Computershare Limited
Full Year Results 2005 Presentation

Chris Morris
Tom Honan

16 August 2005

Introduction

Financial Results

CEO's Report

Tom Honan

Chief Financial Officer

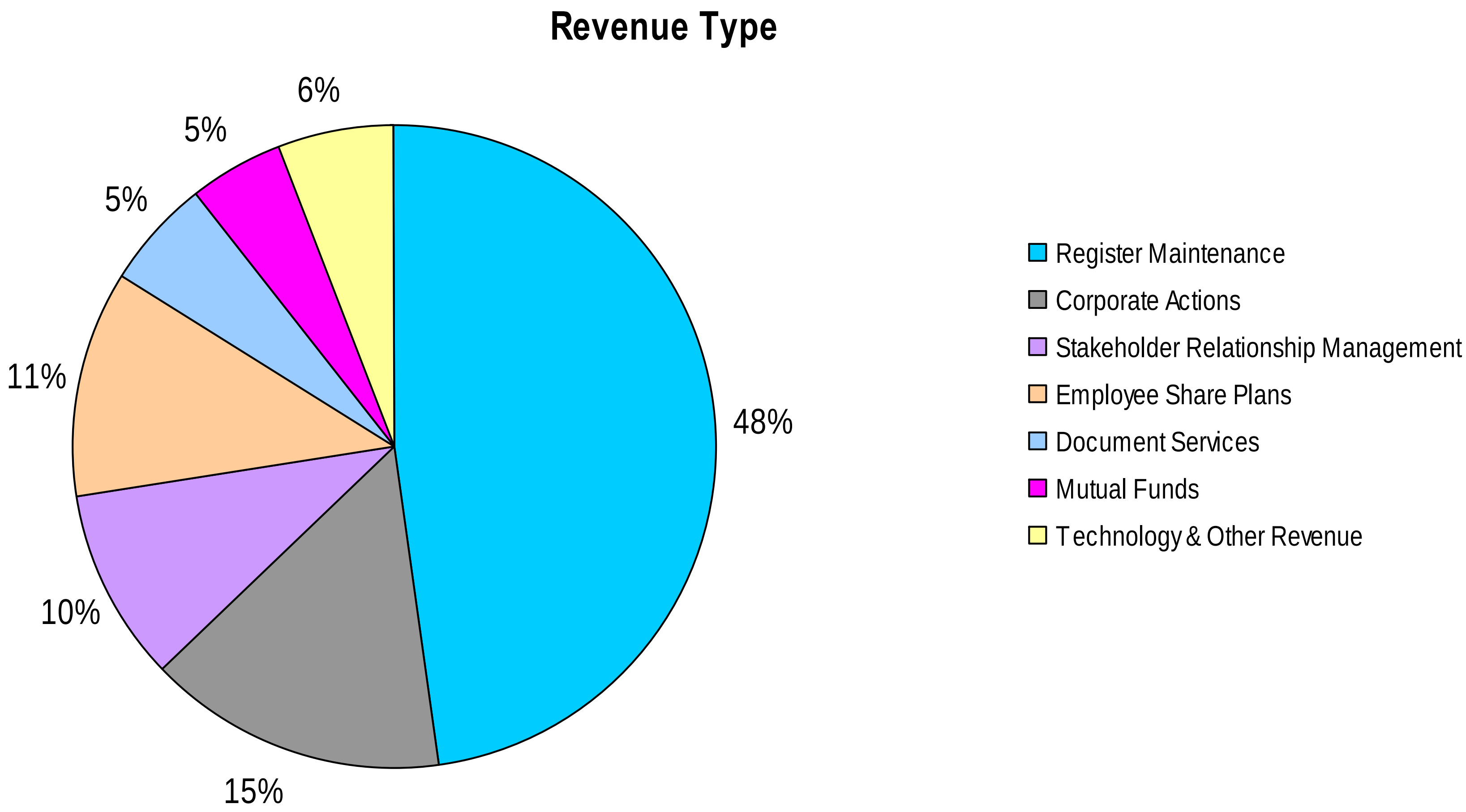
Summary of Results

- Normalised EPS (pre goodwill, post pref. dividend) of 24.27 cents, up 28%
- Net Profit After Tax of A$105.4m, up 26%
- Total revenue of A$1,098.9m, up 23% or up 13% excluding FY05 acquisitions
- Operating Cash Flows of A$146.8 m, up 7.8%.
- Operating Costs (excluding cost of sales and FY05 acquisitions) of A$618.3 m, a 7.2% increase
- Days Sales Outstanding at 62 days, up 5 days on the same period last year
- Final dividend of 6 cents per share. Full year dividend of 11 cents per share

Note: Includes EquiServe's results since date of acquisition

* All comparisons are against FY04

CPU Revenues continue to diversify



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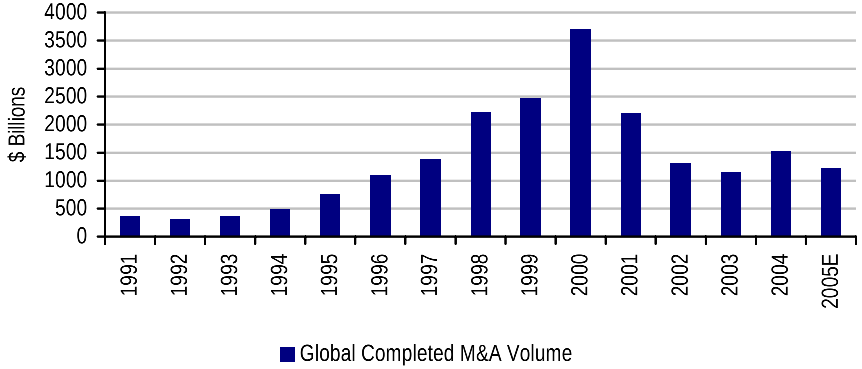
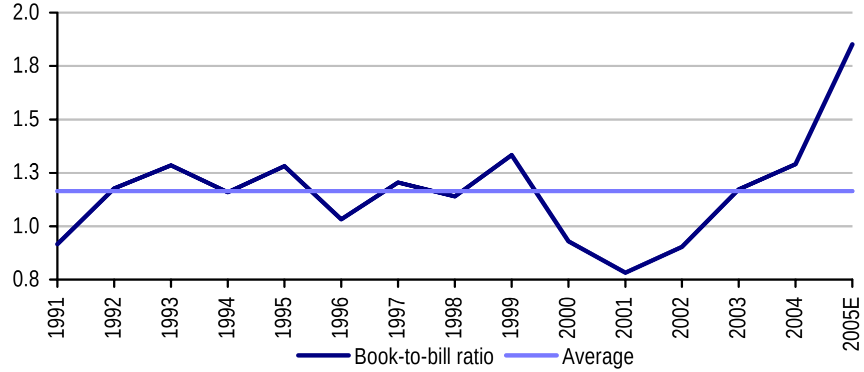
Global Equities Market

Historical Equity Issuance Data



2005 YTD Total Volume:	$719 bn	**2005 Est. Annualized Volume:**	$1,233 bn
2004 Total Volume:	$1,525 bn	**Est. 2005 vs. 2004:**	-19.1%
1991-2004 Avg Volume:	$1,382 bn	**Est. 2005 vs. 1991-2004 Avg:**	-10.8%

Annual M & A Book to Bill Ratio

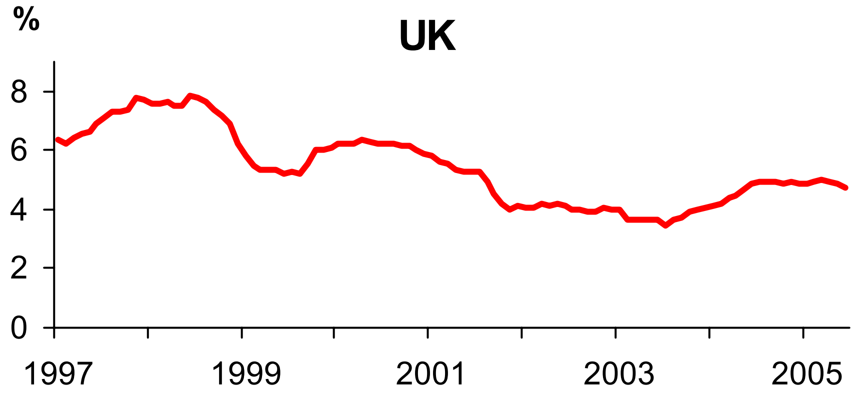


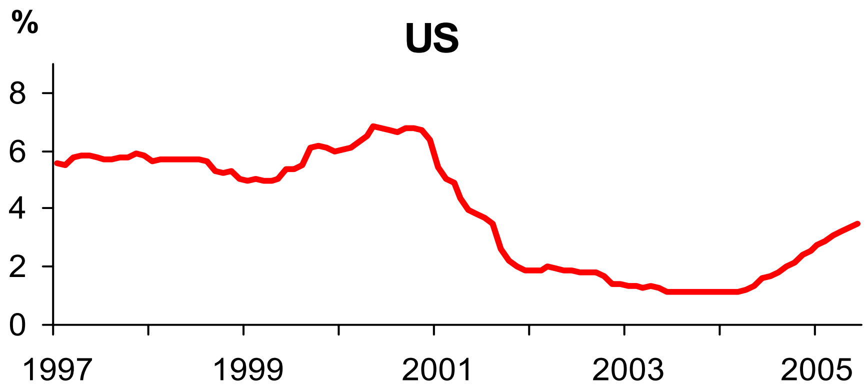
2005 YTD	1.85x	**2005 YTD vs. 2000 - 2004 Avg**	82.4%
2000-2004 Average	1.02x	**2005 YTD vs. 1991 - 2004 Avg.**	59.2%
1991-2004 Average	1.16x		

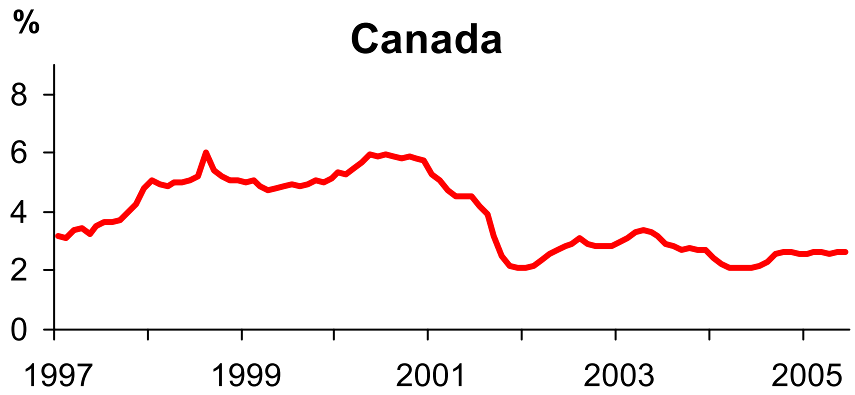
Source: SDC Thomson Financial and UBS Securities Australia Ltd

➢ **Great result considering stable M&A market**

Global Interest Rate Market







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Computershare Strengths

- Recurring Revenue – >70% of revenue is of a recurring nature
- Global Diversification – Across more than 21 countries
- High Margins – EBITDA margins >20%
- Exposure to northern hemisphere interest rates
- Technological innovation and capabilities
- Integration of businesses
- Strong 5 year EPS growth

Introduction

Financial Results

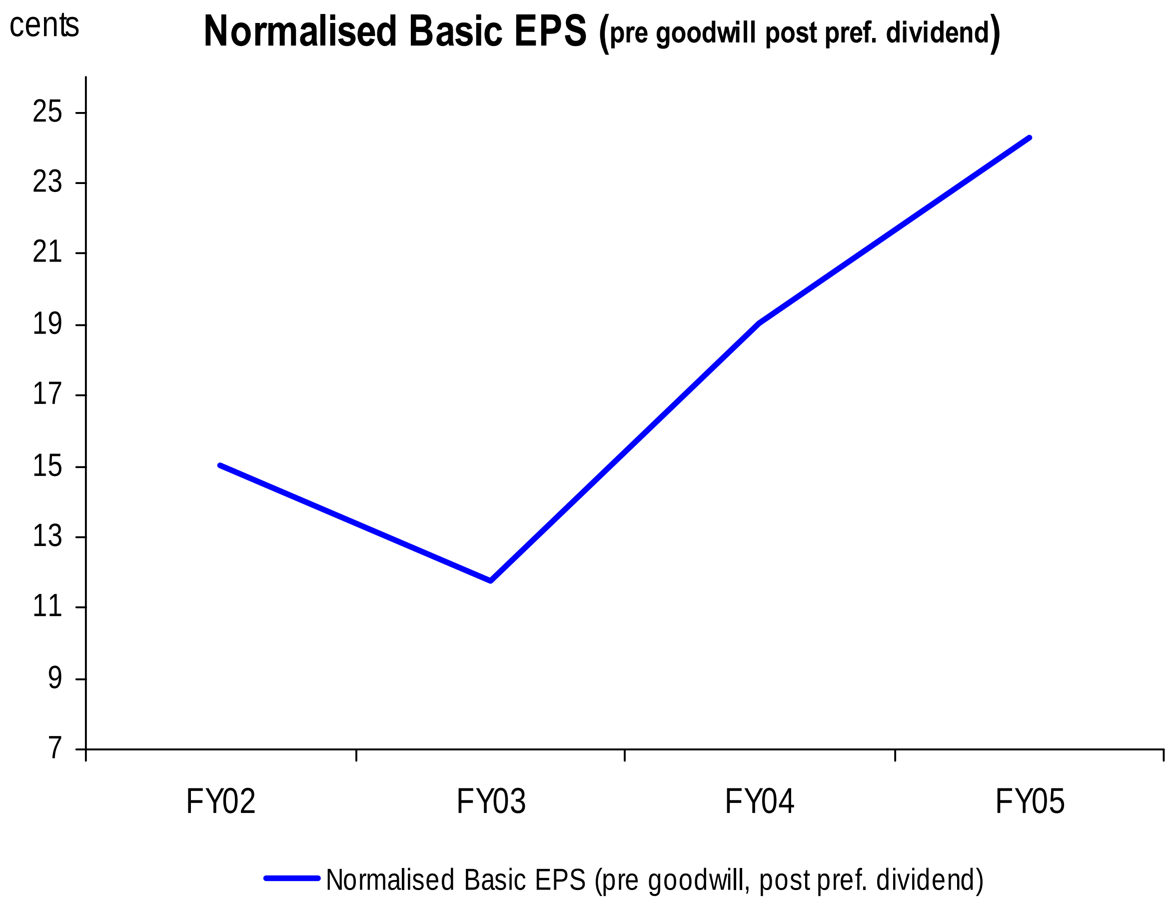
CEO's Report

Group Financial Performance – A$m

	FY05	FY04	Variance
Sales Revenue	1,063.5	871.3	22%
Interest & Other Income*	35.4	23.4	51%
Total Revenue	**1,098.9**	**894.7**	**23%**
Operating Costs*	878.7	711.1	(24%)
Share of Net (Profit)/Loss of Associates	(1.8)	0.1	
Normalised EBITDA	**222.1**	**183.4**	**21%**
Non-Recurring Items	(9.0)	(0.7)	
EBITDA	**231.0**	**184.1**	**25%**
Normalised EPS (pre goodwill, post pref. dividend)	**24.27**	**19.02**	**28%**

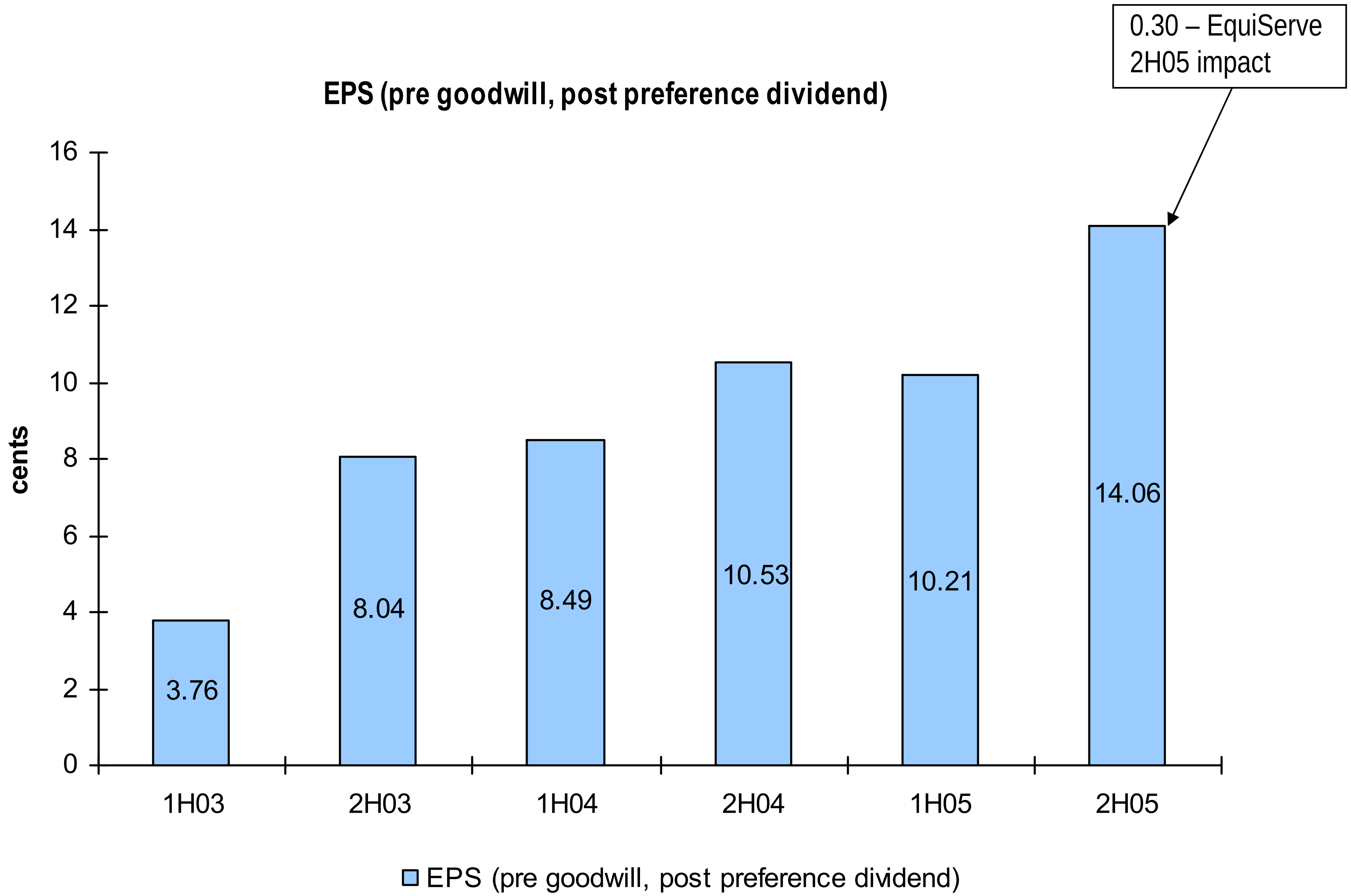
* Excludes proceeds & costs relating to non-recurring items

