

Interim Results 2003 Presentation

6 March 2003



Market Overview and Financial Results

Tom Honan
Chief Financial Officer

Summary of results

- Normalised EPS – 0.8 cents
- EBITDA in line with forecast at \$54.9 m
- Generated operating cash flows of \$33.1 m
- Capital Expenditure of \$11.5 m, 60% down on prior year
- Share Buy-Back - 18.7 m shares acquired
- Interim ordinary share dividend 2.5 cents, fully franked
- Net Debt - \$74 m, Funding Capacity of A\$250 m

Context of the Results

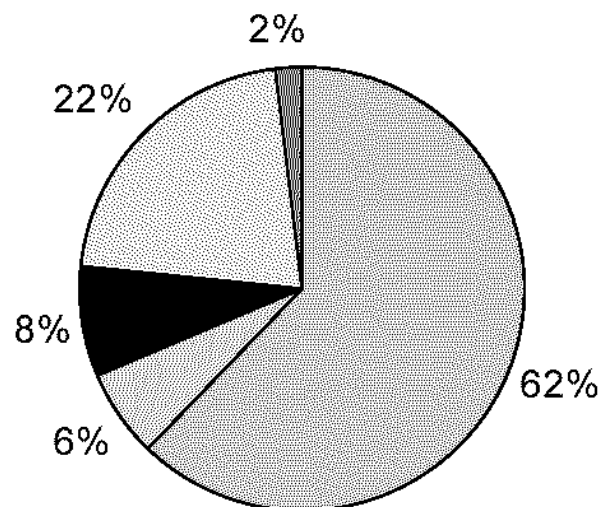
- 1H normalised EBITDA in line with forecast
- Revenues impacted by slow down in corporate actions activity and low interest rates
- Continued operating cost savings, but not as rapid as revenue declines
- Technology spend declines
- Capital expenditure down 60%
- Changed composition of Board – increased Non-Executive Directors

This presentation is structured around the following framework



CPU Revenues are driven by multiple factors

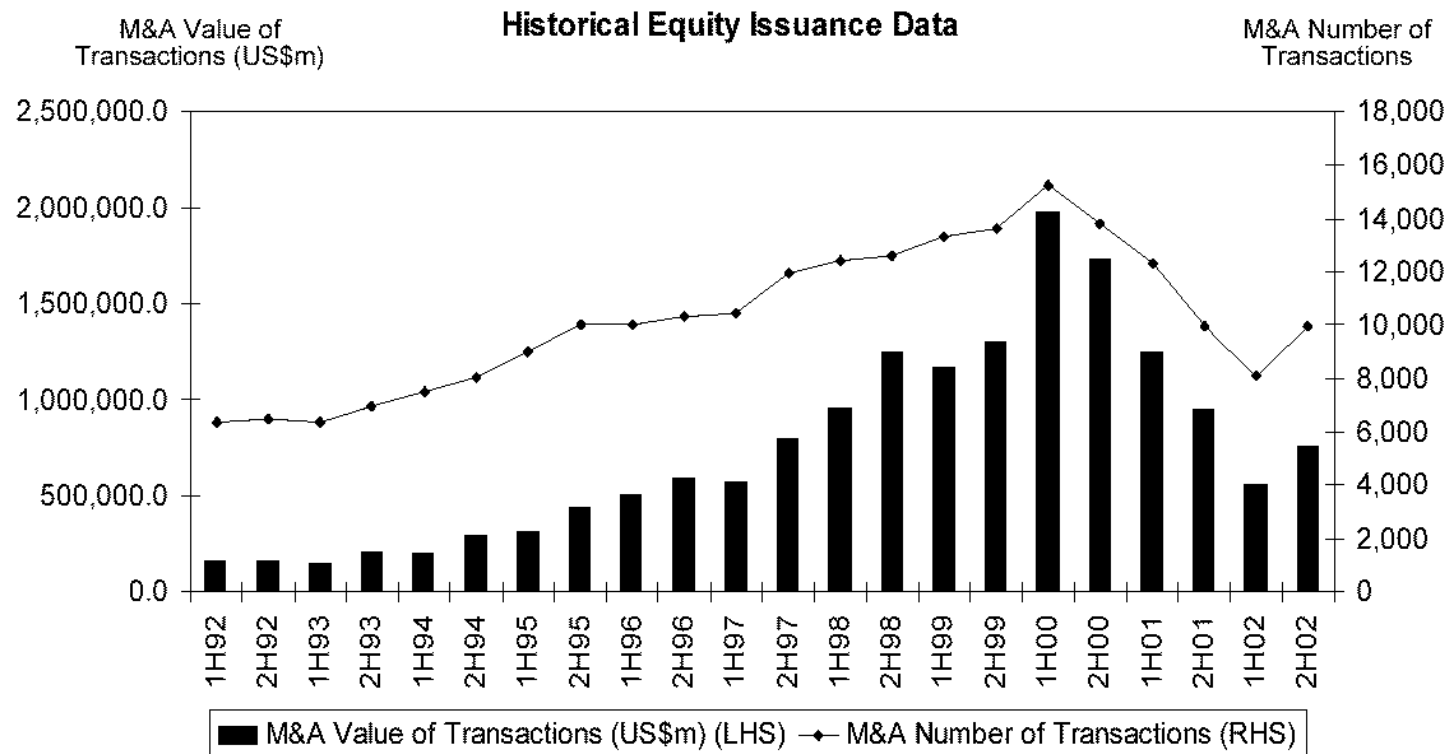
Revenue type



■ Register Maint. & Recoveries ■ Corporate Actions
 ■ Margin Income ■ Non Registry
 ■ Other

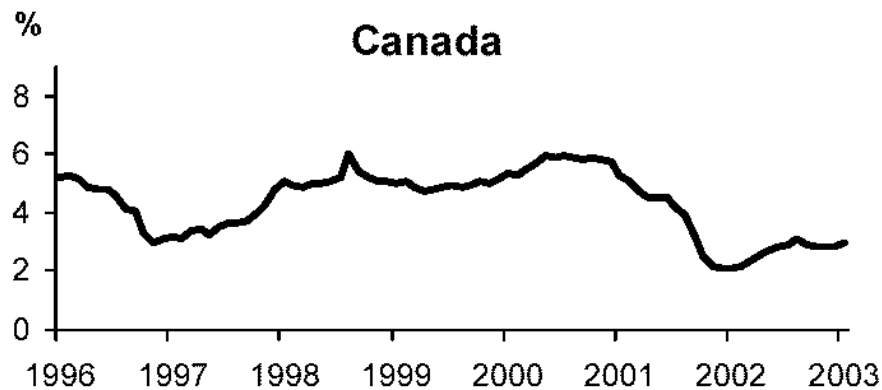
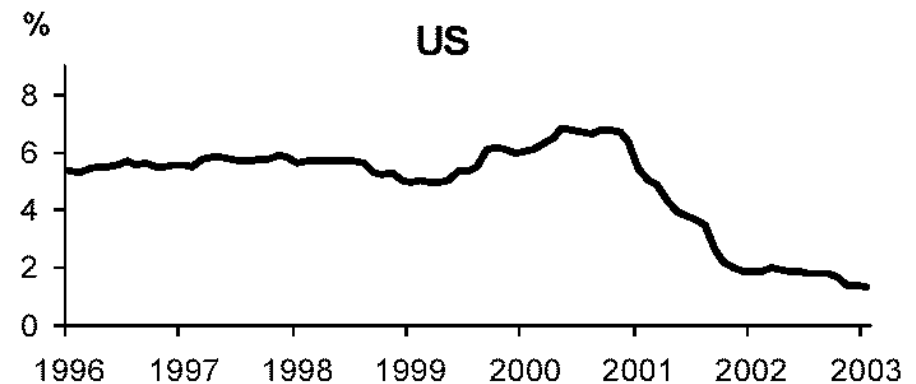
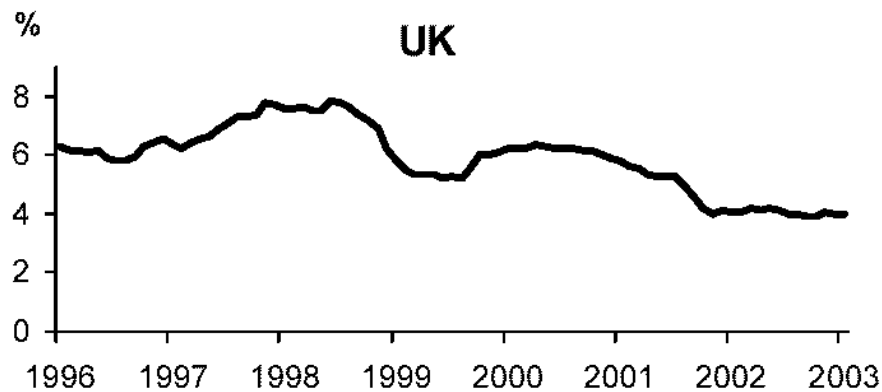
Revenue	Driver	Risk mitigation
Register Maint. & Recoveries	Growth in clients and holders	Retain existing clients, win market share
Corporate Actions	Market conditions, M&A activity	Win new business; link to key stakeholders, clients
Margin Income	Interest rates, hedging balances	Hedging, flow on effort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

Global Equities Market



Source: Thomson Financial

Global Interest Rate Market





Group Financial Performance

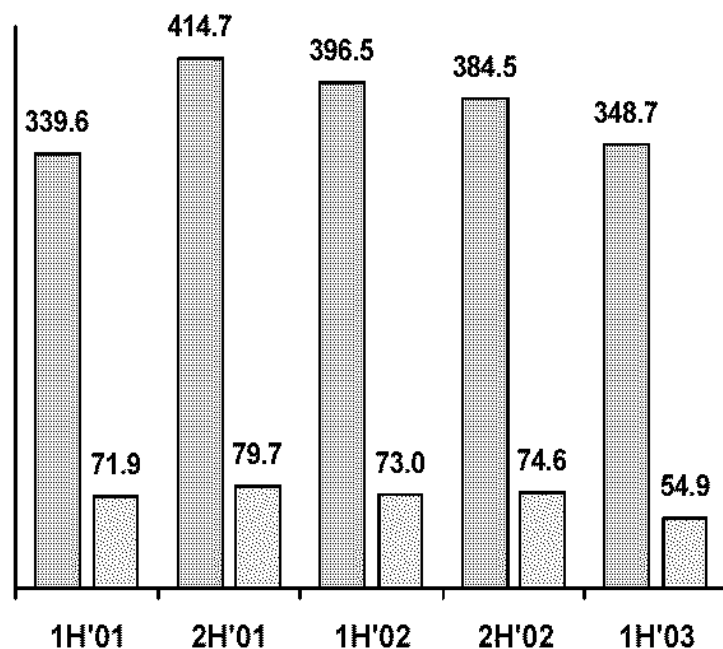
A\$m's

Revenue	1H'02	2H'02	1H'03
Registry maintenance	177.4	169.5	168.0
Corporate actions	34.8	22.8	21.8
Margin income (including sharesave admin)	41.9	30.6	28.1
Non Registry fees/sales	77.4	76.1	75.2
Recoveries	59.5	65.3	49.3
Interest income	2.5	1.7	1.8
Other	3.0	18.5	4.5
Total Revenue	396.5	384.5	348.7
<u>Operating costs</u>	323.5	309.9	293.8
EBITDA	73.0	74.6	54.9
Expenses			
Depreciation and amortisation	11.7	13.6	15.4
Amortisation of goodwill	15.0	14.9	16.2
Borrowing costs	6.9	3.3	3.8
Other	0.0	(1.5)	(1.4)
Non-recurring items	0.0	0.0	7.1
Pre tax Profit	39.4	44.3	13.9
Income tax	15.2	10.8	9.0
NPAT before OEI	24.2	33.6	4.8
NPAT after OEI	24.5	46.8	3.9
Normalised NPAT after OEI	24.5	33.4	13.2



