

ASX PRELIMINARY HALF-YEAR REPORT

Computershare Limited

ABN 71 005 485 825

31 December 2010

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

This information should be read in conjunction with the 30 June 2010 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.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
HALF-YEAR ENDED 31 December 2010
(Previous corresponding period half-year ended 31 December 2009)
RESULTS FOR ANNOUNCEMENT TO THE MARKET

				US\$ ‘000s
Revenue from ordinary activities <i>(Appendix 4D item 2.1)</i>	down	3.2%	to	774,919
Profit/(loss) from ordinary activities after tax attributable to members <i>(Appendix 4D item 2.2)</i>	down	31.2%	to	116,874
Net profit/(loss) for the period attributable to members <i>(Appendix 4D item 2.3)</i>	down	31.2%	to	116,874

Dividends <i>(Appendix 4D item 2.4)</i>	Amount per security	Franked amount per security
Final dividend (<i>prior year</i>)	AU 14 cents	60%
Interim dividend	AU 14 cents	60%

Record date for determining entitlements to the interim dividend 21 February 2011.
(Appendix 4D item 2.5)

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

Total revenue for the half-year is \$774,919,376, a decrease of 3.2% over the last corresponding period. Revenue fell as a result of a reduction in US mutual fund proxy solicitation work, reduced corporate actions, particularly in Australia, the UK and Canada, and fewer transactions in the bankruptcy administration business. Partially offsetting this was revenue from the HBOS Employee Equity Solutions (EES) acquisition that occurred in January 2010.

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

The current half-year statutory EBITDA result is \$233,590,656 including management adjustment items, a decrease of 15.6% over the last corresponding period. Net profit after tax attributable to members is \$116,873,861, a decrease of 31.2% over the last corresponding period. The fall was driven by lower US mutual fund proxy solicitation work, a reduction in corporate actions in Australia, UK and Canada, and fewer bankruptcy cases in the US. In addition, a fall in corporate proxy work globally impacted profit. Conversely, this was countered by a contribution from the HBOS Employee Equity Solutions business and increased profit from the Canadian Trust business.

The Group's effective tax rate is 32.2% for the half-year ended 31 December 2010. The Group's effective tax rate for the comparative six month period was 27.6%.

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 2010/11 financial year of AU 14 cents per share. This dividend is franked to 60%.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 December 2010

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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 2010 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 2010.

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, Executive Chairman until 14 September 2010)

Simon David Jones

Gerald Lieberman (appointed 1 August 2010)

Penelope Jane Maclagan (Executive Director until 14 September 2010)

Arthur Leslie Owen

Anthony Norman Wales (resigned 10 November 2010)

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 operations 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, meeting services, and corporate trust 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 the Group is subject to regulation by various federal, provincial and state agencies and undergoes periodic examinations by those regulatory agencies.

REVIEW OF OPERATIONS

Statutory basic earnings per share has decreased by 31.2% to 21.03 cents. The Group has recorded an operating profit before tax of \$176.5 million for the half-year ended 31 December 2010 (2009: \$239.7 million). Total revenue has decreased by 3.2 % to \$774.9 million (2009: \$800.8 million) and operating cash flows have decreased by 28.2% to \$148.4 million (2009: \$206.7 million).

The management adjusted net profit after tax for the half-year ended 31 December 2010 was \$149.8 million (2009: \$174.4 million).

The fall was driven by lower US mutual fund proxy solicitation work, a reduction in corporate actions in Australia, UK and Canada, and fewer bankruptcy cases in the US. In addition, a fall in corporate

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' REPORT

proxy work globally impacted profit. Conversely, this was countered by a contribution from the HBOS Employee Equity Solutions business and increased profit from the Canadian Trust business.

