

ASX PRELIMINARY FINAL REPORT

Computershare Limited

ABN 71 005 485 825

30 June 2013

Lodged with the ASX under Listing Rule 4.3A

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This report covers the consolidated entity consisting of Computershare Limited and its controlled entities. The financial report is presented in United States dollars (unless otherwise stated).

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
YEAR ENDED 30 JUNE 2013
(Previous corresponding period year ended 30 June 2012)
RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$000
Revenue from continuing operations <i>(Appendix 4E item 2.1)</i>	up	11.8%	to	2,019,949
Profit/(loss) after tax attributable to members <i>(Appendix 4E item 2.2)</i>	down	9.2%	to	157,013
Net profit/(loss) for the period attributable to members <i>(Appendix 4E item 2.3)</i>	down	9.2%	to	157,013
Dividends <i>(Appendix 4E item 2.4)</i>	Amount per security		Franked amount per security	
Final dividend	AU 14 cents		20%	
Interim dividend	AU 14 cents		20%	

Record date for determining entitlements to the final dividend 26 August 2013
(Appendix 4E item 2.5)

Explanation of revenue *(Appendix 4E item 2.6)*

Total revenue from continuing operations for the year ended 30 June 2013 is USD 2,019.9 million, up 11.8% against the last corresponding period. The growth was driven largely by the full year contribution from the Shareowner Services (USA) and Specialized Loan Servicing (USA) acquisitions. The employee plans segment also contributed to the uplift in revenue year on year, particularly in the United Kingdom and the United States. Communication services revenue grew, predominantly in the USA as a result of throughput from the Shareowner Services business. Margin income also increased as a result of higher average client balances. Conversely, stakeholder relationship management again saw revenues fall as contested merger and acquisition transactions and mutual fund solicitation activities remain subdued.

Explanation of profit/(loss) from ordinary activities after tax *(Appendix 4E item 2.6)*

Net statutory profit after tax attributable to members is USD 157.0 million, a decrease of 9.2% over the last corresponding period. The underlying business contribution to earnings demonstrated year on year improvement, underpinned by the full year contributions from the Shareowner Services and Specialized Loan Servicing businesses. This included continued material synergies and uplift in margin income from the Shareowner Services acquisition. The employee plans segment was also instrumental in delivering earnings growth for the Group. Negating these contributions were the one-off effects of strategic business initiatives including the loss on disposal of the interactive meetings business, IML, and the Restricted Stock Services software product as well as the announced closure of the Australian Fund Services business. The increase in intangible asset amortisation during FY13 as a result of the full year recognition of FY12 acquisitions likewise contributed to the year on year decrease in profits.

The Group's effective tax rate fell from 22.3% to 16.6% for the year ended 30 June 2013 due to the full year impact of deductible interest expense from acquisition funding, increased intangible asset amortisation and integration costs in the USA that resulted in a tax loss position in the USA. As the blended statutory rate in the USA is higher than 30%, tax deductions recognised at this higher rate reduced the effective tax rate of the Group.

Explanation of net profit/(loss) *(Appendix 4E item 2.6)*

Please refer to above.

Explanation of dividends *(Appendix 4E item 2.6)*

The following dividends have been paid, declared or recommended since the end of the preceding financial year:

Ordinary shares

A final dividend in respect of the year ended 30 June 2012 was declared on 8 August 2012 and paid on 11 September 2012. This was an ordinary dividend of AU 14 cents per share franked to 60% amounting to AUD 77,792,968 (USD 80,095,720).

An interim ordinary dividend was declared on 13 February 2013 and paid on 19 March 2013. This was an ordinary dividend of AU 14 cents per share franked to 20% amounting to AUD 77,792,968 (USD 80,095,720).

A final dividend in respect of the year ended 30 June 2013 was declared by the directors of the Company on 14 August 2013, to be paid on 17 September 2013. This is an ordinary dividend of AU 14 cents per share, franked to 20%. As the dividend was not declared until 14 August 2013, a provision has not been recognised as at 30 June 2013.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$000	2012 \$000 restated
Revenue from continuing operations			
Sales revenue		2,015,737	1,802,614
Other revenue		4,212	4,559
Total revenue from continuing operations		2,019,949	1,807,173
Other income		26,098	50,040
Expenses			
Direct services		1,479,473	1,315,017
Technology costs		289,971	234,401
Corporate services		17,236	33,219
Finance costs		66,615	48,289
Total expenses		1,853,295	1,630,926
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method	15	(146)	321
Profit before related income tax expense		192,606	226,608
Income tax expense/(credit)	4	32,029	50,512
Profit for the year		160,577	176,096
Other comprehensive income that may be reclassified to profit or loss			
Available-for-sale financial assets		310	445
Cash flow hedges		(1,314)	(933)
Exchange differences on translation of foreign operations		(31,512)	(66,888)
Income tax relating to components of other comprehensive income		12,471	314
Total other comprehensive income for the year, net of tax		(20,045)	(67,062)
Total comprehensive income for the year		140,532	109,034
Profit for the year attributable to:			
Members of Computershare Limited		157,013	172,863
Non-controlling interests		3,564	3,233
		160,577	176,096
Total comprehensive income for the year attributable to:			
Members of Computershare Limited		137,232	109,586
Non-controlling interests		3,300	(552)
		140,532	109,034
Basic earnings per share (cents per share)	9	28.25 cents	31.10 cents
Diluted earnings per share (cents per share)	9	28.13 cents	31.01 cents