Half Year Comparison

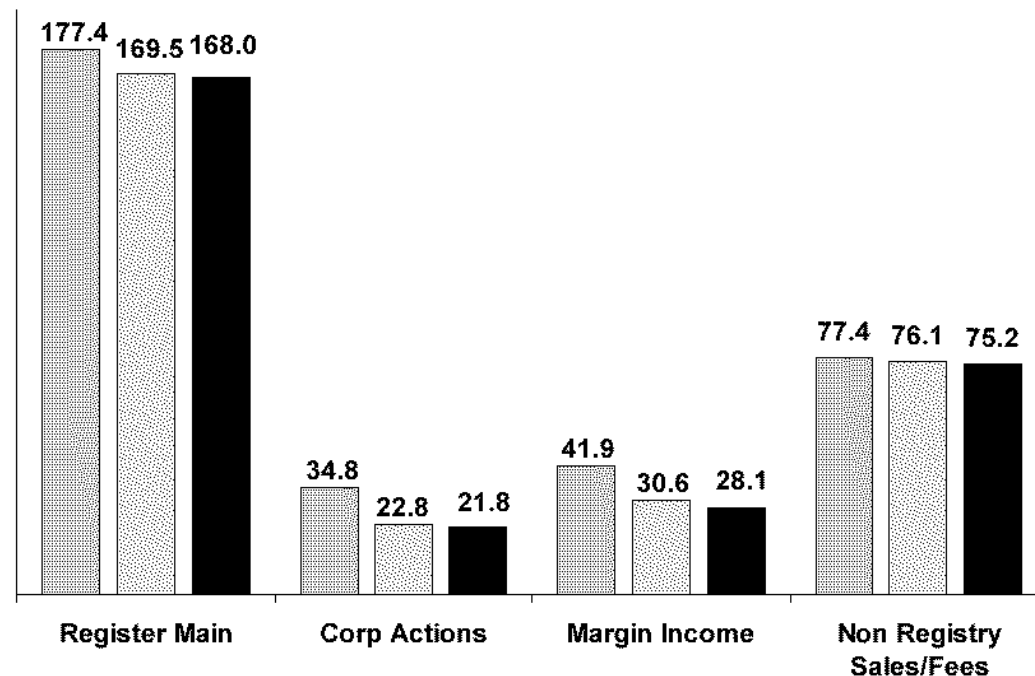
A\$m



■ Revenue ■ EBITDA

A\$m

Revenue Breakdown

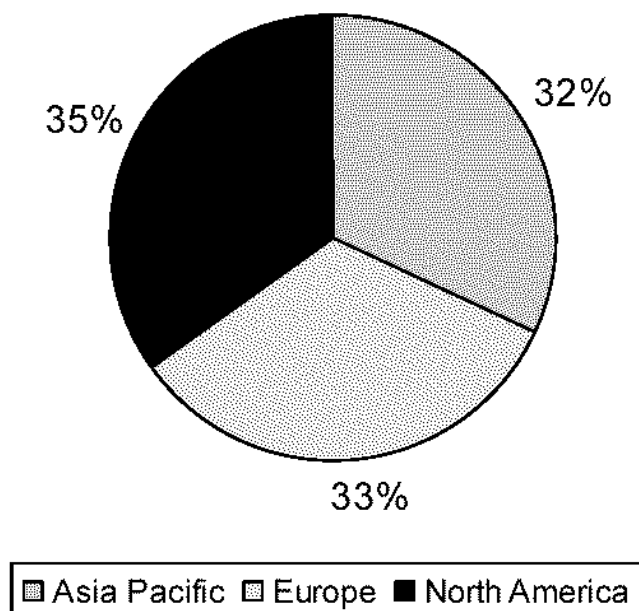


■ 1H'02 ■ 2H'02 ■ 1H'03



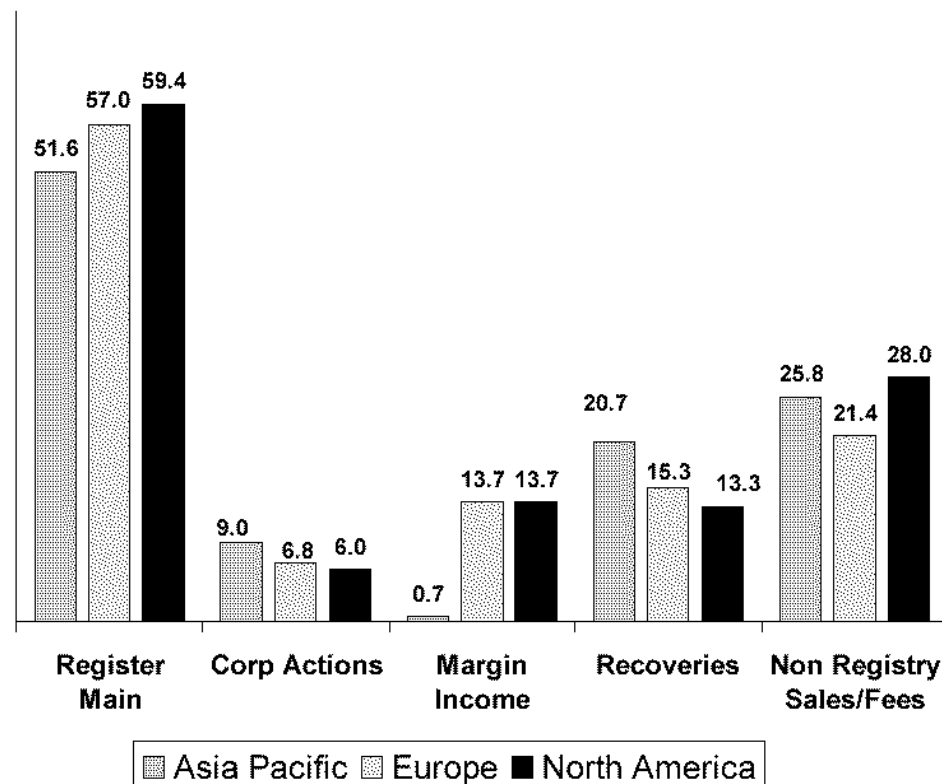
Revenue Analysis

Total Revenue



A\$m

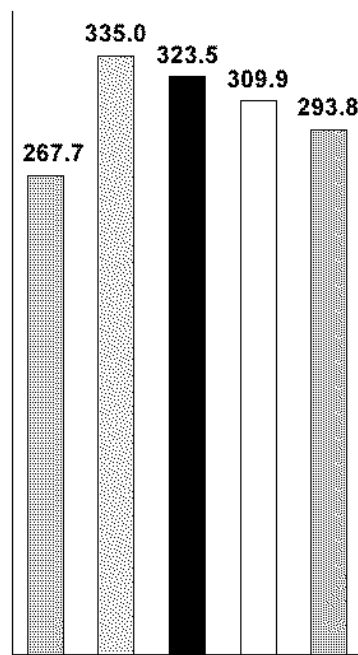
Revenue Breakdown



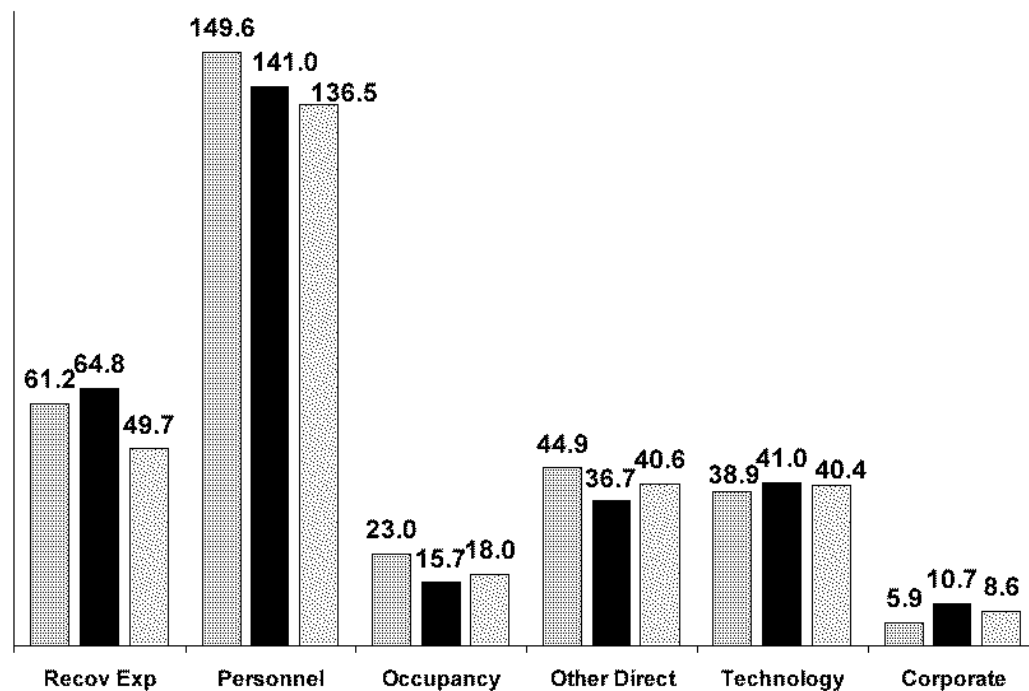


Cost Analysis

A\$m Operating Costs



A\$m Operating Cost Breakdown



■ 1H'01 ■ 2H'01 ■ 1H'02 □ 2H'02 ■ 1H'03

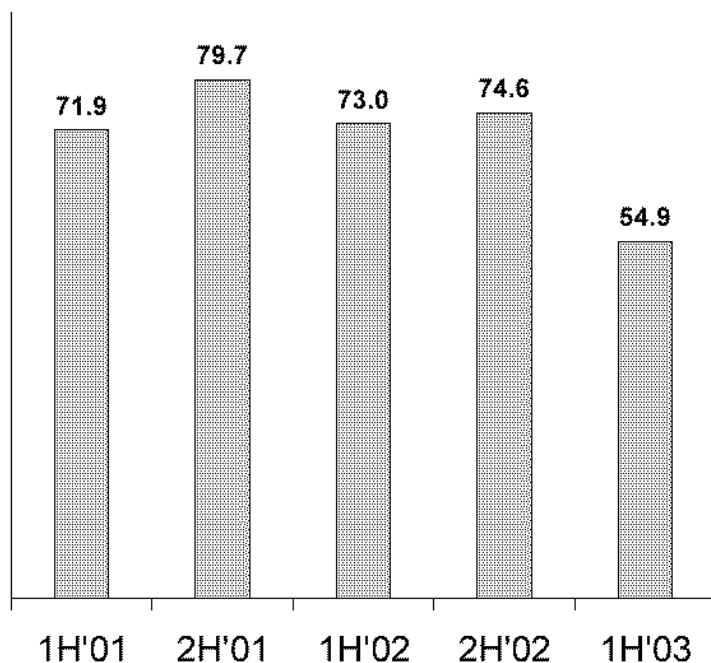
■ 1H'02 ■ 2H'02 ■ 1H'03



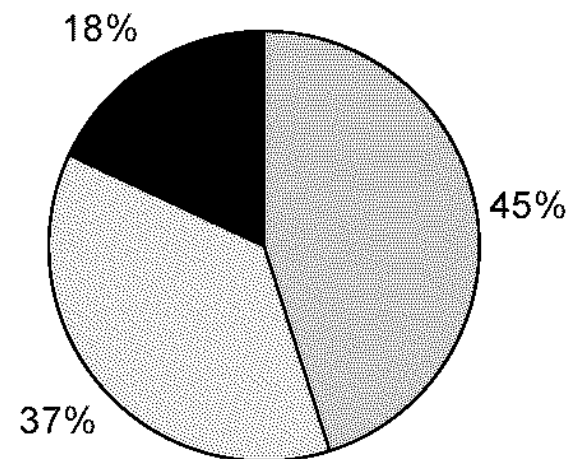
EBITDA generated from diversified portfolio

A\$m

Total EBITDA

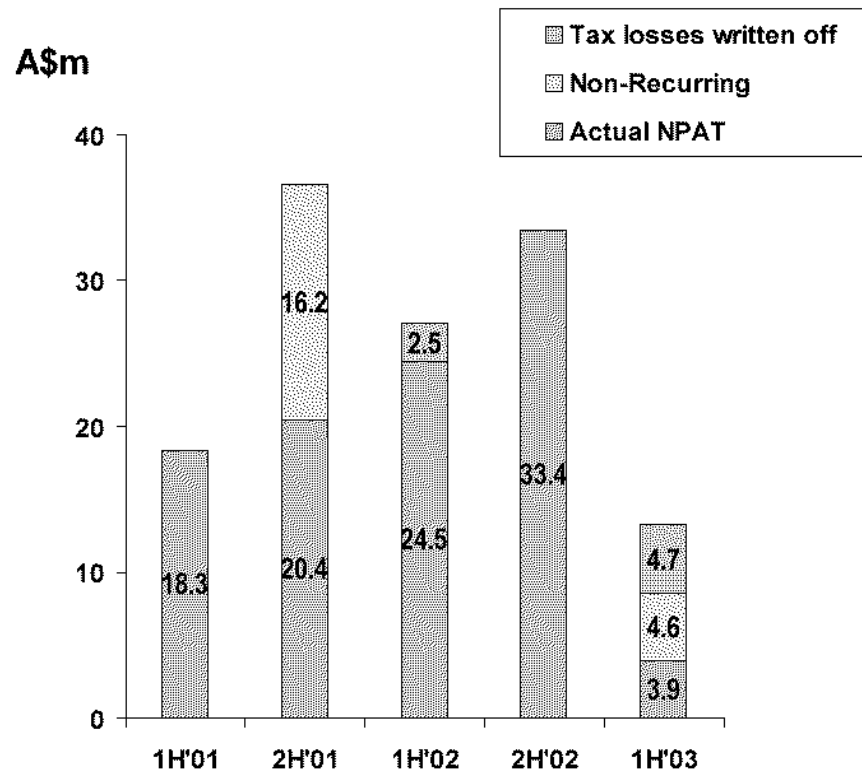