CONSOLIDATED PROFIT

The profit of the consolidated entity for the half-year was \$116.8 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:

Ordinary shares

- A final dividend in respect of the year ended 30 June 2010 was declared on 11 August 2010 and paid on 14 September 2010. This was an ordinary dividend of AU 14 cents per share, franked to 60.0%, amounting to AU\$77,792,968 (US\$72,010,856).
- An interim ordinary dividend was declared by the directors of the Company in respect of the current financial year, to be paid on 15 March 2010, of AU 14 cents per share, franked to 60.0% and amounting to AU\$77,792,968 based on shares on issue as at 31 December 2010. The dividend was not declared until 9 February 2011 and accordingly no provision has been recognised at 31 December 2010.

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.



C.J. Morris, Chairman



W.S. Crosby, Director

9 February 2011

Auditor's Independence Declaration

As lead auditor for the review of Computershare Limited for the half year ended 31 December 2010, 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.



Christopher Lewis
Partner
PricewaterhouseCoopers

Melbourne
9 February 2011

**COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Note	Half-year	
		2010	2009
		\$000	\$000
Revenues from continuing operations			
Sales revenue		772,675	798,254
Other revenue		2,244	2,501
Total revenue from continuing operations		774,919	800,755
Other income		6,121	6,711
Expenses			
Direct services		483,276	457,881
Technology costs		88,684	81,836
Corporate services		16,412	20,386
Finance costs		16,097	10,634
Total expenses		604,469	570,737
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method		(29)	2,960
Profit/(loss) before related income tax expense		176,542	239,689
Income tax expense	2	56,931	66,237
Profit for the half-year		119,611	173,452
Other comprehensive income			
Available-for-sale financial assets		(64)	2,454
Cash flow hedges		(16,848)	(15,316)
Exchange differences on translation of foreign operations		52,629	39,308
Income tax relating to components of other comprehensive income		5,179	2,992
Other comprehensive income for the half year, net of tax		40,896	29,438
Total comprehensive income for the half year		160,507	202,890
Profit for the half year is attributable to:			
Members of Computershare Limited		116,874	169,884
Non-controlling interest		2,737	3,568
		119,611	173,452
Total comprehensive income for the half year is attributable to:			
Members of Computershare Limited		157,770	199,322
Non-controlling interest		2,737	3,568
		160,507	202,890
Basic earnings per share (cents per share)	7	21.03	30.57
Diluted earnings per share (cents per share)	7	20.93	30.41

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	31 December 2010	30 June 2010
	\$000	\$000
CURRENT ASSETS		
Cash and cash equivalents	320,502	278,651
Receivables	248,771	293,884
Financial assets held for trading	2,607	1,834
Available-for-sale financial assets at fair value	303	499
Other financial assets	22,602	23,814
Inventories	9,147	8,624
Current tax assets	7,689	8,924
Derivative financial instruments	6,569	17,726
Other current assets	26,010	19,556
Total Current Assets	644,200	653,512
NON CURRENT ASSETS		
Receivables	15,350	4,361
Investments accounted for using the equity method	26,820	19,177
Available-for-sale financial assets at fair value	5,737	5,623
Property, plant and equipment	147,401	144,956
Deferred tax assets	40,173	46,821
Derivative financial instruments	32,909	39,827
Intangibles	1,803,386	1,776,178
Total Non Current Assets	2,071,776	2,036,943
Total Assets	2,715,976	2,690,455
CURRENT LIABILITIES		
Payables	304,132	351,186
Interest bearing liabilities	52,112	54,243
Current tax liabilities	13,358	25,480
Provisions	33,501	46,251
Derivative financial instruments	-	7
Deferred consideration	2,736	20,180
Total Current Liabilities	405,839	497,347
NON CURRENT LIABILITIES		
Payables	3,427	2,331
Interest bearing liabilities	951,753	939,785
Deferred tax liabilities	140,249	106,108
Provisions	39,716	35,875
Derivative financial instruments	446	360
Deferred consideration	23,642	26,967
Other	9,094	8,730
Total Non Current Liabilities	1,168,327	1,120,156
Total Liabilities	1,574,166	1,617,503
Net Assets	1,141,810	1,072,952
EQUITY		
Contributed equity	29,943	29,943
Reserves	114,818	94,808
Retained profits	981,455	936,592
Total parent entity interest	1,126,216	1,061,343
Non-controlling interests	15,594	11,609
Total Equity	1,141,810	1,072,952

