

ASX PRELIMINARY HALF-YEAR REPORT

Computershare Limited

ABN 71 005 485 825

31 December 2013

Lodged with the ASX under Listing Rule 4.2A.3.

This information should be read in conjunction with the 30 June 2013 Annual Report.

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This half-year report covers the consolidated entity consisting of Computershare Limited and its controlled entities. The financial statements are presented in United States dollars (unless otherwise stated).

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
HALF-YEAR ENDED 31 DECEMBER 2013
(Previous corresponding period half-year ended 31 December 2012)
RESULTS FOR ANNOUNCEMENT TO THE MARKET

\$000

Revenue from ordinary activities	down	0.4%	to	972,890
<i>(Appendix 4D item 2.1)</i>				
Profit/(loss) after tax attributable to members	up	47.4%	to	139,436
<i>(Appendix 4D item 2.2)</i>				
Net profit/(loss) for the period attributable to members	up	47.4%	to	139,436
<i>(Appendix 4D item 2.3)</i>				

Dividends	Amount per security	Franked amount per security
<i>(Appendix 4D item 2.4)</i>		
Final dividend (prior year)	AU 14 cents	20%
Interim dividend	AU 14 cents	20%

Record date for determining entitlements to the interim dividend *(Appendix 4D item 2.5)* 24 February 2014

Explanation of Revenue *(Appendix 4D item 2.6)*

Total revenue for the half-year is \$972.9 million, a decrease of 0.4% over the corresponding period.

The lower revenue was primarily driven by a stronger US dollar. The loan servicing and class actions businesses in the US made positive contributions towards the outcome. Employee plans revenues also experienced another period of strong growth underpinned by the acquisition of Morgan Stanley's EMEA-based Global Stock Plan business in May 2013. This was offset by the disposal of the global interactive meetings business and the fund services business in Australia. Traditional investor services businesses performed well in Hong Kong and the US but could not match the previous corresponding period results in Australia, Canada and the UCIA. Stakeholder relationship management revenues continued to decline due to weak market activity.

Explanation of Profit/(loss) from ordinary activities after tax *(Appendix 4D item 2.6)*

Net profit after tax attributable to members is \$139.4 million, an increase of 47.4% over the previous corresponding period. Improved earnings were driven by loan servicing, class actions, US investor services and the global network of employee plans businesses. Continued realisation of synergies from the Shareowner Services acquisition in the US materially assisted the reduction of Group expenses. Significantly lower integration costs and reduced intangibles amortisation expense also contributed to the improved result. In contrast, the Canadian and Russian registry businesses reported weaker earnings. Margin income was also lower due to lower balances than in the comparative period and the continued maturity of certain hedges.

The Group's effective tax rate increased from negative 2.5% to positive 19.4%. This was largely a result of significantly lower integration costs and realised synergies increasing profits in the US, which has a relatively high statutory tax rate compared to other countries.

Explanation of Net Profit/(loss) *(Appendix 4D item 2.6)*

Please refer above.

Explanation of Dividends *(Appendix 4D item 2.6)*

The company has announced an interim dividend for the current financial year of AU 14 cents per share. This dividend is franked to 20%.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 December 2013

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These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by Computershare Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' REPORT

The Board of Directors of Computershare Limited (the Company) has pleasure in submitting its report in respect of the financial half-year ended 31 December 2013.

DIRECTORS

The names of the directors of the Company in office during the whole of the half-year and up to the date of this report, unless otherwise indicated, are:

Non-executive

Christopher John Morris (Chairman)
Simon David Jones
Dr Markus Kerber
Penelope Jane MacLagan
Arthur Leslie Owen
Nerolie Phyllis Withnall

Executive

William Stuart Crosby (Managing Director and Chief Executive Officer)

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the course of the half-year were the operation of Investor Services, Plan Services, Communication Services, Business Services, Stakeholder Relationship Management Services and Technology Services.

- The Investor Services operations comprise the provision of registry and related services.
- The Plan Services operations comprise the provision and management of employee share and option plans.
- The Communication Services operations comprise laser imaging, intelligent mailing, scanning and electronic delivery.
- The Business Services operations comprise the provision of bankruptcy and class action administration services, voucher services, deposit protection services, corporate trust services, loan servicing activities and utility back office services.
- The Stakeholder Relationship Management Services Group provides investor analysis, investor communication and management information services to companies, including their employees, shareholders and other security industry participants.
- Technology Services include the provision of software, specialising in share registry and financial services.

Specific Computershare entities are registered securities transfer agents. In addition, certain controlled entities are trust companies whose charters include the power to accept deposits, primarily acting as an escrow and paying agent on behalf of customers. In certain jurisdictions, entities within the Group are subject to regulation by various federal, provincial and state agencies and undergo periodic examinations by those regulatory agencies.

