COMPUTERSHARE LIMITED (ASX:CPU)

# FINANCIAL RESULTS
# FOR THE FULL YEAR ENDED 30 JUNE 2013

**14 August 2013**

**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 FY13 Results Presentation are available for download at:
http://www.computershare.com/au/about/ir/financials/Pages/results.aspx

**Melbourne, 14 August 2013 –** Computershare Limited (ASX:CPU) today reported Statutory Basic Earnings per Share (EPS) of 28.25 cents for the twelve months ended 30 June 2013, a decrease of 9.2% on FY12. Management Earnings per Share were 54.85 cents, an increase of 11.7% over the prior corresponding period (pcp).

A final dividend of AU 14 cents per share 20% franked has been declared, unchanged from the final dividend of last year.

Total statutory revenues and other income increased 10.2% on FY12 to $2,046.0 million. Statutory Net Profit post Non-Controlling Interest (NCI) fell 9.2% to $157.0 million (see Appendix 4E). Management Net Profit post NCI rose 11.8% to $304.9 million. Operating Cash Flows decreased 0.2% to $334.0 million.

**Headline Statutory Results (in USD unless otherwise stated) for FY13 were as follows:**

| | **FY13** | FY12* | **FY13 versus FY12** |
|---|---|---|---|
| Earnings per Share (post NCI) | **28.25 cents** | 31.10 cents | **Down 9.2%** |
| Total Revenues & other income | **$2,046.0m** | $1,857.2m | **Up 10.2%** |
| Total Expenses | **$1,853.3m** | $1,630.9m | **Up 13.6%** |
| Statutory Net Profit (post NCI) | **$157.0m** | $172.9m | **Down 9.2%** |

*refer to the restatement in note 3 of the Appendix 4E.

**Headline Management Results (in USD unless otherwise stated) for FY13 were as follows:**

| | **FY13** | FY12 | **FY13 versus FY12** | FY13 at FY12 exchange rates | FY13 at FY12 exchange rates versus FY12 |
|---|---|---|---|---|---|
| Management Earnings per Share (post NCI) | **54.85 cents** | 49.09 cents | **Up 11.7%** | 55.62 cents | Up 13.3% |
| Total Operating Revenues | **$2,025.1m** | $1,818.7m | **Up 11.4%** | $2,050.1m | Up 12.7% |
| Operating Costs | **$1,515.2m** | $1,360.1m | **Up 11.4%** | $1,534.1m | Up 12.8% |
| Management Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) | **$509.8m** | $459.0m | **Up 11.1%** | $515.8m | Up 12.4% |
| EBITDA margin | **25.2%** | 25.2% | **Flat** | 25.2% | Flat |
| Management Net Profit (post NCI) | **$304.9m** | $272.8m | **Up 11.8%** | $309.1m | Up 13.3% |
| Cash Flow from Operations | **$334.0m** | $334.6m | **Down 0.2%** | | |
| Free Cash Flow | **$290.3m** | $294.5m | **Down 1.4%** | | |
| Days Sales Outstanding | **45 days** | 43 days | **Up 2 days** | | |
| Capital Expenditure | **$49.5m** | $62.1m | **Down 20.3%** | | |
| Net Debt to EBITDA ratio | **2.47 times** | 2.86 times | **Down 0.39 times** | | |
| Final Dividend | **AU 14 cents** | AU 14 cents | **Flat** | | |
| Final Dividend franking amount | **20%** | 60% | **Down from 60%** | | |

**Reconciliation of Statutory Results to Management Results**

| **FY13** | **USD 000's** |
|---|---|
| **Net profit after tax as per Statutory Results** | 157,014 |
| **Management Adjustments (after tax)** | |
| **Amortisation** | |
| Intangible assets amortisation | 68,125 |
| **Strategic business initiatives** | |
| Loss on disposal of businesses | 44,335 |
| Gain on sale of equity investment | (11,827) |
| Business closure | 10,487 |
| Restructuring provisions | 2,616 |
| **One-off items** | |
| Acquisition integration costs | 32,031 |
| DLI performance rights reversal | (5,779) |
| Acquisition accounting adjustments | (5,018) |
| Impairment losses | 4,725 |
| **Other** | |
| Indian acquisition put option liability re-measurement | 6,645 |
| Provision for tax liability | 1,715 |
| Marked to market adjustments on derivatives | (209) |
| **Total Management Adjustments** | 147,846 |
| **Net profit after tax as per Management Results** | 304,860 |

**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 FY13 were as follows:

**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 of these intangibles for FY13 was $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 $5.4 million. On 30 June 2013 the interactive events technology group, IML, was sold to Lumi Technologies Limited at a loss of $38.9 million (refer to note 16 of Appendix 4E for related party information).
- Gain of $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, provisions for exit costs were raised and asset write downs were taken totalling $10.5 million.
- Restructuring provisions of $2.2 million related to Computershare's change to a global service model impacting the USA, Canada and Australia and $0.4 million related to German property leases were recorded.

**One-off items**

- Integration costs of $30.6 million related to the Shareowner Services acquisition from Bank of New York Mellon and $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 totalling $5.8 million has been reversed. The expense in prior periods was charged against Management earnings.
- An acquisition accounting adjustment gain of $2.1 million for the true-up of provisions related to Shareowner Services as well as a contingent consideration adjustment gain of $3.1 million related to Serviceworks and $0.2 million loss related to Specialized Loan Servicing (SLS).
- Impairment losses of $4.7 million were recognised on unlisted investments and loan transactions with equity investments.

**Other**

- The put option liability re-measurement expense of $6.6 million related to the Karvy joint venture arrangement in India (refer to Note 3 in the Appendix 4E and the related FY12 restatement in the financial accounts).
- Provision of $1.7 million 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 $0.2 million relate to future estimated cash flows.

## Commentary (based on Management Results)

Computershare delivered Management EPS of 54.85 cents in FY13, up 11.7% on FY12. This is in line with the Company's guidance of Management EPS between 10% and 15% higher than FY12. Total revenues grew 11.4% on FY12 to $2,025.1 million largely as a result of a full year contribution from the Shareowner Services and SLS acquisitions. EBITDA margins were flat year on year as transactional revenues remained weak. Management EBITDA grew 11.1% to $509.8 million, and Management Net Profit post NCI grew 11.8% to $304.9 million. Operating costs were up 11.4% on FY12 to $1,515.2 million, primarily due to the full year recognition of the Shareowner Services and SLS businesses. On a constant currency basis, total revenues grew 12.7% and operating costs grew 12.8%. Cash flow from operations decreased 0.2% to $334.0 million but increased 4.3% to $360.0 million after excluding loan servicing advances related to the SLS business.

Competition across our investor services segment has intensified in many markets which, together with the gradual attrition in registered holders across the globe, has affected register maintenance revenues. Despite pockets of activity, corporate action revenues generally remained subdued. The employee plans business performed strongly in all markets and was aided by the Shareowner Services plans contribution. Stakeholder relationship management revenues continued to suffer from weak deal flow and a lack of hostile activity. Communication services revenues improved, underpinned by increased activity in the USA as previously outsourced activity from recent acquisitions was internally captured.

The business services segment continues to drive revenue and earnings growth for the group. The full year contribution from SLS and Serviceworks was the major growth catalyst, supported by another strong result from the deposit protection scheme business in the UK. However, bankruptcy administration in the USA and the voucher services business in the UK were unable to match FY12 outcomes. The Canadian trust business and class actions administration business in the USA were flat year on year.

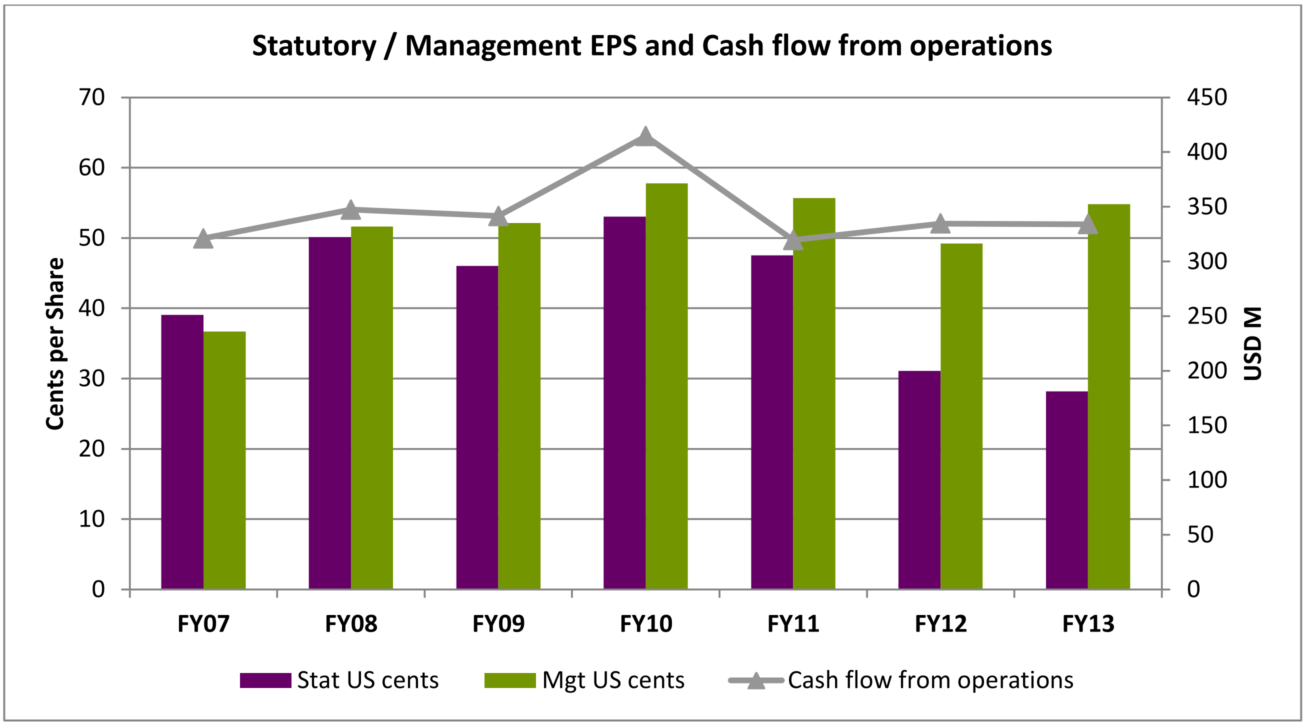
The Company continues to critically evaluate each of its portfolio assets to assess their ongoing strategic importance and the adequacy of operating performance. During the second half of the year, a range of actions were taken with respect to certain non-core or underperforming assets. The Company sold its investment in Solium Capital Inc in Canada following its decision to retain the employee option and restricted stock administration business acquired as part of the Bank of New York Mellon transaction. The Company divested both the Restricted Stock Services software product in the USA and its global interactive events technology group, IML, as it was determined that the likely future returns for these businesses would not meet internal requirements. A decision was also made to cease operating the Australian Fund Services business due to its ongoing inadequate financial performance and the prospects of any material improvement being remote.

Computershare's CEO, Stuart Crosby, said, "For a third year the economic climate remains challenging across the globe, despite the broad based improvement in equity indices and pockets of M&A. Transactional activity remains substantially lower than the peak levels experienced in 2008 and 2009. Add to this another year of very low interest rates in all of our key markets and it is plain that we will continue to have to combat a broad range of adverse factors.

"We are pleased with the portfolio clean up initiatives we have achieved during the period. While Computershare has had a very successful history of expansion by acquisition and trying new initiatives, it's equally important that we recognise when things have not worked out as we might have hoped and that we make the necessary decisions.

"While we expect to realise substantial synergies in the year ahead following the Shareowner Services integration, these benefits are anticipated to be materially offset by the impact of lower margin income returns and the recent strengthening of the US dollar. Taking this and the continuing challenges of the operating environment into account, we are anticipating Management EPS for the full year FY14 to be around 5% higher than FY13."

Below is a summary of annual Statutory and Management Earnings per Share performance and Cash flow from operations since FY07:




## Regional Summary

Australia and New Zealand

Revenues in Australia and New Zealand increased 4.7% on FY12 to $426.5 million and EBITDA was up 0.6% to $77.4 million. Higher revenues were underpinned by a twelve month contribution from Serviceworks, partially offset by a marginally weaker Australian dollar relative to the pcp. Register maintenance revenues were impacted by fee pressure due to competitive tension, whilst corporate action revenues remained low but in line with FY12. Employee plans and communication services both grew revenue, however margins in the communication services business remain under pressure. Margin income deteriorated year on year due to falling balances and falls in Australian dollar interest rates. The New Zealand business benefitted from an increase in corporate actions in FY13. Operating costs were higher than FY12, due in part to Serviceworks' full year contribution as well as a modest increase in salaries.

Asia

Revenues in the Asian region rose 5.8% on the pcp to $113.0 million, although EBITDA fell 2.7% to $33.4 million. The Hong Kong investor services business continues to be affected by the weak corporate actions environment whereas the employee plans business, albeit small, continues to grow. The Indian business again saw growth in both revenue and earnings, although at lower margins compared to the broader group. Increases in assets under management and one-off project work helped the Indian mutual funds business grow revenues. Indian earnings were also negatively affected by the stronger US dollar during FY13.

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

Revenues in the UCIA region grew 2.1% on pcp to $299.6 million and EBITDA grew 11.2% to $115.8 million. The UK investor services business revenues were flat year on year whilst employee plans and business services revenues were higher than FY12. Personnel cost savings from the HBOS EES integration and transactional activity drove the employee plans business to an improved result whilst the deposit protection scheme business benefitted from higher balances. In contrast, the voucher services business saw revenue and earnings impacted by competition. The Irish business improved earnings on a marginally lower revenue base and South Africa increased both revenue and earnings on FY12.

Continental Europe

Revenues in the region fell 2.8% on pcp to $110.2 million while EBITDA increased 7.7% to $16.1 million despite the weaker EUR year on year. The pick-up in earnings was largely due to the improvement in the German business. The Italian business was flat year on year and the Russian and Scandinavian businesses performed moderately better.

United States

USA revenues grew 28.9% on FY12 to $843.2 million and EBITDA increased 37.4% to $171.8 million. The revenue and earnings uplift was underpinned by the full year contribution from the Shareowner Services and SLS acquisitions that occurred in FY12. The full year contribution of the Shareowner Services business led to revenue growth in register maintenance, corporate actions, stakeholder relationship management, employee plans and communication services. SLS revenue more than doubled year on year, however the associated costs that accompany onboarding significant new work and increased headcount resulted in some compression in margins during FY13. The bankruptcy administration business was unable to match FY12 outcomes due to weak market conditions (low levels of bankruptcy filings) largely resulting from the success of the ongoing US Federal Reserve quantitative easing program. Class actions administration revenues were higher in FY13, however increased operating costs affected earnings. Margin income grew significantly due to the contribution of Shareowner Services' balances, despite maturing hedges and term deposits.

Canada

Canadian revenues fell 5.0% versus FY12 to $198.0 million and EBITDA decreased 14.6% to $81.6 million. The environment remains challenging, with investor services, communication services and stakeholder relationship management revenues lower than FY12. Employee plans and corporate trust revenues were flat. Earnings were impacted by lower margin income year on year as hedges rolled off. The region continues to focus on reducing operating costs to help counter weakening revenues as transactional activity remains subdued.

**Dividend**

The Company announced a final dividend of AU 14 cents per share, 20% franked, payable on 17 September 2013 (dividend record date of 26 August 2013). This follows the interim dividend of AU 14 cents per share, 20% franked, paid in March 2013.

In January 2013, the Company announced that it had introduced a dividend reinvestment plan (DRP) starting with the 2013 interim dividend and this DRP continues to operate for the 2013 final dividend. The DRP pricing period for the final dividend will be from 28 August to 10 September 2013 (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 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 increased by 539,020 shares during the year as a result of the dividend reinvestment plan. There were 556,203,079 issued ordinary shares outstanding as at 30 June 2013.

**Balance Sheet Overview**

Total assets decreased $62.8 million from 30 June 2012 to $3,618.9 million. Shareholder's equity decreased $23.4 million to $1,130.9 million over the same period.

Net borrowings decreased to $1,257.3 million (from $1,313.0 million at 30 June 2012). Gross borrowings at 30 June 2013 amounted to $1,711.7 million (down from $1,754.4 million at 30 June 2012). Debt facilities maturity averages 4.8 years following the refinancing of a syndicated bank debt tranche in June 2013. The tranche of $250m was extended from an October 2013 maturity to July 2017 (average maturity on drawn debt is now 5.1 years).

The debt maturity profile is outlined in the table below:

| Maturity Dates | | Debt Drawn | Committed Debt Facilities | Bank Debt Facility | Private Placement Facility |
|---|---|---|---|---|---|
| FY14 | | Nil | Nil | Nil | Nil |
| FY15 | Mar-15 | 124.5m | 124.5m | | 124.5m |
| FY16 | Oct-15 | 296.0m | 300.0m | 300.0m | |
| FY17 | Oct-16 | 103.2m | 250.0m | 250.0m | |
| | Mar-17 | 21.0m | 21.0m | | 21.0m |
| FY18 | Jul-17 | 248.4m | 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** | | **$1,578.2m*** | **$1,730.5m** | **$800.0m** | **$930.5m** |

* Variance from gross debt represents finance leases ($48.1m), fair value adjustment on debt ($16.2m) and the SLS advance facility ($69.2m).

The Company's Net Debt to Management EBITDA ratio, the key gearing metric, decreased from 2.86 times at 30 June 2012 to 2.47 times at 30 June 2013.

Capital expenditure for FY13 was 20.3% lower than FY12 at $49.5 million.

The Group's Days Sales Outstanding was 45 days at 30 June 2013, up 2 days from 30 June 2012.

### Technology Costs

Total technology spend for FY13 was $261.3 million, 23.0% higher than FY12. Technology costs included $67.9 million (FY12: $57.7 million) in research and development expenditure that was expensed during the period. The technology cost to revenue ratio for FY13 was 12.9% (FY12: 11.7%). As advised at the time of the release of results for FY12, this ratio is expected to be elevated until the technology synergies from the Shareowner Services acquisition fully materialise. In addition, the Company has centralised a range of technology people and functions that previously sat within relevant business units, which will result in a higher reported technology cost (but no difference in real costs) going forward.

### Foreign Exchange Impact

Management EBITDA would have been $515.8 million, or 1.2% higher than actual FY13 Management EBITDA had average exchange rates from FY12 applied. Management EPS would have been 55.62 cents or 1.4% higher than actual FY13 Management EPS had prior year average exchange rates applied.

### Taxation

The Management effective tax rate for FY13 was 22.6% (FY12: 25.1%).

## Outlook for Financial Year 2014

While the Company expects to realise substantial synergies in the year ahead following the Shareowner Services integration, these benefits are anticipated to be materially offset by the impact of lower margin income returns and the recent strengthening of the US dollar. Taking this and the continuing challenges of the operating environment into account, the Company is anticipating Management EPS for the full year FY14 to be around 5% higher than FY13.

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

**Please refer to the 2013 Full Year Results Presentation for detailed financial data.**

## 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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# Computershare Limited
# Full Year Results 2013 Presentation

**Stuart Crosby**
**Mark Davis**

**14 August 2013**

Introduction

Financial Results

CEO's Report

# Stuart Crosby

## PRESIDENT & CHIEF EXECUTIVE OFFICER

# Results Summary
## Statistical Results

Introduction

| | FY13 | Vs FY12 |
|---|---|---|
| **Earnings per share (post NCI)** | 28.25 cents | Down 9.2% |
| **Total Revenues & Other Income** | $2,046.0m | Up 10.2% |
| **Total Expenses** | $1,853.3m | Up 13.6% |
| **Statutory Net Profit (post NCI)** | $157.0m | Down 9.2% |

| Reconciliation of Statutory Revenue to Management Results | FY13 |
|---|---|
| **Total Revenues & Other Income per statutory results** | **$2,046.0** |
| **Management Adjustments** | |
| Acquisition accounting adjustment | (6.5) |
| Gain on sale of equity investment | (14.1) |
| Marked to Market adjustment on derivatives | (0.3) |
| **Total Management Adjustments** | ($20.9) |
| **Total Revenue per Management results** | **$2,025.1** |

| Reconciliation of Statutory NPAT to Management Results | FY13 |
|---|---|
| **Net profit after tax per statutory results** | **$157.0** |
| **Management Adjustments (after tax)** | |
| Amortisation | 68.1 |
| Strategic Business initiatives | 45.6 |
| One-off items | 26.0 |
| Other | 8.1 |
| **Total Management Adjustments** | $147.8 |
| **Net Profit after tax per Management results** | **$304.9** |

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, performance rights reversals 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 in the ASX Appendix 4E Note 9.

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

* Prior period Statutory results were restated due to re-measurement of put option liability. Refer to ASX Appendix 4E Note 3.

Note: all figures in this presentation are in USD M unless otherwise indicated.



