COMPUTERSHARE LIMITED (ASX:CPU)

FINANCIAL RESULTS
FOR THE FULL YEAR ENDED 30 JUNE 2014

13 August 2014

NOTE: All figures (including comparatives) are presented in US Dollars (unless otherwise stated).

The non-IFRS financial information contained within this document has not been reviewed or audited in accordance with Australian Auditing Standards.

Copies of the FY14 Results Presentation are available for download at:
http://www.computershare.com/au/about/ir/financials/Pages/results.aspx

Melbourne, 13 August 2014 – Computershare Limited (ASX:CPU) today reported Statutory Basic Earnings per Share (EPS) of 45.20 cents for the twelve months ended 30 June 2014, an increase of 60.1% on FY13. Management Earnings per Share were 60.24 cents, an increase of 9.8% over the prior corresponding period (pcp).

A final dividend of AU 15 cents per share 20% franked has been declared, an increase of AU 1 cent from the final dividend in FY13.

Total statutory revenues and other income increased 0.1% on FY13 to $2,048.6 million. Statutory Net Profit post Non-Controlling Interest (NCI) increased 60.1% to $251.4 million (see Appendix 4E). Management Net Profit post NCI rose 9.9% to $335.0 million. Operating Cash Flows increased 22.5% to $409.3 million.

Headline Statutory Results (see Appendix 4E) for FY14 were as follows:

	FY14	FY13	**FY14 versus FY13**
Earnings per Share (post NCI)	**45.20 cents**	28.25 cents	**Up 60.1%**
Total Revenues & other income	**$2,048.6m**	$2,046.0m	**Up 0.1%**
Total Expenses	**$1,721.9m**	$1,853.3m	**Down 7.1%**
Statutory Net Profit (post NCI)	**$251.4m**	$157.0m	**Up 60.1%**

Headline Management Results for FY14 were as follows:

	FY14	FY13	**FY14 versus FY13**	FY14 at FY13 exchange rates	FY14 at FY13 exchange rates versus FY13
Management Earnings per Share (post NCI)	**60.24 cents**	54.85 cents	**Up 9.8%**	59.86 cents	Up 9.1%
Total Operating Revenues	**$2,022.6m**	$2,025.1m	**Down 0.1%**	$2,079.9m	Up 2.7%
Operating Costs	**$1,480.9m**	$1,515.2m	**Down 2.3%**	$1,532.3m	Up 1.1%
Management Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	**$540.6m**	$509.8m	**Up 6.0%**	$544.1m	Up 6.7%
EBITDA margin	**26.7%**	25.2%	**Up 150bps**	26.2%	Up 100bps
Management Net Profit (post NCI)	**$335.0m**	$304.9m	**Up 9.9%**	$333.0m	Up 9.2%
Cash Flow from Operations	**$409.3m**	$334.0m	**Up 22.5%**		
Free Cash Flow	**$392.8m**	$290.3m	**Up 35.3%**		
Days Sales Outstanding	**45 days**	45 days	**Flat**		
Capital Expenditure	**$19.8m**	$49.5m	**Down 60.0%**		
Net Debt to EBITDA ratio	**2.13 times**	2.47 times	**Down 0.34 times**		
Final Dividend	**AU 15 cents**	AU 14 cents	**Up 1 cent**		
Final Dividend franking amount	**20%**	20%	**Flat**		

Reconciliation of Statutory Results to Management Results

FY14	USD 000's
Net profit after tax as per Statutory Results	251,401
Management Adjustments (after tax)	
Amortisation	
Intangible assets amortisation	62,204
Strategic business initiatives	
Net gain on disposals	(817)
Adjustment to disposal accounting	(2,702)
Business closure adjustment	(2,605)
Restructuring provisions	796
Asset write-downs	26,295
Other	
Acquisition related costs	821
Foreign exchange gain	(2,316)
Acquisition accounting adjustments	401
Indian acquisition put option liability re-measurement	2,302
Marked to market adjustments on derivatives	(743)
Total Management Adjustments	83,636
Net profit after tax as per Management Results	335,037