Normalised Basic EPS Performance (pre goodwill, post pref. dividend)



Analysis of EPS – Half Year Comparison

Financial Results



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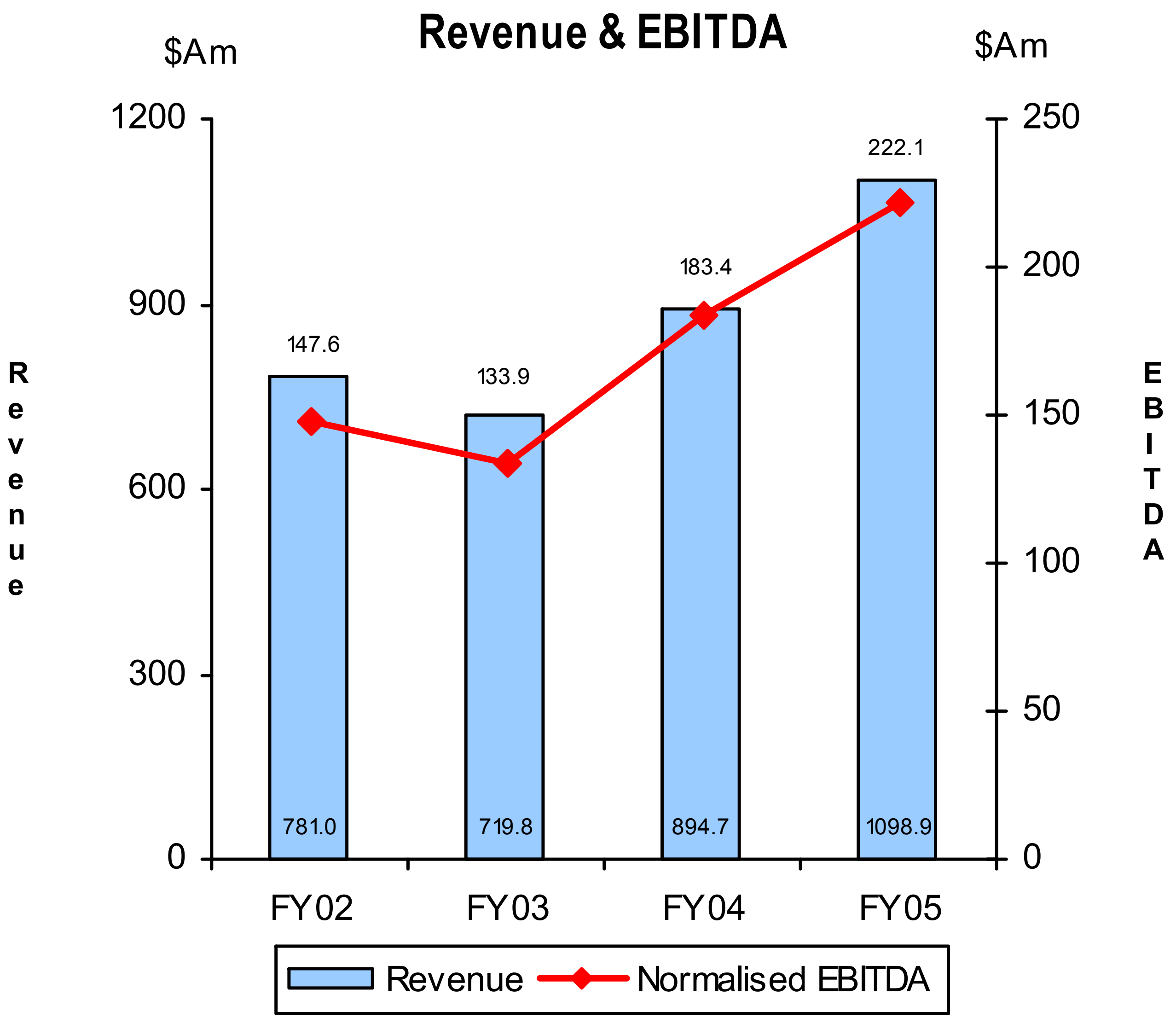
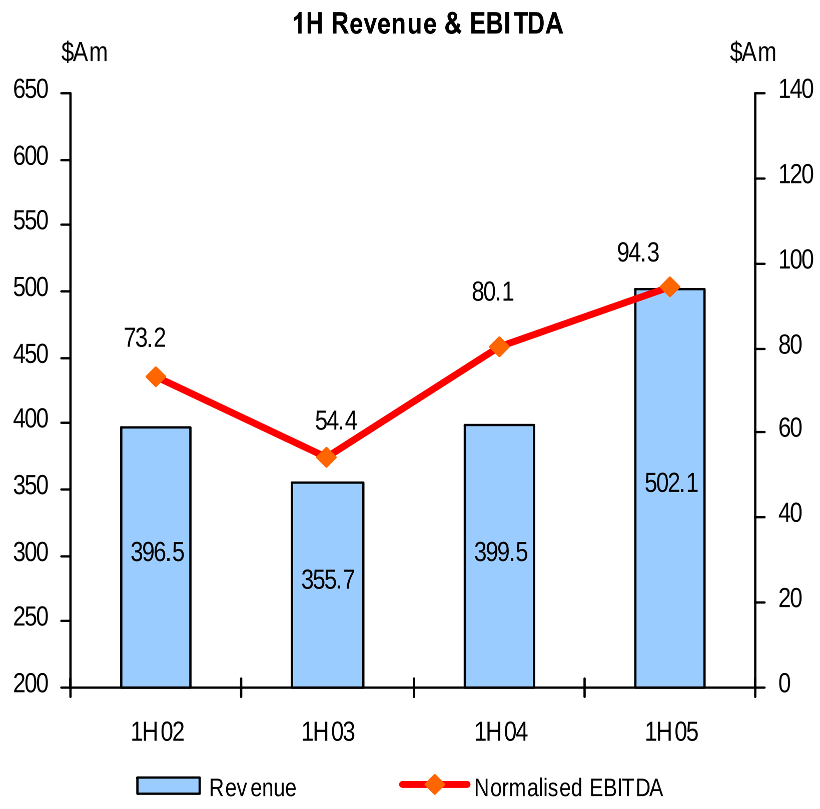
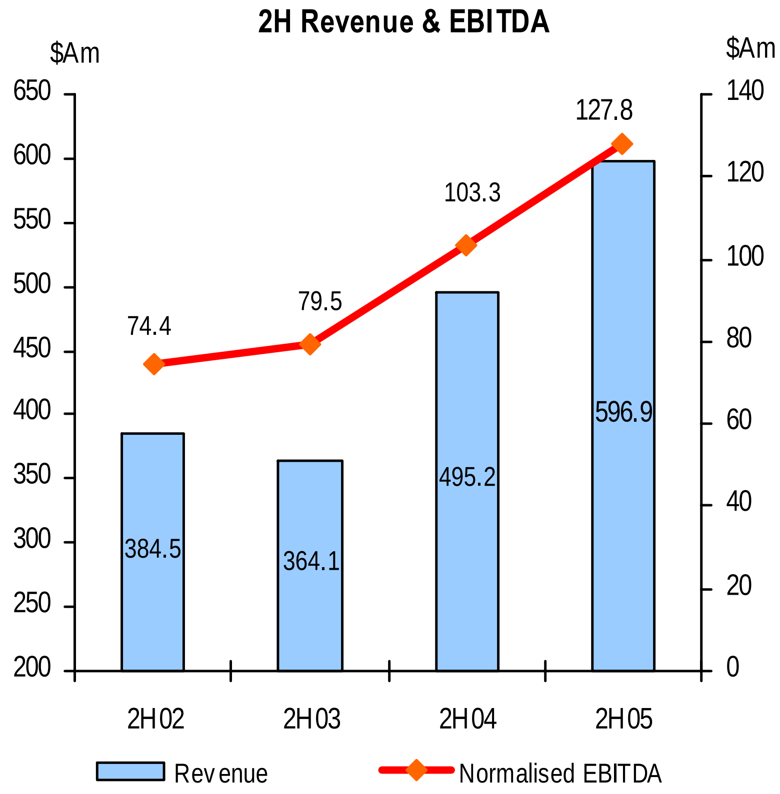
Full Year Comparisons – Revenue & EBITDA