EBITDA Breakdown 1H'03



■ Asia Pacific ■ Europe ■ North America

Analysis of NPAT



Explanation

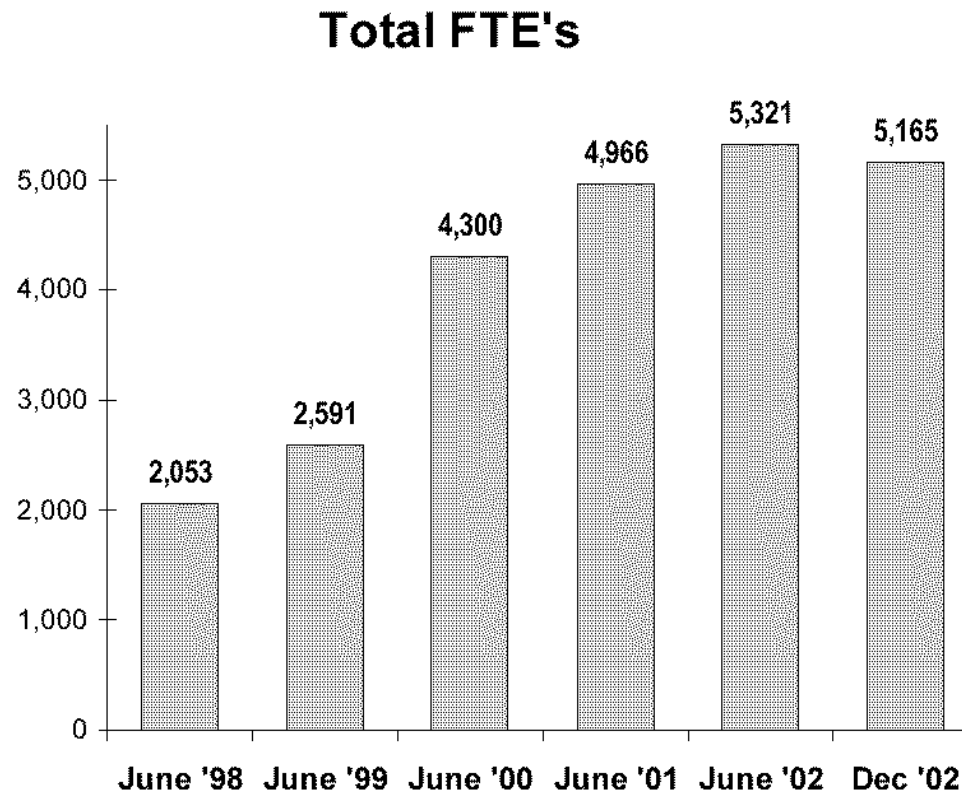
- Normalised NPAT for 1H'03 was \$13.2m

Note: Actual NPAT + Non-Recurring + Tax losses written off = Normalised NPAT

Effective Tax Rate

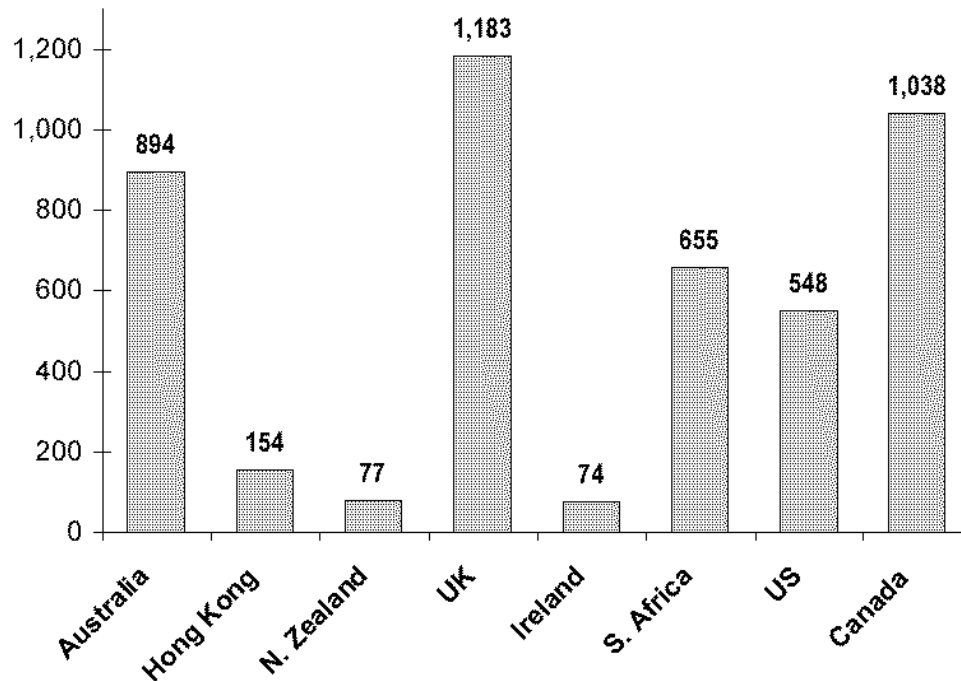
- Headline effective tax rate 1H03 65.2% (1H02 38.6%)
- Normalised headline effective tax rate 1H03 30.3% (1H02 32.3%)
- Headline rate adversely affected by benefit of losses not brought to account \$4.7 m (1H02 \$2.5 m)
- Underlying effective tax rate 1H03 10.6% (1H02 26.5%)
- Trend in regard to both normalised headline and underlying effective tax rate is lower

