

Computershare Limited Half Year Results 2011 Presentation

Stuart Crosby
Peter Barker

9 February 2011

CERTAINTY | INGENUITY | ADVANTAGE

 **Computershare**

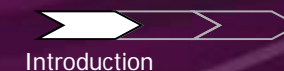


Stuart Crosby

**President & Chief Executive
Officer**

Results Highlights

Management Adjusted Results



	1H 2011	v 2H 2010	v 1H 2010	1H 2011 @ 1H 2010 exchange rates
Management Earnings per share (post NCI)	US 26.96 cents	Up 2.0%	Down 14.1%	US 26.63 cents
Total Revenue	\$781.0	Down 3.8%	Down 3.3%	\$771.3
Operating Expenses	\$535.0	Down 7.1%	Down 0.1%	\$528.3
Management Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	\$246.0	Up 4.2%	Down 10.5%	\$243.0
EBITDA Margin	31.5%	Up from 29.1%	Down from 34.0%	31.5%
Management Net Profit after NCI	\$149.8	Up 2.1%	Down 14.1%	\$148.0
Days Sales Outstanding	38 days	Down 3 days	Down 2 days	
Cash Flow from Operations	\$148.4	Down 28.6%	Down 28.2%	
Free Cash Flow	\$140.4	Down 28.2%	Down 13.3%	
Capital Expenditure	\$8.7	Down 80.3%	Down 82.5%	
Net Debt to EBITDA ratio	1.42 times	up 0.02 times	Flat	
Interim Dividend	AU 14 cents	Flat	Flat	
Dividend franking amount	60%	Flat	Up from 50%	

Note: all results are in USD millions unless otherwise indicated

- › Strong balance sheet, low gearing and long-term robust cash generation.
- › Diversification into counter and non cyclical businesses gives stability to revenue and profit base.
- › More than 70% of revenue recurring in nature.
- › Demonstrated ability to acquire and integrate businesses that add to shareholder value.
- › Global footprint (in all major markets and 20 plus countries including China, India, Russia) supports unique cross-border transaction capabilities.
- › Consistent investment in R&D and product provides strong platform for the future.
- › Sustained record for delivering service and product innovation, quality improvements, operational efficiencies and cost reductions.

- › Transactional revenues continue to be subdued and we have limited visibility of when the cycle will turn. Revenue lines affected include corporate actions, mutual fund proxy solicitation, bankruptcy administration and trading.
- › We are seeing aggressive competitive behaviour in investor services, especially in Canada (where our largest competitor was recently bought by private equity) and in the US (where some competitors are leveraging credit and other business relationships against us).
- › On the other hand, we are winning investor services and plans clients in competitive situations, especially in the UK and Russia.
- › Net margin income has held up well as quality institutions continue to offer significant premiums for committed balances. Hong Kong fundraisings is another bright spot.
- › Cost management remains a key focus. Operational transformation and cost projects continue across the globe.

Investment and guidance

- › Despite the revenue softness, we plan to maintain our investment in technology, operational capabilities and new product. We see this as vital to our capacity to execute on growth opportunities.
- › The range of acquisition opportunities that we are exploring continues to expand. Some are in our existing business lines and some are in new areas.
- › In any case, any acquisition or increase in transactional activity is unlikely to have a material impact this financial year and so we continue to anticipate management eps being 5% to 10% lower in FY11 than it was in FY10.
- › This guidance assumes that equity, interest rate and FX market conditions remain broadly consistent with current levels for the rest of the financial year.





Peter Barker

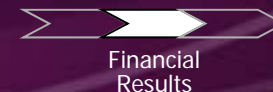
Chief Financial Officer

Drivers Behind 1H 2011 Financial Performance

Financial
Results

- › Revenues down 3% when compared against a stellar 1H10. This reflects the importance and generally solid performance of our annuity equity market businesses, and the current low levels of corporate action activity (except in Hong Kong).
- › Our non-equity market businesses (Corporate Trust, Deposit Protection Scheme, Voucher Services, Bankruptcy and Class Action Administration) also performed solidly.
- › Continued cost discipline, with cost reductions and operating efficiencies offsetting the resumption of annual pay review cycles and a full six months of costs from our UK HBOS EES acquisition.
- › Continued investment in technology.
- › Margin income a bright spot with continued strong client balance levels and increased deposit tenor offsetting the roll-off of hedges.
- › As expected, our own interest costs increased reflecting new spreads from refinancing.

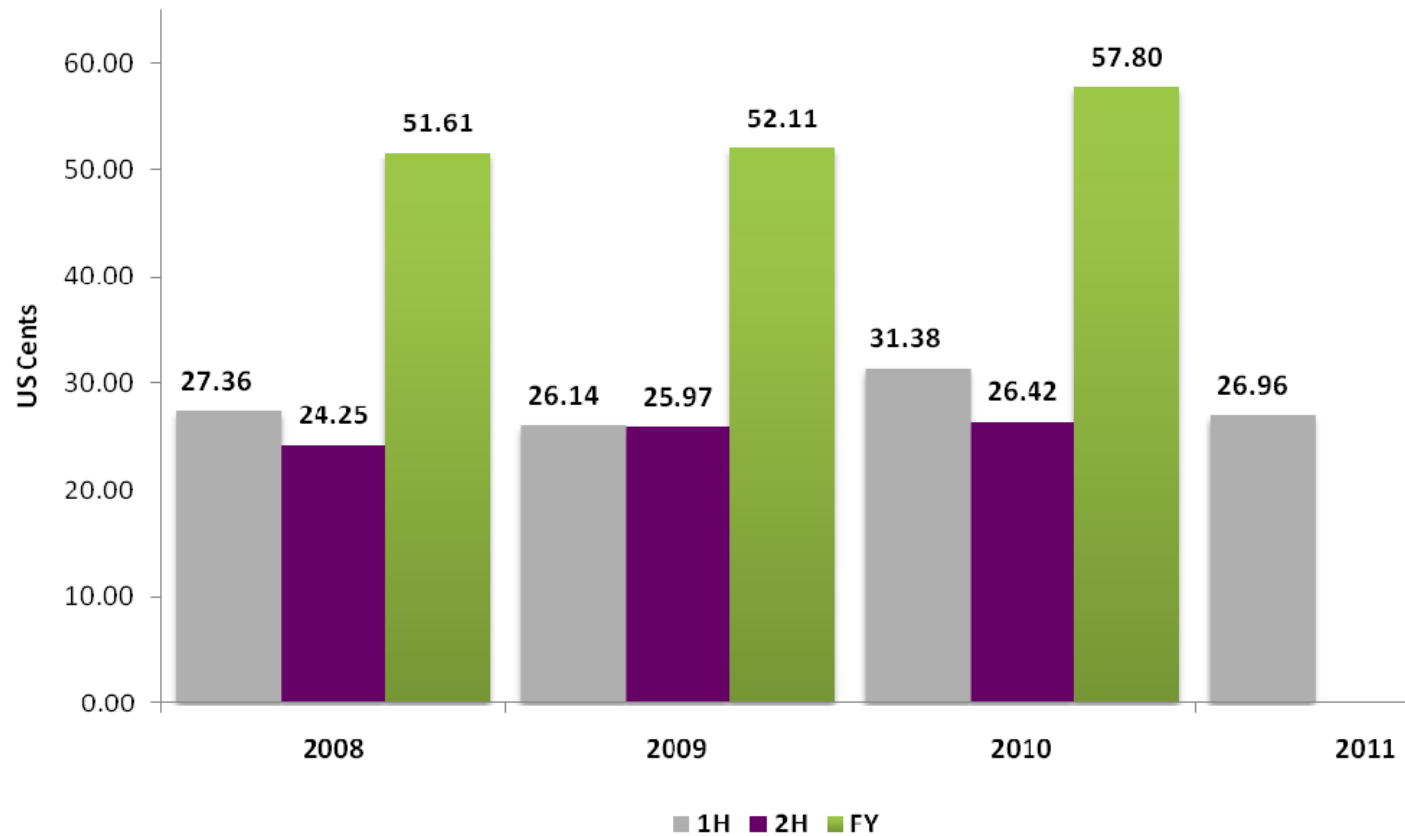
Group Financial Performance



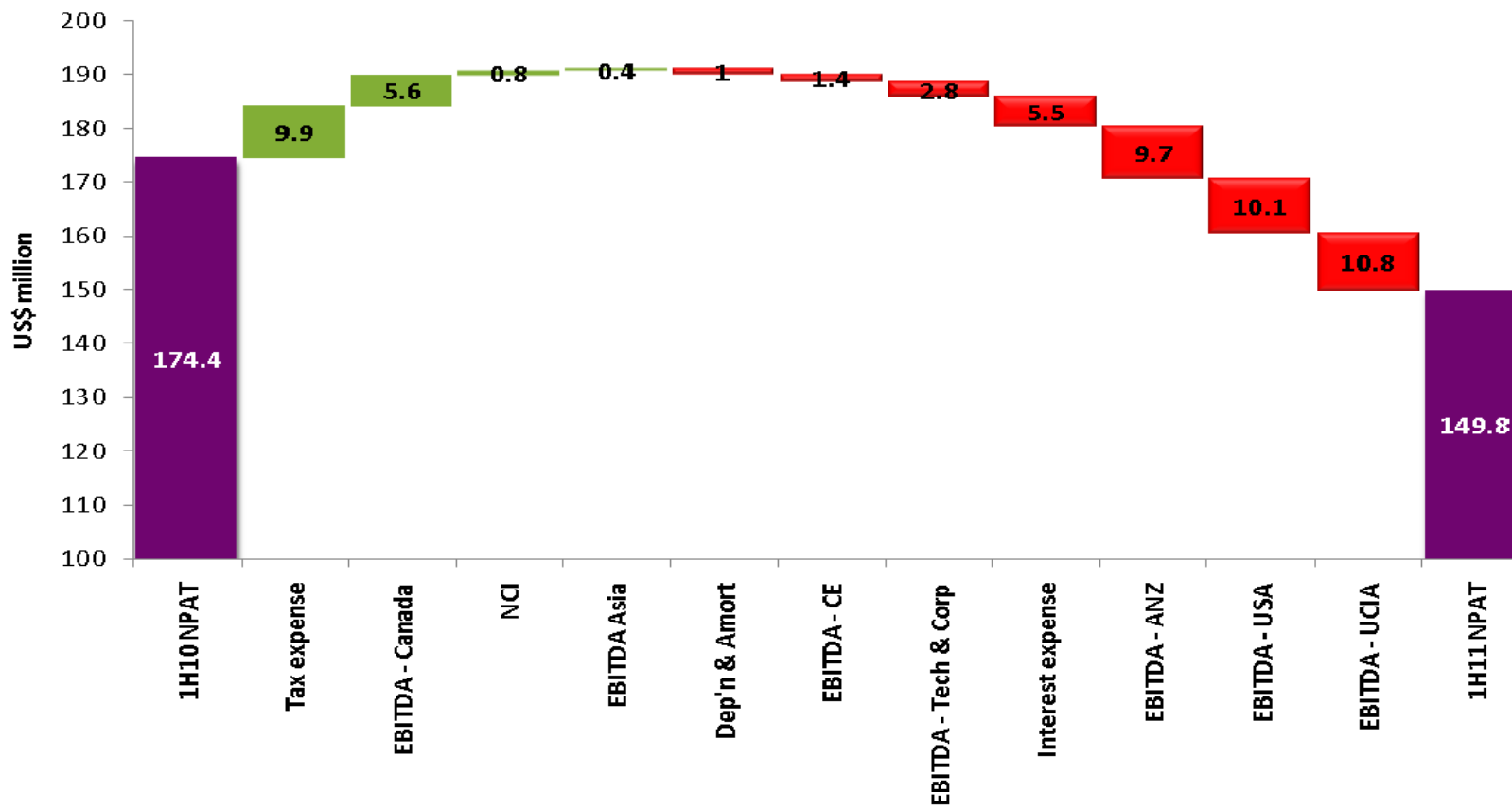
	1H 2011	2H 2010	% variance to 2H 2010	1H 2010	% variance to 1H 2010
Sales Revenue	\$772.7	\$801.3	(4%)	\$798.3	(3%)
Interest & Other Income	\$8.3	\$10.8	(22%)	\$9.2	(9%)
Total Revenue	\$781.0	\$812.1	(4%)	\$807.5	(3%)
Operating Costs	\$535.0	\$575.7	(7%)	\$535.6	(0%)
Share of Net (Profit)/Loss of Associates	\$0.0	\$0.3		(\$3.0)	
Management EBITDA	\$246.0	\$236.1	4%	\$274.8	(10%)
Management Adjustments - Revenue/(Expense)	(\$12.4)	(\$8.2)		\$2.4	
Reported EBITDA	\$233.6	\$227.9	2%	\$277.3	(16%)
Statutory NPAT	\$116.9	\$124.9	(6%)	\$169.9	(31%)
Management NPAT	\$149.8	\$146.8	2%	\$174.4	(14%)
Management EPS	US 26.96 cents	US 26.42 cents	2%	US 31.38 cents	(14%)
Statutory EPS	US 21.03 cents	US 22.48 cents	(6%)	US 30.57cents	(31%)

