COMPUTERSHARE LIMITED (ASX:CPU)

FINANCIAL RESULTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2006

(Comparisons are for the half year ended 31 December 2005)

14 February 2007

NOTE: All figures (including comparatives) are presented in US Dollars (unless otherwise stated) following a change in presentation currency from 1 July 2006.

Copies of the HY07 Results Presentation are available for download at:
www.computershare.com/results

Earnings uplift delivered across the board

Melbourne, 14 February 2007 – Computershare Limited (ASX:CPU) today reported 102% growth in Earnings per Share (on a Management Adjusted basis) to 17.86 cents, which represents a Net Profit after Outside Equity Interest (OEI) of $107.0 million for the six months ended 31 December 2006. The Company experienced growth in total revenues of 18% to $694.0 million and in Operating Cash Flows of 109% to $137.5 million versus 1H06.

On a Reported Statutory basis for 1H07, Net Profit after OEI was $119.3 million and Basic Earnings per Share was 19.91 cents (see Appendix 4D).

Headline Management Adjusted Results (figures in USD unless otherwise stated) as follows:

- Management Earnings per Share (post OEI) rose from 8.82 cents (1H06) to 17.86 cents per share (up 102%);
- Total Operating revenues reached $694.0 million (an increase of 18% on 1H06);
- Net Operating Cash Flow for 1H07 was $137.5 million (an increase of 109% on 1H06), whilst Free Cash Flow grew 153% to $129.7 million;
- Management Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation (Management EBITDA) were up 89% on 1H06 to $188.7 million;
- Management EBITDA margin increased from 17% (1H06) to 27% (1H07);
- Net profit after OEI (on a Management Adjusted basis) was $107.0 million (an increase of 104% on Management Net profit after OEI for 1H06);
- Interim dividend of AUD 8.0 cents per share unfranked payable on 23rd March 2007 (record date of 5th March 2007, declared and to be paid in Australian dollars) ;
- Operating expenses were $506.3 million, an increase over the prior corresponding period of 3%;
- Days Sales Outstanding as at 31 Dec 2006 fell to 45 days from 53 days at 31 Dec 2005;
- Capital expenditure was $7.8 million (1H06; $14.6m); and
- Net Debt to Management EBITDA ratio fell from 1.68 times at 30 June 2006 to 0.97 times at 31 Dec 2006.

The Directors and Management have determined that the exclusion of certain items permits more appropriate and meaningful analysis of the Company's underlying performance on a comparative basis. Internally the organisation focuses on the adjusted financial outcomes known as Management Adjusted Results and these are outlined in the table below. The Company acknowledges that the adjustments are likely to differ from those reported in the statutory EPS calculation in accordance with AIFRS requirements.

Reconciliation – Statutory Accounts to Management Adjusted Results

1H07	**USD 000's**
Net profit after tax as per Statutory Accounts	119,345
Management Adjustments (after tax)	
Profit on sale of Analytics	(7,951)
Acquisition provisions no longer required	(1,855)
US restructuring provisions related to property rationalisation	1,483
Marked to market adjustments on derivatives	(205)
Client list amortisation	1,193
Tax losses recognised	(4,977)
Total Management Adjustments	(12,312)
Net profit after tax as per Management Adjusted Results	107,033
(details of the management adjustment items can be found on page 5)	

Commentary

Computershare experienced another robust half of revenue growth and this, coupled with continual focus on controllable costs, was instrumental in delivering outstanding earnings and cash flow growth. Pleasingly, the outcomes were driven by improved performance in many businesses. The result was a record half on the back of sustained merger and acquisition activity, growing corporate action revenues, and comparatively more favourable interest rate levels.

