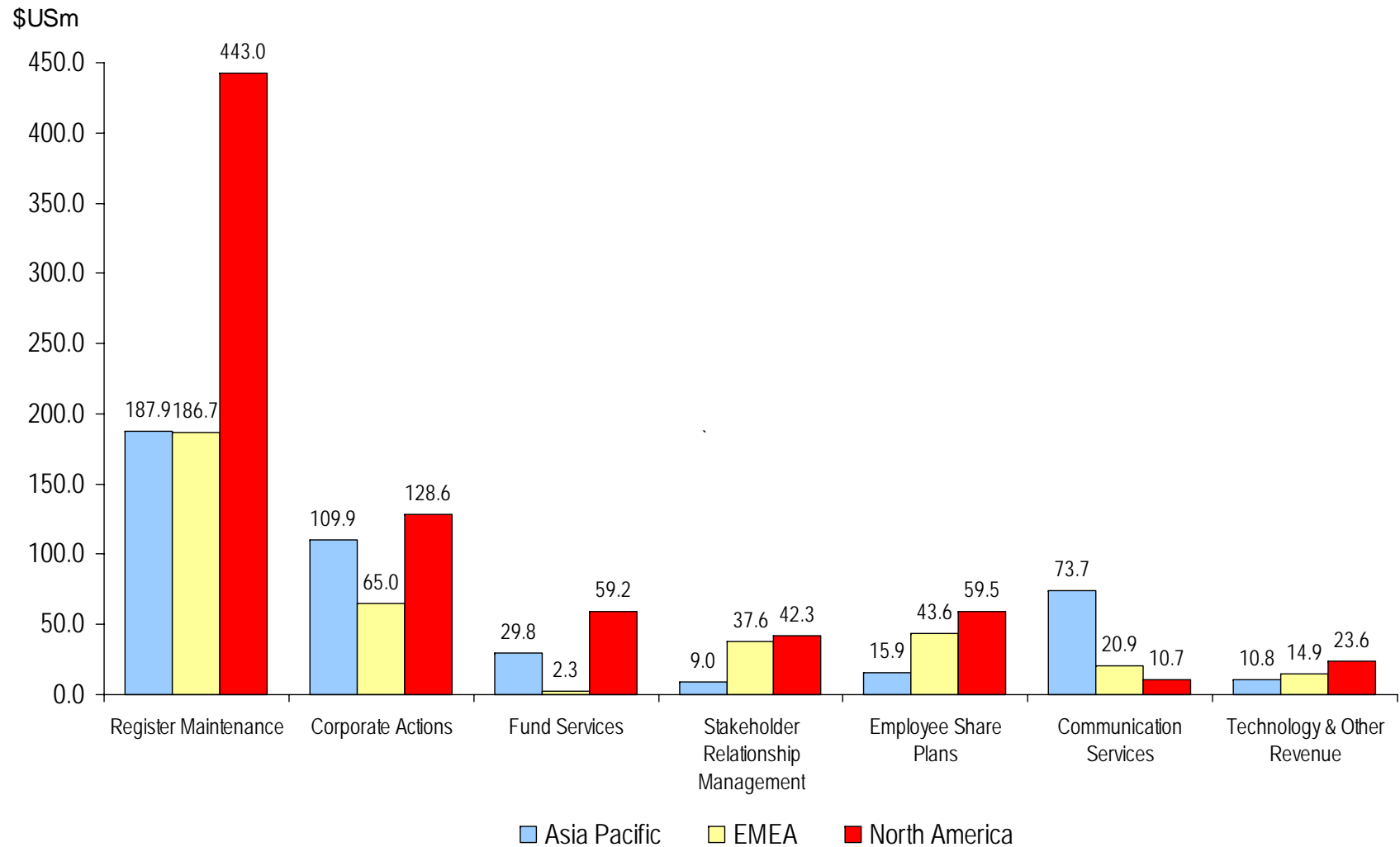


	US\$000's
Net profit after tax at 30 June 2008	<u>281,971</u>
Loss on sale of subsidiaries	480
QMT acquisition costs	6,915
Acquisition provisions no longer required	(2,628)
Intangible assets amortisation	4,641
US property rationalisation	1,913
Marked to market adjustments - derivatives	(964)
Tax losses recognised	(1,748)
Other	(193)
Management adjusted profit after tax at 30 June 2008	<u>290,387</u>