The above preliminary consolidated statement of comprehensive income should be read in conjunction with the accompanying notes. Restatement of prior year comparative figures is detailed in note 3.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS
AT 30 JUNE 2013

	Note	2013 \$000	2012 \$000 restated
CURRENT ASSETS			
Cash and cash equivalents		454,353	441,391
Receivables		330,008	332,978
Financial assets held for trading		3,083	2,764
Available-for-sale financial assets at fair value		814	635
Other financial assets		127,321	106,966
Inventories		10,646	9,268
Current tax assets		20,615	29,765
Derivative financial instruments		-	961
Other current assets		35,521	31,914
Total current assets		982,361	956,642
NON CURRENT ASSETS			
Receivables		4,084	6,395
Investments accounted for using the equity method	15	28,498	27,178
Available-for-sale financial assets at fair value		5,463	6,339
Property, plant and equipment		187,873	190,910
Deferred tax assets		157,642	81,267
Derivative financial instruments		23,877	33,529
Intangibles		2,229,079	2,379,408
Total non-current assets		2,636,516	2,725,026
Total assets		3,618,877	3,681,668
CURRENT LIABILITIES			
Payables		375,718	383,797
Interest bearing liabilities		8,008	69,242
Current tax liabilities		34,997	20,399
Provisions		49,534	33,438
Derivative financial instruments		-	69
Deferred consideration		7,110	21,812
Other		25,885	22,117
Total current liabilities		501,252	550,874
NON-CURRENT LIABILITIES			
Payables		3,163	4,324
Interest bearing liabilities		1,703,652	1,685,149
Deferred tax liabilities		190,165	179,310
Provisions		43,090	41,123
Derivative financial instruments		-	341
Deferred consideration		40,611	53,338
Other		6,009	12,866
Total non-current liabilities		1,986,690	1,976,451
Total liabilities		2,487,942	2,527,325
Net assets		1,130,935	1,154,343
EQUITY			
Contributed equity		35,703	29,943
Reserves		58,910	83,189
Retained earnings	5	1,025,231	1,028,408
Total parent entity interest		1,119,844	1,141,540
Non-controlling interests		11,091	12,803
Total equity		1,130,935	1,154,343

The above preliminary consolidated statement of financial position should be read in conjunction with the accompanying notes. Restatement of prior year comparative figures is detailed in note 3.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR
THE YEAR ENDED 30 JUNE 2013

	Attributable to members of Computershare Limited				Non-	
	Contributed	Reserves	Retained	Total	controlling	Total Equity
	Equity		Earnings		Interests	
	\$000	\$000	\$000	\$000	\$000	\$000
Total equity at 1 July 2012 as previously reported	29,943	90,749	1,042,965	1,163,657	12,803	1,176,460
Adjustments (refer to note 3)	-	(7,560)	(14,557)	(22,117)	-	(22,117)
Total equity at 1 July 2012 restated	29,943	83,189	1,028,408	1,141,540	12,803	1,154,343
Profit for the year	-	-	157,013	157,013	3,564	160,577
Available-for-sale financial assets	-	310	-	310	-	310
Cash flow hedges	-	(1,314)	-	(1,314)	-	(1,314)
Exchange differences on translation of foreign operations	-	(31,248)	-	(31,248)	(264)	(31,512)
Income tax (expense)/credits	-	12,471	-	12,471	-	12,471
Total comprehensive income for the year	-	(19,781)	157,013	137,232	3,300	140,532
Transactions with owners in their capacity as owners:						
Dividends provided for or paid	-	-	(160,190)	(160,190)	(2,945)	(163,135)
Transactions with non-controlling interests	-	(2,740)	-	(2,740)	(2,067)	(4,807)
Equity related contingent consideration	-	629	-	629	-	629
Shares issued under dividend reinvestment plan	5,760	-	-	5,760	-	5,760
Cash purchase of shares on market	-	(13,275)	-	(13,275)	-	(13,275)
Share based remuneration	-	10,888	-	10,888	-	10,888
Balance at 30 June 2013	35,703	58,910	1,025,231	1,119,844	11,091	1,130,935
Total equity at 1 July 2011 as previously reported	29,943	152,081	1,048,403	1,230,427	15,029	1,245,456
Adjustments (refer to note 3)	-	(7,560)	(30,921)	(38,481)	-	(38,481)
Total equity at 1 July 2011 restated	29,943	144,521	1,017,482	1,191,946	15,029	1,206,975
Profit for the year restated	-	-	172,863	172,863	3,233	176,096
Available-for-sale financial assets	-	445	-	445	-	445
Cash flow hedges	-	(933)	-	(933)	-	(933)
Exchange differences on translation of foreign operations	-	(63,103)	-	(63,103)	(3,785)	(66,888)
Income tax (expense)/credits	-	314	-	314	-	314
Total comprehensive income for the year	-	(63,277)	172,863	109,586	(552)	109,034
Transactions with owners in their capacity as owners:						
Dividends provided for or paid	-	-	(161,937)	(161,937)	(1,674)	(163,611)
Equity related contingent consideration	-	1,192	-	1,192	-	1,192
Cash purchase of shares on market	-	(22,839)	-	(22,839)	-	(22,839)
Share based remuneration	-	23,592	-	23,592	-	23,592
Balance at 30 June 2012 restated	29,943	83,189	1,028,408	1,141,540	12,803	1,154,343