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 2010**

Attributable to members of Computershare Limited

	Contributed Equity	Reserves	Retained Earnings	Total	Non- controlling Interest	Total Equity
Consolidated	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2010	29,943	94,808	936,592	1,061,343	11,609	1,072,952
Total equity	29,943	94,808	936,592	1,061,343	11,609	1,072,952
Profit for the half year	-	-	116,874	116,874	2,737	119,611
Available-for-sale financial assets		(64)	-	(64)	-	(64)
Cash flow hedges	-	(16,848)	-	(16,848)	-	(16,848)
Exchange differences on translation of foreign operations	-	52,629	-	52,629	-	52,629
Income tax (expense) / credits	-	5,179	-	5,179	-	5,179
Total comprehensive income	-	40,896	116,874	157,770	2,737	160,507
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	-	-	-	-	-	-
Dividends provided for or paid	-	-	(72,011)	(72,011)	-	(72,011)
Transfer between reserves	-	(1,248)	-	(1,248)	1,248	-
On market purchase of shares	-	(28,335)	-	(28,335)	-	(28,335)
Share based remuneration	-	8,697	-	8,697	-	8,697
Balance at 31 December 2010	29,943	114,818	981,455	1,126,216	15,594	1,141,810
	Contributed Equity	Reserves	Retained Earnings	Total	Non- controlling Interest	Total Equity
Consolidated	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2009	29,888	99,793	763,879	893,560	7,609	901,169
Total equity	29,888	99,793	763,879	893,560	7,609	901,169
Profit for the half year	-	-	169,884	169,884	3,568	173,452
Available-for-sale financial assets	-	2,454	-	2,454	-	2,454
Cash flow hedges	-	(15,316)	-	(15,316)	-	(15,316)
Exchange differences on translation of foreign operations	-	39,308	-	39,308	-	39,308
Income tax (expense) / credits	-	2,992	-	2,992	-	2,992
Total comprehensive income	-	29,438	169,884	199,322	3,568	202,890
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	-	-	-	-	(539)	(539)
Dividends provided for or paid	-	-	(52,744)	(52,744)	(1,033)	(53,777)
Transfer to OEI equity	-	(765)	-	(765)	765	-
Share based remuneration	-	4,343	-	4,343	-	4,343
Balance at 31 December 2009	29,888	132,809	881,019	1,043,716	10,370	1,054,086

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 2010**

	Note	Half-year	
		2010	2009
		\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		836,445	859,257
Payments to suppliers and employees		(631,311)	(595,612)
Dividends received		125	720
Interest paid and borrowing costs		(15,135)	(12,573)
Interest received		2,119	1,781
Income taxes paid		(43,884)	(46,854)
Net cash inflow from operating activities	8	148,359	206,719
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of subsidiaries and businesses, net of cash acquired		(19,839)	(46,499)
Payments for investment in associated entities and joint ventures		(532)	(225)
Dividends received		396	1,129
Payments for investment in listed & unlisted entities		(101)	(67)
Payments for property, plant and equipment		(7,977)	(44,845)
Proceeds from sale of assets		95	14,401
Proceeds from sale of subsidiaries and businesses, net of cash disposed		3,414	-
Other		-	-
Net cash outflow from investing activities		(24,544)	(76,106)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for purchase of ordinary shares for employee share plans		(28,335)	(5,417)
Proceeds from borrowings		408,304	215,098
Repayment of borrowings		(398,282)	(240,619)
Dividends paid - ordinary shares		(72,011)	(52,744)
Dividends paid - non controlling interest in subsidiary		-	(1,033)
Proceeds from finance leases		-	-
Repayment of finance leases		(5,177)	(2,921)
Net cash outflow from financing activities		(95,501)	(87,636)
Net increase (decrease) in cash held		28,314	42,977
Cash at the beginning of the financial year		278,651	180,422
Exchange rate variations on foreign cash balances		13,538	2,608
Cash at the end of the half-year		320,503	226,007

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 2010

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

The general purpose financial statements for the interim half-year reporting period ended 31 December 2010 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 2010 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 Stock 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.