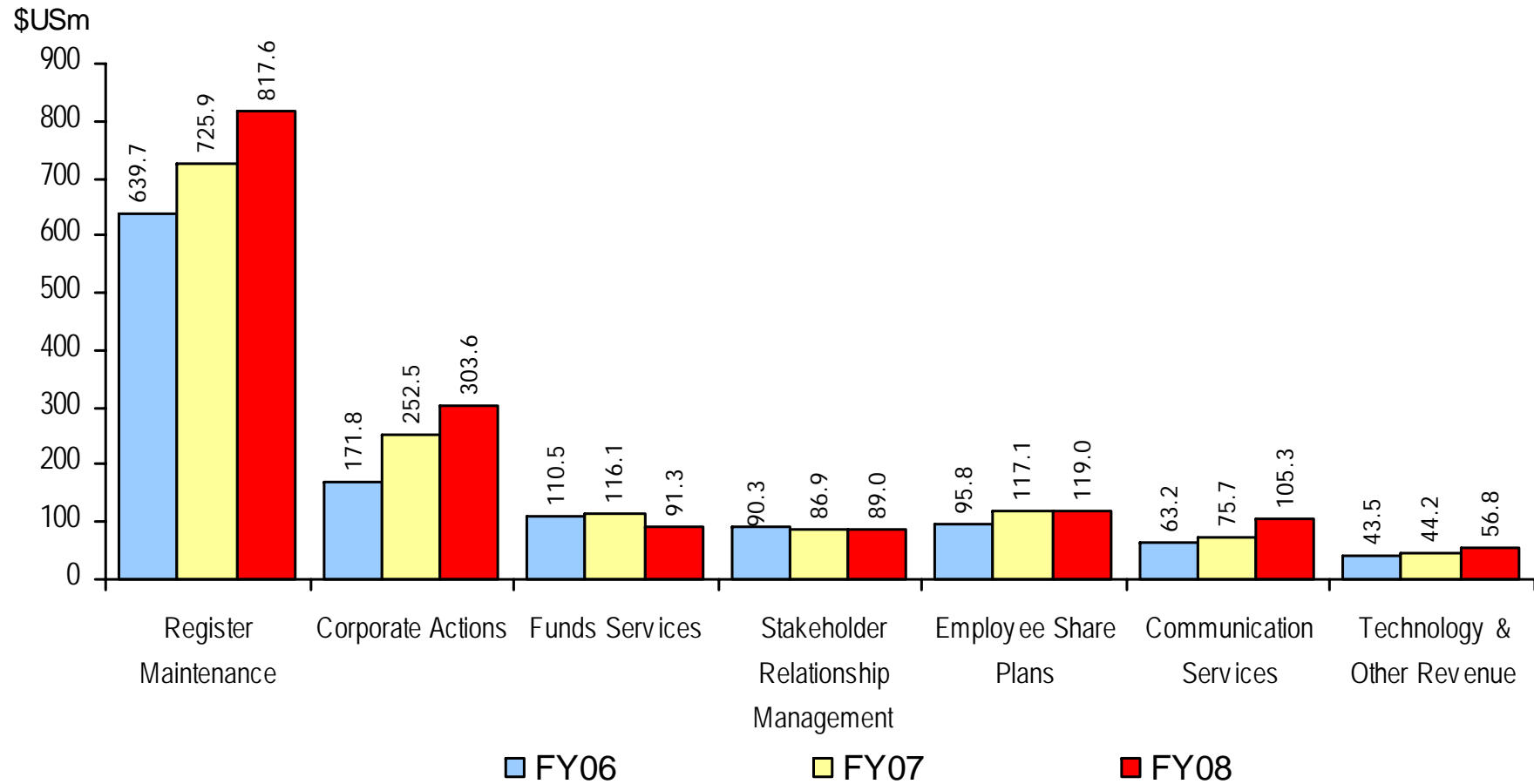
Revenue Type



Regional Analysis – FY08 Revenue



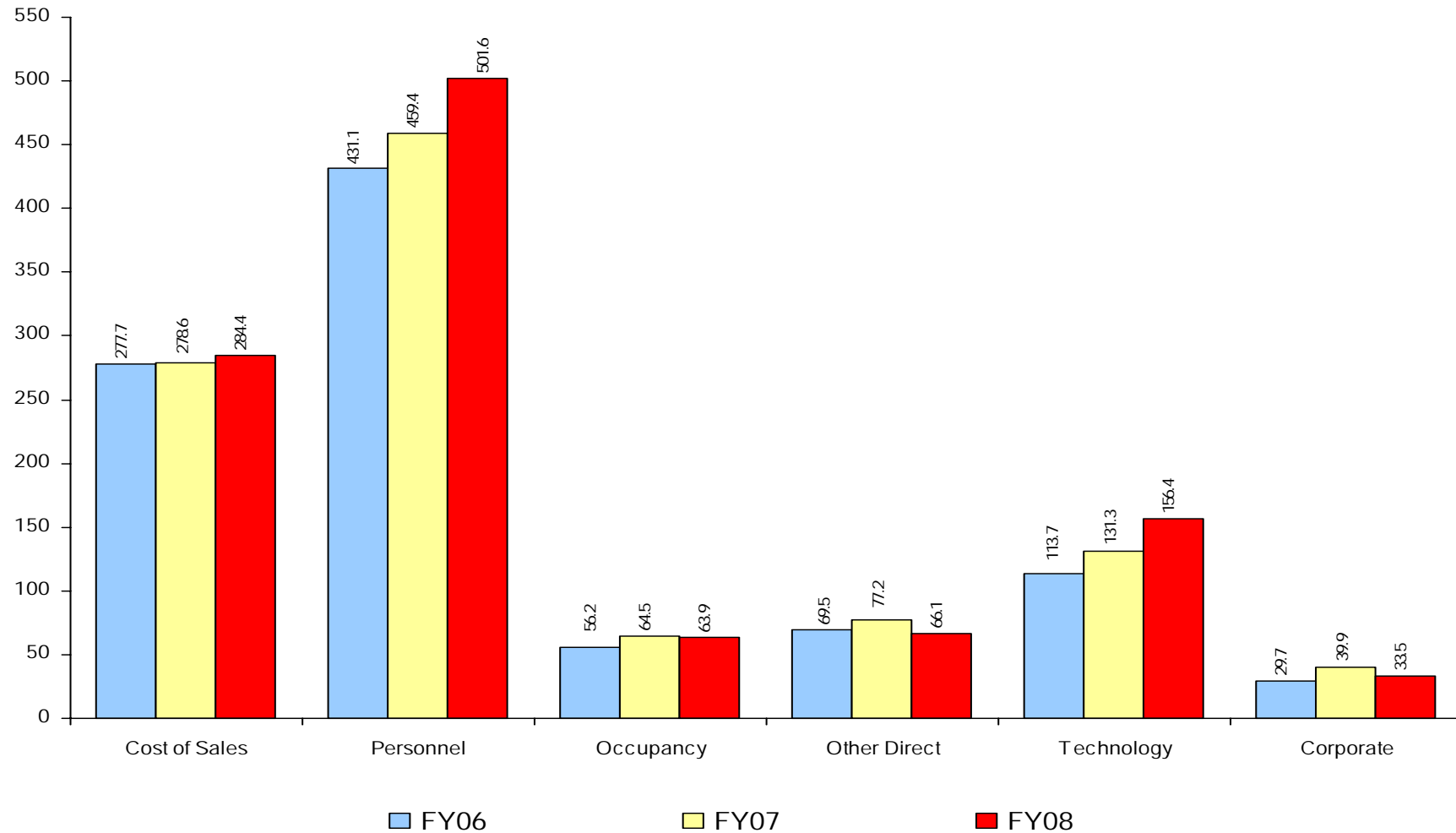
Full Year Comparisons - Revenue



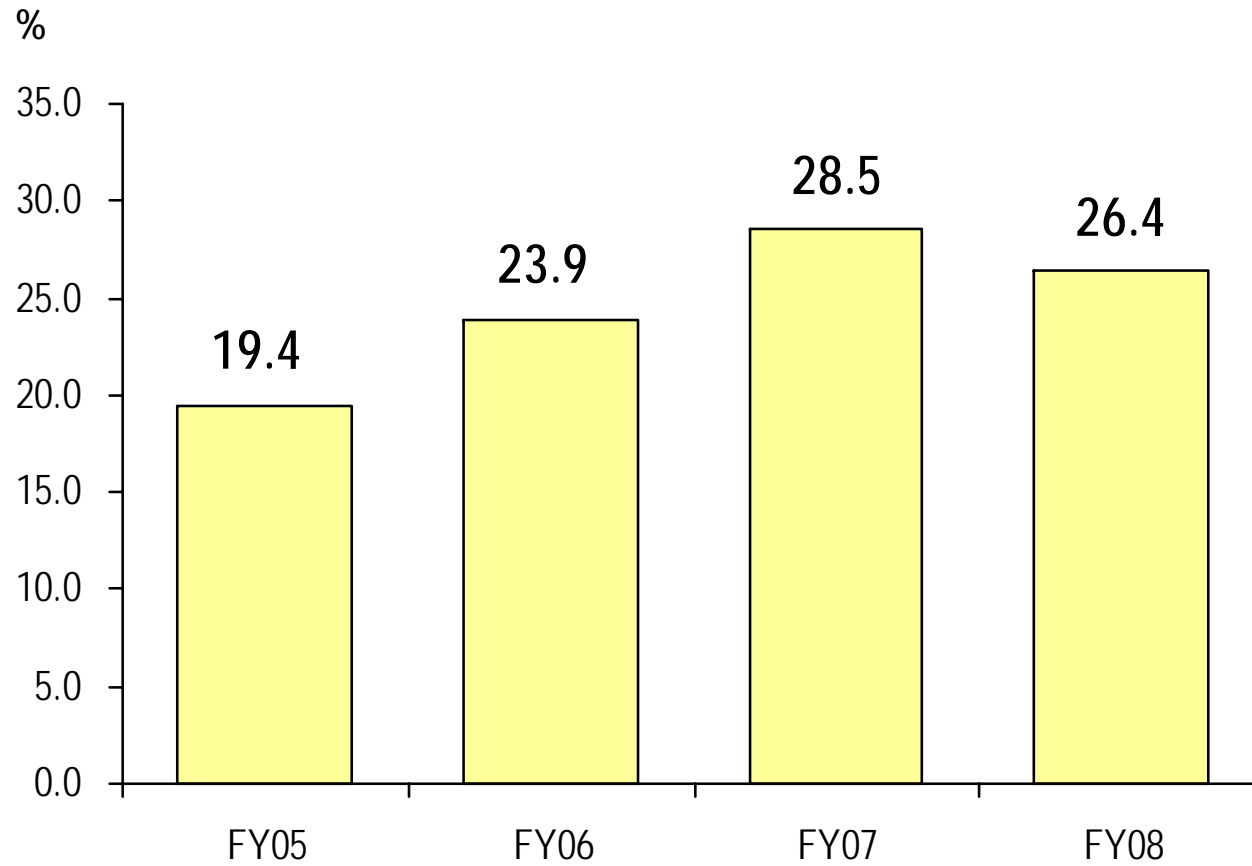
Full Year Comparisons – Operating Costs



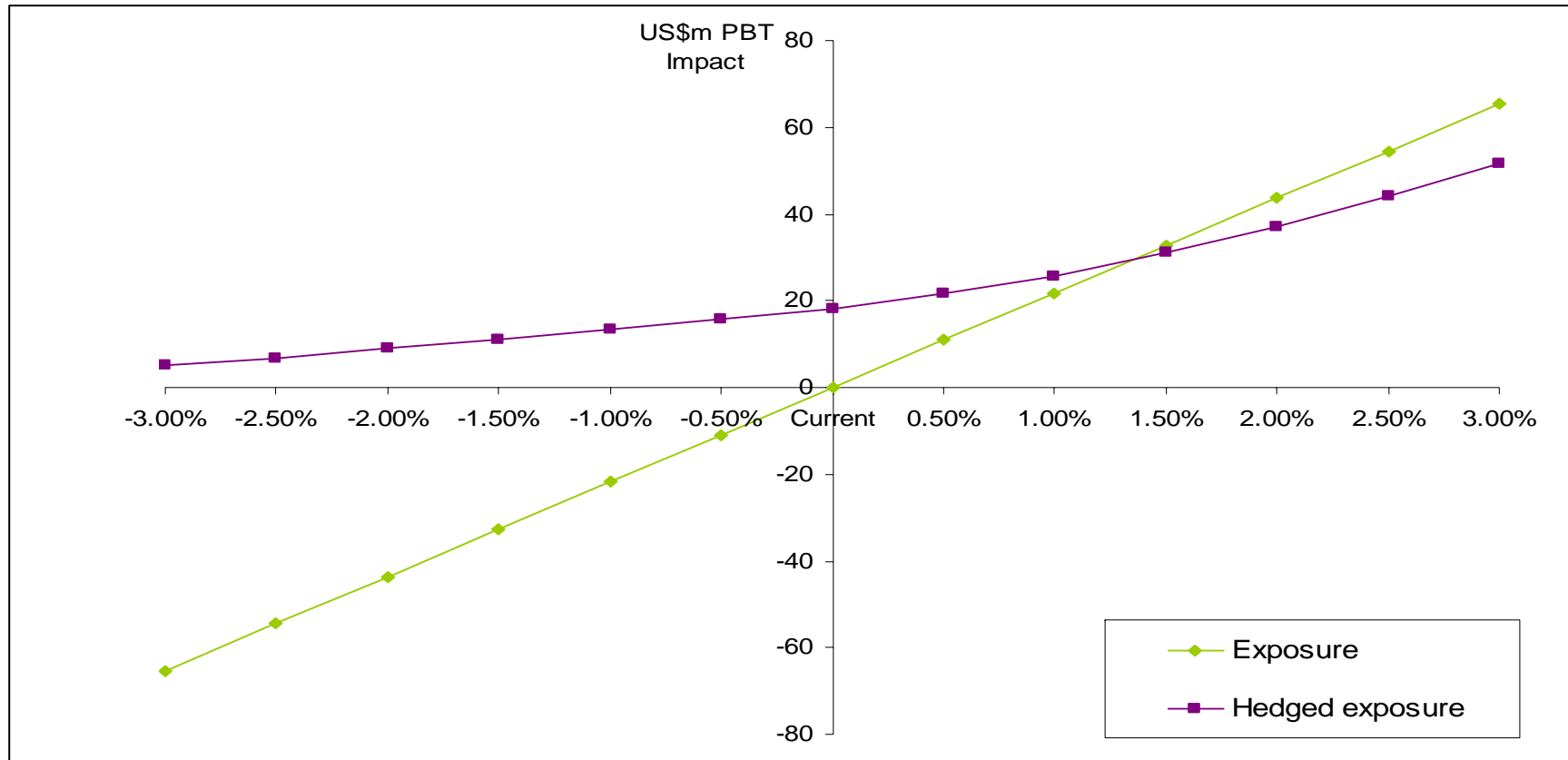
\$USm



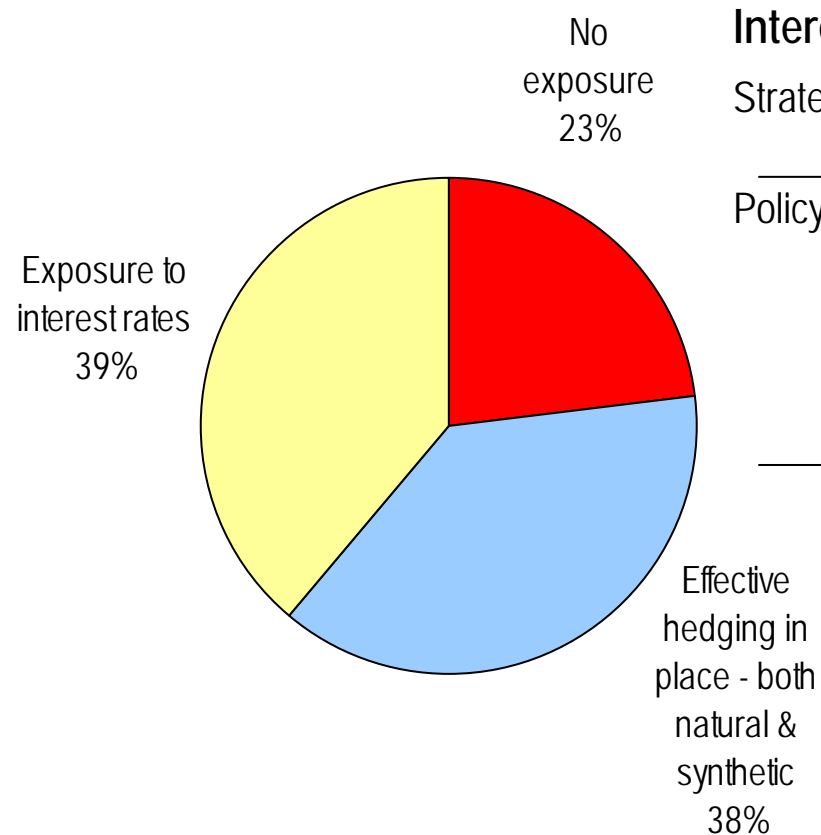
Underlying Effective Tax Rate



Interest Rate Sensitivity



This graph outlines the sensitivity of northern hemisphere interest rate changes when measured against core client balances (long term sustainable balances), adjusted by the impact of floating rate debt, corporate cash balances and derivative positions.