Headcount



Headcount *

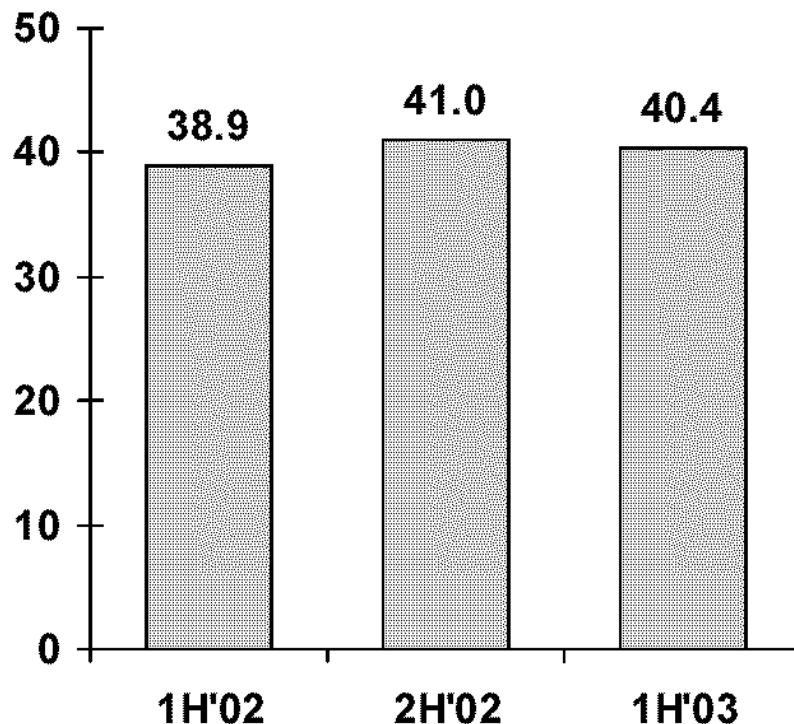
Geographic Breakdown



- Gross reduction of 296 FTE's
- Redundancy programs in Australia, UK and Canada
- Headcount increases in high growth businesses (i.e. Non Registry)

* Headcount excludes Technology and Corporate Services

Technology Costs – Establishing Global Platform



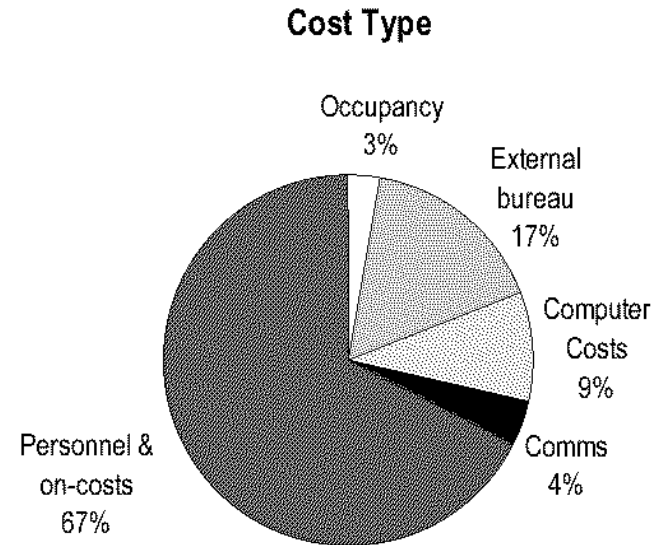
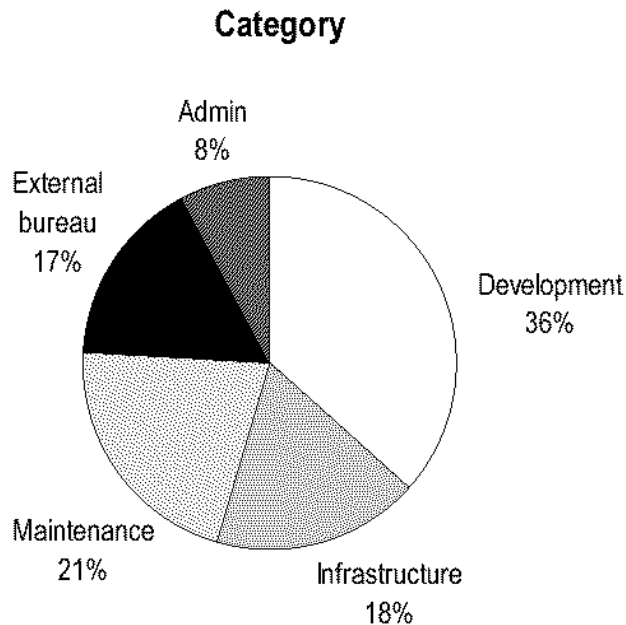
All A\$m – internal cash costs only

All technology costs are expensed

Major events:

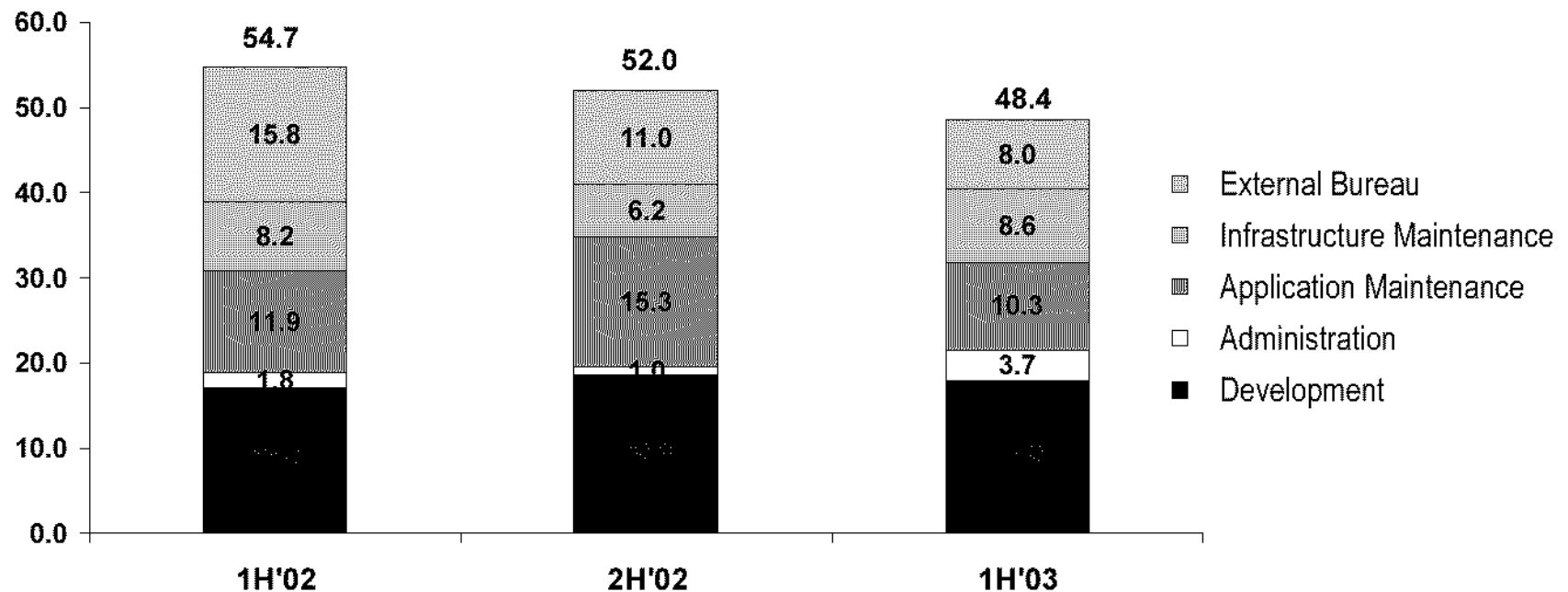
- SCRIP implementation: US, Canada and Hong Kong
- Global Options system development (including BP)

Analysis of Technology Costs



Analysis of Technology Costs

A\$m



Balance Sheet Strength

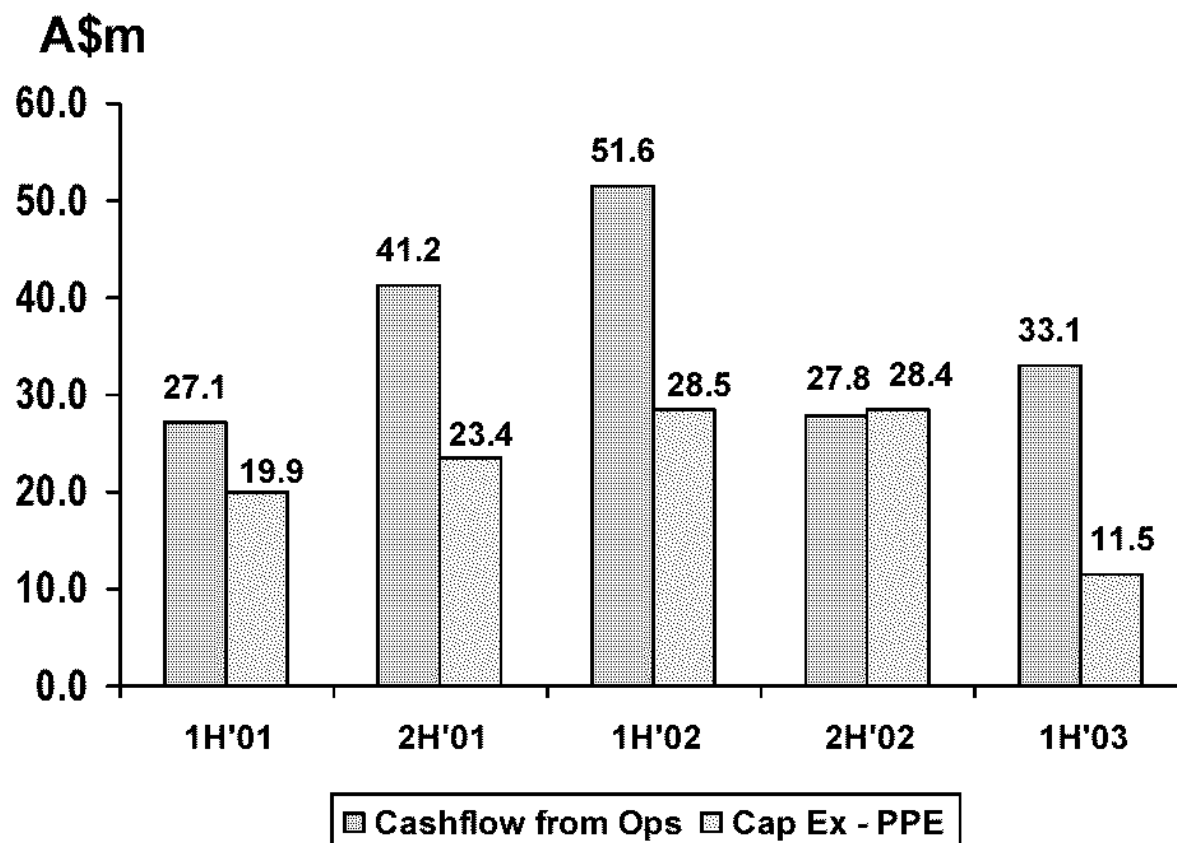
Net Debt / Equity = 11.8%

Net Debt = A\$ 74m

Committed Debt facility = A\$ 250m

Net Debt / Equity has increased as a result of the share buy-back and increased dividends

