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Welcome



Welcome to the winter edition of Insight 2007.

In this edition we again update you on several important Computershare initiatives and regulatory changes of relevance to your business.

We look at the significant opportunities presented to your company under the Simpler Regulatory System Act 2007, which received Royal Assent on 28 June, and we examine other important regulatory issues including director disclosure, anti-money laundering and stapled securities in relation to employee equity plans.

We outline the vital role Georgeson can play in helping companies navigate Australia's thriving M&A environment. We also explore solutions developed for Superpartners in response to legislative change and Foster's in respect of its global employee share plan.

We hope you enjoy the winter edition of Insight 2007.

Regards,

Mark Davis

Please [contact us](#) if you have any comments or suggestions.

Annual report legislation - your planning begins now

The Simpler Regulatory System Act 2007 has now received Royal Assent, allowing companies to set their web site as the default delivery mechanism of annual reports, rather than printed copies. ASX-listed companies should begin planning immediately to take full advantage of the change.

The legislative change is in response to three industry dynamics; the significant expense (financial and environmental) of producing hard copy annual reports, the increased use of electronic communications by investors, and the increasing disengagement many investors have with company reporting in its current form.

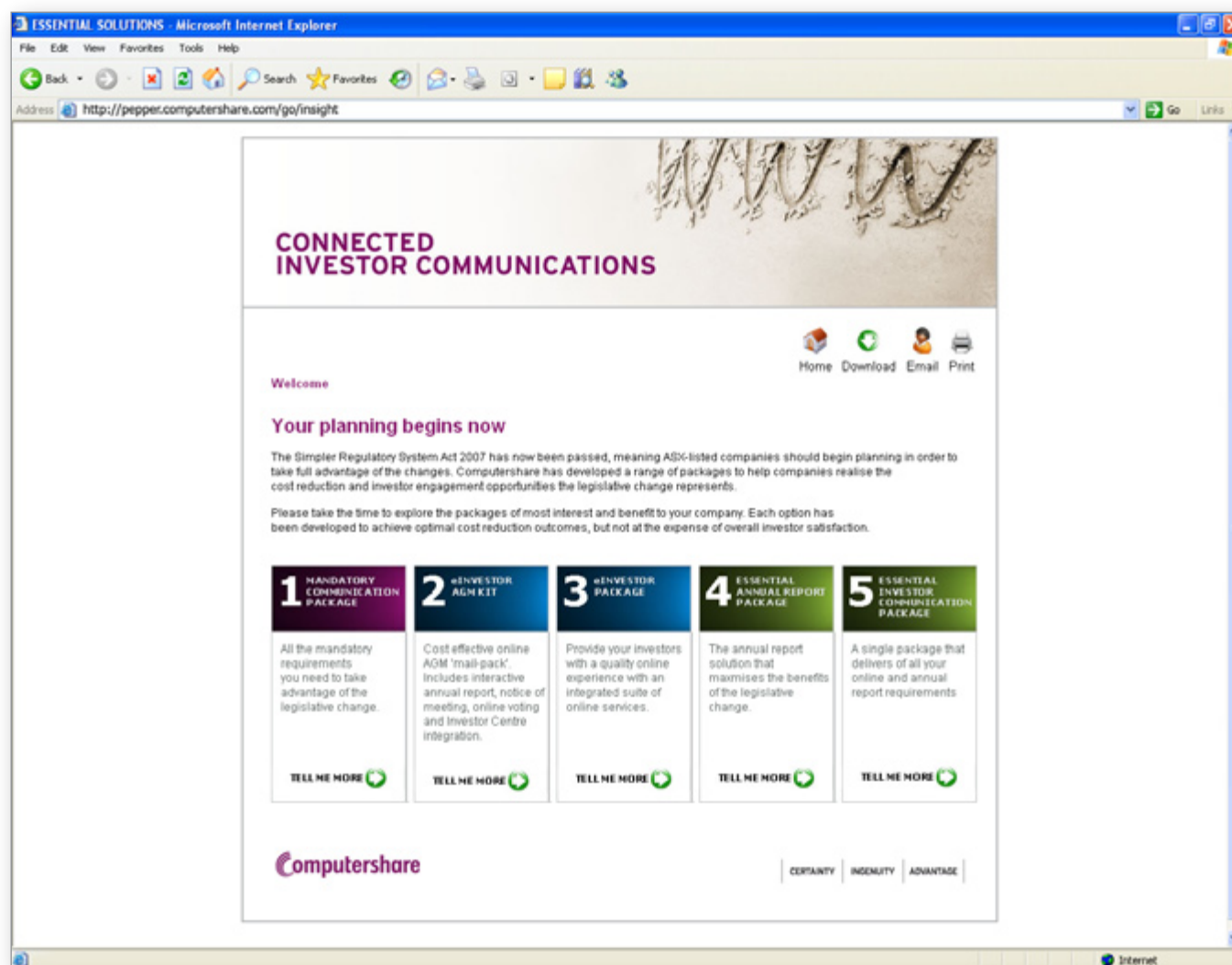
While the introduction of the Act means that companies can now engage investors more effectively through lower cost online communications, they must also continue to provide printed annual reports to investors who request them. Therefore, in order to achieve long term cost savings, companies must ensure their online services satisfy investor requirements, and that the annual report design, production and distribution process is optimised.

