COMPUTERSHARE LIMITED

Strategic growth and cyclical recovery

2018 Half Year Results Presentation

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Executive summary

1H18 results – strategic growth and cyclical recovery

Management results[1]		
Revenue **$1,111.9m** ▲ 10.8%	**EBITDA** **$289.6m** ▲ 20.0%	**EPS** **30.22 cents** ▲ 17.4%

Statutory EPS	Free cash flow	Dividend per share
Actual **31.43 cents[2]** ▲ 14.4%	**Actual** **$166.3m[3]** ▲ 10.9%	**Interim** **AU 19 cents** ▲ 11.8%

1H18 Management EBITDA grew strongly (+20%) driven by good progress in US Mortgage Services, increased event activity in Stakeholder Relationship Management and Class Actions, cyclical recovery in Corporate Actions and margin income and disciplined cost management

[1] Management results are expressed in constant currency throughout this presentation unless otherwise stated. Constant currency equals 1H18 results translated to USD at 1H17 average exchange rates. All figures in this presentation are presented in USD millions, unless otherwise stated

[2] Reconciliation of statutory to management results can be found on slide 23

[3] References in this presentation to free cash flow and net debt exclude SLS advances/non-recourse debt as appropriate

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FY18 guidance – further upgraded

Outlook improved

- At last November's AGM, we said that we expected FY18 Management EPS in constant currency to increase by around +10% on FY17
- Given the strong 1H18 result and the outlook for 2H18, we now expect Management EPS for FY18 in constant currency to increase by around +12.5% on FY17 with a positive bias

Assumptions

- This outlook assumes that equity markets remain at current levels and interest rate markets remain in line with current market expectations
- This outlook also assumes the Karvy sale completes in 2H18, share buy-back continues (negligible contribution to Management EPS in FY18) and a small positive impact in FY18 from US tax reform
- Consistent with FY17 guidance approach, this guidance assumes that FY17 average exchange rates are used to translate the FY18 earnings to USD (refer to slide 58)
- For comparative purposes, the base FY17 Management EPS is 54.41 cents

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Good progress on executing strategic priorities

Growth

- Mortgage Services EBITDA up 72.1%, now making a significant contribution to Group EBITDA (19.4%)
- US Mortgage Services continuing to drive scale, UPB up 19.1% since 30 June, revenue and margin expansion
- US subservicing UPB up 107.1% with improved market penetration
- UK Mortgage Services intensive integration workload underway and on track
- Share Plans increased earnings potential: $131.9bn of assets under administration, over half in the money

Profitability

- Corporate Actions revenue strengthening from FY17 cyclical lows, up 31.0%
- Margin income accelerating, up $11.8m
- $17.3bn of 1H18 average client balances – yield up to 0.92%
- Stakeholder Relationship Management EBITDA up $16.5m, driven by a large event for a US Fund
- Stage 1 and 2 cost out program delivering benefits. Stage 3 details in April
- Group EBITDA margin up 190bps to 26.0% with further expansion in US Registry margin

Capital Management

- Strong free cash flow $166.3m, up 10.9%
- Net debt to EBITDA continues to reduce - 1.58x – after self funding growth engines, strategic investments, share buy-back and increased dividends
- AUD49.7m of CPU shares acquired at an average price of $14.74
- Buy-back expected to continue in March
- AU 19 cents interim dividend +11.8%
- Karvy sale now expected to complete in 2H18 ~ $90m sale proceeds

Growth: Mortgage Services

Performing well, now contributes 19.4% of Group EBITDA

	1H18 @ CC	1H17 Actual	CC Variance
US Mortgage Services revenue	$143.4	$123.7	+15.9%
UK Mortgage Services revenue	$119.0	$117.3	+1.4%
Total Mortgage Services revenue	**$262.4**	**$241.0**	**+8.9%**
Total Mortgage Services EBITDA	**$56.1**	**$32.6**	**+72.1%**

US

- Growth engine performing well with UPB up 19.1% to $71.1bn – on track to achieve scale and target returns = 20% PBT margins and 12-14% post tax free cash flow return on average invested capital
- Pleasing growth in high margin capital light subservicing, UPB +107.1%, improved network of servicing agreements
- Continued growth in high margin non base servicing fee revenues driving improved returns
- Stable regulatory environment with ongoing structural trend towards servicing quality

UK

- UKAR - Intensive integration underway, contract generating expected returns
- Move to a single platform progressing well, releases significant synergy savings in FY19 and FY20
- Three challenger banks now live and generating new servicing volumes, implementation fees assisted revenue

Note: US MSR amortisation in the period is $16.0m ($9.8m pcp)

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Growth: Employee Share Plans

Investing for sustained growth with enhanced earnings potential

	1H18 @ CC	1H17 Actual	CC Variance
Transactional revenue	$38.7	$36.8	+5.2%
Fee revenue	$50.5	$53.0	-4.7%
Margin income	$6.9	$8.0	-13.8%
Other revenue	$8.7	$8.5	+2.4%
Total Employee Share Plans revenue	**$104.7**	**$106.3**	**-1.5%**
Employee Share Plans EBITDA	**$22.3**	**$24.7**	**-9.7%**
EBITDA margin %	**21.3%**	**23.2%**	**-190bps**
EBITDA ex margin income	$15.4	$16.7	-7.8%
EBITDA margin ex margin income %	15.7%	17.0%	-130bps

- Good growth in transactional revenue +5.2% driven by stronger equity markets - solid result given Brexit inflated pcp
- EBITDA affected by lower margin income (lower deposit returns) and less high margin implementation fees
- Continued growth in Asia leveraging off market leading design and data analytics capability
- Investing For the Future program - improvements in customer facing and business development technologies - new platform successfully deployed in China, step change improvement in usage metrics
- Increase in assets under administration to $131.9bn - enhanced earnings potential

Profitability: Register Maintenance and Corporate Actions

Recovery in event activity, focus on returning Registry to organic growth

	1H18 @ CC	1H17 Actual	CC Variance
Register Maintenance revenue	$326.5	$329.7	-1.0%
Corporate Actions revenue	$84.5	$64.5	+31.0%
Total Register Maintenance & Corporate Actions revenue	**$410.9**	**$394.3**	**+4.2%**
Register Maintenance & Corporate Actions EBITDA	**$138.4**	**$123.4**	**+12.2%**
EBITDA margin %	**33.7%**	**31.3%**	**+240bps**
EBITDA ex margin income	$102.4	$93.6	+9.4%
EBITDA margin ex margin income %	27.3%	25.7%	+160bps

- Stable Register Maintenance revenues with strong cyclical recovery in Corporate Actions mainly from large US transactions
- Combination of higher margin events based revenues and cost out programs driving solid EBITDA growth +12.2% and margin improvement to 33.7%, +240bps
- Key priority to return US Registry to organic revenue growth – encouraging early progress: Business development transformed, sales and support restructured. Redesigned and invested in technology and front office initiatives to extend market leadership and enhance high quality customer experience
- Market share of IPO's up 10% to 44% over recent periods. More sophisticated product bundling strategy effective: 1/3rd of IPO customers buy multiple products

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Profitability: Structural cost out programs progressing well

Stage 1 and 2 benefits and timetable affirmed. Stage 3 details in April

Activity	Total cost savings estimates $m	Benefit realisation (cumulative)			
		FY17A	FY18E	FY19E	FY20E
Stage 1 Louisville	25 - 30	28%	50%	70%	100%
Stage 2 Spans of control	~15	45%	95%	100%	
Operational efficiencies	10 - 15	-	20%	80%	100%
Procurement	5 - 8	-	50%	100%	
Process automation	~20	-	20%	80%	100%
Other	10 - 12	-	50%	100%	
Total cost savings estimate	**85 - 100**	**13.7**	**43.4**	**78.1**	**92.8**

- Stage 1 and 2 cost out programs progressing well and delivering substantial benefits across multiple business streams. Total benefits, staging and timetable affirmed
  - Stage 1 Louisville project personnel centralisation almost complete with property rationalisation to follow
  - Stage 2 underway. Spans of control savings delivered with ongoing progress across other initiatives
- Further cost savings anticipated with Stage 3 expected to be detailed in April 18

- *Estimates of total cash costs to deliver Stage 1 remain unchanged at $80-85m, circa 65% opex. Estimates of stage 2 total cash costs also remain unchanged at $30-40m, circa 75% opex. All opex costs to be expensed and included in Management adjustments*
- *Expected FY18 post tax management adjustment of $15-20m for Stages 1 and 2 (FY17 post tax management adjustments $20.5m)*

Capital management: enhancing shareholder returns

Cash generative business model

- Strong free cash flow* $166.3m, up 10.9%. Recurring revenues, high margins and low maintenance capex, funds strategic investments and shareholder returns

Strategic investments

- Self funding growth engines with investments in US MSR purchases $67.4m, up 9.4%
- Invested a further GBP7.5m in SETL with Board representation

Acquisitions

- Ongoing exploration of acquisition opportunities to leverage core strengths and alignment with CPU core competencies and financially accretive

Share buy-back

- AUD49.7m of CPU shares acquired at an average price of $14.74
- Buy-back expected to continue in March post payment of the FY18 interim dividend

Dividend

- Interim dividend of AU 19 cents unfranked, +11.8% on pcp. At the conclusion of the share buy-back, CPU intends to distribute the full value of available franking credits

Leverage ratio

- Net debt to EBITDA ratio down to 1.58x from 1.60x
- The sale of Computershare's interest in Karvy now expected to close in 2H18, ~$90m expected sale proceeds

* Excluding SLS advances

1H18 Management Results summary

Strong earnings growth and free cash flow

	1H18 @ CC	1H17 Actual	CC Variance	1H18 Actual
Total Revenue	$1,111.9	$1,003.2	+10.8%	$1,127.8
Margin income	*$78.4*	*$66.6*	*+17.7%*	*$79.6*
Operating Costs	$823.0	$762.3	+8.0%	$835.1
EBITDA	**$289.6**	**$241.3**	**+20.0%**	**$293.4**
EBITDA Margin %	**26.0%**	**24.1%**	**+190bps**	**26.0%**
Depreciation	$16.1	$17.4	-7.5%	$16.4
Amortisation	$16.2	$9.9	+63.6%	$16.2
EBIT	**$257.3**	**$214.0**	**+20.2%**	**$260.8**
Interest Expense	$28.3	$26.4	+7.2%	$28.6
Profit Before Tax	**$229.0**	**$187.6**	**+22.1%**	**$232.2**
Income Tax Expense[2]	$60.1	$44.2	+36.0%	$61.1
NPAT	**$164.6**	**$140.6**	**+17.1%**	**$166.8**
Management EPS (cents)	**30.22**	**25.74**	**+17.4%**	**30.62**

	1H18 Actual	1H17 Actual	Variance
Net operating cash flow[1]	$199.3	$173.3	+15.0%
Free cash flow[1]	$166.3	$150.0	+10.9%
Net debt to EBITDA ratio[1]	1.58 times	1.91 times	-0.33 times

[1] Excluding SLS advances/non-recourse SLS Advance debt as applicable

[2] 1H18 Management tax rate 26.3% (1H17 23.5%) largely reflects growing share of US earnings

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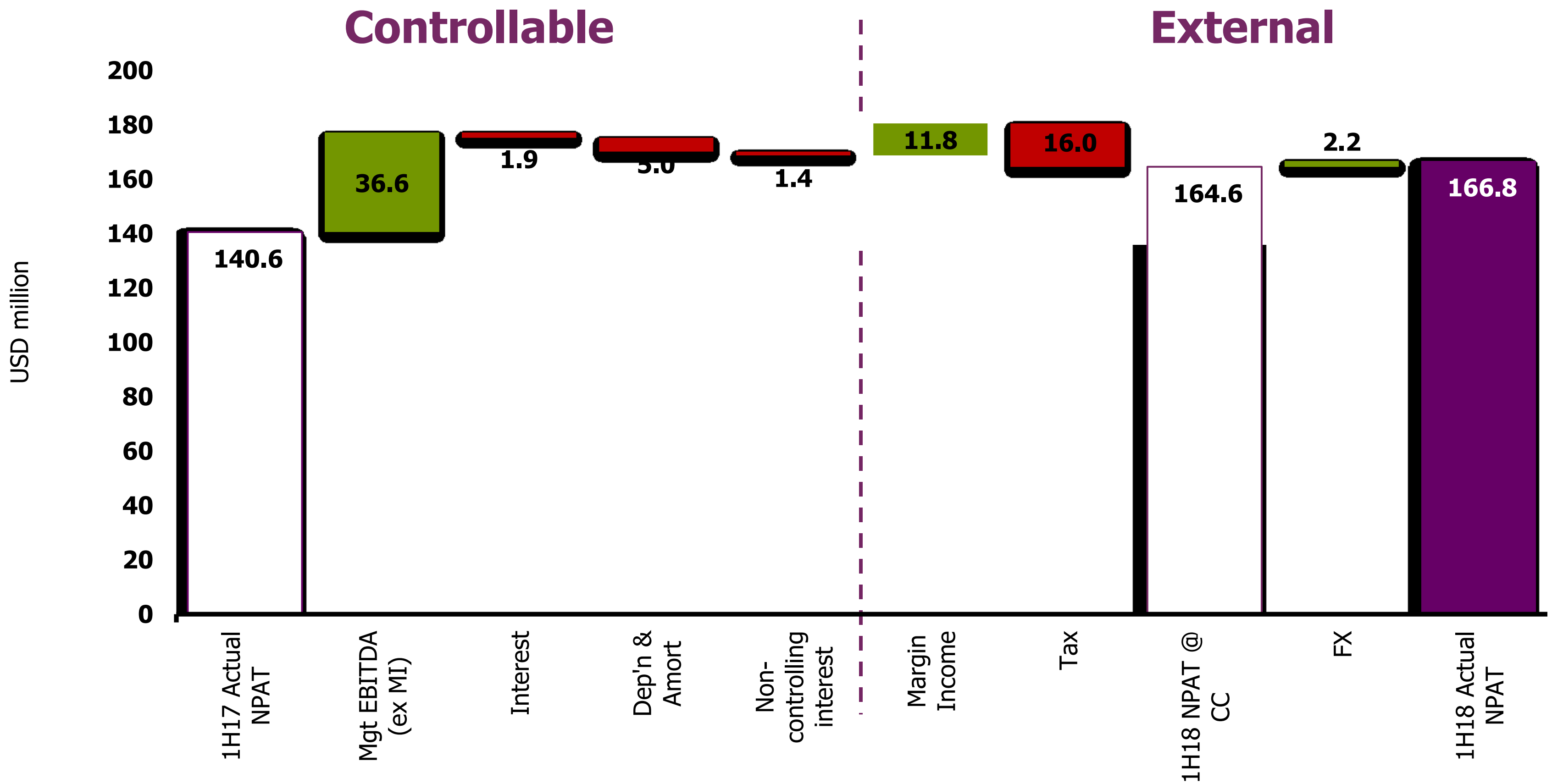
1H18 management NPAT analysis

21% management EBITDA growth (ex margin income)



Management revenue breakdown

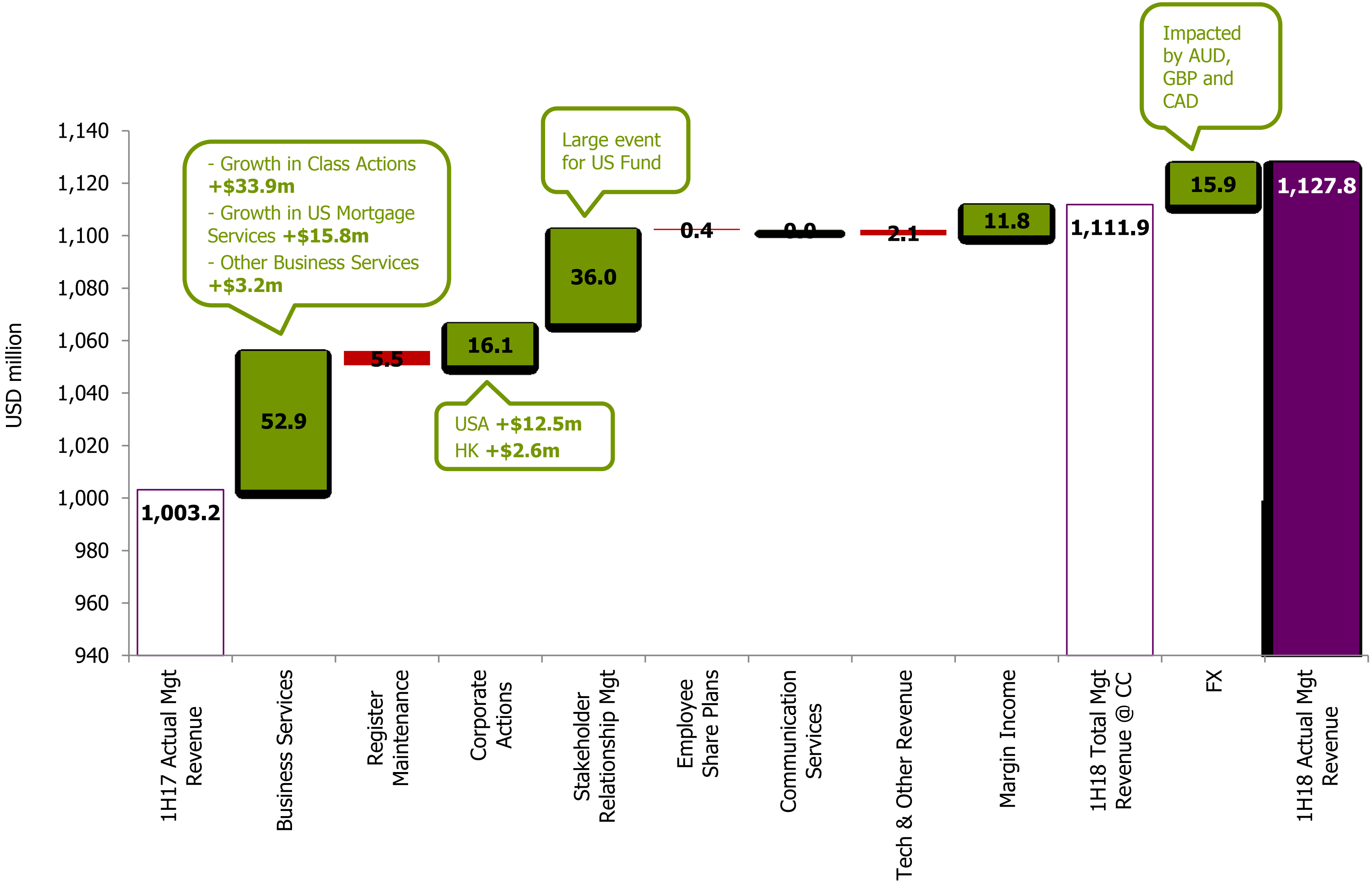
Strategic growth, cyclical recovery and increased event activity

Business stream	1H18 @ CC	1H17 Actual	CC Variance	1H18 Actual
Business Services	$435.3	$375.7	+15.9%	$441.4
Register Maintenance	$326.5	$329.7	-1.0%	$330.8
Corporate Actions	$84.5	$64.5	+31.0%	$85.2
Employee Share Plans	$104.7	$106.3	-1.5%	$106.5
Communication Services	$88.8	$88.8	+0.0%	$91.4
Stakeholder Relationship Mgt	$57.3	$21.4	+167.8%	$57.5
Technology & Other Revenue	$14.7	$16.8	-12.5%	$15.0
Total Management Revenue	**$1,111.9**	**$1,003.2**	**+10.8%**	**$1,127.8**