Whilst positive contributions were widespread, the most significant improvements over 1H06 came from major businesses in the UK, Australia, Canada and the US. The UK continued the turnaround commenced in 2H06. The Australian operations recovered from a softer FY06 on the back of increased corporate action activity. Canada also benefited from a strong corporate actions environment. Continued accelerated delivery of synergies from the Equiserve acquisition along with increased corporate action activity and further strong fund services revenues drove an excellent US result. Along with significant IPO activity in Hong Kong and healthy merger and acquisition conditions globally, these factors resulted in EPS growth of 102% on the same period last year. Notably, EBITDA margins grew from 17% (1H06) to 27% (1H07).

Computershare's recently appointed CEO, Stuart Crosby, said, "The most pleasing aspect to this exceptional result is that there are important contributions from across our business lines and from a range of different markets. Equity and interest rate market conditions remain favourable and the full year outlook is increasingly promising".

Looking forward Mr Crosby said, "There is still much to do. Going forward our major focuses are three: Firstly, continue to drive operations quality and efficiency through measurement, benchmarking and technology. Second, improve our front office skills to protect and drive revenue. And third, as ever, to seek acquisition and other growth opportunities where we can add value and enhance returns for our shareholders".

Asia Pacific results improved markedly over 1H06 as a consequence of higher revenues in all Australian businesses as well as Hong Kong, whilst New Zealand, India and Japan were flat. Investor Services and Communication Services businesses in Australia benefited most from high corporate action activity and Hong Kong saw continued IPO work from Chinese companies like ICBC (largest IPO ever conducted globally) push revenues to record highs. EBITDA for Asia Pacific was 72% higher than the same period last year.

EMEA made a spectacular recovery from the lows of 1H06. Changes to the cost structure and client wins in late 2005 in the UK were reflected in the 2H06 turnaround, and continued to deliver improved results in 1H07. Significant corporate actions such as Standard Life (demutualisation) and BAA (takeover), along with contributions from the IML business, Plans and Communication Services, underpinned the recovery. Smaller EMEA operations such as the German and Irish businesses were relatively flat half on half. Russia continues to grow, with the result enhanced through the consolidation of NRC following the increase to a 65% stake. EBITDA for EMEA grew in excess of 340% in comparative terms, albeit from a low base.

After an exceptional FY06, North America maintained strong revenue and earnings momentum for 1H07. Both the US and Canada benefited from M&A activity and higher interest rate levels on a comparative basis. The US also experienced revenue growth in Plans and Small Shareholder Programs/Post Merger Clean-up businesses. Whilst there were substantial improvements in other parts of the globe, North America still contributed 58% of Group EBITDA and grew earnings by 61% versus 1H06.

The migration from Equiserve systems is largely complete, with just 3 clients and some closed end funds still to be converted from more than 2,300 registers. The Fairway and STS systems are no longer utilised and the DLV and SINQ systems will be closed in April 2007.

Dividend

As reported in the Market Announcement dated 13 December 2006, the Company will continue to declare and pay ordinary share dividends in Australian dollars. The Company announces an interim dividend of AUD 8 cents per share unfranked, payable on 23rd March 2007 (record date of 5th March 2007), which follows the final dividend of AUD 7 cents per share unfranked for FY06 paid in September 2006.

On-market Ordinary Share Buy-Back

On 15th November 2006 Computershare announced an on-market buy back of up to 25 million ordinary shares. The buy back was to begin no earlier than 30 November 2006 and continue for up to six months. During 1H07 the company purchased and cancelled 650,000 ordinary shares at a total cost of AUD 5.68 million. From 31 December 2006 to the date of this announcement the company had purchased an additional 675,000 shares at a cost of AUD 5.82 million.

Balance Sheet Overview

The Company’s financial position remains sound with total assets of $1,663.7 million, financed by shareholders’ funds of $815.1 million at 31 Dec 2006.

Computershare's total current funding facility is $634.9 million, with net borrowings falling to $320.7 million at 31 Dec 2006 (from $403.7 million at 30 June 2006). Gross borrowings at 31 Dec 2006 amounted to $430.7 million, 10% lower than six months ago.

