Computershare

COMPUTERSHARE LIMITED (ASX:CPU)

HALF YEAR RESULTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2002

(comparisons are for the year ended 31 December 2001)

6 March 2003

Copies of 2003 Half Year Results Presentation are available for download at:
www.computershare.com/results

COMPUTERSHARE LIMITED (ASX:CPU)

RESULTS FOR SIX MONTHS ENDED 31 DECEMBER 2002

MAIN FEATURES

- Half year revenue $348.7 million, down 12%
- Half year operating costs $293.8 million, down 9%
- EBITDA $54.9 million (excludes one off adjustments) down 25%
- Technology costs $40.4 million. Development expenditure continues to be expensed with these costs reflected in the EBITDA result.
- Net operating profit before tax $13.9 million
- Net profit attributable to members $3.9 million

MARKET ANNOUNCEMENT

MELBOURNE, 6 MARCH 2003

Computershare Limited (ASX: CPU) today reported its half year results for the six months to 31 December 2002.

Revenues for the period were $348.7 million, down 12% for the corresponding period. Earnings before income tax, depreciation and amortisation (down 25%) are $54.9 million (before non-recurring items). This is in line with guidance provided at the company's annual general meeting in November 2002.

Net operating profit before tax is $13.9 million. Tax payable is $9 million and net profit after tax is $3.9 million (after outside equity interests adjustment of $0.9 million).

Market conditions for the first half of this year showed no sign of improvement. Revenue is down on last year's corresponding period with significant reductions in both corporate actions (down 37%) and margin income (down 33%) the latter reflecting low global interest rates.

The restructuring of the company initiated towards the end of FY 2002 began a period of consolidation. The new global management structure for the three geographical regions is delivering greater accountability at the regional level and an overall reduction in costs. Senior and middle management structures have undergone changes that have delivered an improvement in service standards and have demonstrated an ability to win new business in each of the regions against local and global competition.

Computershare has strengthened its financial management team, improving financial reporting across the group and delivering more disciplined management of costs and capital expenditure. The company continues to seek further improvements in all these areas. Despite market conditions, sound financial management contributed to the generation of A$33.1 million in cash flow from operations during the first half.

Research and development expenditure of a capital nature for the period was $17.8 million. In line with the company's policy, this amount has been expensed.

The group was pleased to recently announce the appointment of U.S. based, Mr William E. Ford III as non-executive director.

Outlook for Financial Year 2003

Market conditions continue to be difficult and recovery in corporate activity is hard to predict. In this environment the company has concentrated on achieving greater operational efficiencies and in reducing its overall costs of operations. Total expenses during the first six months of the fiscal year were A$293.8 million a decline of 9.2% from the corresponding period last year. Management's focus on operational efficiencies and reducing its cost structure will have Computershare well positioned to generate better productivity.

Chris Morris, Chief Executive Officer, explained, "We will continue to be aggressive in seeking efficiencies throughout our businesses but this will not come at the detriment of our longer-term strategies or at the cost of continued technology innovation that is a crucial element in maintaining our competitive advantage." He added, "The Company has completed the conversion to SCRIP in the US and it is also largely completed in Canada. The implementation of workflow will bring added efficiencies and permanent cost reductions. These are significant achievements."

In looking to the future, Chris Morris said, “Whilst general economic conditions are tough, there are upside factors for Computershare. We have enjoyed a number of business wins in open, competitive tenders that include significant companies such as Whitbread in the UK, PNC Bank in the USA and Promina (Royal & Sun Alliance) and BHP Billiton in Australia. Revenue from these wins will flow through during the second half of this financial year.”

Looking ahead in these uncertain times we are able to forecast and control our operating costs but it is difficult to be certain of revenues. At present the company expects to achieve an EBITDA result for the full year (excluding non-recurring items) that is in line with market expectations (ranging from $128 million to $145 million).

About Computershare

Computershare Limited is a leading financial services and technology provider for the global securities industry, providing services and solutions to listed companies, investors, employees, exchanges and other financial institutions.

It is the largest and only global share registry (or transfer agent), managing more than 68 million shareholder accounts for over 7,500 corporations in ten countries on five continents, and it provides sophisticated trading technology to financial markets in each major time zone.

Founded in Australia in 1979 and headquartered in Melbourne, Computershare employs more than 5,000 people worldwide.

