Computershare

COMPUTERSHARE LIMITED (ASX:CPU)

FINANCIAL RESULTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

10 February 2010

NOTE: All figures (including comparatives) are presented in US Dollars (unless otherwise stated).

Copies of the 1H10 Results Presentation are available for download at:
www.computershare.com.au/results

MARKET ANNOUNCEMENT

First half surpasses expectations

Melbourne, 10 February 2010 – Computershare Limited (ASX:CPU) today reported Management Adjusted Earnings per Share of 31.38 cents for the six months ended 31 December 2009, an increase of 20% over the prior corresponding period (pcp). The interim dividend has been declared at AU 14 cents, up from AU 11 cents.

Management Adjusted Net Profit after Outside Equity Interest (OEI) was $174.4 million. Total revenues grew 3% on 1H09 to $807.5 million and Operating Cash Flows grew 29% to $206.7 million.

On a reported statutory basis for 1H10, Net Profit after OEI was $169.9 million and Basic Earnings per Share were 30.57 cents (see Appendix 4D).

Headline Management Adjusted Results (in USD unless otherwise stated) for 1H10 as follows:

	1H10	versus 2H09	**versus 1H09 (pcp)**	1H10 at 1H09 exchange rates	1H10 at 1H09 rates versus 1H09
Management Earnings per Share (Post OEI)	**31.38 cents**	Up 20.8%	**Up 20.1%**	31.31 cents	Up 19.8%
Total Operating Revenues	**$807.5m**	Up 10.8%	**Up 3.1%**	$806.4m	Up 3.0%
Operating Expenses	**$535.6m**	Up 9.0%	**Down 1.5%**	$532.5m	Down 2.1%
Management Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	**$274.8m**	Up 16.0%	**Up 15.2%**	$277.0m	Up 16.0%
EBITDA margin	**34.0%**	Up from 32.9%	**Up from 30.5%**	34.3%	Up from 30.5%
Management Net Profit after OEI	**$174.4m**	Up 20.9%	**Up 20.1%**	$173.9m	Up 19.8%
Cash Flow from Operations	**$206.7m**	Up 13.8%	**Up 29.3%**		
Free Cash Flow	**$161.9m**	Down 5.5%	**Up 9.9%**		
Days Sales Outstanding (DSO)	**40 days**	Flat	**Up 2 days**		
Capital Expenditure	**$49.7m**	Up 383%	**Up 295%**		
Net Debt to EBITDA ratio	**1.42 times**	-0.25 times	**-0.30 times**		
Interim Dividend	**AU 14 cents**	Up 3 cents	**Up 3 cents**		
Interim Dividend franking amount	**50%**	Flat	**Up from 40%**		

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 adjusted results differ from those reported in the statutory EPS calculation in accordance with AIFRS requirements.

Reconciliation – Statutory Results to Management Adjusted Results

	1H10 USD 000's
Net profit after tax as per Statutory Results	169,884
Management Adjustments (after tax)	
Intangible assets amortisation	6,678
Redundancy provisions reversed as not required	(1,716)
Marked to market adjustments on derivatives	(469)
Total Management Adjustments	4,493
Net profit after tax as per Management Adjusted Results (details of the management adjustment items can be found on page 7)	174,377

Commentary

Computershare delivered a record result in management earnings per share for a six month period at 31.38 cents, a substantial 21% above 2H09 and 20% above 1H09. Also reaching new highs were operating margins, with the Group EBITDA margin at 34%, up 350bps on 1H09, and cash flow from operations up 29% to $206.7 million. The business continues to deliver excellent earnings to cash conversion rates. This outstanding result was underpinned by continued expenditure focus, with controllable costs (excludes cost of sales) falling 3% on 1H09 despite acquisitions and large project related work in relation to Hong Kong initial public offerings (IPOs) and the US Mutual Fund proxy solicitation business.