The Company focuses primarily on the Net Debt to Management EBITDA ratio from a gearing perspective and this has fallen from 1.68 times at 30 June 2006 to 0.97 times at 31 Dec 2006.

Capital expenditure for the six months was $7.8 million, down 47% on 1H06.

Operating Costs – Overview

Operating costs were largely contained in 1H07, having increased 3% versus Revenue growth of 18%. Total personnel costs (including technology) represent over 70% of total controllable costs and were restricted to an increase of 5% over the corresponding prior period.

Total technology spend for the six months was $61.7m, which was 5% lower than 1H06. This spend was positively impacted by the synergies extracted from the former Equiserve business. The total spend included $21.1m (1H06:$18.8m) in research & development expenditure, which was expensed during the period despite being of a capital nature. The technology costs to sales revenue ratio was 9% for the half.

Distribution of Revenue/EBITDA (comparisons to corresponding period)

Regionally, revenues and EBITDA results were apportioned as follows:

	Revenue		EBITDA	
	1H07	**1H06**	**1H07**	**1H06**
North America	56%	59%	58%	68%
Asia/Pacific	23%	21%	21%	23%
EMEA	21%	20%	21%	9%

Management Adjustments

The Company will continue to provide a summary of Post Tax Management Adjustments in an effort to help Investors understand the comparative operating performance of the business.

The sale of certain Analytics assets (as described in a Market Announcement dated 26 May 2006) on 1 July 2006 resulted in a gain of $7.95m which due to its non-recurring nature is included in management adjustments.

Acquisition provisions ($1.9m) raised largely during the Equiserve purchase that were not required were reversed.

A restructuring provision has been established for expected costs ($1.5m) related to rationalisation in the US that follows the Company taking on leases on various properties through acquisitions.

Derivatives that have not received hedge designation are marked to market at balance date and taken to profit & loss. As the valuations (gain of $0.2m) relate to future estimated cash flows they are excluded from underlying financial analysis.

Customer contracts and other intangible assets are recognised separately from goodwill on acquisition and amortised over the appropriate life. This amount ($1.2m) is added back to earnings as occurred previously with goodwill amortisation under AGAAP.

Tax losses in the US ($5.0m) that were not booked because their recognition was not virtually certain have now been recognised through the profit and loss.

Outlook for Financial Year 2007

In light of the excellent first half result and the continuation of favourable equity and interest rate market conditions, the Company is expecting to report annual earnings numbers (reflected in Management EPS) approximately 50% higher than last year. Any guidance beyond the current year will depend on market activity and will be provided at the company's annual release in August 2007.

About Computershare Limited (CPU)

Computershare (ASX:CPU) is a global leader in share registration, employee equity plans, proxy solicitation and other specialized financial and communication services. Many of the world's largest companies employ our innovative solutions to maximize the value of their relationships with investors, employees, customers and members.

Computershare has approximately 10,000 employees across the world and serves 14,000 corporations and 100 million shareholders and employee accounts in 17 countries across five continents.
For more information, visit www.computershare.com

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FINANCIAL SUMMARY

The 1H07 result reflects favourable equity market conditions globally that drove strong corporate action revenues, coupled with sustained interest rate levels in North America and interest rate increases in the UK. Focus on controllable costs and the ability to keep cost increases well below the rate of revenue growth also contributed to the exceptional result.

Management adjusted basis	6 mths to Dec 2006	6 mths to Dec 2005	% Variance
Revenue	$694.0m	$588.1m	18%
EBITDA	$188.7m	$99.7m	89%
NPAT	$107.0m	$52.5m	104%
EPS (USD cents)	17.86	8.82	102%
Dividend per share (AUD cents)	8.0	6.0	33%

Strong cash flow generation from operations driven by increased revenues, controlled cost management and continued focus on working capital resulted in an increase of 109% in cash flow from operations on the same period last year. Free cash flow, helped by low capital expenditure, also improved substantially on a comparative basis. As expected, these improvements coupled with an absence of large acquisitions enabled the Company to reduce the Net Debt to EBITDA metric dramatically.