Note: all results are in USD millions unless otherwise indicated

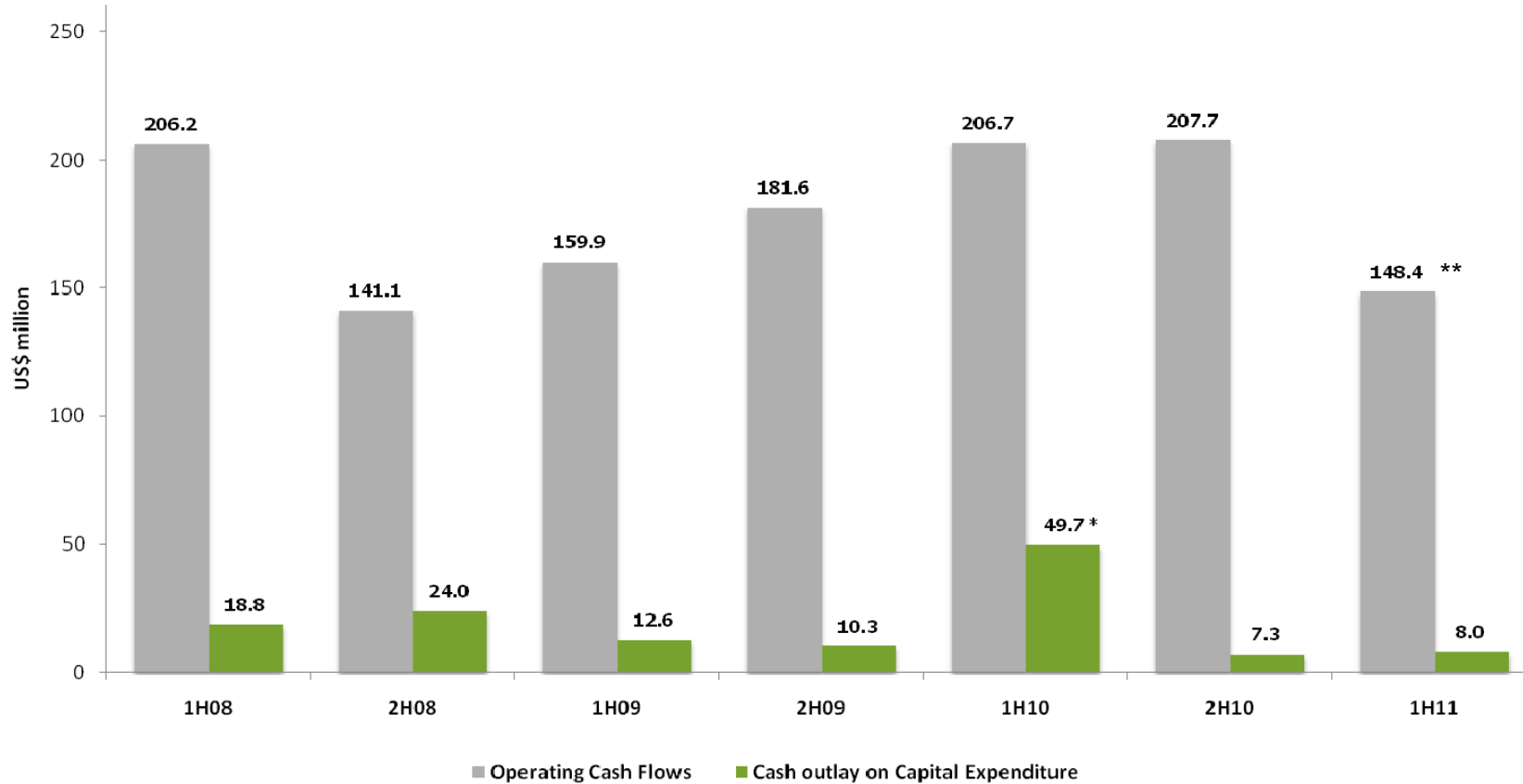
Analysis of Management EPS



1H 2011 Management NPAT Analysis



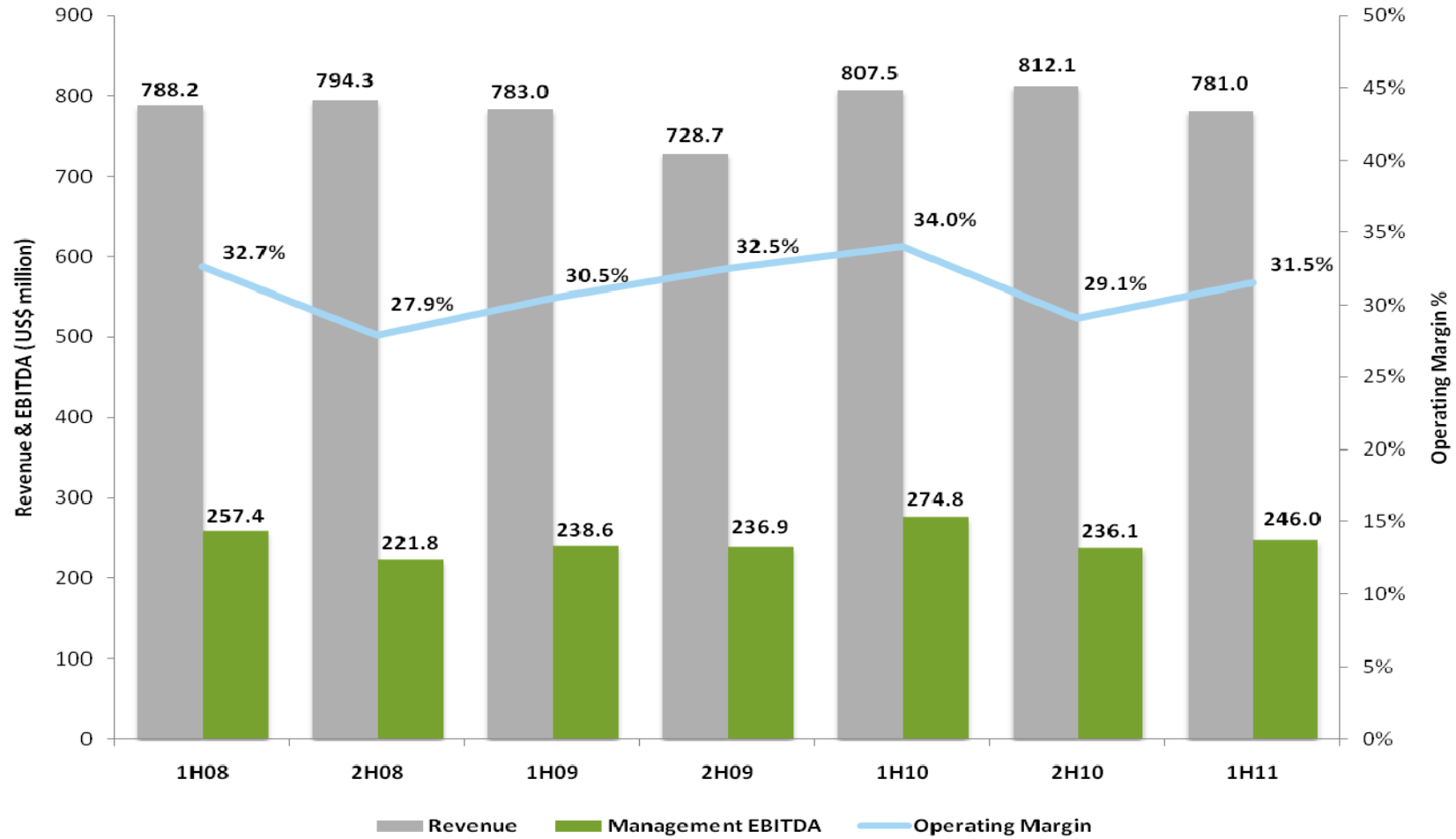
Free Cash Flows



* US 49.7m includes acquisition of Land and Buildings in the UK (US\$ 34.7m)

** Lower 1H11 cash flow reflects movements in the balance sheet over the period 30-Jun-10 through 31-Dec-10 plus payment of variable compensation for the Y/E Jun-10

Revenue & EBITDA Half Year Comparisons

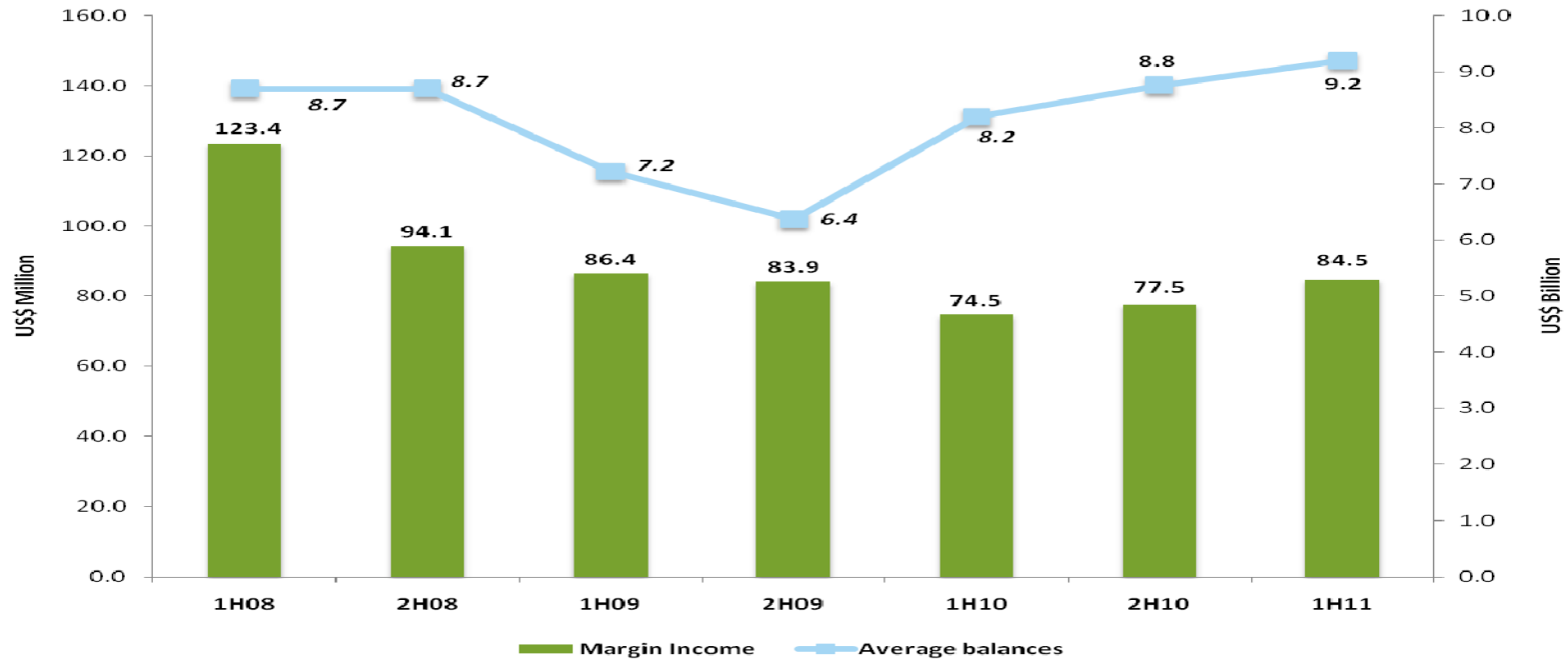


Revenue Breakdown



Revenue Stream	1H 2011	2H 2010	% variance to 2H 2010	1H 2010	% variance to 1H 2010
Register Maintenance	\$325.8	\$329.2	(1%)	\$312.6	4%
Corporate Actions	\$99.1	\$98.1	1%	\$116.9	(15%)
Business Services	\$133.8	\$123.1	9%	\$139.8	(4%)
Stakeholder Relationship Mgt	\$39.5	\$81.9	(52%)	\$81.6	(52%)
Employee Share Plans	\$74.0	\$70.1	5%	\$49.6	49%
Communication Services	\$84.7	\$80.9	5%	\$78.1	8%
Technology & Other Revenue	\$24.1	\$28.8	(16%)	\$28.8	(16%)
Total Revenue	\$781.0	\$812.1	(4%)	\$807.5	(3%)

Margin Income Analysis



Average Market Interest rates

UK	5.71%	5.19%	4.16%	0.82%	0.50%	0.50%	0.50%
US	4.85%	2.67%	1.53%	0.27%	0.25%	0.25%	0.25%
Canada	4.45%	3.51%	2.58%	0.64%	0.25%	0.29%	0.88%
Australia	6.52%	7.12%	6.23%	3.35%	3.24%	4.10%	4.58%

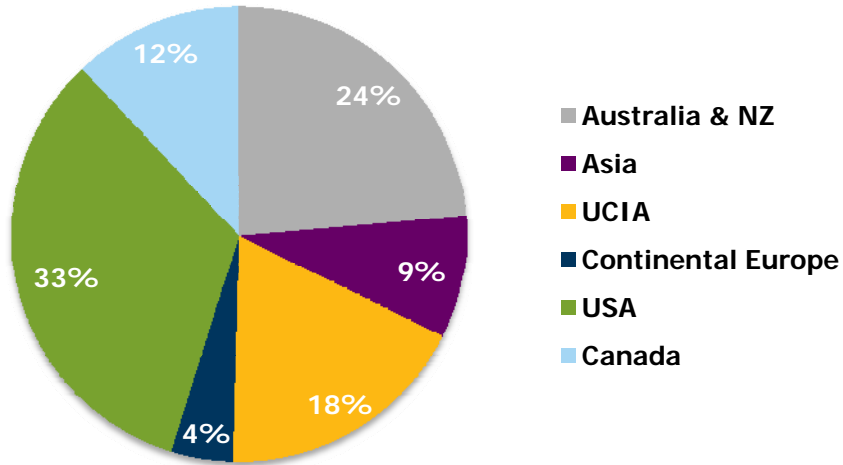
•Note: some balances attract no interest or a set margin for Computershare.

• Source: UK – Bank of England MPC Rate; US – Federal Reserve Fed Funds Rate; Canada – Bank of Canada Overnight Target Rate; Australia – Reserve Bank of Australia Cash Rate

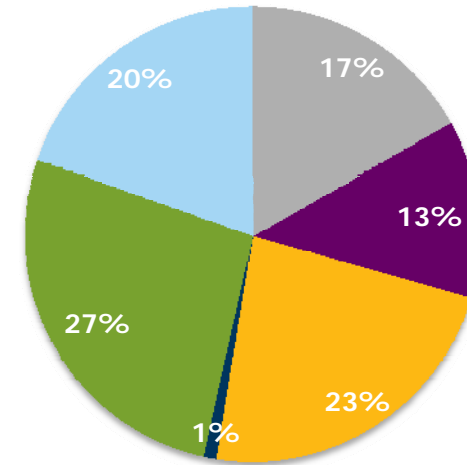
1H 2011 Revenue & EBITDA Regional Analysis



Total Revenue breakdown



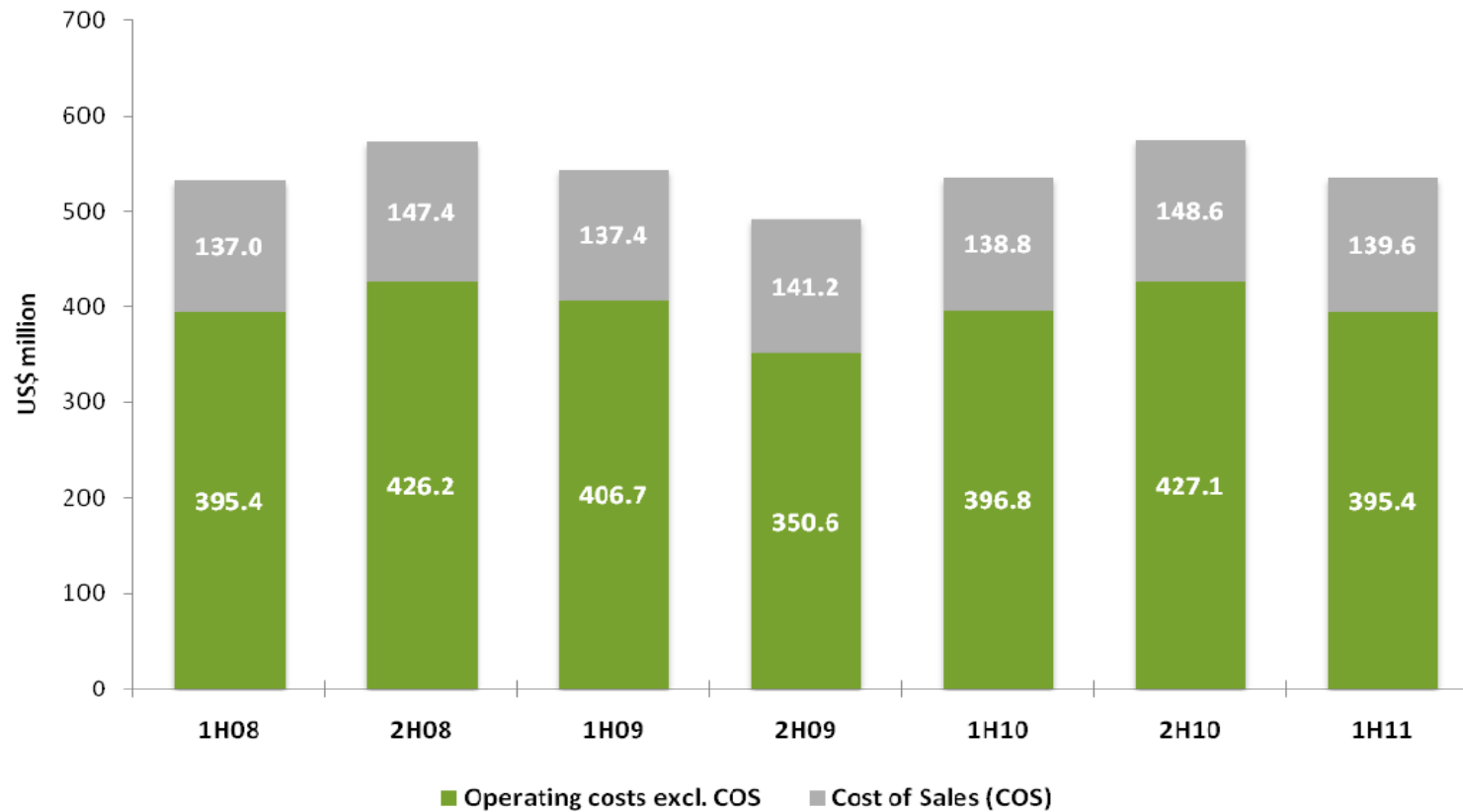
EBITDA breakdown



Regional Reporting	
Previous Structure	Current Structure
Australia & NZ	Australia & NZ
Asia	Asia
USA	USA
Canada	Canada
Europe, Middle East & Africa	UCIA (UK, Channel Islands , Ireland & Africa) Continental Europe (Germany, Scandinavia & Russia)

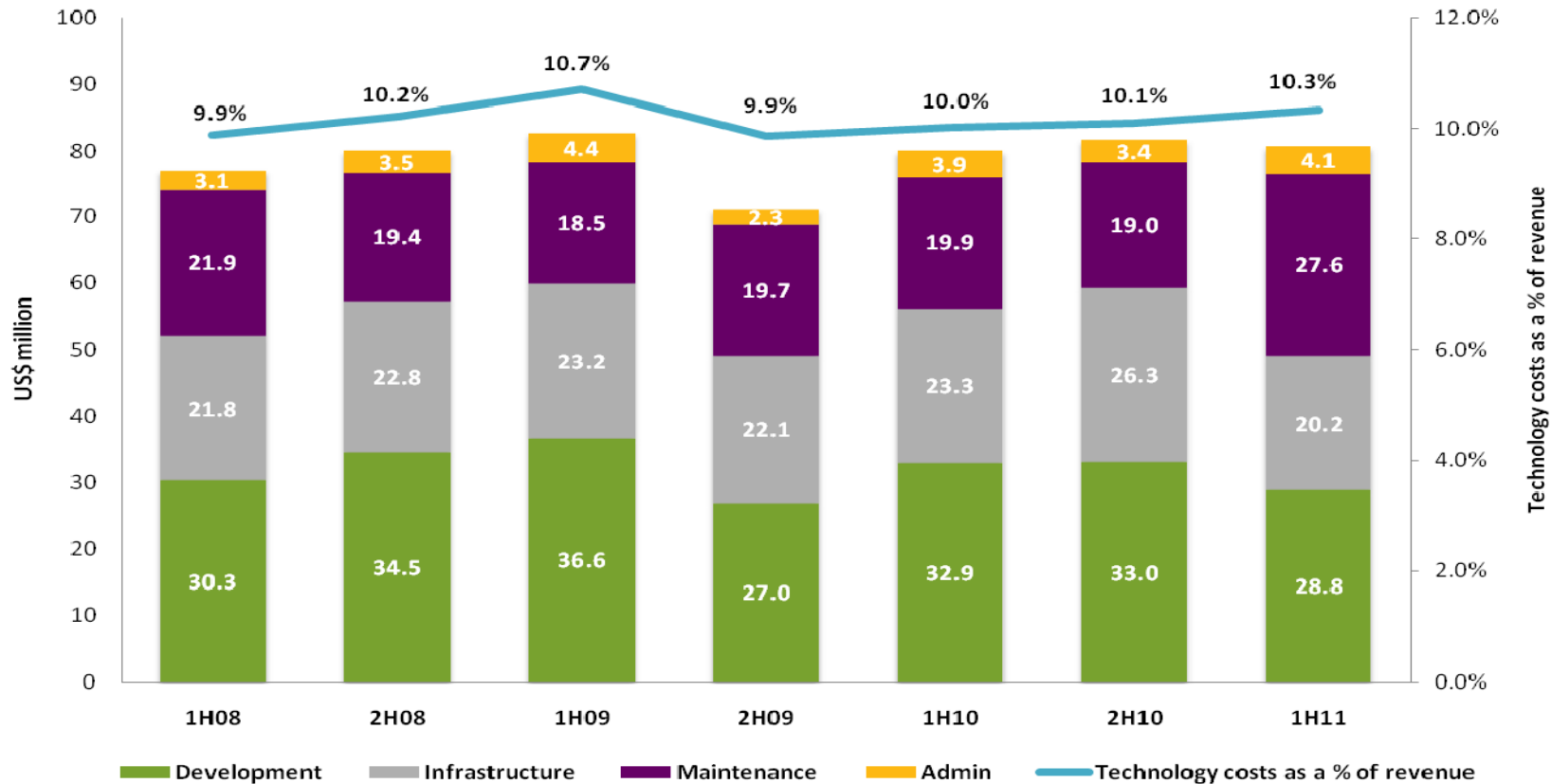
* Group functions have been allocated and reported within the six regions.

