

ShareOwnership Analysis

What is *ShareOwnership Analysis*?

As leaders in share ownership analysis in Australia and the world, Computershare Analytics through its fully integrated *ShareOwnership Analysis* service, provides companies with key information on the identity of the beneficial owners and fund managers who have investment discretion over their company's shares.

Computershare Analytics' proven expertise and specialist *ShareOwnership Analysis* service also extends to the analysis of multiple registers, (eg. ADRs) co-ordinated through our global offices which can provide our clients with a consolidated global ownership analysis.

The primary objectives of this service are to:

- (a) identify the individual investment decision-makers for holdings that are held via custodians and also those held in a private company structure
- (b) identify those fund managers that are absent from a company's stock
- (c) benchmark institutional ownership levels against a company's peer group
- (d) develop a meaningful tool to improve a company's investor relations efforts

Why is *ShareOwnership Analysis* Valuable?

The major benefit of *ShareOwnership Analysis* is that it provides companies with the appropriate information to refine their investor relations targeting efforts and measure their effectiveness.

As the majority of institutional investors' holdings are registered in the name of custodians or trustee companies, a share register may shed little light on a company's beneficial holders, or how these holdings are controlled by domestic and international fund managers.

Computershare Analytics offers a fully integrated system that provides companies with the critical information they need about the underlying beneficial owners and investment managers investing in their stock. In addition to this primary purpose, *ShareOwnership Analysis* is of particular assistance to:

- analyse the patterns and movements of investors
- identify potential new investors
- assess market appetite for capital raisings
- identify average entry prices of investors
- monitor predator activity
- undertake target company analysis in a takeover situation
- proxy targeting and solicitation for company meetings

How Often Should a *ShareOwnership Analysis* be Updated?

Companies that use Computershare Analytics to provide *ShareOwnership Analysis* for the first time are often surprised by the depth and geographic spread of their investor base. From the initial *ShareOwnership Analysis*, companies will generally identify an ongoing need for this information and move towards regular updates.

Typical times throughout the year when a current *ShareOwnership Analysis* is of assistance are:

- Board Meetings
- Pre & post results announcements
- Pre AGMs or EGMs
- Pre & post capital raisings
- Pre & post roadshows
- During merger activity with another listed entity

The frequency of the *ShareOwnership Analysis* updates will also depend on the liquidity and 'free-float' proportion of the company's stock.

How does the *ShareOwnership Analysis* Process Work?

The right to discover beneficial ownership information is provided for in section s672A of the Corporations Law.

This allows a company to require registered holders to disclose the underlying beneficial holders using them to register their shares. This discovery process is not available to any other party, thereby protecting the confidentiality of the identity of the company's beneficial owners.

Scope of the Analysis

Computershare Analytics will generally analyse that proportion of a company's share register that is likely to include most fund manager holdings. The selection criteria is dependent on a number of factors including the percentage of the issued shares covered by the sample, whether there are any substantial holders, the size and number of nominee holdings and the level of holding where private investors become predominant. Typically, an analysis would cover either the top 40, top 50 or top 100 registered shareholders, which can result in the discovery of between 500 and 3,000 *beneficial* shareholders.

Steps Involved in Identifying Beneficial Owners & Fund Manager Responsibility

- 1. Gather information from registered holders:**
Computershare Analytics will manage the entire administrative information gathering process including:
 - lodgment of all beneficial ownership disclosure letters and forms on the company's behalf world wide
 - payment of the prescribed fee payable for domestic lodgments
 - gathering all responses from registered holders and sub-custodians
 - compilation of data and follow up of outstanding responses
- 2. Analysis of responses from registered holders:**
With the use of its fully integrated global institutional investor database, Computershare Analytics will analyse the responses from registered holders and determine the identity of the relevant fund manager responsibility for each beneficial holding.
- 3. Identify portfolio manager responsibility:**
Having identified fund manager responsibility for each beneficial holder, Computershare Analytics can identify the name of the individual portfolio manager responsible for investment in your stock, and provide their contact details and profile.

Timing

With our extensive experience in *ShareOwnership Analysis* and global contacts network we have developed very efficient practices in our dealings with local and overseas custodians and investors.

Generally from the time of the lodgment of the beneficial ownership notices, the entire process can be finalised and a report issued to the company within 3 weeks. Updates can then be provided as required to fit your Board meeting schedule or on a six monthly, quarterly, bi-monthly, monthly or weekly basis.

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