Financial Year 2002 Results Presentation

28 August 2002

Introduction

Chris Morris
Chief Executive Officer

2002 – The Redefining Year

- Results in line with forecast made in February after first and only downgrade
- Delivered steady profit levels in line with prior year despite massive deterioration in equity capital markets
- Good quality result – maintained strong operating cash flows from all businesses and continue to expense technology costs
- Aggressive evaluation of operating costs, substantial savings in 03
- Group restructure into 3 operating divisions by region
- Substantial new hires to increase skill levels within all businesses
- Increased breadth and expertise of the Board – majority non-executives

Board Breadth and Expertise - New Appointments

Sandy Murdoch
Non- Executive Chairman

Chris Morris
CEO

Penny Maclagan
Head of IT

Tony Wales
Non-Executive

Peter Griffin
Non-Executive

New Appointments

Iain Saville CBE
European Time Zone Head

- UK capital markets expertise and senior relationships
- Formerly CEO CrestCo (UK)

Phil DeFeo
Non-Executive

- US capital markets expertise and senior relationships
- Chairman and CEO of Pacific Exchange

2002 – The Redefining Year (continued)

- Reduced sensitivity on interest rates
- Marketing Alliances with key industry players
- Focus on marketing CPU's core strengths being technology, global and total product offering
- Critical evaluation of all areas of business with renewed focus on margins and growth opportunities
- Renewed focus on Australia to maintain and increase market share
- Joint Ventures with Deutsche Börse and Hong Kong Stock Exchanges
- Purchase of BT Registries Australia and Mercantile in South Africa

Today's Announcements

- Results in line with forecasts
  - Revenue $781.0 up by 3.5%
  - EBITDA $147.6 down by 2.8% (before non recurring items)
  - NPAT before Pref. Div. $57.9m up by 5.5% (before non recurring items)
- Share buyback of up to 10% of the stock
- Increased annual dividend from 1 cent to 5 cents per share
- Approval from SEC to be an ADR agent in the US
- Consulting assignment with the Chinese Government
- Major wins in Plans, Document Services and Analytics

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Financial Results

Tom Honan
Chief Financial Officer

Key Messages

1. Hit revised forecast in all financial indicators, with good quality result.

2. Delivered steady profit levels to last year, despite market conditions.

3. Guaranteed steady cash flows from all businesses with significant balance sheet capacity

4. Progressed organisation to a more sophisticated global company

5. Increased dividend to 5 cps per year (up from 1 cps per year)due to consistent cash flows of existing businesses

Achieved forecast with good quality result

- Normalised EPS – 9.6 cents
- EBITDA steady at $ 147.6 m
- Annual dividend increased from 1 cents to 5 cent – fully franked
- Share Buy-Back of up to 10% of issued capital announced
- Operating cash flow up 16% to $79.4 m
- Net debt - $34.5 m
- Funding capacity of A$ 250m
- Effective tax rate 31.0 % (down from 44.5% for FY'01)

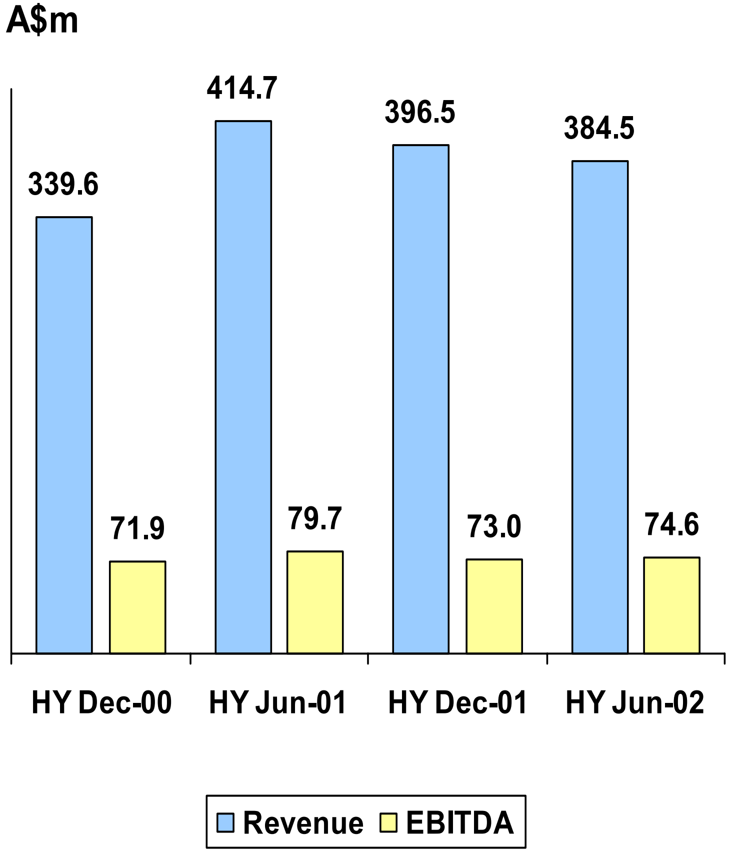
Achieved forecast on all key measures A$ M

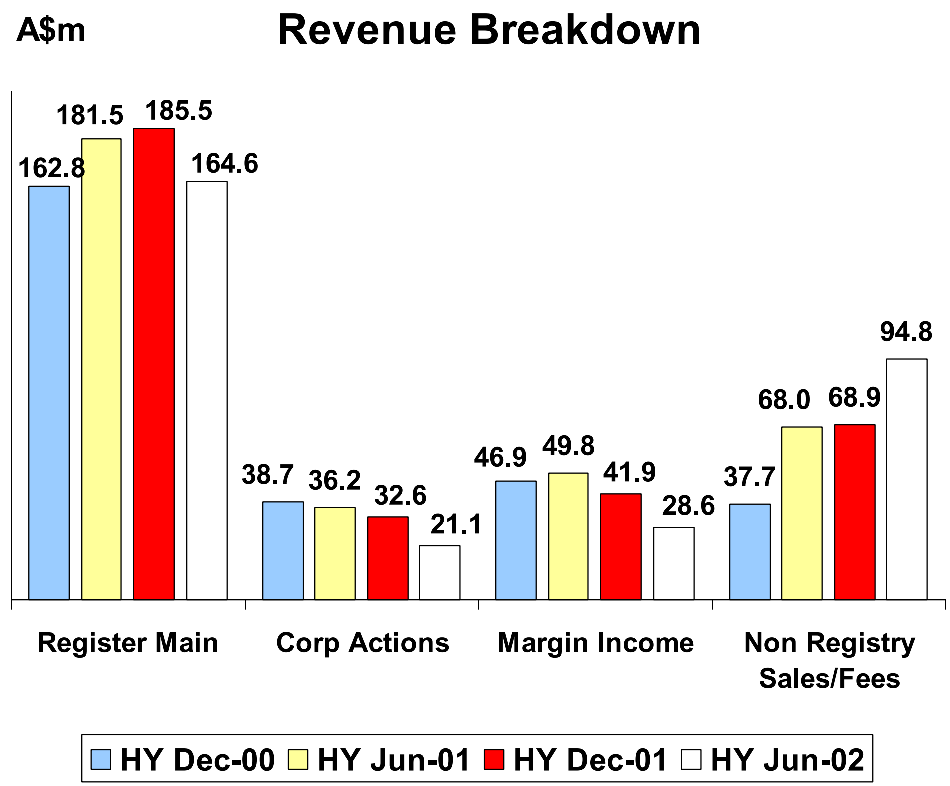
	Forecast range	Actual
Revenue	753 – 775	781.0
EBITDA	145 – 152	147.6
NPAT before OEI	56 – 60	57.8

Financial Performance A$m's

	2002	2001
Revenue		
Registry maintenance	348.1	344.3
Corporate actions	53.7	74.8
Margin income (including sharesave admin)	72.5	96.8
Non Registry fees/sales	163.7	105.6
Interest income	4.2	3.7
Recoveries	125.6	114.5
Other	13.2	14.6
	781.0	**754.3**
Expenses		
Operating costs	631.9	598.9
Depreciation and amortisation	25.3	21.3
Amortisation of goodwill	29.9	25.0
Borrowing costs	10.2	14.4
Investment writedown		21.3
Pre tax Profit	**83.7**	**73.4**
Income tax	26.0	33.7
NPAT before OEI	57.8	42.1
NPAT after OEI	71.3	38.7