Computershare has devised a suite of connected investor communication solutions to help you meet your communication objectives and legislative requirements.

Please explore our range of communication solutions by visiting our web site:

[CONNECTED INVESTOR COMMUNICATIONS](http://pepper.computershare.com/go/insight)

If you require further information, please contact your Computershare relationship manager or email the Essential Registry team on askcomputershare@computershare.com.au



Click image to view the Connected Investor Communications web site

The M&A boom in Australia: a game of percentages

As merger and acquisition activity continues to dominate the headlines, it is more critical than ever for companies - whether undertaking or defending a bid - to apply the right strategy to ensure a successful outcome.

Australia has witnessed a significant increase in M&A activity over the past year. Debt-financed buy-outs have risen from approximately \$A1.7 billion in 2005 to more than \$A25 billion last year, with private equity activity now representing around 20 per cent of total mergers and acquisitions in Australia¹.

As a global leader in this field, the team at Georgeson fully understands the complexities involved in hostile and friendly acquisitions, proxy battles and takeover defences.

Susan Kitchener, Managing Director of Georgeson, firmly believes that companies should leave no stone unturned, as the outcome of many bids balances on a knife-edge.

"The success of a bid is heavily reliant on the accurate interpretation of holder sentiment to allow for the execution of an effective communication strategy. Deals that fail, often do by devastatingly small percentages; highlighting the importance of combating complacency amongst holders who assume that it is a 'done deal' or that their vote is too small to bear any significance."

Services typically required by companies involved in an M&A transaction include:

- › **Opinion research** among retail securityholders provides valuable insight into their sentiment and likely response to a transaction. Vital intelligence gathered in the early stages of a transaction is key to the development and execution of an effective securityholder communications strategy - one that will drive the delivery of key messages and motivate holders to act.

¹ <http://www.theage.com.au/news/business/private-equity-buyouts-path-to-prosperity-or-pain/2007/05/29/1180205250022.html>

- › **Securityholder information help-lines** (toll-free) enable companies involved in a transaction to immediately respond to securityholders on a large scale. The delivery of clear, consistent and accurate information from a tightly-formulated script allows holders to make an informed decision and complete complex documentation.

- › **Securityholder canvassing (bidder or target)** facilitates the delivery of key messages and motivates securityholders to accept or reject an offer - often the difference between a successful and unsuccessful takeover. Canvassing helps identify key issues influencing securityholder acceptance intentions, providing the bidder or target company with a strategic and tactical advantage during the takeover process.

- › **Proxy solicitation (scheme meeting)** garners support for mergers and other extraordinary transactions, maximises voting participation across all classes of securityholder and overcomes customary voter apathy. Direct contact with holders to deliver key messages significantly increases voter participation, converting intent into favourable votes. This is crucial to outweigh the skewing effect of dissenters, who will always vote.

Recognised as the global leader in securityholder communications and proxy solicitation, Georgeson provides strategic consulting and execution services to corporations involved in mergers, hostile and friendly takeovers, proxy battles and other complex transactions.

For more information regarding how Georgeson can assist your company then please contact Ryan Wade, Director of Business Development on (02) 8216 5701.

Georgeson

A COMPUTERSHARE COMPANY



Self-service enhancements

We have recently made enhancements to our investor self-service offering to further improve the user experience.

1. Easy Update

Computershare's Easy Update is an online four-step wizard available to new securityholders via the New Securityholder Pack (NSP), which is designed to promote and encourage self-service with each securityholder from day one of their relationship with your company. Easy Update is fast and convenient, enabling new securityholders to provide all their information online.