Operating Costs Half Year Comparisons



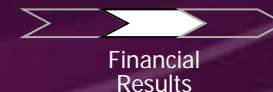
Technology Costs

Continued Investment to Maintain Strategic Advantage



*The basis for calculating and classifying technology costs has been revised from 1 July 2011. Partly this reflects changes in reporting structures, where technology workers previously embedded within business units are now part of the global technology group, and partly it corrects some inconsistencies that had developed over time. While the aggregate spend does not change materially, the 1H11 numbers are compiled on the revised basis.

Balance Sheet as at 31 December 2010

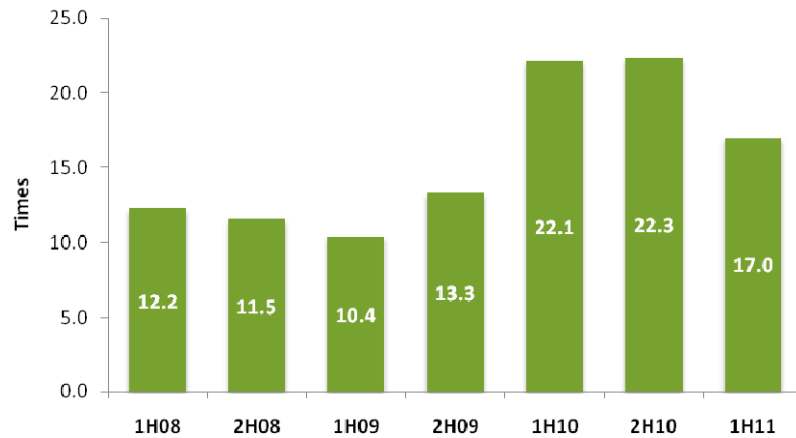


	Dec-10	Jun-10	Variance
	US\$'000	US\$'000	Dec-10 to Jun-10
Current Assets	\$644,200	\$653,512	(1%)
Non Current Assets	\$2,071,776	\$2,036,943	2%
Total Assets	\$2,715,976	\$2,690,455	1%
Current Liabilities	\$405,839	\$497,347	(18%)
Non Current Liabilities	\$1,168,327	\$1,120,156	4%
Total Liabilities	\$1,574,166	\$1,617,503	(3%)
Total Equity	\$1,141,810	\$1,072,952	6%

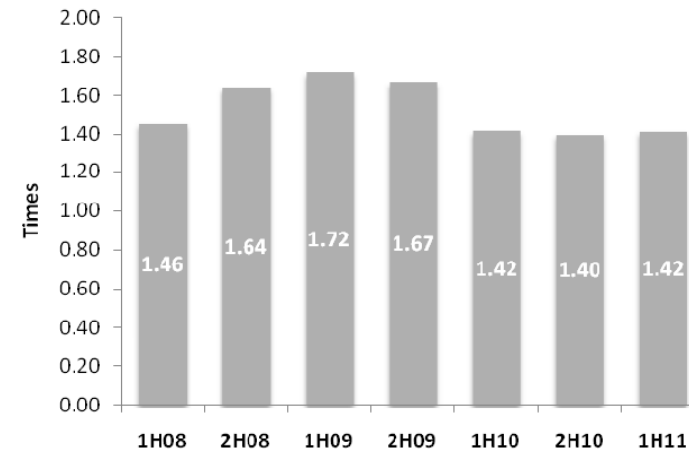
Key Financial Ratios



EBITDA Interest Coverage

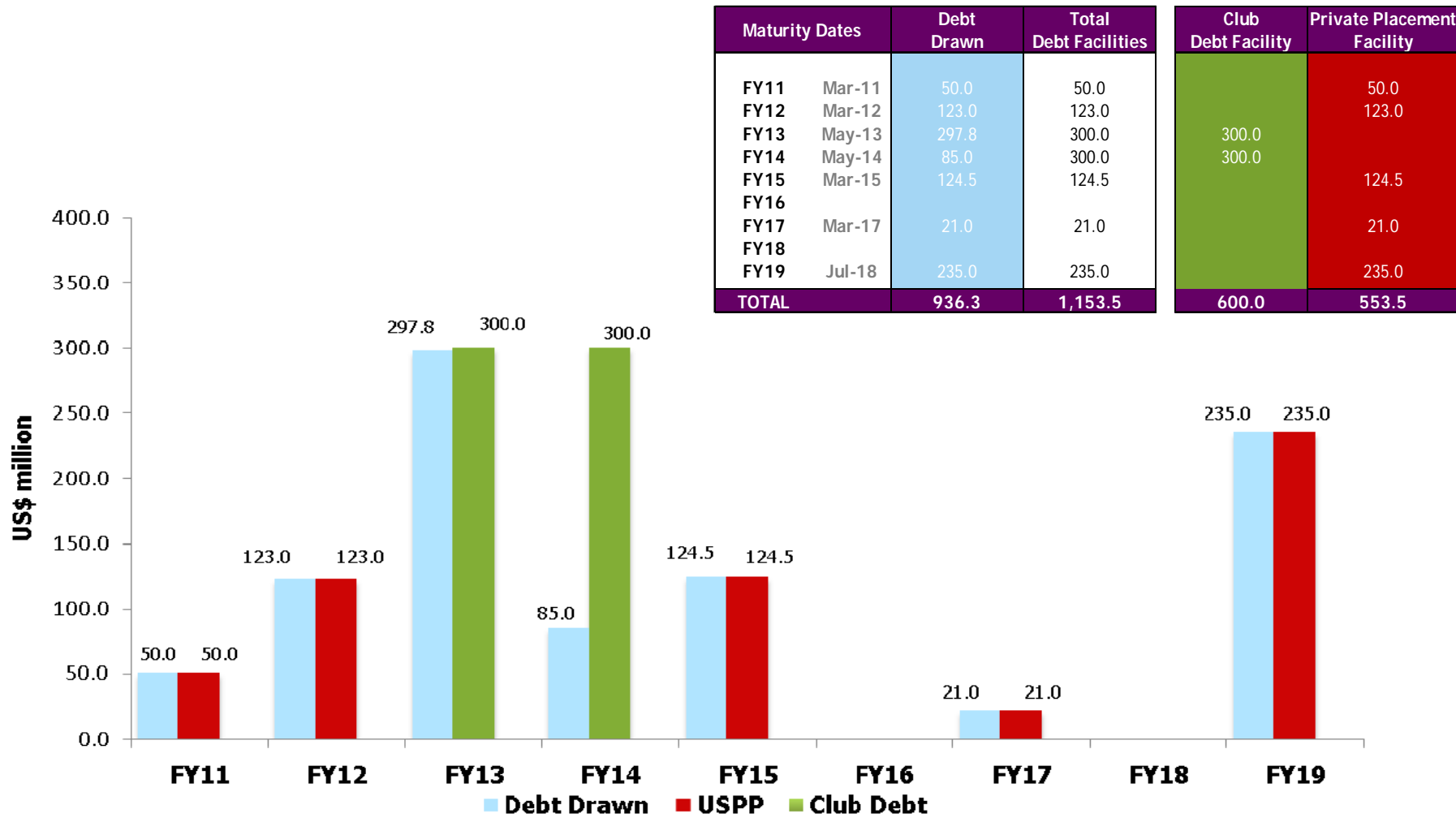


Net Financial Indebtedness to EBITDA

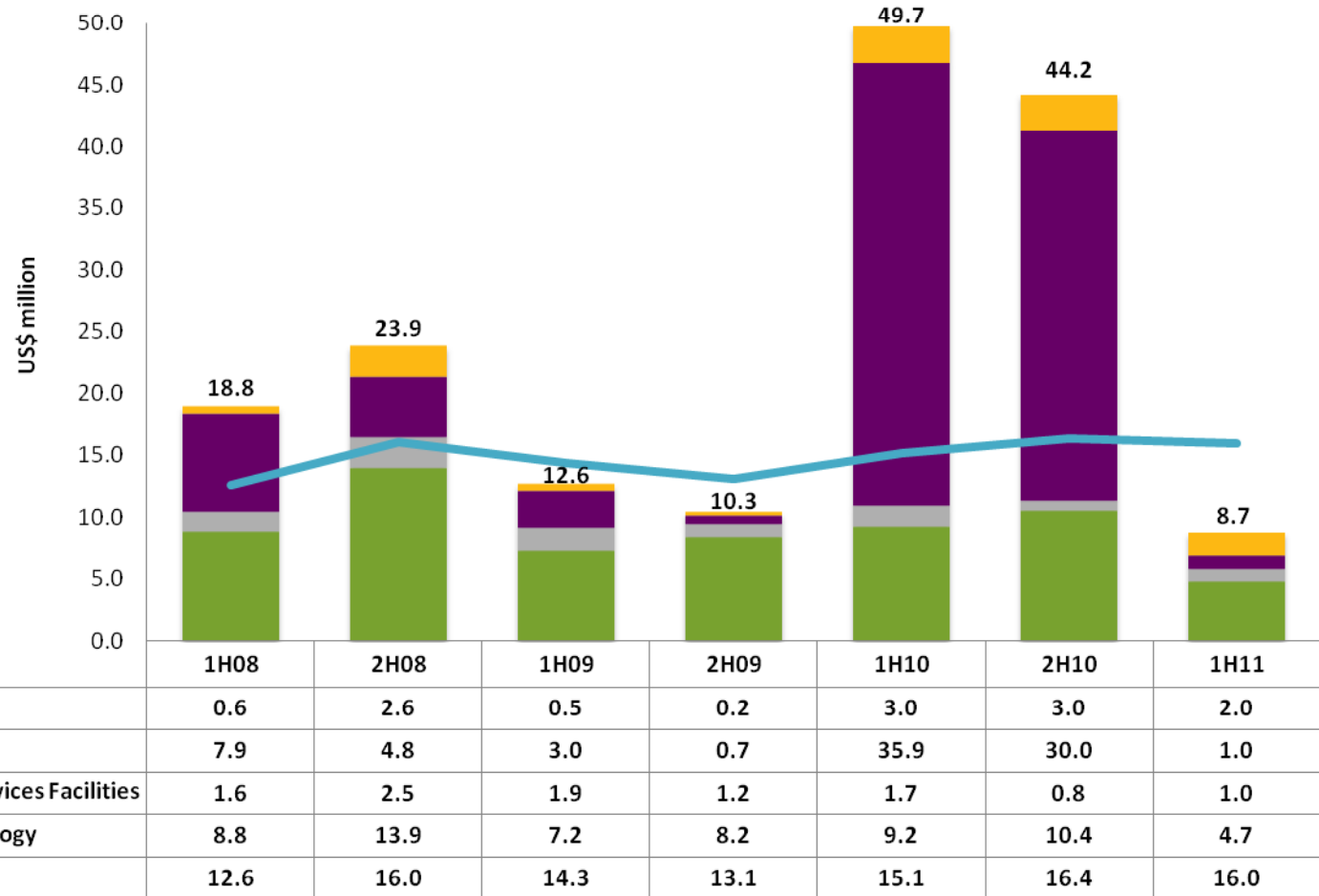


	Dec-10	Jun-10	Variance
	US\$ Mn	US\$ Mn	Dec-10 to Jun-10
Interest Bearing Liabilities	\$1,003.9	\$994.0	1%
Less Cash	(\$320.5)	(\$278.7)	15%
Net Debt	\$683.4	\$715.4	(4%)
Management EBITDA (rolling 12 months)	\$482.1	\$510.9	(6%)
Net Debt to Management EBITDA	1.42	1.40	1%