2. RECONCILIATION OF INCOME TAX EXPENSE

a) Income tax expense

	Half-year	
	2010	2009
	\$000	\$000
Current tax expense	24,170	40,171
Deferred tax expense	33,678	26,188
Under (over) provided in prior years	(917)	(122)
Total income tax expense	56,931	66,237

Deferred income tax (revenue) expense included in income tax expense comprises:

Decrease (increase) in deferred tax assets	5,939	7,847
(Decrease) increase in deferred tax liabilities	27,739	18,341
	33,678	26,188

b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit from continuing operations before income tax expense	176,542	239,689
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The tax expense for the financial year differs from the amount calculated on the profit. The differences are reconciled as follows:

Prima facie income tax expense thereon at 30%	52,963	71,907
Tax effect of permanent differences:		
Non-deductible expenses (including depreciation and amortisation)	1,255	898
Research and development allowance	(1,330)	(1,188)
Tax losses recognised not previously brought to account	709	113
Non-deductible asset write-downs	12,005	-
Share based payments	109	53
Other deductible items	(6,157)	(6,754)

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
HALF-YEAR ENDED 31 DECEMBER 2010

Other	4,414	(2,350)
Differential in overseas tax rates	(5,058)	2,354
Restatement of deferred tax balances due to income tax rate changes	(1,062)	1,726
Prior year tax (over)/under provided	(917)	(522)
Income tax expense	56,931	66,237

c) Amounts recognised directly in equity

Aggregate deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity

Net deferred tax – debited (credited) directly to equity	(4,661)	(4,650)
	(4,661)	(4,650)

3. DIVIDENDS

	Half-year	
	2010	2009
	\$000	\$000

Ordinary shares

Dividends provided for or paid during the half-year	72,011	52,744
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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 60%. As the dividend was not declared until 9 February 2011, a provision has not been recognised as at 31 December 2010.

4. BUSINESS COMBINATION

During the half-year Computershare acquired the remaining 60% of Registrar Nikoil Company JSC for a cash consideration of USD 7.2 million giving the Company a 100% ownership. The business combination did not contribute materially to the total revenue or net profit of the Group.

In accordance with accounting policy, the acquisition accounting for HBOS Employee Equity Solutions business combination has been finalised. The following adjustments have been made to the provisional values recognised during the current reporting period.

	\$000
Recognition of intangible assets separately from goodwill	36,807
Recognition of related deferred tax liability	11,042

5. 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.

The number of operating segments has increased from six to seven in this reporting period due to a change in our internal reporting structure. The Europe, Middle East and Africa segment has been divided into two segments: UCIA (United Kingdom, Channel Islands, Ireland & Africa) and Continental Europe.

As a result the business is managed through seven operating segments, six of which are geographic: Australia and New Zealand, Asia, Continental Europe, UCIA, United States and Canada. In addition, a separate Technology and Other segment has been identified, which comprises the provision of software specialising in share registry, employee plans and financial services globally, as well as the production and distribution of interactive meeting products. It is both a research and development function, for which discrete financial information is reviewed by the CEO.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
HALF-YEAR ENDED 31 DECEMBER 2010

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 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, interactive meeting services and other ancillary 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. Corporate entities' main purpose is to hold intercompany investments and conduct financing activities.

OPERATING SEGMENTS

	Australia & New Zealand	Asia	Continental Europe	UCIA	United States	Canada	Technology & Other	Total
December 2010	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total segment revenue	179,902	68,365	35,985	135,116	250,398	94,290	86,583	850,639
Management adjusted EBITDA	48,205	30,015	2,049	56,763	60,377	45,472	(562)	242,319
Total segment assets	329,126	130,865	151,107	368,934	992,702	208,065	110,972	2,291,771
December 2009								
Total segment revenue	185,596	63,961	32,605	132,048	289,350	86,132	92,657	882,349
Management adjusted EBITDA	57,446	29,601	3,344	66,895	69,645	39,427	10,931	277,289
Total segment assets	265,110	120,855	157,932	285,149	1,059,124	176,196	116,433	2,180,799