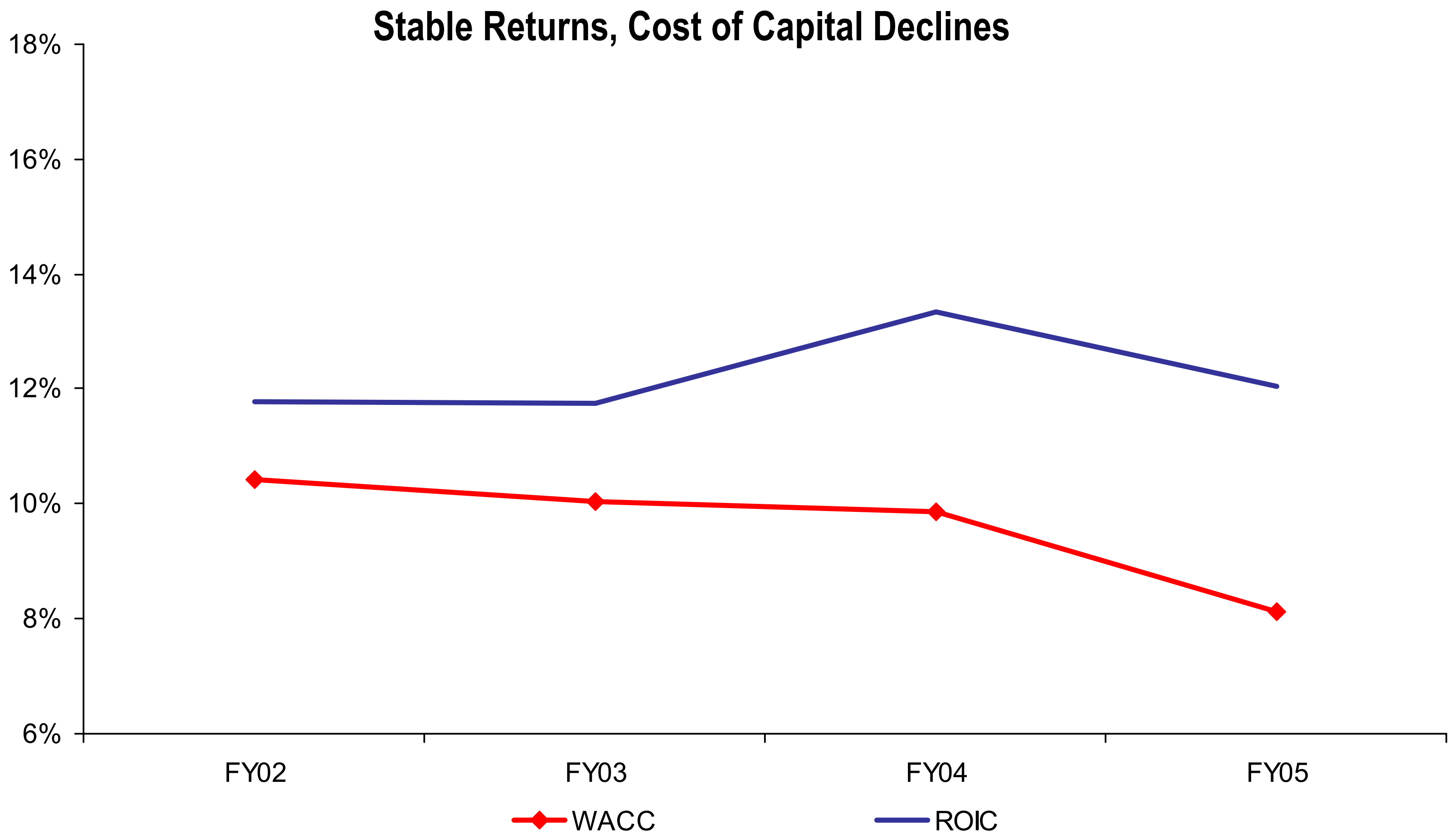


Half Year Comparisons – Revenue & EBITDA

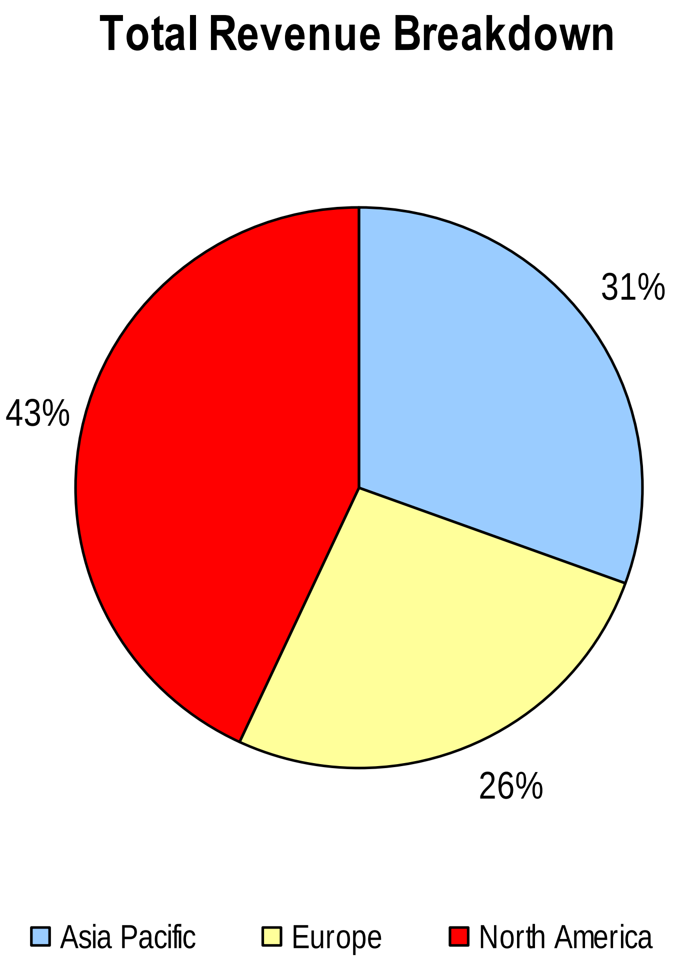


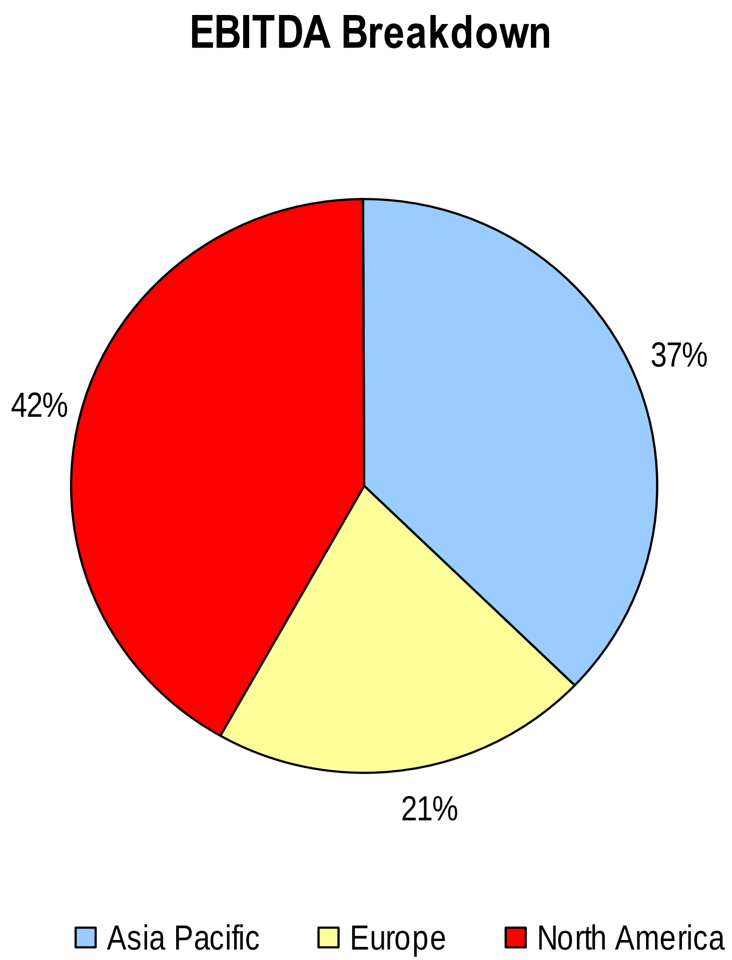


Return On Invested Capital Vs. WACC

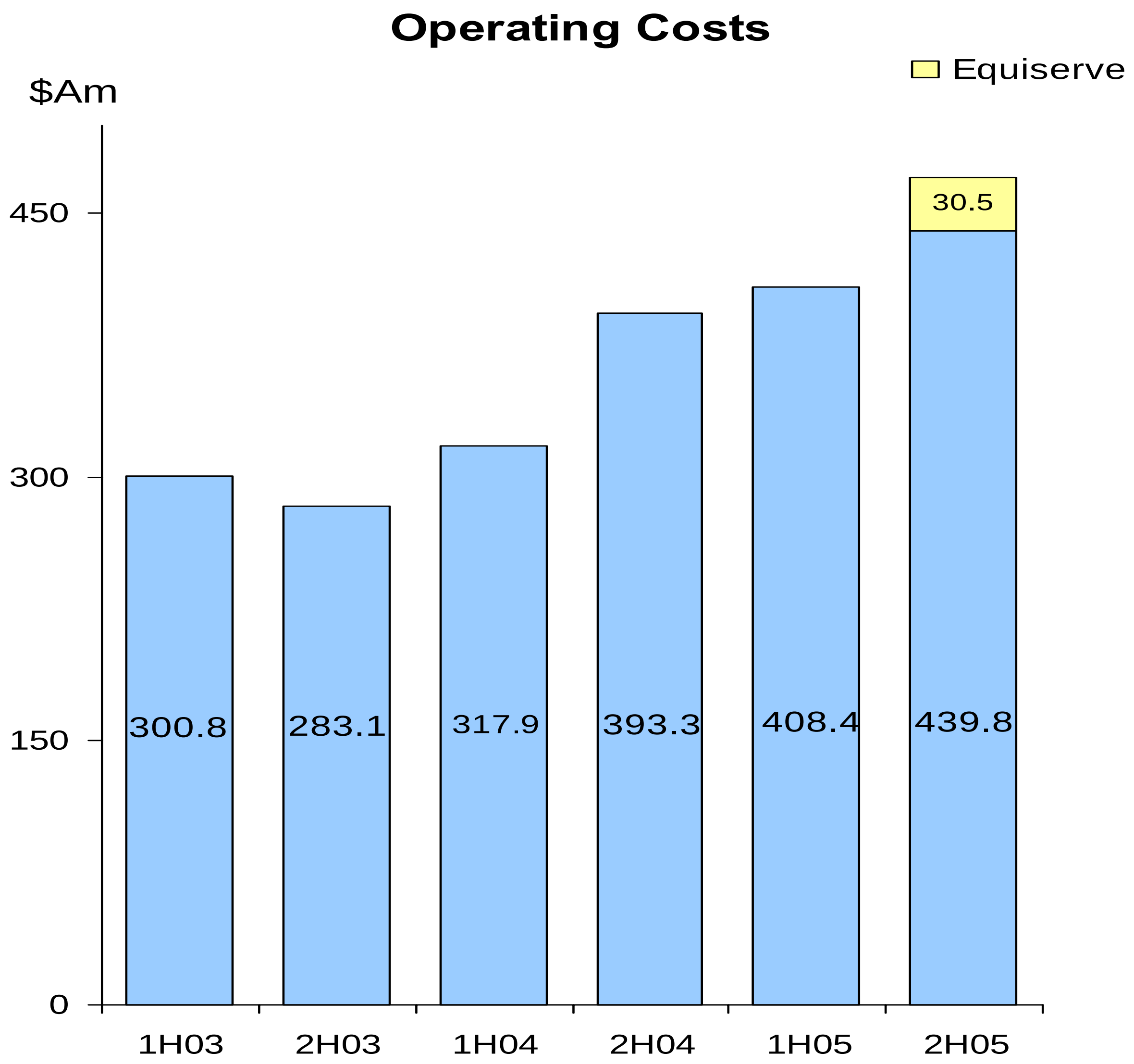


Regional Analysis – FY05 Revenue & EBITDA





Half Year Comparisons – Operating Costs



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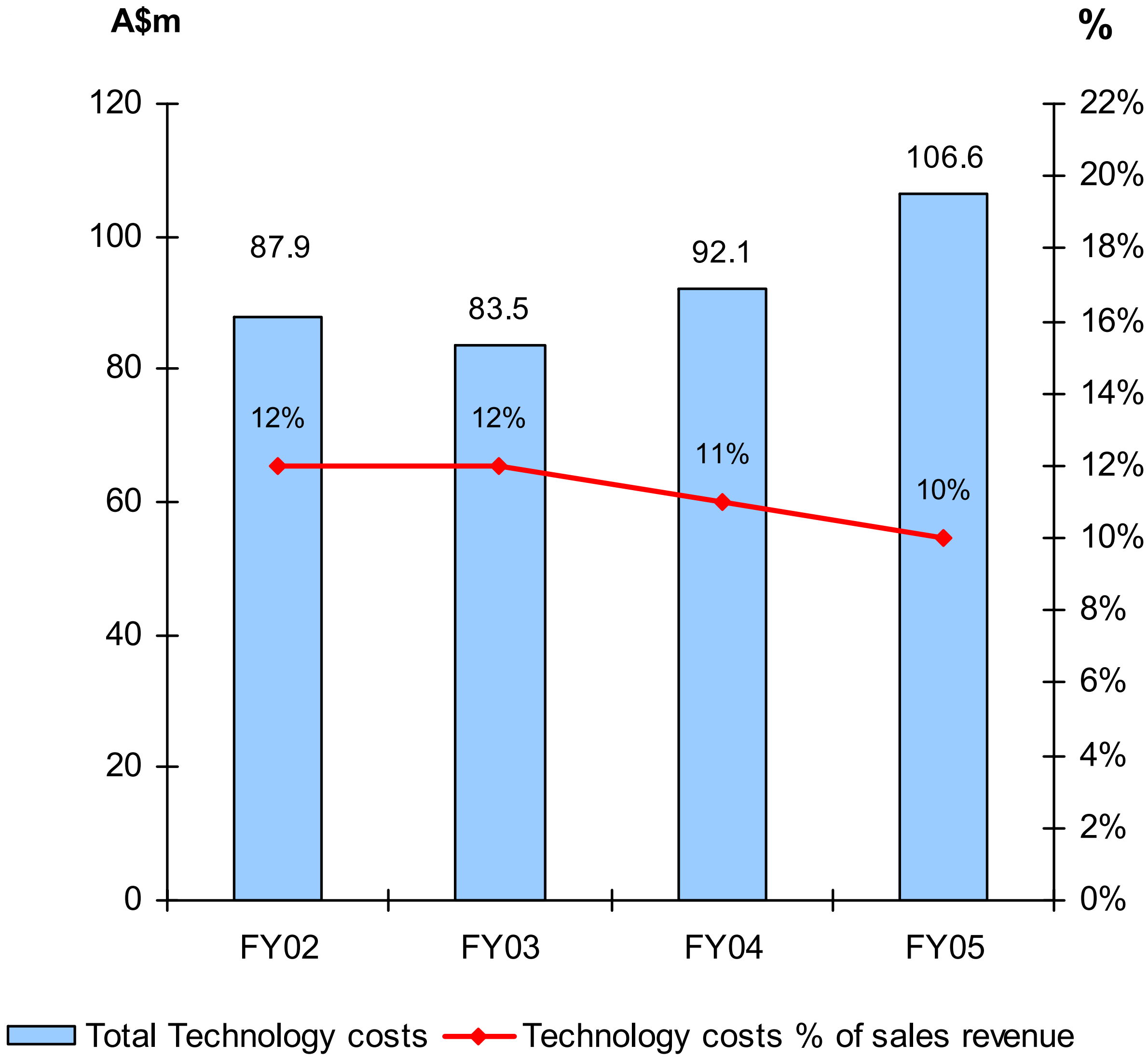
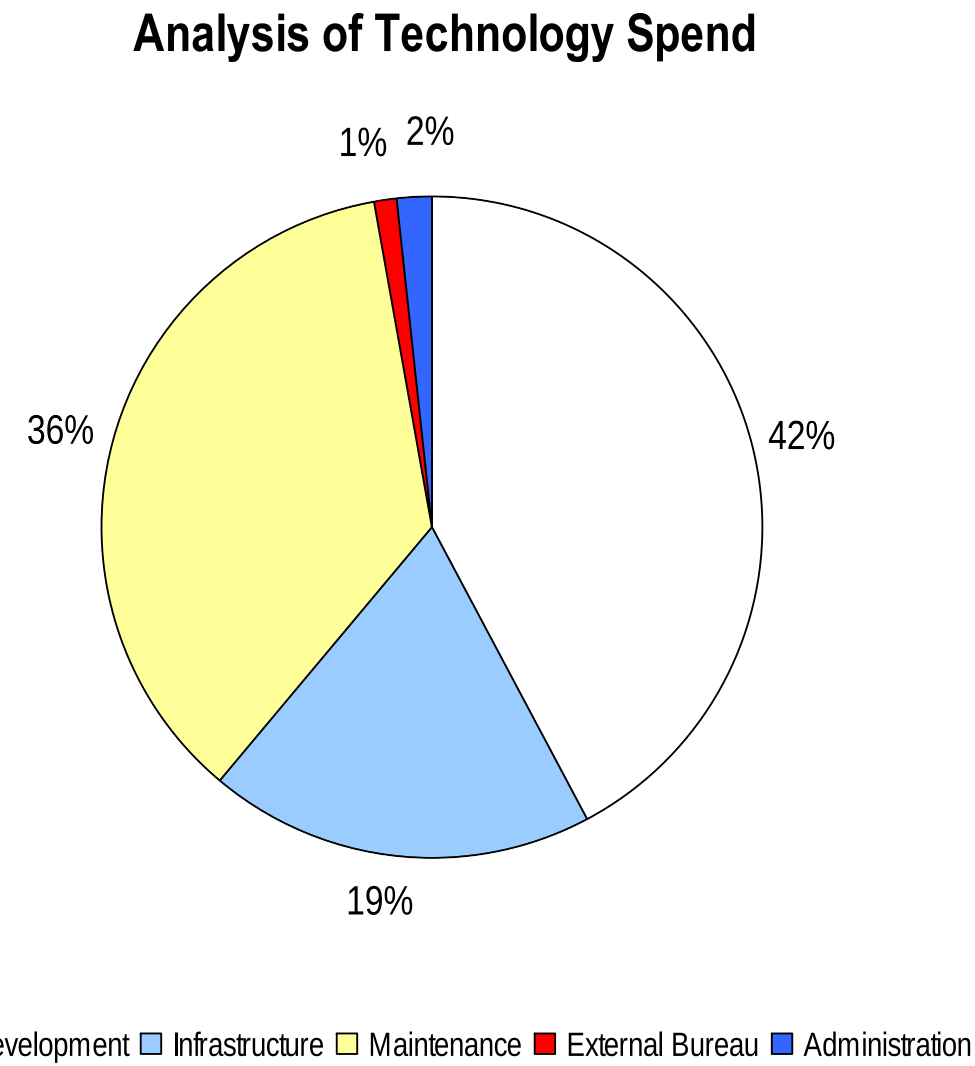
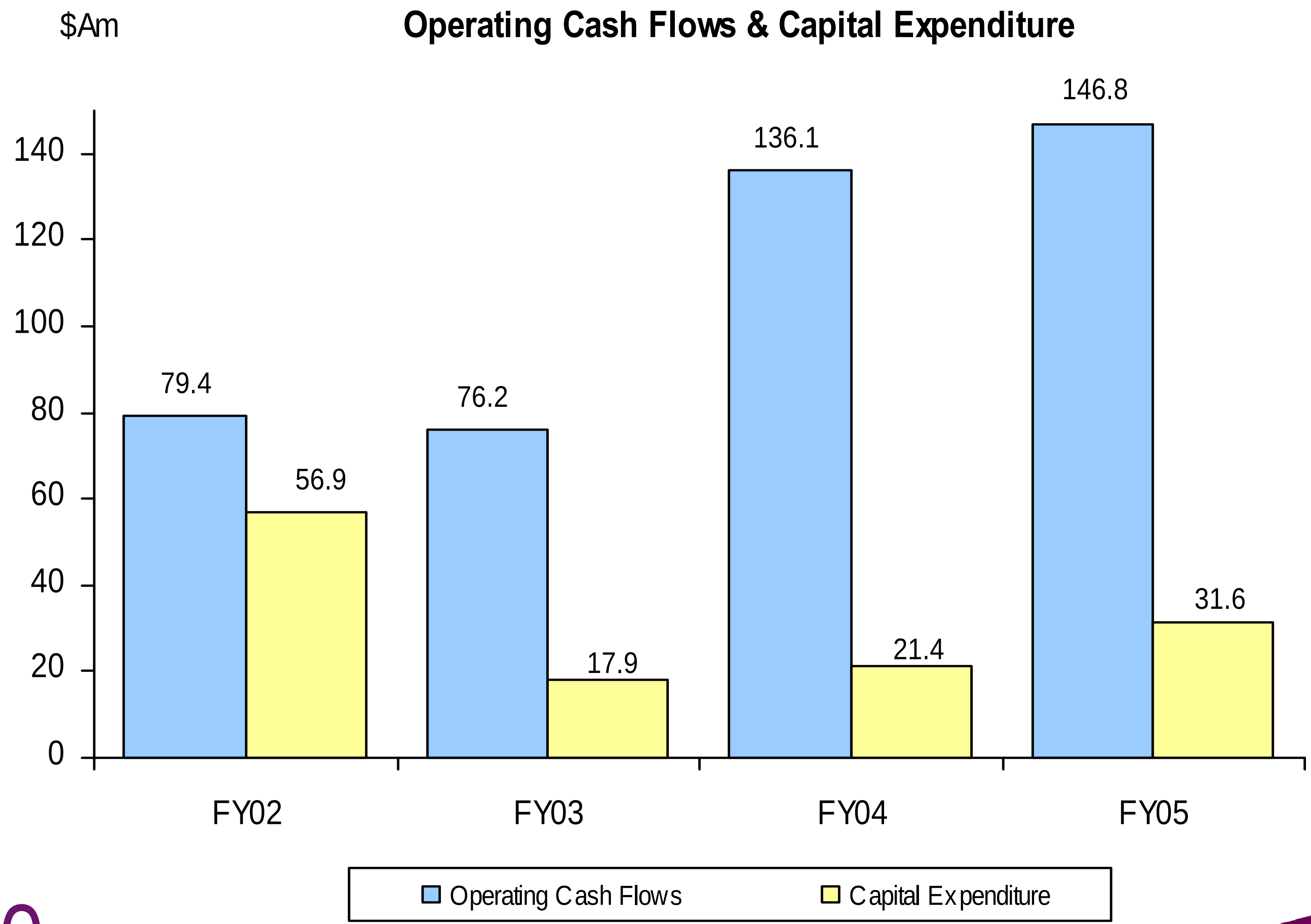
Technology Costs – Establishing Global Platform