Management Adjustments

Management Results are used, along with other measures, to assess operating business performance. The Company believes that exclusion of certain items permits better analysis of the Company's performance on a comparative basis and provides a better measure of underlying operating performance. The items excluded from the Management Results in FY14 were as follows:

Amortisation

- Customer contracts and other intangible assets that are recognised on business combinations or major asset acquisitions are amortised over their useful life in the statutory results but excluded from management earnings. The amortisation of these intangibles for FY14 was $62.2 million. Amortisation of intangibles purchased outside of business combinations (eg, mortgage servicing rights) is included as a charge against management earnings.

Strategic business initiatives

- A total gain of $14.4 million was recorded on disposal of Highlands Ranch LLC, an equity stake in Chelmer Limited and a listed investment held by VEM.
- Disposal of Pepper operations in Germany, Singapore and the US resulted in a loss of $13.6 million.
- Finalisation of the accounting for the disposal of Interactive Meetings Limited (IML) resulted in a reduction of the loss recognised in FY13 by $2.7m.
- The sale of the Australian Fund Services business, which was initially accounted for as a business closure, resulted in a reversal of certain provisions and a gain on sale totalling $2.6 million.
- Restructuring provisions of $0.8 million were raised. These provisions related to recent acquisitions as well as Computershare's change to a global service model.
- Assets of VEM were written down to fair value on classification as 'held for sale' resulting in a loss of $23.2 million.
- The closure of the Digital Post Australia business led to a $3.1m investment write off.

Other

- Acquisition related expenses of $0.8 million were incurred associated with the Shareowner Services, Olympia and R&T acquisitions.
- An accounting gain of $2.3 million was recorded as a result of translation of foreign currency bank accounts.
- An acquisition accounting adjustment expense of $0.4 million was recorded relating to deferred consideration liabilities for the Specialized Loan Servicing and Serviceworks acquisitions.
- The put option liability re-measurement resulted in an expense of $2.3 million related to the Karvy joint venture arrangement in India.
- 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 marked to market valuation resulted in a gain of $0.7 million.

Commentary (based on Management Results)

Computershare delivered Management EPS of 60.24 cents in FY14, up 9.8% on FY13 and in line with earnings guidance. Total revenues fell 0.1% versus FY13 to $2,022.6 million, with the strengthening US dollar as well as acquisitions and disposals throughout FY13 and FY14 having an impact. EBITDA margins increased 150bps on FY13 to 26.7%. Management EBITDA grew 6.0% to $540.6 million, and Management Net Profit post NCI grew 9.9% to $335.0 million. Operating costs were down 2.3% on FY13 to $1,480.9 million, primarily due to further synergies from the Shareowner Services business and the impact of acquisitions and disposals. On a constant currency basis, total revenues grew 2.7% and operating costs increased 1.1%. Cash flow from operations increased 22.5% to $409.3 million.

Register maintenance revenues were flat year on year. Improvements in the US and UCIA regions were offset by lower revenues in the Australia and New Zealand region due to the closure of the Funds Services business and the weaker Australian dollar. Corporate actions revenues have now been flat for three consecutive halves with reduced yields on client balances and FX translation offsetting the improvement in corporate activity.

Employee plans revenue increased year on year underpinned by acquisitions as well as increased employee activity. Stakeholder relationship management revenues fell year on year as hostile corporate activity remained subdued. Communication services revenues were down on FY13 due to the foreign currency translation effect, but improved in local currency terms, driven largely by activity now insourced as a result of recent acquisitions.

The business services segment witnessed a marginal drop in revenues year on year. The disposal of IML, the loss of a significant Serviceworks contract due to a client takeover, and continued weak market activity in the bankruptcy administration business in the US combined to negatively impact this segment. In contrast, the loan servicing and class actions administration businesses grew revenues on FY13.

