COMPUTERSHARE LIMITED (ASX:CPU)

FINANCIAL RESULTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2010

9 February 2011

NOTE: All figures (including comparatives) are presented in US Dollars (unless otherwise stated).

Copies of the 1H11 Results Presentation are available for download at:
www.computershare.com.au/results

Computershare

MARKET ANNOUNCEMENT

Mixed business conditions negatively impact results

Melbourne, 9 February 2011 – Computershare Limited (ASX:CPU) today reported Management Adjusted Earnings per Share (EPS) of 26.96 cents for the six months ended 31 December 2010, a decrease of 14.1% over the prior corresponding period (pcp). The interim dividend has been declared at AU 14 cents, unchanged on the final dividend of last year.

Management Adjusted Net Profit after Non Controlling Interest (NCI) was $149.8 million. Total revenues fell 3.3% on 1H10 to $781.0 million and Operating Cash Flows fell 28.2% to $148.4 million.

On a reported statutory basis for 1H11, Net Profit after Non Controlling Interest was $116.9 million and Basic Earnings per Share were 21.03 cents (see Appendix 4D).

Headline Management Adjusted Results for 1H11 as follows:

	1H11	Versus 2H10	**Versus 1H10 (pcp)**	1H11 at 1H10 exchange rates	1H11 at 1H10 rates versus 1H10
Management Earnings per Share (Post NCI)	**26.96 cents**	Up 2.0%	**Down 14.1%**	26.63 cents	Down 15.1%
Total Operating Revenues	**$781.0m**	Down 3.8%	**Down 3.3%**	$771.3m	Down 4.5%
Operating Expenses	**$535.0m**	Down 7.1%	**Down 0.1%**	$528.3m	Down 1.4%
Management Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	**$246.0m**	Up 4.2%	**Down 10.5%**	$243.0m	Down 11.6%
EBITDA margin	**31.5%**	Up from 29.1%	**Down from 34.0%**	31.5%	Down from 34.0%
Management Net Profit after NCI	**$149.8m**	Up 2.0%	**Down 14.1%**	$148.0m	Down 15.1%
Cash Flow from Operations	**$148.4m**	Down 28.6%	**Down 28.2%**		
Free Cash Flow	**$140.4m**	Down 28.2%	**Down 13.3%**		
Days Sales Outstanding	**38 days**	Down 3 days	**Down 2 days**		
Capital Expenditure	**$8.7m**	Down 80.3%	**Down 82.5%**		
Net Debt to EBITDA ratio	**1.42 times**	Up 0.02x	**Flat**		
Interim Dividend	**AU14 cents**	Flat	**Flat**		
Interim Dividend franking amount	**60%**	Flat	**Up from 50%**		

Commentary

Computershare's first half result was in line with Company expectations, with management earnings per share at 26.96 cents. This result was down 14.1% on the record 1H10 result and 2.0% higher than the prior half (2H10). Economic conditions and equity markets globally have stabilised, however activity remains well below the peak, resulting in consolidated financial outcomes similar to the last half. As anticipated, 1H11 headline revenues for corporate actions, US mutual fund proxy solicitation and bankruptcy administration were lower than the very strong comparative performance of 1H10. Revenues fell 3.3%, Management EBITDA was down 10.5% and Management NPAT down 14.1% on 1H10. EBITDA margin was lower at 31.5% versus 34.0% during 1H10 but improved on the 29.1% margin outcome for 2H10. Operating expenses were flat on 1H10 but 7.1% lower than 2H10. Total Personnel spend fell 1.3% on pcp and 7.6% on 2H10. Cash flow from operations was also lower than 1H10 as expected, driven largely by a fall in earnings and significantly higher FY10 cash bonus payments made in 1H11.

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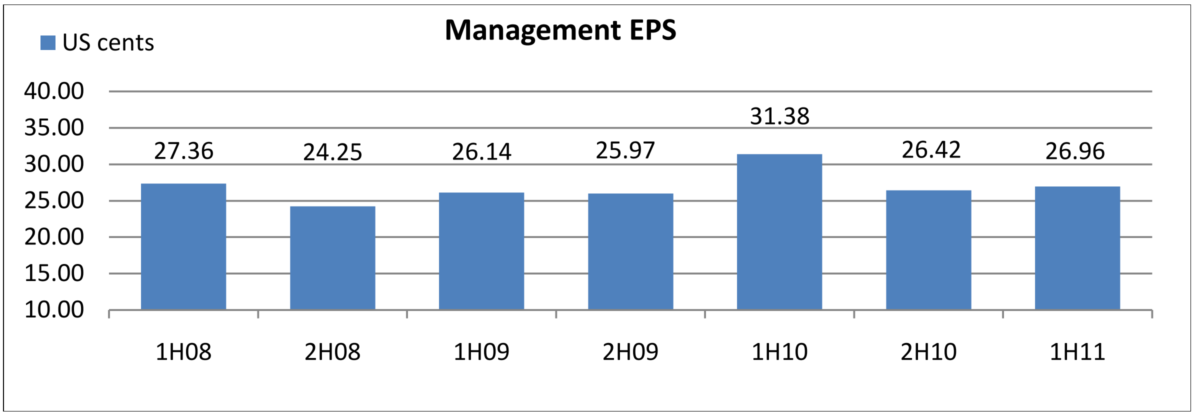
This half saw the Europe, Middle East and Africa (EMEA) region split into two segments. The new segments are United Kingdom, Channel Islands, Ireland & Africa (UCIA) and Continental Europe. The slowdown in corporate actions saw the Australian and United Kingdom registry businesses unable to match 1H10. In contrast the Hong Kong and United States registry businesses improved on 1H10. Integration of the HBOS Employee Equity Solutions (EES) acquisition in the UK continues and along with the consolidation of the Computershare Trustees business in the Channel Islands has lead to a substantial improvement in the contribution from the employee plans business in UCIA. Challenging conditions continue to heighten scrutiny on the Company's controllable costs.