REVIEW OF OPERATIONS

Statutory basic earnings per share have increased by 47.4% to 25.07 cents. The Group has recorded an operating profit before tax of \$174.8 million for the half-year ended 31 December 2013 (2012: \$94.0 million). Total revenue has decreased to \$972.9 million (2012: \$976.9 million) and operating cash flows have increased by 44% to \$191.9 million (2012: \$133.3 million).

Improved earnings were driven by loan servicing, class actions, US investor services and the global network of employee plans businesses. Continued realisation of synergies from the Shareowner Services acquisition in the US materially assisted the reduction of Group expenses. Significantly lower integration costs and reduced intangibles amortisation expense also contributed to the improved result. In contrast, the Canadian and Russian registry businesses reported weaker earnings. Margin income was also lower due to lower balances than in the comparative period and the continued maturity of certain hedges.

CONSOLIDATED PROFIT

The profit of the consolidated entity for the half-year was \$139.4 million (2012: \$94.6 million) after deducting income tax and non-controlling interests.

DIVIDENDS

The following dividends of the consolidated entity have been paid, declared or recommended since the end of the preceding financial year:

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' REPORT

Ordinary shares

- A final dividend in respect of the year ended 30 June 2013 was declared on 14 August 2013 and paid on 17 September 2013. This was an ordinary dividend of AU 14 cents per share, franked to 20%, amounting to AUD 77,868,431 (\$71,585,789).
- An interim ordinary dividend declared by the directors of the Company in respect of the current financial year, to be paid on 18 March 2014, of AU 14 cents per share, franked to 20% and amounting to AUD 77,868,431 based on shares on issue as at 12 February 2014. The dividend was not declared until 12 February 2014 and accordingly no provision has been recognised at 31 December 2013.

ROUNDING OF AMOUNTS

The parent entity is a company of the kind specified in Australian Securities and Investments Commission Class Order 98/0100. In accordance with that class order, amounts in the consolidated financial statements and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's signed independence declaration as required under section 307C of the *Corporations Act 2001* is provided immediately after this report.

Signed in accordance with a resolution of the Directors.



CJ Morris
Chairman

12 February 2014



WS Crosby
Director



Auditor's Independence Declaration

As lead auditor for the review of Computershare Limited for the half-year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Computershare Limited and the entities it controlled during the period.

A handwritten signature in cursive script that reads 'Chris'.

Christopher Lewis
Partner
PricewaterhouseCoopers

Melbourne
12 February 2014

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COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

		Half-year	
	Note	2013	2012
		\$000	\$000
Revenue from continuing operations			
Sales revenue		971,071	974,676
Other revenue		1,819	2,186
Total revenue from continuing operations		972,890	976,862
Other income		8,631	10,715
Expenses			
Direct services		634,282	704,814
Technology costs		130,805	141,982
Corporate services		9,119	15,085
Finance costs		31,832	33,083
Total expenses		806,038	894,964
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method		(656)	1,432
Profit before related income tax expense		174,827	94,045
Income tax expense/(credit)		33,872	(2,393)
Profit for the half year		140,955	96,438
Other comprehensive income that may be reclassified to profit or loss			
Available-for-sale financial assets		62	(155)
Cash flow hedges		(413)	(388)
Exchange differences on translation of foreign operations		2,055	27,821
Income tax relating to components of other comprehensive income		88	158
Total other comprehensive income for the half year, net of tax		1,792	27,436
Total comprehensive income for the half year		142,747	123,874
Profit for the half year attributable to:			
Members of Computershare Limited		139,436	94,587
Non-controlling interests		1,519	1,851
		140,955	96,438
Total comprehensive income for the half year attributable to:			
Members of Computershare Limited		141,330	121,298
Non-controlling interests		1,417	2,576
		142,747	123,874
Basic earnings per share (cents per share)	6	25.07 cents	17.02 cents
Diluted earnings per share (cents per share)	6	24.96 cents	16.95 cents