Consolidated Results
Half Year Comparison





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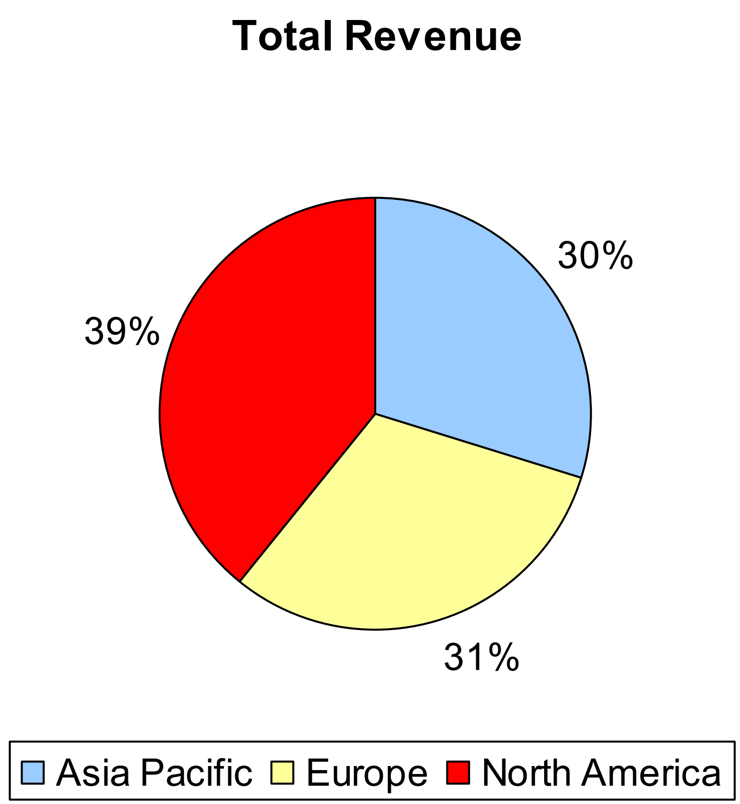
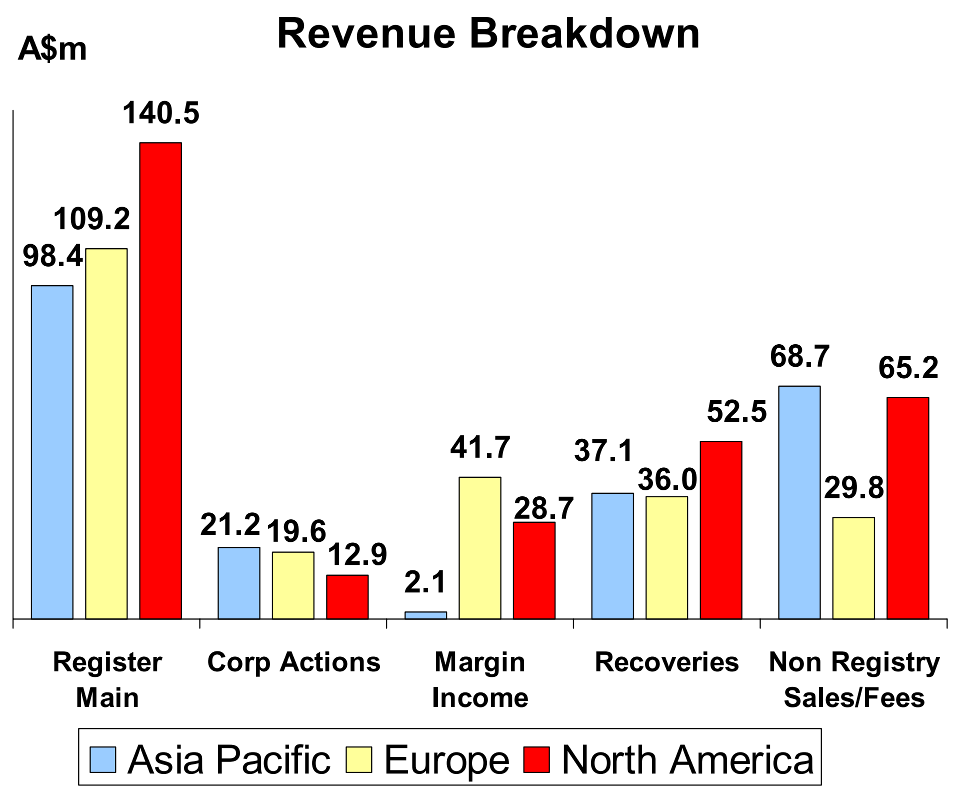
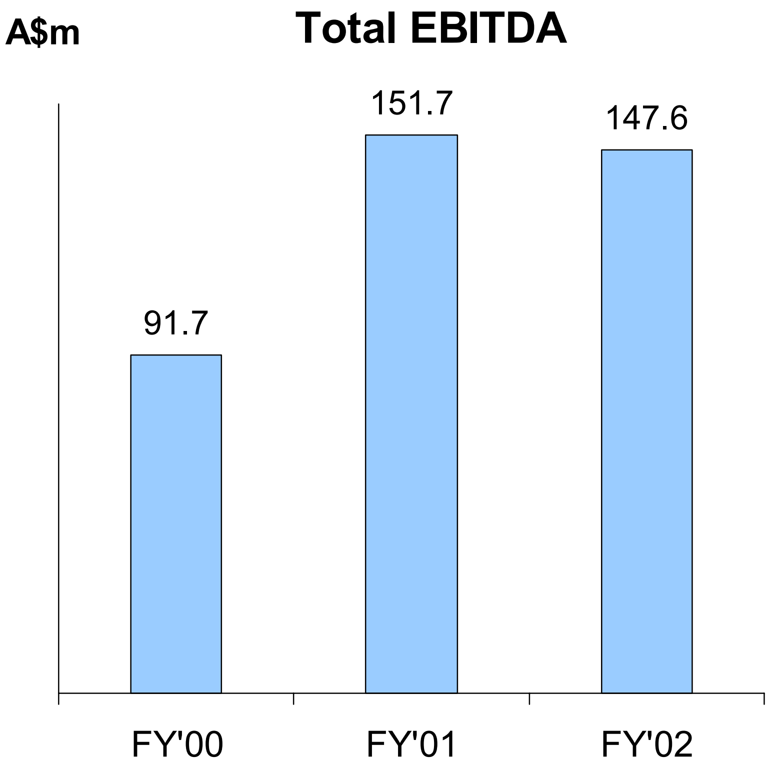
Revenue by Region

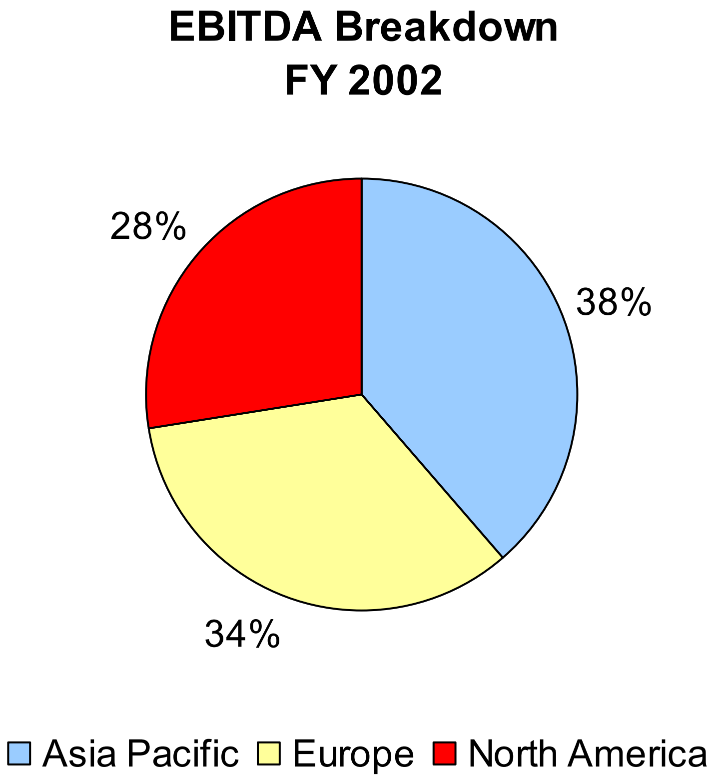




Revenue by country in main supplementary info

EBTIDA generated from diversified portfolio





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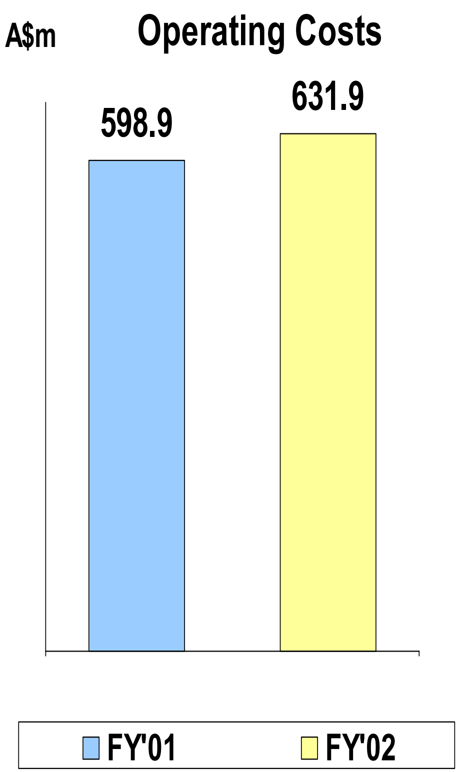
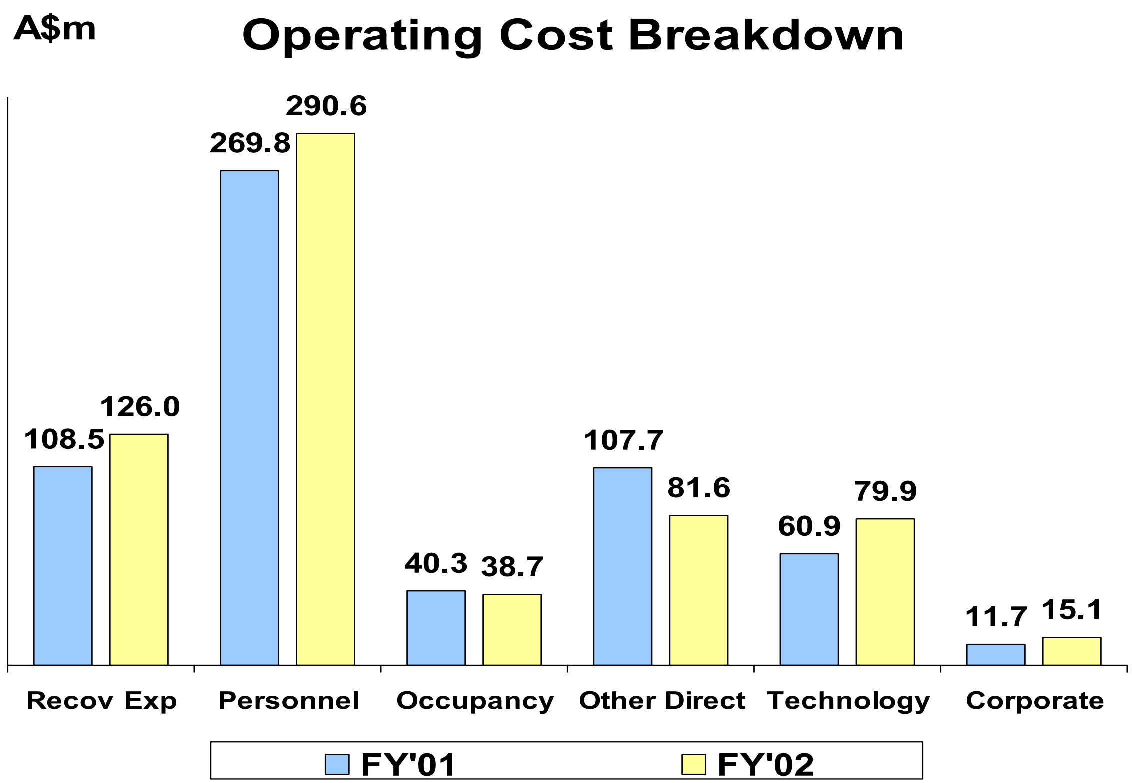
Cost increases held to 5.5% for the FY02 year





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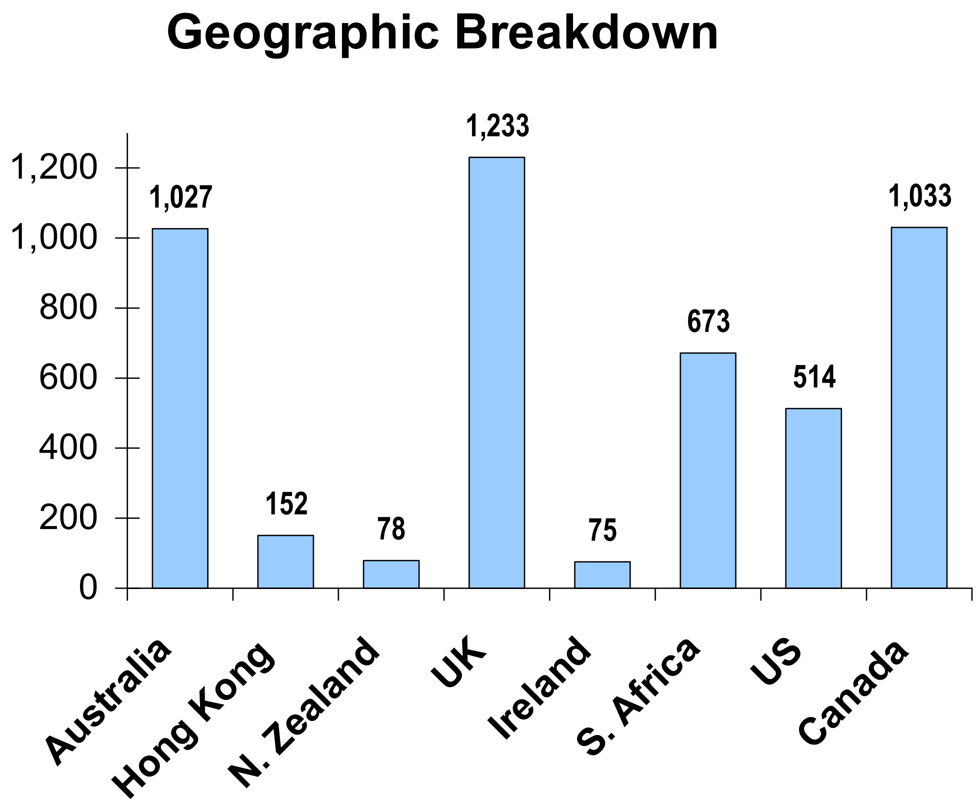
Business Unit Headcount *