Computershare's CEO, Stuart Crosby, said, "Equity market and general economic conditions, while perhaps less volatile than they have been in recent years, are still relatively unfriendly to Computershare's business model. Interest rates are low, market and M&A transactional activity is slow, and the expected "second wave" of US bankruptcies has not yet hit. That said, strong annuity revenue continues to underpin our performance, and fund raising in Asia has been something of a bright spot.

"We are well placed to take full advantage of the inevitable upturn in the cycle whenever that arrives. We also continue to explore a broad range of acquisition and other growth opportunities, both in our current business lines and in new verticals.

"However, any acquisition or increase in transactional activity is unlikely to have a material impact this year and so we continue to anticipate management EPS being 5% to 10% lower in FY11 than it was in FY10."

Below is a summary of Management EPS performance since 1H08:



Regional Summary

Australia and New Zealand

The Australia & New Zealand region saw revenue fall 3.1% versus 1H10 to $179.9 million. EBITDA also fell, down 16.1% on 1H10 to $48.2 million, despite the stronger Australian dollar. This half continued the trend of 2H10, with corporate actions remaining slow. Communications Services and Corporate Proxy revenues in Australia were down marginally, as was the New Zealand business.

Asia

The Asia region replicated the strong result seen in 1H10, with revenue increasing 6.9% on pcp to $68.4 million and EBITDA up 1.4% on 1H10 to $30.0 million. Hong Kong in particular was impressive, growing revenue by 10.0% on the back of continued IPO activity as well as rights issues, predominantly in the Chinese banking sector. India's revenues fell marginally, with increased redemptions from Indian mutual funds reducing assets under management, impacting the revenue model. Whilst somewhat smaller, the employee plan business in China continued to grow and the Japanese business was flat.

United Kingdom, Channel Islands, Ireland & Africa (UCIA)

New segment reporting breaks out UCIA for the first time. The region grew 1H11 revenues by 2.3% over 1H10 to $135.1 million, underpinned by the HBOS EES acquisition (both in the UK and the Channel Islands) that occurred during January 2010. EBITDA on the other hand fell by 15.1% to $56.8 million, as higher margin corporate action revenues dropped. The UK investor services business continued to be impacted by the loss of some significant registry contracts, but was able to mitigate some of the shortfall through diligent cost control. The shift to Computershare's proprietary software platform helped the Voucher Services business to perform better and the Deposit Protection Scheme business continues to deliver good returns. Ireland improved its results on the back of increased corporate actions work whilst South Africa grew revenue but at lower margins.

Continental Europe

Along with the UCIA region, results are reported for Continental Europe as a standalone segment for the first time. Revenues grew 10.4% on pcp to $36.0 million, driven largely by the consolidation (from 40% to 100% ownership) of Registrar Nikoil, one of our Russian registry businesses. Increased costs in Russia and lower activity in the German registry business drove the 38.7% fall in EBITDA to $2.0 million. The Scandinavian business grew revenue in 1H11, albeit from a low base.

United States (US)

US 1H11 revenues were 13.5% lower than 1H10 at $250.4 million, partly impacted by the sale of the employee options administration and Transcentive businesses in early November 2010. EBITDA also fell 13.2% to $60.4 million. Equity market conditions improved resulting in increased employee plan trading, shareholder transactional activity and a pick-up in small shareholder programs and post merger clean-up (SSP/PMC) projects. Despite this, the lack of any significant mutual fund proxy solicitation work (1H10 witnessed the largest single event with the American Funds assignment), a fall in Chapter 11 filings for the bankruptcy administration business and reduced corporate proxy work drove the result lower. Sustained low US interest rates and a fall in overall client balances also impacted the result.

Canada

The Canadian business was again able to grow revenues, increasing 9.5% on 1H10 to $94.3 million. In terms of EBITDA, the uplift was 15.3% on pcp to $45.5 million. An increase in Canadian interest rates early in 1H11 whilst retaining client balance levels assisted the region, particularly the Corporate Trust business, which again delivered strong results. The Canadian SSP/PMC business, whilst small, also performed well, growing substantially on pcp. M&A and IPO activity remained subdued, and along with lower registry maintenance revenues served to produce lower earnings in the registry business. Corporate Proxy and Employee Plans businesses both improved marginally during 1H11.