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	31 December 2013 \$000	30 June 2013 \$000
CURRENT ASSETS		
Cash and cash equivalents	509,649	454,353
Receivables	296,828	330,008
Financial assets held for trading	3,426	3,083
Available-for-sale financial assets at fair value	659	814
Other financial assets	154,512	127,321
Inventories	5,541	10,646
Current tax assets	13,270	20,615
Derivative financial instruments	153	-
Other current assets	32,526	35,521
Total current assets	1,016,564	982,361
NON-CURRENT ASSETS		
Receivables	3,848	4,084
Investments accounted for using the equity method	26,943	28,498
Available-for-sale financial assets at fair value	5,761	5,463
Property, plant and equipment	181,257	187,873
Deferred tax assets	164,737	157,642
Derivative financial instruments	23,461	23,877
Intangibles	2,265,259	2,229,079
Total non-current assets	2,671,266	2,636,516
Total assets	3,687,830	3,618,877
CURRENT LIABILITIES		
Payables	337,654	357,218
Interest bearing liabilities	100,432	8,008
Current tax liabilities	18,927	34,997
Provisions	65,282	68,034
Derivative financial instruments	23,935	-
Deferred consideration	33,015	7,110
Other	29,135	25,885
Total current liabilities	608,380	501,252
NON-CURRENT LIABILITIES		
Payables	2,726	3,163
Interest bearing liabilities	1,620,568	1,703,652
Deferred tax liabilities	187,710	190,165
Provisions	37,212	43,090
Deferred consideration	12,441	40,611
Other	20,295	6,009
Total non-current liabilities	1,880,952	1,986,690
Total liabilities	2,489,332	2,487,942
Net assets	1,198,498	1,130,935
EQUITY		
Contributed equity	35,703	35,703
Reserves	57,952	58,910
Retained earnings	1,093,081	1,025,231
Total parent entity interest	1,186,736	1,119,844
Non-controlling interests	11,762	11,091
Total equity	1,198,498	1,130,935

The above statement of financial position should be read in conjunction with the accompanying notes.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE
HALF-YEAR ENDED 31 DECEMBER 2013

	Attributable to members of Computershare Limited				Non-controlling	
	Contributed	Reserves	Retained	Total	Interests	Total Equity
	Equity		Earnings			
	\$000	\$000	\$000	\$000	\$000	\$000
Total equity at 1 July 2013	35,703	58,910	1,025,231	1,119,844	11,091	1,130,935
Profit for the half-year	-	-	139,436	139,436	1,519	140,955
Available-for-sale financial assets	-	62	-	62	-	62
Cash flow hedges	-	(413)	-	(413)	-	(413)
Exchange differences on translation of foreign operations	-	2,157	-	2,157	(102)	2,055
Income tax (expense)/credits	-	88	-	88	-	88
Total comprehensive income for the half-year	-	1,894	139,436	141,330	1,417	142,747
Transactions with owners in their capacity as owners:						
Dividends provided for or paid	-	-	(71,586)	(71,586)	(746)	(72,332)
Transactions with non-controlling interests	-	(473)	-	(473)	-	(473)
Cash purchase of shares on market	-	(13,042)	-	(13,042)	-	(13,042)
Share based remuneration	-	10,663	-	10,663	-	10,663
Balance at 31 December 2013	35,703	57,952	1,093,081	1,186,736	11,762	1,198,498

	Attributable to members of Computershare Limited				Non-controlling	
	Contributed	Reserves	Retained	Total	Interests	Total Equity
	Equity		Earnings			
	\$000	\$000	\$000	\$000	\$000	\$000
Total equity at 1 July 2012	29,943	83,189	1,028,408	1,141,540	12,803	1,154,343
Profit for the half-year	-	-	94,587	94,587	1,851	96,438
Available-for-sale financial assets	-	(155)	-	(155)	-	(155)
Cash flow hedges	-	(388)	-	(388)	-	(388)
Exchange differences on translation of foreign operations	-	27,096	-	27,096	725	27,821
Income tax (expense)/credits	-	158	-	158	-	158
Total comprehensive income for the half-year	-	26,711	94,587	121,298	2,576	123,874
Transactions with owners in their capacity as owners:						
Dividends provided for or paid	-	-	(80,500)	(80,500)	(2,120)	(82,620)
Transactions with non-controlling interests	-	(2,697)	-	(2,697)	(1,533)	(4,230)
Cash purchase of shares on market	-	(13,977)	-	(13,977)	-	(13,977)
Share based remuneration	-	10,898	-	10,898	-	10,898
Balance at 31 December 2012	29,943	104,124	1,042,495	1,176,562	11,726	1,188,288

