Interim Results 2004 Presentation

26 February 2004

Computershare

Market Overview and Financial Results

Tom Honan

Chief Financial Officer

Computershare

Summary of Results

- Net operating profit after tax (excluding outside equity interests) of $42.4m, up 986%.
- Half year total revenues (excluding proceeds on sale of UK premises) of $394.5m, up 13% or up 7% excluding recent acquisitions.
- Half year operating costs excluding the effect of recent acquisitions and excluding cost of sales was $233.9, down 5%.
- EBITDA (excluding non recurring items) $80.1m, up 47%
- Basic Earnings per Share 7.05 cents per share
- Interim Dividend payable of 3 cents (fully franked), 20% increase.

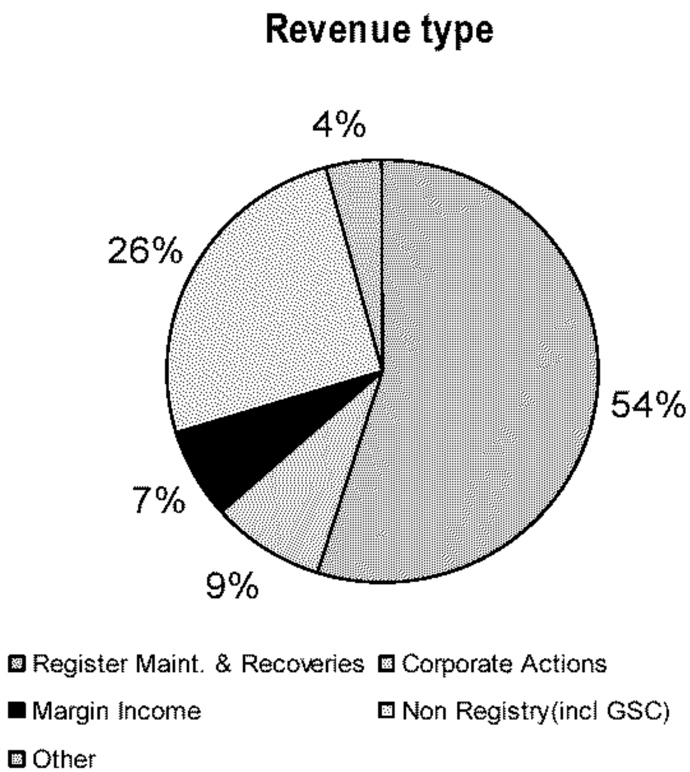
Context of Results

- 1H'04 EBITDA up significantly from last year.
- Revenues reflect improved market conditions (especially Asia Pacific) and the contribution from acquisitions.
- Operating costs reflect cost savings from restructuring and continued focus on cost control.
- Capital expenditure of $7.2m (down 37%.)
- DSO 63 days, down 4 days from 30 June 2003.
- Increased 'non registry' revenues due to acquisition of Georgeson Shareholder Communications Inc.

This presentation is structured around the following framework

- **Market Overview**
- **Financial Results**
- **CEO's Report**

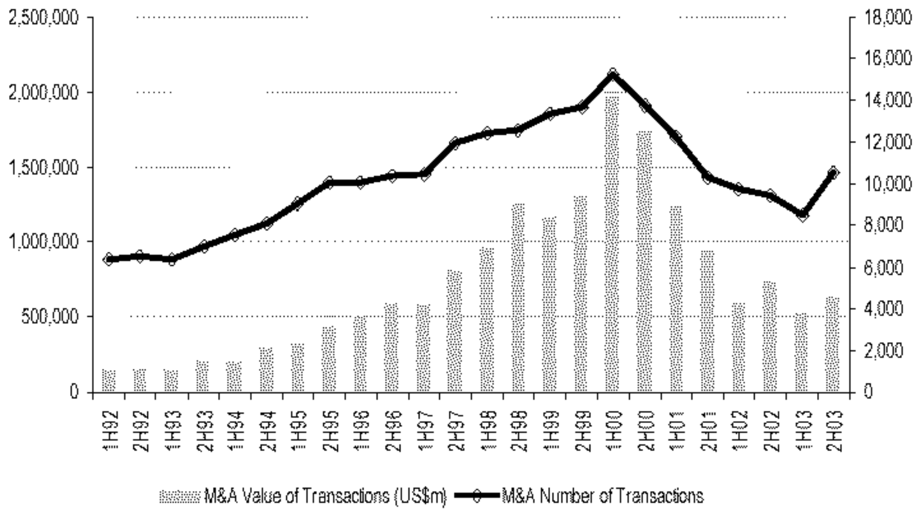
CPU Revenues are driven by multiple factors



Revenue	Driver	Risk mitigation
Register Maint & Recoveries	Growth in clients and holders	Retain existing clients, win market share
Corporate Actions	Market conditions, M&A activity	Win new business; link to key stakeholders, clients
Margin Income	Interest rates, hedging balances	Hedging, flow on effort from Maintenance & Corp Actions
Non- Registry (includes Georgesons)	Growth in non-registry businesses, clients & proxy solicitation	Increase proportion on non-registry businesses, win market share & new business

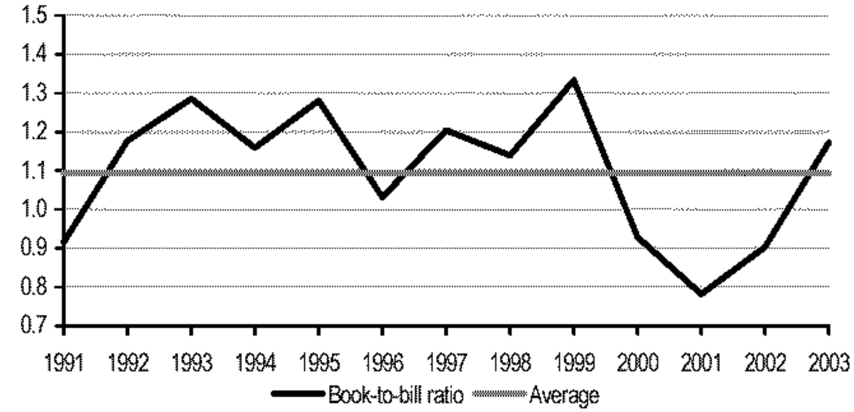
Global Equities Market

Historical Equity Issuance Data



Source: SDC Thomson Financial

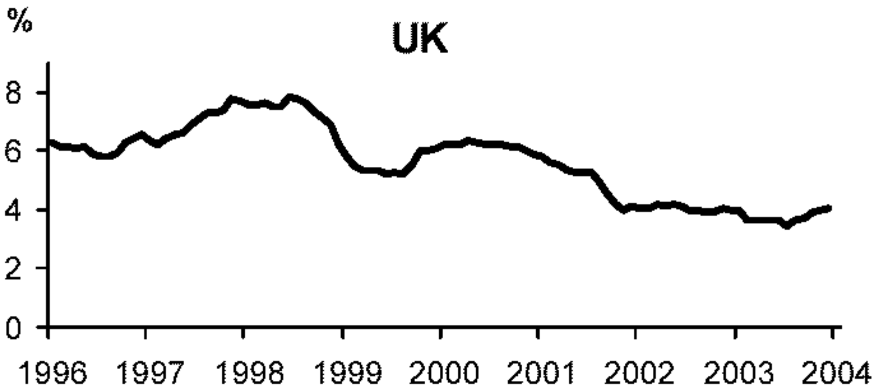
Annual M&A Book to Bill Ratio

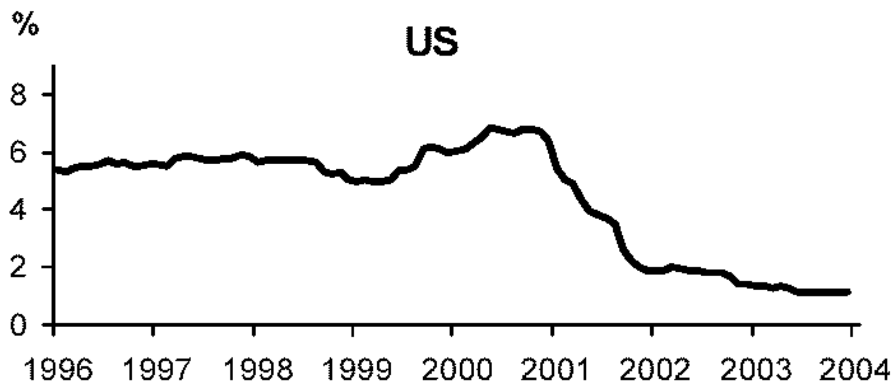


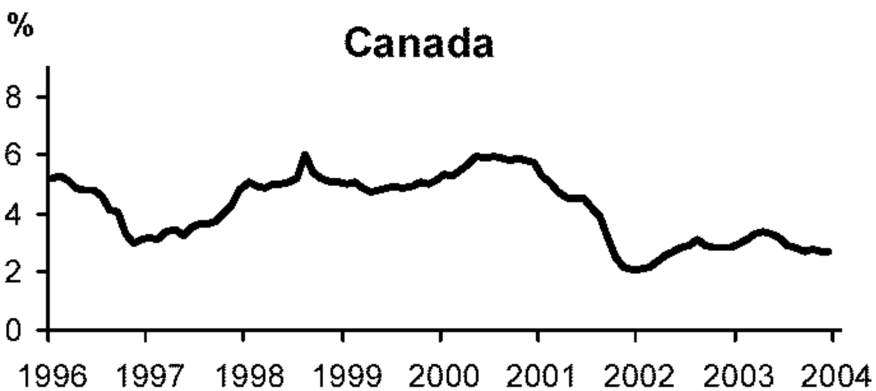
2003 YTD	1.17x	**2003 YTD vs. 2000 - 2002 Avg**	34.5%
2000-2002 Average	0.87x	**2003 YTD vs. 1991 - 2002 Avg.**	7.1%
1991-2002 Average	1.10x		

- Positive for first time in four years.
- CPU impact mainly felt in Australia and Hong Kong.

Global Interest Rate Market





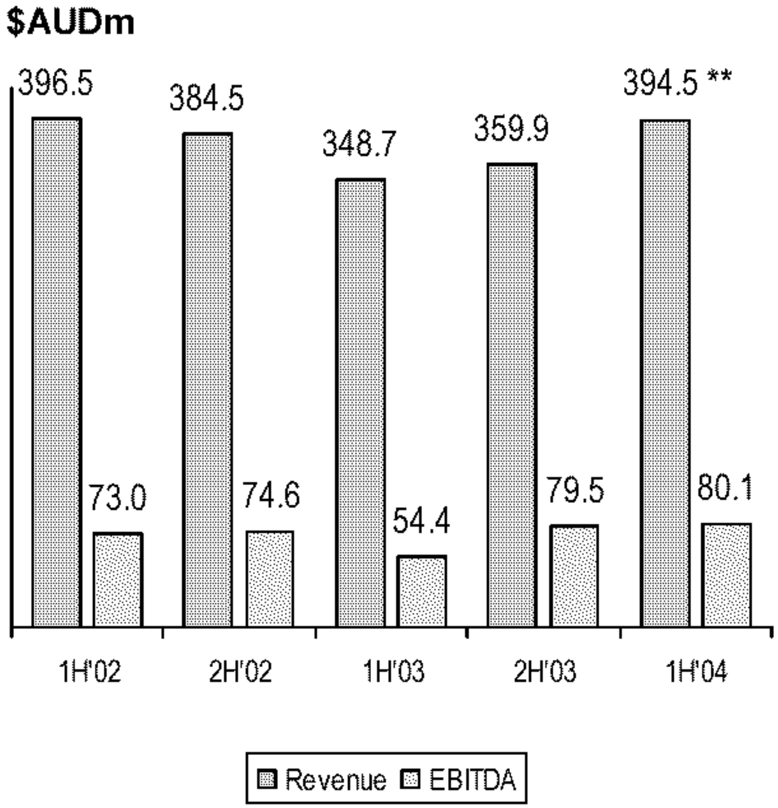


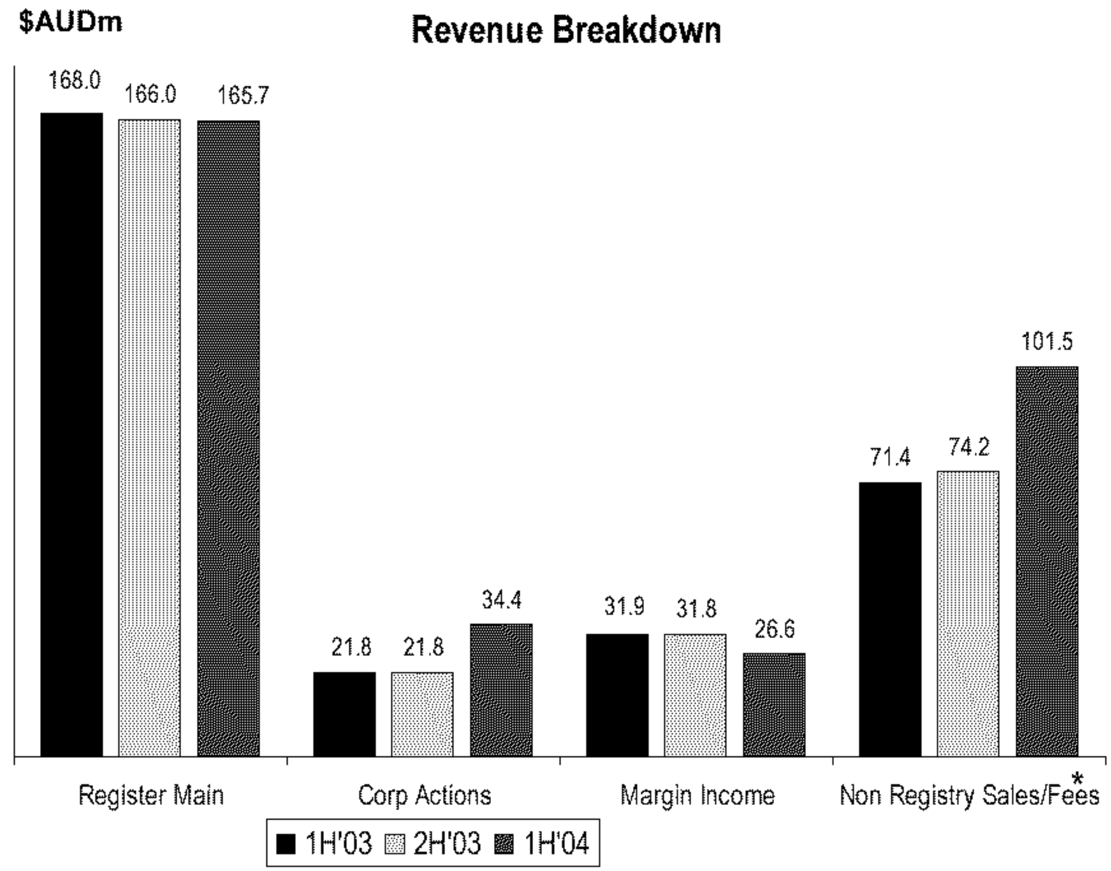
Market Overview | Financial Results | CEO's Report

Group Financial Performance – AUD $m's

Revenue	**1H'04**	**1H'03**	**%Difference**
Registry maintenance	165.7	168.0	(1%)
Corporate actions	34.4	21.8	58%
Margin income (including sharesave admin)	26.6	31.9	(17%)
Non Registry fees/sales	101.5	71.4	42%
Recoveries	50.0	49.3	1%
Interest income	1.7	1.8	(6%)
Other	14.6	4.5	224%
Total Revenue	**394.5**	**348.7**	**13%**
Operating costs	312.9	293.8	(7%)
Share of losses of associates	1.5	0.5	(200%)
EBITDA	**80.1**	**54.4**	**47%**
Depreciation and amortisation	14.5	15.4	6%
Amortisation of goodwill	13.5	16.2	17%
Borrowing costs	3.8	3.8	0%
Other	0.0	(2.0)	NA
Non-recurring items	(5.7)	7.1	NA
Pre tax Profit	**54.0**	**13.9**	**289%**
Income tax	11.2	9.0	24%
NPAT before OEI	42.8	4.8	792%
NPAT after OEI	42.4	3.9	986%

