COMPUTERSHARE LIMITED (ASX:CPU)

FINANCIAL RESULTS
FOR THE YEAR ENDED 30 JUNE 2003

(comparisons are for the year ended 30 June 2002)

28 August 2003

Copies of Financial Year 2003 Results Presentation are available for download at:
www.computershare.com/results

MARKET ANNOUNCEMENT

Computershare Annual Result

Headline Results

Melbourne, 28 August 2003 – Computershare Limited (ASX:CPU) today reported a normalised net after tax profit of $41.1 million for the year ended 30 June 2003, a 29% decline over the previous financial year's normalised result.

The result was struck on revenues of $708.6 million, a decrease of 9% over the 2001/02 financial year.

EBITDA excluding non-recurring items was down 9% at $133.9 million in line with the guidance provided on 6 March 2003.

Net profit after tax and after all one off restructuring costs of $35.1 million (post tax = $24.9 million) was $16.3 million.

Operating expenses were down 10% to $572.7 million. Following the 5% decline in the first half, operating costs were a further 5% down in the second half.

Capital expenditure has decreased by 68% from June 2002 to $17.9 million.

Normalised earnings per share were 6.1 cents per share.

Restructuring

During the year, there has been significant re-structuring of the company's global businesses, which comes at a short-term cost to the NPAT line. The impact is $35.1 million of non-recurring costs, comprising $23.2 million in redundancies and $11.9 million in write-offs and other restructure costs. The $35.1 million charge will deliver more than $22 million per annum in on-going savings, of which less than $4 million was delivered in FY03.

Some of the one off restructuring items have occurred as a result of a group wide review of physical assets, which recommended the sale of property assets. The Board of Directors have accepted the review – with the expectation that asset sales will provide up to $10 million of capital gains in the next financial year.

The underlying fundamentals of the company's global business remain sound and in this context, reference is made to the normalised result that is a more accurate reflection of the underlying performance of the business together with the results presentation material that is available on the company's web site at www.computershare.com/results.

Dividend

The company announced a final dividend for the 2002/03 financial year of 2.5 cents per share fully franked, taking total dividends for the year to 5 cents per share fully franked.

Buy-back

The buy-back of the company's shares came to a close, as announced, on 11th March 2003. It resulted in the purchase of 18,710,000 for a total consideration of $38,287,533 (an average price of $2.05).

Balance Sheet Overview

The company's financial position remains healthy with total assets of $894.4 million being financed by shareholders' funds of $588.4 million. The decline in the total of shareholders' funds of 10% was due to the share buy-back and the effect of foreign currency translation. In addition, Computershare has considerable financial capacity to fund further expansion. Net borrowings increased by $43.2 million to $77.7 million to fund the share buy back, increased dividends and acquisition of, and investments in businesses. Gearing – net debt to equity – increased to 13.2% from 5% over the past year.

CEO Chris Morris said, "In light of the challenging conditions continuing in the core registry business, which continues to be affected by low interest rates and subdued corporate activity, we believe this to be a satisfactory result that reflects on the success of our strategies over the course of the year."

"The quality of our earnings remains high as evidenced by the health of our balance sheet and the strong cash flows ($76.2 million) generated by the business. Capital expenditure has decreased by 68% from June 2002 to $17.9 million."

Operating Costs - Overview

Total technology spending decreased from $106.7 million last financial year to $92.0 million. Of this amount, $38.6 million was research and development related spend of a capital nature, however it is Computershare's policy to expense all of these costs.

A proportion of the total of technology spending relates to activities designed to reduce dependency on outsourced bureau services. The migration of all business onto the company's own technology platform was completed in March 2003 with the result that external bureau costs for FY 2004 will largely be eliminated.

Operating expenses have decreased 10% on last year, with sustainable reductions in all cost categories. Excluding cost of sales, operating expenses declined 8%, equal to the 8% decline in sales revenue. Personnel costs decreased 5% reflecting a gross decline of over 575 people as a result of organisational restructuring and consolidation in all regions. The reduction in personnel numbers, together with the continued focus on cost control, has contributed to the declines in discretionary and overhead costs.

Distribution of Revenue/EBITDA

Regionally, revenues were apportioned as follows:

- Asia Pacific 30%,
- North America 37%
- Europe 33%,

This is broadly consistent with FY2002.

EBITDA was apportioned between:

- Asia Pacific 40%,
- North America 27%
- Europe 33%.

The North American EBITDA contribution has increased from 18% at December 2002, demonstrating a significant improvement in their profitability in the 2nd half.