The above preliminary consolidated statement of changes in equity should be read in conjunction with the accompanying notes. Restatement of prior year comparative figures is detailed in note 3.

**COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$000	2012 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,088,980	1,917,737
Payments to suppliers and employees		(1,613,427)	(1,448,190)
Loan servicing advances (net)		(25,999)	(10,736)
Dividends received		135	127
Interest paid and other finance costs		(66,250)	(54,868)
Interest received		4,077	4,432
Income taxes paid		(53,476)	(73,943)
Net operating cash flows	17	<u>334,040</u>	<u>334,559</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of controlled entities and businesses, net of cash acquired		(75,644)	(658,068)
Payments for investment in associates and joint ventures		(17,205)	(1,004)
Dividends received		333	287
Proceeds from sale of assets		29,405	5,618
Payments for investments		(7,521)	(2,608)
Payments for property, plant and equipment		(43,735)	(40,070)
Proceeds from sale of subsidiaries and businesses, net of cash disposed		10,434	1,317
Net investing cash flows		<u>(103,933)</u>	<u>(694,528)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for purchase of ordinary shares		(13,275)	(22,839)
Proceeds from borrowings		500,764	1,131,292
Repayment of borrowings		(543,475)	(459,180)
Loan servicing borrowings (net)		7,751	1,019
Dividends paid - ordinary shares (net of dividend reinvestment plan)		(154,430)	(161,937)
Dividends paid to non-controlling interests in controlled entities		(2,945)	(1,674)
Repayment of finance leases		(9,413)	(9,978)
Net financing cash flows		<u>(215,023)</u>	<u>476,703</u>
Net increase in cash and cash equivalents held		15,084	116,734
Cash and cash equivalents at the beginning of the financial year		441,391	347,225
Exchange rate variations on foreign cash balances		(2,122)	(22,568)
Cash and cash equivalents at the end of the financial year		<u>454,353</u>	<u>441,391</u>

The above preliminary consolidated statement of cash flows should be read in conjunction with the accompanying notes.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

SUPPLEMENTARY APPENDIX 4E INFORMATION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

This report is to be read in conjunction with any public announcements made by Computershare Limited during the reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and Australian Securities Exchange Listing Rules.

The financial report, comprising the financial statements and notes of Computershare Limited and its controlled entities, complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Where necessary, comparative figures have been adjusted to comply with the changes in presentation in the current period.

The principal accounting policies adopted in the preparation of the financial statements are consistent with those of the previous financial year.

2. MATERIAL FACTORS AFFECTING THE ECONOMIC ENTITY FOR THE CURRENT PERIOD

Refer to the attached Market Announcement for discussion of the nature and amount of material items affecting revenue, expenses, assets, liabilities, equity or cash flows, where their disclosure is relevant in explaining the financial performance or position of the entity for the period.

3. PRIOR PERIOD RESTATEMENT

As a result of the Karvy Computershare Private Limited acquisition, completed in the year ended 30 June 2004, Computershare owns 50% of Karvy Computershare Private Limited. The remaining 50% is owned by Karvy Consultants Limited (Karvy). Computershare has a 'first right of refusal' or 'call' option to purchase the remaining 50% of the joint venture from Karvy, and Karvy has a 'put' option to sell the remaining 50% to Computershare.

The Group identified during the current period that the 'put' option (being over its non-controlling interest) has not been correctly accounted for under Australian Accounting Standards requirements since the transition to International Financial Reporting Standards as at 1 July 2005. From this date the accounting requirement was that the 'put' option must be recognised as a liability even though the payment is conditional on the option being exercised.