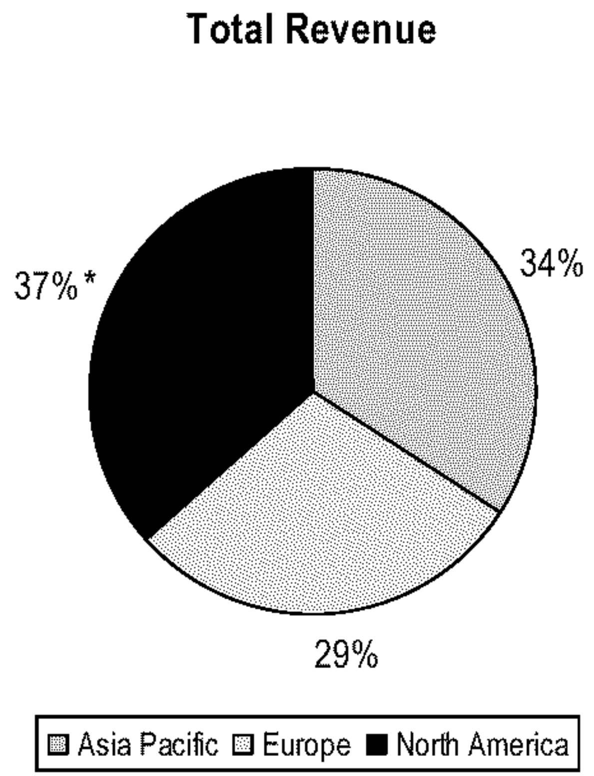
Half Year Comparisons



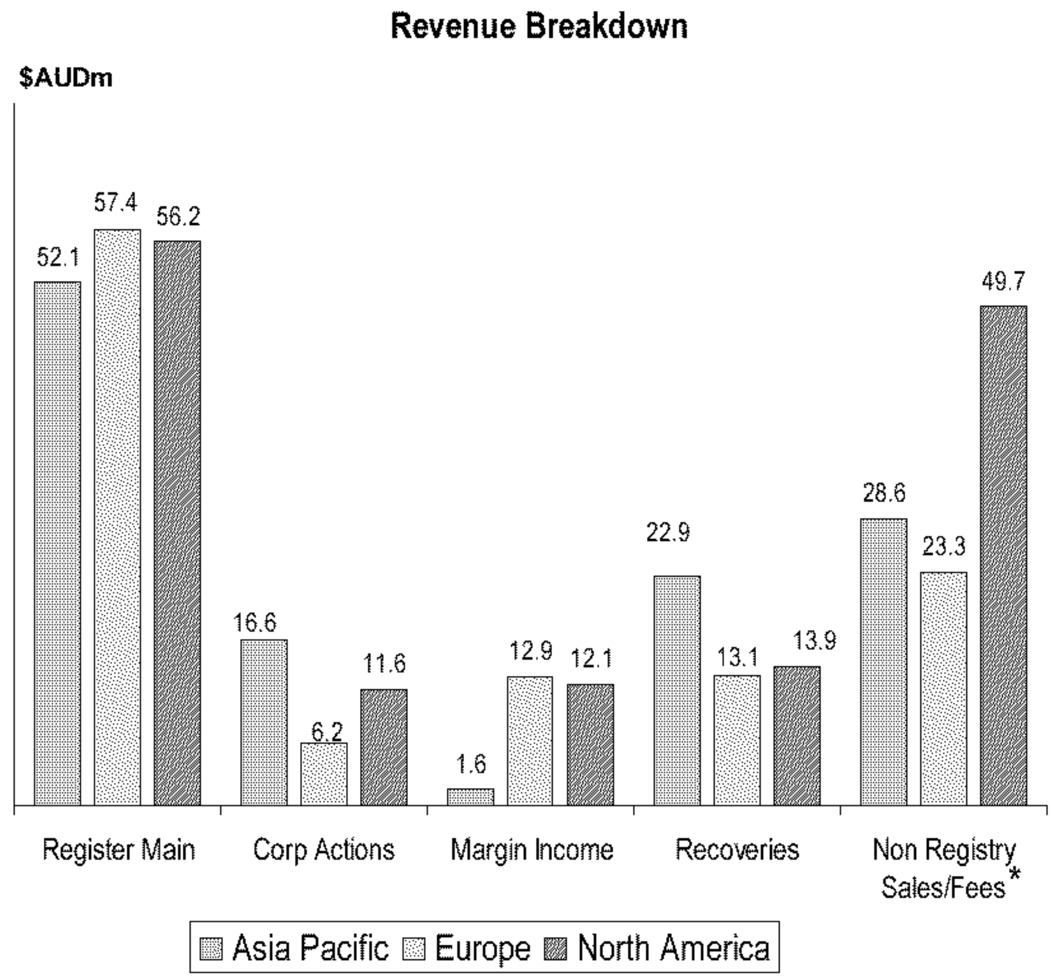


* Non registry sales/fees includes income from Georgesons   ** Excludes proceeds on the sale of Pavilions

Revenue Analysis

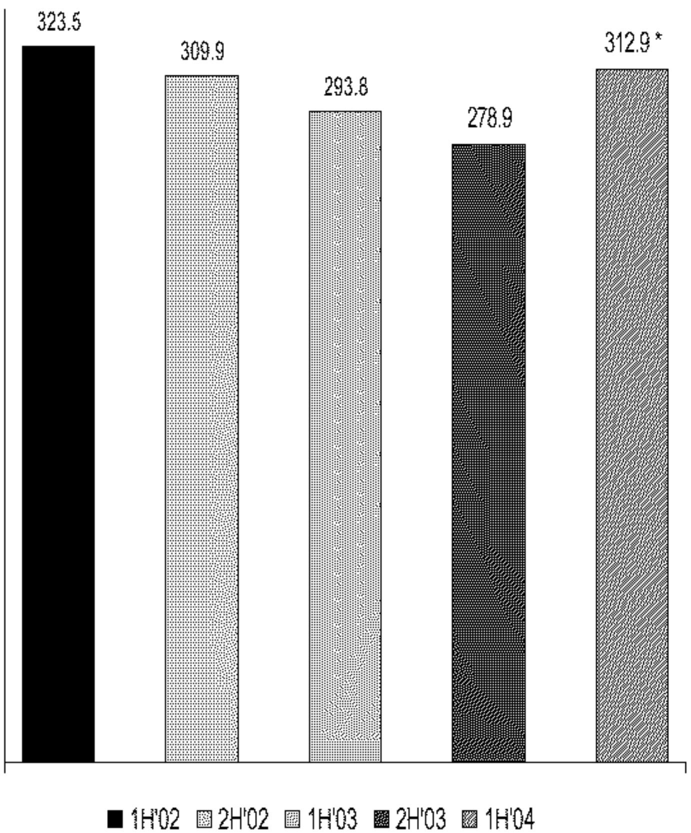


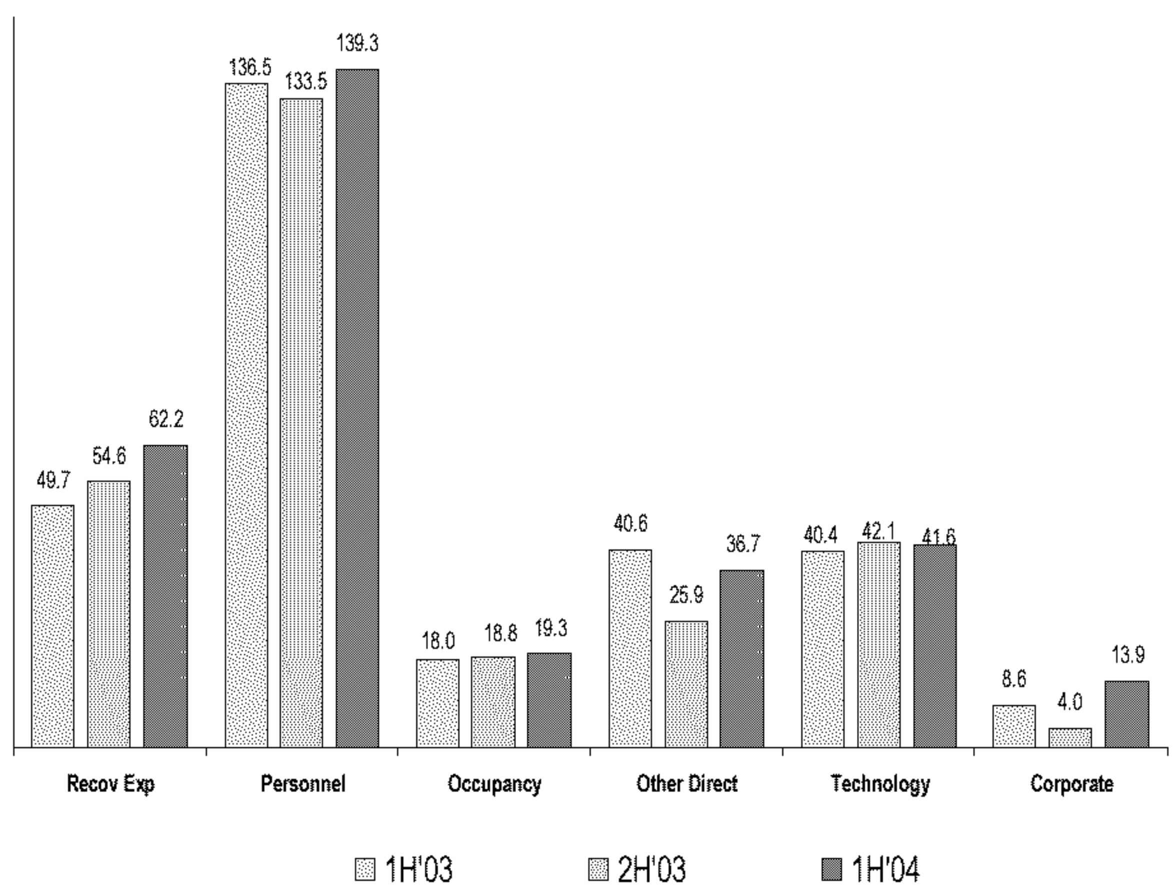
*includes revenues from Georgesons.



*Non registry sales/fees includes revenues from Georgesons.

Cost Analysis





* Includes Georgeson costs. Excludes book value of Pavilions

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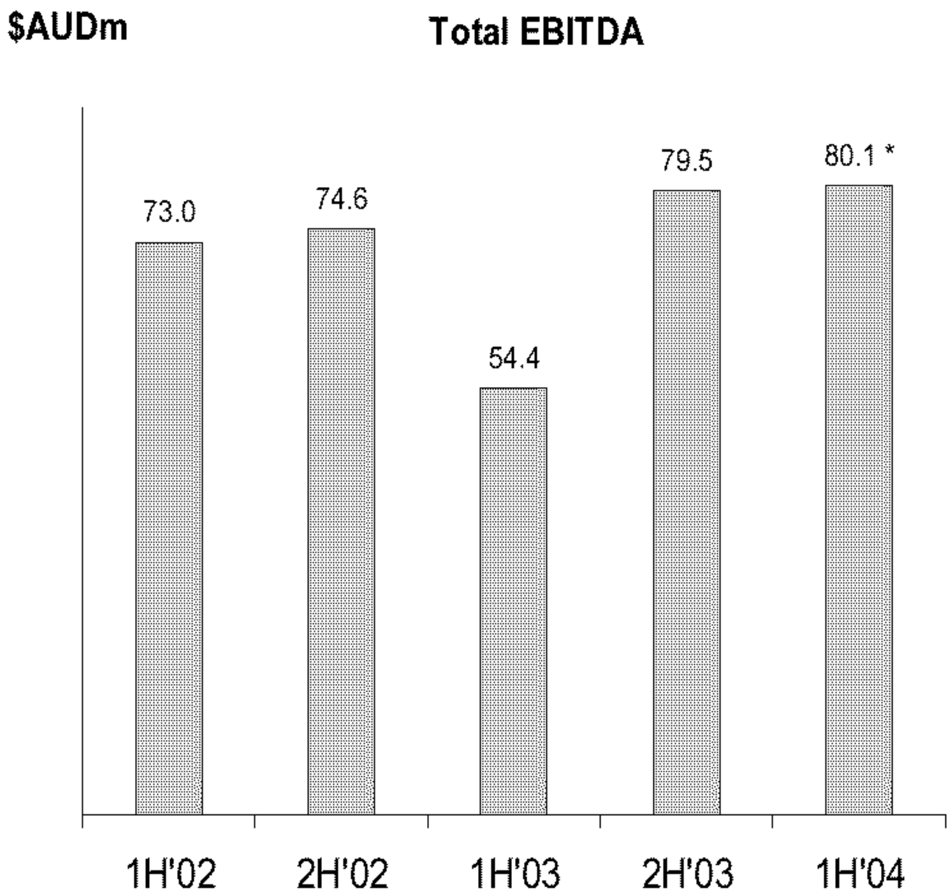
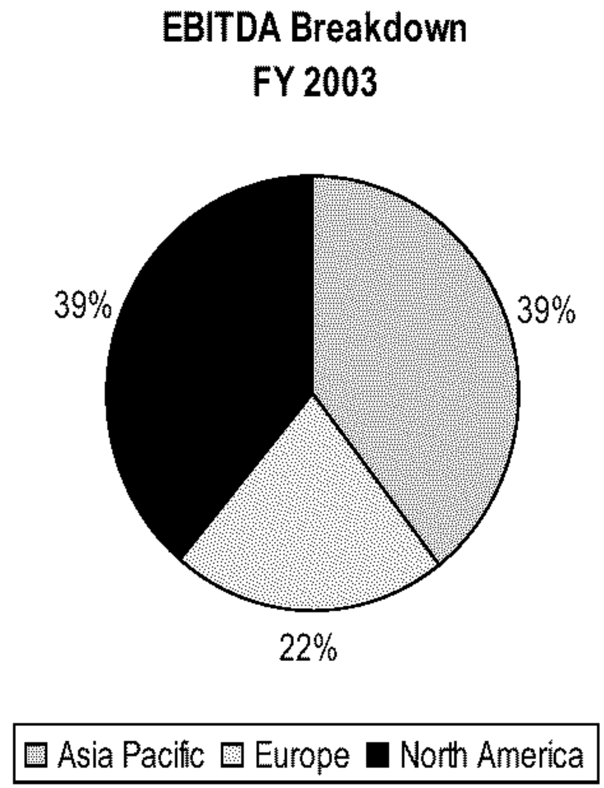
EBITDA generated from diversified portfolio





