ASX PRELIMINARY FINAL REPORT

Computershare Limited

ABN 71 005 485 825

30 June 2006

Lodged with the ASX under Listing Rule 4.3A

Contents

All amounts are in Australian dollars unless otherwise stated.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
YEAR ENDED 30 JUNE 2006
(Previous corresponding period year ended 30 June 2005)
RESULTS FOR ANNOUNCEMENT TO THE MARKET

				$000s
Revenue from continuing operations *(Appendix 4E item 2.1)*	up	50.6%	to	$1,614,484
Profit/(loss) after tax attributable to members *(Appendix 4E item 2.2)*	up	45.6%	to	$182,558
Net profit/(loss) for the period attributable to members *(Appendix 4E item 2.3)*	up	45.6%	to	$182,558

Dividends *(Appendix 4E item 2.4)*	Amount per security	Franked amount per security
Final dividend	7.0 cents	0.0 cents
Interim dividend	6.0 cents	0.0 cents

Record date for determining entitlements to the final dividend *(Appendix 4E item 2.5)* — 8 September 2006

Explanation of Revenue *(Appendix 4E item 2.6)*
Total revenue from continuing operations for the year ended 30 June 2006 is $1,614 million representing an increase of 50.6% over the last corresponding period.

Revenues were driven by the inclusion of a full year result of the Equiserve business and organic fund services growth.

Explanation of Profit/(loss) from ordinary activities after tax *(Appendix 4E item 2.6)*
The current year EBITDA result is $321.3 million including significant items of $2.1 million as set out in Note 3. Net profit after tax is $182.6 million, an increase of 45.6% from the prior year.

Gross margins have remained consistent year on year. Due to business growth, operating expenses have increased compared to the prior year but remain proportionally lower than the incremental increase in revenue.

Depreciation and amortisation expenses have increased due to the full year's charge for prior year acquisitions.

The Group's effective tax rate has increased from 10.7% (19.4% after adjusting for the tax effect of prior year significant items) for the year ended 30 June 2005 to 22.7% in the current financial year largely reflecting the increase in revenues earned in higher tax rate jurisdictions.

Explanation of Net Profit/(loss) *(Appendix 4E item 2.6)*
Please refer above.

Explanation of Dividends *(Appendix 4E item2.6)*

The following dividends have been paid, declared or recommended since the end of the preceding financial year:

Ordinary shares

A final dividend in respect of the year ended 30 June 2005 was declared on 16 August 2005 and paid on 23 September 2005. This was an ordinary dividend of 6.0 cents per share amounting to $35,702,329 unfranked.

An interim ordinary dividend in respect of the half year ended 31 December 2005 was declared on 15 February 2006 and paid on 24 March 2006. This was an ordinary dividend of 6.0 cents per share amounting to $35,833,234 unfranked.

The directors have determined that a final dividend of 7.0 cents per share unfranked in respect of the year ended 30 June 2006 is to be paid on 22 September 2006. As the dividend was not declared until 15 August 2006 a provision has not been recognised as at 30 June 2006.

Other information

Strategic alliance with Thomson Financial (Thomson)

On 26 May 2006 Computershare announced a global strategic alliance with Thomson. To facilitate the alliance, certain assets of the Analytics business have been sold to Thomson effective 1 July 2006. The Analytics business is included within the Shareholder Relationship Management Services segment.

Under this agreement, Computershare and Thomson will jointly execute a strategic marketing and co-operation agreement designed to align and leverage each organisation's complementary product offerings in their respective core markets.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES PRELIMINARY CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 $000	2005 $000
Revenue from continuing operations			
Sales revenue		1,604,163	1,063,478
Other revenue		10,321	8,352
Total revenue from continuing operations		**1,614,484**	**1,071,830**
Other income		22,627	18,646
Expenses			
Direct services		1,190,411	806,017
Technology services		125,381	90,713
Corporate services		46,080	32,446
Finance costs		37,007	17,489
Total expenses		**1,398,879**	**946,665**
Share of net profit/(loss) of associates accounted for using the equity method	15	4,239	1,802
Profit before related income tax expense		**242,471**	**145,613**
Income tax expense	4	54,854	15,531
Net profit		**187,617**	**130,082**
Net profit attributable to minority interests		5,059	4,691
Profit attributable to members of the parent entity		**182,558**	**125,391**
Basic earnings per share (cents per share)	9	**30.63**	22.19
Diluted earnings per share (cents per share)	9	**30.60**	22.36

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2006

	Note	2006 $000	2005 $000
CURRENT ASSETS			
Cash assets and cash equivalents		98,434	157,145
Receivables		278,316	270,344
Available-for-sale financial assets at fair value		973	-
Other financial assets		28,519	37,303
Inventories		9,613	4,846
Current tax assets		1,998	1,321
Derivative financial instruments		533	-
Other current assets		23,452	16,292
Assets of disposal group held for sale		15,808	7,973
Total Current Assets		**457,646**	495,224
NON-CURRENT ASSETS			
Receivables		7,542	7,861
Investments accounted for using the equity method		12,034	6,402
Listed and unlisted investments at cost		-	2,206
Available-for-sale financial assets at fair value		3,060	-
Property, plant & equipment		100,488	99,569
Deferred tax assets		81,230	75,845
Derivative financial instruments		1,842	-
Intangibles		1,502,582	1,354,154
Other		685	-
Total Non-Current Assets		**1,709,463**	1,546,037
Total Assets		**2,167,109**	2,041,261
CURRENT LIABILITIES			
Payables		282,991	273,870
Interest bearing liabilities		3,538	101,433
Current tax liabilities		13,848	16,975
Provisions		27,395	58,548
Derivative financial instruments		1,602	-
Deferred consideration		29,766	32,881
Other		-	1,296
Total Current Liabilities		**359,140**	485,003
NON-CURRENT LIABILITIES			
Payables		7,860	20,224
Interest bearing liabilities		640,755	582,057
Deferred tax liabilities		22,511	4,251
Provisions		87,540	72,589
Derivative financial instruments		38,940	-
Deferred consideration		53,809	81,983
Other		10,275	3,556
Total Non-Current Liabilities		**861,690**	764,660
Total Liabilities		**1,220,830**	1,249,663
Net Assets		**946,279**	791,598
EQUITY			
Contributed equity - ordinary shares		586,216	580,762
Reserves		2,204	(33,400)
Retained profits	5	348,993	238,071
Total parent entity interest		937,413	785,433
Minority interest		8,866	6,165
Total Equity		**946,279**	791,598

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2006

	Note	2006 $000	2005 $000
Total equity at the beginning of the year		**791,598**	603,836
Adjustment on adoption of AASB 132 and AASB 139, net of tax:			
Retained profits		(100)	-
Reserves		6,010	-
Restated total equity at the beginning of the financial year		**797,508**	603,836
Available-for-sale financial assets, net of tax		699	-
Cash flow hedges, net of tax		(16,031)	-
Exchange differences on translation of foreign operations		26,073	(19,477)
Asset revaluation reserve		-	(542)
Net income recognised directly in equity		**10,741**	(20,019)
Profit for the year		182,558	125,391
Total recognised income and expense for the year		**193,299**	105,372
Transactions with equity holders in their capacity as equity holders:			
Contributions of equity, net of transaction costs		24,326	241,775
Dividends provided for or paid	5	(71,536)	(56,387)
Conversion of preference shares		-	(114,432)
On market purchase of shares related to employee share plans		(10,224)	-
Equity related deferred consideration from share capital		(8,648)	-
Employee share based remuneration reserve		12,803	10,408
Options issued as consideration for business combinations		2,060	-
Equity related contingent consideration		3,990	2,816
Transfer from asset revaluation reserve to retained earnings		-	542
Minority interest		2,701	(2,332)
		(44,528)	82,390
Total equity at the end of the year		**946,279**	791,598
Total recognised income and expense for the year is attributable to:			
Members of Computershare Limited		188,240	100,681
Minority interest		5,059	4,691
		193,299	105,372

