



MACQUARIE
ACN 002 574 923

Macquarie Private Wealth

Snapshot

Computershare

Business Description

Computershare Limited (CPU, formerly Halifax Computershare Pty Ltd) is the world's largest global share registry. It is the leading provider of financial market services and technology to the global securities industry operating in 20 countries. Services and solutions are provided to listed companies, investors, employees, exchanges and other financial institutions.

Strategy Analysis

CPU leverages its IT expertise and financial strength to capture share of an increasing number of markets in existing and new geographies. This includes continued participation in consolidation of the US market, building on the UK business, and expanding presence in the developing markets of Europe and Asia. There will be ongoing investment to sustain IT capability and advantage. There is continued focus on operational quality and efficiency via improved measurement, benchmarking and technology. There is also emphasis on improving front-office skills to protect and drive revenue through more effective account management, new business generation and exploitation of cross-selling opportunities. In addition to services to sharemarket participants, the company increasingly utilises core record management skills to provide services in other areas. An example is a contract to deliver a custodial tenancy Deposit Protection Service on behalf of the UK government. Such initiatives provide an offset to cyclical in the core business. We like the Bank of New York Mellon (BNYM) deal, but there is some way to go before ranking it a clear winner. Following US regulatory approval, the complex integration will take two to three years, with competitors attempting to aggressively poach existing BNYM customers. But CPU's core competency is its ability to successfully integrate and convert acquired businesses on to its proprietary registry management system and reduce costs. Computershare reported NPAT down 10.4% to US\$264.09m for the year ended 30 June 2011. The decrease in earnings was primarily driven by weaker corporate action activity globally, a lack of large transactions in the US mutual fund proxy solicitation business and reduced filings in the US bankruptcy administration business. Revenues from ordinary activities were US\$1.60bn which remained flat against the last corresponding period. Diluted EPS was 47.30 US cents compared to 52.67 US cents last year. Net operating cash flow was US\$319.64m compared to US\$414.56m last year. The final dividend declared was 14 AU cents, taking the full year dividend to 28 AU cents in line with 28 AU cents last year.

27 January 2012

Recommendation

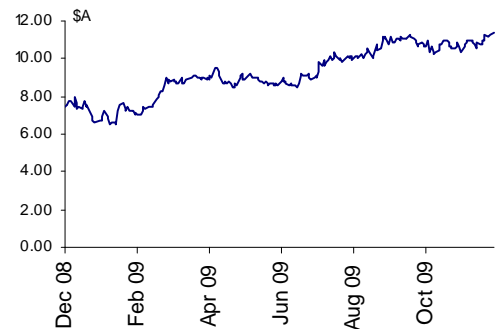
Recommendation: Outperform
Relative to: All Ind (ex Fins)

Investment Fundamentals

ASX code: CPU
Stock price: \$7.75
Market cap: \$4,306m

Y/E	30/06/2012	2012e	2013e	2014e	2015e
Reported e	\$m	260.5	323.1	413.4	442.9
Adjusted e	\$m	305.1	374.6	463.6	490.5
EPS adjusted	¢	54.6	67.1	83.0	87.8
EPS growth	%	-2.5	22.8	23.8	5.8
PE	x	14.2	11.6	9.3	8.8
PE relative	x	1.2	1.1	1.0	0.9
DPS	¢	30.7	41.0	51.1	52.9
Yield	%	4.0	5.3	6.6	6.8
Franking	%	60.0	60.0	60.0	60.0

Share Price



Source: ASX and Company accounts

Segment Performance

Results by Industry	Revenue (%)	Return on Sales (%)	Return on Assets (%)	Annual Shareholders' Return	
				1 year	3 year
Stakeholder Relationship Management Services	100.0	0.0	0.0	-20.0%	5.0%
Plan Services	100.0	0.0	0.0	-0.8%	11.0%
Business Services	100.0	0.0	0.0		
Communication Services	100.0	0.0	0.0		
Investor Services	100.0	0.0	0.0		
Total	500.0	0.0	0.0		
Results by Geography					
United States	31.7	12.5	24.5		
Australia & New Zealand	22.0	26.0	24.8		
UCIA	17.9	30.7	40.4		
Other	15.8	12.1	22.7		
Canada	12.7	41.5	46.2		
Total	100.1				

Company contact details:

Computershare Limited
Yarra Falls, 452 Johnston St
Abbotsford VIC 3067
Tel: +61 3 9415 5000

www.computershare.com

If you have any queries regarding this Research information or with any aspect of your legalsuper account please call legalsuper on 1800 060 312 (freecall) or email mail@legalsuper.com.au

Disclosure: In accordance with Section 849 of the Corporations Law, Macquarie Equities Limited states that Macquarie Bank Limited makes a market in the securities in respect of Computershare Limited. Macquarie and its affiliates collectively and beneficially own or control 1% or more of any class of Computershare Limited's equity securities.
Disclaimer: This report is prepared for general circulation and does not have regard to the particular circumstances or needs of any specific person who may read it. The information contained herein is believed to be reliable, but its completeness and accuracy is not guaranteed. Opinions expressed may change without notice. No part of this report is to be construed as a solicitation to buy or sell any security. We do not accept any liability, whether direct or indirect arising from the use of information contained in this report. International investors are reminded of the risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. Any transaction by US persons in any security discussed in this report must be carried out through Macquarie Equities (USA) Inc which has distributed this report in the US. This report is issued in the UK by Macquarie Equities Limited, which is a member of the Securities and Futures Authority. The investments and investment services the subject of this report are not available to private customers in the UK. The material in this publication is copyright and may not be reproduced without consent of the copyright owner.