# COMPUTERSHARE LIMITED (ASX:CPU)

# FINANCIAL RESULTS
# FOR THE FULL YEAR ENDED 30 JUNE 2014

## 13 August 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 FY14 Results Presentation are available for download at:
http://www.computershare.com/au/about/ir/financials/Pages/results.aspx

**Melbourne, 13 August 2014 –** Computershare Limited (ASX:CPU) today reported Statutory Basic Earnings per Share (EPS) of 45.20 cents for the twelve months ended 30 June 2014, an increase of 60.1% on FY13. Management Earnings per Share were 60.24 cents, an increase of 9.8% over the prior corresponding period (pcp).

A final dividend of AU 15 cents per share 20% franked has been declared, an increase of AU 1 cent from the final dividend in FY13.

Total statutory revenues and other income increased 0.1% on FY13 to $2,048.6 million. Statutory Net Profit post Non-Controlling Interest (NCI) increased 60.1% to $251.4 million (see Appendix 4E). Management Net Profit post NCI rose 9.9% to $335.0 million. Operating Cash Flows increased 22.5% to $409.3 million.

**Headline Statutory Results (see Appendix 4E) for FY14 were as follows:**

| | **FY14** | FY13 | **FY14 versus FY13** |
|---|---|---|---|
| Earnings per Share (post NCI) | **45.20 cents** | 28.25 cents | **Up 60.1%** |
| Total Revenues & other income | **$2,048.6m** | $2,046.0m | **Up 0.1%** |
| Total Expenses | **$1,721.9m** | $1,853.3m | **Down 7.1%** |
| Statutory Net Profit (post NCI) | **$251.4m** | $157.0m | **Up 60.1%** |

**Headline Management Results for FY14 were as follows:**

| | **FY14** | FY13 | **FY14 versus FY13** | FY14 at FY13 exchange rates | FY14 at FY13 exchange rates versus FY13 |
|---|---|---|---|---|---|
| Management Earnings per Share (post NCI) | **60.24 cents** | 54.85 cents | **Up 9.8%** | 59.86 cents | Up 9.1% |
| Total Operating Revenues | **$2,022.6m** | $2,025.1m | **Down 0.1%** | $2,079.9m | Up 2.7% |
| Operating Costs | **$1,480.9m** | $1,515.2m | **Down 2.3%** | $1,532.3m | Up 1.1% |
| Management Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) | **$540.6m** | $509.8m | **Up 6.0%** | $544.1m | Up 6.7% |
| EBITDA margin | **26.7%** | 25.2% | **Up 150bps** | 26.2% | Up 100bps |
| Management Net Profit (post NCI) | **$335.0m** | $304.9m | **Up 9.9%** | $333.0m | Up 9.2% |
| Cash Flow from Operations | **$409.3m** | $334.0m | **Up 22.5%** | | |
| Free Cash Flow | **$392.8m** | $290.3m | **Up 35.3%** | | |
| Days Sales Outstanding | **45 days** | 45 days | **Flat** | | |
| Capital Expenditure | **$19.8m** | $49.5m | **Down 60.0%** | | |
| Net Debt to EBITDA ratio | **2.13 times** | 2.47 times | **Down 0.34 times** | | |
| Final Dividend | **AU 15 cents** | AU 14 cents | **Up 1 cent** | | |
| Final Dividend franking amount | **20%** | 20% | **Flat** | | |

**Reconciliation of Statutory Results to Management Results**

| FY14 | USD 000's |
|---|---|
| **Net profit after tax as per Statutory Results** | 251,401 |
| **Management Adjustments (after tax)** | |
| **Amortisation** | |
| Intangible assets amortisation | 62,204 |
| **Strategic business initiatives** | |
| Net gain on disposals | (817) |
| Adjustment to disposal accounting | (2,702) |
| Business closure adjustment | (2,605) |
| Restructuring provisions | 796 |
| Asset write-downs | 26,295 |
| **Other** | |
| Acquisition related costs | 821 |
| Foreign exchange gain | (2,316) |
| Acquisition accounting adjustments | 401 |
| Indian acquisition put option liability re-measurement | 2,302 |
| Marked to market adjustments on derivatives | (743) |
| **Total Management Adjustments** | 83,636 |
| **Net profit after tax as per Management Results** | 335,037 |

**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 FY14 were as follows:

**Amortisation**

- Customer contracts and other intangible assets that are recognised on business combinations or major asset acquisitions are amortised over their useful life in the statutory results but excluded from management earnings. The amortisation of these intangibles for FY14 was $62.2 million. Amortisation of intangibles purchased outside of business combinations (eg, mortgage servicing rights) is included as a charge against management earnings.

**Strategic business initiatives**

- A total gain of $14.4 million was recorded on disposal of Highlands Ranch LLC, an equity stake in Chelmer Limited and a listed investment held by VEM.
- Disposal of Pepper operations in Germany, Singapore and the US resulted in a loss of $13.6 million.
- Finalisation of the accounting for the disposal of Interactive Meetings Limited (IML) resulted in a reduction of the loss recognised in FY13 by $2.7m.
- The sale of the Australian Fund Services business, which was initially accounted for as a business closure, resulted in a reversal of certain provisions and a gain on sale totalling $2.6 million.
- Restructuring provisions of $0.8 million were raised. These provisions related to recent acquisitions as well as Computershare's change to a global service model.
- Assets of VEM were written down to fair value on classification as 'held for sale' resulting in a loss of $23.2 million.
- The closure of the Digital Post Australia business led to a $3.1m investment write off.

**Other**

- Acquisition related expenses of $0.8 million were incurred associated with the Shareowner Services, Olympia and R&T acquisitions.
- An accounting gain of $2.3 million was recorded as a result of translation of foreign currency bank accounts.
- An acquisition accounting adjustment expense of $0.4 million was recorded relating to deferred consideration liabilities for the Specialized Loan Servicing and Serviceworks acquisitions.
- The put option liability re-measurement resulted in an expense of $2.3 million related to the Karvy 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 marked to market valuation resulted in a gain of $0.7 million.

**Commentary (based on Management Results)**

Computershare delivered Management EPS of 60.24 cents in FY14, up 9.8% on FY13 and in line with earnings guidance. Total revenues fell 0.1% versus FY13 to $2,022.6 million, with the strengthening US dollar as well as acquisitions and disposals throughout FY13 and FY14 having an impact. EBITDA margins increased 150bps on FY13 to 26.7%. Management EBITDA grew 6.0% to $540.6 million, and Management Net Profit post NCI grew 9.9% to $335.0 million. Operating costs were down 2.3% on FY13 to $1,480.9 million, primarily due to further synergies from the Shareowner Services business and the impact of acquisitions and disposals. On a constant currency basis, total revenues grew 2.7% and operating costs increased 1.1%. Cash flow from operations increased 22.5% to $409.3 million.

Register maintenance revenues were flat year on year. Improvements in the US and UCIA regions were offset by lower revenues in the Australia and New Zealand region due to the closure of the Funds Services business and the weaker Australian dollar. Corporate actions revenues have now been flat for three consecutive halves with reduced yields on client balances and FX translation offsetting the improvement in corporate activity.

Employee plans revenue increased year on year underpinned by acquisitions as well as increased employee activity. Stakeholder relationship management revenues fell year on year as hostile corporate activity remained subdued. Communication services revenues were down on FY13 due to the foreign currency translation effect, but improved in local currency terms, driven largely by activity now insourced as a result of recent acquisitions.

The business services segment witnessed a marginal drop in revenues year on year. The disposal of IML, the loss of a significant Serviceworks contract due to a client takeover, and continued weak market activity in the bankruptcy administration business in the US combined to negatively impact this segment. In contrast, the loan servicing and class actions administration businesses grew revenues on FY13.

Overall operating costs were down year on year, assisted by the delivery of further synergies from the Shareowner Services business integration and the benefit of FX translation. The introduction of the global service model continues to deliver benefits to the Company’s cost base, however costs were adversely impacted by wage inflation, revenue mix and the net effect of acquisitions and disposals.

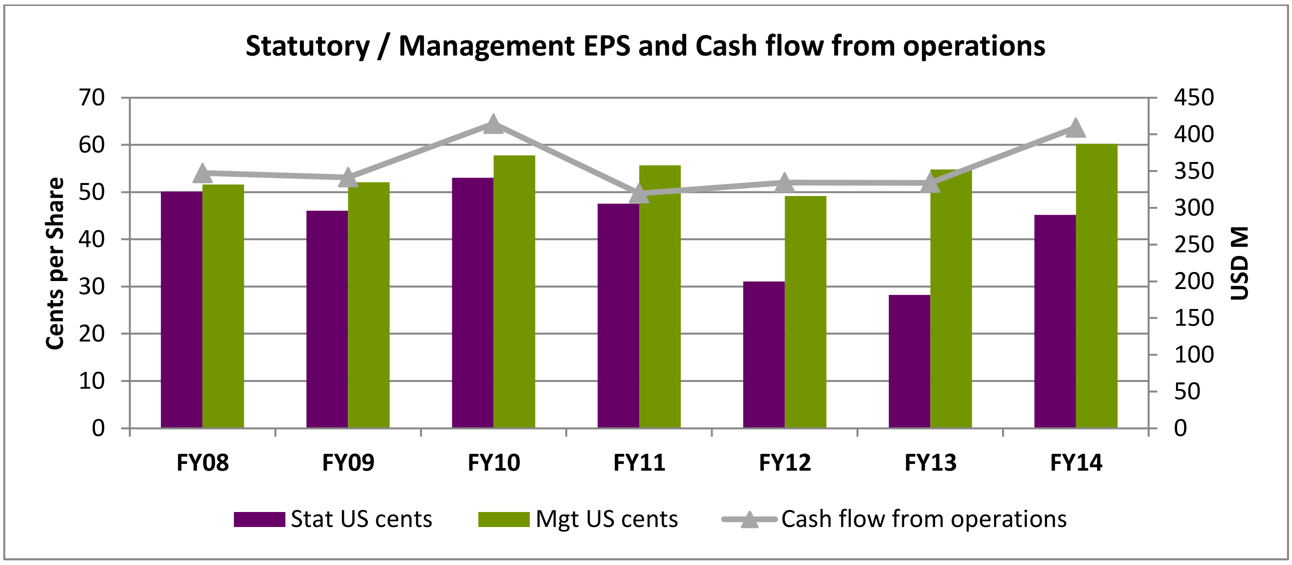
The Company completed the strategic review of prioritised assets during the period and this resulted in the sale of the Pepper Group, Highlands Insurance LLC and Chelmer Limited (refer to the market announcement on 1 July 2014). Furthermore, the VEM business in Germany is undergoing a sale process and the asset was written down given its ‘held for sale’ status. The closure of the Digital Post Australia business was also announced and resulted in a write-off. Consistent with past practice, the profits and losses associated with these transactions are reflected in the Company’s statutory but not management earnings per share.

Computershare's CEO, Stuart Irving, said, "It was a pleasing year in terms of our result outcomes and achieving what we set out to do at the start of the year. Earnings delivered were at the top end of our guidance despite a number of our businesses still facing challenging conditions. We concluded our asset simplification objectives, enabling a greater focus on our existing businesses and prospects and we were able to execute on a range of new growth opportunities yet still continue to strengthen our balance sheet. I'd like to pay special thanks to all our staff for our FY14 accomplishments.

"I would like to take this opportunity to pay particular thanks to Stuart Crosby, our outgoing CEO, for his considerable contribution, not only to this result but over his fifteen years with our Company.

"Looking to the year ahead, lower yields on client balances and some short term headwinds are expected to be a drag on earnings, but we are seeing modest improvements in some of our key operating environments. Taking all factors into account we expect Management EPS for FY15 to be around 5% higher than FY14."

Below is a summary of annual Statutory and Management Earnings per Share performance and Cash flow from operations since FY08:




## Regional Summary

Australia and New Zealand

Revenues in Australia and New Zealand decreased 11.7% on FY13 to $376.4 million and EBITDA was down 9.8% to $69.8 million.

The material fall in revenues can be attributed to the weakening of the Australian dollar, which fell around 11% year on year as well as the sale of the Australian Fund Services business in the first half. Margin income deteriorated year on year due to falls in Australian dollar interest rates and the maturity of hedges. Notably, excluding the FX translation effect, the Australian business delivered an earnings improvement. Both revenues and earnings for the New Zealand business were flat year on year.

Asia

Revenues in the Asian region fell 1.0% on pcp to $111.9 million, although EBITDA grew 10.0% to $36.7 million.

Hong Kong registry maintenance, corporate action and employee plan revenues all increased year on year, resulting in a significant uplift in earnings for this business. Business Services in India saw revenues fall which was further impacted by the 12% depreciation in the Indian rupee. The Indian investor services business experienced solid growth, but was unable to offset the deterioration in Business Services.

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

Revenues in the UCIA region grew 8.1% on pcp to $324.0 million and EBITDA grew 4.0% to $120.4 million.

The investor services business revenues and earnings were higher year on year, particularly evident in the second half. The employee plans business increased revenues but earnings were negatively impacted by a weaker margin income contribution. Business services revenues and earnings fell year on year. Overall the UK business benefitted from a 3% appreciation of the pound sterling. The Irish business grew revenue and earnings on FY13 whilst South Africa was marginally down.

Continental Europe

Revenues in the region increased 4.4% on pcp to $115.1 million while EBITDA fell 12.0% to $14.2 million.

The increase in revenue was largely driven by the German businesses aided by the strengthening Euro. Modest growth was achieved in Russia, whilst Italy was flat. Germany's earnings showed improvement whereas Russia, adversely affected by the 8% weakening of the Russian rouble, and Italy, were both unable to match their FY13 results.

United States

USA revenues grew 5.5% on FY13 to $889.7 million and EBITDA increased 21.5% to $208.8 million.

Register maintenance, business services, employee plans and communication services revenue all increased year on year. Corporate actions revenue was down materially on FY13, largely as a result of lower margin income, whilst stakeholder relationship management revenues were marginally down. The key driver to earnings improvement was the delivery of the expected additional synergies from the Shareowner Services integration as well as improvement in the employee plans and class actions businesses. Loan servicing continues to grow although an increase in servicing costs has impacted earnings, whilst the bankruptcy administration business continued to suffer from low filings.

Canada

Canadian revenues fell 4.2% versus FY13 to $189.8 million and EBITDA decreased 7.2% to $75.7 million.

The Canadian environment continues to be challenging, with investor services and stakeholder relationship management revenues lower than FY13, also impacted by the weaker Canadian dollar. Employee plans and corporate trust revenues were higher and the region benefitted from the Olympia acquisition that closed in 1H14. Earnings were again impacted by lower margin income and subdued corporate actions activity.

**Dividend**

The Company announced a final dividend of AU 15 cents per share, 20% franked, payable on 16 September 2014 (dividend record date of 21 August 2014). This follows the interim dividend of AU 14 cents per share, 20% franked, paid in March 2014.

The dividend reinvestment plan (DRP) pricing period for the final dividend will be from 26 August to 8 September 2014 (inclusive). The Company will purchase the relevant number of shares under the DRP election on market. No discount will apply to the DRP price. DRP participation elections received after 5pm (AEST) on the 22 August 2014 (day after dividend record date) will not be effective in respect of this final dividend payment but will apply to future dividend payments unless the Company elects to suspend or cancel its DRP.

**Capital Management**

The Company's issued capital was unchanged during FY14. There were 556,203,079 issued ordinary shares outstanding as at 30 June 2014.

**Balance Sheet Overview**

Total assets increased by $189.3 million from 30 June 2013 to $3,808.2 million as at 30 June 2014. Shareholder's equity increased $136.3 million to $1,267.2 million over the same period.

Net borrowings decreased to $1,199.2 million (from $1,257.3 million at 30 June 2013). Gross borrowings at 30 June 2014 amounted to $1,659.3 million (down from $1,711.7 million at 30 June 2013). Debt facilities maturity averaged 3.8 years at 30 June 2014, with details outlined in the table below. Subsequent to year end, the Company refinanced its existing $800m syndicated debt facility, increasing the facility size to $900m, split into a 3-year $450m tranche and a 5-year $450m tranche. This refinancing has increased the debt facilities maturity average to 4.6 years.

The debt maturity profile **as at 30 June 2014** is detailed below:

| Maturity Dates | | Debt Drawn | Committed Debt Facilities | | Bank Debt Facility | Private Placement Facility |
|---|---|---|---|---|---|---|
| FY15 | Mar-15 | 124.5m | 124.5m | | | 124.5m |
| FY16 | Oct-15 | 290.9m | 300.0m | | 300.0m | |
| FY17 | Oct-16 | 32.0m | 250.0m | | 250.0m | |
| | Mar-17 | 21.0m | 21.0m | | | 21.0m |
| FY18 | Jul-17 | 246.6m | 250.0m | | 250.0m | |
| | Feb-18 | 40.0m | 40.0m | | | 40.0m |
| FY19 | Jul-18 | 235.0m | 235.0m | | | 235.0m |
| | Feb-19 | 70.0m | 70.0m | | | 70.0m |
| FY22 | Feb-22 | 220.0m | 220.0m | | | 220.0m |
| FY24 | Feb-24 | 220.0m | 220.0m | | | 220.0m |
| **Total** | | **$1,500.0m*** | **$1,730.5m** | | **$800.0m** | **$930.5m** |

***** Variance from gross debt represents finance leases ($44.0m), fair value adjustment on debt ($24.7m) and the SLS advance facility ($90.6m).

The Company's Net Debt to Management EBITDA ratio, the key gearing metric, fell from 2.47 times at 30 June 2013 to 2.13 times at 30 June 2014.

Capital expenditure for FY14 was 60% lower than FY13 at $19.8 million.

The Group's Days Sales Outstanding was 45 days at 30 June 2014, unchanged from 30 June 2013.

**Technology Costs**

Total technology spend for FY14 was $240.9 million, 7.8% lower than FY13. Technology costs included $74.2 million (FY13: $67.9 million) in research and development expenditure that was expensed during the period. The technology cost to revenue ratio for FY14 was 11.9% (FY13: 12.9%).

**Foreign Exchange Impact**

Management EBITDA would have been $544.1 million, or 0.6% higher than actual FY14 Management EBITDA had average exchange rates from FY13 applied. Management EPS would have been 59.86 cents or 0.6% lower than actual FY14 Management EPS had prior year average exchange rates applied.

**Taxation**

The Management effective tax rate for FY14 was 22.4% (FY13: 22.6%).

## Outlook for Financial Year 2015

Looking to the year ahead, lower yields on client balances and some short term headwinds are expected to be a drag on earnings, but the Company is seeing modest improvements in some of its key operating environments. Taking all factors into account the Company expects Management EPS for FY15 to be around 5% higher than FY14.

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

**Please refer to the 2014 Full Year Results Presentation for detailed financial data and the Important Notice on slide 65 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 data management, high volume transaction processing and reconciliations, payments and stakeholder engagement. Many of the world's leading organisations use us to help streamline and maximise the value of relationships with their investors, employees, creditors, members and customers.

Computershare is represented in all major financial markets and has over 12,000 employees worldwide.

For more information, visit www.computershare.com

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For further information:

Mr Darren Murphy
Head of Treasury and Investor Relations
Tel: +61 3 9415 5102
Mobile: +61 418 392 687

# Computershare Limited

## Full Year Results 2014 Presentation

Stuart Irving
Mark Davis

13 August 2014

Introduction

Financial Results

CEO's Report

Stuart Irving

## PRESIDENT & CHIEF EXECUTIVE OFFICER

# Results Summary
# Statutory Results

Introduction

| | FY14 | vs FY13 |
|---|---|---|
| **Earnings per share (post NCI)** | 45.20 cents | Up 60.1% |
| **Total Revenues** | $2,048.6m | Up 0.1% |
| **Total Expenses** | $1,721.9m | Down 7.1% |
| **Statutory Net Profit (post NCI)** | $251.4m | Up 60.1% |

| Reconciliation of Statutory Revenue to Management Results | FY14 |
|---|---|
| **Total Revenue per statutory results** | **$2,048.6m** |
| **Management Adjustments** | |
| Foreign exchange gain | (3.3) |
| Gain on disposals | (21.6) |
| Marked to Market adjustments - derivatives | (1.1) |
| **Total Management Adjustments** | ($26.0) |
| **Total Revenue per Management Results** | **$2,022.6m** |

| Reconciliation of Statutory NPAT to Management Results | FY14 |
|---|---|
| **Net profit after tax per statutory results** | **$251.4m** |
| **Management Adjustments (after tax)** | |
| Amortisation | 62.2 |
| Strategic Business initiatives | 21.0 |
| Other | 0.4 |
| **Total Management Adjustments** | $83.6m |
| **Net Profit after tax per Management Results** | **$335.0m** |

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 4E Note 8.