The 2nd half EBITDA splits were:

- Asia Pacific 37%
- North America 32%
- Europe 31%

The Asia Pacific region contributed revenues of $214.6 million and EBITDA of $53.6 million. A decline in Registry performance was partly offset by improved contributions from the Plans and Document Services businesses.

The European region contributed revenues of $231.9 million and EBITDA of $44.3 million. The Plans business experienced significant growth during the year. With the exception of Technology Services, the results of all other European businesses were unfavourably impacted by the market conditions.

The North American region contributed revenues of $258.8 million and EBITDA of $36.0 million. The Stock Transfer and Plan Managers businesses were considerably down on last year, reflecting the unfavourable market conditions. All other businesses, including Canada's Corporate Trust business, generated improved results on last year.

Key operational achievements included:

- On 7th November 2002 the acquisition of the employee stock purchase plan business from Charles Schwab was announced. This acquisition served to further strengthen our competitive position in the employee plans market in the US.
- On 17 December 2002 the acquisition was announced of EFA Group assets for a cash payout of approximately $7.4 million. The assets included the software rights to EFA's trading systems and settlement and clearing systems.
- In March 2003 the company acquired an initial stake of 27% in Computershare-Pepper SRM a joint venture with Pepper Technologies. Shareholder Relationship Management is an exciting, innovative approach that provides listed companies with tools to derive value from the shareholder base.
- In May 2003 Computershare purchased a 30% interest in National Registry Company of Russia (NRC). NRC has a 20% domestic market share including a number of companies that are listed both in Russia and the UK.
- In June 2003, Computershare purchased the share registry and employee plans businesses of Fifth Third Bancorp in the USA. This deal will allow the company to modestly grow the share registry and employee plans businesses in the US.

MARKET ANNOUNCEMENT

Outlook for Financial Year 2004

There are indications that market activity began to pick up towards the end of the year. However it is not clear at this stage whether this is a sustainable trend. Equally it is difficult to predict with any certainty how interest rates will react over the coming 12 months. As in previous years, these two factors largely drive profitability in FY04.

The focus on costs and improved management of working capital will continue throughout the coming year. The strategy positions the company to benefit from an improvement in market activity (particularly corporate actions) and in interest rates.

Given current market conditions, the company expects to achieve EBITDA for the full year in a range between $140 – $160 million.

ANNUAL GENERAL MEETING

The Annual General Meeting of the company will be held on Tuesday 11th November 2003 at 10:00 am in Cinema 2, Australian Centre for the Moving Image, Federation Square. Flinders Street, Melbourne.

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FINANCIAL SUMMARY

A comparison to the equivalent period last year reflects the decline in market activity over the past 12 months

	Year to June 2003 A$ millions	Year to June 2002 A$ millions
Revenue	708.6	781.0
EBITDA before non-recurring items	133.9	147.6
Non-recurring items includes costs of redundancies and other write-offs	35.1	0.0
EBITDA post adjustment	98.8	147.6
Profit before tax	29.5	83.7
Profit after tax	17.1	57.8
Net profit attributable to members of the parent	16.3	71.3
After tax impact of non-recurring items	24.9	(13.4)
Normalised net profit attributable to members of the parent	41.1	57.9
Dividend per share (cents)	5.0	3.0
EPS – normalised (cents)	6.1	9.6

SUMMARY FINANCIAL COMMENTARY

Revenue Analysis

	Year June 2003	Year June 2002
Registry Maintenance	334.0	358.3
Corporate Actions	43.6	58.0
Margin Income	63.7	71.3
Non-Registry Sales/Fees	145.6	147.2
Interest Income	3.6	4.2
Recoveries	107.5	121.1
Other	10.5	20.9
Total	**708.6**	**781.0**

Basic register maintenance income declined 7% over the preceding 12 months. Corporate Actions and Margin income declined reflecting lower corporate activity and interest rates at historically low levels. The decline in revenue from other non-registry business results from reduced bureau income and is offset by growth in other areas of the business.

Expense Analysis

	Year June 2003	Year June 2002
Recoverable expenses	104.3	126.0
Personnel	270.0	290.6
Occupancy	36.8	38.7
Other Direct expenses	66.5	81.6
Technology services	82.5	79.9
Corporate services	12.6	15.2
Depreciation & Amortisation	60.7	55.1
Borrowing Costs	8.3	10.2
Non-recurring items	35.1	0.0
Other	2.3	0.0
Total	**679.1**	**697.3**

TAXATION

The headline effective tax rate for the year ended 30 June 2003 is 41.8% (30 June 2002 : 31.0%). The effective tax rate adjusted for the benefit of tax losses not brought to account (a non-recurring item) is 20.7% (30 June 2002:31.0%).