The incorrect treatment meant that the put option liability was omitted and therefore understated by USD 22.1 million at 30 June 2012 and USD 38.5 million at 1 July 2011. The details of these are tabled below.

Going forward, as changes in the measurement of the liability do not change the relative interests in the subsidiary, the put option liability will be remeasured through profit and loss at each reporting period. The liability changes are due to a variable option exercise price and foreign exchange revaluation (from Indian Rupees into US dollars). The impact on the consolidated statement of comprehensive income was to increase other income by USD 16.4 million in the year ended 30 June 2012. Re-measurement of the put option liability is included as a management adjustment item. There are no corresponding tax entries required.

All affected balances and amounts have been restated in these financial statements and are set out below.

Impact on profit and loss for the year ended 30 June 2012

	\$000
Increase in other income	16,364
Increase/(decrease) in profit for the year attributable to:	
Members of Computershare Limited	16,364
Non-controlling interests	-

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES SUPPLEMENTARY APPENDIX 4E INFORMATION

Impact on net assets and equity as at 1 July 2011

	As at 1 July 2011 as previously reported	Recognition of put option liability increase/(decrease) in other current liabilities	As at 1 July 2011 restated
	\$000	\$000	\$000
Total current liabilities	538,456	38,481	576,937
Net assets	1,245,456	(38,481)	1,206,975
Retained earnings	1,048,403	(30,921)	1,017,482
Reserves	152,081	(7,560)	144,521
Total equity	1,245,456	(38,481)	1,206,975

At 30 June 2011 (and 1 July 2011) the 'put' option liability was valued at USD 38.5 million.

Impact on net assets and equity as at 30 June 2012

	As at 30 June 2012 as previously reported	Recognition of put option liability increase/(decrease) in other current liabilities	As at 30 June 2012 restated
	\$000	\$000	\$000
Total current liabilities	528,757	22,117	550,874
Net assets	1,176,460	(22,117)	1,154,343
Retained earnings	1,042,965	(14,557)	1,028,408
Reserves	90,749	(7,560)	83,189
Total equity	1,176,460	(22,117)	1,154,343

At 30 June 2012 the 'put' option liability had decreased in value to USD 22.1 million (from USD 38.5 million at 1 July 2011, a reduction of USD 16.4 million). The reduction in value of USD 16.4 million is recorded as other income in the profit and loss for the year ended 30 June 2012.

The effect on the basic earnings per share and diluted earnings per share for the year ended 30 June 2012 is an increase of 2.94 cents per share and 2.94 cents per share respectively. There is no effect on management basic or diluted earnings per share.

4. RECONCILIATION OF INCOME TAX EXPENSE

Numerical reconciliation of income tax expense to prima facie tax payable

	2013	2012
	\$000	\$000
		restated
Profit before income tax expense	192,606	226,608

The tax expense for the financial year differs from the amount calculated on the profit. The differences are reconciled as follows:

Prima facie income tax expense thereon at 30%	57,782	67,982
Tax effect of permanent differences:		
Variation in tax rates of foreign controlled entities	(13,732)	(21,279)
Prior year tax (over)/under provided	(667)	1,644
Research and development allowance	(2,431)	(2,082)
Net other deductible	(8,923)	4,247
Income tax expense	32,029	50,512

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES SUPPLEMENTARY APPENDIX 4E INFORMATION

5. RETAINED EARNINGS (Appendix 4E item 6)

	2013 \$000	2012 \$000 restated
Retained earnings		
Retained earnings at the beginning of the financial year	1,028,408	1,017,482
Ordinary dividends provided for or paid	(160,190)	(161,937)
Net profit/(loss) attributable to members of Computershare Limited	157,013	172,863
Retained earnings at the end of the financial year	<u>1,025,231</u>	<u>1,028,408</u>

6. ADDITIONAL DIVIDEND INFORMATION (Appendix 4E item 7)

Details of dividends declared or paid during or subsequent to the year ended 30 June 2013 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend	Franked amount per security	Conduit Foreign Income amount per security
20 August 2012	11 September 2012	Final	AU 14 cents	AUD 77,792,968	AU 8.4 cents	AU 5.6 cents
25 February 2013	19 March 2013	Interim	AU 14 cents	AUD 77,792,968	AU 2.8 cents	AU 11.2 cents
26 August 2013	17 September 2013	Final	AU 14 cents	AUD 77,868,431*	AU 2.8 cents**	AU 11.2 cents

* Based on 556,203,079 shares on issue as at 14 August 2013

** Dividend franked to 20%

7. DIVIDEND REINVESTMENT PLANS (Appendix 4E item 8)

The Group introduced a dividend reinvestment plan on 18 January 2013.

Eligible shareholders may elect to take all or part of future dividends in the form of cash or shares in accordance with the plan rules. Shares are provided under the plan free of brokerage and other transaction costs.