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.**

# Management Results Summary

Introduction

| | FY 2014 | FY 2013 | v FY 2013 | FY 2014 @ FY 2013 exchange rates |
|---|---|---|---|---|
| Management Earnings per share (post NCI) | US 60.24 cents | US 54.85 cents | Up 9.8% | US 59.86 cents |
| Total Operating Revenue | $2,022.6 | $2,025.1 | Down 0.1% | $2,079.9 |
| Operating Costs | $1,480.9 | $1,515.2 | Down 2.3% | $1,532.3 |
| Management Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) | $540.6 | $509.8 | Up 6.0% | $544.1 |
| EBITDA Margin | 26.7% | 25.2% | Up 150 bps | 26.2% |
| Management Net Profit post NCI | $335.0 | $304.9 | Up 9.9% | $333.0 |
| Cash Flow from Operations | $409.3 | $334.0 | Up 22.5% | |
| Free Cash Flow | $392.8 | $290.3 | Up 35.3% | |
| Days Sales Outstanding | 45 days | 45 days | Flat | |
| Capital Expenditure | $19.8 | $49.5 | Down 60.0% | |
| Net Debt to EBITDA ratio | 2.13 times | 2.47 times | Down 0.34 times | |
| Final Dividend | AU 15 cents | AU 14 cents | Up 1 cent | |
| Final Dividend franking amount | 20% | 20% | Flat | |

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



Computershare

# Drivers Behind FY14 Financial Performance



- Overall Register maintenance revenues were slightly down. The contributions from recent acquisitions and modest improvements in shareholder activity were offset primarily by the strengthening US dollar.
- Revenue in transactional business lines remained subdued. While there was some improvement in corporate activity this was impacted by reduced yields on client balances.
- Employee Share Plans continue to perform strongly, particularly in the UK, US and HK, with organic growth aided by contributions from recent acquisitions.
- Average client balances slightly lower than FY13 with ongoing pressure on deposit returns.
- In Business Services, growth was achieved from Loan Servicing, Class Actions and Utility Back Office Services, while Voucher Services and Bankruptcy both declined.
- The strong cost focus in all business lines continues and further Shareowner Services synergies were realised as expected. However, 2H14 saw some additional operating costs as a result of revenue mix, recent acquisitions and wage inflation.

# 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 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 of debt facilities of 4.6 years.

# Guidance



- Looking to the year ahead, lower yields on client balances and some short term headwinds are expected to be a drag on earnings, but we are seeing modest improvements in some of our key operating environments. Taking all factors into account we expect Management EPS for FY15 to be around 5% higher than FY14.
- 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 65 regarding forward looking statements.

Introduction

Financial Results

CEO's Report

Mark Davis

# CHIEF FINANCIAL OFFICER

# Group Financial Performance

Financial Results

| | FY 2014 | FY 2013 | % variance to FY 2013 | 2H 2014 | 1H 2014 | 2H 2013 | 1H 2013 |
|---|---|---|---|---|---|---|---|
| Sales Revenue | $2,011.4 | $2,015.7 | (0.2%) | $1,040.3 | $971.1 | $1,041.1 | $974.7 |
| Interest & Other Income | $11.2 | $9.4 | 19.2% | $5.4 | $5.8 | ($3.5) | $12.9 |
| **Total Management Revenue** | **$2,022.6** | **$2,025.1** | **(0.1%)** | **$1,045.7** | **$976.9** | **$1,037.5** | **$987.6** |
| Operating Costs | $1,480.9 | $1,515.2 | 2.3% | $771.7 | $709.2 | $767.6 | $747.6 |
| Share of Net (Profit)/Loss of Associates | $1.1 | $0.1 | | $0.5 | $0.7 | $1.6 | ($1.4) |
| **Management EBITDA** | **$540.6** | **$509.8** | **6.0%** | **$273.6** | **$267.0** | **$268.4** | **$241.4** |
| **Statutory NPAT** | **$251.4** | **$157.0** | **60.1%** | **$112.0** | **$139.4** | **$62.4** | **$94.6** |
| **Management NPAT** | **$335.0** | **$304.9** | **9.9%** | **$171.5** | **$163.6** | **$155.6** | **$149.3** |
| **Management EPS (US cents)** | **60.24** | **54.85** | **9.8%** | **30.83** | **29.41** | **27.98** | **26.87** |
| **Statutory EPS (US cents)** | **45.20** | **28.25** | **60.1%** | **20.13** | **25.07** | **11.23** | **17.02** |

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



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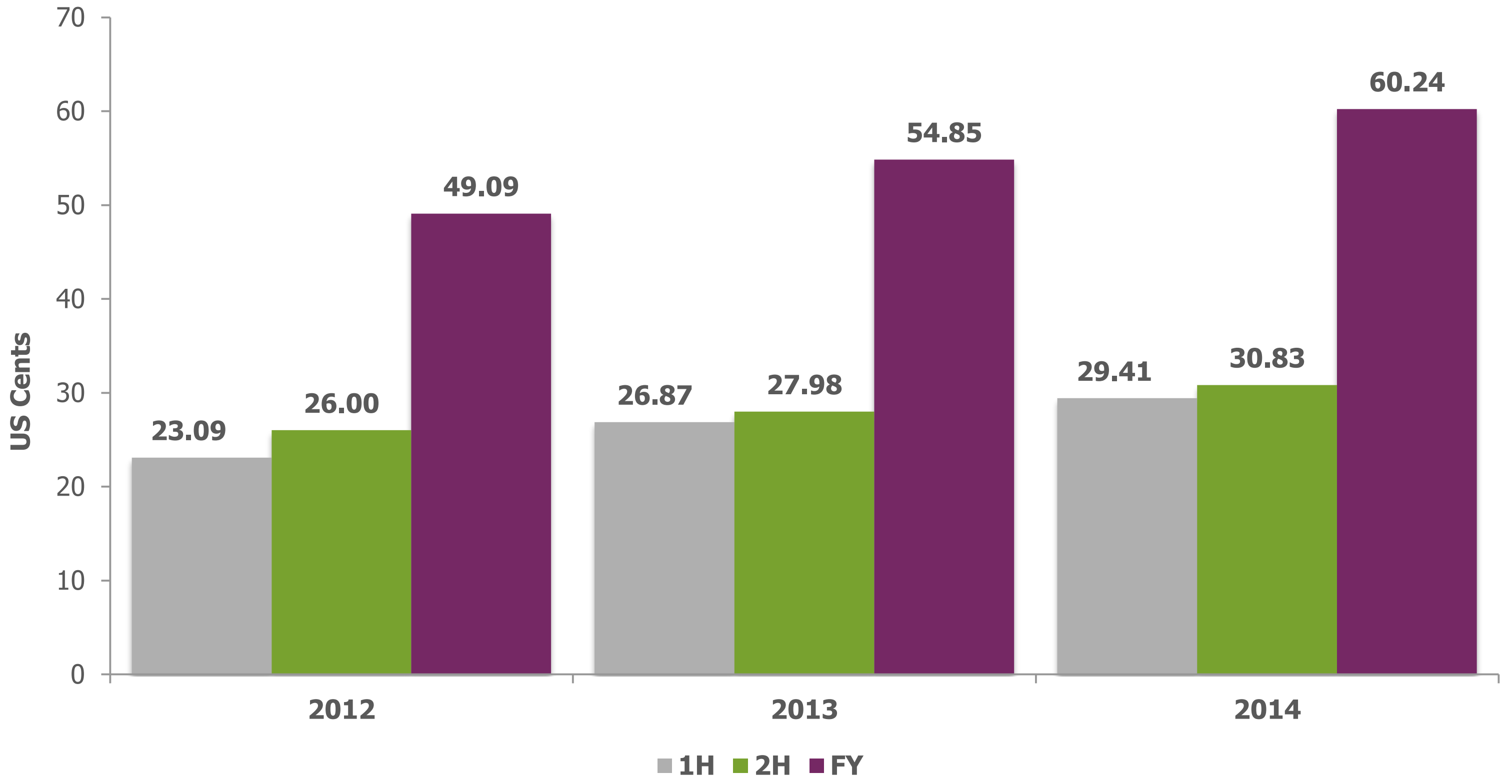
# Management EPS





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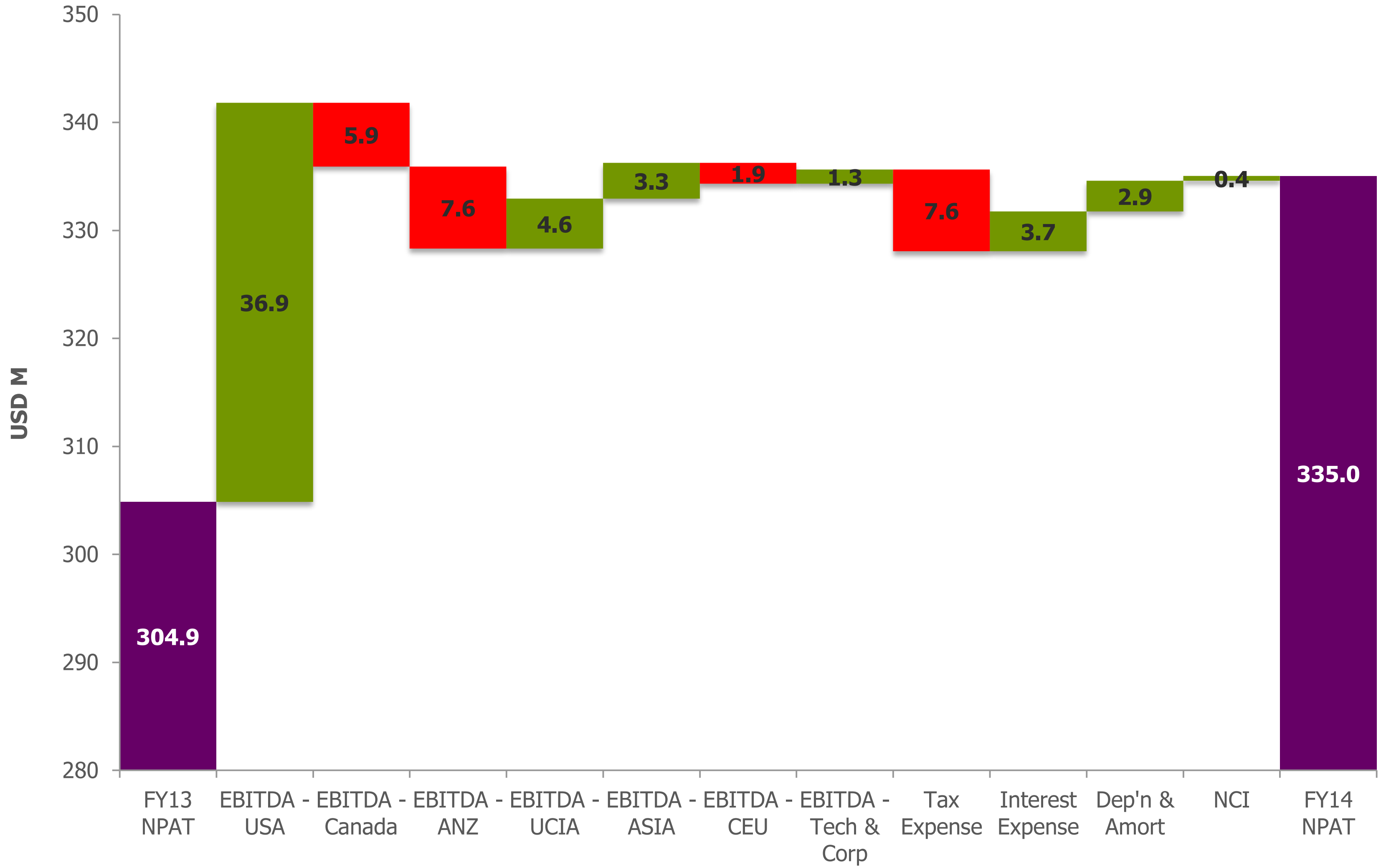
# FY14 Management NPAT Analysis

Financial Results



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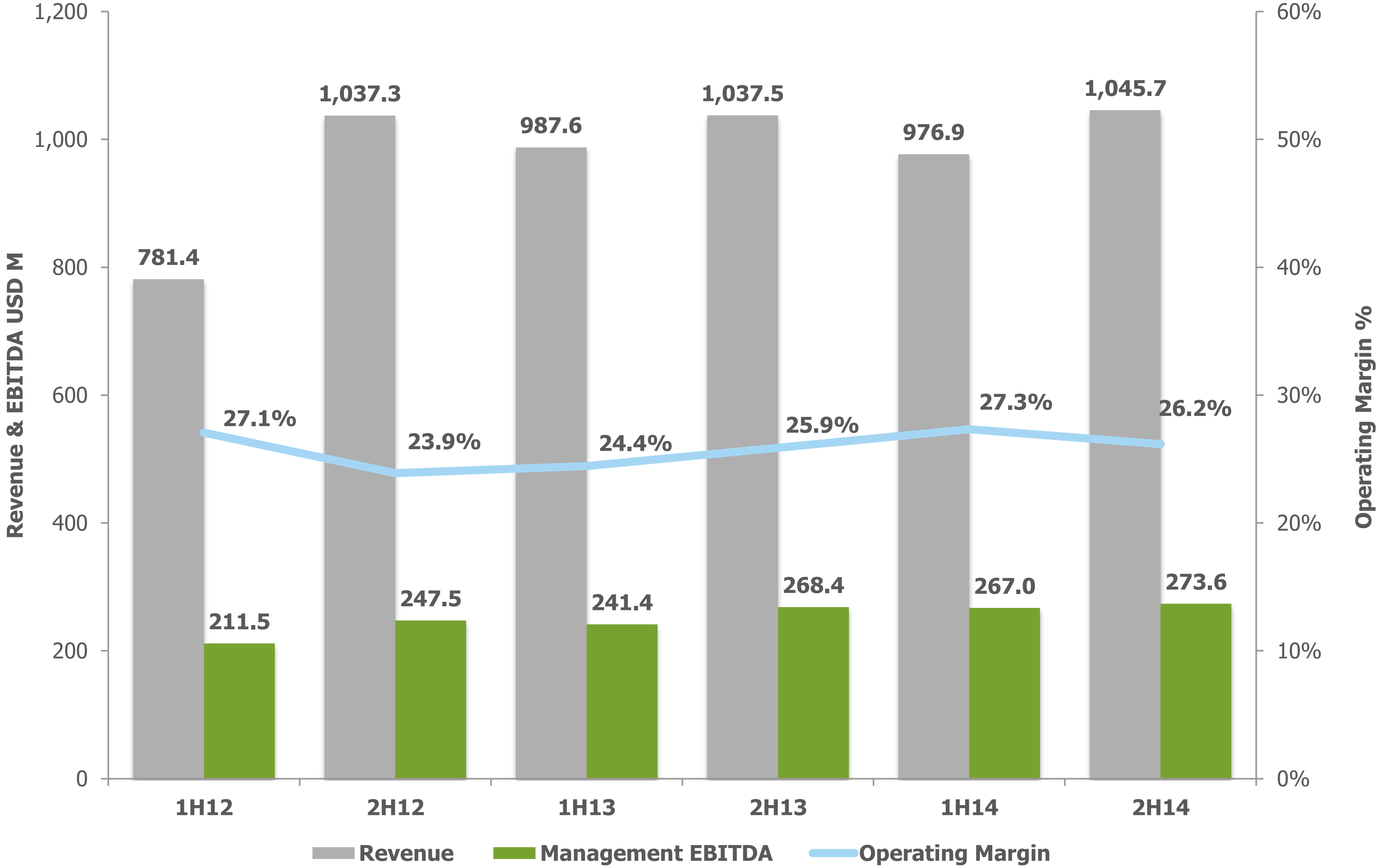
# Management Revenue & EBITDA Half Year Comparisons





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# Management Revenue Breakdown

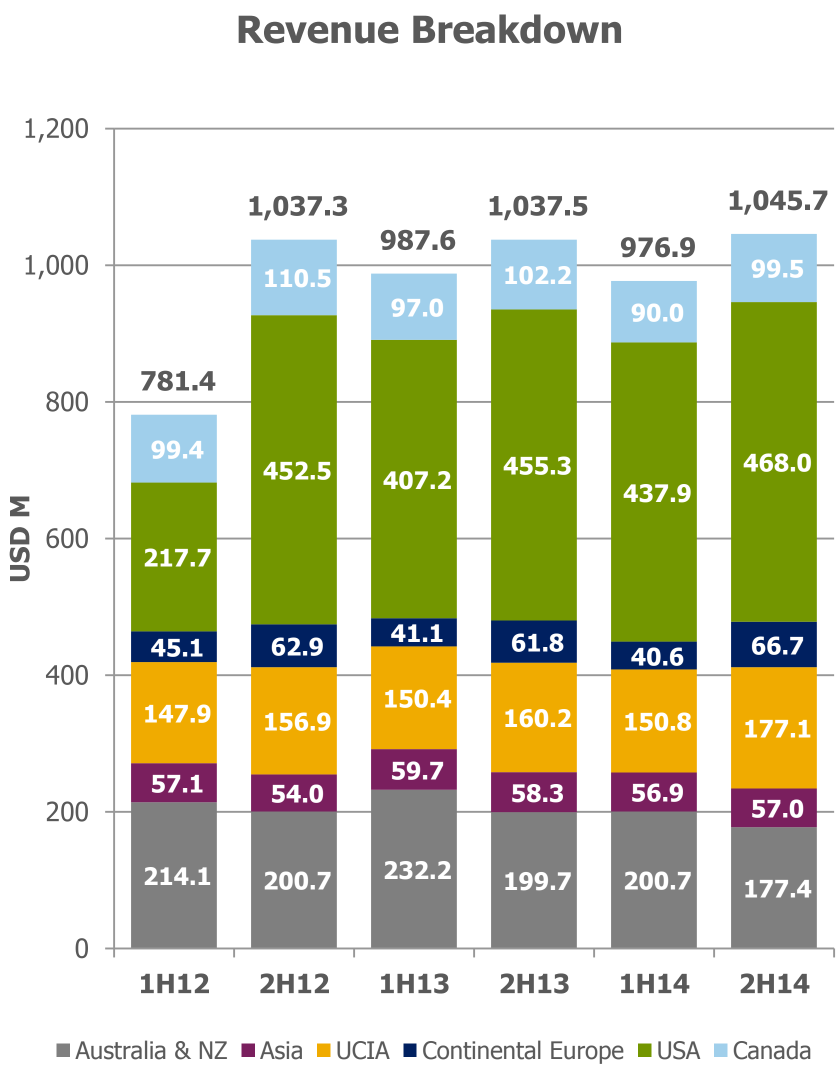
Financial Results

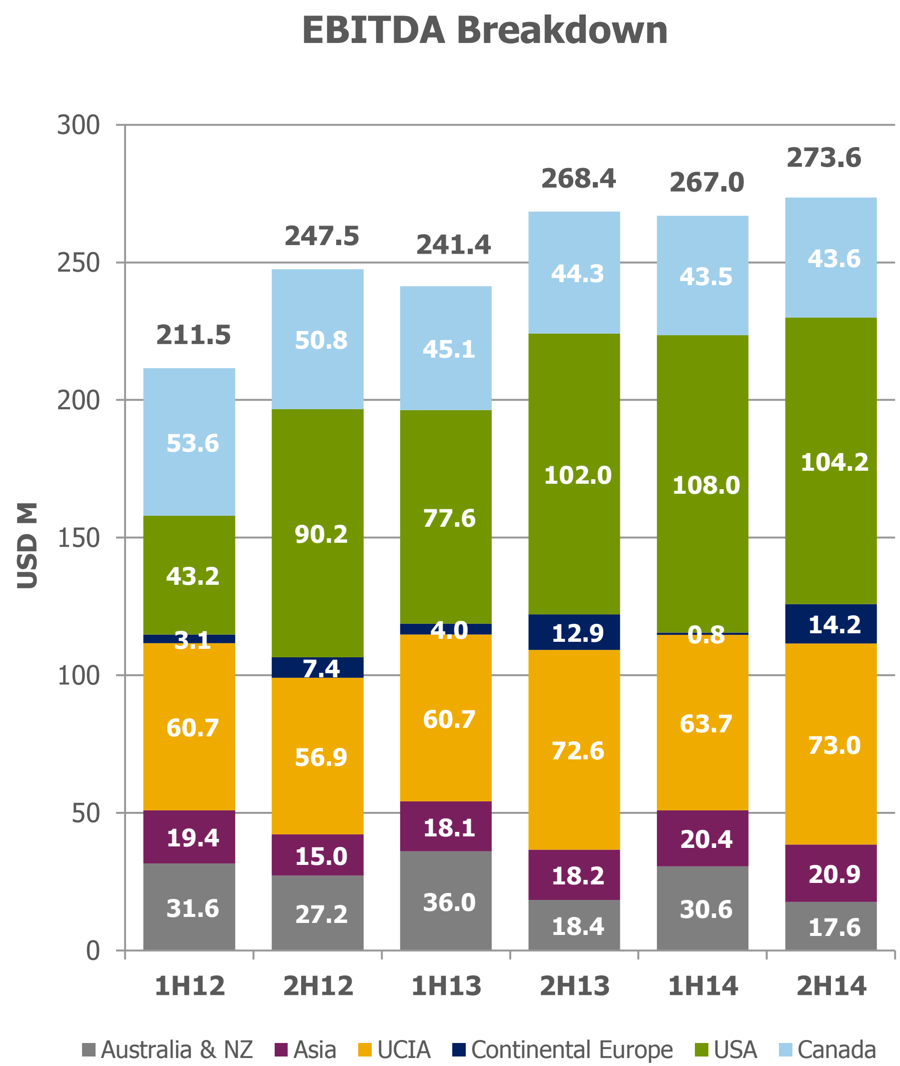
| Revenue Stream | FY 2014 | FY 2013 | % variance to FY 2013 | 2H 2014 | 1H 2014 | 2H 2013 | 1H 2013 |
|---|---|---|---|---|---|---|---|
| Register Maintenance | **$821.9** | **$824.1** | (0.3%) | **$432.3** | **$389.5** | **$429.4** | **$394.7** |
| Corporate Actions | **$154.2** | **$169.4** | (8.9%) | **$77.0** | **$77.2** | **$76.6** | **$92.8** |
| Business Services | **$487.9** | **$489.1** | (0.3%) | **$241.0** | **$246.9** | **$247.3** | **$241.8** |
| Stakeholder Relationship Mgt | **$74.7** | **$76.6** | (2.5%) | **$46.7** | **$28.0** | **$45.4** | **$31.2** |
| Employee Share Plans | **$259.5** | **$237.1** | 9.5% | **$134.6** | **$124.9** | **$124.6** | **$112.5** |
| Communication Services | **$194.8** | **$198.1** | (1.7%) | **$100.0** | **$94.8** | **$99.8** | **$98.3** |
| Technology & Other Revenue | **$29.7** | **$30.8** | (3.5%) | **$14.1** | **$15.6** | **$14.5** | **$16.3** |
| **Total Revenue** | **$2,022.6** | **$2,025.1** | **(0.1%)** | **$1,045.7** | **$976.9** | **$1,037.5** | **$987.6** |