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 $000	2005 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		1,601,789	1,039,729
Payments to suppliers and employees (inclusive of GST)		(1,290,078)	(865,214)
Dividends received		47	1
Interest paid and borrowing costs		(37,865)	(19,369)
Interest received		7,699	7,803
Income taxes paid		(35,776)	(16,160)
Net cash inflow from operating activities	17	**245,816**	146,790
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of controlled businesses, net of cash acquired		(186,459)	(361,210)
Payments for investment in associated entities and joint ventures		(824)	-
Proceeds from sale of investments		4,097	95
Payments for investments		(594)	(4,167)
Payments for property, plant and equipment		(33,423)	(31,648)
Proceeds from sale of assets		4,495	26,835
Proceeds from sale of controlled entities, net of cash disposed		13,294	5,647
Other		(1,306)	-
Net cash outflow from investing activities		**(200,720)**	(364,448)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		24,326	2,517
Payments for purchase of ordinary shares		(8,401)	-
Buy-back of ordinary shares		-	(30,639)
Buy-back of preference shares		-	(29,447)
Proceeds from borrowings		167,103	817,639
Repayment of borrowings		(216,624)	(410,262)
Dividends paid - ordinary shares		(71,536)	(55,105)
Dividends paid – reset preference shares		-	(1,816)
Dividend paid - outside equity interest in controlled entities		(3,575)	(3,936)
Proceeds from finance leases		2,963	1,487
Repayment of finance leases		(5,253)	(1,661)
Net cash (outflow) / inflow from financing activities		**(110,997)**	288,777
Net increase in cash and cash equivalents held		(65,901)	71,119
Cash and cash equivalents at the beginning of the financial year		157,145	90,495
Exchange rate variations on foreign cash balances		7,190	(4,469)
Cash and cash equivalents at the end of the financial year		**98,434**	157,145

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies in this report are those that will be included in the detailed financial report and have been included in the 4E disclosure to provide additional information with regard to the accounting policies adopted by the Group under Australian equivalents to International Financial Reporting Standards. These policies refer to the detailed financial report.

This general purpose financial report for the reporting period ended 30 June 2006 has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

This report is to be read in conjunction with any public announcements made by Computershare Limited during the reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and Australian Stock Exchange Listing Rules.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

Basis of preparation of full year financial report

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial report includes separate financial statements for Computershare Limited as an individual entity and the consolidated entity consisting of Computershare Limited and its subsidiaries.

Compliance with IFRS
Australian accounting standards include International Financial Reporting Standards (IFRS). Compliance with AIFRS ensures that the consolidated financial statements and notes of Computershare Limited comply with IFRS. The parent entity financial statements and notes also comply with IFRS.

AASB 1 ‘First-time Adoption of Australian Equivalents to International Financial Reporting Standards’ has been applied in preparing these financial statements. Where the ongoing application of the AASB 1 requirements results in an accounting treatment different to the stated accounting policy, these are outlined in the accounting policy “Ongoing impact of AASB 1 application to accounting policy”.

Until 30 June 2005 financial statements of Computershare Limited have been prepared in accordance with previous Australian Generally Accepted Accounting Policies (AGAAP). AGAAP differs in certain respects from AIFRS. When preparing the Computershare Limited financial report for the year ended 30 June 2006, management has amended certain accounting, valuation and consolidation methods applied in the previous AGAAP financial statements to comply with AIFRS. With the exception of financial instruments, the comparative figures were restated to reflect these adjustments. The Group has taken the exemption available under AASB 1 to only apply AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement from 1 July 2005.

Reconciliations and descriptions of the effect of transition from previous AGAAP to AIFRS on the Group’s equity and its net income are given in Note 22.

Historical cost convention
The financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

Early adoption of standard
The Group has elected to apply the amendment to AASB 121: The Effects of Changes in Foreign Exchange Rates (issued January 2006) to the reporting period beginning 1 July 2005. This amendment allows monetary items to be denominated in any currency and still be included as part of a net investment in a foreign operation. In the consolidated accounts, exchange differences related to these monetary items are reclassified to the foreign currency translation reserve. This accounting treatment is consistent with previous AGAAP requirements and therefore does not result in an adjustment.

Principles of consolidation

The consolidated financial statements include the assets and liabilities of the parent entity, Computershare Limited, and its controlled entities, referred to collectively throughout these financial statements as the "consolidated entity" or "the Group".

All inter-entity balances and transactions have been eliminated. Where an entity either began or ceased to be controlled during the year, the results are consolidated only from the date control commenced or up to the date control ceased.

Financial statements of foreign controlled entities presented in accordance with overseas accounting principles are, for consolidation purposes, adjusted to comply with Group policy and AIFRS.

Controlled entities
The investments in the controlled entities are carried in the company's financial statements at the lower of cost and recoverable amount. Dividends from controlled entities are brought to account in the income statement when they are declared by the controlled entities.

Associated entities
Interests in material associated entities are brought to account using the equity method. Under this method the investment in associates is initially recognised at its cost of acquisition and its carrying value is subsequently adjusted for increases or decreases in the investor's share of post-acquisition results and reserves of the associate. The Group's share of its associates' post acquisition profits or losses is recognised in the income statement. The investment in associated entities is decreased by the amount of dividends received or receivable. Investments in associates are carried at the lower of cost and recoverable amount in the accounts of the parent entity.

Joint ventures
Interests in joint venture partnerships are accounted for in the consolidated financial statements using the equity method and are carried at cost by the parent entity.

Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Australian dollars, which is Computershare Limited's functional and presentation currency.

Transactions and balances
Foreign currency transactions are converted to Australian dollars at exchange rates approximating those in effect at the date of each transaction. Amounts payable and receivable in foreign currencies at balance date are converted to Australian dollars at the average of the buy and sell rates available on the close of business at balance date. Revaluation gains and losses are brought to account as they occur.

Exchange differences relating to monetary items are included in the income statement, as exchange gains or losses, in the period when the exchange rates change, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Group companies
All resulting exchange differences from the translation of the results and financial position of all the Group entities that have a functional currency other than Australian dollars are recognised as a separate component of equity. On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Income tax

The financial statements apply the principles of tax-effect accounting. The income tax expense in the income statement represents tax on the pre-tax accounting profit adjusted for income and expenses never to be assessed or allowed for taxation purposes. This is also adjusted for changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are recognised for temporary differences calculated at the tax rates expected to apply when the differences reverse. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probably that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation legislation
Computershare Limited and its wholly-owned Australian entities implemented the tax consolidation regime with effect from 1 July 2002. The Australian Taxation Office has been formally notified of this decision.

The relevant entities have also entered into a tax sharing deed, which includes tax funding arrangements. As a consequence, Computershare Limited, as the head entity in the tax consolidation Group, has recognised the current tax liability relating to transactions, events and balances of the wholly owned Australian controlled entities in this Group in the financial statements as if that liability was its own, in addition to recognising the current tax liability arising in relation to its own transactions, events and balances. Amounts receivable or payable under the tax sharing deed are recognised separately as tax related intercompany payables or receivables. The parent entity and the other relevant entities continue to account for their own deferred tax amounts.

Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leases are capitalised and amortised over the life of the relevant lease, or where ownership is likely to be obtained on expiration of the lease, over the life of the asset. Lease payments are allocated between interest expense and reduction in the lease liability.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease assets are not capitalised and rental payments (net of any incentives received from the lessor) are charged against operating profit on a straight line basis over the period of the lease.

Leasehold improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the consolidated entity, whichever is the shorter.

Software development costs

Internally developed software and related costs are expensed in the year in which they are incurred as they do not meet the recognition criteria for capitalisation.

Impairment of assets

All non-current assets that have an indefinite useful life are not subject to amortisation and are reviewed at least annually to determine whether their carrying amounts require write-down to recoverable amount. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss will be recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For available for sale assets, a significant or prolonged decline in fair value is considered in determining whether the asset is impaired.

For the purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is assigned on a first-in first-out basis. Prepaid inventory is recorded at cost and is bought on behalf of the company's clients. As the inventory is used, the costs are billed.

Property, plant & equipment

Property, plant and equipment is stated at historical costs less depreciation.

The amounts at which property, plant and equipment are stated in these financial statements are regularly reviewed. Where revaluations are made they are based on reports by independent valuers.

