



**COMPUTERSHARE LIMITED (ASX:CPU)**

**FINANCIAL RESULTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

**12 February 2014**

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

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

Copies of the 1H14 Results Presentation are available for download at:  
<http://www.computershare.com/au/about/ir/financials/Pages/results.aspx>

## MARKET ANNOUNCEMENT

**Melbourne, 12 February 2014** – Computershare Limited (ASX:CPU) today reported Statutory Basic Earnings per Share (eps) of 25.07 cents for the six months ended 31 December 2013, an increase of 47.3% on the prior corresponding period (pcp – being the six months ended 31 December 2012). Management Adjusted Earnings per Share was 29.41 cents, an increase of 9.5% on pcp. Statutory Net Profit after Non-Controlling Interest (NCI) grew 47.3% on pcp to \$139.4 million whilst Management Adjusted Net Profit after NCI climbed 9.6% to \$163.6 million.

Total statutory revenues were 0.6% lower than pcp at \$981.5 million. Operating cash flows increased 44.0% versus 1H13 to \$191.9 million.

The Company also announced that the CEO and President, Mr Stuart Crosby, has advised his intention to step down with effect from 30 June 2014. He will be succeeded by current Chief Information Officer and long term employee, Mr Stuart Irving (refer to today's separate market announcement for more details).

An interim dividend of AU 14 cents per share, 20% franked, has been declared. The interim dividend is unchanged from the final dividend paid in September 2013, and the franked percentage is unchanged.

### Headline Statutory results for 1H14 (see Appendix 4D) as follows:

	1H14	Versus 2H13	Versus 1H13 (pcp)
Statutory Earnings per Share (Post NCI)	<b>25.07 cents</b>	Up 123.2%	<b>Up 47.3%</b>
Total Revenues and Other Income	<b>\$981.5m</b>	Down 7.3%	<b>Down 0.6%</b>
Total Expenses	<b>\$806.0m</b>	Down 15.9%	<b>Down 9.9%</b>
Statutory Net Profit (Post NCI)	<b>\$139.4m</b>	Up 123.4%	<b>Up 47.4%</b>

### Headline Management Adjusted results for 1H14 as follows:

	1H14	Versus 2H13	Versus 1H13 (pcp)	1H14 at 1H13 exchange rates	1H14 at 1H13 exchange rates versus 1H13
Management Earnings per Share (Post NCI)	<b>29.41 cents</b>	Up 5.1%	<b>Up 9.5%</b>	30.36 cents	Up 13.0%
Total Operating Revenues	<b>\$976.9m</b>	Down 5.8%	<b>Down 1.1%</b>	\$1,010.3m	Up 2.3%
Operating Expenses	<b>\$709.2m</b>	Down 7.8%	<b>Down 5.0%</b>	\$736.7m	Down 1.3%
Management Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	<b>\$267.0m</b>	Down 0.5%	<b>Up 10.6%</b>	\$268.9m	Up 11.4%
EBITDA margin	<b>27.3%</b>	Up 140bps	<b>Up 290bps</b>	26.6%	Up 220bps
Management Net Profit after NCI	<b>\$163.6m</b>	Up 5.1%	<b>Up 9.6%</b>	\$168.9m	Up 13.1%
Cash Flow from Operations	<b>\$191.9m</b>	Down 4.4%	<b>Up 44.0%</b>		
Free Cash Flow	<b>\$185.6m</b>	Up 2.8%	<b>Up 69.2%</b>		
Days Sales Outstanding (DSO)	<b>42 days</b>	Down 3 days	<b>Down 6 days</b>		
Capital Expenditure	<b>\$10.3m</b>	Down 59.8%	<b>Down 57.0%</b>		
Net Debt to EBITDA ratio	<b>2.26 times</b>	Down 0.21 times	<b>Down 0.46 times</b>		
Interim Dividend	<b>AU 14 cents</b>	Flat	<b>Flat</b>		
Interim Dividend franking amount	<b>20%</b>	Flat	<b>Flat</b>		

**MARKET ANNOUNCEMENT**
**Reconciliation of Statutory Results to Management Results**

HY14	USD 000's
<b>Net profit after tax per Statutory Results</b>	139,436
<b>Management Adjustments (after tax)</b>	
<b>Amortisation</b>	
Intangible assets amortisation	30,362
<b>Strategic business initiatives</b>	
Adjustment to disposal accounting	(2,599)
Business closure - reversal	(1,252)
Restructuring provisions	78
<b>One-off items</b>	
Acquisition related costs	351
Foreign exchange gain	(2,330)
<b>Other</b>	
Put option liability re-measurement	425
Marked to market adjustments - derivatives	(916)
<b>Total Management Adjustments</b>	24,119
<b>Net profit after tax per Management Results</b>	163,555

**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 HY14 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 expense of these intangibles for 1H14 was \$30.4 million.

**Strategic business initiatives**

- The disposal accounting for the sale of Interactive Meetings Limited (IML), the interactive events technology group, was finalised, which reduced the loss on disposal recognised in June 2013 by \$2.6 million.
- The Australian Fund Services business was sold after an initial decision had been made to close it. Consequently, provisions for exit costs of \$1.3 million were reversed.
- Restructuring provisions of \$0.1 million were raised related to Computershare's German property leases.

**One-off items**

- Integration and acquisition costs totalling \$0.4 million related to US, UK and Canadian acquisitions were incurred.
- An accounting gain of \$2.3 million was recorded as a result of foreign currency bank accounts translation.

**Other**

- The put option liability re-measurement, resulting in a charge against profit of \$0.4 million, relates to the FX impact on the valuation of the joint venture arrangement in India.
- Derivatives that have not received hedge designation are marked to market at the reporting date and taken to profit and loss in the Statutory Results. The valuations, resulting in a gain of \$0.9 million relate to future estimated cash flows.

## MARKET ANNOUNCEMENT

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### Commentary (based on Management Adjusted results)

Computershare delivered Management Earnings per Share of 29.41 cents, up 9.5% on the 1H13 result. Revenues in 1H14 were 1.1% lower at \$976.9 million. Management EBITDA was \$267.0 million, up 10.6% on pcp whilst Management NPAT rose 9.6% to \$163.6 million. EBITDA margin was 290bps higher than 1H13 at 27.3%, reflecting the continued realisation of cost synergies from the Shareowner Services acquisition and cost management programs within the group that saw controllable costs drop 5.8% on pcp. Cash flow from operations was 44.0% higher than 1H13 at \$191.9 million.

Total revenue was marginally lower on pcp, largely as a result of the divestment of IML and the Australian Fund Services business as well as the broad based strengthening of the US dollar. Total revenue was positively impacted by the contribution from the acquisition of the Morgan Stanley EMEA employee plans business in May 2013 and growth in the loan servicing and class actions businesses during 1H14.

The low interest rate environment and maturing deposits continue to place pressure on Computershare's margin income. The record average client balances in 1H13 were not repeated, impacting the margin income contribution. In addition corporate action revenues, whilst roughly flat on the June half, were 16.8% lower than 1H13 as IPO application numbers remained soft, secondary raisings were also relatively weak and M&A was patchy. Stakeholder relationship management revenues were 10.3% lower than pcp as US mutual fund solicitation and corporate proxy activity in the rest of the world remain subdued.

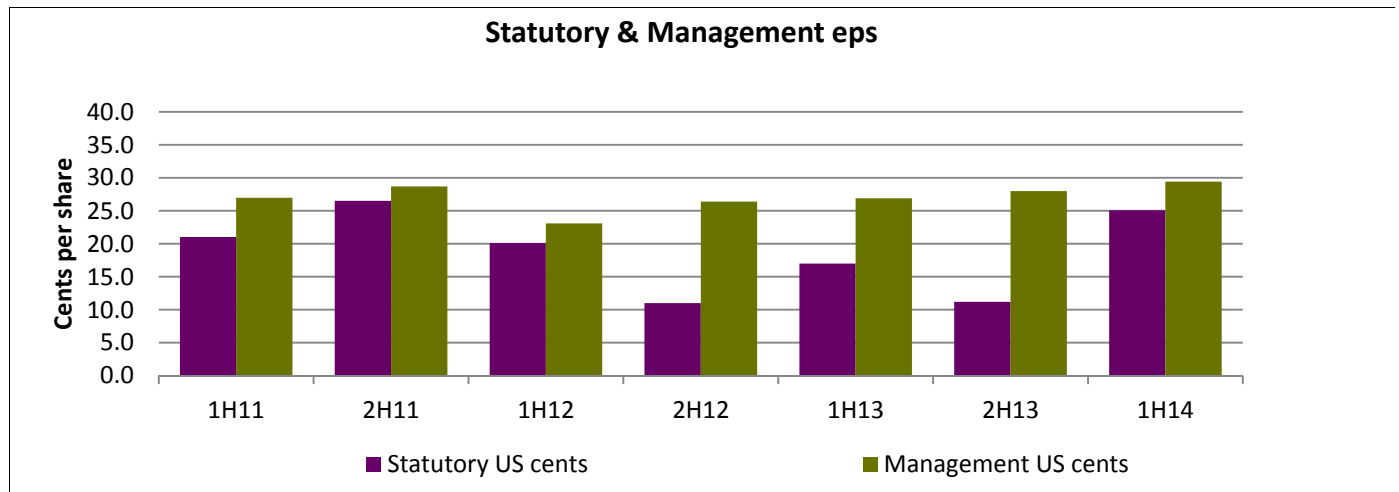
Improved earnings and group EBITDA margin was primarily an outcome of lower controllable costs. This was driven by continued large cost synergies achieved from the completion of the Shareowner Services client migration to Computershare technology. The cost line remains a key focus as the group evaluates its capacity to further leverage its offshore processing capabilities for certain operating functions. Another period of strong performance by the employee plans business also made a positive contribution to earnings.

Computershare's CEO, Stuart Crosby, said, "Our challenge continues to be growing the revenue base, as it is for many companies, while maintaining our focus on managing the expense side of the ledger. We have been relatively successful in this regard, helped by the realisation of anticipated synergies from the Shareowner Services acquisition, our recent increased utilisation of our offshore processing capabilities and a general cost focus throughout the group. Employee share plans and loan servicing have again provided significant impetus to the business during the past six months, whilst corporate action revenues were lower, hindered, in part, by ongoing low interest rates and deal activity. A pleasing outcome was the improvement in some of our US businesses, with class actions and communication services businesses in particular improving significantly in the first half.

"At our AGM in November we said that our Management eps guidance for FY14 would remain at around 5% higher than FY13, despite some encouraging early signs that the operating environment may be improving. A few months further along and we are a little more confident. We are now saying that we anticipate Management eps growth on FY13 of between 5% and 10%."

## MARKET ANNOUNCEMENT

Below is a summary of Statutory and Management eps performance since 1H11:



## Regional Summary

### Australia and New Zealand

Revenues and EBITDA in Australia and New Zealand dropped 13.0% on 1H13 to \$198.4 million and 15.5% to \$40.5 million respectively. Corporate actions remained subdued despite recent IPO activity and divestment of the Fund Services business also contributed to the decline in total revenue on pcp. Registry maintenance, employee plans and communication services were largely flat in Australia whilst investor services revenues in New Zealand were pleasingly higher. Lower Australian dollar interest rates also negatively impacted margin income for the half.

Operating costs were marginally lower than 1H13 aided by reduced expenses in the utilities back office services business and as a result of the Fund Services business divestment. The significant weakening of the Australian dollar during 1H14 also affected revenue and expenses in comparative terms.

### Asia

Revenues in Asia were 4.3% lower than 1H13 at \$54.9 million, however EBITDA grew 7.1% to \$18.0 million. A stronger performance by the Hong Kong business was offset by weaker revenues in India. Corporate actions and the employee plans business largely drove the better results in Hong Kong. India experienced growth in corporate actions revenue however this was more than offset by the fall in business services revenue in pcp terms. The fall in the Indian rupee also impacted the outcome for the half.

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

Revenues and EBITDA increased 2.7% to \$149.6 million on pcp and 4.4% to \$55.7 million respectively. The acquisition of the Morgan Stanley EMEA employee plans business underpinned the region's performance on pcp. The operating environment for traditional UK investor services businesses remain challenging and the deposit protection scheme and voucher services business could not match 1H13 results. The Irish business had a strong half versus pcp whilst the South African business was flat.

### Continental Europe

Revenues in the region fell 0.3% on pcp to \$45.2 million and EBITDA decreased 88.3% to \$0.4 million. The Russian and Italian registry businesses were unable to match their strong 1H13 performances. There were improved outcomes from the German and Scandinavian businesses on pcp.

### United States

United States revenues increased 8.1% on 1H13 to \$429.4 million and EBITDA was 46.4% higher at \$105.4 million. Strong growth in loan servicing, communication services and the class actions business contributed to higher revenues on pcp. The improved EBITDA result was underpinned by continued realisation of cost synergies from the Shareowner Service acquisition. Corporate actions revenue fell and the bankruptcy administration and post-merger clean-up businesses were unable to match 1H13 results. Soft mutual fund proxy solicitation activity saw stakeholder relationship management revenues lower than pcp.

## MARKET ANNOUNCEMENT

### Canada

Canadian revenues were 6.5% down on pcp at \$90.2 million and EBITDA fell 10.4% to \$36.8 million. Reduced maintenance fees and corporate actions revenue in the registry business as well as market driven reductions in the communication services and corporate proxy businesses and one time investment in IT development in employee plans led to the overall fall in results for the region. Margin income was also lower than 1H13. The corporate trust business outperformed on pcp, as did the small shareholder programs/post-merger clean-up business.

### Dividend

The Company announces an interim dividend of AUD 14 cents per share, 20% franked, payable on 18 March 2014 (record date of 24 February 2014). This follows the final dividend of AUD 14 cents per share, 20% franked, paid in September 2013.

The DRP pricing period for this dividend will be from 26 February 2014 to 11 March 2014 (inclusive). 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 interim dividend payment but will apply to future dividend payments.

### Capital Management

The Company's issued capital was unchanged during the half. There were 556,203,079 issued ordinary shares outstanding as at 31 December 2013.

### Balance Sheet Overview

Total assets grew \$69.0 million to \$3,687.8 million at 31 December 2013. Shareholders' equity increased \$67.6 million to \$1,198.5 million over the same period. Net borrowings decreased 3.7% to \$1,211.4 million (from \$1,257.3 million at 30 June 2013). Gross borrowings at 31 December 2013 totalled \$1,721.0 million (from \$1,711.7 million at 30 June 2013).

The total debt facilities maturity now averages 4.3 years. There are no debt facility maturities during FY14. The loan servicing advance facility of \$150.0 million matures 31 December 2014. 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	
FY15	Mar-15	124.5m	124.5m		124.5m
FY16	Oct-15	296.0m	300.0m	300.0m	
FY17	Oct-16	91.4m	250.0m	250.0m	
	Mar-17	21.0m	21.0m		21.0m
FY18	Jul-17	247.5m	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
<b>Total</b>		<b>\$1,565.4m*</b>	<b>\$1,730.5m</b>	<b>\$800.0m</b>	<b>\$930.5m</b>

\* Variance from gross debt represents finance leases (\$46.1m), loan servicing advance facility (\$93.4m) and fair value hedge adjustment on USD senior notes and amortised cost adjustment (\$16.1m).

The Company's Net Debt to Management EBITDA ratio, the key gearing metric, fell from 2.47 times at 30 June 2013 to 2.26 times at 31 December 2013.

Capital expenditure for 1H14 was 57.0% lower than 1H13 at \$10.3 million.

The Group's Days Sales Outstanding (DSO) was 42 days, 3 days lower than 30 June 2013.

## MARKET ANNOUNCEMENT

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### Technology Costs

Total technology spend for 1H14 was \$117.8 million, 9.0% lower than 1H13. Technology costs included \$34.4 million (1H13:\$31.2 million) in research and development expenditure, which was expensed during the period. The technology cost to total operating revenue ratio was 12.1% for 1H14.

### Foreign Exchange Impact

Management EBITDA would have been \$268.9 million, or 0.7% higher than actual 1H14, if average exchange rates from 1H13 were applied.

### Taxation

The management effective tax rate for 1H14 was 23.2% (1H13:18.3%).

### Outlook for Financial Year 2014

Having considered the results year to date and expectations for the balance of FY14, the Company is anticipating Management EPS for the full year FY14 to be between 5% and 10% higher than in FY13.

As usual, the Company's assessment of the outlook assumes that equity, foreign exchange and interest rate markets remain at current levels.

**Please refer to the Half Year Results 2014 Presentation for detailed financial data and the Important Notice on slide 66 regarding forward looking statements.**

### About Computershare Limited (CPU)

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

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

Computershare is represented in all major financial markets and has over 14,000 employees worldwide.

For more information, visit [www.computershare.com](http://www.computershare.com)

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For further information:

Mr Darren Murphy  
Head of Treasury and Investor Relations  
Tel: +61-3-9415 5102  
Mobile: +61-418 392 687  
[Darren.murphy@computershare.com.au](mailto:Darren.murphy@computershare.com.au)

# Computershare Limited

## Half Year Results 2014 Presentation

Stuart Crosby  
Mark Davis

12 February 2014







Stuart Crosby  
**PRESIDENT & CHIEF EXECUTIVE OFFICER**

# Results Summary

## Statutory Results



Introduction

	1H14	Vs 2H13	Vs 1H13 (pcp)
<b>Earnings per share (post NCI)</b>	25.07 cents	Up 123.2%	Up 47.3%

<b>Total Revenues</b>	\$981.5m	Down 7.3%	Down 0.6%
<b>Total Expenses</b>	\$806.0m	Down 15.9%	Down 9.9%
<b>Statutory Net Profit (post NCI)</b>	\$139.4m	Up 123.4%	Up 47.4%

<b>Reconciliation of Statutory Revenue to Management Results</b>		1H14
<b>Total Revenue per statutory results</b>		<b>\$981.5m</b>
<b>Management Adjustments</b>		
Foreign exchange gain		(3.3)
Marked to Market adjustment on derivatives		(1.3)
<b>Total Management Adjustments</b>		<b>(\$4.6)</b>
<b>Total Revenue per Management Results</b>		<b>\$976.9m</b>

<b>Reconciliation of Statutory NPAT to Management Results</b>		1H14
<b>Net profit after tax per statutory results</b>		<b>\$139.4m</b>
<b>Management Adjustments (after tax)</b>		
Amortisation		30.4
Strategic Business initiatives		(3.8)
One-off items		(2.0)
Other		(0.5)
<b>Total Management Adjustments</b>		<b>\$24.1m</b>
<b>Net Profit after tax per Management Results</b>		<b>\$163.6m</b>

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 in the ASX Appendix 4D Note 6.

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

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

# Results Summary

## Management Results



Introduction

	1H 2014	2H 2013	v 2H 2013	1H 2013	v 1H 2013	1H 2014 @ 1H 2013 exchange rates
Management Earnings per share (post NCI)	US 29.41 cents	US 27.98 cents	Up 5.1%	US 26.87 cents	Up 9.5%	US 30.36 cents
Total Operating Revenue	\$976.9	\$1,037.5	Down 5.8%	\$987.6	Down 1.1%	\$1,010.3
Operating Costs	\$709.2	\$768.9	Down 7.8%	\$746.3	Down 5.0%	\$736.7
Management Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	\$267.0	\$268.4	Down 0.5%	\$241.4	Up 10.6%	\$268.9
EBITDA Margin	27.3%	25.9%	Up 140 bps	24.4%	Up 290 bps	26.6%
Management Net Profit post NCI	\$163.6	\$155.6	Up 5.1%	\$149.3	Up 9.6%	\$168.9
Cash Flow from Operations	\$191.9	\$200.8	Down 4.4%	\$133.3	Up 44.0%	
Free Cash Flow	\$185.6	\$180.6	Up 2.8%	\$109.7	Up 69.2%	
Days Sales Outstanding	42 days	45 days	Down 3 days	48 days	Down 6 days	
Capital Expenditure	\$10.3	\$25.6	Down 59.8%	\$23.9	Down 57.0%	
Net Debt to EBITDA ratio	2.26 times	2.47 times	Down 0.21 times	2.72 times	Down 0.46 times	
Interim Dividend	AU 14 cents	AU 14 cents	Flat	AU 14 cents	Flat	
Interim Dividend franking amount	20%	20%	Flat	20%	Flat	

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

# Drivers Behind 1H14 Financial Performance



- › Register maintenance revenues continue to be a little soft due to active competition in key markets and shareholder attrition, although the reported effect is exacerbated by the stronger US dollar reducing the roll up of non-US revenues. We are also starting to see some pick up in shareholder activity in some regions. There is no material 1H14 contribution from the Olympia Corporate & Shareholder Services acquisition in Canada.
  - › Revenue in transactional business lines, especially corporate actions, remains subdued, with corporate activity effectively flat to last half.
  - › Employee Share Plans continue to perform strongly in all markets, particularly in the UK and US, with organic growth aided by contributions from the integrated Shareowner Services plans and HBOS EES businesses, and the Morgan Stanley Global Stock Plan business. The integration of HBOS EES is complete, and the Morgan Stanley integration is tracking as expected both in timing and in net contribution.
  - › Average client balances were lower compared to 1H13 but up slightly on 2H13. While there are some signs of a more favourable short to medium term interest rate environment, pressure on deposit returns and yields on rolled hedges continues for now.
  - › Contributions from Loan Servicing and Utility Back Office Services are meeting expectations, while Proxy Solicitation (Corporate and Mutual fund), Bankruptcy and Voucher Services have slipped.
  - › The strong cost focus in all business lines continues, with clear benefits from a range of initiatives showing through, not least in continued improvement to EBITDA margins.
- 6 Ongoing technology investment remains strategically important.