Segment revenue

The revenue reported to the CEO is measured in a manner consistent with that of the income statements. 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	
	2010	2009
	\$000	\$000
Total operating segment revenue	850,639	882,349
Intersegment eliminations	(75,893)	(82,514)
Other/corporate revenue	173	920
Total revenue from continuing operations	774,919	800,755

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
HALF-YEAR ENDED 31 DECEMBER 2010

Management adjusted EBITDA

The CEO assesses the performance of the operating segments based on a measure of management adjusted EBITDA (Note7). In 2010 and 2009 this measure excludes restructuring provisions, redundancy costs, marked to market adjustments relating to derivatives and profit or loss on disposal of controlled entities.

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

	Half-year	
	2010	2009
	\$000	\$000
Management adjusted EBITDA - operating segments	242,319	277,289
Management adjusted EBITDA - corporate	3,696	(2,442)
Management adjusted EBITDA	246,015	274,847
Management adjustment items (before amortisation and income tax expense):		
Loss on disposals	(14,486)	-
Redundancy provisions	(129)	1,716
Acquisitions related	2,189	-
Marked to market adjustments - derivatives	-	728
Finance costs	(16,097)	(10,634)
Amortisation and depreciation	(40,950)	(26,968)
Profit before income tax from continuing operations	176,542	239,689

Total assets

Assets are allocated based on the operations of the segment and the physical location of the asset and are measured in a manner consistent with that of the financial statements.

Cash and cash equivalents, current and non-current investments, current and deferred tax assets and current and non-current derivative assets are not allocated to the operating segments.

Reportable segments' assets are reconciled to total assets as follows:

	Half-year	
	2010	2009
	\$000	\$000
Total operating segment assets	2,291,771	2,180,799
Unallocated/corporate assets:		
Deferred tax assets	40,173	45,545
Current tax assets	7,689	10,894
Cash and cash equivalents	320,502	226,007
Current and non-current investments	5,869	7,736
Current and non-current derivative assets	39,478	55,537
Other	10,494	17,283
Total assets as per balance sheet	2,715,976	2,543,801

6. 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 2010.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
HALF-YEAR ENDED 31 DECEMBER 2010

7. EARNINGS PER SHARE

	Calculation of Basic EPS \$000	Calculation of Diluted EPS \$000	Calculation of Management Basic EPS \$000	Calculation of Management Diluted EPS \$000
Half-year end 31 December 2010				
Earnings per share (cents per share)	21.03	20.93	26.96	26.83
Net profit	119,611	119,611	119,611	119,611
Non-controlling interest (profit)/loss	(2,737)	(2,737)	(2,737)	(2,737)
Add back net management adjustment items (see below)			32,933	32,933
Net profit attributable to members of Computershare Limited	116,874	116,874	149,807	149,807
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		558,378,909		558,378,909
Half-year end 31 December 2009				
Earnings per share (cents per share)	30.57	30.41	31.38	31.21
Net profit	173,452	173,452	173,452	173,452
Non-controlling interest (profit)/loss	(3,568)	(3,568)	(3,568)	(3,568)
Add back net management adjustment items (see below)	-	-	4,493	4,493
Net profit attributable to members of Computershare Limited	169,884	169,884	174,377	174,377
Weighted average number of ordinary shares used as denominator in calculating basic earnings per share	555,654,059		555,654,059	
Weighted average number of ordinary and potential ordinary shares used as denominator in calculating diluted earnings per share		558,728,870		558,728,870

Management adjustment items

Included in the consolidated statement of comprehensive income are the following management adjustment items that are material because of their nature, size or incidence:

For the half-year ended 31 December 2010:

	Total \$000
Intangible asset amortisation (net of tax)	(14,461)
Acquisitions related (net of tax)	2,284
Redundancy provisions (net of tax)	(93)
Loss on disposals (net of tax)	(20,663)
Total management adjustment items	(32,933)

**COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
HALF-YEAR ENDED 31 DECEMBER 2010**

For the half-year ended 31 December 2009:

	Total \$000
Redundancy provisions no longer required (net of tax)	1,716
Marked to market adjustments – derivatives (net of tax)	469
Intangible asset amortisation (net of tax)	<u>(6,678)</u>
Total management adjustment items	<u>(4,493)</u>

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

	Half-year	
	2010	2009
	\$000	\$000
Net profit after income tax	119,611	173,452
Adjustments for non-cash income and expense items:		
- Depreciation and amortisation	40,952	26,968
- (Gain)/loss on sale of assets	12,921	522
- Share of net (profit)/loss of associates and joint ventures accounted for using equity method	(29)	(2,960)
- Derivative financial instruments	458	(1,308)
- Employee benefits – share based payments	9,848	10,114
Changes in assets and liabilities:		
- (Increase)/decrease in accounts receivable	47,731	31,359
- (Increase)/decrease in inventory	13,046	722
- (Increase)/decrease in other assets	92	5,361
- Increase/(decrease) in tax balances	(5,752)	19,383
- Increase /(decrease) in payables and provisions	(90,519)	(56,894)
Net cash provided by operating activities	<u>148,359</u>	<u>206,719</u>

9. CONTINGENT LIABILITIES

Contingent liabilities at balance date, not otherwise provided for in these financial statements, are categorised as follows:

(a) Guarantees and Indemnities

Guarantees and indemnities of USD 600,000,000 (30 June 2010: USD 600,000,000) have been given to the consolidated entity's Bankers by Computershare Limited, ACN 081 035 752 Pty Ltd, Computershare Investments (UK)(No. 3) Ltd, Computershare Finance Company Pty Ltd, Computershare US and Computershare Investor Services Inc under a Multicurrency Revolving Facility Agreement dated 27 May 2010.

Bank guarantees of AUD 500,000 (30 June 2010: AUD 500,000) have been given in respect of facilities provided to Computershare Clearing Pty Ltd. Bank guarantees of AUD 497,713 (30 June 2010: AUD 497,713) have been given in respect of facilities provided to Computershare Ltd. A bank guarantee of AUD 500,000 (30 June 2010: AUD 500,000) has been given in respect of facilities provided to Sepon Australia Pty Ltd. Bank guarantees of AUD 218,853 (30 June 2010: AUD 218,853) have been given in respect of facilities provided to Computershare Investor Services Pty Ltd. Bank guarantees of AUD 1,371,739 (30 June 2010: AUD 1,371,739) have been given in respect of facilities provided to Computershare Communication Services Pty Ltd. A bank guarantee of AUD

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

411,527 (30 June 2010: AUD 411,527) has been given in respect of facilities provided to Communication Services Australia Pty Ltd.

A performance guarantee of ZAR 15,000,000 (30 June 2010: ZAR 15,000,000) has been given by Computershare Limited (South Africa) to provide security for the performance of obligations as a Central Securities Depositor Participant.

A guarantee of ZAR 565,000 (30 June 2010: ZAR 565,000) has been given by Computershare South Africa (Pty) Ltd to provide for electricity services.

Guarantees of USD 1,447,009 (30 June 2010: USD 1,837,009) have been given by Computershare Investor Services LLC, Computershare Inc. and Computershare US Services Inc. as security for bonds in respect of leased premises.

Bank guarantee of HKD 867,514 (30 June 2010: HKD 867,514) has been given by Computershare Hong Kong Investor Services Limited as security for bonds on leased premises. A bank guarantee of HKD 1,500,000 (30 June 2010: 1,500,000) has been given by Computershare Hong Kong Investor Services in respect of facilities provided to Computershare Hong Kong Trustee Limited.

A bank guarantee of ZAR 1,000,000 (30 June 2010: ZAR 1,000,000) has been given by Computershare South Africa (Pty) Ltd as security for bonds in respect of leased premises.