- Business Services growing strongly – improved revenue from Class Actions +78.6% coupled with growth in US Mortgage Services revenue
- Corporate Actions revenue improved from FY17 cyclical lows. Primarily driven by the US, with growth in Asia and Canada
- Employee Share Plans revenues ex margin income stable, -0.4%. Transactional revenues increased above Brexit inflated pcp, +5.2%. Margin income yield affected by UK deposit rates
- Stakeholder Relationship Management revenues increased by $35.9m primarily driven by a large proxy solicitation event for a US Fund
- Margin income increased by $11.8m to $78.4m: Registry Maintenance $2.3m, Corporate Actions $3.9m, Business Services $6.7m partly offset by Employee Share Plans ($1.1m)

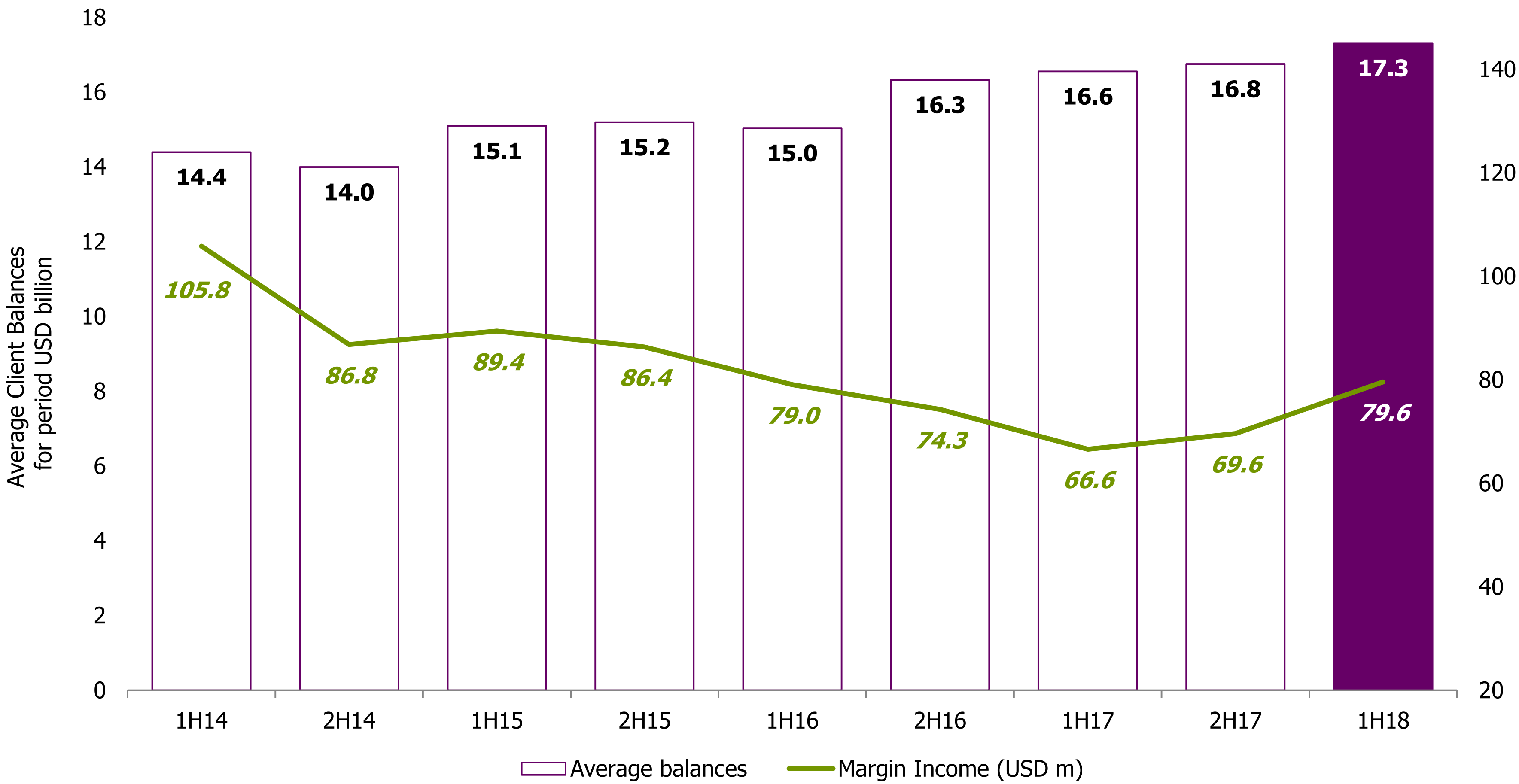
Management revenue bridge

Multiple growth contributors



Client balances and margin income

Stronger balances and increased yield drive accelerated margin income



Note: Margin income and balances translated at actual FX rates for the period

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EBITDA and margins by business stream

20% EBITDA growth with margin expansion to 26%

Business Stream	1H18 @ CC	1H17 Actual	CC Variance	1H18 EBITDA Margin in CC %	1H17 Actual EBITDA Margin %
Business Services	$111.5	$76.4	+45.9%	25.6%	20.3%
Register Maintenance & Corporate Actions	$138.4	$123.4	+12.2%	33.7%	31.3%
Employee Share Plans	$22.3	$24.7	-9.7%	21.3%	23.2%
Communication Services	$13.8	$13.3	+3.8%	15.6%	14.9%
Stakeholder Relationship Mgt	$13.6	($2.9)	+569.0%	23.7%	-13.5%
Technology & Other	($10.0)	$6.4	-256.3%	n/a	n/a
Total Management EBITDA	**$289.6**	**$241.3**	**+20.0%**	**26.0%**	**24.1%**

- Strong growth in Business Services EBITDA, with Mortgage Services contributing $56.1m, +72.1% and enhanced profitability and margins in Class Actions
- US Register Maintenance margins continue to improve underpinned by productivity gains. Corporate Actions profitability increased on higher revenues
- Strong improvement in Stakeholder Relationship Management EBITDA driven by a large event for a US Fund – largest proxy solicitation campaign in US mutual fund history, covering ~ 35m investor accounts
- Employee Share Plans EBITDA affected by lower margin income and less high margin implementation fees. Investing For the Future program to drive sustained growth - improvements in customer facing and business development technologies - new platform successfully deployed in China, step change improvement in usage metrics

EBITDA and margin income by business stream

Robust underlying performance continues - EBITDA ex MI +21%

Business Stream	1H18 EBITDA @ CC	1H18 MI @ CC	1H18 EBITDA ex MI @ CC	1H17 EBITDA	1H17 MI	1H17 EBITDA ex MI	CC Variance
Business Services	$111.5	$35.5	**$76.0**	$76.4	$28.8	**$47.6**	+59.7%
Register Maintenance & Corporate Actions	$138.4	$36.0	**$102.4**	$123.4	$29.8	**$93.6**	+9.4%
Employee Share Plans	$22.3	$6.9	**$15.4**	$24.7	$8.0	**$16.7**	-7.8%
Communication Services	$13.8	$0.0	**$13.8**	$13.3	$0.0	**$13.3**	+3.8%
Stakeholder Relationship Mgt	$13.6	$0.0	**$13.6**	($2.9)	$0.0	**($2.9)**	+569.0%
Technology & Other	($10.0)	$0.0	**($10.0)**	$6.4	$0.0	**$6.4**	n/a
Total Group	**$289.6**	**$78.4**	**$211.3**	**$241.3**	**$66.6**	**$174.7**	**+21.0%**

- Margin income accelerated to $78.4m ($66.6m pcp) with broad based increases across all US and Canadian exposed balances
- Business Services margin income grew by $6.7m with increases in US Mortgage Services and Class Actions
- Register Maintenance & Corporate Actions margin income increased on improved revenues with margins increasing to 27.3% (25.7% pcp) excluding margin income

Operating costs analysis

Cost to income ratio down to 74%, fixed labour costs held flat +0.3%

Operating costs	1H18 @ CC	1H17 Actual	CC Variance	1H18 Actual
Cost of sales	$195.0	$169.7	+14.9%	$197.7
Personnel	$477.4	$451.8	+5.7%	$484.5
Fixed/Perm	*$441.8*	*$440.6*	*+0.3%*	*$448.6*
Variable/Temp	*$35.5*	*$11.2*	*+217.0%*	*$35.9*
Occupancy	$45.5	$43.7	+4.1%	$46.2
Other Direct	$52.6	$50.2	+4.8%	$53.4
Computer/External technology	$52.5	$46.9	+11.9%	$53.3
Total Operating Costs	**$823.0**	**$762.3**	**+8.0%**	**$835.2**
Operating Costs/Income Ratio	**74.0%**	**76.0%**	**-200bps**	**74.1%**

- 200bps improvement in cost to income ratio demonstrates operational gearing
- Disciplined control of BAU cost base with fixed labour costs held flat, while generating strong revenue growth
- Increase in cost of sales reflects increased expenses relating to event based activity
- Additional resources deployed to facilitate increased event based activity in Class Actions, Corporate Actions and Stakeholder Relationship Management

Refer to slide 43 for Technology costs at actual FX rates. Computer/External technology includes hardware, software licenses, network and voice costs, 3rd party vendor fees and data centre costs

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Cash flow summary

Free cash flows up 10.9% - self funding growth and capital management

	1H18 Actual	1H17 Actual
Net operating receipts and payments	$273.1	$230.2
Net interest and dividends	($23.3)	($24.9)
Income taxes paid	($50.5)	($32.0)
Net operating cash flows **excluding** SLS advances	$199.3	$173.3
Cash outlay on business capital expenditure	($17.0)	($13.5)
Net cash outlay on MSR purchases – Maintenance[1]	($16.0)	($9.8)
Free cash flow **excluding** SLS advances	$166.3	$150.0
SLS advance funding requirements[2]	($36.0)	$2.7
Cash flow post SLS advance funding[2]	$130.3	$152.7
Investing cash flows		
Net cash outlay on MSR purchases – Investments[1]	($51.4)	($51.8)
Net acquisitions and disposals	($14.7)	($8.6)
Disposal of Australian head office premises	-	$62.2
Disposal of investment in INVeSHARE inc.	-	$23.8
Other	($5.2)	$5.5
	($71.3)	$31.1
Net operating and investing cash flows	$59.0	$183.8

[1] Maintenance MSR capex assumed to be equivalent to the amortisation charge for the period
[2] Net operating and financing cash flows

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Balance sheet

Leverage ratio down to 1.58x after funding strategic investments, share buy-back and dividend increase

	Dec 17	Jun 17	Variance
Current Assets	$1,261.7	$1,251.7	+0.8%
Non-Current Assets	$2,699.8	$2,695.3	+0.2%
Total Assets	**$3,961.5**	**$3,947.0**	**+0.4%**
Current Liabilities	$1,041.4	$753.1	+38.3%
Non-Current Liabilities	$1,618.7	$1,956.9	-17.3%
Total Liabilities	**$2,660.0**	**$2,710.0**	**-1.8%**
Total Equity	**$1,301.5**	**$1,237.0**	**+5.2%**
Net debt[1]	**$936.9**	**$867.7**	**+8.0%**
Net debt to EBITDA ratio[1]	**1.58 times**	**1.60 times**	**-0.02 times**
ROE[2]	**26.4%**	**25.6%**	**+80bps**
ROIC[3]	**16.2%**	**15.5%**	**+70bps**

[1] Excluding non-recourse SLS Advance debt
[2] Return on equity (ROE) = rolling 12 month Mgt NPAT/rolling 12 mth avg Total Equity
[3] Return on invested capital (ROIC) = (Mgt EBITDA less depreciation & amortisation less income tax expense)/(net debt + total equity).
Net debt includes cash classified as an asset held for sale in Dec17 and Jun17

Market issues

US tax reform, Brexit and Blockchain

US Tax Reform - earnings impacts

- For the full year FY18, the US Federal corporate tax rate for Computershare is expected to be around 28% compared to 35% in FY17. This will fall to 21% in FY19. In FY18, Computershare also expects to continue to benefit from certain US tax deductions that will either reduce or cease to be available from 1 July 2018.
- Given the above, and commenting specifically on US Tax Reform, for FY18 Computershare expects the US Federal tax reforms to contribute an additional $6.0m benefit to the full year Management net profit after tax. Approximately, $2.5m of this has been recorded in 1H18.
- The Group's statutory income tax expense reduced in 1H18 due to a one-off income tax benefit of $42.4m from restating the US deferred tax balances based on the lower US Federal corporate tax rates enacted under US Tax Reform. This one-time benefit has been excluded from the Company's management earnings.
- For FY18 we now expect that the management effective tax rate for the Group will be slightly lower than in FY17 (29.2%).
- In FY19, a number of factors are relevant including the introduction of new taxes (eg. BEAT and GILTI) and the reduction or cessation of certain US tax deductions. We continue to examine the implications, which may outweigh the benefits of the lower corporate tax rate, and the options to minimise the impact of the new rules.

Brexit

- We continue to closely monitor Brexit developments and where appropriate, we have prepared plans to deal with potential impacts. We already have established capabilities in the EU which provide a range of options that we may implement once the UK's transitional arrangements and longer term relationship with the EU become clearer.

Blockchain

- In all of the markets in which we operate, including Australia, where it is proposed that blockchain technology will replace the current CHESS technology infrastructure, we remain firmly of the view that the registrar function will continue to be a sustainable and integral component of the market infrastructure. With a view to exploring a broader range of commercial opportunities that blockchain may enable, we have increased our equity stake in SETL to 11.3% with Board representation.

Conclusions

- Executing our strategic priorities, complemented by cyclical recovery and increased event activity, driving strong earnings growth: Mgmt EBITDA +20.0%, Mgmt EPS +17.4%
- Purposefully designed Growth; Profitability and Capital Management strategies delivering results
  - Mortgage Services growth engine performing well, EBITDA up 72.1%
  - Cost out programs on track - Stage 3 details in April
  - EBITDA margin expansion: +190bps to 26.0%
- Optionality converting into profitability
  - Sharp improvement in event revenues: Stakeholder Relationship Management +167.8% and Class Actions +78.6%
  - Strong cyclical recovery: Corporate Actions revenue +31.0%. Margin income accelerating - significant exposure to rising rates
- Strong free cash flow self-funds growth engines, strategic investments and enhanced shareholder returns
- Guidance further upgraded: FY18 Management EPS to increase by around +12.5% on FY17 with positive bias
- Transformation to a simpler, more transparent and disciplined CPU driving multi-year sustained earnings growth

APPENDICES

Statutory results

	1H18	1H17	Vs 1H17 (pcp)
Total Revenues	$1,130.1m	$1,057.4m	+6.9%
Total Expenses	$941.3m	$875.3m	+7.5%
Statutory Net Profit (post NCI)	$171.2m	$150.2m	+14.0%
Earnings per share (post NCI)	31.43 cents	27.48 cents	+14.4%

Reconciliation of Statutory Revenue to Management Results	1H18
Total Revenue per statutory results	**$1,130.1m**
Management Adjustments	
Marked to market adjustments – derivatives	-$2.0
Put option liability re-measurement	-$0.3
Total Management Adjustments	-$2.3
Total Revenue per Management Results	**$1,127.8m**

Reconciliation of Statutory NPAT to Management Results	1H18
Net profit after tax per statutory results	**$171.2m**
Management Adjustments (after tax)	
Amortisation	$18.1
Acquisitions and Disposals	$12.3
Other	-$34.8
Total Management Adjustments	-$4.4
Net Profit after tax per Management Results	**$166.8m**

- 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 Group's performance on a comparative basis and provides a better measure of underlying operating performance.
- Management adjustments are made on the same basis as in prior years.
- Non-cash management adjustments include significant amortisation of identified intangible assets from businesses acquired in recent years, which will recur in subsequent years, asset disposals and other one-off charges.
- Cash adjustments are predominantly expenditure on acquisition-related and other restructures, and will cease once the relevant acquisition integrations and restructures are complete.
- A full description of all management adjustments is included on slide 24.
- The non-IFRS financial information contained within this document has not been reviewed or audited in accordance with Australian Auditing Standards.

 Numbers are translated at actual average rates for the period

Management adjustment items

Appendix 4D Note 2

Management adjustment items net of tax for the half-year ended 31 December 2017 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 in the half-year ended 31 December 2017 was $18.1 million. Amortisation of intangibles purchased outside of business combinations (e.g. mortgage servicing rights) is included as a charge against management earnings.

Acquisitions and disposals

- Tax expense of $5.5 million was booked when the agreement to sell the Group's investment in the Indian venture Karvy was signed in August 2017. The associated accounting gain on disposal will only be recognised once the disposal is completed pending the required regulatory approvals.
- An expense of $4.7 million was recognised for re-measurement of contingent consideration payable to the sellers of RicePoint Administration Inc.
- Disposal related expenses of $1.9 million were incurred in relation to Karvy. Acquisition related expenses of $0.1m were incurred associated with recent acquisitions.

Other

- A restatement of deferred tax balances due to the US tax reform resulted in a tax benefit of $42.4 million (refer to Appendix 4D note 4).
- Costs of $5.8 million were incurred in relation to the major operations rationalisation underway in Louisville, USA and the Global Technology Centre in Edinburgh, UK.
- As the remaining cash flows of Computershare's Voucher Services continue being realised, an impairment charge of $3.5 million was booked against goodwill related to this business. It is expected that the remaining goodwill of $12.1 million associated with Voucher Services will be written off over the coming periods.
- 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 $1.4 million.
- The put option liability re-measurement resulted in a gain of $0.3 million related to the Karvy joint venture arrangement in India.

