



AGM speech FY2009

Iain Dunstan - Group CEO & Managing Director

Thank you Neil.

Introduction

General

The 2009 financial year was certainly an eventful one for Bravura Solutions. The Recapitalisation Proposal and Rights Issue were a key focus this year, as was our success in winning a number of new and strategic clients, and re-signing contracts with a number of existing clients.

Awards

Once again, we won several awards, and are extremely proud of our internationally recognised achievements in FY2009 which included:

- A ranking in the Fintech 100;
- A top 20 ranking in the Deloitte Technology Fast 50 and a ranking in the Deloitte Technology Fast 500 Asia Pacific;
- A top 10 ranking in the SmartCompany Dun & Bradstreet Industry Growth List for the IT sector;
- A win for the European Asset Servicing Technology vendor of the year;
- Inclusion in the Finextra Innovation Showcase;
- A win for the Australian Business Awards for International Trade in ICT; and
- A number two ranking in BRW Fast Starters.

This current financial year, we also received a number 11 ranking in the Smart Company Smart50, and a ranking again in the Fintech 100.

We are pleased to be seen in the market as an award winning innovator.

Discussion of market conditions

There is no doubt that deteriorating global economic conditions significantly impacted upon the financial services industry. In turn, our client base was adversely affected by the crisis, and as a consequence, decision making and approval processes for capital expenditure commitments were generally impeded.

This resulted in lengthier sales cycles, and the ability to conclude new license agreements was impacted in the short-term. The signing of new agreements was, however, delayed rather than forgone.

Financial overview

EBITDA and revenue

Overall, our EBITDA and revenue achievements closely match those from the previous financial year. In light of market conditions, and relative to other industry participants, we believe this represents a solid performance.

As Neil mentioned, for the financial year ended 30 June 2009, revenue was \$133.5 million and EBITDA was \$16.1 million. I'd like to take you through the revenue breakdown.

Revenue by type

Professional services revenue declined by \$5.0 million to \$60.2 million, reflecting the deferring of non-critical projects at a time of uncertainty. Overall, professional services accounted for 45 per cent of total revenue for the year ended 30 June 2009, compared with 48 per cent in the prior year.

Maintenance revenue increased by two per cent to \$46.1 million, due to completion of client implementations and CPI increases. Maintenance revenue accounted for 35 per cent of total revenue in the year ended 30 June 2009, compared with 33 per cent in the prior year.

Initial licence fees and other revenue increased by \$9.5 million largely due to the sale of three Rufus transfer agency licences recognised in the period. In the wealth management division, licences were recognised for Norwich Union, Myer Family Office and Bao Viet. Initial licence fee revenue accounted for 18 per cent of total revenue in the year ended 30 June 2009, compared with 10 per cent in the prior year.

Recurring licence fee revenue decreased by \$7.9 million due to a higher number of contracts being up for renewal in FY2008 than in FY2009. This was purely a reflection of the renewal profile of our customer base. Recurring licence fee revenue accounted for two per cent of total revenue in the year ended 30 June 2009, compared with eight per cent in the prior year.

Revenue by product

Product diversity is definitely a key strength for us – we have been presented with a number of opportunities to cross-sell to our existing customer base. As you can see from the chart, our Rufus transfer agency product provides us with our largest revenue source - \$64.6 million, or 48 per cent of revenue. Rufus has a strong base of installed clients, and we are focusing on new sales opportunities as we work concurrently to improve efficiency measures and margins.

This is followed by Sonata Suite and Talisman, our investment management and life insurance administration suite that provides \$32.1 million or 24 per cent of the revenue. We have had strong sales growth for these products in 2009 and have a strong and healthy pipeline of opportunities.

ePASS, our eBusiness application provides \$8.5 million in revenue, or six per cent, and following closely behind is our superannuation application SuperB, also providing six per cent of revenue or \$8.0 million.

Cash flow

Operating cash flow increased from \$5.2 million in FY2008 to \$12.8 million in FY2009 – a \$7.6 million improvement. We have focused heavily on improving cash flow over the past two years and will continue to do so.

R&D

R&D remains a priority for us. We have continued to invest significantly, with progress being seen in both the functional and technology sides of our solutions. R&D for FY2009 reached \$11.2 million with an additional \$9 million from client funded projects. FY2008 expenditure was \$12.1 million.

