ASX HALF-YEAR REPORT

Computershare Limited

ABN 71 005 485 825

31 December 2016

Lodged with the ASX under Listing Rule 4.2A

This information should be read in conjunction with the 30 June 2016 Annual Report.

Contents

This half-year report covers the consolidated entity consisting of Computershare Limited and its controlled entities. The interim financial report is presented in United States dollars (unless otherwise stated).

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
HALF-YEAR ENDED 31 DECEMBER 2016
(Previous corresponding period half-year ended 31 December 2015)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				$000
Revenue from ordinary activities *(Appendix 4D item 2.1)*	up	7.0%	to	999,124
Profit/(loss) after tax attributable to members *(Appendix 4D item 2.2)*	up	78.2%	to	150,153
Net profit/(loss) for the period attributable to members *(Appendix 4D item 2.3)*	up	78.2%	to	150,153

Dividends *(Appendix 4D item 2.4)*	Amount per security	Franked amount per security
Interim dividend	AU 17 cents	30%
Final dividend (prior year)	AU 17 cents	20%

Record date for determining entitlements to the interim dividend *(Appendix 4D item 2.5)* 27 February 2017

Explanation of Revenue *(Appendix 4D item 2.6)*
Total revenue for the half year was $999.1 million, a 7% increase over the corresponding period. The main driver was growth in business services underpinned by the full period impact of the UKAR loan service contract win in the UK. US loan servicing also registered strong revenue growth aided by the 2016 acquisition of CMC and increased investment in mortgage servicing rights. Register maintenance revenues were slightly down and employee share plans benefited from higher transactional volumes. Corporate action revenue was weaker during the period following subdued activity across most markets. Margin income fell during the period notwithstanding stronger client balances. The weaker Great British Pound relative to the prior period reduced the translated contribution from the UK businesses.

Explanation of Profit/(loss) from ordinary activities after tax *(Appendix 4D item 2.6)*
Net statutory profit after tax attributable to members was $150.2 million, an increase of 78.2% over the corresponding period. The increase was driven largely by profits realised on the sale of the Company's headquarters in Melbourne, Australia and to a lesser extent, the disposal of the Company's investment in INVeSHARE. The result also benefited from a reduction in amortisation expense for a number of intangible assets which are now fully amortised and the non-recurrence of accounting losses associated with the disposal of assets in the prior period. Net profit after tax was also supported by an improved operating performance led by growth in UK loan services and an improved performance by the employee share plans business across most markets. Register maintenance profits increased led by improved performance in the USA and Canada, but corporate action profits were lower across all markets. Lower yields on client balances impacted a number of businesses, most significantly the Deposit Protection Scheme and the materially weaker Great British Pound impacted the translation of profits generated from businesses in the UK.

The Group's income tax expense for the six months ended 31 December 2016 was only modestly higher than the previous corresponding period despite the significantly higher profit before related income tax expense. The statutory effective tax rate benefited primarily from the utilisation of carried forward capital losses that were applied against the capital gain on the disposal of the Company's Melbourne headquarters.

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

Explanation of Dividends *(Appendix 4D item 2.6)*
The Company has announced an interim dividend for the current financial year of AU 17 cents per share. This dividend is franked to 30%.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 December 2016

Contents

This interim financial report does not include all the notes of the type normally included in the annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by Computershare Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the Australian Securities Exchange Listing Rules.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' REPORT

The Board of Directors of Computershare Limited (the Company) present their report in respect of the financial half-year ended 31 December 2016.

DIRECTORS

The names of the directors of the Company in office during the whole of the half-year and up to the date of this report, unless otherwise indicated, are:

Non-executive
Simon David Jones (Chairman)
Tiffany Lee Fuller
Markus Erhard Kerber
Penelope Jane Maclagan
Christopher John Morris
Arthur Leslie Owen
Joseph Mark Velli

Executive
Stuart James Irving (President and Chief Executive Officer)

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the course of the half-year were the operation of investor services, plan services, communication services, business services, stakeholder relationship management services and technology services.

- The investor services operations comprise the provision of registry maintenance and related services.
- The plan services operations comprise the provision of administration and related services for employee share and option plans.
- The communication services operations comprise document composition and printing, intelligent mailing, inbound process automation, scanning and electronic delivery.
- The business services operations comprise the provision of bankruptcy, class action and utilities administration services, voucher services, corporate trust services and mortgage servicing activities.
- The stakeholder relationship management services group provides investor analysis, investor communication and management information services to companies, including their employees, shareholders and other security industry participants.
- Technology services includes the provision of software, specialising in share registry and financial services.

Computershare has a range of regulated businesses around the world, including transfer agencies, licensed dealers, corporate trusts and mortgage servicers.

REVIEW OF OPERATIONS

Statutory basic earnings per share have increased by 80.6% to 27.48 cents. The Group has recorded a profit before tax of $182.5 million for the half-year ended 31 December 2016 (2015: $114.8 million). Total revenue has increased to $999.1 million (2015: $933.4 million) and operating cash flows have increased by $210.3 million to $185.0 million (2015: -$25.3 million) mainly due to a substantial increase in loan servicing advances in the prior reporting period. Excluding loan servicing advances, operating cash flows increased by $14.8 million (2015: decreased $10.9 million).