Analysis of FY05 Technology Costs

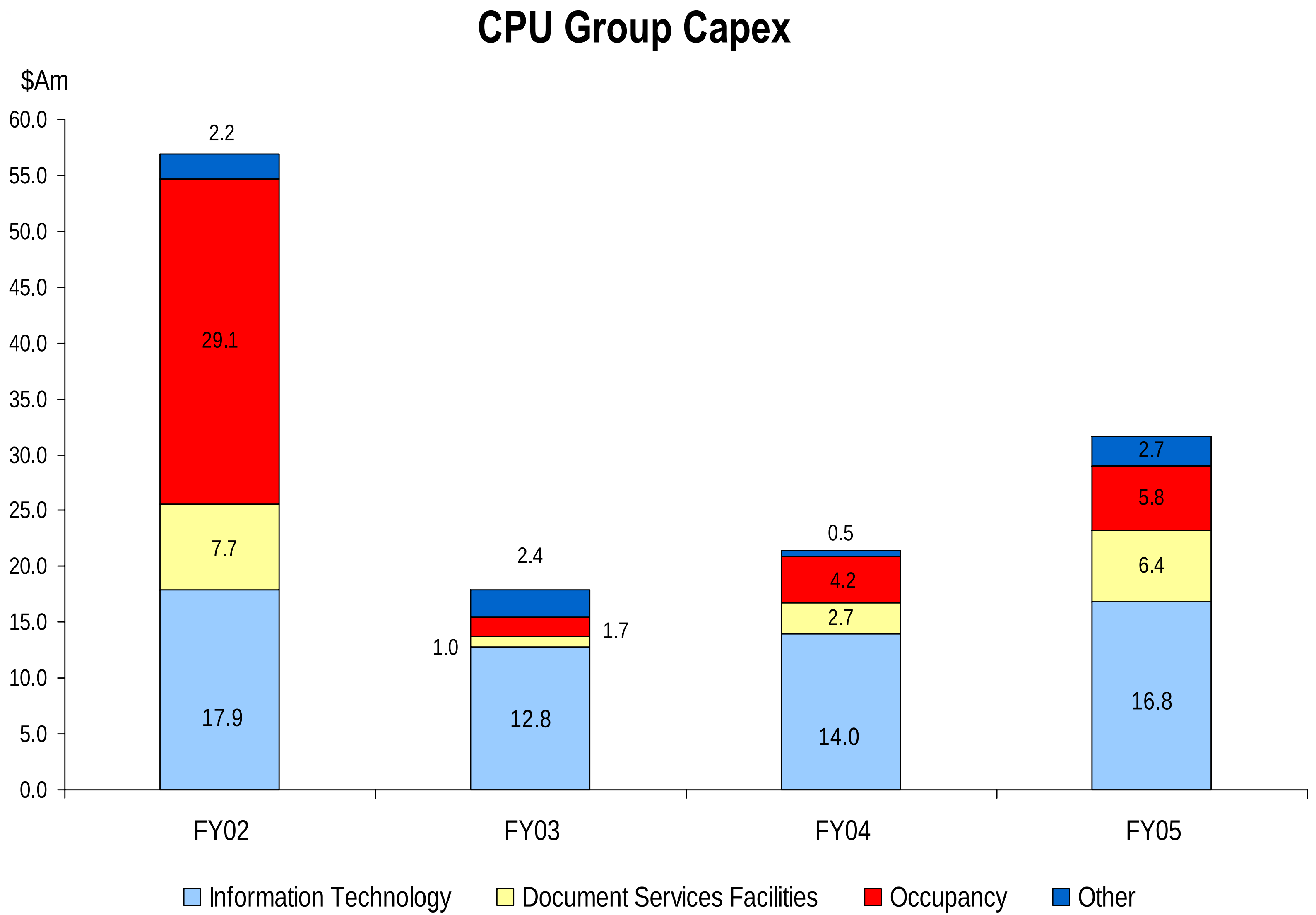


Net Operating Cash Flows

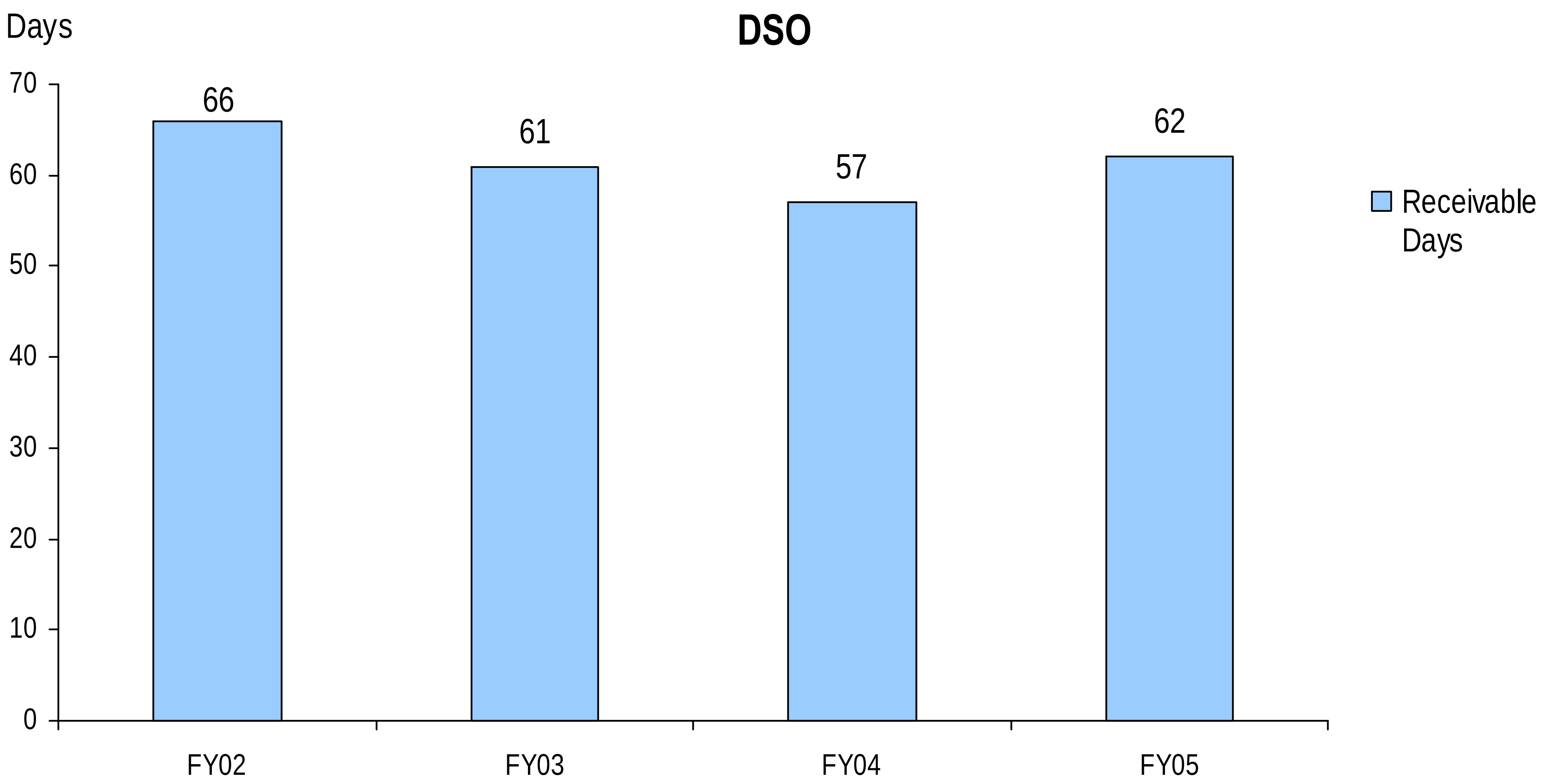


Capital Expenditure

Financial Results



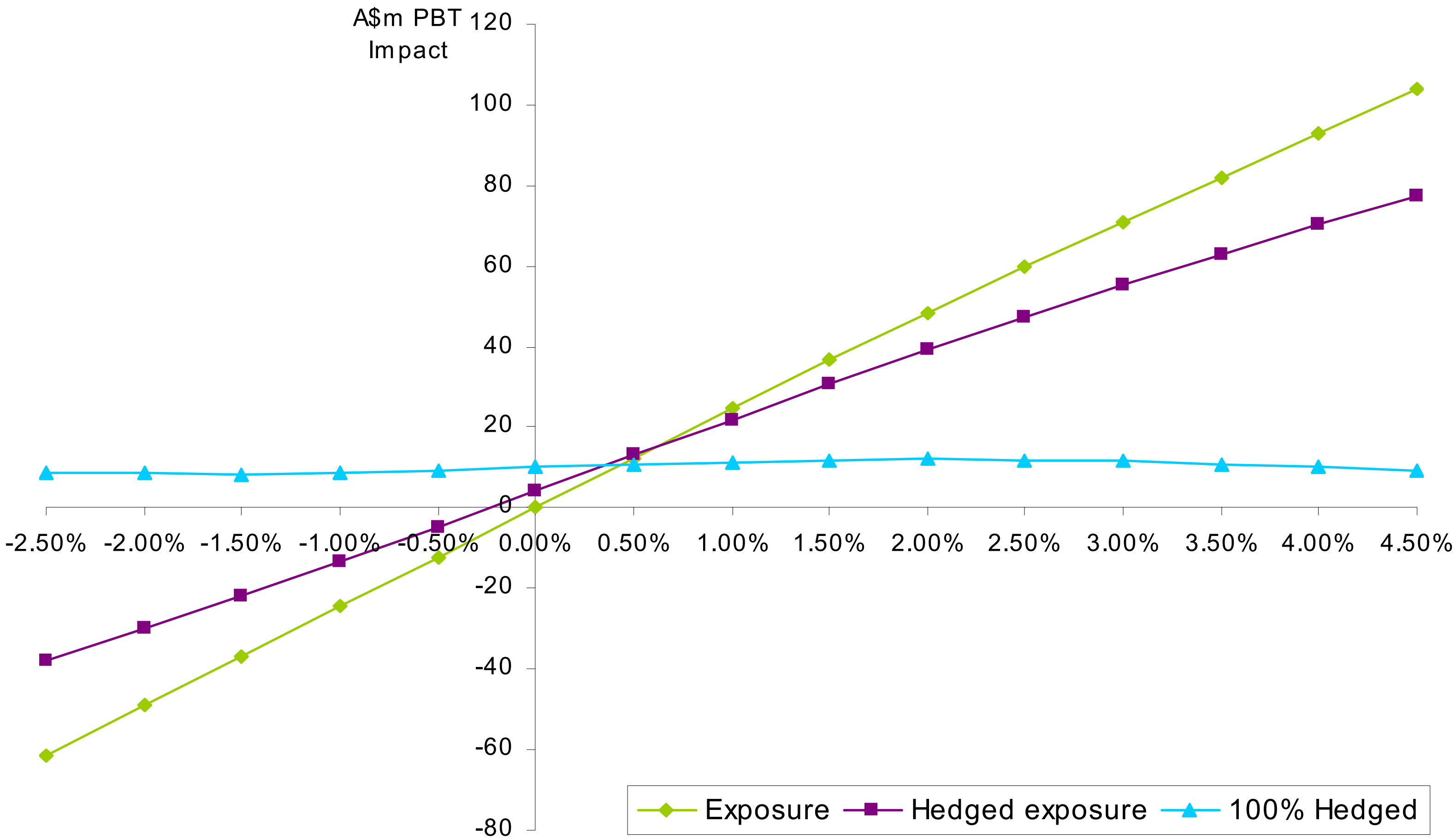
Working Capital Management



Debt Re-financing

- **Settled US Private Placement in March 2005**
  - Raised USD318.5million for 6 to 12 years
- **Re-negotiated Multi Currency Revolving Facility in March 2005**
  - Facility of AUD400million for 1 to 3 years
- **Average tenor on debt almost 6 years**
- **Significant headroom maintained**
- **Gearing increased to 41% from 33% at December 04**

Interest Rate Sensitivity



Reflects 12 month impact of Equiserve

Equity Management – Final Dividend of 6 cps

➢ EPS – Normalised Basic (post goodwill)	17.91 cents
➢ EPS – Normalised Basic (pre goodwill)	24.27 cents
➢ Final Dividend (unfranked)	6.0 cents
➢ Full Year Dividend (10% franked half year only)	11 cents
➢ Current Yield *	1.8%

* Based on share price of A $6.22

Impact of IFRS on Computershare

Issue	Change	Impact on CPU
Goodwill Amortisation	Annual impairment testing of goodwill instead of amortisation	• FY05 goodwill amortisation of $44.1m will be reversed in FY06 opening balances. • Impairment testing has been reviewed at both 30 June 2004 and 30 June 2005. No impairment expense is expected.
Acquired Intangible Assets	Separately identified from Goodwill on the balance sheet	• Impacts FY05 Acquisitions only. CPU elected to "grandfather" pre 30 June 2004 acquisitions. • Intangibles of $6.4m have been reclassified from goodwill * • Finite Life Intangibles – amortised over useful life. Results in cumulative amortisation charge of $0.8m in FY05. • Infinite Life Intangibles – subject to annual impairment test. No impairment is expected at 30 June 2005.
Restructuring Provisions	No longer included in goodwill when related to an acquisition	• Results in a post tax reduction to Goodwill and net profit of $14.8m in FY05. • This is a non-recurring item.
Share Based Payments	Share based remuneration expensed in the period in which the employee provides service	• All share based payments recorded as expenses over the relevant vesting period. • Results in a decrease to Net Profit of $9.0m in FY05.

* Excludes Equiserve & Pacific Corporate Trust Canada

Impact of IFRS on Computershare

Issue	Change	Impact on CPU
Deferred Tax Assets and Liabilities	Deferred tax will be calculated using the “balance sheet” approach	• Lowering of recognition criteria for deferred tax assets to “probable” increases value of deferred tax assets in the balance sheet. • Higher assets are offset by increase in deferred tax liabilities, due to the additional tax payable on increase in value of associated entities and subsidiaries. •The net impact on FY05 results is a decrease in Net Profit of $1.8m.
Business Combinations	All pre 30 June 2004 Acquisitions have been “grandfathered”	• Computershare has elected to apply the optional exemption to grandfather all pre 30 June 2004 acquisitions. • Changes to the carrying value of goodwill relating to these acquisitions may only be made in limited circumstances. • Instead changes are reported via current year P&L, resulting in an increase of $7.8m in FY05 result.
Financial Instruments	Fair value of derivative financial instruments to be recorded on the balance sheet	• Application date for reporting is FY07 onwards. • CPU expects to apply hedge accounting for a significant portion of its total portfolio. • Majority of total movement in fair value will be deferred in equity. • Movement in fair value of instruments not qualifying for hedge accounting will be recorded in the P&L.

Equiserve Acquisition – Expected Synergies

US $m	Year 1 FY06	Year 2 FY07	Year 3 FY08
Incremental P&L Effect	17.9	22.3	19.8
Annualised	22.2	49.0	60.0

Financial Summary – Final Remarks

- Continued strong EPS growth - 28%
- Includes only one month results relating to Equiserve
- Record revenues - exceeded A$1Billion for the first time
- Maintained strong balance sheet
- Dividend growth continues

Market Overview

Financial Performance

CEO's Report

Chris Morris

Chief Executive Officer

Highlights - Financial

- **Surpassed $1 billion revenue**
- **Well above our target of 20% EPS growth**
- **Very satisfying result considering:**
  - EquiServe closed 6 months later than we planned
  - Mutual Fund proxy work did not eventuate
  - TA/Registry market still very competitive globally
  - US M&A activity only just starting to have an effect
- **Margins above 20%**
- **US interest rates continue to rise**

Highlights - Equiserve

- Deal finally closed in June 2005
- Unqualified support of clients and staff
- Worth the wait to get the National Trust Licence
- Conversion starts October 2005, completed by December 2006
  - First major conversion is SBC/AT&T
- Synergies
  - IT major savings - over 400 staff
  - Operational
  - Rationalisation of offices
- Financial impact of synergies over the next 3 years
- Over 60% of 'Dow Jones 30' companies are now clients

Highlights – Company Structure

- **Standardised operational structure globally**
- **Introducing best practice model globally to be completed by end of FY06, major savings when completed**
- **Set up Global Capital Markets Group headed by Paul Conn**
  - Market structures
  - Cross border transactions / listings
  - Access to street names (US and Canada)
- **Set up Global Business Development group headed by Warwick Angus**
  - Global marketing
  - Major global accounts pursuit
- **Business Services group in the UK headed by Kevin Rayner**
  - Government business
  - Gilts, NHS, Corgi
  - Looking to establish in other markets

Highlights – Employee Plans & Options

- **Set up as a global business**

- **Look at obtaining more of the downstream business**
  - 10% record keeping
  - 20% dealing
  - 70% on selling of wealth management products

- **Won GEO awards for:**
  - BP for Best Use of Technology
  - SMIC (Equiserve Chinese client) for Most Innovative & Creative Plan Design
  - Reuters for Best Plan Effectiveness

- **Transcentive - excellent financial result**

Highlights - Japan

- **Letter of Intent signed in June 2005**
- **JV 1**
  - Planned opening October 2005
  - Services
    - Proxy Solicitation
    - Analytics
    - Stakeholder Relationship Management
- **JV 2**
  - Opportunity for CPU to obtain a significant minority interest
  - Services
    - Transfer Agency
    - Plans

Highlights – General

- Mutual Funds business in the US showing large increase in activity, this month we have signed over ½ of FY06 budget
- Healthiest M&A in the US in a number of years
- IPO increases in the US also evident
- Cross sell of SSP and PMC to Equiserve clients
- Expansion into Continental Europe through acquisition
- Major opportunities in CSR reporting

Highlights – Corporate Social Responsibility

- **eTree**
  - 60 member companies in Australia and over 1.1 million trees planted
  - Launching in the UK, US, Canada, Europe and South Africa

- **Change-A-Life program**
  - A program to create a sustainable future for the poorest communities in our world
  - A global affiliation with CARE
  - Employee payroll deduction plan globally, each employee $ matched by CPU
  - First project is to build a farm in Kenya to sustain an orphanage
  - www.computersharecares.com

Financial Outlook – FY2006

- **Revenue approaching A$1.5 billion**
- **Growth in EPS > 20%**

Given equity, interest rate and FX market conditions are relatively stable.

QUESTIONS?