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# Results Summary
## Management Results



| | FY 2013 | FY 2012 | v FY 2012 | FY 2013 @ FY 2012 exchange rates |
|---|---|---|---|---|
| **Management Earnings per share (post NCI)** | **US 54.85 cents** | **US 49.09 cents** | Up 11.7% | **US 55.62 cents** |
| **Total Operating Revenue** | **$2,025.1** | **$1,818.7** | Up 11.4% | **$2,050.1** |
| **Operating Costs** | **$1,515.2** | **$1,360.1** | Up 11.4% | **$1,534.1** |
| **Management Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)** | **$509.8** | **$459.0** | Up 11.1% | **$515.8** |
| **EBITDA Margin** | **25.2%** | **25.2%** | Flat | **25.2%** |
| **Management Net Profit post NCI** | **$304.9** | **$272.8** | Up 11.8% | **$309.1** |
| **Cash Flow from Operations** | **$334.0** | **$334.6** | Down 0.2% | |
| **Free Cash Flow** | **$290.3** | **$294.5** | Down 1.4% | |
| **Days Sales Outstanding** | **45 days** | **43 days** | Up 2 days | |
| **Capital Expenditure** | **$49.5** | **$62.1** | Down 20.3% | |
| **Net Debt to EBITDA ratio** | **2.47 times** | **2.86 times** | Down 0.39 times | |
| **Final Dividend** | **AU 14 cents** | **AU 14 cents** | Flat | |
| **Final Dividend franking amount** | **20%** | **60%** | Down from 60% | |

Note: all results are in USD M unless otherwise indicated.

# Drivers Behind FY13 Financial Performance



- Revenue in transactional business lines, especially corporate actions, remains subdued. Proxy solicitation (corporate and mutual fund) continues to suffer from weak deal flow and lack of hostile activity, a slightly better June quarter notwithstanding.
- Register maintenance revenues remain soft due to lower activity based fees, shareholder attrition and active competition in key markets.
- Employee share plans continue to perform strongly in all markets, with organic growth aided by the contribution from the plans component of Shareowner Services, and continual realisation of benefits from the HBOS EES acquisition. No material FY13 contribution from the Morgan Stanley European acquisition.
- Client balances notably lower in second half and in the current liquidity environment pressure remains on deposit returns and yields on rolled hedges.
- Contributions from SLS, Deposit Protection Scheme and Serviceworks continue to meet expectations, although Bankruptcy and Voucher Services could not match FY12 results.
- Continued strong cost focus in all business lines, but still investing in technology and capex to support integration.

# Computershare Strengths

- Leading market position in all major markets for equity investor record-keeping and employee stock plan administration based on:
  - sustainable advantages in technology, operations, domain knowledge and product development;
  - sustained quality excellence and operational efficiency; and
  - a joined-up global platform (20+ countries including China, India and Russia), and seamless development and execution of cross-border solutions.
- Consolidating position and continuing to extract synergies from acquisitions within our chosen business lines.
- Exciting growth opportunities within newer business lines.
- More generally:
  - over 70% of revenues recurring in nature;
  - long track record of excellent cash realisation from operations; and
  - Strong balance sheet and prudent gearing, with average maturity 4.8 years and no more than USD 305M maturing in any one financial year.

# Guidance



- While the Company expects to realise substantial synergies in the year ahead following the Shareowner Services integration, these benefits are anticipated to be materially offset by the impact of lower margin income returns and the recent strengthening of the USD. Taking this and the continuing challenges of the operating environment into account, the Company is anticipating Management EPS for the full year FY14 to be around 5% higher than FY13.
- This assessment of the outlook assumes that equity, foreign exchange and interest rate markets remain at current levels.

Introduction

Financial Results

CEO's Report

# MARK DAVIS

## CHIEF FINANCIAL OFFICER

# Group Financial Performance

Financial Results

| | FY 2013 | FY 2012 | % variance to FY 2012 | 2H 2013 | 1H 2013 | 2H 2012 | 1H 2012 |
|---|---|---|---|---|---|---|---|
| Sales Revenue | $2,015.7 | $1,802.6 | 11.8% | $1,041.1 | $974.7 | $1,030.6 | $772.0 |
| Interest & Other Income | $9.4 | $16.1 | (41.6%) | ($3.5) | $12.9 | $6.7 | $9.4 |
| **Total Management Revenue** | **$2,025.1** | **$1,818.7** | **11.4%** | **$1,037.5** | **$987.6** | **$1,037.3** | **$781.4** |
| Operating Costs | $1,515.2 | $1,360.1 | 11.4% | $767.6 | $747.6 | $790.2 | $569.9 |
| Share of Net (Profit)/Loss of Associates | $0.1 | ($0.3) | | $1.6 | ($1.4) | ($0.3) | ($0.1) |
| **Management EBITDA** | **$509.8** | **$459.0** | **11.1%** | **$268.4** | **$241.4** | **$247.4** | **$211.5** |
| **Statutory NPAT** | **$157.0** | **$172.9** | (9.2%) | **$62.4** | **$94.6** | **$61.4** | **$111.5** |
| **Management NPAT** | **$304.9** | **$272.8** | 11.8% | **$155.6** | **$149.3** | **$144.5** | **$128.3** |
| **Management EPS (US cents)** | **54.85** | **49.09** | **11.7%** | **27.98** | **26.87** | **26.00** | **23.09** |
| **Statutory EPS (US cents)** | **28.25** | **31.10** | **(9.2%)** | **11.23** | **17.02** | **11.04** | **20.06** |

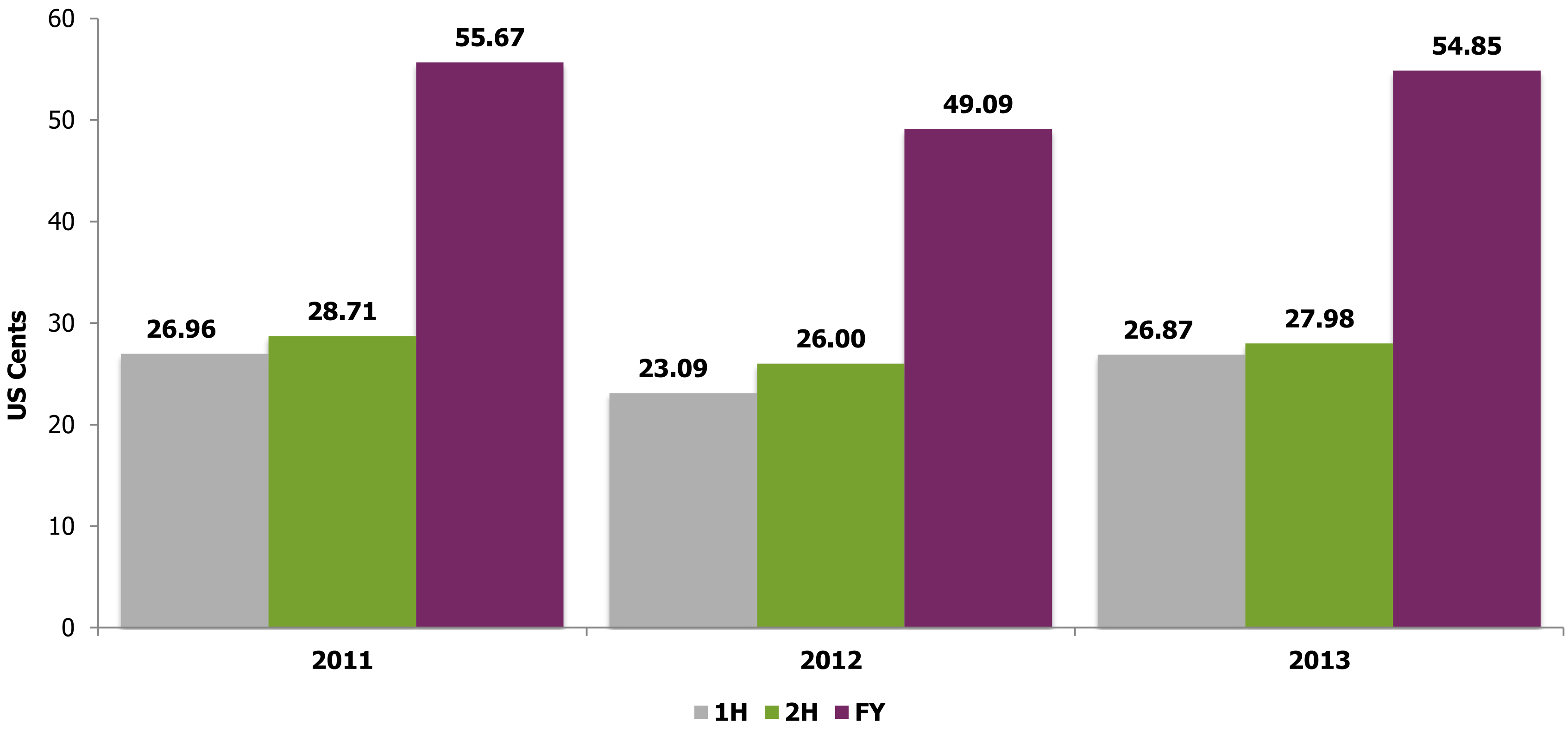
**Note: all results are in USD M unless otherwise indicated.**



Computershare

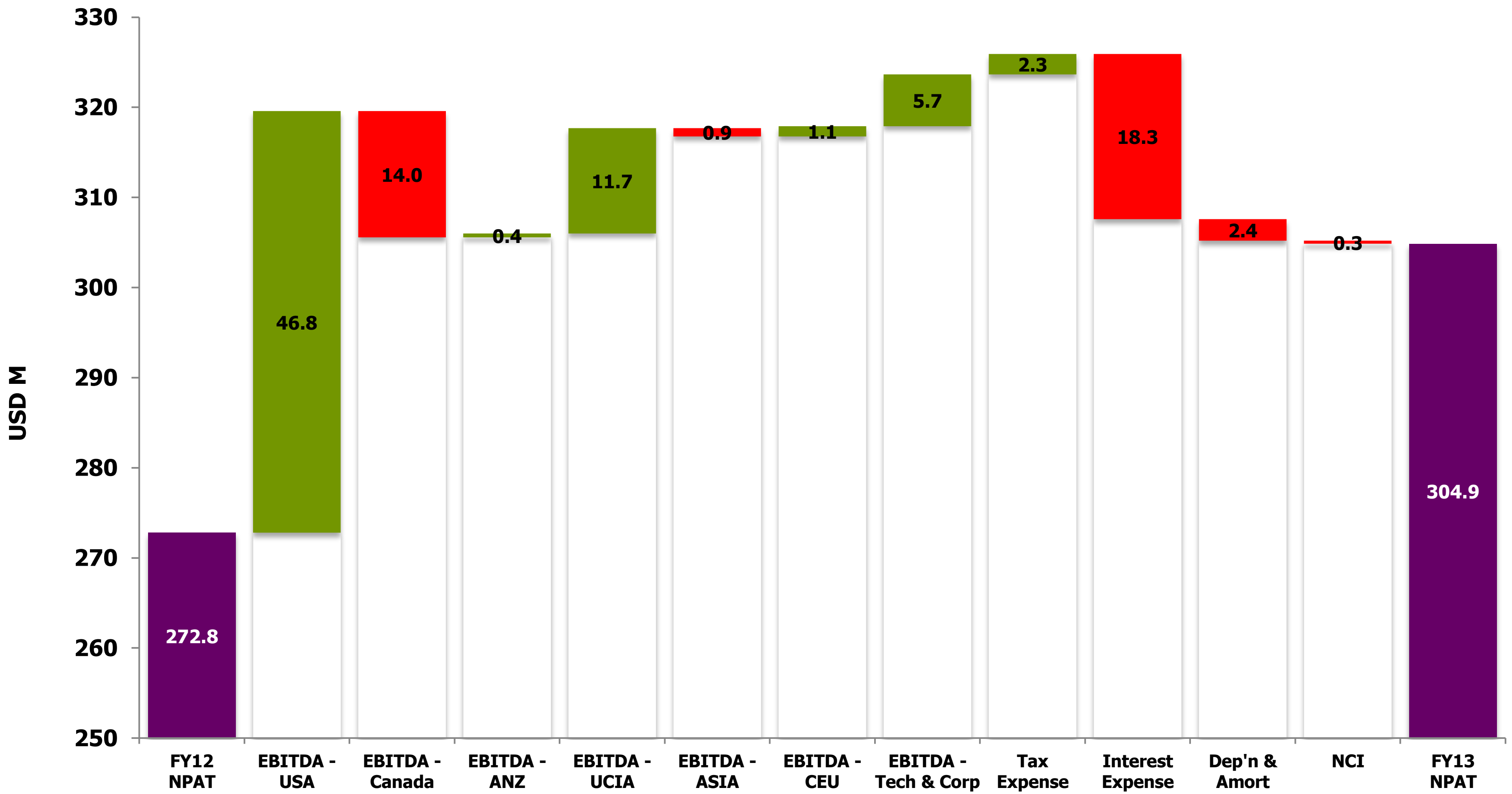
# Management EPS

Financial Results



# FY 2013 Management NPAT Analysis

Financial Results



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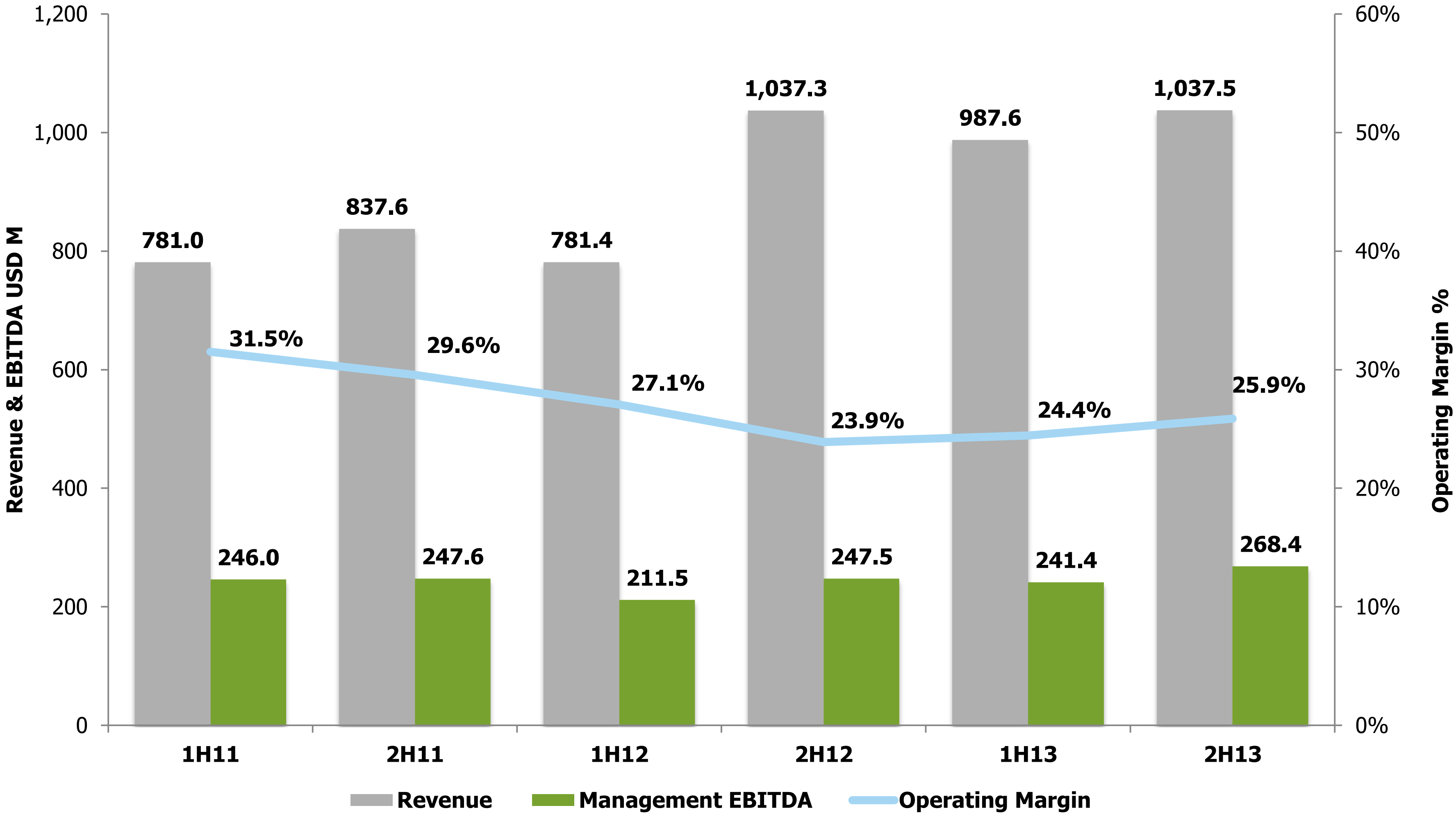
# Management Revenue & EBITDA
## Half Year Comparisons








Computershare

# Management Revenue Breakdown

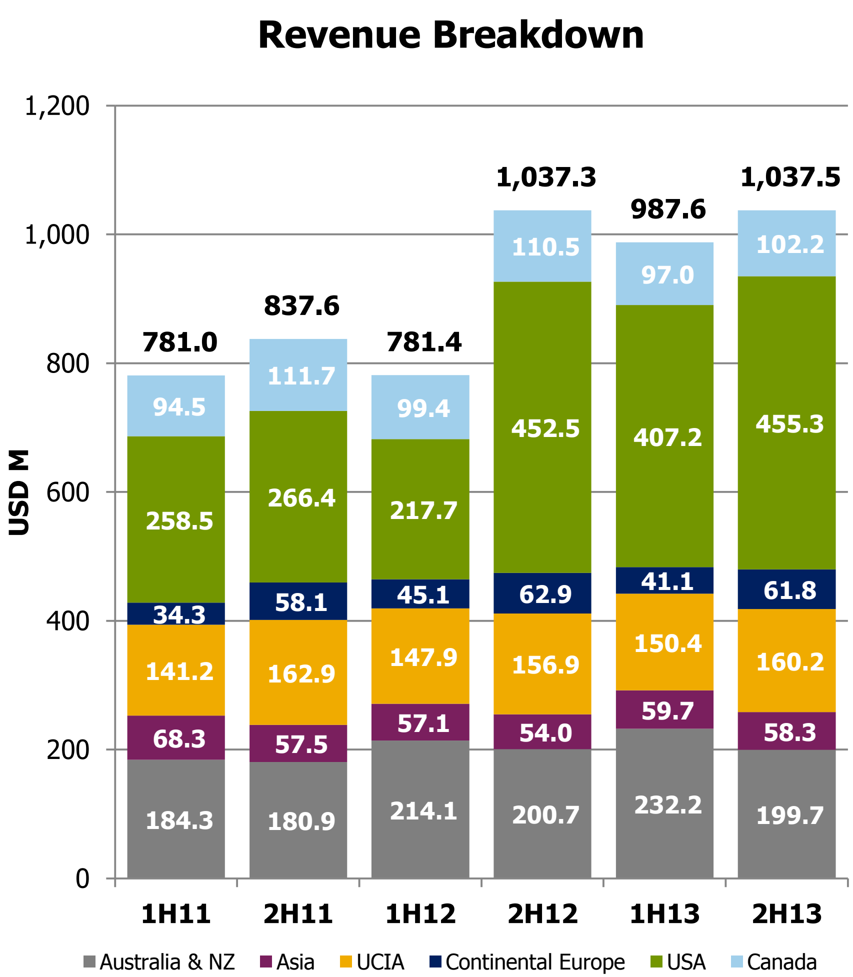


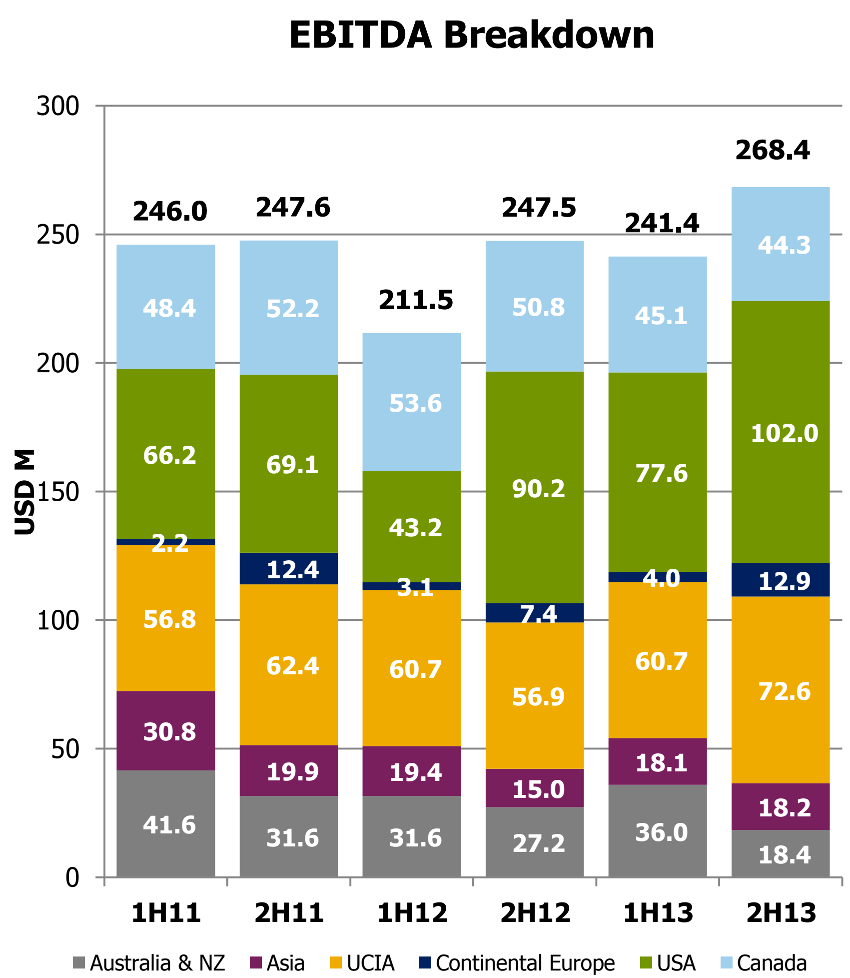
| Revenue Stream | FY 2013 | FY 2012 | FY 2013 variance to FY 2012 | 2H 2013 | 1H 2013 | 2H 2012 | 1H 2012 |
|---|---|---|---|---|---|---|---|
| Register Maintenance | **$824.1** | **$774.8** | 6.4% | **$429.4** | **$394.7** | **$440.6** | **$334.2** |
| Corporate Actions | **$169.4** | **$156.1** | 8.5% | **$76.6** | **$92.8** | **$88.7** | **$67.4** |
| Business Services | **$489.1** | **$383.0** | 27.7% | **$247.3** | **$241.8** | **$234.7** | **$148.3** |
| Stakeholder Relationship Mgt | **$76.6** | **$86.8** | (11.8%) | **$45.4** | **$31.2** | **$52.2** | **$34.6** |
| Employee Share Plans | **$237.1** | **$197.3** | 20.1% | **$124.6** | **$112.5** | **$112.3** | **$85.0** |
| Communication Services | **$198.1** | **$182.0** | 8.8% | **$99.8** | **$98.3** | **$91.7** | **$90.3** |
| Technology & Other Revenue | **$30.8** | **$38.7** | (20.3%) | **$14.5** | **$16.3** | **$17.2** | **$21.5** |
| **Total Management Revenue** | **$2,025.1** | **$1,818.7** | **11.4%** | **$1,037.5** | **$987.6** | **$1,037.3** | **$781.4** |

