



ABN 71 005 485 825

MARKET ANNOUNCEMENT

RESULTS FOR YEAR ENDED 30 JUNE 2001

MAIN FEATURES

- **Financial year revenue up 85% to \$754.3 million from \$408.4 million**
- **EBITDA from operating activities up 65% to \$151.6 million (excluding non-recurring items) from \$91.7 million**
- **Profit before tax up 45% to \$90.9 million (excluding non-recurring items) from \$62.5 million**
- **Net profit up 44% to \$54.9 million (excluding non-recurring items) from \$38.2 million**
- **Group technology development expense up 35% to \$41.6 million from \$30.8 million**
- **EPS (excluding non-recurring items) up 36% to 10.2 cents per share**

(comparisons are to the financial year ended 30 June 2000)

30 August 2001

Copies of the Full Year Report and PowerPoint presentation are available for download from:

Computershare web site www.computershare.com

The group has recorded an operating profit before tax and non-recurring items of \$90.9m for the year ended 30 June 2001 (2000: \$62.5m). The result was achieved on revenue of \$754.3m (2000: \$408.4m).

Before non-recurring items the group's earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 66% to \$151.6m (2000: \$91.7m). A comparison to the prior year demonstrates the continuing growth of the business in the past 12 months.

	Full Year Results		
	FY 2001 \$ millions	FY 2000 \$ millions	% Change
Revenue	754.3	408.4	85%
EBITDA	151.6	91.7	65%
Profit before Tax and non-recurring items	90.9	62.5	45%
Net profit attributable to members of the parent before non-recurring items	54.9	38.2	44%
Net profit attributable to members of the parent after non-recurring items	38.7	38.2	1%
EPS (cents) before non-recurring items	10.2	7.5	36%
EPS (cents) after non-recurring items	7.2	7.5	(4%)

NON-RECURRING ITEMS (Pre Tax A\$ 15.1m, Post Tax A\$ 16.2m)

Writedown in value of investment in E Trade

As at 30 June 2001 Computershare Limited held 9,361,250 shares (12.67%) in the issued capital of ETrade Australia Limited (ETR). The historical cost of the investment is approx. \$26.88m. As required by Australian Accounting Standards, the Board of Computershare Limited has reviewed the recoverable amount of its investment and concluded that a writedown in the value of the investment was appropriate. The results for the 12 months ended 30 June 2001 reflect a writedown of \$21.26m. Included in this figure is the writedown of A\$13.25m reported at 31 December 2000. After this writedown the carrying value of the investment is now \$5.62m at \$0.60 cents per share.

In accordance with Australian Accounting Standards the writedown of the investment in ETrade has only been partially tax effected. Computershare believe that in future periods it will generate sufficient capital gains to offset the writedown. However, at present, this is not virtually certain. In the event that gains are generated in the future, the loss arising from the writedown will be tax effected and a favourable adjustment booked. In the results for the year ended 30 June 2001, the additional tax expense incurred by not fully tax effecting the writedown is \$6.21m.

CPU has confidence in the management team at ETR and believes that all necessary structural adjustments and operational decisions have been taken by the Board of Directors and management of ETR to ensure that ETR achieves a satisfactory financial performance in the 2002 financial year. Indeed, CPU expects ETR to be cashflow positive this financial year and therefore able to preserve its significant reserves of working capital for strategic deployment as opportunities present. CPU believes that the alliance between ANZ Bank and ETR has been of significant benefit to ETR and CPU looks forward to improved financial returns from this alliance.

Profit on the sale of SUMMIT

Computershare Technology Services Pty. Limited sold the SUMMIT broker/client accounting system to Wilco International (a wholly owned subsidiary of Automatic Data Processing Inc.) for a net gain of \$6.16 m. Since the sale of SUMMIT to Wilco in February 2001, CPU has ceased to be a significant technology provider to ETR. As a consequence, the significance of the CPU shareholding in ETR has shifted from being strategic to passive.

TAXATION

The Computershare Group's effective tax rate is 44.5%. The effective tax rate is exaggerated by 8.2% as a result of only partially recognising the tax benefit associated with the ETrade writedown. The Group has also recorded a permanent difference equivalent to a 5.3% effective tax rate as a result of non deductible goodwill charges and a further permanent difference equivalent to a 2.4% effective tax rate as a result of the very high corporation tax rates in Canada. If the effective tax rate is adjusted for these items it falls to a more acceptable 28.6%.