* Excludes non recurring items

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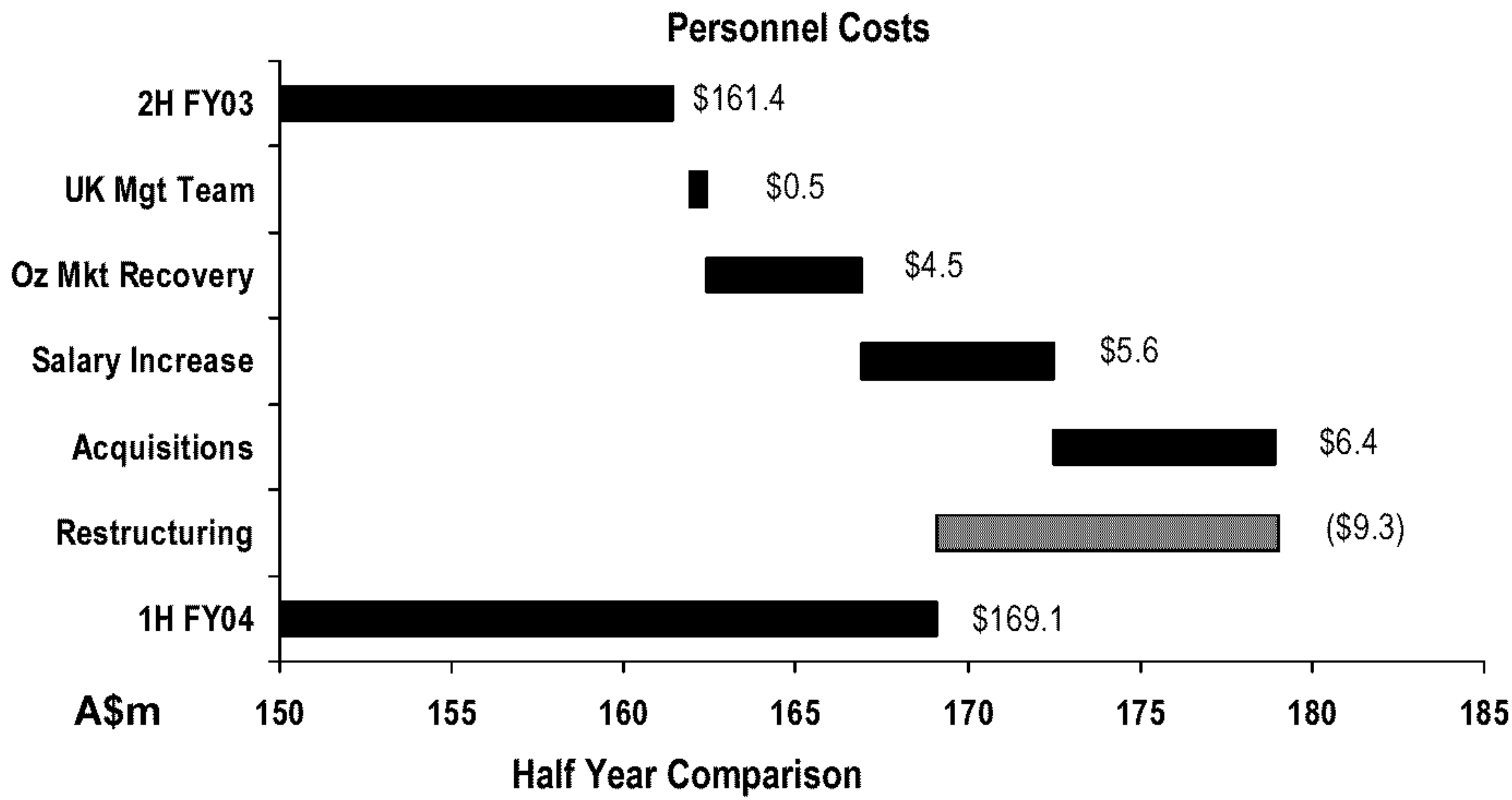
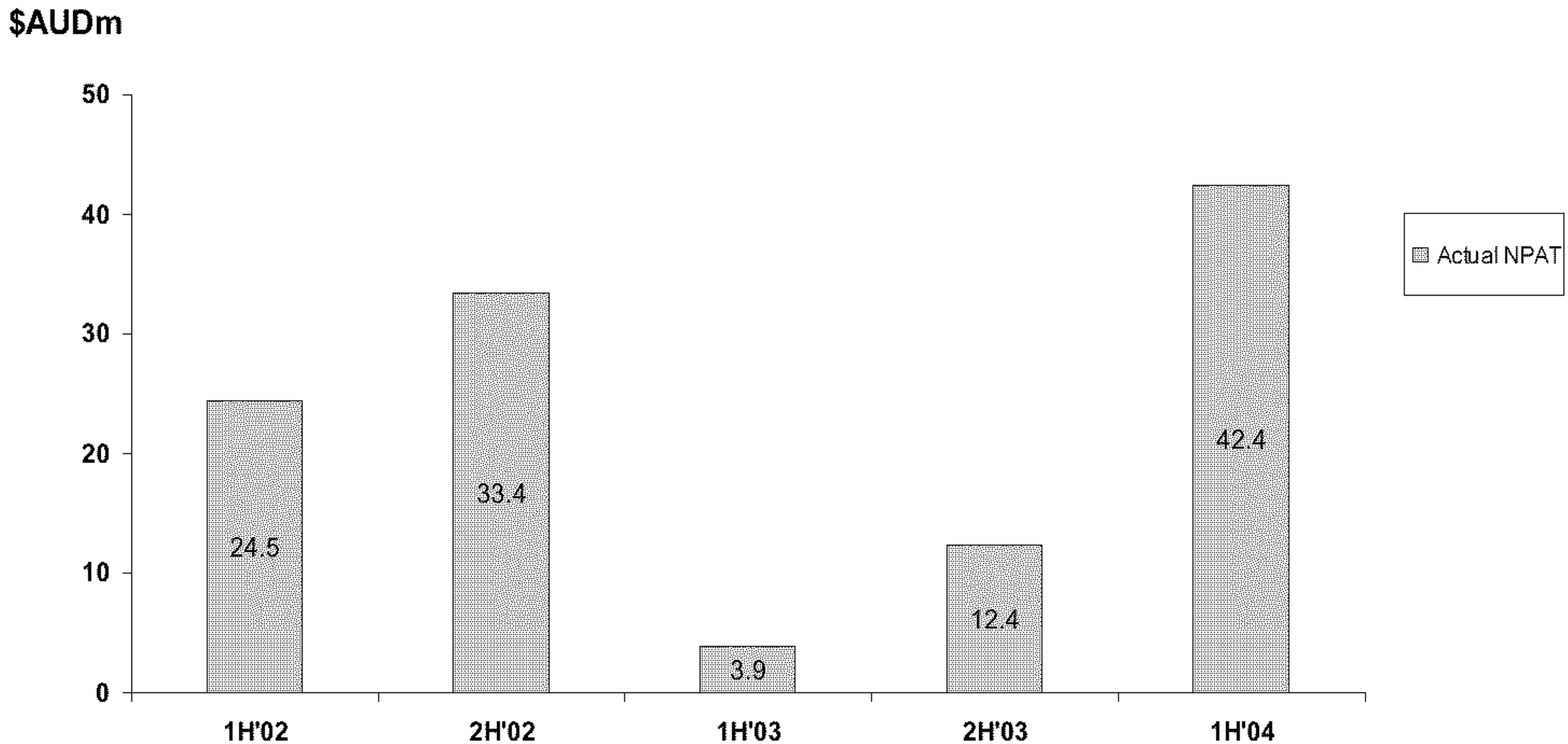
Progress on cost savings

	Expected Annualised Savings	1H'04 Realised Savings	2H'04 Expected Savings	Savings Excess/ (Shortfall)
Personnel	21.2	9.3	9.0	(2.9)
Property	0.3	0.1	0.4	0.2
Other	1.2	0.0	1.9	0.7
Total	**22.7**	**9.4**	**11.3**	**(2.0)**

Personnel Cost Control

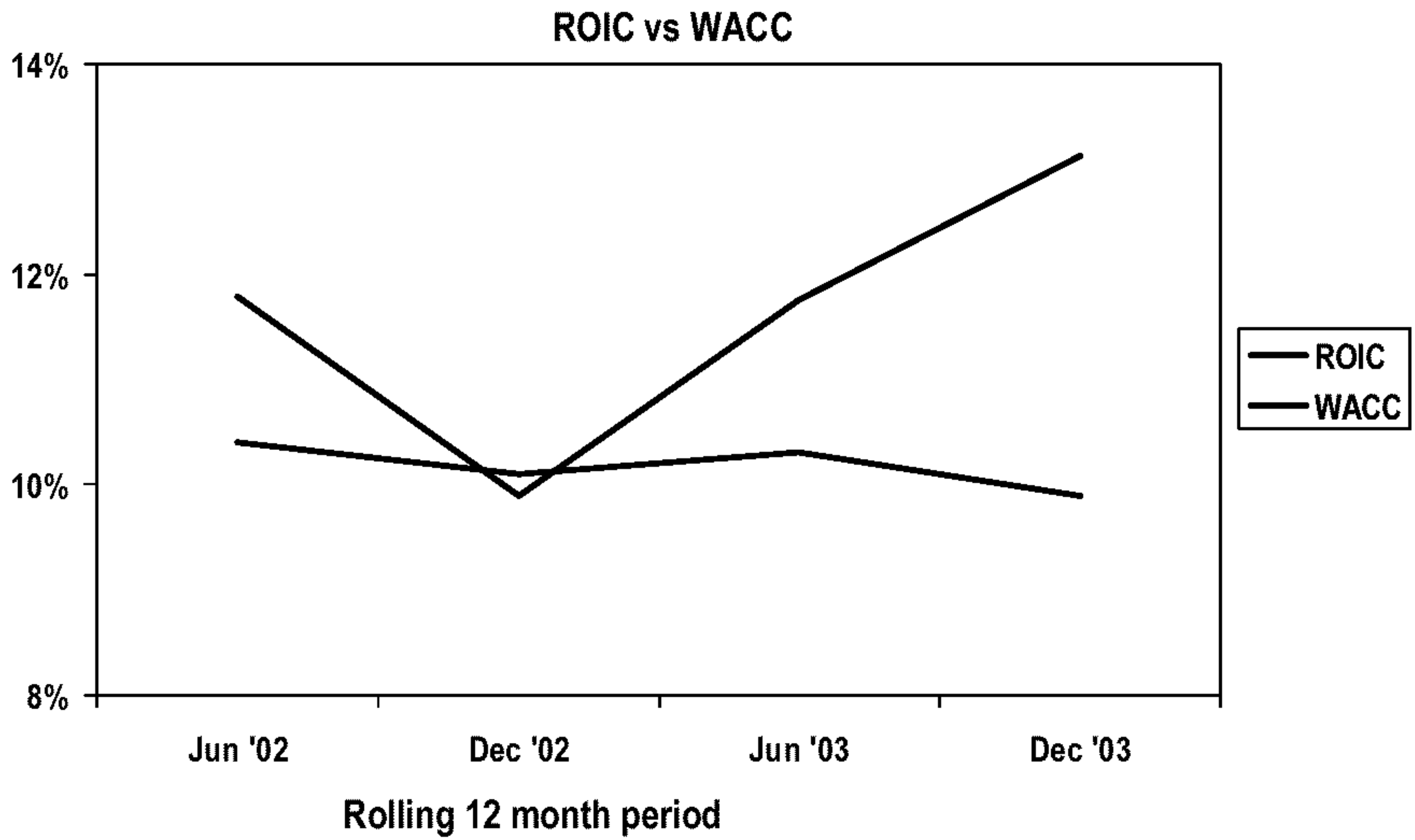


Analysis of NPAT



Note: Normalised NPAT for 1H'03 = 13.2, 2H'03 = 32.7

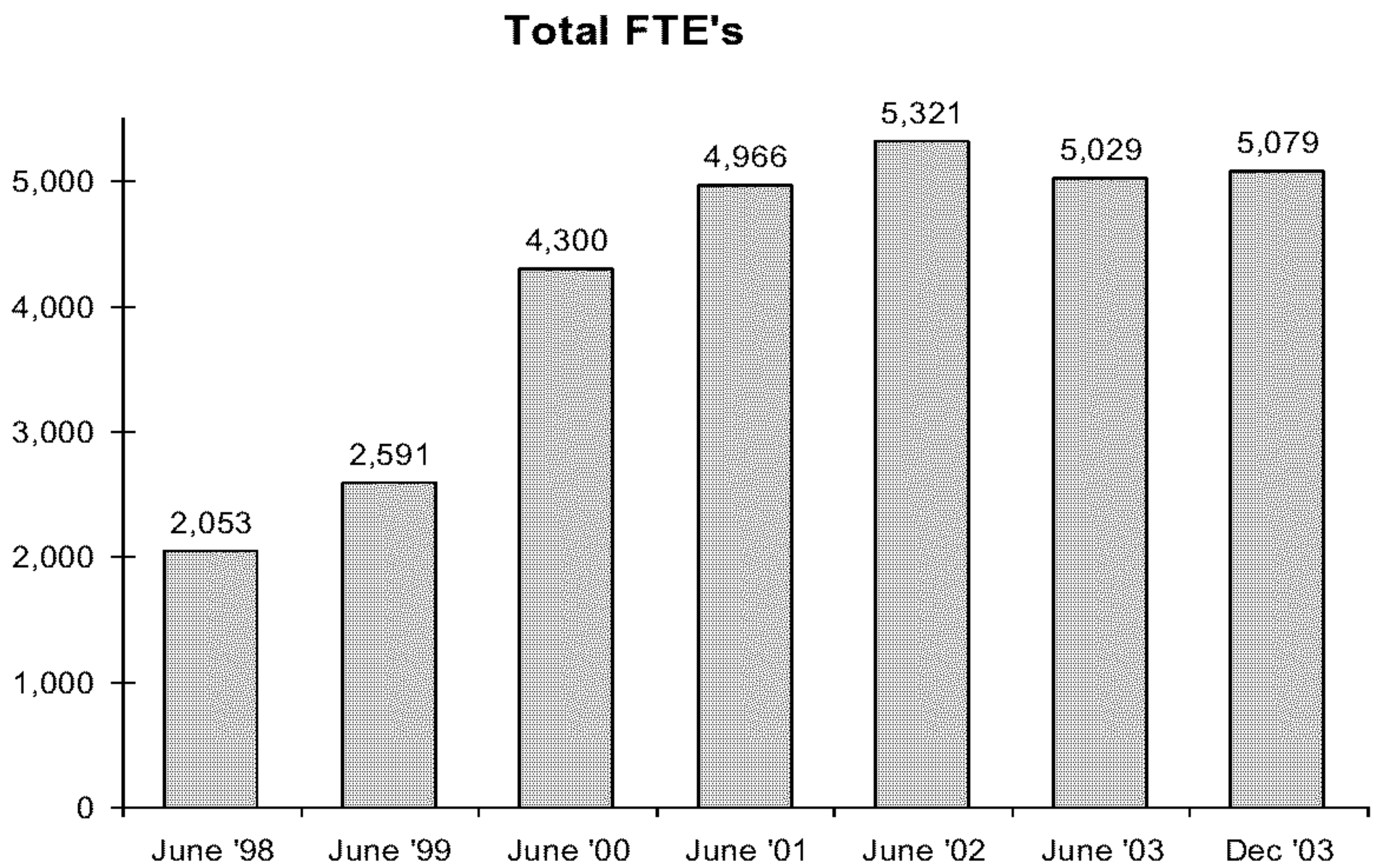
Returns Improving, Cost of Capital Declining



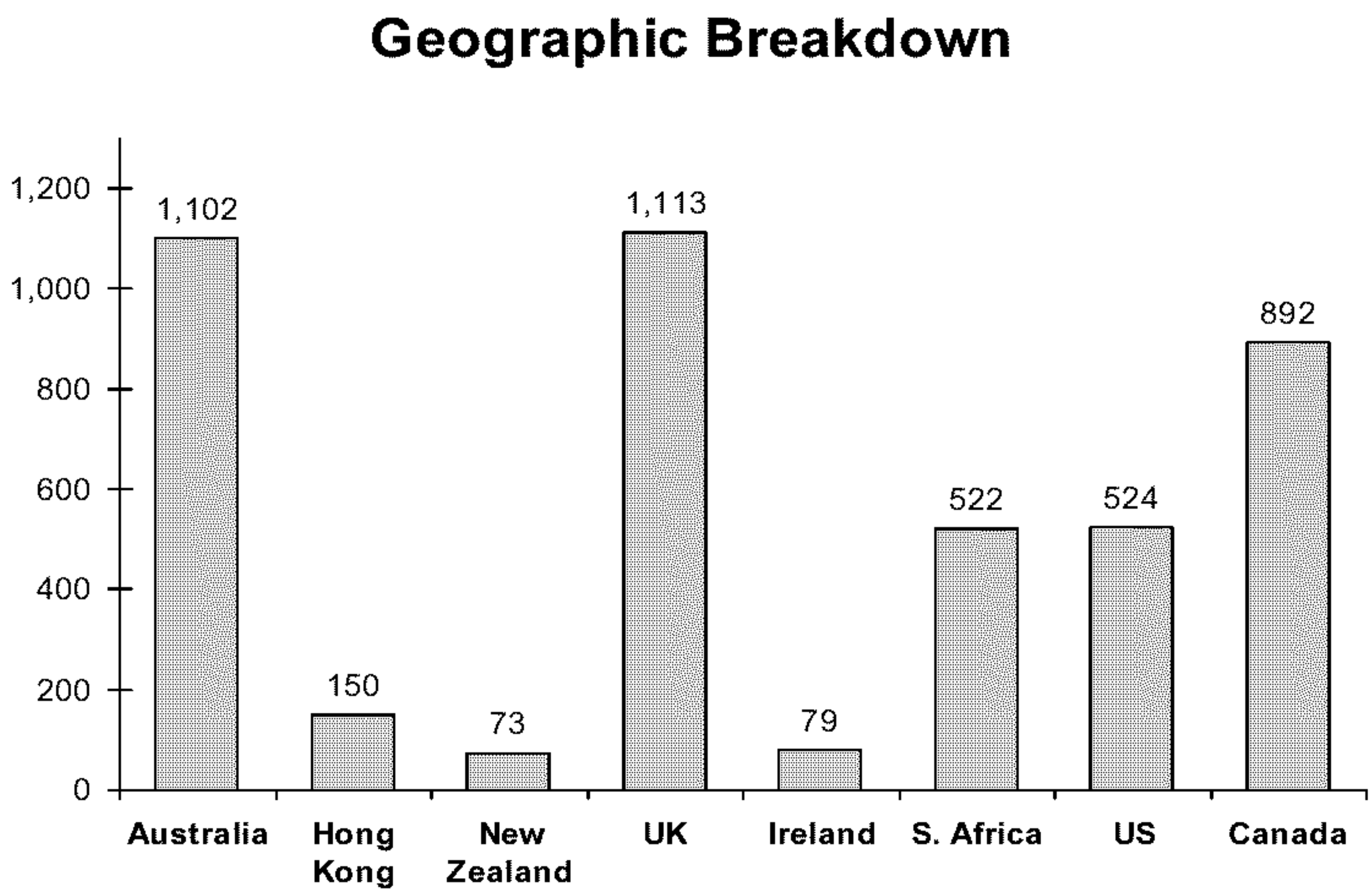
Effective Tax Rate

- Headline effective tax rate 1H'04: 20.8% (1H'03: 65.2%)
- Normalised headline effective tax rate 1H'04: 31.7% (1H'03: 30.3%)
- The underlying effective tax rate being the tax rate adjusted for one off, non-recurring items and non-deductible goodwill charges for the 1H'04 is 27.7% (1H'03: 10.6%)