Interest Rate Hedging

Strategy: - Protect downside risk in current interest rate environment

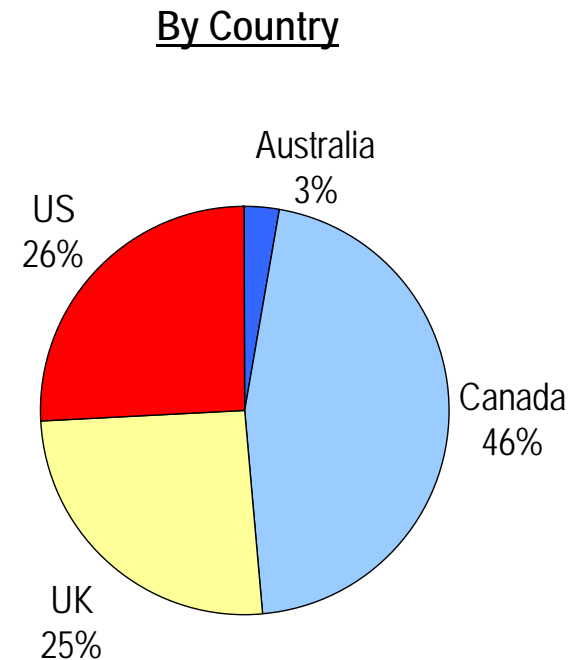
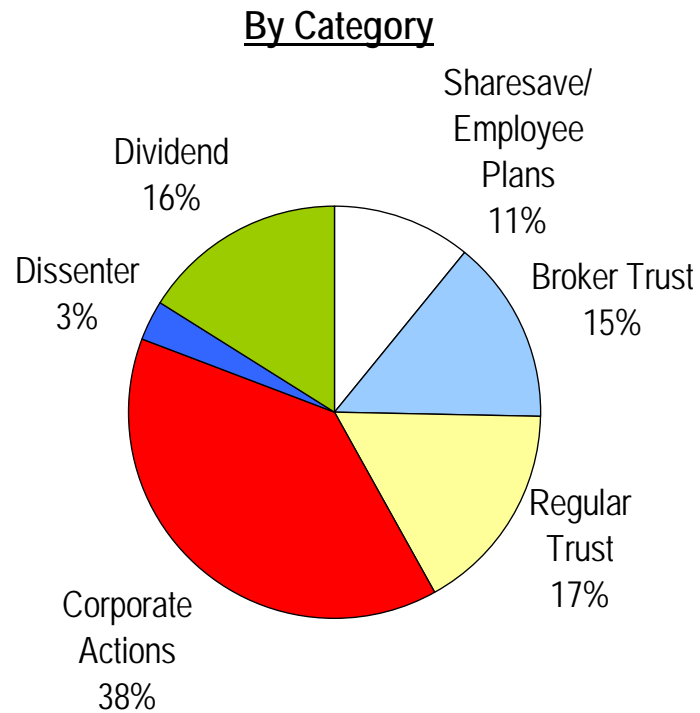
Policy: - Minimum hedge of 25% / Maximum hedge of 100%*