# 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 4.3 years and no more than USD 305M maturing in any one financial year.

# Management Succession



- › Stuart Crosby is stepping down as President and CEO effective 30 June 2014.
- › He will be succeeded by current CIO and long term employee Stuart Irving.
- › Detail of Stuart Irving's background and new employment arrangements are provided in the separate announcement released this morning.
- › This orderly and planned transition, which follows the appointment of Mark Davis as CFO effective July 2013, ensures the continuation of strong, stable and experienced management.
- › Stuart Crosby will continue to be available to advise and represent Computershare, in particular in relation to Asia.

# Guidance



- › Having considered the year to date results and expectations for the balance of FY14, the Company is anticipating Management EPS for the full year FY14 to be between 5% and 10% higher than in FY13.
- › This assessment of the outlook assumes that equity, foreign exchange and interest rate markets remain at current levels, and is also subject to the important notice on slide 66 regarding forward looking statements.







Financial  
Results

Mark Davis  
**CHIEF FINANCIAL OFFICER**

# Group Financial Performance



Financial  
Results

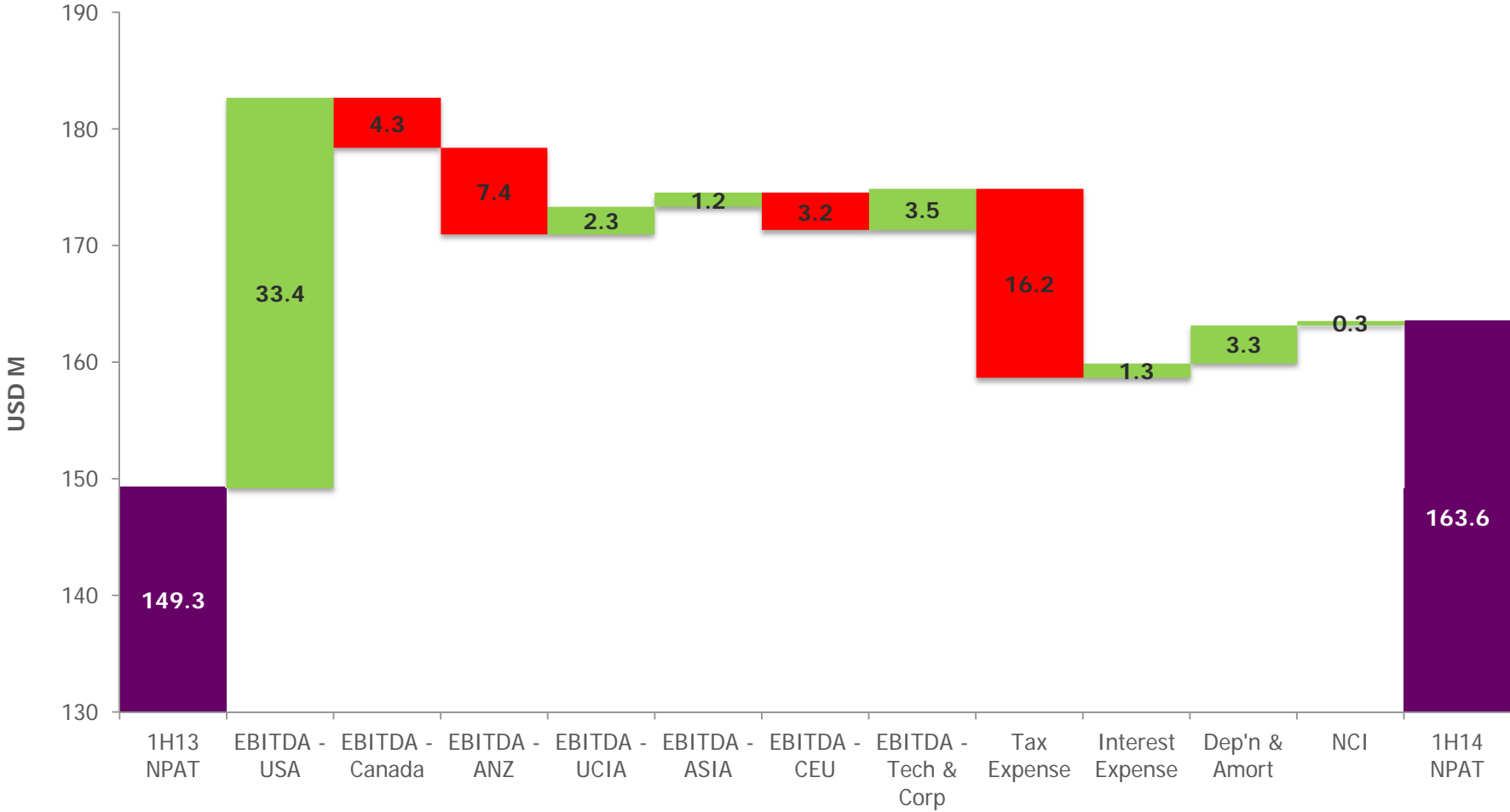
	1H 2014	2H 2013	% variance to 2H 2013	1H 2013	% variance to 1H 2013
Sales Revenue	\$971.1	\$1,041.1	(6.7%)	\$974.7	(0.4%)
Interest & Other Income	\$5.8	(\$3.5)	265.7%	\$12.9	(55.0%)
<b>Total Management Revenue</b>	<b>\$976.9</b>	<b>\$1,037.5</b>	<b>(5.8%)</b>	<b>\$987.6</b>	<b>(1.1%)</b>
Operating Costs	\$709.2	\$767.6	7.6%	\$747.6	5.1%
Share of Net (Profit)/Loss of Associates	\$0.7	\$1.6		(\$1.4)	
<b>Management EBITDA</b>	<b>\$267.0</b>	<b>\$268.4</b>	<b>(0.5%)</b>	<b>\$241.4</b>	<b>10.6%</b>
Statutory NPAT	\$139.4	\$62.4	123.4%	\$94.6	47.4%
Management NPAT	\$163.6	\$155.6	5.1%	\$149.3	9.6%
<b>Management EPS (US cents)</b>	<b>29.41</b>	<b>27.98</b>	<b>5.1%</b>	<b>26.87</b>	<b>9.5%</b>
<b>Statutory EPS (US cents)</b>	<b>25.07</b>	<b>11.23</b>	<b>123.3%</b>	<b>17.02</b>	<b>47.3%</b>

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

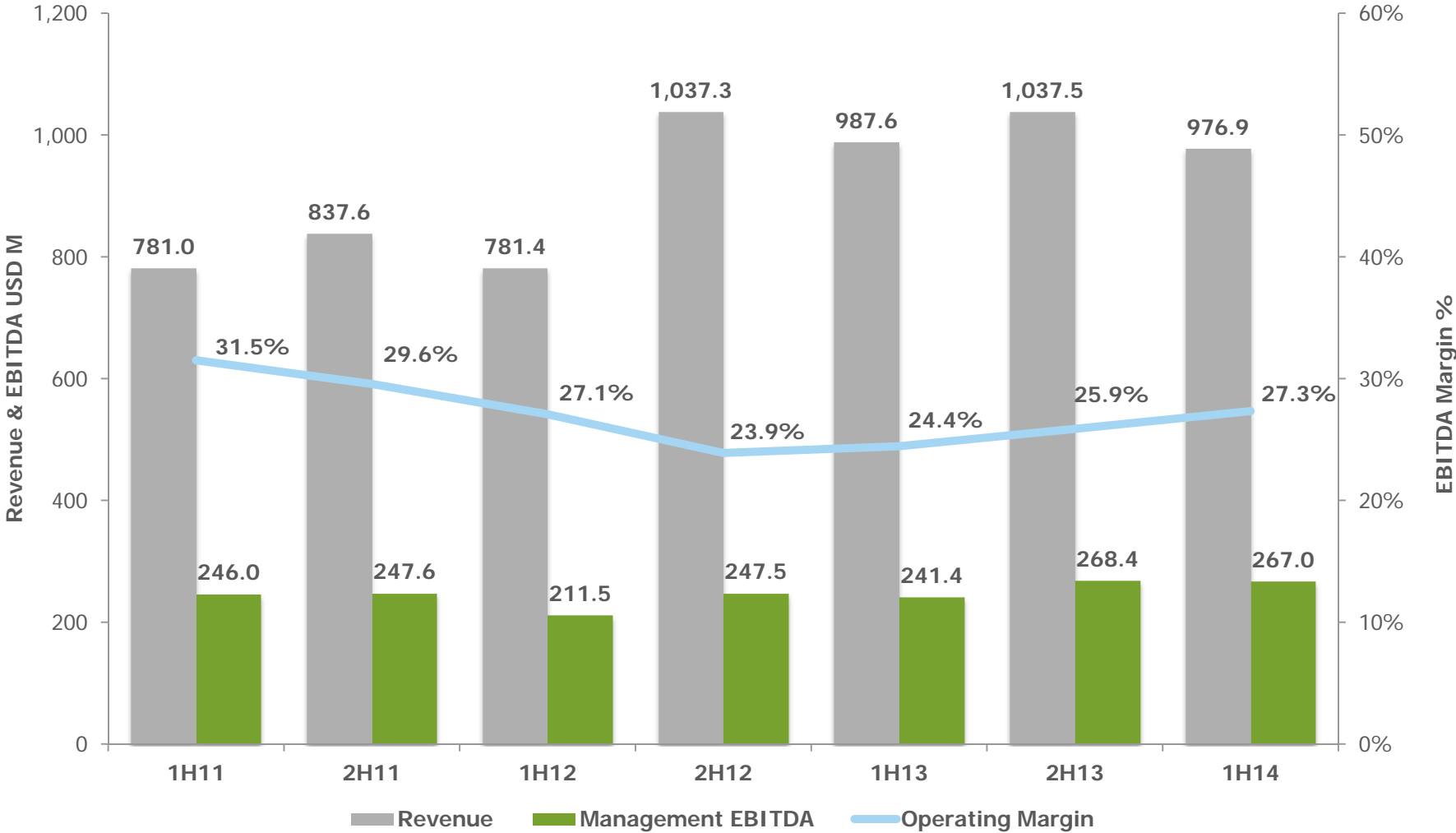
# Management EPS



# 1H14 Management NPAT Analysis



# Management Revenue & EBITDA Half Year Comparisons



# Management Revenue Breakdown



Revenue Stream	1H 2014	2H 2013	% variance to 2H 2013	1H 2013	% variance to 1H 2013
Register Maintenance	\$389.5	\$429.4	(9.3%)	\$394.7	(1.3%)
Corporate Actions	\$77.2	\$76.6	0.8%	\$92.8	(16.8%)
Business Services	\$246.9	\$247.3	(0.2%)	\$241.8	2.1%
Stakeholder Relationship Management	\$28.0	\$45.4	(38.3%)	\$31.2	(10.3%)
Employee Share Plans	\$124.9	\$124.6	0.2%	\$112.5	11.0%
Communication Services	\$94.8	\$99.8	(5.0%)	\$98.3	(3.6%)
Technology & Other Revenue	\$15.6	\$14.5	7.6%	\$16.3	(4.3%)
<b>Total Revenue</b>	<b>\$976.9</b>	<b>\$1,037.5</b>	<b>(5.8%)</b>	<b>\$987.6</b>	<b>(1.1%)</b>

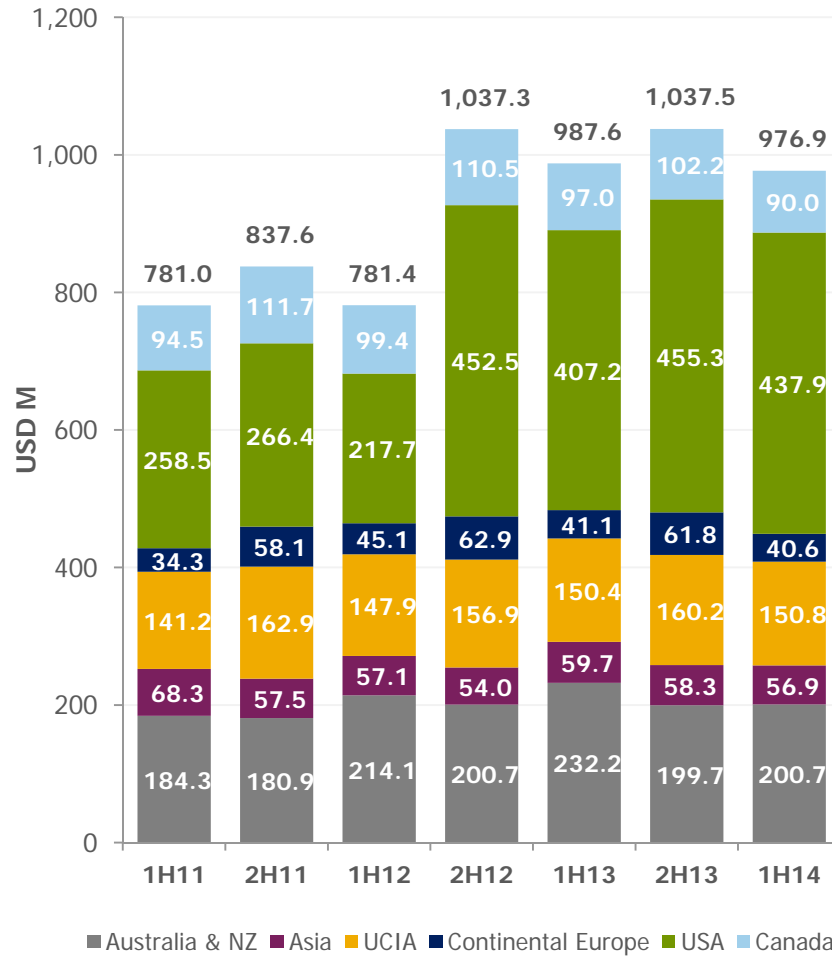
Note: all results are in USD M unless otherwise indicated.

# Management Revenue & EBITDA – Regional Analysis

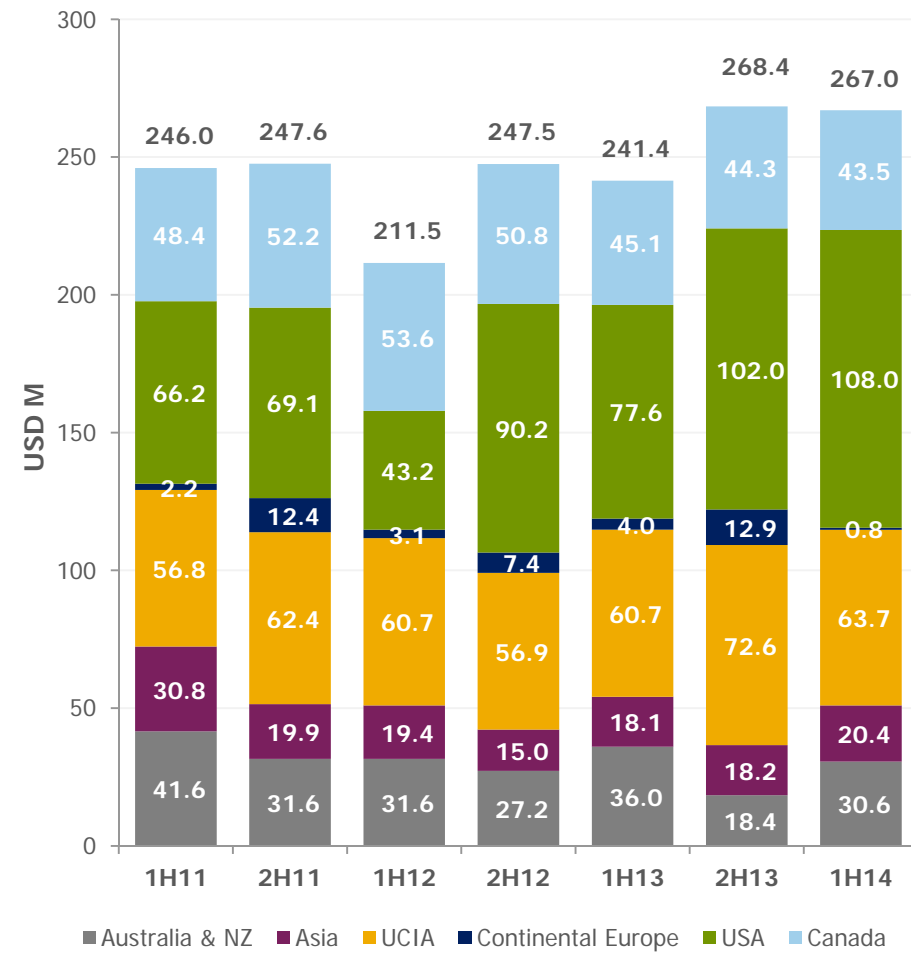
## Half Year Comparisons



### Revenue Breakdown



### EBITDA Breakdown

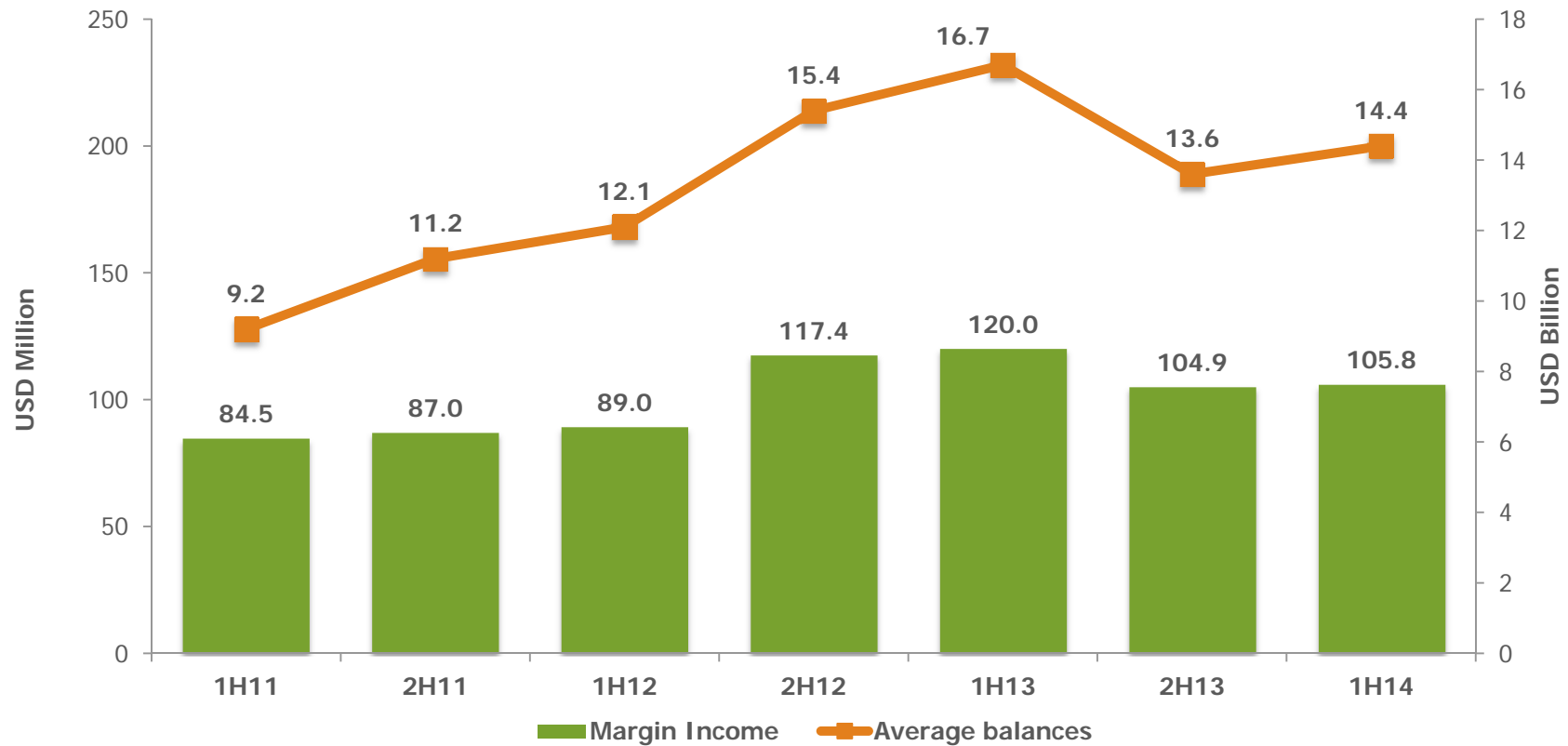




# Margin Income Analysis



Financial Results



### AVERAGE MARKET INTEREST RATES \*

	1H11	2H11	1H12	2H12	1H13	2H13	1H14
UK	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
USA	0.25%	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%	1.00%
Australia	4.58%	4.76%	4.64%	4.05%	3.34%	2.93%	2.55%

Note 1: Some balances attract no interest or a set margin for Computershare.

