



# Investor Presentation – 2010 Financial Results

## Full Year ended 30 June





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## AGENDA

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## Group Highlights



## KEY POINTS

- **Strong financial position for future growth**
  - Strong EBITDA (ex licence fees) growth from loss of \$10.1m in FY09 to a profit of \$3m
  - Operating cash flow of \$14.2m represents an EBITDA to operating cash flow conversion of 142%
  - Successful completion of Recapitalisation Proposal and Rights Issue
- **Strong client sales and retention (despite weak financial markets)**
  - Signed five new contracts and one contract extension
  - Completed implementation projects with key clients in South Africa, Australia and Europe
- **Acquisition of Mutual Fund Technologies**
  - Consolidated our leadership in the European Transfer Agency market
- **FY10-FY13 strategic plan developed and in progress**
  - Strengthened the Board and Executive Team
  - Internal restructure and senior leadership changes that greatly improved operational efficiencies and sales focus
  - Next generation Sonata solution, based on SOA architecture is market ready
  - Clearly defined target growth markets



# FY10 Financial Results



## FY10 FINANCIAL PERFORMANCE

			<sup>2</sup> Constant Currency	Constant Currency	Actual
<b>Results summary</b>	<b>FY09</b>	<b>FY10</b>	<b>FY10</b>	<b>Chg.</b>	<b>Chg.</b>
<b>Revenue</b> <sup>1</sup>	133.5	101.4	113.8	(14.8%)	(24.1%)
<b>Revenue excluding licence fees</b>	106.8	94.4	105.5	(1.2%)	(11.7%)
Expenses	117.4	91.4	100.7	(14.2%)	(22.2%)
<b>EBITDA</b>	16.1	10.0	13.1	(23.3%)	(37.9%)
<b>EBITDA excluding licence fees</b>	(10.1)	3.0	4.8	147.7%	129.7%
Net profit/(loss) after tax	1.6	(13.2)	(11.1)	-	-
<b>Operating cash flow</b>	12.8	14.2	14.2	10.9%	10.9%

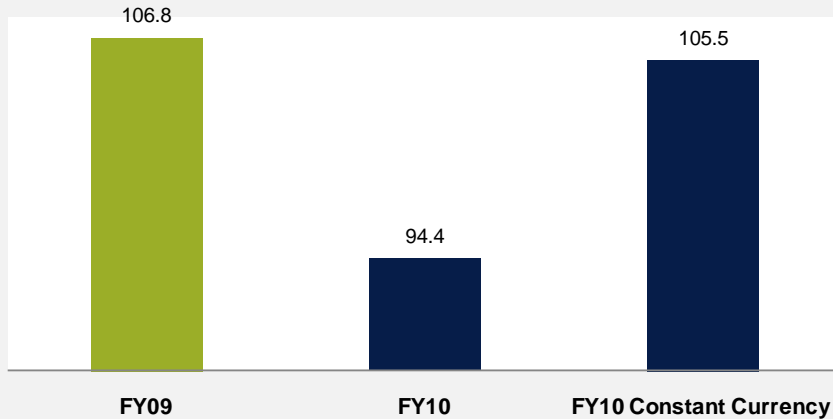
- Strong Australian dollar has had a significant impact on the translation of overseas revenues
- Turnaround in underlying performance with a 130% improvement in EBITDA excluding licence fees
- Licence fees reduced as a result of a significant increase in the length of sales cycle and uncertainty in the recent economic climate