The above statement of changes in equity should be read in conjunction with the accompanying notes.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Note	Half-year	
		2013	2012
		\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,065,486	1,050,654
Payments to suppliers and employees		(778,725)	(812,236)
Loan servicing advances (net)		(31,834)	(37,155)
Dividends received		24	7
Interest paid and other finance costs		(32,513)	(33,714)
Interest received		1,795	2,179
Income taxes paid		(32,366)	(36,455)
Net operating cash flows	7	191,867	133,280
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of controlled entities and businesses (net of cash acquired) and intangible assets		(61,675)	(24,136)
Payments for investments in associates and joint ventures		(28)	(4,920)
Dividends received		344	181
Proceeds from sale of assets		869	603
Payments for investments		(1)	(6,142)
Payments for property, plant and equipment		(6,274)	(23,557)
Proceeds from sale of subsidiaries and businesses, net of cash disposed		3,547	-
Net investing cash flows		(63,218)	(57,971)
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of ordinary shares – share based awards		(13,042)	(13,977)
Proceeds from borrowings		471,582	488,411
Repayment of borrowings		(494,854)	(486,378)
Loan servicing borrowings (net)		24,299	11,165
Dividends paid - ordinary shares (net of dividend reinvestment plan)		(67,375)	(80,500)
Purchase of ordinary shares – dividend reinvestment plan		(4,211)	-
Dividends paid to non-controlling interests in controlled entities		(746)	(2,120)
Repayment of finance leases		(4,816)	(5,651)
Net financing cash flows		(89,163)	(89,050)
Net increase in cash and cash equivalents held		39,486	(13,741)
Cash and cash equivalents at the beginning of the financial year		454,353	441,391
Exchange rate variations on foreign cash balances		15,810	14,778
Cash and cash equivalents at the end of the half-year		509,649	442,428

The above cash flow statement should be read in conjunction with the accompanying notes.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

The general purpose financial statements for the interim half-year reporting period ended 31 December 2013 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The half-year financial statements of Computershare Limited and its controlled entities also comply with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board.

The interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by Computershare Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the Australian Securities Exchange Listing Rules.

The financial report, comprising the financial statements and notes of Computershare Limited and its controlled entities, complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Where necessary, comparative figures have been adjusted to comply with the changes in presentation in the current period.

The principal accounting policies adopted in the preparation of the financial statements are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

Changes in accounting policy

The following changes resulted from the new or revised accounting standards which became operative for the annual reporting period commencing on 1 July 2013:

- Principles of consolidation – new standards AASB 10 *Consolidated Financial Statements* and AASB 11 *Joint Arrangements*,
- Fair value measurements - new standard AASB 13 *Fair Value Measurement*

Principles of consolidation

AASB 10 was issued in August 2011 and replaces the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements* and in Interpretation 112 *Consolidation – Special Purpose Entities*. Under the new principles, the Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group has reviewed its investments in other entities to assess whether the consolidation conclusion in relation to these entities is different under AASB 10 than under AASB 127. No differences were found and therefore no adjustments to any of the carrying amounts in the financial statements were required as a result of the adoption of AASB 10.

Under AASB 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined it has only joint ventures.

The Group's accounting policy for joint ventures has not changed under AASB11 as it continues to apply the equity method to account for its interest in joint ventures.

Fair value measurements

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The Group has reviewed its accounting policy on fair value measurements in accordance with the new standard guidance and has amended the measurement of the fair value of derivatives to reflect counterparty credit risk. The impact of the change was not material to the Group. The adoption of AASB 13 has also resulted in new disclosures in this interim report.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

2. DIVIDENDS

	2013 \$000	2012 \$000
Ordinary shares		
Dividends provided for or paid during the half-year	71,586	80,500

Dividends not recognised at the end of the half-year

In addition to the above dividends, since the end of the half-year the directors have declared the payment of an interim dividend of AU 14 cents per fully paid ordinary share, franked to 20%. As the dividend was not declared until 12 February 2014, a provision has not been recognised as at 31 December 2013.

3. BUSINESS COMBINATIONS

Computershare acquired Olympia Corporate and Shareholder Services business from Olympia Financial Group Inc. (a provider of transfer agency, corporate trust and employee share plan services in the Canadian market) on 12 December 2013. Total consideration was \$40.7 million. Cash transferred included contingent consideration of \$7.0 million, which is subject to clawback provisions should certain performance hurdles not be satisfied. Contingent consideration is based on the best estimate at acquisition date and is capped at \$7.0 million.

Details of the acquisition are as follows:

	\$000
Cash paid	40,717
Less fair value of identifiable assets acquired	<u>(1,117)</u>
Provisional goodwill on consolidation*	<u>39,600</u>

*Identification and valuation of net assets acquired will be completed within the 12 month measurement period in accordance with the Group's accounting policy.

Assets and liabilities arising from this acquisition are as follows:

	Fair value \$000
Receivables	2,028
Plant, property and equipment	90
Intangibles - software	19
Payables	<u>(1,020)</u>
Net assets	<u>1,117</u>

4. SEGMENT INFORMATION

The operating segments presented reflect the manner in which the Group has been internally managed and the financial information reported to the chief operating decision maker (CEO) in the current financial year. Management has determined the operating segments based on the reports reviewed by the CEO that are used to make strategic decisions and assess performance.