This result was delivered in subdued economic conditions, albeit improving on the prior two halves. Persistent low interest rates, particularly in the northern hemisphere, and the run off of hedges resulted in margin income falling $11.9 million on 1H09 to $74.5 million. Equity market origination activity shifted as less secondary market activity occurred, especially in comparative terms in the UK, partially replaced by IPOs, predominantly in the Hong Kong market. Merger and acquisition activity is emerging but remains well below levels witnessed in 2008. Corporate actions revenue globally fell 20% on 1H09.

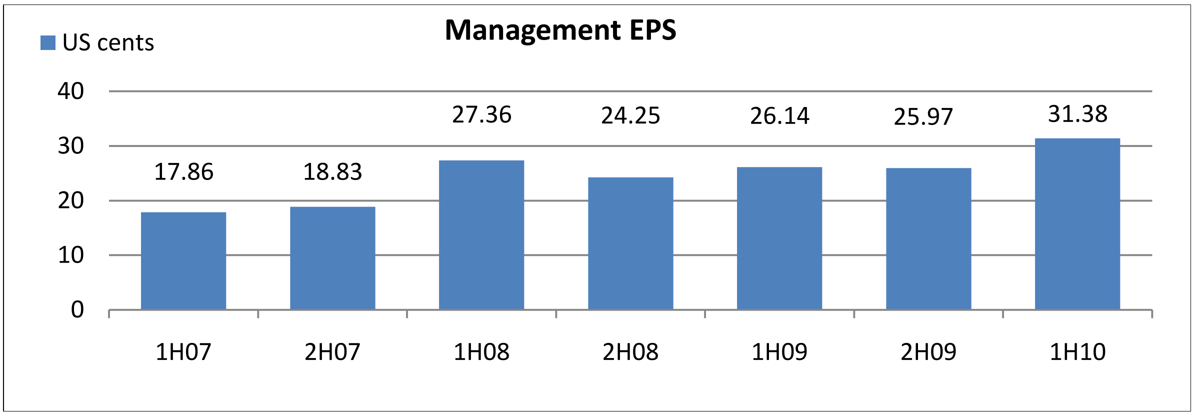
Contributions remained mixed around the globe, with Australia, Hong Kong and India producing substantially improved results on 1H09. Other positive contributions came from the US bankruptcy administration business (Kurtzman Carson Consultants LLC) acquired in April 2009, the US Mutual Fund solicitation business and Computershare Voucher Services in the UK, which was acquired midway through the comparative period 1H09. On the other hand, the US and Canadian investor services businesses were unable to match 1H09 outcomes largely as a result of margin income deterioration. Small shareholder and post merger clean-up (SSP/PMC) activity in the US region also fell considerably in comparative terms. UK corporate actions revenue fell substantially as expected. Russia was unable to match prior period results, affected by lower revenues from shareholder activity whilst the Interactive Meetings business (IML) suffered from reduced discretionary spend globally.

Operating cashflows were a record $206.7m. Capital expenditure increased to $49.7 million as a result of the purchase of an existing rented property ($34.7 million) in Bristol, UK. This impacted free cashflow from operations, which was $161.9 million, up 10% on 1H09 although 6% lower than 2H09. The Group's DSO remained unchanged from 2009 financial year end at 40 days.

Computershare's CEO, Stuart Crosby, said, "The environment has gradually improved in equity markets with IPO activity replacing the anticipated declines in secondary market capital raisings. Sustained low interest rates, particularly in the northern hemisphere, continue to dampen margin income revenues, partially offset by higher cash balances. Our continual focus on costs has helped increase operating margins and cash flow generation remains very healthy. Recent key acquisitions have met high expectations during the period and to some extent reduced the influence of equity market cycles on the consolidated result."

"Since the start of 2010, markets globally have been less buoyant than they were late last year, and there is no certainty that some of the larger transactions behind the strong first half result will be matched in the second half. But we remain in a strong position financially and we look to continue to demonstrate the benefits of the investments we have made in acquisitions, technology and new products over the past two years."

Below is a summary of Management EPS performance over the past three years:



Regional Summary

Australia and New Zealand

Australia & NZ delivered an excellent outcome in 1H10 with EBITDA climbing 24% on 1H09 to $57.4 million. High levels of secondary capital raisings were the catalyst for the improvement, assisted by the stronger Australian dollar. Revenue for the region grew 4% on pcp whilst costs were 3% lower. Investor services drove the uplift as corporate actions persisted whilst the Communication Services business saw revenues fall. New Zealand maintained earnings at similar levels to 1H09.