* Board approved

- Minimum term 1 year / Maximum term 5 years

- Current hedging: 38%

Risk Management – Average Funds Balances for year ending 30 June 2008



Average funds balance US\$8.7b

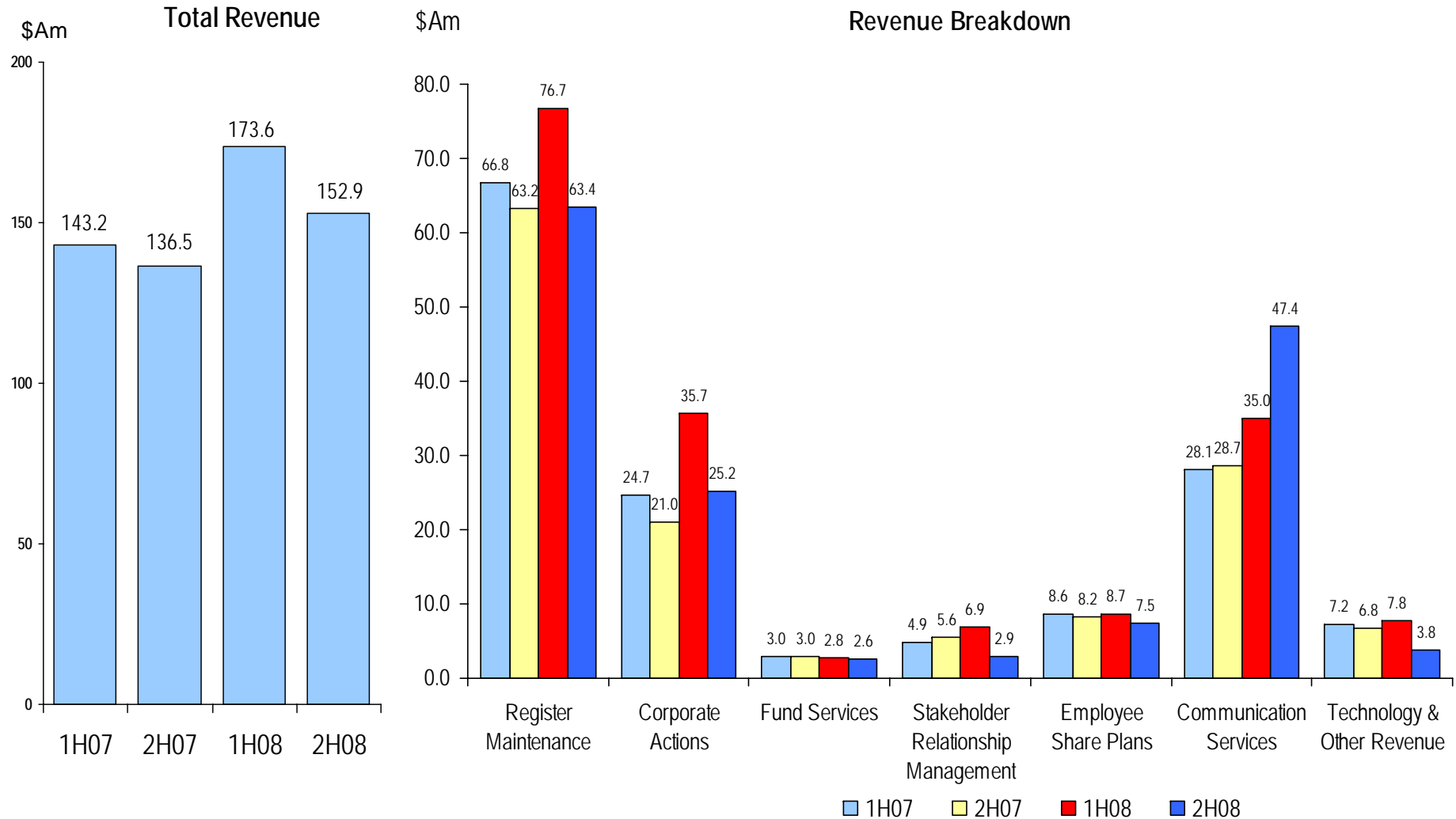
Country Summaries

Appendix 2: Country Summaries

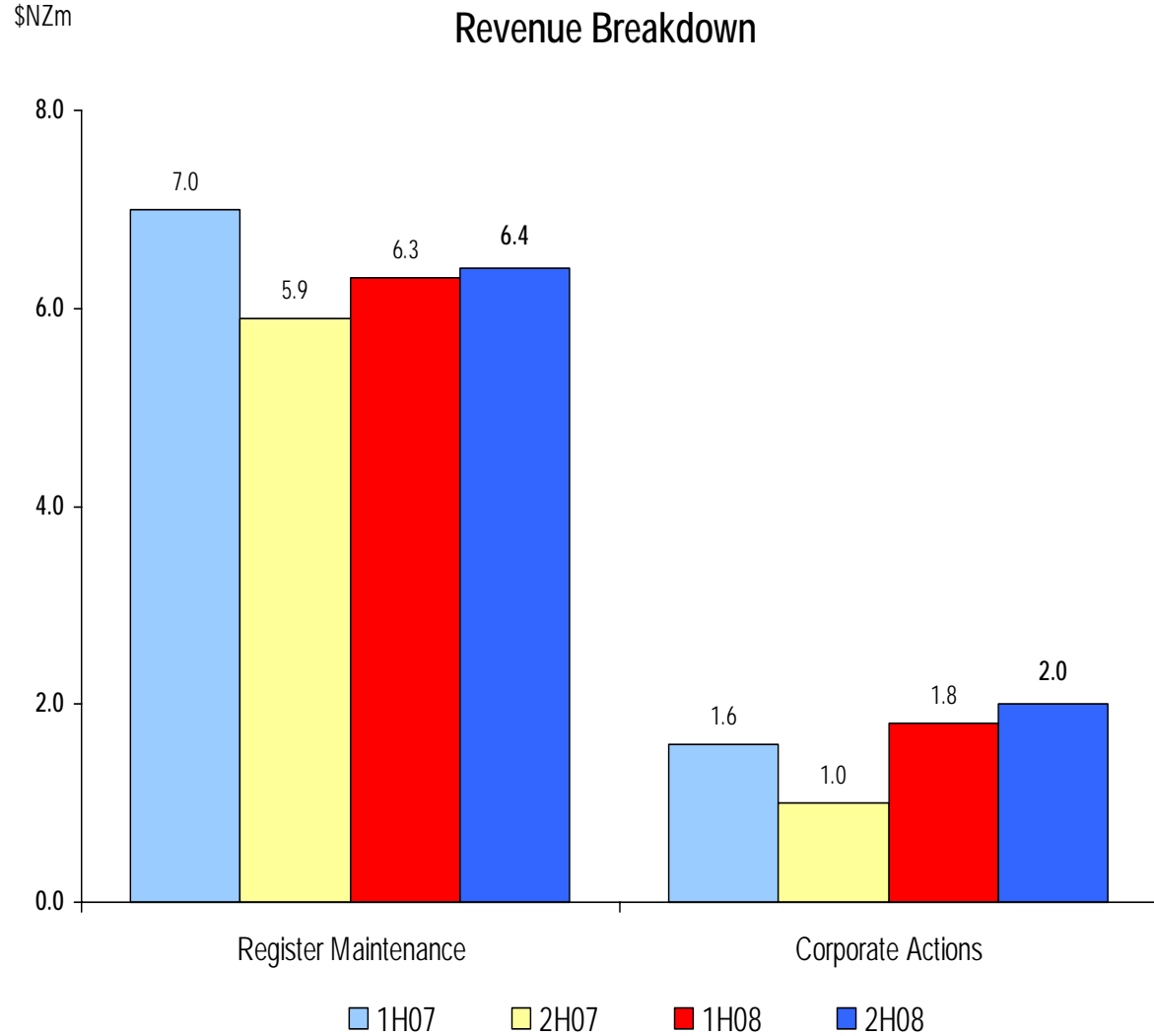
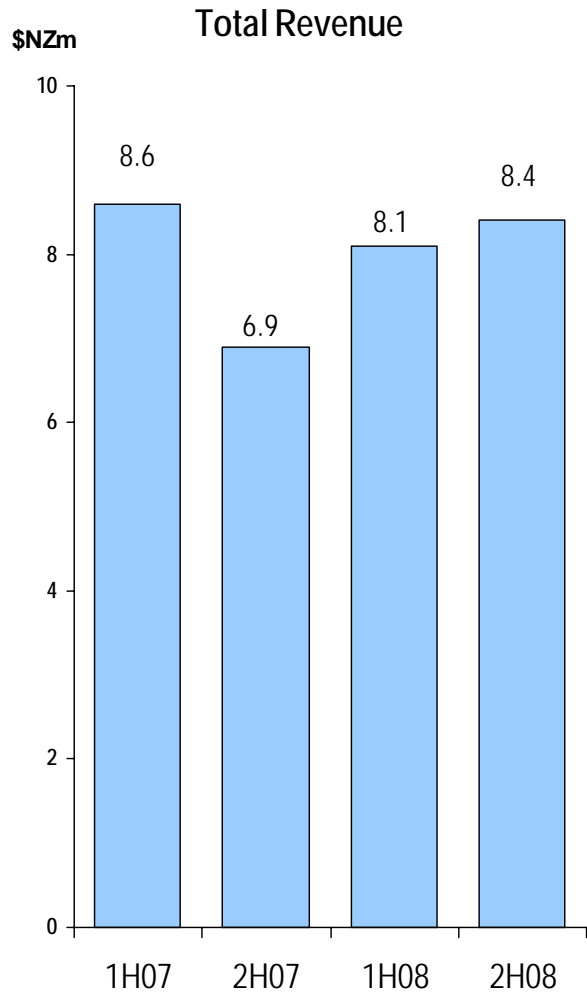


