COMPUTERSHARE LIMITED (ASX:CPU)

FINANCIAL RESULTS
FOR THE FULL YEAR ENDED 30 JUNE 2006

(Comparisons are for the full year ended 30 June 2005 based on AIFRS)

16 August 2006

Copies of the FY06 Results Presentation are available for download at: www.computershare.com/results

North America underpins growth

Melbourne, 16 August 2006 – Computershare Limited (ASX:CPU) today reported 41% growth in Earnings per Share (on a Management Adjusted AIFRS vs AIFRS basis) to 30.44 cents, growth in total revenues of 50% to $1,626.1 million and in Operating Cash Flows of 67% to $245.8 million.

On a Reported AIFRS basis for FY06, Net Profit after Outside Equity Interests was $182.6m and Basic Earnings per Share was 30.63 cents (see Appendix 4E).

Headline Management Adjusted Results (FY06 AIFRS vs FY05 restated AIFRS basis) as follows:

- Management Earnings per Share (post OEI) rose from 21.54 cents (FY05) to 30.44 cents per share (up 41%);
- Total revenues reached $1,626.1 million (an increase of 50% on FY05);
- Net Operating Cash Flows for FY06 were $245.8 million (an increase of 67% on FY05);
- Management Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation (Management EBITDA) were up 52% on FY05 to $321.3 million;
- Management Net profit after OEI was $181.4 million (an increase of 49% on Management Net profit after OEI for FY05, see reconciliation below);
- Final dividend of 7 cents per share unfranked payable on 22nd September 2006 (record date of 8th September 2006) bringing the total dividend for FY06 to 13 cents per share unfranked (an increase of 18% on FY05 – 11 cents);
- Operating expenses were $1,309.0 million, an increase over the prior corresponding period of 50%;
- Days Sales Outstanding for the year ended 30 June 2006 fell to 54 days from 62 days at 30 June 2005;
- Capital expenditure was $33.4 million (FY05 $31.6m), in line with depreciation at $33.1 million in FY06; and
- Net Debt to Management EBITDA ratio fell from 2.5 times at 30 June 2005 to 1.7 times at 30 June 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 – FY05 restated to AIFRS and comparison of Management Adjusted Profit after Tax
(Explanation provided to identify underlying profitability - FY06 versus FY05)

FY06		FY05	
		Net profit after tax under AGAAP 30 June 2005	101,462
		Write back of goodwill amortisation	41,707
		Share based remuneration expense	(9,971)
		Business combinations	(5,394)
		Other	(2,413)
Net profit after tax under AIFRS at 30 June 2006	182,558	Net profit after tax under AIFRS at 30 June 2005	125,391
Management Adjustments		Management Adjustments	
- Derivatives marked to market and taken to P&L	1,344	- Profit on sale (ETrade & Abbotsford Property)	(9,003)
- Intangibles amortisation	948	- Business combinations	5,394
- UK Redundancies	5,208		
- Profit on sale of Markets Technology	(9,867)		
- UK Property sale adjustment	1,268		
- Georgeson tax losses recognised	(1,507)		
- Acquisition Adjustments			
• Equiserve	(208)		
• CDS Germany	1,637		
Management Adjusted profit after tax at 30 June 2006	181,381	Management Adjusted profit after tax under AIFRS at 30 June 2005	121,782

Commentary

Fiscal 2006 has been another strong year for Computershare, characterised by continued success in the key North American market, prudent fiscal management, strong levels of cash flow generation, rising margin income due to higher balances and higher interest rates, and strong contributions across all business lines.

Last year Computershare reported that compound annual growth in EPS terms over the previous 5 years had been more than 20%. This year earnings per share have increased by 41% on FY05 (on a management adjusted AIFRS basis) driven largely by the North American Region (US & Canada). Strong performances were also delivered by our smaller Hong Kong, German and Russian businesses. The considerable improvement in net operating cash flows from $146.8 million to $245.8 million was most significant.

Computershare's CEO, Chris Morris, said, "This tremendous result has been driven by significantly higher profits in North America. In particular the US has delivered on the back of the Equiserve integration and the opportunities significant acquisitions like this bring. A substantial improvement in the contribution of the EMEA region was also very pleasing, with work still to be done. Computershare continues to enhance its status as the leading global provider of share registration, employee equity plan administration and stakeholder communication services. Our staff around the globe can again be very proud of their achievements".

Consistent with the first half, the Asia Pacific region saw strong earnings contributions from Hong Kong and India offset by lower levels in the Australian registry business in 2H06. Less upbeat market conditions in Australia following a number of buoyant years impacted the region's overall contribution to the consolidated result. Computershare Document Services experienced flat conditions in Australia in FY06 whilst Computershare Plan Managers delivered record revenues and earnings.

