COMPUTERSHARE LIMITED (ASX:CPU)

FINANCIAL RESULTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2004

(Comparisons are for the half year ended 31 December 2003)

17 February 2005

Copies of 2005 Half Year Results Presentation are available for download at: www.computershare.com/results

MARKET ANNOUNCEMENT

COMPUTERSHARE'S EARNINGS CONTINUE TO GROW

Melbourne, 17 February 2005 – Computershare Limited (ASX: CPU) today reported a 20% growth in Earnings per Share (pre goodwill and post preference shares) to 10.21 cents, growth in total revenues of 26% to $502.1 million and in Operating Cash Flows of 19.5% to $50.9 million.

Headline results

- Normalised Earnings per Share (pre-goodwill and post preference shares and outside equity interests (OEI)) rose from 8.49 (1H04) to 10.21 cents per share (up 20%);

- Total normalised revenues of $502.1 million (an increase of 26% on 1H04);

- Net Operating Cash Flows for the half year were $50.9 million (an increase of 19.5% on 1H04);

- Normalised Earnings Before Income Tax, Depreciation and Amortisation (EBITDA normalised) up 18% to $94.3 million;

- Net profit after tax (post preference shares and OEI) of $44.1 million; an increase of 15% on 1H04;

- Operating expenses (including the effect of acquisitions and cost of sales) were $408.4 million, an increase over the prior corresponding period of 28.5%. If cost of sales and the cost contribution of businesses acquired over the past 12 months are excluded, operating costs declined by 1.8%;

- Days Sales Outstanding for the half year ending 30 December 2004 increased to 60 days compared to 57 days at 30 June 2004; and

- Capital expenditure was $16.4 million.

Commentary

The company reported an increase of 20% in normalised earnings per share (pre goodwill and post preference shares) over the first half of fiscal 2004. All other key financial metrics have grown against the prior corresponding period, including a 26% increase in revenue to $502.1 million. The revenue growth has the company expecting its first billion dollar sales year in the current financial year.

Chris Morris, CEO says, "This is a strong result in a reporting period when corporate action and merger and acquisition activity outside the Asia/Pacific region, has shown no signs of tangible recovery."

The Asia/Pacific region delivered improved contributions to both revenue and profitability resulting from new business wins and the continuing, high level of IPO and corporate action activity in Hong Kong.

The EMEA region has also delivered an improvement at the half-year, helped by improved interest rates and higher cash balances as well as the new revenue streams generated through the UK gilts share registration service and proxy solicitation revenues.

The flat result from North America reflects the lack of any real recovery in market activity in the USA throughout the reporting period but, with the presidential election now out of the way there are signs of optimism in this market for merger, acquisition and corporate action activities.

On-market Share Buy-Back and Preference Share Conversion

During the reporting period the company:

- Bought back 9,707,476 ordinary shares at an average price per share of $3.16 bringing the total number of ordinary shares purchased under the current buy-back to 15,970,000;

- Bought back 284,807 reset preference shares at an average price per share of $103.28 bringing the total number of reset preference shares bought back to 600,000; and

- Converted the remaining reset preference shares to fully paid ordinary shares. The conversion process resulted in 900,000 reset preference shares being converted into fully paid ordinary shares and an issue of an additional 23,100,832 fully paid ordinary shares.

Dividend

The company announces an interim dividend for the six months to 31 December 2004 of 5 cents per share franked to 10%, consistent with the reduction in the level of franking credits foreshadowed by the Chairman at the recent Annual General Meeting.

Balance Sheet Overview

The company's financial position remains healthy with total assets of $1,139.1 million being financed by shareholders' funds totalling $530.3 million.

Computershare's total current funding facility is $460.0 million, with net borrowings increasing to $257.8 million at 31 December 2004 (from $221.6 million at 30 June 2004). Gross borrowings as at 31 December 2004 amounted to $358.6 million (See Page 8, for information on a private placement debt facility currently being arranged in the United States).

Gearing – Net Debt to Net Debt plus Equity increased from 27% at 30 June 2004 to 33% at 31 December 2004.

Capital expenditure was slightly higher than expected due to some projects being brought forward from the second half. The company is still projecting to report total capital expenditure for the fiscal year that is lower than annual depreciation.

Operating Costs – Overview

Excluding the impact of acquisitions and costs of sales, operating expenses decreased by 1.8%.

Total technology spending for the reporting period was $51.9 million, an increase of 21.9% on the same period last year following acquisitions made in 2004 and the first half of 2005. This amount includes $23.8 million in research and development (R&D) expenditure. In line with the company's policy, even though the $23.8 million R&D spending was of a capital nature, all technology costs have been expensed in the current period.

Distribution of Revenue/EBITDA (comparisons to corresponding period)

Regionally, revenues and EBITDA results were apportioned as follows:

	Revenue		EBITDA	
	1H'04	1H'05	1H'04	1H'05
North America	37%	40%	39%	36%
Asia/Pacific	34%	33%	39%	43%
EMEA	29%	27%	22%	21%

Group revenues and EBITDA have increased for the period, driven to a large extent by higher levels of market activity in Australia and Hong Kong. The growth in Asia/Pacific has been larger than the increases in the other regions causing the other regions to contribute a lower percentage of earnings.

Outlook for Financial Year 2005

Whilst there is empirical evidence of an improved pipeline of market activity in North America and EMEA, it is too early to gauge the extent to which this pipeline will translate to a material increase in Group revenue in the second half, beyond that already contemplated in the guidance provided at our FY2004 Full Year Results Presentation.