The gain or loss on disposal of re-valued assets is calculated as the difference between the carrying amount of the asset at the time of disposal and the proceeds on disposal and is included in the profit or loss of the consolidated entity in the year of disposal. Any related revaluation increment in the asset revaluation reserve at the time of disposal is transferred to retained earnings.

Depreciation

Items of property, plant and equipment, excluding freehold land and leasehold plant and equipment, are depreciated on a straight line basis at rates calculated to allocate their cost, less estimated residual value, over their estimated useful life. Additions and disposals are depreciated for the period held, in the year of acquisition or disposal. Depreciation expense has been determined based on the following rates of depreciation:

- Buildings (2.5% per annum);
- Plant and Equipment (10% to 50% per annum);
- Fixtures and Fittings (13% to 50% per annum); and
- Motor Vehicles (15% to 40% per annum).

Revenue

Revenue
Revenue is measured at the fair value of the consideration received or receivable. Sales revenue comprises registry and bureau revenue, sale of software licences and associated development, installation and maintenance fees (net of returns, discounts and allowances) and document processing services.

Registry and bureau revenue includes all revenue earned on the provision of regular services to customers, primarily fixed monthly maintenance fees and transaction processing fees. Additionally, sales revenue includes all associated revenue earned from managing various client corporate actions, such as capital raisings, demutualisations and takeovers, which occur periodically. Revenue derived from both sources of sales revenue includes variable margin income earned on administered funds, including Save As You Earn Schemes.

In relation to the recognition of any profits and losses on the corporate actions which span reporting periods, where they can be reliably measured, revenue and expenses arising from the project are recognised in the income statement by reference to the stage of completion of the project as at balance date.

Software licence sales and associated development, installation and maintenance fees are recognised in accordance with written customer agreements when the entity has the right to be compensated for services and it is probable that compensation will flow to the entity in the future.

Document processing revenues include revenue from the provision of paper and electronic document needs for issuers, investors and many corporations. This includes design, document composition and programming, through to various production and distribution methods. Revenue is recognised to match the period in which services are performed.

Plans and Analytics revenue is recognised to match the period in which services are performed.

Other Revenue
Other revenue includes interest income on short-term deposits controlled by the consolidated entity, royalties and dividends received from other persons.

Insurance recoveries
The consolidated entity recognises amounts receivable under its insurance policies, net of any relevant excess amounts, upon indemnity being acknowledged by the insurers.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the income statement.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Dividends

Provision is made for the amount of any dividend declared by the directors on or before the end of the financial year but not distributed at balance date.

Earnings per share

Basic earnings per share
Basic earnings per share is determined by dividing net profit after income tax attributable to members of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share
Diluted earnings per share adjusts the figure used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand, deposits at call with financial institutions and other highly liquid investments with short periods to maturity (three months or less) which are readily convertible to known amounts of cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts. Cash and cash equivalents excludes Broker Client Deposits carried on the balance sheet that are recorded as other current financial assets.

Intangible Assets

Goodwill
On acquisition of a controlled entity, the difference between the purchase consideration plus incidental expenses and the fair value of identifiable net assets acquired is initially brought to account as goodwill or discount on acquisition. Within 12 months of completing the acquisition, identifiable intangible assets will be valued by management and separately recognised on the balance sheet.

Purchased goodwill is not amortised. Instead, goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to an entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. Each of these cash generating units represents the Group's internal management reporting structure.

Acquired intangible assets
Acquired intangible assets have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost over their estimated useful lives.

Business combinations

The purchase method of accounting is used for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of the acquisition plus incidental costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their market price as at acquisition date, unless it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of the acquisition. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of identifiable net assets acquired is recorded as goodwill. Where an entity or operation is acquired and the fair value of the identifiable net assets acquired exceeds the cost of acquisition, the difference is recognised as revenue directly in the income statement.

Employee benefits

Provision has been made in the balance sheet for benefits accruing to employees in relation to annual leave, long service leave, workers compensation and vested sick leave. No provision is made for non-vesting sick leave as the anticipated pattern of future sick leave taken indicates that accumulated non-vesting sick leave will never be paid.

Superannuation is included in the determination of provisions. Vested sick leave and annual leave are measured at the amounts expected to be paid when the liabilities are settled.

The long service leave provision is measured at the present value of estimated future cash flows, discounted by the interest rate applicable to Commonwealth Government securities maturing in the period the liability is expected to fall due. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Retirement benefits
Contributory superannuation and pension plans exist to provide benefits for the consolidated entity's employees and their dependants on retirement, disability or death. The plans are accumulation plans. The employee sponsors contribute to the plans at varying rates of contribution depending on the employee classification. The contributions made to the funds by Group entities are charged against profits.

Defined benefit superannuation and pension plans are operated in Germany and India only. Where material to the group, a liability or asset in respect of the these plans is recognised on the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost.

Executive share and performance right schemes
Certain employees are entitled to participate in share and performance rights schemes.

The market value of shares issued to employees for no cash consideration issued under the employee and executive share schemes is recognised as a personnel expense over the vesting period with a corresponding increase in share based payments reserve. When the employee becomes entitled to the shares the increase in share based payments reserve is transferred to share capital.

The fair value of performance rights issued under the Computershare Deferred Long Term Incentive Plan are recognised as a personnel expense over the vesting period with a corresponding increase in share based payments reserve.

The fair value of performance rights granted is determined using a pricing model that takes into account factors that include the exercise price, the term of the performance right, the vesting and performance criteria, the share price at grant date and the expected price volatility of the underlying share. The fair value calculation excludes the impact of any non market vesting conditions. Non market vesting conditions are included in assumptions about the number of performance rights that are expected to become exercisable. At each balance date, the entity revises its estimate of the number of performance rights that are expected to become exercisable. The personnel expense recognised each period takes into account the most recent estimate.

Where shares are procured by the Group with cash to satisfy obligations for vested employee entitlements, under these plans, a reduction in the share capital is shown.

No expense is recognised in respect of share options granted before 7 November 2002 and/or vested prior to 1 January 2005. The shares are recognised when the options are exercised and the proceeds received allocated to share capital.

Shares issued under employee and executive share plans are held in trust until vesting date. Unvested shares held by the trust are consolidated into the group financial statements.

Termination benefits
Liabilities for termination benefits, not in connection with the acquisition of an entity or operation are recognised when a detailed plan for the terminations has been developed and a valid expectation has been raised in those employees affected that the terminations will be carried out. The liabilities for termination benefits are recognised in other payables unless the amount or timing of the payments is uncertain, in which case they are recognised as provisions.

Liabilities for termination benefits relating to an acquired entity or operation that arise as a consequence of an acquisition are recognised as at the date of acquisition if, at or before the acquisition date, the acquiree had an existing liability for restructuring.

Non current assets (or disposal groups) held for sale

Non current assets and liabilities (or disposal groups) are classified as held for sale and are presented separately from other assets and liabilities in the balance sheet. They are stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. Non current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Share capital

Ordinary share capital bears no special terms or conditions affecting income or capital entitlements of the shareholders and is classified as equity. Costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Investments and other financial assets

From 1 July 2004 to 30 June 2005

The Group has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 only from 1 July 2005. The Group has applied previous AGAAP to the comparative information on financial instruments within the scope of AASB 132 and AASB 139. For further information on previous AGAAP accounting policies refer to the annual report for the year ended 30 June 2005.

Adjustments on transition date: 1 July 2005

The main adjustment on transition is to use fair value as the measurement basis. The exceptions are loans and receivables which are measured at amortised cost. Fair value is inclusive of transaction costs. Changes in fair value were either taken to the income statement or an equity reserve. At the date of transition changes to carrying amounts were taken to opening retained earnings or reserves.

From 1 July 2005

The Group classifies its investments and other financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

i. *Financial assets at fair value through profit or loss*

This category has two sub categories: financial assets held for trading and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

ii. *Loans and receivables*

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non current assets. Loans and receivables are included within receivables in the balance sheet.

iii. *Available for sale assets*

Available for sale financial assets are non derivatives that are either designated in this category or not classified in any of the other categories. They are included in non current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Initial recognition and subsequent measurement

All financial assets are initially recognised at fair value plus transaction costs other than loans and receivables which are carried at amortised cost using the effective interest method. Subsequently, available for sale financial assets and financial assets at fair value through profit or loss are carried at fair value. Realised and unrealised gains and losses arising from changes in fair value of financial assets at fair value through profit or loss category are included in the income statement in the period in which they arise. Unrealised gains and losses for changes in fair value of available for sale assets are recognised in equity in the available for sale asset reserve. When these assets are sold or impaired, the accumulated fair value adjustments are included in the income statement.