The key elements of Easy Update include:

- › a redesigned welcome letter, driving self-service (web or IVR) as the primary message
- › the option of removing all forms and/or the reply paid envelope from the NSP. As well as the web address, a telephone number will be provided for securityholders to request forms or utilise the full IVR-based Easy Update channel.

2. Transact on a single holding capability

Securityholders with single holdings will no longer need to join Investor Centre to access online enquiry and transactional facilities. Available on the Investor Centre web site and via your company's web site, this capability enables more securityholders to manage their holding details online and ensures first-point resolution for the majority of enquiries.

These developments increase the self-service options available to your securityholders, providing them with single holding, portfolio holding and IVR self-service capabilities.

REDUCING THE BURDEN OF UNCLAIMED DIVIDENDS

Each year Computershare passes in excess of \$35 million dollars of unclaimed dividend and distribution monies to state revenue offices on behalf of Australian listed entities.

Many entities have been proactive in developing solutions around unclaimed monies, with the intention to prevent an ongoing administrative burden. To achieve this objective some entities including Platinum Capital Limited (PMC) have proposed a new clause in their constitution that allows for the provision of dividends, unclaimed six months after the date of payment, to be automatically reinvested in additional shares in the entity.

Computershare regularly seeks to offer clients proactive and resourceful methods of tracing unclaimed payments, including reminder notices on payment advices and ad hoc targeted campaigns. In recognition of the importance of this issue, we are currently developing an industry-wide solution which will benefit all securityholders and entities. We look forward to keeping you updated on our solution over the coming months.

The screenshot shows the Computershare Investor Centre interface. It includes a 'Member Login' section with fields for 'User ID' and 'Password', and a 'Register now!' button. Below the login section is a 'Features' list and a 'Non Member access' section. A table of ASX stock prices is visible, listing various stocks and their current prices and changes.

ASX	Price	Change	%
ASX Ordinance	6,993.3	17.3	0.25%
ASX 200	6,166	14.4	0.23%
ASX 20	2231.7	1.4	0.06%
ASX 100	4874.4	8.7	0.18%
Computershare	16.48	0.01	0.6%

ONLINE BUYBACK FACILITY NOW AVAILABLE

In response to discussions with clients and brokers looking to provide Issuer Sponsored Holders with an option that extends beyond the traditional paper-based method, Computershare now offers an online share buyback facility. This facility provides securityholders with:

- › greater control over the share tendering process; removing the risk of forms arriving after the close of the offer or not at all
- › flexibility to update or withdraw their tender up until the close of the offer, rather than having to mail the form a couple of days in advance.

For more information on our online buyback facility, please contact your Computershare relationship manager.



Case study: Foster's Group - One global share plan, one global message

Facts

In 2006, Foster's sought to offer an employee share plan to 6,611 eligible employees globally.

It required a synchronised roll-out with a simple message, communicated through multiple delivery channels.

Simplicity was imperative and employees at all levels of the organisation needed to clearly understand the benefits they received through participation in the plan.

Critical Action

The message was created and embraced globally across all cultures.

Personalised email communications were distributed to employees, giving them recognition as individuals rather than a collective.

This campaign made it simple to track non-responsive employees and execute further communications driving them to participate.

Over 30 global site champions were selected to be a frontline resource for employees.

Each champion was equipped with online knowledge and tools to respond to plan-related queries from colleagues.

Results

93% of eligible employees chose to participate in the employee share plan.

6,008 Foster's employees, in sixteen countries were allotted 783,423 shares in the company.

"The extremely high take-up rate was indicative of the fact that employees were able to understand the offer and saw value in accepting it."

Elizabeth Dekmetzian,
Foster's Group Limited Reward Advisor



NEW TAXATION LEGISLATION TO BENEFIT EMPLOYERS AND EMPLOYEES

On 12 April the Tax Laws Amendment (2007 Measures No. 1) Act 2007 received Royal Assent. This legislation applies to acquisitions of stapled securities or rights to acquire stapled securities on or after 1 July 2006.

The Act extends the current employee share plan and related capital gains tax provisions to stapled securities that include ordinary shares listed on the ASX. This allows more employers a greater range of equity awards to offer their employees; increasing their ability to provide strong share plans that drive employee retention strategies.

Stockland recently took advantage of this change in legislation and has made an Exempt Plan offer to all eligible employees, achieving a 95% take-up.

