COMPUTERSHARE LIMITED (ASX:CPU)

FINANCIAL RESULTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2003

(Comparisons are for the half year ended 31 December 2002)

26 February 2004

Copies of 2004 Half Year Results Presentation are available for download at:
www.computershare.com/results

MARKET ANNOUNCEMENT

COMPUTERSHARE LIMITED (ASX:CPU)

RESULTS FOR SIX MONTHS ENDED 31 DECEMBER 2003

MAIN FEATURES

- Net operating profit after tax (excluding outside equity interests) of $42.4 million, up 986% from $3.9 million at 31 December 2002.

- Half year total revenues of $394.5 million (excluding proceeds on sale of UK premises) - up 13% (if the impact of recent acquisitions is also excluded, revenue increased by 7%).

- Half year operating costs of $233.9 million (excluding the effect of recent acquisitions and cost of sales) down by 5%.

- EBITDA up 47% (excluding non-recurring items) to $80.1 million or (including non-recurring items) $85.8 million, up 81%.

- Operating profit before tax of $54.0 million, up 289%.

MARKET ANNOUNCEMENT

Melbourne, 26 February 2004 – Computershare Limited (ASX: CPU) today reported a net profit after tax (after outside equity interests) of $42.4 million for the six months to 31 December 2003. This represents an increase of 986% from the corresponding period.

Headline results

- The result was struck on total revenues of $394.5 million (excluding $51.8 million proceeds on sale of UK premises), up 13% from the corresponding period in FY 2003. Excluding the effect of acquisitions completed during the period, revenues were up by 7%;
- Earnings before income tax, depreciation and amortisation (EBITDA) were up 81% to $85.8 million or 47% to $80.1 million excluding non-recurring items*;
- Operating expenses were $312.9 million (inclusive of cost of sales but exclusive of the cost of disposal of UK premises being $46.1 million). If costs of sales and the impact of acquisitions completed during the period are excluded, costs declined by 5%;
- Days Sales Outstanding was 63 days, down by 4 days from 30 June 2003;
- Capital expenditure was down by 37% to $7.2 million;
- Basic earnings per share was 7.05 cents per share;
- Normalised earnings per share rose from 0.8 to 6 cents per share; and
- Interim Dividend increased by 20% to 3 cents per share fully franked.

*The financial statements attached for the first half of 2004 include the non-recurring benefit of $5.7 million arising from the sale of premises in the United Kingdom (Bristol).

Commentary

The positive results posted for the half year reflect an improvement in market conditions, particularly in the Asia Pacific region, combined with the benefits derived from continuing cost-cutting measures. It is also noted that these results are measured against a comparative period that was characterised by unusually subdued market conditions.

CEO, Chris Morris said, "This is a strong and very pleasing result that has been made possible through the commitment of our people world-wide to continue to control costs and improve the quality of services we provide." He added, "The decrease in operating costs of 5% against a revenue increase of 7% is direct evidence of the success of these efforts." "I am happy to highlight the significant increase in North America's contribution to revenue and to EBITDA in particular (from 18% to 39% of global results) especially during a period when a considerable amount of time was being spent on the Georgeson deal." He added, "Despite this excellent result, we will continue to focus on our service standards and we will not relax our efforts to reduce costs. The integration of our recent acquisitions is being carefully managed and early indications are that, in the long-term, synergies are likely to be more significant than expected. "

Georgeson Shareholder Communications Inc. ("GSC")

During this period the company was also pleased to announce the acquisition of US based Georgeson Shareholder Communications Inc ("GSC") on 2 December 2003. The business was purchased for total consideration of $189.3 million, funded largely through increased borrowings and partly by the issue of shares. In addition the company has set aside provisions for restructuring to the GSC business of up to $12 million.

This acquisition cements Computershare's position in North America. GSC's strong market presence in this region and Computershare's strong businesses in other regions combine to create significant leverage and enormous cross-selling opportunities throughout Computershare's global businesses.

In the 12 months to 31 December 2003, GSC generated approximately $US120 million of revenues from their existing lines of business. As communicated previously, margins are expected to be consistent with the remainder of CPU's businesses and, potentially, will be higher once the benefits of integration are realised.

The integration of GSC into the company is being carefully managed by a team of top executives from both Computershare and GSC. As the transaction was completed in December, few of the effects of integration were realised in these first half results. With GSC's ongoing contributions, the North American region is expected to contribute the largest percentage of Group revenue and EBITDA.

Share Buy-Back

On 19 December 2003, the company announced its intention to buy back a maximum of 17% of its issued reset preference shares (250,000 shares).

The buy back commenced on 5 January 2004. To date the company has purchased 145,528 of its reset preference shares for total consideration of $14,801,018 million ($103.63 average price per share). The buy back is continuing and scheduled to complete on the 5 July 2004.

Dividend

The company announces an interim dividend for the six months to 31 December 2003 of 3 cents per share, fully franked. This is an increase of 20% over the previous corresponding period. The Board expects the full year ordinary dividend to be 6 cents per share fully franked.

Balance Sheet Overview

The company's financial position remains healthy with total assets of $1,061.4 million being financed by shareholders' funds totalling $613.8 million.

Computershare's total current funding facility is $360 million, with net borrowings increasing to $157.9 million at 31 December 2003 (from $77.7 million at 30 June 2003), primarily to fund the purchase of Georgeson Shareholder Communications Inc.