Asia Pacific

Australia Half Year Comparison



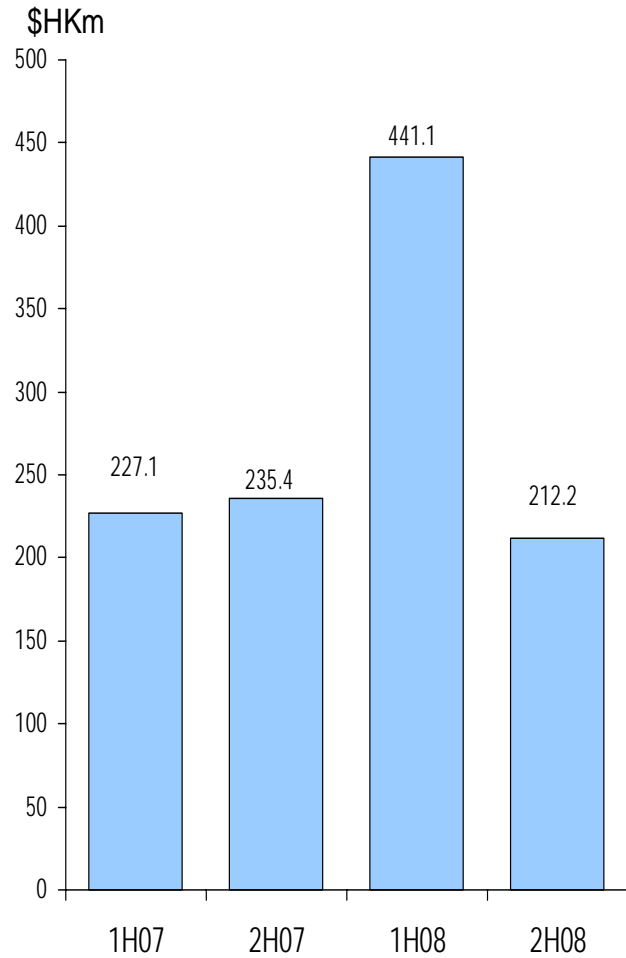
New Zealand Half Year Comparison



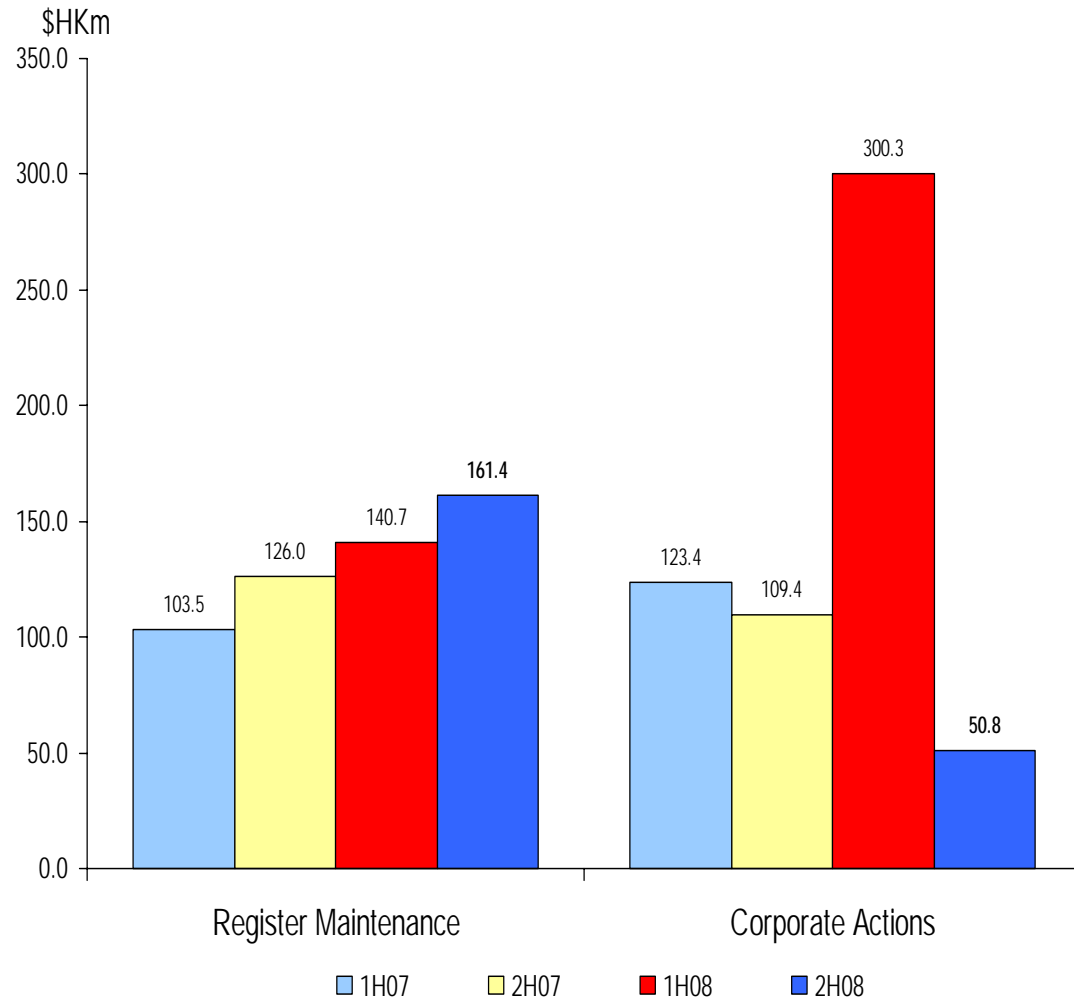
Hong Kong Half Year Comparison



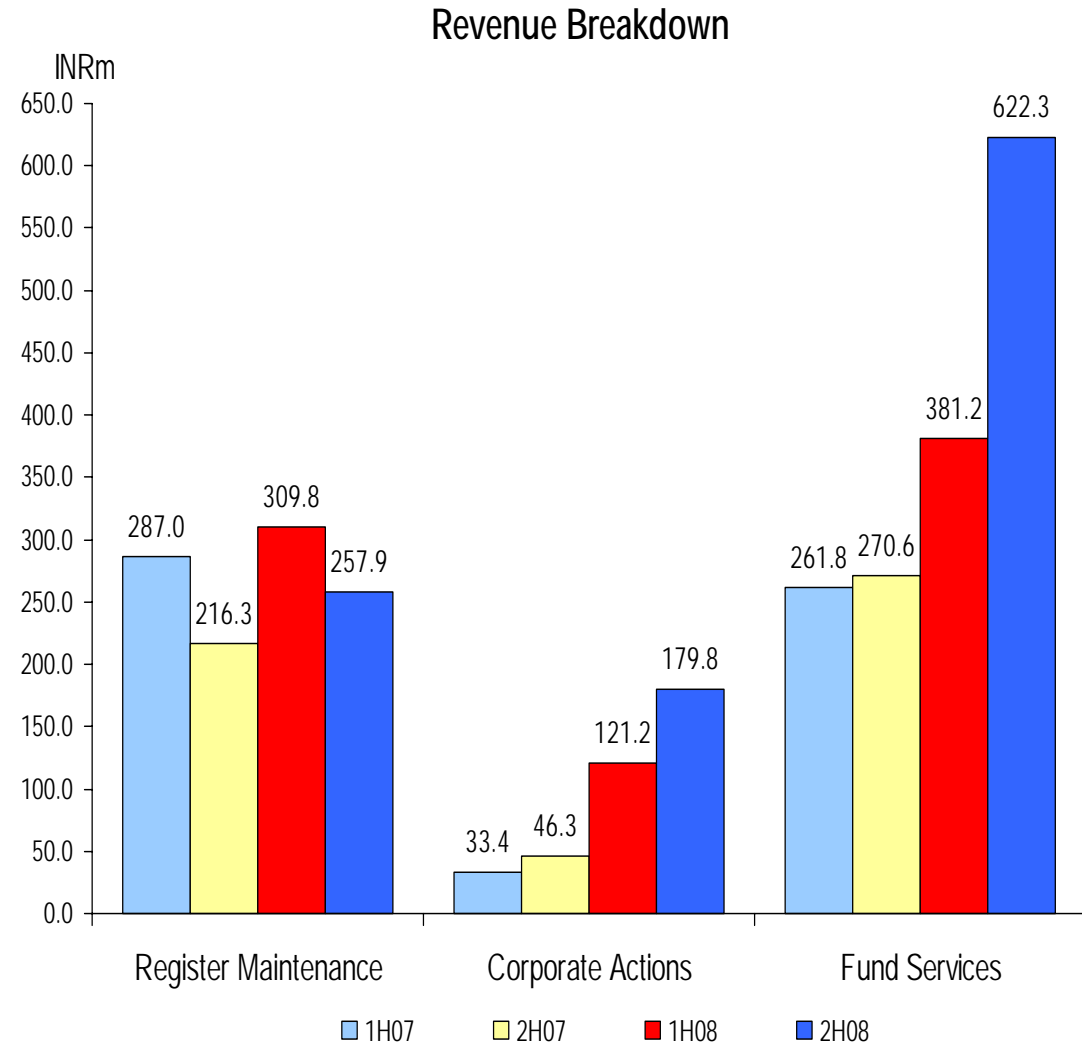
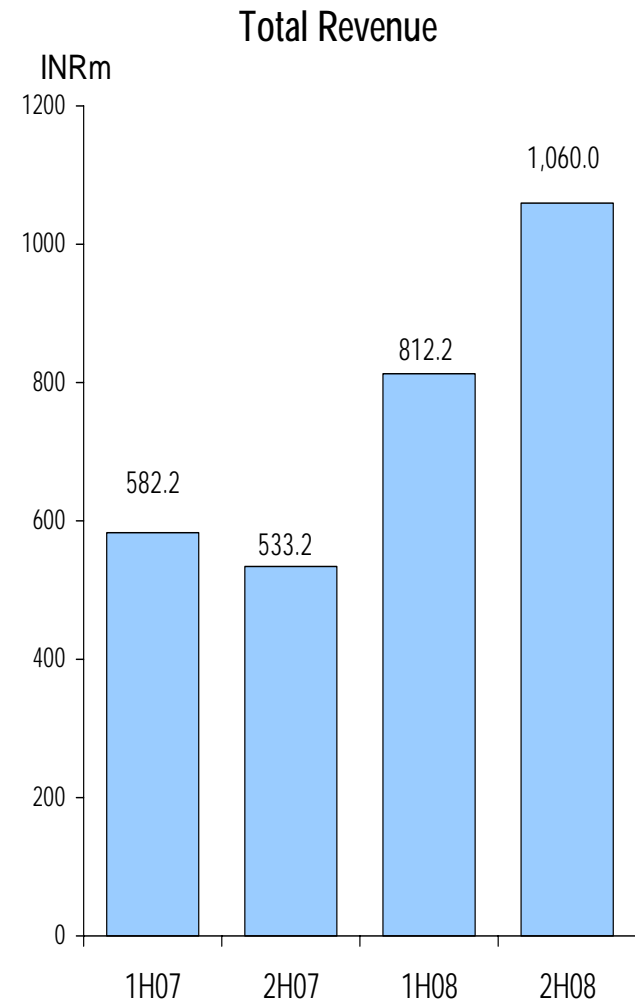
Total Revenue



Revenue Breakdown



India Half Year Comparison

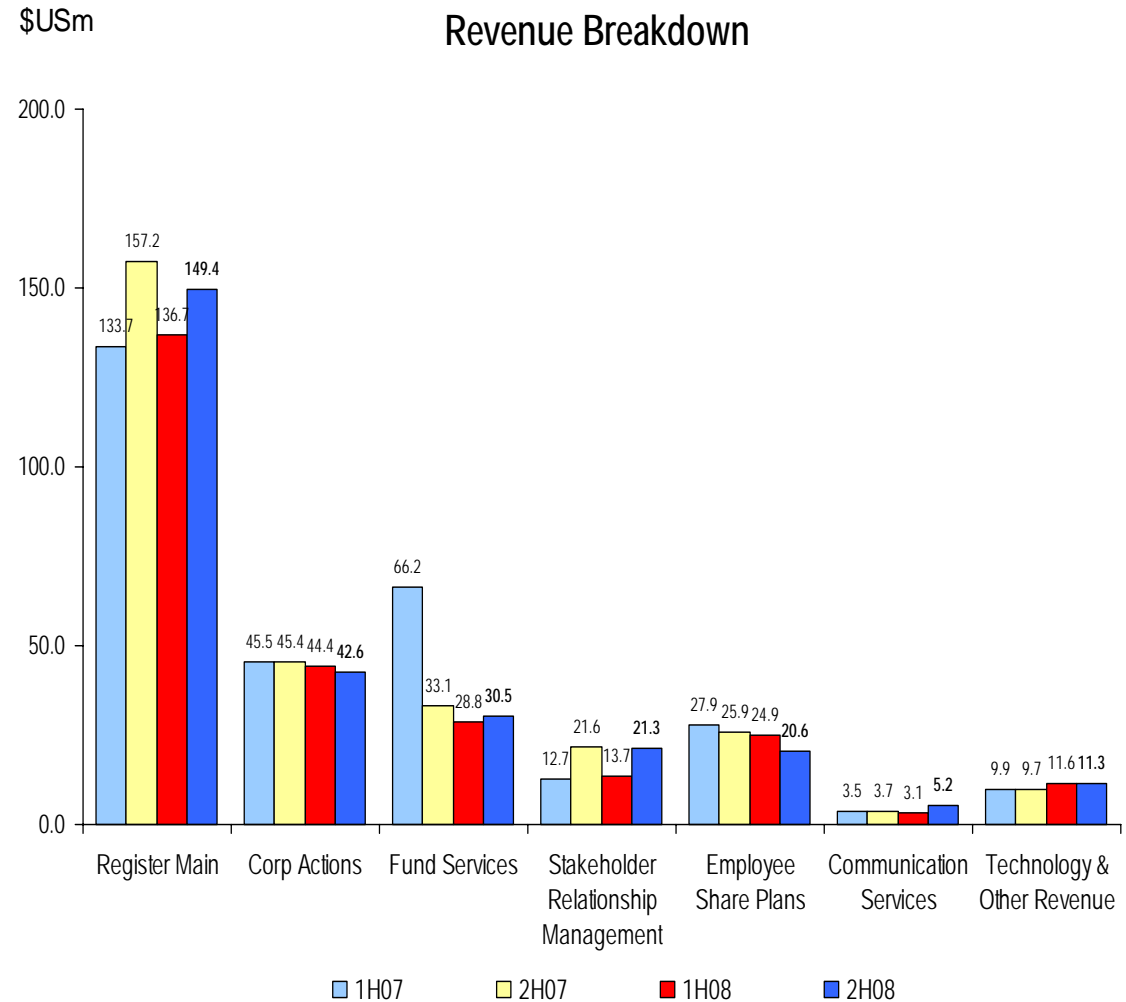
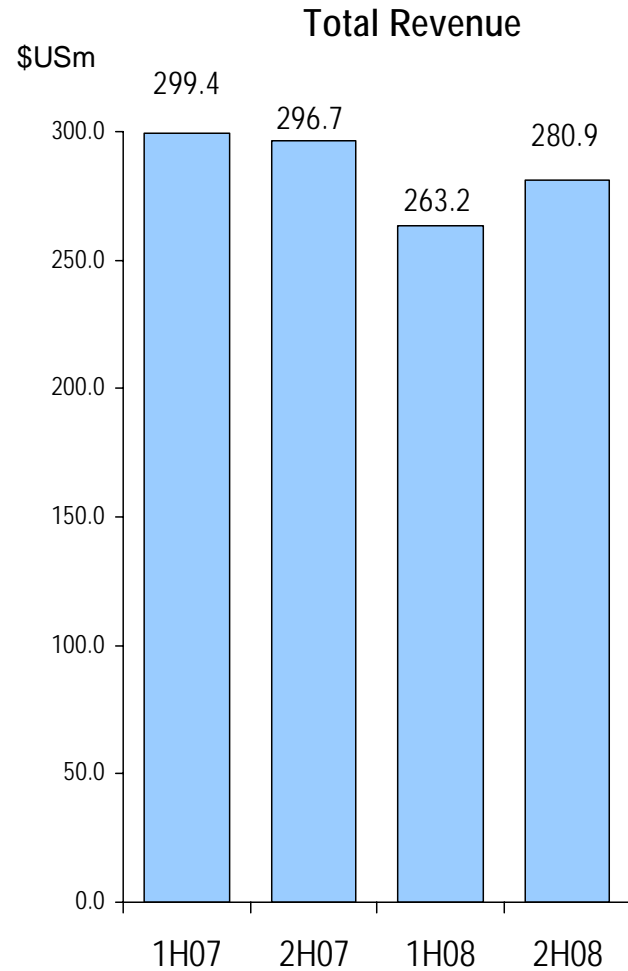