Company overview

A leading global provider of administration services in our selected markets

Who we are

- Global market leader in transfer agency and share registration, employee equity plan administration, proxy solicitation and stakeholder communications
- Also specialise in mortgage servicing, corporate trust, bankruptcy, class action administration and a range of other business services

Our capabilities

- Renowned for our expertise in high integrity data management, high volume transaction processing, reconciliation, payments and stakeholder communications
- Many of the world's leading organisations use Computershare's services to streamline and maximise the value of relationships with their investors, employees, customers and other stakeholders

Our strategy and model

- Our strategy is to be the leading provider of services in our selected markets by leveraging our core competencies to deliver outstanding client outcomes from engaged staff
- We focus on new products and services to reinforce market leadership in established markets and invest in technology and innovation to deliver productivity gains and improve cost outcomes
- We have a combination of annuity and activity based revenue streams, strong free cash flow and high ROE

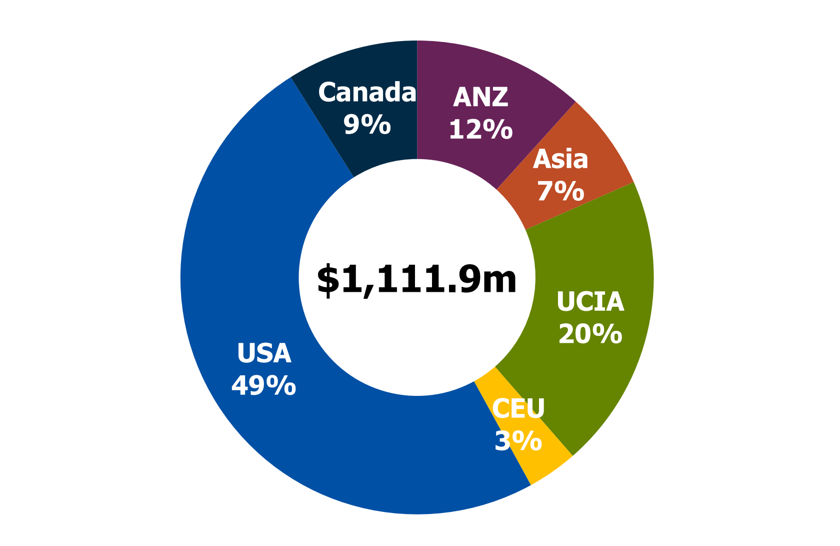
Growth drivers

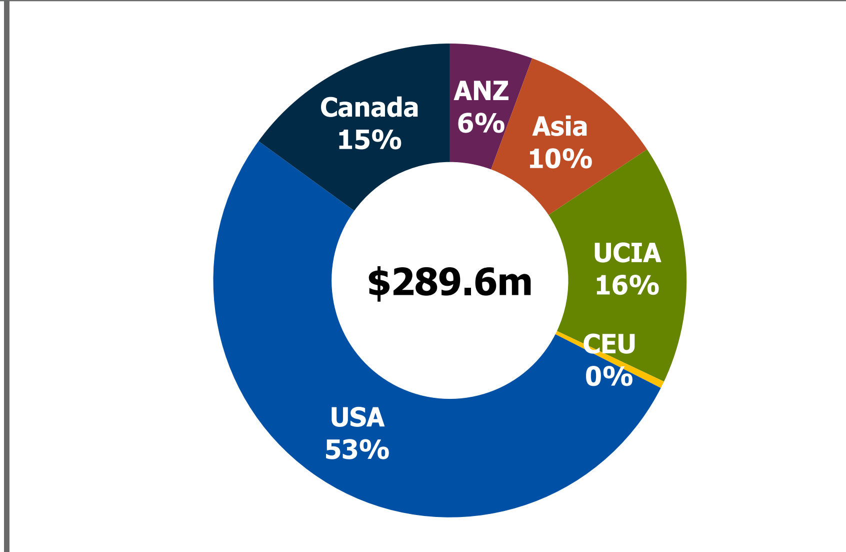
- Organic: Investment in mortgage servicing and employee share plans and enterprise wide cost out program coupled with property rationalisation benefits to drive growth and improved returns
- Macro: Leverage to rising interest rates on client balances, corporate action and equity market activity
- Structural: Emerging trend of new non-share registry opportunities due to rising compliance, technology complexity and requirement for efficient processing, payments and reconciliations

1H18 Computershare at a glance

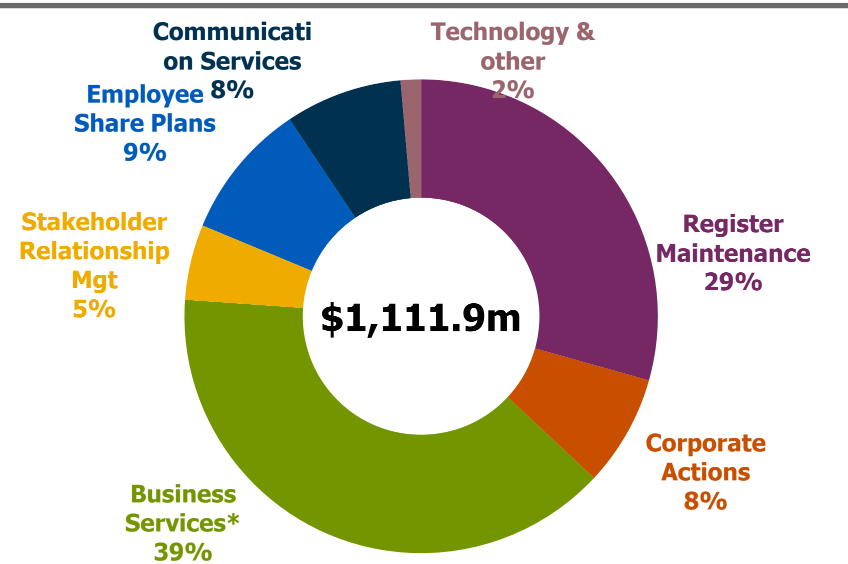
	Management revenue @ CC	Management EBITDA @ CC

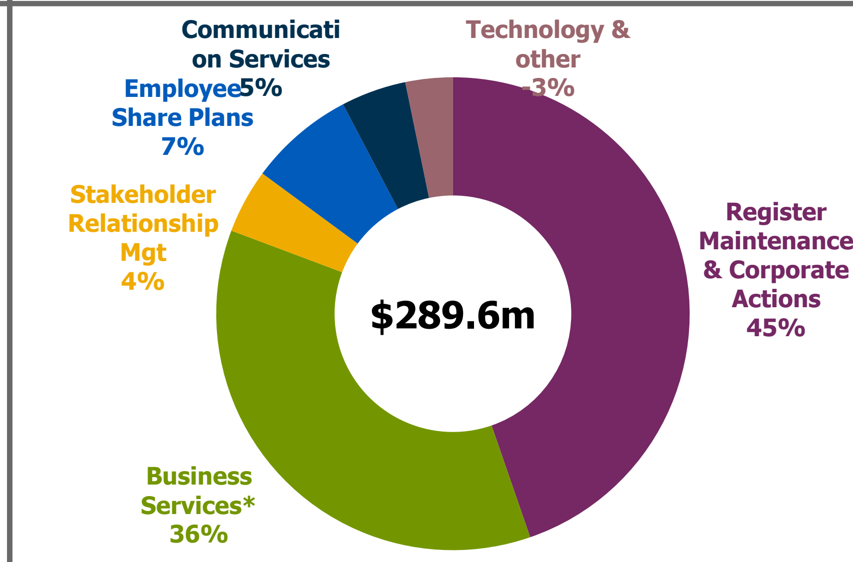
By geography





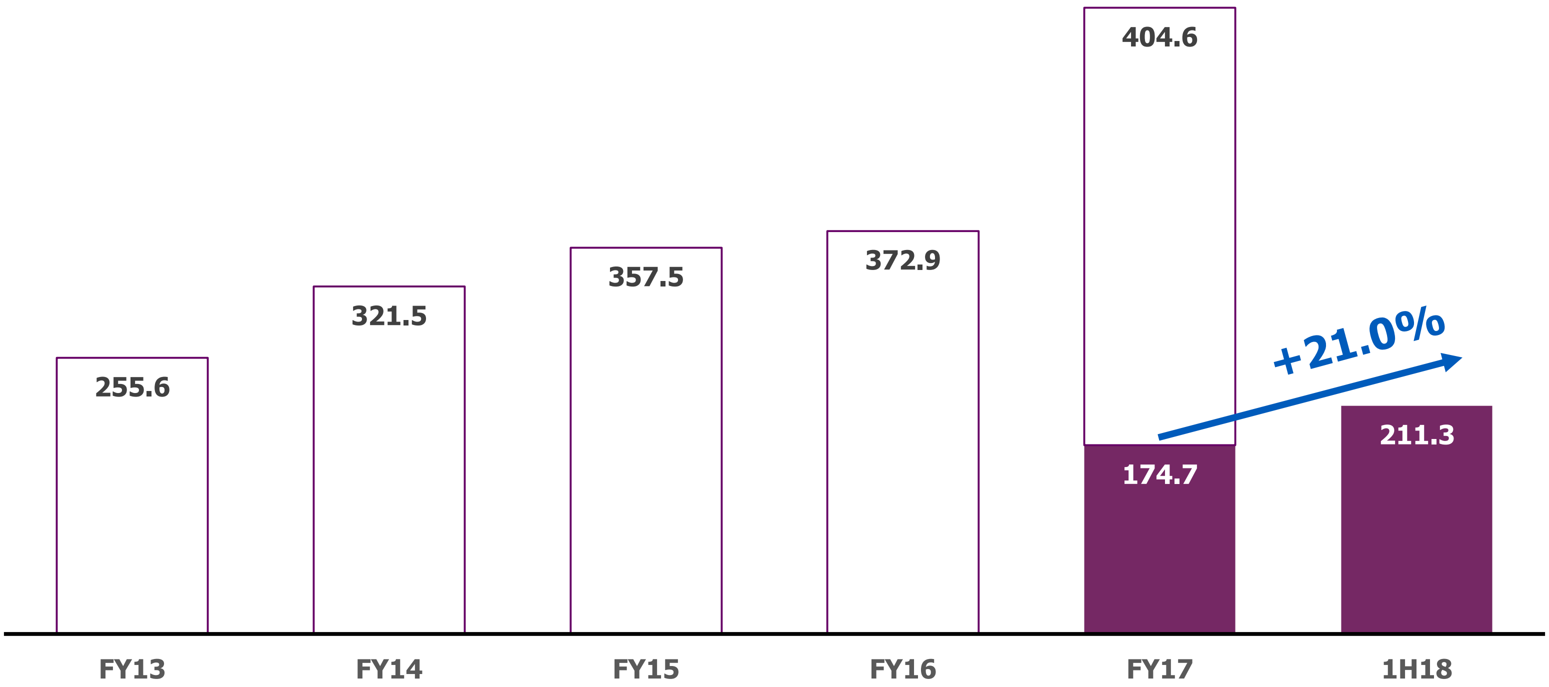
By business stream





* Mortgage Services (included in Business Services) revenue is $262.4m and Management EBITDA $56.1m in constant currency

Management EBITDA excluding the impact of margin income and FX movements increased by 21% in 1H18 versus pcp



Note: Management EBITDA translated at FY17 average exchange rates and excludes margin income. 1H18 results translated to USD at 1H17 average exchange rates

Financial performance by half year at actual FX rates

	1H18	2H17	1H17	2H16	1H16	2H15	1H15	2H14	1H14	2H13	1H13
Total Management Revenue	$1,127.8	$1,110.8	$1,003.2	$1,035.5	$938.7	$1,016.5	$959.5	$1,045.7	$976.9	$1,037.5	$987.6
Operating Costs	$835.2	$811.6	$762.3	$744.5	$695.7	$720.7	$699.0	$771.7	$709.2	$767.6	$747.6
Management EBITDA	**$293.4**	**$299.5**	**$241.3**	**$290.3**	**$242.3**	**$294.8**	**$259.3**	**$273.6**	**$267.0**	**$268.4**	**$241.4**
EBITDA Margin %	26.0%	27.0%	24.1%	28.0%	25.8%	29.0%	27.0%	26.2%	27.3%	25.9%	24.4%
Management Profit Before Tax	**$232.2**	**$239.6**	**$187.6**	**$235.0**	**$192.2**	**$244.2**	**$211.1**	**$220.9**	**$215.0**	**$213.7**	**$184.9**
Management NPAT	**$166.8**	**$156.7**	**$140.6**	**$159.7**	**$143.8**	**$172.1**	**$160.6**	**$171.5**	**$163.6**	**$155.6**	**$149.3**
Management EPS (US cents)	**30.62**	**28.67**	**25.74**	**29.11**	**25.98**	**30.94**	**28.88**	**30.83**	**29.41**	**27.98**	**26.87**
Management EPS (AU cents)	**39.38**	**38.22**	**34.13**	**39.78**	**35.96**	**39.28**	**32.03**	**33.93**	**31.98**	**27.30**	**25.97**
Statutory EPS (US cents)	**31.43**	**21.28**	**27.48**	**13.33**	**15.22**	**24.82**	**2.79**	**20.13**	**25.07**	**11.23**	**17.02**
Net operating cash flows^	**$199.3**	**$247.0**	**$173.3**	**$214.5**	**$158.5**	**$247.3**	**$169.4**	**$221.7**	**$223.7**	**$189.5**	**$170.5**
Days Sales Outstanding	**57**	**60**	**56**	**56**	**53**	**48**	**46**	**45**	**42**	**45**	**48**
Net debt to EBITDA*	**1.58**	**1.60**	**1.91**	**2.12**	**2.06**	**1.86**	**2.10**	**1.96**	**2.09**	**2.33**	**2.57**

^ Excluding SLS advances
** Ratio excluding non-recourse SLS Advance debt*

Notable acquisitions: Morgan Stanley GSPS (1st Jun 13), Olympia Finance Group Inc (7th Oct 13), Registrar and Transfer Company (1st May 14), Homeloan Management Limited (17th Nov 14), Valiant (1st May 15), Gilardi & Co. LLC (28th Aug 15), SyncBASE Inc (1st Feb 16), Capital Markets Cooperative LLC (29th Apr 16).

Notable divestments: IML (30th Jun 13), Highland Insurance (27th Jun 14), Pepper (30th Jun 14), ConnectNow (30th Jun 15), Closed Joint Stock Company "Computershare Registrar" and Computershare LLC Russia (16th Jul 15), VEM Aktienbank AG (31st Jul 15), INVeSHARE (16th Sep 16).

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Revenue and EBITDA by business stream at actual FX rates

	1H18 Revenue	1H18 EBITDA	1H18 Actual EBITDA Margin %	1H17 Revenue	1H17 EBITDA	1H17 Actual EBITDA Margin %
Business Services	$441.4	$113.5	+25.7%	$375.7	$76.4	+20.3%
Register Maintenance	*$330.8*			*$329.7*		
Corporate Actions	*$85.2*			*$64.5*		
Register Maintenance & Corporate Actions	$416.0	$139.6	+33.6%	$394.2	$123.4	+31.3%
Employee Share Plans	$106.5	$22.5	+21.2%	$106.3	$24.7	+23.2%
Communication Services	$91.4	$14.1	+15.5%	$88.8	$13.3	+15.0%
Stakeholder Relationship Mgt	$57.5	$13.6	+23.7%	$21.4	($2.9)	-13.6%
Technology & Other	$15.0	($10.0)	n/a	$16.8	$6.4	n/a
Total Group	**$1,127.8**	**$293.4**	**+26.0%**	**$1,003.2**	**$241.3**	**+24.1%**

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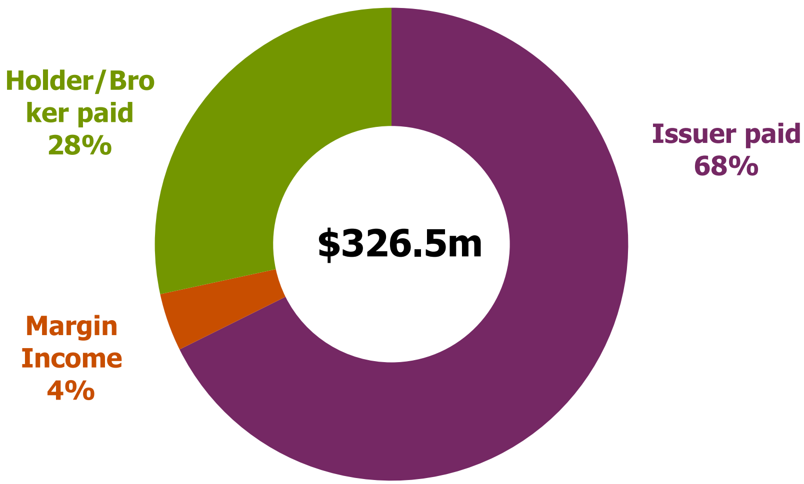
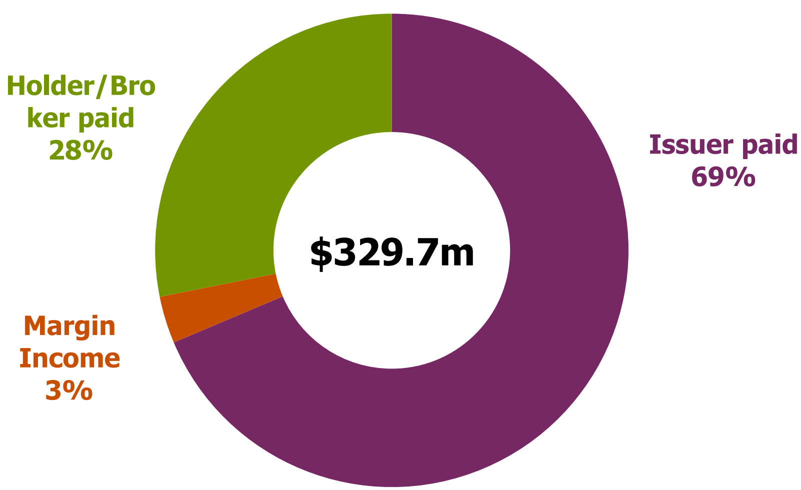
Global Registry Maintenance and Employee Share Plans revenue