* Headcount excludes Technology and Corporate Services

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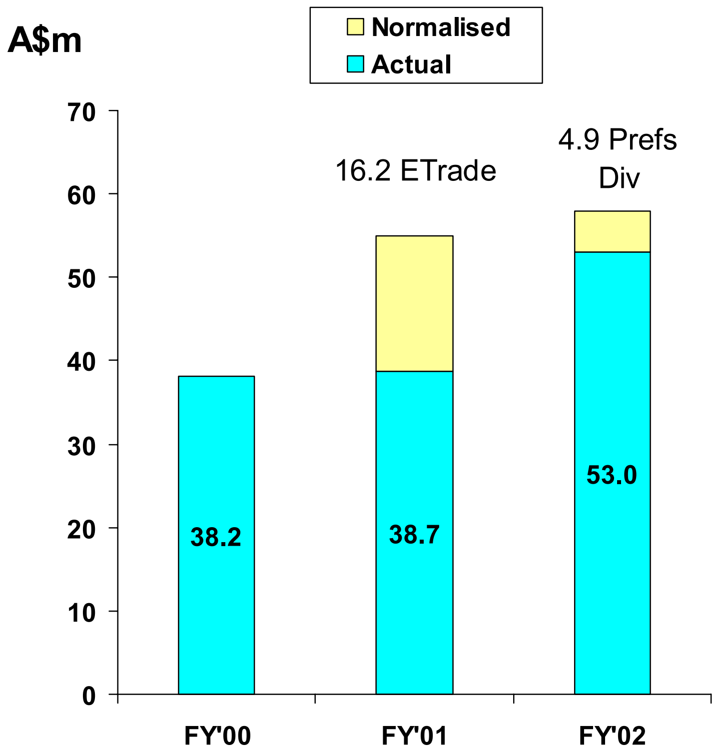
Analysis of NPAT



Explanation

- Normalised NPAT for FY01 was $54.9m
- Pre preference dividend NPAT for FY02 was $57.9m
- Significant improvement to effective tax rate (31%) drove NPAT higher in 2002

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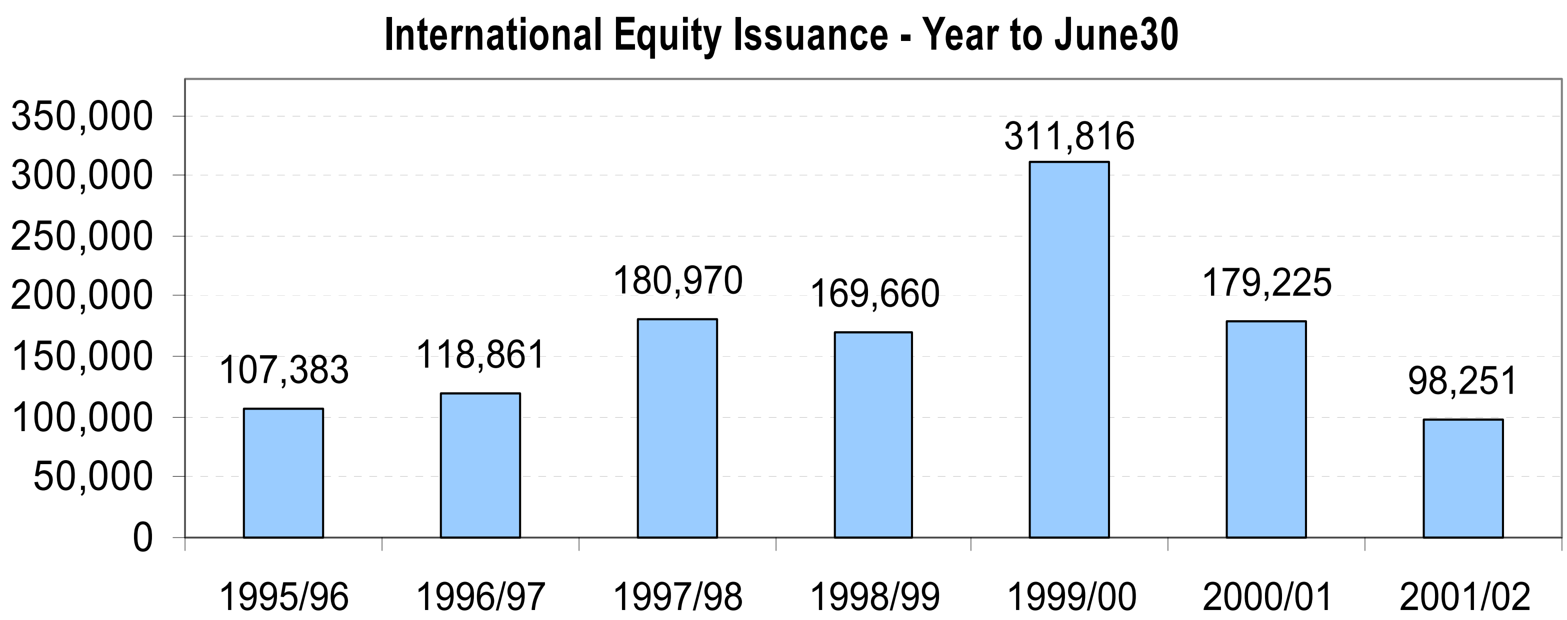
Corporate Equity Issuance 30 June – US $ M

2001/02 year lowest levels since 1994/95



Source: Dealogic EquityWare

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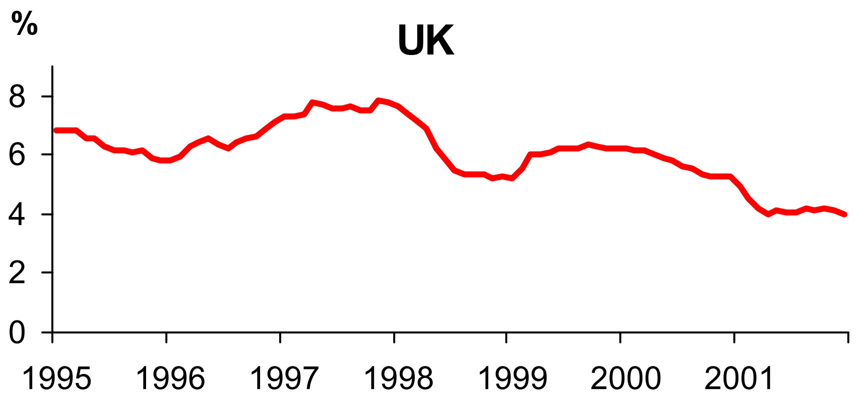
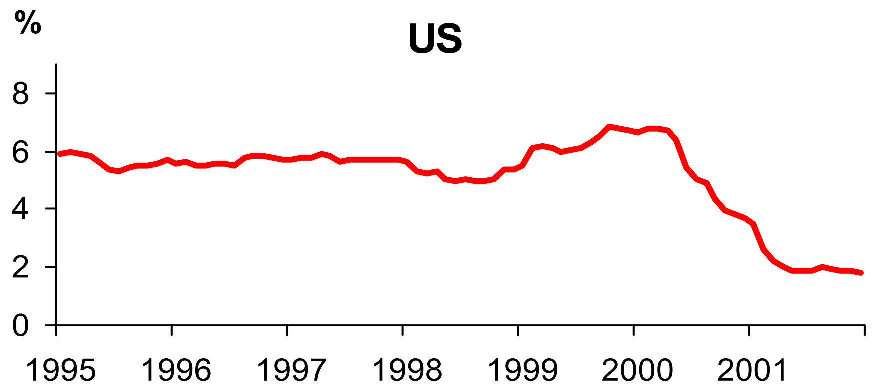
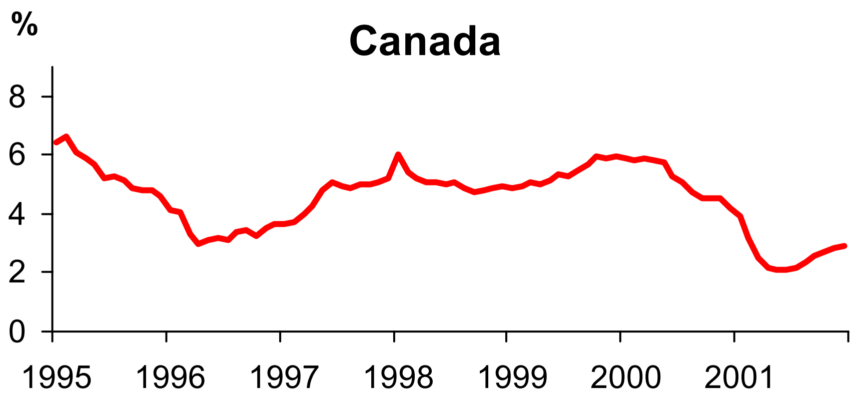
Global Interest Rates







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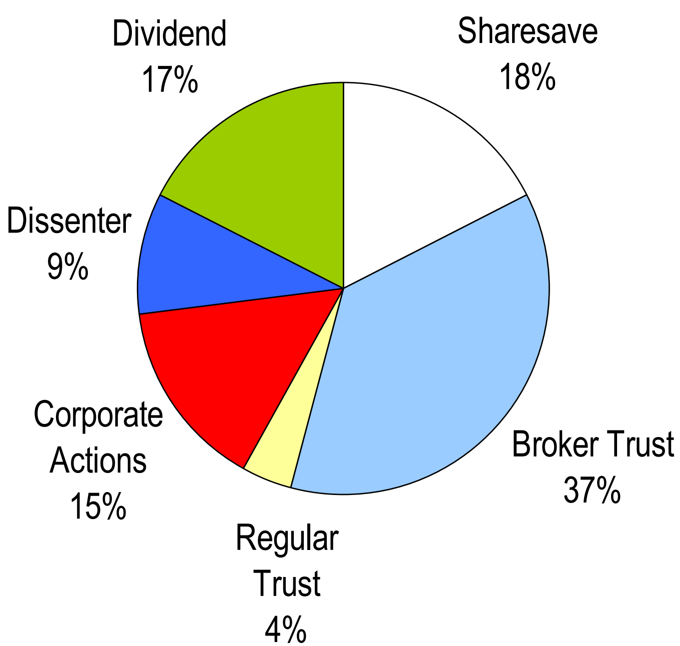
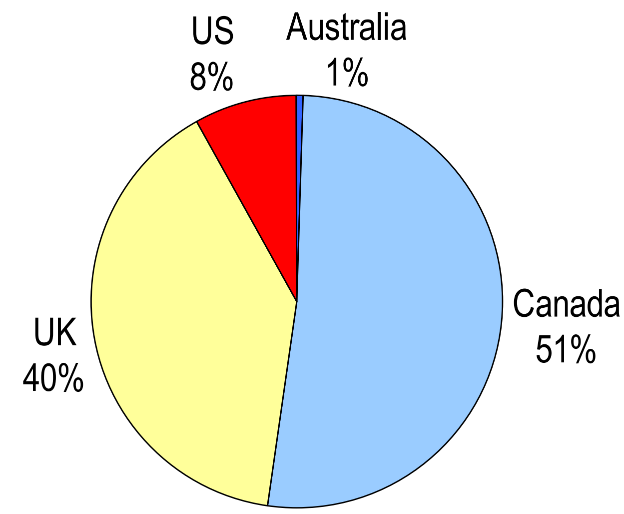
Funds Balances at 30 June 2002