There are seven operating segments. Six of them are geographic: Asia, Australia and New Zealand, Canada, Continental Europe, UCIA (United Kingdom, Channel Islands, Ireland & Africa) and the United States of America. In addition, Technology and Other segment comprises the provision of software specialising in share registry, employee plans and financial services globally. It is also a research and development function, for which discrete financial information is reviewed by the CEO.

In each of the six geographic segments, the consolidated entity offers its core products and services: Investor Services, Business Services, Plan Services, Communication Services and Stakeholder Relationship Management Services. Investor

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

Services comprise the provision of register maintenance, company meeting logistics, payments and full contact centre and online services. Business Services comprise the provision of voucher administration, bankruptcy administration services, deposit protection services, corporate trust services, loan servicing activities and utility back office services. Plan Services comprise the administration and management of employee share and option plans. Communication Services comprise laser imaging, intelligent mailing, scanning and electronic communications delivery. Stakeholder Relationship Management Services comprise the provision of investor analysis, investor communication and management information services to companies, including their employees, shareholders and other security industry participants.

None of the corporate entities have been allocated to the operating segments. The main purpose of these corporate entities is to hold intercompany investments and conduct financing activities.

OPERATING SEGMENTS

	Asia	Australia & New Zealand	Canada	Continental Europe	Technology & Other	UCIA	United States	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
December 2013								
Total segment revenue and other income	54,868	198,404	90,180	45,168	116,395	149,634	429,386	1,084,035
External revenue and other income	54,865	197,919	88,816	45,135	9,335	147,808	428,092	971,970
Intersegment revenue	3	485	1,364	33	107,060	1,826	1,294	112,065
Management adjusted EBITDA	18,038	40,524	36,838	423	9,511	55,676	105,353	266,363
December 2012								
Total segment revenue and other income	57,344	228,079	96,493	45,287	118,539	145,665	397,147	1,088,554
External revenue and other income	57,324	226,989	95,751	45,231	18,382	144,074	395,910	983,661
Intersegment revenue	20	1,090	742	56	100,157	1,591	1,237	104,893
Management adjusted EBITDA	16,843	47,935	41,094	3,602	10,689	53,340	71,985	245,488

Segment revenue

The revenue reported to the CEO is measured in a manner consistent with that of the statement of comprehensive income. Sales between segments are included in the total segment revenue, whereas sales within a segment have been eliminated from segment revenue. Sales between segments are at normal commercial rates and are eliminated on consolidation.

Segment revenue reconciles to total revenue from continuing operations as follows:

	Half-year	
	2013	2012
	\$000	\$000
Total operating segment revenue and other income	1,084,035	1,088,554
Intersegment eliminations	(112,065)	(104,893)
Corporate revenue and other income	920	(6,799)
Total revenue from continuing operations	972,890	976,862

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

Management adjusted EBITDA

Management adjusted results are used, along with other measures to assess operating business performance. The Group believes that exclusion of certain items permits better analysis of the Group's performance on a comparative basis and provides a better measure of underlying operating performance.

A reconciliation of management adjusted EBITDA to operating profit before income tax is provided as follows:

	Half-year	
	2013	2012
	\$000	\$000
Management adjusted EBITDA - operating segments	266,363	245,488
Management adjusted EBITDA - corporate	620	(4,082)
Management adjusted EBITDA	266,983	241,406
Management adjustment items (before related income tax expense):		
Intangible assets amortisation	(48,173)	(53,482)
Adjustment to disposal accounting	2,601	-
Business closure - reversal	1,789	-
Restructuring provisions	(116)	556
Acquisition integration and other costs	(530)	(37,234)
Acquisition accounting adjustments	-	205
Foreign exchange gain	3,329	-
Put option liability re-measurement	(425)	(794)
Provision for tax liability	-	(762)
Market to market adjustments - derivatives	1,309	616
Total management adjustment items (note 6)	(40,216)	(90,895)
Finance costs	(31,832)	(33,083)
Other amortisation and depreciation	(20,108)	(23,383)
Profit before income tax from continuing operations	174,827	94,045

5. EQUITY SECURITIES ISSUED

There has been no issue of ordinary shares, nor shares bought back on market and cancelled during the half-year ended 31 December 2013.