**Note: all results are in USD M unless otherwise indicated.**

# Management Revenue & EBITDA – Regional Analysis Half Year Comparisons

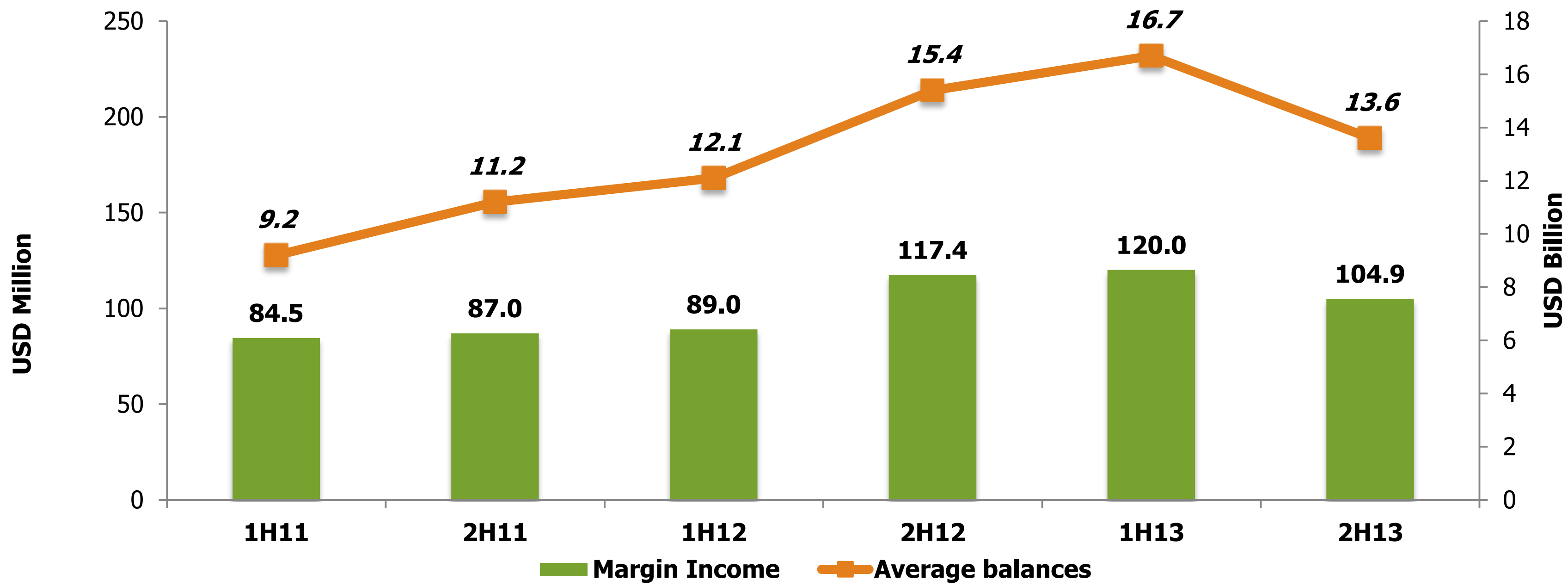




# Margin Income Analysis

Financial Results




Average Market Interest rates *

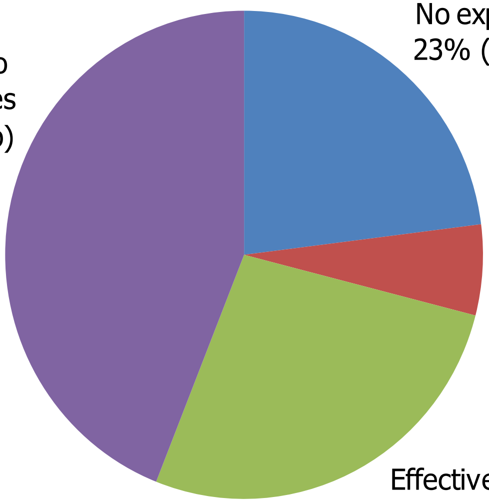
| | 1H11 | 2H11 | 1H12 | 2H12 | 1H13 | 2H13 |
|---|---|---|---|---|---|---|
| UK | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% |
| US | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% |
| Canada | 0.88% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |
| Australia | 4.58% | 4.76% | 4.64% | 4.05% | 3.34% | 2.93% |

Note 1: Some balances attract no interest or a set margin for Computershare.
Note 2: Analysis includes Shareowner Services client funds from 2H12.
* UK – Bank of England MPC Rate; US – Fed Funds Rate; Canada – Bank of Canada Overnight Target Rate; Australia – RBA Cash Rate.

# FY13 Client Balances – Interest Rate Exposure



**Average funds (USD 15.2b) held during FY13**




CPU had an average of USD15.2b of client funds under management during FY13.

For 23% ($3.6b) of the FY13 average client funds under management, CPU had no exposure to interest rate movements either as a result of not earning margin income, or receiving a fixed spread on these funds.

The remaining 77% ($11.6b) of funds were "exposed" to interest rate movements. For these funds:

- 27% had effective hedging in place (being either derivative or fixed rate deposits).
- 6% was naturally hedged against CPU's own floating rate debt.

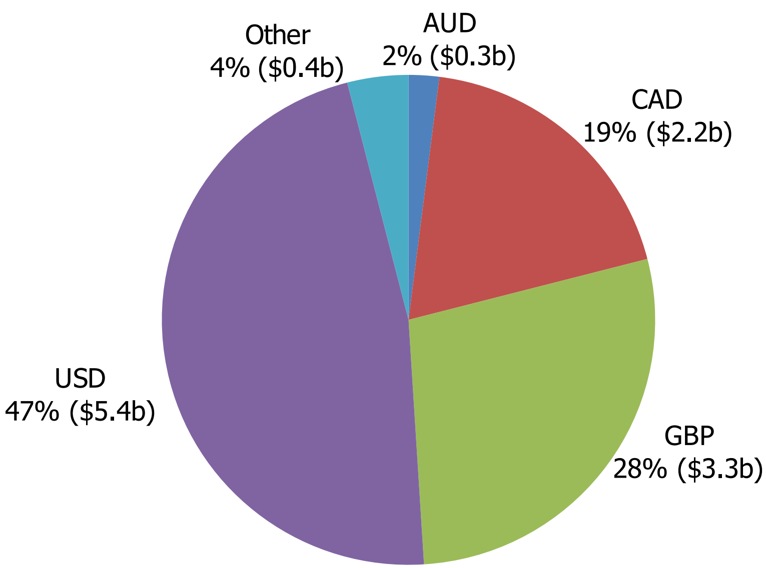
The remaining 44% was exposed to changes in interest rates.

# FY13 Client Balances –
# Interest Rate Exposure and Currency



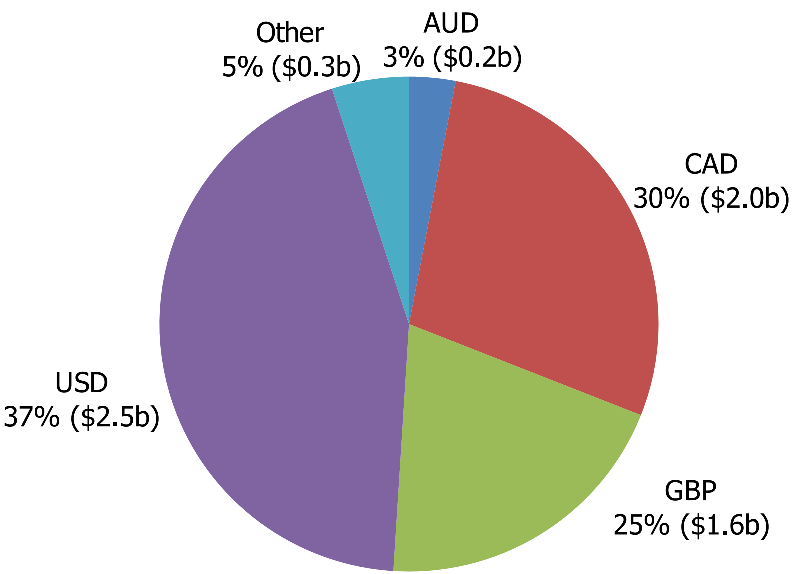
## "Exposed Funds" by Currency (FY13 Average Balances)

**Total Exposed Funds**
**(pre hedging)**




**Average exposed funds balance prior to any hedging**
**US$11.6b**
**(US$15.2b x 77%)**

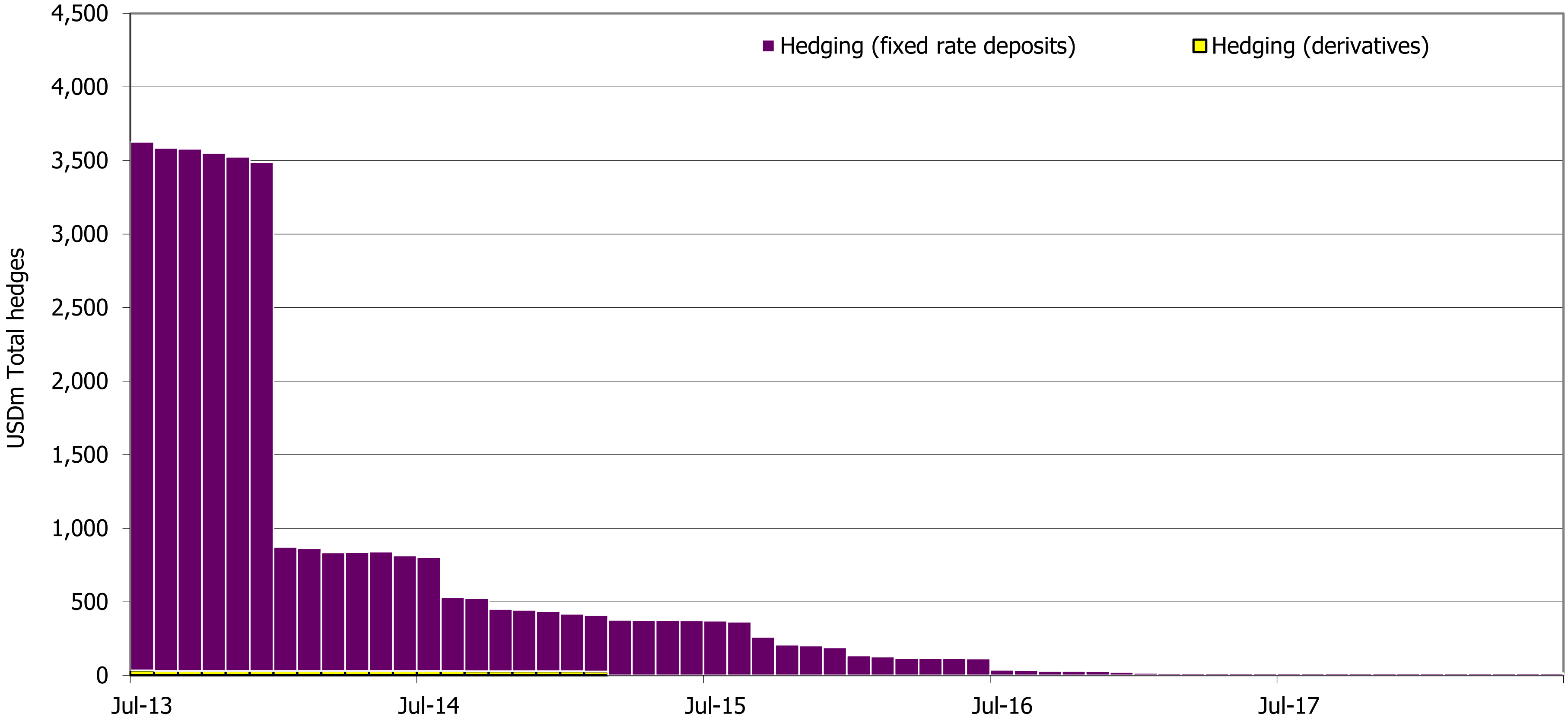
**Non-hedged Exposed Funds**




**Average exposed funds balance net of hedging**
**US$6.6b**
**(US$15.2b x 44%)**

# Client Balances – Forward view of Hedges
## Fixed Rate Deposits and Derivatives in place at 30 June 2013



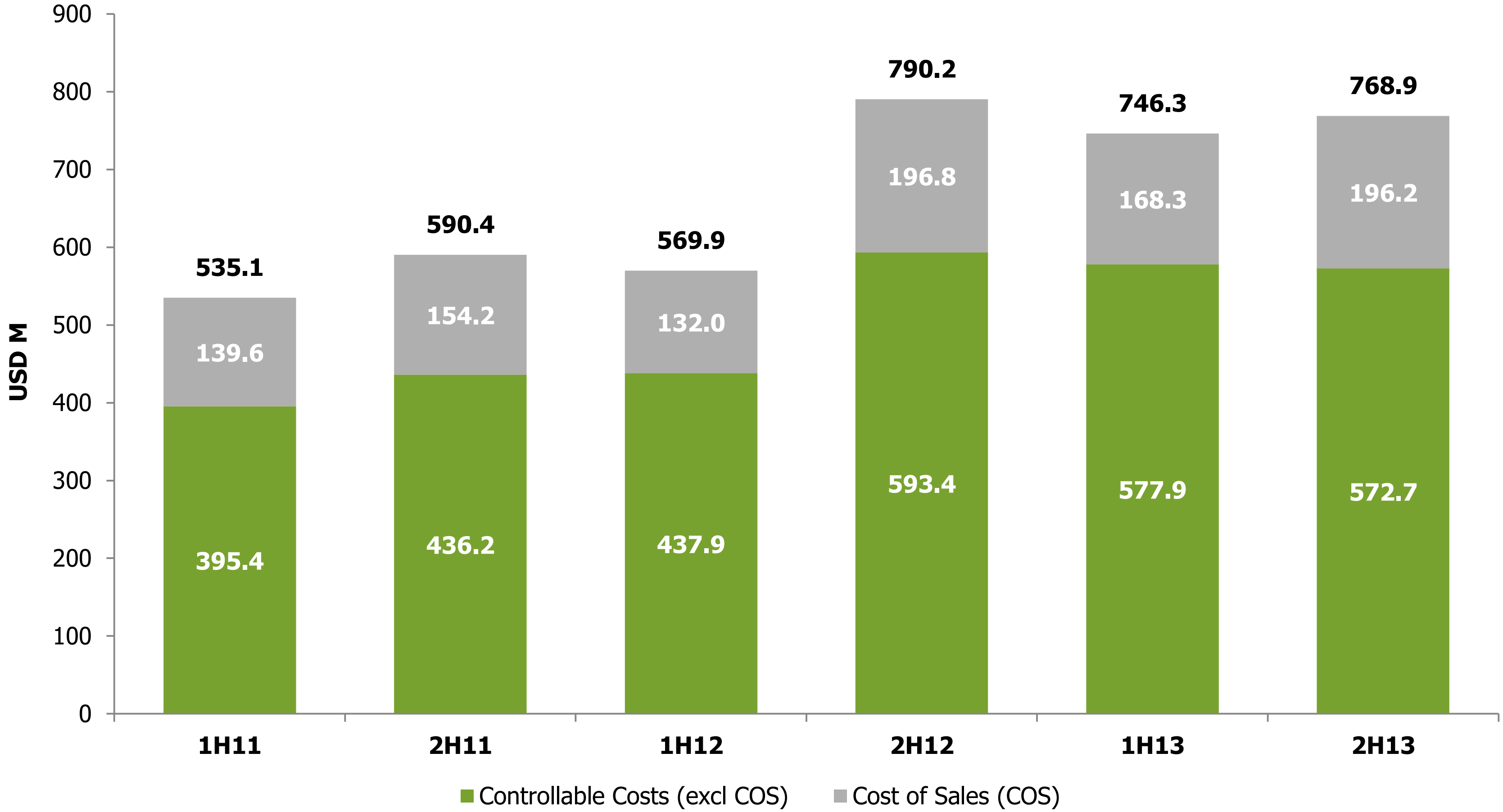



Policy:
Minimum hedge of 25% / Maximum hedge of 100%
Minimum term 1 year / Maximum term 5 years
(some exceptions permitted under the Board policy)

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

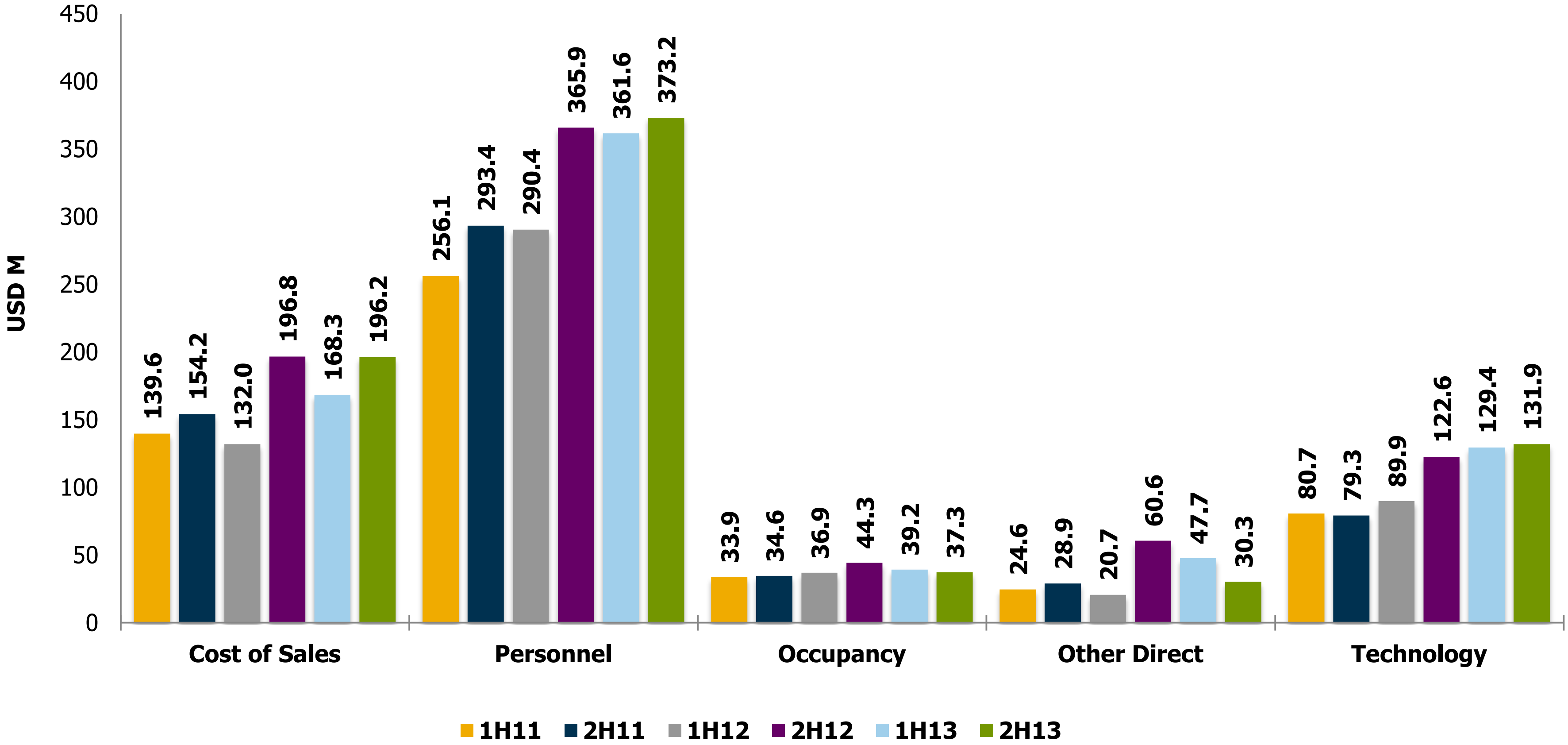
# Total Management Operating Costs
## Half Year Comparisons