This result is primarily due to:

- A critical examination of the group's qualifying research and development activities in conjunction with the introduction of the 175% research and development concession regime in Australia as well as qualifying research and development activities in the UK and Canada that attracted tax concessions in these jurisdictions

- An increased benefit arising from the difference in tax rates on overseas income as a result of a reduction in tax rates in Canada and, further to the completion of the joint venture arrangements with the Hong Kong Stock Exchange, the comparatively strong performance of the group's Hong Kong business in FY 03 prior to the SARS outbreak

- Limiting inefficient transactions where possible.

Computershare has conservatively not booked the benefit of $18.0 million of income tax losses and there are a further $18.3 million of capital losses. The benefit of these losses will be reflected in a lower tax expense in future periods when their recovery is virtually certain.

CASH FLOW / FINANCING

Working Capital

Improved working capital management enabled the generation of $76.2 million of cashflow for the year. Debtors days outstanding was cut from 70 days at 30 June 2002 to 67 days at 30 June 2003.

At present the group has financing capacity of approximately $250m within its existing financing facilities and available cash resources.

Share Buy Back

The buy-back of the company's shares came to a close, as announced, on 11th March 2003. It resulted in the purchase of 18,710,000 for a total consideration of $38,287,533 (an average price of $2.05).

INTERIM DIVIDEND

An interim dividend of 2.5 cents per share, fully franked, was paid in March 2003. The final dividend of 2.5 cents per share, fully franked has been declared for the year ended 30 June 2003.

The record date for shareholders entitled to the dividend is 12 September 2003 with a payment date of 26 September 2003.

REVIEW OF OPERATIONS

Mr. Chris Morris, CEO, noted that the past year did not provide any real recovery in either global equity markets or interest rate levels. In some areas the past year actually provided declines in these two factors. Due to continued poor market conditions, the approach over the past year has been to manage the company through the cycle and deliver the best possible result for the year. The significant re-structuring of the global businesses does come at a short-term cost to the NPAT line, which is affected by the non-recurring costs of redundancy and other write-offs. The underlying fundamentals of the company's global business remain sound. The balance sheet continues to be strong and businesses are more efficient and client focused. T he businesses around the world are poised to benefit from an upturn in the market without adding significantly to the cost line.

HIGHLIGHTS – ASIA/ PACIFIC

Asia/Pacific

- Delivered a reduction of 4% in sustainable savings
- Won 57% of Initial Public Offerings in competitive tenders
- Achieved a 50% increase in holders under management in Fixed Interest registers
- Increased the value of Plans under management by 22% to $475 million
- Grown commercial sales for Document Services
- Maintained market share in New Zealand
- Accounted for 81% of total funds raised in IPO's on the Hong Kong market

HIGHLIGHTS - EMEA

- Reduced overall cost base with full benefits to accrue in FY 2004
- Acquired 27% interest in PepperAG
- Acquired 30% interest in National Registry Company of Russia
- Grew the Plans business against the trend that included them winning the business of four blue-chip companies.
- Grew commercial revenues for CDS from 25% to 37% of total revenue
- Maintained market share in Ireland where the Plans business has experienced healthy growth

HIGHLIGHTS - NORTH AMERICA

- Delivered a reduction of 10.7% in sustainable savings
- Acquired the share registry and employee plan businesses previously owned by Fifth Third Bankcorp
- Maintained market share and won business in competitive tenders
- Sustained the improvement in quality of service in the US
- Acquired the employee stock plan business previously owned by Charles Schwab
- Won a major outsource Document Service's contract from a blue-chip insurer

HIGHLIGHTS - Computershare Technology Services (CTS)

- All major businesses are now running exclusively on Computershare technology
- Global options product now live in all jurisdictions
- Deployment of Investor phone and workflow in all jurisdictions
- Release of Global portal for multi-listed, multi-region corporates
- X-Stream, exchange trading engine exceeded 4.5 million transactions per second in stress testing for a complex market environment

ACQUISITION OPPORTUNITIES

Mr Morris noted that the group was continuing to evaluate a number of acquisition and joint venture opportunities for the group. Mr Morris commented that Computershare had dismissed several opportunities that did not offer the necessary degree of strategic fit or an appropriate valuation.

ENDS

About Computershare

Computershare Limited is a leading financial services and technology provider for the global securities industry, providing services and solutions to listed companies, investors, employees, exchanges and other financial institutions.

It is the largest and only global share registry (or transfer agent), managing more than 68 million shareholder accounts for over 7,500 corporations in ten countries on five continents, and it provides sophisticated trading technology to financial markets in each major time zone.

Founded in Australia in 1978 and headquartered in Melbourne, Computershare employs more than 5,000 people worldwide.