By Category



By Country



FY02 average balance range A$3.7b – A$4.5b

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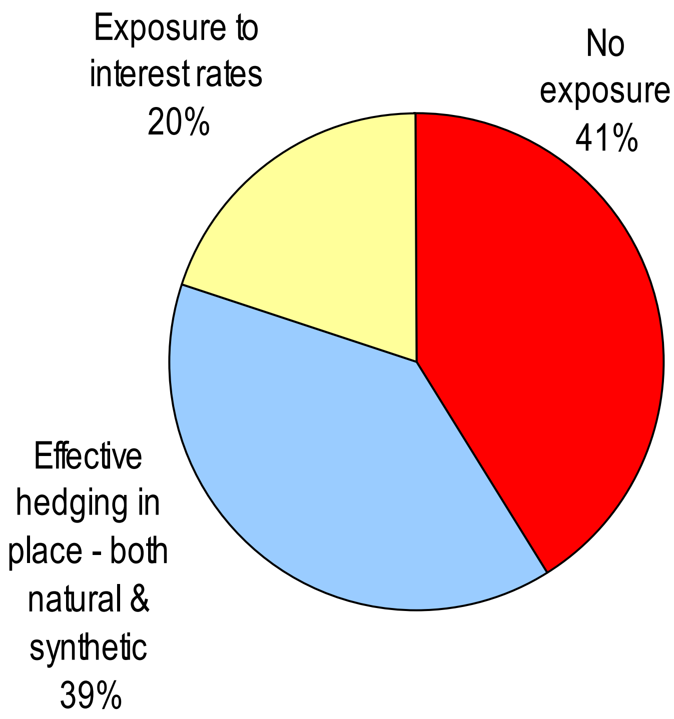
Funds Balances
Interest Rate Sensitivity



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: 39%
Procedures:	-	Control previously held at regional level
	-	Major review undertaken to ensure consistent policies
	-	Administered as a group treasury function
	-	Ongoing review of alternative hedging techniques

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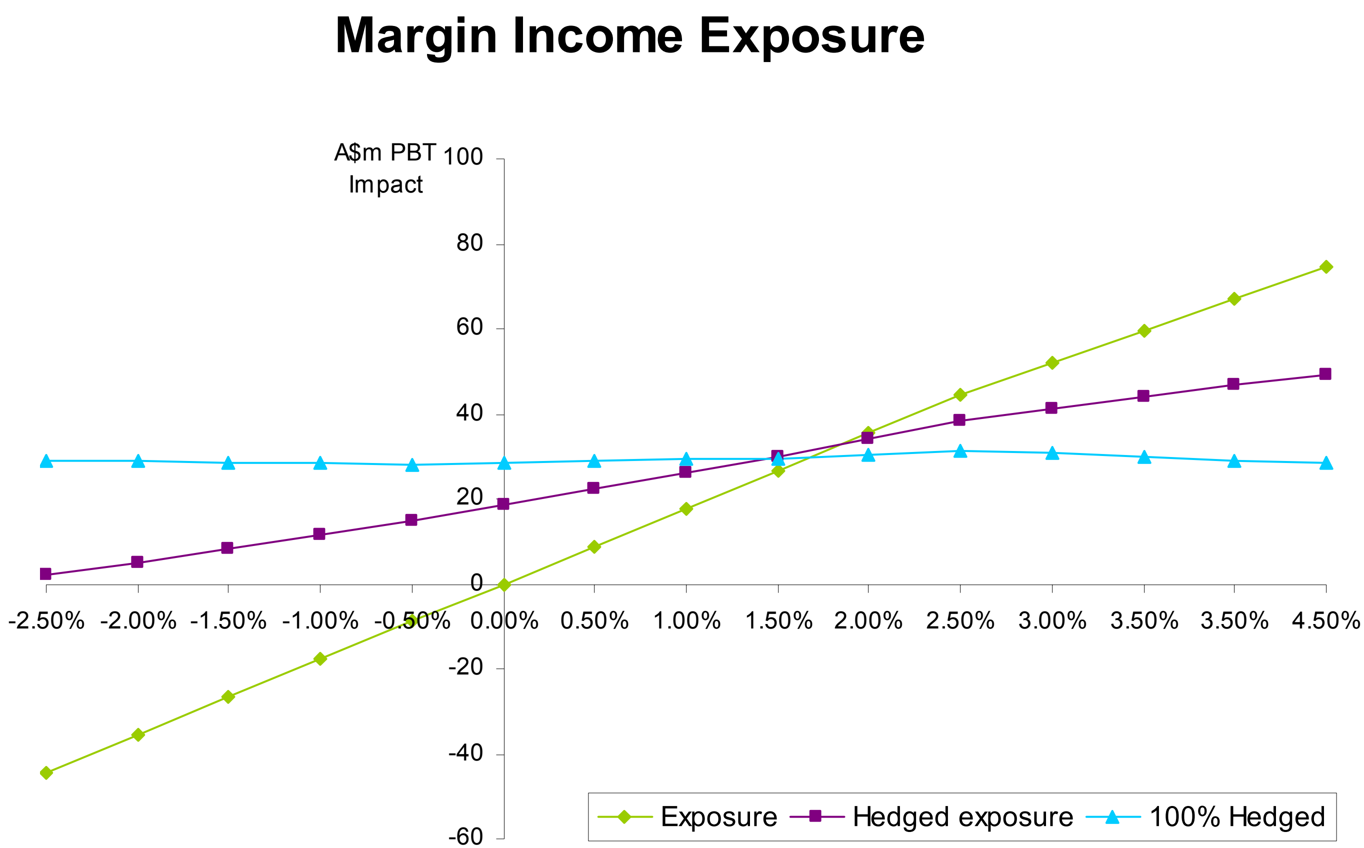
Margin Income – Interest Rate Sensitivity



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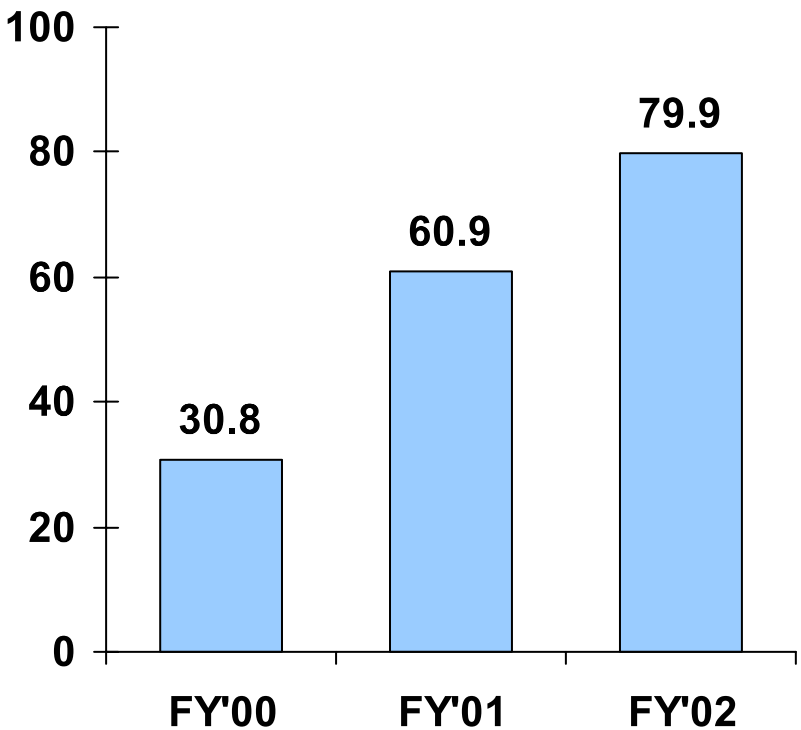
Technology Costs – Establishing Global Platform



All A$m – internal costs only

All technology costs are expensed

Increase attributed to:

- SCRIP implementation: US, Canada and Hong Kong
- North America infrastructure development
- ESSP Conversion (US – Merrills)
- Global Options system development (BP)

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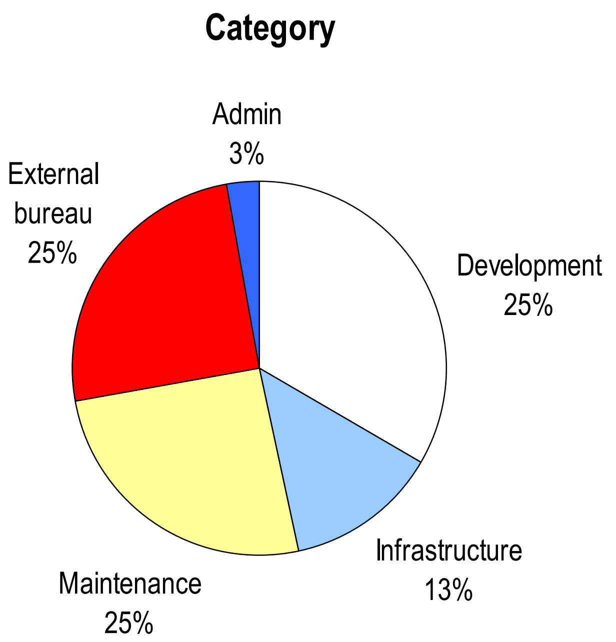
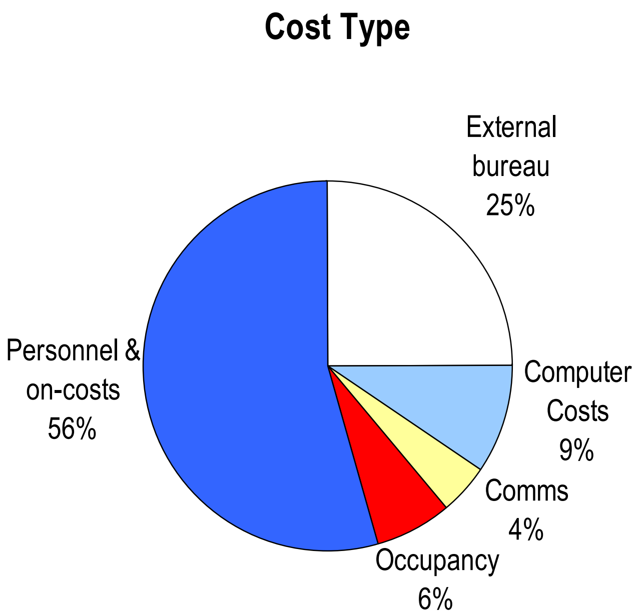
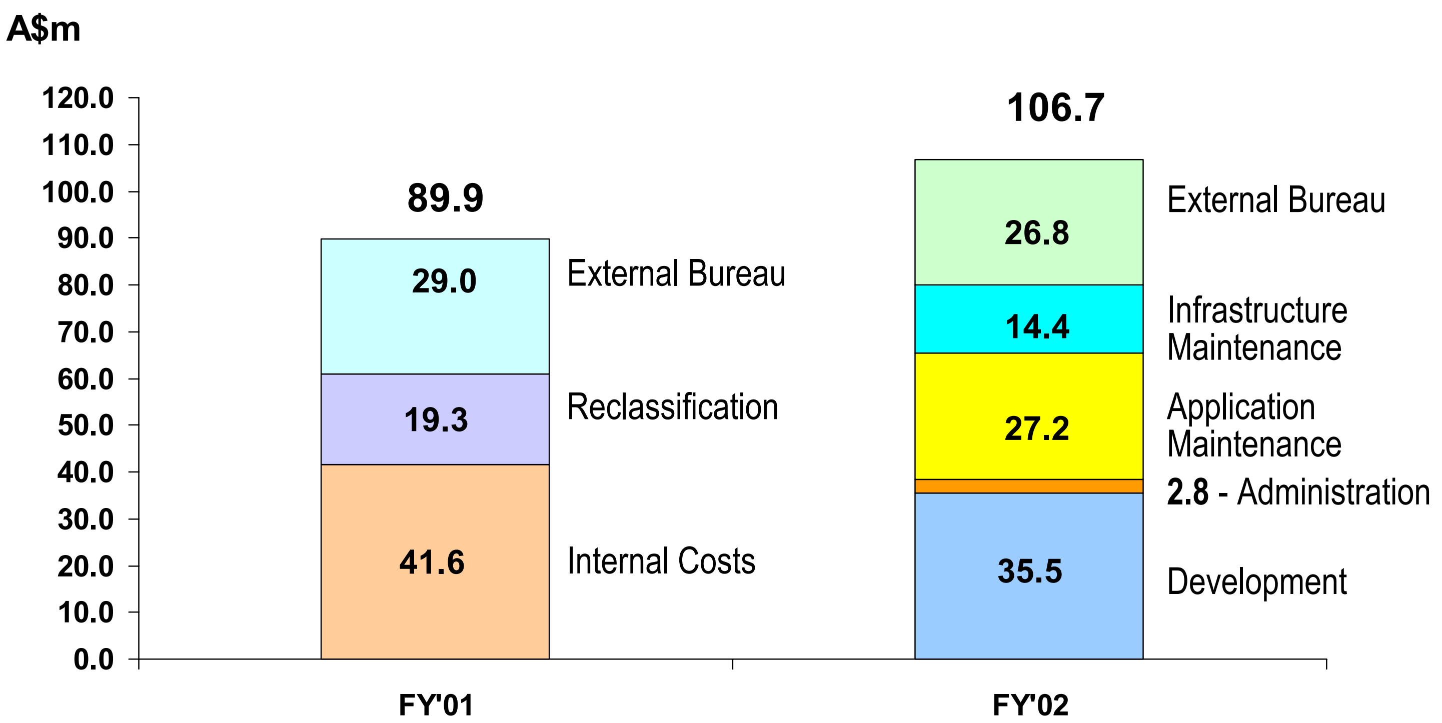
Analysis of Technology Costs - 2002