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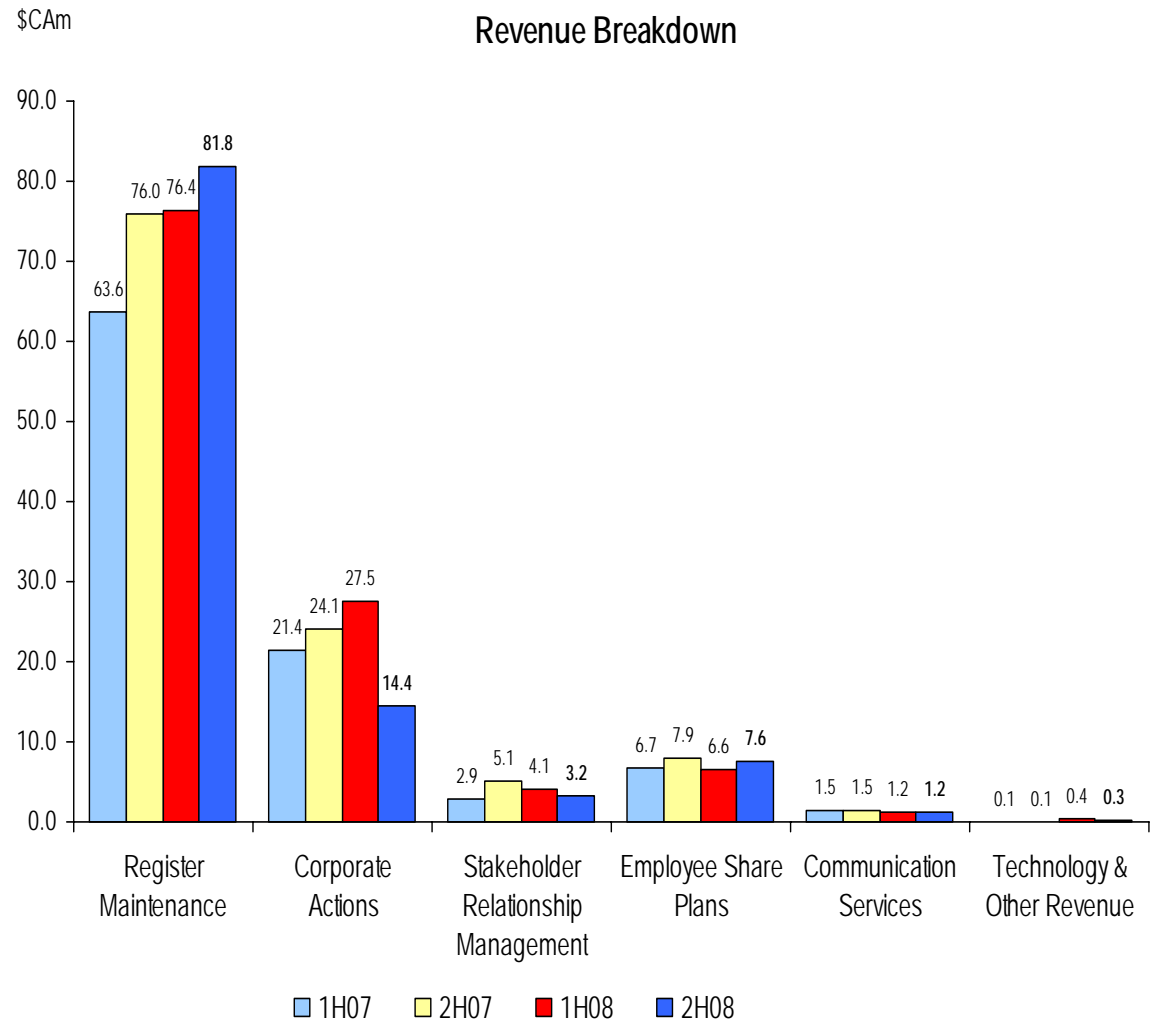
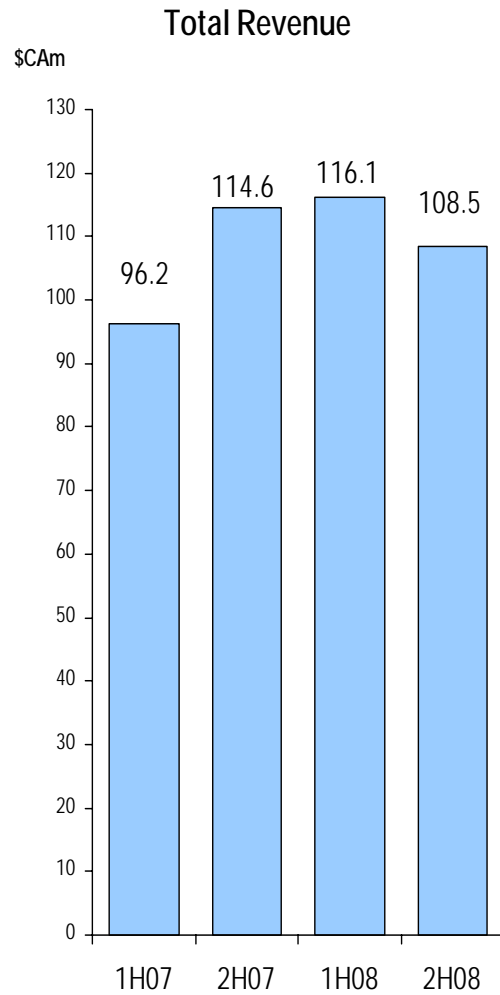


North America

United States Half Year Comparison



Canada Half Year Comparison

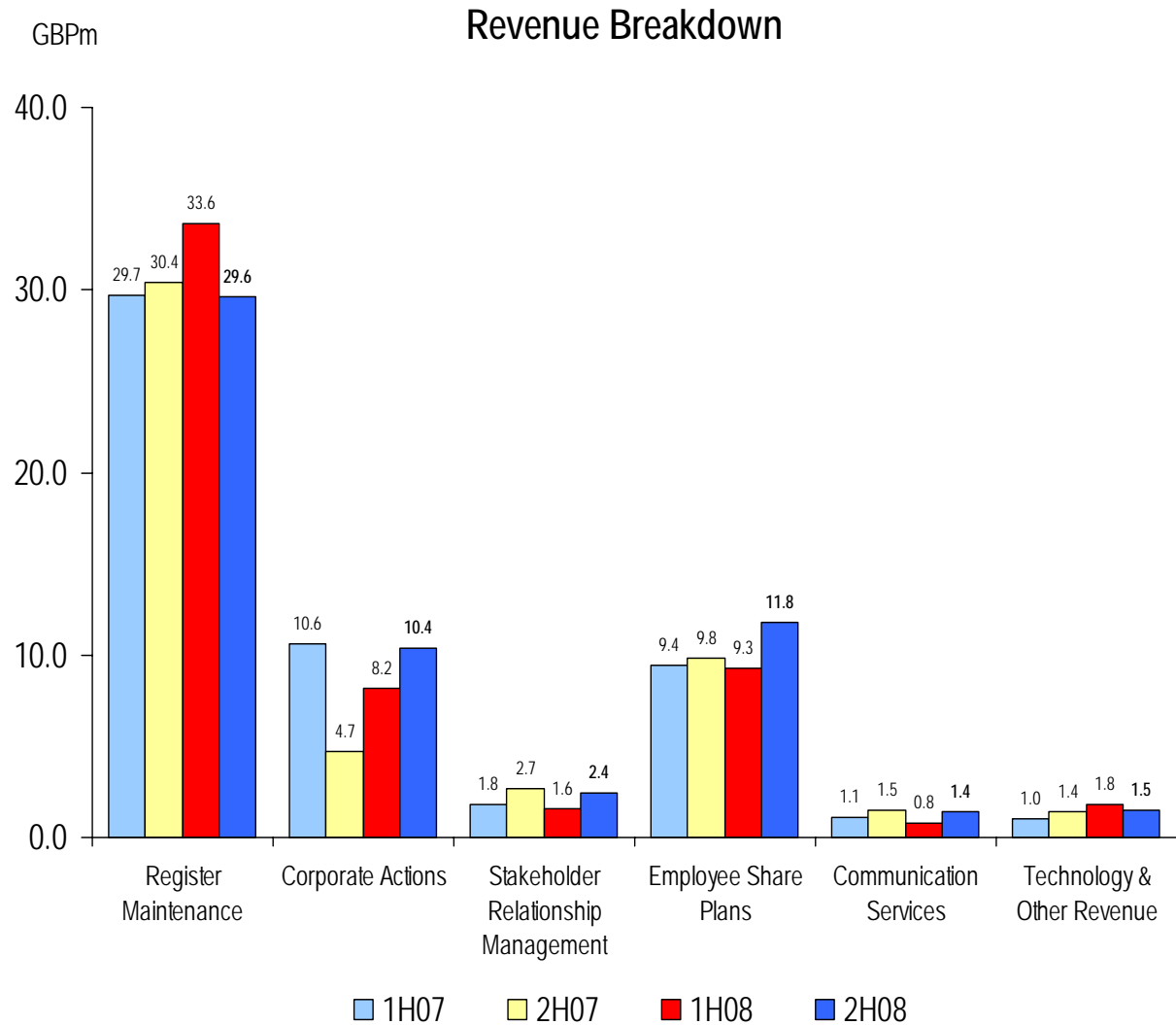
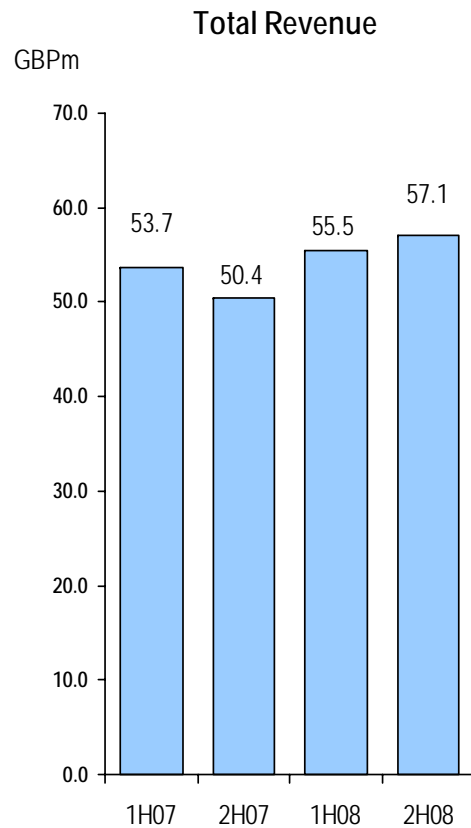