Acquisitions

In November 2008, we entered into a transaction to purchase the transfer agency division of Citi in Warsaw, Poland. The acquisition completed in December 2008 and cemented our position as one of the largest transfer agency application providers in Europe.

As expected, the deal was EPS accretive in FY2009. It has generated significant recurring revenue and continues to outperform forecasts for both revenue and margin.

More than two years ago, we acquired three organisations; the Rufus Software business from The Bank of New York Mellon, AB Prodata and Garradin from Powerlan. The employees, clients and products from these three former organisations are now deeply integrated into Bravura. These acquisitions diversified our product base, enabled us to engage in geographic expansion,

contribute significantly to revenue, secure us new key strategic clients and encourage continuation of existing contracts and upgrades.

Corporate Social Responsibility

Bravura Solutions is strongly committed to operating as a sustainable enterprise and regards corporate social responsibility as being a fundamental aspect of our sound business practices.

We are dedicated to the continuous review and improvement of identifying and meeting the needs and expectations of our clients, shareholders, employees and the community. Our objective encompasses the minimisation of our impact on the environment with efficient use of the natural resources we require, in addition to engagement with charity organisations for the benefit of the communities in which we live and work.

In order to achieve our objectives, we are committed to building awareness, acceptance and support for responsible practices amongst all employees. We have a long-standing relationship with the Carbon Reduction Institute in Australia to audit our environmental impact and reduce our carbon footprint, and with charity organisations in various locations worldwide to engage with the community.

FY2010 guidance

We would like to provide some guidance for the 2010 financial year.

We expect EBITDA for the first half of this financial year to be between \$5.5 million and \$6.5 million and would like to point out that result has been impacted in part by movements in the exchange rate of English pounds to Australian dollars during the first half. Had the British pound remained constant at the average exchange rate for FY2009 (being 2.16), this would have equated

to an expected EBITDA of between \$7.2 million to \$8.2 million for the first half of this financial year.

The expected EBITDA range provided above for the first half of this financial year is reliant upon the closure of certain contracts that are still under negotiation. These are all at advanced stages and are expected to sign by 31 December 2009. Should there be any delays in the signing of these contracts, they may be executed in subsequent periods and in those circumstances, this would affect the expected EBITDA range provided above. However, to the extent that the signing of certain contracts occurs in the second half of this financial year, this would be reflected in final EBITDA results for FY2010.

Traditionally, the business has delivered approximately 40 per cent of our EBITDA in the first half of the year and 60 per cent of our EBITDA in the second half of the year; having said that, the reverse occurred in FY2009.

Overall, we are very pleased to be experiencing substantial improvements in our services margins as a result of initiatives implemented during the prior financial year and we expect the sales revenue outlook to continue to strengthen in the second half of the year. We expect to provide further guidance to our shareholders later in 2010.

Outlook

So what do we see your Company focusing on over the next year? There are six important items that we intend to deliver on:

1. Bravura has been re-established on sound financial footing and we intend to build upon this. We have a sound platform for future growth to move forward with.
2. We will focus on margins and revenues, as we continue to prudently manage the business.

3. We will look to strengthen our foothold and deepen our strategic engagements with clients in the markets where we have an existing presence. We will also focus on further penetrating emerging markets such as South Africa and South East Asia.
4. We will continue to provide proven, world class software solutions. As the economy recovers, there will be a heightened focus on the need for proven software solutions to support regulatory requirements.
5. We will continue to focus on R&D and surge forward with a number of product delivery plans and added functionality for existing products.
6. And finally, we expect to show solid and stable performance. As mentioned by the Chairman, our strategy is to remain focused on profitable growth in the 2010 financial year.

Conclusion

I would now like to hand over to Simon for an Operational Review.



2009 Annual General Meeting CEO review

Presented by Iain Dunstan

20 November 2009





Internationally recognised achievements



Deloitte.

Technology Fast50
Australia 2008 Winner

Deloitte.