Analysis of Technology Costs



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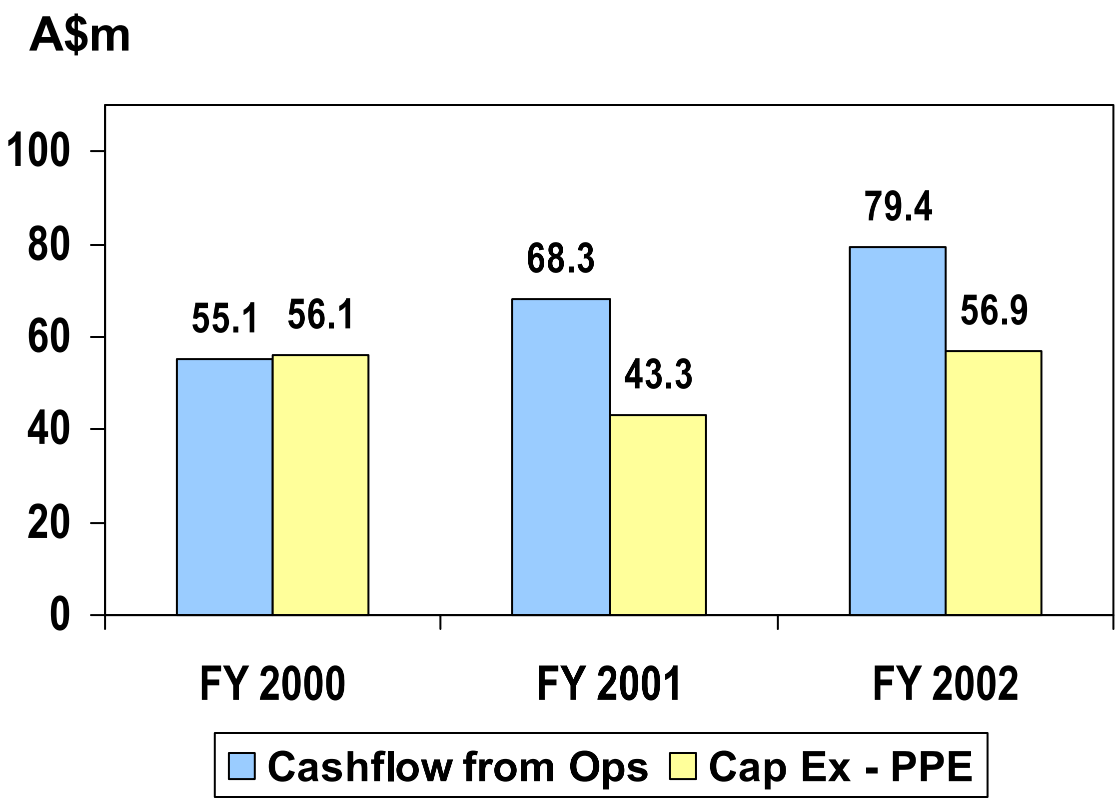
Cashflow

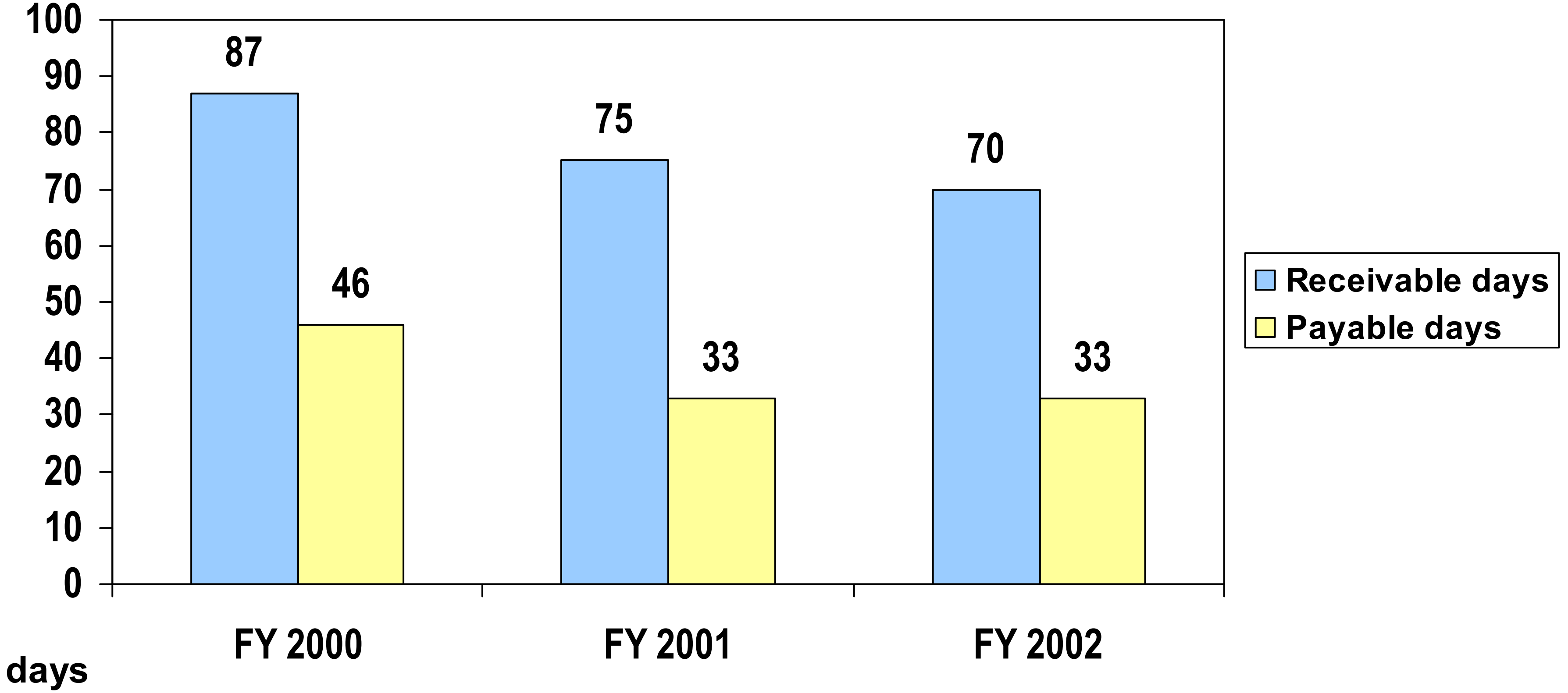


- Gearing on a net debt to equity basis - 5%
- Available resources A$250m
- Debtors days outstanding have fallen from 75 to 70 days

Analysis of Capital Expenditure

	CPU Group Capex A$ M
Occupancy	29.1
Document Services Facilities	7.7
Information Technology	17.9
Other	2.2
TOTAL	56.9

Improved Working Capital Management



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Balance Sheet Strength

Net Debt / Equity	=	5.2 %
Net debt	=	A$ 34.5m
Debt facility available	=	A$ 250m

We have delivered on structural changes

Initiative	Action
• Increased focus on staffing costs	• Review continuing into restructuring alternatives
• Critical evaluation of costs	• Implemented strategic review of all non personnel costs within the business, commencing in Australia
• Increased fiscal discipline	• Business case assessment on all new projects • Emphasis on forecasting/planning business performance • Enhanced capex reporting • Improved analysis into technology costs
• Increased disclosure on critical profitability drivers	• Sensitivities and analysis produced for key items, further information to be provided
• Enhance treasury management expertise	• Treasury functions consolidated at HO
• Increase quality of management reporting function	• Forecasting models rebuilt & reviewed by external consultants • Monthly management reporting time frame continuing to shorten

Outlook

At this stage we are confident that FY02 has been our redefining year, and provides the base for future growth. Any revenue and earnings growth will depend on the recovery of global equity markets, and in particular a higher level of corporate actions. Increases in interest rates will also be both revenue and earnings positive.