Overall operating costs were down year on year, assisted by the delivery of further synergies from the Shareowner Services business integration and the benefit of FX translation. The introduction of the global service model continues to deliver benefits to the Company's cost base, however costs were adversely impacted by wage inflation, revenue mix and the net effect of acquisitions and disposals.

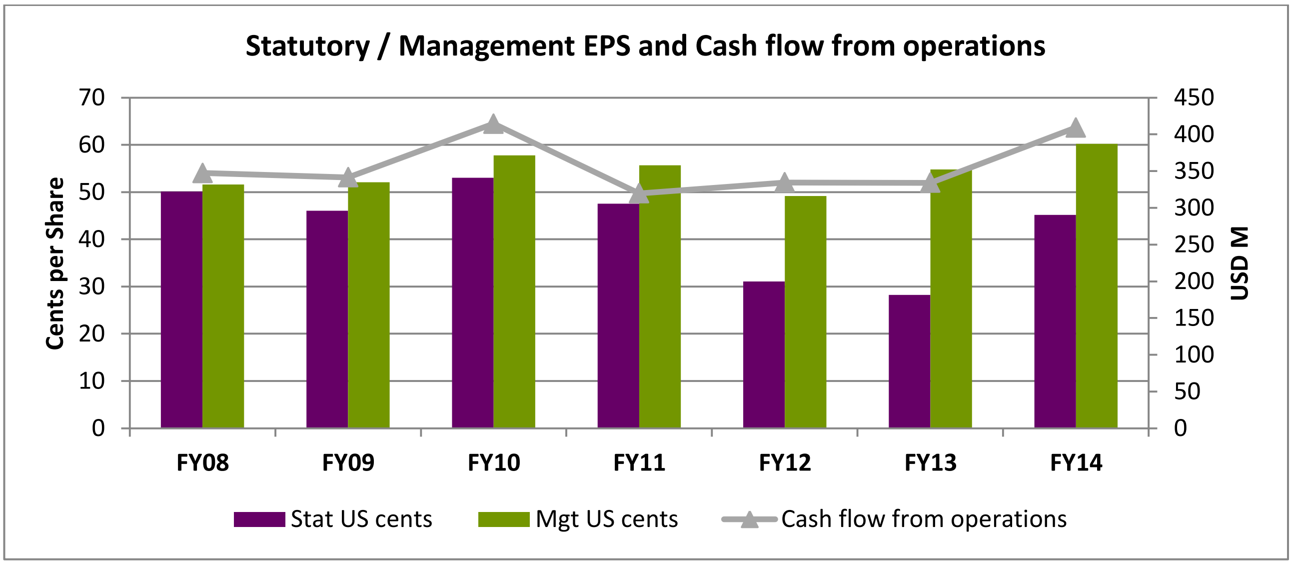
The Company completed the strategic review of prioritised assets during the period and this resulted in the sale of the Pepper Group, Highlands Insurance LLC and Chelmer Limited (refer to the market announcement on 1 July 2014). Furthermore, the VEM business in Germany is undergoing a sale process and the asset was written down given its 'held for sale' status. The closure of the Digital Post Australia business was also announced and resulted in a write-off. Consistent with past practice, the profits and losses associated with these transactions are reflected in the Company's statutory but not management earnings per share.

Computershare's CEO, Stuart Irving, said, "It was a pleasing year in terms of our result outcomes and achieving what we set out to do at the start of the year. Earnings delivered were at the top end of our guidance despite a number of our businesses still facing challenging conditions. We concluded our asset simplification objectives, enabling a greater focus on our existing businesses and prospects and we were able to execute on a range of new growth opportunities yet still continue to strengthen our balance sheet. I'd like to pay special thanks to all our staff for our FY14 accomplishments.

"I would like to take this opportunity to pay particular thanks to Stuart Crosby, our outgoing CEO, for his considerable contribution, not only to this result but over his fifteen years with our Company.

"Looking to the year ahead, lower yields on client balances and some short term headwinds are expected to be a drag on earnings, but we are seeing modest improvements in some of our key operating environments. Taking all factors into account we expect Management EPS for FY15 to be around 5% higher than FY14."