Applications or notices to participate or withdraw from the dividend reinvestment plan received after 5.00pm (Melbourne time) on 26 August 2013 will not be effective for the final dividend in respect of the current financial year but will be effective for future dividends.

8. NTA BACKING (Appendix 4E item 9)

	2013	2012 restated
Net tangible asset backing per ordinary share	(2.28)	(2.37)

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
SUPPLEMENTARY APPENDIX 4E INFORMATION

9. EARNINGS PER SHARE (Appendix 4E item 14.1)

	Calculation of Basic EPS	Calculation of Diluted EPS	Calculation of Management Basic EPS	Calculation of Management Diluted EPS
	\$000	\$000	\$000	\$000
Year ended 30 June 2013				
Earnings per share (cents per share)	28.25 cents	28.13 cents	54.85 cents	54.62 cents
Profit for the year	160,577	160,577	160,577	160,577
Non-controlling interest (profit)/loss	(3,564)	(3,564)	(3,564)	(3,564)
Add back management adjustment items (see below)	-	-	147,846	147,846
Net profit attributable to the members of Computershare Limited	157,013	157,013	304,859	304,859
Weighted average number of ordinary shares used as denominator in calculating basic earnings per share	555,816,166		555,816,166	
Weighted average number of ordinary and potential ordinary shares used as denominator in calculating diluted earnings per share		558,142,604		558,142,604
	Calculation of Basic EPS	Calculation of Diluted EPS	Calculation of Management Basic EPS	Calculation of Management Diluted EPS
	\$000	\$000	\$000	\$000
	restated	restated	restated	restated
Year ended 30 June 2012				
Earnings per share (cents per share)	31.10 cents	31.01 cents	49.09 cents	48.93 cents
Profit for the year	176,096	176,096	176,096	176,096
Non-controlling interest (profit)/loss	(3,233)	(3,233)	(3,233)	(3,233)
Add back management adjustment items (see below)	-	-	99,937	99,937
Net profit attributable to the members of Computershare Limited	172,863	172,863	272,800	272,800
Weighted average number of ordinary shares used as denominator in calculating basic earnings per share	555,664,059		555,664,059	
Weighted average number of ordinary and potential ordinary shares used as denominator in calculating diluted earnings per share		557,501,553		557,501,553
Reconciliation of weighted average number of shares used as the denominator:				
			2013	2012
			Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share			555,816,166	555,664,059
Adjustments for calculation of diluted earnings per share:				
Options			-	7,713
Performance rights			2,326,438	1,829,781
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share			558,142,604	557,501,553

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES SUPPLEMENTARY APPENDIX 4E INFORMATION

No employee options have been issued since year end.

1,100,000 performance rights were issued with the grant date 21 September 2012 valued at AUD 7.20 each. If the vesting conditions are satisfied, the performance rights will be exercisable within six months after the financial report for the year ending 30 June 2017 has been signed. 550,000 of these performance rights have been taken into account when calculating the diluted earnings per share for the period ending 30 June 2013 as no performance condition has been attached. The remaining 550,000 have been excluded as the performance conditions have not been satisfied as at 30 June 2013.

Management adjustment items

Management adjusted results are used, along with other measures, to assess operating business performance. The Group believes that exclusion of certain items permits better analysis of the Group's performance on a comparative basis and provides a better measure of underlying operating performance.

For the year ended 30 June 2013 management adjustment items were as follows:

	Gross \$000	Tax effect \$000	Net of tax \$000
Amortisation			
Intangible assets amortisation	(105,828)	37,703	(68,125)
Strategic business initiatives			
Loss on disposal of businesses	(45,874)	1,539	(44,335)
Gain on sale of equity investment	14,132	(2,305)	11,827
Business closure	(11,145)	658	(10,487)
Restructuring provisions	(3,875)	1,259	(2,616)
One-off items			
Acquisition integration costs	(51,153)	19,122	(32,031)
DLI performance rights reversal	8,256	(2,477)	5,779
Acquisition accounting adjustments	6,187	(1,169)	5,018
Impairment losses	(7,627)	2,902	(4,725)
Other			
Indian acquisition put option liability re-measurement	(6,645)	-	(6,645)
Provision for tax liability	(2,762)	1,047	(1,715)
Marked to market adjustments - derivatives	298	(89)	209
Total management adjustment items	<u>(206,036)</u>	<u>58,190</u>	<u>(147,846)</u>

For the year ended 30 June 2012 management adjustment items were as follows:

	Gross \$000 restated	Tax effect \$000 restated	Net of tax \$000 restated
Amortisation			
Intangible assets amortisation	(79,793)	28,638	(51,155)
Strategic business initiatives			
Gain on disposals	5,192	(1,466)	3,726
Restructuring provisions	(3,527)	1,147	(2,380)
One-off items			
Acquisition integration costs	(9,823)	4,204	(5,619)
Acquisition accounting adjustments	5,785	4,165	9,950
Impairment charge - Continental Europe	(63,761)	-	(63,761)
Other			
Indian acquisition put option liability re-measurement	16,364	-	16,364
Provision for tax liability	(12,300)	5,264	(7,036)
Marked to market adjustments - derivatives	(37)	11	(26)
Total management adjustment items	<u>(141,900)</u>	<u>41,963</u>	<u>(99,937)</u>

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Below are the details of management adjustment items net of tax for the year ended 30 June 2013.