Headcount (excluding Georgeson)

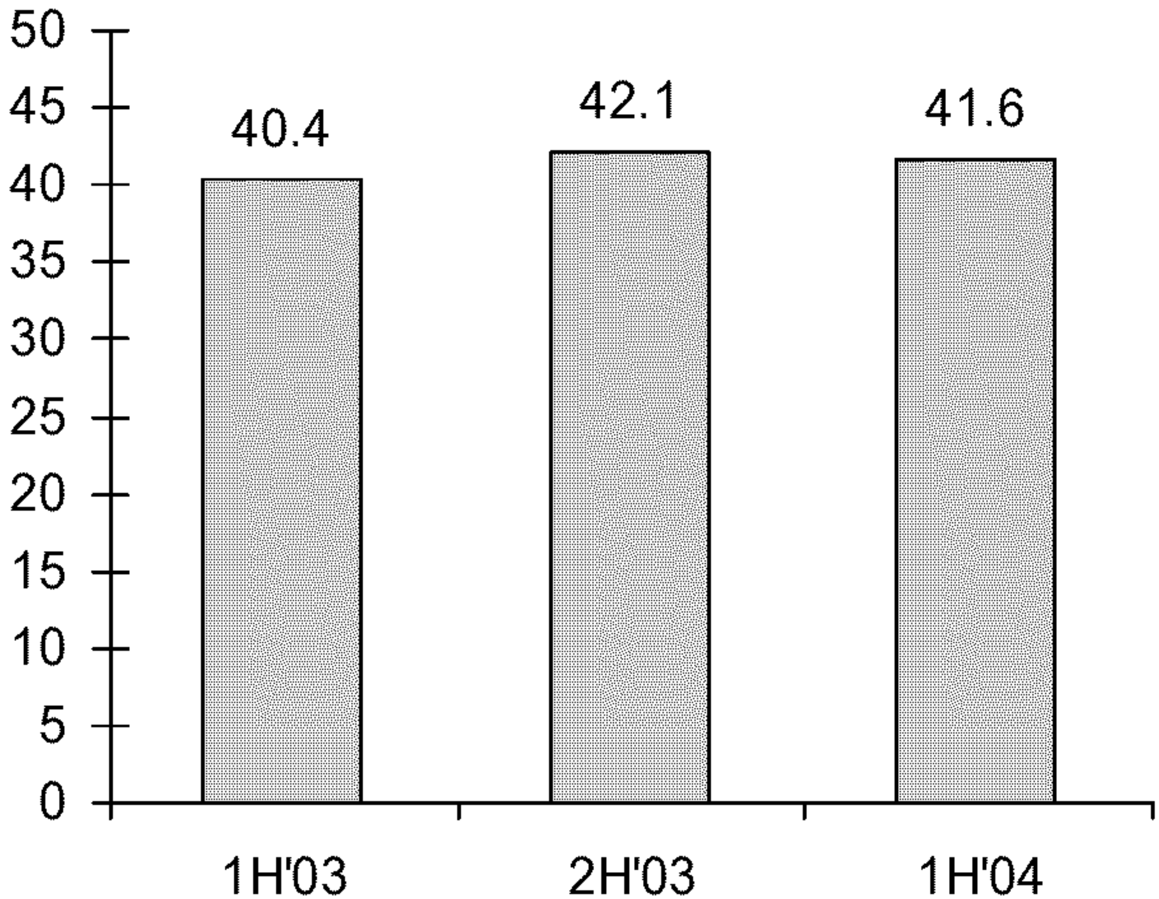


Headcount*



* Headcount excludes Technology, Corporate Services and Georgesons.

Technology Costs – Establishing Global Platform



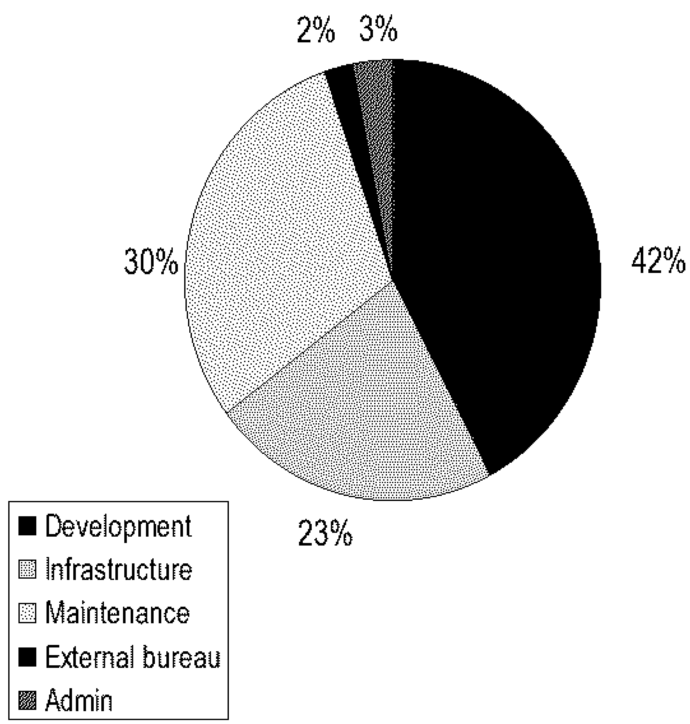
- All AUD $m – internal cash costs only
- All technology costs are expensed

Major events:

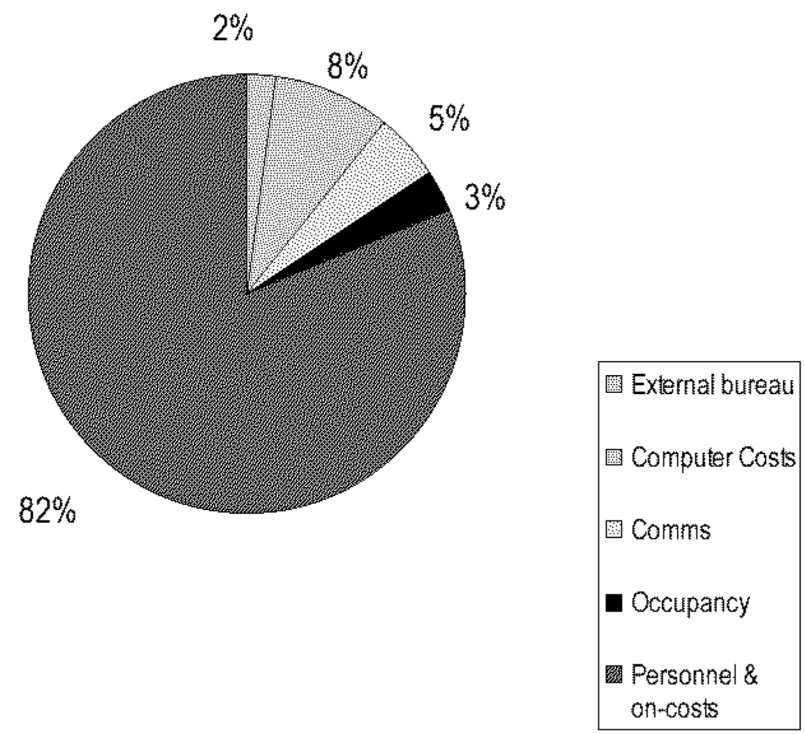
- Acquisition of EFA assets February 2003

Analysis of Technology Costs

Category



Cost Type



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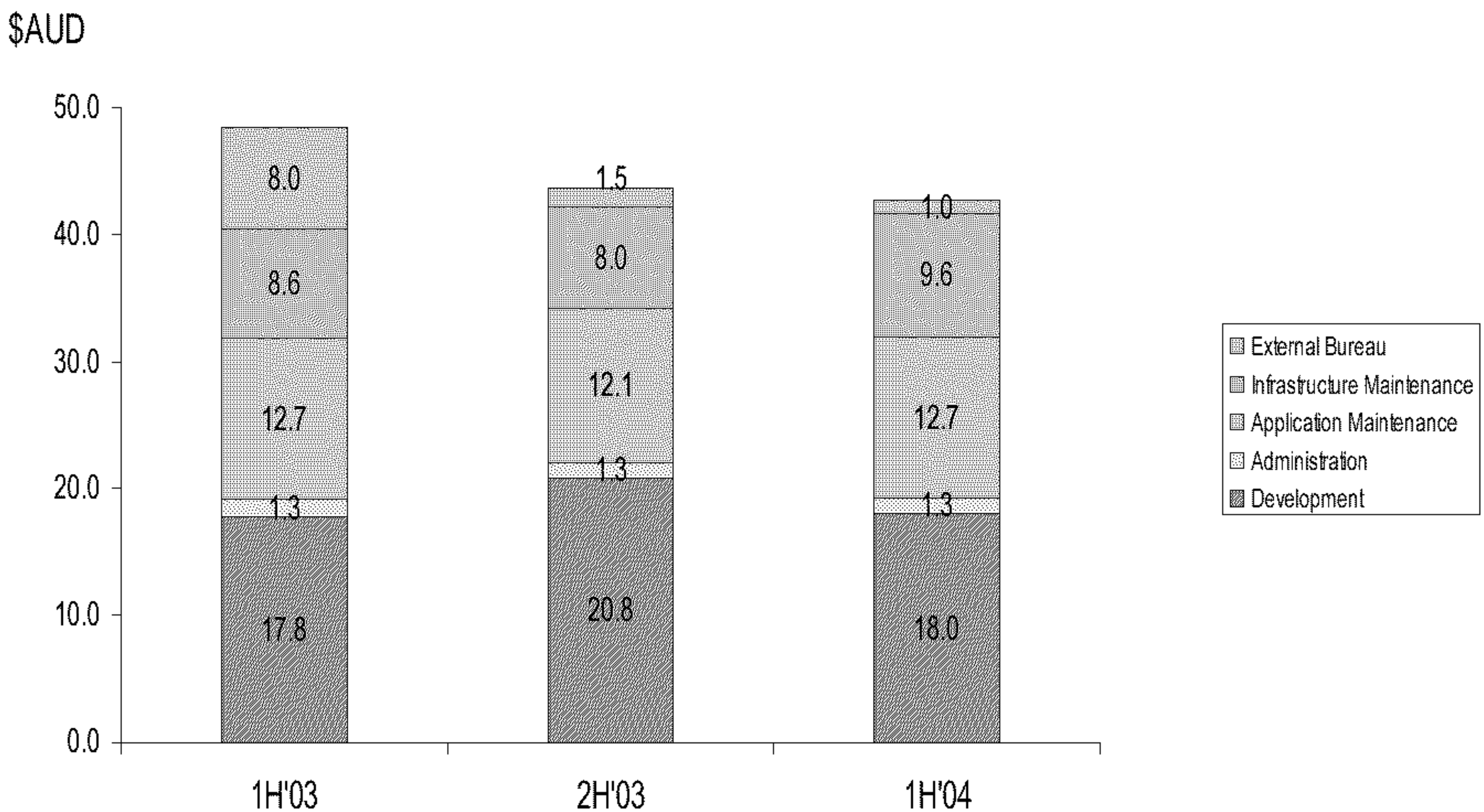
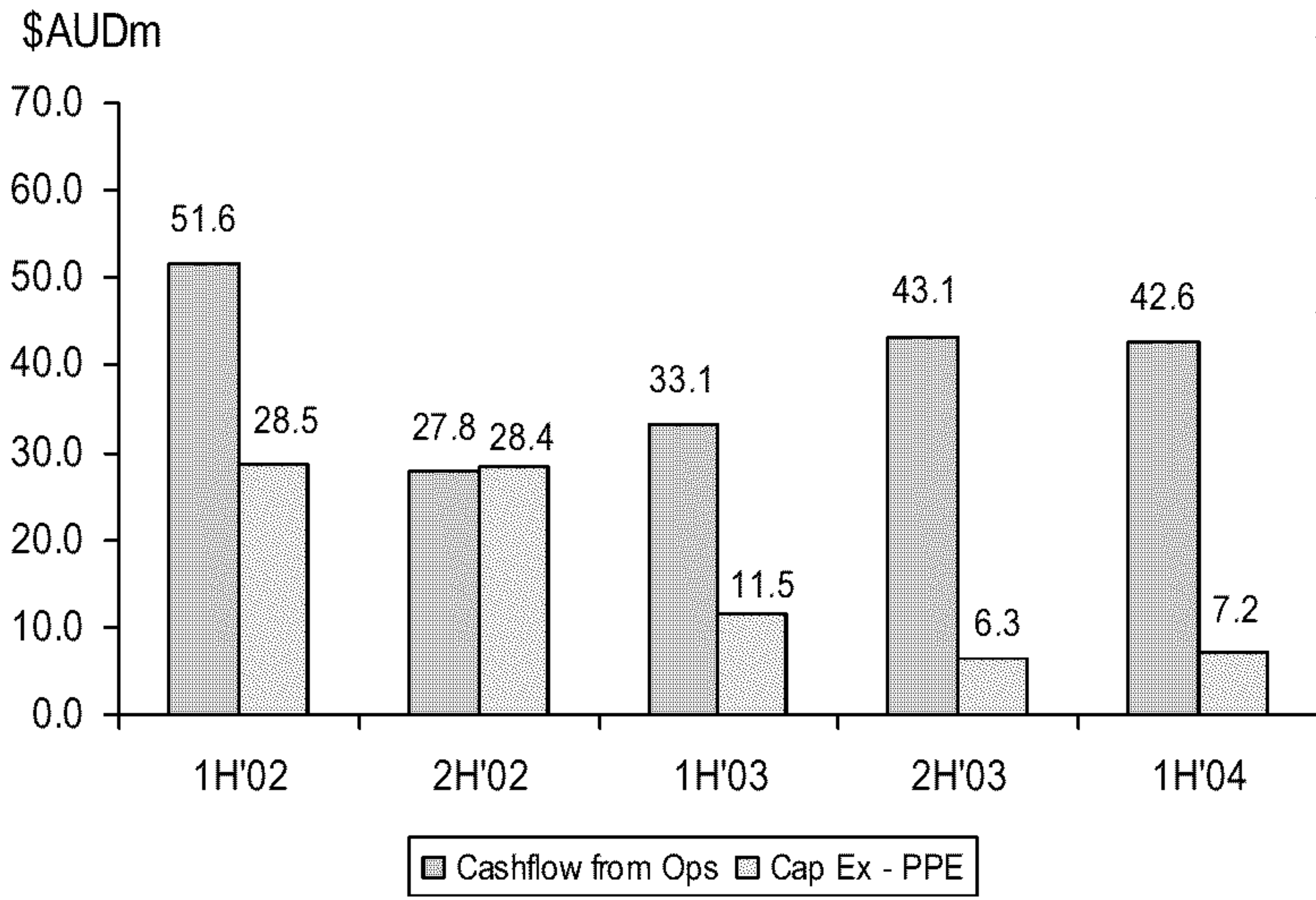
Analysis of Technology Costs



Balance Sheet Strength

- Net Debt / Equity = 25.7%
- Net Debt = AUD $157.9m
- Committed Debt facility = AUD $360m
- Net Debt / Equity has increased as a result of business acquisitions.