The fair values of quoted investments (classified as available for sale assets) are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes the fair value by using accepted valuation techniques.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

Derivative Instruments

The Group uses derivative financial instruments to manage specifically identified interest rate and foreign currency risks.

From 1 July 2004 to 30 June 2005

The Group has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 only from 1 July 2005. The Group has applied previous AGAAP to the comparative information on financial instruments within the scope of AASB 132 and AASB 139. For further information on previous AGAAP accounting policies refer to the annual report for the year ended 30 June 2005.

Adjustments on transition date: 1 July 2005
The main adjustment on transition is that derivatives are measured on a fair value basis. Changes in fair value are either taken to the income statement or an equity reserve. At the date of transition changes to carrying amounts of derivatives were taken to retained earnings or reserves, depending on whether the criteria for hedge accounting are satisfied at the transition date.

From 1 July 2005
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain financial instruments, including derivatives, as either; (1) hedges of net investments of a foreign operation; (2) hedges of firm commitments (cash flow hedges); or (3) fair value hedges.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

i. Hedge of net investment
Changes in the fair value of foreign currency debt balances that are designated and qualify as hedging instruments are recorded in equity in the foreign currency translation reserve. The change in value of the net investment is recorded in the foreign currency translation reserve in accordance with AASB 121 requirements. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

ii. Cash flow hedge
The Group uses interest rate derivatives to manage interest rate exposure. These derivatives are entered into as part of a hedging relationship.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect profit or loss (for instance when the future cash flows that are hedged take place).

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement.

iii. Fair value hedge
The Group uses interest rate derivatives to manage the fixed interest exposure that arises as a result of bonds issued as part of the US Private Placement. Changes in the fair value of these derivatives are recorded in the income statement, together with any changes in the fair value of the hedged liabilities that are attributable to the hedged risk.

iv. Derivatives that do not qualify for hedge accounting
Certain forward exchange contracts and foreign currency options do not qualify for hedge accounting as the hedged item under previous AGAAP rules is no longer recognised. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

Fair value estimation
The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair market value of financial instruments traded in active markets (such as available for sale securities) is on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Valuation techniques, such as estimated discounted cash flows, are used to determine the fair value of the remaining financial instruments.

Ongoing impact of AASB 1 application to accounting policy

For acquisitions made prior to 1 July 2004, Computershare elected to apply the grandfathering provisions available within AASB 1 upon first time adoption of AIFRS.

Accordingly, the following circumstances arise for all grandfathered acquisitions:

- In relation to restructuring provisions recognised as part of the acquisition accounting under previous AGAAP rules, any under/over provision is taken to the income statement. Under previous AGAAP rules, this would have been made as an adjustment to goodwill on acquisition.
- Tax losses which were not booked as part of the acquisition accounting because their recognition was not virtually certain will be recognised through profit or loss when their use becomes probable under the ongoing AIFRS requirements of AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. If the tax losses were accounted for under the ongoing requirements of AASB 3 *Business Combinations* and previous AGAAP rules, this would be made as an adjustment to goodwill on acquisition.

New accounting standards and UIG interpretations

Certain new accounting standards and UIG interpretations have been published that are not mandatory for 30 June 2006 reporting periods. The Group has assessed the requirements of these standards and interpretations.

As noted in the basis of preparation of the full year financial report the Group has elected to apply the amendment to AASB 121: The Effects of Changes in Foreign Exchange Rates (issued January 2006) to the reporting period beginning 1 July 2005. This amendments allows monetary items to be denominated in any currency and still be included as part of a net investment in a foreign operation. In the consolidated accounts, exchange differences related to these monetary items are reclassified to the foreign currency translation reserve. This accounting treatment is consistent with previous AGAAP requirements and therefore does not result in an adjustment.

The changes introduced by AASB 2005-9 apply to reporting periods beginning on or after 1 January 2006. The Group has not elected to adopt the amendments early. Computershare Limited is a party to a number of financial guarantee contracts whereby the company has provided financial guarantees on behalf of entities within the Group to financial institutions. The application of these amendments will result in the these financial guarantee contracts being recognised on balance sheet at fair value and subsequently being measured at the higher of the amount recognised as a provision and the amount initially recognised less cumulative amortisation in accordance with revenue recognition policies. The fair value of these guarantees is not yet known.

Other than the above, all other interpretations and amendments will have no impact on the Group's financial statements. Additional disclosure requirements which impact the financial statements are noted below.

AASB 7 Financial Instruments: Disclosures and AASB 2005-10 Amendments to Australian Accounting Standards
AASB 7 and AASB 2005-10 are applicable to annual reporting periods beginning on or after 1 January 2007. The Group has not adopted the standards early. Application of the standards will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Group's financial instruments.

2 MATERIAL FACTORS AFFECTING THE ECONOMIC ENTITY FOR THE CURRENT PERIOD

Refer to the attached Market Announcement for discussion of the nature and amount of material items affecting revenue, expenses, assets, liabilities, equity or cash flows, where their disclosure is relevant in explaining the financial performance or position of the entity for the period.

3 INDIVIDUALLY SIGNIFICANT ITEMS

Included in the consolidated income statement are the following items that are significant because of their nature, size or incidence:

For the year ended 30 June 2006:

		Total $000
Premises		
UK property sale adjustment (net of tax)		(1,268)
Sale of Markets Technology		
Profit on sale of Markets Technology (net of tax)		9,867
UK redundancies (net of tax)		(5,208)
Marked to market adjustments - derivatives		(1,344)
Tax losses recognised		1,507
Restructuring provisions related to business combinations (net of tax)		
US		
- Chicago operations redundancies	(1,077)	
- Toronto call centre closure	(1,168)	
- New York sub-lease loss	(1,381)	
- Equiserve restructuring provision adjustment	3,834	
Germany	(1,637)	(1,429)
		2,125

For the year ended 30 June 2005:

		Total $000
Sale of investment		
Net sale proceeds for E*Trade shares	13,402	
Written down value	(6,690)	6,712
Premises		
Net sale proceeds	5,102	
Written down value	(2,496)	
Land write down	(449)	
Tax effect	134	2,291
Business Combinations		
Grandfathered acquisition tax losses	8,717	
Other	(588)	8,129
Restructuring provisions related to business combinations (net of tax)		(13,523)
		3,609

4 RECONCILIATION OF INCOME TAX EXPENSE

a) Income tax expense	**2006 $000**	**2005 $000**
Current tax expense	33,196	18,203
Deferred tax expense	23,307	(4,227)
Under (over) provided in prior years	(1,649)	1,555
Total Income expense	**54,854**	15,531
Deferred income tax (revenue) expense included in income tax expense comprises:		
Decrease (increase) in deferred tax assets	5,311	(14,781)
(Decrease) increase in deferred tax liabilities	17,996	10,554
	23,307	(4,227)

b) Numerical reconciliation of income tax expense to prima facie tax payable	**2006 $000**	**2005 $000**
Profit before income tax expense	242,471	145,613
The tax expense for the financial year differs from the amount calculated on the profit. The differences are reconciled as follows:		
Prima facie income tax expense thereon at 30%	72,741	43,684
Tax effect of permanent differences:		
Research and development allowance	(1,305)	(1,850)
Non-deductible provisions	-	(1)
Tax losses utilised not brought to account	(1,865)	(9,435)
Share based payments	1,645	2,845
Finance costs	(6,628)	(6,628)
Rebatable/non-assessable dividend	-	(3,206)
Other deductible items	(9,211)	(3,642)
Non assessable accounting profit on the sale of E*Trade	-	(2,013)
Non assessable accounting profit on the sale disposal of assets	(1,527)	(2,068)
Other	(1,721)	(2,552)
Differential in overseas tax rates	4,423	(1,111)
Prior year tax (over)/under provided	(1,649)	1,555
Restatement of deferred tax balances due to income tax rate changes	(49)	(47)
Income tax expense	**54,854**	15,531

c) Amounts recognised directly in Equity and Goodwill	**2006 $000**	**2005 $000**
Deferred tax – debited (credited) directly to equity	7,503	228
	7,503	228

d) Unrecognised tax losses

As at 30 June 2006 companies within the consolidated entity had estimated unconfirmed tax losses (including capital losses) of $95,527,221 (2005: $111,954,675) available to offset against future years' taxable income.

e) Tax consolidation

Computershare Limited and its wholly-owned Australian entities implemented the tax consolidation regime with effect from 1 July 2002. The Australian Taxation Office has been formally notified of this decision.