Technology Fast500
Asia Pacific 2008 Winner



Challenging market conditions

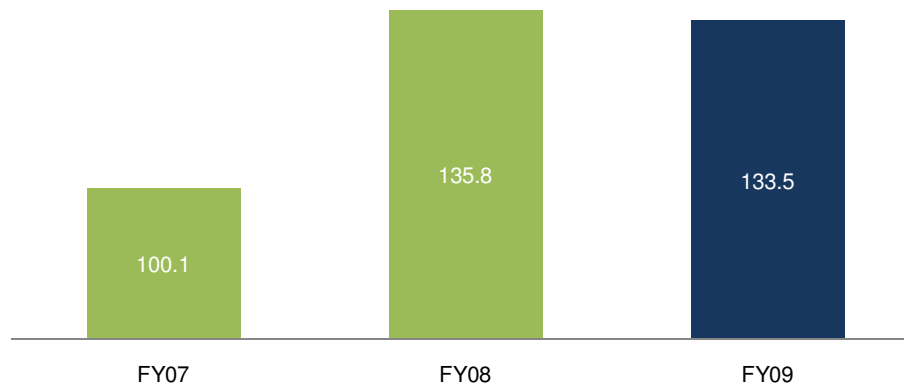


- Deteriorating conditions impacting financial services
- Client decision making and approval processes impeded
- Lengthier sales cycle
- Agreements delayed but not forgone

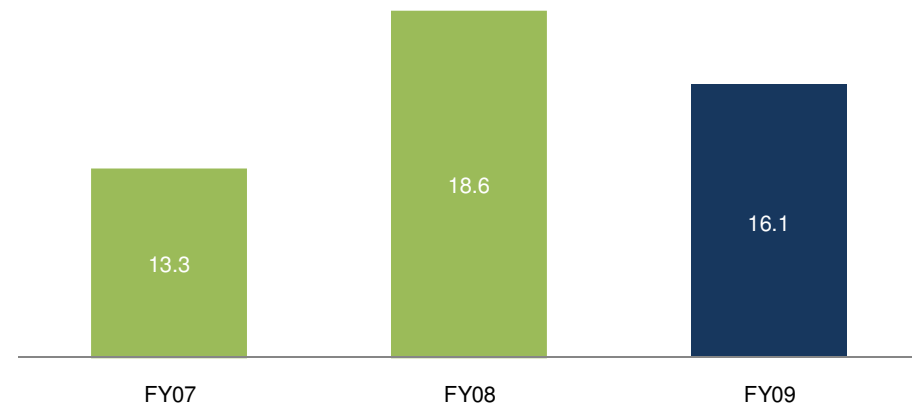
Solid EBITDA and revenue



Revenues
(A\$m)



EBITDA
(A\$m)

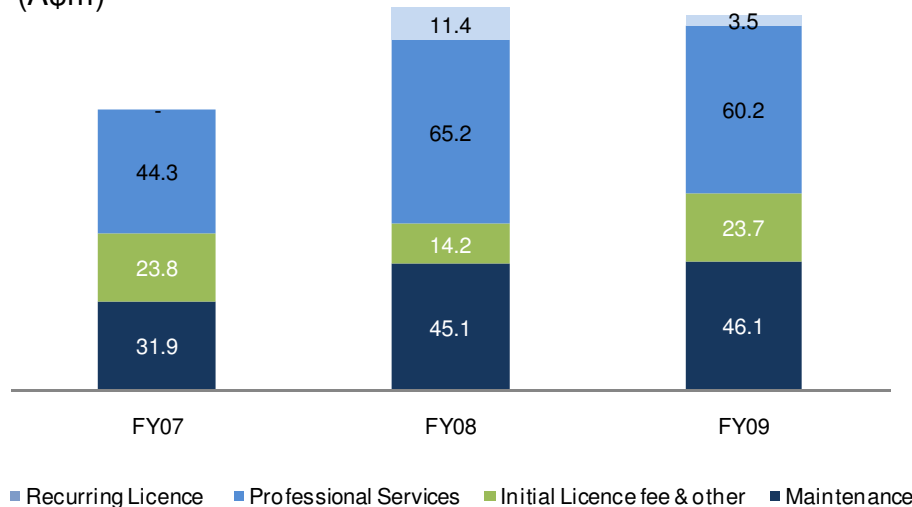


- EBITDA and revenue achievements closely match those from the previous financial year



Revenue by type

Revenues by type
(A\$m)