Cash Flow

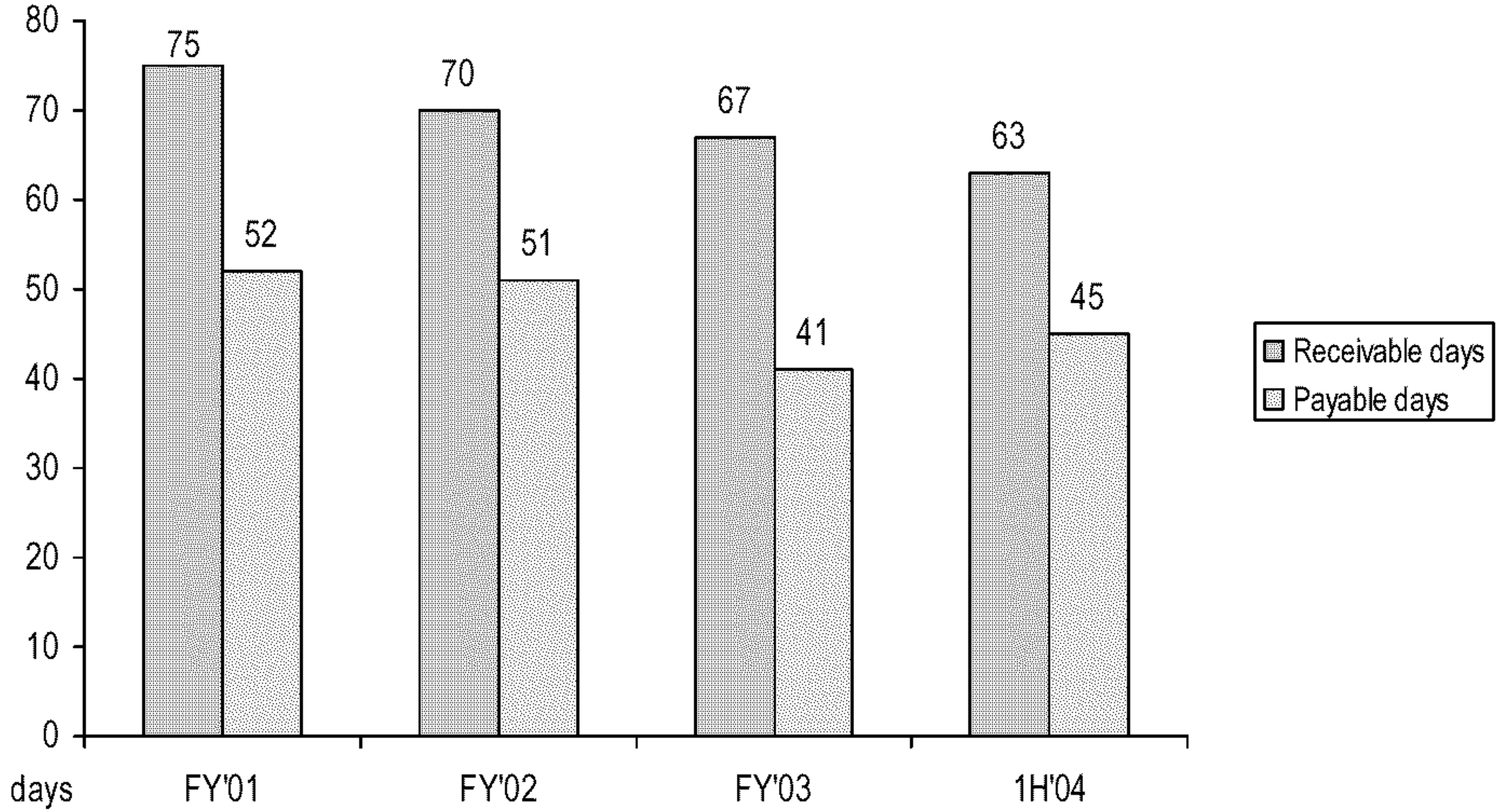


- Gearing on a net debt to equity basis – 25.7%
- Committed debt facility - A$360m
- Debtors days outstanding have fallen from 67 to 63 days

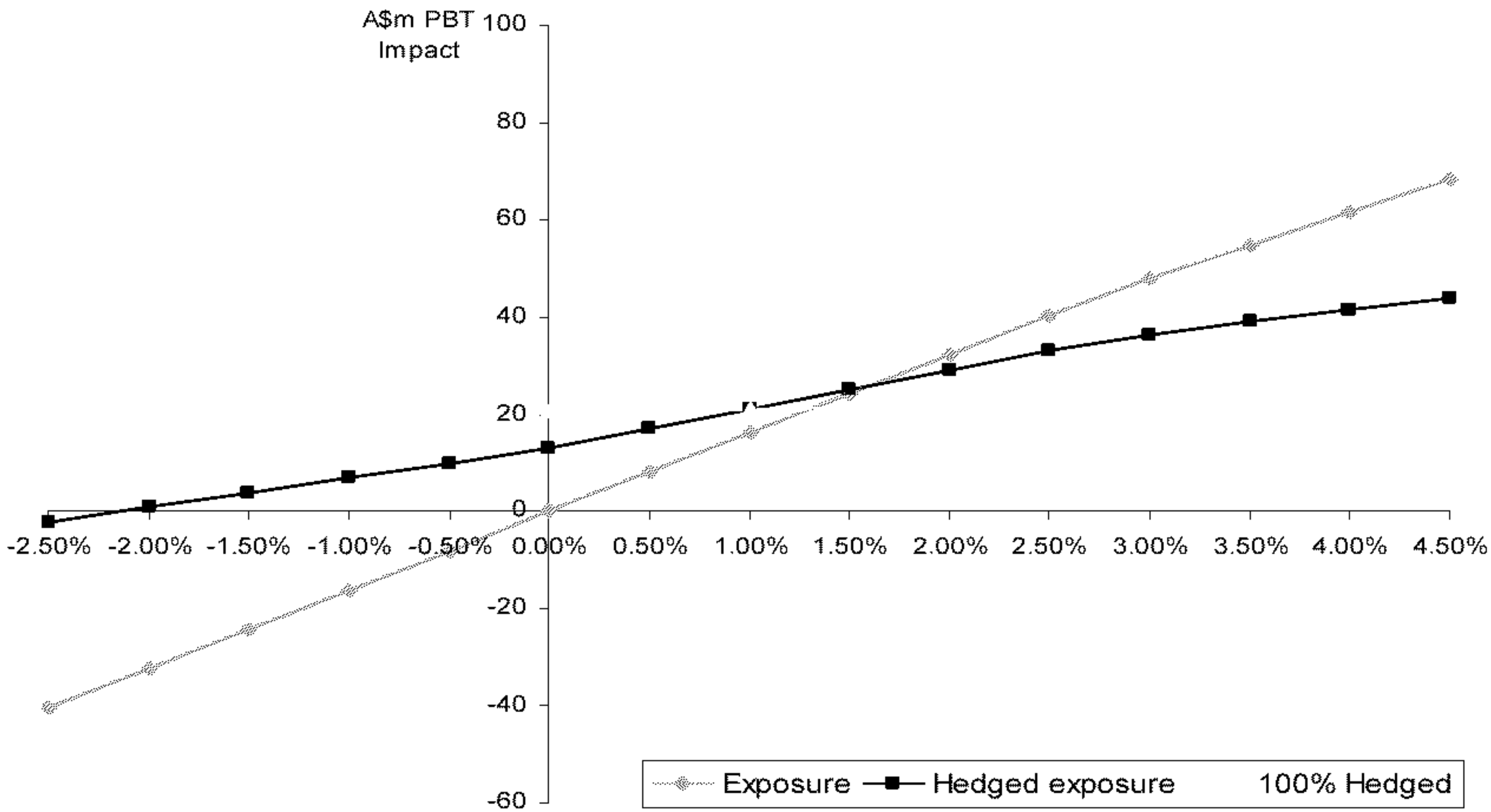
Capital Expenditure down 37% on 1H'03

	CPU Group Capex AUD $m
Occupancy	0.4
Document Services Facilities	0.7
Information Technology	5.9
Other	0.2
TOTAL	**7.2**

Working Capital Management Improving



Interest Rate Sensitivity



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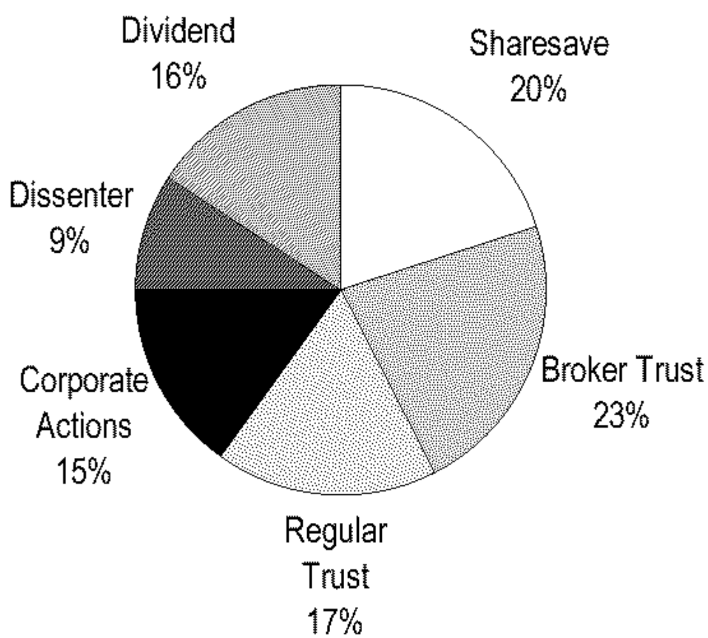
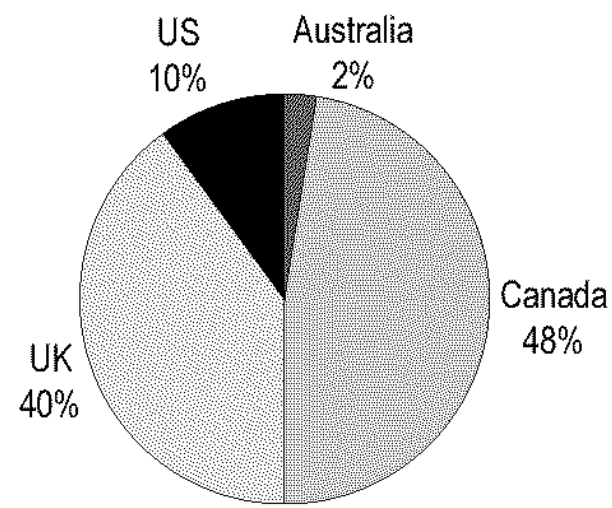
Risk Management – Average Funds Balances for six months ending 31 December 2003

By Category

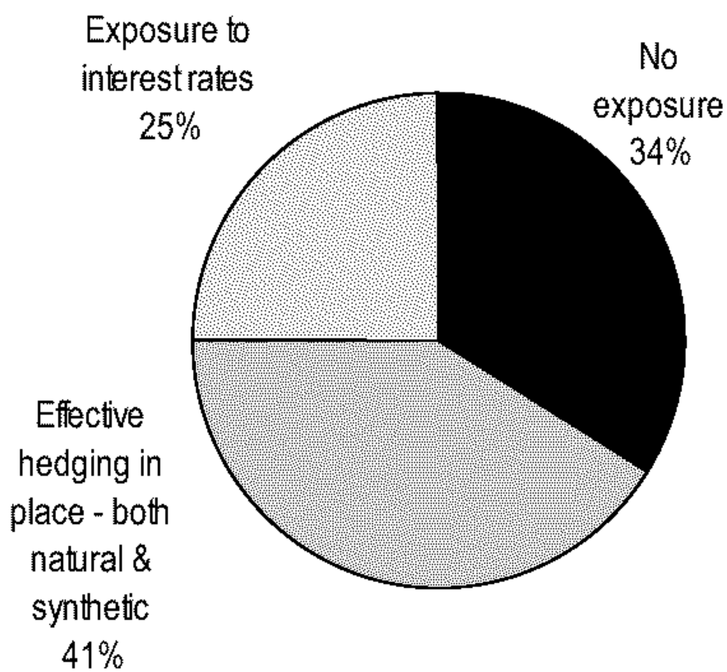


By Country



Balance range A$2.7b to A$5.3b
Average fund balance A$2.9b

Risk Management – Interest Rate Sensitivity



Interest Rate Hedging

Strategy:
- Minimise downside risk in current low interest rate environment

Policy:
- Minimum hedge of 25% / Maximum hedge of 75%
- Minimum term 1 year / Maximum term 5 years
- Current hedging: 41%

Equity Management – Fully Franked Interim Dividend of 3cps

➢ EPS – Basic	7.05 cents
➢ EPS – Normalised Basic	6.00 cents
➢ Dividend	6 cents per year (fully franked)
➢ Current yield *	1.71%
➢ Franking Benefit – Total return	2.4%

* Based on share price of AUD $3.50

Equity Management – Share Buy Back: Reset Preference Shares

- Announced 19th December 2003.
- Buy back a maximum of 17% (250,000 preference shares).
- Commenced 5th January 2004
- Acquired 145,528 preference shares (9.7% of total issued)
- Average price AUD $103.63
- Scheduled to complete 5th July 2004

Financial Summary

- Improved EBITDA reflecting:
  - Market conditions especially in Australia and Hong Kong.
  - Benefits of restructuring.
  - Contribution from acquisitions.
- Corporate activity increased.
- Market activity level still low in North America and Europe.
- Cost savings realised.
- Margin income still declining due to rate pressure.
- Capex down 37% on last year.
- Improved working capital.
- 20% increase to dividend.

Market Overview

Financial Results

CEO's Report

Computershare

CEO's Report

For The Six Months to 31 December 2003

Chris Morris

Chief Executive Officer

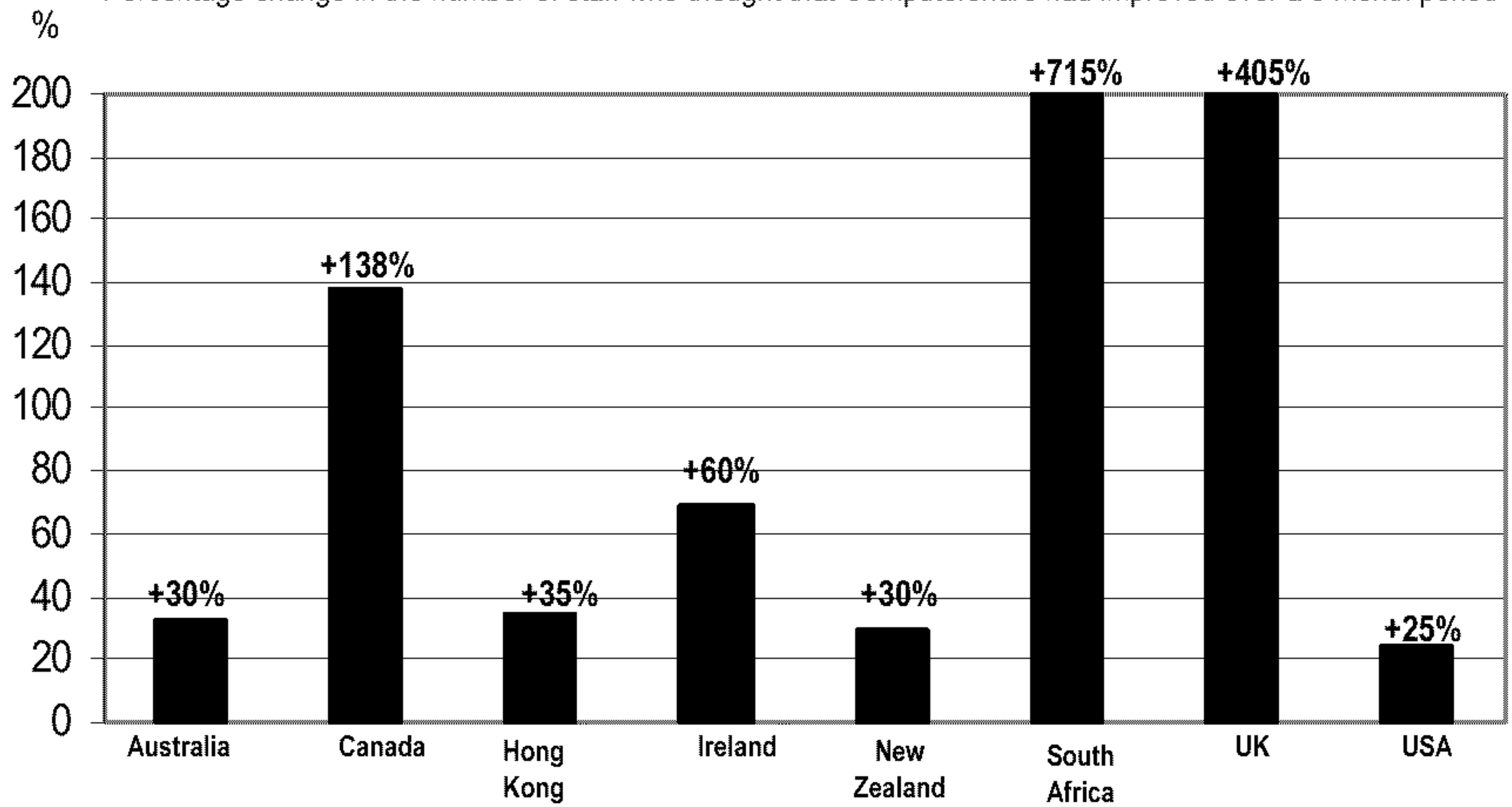
What has turned the business around?