The significant improvement in profit before tax was driven largely by profits realised on the sale of the Company's headquarters in Melbourne, Australia and to a lesser extent, the disposal of the Company's investment in INVeSHARE. A reduction in amortisation expense for a number of intangible assets which are now fully amortised and the non-recurrence of accounting losses associated with the disposal of assets in the prior period also benefited the result.

The improved operating performance was led by growth in UK loan services and an improved performance by the employee share plans business across most markets. Register maintenance profits increased led by improved performance in the US, Canada and Italy which more than offset slightly weaker outcomes in the UK, Australia and Hong Kong. Corporate action profits were lower across all markets following subdued activity levels, which combined with lower proxy activity, also negatively impacted Communication Services. The Group also continued to make good progress during the period on its operational and process efficiency programs.

Lower yields on client balances negatively impacted a number of businesses, most significantly the Deposit Protection Scheme and the materially weaker Great British Pound negatively impacted the translation of profits generated from businesses in the UK.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' REPORT

CONSOLIDATED PROFIT

The profit of the consolidated entity for the half-year was $150.2 million (2015: $84.3 million) after deducting income tax and non-controlling interests.

DIVIDENDS

The following dividends of the consolidated entity 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 2016 was declared on 10 August 2016 and paid on 13 September 2016. This was an ordinary dividend of AU 17 cents per share, franked to 20%, amounting to AUD 92,863,589 ($70,036,626).

- An interim ordinary dividend declared by the directors of the Company in respect of the current financial year, to be paid on 22 March 2017, of AU 17 cents per share, franked to 30% and amounting to AUD 92,875,422 based on shares on issue as at 15 February 2017. The dividend was not declared until 15 February 2017 and accordingly no provision has been recognised at 31 December 2016.

ROUNDING OF AMOUNTS

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission. In accordance with that legislative instrument, amounts in the interim financial report and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's signed independence declaration as required under section 307C of the *Corporations Act 2001* is provided immediately after this report.

Signed in accordance with a resolution of the Directors.

SD Jones
Chairman

SJ Irving
Chief Executive Officer

15 February 2017

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Auditor's Independence Declaration

As lead auditor for the review of Computershare Limited for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Computershare Limited and the entities it controlled during the period.

Anton Linschoten
Partner
PricewaterhouseCoopers

Melbourne
15 February 2017

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COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2016

	Note	Half-year 2016 $000	2015 $000
Revenue from continuing operations			
Sales revenue		**996,598**	931,913
Other revenue		**2,526**	1,534
Total revenue from continuing operations		**999,124**	933,447
Other income	10	**58,274**	8,027
Expenses			
Direct services		**690,314**	661,081
Technology costs		**147,489**	127,419
Corporate services		**11,138**	11,394
Finance costs		**26,392**	26,073
Total expenses		**875,333**	825,967
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method		**446**	(681)
Profit before related income tax expense		**182,511**	114,826
Income tax expense/(credit)		**29,511**	28,558
Profit for the half year		**153,000**	86,268
Other comprehensive income that may be reclassified to profit or loss			
Available-for-sale financial assets		**6**	(94)
Cash flow hedges		**(543)**	(177)
Exchange differences on translation of foreign operations		**(28,690)**	(28,438)
Income tax relating to components of other comprehensive income		**(3,270)**	436
Total other comprehensive income for the half year, net of tax		**(32,497)**	(28,273)
Total comprehensive income for the half year		**120,503**	57,995
Profit for the half year attributable to:			
Members of Computershare Limited		**150,153**	84,255
Non-controlling interests		**2,847**	2,013
		153,000	86,268
Total comprehensive income for the half year attributable to:			
Members of Computershare Limited		**117,611**	56,857
Non-controlling interests		**2,892**	1,138
		120,503	57,995
Basic earnings per share (cents per share)	2	**27.48 cents**	15.22 cents
Diluted earnings per share (cents per share)	2	**27.46 cents**	15.19 cents