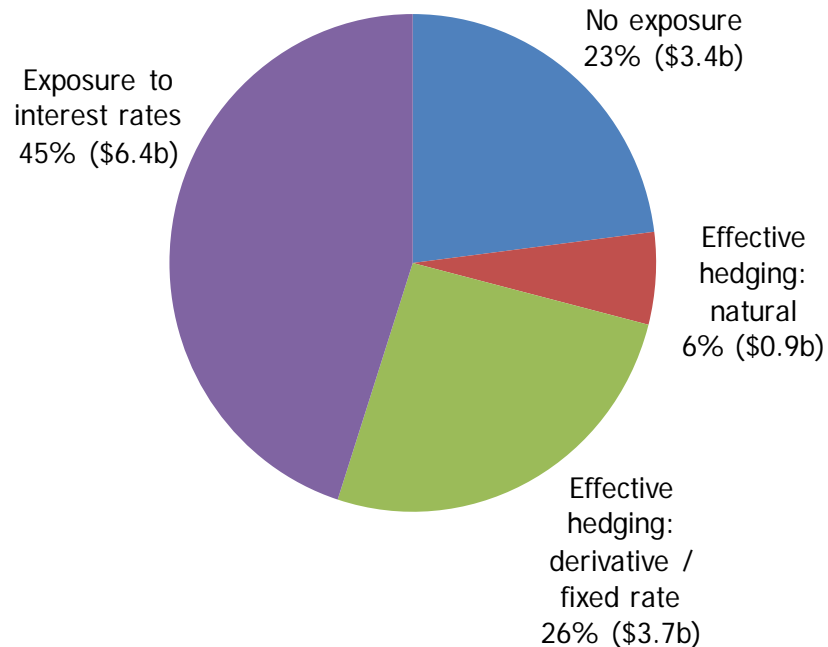
Note 2: Analysis includes Shareowner Services client funds from 2H12.

\* UK – Bank of England MPC Rate; US – Fed Funds Rate; Canada – Bank of Canada Overnight Target Rate; Australia – RBA Cash Rate.

# 1H14 Client Balances Interest Rate Exposure



Average funds (USD 14.4b) held during 1H14



CPU had an average of USD14.4b of client funds under management during 1H14.

For 23% (\$3.4b) of the 1H14 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% (\$11.0b) of funds were "exposed" to interest rate movements. For these funds:

- 26% had effective hedging in place (being either derivative or fixed rate deposits).
- 6% was naturally hedged against CPU's own floating rate debt.

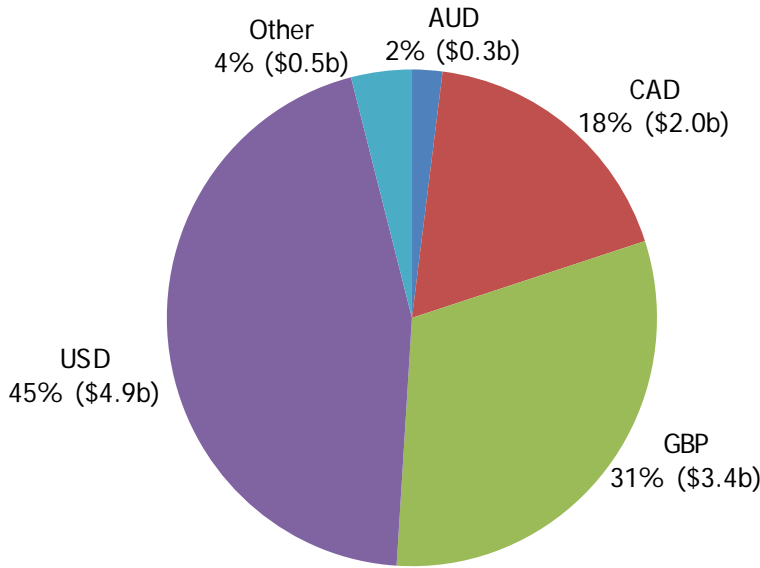
The remaining 45% was exposed to changes in interest rates.

# 1H14 Client Balances Interest Rate Exposure and Currency



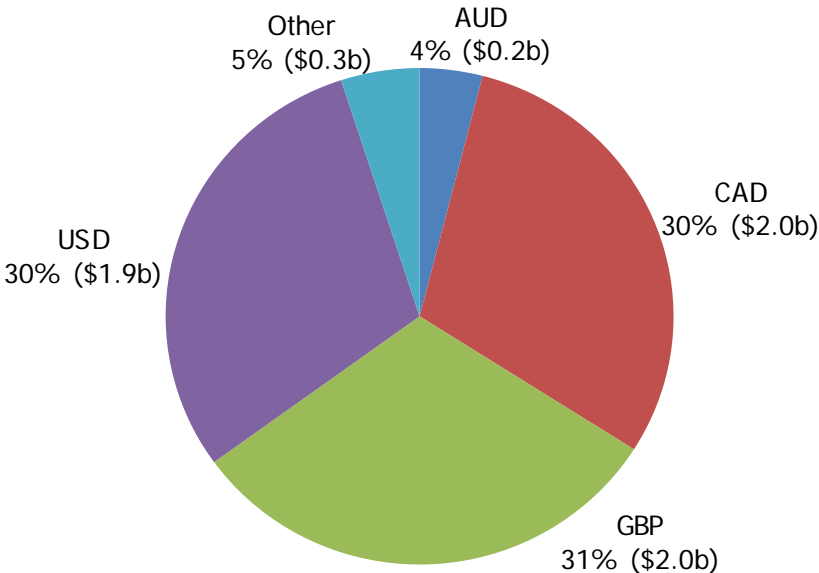
## “Exposed Funds” by Currency (1H14 Average Balances)

**Total Exposed Funds**  
(both hedged and non-hedged)



Average exposed funds balance prior to any hedging  
**US\$11.0b**  
 (US\$14.4b x 77%)

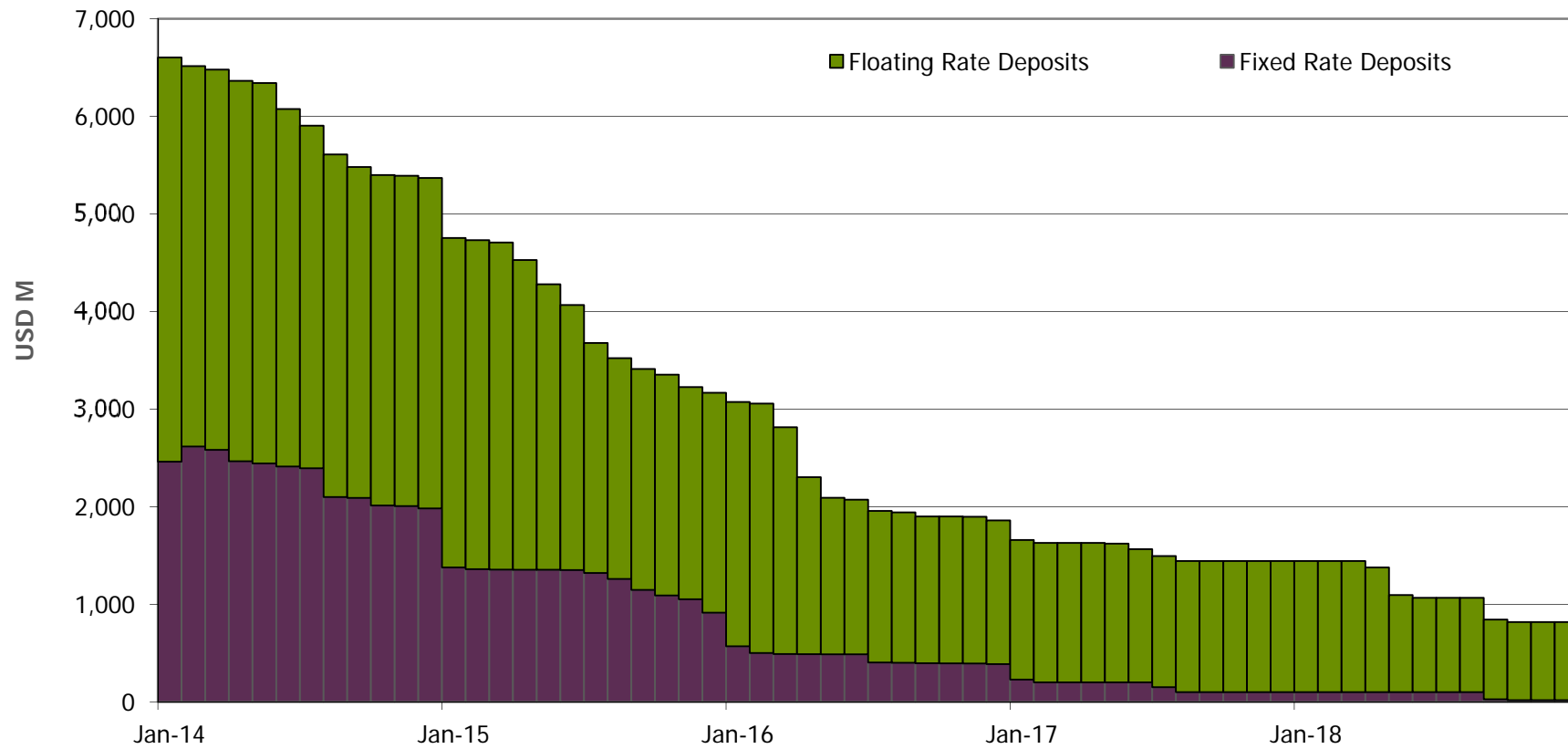
**Non-hedged Exposed Funds**



Average exposed funds balance net of hedging  
**US\$6.4b**  
 (US\$14.4b x 45%)

# Client Balances

## Fixed and Floating Rate Deposits in place

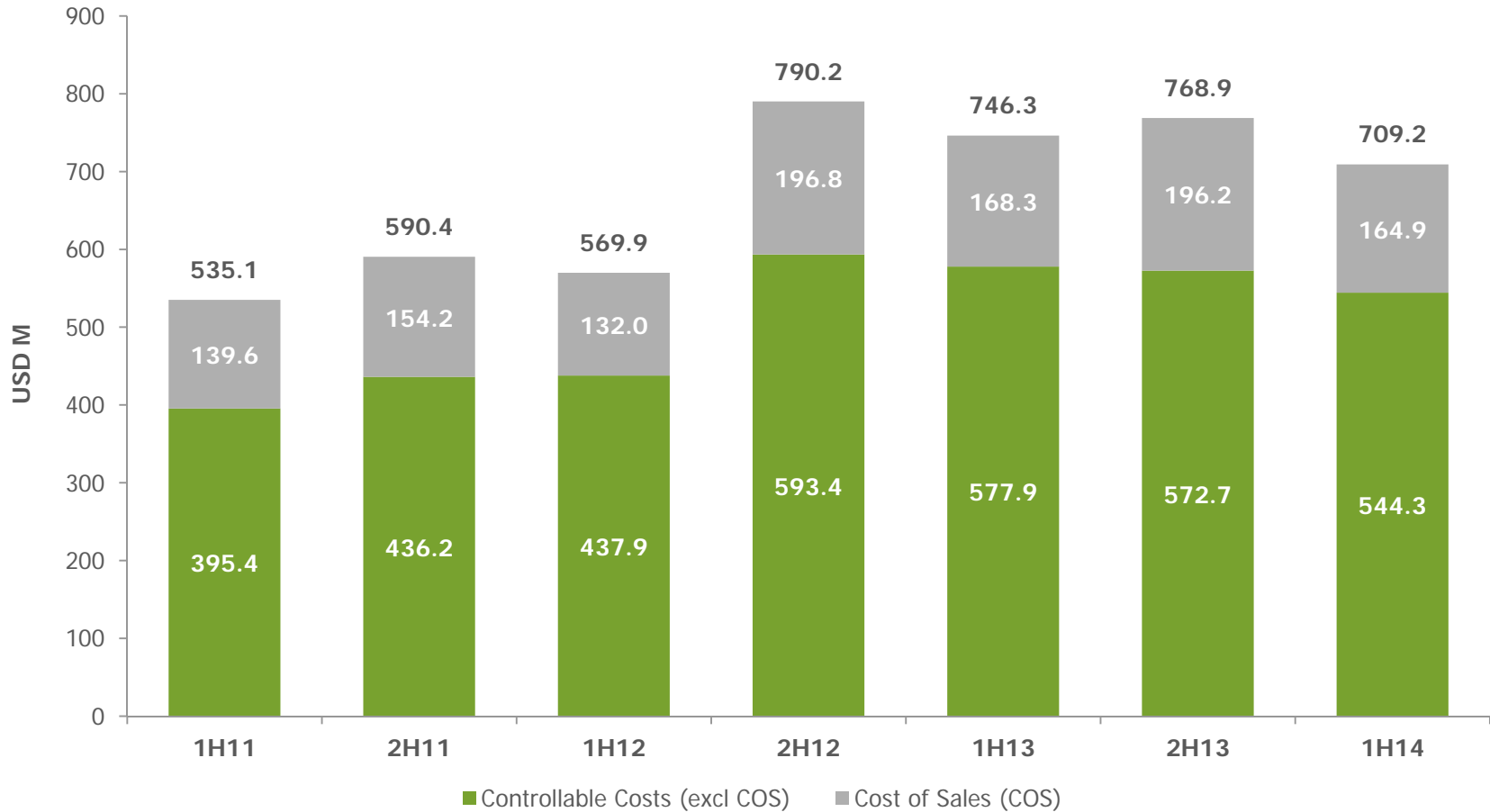


**Policy:**  
 Minimum hedge of 25% / Maximum hedge of 100%  
 Minimum term 1 year / Maximum term 5 years  
 (some exceptions permitted under the Board policy)

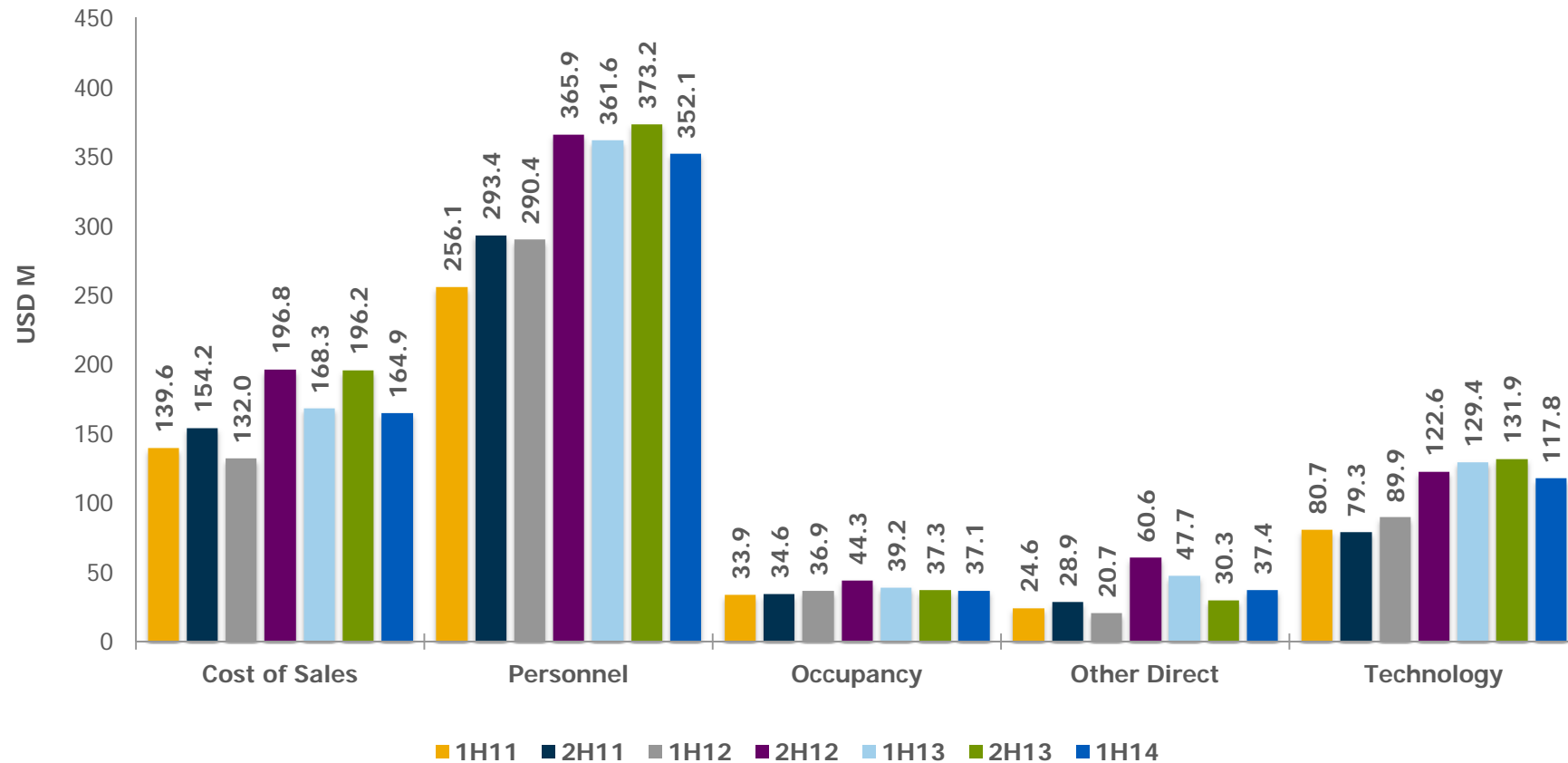
**Current Strategy:**  
 Continue to monitor medium term swap rates with the intention of accumulating cover should rates rise materially.

Note: In addition to the fixed and floating rate deposits, there is AUD 32M of fixed rate derivative.