Debt Facility Maturity Profile



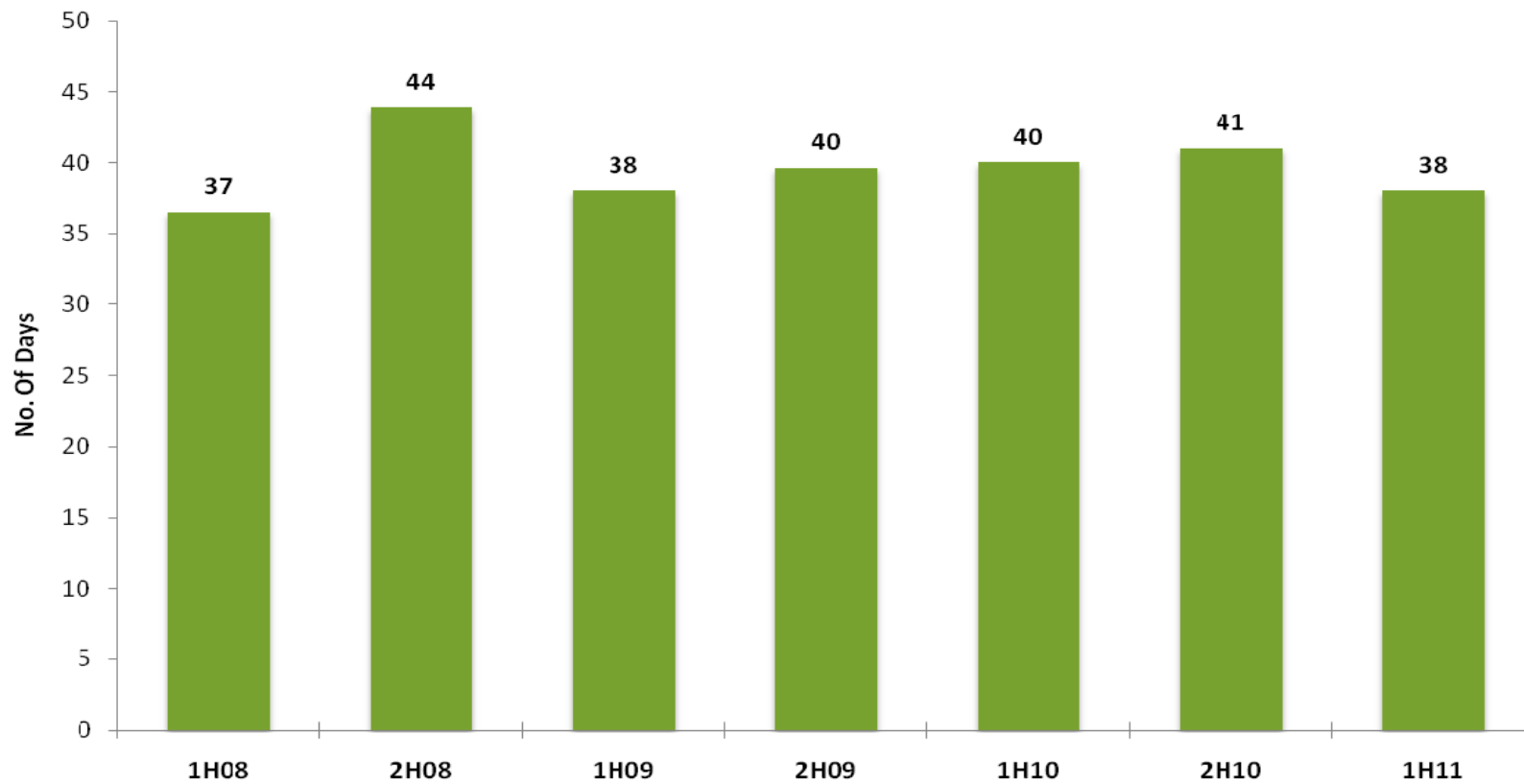
Capital Expenditure vs. Depreciation



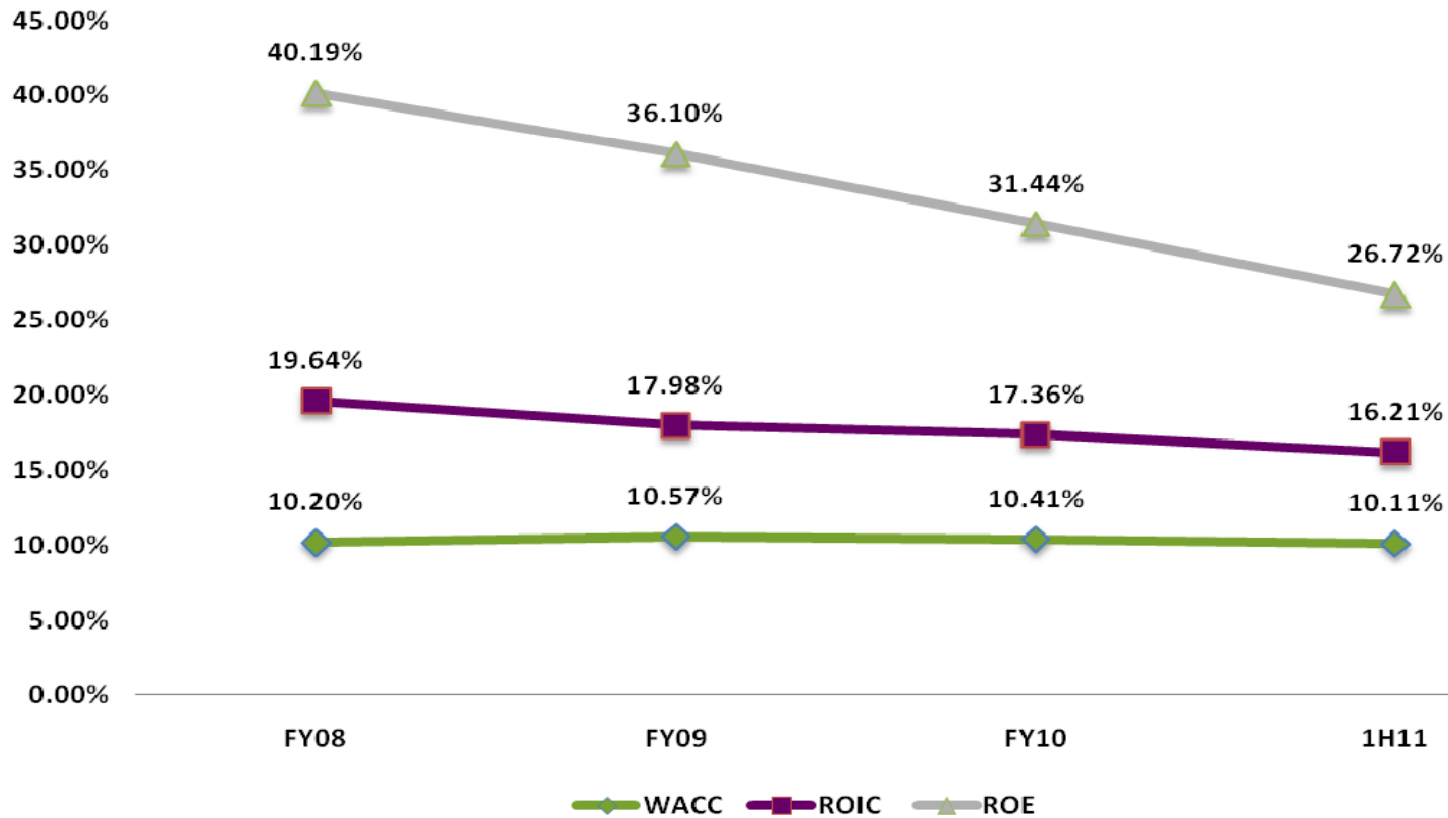
Working Capital Management



Days sales outstanding



Return On Invested Capital Vs. WACC and Return on Equity



Equity Management – Interim Dividend of 14 cents (AU)



EPS - Basic

US 21.03 cents

EPS - Management

US 26.96 cents

Interim Dividend

AU 14 cents (60% franked)

Current yield*

2.8%

* Based on 12 month dividend and share price of AU\$ 10.16 (close 3 February 2011)

Financial Summary – Final Remarks



- › A solid performance for the half, with results reflecting both the strength of the underlying business and the current absence of Computershare's traditional growth drivers
- › Diverse portfolio of revenues, ongoing disciplined expense, cost and capital expenditure management have driven solid margins and cashflow
- › Maintained strong and conservative balance sheet
- › Interim dividend of AUD 14 cents per share, franked to 60%



Stuart Crosby
President & Chief Executive
Officer

Our group strategy remains as it has been:

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

In addition, we continue to commit priority resources in two areas:

- › Continuing to lift our market position.
- › Engaging with a range of proposals and projects around the globe that look to change the legal and/or operational structure of securities ownership and of communications between issuers and investors (we refer to these matters as “market structure”).

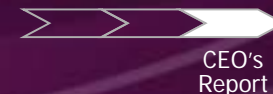
Delivering on the first two limbs of the strategy (cost and revenue) has been a key priority:

- › Operational productivity and quality continues to improve across the globe, evidenced by continued leadership in independent client and shareholder service surveys in the US, Canada, the UK and Australia.
- › Revenue initiatives offset to some extent client losses and reduced transaction (dealing and M&A) volumes.

During the half, we moved to 100% ownership of Registrar Nikoil in Russia. We also transferred our North American stock option administration business to Solium Capital in return for a 20% shareholding, and disposed of our electoral software business in the UK.

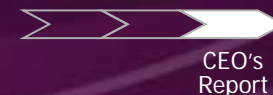
We continue to examine a broad range of acquisition opportunities, and our strong balance sheet and robust cashflows enable us to move quickly when we identify worthwhile opportunities.

Priority - Lifting our Market Position



- › Third party shareholder and issuer satisfaction surveys, as well as our own market research, continue to show that the market recognises the edge that our quality and product innovation give us. This becomes all the more important as competition increases in a range of markets.
- › We obtain recognition for our clear leadership in market structure developments and our capacity to deploy cross-border solutions for our clients and their investors – both in corporate actions and in routine trading.
- › For example, our xSettle product lets market participants move securities between markets quickly and easily. Since 2006, xSettle has processed over 125,000 cross border transactions between Australia, Jersey, UK, Ireland, US, Canada, Hong Kong and South Africa, materially increasing efficiency and lowering costs.

Priority - Market Structure Projects



- › We continue to work on a range of market structure projects around the world, for example the US SEC's review of the proxy voting system in that country and a range of European initiatives, including but by no means limited to the ECB's Target 2 Securities project. Similar exercises are underway in a range of other markets.
- › In all cases, our global experience gives us a unique and widely-valued perspective, and we are active and influential participants in the debate.
- › We work to deliver our clients better transparency of their ownership and more effective communication channels with their investors.
- › We await the SEC's response to its consultation on the proxy system with great interest.
- › We have a dedicated group working on the detail of dematerialisation in the HK market.

- › Excellent service levels and quality across all businesses.
- › Winning some clients – eg, GM IPO – but also lost a couple of others to bundled credit offerings and “balance of trade” pitches.
- › Volumes remain low on transactional work – corporate actions, solicitation.
- › Realignment of plans offering (putting broad-based schemes with the TA and trading the options offering to Solium) producing encouraging early signs.
- › The KCC Chapter 11 administration business continues to do well, benefitting from an up-tick in volumes. We continue to expand our class action administration offering.
- › Low interest rates and general economic conditions continue to drag on US revenues.

- › Loss of largest TA client (Bell Canada) to a revitalised competitor (formerly CIBC Mellon, now Canadian Stock Transfer) has galvanised the Canadian management team.
- › State of Israel's global bond record keeping and paying agent work (in the US and UK as well as Canada) is live and working well. Corporate Trust business otherwise slow.
- › Corporate actions are very slow, impacting both investor services and proxy solicitation.
- › Major restructure of operations delivering significant savings and quality enhancements.
- › Good progress is being made on a range of market efficiency initiatives in cooperation with the Canadian Depository for Securities.
- › Low interest rates and general economic conditions drag across a range of the Canadian businesses.

- › Won major clients Aviva (from Equiniti) and Sports Direct (from Capita) for both registry and plans – plans take-on puts additional pressure on the HBOS migration / integration.
- › Migration and integration of the former HBOS Employee Equity Solutions business continues with Jersey integrated and Sharesave migrations proceeding well.
- › Equity fundraising largely dried up and M&A also quiet, hitting corporate actions and solicitation revenues.
- › English DPS contract extended and Scottish scheme on the horizon.
- › Voucher Services management restructured.
- › Low interest rates and general economic conditions dragging on all businesses.

Continental Europe Update



- › German AGM business doing well, but the reduction in numbers of EGMs post GFC makes revenues soft.
- › New consolidated Moscow office provides the platform for the new Russian management team to integrate NRC and Nikoil.
- › VEM continues to 'wash its face' and increase market penetration in a tough environment.
- › Austria, Belgium, Denmark, Netherlands, Sweden and Switzerland all performing generally as expected.
- › Business development resourcing for Continental Europe enhanced and refocused. Some very interesting opportunities (both acquisitions and service extensions) emerging.

- › Hong Kong business as usual running well, and we are investing alongside HKEx in the HK dematerialisation project sponsored by the HK Government and regulator.
- › HK fund raising (primary and secondary) has been strong and is likely to continue. Also good levels of other corporate actions.
- › China plans and proxy business continues to grow profitably.
- › India quiet, with the mutual fund business hurt by mutual fund outflows, apparently from changed regulations making mutual funds less attractive.
- › Japan also quiet, with issuers reluctant to invest in Investor Relations related services in the current tough environment.

Australia & New Zealand Update



- › Market share and business as usual revenues in investor services holding up well.
- › Transaction levels remain down, affecting corporate actions and solicitation revenues.
- › Winning a good share of large IPO appointments.
- › Communication Services business recovered well and quickly after the Brisbane floods.
- › Fund services continues to build its client base, but lead time on new revenues is long.
- › Won a Gold Australian Business Excellence award for operations.

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Peter Barker

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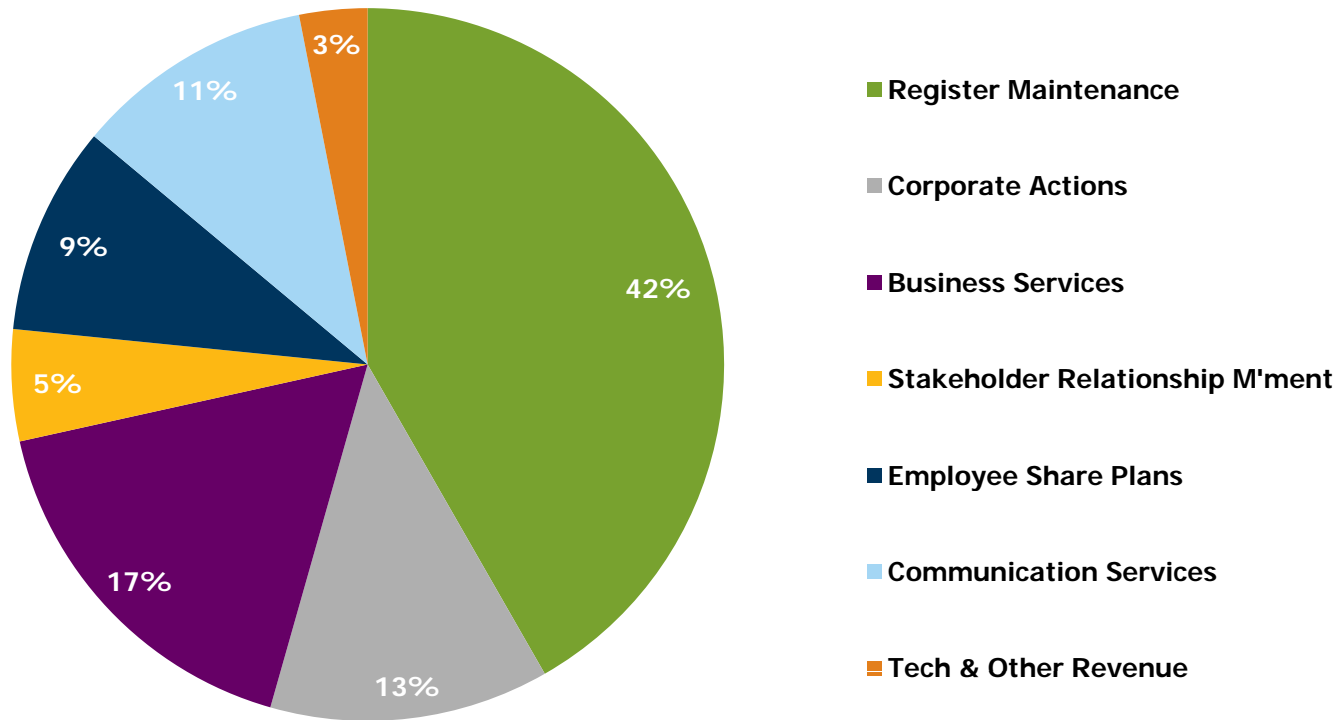
**Appendix:
Half Year Results 2011 Presentation**