<sup>1</sup> Revenue excludes interest income

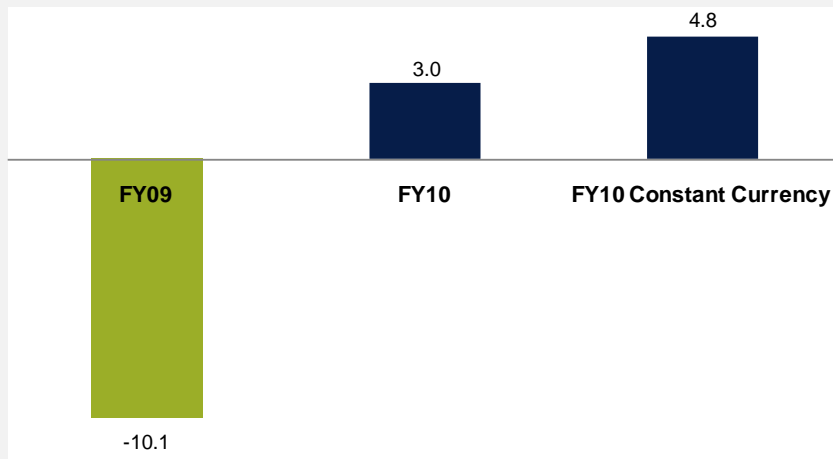
<sup>2</sup> Constant Currency– assumes foreign exchanges rates remained constant at 2009 rates



Revenues excluding licence fees (A\$m)



EBITDA excluding licence fees (A\$m)