Cash flow & Financing	6 mths to Dec 2006	6 mths to Dec 2005	Variance
Cash flow from Operations	$137.5m	$65.8m	109%
Free cash flow	$129.7m	$51.3m	153%
Days Sales Outstanding	45 days	53 days	8 days
Net Debt to Management EBITDA	0.97x	1.68x	0.71x

Revenue Analysis

Comparatives	6 mths to Dec 2006 $ millions	6 mths to Dec 2005 $ millions	% Variance
Registry Maintenance	331.1	284.6	16%
Corporate Actions	141.6	92.1	54%
Stakeholder Relationship Management	34.2	35.4	(3%)
Employee Share Plans	58.2	44.2	32%
Communication Services	37.2	31.7	17%
Fund Services	73.1	67.2	9%
Technology and Other Revenue	18.6	32.8	(43%)
Total	**694.0**	**588.0**	**18%**

Revenue Analysis

Revenues grew 18% in comparison to 1H06. The growth came predominantly from existing businesses, with the most significant revenue uplift experienced in corporate actions and employee share plans whilst strong contributions from registry maintenance and communication services were also seen.

Register Maintenance revenues grew 16% on 1H06 driven by improvements in all major markets (US, Canada, UK and Australia) and a significant uplift in Hong Kong following the spate of IPOs out of China. Smaller US and Canadian Transfer Agency acquisitions midway through 1H06 also contributed to growth over the prior period.

Growth in Corporate Action revenues was outstanding at 54%, with Australia, UK, US, Canada and in particular Hong Kong deriving strong revenues on the back of continued global M&A strength and IPO activity. Smaller businesses such as New Zealand and South Africa were down on the same period last year whilst Ireland was flat.

Stakeholder Relationship Management revenues were 3% lower than 1H06, a satisfactory result given the sale of the majority of Analytics assets on 1 July 2006. Corporate Proxy activity picked up in Australia, UK and Canada, contributing to the acceptable outcome.

Employee Share Plans revenue growth was exceptional, with the UK delivering substantial growth, supported by higher revenues in Australia and the US. Canadian revenues grew on the back of the National Bank employee plan business.

Computershare Communication Services (formerly Document Services) external revenues were $37.2m. In addition to Communication Services external revenue, there is approximately $63.0m of inter-segment revenues (1H06; $31.0m) that are included in the revenue of other businesses where there is a client-facing relationship. Inter-segment revenues were particularly strong in Australia on the back of corporate actions and in the US as a result of new relationships forged with former Equiserve clients.

Fund Services revenue grew 9% in comparative terms, exceeding the outstanding result recorded in 1H06.

External technology revenues fell substantially on a comparative basis following the sale of the Markets Technology business, which was effective end of January 2006.

Margin income contributed $84.0m to revenue (1H05; $52.1m), substantial growth as a result of higher interest rate levels and higher cash balances. Recoverable income grew from $111.8m in 1H06 to $132.9m, an increase of 19%, in line with revenue growth.

Operating Cost Analysis

Comparatives	6 mths to Dec 2006 $ millions	6 mths to Dec 2005 $ millions	% Variance
Cost of Sales	138.9	144.5	(4%)
Personnel (excl Technology)	218.8	210.4	4%
Occupancy	28.9	26.0	11%
Other direct	41.9	30.2	39%
Technology services	61.3	63.2	(3%)
Corporate	16.5	15.3	8%
Total	**506.3**	**489.5**	**3%**

Operating costs were well contained, increasing only 3% on 1H06 despite an 18% increase in revenues.

TAXATION

The normalised effective tax rate for 1H07 was 30.6% (1H06; 27.1%), having increased largely due to higher earnings in jurisdictions in which corporate tax rates are higher.