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

# Management Revenue & EBITDA – Regional Analysis Half Year Comparisons





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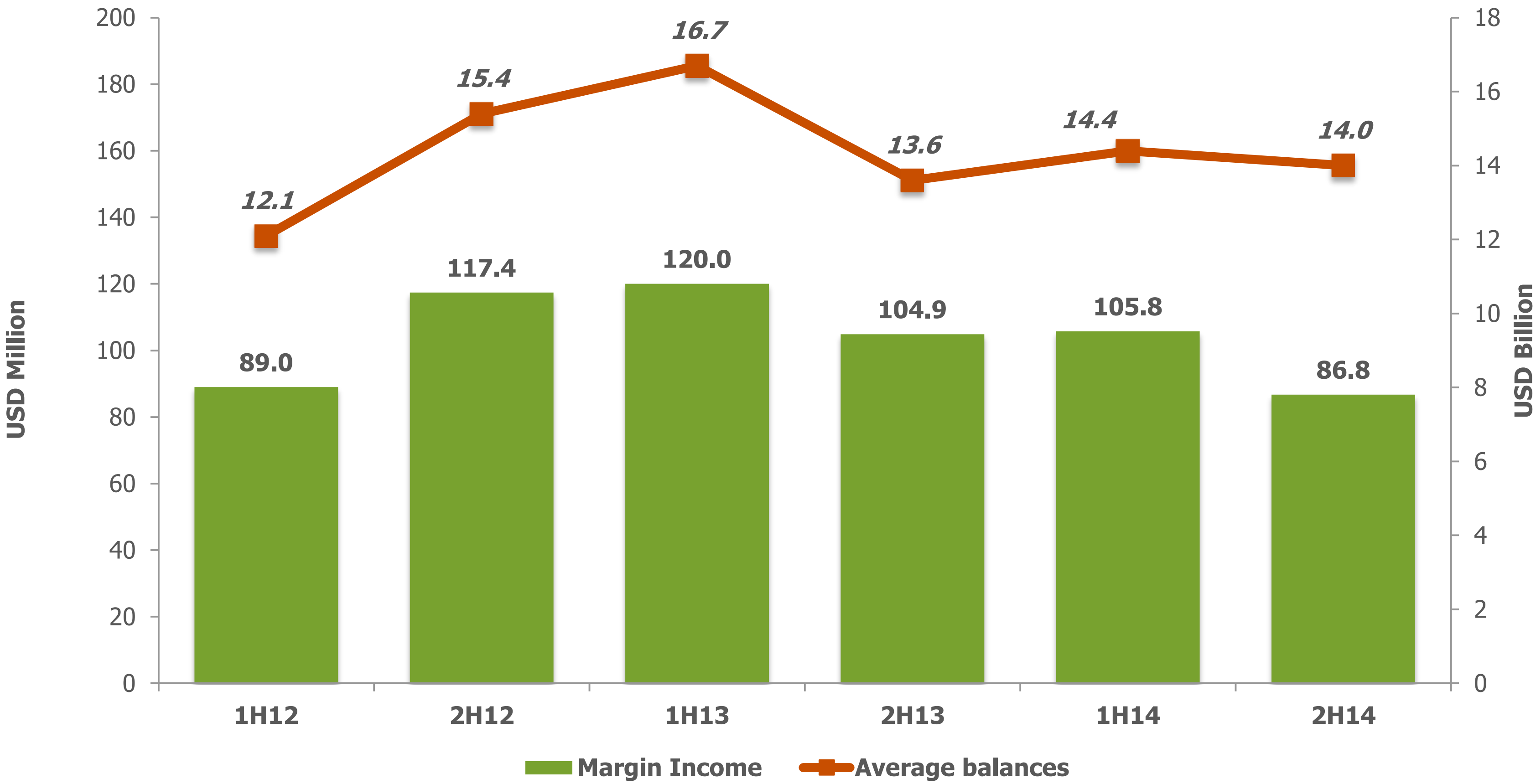
# Margin Income Analysis





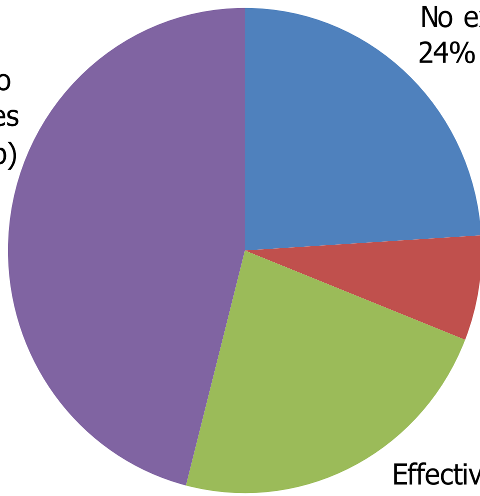

**AVERAGE MARKET CASH RATES**

| | 1H12 | 2H12 | 1H13 | 2H13 | 1H14 | 2H14 |
|---|---|---|---|---|---|---|
| UK | 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% |
| Canada | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |
| Australia | 4.64% | 4.05% | 3.34% | 2.93% | 2.55% | 2.50% |

# FY14 Client Balances Interest Rate Exposure



## Average funds (USD 14.2b) held during FY14




CPU had an average of USD14.2b of client funds under management during FY14.

For 24% ($3.4b) of the FY14 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 76% ($10.8b) of funds were exposed to interest rate movements. For these funds:

- 23% had effective hedging in place (being either derivative or fixed rate deposits).
- 7% was naturally hedged against CPU's own floating rate debt.

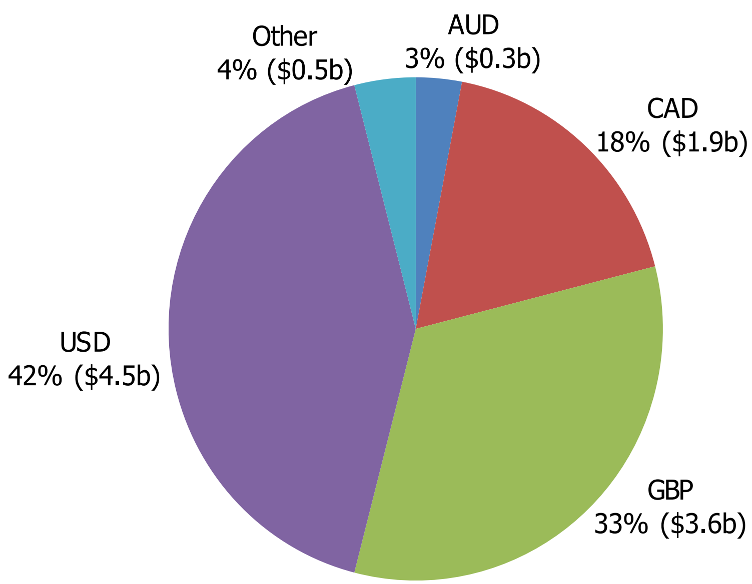
The remaining 46% was exposed to changes in interest rates.

# FY14 Client Balances
# Interest Rate Exposure and Currency



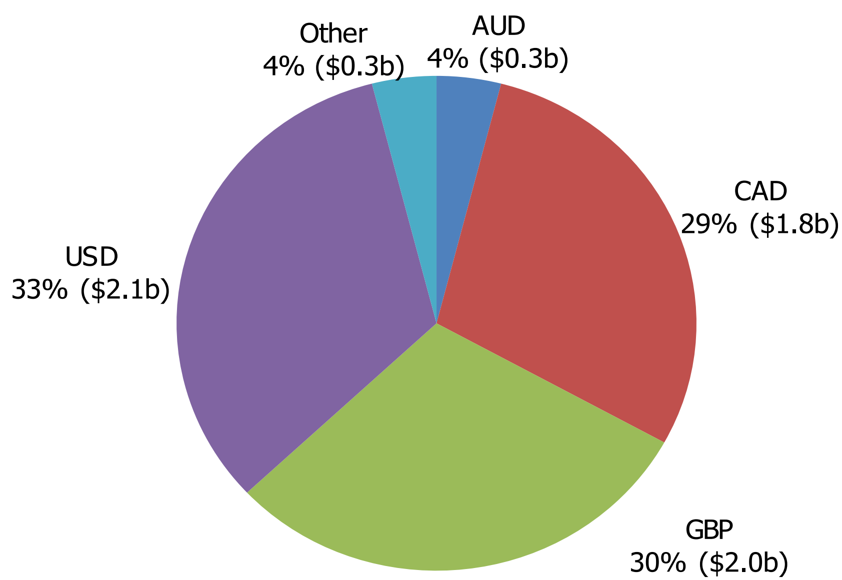
## Exposed Funds by Currency (FY14 Average Balances)

### Average exposed funds balance prior to hedging




**US$10.8b**
**(US$14.2b x 76%)**

### Average exposed funds balance net of hedging




**US$6.5b**
**(US$14.2b x 46%)**



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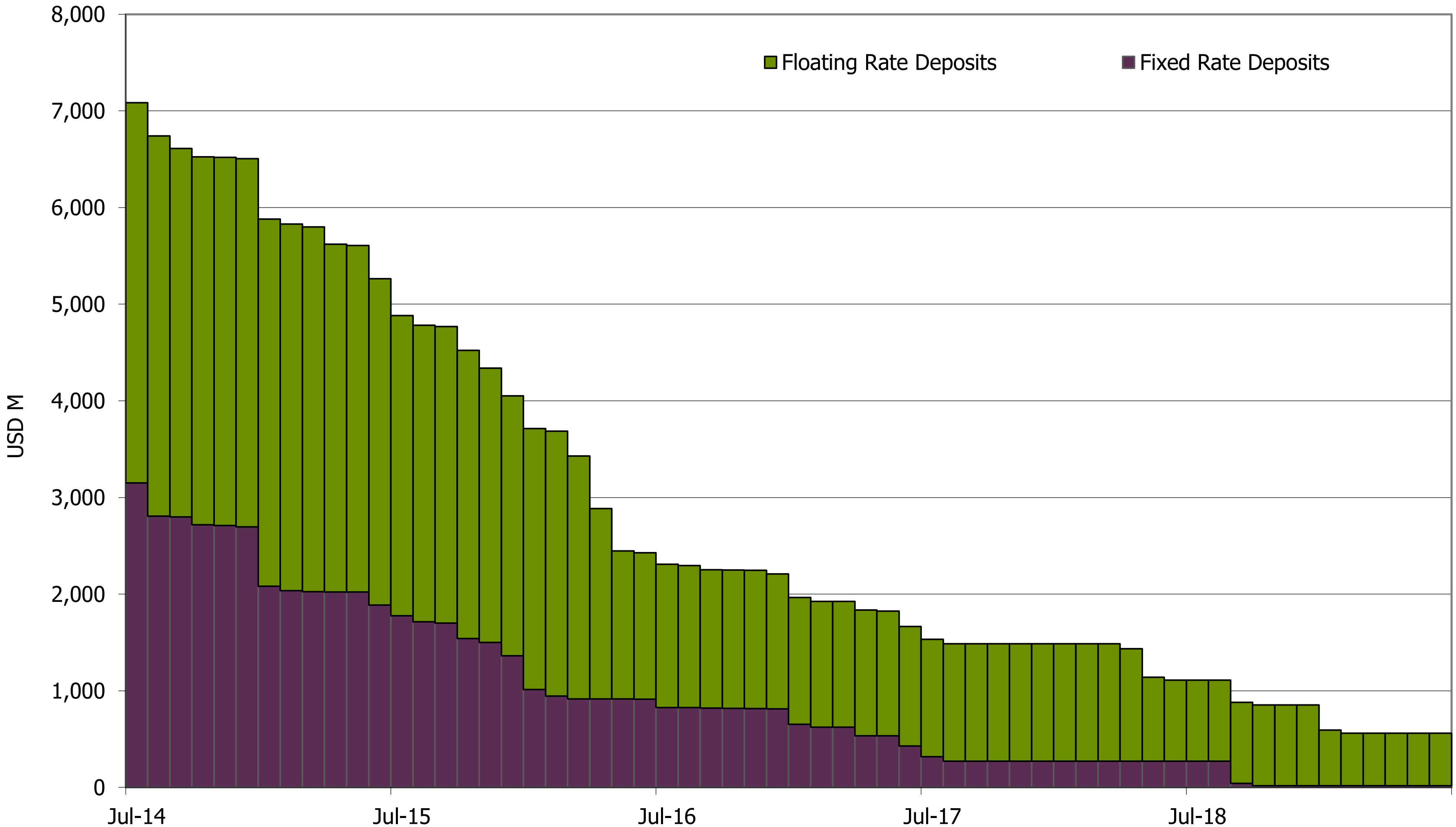
# Client Balances
# Fixed and Floating Rate Term Deposits

Financial Results



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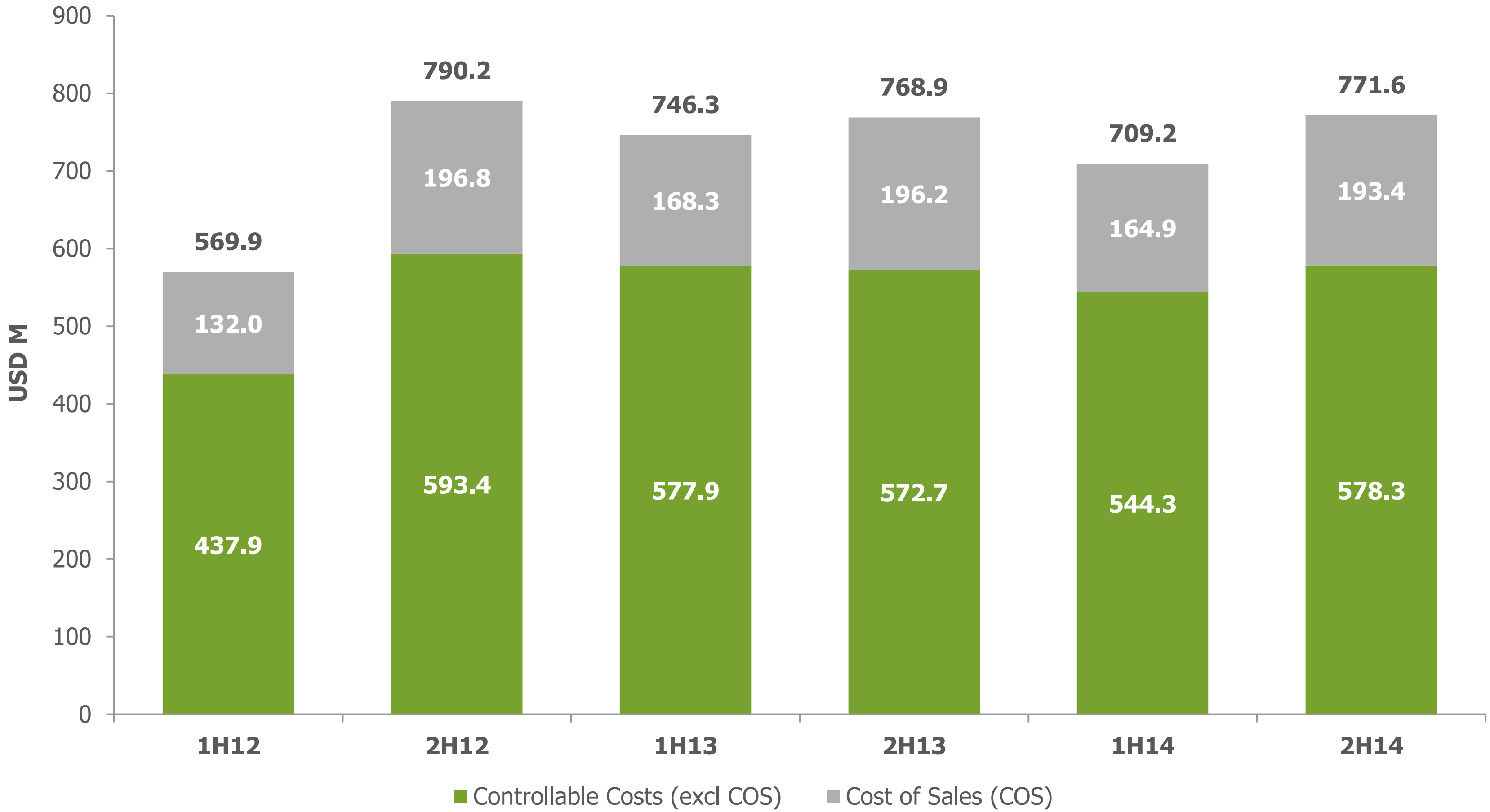
# Total Management Operating Costs
# Half Year Comparisons





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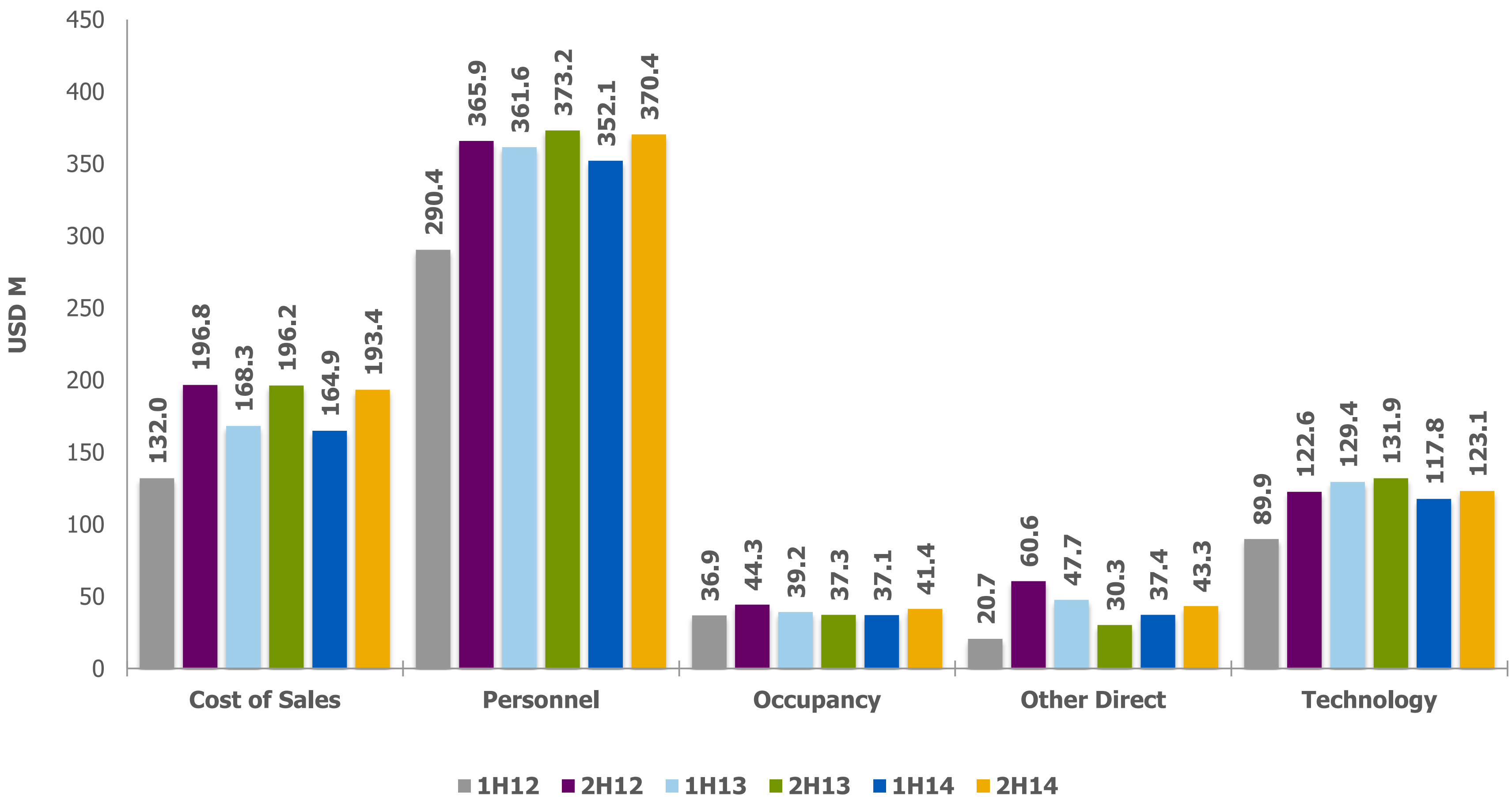
# Management Operating Costs Half Year Comparisons






* 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.