Equity Management – Fully Franked Annual Dividend of 5.0 cps

- EPS – Normalised	9.6 cents
- Dividend	5.0 cents
- Current yield *	2.5 %
- EPS Payout ratio	52.1 %
- Franking Benefit – Total return	3.6 %

* Based on share price of A$ 2.00

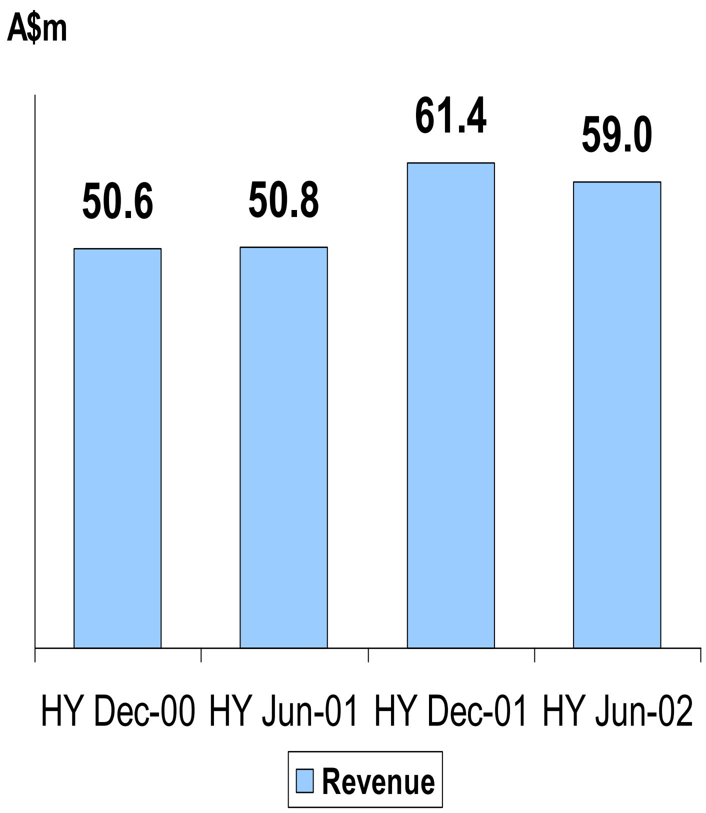
Equity Management – Share Buy Back

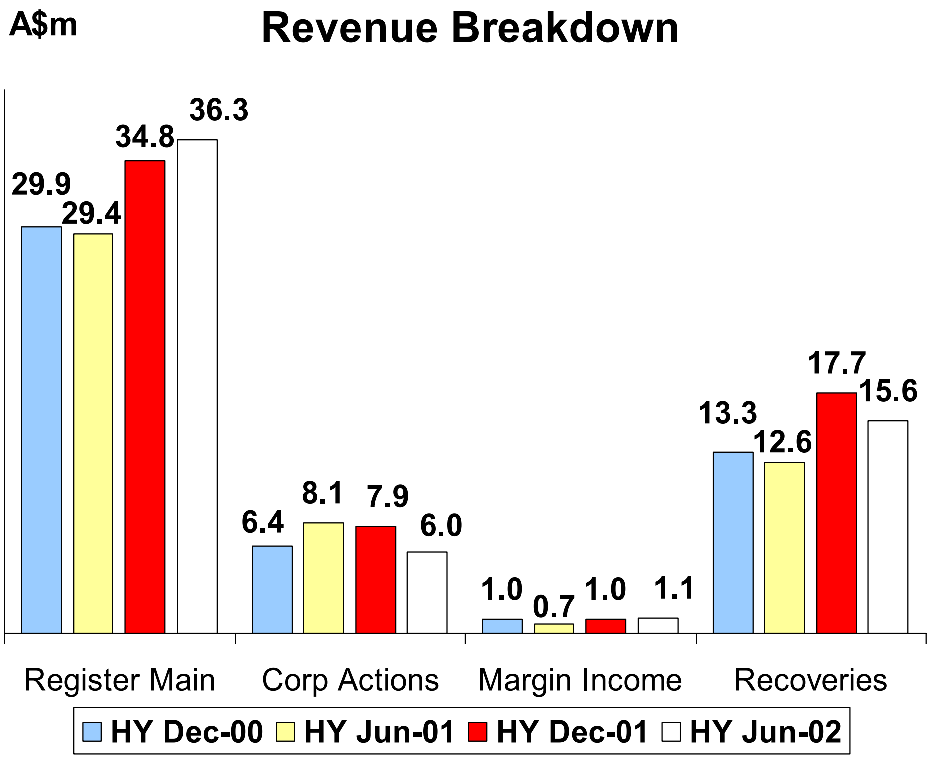
- On-market Share Buy Back up to 10% of issued capital (approx 55 million shares)
- Anticipated commencement: 11 September ’02 (14 days notice)
- Period: Over next 6 months
- Funding: Current cash and debt facilities

Appendix A

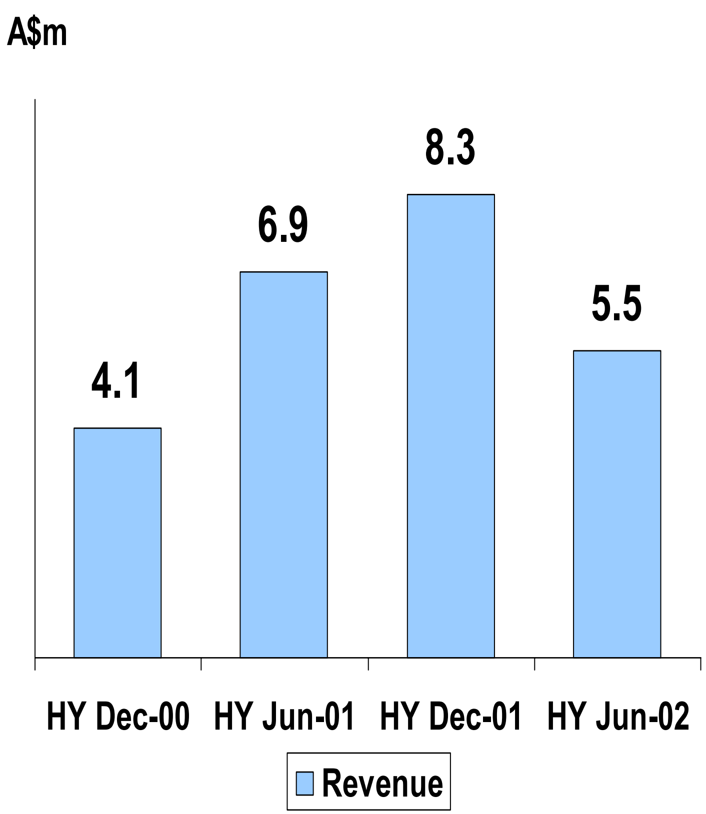
Registry Revenue Breakdown by Country

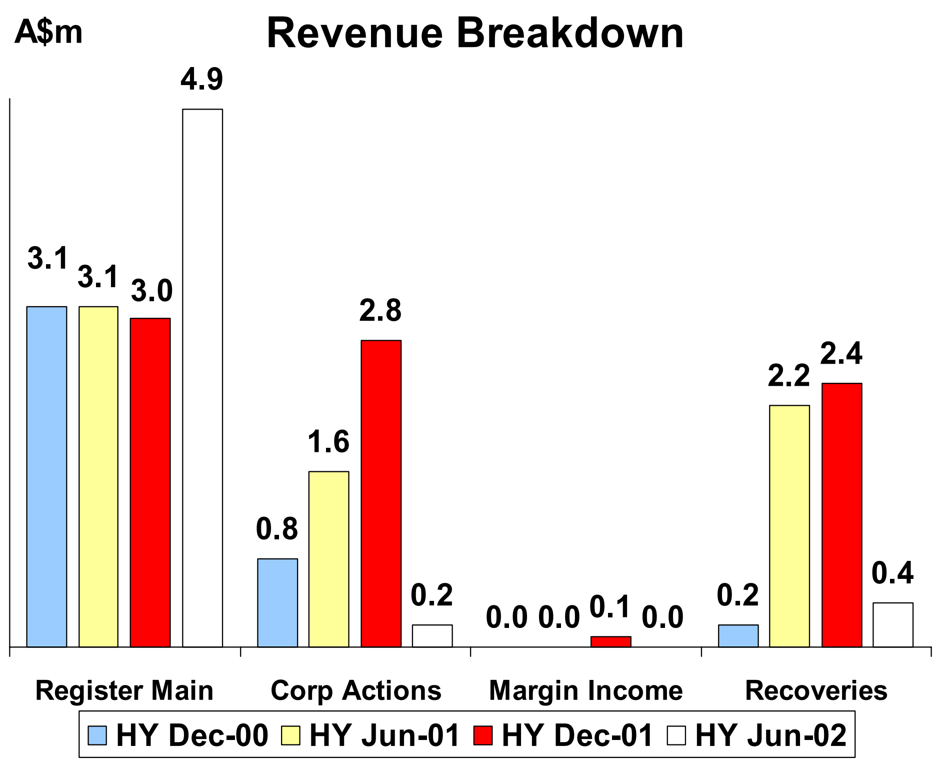
Global Investor Services
Australia - Half Year Comparison