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Computershare

MARKET ANNOUNCEMENT

FINANCIAL SUMMARY

A comparison to the period last year reflects the current economic conditions in which the group operates. Falls in revenue have been accompanied by prudent expense reduction initiatives, with an increasing focus on capital management.

	6 mths to Dec 2002 $ millions	6 mths to Jun 2002 $ millions	6 mths to Dec 2001 $ millions
Revenue	348.7	384.5	396.5
EBITDA before one off adjustments	54.9	74.6	73.00
One off adjustments	7.1	0.0	0.0
EBITDA post adjustments	47.8	74.6	73.00
Profit before tax	13.9	44.3	39.40
Net profit attributable to members of the parent	3.9	46.8	24.5
Dividend per share (cents)	2.5	2.5	0.5
EPS (normalised) - basic (cents)	0.8	5.3	4.3

Revenue Analysis

	6mths Dec 2002 $'000s	6mths June 2002 $'000s	6mths Dec 2001 $'000s
Registry Maintenance	168.0	169.5	177.4
Non-Registry Sales/Fees	75.2	76.1	77.4
Corporate Actions	21.8	22.8	34.8
Margin Income	28.1	30.6	41.9
Interest Income	1.8	1.7	2.5
Recoveries	49.3	65.3	59.5
Other	4.5	18.5	3.0
Total	**348.7**	**384.5**	**396.5**

Basic register maintenance has remained relatively flat over the six-month period. Both corporate actions and margin income declined substantially, reflecting lower corporate activity and interest rates at historically low levels.

Operating Cost Analysis

	6mths Dec 2002 $'000s	6mths June 2002 $'000s	6mths Dec 2001 $'000s
Personnel	136.5	141.0	149.6
Technology (including R&D)	40.4	41.0	38.9
Occupancy	18.0	15.7	23.0
Other direct	98.9	112.2	112.0
Total	**293.8**	**309.9**	**323.5**

The six months to December 2002 saw an increased focus on cost reductions with most lines showing a net decrease over the period.

TAXATION

The Group's headline effective tax rate in respect of 1H03 is 65.2% (1H02 38.6%) due primarily to the benefit of tax losses not brought to account - a non-recurring item.

The normalised headline effective tax rate, being the headline effective tax rate adjusted for non-recurring items, in 1H03 was 30.3% (1H02 32.3%).

The underlying effective tax rate, being the tax rate adjusted for non-recurring items and non -deductible goodwill charges for 1H03 is 10.6% (1H02 26.5%). The improved result is primarily due to;

- a critical examination of the Group's qualifying research and development activities in conjunction with the introduction of the 175% research and development concession regime in Australia;

- an increased benefit arising from the difference in tax rates on overseas income as a result of a reduction of tax rates in Canada and, further to the completion of joint venture arrangements with the Hong Kong Exchange, the continued comparatively strong performance of the Group's Hong Kong business in 1H03; and

- limiting inefficient transactions where possible.

Computershare has conservatively not booked the benefit of some $16.8 million of income tax losses. The benefit of these tax losses will be reflected in a lower tax expense in future periods when their recovery is virtually certain.

SHARE BUY BACK

As part of its continuing focus on capital management, the company launched a share buyback on 11 September 2002. As at the date of this release the company had purchased 18,710,000 ordinary shares (representing approximately 3.4% of the issued capital) at an average price of $2.05 per share.

CASH FLOW / FINANCING

A continuing focus on capital management has resulted in an increase of 19% in cash flow from operations as compared to the second half of FY2002. Combined with a 60% reduction in capital expenditure in the same period, the company delivered over A$22 million more cash than in the second half of last year. At present the company has current debt facilities of approximately A$250 million.

DIVIDEND

As foreshadowed at the release of the full year 2002 results, the Board has announced an interim dividend of 2.5 cents for the half year ended 31 December 2002 (for a total of 5 cents per share, fully franked for the last 12 months).

The record date for shareholders entitled to the dividend is 14 March 2003 with a payment date of 28 March 2003.

The Board has also resolved to pay a fully franked dividend of $2.7425 per preference share. The entitlement to this dividend will be based on a record date of 20 May 2003 and a payment date of 2 June 2003 in accordance with the terms of issue of its preference shares.