The relevant entities have also entered into a tax sharing agreement. As a consequence, Computershare Limited, as the head entity in the tax consolidation Group, has recognised the current tax liability relating to transactions, events and balances of the wholly owned Australian controlled entities in this Group in the financial statements as if that liability was its own, in addition to recognising the current tax liability arising in relation to its own transactions, events and balances. Amounts receivable or payable under the tax sharing agreement are recognised separately as tax related intercompany payables or receivables.

5 RETAINED EARNINGS *(Appendix 4E item 8)*

	Consolidated	
	2006	**2005**
	$000	**$000**
Retained profits		
Retained profits at the beginning of the financial year	238,071	168,525
Adjustment on adoption of AASB 139 & 132	(100)	-
Ordinary dividends provided for or paid	(71,536)	(55,105)
Reset preference dividends provided for or paid	-	(1,282)
Transfer from the asset revaluation reserve	-	542
Net profit/(loss) attributable to members of Computershare Limited	182,558	125,391
Retained profits at the end of the financial year	**348,993**	238,071

6 ADDITIONAL DIVIDEND INFORMATION *(Appendix 4E item 6)*

Details of dividends declared or paid during or subsequent to the year ended 30 June 2006 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend	Franked amount per security	Conduit Foreign Income amount per security
9 September 2005	23 September 2005	Final	6.0 cents	$35,702,329	$nil	-
6 March 2006	24 March 2006	Interim	6.0 cents	$35,833,234	$nil	-
8 September 2006	22 September 2006	Final	7.0 cents	$41,950,269 *	$nil	-

* Based on 599,289,559 number of shares as at 10 August 2006

7 DIVIDEND REINVESTMENT PLANS *(Appendix 4E item 7)*

The company has no dividend reinvestment plan in operation.

8 NTA BACKING *(Appendix 4E item 9)*

	2006	**2005**
Net tangible asset backing per ordinary share	($1.12)	($1.07)

9 EARNINGS PER SHARE *(Appendix 4E item 14.1)*

	Calculation of Basic EPS	*Calculation of Diluted EPS*	*Calculation of Management EPS*	*Calculation of Management Diluted EPS*
	$000	**$000**	**$000**	**$000**
Year end 30 June 2006				
Earnings per share (cents per share)	30.63 cents	30.60 cents	30.44 cents	30.40 cents
Net profit	187,617	187,617	187,617	187,617
Outside equity interest (profit)/loss	(5,059)	(5,059)	(5,059)	(5,059)
Exclusion of significant items – refer Note 3	-	-	(2,125)	(2,125)
Client list amortisation	-	-	948	948
Net profit	**182,558**	**182,558**	**181,381**	**181,381**
Weighted average number of ordinary shares used as denominator in calculating basic earnings per share	595,946,325		595,946,325	
Weighted average number of ordinary and potential ordinary shares used as denominator in calculating diluted earnings per share		596,687,655		596,687,655

	Calculation of Basic EPS	*Calculation of Diluted EPS*	*Calculation of Management EPS*	*Calculation of Management Diluted EPS*
	$000	**$000**	**$000**	**$000**
Year end 30 June 2005				
Earnings per share (cents per share)	22.19 cents	22.36 cents	21.54 cents	21.72 cents
Net profit	130,082	130,082	130,082	130,082
Outside equity interest (profit)/loss	(4,691)	(4,691)	(4,691)	(4,691)
Exclusion of significant items – refer Note 3	-	-	(3,609)	(3,609)
Dividends on reset preference shares	(1,283)	-	(1,283)	-
Net profit	**124,108**	**125,391**	**120,499**	**121,782**
Weighted average number of ordinary shares used as denominator in calculating basic earnings per share	559,299,480		559,299,480	
Weighted average number of ordinary and potential ordinary shares used as denominator in calculating diluted earnings per share		560,729,679		560,729,679

The Directors and Management have determined that the exclusion of certain items permits a more appropriate and meaningful analysis of the Company's underlying performance on a comparative basis. Internally, the organisation focuses on the adjusted financial outcomes known as Management Adjusted Results. The above net profit used in the Management EPS calculation reflects the Management Adjusted Results.

Employee options movements to 30 June 2006 are as follows:

Issue Date	*Expiry Date*	*Exercise Price*	*Number On Issue 30 June 05*	*Number Reinstated This Year*	*Number Cancelled This year*	*Number Exercised This year*	*Number On Issue 30 June 06*	
1 Aug 2000	1 Jul 2005	$7.920	20,000	-	20,000	-	-	
15 Aug 2000	14 Jul 2005	$7.850	147,000	-	147,000	-	-	
8 Sep 2000	7 Aug 2005	$8.000	971,000	-	971,000	-	-	
15 Dec 2000	14 Nov 2005	$8.000	35,000	-	35,000	-	-	
25 Sep 2000	24 Aug 2005	$7.970	99,000	-	99,000	-	-	
29 Dec 2000	28 Nov 2005	$9.186	68,200	-	68,200	-	-	
21 Feb 2001	20 Jan 2006	$5.820	13,953	-	13,953	-	-	A
26 Feb 2001	25 Jan 2006	$7.400	58,000	-	58,000	-	-	
27 Apr 2001	26 Mar 2006	$6.690	18,000	-	4,000	14,000	-	
1 Jul 2001	31 May 2006	$7.350	467,000	-	-	467,000	-	
1 Jul 2001	31 May 2006	$5.950	760,000	1,000	54,500	706,500	-	
2 Jul 2001	1 Jun 2006	$5.950	2,635,750	2,000	250,500	2,387,250	-	
2 Jul 2001	1 Jun 2006	$5.940	71,500	-	3,500	68,000	-	
2 Jul 2001	1 Jun 2006	$7.350	74,000	-	74,000	-	-	
31 Jul 2001	30 Jun 2006	$6.150	37,250	-	7,250	30,000	-	
6 Mar 2002	5 Feb 2007	$2.770	1,065,600	-	143,100	613,000	309,500	A
6 Mar 2002	5 Feb 2007	$2.520	40,000	-	-	2,000	38,000	A
10 Apr 2002	9 Mar 2007	$2.520	42,000	-	2,000	40,000	-	A
27 May 2002	26 Apr 2007	$2.550	100,000	-	-	-	100,000	A
Total			6,723,253	3,000	1,951,003	4,327,750	447,500	

All options in the table above on issue at 30 June 2006 were included in potential ordinary shares for the purposes of 30 June 2006 diluted EPS. Options in the table above which were included in potential ordinary shares for the purposes of 30 June 2005 diluted EPS are marked with a (A).

The following options have been exercised between reporting date and the time of completion of this report:

Date	Exercise price	Number of options exercised	Shares Issued
7-Jul-06	$2.77	6,000	6,000
10-Jul-06	$2.77	10,000	10,000
13-Jul-06	$2.77	10,000	10,000
27-Jul-06	$2.77	6,000	6,000
1-Aug-06	$2.77	31,000	31,000
9-Aug-06	$2.52	10,000	10,000

10 SHARE BUYBACK *(Appendix 4E item 14.2)*

Ordinary shares

On 26 May 2004 Computershare announced its intention to buy-back up to 27,500,000 ordinary shares between 10 June 2004 and 17 December 2004 as part of on-going capital management. On 16 December 2004 Computershare announced a continuation of this buy-back until 17 June 2005 or earlier if the maximum number of shares were purchased prior to this time.