"We were very pleased with the results of our first tax exempt offer under the new legislation. We are looking forward to August and implementing our new Rights Plan, which is also covered by the legislation. The two new plans provide a much simpler platform, so that we can focus more on results for securityholders than on tax-driven complexities of share scheme design," said Debra Lewis, Manager Performance & Reward at Stockland.

To discuss how companies with stapled securities are taking advantage of these changes, please contact matthew.reed@computershare.com.au

Case study: Superpartners - Computershare builds a super solution

Superpartners, Australia's largest superannuation administrator, required a solution to minimise the impact of new legislation on its members. Superpartners administers 12 super funds and \$64 billion on behalf of 5.75 million members.

Not so Simple Super

In May 2006, Treasurer Peter Costello announced changes to make superannuation easier for all Australians.

These changes, under the banner 'Simpler Super', require each super fund member to provide their tax file number (TFN) to their fund(s). Failure to do so will result in contributions being taxed at an additional 31.5%. Additionally, after-tax contributions will be rejected if no TFN is recorded.

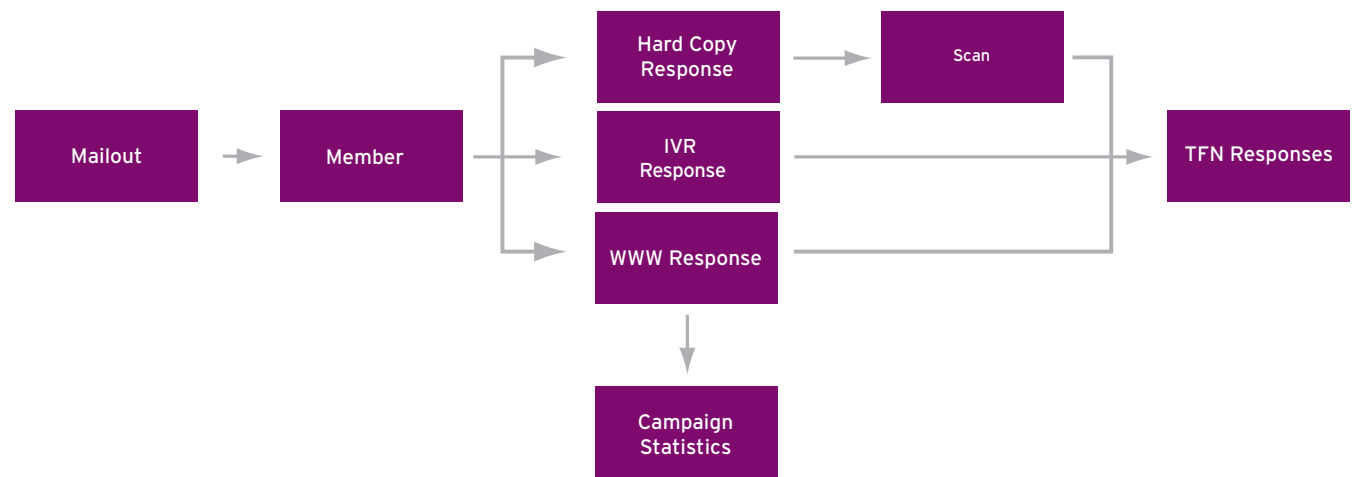
Superpartners recognised the distinct possibility of its contact centres being overrun, with up to a million members trying to supply their TFN.

Detailed planning the key

Steve Leach, Superpartners National Operations Manager, approached Computershare to develop a solution that would make it easy for members to register their TFN, and avoid service bottlenecks which had the potential to be costly and provide a poor member experience.

Computershare drew on its extensive TFN capture experience (having captured more than 800,000 investor TFNs in the last year alone) to devise a multi-channel approach. The solution enabled Superpartners to provide members with the choice of three channels by which to provide their TFN (see diagram):

- > a secure web site
- > an IVR-based TFN collection vehicle
- > a scannable form, to be returned in a 'reply paid' envelope, which was added to bi-annual member statements and included in targeted campaigns.



Computershare managed the mailing campaigns, all three TFN capture channels and supplied the TFN data files to Superpartners on a weekly basis for upload, along with campaign reports.

Super results

Superpartners has captured more than 125,000 TFNs in the last two months, with response rates between 10 and 15% for inserts and targeted mailing responses as high as 35%. Superpartners is also adding new channels, such as personalised emails, that link to a secure web site.