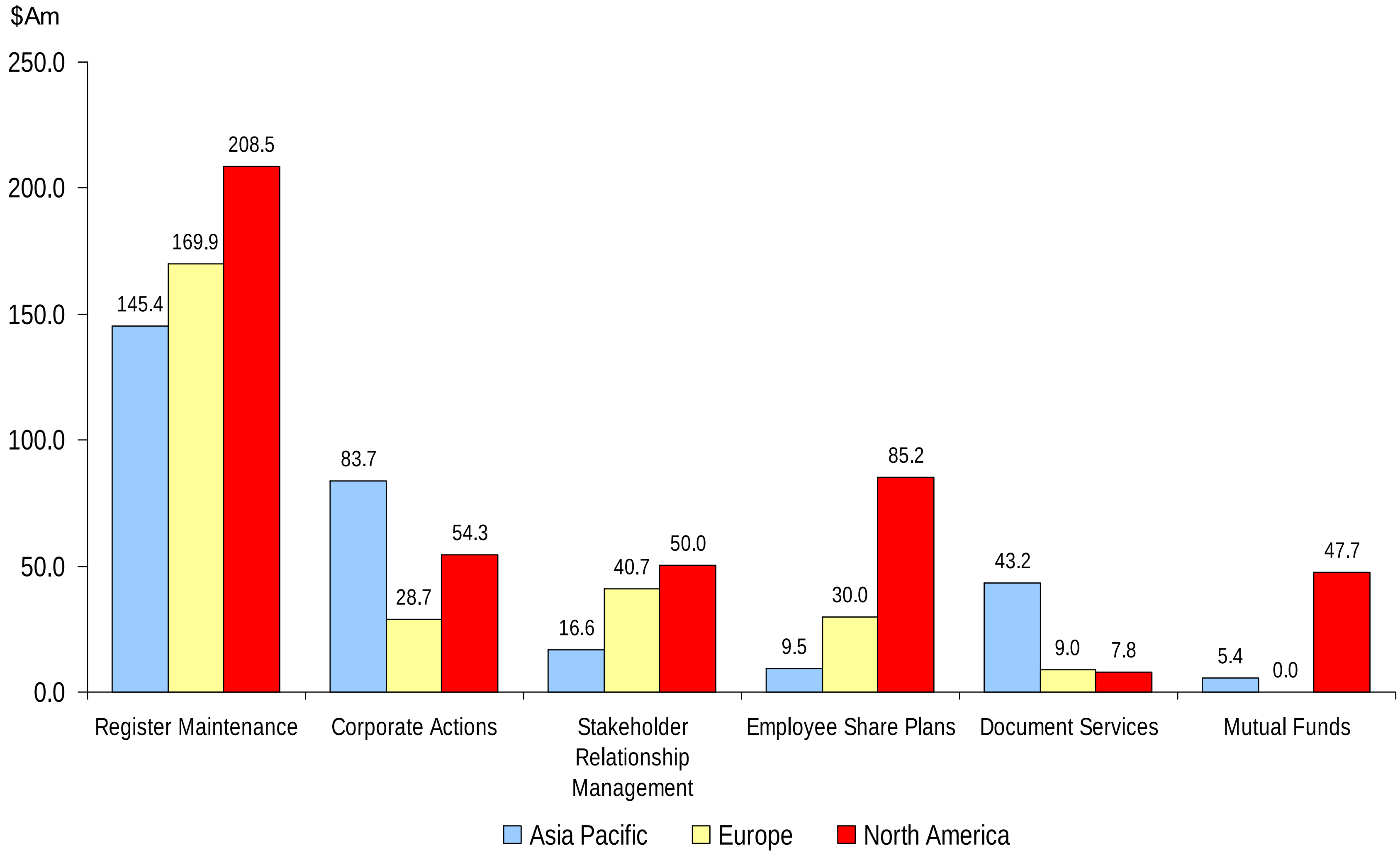
Appendix:

Full Year Results 2005 Presentation

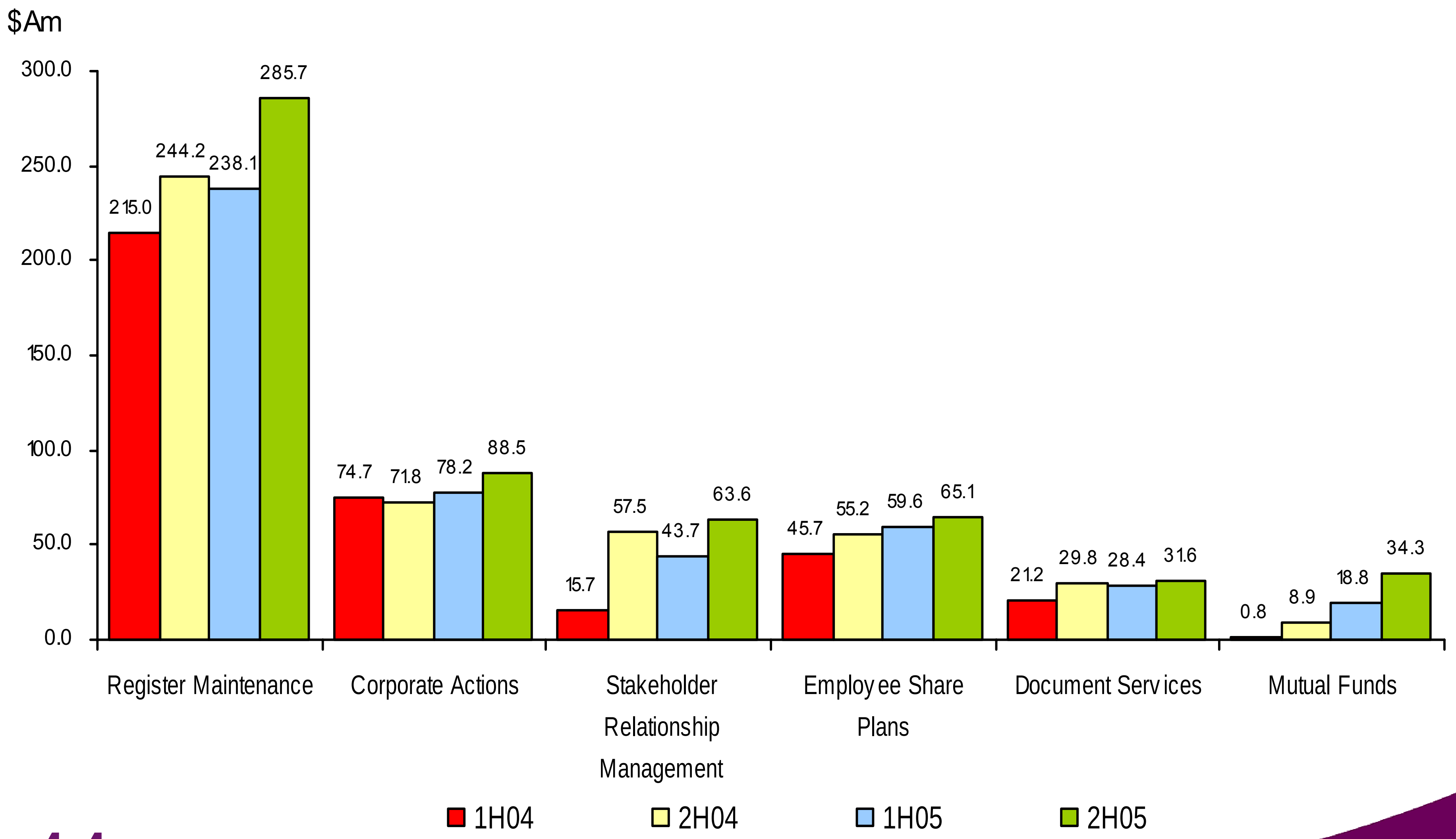
16 August 2005

Group Comparisons

Regional Analysis – FY05 Revenue



Half Year Comparisons - Revenue



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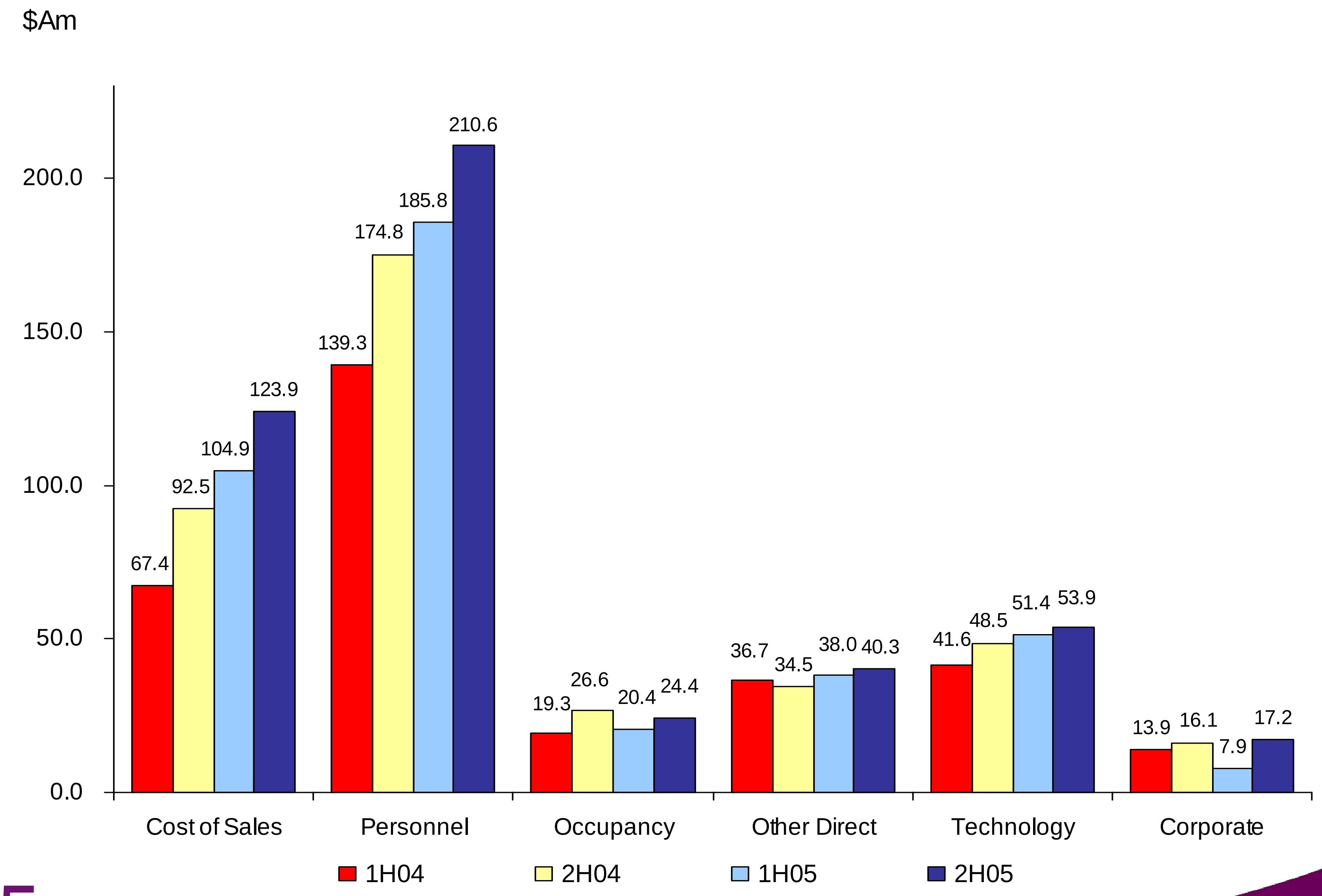
Half Year Comparisons – Operating Costs



Revenue Breakdown

	FY05	FY04	Variance
Register Maintenance	523.8	459.2	14%
Corporate Actions	166.7	146.6	14%
Stakeholder Relationship Mgt	107.3	73.2	47%
Employee Share Plans	124.6	100.9	23%
Document Services	60.0	51.0	18%
Mutual Funds	53.1	9.8	442%
Technology & Other Revenues	63.5	53.9	18%
Total Revenue	**1,098.9**	**894.6**	**23%**

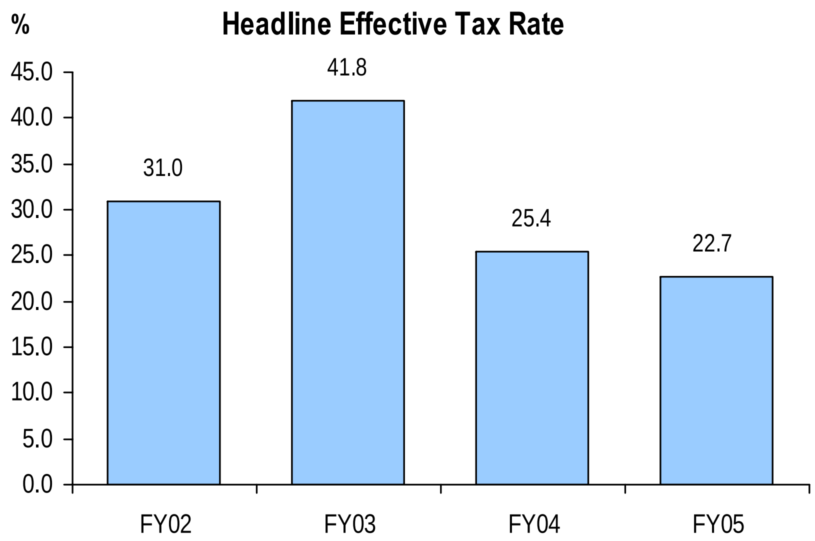
Note: Included in the revenue results are $79.6 m of Margin Income (FY04: $56.7 m) and $202.3m of Recoverable Income (FY04: $124.6 m).
FY04 restated for cost of sales adjustment.

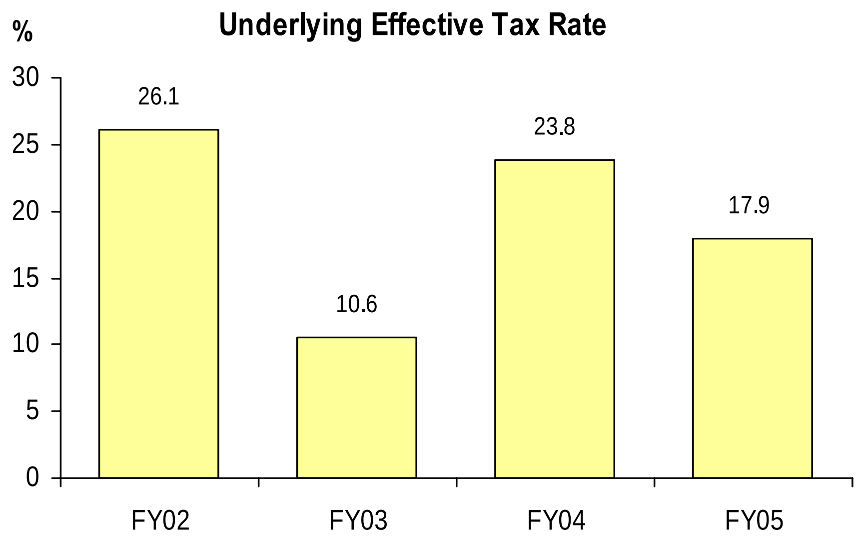
Effective Tax Rate

➢ **Headline effective tax rate for FY05 was 22.7% (FY04 24.4%).**

➢ **Normalised headline effective tax rate for FY05 was 24.7% (FY04 29.9%).**

➢ **The underlying effective tax rate (the tax rate adjusted for one off, non recurring items and non deductible goodwill charges) for FY05 was 17.9% (FY04 23.8%).**





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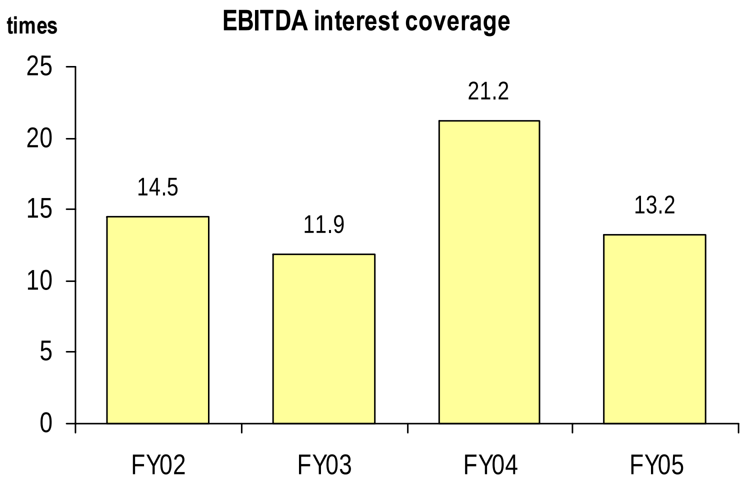
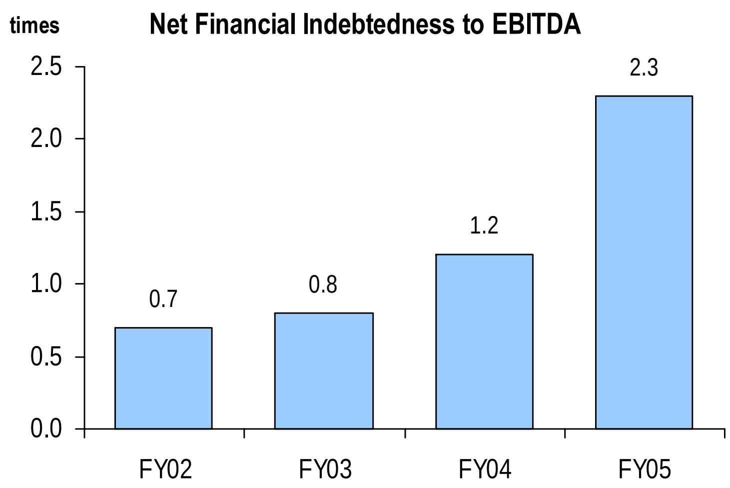
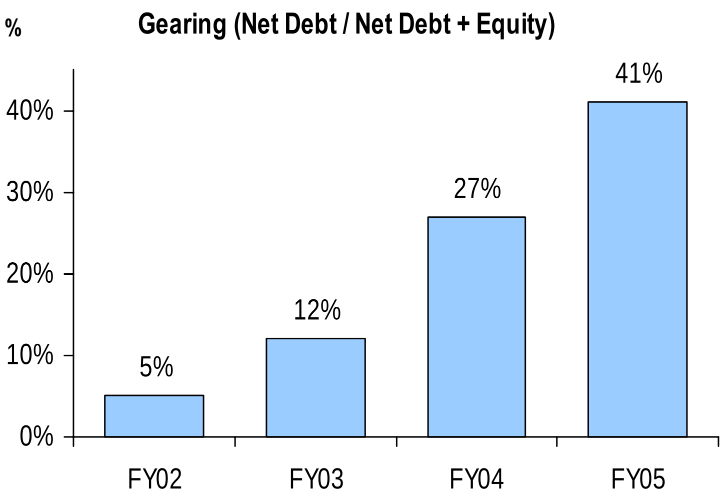
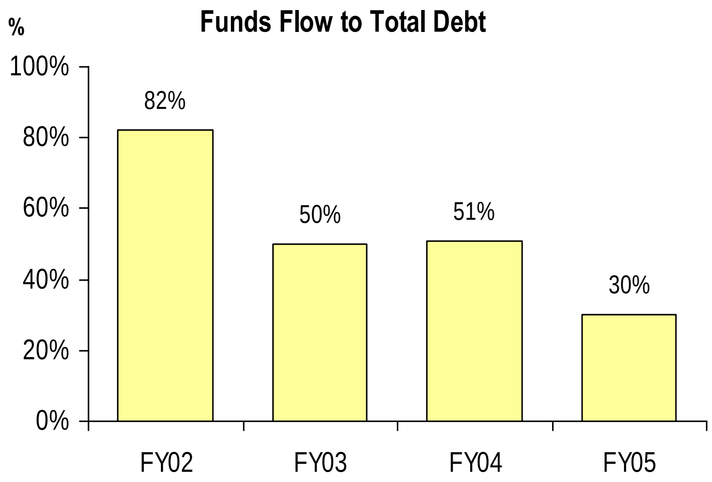
Key Financial Ratios