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2016

	Note	31 December 2016 $000	30 June 2016 $000
CURRENT ASSETS			
Cash and cash equivalents		**579,430**	526,575
Bank deposits		**6,131**	20,174
Receivables		**387,636**	425,343
Loan servicing advances		**243,474**	255,139
Available-for-sale financial assets		**375**	591
Other financial assets		**22,015**	18,655
Inventories		**4,024**	4,512
Current tax assets		**8,107**	6,423
Derivative financial instruments		**11,302**	1,952
Other current assets		**36,220**	29,694
Assets classified as held for sale	10	**2,085**	26,128
Total current assets		**1,300,799**	1,315,186
NON-CURRENT ASSETS			
Receivables		**855**	876
Investments accounted for using the equity method		**12,561**	27,357
Available-for-sale financial assets		**30,956**	17,487
Property, plant and equipment		**109,005**	116,535
Deferred tax assets		**181,638**	178,644
Derivative financial instruments		**22,832**	48,035
Intangibles		**2,310,968**	2,273,628
Total non-current assets		**2,668,815**	2,662,562
Total assets		**3,969,614**	3,977,748
CURRENT LIABILITIES			
Payables		**378,400**	382,921
Interest bearing liabilities		**225,985**	260,088
Current tax liabilities		**30,318**	29,131
Provisions		**46,137**	40,688
Derivative financial instruments		**2,074**	1,238
Deferred consideration		**10,946**	12,402
Other liabilities		**58,047**	69,869
Total current liabilities		**751,907**	796,337
NON-CURRENT LIABILITIES			
Payables		**4,914**	9,740
Interest bearing liabilities		**1,569,440**	1,603,217
Deferred tax liabilities		**244,172**	232,100
Provisions		**28,347**	29,129
Deferred consideration		**63,368**	65,969
Derivative financial instruments		**5,924**	5,500
Other liabilities		**150,061**	127,023
Total non-current liabilities		**2,066,226**	2,072,678
Total liabilities		**2,818,133**	2,869,015
Net assets		**1,151,481**	1,108,733
EQUITY			
Contributed equity	7	**-**	-
Reserves		**(121,732)**	(81,472)
Retained earnings		**1,256,806**	1,176,690
Total parent entity interest		**1,135,074**	1,095,218
Non-controlling interests		**16,407**	13,515
Total equity		**1,151,481**	1,108,733

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2016

	Note	Attributable to members of Computershare Limited					
		Contributed Equity $000	Reserves $000	Retained Earnings $000	Total $000	Non-controlling Interests $000	Total Equity $000
Total equity at 1 July 2016		**-**	**(81,472)**	**1,176,690**	**1,095,218**	**13,515**	**1,108,733**
Profit for the half-year		-	-	150,153	150,153	2,847	153,000
Available-for-sale financial assets		-	6	-	6	-	6
Cash flow hedges		-	(543)	-	(543)	-	(543)
Exchange differences on translation of foreign operations		-	(28,735)	-	(28,735)	45	(28,690)
Income tax (expense)/credits		-	(3,270)	-	(3,270)	-	(3,270)
Total comprehensive income for the half-year		**-**	**(32,542)**	**150,153**	**117,611**	**2,892**	**120,503**
Transactions with owners in their capacity as owners:							
Dividends provided for or paid		-	-	(70,037)	(70,037)	-	(70,037)
Share buy-back	7	-	(3,468)	-	(3,468)	-	(3,468)
Cash purchase of shares on market		-	(13,788)	-	(13,788)	-	(13,788)
Share based remuneration		-	9,538	-	9,538	-	9,538
Balance at 31 December 2016		**-**	**(121,732)**	**1,256,806**	**1,135,074**	**16,407**	**1,151,481**

	Attributable to members of Computershare Limited					
	Contributed Equity $000	Reserves $000	Retained Earnings $000	Total $000	Non-controlling Interests $000	Total Equity $000
Total equity at 1 July 2015	**35,703**	**(19,362)**	**1,147,906**	**1,164,247**	**13,394**	**1,177,641**
Profit for the half-year	-	-	84,255	84,255	2,013	86,268
Available-for-sale financial assets	-	(94)	-	(94)	-	(94)
Cash flow hedges	-	(177)	-	(177)	-	(177)
Exchange differences on translation of foreign operations	-	(27,563)	-	(27,563)	(875)	(28,438)
Income tax (expense)/credits	-	436	-	436	-	436
Total comprehensive income for the half-year	**-**	**(27,398)**	**84,255**	**56,857**	**1,138**	**57,995**
Transactions with owners in their capacity as owners:						
Dividends provided for or paid	-	-	(64,286)	(64,286)	(1,431)	(65,717)
Share buy-back	(35,703)	(20,885)	-	(56,588)	-	(56,588)
Transactions with non-controlling interests	-	-	-	-	(561)	(561)
Cash purchase of shares on market	-	(9,086)	-	(9,086)	-	(9,086)
Share based remuneration	-	7,513	-	7,513	-	7,513
Balance at 31 December 2015	**-**	**(69,218)**	**1,167,875**	**1,098,657**	**12,540**	**1,111,197**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED CASH FLOW STATEMENT
For the half-year ended 31 December 2016