During the prior financial year the company bought back 10,220,000 ordinary shares at a total cost of $30,638,938. The shares bought back represent 1.86% of the opening issued ordinary share capital under the buy back arrangement.

There is no current on-market buyback.

Preference shares

On 19 December 2003 Computershare announced its intention to buy back up to 250,000 reset preference shares. This buy-back commenced on 5 January 2004 as part of on-going capital management. On 19 March 2004 Computershare announced a change in relation to this buy back in that the maximum number of shares Computershare intended to buy-back was increased to 750,000.

Between 1 July 2004 and 30 September 2004 the company bought back 284,807 reset preference shares at a total cost of $29,446,964.

Following a decision by the directors of the company to cause the reset preference shares to be converted to ordinary shares on 30 September 2004 there have been no further reset preference share buy-backs.

11 SEGMENT INFORMATION *(Appendix E item 14.4)*

The consolidated entity operates predominantly in three geographic segments: Asia Pacific; Europe, Middle East & Africa (EMEA); and North America.

Asia Pacific includes Australia, the home country of the parent entity, New Zealand, India and Hong Kong. The EMEA region comprises of operations in the UK, Ireland, Germany and South Africa. North America includes the US and Canada.

In each region the consolidated entity operates in six business segments: Investor Services, Plan Services, Document Services, Shareholder Relationship Management Services, Technology Services and Corporate.

The Investor Services operations comprise the provision of registry and related services. The Plan Services operations comprise the provision and management of employee share and option plans. Document Services operations comprise laser imaging, intelligent mailing, scanning and electronic delivery. Shareholder Relationship Management comprise the provision of investor analysis, investor communication and management information services to companies, including their employees, shareholders and other security industry participants. Technology Services include the provision of software specializing in share registry, financial services and stock markets. Intersegment charges are at normal commercial rates.

Geographical segments are presented as the primary reporting segment of the Group, reflecting the manner in which the Group has been internally managed and financial information reported to the Board in the current financial year.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
SUPPLEMENTARY APPENDIX 4E INFORMATION
PRIMARY BASIS – Geographical Segments 2006

Major geographic segments	Asia Pacific	EMEA	North America	Unallocated/ Eliminations	Consolidated Total
	$000	$000	$000	$000	$000
Revenue					
External revenue	333,030	318,741	954,376	8,337	**1,614,484**
Intersegment revenue	5,662	35,217	24,084	(64,963)	-
Total segment revenue	**338,692**	**353,958**	**978,460**	**(56,626)**	**1,614,484**
Other income	8,124	12,388	1,083	1,032	22,627
Segment Result					
Profit/(loss) before income tax	80,811	46,267	112,487	2,906	242,471
Income tax expense					(54,854)
Profit after income tax					**187,617**
Depreciation	8,960	9,661	14,432	-	33,053
Other non-cash expenses	4,227	390	4,526	-	9,143
Liabilities					
Total segment liabilities	75,566	121,354	985,177	38,733	**1,220,830**
Assets					
Total segment assets	1,073,556	343,965	2,510,755	(1,761,167)	**2,167,109**
Carrying value of investments in associates included in segment assets	-	11,160	-	-	11,160
Segment assets acquired during the reporting period:					
Property, plant & equipment	15,145	11,836	9,419	-	36,400
Other Non Current Segment Assets	13,100	69,250	20,329	-	102,679
Total	**28,245**	**81,086**	**29,748**	**-**	**139,079**

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
SUPPLEMENTARY APPENDIX 4E INFORMATION

PRIMARY BASIS – Geographical Segments 2005

Major geographic segments	Asia Pacific	EMEA	North America	Unallocated/ Eliminations	Consolidated Total
	$000	$000	$000	$000	$000
Revenue					
External revenue	321,849	289,569	457,521	2,891	1,071,830
Intersegment revenue	33,409	14,453	3,856	(51,718)	-
Total segment revenue	355,258	304,022	461,377	(48,872)	1,071,830
Other income	14,703	(7,309)	7,412	3,840	18,646
Segment Result					
Profit/(loss) before income tax	92,194	30,430	15,028	7,961	145,613
Income tax expense					(15,531)
Profit after income tax					130,082
Depreciation	7,144	7,799	13,142	-	28,085
Other non-cash expenses	836	438	6,056	-	7,330
Liabilities					
Total segment liabilities	46,510	108,862	1,079,756	14,535	1,249,663
Assets					
Total segment assets	1,059,875	323,258	2,512,955	(1,854,827)	2,041,261
Carrying value of investments in associates included in segment assets	-	6,402	-	-	6,402
Segment assets acquired during the reporting period:					
Property, plant & equipment	13,779	12,007	12,275	-	38,061
Other Non Current Segment Assets	7,896	15,599	688,243	-	711,738
Total	21,675	27,606	700,518	-	749,799

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
SUPPLEMENTARY APPENDIX 4E INFORMATION
SECONDARY BASIS - Business Segments 2006

Major business segments	**Shareholder Relationship Management Services**	**Corporate Services**	**Document Services**	**Investor Services**	**Plan Services**	**Technology Services**	**Unallocated**	**Consolidated Total**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Revenue								
External revenue	116,144	2,264	84,562	1,257,092	111,647	34,438	8,337	1,614,484
Intersegment revenue	10,875	49,995	154,462	20,319	1,076	131,964	(368,691)	-
Total segment revenue	**127,019**	**52,259**	**239,024**	**1,277,411**	**112,723**	**166,402**	**(360,354)**	**1,614,484**
Other income	706	1,752	74	7,620	555	10,888	1,032	22,627
Segment Result								
Profit/(loss) before income tax	17,082	(4,324)	13,085	177,122	20,753	19,789	(1,036)	242,471
Income tax expense								(54,854)
Profit after income tax								**187,617**
Depreciation	1,305	922	5,854	11,857	190	12,925	-	33,053
Other non-cash expenses	843	3,593	1,065	3,473	111	58	-	9,143
Liabilities								
Total segment liabilities	42,956	732,139	20,337	346,212	57,011	16,299	5,876	**1,220,830**
Assets								
Total segment assets	203,134	1,785,807	99,469	1,665,442	149,455	28,847	(1,765,045)	**2,167,109**
Carrying value of investments in associates included in segment assets	-	11,160	-	-	-	-	-	11,160
Segment assets acquired during the reporting period:								
Property, plant & equipment	1,400	2,621	10,921	10,260	7	11,191	-	36,400
Other Non Current Segment Assets	-	-	3,510	99,169	-	-	-	102,679
Total	**1,400**	**2,621**	**14,431**	**109,429**	**7**	**11,191**	**-**	**139,079**

SECONDARY BASIS - Business Segments 2005

Major business segments	Shareholder Relationship Management Services	Corporate Services	Document Services	Investor Services	Plan Services	Technology Services	Unallocated	Consolidated Total
	$000	$000	$000	$000	$000	$000	$000	$000
Revenue								
External revenue	95,577	27,642	60,038	748,030	93,967	43,686	2,890	1,071,830
Intersegment revenue	7,915	92,980	79,037	12,923	2,041	106,749	(301,645)	-
Total segment revenue	103,492	120,622	139,075	760,953	96,008	150,435	(298,755)	1,071,830
Other income	1,071	14,361	524	(22)	8	(1,136)	3,840	18,646
Segment Result								
Profit/(loss) before income tax	19,272	2,364	20,029	67,368	12,787	14,909	8,884	145,613
Income tax expense								(15,531)
Profit after income tax								130,082
Depreciation	941	765	3,625	10,477	853	11,424	-	28,085
Other non-cash expenses	14	318	1,121	5,523	234	120	-	7,330
Liabilities								
Total segment liabilities	31,177	697,429	9,968	426,036	58,801	17,839	8,413	1,249,663
Assets								
Total segment assets	169,703	1,851,440	62,905	1,643,607	117,459	64,271	(1,868,124)	2,041,261
Carrying value of investments in associates included in segment assets	-	6,402	-	-	-	-	-	6,402
Segment assets acquired during the reporting period:								
Investments	1,596	1,046	9,462	13,773	1,312	10,872	-	38,061
Property, plant & equipment	1,948	-	8,752	701,038	-	-	-	711,738
Total	**3,544**	**1,046**	**18,214**	**714,811**	**1,312**	**10,872**	**-**	749,799

12 TRENDS IN PERFORMANCE *(Appendix 4E item 14.5)*

Refer to attached Market Announcement.

