COMPUTERSHARE LIMITED (ASX:CPU)

FINANCIAL RESULTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2005

(Comparisons are for the half year ended 31 December 2004 based on AIFRS)

15 February 2006

Copies of the 1H06 Results Presentation are available for download at: www.computershare.com/results

Computershare

MARKET ANNOUNCEMENT

Vibrant US Business Propels Computershare

Melbourne, 15 February 2006 – Computershare Limited (ASX: CPU) today reported a 28% growth in Earnings per Share (on a normalised AIFRS vs AIFRS basis) to 11.72 cents, growth in total revenues of 59% to $781.4 million and in Operating Cash Flows of 72% to $87.5 million.

Headline results (1H06 AIFRS vs 1H05 restated AIFRS basis)

- Normalised Earnings per Share (post Outside Equity Interests (OEI)) rose from 9.14 cents (1H05) to 11.72 cents per share (up 28%);
- Total revenues reached $781.4 million (an increase of 59% on 1H05);
- Net Operating Cash Flows for the half year were $87.5 million (an increase of 72% on 1H05);
- Normalised Earnings Before Income Tax, Depreciation and Amortisation (EBITDA normalised) was up 46% on 1H05 to $132.4 million;
- Normalised Net profit after OEI was $69.8 million (an increase of 35% on normalised 1H05, see reconciliation below);
- Operating expenses were $650.5 million, an increase over the prior corresponding period of 62%;
- Days Sales Outstanding for the half year ending 31 December 2005 fell to 56 days from 62 days at 30 June 2005; and
- Capital expenditure was $19.4 million, above on-going expectations as a result of integration of acquired businesses, including Computershare Shareholder Services in the US formerly known as Equiserve.

Reconciliation – Normalised Earnings

(Explanation provided to identify underlying profitability -1H05 versus 1H06)

1H05		1H06	
Net profit after tax under AGAAP 31 Dec 2004	45,368		
Write back of goodwill amortisation	20,260		
Share based remuneration expense	(3,587)		
Business combinations	8,312		
Other	(1,008)		
Net profit after tax under AIFRS 31 Dec 2004	69,345	Net profit after tax under AIFRS 31 Dec 2005	65,784
Adjustment for unusual items		Adjustment for unusual items	
- Profit on sale	(9,331)	- UK redundancies	4,057
- Business combinations	(8,312)		
Normalised profit after tax under AIFRS at 31 Dec 2004	51,702	Normalised profit after tax at 31 Dec 2005	69,841

Commentary

Computershare once again reported a record half of Revenues and EBITDA. The company delivered strong growth for the half, buoyed by a full contribution for the period by Computershare Shareholder Services (formerly Equiserve), increasing normalised EPS by 28% versus 1H05. This result has been underpinned by unprecedented growth in the US operations, both through acquisition and improvement from existing businesses.

Computershare's CEO, Chris Morris, said, "To call ourselves truly global we had to break into the biggest market of all, the US. I can now proudly say that Computershare has become a leading player in the North American market, evidenced by the US contribution to the result this half".

The Asia Pacific region continues to deliver strong results, with growth in the level of IPO and corporate actions in Hong Kong and India offsetting a return to normal activity levels for the Australian business after several years of buoyant conditions. The Australian Plans business has reported a significant increase in profitability, an example of the success of our focus of growing this business segment globally. Performance by the new Japanese joint venture has exceeded expectations.

The EMEA region remains very competitive, particularly in the UK where conditions continue to challenge. Businesses outside the UK continue to improve however, with Russia, Ireland and Germany performing well. Improving the UK business is a key goal for management, with a number of changes having already been made, resulting in shared services savings of $3m and annualised personnel savings of at least $7m. Significantly, the UK registry business has recently been appointed to handle the largest demutualisation in that market for a number of years.

The North American region has surpassed expectations in the first half, with organic growth combined with the Computershare Shareholder Services acquisition resulting in the region contributing 68% of total EBITDA. A significant contribution from Mutual Fund Proxy work and earnings growth in US Plans and Registry businesses were the highlights. Canadian Registry and Fixed Income businesses continue to produce solid results following a trend established over a number of years.

The Computershare Shareholder Services integration is ahead of schedule, with conversion of the Fairway system set to complete in April 2006 and synergies tracking marginally ahead of plan both in timing and total value terms.

Dividend

The company announces an interim dividend of 6 cents per share unfranked, payable on 24 March 2006 (record date of 6 March 2006), an increase of 20% on the interim dividend for FY05 and the same as the final dividend for FY05.

Balance Sheet Overview

The company's financial position remains sound with total assets of $2,152.7 million being financed by shareholders' funds totalling $869.4 million.

Computershare's total current funding facility is $835 million, with net borrowings increasing to $586.7 million at 31 December 2005 (from $526.3 million at 30 June 2005). Gross borrowings at 31 December 2005 amounted to $709.5 million.

Gearing – Net Debt to Net Debt plus Equity fell marginally from 41% at 30 June 2005 to 40% at 31 December 2005.

Capital expenditure at $19.4m was higher than 2H05 as forecast in our FY05 results presentation due to continued integration projects, particularly Computershare Shareholder Services.

Operating Costs – Overview

Group operating expenses increased by 62% to $650.5m, with costs impacted by an 83% increase in Cost of Sales. Personnel costs grew by 47%.

Total technology spending for the six months was $84 million, an increase of 63% on 1H05, as expected during integration of acquired businesses. Technology costs as a percentage of sales revenue rose from 9% for 2H05 to 11% for 1H06. This amount includes $25 million in research and development (R&D) expenditure. In line with the company's policy, all technology costs have been expensed during the period.