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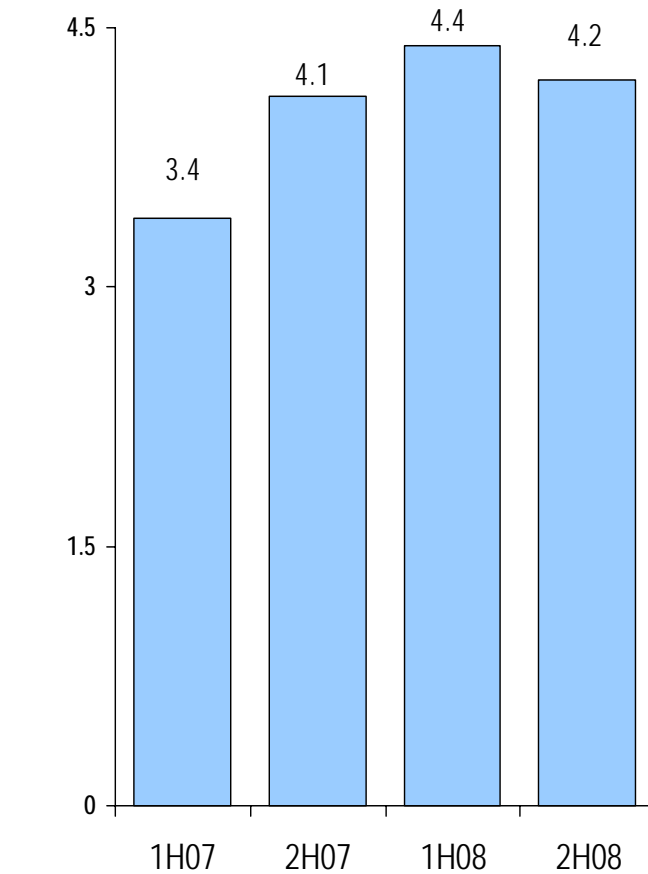
EMEA

United Kingdom Half Year Comparison



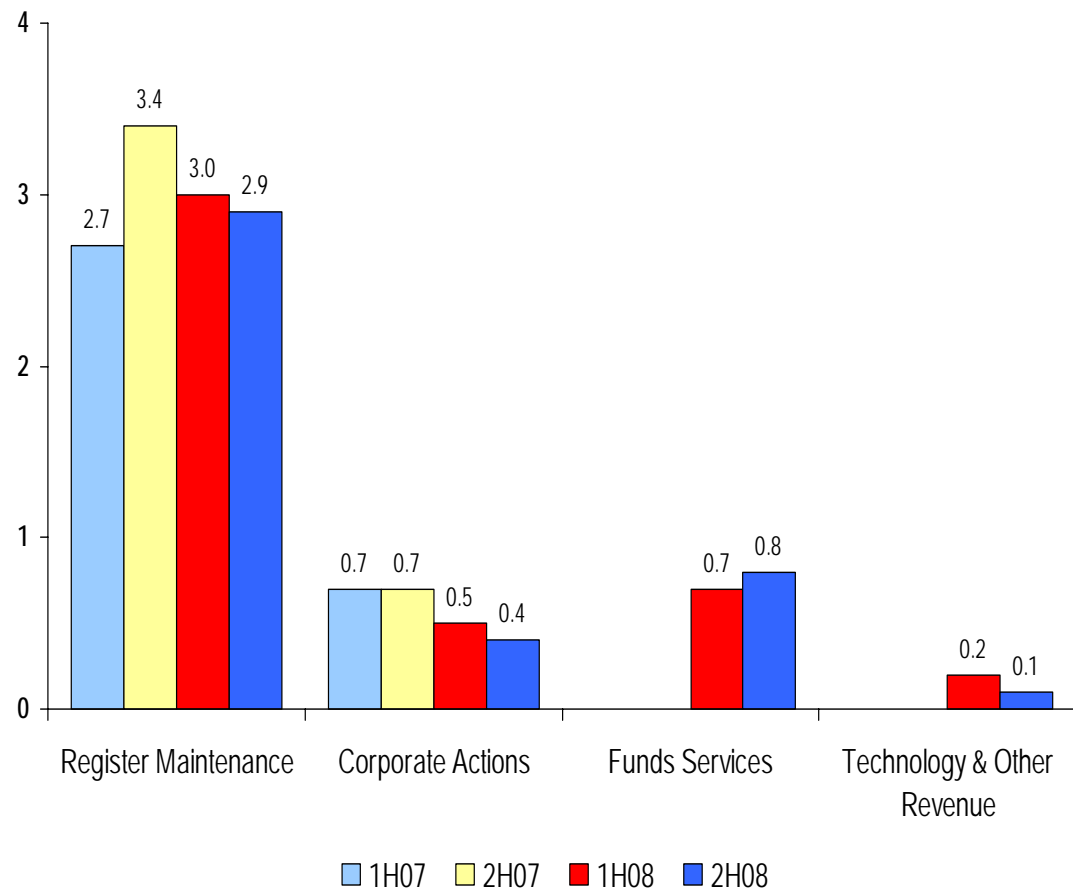
Ireland Half Year Comparison

EURm **Total Revenue**

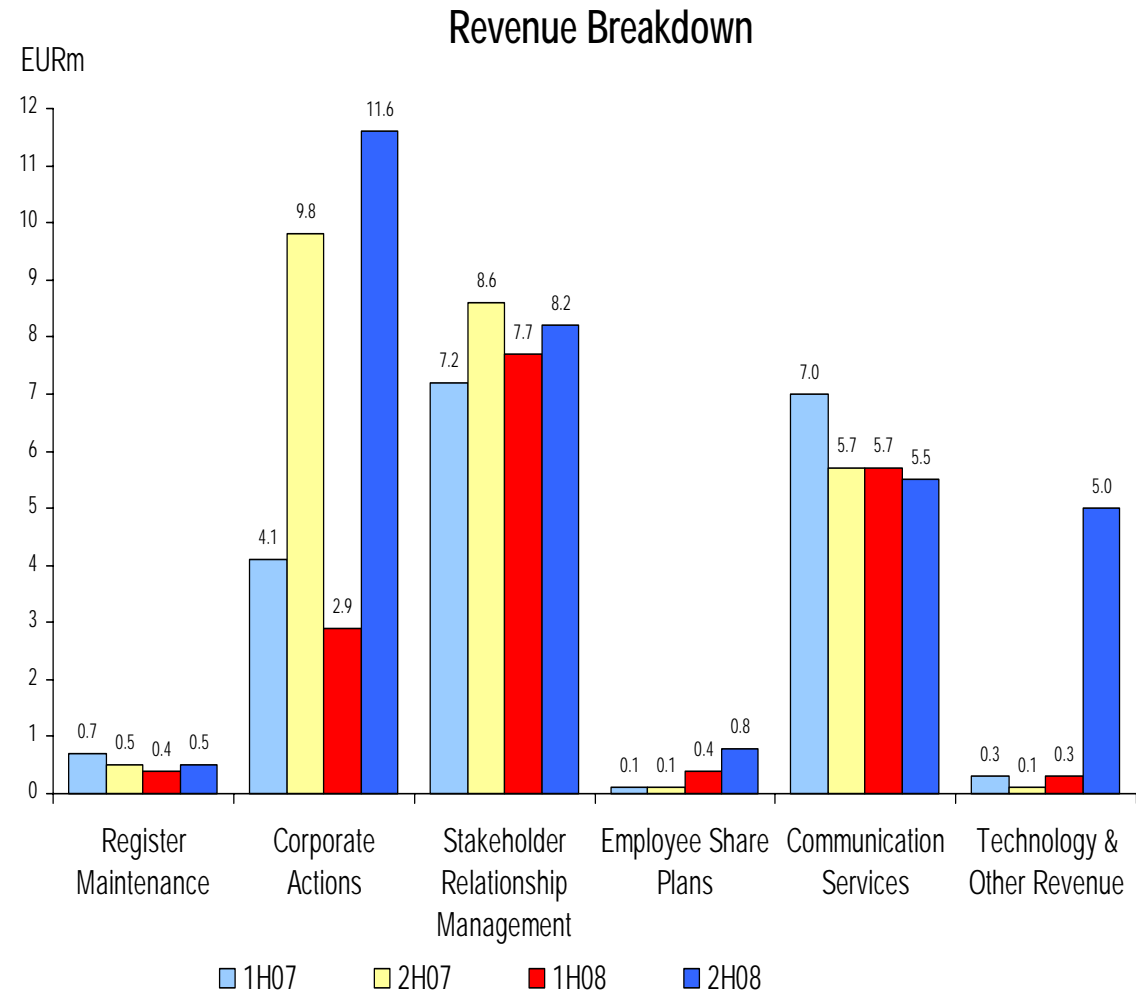
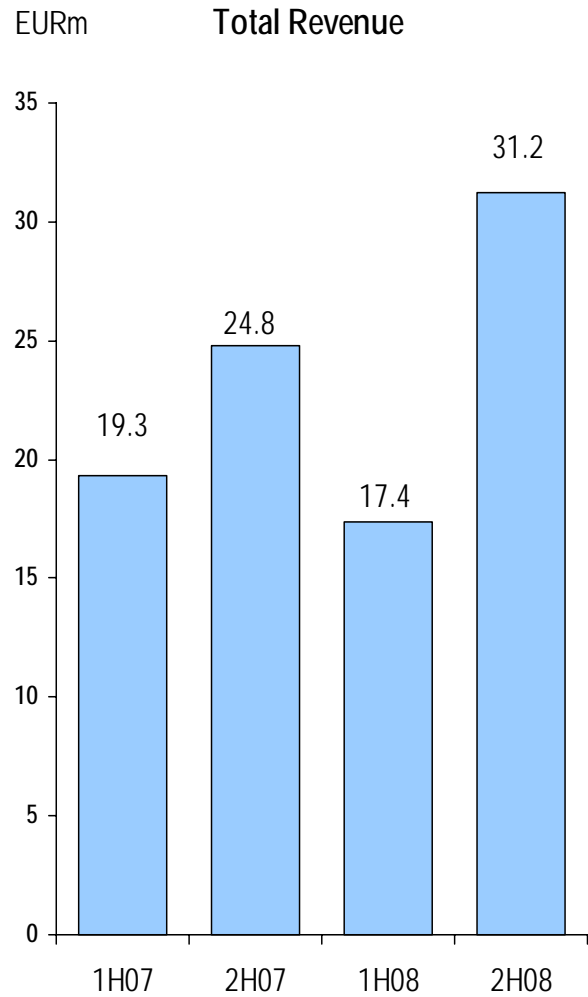