- Improved market conditions.
- Significant improvement in financial reporting so we know where our costs are.
- Ongoing focus on cost control.
- New Time Zone structure and focus on P&L at all levels.
- Changes to management.
- Our core technology systems in all locations.
- The most significant factor is...........

Our People

Global comparison of results from Aug to Nov 03 survey

Percentage change in the number of staff who thought that Computershare had improved over a 3 month period



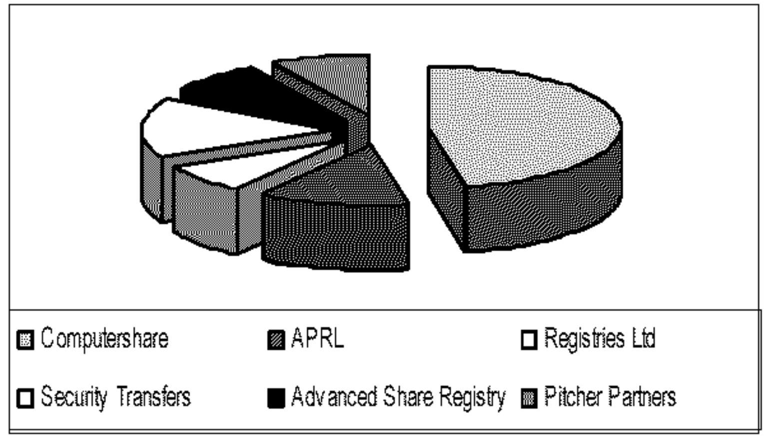
Regional Reports - EMEA

- General market conditions remain flat.
- Significantly growing ancillary businesses in the UK including:
  - Small Shareholder Programs.
  - Tracing unclaimed beneficiaries.
  - Dealing Services.
- Creating new business opportunities in the UK.
  - NHS Foundation Trust Hospitals (Government preferred supplier status).
- South Africa significant turnaround from FY'03 loss of $6 million to 1H'03 profit of $1 million and expected to be even better in 2H'04.
- Moving to increase market share in Russia.
- Computershare Germany provides a solid base to expand our services into continental Europe.

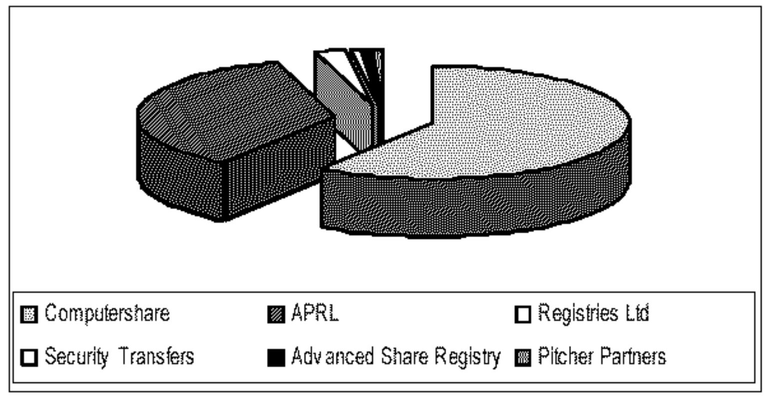
Regional Reports – Asia Pacific

- Significant increase in general market activity.

NUMBER OF IPO'S WON – BREAKDOWN BY SHARE REGISTRY 2003		
Share Registry	Number	%
Computershare	45	46.90%
Security Transfers	15	15.60%
APRL	12	12.50%
Registries Ltd	8	8.30%
Advanced Share Registry	8	8.30%
Pitcher Partners	8	8.30%
Other	0	0.00%
Total	96	100.0%



TOTAL CAPITAL RAISED ($) - BREAKDOWN BY SHARE REGISTRY 2003		
Share Registry	Value	%
Computershare	$5,407,200,000	59.40%
APRL	$3,277,800,000	36.00%
Registries Ltd	$227,500,000	2.50%
Security Transfers	$69,700,000	0.80%
Pitcher Partners	$77,300,000	0.80%
Advanced Share Registry	$44,500,000	0.50%
Other	$0	0.00%
Total	$9,104,000,000	100.0%



Source: Australian Financial Review

Regional Reports – Asia Pacific cont.

- Significant increase in general market activity.
- Won the registry tender for IAG adding more than 1 million shareholders.
- Plans business in Australia grew by 21%.
- Hong Kong improved results and maintaining share of IPO's coming to the market.
- India places us in strategically important growth area in Asia.

Regional Reports - North America

- Georgeson acquisition has added strength to CPU brand resulting in increased invitations to tender from S&P Top 100.
- Winning business in the US (Florida Power, Reliant Resources, Viceroy Resources, Stanley Tool Works).
- Plans voted No 1 in recent service quality survey.
- Transcentive acquisition creating additional opportunities for cross-sell.
- Canada providing improved results particularly in Corporate Trust.

Acquisitions – Georgeson Shareholder Communications

- Our most significant acquisition to date.
- All Georgeson's businesses are undergoing careful analysis.
- Great fit into Pepper and Analytics businesses.
- In other CPU markets, we can expose existing CPU clients to GS services.
- There will be a natural flow into our existing dealing services.

Acquisitions – Georgeson Shareholder Communications cont.

- Integration being carefully managed through a dedicated team of top CPU and Georgeson executives.
- Already identified areas for significant cost savings.
  - Some outsourced operations will be brought back in-house with significant savings.
  - IT Infrastructure.
  - Administrative functions.
  - Office rationalisation.
  - Our back-end processing expertise will reduce the cost of major transactions.
- Revenues have been around US$120 million and expect these to grow in line with increases in market activity.
- Margins will be around 20% excluding cost savings.

Acquisitions - Transcentive

- Specialist providers of services for all types of equity plans.
- Acquisition blends well into CPU's overall Plans business strategy and cements our position as the leading provider of Plans services globally and in the US in particular.
- Services range from bureau to full outsource.
- Strong market presence in the US – 48% of Fortune 1000 companies.
- CPU will be able to leverage off US base and take their services to another level both nationally and internationally.
- Further opportunities to cross-sell clients.

Acquisitions – Transcentive cont.

- Integration will be carefully managed and synergies between our two companies are expected to be extracted from:
  - Administration
  - Merging of outsourcing with CPU Plan Managers
  - Integration of Sales and Marketing functions
  - Technology expense (for both parties).
- Creates immediate global opportunities
  - Hong Kong
  - India
  - Europe
  - South Africa.

Acquisitions - India

- Places Computershare in strategically important, future growth area in Asia.
- Mutual Funds back office market (30% market share) – opportunities to expand overseas.
- Market leader in share registry with 40% market share – 16 million shareholders.
- Potential to leverage CPU's value-added services, to grow market share.
- Ability to partner with Indian companies as they move into international markets (ADR's, overseas companies with employees in India).
- Appointed our own Chief Financial Officer.

Acquisitions – Deutsche Borse Computershare GMBH (JV)

- Have purchased remaining 51% and now trading as Computershare – Germany.
- Dramatically reduced cost base.
- Moved operations to Pepper in Munich.
- New registry system live in May 2004 removing €1 million in costs.

Acquisitions – Pepper Technologies

- Purchased remaining 63%.
- Stakeholder Relationship Management systems that will bring added value to Computershare's global client base:
  - Shareholders – SRM
  - Employees – CRM
  - Clients – CRM.
- Innovative technology and unique approach to electronic stakeholder communications has already increased take-up rate for e-communications tenfold.
- Data mining and other technology tools helping companies to see their stakeholders as an asset rather than a cost.
- Taking Pepper to the World with over 7000 existing CPU clients – great cross-sell opportunities.

Priorities For The Next 6 Months

- Manage the integration of new acquisitions to capitalise on synergies and deliver full value.
- Clearly define our product offerings.
- Consolidate sales/marketing and business development teams in all regions.
- Focus effort in each region to achieve maximum cross-sell opportunities.
- To bring Europe's contribution in line with other regions.

Outlook

Assumptions

- Current levels of M&A, IPO and other Corporate Action activities are sustained.
- No change in interest rates.
- Fluctuations in currency are within +/- 10%.

Revised EBITDA guidance for full year estimated to be in a range of

$170m - $190m

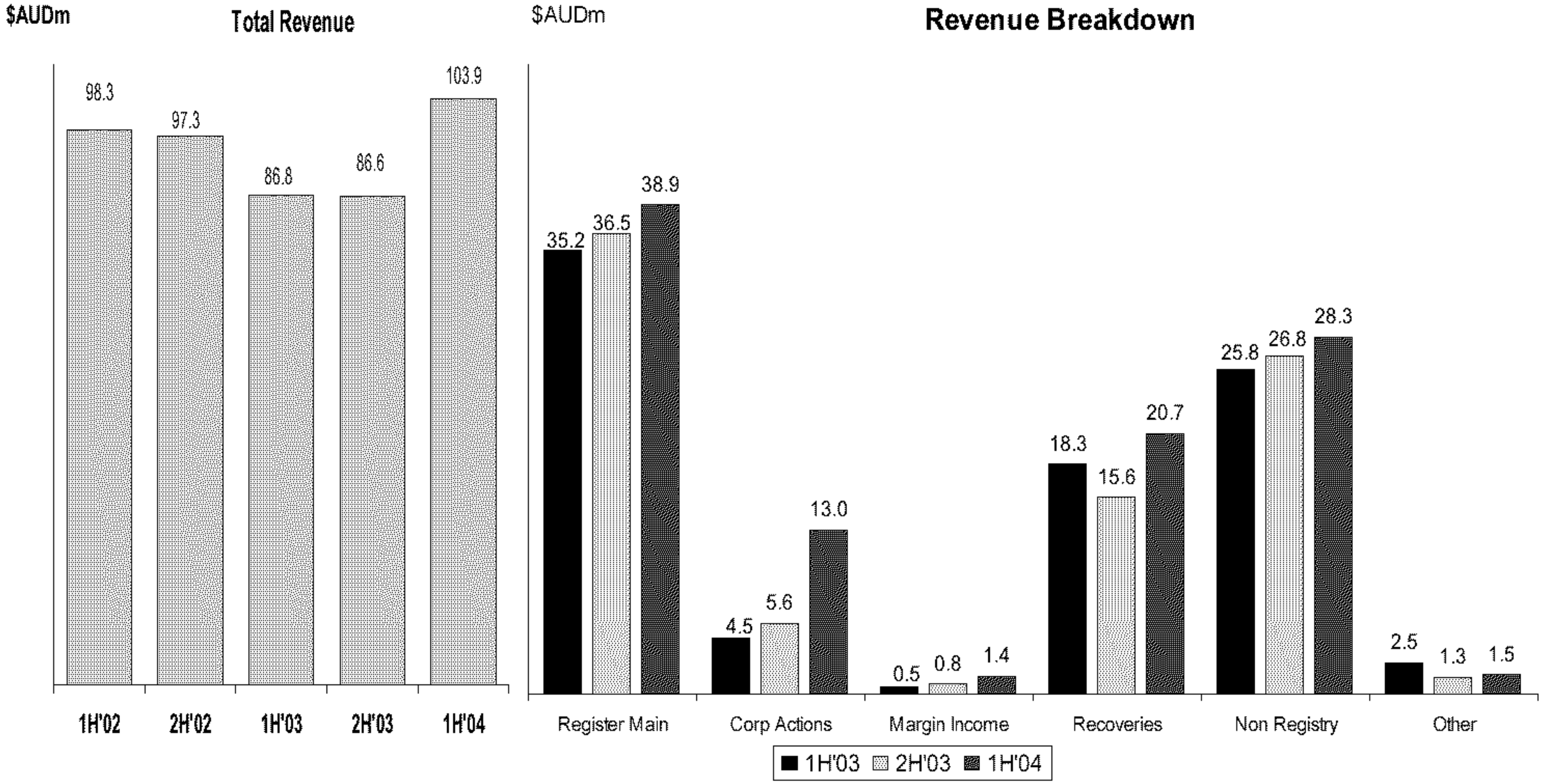
Appendix A

Revenue Breakdown by Country

Competitive Environment

	Clients	Competitors
Australia	1,173	APRL
New Zealand	263	
Hong Kong	433	
UK	685	Lloyds, Capita
Ireland	181	
South Africa	748	
USA	1,246	BoNY, DST, (Equiserve), Mellon
Canada	2,189	CIBC Mellon

Australia Half Year Comparison



*Excludes revenues from Georgesons.

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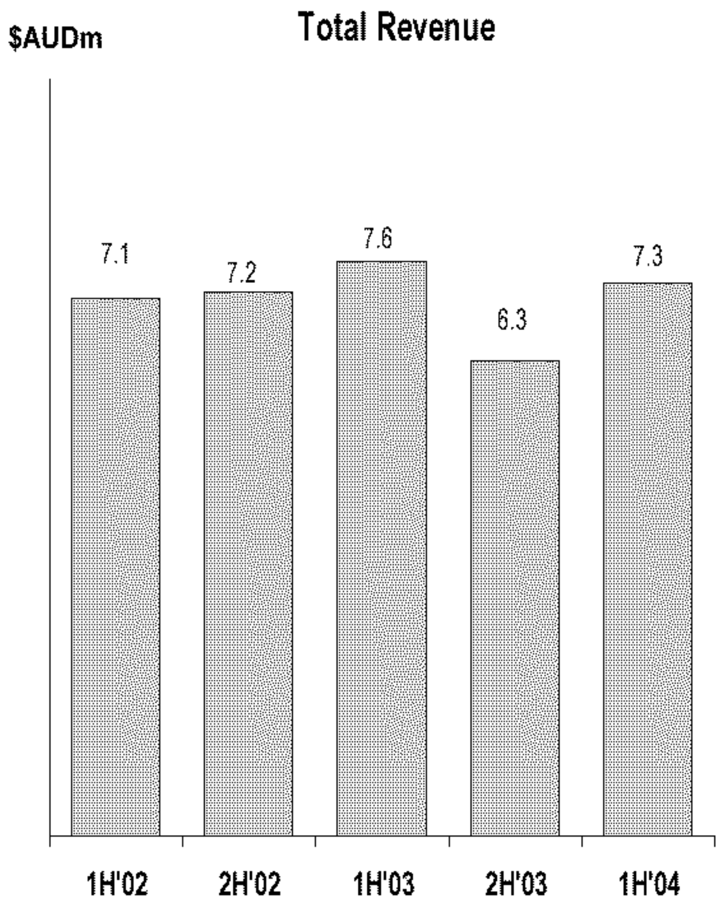
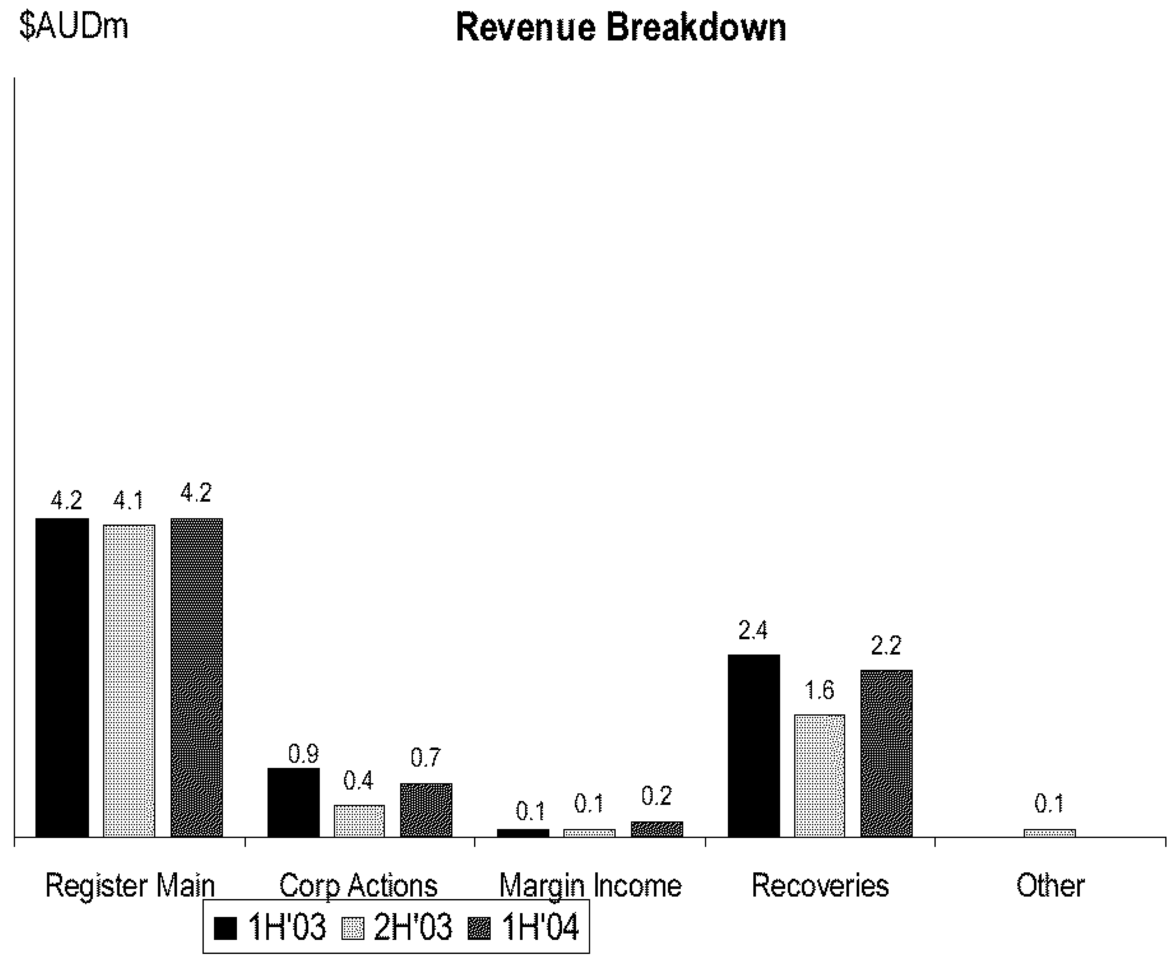
New Zealand Half Year Comparison