13 OTHER FACTORS THAT AFFECTED RESULTS IN THE PERIOD OR WHICH ARE LIKELY TO AFFECT RESULTS IN THE FUTURE *(Appendix 4E item 14.6)*

Refer to attached Market Announcement.

14 CONTROLLED ENTITIES ACQUIRED OR DISPOSED OF DURING THE PERIOD *(Appendix 4E item 10)*

Acquired	**Lord Securities Corporation**	**FinancialBPO**	**SLS Software GmbH and SLS HV-Management AG**	**Interactive Meetings Limited**
Date control gained	23 September 2005	15 November 2005	29 December 2005	6 January 2006
Contribution to profit/(loss) after tax in current period, where material	*Immaterial*	Immaterial	*Immaterial*	*Immaterial*
Profit/(Loss) after tax during the whole of the previous corresponding period, where material	*Immaterial*	*Immaterial*	*Immaterial*	*Immaterial*

Acquired	**ADM GmbH**
Date control gained	1 March 2006
Contribution to profit/(loss) after tax in current period, where material	*Immaterial*
Profit/(Loss) after tax during the whole of the previous corresponding period, where material	*Immaterial*

Disposed of	**Computershare Technology Services (Ireland) Limited**
Date control lost	31 January 2006
Contribution to profit/(loss) after tax in current period, where material	*Immaterial*
Profit/(Loss) after tax during the whole of the previous corresponding period, where material	*Immaterial*

15 ASSOCIATES AND JOINT VENTURE ENTITIES *(Appendix 4E item 11)*

Name	*Ownership interest* 2006 %	2005 %	*Aggregate share of profits/(losses)* 2006 $000	2005 $000	*Contribution to net profit* 2006 $000	2005 $00
Chelmer Limited	50	50	-	-	-	-
The National Registry Company (a)	45	45	5,437	3,951	4,349	2,509
GSC Proxitalia s.p.A (b)	100	100	-	-	-	(707)
Japan Shareholder Services (c)	50	-	(220)	-	(110)	-
Total			**5,217**	**3,951**	**4,239**	**1,802**

a) The aggregate share of profit and contribution to net profit of the June 2005 comparatives has been restated to comply with AIFRS requirements. Goodwill amortisation has been added back to the current and aggregated profits.

b) From 1 July 2004 to 25 April 2005, the Computershare Group ceased control of GSC Proxitalia s.p.A and its subsidiaries. Accordingly these entities have been included as associated entities for this period. On 26 April 2005 Computershare acquired the remaining 54% of GSC Proxitalia s.p.A and its subsidiaries. From this date onward, the result and balance sheet of those entities have been consolidated by the Computershare Group.

c) On 31 August 2005, the Computershare Group entered into an agreement with UFJ Trust Bank Limit to establish the joint venture Japan Shareholder Services (JSS). Each party has equal ownership and is therefore not consolidated as part of the Computershare Group.

16 OTHER SIGNIFICANT INFORMATION *(Appendix 4E item 12)*

Refer to attached Market Announcement.

17 RECONCILIATION OF NET PROFIT AFTER TAX TO CASH FLOWS FROM OPERATING ACTIVITIES

	2006 $000	2005 $000
Net profit after income tax	187,617	130,082
Adjustments for non-cash income and expense items:		
- Depreciation and amortisation	39,408	35,773
- Profit on sale of assets	(13,996)	(12,903)
- Share of net profit of associates accounted for using equity method	(4,239)	(1,802)
- Employee benefits – share based payments	12,944	11,373
- Financial instruments	2,059	-
- Other	(99)	(767)
Changes in assets and liabilities:		
(Increase)/decrease in accounts receivable	6,606	(53,362)
(Increase)/decrease in net tax balances	6,965	8,880
(Increase)/decrease in inventory	(2,110)	2,188
(Increase)/decrease in other assets	(4,568)	2,830
Increase/(decrease) in payables and provisions	37,574	35,963
Increase/(decrease) in reserves	(22,345)	(11,465)
Net cash and cash equivalents provided by operating activities	**245,816**	146,790

18 AUDIT STATUS *(Appendix 4E item 15)*

This report is based on accounts which are in the process of being audited.

19 COMMENTARY ON RESULTS *(Appendix 4E item 14)*

Refer to attached Market Announcement.

20 SIGNIFICANT FEATURES OF OPERATING PERFORMANCE *(Appendix 4E item 14.3)*

Refer to attached Market Announcement.

21 BUSINESS COMBINATIONS

The Group disclosed in the 30 June 2005 financial report that the initial accounting for the Equiserve and PCTC business combinations was determined provisionally.

In accordance with the requirements of AASB 3 *Business Combinations* the acquisition accounting for these business combinations has been finalised. The following adjustments have been made to the provisional values recognised during the current reporting period:

Net decrease in the fair value of assets and liabilities acquired	AUD 6.7 million
Recognition of intangible assets separately from goodwill	AUD 2.3 million
Increase in goodwill recognised on acquisition	AUD 4.4 million

The recognition of intangible assets separately from goodwill relates to the PCTC acquisition.

Management identified a number of intangible assets acquired in the Equiserve acquisition. After a valuation process Management have allocated these acquired intangible assets a value of $NIL.

The 30 June 2005 comparative balance sheet has been restated to reflect these adjustments. Due to the proximity of the acquisition to year end, no amortisation charge has been reflected in the comparative information.

22 EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS OF INTERNATIONAL FINANCIAL REPORTING STANDARD (AIFRS)

The Adoption of International Financial Reporting Standards

As at 1 July 2005, Computershare have complied with the Australian equivalents of International Financial Reporting Standards (AIFRS) in accordance with the accounting policies set out Note 1. The below tables reconcile our previously reported net profit for the 12 months ended 30 June 2005 and total equity as at 1 July 2004 and 30 June 2005 under previous AGAAP rules to that now reported under AIFRS.

The 30 June 2006 results are reported in accordance with the accounting policies as set out in Note 1.

It is important to note, that whilst the adoption of AIFRS has changed the Group's reported results, this does not represent a change in the strength of the underlying business nor in the cash flows generated. Accordingly, there is no change to the cash flow statement upon transition to AIFRS requirements.

Reconciliation of net profit as presented under AGAAP to that under AIFRS for the year ended 30 June 2005

	Note	Consolidated 12 months to 30 June 2005 $000
Net profit after tax and outside equity interests as reported under AGAAP		**101,462**
Amortisation of goodwill	A	41,706
Amortisation of intangible assets	B	(514)
Derecognition of restructuring provisions	C	(13,523)
Pre 1 July 2004 business combination transitional adjustments	C	8,129
Share based payment expense	D	(9,971)
Assets held for sale	E	(125)
Tax effect of lower recognition hurdles	I	(1,033)
Other	J	(740)
Net profit after tax and outside equity interests under AIFRS		**125,391**

The above reconciliation of net profit should be read in conjunction with the accompanying notes.

Reconciliation of equity as presented under AGAAP to that under AIFRS at date of transition: 1 July 2004 and at the end of the last reporting date 30 June 2005

	Note	Consolidated 30 June 2005** $000	1 July 2004* $000
Total equity under AGAAP		**755,147**	**604,867**
Adjustments to retained earnings (net of tax)			
Write back of goodwill amortisation	A	41,706	-
Amortisation of intangible assets	B	(514)	-
Derecognition of restructuring provisions	C	(13,523)	-
Pre 1 July 2004 business combination transitional adjustments	C	8,129	-
Recognition of share based payment expense	D	(11,065)	(1,094)
Write back on held for sale assets	E	-	125
Tax effect of lower recognition hurdles	I	77	1,110
Other	J	(2,342)	(2,365)
Adjustments to other reserves (net of tax)			
Foreign currency translation reserve	G	(435)	-
Equity related contingent consideration	C	2,816	-
Recognition of share based payment reserve	D	11,602	1,193
Total equity under AIFRS		**791,598**	**603,836**

* This column represents the adjustments as at the date of transition to AIFRS

** These columns represent the cumulative adjustments as at the date of transition to AIFRS and those for the full year ended 30 June 2005.