9 February 2011

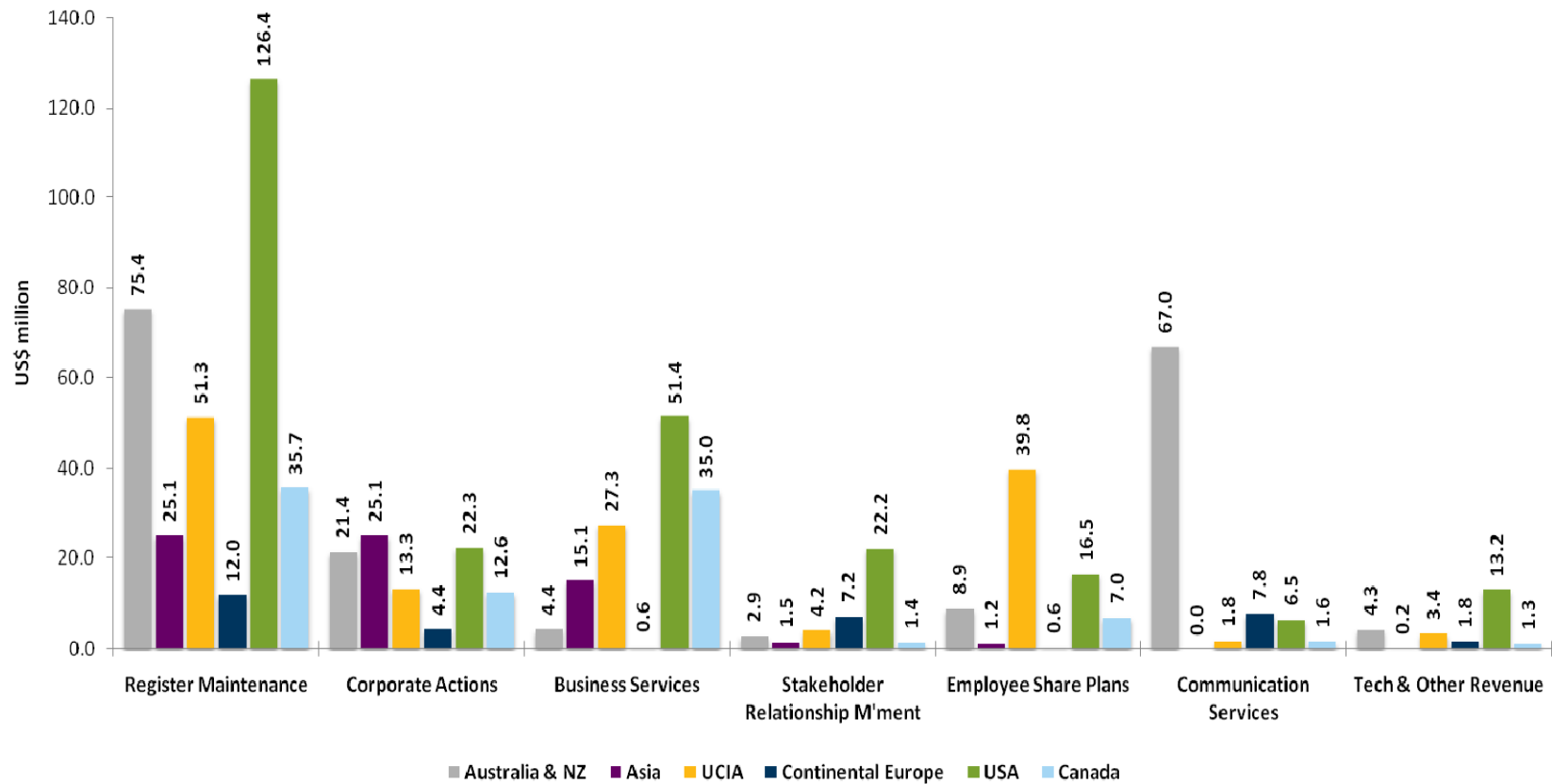
Appendix 1: Group Comparisons

Group Comparisons

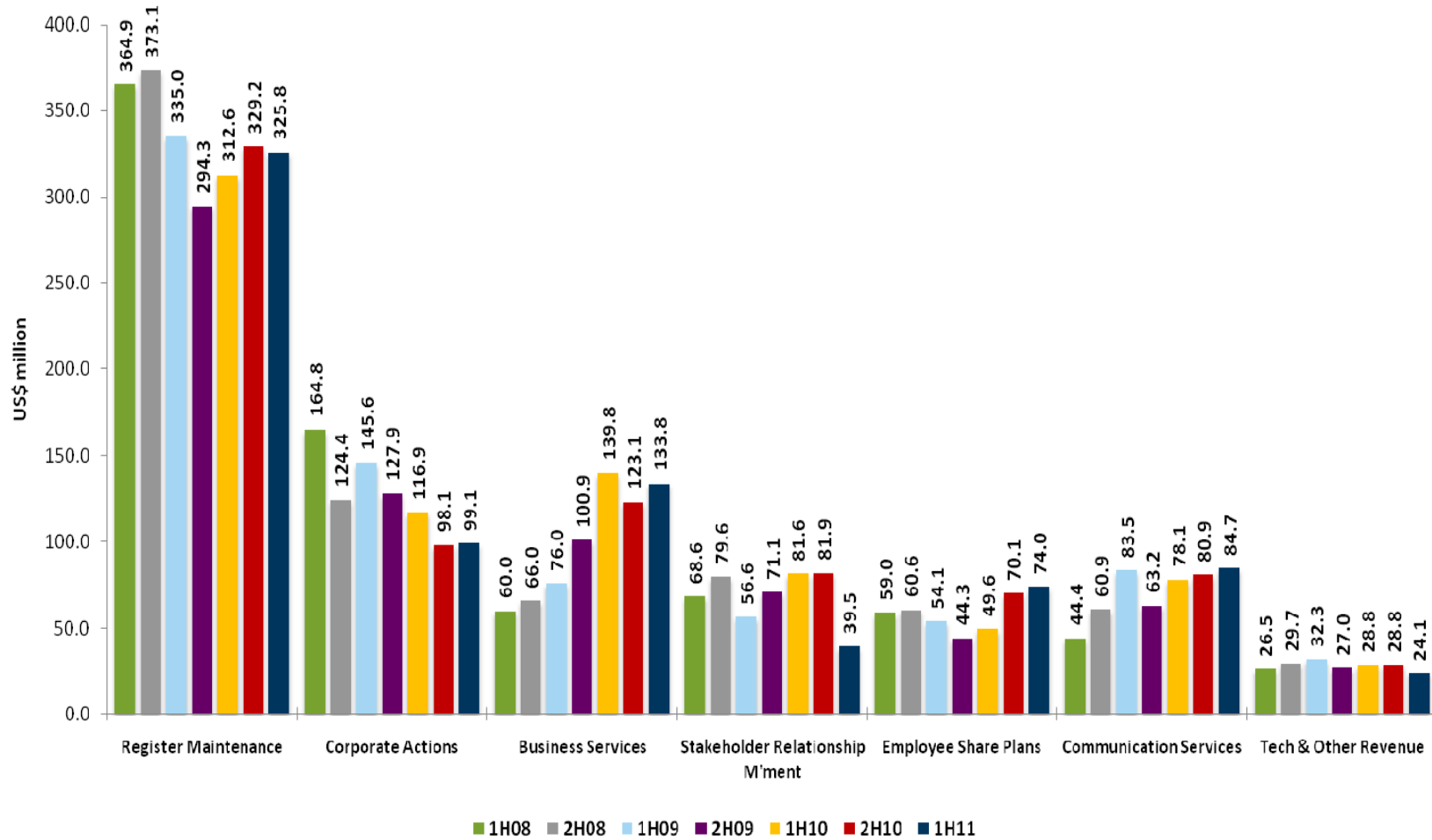
CPU Revenues



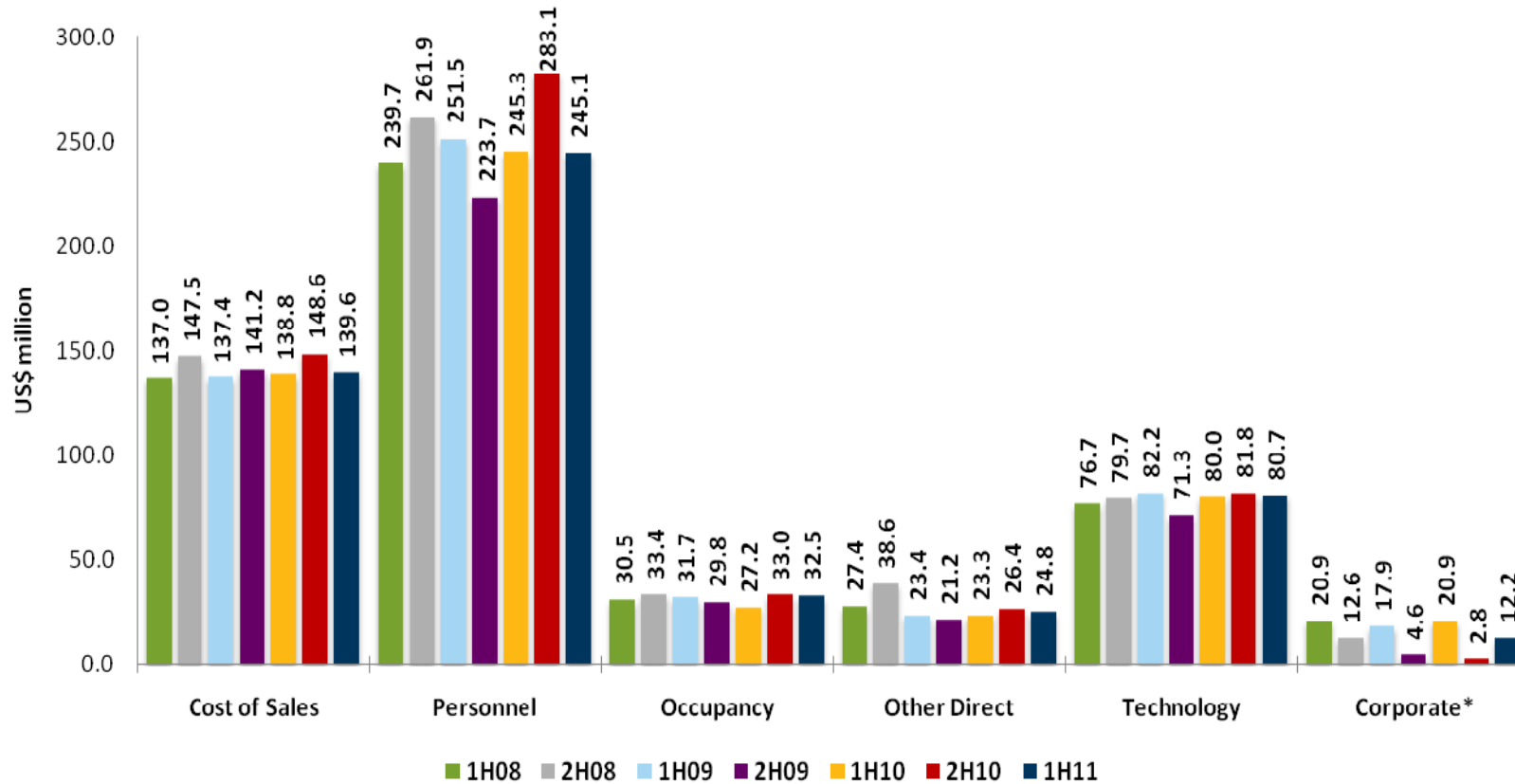
1H 2011 Revenue Regional Analysis



Revenue Half Year Comparisons



Operating Costs Half Year Comparisons



* Corporate operating costs will be allocated and reported under the five main cost categories – cost of sales, personnel, occupancy, other direct and technology from the next reporting period.

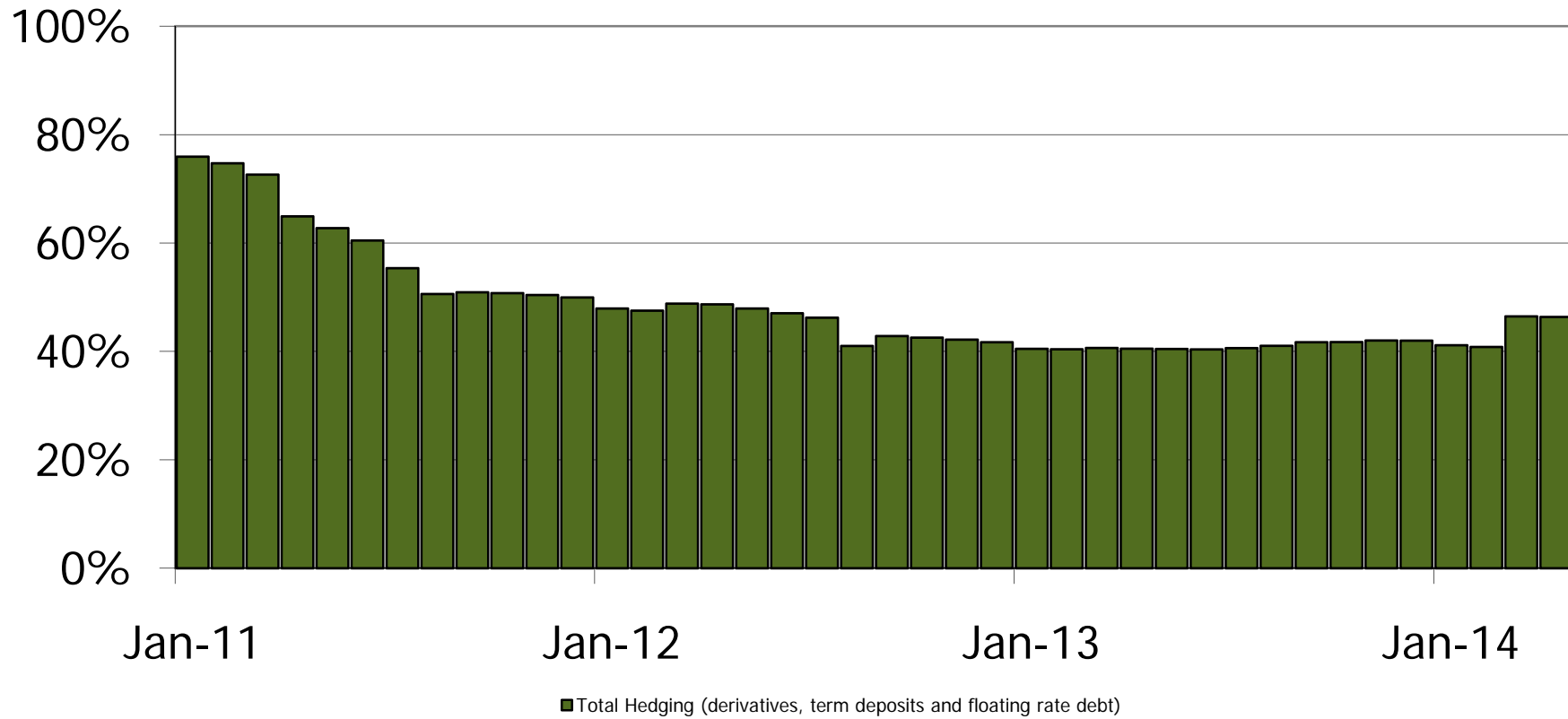
Underlying Effective Tax Rate



Client Balances - Hedging of Sustainable Client Balances

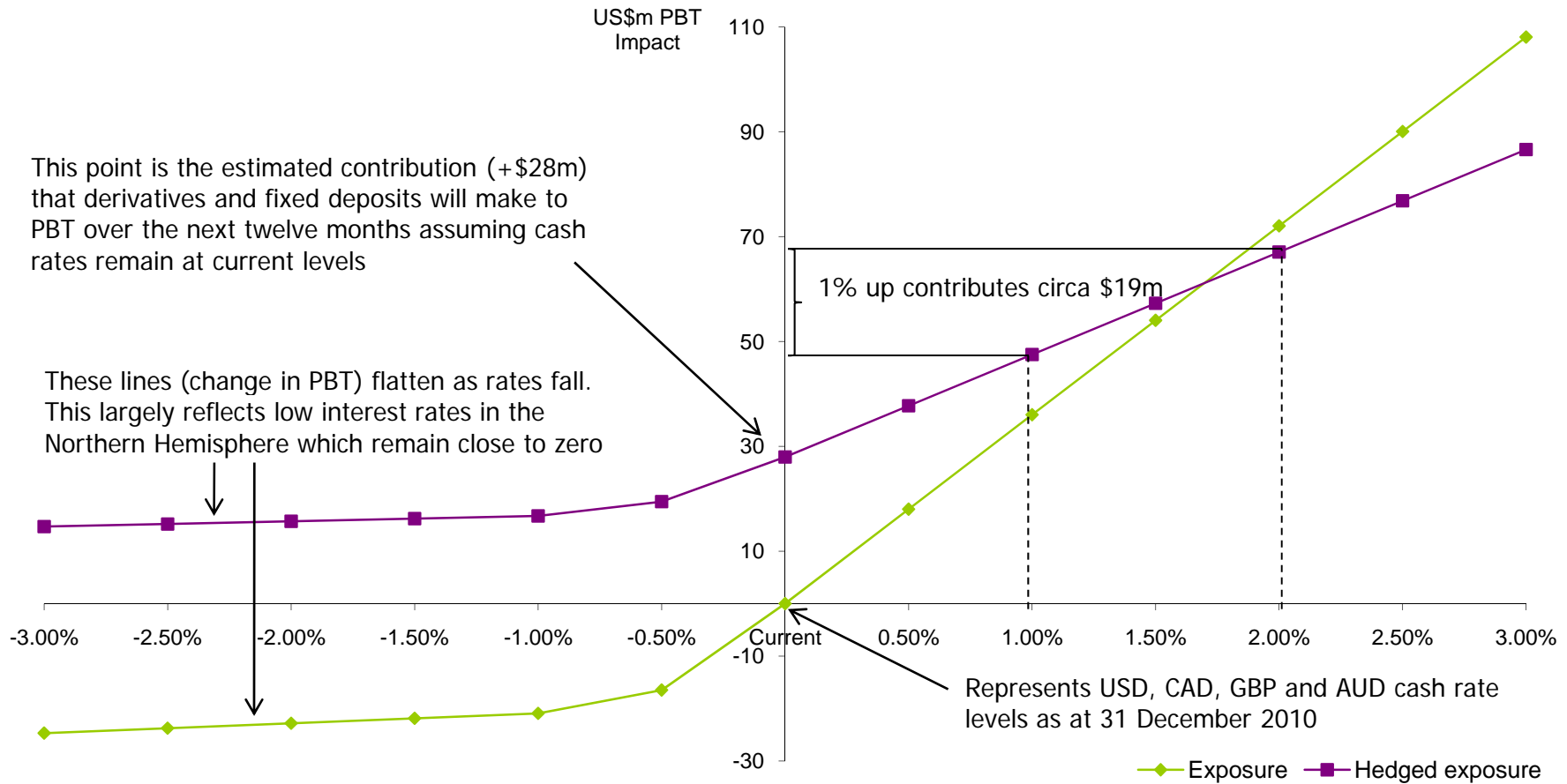


Sustainable Client Balance Hedges – snapshot as at 31-Dec-10



Long term sustainable balances represented approximately half of total average balances in 1H11

Impact of Interest Rates on Profit Before Tax

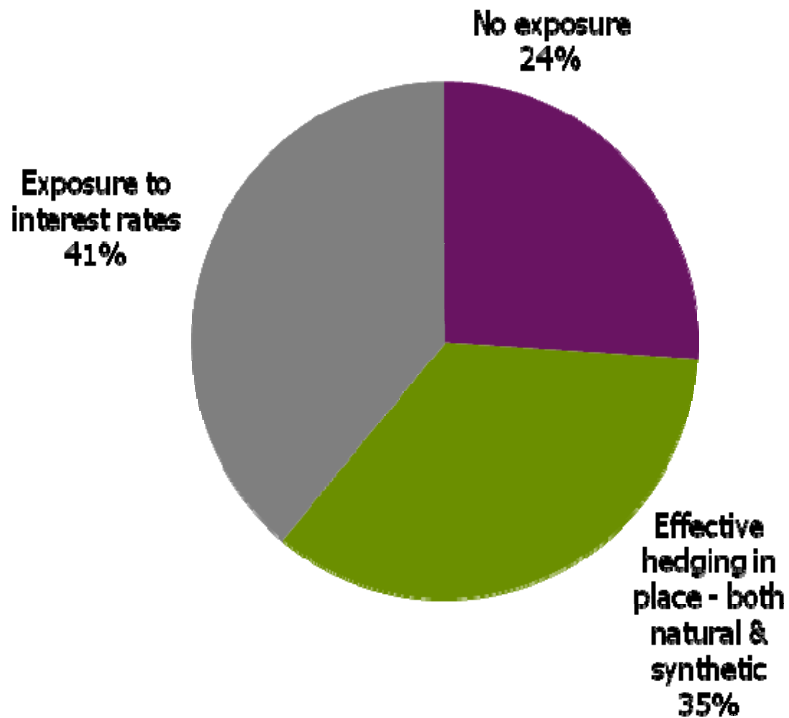


This graph outlines the sensitivity of interest rate changes on PBT based on core client balances only (long term sustainable balances). The 'hedged exposure' line includes the offsetting impact of floating rate debt and derivative hedge positions.