Amortisation

- Customer contracts and other intangible assets are recognised separately from goodwill on acquisition and amortised over their useful life in the statutory results. The amortisation expense of these intangibles for FY13 was USD 68.1 million.

Strategic business initiatives

- On 30 April 2013 the Restricted Stock Services software product was sold by the USA business at a loss of USD 5.4 million. On 30 June 2013 the interactive events technology group, IML, was sold to Lumi Technologies Limited at a loss of USD 38.9 million (refer to note 16).
- Gain of USD 11.8 million was recognised on the sale of the equity investment in Solium Capital Inc in Canada.
- During FY13 it was decided to cease operating the Fund Services business in Australia. As a result of this decision provisions for exit costs were raised and asset write downs were taken totalling USD 10.5 million.
- Restructuring provisions of USD 2.2 million were raised related to Computershare's change to a global service model impacting the USA, Canada and Australia and USD 0.4 million related to German property leases.

One-off items

- Integration costs of USD 30.6 million related to the Shareowner Services acquisition from Bank of New York Mellon and USD 1.4 million related to completion of UK acquisition integrations were incurred.
- As part of the FY14 budget process it was determined that it was no longer considered 'more likely than not' that the performance condition applicable to 50% of the performance rights granted on 12 November 2009 would be met. On this basis, the personnel expense related to prior years of USD 5.8 million has been reversed. The expense in prior periods was charged against management earnings.
- An acquisition accounting adjustment gain of USD 2.1 million for the true-up of provisions related to Shareowner Services as well as contingent consideration adjustment gain of USD 3.1 million related to Serviceworks and USD 0.2 million loss related to Specialized Loan Servicing.
- Impairment losses of USD 4.7 million were recognised on unlisted investments and loan transactions with equity investments.

Other

- The put option liability re-measurement expense of USD 6.6 million related to the Karvy acquisition in India (refer to note 3).
- Provision of USD 1.7 million was raised as a true-up of a tax liability associated with a previously identified business issue.
- Derivatives that have not received hedge designation are marked to market at the reporting date and taken to profit and loss in the statutory results. The valuations, resulting in a gain of USD 0.2 million relate to future estimated cash flows.

10. SHARE BUYBACK *(Appendix 4E item 14.2)*

The company had no on-market buy back in operation during the year ended 30 June 2013 and the year ended 30 June 2012.

11. SEGMENT INFORMATION *(Appendix 4E item 14.4)*

The operating segments presented reflect the manner in which the Group has been internally managed and the financial information reported to the chief operating decision maker (CEO) in the current financial year. Management has determined the operating segments based on the reports reviewed by the CEO that are used to make strategic decisions and assess performance.

There are seven operating segments. Six of them are geographic: Asia, Australia and New Zealand, Canada, Continental Europe, UCIA (United Kingdom, Channel Islands, Ireland & Africa) and the United States of America. In addition, the Technology and Other segment comprises the provision of software specialising in share registry, employee plans and financial services globally, as well as the production and distribution of interactive meeting products. It is also a research and development function, for which discrete financial information is reviewed by the CEO.

In each of the six geographic segments the consolidated entity offers its core products and services: Investor Services, Business Services, Plan Services, Communication Services and Stakeholder Relationship Management Services. Investor Services comprise the provision of register maintenance, company meeting logistics, payments and full contact centre and online services. Business Services comprise the provision of bankruptcy and class action administration services, voucher services, meeting services, corporate trust services, loan servicing activities and utility services. Plan Services comprise the administration and management of employee share and option plans. Communication Services comprise laser imaging, intelligent mailing, scanning and electronic communications delivery. Stakeholder Relationship Management Services comprise the provision of investor analysis, investor communication and management information services to companies, including their employees, shareholders and other security industry participants.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES SUPPLEMENTARY APPENDIX 4E INFORMATION

None of the corporate entities have been allocated to the operating segments. The main purpose of the corporate entities is to hold intercompany investments and conduct financing activities.