Below is a summary of annual Statutory and Management Earnings per Share performance and Cash flow from operations since FY08:



Regional Summary

Australia and New Zealand

Revenues in Australia and New Zealand decreased 11.7% on FY13 to $376.4 million and EBITDA was down 9.8% to $69.8 million.

The material fall in revenues can be attributed to the weakening of the Australian dollar, which fell around 11% year on year as well as the sale of the Australian Fund Services business in the first half. Margin income deteriorated year on year due to falls in Australian dollar interest rates and the maturity of hedges. Notably, excluding the FX translation effect, the Australian business delivered an earnings improvement. Both revenues and earnings for the New Zealand business were flat year on year.

Asia

Revenues in the Asian region fell 1.0% on pcp to $111.9 million, although EBITDA grew 10.0% to $36.7 million.

Hong Kong registry maintenance, corporate action and employee plan revenues all increased year on year, resulting in a significant uplift in earnings for this business. Business Services in India saw revenues fall which was further impacted by the 12% depreciation in the Indian rupee. The Indian investor services business experienced solid growth, but was unable to offset the deterioration in Business Services.

United Kingdom, Channel Islands, Ireland & Africa (UCIA)

Revenues in the UCIA region grew 8.1% on pcp to $324.0 million and EBITDA grew 4.0% to $120.4 million.

The investor services business revenues and earnings were higher year on year, particularly evident in the second half. The employee plans business increased revenues but earnings were negatively impacted by a weaker margin income contribution. Business services revenues and earnings fell year on year. Overall the UK business benefitted from a 3% appreciation of the pound sterling. The Irish business grew revenue and earnings on FY13 whilst South Africa was marginally down.

Continental Europe

Revenues in the region increased 4.4% on pcp to $115.1 million while EBITDA fell 12.0% to $14.2 million.

The increase in revenue was largely driven by the German businesses aided by the strengthening Euro. Modest growth was achieved in Russia, whilst Italy was flat. Germany's earnings showed improvement whereas Russia, adversely affected by the 8% weakening of the Russian rouble, and Italy, were both unable to match their FY13 results.

United States

USA revenues grew 5.5% on FY13 to $889.7 million and EBITDA increased 21.5% to $208.8 million.

Register maintenance, business services, employee plans and communication services revenue all increased year on year. Corporate actions revenue was down materially on FY13, largely as a result of lower margin income, whilst stakeholder relationship management revenues were marginally down. The key driver to earnings improvement was the delivery of the expected additional synergies from the Shareowner Services integration as well as improvement in the employee plans and class actions businesses. Loan servicing continues to grow although an increase in servicing costs has impacted earnings, whilst the bankruptcy administration business continued to suffer from low filings.

Canada

Canadian revenues fell 4.2% versus FY13 to $189.8 million and EBITDA decreased 7.2% to $75.7 million.

The Canadian environment continues to be challenging, with investor services and stakeholder relationship management revenues lower than FY13, also impacted by the weaker Canadian dollar. Employee plans and corporate trust revenues were higher and the region benefitted from the Olympia acquisition that closed in 1H14. Earnings were again impacted by lower margin income and subdued corporate actions activity.

Dividend

The Company announced a final dividend of AU 15 cents per share, 20% franked, payable on 16 September 2014 (dividend record date of 21 August 2014). This follows the interim dividend of AU 14 cents per share, 20% franked, paid in March 2014.

The dividend reinvestment plan (DRP) pricing period for the final dividend will be from 26 August to 8 September 2014 (inclusive). The Company will purchase the relevant number of shares under the DRP election on market. No discount will apply to the DRP price. DRP participation elections received after 5pm (AEST) on the 22 August 2014 (day after dividend record date) will not be effective in respect of this final dividend payment but will apply to future dividend payments unless the Company elects to suspend or cancel its DRP.

Capital Management

The Company's issued capital was unchanged during FY14. There were 556,203,079 issued ordinary shares outstanding as at 30 June 2014.