Global Investor Services
Ireland - Half Year Comparison





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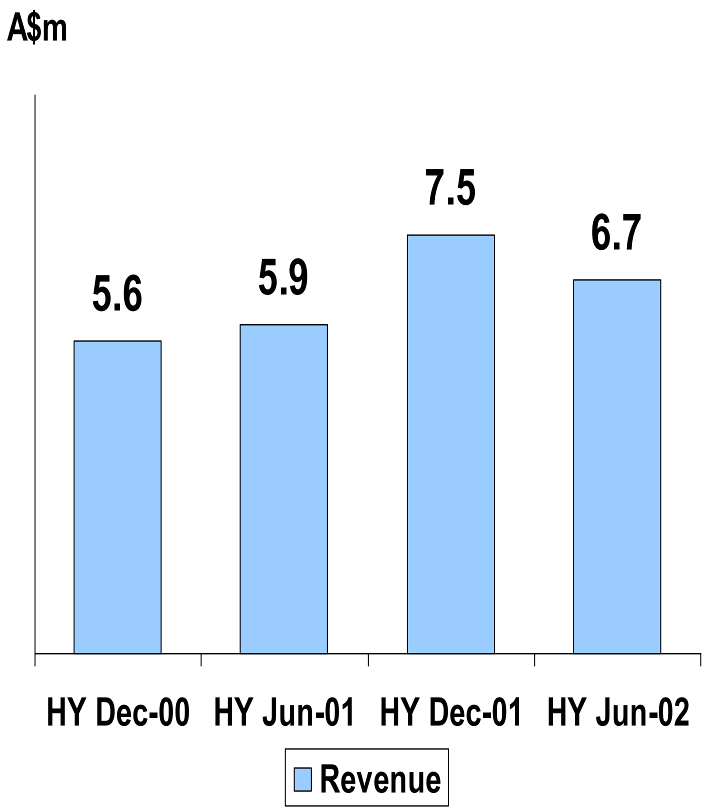
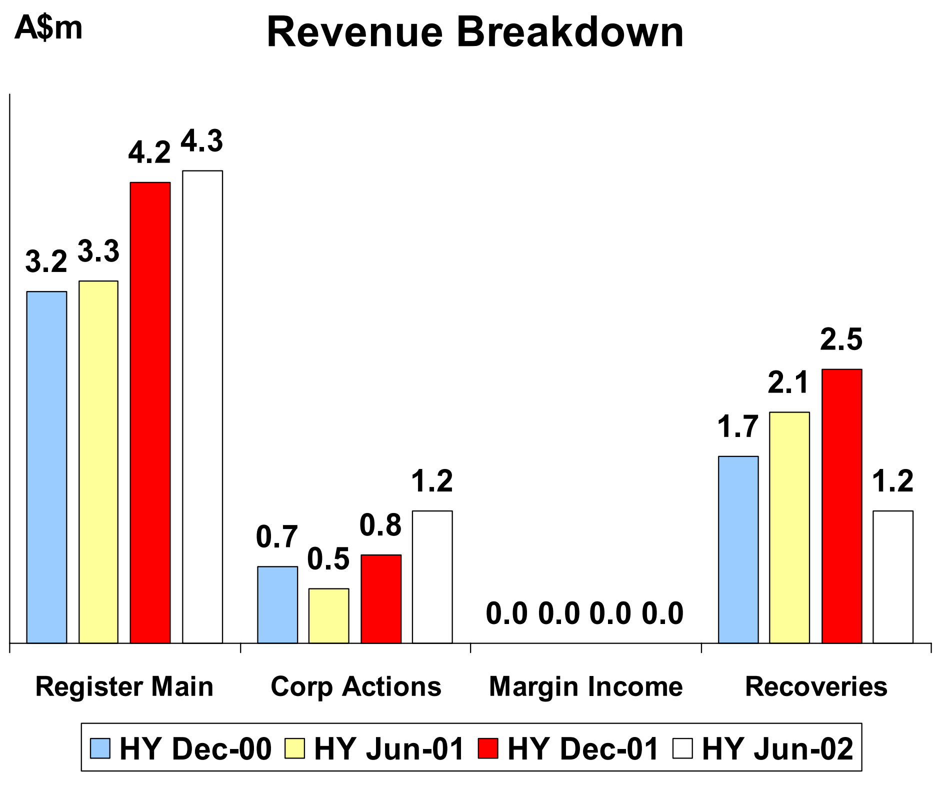
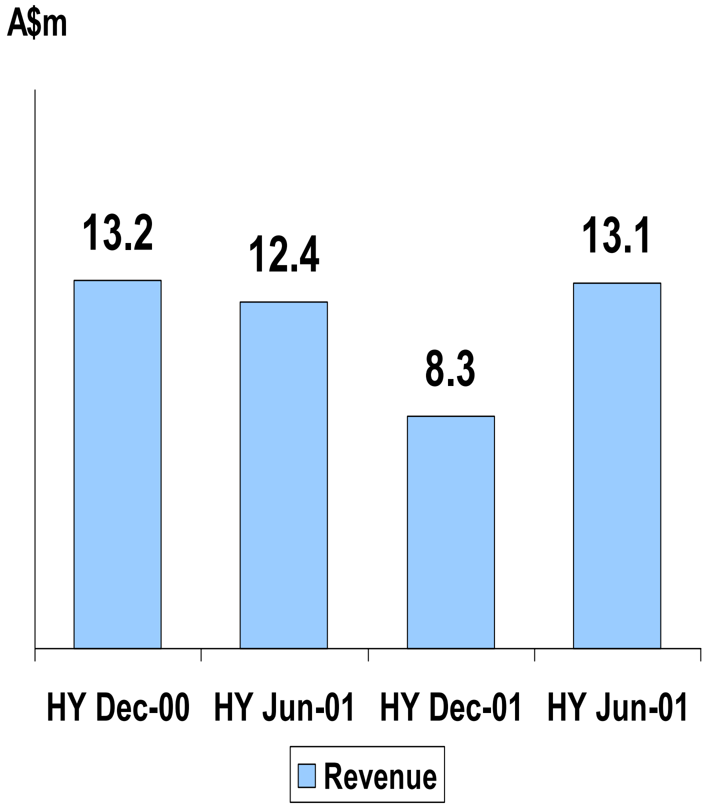
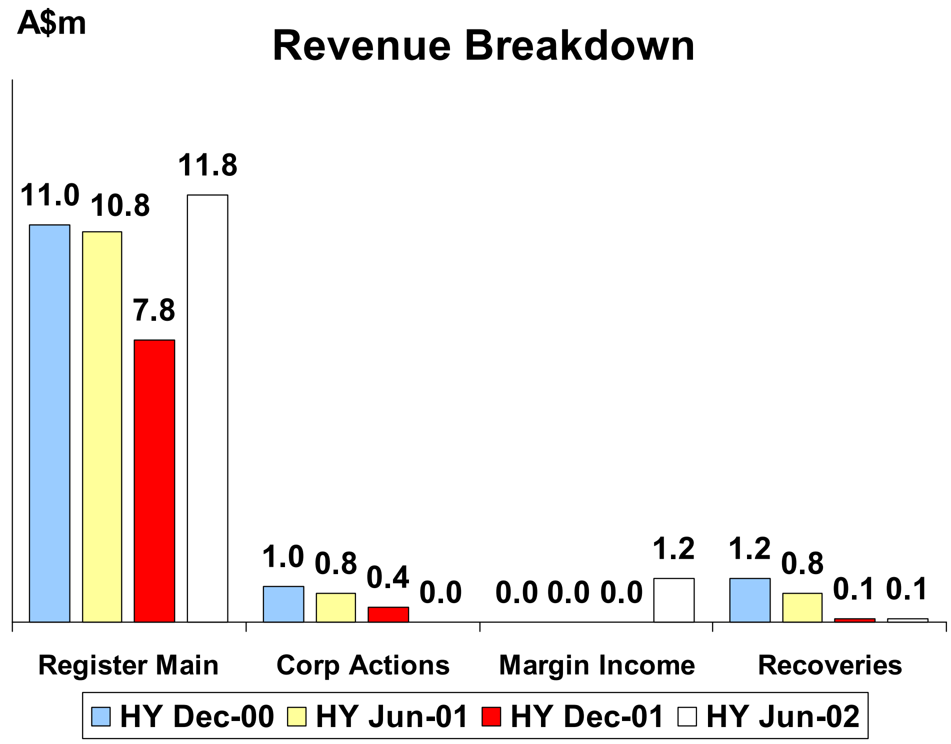
Global Investor Services
New Zealand - Half Year Comparison





Global Investor Services
South Africa - Half Year Comparison





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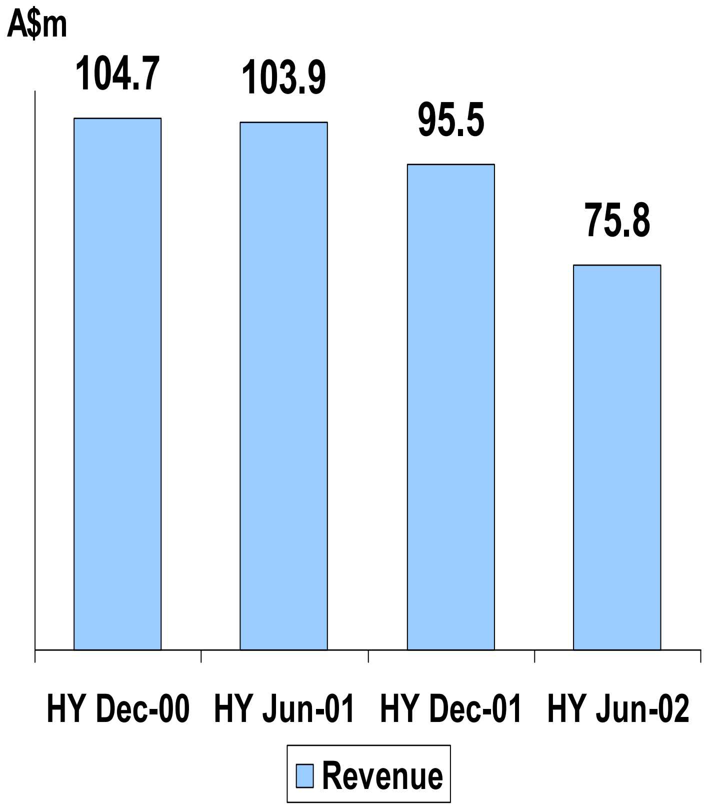
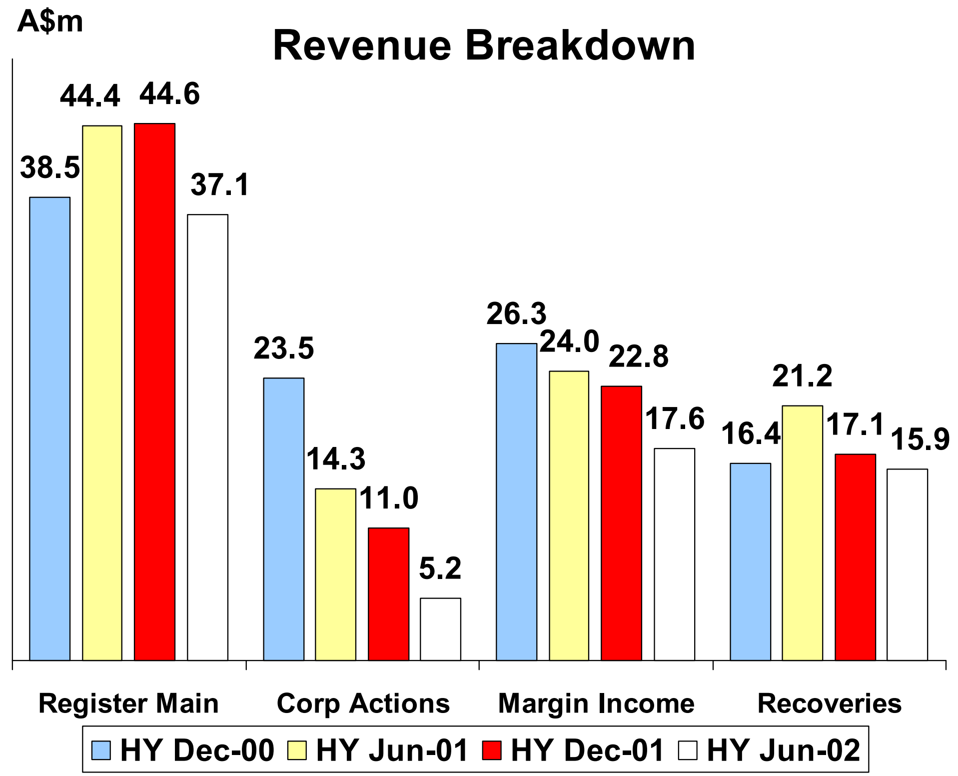
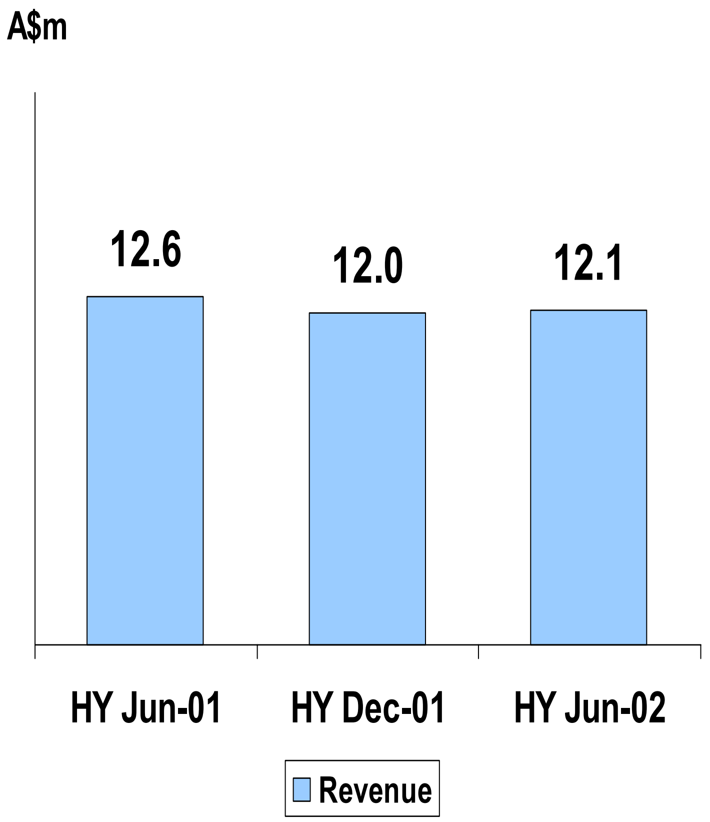
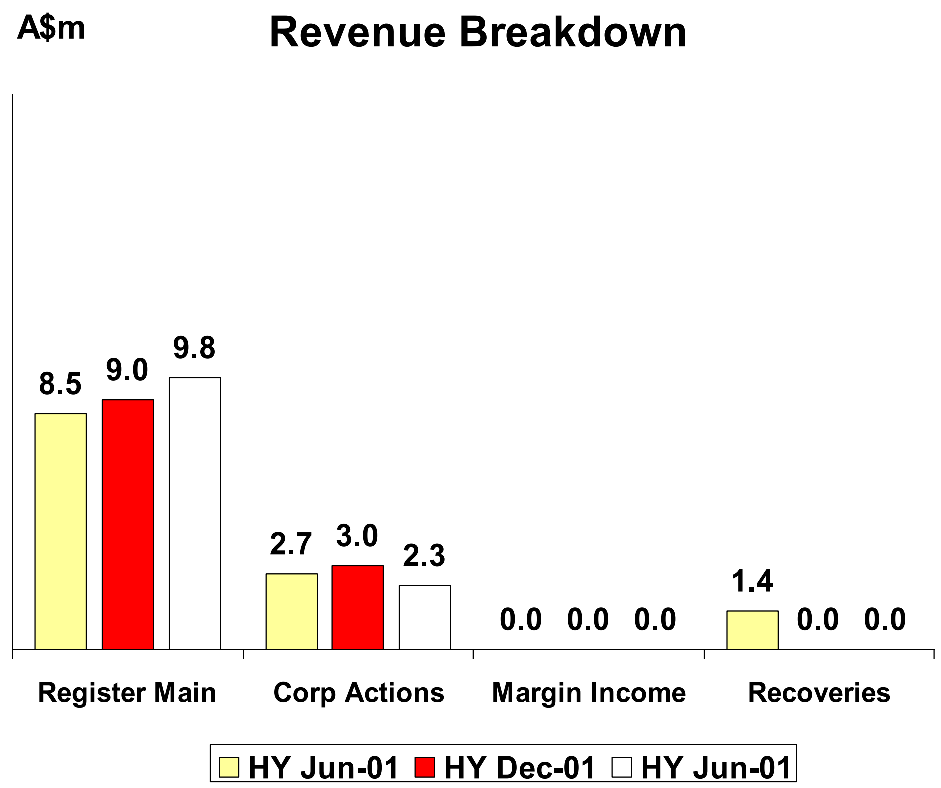
Global Investor Services
United Kingdom - Half Year Comparison