OPERATING SEGMENTS

	Asia	Australia & New Zealand	Canada	Continental Europe	Technology & Other	UCIA	United States	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
June 2013								
Total segment revenue and other income	113,038	426,467	198,037	110,241	238,124	299,645	843,233	2,228,785
External revenue and other income	112,995	424,380	196,691	110,064	37,283	296,520	840,662	2,018,595
Intersegment revenue	43	2,087	1,346	177	200,841	3,125	2,571	210,190
Management adjusted EBITDA	33,404	77,368	81,616	16,118	16,104	115,813	171,829	512,252
June 2012								
Total segment revenue and other income	106,820	407,171	208,525	113,417	221,005	293,368	654,376	2,004,683
External revenue and other income	106,791	405,274	207,169	113,231	35,723	290,446	652,236	1,810,870
Intersegment revenue	30	1,897	1,356	186	185,282	2,922	2,140	193,813
Management adjusted EBITDA	34,322	76,938	95,612	14,971	7,204	104,140	125,042	458,229

Segment revenue

The revenue reported to the CEO is measured in a manner consistent with that of the statement of comprehensive income. Sales between segments are included in the total segment revenue, whereas sales within a segment have been eliminated from segment revenue. Sales between segments are at normal commercial rates and are eliminated on consolidation.

Segment revenue reconciles to total revenue from continuing operations as follows:

	2013	2012
	\$000	\$000
Total operating segment revenue and other income	2,228,785	2,004,683
Intersegment eliminations	(210,190)	(193,813)
Corporate revenue and other income	1,354	(3,697)
Total revenue from continuing operations	2,019,949	1,807,173

Management adjusted EBITDA

Management adjusted results are used, along with other measures, to assess operating business performance. The Group believes that exclusion of certain items permits better analysis of the Group's performance on a comparative basis and provides a better measure of underlying operating performance.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES SUPPLEMENTARY APPENDIX 4E INFORMATION

A reconciliation of management adjusted EBITDA to operating profit before income tax is provided as follows:

	2013 \$000	2012 \$000 restated
Management adjusted EBITDA - operating segments	512,252	458,229
Management adjusted EBITDA – corporate	(2,436)	724
Management adjusted EBITDA	509,816	458,953
Management adjustment items (before related income tax expense):		
Intangible assets amortisation	(105,828)	(79,793)
Gain/(loss) on disposals	(45,874)	5,192
Gain on sale of equity investment	14,132	-
Business closure	(11,145)	-
Restructuring provisions	(3,875)	(3,527)
Acquisition integration costs	(51,153)	(9,823)
DLI performance rights reversal	8,256	-
Acquisition accounting adjustments	6,187	5,785
Impairment charge - Continental Europe	-	(63,761)
Impairment losses	(7,627)	-
Indian acquisition put option liability re-measurement	(6,645)	16,364
Provision for tax liability	(2,762)	(12,300)
Marked to market adjustments – derivatives	298	(37)
Total management adjustment items (note 9)	(206,036)	(141,900)
Finance costs	(66,615)	(48,289)
Other amortisation and depreciation	(44,559)	(42,156)
Profit before income tax from continuing operations	192,606	226,608

12. TRENDS IN PERFORMANCE *(Appendix 4E item 14.5)*

Refer to attached Market Announcement.

13. OTHER FACTORS THAT AFFECTED RESULTS IN THE PERIOD OR WHICH ARE LIKELY TO AFFECT RESULTS IN THE FUTURE *(Appendix 4E item 14.6)*

Refer to attached Market Announcement.

14. CONTROLLED ENTITIES ACQUIRED OR DISPOSED OF *(Appendix 4E item 10)*

Acquired	Date control gained
CJSC "Ediniy Registrator"	20 March 2013
Disposed	Date control lost
Interactive Meetings Limited	30 June 2013
IML Limited	30 June 2013
IML Interactive UK Limited	30 June 2013
IML Interactive Pty Limited	30 June 2013
IML Interactive (Proprietary) Ltd	30 June 2013
IML BVBA	30 June 2013
IML Netherlands B.V.	30 June 2013
Interactive Meetings France SAS	30 June 2013
IML Asia Limited	30 June 2013
Interactive Meetings (Singapore) Pte. Limited	30 June 2013
IML (US) Inc	30 June 2013
IML (New Zealand) Limited	30 June 2013
IML Interactive GmbH	30 June 2013

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES SUPPLEMENTARY APPENDIX 4E INFORMATION