Dividend

The Company announces an interim dividend of AUD14 cents per share, 60% franked, payable on 15 March 2011 (record date of 21 February 2011). This follows the final dividend of AUD14 cents per share, 60% franked, paid in September 2010.

Capital management

The Company's capital was unchanged during 1H11 with 555,664,059 issued ordinary shares outstanding as at 31 December 2010.

Balance Sheet Overview

During 1H11 total assets grew $25.5 million to $2,716.0 million as at 31 December 2010. Shareholder's equity increased $68.9 million to $1,141.8 million over the same period.

Net borrowings fell to $683.4 million (from $715.4 million at 30 June 2010). Gross borrowings at 31 December 2010 were largely unchanged at $1,003.9 million.

Debt facilities maturity averages 3.76 years (average maturity on drawn debt is 3.85 years).

The debt maturity profile is outlined in the table below:

Maturity Dates		Debt Drawn	Committed Debt Facilities	Bank Debt Facility	Private Placement Facility
FY11	Mar-11	50.0m	50.0m		50.0m
FY12	Mar-12	123.0m	123.0m		123.0m
FY13	May-13	297.8m	300.0m	300.0m	
FY14	May-14	85.0m	300.0m	300.0m	
FY15	Mar-15	124.5m	124.5m		124.5m
FY16					
FY17	Mar-17	21.0m	21.0m		21.0m
FY18					
FY19	Jul-18	235.0m	235.0m		235.0m
Total		**$936.3m***	**$1,153.5m**	**$600.0m**	**$553.5m**

***** Variance from gross debt represents finance leases ($39.4m) and fair value hedge adjustment on USD senior notes ($28.2m).

The Company focuses primarily on the Net Debt to Management EBITDA ratio from a gearing perspective and this measure was 1.42 times at 31 December 2010, up marginally from 1.40 times at 30 June 2010.

Capital expenditure for 1H11 was $8.7m, significantly down from $49.7m in 1H10. The prior period was impacted by the UK property purchase for $35 million.

The Group's Days Sales Outstanding improved, falling 3 days to 38 days at 31 December 2010.

Operating Costs - Overview

Operating costs in 1H11 were 0.1% down on 1H10 and 7.1% down on 2H10. In comparing 1H11 to 1H10 this was a pleasing outcome as 1H11 included a full half of costs associated with the HBOS EES business (acquired in 2H10).

Total technology spend was $80.7 million. Technology costs included $30.5 million (1H10; $32.9 million) in research & development expenditure, which was expensed during the period. The technology cost to sales revenue ratio was 10.3% for 1H11.

Foreign Exchange Impact

Management EBITDA would have been $3.0 million or 1.2% lower than 1H11 actual if average exchange rates from 1H10 were applied.

Taxation

The underlying effective tax rate for 1H11 was 28.4% (1H10; 27.7%).

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Reconciliation – Statutory Results to Management Adjusted Results

	1H11 USD 000's
Net profit after tax as per Statutory Results	116,874
Management Adjustments (after tax)	
Redundancy provisions	93
Intangible assets amortisation	14,461
Net loss on disposal of businesses	20,663
Acquisition related adjustments	(2,284)
Total Management Adjustments	32,933
Net profit after tax as per Management Adjusted Results	149,807

Management Adjustments

The Company continues to provide a summary of Post Tax Management Adjustments in an effort to assist Investors in understanding the comparative operating performance of the business. The adjustments for 1H11 were as follows:

- Redundancy costs of $0.1 million related to Computershare's Jersey operations.
- Loss of $19.8 million on disposal of the North American options administration and Transcentive self administration software businesses (as announced on 17 Aug 2010).
- Loss of $0.9 million on disposal of Computershare Electoral Management Services business in the UK.
- Fair value adjustments related to consolidation of previously held equity interests for Nikoil (Russia) and Computershare Offshore Services (Channel Islands) resulted in $2.5 million net revaluation gain.
- Acquisition costs of $0.3 million related to Nikoil (Russia), VEM (Germany), and Computershare Pan Africa.
- Customer contracts and other intangible assets are recognised separately from goodwill on acquisition and amortised over their useful life. The amortisation of these intangibles for the six month period ($14.5 million) is added back to earnings.

Outlook for Financial Year 2011

We continue to anticipate that management EPS will be 5% to 10% lower in FY11 than it was in FY10.

This guidance assumes that equity, interest rate and FX market conditions remain broadly consistent with current levels for the rest of the financial year.

Please refer to the Half Year Results 2011 Presentation for detailed financial data.

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About Computershare Limited (CPU)

Computershare (ASX:CPU) is a global market leader in transfer agency and share registration, employee equity plans, proxy solicitation and stakeholder communications. We also specialise in corporate trust services, tax voucher solutions, bankruptcy administration and a range of other diversified financial and governance services.

Founded in 1978, Computershare is renowned for its expertise in data management, high volume transaction processing, payments and stakeholder engagement. Many of the world's leading organisations use these core competencies to help maximise the value of relationships with their investors, employees, creditors, members and customers.

Computershare is represented in all major financial markets and has over 10,000 employees worldwide.

For more information, visit www.computershare.com

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