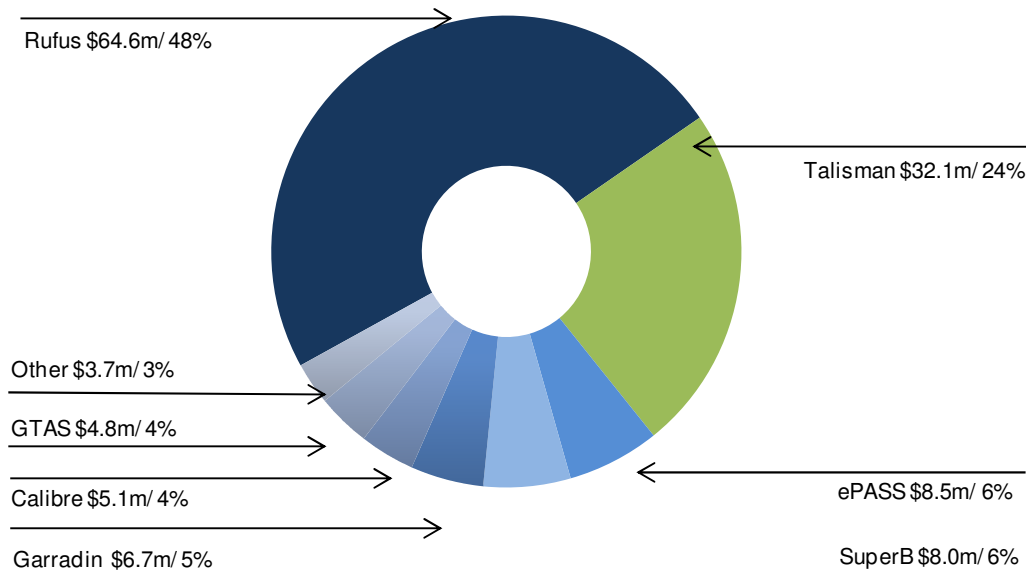


- Professional services revenue accounted for 45%
- Maintenance revenue accounted for 35%
- Initial licence fees and other revenue accounted for 18%
- Recurring licence fee revenue accounted for 2%

Revenue by product



Revenue by product
(A\$m)

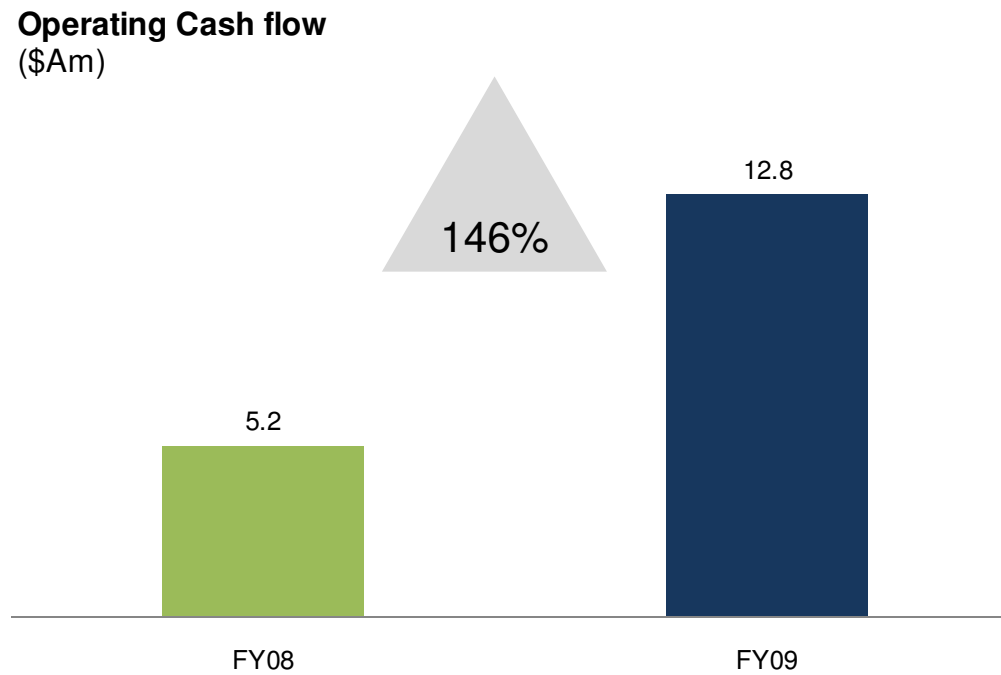


- Rufus transfer agency – largest revenue source at 48%
 - Strong client base
- Sonata suite and Talisman – 24% of revenue
 - Strong sales growth and healthy pipeline
- ePASS eBusiness solution – 6% of revenue
- SuperB superannuation solution – 6% of revenue