6. EARNINGS PER SHARE

	Basic EPS	Diluted EPS	Management Basic EPS	Management Diluted EPS
	\$000	\$000	\$000	\$000
Half-year ended 31 December 2013				
Earnings per share (cents per share)	25.07 cents	24.96 cents	29.41 cents	29.28 cents
Profit for the half-year	140,955	140,955	140,955	140,955
Non-controlling interest (profit)/loss	(1,519)	(1,519)	(1,519)	(1,519)
Add back management adjustment items (see below)	-	-	24,119	24,119
Net profit attributable to the members of Computershare Limited	139,436	139,436	163,555	163,555
Weighted average number of ordinary shares used as denominator in calculating basic earnings per share	556,203,079		556,203,079	
Weighted average number of ordinary and potential ordinary shares used as denominator in calculating diluted earnings per share		558,653,079		558,653,079

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Basic EPS \$000	Diluted EPS \$000	Management Basic EPS \$000	Management Diluted EPS \$000
Half-year ended 31 December 2012				
Earnings per share (cents per share)	17.02 cents	16.95 cents	26.87 cents	26.76 cents
Profit for the half-year	96,438	96,438	96,438	96,438
Non-controlling interest (profit)/loss	(1,851)	(1,851)	(1,851)	(1,851)
Add back management adjustment items (see below)	-	-	54,714	54,714
Net profit attributable to the members of Computershare Limited	94,587	94,587	149,301	149,301
Weighted average number of ordinary shares used as denominator in calculating basic earnings per share	555,664,059		555,664,059	
Weighted average number of ordinary and potential ordinary shares used as denominator in calculating diluted earnings per share		557,875,270		557,875,270

For the half-year ended 31 December 2013 management adjustment items include the following:

	Gross \$000	Tax effect \$000	Net of tax \$000
Amortisation			
Intangible assets amortisation	(48,173)	(17,811)	(30,362)
Strategic business initiatives			
Adjustment to disposal accounting	2,601	2	2,599
Business closure - reversal	1,789	537	1,252
Restructuring provisions	(116)	(38)	(78)
One-off items			
Acquisition related costs	(530)	(179)	(351)
Foreign exchange gain	3,329	999	2,330
Other			
Put option liability re-measurement	(425)	-	(425)
Marked to market adjustments - derivatives	1,309	393	916
Total management adjustment items	(40,216)	(16,097)	(24,119)

For the half-year ended 31 December 2012 management adjustment items include the following:

	Gross \$000	Tax effect \$000	Net of tax \$000
Amortisation			
Intangible assets amortisation	(53,482)	20,453	(33,029)
Strategic business initiatives			
Restructuring provisions	556	(145)	411
One-off items			
Acquisition integration costs	(37,234)	15,784	(21,450)
Acquisition accounting adjustments	205	(49)	156
Other			
Put option liability re-measurement	(794)	-	(794)
Provision for tax liability	(762)	323	(439)
Marked to market adjustments - derivatives	616	(185)	431
Total management adjustment items	(90,895)	36,181	(54,714)

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

Management Adjustment Items

Management adjustment items net of tax for the half-year ended 31 December 2013 were as follows:

Amortisation

- Customer contracts and other intangible assets are recognised separately from goodwill on acquisition and amortised over their useful life in the statutory results. The amortisation expense of these intangibles for half year ended 31 December was \$30.4 million.

Strategic business initiatives

- The disposal accounting for the sale of IML, the interactive events technology group, was finalised, which reduced the loss on disposal recognised in June 2013 by \$2.6 million.
- As a result of the sale of the Australian Funds Services business following an initial decision to close, provisions for exit costs of \$1.3 million were reversed.
- Restructuring provisions of \$0.1 million were raised related to Computershare's German property leases.

One-off items

- Integration and acquisition costs totalling \$0.4 million related to US, UK and Canadian acquisitions were incurred.
- An accounting gain of \$2.3 million was recorded as a result of translation of foreign currency bank accounts.

Other

- The put option liability re-measurement, resulting in a charge against profit of \$0.4 million, relates to the foreign exchange impact on the valuation of the joint venture arrangement in India.
- Derivatives that have not received hedge designation are marked to market at the reporting date and taken to profit and loss in the statutory results. The valuations, resulting in a gain of \$0.9 million relate to future estimated cash flows.

7. RECONCILIATION OF NET PROFIT AFTER TAX TO CASH FLOWS FROM OPERATING ACTIVITIES

	Half-year	
	2013	2012
	\$000	\$000
Net profit after income tax	140,955	96,438
Adjustments for non-cash income and expense items:		
Depreciation and amortisation	68,281	76,865
Net (gain)/loss on sale of assets	(2,821)	722
Share of net (profit)/loss of associates and joint ventures accounted for using equity method	656	(1,432)
Employee benefits – share based expense	10,219	11,393
Financial instruments – fair value adjustments	(782)	1,419
Changes in assets and liabilities:		
(Increase)/decrease in receivables	33,237	21,440
(Increase)/decrease in inventories	5,381	1,413
(Increase)/decrease in other financial assets and other current assets	(32,874)	(40,992)
Increase/(decrease) in payables and provisions	(32,126)	4,862
Increase/(decrease) in tax balances	1,741	(38,848)
Net cash and cash equivalents from operating activities	191,867	133,280

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

8. FAIR VALUE MEASUREMENTS

AASB 13 requires disclosure of fair value measurement by level of the following fair value measurement hierarchy:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); or

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables present the Group's financial assets and liabilities measured and recognised at fair value at 31 December 2013. The comparative figures are also presented below.