"Computershare reacted quickly to our TFN program, developing solutions and generating an impressive response, which reinforced our high service levels." Steve Leach, National Operations Manager, Superpartners

For further information about Computershare's TFN solution, please contact David Twaits, Business Solutions Consultant:

Work: (03) 9415 5290
 Mob: 0438 695 179
 Email: david.twaits@computershare.com.au

For further information on how Superpartners can help superannuation funds, please contact Steve Leach, National Operations Manager:

Phone: (03) 9200 4037
 Email: sleach@superpartners.com.au

Permail acquisition - a direct route to your customers

Computershare Communication Services has significantly bolstered its direct marketing service capabilities with the recent acquisition of Permail, a Sydney-based premier direct mail company boasting over 40 years' industry experience. The purchase was finalised on 31 May 2007.

Permail's expertise in direct mail, marketing and fundraising communications will ideally complement Computershare's existing capabilities, enabling us to deliver more innovative and technology-based solutions to clients of both Computershare and Permail.

The acquisition forms part of our national growth strategy, and demonstrates our ongoing commitment to balancing our capability to support the needs of a growing national customer base.

If you would like to further discuss the opportunities available for your business under our expanded service offering, please contact your Computershare relationship manager.

The acquisition demonstrates our ongoing commitment to balancing our capability to support the needs of a growing national customer base.



IML helps uncover insights at AICD conference

More than 600 delegates gathered at the Australian Institute of Company Directors (AICD) conference in Shanghai during May, to discuss China's economic boom.

As a conference sponsor, Computershare used its IML electronic keypads and Question Wizard software to gain a real-time snapshot of delegate views on a range of important issues.

Questions focused on the sustainability of the boom, and the ramifications of China's growth on the Australian marketplace, in light of our geographic proximity coupled with our strength in the natural resource and energy sector.

Judging by the results, respondents saw no reason for China's economic prosperity to stall; with 61% of delegates rejecting the claim that environmental effects will overwhelm China's growth, and 63% disagreed with the notion that the rich/poor divide will put a brake on the prolonged boom.

In the event China's economy stalled, 88% of respondents believed it would have no direct impact on the Australian economy.

Computershare's involvement in this conference was of particular relevance, given our involvement in shaping the securities registration and employee share plan environment in China since 1999. We also maintain a strong presence in the region through our Hong Kong business, which accounted for 86% of IPO capital raised in the last calendar year, a figure broadly in line with previous years.

A fitting end to the conference

Computershare's IML technology - which can also be used to instantly poll resolutions at annual general

meetings - provided great entertainment for guests at the AICD formal dinner, with the keypads used to place electronic bids on silent auction lots.

Bidding was instant and keypad screens kept guests updated with the highest bids. This led to numerous bidding wars resulting in AU\$40,000 being raised for the Half the Sky Foundation, which supports orphaned children in China.

IML's keypads can also be used to instantly poll resolutions at AGMs. For more information on this, please contact your Computershare relationship manager. If you would like to know more about IML's Silent Auction or Question Wizard please contact Sandy Cheng, IML Account Manager, on (03) 9415 5292 or email

info@imlaudienceresponse.com.au

As a conference sponsor, Computershare used its IML electronic keypads and Question Wizard software to gain a real-time snapshot of delegate views on a range of important issues.



Director disclosure proposed legislation change

In 2003, the Corporations and Markets Advisory Committee (CAMAC) proposed that disclosure requirements for section 205G of the Corporations Act be reduced from 14 calendar days to 2 business days after trade.

This proposed reduction in the disclosure period, which has recently been endorsed by the Commonwealth Government, is not feasible under current ASTC settlement rules (T+3), if meaningful and accurate information is to be disclosed to the market.

Currently, the ASX Listing Rules 3.19.A and 3.19.B significantly reduce the Corporations Act requirement from trade + 14 calendar days (T+14) to trade + 5 business days (T+5). This timeframe allows directors to confirm settlement and accurately disclose movements to the market.

CAMAC has suggested that disclosing to the market on the basis of estimated data is acceptable and preferable to later disclosure, which would produce more meaningful and accurate data. CAMAC should consider two serious implications of its recommendation:

- › It will compel directors and issuers to potentially disclose misleading information to the market
- › Consequently, the definitive data would need to be disclosed when it becomes available (minimum Trade + 4 business days), thereby doubling the workload for companies in disclosing directors' interests.