Client Balances – Interest Rate Hedging



Based on average total funds* held during 1H11



*Average funds balance US\$9.2b

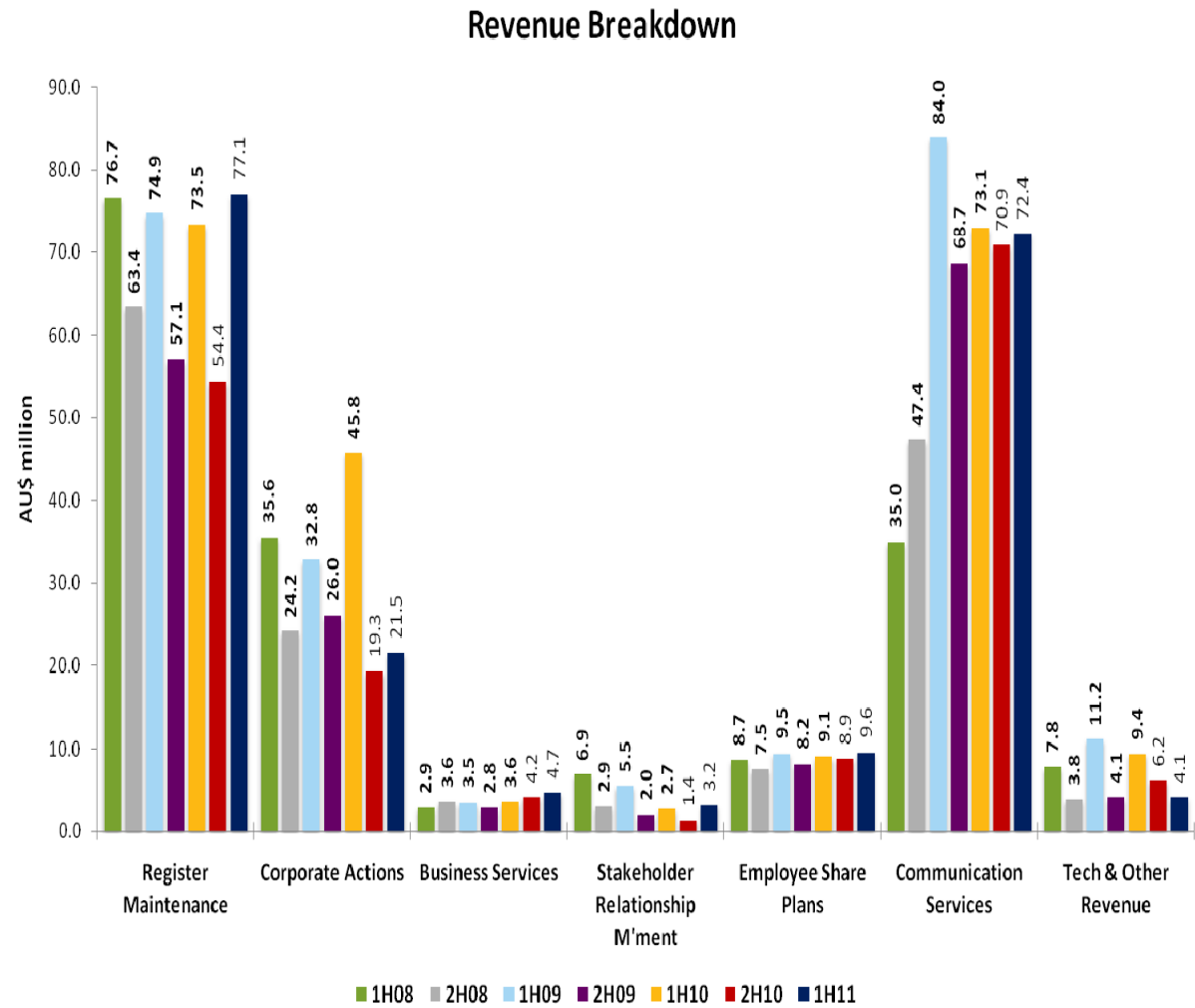
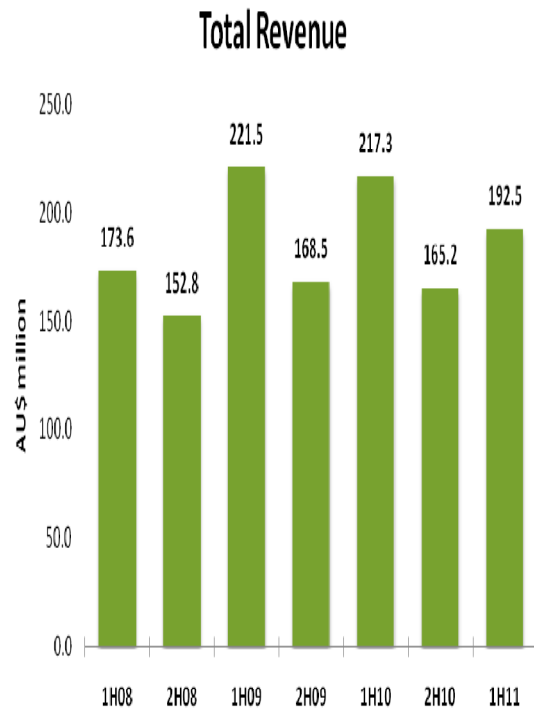
Interest Rate Hedging

Current Strategy: - Continue to monitor medium term swap rates with the intention of accumulating cover should rates rise

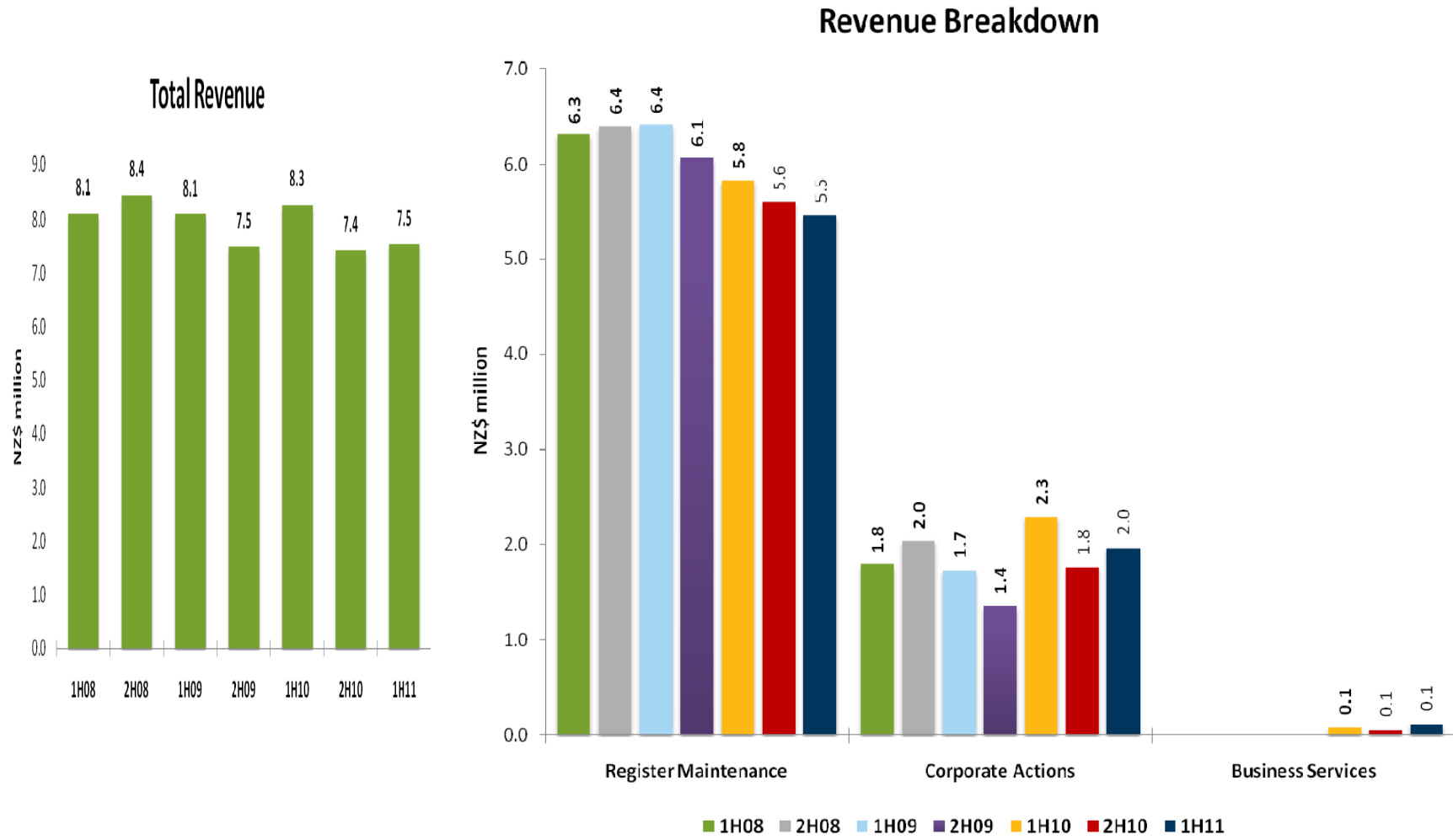
- Policy:
- Minimum hedge of 25% / Maximum hedge of 100%
 - Minimum term 1 year / Maximum term 5 years
 - Current hedging of total average balances exposed to interest rates: 46%

Country Summaries

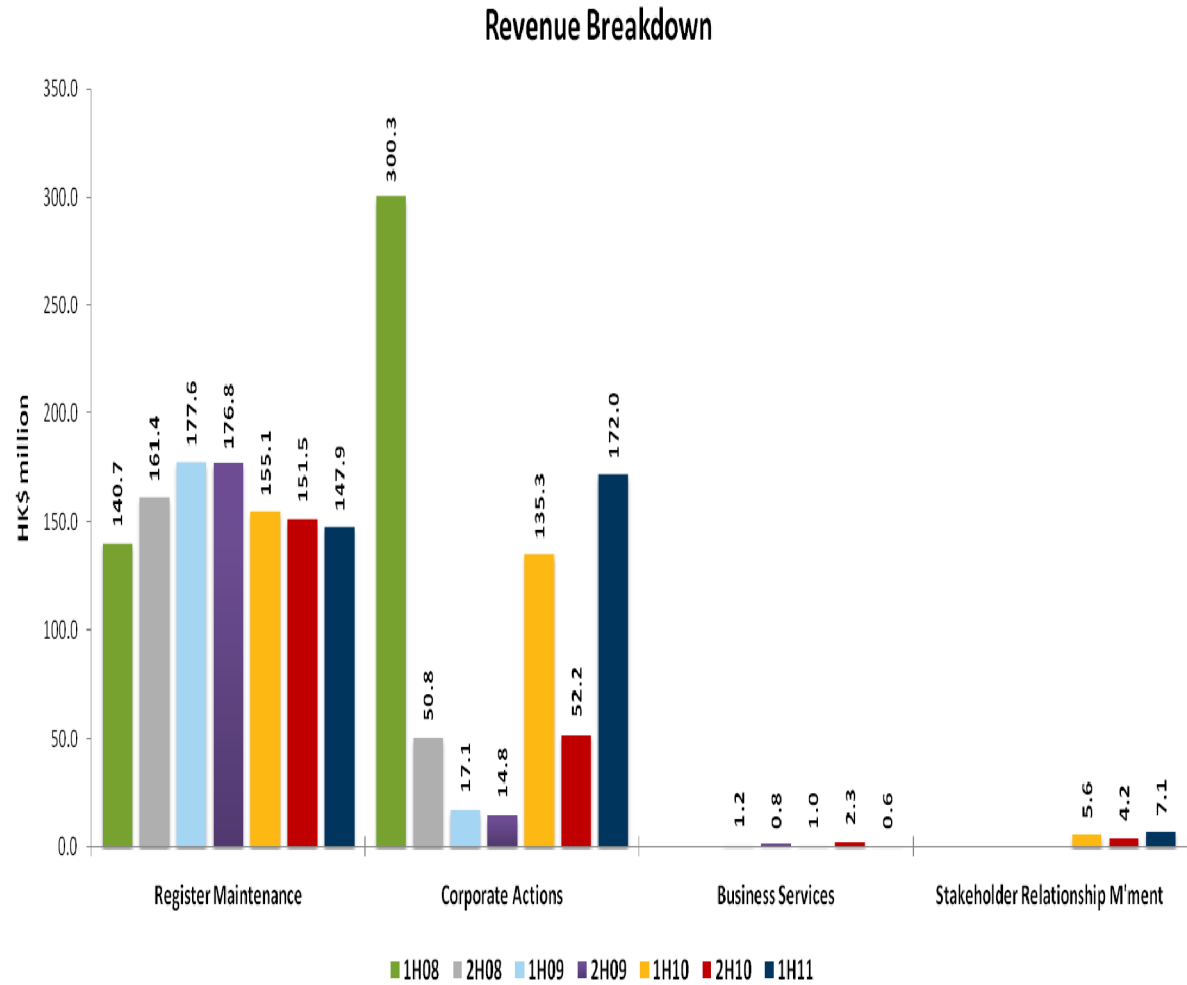
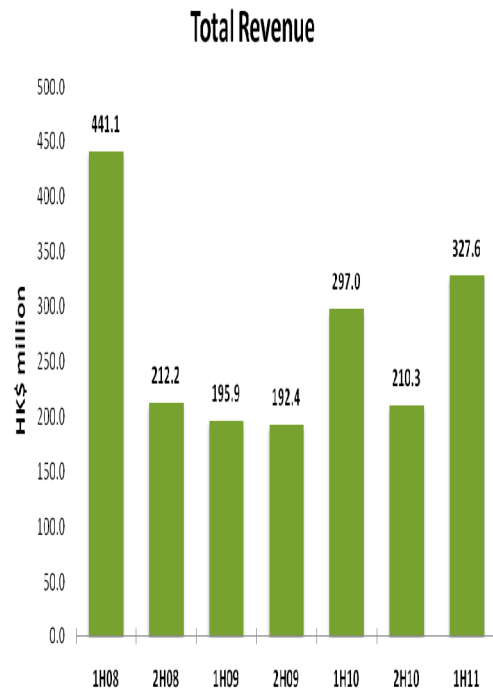
Australia Half Year Comparison