Registry Maintenance @ CC

1H18 @ CC

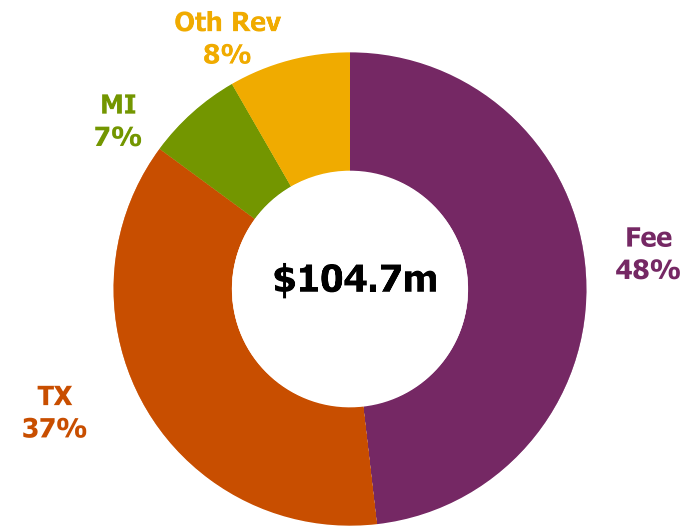


1H17

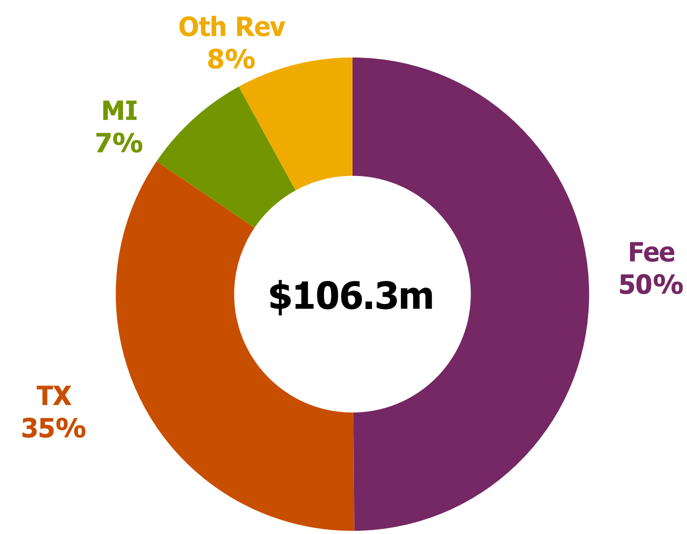


Employee Share Plans @ CC

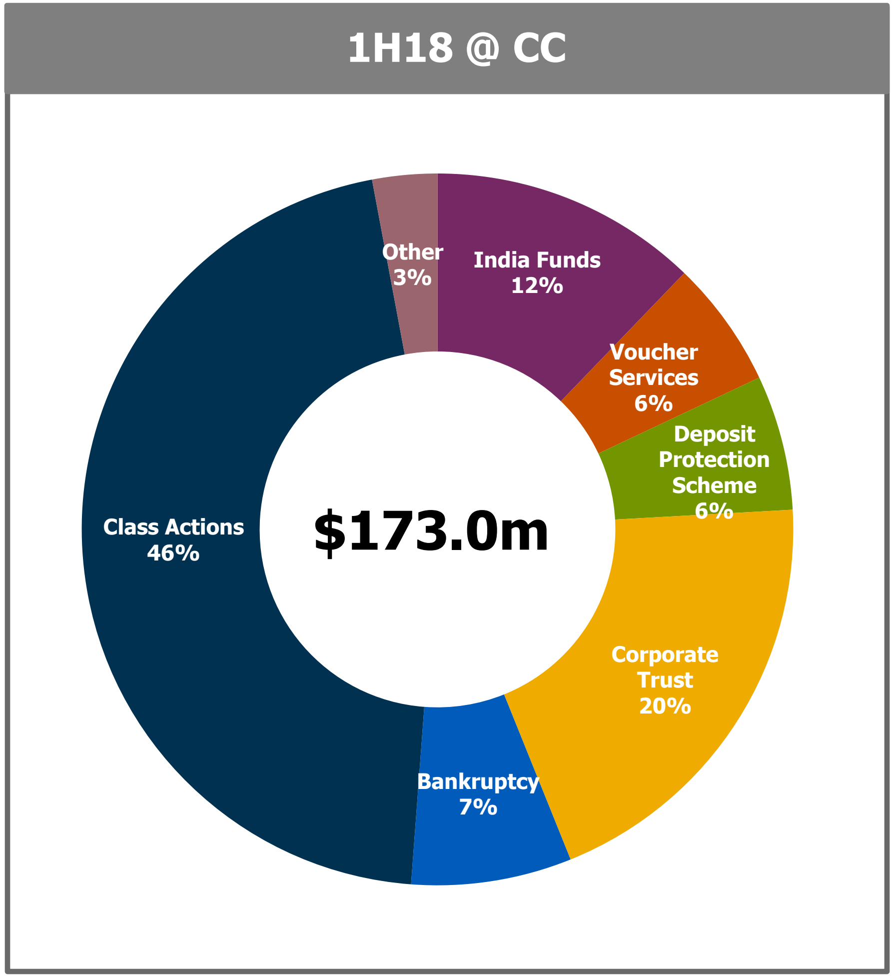
1H18 @ CC

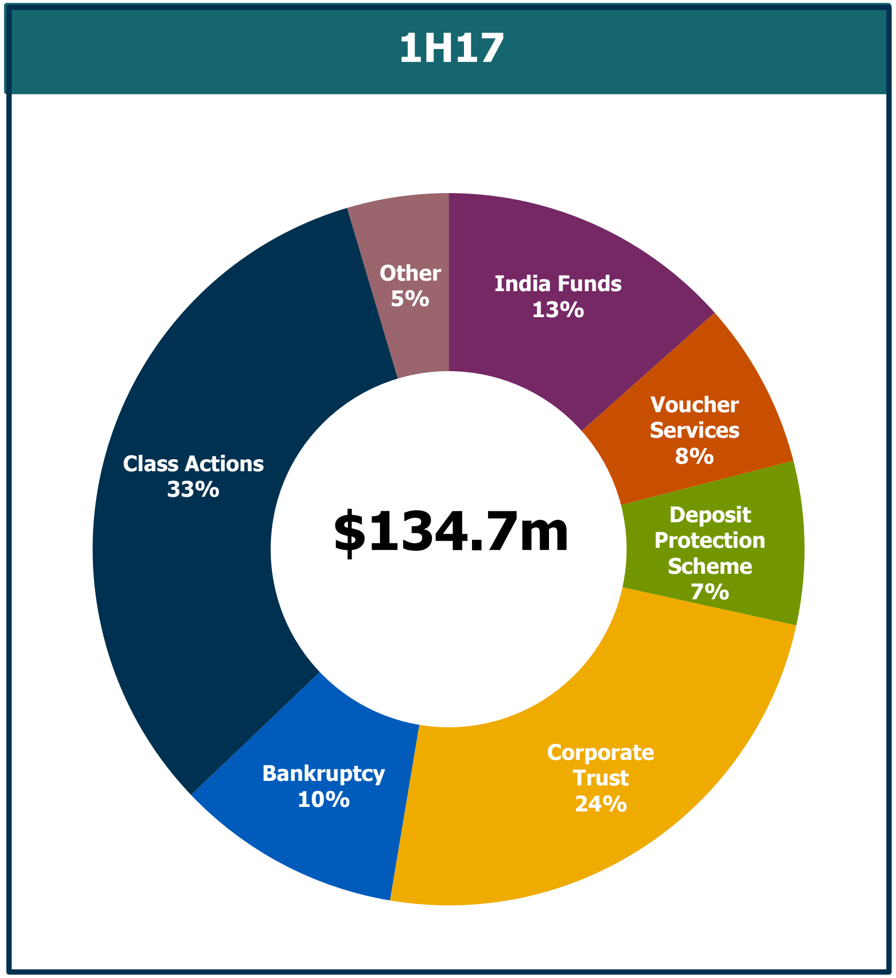


1H17



Business Services revenue excluding Mortgage Services





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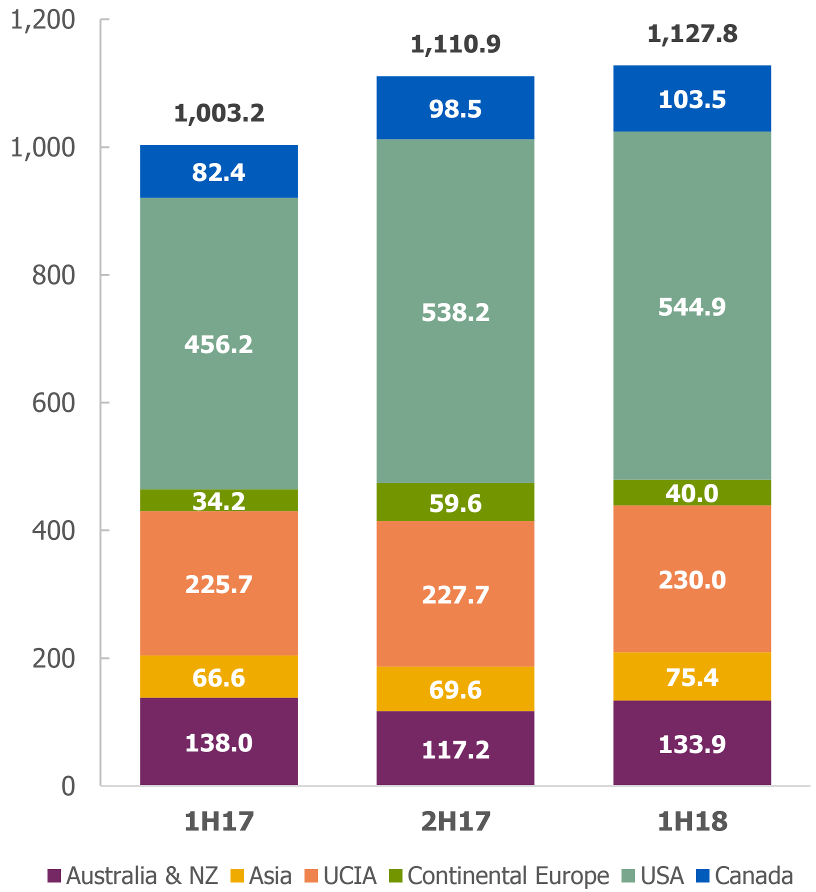
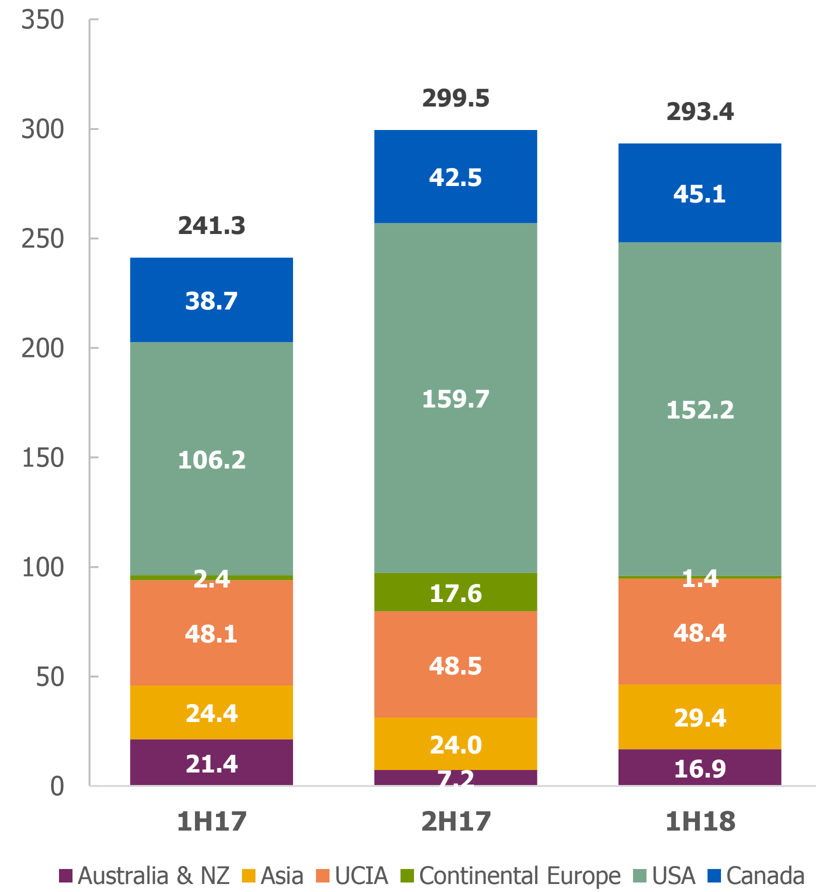
Management revenue and EBITDA at actual FX rates

Regional Analysis

Revenue by region



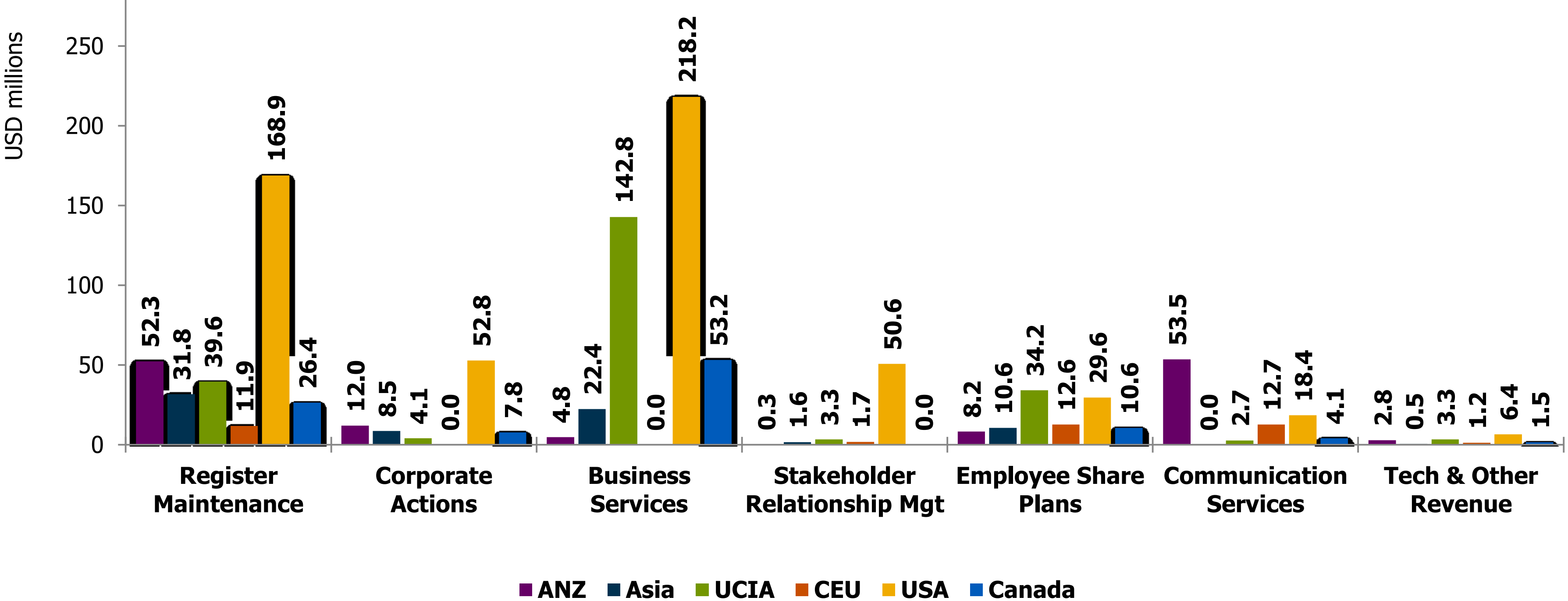
EBITDA by region



Computershare

1H18 Management revenue at actual FX rates

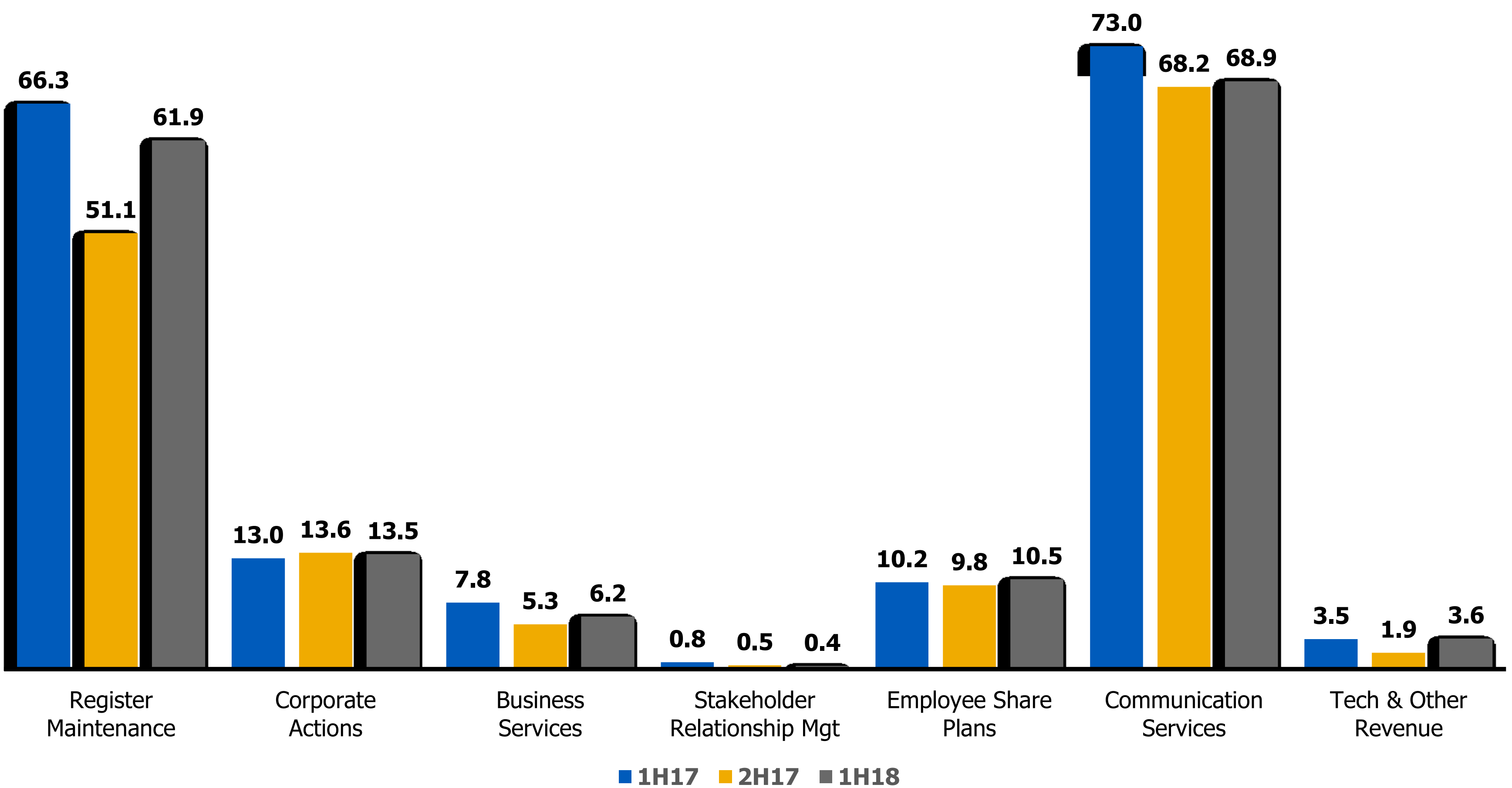
Regional Analysis



Australia

Management revenue: AUD million

1H17	2H17	1H18
174.6m	150.4m	165.0m



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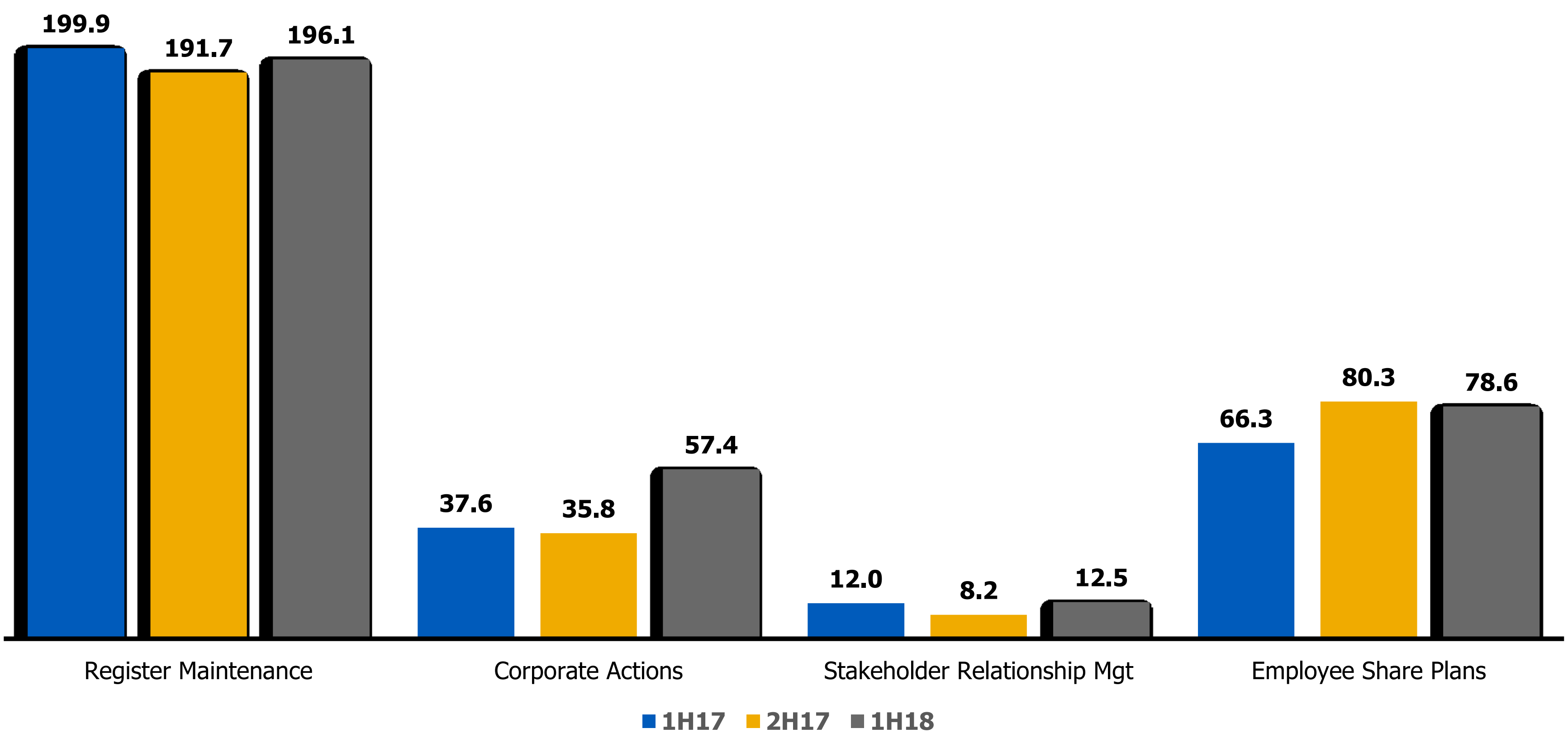
Hong Kong