# Management Operating Costs
## Half Year Comparisons

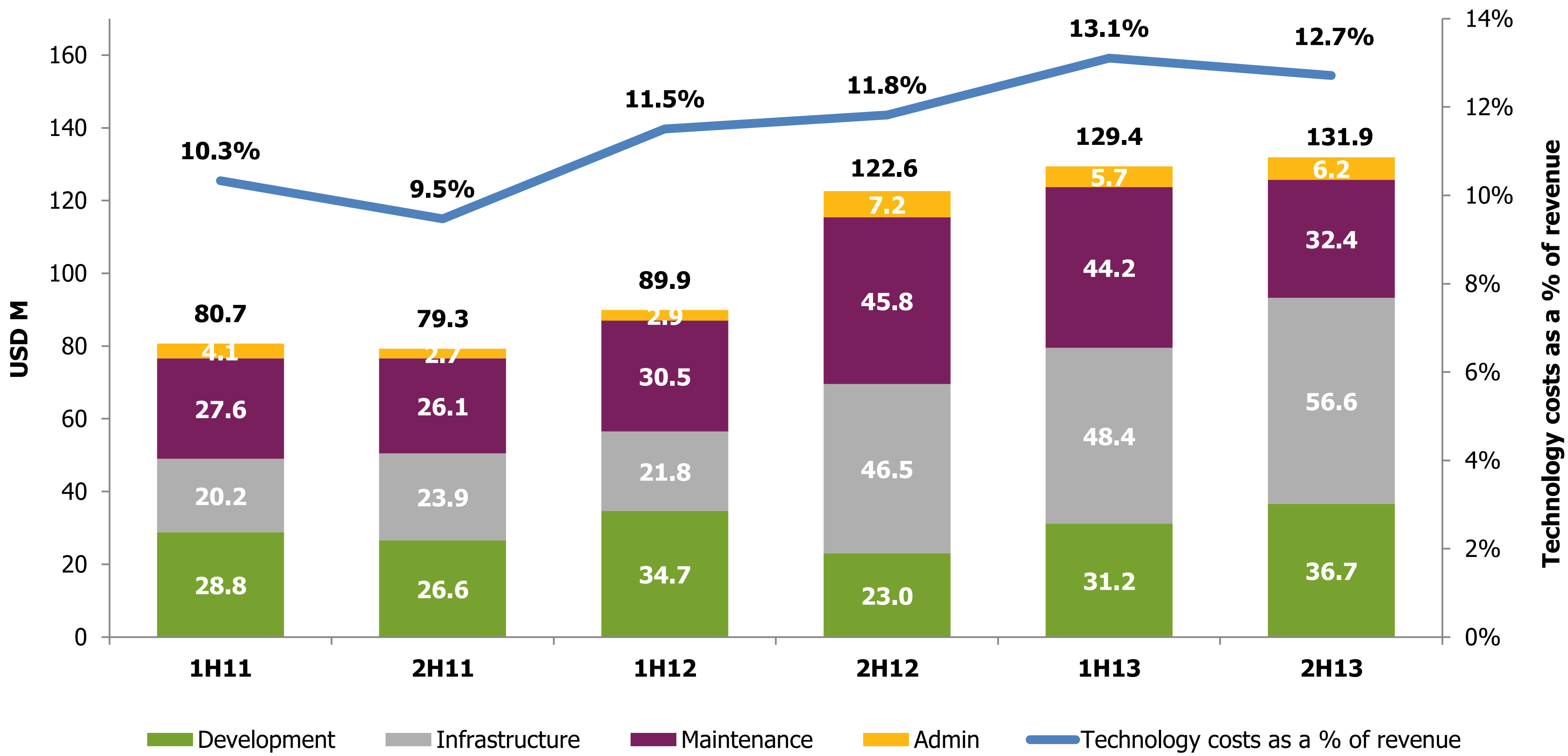





* Corporate operating costs have been allocated and reported under the five main cost categories – cost of sales, personnel, occupancy, other direct and technology. Technology costs includes personnel, occupancy and other direct costs attributable to technology services.

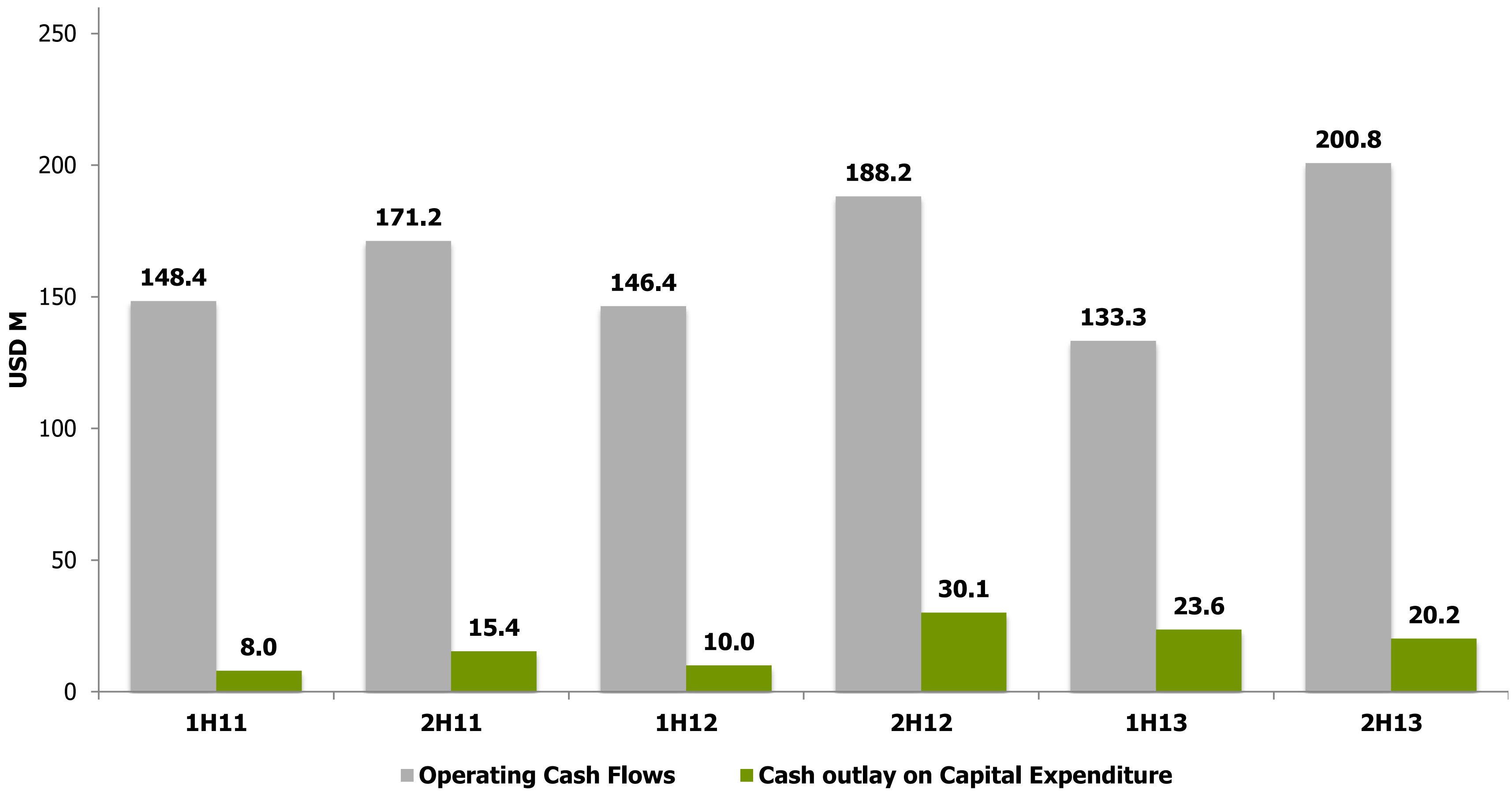
# Technology Costs
## Continued Investment to Maintain Strategic Advantage

Financial Results



# Free Cash Flows

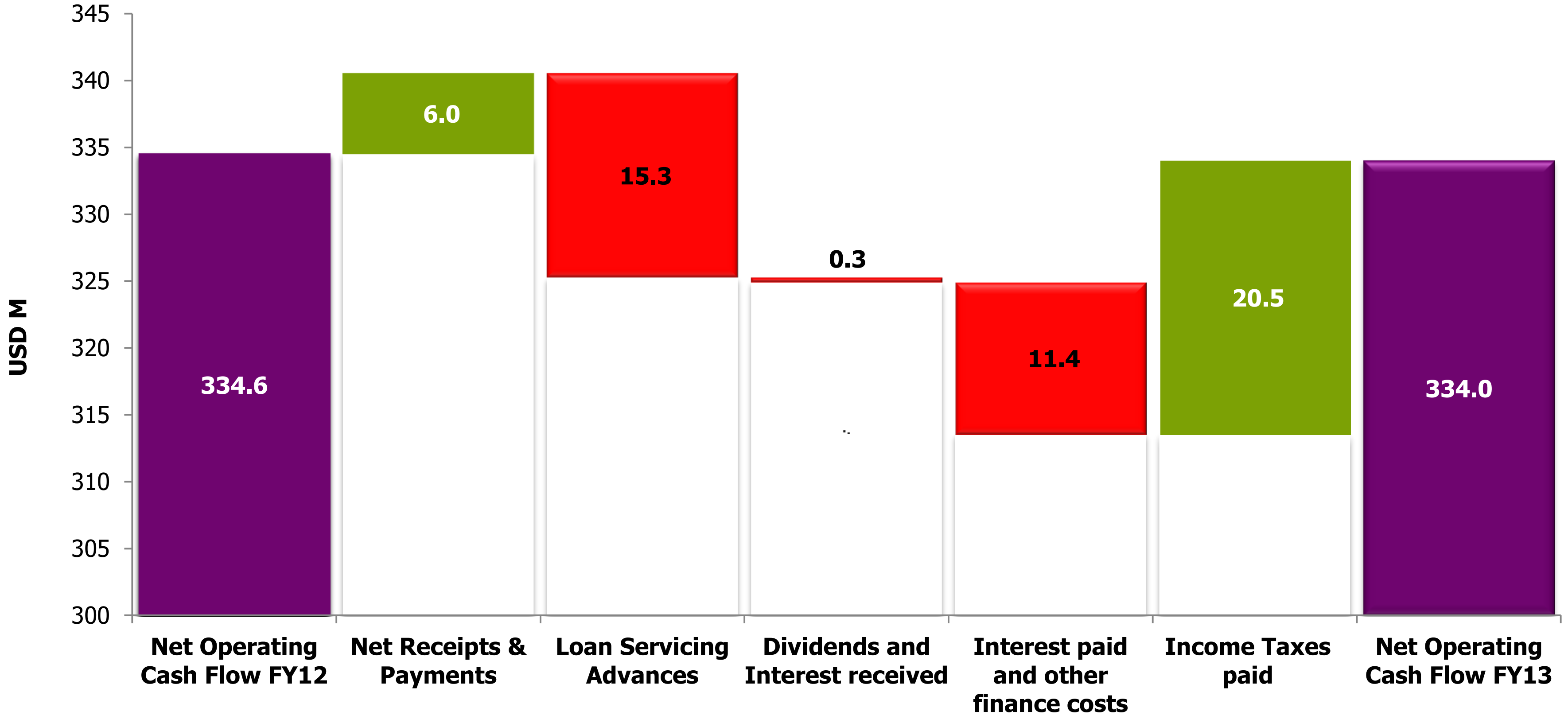





Note: Excludes assets purchased through finance leases which are not cash outlays.

# FY13 Operating Cash Flows Analysis





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# Balance Sheet as at 30 June 2013



| | Jun-13 USD M | Jun-12 USD M | Variance Jun-13 to Jun-12 |
|---|---|---|---|
| Current Assets | $982.4 | $956.6 | 2.7% |
| Non Current Assets | $2,636.5 | $2,725.0 | (3.2%) |
| **Total Assets** | **$3,618.9** | **$3,681.7** | **(1.7%)** |
| Current Liabilities | $501.3 | $550.9 | (9.0%) |
| Non Current Liabilities | $1,986.7 | $1,976.5 | 0.5% |
| **Total Liabilities** | **$2,487.9** | **$2,527.3** | **(1.6%)** |
| **Total Equity** | **$1,130.9** | **$1,154.3** | **(2.0%)** |

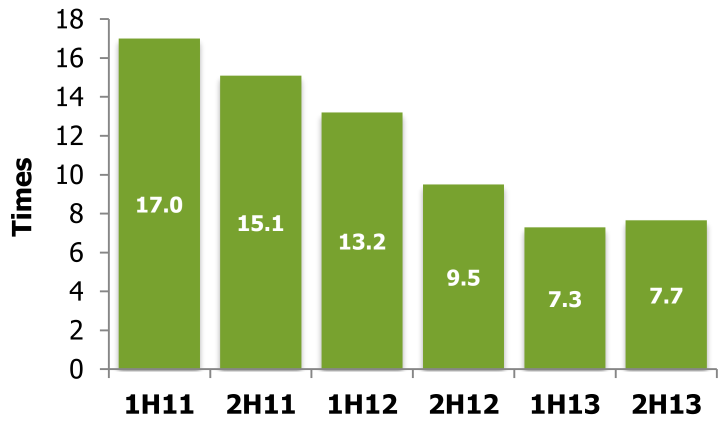
See ASX Appendix 4E as at 30 June 2013 for full details.

- Current assets increased mainly due to SLS' receivables.
- Non current assets: goodwill reduced as a result of disposal of subsidiaries and business closure.
- Total liabilities decreased due to debt reduction.

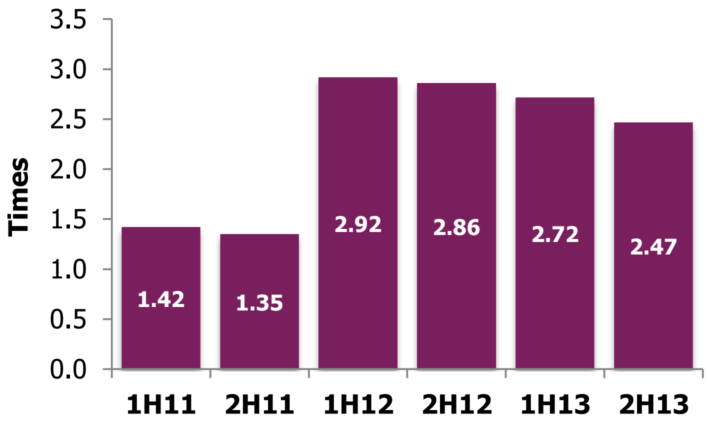
# Key Financial Ratios

Financial Results

## EBITDA Interest Coverage




## Net Financial Indebtedness to EBITDA




| | Jun-13 USD M | Jun-12 USD M | Variance Jun-13 to Jun-12 |
|---|---|---|---|
| Interest Bearing Liabilities | $1,711.7 | $1,754.4 | (2.4%) |
| Less Cash | ($454.4) | ($441.4) | 2.9% |
| **Net Debt** | **$1,257.3** | **$1,313.0** | **(4.2%)** |
| Management EBITDA | $509.8 | $459.0 | 11.1% |
| **Net Financial Indebtedness to EBITDA** | **2.47 times** | **2.86 times** | **Down 0.39 times** |



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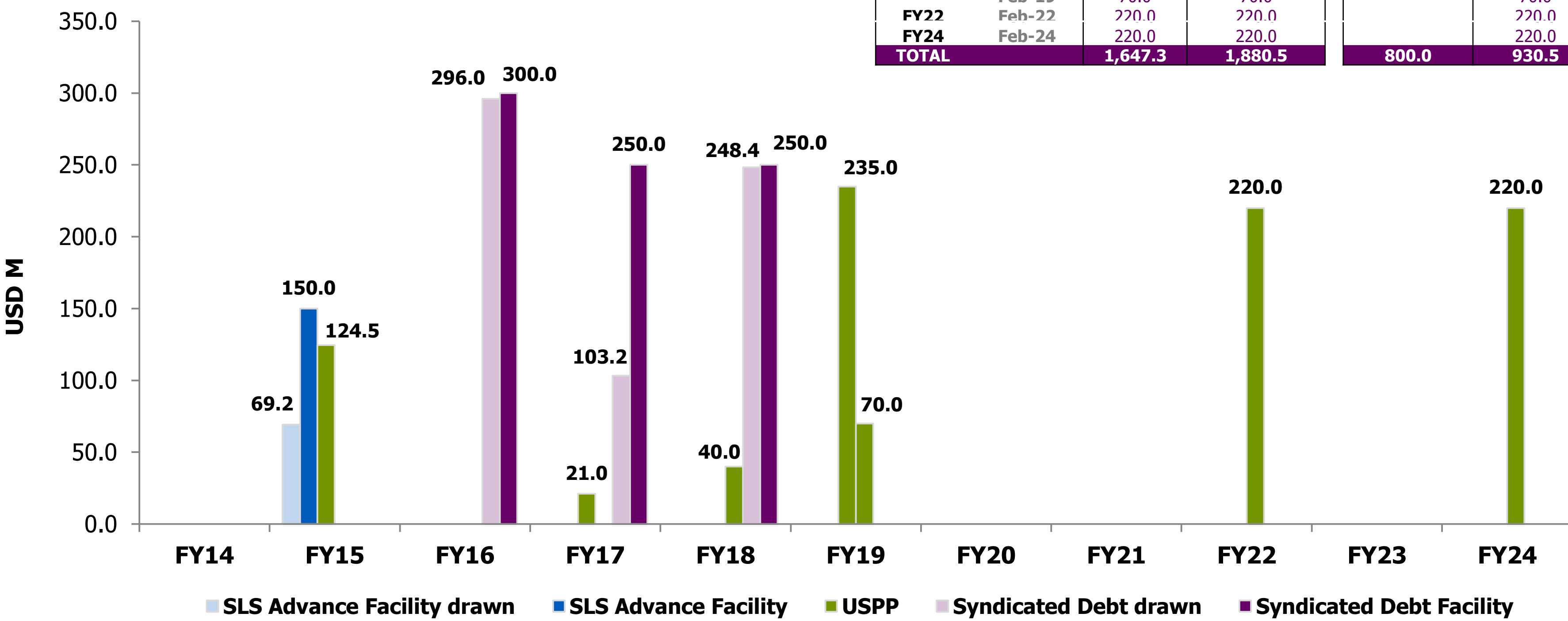
# Debt Facility Maturity Profile

Financial Results

| Maturity Dates USD M | | Debt Drawn | Committed Debt Facilities | Bank Debt Facility | Private Placement Facility |
|---|---|---|---|---|---|
| FY14 | | | | | |
| FY15 | Dec-14 | 69.2 | 150.0 | | |
| | Mar-15 | 124.5 | 124.5 | | 124.5 |
| FY16 | Oct-15 | 296.0 | 300.0 | 300.0 | |
| FY17 | Oct-16 | 103.2 | 250.0 | 250.0 | |
| | Mar-17 | 21.0 | 21.0 | | 21.0 |
| FY18 | Jul-17 | 248.4 | 250.0 | 250.0 | |
| | Feb-18 | 40.0 | 40.0 | | 40.0 |
| FY19 | Jul-18 | 235.0 | 235.0 | | 235.0 |
| | Feb-19 | 70.0 | 70.0 | | 70.0 |
| FY22 | Feb-22 | 220.0 | 220.0 | | 220.0 |
| FY24 | Feb-24 | 220.0 | 220.0 | | 220.0 |
| TOTAL | | 1,647.3 | 1,880.5 | 800.0 | 930.5 |




Note: Average debt facility maturity is 4.8 years as at 30-Jun-13.



