



COMPUTERSHARE LIMITED (ASX:CPU)

**FINANCIAL RESULTS
FOR THE FULL YEAR ENDED 30 JUNE 2005**

(Comparisons are for the Full Year ended 30 June 2004)

16 August 2005

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

MARKET ANNOUNCEMENT

COMPUTERSHARE MOVES FROM STRENGTH TO STRENGTH

Melbourne, 16 August 2005 – Computershare Limited (ASX: CPU) today reported a 28% growth in Earnings per Share (pre goodwill and post preference shares) to 24.27 cents, growth in total revenues of 23% to \$1,098.9 million and in Operating Cash Flows of 8% to \$146.8 million.

Headline results

- Normalised Earnings per Share (pre-goodwill and post preference shares and Outside Equity Interests (OEI)) rose from 19.02 cents (FY04) to 24.27 cents per share (up 28%);
- Total revenues reached \$1,098.9 million (an increase of 23% on FY04);
- Net Operating Cash Flows for the half year were \$146.8 million (an increase of 8% on FY04);
- Normalised Earnings Before Income Tax, Depreciation and Amortisation (EBITDA normalised) was up 21% to \$222.1 million;
- Net profit after OEI and preference dividend was \$100.2 million (an increase of 38% on FY04);
- Operating expenses (including the effect of acquisitions and Cost of Sales) were \$878.7 million, an increase over the prior corresponding period of 24%. Excluding cost of sales and the cost contribution of businesses acquired over the past 12 months, operating costs increased by 7% reflecting overall growth in the business;
- Days Sales Outstanding for the half year ending 30 June 2005 increased to 62 days compared to 60 days at 30 December 2004; and
- Capital expenditure was \$31.6 million, in part due to costs of integration of acquired businesses.

Commentary

Computershare reported another record year of Revenues, Earnings, and Operating Cash Flows today. The company achieved strong growth again this year, increasing normalised EPS by 28% in FY05. This result reflects the continued impact of the long term strategy to build a global, fully-integrated, financial services solutions business. The company has now delivered compound annual growth of more than 20% in EPS terms over the past 5 years.

As predicted in the interim results announcement, Computershare surpassed the A\$1 billion revenue mark for the first time during the year. This achievement helped to drive a 21% increase in normalised EBITDA and the increase in operating cash flows. Both results were delivered with a minor contribution from the business previously known as Equiserve, which was acquired from DST Systems during June 2005.

Computershare's CEO, Chris Morris, said, "It has been another great year for the Company. We've broken the A\$1 billion revenue barrier and, once again, we've recorded strong earnings growth. The result is particularly satisfying given the competitive markets in which we operate and the scope for further improvement in operating conditions in the northern hemisphere. Our staff are to be congratulated for delivering another record year".

In FY2005, Computershare acquired several businesses in North America, the key acquisition being Equiserve. As a result Computershare now acts as Transfer Agent for over 60% of Dow Jones Industrial Average companies. The North American region achieved some significant client wins in the USA and a record result from the Canadian businesses.

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In the Asia Pacific region, the combination of healthy levels of market activity, continued operational improvements, and more sophisticated customer relationship management helped the region achieve its best performance ever. The Company is cautiously optimistic that the positive market environment enjoyed for the past few years across Asia Pacific will be maintained.

The EMEA region's market conditions appear to have stabilised and the business has been supplemented by using core capabilities to diversify into other areas.

Dividend

The company announces a final dividend of 6 cents per share unfranked, payable on 23 September 2005. Total dividends for the year are 11 cents per share (interim dividend was 10% franked), a 38% increase on FY04.

On-market Share Buy-Back and Preference Share Conversion

In the first half of the year, the company:

- bought back 10,220,000 ordinary shares at a total cost of \$30.6m; and
- bought back 284,807 reset preference shares at a total cost of \$29.4m.

The remaining 900,000 reset preference shares were converted into 24,000,382 fully paid ordinary shares.

There were no share buy backs in the second half of the year.

Balance Sheet Overview

The company's financial position remains strong with total assets of \$1,985.6 million being financed by shareholders' funds totalling \$755.1 million.

Computershare's total current funding facility is \$818.0 million, with net borrowings increasing to \$526.3 million at 30 June 2005 (from \$257.8 million at 31 December 2004). Gross borrowings at 30 June 2005 amounted to \$683.5 million (See Page 8, for information on the US Private Placement and Multicurrency Funding facilities).

Gearing – Net Debt to Net Debt plus Equity increased from 33% at 31 December 2004 to 41% at 30 June 2005.

Capital expenditure was marginally higher than expected due to the commencement of integration projects as a result of various acquisitions throughout the year.

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Operating Costs – Overview

Excluding the impact of acquisitions and costs of sales, operating expenses increased by 7%.

Total technology spending for the twelve months was \$106.6 million, an increase of 16% on the same period last year, following acquisitions made during the year. This amount includes \$44.9 million in research and development (R&D) expenditure. In line with the company's policy, all technology costs have been expensed during the year, although this R&D spending could be determined to be of a capital nature.

Distribution of Revenue/EBITDA (comparisons to corresponding period)

Regionally, revenues and EBITDA results were apportioned as follows:

	Revenue		EBITDA	
	FY 2005	FY 2004	FY 2005	FY 2004
North America	43%	40%	42%	39%
Asia/Pacific	31%	32%	37%	35%
EMEA	26%	28%	21%	26%

Group revenues and EBITDA have increased for the period, driven to a large extent by higher levels of market activity in Australia, client wins in the USA, higher margin income in the UK and Canada, plus the impact of acquisitions in North America and Germany.