Management revenue: HKD million

1H17	2H17	1H18
315.8m	315.9m	344.7m



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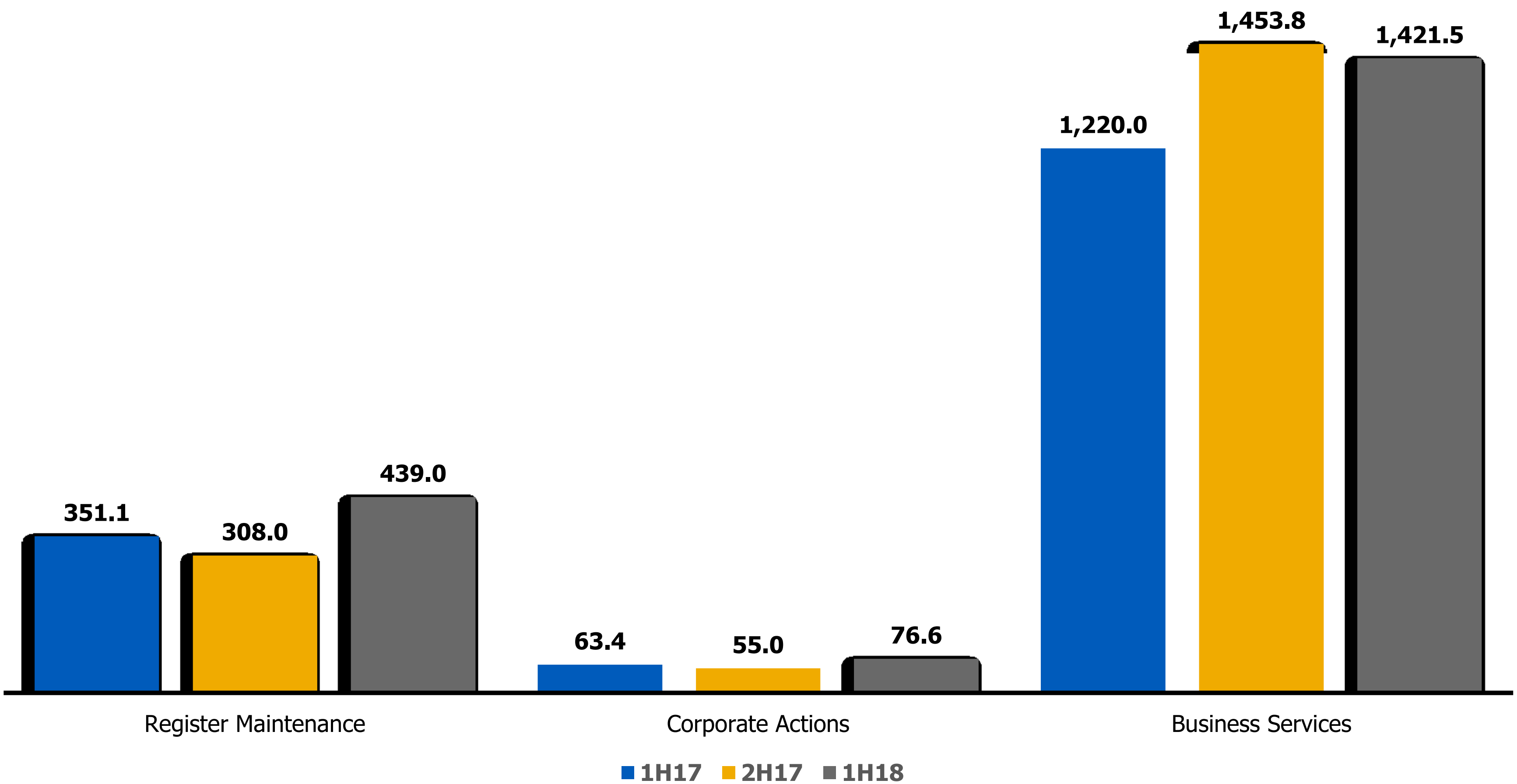
India

Management revenue: INR million

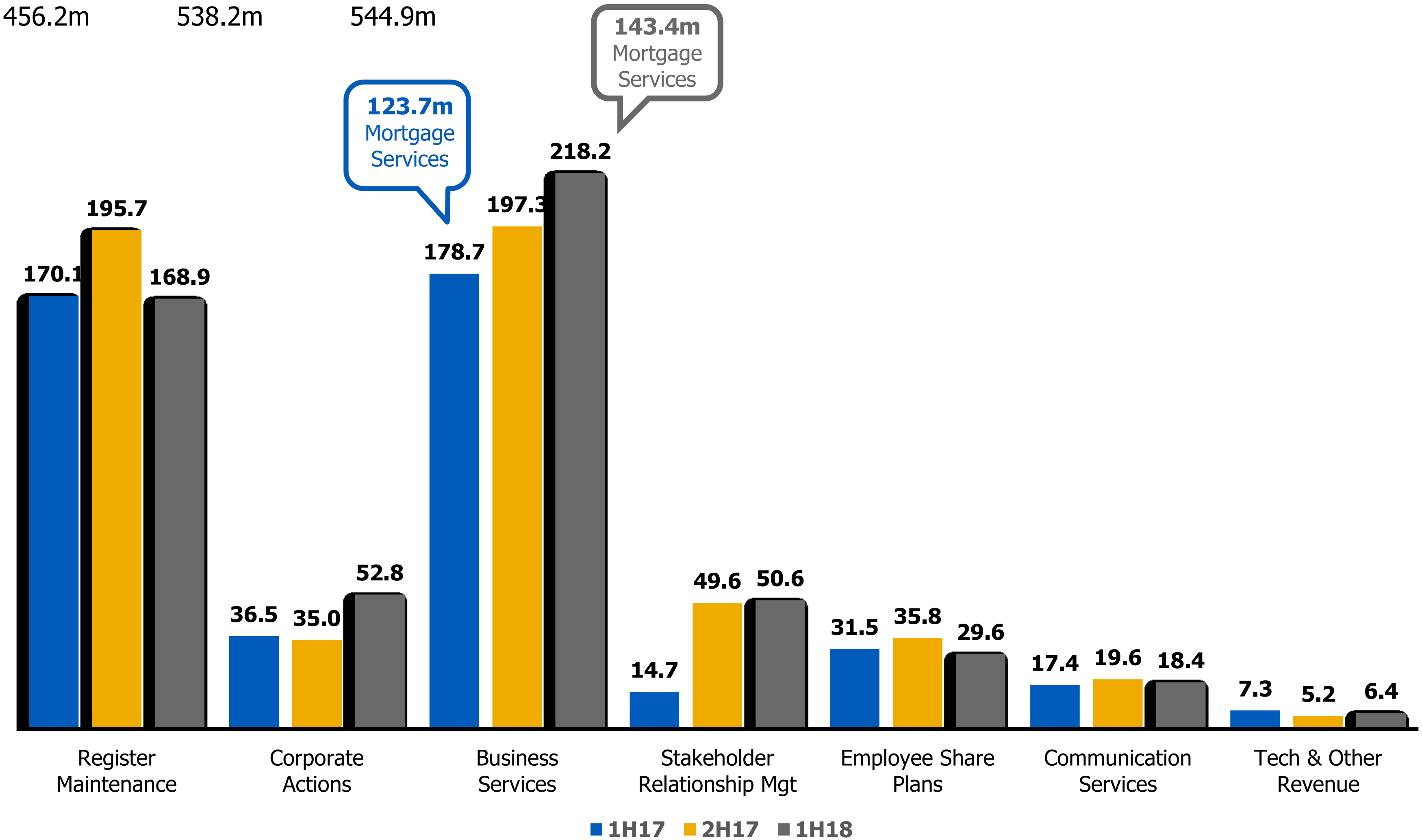
1H17	2H17	1H18
1,634.5m	1,816.9m	1,937.0m



United States

Management revenue: USD million

1H17	2H17	1H18
456.2m	538.2m	544.9m



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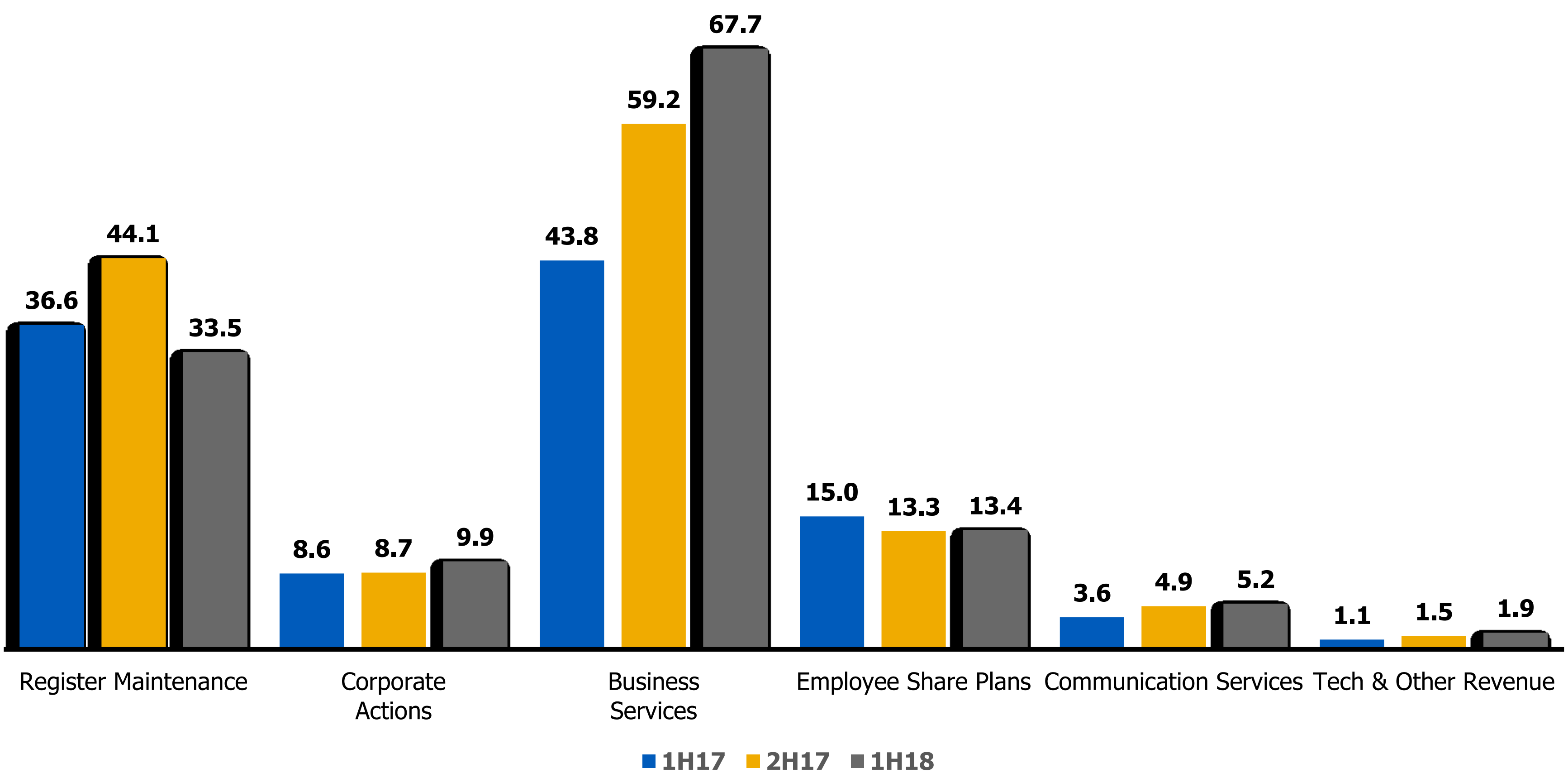
Canada

Management revenue: CAD million

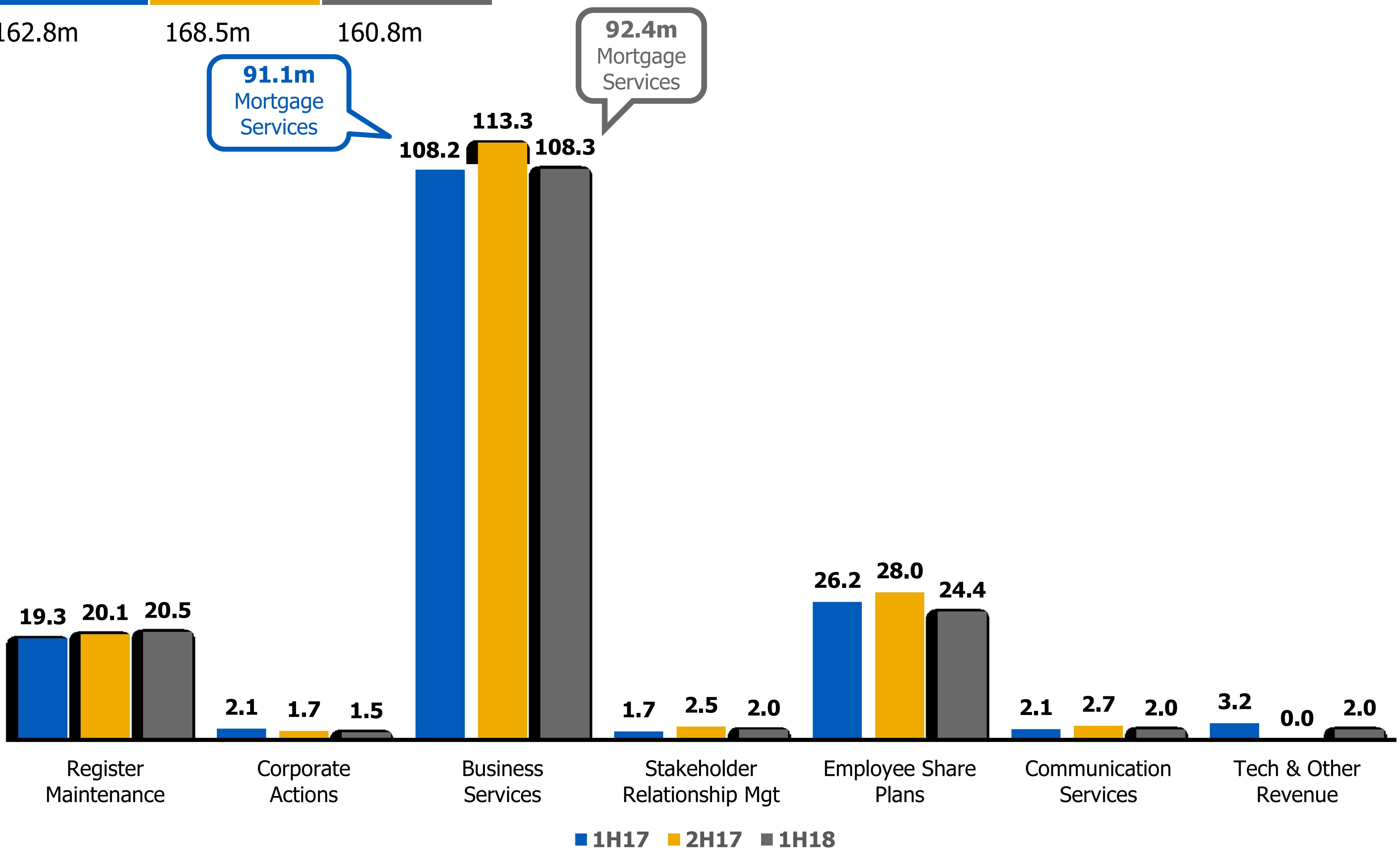
1H17	2H17	1H18
108.7m	131.6m	131.6m



United Kingdom and Channel Islands

Management revenue: GBP million

1H17	2H17	1H18
162.8m	168.5m	160.8m



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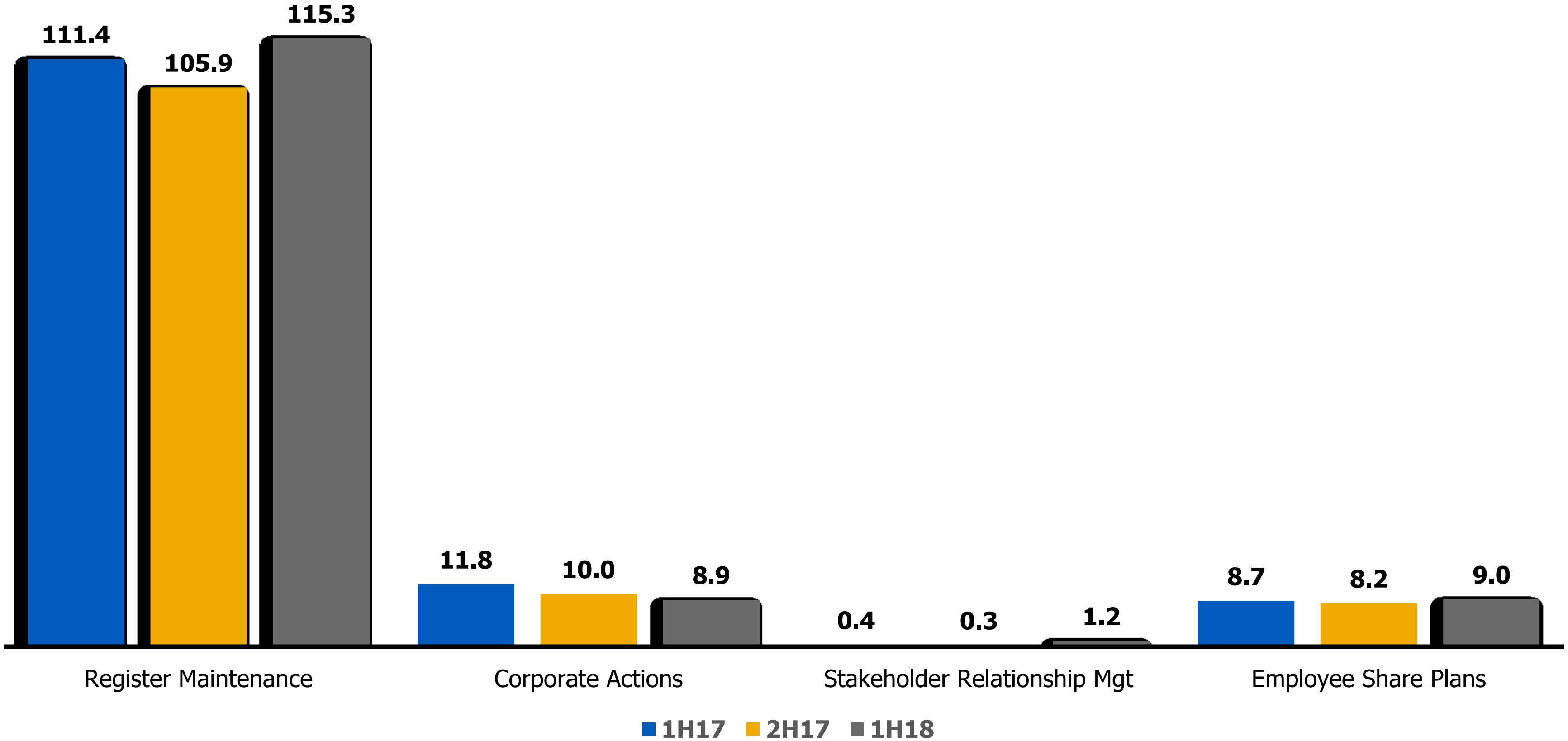
South Africa