Asia

The Asian region was the standout contributor for the first half. Revenues grew 40% on 1H09 and EBITDA was up 156%. Hong Kong revenues grew 52% on 1H09 whilst Indian revenues were up 36%. IPO transactions in the Hong Kong market increased five-fold compared to 1H09 although revenue did not reach the peak set in 1H08. Increased levels of e-communications also affected recoverable income, offset commensurately by lower cost of sales. The Indian business also benefited from increasing IPO activity and improved stock market valuations, driving revenue generated on assets under management in the mutual funds business higher. Heightened focus on controllable costs also assisted the significant improvement in the Indian business. The employee plan business in China continues to grow appreciably, albeit immaterial from a Group wide perspective.

Europe, Middle East & Africa

As anticipated (see our full year results release, Aug 2009) the EMEA region was unable to sustain the record outcomes of last financial year. Revenues fell 25% against 1H09 to $173.2 million whilst EBITDA was 21% lower at

$70.8 million, not helped by the weakening GBP against the US Dollar. Reduced capital reorganisations, particularly rights issues, and the loss of some registry contracts, primarily through insolvency and takeover, drove the fall in comparative terms. The UK investor services business was able to mitigate revenue losses to some extent through diligent cost control and a reduction in headcount. Non-investor services businesses such as Voucher Services and the Deposit Protection Scheme continued to perform well. The German market remains challenging despite stemming the losses from the VEM business, whilst Russia was impacted by reduced shareholder activity. Governance Services and IML were also impacted due to the discretionary nature of their offerings. Ireland performed better than 1H09 due to cost improvement as a result of lower headcount whilst South Africa was unable to match the comparative period results.

United States

The US delivered a 29% increase in revenue to $291.6 million and 94% EBITDA growth to $69.6 million versus 1H09. The key drivers were the contribution of KCC, the bankruptcy administration business acquired in April 2009, and a substantial uplift in mutual fund proxy solicitation work - where transactional revenues are typically volatile. In contrast, record low interest rates for the entire period negatively impacted investor services, with lower margin income from corporate actions and dividends in particular. Improved equity market conditions resulted in increased employee plan trading activity however the region experienced reduced SSP/PMC projects compared to 1H09.

Canada

Canada's revenue fell 11% to $86.1 million and EBITDA fell 17% to $39.4 million versus 1H09. Slowing corporate actions and low Canadian interest rates throughout the period materially affected the investor services division. Despite lower interest rates, less oil and gas royalties, slowing debt, warrant and escrow market activity, the Corporate Trust business performed similar to 1H09, underpinned by cost containment. The Canadian Employee Plans business showed dramatic improvement over 1H09 as employee trading activity re-emerged and prior headcount reductions lowered controllable costs.

Dividend

The Company announces an interim dividend of AUD 14 cents per share, 50% franked, payable on 16 March 2010 (record date of 22 February 2010). This follows the final dividend of AUD11 cents per share, 50% franked, paid in September 2009.

Capital management

There was no issuance or buy back of ordinary shares during 1H10.

Issued ordinary shares outstanding were 555,654,059 at 31 December 2009.

Balance Sheet Overview

Total assets grew $46.3 million from 30 June 2009 to $2,543.8 million. Shareholder's equity increased $152.9 million to $1,054.1 million over the same period.

Net borrowings fell to $726.2 million (from $793.9 million at 30 June 2009). Gross borrowings at 31 December 2009 amounted to $952.2 million, 2% lower than six months earlier.

The Company has a $550.0 million bank debt facility maturing October 2010. This facility was drawn to $367.4 million at 31 December 2009 and is classified as a current liability. The Directors decided not to refinance the facility prior to 31 December 2009 as there are significant cost savings to the Group in continuing the existing facility. Management has been in discussion with existing lenders and additional prospective lenders and expects to refinance a similar facility amount for a minimum period of 3 years. The refinancing is earmarked to complete no later than the 4th quarter FY2010. Total debt facility maturity averages 3.2 years (average maturity on drawn debt is 3.7 years).