Distribution of Revenue/EBITDA (comparisons to corresponding period)

Regionally, revenues and EBITDA results were apportioned as follows:

	Revenue		EBITDA	
	1H06	1H05	1H06	1H05
North America	59%	40%	68%	36%
Asia/Pacific	21%	33%	23%	43%
EMEA	20%	27%	9%	21%

Group revenues and EBITDA have increased for the period as a result of acquisitions, in particular Computershare Shareholder Services, a strong performance by Computershare Fund Services in the US and improved margin income as North American interest rates continue to rise.

Non-Recurring Items

Included as a non-recurring item is the cost of restructuring the UK operations. CEO Chris Morris and COO Stuart Crosby have personally overseen a widespread business improvement program in the UK. The cost of the restructuring program, which was largely complete at 31 December 2005, is approximately $5.7m. Annualised benefits of the program are expected to be at least $7m.

As documented in a Market Announcement dated 21 November 2005, a Letter of Intent was signed to dispose of Computershare's Markets Technology business. The sale closed on 31 January 2006. The company expects to book a non-recurring gain of approximately A$10m in the second half of FY06 that will more than offset the costs of the UK restructure.

Corporate Social Responsibility

Over the past 6 months Computershare staff along with the Computershare Group have raised over $500,000 for the Change-A-Life project. Funds will support the establishment of a commercial farm, fund an orphanage and create employment opportunities in a small rural community in Kenya.

Outlook for Financial Year 2006

Assuming market conditions in key regions, particularly the US, remain healthy, Computershare confirms that it expects revenues of at least A$1.5 billion and Normalised Earnings per Share of at least 29 cents per share for the fiscal year ending June 30, 2006.

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 90 million shareholders and employee accounts in 21 countries across five continents.

For more information visit: www.computershare.com

For further information:

Mr Darren Murphy
Head of Treasury and Investor Relations
Tel: (03) 9415 5102
Mobile: 0418 392 687

MARKET ANNOUNCEMENT

FINANCIAL SUMMARY

The 1H06 result reflects improved market conditions in North America and Asia in particular, benefits of higher interest rates and client balances in the Northern Hemisphere and the contribution from acquisitions.

Comparatives based on AIFRS	6 mths to Dec 2005 $ millions	6 mths to Dec 2004 $ millions	% Variance
Revenue (excl. non-recurring items)	781.4	491.1	59%
EBITDA before non-recurring items	132.4	90.6	46%
Non-recurring items	(5.8)	8.3	
EBITDA post non-recurring items	126.6	99.0	28%
Profit before tax post non-recurring items	91.9	74.7	23%
Basic EPS (normalised) (cents)	11.72	9.14	28%
Dividend per share (cents)	6.0	5.0	20%

Revenue Analysis

Comparatives based on AIFRS	6 mths to Dec 2005 $ millions	6 mths to Dec 2004 $ millions	% Variance
Registry Maintenance	354.7	238.1	49%
Corporate Actions	122.4	78.2	57%
Stakeholder Relationship Management	48.0	43.7	10%
Employee Share Plans	81.3	59.6	36%
Document Services	55.9	28.4	97%
Fund Services	89.3	18.8	375%
Technology and Other Revenue	29.8	24.3	23%
Total	781.4	491.1	59%

(Continued overleaf)

Revenue Analysis (continued)

In summary, Registry Maintenance, Corporate Actions, Employee Share Plans and Document Services revenues all benefited significantly from the six month contribution from Computershare Shareholder Services.

Registry maintenance also grew as a result of new business in Hong Kong, India and significant wins by the existing US business in Chicago. Australian and UK revenues were down largely as a result of market activity.

Corporate Actions revenue experienced a high level of growth, increasing by 57% largely due to the inclusion of Computershare Shareholder Services. Australia, coming off buoyant market conditions and Canada were marginally lower. Initial Public Offering (IPO) growth in Hong Kong and India continued its recent strong performance.

Growth in the North American Corporate Proxy business driven by an increase in market activity was responsible for the uplift in Stakeholder Relationship Management revenues.

Document Services revenue growth on a comparative basis was generated by acquisitions in Australia, Canada and Germany, whilst the UK was marginally lower. In addition to the Document Services revenue, there is approximately $41.2 million of inter-segment revenues that are included in the revenue of other businesses where there is a client-facing relationship.

Computershare Funds Services (formerly Mutual Funds) processed a number of proxy campaigns for large US clients that, accompanied by higher postage recoveries, led to a 375% increase in revenues, significantly exceeding high expectations.

Included in the revenue results is $69.3 million (1H05 $35.8 million) of margin income and $148.6 million (1H05 $83.2 million) of recoverable income. Margin income increased due to both higher interest rates in North America and higher client balances, particularly as a result of the acquisition of Computershare Shareholder Services.

Operating Cost Analysis

	6 mths to Dec 2005 $ millions	6 mths to Dec 2004 $ millions	% Variance
Cost of Sales	192.0	104.9	83%
Personnel	279.6	189.6	47%
Occupancy	34.5	20.4	69%
Other direct	40.1	26.9	49%
Technology services	84.0	51.4	63%
Corporate	20.3	7.9	157%
Total	650.5	401.1	62%

In line with Revenues, Operating Expenses increased substantially as a result of the Computershare Shareholder Services acquisition. Certain costs of integrating acquisitions are expected to be temporary.

TAXATION

The underlying effective tax rate, being the tax rate adjusted for one off, non-recurring items and non deductible goodwill charges for 1H06 was 27.1% (1H05 19.6%), largely due to higher earnings in jurisdictions in which corporate tax rates are higher.

CASH FLOW / FINANCING

Cash flow from operations was $87.5 million, an increase of 72% on 1H05.

Debtor days outstanding fell to 56 days at 31 December 2005 from 62 days at 30 June 2005.

Computershare's average tenor of drawn debt is almost 5.1 years.