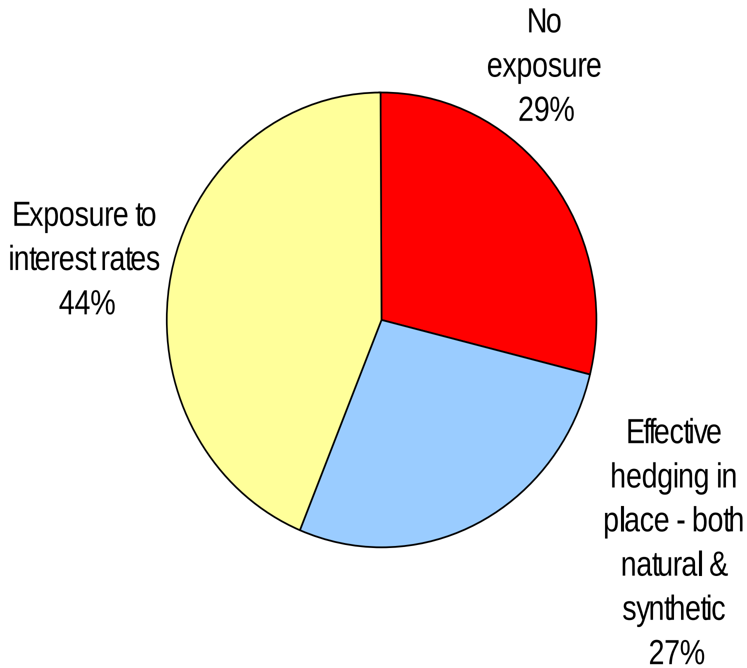




Share Capital Movements

	Number of Shares m	Paid Up Share Capital A$m
Opening balance	**546.7**	**339.0**
Acquisitions	29.8	188.0
Preference share conversion	24.0	85.0
Buy Backs	(10.2)	(30.6)
Other	4.6	(0.6)
Closing Balance	**594.9**	**580.8**

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: 27%

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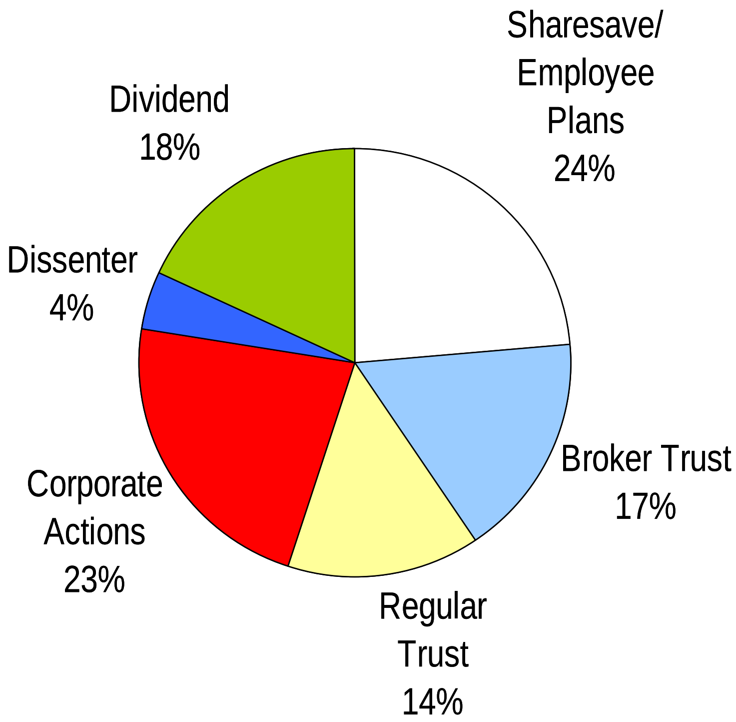
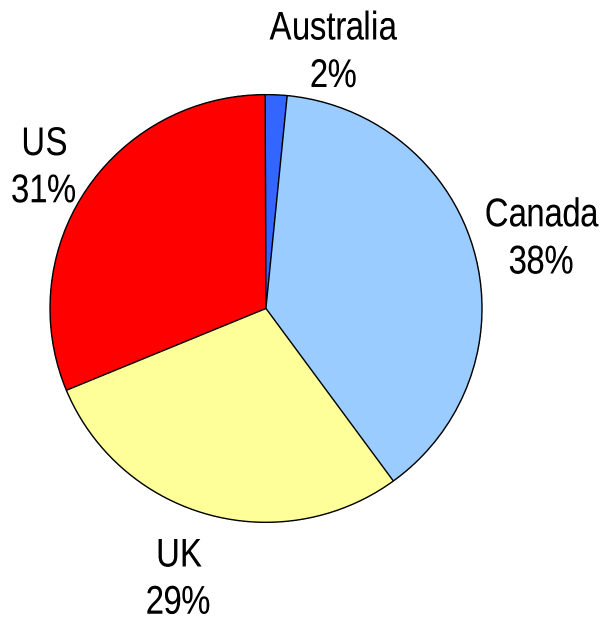
Risk Management – Average Funds Balances for 12 months ending 30 June 2005