	Note	Half-year 2016 $000	2015 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**1,059,119**	990,871
Payments to suppliers and employees		**(828,913)**	(774,070)
Loan servicing advances (net)		**11,665**	(183,803)
Dividends received from associates, joint ventures and equity securities		**1,224**	614
Interest paid and other finance costs		**(27,532)**	(26,540)
Interest received		**1,443**	1,226
Income taxes paid		**(32,026)**	(33,553)
Net operating cash flows	5	**184,980**	(25,255)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of controlled entities and businesses (net of cash acquired) and intangible assets including MSRs		**(70,278)**	(43,342)
Proceeds from sale of property, plant and equipment		**62,227**	-
Proceeds from disposal of associates and joint ventures		**23,769**	1,498
Proceeds from/ (payments for) investments		**5,562**	14,861
Payments for property, plant and equipment		**(13,466)**	(9,767)
Proceeds from sale of subsidiaries and businesses, net of cash disposed		**-**	(5,666)
Net investing cash flows		**7,814**	(42,416)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for purchase of ordinary shares - share based awards		**(13,788)**	(9,086)
Proceeds from borrowings		**367,044**	157,562
Repayment of borrowings		**(360,750)**	(141,452)
Loan servicing borrowings (net)		**(8,993)**	110,458
Dividends paid - ordinary shares (net of dividend reinvestment plan)		**(63,765)**	(61,499)
Purchase of ordinary shares - dividend reinvestment plan		**(6,272)**	(2,787)
Dividends paid to non-controlling interests in controlled entities		**-**	(1,431)
Payments for on-market share buy-back		**(3,468)**	(56,588)
Repayment of finance leases		**(25,686)**	(3,495)
Net financing cash flows		**(115,678)**	(8,318)
Net increase/(decrease) in cash and cash equivalents held		**77,116**	(75,989)
Cash and cash equivalents at the beginning of the financial year		**526,575**	604,092
Exchange rate variations on foreign cash balances		**(24,261)**	(29,234)
Cash and cash equivalents at the end of the half-year		**579,430**	498,869

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

1. BASIS OF PREPARATION

The interim financial report for the half-year reporting period ended 31 December 2016 includes the condensed financial statements for the consolidated entity consisting of Computershare Limited and its controlled entities, referred to collectively as the "consolidated entity", "the Group" or "Computershare".

The interim financial report is a general purpose financial report prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The interim financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), including IAS 34 *Interim Financial Reporting*.

The interim financial report does not include all the notes of the type normally included in annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by Computershare Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the Australian Securities Exchange Listing Rules.

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

The accounting policies adopted are consistent with those of the previous financial year and the corresponding interim reporting period.

2. EARNINGS PER SHARE

Half-year ended 31 December 2016	**Basic EPS**	**Diluted EPS**	**Management Basic EPS**	**Management Diluted EPS**
Earnings per share (cents per share)	**27.48 cents**	**27.46 cents**	**25.74 cents**	**25.71 cents**
Reconciliation of earnings	**$000**	**$000**	**$000**	**$000**
Profit for the half-year	**153,000**	**153,000**	**153,000**	**153,000**
Non-controlling interest (profit)/loss	**(2,847)**	**(2,847)**	**(2,847)**	**(2,847)**
Add back management adjustment items (see below)	**-**	**-**	**(9,541)**	**(9,541)**
Net profit attributable to the members of Computershare Limited	**150,153**	**150,153**	**140,612**	**140,612**
Weighted average number of ordinary shares used as denominator in calculating earnings per share	**546,335,793**	**546,843,418**	**546,335,793**	**546,843,418**

Half-year ended 31 December 2015	Basic EPS	Diluted EPS	Management Basic EPS	Management Diluted EPS
Earnings per share (cents per share)	15.22 cents	15.19 cents	25.98 cents	25.93 cents
Reconciliation of earnings	$000	$000	$000	$000
Profit for the half-year	86,268	86,268	86,268	86,268
Non-controlling interest (profit)/loss	(2,013)	(2,013)	(2,013)	(2,013)
Add back management adjustment items (see below)	-	-	59,560	59,560
Net profit attributable to the members of Computershare Limited	84,255	84,255	143,815	143,815
Weighted average number of ordinary shares used as denominator in calculating earnings per share	553,612,565	554,537,565	553,612,565	554,537,565

Reconciliation of weighted average number of shares used as the denominator:

	2016	2015
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**546,335,793**	553,612,565
Adjustments for calculation of diluted earnings per share:		
Performance rights	**507,625**	925,000
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**546,843,418**	554,537,565

For the half-year ended 31 December 2016 management adjustment items include the following:

	Gross	**Tax effect**	**Net of tax**
	$000	**$000**	**$000**
Amortisation			
Amortisation of intangible assets	**(33,091)**	**11,723**	**(21,368)**
Acquisitions and disposals			
Gain on disposals	**52,893**	**(3,837)**	**49,056**
Acquisition accounting adjustments	**1,333**	**(263)**	**1,070**
Acquisition related restructuring costs	**(243)**	**78**	**(165)**
Acquisition related expenses	**(163)**	**58**	**(105)**
Other			
Major restructuring costs	**(15,894)**	**6,601**	**(9,293)**
Voucher Services impairment	**(8,073)**	**-**	**(8,073)**
Marked to market adjustments - derivatives	**(948)**	**283**	**(665)**
Put option liability re-measurement	**(916)**	**-**	**(916)**
Total management adjustment items	**(5,102)**	**14,643**	**9,541**

Management Adjustment Items

Management adjustment items net of tax for the half-year ended 31 December 2016 were as follows:

Amortisation

- Customer contracts and other intangible assets that are recognised on business combinations or major asset acquisitions are amortised over their useful life in the statutory results but excluded from management earnings. The amortisation of these intangibles in the half year ended 31 December 2016 was $21.4 million. Amortisation of intangibles purchased outside of business combinations (e.g. mortgage servicing rights) is included as a charge against management earnings.