Outlook for Financial Year 2006

While the Company is in the early stages of the integration of the Equiserve business (now marketed under the Computershare name) no issues have arisen that would cause management to alter its initial projections substantially regarding the timing and financial impact of the acquisition.

On this basis, coupled with an expectation that market activity in the northern hemisphere will, at a minimum, be similar to the past year, the Company forecasts that revenue will approach A\$1.5 billion (including the impact of recent acquisitions) and Earnings per Share will grow more than 20%.

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About Computershare Limited (CPU)

Computershare (ASX:CPU) has evolved rapidly to become the world's first fully integrated financial services and stakeholder communication group. Computershare offers a full range of management, advisory and communications solutions that help private and listed companies, mutual funds, government and other organisations execute obligations to shareholders, investors, employees, and customers.

Computershare is the world's largest share registry and the only company with global share registration capabilities and employee stock option plan services available to businesses worldwide. Computershare provides strategic investor relations, market intelligence, analytics and shareholder communications solutions to leading companies and applies its leading communication capabilities and experience to enhance relationship management services for customer and membership markets.

Founded in Australia in 1978, Computershare now employs nearly 10,000 people who service 14,000 corporations and 90 million shareholder and employee accounts in 21 countries across five continents.

For more information visit: www.computershare.com

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FINANCIAL SUMMARY

The FY2005 result reflects improved market conditions, benefits of higher interest rates and client balances in the Northern Hemisphere, the contribution from acquisitions, and management's continued focus on the bottom line.

	12 mths to June 2005 \$ millions	12 mths to June 2004 \$ millions	% Variance
Revenue (excl. non-recurring items)	1,098.9	894.7	23%
EBITDA before non-recurring items	222.1	183.4	21%
Non-recurring items	9.0	0.7	
EBITDA post non-recurring items	231.0	184.1	25%
Profit before tax	136.3	110.7	23%
EPS (normalised) - Basic pre-goodwill post preference dividend (cents)	24.27	19.02	28%
Dividend per share (cents)	11.0	8.0	38%

Revenue Analysis

	12 mths to June 2005 \$ millions	12 mths to June 2004 \$ millions	% Variance
Registry Maintenance	523.8	459.2	14%
Corporate Actions	166.7	146.6	14%
Stakeholder Relationship Management	107.3	73.2	47%
Employee Share Plans	124.6	100.9	24%
Document Services	60.0	51.0	18%
Mutual Funds	53.1	9.8	442%
Technology and Other Revenue	63.5	53.9	18%
Total	1,098.9	894.7	23%

(Continued overleaf)

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Revenue Analysis (continued)

Maintenance revenue for core registry increased by 14%, reflecting growth and new business wins in Asia Pacific, large client wins in the USA, development of non-registry revenue streams in UK, and an impact from the acquisition of Equiserve (revenue for the month of June included).

Corporate Action revenues increased by 14%, reflecting a higher level of activity in the UK, Australia, USA and full year impact of Computershare Karvy India. Growth in these markets offset declines in this area in Canada.

Significant growth in Stakeholder Relationship Management reflects the contribution from Georgeson Shareholder Communications ("GSC") and Pepper businesses acquired during FY2004 and their success in growing revenues from existing Computershare relationships.

Growth in Employee Share Plan revenues is primarily driven by the acquisition of Transcitive in the USA.

Mutual Funds revenue growth reflects the acquisition of Alamo and full year impact of services provided by Computershare Karvy and GSC, both acquired in FY04.

Document Services revenue growth of 18% includes the acquisition of complementary businesses in Australia and Canada, and increased commercial clients in North America. In addition to the Document Services revenue, there is approximately \$98 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 is \$79.6 million (FY04 \$56.7 million) of margin income and \$202.3 million (FY04 \$124.6 million) of recoverable income. Margin income increased due to both higher interest rates and higher client balances.

Operating Cost Analysis

	12 mths to June 2005 \$ millions	12 mths to June 2004 \$ millions	% Variance
Cost of Sales	228.8	159.9	(43%)
Personnel	396.4	314.0	(26%)
Occupancy	44.8	45.9	2%
Other direct	78.3	71.2	(10%)
Technology services	105.3	90.1	(17%)
Corporate	25.0	30.0	17%
Total	878.7	711.1	(24%)

Operating expenses include the operating costs of businesses acquired over the past 12 months. Excluding these costs and cost of sales, operating expenses show an increase of 7% reflecting overall growth in the business.

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TAXATION

The Group's headline effective tax rate for the year ending 30 June 2005 was 22.7% (FY04 24.4%).

The normalised headline effective tax rate adjusted for one off, non-recurring items for FY05 (being the sale of the stake in ETrade and former Melbourne premises) was 24.7% (FY04 29.9%).

The underlying effective tax rate, being the tax rate adjusted for one off, non-recurring items and non deductible goodwill charges for FY05 was 17.9% (FY04 23.8%).

CASH FLOW / FINANCING

Cash flow from operations was \$146.8 million.

Debtor days outstanding increased to 62 days at 30 June 2005 from 60 days at 31 December 2004.

Computershare's total funding facility is A\$818.0 million, of which A\$676.2 million was drawn at 30 June 2005. Average tenor of debt is almost 6 years.

In January 2005 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 US\$318.5m on terms of between six and twelve years. This transaction settled on 22nd March 2005.

During March 2005 the company also renegotiated its A\$400m Multicurrency Funding Facility, consisting of 1 and 3 year tranches.