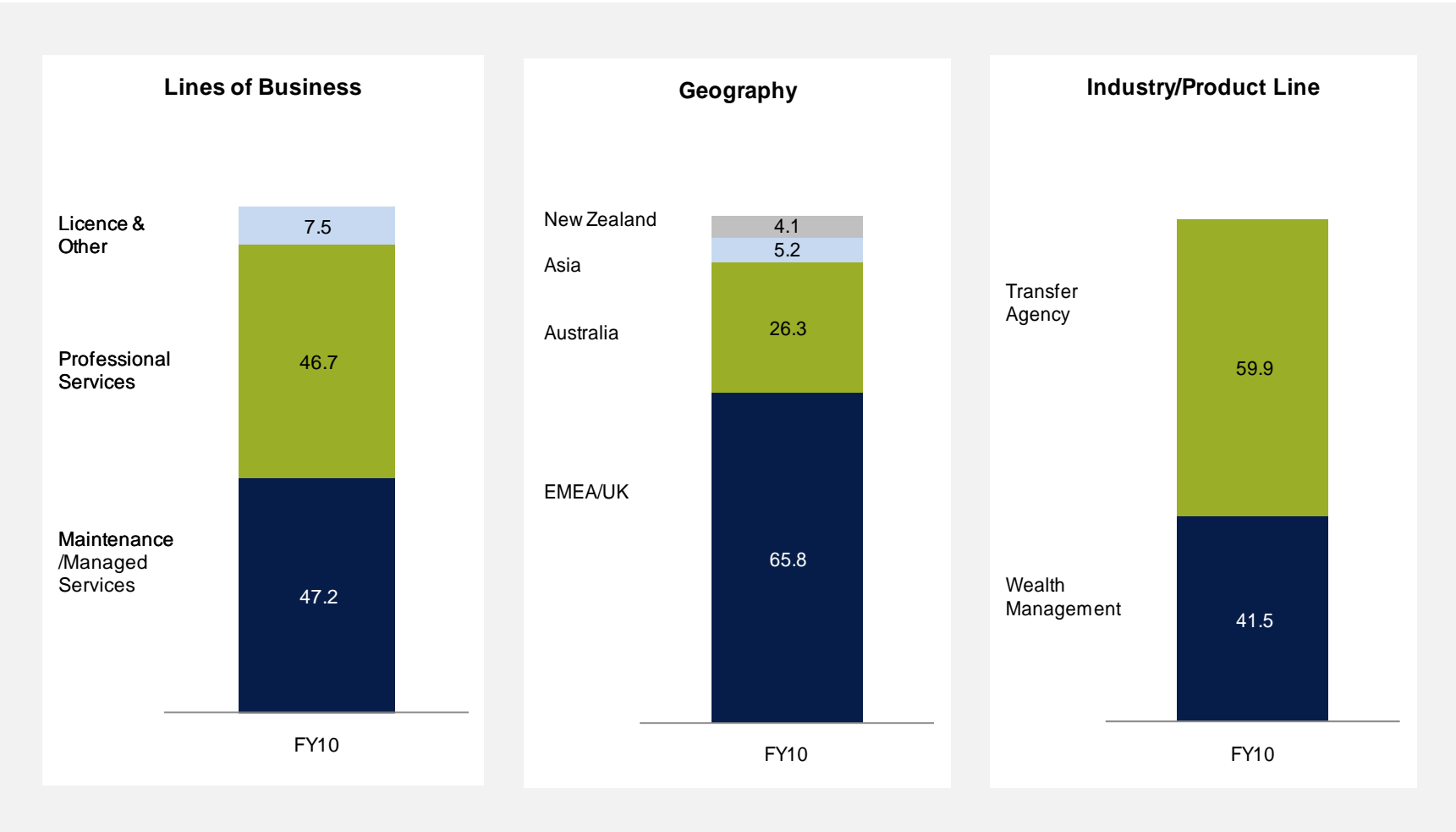


## TURN-AROUND IN UNDERLYING PERFORMANCE

- Underlying EBITDA excluding licence fees improved by A\$13.1m in 12 months
- EBITDA conversion to operating cash flow in FY10 of 142% as compared to 75% in prior year
- Significant reduction in debt
- Clear focus on target markets



## FY10 REVENUE SUMMARY





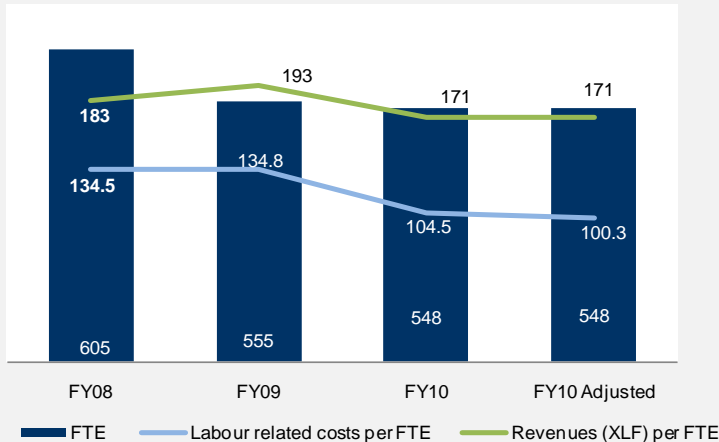
## ADJUSTED INCOME STATEMENT

A\$m	Actual FY10	Constant Currency FY10
Revenue	101.4	113.76
Expenses	91.4	100.7
<b>Reported EBITDA</b>	<b>10.0</b>	<b>13.1</b>
Reported EBITDA	10%	11%
<hr/>		
<b>Reported EBITDA XLF</b>	<b>3.0</b>	<b>4.8</b>
Reported EBITDA XLF	3%	5%
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<b>Adjustments</b>		
Restructuring costs	1.2	1.2
Bad debt provision disputed items	1.5	1.5
	<b>2.7</b>	<b>2.7</b>
<hr/>		
<b>Underlying EBITDA</b>	<b>12.7</b>	<b>15.7</b>
Underlying EBITDA	12%	14%
<b>Underlying EBITDA XLF</b>	<b>5.7</b>	<b>7.5</b>
Underlying EBITDA XLF	6%	7%

- FY10 EBITDA includes A\$2.7m of non-recurring expense items
- Restructuring costs occurred in Australia & NZ to enable efficiency gains in difficult market conditions



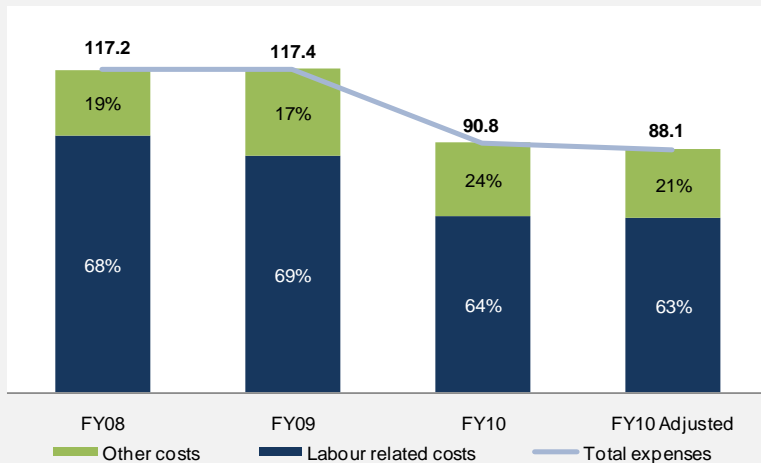
FTE, revenues and labour related costs \$A000s \*