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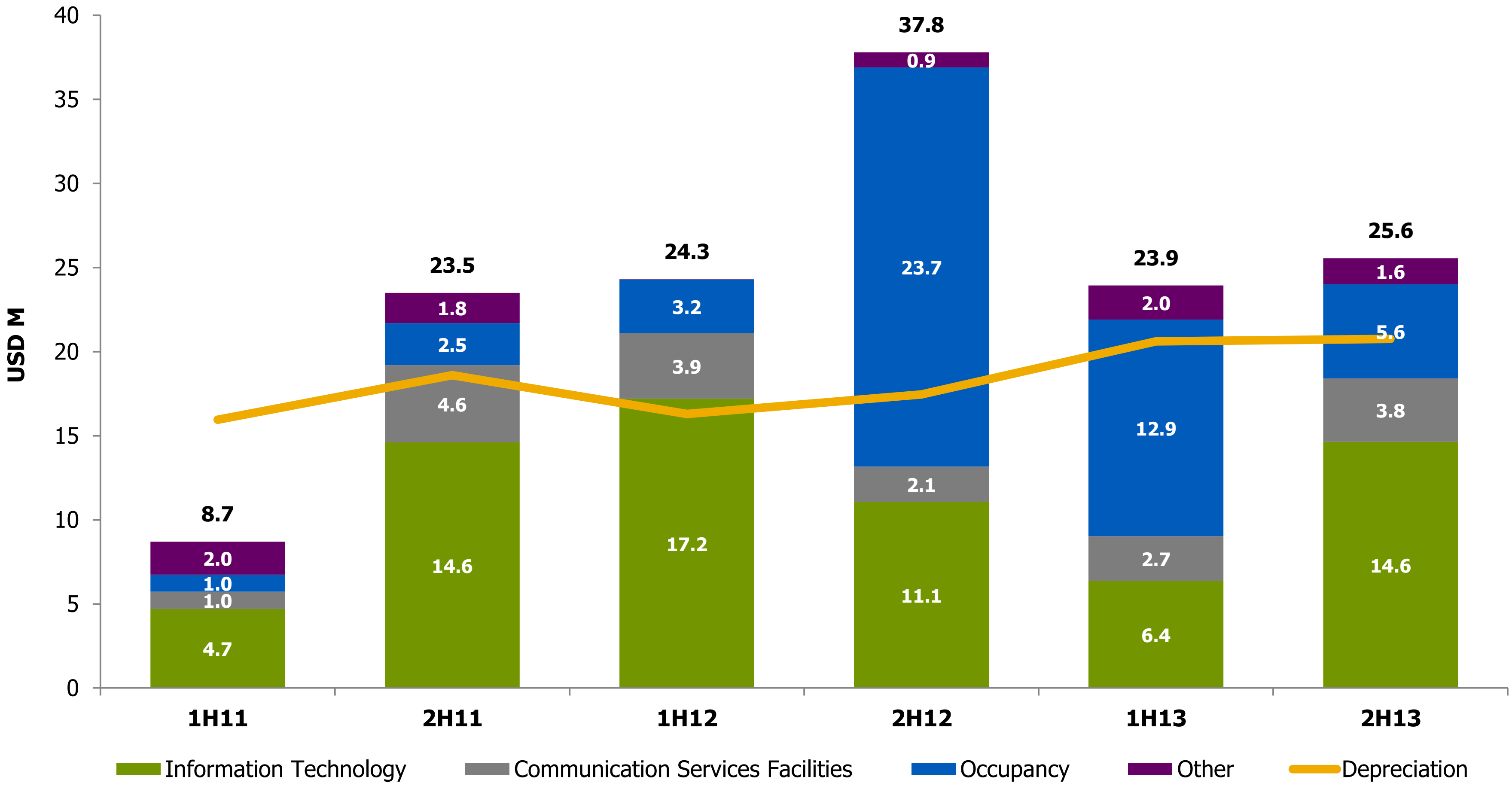
# Capital Expenditure vs. Depreciation

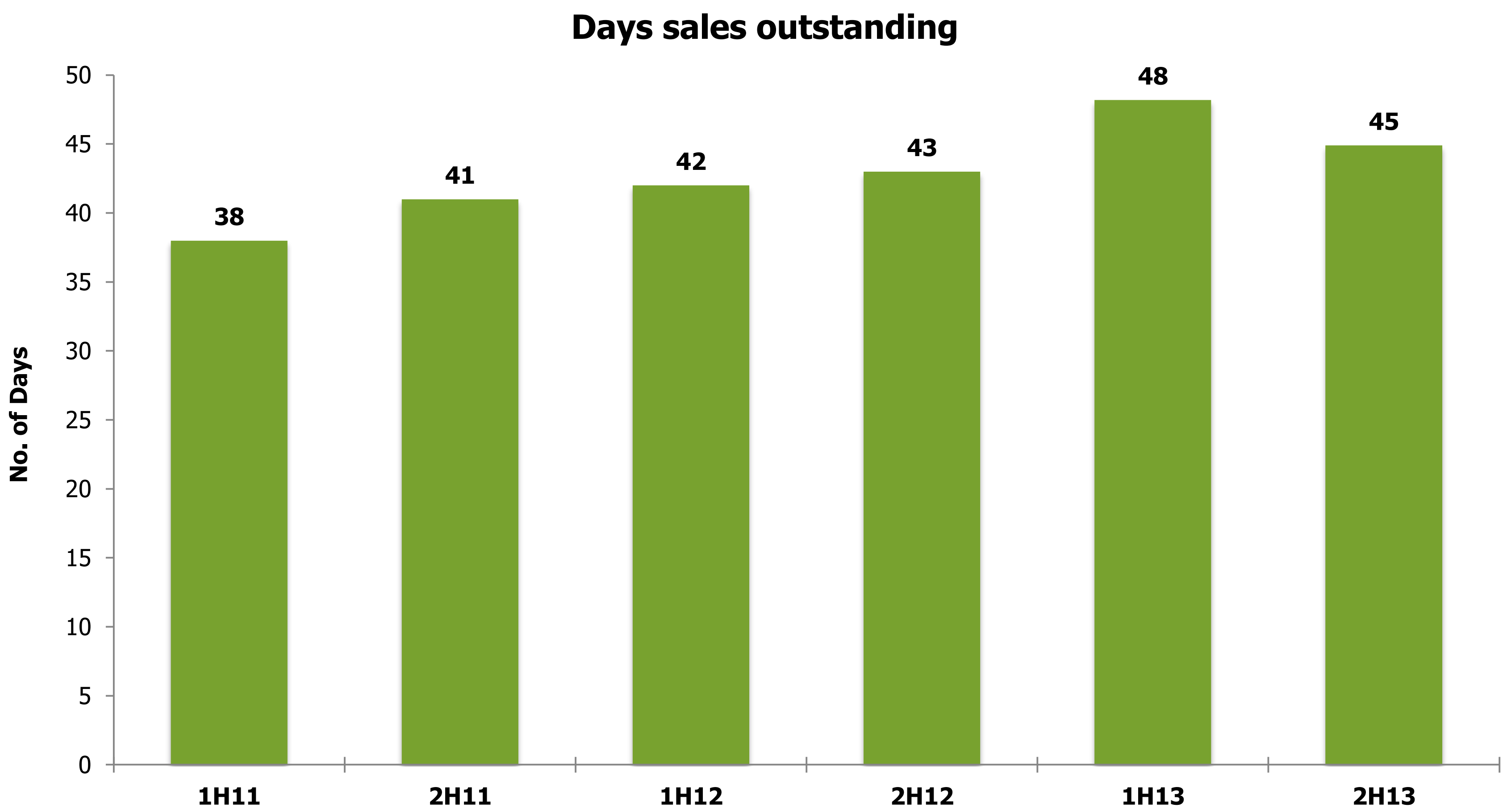
Financial Results




Note: 1H13 Depreciation expense has been restated. This is due to a reclass of Finance Leasehold Improvements previously classified as Amortisation.

# Working Capital Management

Financial Results



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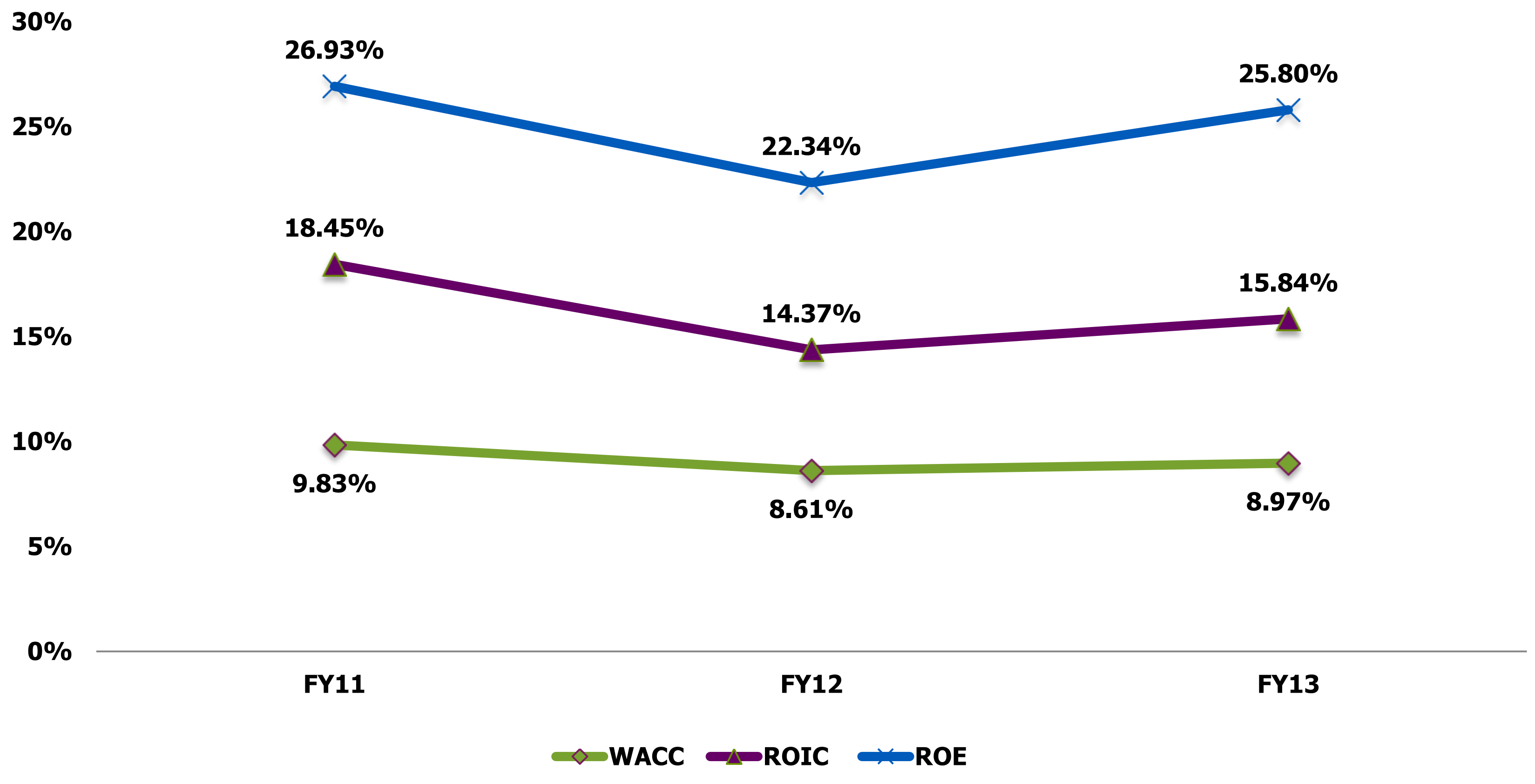
# Return On Invested Capital vs. WACC and Return on Equity






* ROIC = (Mgt EBITDA less Depreciation less Income Tax expense)/(Total Debt add Total Equity less Cash).

# Equity Management
# Final Dividend of 14 cents (AU)



| | |
|---|---|
| EPS - Statutory | US 28.25 cents |
| EPS - Management | US 54.85 cents |
| Interim Dividend | AU 14 cents (20% franked) |
| Final Dividend | AU 14 cents (20% franked) |
| Current Yield* | 2.8% |

*** Based on 12 month dividend and share price of AU$10.15 (close 9th Aug 2013).**

# Financial Summary – Final Remarks



- We continue to experience generally difficult trading conditions across many business lines.
- However, ongoing disciplined expense and capital expenditure management continue to drive solid results and cash flow.
- The Shareowner Services acquisition is now complete with synergy realisation ahead of targets and high levels of confidence of delivering the remainder this year.
- The SLS and Serviceworks acquisitions have both performed well with SLS, in particular, anticipated to be a future growth engine.
- A strategic review of non-core and underperforming assets resulted in the disposal of our Solium investment, IML group and Restricted Stock Services, and the decision to close our Funds Services business in Australia.
- Maintained strong and conservative balance sheet, with DRP adding further flexibility to our funding options.
- Final dividend maintained at AUD 14 cents per share, franked to 20% (down from 60%).
- Total dividends maintained at AUD 28 cents per share, franked to 20% (down from 60%).

Introduction

Financial Results

CEO's Report

Stuart Crosby

**PRESIDENT & CHIEF EXECUTIVE OFFICER**
**CEO PRESENTATION**

# Group Strategy and Priorities



Our group strategy remains as it has been:

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

While much of the heavy integration lifting on recent acquisitions is done, we still pursue and track synergy realisation. Nonetheless, our priorities are moving from executing on past transactions to the two things that will best assure our future:

- protecting profitability in our mature businesses; and
- driving growth in businesses that offer that potential, such as loan servicing, utility back office and share plan administration.

We are also giving priority to simplifying the range of businesses we undertake.

Across all our business lines and geographies, we continue to invest in and remain engaged with regulatory developments and market structure change.

# Delivery against strategy and priorities



The first two limbs of our strategy (cost & revenue) remain key.  Revenue is a defensive game in current conditions.  Cost and service highlights include:

- The Shareowner Services business's off-shore operations capabilities have started to bring meaningful quality benefits and savings across the legacy US TA client base, and are soon to be deployed into other geographies.
- Third party off-shore IT development is supporting a range of our newer projects, offering flexibility in resource commitment as well as cost savings.
- We continue to rate highly in independent service surveys across the world.

On the M&A front, we are spending more time on finding new homes for assets that no longer fit our strategy or that are not otherwise contributing.

We also see a range of potential opportunities to commit capital to grow current business lines. Mostly, these are "bolt-on" opportunities.

Mortgage servicing raises different issues.  Here the challenge is to access the working capital needed to grow quickly without diluting returns.  It has been met in a range of ways by different market players.  We are exploring our options.

# Acquisitions update – Shareowner Services



- While revenues remain softer than originally expected (as with most of our investor services assets around the world), the integration has been very successful, with accompanying client benefits (many major clients re-signed or re-signing).
- All client data migrations on to Computershare systems completed as scheduled.
- Synergy realisation ahead of original expectations.

| Cumulative Cost Synergies USD M | | |
|---|---|---|
| Expected realisation of synergies | Previous Update Feb-13 | Update as at 30 June 2013 |
| FY12 | $9.3 | $9.3 |
| FY13 | $36.0 | **$35.2** |
| FY14 | $72.8 | $77.3 |
| FY15 | $77.8 | $79.9 |

| Cost to Realise Synergies USD M | |
|---|---|
| Previous estimate (Feb-13) | $53.5 |
| Current estimate | **$57.5** |
| Spent to date | $37.4 |
| Expected to come | $20.1 |

# USA Update

CEO's Report

- The US continues to experience historically low interest rates and lower-than-expected merger and acquisition activity.
- The Shareowner Services integration has brought significant synergies across the TA and employee plans business, while retaining the vast majority of clients.
- Continue to win IPOs and competitive tenders, including one of the largest remaining in-house agents, as well as employee plans deals.
- The SLS mortgage servicing business grew as expected; integration with Computershare for shared services and technology is well underway.
- Both the corporate proxy and mutual fund proxy businesses ended the fiscal year well, although the overall market continues to be sluggish.
- KCC restructuring business maintains its market share leadership position; however total bankruptcy filings continue to fall. Class actions business slowly improving market share.

# Canada Update



- The TA market continues to be competitive so client retention remains a priority, with good results.
- Corporate Actions remain soft.
- Corporate Trust activity in Structured Finance continues to grow; debt under administration grew by nearly 8%.
- Employee Plans achieved record profitability and continues to prepare for the launch of ESOP services in FY14.
- Communication Services continues to win commercial mandates, however, we also saw some impact of Notice & Access in the 2H FY13.
- Operational costs continue to see year over year reductions driven by lower transactional activity and efficiency programs.
- Working closely with all major market participants in continued market structure debate.

# UCIA Update



- Integration of the HBOS EES business into the UK plans business is complete and the resources released are now focussed on the European GSPS business acquired from Morgan Stanley. This together with organic growth means that the plans business is performing strongly.
- The tenancy deposit franchise now comprises of two schemes in England and Wales (custodial and insurance) as well as custodial schemes in Scotland and Northern Ireland. The strength of the Private Rented Sector in the UK continues to drive up tenancy deposit volumes.
- Investor Services businesses in the UK, Ireland and South Africa remain solid and have maintained market share. The business in Ireland saw renewed growth in the ETF market and corporate restructuring activity. In all these markets we expect change over the next few years driven by new legislative and regulatory developments.
- The UK Government has announced proposals for a new Childcare Voucher scheme which is expected to launch within the next 18 months. We believe our Voucher Services business is well positioned in the market ahead of the Government publishing its final proposal (to be followed by consultation).

# Continental Europe Update



- Despite flat markets in most of Continental Europe, there is renewed IPO activity in some markets – eg, Russia, Denmark and Germany.
- Our Danish business won the only significant IPO since 2010, CPU Germany successfully pitched and won mandates for Siemens, Osram, Telefonica, and Evonik.
- After acquiring the remaining 20% stake of NRC, we bought the leading registrar in the St. Petersburg region from Interros group. Technology integration is complete, and staff and premises rationalisation well progressed.
- Whilst the Southern European markets in general were flat, our Italian business (Servizio Titoli) had another strong year and Corporate Proxy in Southern Europe had a better second half.
- We continue to look for growth opportunities in an uncertain market environment. Market pressure on traditional owners of issuer services businesses (mainly banks) is increasing, potentially creating opportunities for CPU. But it is a long game.

# Asia Update



- HK IPO activity was subdued in FY2013. The pipeline is still healthy so with a recovery in market sentiment these deals will come through. However we've been waiting for some time.
- Other corporate action activity has been subdued due to market uncertainty, but there is some recent rights issue activity.
- Registry revenues remain stable.
- Employee Plans and Proxy businesses in Hong Kong and China continue with healthy growth in both mandates and revenue. The new AGM administration business in China continues to win clients.
- In India a small number of IPOs have got away while the improvement in stock market performance boosted the AUM and therefore fees for the mutual fund services business.

# Australia & New Zealand Update



- Our Australian Investor Services business maintained its market leading position and was again rated number one in the Australian Registry Services Provider survey.
- Despite subdued markets we had significant corporate action wins – News Corp demerger, Woolworths/SCA demerger, Virgin Australia's takeover of Skywest.
- The NZ business had a strong year working on the successful Fonterra and Mighty River Power listings.
- Communication Services continue to build on inbound communications opportunities. We acquired continuous colour printing capability in our Queensland market to complement that existing in Victoria and NSW.
- The Plan Managers business experienced another year of growth.
- The Serviceworks integration is complete. The Australian business experienced revenue growth while we continued to develop our US presence.
- In May 2013 we announced our exit from the unlisted unit registry market.
- Quality and service remain excellent across all our businesses.