Management revenue: RAND million

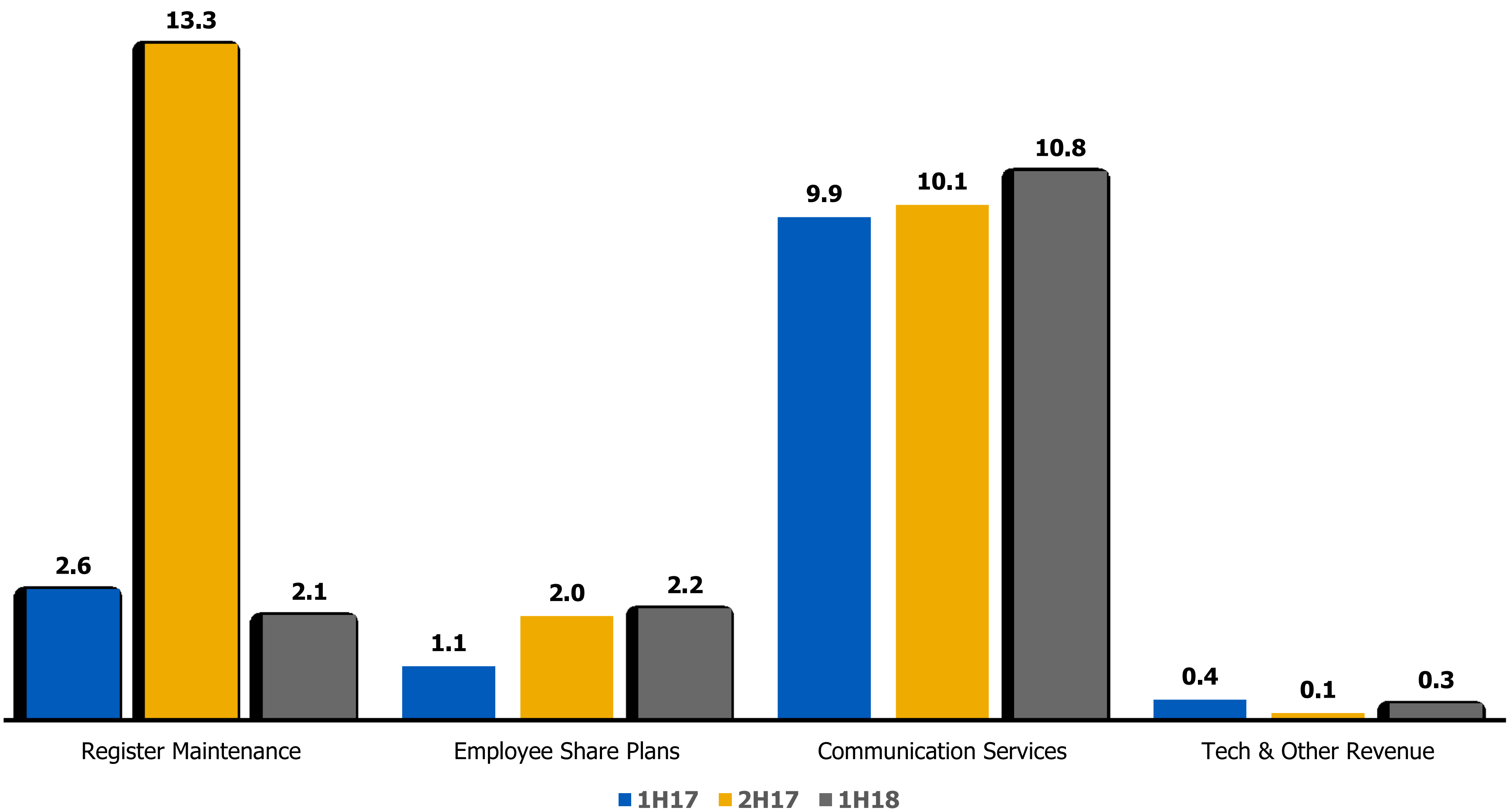
1H17	2H17	1H18
132.3m	124.5m	134.3m



Germany

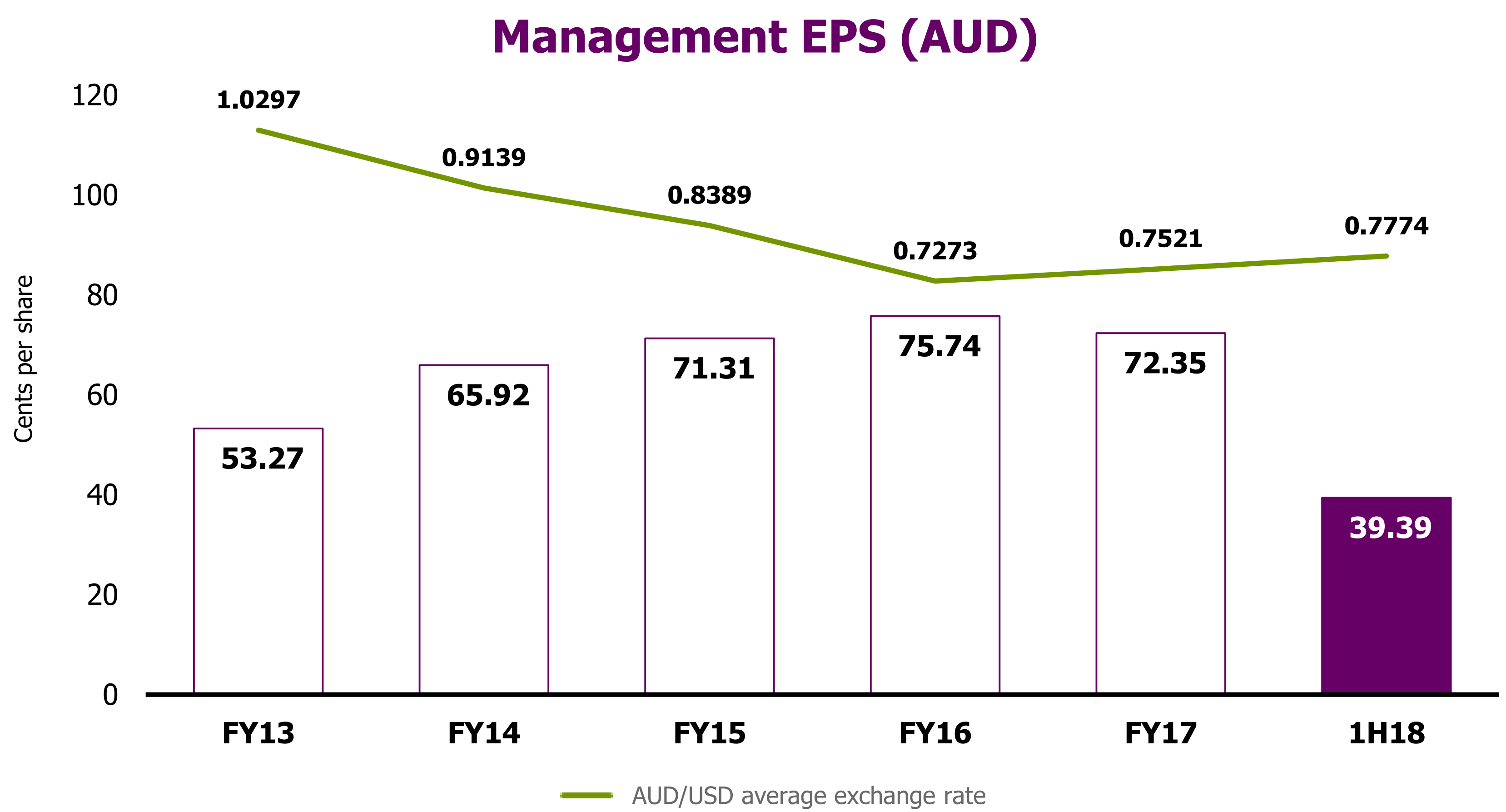
Management revenue: EUR million

1H17	2H17	1H18
14.0m	25.7m	15.4m



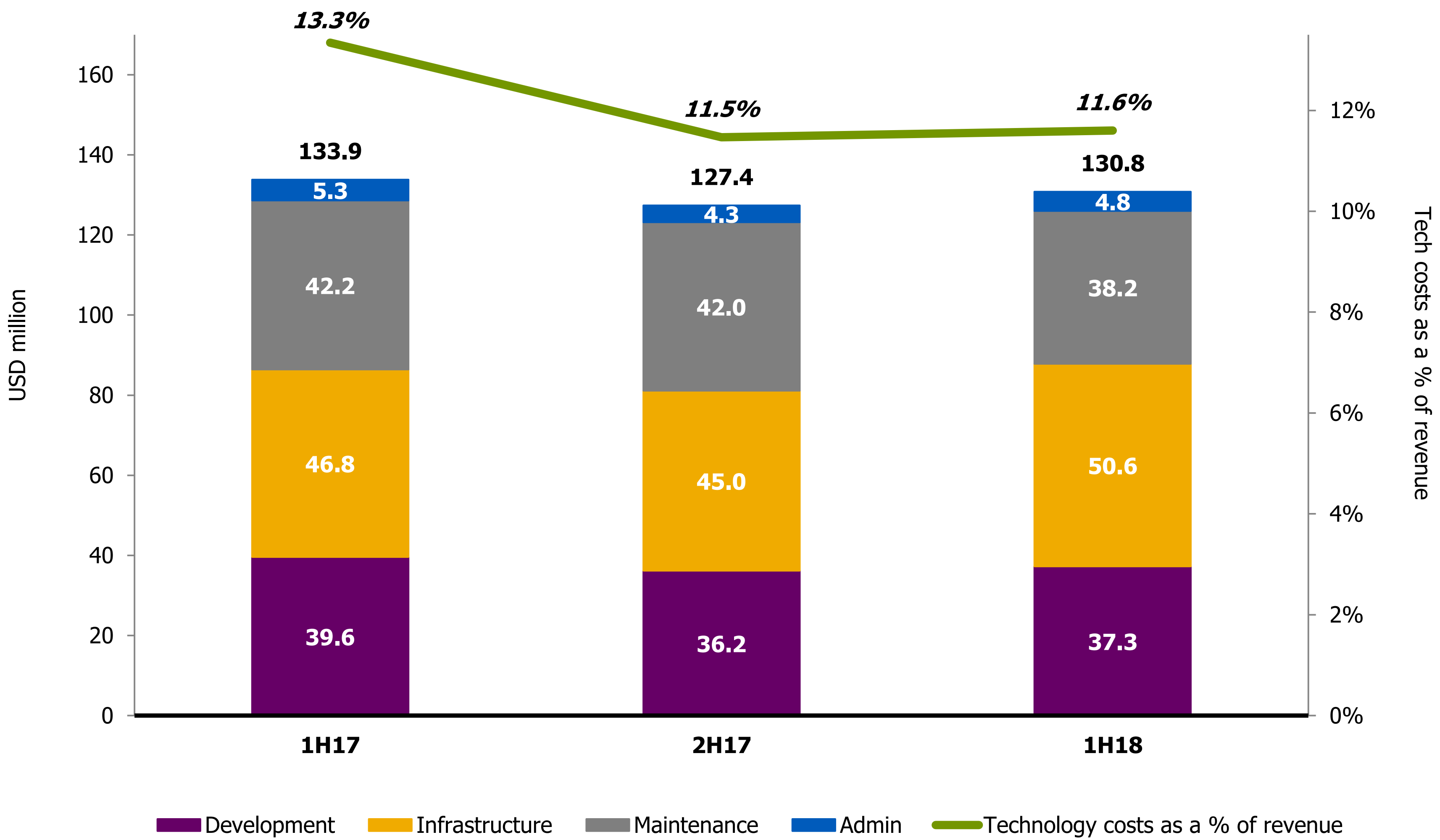
Management EPS – AUD equivalent

- AUD equivalent EPS (actual) was impacted by the stronger AUD



Note: Management EPS (AUD) for 1H17 was 34.13

Technology costs at actual FX rates



Technology costs include personnel, occupancy and other direct costs attributable to technology services

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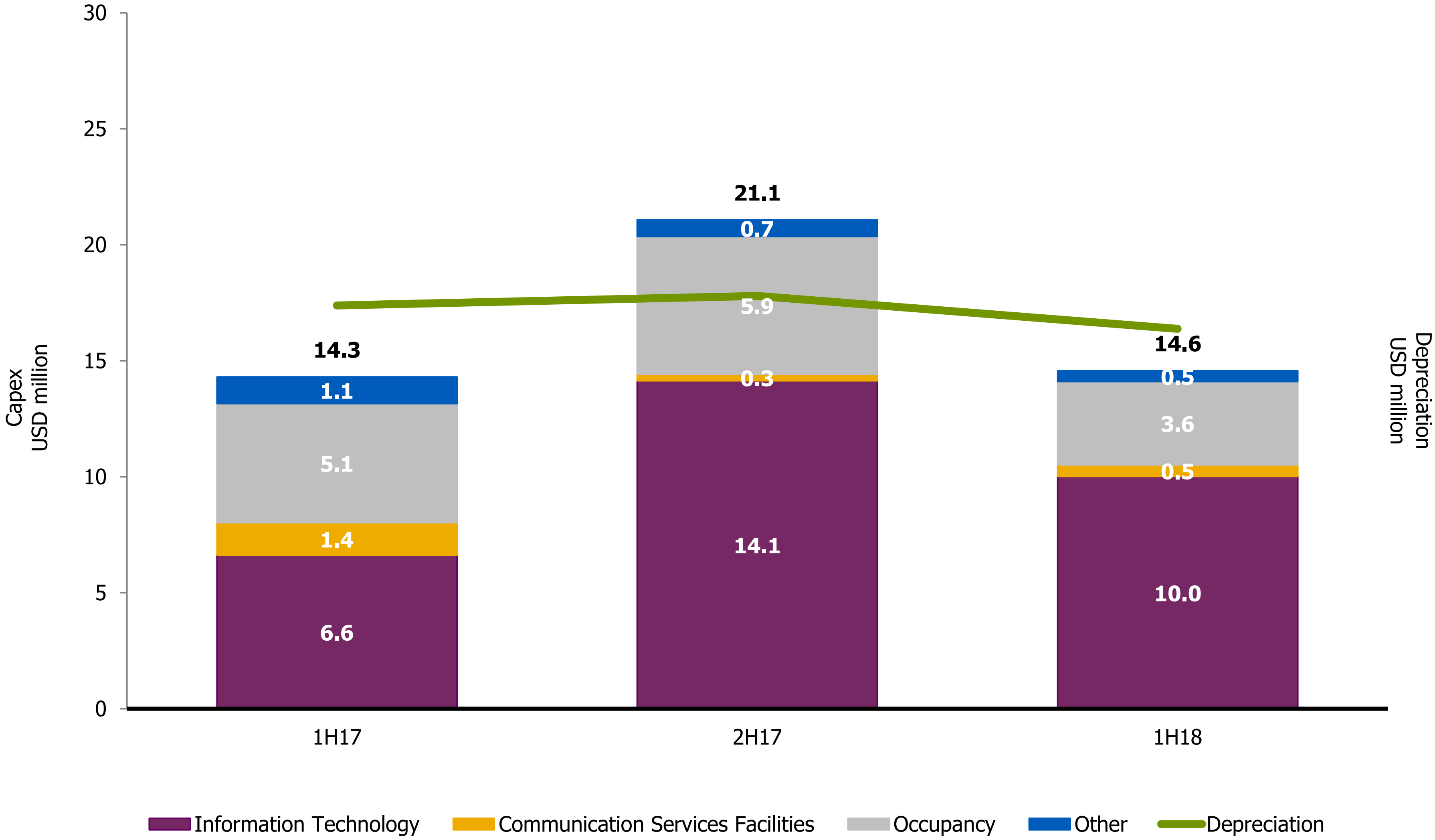
Capital expenditure versus depreciation at actual FX rates



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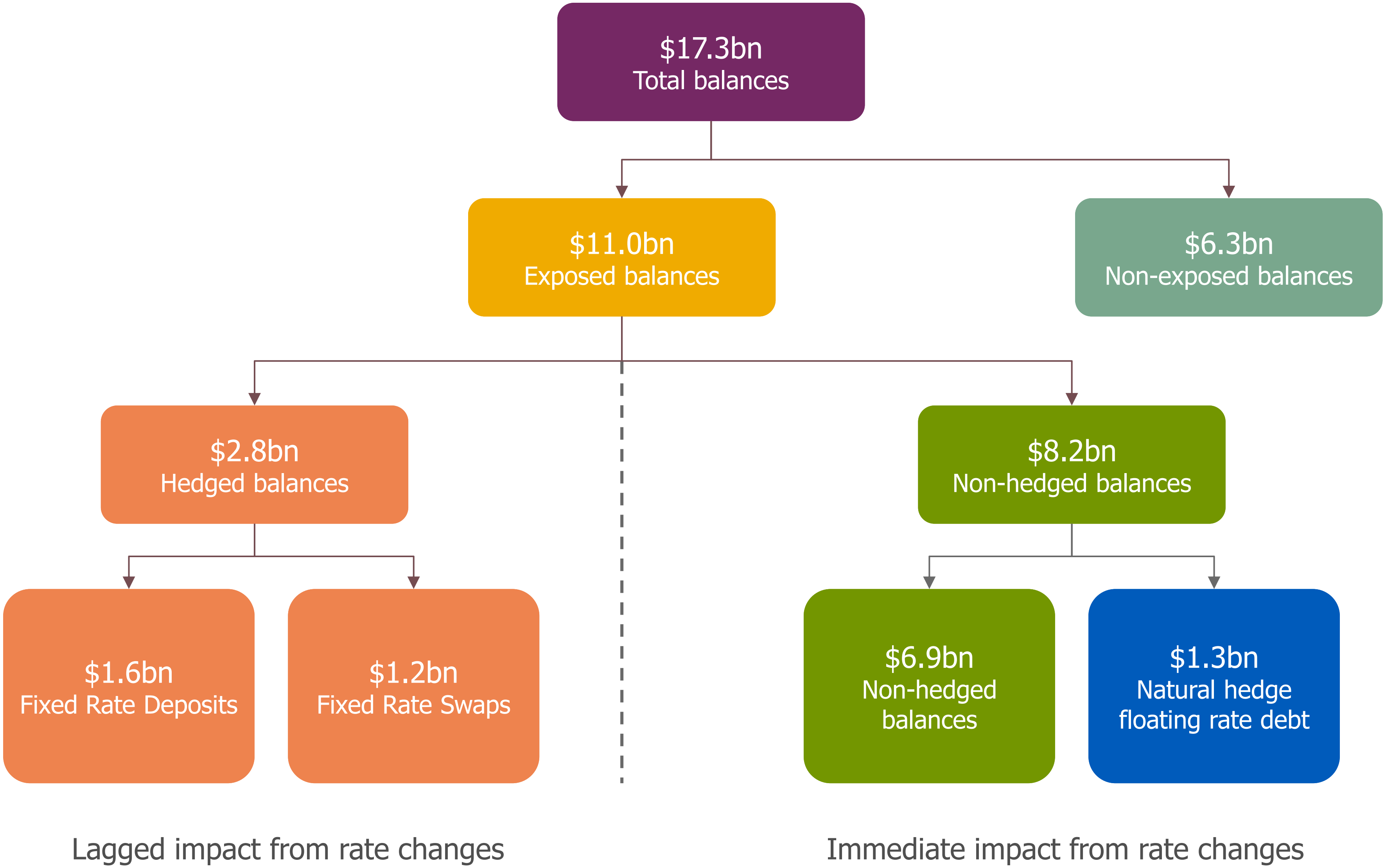
Breakdown of client balances