## OPERATING COST MANAGEMENT

- Expenses reduced by A\$26m driven primarily by headcount reductions
- Continued focus on management of cost base
- More efficient use of resources to generate revenue
- Strong continued focus on professional staff utilisation
- Client service standards maintained

Operating costs as a % of revenue \*



\* Excludes MFT headcount and related revenues and costs



## BALANCE SHEET

A\$m	Jun-09	Jun-10
<b>Assets</b>		
Cash	4.0	6.5
Other current assets	43.5	28.5
Intangible assets	136.9	154.6
Other non-current assets	23.7	26.3
<b>Total assets</b>	<b>208.1</b>	<b>216.0</b>
<b>Liabilities</b>		
Borrowings	52.8	33.6
Deferred consideration	8.5	7.9
Other current liabilities	41.6	33.9
MFT Earn-out		1.6
Other non-current liabilities	16.0	7.9
<b>Total Liabilities</b>	<b>118.9</b>	<b>84.9</b>
<b>Net assets</b>	<b>89.2</b>	<b>131.1</b>
Contributed Equity	85.5	137.8
Reserves	(1.2)	1.7
Accum (losses)/retained profits	4.9	(8.4)
<b>Total Equity</b>	<b>89.2</b>	<b>131.1</b>

- Gearing ratio reduced significantly
- Impairment charge of A\$7.6m taken after review of intangibles
- Inclusion of earn-out for recent acquisition based on achieving revenue targets in FY11
- Liabilities reduced with finalisation of the forward exchange contract and reduction of borrowings
- Deferred settlement for Citi Poland paid in December 2009



## FUNDING PROFILE

	Facility limit (m)	Drawn down value (m)	Due Date
<b>Working capital facility</b>			
AUD revolving tranche facility	\$ 8.3	\$ 5.5	Dec 12
GBP revolving tranche facility	\$ 3.5	\$ 2.3	Dec 12
<b>Amortising term facility</b>			
AUD term tranche facility	\$ 4.8	\$ 4.8	Dec 12
GBP term tranche facility	\$ 12.0	\$ 12.0	Dec 12
<b>Total debt facilities @ 1.7587</b>	<b>\$ 40.4</b>	<b>\$ 35.5</b>	

	Covenant	Jun-10	
Net Assets	>65m	\$131m	✓
Leverage ratio <sup>1</sup>	<3.0x	2.0	✓
Interest cover ratio <sup>2</sup>	>3.5x	6.5	✓

1. Leverage ratio is defined as total debt as at end of the relevant period to proforma EBITA for the prior 12 months
2. Interest cover ratio is defined as EBITA for the prior 12 months to Interest expense for the corresponding period



# Group Strategy and Outlook



## GROUP STRATEGY

- Leverage strong financial position for significant future growth across both Transfer Agency and Wealth Management divisions
- Expand our market leading solutions into the emerging markets within Asia Pacific
- Lower cost of development and support through expanding our offshore centres in India and Poland
- Continue to seek out acquisition opportunities that enhances Bravura's value proposition to our client base
- Continue to enhance our integration capabilities to optimise the value we gain from our acquisitions
- Further develop and extend the level of our services and support to our major global clients



## CORE BUSINESS

- Our core business is to implement, support and maintain back office “data record keeping” software solutions across the Transfer Agency and Wealth Management divisions
- Transfer Agency
  - The management of all aspects of investor record keeping in relation to investors purchasing, redeeming and account balances
  - As a part of performing these functions Transfer Agents themselves will interface with other entities such as fund managers, distributors, trustees, custodians and fund accountants
- Wealth Management
  - Our software solutions provide end-to-end processing capability facilitating streamlined administration to support all back office functions relating to the daily management of superannuation/pensions, private wealth and insurance markets