The debt maturity profile is outlined in the table below:

Maturity Dates		Debt Drawn	Committed Debt Facilities	Bank Debt Facility	Private Placement Facility
FY10					
FY11	Oct-10	367.4m	550.0m	550.0m	
	Mar-11	50.0m	50.0m		50.0m
FY12	Mar-12	123.0m	123.0m		123.0m
FY13					
FY14					
FY15	Mar-15	124.5m	124.5m		124.5m
FY16					
FY17	Mar-17	21.0m	21.0m		21.0m
FY18					
FY19	Jul-18	235.0m	235.0m		235.0m
Total		**$920.9m***	**$1,103.5m**	**$550.0m**	**$553.5m**

***** Variance from gross debt represents finance leases ($11.4m) and fair value hedge adjustment on USD senior notes ($19.9m).

The Company focuses primarily on the Net Debt to Management EBITDA ratio from a gearing perspective and this measure fell from 1.67 times at 30 June 2009 to 1.42 times at 31 December 2009.

Capital expenditure for 1H10 was up 295% on 1H09 to $49.7 million, almost entirely as a result of the UK property purchase totalling $34.7 million.

Operating Costs - Overview

Operating costs were 1.5% lower than 1H09 despite acquisitions, although 9.0% higher than 2H09. Personnel costs fell 2.5% on pcp, a very favourable outcome considering temporary labour costs related to the US Mutual Fund proxy work and vigorous Hong Kong IPO activity. As with our revenues, costs are impacted by exchange rate movements.

Total technology spend for the six months was $80.0 million, which was 3.3% lower than 1H09. Technology costs included $32.9 million (1H09; $36.6 million) in research & development expenditure, which was expensed during the period. The technology cost to sales revenue ratio was essentially flat at 10.0% for 1H10.

Foreign Exchange Impact

Management EBITDA was only marginally affected by the translation impact of exchange rate movements and would have been just $2.2m or 0.8% higher using average rates applied in 1H09.

Taxation

The normalised effective tax rate for 1H10 was 27.7% (1H09; 25.0%).

Management Adjustments

The Company will continue to provide a summary of Post Tax Management Adjustments in an effort to assist Investors in understanding the comparative operating performance of the business. The adjustments for 1H10 were as follows:

- Redundancy provisions reversed ($1.7 million) relating to UK, Ireland and US employees.
- Derivatives that have not received hedge designation are marked to market at balance date and taken to profit & loss. As the valuations (gain of $0.5 million) 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. The amortisation of these intangibles for the six-month period ($6.7 million) is added back to earnings.

Outlook for Financial Year 2010

As noted above, since the start of 2010, markets globally have been less buoyant than they were late last year, and there is no certainty that some of the larger transactions behind the strong first half result will be matched in the second half. These factors, combined with the fact that over the past few years 1H has been stronger than 2H, leave us anticipating management earnings per share growth for the full 2010 financial year of between 10% and 15%. This guidance assumes that equity, interest rate and FX market conditions remain broadly consistent with current levels for the rest of the financial year.

Please refer to the Half Year Results 2010 Presentation for detailed financial data.

About Computershare Limited (CPU)

Computershare (ASX:CPU) is a global market leader in transfer agency and share registration, employee equity plans, proxy solicitation and stakeholder communications. We also specialise in corporate trust services, tax voucher solutions, bankruptcy administration and a range of other diversified financial and governance services.

Founded in 1978, Computershare is renowned for its expertise in data management, high volume transaction processing, payments and stakeholder engagement. Many of the world's leading organisations use these core competencies to help maximise the value of relationships with their investors, employees, creditors, members and customers.

Computershare is represented in all major financial markets and has over 10,000 employees worldwide.

For more information, visit www.computershare.com

Certainty Ingenuity Advantage

For further information:

Mr Darren Murphy
Head of Treasury and Investor Relations
Tel: +61-3-9415 5102
Mobile: +61-418 392 687