We also note that the regulatory approval needed before we can take formal control of Equiserve is still in process. Two approvals were sought. The first of these, relating to competition aspects of the acquisition, was granted early in December. The second approval, to permit Computershare to take over the national trust licence currently held by EquiServe, is being sought through the Federal Treasury.

At the time the EquiServe acquisition was announced to the market, we expected that both approvals would have been received by early January. We now understand that the process will take somewhat longer, but this is not an indication that there will ultimately be a problem with the approval of the application.

In the context of these factors, excluding the expected positive contribution of EquiServe, we are at this time, remaining with our previous guidance that contemplates revenue growth greater than 10% and Earnings per Share growth greater than 20%.

About Computershare Limited (CPU)

Computershare (ASX: CPU) is the world's leading financial services and technology provider to the global securities industry in its provision of 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 - administering more than 80 million shareholder accounts for over 13,000 corporations across twelve countries on five continents. Founded in Australia in 1978, Computershare today employs almost 8,000 people worldwide. For more information, visit http://www.computershare.com

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MARKET ANNOUNCEMENT

FINANCIAL SUMMARY

The December 2004 half year result reflects improved market conditions, the benefits of previous restructuring efforts, and some contribution from recent acquisitions.

	1H05 6 mths to Dec 2004 $ millions	2H04 6 mths to Jun 2004 $ millions	1H04 6 mths to Dec 2003 $ millions
Revenue (excl. non recurring items)	502.1	495.2	399.5
EBITDA before non-recurring items	94.3	103.3	80.1
Non-recurring items	9.5	(5.0)	5.7
EBITDA post adjustments	103.7	98.4	85.8
Profit before tax	58.3	56.7	54.0
EPS (normalised) - Basic pre-goodwill post preference (cents)	10.21	10.53	8.49
Dividend per share (cents)	5.0	5.0	3.0

Revenue Analysis

	1H05 6 mths to Dec 2004 $ millions	2H04 6 mths to Jun 2004 $ millions	1H04 6 mths to Dec 2003 $ millions
Registry Maintenance	238.1	244.2	215.1
Corporate Actions	78.2	71.8	74.7
Stakeholder Relationship Management	43.7	57.5	15.7
Employee Share Plans	59.6	55.2	45.7
Document Services	28.4	29.8	21.2
Mutual Funds	18.8	9.0	0.8
Technology and Other Revenue	35.3	27.7	26.3
Total	**502.1**	**495.2**	**399.5**

Whilst we have included comparison to 2H04 in the above table, it should be noted that there is an historical, seasonal bias in favour of the second half of the financial year, and therefore comparison with the prior corresponding period provides a more accurate indication of our revenue trends. In this context the commentary that follows draws comparison to 1H04 revenues.

Maintenance revenue for our core registry increased by 11%, reflecting new revenue streams in UK, growth and new business wins in Asia Pacific and the acquisition of Computershare Karvy in India. Corporate Action revenues increased by 5% reflecting a high level of corporate action activity in the Asia Pacific region and the addition of Georgeson Shareholder Communications (GSC) offset by a decline in market activity in North America. Mutual Funds revenue includes the effect of the acquisitions of Computershare Karvy, GSC and Alamo. The growth in Stakeholder Relationship Management and Plan Management revenues reflects the contribution of businesses acquired over the past year including Transcentive, GSC & Pepper. Document Services' revenue growth of 34% includes the acquisition of complementary businesses in Australia and increased commercial clients in North America. In addition to the Document Services' revenue, there is approximately $43 million of inter-segment revenues that are included in the revenue of other businesses where there is a client-facing relationship. Included in the revenue results are $35.8 million (1H04 $26.6 million) of margin income and $83.2 million (1H04 $54.3 million) of recoverable income.

Operating Cost Analysis

	1H05 6 mths to Dec 2004 $ millions	**2H04 6 mths to Jun 2004 $ millions**	**1H04 6 mths to Dec 2003 $ millions**
Cost of Sales	104.9	92.5	67.4
Personnel	185.8	174.9	139.3
Occupancy	23.5	26.6	19.3
Other Direct	34.9	34.5	36.7
Technology Services	51.4	48.5	41.6
Corporate	7.9	16.1	13.8
Total	**408.4**	**393.1**	**318.1**

Operating expenses includes the operating costs of businesses acquired over the past 12 months. Excluding these costs and cost of sales, operating expenses show an underlying decline of 1.8% reflecting the cost savings from previous periods restructuring efforts, integration synergies and a continued focus on cost control.

TAXATION

The Group's headline effective tax rate for the half-year ended 31 December 2004 (1H05) is 18.2% (1H04 20.8%).

The normalised headline effective tax rate adjusted for one off, non-recurring items for 1H05 (being the sale of ETrade and Melbourne premises) is 23.0% (1H04 31.7%).

The underlying effective tax rate, being the tax rate adjusted for one off, non-recurring items and non deductible goodwill charges for 1H05 is 14.6% (1H04 27.7%).

CASH FLOW / FINANCING

Cash flow from operations was $50.9 million.

Debtor days outstanding increased to 60 days at 31 December 2004 from 57 days at 30 June 2004.

Computershare's total funding facility is $460.0 million, of which $351.5 million was drawn at 31 December 2004.

During January Computershare approached the US private placement market to fund the cash component (US$216m) of the Equiserve acquisition. The company received offers from 24 institutions totalling over US$730m, and accepted offers from 12 institutions for over US$315m on terms of between six and twelve years. The funding is due to settle on 22 March, 2005 and once settled will increase the average term of the company's debt from a little over 1 year to almost 6.5 years.