The EMEA region and in particular the United Kingdom showed significant profit improvement in the second half after a poor first half. A combination of cost reduction strategies and uplift in revenues drove the result, with the region contributing 26% of consolidated EBITDA in 2H06 versus 9% in 1H06. Businesses in Germany and Russia continue to grow revenue and earnings with the region looking for further improvement in FY07.

The North American region delivered a spectacular result for FY06. The integration of Equiserve (now part of Computershare Investor Services), growth in Mutual Fund Services in the US and continued improvement in Canada all contributed to substantially higher revenues and earnings in comparison to FY05. The region contributed 61% of consolidated EBITDA compared to 42% in FY05. Higher balances derived from a much larger US business and from increased corporate action activity led to a significant improvement in margin income.

The Equiserve integration remains ahead of schedule, with conversion of the Fairway system completed in early May 2006 and remaining system conversions to be complete by January 2007. As highlighted at half year synergies are still tracking ahead of plan both in timing and total value terms.

Dividend

The company announces a final dividend of 7 cents per share unfranked, payable on 22nd September 2006 (record date of 8th September 2006), which follows an interim FY06 dividend of 6 cents per share unfranked. Total dividends for FY06 are 13 cents per share (11 cents in FY05), an 18% increase on FY05.

Balance Sheet Overview

The company's financial position remains sound with total assets of $2,167.1 million, financed by shareholders' funds that increased $154.7m or 19.5% on an AIFRS adjusted basis from a year ago to $946.3 million at 30 June 2006.

Computershare's total current funding facility is $830 million, with net borrowings increasing to $545.9 million at 30 June 2006 (from $526.3 million at 30 June 2005). Gross borrowings at 30 June 2006 amounted to $644.3 million, 6% lower than the previous year.

The Company focuses primarily on the Net Debt to Management EBITDA ratio from a gearing perspective and this has fallen from 2.5 times at 30 June 2005 to 1.7 times at 30 June 2006.

Capital expenditure of $33.4m was marginally higher than FY05 ($31.6m), however this was in line with depreciation and acceptable based on the increase in the overall size of the business and the integration activity, particularly Equiserve. The business continues to maintain a goal of keeping capital expenditure below the amount of the annual depreciation charge.

Operating Costs – Overview

In FY06 operating costs grew 50% on FY05, in line with the growth in revenues for the same period. Cost of Sales grew 63%, whilst Personnel costs grew 45% and Occupancy was up 71% with some property rationalisation in North America to come.

Total Technology spend for FY06 was $154.7m, which was $48.1m or 45% higher than FY05. This was expected due to the Equiserve integration. The total spend included $54.2m (FY05:$44.9m) in research & development expenditure, which was expensed during the period despite being of a capital nature. Notably, technology costs in 2H06 were 20% lower than 1H06 as Equiserve synergies continue to be extracted. The technology costs to sales revenue ratio remained at 10% year on year, however there are high expectations for lower levels in FY07.

Distribution of Revenue/EBITDA (comparisons to corresponding period)

Regionally, revenues and EBITDA results were apportioned as follows:

	Revenue		EBITDA	
	FY06	FY05 (AGAAP)	FY06	FY05 (AGAAP)
North America	59%	43%	61%	42%
Asia/Pacific	21%	31%	20%	37%
EMEA	20%	26%	19%	21%

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.

As reported at HY06, included in management adjustment items is the cost of restructuring the UK operations, amounting to $5.2m for FY06. The benefits from the restructuring aided the improvement in second half results for the UK business.

Acquisition related adjustments also stemmed from the purchase of Equiserve (restructuring, operational changes and property consolidation) that resulted in a net benefit of $208k. The related items were:

- Chicago Operations redundancies ($1.08m)
- Toronto Call Centre closure ($1.17m)
- New York sub-lease loss ($1.38m)
- Equiserve Restructuring Provision adjustment $3.83m

In addition, redundancies following acquisitions in the German Document Services business have been excluded from the Company's underlying performance analysis. These redundancies amounted to $1.6m.

The sale of the Computershare Markets Technology business (as described in a Market Announcement dated 21 November 2005) on 31 January 2006 resulted in a gain of $9.9m which due to its non-recurring nature is included in management adjustments.

Certain works on the Pavilions property in Bristol, UK agreed to by Computershare at the time of sale (November 2004) have now been recognised through a provision. The related costs of $1.3m should have been provided against the sale proceeds at sale recognition.

Tax losses that were not booked as part of the Georgeson acquisition accounting because their recognition was not virtually certain have now been recognised through profit and loss.

Under AIFRS certain derivatives have not received hedge designation and the Company is required to take the marked to market valuations ($1.34m) at balance date to profit & loss. As the valuations relate to future estimated cash flows management has determined that such valuations will be excluded from underlying financial performance analysis.

AIFRS also requires the Company to recognise customer contracts and other intangible assets separately from goodwill on acquisition and to amortise these assets over the appropriate life as assessed by valuations at the time of purchase. The Company when assessing underlying performance adds back this intangible amortisation to Earnings as occurred previously with Goodwill amortisation under AGAAP. The amortisation for FY06 amounted to $948k.