The Group is actively managing its affairs both in Australia and globally such that a reduction in the effective tax rate is expected in future reporting periods.

REVIEW OF OPERATIONS

Mr. Chris Morris, Managing Director, noted that a major focus across the business was to increase operating efficiencies as the revenue base grew. He noted the following cost control initiatives undertaken in 2001.

- a reduction in US staff numbers representing annual savings of A\$5m and expenditure of A\$3.7m to get our US print & mail facility prepared so as to reduce outsourced work and take on external business. The second half saw the US turn a positive EBITDA result with the margins expected to grow as a result of the initiatives undertaken.
- set up of a state of the art centralised call centre in Melbourne at a cost of A\$1.3m, with savings in state-based administration costs in future years as a result.
- Ongoing technology development in preparation of the roll out of SCRIP software in Hong Kong, Canada and the United States. In North America approximately A\$30m per annum is currently spent on third party system providers. The implementation of SCRIP in this marketplace will result in significant cost savings.
- Changes in the South African market through the introduction of STRATE have resulted in staff reductions and an overhaul of the business to meet the challenges of a new electronic settlement system.

Mr Morris also noted that during the 2001 year the business had again been busy expanding the spread and depth of the group. In particular the following significant events took place:

- The acquisition of the Employee Stock Purchase Plan (ESPP) administration business from Merrill Lynch and entering into a strategic alliance with Merrill Lynch to facilitate expansion of Computershare's service capabilities in the USA.
- The move to 100% interest in Central Registration Hong Kong. This business services companies representing 60% of market capitalisation in Hong Kong and continues to deliver excellent results.
- Acquired RPC Planmanagers in Australia as part of the employee plan business global strategy.

- Secured strategic partner in South Africa; Union Alliance Holdings Ltd, with this group acquiring a 15% interest in Computershare South Africa. This transaction positions Computershare as a preferred provider of registry services in the upcoming privatisation process in South Africa, evidenced by our recent appointment by Telkom SA.
- Signed our largest ASTS transaction with ICAP plc (formerly Garban Intercapital).
- Agreement with Pacific Exchange (PCX) to develop an electronic, screen based trading system for equity options and other derivatives. Development costs of approximately \$2.3m related to this project have been expensed in the 2001 financial year.
- The move to 100% interest in the Ci Group (now called Computershare Document Services "CDS"). CDS is a major service provider to Computershare registry and is a leading provider of electronic documents to the Australian and UK markets with services ranging from laser printing, intelligent mailing, scanning, communication design and electronic delivery.
- City Watch; the United Kingdom's leading provider of ownership data for UK equities was purchased from Reuters.
- Acquired Financial Data Concepts (FDC) in the USA to complete Analytics' global coverage strategy.

BUSINESS ANALYSIS

UK Registry Operations

The UK registry operations continued its significant contribution to Group profitability. Substantial corporate action revenues, including the Barclays takeover of Woolwich, the Bradford & Bingley demutualisation and net gains on improved sharesave scheme administration contributed to a record year. Since July 2000 the UK registry operations have been further defined into 4 core services; registry, contact centre, share dealing service and employee share scheme administration. It has been a particularly successful period for the business as a whole with total shareholder account numbers now standing at approx. 27.9m. This represents a net gain of 10m accounts over the twelve month period.

Canadian Trust & Registry Operations

This business has become a major contributor, second only to the UK operation in terms of profitability. The ownership transition is now complete, evidenced by the significant improvement in results for the second half of FY2001. The registry services 60% of Canadian companies listed in the S&P Global 1200 whilst our Trust business is clearly the market leader. Improved efficiencies from the future SCRIP migration will further enhance operating margins whilst providing issuers and investors alike with leading edge technology.

US Registry Operations

Over the last twelve months local management have been focussed on the first phase of restructuring the business following its separation from the Harris Bank group. The transition process is complete following the recent reorganisation of personnel resources in our Chicago office. The business is now in the position to push aggressively for market share and is proceeding on several fronts:

- the second deadline under the ESPP migration timetable has been met and we are confident that the Computershare SCRIP based product will be available within the timeframe allotted.
- the new state of the art print/mail operation at Burr Ridge, Chicago is near completion and has begun servicing both Computershare and external customers.
- the Merrill Lynch ESPP business has been successfully integrated and will enter new premises in New Jersey in the fourth quarter of 2001.