# Total Management Operating Costs Half Year Comparisons



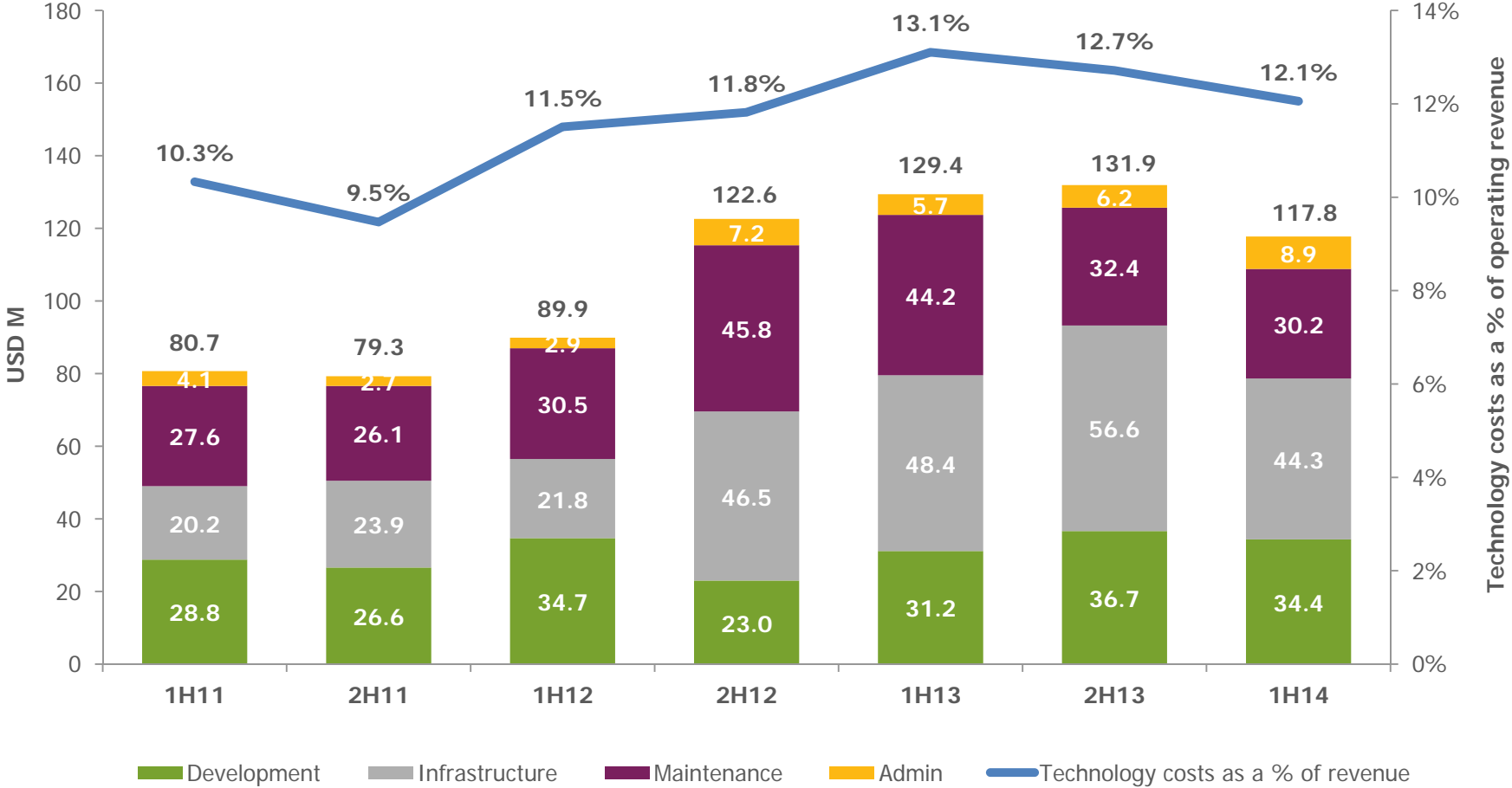
# Management Operating Costs Half Year Comparisons



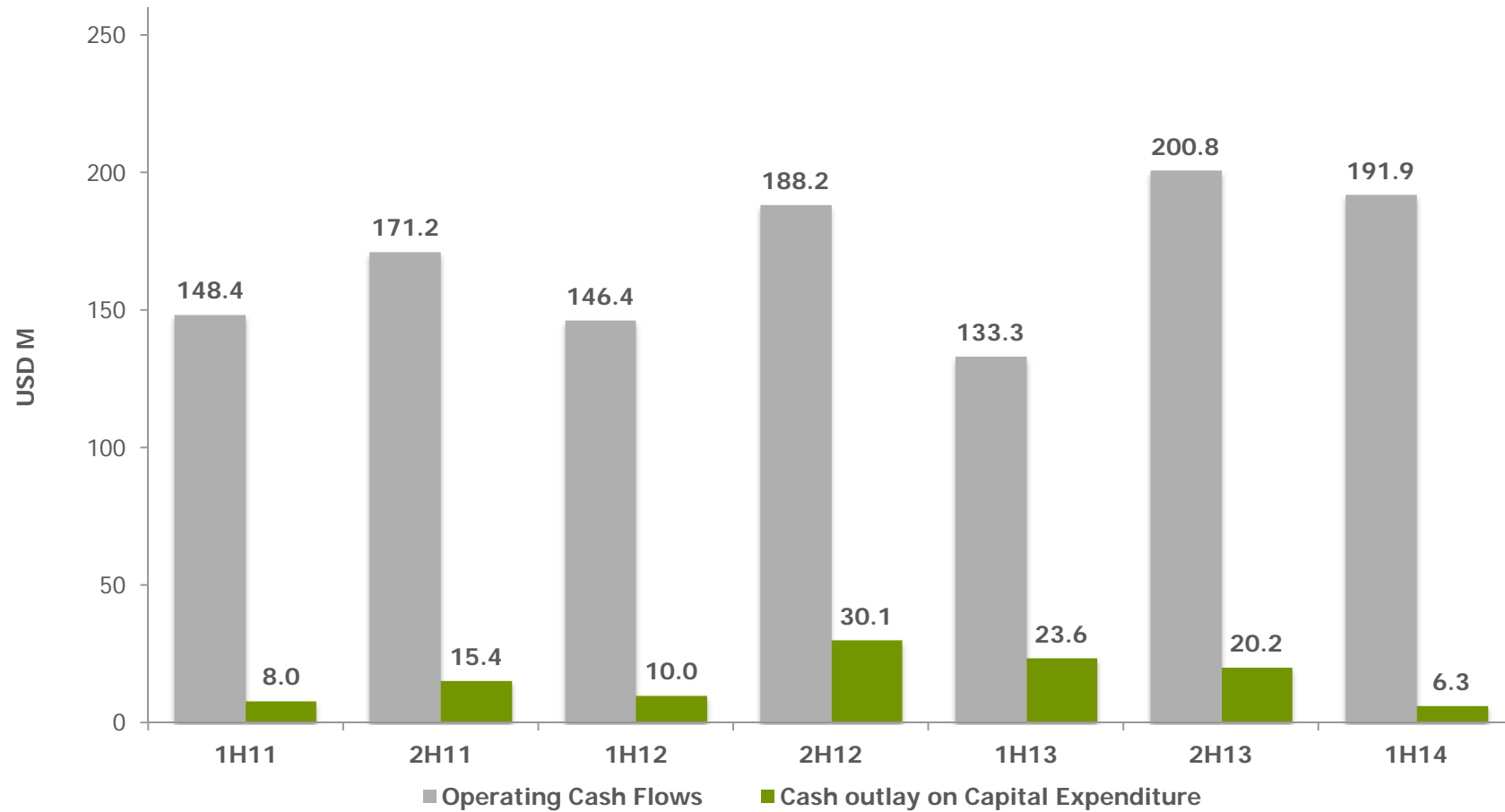
\* Corporate operating costs have been allocated and reported under the five main cost categories – cost of sales, personnel, occupancy, other direct and technology. Technology costs includes personnel, occupancy and other direct costs attributable to technology services.

# Technology Costs

## Continued Investment to Maintain Strategic Advantage



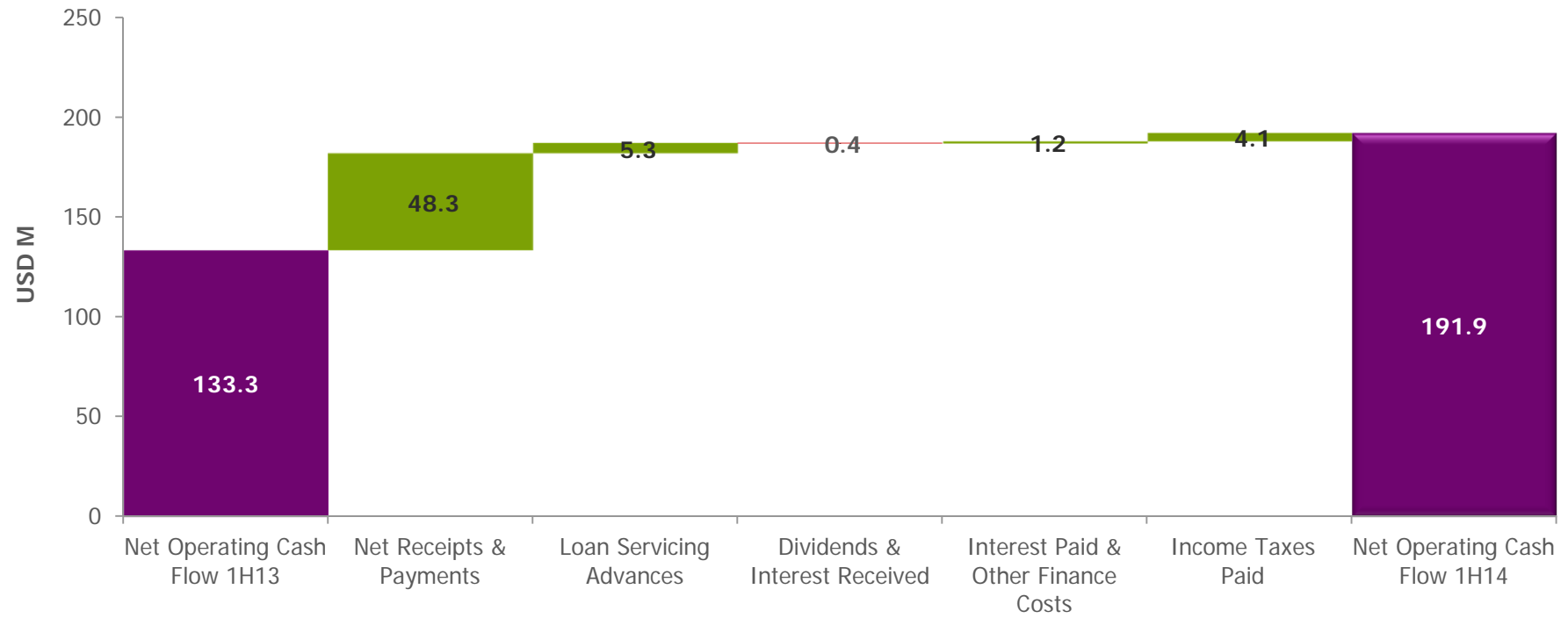
# Free Cash Flow



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



# 1H14 Operating Cash Flow Analysis



# Balance Sheet at 31 December 2013



	Dec-13 USD M	Jun-13 USD M	Variance Dec-13 to Jun-13
Current Assets	\$1,016.6	\$982.4	3.5%
Non Current Assets	\$2,671.3	\$2,636.5	1.3%
<b>Total Assets</b>	<b>\$3,687.8</b>	<b>\$3,618.9</b>	<b>1.9%</b>
Current Liabilities	\$608.4	\$501.3	21.4%
Non Current Liabilities	\$1,881.0	\$1,986.7	(5.3%)
<b>Total Liabilities</b>	<b>\$2,489.3</b>	<b>\$2,487.9</b>	<b>0.1%</b>
<b>Total Equity</b>	<b>\$1,198.5</b>	<b>\$1,130.9</b>	<b>6.0%</b>

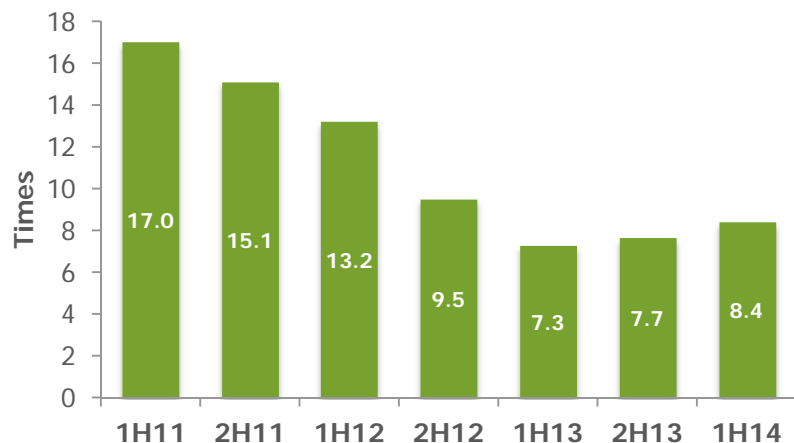
See CPU interim Financial Statements Appendix 4D as at 31 December 2013 for full details.

- > Current liabilities increased as the Loan Servicing borrowing facility became current.

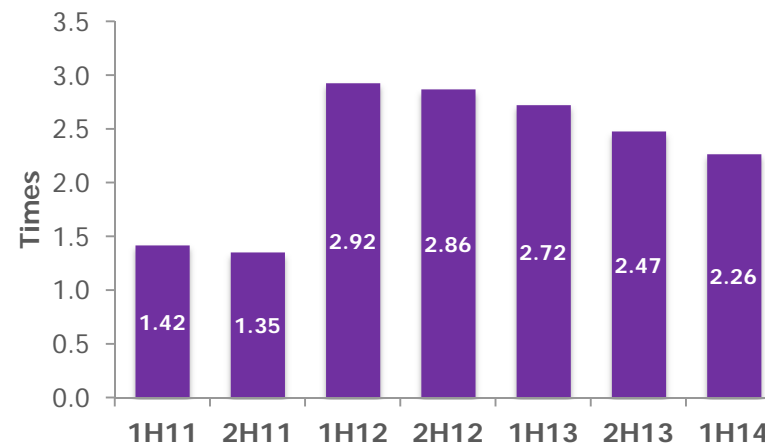
# Key Financial Ratios



### EBITDA Interest Coverage



### Net Financial Indebtedness to EBITDA



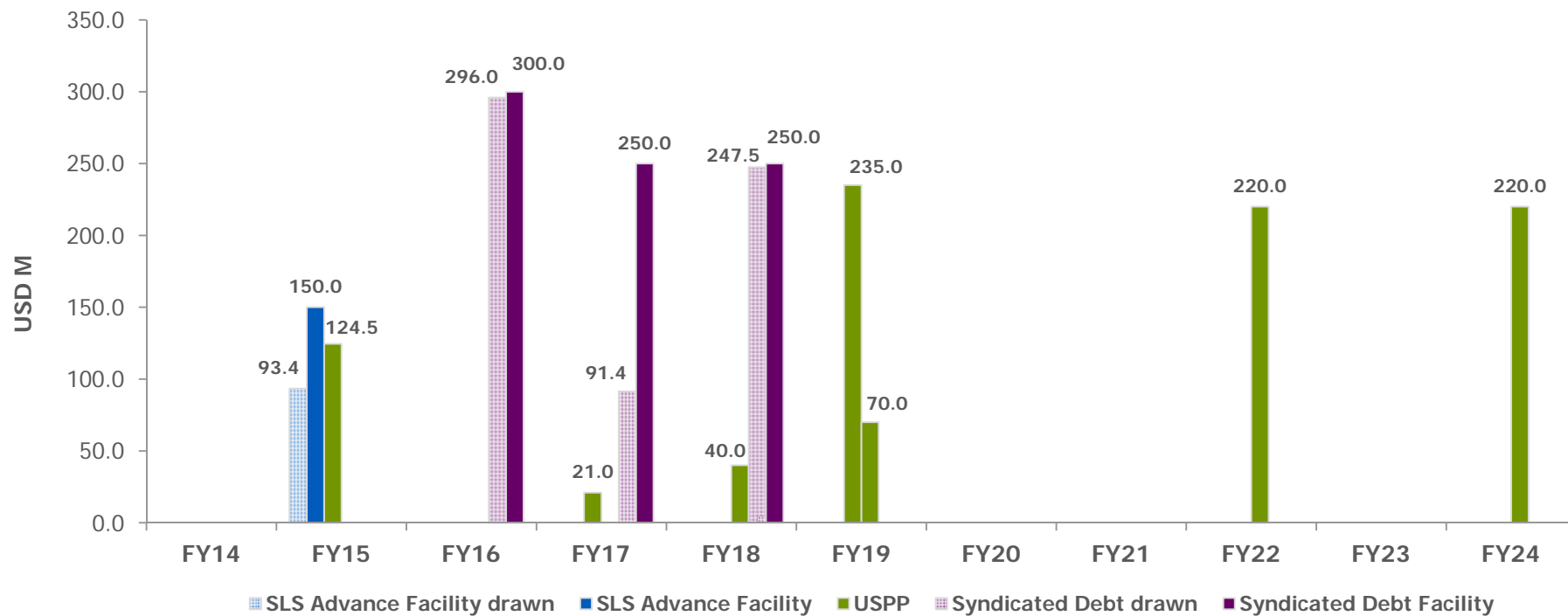
	Dec-13 USD M	Jun-13 USD M	Variance Dec-13 to Jun-13
Interest Bearing Liabilities	\$1,721.0	\$1,711.7	0.5%
Less Cash	(\$509.6)	(\$454.4)	12.1%
<b>Net Debt</b>	<b>\$1,211.4</b>	<b>\$1,257.3</b>	<b>(3.7%)</b>
Management EBITDA (rolling 12 months)	\$535.4	\$509.8	5.0%
<b>Net Financial Indebtedness to EBITDA</b>	<b>2.26 times</b>	<b>2.47 times</b>	<b>Down 0.21 times</b>

# Debt Facility Maturity Profile



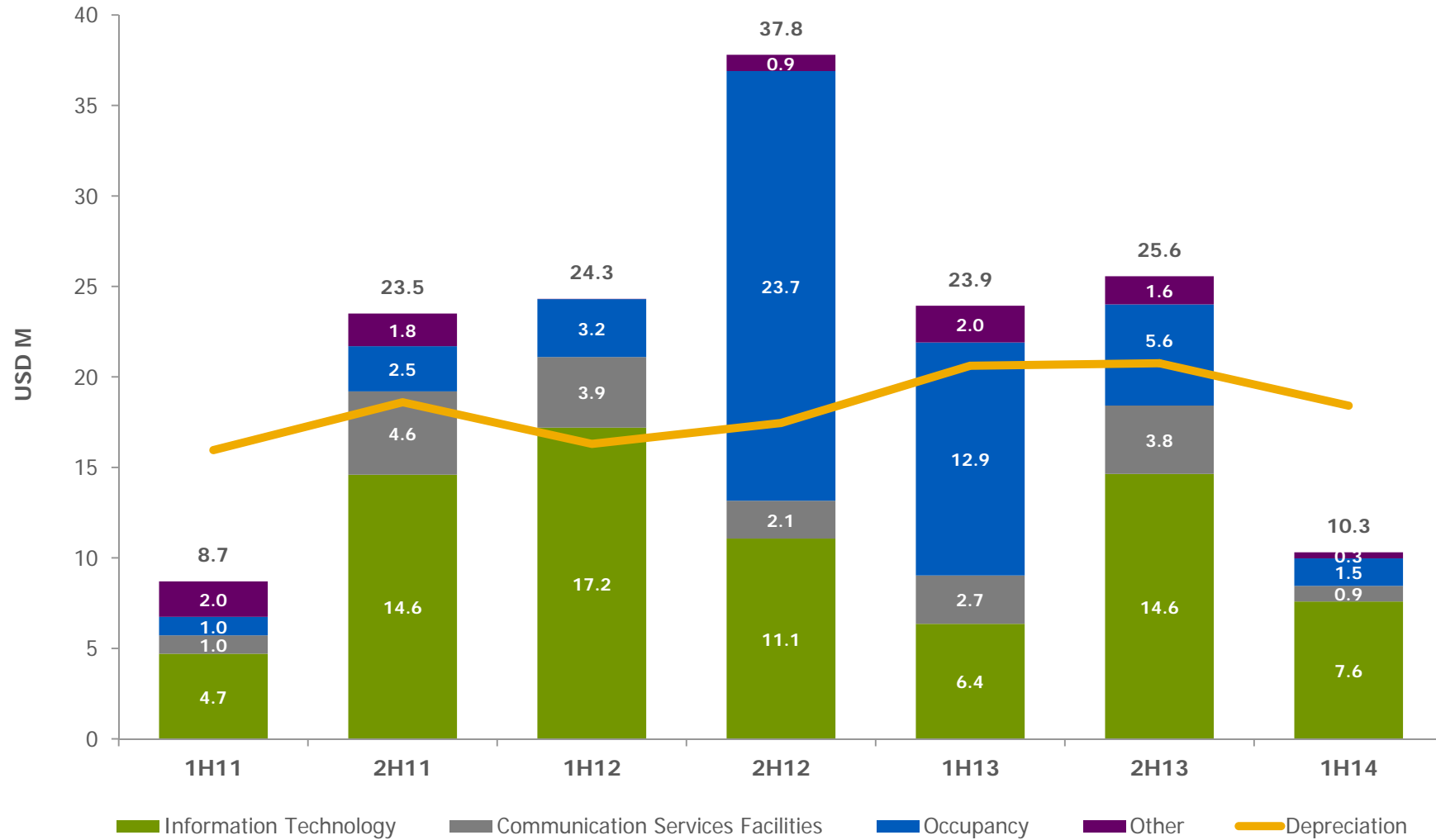
Financial Results

Maturity Dates USD M		Debt Drawn	Committed Debt Facilities	Bank Debt Facility	Private Placement Facility
<b>FY14</b>					
<b>FY15</b>	Dec-14	93.4	150.0		
	Mar-15	124.5	124.5		124.5
<b>FY16</b>	Oct-15	296.0	300.0	300.0	
<b>FY17</b>	Oct-16	91.4	250.0	250.0	
	Mar-17	21.0	21.0		21.0
<b>FY18</b>	Jul-17	247.5	250.0	250.0	
	Feb-18	40.0	40.0		40.0
<b>FY19</b>	Jul-18	235.0	235.0		235.0
	Feb-19	70.0	70.0		70.0
<b>FY22</b>	Feb-22	220.0	220.0		220.0
<b>FY24</b>	Feb-24	220.0	220.0		220.0
<b>TOTAL</b>		<b>1,658.8</b>	<b>1,880.5</b>	<b>800.0</b>	<b>930.5</b>



Note: Average debt facility maturity is 4.3 years as at 31-Dec-13.