Cash flow improvements



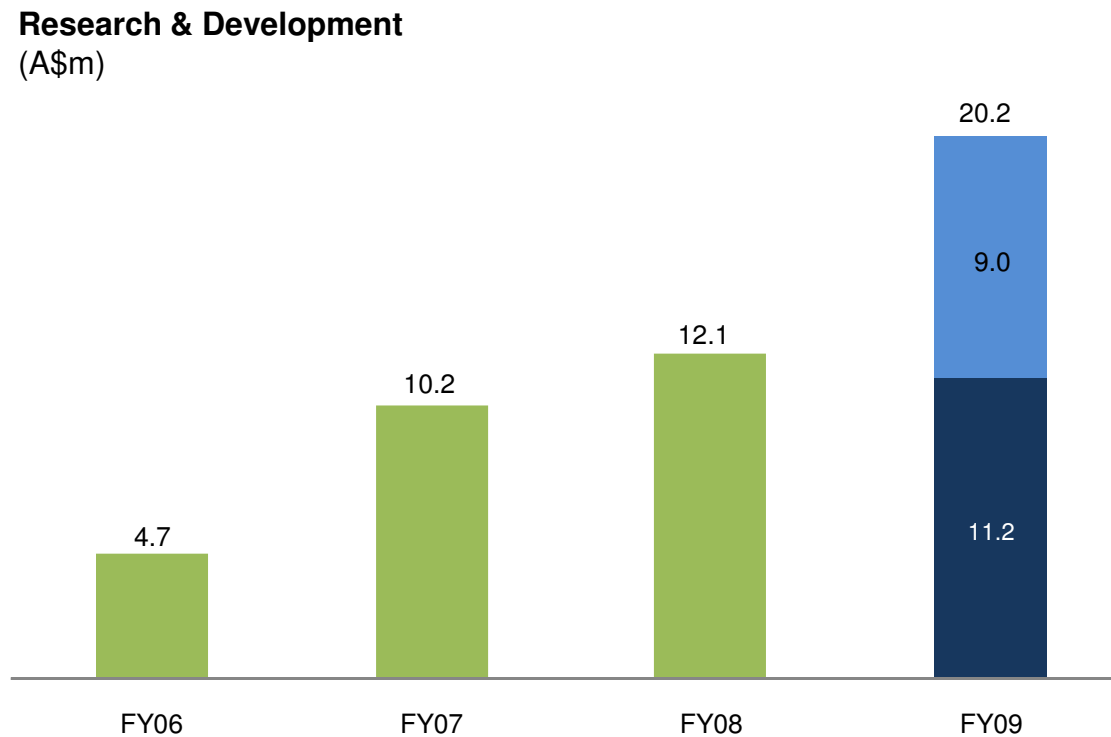
- Heavy focus on improving cash flow over the last two years



R&D importance



- Continual and significant investment in R&D



Successful acquisitions



- November 2008, acquisition of transfer agency division from Citi in Warsaw, Poland
- EPS accretive in FY2009
 - Generated significant recurring revenue
 - Continues to outperform forecasts
- Three previous acquisitions all performing well



Commitment to Corporate Social Responsibility



- Strongly committed to operating as a sustainable enterprise
- Objective to minimise environmental impact
 - Efficient use of natural resources
- Engagement with charitable organisations to benefit communities
- Audit and monitor our carbon emissions through the Carbon Reduction Institute to main our 10% LowCO2 status



FY2010 guidance



- EBITDA for 1H FY2010 to be between \$5.5m and \$6.5m
 - Had £ remained constant at average exchange rate of 2.16, would equate to EBITDA of between \$7.2m and \$8.2m
 - EBITDA reliant upon closure of certain contracts
- EBITDA achieved from FY2009 was 60% in 1H and 40% in 2H
- Expect EBITDA achieved in FY2010 to revert to the traditional 40% in 1H and 60% in 2H
- Experiencing substantial improvements in services margins
- Expect sales revenue outlook to strengthen in 2H of FY2010

Outlook



- 1 Bravura has been re-established on sound financial footing – we intend to build upon this
- 2 Focus on margins and revenue
- 3 Strengthen our foothold in geographic markets
- 4 Continue to provide world class software solutions
- 5 Continue our R&D focus
- 6 Demonstrate solid and stable performance



Thank you