By Category



By Country

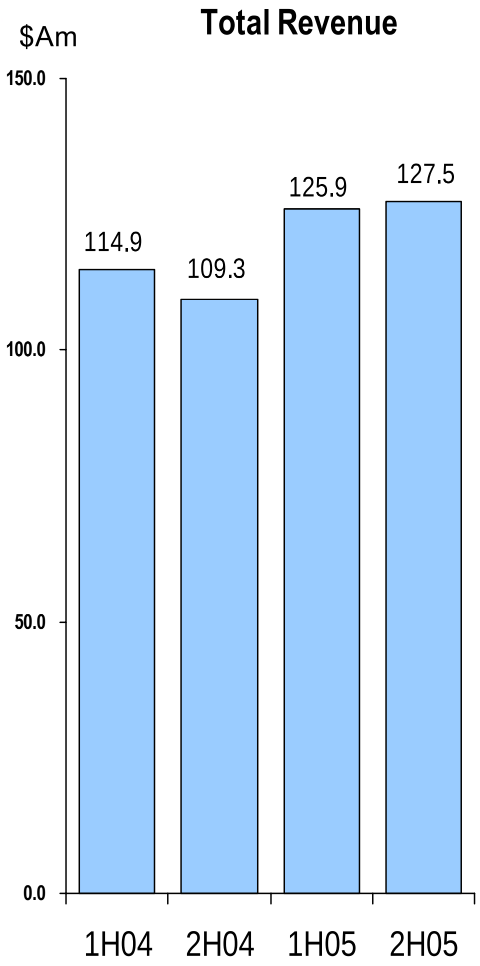


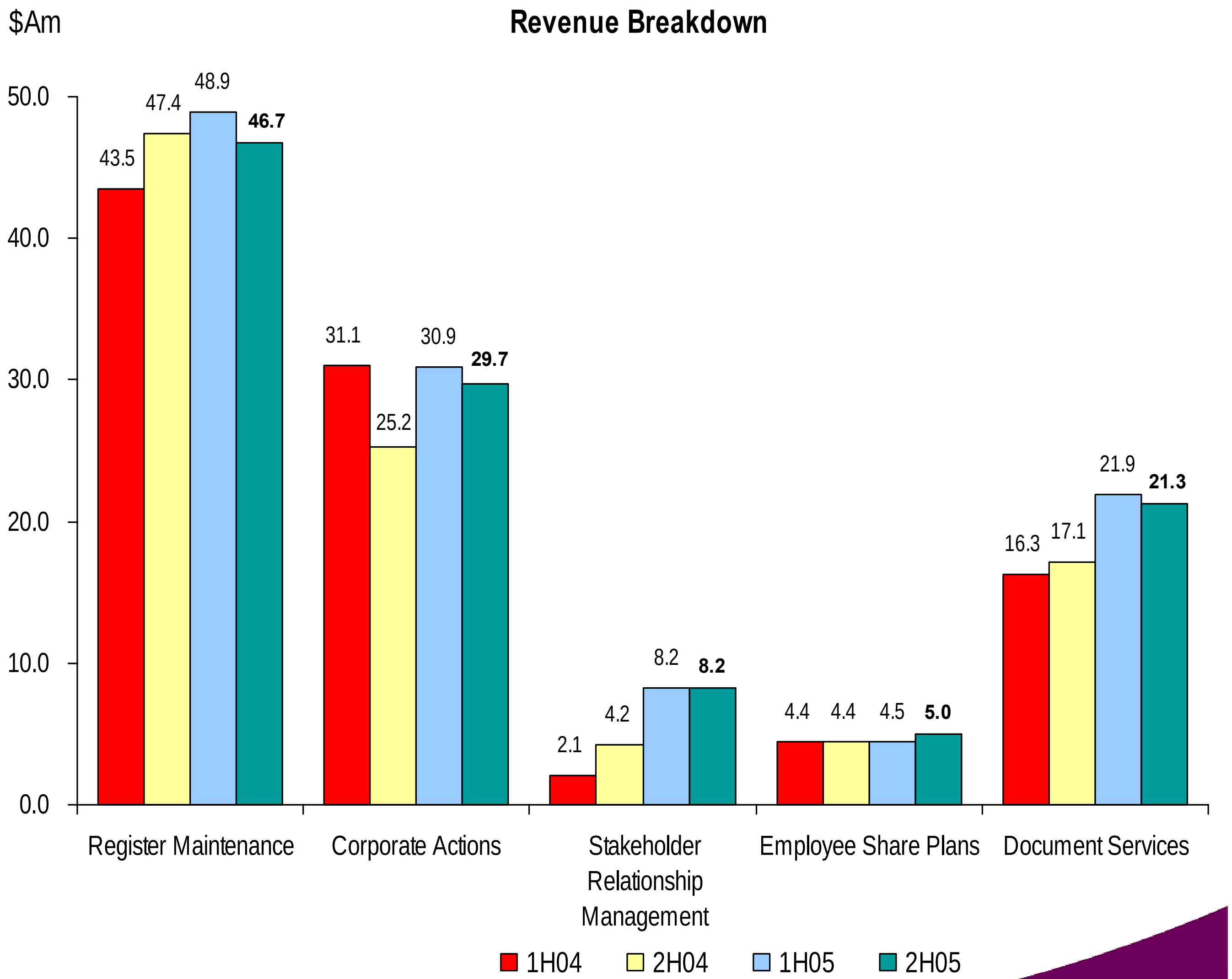
Average Fund Balance - A$5.2b

Country Summaries

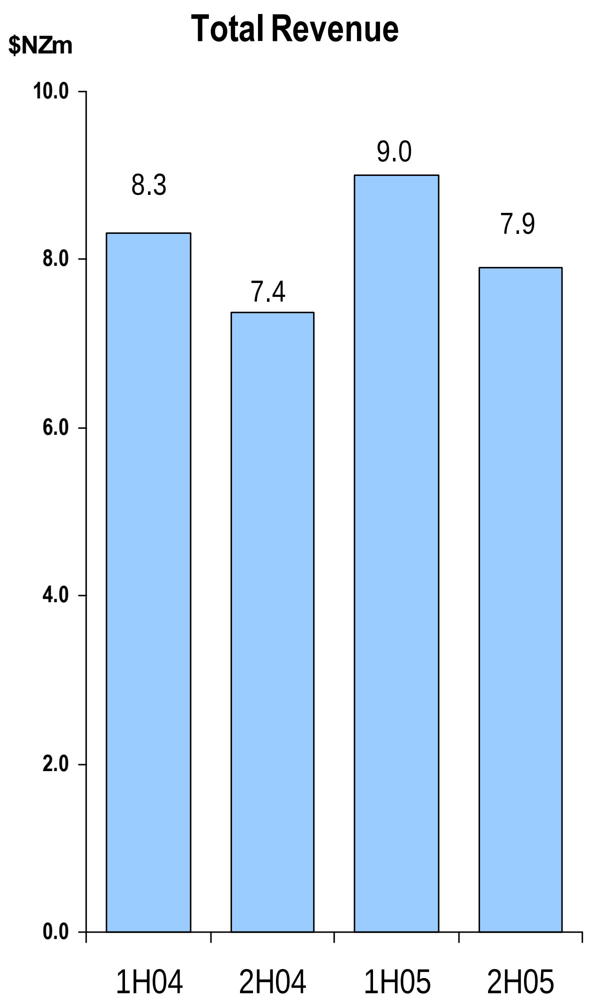
Asia Pacific

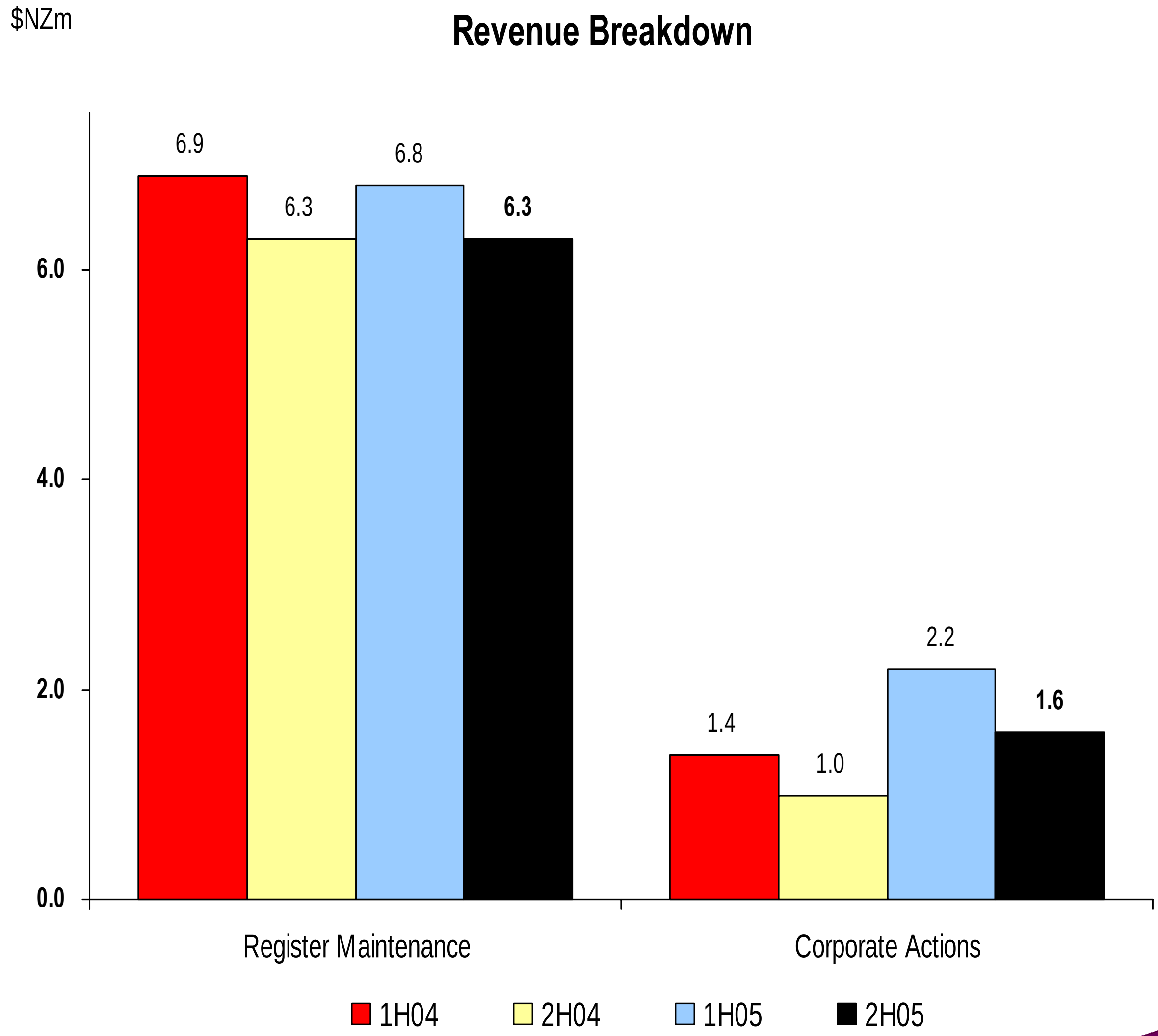
Australia Half Year Comparison



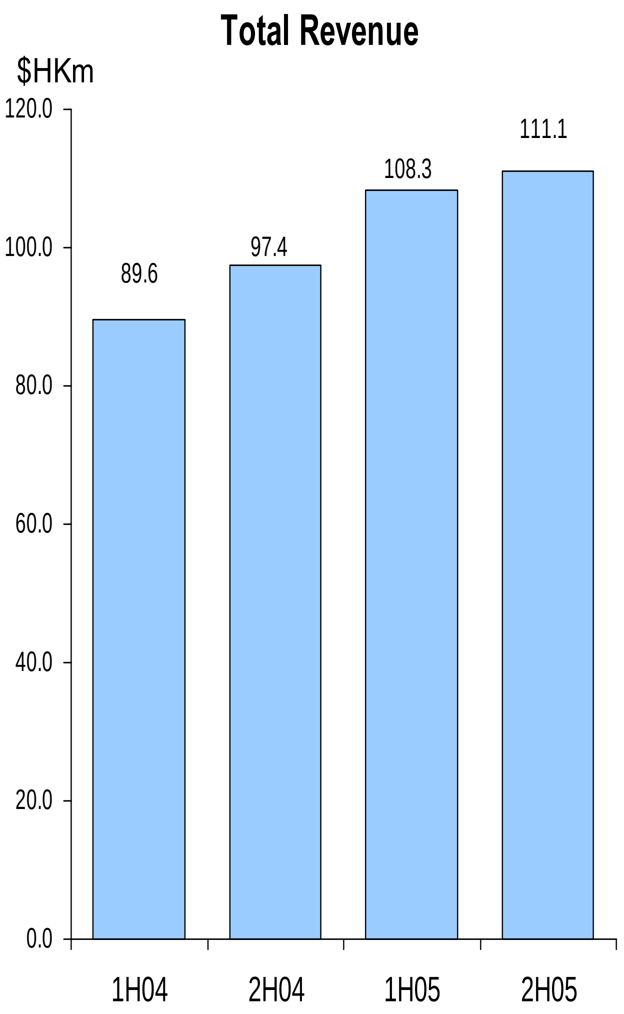


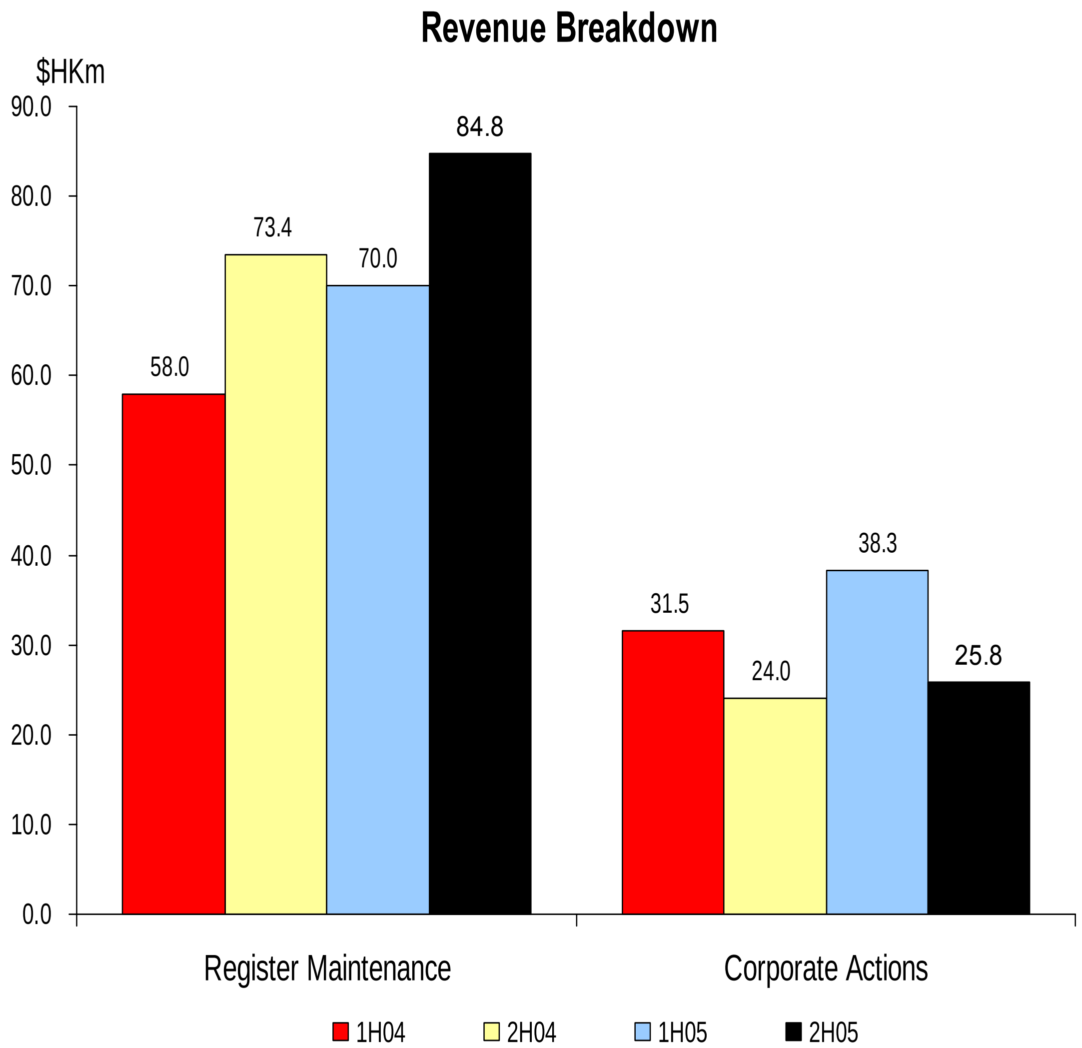
New Zealand Half Year Comparison





Hong Kong Half Year Comparison

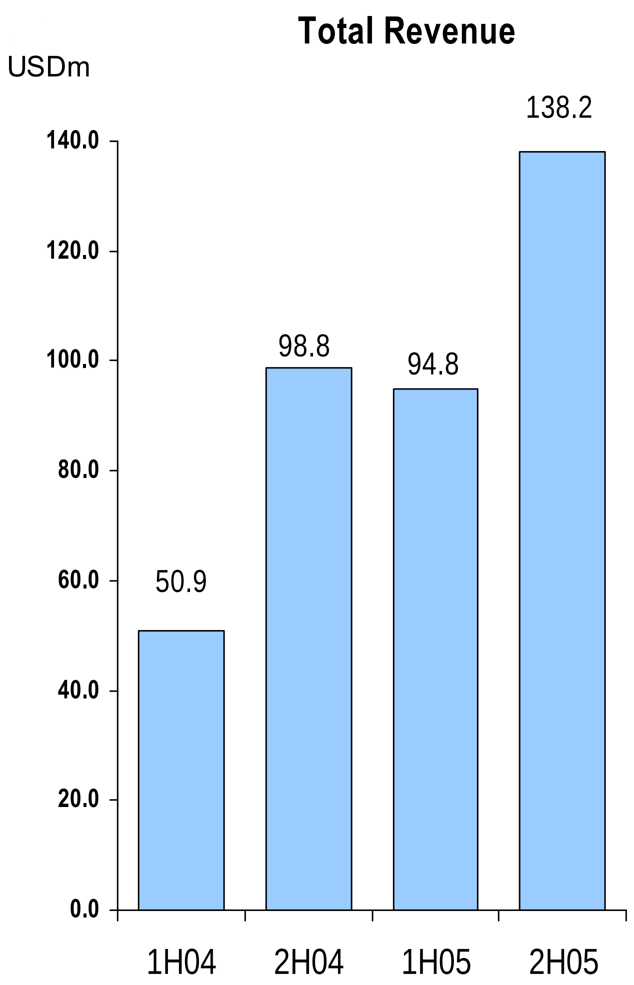


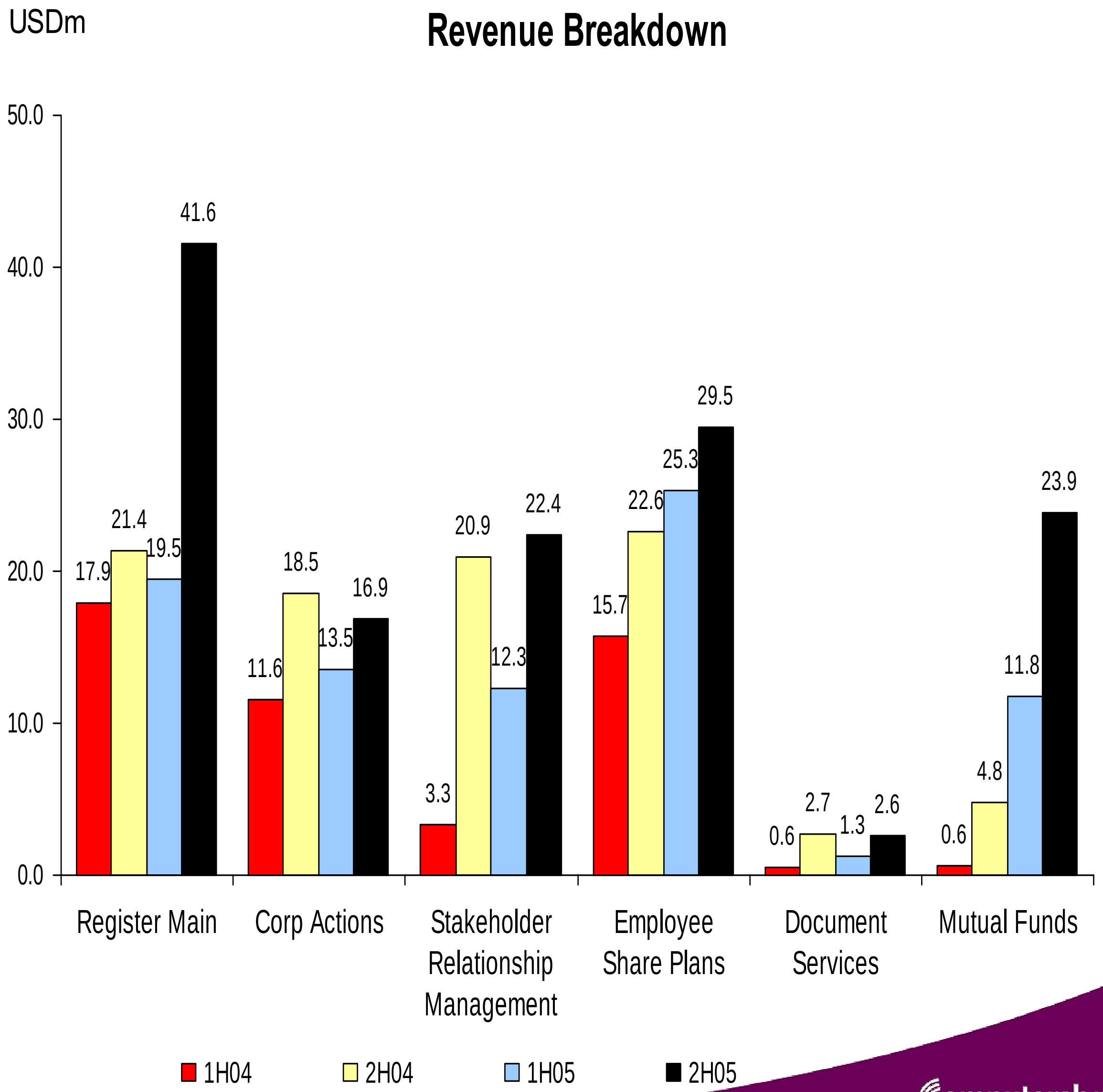


North America

United States Half Year Comparison

Financial Results





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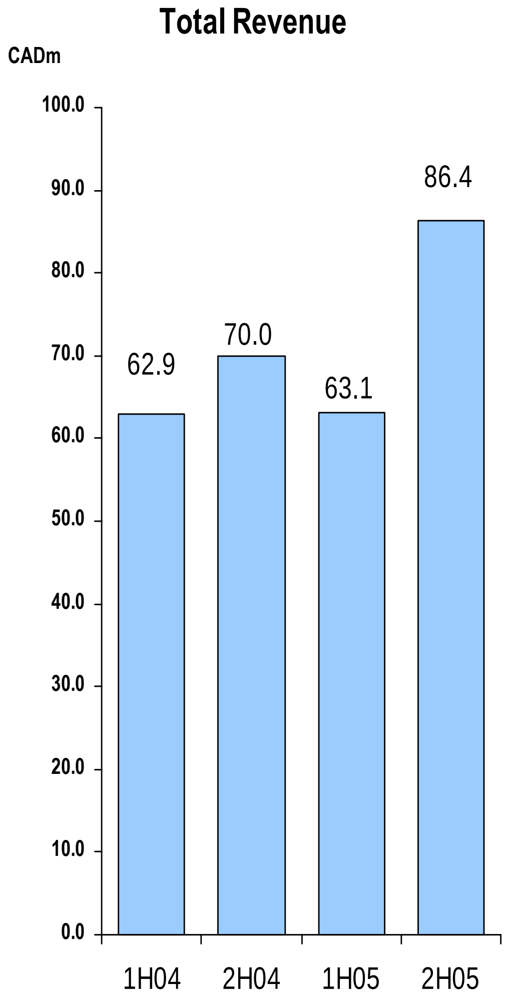
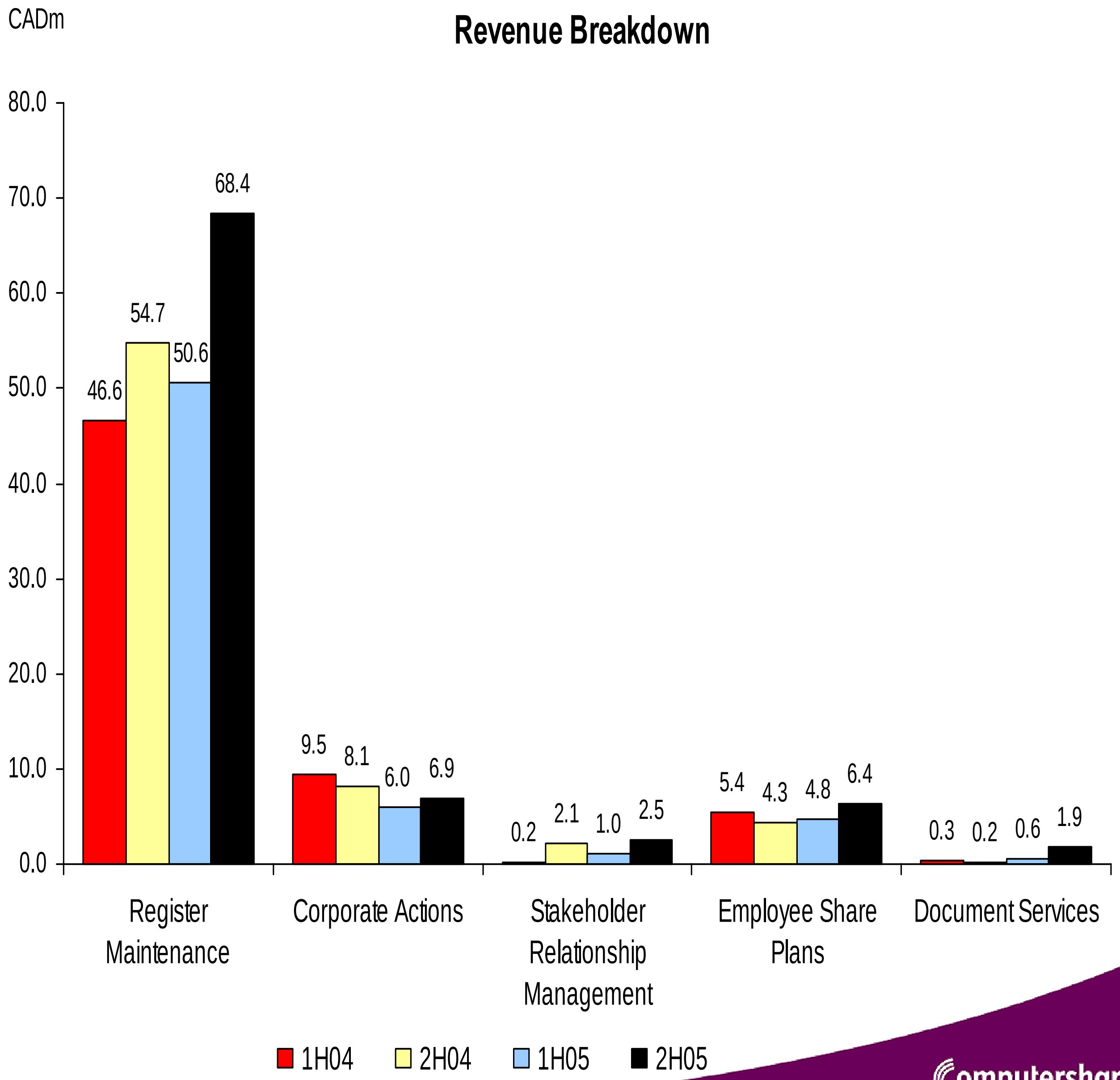
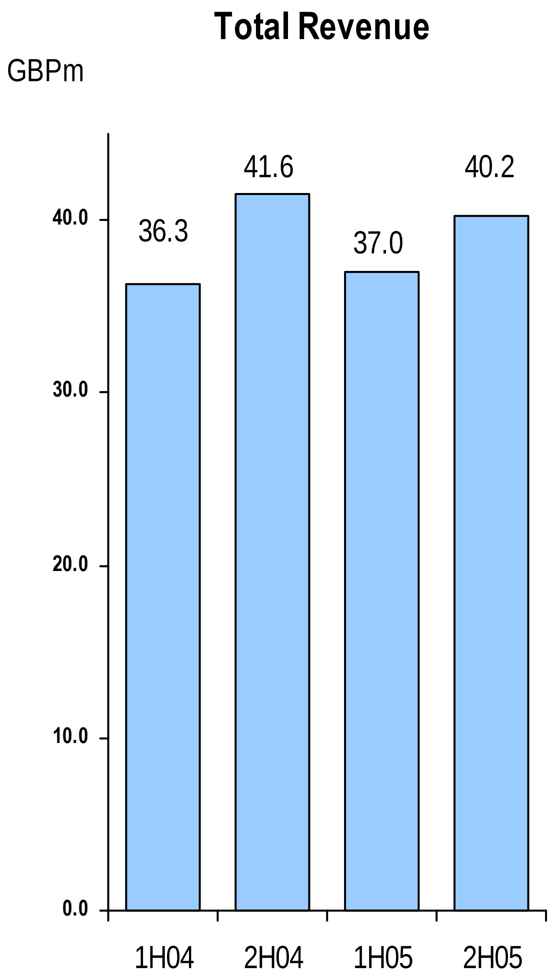
Canada Half Year Comparison