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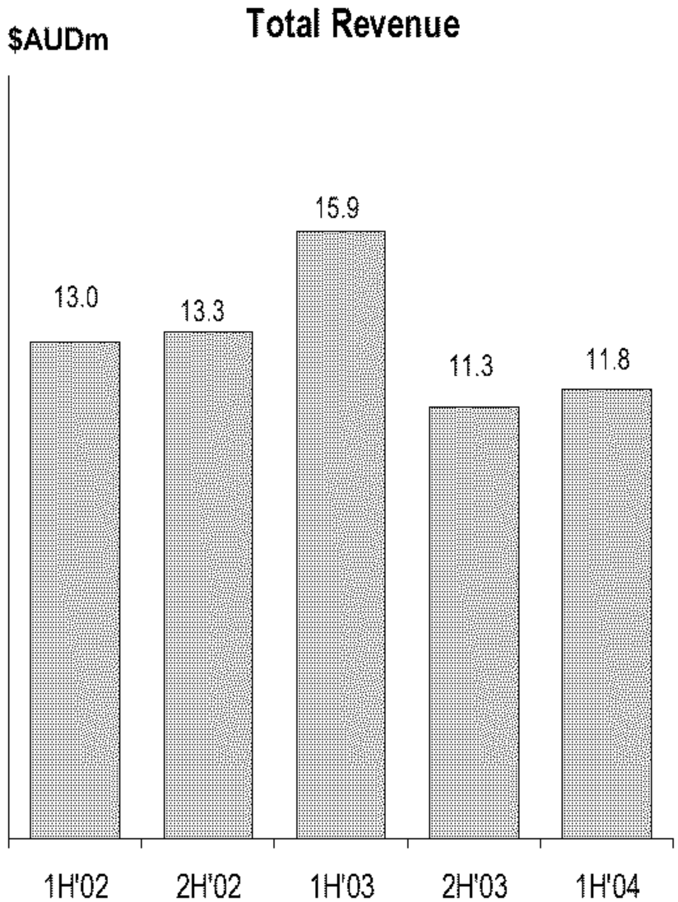
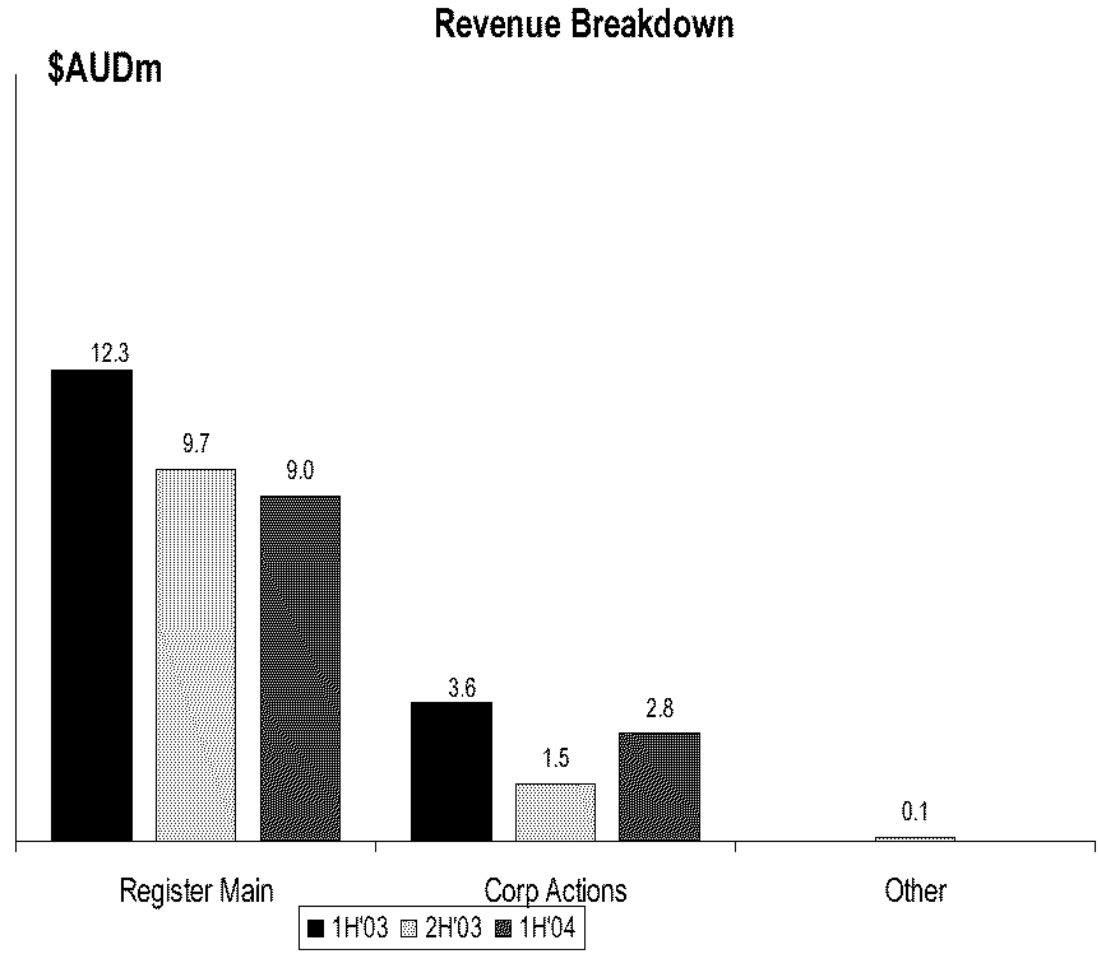
Hong Kong Half Year Comparison





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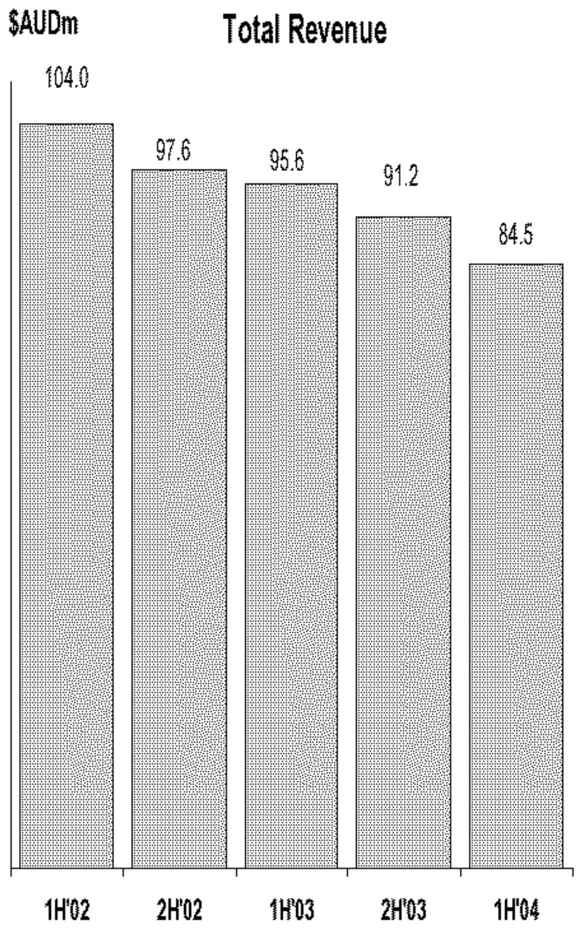
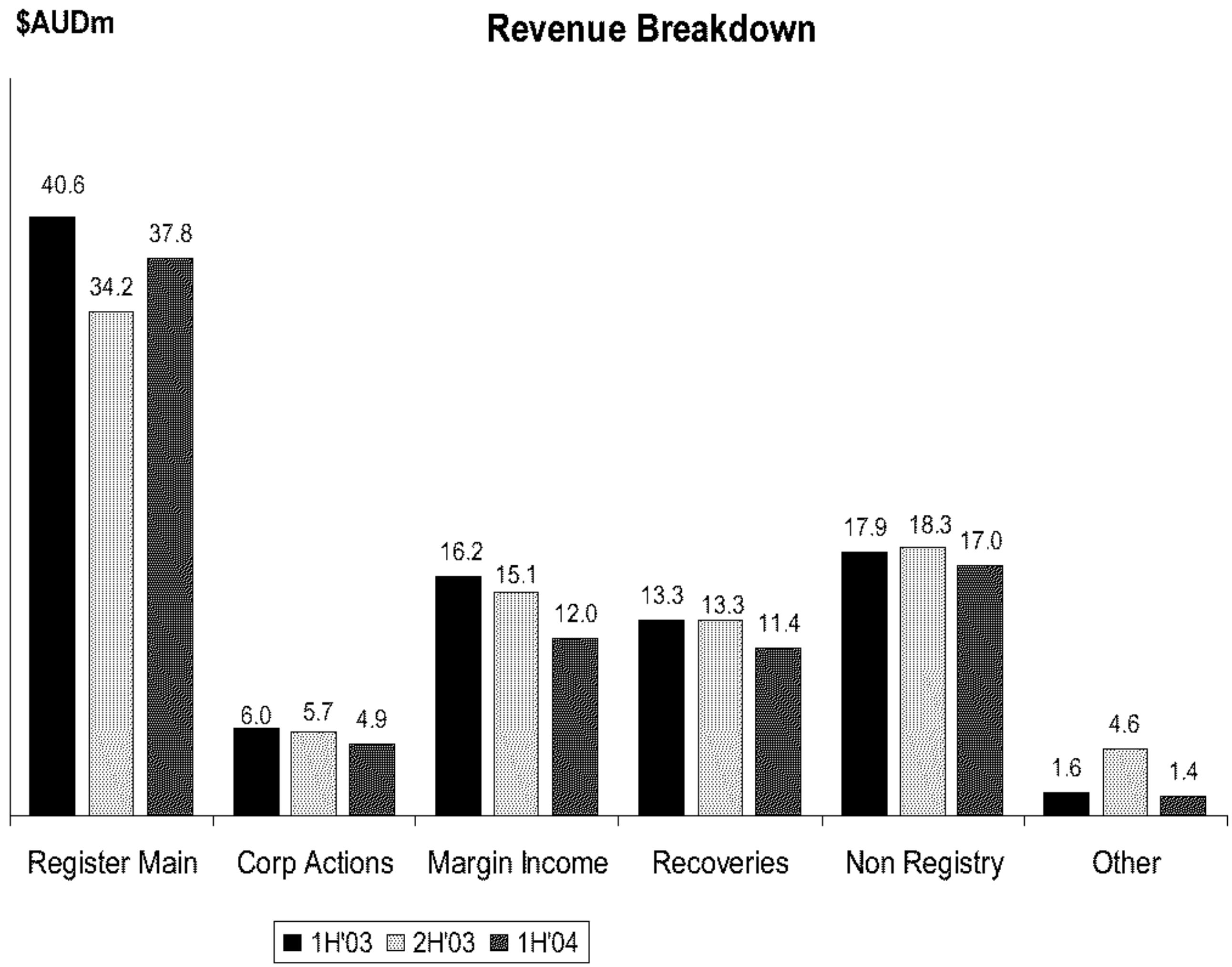
United Kingdom Half Year Comparison



*Excludes revenues from Georgeson.



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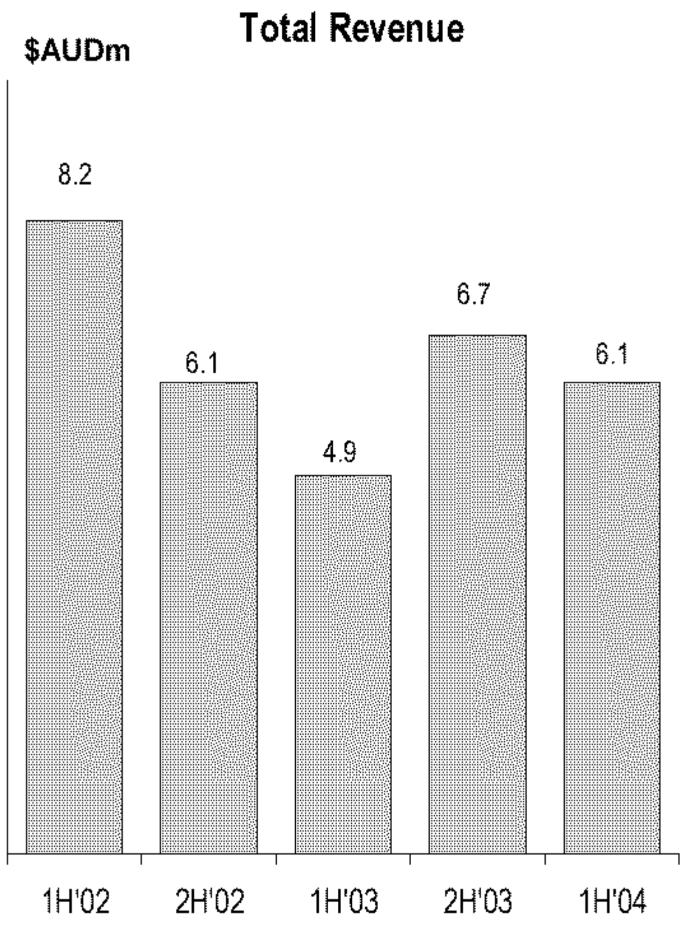
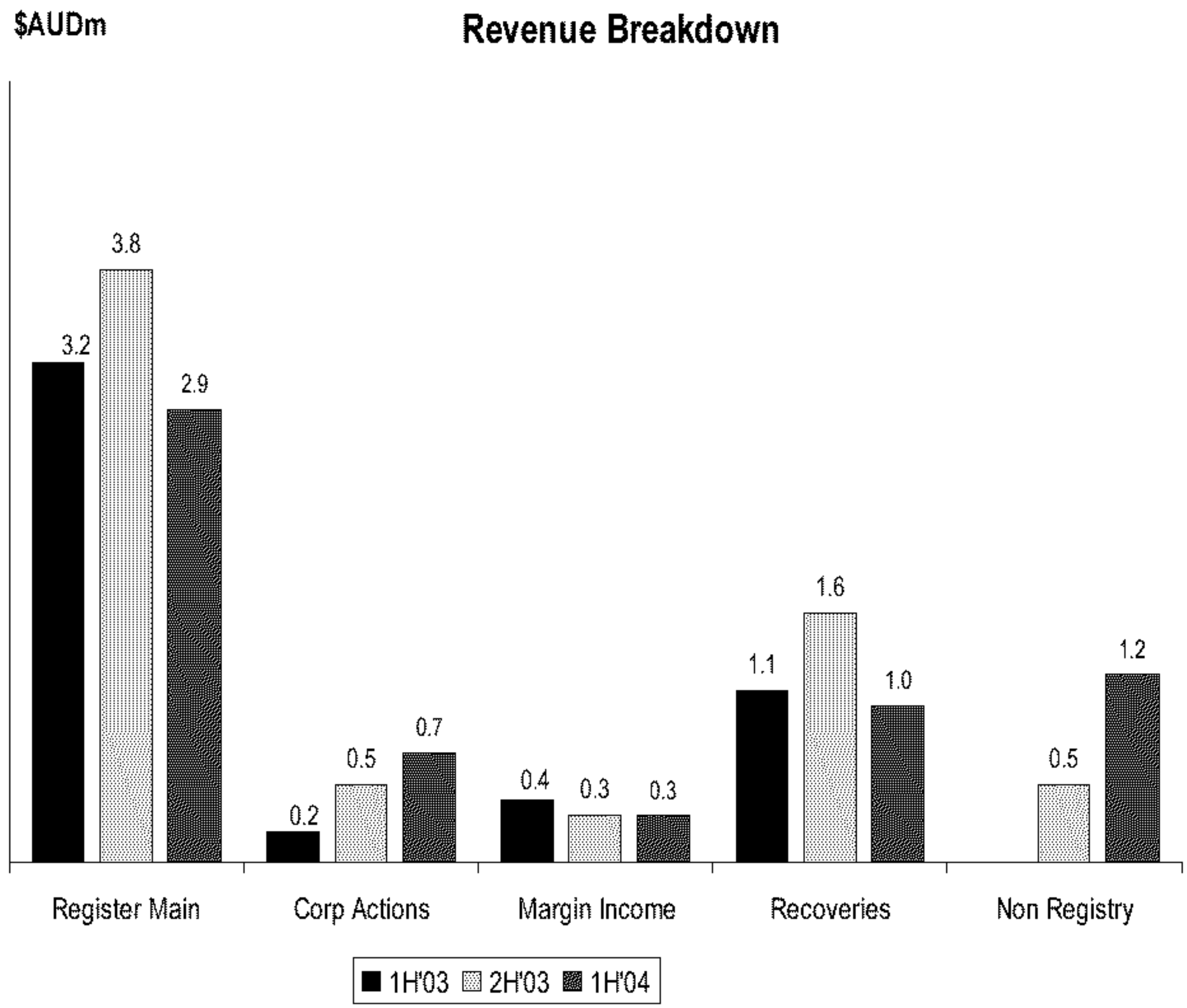
Ireland Half Year Comparison