Global Investor Services
Hong Kong - Half Year Comparison





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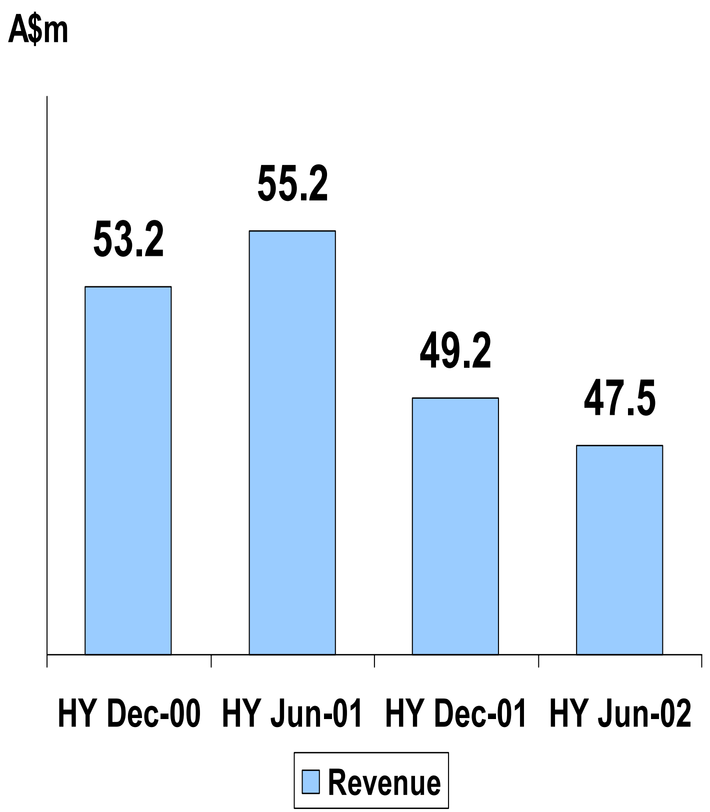
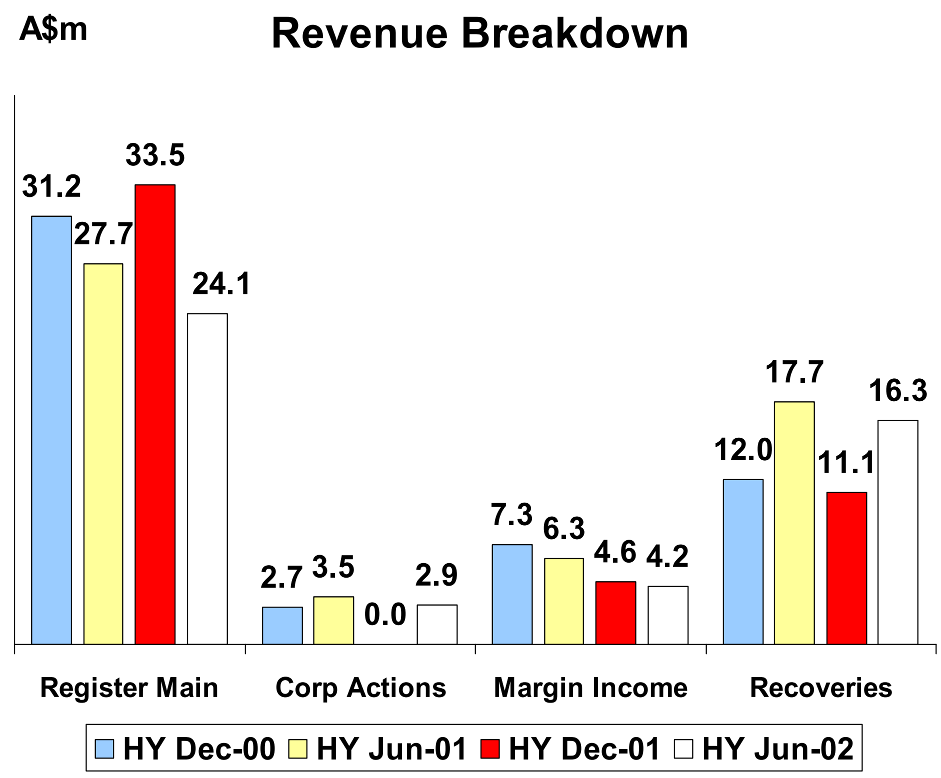
Global Investor Services
United States - Half Year Comparison





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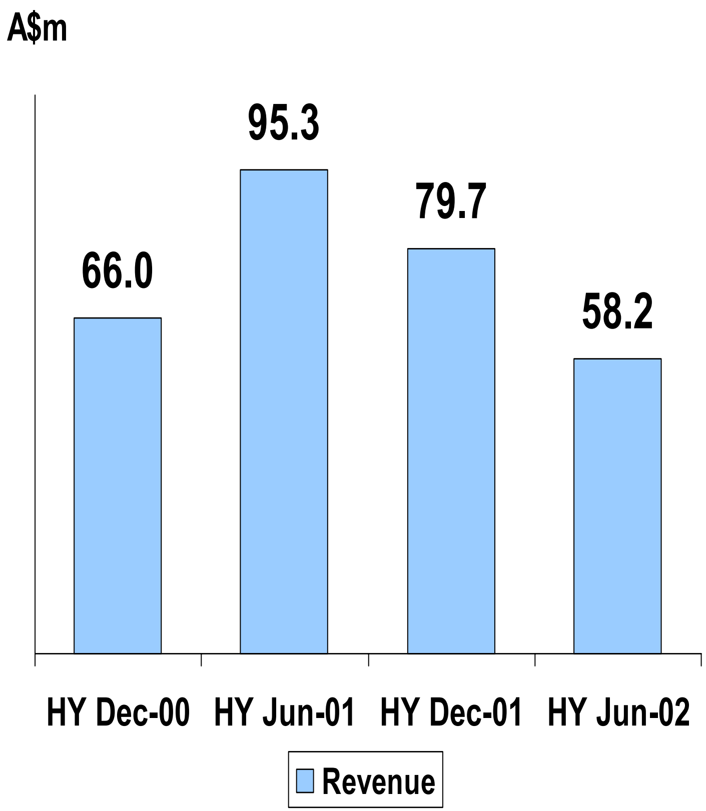
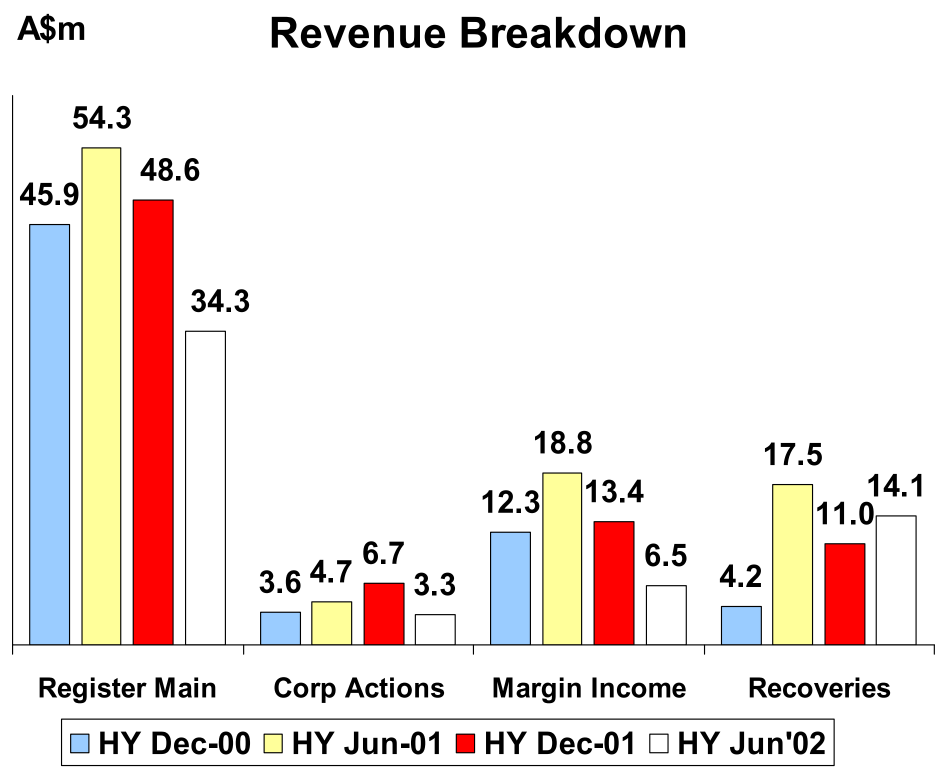
Global Investor Services
Canada - Half Year Comparison





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