Land charges of EUR 280,000 (30 June 2010: EUR 280,000) have been surrendered by Am Schonberg GmbH (Germany) to secure liabilities of the former parent company.

Contracts of EUR 365,679 (30 June 2010: EUR 1,303,998) have been entered into by VEM Aktienbank AG (Germany) due to delivery liabilities from securities lending.

Guarantees and indemnities of USD 553,500,000 (30 June 2010: USD 553,500,000) have been given to US Institutional Accredited Investors by Computershare Limited, ACN 081 035 752 Pty Ltd, Computershare Finance Company Pty Ltd, Computershare US, Computershare Investments (UK)(No. 3) Ltd and Computershare Investor Services Inc. under a Note and Guarantee Agreement dated 22 March 2005 and 29 July 2008.

(b) Legal and Regulatory Matters

Due to the nature of operations, certain commercial claims in the normal course of business have been made against Computershare in various countries. An inherent difficulty in predicting the outcome of such matters exists, but in the opinion of the Company, based on current knowledge and 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

The Group is subject to regulatory capital requirements administered by relevant regulatory bodies in countries where Computershare operates. Failure to meet minimum capital requirements, or other ongoing regulatory requirements, can initiate action by the regulators that, if undertaken, could revoke or suspend the Group's ability to provide trust services to customers in these markets. At all relevant times Group controlled entities have met all minimum capital requirements.

Computershare Limited (Australia) has issued a letter of warrant to Computershare Custodial Services Ltd. This obligates Computershare Limited (Australia) to maintain combined tier one capital of at least ZAR 455,000,000.

Potential withholding and other tax liabilities arising from distribution of all retained distributable earnings of all foreign incorporated controlled entities is \$19,408,620 (30 June 2010: \$14,247,317). No provision is made for withholding tax on unremitted earnings of applicable foreign incorporated controlled entities as there is currently no intention to remit these earnings to the parent entity.

In consideration of the Australian Securities and Investments Commission agreeing to allow AUD 5,000,000 to form part of the net tangible assets of Computershare Clearing Pty Ltd so that it can meet certain financial

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

requirements under the conditions of its Australian Financial Services Licence, Computershare Limited has agreed to make, at the request of Computershare Clearing Pty Ltd, a AUD 5,000,000 loan to it. Computershare Limited has agreed to subordinate its loan to any other unsecured creditors of Computershare Clearing Pty Ltd. The loan was made pursuant to a deed of subordination dated 7 January 2004.

In consideration of the Australian Securities and Investments Commission agreeing to allow AUD 5,000,000 to form part of the net tangible assets of Computershare Share Plans Pty Ltd so that it can meet certain financial requirements under the conditions of its Australian Financial Services Licence, Computershare Limited has agreed to make, at the request of Computershare Share Plans Pty Ltd, a AUD 5,000,000 loan to it. Computershare Limited has agreed to subordinate its loan to any other unsecured creditors of Computershare Share Plans Pty Ltd. The loan was made pursuant to a deed of subordination dated 5 July 2007.

Computershare Limited (Australia), as the parent entity, has undertaken to own, either directly or indirectly, all of the equity interests and guarantee performance of the obligations of Computershare Investor Services Pty Ltd, Computershare Trust Company NA, Georgeson Inc, Georgeson Securities Corporation, Computershare Trust Company of Canada and Computershare Investor Services Inc. with respect to any financial accommodation related to transactional services provided by Harris Trust and Savings Bank, Chicago.

10. SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

Computershare Russia: Legal Matter

In January 2011 Computershare's Russian subsidiary and Silvinit (a client of Computershare Russia) were jointly served with a lawsuit by a Silvinit shareholder. The lawsuit seeks to recover a possible USD42.5M in damages which the shareholder alleges was defrauded from his share holding in Silvinit. Computershare is investigating the matter and will take all appropriate action. Computershare believes that this is both an isolated matter and has no impact on its businesses in any other country. As of the date of this report the lawsuit is awaiting hearing in Russia and it is not yet known how and when the matter will be settled. Computershare has various commercial warranties and carries appropriate insurance for our global business footprint.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' DECLARATION

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 7 to 19 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 2010 and of its performance, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Computershare Limited will be able to pay its debts as and when they become due and payable.