The CAMAC recommendation, if implemented as proposed, will sacrifice accuracy in the pursuit of timeliness whilst potentially doubling the compliance burden.

Computershare proposes that if the Corporations Act requirements are to be amended, they be realigned with the current ASX Listing Rules which have proved to be workable and fair. As both an issuer and agent to issuers, our concerns have been communicated to the government.

View the [CAMAC recommendations](#) as reviewed and evaluated by the Government.

ANTI-MONEY LAUNDERING LEGISLATION UPDATE

The Australian Transaction Reports and Analysis Centre (AUSTRAC) has responsibility for overseeing compliance with the provisions of the Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Act 2006. In addition, the AML/CTF Act provides that AUSTRAC will implement a series of rules to cover a number of matters, which include but are not limited to:

- › customer identification, both specific requirements and the circumstances under which the requirements will be triggered
- › reporting, covering compliance with the provisions of the AML/CTF Act as well as transactions that have been deemed to be suspicious
- › the items that must be included in a Reporting Entity's AML/CTF Program.

We have been analysing the likely impact of these rules on the services we deliver some clients; we will seek to meet with affected clients to discuss any required changes in procedure.

To view the rules relating to customer identification and the AML/CTF Program please visit:

www.austrac.gov.au/aml_ctf_rules.html



Build share register efficiency through your company constitution

If you are changing your company's constitution for any reason this year (i.e. to enable the introduction of Direct Voting), you should take the opportunity to consider several strategic initiatives that can assist in improving the efficiency of your share register. Some securityholder friendly amendments to your articles can include:

- › Removal of any provisions which could impede or prevent electronic delivery and receipt of the Notice of Meeting and associated Proxy Form. This has a benefit of allowing fast and effective communication to securityholders, as well as assisting in the reduction of print and postage costs for your company. Receipt of proxy votes via electronic media allows convenient, fast and secure technology such as our online voting facilities or Interactive Voice Response (IVR) to be accessed by securityholders.
- › Inclusion of a best practise definition for a less than marketable parcel of shares under the value of AU\$500. This will allow for 'disposition of securities' and enable your company to easily and effectively sell unmarketable parcels of shares on behalf of non-engaging small securityholders.
- › Removal of any provisions that would prevent mandating of dividend payments via direct credit banking. This method of payment reduces reliance on cheques, thus mitigating one source of risk and potential fraud.
- › Removal of any prohibition on charging securityholders a fee for registering off market transfers and effecting shunts between registers. This is consistent with the proposed amendment to ASX listing rule 8.14 to remove the current prohibition on such fees.

Should you like more information on how these or other changes you are considering will assist in improving the efficiency of your register, please contact your Computershare relationship manager.

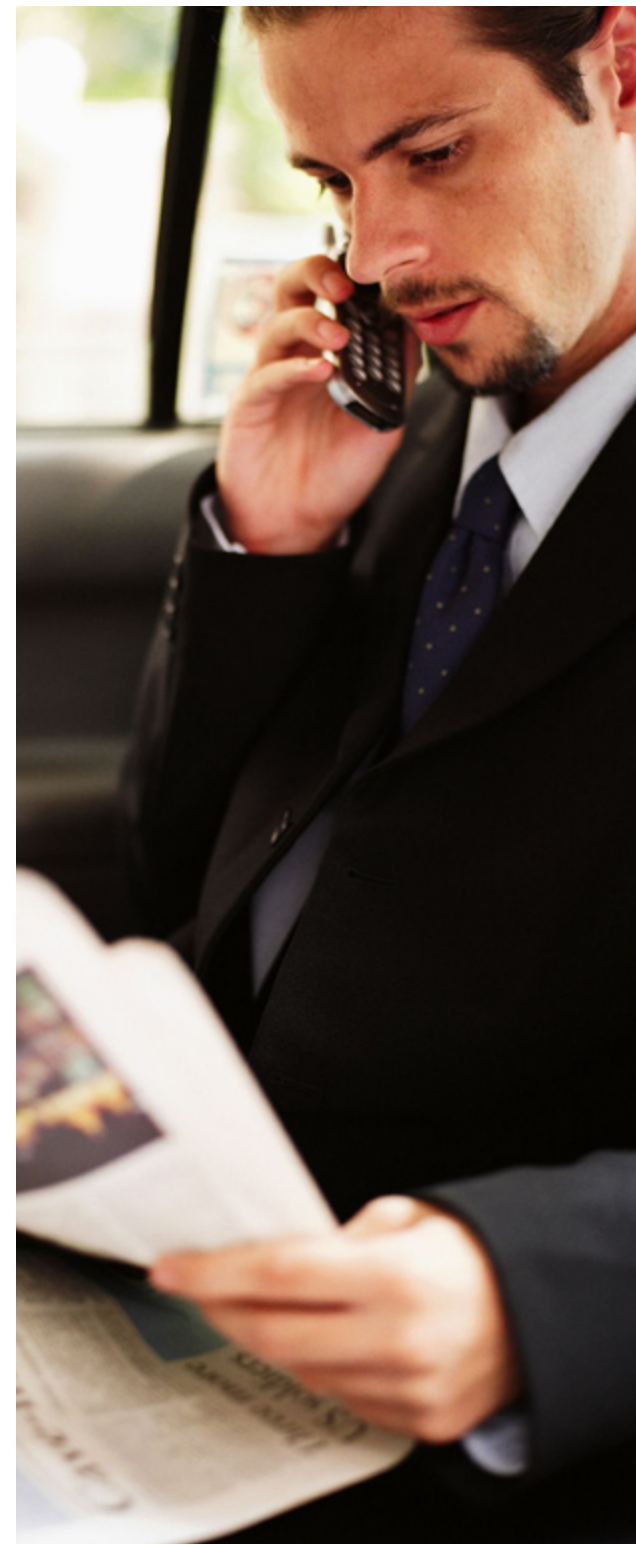
If you are changing your company's constitution for any reason... you should take the opportunity to consider improving the efficiency of your share register.