Cash Flow



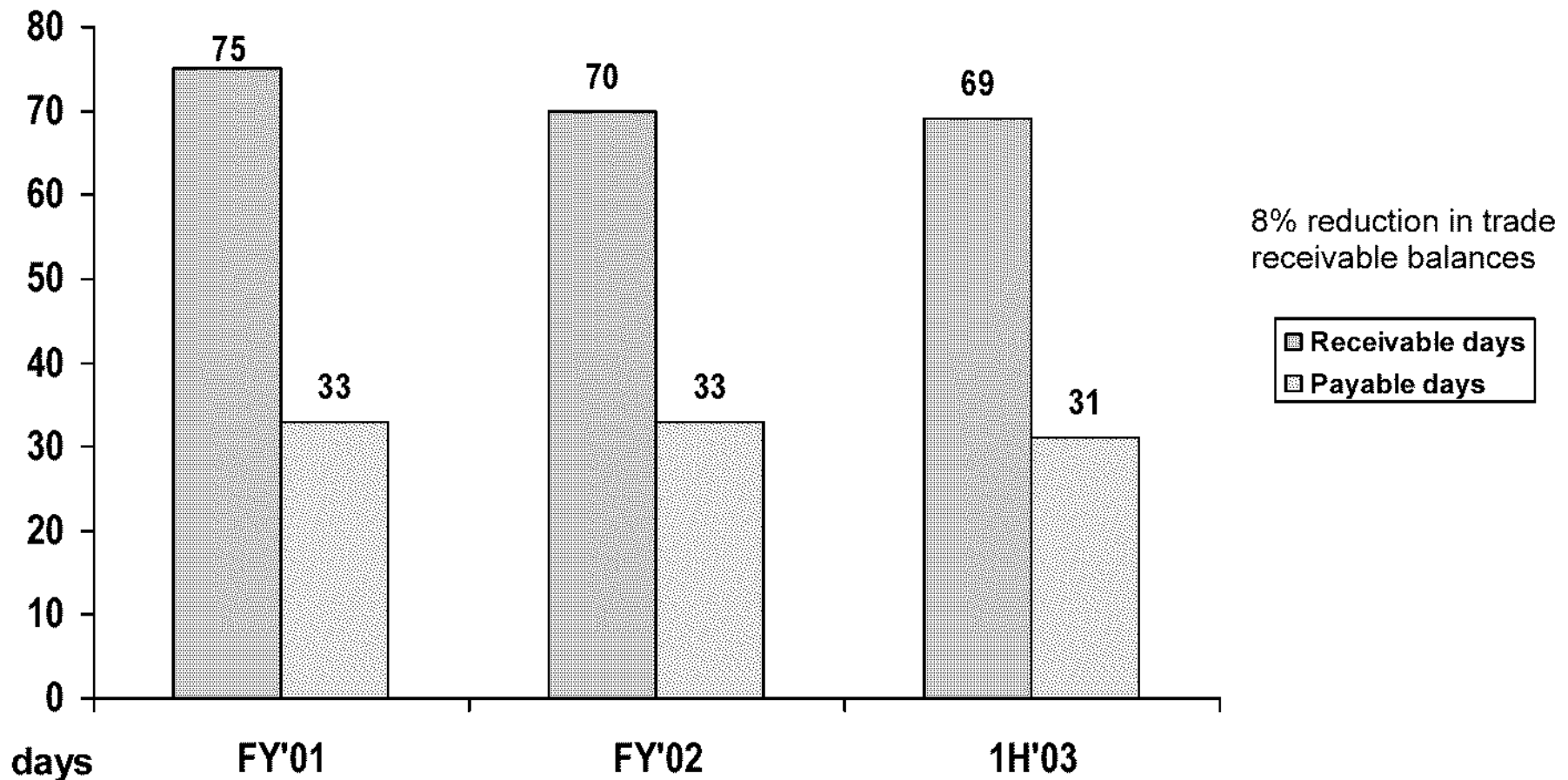
- Gearing on a net debt to equity basis – 11.8%
- Committed resources A\$250m
- Debtors days outstanding have fallen from 70 to 69 days

Capital Expenditure down 60% from Dec '01

	CPU Group Capex A\$ M
Occupancy	2.0
Document Services Facilities	0.1
Information Technology	8.8
Other	0.6
TOTAL	11.5



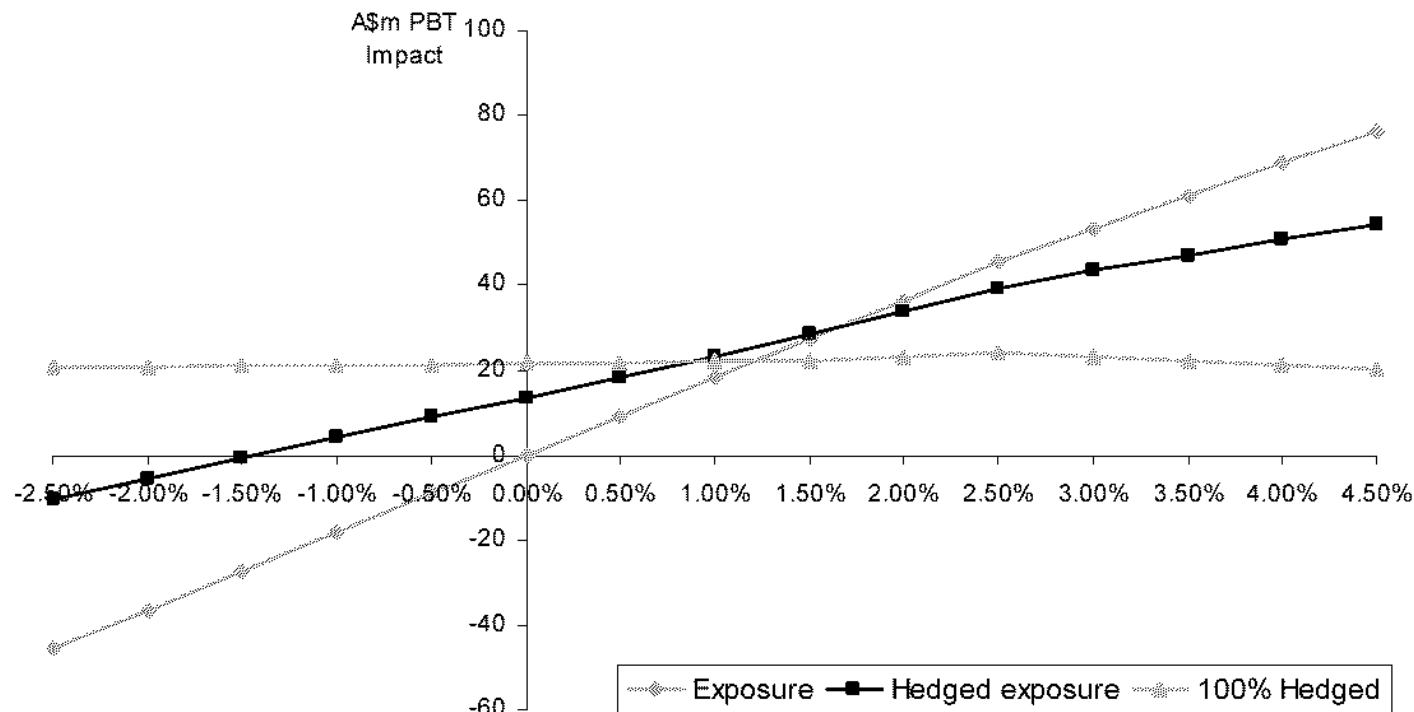
Working Capital Management Improving but not enough





Margin Income – Interest Rate Sensitivity

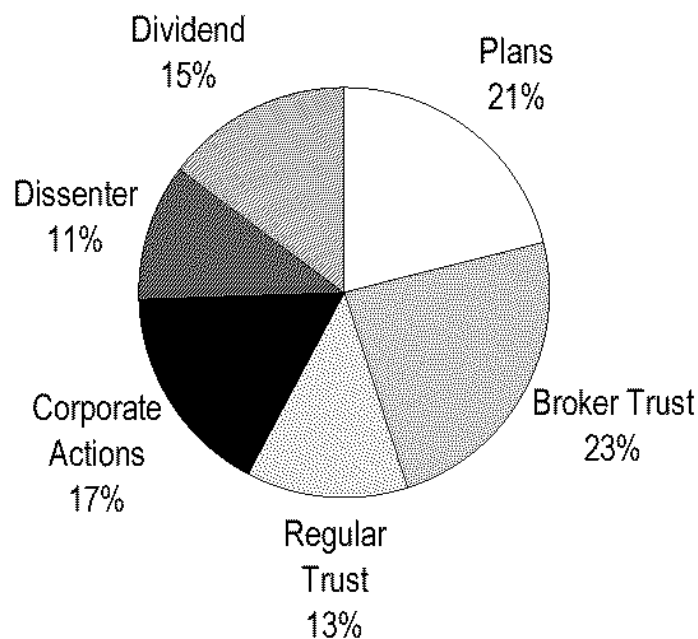
Margin Income Exposure



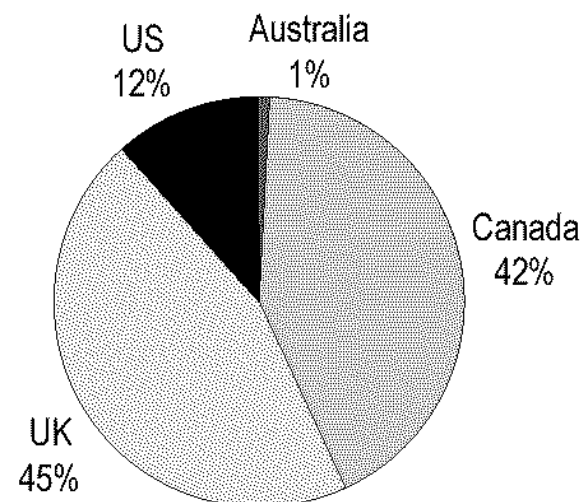


Risk Management - Funds Balances at 31 December 2002

By Category

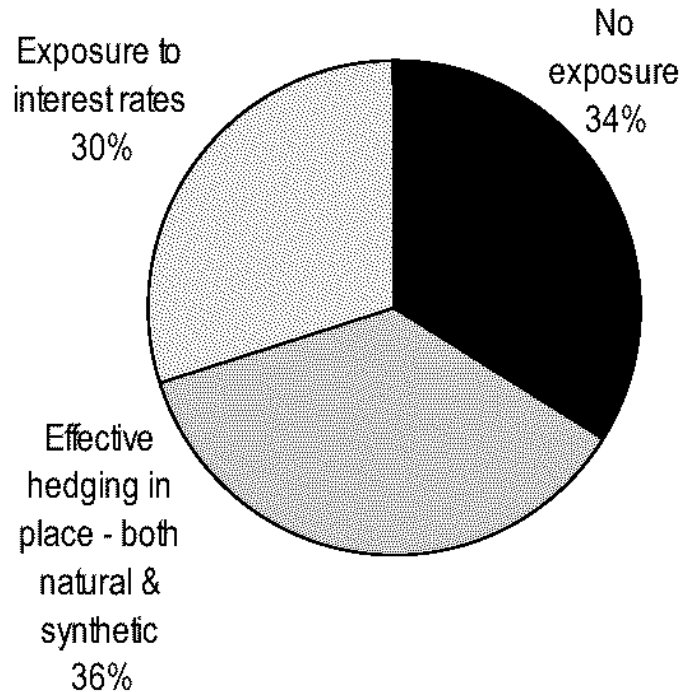


By Country



CY02 average balance range A\$3.1b – A\$4.5b

Risk Management - Interest Rate Sensitivity



Interest Rate Hedging

- | | |
|-----------|---|
| Strategy: | - Minimise downside risk in current low interest rate environment |
| <hr/> | |
| Policy: | <ul style="list-style-type: none"> - Minimum hedge of 25% / Maximum hedge of 75% - Minimum term 1 year / Maximum term 5 years - Current hedging: 36% |

