ANNUAL GENERAL MEETING

Wednesday 10 November 2004

CHAIRMAN'S ADDRESS

INTRODUCTION

It is with great pleasure that I welcome you to our new global headquarters that accommodates most of our Victorian-based staff. The building has around 1000 staff and, for the first time, includes the executive, the business teams and our technology teams, under one roof, with all staff operating in a fully open-plan environment.

This year we celebrate our 10th anniversary as a listed company on the Australian and New Zealand stock exchanges and as I look around me today, I can't help but reflect over the past decade and be reminded of how far we have come in that time.

In 1994, just like today, we held our first AGM in our offices, although in 1994, we had around 1500 shareholders on the register and about 30 shareholders at the AGM. Today we have close to 30,000 shareholders in all parts of the world.

In 1994 our sales revenue was $12.9 million. In 2004 it was $871.2 million. Our profit before tax was $6.5 million in 1994 and was $110.7 million in 2004. The shares in Computershare were issued at $1.80 but over time these shares have been split so that one original share on issue is now 16 shares, with an adjusted cost of 11.25 cents per share. This can be compared to last night's closing price of $5.27, an increase of 47 times.

It is also worth recalling that at this point 10 years ago the company had a market capitalisation approaching $36 million. In contrast, we now have a market capitalisation over $2.9 billion.

The value that has been added to the company over the past ten years has been through a strategy that has transformed us from a purely Australian technology services provider to a multi-national company that is able to blend a wide range of products and services that deliver end-to-send solutions for companies, their shareholders, employees and even their customers. The business model we have created separates us from our peers and places us at a unique competitive advantage.

Credit is due to Chris Morris and the executive team, for what has been a great achievement to date.

The recent and most significant acquisition in the US, of EquiServe puts us in a leadership position in the US, meeting an important strategic goal in the region and delivering on both market and shareholder expectations for the company. In his presentation, I have no doubt that Chris will provide further background and detail on this important new development.

FINANCIAL RESULTS

I would like to turn now to the year in review.

The financial results this year have delivered substantial improvement across all metrics within the business including, earnings per share, revenues, cash flows and other balance sheet measurements.

If we exclude the effect of goodwill and include the effect of the preference share dividend, normalised earnings per share increased by 61%, from 11.79 cents per share to 19.02 cents per share.

If the impact of acquisitions is removed, underlying revenues improved by 6% against a 1% increase in costs.

As well as this, the company delivered a significant improvement in cash flows that increased by 79% to $136.1 million.

We maintained control over the level of capital expenditure that this year came in at $21.4 million and, at this level was comfortably below depreciation.

Technology expenditure for the year was $92.1 million, broadly in line with the previous year. Of this total, $41.1 million represented the R&D component that, in line with our on-going policy has been expensed.

On 19 August we announced a final dividend, fully franked, of 5 cents per share taking the total dividend for the year to 8 cents per share, fully franked, a 60% increase on the 2003 financial year. I wish to point out that in future, as a greater percentage of our earnings are derived offshore, it will not be possible to maintain the fully franked element of future dividends.

These positive results were delivered in a global environment that showed no sign of sustained recovery in corporate action or M&A activity in North America and Europe. In contrast, market conditions in Australia and, to an extent, Hong Kong, were markedly improved.

The challenge we faced this year, given global market conditions, was to maintain control over costs and to deliver innovative technology to improve efficiency and service quality to our clients and their stakeholders. This was combined with a commitment to strengthen our management teams in all regions and to seek out growth opportunities, particularly in North America – we believe that the successful execution of these strategies, underpinned this year's results.

Although it is impossible to predict the timing for the recovery of international markets, we believe that we continue to be in a strong position going forward. We expect that the cost synergies from acquisitions will flow through to the current financial year and we expect to continue to organically grow in our global employee plans and document services businesses.

We will continue to pursue our strategic objectives through expanding our range of services across all regions and through seeking out opportunities in both organic and acquisitive growth.

REMUNERATION

I'd like to turn now to the issue of remuneration.

During my address to shareholders last year, I foreshadowed a policy for continuing assessment of our remuneration policy and suggested that we would expect our policy to evolve through this process.

I pointed out, at that time, that the Board is committed to ensuring that compensation permits the company to attract and retain staff required to operate its global businesses.

During the course of the year, the Remuneration Committee has been giving careful thought to the policy for the remuneration of the key executives of the company and, following their recommendation, the Board has introduced a policy to reward these executives against clearly defined fiscal hurdles. In past years, both Chris Morris and Penny Maclagan have not accepted any additional remuneration, beyond their base salary, and I think it is well known to our shareholders that the salary paid to Chris Morris is at the bottom of the range when compared with other CEO's in Australia and the rest of the world.

The delivery of outstanding financial results this year that exceeded these hurdles has triggered a payment to these senior executives.

While both Chris and Penny were most reluctant to be included in the incentive rewards scheme, the Remuneration Committee felt that it would be wholly inappropriate for them to be excluded. Reluctantly they both agreed but as you will see from the notes to the accounts, they have generously donated a good portion of this year's bonus to charity.

I would also draw your attention to the fact that all remaining senior executives received their bonuses in the form of shares, as part of the Company's ongoing efforts to align their interests with those of shareholders. The executives are happy with this aspect of our compensation arrangements, which indicates their confidence in the Group's future prospects.

A review was also undertaken of the remuneration that was thought appropriate for non-executive directors, given the spread of the company's activities and the growth of the business. You will have received, in the Notice of Meeting, the details of the proposed increases for non-executive directors that we are requesting of shareholders. This is the subject of Item 5 in the order of business.

I believe that we have assembled an excellent board, reflective of the areas in which we conduct business and all board members are experienced in the areas of our operation and contribute to the services and growth of the businesses.

CAPITAL MANAGEMENT

Our capital management program continued this year with the buy-back of 16 million ordinary shares at an average price of $3.18.

In addition we bought back 600,000 of our reset preference shares at an average price of $103.57 and, following our announcement on 19th August, we have now converted the remaining 900,000 reset preference shares, under the terms of the issue, to approximately 24 million ordinary shares, at a Volume Weighted Average Price of $3.8459.

We are continuing to reduce working capital invested in the business and have borrowings at a level that can be well covered by the business which, as I indicated earlier, is generating excellent cash-flows.

Even after allowing for the mainly cash acquisition of EquiServe, gearing as defined by net debt to net debt plus equity has increased to approximately 45%. However, net debt to EBITDA, a key measure of our financial leverage, is projected to be slightly more than two times.

BOARD OF DIRECTORS

Last year I indicated that we would be seeking a further Director from Europe to reflect the spread of our business.

On 18 August we announced the appointment of Dr Markus Kerber as a non-executive director to replace the vacancy created by the retirement of Mr Peter Griffin.

We are delighted to have Markus join the Board. We believe that his addition will further strengthen the company's European board representation, following the appointment of Tom Butler last year.

I take this opportunity to thank all the board members for their contributions during the past year. It has, as always, been a privilege and a pleasure to work with you all.

On behalf of the Board, I would also like to thank all staff for their efforts and significant contribution during this successful year for the company. Your commitment and dedication has translated into significantly improved service quality and has been a major factor in our success this year.

OUTLOOK

Given current trading conditions and our first quarter results, we are comfortable with our prior guidance for the full year of 20% growth in earnings per share together with revenue growth of 10%, excluding the expected positive impact of the EquiServe acquisition.

In closing I would like to take this opportunity of thanking shareholders for their support and I now have pleasure in inviting our CEO, Chris Morris to provide you with his report.

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