The above reconciliation of equity should be read in conjunction with the accompanying notes.

Explanation of key differences in accounting policy which have arisen upon the adoption of AIFRS
In reading the below commentary on the transition to AIFRS, reference should be made to Note 1 for a detailed explanation of the accounting policies as adopted under the AIFRS accounting standards. Previous AGAAP accounting policies are detailed in the 30 June 2005 annual report.

A. Annual impairment testing of goodwill

- Goodwill amortisation expensed in 2005 in the financial results of the consolidated Group under AGAAP requirements has been reversed in full under AIFRS. This results in a $41.7million increase in the Group's reported profits.
- Computershare has elected to adopt the option to "grandfather" all pre-1 July 2004 acquisitions, as permitted under AASB 1, *First Time Adoption of AIFRS*. This means that the carrying value of goodwill as at 1 July 2004 has not been adjusted upon the adoption of AIFRS.
- Impairment testing of goodwill has been completed annually since 1 July 2004. Based on the impairment testing completed and sensitivity analysis performed to date, no impairment has been recognised at 30 June 2005.
- In certain regions within the Group, goodwill amortisation is tax deductible. The reversal of amortisation expense for accounting has resulted in an additional deferred tax liability of $2.3 million as at 30 June 2005 being recognised.

B. Acquired intangible assets

- The process to separately value and recognise intangible assets which were previously subsumed in goodwill has been completed for all material acquisitions to 30 June 2005 other than Pacific Corporate Trust Company (PCTC) and Equiserve (refer below).
- Intangible assets with an original cost of $6.0 million have been reclassified from goodwill to intangible assets at 30 June 2005. To date these include contractual customer relationships and proprietary software.
- The total cumulative amortisation expense from the date of acquisition to 30 June 2005 is $0.5 million.
- Regulatory approval for the acquisition of the PCTC and Equiserve Inc. was received on 14 June 2005 and 17 June 2005 respectively. The valuation of the intangible assets was finalised during the year ended 30 June 2006. Accordingly, the above balance sheet reclassification and amortisation charge as at 30 June 2005 do not include any impact of these acquisitions. The impact on the Group's results would have been a decrease in goodwill and an increase in intangible assets reported in the balance sheet of $2.3 million for PCTC and $NIL for Equiserve. An amortisation expense for intangible assets identified for the period since acquisition has been recorded in the results to 30 June 2006. Due to the proximity of the acquisition to year end, no amortisation charge has been reflected in the comparative information.

C. Business combinations

Restructuring provisions

- All restructuring provisions arising as a result of a post 1 July 2004 business combination which were not a commitment of the acquiree have been recorded as an expense in the income statement.
- This resulted in a decrease of $13.5 million in the original cost of goodwill and a decrease in net profit after tax of approximately $13.5 million.

Grandfathered acquisitions

- Computershare has elected to adopt the option to grandfather all pre 1 July 2004 acquisitions as permitted under AASB 1. The impact is an increase in net profit after tax of $8.1 million for the 12 months ended 30 June 2005 with a corresponding increase in equity which primarily relates to the utilisation of pre acquisition tax losses previously booked against goodwill. It should be noted that this adjustment is a result of applying the transitional rules only and will be ongoing in relation to all grandfathered acquisitions.
- The reduction in goodwill related to the above adjustments was $7.5 million at 30 June 2005.

Deferred consideration

- Contingent consideration of $2.8 million has been reclassified from deferred consideration to an equity reserve account given that if certain targets are met, the consideration is payable through the delivery of shares.

D. Share based payments

- Equity based compensation in the form of shares has been recognised as an expense in the period during which the employee provides related services. The impact of this change is a decrease in consolidated net profit after tax of $10.0 million in the income statement.
- Consolidated opening retained earnings have decreased by $1.1 million representing the cumulative impact of applying the new accounting standard to share based payments. An increase of $10.3 million to 30 June 2005 has been recorded in share based payments reserve representing the cumulative movement in the share based payments expense of $11.6 million plus the deferred tax adjustment deferred in equity rather than reported in current income tax expense.

E. Non current assets held for sale

- Properties valued at $8.0 million met the held for sale criteria as at 30 June 2005. These properties have been separately identified as held for sale asset in the balance sheet.
- As at 30 June 2004 two properties owned by the Parent were considered to be held for sale requiring separate identification in the AIFRS balance sheet. Both properties were sold in the financial year ended 30 June 2005. The depreciation expense associated with these assets has been reversed. The impact is a decrease in the current year depreciation expense of $22,000 and an increase in opening retained earnings of $0.1 million (representing depreciation expense recognised on these assets in the financial year ended 30 June 2004). As a result the carrying value of the assets subsequently sold increased from $2.4 million to $2.6 million, reducing the gain on sale reported in 30 June 2005 by $0.2 million.
- Under AGAAP gross proceeds from the sale of assets were recognised as revenue and the carrying amount of the asset sold is recognised as an expense. Under AIFRS the net profit on sale of assets is recognised as income. The impact of this is a reclassification of $26.9 million in the income statement for the 12 months ended 30 June 2005 from expenses to other revenue. The net impact on profit after tax is $nil.

F. Impairment testing of fixed assets

- Similar to goodwill, the carrying value of fixed assets is subject to impairment testing under AIFRS. Impairment testing is only required when an impairment indicator is triggered. Impairment testing of fixed assets has been reviewed at 30 June 2004 and no impairment indicators were identified as triggered during the year ended 30 June 2005.

G. Foreign Currency Translation Reserve

- AASB 1 allows first time adopters to deem all cumulative translation differences for all foreign operations to be zero at the date of transition to AIFRS. The application of this exemption would mean that the gain or loss on a subsequent disposal of any foreign operation would exclude translation differences that arose before the date of transition to AIFRS.
- Computershare has elected not to apply the above exemption available within AASB 1 and as a result no adjustment has been made upon transition to AFIRS.
- A decrease to the foreign currency translation reserve of $0.4 million as at 30 June 2005 has been recorded as a result of AIFRS transition entries which have been posted in Computershare subsidiaries in local currency.

H. Defined benefit superannuation funds

- The impact of the transitional adjustments under AIFRS relating to defined benefit superannuation funds both individually and cumulatively are immaterial to the Group therefore no adjustments have been recorded.

I. Deferred tax assets & liabilities

- Under AIFRS the recognition hurdle for deferred tax assets has been lowered from “virtual certainty” to “probable”. The financial impact of the lower recognition hurdle under AIFRS is a cumulative deferred tax asset of $1.0 million as at 30 June 2005.
- The deferred tax effect of other AIFRS transitional accounting adjustments are reflected in the 30 June 2005 AIFRS balance sheets and the income statements and have been included under each relevant note within this narrative.

J. Other

- An adjustment to bring the groups operating lease expense on a straight line basis over the term of the lease has been made. This resulted in a decrease to opening retained earnings of $0.5 million and an equal increase to other non current liabilities. This provision was increased during the 30 June 2005 financial year by $0.3 million.
- As a result of the write back of goodwill amortisation expense relating to associates, additional profit was attributed to minority interests $0.8 million for the 12 months to 30 June 2005.
- Other also includes smaller adjustments arising from a change in timing associated with the recognition of non-recurring transactions within the Group which result in net profit of $0.3 million for the 12 months ended 30 June 2005. There is a related decrease in opening retained earnings of $1.8 million and an increase in other non current liabilities of $2.1million.

K. Financial instruments – disclosure and presentation

- As permitted under the transitional accounting standards, Computershare has elected to apply *AASB 132 Financial Instruments: Disclosure and Presentation* and AASB 139 *Financial Instruments: Recognition and Measurement* from 1 July 2005 onwards. This allows the Group to continue to apply current accounting standards to the 30 June 2005 financial statements.
- Accordingly, no adjustments in respect of financial instruments are included in the quantitative disclosures provided above.
- On 1 July 2005 there was a decrease to retained earnings of $0.1 million and an increase to equity reserves of $6.0 million.