Equity Management – Fully Franked Interim Dividend of 2.5 cps

- EPS – Normalised	0.8 cents
- Dividend	5 cents per year
- Current yield *	2.9%
- Franking Benefit – Total return	4.1%

* Based on share price of A\$ 1.70

Equity Management – Share Buy Back

- Commenced 11th September 2002
- Acquired 18,710,000 shares
- Average price A\$2.05
- Scheduled to complete 11th March 2002

Financial Summary

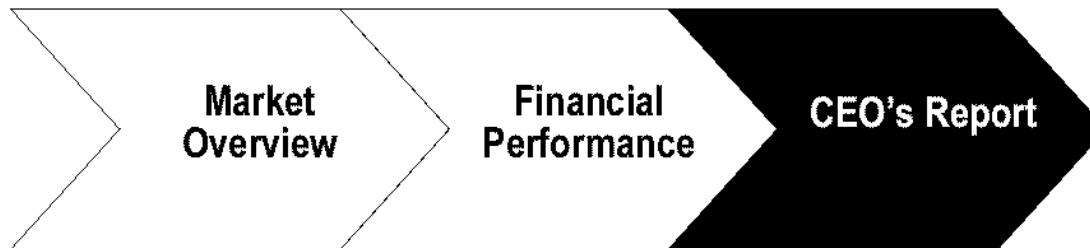
- Result in context of poor market conditions
- Further challenges ahead for full year
- Work on efficiency gains and new client wins will flow through 2H
- Capital management initiatives progressing
- Integration of financial systems and processes largely complete

Full year guidance

“Looking ahead in these uncertain times we are able to forecast and control our operating costs but it is difficult to be certain of revenues. At present the company expects to achieve EBITDA results for the full year (excluding non-recurring items) that are in line with market expectations (ranging from \$128 million to \$145 million).”

CEO's Report

Chris Morris
Chief Executive Officer



Managing our business through the cycle

- Financial Management Program
 - Cost control
 - Capital Management (Capex)
 - Timely Reporting

Managing our business through the cycle

- Technology – the key to our future
 - Workflow
 - Data Storage Systems (DSS)
 - COSMOS Options
 - Global Portal
 - USA and Canada completed

Managing our business through the cycle

- Markets Technology
 - Restructured division with separate P&L
 - EFA
 - Supplier of software to over 30 exchanges

Managing our business through the cycle

- Service Quality
 - Australia significant lift in service standards
 - North America top in recent surveys
 - Continued focus in all regions

Managing our business through the cycle

- People
 - Accountability
 - Hiring Quality People
 - Graduate Program

Managing our business through the cycle

- Winning and Retaining Business
 - BHP Billiton (Aus, SA, UK)
 - Whitbread (UK)
 - Fosters
 - PNC (USA)
 - David Jones
 - Bank of China (HK)
 - Tabcorp
 - China Telecom (HK)
 - Promina Group (Royal & Sun Alliance)
- At what margins?

Managing our business through the cycle

- The current business environment is creating new opportunities
- Short-term issues are important but we will not mortgage our future with a single focus on short-term gains.

Appendix A

Revenue Breakdown by Country

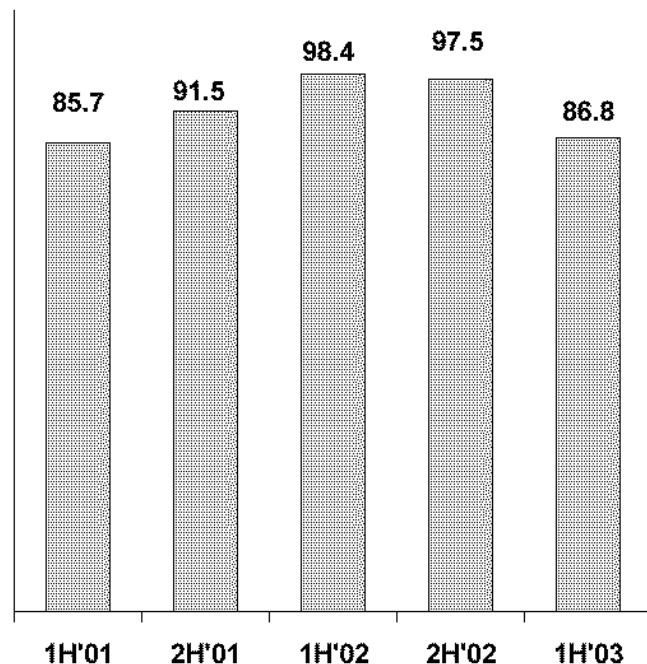
Competitive Environment

	Clients	Competitors
Australia	1,229	APRL
New Zealand	280	
Hong Kong	419	
UK	682	Lloyds, Capita
Ireland	162	
South Africa	562	
USA	384	BoNY, DST, Mellon
Canada	2,414	CIBC Mellon