Significant leverage to rising interest rate cycle – $11bn of average exposed balances in 1H18



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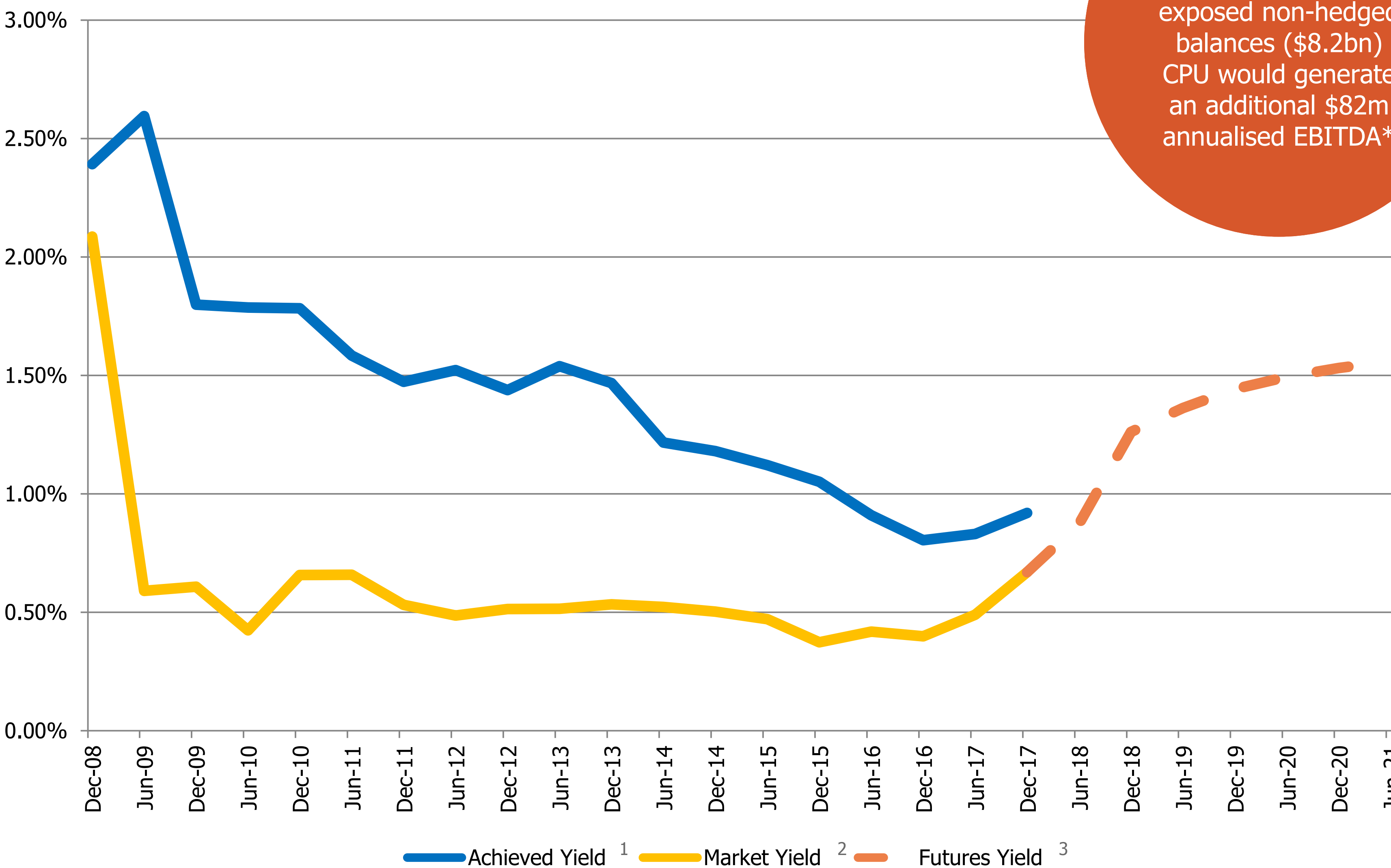
Client balances

Strong leverage to rising rates



Assuming an increase of 100bps on our 1H18 exposed non-hedged balances ($8.2bn) CPU would generate an additional $82m annualised EBITDA*

[1] Achieved yield = annualised total margin income divided by the average balance for each reporting period
[2] Market yield = avg. cash rate weighted according to the client balance currency composition for each reporting period
[3] Futures yield = avg. implied rates weighted according to the client balance currency composition at 31 December 17
* CPU floating rate debt will operate as a natural hedge against exposed balances

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Exposed and non-exposed balances by business

Business Activity	1H18 Balances (billions)		Margin income (millions)
	Exposed	Non-exposed	
Register Maintenance	2.3	0.4	12.8
Corporate Actions	2.7	1.0	23.3
Employee Share Plans	1.6	0.2	7.1
Business Services	4.4	4.7	36.3
Totals	**11.0bn**	**6.3bn**	**79.6m**
	17.3bn		
Margin income	**$64.3m**	**$15.3m**	
Average annualised yield	**1.17%**	**0.49%**	

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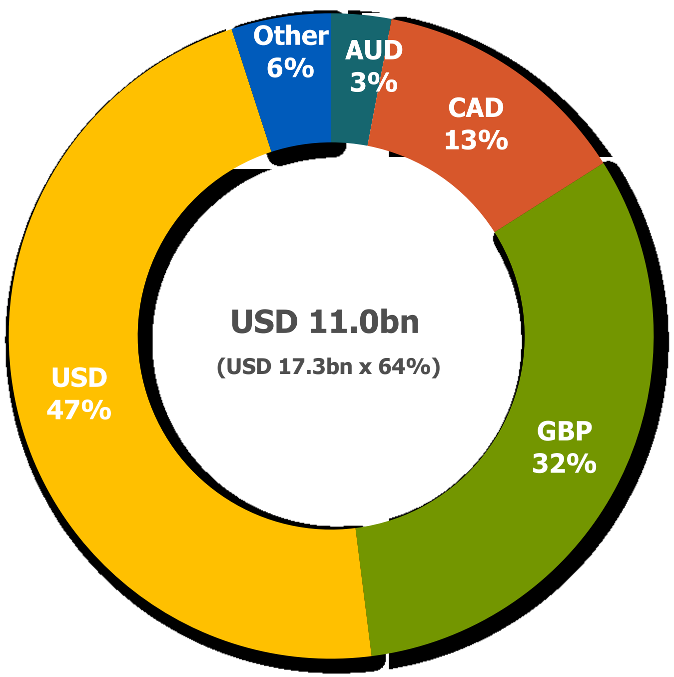
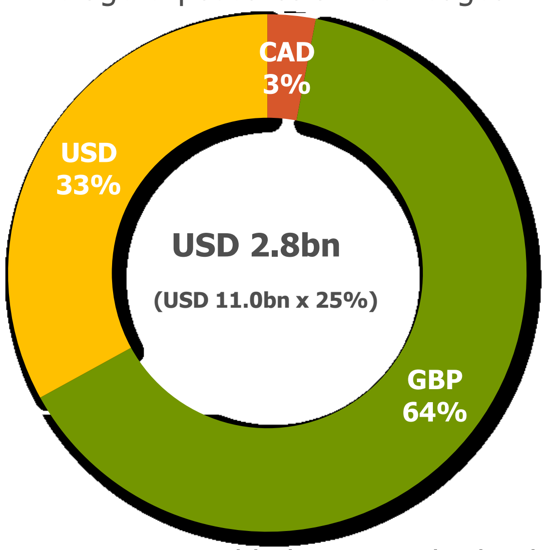
Breakdown of exposed balances by currency

Currently most exposed to USD rates though GBP and CAD remain important

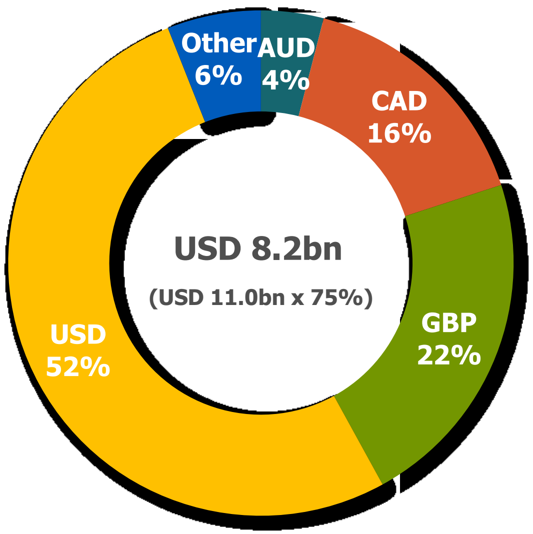
Average exposed balances prior to hedging



Average exposed balances hedged



Average exposed balances un-hedged



Average balances during 1H18

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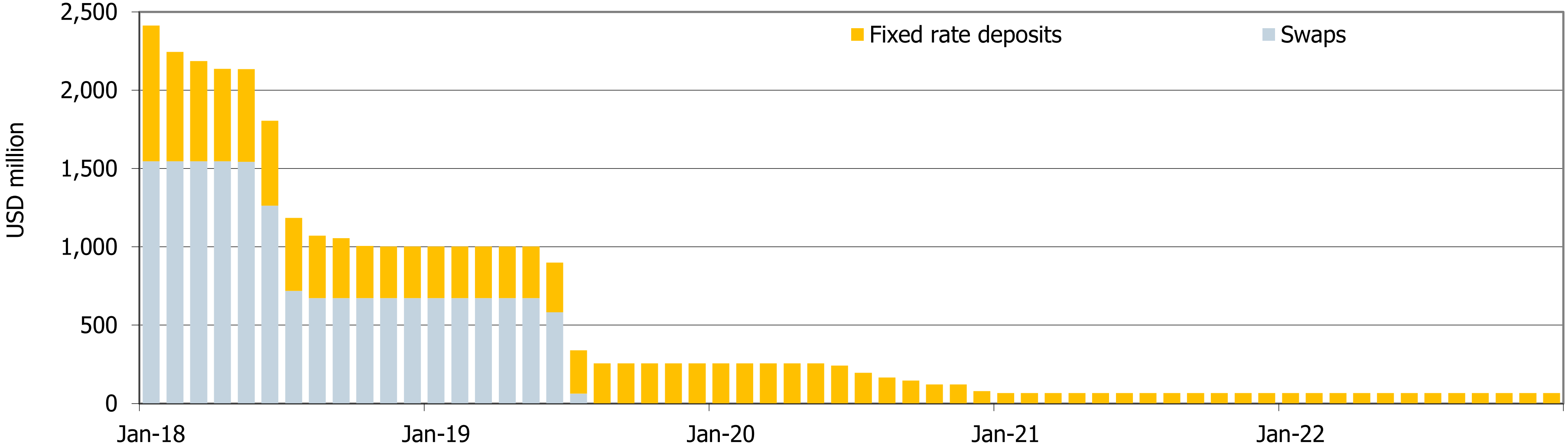
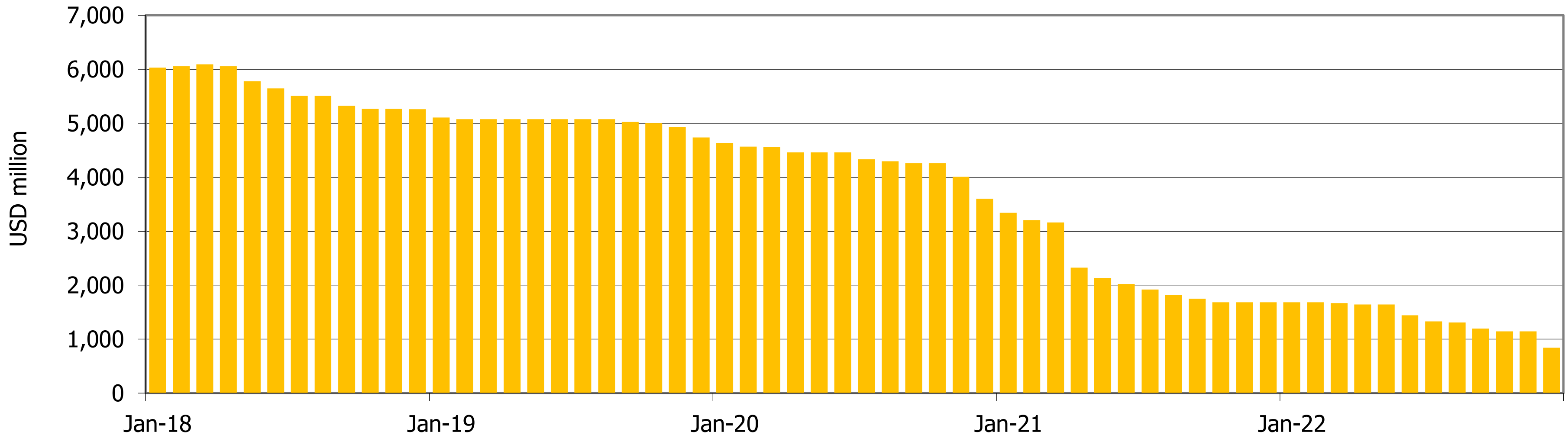
Profile of our swap and deposit book

Short duration fixed rate hedging – enhances yield without preventing the benefit of potential rate rises



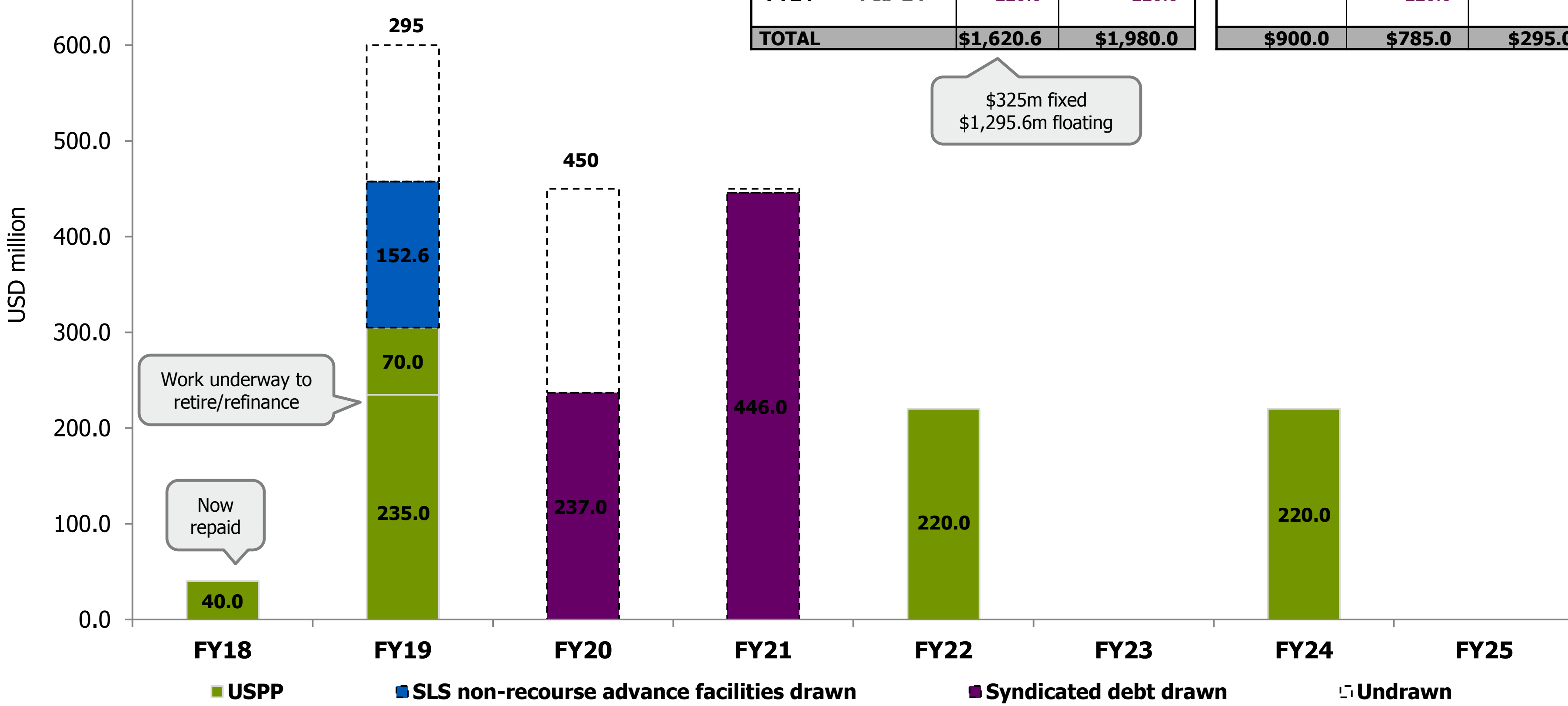
Floating rate deposits comprise both exposed and non-exposed balances



Debt facility maturity profile

Maturity Dates USD million		Debt Drawn	Committed Debt Facilities	Bank Debt Facility	Private Placement Facility	SLS Advance Facility
FY18	Feb-18	40.0	40.0		40.0	
FY19	Jul-18	235.0	235.0		235.0	
	Dec-18	47.7	95.0			95.0
	Dec-18	104.9	200.0			200.0
	Feb-19	70.0	70.0		70.0	
FY20	Jul-19	237.0	450.0	450.0		
FY21	Jul-20	446.0	450.0	450.0		
FY22	Feb-22	220.0	220.0		220.0	
FY24	Feb-24	220.0	220.0		220.0	
TOTAL		**$1,620.6**	**$1,980.0**	**$900.0**	**$785.0**	**$295.0**