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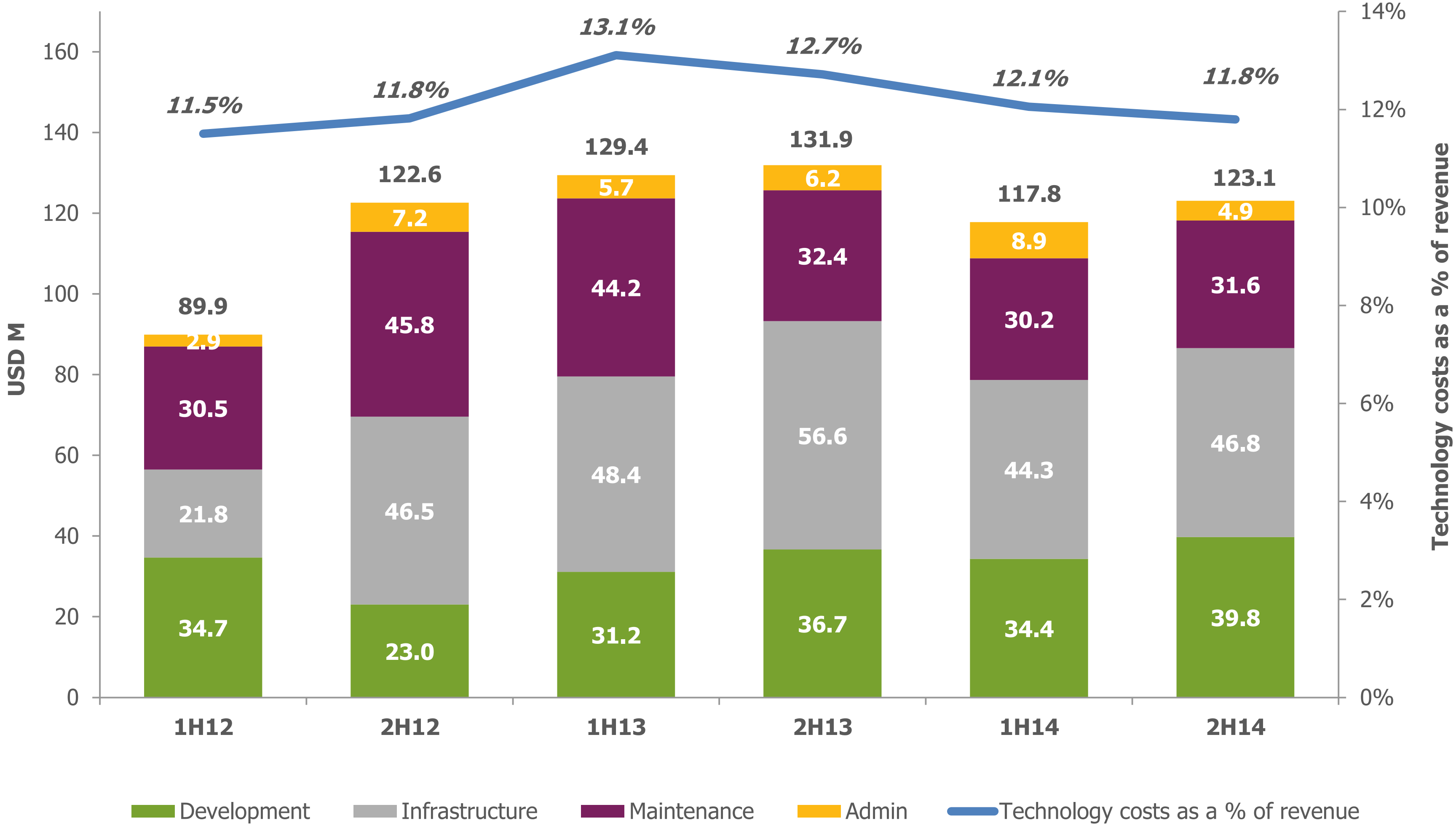
# Technology Costs
# Continued Investment to Maintain Strategic Advantage





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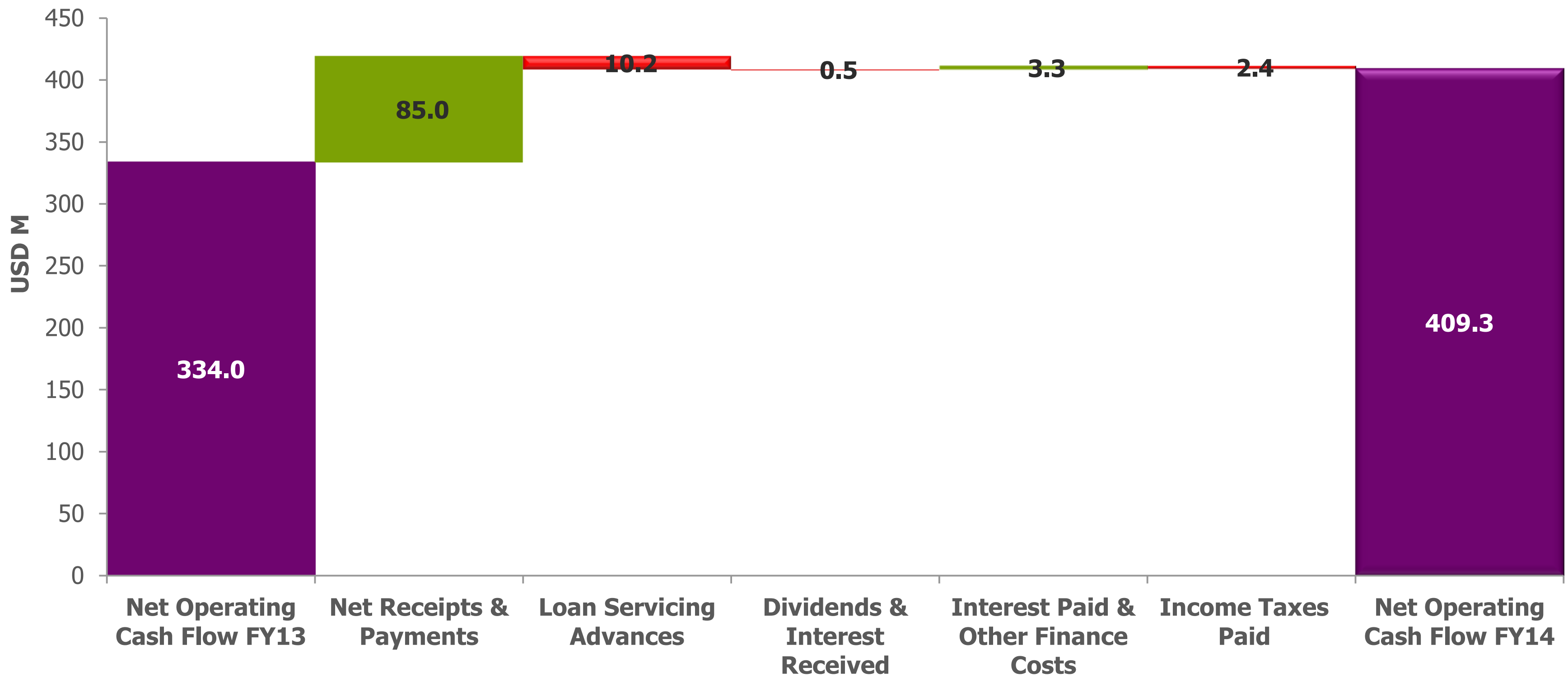
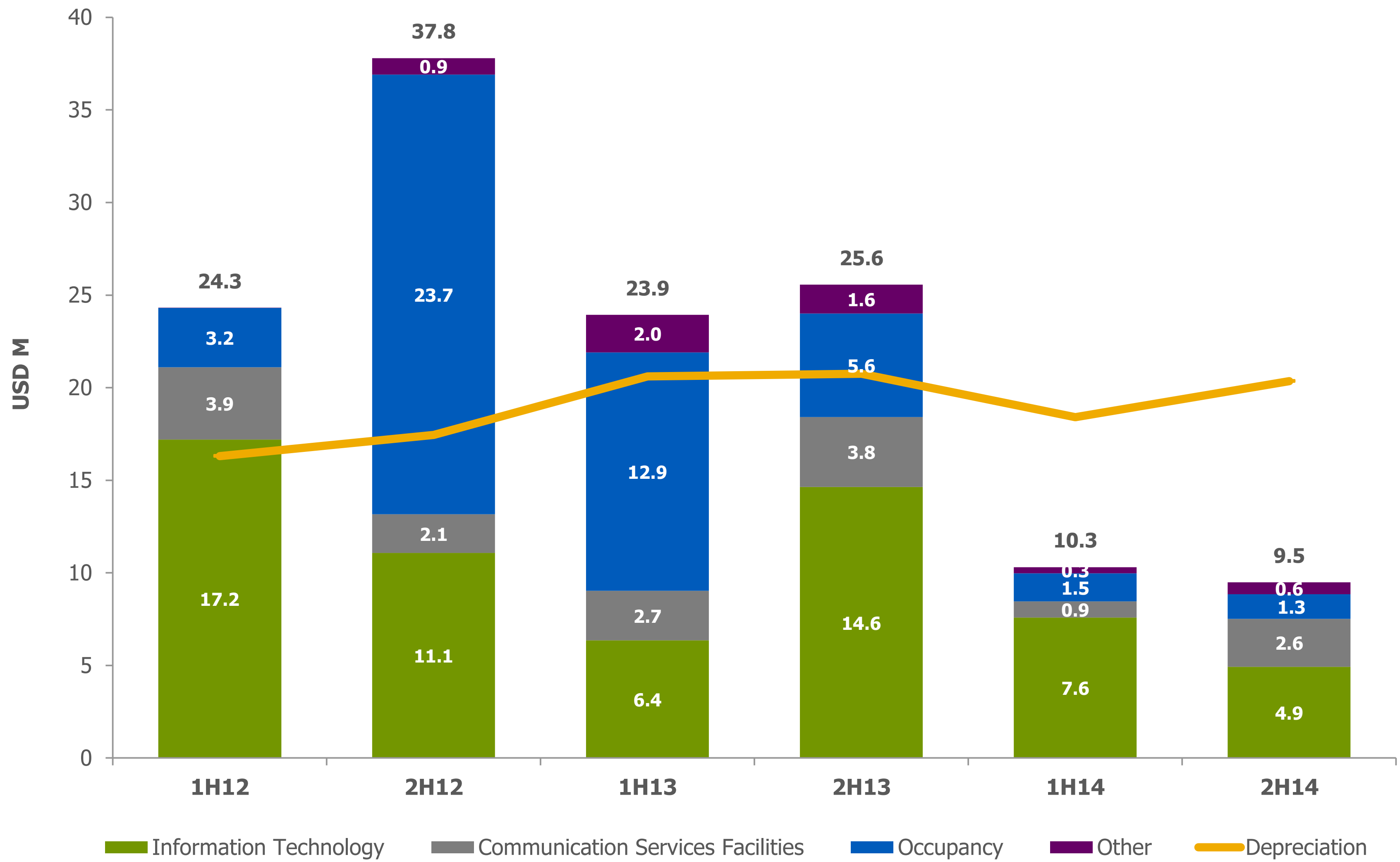
# FY14 Operating Cash Flow Analysis





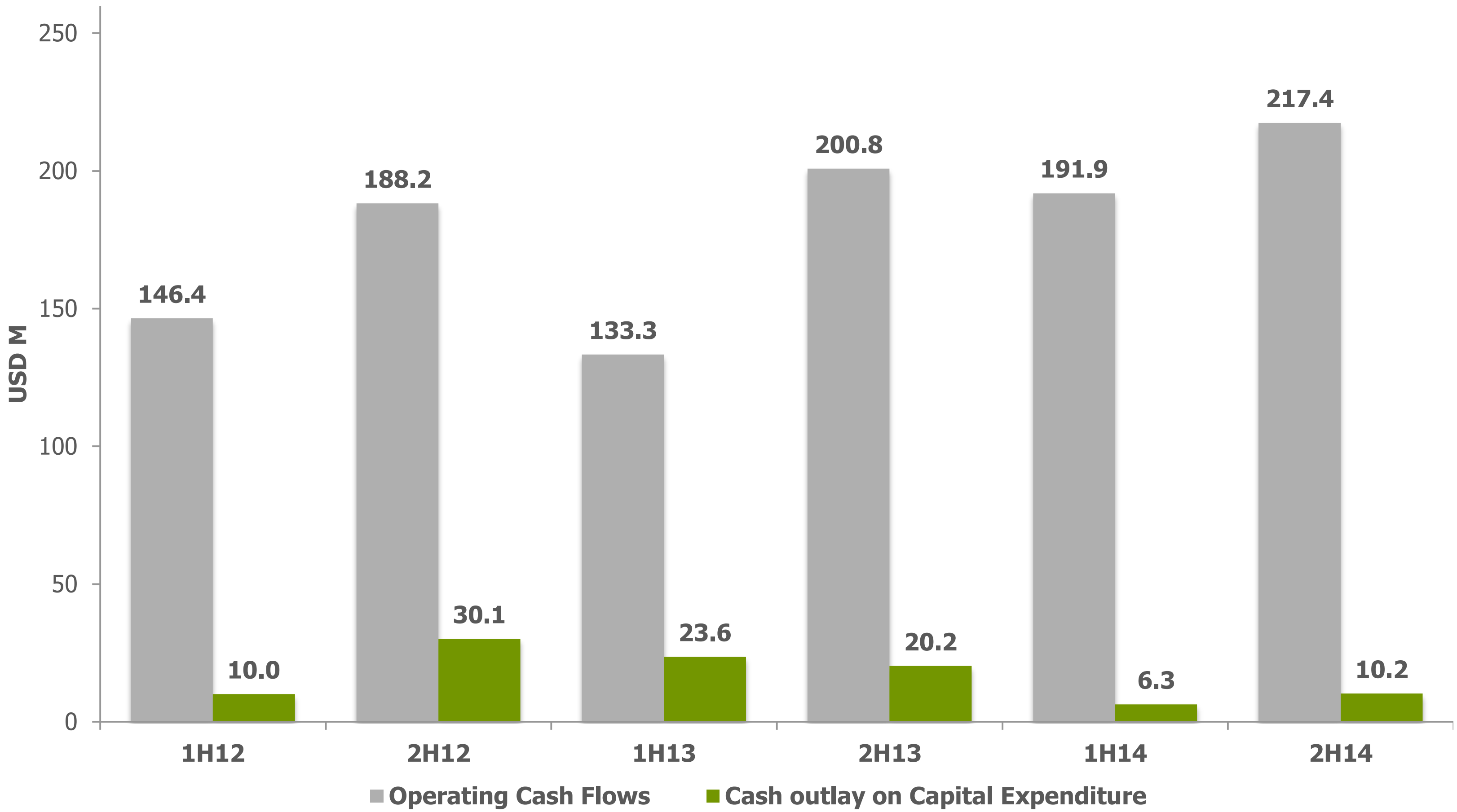
# Capital Expenditure vs. Depreciation

Financial Results



# Free Cash Flow






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

# Balance Sheet at 30 June 2014

Financial Results

| | Jun-14<br>USD M | Jun-13<br>USD M | Variance<br>Jun-14 to Jun-13 |
|---|---|---|---|
| Current Assets | $1,117.5 | $982.4 | 13.8% |
| Non Current Assets | $2,690.7 | $2,636.5 | 2.1% |
| **Total Assets** | **$3,808.2** | **$3,618.9** | **5.2%** |
| Current Liabilities | $834.6 | $501.3 | 66.5% |
| Non Current Liabilities | $1,706.4 | $1,986.7 | (14.1%) |
| **Total Liabilities** | **$2,541.0** | **$2,487.9** | **2.1%** |
| **Total Equity** | **$1,267.2** | **$1,130.9** | **12.0%** |

See ASX Appendix 4E as at 30 June 2014 for full details.

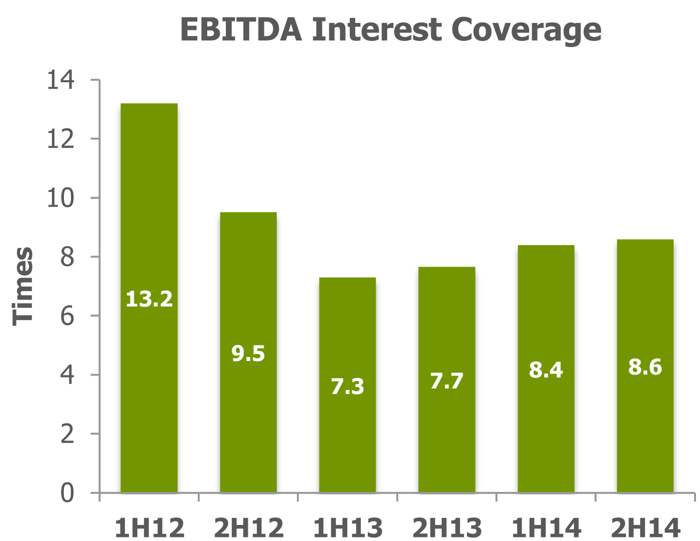
› Current assets increased mainly due to SLS and other receivables as well as cash (cash partially included in the assets classified as held for sale).

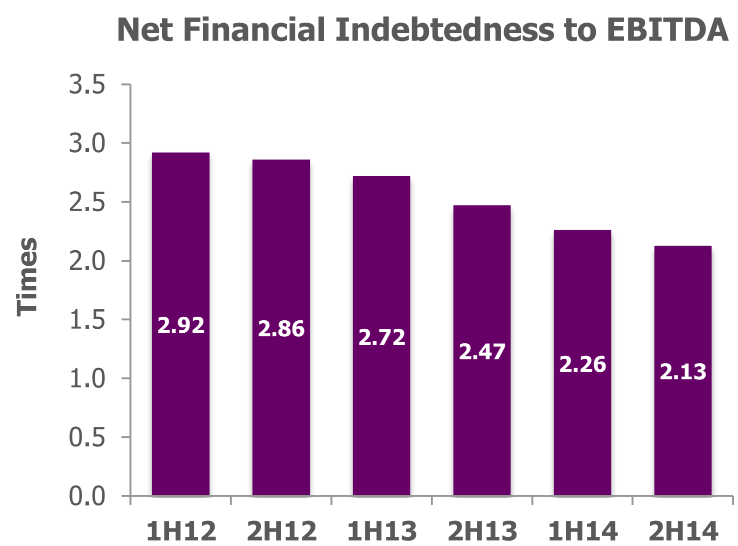
› Non current assets: goodwill and other intangibles increased due to acquisitions (R&T, Olympia, SG Vestia) and FX partially offset by disposal of Pepper and VEM write-down.

› Non-current and current liabilities affected by a portion of non-current debt now classified as current.

# Key Financial Ratios

Financial Results




| | Jun-14 USD M | Jun-13 USD M | Variance Jun-14 to Jun-13 |
|---|---|---|---|
| Interest Bearing Liabilities | $1,659.3 | $1,711.7 | (3.1%) |
| Less Cash | ($509.0)* | ($454.4) | 12.0% |
| **Net Debt** | **$1,150.2** | **$1,257.3** | **(8.5%)** |
| Management EBITDA | $540.6 | $509.8 | 6.0% |
| **Net Financial Indebtedness to EBITDA** | **2.13 times** | **2.47 times** | **Down 0.34 times** |

* Cash includes cash that is classified as an asset held for sale.



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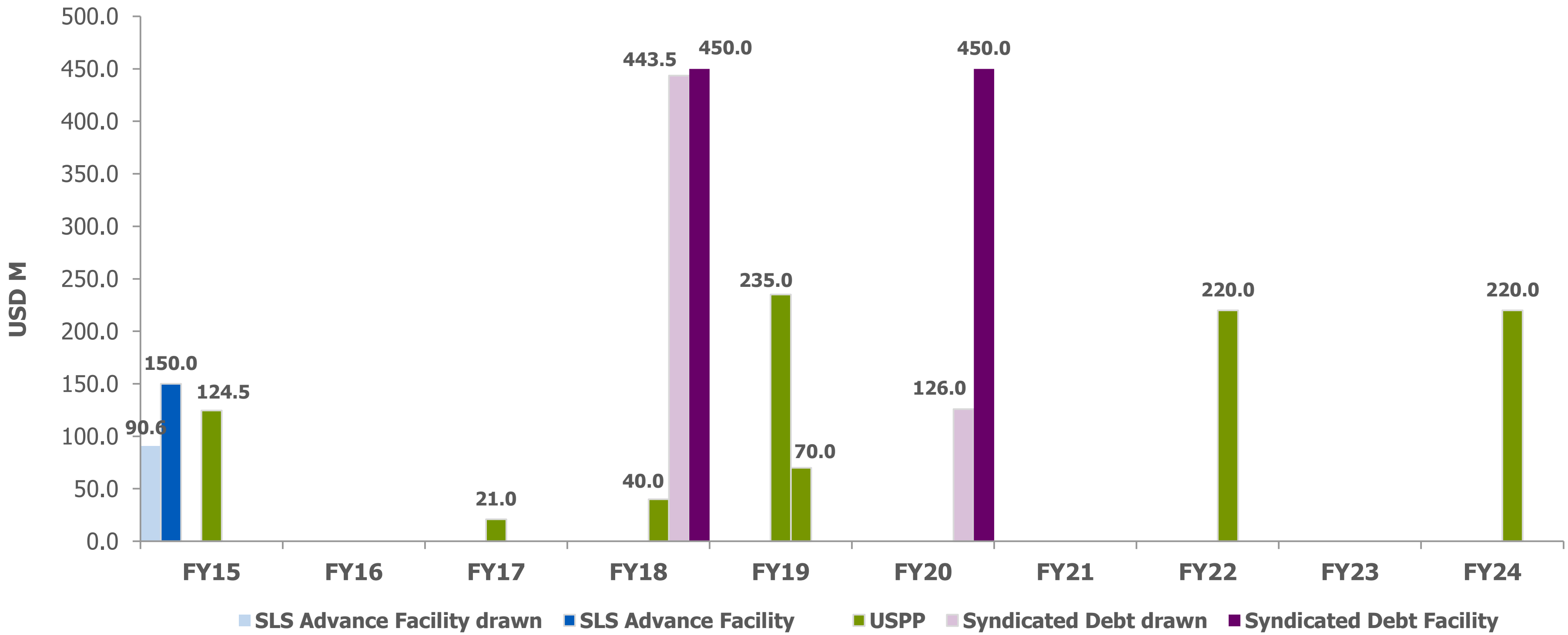
# Debt Facility Maturity Profile