EURm

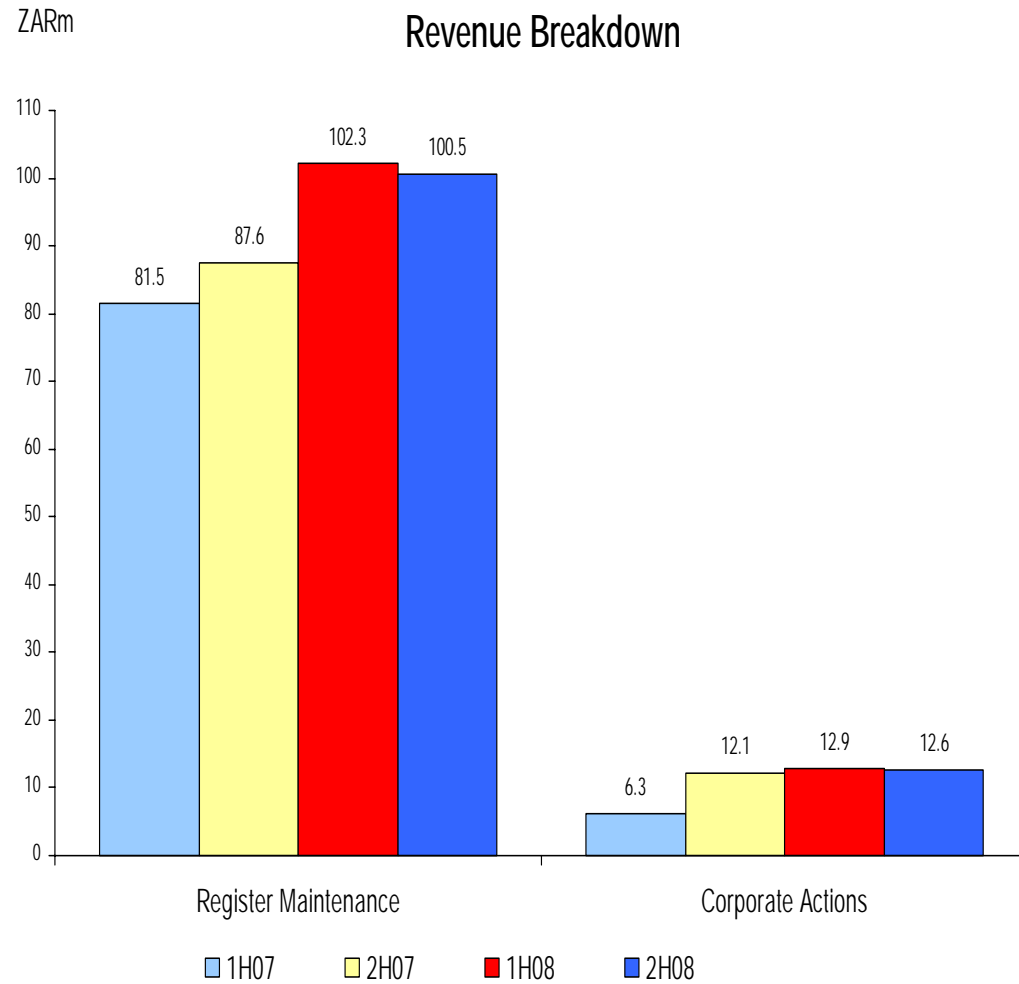
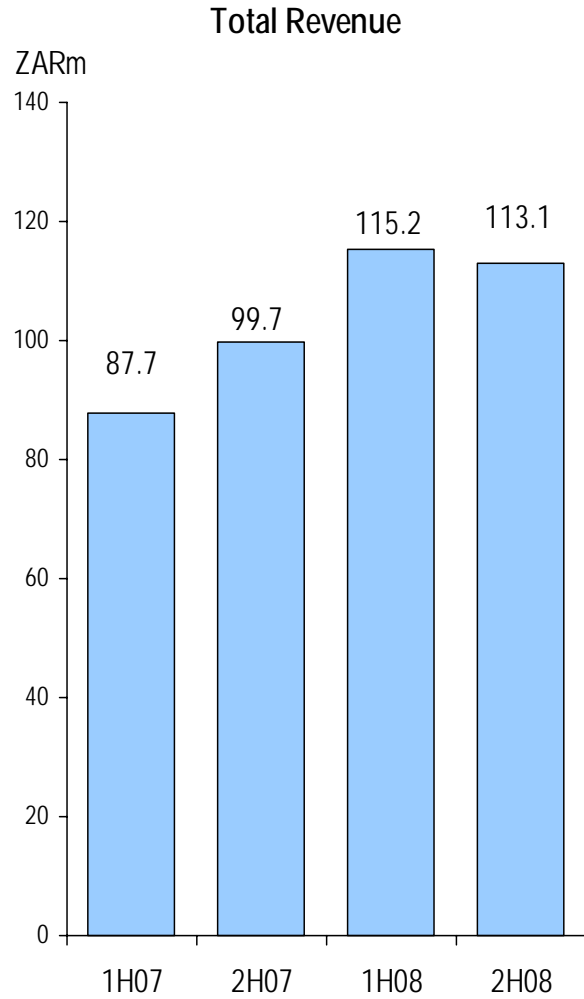
Revenue Breakdown



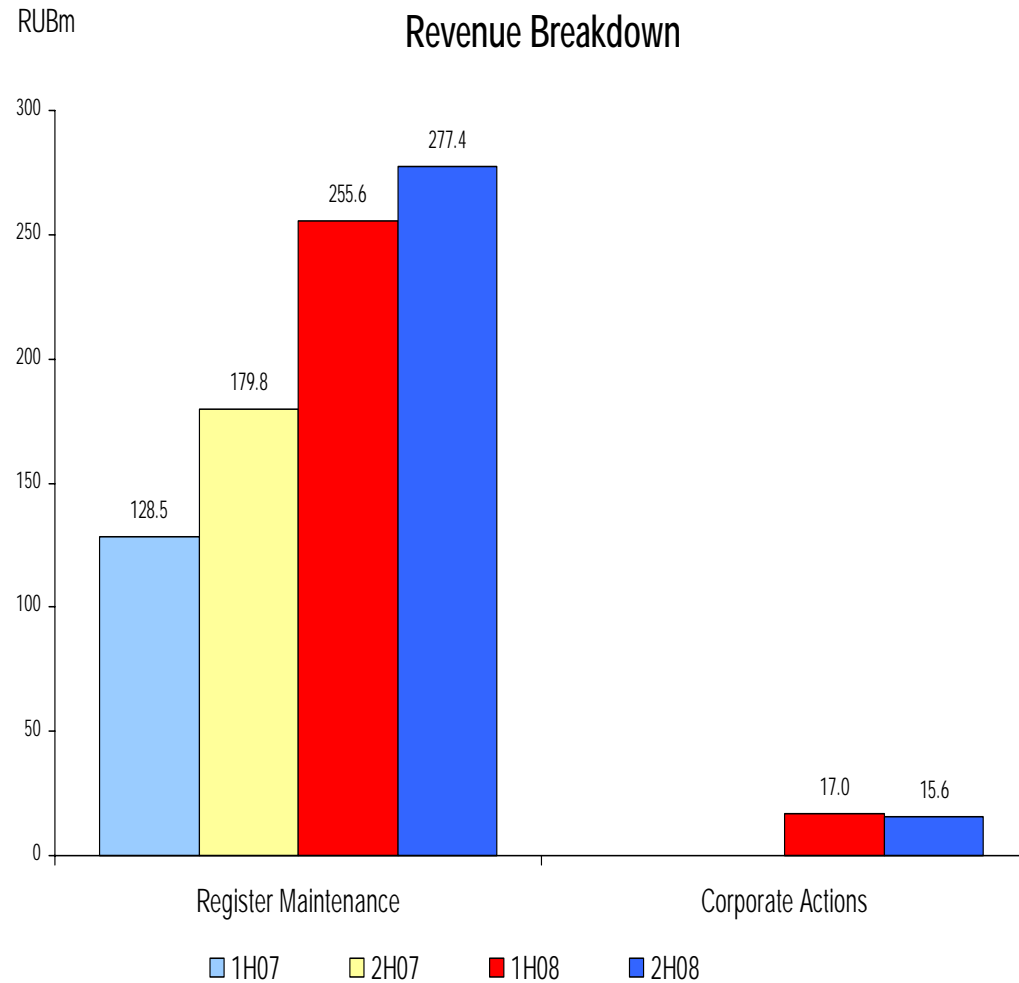
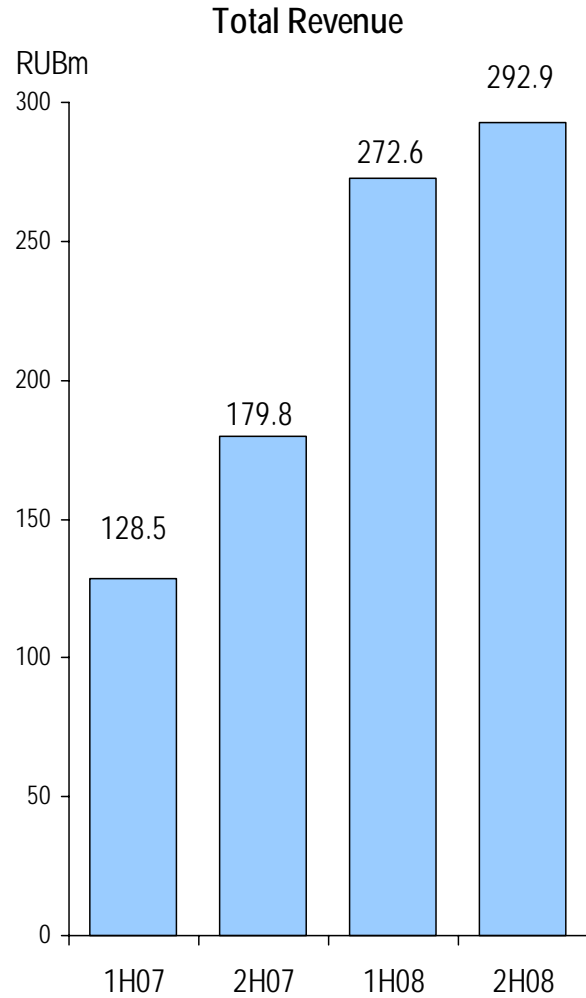
Germany Half Year Comparison



South Africa Half Year Comparison

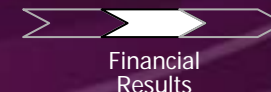


Russia Half Year Comparison



Assumptions

Assumptions: Exchange Rates



Average exchange rates used to translate profit and loss to US dollars.

<u>USD</u>	<u>1.0000</u>
AUD	1.11862
HKD	7.79098
NZD	1.29601
INR	40.15670
CAD	1.00802
GBP	0.49783
EUR	0.68296
ZAR	7.22773
RUB	24.53307