# Computershare Limited
# Full Year Results 2013 Presentation

**Stuart Crosby**
**Mark Davis**

**14 August 2013**

# Appendix:
# Full Year Results 2013 Presentation

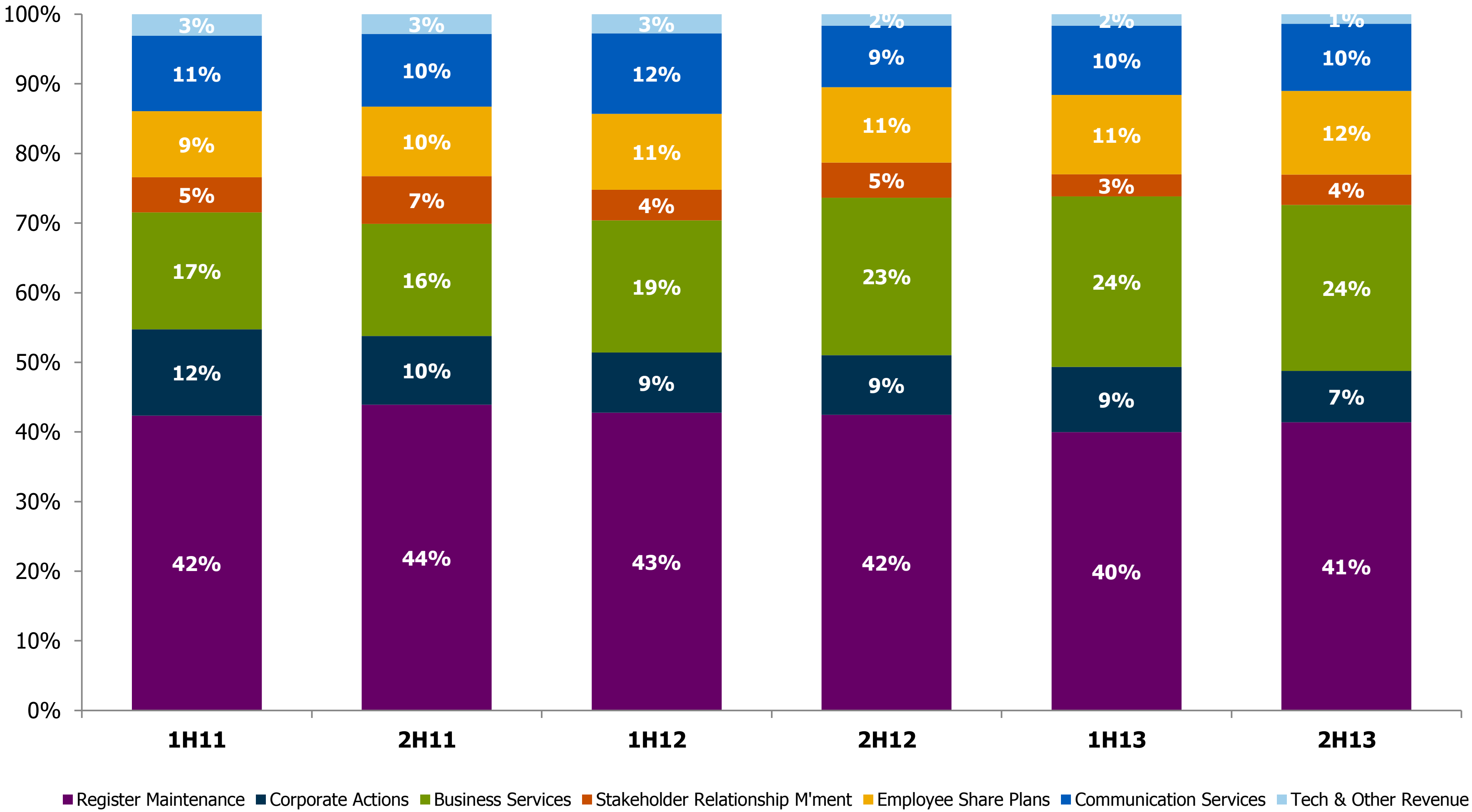
**14 August 2013**

# Appendix 1: Group Comparisons

## Group Comparisons

# Management Revenue
## Half Year Comparisons

Financial Results



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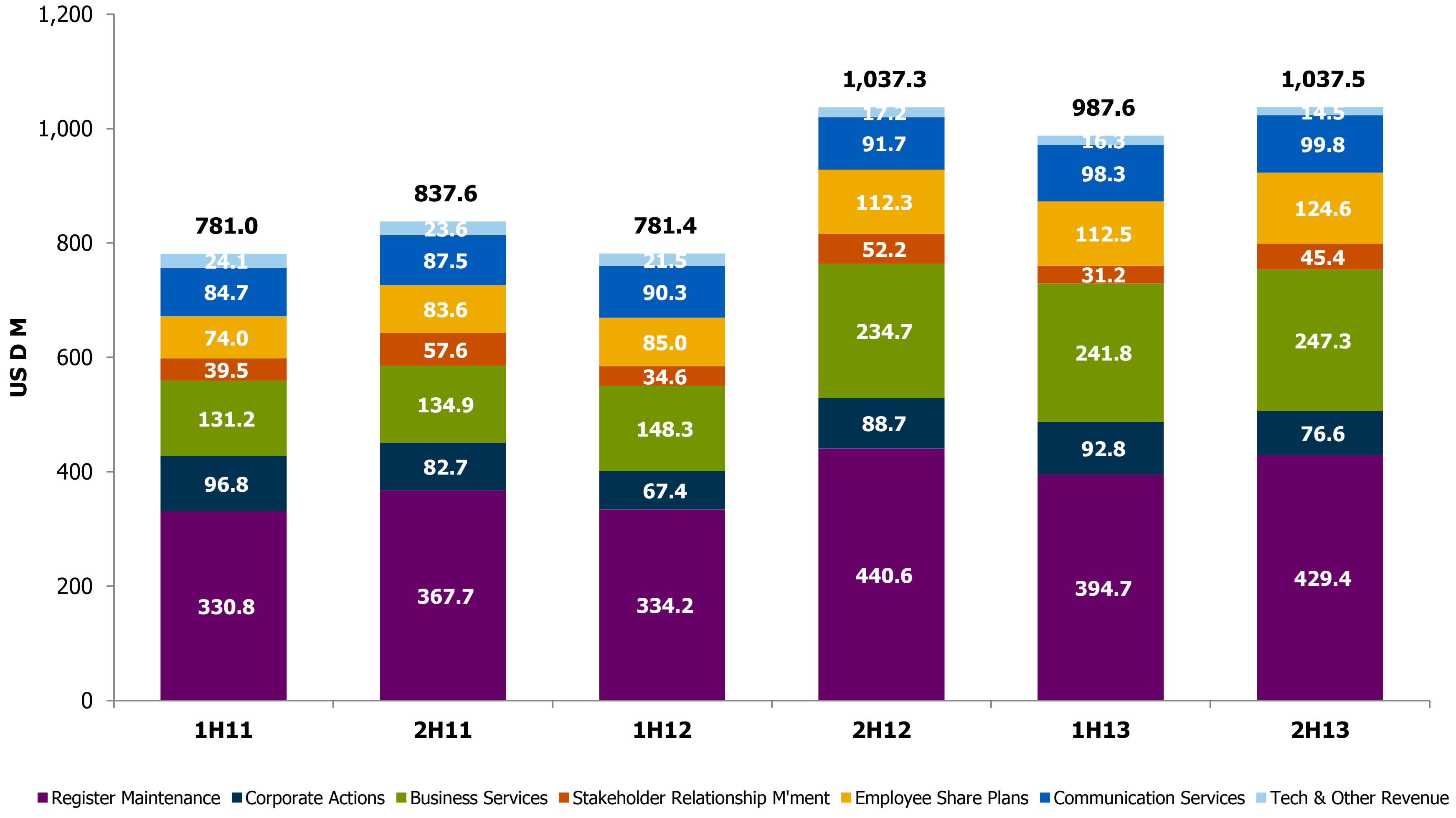
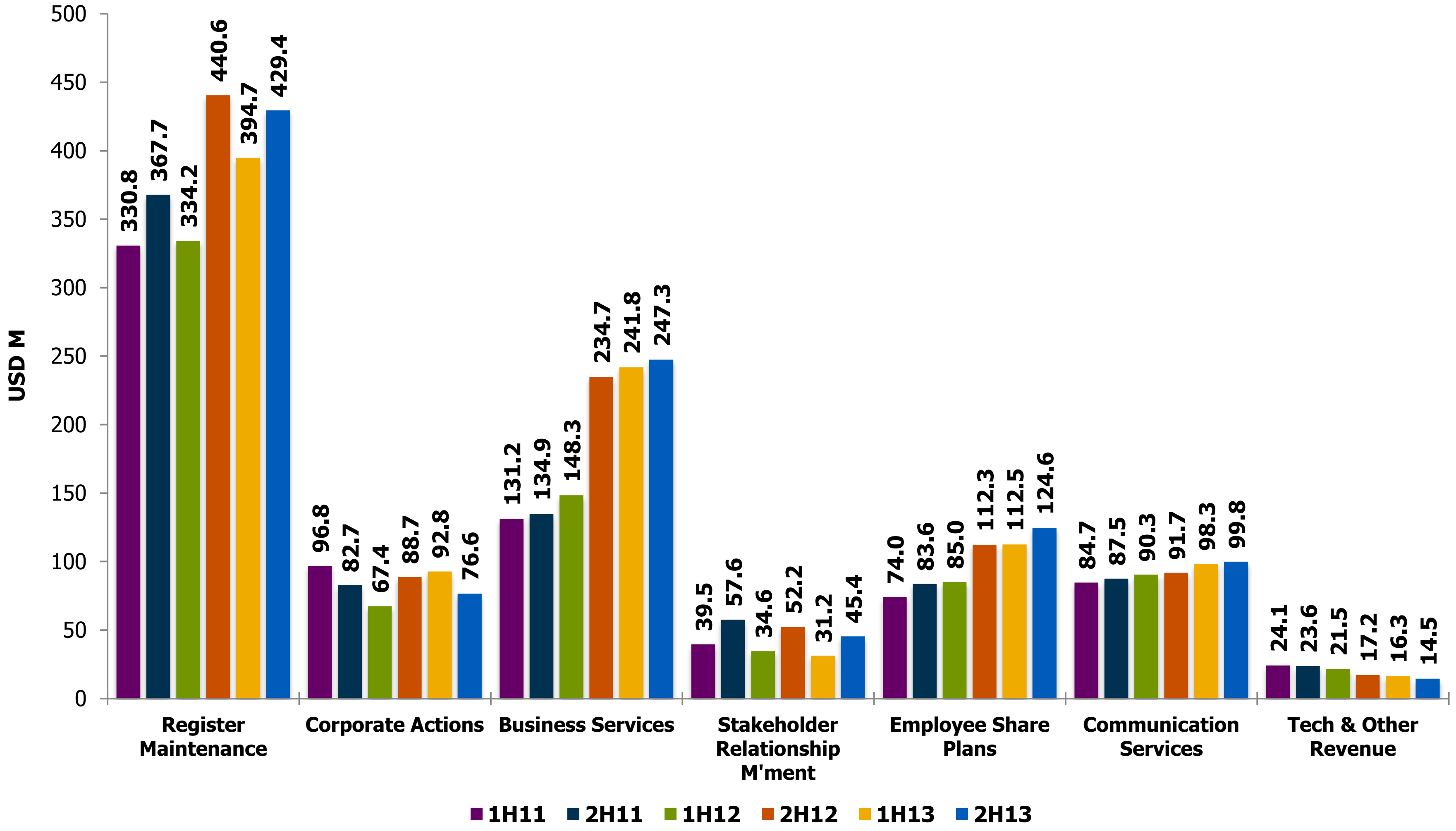
# Management Revenue by Product
## Half Year Comparisons

Financial Results



# Management Revenue
## Half Year Comparisons





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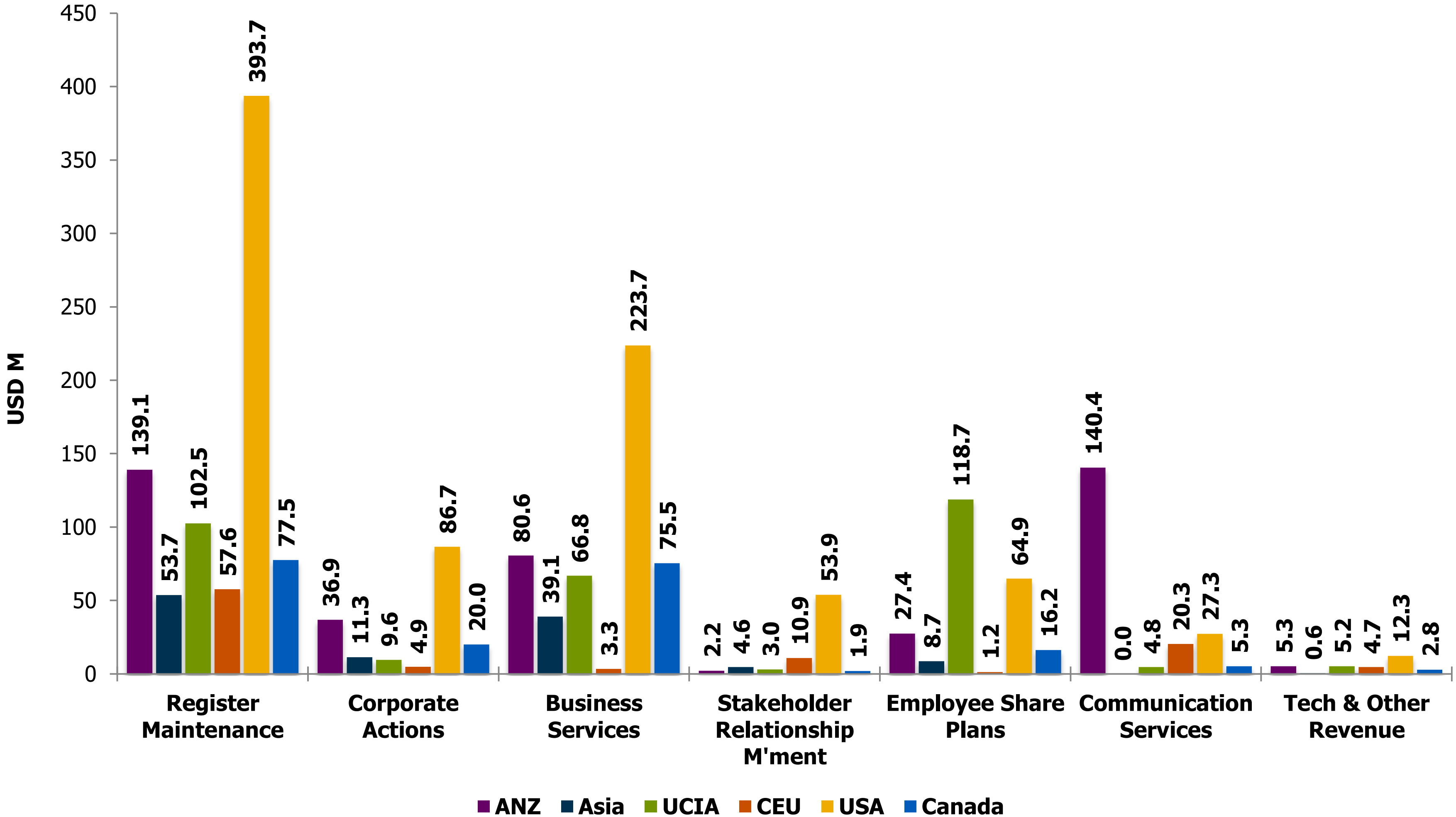
# FY 2013 Management Revenue
## Regional Analysis





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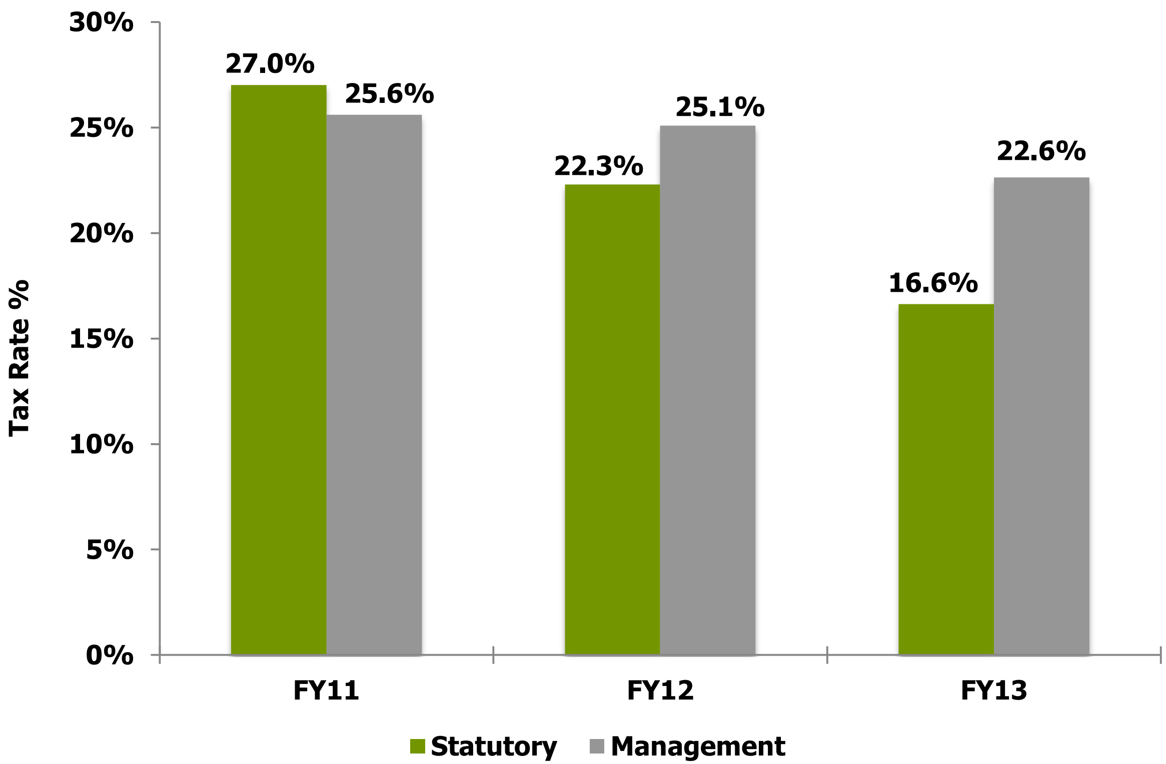
# Effective Tax Rate - Statutory & Management

Financial Results




The Group's effective statutory tax rate is 16.6% for the year ended 30 June 2013. The Group's effective statutory tax rate for the comparative prior period was 22.3%. This reflects the full year impact of increased deductible interest expense, intangible asset amortisation and integration costs in the US as a result of its major acquisitions (which were debt funded) during FY12. Consequently, the US is in a tax loss position in FY13 which has a decreasing effect on the Group's overall effective tax rate.



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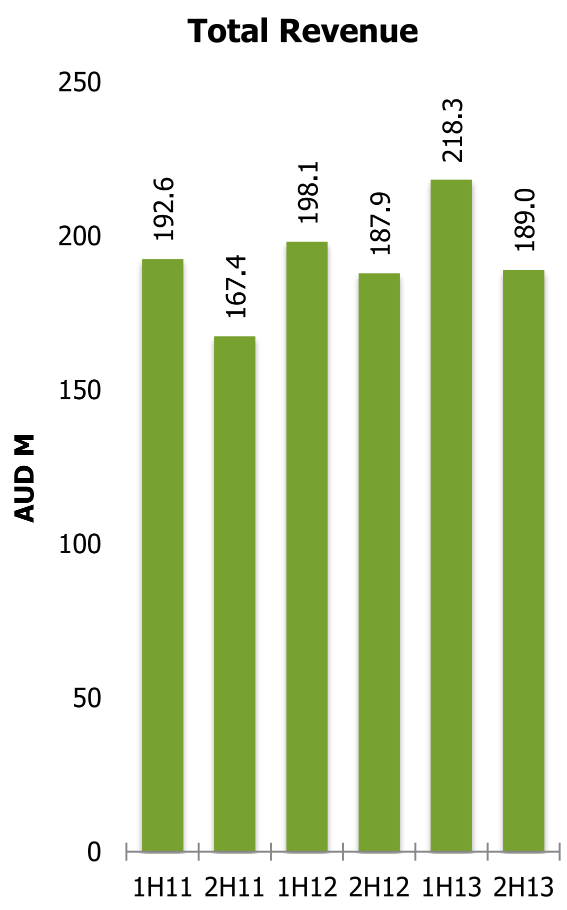
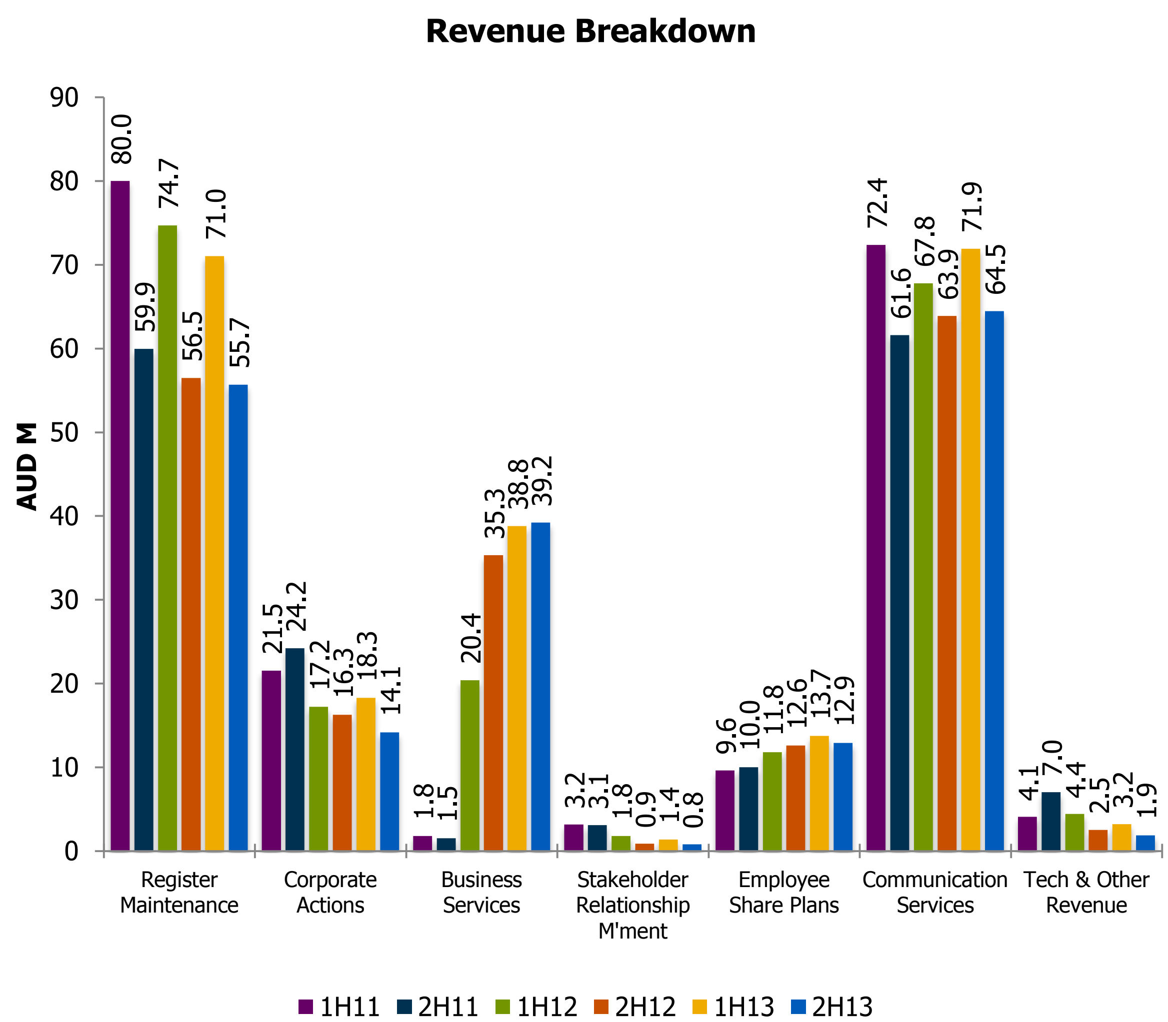
# Country Summaries