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.



C.J. Morris, Chairman



W.S. Crosby, Director

Melbourne
9 February 2011

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 2010 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 2010:
 - (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 2010 and of its performance for the half year ended on that date.



W.S. Crosby
Chief Executive Officer



P.A. Barker
Chief Financial Officer

9 February 2011

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 2010, and the statement of 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 the 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 that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such 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 Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 2010 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. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

**Independent auditor's review report to the members of
Computershare Limited (continued)**

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

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

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 consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *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.

PricewaterhouseCoopers

PricewaterhouseCoopers

C Lewis

Christopher Lewis
Partner

Melbourne
9 February 2011

**COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
SUPPLEMENTARY APPENDIX 4D INFORMATION**

NTA Backing (*Appendix 4D item 3*)

	31 December 2010	31 December 2009
Net tangible asset backing per ordinary share	(1.29)	(1.38)

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

Acquired	Registrar Nikoil Company JSC
Date control gained	26 July 2010
	\$000
Contribution to profit/(loss) from ordinary activities after tax in current period, where material	Immaterial
Profit/(Loss) from ordinary activities after tax during the whole of the previous corresponding period, where material	Immaterial
Disposed	Computershare Electoral Management Services Limited
Date control lost	29 July 2010
	\$000
Contribution to profit/(loss) from ordinary activities after tax in current period, where material	Immaterial
Profit/(Loss) from ordinary activities after tax during the whole of the previous corresponding period, where material	Immaterial

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

Details of dividends declared or paid during or subsequent to the half-year ended 31 December 2010 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend	Franked amount per security	Conduit foreign income amount per security
11 August 2010	14 September 2010	Final	AU 14 cents	AUD 77,792,968	AU 8.4 cents ¹	AU 8.4 cents
21 February 2011	15 March 2011	Interim	AU 14 cents	AUD 77,792,968	AU 8.4 cents ²	AU 8.4 cents

¹dividend franked to 60%

²dividend franked to 60%

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

The company has no dividend reinvestment plan in operation.

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 2010 %	Jun 2010 %	Dec 2010 \$000	Jun 2010 \$000
Joint Ventures						
Japan Shareholder Services	Japan	Computer Technology Services	50	50	1,702	1,395
Computershare Pan Africa Ltd	Mauritius	Investor Services	60	60	9	9
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	(8)	3
VisEq GmbH	Germany	Investor Services	50	-	532	-
Associates						
Chelmer Ltd	New Zealand	Computer Technology Services	50	50	-	-
Registrar Nikoil Company JSC ¹	Russia	Investor Services	100	40	-	6,035
Expandi Ltd	United Kingdom	Investment Management	25	25	-	-
On Channel Ltd	United Kingdom	Investor Services	25	25	-	-
Netpartnering Ltd	United Kingdom	Investor Services	25	25	2,650	2,601
Milestone Group Pty Ltd	Australia	Computer Technology Services	20	20	8,734	7,820
Janosch Film and Medien AG	Germany	Investor Services	28	28	-	-
Fonterelli GmbH & Co. KGaA	Germany	Investor Services	49	49	1,024	973
Reach Investor Solutions Ltd	Australia	Investor Services	35	35	477	341
Solium Ltd	Canada	Plan Managers	20	-	11,700	-

¹ This entity became a controlled entity during the half-year ended 31 December 2010

The share of net profit of associates and joint ventures accounted for using the equity method for the half-year ended 31 December 2010 is a loss of \$0.03 million (2009: \$3.0 million profit).

Foreign Entities

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

Audit Status *(Appendix 4D item 9)*

This report is based on accounts which have been reviewed.

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
Gerald Lieberman
Penelope Jane Maclagan
Arthur Leslie Owen
Nerolie Phyllis Withnall

COMPANY SECRETARY

Dominic Matthew Horsley

REGISTERED OFFICE

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AUDITORS

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