Outlook

On the assumption that equity and financial market conditions stay relatively stable, Computershare remains comfortable with its target of long term Management Earnings per Share growth of around 20% per annum.

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 17 countries across five continents.
For more information, visit www.computershare.com

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FINANCIAL SUMMARY

The FY06 result reflects a full year's contribution from the former Equiserve business, improved market conditions in North America and Asia in particular, and benefits of higher interest rates and client balances in the Northern Hemisphere. Increased focus on the UK business, particularly the effort to reduce costs in the second half also contributed to improved earnings.

Comparatives based on AIFRS	12 mths to June 2006 $ millions	12 mths to June 2005 $ millions	% Variance
Management Revenue	1,626.1	1,083.2	50%
Management EBITDA	321.3	211.9	52%
Management NPAT	181.4	121.8	49%
Management EPS (cents)	30.44	21.54	41%
Dividend per share (cents)	13.0	11.0	18%

FY06 saw an impressive uplift in cash flow from operations, climbing 67% to $245.8m. This improvement was partly caused by the fall in days sales outstanding, propelled by improved collection procedures and further reductions in billing times. Free cash flow, based on our ability to keep capital expenditure at similar levels to last year also improved substantially. As expected, this enabled the Company to reduce the key gearing metric as outlined in the table below. Computershare's average tenor of drawn debt is 5.2 years.

Cash flow & Financing	12 mths to June 2006	12 mths to June 2005	Variance
Cash flow from Operations	245.8m	146.8m	67%
Free cash flow	212.4m	115.2m	84%
Days Sales Outstanding	54 days	62 days	8 days
Net Debt to Management EBITDA	1.7x	2.5x	0.8x

Revenue Analysis

Comparatives based on AIFRS	12 mths to June 2006 $ millions	12 mths to June 2005 $ millions	% Variance
Registry Maintenance	824.4	523.8	57%
Corporate Actions	262.3	166.7	57%
Stakeholder Relationship Management	122.5	107.3	14%
Employee Share Plans	128.3	101.0	27%
Document Services	84.6	60.0	41%
Fund Services	145.0	53.1	173%
Technology and Other Revenue	59.0	71.3	(17)%
Total	1,626.1	1,083.2	50%

Revenue Analysis

Registry Maintenance, Corporate Actions, Employee Share Plans and Document Services revenues were all impacted significantly by a full year's contribution by the former Equiserve business (now part of the Computershare Investor Services business in the US).

Register Maintenance revenues grew 57% on last year largely driven by the Equiserve acquisition, although assisted by continued growth in Hong Kong, India, Russia and Canada on the back of the Pacific Corporate Trust acquisition in Vancouver. South African and Australian revenues were slightly lower on a comparative basis.

The former Equiserve also contributed to Corporate Actions revenue growth of 57%, with the UK, Hong Kong, Canada and Germany delivering increases over the prior year. Australia was unable to match the corporate action activity of FY05. Remaining businesses were largely in line with the prior period.

Stakeholder Relationship Management revenues grew on the back of improved Corporate Proxy revenues in North America in particular. Analytics revenues globally were marginally higher than last year. The Analytics business was sold to Thomson Financial, effective 1 July 2006.

Employee Share Plans revenue increased in the US (Equiserve driven), UK and Australia whilst Canadian revenues were marginally lower.

Documents Services external revenues were up on the back of German and Australian acquisitions, although UK revenues were lower than the prior period. In addition to Document Services revenue, there is approximately $154m of inter-segment revenues that are included in the revenue of other businesses where there is a client-facing relationship. This inter-segment revenue is significantly higher as a result of the Equiserve acquisition and increased Mutual Fund work.

Large Mutual Fund Proxy campaigns in the US accompanied by significant postage recoveries underpinned the 173% increase in Fund Services revenues in FY06.

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

Margin income contributed $157.3m to revenue (FY05:$79.6m) as a result of the Equiserve acquisition, increases in balances held and interest rate rises, particularly in North America. Similarly, recoverable income grew from $202.3m in FY05 to $328.8m, an increase of 63%, driven higher by the Equiserve acquisition and Mutual Fund Proxy work.

Operating Cost Analysis

Comparatives based on AIFRS	12 mths to June 2006 $ millions	12 mths to June 2005 $ millions	% Variance
Cost of Sales	372.2	228.8	63%
Personnel	588.8	406.6	45%
Occupancy	76.6	44.8	71%
Other direct	79.3	62.6	27%
Technology services	152.4	105.3	45%
Corporate	39.7	25.0	59%
Total	1,309.0	873.3	50%

Along with Revenues, Operating Expenses increased substantially as a result of the Equiserve 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 FY06 was 23.9% (FY05:19.4% AIFRS adjusted), largely due to higher earnings in jurisdictions in which corporate tax rates are higher.