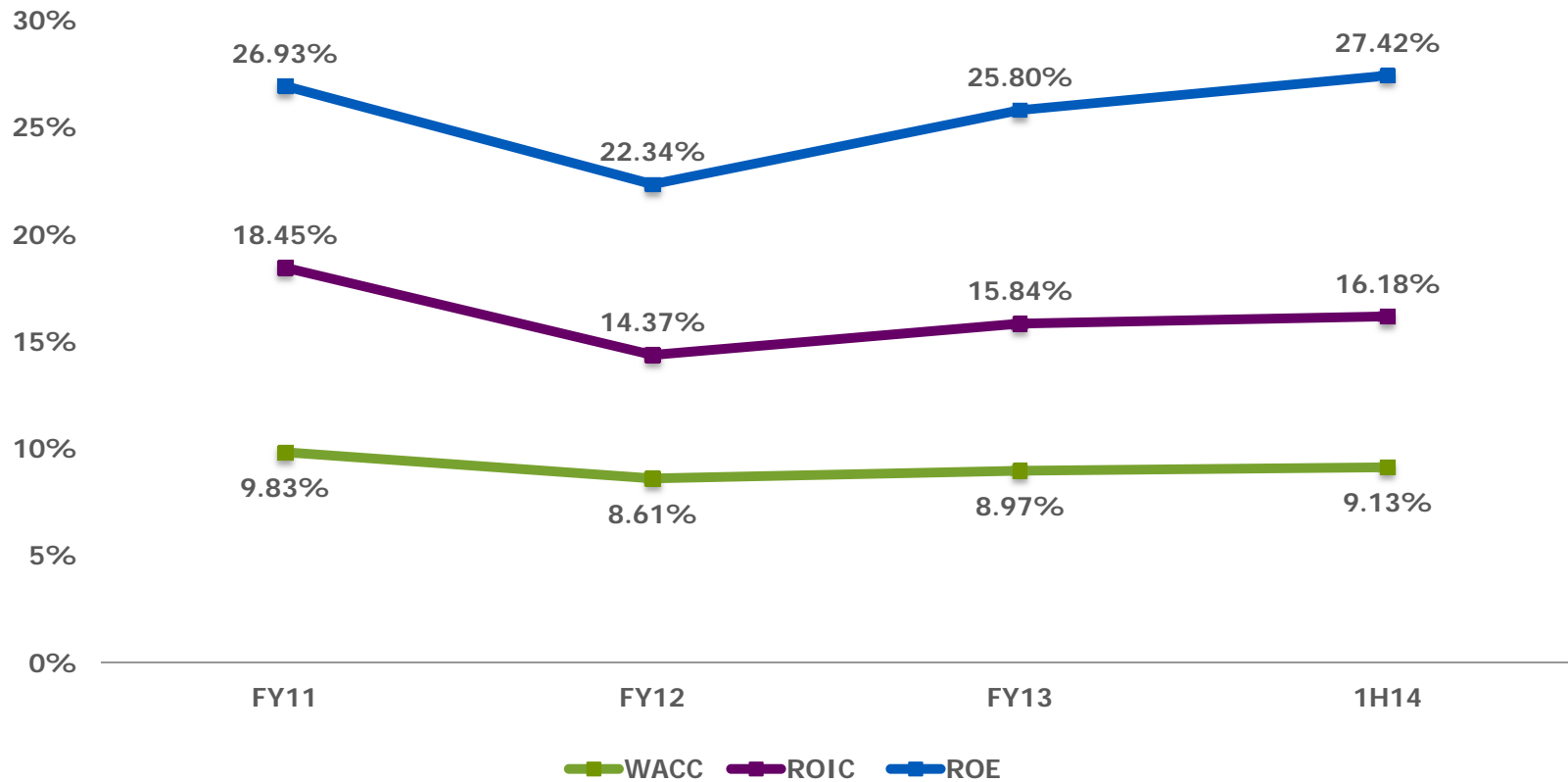
# Capital Expenditure vs. Depreciation



# Working Capital Management



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



•  $ROIC = \frac{\text{Mgt EBITDA less Depreciation less Income Tax expense}}{\text{Total Debt add Total Equity less Cash}}$ .

# Equity Management

## Interim Dividend of 14 cents (AU)



EPS - Statutory	US 25.07 cents
EPS - Management	US 29.41 cents
Interim Dividend	AU 14 cents (20% franked)
Current Yield*	2.5%

\* Based on 12 month dividend and share price of AU\$11.16 (close 10th Feb 2014).



## Financial Summary – Final Remarks

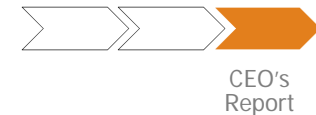


- › We continue to experience challenging trading conditions across many business lines.
- › However, ongoing disciplined expense and capital expenditure management continue to drive solid results and cash flow.
- › On track to deliver expected Shareowner Services synergies this year and other recent acquisitions are progressing positively.
- › The SLS and Serviceworks acquisitions continue to perform well albeit there are some short term challenges with both.
- › The Australian Fund Services business was disposed in 1H14, and we continue to review non-core and underperforming assets across the group.
- › Maintained strong and conservative balance sheet. DRP adds further flexibility to our funding options.
- › Interim dividend unchanged at AUD 14 cents per share, franked to 20%.



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 the heavy integration lifting on the Shareowner Services acquisition is done, we will continue to track and report synergy realisation until the end of this financial year.

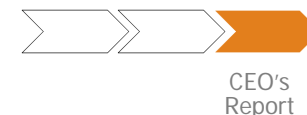
Nonetheless, our priorities are moving from executing on past transactions to the two things that will best assure our future:

- › protecting profitability in our mature businesses; and
- › driving growth in businesses that offer that potential, such as Loan Servicing, Utility Back Office Services and Share Plan administration.

We have recently given priority to simplifying the range of businesses we undertake. While this will be an on-going task, we hope that the prioritised “clean up” will be finalised over the next little while.

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 off-shore operations capabilities have started to bring meaningful quality benefits and savings across the legacy US Transfer Agency client base, and 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.

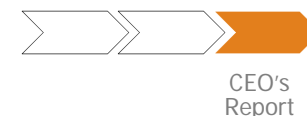
There are likely to remain some opportunities to commit capital to grow current business lines, either bolt on or in new jurisdictions. But probably not in the number or size we have seen historically.

We have previously pointed out that Loan Servicing business raises different issues. Here the challenge is to access the working capital needed to grow quickly without diluting returns.

We have undertaken a meaningful transaction with a financial partner based around specific asset groups. These are achieving very satisfactory returns. But their contribution will be offset to some extent by the loss of some “non-sticky” sub-servicing work and reduced revenues from changes to the way we deal with forced place insurance.

We continue to be very excited about the potential offered by a range of asset specific and broader financing partnerships, which we believe will continue to allow us to commit capital to building the loan servicing book at very satisfactory returns.

# Acquisitions update – Shareowner Services

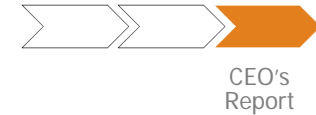


- › Synergy realisation continues to track in line with expectation.
- › At 31 Dec 2013, 51% of the FY14 synergies have been achieved.

Cumulative Cost Synergies (USD M)		
Expected realisation of synergies	At 30 June 2013	Update at 31 Dec 2013
FY12	\$9.3	\$9.3
FY13	\$35.2	\$35.2
FY14	\$77.3	<b>\$76.2</b>
FY15	\$79.9	\$79.9

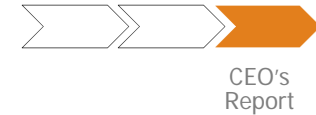
Cost to Realise Synergies (USD M)	
Previous estimate (Jun-13)	\$57.5
<b>Current estimate</b>	<b>\$57.5</b>
Spent to date	\$47.2
Expected to come	\$10.3

## USA Update



- › US interest rates remain low and merger and acquisition activity remains slow, but shareholder trading increased late in 2013 in line with the stock market. We are getting traction with new offerings to our clients and our shareholders.
- › Client retention remains strong in Transfer Agency and Employee Plans, with an upward trend in new business wins.
- › Synergies from the Shareowner Services integration continue to accrue with the rollout of the global service model.
- › Corporate proxy activity has picked up slightly, but mutual funds remains slow.
- › Communication Services continues to grow in both core and non-core businesses, including progress on our integrated offer with INVeSHARE.
- › The integration of the Loan Servicing business continues. On the revenue side, good new business wins will be offset going forward by some sub-servicing work moving with MSR trades, and changes to forced place insurance arrangements.
- › The Class Action business is doing better but that is unfortunately more than offset by very low levels of bankruptcy and restructuring activity.

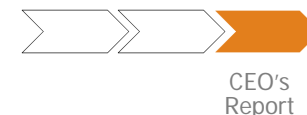
## Canada Update



- › Corporate Trust debt under administration continues to grow. Major client contract renewals also provide a strong platform going forward. There is also encouraging revenue growth from structured finance and custody.
- › In the Transfer Agency business, deal flow remains soft with IPO activity down 40% year on year. The market for Transfer Agency services remains highly competitive, characterised by aggressive pricing. In these circumstances, client retention continues to be the key priority, along with ongoing focus on cross and upselling Computershare products across the client base.
- › Expansion of offshore operational activities (both transaction types and clients covered) continues.
- › The Olympia integration underway and proceeding well.
- › Plan Managers continued to perform well, with the successful launch of the stock options platform built for the Shareowner Services book, and strong client wins.
- › In Communication Services, commercial revenue growth is being more than offset by the negative effect of the new Canadian notice and access regime.

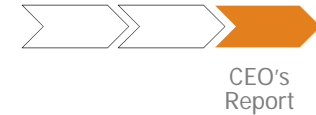


## UCIA Update



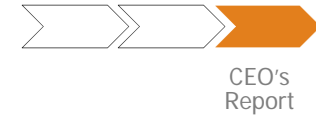
- › The integration of the Morgan Stanley Global Stock Plan business acquired last year is progressing well and new extended contracts have been agreed with key clients. Improved market conditions in late 2013 translated into good transactional volumes and we are seeing more new equity plan offers amongst existing clients.
- › There has been an upturn in IPO and general corporate activity in UK, Ireland and Jersey. The Vodafone return to shareholders following its transaction with Verizon is due to complete in the next month or two and may trigger further general market activity.
- › We acquired kidsunlimited's childcare voucher book in November. The integration is progressing to plan. A key element of the transaction is a strategic partnership with Bright Horizons for exclusive introduction of parents to the new Tax-free Childcare Scheme due to launch in Autumn 2015.
- › Continuing growth in the Deposit Protection Scheme deposit pools reflects a buoyant UK rental housing sector.
- › The interest rate environment remains challenging despite an improving UK economy.

## Continental Europe Update



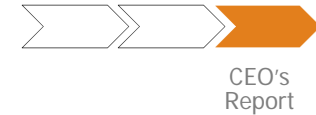
- › Whilst the larger European markets remain flat, there is an increase in IPO activity in the smaller markets like Denmark, Sweden and the Netherlands.
- › Our Danish business continued to increase its market share by winning clients from the competition and also picking up some interesting IPO mandates.
- › The Italian registry and meeting business could not match last year's numbers due to lower corporate action volumes. The Continental European team worked with other regions and the global capital markets group to support the merger of FIAT Industrial and CNH (USA) in four jurisdictions (US, ITA, NL, UK).
- › The technology and operational integration of St. Petersburg based registry business Ediny has been completed. CPU Russia successfully launched new depository services to round out our service portfolio, especially for mutual funds.
- › The German issuer services business continues to grow organically and won some meaningful mandates following IPOs in early 2013.
- › Whilst the outcome of major European market infrastructure initiatives is still uncertain, we continue to look for growth opportunities flowing from them.

## Asia Update



- › IPO volumes in HK seem to be recovering and we expect reasonable activity levels for the rest of the fiscal year.
- › We are also seeing an increased number of EGMs and related corporate actions from M&A and corporate restructuring. This has also helped our proxy solicitation business in HK/China.
- › Growth in the employee share plan business remains robust.
- › Our Japanese shareholder ID JV has somewhat recovered from recent lows.
- › The Indian IPO market has remained quiet while corporate restructuring has brought forth some major corporate actions. Performance of the Mutual Fund administration business fluctuates with the Indian market.
- › Karvy Computershare is an important part of the build out of our off-shore data capture capacity.

# Australia & New Zealand Update



- › Our Australian Investor Services business maintained its market leading position and a number of key clients were recontracted.
- › We have recently undertaken a number of important corporate actions including work for Wesfarmers, NAB, IAG, News and Macquarie. We were also appointed to provide services for a number of IPOs.
- › Communication Services continues to build on inbound and outbound opportunities in the commercial market.
- › Another solid period by Plan Managers including a successful tax statement season, the winning of new clients and the renewal of many others.
- › The NZ Investor Services business had an excellent 6 months, the highlight being our work on the Meridian Energy IPO.
- › Utility Back Office Services continued expanding its client base and achieving operational efficiencies. However, the business's major client APG will exit this half following its takeover by AGL.
- › We sold the Australian Fund services business to OneVue in September 2013.