Australia - Half Year Comparison

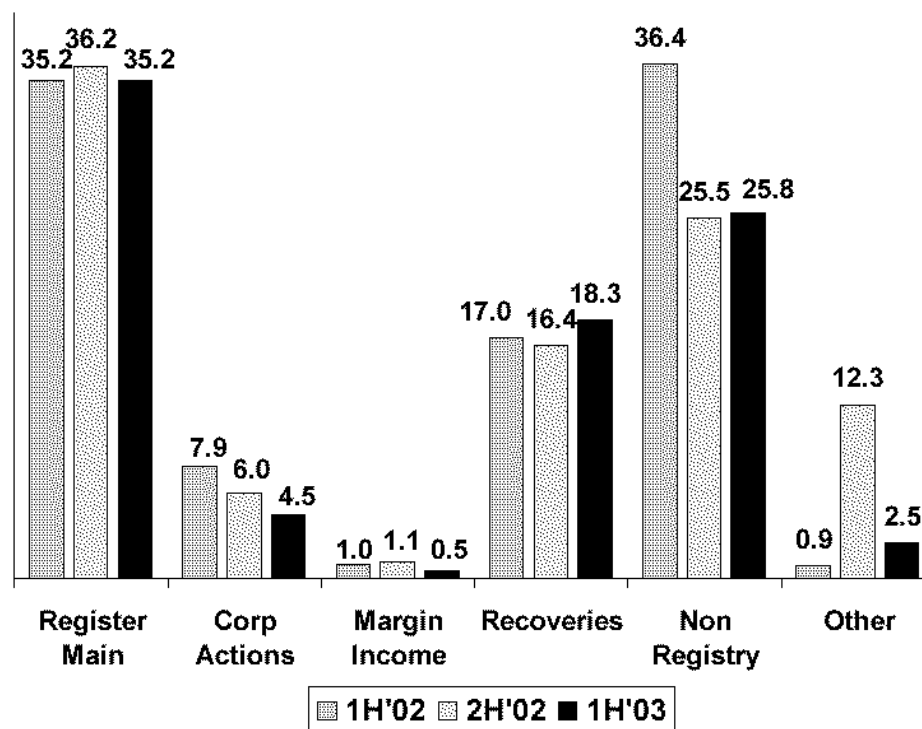
A\$m

Total Revenue



A\$m

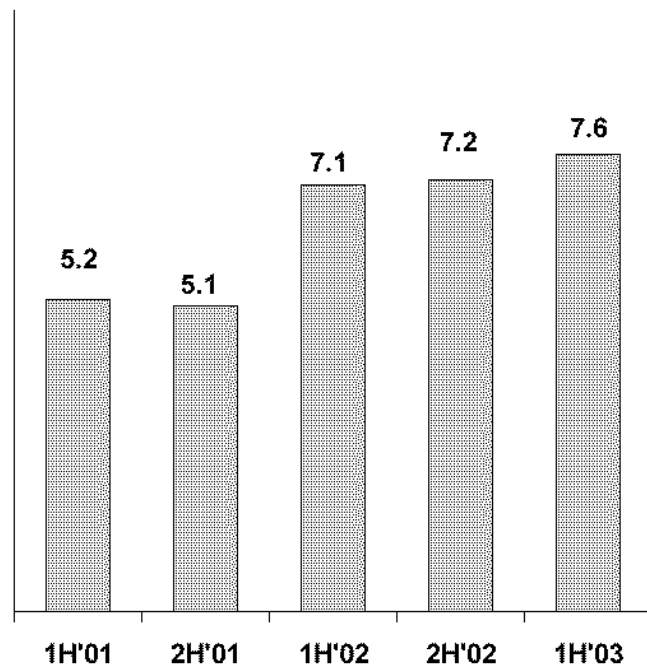
Revenue Breakdown



New Zealand - Half Year Comparison

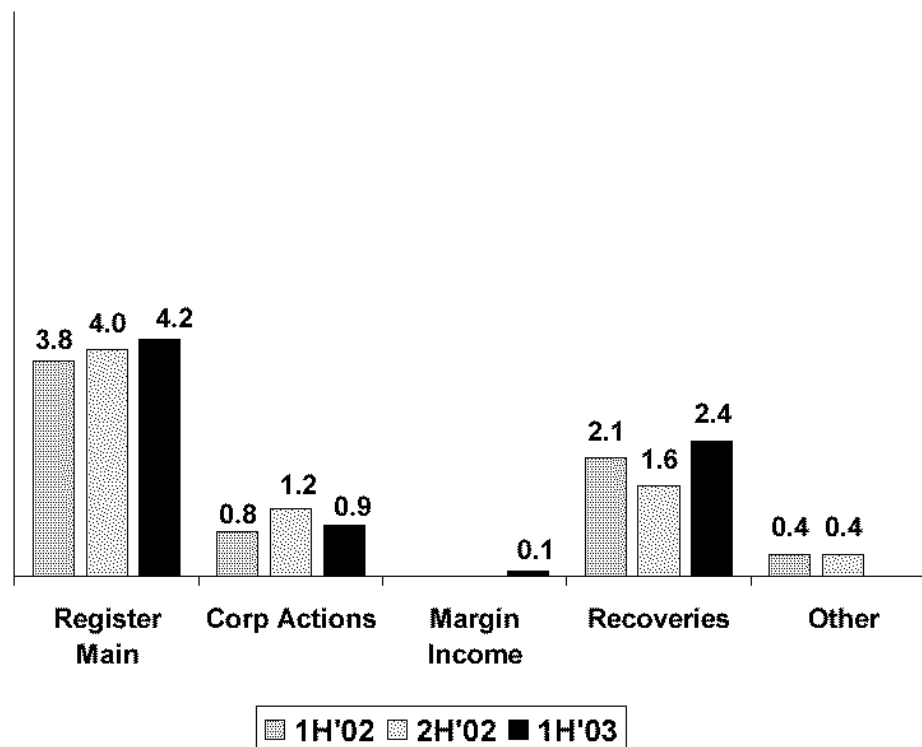
A\$m

Total Revenue

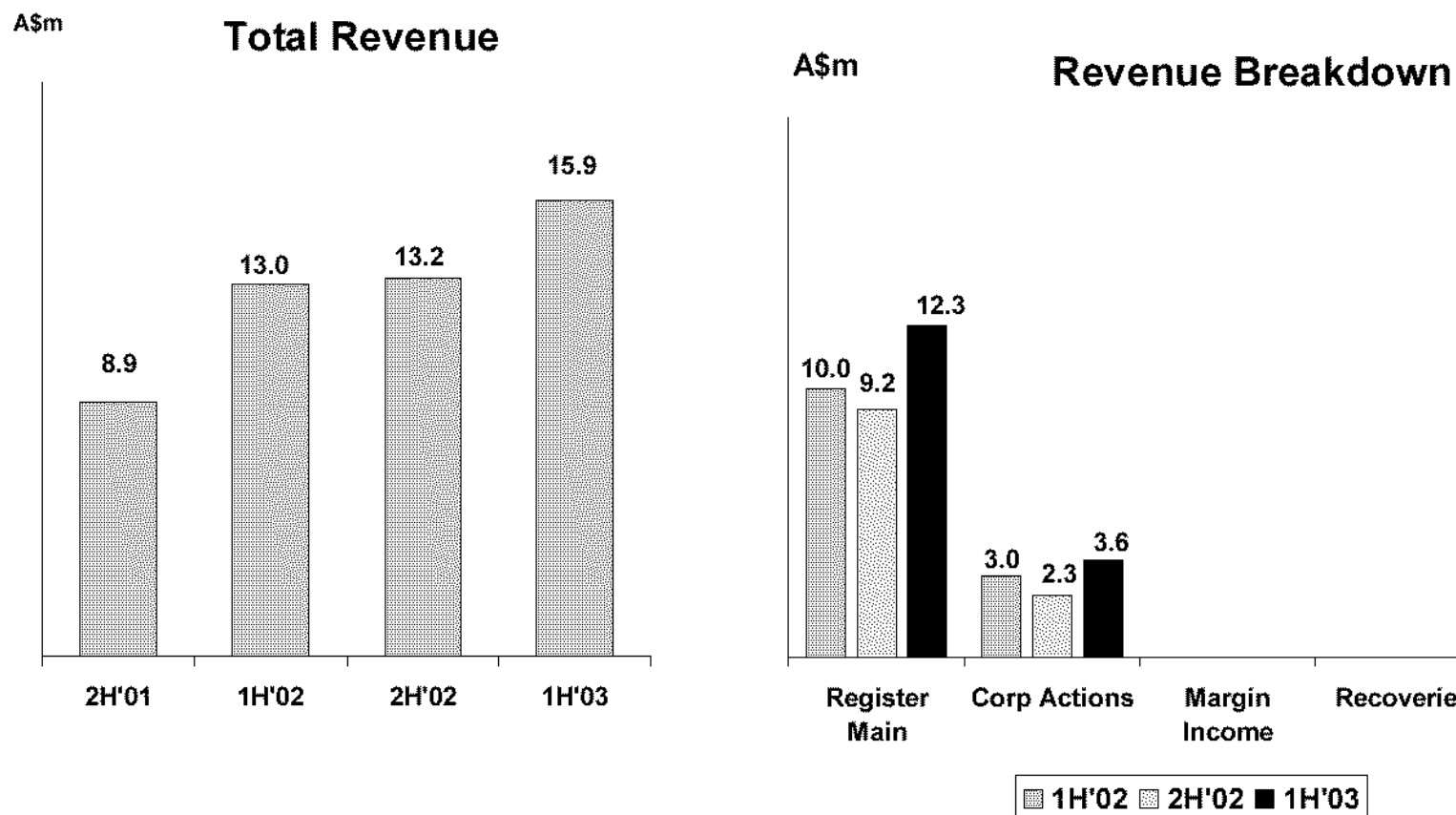


A\$m

Revenue Breakdown



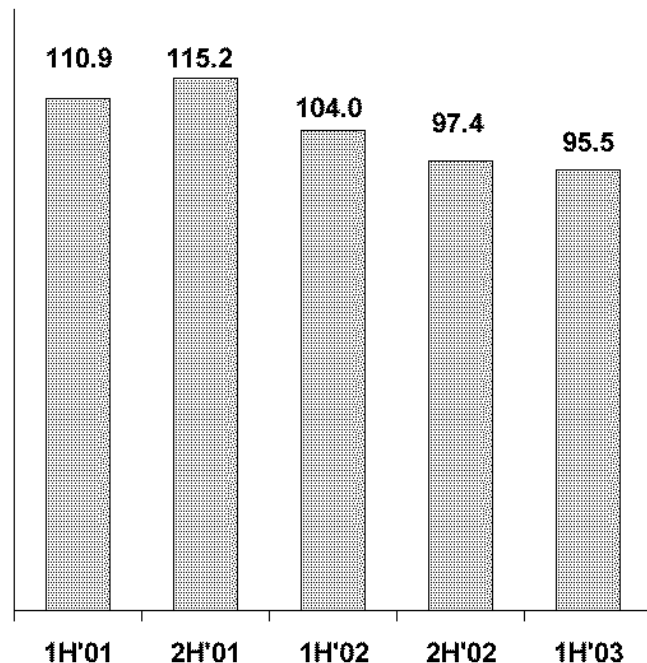
Hong Kong - Half Year Comparison



United Kingdom - Half Year Comparison

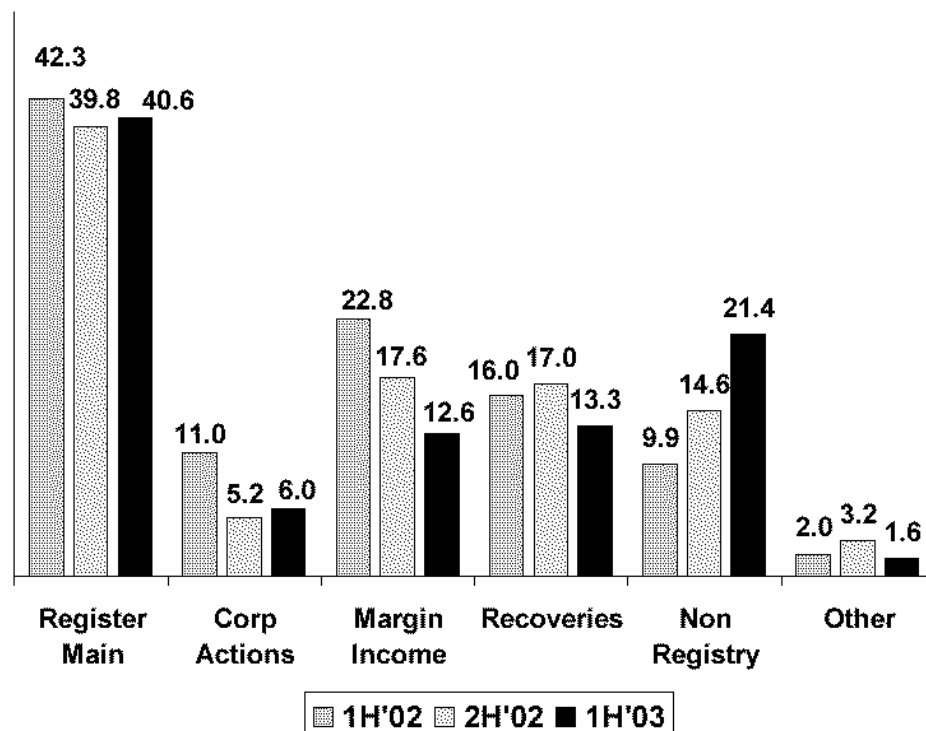
A\$m

Total Revenue



A\$m