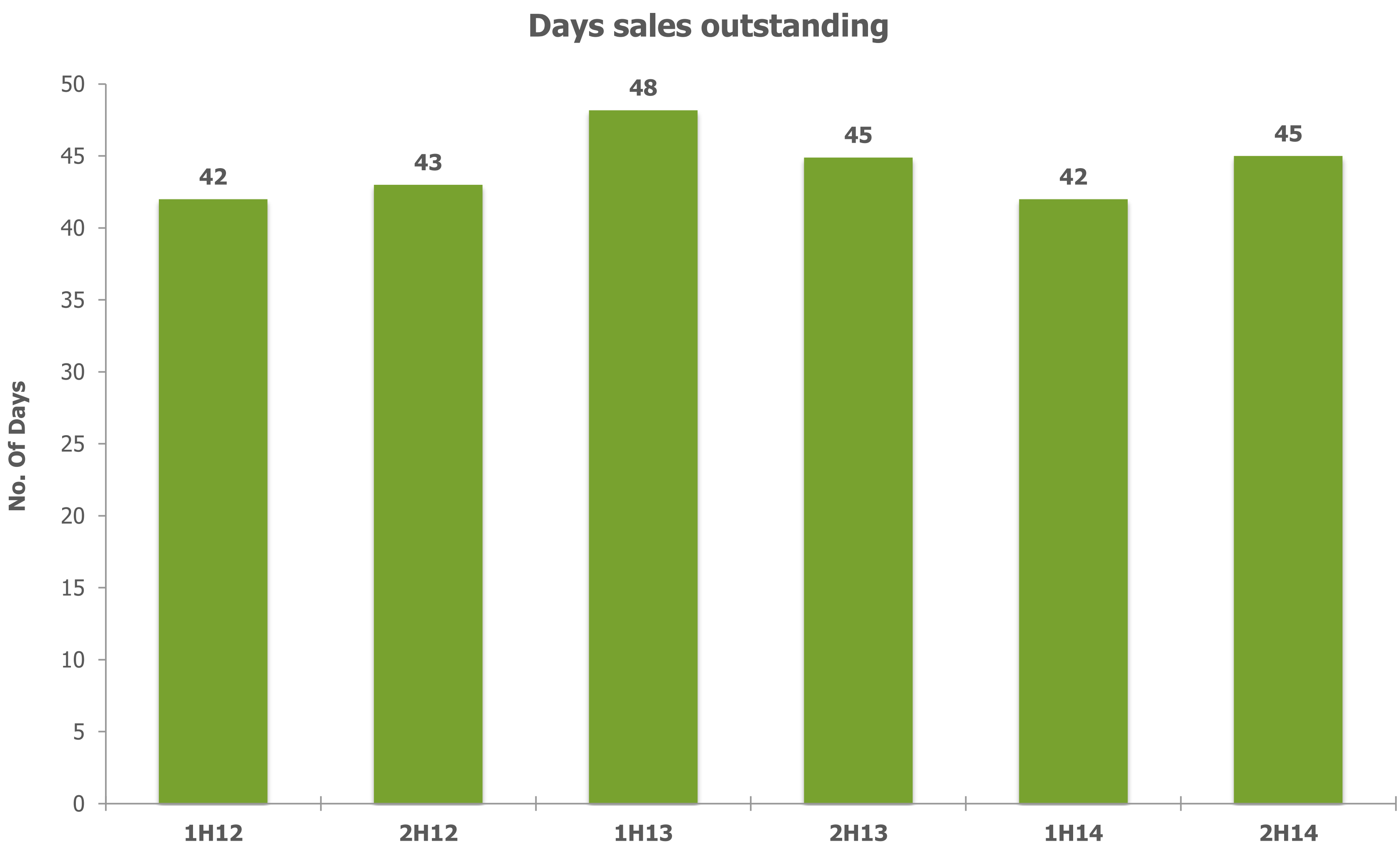
| Maturity Dates USD M | | Debt Drawn | Committed Debt Facilities | Bank Debt Facility | Private Placement Facility |
|---|---|---|---|---|---|
| **FY15** | Dec-14 | 90.6 | 150.0 | | |
| | Mar-15 | 124.5 | 124.5 | | 124.5 |
| **FY17** | Mar-17 | 21.0 | 21.0 | | 21.0 |
| **FY18** | Jul-17 | 443.5 | 450.0 | 450.0 | |
| | Feb-18 | 40.0 | 40.0 | | 40.0 |
| **FY19** | Jul-18 | 235.0 | 235.0 | | 235.0 |
| | Feb-19 | 70.0 | 70.0 | | 70.0 |
| **FY20** | Jul-19 | 126.0 | 450.0 | 450.0 | |
| **FY22** | Feb-22 | 220.0 | 220.0 | | 220.0 |
| **FY24** | Feb-24 | 220.0 | 220.0 | | 220.0 |
| **TOTAL** | | **1,590.6** | **1,980.5** | **900.0** | **930.5** |




Note: Refinancing occurred on 22-Jul-14 and is reflected in this slide. Average debt facility maturity is now 4.6 years.

# Working Capital Management





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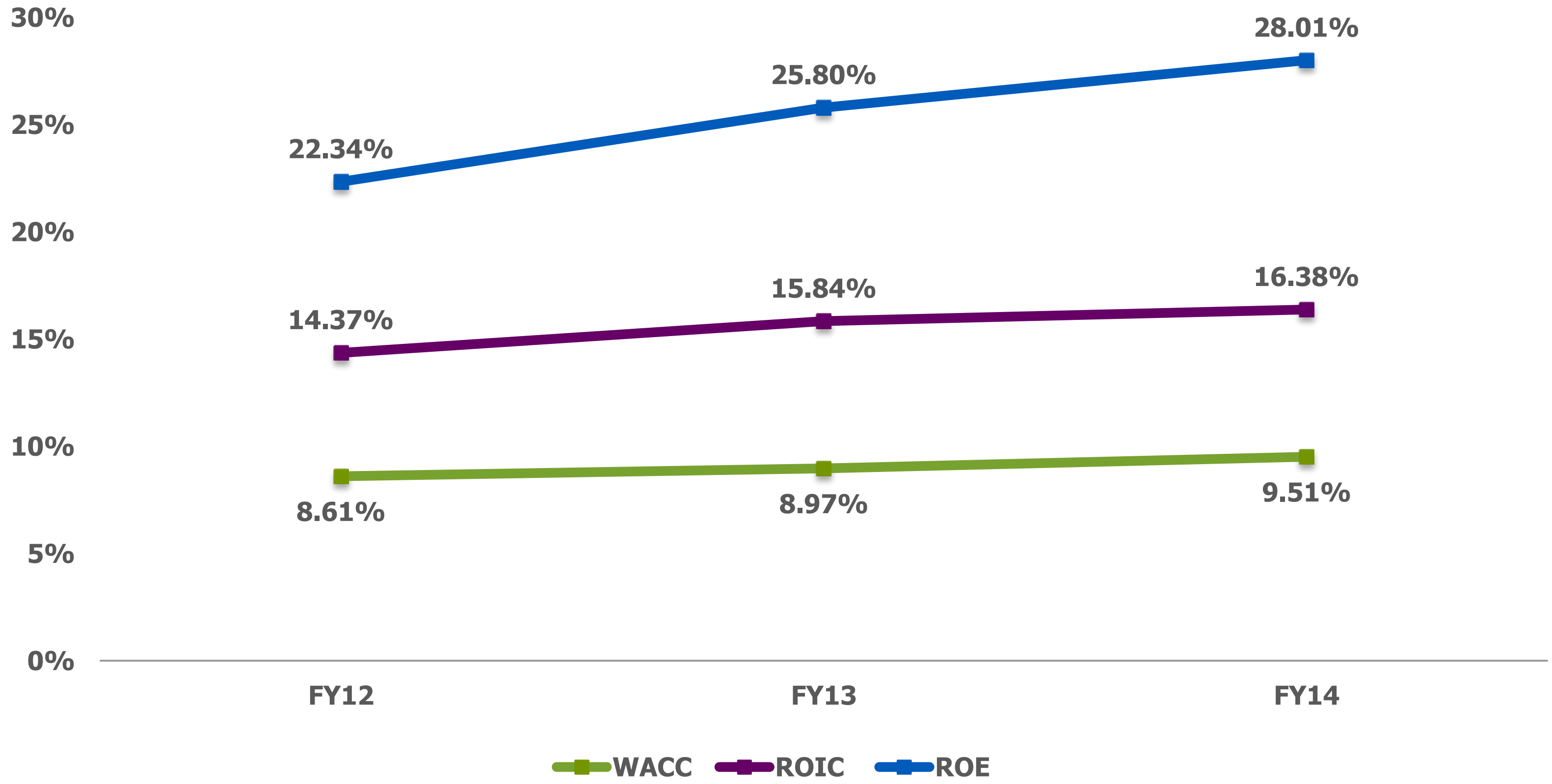
# Return On Invested Capital vs. WACC and Return on Equity






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

# Equity Management
# Final Dividend of 15 cents (AU)



| | |
|---|---|
| EPS - Statutory | US 45.20 cents |
| EPS - Management | US 60.24 cents |
| Interim Dividend | AU 14 cents (20% franked) |
| Final Dividend | AU 15 cents (20% franked) |
| Current Yield* | 2.3% |

*** Based on 12 month dividend and share price of AU$12.36 (close 8th Aug 2014).**

# Financial Summary – Final Remarks



- Trading conditions are still challenging across some business lines, but the group remains well positioned to benefit from the improving economic environment.
- Ongoing disciplined cost management continues to drive solid results and cash flow.
- Delivered expected Shareowner Services synergies and other recent acquisitions are progressing positively.
- The review of non-core and underperforming assets across the group is effectively complete, resulting in some asset write downs.
- Maintained conservative balance sheet. DRP provides flexibility for our funding needs.
- Final dividend up 1 cent to AU 15 cents per share, franked to 20%.
- Total dividends up 1 cent to AU 29 cents per share, franked to 20%.

- Introduction
- Financial Results
- CEO's Report

Stuart Irving

# PRESIDENT & CHIEF EXECUTIVE OFFICER
# CEO PRESENTATION

# Group Strategy and Priorities



Our group strategy remains as it has been:

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

We recently concluded our prioritised asset "clean up" process enabling a clearer focus on our existing businesses and opportunities.

While continuing to focus on the execution of recent transactions, our priorities are moving to those areas that will best assure our future, primarily:

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

Across all our business lines and geographies, we are still committed to investing in and remaining engaged with regulatory developments and market structure change.

# Delivery against strategy and priorities



The Shareowner Services synergies are nearing completion and recent acquisitions are all progressing well and meeting expected milestones. However, the opportunities for further acquisitions in our traditional registry space are becoming more limited.

On Loan Servicing, we are excited by both the ongoing prospects with our existing SLS business as well as the new opportunities presented by our recently announced acquisition of HML in the UK.  We continue to see a range of potential opportunities to allow us to commit further capital to build our business in this space.

On revenue protection, while the competitive landscape remains challenging, we continue to achieve high levels of customer satisfaction and client retention and we are also making progress with a range of new client wins and revenue initiatives.

Cost and service progress for the period includes ongoing cost out achievements with our global service initiative accompanied by very satisfactory quality outcomes.  We are also giving priority to property rationalisation opportunities.

We continue to look for other acquisition opportunities that strongly align with our core competencies. While the details are uncertain and the process at an early stage, we will monitor the developments on the possible disposal of the ASIC registry asset. As with any opportunity, our disciplined approach to acquisitions and return hurdles remain key.

# Acquisitions update – Shareowner Services



- Synergy realisation continues to track in line with expectation.
- At 30 June 2014, 95% of total synergies have been achieved.

| **Cumulative Cost Synergies (USD M)** | | |
|---|---|---|
| Expected realisation of synergies | At 31 Dec 2013 | Update at 30 Jun 2014 |
| FY12 | $9.3 | $9.3 |
| FY13 | $35.2 | $35.2 |
| FY14 | $76.2 | **$76.0** |
| FY15 | $79.9 | $80.0 |

| **Cost to Realise Synergies (USD M)** | |
|---|---|
| Previous estimate (Dec-13) | $57.5 |
| Current estimate | **$57.5** |
| Spent to date | $53.0 |
| Expected to come | $4.5 |

Note: There will be no further synergy updates post FY14.

# USA Update



- The US continued to experience historically low interest rates but saw improvements in both M&A activity and shareholder trading activity.
- Shareowner Services and Loan Servicing integrations are now behind us both having surpassed our expectations and early indications are positive for the recent R&T acquisition.
- Continued strong run of client retention and satisfaction in Transfer Agency and Employee Plans.
- Corporate proxy business increased activity in contested transactions, but large-scale proxy fights did not materialise. Conditions for our mutual fund solicitation business started to improve.
- Communication Services continues to grow due to the addition of the formerly outsourced businesses from the Shareowner Services and Loan Servicing acquisitions. The commercial business maintained revenue while investing resources to develop our proprietary Capturepoint solution for the US market.
- The Loan Servicing business experienced growth both organically and through the purchase of Mortgage Servicing Rights. The loss of forced placed insurance income and a significant sub servicing contract will impact FY15.
- The Class Action business made positive progress, however the weakness in Bankruptcy persisted.

# Canada Update



- Corporate Trust continues to grow despite the persistently low interest rate environment.
- Corporate Actions deal flow remains soft, particularly IPOs.
- Client retention continues to be the key priority for Investor Services, along with ongoing focus on cross and upselling of products and services.
- The Olympia acquisition integration is proceeding well.
- Plan Managers continues to perform well with new wins including Air Canada and Telus. The ongoing success with the new EOS platform is very encouraging.
- Expansion of offshore operational activities (both transaction types and clients covered) continues.
- Communication Services saw commercial revenue growth with continued penetration in the banking and insurance market. The impacts of Notice and Access have been slower than anticipated.

# UCIA Update

CEO's Report

- The integration of the Morgan Stanley Global Stock Plan business is progressing well and we remain on schedule to complete the migration of all clients by the end of 2014.
- Transactional volumes in Plan Managers continue to be positive. We have also seen increased activity in the market with a number of plans being launched from both existing and new clients together with ongoing corporate actions and IPO activity.
- The Vodafone/Verizon Return of Value transaction was successfully completed in FY14 and there is likely to be follow-up shareholder programmes to optimise the registers.
- General market activity has remained good in respect of IPOs across UCIA as well as new Depositary Interest issuance and Exchange Traded Fund activity in Ireland.
- Following UK policy changes impacting the provision and administration of childcare vouchers, it is anticipated that the Voucher Services business will move into run off mode in FY16 and progressively wind down over the subsequent two year period.
- Continuing growth in the Deposit Protection Scheme deposit pools reflects a strong UK rental housing sector.
- The contract with the UK government to administer the UK Gilts registers was successfully renewed for 10 years following a competitive procurement process.
- The pending acquisition of Homeloan Management Limited provides a new avenue for growth.

# Continental Europe Update



- In Italy, our Registry and Meeting Services business has been stable, but with no major IPOs or EGMs this year, organic growth has been subdued.
- While we have not seen an uplift in market activity in Germany, our Registry business has achieved a number of client wins including Osram, one of the largest share registers in Germany.
- Market activity in Denmark has increased this period. Our Registry business has won every IPO mandate on Nasdaq OMX Copenhagen over the last year, including ISS group, the largest IPO in Denmark in 20 years.
- In Russia we successfully consolidated our Registry services under one Computershare brand and integrated our businesses operationally. We have also achieved solid client growth throughout the year.
- We launched a new Registry business in Spain and our Dutch business has successfully been winning general meeting and corporate proxy appointments.
- The disposal of Pepper was completed on June 30 and the disposal process for VEM is underway.

# Asia Update



- The Hong Kong IPO market remains active, although application levels remain lack lustre. New issuer acquisition and cross-selling of services have both been very positive.
- Growth in the employee share plan business remains strong and due to strength of the US stock market, trading activity has been robust.
- Our Japanese shareholder ID JV has recovered from recent lows.
- Our Indian Fund Services business finished the year strongly as economic sentiment improved following the change of government.
- Karvy Computershare continued its important and growing role as part of the build out of our off-shore data processing activities.

# Australia & New Zealand Update



- The Australian Investor Services business maintained its market leading position and a number of important client contracts were renewed.
- Improved market conditions resulted in appointments to a number of IPOs. Significant client corporate actions included Westfield, Wesfarmers, IAG, NAB, News and Macquarie.
- The NZ Investor Services business had a solid year, the highlights being our work on the Meridian Energy and Genesis Energy IPOs.
- Communication Services effectively converted a range of cross sell and inbound opportunities, including providing locked box and digital mailroom solutions to a number of leading banks.
- Plan Managers maintained its market leading position in the region. Computershare's own in-house share plan won an award at the Employee Ownership Australia and NZ Association's 2014 award ceremony.
- Georgeson continues to win high profile transactions, albeit proxy solicitation activity remains subdued.
- Despite recording a strong year, Serviceworks is readjusting its cost base due to the loss of its largest client APG following its takeover by AGL.

# Computershare Limited

## Full Year Results 2014 Presentation

Stuart Irving
Mark Davis

13 August 2014

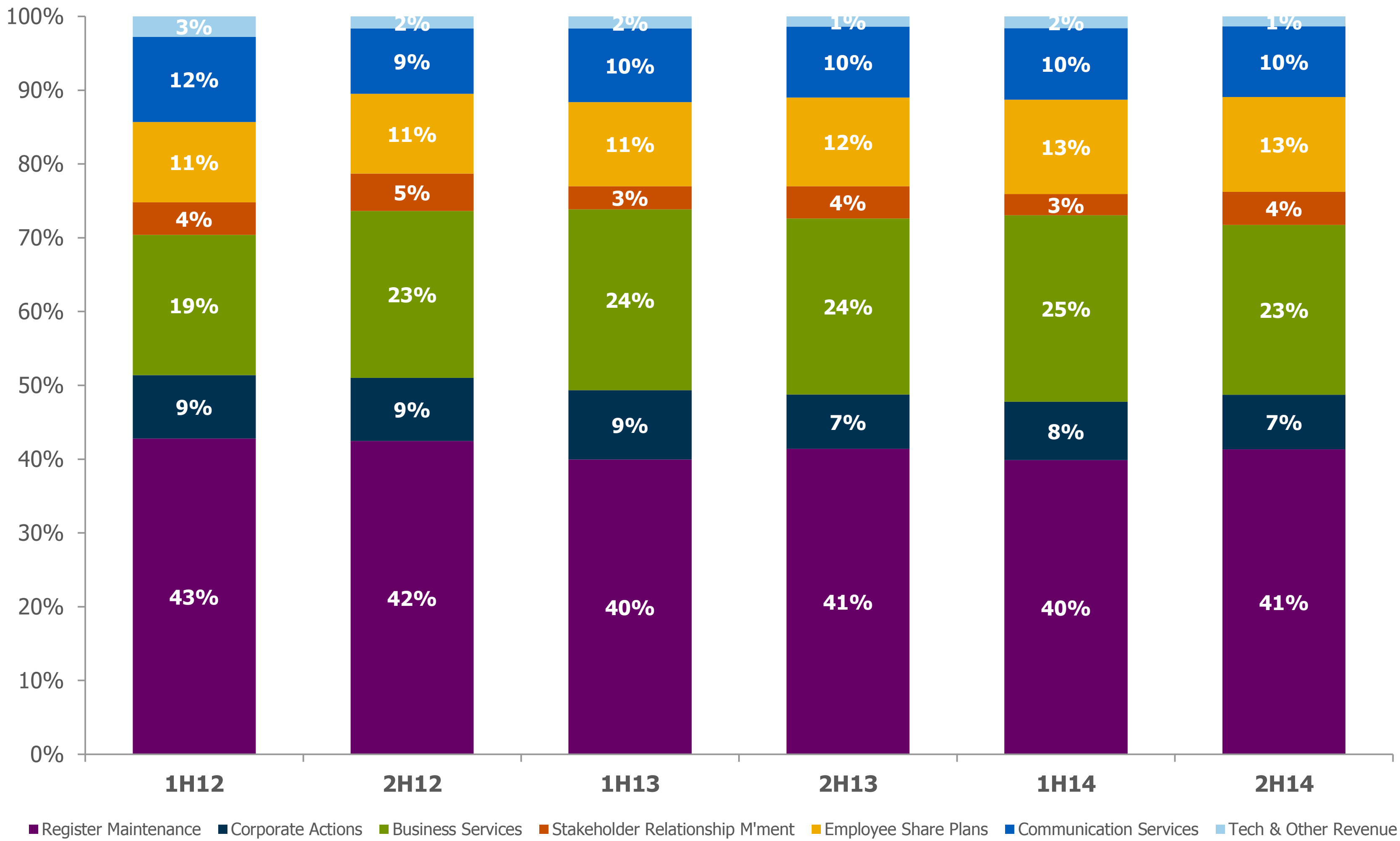
# Appendix:
# Full Year Results 2014 Presentation