15. ASSOCIATES AND JOINT VENTURE ENTITIES (Appendix 4E item 11)

Name	Place of incorporation	Principal activity	Ownership interest		Consolidated carrying amount	
			June 2013	June 2012	June 2013	June 2012
			%	%	\$000	\$000
Joint Ventures						
Japan Shareholder Services Ltd	Japan	Technology Services	50	50	1,453	1,651
Computershare Pan Africa Holdings Ltd	Mauritius	Investor Services	60	60	-	-
Computershare Pan Africa Ghana Ltd	Ghana	Investor Services	60	60	-	-
Computershare Pan Africa Nominees Ghana Ltd	Ghana	Investor Services	60	60	-	-
Asset Checker Ltd	United Kingdom	Investor Services	50	50	-	-
VisEq GmbH	Germany	Investor Services	66	66	280	324
Digital Post Australia Pty Limited*	Australia	Technology Services	80	40	3,008	278
Associates						
Chelmer Ltd	New Zealand	Technology Services	50	50	-	-
Expandi Ltd	United Kingdom	Investor Services	25	25	4,698	3,634
Milestone Group Pty Ltd	Australia	Technology Services	20	20	7,190	7,627
Janosch Film & Medien AG	Germany	Investor Services	26	27	-	-
Fonterelli GmbH & Co. KGaA	Germany	Investor Services	49	49	444	515
Reach Investor Solutions Pty Ltd	Australia	Investor Services	49	35	1,294	755
Solium Capital Inc	Canada	Plan Services	-	20	-	12,394
INVeShare	United States	Investor Services	25	-	10,131	-
					28,498	27,178

*Digital Post Australia Pty Limited is a joint venture with an ownership interest of 80% as decisions about the relevant activities require unanimous consent of the parties sharing control.

The share of net profit of associates and joint ventures accounted for using the equity method for the year ended 30 June 2013 is USD 0.1 million loss (2012: USD 0.3 million profit).

16. OTHER SIGNIFICANT INFORMATION (Appendix 4E item 12)

The interactive events technology group IML was sold to Lumi Technologies Limited on 30 June 2013. Mr CJ Morris has a significant interest in Lumi Technologies Limited. The transaction was considered and approved by the Computershare Board (absent Mr Morris) following a formal sale process conducted by an external party. Consideration received was GBP7.8 million (USD 12.2 million) which will be adjusted for a working capital calculation. The provisional loss on disposal recognised for accounting purposes was USD 38.9 million after tax.

There have been no other transactions with Lumi Technologies Limited during the year. As part of the sale process Lumi Technologies Limited has entered into contracts with a number of Computershare entities to provide meeting services on ordinary commercial terms and conditions. As the sale was completed on 30 June 2013, the total value of services provided in the year ended 30 June 2013 was nil.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES SUPPLEMENTARY APPENDIX 4E INFORMATION

17. RECONCILIATION OF NET PROFIT AFTER TAX TO CASH FLOWS FROM OPERATING ACTIVITIES

	2013 \$000	2012 \$000 restated
Net profit after income tax	160,577	176,096
Adjustments for non-cash income and expense items:		
Depreciation and amortisation	150,387	121,948
Net (gain)/loss on asset disposals and write-offs	49,007	(3,256)
Impairment charge - Continental Europe	-	63,761
Gain on bargain purchase	-	(16,326)
Share of net (profit)/loss of associates and joint ventures accounted for using equity method	146	(321)
Employee benefits – share based payments	11,925	22,577
Financial instruments – fair value adjustments	5,704	(15,032)
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(12,116)	(647)
(Increase)/decrease in inventories	(4,401)	2,216
(Increase)/decrease in other financial assets and other current assets	(30,129)	(7,403)
Increase/(decrease) in payables and provisions	24,846	14,377
Increase/(decrease) in tax balances	(21,906)	(23,431)
Net cash and cash equivalents from operating activities	<u>334,040</u>	<u>334,559</u>

18. AUDIT STATUS *(Appendix 4E item 15)*

This report is based on accounts which are in the process of being audited.

19. COMMENTARY ON RESULTS *(Appendix 4E item 14)*

Refer to the attached Market Announcement.

20. SIGNIFICANT FEATURES OF OPERATING PERFORMANCE *(Appendix 4E item 14.3)*

Refer to the attached Market Announcement.

21. BUSINESS COMBINATIONS

The Group continues to seek acquisition and other growth opportunities where value can be added and returns enhanced for the shareholders.

On 20 March 2013 Computershare acquired 97.92% of CJSC ‘Ediniy Registrator’, a provider of share registry services in Russia. Total consideration was USD 4.5 million. This entity’s operating results have been included in profit or loss from the acquisition date.

This business combination did not materially contribute to the total revenue of the Group.

Details of the acquisition are as follows:

	\$000
Cash consideration	4,517
Contingent consideration	-
Total consideration paid	<u>4,517</u>
Less fair value of identifiable assets acquired	<u>(4,517)</u>
Provisional goodwill on consolidation	<u>-</u>

In accordance with the accounting policy, the acquisition accounting for Serviceworks Group, Specialized Loan Servicing LLC, Shareowner Services LLC (previously called Mellon Investor Holdings LLC) and Fakhro Karvy Computershare W.L.L (previously called Bahrain Shares Registering Company W.L.L.) has been finalised during the reporting period. This resulted in a decrease in goodwill recognised on Shareowner Services LLC acquisition of USD 6.2 million.