# Computershare Limited

## Half Year Results 2014 Presentation

Stuart Crosby  
Mark Davis

12 February 2014

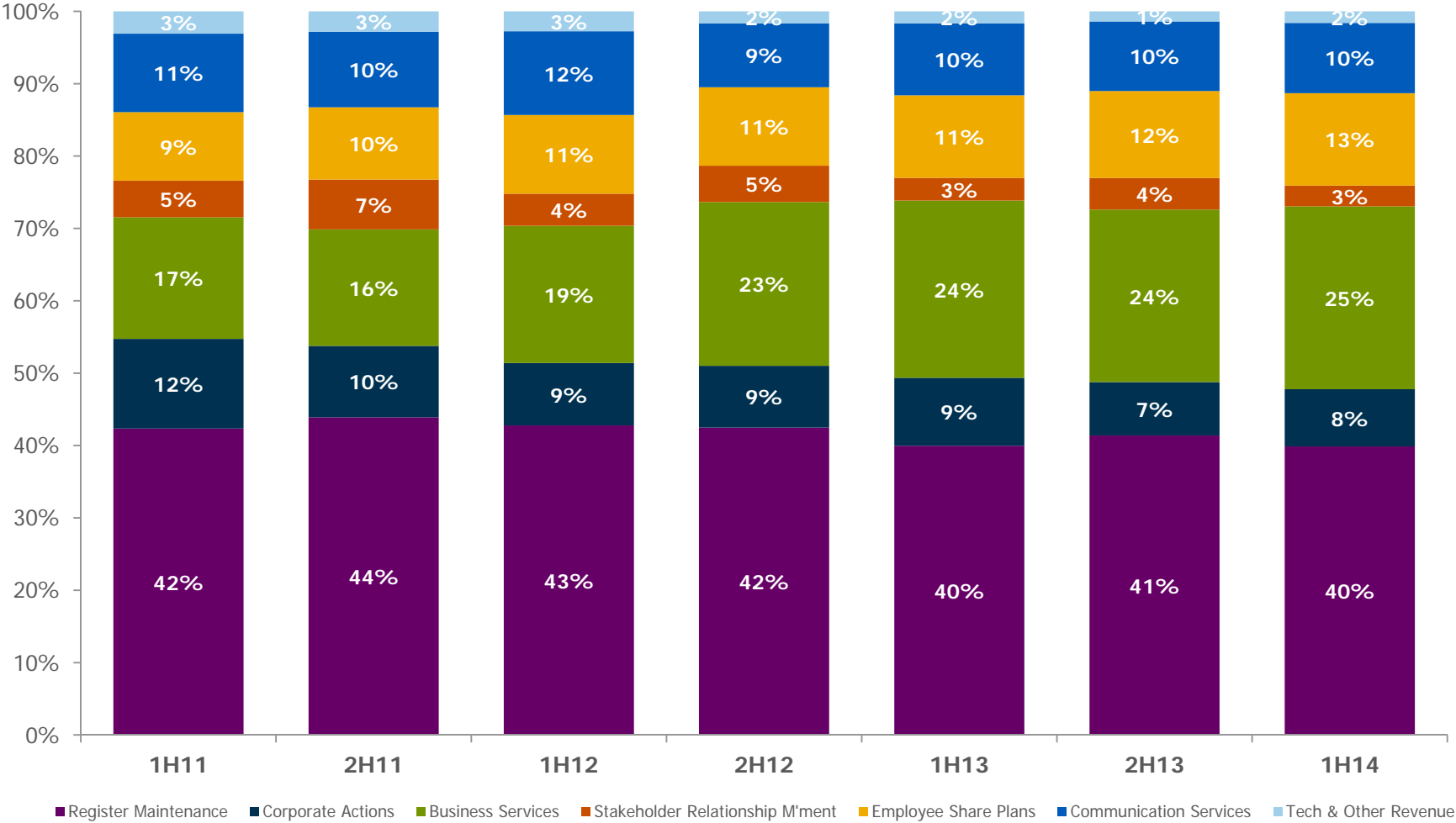


# **Appendix: Half Year Results 2014 Presentation**

**12 February 2014**

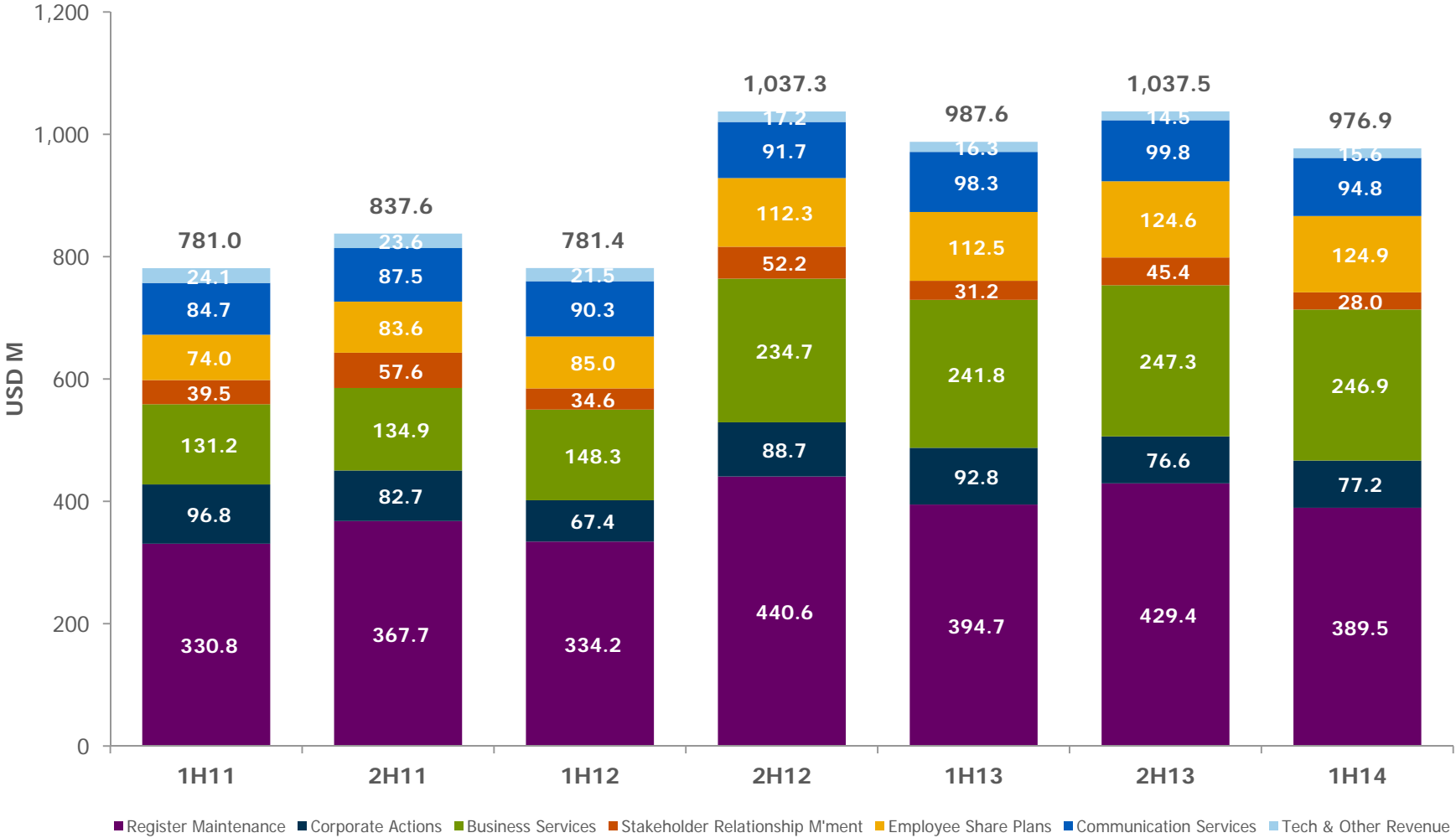
# Group Comparisons

# Management Revenue Half Year Comparisons

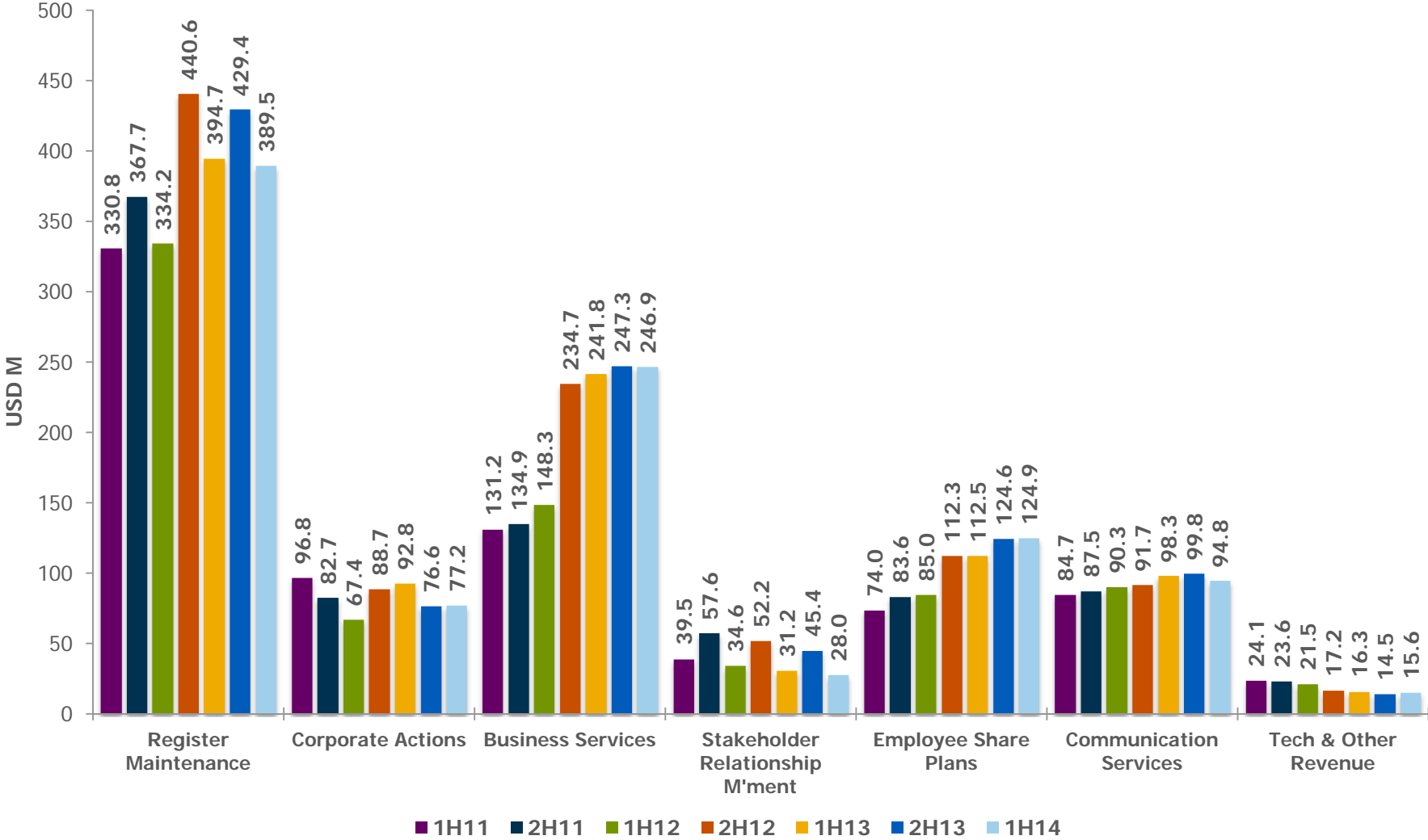




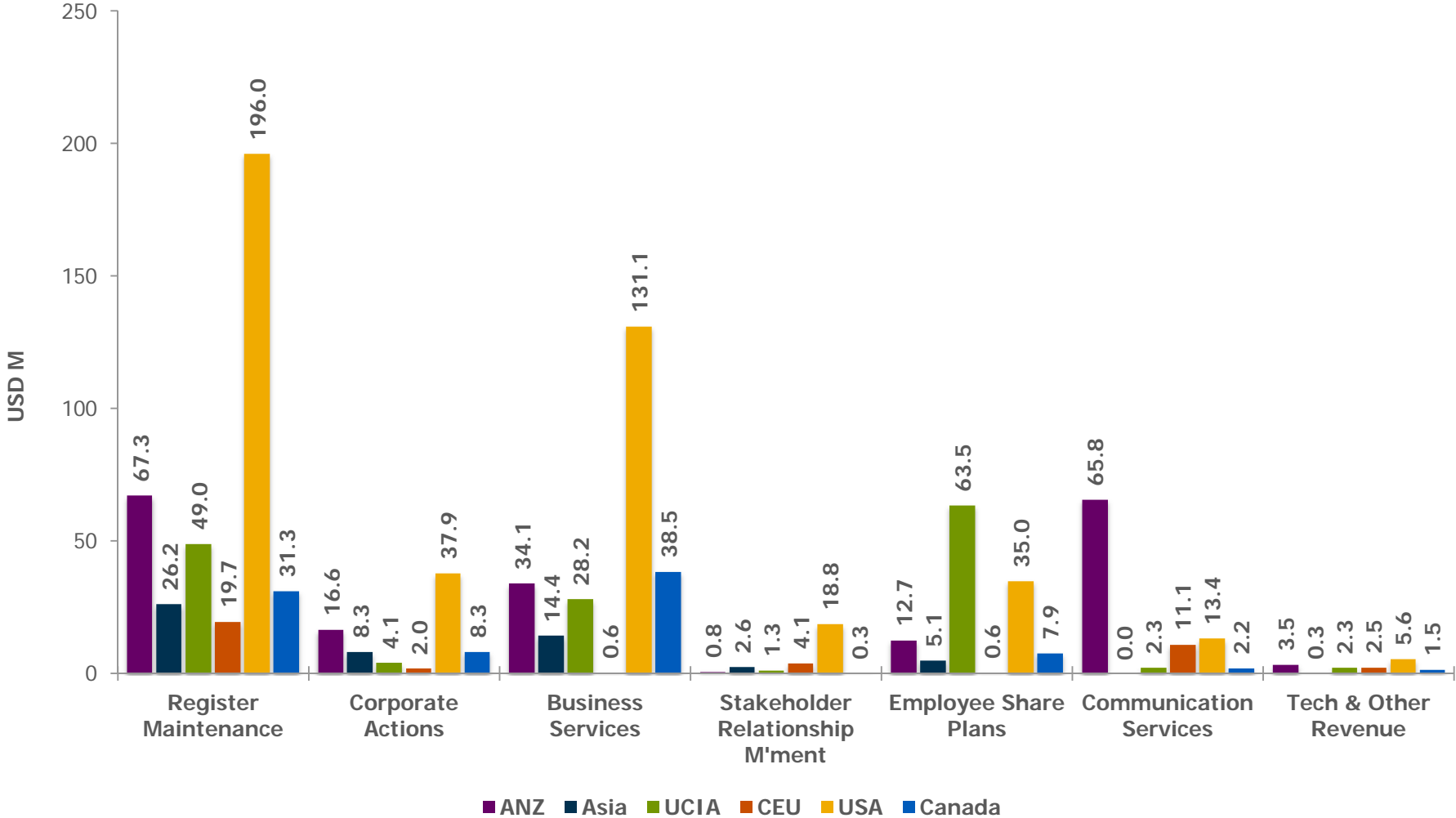
# Management Revenue by Product Half Year Comparisons



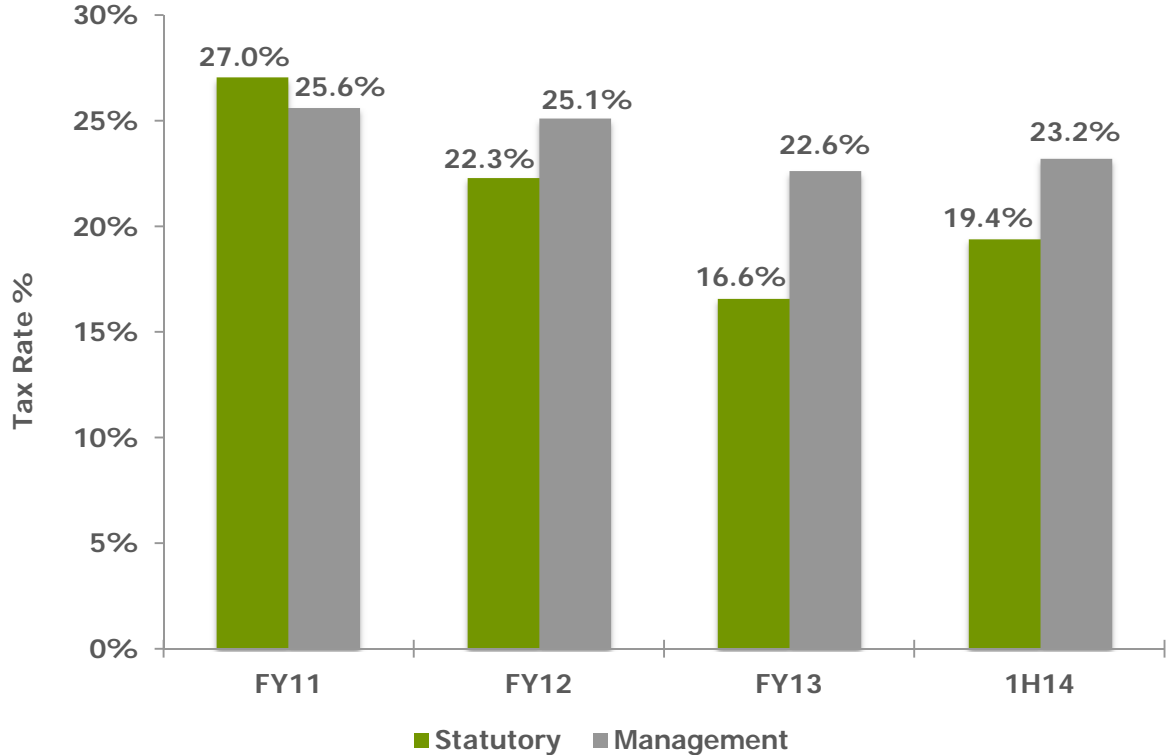
# Management Revenue Half Year Comparisons



# 1H14 Management Revenue Regional Analysis



# Effective Tax Rate Statutory & Management



The Group's effective statutory tax rate is 19.4% for the half year ended 31 December 2013. The Group's effective statutory tax rate for the comparative prior period was -2.5%.

In FY13, the US was in a tax loss position due to the full year impact of increased deductible interest expense, intangible asset amortisation and integration costs as a result of its major acquisitions (which were debt funded) during FY12.

Those businesses are now fully integrated and the increase in the group's Statutory ETR reflects the contribution of taxable US profits in 1H14 vs. 1H13.