# Transfer Agency



## TRANSFER AGENCY

- Market share increasing and over 80% of budgeted revenue is contracted
- Continue to drive international opportunities and support major Transfer Agency clients in their global expansion
- Compliment existing operations with low cost centre in Warsaw enabling continued margin improvement
- Identify further scale opportunities in mature markets (UK, Luxembourg and Dublin) through potential acquisition
- Use our market leading Transfer Agency platforms to penetrate less mature markets and markets where incumbent technology is not capable of meeting market requirements



## GLOBAL CLIENTS AND NEW MARKETS

- Current client base will assist in enabling entry into new and emerging markets
- Product roadmap progressing well with significant client participation in shaping our future product strategy
- Build out relationships with third party international administrators
- Continue R&D on product set to build out additional fund features required by existing clients, to reflect changing market demands
- Further develop our strong relationships with our global clients by extending Bravura's footprint of products and services into their existing platforms



## MFT INTEGRATION

- Successful completion of MFT Acquisition on 17 June 2010 for 3.4 x EBITDA
- MFT's Global Funds Administration System (GFAS) system is a mature and stable transfer agency software solution
  - Provides transfer agency and record-keeping functionality for mutual funds domiciled in the UK and Channel Islands, Ireland, Luxembourg, Germany and Bermuda
- Key strategic benefits
  - Strengthen core transfer agency business
  - Increase share of European Transfer Agency market
  - Create solid cross-selling opportunities
  - Provides strong blue chip client base
  - EPS accretive
  - Highly cash generative
  - Deliver improved predictability and stability of earnings



# Wealth Management



## WEALTH MANAGEMENT

- Well positioned to capitalise on changing industry trends and regulatory changes in Australia, UK and Asia
- Sonata, our new technology platform based on a SOA architecture utilising Oracle's latest database platform and Java, is now released and will underpin the growth of Bravura's Wealth Management division
- Four implementations of Talisman and Garradin due to complete in Q1 FY11 will drive further recurring revenue streams
- Compliment existing operations by expanding the low cost centre in Gurgaon, India, acquired through the recent acquisition of MFT
- Particular focus on the high growth emerging markets of Asia where the growth of wealth management opportunities is significant



## UK GROWTH OPPORTUNITIES

- Third Party Administrators (TPA)
  - Regulatory changes and the need to rapidly enter the market without large system build and costs will force more platform providers towards TPA's
  - Build on relationships with existing TPA provider, Scottish Friendly
  - Well positioned to engage new TPA providers to improve market coverage
- Life & Pension – Non platform
  - Many L&P companies have a complex web of legacy applications (many in-house) that require replacement
- Wrap / Platform providers
  - Solutions for registry and eBusiness components
  - Retail Distribution Review (RDR) is driving suppliers to provide increased flexibility and functionality
  - UK Wrap and TPA providers looking for extended functionality to attract high net worth customers and advisory groups



## EMERGING MARKETS

- Celent research predicts that insurance companies will move away from agency based distribution towards a more diverse 'multi channel' distribution model i.e. banks, direct sales, financial advisors
- We are well positioned to provide technology solutions to align with these market changes
- Growing with our blue chip client base as they expand into Asia
- Significant emerging pipeline driven by the combination of enhanced regulations and installed legacy systems
- Leverage current success from recent Talisman implementations based in Asia
  - New York Life International
  - Bao Viet (strategic stake held by HSBC)



# Summary



## KEY SUMMARY POINTS

- Strong financial and cash position for growth
- New global organisation structure to better align solutions to clients needs
- Improved internal processes and financial controls
- Successful acquisition of MFT and a clear integration plan
- Driving new business with key players in the industry
- Strategy in place to drive growth into new markets
- Targeted R&D in line with strategic plan
- Continued review of opportunities that align with acquisition strategy
- Profitable without licence sales
- Improved quality of earnings and level of contracted revenues



Q&A