Balance Sheet Overview

Total assets increased by $189.3 million from 30 June 2013 to $3,808.2 million as at 30 June 2014. Shareholder's equity increased $136.3 million to $1,267.2 million over the same period.

Net borrowings decreased to $1,199.2 million (from $1,257.3 million at 30 June 2013). Gross borrowings at 30 June 2014 amounted to $1,659.3 million (down from $1,711.7 million at 30 June 2013). Debt facilities maturity averaged 3.8 years at 30 June 2014, with details outlined in the table below. Subsequent to year end, the Company refinanced its existing $800m syndicated debt facility, increasing the facility size to $900m, split into a 3-year $450m tranche and a 5-year $450m tranche. This refinancing has increased the debt facilities maturity average to 4.6 years.

The debt maturity profile **as at 30 June 2014** is detailed below:

Maturity Dates		Debt Drawn	Committed Debt Facilities	Bank Debt Facility	Private Placement Facility
FY15	Mar-15	124.5m	124.5m		124.5m
FY16	Oct-15	290.9m	300.0m	300.0m	
FY17	Oct-16	32.0m	250.0m	250.0m	
	Mar-17	21.0m	21.0m		21.0m
FY18	Jul-17	246.6m	250.0m	250.0m	
	Feb-18	40.0m	40.0m		40.0m
FY19	Jul-18	235.0m	235.0m		235.0m
	Feb-19	70.0m	70.0m		70.0m
FY22	Feb-22	220.0m	220.0m		220.0m
FY24	Feb-24	220.0m	220.0m		220.0m
Total		**$1,500.0m***	**$1,730.5m**	**$800.0m**	**$930.5m**

***** Variance from gross debt represents finance leases ($44.0m), fair value adjustment on debt ($24.7m) and the SLS advance facility ($90.6m).

The Company's Net Debt to Management EBITDA ratio, the key gearing metric, fell from 2.47 times at 30 June 2013 to 2.13 times at 30 June 2014.

Capital expenditure for FY14 was 60% lower than FY13 at $19.8 million.

The Group's Days Sales Outstanding was 45 days at 30 June 2014, unchanged from 30 June 2013.

Technology Costs

Total technology spend for FY14 was $240.9 million, 7.8% lower than FY13. Technology costs included $74.2 million (FY13: $67.9 million) in research and development expenditure that was expensed during the period. The technology cost to revenue ratio for FY14 was 11.9% (FY13: 12.9%).

Foreign Exchange Impact

Management EBITDA would have been $544.1 million, or 0.6% higher than actual FY14 Management EBITDA had average exchange rates from FY13 applied. Management EPS would have been 59.86 cents or 0.6% lower than actual FY14 Management EPS had prior year average exchange rates applied.

Taxation

The Management effective tax rate for FY14 was 22.4% (FY13: 22.6%).

Outlook for Financial Year 2015

Looking to the year ahead, lower yields on client balances and some short term headwinds are expected to be a drag on earnings, but the Company is seeing modest improvements in some of its key operating environments. Taking all factors into account the Company expects Management EPS for FY15 to be around 5% higher than FY14.

This assessment of the outlook assumes that equity, foreign exchange and interest rate markets remain at current levels.

Please refer to the 2014 Full Year Results Presentation for detailed financial data and the Important Notice on slide 65 regarding forward looking statements.

About Computershare Limited (CPU)

Computershare (ASX:CPU) is a global market leader in transfer agency and share registration, employee equity plans, proxy solicitation and stakeholder communications. We also specialise in corporate trust, mortgage, bankruptcy, class action, utility and tax voucher administration, and a range of other diversified financial and governance services.

Founded in 1978, Computershare is renowned for its expertise in data management, high volume transaction processing and reconciliations, payments and stakeholder engagement. Many of the world's leading organisations use us to help streamline and maximise the value of relationships with their investors, employees, creditors, members and customers.

Computershare is represented in all major financial markets and has over 12,000 employees worldwide.

For more information, visit www.computershare.com

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