Acquisitions and disposals

- Disposals of the Australian head office premises and the investment in INVeSHARE Inc. resulted in a profit of $39.6 million and $9.5 million respectively.
- A benefit of $1.1 million was recorded on finalisation of acquisition accounting for assets taken over under the mortgage servicing contract with UK Asset Resolution Limited.
- Restructuring costs of $0.2 million were incurred associated with the Gilardi and HML acquisitions.
- Expenses related to the Gilardi and RicePoint acquisitions amounted to $0.1 million.

Other

- Costs of $9.3 million were incurred in relation to the major operations rationalisation underway in Louisville, USA and the stage 2 of the global structural cost review initiative.
- Due to the previously announced implementation of the new UK Tax Free childcare scheme (see ASX Market Announcement of 30 July 2014), which has the effect of progressively reducing the earnings of Computershare's Voucher Services business, an impairment charge of $8.1 million was booked against goodwill related to this business. It is expected that the remaining goodwill of $17.6 million associated with Voucher Services will be written off over the coming years.
- Derivatives that have not received hedge designation are marked to market at the reporting date and taken to profit and loss in the statutory results. The marked to market valuation resulted in a loss of $0.7 million.
- The put option liability re-measurement resulted in an expense of $0.9 million related to the Karvy joint venture arrangement in India.

For the half-year ended 31 December 2015 management adjustment items include the following:

	Gross $000	Tax effect $000	Net of tax $000
Amortisation			
Amortisation of intangible assets	(45,561)	15,265	(30,296)
Acquisitions and disposals			
Loss on finalisation of disposal accounting	(25,390)	-	(25,390)
Acquisition and disposal related expenses	(2,092)	571	(1,521)
Acquisition accounting adjustments	1,672	(679)	993
Gain on disposal	323	-	323
Acquisition related restructuring costs	(377)	127	(250)
Other			
Major restructuring costs	(8,211)	3,334	(4,877)
Marked to market adjustments - derivatives	2,473	(764)	1,709
Put option liability re-measurement	(251)	-	(251)
Total management adjustment items	(77,414)	17,854	(59,560)

3. SEGMENT INFORMATION

The operating segments presented reflect the manner in which the Group has been internally managed and the financial information reported to the chief operating decision maker (CEO) in the current financial year. The Group has determined the operating segments based on the reports reviewed by the CEO that are used to make strategic decisions and assess performance.

There are seven operating segments. Six of them are geographic: Asia, Australia and New Zealand, Canada, Continental Europe, UCIA (United Kingdom, Channel Islands, Ireland & Africa) and the United States of America. In addition, Technology and Other segment comprises the provision of software specialising in share registry and financial services. It is also a research and development function, for which discrete financial information is reviewed by the CEO.

In each of the six geographic segments the consolidated entity offers a combination of its core products and services: investor services, business services, plan services, communication services and stakeholder relationship management services. Investor services comprise the provision of registry maintenance and related services. Business services comprise the provision of bankruptcy class action and utilities administration services, voucher services, corporate trust services and mortgage servicing activities. Plan services comprise the provision of administration and related services for employee share and option plans. Communication services comprise laser imaging, intelligent mailing, inbound process automation, scanning and electronic delivery. Stakeholder relationship management services comprise the provision of investor analysis, investor communication and management information services to companies, including their employees, shareholders and other security industry participants.

Corporate function includes entities whose main purpose is to hold intercompany investments and conduct financing activities. It is not considered an operating segment and includes activities that are not allocated to other operating segments.

OPERATING SEGMENTS

	Asia	Australia & New Zealand	Canada	Continental Europe	Technology & Other	UCIA	United States	Total
	$000	$000	$000	$000	$000	$000	$000	$000
December 2016								
Total segment revenue and other income	**69,376**	**135,920**	**82,084**	**34,152**	**116,962**	**222,522**	**454,310**	**1,115,326**
External revenue and other income	**67,347**	**135,355**	**81,216**	**33,952**	**7,690**	**220,574**	**452,444**	**998,578**
Intersegment revenue	**2,029**	**565**	**868**	**200**	**109,272**	**1,948**	**1,866**	**116,748**
Management adjusted EBITDA	**24,614**	**25,576**	**36,659**	**2,131**	**13,251**	**43,541**	**92,749**	**238,521**
December 2015								
Total segment revenue and other income	63,710	134,013	80,592	29,688	118,710	170,515	450,656	1,047,884
External revenue and other income	61,933	133,509	79,649	29,659	7,807	169,250	449,493	931,300
Intersegment revenue	1,777	504	943	29	110,903	1,265	1,163	116,584
Management adjusted EBITDA	23,831	24,813	33,925	(765)	20,827	48,105	86,229	236,965

Segment revenue

The revenue reported to the CEO is measured in a manner consistent with that of the statement of comprehensive income. Sales between segments are included in the total segment revenue, whereas sales within a segment have been eliminated from segment revenue. Sales between segments are at normal commercial rates and are eliminated on consolidation.