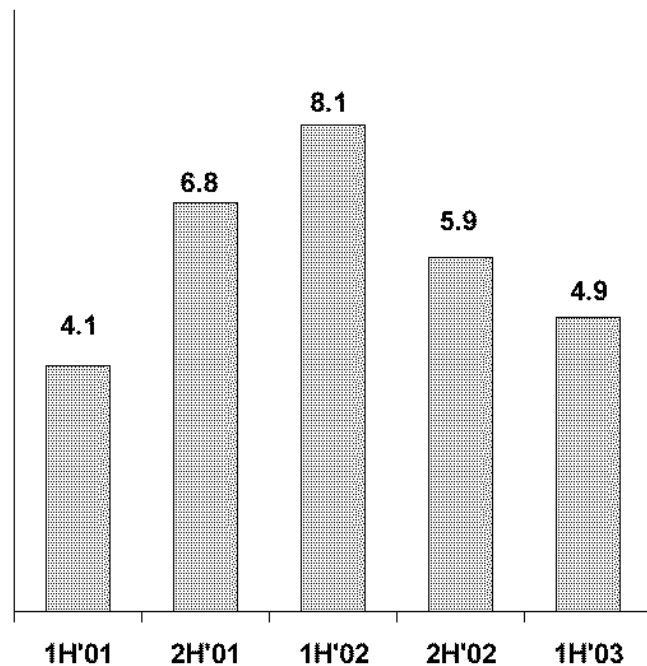
Revenue Breakdown



Ireland - Half Year Comparison

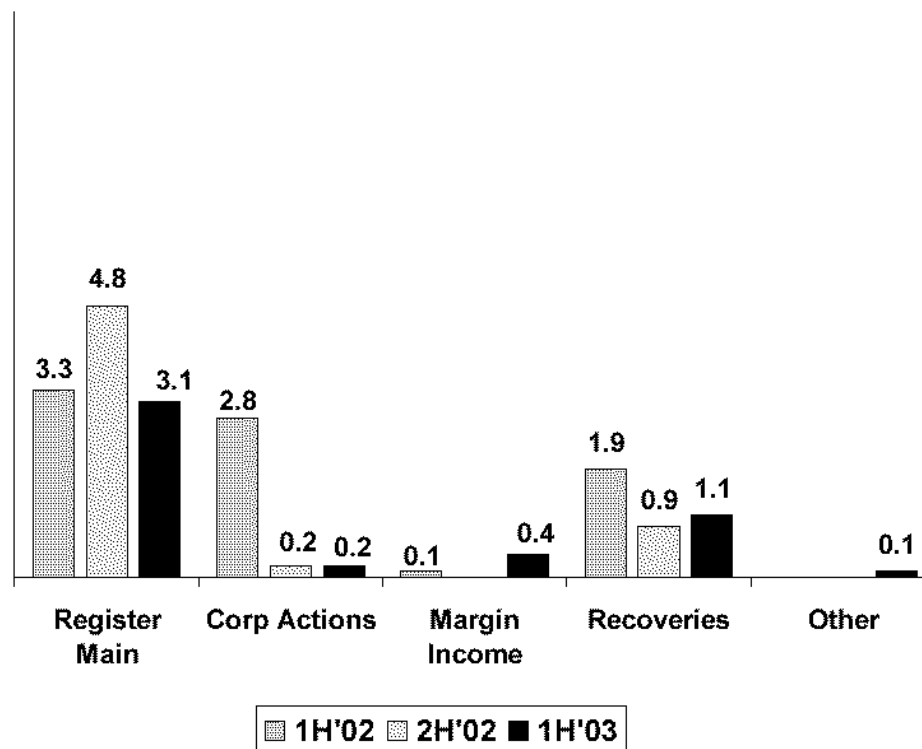
A\$m

Total Revenue

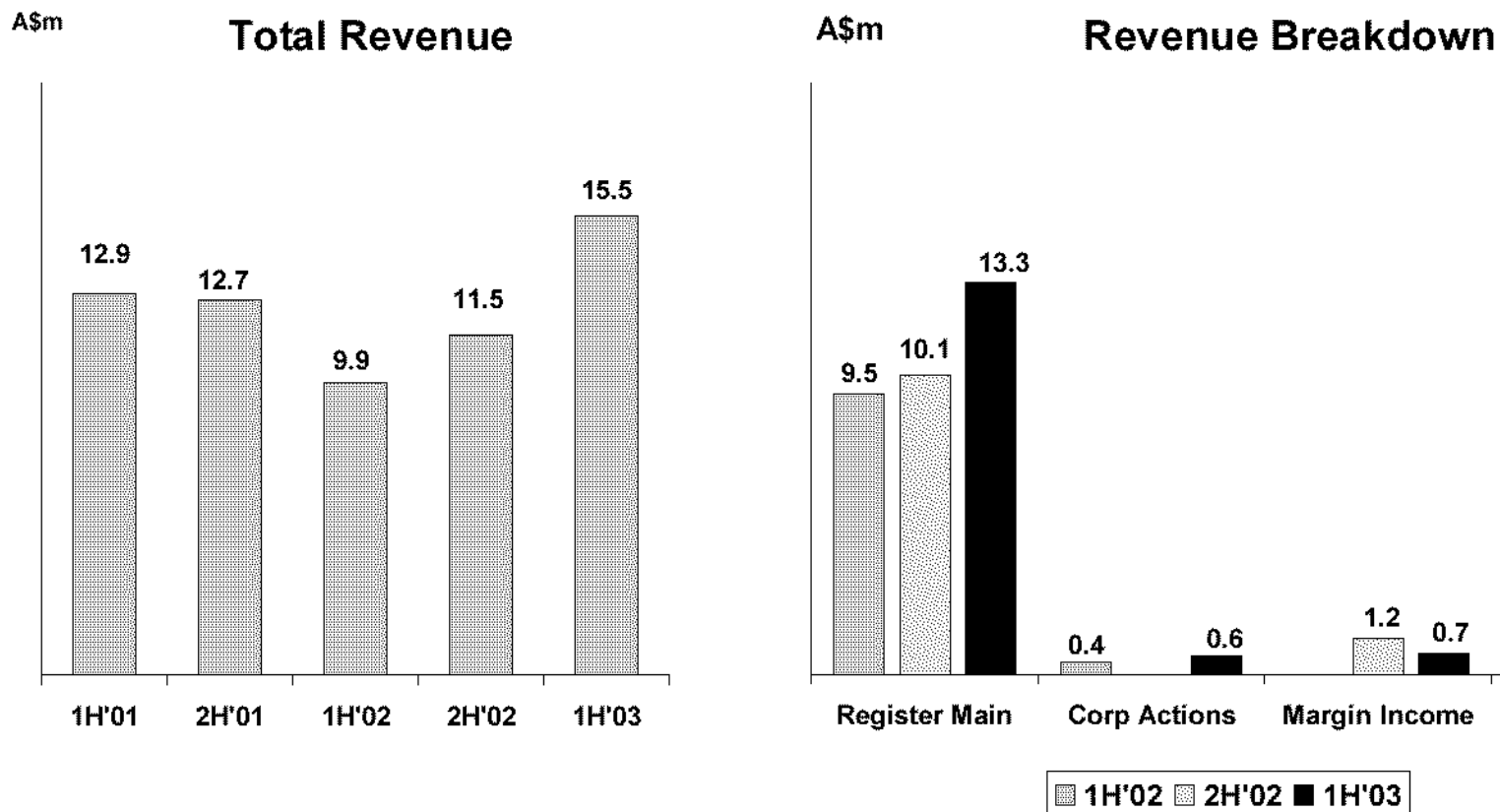


A\$m

Revenue Breakdown



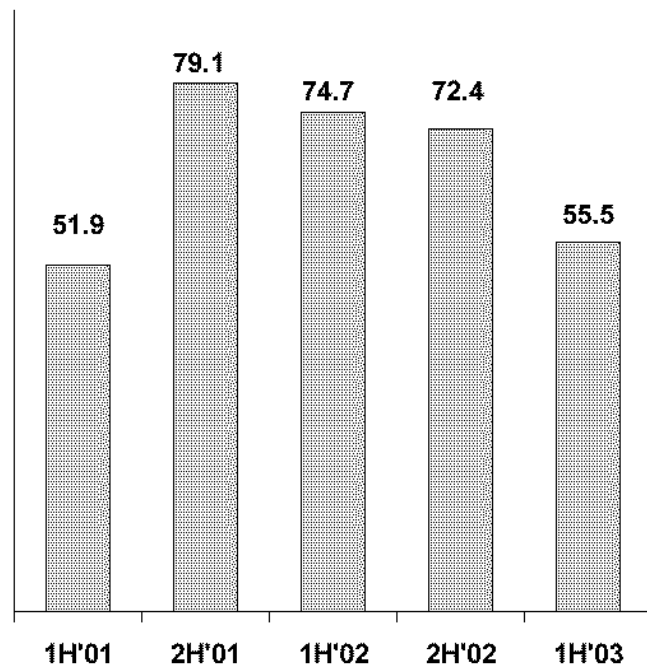
South Africa - Half Year Comparison



United States - Half Year Comparison

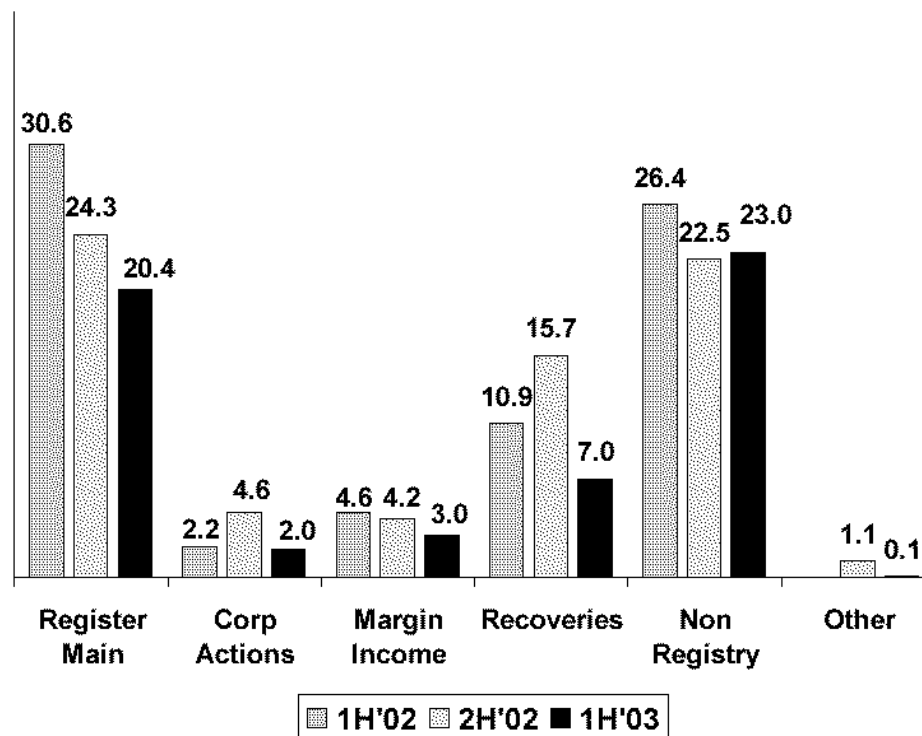
A\$m

Total Revenue



A\$m

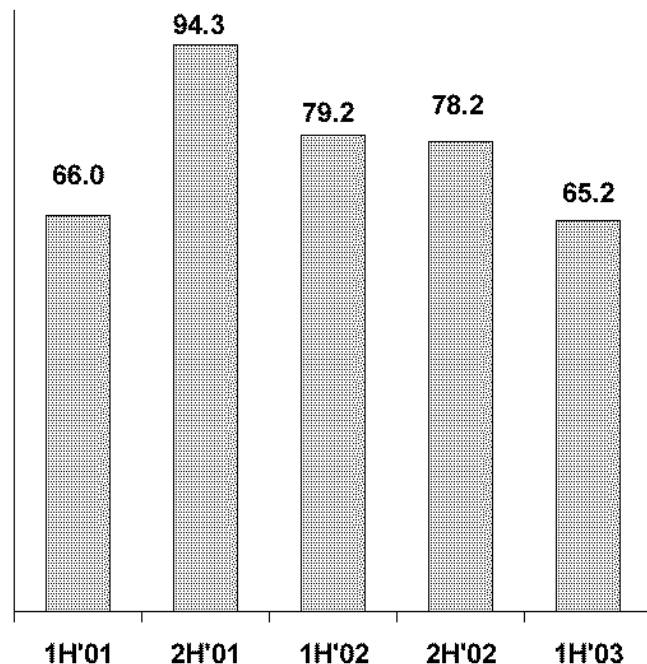
Revenue Breakdown



Canada - Half Year Comparison

A\$m

Total Revenue



A\$m

Revenue Breakdown