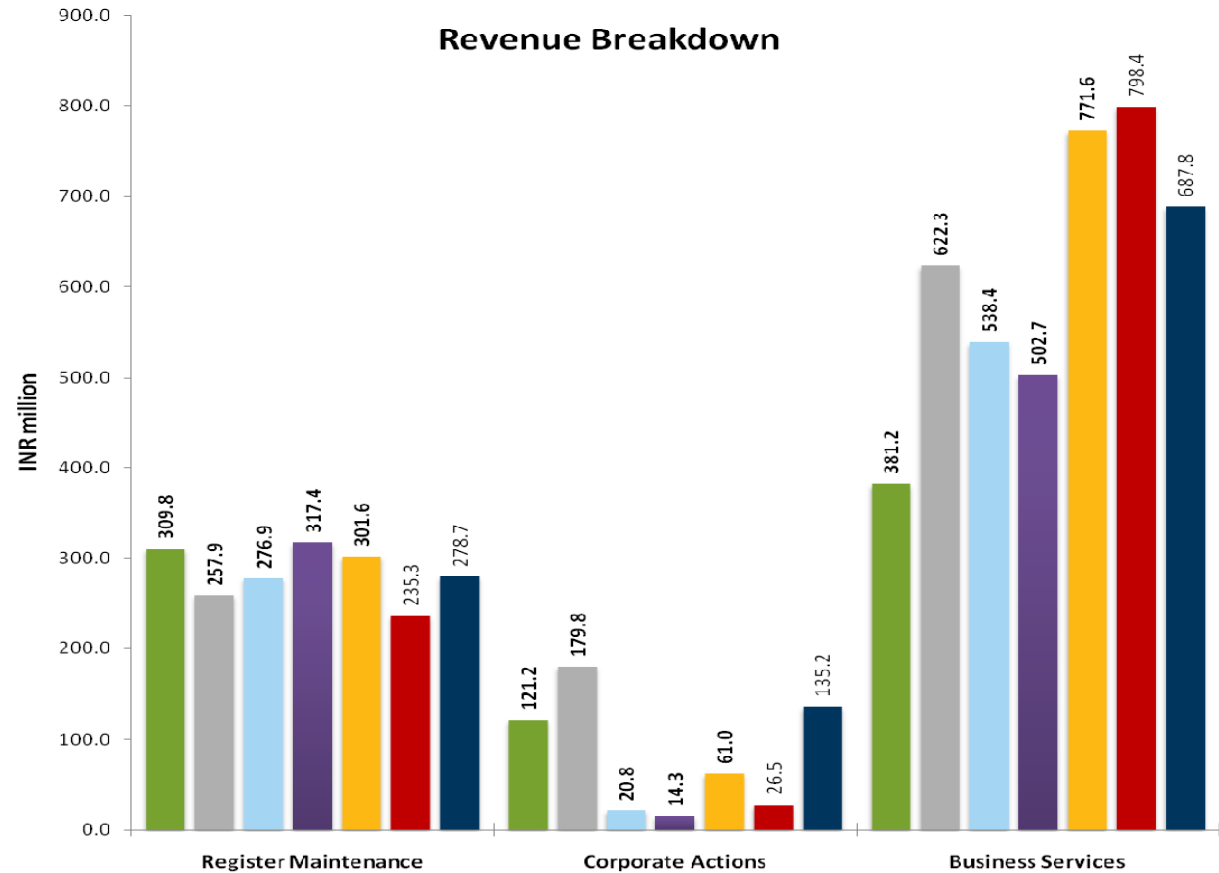
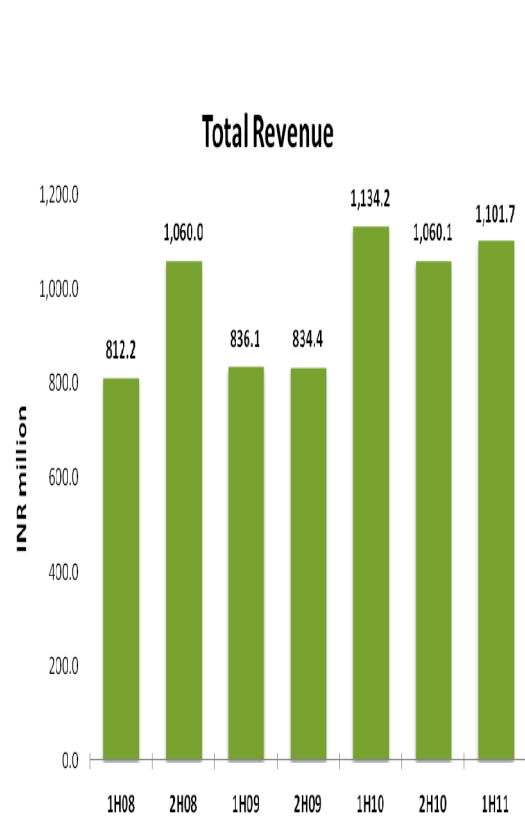
New Zealand Half Year Comparison



Hong Kong Half Year Comparison

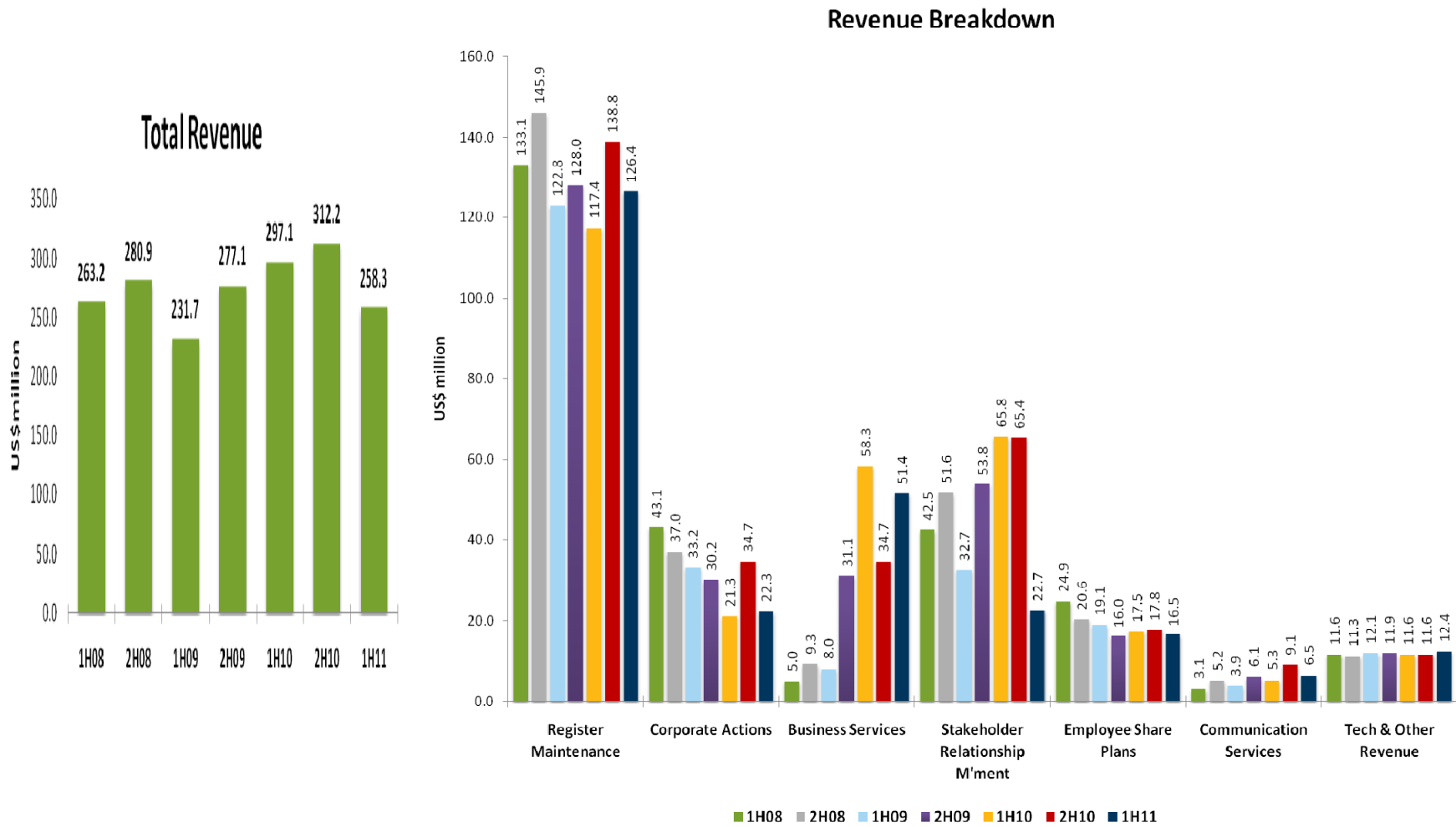


India Half Year Comparison

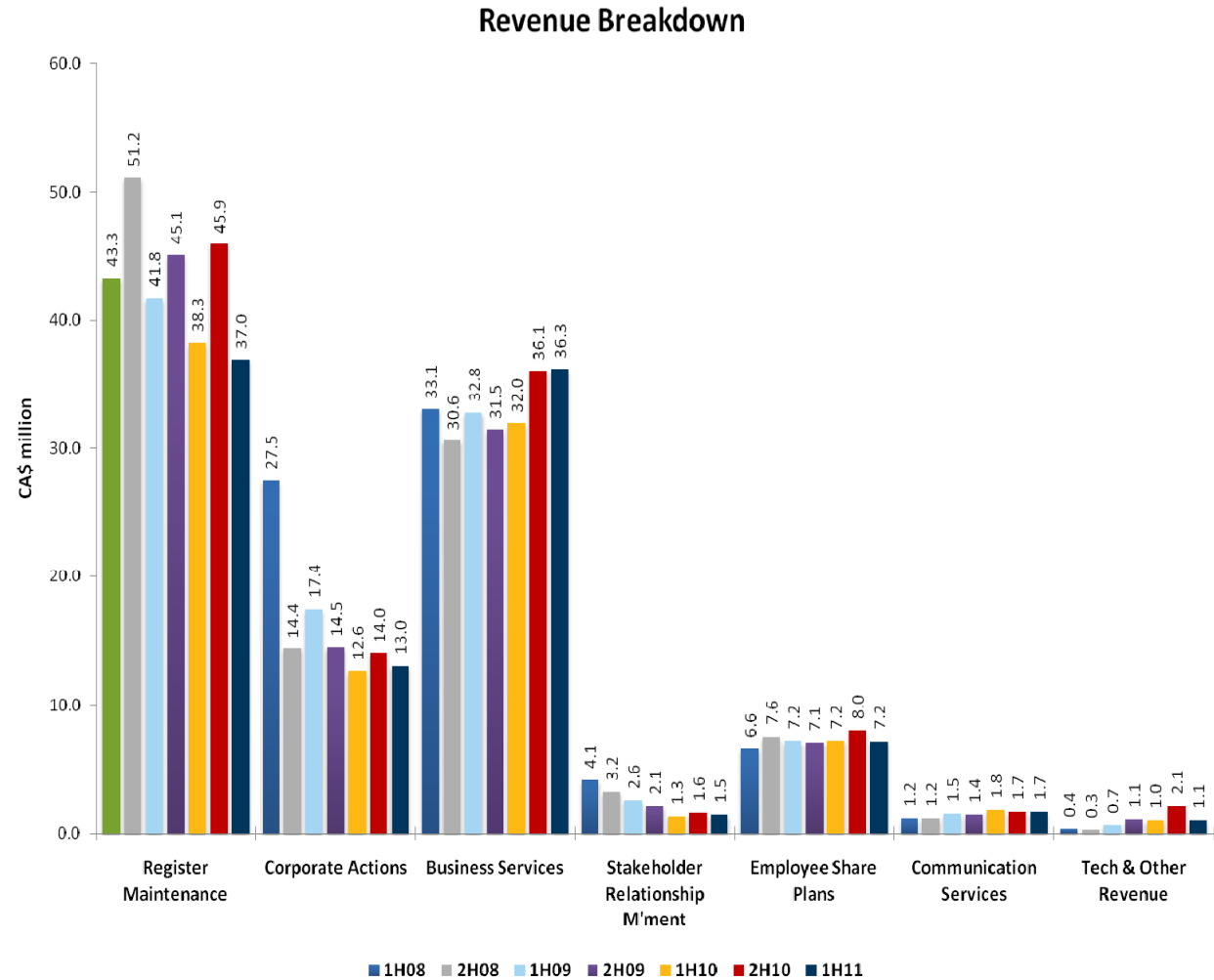
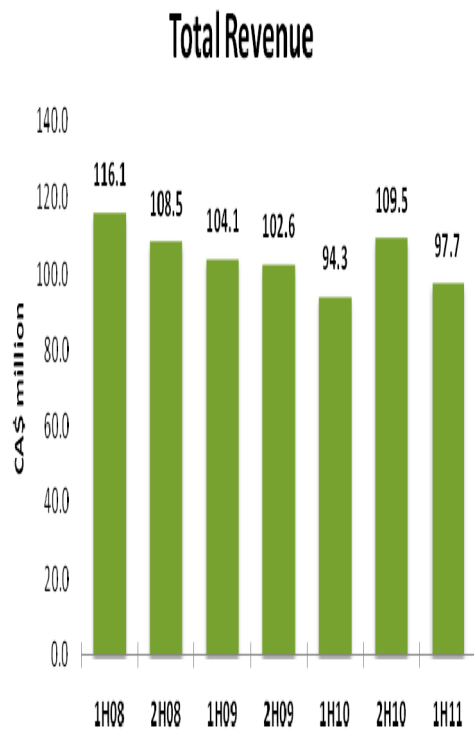


■ 1H08 ■ 2H08 ■ 1H09 ■ 2H09 ■ 1H10 ■ 2H10 ■ 1H11

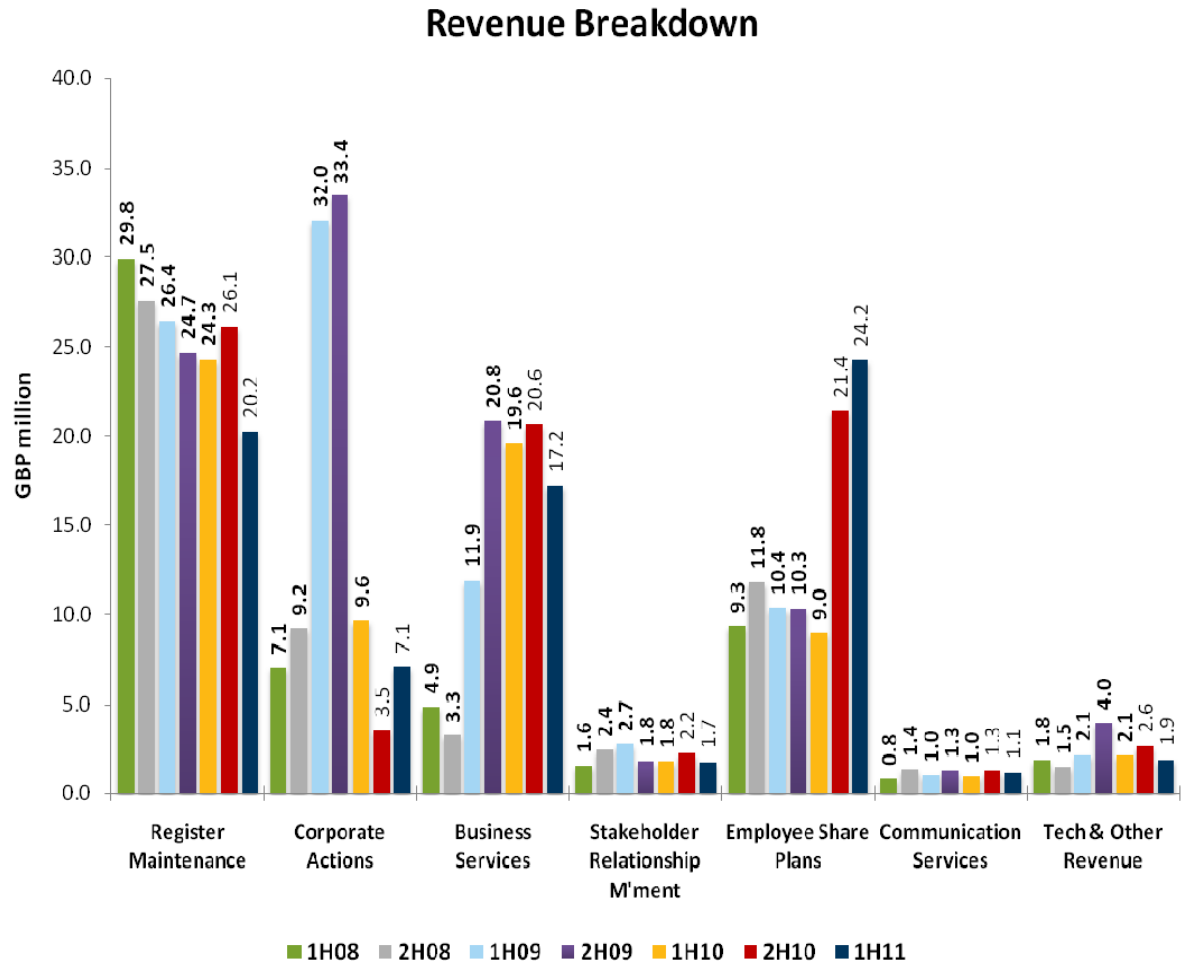
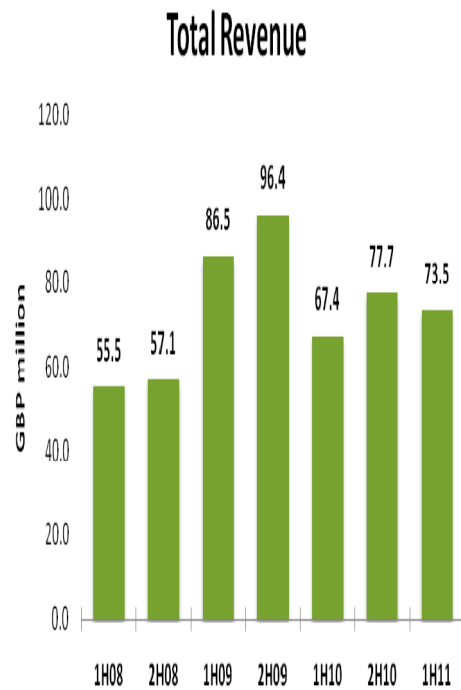
United States Half Year Comparison