As at 31 December 2013	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Assets				
Financial assets held-for-trading	3,426	-	-	3,426
Derivatives used for hedging	-	23,614	-	23,614
Available-for-sale financial assets - equity securities	6,420	-	-	6,420
Total assets	9,846	23,614	-	33,460
Liabilities				
Borrowings	-	246,316	-	246,316
Derivatives used for hedging	-	23,935	-	23,935
Total liabilities	-	270,251	-	270,251
As at 30 June 2013	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Assets				
Financial assets held-for-trading	3,083	-	-	3,083
Derivatives used for hedging	-	23,877	-	23,877
Available-for-sale financial assets - equity securities	6,277	-	-	6,277
Total assets	9,360	23,877	-	33,237
Liabilities				
Borrowings	-	247,554	-	247,554
Derivatives used for hedging	-	-	-	-
Total liabilities	-	247,554	-	247,554

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. These instruments are included in level 2 and comprise derivative financial instruments and the portion of borrowings included in the fair value hedge.

Net fair value of financial assets and liabilities

The carrying amounts of cash and cash equivalents, receivables, payables, non-interest bearing liabilities, finance leases, loans and derivatives approximate their fair values for the Group except for the unhedged portion of USD Senior Notes of \$705.0 million (30 June 2013: \$705.0 million), where the fair value was \$715.4 million as at 31 December 2013 (30 June 2013: \$709.0 million).

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

9. CONTINGENT LIABILITIES

(a) Guarantees, indemnities and other contingent liabilities

There have been no material changes to guarantees, indemnities and other contingent liabilities since the last reporting date.

(b) Legal and regulatory matters

Due to the nature of operations, certain commercial claims in the normal course of business have been made against the consolidated entity in various countries. An inherent difficulty in predicting the outcome of such matters exists, but in the opinion of the Group, based on current knowledge and in consultation with legal counsel, we do not expect any material liability to the Group to eventuate. The status of all claims is monitored on an ongoing basis, together with the adequacy of any provisions recorded in the Group's Financial Statements.

(c) Other commitments

On 31 October 2013, one of the Group entities entered into a mortgage servicing rights purchase and sale agreement with Bank of America, NA. Mortgage servicing rights related to a \$1.2 billion portfolio of unpaid principal mortgage balances had not transferred to the Group as of the reporting date. This transfer is expected to occur in March 2014.

10. IMPAIRMENT TEST FOR GOODWILL

The Group has updated impairment testing of goodwill and concluded that the recoverable amount of each cash generating unit (CGU) exceeds its carrying amount. As impairment testing is based on assumptions and judgments, the Group has considered changes in key assumptions that they believe to be reasonably possible. For all CGUs, the recoverable amount exceeds the carrying amount when testing for reasonably possible changes in key assumptions.

The Group is cognisant of the ongoing uncertainty surrounding the economic environment in Continental Europe and any potential impact of this situation on our business. If the pre-tax discount rate for the Continental Europe CGU were to increase to 14.0% from the currently applied 11.7%, or the terminal growth rate decrease to 0.8% from 3.0%, the recoverable amount of this CGU would equal its carrying amount.

11. SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

No matter or circumstance has arisen since the reporting date which is not otherwise reflected in this report that has significantly affected or may significantly affect the operations of the consolidated entity.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' DECLARATION

Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 2 to 17 are in accordance with the *Corporations Act 2001*, including:

- (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.



CJ Morris

Chairman



WS Crosby

Director

Melbourne

12 February 2014

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES STATEMENTS OF THE CEO AND CFO

Statement to the Board of Directors of Computershare Limited

The Chief Executive Officer and Chief Financial Officer state that:

- (a) the financial records of the consolidated entity for the half-year ended 31 December 2013 have been properly maintained in accordance with section 286 of the *Corporations Act 2001*; and
- (b) the financial statements, and the notes to the financial statements, of the consolidated entity, for the half-year ended 31 December 2013:
 - (i) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date.



WS Crosby

Chief Executive Officer



MB Davis

Chief Financial Officer

12 February 2014



Independent auditor's review report to the members of Computershare Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Computershare Limited, which comprises the statement of financial position as at 31 December 2013, the statement of profit and loss and other comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, selected explanatory notes and the directors' declaration for Computershare Limited Group (the consolidated entity). The consolidated entity comprises both Computershare Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error. In note 1, the directors also state that the consolidated financial statements, comply with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Computershare Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Computershare Limited:

- a) is not in accordance with the *Corporations Act 2001* including:
 - i. giving a true and fair view of the entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
 - ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
- b) does not comply with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board as disclosed in note 1.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'Chris'.