**13 August 2014**

# Group Comparisons

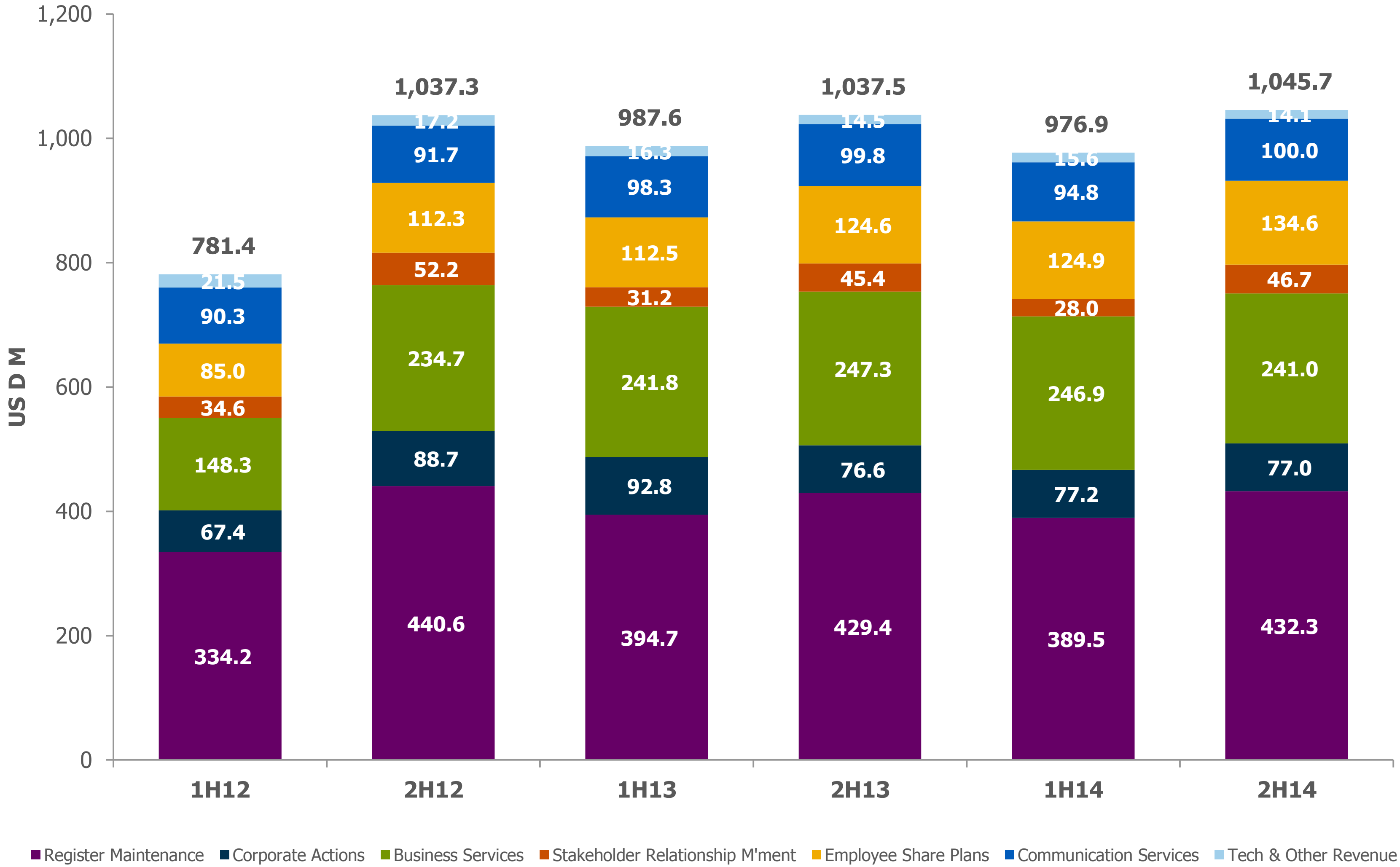
# Management Revenue
# Half Year Comparisons





# Management Revenue by Product
# Half Year Comparisons

Financial Results



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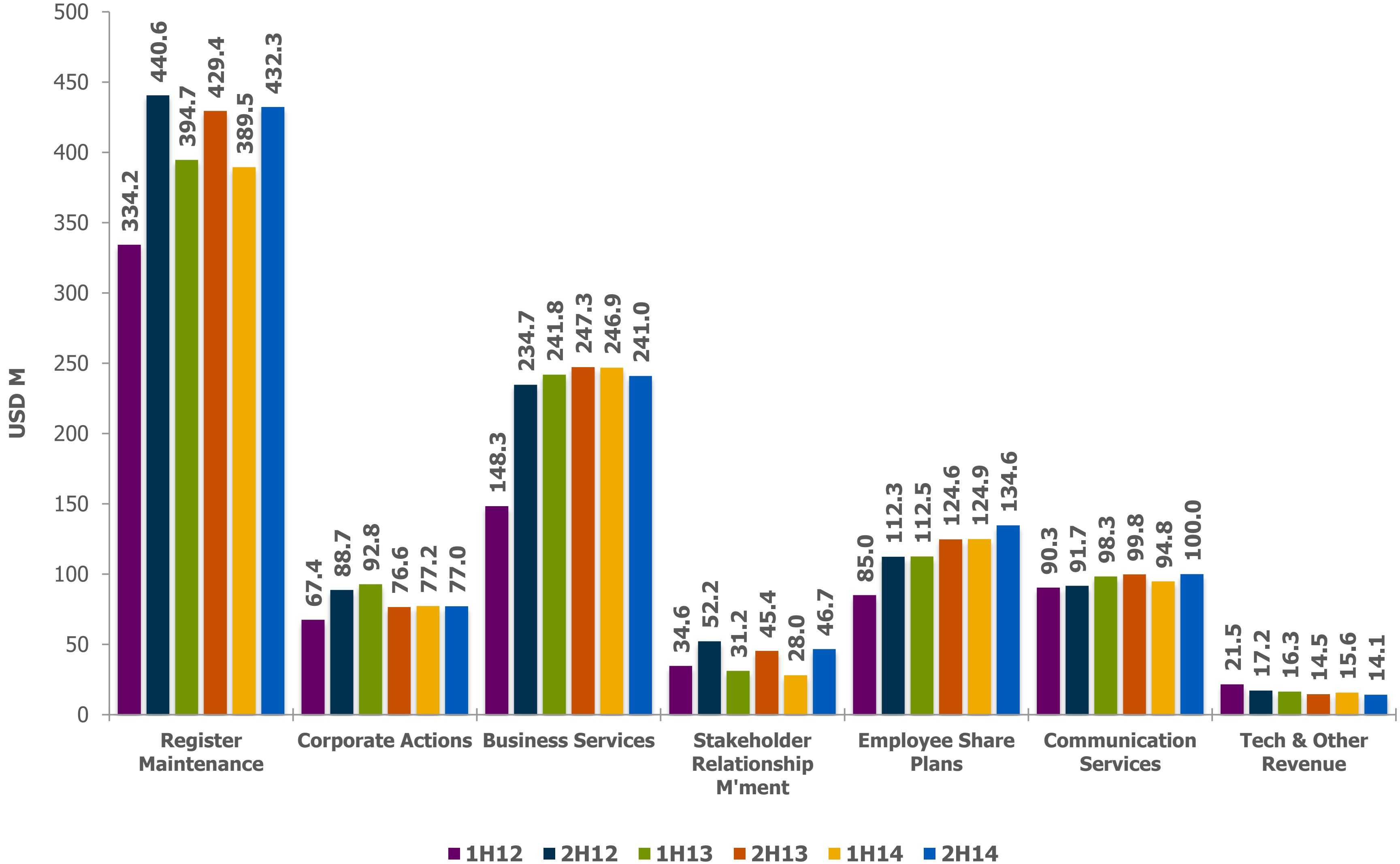
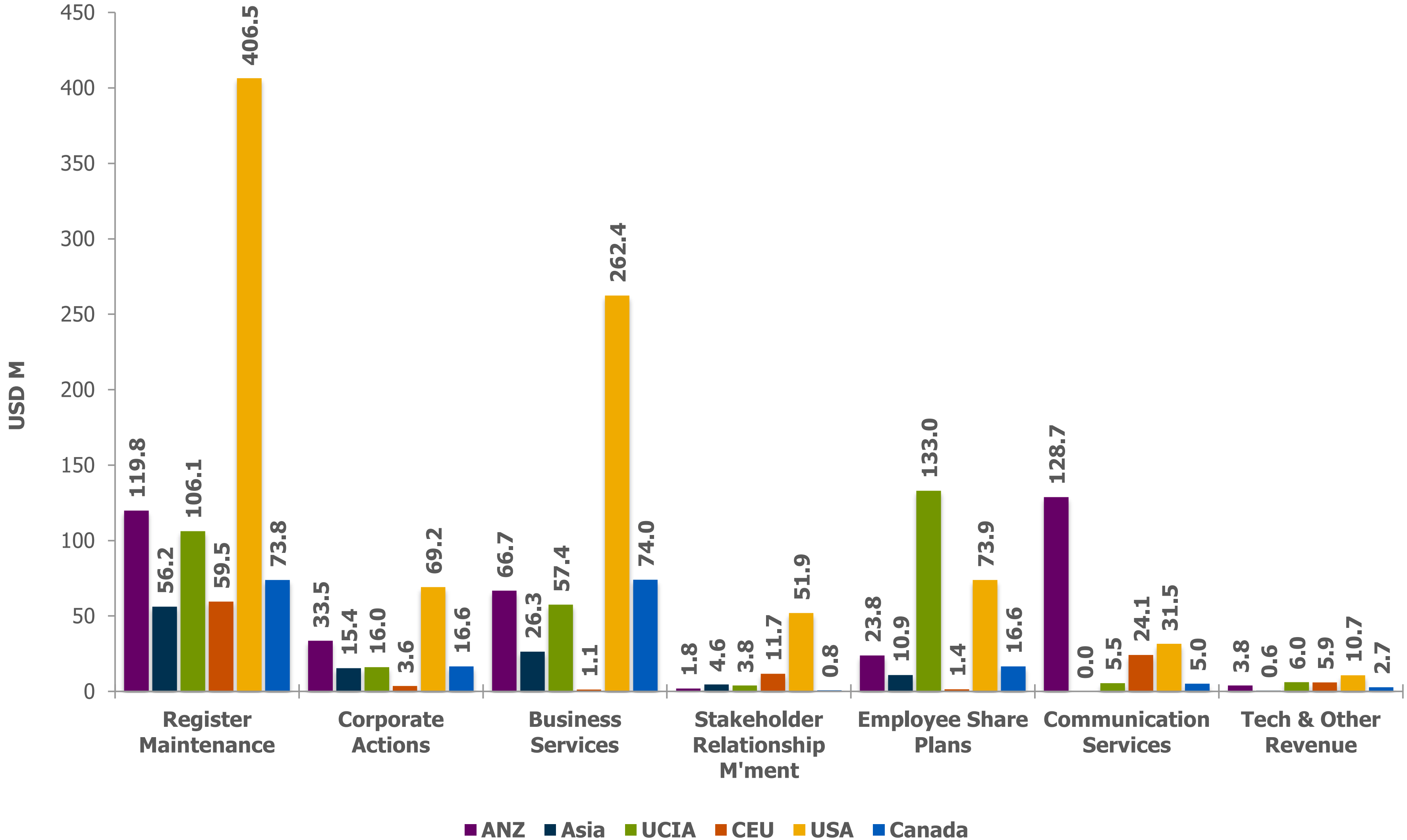
# Management Revenue
# Half Year Comparisons

Financial
Results



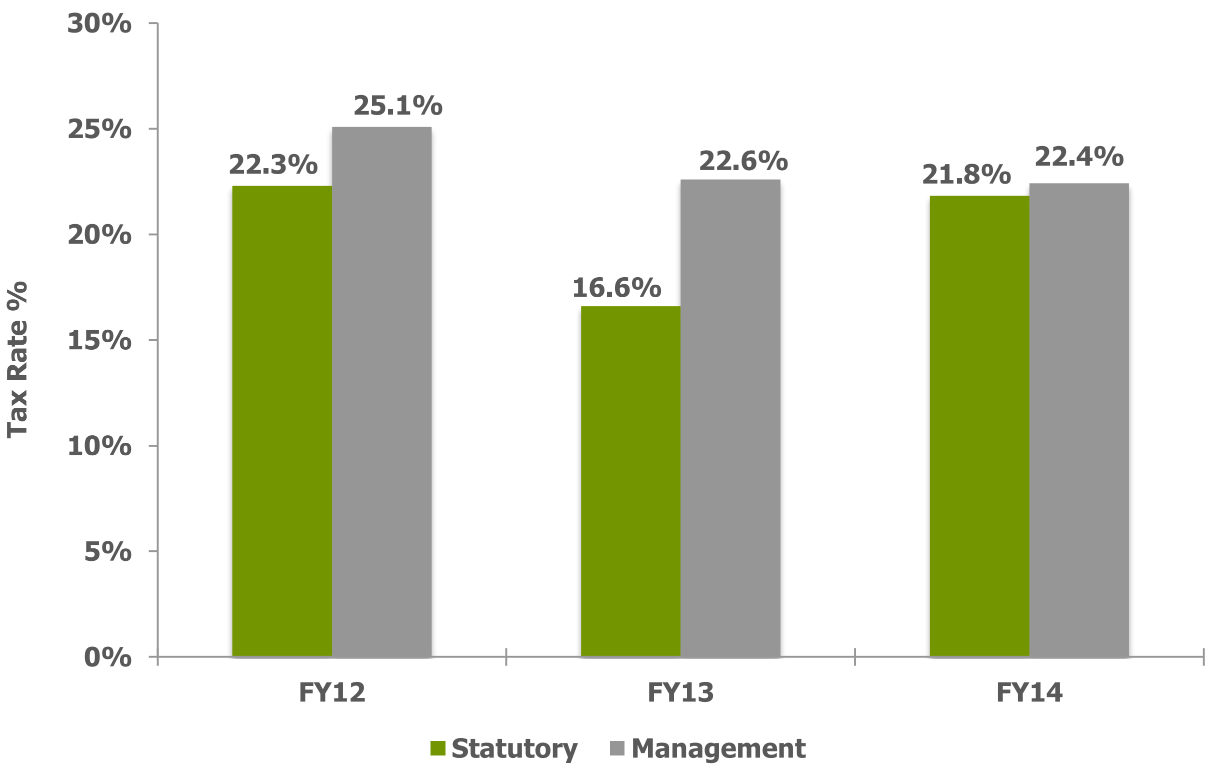
# FY14 Management Revenue Regional Analysis

Financial Results



# Effective Tax Rate
# Statutory & Management






The group's effective statutory tax rate is 21.8% for the full year ended 30 June 2014. The group's effective statutory tax rate for the comparative prior period was 16.6%.

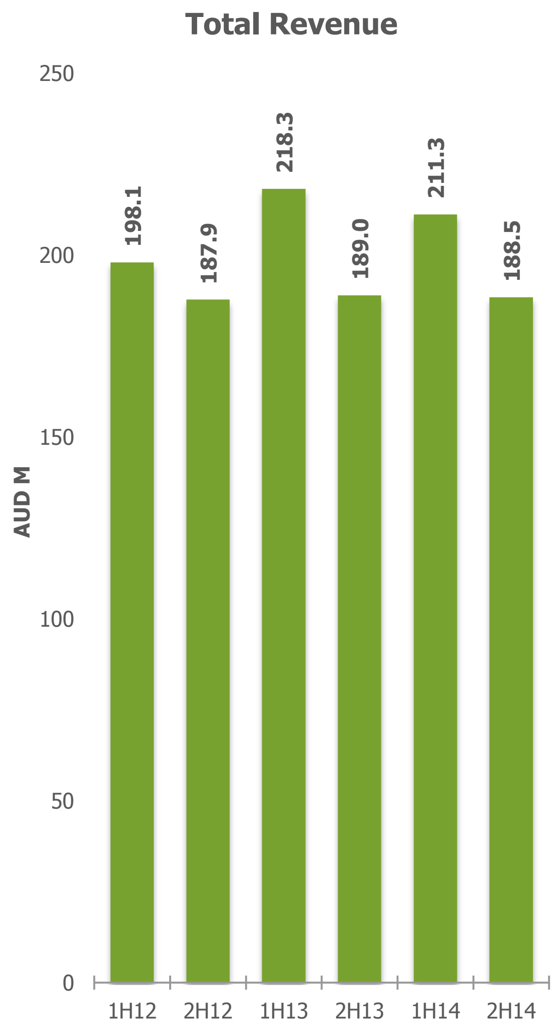
In FY13, the US was in a tax loss position due to the full year impact of increased deductible interest expense, intangible asset amortisation and integration costs as a result of its major acquisitions (which were debt funded) during FY12.

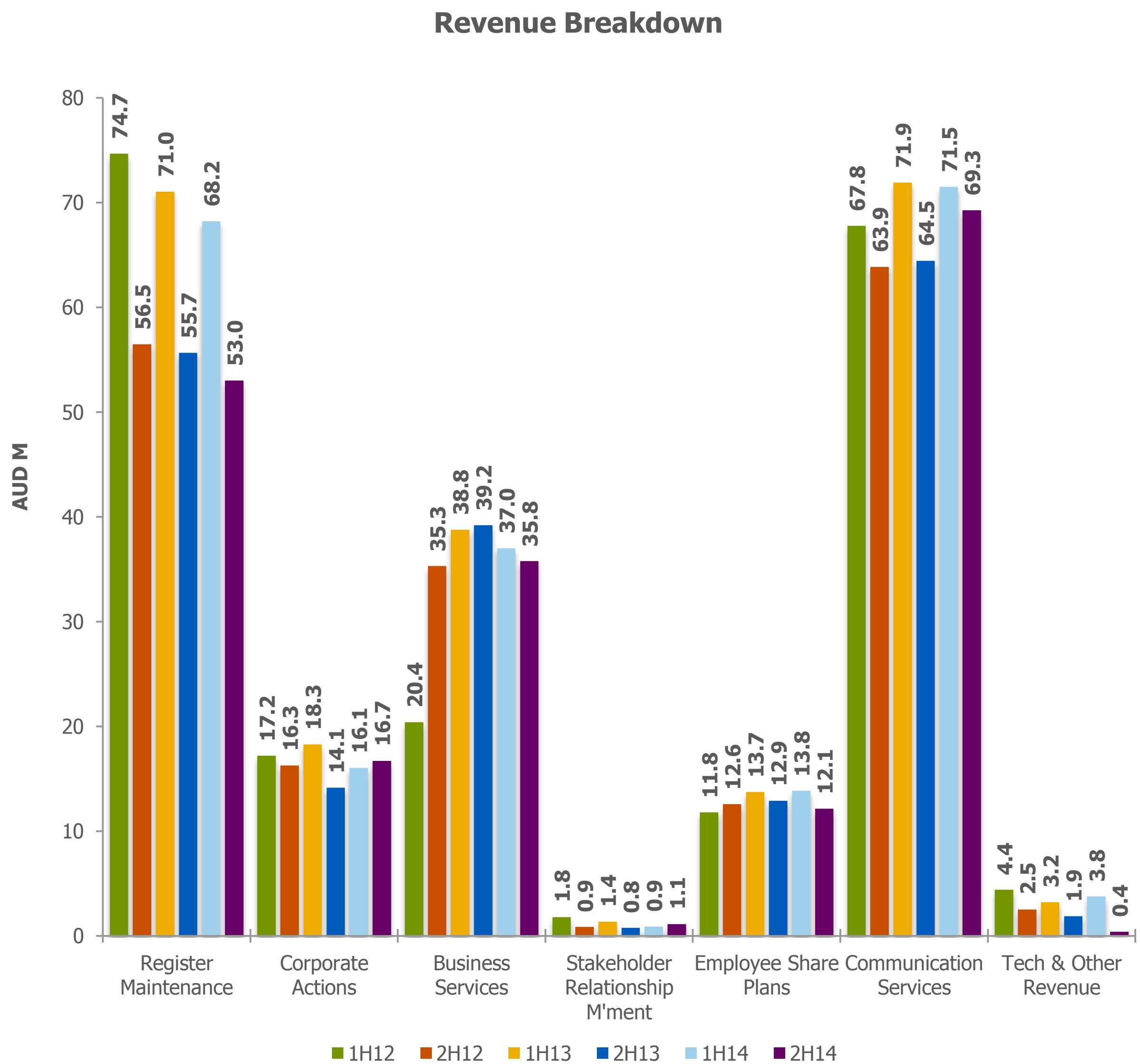
Those businesses are now fully integrated and the increase in the group's Statutory ETR reflects the contribution of taxable US profits in FY14 vs. FY13.