Gearing – Net Debt to Equity increased from 13.2% at 30 June 2003 to 25.7% at 31 Dec 2003.

Operating Costs – Overview

Total technology spending for the six months was $41.6 million, an increase of 3% on last year. This amount includes $18 million in research and development (R&D) expenditure. In line with the company's policy, even though the $18 million R&D spending was of a capital nature, all technology costs have been expensed in the current period. The majority of the increase in total technology expenditure is attributable to costs associated with the running of the EFA business (Markets Technology), which was acquired on 7 February 2003.

Excluding the impact of acquisitions and costs of sales, operating expenses decreased by 5% against a revenue rise of 7%

Distribution of Revenue/EBITDA (comparisons to corresponding period)

Regionally, revenues and EBITDA results were apportioned as follows:

	Revenue		EBITDA	
	1H'03	**1H'04**	**1H'03**	**1H'04**
North America	19%	37%	18%	39%
Asia/Pacific	45%	34%	45%	39%
EMEA	36%	29%	37%	22%

Outlook for Financial Year 2004

In attempting to forecast our 2004 full year results, we have taken into account the expected increase in the level of contribution of our recent acquisitions and the general improvement in market activity in Asia/Pacific, and to a lesser degree, North America.

Provided these improvements flow through to our businesses, we anticipate EBITDA for the financial year ending 30 June 2004 to be in the range of $170 to $190 million.

This forward-looking information is provided on the assumption that further movements in the Australian dollar against foreign currencies (particularly those of Canada, the UK and the US) will be moderate (+/- 10%).

About Computershare Limited (CPU)

Computershare (ASX: CPU) is one of the world's leading financial services and technology providers to the global securities industry, providing services and solutions to listed companies, investors, employees, exchanges and other financial institutions.

With a unique range of integrated services, Computershare provides specialised records management for company share registers and employee share and stock option plans, document design and communication, strategic investor relations and market intelligence, and a variety of sophisticated trading technologies for financial markets.

Computershare is the largest and only provider of global shareholder and employee management services with more than 60 million shareholder accounts for over 7,000 corporations across ten countries on five continents. Founded in Australia, Computershare today employs more than 6,000 people worldwide.

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FINANCIAL SUMMARY

The December 2003 half year result reflects improved market conditions, the benefits of previous restructuring efforts, and some contribution from recent acquisitions.

	6 mths to Dec 2003 $ millions	6 mths to Jun 2003 $ millions	6 mths to Dec 2002 $ millions
Revenue (excl. proceeds on sale of UK premises)	394.5	359.9	348.7
EBITDA before non-recurring items	80.1	79.5	54.4
Non-recurring items	5.7	(28.0)	(7.1)
EBITDA post adjustments	85.8	51.5	47.3
Profit before tax	54.0	15.6	13.9
Net profit attributable to members of the parent	42.4	12.4	3.9
Dividend per share (cents)	3.0	2.5	2.5
EPS (normalised) - basic (cents)	6.0	6.1	0.8

Revenue Analysis

	1H04 6mths Dec 2003 $'000s	2H03 6mths June 2003 $'000s	1H03 6mths Dec 2002 $'000s
Registry Maintenance	165.7	166.0	168.0
Non-Registry Sales/Fees	101.5	74.2	71.4
Corporate Actions	34.4	21.8	21.8
Margin Income	26.6	31.8	31.9
Interest Income	1.7	1.8	1.8
Recoveries	50.0	58.2	49.3
Other	14.6	6.0	4.5
Total	**394.5**	**359.8**	**348.7**

Registry maintenance revenue has remained flat over the six-month period despite the unfavourable impact of exchange rates. Non-Registry income includes the revenue contribution from recent acquisitions. Corporate Actions revenue increased by 58% reflecting improved market conditions, particularly in Australia. Margin income decreased 17% due largely to reductions in interest rates in the UK and US.

Operating Cost Analysis

	1H04 6mths Dec 2003 $'000s	2H03 6mths June 2003 $'000s	1H03 6mths Dec 2002 $'000s
Recoverable expenses	62.2	54.6	49.7
Personnel	139.3	133.5	136.5
Occupancy	19.3	18.8	18.0
Other direct	50.5	29.9	49.2
Technology services	41.6	42.1	40.4
Total	**312.9**	**278.9**	**293.8**

Operating expenses includes the operating costs of recent acquisitions. When these costs are excluded, operating expenses show an underlying decline of 5% reflecting cost savings from previous period restructuring efforts and a continued focus on cost control.

TAXATION

The Group's headline effective tax rate for the half year ended 31 December 2003 (1H04) is 20.8% (1H03 65.2%).

The normalised headline effective tax rate adjusted for one off, non recurring items for 1H04 (being the sale of the UK premises) is 31.7% (1H03 30.3%).

The underlying effective tax rate, being the tax rate adjusted for one off, non recurring items and non deductible goodwill charges for 1H04 is 27.7% (1H03 10.6%).

CASH FLOW / FINANCING

Cash flow from operations was $42.6 million, reflecting profit generation by operating businesses and improved working capital management.

Debtor days outstanding reduced to 63 days at 31 December 2003 from 67 days at 30 June 2003.

Computershare's total funding facility is $360 million, of which $250.1 million is drawn at 31 December 2003.