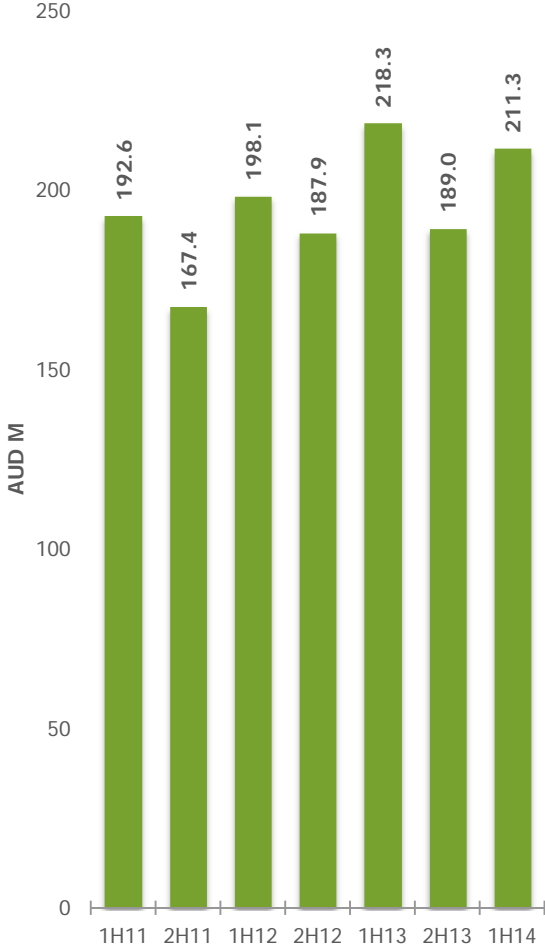
# Country Summaries

# Australia Half Year Comparison

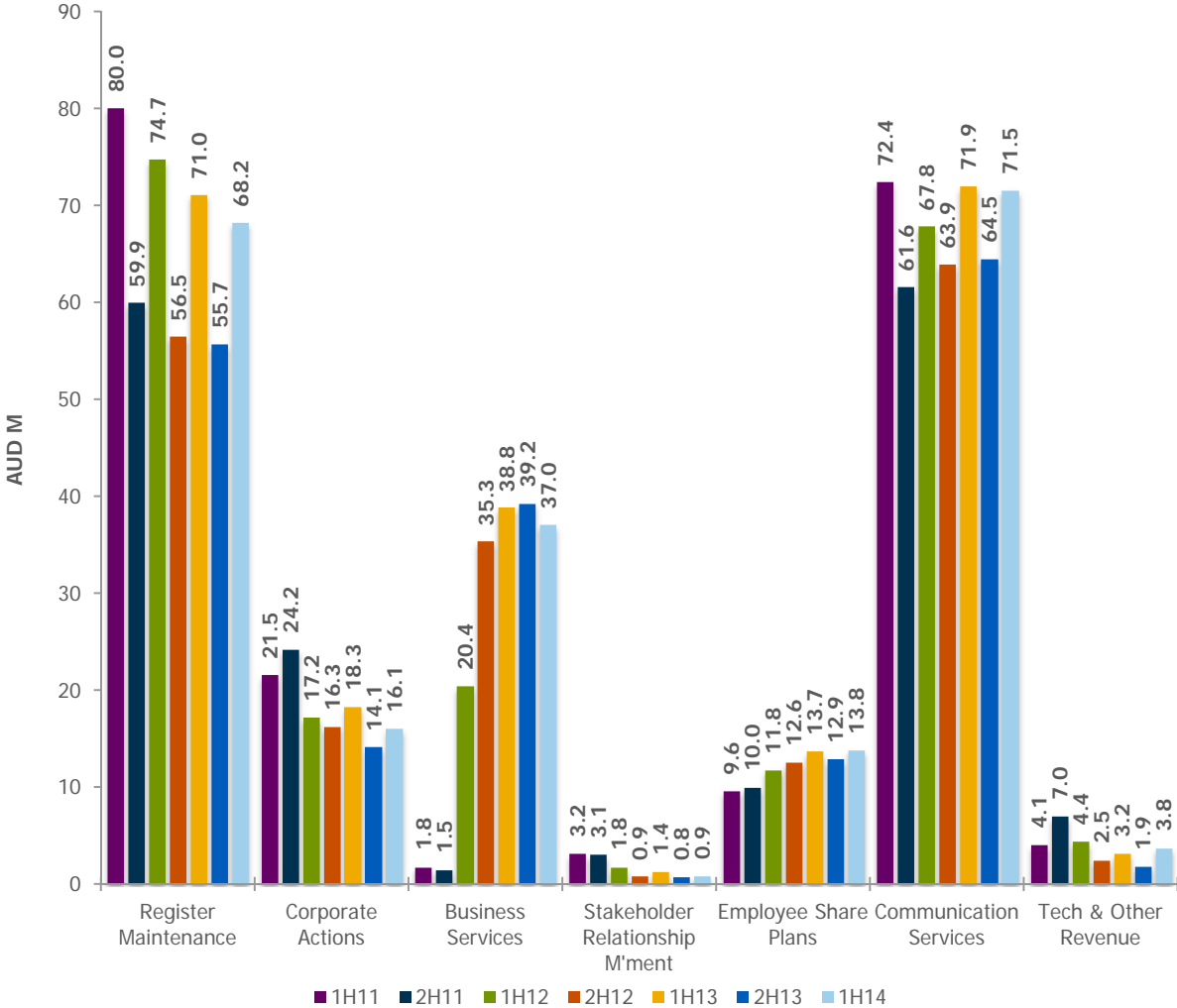


Financial  
Results

Total Revenue



Revenue Breakdown



# Hong Kong Half Year Comparison

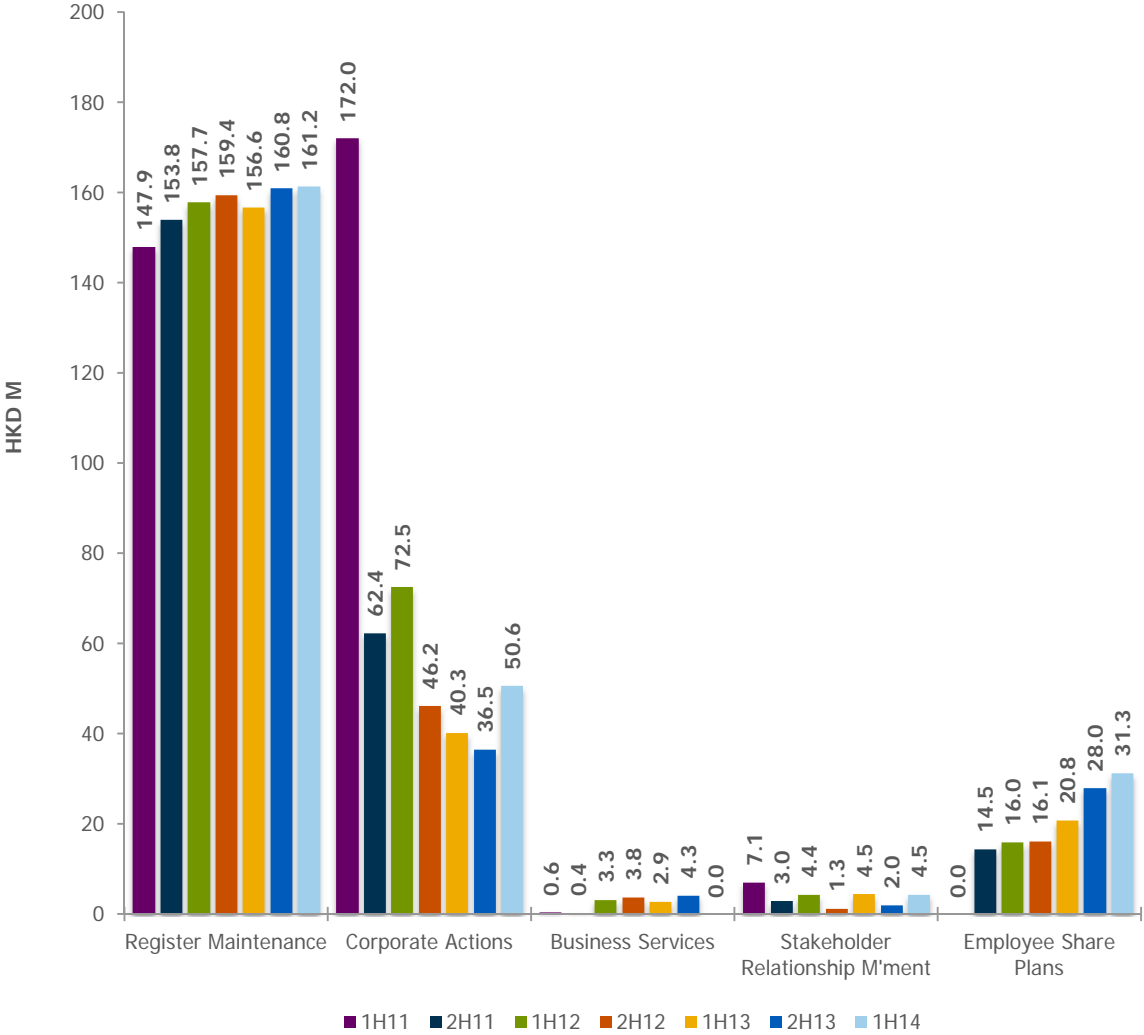


Financial  
Results

Total Revenue



Revenue Breakdown

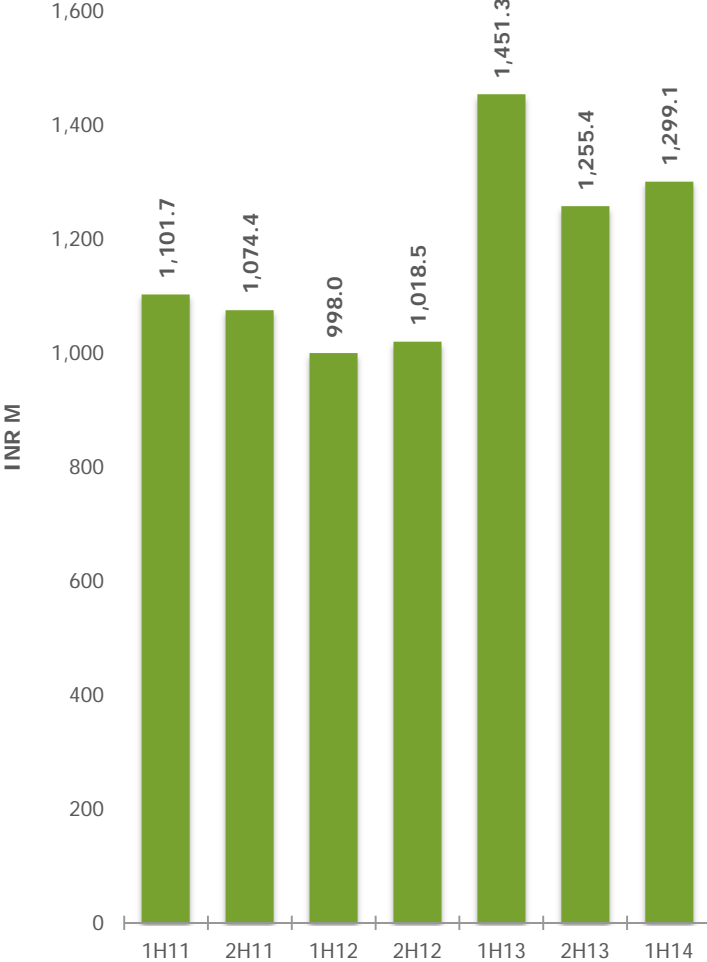


# India Half Year Comparison

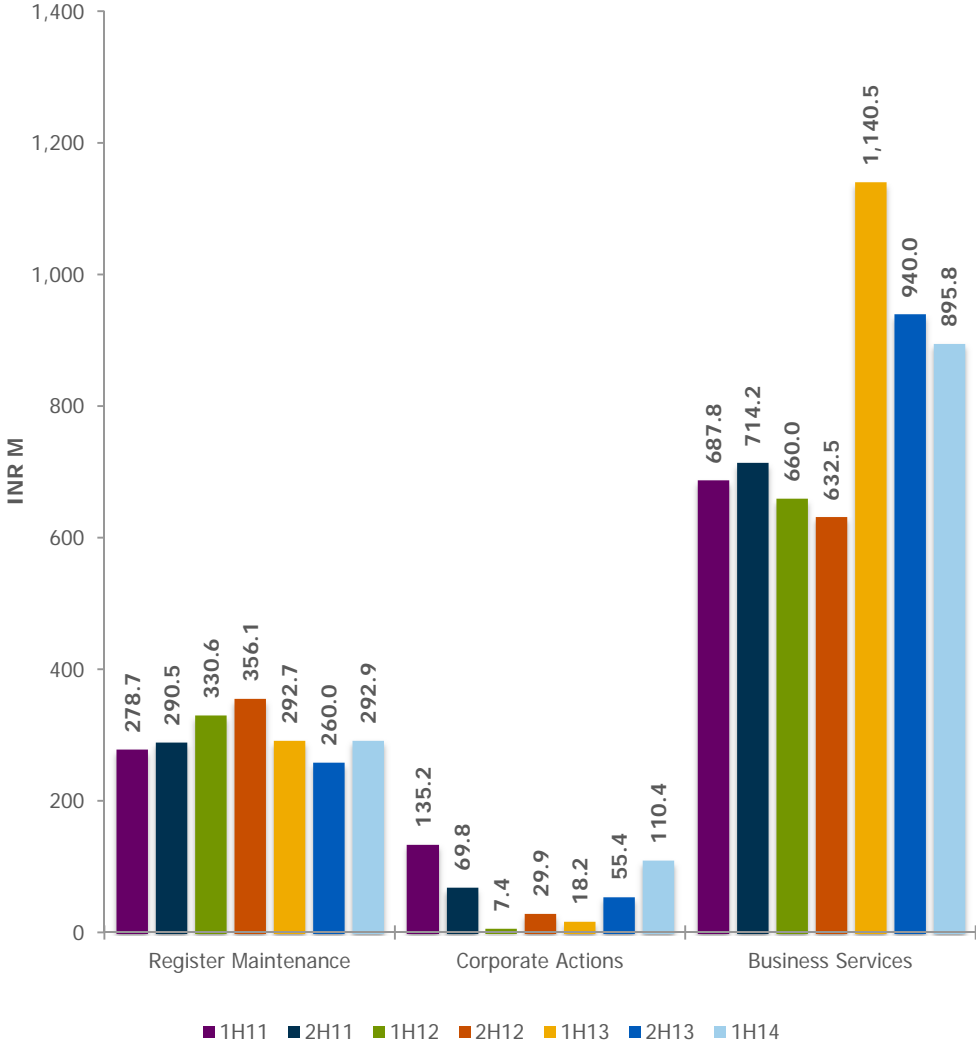


Financial  
Results

Total Revenue



Revenue Breakdown



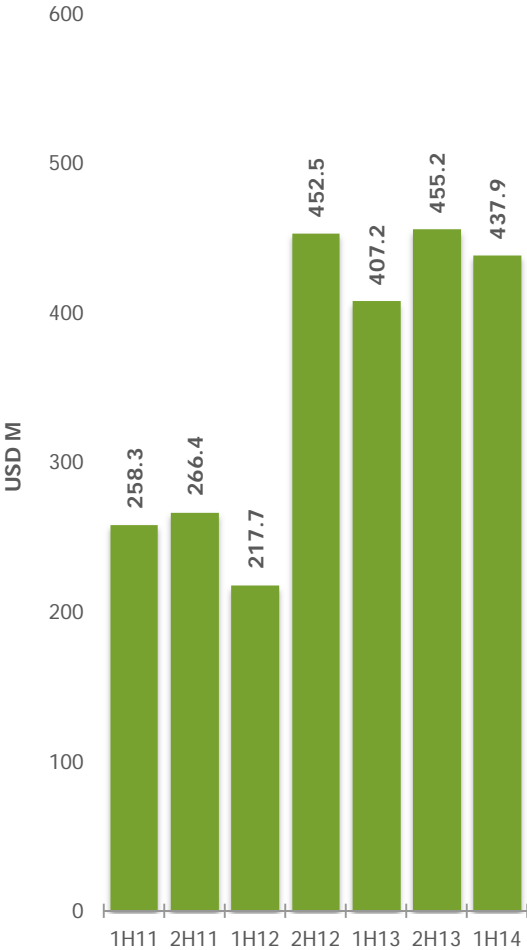


# United States Half Year Comparison

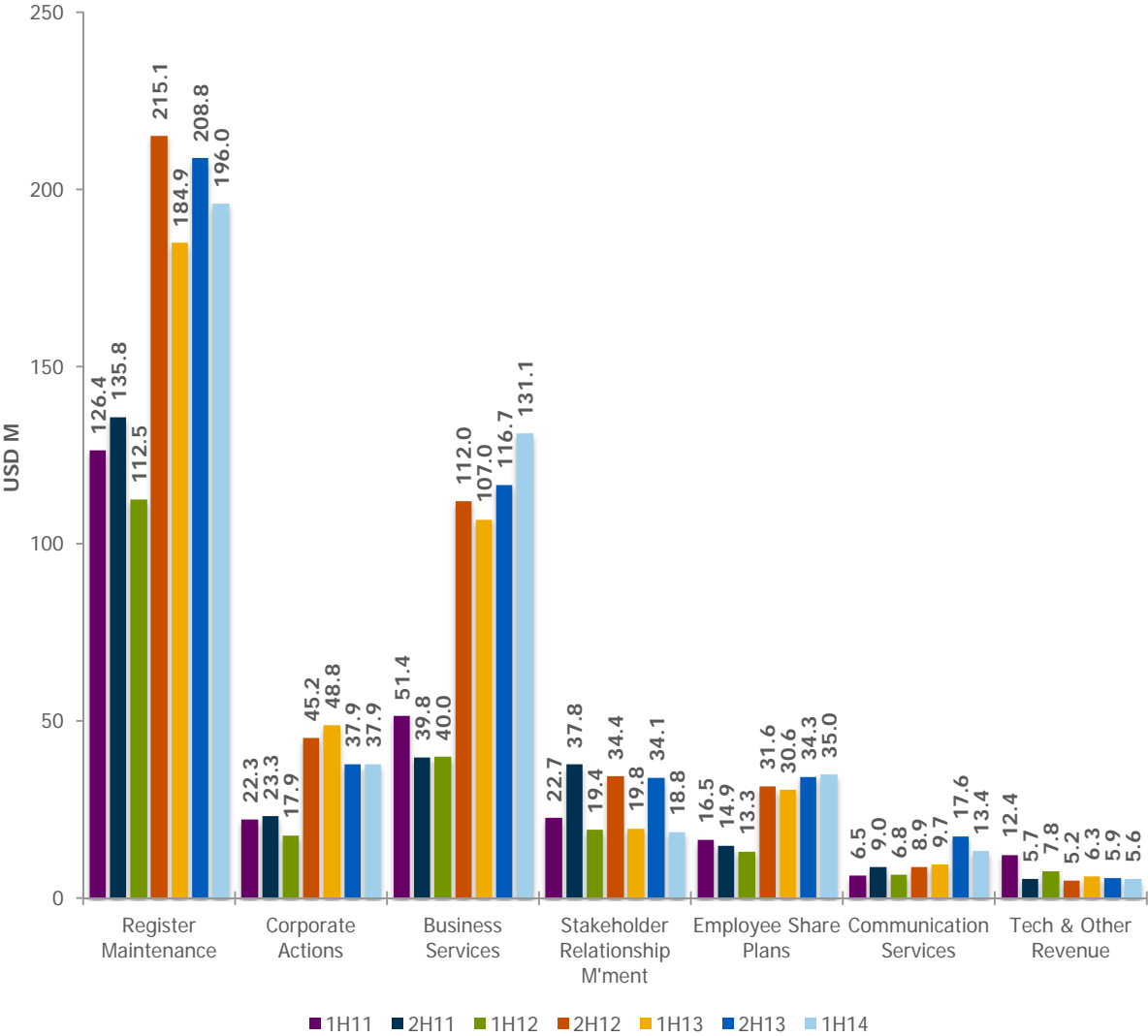


Financial  
Results

Total Revenue



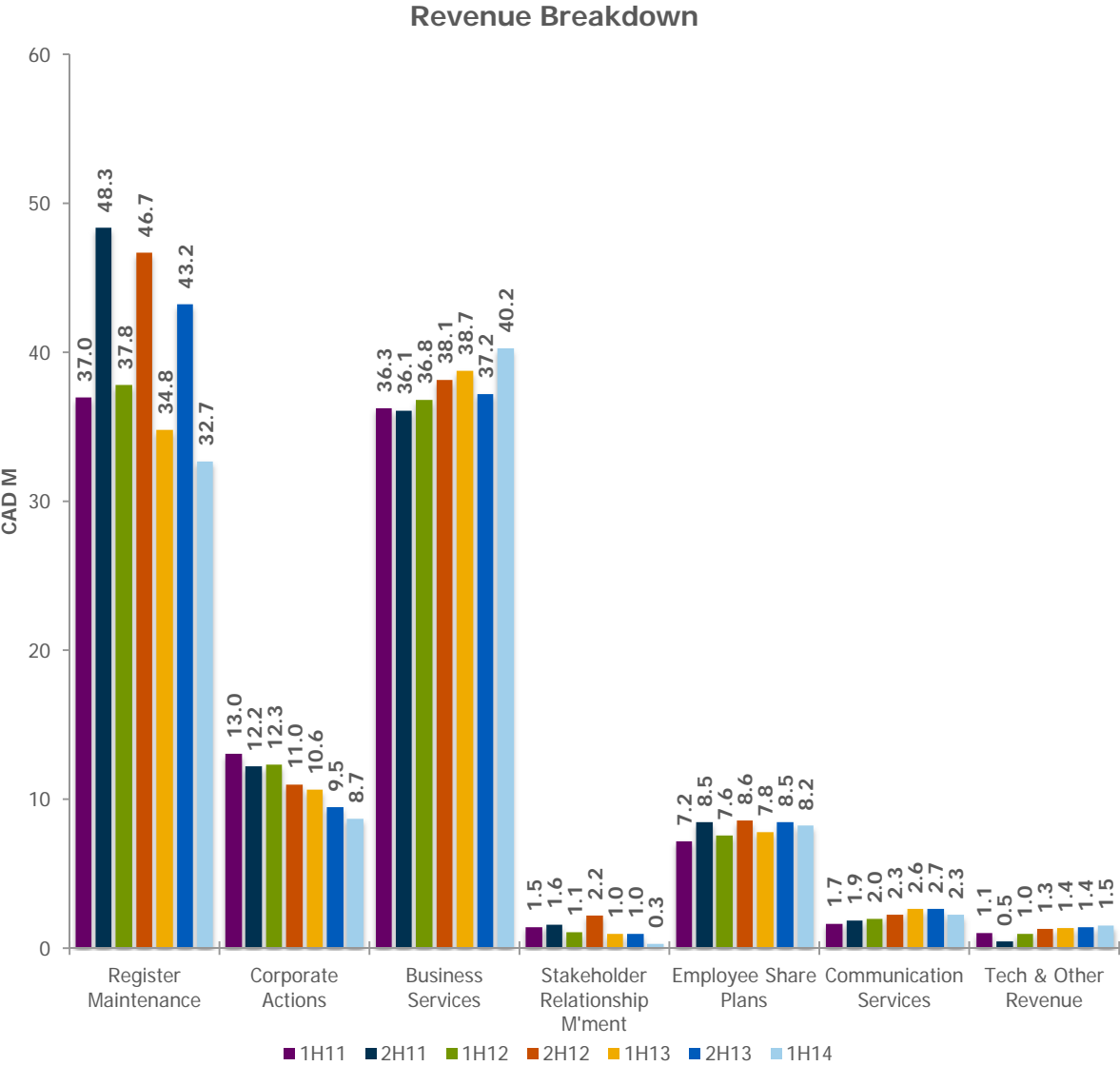
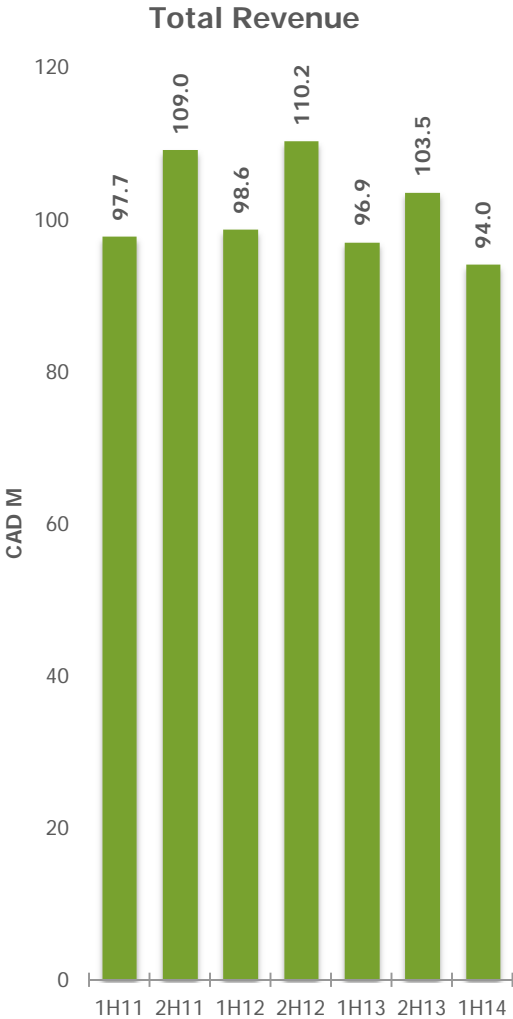
Revenue Breakdown