Segment revenue reconciles to total revenue from continuing operations as follows:

	Half-year	
	2016	2015
	$000	$000
Total operating segment revenue and other income	**1,115,326**	1,047,884
Intersegment eliminations	**(116,748)**	(116,584)
Corporate revenue and other income	**546**	2,147
Total revenue from continuing operations	**999,124**	933,447

Management adjusted EBITDA

Management adjusted results are used, along with other measures to assess operating business performance. The Group believes that exclusion of certain items permits better analysis of the Group's performance on a comparative basis and provides a better measure of underlying operating performance.

A reconciliation of management adjusted EBITDA to operating profit before income tax is provided as follows:

	Half-year	
	2016	2015
	$000	$000
Management adjusted EBITDA - operating segments	**238,521**	236,965
Management adjusted EBITDA - corporate	**2,749**	5,323
Management adjusted EBITDA	**241,270**	242,288
Management adjustment items (before related income tax expense):		
Amortisation of intangible assets	**(33,091)**	(45,561)
Gain on disposals	**52,893**	323
Acquisition and disposal accounting adjustments	**1,333**	1,672
Acquisition related restructuring costs	**(243)**	(377)
Acquisition and disposal related expenses	**(163)**	(2,092)
Loss on finalisation of disposal accounting	**-**	(25,390)
Major restructuring costs	**(15,894)**	(8,211)
Voucher Services impairment	**(8,073)**	-
Marked to market adjustments - derivatives	**(948)**	2,473
Put option liability re-measurement	**(916)**	(251)
Total management adjustment items (note 2)	**(5,102)**	(77,414)
Finance costs	**(26,392)**	(26,073)
Other amortisation and depreciation	**(27,265)**	(23,975)
Profit before income tax from continuing operations	**182,511**	114,826

4. DIVIDENDS

	2016	2015
	$000	$000
Ordinary shares		
Dividends provided for or paid during the half-year	**70,037**	64,286

Dividends not recognised at the end of the half-year

In addition to the above dividends, since the end of the half-year the directors have declared the payment of an interim dividend of AU 17 cents per fully paid ordinary share, franked to 30%. As the dividend was not declared until 15 February 2017, a provision has not been recognised as at 31 December 2016.

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

	Half-year	
	2016	2015
	$000	$000
Net profit after income tax	**153,000**	86,268
Adjustments for non-cash income and expense items:		
Depreciation and amortisation	**60,356**	69,536
Net (gain)/loss on asset disposals and asset write-downs	**(52,608)**	25,099
Share of net (profit)/loss of associates and joint ventures accounted for using equity method	**(446)**	681
Employee benefits – share based expense	**8,421**	8,162
Impairment charge – Voucher Services	**8,073**	-
Fair value adjustments	**1,866**	(3,872)
Gain on acquisition	**(1,333)**	-
Changes in assets and liabilities:		
(Increase)/decrease in receivables	**1,446**	17,018
(Increase)/decrease in inventories	**402**	(1,867)
(Increase)/decrease in loan servicing advances	**11,665**	(183,803)
(Increase)/decrease in other current assets	**(8,287)**	643
Increase/(decrease) in payables and provisions	**4,940**	(38,125)
Increase/(decrease) in tax balances	**(2,515)**	(4,995)
Net cash and cash equivalents from operating activities	**184,980**	(25,255)

6. BUSINESS COMBINATIONS

(a) On 31 August 2016, Computershare acquired RicePoint Administration Inc., an independent class action administrator based in London, Canada. Total consideration was $3 million. This business combination did not materially contribute to the total revenue of the group.

Details of the acquisition were as follows:

	$000
Cash consideration	1,551
Contingent consideration	1,451
Total purchase consideration	3,002
Less fair value of identifiable assets acquired	(387)
Provisional goodwill on consolidation*	**2,615**

*Identification and valuation of net assets acquired will be completed within the 12 month measurement period in accordance with the Group's accounting policy.

In accordance with the accounting policy, the acquisition accounting for Capital Markets Cooperative, LLC (CMC), UK Asset Resolution Limited (UKAR), SyncBASE Inc. (SyncBASE), PR im Turm HV-Service AG (PR im Turm) and Altavera, LLC (Altavera) has been finalised. Intangible assets of $28.3 million for CMC, $8.0 million for SyncBASE, $3.1 million for PR im Turm and $1.5 million for Altavera have been reclassified out of goodwill.

7. CONTRIBUTED EQUITY

On 18 August 2015, Computershare announced an on-market buy-back of shares with an aggregate value of AUD 140.0 million for capital management purposes. The on-market share buy-back ended on 31 August 2016, with 9,877,069 ordinary shares purchased and cancelled at a total cost of AU$105.2 million (US$76.6 million).

From 1 July 2016 until 31 August 2016, the Company purchased and cancelled 500,000 ordinary shares at a total cost of AU$4.6 million (US$3.5 million) with an average price of AU$9.20 and a price range from AU$9.03 to AU$9.33.

Since the effect of share buy-backs over the years has reduced contributed equity to nil, a reserve has been created to reflect the excess value of shares bought over the original amount of subscribed capital.