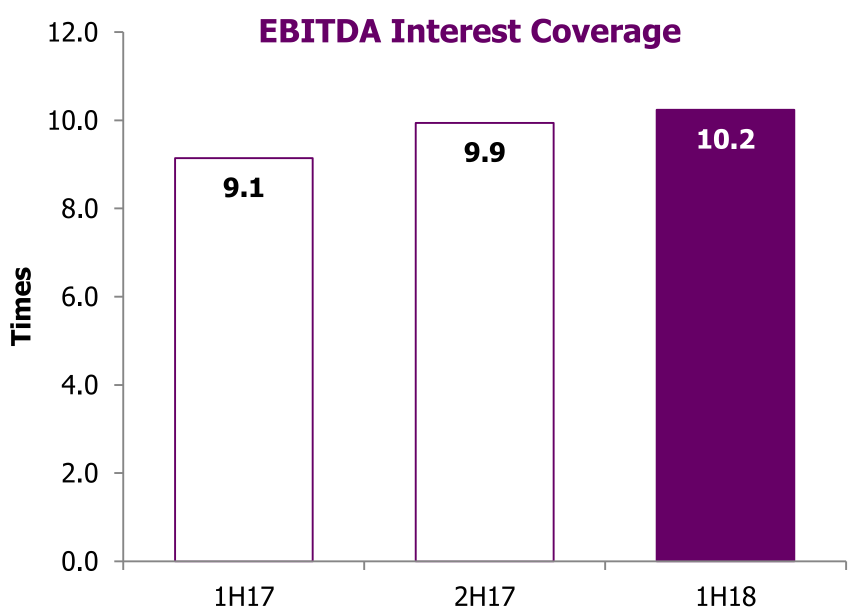
$325m fixed
$1,295.6m floating

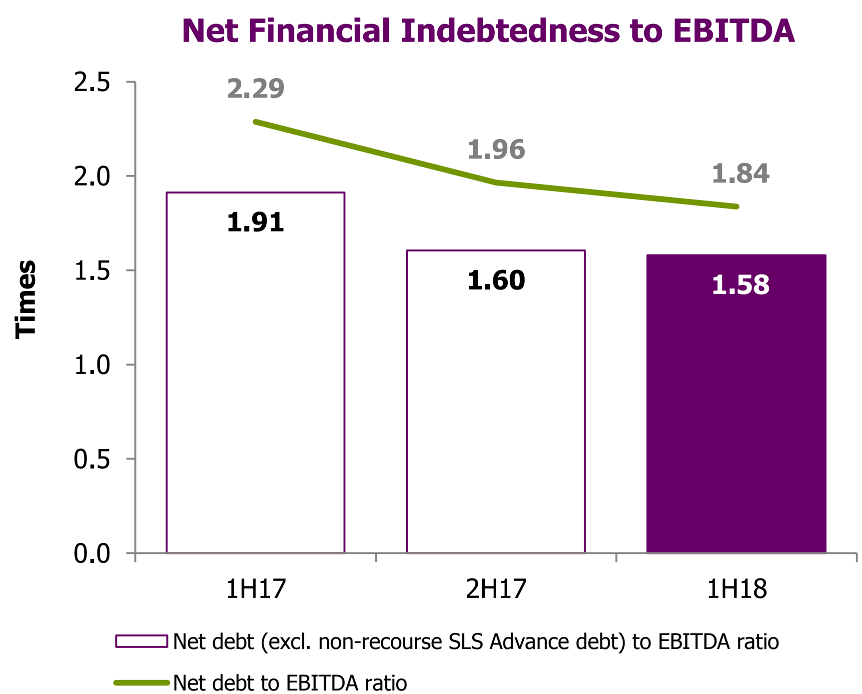


Note: Average debt facility maturity is 2.3 years as at 31-Dec-17

Key financial ratios

	Dec 17 USD m	Jun 17 USD m	Variance Dec 17 to Jun 17
Interest Bearing Liabilities including SLS advance debt	$1,634.7	$1,573.1	+3.9%
Less Cash*	($545.2)	($510.7)	+6.8%
Net Debt (including SLS advance debt)	**$1,089.5**	**$1,062.4**	**+2.6%**
Management EBITDA	$592.9	$540.8	+9.6%
Net Financial Indebtedness to EBITDA	**1.84 times**	**1.96 times**	**Down 0.12 times**
Net Financial Indebtedness to EBITDA#	**1.58 times**	**1.60 times**	**Down 0.02 times**



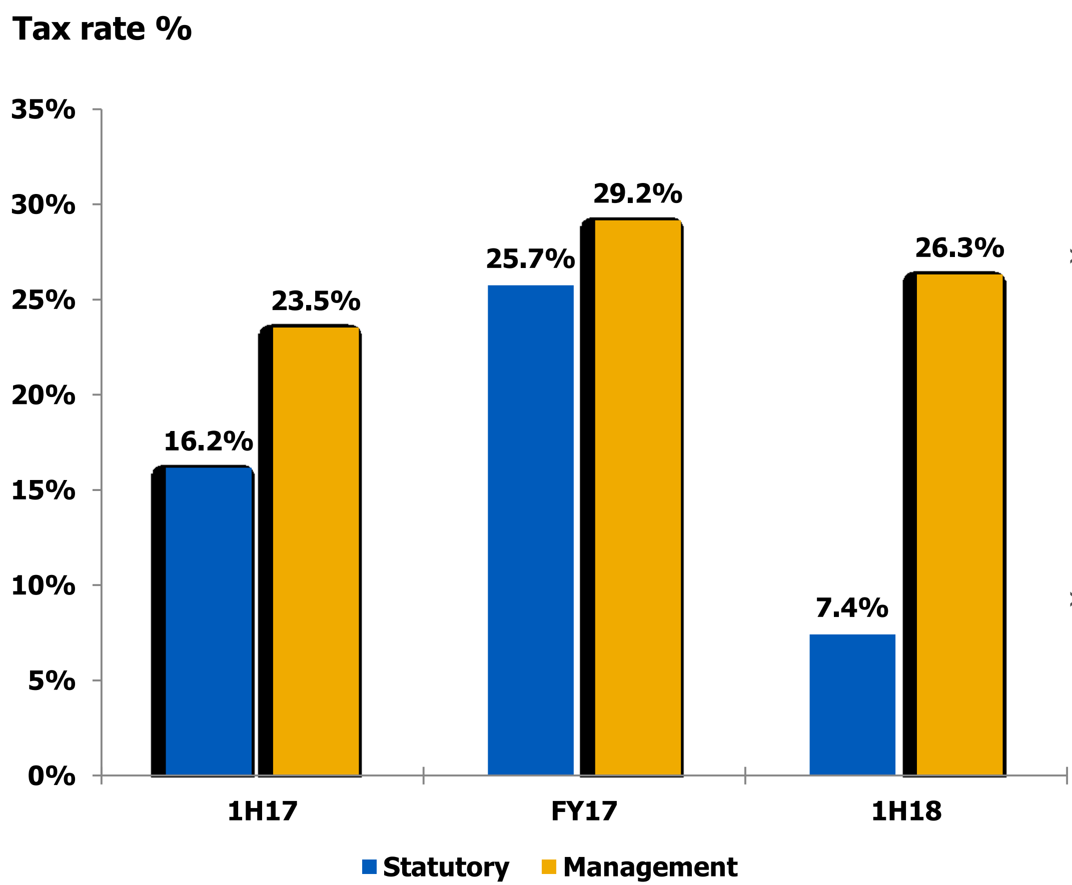


excludes non-recourse SLS advance debt

* Includes cash that is classified as an asset held for sale

Effective tax rate

Statutory and management (at actual FX rates)

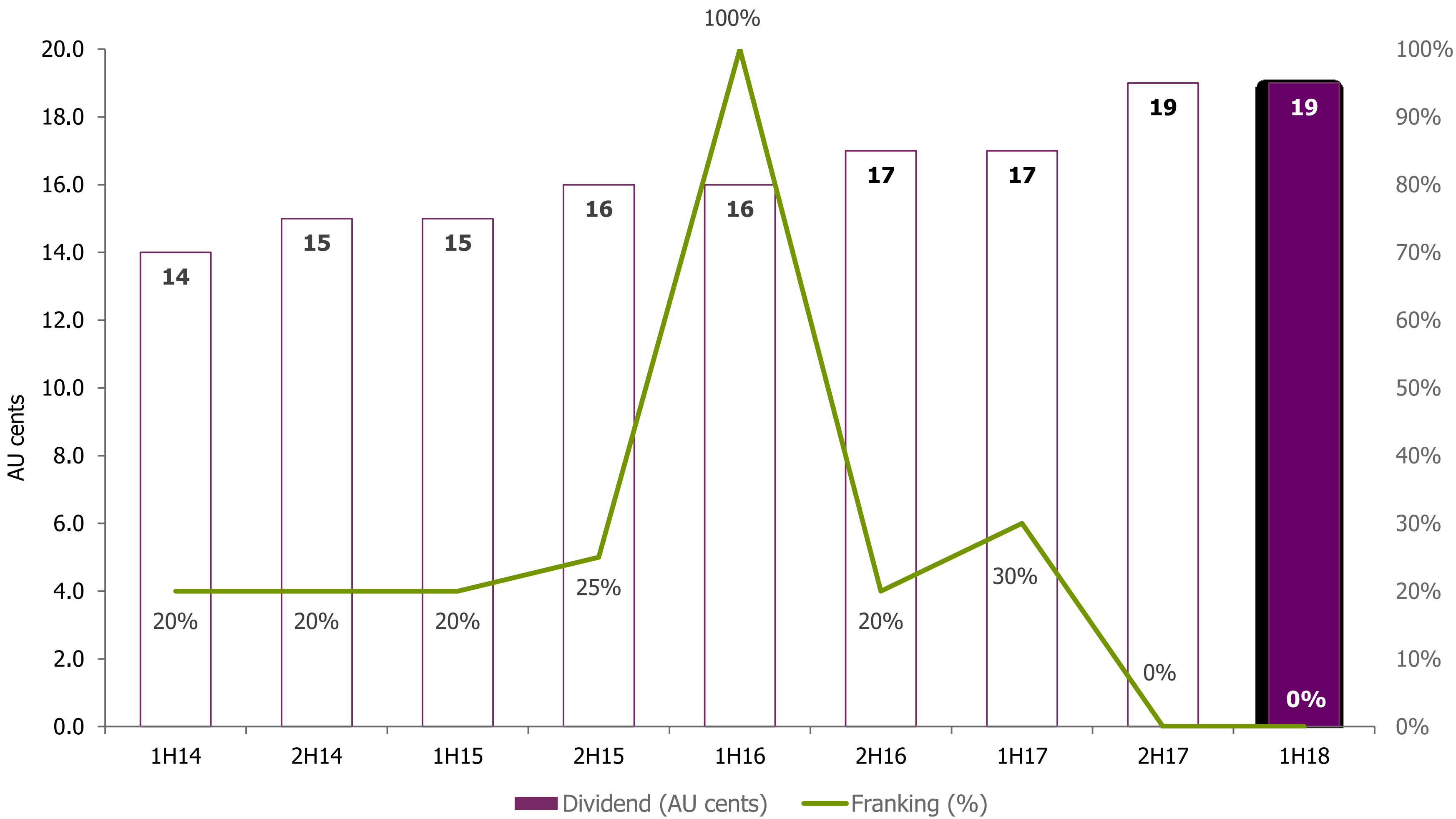


- The Group's statutory effective tax rate has decreased from 16.2% in 1H17 to 7.4% in 1H18. This is primarily driven by the restatement of deferred tax balances due to US tax reform giving rise to a tax credit of $42.4 million. 1H18 tax expense also included capital gains tax for the pending disposal of Karvy Computershare Private Limited
- The Group's management effective tax rate has increased from 23.5% in 1H17 to 26.3% in 1H18 primarily driven by an increase in US profits which is subject to a higher effective tax rate

Computershare

Dividend history and franking

Franking suspended due to share buy-back



Computershare

US and UK mortgage services - UPB and number of loans

US mortgage services UPB up 19.1% ($71.1bn v $59.7bn)

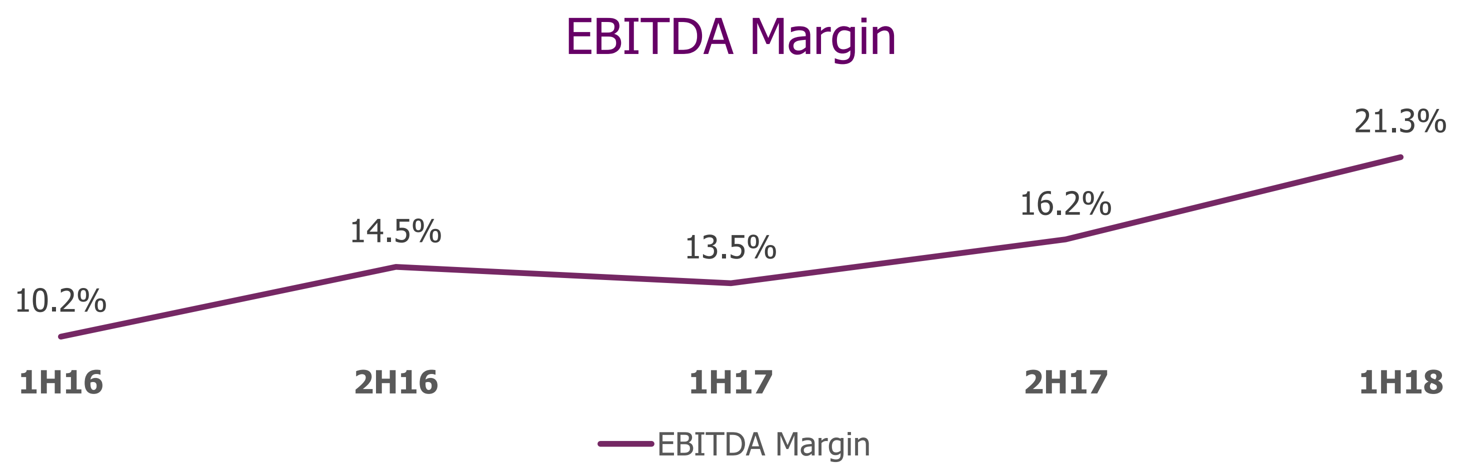
Mortgage Servicing			Performing		Non-performing	
			At 31 Dec 17	At 30 Jun 17	At 31 Dec 17	At 30 Jun 17
	U.S.	Fully-Owned MSRs [1]	$15.1bn 67K Loans	$8.5bn 38K Loans	$10.9bn 89K Loans	$12.4bn 103K Loans
	U.S.	Part-Owned MSRs [2]	Excess strip deals $13.3bn 62K Loans	Excess strip deals $14.6bn 66K Loans	SPV deals $14.3bn 67K Loans	SPV deals $15.8bn 72K Loans
	U.S.	Subservicing [3]	$3.2bn 13K Loans	$1.8bn 5K Loans	$14.2bn 140K Loans	$6.6bn 88K Loans
	U.S.	Total US UPB	**$31.6bn**	**$24.9bn**	**$39.5bn**	**$34.8bn**
	U.K.	Fee for Service [3]	£55.7bn 437K Loans	£60.0bn 485K Loans	£3.8bn 32K Loans	£4.3bn 37K Loans

[1] CPU owns the MSR outright
[2] CPU has sold part of the MSR to a third party investor
[3] Servicing performed on a contractual basis

Mortgage Services Revenue and EBITDA at actual FX rates

EBITDA margin continuing to improve

	1H18	2H17	1H17	2H16	1H16
US Mortgage Services revenue	$143.4	$133.5	$123.7	$52.2	$41.1
UK Mortgage Services revenue	$121.7	$122.4	$117.3	$115.6	$106.4
Total Mortgage Services revenue	**$265.1**	**$255.9**	**$241.0**	**$167.8**	**$147.5**
Total Mortgage Services EBITDA	**$56.4**	**$41.4**	**$32.6**	**$24.4**	**$15.0**
EBITDA Margin %	**21.3%**	**16.2%**	**13.5%**	**14.5%**	**10.2%**



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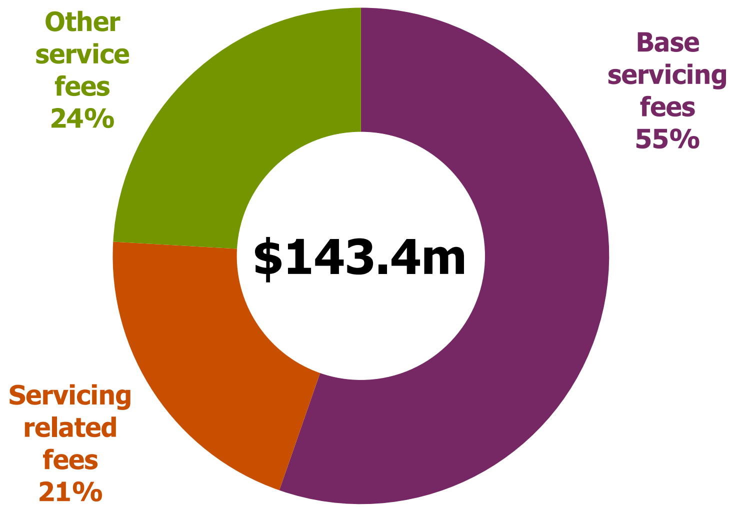
Financial Snapshot – US Mortgage Servicing

1H18 revenue composition



- Base servicing fees, $79.3m, +25.8%
- Servicing related fees $29.5m, +8.4%
- Other services fees $34.5m, +3.4%

	Dec-17	Jun-17	FY17 Annual Report reference	
Net Loan Servicing Advances	$59.1	$23.2	• Note 16 Loan servicing advances • Note 14 Interest bearing liabilities	▪ *Loan servicing advances* ▪ *SLS non-recourse lending facility*
Net MSR intangible asset	$268.8	$217.7	• Note 10 Intangible assets • Note 25 Mortgage servicing related liabilities	▪ *Mortgage servicing rights* ▪ *Mortgage servicing related liabilities*
Investment in SPVs	$27.1	$29.3	• Note 20 Available-for-sale financial assets	▪ *Non current equity securities*
Other intangible assets[1]	$68.1	$69.7	• Note 10 Intangible assets	▪ *Goodwill; Other* ▪ *Expected to decline in 2H – excess strip sales*
Total invested capital	**$423.1**	**$339.9**		
Net cash payments for MSR purchases	$67.4	$85.8[2]	• Cashflow statement	▪ *Investing cash flow - Payments for purchase of controlled entities and businesses (net of cash acquired) and intangible assets*
MSR amortisation	$16.0	$23.9[3]	• Note 3 Expenses	▪ *Total Amortisation (net)*

[1] Other intangibles are largely goodwill and acquired client lists related to the CMC acquisition
[2] Dec-16 (1H17) = $61.6
[3] Dec-16 (1H17) = $9.8

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Mortgage services key terms

Performing servicing: Servicing of a mortgage which is less than 30 days delinquent. Typically loans that meet the criteria of the Government Sponsored Entities e.g. "Fannie Mae", "Freddie Mac".

Non-performing servicing: Servicing of a mortgage that is over 30 days delinquent up to management of the foreclosure process. Typically, non-performing servicing is performed over loans that are part of a securitization arrangement.

Mortgage servicing rights: Intangible assets representing an ownership right to service the mortgage for a fee for the life of the mortgage. The owner of the MSR can either service the loan itself or appoint a sub-servicer to do so.

Servicing advances: The owner of the MSR is required to fund various obligations required to protect a mortgage if the borrower is unable to do so. Advances receive a priority in any liquidation and are often financed in standalone non-recourse servicing advance facilities.

Part owned MSRs

- An Excess Strip Sale refers to the sale of a stream of cash flows associated with the servicing fee on a performing MSR. The seller of the servicing strip has the ability to service the mortgage.
- An SPV deal refers to the sale of the rights to the MSR and associated servicing advances into an SPV. CPU typically takes a 20% equity stake in the SPV and performs all servicing on the loans via a sub-servicing fee for service relationship.

US mortgage services – revenue definitions

Base fees – Fees received for base servicing activities

- Fees are generally assessed in bps for owned or structured deals, while subservicing is usually paid as a $ fee
- Subservicing fees vary by loan delinquency or category

Servicing related fees – Additional fees received from servicing a loan

- Loss mitigation fees e.g. for loan modifications
- Ancillary Fees e.g. late fees
- Margin income

Other service fees

- Includes valuation, real estate disposition services, loan fulfilment services and CMC Coop Services

Exchange rates

- Average FX rates used to translate profit and loss to US dollars for key reporting currencies
- The USD has weakened in 1H18 against pcp against major operating currency – GBP, CAD and AUD

Currency	1H18	FY17	1H17	Var 1H	USD has:
USD	**1.0000**	**1.0000**	**1.0000**		
AUD	1.28627	1.32964	1.32591	-3.0%	Weakened
HKD	7.80946	7.76304	7.75635	0.7%	Strengthened
NZD	1.39691	1.40496	1.39457	0.2%	Strengthened
INR	64.63232	66.62415	67.23397	-3.9%	Weakened
CAD	1.27087	1.32777	1.31820	-3.6%	Weakened
GBP	0.75881	0.78623	0.77617	-2.2%	Weakened
EUR	0.85331	0.91855	0.90632	-5.8%	Weakened
RAND	13.39206	13.73011	14.12585	-5.2%	Weakened

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- 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 Group's performance on a comparative basis and provides a better measure of underlying operating performance.
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