Canada Half Year Comparison

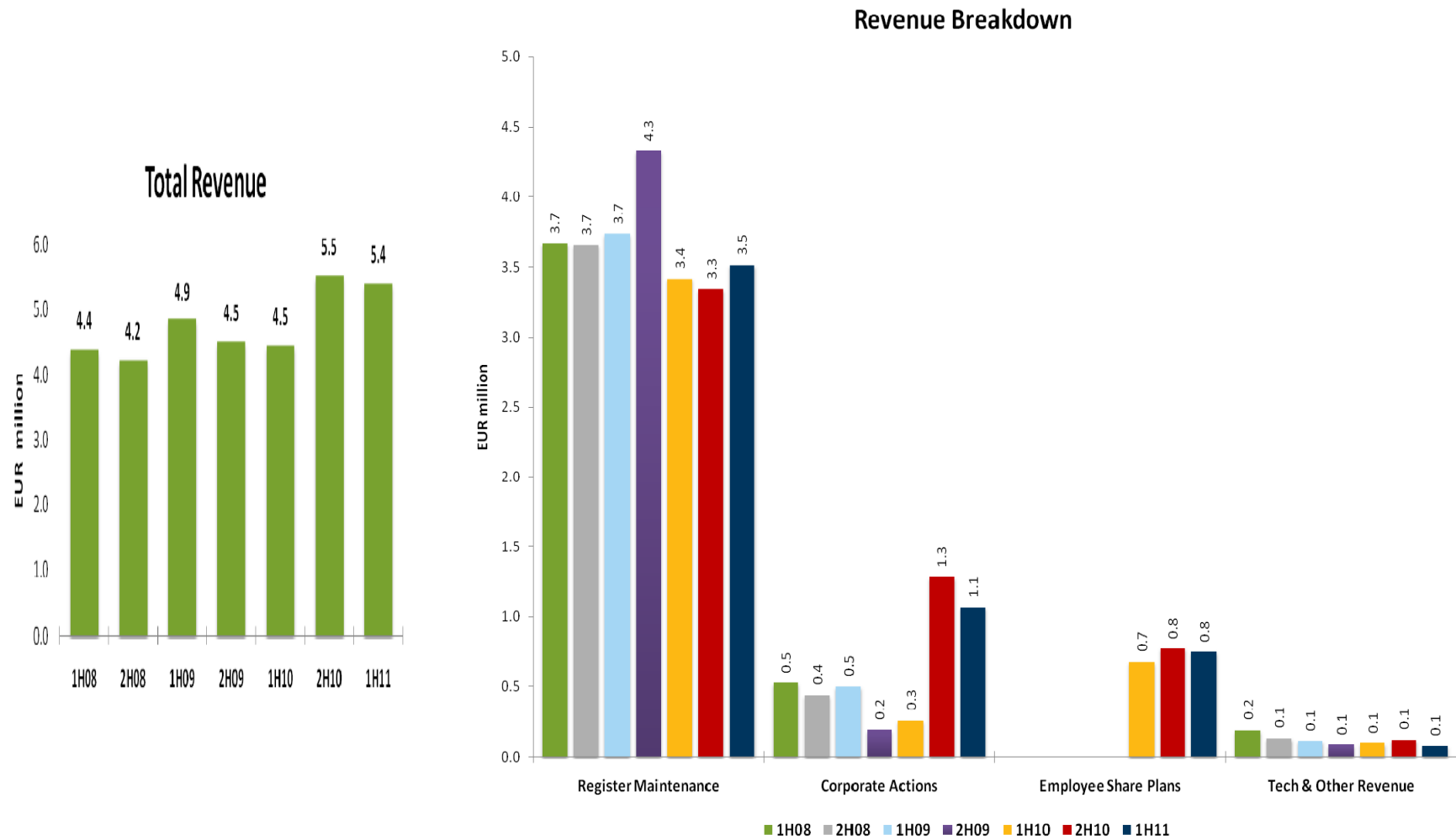


United Kingdom & Channel Islands Half Year Comparison

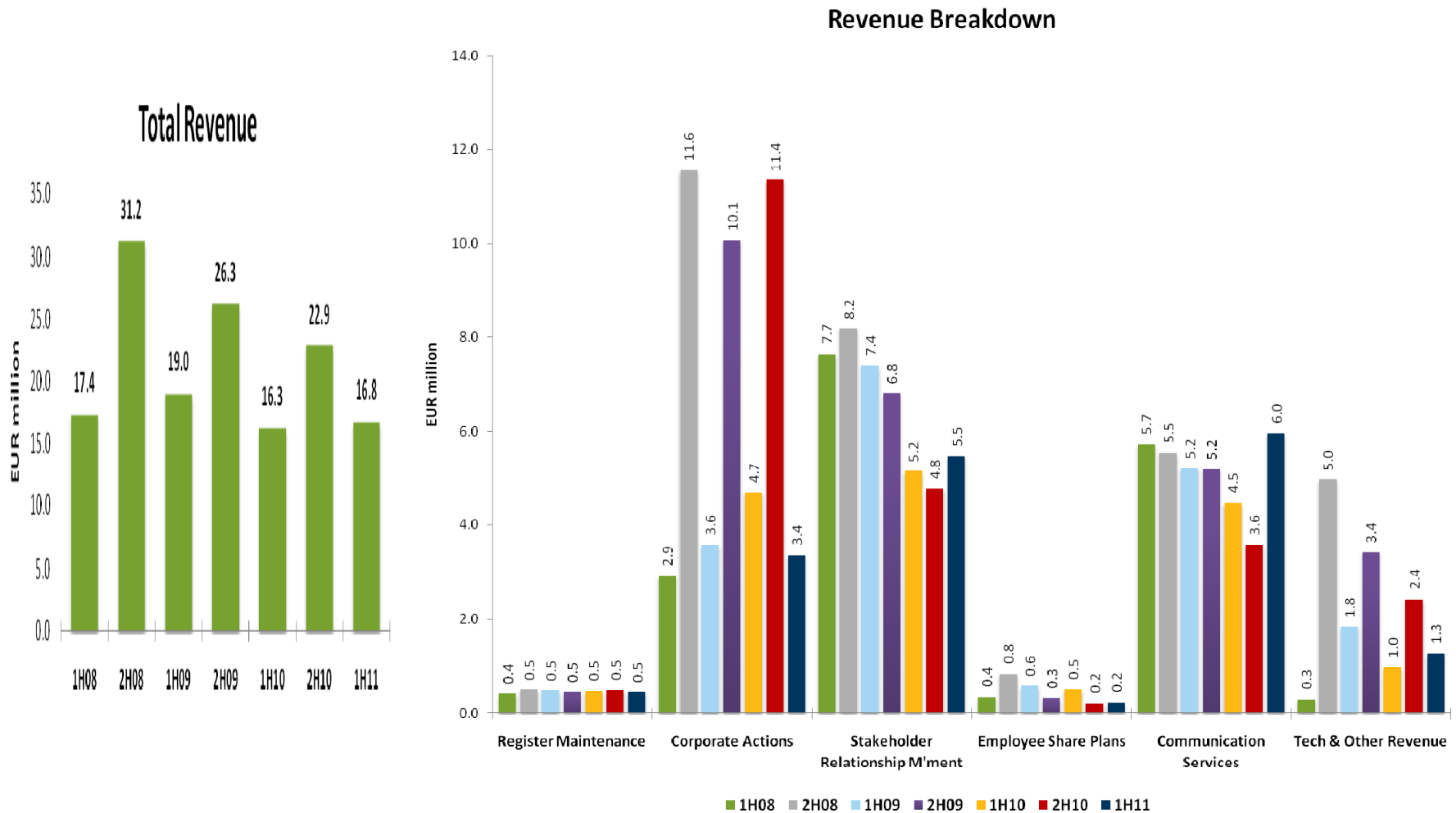


Ireland

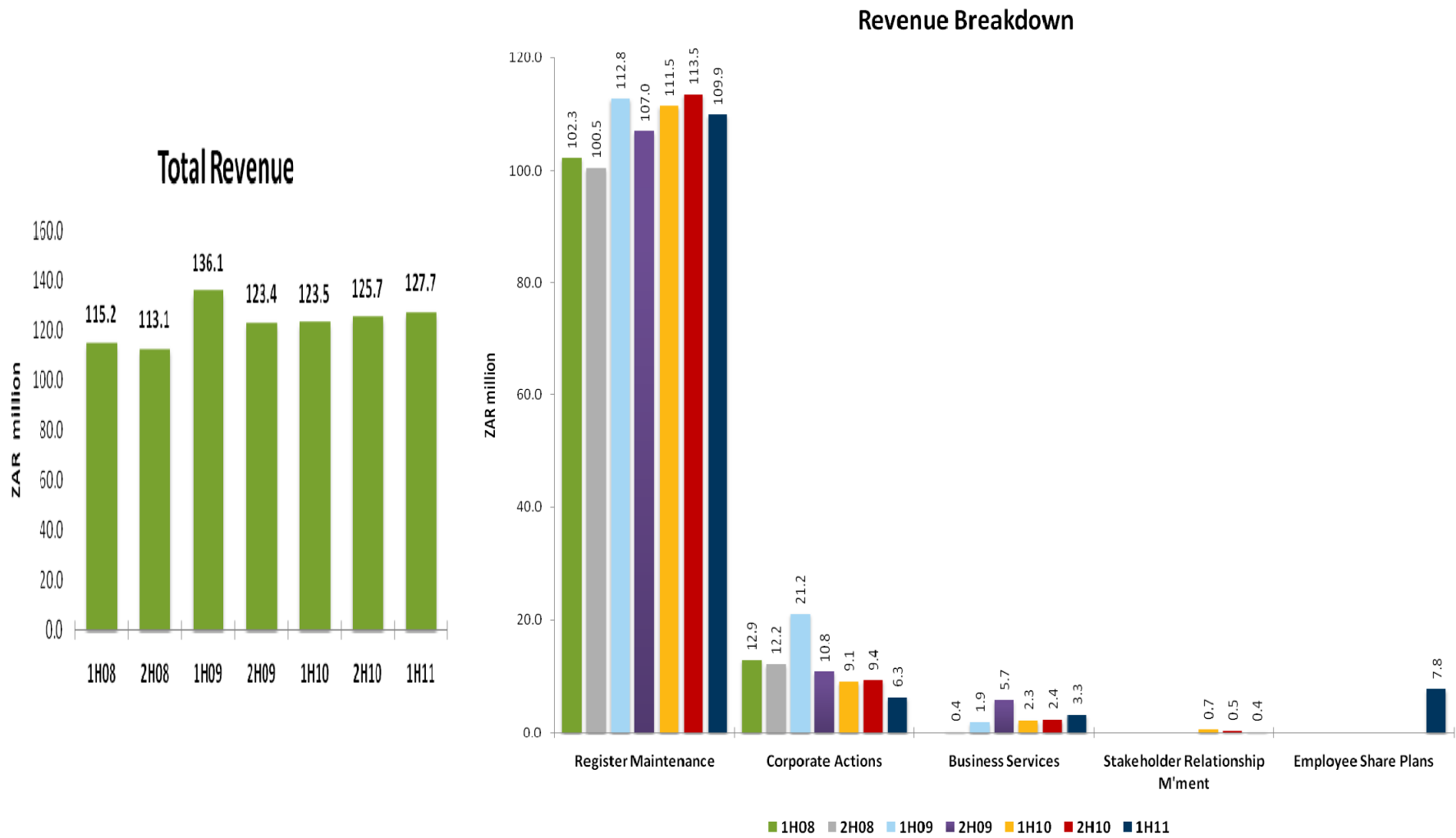
Half Year Comparison



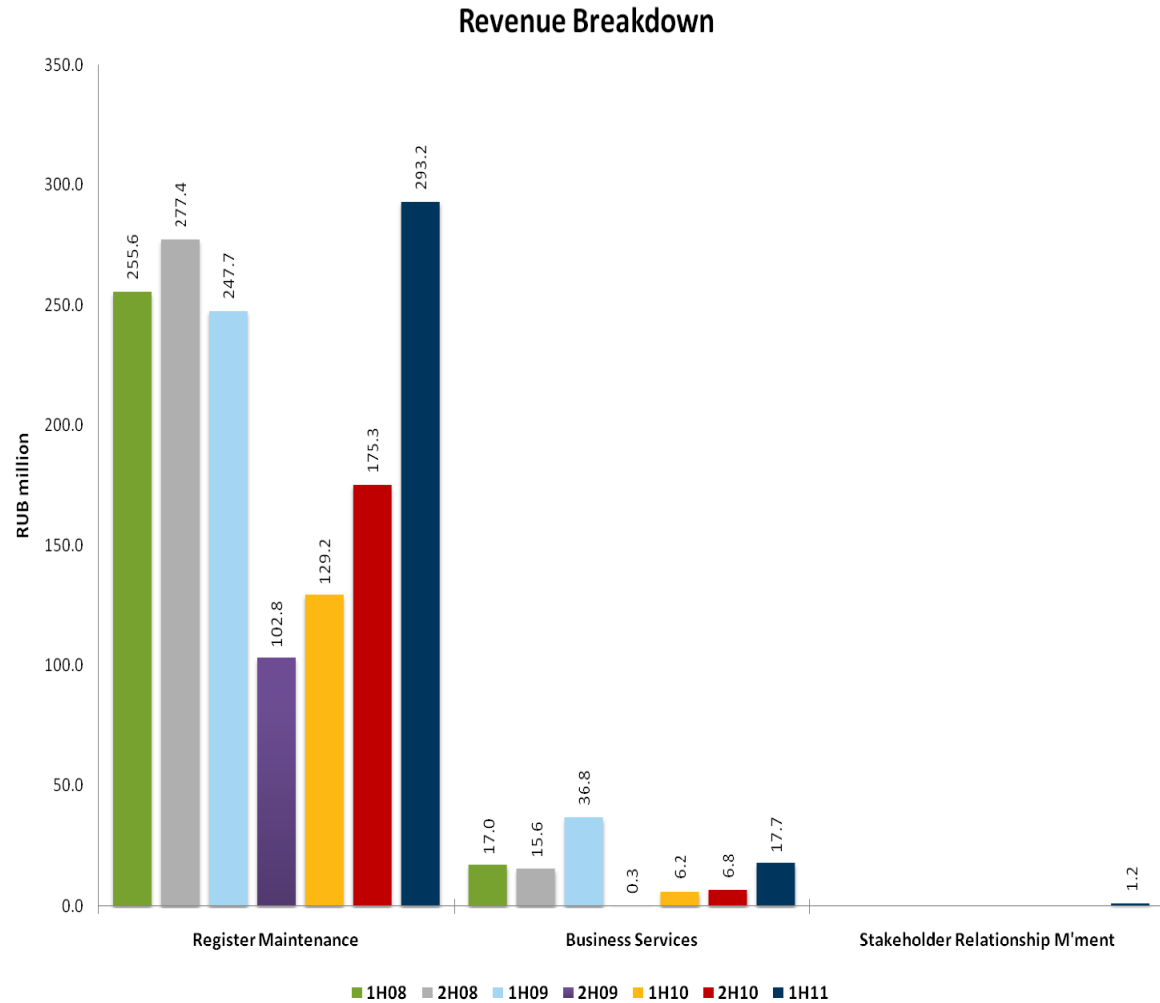
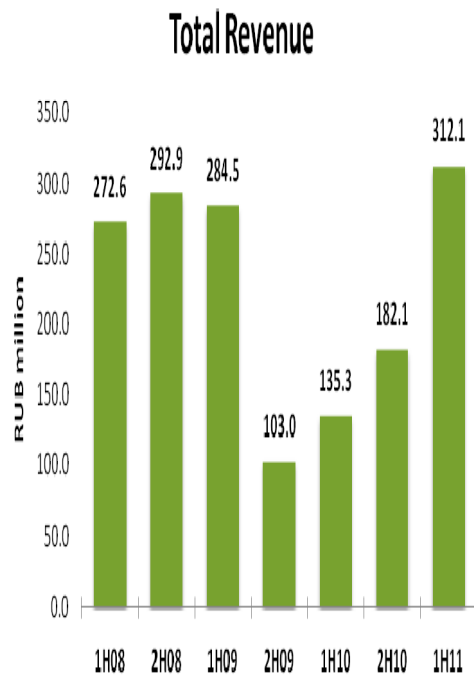
Germany Half Year Comparison



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

USD	1.00000
AUD	1.08022
HKD	7.76847
NZD	1.37543
INR	45.77128
CAD	1.03601
GBP	0.64200
EUR	0.76332
ZAR	7.23072
RUB	30.75594
AED	3.67303
DKK	5.68780
SEK	7.12775