Australian Registry Operations

Many of the back office functions have now been centralised in an effort to improve efficiencies. The state-based relationship management structure has been retained to ensure the highest of client servicing capabilities. The national telephone call centre is now fully operational in Melbourne, using the latest in technology and is capable of handling both incoming and outgoing call functions.

The Registry is expected to fully integrate BT Registries' operations in the next few months with minimal disruption. Our Australian business looks forward to the opportunity to differentiate its technological capabilities from its major competitor at the end of this calendar year. Historically our technological advantage in overseas markets has not been available here due to our competitor's use of our SCRIP technology. When our competitor ceases to use our technology, its clients will be in a position to choose whether or not to remain on our SCRIP technology platform. This will add significantly to our registry value added revenue base. Reliance on the Australian contribution to Group profitability has lessened as offshore businesses continue to grow, nevertheless our commitment to the local market has not waived, supported by our latest acquisitions in this market.

Total Shareholder Accounts (Registry and Plan Management)

Location	As at 30 June 2001	As at 30 June 2000
United Kingdom	27.9m	17.9m
Australia	11.8m	10.9m
Canada	6.7m	6.0m
USA	5.2m	4.0m
South Africa	3.0m	3.1m
New Zealand	2.2m	2.4m
Ireland	1.6m	1.1m
Hong Kong	1.1m	0.5m
CTS Bureau	9.4m	8.0m
TOTAL	68.9m	53.9m

The shareholder numbers continue to grow as global demutualisation continues. Holders are progressively purged from our databases as legislative and client requirements permit, however the propensity toward personal share ownership continues to underpin global holder numbers.

Group Technology

For the year ended June 2001, the Group's total technology expenditure exceeded A\$94m. Approximately 44% of this expenditure was dedicated to technology enhancement and development. In accordance with group policy all technology spend is expensed as incurred. A significant part of development expenditure was dedicated to registration products, with emphasis on North America, with systems being implemented for the former Merrill Lynch employee share plan business and the tailoring of the SCRIP registry system for implementation later this year.

Successful internet and COSMOS initiatives include the global web site, incorporating the Investor Centre and Issuer Online tools and a global registry billing system. Development of a global employee share options system is underway.

Heavy investment in infrastructure has yielded robust and standardised systems across the group.

The Broker and Exchange group has successfully completed an implementation at the Cyprus Stock Exchange and continues preparations for screen based equity options and derivatives trading at Pacific Exchange. The first phase for trading and confirmation of interest rate swaps at ICAP (formerly Garban-Intercapital) has been delivered.

Computershare's investment in technology has been consistently increasing in line with the expanding business. The table below shows the development expenditure since 1997:

	A\$
1997	3.15m
1998	14.72m
1999	28.35m
2000	30.78m
2001	41.59m

Current Market Conditions and Outlook for 2002 financial year

As has been widely reported, the second half of the 2001 financial year has seen a slowdown in the rate of new IPO's coming to the market and a general quietening of the boom times enjoyed by financial markets over the last few years. The global spread of Computershare's registry business and its comprehensive service offering has meant that comparatively, Computershare is better equipped to handle the change in market conditions than its single country competitors. Specifically:

- market penetration of Computershare's Plan Management service has continued at a strong rate with significant client wins including Estee Lauder, Zurich Financial Services, Texas Instruments and Lucent.
- corporate reorganisation activity has continued with such transactions as Australian Wheat Board , Glencore, Australian Agricultural Co, RBS/Natwest, Barclays Bank/Woolwich, Bradford & Bingley, Halifax/Bank of Scotland, Friends Provident, Canadian Pacific spin off's, MTR and Telkom SA privatisation.
- continuing growth in the document services business with the number of documents printed and handled increasing over 40% this year to 250 million.

In addition, Computershare has been actively managing its cost base with increasing emphasis on global infrastructure solutions to take advantage of the scale of the business. It is expected that most of the benefits from the cost reduction focus will be realised in the next two years.

Specific examples include:

- renegotiation of data & voice communication agreements delivering savings in excess of \$3m per annum
- reduction in staff numbers saving over \$5m per annum
- continued roll out of electronic data capture and workflow which is yielding productivity improvements of approximately 30% over existing manual procedures
- The closure of the existing in-house print and mail facility in the Canadian operation and its replacement with a new CDS print & mail facility.