Christopher Lewis
Partner

Melbourne
12 February 2014

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

SUPPLEMENTARY APPENDIX 4D INFORMATION

NTA Backing *(Appendix 4D item 3)*

	31 December 2013	31 December 2012
Net tangible asset backing per ordinary share	(2.24)	(2.34)

Controlled entities acquired or disposed of *(Appendix 4D item 4)*

Disposed	Date control lost
Computershare Fund Services Pty Limited	2 September 2013

Additional dividend information *(Appendix 4D item 5)*

Details of dividends declared or paid during or subsequent to the half-year ended 31 December 2013 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend (AUD)	Franked amount per security	Conduit foreign income amount per security
14 August 2013	17 September 2013	Final	AU 14 cents	77,868,431	AU 2.8 cents	AU 11.2 cents
24 February 2014	18 March 2014	Interim	AU 14 cents	77,868,431	AU 2.8 cents	AU 11.2 cents

Dividend reinvestment plans *(Appendix 4D item 6)*

In January 2103, Computershare introduced a Dividend Reinvestment Plan (DRP) which provides eligible shareholders with the opportunity to elect to take all or part of their dividends in the form of shares in accordance with the DRP plan rules. Shares are provided under the plan free of brokerage and other transaction costs and will rank equally with all other ordinary shares on issue.

The DRP will apply to the interim dividend declared in respect of the current financial year on 12 February 2014. Applications or notices received after 5.00pm (Melbourne time) on 24 February 2014 will not be effective for payment of this interim dividend but will be effective for future dividend payments.

The DRP price for the interim dividend will be equal to the arithmetic average of the daily volume weighted average market price (rounded to the nearest cent) of all shares sold through a normal trade on the ASX automated trading system during the DRP pricing period for this dividend, being 26 February 2014 to 11 March 2014 (inclusive). No discount will apply to the DRP price.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

SUPPLEMENTARY APPENDIX 4D INFORMATION

Associates and joint venture entities (*Appendix 4D item 7*)

Name	Place of incorporation	Principal activity	Ownership interest		Consolidated carrying amount	
			Dec	Jun	Dec	Jun
			2013	2013	2013	2013
			%	%	\$000	\$000
Joint Ventures						
Japan Shareholder Services Ltd	Japan	Technology Services	50	50	1,627	1,453
Computershare Pan Africa Holdings Ltd	Mauritius	Investor Services	60	60	-	-
Computershare Pan Africa Ghana Ltd	Ghana	Investor Services	60	60	-	-
Computershare Pan Africa Nominees Ghana Ltd	Ghana	Investor Services	60	60	-	-
Asset Checker Ltd	United Kingdom	Investor Services	50	50	-	-
VisEq GmbH	Germany	Investor Services	66	66	296	280
Digital Post Australia Pty Limited*	Australia	Technology Services	80	80	1,181	3,008
Associates						
Chelmer Limited	New Zealand	Technology Services	50	50	-	-
Expandi Ltd	United Kingdom	Investor Services	25	25	5,325	4,698
Milestone Group Pty Ltd	Australia	Technology Services	20	20	7,636	7,190
Janosch Film & Medien AG	Germany	Investor Services	-	26	-	-
Fonterelli GmbH & Co. KGaA**	Germany	Investor Services	12	49	-	444
Reach Investor Solutions Pty Ltd	Australia	Investor Services	49	49	1,198	1,294
INVeShare	United States	Investor Services	25	25	9,652	10,131
Mergit s.r.l.	Italy	Technology Services	30	-	28	-
					26,943	28,498

*Digital Post Australia Pty Limited is a joint venture with an ownership interest of 80% as decisions about the relevant activities require unanimous consent of the parties sharing control.

**Fonterelli GmbH & Co. KGaA is no longer an associate as significant influence over this entity was lost following a partial disposal of ownership interest.

The share of net profit of associates and joint ventures accounted for using the equity method for the half-year ended 31 December 2013 is a loss of \$0.7 million (31 December 2012: \$1.4 million gain).

Foreign Entities

All foreign entities reports have been prepared under International Financial Reporting Standards.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

SUPPLEMENTARY APPENDIX 4D INFORMATION

CORPORATE DIRECTORY

DIRECTORS

Christopher John Morris
(Chairman)
William Stuart Crosby
(Managing Director and
Chief Executive Officer)
Simon David Jones
Dr Markus Kerber
Penelope Jane MacLagan
Arthur Leslie Owen
Nerolie Phyllis Withnall

COMPANY SECRETARY

Dominic Matthew Horsley

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Australian Securities Exchange

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