# Country Summaries

# Australia
# Half Year Comparison

Financial Results





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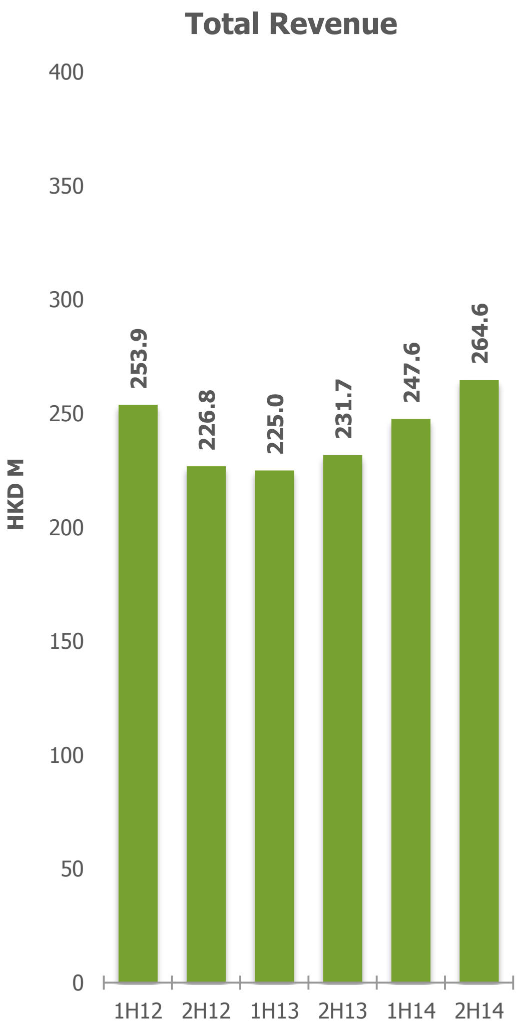
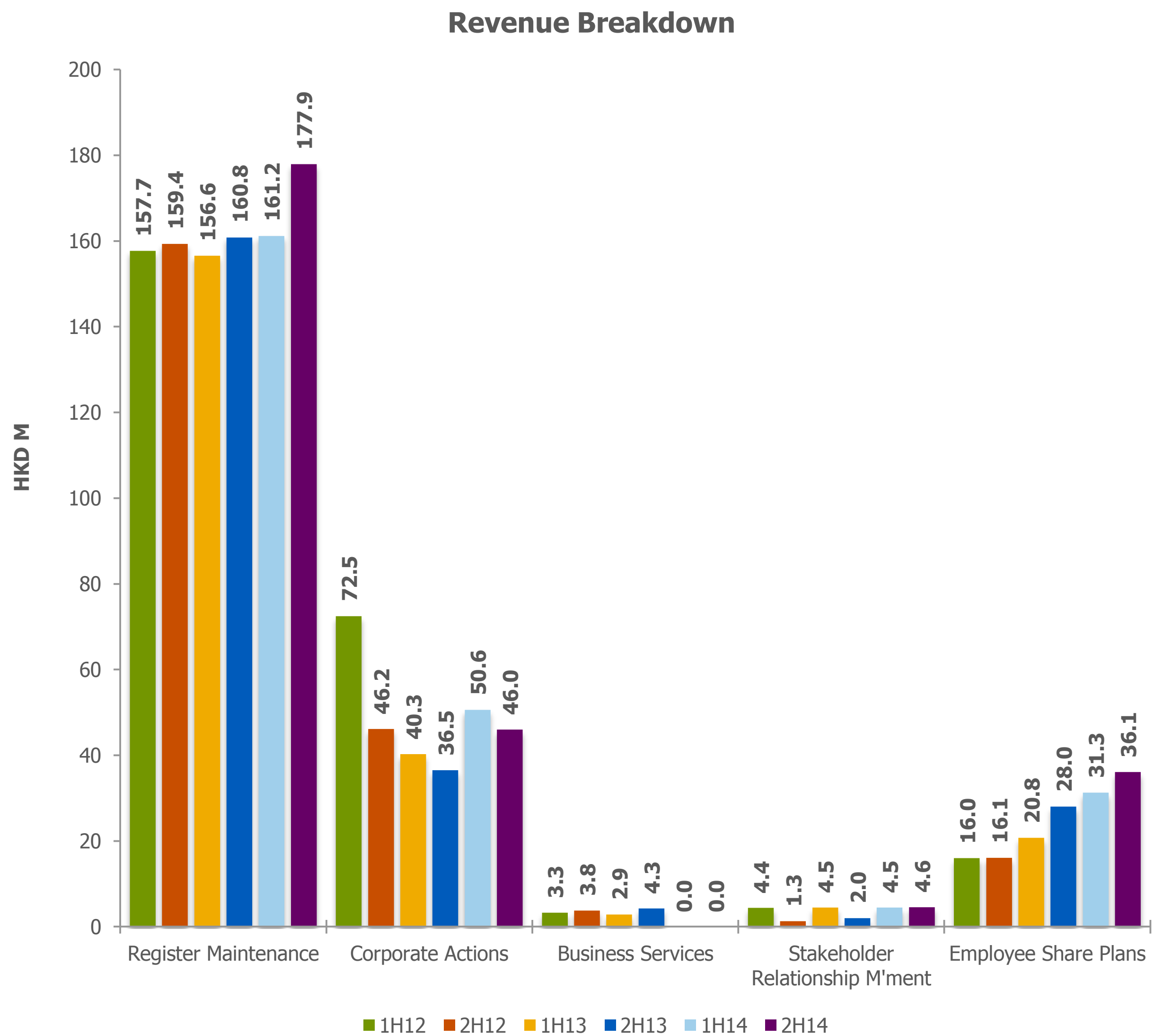
# Hong Kong
# Half Year Comparison

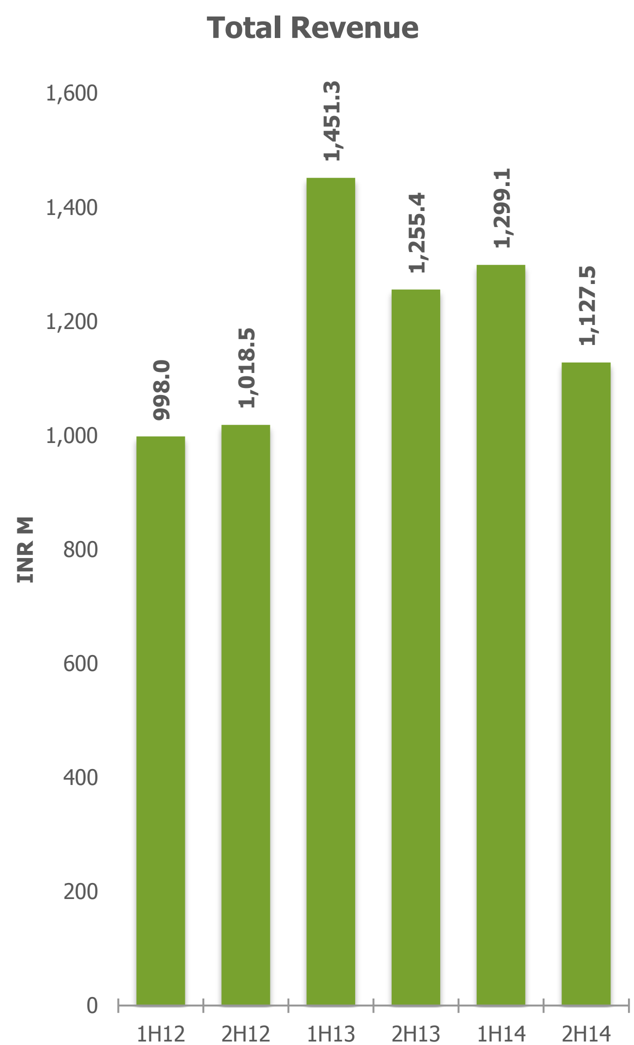


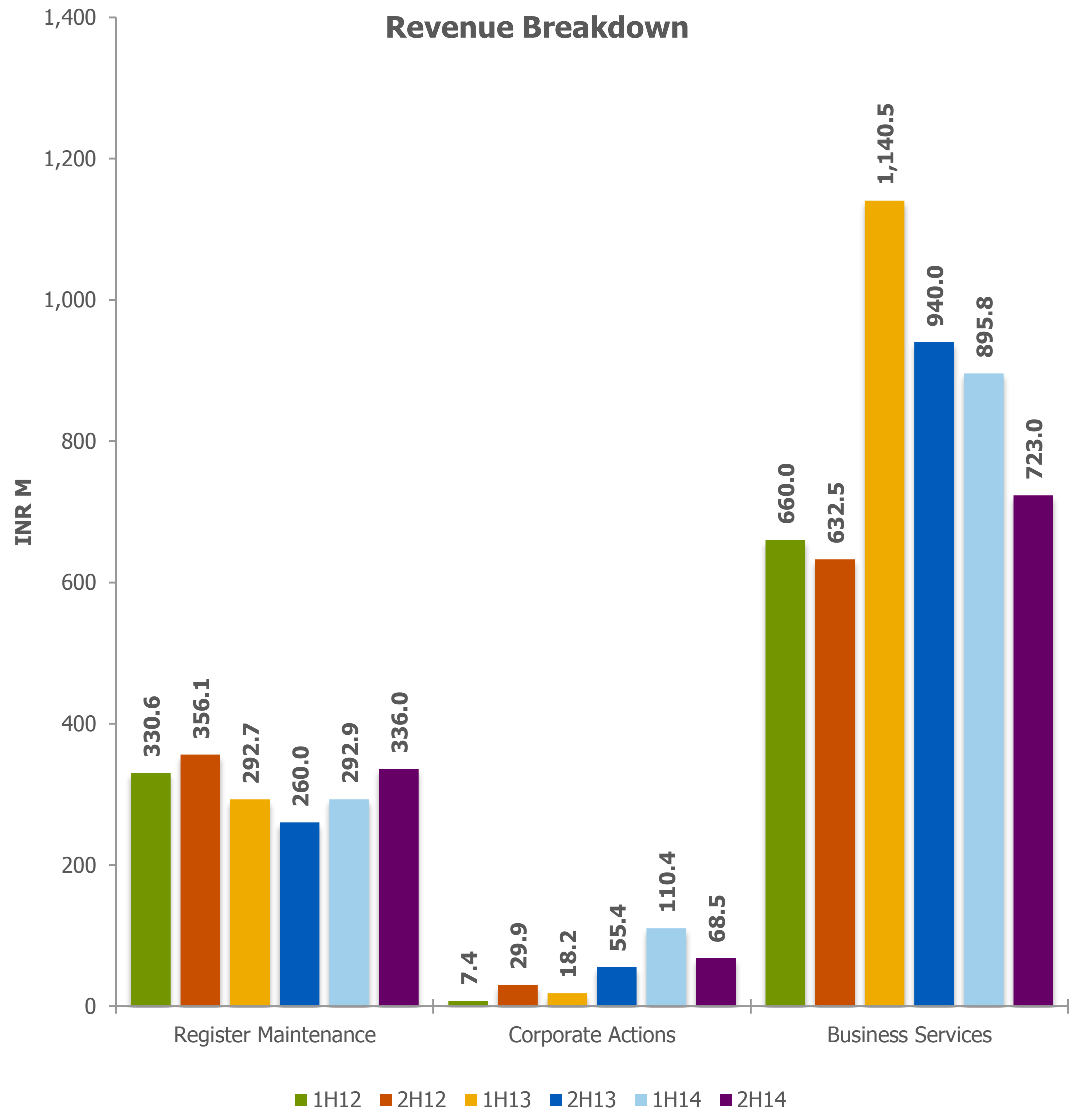


# India
# Half Year Comparison

Financial Results



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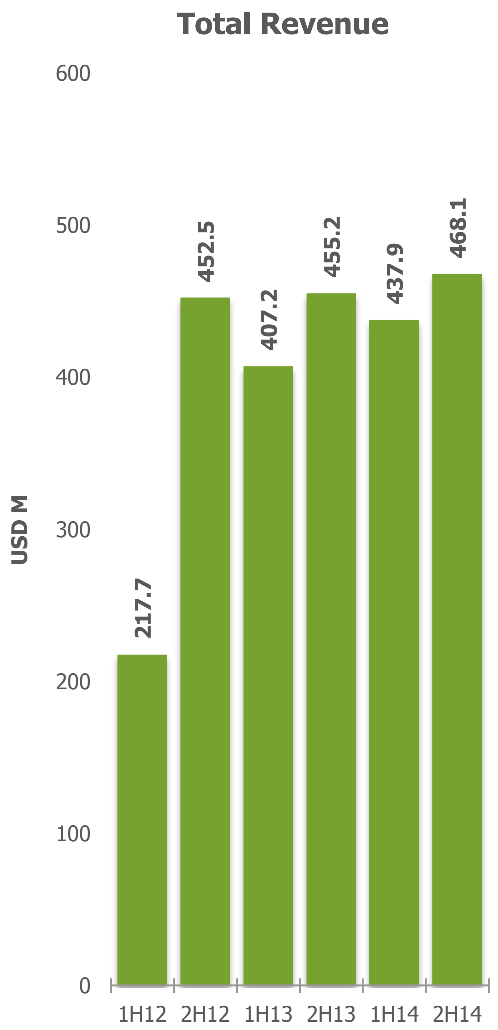
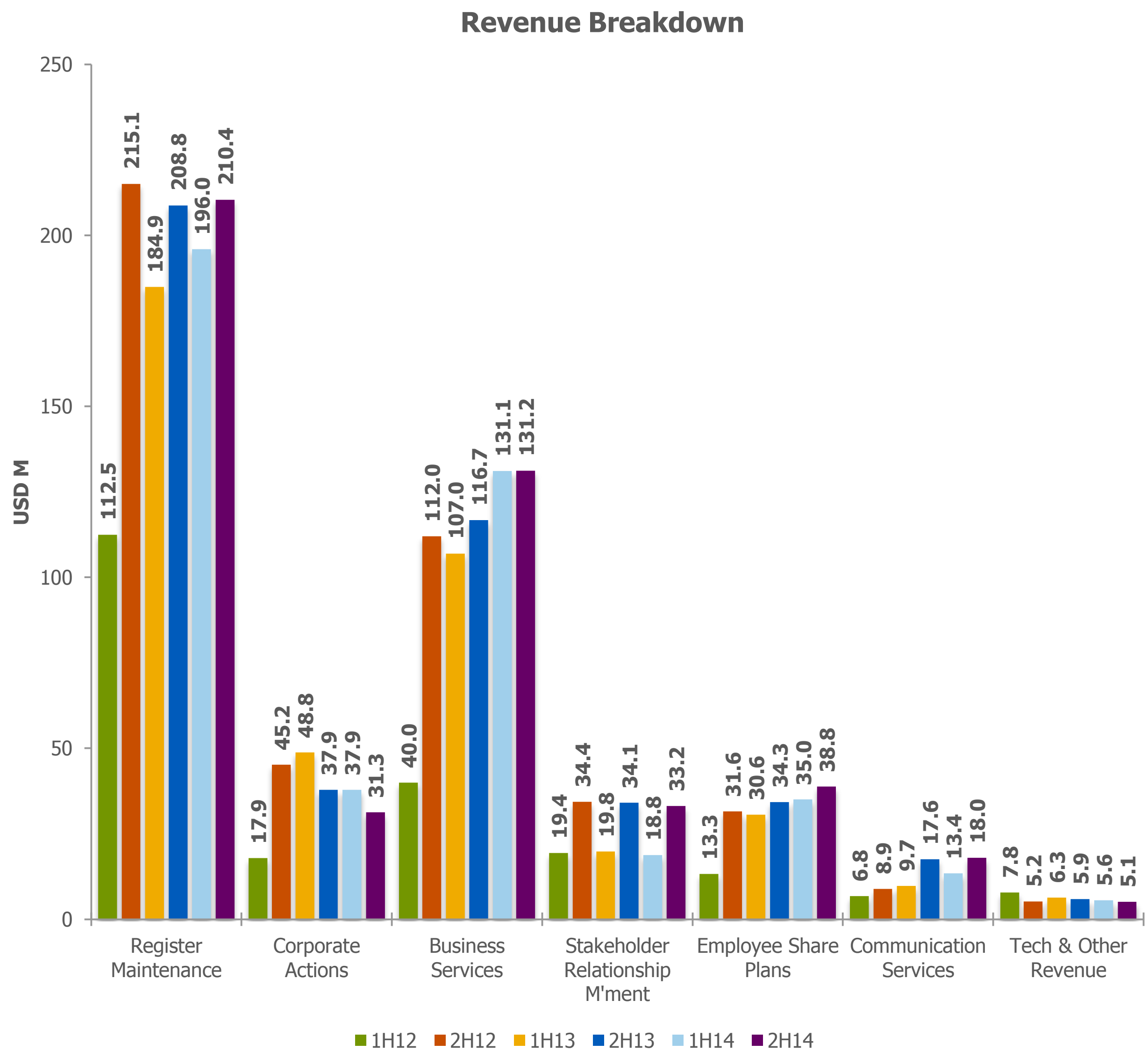
# United States
# Half Year Comparison