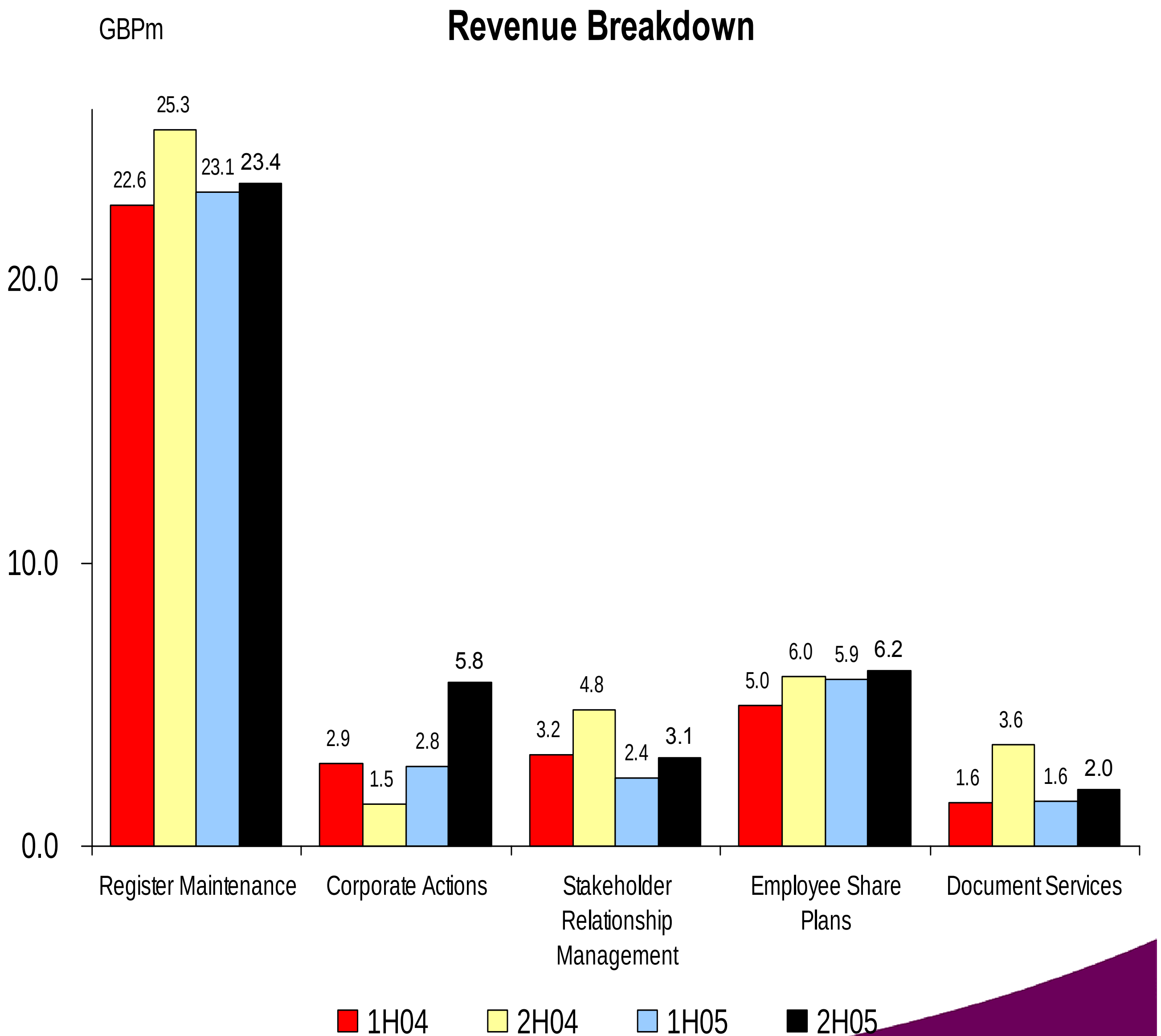




EMEA

United Kingdom Half Year Comparison





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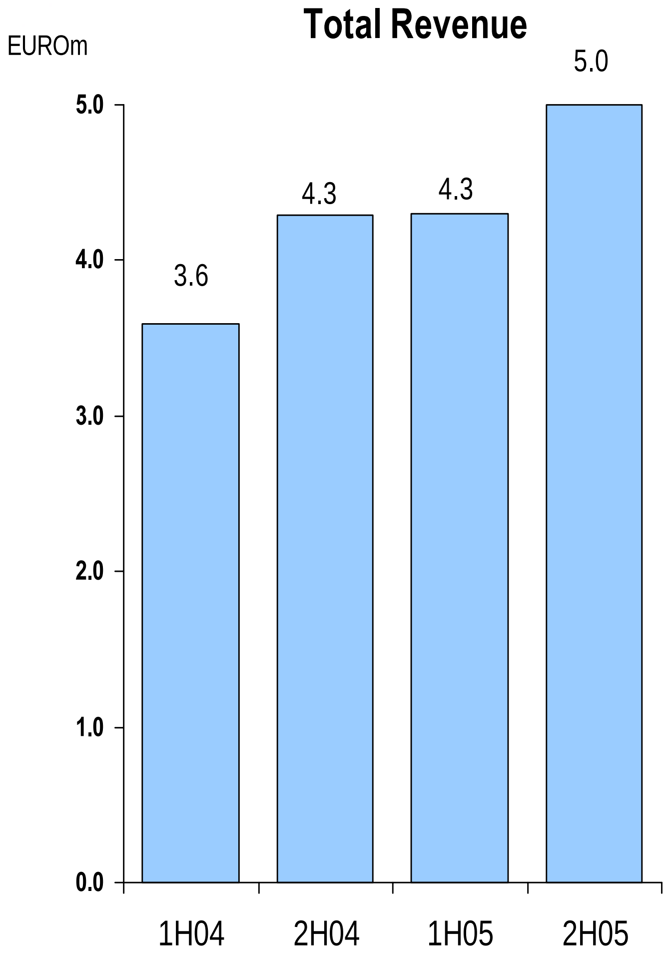
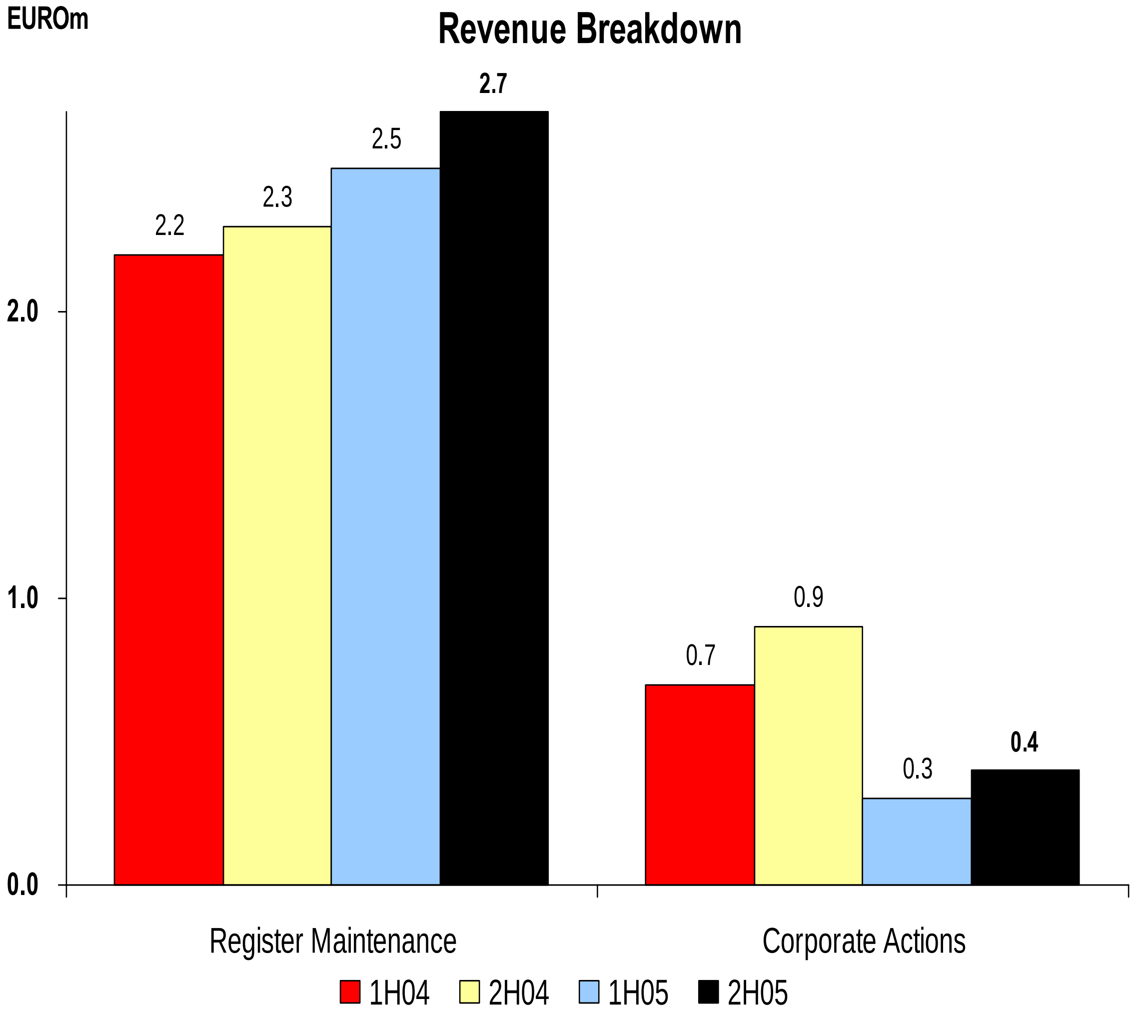
Ireland Half Year Comparison





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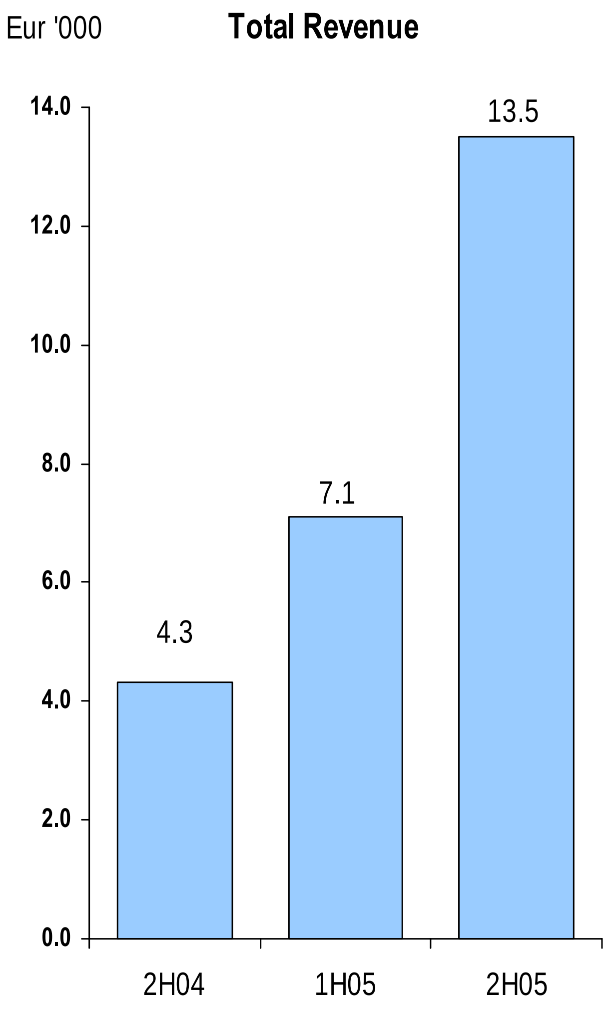
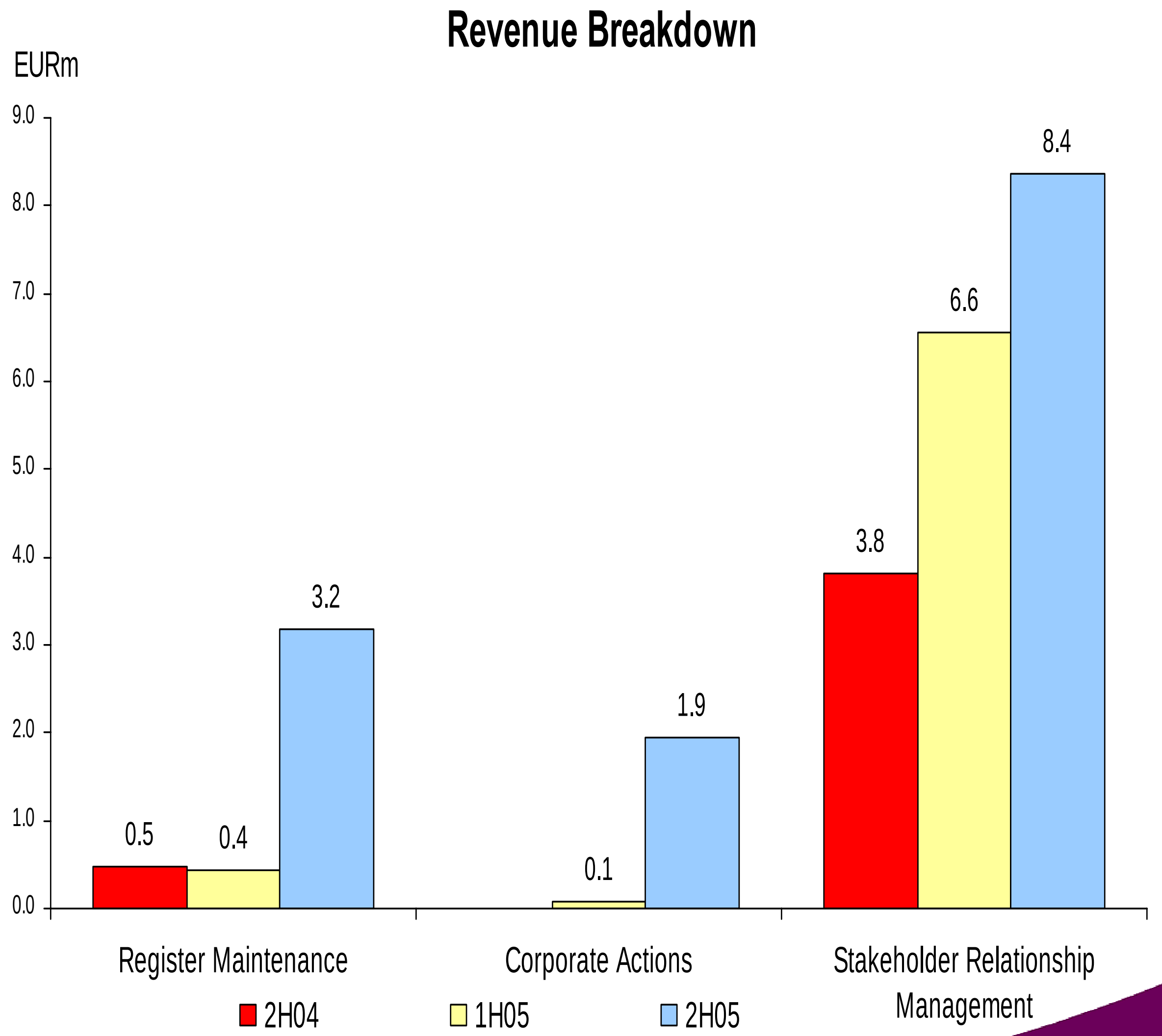
Germany Half Year Comparison





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South Africa Half Year Comparison