# Australia
# Half Year Comparison





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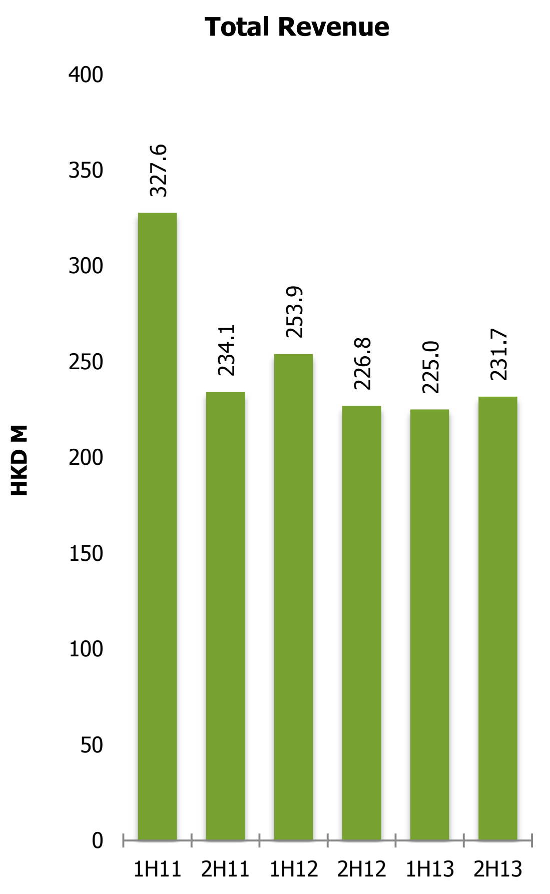
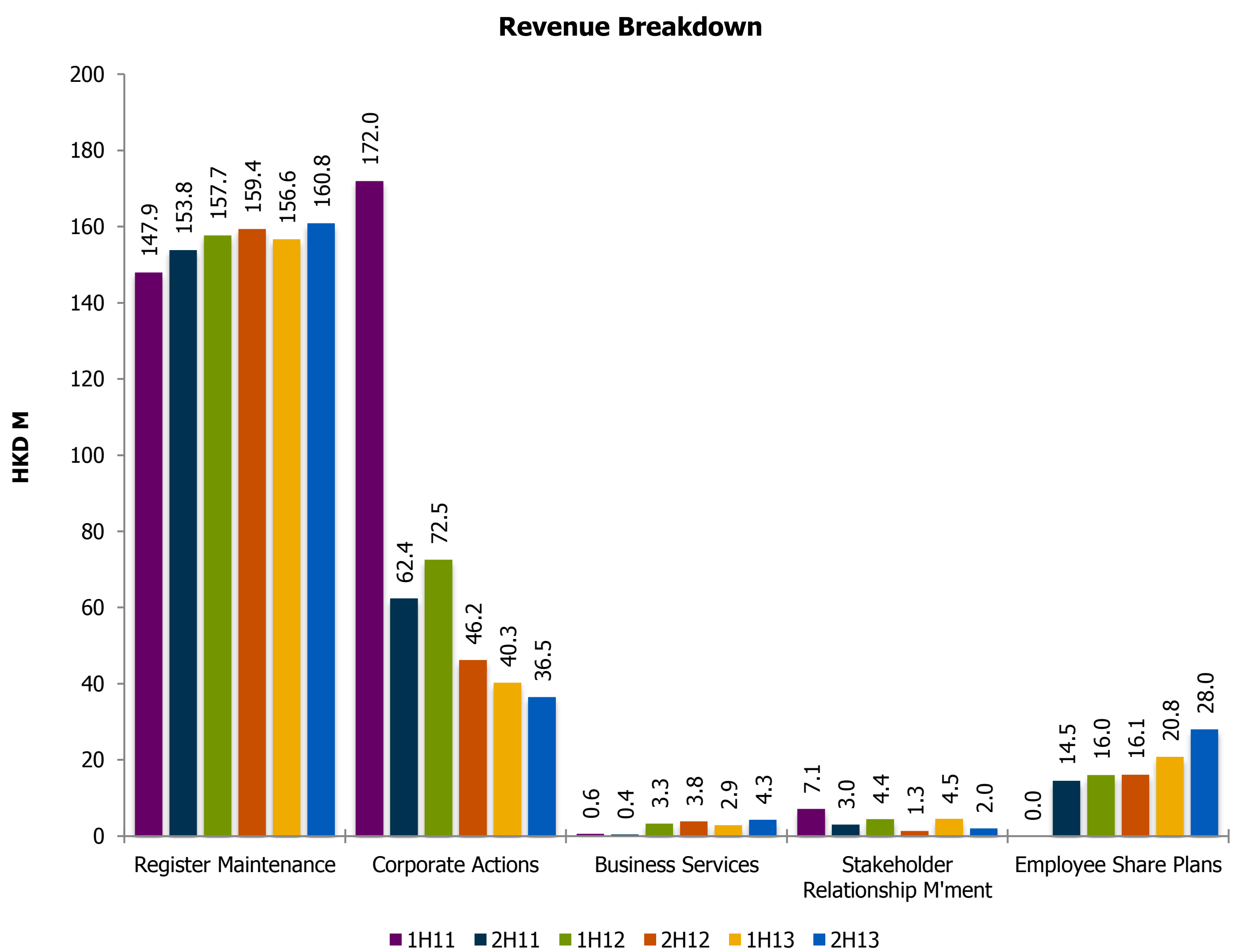
# Hong Kong
# Half Year Comparison