REMINDER - NON-BUSINESS DAY ON 7TH SEPTEMBER 2007

To coincide with the Asia-Pacific Economic Cooperation (APEC) Summit to be held in Sydney in September, the New South Wales Government has declared the 7th September 2007 a public holiday for the Sydney metropolitan area. Subsequently ASTC has declared the 7th September a Non-Business Day, meaning no settlements will take place on that day.

As 7th September 2007 has been declared a Non-Business Day, it should not be counted as a Business Day in any timetable in relation to rights issues, dividend payments or other corporate actions where the ASX listing rules specify a pre-determined number of Business Days between events.

It should be noted, while the 7th September 2007 is a Non-Business Day, the market will still be open for trading.





Case study: BAA - a top-flight service

Facts

In April 2006, a consortium headed by Grupo Ferrovial, the Spanish construction company, announced an offer for BAA plc, the world's leading airport company. The initial offer was rejected by the BAA board and as a result, a hostile takeover defence was necessary.

Critical Action

Georgeson undertook to communicate with over 350,000 BAA shareholders, representing 10% of BAA's issued share capital, advising them to reject the hostile bid.

We worked closely with BAA in an advisory capacity to answer shareholder queries following the mailing and to provide advice concerning the completion of documentation.

Our dedicated team of 20 London-based advisors helped to guide over 14,000 shareholders through the complexities of a changing situation over a six-week period. Each shareholder was treated with the same high level of professionalism regardless of the size of their holding.

Results

The initial rejection and multifaceted defence meant that Ferrovial made a series of improved offers until full value for BAA shareholders was reached. On 26 June 2006, Ferrovial declared the Offer unconditional in all respects.

"It has been a joy to work with a team that we have such confidence in, and that is so reliable and professional." Sarah Hunter, Finance and Property Director, BAA plc

COMPUTERSHARE EMPLOYEES CYCLE AGAINST POVERTY

In February, 23 Computershare employees from around the globe participated in a 500km bike ride over six days through the mountains of Laos, raising over \$140,000 for CARE Australia as part of Computershare's Change a Life initiative.

The highlight of the trip was a visit to one of five villages in Laos receiving funding from Change a Life.

"A surreal experience today, after 500km on the bike, a few on the bus, 3 hours on a slow boat and 6km hike into an isolated mountainous village, to encounter welcoming tribal elders, inquisitive children and a blessing from the whole community. This was such an unforgettable, culturally rich and touching finish. Good luck CARE with the project to be developed," said Australian employee Dustin Teasdale.

The Change a Life initiative aims to unite the global Computershare community by funding projects around the world managed by charities that share our vision of addressing poverty and empowering communities to effect long-term change.

For more information on the Computershare Change a Life initiative please visit www.computersharecares.com