There has been no issue of ordinary shares during the half-year ended 31 December 2016.

Movement in contributed equity

	Number of shares	**$000**
Balance at 1 July 2016	546,826,010	-
Share buy-back	(500,000)	(3,468)
Transfer to share buy-back reserve	-	3,468
Balance at 31 December 2016	**546,326,010**	**-**

8. FAIR VALUE MEASUREMENTS

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. The measurement hierarchy used is as follows:

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period for identical assets and liabilities. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. This includes inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Such instruments include derivative financial instruments and the portion of borrowings included in the fair value hedge.

Specific valuation techniques used to value financial instruments are as follows:

- Quoted market prices or dealer quotes are used for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- The fair value of cross currency swaps is a combination of the fair value of forward foreign exchange contracts determined using forward exchange rates at the balance sheet date (for the final principal exchange) and the use of quoted market prices or dealer quotes for similar instruments (for the basis valuation).
- The fair value of interest rate swaptions is calculated using the Black-Scholes formula and quoted market prices.

Level 3: Valuation methodology of the asset or liability uses inputs that are not based on observable market data (unobservable inputs). This is the case of investments in unconsolidated structured entities, which are included in the available-for-sale financial assets.

The fair value of the investment in structured entities is determined by reference to the equity interest in net assets of these entities, which approximate their fair values. As profits are realised and dividends are paid to equity investors, the net assets of these entities decrease and so does the fair value of the Group’s investment.

The following tables present the Group’s financial assets and liabilities measured and recognised at fair value at 31 December 2016. The comparative figures are also presented below.

As at 31 December 2016	**Level 1**	**Level 2**	**Level 3**	**Total**
	$000	**$000**	**$000**	**$000**
Assets				
Derivative financial instruments	**-**	**34,134**	**-**	**34,134**
Available-for-sale financial assets	**1,495**	**-**	**29,836**	**31,331**
Total assets	**1,495**	**34,134**	**29,836**	**65,465**
Liabilities				
Borrowings	**-**	**496,538**	**-**	**496,538**
Derivative financial instruments	**-**	**7,998**	**-**	**7,998**
Total liabilities	**-**	**504,536**	**-**	**504,536**

As at 30 June 2016	Level 1	Level 2	Level 3	Total
	$000	$000	$000	$000
Assets				
Derivative financial instruments	-	49,987	-	49,987
Available-for-sale financial assets	1,761	-	16,317	18,078
Total assets	1,761	49,987	16,317	68,065
Liabilities				
Borrowings	-	452,451	-	452,451
Derivative financial instruments	-	6,738	-	6,738
Total liabilities	-	459,189	-	459,189

The following table presents the changes in level 3 items for the periods ended 31 December 2016 and 31 December 2015:

	2016	2015
	$000	$000
Opening balance at 1 July	**16,317**	6,034
Additions	14,895	-
Return of capital	(1,091)	(274)
Gains/ (losses) recognised in the profit or loss	(285)	-
Closing balance at 31 December	**29,836**	5,760

Net fair value of financial assets and liabilities

The carrying amounts of cash and cash equivalents, receivables, payables, non-interest bearing liabilities, finance leases and loans approximate their fair values for the Group except for the unhedged portion of USD Senior Notes of $325.0 million (30 June 2016: $395.0 million), where the fair value was $332.9 million as at 31 December 2016 (30 June 2016: $419.8 million).

9. CONTINGENT LIABILITIES

(a) Guarantees, indemnities and other contingent liabilities

There have been no material changes to guarantees, indemnities and other contingent liabilities since the last reporting date.

(b) Legal and regulatory matters

Due to the nature of operations, certain commercial claims in the normal course of business have been made against the consolidated entity in various countries. An inherent difficulty in predicting the outcome of such matters exists, but in the opinion of the Group, based on current knowledge and in consultation with legal counsel, we do not expect any material liability to the Group to eventuate. The status of all claims is monitored on an ongoing basis, together with the adequacy of any provisions recorded in the Group's financial statements.

10. OTHER SIGNIFICANT INFORMATION

On 9 September 2016, Computershare completed the sale of the land and building housing its Australian head office. A gain of $41.0 million has been recognised in other income in the consolidated statement of comprehensive income during the reporting period. The land and building were classified as held for sale at 30 June 2016.

11. COMMITMENTS

An overseas subsidiary performing loan servicing activities is obliged, in certain circumstances, to make payments on behalf of mortgagors related to taxes, insurance, principal and interest. The amount of these advance payments fluctuates over time as it depends on the type of loans being serviced and their performance. There has been no material change to the nature of this commitment since 30 June 2016.

As part of an MSR transaction completed in this reporting period, the overseas subsidiary undertook to purchase in 24 months any previously advanced amounts related to this MSR that remain uncollected at that point in time at fair value, rather than acquire the advances upon the MSR acquisition as is customary. The overseas subsidiary will have the responsibility to fund any new advances associated with this portfolio of loans.

12. SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

No matter or circumstance has arisen since the reporting date which is not otherwise reflected in this report that has significantly affected or may significantly affect the operations of the consolidated entity.

Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 6 to 19 are in accordance with the *Corporations Act 2001*, including:

> (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
>
> (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.

SD Jones

Chairman

SJ Irving

Director

Melbourne

15 February 2017

Statement to the Board of Directors of Computershare Limited

The Chief Executive Officer and Chief Financial Officer state that:

(a) the financial records of the consolidated entity for the half-year ended 31 December 2016 have been properly maintained in accordance with section 286 of the *Corporations Act 2001*; and

(b) the financial statements, and the notes to the financial statements, of the consolidated entity, for the half-year ended 31 December 2016:

  (i) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

  (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of their performance for the half-year ended on that date.

SJ Irving	MB Davis
Chief Executive Officer	*Chief Financial Officer*

15 February 2017

Independent auditor's review report to the members of Computershare Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Computershare Limited (the company), which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, selected explanatory notes and the directors' declaration for Computershare Limited Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error. In note 1, the directors also state that the consolidated financial statements comply with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Computershare Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

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2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Computershare Limited:

(a) is not in accordance with the *Corporations Act 2001* including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date;

(ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

(b) does not comply with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board as disclosed in note 1.

PricewaterhouseCoopers

Anton Linschoten
Partner

Melbourne
15 February 2017

NTA Backing *(Appendix 4D item 3)*

	31 December 2016	31 December 2015
Net tangible asset backing per ordinary share	**(2.48)**	(2.19)

Controlled entities acquired or disposed of *(Appendix 4D item 4)*

Acquired	**Date control gained**
RicePoint Administration Inc.	31 August 2016

Additional dividend information *(Appendix 4D item 5)*

Details of dividends declared or paid during or subsequent to the half-year ended 31 December 2016 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend (AUD)	Franked amount per security	Conduit foreign income amount per security
17 August 2016	13 September 2016	Final	AU 17 cents	92,863,589	AU 3.4 cents	AU 13.6 cents
27 February 2017	22 March 2017	Interim	AU 17 cents	92,875,422	AU 5.1 cents	AU 11.9 cents

Dividend reinvestment plans *(Appendix 4D item 6)*

Computershare operates a Dividend Reinvestment Plan (DRP) which provides eligible shareholders with the opportunity to elect to take all or part of dividends in the form of shares in accordance with the DRP plan rules. Shares are provided under the plan free of brokerage and other transaction costs and will rank equally with all other ordinary shares on issue.

The DRP will apply to the interim dividend declared in respect of the current financial year on 15 February 2017. Applications or notices received after 5.00pm (Melbourne time) on 28 February 2017 will not be effective for payment of this interim dividend but will be effective for future dividend payments.

The DRP price for the interim dividend will be equal to the arithmetic average of the daily volume weighted average market price (rounded to the nearest cent) of all shares sold through a normal trade on the ASX automated trading system during the DRP pricing period for this dividend, being 2 March 2017 to 15 March 2017 (inclusive). No discount will apply to the DRP price.

Associates and joint venture entities *(Appendix 4D item 7)*

Name	Place of incorporation	Principal activity	Ownership interest		Consolidated carrying amount	
			Dec 2016 %	Jun 2016 %	**Dec 2016 $000**	Jun 2016 $000
Joint Ventures						
Computershare Pan Africa Holdings Ltd	Mauritius	Investor Services	**60**	60	**-**	-
Computershare Pan Africa Ghana Ltd	Ghana	Investor Services	**60**	60	**-**	-
Computershare Pan Africa Nominees Ghana Ltd	Ghana	Investor Services	**60**	60	**-**	-
Asset Checker Ltd	United Kingdom	Investor Services	**50**	50	**-**	-
VisEq GmbH	Germany	Investor Services	**66**	66	**98**	104
Associates						
Expandi Ltd	United Kingdom	Investor Services	**25**	25	**5,656**	6,045
Milestone Group Pty Ltd	Australia	Technology Services	**20**	20	**5,742**	5,623
The Reach Agency Pty Ltd	Australia	Investor Services	**49**	49	**1,051**	1,244
INVeSHARE Inc.[1]	United States	Investor Services	**-**	40	**-**	14,326
Mergit s.r.l.	Italy	Technology Services	**30**	30	**14**	15
					12,561	27,357

[1] INVeSHARE Inc. was disposed during the reporting period. A post-tax gain of $9.5 million was recorded on the disposal.

The share of net profit/(loss) of associates and joint ventures accounted for using the equity method for the half-year ended 31 December 2016 is a profit of $0.4 million (31 December 2015: $0.7 million loss).

Foreign Entities *(Appendix 4D item 8)*

For foreign entities, International Financial Reporting Standards are used in compiling the half-year consolidated report.

CORPORATE DIRECTORY

DIRECTORS

Simon David Jones
(Chairman)
Stuart James Irving
(President and
Chief Executive Officer)
Tiffany Lee Fuller
Markus Erhard Kerber
Penelope Jane Maclagan
Christopher John Morris
Arthur Leslie Owen
Joseph Mark Velli

COMPANY SECRETARY

Dominic Matthew Horsley

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