At this early stage it is expected that the 2002 full year results will show at least a 20% improvement in EBITDA (before non-recurring items) on a total revenue base that is expected to grow by approximately 8%, based on our current operations and market conditions.

RECENT DEVELOPMENTS

Acquired BT Registries business in Australia & New Zealand

It is expected that BT Registries will be fully integrated in both Australia and New Zealand in the next few months. In addition to the equity based clientele, the superior fixed income product and related client list were seen as major drivers behind the acquisition. We are looking at expanding our fixed interest services to overseas markets where we see considerable growth prospects.

FINAL DIVIDEND

The final dividend has been maintained at a rate of ½ cent per share fully franked. The record date for shareholders entitled to the dividend is 12th September 2001 with a payment date of 28th September 2001.

TOP 40 BENEFICIAL SHAREHOLDERS AS AT 31 JULY 2001

Detailed below are the Top 40 shareholders of Computershare Limited as at 31 July 2001. The listing is regularly updated by Computershare Analytics based on the ultimate beneficial owner of the shares listed on the register.

	Top 40 Investors	No of Shares	% Issued
		31 Jul 01	Capital
1	Christopher John Morris	52,887,942	9.63%
2	Deutsche Asset Mgt	46,342,472	8.44%
3	Credit Suisse Asset Mgt	33,422,974	6.09%
4	Tony Wales	32,592,384	5.94%
5	Merrill Lynch Investment Mgrs	25,352,372	4.62%
6	AMP Henderson Global Investors	21,576,324	3.93%
7	Penelope Jane Maclagan	16,215,058	2.95%
8	Michele Jean O'Halloran	13,668,529	2.49%
9	Barclays Global Investors	9,557,870	1.74%
10	JP Morgan Chase	9,383,740	1.71%
11	Alliance Capital Mgt	8,567,831	1.56%
12	Australian Foundation Investment Company	8,500,000	1.55%
13	Queensland Investment Corporation	7,897,390	1.44%
14	Allianz Equity Mgt	6,991,225	1.27%
15	State Street Global Advisors	6,958,160	1.27%
16	Commonwealth Investment Mgt	5,879,136	1.07%
17	Liberty Wanger Asset Mgt	5,762,000	1.05%
18	Macquarie Investment Mgt	4,874,687	0.89%
19	Legal & General Investment Mgt	4,297,967	0.78%
20	Jardine Fleming Capital Partners	4,146,411	0.76%
21	Gary Leslie Ryan	3,279,732	0.60%
22	Rob Hodgkinson	3,113,815	0.57%
23	Suncorp-Metway Investment Mgt	2,869,876	0.52%
25	JP Morgan Fleming Asset Mgt	2,430,703	0.44%
26	Peter John Griffin	2,250,000	0.41%
27	HSBC Asset Mgt	2,185,522	0.40%
28	Djerriwarrh Investments	2,100,000	0.38%
29	Harris Bankcorp Inc	2,000,000	0.36%
30	ING Barings (House Trading A/C)	2,000,000	0.36%
31	Vanguard Investments	1,869,074	0.34%
32	Calvert-Jones Family	1,808,112	0.33%
33	Portfolio Partners	1,765,402	0.32%
34	Guardian Trust Funds Mgt	1,764,854	0.32%
35	Tower Asset Mgt	1,722,009	0.31%
36	Citigroup Asset Mgt Australia	1,599,302	0.29%
37	Christine Anne Veivers-Maple	1,561,712	0.28%
38	Argo Investments	1,520,000	0.28%
39	Taube Hodson Stonex Partners	1,500,000	0.27%
40	University Superannuation Scheme	1,500,000	0.27%

About Computershare Limited

Computershare Limited is incorporated in Australia and listed on the Australian Stock Exchange (symbol: CPU) with a market capitalization in excess of A\$3.25 billion. It has grown rapidly from its base as a provider of computer bureau services to transfer agents in Australia, and is now the world's largest, and only global, transfer agent, with major transfer agent businesses in Australia, New Zealand, the United Kingdom, Ireland, the Channel Islands, South Africa, Hong Kong, the USA and Canada. Computershare maintains over 68 million shareholder accounts worldwide and also supplies financial markets software to exchanges and market participants in Europe, North America and Asia.

For more information visit the company web site <http://www.computershare.com>

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