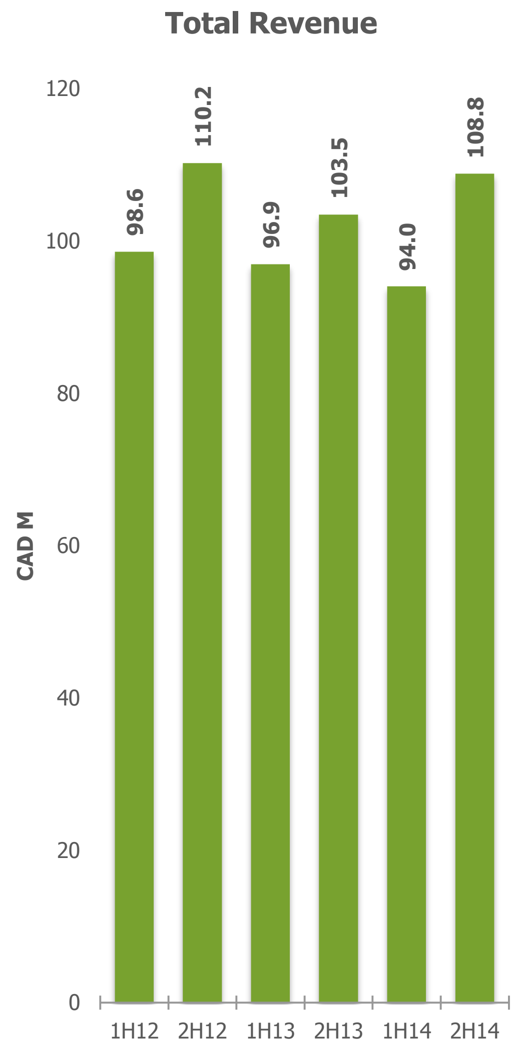


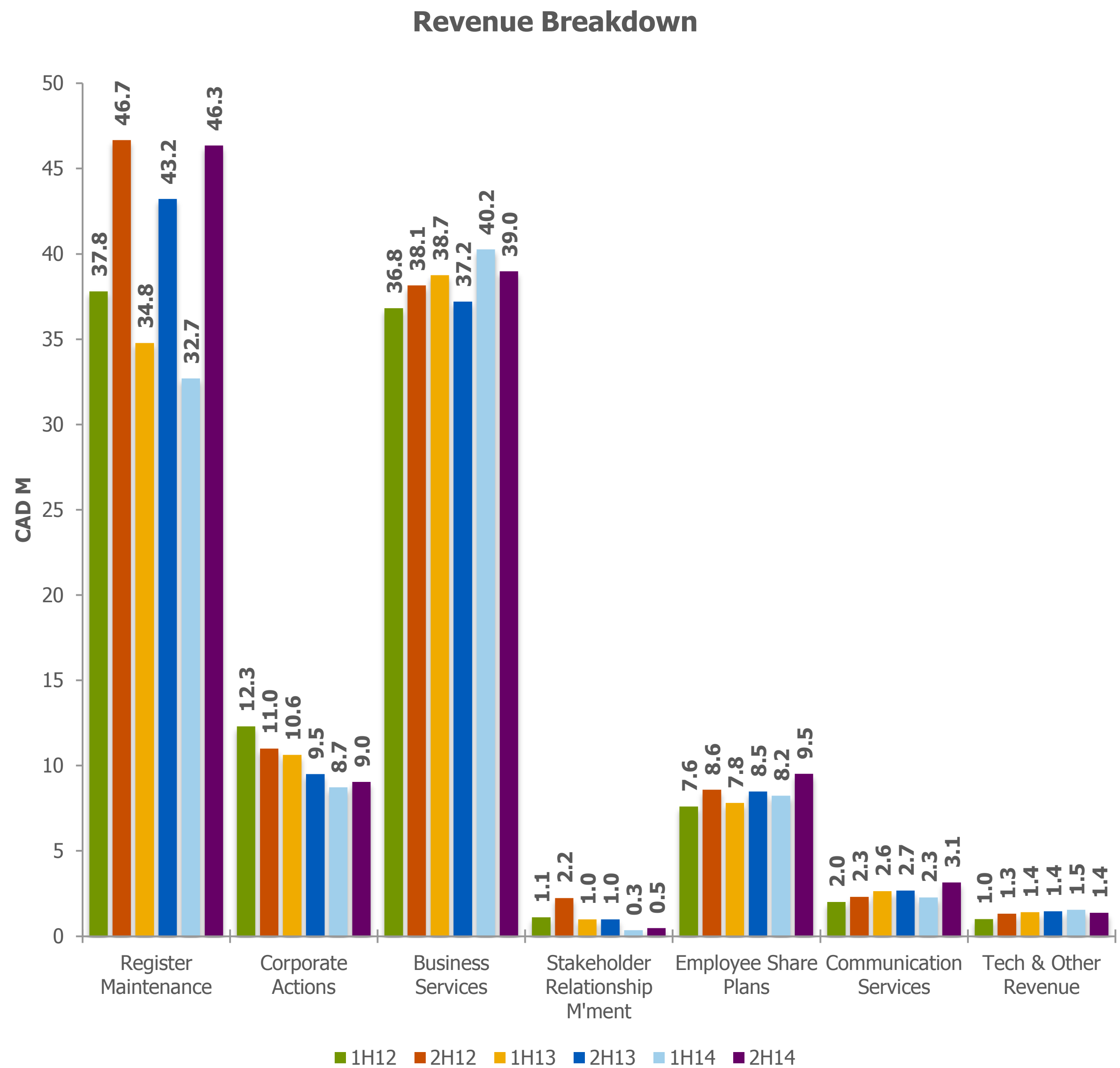


# Canada
# Half Year Comparison

Financial Results



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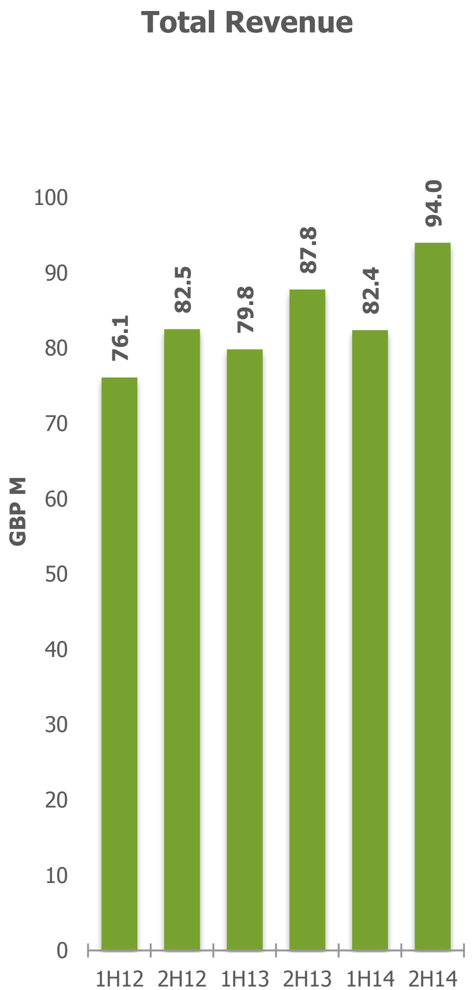
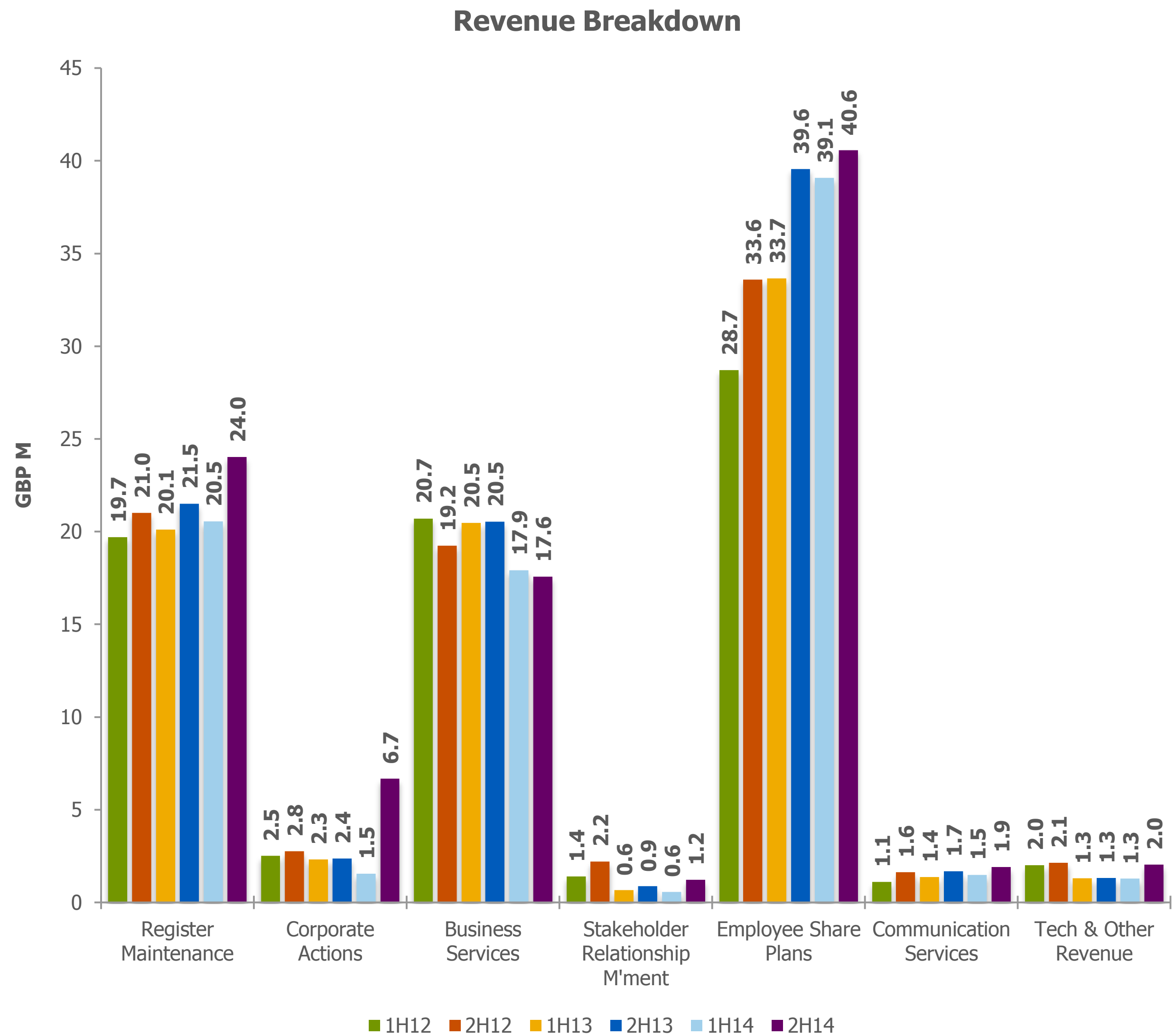
# United Kingdom & Channel Islands Half Year Comparison





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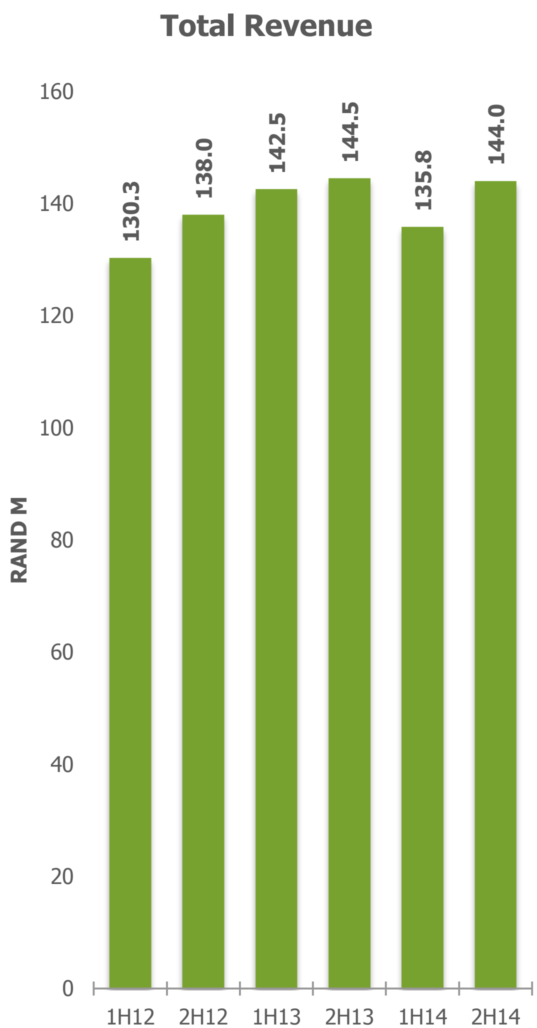
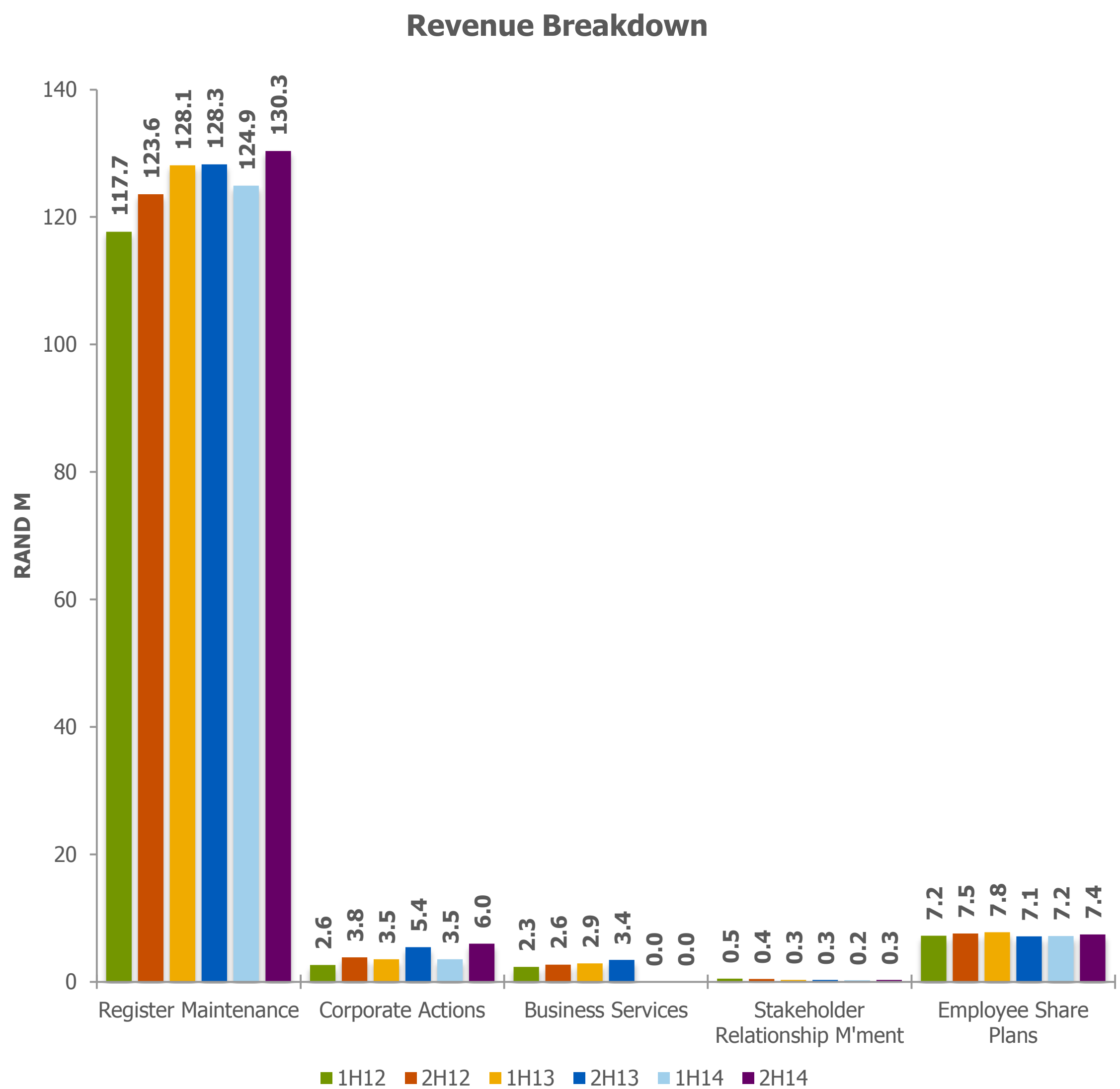
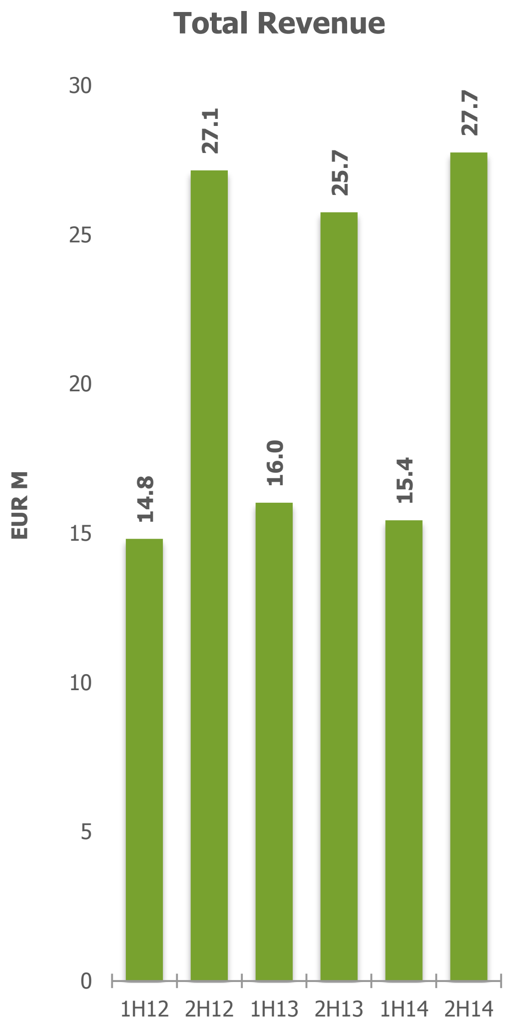
# South Africa
# Half Year Comparison

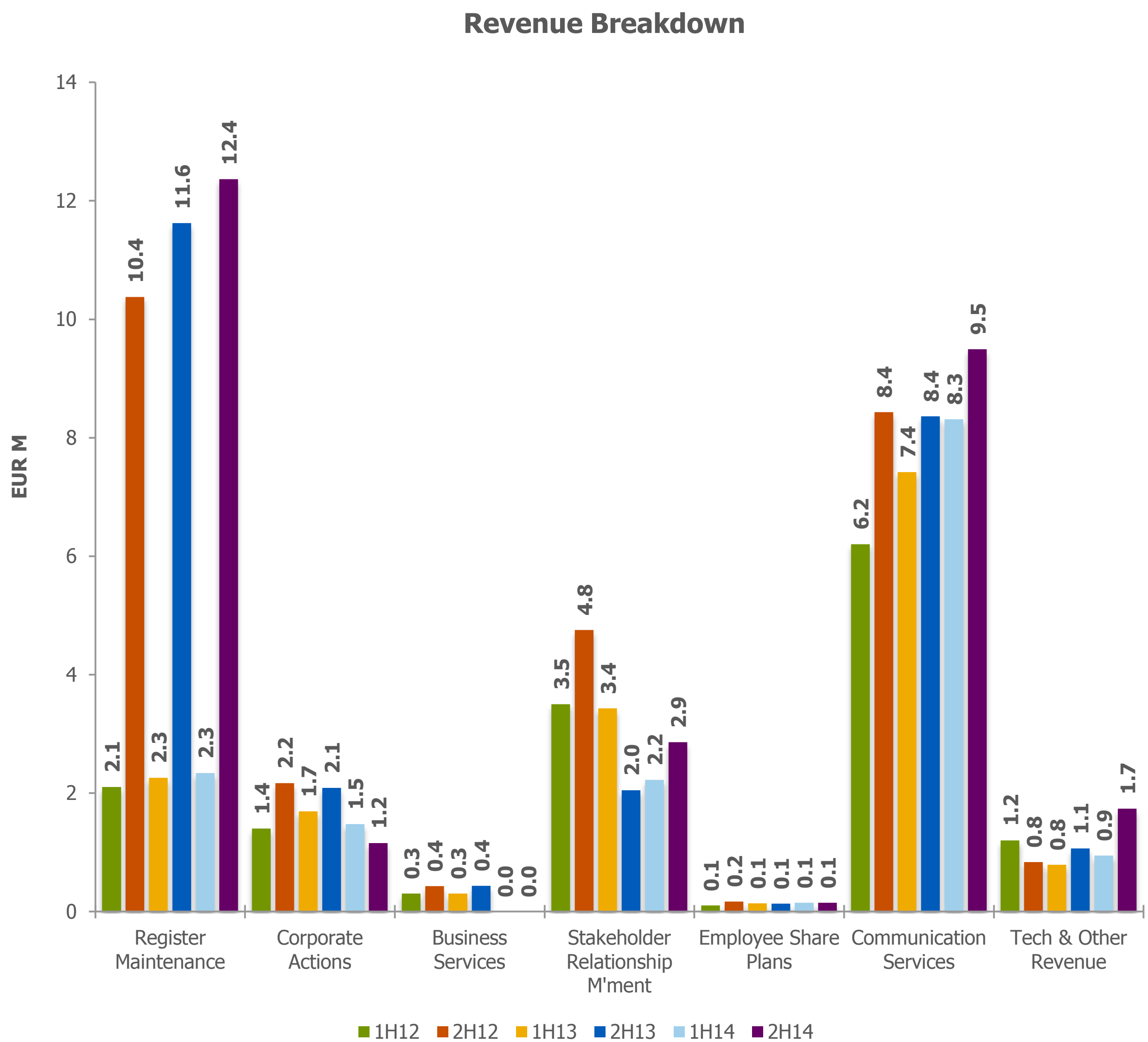


# Germany
# Half Year Comparison

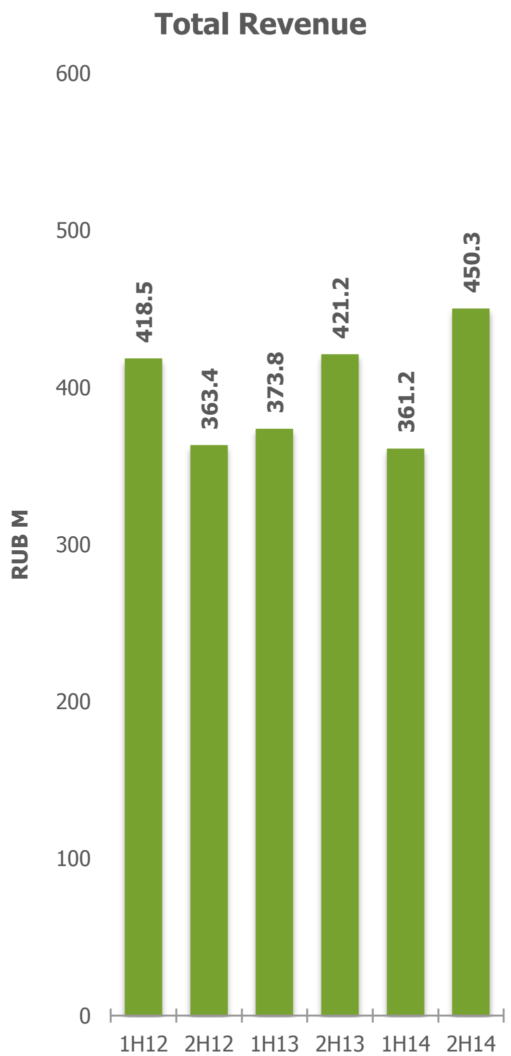


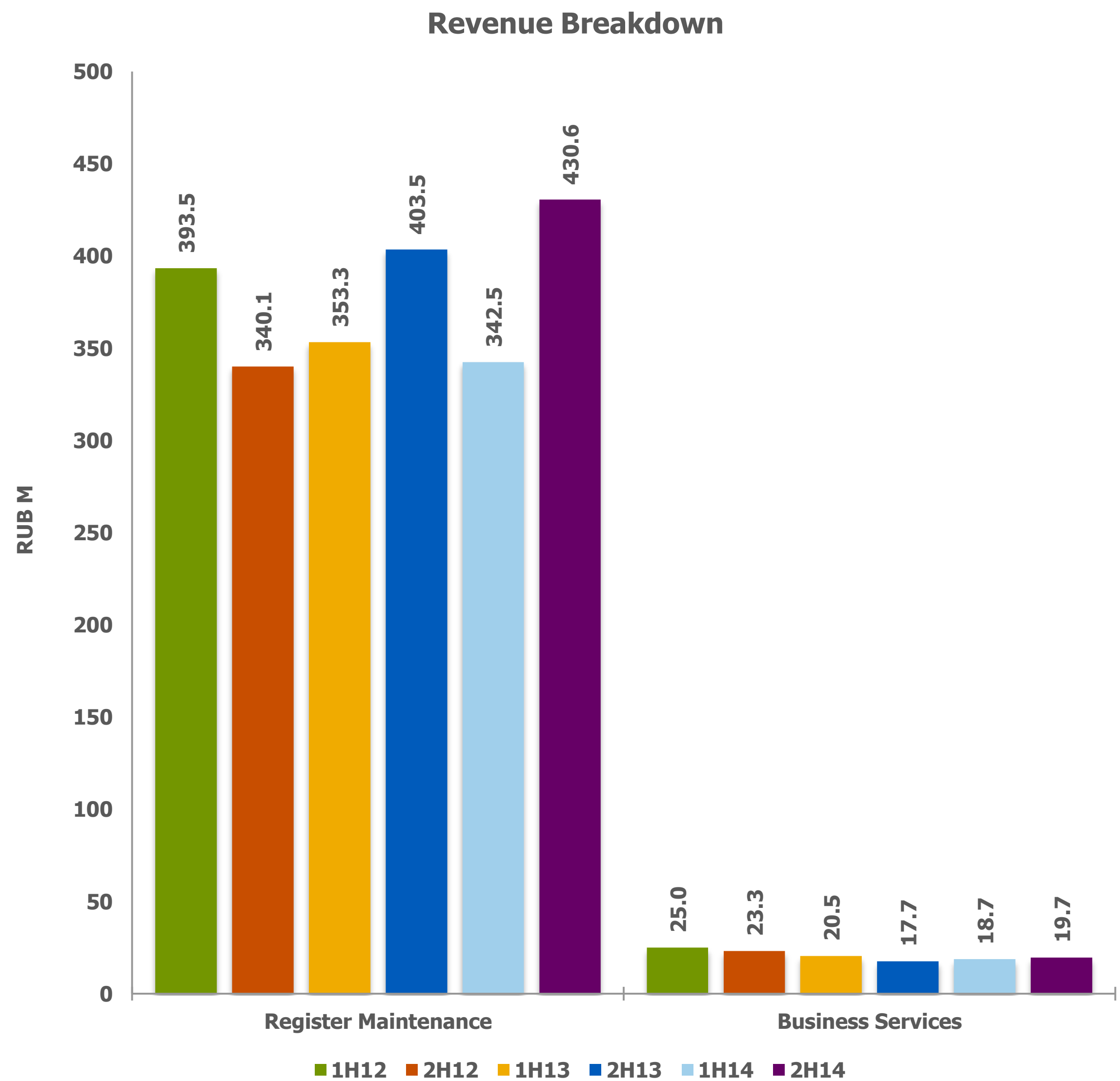


# Russia
# Half Year Comparison

Financial Results



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# Assumptions

# Assumptions: FY14 Exchange Rates



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

| USD | 1.0000 |
|---|---|
| AUD | 1.09422 |
| HKD | 7.75614 |
| NZD | 1.21756 |
| INR | 61.56622 |
| CAD | 1.07060 |
| GBP | 0.61811 |
| EUR | 0.73834 |
| RAND | 10.35299 |
| RUB | 33.86180 |
| AED | 3.67313 |
| DKK | 5.50849 |
| SEK | 6.53662 |

# 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.