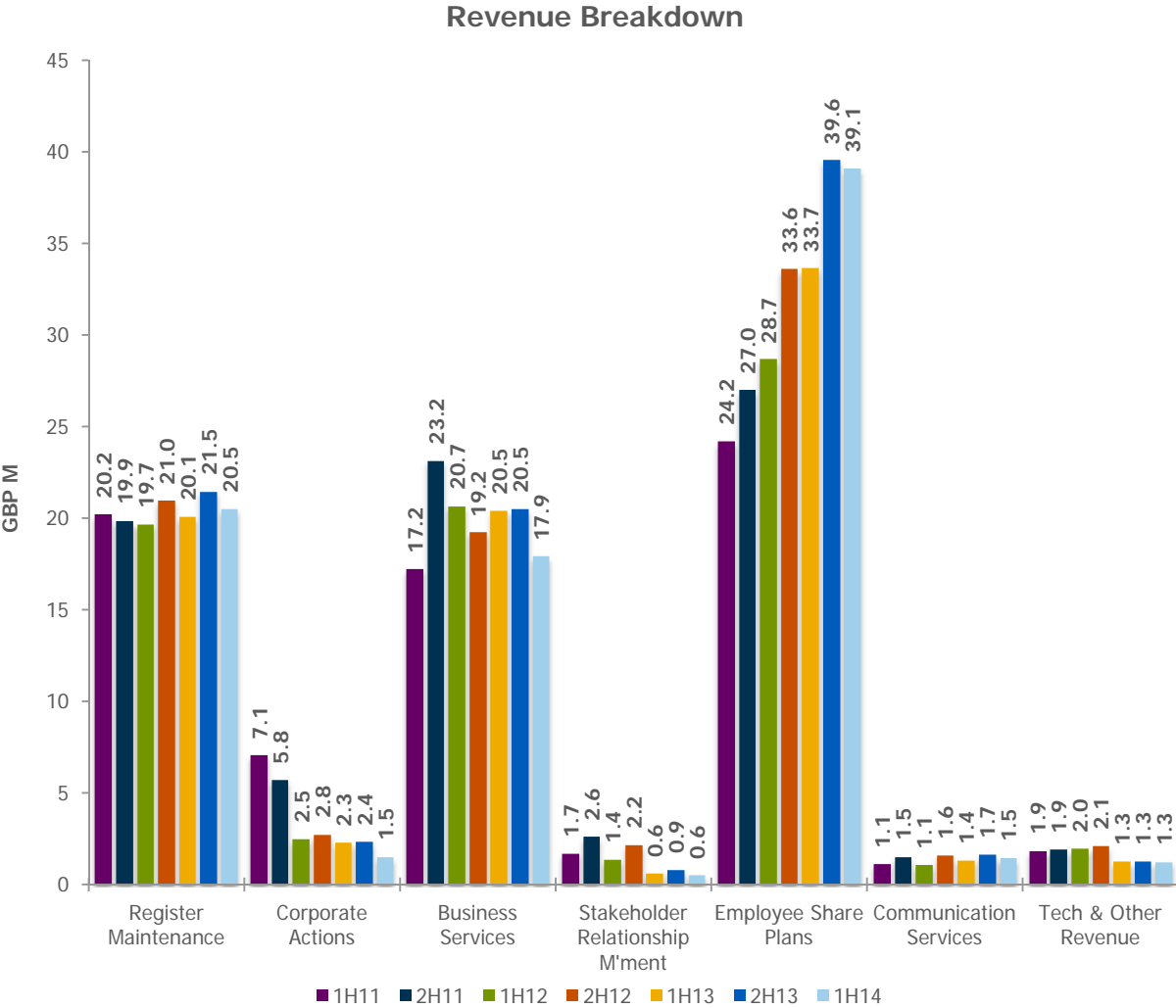
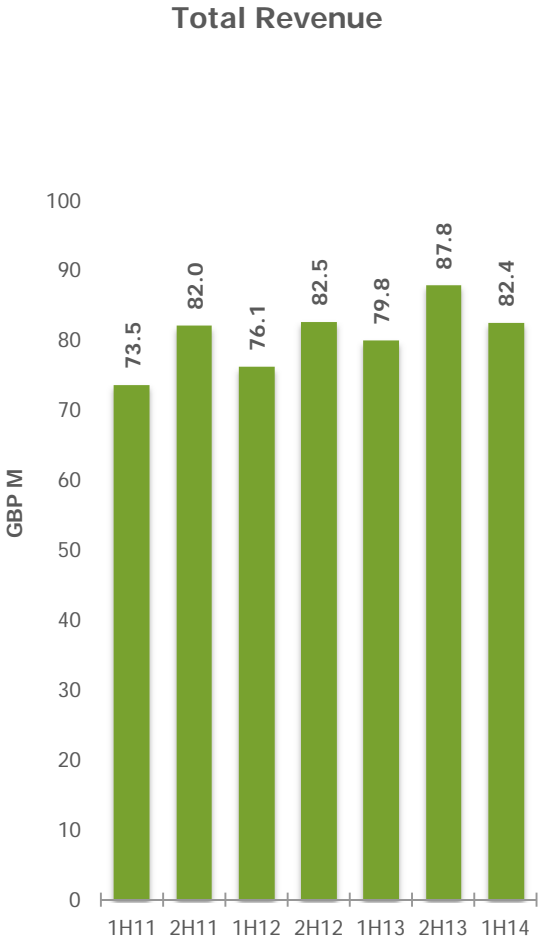
# Canada Half Year Comparison



Financial  
Results



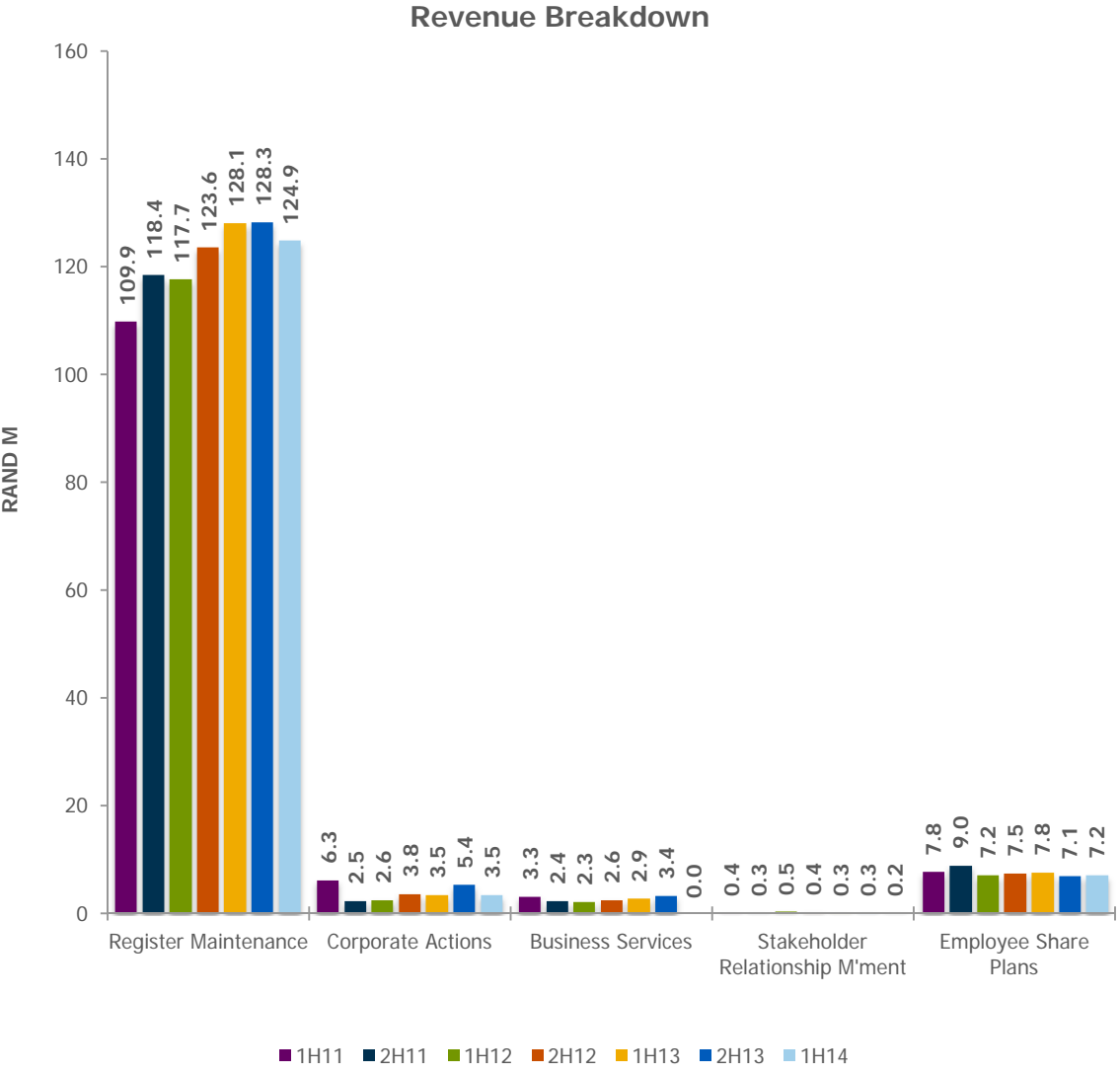
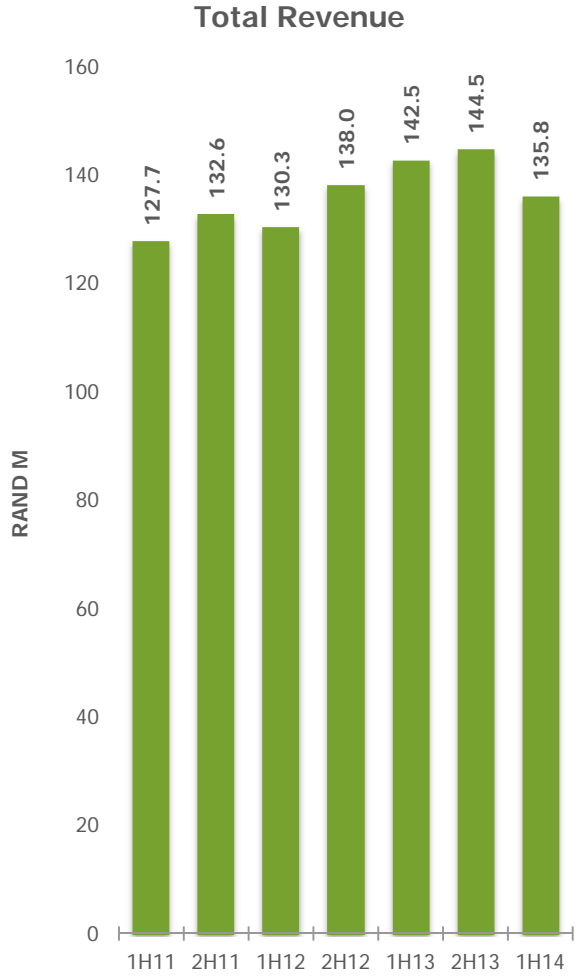
# United Kingdom & Channel Islands Half Year Comparison



# South Africa Half Year Comparison



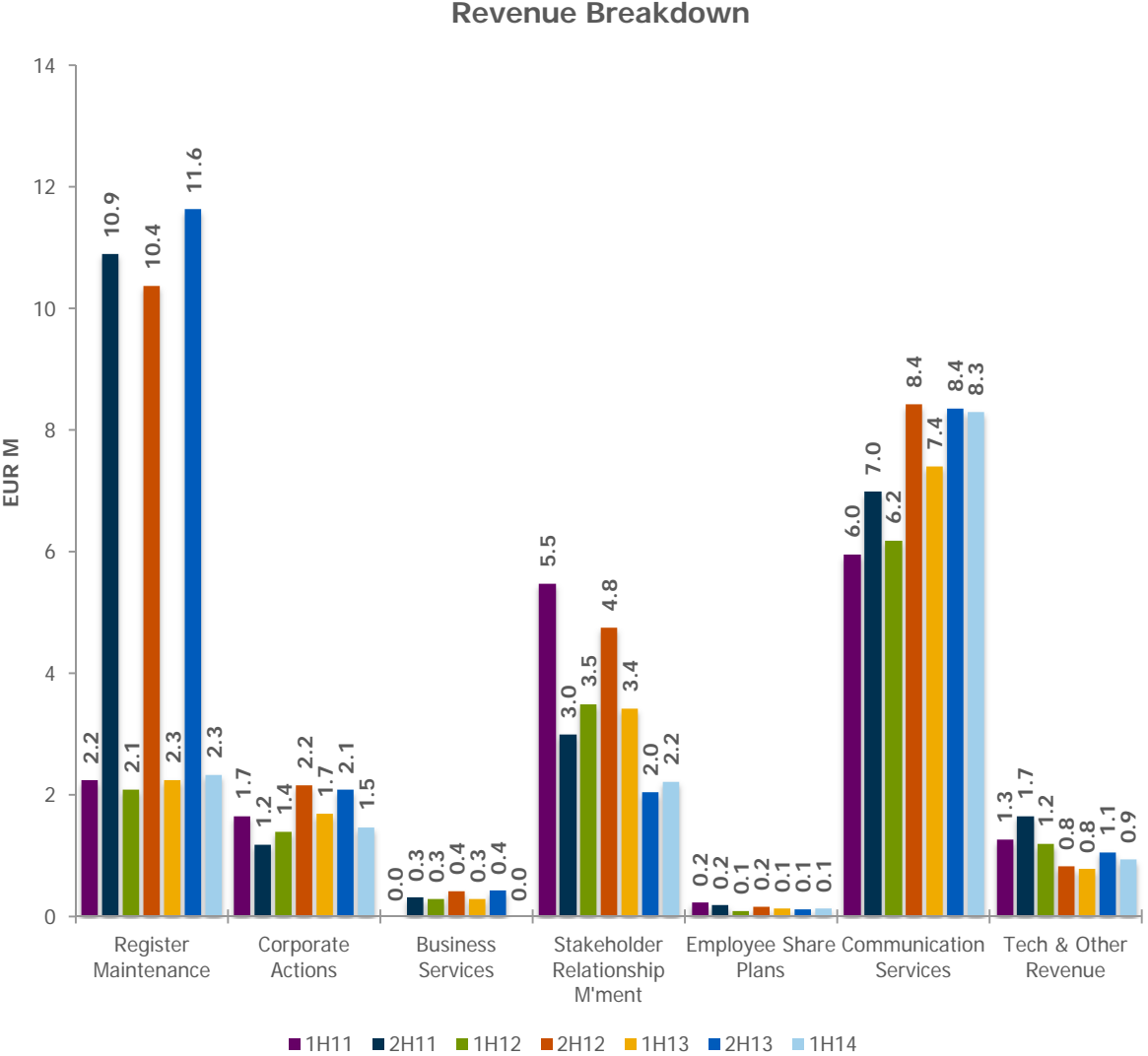
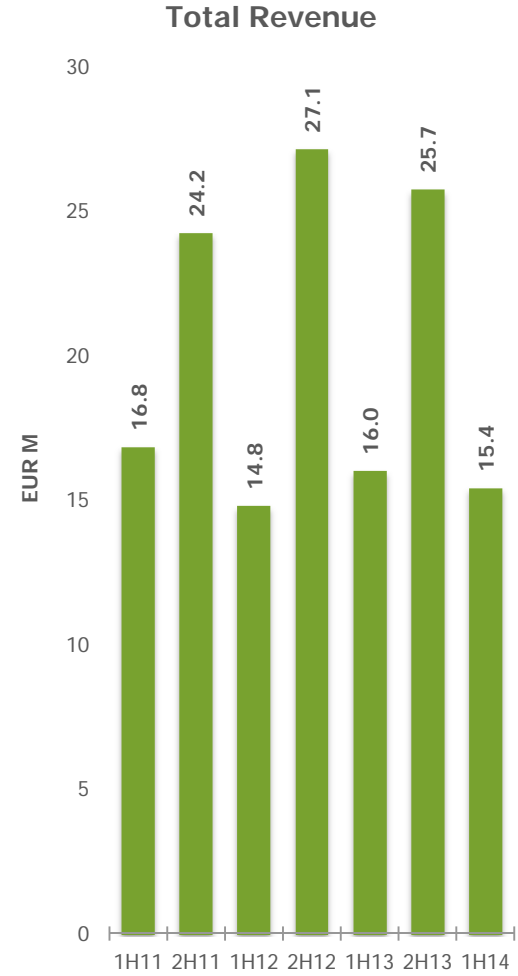
Financial  
Results



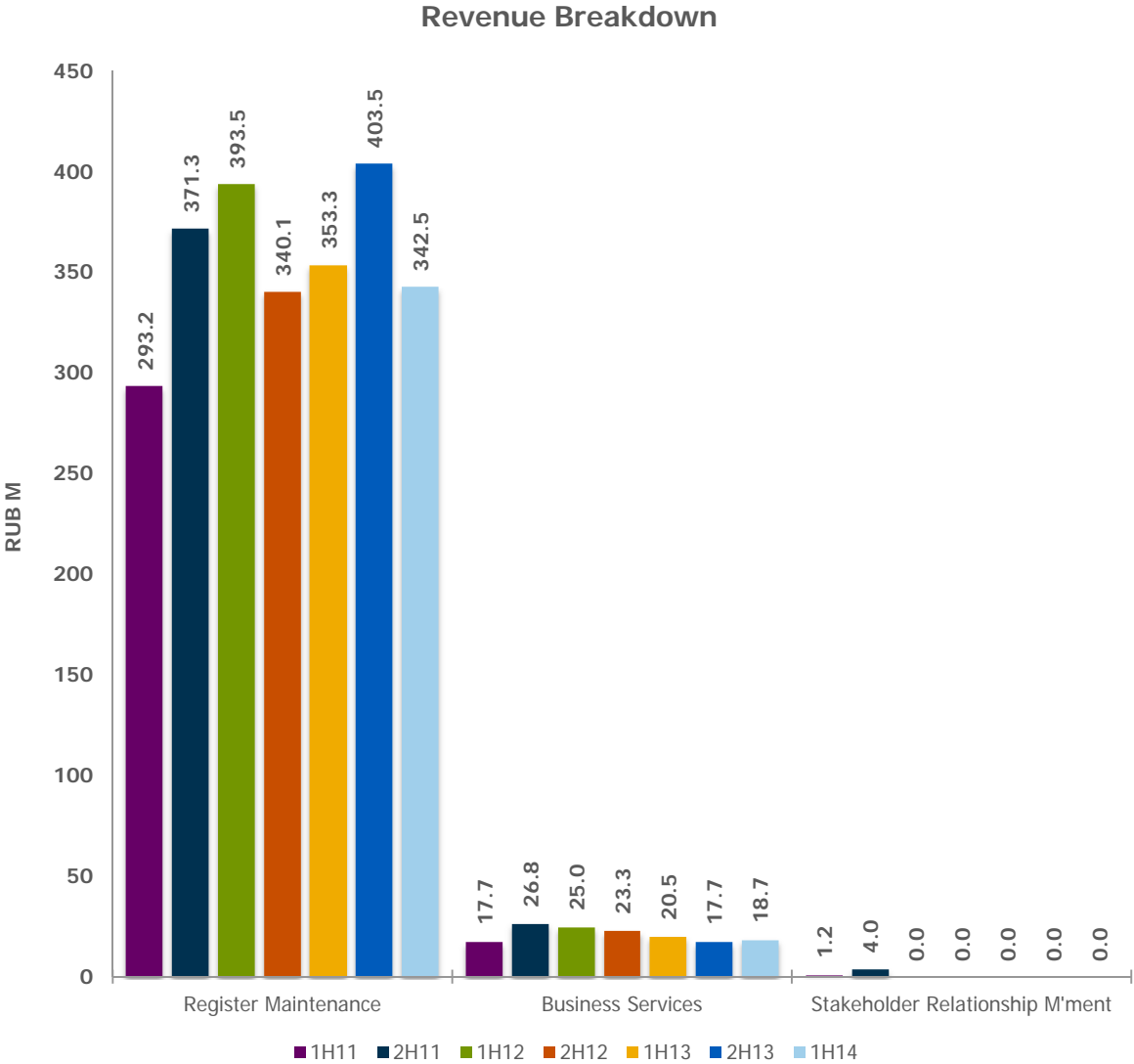
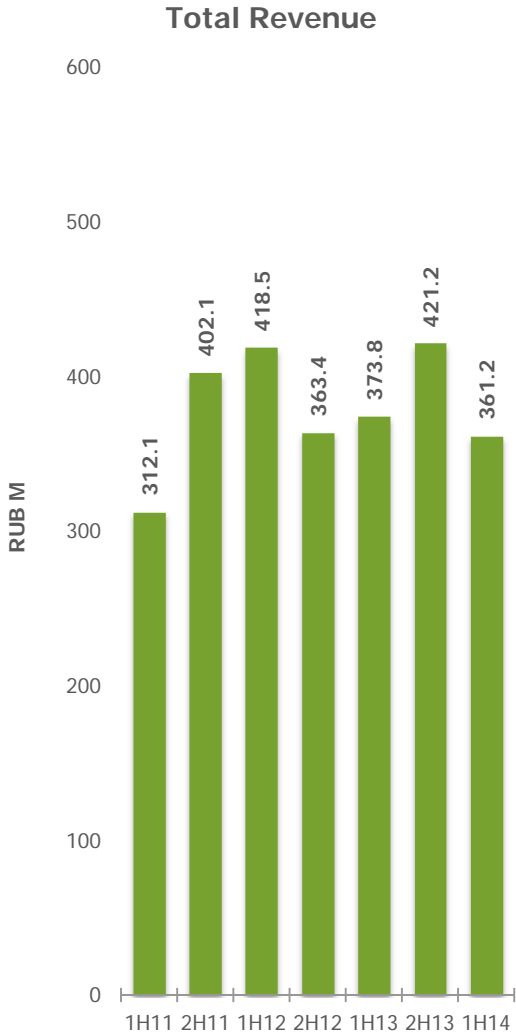
# Germany Half Year Comparison



Financial  
Results



# Russia Half Year Comparison





Financial  
Results

# Assumptions

## Assumptions: 1H14 Exchange Rates



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

<b>USD</b>	<b>1.0000</b>
AUD	1.08746
HKD	7.75463
NZD	1.24547
INR	62.31423
CAD	1.04514
GBP	0.63533
EUR	0.74692
RAND	10.06150
RUB	32.74783
AED	3.67316
DKK	5.57050
SEK	6.54606



# Important Notice

## Forward looking statements

- › This announcement may include 'forward-looking statements'. Such statements can generally be identified by the use of words such as 'may', 'will', 'expect', 'intend', 'plan', 'estimate', 'anticipate', 'believe', 'continue', 'objectives', 'outlook', 'guidance' and similar expressions. Indications of plans, strategies, management objectives, sales and financial performance are also forward-looking statements.
- › Such statements are not guarantees of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Computershare. Actual results, performance or achievements may vary materially from any forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, which are current only as at the date of this announcement.