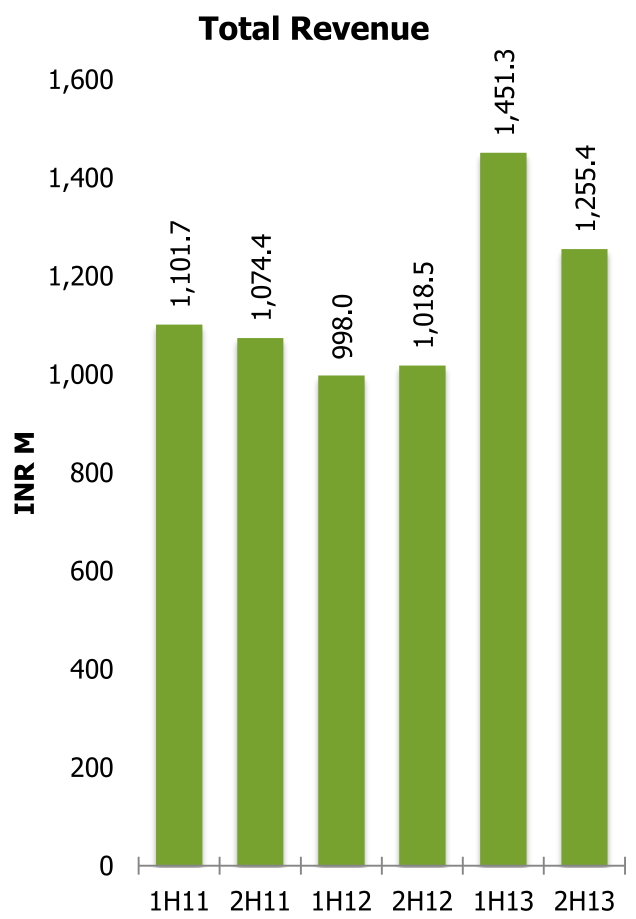


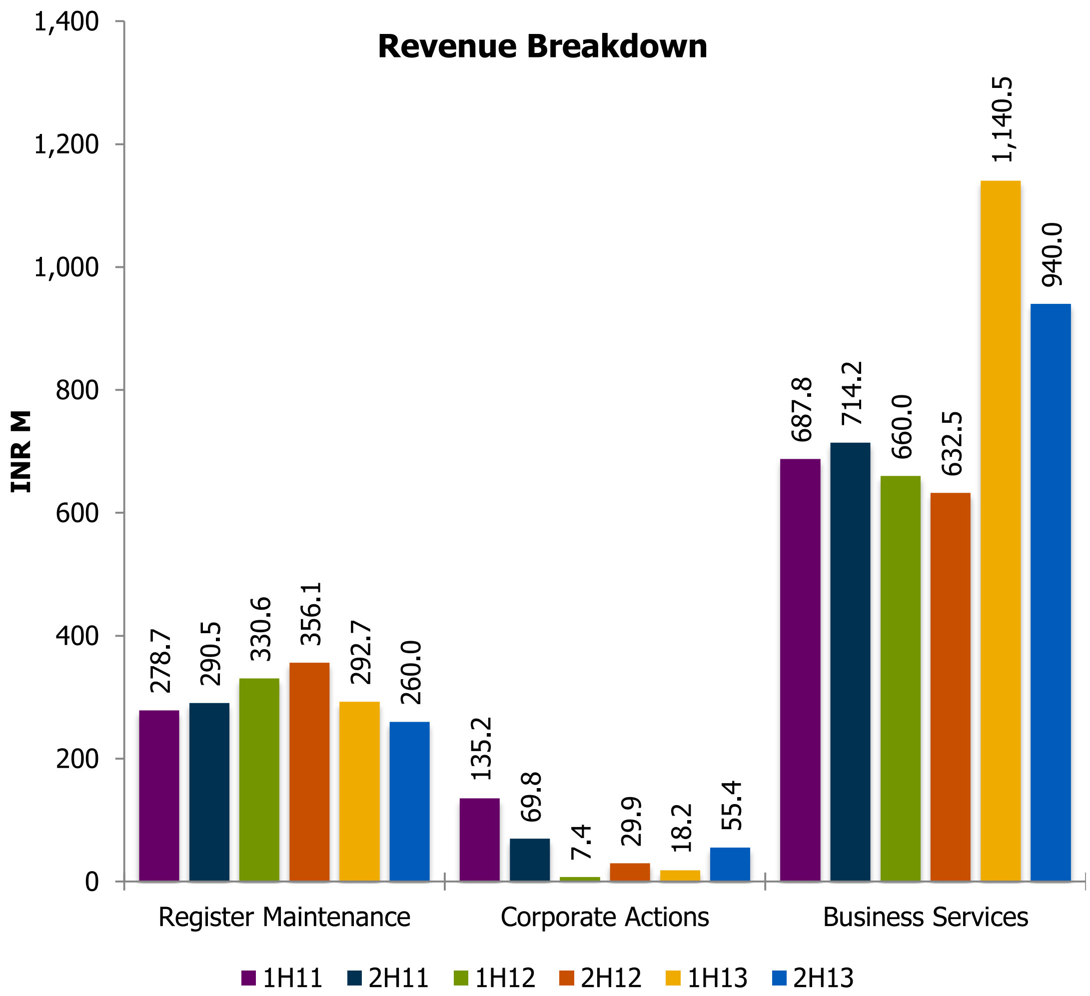


# India
# Half Year Comparison

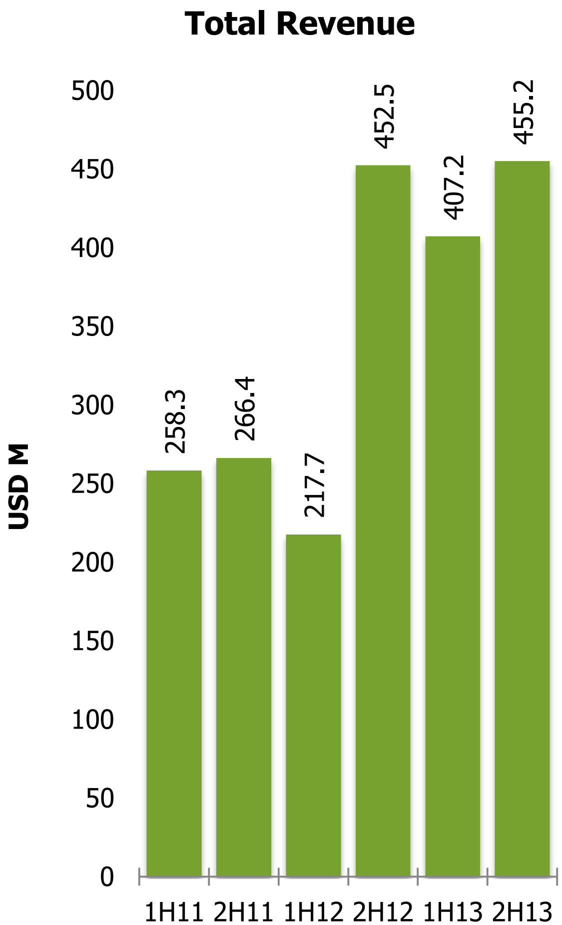


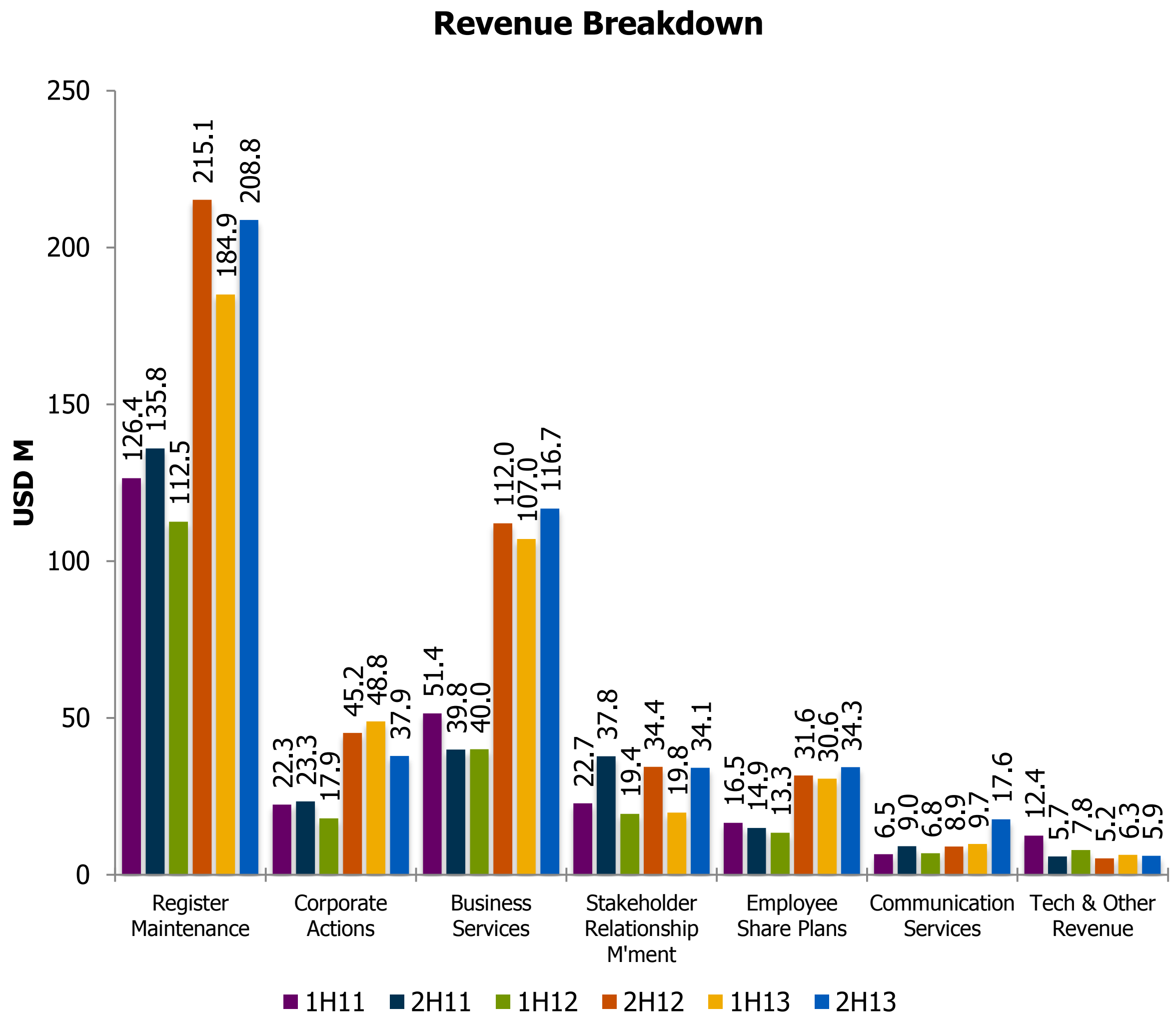


# United States
# Half Year Comparison

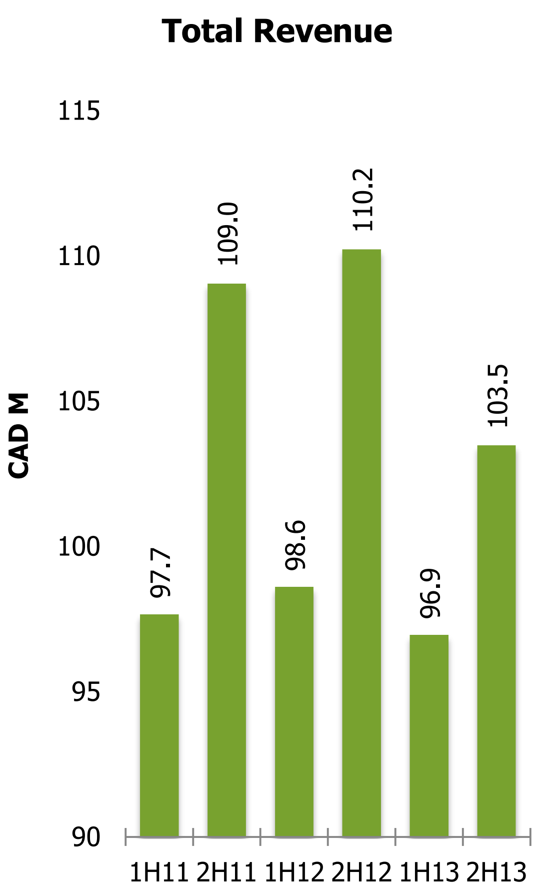
Financial Results

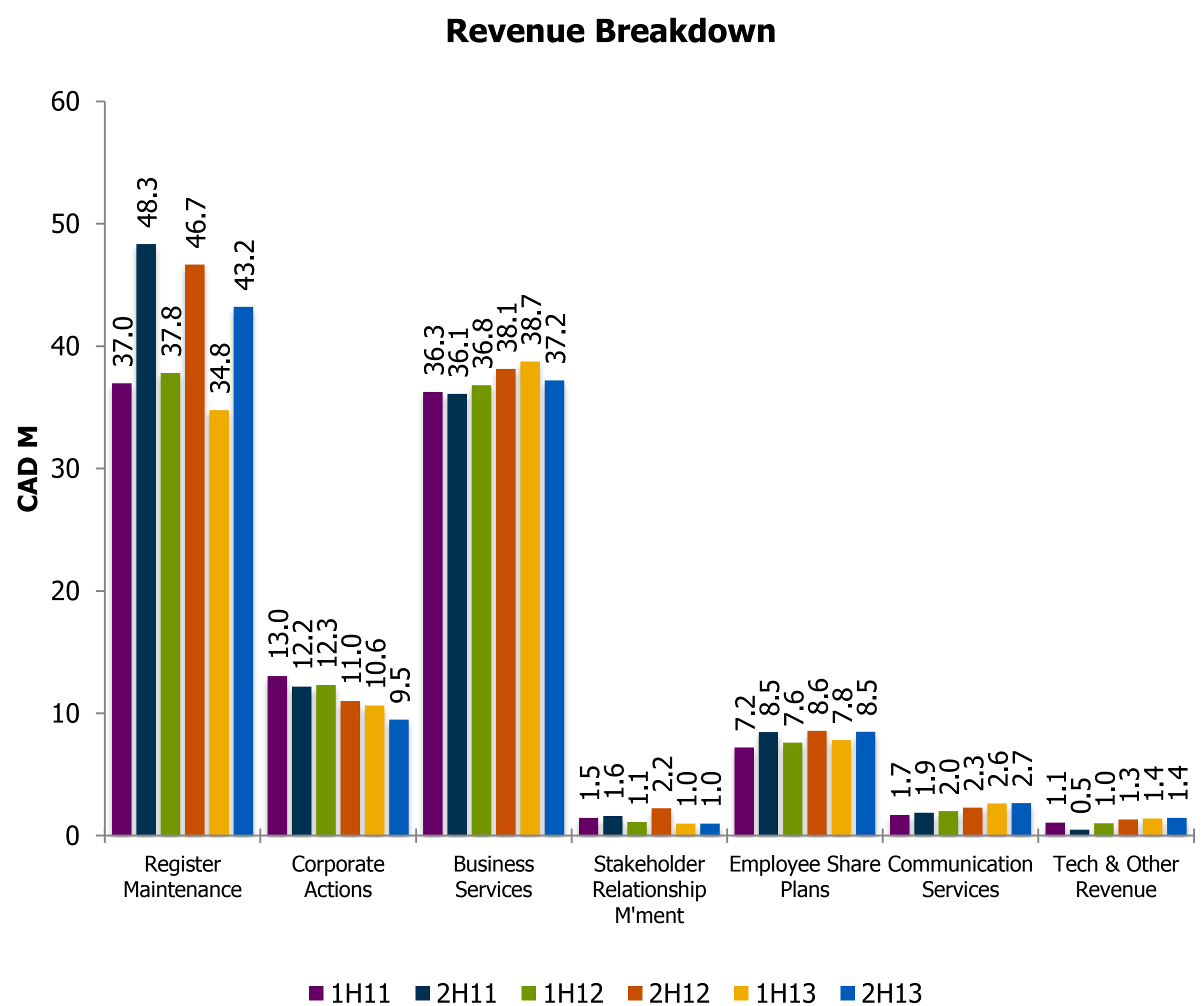


# Canada
# Half Year Comparison

Financial Results



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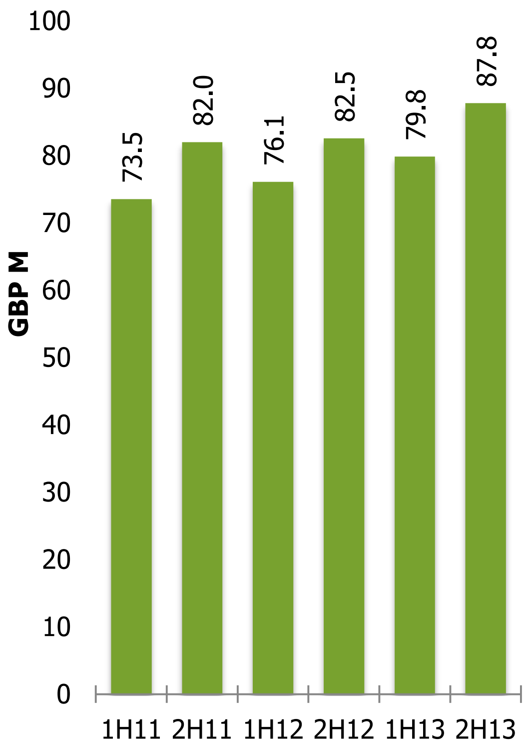
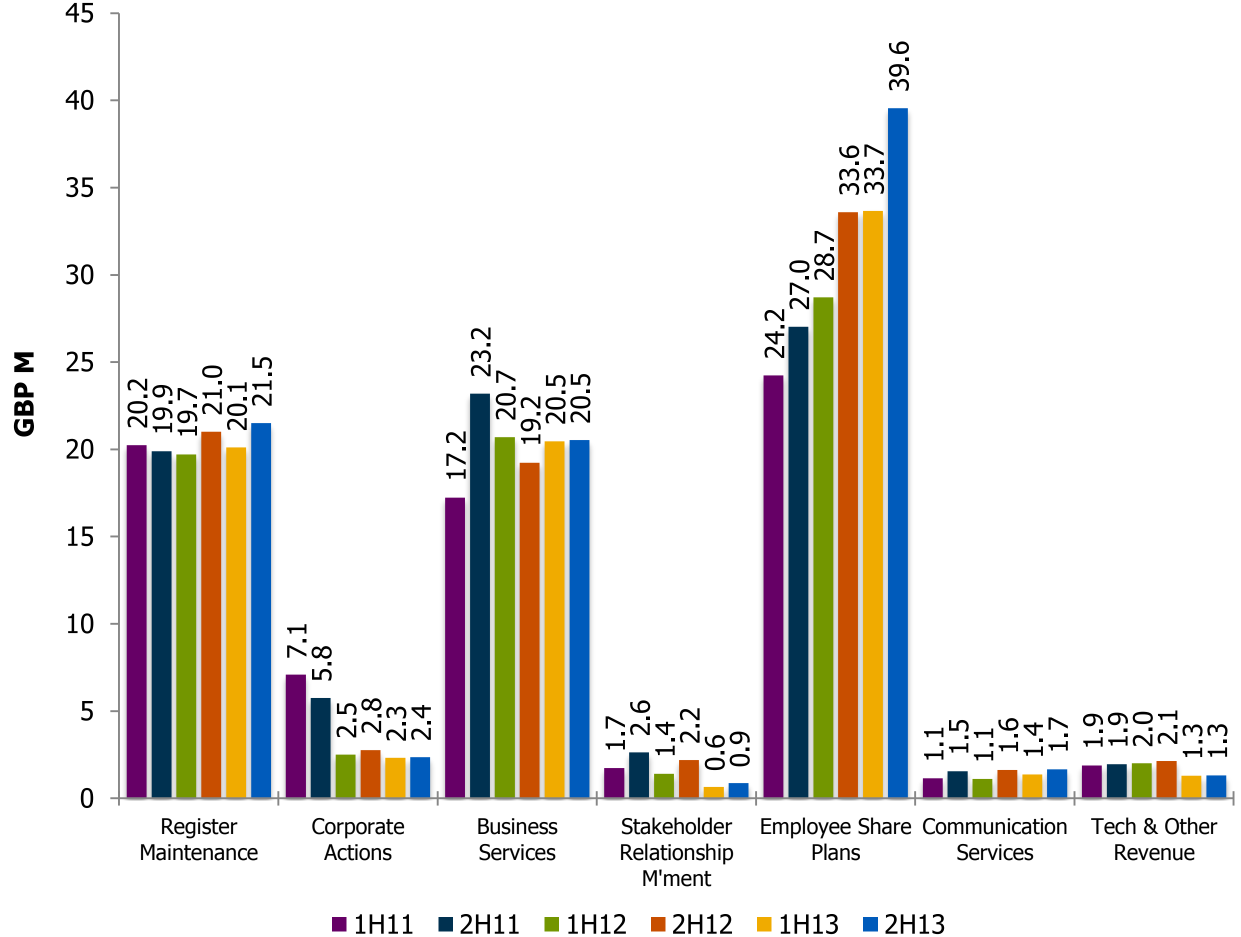
# United Kingdom & Channel Islands Half Year Comparison



## Total Revenue



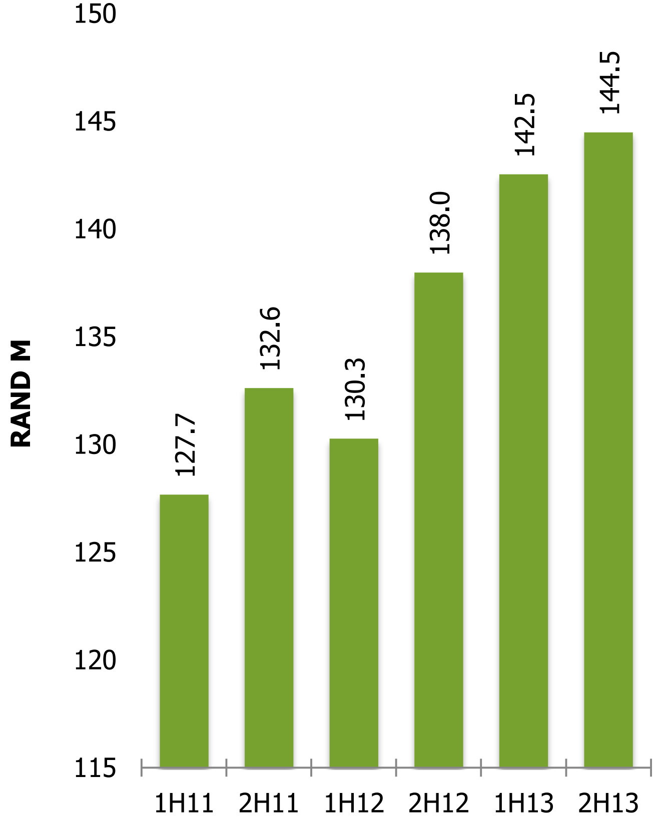

## Revenue Breakdown



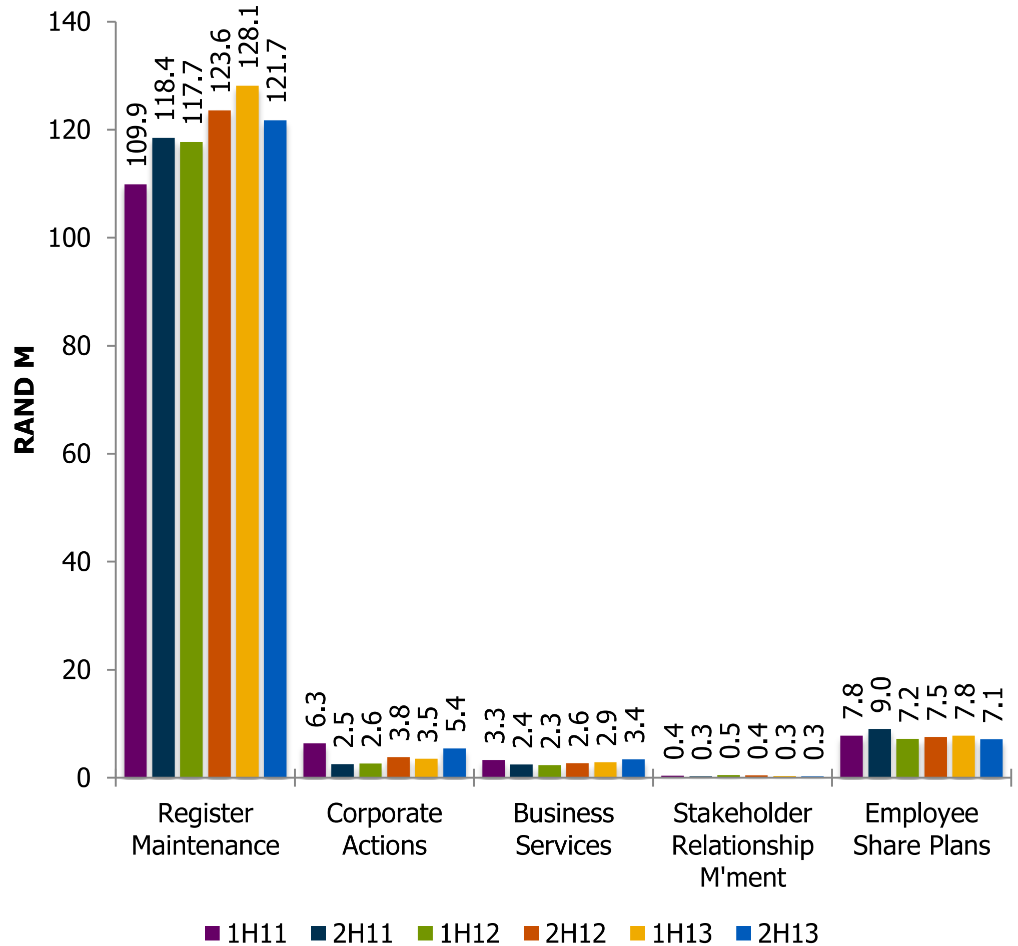
# South Africa
# Half Year Comparison

Financial Results

## Total Revenue




## Revenue Breakdown



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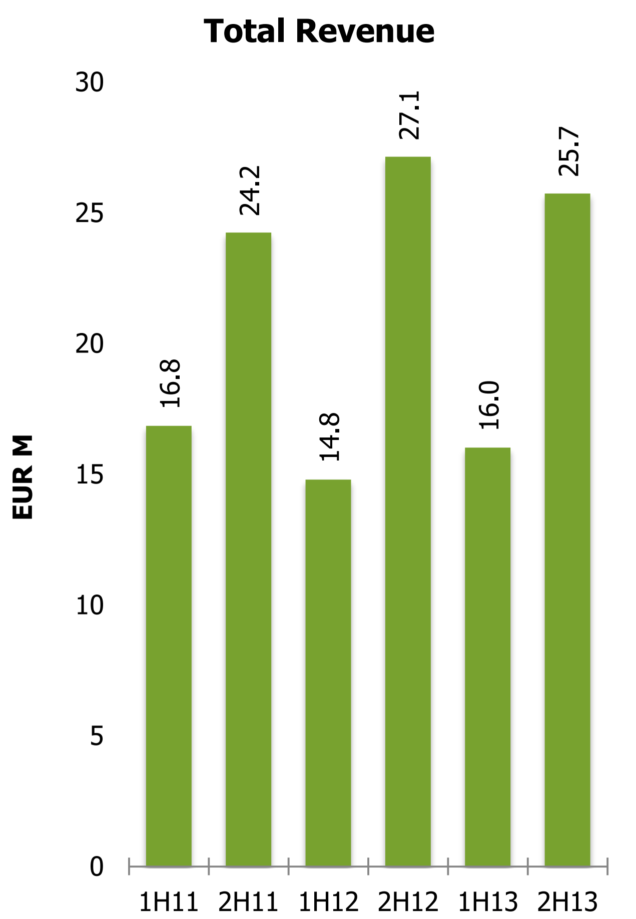
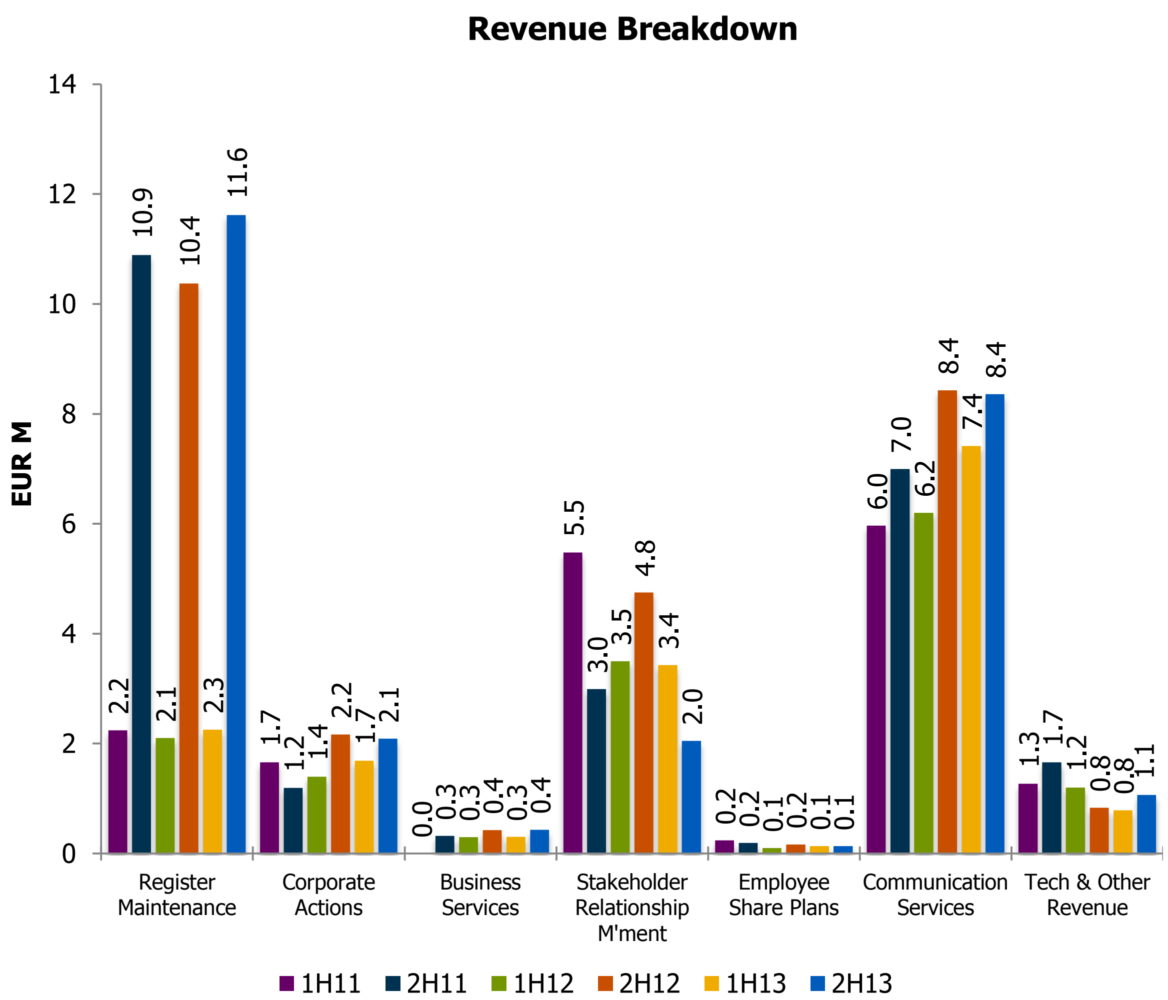
# Germany
# Half Year Comparison

Financial Results



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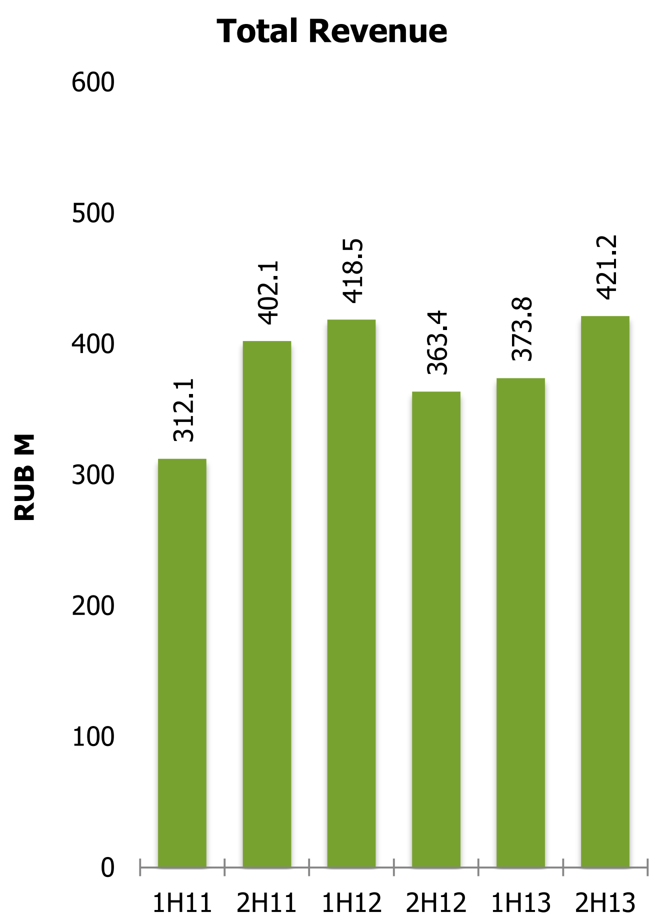
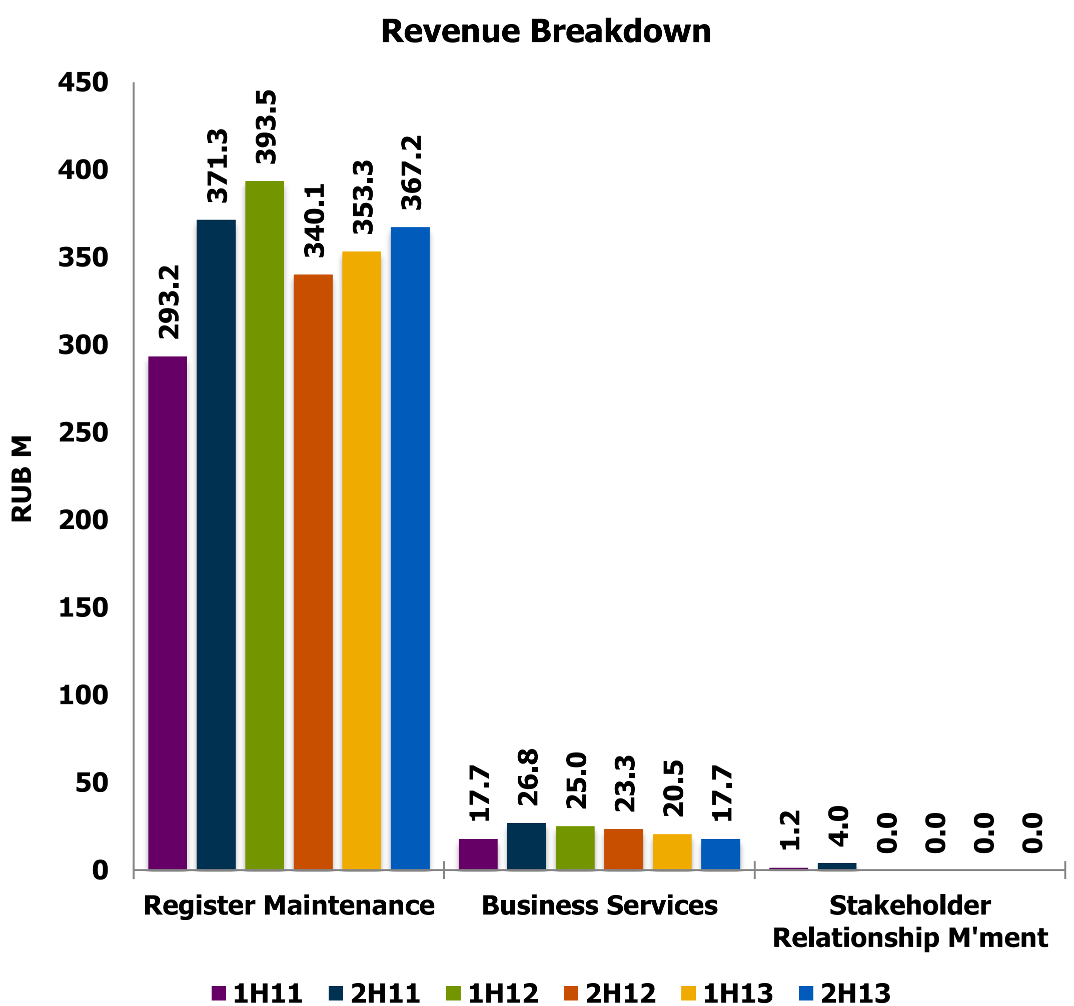
# Russia
# Half Year Comparison

Financial Results



# Appendix 3: Assumptions

Financial Results

## Assumptions



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# Assumptions: FY 2013 Exchange Rates



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

| USD | 1.0000 |
|---|---|
| AUD | 0.9712 |
| HKD | 7.7561 |
| NZD | 1.2180 |
| INR | 54.6508 |
| CAD | 1.0063 |
| GBP | 0.6372 |
| EUR | 0.7752 |
| RAND | 8.7774 |
| RUB | 31.2246 |
| AED | 3.6730 |
| DKK | 5.7777 |
| SEK | 6.6043 |