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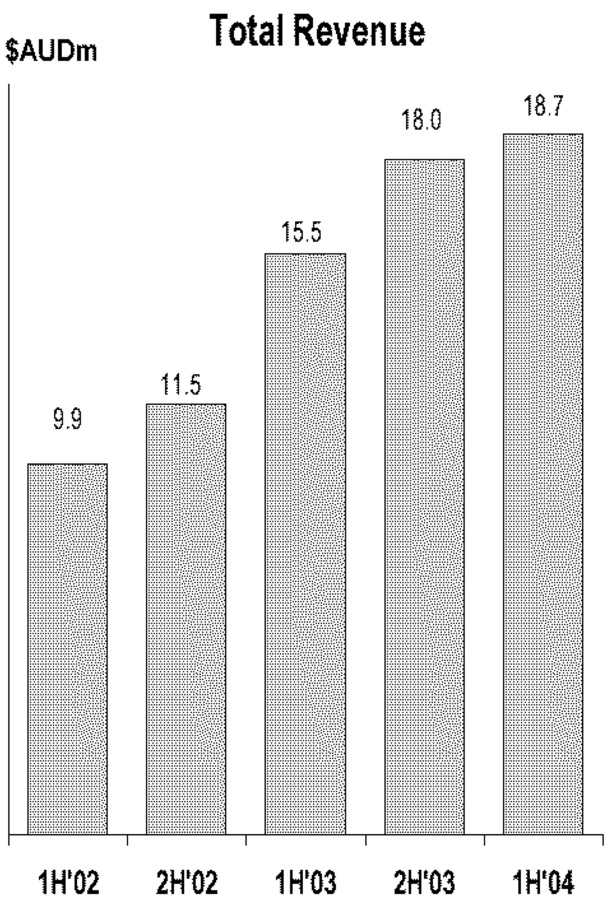
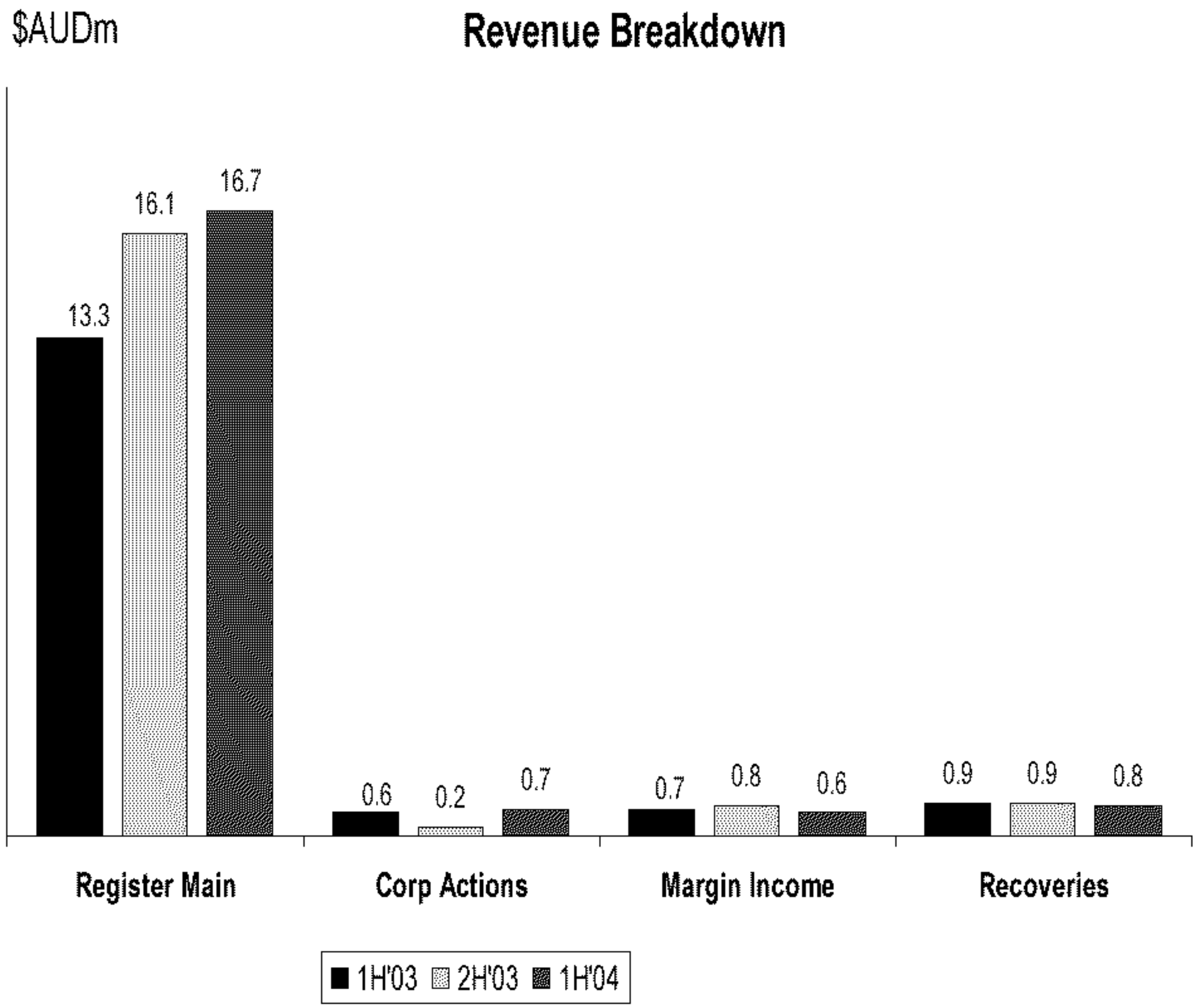
South Africa Half Year Comparison



*Excludes revenues from Georgesons.



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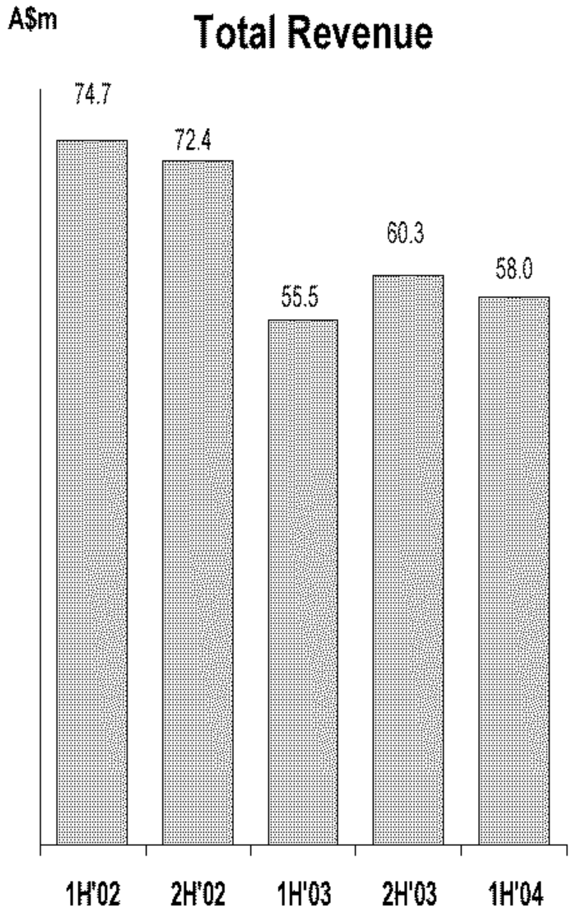
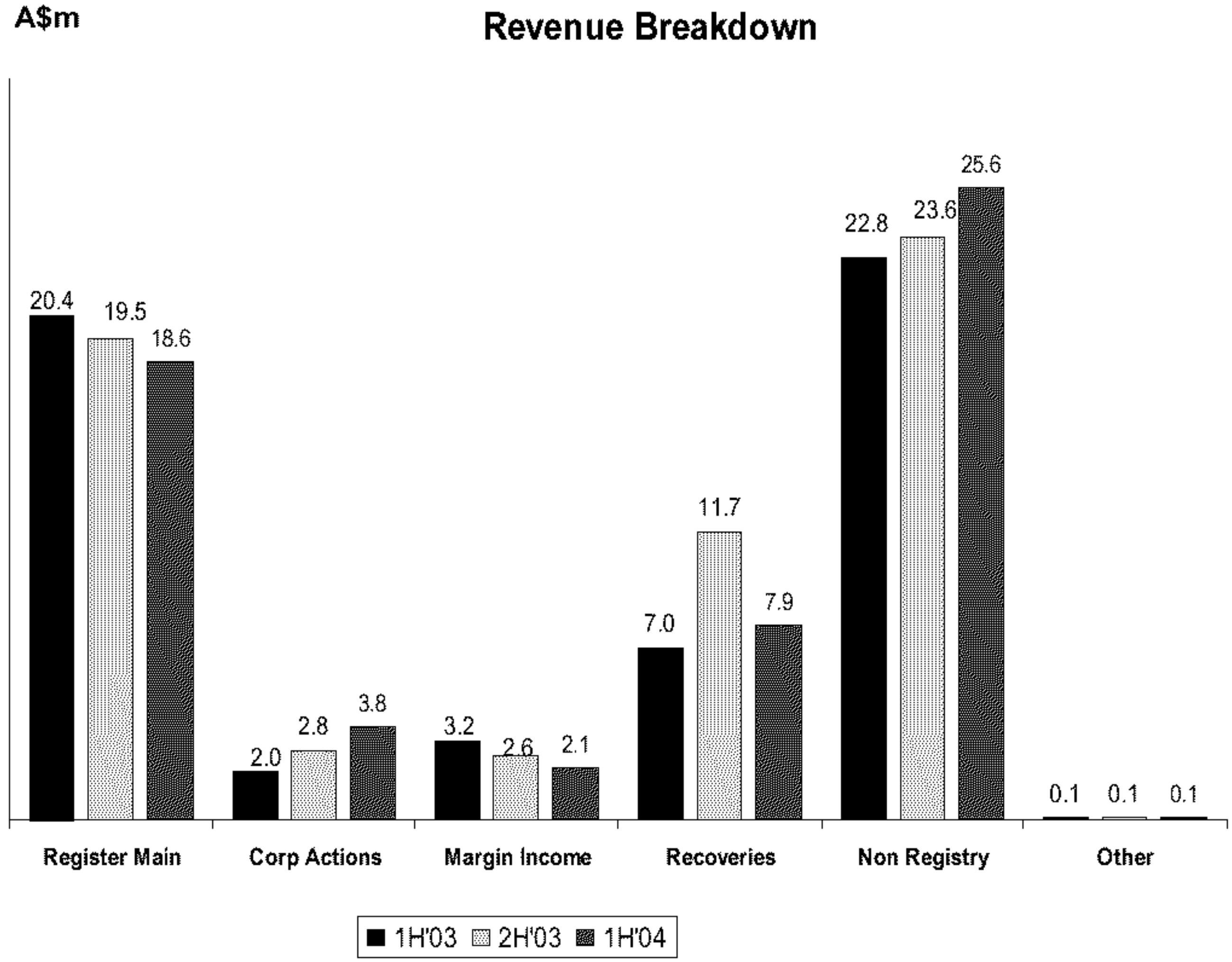
United States Half Year Comparison



*Excludes revenues from Georgesons.



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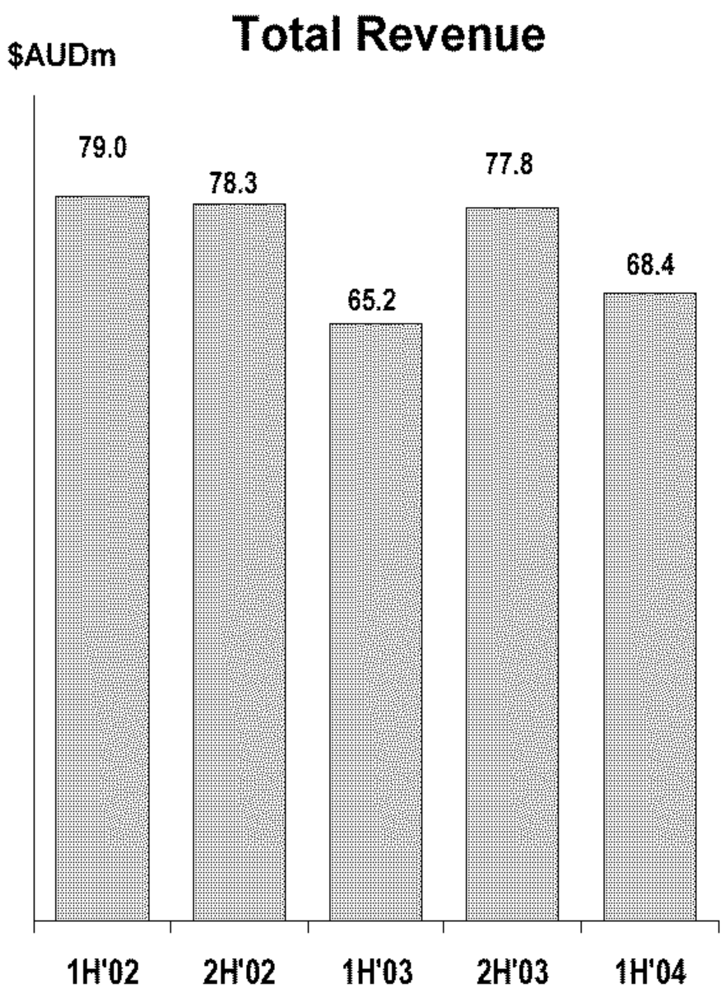
Canada Half Year Comparison



*Excludes revenues from Georgesons.